Translation

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November 19, 2024

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Representative: Yosuke Tsuji
Representative Director, President and CEO
(Securities Code: 3994,
Stock Exchange: TSE Prime Section)
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Notice Regarding Risk of Uncollectibility of Receivables at a Consolidated Subsidiary

Money Forward, Inc. (the "Company"), hereby announces that the Company recognized a risk that the receivables to a transaction counterparty (the "Counterparty") of the Company's consolidated subsidiary, Money Forward Kessai, Inc. ("Kessai") may become delayed or uncollectible, and recorded an operating loss accordingly. This recognition is based on the fact that Kessai received a bankruptcy commencement notification regarding Hitoiro Co., Ltd. (hereinafter referred to as "Hitoiro"), stating that bankruptcy proceedings have been initiated against the company on the evening of November 18, 2024 (hereinafter referred to as "this information"). The Company obtained this information through Kessai on the same day. Consequently, there is a risk of uncollectibility or delay in the collection of receivables from this transaction counterparty, and an operating loss has occurred.

1. Overview of Kessai

(1)	Name	Money Forward Kessai, Inc.
(2)	Location	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo
(3)	Job title and name of representative	Representative Director and President, Naomichi Tomiyama
(4)	Description of business	Development and offering of BPO and online invoicing service, *Money Forward Kessai,* fundraising service for startups, *Money Forward Transaction Finance for Startups*, invoice card payment service for startups, *Money Forward Invoice Card Pay for Startups*, and accounts receivable financing service, *Money Forward Early Payment*
(5)	Share capital	100 million yen

2. Overview of the Counterparty

(1)	Name	Hitoiro Co., Ltd.	
(2)	Location	2F, 2-1-17, Nihonbashi, Chuo-ku, Tokyo	
(3)	Job title and name of representative	Representative Director, Dan Takiyama	
(4)	Description of business	Business Strategy and Marketing Consulting, Internet Advertising Agency and Search Engine Optimization (SEO) Consulting	
(5)	Date of establishment	November 15, 2017	
(6)	Relationship between the Kessai and the counterparty	Capital relationship	None
		Personnel relationship	None
		Business relationship	Offering of *Money Forward Early Payment*
		Related party relationship	None

3. Course of events that lead to the risk of uncollectibility

Kessai received a bankruptcy commencement notification on the evening of November 18, 2024, stating that bankruptcy proceedings have been initiated against Hitoiro.

4. Type and amount of receivables to the Counterparty and provision of allowance for doubtful receivables

Transferred receivables, etc.: 106.375 million yen.

Provision of allowance for doubtful receivables as of the Quarter ending November 30, 2024: 10.638 million yen.

Kessai protects the transferred receivables related to *Money Forward Kessai*, *Money Forward Early Payment and Money Forward Transaction Finance for Startups*, with insurance, based on the contract between Money Forward Hosho, Inc., Kessai's guarantee organization and a consolidated subsidiary of the Company, and insurance companies. Although 106.375 million yen of the said receivables is fully covered by the insurance, 10% of the total loss is expected to be posted as a provision for allowance for doubtful receivables in the fiscal year ending November 30, 2024.

5. Future outlook

There is no change in full-year guidance due to the recognition of provision of allowance for doubtful receivables.