Translation

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(Update on Disclosed Matter) Notice Regarding Conclusion of Definitive Agreement on Joint Venture

Money Forward, Inc. (the "Company") hereby announces that at today's Board of Directors meeting, it resolved to conclude a legally binding agreement (the "Definitive Agreement") with Sumitomo Mitsui Card Company, Limited (headquartered in Koto-ku, Tokyo; represented by Yukihiko Onishi, President and Representative Director; "SMCC") concerning a joint venture as per the "Notice Regarding Conclusion of Basic Agreement with Sumitomo Mitsui Card Company, Limited on Business Succession through Company Split (Simplified Absorption-Type Company Split) and Establishment of Joint Venture as Consolidated Subsidiary" issued on July 17, 2024.

Contents that were updated since the previous timely disclosure are underlined below. Contents that were disclosed as a "plan" in the previous disclosure have been implemented or determined as scheduled.

1. Establishment of the New Subsidiary

The Company established Money Forward Home, Inc. (the "New Subsidiary") as a wholly owned subsidiary on the premise of converting it to a joint venture with SMCC.

(1) Outline of the New Subsidiary (at the time of establishment)

(1) Company name	Money Forward Home, Inc.
(2) Address	3-1-21 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Yosuke Tsuji, Representative Director and President
(4) Business description	Development and provision of PFM services
(5) Capital	500,000 yen
(6) Date of incorporation	August 1, 2024
(7) Fiscal year-end	November 30
(8) Major shareholders and ownership ratio	The Company 100%

(2) Date of Establishment of the New Subsidiary

Resolution of the Board of Directors (the Company)	July 17, 2024
Establishment of subsidiary by the Company	August 1, 2024

2. Company Split (the Split)

At a Board of Directors meeting on August 23, 2024, the Company resolved to transfer its Money Forward Home domain business (Note 1) targeting individuals (the "Business"), including the PFM service *Money Forward ME*, to the New Subsidiary through a company split (a simplified absorption-type company split; the "Split") and subsequently concluded an absorption-type company split agreement on the same day.

(Note 1) "Money Forward Home domain business" provides individuals with services for dealing with "money," including *Money Forward ME*, *Money Forward Fixed Cost Review*, and *Money Forward Financial Planning*.

(1) Outline of the Split

1 Date of the Split

Date of resolution by the Board of Directors (approval of the absorption-type company split agreement) (the Company)	August 23, 2024
Date of Determination of directors (approval of absorption-type company split agreement) (the New Subsidiary)	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) (the New Subsidiary) (Note 2)	August 23, 2024
Effective date of the Split	November 1, 2024

(Note 2) 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 Split without obtaining approval at the Company's general meeting of shareholders.

2 Method of the Split

The method is a simplified absorption-type company split in which the Company is the splitting company and the New Subsidiary is the succeeding company.

3 Details of Allotment Related to the Split

The New Subsidiary will issue 328,000 shares of common stock accompanying the Split, all of which will be allotted to the Company.

4 Handling of Share Acquisition Rights and Convertible Bonds Accompanying the 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 Split.

5 Changes in Capital Resulting from the Split

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

6 Rights and Obligations to Be Succeeded to by the New Subsidiary

The New Subsidiary shall succeed to the assets and liabilities, contractual rights and obligations, and the status thereof related to the Business as of the effective date, unless otherwise provided for in the absorption-type company split agreement to be concluded with the Company.

7 Prospects for Fulfillment of Obligations

The Company has determined that it does not foresee the New Subsidiary facing any problems in fulfilling the obligations it will bear after the effective date of the Split.

(2) Overview of Companies Involved in the Split

	Splitting company (the Company) (as of November 30, 2023)	Succeeding company (the New Subsidiary)
(1) Company name	Money Forward, Inc.	Money Forward Home, Inc.
(2) Address	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo	3-1-21 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Yosuke Tsuji Representative Director, President and CEO	Yosuke Tsuji Representative Director and President
(4) Business description	Development and provision of PFM and cloud services	Development and provision of PFM services
(5) Capital	26,716 million yen	500,000 yen
(6) Date of incorporation	May 18, 2012	August 1, 2024
(7) No. of shares issued	54,235,305 shares	338,000 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%

(3) Financial Earnings and Data in Previous Fiscal Year of the Split Company

Fiscal year	Fiscal year ended November 30, 2023 (consolidated)
Net assets	34,660 million yen
Total assets	88,282 million yen
Net assets per share	514.09 yen
Net sales	30,380 million yen
Operating profit	-6,329 million yen
Ordinary profit	-6,738 million yen
Loss attributable to owners of parent	-6,315 million yen
Earnings per share	-116.98 yen

(4) Overview of Business Unit to Be Split

1 Details of Business to Be Split

The Company’s Money Forward Home domain business targeting individuals.

The business succession will not include businesses in Money Forward Home domain that are deployed by the Company’s subsidiaries or shares of the Company's subsidiaries in Money Forward Home domain.

2 Financial Performance of Business to Be Split

Net sales: 3,523 million yen (for the fiscal year ended November 30, 2023)

3 Accounts and Values of Assets and Liabilities to Be Split (as of February 29, 2024) (Note 3)

Assets		Liabilities	
Account	Book value	Account	Book value
Current assets	838 million yen	Current liabilities	1,048 million yen
Non-current assets	435 million yen	Non-current liabilities	7 million yen
Total	1,274 million yen	Total	1,056 million yen

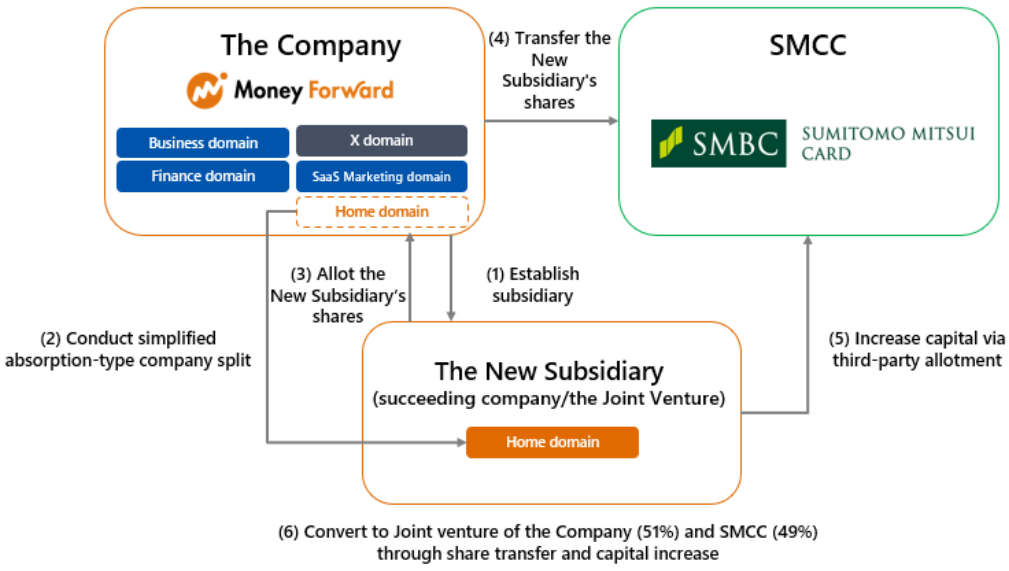
(Note 3) The values of assets and liabilities to be split will be finalized by adjusting the above figures for any changes incurred up to the effective date of the Split.

(5) Status after the Split

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

3. Conversion of the New Subsidiary to Joint Venture

Through the transfer of a portion of the New Subsidiary's shares from the Company to SMCC (the "Transfer"), and the issuance of shares by the New Subsidiary through a capital increase by way of a third-party allotment to SMCC and the subscription to and payment for such shares by SMCC (the "Investment"), the New Subsidiary will become a joint venture of the Company and SMCC (the Joint Venture), with the Company owning 51% and SMCC 49%. The Joint Venture will continue to be a consolidated subsidiary of the Company.



(1) Outline of Partner of the Joint Venture

(1) Company name	Sumitomo Mitsui Card Company, Limited (SMCC)	
(2) Address	SMBC Toyosu Bldg.,2-2-31,Toyosu Koto-Ku Yokyo,135-0061	
(3) Name and title of representative	Yukihiko Onishi President and Representative Director	
(4) Business description	Credit card, debit card, prepaid card, and other payment businesses and loan, credit guarantee, gift card, and other auxiliary businesses	
(5) Capital	34,000 million yen	
(6) Date of incorporation	December 26, 1967	
(7) Major shareholders and ownership ratio	SMFG 100%	
(8) Relationship with the Company	Capital relationship	There are no applicable matters.
	Human relationship	There are no applicable matters.
	Business relationship	There are transactions related to *Money Forward Business Visa Cards* issued by the Company. In addition, the Company has banking transactions and transactions related to API connections with Sumitomo Mitsui Banking Corporation, a group company of SMCC.
	Related parties	There are no applicable matters.

(9) Non-consolidated financial earnings and data of SMCC over the last three years (million yen)

Fiscal year	FY3/22	FY3/23	FY3/24
Net assets	963,520	999,909	1,163,503
Total assets	2,852,233	3,400,081	4,401,273
Net assets per share (yen)	90,264	93,673	108,999
Operating revenue	300,221	351,281	454,968
Operating profit	15,808	16,525	24,185
Ordinary profit	19,052	16,514	24,162
Profit attributable to owners of parent	12,431	11,449	18,560
Earnings per share (yen)	1,164	1,073	1,739
Dividends per share (yen)	465.86	429.04	956.33

(2) Outline of the Transfer

(1) Transferee	SMCC
(2) No. of shares held before transfer	0 shares
(3) No. of shares to be transferred	140,000 shares
(4) Transfer price	14,000 million yen
(5) No. of shares held after transfer	140,000 shares
(6) Basis for calculation of transfer price	The Company requested Mizuho Securities Co., Ltd. (Chiyoda-ku, Tokyo), a third-party organization, to estimate the share value. The discounted cash flow (DCF) method was adopted in estimations. The Company has set the share value of the New Subsidiary (before the Investment) to 33,800 million yen, which is within the range of the share valuation estimated by the third-party valuation organization.

(3) Outline of the Investment

(1) Allottee	SMCC
(2) No. of shares to be issued	Common stock: 50,000 shares
(3) Issue price	100,000 yen per share
(4) Total issue price	5,000 million yen
(5) Payment date	December 2024
(6) Increase in capital and capital reserve	Capital: 2,500 million yen Capital reserve: 2,500 million yen
(7) Basis for calculation of issue price	As specified in "(6) Basis for calculation of transfer price" under "(2) Outline of the Transfer."
(8) Use of procured funds	The procured funds will be allocated toward the business growth of the New Subsidiary.

(4) Business of the Joint Venture

The Joint Venture plans to deploy the businesses described below by combining the user base and data of *Money Forward ME*—Japan's No. 1 PFM and asset management app in terms of the number of users and brand recognition (Note 4)—with *Olive* and other numerous high-quality financial services provided on SMFG's platform for the purpose of delivering innovative services to individual customers.

1 Operations of the Business

2 Planning and development of new functions and services as well as marketing activities

3 Development and provision of systems required in new services to be released on SMFG's platform

(Note 4) Outline of Survey

Survey outsourced to: Macromill, Inc.

Survey on "No.1 PFM app" to which 1,034 PFM app users in their 20s to 60s responded / Survey on "No.1 asset management app" to which 1,035 asset management app users in their 20s to 60s responded

Survey period: September 11–12, 2023

Survey method: online survey

(5) Outline of the Joint Venture After the Transfer and the Investment

(1) Company name	Money Forward Home, Inc.	
(2) Address	3-1-21 Shibaura, Minato-ku, Tokyo	
(3) Name and title of representative	Yukihiko Onishi, Representative Director and Chairperson Yosuke Tsuji, Representative Director and President	
(4) Business description	Development and provision of PFM services	
(5) Capital	2,500 million yen	
(6) Date of incorporation	August 1, 2024	
(7) Fiscal year-end	November 30	
(8) Investment ratio	（Before the Transfer and the Investment) The Company 100% (After the Transfer and the Investment) The Company 51% SMCC 49%	
(9) Relationship between the Company and the Joint Venture	Capital relationship	The Company's ownership of the Joint Venture will be 100% at the time of its establishment. After the Transfer and the Investment, the Company is expected to own 51% and SMCC 49% of the Joint Venture.
	Human relationship	As of the time of establishment, two directors and one company executive officer of the Company are concurrently serving as directors of the Joint Venture, and one employee of the Company as an auditor of the Joint Venture. After the Transfer, SMCC plans to appoint three of its officers and employees as directors of the Joint Venture. The Company’s employees who engage in the Business will continue to engage in the Business at the Joint Venture.
	Business relationship	Once its operations commence, the Joint Venture will have business relationships with the Company, including outsourcing system development and other activities to the Company.

(6) Financial Outlook of the Joint Venture

The financial outlook of the Joint Venture will be discussed between the two companies and as such, details have yet to be determined.

(7) Date of Conversion to Joint Venture

Resolution of Board of Directors (the Company)	September 26, 2024
Date of Conclusion of the Definitive Agreement	September 26, 2024
Date of execution of the Transfer	November 2024
Date of payment of the Investment	December 2024

4. Future Outlook

The Company believes that the deal will contribute to its financial performance and corporate value over the medium to long term. The Company will analyze the impact of the deal on its financial performance and promptly disclose any matters that require disclosure.

Accompanying the Transfer, the Company expects to record up to 14 billion yen in extraordinary income (gain on sale of shares of subsidiaries and associates) in its non-consolidated financial statements, assuming that the transfer price is the value specified in “3. Conversion of the New Subsidiary to Joint Venture.” Meanwhile, although capital surplus will increase on a consolidated basis, the impact of the transaction on consolidated profit and loss will be minimal, because the Joint Venture will continue to be a consolidated subsidiary of the Company.