Financial Results for the 3rd Quarter of Fiscal Year Ending November 30, 2021

Money Forward

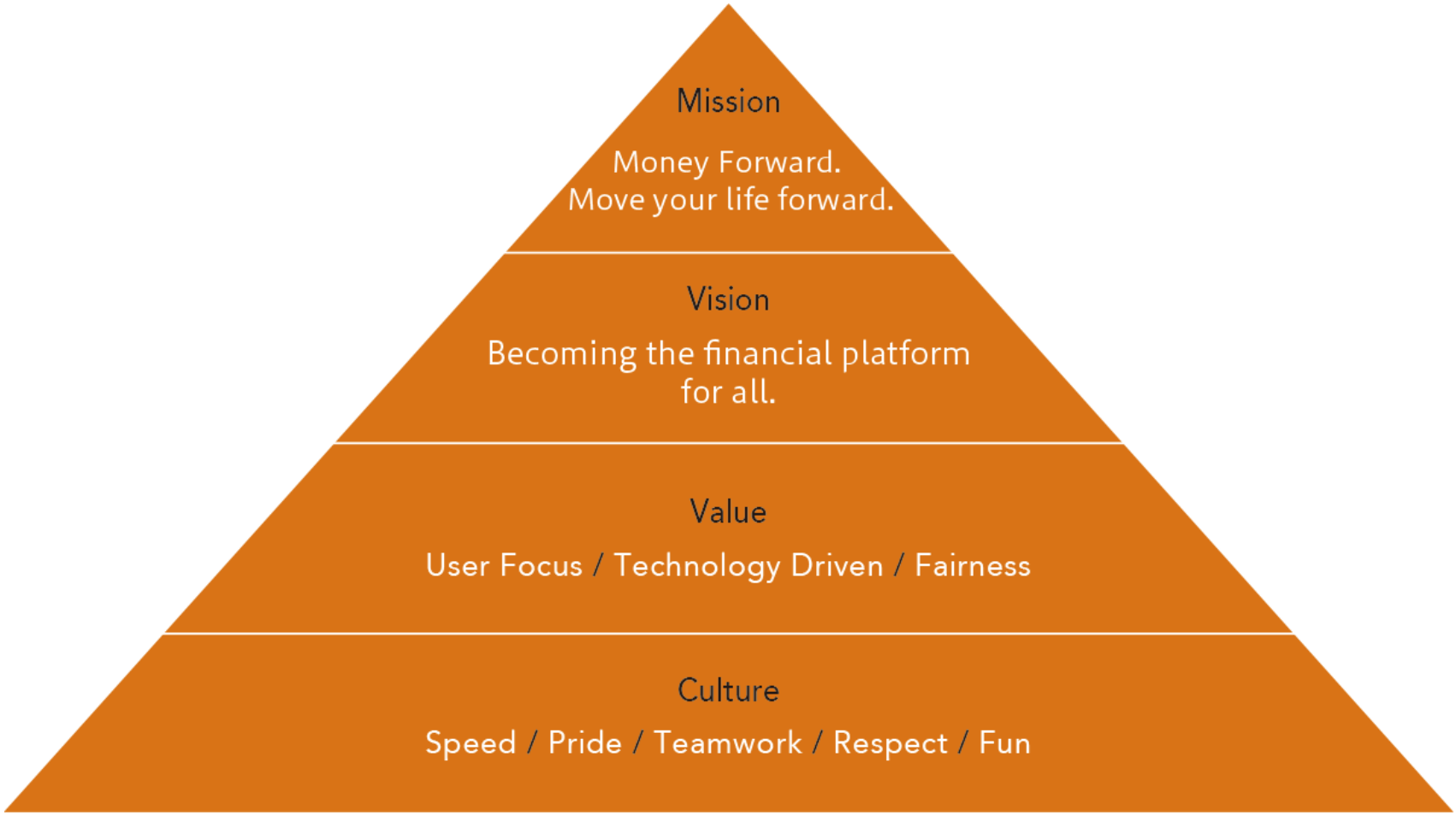
Oct 15, 2021

- Our Business P.2
- Financial Performance in FY11/21 Q3 P.12
  - Money Forward Business P.20
  - Money Forward Home P.37
  - Money Forward X P.44
  - Money Forward Finance P.51
- Other Strategic Initiatives / Policy on Growth Investment P.55
- Appendix P.62

Our Business



Mission / Vision / Value / Culture



Create a Sustainable Society Through Realizing Our Mission/Vision

We have set 3 priority themes to achieve the SDGs targets.

User Forward

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

Society Forward

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

Talent Forward

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

SDGs Targets



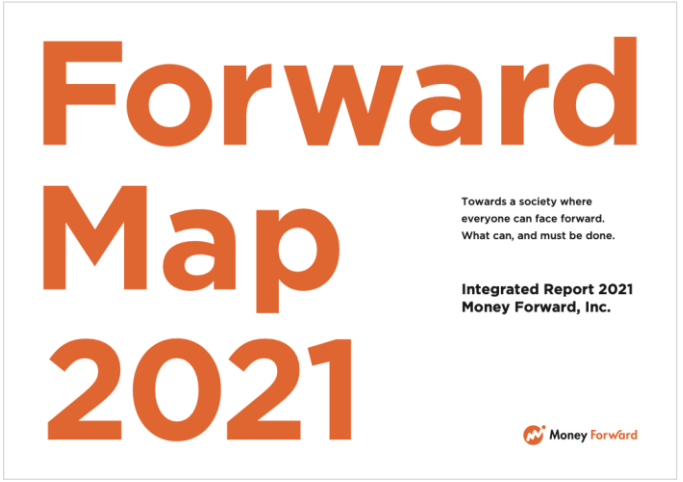
Foundations Supporting 3 Key Themes

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

Governance that Balances Offense and Defense

Issued the English Version of the Integrated Report

In addition to the business overview and growth strategy, the report introduces various initiatives to contribute to the realization of a sustainable society.



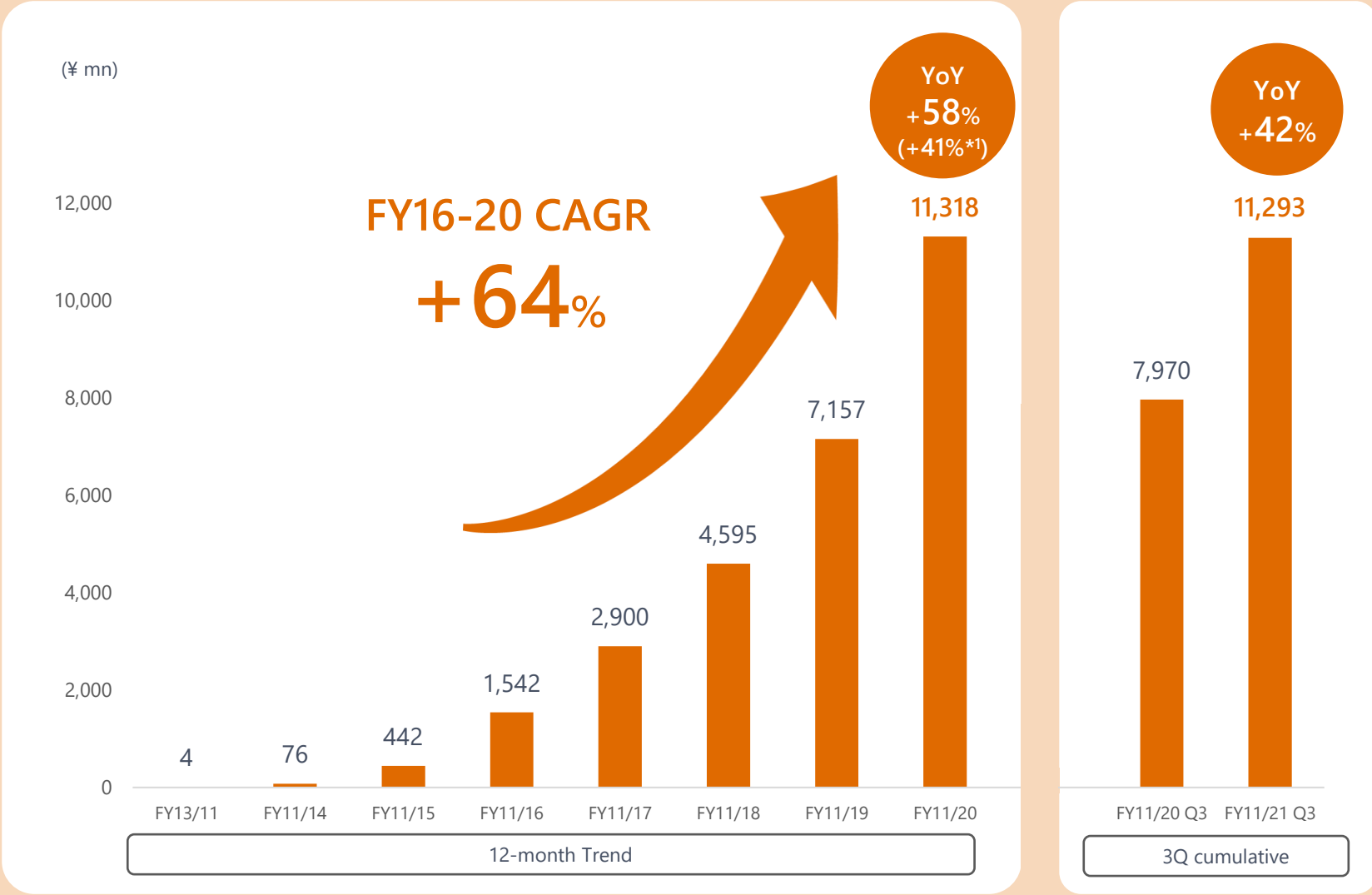






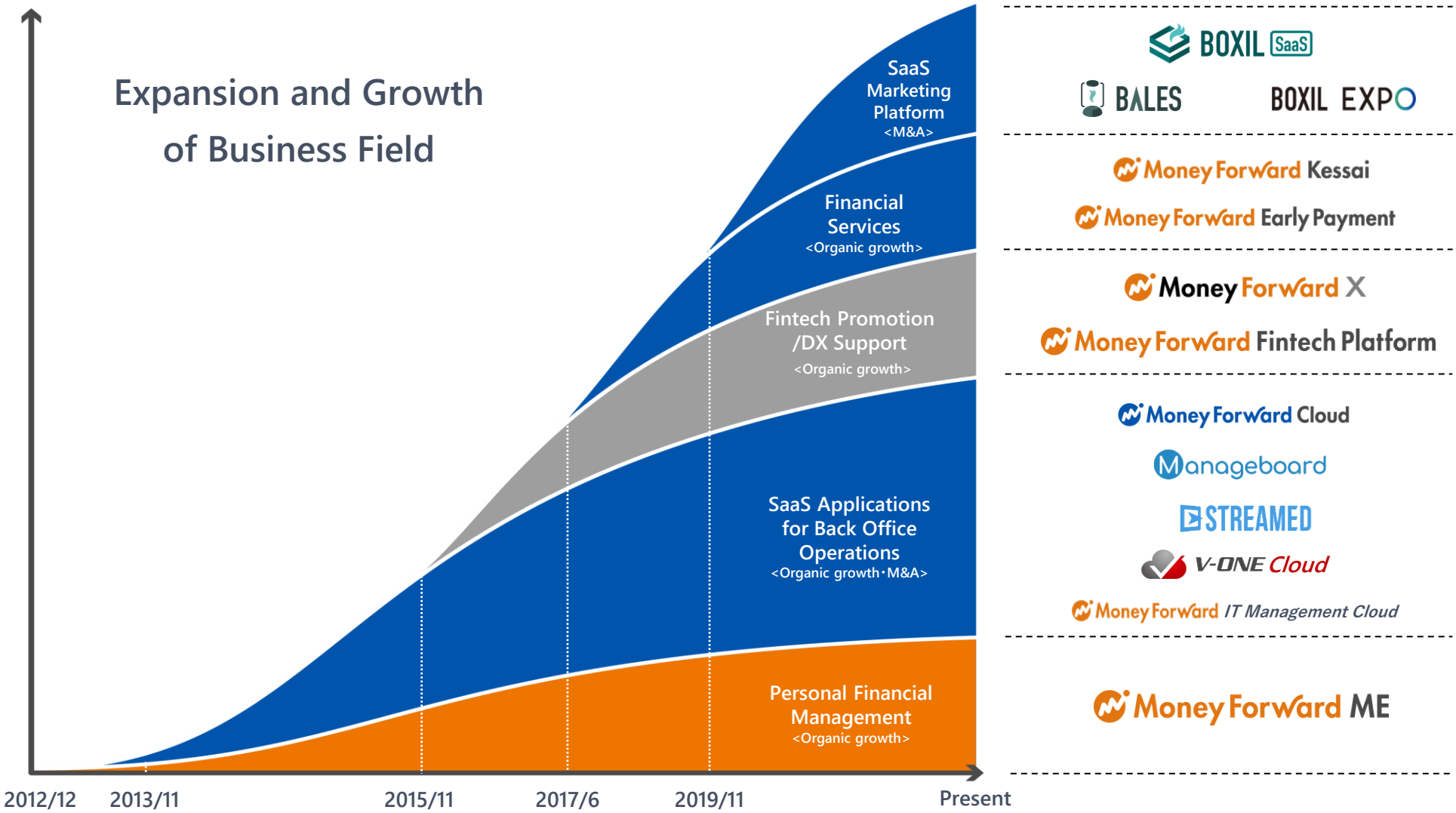
* English version is available on our website. https://s3-ap-northeast-1.amazonaws.com/mf-wp/wp-content/uploads/20210929165408/Money-Forward_Integrated-Report_20211.pdf

Historical Net Sales Growth



* Net sales of R&AC are included from Aug. 1, 2020. Net sales of Smartcamp are included from Dec. 1, 2019.
*1 YoY net sales growth rate which excludes the impact of acquisition of Smartcamp completed at the end of FY11/19 is 40.7%.

Expanding Business Field Through New Business Development and M&A



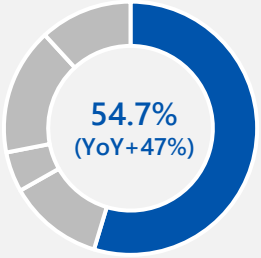
Providing One of Japan's Largest User Base and Product Lineup in SaaS / Fintech Field

Corporates

Money Forward Business

SaaS Applications for Back Office Operations

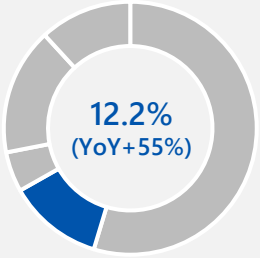
Cloud service for back-office operations (accounting/finance, HR, legal, and information systems)
Paying customer : 170k, approx. half of which are corporates.



Money Forward Cloud / STREAMED / Manageboard / V-ONE Cloud / Money Forward IT Management Cloud

SaaS Marketing Platform

Japan's largest*2 SaaS marketing platforms operated by Smartcamp

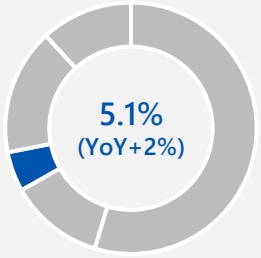


BOXIL SaaS / BALES / BOXIL EXPO

Money Forward Finance

Financial Services

Provides BtoB deferred payment billing and factoring services. Expands partnerships including MUFG



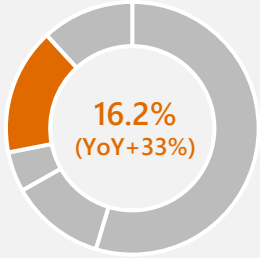
Money Forward Kessai / Money Forward Early Payment

Individuals

Money Forward Home

Personal Financial Management Services

User : 12mn+
Japan's No. 1 share*1
Paying customer：350K+
Aggregated Asset : ¥15tn*2



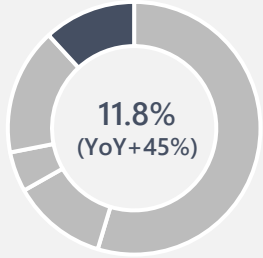
Money Forward ME

Financial Institutions

Money Forward X

Digital Transformation of Financial Institutions

Fintech platform linking individuals/corporates, financial institutions and fintech companies.
Joint service development with 42 financial institutions



Money Forward X / Money Forward Fintech Platform

* Graph shows the proportion of FY11/21 3Q cumulative revenue.

*1 See P.90 for details. *2 As of May 31, 2021. Total amount of financial assets that is aggregated in *Money Forward ME* and white-label services for individuals provided by Money Forward X.

Rapidly Expanding Business Opportunities Due to Changes in External Environment

Revision of Electronic Books Maintenance Act/ Introduction of invoice system



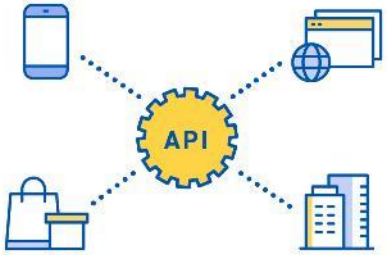
Introduction of remote work amid COVID-19 pandemic



Government's promotion of digitalization



Greater use of open API



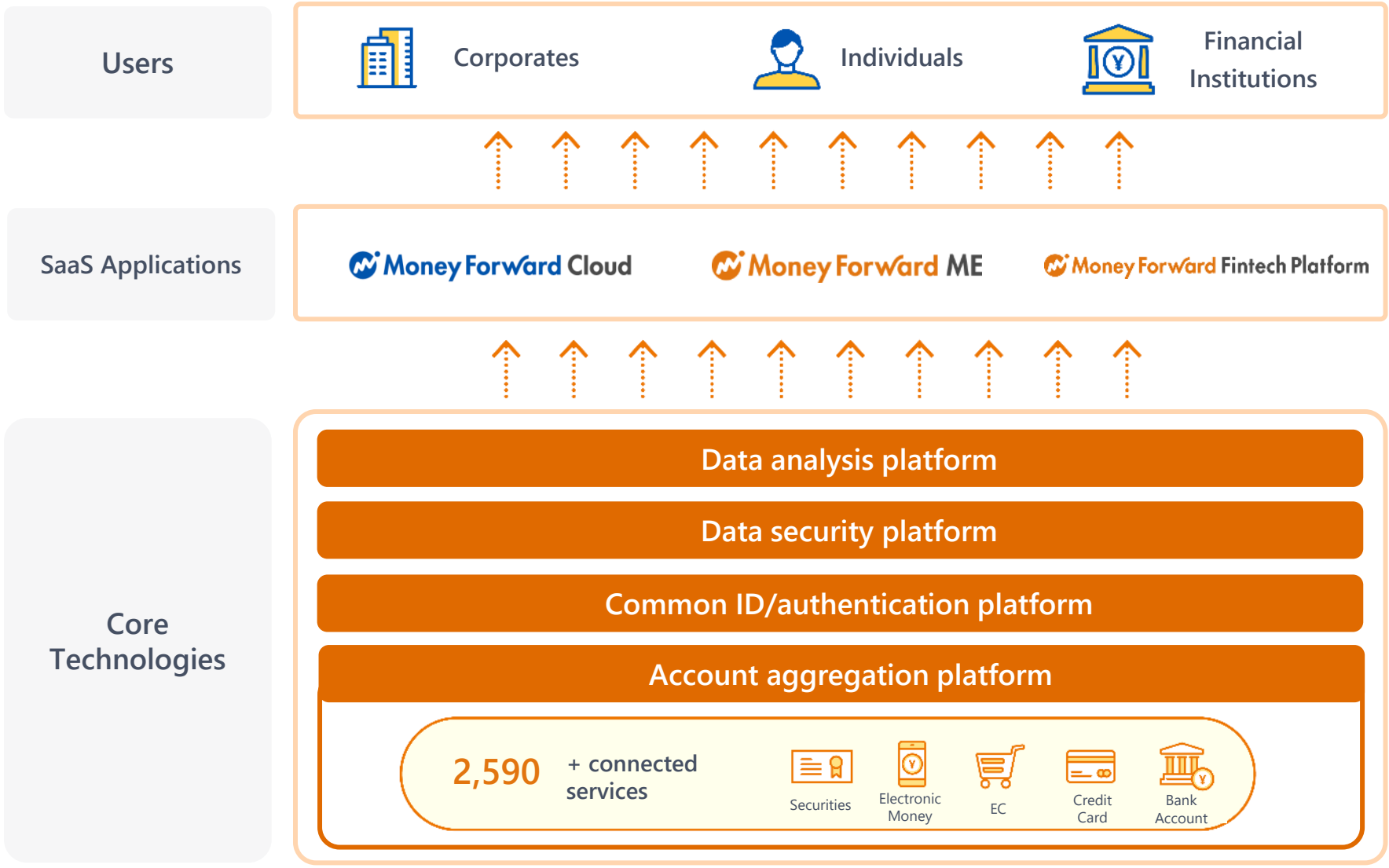
Review of Payment Services Act



Digitalization of salary payment



Developing Variety of Products Based on Common Core Technologies



Domain Synergies Drive Unique Values to the Users

Business × Finance

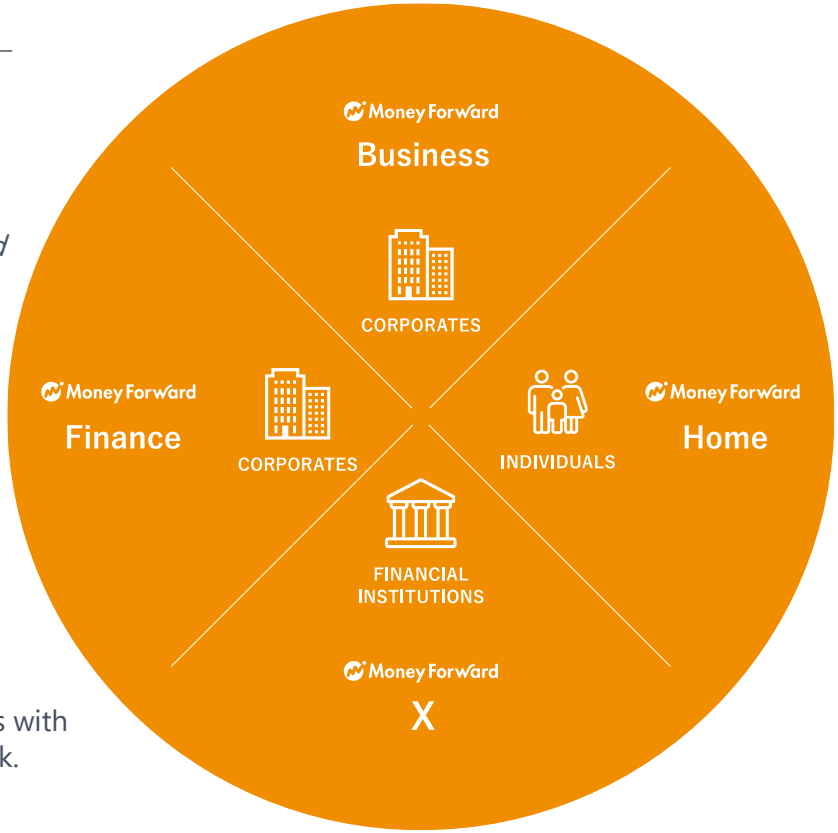
Cross-selling of Services for Corporates

Providing *Money Forward Early Payment* service to *Money Forward Cloud Accounting* customers, etc.

Finance × X

Product Dev with Financial Institutions

Money Forward Kessai collaborates with various banks including MUFG Bank.



Home × Business

Cross-selling of Services for Sole Proprietors

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

Home × X

OEM Provision of Services for Individuals

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

Financial Performance in FY11/21 Q3



Highlights in FY11/21 Q3

Q3 consolidated net sales
¥3.83 billion

+39% YoY

YTD net sales trended steadily, achieving 71.7% to 76.7% of full-year forecasts (compared with 71.1%[*1] in FY11/20 Q3).

SaaS ARR[*2]
+33% YoY

¥10.25 billion

Growth was driven by ARR for corporate customers in Business domain, which **increased by 37% YoY.**

Gross profit
¥2.68 billion

+46% YoY

EBITDA

¥0.04 billion

EBITDA excluding advertising expenses was ¥0.69 billion.

Group Employees

1,100+

(+93 QoQ)

Raised ¥31.5 billion through an international offering to accelerate growth

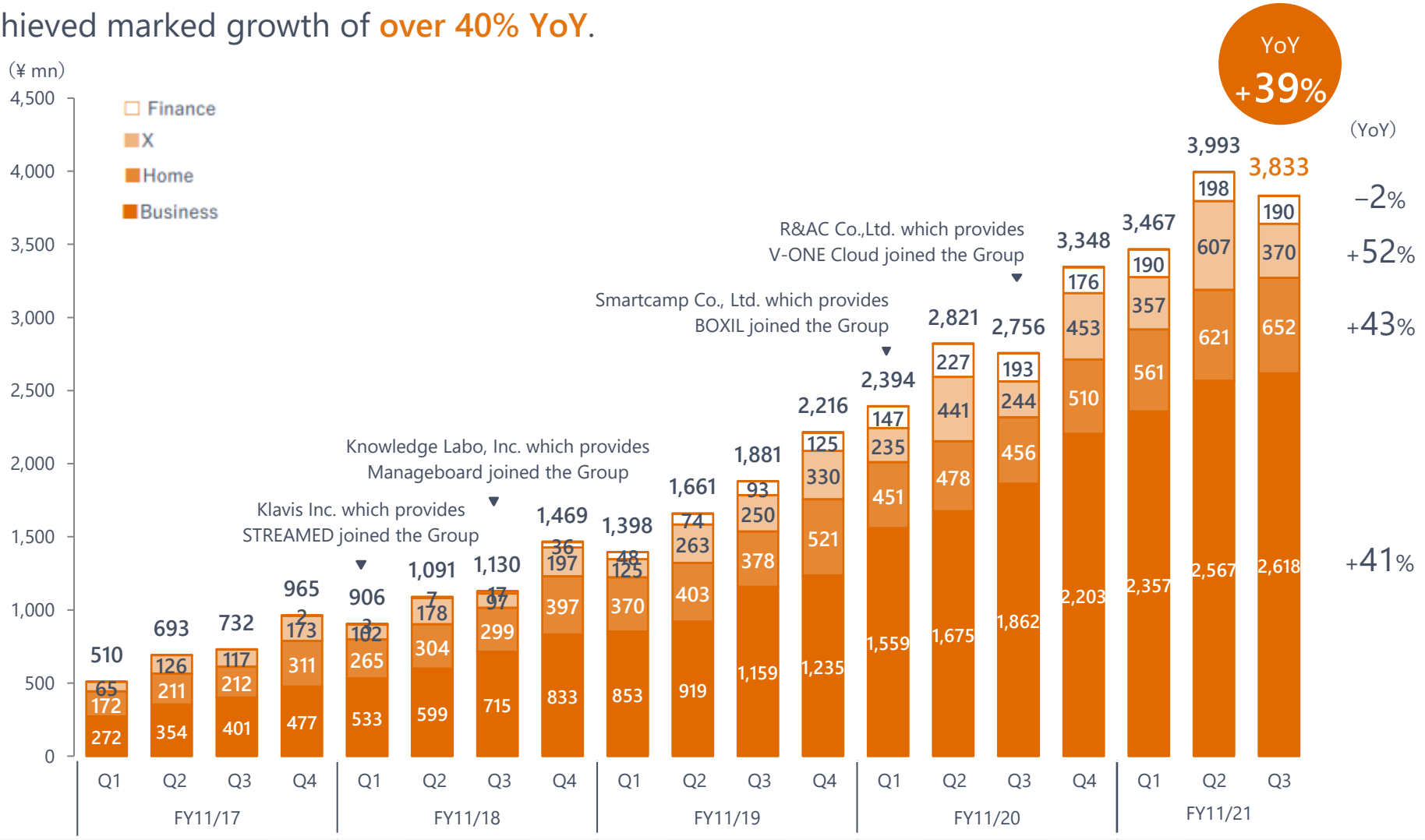
1. Acquire customers and develop products in Business domain

2. Fortify financial base for future M&As

*1 Achievement rate of net sales for FY11/20 Q3 to full-year net sales for FY11/20. R&AC's net sales for 4 months after M&A is excluded.
*2 SaaS ARR is 12 times the MRR of Home, Business, and X domains in the last month of each term, and represents the Group's recurring revenue. See page 74 for the definition of SaaS ARR.

Consolidated Net Sales Continued to Grow Rapidly in Q3, +39% YoY

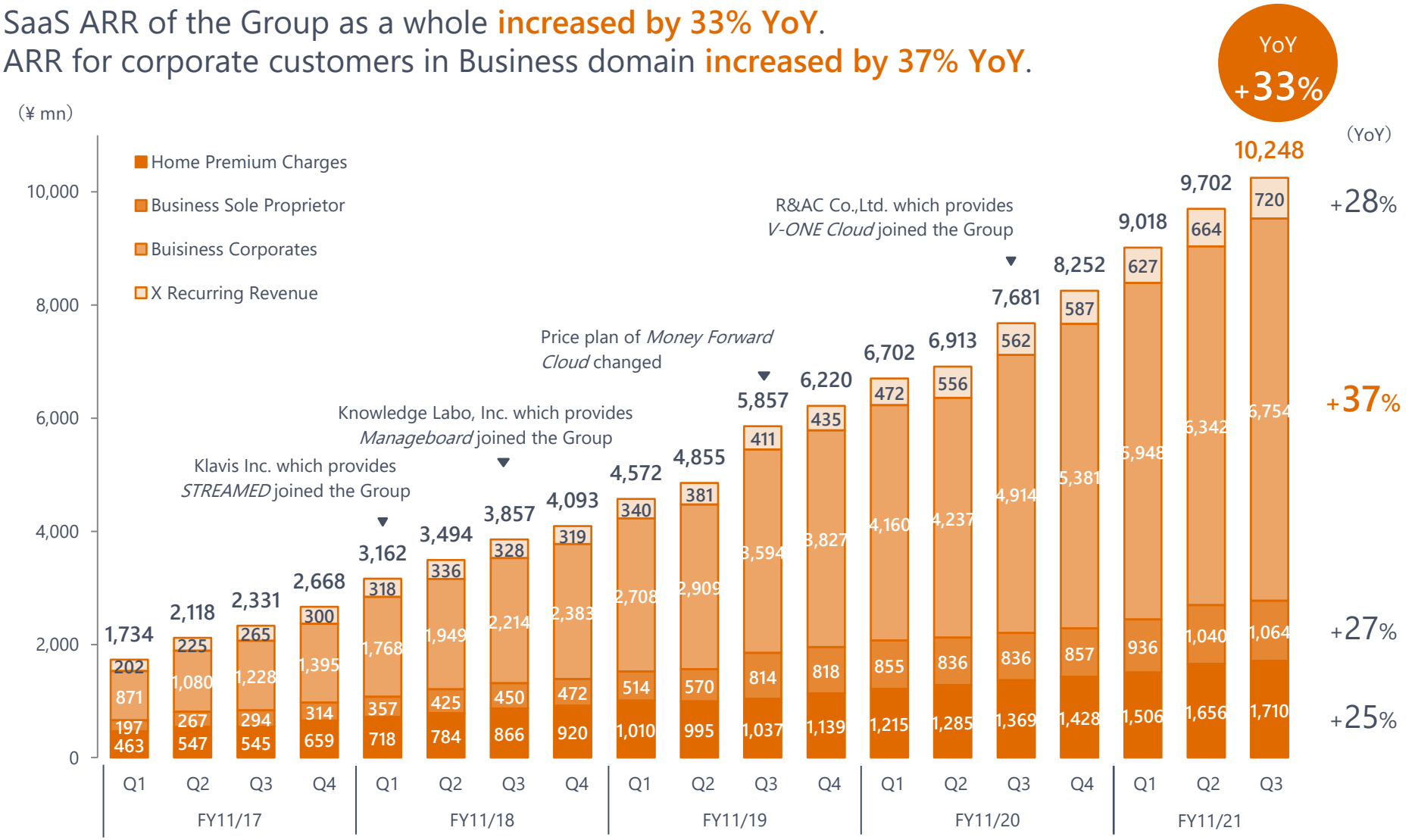
While non-recurring revenue in X domain decreased QoQ, revenues in Business, Home, and X domains achieved marked growth of **over 40% YoY**.



* The total net sales of each domain do not necessarily correspond to the consolidated net sales as "Other" net sales are omitted in the graph.

SaaS ARR*1 Exceeded ¥10 Billion

SaaS ARR of the Group as a whole **increased by 33% YoY**.
ARR for corporate customers in Business domain **increased by 37% YoY**.

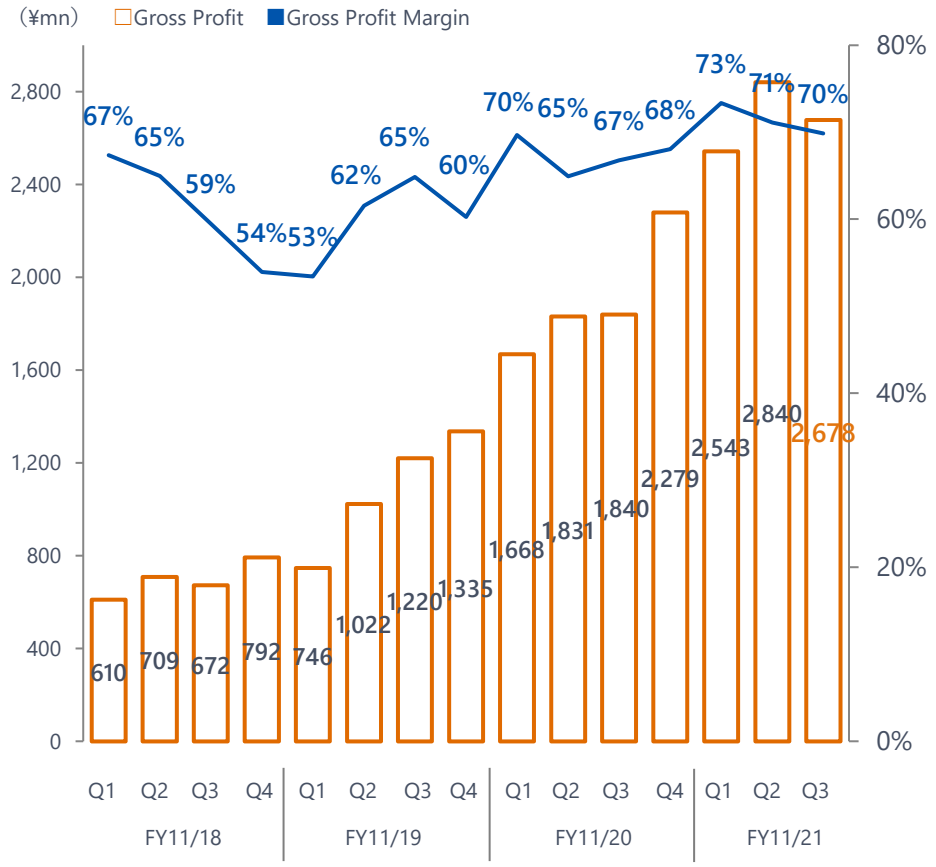


*1 SaaS ARR is 12 times of the SaaS MRR of the last month of each fiscal year. "Business Sole Proprietor" is revenue from services for sole proprietors in *Money Forward Cloud*. "Business Corporates" is revenue from services for corporates including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, and *Money Forward Certified Membership*. In order to adjust for seasonal factors of *STREAMED*, its MRR is calculated as one-third of the billing revenue of *STREAMED* in Q1 of each fiscal year. Non-recurring revenue of each business and net sales of Smartcamp are not included. * For the definition of ARR and MRR, see page 74.

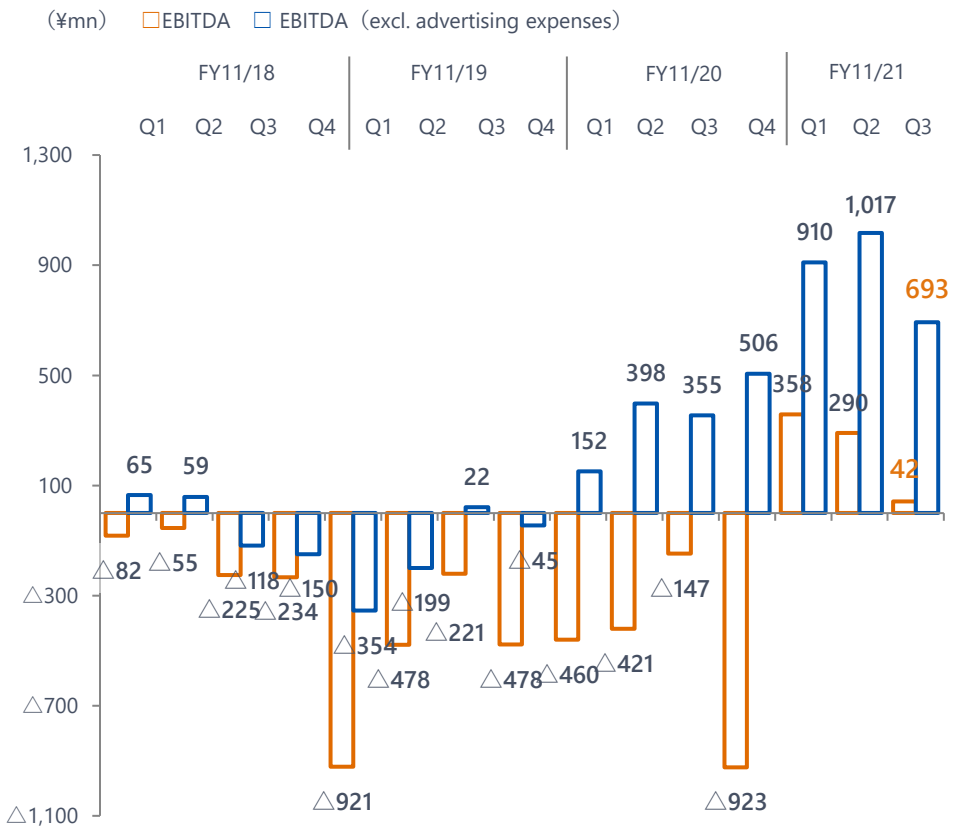
Gross Profit / EBITDA (Quarterly Trend)

Gross profit margin was **70%, increasing 3 ppts YoY.**
EBITDA excluding advertising expenses and EBITDA were ¥0.69 billion and ¥0.04 billion, respectively.

Gross Profit



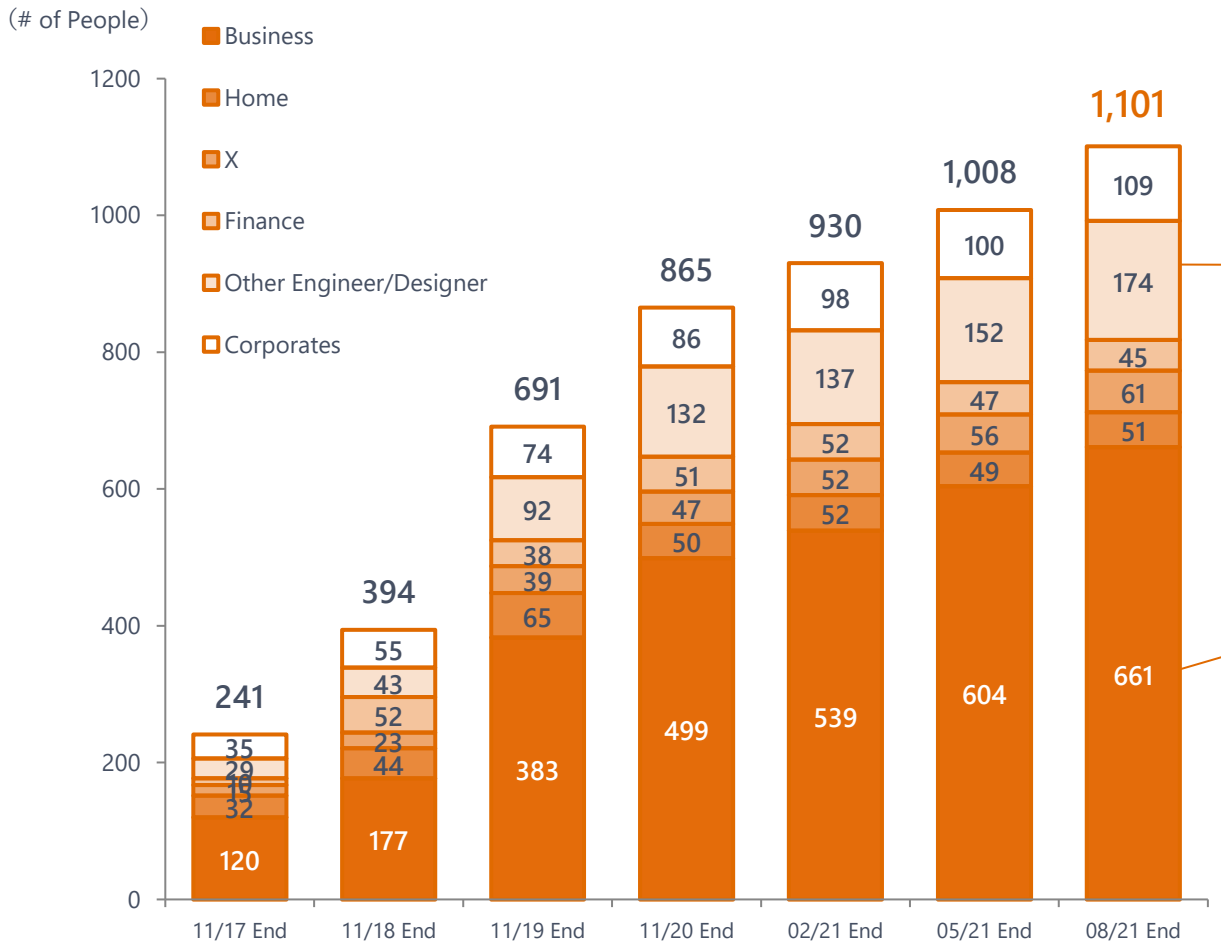
EBITDA



* EBITDA = operating profit/loss + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses
* From FY11/20, started capitalizing software for development projects that are expected to generate revenue going forward, owing to continued enhancement of development capabilities.

Full-time Employees

Steady progress was made in recruiting engineers and designers, as well as sales personnel in Business domain.



Changes from 05/21

Other Engineer/Designer

- Increased by recruiting engineers and designers.

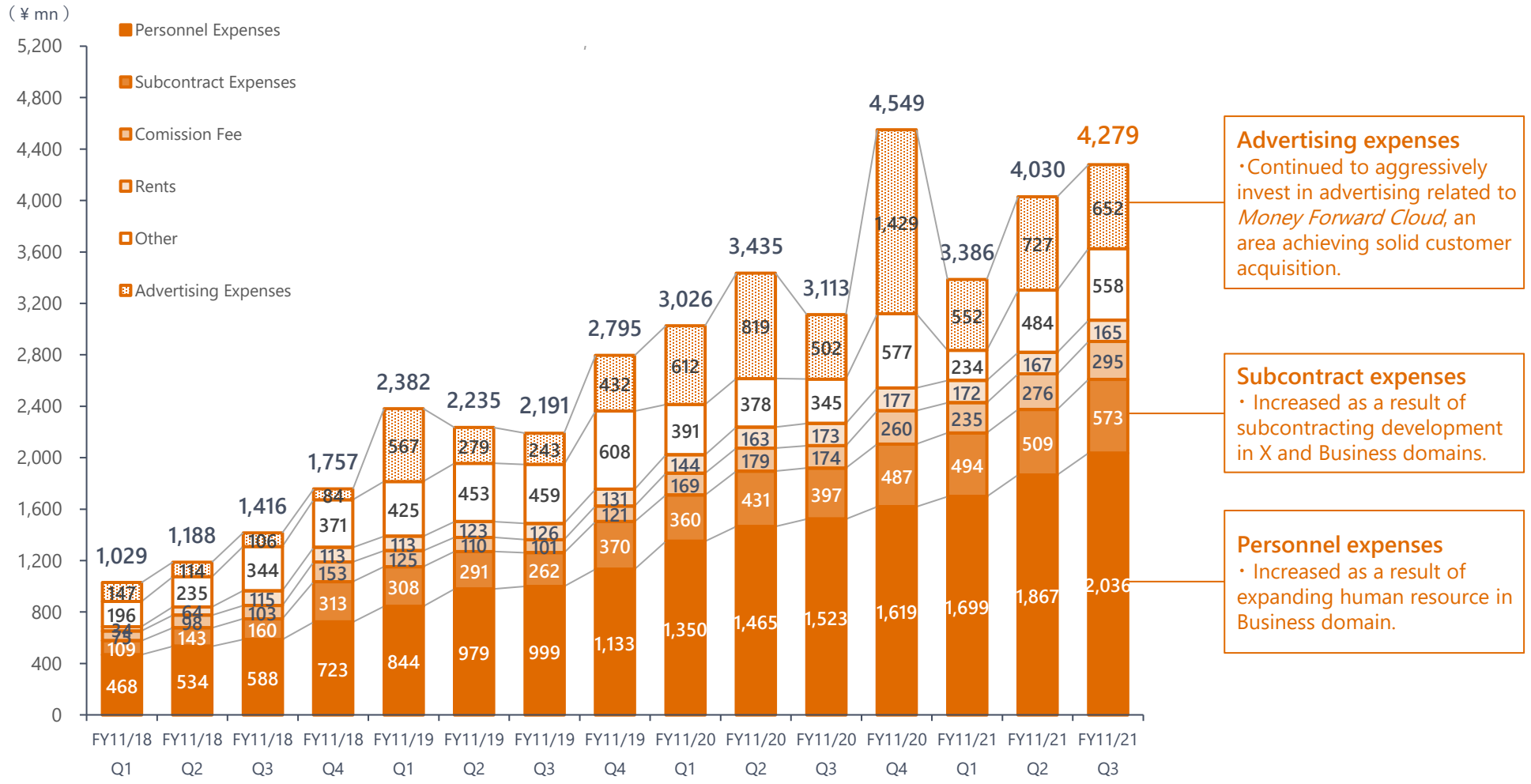
Money Forward Business

- Continued to recruit *Money Forward Cloud*-related personnel.

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

Breakdown of Expenses (Cost of Sales & SGA)

Continued active investments (advertising and personnel expenses) in Business domain to drive growth.



Advertising expenses
・Continued to aggressively invest in advertising related to *Money Forward Cloud*, an area achieving solid customer acquisition.

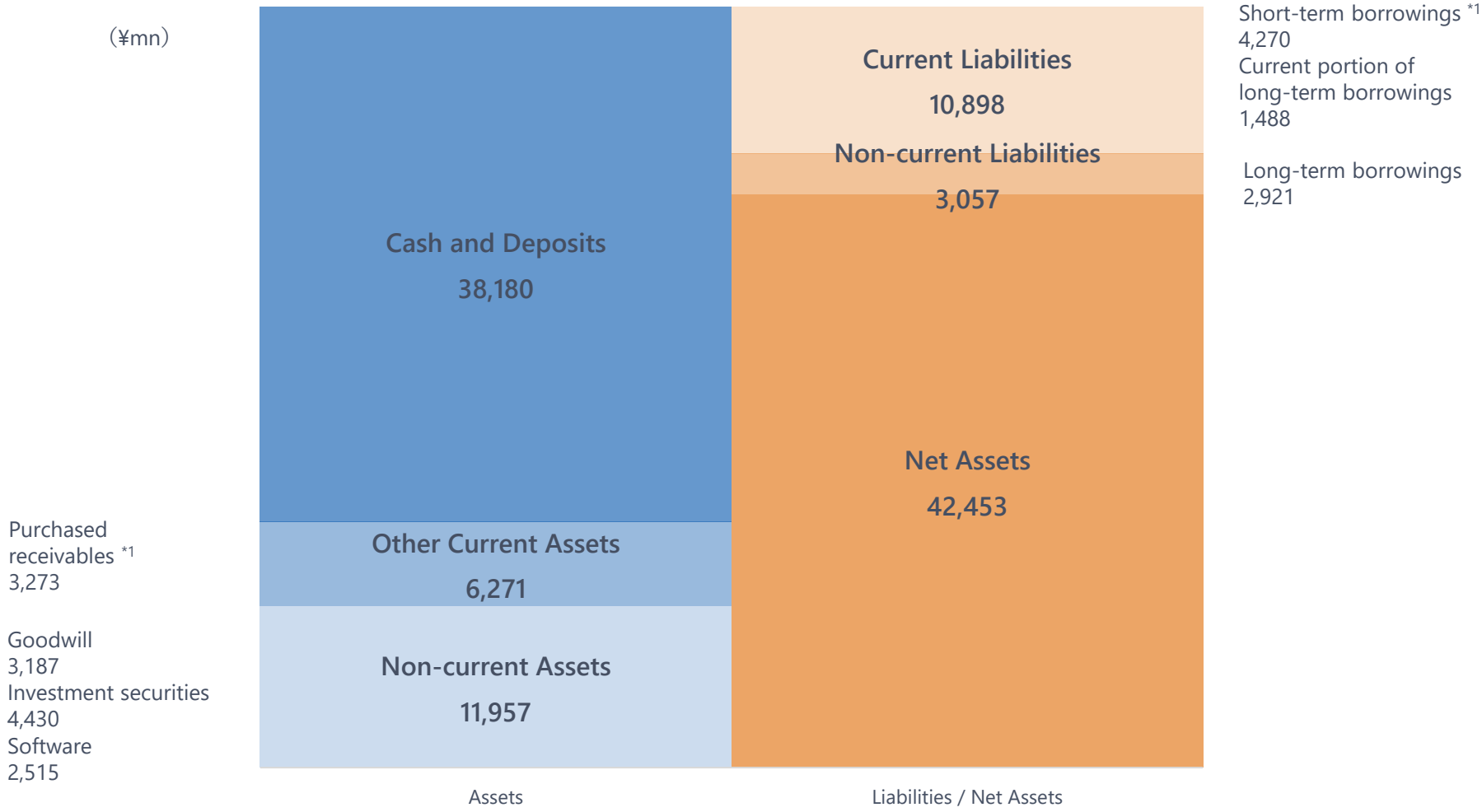
Subcontract expenses
・Increased as a result of subcontracting development in X and Business domains.

Personnel expenses
・Increased as a result of expanding human resource in Business domain.

* "Other expenses" include communication expenses, amortization, recruiting/training expenses, depreciation, tax expenses included in operating expenses, professional fee, etc.

Balance Sheet

Raised ¥31.5 billion through an international offering in August, thereby securing a financial base for more active growth investments.



*1 Related to Money Forward Kessai, Inc.

Money Forward

Business



Highlights in FY11/21 Q3

Q3 net sales
¥2.62 billion

+41% YoY

Q3 recurring revenue for corporate customers
¥1.66 billion

+42% YoY

Paying customers

+4.9% QoQ

174,000+

Ratio of ARR for medium-sized companies*1

25%+

Customer churn rate*2 (Past 12-months / 3-months average)

1.5% / 1.0%

Usage rate*3 among top 100 accounting firms ranked by no. of employees

70%

68% as of May 31, 2021.

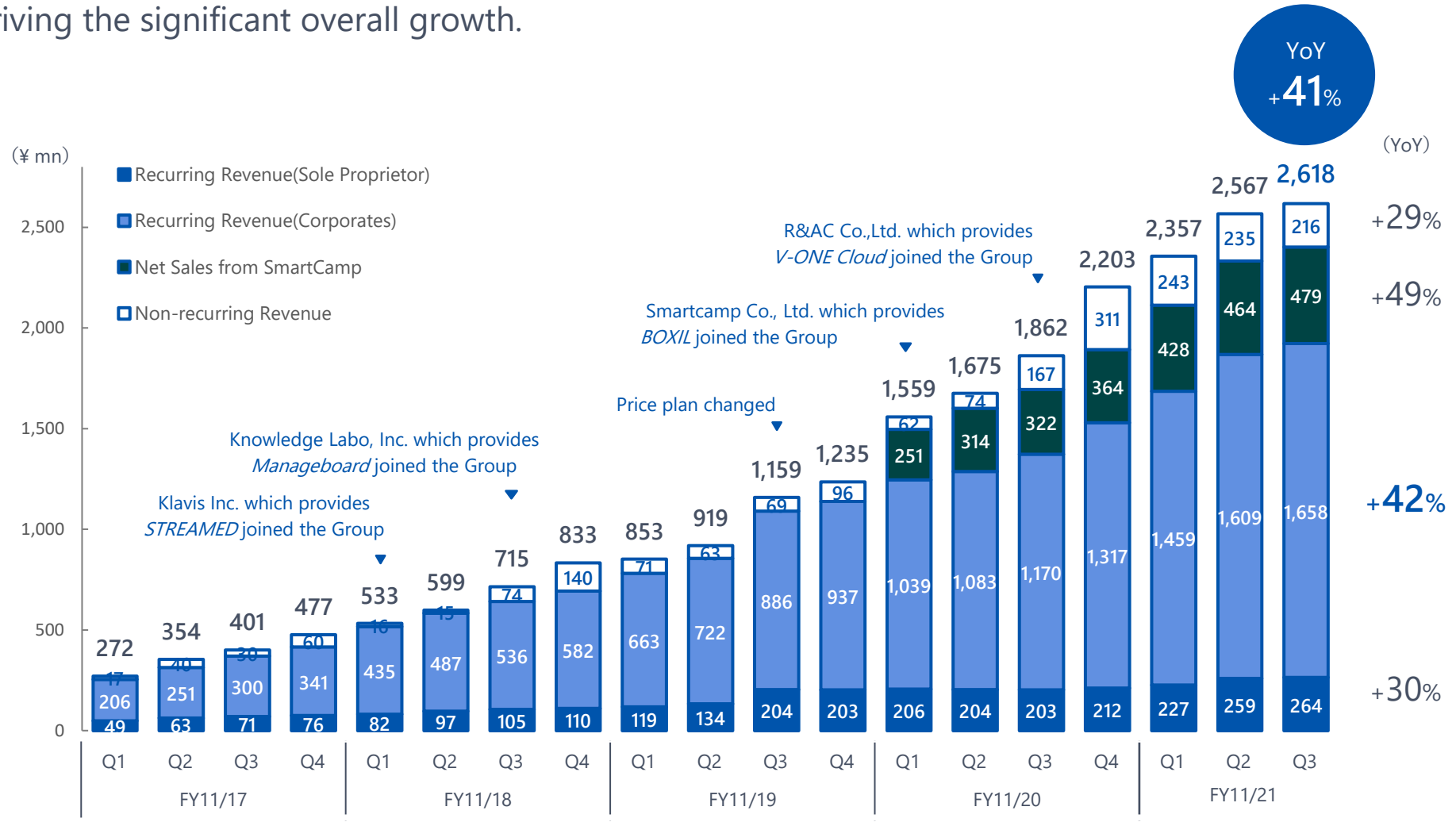
*1 Ratio of ARR for medium-sized companies to ARR for all corporate customers. Medium-sized companies refer to corporate users (excluding professional service firms), mostly with 30 or more employees, that have deployed our services via field sales or partner sales.

*2 The 12-month and 3-month average up to August 2021, respectively.

*3 As of September 30 , 2021. Calculated by Money Forward, Inc. based on "Top 500 Accounting Firms" in 2019 by Monthly ProPartner.

Net Sales (Quarterly Trend)

Net sales grew significantly, **increasing 41% YoY**[*1]. Corporate recurring revenue[*1] **grew 42% YoY**, driving the significant overall growth.



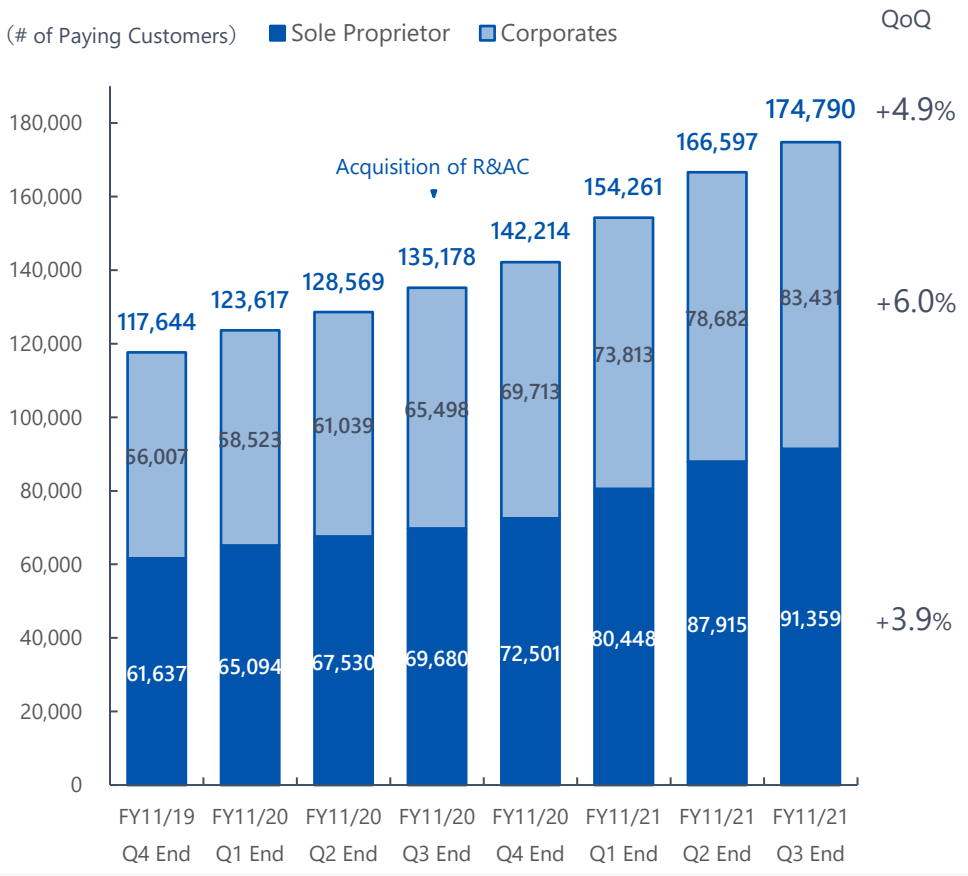
* Recuring Revenue (Sole Proprietor) is the revenue from services for sole proprietors in *Money Forward Cloud*. Recuring Revenue (Corporate) is the revenue from services for corporates including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, and *Money Forward Certified Membership*.

*1 Growth rate excluding the impact of acquisition of R&AC, is +35% YoY (Business Domain Net Sales) and +37% YoY (Recurring revenue from corporates). R&AC was consolidated since August 2020.

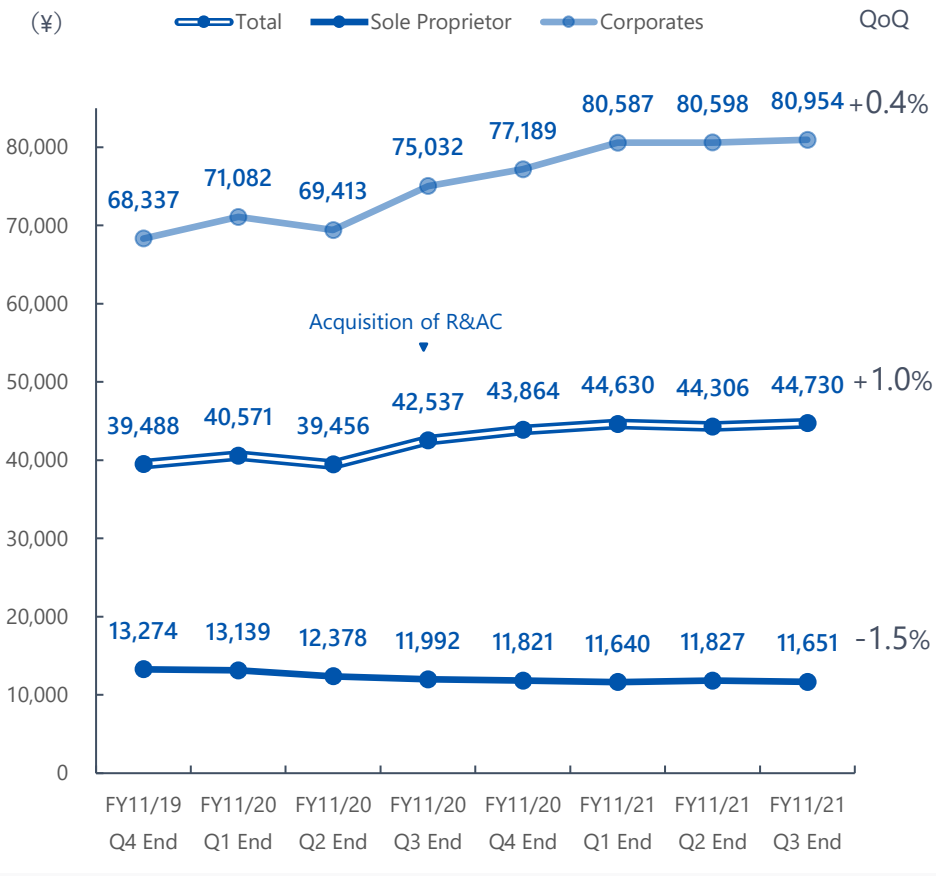
Increase in Both Paying Customers *1 and ARPA*2

Paying corporate customers grew at **+6.0% YoY.** ARPA of corporate customers increased at **+0.4% YoY.**

Paying Customers*1



ARPA*2

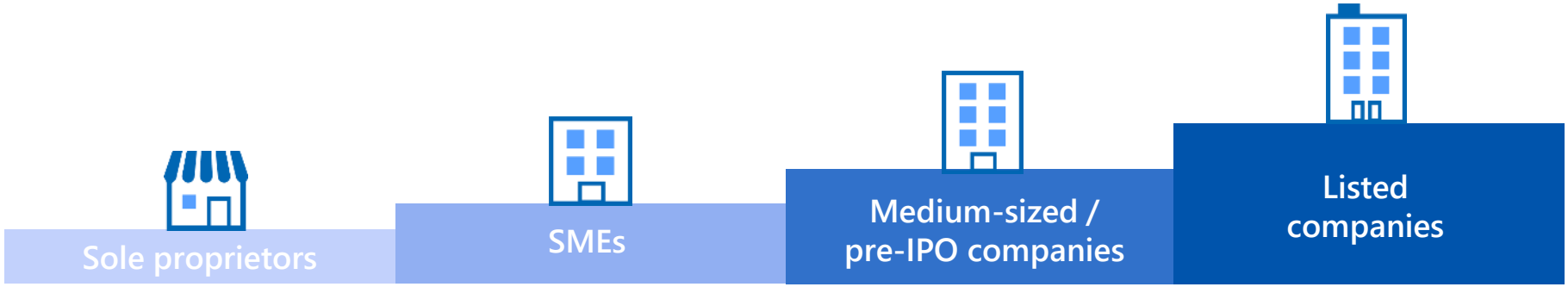


*1 Number of paying customer(Sole Proprietor) includes those subscribing services for sole proprietors in *Money Forward Cloud*. Number of paying customer(Corporate) includes corporates, accounting offices and their clients subscribing services for corporates including *Money Forward Cloud*, *STREAMED*,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

*2 ARPA is 12 times the MRR of Business domain in the last month of each period (ARR) divided by number of paying customers. In order to adjust for seasonal factors of *STREAMED*, its MRR is calculated as one-third of the billing revenue of *STREAMED* in Q1 of each fiscal year. See P.74 for details.

Product Lineup to Address Various Companies

Expanding product lineup to target medium-sized / pre-IPO and listed companies, in addition to sole proprietors and SMEs, taking advantage of the strong product development capability.



For sole proprietors

Money Forward *Cloud Tax Return*

For SMEs

Money Forward *Cloud Accounting*

For Medium-sized / pre-IPO, and listed companies

Money Forward *Cloud Accounting Plus*

For every company size

Money Forward *Cloud Invoice*
Money Forward *Cloud Expense*
Money Forward *Cloud Social Insurance*
Money Forward *Cloud My Number*
Money Forward *Box*
Money Forward *Cloud Attendance*
Money Forward *Cloud Tax Adjustment*
Money Forward *Cloud Contract*

Mainly for accounting offices

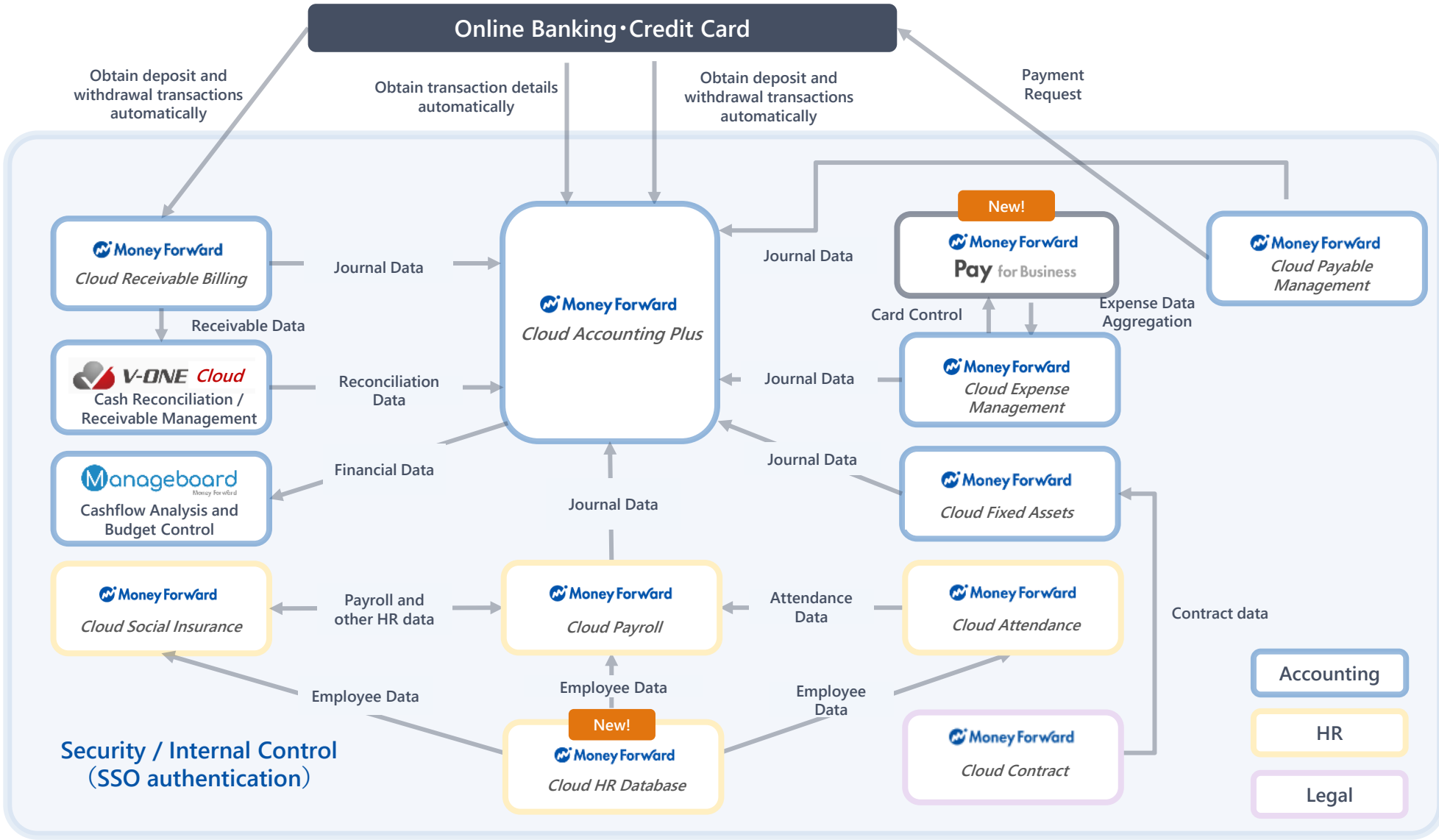
STREAMED — Automated Bookkeeping

Manageboard (Money Forward) — Cashflow Analysis and Budget Control

Mainly for medium-sized companies

Money Forward *Cloud HR Database*
Money Forward *Cloud Payable Management*
V-ONE Cloud — Cash Reconciliation / Receivable Management
Money Forward *Cloud Fixed Asset*
Money Forward *Cloud Receivable Billing*

Product Lineup that Covers Accounting, HR and Legal



Effective Go-to-market and Market Strategy Depending on the Customer Segment

	Customer Segment			
	Accounting Firms & Their Clients	**SMEs**	**Medium to large-sized Companies**	**Sole Proprietors**
Key Products	Money Forward Cloud Accounting / Invoice / HR etc. STREAMED Cloud-based Bookkeeping Service	Money Forward Cloud Accounting / Invoice / HR etc.	Money Forward Cloud Accounting Plus / Invoice / Payroll / Expense / Contract V-ONE Cloud Cash Reconciliation and Receivable Management	Money Forward Cloud Tax Return etc.
Go-to-market	Direct Sales	Online Subscription	Direct Sales / Partner Sales	Online Subscription
Key Users	Accountants	CEO / CFO / Accountants	Accounting Dept / HR Dept / Adjutant general Dept / Sales Dept	Sole Proprietors / Accountants
ARPA*		JPY 80,954		JPY 11,651

* As of Aug 31, 2021.

Uniquely Positioned as a Highly Flexible Cloud-based ERP

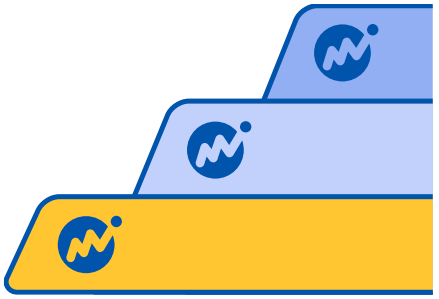
Flexibly accommodates changes in operation flows and systems of growing companies with rapidly transforming businesses.
Our strength lies in enabling phased or partial implementation without largely altering customers' existing operations.

Wide Range of Product Line-up



Covers end-to-end back-office operations, including areas of accounting and finance, HR, and legal affairs. Ranging from processing contracts, issuing invoices, and managing receivables, to accounting.

Phased or Partial Implementation



Adopts an architecture that allows partial or phased system implementation, for example, starting with only expense module, or only payroll and attendance modules.

High Scalability

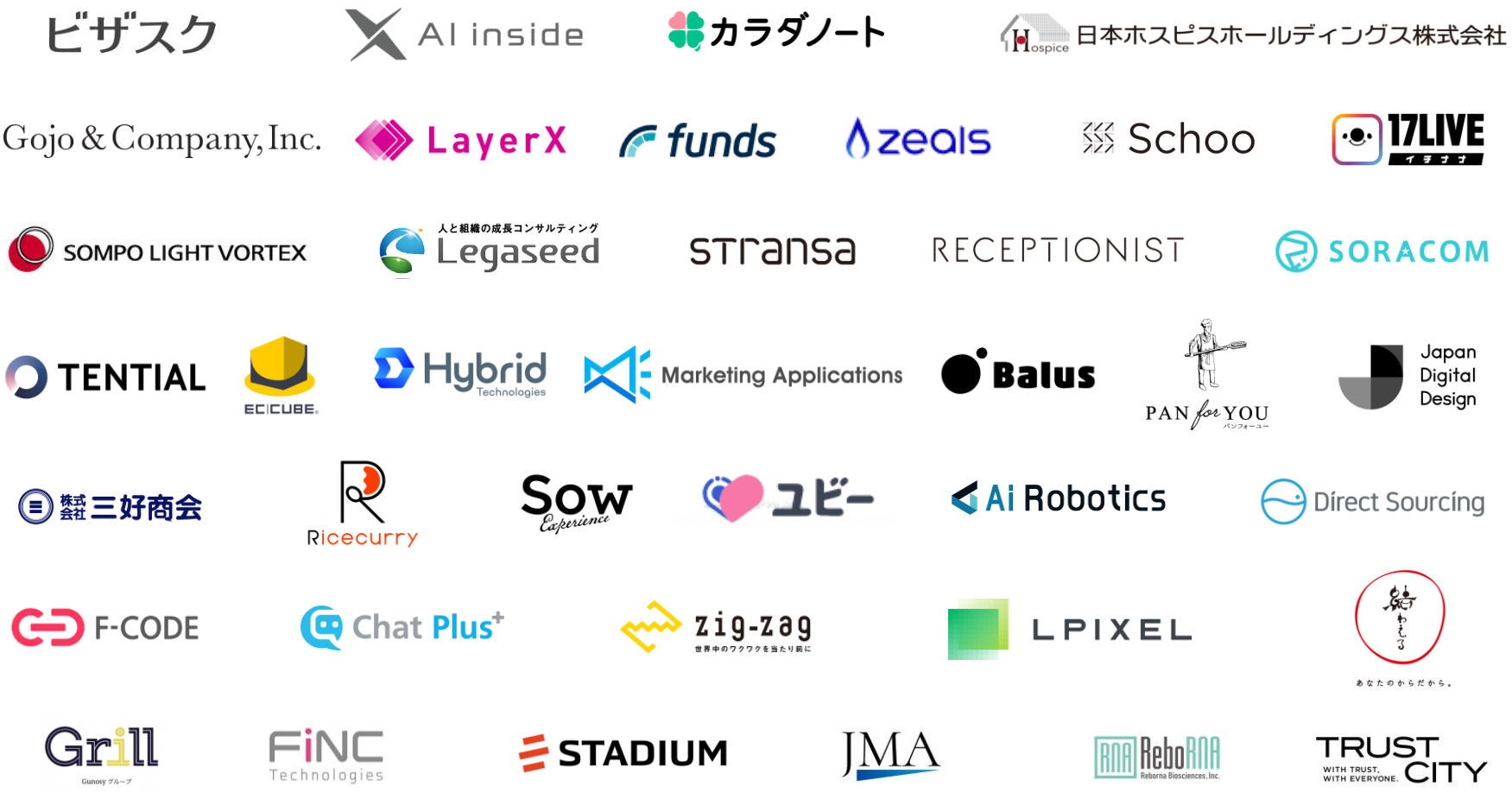


Is highly scalable due to seamless integration among modules and API connections with third-party services.

Our Customers (1/2)

Money Forward Cloud Accounting Plus **users increased steadily**.

Corporates using *Money Forward Cloud Accounting Plus*（Examples）



Our Customers (2/2)

Expanding the client base that includes listed companies, medium-sized companies, and companies preparing for IPO.

Corporates using cloud payroll, attendance, expense, social insurance, *V-ONE Cloud* etc.（Examples）

Listed Company

TSE 1st / 2nd

AEON, CASIO, JFR 大丸松坂屋百貨店, giftee*, JAL JAPAN AIRLINES, LIVESENSE, LIKE, JAFCO, WingArc 1ST The Data Empowerment Company, NEOJAPAN

TSE Mothers

Wantedly, Chatwork, Crowd Works, UZABASE, SPACEMARKET, Sun*, feedforce, ビザスク, 弁護士ドットコム, Makuake, Retty

Medium-sized, Pre IPO

CADDi, PASONA HR Solution, 丸紅新電力 MARUBENI POWER RETAIL, Kellogg's, MiddleField, KURASHICOM, Orion 人を、場を、世界を、笑顔に。, Adacotech Adaptive Cognition Technology, PR Table, MISS PARIS GROUP, clean planet, SAMURAI INCUBATE, Synspective, yamadai ヤマダイ食品, Astroscale, COCON, Timee, 株式会社トライグループ, RevComm Inc, DOMA-DOMA, +Automation, Bellmare, CAMPFIRE, TORETA, お金のデザイン, NEXWAY TIS INTEC Group, hachidori, DIPSOL

Expansion of Partnerships with Accounting Firms

Focusing on helping accounting firms and their clients succeed, working through branches across Japan. **70%* of Japan's top 100 accounting firms** have already introduced our cloud accounting modules.

Hokkaido Tohoku Area	FutureCreate / MATcH.POINTs マッチポイント株式会社 / SUZUKA / Paris Formation 税理士法人 中野会計事務所 / Venture partners / TOTAL SUPPORT SINCE 1964
Kanto Koshinetsu Area	KODATO 株式会社 古田土経営 税理士法人 古田土会計 / AG / TOTAL Group 税理士法人TOTAL / ATLAS アトラス総合事務所 / Seven Rich 会計事務所 Seven Rich Accounting / 辻・本郷 税理士法人 HONGO TSUJI TAX & CONSULTING / G.S.ブレインズ税理士法人 / Shiodome Partners / SALIRE GROUP / BUSINESS NAVIGATION / A.G.S.
Tokai Hokuriku Area	SMC SMCホールディングス SUPPORT MANAGEMENT CONSULTANTS / MMPC GROUP / 税理士法人 大樹 / 税理士法人スマッシュ経営 / 顧客企業の繁栄に総合力で奉仕する 合同会計グループ / 税理士法人 葵パートナーズ / hmr seventh sense
Kansai Area	TripleGood トリプルグッドグループ / ひかりアドバイザーグループ ひかり税理士法人 / Ogasahara Solution & Accompany 御堂筋税理士法人 / ひろせ 税理士法人 HIROSE LICENSED TAX ACCOUNTANT / action success 税理士法人 アクセス / SBC PARTNERS
Chugoku Shikoku Area	axis 税理士法人アクシス / お客様企業の「黒字化と節税」が私たちの目標です。 みどり合同税理士法人グループ / 税理士法人サンアクア 株式会社形山会計 / 税理士法人SIN SN / 経済産業省 認定経営革新等支援機関 成和税理士法人
Kyushu Area	UP Partners / 税理士法人 武内総合会計 / 税理士法人 アーリークロス / 伊藤会計事務所 ITO TAX ACCOUNTANT OFFICE / Intelligent Group 未来創造 IG会計グループ / 永田経営グループ NAGATA Management Group / TA PARTNERS 税理士法人 ティーエーパートナーズ CERTIFIED PUBLIC TAX ACCOUNTANTS'CO.

* As of September 30, 2021. Calculated by Money Forward, Inc. based on “Top 500 Accounting Firms” in 2019 by Monthly ProPartner.

Hosting an Online Event “Forward Day 2021” on November 2

Will hold various sessions based on the theme of "moving businesses forward and encouraging challenges that drive society." "Forward Award" awards those who have taken on difficult challenges and driven the society forward.



Promoting “#Invoice Forward” Project Toward Invoice Digitization

Promoting various initiatives with a view toward the enforcement of the invoice system from October 2023.

Special site for various initiatives

- Shares image of the future back office, free of paper-based invoicing
- Offers continuous promotional campaigns for invoice digitization, and provides information on the latest services and the invoice system



https://biz.moneyforward.com/pr/invoice-forward/
(Japanese only)

"Application for Registering to Invoice System”

- Enables creating registration applications by simply filling in a form
- Enables issuing eligible invoices by using *Money Forward Cloud Invoice*



https://biz.moneyforward.com/invoice/qualified-invoice-registration/
(Japanese only)

Providing Payments as a SaaS and Fintech Services to offer Value that Goes Beyond Efficiency

Typical competitor: Pure SaaS Company	Money Forward (current)	Money Forward (future)	
		B2B Payment	***Money Forward Pay for Business*** • Promotes operational efficiency and cashless payments through offering various means of payment • Launched *Money Forward Business Card*, a prepaid business card for sole proprietors and corporates
	AR management	AR management	*V-One Cloud*
	OCR	OCR	*STREAMED*
	Factoring	Factoring	*Money Forward Early Payment* Online factoring by JV with MUFG (Japan's largest bank)
Invoice	Invoice	Invoice	*Money Forward Cloud Invoice*
Accounting	Accounting	Accounting	*Money Forward Cloud Accounting* *Money Forward Cloud Accounting Plus*

Released *Money Forward Business Card*

Started offering businesses with prepaid cards that do not require credit screening and that allow high-volume payments of up to ¥50 million yen*1 per transaction.
Connecting with *Money Forward Cloud*[*2] enables acquiring real-time data and streamlining accounting operations.



Features of *Money Forward Business Card*

(1) Cards can be issued without credit screening

(2) Enables high-volume payments of up to ¥50 million*1 per transaction

(3) Consolidates its data to *Money Forward Cloud*[*2] in real time

(4) Deferred payment function has been released as closed β (to be officially released this winter)

(5) Rewards 1-3%*3 of the payment amount as "Money Forward Points"

*1 Payments of up to ¥50 million per transaction can be made only to stores certified by preliminary screening (e.g., payment of cloud system subscription fee). The maximum amount is set to ¥1 million by default, and can be raised to ¥5 million by users. *2 Includes *Money Forward Cloud Accounting*, *Money Forward Cloud Tax Return*, and *Money Forward Cloud Expense*.
*3 Normally, 1% of the payment amount is rewarded as points (excluding certain cases), while for *Money Forward Cloud* and *Money Forward ME*, 3% of the payment amount is rewarded.

Released *Money Forward IT Management*

Leveraging our core account aggregation technology, centrally manages IDs of SaaS implemented by companies or used by each employee, including issuing, tracking usage, and deleting such IDs.

Find/ Consider subscribing ▶ Purchase ▶ Start using ▶ Renew contract ▶ Unsubscribe

BOXIL SaaS

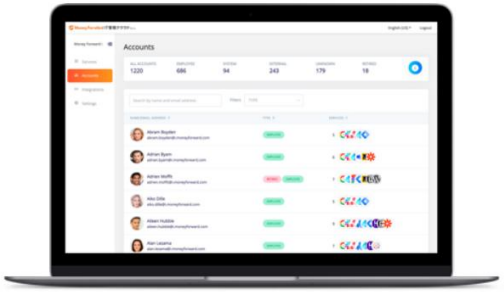
Money Forward *Cloud Store*

BOXIL EXPO

Money Forward

IT Management Cloud

Connects with 100+ services and centrally manages companies' internal systems



Issues That *Money Forward IT Management* Tackles and Its Solutions

Reduce unnecessary costs by visualizing the usage of each SaaS for each employee and identifying retirees and external partners. It also reduces risks by preventing shadow IT*1.

As SaaS usage expands, burden of information system staff increases

Average usage # of SaaS per company in the US*2

110

Approximately 14 times from 2015

Average usage # of SaaS per company in Japan*3

7

Same as US in 2015

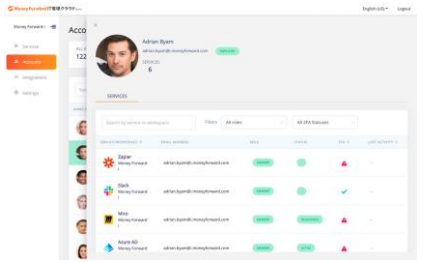
Mid-sized companies with 1 or less information system staff*4

37.4%

Companies that shadow IT *1 exist*5

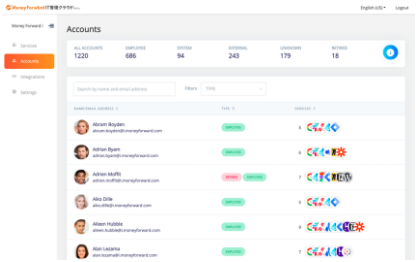
76.5%

Reduce unnecessary management cost of SaaS



- Recognizes the usage status of SaaS of each member
- Identifies retirees and external partners
- Visualizes the costs of SaaS (to be released this autumn)
- Automates account creation and deletion (to be released next year)

Prevent overlooking of shadow IT*1



- Recognizes SaaS usage by login and payment information

*1 SaaS that are introduced and used at the discretion of employees or departments and thus not noticed or managed by the management or system administration departments.

*2 The Biggest SaaS Trends in 2020 | The Blissfully Report https://www.blissfully.com/saas-trends/2020-annual-report *3 Based on research by HENNGE K.K. on November. 14, 2019.

*4 Total number of companies with 1 or none information system staff in the "IT Investment Trends Survey", conducted by Dell Technologies among approximately 1,300 medium-sized companies (100 to 1,000 employees) between Dec. 9, 2019 and Jan. 24, 2020.

*5 Based on research by Money Forward, Inc. A survey on the "usage of cloud services" conducted by an Internet-based questionnaire, through March 22 to March 31, 2021. The survey targeted 120 managers and staff in charge of information system.

Money Forward

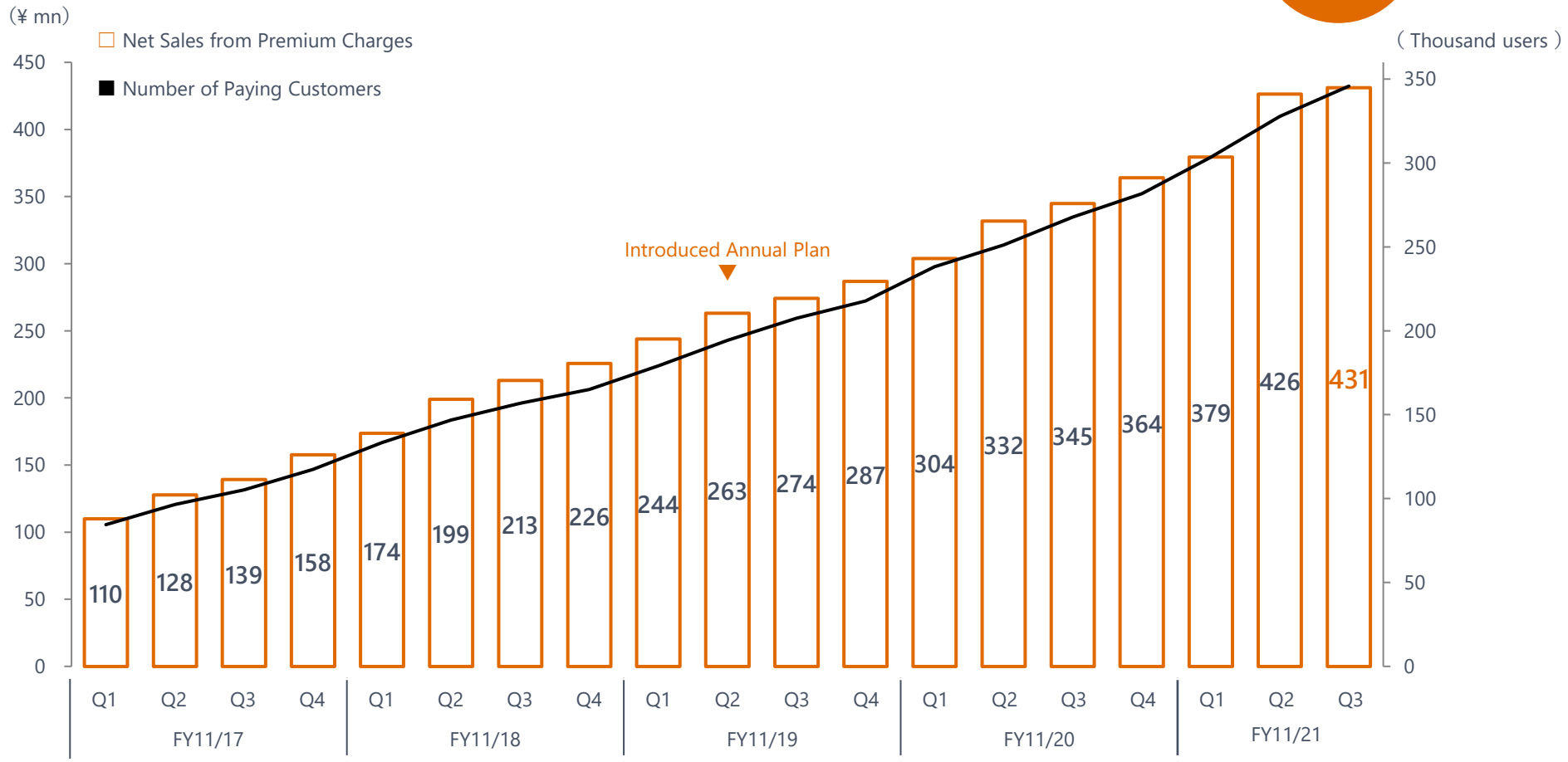
Home



Net Sales from Premium Charges

Grew by **25% YoY**.
Number of paying customers increased steadily, **exceeding 350,000**[*1].

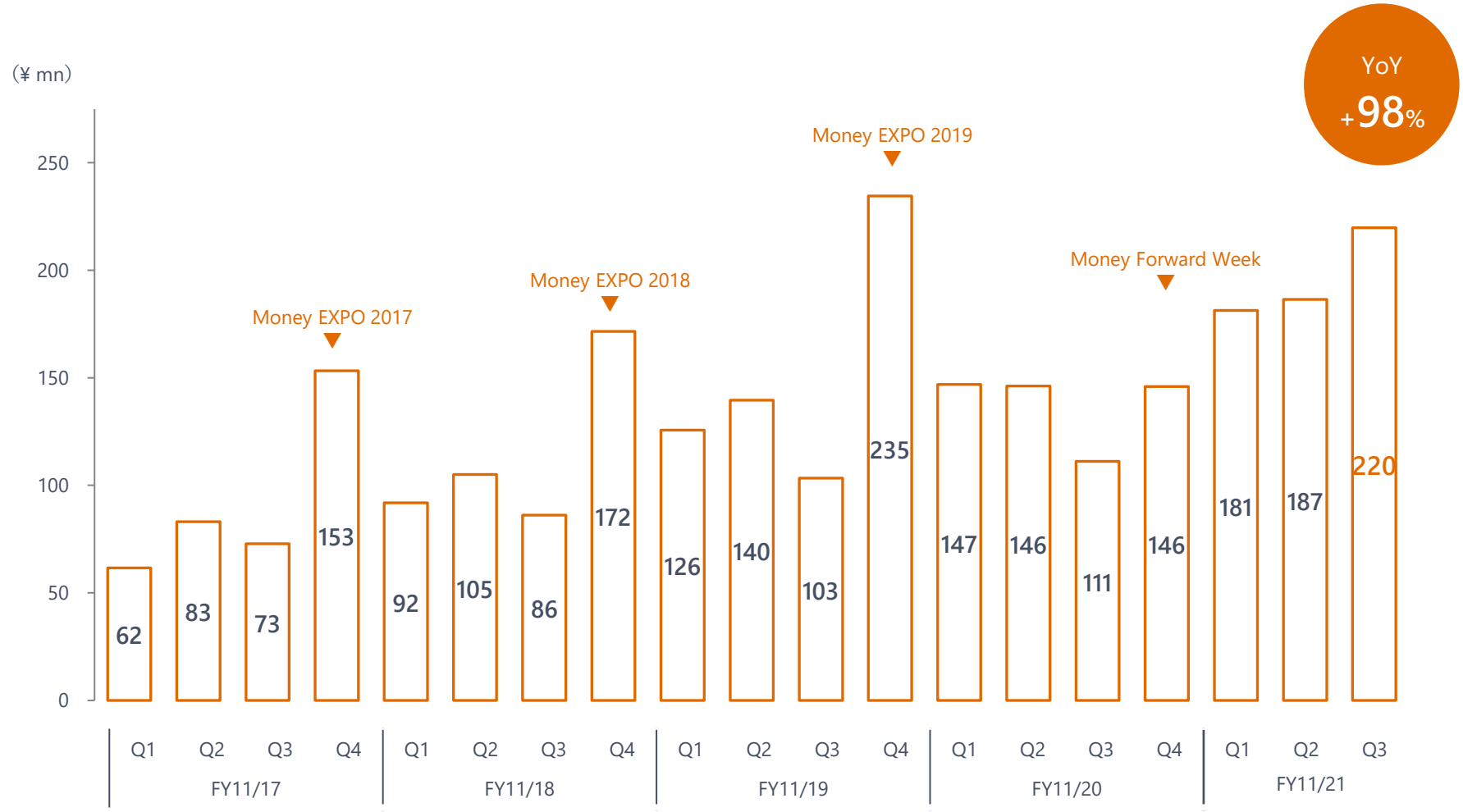
YoY +25%



*1 As of Aug. 31,2021

Net Sales from Media/Advertising

Net sales grew **98% YoY**[*1]. New services, including *Money Forward Fixed Cost Review*, contributed to the revenue increase.

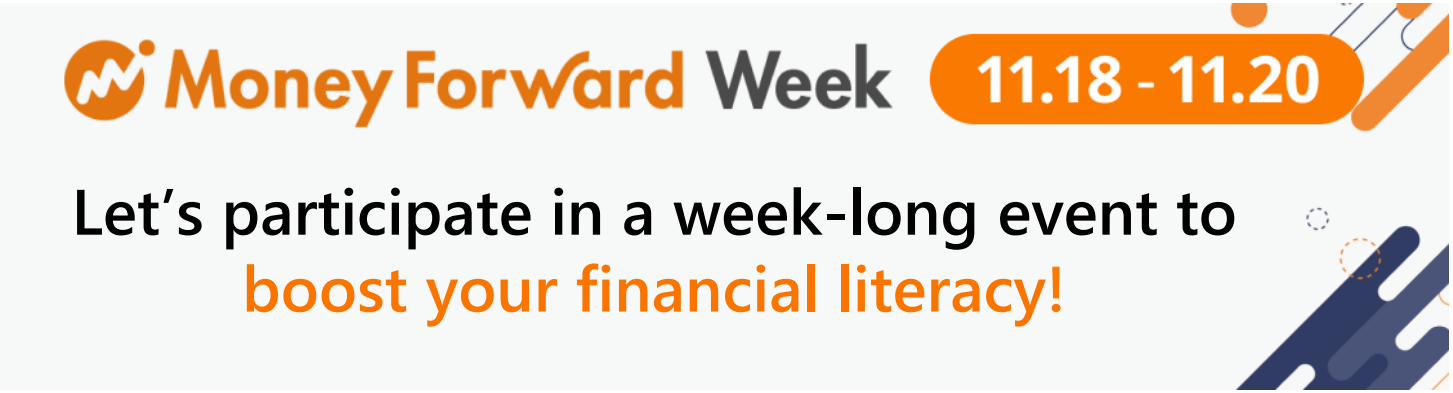


* Net sales from media/advertising include: 1) advertising sales from *MONEY PLUS* – lifestyle and finance online magazine, 2) sales from events (Money Expo) and seminars, and 3) sales from other PFM services including *Money Forward Money Consultation*.

*1 Includes partial revenue from development of *Money Forward Cloud Fixed Assets*.

Hosting “Money Forward Week” in November

Offering a three-day webinar by financial professionals with an aim to alleviate individuals’ financial anxieties, which are rising in the COVID-19 era.





Naoki Shibata
Co-founder of AppGrooves Corporation and SearchMan



Toshiya Imura
Representative Director of Zeppy Co., Ltd. and investor



Kazushige Okuno
Fund manager of Obune



Tetsuro Ii
Representative Director, President, and Chief Investment Officer of Commons Asset Management, Inc.



Kohei Morinaga
CEO of Manene, Inc. and economic analyst

Added Badge Icon Function to Drive Users' Actions in *Money Forward ME*

Encourage users to continue enjoying the app through exploring its various functions and to appreciate **improvements in their financial balance and assets.**







Enhance Value Proposition by Encouraging Action to Resolve Issues

Enhance value proposition

Visualize

Money Forward ME

Automated PFM Service

Get knowledge

Money Forward おかねせんせい Beta

(Money Forward Sensei)
Advising tool on saving and asset management based on the data of *Money Forward ME*

Money Forward お金の相談

(Money Forward Financial Planning)
Platform for connecting *Money Forward ME* user with financial planners

Learn about finance

MONEY PLUS
くらしの経済メディア

Practical Economic Media

Take action to change

See next page

Collaborate with Partners to Solve Users' Issues

TAM has expanded to over **¥800 billion**[*1] due to the expansion of service areas.

TSUKURUBA

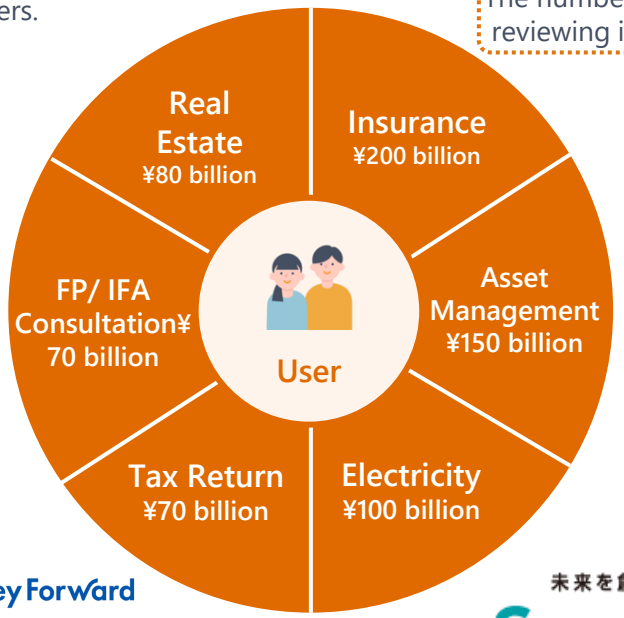
Operates *cowcamo*, a distribution platform for existing and refurbished homes, with over 270,000 registered users.

LIFENET INSURANCE COMPANY

Online provider of life insurance, with over 470,000 contracts

The number of assessments conducted for reviewing insurance has exceeded 16,000

Update



FP 株式会社FPパートナー

IFA FINANCIAL STANDARD

New!

Connected IFAs (i.e., asset management advisers) in addition to FPs to *Money Forward Financial Planning* to provide free consultation ranging from life planning to asset management

SUSTEN

Provides Japan's first fully pay-for-performance automated asset management service *SUSTEN*.

Money Forward

Cloud Tax Return

Enables tax return via smartphone app
Seamless data integration with *Money Forward ME.*

未来を創る 共に生きる
SymEnergy

Through the collaboration, users can subscribe for electricity 3% cheaper than the standard prices offered by incumbent utility companies.

*1 Including TAM of PFM services (¥200 billion). TAM of tax return service is not included as it's included in that of Business domain.

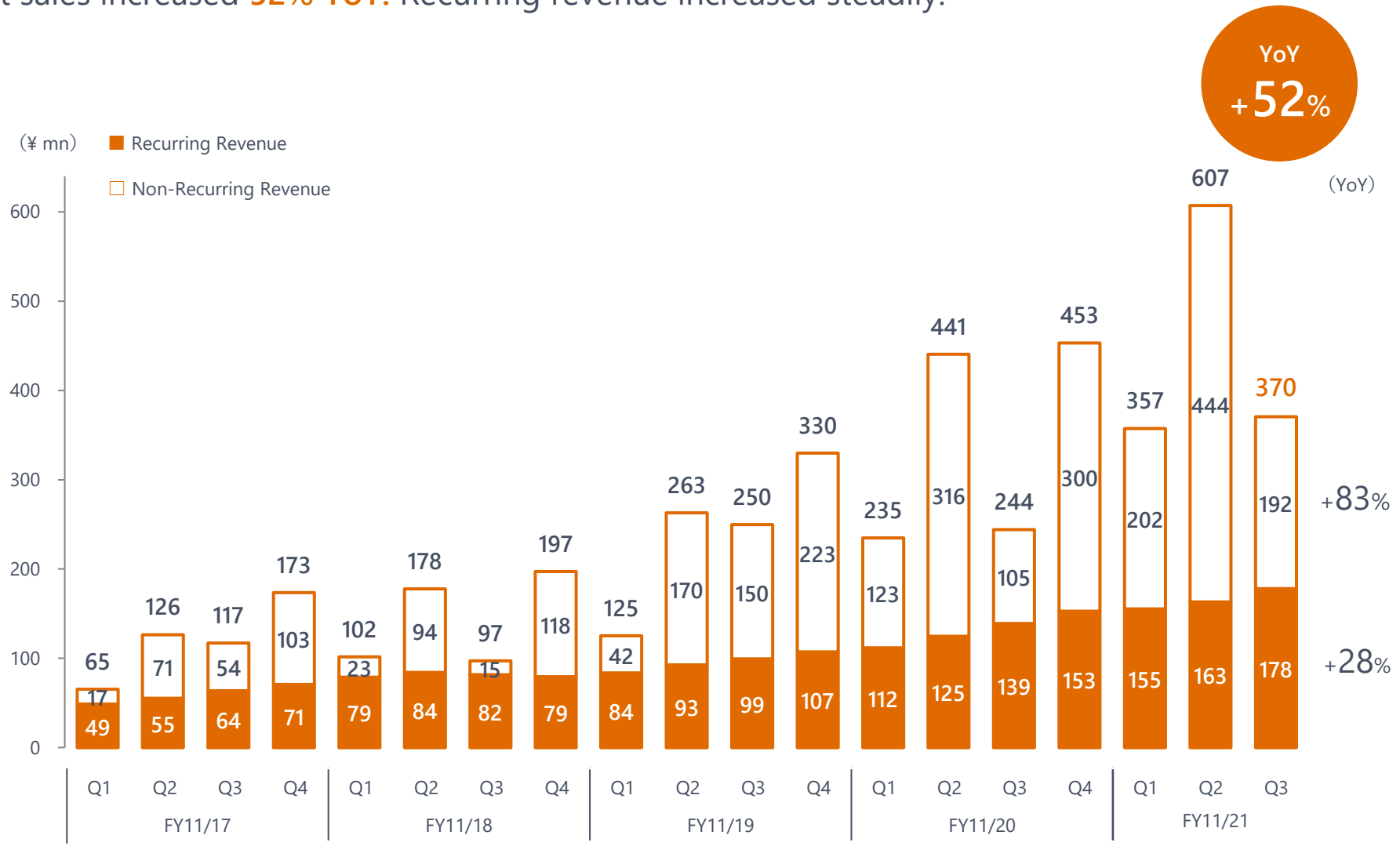
Money Forward

X



Net Sales from Money Forward X

Net sales increased **52% YoY.** Recurring revenue increased steadily.



* Non-recurring revenue from initial development are recorded at the time of acceptance by clients, and not necessarily at the time of service launch.

Collaborative Development of NTT Finance's Ending Note Application, "Rakkura Life Note"

This app provides centralized support for end-of-life concerns such as household and asset management, nursing care, and inheritance preparation. Contributed to UI/UX design, account aggregation technology, and development of this app.

楽クラライフノート

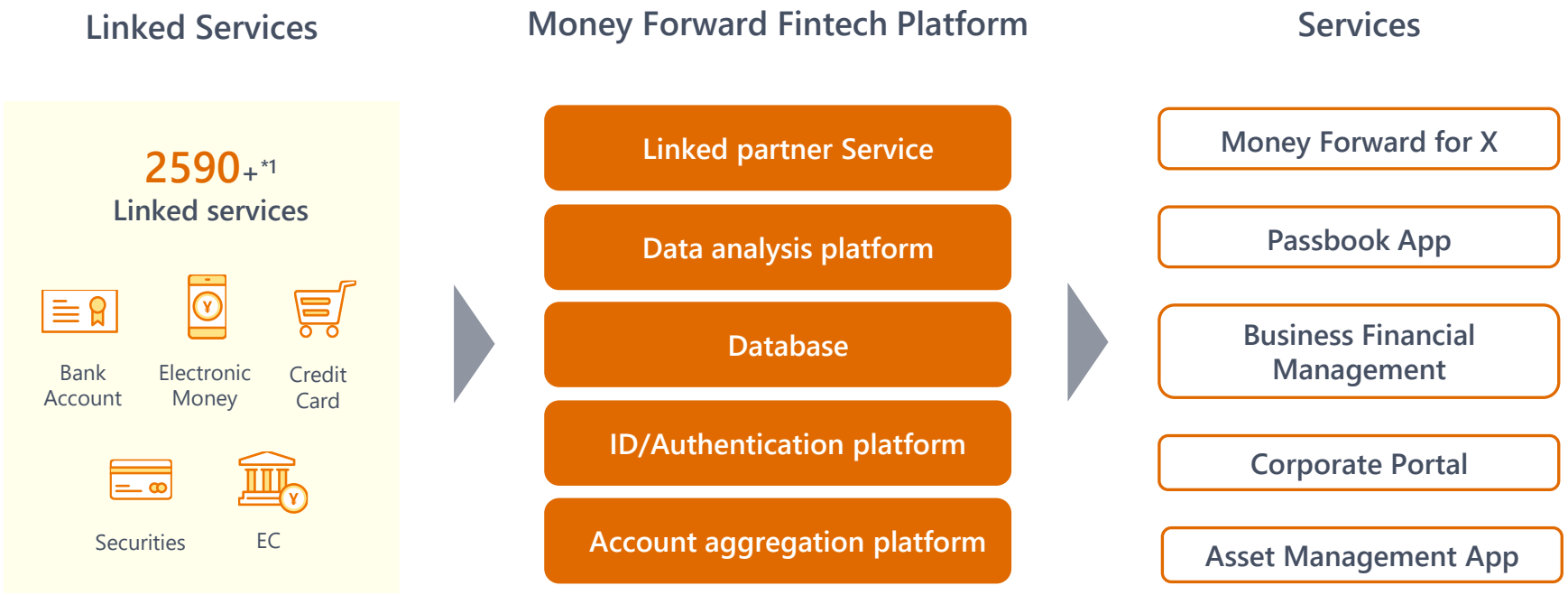


NTTファイナンス

Money Forward

Money Forward Fintech Platform

Platform that can accumulate and analyze asset data and settlement data for corporate financial services and link them to third parties. Introduced at Bank of Yokohama.



*1 As of Sep 30, 2021.

Partnership with Financial Institutions, etc. (B2C)

Money Forward for X

Developing customized PFM service for financial institutions' customers.

Customers

SBI Sumishin Net Bank / Yamaguchi FG / Shizuoka Bank / Toho Bank / Gunma Bank / Shiga Bank / Okazaki Shinkin Bank / Tsukuba Bank / Sompo Japan Nipponkoa Himawari Life Insurance / Tochigi Bank / Mizuho Bank / JA Bank / Tokushima Taisho Bank / Aflac Life Insurance



Passbook Apps

Developing passbook apps for financial institutions' clients.

Customers

Gunma Bank / Tochigi Bank / Taiko Bank / Tsukuba bank / Michinoku Bank / Hokuriku Bank / Kyoto Shinkin Bank / JA Bank / Shiga Bank / Labour Bank / Saikyo Bank / Tokushima Taisho Bank



Asset Monitoring Unit・PFM Unit

Offering PFM tools within financial institutions' apps.

Customers

JAL card / Taiko Bank / Kyoto Shinkin Bank / Hokuriku Bank / Awa Bank / Akita Bank / Mitsubishi UFJ Morgan Stanley Securities / Michinoku Bank / Hokkoku Bank



Partnership with Financial Institutions, etc. (B2C)

レンディングマネージャー

Jointly developed an advising function of the app for customers registered for loan service

docomo

スマー簿

Co-developed a PFM app linked to various NTT DOCOMO services

docomo

おかねのコンパスTT

Providing asset management function of the app that has such functions as investment service, insurance and pensions

マネーコンパス・ジャパン

OneStock

Asset management app that supports users' future asset formation through visualization of asset lives, centralized asset management and asset diagnosis functions.

NOMURA

Shizugin WebWallet app

Helped design UI and UX of the official app of the bank's online branch, making it closely address customer needs.

静岡銀行

au PAY "Money Management"

Jointly developed a function for managing accounts information in the au PAY app

KDDI

SAFETY

Enables monthly calculation of estimated fund shortage by grasping deposit balances, withdrawals/deposits, debiting of card use

伊予銀行

Chiba Bank My Post

Participating in the development of "Chiba Bank My Post," a service that allows users to check information such as mortgage loan repayment plans on the web

ちばぎん

Passbook app (for banks participating in TSUBASA Alliance)

Jointly developed passbook apps exclusively for the TSUBASA shared core banking system.
Provided to Chiba Bank, North Pacific Bank, Daishi Hokuetsu Bank, Chugoku Bank, and Toho Bank, Ryukyu Bank (New!)

Minna no Ginko

Offering the account aggregation function to their official app.
Support UI/UX design to meet customer needs.

Minna no Ginko

Partnership with Financial Institutions, etc. (B2B)

In-house / Joint Development

Corporate portal

Membership portal site for corporate and sole-proprietor customers; jointly developed with NTT DATA

Advantages for financial institutions:

- Centralized management of information on deposits and withdrawals/deposits in multiple accounts
- Ability to conduct wide-ranging transactions, including the review of electronic documents
- Creates customer contact points online

Clients:

Bank of Yokohama, Hokuriku Bank, and Nishi-Nippon City Bank, Senshu Ikeda Bank (New!)



BFM
(Business Financial Management)

Service for corporate customers of financial institutions

Advantages for financial:

- Centralized management of information on deposits and withdrawals/deposits in multiple accounts
- Automatically updates account balances and statements
- Enables download of statements in CSV format

Clients:

Okazaki Shinkin Bank, Kyoto Shinkin Bank



Unit

フィンディ
(Online Service of THE BANK OF FUKUOKA)

Providing a data aggregation technology of multiple financial institutions.

Values of the function :

- Corporations and sole proprietors who do not have an account with the Bank of Fukuoka can apply for loans.
- Businesses will be able to raise their funds smoothly online.

Client:

福岡銀行



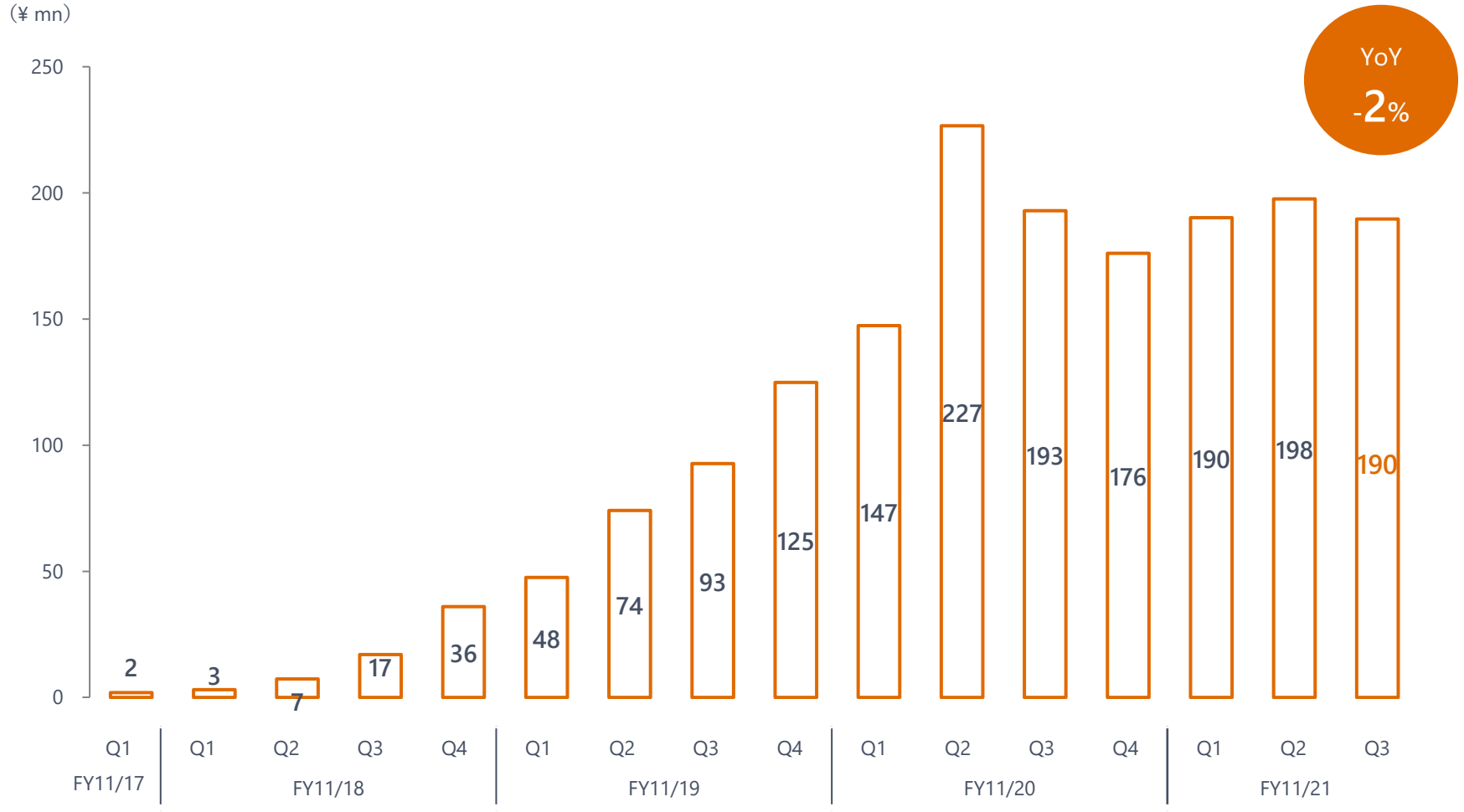
Money Forward

Finance



Net Sales from Money Forward Finance

Net sales -2% YoY. Continuing to tighten credit control.



Cumulative Receivables*1 in *Money Forward Kessai* Exceeded ¥50 Billion

Services are provided to a wide range of users, from sole proprietors to large enterprises.



Voice of a Customer

Wantedly, Inc.

Accompanying the increase in business partners, the number of payments we handle rose to several thousand per year, which increased the workload for our employees. By implementing *Money Forward Kessai,* we were able to significantly reduce the workload of payment management, including 2 person-months worth of invoicing operations. Also, the speed of credit screening, which we place emphasis on, is fast, while the pass rate has been 99% or more, enabling us to provide our services to customers without having to keep them waiting.

*1 As of Sep. 2021. The cumulative amount of receivables that Money Forward Kessai Inc. has acquired through its services, *Money Forward Kessai* and *Money Forward Early Payment*.

Jointly Establishing* Biz Forward, Inc. with MUFG Bank, Ltd.

Planning to launch online factoring and invoicing BPO services for SMEs by the end of 2021.

Biz Forward
A member of MUFG



* Shareholders are Money Forward, Inc. (51%) and MUFG Bank, Ltd. (49%).

Other Strategic Initiatives / Policy on Growth Investment



Raised ¥31.5 Billion Through International Offering in August 2021

Conducting some 60 interviews in two days and captured demand equivalent to approximately ten-fold the allocated amount, including from numbers of long-only investors.
Successfully reached investors with in-depth understanding of our business.

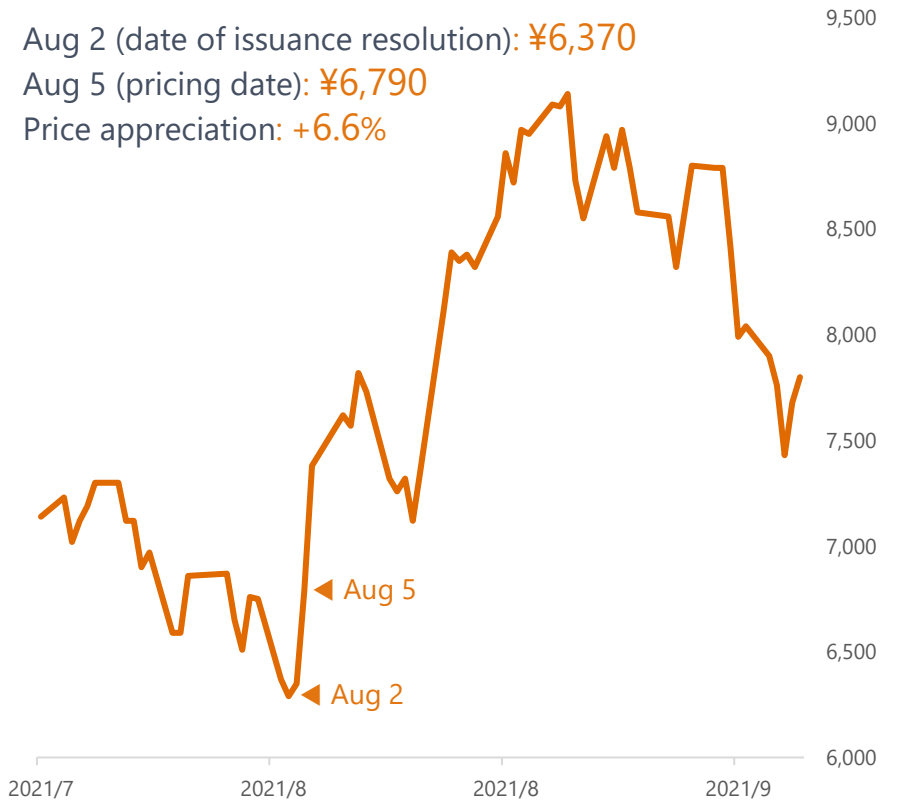
Primary Purposes of Offering

- Accelerate growth in the domestic SaaS and Fintech realm and solidify business foundation
- Secure a financial base for future M&As to achieve exponential growth
- Raise share liquidity and expand investor base

Distribution of Issued Shares

- More than half of the shares were allocated to long-only investors
- A number of U.S. institutional investors participated

Stock Price Since Launch



Key Areas of Investment



Sales & Marketing

- Net increase of paying customers accelerated in the first half of this fiscal year.
- Accelerate ARR growth
- Aggressive upfront investment based on appropriate payback month.



Product Development

- Expand flexible ERP line-up for medium to large-sized companies
- Invest in innovation: AI, UI/UX, and Natural Language Processing
- Leverage existing assets for new business: AP/AR automation



Strategic M&As

- Disciplined M&As with strategic rationale
- Proven PMI track records

Policy for Growth Investment and Profitability

Investment Policy for Future Growth

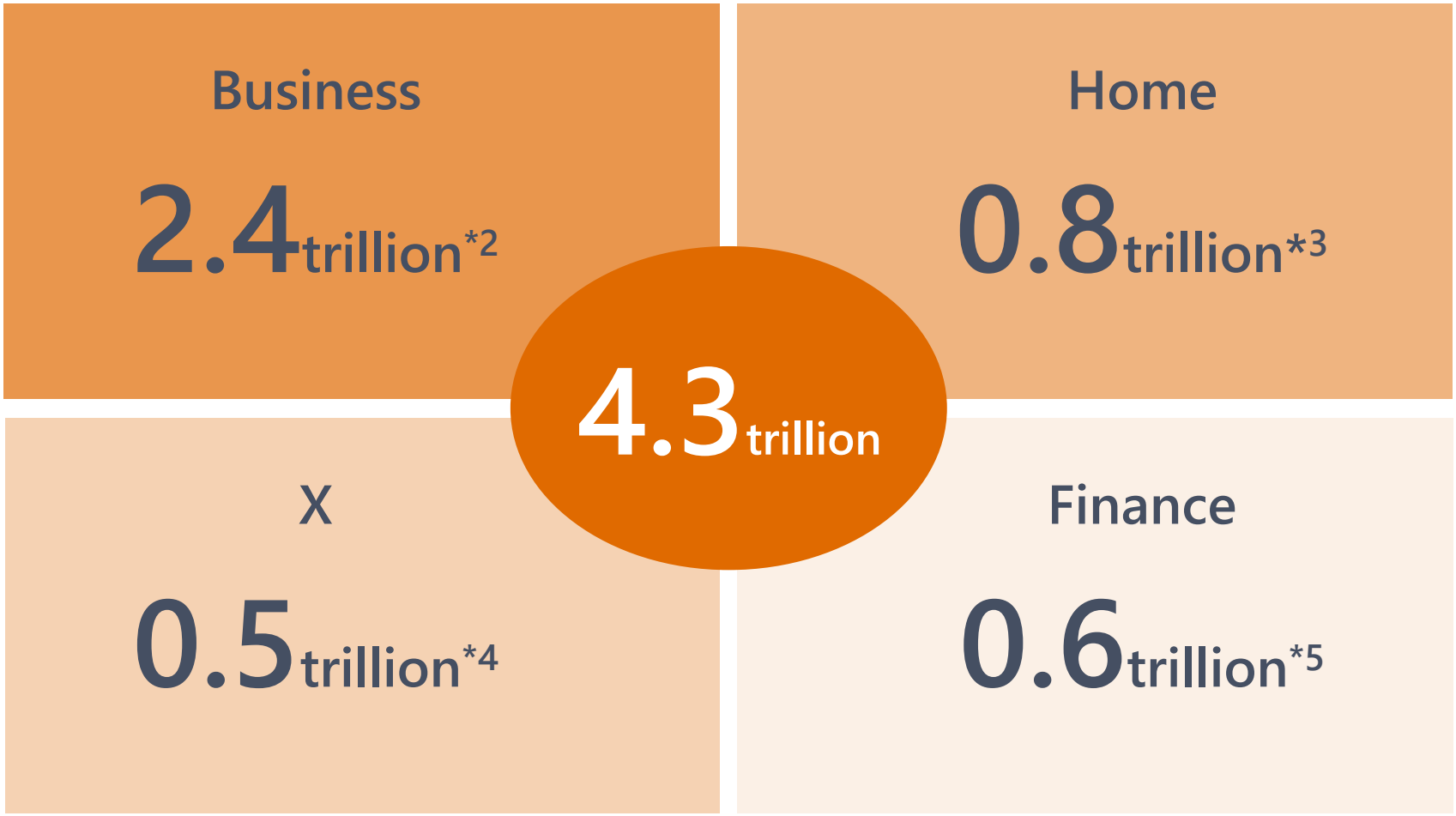
- Focus on **maximizing medium-to-long term cash flow** based on the **subscription business model**.
- In accordance with purpose of the international offering, **expand investment for growth acceleration** in Business domain (SaaS business).
- Investment for future growth to be executed **as long as unit economics metrics are reasonable and sound**, with an eye on external environment as well as competitions.

Policy for M&A

- Selectively pursue strategically meaningful M&A opportunities with emphasis on financial discipline.
- Continue to strengthen partnership with our existing investment partner, Mekari Group which is a leading company in the cloud accounting and HR market for SMBs in Indonesia.

TAM Continued to Expand, Driven by Expansion of Business Areas and Services*1

Continue to develop business in a huge TAM and aim for further growth.



* All footnotes are described on page 60.

Definition of Total Addressable Market (TAM)

*1 Total Addressable Market. Potential market size for four domains of Money Forward is estimated, by using certain assumptions, based on third party research, publication as well as Money Forward historical data.

*2 Total sum of Back office SaaS TAM and Domestic SaaS marketing TAM. **Back office SaaS TAM** is calculated based on total annual expenditure when the Group's all potential customers introduced *Money Forward Cloud* in Japan. The total number of potential customers is the sum of sole proprietors and corporates with less than 1,000 employees. Created by Money Forward based on National Tax Agency 2017 Survey and MIAC June 2016 Economic Census Activity Survey. **Domestic SaaS Marketing TAM** is estimated based on 24% of the total investment in business systems in the domestic software market in FY 2020 by Fuji Chimera Research Institute, Inc., "2019 New Software Business Market" and the potential market size of back-office SaaS described above. Average advertising costs to net sales ratio of domestic major listed SaaS companies which was calculated by Money Forward based on financial reports and presentation documents of Money Forward, RAKUS, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, and TeamSpirit.

*3 See P.91 for details.

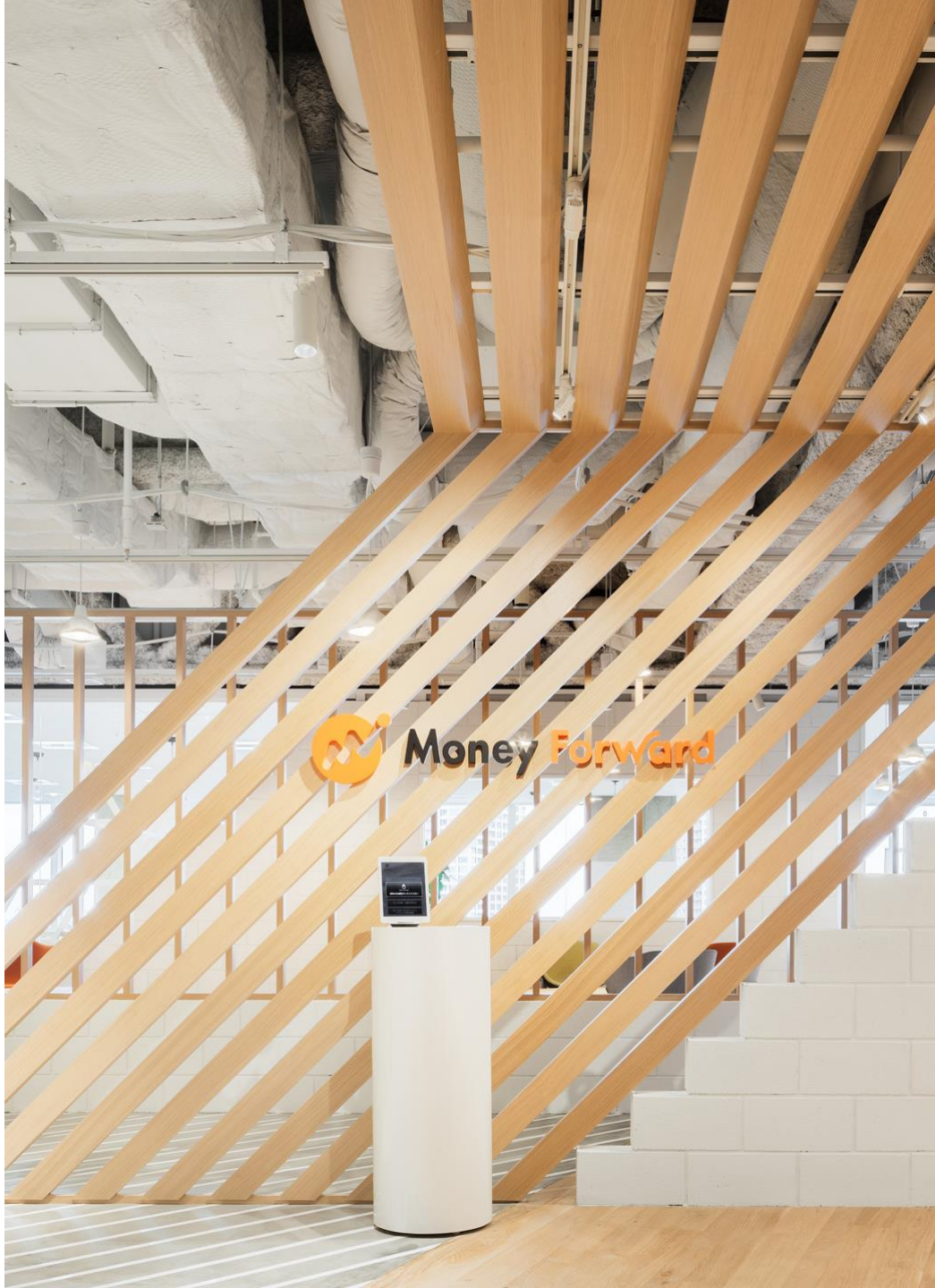
*4 Calculated for potential market size that is related to service provided by Money Forward X within domestic contract development software market. Data based on Information and Communication Basic Survey in 2020 as well as company historical data and estimates.

*5 Calculated by annual required working capital for corporate under revenue of ¥500 million multiplied by ratio of post payment settlement usage as well as annual fee potentially charged by Money Forward Kessai for its service. Working capital = receivable + inventory - payable. Data based on Small and Medium Enterprise Agency's report on basic survey on SMEs in FY2019 as well as company estimates.

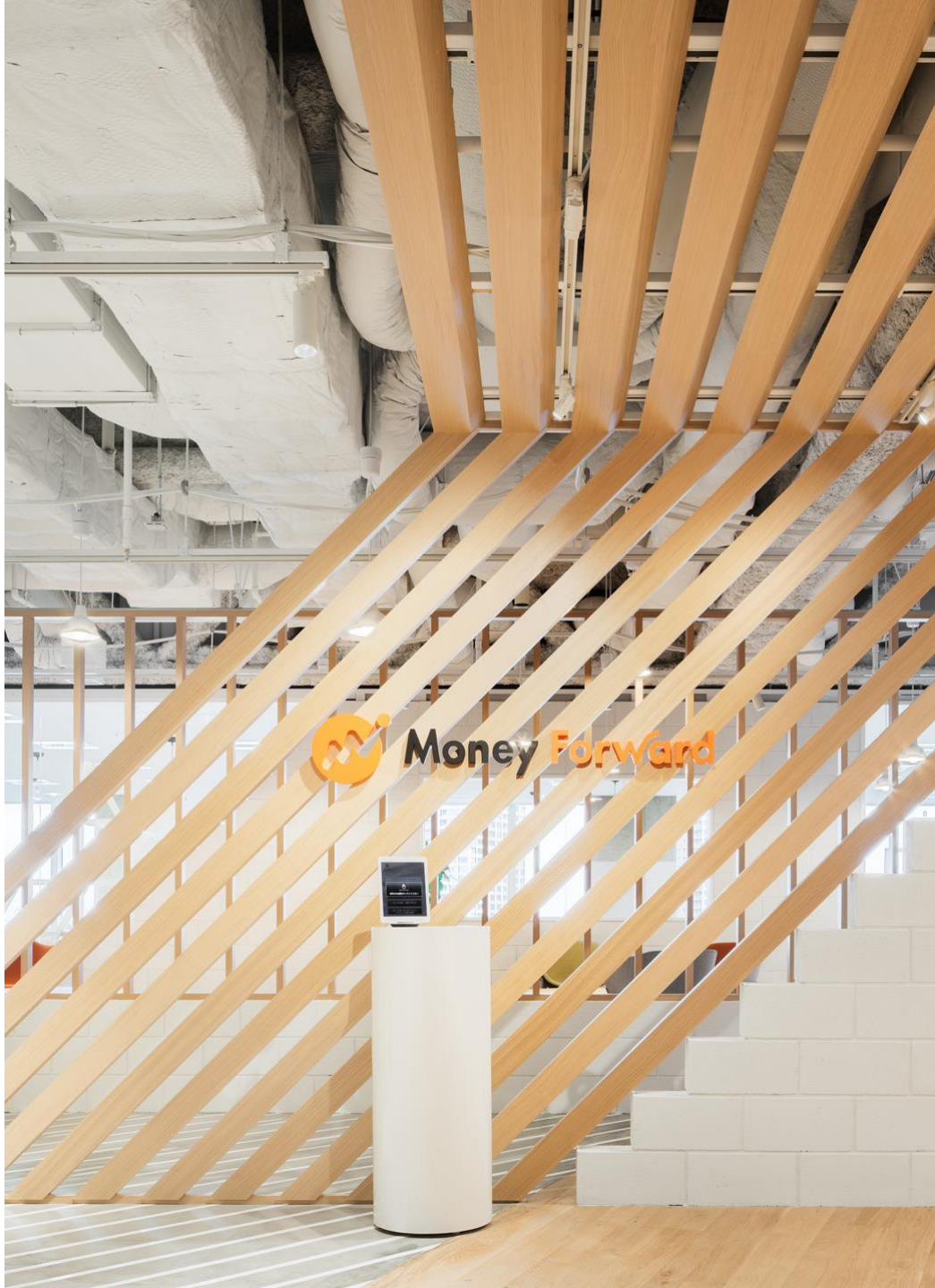


Money Forward. Move your life forward.

Appendix



About Us



Members of Board of Directors (CEO)



Yosuke Tsuji

Representative Director, President and CEO

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

Awards (including awards to Money Forward)

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

Internal Directors

Management team has in-depth expertise in finance and technology.



Naoya Kanesaka

Director, Executive Officer and CFO
Representative Director of Money Forward Synca, Inc.
Representative Director of Money Forward Ventures Partners, Inc.

- 2007-2014: Goldman Sachs (Tokyo and San Francisco offices). Engaged in advisory services for cross-border M&As and fund procurement mainly in the technology and financial industries, and in enhancing value of investee companies.
- Joined Money Forward, Inc. in 2014. As CFO, led IPO, domestic and global financing, M&A and alliance.
- Appointed as CEO of Money Forward Synca, Inc. in Sept 2019.



Masanobu Takeda

Director, Executive Officer and COO of Money Forward Business Company

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



Takuya Nakade

Director, Executive Officer and CTO
D&I Head

- Joined Money Forward, Inc. in 2015. Developed financial systems, and was appointed as CTO in 2016 and director in 2018.
- 2007-2014: Simplex Inc. Developed stock trading systems catered to securities companies.
- 2001-2007: Jupiter Shop Channel Co., Ltd. Led CRM system development as IT manager.

External Directors

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



Nobuaki Kurumatani

External Director
Chairman of the Board, First Advisers Inc.
Served as Representative Director, Deputy president and Executive Officer of Sumitomo Mitsui Banking Corporation, as well as President of Japan of CVC Capital Partners. Former Director, Representative Executive Officer, President and Chief Executive Officer of Toshiba Corporation.



Masaaki Tanaka

External Director
Vice Chair, Board of Councilors, US-Japan Counsel
Former Chairman, President & CEO,
Nippon Paint Holdings Co., Ltd.
Former Director and Deputy President at Mitsubishi UFJ Financial Group. Appointed as Executive Chairman of the Board of Nippon Paint Holdings Co., Ltd. in March 2019. Serving as Vice Chair of the Board of Councilors of US-Japan Counsel from 2013.



Akira Kurabayashi

External Director
Managing Director & Head of Japan, DNX Ventures
Joined DNX Ventures (former Draper Nexus Venture Partners) in 2015 where he currently serves as Managing Director. Engaged in venture capital businesses targeting Japan and the U.S. at Fujitsu Limited and Mitsui & Co., Ltd. Oversaw investments in Japan at Globespan Capital Partners and Salesforce Ventures.



Etsuko Okajima

External Director
CEO, ProNova Inc.
Founded ProNova Inc in 2007, and currently serves as CEO of the company. Worked at Mitsubishi Corporation, McKinsey & Company, and Globis Group, where she served as President of Globis Managment Bank Inc. Holds an MBA from Harvard University.



Ryoko Ueda

External Director
Associate Professor, SBI Graduate School
After joining Mizuho Securities Co., Ltd., was seconded to Japan Investor Relations and Investor Support, Inc. (J-IRIS). Served as Special Research Fellow of Financial Research Center, Financial Services Agency (FSA), worked at Mizuho International plc (London), and was then appointed Senior Researcher at J-IRIS. Holds current position since March 2020. Holds a PhD in policy research.

Executive Officers

Management members who have key roles in the growing group.



Toshio Taki

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

- Appointed as director of Money Forward, Inc. in 2012.
- Member of FSA panel of experts on FinTech start-ups.
- 2004-2012: Nomura Securities Co., Ltd./Nomura Institute of Capital Markets Research. Engaged in research on household behaviour, the pension system, and financial institution business models etc.
- Graduated Keio University (Faculty of Economics) in 2004 and Stanford University (MBA) in 2011.



Takashi Ichikawa

Executive Officer and CISO

- Joined Money Forward, Inc. in 2012. Appointed as director in 2017.
- 2011-2012: Major financial systems development company. Led the infrastructure division and launched a new FX transactions site.
- 2000-2011: Monex Group, Inc. Developed and operated securities trading systems and engaged in project management for subsidiary mergers, etc.



Tatsuya Kanto

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

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



Hirokazu Ban

Executive Officer and CLCO(Chief Legal and Compliance Officer)

- Joined Money Forward, Inc. in 2016. Appointed as director in 2018.
- 2009-2015: SBI Securities Co., Ltd. Served in the Legal and Corporate Planning Departments. Launched SBI Money Plaza Co., Ltd. in 2012 and became director.
- Graduated Waseda University (Sociology) in 2001. After graduating Aoyama Gakuin University Law School, registered as an attorney in 2008.



Daisuke Sergio Ito

Executive Officer and CDO
Head of Design Strategy Office

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

Other Key Management Members （1/2）

Management members who have key roles in the growing group.



Kazuya Yamada

Executive Officer, Money Forward Business Company CSO

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



Naoki Kuroda

Executive Officer, Fukuoka Office Head

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



Ryo Shibuya

Executive Officer and Money Forward Business Company VPoE

・Joined Adways Inc. in 2007 and was in charge of developing advertising system.
・Joined GREE, Inc. and experienced the development of advertising system and new business.
・Joined Money Forward, Inc. in 2014 and was involved in development of invoice and accounting / tax return modules.
・Experienced the launch of payroll and MyNumber modules.
・Currently serves as VPoE and Head of Development of B2B services.



Kiminobu Tahira

Executive Officer, Money Forward Business Company Head of Sole-proprietor Department

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



Daisuke Motokawa

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

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



Shun Matsuoka

Executive Officer and Accounting Department Manager

・Joined Sony Corporation in 1998 and engaged in accounting and tax operations, including projects for early closing of accounts and adoption of new system and new accounting standards.
・Passed Small and Medium Business Consultant, Certified Public Tax Accountant, and Certified Public Accountant examinations while in Sony. Registered as a CPA in 2020.
・Joined Money Forward, Inc. in April 2019 as Co-Accounting Department Manager.

Other Key Management Members （2/2）

Management members who have key roles in the growing group.



Satoshi Furuhashi

Executive Officer. Money Forward, Inc.
Representative Director and Chairman, SMARTCAMP Co., Ltd.
Representative Director of Money Forward Venture Partners, Inc.
・Engaged in institutional sales at Mizuho Bank, Ltd.
・Experienced business development and customer acquisition at Speee, Inc.
・Founded Smartcamp Co.,Ltd, which offers several services including *BOXIL* and was appointed as Representative Director.
・Joined Money Forward group by M&A in 2019.
・Engaged in the foundation of HIRAC FUND and was appointed as Representative Partner.



Seiko Harada

Executive Officer, Cross-functional Business Head
Representative Director and CEO, ADXL, Inc.
・After graduating from university, engaged in marketing and PR in an entertainment industry.
・Joined GREE, Inc. in 2011 as PR. After engaged in setting up an industry group, was transferred to business development and creative department of social game. After 2016, engaged in setting up social media marketing business.
・Joined Money Forward, Inc. in 2018.



Youkou Takano

CIO
・Joined Yahoo Japan Corporation in 2006 and engaged in development and maintenance of internal systems and infrastructures.
・Led engineering team and executed cyberattack countermeasures and information system strategy.
・Joined Money Forward, Inc in 2019.



Naomichi Tomiyama

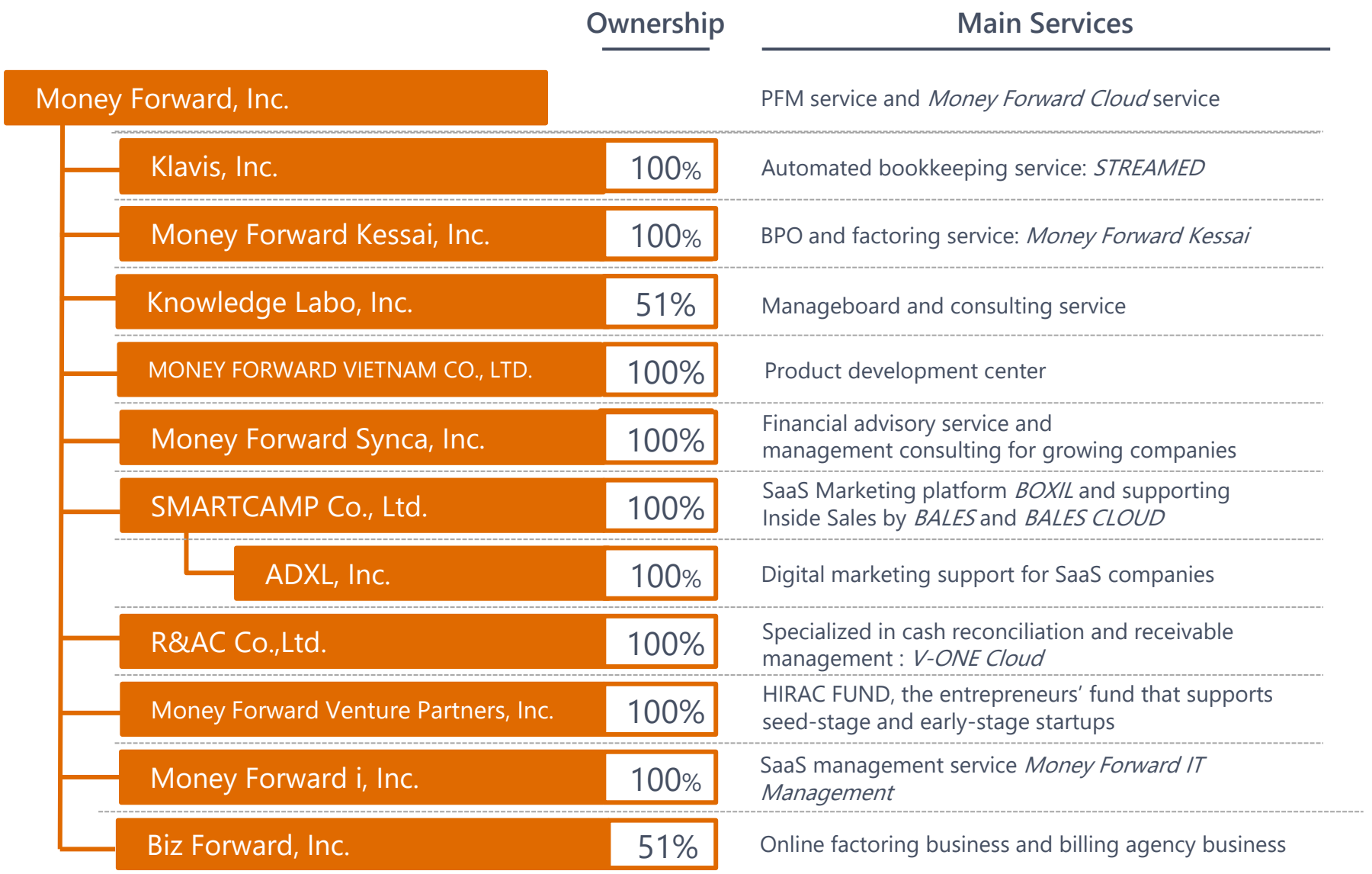
Executive Officer. Money Forward, Inc.
Representative Director, Money Forward Kessai, Inc.
Representative Director, Biz Forward, Inc.
・Joined KPMG AZUSA LLC and engaged in financial and internal control audit.
・Involved in many voluntary and legal liquidation projects in a consulting company.
・Joined Money Forward, Inc. in 2014 and was involved in strategy planning and new business development.
・Appointed as Representative Director in Money Forward Kessai, Inc. in 2017.
・Appointed as Representative Director in Biz Forward, Inc, in 2021.



Hidetsugu Kunimi

Representative Director, Knowledge Labo, Inc.
・After engaged in financial audit and consulting at Deloitte Touche Tohmatsu LLC, experienced many M&As and turnarounds at Deloitte Touche Tohmatsu Financial Advisory LLC.
・Founded Knowledge Labo, Inc. in 2013 and serves as Representative Director.
・Joined Money Forward group in 2018 by M&A.

Money Forward Group Structure



* As of Oct. 15, 2021.

Share Price and Trading Volume Since IPO (Adjusted Stock Split*1)



* As of October 8, 2021.

*1 Conducted a 2-for-1 split for each common share held by shareholders written or recorded in the closing shareholder registry on the record date, November 30, 2020.

Disciplined Investment Execution

Product Development / New Business Investments

- Basic policy is to start with minimal investment to achieve product market fit, followed by the decision to invest further.
- Constant launch of add-ons and new businesses contribute to ARPA increase, customer base expansion and product competitiveness.
- M&A is also considered as an effective means of entering new business, adding functions and/or customers.

Investment in Sales, Marketing and Customer Success

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

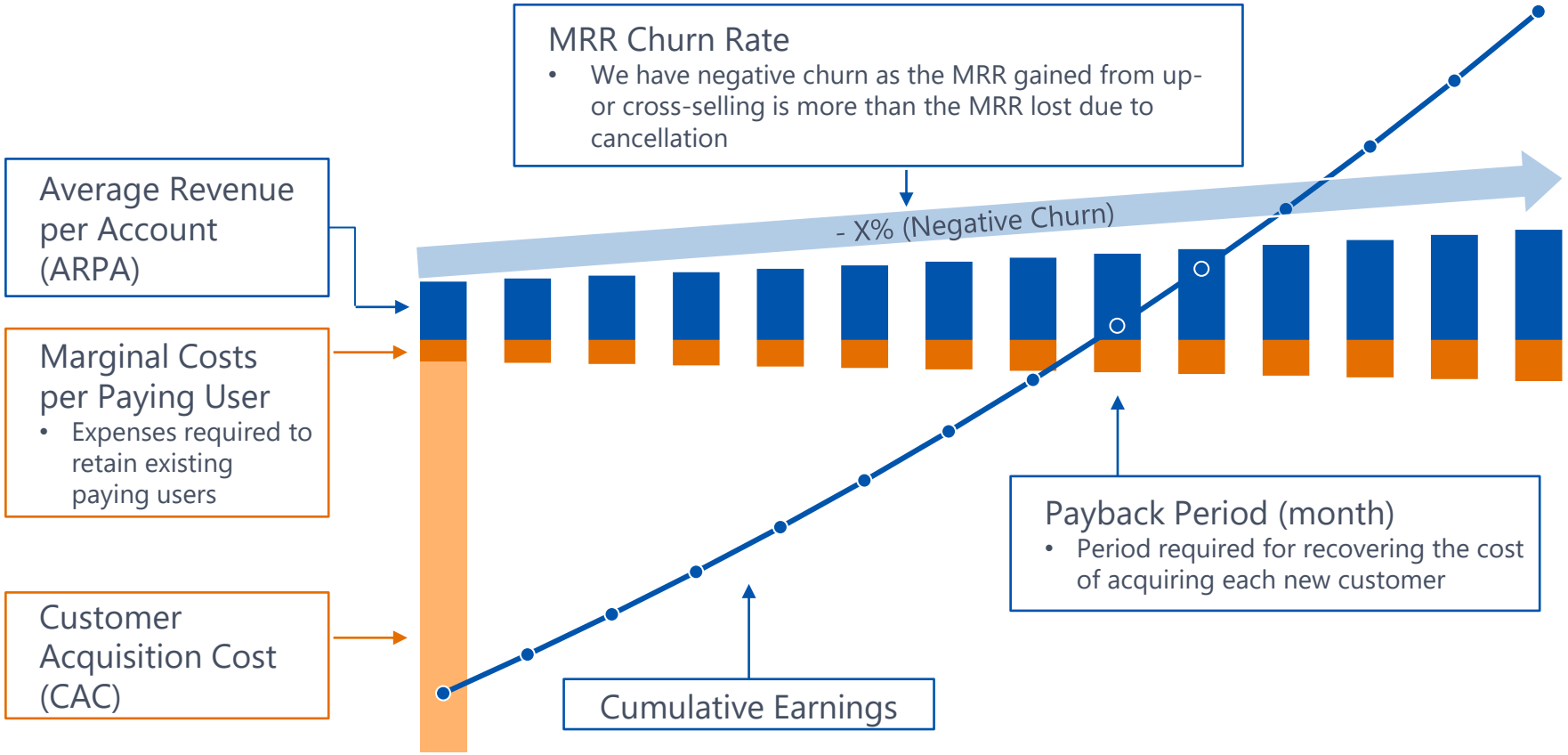
Continuous Review and Revision of Product/Business

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

* See p.74 for definitions of and churn rate (based on MRR).

Unit Economics-Driven Investment

Unit economics per product and per customer channel are taken into account when making investment decisions, metrics which are commonly used by global SaaS companies.



* For illustrative purpose only and not to size.

Definition of KPIs

MRR	Monthly Recurring Revenue Total recurring revenue as of the end of a particular month
ARR	Annual Recurring Revenue Calculated by multiplying the MRR as of the end of a particular period by 12
SaaS ARR	Calculated by multiplying SaaS MRR of a particular period by 12. SaaS MRR includes: 1) net sales from premium charges in Home domain, 2) recurring revenue from sales of *Money Forward Cloud* and other cloud services such as *STREAMED, Manageboard , V-ONE Cloud, and Money Forward Certified Membership*, 3) recurring revenue in X domain. In order to adjust for seasonal factors of *STREAMED* in Q1, MRR is calculated as one-third of the billing revenue of *STREAMED* in Q1 of each fiscal year. Non-recurring revenue of each business and net sales of Smartcamp are not included.
Customer	Paid subscribers in the Business domain, which is a total of (1) accounting firms and their clients, and (2) sole-proprietors and direct-sales corporates subscribed via the web channel etc.
ARPA	Average Revenue per Account. Calculated by dividing ARR as of the end of a particular period by the number of Customers
Customer Churn Rate	Average monthly churn rate of a particular period. Calculated as: [number of customers churn during (N) month] / [number of customers as of the end of (N-1) month]
MRR Churn Rate	Average monthly churn rate based on MRR of a particular period. Calculated as: 1 – [MRR as of the end of (N) month from customers as of the end of (N-1) month / MRR as of the end (N-1) month. Negative amount (Negative Churn) refers to the status when the revenue increase for existing customers by upselling/cross-selling exceeds the revenue decrease due to customer churn.

Sustainability Initiatives



Sustainability / User Forward

Helping improve productivity and solve accounting and finance issues of accounting firms and their clients through *Money Forward Cloud*.

Issue before introduction

Productivity was low with conventional installing-style software, which required troublesome transfers of data and time-consuming data entry work.

Scale of introduction

The number of clients that have introduced *Money Forward Cloud Accounting* roughly tripled over two years.
STREAMED, an automated bookkeeping service, was introduced in 2019 to respond to demand for bookkeeping outsourcing service.

Impact of introduction

“Full-fledged introduction is underway as productivity is improved by using data linkage function and accessing the cloud simultaneously."

"Demand for BPO has increased recently, and *Money Forward Cloud* has become essential to expand the BPO business."

"Customers who have introduced *Money Forward Cloud* were able to prepare monthly financial statements without a hitch even amid the COVID-19 pandemic."

"Many young customers are considering introducing a cloud accounting service, meaning that there is a strong positive impact for attract young potential customers.”



Masami Mishima, representative member
Tax Accountants' Corporation
CROSSROAD

CROSSROAD

Sustainability / User Forward

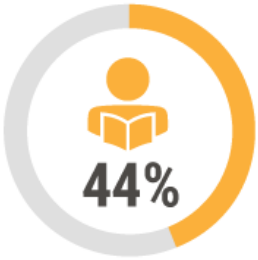
Changing personal behaviors and improving financial position through provision of *Money Forward ME*.

Change in behavior and awareness toward money*

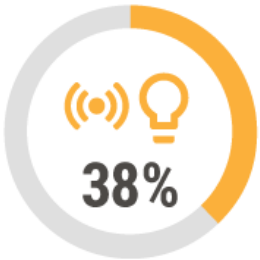
I'm wasting less money.



I've gotten into the habit of studying about money and collecting related information.



I have reviewed my fixed costs.



Perceived monthly saving*

Average

¥27,848



or about ¥330,000 in annual saving!

* Based on a 2020 survey regarding financial awareness conducted on 5,874 *Money Forward ME* users who said they felt the service helped improve their household accounts.

Sustainability / Society Forward

Contribute to DX of society with diverse partners.



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

18,000 +[*1]

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

112[*1]

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

42[*1]

# of API connections with FIs

1,072[*2]

*1 Number of accountants who use our services as of end of Sep 2021. Previous disclosure, 4,600+ members, were the number of accounting offices who have introduced our services.

*2 As of Oct. 14,2021. Counting financial institutions (including Shinkin Banks, Labor Banks and Agricultural and Fishery Cooperative Savings Insurance Corporations) that have API connections or web scraping connections with contracts.

Sustainability / Talent Forward

Focus on creating environment with diversity and various opportunities for growth.

"TERAKOYA" one-on-one sessions in Japanese for overseas new graduates hired as engineers

One-on-one sessions to help participants learn Japanese language and culture, conducted by volunteers



"Leadership Forward Program" to groom leaders

Program to train next leaders, conducted by management members and external instructors



Products and Services



Money Forward Cloud – SaaS Platform for Back Office

Money Forward Cloud provides various products for back-office operations.



Money Forward Cloud

Money Forward Cloud Accounting

Money Forward Cloud Tax Return

Money Forward Cloud Invoice

Money Forward Cloud Payroll

Money Forward Cloud Expense

Money Forward Cloud My Number

Money Forward Cloud Attendance

Money Forward Cloud Social Insurance

Money Forward Cloud Accounting Plus

Money Forward Cloud Box

Money Forward Cloud Payable Management

Money Forward Cloud Contract

Money Forward Cloud Receivable Billing

Money Forward Cloud Fixed Assets

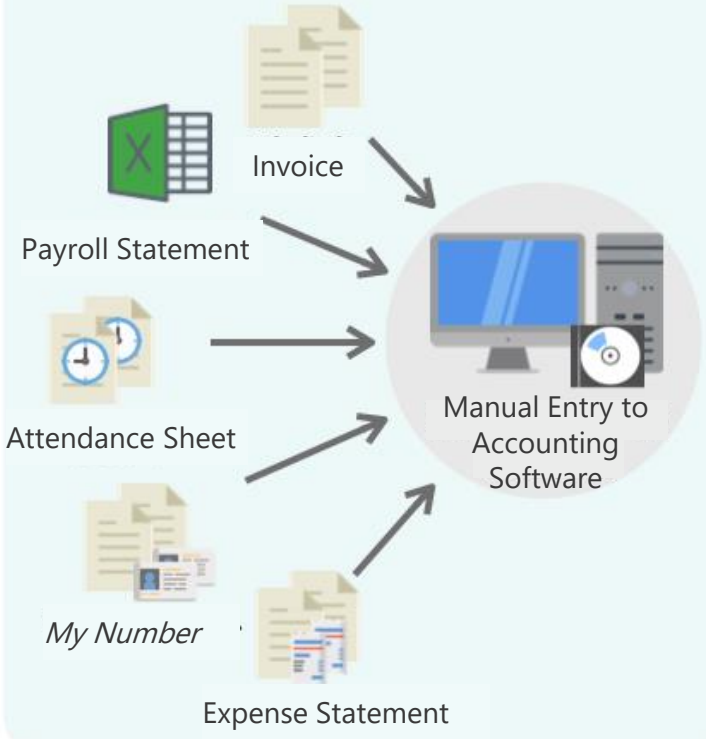
Money Forward Cloud HR Database

Providing a Paradigm Shift - Integrated Back Office

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

Conventional Back Office

- Manual entries based on paperwork



Money Forward Cloud

- Integration of back-office functions



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

Automated operations enable users to reduce cost and time for back office operations significantly.

Reduced the time spending on monthly accounting operations by approximately **50%**[*1]

Manual input

Ave **19 hours**/month

→

Automated input

Ave **9 hours**/month

Saved **¥1 million per year**[*2] in expense reimbursement

Submit/Approve by Paper

Ave **¥1.6 million**

→

Submit/Approve by Smartphone

Ave **¥0.3 million**

+Cloud Expense fee (¥ 0.3 million)

*1 Based on the results of the internet survey "*Money Forward Cloud Accounting and Tax Return* user Questionnaire" in September 2019.

*2 When company has 100 employees, their hourly rate is ¥1,500 and 50 of them claim expense reimbursement on a monthly basis.

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

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

Business Domain – Price Table

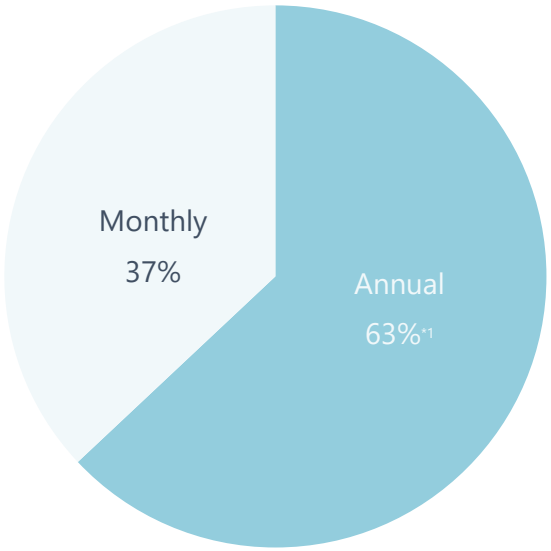
	Accountants & their clients	Sole Proprietors	SMEs	Corporates
Distribution	Field sales	WEB marketing		Field sales/ Inside sales
Price (Example)	**Small Business** Monthly: ¥3,980 Annual: ¥35,760 (¥2,980/month) **Business** Monthly: ¥5,980 Annual: ¥59,760 (¥4,980/month) **STREAMED** min ¥10,000 **Manageboard** min ¥9,800	**Personal Mini** Monthly: ¥980 Annual: ¥9,600 (¥800/month) **Personal** Monthly: ¥1,280 Annual:¥11,760 (¥980/month) **Personal Plus** Annual: ¥35,760 (¥2,980/month)	**Small Business** Monthly: ¥3,980 Annual: ¥35,760 (¥2,980/month) **Business** Monthly: ¥5,980 Annual: ¥59,760 (¥4,980/month)	**Accounting Plus** Inquiry Price **V-ONE Cloud** Min ¥33,000 **Contract** Inquiry Price **Receivables Billing** Inquiry Price **Expense** ¥500/employee **Payroll** ¥300/employee **Attendance** ¥300/employee **Social Insurance** ¥100/employee **My Number** ¥100/employee **Tax Adjustment** ¥100 /employee **Payable Management** ¥300/transaction

* All listed prices are excluding tax.

Money Forward Cloud-Sales Mix for Corporates（web marketing）

Annual pricing ratio has steadily increased at **+7% YoY**, resulting in a stable customer churn rate.

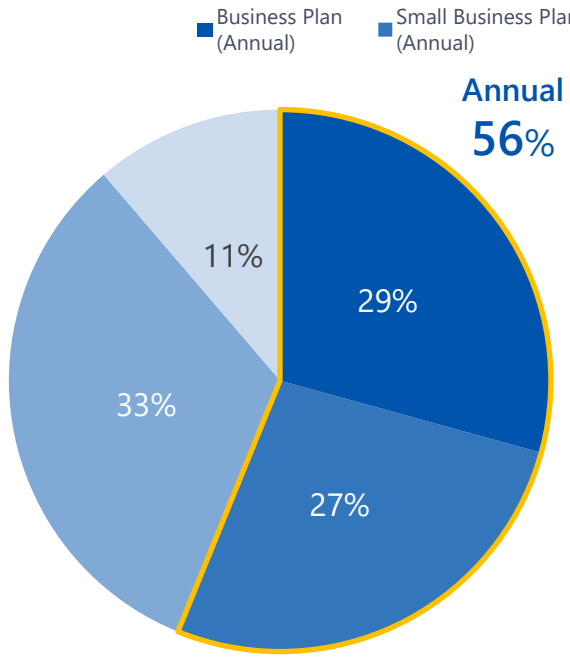
End of FY11/18



ARPA*2

¥39,078

End of FY11/20 Q3

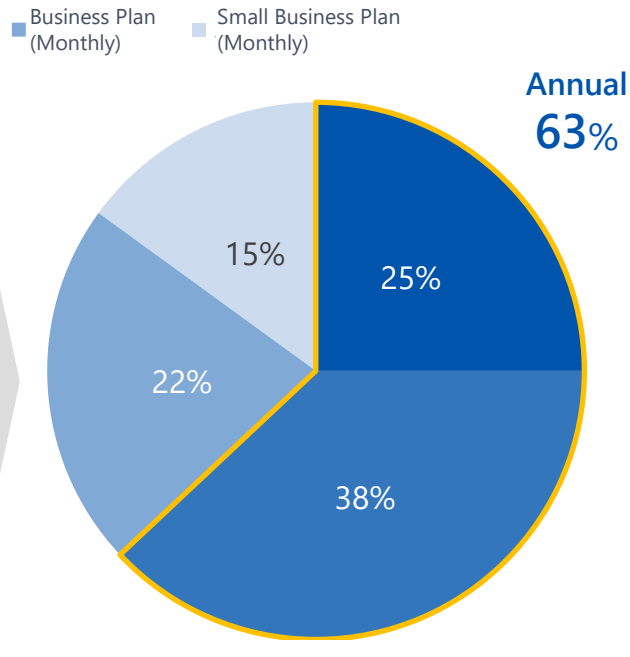


Average Basic Charge*3

¥55,871

(+43% from end of FY11/18)

End of FY11/20 Q3



Average Basic Charge*3

¥51,480

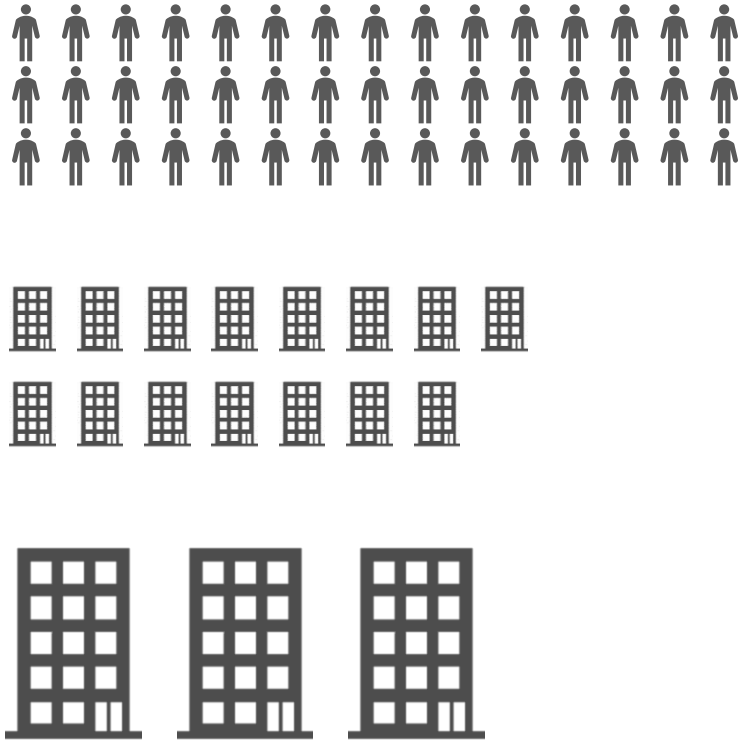
(+32% from end of FY11/18)

*1 Definition of annual/monthly pricing ratio at the end of 11/18 is based on the number of *Money Forward Cloud Accounting* paying accounts.
*2 ARPA is average revenue (annualized) per corporate account of *Money Forward Cloud* through web channel.
*3 Average basic charge (annualized) is weighted average by number of accounts of each plan. Please refer to P85 for the detail of each plan.

Back Office SaaS Potential Market Size

Potential market size of back-office SaaS, Group's current area of focus, is estimated to be about **¥1.45 trillion**[*1].

	Potential customers	TAM[*1]
Sole Proprietors	4.5mn	¥70 billion
Small Enterprise[*2]	1.5mn	¥144 billion
Medium Enterprise[*2]	0.3mn	¥1.23 trillion



*1 Created by Money Forward, Inc. based on National Tax Agency *2017 Survey*, MIAC *June 2016 Economic Census Activity Survey*, MIAC *2017 Labor Force Survey*. Total annual expenditure when the Group's all potential customers introduced *Money Forward Cloud* in Japan. The total number of potential customers is the sum of sole proprietors and corporates with less than 1,000 employees.
*2 Defined as "Small enterprise" for a corporate with less than 20 employees, "Medium enterprise" for a corporate with between 20 and 999 employees.

Domestic SaaS Marketing Potential Market Size

Domestic SaaS marketing potential market size is estimated to expand to about ¥0.95 trillion, along with the expansion of SaaS market in Japan.

SaaS potential market size*1 × Advertising costs to net sales ratio*2 = ¥0.95 tn

¥6.1 tn × 15.6% = ¥0.95 tn

*1 Estimated based on 24% of the total investment in business systems in the domestic software market in FY 2020 by Fuji Chimera Research Institute, Inc., *"2019 New Software Business Market"* and the potential market size of back-office SaaS described in the former page.
*2 Average advertising costs to net sales ratio of domestic major public SaaS companies. Created by Money Forward, Inc. based on financial reports and presentation documents of Money Forward, RAKUS, Uzabase, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, and TeamSpirit available as of December 1, 2020.

BOXIL - SaaS Marketing Platform

BOXIL connects its 10+ million PV* monthly users (potential SaaS customers) with 1,000+ SaaS products, receiving fees from the SaaS vendors for every document request made by the potential customers.

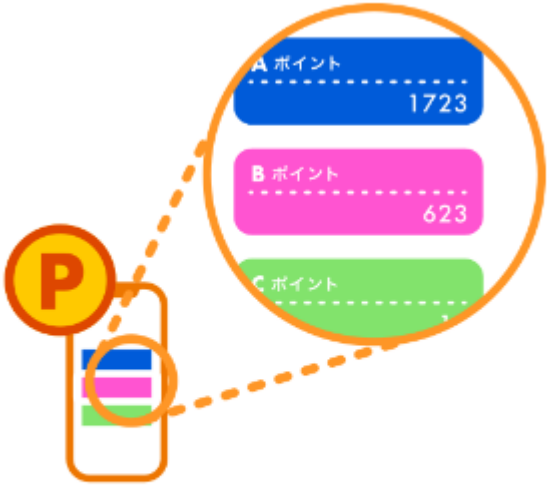


* As of October 2019

Money Forward ME - Automated PFM Service

Money Forward ME is the No.1 PFM and asset management app in Japan[*1], reaching 12 million users. Number of financial services that can be connected is also No.1[*2].

Integrates 2,590+[*2] financial services and automatically creates household accounting books



Manage your financial services easily by aggregating your financial data and visualize your expenditure, you can find unnecessary costs.

No. 1[*1] in terms of usage and recognition as a PFM app and asset management app



*1 Survey by Macromill, Respondents: 1,034 PFM app users in their 20s-60s / 1,036 asset management app users in their 20s-60s; Survey period: October 11, 2021 - October 12, 2021; Survey method: Internet survey. PFM apps refer to apps that allow users to manage their household budget using a smartphone or tablet, while asset management apps refer to apps that allow users to centrally manage multiple assets using a smartphone or tablet.

*2 Based on research by Money Forward, Inc. as of Sep 2021.

TAM of Home Domain

Approaching to ¥800 billion TAM related to personal financial services through business development and business alliances.

PFM	33 million people *1	×	¥6,000 *2	=	¥200 billion
Asset management	¥15 trillion *3	×	1% *4	=	¥150 billion
Electricity	¥5 trillion *5	×	2% *4	=	¥100 billion
Insurance	¥4 trillion *6	×	5% *4	=	¥200 billion
Real estate	¥4 trillion *7	×	2% *4	=	¥80 billion
FP consultation	3.5 million people*8	×	¥20,000 *4	=	¥70 billion
				Total	¥800 billion

*1 Net banking users. Calculated by the Company by estimating the total number of Internet banking users in Japan based on the number of Internet banking accounts at five metropolitan banks, and the "White Paper on Financial Information Systems 2016". *2 Annualized premium charge for *Money Forward ME*. *3 The total amount of financial assets in the accounts linked to the personal services provided by *Money Forward ME* and Money Forward X as of the end of May 2021.

*4 Commission rate the Company receives, estimated based on other companies' services.*5 Market size of new electric power companies. Estimated by Money Forward, Inc. based on "Population, Demographics and Households Based on the Basic Resident Ledger" by the Ministry of Internal Affairs and Communications, "Progress in Total Liberalization of Electricity and Gas Retailing" by the Ministry of Economy, Trade and Industry, "General Contact Points for Government Statistics (e-Stat)," and "Household Income and Expenditure" by the Ministry of Internal Affairs and Communications. *6 New subscription fee for individual insurance contracts. Calculated by the Company based on The Life Insurance Association of Japan's 2020 "Trends in Life Insurance" and the FY2019 Survey on "Life Insurance Coverage (preliminary version)". *7 Market size of the existing condominium market in Tokyo. Based on "Trends in the Tokyo Metropolitan Area Real Estate Market (2020)" by the East Japan Real Estate Information Network. *8 Of the number of new individual insurance contracts purchased, annual premiums paid by those who purchased through insurance agents. Based on the Life Insurance Association of Japan's 2020 "Trends in Life Insurance" and the Life Insurance Culture Foundation's "National Survey on Life Insurance (Preliminary Version)" for FY 2008.

Money Forward Kessai BPO and Online Invoicing Service

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



Approve

Send Invoice

Collect Receivable

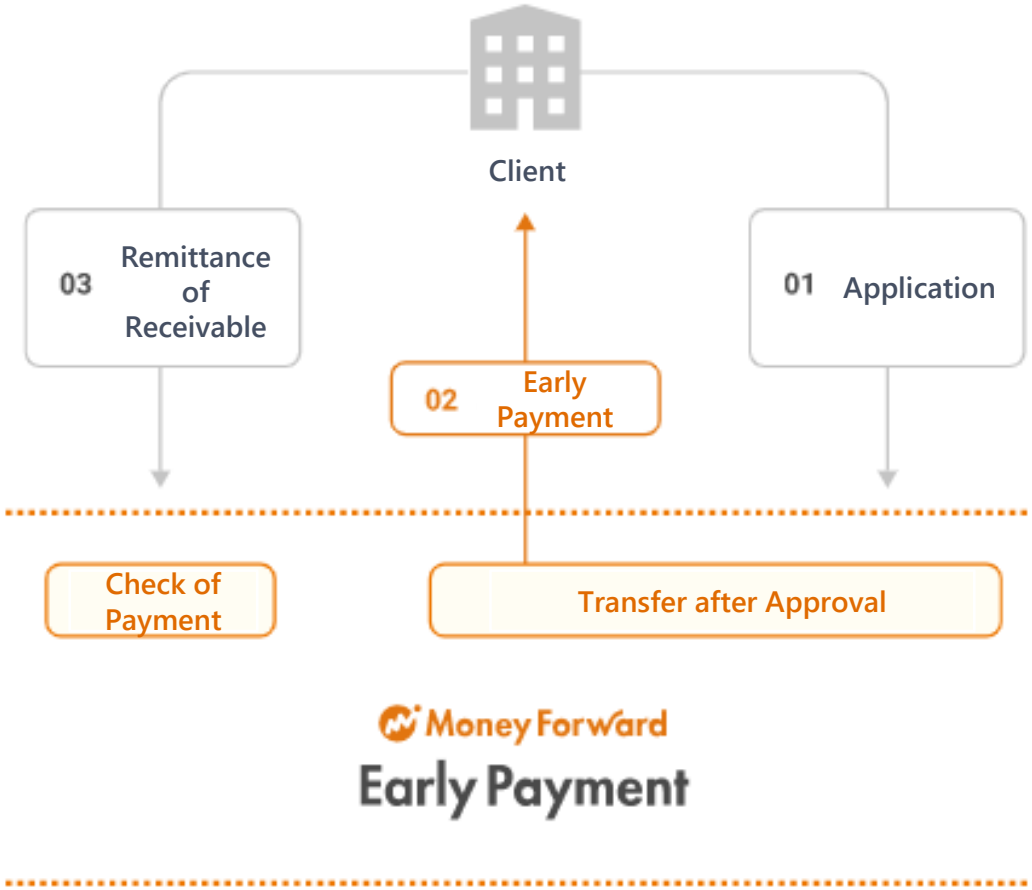
Check Payment Status

Send Reminder

* Only when the prescribed conditions by Money Forward Kessai, Inc. are met.

Money Forward Early Payment Accounts Receivable Financing

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



Disclaimer

The forward-looking statements and other contents included in this material are determined based on information currently available and may be subject to change due to macro economic trends, changes in the market environment or industry in which the Group operates, or for other internal/external factors. Money Forward, Inc. shall not represent or warrant the accuracy or completeness of the information contained in this material.
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