Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended August 31, 2024 [Japanese GAAP]

October 15, 2024

Company name: Money Forward, Inc.
Listing: Tokyo
Securities code: 3994
URL: https://corp.moneyforward.com
Representative: Yosuke Tsuji Representative Director, President and CEO
Inquiries: Shun Matsuoka Group Executive Officer and Accounting Department Manager
Telephone: +81-3(6453)9160
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Nine Months Ended August 31, 2024 (December 1, 2023 to August 31, 2024)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		SaaS ARR		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2024	29,673	37.5	27,954	32.3	1,483	-	(2,837)	-	(3,287)	-	(3,712)	-
August 31, 2023	21,584	41.1	21,134	40.4	(1,660)	-	(4,564)	-	(4,943)	-	(4,935)	-

(Note) Comprehensive income: Nine months ended August 31, 2024: ¥ (4,147) million [-%]
Nine months ended August 31, 2023: ¥ (3,923) million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
August 31, 2024	(68.28)	-
August 31, 2023	(91.51)	-

(Note 1) SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of STREAMED, its MRR is calculated as one-third of the revenue from STREAMED in Q1 and Q2 of each fiscal year (rounded to the nearest million yen).

(Note 2) EBITDA=Operating profit(loss) + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses.

(Note 3) Diluted earnings per share for the six months ended August 31, 2024 is not disclosed although the company has dilutive shares, due to its net loss position.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
August 31, 2024	87,548	33,431	28.4
November 30, 2023	88,282	34,660	31.5

(Reference) Equity: As of August 31, 2024: ¥ 24,900 million
As of November 30, 2023: ¥ 27,822 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended November 30, 2023	-	0.00	-	0.00	0.00
Fiscal year ending November 30, 2024	-	0.00	-		
Fiscal year ending November 30, 2024 (Forecast)				0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending November 30, 2024(December 1, 2023 to November 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		SaaS ARR		EBITDA	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	39,500 ~42,000	30.0 ~38.3	30,005 ~31,613	29.6 ~36.6	1,000 ~3,000	-

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	(3,898) ~(1,898)	-	(4,397) ~(2,397)	-	(4,725) ~(2,725)	-	(86.92) ~(50.13)

(Note 1) Revisions to most recent financial forecast: None

(Note 2) Rounded to the nearest million yen.

(Note 3) SaaS ARR is 12 times the monthly recurring revenue of Home, Business, X and Finance domains in the last month of each term. In order to adjust for seasonal factors of STREAMED, its MRR is calculated as one-third of the revenue from STREAMED in Q1 and Q2 of each fiscal year (rounded to the nearest million yen).

(Note 4) EBITDA=Operating profit(loss) + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration.

(Note 5) The advertising expenses to sales ratio are expected to be 15.0-17.0%, and the personnel and subcontract expenses to sales ratio are expected to be 64.0-69.0%.

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: Yes

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

August 31, 2024:	54,675,360	shares
November 30, 2023:	54,235,305	shares

2) Number of treasury shares at the end of the period:

August 31, 2024:	139,086	shares
November 30, 2023:	115,124	shares

3) Average number of shares outstanding during the period:

Nine months ended August 31, 2024:	54,370,793	shares
Nine months ended August 31, 2023:	53,936,687	shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Cautionary statement regarding forward-looking statements)

The forward-looking statements in this document, including earnings forecasts, are based on information currently available and assumptions that the company believes are reasonable. These statements are not guarantees of future performance, and actual results may differ significantly due to various factors.

(Obtaining Presentation Materials and Presentation Content)

The company plans to hold a financial results briefing call for institutional investors and securities analysts on October 15, 2024. The presentation materials used on that day will be posted on the company's website.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	38,855,733	29,428,665
Notes and accounts receivable - trade, and contract assets	4,139,325	5,003,352
Operational investment securities	3,667,981	4,816,380
Inventories	12,008	46,284
Purchased receivables	5,827,883	6,203,831
Allowance for doubtful accounts	(155,775)	(104,419)
Other	2,650,063	4,867,000
Total current assets	54,997,220	50,261,095
Non-current assets		
Property, plant and equipment	1,163,345	1,054,889
Intangible assets		
Goodwill	3,843,595	3,552,699
Customer-related intangible assets	-	414,324
Software	7,848,892	9,371,419
Software in progress	1,772,113	3,080,256
Other	459	411
Total intangible assets	13,465,061	16,419,112
Investments and other assets		
Investment securities	16,640,845	17,622,570
Leasehold and guarantee deposits	984,183	1,046,137
Allowance for doubtful accounts	-	(28,146)
Other	1,031,754	1,173,293
Total investments and other assets	18,656,783	19,813,855
Total non-current assets	33,285,190	37,287,857
Total assets	88,282,410	87,548,952

(Thousands of yen)

	As of November 30, 2023	As of August 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	370,317	320,204
Short-term borrowings	4,937,000	9,043,000
Current portion of long-term borrowings	3,488,750	3,495,300
Accounts payable - other	8,563,985	6,554,046
Accrued expenses	1,519,897	2,135,275
Income taxes payable	219,037	176,024
Deposits received	5,422,686	3,132,528
Contract liabilities	4,849,429	6,094,441
Provision for bonuses	297,960	237,346
Provision for bonuses for directors (and other officers)	80,042	52,974
Provision for point card certificates	260,316	254,392
Other	771,154	633,487
Total current liabilities	30,780,576	32,129,022
Non-current liabilities		
Long-term borrowings	8,947,869	8,011,419
Convertible-bond-type bonds with share acquisition rights	12,000,000	12,000,000
Bonds payable	1,000,000	1,000,000
Retirement benefit liability	6,454	6,803
Provision for bonuses	6,288	6,724
Provision for directors' bonuses	1,317	1,108
Other	879,440	962,094
Total non-current liabilities	22,841,370	21,988,150
Total liabilities	53,621,947	54,117,172
Net assets		
Shareholders' equity		
Share capital	26,716,695	27,194,389
Capital surplus	7,595,957	2,358,508
Retained earnings	(8,378,442)	(6,375,595)
Treasury shares	(1,352)	(1,682)
Total shareholders' equity	25,932,858	23,175,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,766,439	1,580,314
Foreign currency translation adjustment	123,445	144,114
Total accumulated other comprehensive income	1,889,884	1,724,428
Share acquisition rights	504,492	1,368,224
Non-controlling interests	6,333,228	7,163,505
Total net assets	34,660,463	33,431,779
Total liabilities and net assets	88,282,410	87,548,952

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended August 31, 2023	For the nine months ended August 31, 2024
Net sales	21,584,117	29,673,563
Cost of sales	7,988,809	9,747,727
Gross profit	13,595,308	19,925,835
Selling, general and administrative expenses	18,159,930	22,762,950
Operating loss	(4,564,622)	(2,837,114)
Non-operating income		
Interest income	502	5,416
Dividend income	1,350	-
Subsidy income	3,353	4,447
Other	5,534	8,313
Total non-operating income	10,741	18,176
Non-operating expenses		
Interest expenses	100,830	113,419
Bond issuance costs	105,346	-
Foreign exchange losses	43,138	20,755
Loss on investments in investment partnerships	29,084	84,889
Share of loss of entities accounted for using equity method	103,744	238,673
Other	7,110	11,049
Total non-operating expenses	389,254	468,788
Ordinary loss	(4,943,135)	(3,287,725)
Extraordinary income		
Gain on reversal of share acquisition rights	1,279	284
Total extraordinary income	1,279	284
Extraordinary losses		
Loss on retirement of non-current assets	7,680	795
Loss on valuation of investment securities	-	9,999
Total extraordinary losses	7,680	10,795
Loss before income taxes	(4,949,537)	(3,298,236)
Income taxes	159,247	184,954
Loss	(5,108,784)	(3,483,191)
Profit (loss) attributable to non-controlling interests	(172,921)	229,103
Loss attributable to owners of parent	(4,935,863)	(3,712,294)

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousands of yen)

	For the nine months ended August 31, 2023	For the nine months ended August 31, 2024
Loss	(5,108,784)	(3,483,191)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,167,724	(684,566)
Foreign currency translation adjustment	16,606	20,669
Share of other comprehensive income of entities accounted for using equity method	1,451	(883)
Total other comprehensive income	1,185,782	(664,781)
Comprehensive income	(3,923,002)	(4,147,972)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(4,338,395)	(3,877,750)
Comprehensive income attributable to non-controlling interests	415,392	(270,222)