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Corporate Governance

Latest Revision: June 14, 2021
Money Forward, Inc.
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Securities Code: 3994
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The current state of the Company's corporate governance is described below.

I. Basic Policy on Corporate Governance, Capital Structure, Corporate Attributes and Other Basic Information

1. Basic Policy

The Group endeavors to steadily increase shareholder value on a long-term basis, based on the recognition that it is essential for corporate governance to function effectively in order to pursue sustainable enhancement of corporate value in the IT industry, where the operating environment is subject to constant change.
In addition to respecting all stakeholders and raising corporate soundness and transparency, with an aim to achieve a steady increase in shareholder value on a long-term basis, the Company strives to develop an internal structure which allows for prompt and rational decision-making as well as streamlined business execution, and to thereby solidify its corporate governance.

[Reasons for Non-compliance with Individual Principles of the Corporate Governance Code]

The Company complies with all principles of the Corporate Governance Code.

[Disclosures based on the Principles of Corporate Governance Code] Updated

[Principle 1.4 Cross-shareholding]

■Policy on Cross-Shareholding and Details of the Assessment of Appropriateness of Cross-Shareholding

The Company may engage in cross-shareholding for the purpose of maintenance/enhancement of affiliation based on comprehensive consideration including the Company's business strategy and relationship with the issuer. If the result of the examination indicates there is no significance or rationale for the cross-shareholding, the shares will be sold as appropriate based on the share price

and market conditions.
Cross-shareholdings will continue only where it is deemed to contribute to increasing shareholder value of the Company through maintenance/enhancement of business affiliation, etc. The Board of Directors will annually assess whether to hold each individual cross-shareholding, specifically examining whether the purpose is appropriate and whether the benefits and risks from holding covers the Company's cost of capital, from the perspective of creation of business opportunities and enhancement of affiliation.

■Standard for Securing Appropriate Exercise of Voting Rights Concerning Cross-Shareholding
The Company will exercise voting rights for each cross-shareholding based on comprehensive consideration that it meets our policy on cross-shareholding and contributes to increasing the shareholder value of the issuer.

[Principle 1.7 Related Party Transactions]
Conflict of interest transactions and competition require resolution by the Board of Directors, and a Director with special interest cannot participate in the resolution. In addition, related party transactions are subject to prior confirmation on business necessity, transaction rationale, and appropriateness of the terms of transaction, etc., in the application process that includes the relevant Director. For particularly important transactions, the Board of Directors makes decisions subject to sufficient deliberation.

[Principle 2.3 Sustainability Issues, Including Social and Environmental Matters]
The Company aims to resolve financial issues for all and create society that drives challenge. To realize its vision for the society and to steadily increase its corporate value, the Company has set "User Forward," "Society Forward," and "Talent Forward" as materiality in February 2021. The Company appointed Toshio Taki, Executive Officer and CoPA (Chief of Public Affairs), as the person in charge of sustainability and launched a project team for promoting the initiatives, led by Corporate Planning Division, Administration Division, and Public Relations Division. Strategies in relation to the sustainability are discussed at the Board of Directors and the Management Meeting. The project team leads activities such as cooperation with relevant departments, information gathering, and internal education.

[Principle 2.3 Ensuring Diversity, Including Active Participation of Women]
The Company thoroughly enforces "Fairness," which is one of its core values, and hires members regardless of gender, nationality, religion, age, educational background, etc. The Company is committed to creating a work environment that is friendly and motivating for all employees with diverse backgrounds including who are experiencing changes in their life stages such as childcare and nursing care.

In February 2021, the Company appointed Takuya Nakade, Director and Executive Officer and CTO, as the person in charge of diversity and inclusion, and launched a project team mainly led by People Forward Division and Corporate Planning Division.
The status of the Group as of November 30, 2020 is as follows.

- Ratio of female employees: 31.7%
- Ratio of female managers: 13.9%
- Ratio of foreign employees: 10.4%

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]
The Company has not adopted a corporate pension fund system.

[Principle 3.1 Full Disclosure]
(i) Company objectives (e.g., business principles), business strategies, and business plans
The Company's mission is "Money Forward. Move your life forward." Under this mission, the Company engages in platform service business with the vision to "become the financial platform for all."
To pursue the mission and achieve the vision, the Company operates business in four domains, i.e., the Business domain which provides corporate services; Home domain which provides personal services, X domain which engages in development of services for financial institutions, and Finance domain which develops new financial solutions.
Since the Company's foundation, the Company has been committed to creating innovative services by engaging with the users to provide solutions for their issues. The Company's social code of conduct promises "User Focus," "Technology Driven," and "Fairness" described below:
●User Focus
Defying all obstacles, we will retain a user-oriented stance at all times, grasping users' substantive issues and delivering solutions that exceed their expectations.
●Technology Driven
We believe technology to be a major driver in changing the world. We will therefore delve deeper into technology and provide society with deriving services, and thus unceasingly drive innovation.
●Fairness
We pledge to be fair and open to all stakeholders including our users, employees, shareholders, and society as a whole.
As stated in the Code of Conduct, Money Forward Group aims to support autonomous decision-making about money and management and contribute to moving the user's life and business forward by eliminating inefficiency in the world with technology and providing superior user experience based on "User Focus."

(ii) Basic views and guidelines on corporate governance based on each of the principles of the

Corporate Governance Code
Refer to “1. Basic Policy” above.

(iii) Board policies and procedures in determining the remuneration of the senior management and Directors
Refer to “II. Overview of Business Management Organization and Other Corporate Governance Structures Concerning Managerial Decision-Making, Business Execution, and Supervision, 1. Matters Concerning Organizational Composition and Operations, etc., Director Compensation” below.

(iv) Board policies and procedures in the appointment/dismissal of the senior management and the nomination of Director candidates
・For the appointment of the Representative Director and Executive Directors (“Senior Management”) and nomination of candidates for Directors/Corporate Auditors, the Board of Directors is to appoint/nominate internal and external individuals, from home and abroad, with diverse experience, extensive knowledge, and strong expertise appropriate for Senior Management, Director, or Corporate Auditor who will contribute to the sustainable growth and medium- to long-term improvement of equity value of our Group.
・The Company has established the Nomination and Compensation Committee to serve as an advisory panel to the Board of Directors. The majority of the Nomination and Compensation Committee is comprised of External Directors to ensure fair and transparent evaluation of Directors’ nomination, etc.
・Appointment of Senior Management is made subject to performance evaluation for execution of important duties, etc., that are shared and evaluated at the Board of Directors’ meeting attended by Independent External Directors and Independent Corporate Auditors.

(v) Explanation with respect to the individual appointments/dismissals of Senior Management and nominations of Director candidates by the Board based on (iv) above
Reasons for appointment of Directors are stated on the notice of ordinary general shareholders’ meeting and annual securities report.
・Notice of Ordinary General Meeting of Shareholders:
https://corp.moneyforward.com/en/news/investorrelations/?category=others
・Annual Securities Report:
https://corp.moneyforward.com/en/news/investorrelations/?category=report

[Supplementary Principle 4.1.1]
The Board of Directors makes important managerial decisions and supervises the execution of duties by each Director in accordance with laws and regulations, articles of incorporation, and

internal rules (e.g., Rules on Board of Directors, Rules on Business Authority). Except for discretionary matters set forth in laws and regulations, articles of incorporation, and internal rules, many authorities concerning business execution are delegated to Executive Directors and Executive Officers to ensure quick decision-making on business execution.

[Principle 4-8 Effective Use of Independent Directors]
With five out of nine Directors being Independent External Directors, they comprise the majority of Directors.

[Principle 4-9 Independence Standards and Qualification for Independent Directors]
The Company deems enhancement and improvement of corporate governance as one of the significant managerial issues and has an independence standard for appointment of External Directors. External Directors have been selected accordingly, for the purpose of improving soundness and transparency of management.
Refer to our website (https://corp.moneyforward.com/en/aboutus/governance/system/) for the independence criteria for External Directors.

[Supplementary Principle 4.11.1]
To enhance the supervisory function of the Board of Directors, External Directors comprise the majority of the Board (five out of nine Directors are External Directors). In addition, Executive Directors who are well versed in relevant Divisions are appointed to ensure that the Board of Directors can fulfill its duties as managerial decision-making body, and External Directors play supervisory function by providing appropriate opinions and raising issues from an independent position. With respect to appointment of individual External Directors, candidates with diverse backgrounds, expertise, and experience are appointed. Two of the External Directors are from management of global corporations, and two are female. Appointment is based on knowledge and character of the individual, without any conditions or restrictions based on gender and nationality, etc., as we strive to achieve diversity and appropriate size.
The three Corporate Auditors of the Company are all External Auditors who are appointed based on possession of knowledge, experience, and ability required for the role. The Company appoints individuals with experience in corporate management, attorneys, and individuals who have sufficient knowledge on finance and accounting through business experience at financial institutions or through corporate management. We will strive to appoint individuals who possess appropriate abilities and expert knowledge on finance, accounting, and law.

[Supplementary Principle 4.11.2]
The Company makes annual disclosure on the status of significant concurrent positions outside the Company by each Director and Corporate Auditor on the notice of annual general meeting of

shareholders and annual securities report. Each concurrent position is confirmed to ensure sufficient time and effort can be devoted to appropriately fulfil their roles and responsibilities for the Company.

・Notice of Ordinary General Meeting of Shareholders:
https://corp.moneyforward.com/en/news/investorrelations/?category=others

・Annual Securities Report:
https://corp.moneyforward.com/en/news/investorrelations/?category=report

[Supplementary Principle 4.11.3]

●Evaluation process

The Company commissioned an external organization to conduct a survey on the effectiveness of the Board of Directors for all Directors and Corporate Auditors on the following items (24 questions) and received responses from all of them.

(1) structure of the Board of Directors, (2) operation of the Board of Directors and provision of information, (3) supervision and confirmation of strategies by the Board of Directors, (4) risk management, (5) monitoring of corporate ethics and performance, (6) evaluation and compensation of management, (7) dialogue with institutional investors

●Overview of evaluation

The Company conducted an evaluation of the effectiveness of the Board of Directors for the first time in the fiscal year ended November 30, 2020. The average point of all evaluation items was high, indicating that the viability of the Board of Directors was ensured.

The most highly rated item was the structure of the Board of Directors. The Board of Directors is composed of diverse members in terms of knowledge, experience, gender, and age, and Independent Officers share their opinions based on their extensive knowledge and experience in M&A, capital policy, corporate governance (including initiatives related to sustainability, etc.), management strategy (including human resource strategy), IR activities and information disclosure. Moreover, Directors highly evaluated the effectiveness of the Nomination and Compensation Committee since the majority of the committee members is comprised of External Directors, who are appropriately involved in the evaluation and remuneration decision process, and discussions on nomination and remuneration at the committee are appropriately conducted.

On the other hand, the evaluation of the operation of the Board of Directors and the provision of information were relatively low, indicating the need to review the criteria for agenda in light of changes in the composition of the Board of Directors, as well as the need to strengthen the structure of secretariat. In addition, it was pointed out that the Board of Directors needs to consider how to proceed with discussions on business portfolio management and sustainability, and to deepen discussions on the disclosure of non-financial information.

●Future initiatives
Regarding the operation of the Board of Directors and the provision of information, which received relatively low rating, the Company will take measures such as the early provision of materials in order to discuss deeper at the Board of Directors meetings, the enhancement of the content of materials, and advance explanations if needed. In addition, the Board of Directors will discuss the matters identified as issues for improving effectiveness and the Company will work to expand the disclosure of non-financial information. As of the date of submission of this report, Takuya Nakade, Director and Executive Officer and CTO, has been appointed as the person in charge of diversity and inclusion, and Toshio Taki, Executive Officer and CoPA (Chief of Public Affairs), has been appointed as the person in charge of sustainability. The Company launched project teams for promoting sustainability and diversity and inclusion, and the related matters including the disclosure of information has been discussed at the Board of Directors.

[Supplementary Principle 4.14.2]
The Company basically encourages each Director to acquire necessary knowledge to appropriately fulfil expected roles and responsibilities at individual discretion. However, the Company provide and arrange training opportunities at the request of individual Directors and Corporate Auditors. Financial support is provided to cover the associated expenses for training and acquisition of knowledge.
The Company communicates expected roles to newly appointed internal and external officers, and provide explanation on our business, finances, organization, and known issues to external officers.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]
The Company strives to make timely and fair information disclosure and has established the following policies to promote constructive dialogue with shareholders and investors.

(i) Responsibility of the Senior Management for realizing constructive dialogue with shareholders
The CFO is responsible for promoting investor relations (IR). In addition, the Representative Director also conducts financial results reporting and engages in dialogue with institutional investors.

(ii) Measures to ensure positive cooperation between internal departments to support dialogue
The Corporate Planning Division supports the operation of financial results reporting and dialogue with shareholders and investors, and has the liaison function with relevant business divisions, as well as back-office departments including finance and accounting, legal, and human resources.

(iii) Measures to promote opportunities for dialogue aside from individual meetings
The Company is enhancing information disclosure, including by participating in domestic and

international conferences; holding quarterly results presentation for analysts and institutional investors on the day of quarterly results announcement; and posting transcripts of results presentations and summary of Q&A on the Company's website.

(iv) Measures to appropriately and effectively relay shareholder views and concerns learned through dialogue to the Senior Management and Board of Directors
The contents of dialogue with shareholders and investors are recorded and managed by IR related parties, with IR activities and feedback from investors reported to Directors and Senior Management on quarterly basis.

(v) Measures to control insider information when engaging in dialogue
The Company has established rules on handling insider information and provides training and comprehension test on the rules including information management to officers and employees at the timing of joining the Company and once a year. In addition, the Company has set a Quiet Period, during which the Company refrains from responding to or making comments on questions regarding financial results and earnings forecasts for the current period.

2. Capital Structure

Foreign Shareholding Ratio	30% or more

[Major Shareholders] Updated

Name or Company Name	Number of Shares Owned	Ratio (%)
Yosuke Tsuji	7,008,355	14.57
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	2,768,312	5.75
Takashi Ichikawa	2,354,005	4.89
SSBTC CLIENT OMNIBUS ACCOUNT	2,070,103	4.3
MSIP CLIENT SECURITIES	1,994,197	4.14
Custody Bank of Japan, Ltd. (Trust Account)	1,841,000	3.82
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	1,387,103	2.88
Custody Bank of Japan, Ltd. (Trust Account 9)	1,351,600	2.81
The Shizuoka Bank, Ltd.	1,188,240	2.47
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,088,942	2.26

Controlling Shareholders (Excluding the Parent Company)	-
Parent Company	None

Supplementary Explanation **Updated**

・The Change Report for Large Shareholders made available for public inspection on April 21, 2020, states that T. Rowe Price Japan, Inc. owns 928,700 shares (3.96%) as of April 15, 2020. However, as the Company cannot confirm the substantive number of shares owned as of May 31, 2021, this information is not included in the above stated Major Shareholder Report. The abovementioned number of shares does not reflect the stock split on December 1, 2020 (2-for-1 stock split).

・The Change Report for Large Shareholders made available for public inspection on July 7, 2020, states that Rheos Capital Works, Inc. and its joint owner own 1,080,300 shares (4.60%) as of June 30, 2020. However, as the Company cannot confirm the substantive number of shares owned as of May 31, 2021, this information is not included in the above stated Major Shareholder Report. The abovementioned number of shares does not reflect the stock split on December 1, 2020 (2-for-1 stock split).

・The Change Report for Large Shareholders made available for public inspection on July 22, 2020, states that Capital Research and Management Company and its joint owner own 1,553,152 shares (6.62%) as of July 15, 2020. However, as the Company cannot confirm the substantive number of shares owned as of May 31, 2021, this information is not included in the above stated Major Shareholder Report. The abovementioned number of shares does not reflect the stock split on December 1, 2020 (2-for-1 stock split).

・The Change Report for Large Shareholders made available for public inspection on December 7, 2020, states that Goldman Sachs International owns 2,519,839 shares (5.29%) as of November 30, 2020. However, as the Company cannot confirm the substantive number of shares owned as of May 31, 2021, this information is not included in the above stated Major Shareholder Report. The abovementioned number of shares does not reflect the stock split on December 1, 2020 (2-for-1 stock split).

・The Change Report for Large Shareholders made available for public inspection on April 5, 2021, states that JPMorgan Asset Management (Japan) Limited and its joint owner own 3,287,236 shares (6.88%) as of March 31, 2021. However, as the Company cannot confirm the substantive number of shares owned as of May 31, 2021, this information is not included in the above stated Major Shareholder Report.

・The Change Report for Large Shareholders made available for public inspection on May 12, 2021, states that FMR LLC owns 2,346,405 shares (4.89%) as of April 30, 2021. However, as the Company cannot confirm the substantive number of shares owned as of May 31, 2020, this information is not included in the above stated Major Shareholder Report.

3. Corporate Attributes

Listed Stock Market and Market Section Updated	Tokyo Stock Exchange 1st Section
Fiscal Year-End	November
Type of Business	Information and communications industry
Number of Employees (Consolidated) as of Previous Fiscal Year-End	Between 500 and 1,000
Net Sales (Consolidated) of Previous Fiscal Year	Between ¥10 billion and ¥100 billion
Number of Consolidated Subsidiaries as of Previous Fiscal Year-End	Between 10 and 50

4. Policy on Measures to Protect Minority Shareholders when Conducting Transactions with Controlling Shareholder

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5. Other Extraordinary Circumstances Which May Have a Material Impact on Corporate Governance

None.

II. Overview of Business Management Organization and Other Corporate Governance Structures Concerning Managerial Decision-Making, Business Execution, and Supervision

1. Matters Concerning Organizational Composition and Operations, etc.

Organizational Form	Company with Board of Corporate Auditors

[Directors]

Number of Directors Stipulated in the Articles of Incorporation	12
Term of Office for Directors Stipulated in the Articles of Incorporation	1 year
Chairperson of the Board of Directors	President
Current Number of Directors	9
Appointment of External Directors	Appointed
Number of External Directors	5
Number of External Directors Designated as Independent Officers	5

Relationship with the Company (1)

Name	Affiliation	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Nobuaki Kurumatani	From another company											
Masaaki Tanaka	From another company											
Akira Kurabayashi	From another company											
Etsuko Okajima	From another company								○			
Ryoko Ueda	From another company											

*** Categories for "Relationship with the Company"**

*** "○" if the director currently falls or has recently fallen under the category; "△" if the director fell under the category in the past.**

*** "●" if a close relative of the director currently falls or has recently fallen under the category; "▲" if a close relative of the director fell under the category in the past.**

a. Executive of the listed company or its subsidiary

b. Executive, or non-executive director of the parent company of the listed company

c. Executive of a fellow subsidiary company of the listed company

d. Party whose major client or supplier is the listed company, or an executive thereof

e. Major client or supplier of the listed company, or an executive thereof

f. Consultant, accounting professional or legal professional who receives a large amount of monetary compensation or other property from the listed company, other than compensation as an officer
g. Major shareholder of the listed company (or an executive of the shareholder if the major shareholder is a legal entity)
h. Executive of a client or supplier (that does not apply to d, e, or f) of the listed company (the executive himself/herself only)
i. Executive of a company that has appointed the same external officer as the listed company (the executive himself/herself only)
j. Executive of a company or organization that receives donations from the listed company (the executive himself/herself only)
k. Other

Relationship with the Company (2) **Updated**

Name	Independent Officer	Supplementary Explanation Regarding the Applicable Category	Reason for Appointment
Nobuaki Kurumatani	○	—	Mr. Nobuaki Kurumatani was engaged in the management of Sumitomo Mitsui Financial Group for many years and has extensive knowledge of and experience in corporate finance and auditing. The Company therefore continues to appoint him as an External Director to receive valuable advice regarding the Company's management from an independent and objective standpoint. Mr. Kurumatani meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose the risk of conflicts of interest with general shareholders, and has accordingly been designated as an independent officer. While the Company receives loans from Sumitomo Mitsui

			Banking Corporation, Mr. Kurumatani has resigned from his position at the said bank, and the Company judges that his independence is not affected.
Masaaki Tanaka	○	—	Mr. Masaaki Tanaka was engaged in the management of Mitsubishi UFJ Financial Group for many years and has extensive experience in and wide-ranging insight of the global financial sector. The Company therefore continues to appoint him as an External Director to receive valuable advice regarding the Company's management from an independent and objective standpoint. Mr. Tanaka meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose the risk of conflicts of interest with general shareholders, and has accordingly been designated as an independent officer. While the Company receives loans from MUFG Bank, Ltd., Mr. Tanaka has resigned from his position at the said bank, and the Company judges that his independence is not affected.
Akira Kurabayashi	○	—	Mr. Akira Kurabayashi has extensive experience in investing in new businesses both in Japan and abroad and has wide-ranging insight on Software as a Service (SaaS) firms as a leading authority in the area. The Company therefore continues to appoint him as an External Director to receive valuable

			advice regarding the Company's management from an independent and objective standpoint. Mr. Kurabayashi meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose the risk of conflicts of interest with general shareholders, and has accordingly been designated as an independent officer.
Etsuko Okajima	○	Although the Company and ProNova Inc., of which she is the representative director, had transactions related to consulting services in the fiscal year ended November 30, 2020, the payment from the Company to ProNova Inc. was less than 10 million yen, which satisfies the independence standards set by the Company. The Company believes there is no impact on her independence.	Ms. Etsuko Okajima has extensive experience and knowledge as well as wide-ranging insight as an expert of human resource development and organizational management, among other areas. The Company therefore continues to appoint her as an External Director to receive valuable advice regarding the Company's management from an independent and objective standpoint. Ms. Okajima meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose the risk of conflicts of interest with general shareholders, and has accordingly been designated as an independent officer.
Ryoko Ueda	○	—	Ms. Ryoko Ueda has extensive experience and knowledge as well as wide-ranging insight as an expert of corporate governance. The Company therefore continues to appoint her as External Director to receive valuable advice regarding the Company's management from an independent and objective standpoint. Ms.Ueda

			meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose the risk of conflicts of interest with general shareholders, and has accordingly been designated as an independent officer.

Establishment of Voluntary Committee Equivalent to Nomination or Compensation Committees **Updated**	Established

Establishment of Voluntary Committee, Composition of Committee and Attributes of Committee Chairperson **Updated**

	Committee Name	Number of All Committee Numbers	Number of Full-time Members	Number of Internal Directors	Number of External Directors	Number of External Experts	Number of Other	Chairperson
Voluntary Committee Equivalent to Nomination Committee	Nomination and Compensation Committee	4	0	1	3	0	0	Internal Director
Voluntary Committee Equivalent to Compensation Committee	Nomination and Compensation Committee	4	0	1	3	0	0	Internal Director

Supplementary Explanation

On June 14, 2019, the Company established the Nomination and Compensation Committee to serve as an advisory panel to the Board of Directors. The Committee's aim is to raise independency, objectivity and accountability of the Board of Directors and thereby reinforce the Group's corporate governance structure through ensuring the transparency and objectivity of evaluations and decision-making processes of directors' nominations and compensation.

For details of the Nomination and Compensation Committee, refer to "2. Matters Concerning

Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions Among Others (Overview of Current Corporate Governance Structure)" below.

[Corporate Auditors]

Establishment of Board of Corporate Auditors	Established
Number of Corporate Auditors Stipulated in the Articles of Incorporation	5
Number of Corporate Auditors	3

Cooperation Between Corporate Auditors, Accounting Auditors and Internal Audit Department

The Corporate Auditors, accounting auditors and the Internal Audit Office exchange opinions on a regular basis and aim to enhance effectiveness and efficiency of audits through such actions as sharing audit plans, audit results and other matters, and discussing operational improvements.

Appointment of External Corporate Auditors	Appointed
Number of External Corporate Auditors	3
Number of Independent Corporate Auditors Appointed as External Officers	3

Relationship with the Company (1)

Name	Affiliation	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Yozo Ueda	From another company											
Katsuyuki Tanaka	Lawyer											
Hidetoshi Uriu	From another company											

* Categories for "Relationship with the Company"

* "○" if the director currently falls or has recently fallen under the category; "△" if the director fell under the category in the past.

* "●" if a close relative of the director currently falls or has recently fallen under the category; "▲" if a close relative of the director fell under the category in the past.

a. Executive of the listed company or its subsidiary

b. Non-executive director or accounting advisor of the listed company or its subsidiary

c. Executive, or non-executive director of the parent company of the listed company

d. Corporate auditor of the parent company of the listed company
e. Executive of a fellow subsidiary company of the listed company
f. Party whose major client or supplier is the listed company, or an executive thereof
g. Major client or supplier of the listed company, or an executive thereof
h. Consultant, accounting professional or legal professional who receives a large amount of monetary compensation or other property from the listed company, other than compensation as an officer
i. Major shareholder of the listed company (or an executive of the major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier (that does not apply to f, g, or h) of the listed company (the executive himself/herself only)
k. Executive of a company that has appointed the same external officer as the listed company (the executive himself/herself only)
l. Executive of a company or organization that receives donations from the listed company (the executive himself/herself only)
m. Other

Relationship with the Company (2)

Name	Independent Officer	Supplementary Explanation Regarding the Applicable Category	Reason for Appointment
Yozo Ueda	○	—	Mr. Yozo Ueda has extensive knowledge and experience, etc. of business management. The Company therefore continues to appoint him as an External Corporate Auditor to receive his supervision and appropriate auditing of overall management based on such knowledge and experience. Mr. Ueda meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose the risk of conflicts of interest with general shareholders, and has accordingly been designated as an

			independent officer.
Katsuyuki Tanaka	○	—	Mr. Katsuyuki Tanaka has extensive knowledge and experience based on over 20 years of experience in corporate legal affairs. The Company therefore continues to appoint him as an External Corporate Auditor to receive his supervision and appropriate auditing of overall management. Mr. Tanaka meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose the risk of conflicts of interest with general shareholders, and has accordingly been designated as an independent officer.
Hidetoshi Uriu	○	—	Mr. Hidetoshi Uriu was involved in many M&A advisory operations both in Japan and abroad during his time at major U.S. investment bank, Goldman Sachs Japan, Co., Ltd., and has extensive knowledge of finance and accounting of global companies. The Company therefore continues to appoint him as an External Corporate Auditor to receive supervision and adequate auditing of overall management. Mr. Tanaka meets the criteria for independence prescribed by the Tokyo Stock Exchange, does not pose any risks of conflict of interest with general shareholders, and has accordingly been designated as an independent officer.

[Independent Officers]

Number of Independent Officers	8

Other Matters Concerning Independent Officers

All external officers who meet the criteria for independent officers are designated as independent officers.

[Incentives]

Implementation of Measures to Grant Incentives to Directors	Introduction of Stock Option Scheme Among Other Measures

Supplementary Explanation Regarding Applicable Categories

The Company has introduced a stock option scheme with an aim to raise motivation and morale for enhancing financial performance and thereby improve equity value in the medium- to long-term.
The Company has also introduced a restricted stock compensation scheme targeting Directors, with an aim to further share the benefits and risks of stock price movement with shareholders, and thereby boost Directors' motivation to contribute to raising stock value and corporate value.

Recipients of Stock Options	Internal Directors, External Directors, External Corporate Auditors, employees, Directors of subsidiaries, and others

Supplementary Explanation Regarding Applicable Categories

The Company has introduced this scheme with an aim to raise the above recipients' motivation and morale for enhancing the Company's financial performance.

[Director Compensation]

Disclosure (of Individual Directors' Compensation)	The Company does not disclose individual directors' compensation

Supplementary Explanation Regarding Applicable Categories

The Company does not disclose individual Directors' compensation since there are no Directors who receive a compensation, etc. of ¥100 million or more.
The breakdown of total compensation is disclosed by officer category such as Directors and Corporate Auditors.

Policy on Determining Compensation Amount and Calculation Method	Established

Disclosure of Policy on Determining Compensation Amount and Calculation Method

The composition, level, and the maximum pool of Directors' compensation are deliberated by the

Nomination and Compensation Committee, which serves as an advisory panel to the Board of Directors, within the limit resolved at the general meeting of shareholders and are determined by the Board of Directors based on the Committee's proposal. The composition and level of Directors' compensation are set to levels that appropriately compensate for sufficiently executing the Company's managerial decision-making and supervisory functions, taking into account social and market conditions, as well as comparison with other companies.
Director's compensation is comprised of base compensation and stock compensation for the purpose of serving as an incentive to achieve management goals and increase medium- to long-term shareholder value.
Individual Directors' compensation is determined by the Nomination and Compensation Committee, as delegated by resolution of the Board of Directors, based on the composition, level, and maximum pool, etc., determined by the Board of Directors, taking into account responsibilities and achievements, etc. expected to be fulfilled by each Director (including abilities and results for the Representative Director and Executive Directors), and based on a Directors' compensation chart according to title.
Nomination and Compensation Committee is comprised of minimum of three directors appointed by the resolution of the Board of Directors, with the majority comprising External Directors to secure transparency and objectivity for the evaluation and process of determination concerning the compensation, etc.

[Support System for External Directors (and External Corporate Auditors)]
The Administration Division serves as a liaison to External Directors and External Corporate Auditors, including providing prior notice on the date and time of and matters to be resolved in Board of Directors' Meetings. In addition, an employee (who is also a member of the Internal Audit Office) with adequate knowledge, abilities and experience serves as an assistant to support the execution of duties by Corporate Auditors.

2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions Among Others (Overview of Current Corporate Governance Structure)

As corporate statutory bodies, the Company employs a Board of Directors, a Board of Corporate Auditors and accounting auditors, as well as the Nomination and Compensation Committee as an advisory panel. The Company also has an Executive Officer System. Details of each body, etc. are as follows.

a. Board of Directors
The Company's Board of Directors is comprised of nine members (including five External Directors), and holds regular meetings once every month, as well as extraordinary meetings on an as-needed basis. During Board of Directors' meetings, Directors make important managerial decisions and also

supervise the execution of duties by each Director. The term of office for Directors is one year, with an aim to clarify Directors' managerial responsibilities and develop a management structure that can respond promptly to changes in the business environment.

b. Board of Corporate Auditors

The Company's Board of Corporate Auditors is comprised of three members, including one full-time Corporate Auditor and two part-time Corporate Auditors. The Board of Corporate Auditors holds regular meetings once every month and extraordinary meetings on an as-needed basis, wherein Corporate Auditors aim to share information among each other, including planning and progress of audits. The Corporate Auditors attend Board of Directors' meetings and other important meetings, and also appropriately monitor management through auditing procedures including browsing important documents and questioning officers and employees. Additionally, the Corporate Auditors work closely with the Internal Audit Office and accounting auditors, and thereby strive to enhance effectiveness and efficiency of audits.

c. Accounting Auditors

The Company has concluded an auditing agreement with Deloitte Touche Tohmatsu LLC, and audits are performed in a timely and appropriate manner.

d. Nomination and Compensation Committee

The Company has established a voluntary Nomination and Compensation Committee as an advisory panel to the Board of Directors to enhance the independence, objectivity, and accountability of the function of the Board by securing transparency and objectivity for nomination of Directors, evaluation for compensation, etc., and the process of determination, thereby further enhancing the Group's corporate governance system. The Nomination and Compensation Committee responds to consultation on matters including the composition of the Board of Directors, individual nomination of Directors, and the proposal on the composition, level, and maximum pool of the Directors' compensation.

Members of the Committee for Fiscal Year Ended November 2020 are Representative Director Yosuke Tsuji who serves as the Chair, and External Directors Masaaki Tanaka and Etsuko Okajima.

e. Executive Officer System

The Company has adopted an Executive Officer System from October 2014. The Company aims to expedite decision-making process and clarify responsibilities and authorities of business execution by separating management functions from supervision and business execution functions. Executive Officers are appointed by the Board of Directors and are responsible for business execution including decision-making pertaining to their duties as determined by resolution of the Board of

Directors, and promptly execute business based on the management decision-making by implementing the matters determined by the Board of Directors. From February 2021, the Company enhanced its Chief Officer System to further clarify the separation of management and execution functions to enable agile business execution.

3. Reasons for Adopting Current Corporate Governance Structure

The Company has adopted a Corporate Auditor System. As an institution pursuant to the Companies Act, the Company employs general shareholder meetings, Board of Directors, Board of Corporate Auditors, and accounting auditors, and has established a system centered on audits by Corporate Auditors, whereby Corporate Auditors supervise execution of duties by the Board of Directors and monitor management. In addition, the Company has appointed five External Directors and three External Corporate Auditors, thereby deploying a system where management is conducted based on views etc. from neutral standpoints.

The Company has adopted this system since it believes that in order to continuously increase corporate value and gain trust and confidence from society, the system should include managerial monitoring functions that ensure objective and neutral, external perspectives based on extensive experience in and knowledge of corporate management.

To further enhance our corporate governance, the Company revised the structure of the Board of Directors at the general meeting of shareholders held in February 2021 to reduce the number of Internal Directors from seven to four, and have External Directors comprise the majority of the Board. By decreasing the number of Board of Directors, the Company aims to facilitate prompt management decision-making and strengthen the management supervision function with the new structure.

III. Implementation of Measures Concerning Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

	Supplementary Explanation
Early Notification of General Meeting of Shareholders	The Company endeavors to send early notices for general meeting of shareholders. For the latest annual general meeting of shareholders held in February 2021, the notice was sent 17 days before the date of the meeting. To provide information early to the shareholders, the notice of annual general meeting of shareholders held in February 2021 was disclosed on our website a day before posting.
Off-peak Scheduling of General Meeting of Shareholders	The date of the general meeting of shareholders is set to ensure that the shareholders can exercise their votes subject to sufficient review, such as the annual general meeting of shareholders held in February in response to the fiscal year ending in November.
Electronic Voting	The Company offers a method for voting via the Internet at general meeting of shareholders and is developing an environment that enables more accessible exercise of voting rights by shareholders.
Participation in Electronic Voting Platforms and Other Measures to Improve the Environment for Exercising Voting Rights by Institutional Investors	Since the ordinary general meeting of shareholders held in February 2019, the Company has been participating in an electronic voting platform for institutional investors operated by ICJ, Inc.
Provision of English Convocation Notice (Summary)	Since the ordinary general meeting of shareholders held in February 2019, the Company has been creating convocation notices (abridged notices and reference materials) in English and posting them on the Tokyo Stock Exchange website, the electronic voting platform for institutional investors, and the Company's website.

2. IR Activities

	Supplementary Explanation	Explanation by the Representative Director
Preparation and Publication of Disclosure Policy	The Company posts its Disclosure Policy on the IR website within the Company's website, and sets forth "Information Disclosure Standards," "Information Disclosure Methods," "Prevention of Insider Trading," "Quiet Period" and "Developing an Internal Structure." For further details, please refer to the Company's website: tps://corp.moneyforward.com/en/aboutus/disclosure/	
Regular Briefings for Individual Investors	The Company holds briefings for individual investors, where the Senior Management explains operating results and management policies. The Company also provides briefing on business operation during the general meeting of shareholders to provide an opportunity for dialogue with individual investors.	None
Regular Briefings for Analysts and Institutional Investors	The Company holds briefings for analysts and institutional investors on the same day that quarterly financial results are announced. The Representative Director explains operating results and management policies. The Company also discloses a transcript of the briefing with an aim to impartially disclose information.	Yes
Regular Briefings for foreign Institutional Investors	Teleconferences and video conferences are held with overseas investors on a quarterly basis. The Company also participates in online conferences to engage in communication with overseas investors.	Yes
Posting of IR Materials on Website	The Company posts such information as financial results information and timely disclosure information on the IR website within the Company's website: https://corp.moneyforward.com/en/news/investorrelations/	
Establishment of Department (or Person) in Charge of IR	The Corporate Planning Division is in charge of IR.	

3. Measures for Respecting the Position of Stakeholders

	Supplementary Explanation
Stipulation of Internal Rules, etc. for Respecting the Position of Stakeholders	The Company deploys business activities based on the belief that the largest contributing factor to business expansion is earning the trust of various stakeholders including shareholders and customers. The Company responds to changes in the business environment and establishes a management structure that enables prompt decision-making and business execution, while also striving to strengthen its business management structure to ensure managerial efficiency. The Company is committed to thoroughly deploying a compliance structure based on increasingly sound ethical standards, and to advancing its businesses to meet stakeholders' expectations.
Implementation of Environmental Conservation, CSR, and Other Activities	Since the Company's founding, the Company has embraced its mission "Money Forward. Move your life forward," and aspired to eliminate money-related issues and concerns from the world we live in. The Company is committed to realizing a sustainable society under the three priority themes: "User Forward" to eliminate money-related issues and concerns from the world we live in through our services and businesses; "Society Forward" to contribute to creating a better society; and "Talent Forward" to draw out the potential of employees. For details on respective initiatives, please refer to the Company's website (https://corp.moneyforward.com/en/sustainability/). For details on three priority themes, please refer to the following websites. User Forward: https://corp.moneyforward.com/en/sustainability/userforward/ Society Forward: https://corp.moneyforward.com/en/sustainability/societyforward/ Talent Forward: https://corp.moneyforward.com/en/sustainability/talentforward/
Development of Policies, etc. Regarding Provision of Information to Stakeholders	The Company is committed to actively disclosing information to stakeholders through the Company's website and financial results briefings, among other means.

IV. Matters Concerning Internal Control System

1. Basic Policy on Internal Control System and Progress in System Development

The Company strives to strengthen its corporate governance structure in order to ensure appropriateness, raise transparency, and maintain compliance of its management. In addition, the Board of Directors has established the "Basic Policy on Developing an Internal Control System."

a. System to Ensure that Directors and Employees Execute Their Duties in Compliance with Laws and Regulations and the Articles of Incorporation

The Company has established a Board of Directors which supervises the execution of duties by Directors, and a Board of Corporate Auditors which is authorized to conduct auditing, and also appoints External Directors and External Corporate Auditors. By doing so, the Company strictly monitors the execution of duties by Directors and ensures that the execution of duties by Directors complies with laws and regulations, articles of incorporation, and internal rules.

b. System Concerning Retention and Management of Information on the Execution of Duties by Directors

(a) The Company has established a system for adequately retaining and managing information on the execution of duties by Directors, in compliance with internal rules as well as laws and regulations and articles of incorporation.

(b) The information retained and managed shall be accessible at any time upon requests from Directors or Corporate Auditors.

c. Rules and Other Systems Concerning Management of Risk of Loss

With regards to systems concerning management of risks of loss, the Board of Directors, to which internal and external information gathers, considers and implements risk identification, evaluation, preventive measures, and countermeasures. Also, representatives of respective divisions attend the Board of Directors' meetings on an as-needed basis to report on risk identification and evaluation.

d. System to Ensure Efficient Execution of Duties by Directors

(a) To ensure that Directors execute their duties efficiently, decisions regarding business execution are made through holding regular Board of Directors' meetings once every month, and extraordinary Board of Directors' meetings on an as-needed basis.

(b) With regards to business execution, authorities and responsibilities are stipulated in internal rules and revised on an as-needed basis.

e. System to Ensure Appropriateness of Operations Within the Corporate Group Comprised by the Company, Parent Company and Subsidiaries

(a) The Group's management structure is established, enhanced, and operated with regards to all

matters described in “System to Ensure that Directors and Employees Execute Their Duties in Compliance with Laws and Regulations and the Articles of Incorporation,” “System Concerning Retention and Management of Information on the Execution of Duties by Directors,” “Rules and Other Systems Concerning Management of Risk of Loss,” and “System to Ensure Efficient Execution of Duties by Directors.”
(b) Each group company cooperates by unit of business division and strives to share information with the Company.
(c) The Company’s Internal Audit Office audits each group company.

f. Matters Concerning the Appointment of an Employee/Employees to Assist the Duties of Corporate Auditors
The Company shall appoint necessary personnel to assist the Corporate Auditors in the case where Board of Corporate Auditors or Corporate Auditors themselves request the appointment of an employee/employees to assist their duties.

g. Matters Concerning Independence of the Employee/Employees Assisting the Duties of Corporate Auditors from the Board of Directors
To ensure the independence of the employee/employees assisting the Corporate Auditors, the transfer, evaluation, and discipline of such employee/employees shall require the consent of the Board of Corporate Auditors.

h. Matters Concerning Ensuring Effectiveness of Instructions from Corporate Auditors to the Employee/Employees Assisting Corporate Auditors
(a) The authority to command the employee/employees assisting Corporate Auditors’ operations shall be transferred to the Corporate Auditors during the period of assistance designated by the Corporate Auditors, and he/she shall not receive command or orders from the Representative Director.
(b) Contents of the preceding item shall be strictly observed by the Company’s officers and employees.

i. System for Directors, Accounting Advisors and Employees to Report to Corporate Auditors, and Other Systems Concerning Reporting to Corporate Auditors
(a) Corporate Auditors shall attend Board of Directors’ meetings and receive reports on important matters, etc.
(b) Directors and employees shall report immediately to Corporate Auditors when identifying facts that pose the risk of materially damaging the Company.

j. System to Ensure that Individuals Reporting to Corporate Auditors Are Not Treated Unfavourably

on the Grounds of Such Reporting
(a) Internal rules stipulate that officers or employees reporting to Corporate Auditors shall not be treated unfavourably on the grounds of such reporting.
(b) Contents of the preceding item shall be strictly observed by the Company's officers and employees.

k. Matters Concerning Policies on Procedures for Advanced Payments of Expenses or for Securities Incurred in Association with the Execution of Duties by Corporate Auditors, and on Handling of Other Expenses or Obligations Incurred in Association with Such Execution of Duties
(a) The Board of Corporate Auditors is authorized to utilize lawyers, certified public accountants, and other external experts, and to pay expenses on an as-needed basis.
(b) In the case where Corporate Auditors request the payment of expenses in association with the execution of their duties, the Company shall bear such expenses promptly other than when such expenses are proven to be unnecessary in executing duties.

l. System to Ensure Effective Auditing by Corporate Auditors
(a) The Representative Director shall hold meetings with the Corporate Auditors whenever possible and shall strive to communicate through not only reporting of businesses, but also exchanging opinions about corporate management.
(b) Corporate auditors shall hold regular discussions with accounting auditors and the Internal Audit Office, and exchange information to conduct effective auditing.

m. System to Eliminate Anti-Social Forces
The Company shall not be involved with any anti-social forces or organizations that pose threats to the order and safety of civil society and shall respond resolutely together with lawyers and the police towards unreasonable demands.

2. Basic Policy on Eliminating Anti-Social Forces and Progress of Development in Such Policies

(1) Basic Policy on Eliminating Anti-Social Forces
The Company rejects relationships with anti-social forces, and there is no evidence that the Company is currently involved with any anti-social forces. The "Rules for Responding to Anti-Social Forces" stipulates the prevention of involvement with anti-social forces and of provision of profits in order to deploy fair and sound management and business activities.
In the case where unreasonable demands are made by anti-social forces, the Company as a whole, led by the Representative Director will respond to the situation, and commit to responding resolutely taking legal countermeasures into consideration, while cooperating with external professional parties including lawyers, the relevant police station, the Special Violence Prevention Countermeasure Federation (*Tokubouren*) and the Tokyo Center for Removal of Criminal

Organizations.

(2) Progress of Development in Eliminating Anti-Social Forces

The Administration Division, which is the division responsible for this area, strives to constantly check the latest information on laws and ordinances for eliminating anti-social forces enacted and promulgated by national or local governments, as well as on policies, guidelines, and other rules regarding eliminating anti-social forces. The Administration Division also strives to establish a structure for eliminating anti-social forces and make such contents known by officers and employees through attending seminars held by professional parties aiming to eliminate anti-social forces, including the police, the Special Violence Prevention Countermeasure Federation (*Tokubouren*), and the Tokyo Center for Removal of Criminal Organizations, and through collecting information. Also, the Company appoints a person in charge of preventing unreasonable demands and reports to the relevant police station in order to prevent damages from unreasonable demands, etc. from anti-social forces, learn countermeasures, and collect information, among other purposes.

When commencing transactions with new clients or suppliers, the Company collects information through research using keyword searches on the Internet and newspaper article searches. Also, with regards to existing clients and suppliers, the Company conducts research on those with continuing transactions for whom the Company has not conducted research for over a year, and also conducts research in the case where changes in managers or investors become apparent. In addition, with regards to research on anti-social forces concerning shareholders, officers, etc. and employees, the extent of research is determined individually, and research is conducted regularly using the same method. Furthermore, when entering into an agreement with a client or supplier, agreements include an elimination clause stipulating that transactions and other actions shall be resolved immediately in the case where it is discovered that the counterparty is an anti-social force.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	None

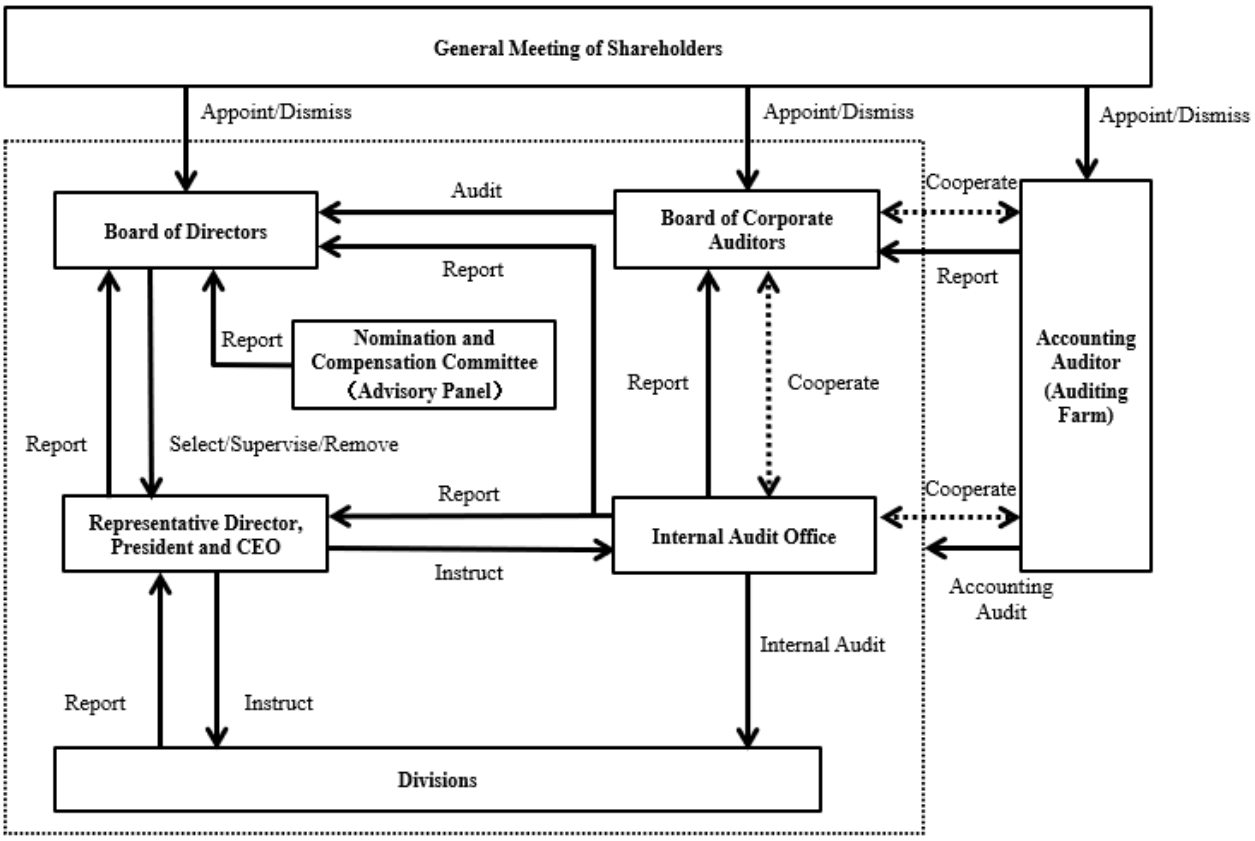
Supplementary Explanation Regarding Applicable Categories

Not applicable

2. Other Matters Concerning Corporate Governance Structure etc.

A diagram describing the Company's corporate governance structure and the flow of procedures for timely disclosure is attached for reference.

■Corporate Governance Structure



■Flow of Procedures for Timely Disclosure

