Translation

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August 23, 2024

Company Name: Money Forward, Inc.
Representative: Yosuke Tsuji
Representative Director, President and CEO
(Securities Code: 3994,
Stock Exchange: TSE Prime)
Inquiries: Naoya Kanesaka
Director, Group Executive Officer, CFO and CSO
(TEL: +81-3-6453-9160)

Notice Regarding Company Split (Simplified Absorption-Type Company Split) with Wholly Owned Subsidiary

Money Forward, Inc. (the "Company") hereby announces that at today's Board of Directors meeting, it resolved to transfer the rights and obligations of its fintech-related business (business that provides various payment methods including cards and digital wallets to business operators; the "Business"), centered on *Money Forward Pay for Business,* to its wholly owned subsidiary Money Forward Kessai, Inc. ("Money Forward Kessai") through a company split (simplified absorption-type company split), with the effective date scheduled for March 1, 2025.

As the company split is a simplified absorption-type company split with the Company's wholly owned subsidiary, certain items and details are omitted from this disclosure.

1. Purpose of Company Split

Money Forward Group offers a wide range of financial services with the aim of resolving business operators' issues regarding payment and cash flow. Money Forward Group will therefore carry out a company split to consolidate such financial businesses with high affinity for the purpose of streamlining operations and reinforcing governance, as well as driving flexible and agile business strategies, including for obtaining permissions and approvals.

2. Outline of Company Split

(1) Date of Company Split

Date of resolution by Board of Directors (approval of absorption-type company split agreement) (The Company and Money Forward Kessai)	August 23, 2024
Date of conclusion of absorption-type company split agreement	August 23, 2024
Date of resolution by general meeting of shareholders (approval of absorption-type company split agreement) (Money Forward Kessai)	August 23, 2024
Effective date of company split	March 1, 2025 (plan)

* Pursuant to the provisions of Article 784, paragraph 2 (Simplified Absorption-type Company Split) of Japan's Companies Act, the Company will carry out the company split without obtaining approval at the Company's general meeting of shareholders.

(2) Method of Company Split

The method is a simplified absorption-type company split in which the Company is the splitting company and Money Forward Kessai is the succeeding company.

(3) Details of Allotment Related to Company Split

Money Forward Kessai will issue 30 shares of common stock accompanying the company split, all of which will be allotted to the Company.

(4) Handling of Share Acquisition Rights and Convertible Bonds Accompanying Company Split

There will be no change in the handling of share acquisition rights and convertible bonds issued by the Company as a result of the company split.

(5) Changes in Capital Resulting from Company Split

There will be no changes in the Company's capital as a result of the company split.

(6) Rights and Obligations to Be Transferred to Succeeding Company

Of the assets, liabilities, contractual statuses, and other rights and obligations related to the Business, those stipulated in the absorption-type company split agreement will be transferred to Money Forward Kessai.

(7) Prospects for Fulfillment of Obligations

The Company has determined that it does not foresee the succeeding company facing any problems in fulfilling the obligations it will bear after the effective date of the company split.

3. Overview of Companies Involved in Company Split

	Splitting company (the Company) (as of November 30, 2023)	Succeeding company (as of November 30, 2023)
(1) Company name	Money Forward, Inc.	Money Forward Kessai, Inc.
(2) Address	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Yosuke Tsuji Representative Director, President and CEO	Naomichi Tomiyama Representative Director and President
(4) Business description	Development and provision of personal financial management (PFM) and cloud services	Development and provision of financial services
(5) Capital	26,716 million yen	100 million yen
(6) Date of incorporation	May 18, 2012	March 16, 2017
(7) No. of shares issued	54,235,305 shares	20,070 shares
(8) Fiscal year-end	November 30	November 30
(9) Major shareholders and ownership ratio	Yosuke Tsuji 16.76% The Master Trust Bank of Japan, Ltd. (trust account) 13.42%	The Company 100.00%
(10) Financial data and earnings in most recent fiscal year		
Fiscal year	FY11/23 (consolidated)	FY11/23
Net assets	34,660 million yen	477 million yen
Total assets	88,282 million yen	11,913 million yen
Net assets per share (yen)	514.09 yen	23,767.73 yen
Net sales	30,380 million yen	1,254 million yen
Operating profit	-6,329 million yen	56 million yen
Ordinary profit	-6,738 million yen	18 million yen
Profit attributable to owners of parent	-6,315 million yen	51 million yen
Earnings per share (yen)	-116.98 yen	2,579.27 yen

4. Overview of Business to Be Split

(1) Details of Business to Be Split

Fintech business centered on *Money Forward Pay for Business*, which offers various means of payment such as cards and digital wallets to business operators.

(2) Financial Performance of the Business to Be Split

Net sales: 1,168 million yen (for the fiscal year ended November 2023)

(3) Accounts and Values of Assets and Liabilities to Be Split (as of May 31, 2024)

Assets		Liabilities	
Account	Book value	Account	Book value
Current assets	3,997 million yen	Current liabilities	4,213 million yen
Non-current assets	317 million yen	Non-current liabilities	—
Total	4,369 million yen	Total	4,213 million yen

(Note) The values of assets and liabilities to be split will be finalized by adjusting the above figures for any changes incurred up to the effective date of the company split.

5. Status after Company Split

The company split will not result in any changes in the Company's name and address, the name and title of its representative, and its business description, capital, or fiscal year-end.

6. Future Outlook

As the company split will be executed between the Company and its wholly owned subsidiary, the impact on the Company's consolidated financial results will be minimal.