Forward Map 2021

Towards a society where
everyone can face forward.
What can, and must be done.

Integrated Report 2021
Money Forward, Inc.

Money Forward

Money Forward → Move your life forward

How will our society evolve? How will the meaning of life change? In such times, what will the role of money be? The future is never certain. What is important is to face forward at all times. Our mission is to create a world where everyone can move their life forward. We will identify and accomplish what can and must be done, one at a time, with a view to exceed the bounds of money. This is our map of our “present” and “future.”



Mission

Money Forward. Move your life forward.

Money may be only a tool for our lives. However, money is also essential for sustaining ourselves and our families, as well as for realizing our dreams. We contribute to building a better society by providing services that enable customers to see money in a positive light and broaden their range of opportunities, thereby significantly enriching their lives.

Vision

Becoming the financial platform for all.

We aim to solve financial issues of all individuals and businesses by building an open and fair financial platform and providing truly meaningful services.

Values

User Focus

Defying all obstacles, we will retain a user-oriented stance at all times, understanding the true challenges of users and delivering solutions that exceed their expectations.

Technology Driven

We believe technology is a real game changer for the world. We will dive deep with technology, deploy technology for society through our services, and continue to innovate.

Fairness

We pledge to be fair and open to all stakeholders of society.

Contents

Mission/Vision/Values 5

CEO's Message 7

Highlights 13

History 14

Products 15

Business Overview 16

Core Technology 17

Value Creation 18

Sustainability 19

—User Forward 20

—Society Forward 23

—Talent Forward 26

Measures against COVID-19 28

Our Business 30

CSO's Message 31

Technology x Design 33

—Money Forward Lab 36

Our Services 37

—Business 38

—Home 48

—X 52

—Finance 55

Driving Services Forward through Teamwork 59

Sports as a Force for Empowering People 61

Finance & Governance 62

CFO's Message 63

Governance 65

Executives 68

Facts & Data 71

CEO's Message

“To drive lives forward, and move our society forward.”

Since the Company's founding, we have embraced our mission “Money Forward. Move your life forward,” and deployed services in the field of SaaS × Fintech.

While empathizing with our customers, we aspire to resolve financial issues utilizing the power of technology, and to create a society where many people can take on challenges.

Yosuke Tsuji
Representative Director, President and CEO



Money Forward. Move your life forward.

In line with our mission "Money Forward. Move your life forward," we have developed our business with an aim to alleviate people's anxieties and concerns related to money through our services. Our overriding aspiration is to invigorate society by encouraging people to take on challenges, and to thereby create a forward-looking and positive society.

As a science major, I always had a passion for *monozukuri*, which prompted me to join Sony Corporation (currently Sony Group Corporation) upon graduation. Many amazing products, as represented by Sony products, cross the Japanese border and serve to enrich the lives of people around the world. I have been captivated by the potential that products hold as well as by the excitement of creating them ever since I was a child.

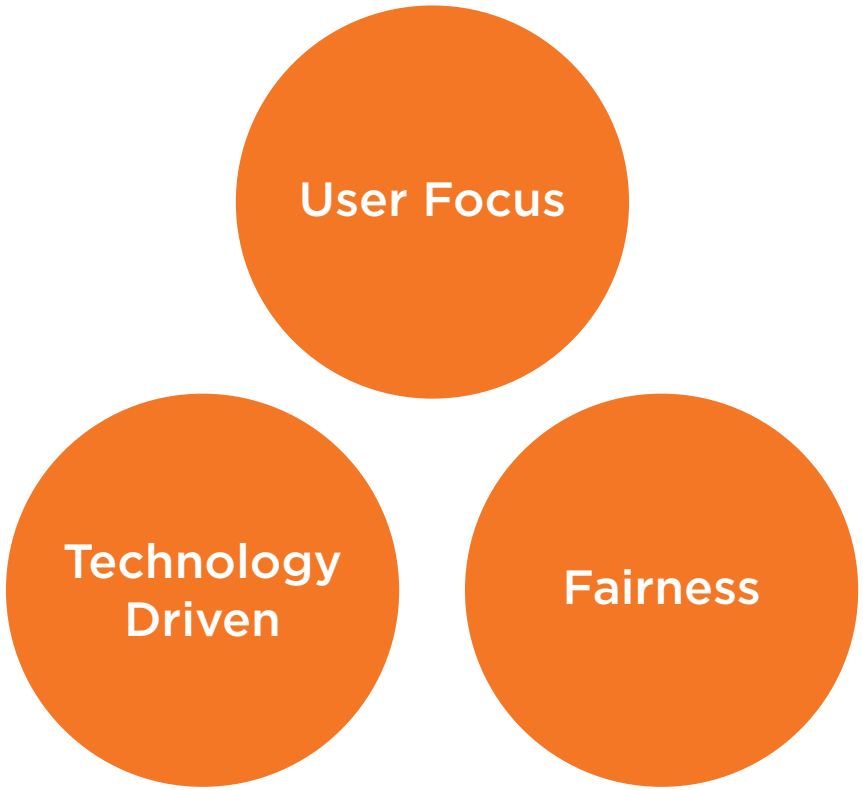
While at Sony, I eagerly applied for secondment to Monex Securities, to where I was subsequently transferred. I empathized with Monex Securities' vision: "to change Japan's financial market."

Money is an essential and valuable tool for enriching our lives. Yet we are not taught about money at school, and I was greatly disturbed by the fact that money is generally perceived as "profane." I also felt that financial institutions' services at that time were too uniform and hardly ever attractive.

If services that intuitively appeal more to users are developed in succession, and if we are relieved from money-related anxieties and hassles, wouldn't we be spending more time for what we genuinely care? Wouldn't society as a whole start moving forward? Nine years have passed, but my aspirations remain unaltered since our day one.

Our Three Core Values

Social Code of Conduct



User Focus

"Providing products that exceed their expectations"

Our first product *Money Forward ME* originated from my own needs. At that time, I was on my PC for hours every weekend to keep track of my daily expenditure and income. Financial data was scattered across various platforms, making it extremely difficult to manually aggregate daily changing information, including from multiple bank accounts, credit cards, and investment accounts. "I wish I could easily grasp my spending and assets in real time." This desire became the seed for *Money Forward ME*.

Money Forward Cloud Accounting, developed in 2013, also stemmed from my personal work experience in the accounting department. This experience drove me to want to tackle low productivity deriving from massive paperwork in back-office operations. While feeling stressed from such inefficient operations, I was also able to learn firsthand that the back office plays a crucial supportive role in business. *Money Forward Cloud*, which took shape from this desire to empower management from the back office, has continued to expand its product lineup in response to users' voices. We aim to help streamline entire back-office operations, ranging from accounting and finance to human resources and legal affairs, targeting SMEs as well as leading medium-sized and listed companies.

In this way, my own experiences spawned our early products. It was my wish to not merely relieve the immediate pain but to fundamentally resolve issues and empower users to move forward. We have continued to expand our business coverage while developing products that emanate from "User Focus." As part of this endeavor, we have taken on the challenges of supporting DX (digital transformation) of financial institutions, and of resolving issues including in corporate cash flow and marketing.

The voice of individual users is the launch point of any product development. Based on this conviction, I continue to take part in sales activities to listen to users. I seek to not only listen but also constantly capture users' true challenges and needs in view of providing products that exceed their expectations.

Technology Driven

"Technology is the force that can dramatically advance our lives"

We strongly believe technology to be a major driver in drastically changing the world. We will therefore delve deeper into technology and provide society with services that derive from technology and thus unceasingly drive innovation.

Engineers who believe in the promise that technology holds have joined our Company. They currently engage in development at our four domestic locations as well as our Vietnam office, with engineers coming from seven different countries. Going forward, to gain a competitive advantage, we will invest further in technology, and continue to actively recruit engineers to bolster our development capabilities.

The Japanese stock market underwent drastic change with the liberalization of brokerage commissions in 1999. The means of trading, previously centered on phone and face-to-face communications, were rapidly superseded by Internet trading.

I was working at Monex during this time of transformation, and was astounded by the abruptness of the changes. We were suddenly able to experience the convenience of being able to buy and sell items on demand via the Internet; individual investors were able to gain access to information and products that were previously only accessible to professional institutional investors; and brokerage commissions continually dropped. I acutely felt the disruptive force of technology and was convinced that technology is the force that can dramatically advance our lives.

The term "fintech," commonly used now, also symbolizes the accelerated

innovation in the finance sector propelled by the power of technology.

Most of the services we offer to our customers, who comprise one of the largest customer bases in Japan, are supported by four core infrastructures: account aggregation, common ID/authentication, data security, and data analytics.

Also, to maximize the potential of technology, we established Money Forward Lab, which focuses on research and development in areas including autonomy and usability, machine learning and deep learning, and natural language processing and image processing, with a view toward ultimately realizing a future with autonomous back offices. We thereby aim to provide new fintech services that will appeal to customers. (▶P.34 Money Forward Lab)

Fairness

"Being fair and open to all stakeholders"

Ever since our founding, we have placed emphasis on being fair and open to all stakeholders of society.

In light of this, it is essential to bolster ESG initiatives, particularly with regards to corporate governance. From February 2021, we have changed the composition of our board of directors, with the majority now comprising independent outside directors with wide-ranging and in-depth experience, and have also extended the authority of business operation divisions with an aim to further expedite business execution. (▶P.63 Governance)

A Future Shaped by SaaS × Fintech

Our services are used by more than 11 million individuals, more than 140,000 paying businesses, and 39 financial institutions. The majority of our services are SaaS (Software as a Service)-type services, based on a recurring revenue model, with a low churn rate, and are therefore highly stable as a business. We also collect and retain volumes of various customer data through our services.

Under Money Forward Lab's initiative, we will combine new technologies and data to more effectively give back to our customers. Additionally, taking a neutral stance from our customers' perspective, we will strive to offer new fintech services that are available on demand, affordable, and easy to use.

Sustainability at Money Forward

"To become a force that gradually but surely drives our society forward"

Through our business activities, we aspire to resolve financial issues for all and create a society that drives challenge.

Toward realizing such a society, we have laid out the following as three materiality themes of our efforts in sustainability; "User Forward" (i.e., to drive customers' lives forward), "Society Forward" (i.e., to drive our society forward), and "Talent Forward" (i.e., to drive our employees' potential forward). (P.17 Sustainability)

Innovations are brimming with the promise of making our lives more enriched and convenient. However, precisely because they are innovative, they may not fall under conventional thinking or social codes, and thus may require revision of laws or establishment of new frameworks. Currently, rules concerning innovations—including use of data, handling of personal information, autonomous driving, and the use of drones—are subject to debate from various perspectives such as benefits and consumer protection.

In addition to enriching people's lives through our services, we are also committed to incrementally but surely driving our society forward through engagement in public affairs activities.

Not only through our services but also through such endeavors, we wish to shape a society where many people can take on challenges. We sincerely wish to create a society where failures are not condemned, but rather, challenges are praised. To that end, we will relentlessly tackle challenges without fear of failure.

In closing, the Company transferred its market listing to the First Section of the Tokyo Stock Exchange in June 2021. I would like to take this opportunity to once again thank all of our stakeholders, including our customers, business partners, and shareholders, for their unceasing support. Your understanding and support is what enables us to continue taking on such challenges.

All members of our Group will continue to make a concerted effort to empathize with customers and provide services that resolve their issues, thus creating an exhilarating society for all. We kindly ask for your ongoing support.



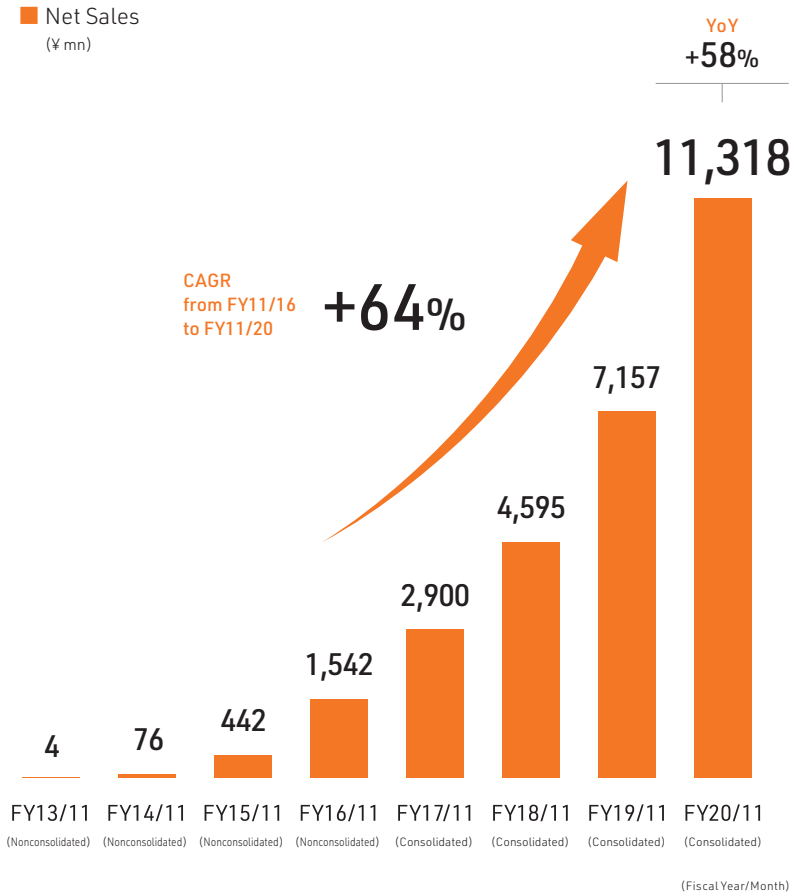

SHOP
SHOP

Highlights

(For the Fiscal Year Ended November 30, 2020)

Net Sales

Consolidated net sales continued to grow rapidly, achieving a CAGR (compound annual growth rate) of 64%.



Consolidated Net Sales

¥11,318 mn

(Up 58% YoY)

Consolidated EBITDA*1

-¥2,164 mn

(EBITDA margin was -19%, increasing by 11% YoY)

Group Companies/Locations*2

14/16

Employees/ Ratio of Engineers and Designers

865/40%

Paying Customers*3

420,000 plus

Certified Members*4

16,000 plus

Partnerships with Financial Services*5

2,600 plus

Financial Institutions that Provide Our Services*6

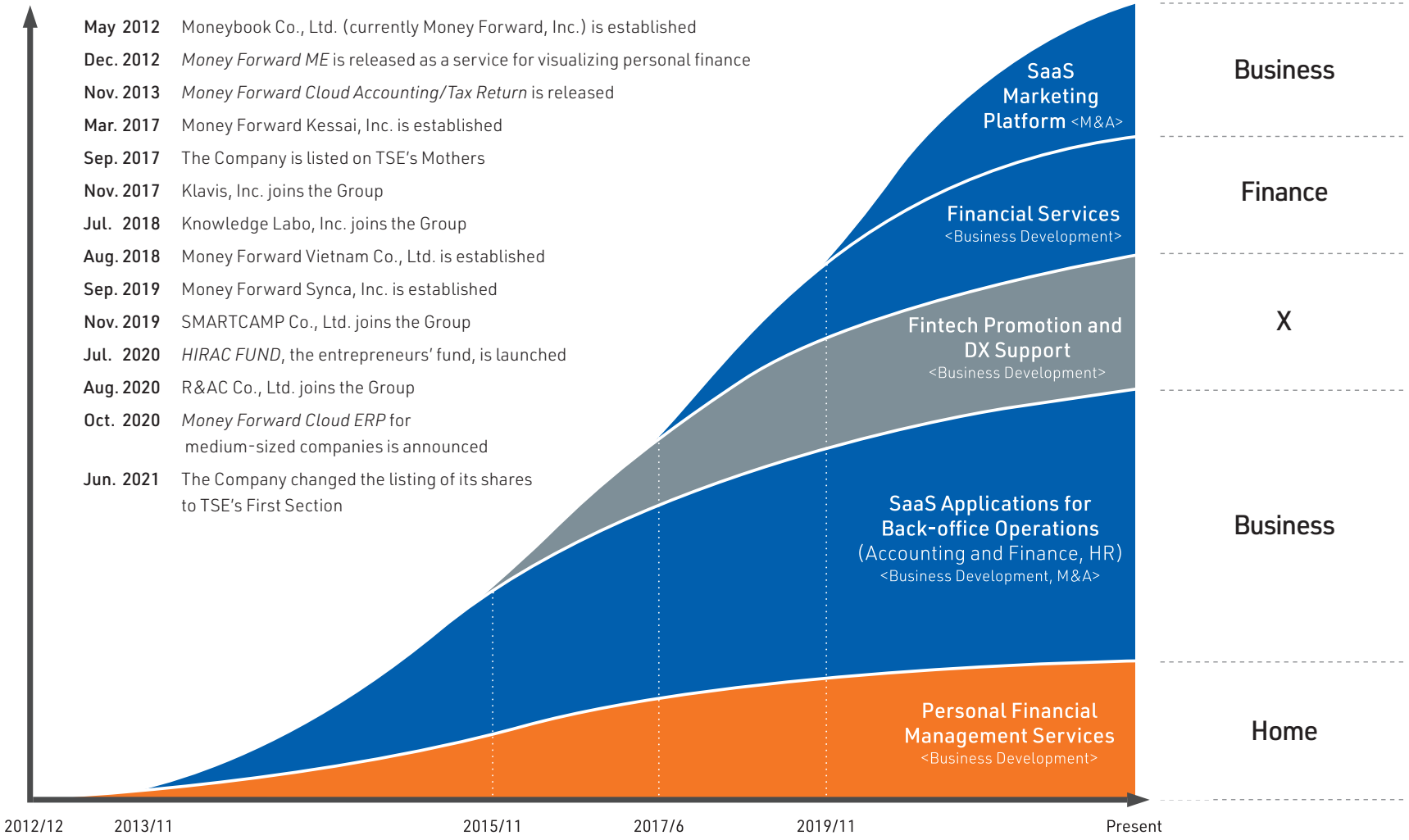
39

*1 Consolidated operating profit/loss + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses
*2 As of May 31, 2021.
*3 The number of paying users of *Money Forward ME* and paying business customers of *Money Forward Cloud* and other SaaS applications for back-office operations.
*4 As of February 28, 2021. The total number of employees who use our services at major professional service firms.
*5 As of December 31, 2020.
*6 As of June 30, 2021.

History

Expansion and Growth of Business Field

May 2012	Moneybook Co., Ltd. (currently Money Forward, Inc.) is established
Dec. 2012	*Money Forward ME* is released as a service for visualizing personal finance
Nov. 2013	*Money Forward Cloud Accounting/Tax Return* is released
Mar. 2017	Money Forward Kessai, Inc. is established
Sep. 2017	The Company is listed on TSE's Mothers
Nov. 2017	Klavis, Inc. joins the Group
Jul. 2018	Knowledge Labo, Inc. joins the Group
Aug. 2018	Money Forward Vietnam Co., Ltd. is established
Sep. 2019	Money Forward Synca, Inc. is established
Nov. 2019	SMARTCAMP Co., Ltd. joins the Group
Jul. 2020	*HIRAC FUND*, the entrepreneurs' fund, is launched
Aug. 2020	R&AC Co., Ltd. joins the Group
Oct. 2020	*Money Forward Cloud ERP* for medium-sized companies is announced
Jun. 2021	The Company changed the listing of its shares to TSE's First Section



Products

We have released more than 40 services during the nine years since our founding.

Corporates

SaaS Applications for Back-office Operations

- Money Forward Cloud Tax Return
- Money Forward Cloud Payroll
- Money Forward Cloud Business Registration
- Money Forward Cloud Receivable Billing
- Money Forward Cloud Accounting
- Money Forward Cloud Expense
- Money Forward Cloud Store
- Money Forward Cloud Fixed Assets
- Money Forward Cloud Accounting Plus
- Money Forward Cloud Attendance
- Money Forward Cloud Box
- Money Forward Cloud Contract
- Money Forward Cloud Social Insurance
- Money Forward Cloud My Number
- Money Forward Cloud Payable Management
- Manageboard
- Money Forward Cloud Invoice
- Money Forward Cloud Company Registration
- STREAMED
- V-ONE Cloud

SaaS Marketing Platform

- BOXIL SaaS
- BOXIL EXPO
- BALES
- BALES CLOUD

Financial Services

- Money Forward Kessai
- Money Forward Early Payment
- Money Forward Synca
- HIRAC FUND

Individuals

Personal Financial Management Apps

- Money Forward ME
- Money Forward Mall
- MONEY PLUS
- SiraTama
- Money Forward Okane No Soudan
- Money Forward Okane No Sensei
- Money Forward Career
- Money Forward Fixed Cost Review

Financial Institutions

Fintech Promotion and DX Support

- Money Forward for ○○
- Passbook App
- MF Unit
- BFM Asset management service for financial institutions
- Money Forward Fintech Platform

Business Overview

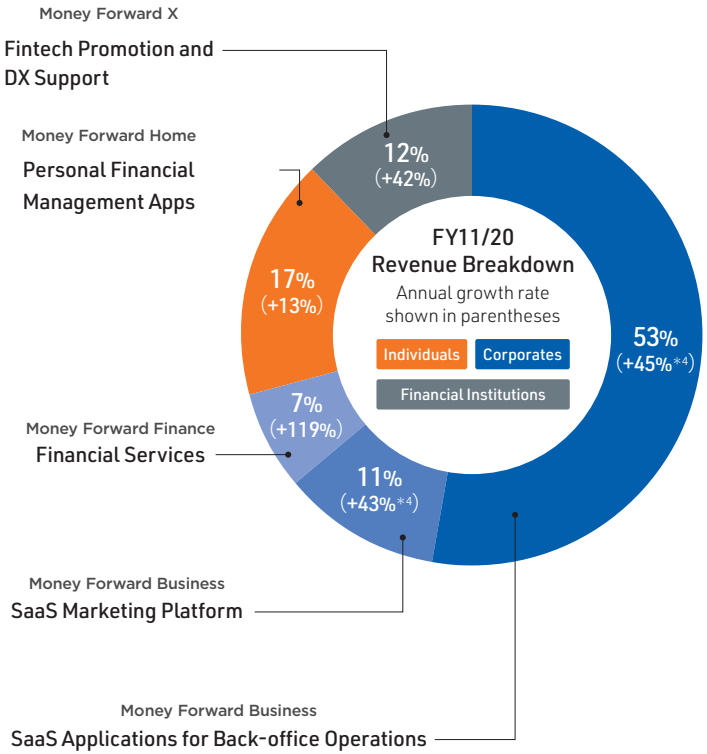
Business Outline

We deploy business catered to corporate and individual customers, and financial institutions. We offer wide-ranging services building on our customer base, which is among Japan's largest in the field of SaaS × Fintech.

Customer Type	Business Domain	Description	Key Services
Corporates	Money Forward Business SaaS Applications for Back-office Operations	・Provides cloud service for back-office operation (e.g., accounting and finance, HR and legal affairs); boosts productivity significantly through shift to cloud and automation ・140,000-plus paying business customers, half of whom are corporate ・Covers 66% of Japan's top 100 professional service firms[*1]	Money Forward Cloud STREAMED Manageboard V-ONE Cloud
	Money Forward Business SaaS Marketing Platform	・One of Japan's largest SaaS marketing platforms, operated by Smartcamp Co., Ltd.	BOXIL SaaS BALES BOXIL EXPO
	Money Forward Finance Financial Services	・Money Forward Kessai, Inc. provides B2B deferred payment billing and factoring services ・Total transaction volume[*2] has exceeded ¥30.0 billion	Money Forward Kessai Money Forward Early Payment
Individuals	Money Forward Home Personal Financial Management Apps	・11 million plus customers; no.1 share in Japan[*3] ・280,000 plus paying customers ・Provides services to improve household finances based on data	Money Forward ME
Financial Institutions	Money Forward X Fintech Promotion and DX Support	・Joint service development with 39 financial institutions ・Provides *Fintech Platform*, which links individual and corporate customers, financial institutions, and fintech companies, using an account aggregation infrastructure	Money Forward X Money Forward Fintech Platform

*1 Calculated by Money Forward, Inc. based on "Top 500 Professional Service Firms" in 2019 by *Monthly ProPartner*.
*2 The cumulative amount of receivables that Money Forward Kessai, Inc. has acquired through *Money Forward Kessai*, a B2B deferred payment settlement service, and *Money Forward Early Payment*, an accounts receivable financing service.
*3 Based on an Internet survey by Macromill, Inc. on "Personal financial management (PFM) app that one currently uses." Respondents consist of 1,034 PFM app users in their 20s to 60s. Survey period: Nov. 18-19, 2020.

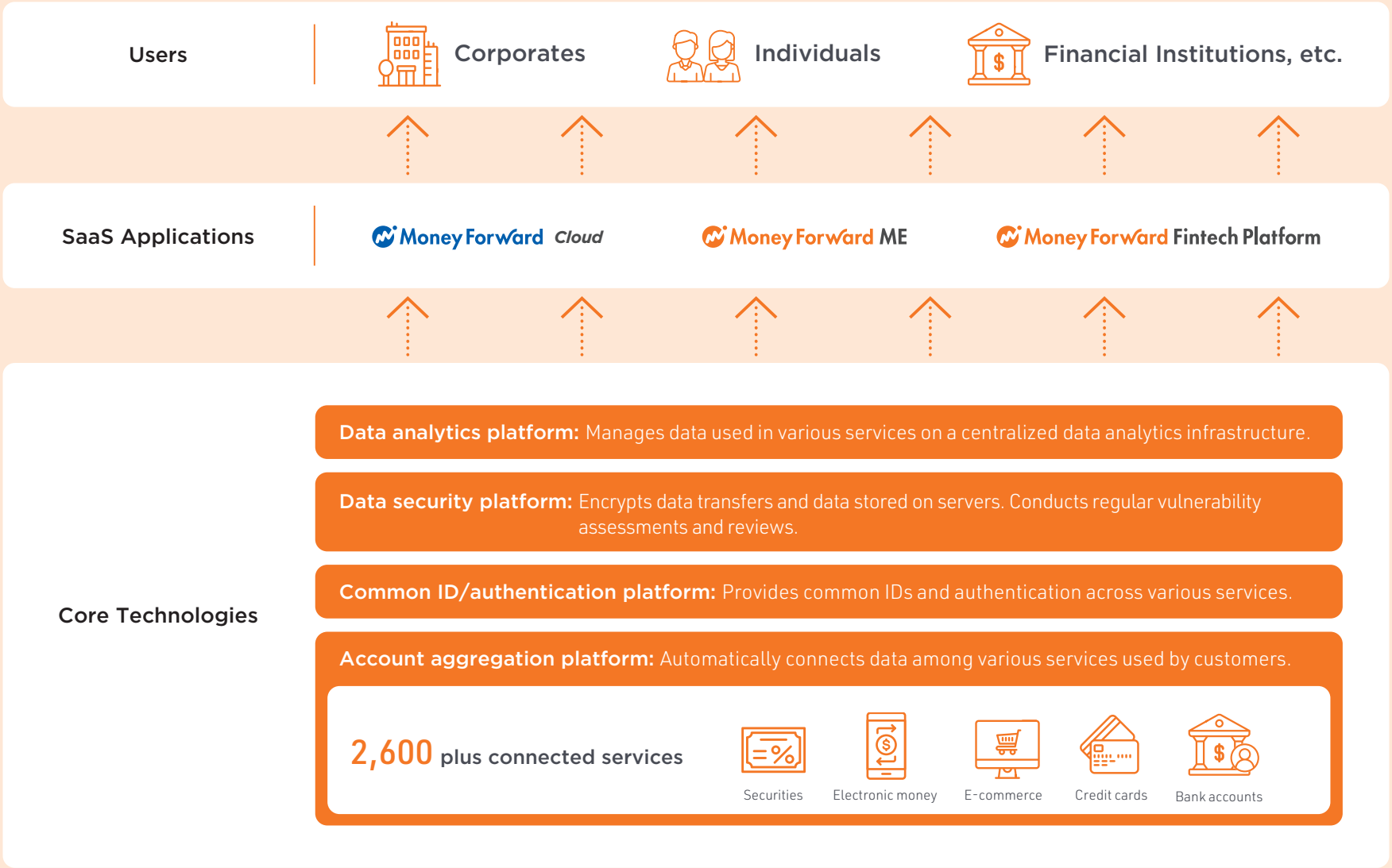
Revenue Breakdown



*4 Comparison with results of the full year prior to consolidation.

Core Technologies

We offer our services to various customers including corporates, individuals, and financial institutions. Many of our services are backed by our core technologies, which enable us to improve investment efficiency in technology and expedite product development.



Value Creation

Under our vision of "becoming the financial platform for all," we leverage the power of technology and data to resolve financial issues of corporates, individuals, and financial institutions. We are also engaged in efforts toward creating a society that is sustainable for wide-ranging stakeholders.

Mission

Money Forward. Move your life forward.

Key Inputs

Human capital

865 employees
(Ratio of engineers and designers: 40%)
16 locations

Intellectual capital

- Core technologies ▸P.15
- R&D investment in data utilization and cutting-edge technology

▸P.34 Money Forward Lab

Social capital

- Partnerships with financial institutions, accountants, and business corporations across Japan
- Participation in industry groups and making recommendations to the government, among other efforts

▸P.21 Society Forward

Financial capital

- Stable financial base

▸P.61 CFO's Message

Business Activities

Vision

"Becoming the financial platform for all."

We offer various services to corporates, individuals, and financial institutions.

Business ▸P.36 X ▸P.50
Home ▸P.46 Finance ▸P.53

Values

User Focus
Technology Driven
Fairness

▸P.5 CEO's Message

Culture

Speed
Pride
Teamwork
Respect
Fun

▸P.24 Culture

Governance/ Compliance

▸P.63 Governance

Outputs

Value proposition

- Enhance labor productivity and management of companies
- Improve household finances and financial literacy
- Provide convenient financial services through promotion of DX in financial institutions and other organizations
- Support businesses' cash flow and growth

Customers

- 140,000 plus paying business customers
- 11 million plus individuals
- 39 financial institutions

Economic value of our business

Consolidated net sales: ¥11,318 mn, up 58% YoY

Outcomes

User Forward

To drive users' lives forward.

▸P.18

Society Forward

To drive our society forward.

▸P.21

Talent Forward

To drive our employees' potential forward

▸P.24

SDG goals we aim to achieve



Sustainability

Aspiring to Resolve Financial Issues for All and Create a Society That Drives Challenge

Since our founding, we have embraced our corporate mission "Money Forward. Move your life forward," and aspired to eliminate financial issues and concerns from the world. Money is only a tool for living. Yet, many individuals and companies are pressured and affected by money because of lack of proper knowledge and are unable to take on the challenges that they wish to pursue. Through our services and businesses, we support each and every individual as they move their lives forward and drastically enrich their everyday life, thus creating a society that drives challenge.

Three Materialities

To realize the society we envision and to continuously improve our corporate value, we have set "User Forward (i.e., to drive users' lives forward)," "Society Forward (i.e., to drive our society forward)," and "Talent Forward (i.e., to drive our employees' potential forward)" as three materitalities to address with priority.

"User Forward" is a commitment to leverage the power of technology and design to provide services that resolve users' financial issues. We will also promote investment in cyber security to ensure safe use of our services.

The goal of "Society Forward" is to contribute to DX of society as a whole through co-creation with diverse partners, to create a better social system through active engagement in social initiatives, and to operate an environmentally friendly company.

As for "Talent Forward," we aim to create wide-ranging growth opportunities for each of our employees to live up to their potential, to have our management commit to talent growth, and to create an environment where diverse perspectives are accepted regardless of gender, nationality, age, or academic background.

We will expand on these three materiality themes, as well as the foundation that supports them; namely, the common understanding of Money Forward's mission, vision, values, and culture and governance that balances growth and risk control.

1 User Forward
To drive users' lives forward.

2 Society Forward
To drive our society forward.

3 Talent Forward
To drive our employees' potential forward.

SDGs that We Aim to Achieve through Our Initiatives



Foundations Supporting the Three Materiality Themes

Common understanding of Money Forward's mission, vision, values, and culture
Governance that balances growth and risk control

Identifying Our Materialities

We identified our materiarities by selecting prospective items referencing major guidelines including the SDG Compass[*1] and SASB's materials,[*2] as well as ESG criteria, combining that with interviews with internal and external stakeholders, and holding discussions at Board of Directors meetings and Management meetings.

*1 Guidance for companies to align their strategies with the SDGs
*2 SASB = Sustainability Accounting Standards Board

Structure for Promoting Sustainability

We appointed Toshio Taki, who serves as executive officer, CoPA (Chief of Public Affairs) and head of the Money Forward Fintech Institute, as head of sustainability. We also launched a project team to promote sustainability, consisting of the Corporate Planning, Administrative, and Public Relations Departments. Matters regarding sustainability are discussed and policies are established at Board of Directors meetings and Management meetings.

1 User Forward
To drive users' lives forward

Resolving Users' Issues with Technology and Design

We believe that the power of technology in creating innovations and the design that brings them to life are essential for identifying and resolving issues ahead of the world. As such, spearheaded by our CTO (Chief Technology Officer) and CDO (Chief Design Officer), we aim to resolve users' issues by leveraging the power of technology and design, and to create products that are easy to use for all. In addition, with a view toward predicting issues that users may encounter in the future and proposing actions to resolve them, we are promoting research and development focusing on autonomous technology and usability at Money Forward Lab, a research facility focused on data utilization.

SDGs → Goal 9

▸P.31 Technology × Design
▸P.34 Money Forward Lab

Investment in Cyber Security to Ensure Safe Use of Services

As our services require collecting and retaining a variety of user financial information, we place importance on constantly reinforcing information management. We have thus created the Basic Policy on Information Security (Security Policy), Personal Information Protection Policy (Privacy Policy), and other internal rules, and thereby conduct thorough information management and take appropriate preventive measures against data breach and other risks. We will continue to invest in cyber security to ensure safe service usage by our users.

SDGs → Goal 9

Key Initiatives

Information Security and Personal Data Protection

- Compliance with the Security Policy and Privacy Policy
- Employee training
- Internal access authorization and access log record
- Appropriate information management at data centers
- Establishment of personal data management rules
- ISO/IEC 27001 and privacy mark certifications
- Nippon CSIRT Association membership

Prevention of Unauthorized Third-Party Access

- Review at time of development
- Firewall installation
- Third-party evaluation by external security diagnostics firm
- Data encryption and enhanced monitoring system
- Anti-virus software installation for employee devices
- Separate designated network environment for maintenance involving personal data

User's Voice—Transformation through the Utilization of Our Services

Money Forward *Cloud*

A long-established fresh seafood shop bolsters operations with cloud accounting. "We now have time to devise new businesses."



Mr. Issei Izumida
Izumida

I run a fresh seafood shop called Izumida Sengyo in Kanoya City, Kagoshima Prefecture. Our family-run shop was founded in 1974, spanning three generations. I returned to my hometown after my father became ill and have been helping operations since 2014.

Accounting was the first area I addressed after joining the family business. At that time, my mother handled accounting by herself, but the workload was heavy. I felt we should streamline our back office before trying to refine our business. After asking a few acquaintances about the convenience of cloud accounting, I decided to install *Money Forward Cloud Accounting*.

I migrated our Excel-based bookkeeping to cloud accounting, and deposit, withdrawal, and sales data are now automatically booked by linking data of online banking, credit cards, and the shop's *Square POS Register*. We are currently raising operational efficiency further by using *Money Forward Cloud Expense* and *Money Forward Cloud Invoice* too. SMEs across Japan are run by a small number of people. In our case, whenever we tried to start a new business, the back office was put on the back burner, resulting in a last-minute scramble to process a pile of invoices before the settlement date. We no longer have this problem since installing *Money Forward Cloud*.





Our business used to consist primarily of wholesale to local hospitals and schools, but from a few years ago, we have been developing new businesses, including starting a retail shop, and manufacturing processed goods such as dried fish and developing sales channels in other prefectures. I believe such actions are possible owing to the time saved by implementing *Money Forward Cloud*.

Money Forward *Cloud*

The coronavirus pandemic prompted us to shift to cloud. We hope to spend more time on creative activities.



Mr. Akira Hiraoka
Director and Corporate Division Manager
Karadanote Inc.

Under our corporate vision "to support family health and bring more smiles," we have developed services including for making recommendations that align with the life stages of those with small children or with a first grandchild. Our company, established in 2008 and listed on Mothers of the Tokyo Stock Exchange in October 2020, has 40 employees (among whom three work in accounting and finance) as of June 2021.

We previously used a stand-alone accounting system and felt that manually typing in paper-based data was inconvenient, but the advent of the coronavirus pandemic made the development of a remote work environment even more essential. Around the same time, business divisions were requesting that invoices be issued via cloud. This was because issuing invoices consisted of inefficient operations, such as circulating and sealing them in accordance with internal control. To respond to such requests from both the administrative and business divisions, we decided to conduct a company-wide migration to cloud.

We first installed *Money Forward Cloud Invoice*, followed by *Accounting Plus, Attendance*, *Payroll*, and *Expense*. For instance, we previously printed and handed out payslips, but now issue them online, which has made operations much easier. Also, issuing invoices used to require printing them out, enclosing them in an envelope, and cutting, pasting, copying and saving them, while conducting our monthly closing of accounts. Currently, operations are completed over e-mail, without the need to print out invoices. We no longer spend 30 minutes to go and buy stamps and put them on envelopes.

Ultimately, I think it would be ideal to create an organizational structure with almost no administrative staff. I believe that with the widespread acceptance of such tools, companies will be able to spend more time on more creative activities.

Money Forward ME

Automatically tracking income and expenses with *Money Forward ME*. Life with less stress about money by balancing saving and small luxuries.



Mr. Yusuke Kano

I have always been interested in managing my personal finances. I used to keep track of my household finances using software installed on my PC, but opening my PC every day and entering every expense and income was a burden. About five years ago, I started actively using electronic money and thought it would be nice if I could automatically manage my finances, which was when I came across *Money Forward ME*.

I can easily open and check my finances every day on a smartphone app. Since I usually pay with electronic money, data on my income, expenses, and assets are automatically linked and visualized, including in the form of graphs, making it hassle-free and very satisfying. I am also pleased with the function that lets me set a budget for each item and check how much I can still spend every month.

Additionally, I now have more opportunities to learn about money while managing my finances, which has led to changes in how I spend money, including using hometown tax donations and crowdfunding. Although I usually spend frugally worrying about my balance, I am now strategically saving money for small luxuries, such as for my hobby, and for a future trip to France and future meals at Michelin restaurants with my wife. I hope to continue leading a life free of stress from money, while balancing saving and small luxuries.

Money Forward X

Delivering value equitably to a broad range of people. Developed *OneStock*, an asset management app that supports users throughout their lives.



Mr. Hajime Ikeda
Managing Director in Charge of Future Innovation Company
Nomura Securities Co., Ltd.

We have provided various services thus far mainly to customers with securities accounts at our company; however, several research studies have shown that people without accounts at securities companies also have asset management needs. Given that people tend to be hesitant about opening an account with a securities company, what is necessary for us to deliver value and services to as many people as possible in an equitable manner? We thought that the starting line would be a service that "enables one to grasp one's assets."

In terms of grasping one's assets, Money Forward, Inc. has the know-how for aggregating information of one's entire assets by leveraging its partnerships with various financial institutions. By integrating this with our own strengths—namely, know-how on wealth accumulation and expertise in wealth span, which we have cultivated in the world of face-to-face service—we believed we could deliver value to more users. In light of this, we listened to users' voices once more, and implemented joint development under the concept of "an app that enables users to easily grasp their present and future assets." *OneStock* was conceived in this way, and we hope that the service will continue to serve users as they advance their lives.

Together with Money Forward, Inc., we wish to create services that are always present by users' side whenever they feel concerned about their future assets. Through such services, we will fully support users by first grasping the current state of their assets, and guiding them on what they should do or what path to follow to accumulate necessary assets.

2 Society Forward
To drive our society forward

To Achieve a Better Social System

Our group leads policy recommendations to the government through various activities, including research and information distribution by Money Forward Fintech Institute, policy proposals at meetings set by government agencies, and sharing of best practices at Money Forward Group. We are also aiming to reinforce partnerships for realizing financial innovation by managing activities such as study groups and social events with business organizations, including the Fintech Association of Japan and Japan Association for Financial APIs. Furthermore, we are creating opportunities for individuals across all generations and ages to think about financial issues by holding educational events and operating user communities.

To realize a better social system, we will continue to actively engage in these activities, work on resolving social issues including economic disparity, and help individuals unleash their potential in life.

SDGs → Goals 4, 10, and 17



Toshio Taki
Executive Officer, Head of Sustainability, CoPA (Chief of Public Affairs), and Head of the Money Forward Fintech Institute

To Move Society Forward with Fintech

In providing services that empower users and contribute to solving social issues, we sometimes create services that go beyond the expectations of conventional systems or wisdom. For example, a decade ago, it would have been unthinkable for financial institutions to offer open APIs and allow access to data by non-financial companies, or for companies to handle sensitive corporate data in a cloud environment.

Yet, we believe we should create services that contribute to the sound development of society, however unexpected they may be, based on one of our core values "Technology Driven." In addition, to facilitate sensemaking of new services and technologies, a wide range of users need to experience the convenience of the technology and its safety must be ensured through expertise. We believe that handling such processes with care, building relationships with stakeholders, and actively making policy proposals for necessary structural changes will lead to long-term improvement in our corporate value.

In the world of fintech, which is intertwined with the financial system, one failure can lead to the risk of compromising industry trust. At the same time, however, adequately incorporating innovation in the financial world should be a source of individual happiness. While fulfilling our social responsibilities, we will continue to advocate "Society Forward" activities so that all individuals' money-related issues are resolved, and our society moves forward through fintech.

Focal Areas of Policy Proposals

As a Company | As an Industry

Business	Home	X	Finance
E-Invoice Promotion Association (Cabinet Secretariat, private software companies, and others)	Visualization of retirement assets (Ministry of Health, Labour and Welfare, and others)	Advancement in cyber security of fintech companies (The Center for Financial Industry Information Systems)	Improvement in SMEs' cash flow (The Small and Medium Enterprise Agency)
Reform of authentication infrastructure (Cabinet Secretariat and Ministry of Economy, Trade and Industry	Resolving issues of a super-aging society (Ministry of Economy, Trade and Industry; Ministry of Health, Labour and Welfare; and Financial Services Agency)		
Non-bank salary payment (Financial Services Agency and Ministry of Health, Labour and Welfare)			
Newly formed financial services intermediary business (Japan Financial Service Intermediary Business Association)			
Promotion of electronic payment services (Japan Association for Financial APIs)			
Reform in payment infrastructure (Fintech Association of Japan and Bank of Japan)			
Promotion of data portability (Japan Association for Financial APIs and MyData Japan)			
Promotion of open innovation in fintech (FINOVATORS, FINOLAB, and Fintech Association of Japan)			

E-Invoice Promotion Association (Cabinet Secretariat, private software companies, and others)
In line with the start of the invoice system, we promote activities for standardizing electronic invoices and streamlining other operations under the system.

Visualization of retirement assets (Ministry of Health, Labour and Welfare, and others)
We take part in activities to provide visibility into public pensions and personal assets, and to support post-retirement life planning, in response to the "¥20 million retirement problem (i.e., a claim that elderly couples will need an extra ¥20 million to fund their lives after retirement)."

Advancement in cyber security of fintech companies (The Center for Financial Industry Information Systems)
We promote the establishment and operation of security standards that provide safety when fintech companies connect with financial institutions and financial systems.

Improvement in SMEs' cash flow (The Small and Medium Enterprise Agency)
To enable SMEs to secure operating funds, we make proposals regarding the establishment of systems concerning factoring of accounts receivables and loans.

Reform in authentication infrastructure (Cabinet Secretariat and Ministry of Economy, Trade and Industry)
We make policy proposals as a key player in realizing smart public services based on the My Number System and corporate authentication infrastructure.

Resolving issues of a super-aging society (Ministry of Economy, Trade and Industry; Ministry of Health, Labour and Welfare; and Financial Services Agency
As users face various changes such as dementia in a super-aging society, we gather knowledge and make policy proposals to inclusively provide financial services.

Non-bank salary payment (Financial Services Agency and Ministry of Health, Labour and Welfare)
We propose systems that will offer more options for workers in the way they receive their salaries or accumulate wealth.

Newly formed financial services intermediary business (Japan Financial Service Intermediary Business Association)
We support the provision of safe services and advancement of the industry in light of new types of financial instruments intermediary services.

Promotion of electronic payment services (Japan Association for Financial APIs)
We implement activities as a member of a business organization to realize systems and infrastructure that facilitate the linking of financial information and transactions, represented by bank's APIs.

Reform in payment infrastructure (Fintech Association of Japan and Bank of Japan)
We actively participate in discussions on the transformation of payment infrastructures such as the Zengin System and CBDC (Central Bank Digital Currency), and make recommendations regarding systems toward the establishment of a convenient payment infrastructure.

Promotion of data portability (Japan Association for Financial APIs and MyData Japan)
We conduct research and build a consensus towards personal data ownership rights, which is not yet established in Japan.

Promotion of open innovation in fintech (FINOVATORS, FINOLAB, and Fintech Association of Japan)
Beyond our self-interest, we support the advancement of the fintech industry and implement activities to maintain a structural environment where innovation continuously comes to life.

Contributing to DX in Society through Co-creation With Diverse Partners

In recent years, rapid change in the business environment has accelerated DX initiatives that enhance corporate competitiveness and improve productivity. We promote our business with a wide range of business partners, including financial institutions, accounting firms, business corporations, and chambers of commerce and industry across Japan.

SDGs → Goals 8, 12, and 17

Certified Members
(Accounting firms and certified social insurance and labor consultant offices)
16,000 plus *1

Chambers of Commerce in Alliance
107 *1

Financial Institution (FI) Partners
39 *1

Scraping and API connections with FIs
1,109 *2

*1 As of February 28, 2021. The number of certified members is the total number of employees who use our services at major accounting firms.
*2 As of April 8, 2021. The number of financial institutions (including *shinkin* banks, labour banks, and agricultural and fishery co-operative savings insurance corporations) that we have API connection or web scraping connection contracts with.

Moving Forward with Our Partners



Mr. Makoto Mishima
TripleGood Certified Public Tax Accountant's Corporation

As an accountant group whose mission is "to vitalize Japan through centennial management by SMEs," we have supported the development and prosperity of more than 1,500 corporate clients. I came across *Money Forward Cloud* in 2014, when the product had just been released, but upon hearing the management team's vision, I decided to switch from our existing accounting software, believing that this service could automate a majority of accounting firm operations and would enable us to allocate more time to offering clients substantive advice. In the beginning, we provided feedback from a practical perspective, and the Money Forward team took our feedback seriously, swiftly improving their products. Most of our clients have now adopted *Money Forward Cloud Accounting*, which has greatly contributed to the automation and increased productivity of firms' and clients' accounting operations.

Putting Environmentally Friendly Management into Practice

Protecting the global environment is now a pressing issue, and it is the responsibility of all people and companies that constitute society to take this issue into their own hands. The Company also recognizes that this issue is important and is implementing Company-wide initiatives. Internally, we identify areas to be reviewed in the office, internal tools, and employees' workstyle, and implement environmentally friendly measures. In addition, we help reduce the use of paper and improve operational efficiency through our services, thereby promoting eco-friendly individual and corporate activities.

Internal Initiatives	• Introduction of a new workstyle centered on remote work • Reduction in the movement of people and goods, and the use of paper by shifting to cloud-based operations including for internal memorandum, settlement of expenses, and contracting • Use of 100% renewable energy for power generation in our headquarters • Use of renewable energy based AWS (Amazon Web Service)
Service-based Initiatives	• Improving operational efficiency and promoting reduction of paper usage including for invoices (e.g., #Invoice Forward Project) by migrating back-office operations to cloud • Promotion of reduction of paper-based passbooks and streamlining of operations through support for DX in financial institutions with many users • Efforts to visualize environmental impact utilizing fintech (patent pending)

3 Talent Forward
To drive our employees' potential forward

The Growth of Members is Our Driving Force

To realize our mission and vision, we have focused on the development of our business and organization, together with the growth of our people. We believe talent development is critical for the sustainable operation of our business and organization. Therefore, in addition to creating a wide range of growth opportunities, including for career and skill development, we emphasize management's commitment to individual growth and the creation of an environment that accepts diverse perspectives.

Creating Diverse Growth Opportunities

We cherish our culture, which encourages employees to set challenging goals, and provide appropriate and clear feedback through periodic one-on-one sessions to communicate expectations to each member. We also offer opportunities considering the abilities and preferences of employees regardless of age, number of years with the Company, or academic background, and decide job assignments in a way that respects their passion and suitability, rather than merely based on convenience for the organization.

SDGs → Goals 8 and 10

Key Initiatives

- MF Growth System: Money Forward's unique performance evaluation and compensation system
- MF Challenge System: Internal job posting system to realize transfers initiated by employees
- MF Group Survey: A survey on employee satisfaction and career design
- Career Interview: Career consultation for employees upon request
- New business proposal opportunity

Culture

Another vital element of our mission and vision is our corporate culture, which has been built by incrementally accumulating various achievements and actions since our founding. We believe that instilling our culture in the minds of our members is what helps us achieve our MVV (mission, vision, and values).

What stances and values are behind everyone's decisions, and how does everyone interact with users and create services? Money Forward's culture is shaped from the result of each action grounded in our MVV, and this culture is created by none other than our people. To maximize our mission of driving our lives and society forward, we believe it is of utmost importance to maximize the lives and potential of members working with Money Forward, and to enable everyone to paint an exciting picture of their future.

We have made Company-wide efforts, including sharing the vision and values that Money Forward aims to achieve, creating an organization that elicits the challenges and possibilities of our members, and building an open environment for co-creating with society. From December 2020, we have established a role called "VP of Culture," and thereby aim to further permeate our MVV and foster our culture.



Keiko Kanai
VP of Culture



Members who embody our culture are awarded as "Culture Heros" in front of all employees.



Wall painting by employees when building a new office in Tokyo. We also hold events that allow members to experience and share our culture.

Management's Commitment

We believe that growth of people is most important for realizing our mission and vision. We are aware that management, as well as the HR Department, must engage with employees to maximize their potential and commit to their development. Our management is actively engaged not only in raising employees' performance but also in maintaining and raising their motivation, and discussing their career design and workstyle.

SDGs → Goal 8

Key Initiatives

- Various training programs hosted by management
- Leadership Forward Program to foster leadership
- Discussion regarding next-generation leadership development at Management Meetings



A scene from the Leadership Forward Program

Driving Society Forward with the Combined Force of Diverse Members

The Company thoroughly embraces "fairness," which is one of its core values, and has adopted a hiring policy to hire members regardless of gender, nationality, religion, age, or academic background. We are committed to creating a work environment that is friendly and motivating for all employees with diverse backgrounds, including those who are experiencing changes in life stages such as childcare and nursing care.

We respect each individual's personality and aspiration for growth, positioning "realization of diverse perspectives" as the core of our HR strategy to maximize the abilities and output of each employee and to realize innovation. We will thereby promote various HR measures with a focus on diversity and inclusion.

SDGs → Goal 5

Key Initiatives

- Compliance with Hiring Policy
- Mid-career and new graduate hiring throughout the year
- Hiring of disabled persons
- Global hiring and implementation of a Japanese language study support system TERAKOYA
- Promotion of childcare leave for both men and women, and support for returning to work
- Introduction of remote work

Diversity and Inclusion

We appointed Takuya Nakade, who serves as director, executive officer, and CTO, as Officer in Charge of Diversity and Inclusion, and under his leadership, launched a project team centered on the People Forward and Corporate Planning Departments. Going forward, we will promote training and communication catered to the respective levels of management, managers, and members.

Female employees
31.7%
Female managers
13.9%
Foreign employees
10.4%
(Percentage of the entire Group. As of November 30, 2020)

Measures against COVID-19

Confronting Issues with a Focus on Our Mission in Times of Crisis

COVID-19 continues to have a profound impact, and is threatening not only our health but our daily lives. Affected by the repeated state of emergency declarations, companies and individuals are still struggling with their cash flow and daily operations and lives. In this critical situation, we have been taking all possible measures as a company aiming to resolve financial issues. As long as there are financial issues in the world, we will confront them relentlessly in order to become relied upon during times of difficulty. We will thus strive to realize our mission "Money Forward. Move your life forward" by providing our reliable services.

For Corporates

In response to the spread of COVID-19, we are actively taking various supportive measures, including promoting remote work, which has become widespread, and improving cash flow in times of uncertainty.

- *Money Forward Cloud Community*, which offers online consultation on tax returns
- 90-day free account for *Money Forward Cloud Invoice*
- Online fund procurement consultation for startups with venture capitals
- Limited-time support for *MF KESSAI and MF KESSAI Early Payment*
- Website explaining applications for 2020 IT Introduction Subsidy
- Consultation desk for Subsidy for Emergency Measures Concerning Business Continuity (Telework)
- Website posting information on subsidies and grants, etc. Information and Resources on COVID-19-related Support
- COVID-19 Recession Countermeasure Program with GMO Venture Partners
- Function for estimating amount of sustainability subsidy in *Money Forward Cloud Accounting/Tax Return*
- Function for supporting applications to employment adjustment subsidy in *Money Forward Cloud Payroll*
- Free online consultation in *Money Forward Cloud*
- Advisory service for selling startup shares targeting investors

For Individuals

We have implemented a variety of supportive measures to reduce anxiety about income and daily life stemming from the spread of COVID-19.

- Live streaming on Timely Facts About Money (a total of three episodes)
- Website that integrates information on life support and grants, etc. Information and Resources on COVID-19-related Support
- Online interviews in *Money Forward Okane No Soudan*



Proposal for Paperless and Seal-less Operations

We announced a proposal that aims for our society to become paperless and seal-less, which has posed a challenge in promoting remote work. Together with the government, economic organizations, and various companies, we will promote digitization of documents and seals, thereby reducing the number of people who have no choice but to commute to their companies and contributing to the creation of a safe and secure society.

Sharing Know-How on Remote Work

In March 2020, as COVID-19 spread rampantly, we introduced remote work throughout the Company for the first time. During this time, the Accounting Division, working 100% remotely, successfully compiled the Company's financial results. Rather than keeping this experience to ourselves, we have broadly shared our detailed workflow to help the many companies that are having difficulty switching to remote work.



Shun Matsuoka
Executive Officer
Accounting Department Manager


W2

Our Business

Our vision is to become the financial platform for all. This vision guides us in providing a wide range of services to various users including corporations, individuals and financial institutions. We deploy the power of technology and design to create products that resolve user issues. We will continue to create innovative services by making further use of data and by linking products.

CSO's Message

CSO's Message

Corporates, individuals, and financial institutions. Creating a seamless flow of money that transcends boundaries.

We aim to achieve our vision of "becoming the financial platform for all" by reaching out to a wide range of users and understanding the financial flow.

To achieve this vision, we will enhance product development and create synergies within the Group.

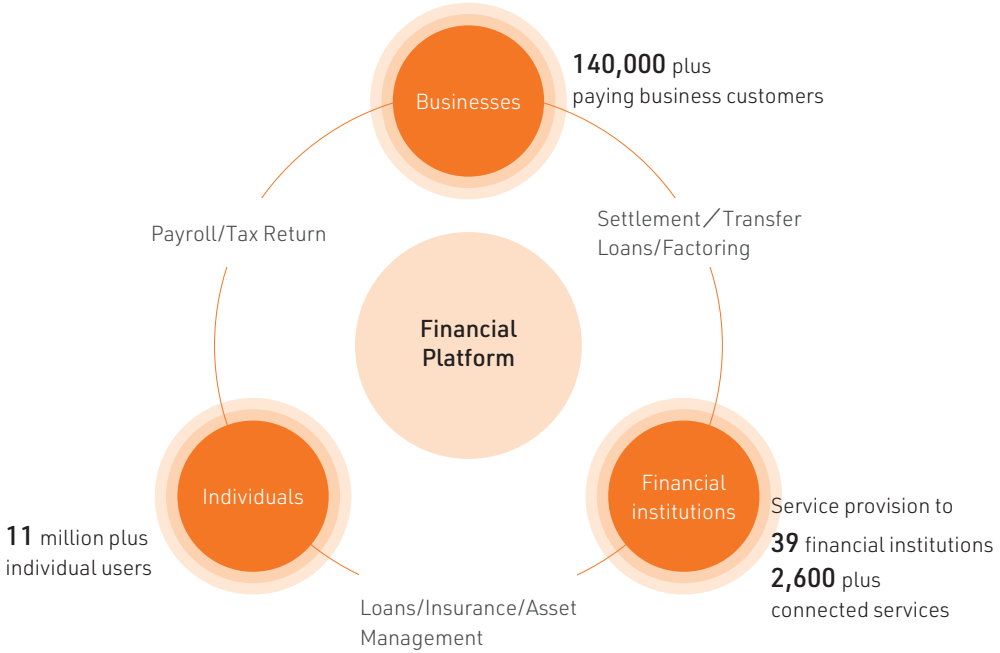


Tatsuya Kanto
Executive Officer and CSO
Representative Director and CEO of Klavis, Inc.

Domains Covering Both Individuals and Businesses

We first started providing services to individuals, and gradually expanded our scope to include businesses and financial institutions. We have expanded our business in areas where there is strong demand, the solutions to which conform to our vision of "becoming the financial platform for all," and where our technology and our members' abilities can be leveraged. Currently, we provide our services to more than 11 million individual users, more than 140,000 paying business customers, and 39 financial institutions, which means our customer base in each domain is one of the largest in Japan. Also, we have data connections with more than 2,600 financial services.

We aspire to become a financial platform that resolves users' substantive financial issues. To do so, we need to understand and facilitate the entire financial flow. This cannot be achieved by considering only one type of customer segment. For example, eliminating business concerns regarding cash flow requires the capacity to offer timely financing through seamless data connections with financial institutions. We therefore believe that to realize our vision, it is necessary to develop our strategy in view of each of the various players involved with money.



Strengthening Synergies among Businesses

With the expansion of our business coverage, synergetic effects among businesses have become stronger. Investment efficiency in R&D is extremely high because each business shares common core technologies. In addition, broad awareness of our brand distinguishes us from other companies. Many businesses using *Money Forward Cloud* were originally dedicated users of *Money Forward ME*. Also, in terms of hiring, brand awareness of *Money Forward ME* attracts many talented people who empathize with our mission.

Synergy is also noticeable through the amount of customer crossover and cross-selling among businesses. A clear example of this is the connection made between *Money Forward Cloud Tax Return* and *Money Forward ME* targeting sole proprietors.

Furthermore, we have contributed to improvement in the online expereince of financial institutions' services by providing *Money Forward ME* and its functions on an OEM-basis to financial institutions and other businesses.

Going forward, as workers with secondary jobs and freelance workers increase, more users will act as both an individual and a business. Among such users, demand will most likely rise for easy separation of management of household and business finances. This is a market that we in particular can pursue because we serve both individuals and corporates.

Comprehensive Strength to Deliver Products

For companies like ours, it is essential to have the strength to deliver products. In particular, we believe it is important to develop products by integrating design, engineering, and technology. (▶ P.31 Technology × Design)

In addition to swiftly delivering quality products, it is also important to accurately understand the social environment and to lead societal change. Companies like ours that deliver innovative products to society are expected to keep up with changes in regulations and the industry, and at times to actively spearhead changes. In this regard, we have been engaged in dialogue with related parties since our founding, led by CoPA (Chief of Public Affairs) Toshio Taki. By sharing the outcomes of such discussions with our business departments, I believe we have been able to opportunely provide services that stay ahead of society. (▶ P.21 Society Forward)

Accelerated Growth through M&A

Startups often reach the limit of their growth by staking their success on a single theme. One key feature of the Company is that it has grown speedily while welcoming peer companies and expanding its business coverage (TAM*) through M&As.

I myself launched Klavis, Inc., which developed *STREAMED*, a service for automatically making journal entries of paper-based data. KLAVIS joined the Money Forward Group in 2017, enabling the company to expand its reach and ability to support more businesses in improving their productivity. Klavis, Inc. later became dedicated to product development, devoid of a sales team. However it continues to grow rapidly with Money Forward's sales team that focuses on selling toward accounting firms engaged in cross-selling of *STREAMED*.

Companies operating in the same industry tend to be viewed as competitors; however, from a broader perspective, they can be considered peers who are trying to solve the same social challenges. I believe that although there may be competition from time to time, there are more cases where collaboration can expedite problem solving. Klavis, Inc. served as the first model case, and I believe it is my responsibility to promote such collaborations further.

* The total addressable market of the Company's business.

Money Forward's Goal

Moving forward, I believe that the spread of digital currencies and development of fintech services will further facilitate the flow of transactions and data between corporates, individuals, and financial institutions. The Company will drive this change and contemplate its business from the perspective of how to provide services with unique value to users.

One such initiative is expansion into the financial sector. We are striving to shape a world where management can be deployed more smoothly based on a seamless flow of operations, from the back office to procuring management resources such as funds. In the future, we also hope to provide services that facilitate the flow of money from the corporates to individuals, and also connect smoothly to the financial actions needed by those individuals.

Technology × Design

Starting from an app that provides visibility into personal finances, followed by cloud accounting and a fintech platform, we have produced a wide array of products.

From the perspective of technology and design, CTO Takuya Nakade and CDO Daisuke Sergio Ito discuss the Company's "power to create" which has delivered more than 40 products and services in nine years since its founding.

Creating Products, and Communicating with Society

Nakade Money Forward, Inc. is a company engaged in social issues concerning finance, in which our technology plays a major role. For example, in order to visualize household finances and assets and thereby eliminate financial concerns, we utilize our account aggregation technology to integrate and summarize users' bank, credit card, and other financial account statements. Previously, one had to check each account and manually aggregate and analyze them, but we solved this issue with the power of technology.

Sergio I believe technology to be the key to resolving issues. And with it comes design. I think the role of design is to capture the substantive issues of users with products that not only look good, but are also easy to use for all. We want to provide users not only with products, but also a comfortable experience. We are therefore always facing toward people when creating products; moreover, I sense that we are also facing society.

Nakade I agree. It is as if we are communicating with our users and society through our products. We have produced a multitude of products because we believe that our products can drive society forward.

Data as an Asset that Leads to Resolving Issues

Nakade Data is indispensable when talking about products. Since we retain users' personal data, we protect such data using highly advanced security and encryption. On that basis, we utilize data to resolve users' issues. For example, we collect the accounting data of corporates and by analyzing such data we are able to help them procure necessary funds when required.

Sergio Data truly harbors wide-ranging potential. *Money Forward ME* is engaged with the lives of users, and we create services by positioning data as an asset in contemplating how we can support users' life planning.





Takuya Nakade
Director, Executive Officer, and CTO
(Chief Technology Officer)

Daisuke Sergio Ito
Executive Officer and CDO
(Chief Design Officer)



Nakade The fact that we collect data from both individuals and corporates may be another unique feature of Money Forward. Since people who work also lead private lives, combining data of individuals and corporates brings forth new opportunities.

Sergio There have recently been cases of connecting individuals' data to their business; for example, utilizing household finance data for tax returns.

Highly Scalable Development by Small Teams

Sergio I think that the concept of "small teams" makes us distinct in terms of how we sublimate our technology and data into our products.

Nakade "Small team" is an important concept that enables us to achieve scalability in product development. Each product has its own small team, which takes ownership in development. Teams can be as small as three people, consisting of a product manager, engineer, and designer. It is as if there are many startups within the Company. We have cherished this concept since our founding.

Sergio Generally, the distance between developers and users tends to become wider as an organization grows; yet, the distance has actually narrowed because we act in small teams. This is especially important in terms of design, because the better our understanding of customers' actions and emotions is the better the output becomes. This enables customer-oriented product development.

Nakade Another merit is that each team can make their own decisions. For example, each team selects what technology they will use, making it easier to incorporate new technologies. Since technology is constantly evolving, fixation on old technology may lead to a decline in productivity, and at times, even to security risks. Small teams enable each team to act independently, leading to higher scalability as an entire organization.

Sergio To mention one negative aspect of small teams, the vector of each product may tend to diverge. This may be where the power of design comes into play, by establishing consistency. We strive to deliver consistent experiences by having our designers serve as communicators who connect organizations and by establishing a design framework.



"User Focus," Instilled from Upstream, Serves as a Competitive Advantage

Sergio Products, even if created, will not be used unless users love them. Thus, it is important to thoroughly understand our users.

Nakade Money Forward embraces three materiality themes, one of which is "User Focus." This means we should carefully observe users, and the fact that this is instilled throughout the Company is significant. One is prone to conduct system- and provider-oriented *monozukuri*; however, since we all share "User Focus" as a corporate value, we can revert to users' perspectives.

Sergio Users' perspectives are indispensable. It is said that design is not just about how something looks, but "the process of thinking, and identifying and resolving issues with a focus on people." Money Forward also perceives design in this broad sense, and I think this is exactly what "User Focus" stands for. We have therefore recently also been providing in-house opportunities for those who are not designers to learn about and practice the concepts of design.

Nakade Engineers and designers are always next to each other, and our management shares the perception that this is very important. Exceptional products are created by combining design with technology, and I believe that "User Focus," which is ingrained in us much like DNA, leads to our competitive advantage in creating products.

Sergio Based on this competitive advantage, I hope we can continue to deliver products that yield surprises and emotions.

Nakade Yes, let us move society forward through our products.

Development Bases with Ownership



Naoki Kuroda
Executive Officer and
Fukuoka Office Head

Similar to our Tokyo headquarters, our regional bases develop products with ownership and also take on the challenge of launching new businesses. In addition to Money Forward's mission, vision, values, and culture, we place importance on the concept of regional uniqueness. The way we work has drastically changed because of COVID-19, and recently, more people who have returned to their hometown or migrated from the Tokyo metropolitan area have been joining us.

Co-created Overseas Bases



Takayuki Tsuzuki
General Director
Money Forward Vietnam Co., Ltd.

To strengthen our development abilities, it is essential that we leverage exceptional overseas talent. They produce added value because they not only create services according to specifications but are also peers who empathize with Money Forward's mission and culture, and together with our Japanese members, they create services that can change users' lifestyles. We aim to develop services targeting Southeast Asia, with Vietnam serving as a foothold for making a foray into overseas markets.

Security that Supports Our Products



Takashi Ichikawa
Executive Officer and CISO
(Chief Information Security Officer)

Security is the foundation and most important factor in delivering products. In particular, information leakage is impermissible since the Company provides services that handle a wide range of customer data. Financial institutions, including banks and securities companies, have postulated criterions to maintain high levels of security, and we have consecutively met the expectations of financial institutions as well as end users. We have not experienced any critical operational incidents since our founding, and will continue to strive to ensure secure usage of our products.



Members of the Money Forward Vietnam development team

Money Forward Lab

We established Money Forward Lab in 2019 as an in-house research and development organization with the aim to further explore the potential of technology. The lab serves as a driving force that pushes our products further.

Creating the Future with the Power of Technology and Data

Money Forward Lab is committed to unleashing the power of technology and data based on the desire to enrich people's lives by engaging with finance in a positive light.

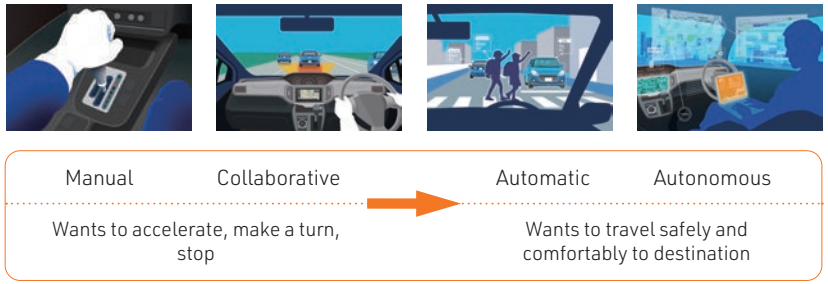
The lab is particularly focused on the area of autonomous technology and usability. R&D has been evolving from areas such as autonomous technology and security, where issues are identified by safely and automatically collecting data and visualizing the current state, to autonomous technology and usability, where actions for solving issues are proposed by predicting future issues utilizing cutting-edge technology. In light of this, our key themes include machine learning and deep learning, which enables predicting and analyzing the future of household finances and accounting; natural language processing and image processing, which raises the accuracy of forecasting and analysis through the structurization of transaction data; and UI and UX,* which provides visualization of forecast results and suggests prospective actions.

* UI (user interface): The point of contact between users, and products and services
UX (user experience): The experience that a user gains through a product or service

Autonomous Back Office as the Ultimate Future

The ultimate future we envision in the Business domain is automatic and autonomous back-office operations. I believe that the shift toward autonomy of the back office can be likened to that of cars. For example, in the case of a car, machines are gradually able to support drivers' cognition, judgment, and operation, and subsequently will be used to fulfill higher-level intentions and desires of safely, securely, and comfortably moving to a destination. Likewise, in the case of accounting operations and management, machines will gradually be able to support cognition, judgment, and operation, and will subsequently be able to fulfill high-level intentions and desires, such as safely, securely, and comfortably implementing the management that the Company envisions. We call this the autonomous back office.

The Future of Cars



How do we realize an autonomous back office? We believe the evolution process is also similar to that of autonomous driving. A car's system can be divided into six levels, in which level zero is "manual driving," level two is "the system conducts either steering or accelerating and decelerating," level three is "the system controls the car under limited conditions, but the driver takes over in an emergency," and level five is "the system completely controls the car under all conditions." Likewise, we believe that there are levels in the process of realizing autonomy in the back office, and are thus carrying out research and development considering each of these levels. Similar to a future where one can move freely to one's destination, through our activities at Money Forward Lab, we aspire to create a future where users can implement the management that they envision.



Ikuo Kitagishi
Director of Money Forward Lab

Our Services

1. Business



2. Home



3. X



4. Finance



Our Services 1

Business

We provide integrated management support by streamlining back-office operations such as accounting and finance, personnel labor and contracts for corporate users. We also provide other tools that help managers make decisions and support financing activities. Furthermore, we are proactively developing services that support SaaS marketing.



Business

SaaS Applications for Back-office Operations

Set the back office as a foundation of business, and create a lively work environment.

Money Forward Cloud is a SaaS application that connects various back-office data via cloud to streamline operations in accounting and finance, HR, and legal affairs. We view back-office operations as a foundation that empowers companies, and thus helps turn the back office into a business strength.

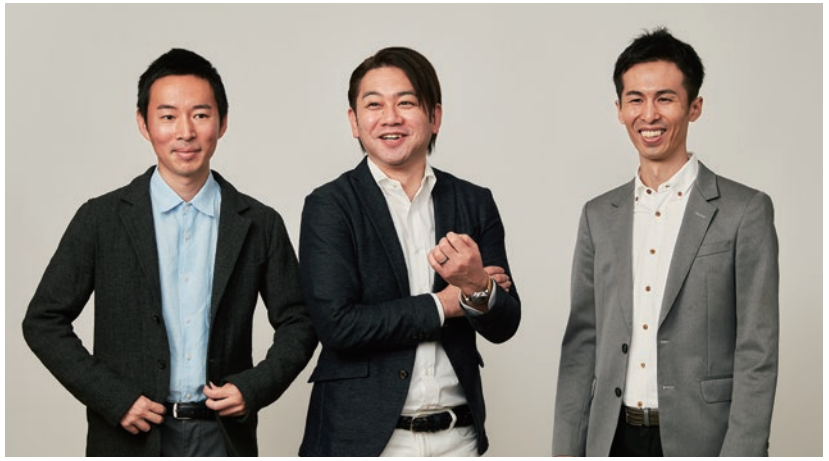
In raising efficiency of back-office operations, we embrace our service policy, "the cloud that touches your heart," and propose solutions that are just half a step away—rather than two or three that do not gain practical understanding—with an aim of resolving issues in a way that empathizes with users.

Beyond Operational Efficiency and Providing Convenience that Shapes the Future of Users

Capitalizing on the features of cloud, our services have innovated the way users operate, including expediting communication speed, eliminating unessential tasks, and raising the quality of decision-making with real-time data. We are still in the process of expanding this area by bolstering our service line-up.

We believe that particularly in Japan, which is faced with the problem of depopulation, securing the necessary workforce will become a major managerial challenge. Our services will not be confined to providing tools, but will also support business management as an autonomous solution that supplements labor resources.

We will also deliver added value aside from streamlining operations, such as by utilizing accumulated data to improve companies' credit and support financing based on timely and fair risk assessment.



Executive Officer;
VPoE (VP of Engineering) of Money Forward Business Company
Ryo Shibuya

Director and Executive Officer;
COO of Money Forward Business Company
Masanobu Takeda

Executive Officer;
CSO of Money Forward Business Company
Kazuya Yamada

Steady Cloud Adoption Owing to Structural Reform Toward Digitization and Rapid Spread of Remote Work

According to a survey by Garner, Inc.* of the United States, Japan is positioned as a "resistive country" that is more than seven years behind the U.S. in terms of adopting cloud services; thus, there is ample room for penetration of cloud services going forward. In addition, the recent spread of COVID-19 has triggered proliferation of remote work and supportive governmental measures such as IT introduction subsidies, which in turn has led to steady adoption of cloud services and significant expansion of the market.

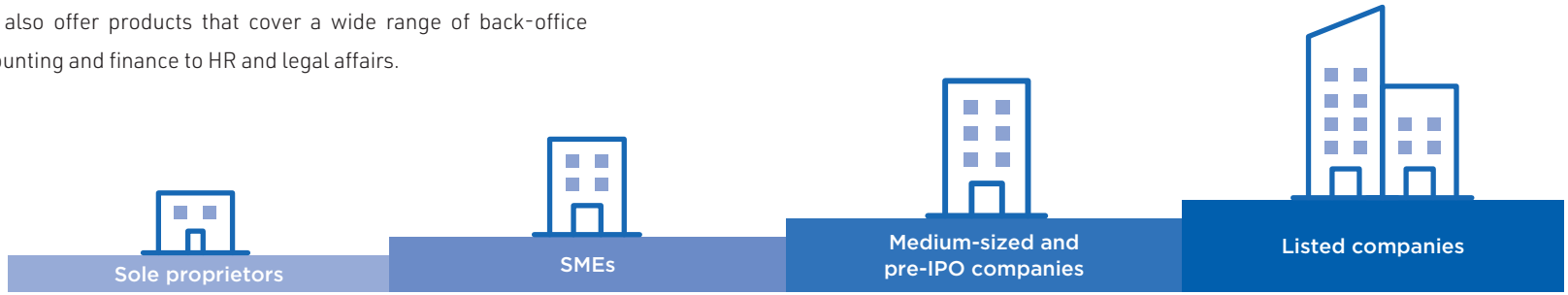
In its interim report, DX Report 2, the Ministry of Economy, Trade and Industry warns that existing systems, which are dated and becoming increasingly complicated and obscure, will become barriers to DX. At the same time, the report urges companies to strategically deploy DX with an aim to transform into digital companies by 2025. This also underscores expectations that Japan as a whole will pivot toward cloud. Furthermore, the business environment will most likely continue to be favorable owing to such factors as the expected rise in demand for replacing existing systems in response to upcoming law revisions, including revisions to the Electronic Books Preservation Act and introduction of the invoice system in 2023. Against this backdrop, we anticipate pronounced growth as the leading provider of cloud-based ERP.

* Based on percentage and growth rate of cloud spending in 2022 (by country).

Services

Delivering Products that Meet the Needs of Wide-Ranging Businesses, from Sole Proprietors to Medium-sized Companies

Our first cloud service offering was a tax return and accounting software product targeting sole proprietors and SMEs. Now, we are expanding our coverage to include businesses of varying sizes, so that we can offer support tailored to different growth stages, from startup to post-IPO expansion phase. At the same time, we have strategically reinforced complex and diverse functions required by medium-sized companies. We now also offer products that cover a wide range of back-office operations, from accounting and finance to HR and legal affairs.



Sales channels

- Online / professional service firms
- Field sales

Products

- Money Forward *Cloud Tax Return*
- Money Forward *Cloud Accounting*
- Money Forward *Cloud Accounting Plus*
- For any company size
  - Money Forward *Cloud Invoice*
  - Money Forward *Cloud Expense*
  - Money Forward *Cloud Box*
  - Money Forward *Cloud Payroll*
  - Money Forward *Cloud Social Insurance*
  - Money Forward *Cloud Attendance*
  - Money Forward *Cloud My Number*
  - Money Forward *Cloud Contract*
- Mainly for professional service firms
  - STREAMED Money Forward
  - Manageboard Money Forward
- Mainly for medium-sized companies
  - Money Forward *Cloud Payable Management*
  - Money Forward *Cloud Receivable Billing*
  - Money Forward *Cloud Fixed Assets*
  - V-ONE Cloud

Value Proposition

Unrivalled Efficiency and Convenience Leveraging Cloud and Data Connectivity

We capitalize on the features of cloud to raise efficiency in various operations. For example, in the area of accounting and finance, we automate data and journal entries by connecting with various services, including banking and credit card services, electronic money, and POS cash registers. In addition, AI suggests account titles based on big data. The more the service is used, the smarter it becomes, streamlining automatic data and journal entries. In the area of HR, hiring and resignation procedures as well as attendance of employees can be managed on cloud. By connecting attendance data to the payroll system, payroll calculations and salary payments can also be competed via cloud.

Users can also simultaneously operate the system, whether it be from their PC or smartphone. Moreover, unlike conventional packaged software, our services are quickly updated free of charge, in response to law revisions or consumption tax changes, as well as for daily service improvements.

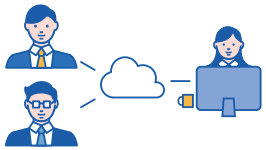
Reduces time and effort of data entry



Gains intelligence through AI



Can be used anytime, anywhere



Data is securely saved



Updates are free



Offers extensive services

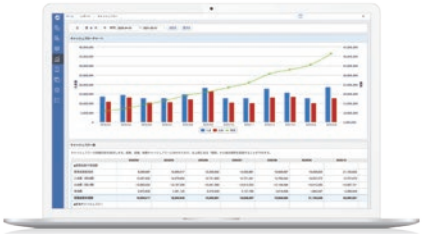


Reinforcing Business by Visualizing Business Management and Supporting Cash Flow

Since we offer a cloud-based service, we can offer not only tools for streamlining operations, but also functions for accelerating growth, including raising the quality and speed of decision-making and securing necessary resources.

By connecting and using various services of *Money Forward Cloud*, daily data is automatically aggregated, and results are visualized on a real-time basis through reporting and other functions. This enables companies to quickly understand their current financial condition, meaning they can make decisions more swiftly and accurately, thereby alleviating concerns regarding cash flow and raising business stability. In addition, connecting data almost in real time via cloud will raise the accuracy of credit screening, leading to quicker financing when required through such services as *Money Forward Early Payments*.

Visualizes financial conditions



Supports cash flow



Growing and Medium-sized Companies

Growing and Medium-sized Companies Are Consumed with Manual Work

Growing companies tend to be consumed with manual work because their back-office structure cannot keep up with the growth of their business. Companies whose business hardly ever changes may install a system that suits their business and continue to use it. However, growing companies whose business rapidly changes, including launching new businesses or changing organizational structure, must change their back-office workflow and systems at the same speed as the growth of their business.

Constantly Evolving ERP for Companies Fearless of Change

We resolve issues in users' back-office operations by providing best practices, which change with the times. We not only cover all corporate activities, including accounting and finance, HR and legal affairs, but also integrate systems to include areas not covered by *Money Forward Cloud*, using API or other connections with third-party services, thereby offering high scalability.

In addition, we released *Money Forward Cloud Contract* in May 2021, and *Money Forward Cloud Receivable Billing* and *Money Forward Cloud Fixed Assets* in June 2021. While conventional ERPs generally address accounting and finance and HR, *Money Forward Cloud Contract* enables the management of contracts as well. We thus offer a continuously evolving, unparalleled ERP that covers end-to-end back-office operations, from signing contracts and booking receivables and payables, to accounting.

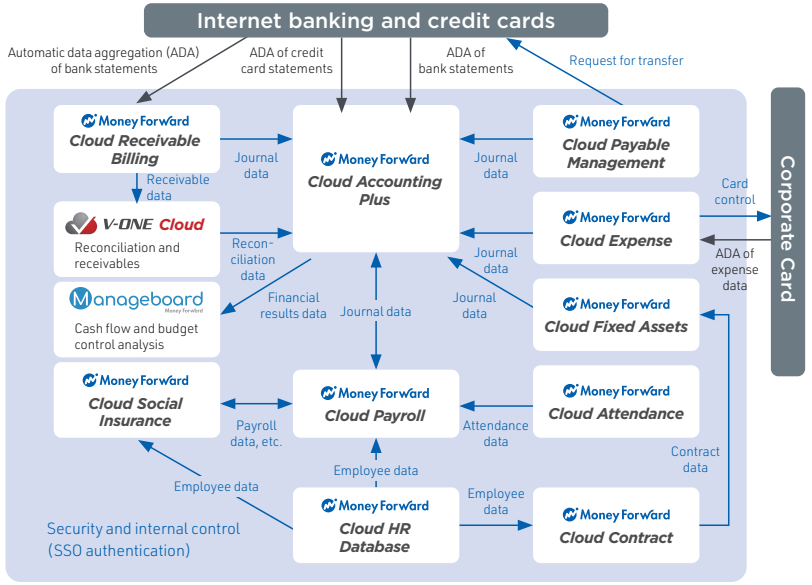
Sales Strategy

Phased Implementation

The larger a company becomes, the more resource it takes to upgrade a system or install a new one. With this in mind, we have adopted an architecture that allows partial or phased system implementation, for example, starting with only expense claims, or only payroll and attendance. We also offer seamless integration among modules and with third-party services. Our services can be implemented in a way that does not harm existing operations, and can significantly raise operational productivity.

Raising Awareness

From October 2020, we started large-scale marketing including television commercials. We are also raising brand awareness among growing companies represented by pre-IPO companies, through such initiatives as creating white papers for IPOs.



Expanding Scope to Enterprise Companies with the Joining of R&AC Co., Ltd., Provider of *V-ONE Cloud*

In August 2020, R&AC Co., Ltd., which provides a cloud-based payment reconciliation and receivable management service, joined the Group.

V-ONE Cloud has been implemented by enterprise companies such as NTT Communications Corporation, TOTO LTD., and Japan Airlines Co., Ltd., and has garnered an overwhelming share in cloud-based payment reconciliation.

Expense claims and other services in *Money Forward Cloud* are also gradually being introduced to enterprise companies. We therefore expect to conduct cross-selling of services going forward.

Professional Service Firms and SMEs

Reinforcing an Environment Where Professional Service Firms Can Fully Exert Their Expertise to Support Companies

We have strengthened partnerships with professional service firms, who are vital partners in resolving SME's managerial issues in areas such as productivity and cash flow. Currently, our services are used by more than 16,000 certified members, of which 66 firms are among Japan's top 100 professional service firms.*

Not only is *Money Forward Cloud* a one-stop service that streamlines back-office operations, but its products have been developed with an emphasis on usability for users working at professional service firms.

In addition to offering *Money Forward Cloud* as a service, we aim to be a business partner who addresses and resolves various challenges of professional service firms.

* Calculated by Money Forward, Inc. based on "Top 500 Professional Service Firms" in 2019 by *Monthly ProPartner*.

Accelerating Initiatives Towards Penetration

Hosting Professional Service Summit

We introduce new projects that support the growth of professional service firms, and hold lectures for contemplating the future of Japanese SMEs as well as interactive sessions for jointly considering the future of the back office. We also offer an online matching platform on which professional service firms can connect with one another.

Accelerating Success of Professional Service Firms' Clients

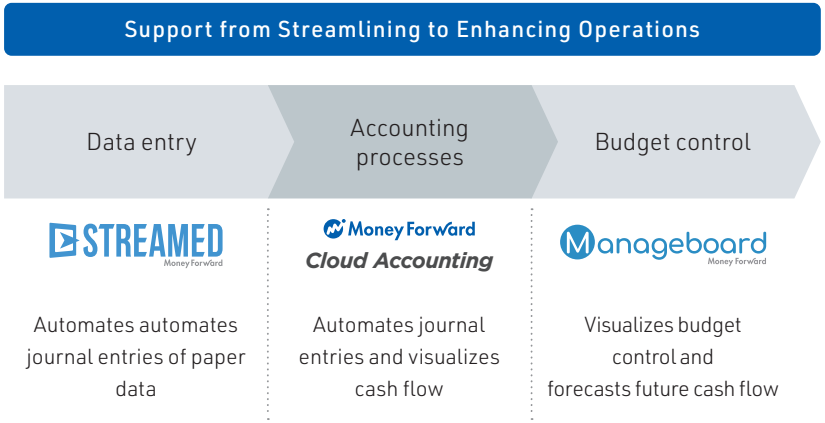
From our regional offices across Japan, we help professional service firms pursue success of their clients. We aim for widespread use among such clients through discounts and marketing campaigns targeting professional service firms.

Automated Bookkeeping Creates Time for More Meaningful Work (*STREAMED* by Klavis)

STREAMED, which automates journal entries of paper data including receipts and passbooks, is currently used by 3,000 professional service firms. It helps create an environment where users can focus on more meaningful work.

Visualizing Management with Accounting Data, and Helping Clients Achieve Their Goals (*Manageboard* by Knowledge Labo)

Targeting accounting firms that want to enhance clients' business management, we provide a budget control software product that can easily forecast profit and loss and cash flow by connecting with *Money Forward Cloud Accounting* and various other accounting software products.



Sole Proprietors

Connecting *Money Forward ME* with Tax Return

In November 2020, we released an integrative function that enables automatic recording of journal entries in *Money Forward Cloud Tax Return* using data from *Money Forward ME*. Those with a second job or business owners can create financial statements required for tax returns by simply extracting business expenses, miscellaneous income, and other relevant data from daily statements in their household accounting book, and linking that to *Money Forward Cloud Tax Return*.

Money Forward Cloud Accounting and Tax Return

Tax Return on Smartphone

Using spare time for journal entries on a smartphone.
We support your accounting operations.



Japan's First Smartphone App that Covers Steps from Journal Entry to Electronic Filing

In February 2021, we released Japan's first service that covers the entire tax return process, from smoothly booking business expenses and creating tax return forms, to scanning *My Number Card* and filing the forms, all on a single smartphone app. With the release of the electronic filing function, users can now file tax returns without sending forms via postal mail or visiting a tax return office. This has significantly boosted the number of users.

* Based on the Company's research of apps offered on Google Play and App Store (as of February 5, 2021).

Business SaaS Marketing Platform

Promoting DX in Companies by Accelerating SaaS Adoption

Small Company, Big Business

SMARTCAMP Co., Ltd., which joined the Money Forward Group in November 2019, believes that big businesses can be achieved regardless of the number of people or amount of goods or money. We want to prove that even a small team can make the world a better place and drive society forward. Under this vision, we mainly develop *BOXIL SaaS*, a SaaS marketing platform, host *BOXIL EXPO*, an online exhibition, and offer *BALES*, an inside sales outsourcing and consulting service.

Based on our mission to "eliminate inefficiencies in society with technology," we provide solutions and promote adoption of SaaS tailored to each company's challenges, thereby helping them raise operational efficiency and productivity, and advance their businesses.



Satoshi Furuhashi
Executive Officer;
Representative Director and Chairman of
SMARTCAMP Co., Ltd.

Services

Promoting Operational Efficiency through SaaS and Revenue Growth by Outsourcing/IT Enhancement

BOXIL SaaS

A free platform for comparing, reviewing and requesting SaaS materials for corporates, based on service data and word of mouth. We also provide information that is helpful in selecting cloud services, including white papers and feature articles. Users can search from more than 10,000 reviews and more than 10,000 patterns of comparison.

BALES

An outsourcing and consulting service for inside sales, which has been gaining attention as a new sales method for streamlining corporate sales in the new era of remote work. We offer end-to-end support, from planning strategies and frameworks, to executing inside sales with our dedicated team. We also offer *BALES CLOUD*, a cloud service that manages and streamlines inside-sales operations, leveraging our know-how accumulated through *BALES*.

BOXIL EXPO

An online exhibition where participants can find the optimal SaaS and other services. We webcast seminars on raising operational efficiency, adopting remote work, and increasing sales, as well as lectures on the latest industry trends by influential leaders of various industries. The exhibition is unique in that participants can view seminars and swiftly enter into individual business negotiations.

Comprehensive Marketing Support to SaaS Companies through ADXL, Inc., a Digital Agency

ADXL, Inc. was established to provide marketing solutions for SaaS companies, ranging from strategy planning to operations, implementation support, and data analysis. The company supports the digitization of the marketing activities of SaaS companies mainly by resolving three challenges: diversification and sophistication of marketing methods, lack of professionals with practical knowledge and expert skills, and lack of digital agencies specializing in SaaS.

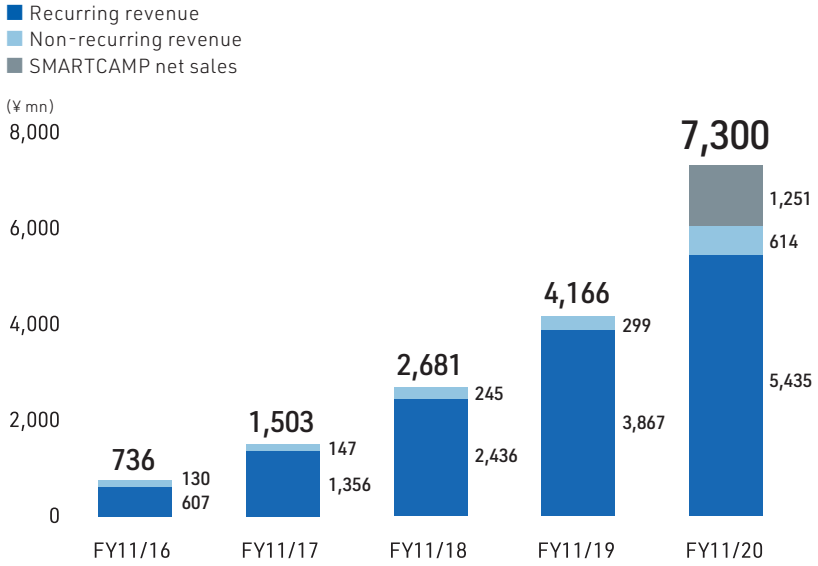


Business Highlights

For the fiscal year ended November 30, 2020 (FY11/20), full-year net sales continued to grow rapidly, increasing by 75% YoY to reach 7,300 million yen. Recurring revenue of SaaS applications for back-office operations, centered on *Money Forward Cloud*, was 5,435 million yen, increasing by 41% YoY, thereby driving growth.

Net sales of SMARTCAMP Co., Ltd. totaled 1,251 million yen, increasing by 43% YoY on a pre-consolidation basis, owing to the expansion of the domestic SaaS market and active marketing investment by SaaS businesses, and has continued to grow steadily since joining the Group.

Trend in Net Sales of Business Domain

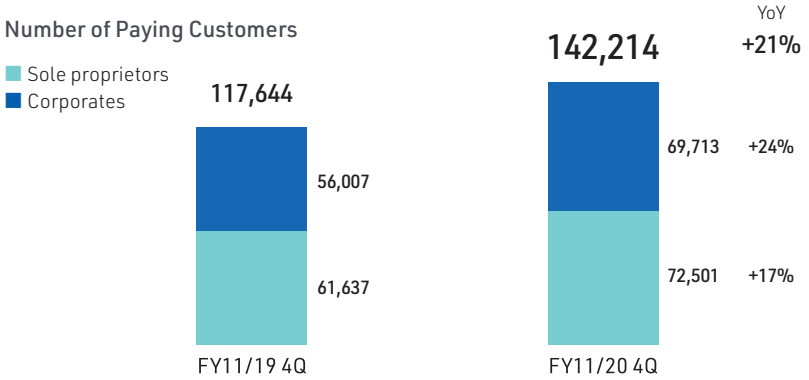


* Recurring revenue is revenue from services fees including for *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, and *Money Forward Certified Member System*.

Trends in KPIs

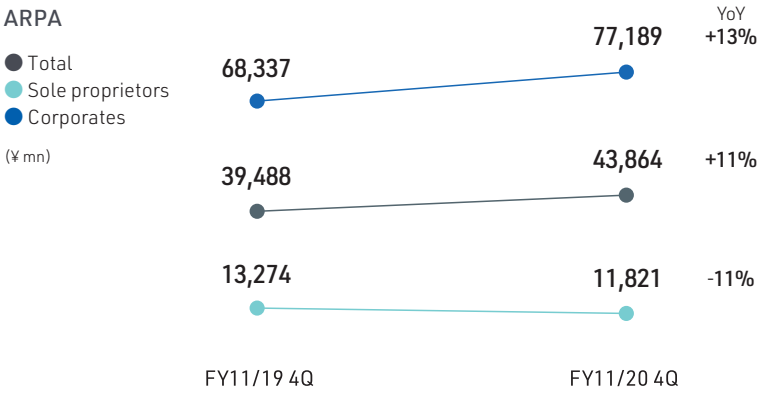
Accelerated acquisition of new customers and reduced customer churn rates (from 1.2% at FY11/19-end to 0.8% at FY11/20-end) led to a steady increase in paying customers, reaching 142,000 (of which some 70,000 were corporate customers) as of November 30, 2020. In addition, overall ARPA and corporate ARPA both increased steadily by 11% YoY and 13% YoY, respectively, reflecting accelerated adoption by medium-sized companies and increased ratio of users who use multiple services.

Number of Paying Customers



* The number of paying customers who are sole proprietors is the number of sole proprietors who pay for *Money Forward Cloud* services catering to individuals. The number of corporate paying customers includes business corporations, and professional service firms and their clients that pay for services catering to corporates, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, and *V-ONE Cloud*, as well as professional service firms that pay for *Money Forward Cloud Certified Member System*. SMARTCAMP Co., Ltd. is not included.

ARPA



* ARPA: 12 times the MRR (ARR) of Business domain in the last month of each term.

Group Companies joined by M&A

	Company Overview	Synergy Created by Joining the Group		
Nov. 2017	**Klavis, Inc.** Established in 2012. Provides *STREAMED*, which converts paper evidence such as receipts into digital accounting data within one business day in principle just by scanning them. Customers are mainly accounting firms.	The strength of *Money Forward Cloud* lies in automating journal entries from digital data, while that of *STREAMED* lies in automating journal entries from paper documents. Therefore, we complement each other in terms of value proposition to users. Also, acquisition of new users, which was a challenge prior to joining the Group, has significantly accelerated by utilizing Money Forward's sales network, which has strong ties with accounting firms. The cumulative number of users has topped 3,000 firms owing to synergetic effects on both the product and sales front.	**Tatsuya Kanto** Representative Director and CEO Klavis, Inc.	
Jul. 2018	**Knowledge Labo, Inc.** Established in 2013 by certified public accountants and tax accountants. Provides cloud-based budget management software *Manageboard*, which manages budget control and cash flow, as well as consulting services in business administration.	Users of *Manageboard*, released in 2018, have increased dramatically owing to cross-selling to professional service firms that use *Money Forward Cloud*. We are currently also conducting cross-selling with *Money Forward Cloud ERP* targeting medium-sized companies. In addition, in our business administration consulting service, we collaborate with Money Forward Synca, Inc. to support DX in the back-office operations of growing companies in establishing a business administration structure.	**Hidetsugu Kunimi** Representative Director and CEO Knowledge Labo, Inc.	
Nov. 2019	**SMARTCAMP Co., Ltd.** Established in 2014. Deploys a SaaS marketing platform business centered on *BOXIL SaaS*, a comparison site of SaaS services that target corporate cutomers.	The COVID-19 pandemic has driven digitization of operations and DX by companies, which in turn has raised demand for adopting cloud services. Thus, *BOXIL SaaS* is growing steadily, while *BOXIL EXPO*, an online exhibition for new businesses, has become one of our mainstay businesses, and *BALES* is expanding firmly with new locations in Hokkaido and Fukuoka. We collaborate with Money Forward by leveraging our strengths in the marketing arena, and also actively exchange personnel by seconding people in various ranks, ranging from managers to general staff.	**Satoshi Furuhashi** Representative Director and Chairman SMARTCAMP Co., Ltd.	
Aug. 2020	**R&AC Co., Ltd.** Established in 2004. Provides *V-ONE Cloud* and *Victory-ONE/G4*, cloud services for payment reconciliation and receivables management. Is No. 1 among cloud-based payment reconciliation and receivable management software in Japan in terms of number of companies that have installed the software. Clients include many leading domestic companies.	We have primarily been collaborating on the sales front, including crossover of customers, mainly medium-sized companies and large enterprises. Also, on the product front, we are jointly developing *V-ONE Cloud* with *Money Forward Cloud ERP's* receivable billing function. Furthermore, together with Money Forward Lab, we are promoting R&D to further automate reconciliation utilizing AI.	**Tomoyasu Takayama** Representative Director and President R&AC Co., Ltd.	

* Was No. 1 among "cloud-based payment reconciliation services" in terms of number of companies that had installed the software, according to a survey conducted by Shopper's Eye Inc. on July 22, 2020.

Our Services 2

Home

We want to eliminate people's worries and anxieties about money, and have developed services that are capable of visualizing money as a means of doing so. We complement visualization by helping to resolve the issues users face with options to improve awareness and learn about money and how to handle it.



Home

Creating a Society Free of Financial Concerns, and Moving Forward to a Future Where Everyone Can Live Unrestrained

A Society Free of Financial Concerns

Money Forward, Inc. was established with a desire to resolve the situation where many do not have access to accurate information or solutions regarding finance. While many people face financial challenges, the types of challenges vary depending on age and financial conditions. Those in their 30s may have issues related to life events, while the elderly may encounter issues on post-retirement wealth. Yet, a common characteristic of financial concerns is the difficulty of grasping one's financial status because relevant data is scattered. The first service to tackle this was *Money Forward ME*, which now ranks No. 1*[1] in this field. However, our fundamental aspiration is to address true financial challenges. For many users, financial solutions are out of reach. Such solutions are regarded as difficult or intimidating, and information and tools that ought to be accessible to more people are not. To address this true challenge, we are committed to developing services that conform to our corporate value of "User Focus."



Tomohiko Kimura
Executive Officer of Money Forward Home Company

We started off by collaborating with partner companies to propose solutions regarding ways to improve users' personal finance, and issues related to life insurance, which accounts for a large portion of users' spending. Going forward, we believe we can propose solutions that are feasible, manageable and optimal for each and every user by combining data analysis algorithms with sophisticated UI and UX. We will continue to expand our solutions and build systems that make proposals based on data and AI. We will thereby eliminate financial concerns in a feasible way through *Money Forward ME* while empathizing with users.

Leveraging Technology to Resolve Users' Concerns and Issues

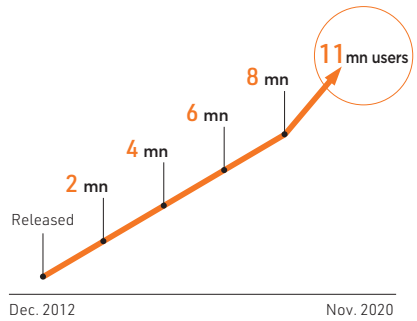
Visualizing Users' Financial Condition through *Money Forward ME*

Money Forward ME is a service that uses aggregation technology to consolidate and visualize information on personal finance and assets, which were previously scattered. Users can link various data, including that of credit cards, bank accounts, and e-commerce accounts. They can access and log into each service to check details, and can manage not only their personal finance but also their assets. By adding asset data, they can easily visualize their current financial condition. *Money Forward ME* can link with more than 2,600*[2] financial services, the most among any PFM (personal financial management) service, enabling us to cover users' specific needs.

API connections are also smooth owing to our tight network with financial institutions. Through these efforts, *Money Forward ME* is being used by many users, maintaining the top share among PFM apps*[1], with the number of users topping 11 million, and the number of premium paying users topping 280,000.

*1 Based on an internet survey by Macromill, Inc. on "Personal financial management (PFM) app that one currently uses." Respondents consist of 1,034 PFM app users in their 20s to 60s.
Survey period: November 18-19, 2020.
*2 As of April 30, 2021. (Based on research by Money Forward, Inc.)

Money Forward ME Users



Service Lineup that Solves Users' Problems

Aside from *Money Forward ME*, which visualizes personal finance, we are encouraging users to take actions that resolve and alleviate financial issues. Specifically, we offer opportunities for raising awareness and learning through *MONEY PLUS*, Money Forward Week, and consulting services by financial planners, targeting areas such as funds for daily living, life events including marriage, childbirth, home purchase, and retirement.

In recent years, we have also been providing practical solutions for improving balance of personal finance, such as *Money Forward Fixed Cost Review*. Through such initiatives, we hope to provide insights and options that prompt users to take actions for improving their financial condition, and to realize our business mission of "creating a society that is free of financial concerns."

Money Forward Week
(Nov. 2020)

Online sessions on
personal finance and investments

Money Forward Week

Week dedicated to upgrading
financial level for your future self

Nov. 16 (Mon.) - 20 (Fri.) Online



Mr. Toru Hashimoto
Former Governor of Osaka Prefecture and Former Mayor of Osaka City



Mr. Oki Matsumoto
Representative Director, Executive Officer, President and CEO of Monex Group, Inc.; Chairman of Monex, Inc.



Mr. Hideto Fujino
Representative Director, Chairman, President, and Chief Investment Officer of Rheos Capital Works Inc.



Mr. Naoki Shibata
Co-founder of AppGrooves Corporation and SearchMan



Mr. Mitsuaki Yokoyama
Personal Finance Revitalization Consultant

(Titles are those at the time of the session)

Increasing Value Proposition

Visualize cash flow	Provide insights	Provide knowledge	Take actions toward improvement
Money Forward ME	Money Forward *Okane No Sensei*	MONEY PLUS	Money Forward Career
Service for visualizing personal finance	Advise optimal actions by analyzing *Money Forward ME* data	Practical economic media	Career support service specializing in DX talents
	Money Forward *Okane No Soudan*		Money Forward *Fixed Cost Review*
	Financial planner consultation desk for *Money Forward ME* users		Service for improving personal finance
			SiraTama
			Automatic savings app
			Money Forward Mall
			Website for comparing and applying to financial products

Promoting Business Alliances to Resolve Users' True Challenges

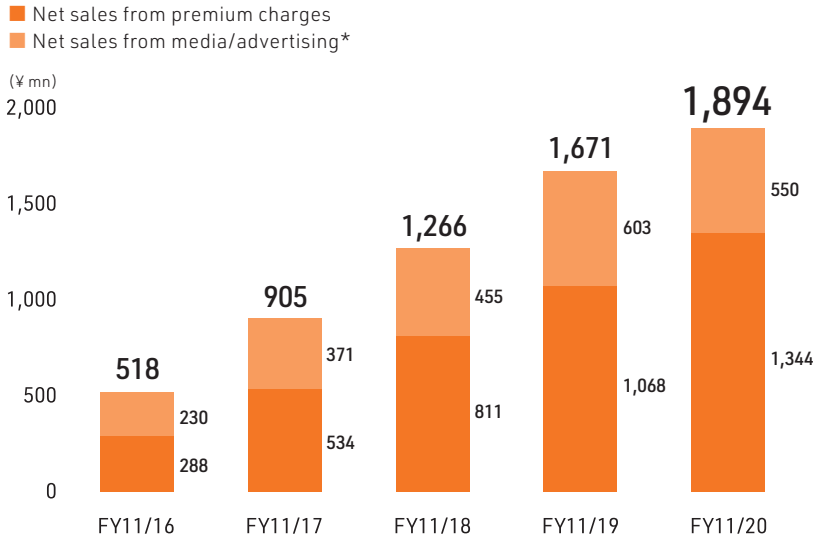
Broad-minded Co., Ltd. Tokio Marine & Nichido Anshin Life Insurance Co., Ltd. HOKEN-ALL Co., Ltd. FP Partner Inc.	*Money Forward Financial Planning* Service offering free consultation by financial planners (FP). By partnering with multiple financial planning companies, we have built a structure that enables us to offer high-quality consultations across Japan. Consultations are carried out efficiently by sharing personal finance data of *Money Forward ME* with FPs.
SymEnergy Inc.	*Money Forward Fixed Cost Review* (Electricity Service) Those who switch electric companies on *Money Forward ME* can use electricity for 3% less than the electricity rate of plans for consumers of general electric utilities (e.g., Tokyo Electric Power Company Holdings, Inc. or The Kansai Electric Power Company, Incorporated) and can also use *Money Forward ME* premium services for free during the electricity service contract period.
LIFENET INSURANCE COMPANY SBI IKIIKI SSI Inc.	*Money Forward Fixed Cost Review* (Life Insurance Service) Provides diagnostic tools for reviewing insurance, while also suggesting life insurance products of the Company's brand. We plan to develop a comprehensive system that enables users to review their insurance and apply for life insurance online. We plan to provide new customer experiences in the areas of PFM and insurance.
TUKURUBA Inc.	Promoting Business Alliance in Real Estate Field We are collaborating with TSUKURUBA Inc., which provides *cowcamo*, a distribution platform for existing and refurbished homes, to create new services that will visualize the value of real estate assets and optimize users' lifestyle based on real estate assets.
Susten Capital Management Inc.	Promoting Capital and Business Alliance in the Asset Management Field Users can connect *SUSTEN*, a fully automated asset management service, with *Money Forward ME*. In addition to promoting *SUSTEN* among *Money Forward ME* users, we are jointly developing a function that automatically proposes the optimal asset management method for each individual based on personal finance and asset data retained by Money Forward, Inc.

Business Highlights

Net sales for FY11/20 totaled 1,894 million yen. Revenue from premium paying users of *Money Forward ME*, which is recurring revenue, increased by 26% to 1,344 million yen.

Meanwhile, net sales from media/advertising, etc. decreased YoY because Money EXPO, which was originally conducted offline, was held online as a result of COVID-19. Most recently, new services represented *by Money Forward Financial Planning* and *Money Forward Fixed Cost Review* have been growing steadily.

Trend in Net Sales of Home Domain



* Net sales from media/advertising include advertising sales from *MONEY PLUS*, a practical economic media, sponsorships and ticket sales of events (e.g., Money EXPO) and sales from PFM services including *Money Forward Okane No Soudan* and *Money Forward Fixed Cost Review*.

Our Services 3

X

Money Forward X takes on the various issues of clients and combines Money Forward's technology and design capabilities to create new services that deliver convenience. We are totally adaptable, enabling us to support the resolution of an array of issues.



X

Create New Experiences in Financial Service and Bring Forth Prosperity

Money Forward X addresses various challenges of our clients represented by financial institutions. With our clients, we create services that deliver new benefits and efficiency by combining our accumulated strengths in design and technology. As a partner in co-creation, we aim to build an open and fair financial platform, which constantly and flexibly evolves.

Expanding Partnerships with Financial Institutions and Other Clients

On our own, we can neither build the open and fair financial platform that we envision, nor create new financial experiences that resolve financial issues of each and every individual. It has therefore been essential for us to collaborate with financial institutions and various other partners.

Initially, we provided *Money Forward ME*, a personal finance and asset management service for individuals, and *Money Forward Cloud*, a SaaS application for corporate back-office operations. We now deploy services tailored to the needs of our clients, with a view to responding to clients' true needs and challenges.



Daisuke Motokawa
Executive Officer and Head of Alliance Strategy; CSO of Money Forward X Company

Junichi Kanda
Executive Officer and Head of External Relations; COO of Money Forward X Company

Promoting DX of Financial Institutions and Their End Users

For individual customers of financial institutions, we offer *Money Forward for XX Bank*, an automated personal finance and asset management service, as well as *Household Accounting Book Unit* and *Asset Management Unit*, functions that can be added on to the apps of financial institutions. We also provide *Passbook App*, which digitizes paper passbooks.

For corporate customers of financial institutions, we offer *Corporate Portal*, a members-only portal site for corporates and sole proprietors, and *Business Financial Management* (or *BFM*), a fund management service that centralizes management of deposit information.

Currently, a total of 39 financial institutions* utilize our services catering to individuals and corporates.

* As of February 28, 2021.

Promoting Development of Services Tailored to the Various Needs of Financial Institutions and Companies

Based on our aggregation technology, which obtains account balance and other data by linking with financial services, we provide consulting and solutions for design, UX, data analytics, and marketing and promotion.

レンディングマネージャー
Joint development of advice function in app for loan borrowers.
docomo

フィンディ
Function for connecting *Findi*, an online lending service, with account data of multiple financial institutions.
福岡銀行

OneStock
Asset management app. Supports wealth accumulation by visualizing asset life cycle, centralizing asset management, and evaluating assets.
NOMURA

Shizugin WebWallet app
Supports UI/UX design of internet branch app to meet customer needs.
静岡銀行

Operating an Open Platform for Financial Institutions

Under the new normal stemming from the spread of COVID-19, users' needs are rapidly diversifying while shifting toward the digital and online world. Financial institutions, which play a central role in the financial and economic system, are also pressed to transform their business models through digitization, in other words, to achieve financial DX. Money Forward X will not be confined to contracted service development for clients (including financial institutions and other clients); we will co-create innovative products that empathize with users and fulfil their needs.

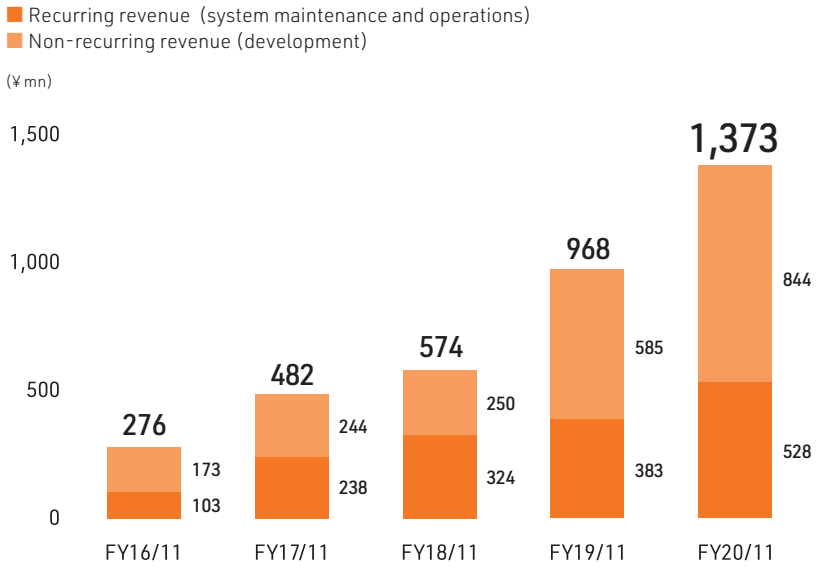
We aim to build an open platform that connects various services with data so that financial institutions can deliver added value aligned with the diversifying needs of their users.

Business Highlights

Net sales for FY11/20 totaled 1,373 million yen, increasing by 42% YoY.

We continue to offer our services to 39 financial institutions (as of February 28, 2021), and recurring revenue has steadily increased, up 38% YoY.

Trend in Net Sales of X Domain

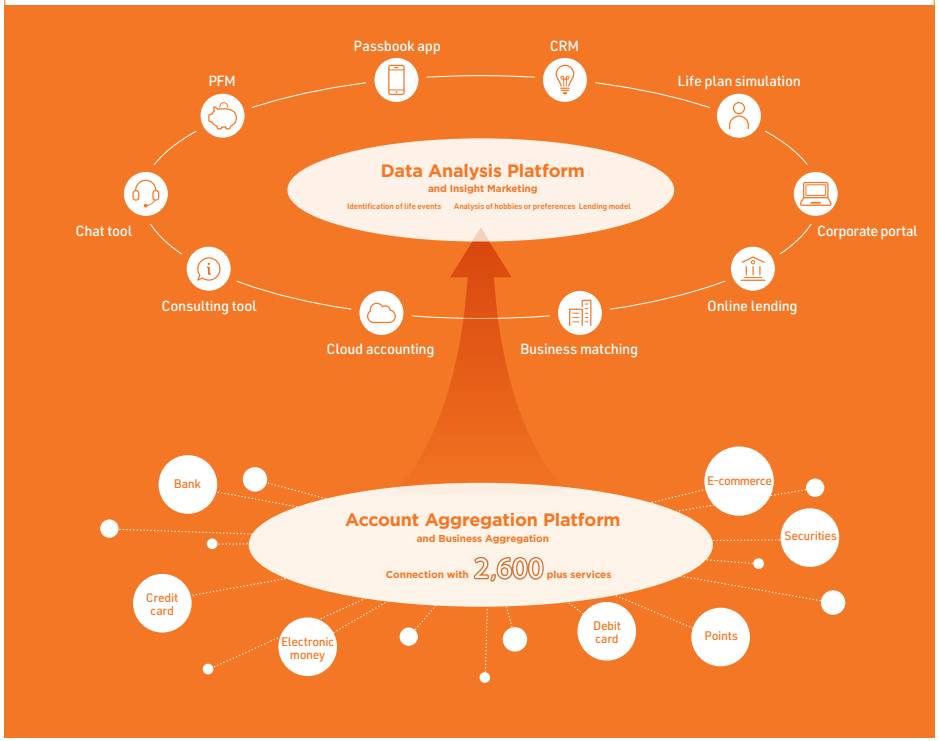


Partnering with AWS* to Build *Fintech Platform*, a Common Infrastructure that Will Provide a Vast Range of Fintech Services

In partnership with AWS, we will release *Money Forward Fintech Platform* targeting financial institutions in the summer of 2021. The platform aims to enhance services to customers of financial institutions and further support DX of financial institutions.

The platform is a common infrastructure that accumulates and analyzes data from financial services, and connects that with services provided by fintech and other partner companies. This platform will enable financial institutions to swiftly deliver services that match their strategies or needs.

* Amazon Web Services



Our Services 4

Finance

Businesses want to focus on growth without worrying about finance. We want to focus on energetic companies in addressing this desire. We support managers and accelerate corporate growth with services that drive fast, efficient financing activities. We support accelerated corporate growth.



Finance

Money Forward Kessai

Resolving Companies' Financial Issues and Jointly Moving Their Business Forward

The widespread use of the internet has enabled us to make transactions with far more counterparts at a lower cost and faster speed.

Yet, no improvement can be seen in the cost or speed of back-office operations, such as credit, invoicing and collection, or management of operating cash flow, which are all essential to credit sales. We believe that this impedes the efficiency of business transactions and makes it difficult for companies to focus on their core business.

To resolve this issue, we established Money Forward Kessai, Inc. and are striving to streamline not only back-office operations of companies and sole proprietors, but also their flow of funds.



Naomichi Tomiyama
Executive Officer;
Representative Director and President of
Money Forward Kessai, Inc.

Services

Money Forward Kessai

Money Forward Kessai is a service that helps to maintain steady cash flow, essential for business growth. We provide BPO of the entire invoicing process, including credit screening, issuance and delivery of invoices, collection, and follow-up for outstanding payments. We also guarantee* accounts receivable to eliminate concerns that come with credit sales. Accounts receivable can be collected within three business days at the earliest.

Through our services, we offer BPO of processes necessary in B2B billing with an aim to advance clients' businesses.

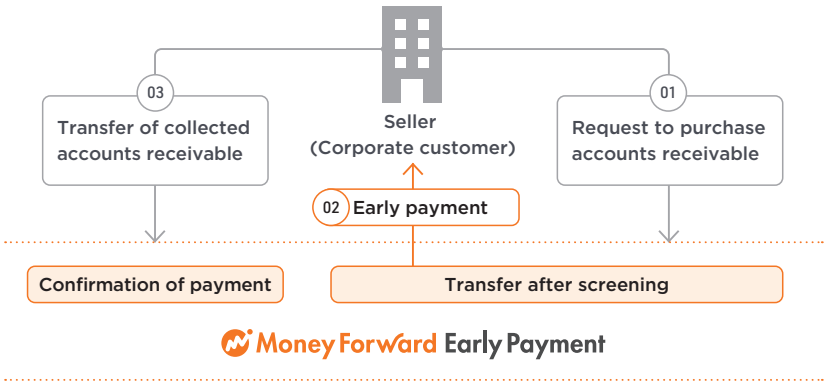
* Only when prescribed conditions are met.

Processes Subject to BPO by *Money Forward Kessai*



Money Forward Early Payment

Money Forward Early Payment is a service that enables early financing of purchase orders and invoices. We offer B2B factoring, which allows a company to receive an amount less a specific fee by selling the company's own accounts receivable. The company need not notify the other party or register for credit transfer, enabling them to easily and quickly secure funds without affecting their future business.



Future Growth Strategies

Speedy Service Delivery through Enhanced Credit Screening Model

We are expanding the scope of automatic screening through continuous updates to our transaction screening model. We are thus able to notify screening results within a few seconds at the earliest, or one business day at the latest.

Expanding Target Customer Base

Our primary customer base has been startups and SMEs, but we also plan to strengthen the large enterprise domain. We will develop and provide functions that are essential for large enterprises to deploy *Money Forward Kessai* services. This includes authorization, IP address restrictions, and system enhancements for processing large volumes of transactions. Also, since large enterprises tend to have low default risk, we will expand our product lineup, including services that specialize in invoicing BPO without the transfer of claims, and services for guaranteed accounts receivable.

Collaboration with and Provision of OEM to Financial Institutions and Large Corporations

We will continue to increase partnerships with financial institutions that have ties with customer bases to which Money Forward Group does not have access (e.g., regional companies and large enterprises), as well as with large partner corporations. In addition to commission agreements and business matching agreements, we conduct OEM of *Money Forward Kessai* and *Money Forward Early Payment*, and thereby deliver payment services that leverage the brands of our partners.

Furthermore, our partners are the main service provider, with Money Forward Kessai, Inc. taking a background role and providing systems and accounts receivable guarantees. We thus realize a service that combines the credibility of financial institutions with the technology of Money Forward Kessai, Inc.

Signed Joint Venture Agreement with MUFG Bank, Ltd. for Online Factoring Business Targeting SMEs

In June 2021, the Company and Money Forward Kessai, Inc. signed an agreement with MUFG Bank, Ltd. toward establishing a joint venture.

The mission of the joint venture is to "drive each and every company forward." By 2022 spring, we plan to launch an online factoring business targeting SMEs, and an invoicing BPO service mainly targeting corporate users of Mitsubishi UFJ Financial Group, Inc.

Money Forward Kessai, Inc. has know-how in factoring and invoicing BPO, while MUFG Bank, Ltd. has financial know-how and a vast customer base leveraging the group's trust and credibility as well as comprehensive strength. With full support from MUFG Bank, Ltd., we also plan to procure funds required for financing from multiple financial institutions. We will thereby stabilize financing of operating funds for the joint venture.

By capitalizing on the strengths of both companies, we will deliver new financial services tailored to SMEs' demands, which cannot be fulfilled with conventional financial services.

Money Forward Synca

Synchronizing with the Vision of Companies' Management and Evolving with Management

Sharing the Same Vision and Motivation with Companies' Management, and Resolving Related Issues

We aspire to provide high-quality financial advisory services—previously only available to large enterprises-more broadly targeting growing companies and their management. Under this vision, we offer advice centered on financial and capital policies. Building on the potential needs that we identify, we hope to bring forth new financial solutions to society while collaborating with financial institutions and member companies of the Money Forward Group.

From our clients' seed stage to IPO, we provide truly meaningful support backed by practical experience.

Financial Advisory Service

Ranges from support for developing financial strategies and capital policies to support for financing and creating equity stories in preparation for IPO.

Growing Companies Managerial Support Service

Managerial support by external CFO, and support for establishing management structure and internal controls in preparation for IPO.

Career Support Services

Support for developing hiring strategies and for hiring procedures.

HIRAC FUND

Opening Doors to New Possibilities with Entrepreneurs

Creating an Ecosystem for Startups Where Entrepreneurs Support the Next Generation of Entrepreneurs

HIRAC FUND was launched with the vision of jointly resolving the various issues that clients face in their early stage by sharing the know-how of entrepreneurs who are at the forefront of business management.

We primarily invest in domestic and overseas non-listed companies that deploy internet or technology businesses and are at their seed or series A stage. We will leverage entrepreneur communities and the Group's network—where investees can meet, learn from, and grow with peer entrepreneurs—and together carve out a new future with entrepreneurs.

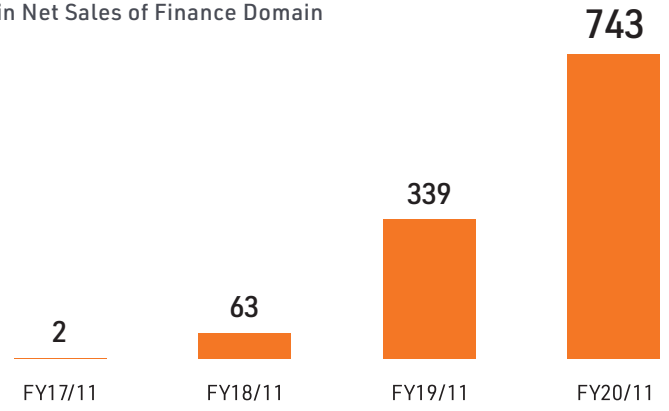
Business Highlights

Net sales for FY11/20 totaled 743 million yen, growing by 119% YoY. Growth was significant in the second quarter on the back of rise in demand for factoring, which was fueled by the spread of COVID-19.

Meanwhile, we are strengthening credit management to adequately understand the impact of COVID-19 on financial conditions of businesses.

Trend in Net Sales of Finance Domain

(¥ mn)



Driving Services Forward through Teamwork.



Home

Money Forward Home Company
Money Forward ME Team Members

Our members, consisting mainly of people in engineering, design, user support, and marketing, are making a concerted effort to deliver products. It is a great challenge to support and advance products that many people have been using since the Company's founding. Yet, more than anything, we feel truly happy sharing and delighting in feedback from users. While thoroughly operating systems to ensure steady daily financial management, we will continue to evolve by making proposals that go beyond "visualization of financial information," and eliminating financial anxieties of each and every individual.

We are building alliances with financial institutions and other partners, and thereby supporting DX. Our team consists of many young members, and once discussions start, they keep going. We believe it is important to co-create with our clients, to cherish their desire to deliver value to end users, and to identify clients' true challenges by attentively and closely communicating with them. To fulfil high expectations that arise going forward, we will take on the challenge of providing value by resolving management-level issues.



X

Money Forward X Company
Money Forward X Division, Consulting Division

MFV

Members of Money Forward Vietnam Development Team



As an oversea operation, we are committed to our value of "User Focus" in developing products. We foster better understanding not only of our products but also of Japanese culture. While doing so, we engage in daily operations through trial and error in pursuit of products that will please users, without forgetting to have fun. We may face barriers in communication or culture at times; however, we hope to overcome such barriers with the spirit of "Forward" and to deliver additional value.



Business

Money Forward Business Company, Accounting and Finance ERP Department, Marketing Division

To enable companies at varying stages, from founding to post-IPO, to use *Money Forward Cloud*, we engage in marketing initiatives. For example we work on advertising management and campaign planning, as well as in customer success, including support for users' onboarding and product enhancements. Under our mission of "accelerating business growth," we are making every effort to help drive users' businesses forward by considering the back office, often considered a burden, as the foundation of business.

Empowering People through Sports

Sports offer unity and exuberance, and harbor the power to invigorate people. This fact has become even more noticeable amid the COVID-19 pandemic–a time when the Olympic Games and other sport events around the world are being postponed or cancelled. We signed a lead partner agreement with Yokohama F.Marinos of Japan Professional Football League and partner agreements with Avispa Fukuoka and Hokkaido Consadole Sapporo. This was because we strongly felt that they shared our desire to support a society where people can take on challenges and to drive society forward, and also because we wished to contribute to the world of sports, which is now facing a crisis.

Also, the spread of COVID-19 has caused companies to suspend their support for athletes' activities, and the slowdown in employment has hindered employment support for athletes. In response to this, the Group has started supporting athletes' activities by hiring them at regional locations. Five players belonging to Norddea Hokkaido of Japan Women's Football League and Safilva Hokkaido of the V-League (volleyball) joined the Hokkaido Office of SMARTCAMP Co., Ltd., a member company of the Group.



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Finance & Governance

A stable financial base and robust corporate governance are both key components of the foundation underpinning the Money Forward Group.
We balance offense and defense in building an organization that empowers all Group businesses to move forward.

CFO's Message

Robust Foundation that Underpins Aggressive Strategies in the Growth Market

Prompt management is vital in the growth market, where the total addressable market (TAM) is large and changes are rapid.

We will develop a robust financial base and reinforce governance with a medium- to long-term perspective.



Naoya Kanesaka
Director, Executive Officer and CFO

After working with Goldman Sachs Japan Co. Ltd. for seven and a half years, I joined Money Forward, Inc. in 2014, at which time there were only around 30 members. Since then, as the first back-office employee, I have endeavored to fortify our financial base by overseeing such areas as corporate planning and financing. At the same time, I have been promoting governance that balances growth and risk control in collaboration with the Legal Compliance and Accounting divisions.

As represented by SaaS applications for back-office operations, we are operating in markets characterized by substantially growing TAM and drastic changes. We thus value speed and proactive approaches, including swiftly launching new businesses and actively engaging in M&As and investments to accelerate business growth.

My role is to strengthen our financial base to facilitate such aggressive investment, and at the same time, to fortify our defensive front, including closely examining and hedging various risks, for example, by verifying laws and regulations when launching new businesses, and conducting due diligence for M&As.

Focusing on Medium- to Long-term Growth and Maximizing Shareholder Value

The Group's primary business model is the SaaS model, which recognizes revenue according to use of services. Compared to a model where revenue is recorded at the time of system implementation, the SaaS model takes time to monetize; however, the churn rate is low and profitability is expected to be substantially high in the medium to long run. In addition, the shift toward remote work and paperless operations has been accelerating; this should fuel demand for implementing cloud services and promoting cashless operations, which in turn, should further drive demand for our services.

We will continue to actively make upfront investments to capture new users and develop products and services that meet demand in new markets. Meanwhile, we will also facilitate management to achieve optimal medium- to long-term growth by bolstering customer success and further minimizing the churn rate.

Enhancing Investments with a Focus on Business Domain

Business domain, which provides SaaS applications for back-office operations and a SaaS marketing platform, accounts for some 65% of the Group's consolidated net sales, and is driving consolidated growth with net sales increasing by 75% YoY (45% YoY when excluding the impact of consolidating SMARTCAMP Co., Ltd. and R&AC Co., Ltd.). In response to heightening demand among companies to adopt cloud, we will continue to bolster investments in new product development, sales and marketing, and recruitment of talented staff in these areas, while also actively considering M&As that represent valuable opportunities.

Accelerated Growth after M&A

All four companies that joined the Group through M&A in Business domain have since been growing at an accelerated pace. The Group values not only business synergies but also the affinity of such companies for our mission, vision, and culture. We also promote post-merger integration (PMI) so that companies joining the Group may continue to focus on their business and advance further. With regard to SMARTCAMP Co., Ltd., which joined the Group in November 2019, their existing businesses *BOXIL SaaS and BALES* continue to grow, while their new business *BOXIL EXPO* has made a strong start. In May 2021, SMARTCAMP also established ADXL, Inc., a subsidiary that offers advertising agency services for SaaS providers. Moreover, the founders of the companies that joined the Group now play key roles in the Group's management. We believe that such successful M&As and active involvement by the entrepreneurs thereafter will have a positive impact in promoting future M&As.

Actively Communicating with the Capital Market and Incorporating Feedback into Business Management

Another key initiative of the Company is to establish close communication with the capital market, respond to the market's expectations and desires, and foster trust. The Group has achieved its initial forecasts for four consecutive fiscal years since listing on Tokyo Stock Exchange Mothers in September 2017. Additionally, we disclose information in a timely and fair manner, and are also committed to conveying information more thoroughly and comprehensively in order for investors and shareholders to better understand and accurately evaluate the Company's strategies and performance.

Furthermore, we regularly provide the Board of Directors and managers of each business division with feedback from one-on-one meetings with numerous domestic and overseas shareholders and investors. We thereby strive to improve management by reflecting on the capital market's perception of the Group.

Reinforcing Governance that Balances Growth and Risk Control

In February 2021, we reorganized the Board of Directors with an aim to strengthen its supervisory function. The composition was changed, with outside directors now accounting for the majority; at the same time, authority was transferred to the business divisions to expedite business execution.

Transferred Market Listing to First Section of Tokyo Stock Exchange

The Company transferred its stock market listing to the First Section of the Tokyo Stock Exchange in June 2021. We are truly grateful to our shareholders and various other stakeholders who have supported us thus far.

Building on this market listing transfer, we will expand our investor base and reduce funding cost, thus raising the agility of our management strategies. At the same time, we aim to gain recognition of society and its confidence, to establish a more robust management base, including by expanding users and business partners of the Group's services, and bolstering recruitment.

In the growth market with a large TAM, we will continue to deploy aggressive strategies in an agile manner, while also deploying resilient risk control. We thereby aim to achieve growth that meets the expectations of investors and shareholders.

Governance

Basic Policy on Corporate Governance

We aim to move society forward and create a world where everyone can actively take on challenges. To this end, we ceaselessly deliver services in the IT industry, where the operating environment is subject to constant change. Against this backdrop, it is essential that corporate governance function effectively for the Company to realize its vision and achieve sound growth.

In addition to raising corporate soundness and transparency from the perspective of all of society's stakeholders we strive to develop an internal structure that allows for prompt and rational decision-making as well as streamlined business execution. We thus aim to achieve a steady increase in shareholder value on a long-term basis. The Company enforces this compliance structure in order to sustain business management grounded in sound ethical standards.



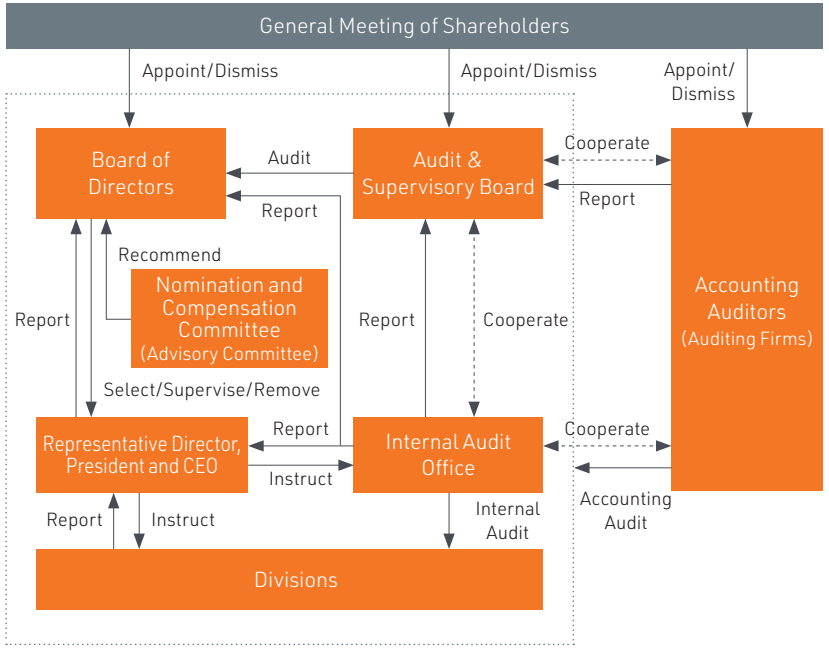
Hirokazu Ban
Executive Officer and CLCO
(Chief Legal & Compliance Officer)

Reinforcing Corporate Governance

The Company reduced the number of internal directors from seven to four upon obtaining approval of the General Meeting of Shareholders held in February 2021. Accordingly, there are now four internal and five external directors. We aim to strengthen governance by having external directors comprise the majority. We also extended the authority of business divisions with a view to further expedite business execution.

Corporate Governance Structure

Corporate Governance Structure (As of February 26, 2021)



Board of Directors

As of February 26, 2021, there are nine directors, five of whom are independent external directors. The Company has set independence criteria for appointing external directors. External directors have been selected accordingly, and all five external directors have been registered as independent directors. In principle, the Board of Directors' meeting is held once a month to supervise the execution of duties by each director and to deliberate and decide on important managerial matters.

Audit & Supervisory Board

The Audit & Supervisory Board comprises three members, including one full-time member who also serves as chairperson, and two part-time members. All three are independent external members, including one lawyer. The Audit & Supervisory Board holds a regular meeting once a month and extraordinary meetings on an as-needed basis, wherein they share information including planning and progress of audits.

Nomination and Compensation Committee

On a voluntary basis, the Company has set up a Nomination and Compensation Committee to serve as an advisory body to the Board of Directors. The committee responds to consultations on such matters as the composition of the Board of Directors, individual nomination of directors, and proposals concerning directors' compensation, including composition, level, and maximum pool. To ensure transparency and objectivity of the decision-making process, external directors account for the majority of the committee.

Executive Officer System

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. They promptly execute business based on managerial decisions by implementing matters determined by the Board of Directors. The Company has also adopted a chief officer system to further clarify the separation of supervisory and execution functions, and to enable more agile business execution.

Internal Audit Office

The Company has established a dedicated Internal Audit Office. The Internal Audit Office prepares internal audit plans in accordance with the Internal Audit Rules established by the Company, and upon approval by the Representative Director, President and CEO, audits all divisions and offices of the Company and all Group companies. Audit results are reported to the Representative Director, President and CEO, and the Audit and Supervisory Board.

Accounting Auditors

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

Directors' Compensation

Composition of Compensation

Directors' compensation comprises base compensation and restricted stock compensation.

Resolution of General Meeting of Shareholders Regarding Directors' Compensation

The maximum amount of directors' compensation is determined by resolution of the General Meeting of Shareholders. It was resolved at the Fifth Annual General Meeting of Shareholders on February 28, 2017, to set the upper limit to ¥500 million per year (excluding employee salary for those who concurrently serve as both employee and director). Also, at the Eighth Annual General Meeting of Shareholders held on February 20, 2020, it was resolved to introduce a restricted stock compensation system with the aim to give directors medium- to long-term incentives for maximizing shareholder value, and to thereby further share value with shareholders. Compensation provided through this system shall be less than the aforementioned limit for directors' compensation of ¥500 million, and the total amount of monetary compensation for granting restricted stocks to eligible directors is set to ¥100 million or less per year (including ¥20 million or less for external directors, excluding employee salary for those who concurrently serve as employee and director). The total number of restricted stocks allocated shall be 35,000 shares or less (including 7,000 shares for external directors).*

* As of December 1, 2020, the Company conducted a two-for-one stock split of its common shares, resulting in a total of 70,000 shares (including 14,000 shares for external directors) after the split.

Process of Resolution

Individual directors' compensation is deliberated by the Nomination and Compensation Committee, which serves as an advisory body to the Board of Directors, within the upper limit resolved at the General Meeting of Shareholders. Based on the committee's proposal, the Board of Directors determines such matters as the composition, level, and maximum pool of compensation. The level of directors' compensation is set to a level that appropriately compensates for sufficiently executing the Company's managerial decision-making and supervision functions, taking into account social and market conditions, as well as comparison with other companies.

Basic Policy on Compliance

The Company believes that compliance is a prerequisite for engaging in corporate activities. The Company has thus appointed a CLCO (Chief Legal & Compliance Officer) as the chief executive for enforcing compliance in business management, and has built a compliance structure, through which the Company implements various initiatives to ensure that compliance is put into practice. The CLCO develops plans for such initiatives and reports on their status at a Compliance Meeting held once every quarter, and thereby enforces compliance in the Group's business management.

The Group Rules for Responding to Anti-social Forces stipulate the prevention of involvement with and provision of profits to anti-social forces, in order to deploy management and business activities that are fair and sound. The Group has also established and disclosed basic policies for preventing and eliminating any connections with anti-social forces. More specifically, the Group promotes collection and dissemination of information by the responsible division, appoints a person in charge of preventing unreasonable demands and reports to the relevant police station, investigates business partners and the Group's officers and employees regarding potential ties with anti-social forces, and includes a clause for eliminating anti-social forces when entering into an agreement, including terms and conditions of transactions and contracts. Also, in the case where unreasonable demands are made by anti-social forces, the Group will unitedly respond to the situation, and establish a structure for taking resolute actions, 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.

Furthermore, for the continuity and development of the Group's businesses, we promote intellectual property strategy through concerted efforts by the business, research and development, and intellectual property divisions. Through initiatives concerning intellectual property, the Group will exercise its creativity, and strive to deliver new value to stakeholders and to resolve social issues. Specifically, the Group implements measures to acquire, protect, and utilize intellectual property rights related to the Group's services, to respect the intellectual property rights of third parties, and to foster knowledge of officers and employees on intellectual property.

Key Initiatives for Enforcing Compliance

Establishing and Fostering Awareness of Money Forward Group Compliance Manual

The Company has established the Money Forward Group Compliance Manual, which sets forth basic actions and principles on compliance that all officers and employees of the Group have to implement, and is striving to ensure strict observation and penetration.

Compliance Training

The Group provides a variety of compliance training for officers and employees to acquire knowledge and raise awareness of compliance. Specifically, the Group provides training with instruction by the CLCO on general compliance matters during new hire orientation, as well as online training on the Money Forward Group Compliance Manual, insider trading, harassment, information security, and personal data protection. The Group also carries out tests to assess understanding.

Internal Reporting Office

The Group has established the Group Internal Reporting Rules, which clearly state confidentiality and prohibition of retaliation, and has set up an Internal Reporting Office accessible to all officers and employees of the Group. The system allows them to directly report and consult on conduct or possible conduct related to compliance breaches and harassment within the Group, and comprises an internal contact as well as a full-time external auditor and external lawyer.

Survey on Efforts to Enforce Compliance

The Company has included queries on compliance in the MF Group Survey (i.e., an employee satisfaction survey)—carried out twice a year to objectively understand the Group's issues—and analyzes the responses to make improvements. In addition, the Company regularly carries out surveys on compliance to identify concerns regarding compliance that are not raised in internal reports, and to foster awareness of compliance among all officers and employees of the Group.

Executives

(As of June 30, 2021)

Internal Directors

		Background	Reason for Appointment
	**Yosuke Tsuji** Representative Director, President and CEO	Joined Sony Corporation in 2001. Seconded to Monex, Inc. in 2004. Obtained MBA at Wharton School, University of Pennsylvania in 2011. Established Money Forward, Inc. in 2012, and was appointed representative director and CEO. Received Judges Association's Special Award at the 4th Nippon Venture Awards in 2018. Currently serves as an executive officer of the Japan Association of New Economy (JANE), executive committee member of the Silicon Valley Japan Platform (SVJP), and first-term nominated member of the Japan Association of Corporate Executives (KEIZAI DOYUKAI).	Since the Company's founding, he has taken the helm of the Company's management, led the release of new services, and has spearheaded not only the Group but the industry, including by achieving the first IPO as a Japanese fintech company. Accordingly, he continues to be appointed as director to further advance the Group.
	**Naoya Kanesaka** Director, Executive Officer and CFO	Joined Goldman Sachs Japan Co. Ltd. in 2007. Worked at the Tokyo and San Francisco offices, during which time he was involved in advisory services for cross-border M&As and fund procurement mainly in the technology and financial industries, as well as in enhancing value of investee companies. Joined Money Forward, Inc. in 2014. Appointed director in 2017. Appointed representative director of Money Forward Synca, Inc. in September 2019. Serves as representative partner of HIRAC FUND of Money Forward Venture Partners, Inc., established in May 2020.	He has expertise in global financial business, and since joining the Company in September 2014, has spearheaded the Company's capital policies and business alliances among other areas. Accordingly, he continues to be appointed as director.
	**Takuya Nakade** Director, Executive Officer, Head of D&I and CTO	Joined Jupiter Shop Channel Co., Ltd. in 2001, where he led development, maintenance, and operations of order management and CRM systems as IT manager. Joined Simplex Inc. in 2007 and engaged in development, operations, and maintenance of stock trading systems for securities companies. Led the development of an FX dealing system as an architect and product manager. Joined Money Forward, Inc. in 2015, and developed financial systems. Appointed CTO in 2016.	He has extensive experience in IT service development and consulting, and since joining the Company in February 2015, has endeavored to build the infrastructure of the Company's services. Since becoming CTO in December 2016, he has spearheaded the engineer-led development structure, and therefore continues to be appointed as director.
	**Masanobu Takeda** Director, Executive Officer and Money Forward Business Company COO	Joined an internet advertising agency in 2001, where he engaged in strategy marketing. Joined Macromill, Inc. in 2003, and was appointed director in 2008. Was mainly in charge of corporate planning and led the company's corporate and HR strategic planning, M&As, and new business development. Joined eole Inc. in 2012, where he served as director and head of corporate planning. Has been serving as director and CFO of Klavis Inc. since 2016, and joined Money Forward, Inc. in 2017 at the time of the acquisition.	Since the early days of internet research, he has led a wide range of operations, including sales, business planning, and business administration, and is adept in digital marketing research. Since joining the Company in February 2018, he has served as head of the *Money Forward Cloud* businesses, and therefore continues to be appointed as director.

External Directors

	Background	Reason for Appointment
 **Nobuaki Kurumatani** External Director; Chairman of the Board, First Advisers Inc.	Started his career at The Mitsui Bank, Limited, and served as deputy president and executive officer of Sumitomo Mitsui Financial Group, and as representative director, deputy president and executive officer of Sumitomo Mitsui Banking Corporation. Previous leadership roles include representative director and joint representative of CVC Asia Pacific (Japan), and representative executive officer, president and CEO of Toshiba Corporation. Appointed representative director and chairman of the board of First Advisers Inc. in April 2021.	He 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. He has extensive insight into corporate management, and provides beneficial advice and recommendations to the Company's management, leveraging his vast network. While the Company receives loans from Sumitomo Mitsui Banking Corporation, he has resigned from his position at the said bank. Thus, the Company judges that his independence is not affected and appoints him as external director.
 **Masaaki Tanaka** External Director; Vice Chair, Board of Councilors, US-Japan Council; Former Chairman, President & CEO, Nippon Paint Holdings Co., Ltd.	Former representative director and deputy president of Mitsubishi UFJ Financial Group. After starting his career at the Mitsubishi Bank in 1977, served as president and CEO of Union Bank, N.A., senior managing executive officer and CEO for the Americas of The Bank of Tokyo-Mitsubishi UFJ, Ltd., and board member of Morgan Stanley from 2011 to 2015. Served as a member of Financial System Council of the Financial Service Agency (FSA) and various other governmental organizations. Was adviser to the FSA from February 2017 to March 2021. Was president and CEO of Japan Investment Corporation from September to December 2018. At Nippon Paint Holdings Co., Ltd., was appointed executive chairman in March 2019, executive chairman, president and CEO in January 2020, chairman, representative executive officer, president and CEO in March 2020, and advisor from April to June 2021. Has been vice chair of the Board of Councilors of the US-Japan Council since 2013.	He was engaged in the management of Mitsubishi UFJ Financial Group and other global enterprises for many years, and has extensive experience in and wide-ranging insight into the global financial sector and business management. He also has extensive knowledge of corporate governance and provides beneficial advice and recommendations to the Company's management. While the Company receives loans from MUFG Bank, Ltd., he has resigned from his position at the said bank. Thus, the Company judges that his independence is not affected and appoints him as director.
 **Akira Kurabayashi** External Director; Managing Partner and Head of Japan, DNX Ventures	After engaging 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. Joined Draper Nexus Partners (now DNX Ventures) and was appointed managing director from March 2015 and managing partner and head of Japan in December 2020. Holds an MBA from Wharton School of University of Pennsylvania and a bachelor and Ph.D. degree from Doshisha University. Is the author of *Corporate Venture Capital no Jitsumu [Corporate Venture Capital in Practice]* (CHUOKEIZAI-SHA HOLDINGS, INC.).	He has extensive experience in investing in new businesses both in Japan and abroad and has wide-ranging knowledge of SaaS companies as a pioneer in SaaS investments. He provides valuable advice to the Company's management, and therefore continues to be appointed external director.
 **Etsuko Okajima** External Director; CEO, ProNova Inc.	Worked at Mitsubishi Corporation, earned an MBA from Harvard University, and worked at McKinsey & Company. In 2002, took part in establishing Globis Management Bank Inc., a management recruiting service of Globis Group, where she served as president from 2005. Founded ProNova Inc. in 2007 and has been serving as CEO. Is a consultant specializing in empowering executive teams, and an expert in executive recruiting and leadership development.	She has extensive experience and knowledge as well as wide-ranging insight as an expert in human resource development and organizational management, among other areas. She provides supervision and advice regarding the Company's management from an independent and objective standpoint. The Company therefore continues to appoint her as external director.
 **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). Subsequently served as special research fellow of Financial Research Center of FSA. After working at Mizuho International plc (London), she was appointed senior researcher at J-IRIS. Serves as associate professor at SBI Graduate School since March 2020. Holds a Ph.D. in policy research. Has served as a committee member of governmental and international organizations including Growth Strategy Council - Investing for the Future/ Council for Advancing Structural Reform under Prime Minister of Japan and His Cabinet, The Council of Experts Concerning the Follow-up of Japan's Stewardship Code and Japan's Corporate Governance Codes under the FSA, and Management Commentary Consultative Group of IFRS Foundation.	She has extensive experience and knowledge as well as wide-ranging insight as an expert in corporate governance. The Company therefore appoints her as external director to receive supervision and advice regarding the Company's management from an independent and objective standpoint.

Audit & Supervisory Board Members



Yozo Ueda

Full-time External Audit and Supervisory Board Member



Katsuyuki Tanaka

External Audit and Supervisory Board Member
Partner at Tokyo Seiwa Sogo Law Firm



Hidetoshi Uriu

External Audit and Supervisory Board Member
Director and COO, VisasQ Inc

Advisers



Takashi Mitachi

Senior Adviser, The Boston Consulting Group



Makoto Haruta

Representative Director and CEO, betaCatalyst Inc.

Executive Officers and Chief Officers



Toshio Taki

Executive Officer
Head of Sustainability, CoPA (Chief of Public Affairs), and Head of the Money Forward Fintech Institute



Takashi Ichikawa

Executive Officer and CISO (Chief Information Security Officer)



Hirokazu Ban

Executive Officer and CLCO (Chief Legal & Compliance Officer)



Tatsuya Kanto

Executive Officer and CSO and Money Forward Home Company COO;
Representative Director and CEO, Klavis, Inc.



Daisuke Sergio Ito

Executive Officer and CDO (Chief Design Officer)

Executive Officers of Respective Areas

Kiminobu Tahira

Executive Officer and Cross-company Business Head

Kazuya Yamada

Executive Officer and Money Forward Business Company CSO

Naoki Kuroda

Executive Officer and Fukuoka Office Head

Junichi Kanda

Executive Officer, Head of External Relation and Money Forward X Company COO

Daisuke Motokawa

Executive Officer, Head of Alliance Strategy and Money Forward X Company CSO

Shun Matsuoka

Executive Officer and Accounting Department Manager

Naomichi Tomiyama

Executive Officer;
Representative and Director and President, Money Forward Kessai, Inc.

Seiko Harada

Executive Officer and Cross-functional Business Head;
Representative Director and President, ADXL, Inc.

Ryo Shibuya

Executive Officer and Money Forward Business Company VPoE (VP of Engineering)

Satoshi Furuhashi

Executive Officer;
Representative Director and Chairman, SMARTCAMP Co., Ltd.;
Representative Director, Money Forward Venture Partners, Inc.

Facts & Data

Financial data/Stock information

Statement of Income

(¥ mn)

	FY11/13 (Nonconsolidated)	FY11/14 (Nonconsolidated)	FY11/15 (Nonconsolidated)	FY11/16 (Nonconsolidated)	FY11/17 (Consolidated)	FY11/18 (Consolidated)	FY11/19 (Consolidated)	FY11/20 (Consolidated)
Net sales	4	76	442	1,542	2,900	4,595	7,157	11,381
Cost of sales	52	159	431	734	959	1,812	2,833	3,701
Gross profit (loss)	-48	-83	11	809	1,940	2,783	4,324	7,617
Gross profit margin	–	–	–	52%	67%	61%	60%	67%
Selling, general and administrative expenses	54	443	1,132	1,685	2,738	3,579	6,770	10,422
Operating profit (loss)	-102	-525	-1,120	-877	-797	-796	-2,446	-2,805
EBITDA *1	-100	- 522	-1,103	-853	-748	-575	-2,180	-2,164
EBITDA margin	–	–	–	-55%	-26%	-13%	-30%	-19%
Ordinary profit (loss)	-107	-548	-1,134	-889	-834	-824	-2,567	-2,539
Profit (loss) attributable to owners of parent	-107	-550	-1,142	-889	-843	-815	-2,572	-2,423

*1 Consolidated operating profit/loss + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses

* Figures have been rounded to the nearest million.

Employees

	FY11/13 (Nonconsolidated)	FY11/14 (Nonconsolidated)	FY11/15 (Nonconsolidated)	FY11/16 (Nonconsolidated)	FY11/17 (Consolidated)	FY11/18 (Consolidated)	FY11/19 (Consolidated)	FY11/20 (Consolidated)
Employees	10	47	93	162	241	394	691	865

Balance Sheet

(¥ mn)

	FY11/13 (Nonconsolidated)	FY11/14 (Nonconsolidated)	FY11/15 (Nonconsolidated)	FY11/16 (Nonconsolidated)	FY11/17 (Consolidated)	FY11/18 (Consolidated)	FY11/19 (Consolidated)	FY11/20 (Consolidated)
Current assets	536	137	2,418	2,948	6,195	6,213	10,868	13,460
Non-current assets	8	18	95	143	1,202	2,447	5,445	8,251
Total assets	544	153	2,513	3,091	7,397	8,660	16,313	21,712
Current liabilities	13	101	566	664	1,431	2,849	5,395	8,240
Non-current liabilities	0	0	0	540	1,955	2,428	2,888	3,234
Net assets	531	33	1,946	1,887	4,012	3,383	8,030	10,238

Statement of Cash Flows

(¥ mn)

	FY11/13 (Nonconsolidated)	FY11/14 (Nonconsolidated)	FY11/15 (Nonconsolidated)	FY11/16 (Nonconsolidated)	FY11/17 (Consolidated)	FY11/18 (Consolidated)	FY11/19 (Consolidated)	FY11/20 (Consolidated)
Cash flows from operating activities	—	-447	-1,023	-718	-499	-795	-3,605	-1,120
Cash flows from investing activities	—	-14	-93	-60	-1,066	-1,288	-2,784	-2,606
Cash flows from financing activities	—	55	3,298	1,172	4,609	1,306	8,638	5,257
Free cash flow	—	-460	-1,117	-777	-1,564	-2,083	-6,389	-3,726

* Figures have been rounded to the nearest million.

Stock Information



As of December 1, the Company conducted a two-for-one stock split of its common share using November 30, 2020, as the base date.

(As of May 31, 2021)

Listed exchange
First Section of the Tokyo Stock Exchange
(Transferred market listing on June 14, 2021)

Securities code
3994

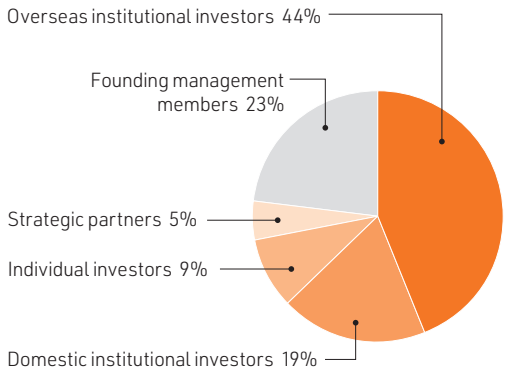
Total number of authorized shares
89,956,000 shares

Total number of issued shares
48,069,060 shares

Number of Share holders
7,726

Share trading unit
100 shares

Shareholder composition



Major Shareholders (Top Ten)

	Number of shares	%
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	4.30
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

* Excludes treasury shares (20,838 shares) owned by the Company.
* Ratios are rounded to the second decimal place.

Company Information

(As of May 31, 2021)

Company name	Money Forward, Inc.
Business activities	Internet service development
Established	May 2012
Representative	Yosuke Tsuji, Representative Director, President and CEO
Fiscal year end	November
Capital	¥9,926 million
Group employees	865 (As of November 30, 2020)
Head office	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo 108-0023
Locations	Tokyo, Sapporo, Sendai, Nagoya, Kyoto, Osaka, Hiroshima, Fukuoka, and Ho Chi Minh (Vietnam)
Group companies	Money Forward Kessai, Inc. Money Forward Hosho, Inc. Klavis, Inc. Money Forward Fine, Inc. Money Forward Financial, Inc. Money Forward i, Inc. Knowledge Labo, Inc. Money Forward Vietnam Co., Ltd. Money Forward Synca, Inc. SMARTCAMP Co., Ltd. Money Forward Venture Partners Co., Ltd. R&AC Co., Ltd. ADXL, Inc. HIRAC FUND Series 1 Investment Limited Partnership

Editorial Policy

Integrated Report 2021, Money Forward, Inc. is a report for all stakeholders, comprehensively covering financial and non-financial information, including financial results, management policies for creating medium- to long-term value, and business strategies of Money Forward, Inc. (on a consolidated basis). In writing this report, we mainly referred to the International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC).

Scope of Report

Companies covered: Money Forward, Inc. and group companies (subsidiaries)

* Throughout the report, "the Company" refers to Money Forward, Inc., while "the Group" refers to companies of the Money Forward Group.

Period covered: From December 1, 2019 to November 30, 2020
Also includes information on activities before and after this period

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Email: ir@moneyforward.co.jp

Month of issuance: July 2021 (Original Japanese report)
Sept 2021 (English translation report)

Disclaimer:

This report is a translation of the original Japanese report. In the event of any discrepancy between this translated report and the original Japanese report, the latter shall prevail.

The forward-looking statements and other content included in this report are determined based on information available at the time of preparing this report, and may be subject to change due to macroeconomic trends, changes in the market environment or industry in which the Group operates, or for other internal or external factors.

Money Forward, Inc. shall not represent or warrant the accuracy or completeness of the information contained in this report.

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https://corp.moneyforward.com