



# Financial Results for the 3<sup>rd</sup> Quarter of Fiscal Year Ending November 30, 2020

Money Forward, Inc.

October 15, 2020

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Let's  
make it!

Our Business



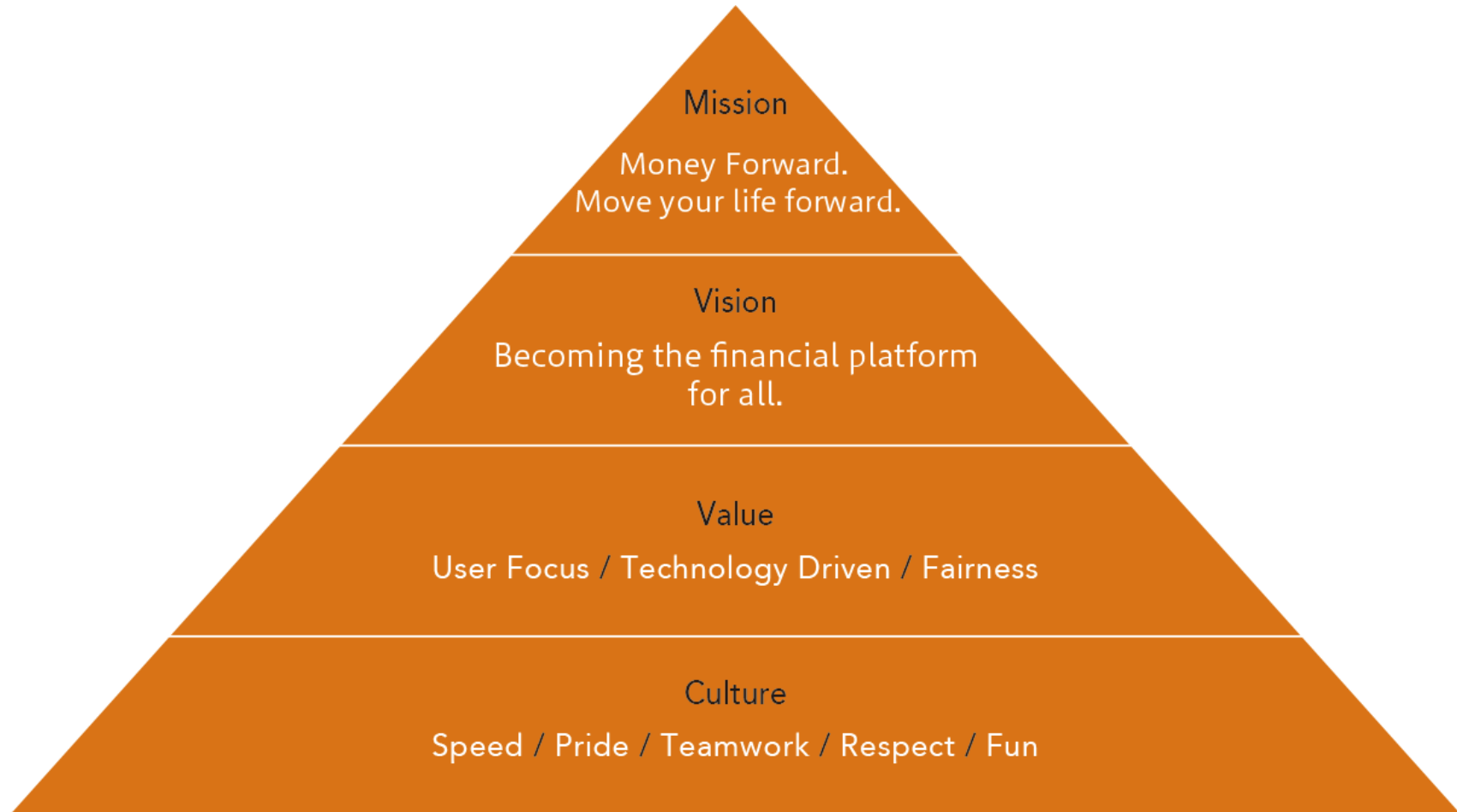
A photograph of a family in a bright, modern living room. A woman with short brown hair, wearing a white t-shirt and dark pants, is sitting on the floor. A young child in a striped shirt is sitting between her and a man. The man, wearing a teal t-shirt and dark pants, is crouching and reaching out towards the child. They are all smiling and appear to be playing together. The room has large windows with sheer curtains, a dark armchair with a striped pillow, and a wooden shelving unit in the background.

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.







Money Forward. Move your life forward.

## Money Forward Business

Accelerate business growth.



SaaS Platform for Back Office Operations

Cloud Accounting Cloud Tax Return

Cloud Invoice Cloud Payroll

Cloud Expense Cloud My Number

Cloud Attendance Cloud Social Insurance

Cloud Accounting Plus



Cloud-based Bookkeeping Service



Cloud-based Business Analysis Tool



SaaS Marketing Platform



Inside Sales support



Cloud Consulting for Back Office Operation



Cash Reconciliation and Receivable Management Cloud Service

NEW

## Money Forward Home

Make everyone's life convenient and prosperous.



Automated PFM Service



Platform for Comparing and Applying for Financial Services



Practical Economic Media



Automated Savings App



Platform for connecting Money Forward ME user with Financial Planner



Advising tool on saving and asset management based on the data of Money Forward ME



Career consulting service specialized in DX field

## Money Forward X

Create new financial services with partners.



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.



BPO and Factoring Service



— アーリーペイメント —  
Accounts Receivable Financing



Financial Advisory Service for Growing Companies



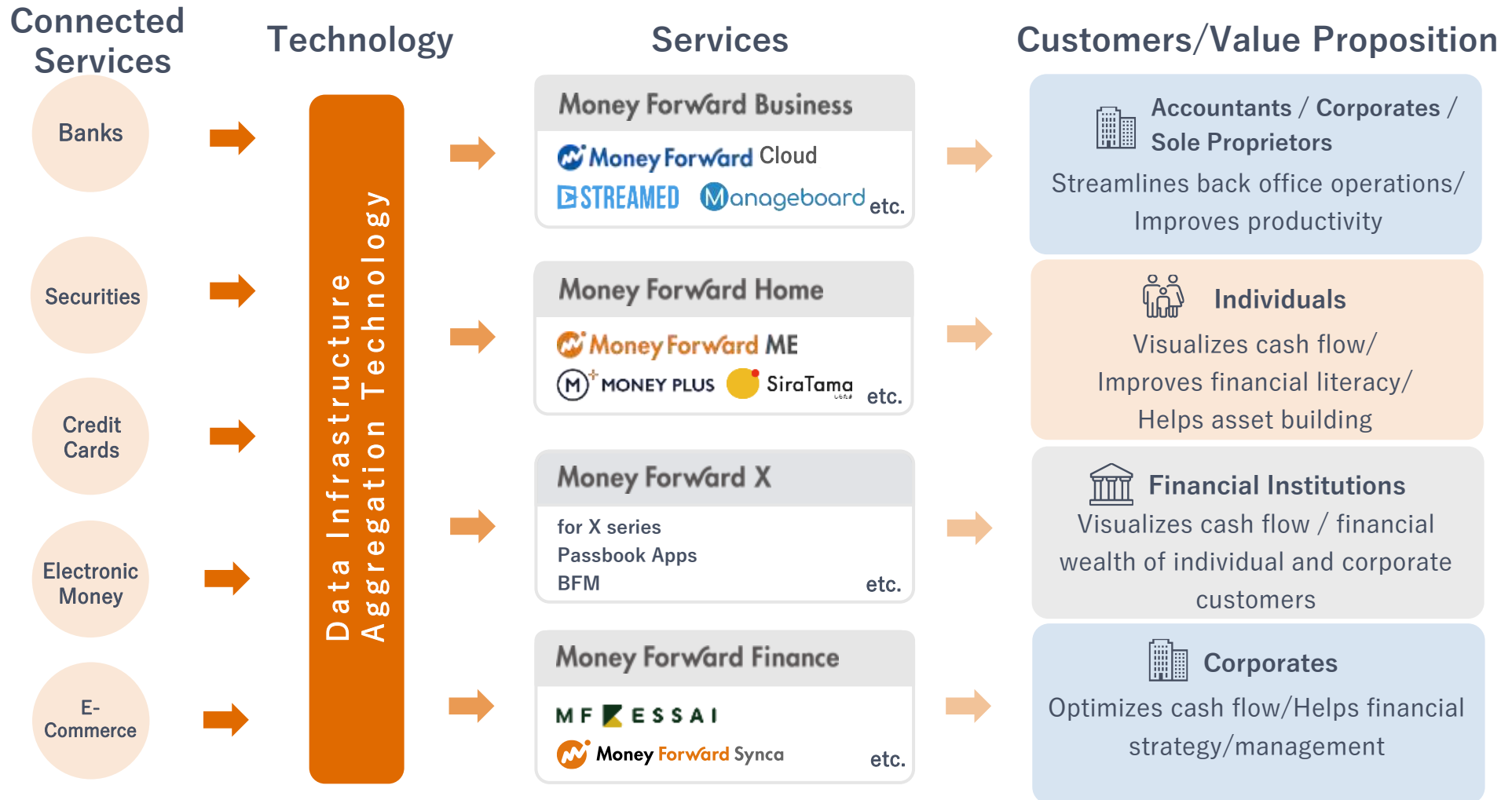
Entrepreneurs' Fund Supporting Startups in Seed and Early Stage

NEW

# Business Model to Achieve Our Vision

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



# Competitive Advantage of Money Forward Group

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## Synergies between Domains

- Continuous expansion of TAM by launching new services and businesses successively
- Enhancement of value for users and brand recognition
- Improvement of CAC<sup>\*1</sup> and enhancement of LTV<sup>\*2</sup>

## High Level of Development and Design

- Accumulated service development knowhow allows to achieve both quality and quickness
- Uniform account aggregation engine and data infrastructure are utilized for multiple services

## Strong Corporate Culture and Diverse Talent

- Spread of Mission, Vision, Value and Culture
- High performance engineers and designers
- Sales & Marketing team and corporate function which foster continuous business growth

## Success in M&A

- Past experiences in PMI<sup>\*3</sup> accelerate the growth when a company joins the group
- Management teams/entrepreneurs of subsidiaries playing key roles in the group level

\*1 Customer Acquisition Cost

\*2 Lifetime Value

\*3 Post Merger Integration



# Nationwide Partnership

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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+<sup>\*1</sup>**

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

**103<sup>\*1</sup>**

## No. of Financial Institutions Served with Our Products:

**37<sup>\*1</sup>**

## # of Financial Institutions with API/Scraping Connections

**1,110<sup>\*2</sup>**

<sup>\*1</sup> As of end of August 2020.

<sup>\*2</sup> 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.

A modern office interior featuring wooden partitions, orange and yellow upholstered seating, and tables. The space is bright and open, with a high ceiling and large windows. In the background, there are glass partitions labeled N5 and N6, and a yellow wall. The foreground shows a wooden partition and a small table with a white top and a wooden base. An orange light fixture hangs from the ceiling.

## Financial Performance in FY11/20 Q3

# Highlights in FY11/20 Q3

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- 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 split** to enhance liquidity and expand retail investor base.

\*1 Net sales of Smartcamp Co., Ltd. and R&AC Co.,Ltd. have been consolidated from FY11/20 Q1 and FY11/20 Q3, respectively. \*2 Ratio is calculated by FY11/19 Q3 YTD net sales divided by FY11/19 actual full-year net sales.

\*3 +63% when excluding the M&A impact of R&AC. Refer to P21 for detail,

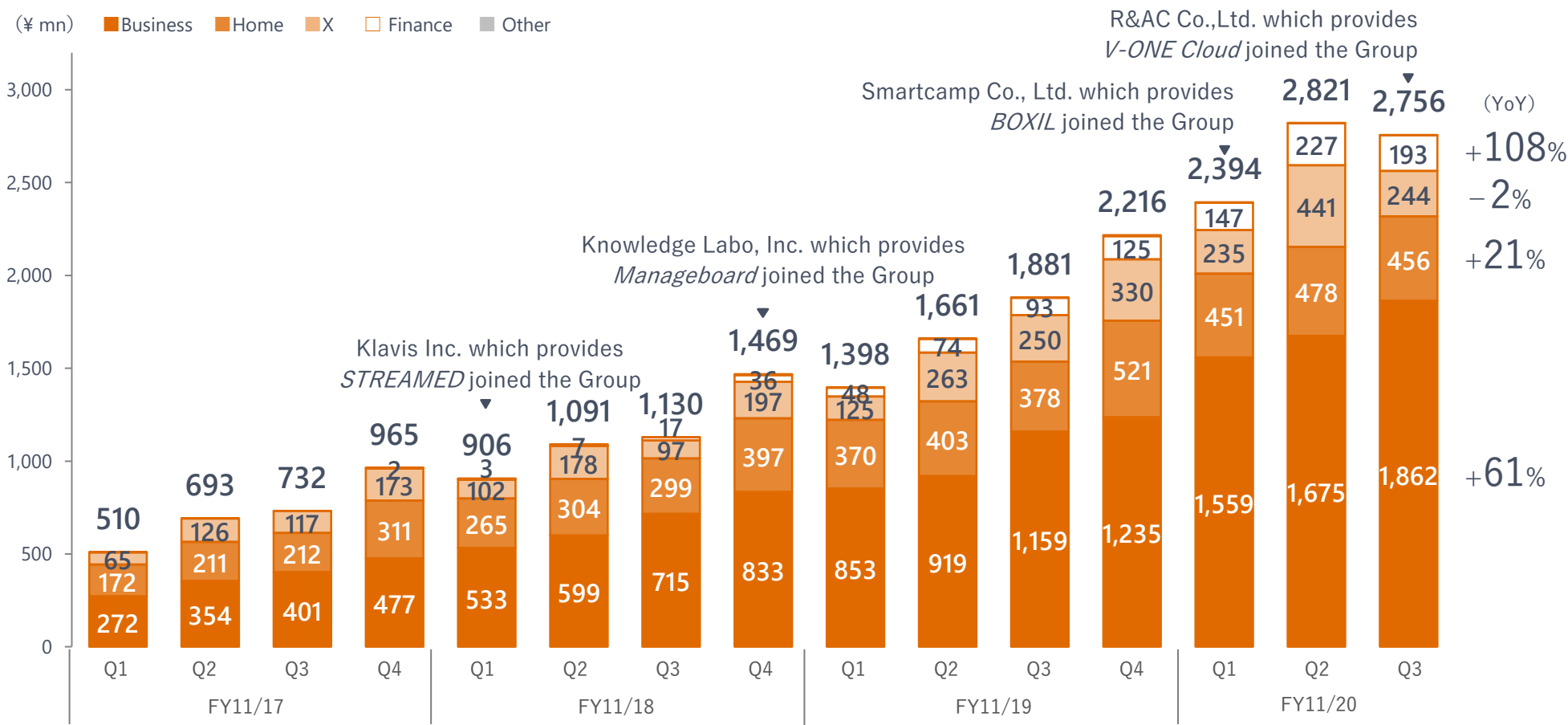
\*4 Refer to P32 for detail. \*5 R&AC Co.,Ltd. became a wholly owned subsidiary in October 2020 after step acquisitions.

# Q3 Net Sales Maintains High Growth at +47% YoY

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

YoY  
**+47%**



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

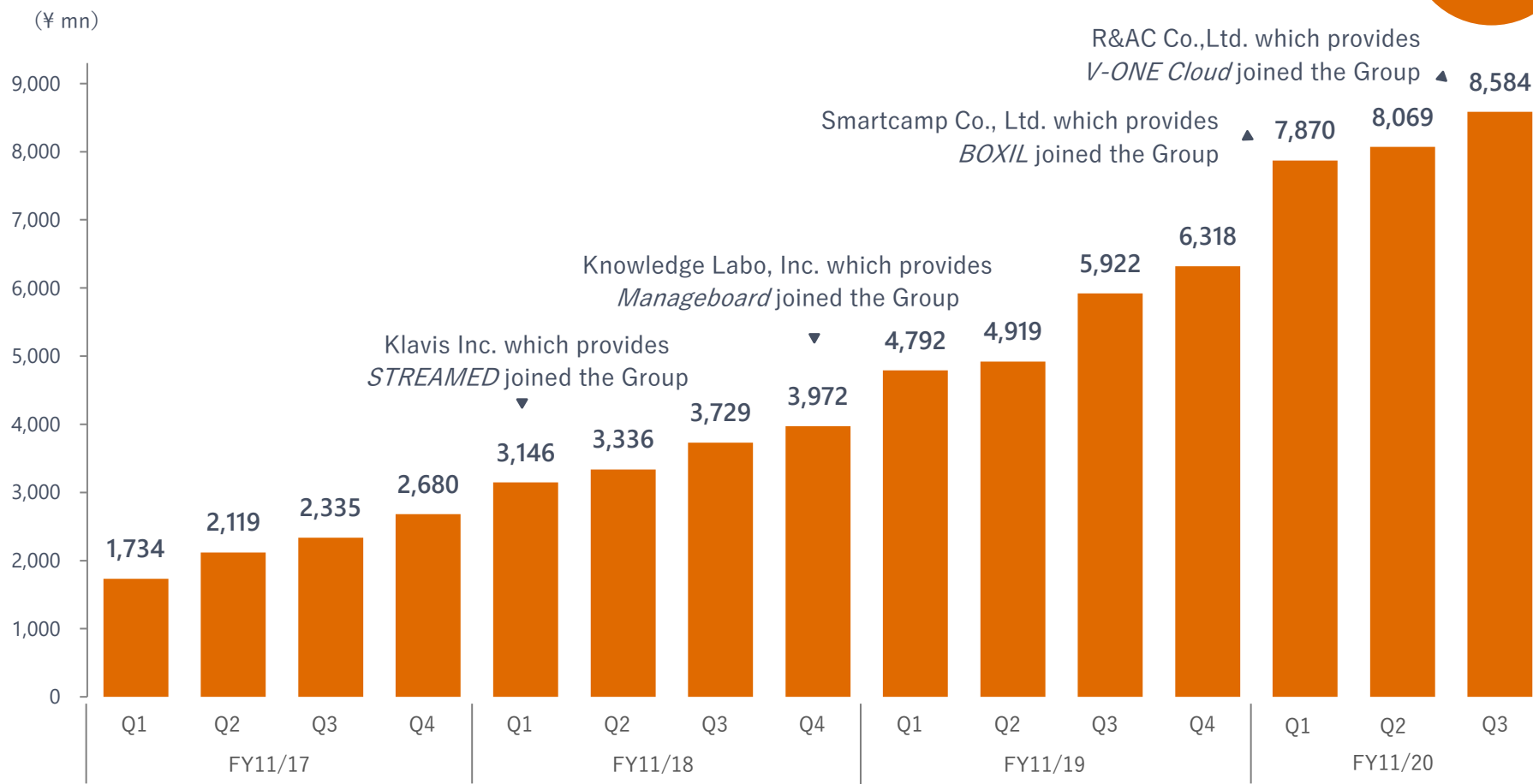
\* Net sales of R&AC Co., Ltd. (monthly charge of *V-ONE Cloud* etc.) is included from FY11/20 Q3. (August only)

# Acceleration in Group ARR Growth

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Group ARR growth achieved **+45% YoY**.

YoY  
**+45%**

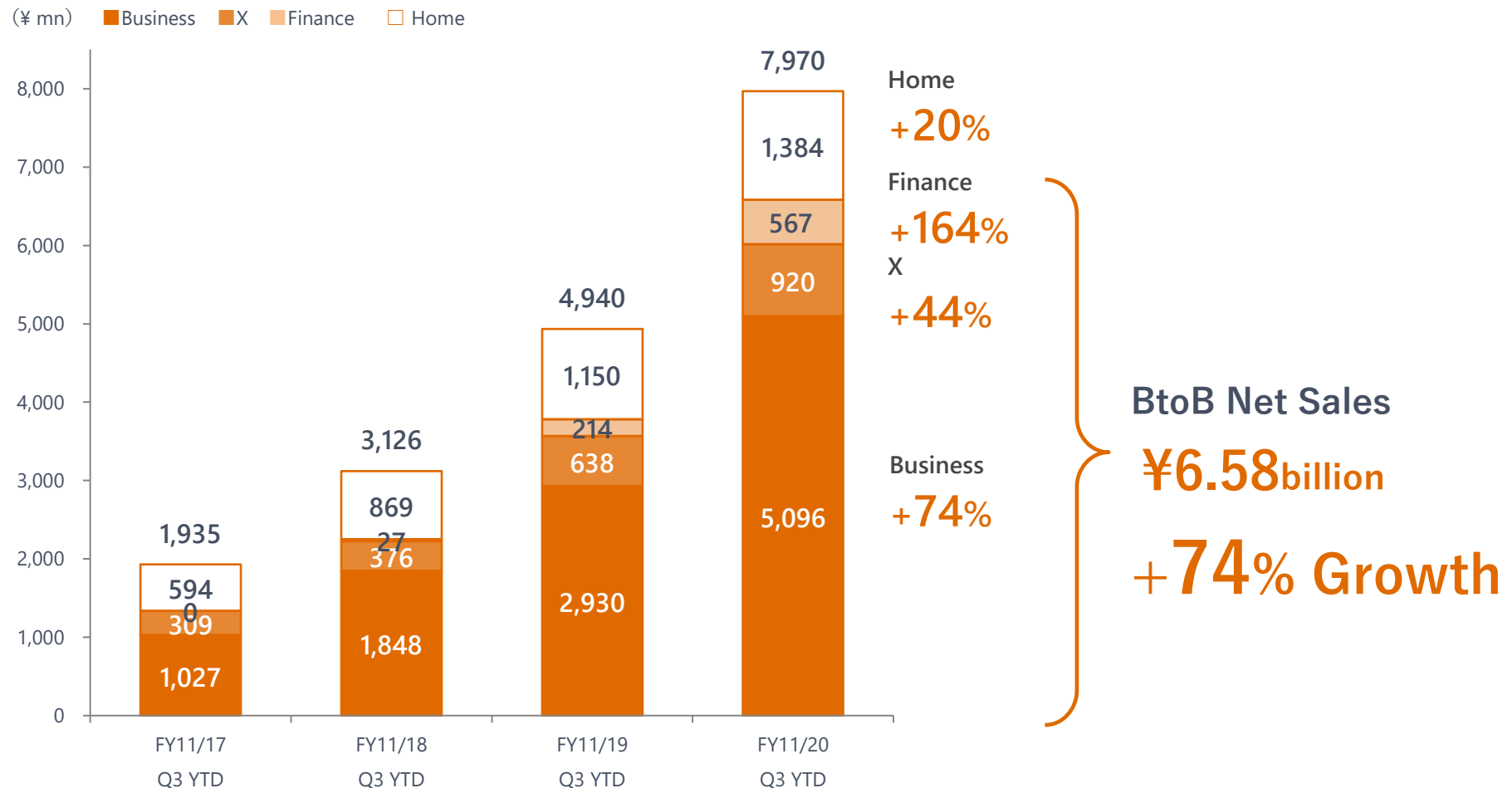


\* Group ARR is calculated by multiplying group MRR of last month of each period by 12. Group MRR includes subscription revenue of cloud services such as *Money Forward Cloud* of Business domain, premium charges of Home domain, recurring revenue of X domain and net sales of *MF KESSAI* of Finance domain. \*ARR includes the result of multiplying net sales of Smartcamp Co., Ltd. by customer retention rate (the ratio of net sales from customers who commenced transactions prior to FY11/19 Q4, to FY11/20 Q3 net sales) from FY11/20 Q1. \*Subscription revenue of R&AC Co.,Ltd. (monthly charge of *V-ONE Cloud* etc.) is included from FY11/20 Q3. (August only)

# Q3 YTD BtoB Net Sales Grew +74% YoY

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



\* Figures for net sales of "Other" domain are omitted from the graph. \*BtoB net sales are the sum of net sales from Business, X and Finance domain.

\* Net sales of Klavis Inc. were consolidated from FY11/18 Q1, Knowledge Labo, Inc. and Wakufuri, Inc. from FY11/18 Q4, Smartcamp Co., Ltd. from FY11/20 Q1 and R&AC Co.,Ltd. from FY11/20 Q3 (August only) in Business domain.



# Gross Profit / EBITDA (Quarterly Trend)

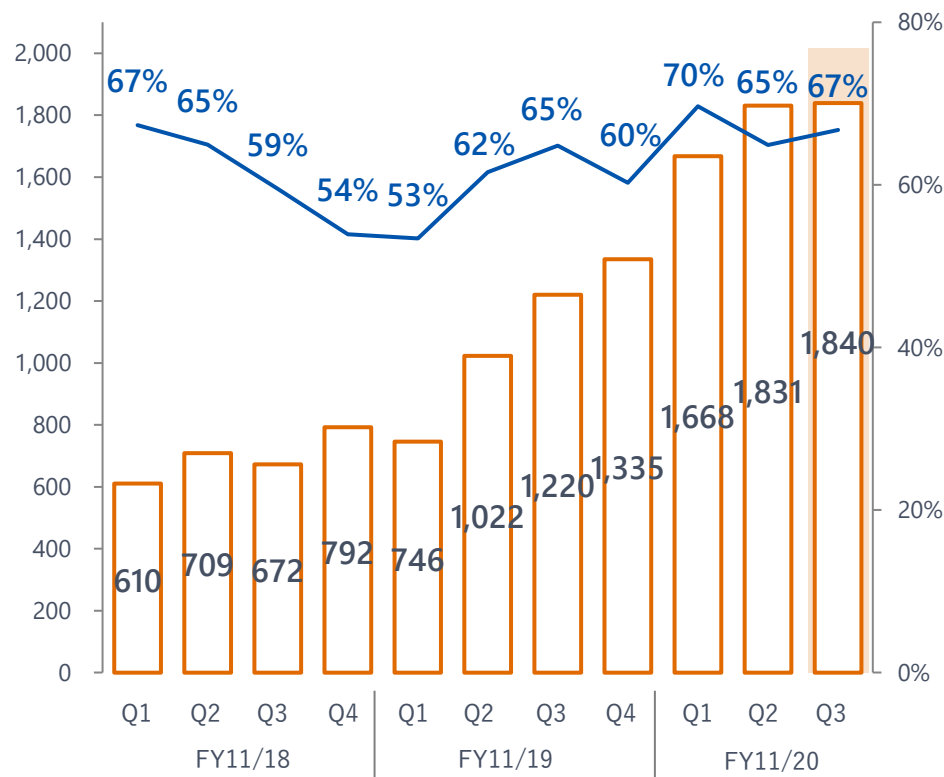
14

Both gross profit and EBITDA **improved**.

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

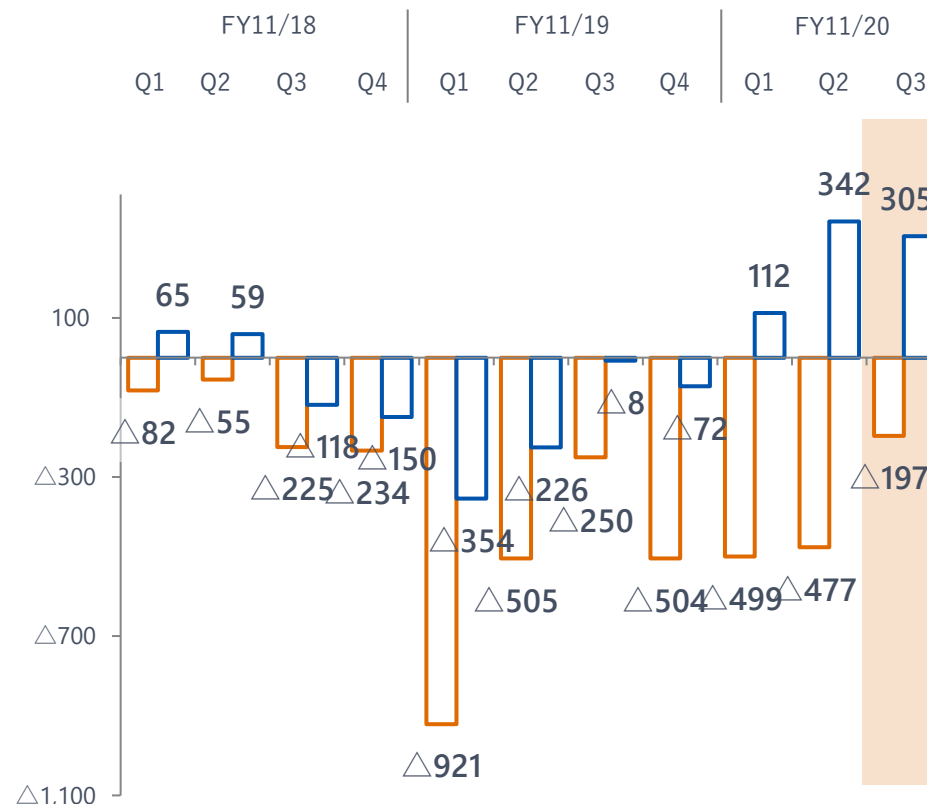
## Gross Profit

(¥ mn) Gross Profit Gross Profit Margin



## EBITDA

(¥ mn) EBITDA EBITDA (excl. advertising expenses)

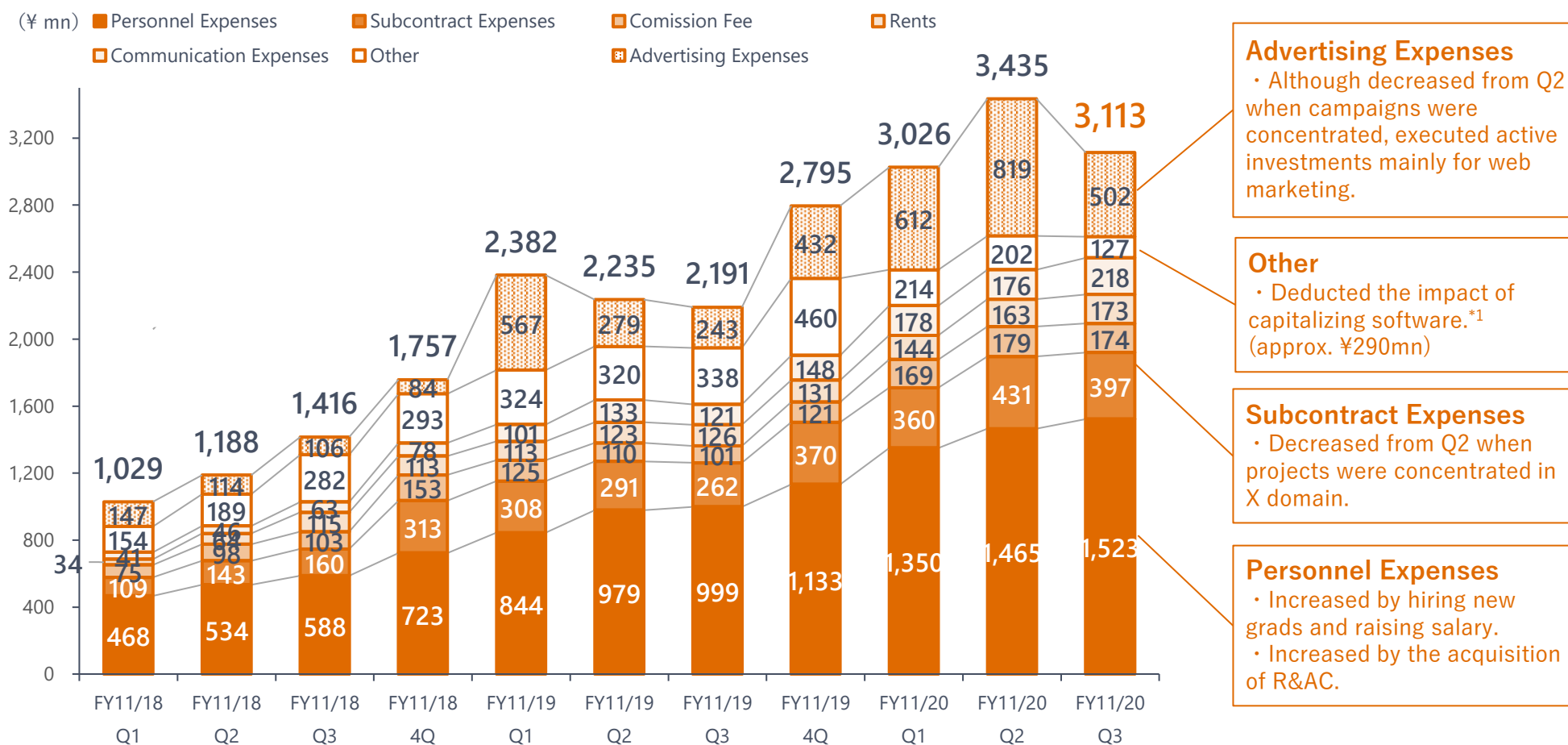


\* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses \* From FY20/11, Started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities. \*Plans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

# Breakdown of Expenses (Cost of Sales & SGA)

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

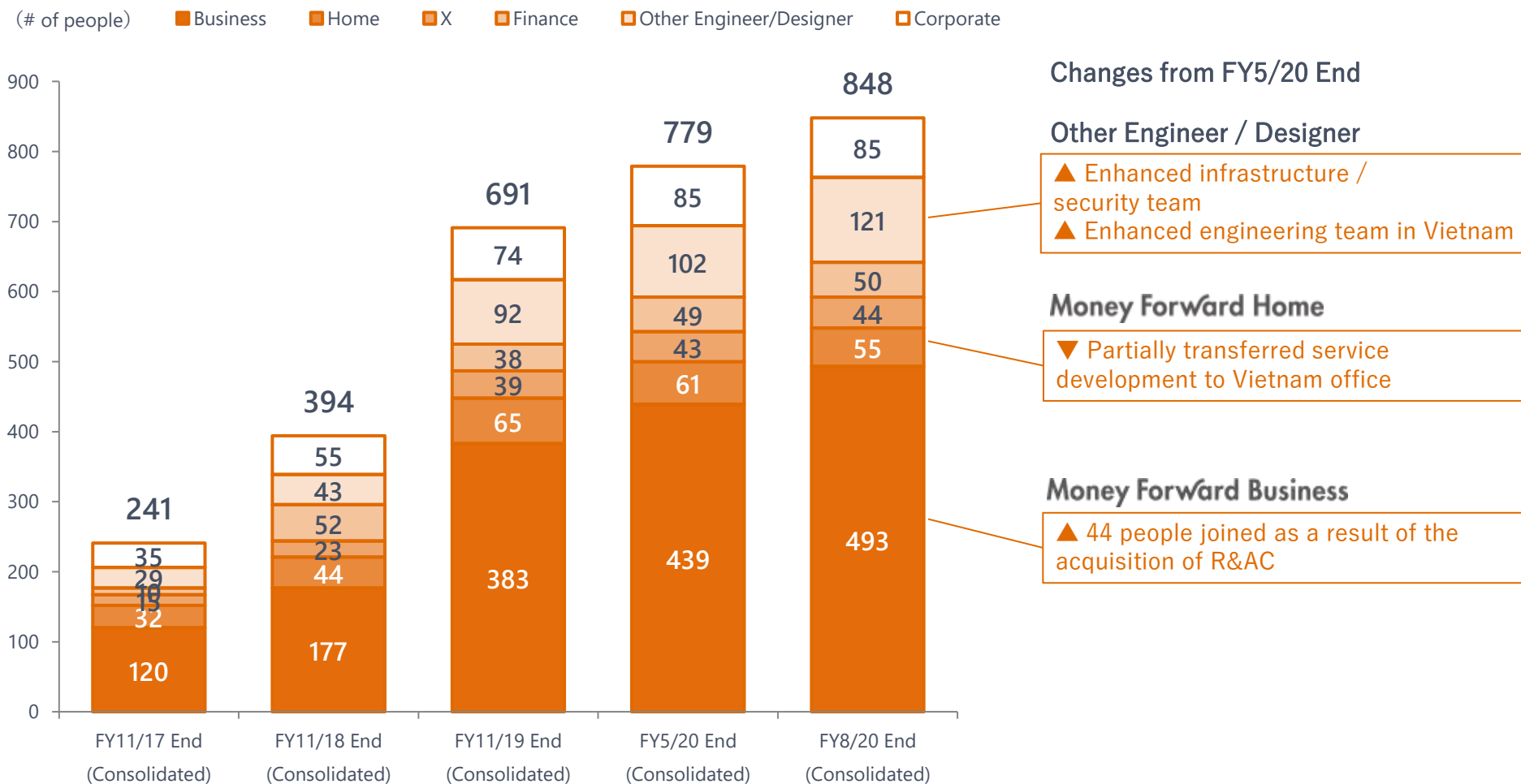


\*<sup>1</sup> From FY20/11, Started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities. \* "Other expenses" include taxes and dues, guarantee fee, R&D, travel and transportation expenses, among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

# Full-time Employees

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



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

# Balance Sheet

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

(¥ mn)

Purchased receivables* 2,231  Goodwill 3,668 Investment securities 2,528 Software 667	Cash and Deposits 9,009	Current Liabilities 6,757	Short-term borrowings* 2,420 Current portion of long-term borrowings 663
	Other Current Assets 4,154	Non-current Liabilities 3,789	Long-term borrowings 3,545
	Non-current Assets 8,291	Net Assets 10,908	
	Assets	Liabilities / Net Assets	

\* Recorded at MF KESSAI, Inc.

## Money Forward Business



- Q3 YTD net sales maintained high growth at **+74% YoY**.
- Corporate user acquisition was solid in each sales channel. Addition in recurring revenue\*<sup>1</sup> accelerated significantly by **+110% QoQ (+63% QoQ when excluding M&A impact of R&AC.)** \*<sup>2</sup>
- ARPA rose **by 9.9% QoQ to ¥68,446.**\*<sup>3</sup>
- Customer Churn Rate was **1.1%**\*<sup>4</sup>, 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%**\*<sup>5</sup>)

\*<sup>1</sup> Recurring revenue in Business domain such as *Money Forward Cloud*, *STREAMED*, *Manageboard*, etc. Net sales from Smartcamp Co., Ltd. are not included.

\*<sup>2</sup> +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.

\*<sup>3</sup> 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)

\*<sup>4</sup> The figure is 3-month average up to August 2020. \*<sup>5</sup> The figure is 21-month average up to August 2020, The figure indicates the MRR churn from the beginning of FY11/19 which is before the introduction of new pricing plan. \* Please refer to P.82 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.



# ARPA Rose Significantly and Churn improved from Q2 20

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

\*1 Annualized figure as of the end of each quarter. ARPA as of the end of FY11/20 Q1 excludes seasonal factors of cloud-based bookkeeping service *STREAMED*. ARPA is calculated based on ARR of last month of each period divided by number of customers at the end of each period.

\*2 The figure is 3-month average of each quarter.

\*3 The figure indicates the MRR from the beginning of FY11/19 which is before the introduction of new pricing plan. (Q1=15-month average, Q2=18-month average, Q3=21-months average)

\* Please refer to P.82 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

# Net Sales from Money Forward Business

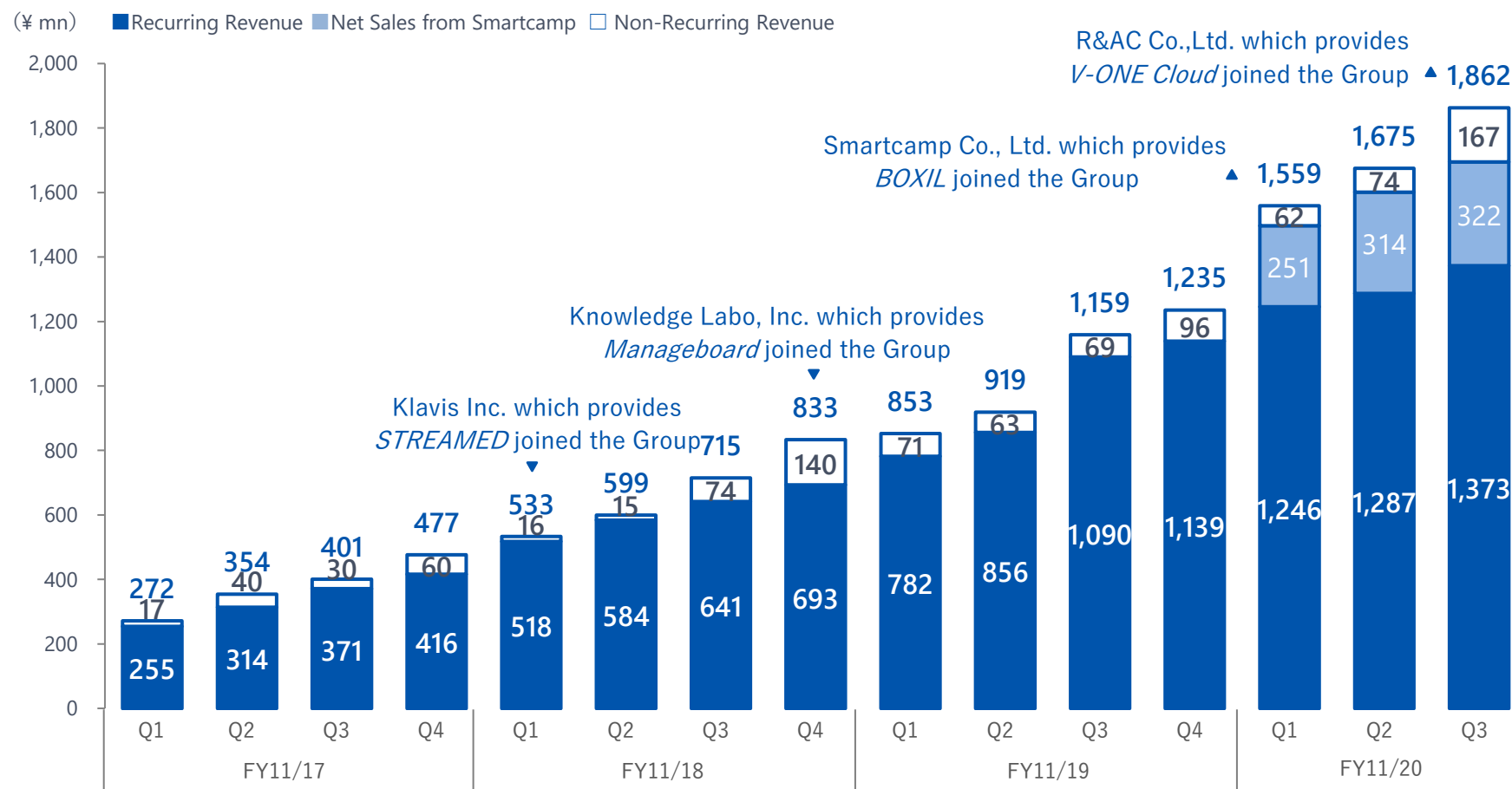
21

Maintained solid growth at **+61% YoY**.

Addition in recurring revenue accelerated at **+110% QoQ** \*<sup>1</sup>.

Acquisition of R&AC also contributed to the growth.

YoY  
**+61%**



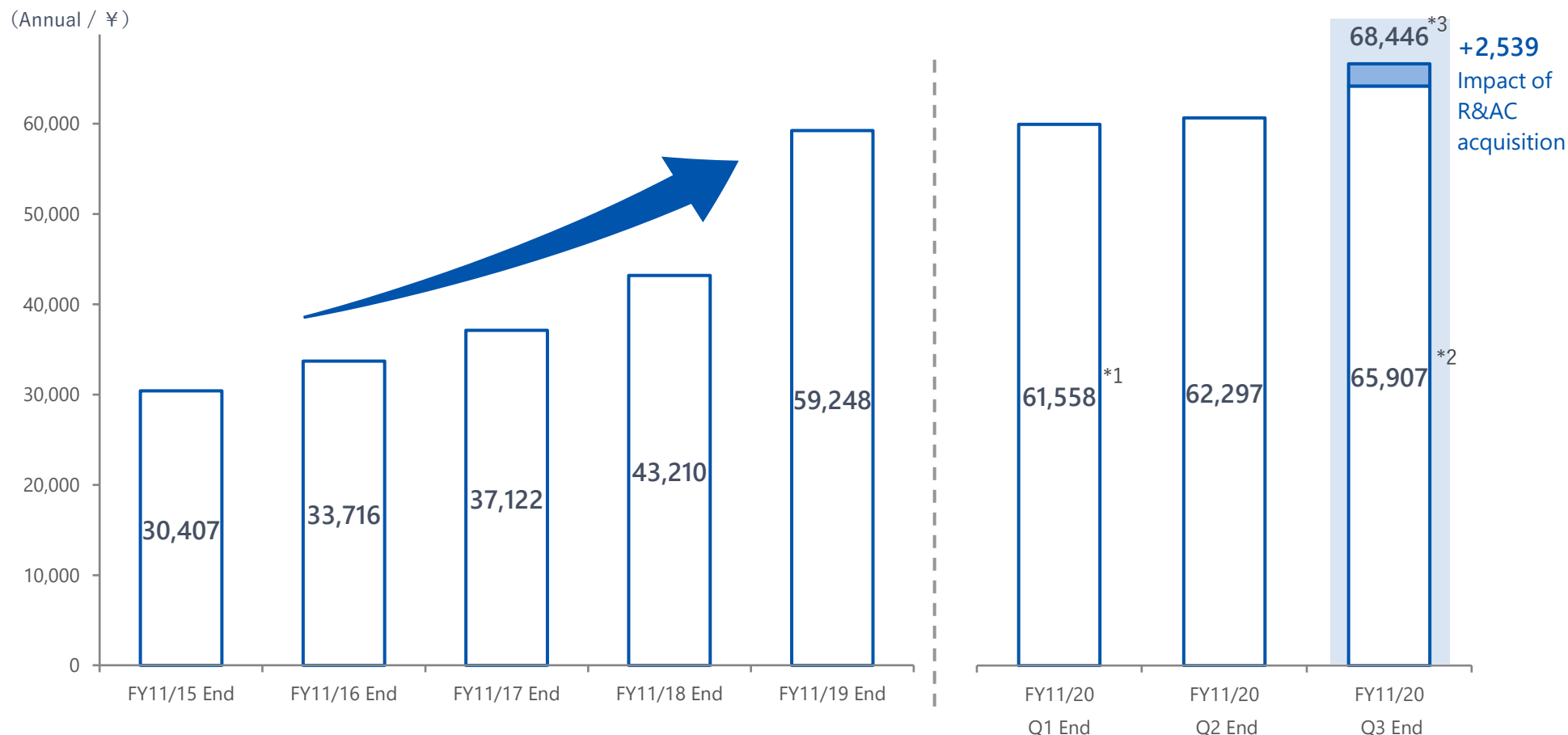
\*<sup>1</sup> +110% includes the new consolidation impact of R&AC Co.,Ltd. (Increase in recurring revenue from Q1 to Q2 : ¥41 million. Increase in recurring revenue from Q2 to Q3 : ¥86 million.) When excluding the M&A impact, increase in recurring revenue grew by 63% from Q2 to Q3 with 67 ¥million.

\* Net sales of R&AC Co.,Ltd. are included from FY11/20 Q3. (August only)

# Increase in ARPA Accelerated

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**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.



<sup>\*1</sup> ARPA of FY11/20 Q1 end excludes seasonal factors of cloud-based bookkeeping service *STREAMED*. <sup>\*2</sup> ARPA excluding the impact of R&AC Co.,Ltd.

<sup>\*3</sup> ARPA including the impact of R&AC Co.,Ltd. <sup>\*</sup> Annualized figure as of the end of each quarter/fiscal year.

<sup>\*</sup> Please refer to P.82 for detailed definitions of KPIs. Results of Smartcamp Co., Ltd. are not included in the KPIs.

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

# No.1 Customer Satisfaction Cloud Accounting Software<sup>\*1\*2</sup> 24

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

Top Customer  
Satisfaction  
in Cloud Accounting  
Software<sup>\*1</sup>

Most  
Recommended  
Cloud Accounting  
Software<sup>\*2</sup>



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

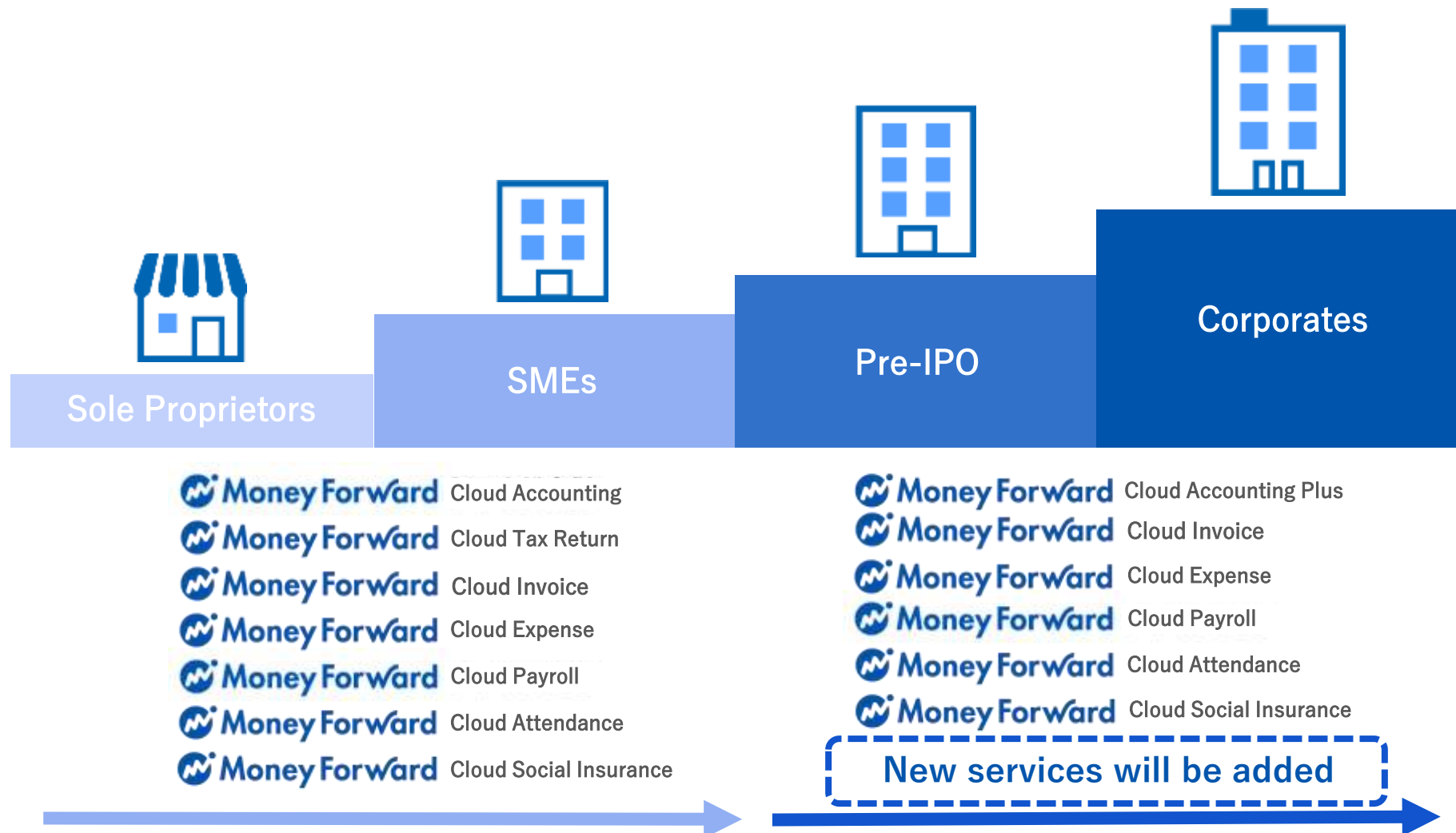
\*2 Based on research by Money Forward, Inc. as of July 2020. (Survey for 1,335 employees who are using cloud accounting software for corporate using fast ask.) The denominator is the number of each service they use, and the numerator is the number of each service they scored 9 or more out of 10,

# Cloud Shift Owing to Policy Reforms and Deregulations 25

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

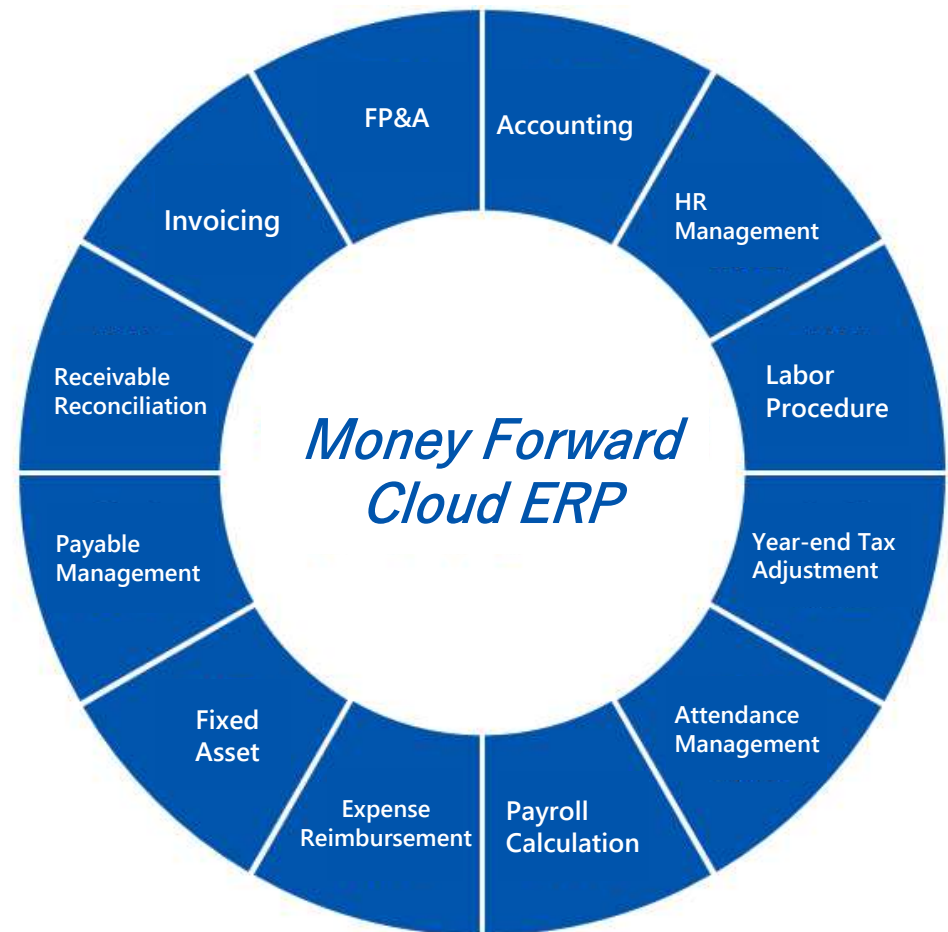


In addition to the products for sole proprietors and SMEs, **Our product lineup is expanded for Pre-IPO companies and medium-sized corporates.**



## **Money Forward** Cloud ERP

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



## 1. Reduction of expenses

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

## 2. Fast and flexible introduction

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

## 3. Automatic update

- Automatic and timely update for tax reform, etc.

## 4. Connection with third party SaaS services

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

## 5. Security and internal control function

- Secure management of employee accounts by SAML<sup>\*1</sup> connection and user provisioning<sup>\*2</sup> function.

<sup>\*1</sup> Authentication information standard for user authentication between different Internet domains.

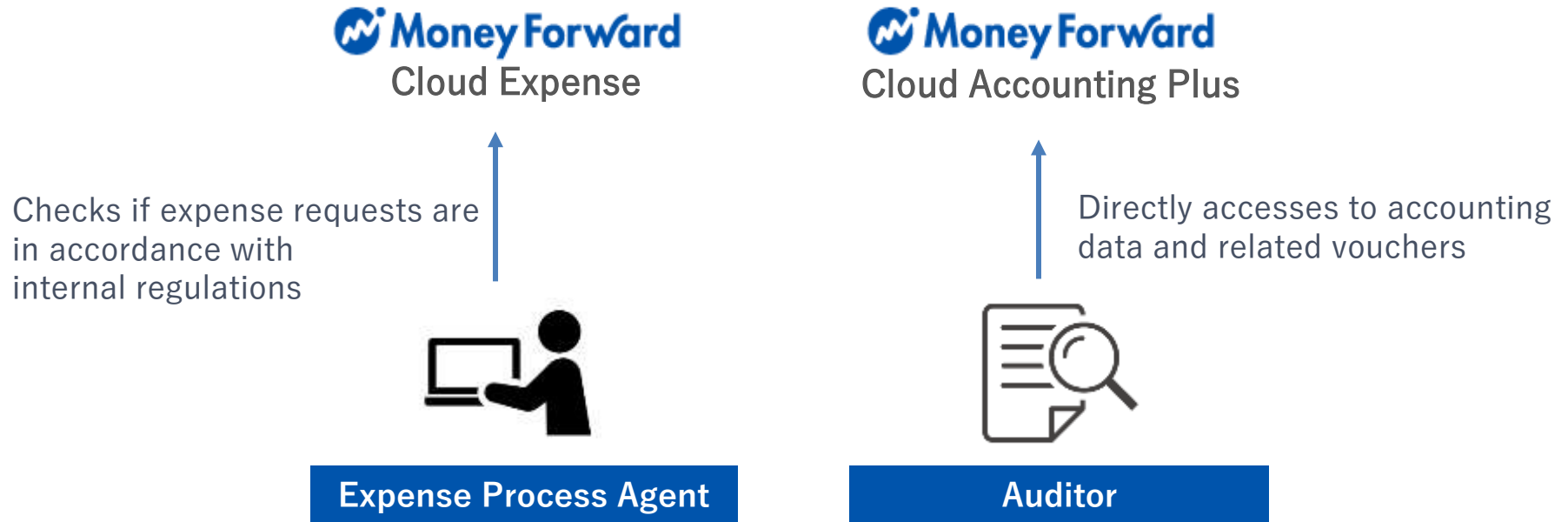
<sup>\*2</sup> Creating, maintaining, and deleting user accounts on the system.

# Responding to New Work Style

29

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

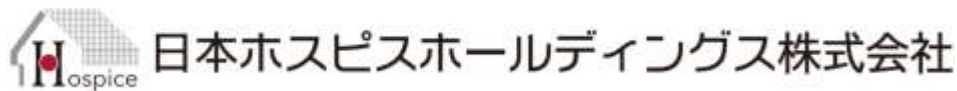
## Case : Interactions with External Providers



# Medium-sized Corporates using *Money Forward Cloud* 30

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

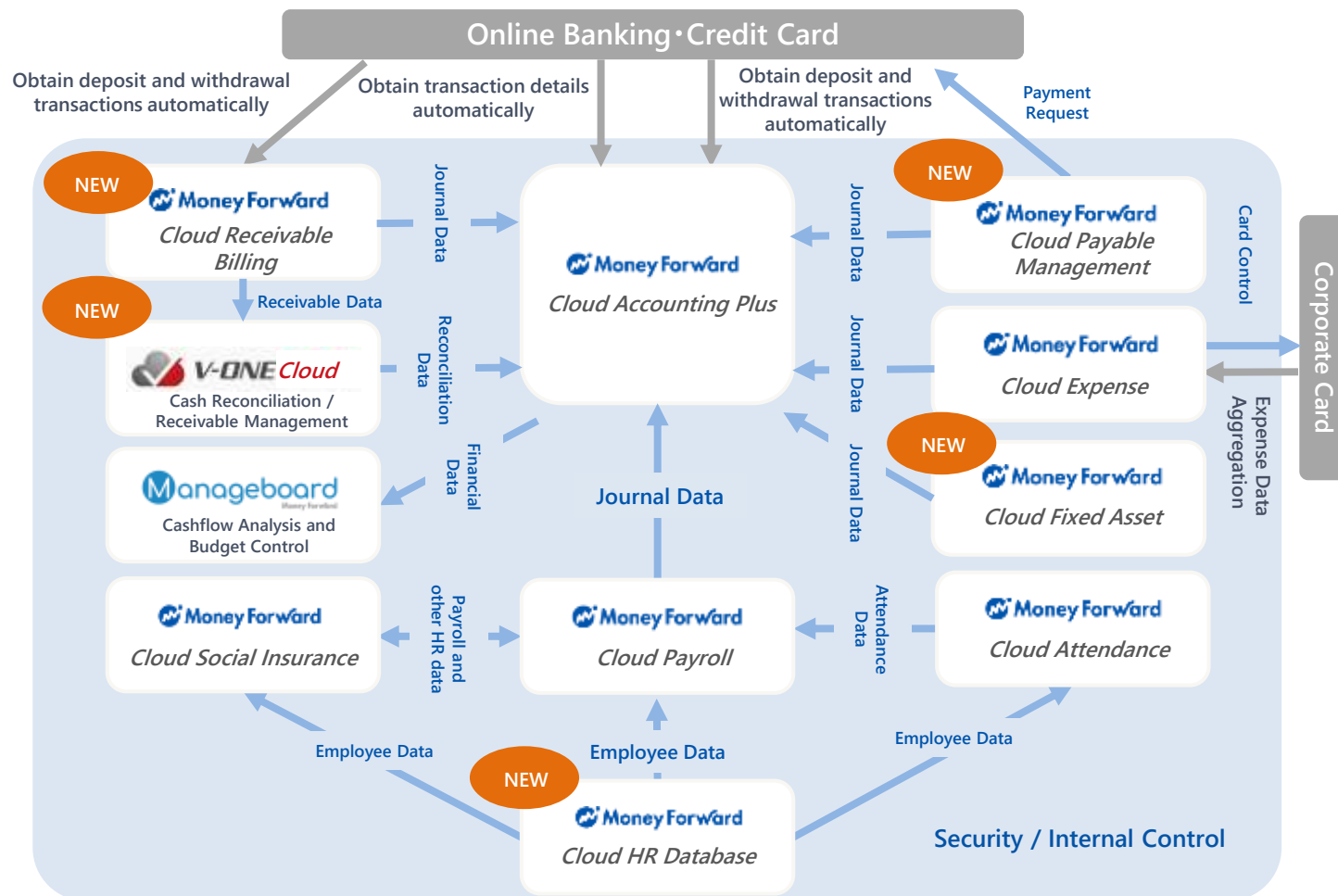
## <Corporates (Example)>



# Expand Product-lineup for Medium-sized Corporates

31

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



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



# Acquisition of R&AC Co.,Ltd.

32

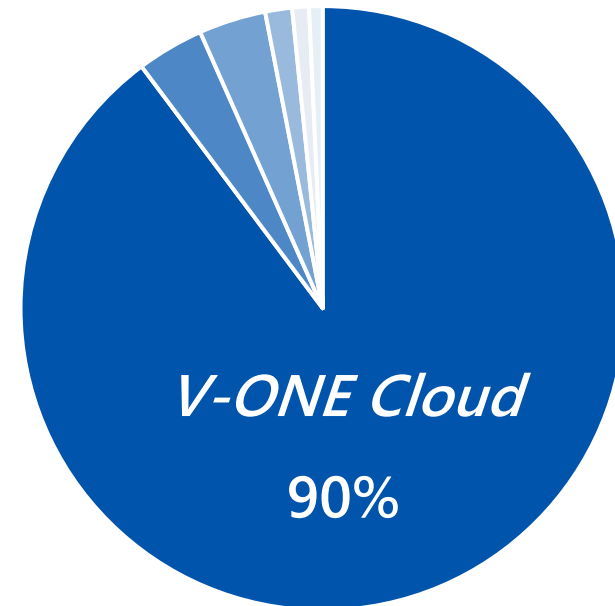
Acquired **R&AC** which provides *V-ONE Cloud*, No.1 software specialized in **cash reconciliation and receivable management**\*. The service is introduced to more than **500 companies from medium-sized to large corporates**.



**Tomoyasu Takayama**  
R&AC Co.,Ltd.  
Representative Director and CEO

- After engaged in planning and sales of accounting systems, Tomoyasu experienced system implementation and operational consultation at numerous companies from medium-sized to large public corporates.
- In November 2004, founded R&AC Co.,Ltd. and was appointed as Representative Director/CEO.

Market Share of Cloud-based  
Cash Reconciliation Software\*2



\*1 According to research by Shopper's Eye Inc. (July 22, 2020): No.1 in number of companies using cloud-based cash reconciliation software.

\*2 Created based on the footnote#1 document.

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

CASIO



大丸松坂屋百貨店



NEOJAPAN



株式会社

浅沼商会



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

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

## Expansion of Service Lineup

 **Money Forward**  
*Cloud Invoice*

 **V-ONE Cloud**  
 **Victory-ONE G4**

 **Money Forward**  
*Cloud Accounting Plus*



# Money Forward Cloud Payable Management

35

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

## Manage Invoices efficiently



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

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

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

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

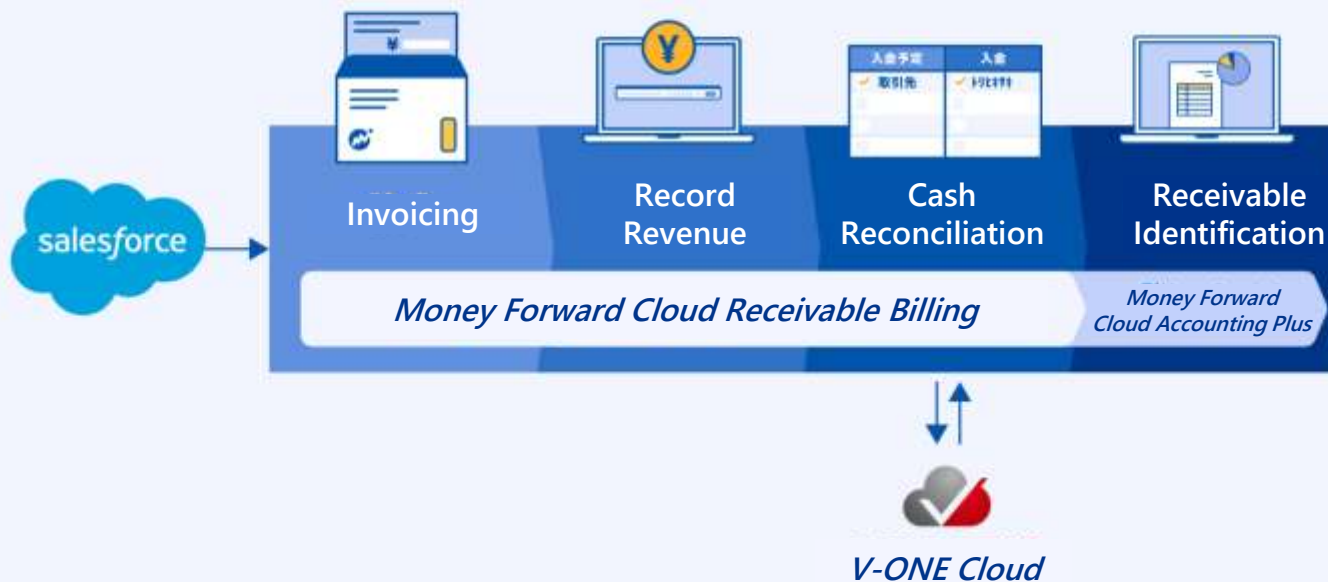
## *Money Forward Cloud Receivable Billing*

36

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

### One-stop Platform for Receivable Management

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



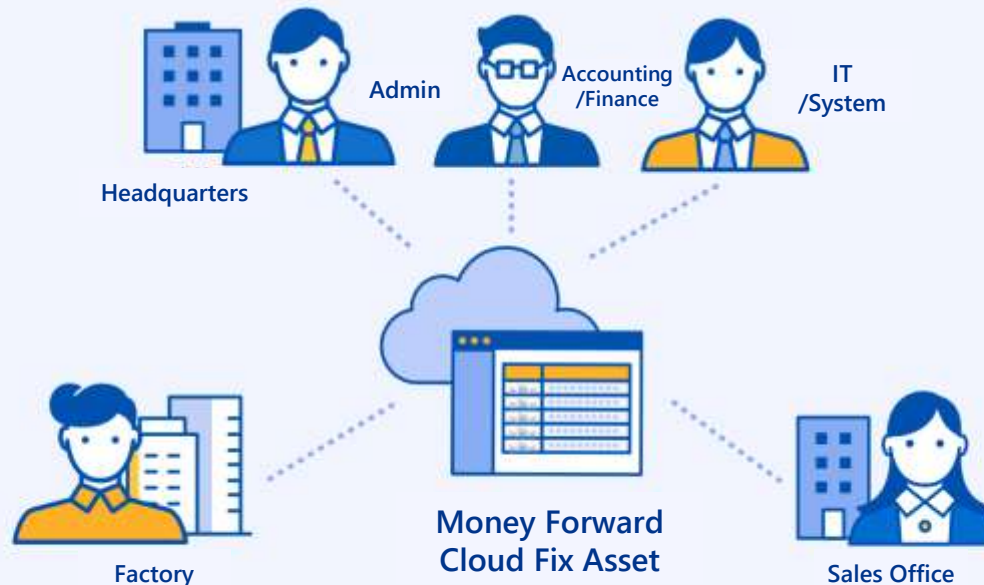
# *Money Forward Cloud Fix Asset*

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.

## Fix Asset Management for All

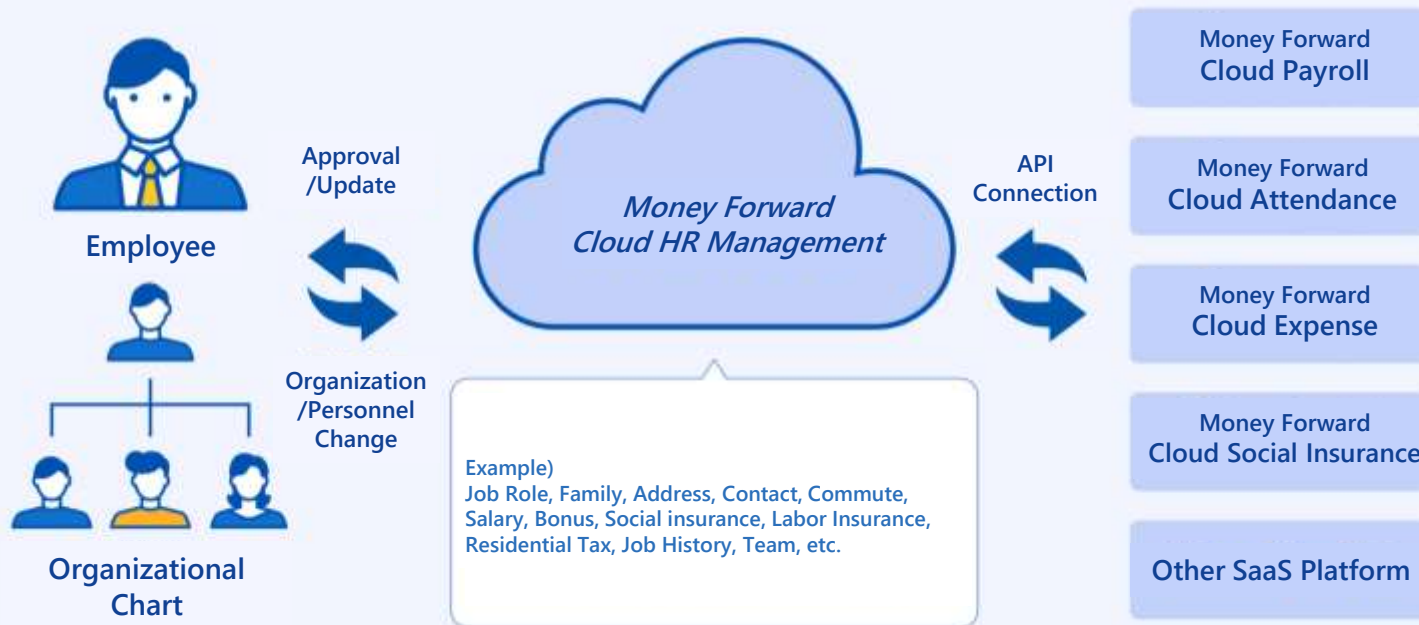
Developed not only for accounting/finance department, but also for admin, IT/system, factory and sales office. Streamline all operations related to fix asset management.



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

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

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





# Large Marketing Investments in Q4 with TV Ads

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.”**



Money Forward Home



# Net Sales from Premium Charges

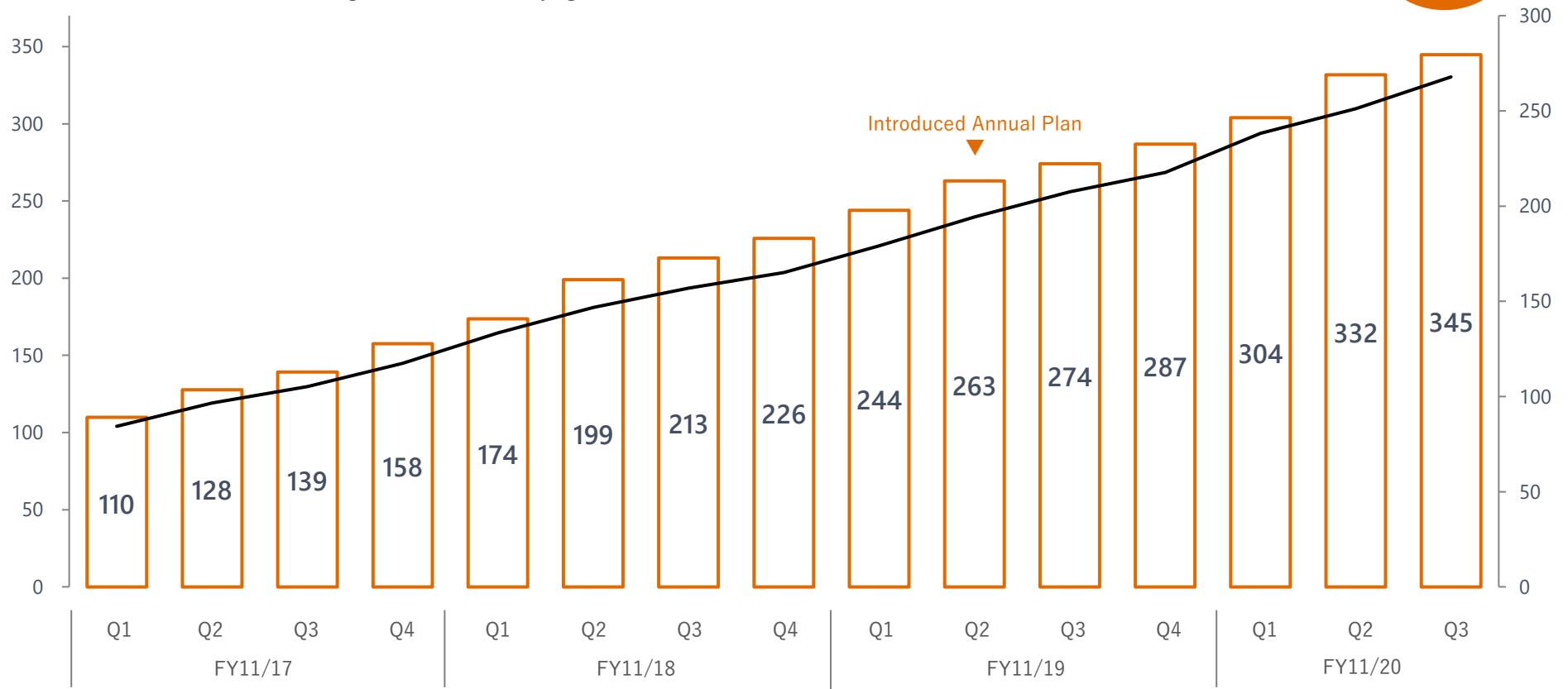
41

Grew **+26%** YoY.

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

YoY  
**+26%**

(¥ mn) □ Net Sales from Premium Charges ■ Number of Paying User



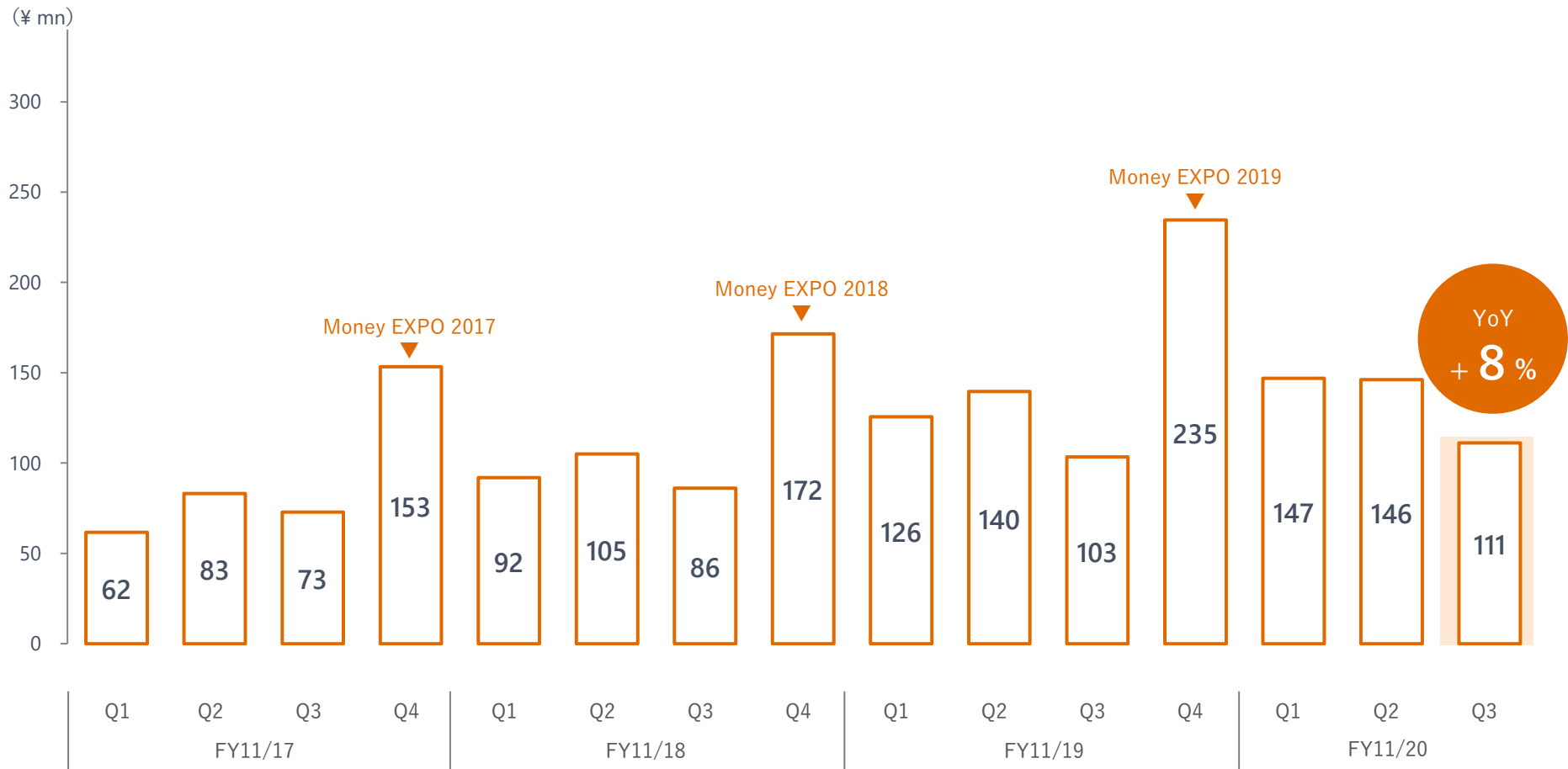
\* As of end of August 2020.

# Net Sales from Media/Advertising

42

Grew +8% YoY.

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

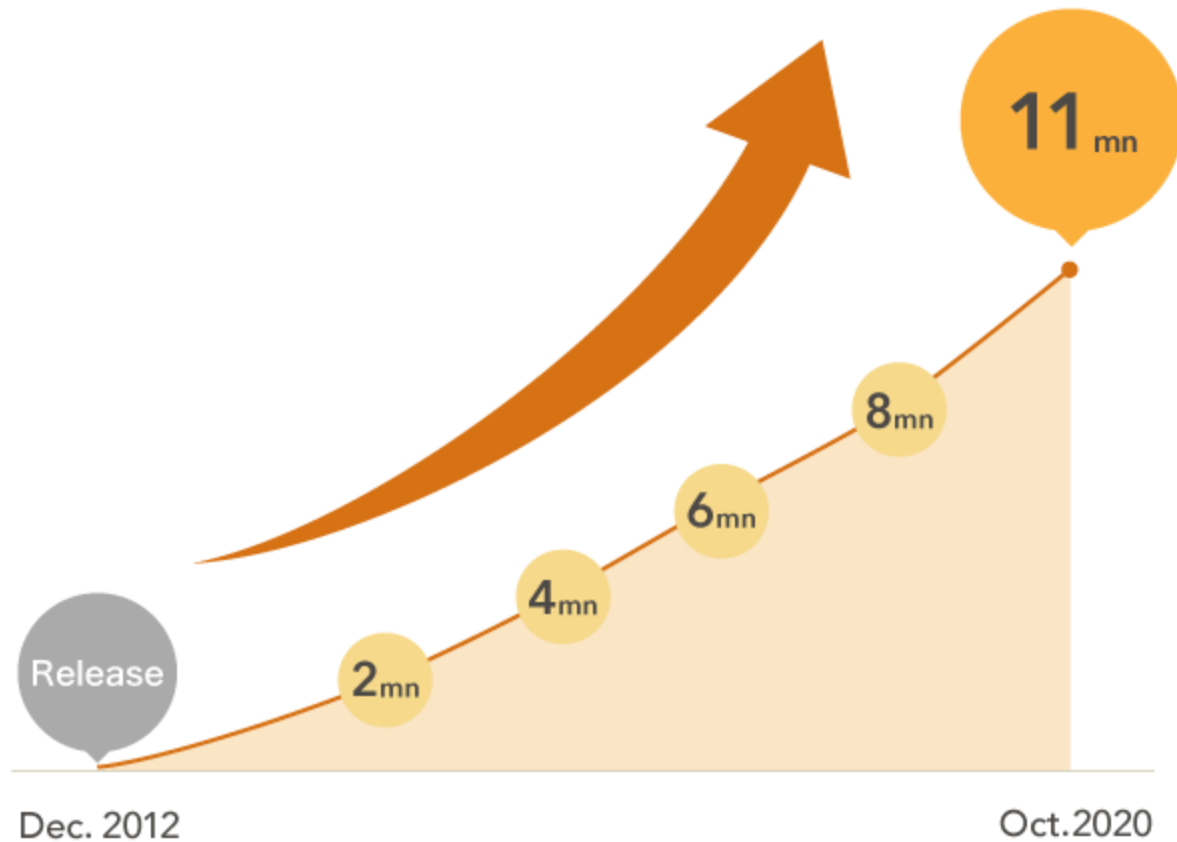


\* Net sales from media/advertising include: 1) advertising sales from MONEY PLUS - practical economic media, 2) sales from events (Money EXPO) and seminars, and 3) sales from other PFM services including *Money Forward Money Consultation*.

## *Money Forward ME* Users Exceed 11 Million

43

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



# Plan to hold “Money Forward Week” in November

44

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

## Money Forward Week

これからの自分のために  
お金レベルをアップさせる1週間

11/16(月) - 20(金)  
オンライン開催



元大阪府知事・元大阪市長

橋下 徹



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

藤野英人



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

松本 大



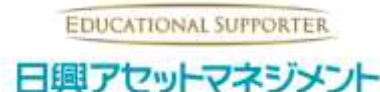
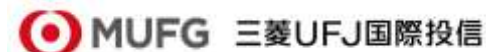
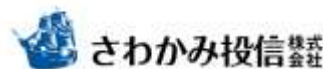
AppGrooves / SearchMan 共同創業者

シバタナオキ



家計再生コンサルタント

横山光昭



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

# Alert Function for Unauthorized Withdrawal

45

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

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



## Voice of Customer



You can see your deposits and withdrawals in real time, so you can immediately notice any unauthorized withdrawals.



It's convenient to check if there are any unauthorized withdrawals without having to update the passbook.



It's not a fraudulent withdrawal, but it was good that I was able to notice the hack of my account on the linked service.



A person wearing a white short-sleeved shirt and a white lanyard with an orange strap and a photo ID badge is standing behind a wooden table. The table is covered with several sheets of paper and numerous colorful sticky notes (yellow, blue, green, pink) that appear to be part of a collaborative workspace or meeting. In the background, another person in a white shirt is partially visible, and a red modern-style chair is on the right. The setting is a bright, modern office or meeting room with large windows in the background.

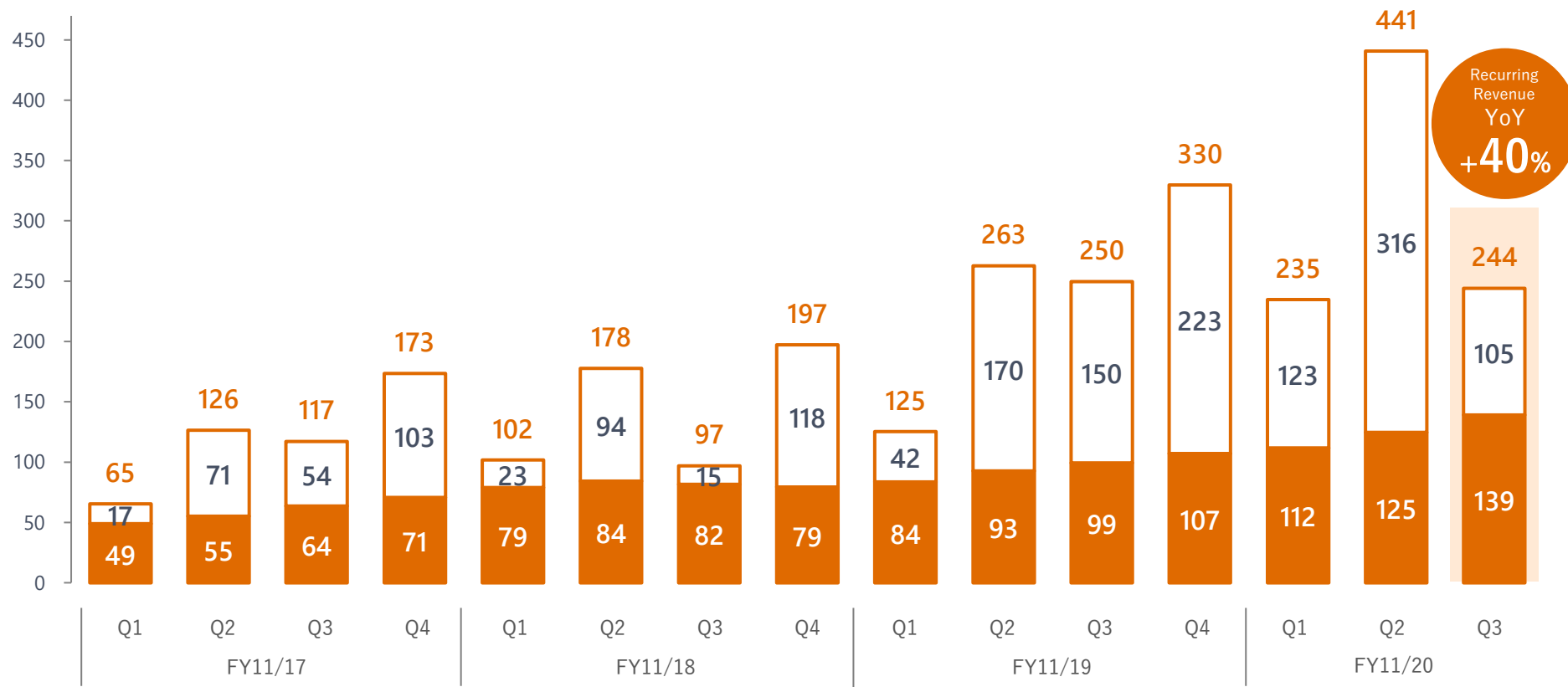
Money Forward X

# Net Sales from Money Forward X

47

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.

(¥ mn) ■ Recurring Revenue □ Non-recurring revenue



\* Non-recurring revenue from initial development costs are recorded at the time of acceptance by partner financial institution, and not necessarily at the time of service launch.

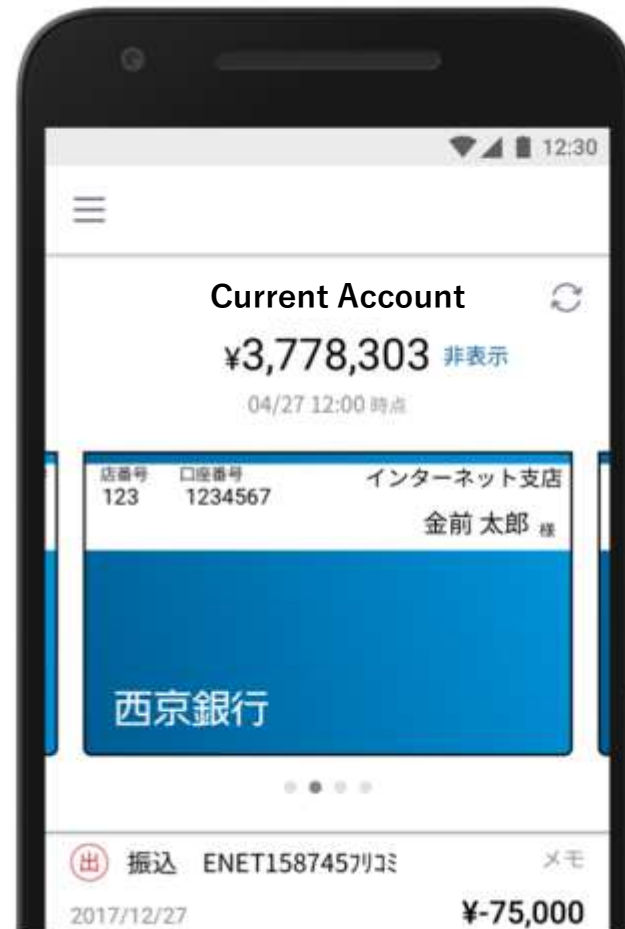
# Launched *Passbook App* for Saikyo Bank

48

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



Powered by Money Forward



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

# *Passbook App* Active Users Increased by 1.8x

49

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

Change in New ID Registration



Change in MAU



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

# Launched *Hokugin Business Portal* Developed with NTT DATA 50

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



# Alliance with Financial Institutions (Service for Individual Customers) 51

## *Money Forward for X Series* (15 services)

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

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

## *MF Unit Series* (7 services)

Offering PFM tools within financial institutions apps

<i>Asset Monitoring Unit</i>	<i>PFM Unit</i>
JAL Card	Akita Bank
Taiko Banka	Awa Bank
Sendai Bank	Labour Bank
	Hokuriku Bank

## *Passbook Apps* (16 services)

Developing passbook apps for financial institutions and its clients

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

NEW

## Other Projects (5 services)

### *Lending Manager* (for Docomo)

Advising loan amounts and repayment plans.

### *au WALLET App* (for KDDI)

Visualizing outstanding amount and detailed statement of 2,000+ financial institutions

### *Money Compass* (for Tokai Tokyo Securities)

Provides “asset management functions” for an app offering investment services, insurance, pension and other functions

### *SAFETY* (for Iyo Bank)

Visualizes deposit balance and transactions including credit card payment and helps understand future cash shortage.

### *OneStock* (for Nomura Securities)

Visualizes future and current assets and helps financial planning

# 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*



〈Hamagin〉 *Business Connect*

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



*Hokugin Business Portal*



*Okashin Cash Management Service*

**“One-stop Cash Management”**

Business financial management service for financial institutions



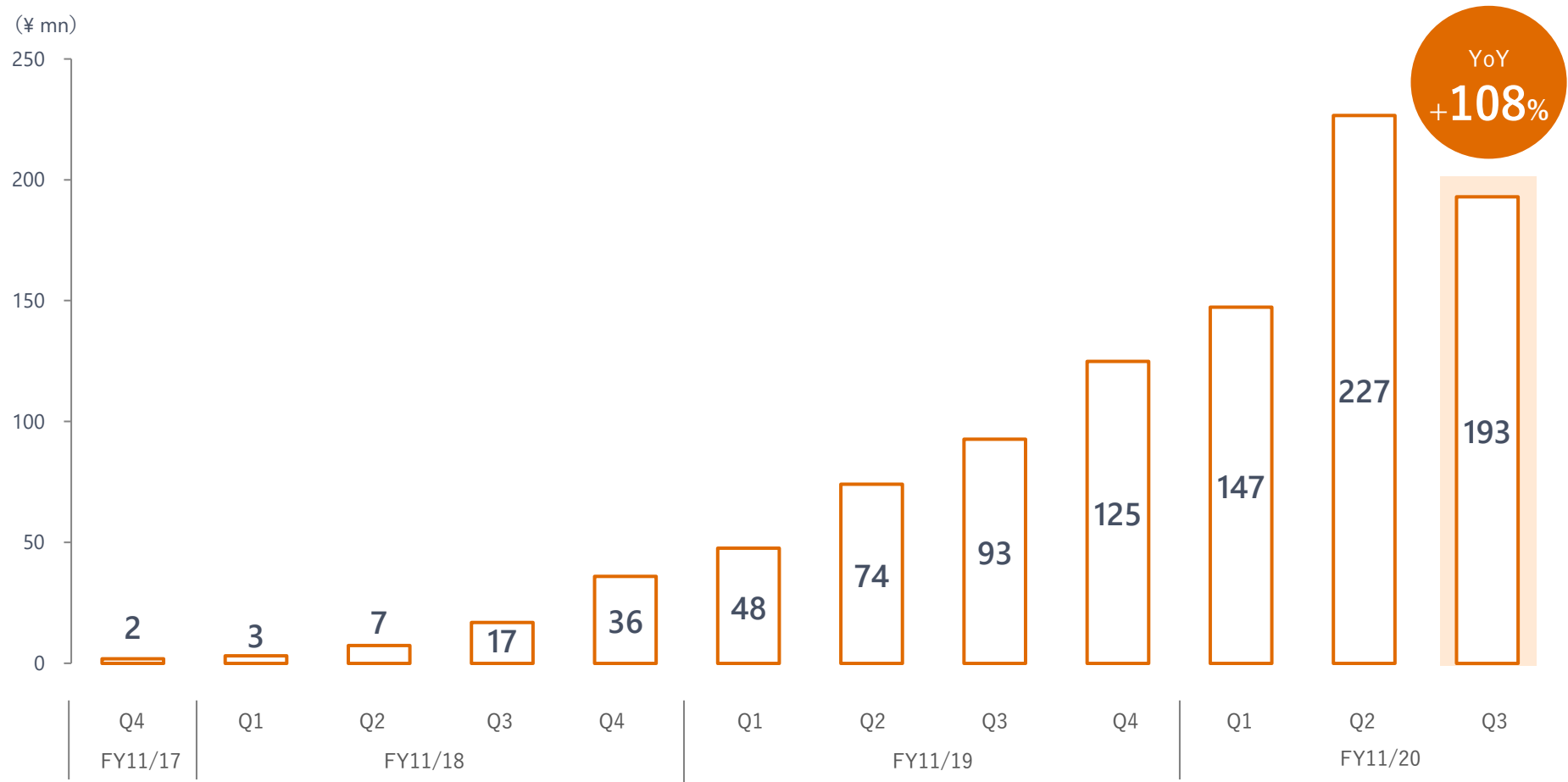
A modern office interior featuring a long wooden table with a white metal frame. The background wall is composed of large wooden panels and frosted glass sections. Several wooden stools are arranged under the table. The floor is covered with a patterned carpet. A large orange rectangle is overlaid on the left side of the image, containing the text "Money Forward Finance".

Money Forward Finance

# Net Sales from Money Forward Finance

54

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



## MF KESSAI and The Bank of Fukuoka Began Demonstration Experiment for Commercialization 55

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



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

# 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**.

SEIKYŪ+ powered by MF KESSAI



MF  KESSAI



 MUFG

三菱UFJファクター株式会社

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

# Launch of Entrepreneurs' Fund *HIRAC FUND*

57

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



Open (“HIRAC”) the door for new possibilities





# 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.



浅原大輔  
HEROZ株式会社  
取締役CFO



有安 伸宏  
起業家・エンジェル投資家



河野 貴輝  
株式会社ティーケービー  
代表取締役社長



小泉 文明  
株式会社メルカリ  
取締役 President 会長



高野 秀敏  
株式会社キープレイヤーズ  
代表取締役



竹林 史貴  
株式会社LOB  
代表取締役社長CEO



丹下 大  
株式会社SHIFT  
代表取締役社長



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



土屋 尚史  
株式会社グッドパッチ  
代表取締役社長兼CEO



鶴岡 裕太  
BASE株式会社  
代表取締役CEO



仲 暁子  
ウオンテッドリー株式会社  
代表取締役CEO



永見 世央  
ラクスル株式会社  
取締役CFO



林 隆弘  
HEROZ株式会社  
代表取締役CEO



深津 貴之  
株式会社 THE GUILD  
代表取締役



間下 直晃  
株式会社バイキューブ  
代表取締役社長



松本 恭嗣  
ラクスル株式会社  
代表取締役社長CEO



元榮 太一郎  
弁護士ドットコム創業者  
前代表取締役会長



山口 功一郎  
曉翔キャピタル株式会社  
代表取締役社長



山口 勝幸  
Chatwork株式会社  
取締役副社長COO



山本正喜  
Chatwork株式会社  
代表取締役CEO



吉田 浩一郎  
株式会社クラウドワークス  
代表取締役社長CEO

# Investment Portfolio by *HIRAC FUND*

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



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



**beBit, Inc., Director and Vice President, Katsuhiko Nakajima**

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

## Other Strategic Initiatives

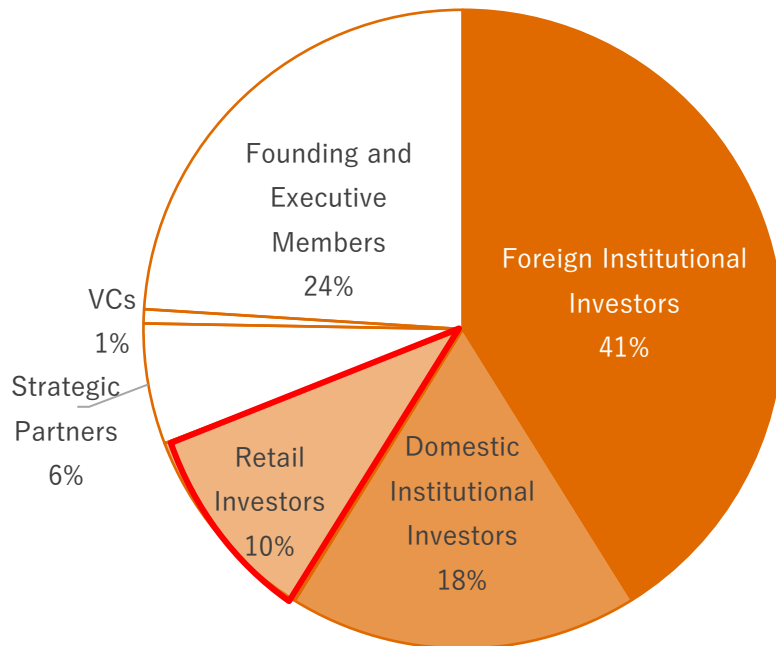


# New Initiative for Retail Investors

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

# Announcement of Stock Split

63

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

YTD Share Price



Recent 3-month average stock unit price:<sup>\*1</sup>  
¥0.7million yen

2-for-1 stock split

Stock unit price after stock split:  
approx. less than ¥ 0.5 million<sup>\*2</sup>

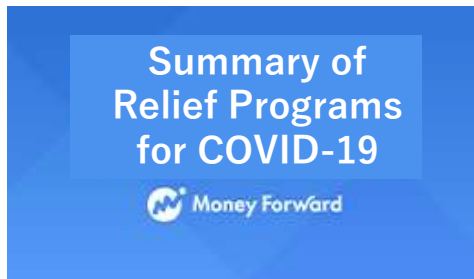
- Announcement date: October 15, 2020
- Record date: November 30, 2020
- Effective date: December 1, 2020

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

# Implementing Initiatives to Solve Social Issues

64

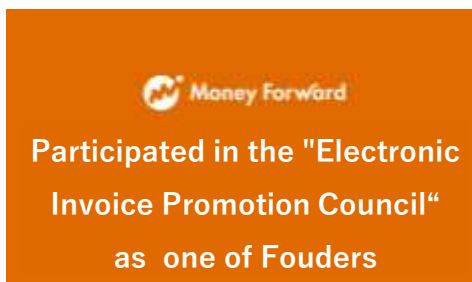
Promoted initiatives such as compiling information in support of COVID-19 and making proposals for paperless and seal-less society.



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



Promoting for Paperless Back Office



Efforts to Promote Electronic Invoicing



Released Proposal Document Aiming Paperless and Stamp-less Society

# Alliance with Financial Institutions (APIs)

65

Contracted with **all 125 banks** with connections\*<sup>1</sup>.

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\*<sup>2</sup> Fintech company in terms of number of referential and money transfer API contracts.

\*<sup>1</sup> Including provisional and permanent web scraping contracts.

\*<sup>2</sup> Based on the research by Money Forward, Inc.

\* As of October 13<sup>rd</sup>, 2020. Counting financial institutions (including Shinkin Banks, Labor Banks and Agricultural and Fishery Cooperative Savings Insurance Corporations) that are determined to have API connections or web scraping connections with contracts.

## Policy for Growth Investment

- As a **Subscription business model**, we focus on **maximizing medium-to-long term cash flow**.
- In FY11/20, **investment will be accelerated** toward second half in the Business domain, which is a SaaS business.
- Such investment to be executed **as long as unit economics metrics are reasonable and sound**, with an eye on external environment as well as competitions.
- Selectively pursue strategically meaningful M&A opportunities with emphasis on financial discipline.

## Policy for Profitability

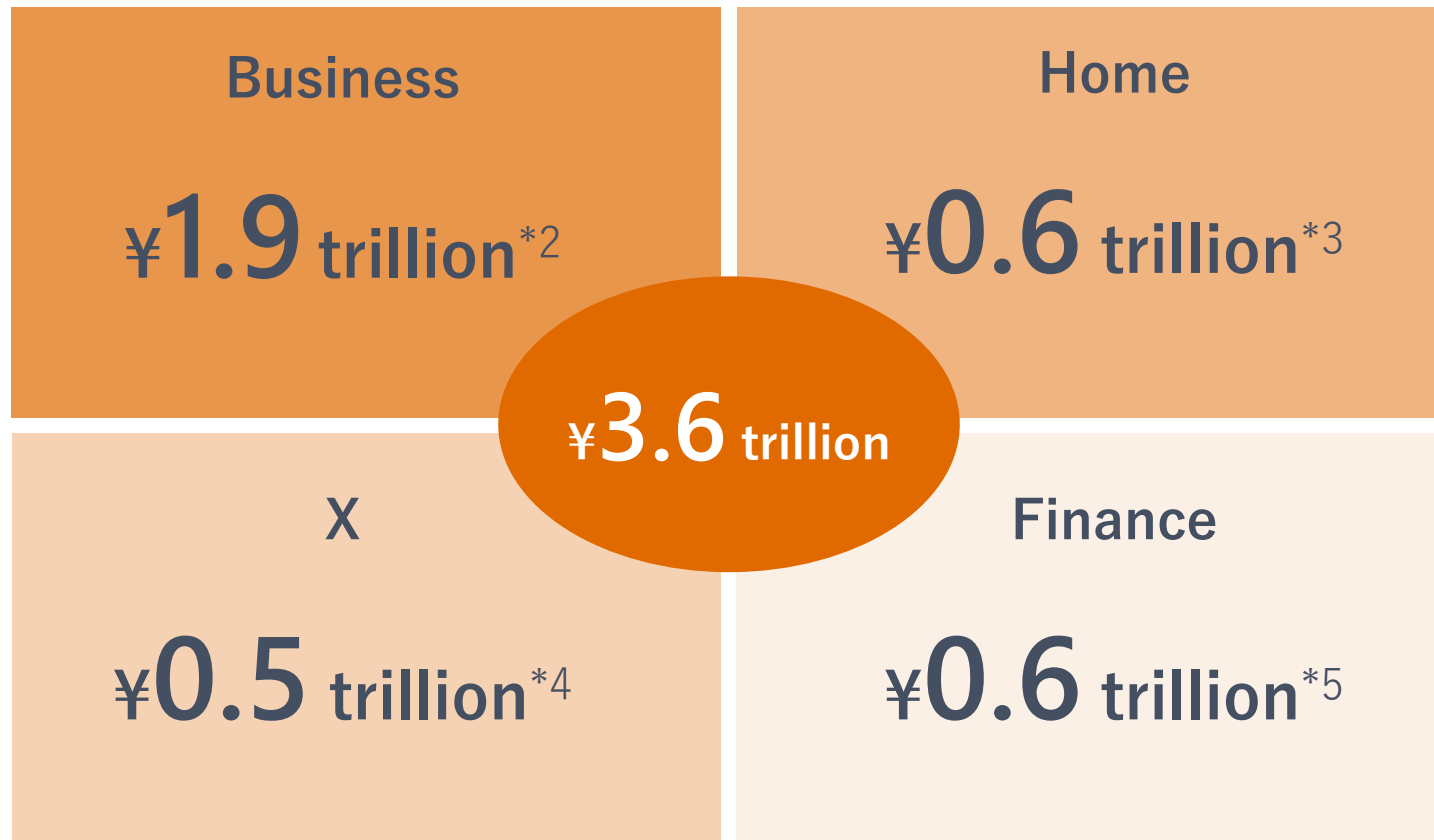
- Aim at **turning EBITDA positive** in FY11/21 by strengthening the revenue base and boosting cash flow generation by the above investments.
- We plan to further improve the enterprise value by **listing on the first/prime section of the Tokyo Stock Exchange** as soon as possible.



# Immense Total Addressable Market (TAM\*)

67

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



\* All footnotes are described on P83.



Money Forward. Move your life forward.

## Appendix

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

	Impacts
Business	<ul style="list-style-type: none"><li>• Corporate customer acquisition remains solid through webinar and online meetings.</li><li>• Special demand for <i>BOXIL</i> have settled down, growing at a normal pace.</li></ul>
Home	<ul style="list-style-type: none"><li>• Acquisition of <i>Money Forward ME</i> users remains steadily.</li><li>• Continued to postpone events, switching to online to monetize.</li></ul>
X	<ul style="list-style-type: none"><li>• Inquiries for new projects continued to be active.</li><li>• The pace of growth in the number of new users of <i>Passbook App</i> is accelerating.</li></ul>
Finance	<ul style="list-style-type: none"><li>• Outstanding funding needs have settled down, growing at a normal pace.</li><li>• Inquiries for Money Forward Synca increased.</li></ul>

Promoting DX in the society through various services.

	Market Needs	Solutions We Provide
Business	<ul style="list-style-type: none"><li>Want to conduct remote work.</li></ul>	<ul style="list-style-type: none"><li>Enable to access from multiple devices, data is shared in real time.</li><li>Data linkage enable to cut manual input and paperwork.</li><li>Electronic storage of receipts eliminate need for submission of papers.</li></ul>
Home	<ul style="list-style-type: none"><li>Want to use non-contact payment.</li><li>Anxiety of money for a sudden absence.</li></ul>	<ul style="list-style-type: none"><li>Automatically imports e-money etc. data into PFM app.</li><li>Alert to prevent overuse and unauthorized withdrawals.</li><li>Free consultation to FP for money related issues.</li></ul>
X	<ul style="list-style-type: none"><li>Wish to provide services that accelerate DX as face-to-face interaction with customers is decreasing. (Financial institution)</li></ul>	<ul style="list-style-type: none"><li>Provides <i>Passbook Apps</i> to check bank account at anytime and anywhere.</li><li>Portal website for bank's corporate customers enables to visualizes SMEs' cash flow in a timely manner.</li></ul>
Finance	<ul style="list-style-type: none"><li>Want to collect working capital quickly.</li><li>Want to raise funds for the future.</li></ul>	<ul style="list-style-type: none"><li>Online Receivable financing by MF KESSAI.</li><li>Money Forward Synca provides advisory for finance.</li></ul>

## Company Overview

**USER FOCUS**  
**TECHNOLOGY DRIVEN**  
**FAIRNESS**





## 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



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.

## 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.

## 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.

## 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.

## 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.

## Masanobu Takeda

Director, Executive Officer and COO of Money Forward Business Company



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

# Members of Board of Directors (External Directors)

75

Highly experienced leaders in the Japanese economy are appointed as External directors.



## Nobuaki Kurumatani

**Director, Representative Executive Officer, President and Chief Executive Officer,**  
**Toshiba Corporation**  
Former Representative Director, Deputy president and Executive Officer of Sumitomo Mitsui Banking Corporation. Former President of Japan, CVC Capital Partners.



## 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 Management Bank Inc. Holds an MBA from Harvard University.



## 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.



## 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)

76

Management members who have key roles in the growing group.



## Tatsuya Kanto

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

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



## Kiminobu Tahira

**Executive Officer, Money Forward Home Company COO**

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



## Kazuya Yamada

**Executive Officer, Money Forward Business Company CSO**

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



## Daisuke Motokawa

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

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



## Naoki Kuroda

**Executive Officer, Fukuoka Office Head**

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



## Daisuke Sergio Ito

**Executive Officer and CDO  
Head of Design Strategy Office**

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

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, MF KESSAI, Inc.**

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



## Satoshi Furuhashi

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

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



## 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

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	Ownership	Main Services
Money Forward, Inc.		PFM service and <i>Money Forward Cloud</i> service
Klavis, Inc.	100%	Automated bookkeeping service: <i>STREAMED</i>
MF KESSAI, Inc.	100%	BPO and factoring service: <i>MF KESSAI</i>
MF HOSHO, Inc.	100%	Obligation guarantee and credit inquiry for <i>MF KESSAI</i>
Money Forward Fine, Inc.	100%	Online Lending Service
Knowledge Labo, Inc.	51%	Manageboard and consulting service
Wakufuri, Inc.	56%	Assisting cloud software implementation
MONEY FORWARD VIETNAM CO., LTD.	100%	Product development center
Money Forward Synca, Inc.	100%	Financial advisory service and management consulting for growing companies
SMARTCAMP Co., Ltd.	100%	SaaS Marketing platform <i>BOXIL</i> and supporting Inside Sales by <i>BALES</i> and <i>BALES CLOUD</i>
R&AC Co.,Ltd.	100%	Specialized in cash reconciliation and receivable management : <i>V-ONE Cloud</i>
Money Forward Venture Partners, Inc.	100%	HIRAC FUND, the entrepreneurs' fund that supports seed-stage and early-stage startups

\* As of October 15, 2020

# Share Price and Trading Volume since IPO

79



\* As of October 12, 2020.



## 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

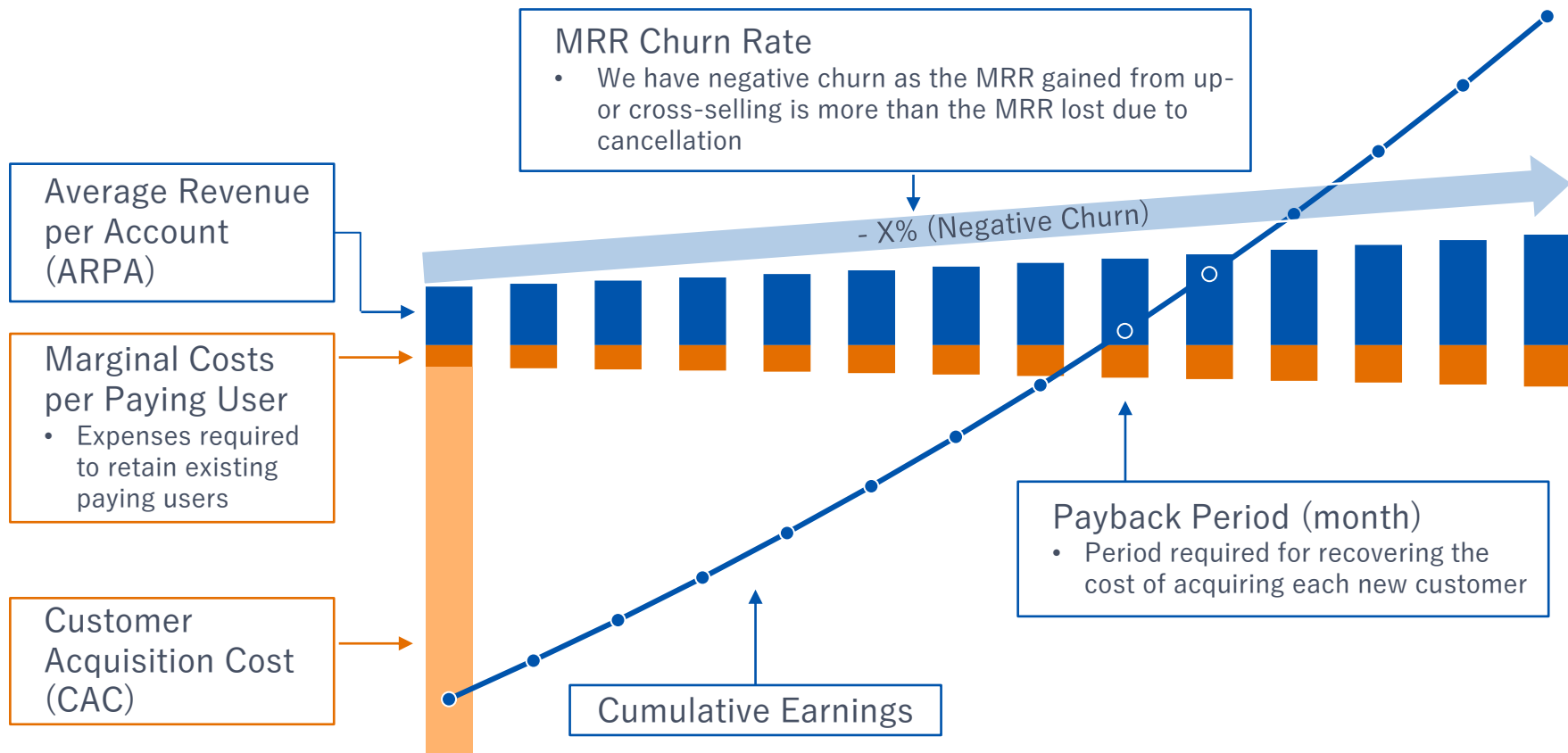
- Businesses are assessed by growth, market opportunities/competition and profitability every quarter to make appropriate decisions such as withdrawal.



# Unit Economics-Driven Investment

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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.

<b>MRR</b>	Monthly Recurring Revenue Total recurring revenue as of the end of a particular month
<b>ARR</b>	Annual Recurring Revenue Calculated by multiplying the MRR as of the end of a particular period by 12
<b>Group ARR</b>	Calculated by multiplying Group MRR of a particular period by 12. Group MRR includes: 1) recurring revenue from sales of <i>Money Forward Cloud</i> and other cloud services, net sales from retained customers of Smartcamp Co., Ltd., and recurring revenue from sales of <i>V-ONE Cloud</i> and other services by R&AC Co.,Ltd. in Business domain, 2) net sales from premium charges in Home domain, 3) recurring revenue in X domain, and 4) net sales from <i>MF KESSAI</i> in Finance domain. Group ARR includes the result of multiplying net sales of Smartcamp Co., Ltd. by recurring customer rate (the ratio of net sales from customers who commenced transactions prior to end of (N-2) quarter, to current N quarterly net sales).
<b>Customer</b>	Paid subscribers in the Business domain, which is a total of (1) accounting firms and (2) sole-proprietors and direct-sales corporates subscribed via the web channel etc.
<b>ARPA</b>	Average Revenue per Account. Calculated by dividing ARR as of the end of a particular period by the number of Customers
<b>Customer Churn Rate</b>	Average monthly churn rate of a particular period. Calculated as: $1 - \frac{\text{number of customer churns during (N) month}}{\text{number of customers as of the end of (N-1) month}}$
<b>MRR Churn Rate</b>	Average monthly churn rate based on MRR of a particular period. Calculated as: $1 - \frac{\text{MRR as of the end of (N) month from Customers as of the end of (N-1) month}}{\text{MRR as of the end (N-1) month}}$ . 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.

- \*1 Total Addressable Market. Potential market size for four domains of Money Forward is estimated, by using certain assumptions, based on third party research, publication as well as Money Forward historical data.
- \*2 Total sum of Back office SaaS TAM and Domestic SaaS marketing. Back office SaaS TAM is calculated based on total annual expenditure when the Group's all potential customers introduced *Money Forward Cloud* in Japan. The total number of potential customers is the sum of sole proprietors and corporates with less than 1,000 employees. Created by Money Forward based on National Tax Agency 2017 Survey, MIAC June 2016 Economic Census Activity Survey, MIAC 2017 Labor Force Survey. Total SaaS Marketing market size is estimated based on data which is back office SaaS expected market share in FY2019 (Fuji Chimera Research Institute, Inc., 2019 New Software Business Market. ) and back office SaaS potential market size. Average advertising costs to net sales ratio of domestic major listed SaaS companies which was calculated by Money Forward based on financial reports and presentation documents of Money Forward, RAKUS, Uzabase, Wantedly, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, and TeamSpirit.
- \*3 Home TAM is calculated based on total potential number of domestic *Money Forward ME* paying user plus additional potential revenue coming from new applications fee for financial services such as life insurance, home loan, brokerage account, and credit card. The fee is based on Money Forward historical data. Number of total potential users are calculated based on number of internet banking accounts for major 5 banks as well as data provided in H28 Financial and Information System White Paper. New user is estimated based on various data source such as the life insurance association of Japan. Survey on Insurance policy by contract type in H30; Japan Securities Dealers Association. Survey on Individual shareholders, dated July 17, 2019; Ministry of Land, Infrastructure, Transport, and Tourism Survey on Housing Loan; and Japan Consumer Credit Association. Survey on Credit Related Statistics in 2018.
- \*4 Calculated for potential market size that is related to service provided by Money Forward X within domestic contract development software market. Data based on Information and Communication Basic Survey in 2018 as well as company historical data and estimates.
- \*5 Calculated by annual required working capital for corporate under revenue of 500 million yen multiplied by ratio of post payment settlement usage as well as annual fee potentially charged by MF KESSAI for its service. Working capital = receivable + inventory - payable. Data based on Small and Medium Enterprise Agency's report on basic survey on SMEs in FY2016 as well as company estimates.

The image shows a modern, brightly lit interior space, likely a lounge or common area. The background wall is covered in a large, colorful mural depicting a cityscape with various buildings, a mountain, a hot air balloon, a train, a car, a fire hydrant, and people. The room features several large, white, cylindrical pendant lights hanging from the ceiling. In the foreground, there is a grey modular sofa and a white ottoman. Two small, round, light-colored wooden tables are placed in front of the sofa. To the left, there are two grey plastic chairs. In the background, there is a long, low wooden bench and a small table with two white chairs. The floor is covered with a colorful, patterned carpet. An orange rectangular box is overlaid on the left side of the image, containing the text "Products and Services".

## Products and Services

# Money Forward Cloud – SaaS Platform for Back Office 85

*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

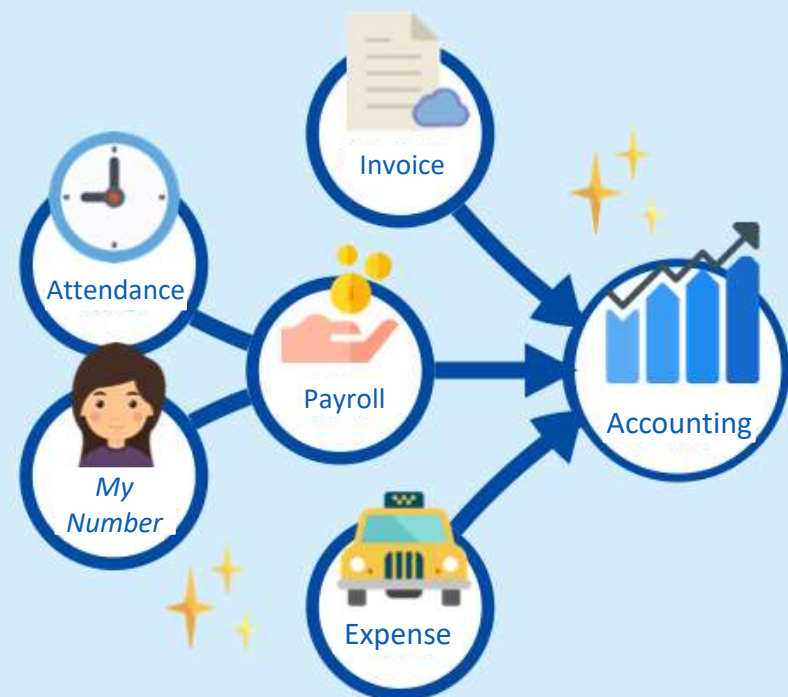


Plans to facilitate a shift from a world filled with cumbersome manual back office operations to one which automatically connects back office functions through cloud.

## Conventional Back Office - Manual entries based on paperwork



## MoneyForward Cloud - Integration of back office functions



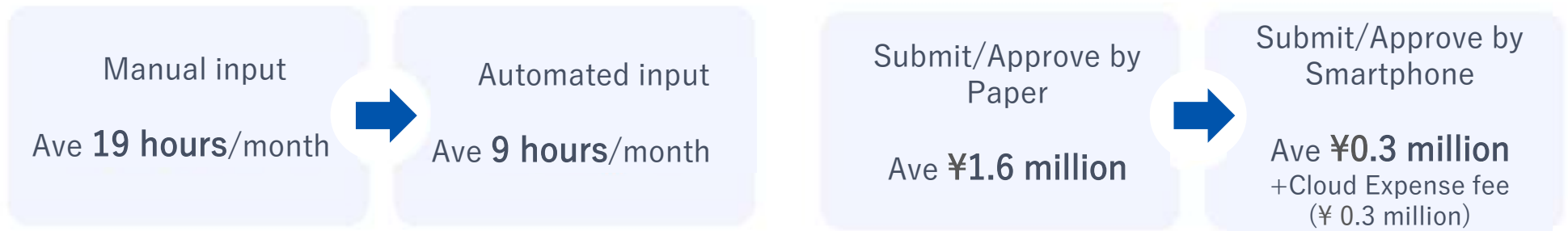
# Why *Money Forward Cloud* is the Right Choice (1/2)

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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%\***<sup>1</sup>

Saved **¥1 million per year\***<sup>2</sup> in expense reimbursement




\*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)

88

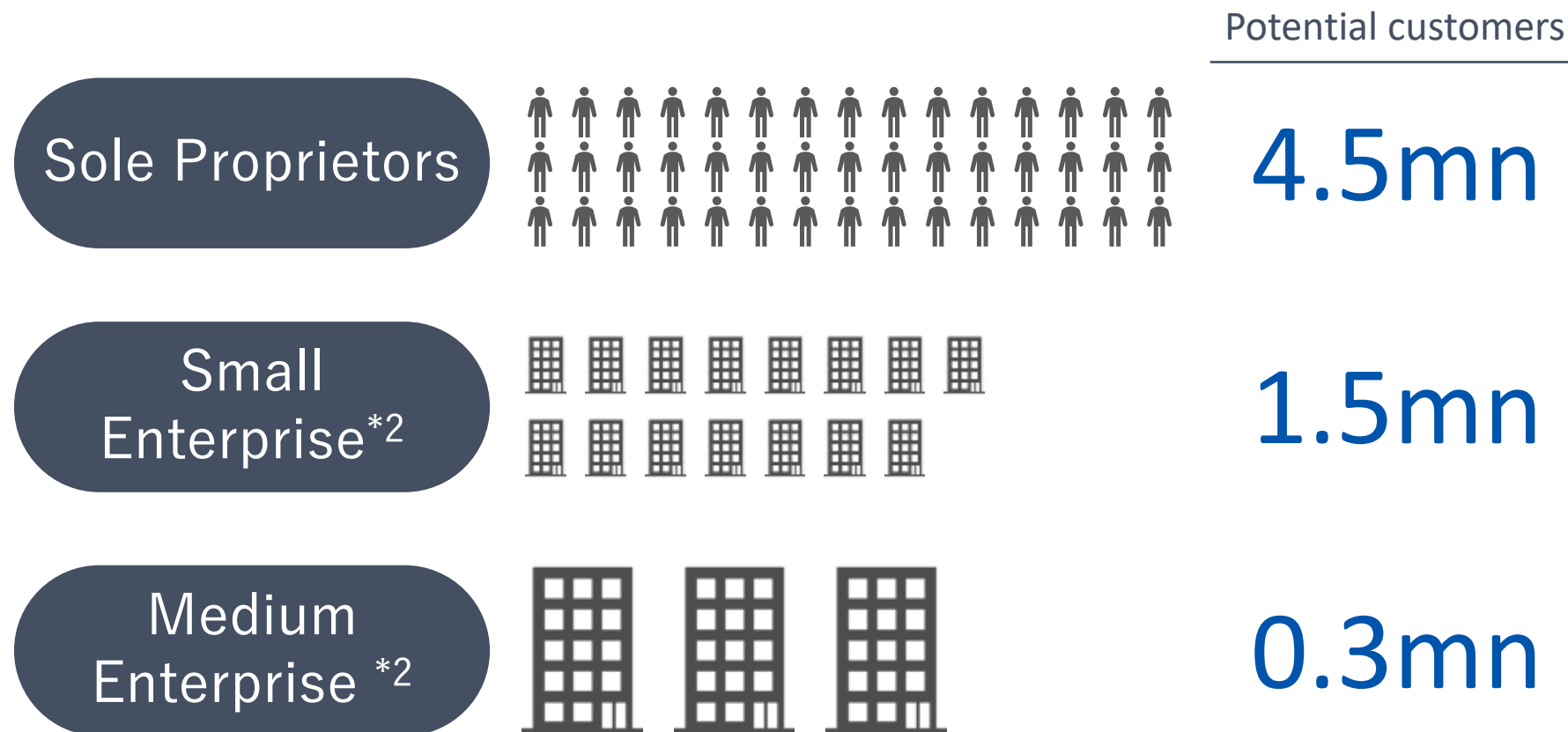
	Conventional Software	 Money Forward Cloud
Access from multiple devices	×	○
Automated journal entry	×	○ Automated input and suggestion of journal entry classification
Easy to co-work with accountants	△ Need to send data	○
Co-work on accounting operations	△	○
Initial Cost	×	○ No initial Cost
Automated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

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

# Back Office SaaS Potential Market Size

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Potential market size of back office SaaS, Money Forward's current area of focus, is estimated to be about ¥1tn\*.



\* 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.

\*<sup>2</sup> 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

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Domestic SaaS marketing potential market size is estimated to expand to about ¥0.9tn, along with the expansion of SaaS market in Japan.

$$\begin{array}{c} \text{SaaS potential market size}^* \\ \hline \end{array} \quad \begin{array}{c} \text{Advertising costs} \\ \text{to net sales ratio}^{*2} \\ \hline \end{array} = \text{¥0.9 tn}$$

¥6.0 tn    ×    14.7%    =    ¥0.9 tn

\* Estimated based on 17.3% which is back office SaaS expected market share in FY2019 (Fuji Chimera Research Institute, Inc., *2019 New Software Business Market.* ) and back office SaaS potential market size (Page 28).

\*2 Average advertising costs to net sales ratio of domestic major public SaaS companies. Created by Money Forward, Inc. based on financial reports and presentation documents of Money Forward, RAKUS, Uzabase, Wantedly, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, and TeamSpirit as of end of November, 2019.

# BOXIL - SaaS Marketing Platform

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*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.



# Money Forward ME - Automated PFM Service

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

Integrates 2,600+<sup>\*2</sup> financial services and automatically creates household accounting books

One in four PFM app users are using *Money Forward ME*<sup>\*1</sup>



Manage your financial services easily

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



<sup>\*1</sup> Rakuten Insight, Inc., “PFM app currently used” (Mar. 23 to 27, 2017) Survey targets: 685 PFM app users in their 20s to 60s

<sup>\*2</sup> Based on research by Money Forward, Inc. as of July 9<sup>th</sup>, 2020

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

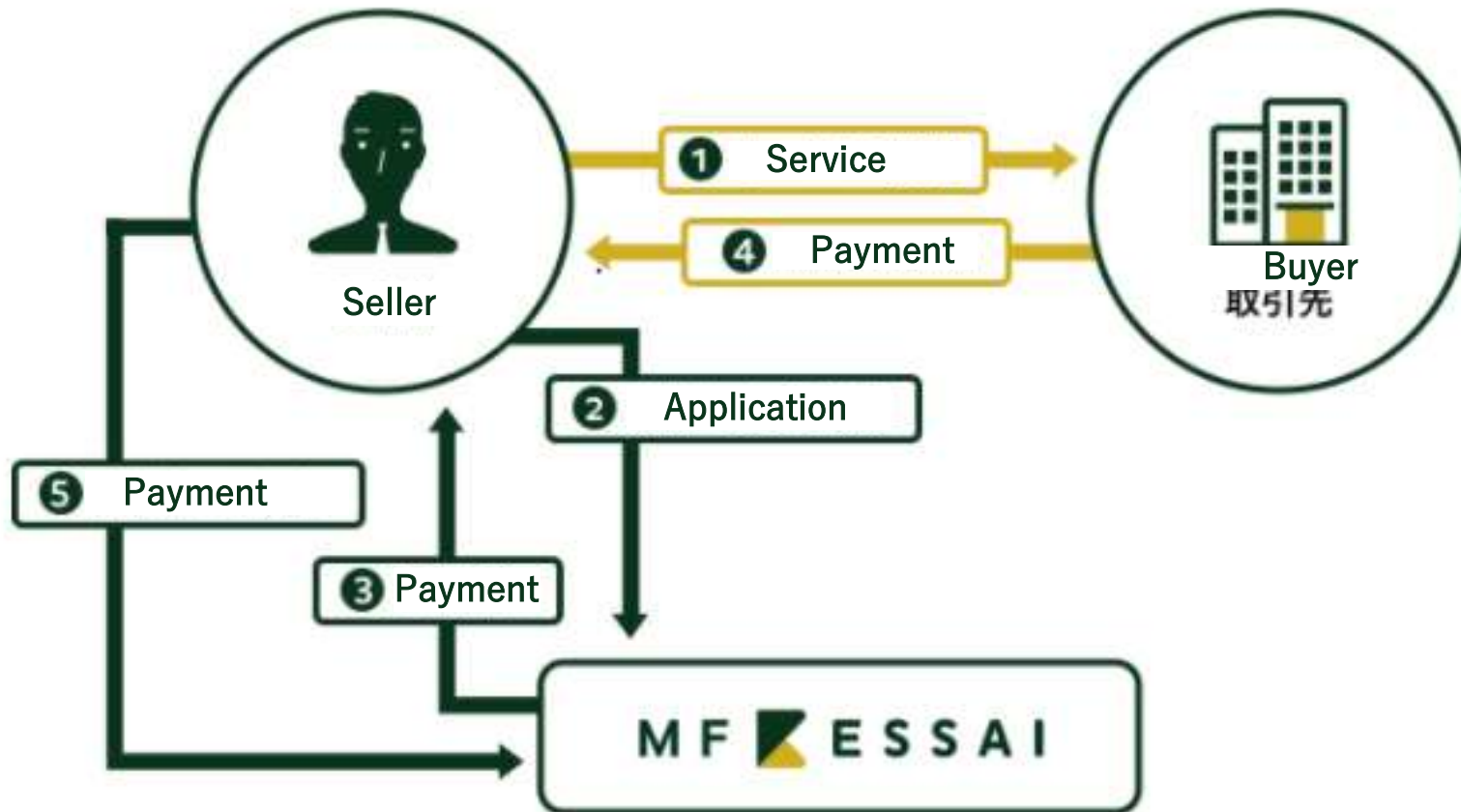




# MF KESSAI Early Payment - Accounts Receivable Financing

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



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