Translation

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Notice Regarding Recording of Extraordinary Losses and Operating Expenses and Differences between Earnings Forecasts and Actual Results for Fiscal Year Ended November 30, 2024

Money Forward, Inc. (the "Company") hereby announces that it has recorded extraordinary losses and operating expenses in Q4 (from September 1 to November 30, 2024) of FY11/24 (fiscal year from December 1, 2023 to November 30, 2024) and that there are differences between the FY11/24 full-year earnings forecasts, released on January 12, 2024, and the actual results released today.

1. Recording of Extraordinary Losses

The Money Forward Home domain business (Note 1) has been focused on delivering financial services that solve issues that individual users identify through the visualization functions in the Company's PFM service (Note 2) *Money Forward ME* and had been developing relevant services since the fall of 2023.

Meanwhile, the Company has established a joint venture with Sumitomo Mitsui Card Company, Limited (SMCC), focused on B2C services including *Money Forward ME*, as announced in 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, and the "(Update on Disclosed Matter) Notice Regarding Conclusion of Definitive Agreement on Joint Venture," issued on September 26, 2024.

With the establishment of the joint venture, it has become possible to integrate *Money Forward ME* with the wide array of financial services offered in SMBC Group's *Olive*. The Company has therefore made the decision to discontinue the developments of financial services it had been working on. Accompanying this decision, the Company booked an impairment based on the "Accounting Standard for Impairment of Fixed Assets" for the financial services that it had been developing and also paid contract cancellation fees to its development partners. As a result, the Company registered a total of 192 million yen in extraordinary losses.

(Note 1) "Money Forward Home domain business" provides individuals with services for dealing with "money."
(Note 2) "PFM service" is an abbreviation for "personal financial management service" and refers to a service that helps individuals manage their financial assets and personal finances.

2. Recording of Operating Expenses

The Company's subsidiary executed a tender offer as announced in "Notice Regarding Commencement of Tender Offer for OutlookConsulting Co., Ltd. (Securities Code: 5596) and Conclusion of Capital and Business Alliance Agreement," issued on November 13, 2024, and "Notice Regarding Results of Tender Offer for OutlookConsulting Co., Ltd. (Securities Code: 5596) by Subsidiary of Money Forward Inc. (Money Forward Cloud Corporate Performance Management Consulting Co., Ltd.) and Transfer of Subsidiary," issued on December 12, 2024. The Company posted 115 million yen in operating expenses, including advisory expenses related to the tender offer.

3. Differences between FY11/24 Earnings Forecasts and Actual Results

(1) Differences with FY11/24 Earnings Forecasts

	Net sales	SaaS ARR	EBITDA *1	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
Previous forecast (A)	million yen 39,500 — 42,000	million yen 30,005 — 31,613	million yen 1,000 — 3,000	million yen (3,898) — (1,898)	million yen (4,397) — (2,397)	million yen (4,725) — (2,725)	yen (86.92) — (50.13)
Results (B)	40,364	30,003	1,727	(4,735)	(5,353)	(6,330)	(116.32)
Increase/ decrease (B-A)	864 — (1,636)	(2) — (1,610)	727 — (1,273)	(837) — (2,837)	(956) — (2,956)	(1,605) — (3,605)	(29) — (66)
Rate of change (%)	2.0 — (4.0)	0.0 — (5.0)	73.0 — (42.0)	-	-	-	-
(Reference) FY11/23 results	30,380	23,146	(1,159)	(1,638)	(1,655)	(1,668)	(31.28)

(Note 1) EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses

(2) Reasons for Differences

While consolidated net sales reached the forecast, SaaS ARR fell slightly short of the lower end of the forecast range because SaaS ARR in X domain came in at 496 million yen below its lower end of the forecast, despite other domains meeting expectations.

Operating profit and ordinary profit fell below the lower end of their respective forecasts primarily due to (a) the recording of operating expenses related to the aforementioned tender offer, (b) the recording of expenses related to stock acquisition rights (performance-linked stock options),and (c) an increase in taxes and dues accompanying the gain on sale from the share transfer of the new subsidiary that was established in line with the aforementioned launch of the joint venture with SMCC. FY11/24 Q4 expenses exceeded initial forecasts because the Company reviewed its policy for recording share-based remuneration expenses in line with all stock acquisition rights becoming exercisable based on FY11/24 results. The details and conditions for the exercise of stock acquisition rights are as announced in the "Notice Regarding Issuance of Stock Acquisition Rights (Performance-Linked Stock Acquisition Rights)," issued on January 23, 2023, and "Notice Regarding Determination of Details of Issuance of Stock Acquisition Rights (Performance-Linked Stock Acquisition Rights)," issued on February 10, 2023. As expenses related to stock acquisition rights are included in personnel expenses on an operating profit basis, the personnel and outsourcing expenses to sales ratio also topped the upper end of the forecast range (64.0%-69.0%), coming in at 70.1%. The Q4 personnel and outsourcing expenses to sales ratio would have been 68.9% if share-based remuneration expenses had been the same as in Q3.

Profit attributable to owners of parent and net profit per share fell below the lower end of their respective forecasts due to the same

factors described for the booking of operating profit and ordinary profit, as well as the aforementioned booking of extraordinary losses, the increase in corporate tax deriving from the rise in income associated with the establishment of the joint venture, and the expansion in losses logged by an equity-method affiliate.

The difference in EBITDA is also disclosed, although its forecast was met, as it does not fall under the immateriality standards (the difference between forecasts and actual results is less than 1.3x) due to the interval of the forecast range. As the Company is making agile investments in light of return on investments and the current market environment, it is difficult to make a reasonable estimate of full-year profits/losses. The Company therefore projects its full-year profits/losses at a certain range.

(Note 1) Figures in the text and table above are rounded to the nearest million yen.