

Translation

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**Summary of Consolidated Financial Results
for the Year Ended November 30, 2017
(Based on Japanese GAAP)**

January 15, 2018

Company name: Money Forward, Inc.
 Stock exchange listing: Tokyo
 Stock code: 3994 URL: <https://corp.moneyforward.com>
 Representative: Representative Director, President and CEO Yosuke Tsuji
 Inquiries: Director, Executive Officer and CFO Naoya Kanesaka TEL 03(6453)9160
 Scheduled date of ordinary general meeting of shareholders: February 26, 2018
 Scheduled date to file Securities Report: February 27, 2018
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended November 30, 2017 (from December 1, 2016 to November 30, 2017)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended November 30, 2017	2,899	–	(797)	–	(834)	–	(842)	–
Year ended November 30, 2016	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended November 30, 2017	(49.64)	–	(28.8)	(15.9)	(27.5)
Year ended November 30, 2016	–	–	–	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2017	7,397	4,011	54.0	208.24
As of November 30, 2016	–	–	–	–

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended November 30, 2017	(498)	(1,065)	4,608	5,727
Year ended November 30, 2016	–	–	–	–

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended November 30, 2016	–	0.00	–	0.00	0.00	–	–	–
Year ended November 30, 2017	–	0.00	–	0.00	0.00	–	–	–
Year ending November 30, 2018 (Forecast)	–	0.00	–	0.00	0.00	–	–	–

3. Forecast of consolidated financial results for the year ending November 30, 2018 (from December 1, 2017 to November 30, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,350	50.0	(800)	—	(830)	—	(840)	—	(43.81)
	~4,650	~60.4	~(500)		~(530)		~(540)		~(28.16)

4. Notes

(1) Changes in significant subsidiaries during the year ended November 30, 2017

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

No

Changes in accounting policies due to other reasons:

No

Changes in accounting estimates:

No

Restatement of prior period financial statements:

No

(3) Number of issued shares (common shares)

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

As of November 30, 2017	19,173,520 shares	As of November 30, 2016	16,661,700 shares
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Number of treasury shares at the end of the period

As of November 30, 2017	— shares	As of November 30, 2016	— shares
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Average number of shares during the period

Year ended November 30, 2017	16,978,175 shares	Year ended November 30, 2016	16,107,180 shares
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Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

As of November 30, 2017

Assets	
Current assets	
Cash and deposits	5,727,354
Accounts receivable - trade	347,897
Inventories	7,498
Other	116,236
Allowance for doubtful accounts	(3,729)
Total current assets	6,195,257
Non-current assets	
Property, plant and equipment	
Buildings and structures	37,042
Accumulated depreciation	(11,950)
Buildings and structures, net	25,091
Tools, furniture and fixtures	24,113
Accumulated depreciation	(13,335)
Tools, furniture and fixtures, net	10,778
Total property, plant and equipment	35,870
Intangible assets	
Goodwill	796,608
Software	3,332
Total intangible assets	799,941
Investments and other assets	
Investment securities	98,052
Lease and guarantee deposits	267,495
Other	747
Total investments and other assets	366,295
Total non-current assets	1,202,106
Total assets	7,397,364
Liabilities	
Current liabilities	
Accounts payable - trade	87,071
Current portion of long-term loans payable	310,000
Accounts payable - other	179,918
Accrued expenses	165,153
Income taxes payable	23,880
Unearned revenue	579,960
Other	84,637
Total current liabilities	1,430,622
Non-current liabilities	
Long-term loans payable	1,955,000
Total non-current liabilities	1,955,000
Total liabilities	3,385,622

Net assets

Shareholders' equity	
Capital stock	3,350,697
Capital surplus	1,484,776
Retained earnings	(842,814)
Total shareholders' equity	<u>3,992,659</u>
Subscription rights to shares	17,583
Non-controlling interests	<u>1,500</u>
Total net assets	<u>4,011,742</u>
Total liabilities and net assets	<u>7,397,364</u>

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income

	(Thousands of yen)
	Fiscal year ended November 30, 2017
Net sales	2,899,548
Cost of sales	959,063
Gross profit	1,940,485
Selling, general and administrative expenses	2,737,783
Operating loss	(797,298)
Non-operating income	
Interest income	19
Other	311
Total non-operating income	331
Non-operating expenses	
Interest expenses	11,010
Share issuance cost	11,045
Listing related expenses	13,657
Other	1,634
Total non-operating expenses	37,348
Ordinary loss	(834,315)
Extraordinary income	
Gain on reversal of subscription rights to shares	605
Total extraordinary income	605
Loss before income taxes	(833,709)
Income taxes - current	9,105
Loss	(842,814)
Profit attributable to non-controlling interests	-
Loss attributable to owners of parent	(842,814)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

Fiscal year ended
November 30, 2017

Loss	(842,814)
Comprehensive income	(842,814)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(842,814)
Comprehensive income attributable to non-controlling interests	—

Consolidated Statements of Changes in Equity

Fiscal year ended November 30, 2017

(Thousands of yen)

	Shareholders' equity				Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity			
Balance at beginning of current period	2,290,990	463,904	(888,972)	1,865,921	20,920	–	1,886,842
Changes of items during period							
Issuance of new shares	1,433,750	1,433,749		2,867,500			2,867,500
Issuance of new shares - exercise of subscription rights to shares	51,026	51,026		102,052			102,052
Capital reduction	(425,068)	425,068		–			–
Deficit disposition		(888,972)	888,972	–			–
Loss attributable to owners of parent			(842,814)	(842,814)			(842,814)
Net changes of items other than shareholders' equity					(3,337)	1,500	(1,837)
Total changes of items during period	1,059,707	1,020,871	46,158	2,126,737	(3,337)	1,500	2,124,900
Balance at end of current period	3,350,697	1,484,776	(842,814)	3,992,659	17,583	1,500	4,011,742

Consolidated Statements of Cash Flows

(Thousands of yen)

Fiscal year ended
November 30, 2017

Cash flows from operating activities	
Loss before income taxes	(833,709)
Depreciation	15,793
Increase (decrease) in allowance for doubtful accounts	2,817
Interest and dividend income	(19)
Interest expenses	11,010
Share issuance cost	11,045
Listing related expenses	13,657
Decrease (increase) in accounts receivable - trade	(144,113)
Decrease (increase) in inventories	(2,461)
Increase (decrease) in accounts payable - trade	46,516
Increase (decrease) in accounts payable - other	62,419
Increase (decrease) in accrued expenses	51,295
Increase (decrease) in unearned revenue	265,580
Other, net	22,811
Subtotal	(477,356)
Interest and dividend income received	19
Interest expenses paid	(14,776)
Income taxes paid	(6,637)
Net cash provided by (used in) operating activities	(498,750)
Cash flows from investing activities	
Purchase of property, plant and equipment	(9,336)
Purchase of intangible assets	(1,180)
Purchase of investment securities	(68,025)
Payments for lease and guarantee deposits	(201,503)
Proceeds from collection of lease and guarantee deposits	252
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(786,311)
Other, net	550
Net cash provided by (used in) investing activities	(1,065,554)
Cash flows from financing activities	
Proceeds from long-term loans payable	1,800,000
Repayments of long-term loans payable	(135,000)
Proceeds from issuance of common shares	2,955,775
Proceeds from share issuance to non-controlling shareholders	1,500
Listing related expenses	(13,657)
Net cash provided by (used in) financing activities	4,608,618
Net increase (decrease) in cash and cash equivalents	3,044,313
Cash and cash equivalents at beginning of period	2,683,041
Cash and cash equivalents at end of period	5,727,354