Acquisition (Group Join) of Shatoku, Inc.



Shatoku, which provides a company-leased housing management SaaS and service to provide Employee Benefit Housing, will join Money Forward Group

We aim to bolster business collaborations and create synergies.

Overview of Acquisition

Target company	Shatoku, Inc. Development and operation of *Shatoku*
Date of concluding agreement	November 27, 2024
Date of executing share acquisition	December 25 ,2024 (plan)
Acquisition price	Not disclosed
Money Forward's share ownership	100%
Funds for acquisition	Cash on hand
Impact on earnings	Shatoku's earnings forecast is expected to be incorporated in Money Forward's consolidated earnings forecasts from FY11/25[*1].

Expected Synergies from Acquisition

1. **Enhance user experience through service collaboration**
2. **Promote cross-selling**

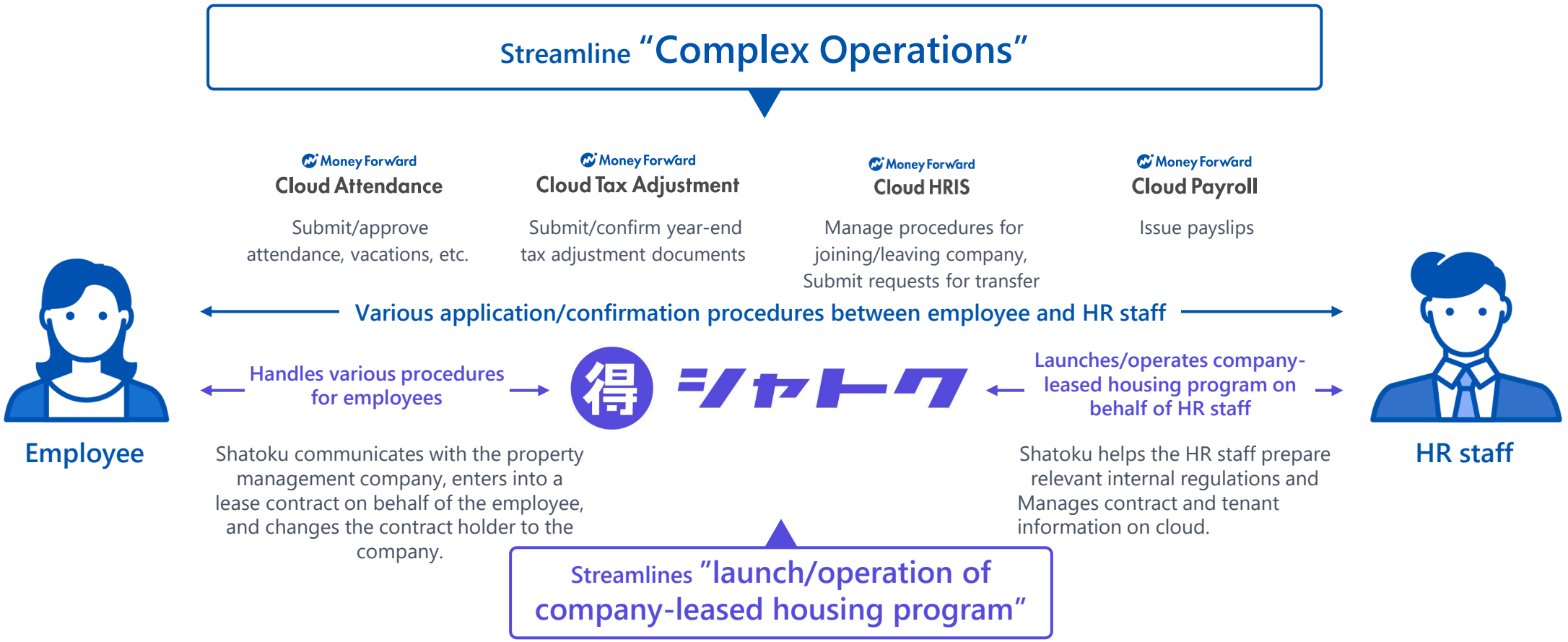
*1 Scheduled to be consolidated in January 2025.

Our M&A Strategy and Investment Track Record

Business area	Strategy	Track Records
Business + Home	**1 Expansion of Product Line-up** Business: Upsell products to existing customers (professional service firms and companies) for ARR expansion Business: Expand range of best-in-class solutions to further enhance line-up to medium to large-sized/pre-IPO companies and listed companies Home: Expand financial services and enhance value proposition	STREAMED (November 2017) Manageboard (July 2018) V-ONE Cloud (October 2020) HITTO (December 2021) Nexsol (May 2022) SUSTEN (June 2021) Caster (April 2024) New: 得 シャトーク (Scheduled for December 2024) * Susten Capital Management Inc. and Caster Co., Ltd. are equity method affiliates.
	2 Expansion of TAM (Geographical Expansion) ● Pursue future opportunities through access to cloud back-office SaaS markets in SEA and North America	mekari (Multiple follow-on investmsnts since January 2018) Bizzi (September 2021) MESH (August 2023) * We hold minority stakes in Mekari, Bizzi, and Mesh.
SaaS Marketing	**3 Expansion of TAM (Business Area Expansion)** ● Enter SaaS marketing business, which has large market potential	BOXIL SaaS (February 2020) BIZHINT (December 2023)

Expand HR Solutions in *Money Forward Cloud*

While *Money Forward Cloud* already covers HR solutions such as procedures for joining or leaving the company, payroll calculation, attendance management, and tax adjustments in various applications and communications with employees, *Shatoku* is expected to be used **to address the challenges in the area of employee benefits.**



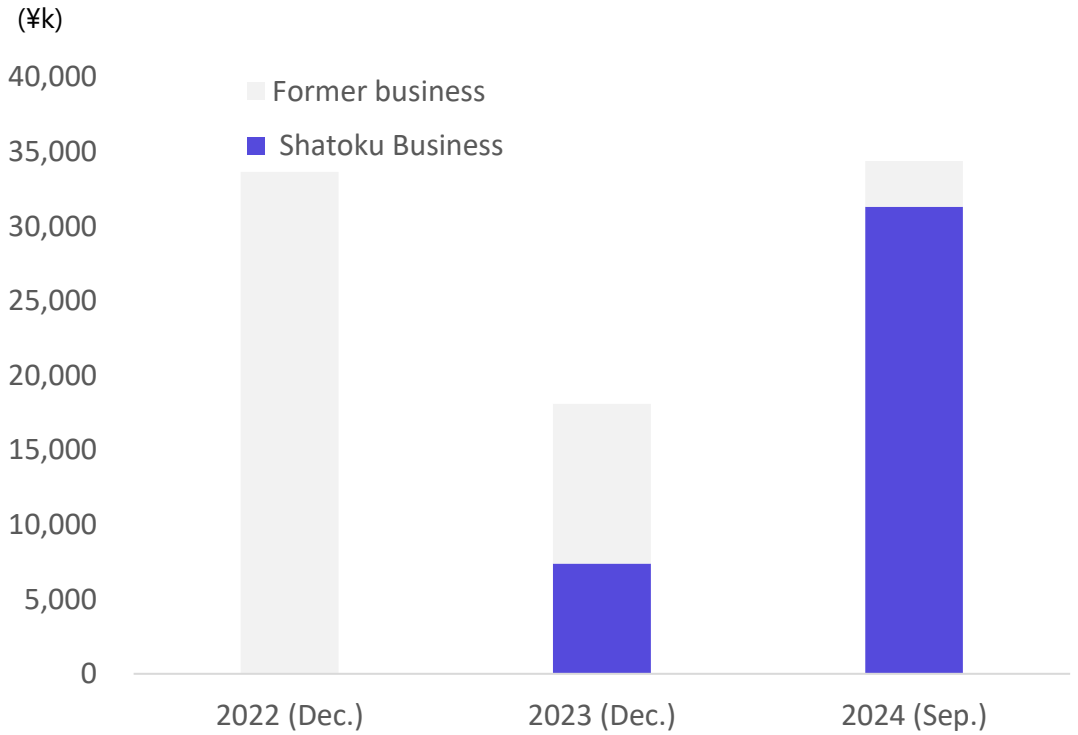
About Shatoku

About Shatoku

Corporate Profile

Company name	Shatoku, Inc.
Mission	Unlock the full potential of every employee's way of living
Established	January 11, 2018
Location	Shinjuku-ku, Tokyo
Capital	¥520 million (including capital reserve)
Business	Development and operation of *Shatoku*
License number	Real Estate Brokerage, Governor of Tokyo (1) No. 103159

Total Net Sales and Breakdown by Business



* The "Former business" is scheduled to end in November 2024

Management Team

Representative Director and CEO

Fumio Chiba

- Worked as an account manager at the London branch of NTT Europe Ltd.
- After returning to Japan, founded Discover and launched a crowdfunding-based e-commerce site. Discover was acquired by a listed company (Sharing Technology Inc.; securities code 3989) one year and eight months after its establishment.
- In 2019, founded Shatoku, Inc. (formerly NOW ROOM).

Director and COO

Yusuke Kashiwagi

- Worked in the consulting division of Japan Research Institute, Limited and the Strategy Unit of Deloitte Tohmatsu Consulting LLC.
- Assumed the role of director and COO at data management startup Nightley Inc.
- In March 2020, joined Shatoku, Inc. (formerly NOW ROOM) as director and COO.

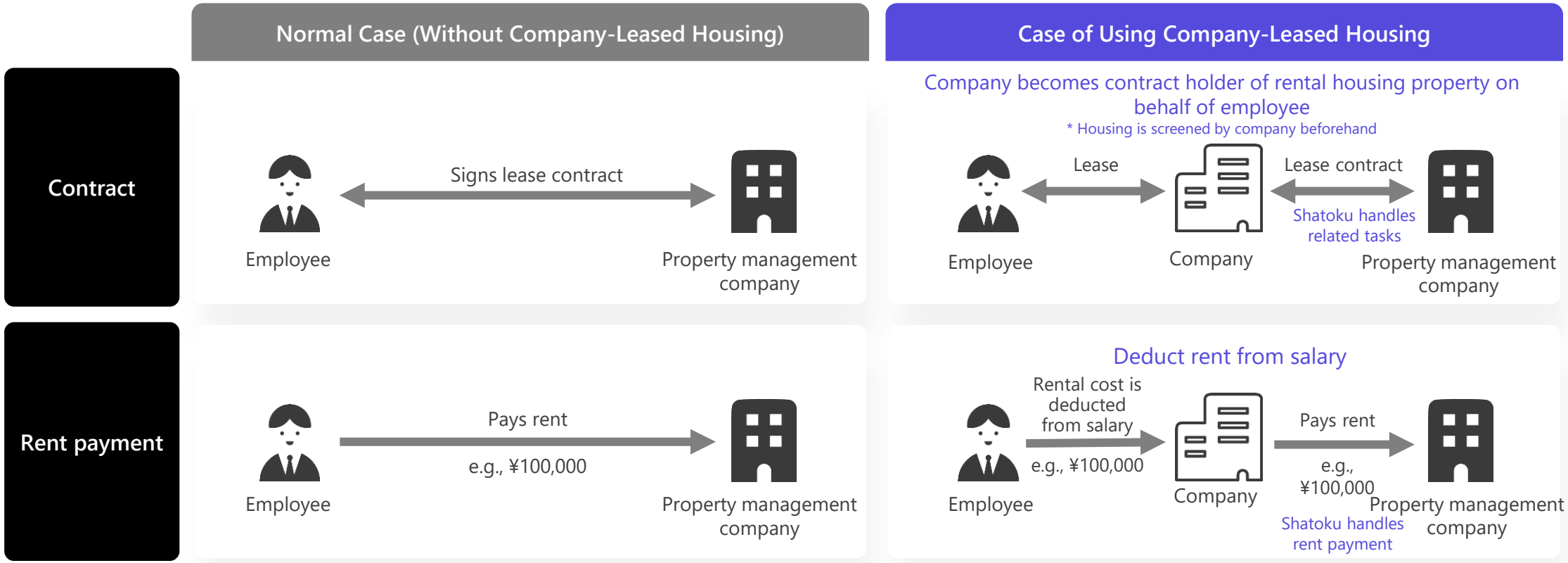
CTO

Naoya Makita

- Engaged in the development of systems targeting the public sector as a project manager and system engineer at infoNet Inc.
- Joined ClassAction, Inc., a legal tech startup, as a system engineer. ClassAction was later acquired by CROOZ, Inc.
- In November 2019, joined Shatoku (formerly NOW ROOM) as CTO.

What is Employee Benefits Housing?

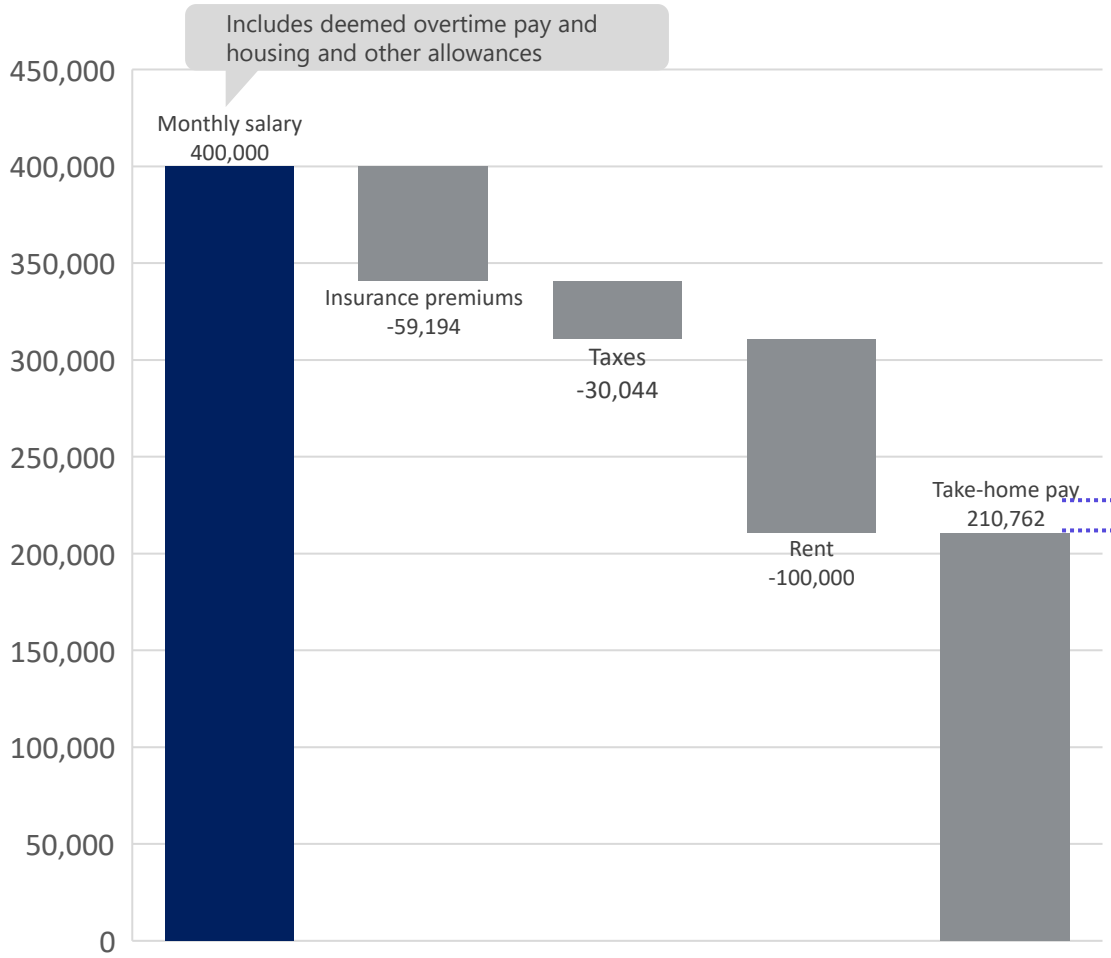
A scheme in which the company signs a lease contract on behalf of an employee and pays the rent, while deducting rental costs from the employee's salary. By utilizing this scheme, employees can lower their taxable income, which will lead to reductions in their social insurance premium and tax liabilities and thus, **an increase in their take-home pay**. Meanwhile, the company can also **save costs** by reducing its social insurance premium and tax liabilities.



What is Employee Benefits Housing?

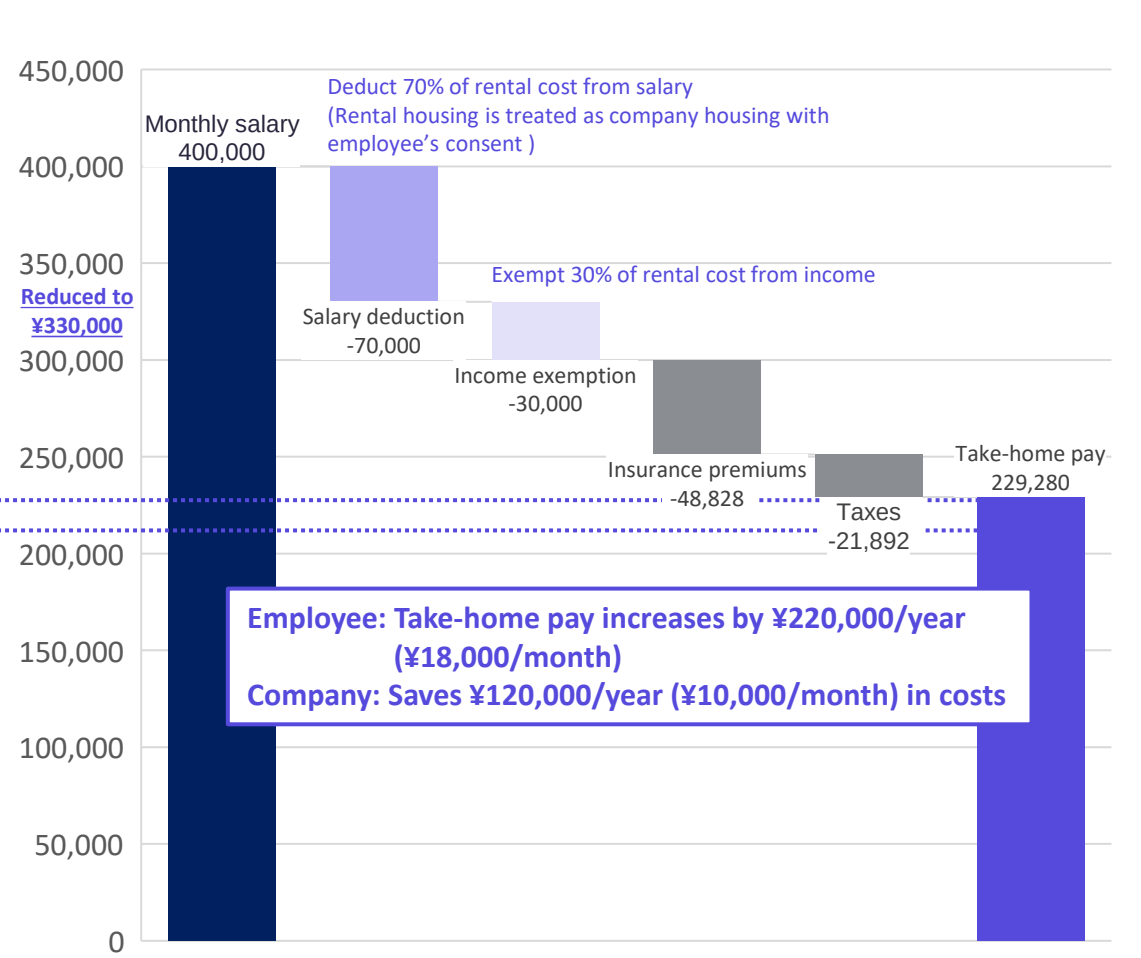
A case where an employee's monthly salary is ¥400,000 yen and rent is ¥100,000:

Normal Case (Without Company-Leased Housing)



* "Insurance premiums" are the sum of social and employment insurance.
"Taxes" are the sum of income and resident tax.

Case of Using Company-Leased Housing



* "Insurance premiums" are the sum of social and employment insurance.
"Taxes" are the sum of income and resident tax.

Benefits of Implementing *Shatoku Employee Benefits Housing* (Estimate)

Monthly salary (Includes allowances and deemed overtime pay)	Rent	Benfits for Employee	Discretionary income	Benefits for Company
¥300,000	¥80,000	¥13,000/month	Up 15.1%	¥8,400/month
¥400,000	¥100,000	¥18,000/month	Up 12.9%	¥10,000/month
¥500,000	¥150,000	¥27,000/month	Up 16.7%	¥13,000/month
¥700,000	¥200,000	¥51,000/month	Up 20.2%	¥16,000/month
¥1,000,000	¥300,000	¥74,000/month	Up 21.8%	¥10,000/month

* Changes in monthly income are reflected to the amount of monthly social insurance premium after four months.
* Since the maximum standard monthly remuneration for employees' pension premium is ¥680,000 , there are no additional benefits in terms of pension premium if one's salary exceeds this level.
* Since the maximum standard monthly remuneration for health insurance premium is ¥1,390,000, there are no additional benefits in terms of insurance premium if one's salary exceeds this level.
* "Discretionary income" is take-home pay minus rent and utility, food, transportation, and communication expenses (estimated at ¥70,000) . Please note that financial effects could vary depending on various conditions.

Example: Case in which 26 employees utilize company-leased housing
(10 employees with a monthly salary of ¥300,000, 10 employees with a monthly salary of ¥500,000, five employees with a monthly salary of ¥700,000, one employee with a monthly salary of ¥1 million)

- Combined take-home pay of all employees increases by roughly **¥8.8 million/year**.
- Company saves roughly ¥3.57 million/year in costs.

Shatoku Employee Benefits Housing

SaaS and outsourcing service that helps streamline the management of company-leased housing, thereby contributing to enhancing the work environment and boosting take-home pay of employees utilizing such housing.

Financial benefit for employees



Employee's take-home pay increases by **¥220,000**/year
(for an employee with a monthly salary of ¥400,000)

Virtually free of charge

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No initial costs and
virtually no operational costs
(The service fee of **¥4,900**/month per user can be offset by the cost reductions deriving from service usage)

Minimal time and effort



Launching and operating a company-leased housing program is **easy by adopting the SaaS and outsourcing operations to Shatoku**

Voices of Companies Using *Shatoku Employee Benefits Housing*

The service has been implemented among medium-sized and listed companies as well as fast-growing startups.

Intimate Merger, Inc. (Securities Code:7072)
We are grateful because managing and operating (a company-leased housing program) requires less resource than we expected, as Shatoku handles everything from facilitating briefing sessions for employees and processing all the necessary documents.

GLOE, Inc. (Securities Code: 9565)
Although other companies offer similar services, we selected *Shatoku Employee Benefits Housing* because it can be deployed even for a small number of users and Shatoku handles all related procedures.

NearMe, Inc.
We were able to actually see an increase in take-home pay after implementing the service and believe that the benefits are immense for both individuals and the company in the long run. It would be wonderful to see more startups adopting the service.

シャトーク × Money Forward Cloud

Special offer to first 100 companies that sign up!

Zero-cost campaign

※Money Forward will cover the initial costs for the name change fee, rent guarantee fee at the time of the name change, and the gratuity fee at the time of the name change. Any deductions or exemptions for social insurance premiums, etc., related to the use of this service may vary depending on your individual circumstances. We recommend consulting with a specialist or the tax office for more information.

If you are interested in the service, please contact us from the following link.

https://shatoku.com/contact/

Shatoku Employee Benefits Housing is schedule to be rebranded in early January 2025.

Synergy

Synergies Created by Acquisition (Group Join)

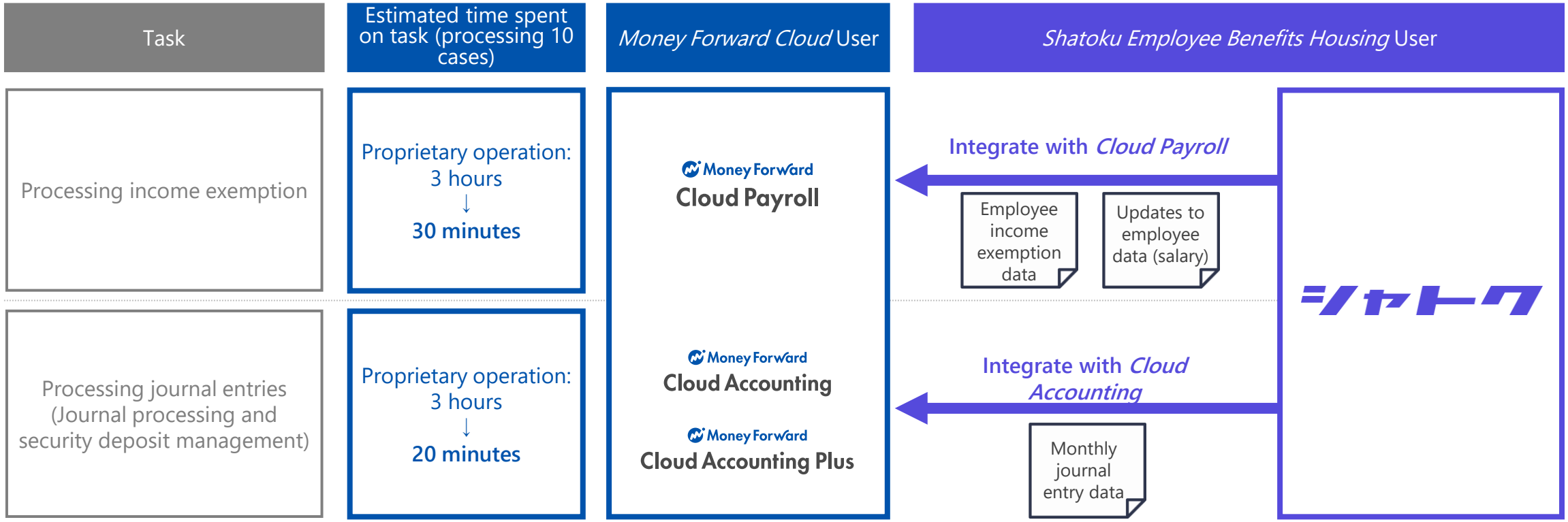


Synergies Created by Acquisition (Group Join)

1. Enhance user experience through service collaboration
2. Promote cross-selling

① Enhance user experience through service collaboration

Deliver unparalleled user experience through the combined use of *Money Forward Cloud* and *Shatoku Employee Benefits Housing* based on data integration via API (plan). Expected to improve ARPA and reduce churn rates through cross-selling.



※According to a survey by Shatoku

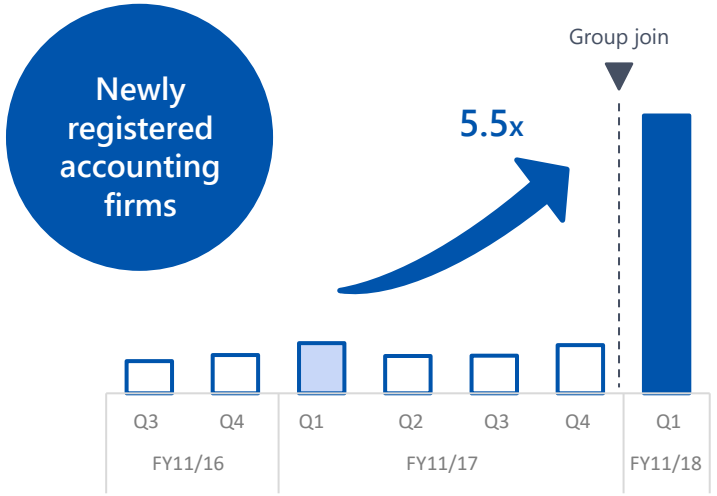
② Promote cross-selling

In past M&As, sales were driven by enhancing service integrations and collaborating in sales and marketing.

Klavis, Inc.

STREAMED

- Promoted cross-selling among professional service firms.
- New registrations increased 5.5-fold after joining the Group[*1].
- *STREAMED* has become one of the Group's core products targeting professional service firms.



Knowledge Labo, Inc.

Manageboard Money Forward

- Promoted cross-selling among professional service firms.
- New customers increased 6-fold after joining the Group[*2].
- Has recently been driving cross-selling among medium-sized companies as well.



*1 The number of new provisional registrations for *STREAMED*'s "accounting firm plan" in Q1 of FY11/18 vs. Q1 of FY11/17.
*2 Comparison of the number of new customers of *Manageboard* during the three-month period before and after joining the Group.



Unlock the full potential of every
employee's way of living



Business forward.
Move employees forward.

Work can be more liberating and fun. Thus, it is necessary to eliminate unessential burden from complex daily tasks and drastically change the quality of and time spent on work. We will revamp operations through digitalization and cloud adoption to bring forth a society where each and every employee can work with passion.



Money Forward. Move your life forward.

Appendix



Four Growth Strategies

1.  Enhance value of back-office SaaS platform with go-to-market strategy based on disciplined investment

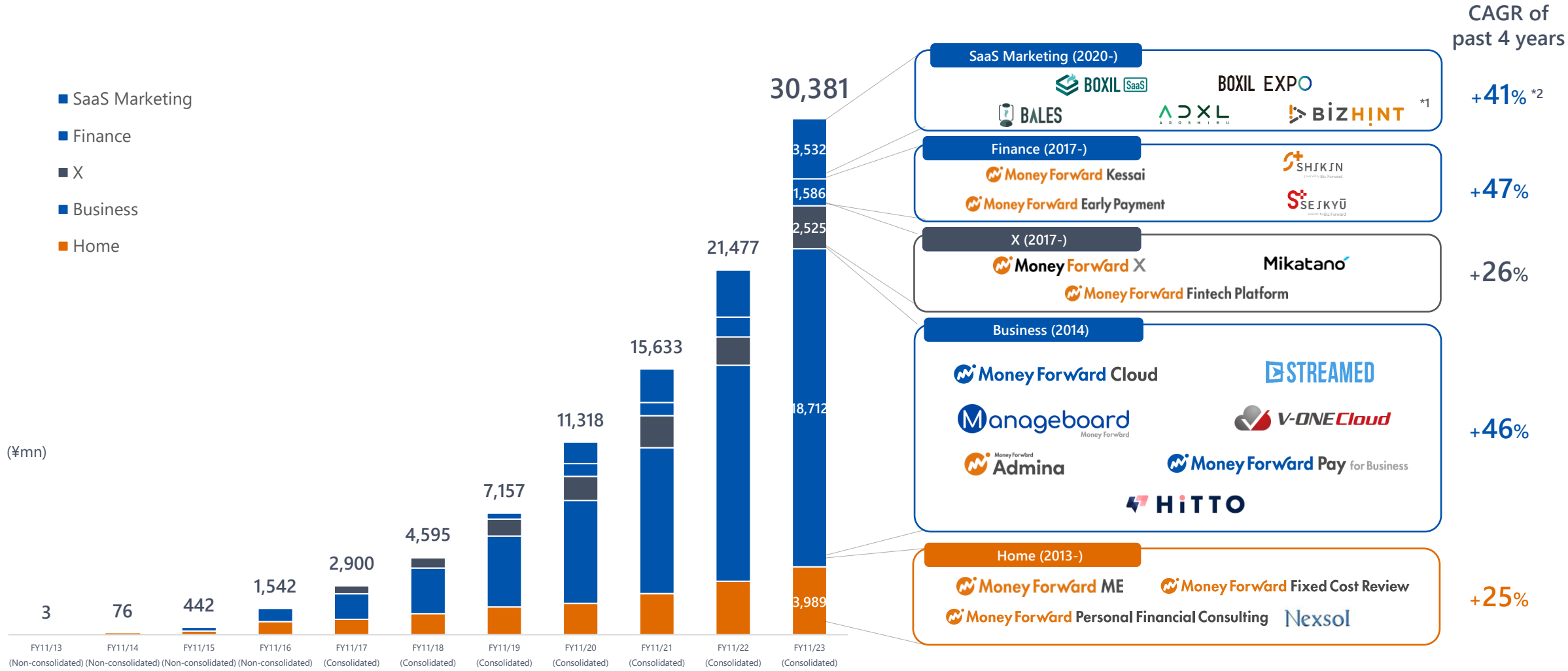
2.  Maximize synergies among domains and improve company-wide productivity

3.  Create new user value by integrating SaaS and Fintech

4.  Continue disciplined M&A (group join) and optimize group capital strategy

Growth Trajectory Since Founding

Expanding business scope through new business development and M&As (group joins) since our founding in 2012.



*1 BizHint will be consolidated from FY11/24. *2 The figure for SaaS Marketing domain is the CAGR of the past three years as the domain started recording revenue from FY11/20.

Disclaimer

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