

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended May 31, 2018 (Based on Japanese GAAP)

July 17, 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 to file Quarterly Securities Report: July 17, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended May 31, 2018 (from December 1, 2017 to May 31, 2018)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		EBITDA*		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended May 31, 2018	1,996	66.0	(160)	–	(221)	–	(235)	–	(232)	–
Six months ended May 31, 2017	1,202	–	(669)	–	(675)	–	(679)	–	(683)	–

(Note) Comprehensive income (millions of yen)

Six months ended May 31, 2018: (246) (–%) Six months ended May 31, 2017: (683) (–%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended May 31, 2018	(12.07)		–	
Six months ended May 31, 2017	(41.01)		–	

\*EBITDA = Operating profit (loss) + depreciation + amortization

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of May 31, 2018	7,182		3,864		52.8	
As of November 30, 2017	7,397		4,011		54.0	

(Reference) Equity (millions of yen)

As of May 31, 2018: 3,792 As of November 30, 2017: 3,992

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended November 30, 2017	–	0.00	–	0.00	0.00
Year ending November 30, 2018	–	0.00	–	–	–
Year ending November 30, 2018 (Forecast)	–	–	–	0.00	0.00

(Note) Revisions to most recent dividend forecast: None

### 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	~60.0	~(500)	–	~(530)	–	~(540)	–	~(28.16)	

(Note) Revisions to most recent consolidated financial results forecast: None

(Reference) Forecast of EBITDA for the year ending November 30,2018 (millions of yen): (667) ~ (367)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended May 31, 2018  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of May 31, 2018	19,292,640 shares	As of November 30, 2017	19,173,520 shares
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Number of treasury shares at the end of the period

As of May 31, 2018	– shares	As of November 30, 2017	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended May 31, 2018	19,219,010 shares	Six months ended May 31, 2017	16,661,700 shares
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**Quarterly Consolidated Financial Statements**  
**Consolidated Balance Sheets**

	(Thousands of yen)	
	As of November 30, 2017	As of May 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	5,727,354	4,901,251
Accounts receivable - trade	347,897	323,302
Inventories	7,498	3,278
Other	116,236	279,040
Allowance for doubtful accounts	(3,729)	(2,953)
Total current assets	<u>6,195,257</u>	<u>5,503,919</u>
Non-current assets		
Property, plant and equipment	35,870	81,358
Intangible assets		
Goodwill	796,608	810,402
Other	3,332	4,639
Total intangible assets	<u>799,941</u>	<u>815,041</u>
Investments and other assets	366,295	782,134
Total non-current assets	<u>1,202,106</u>	<u>1,678,534</u>
<b>Total assets</b>	<u>7,397,364</u>	<u>7,182,453</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	87,071	55,892
Current portion of long-term loans payable	310,000	310,000
Accounts payable - other	179,918	165,252
Accrued expenses	165,153	221,267
Income taxes payable	23,880	16,104
Unearned revenue	579,960	656,502
Other	84,637	93,083
Total current liabilities	<u>1,430,622</u>	<u>1,518,101</u>
Non-current liabilities		
Long-term loans payable	1,955,000	1,800,000
Total non-current liabilities	<u>1,955,000</u>	<u>1,800,000</u>
<b>Total liabilities</b>	<u>3,385,622</u>	<u>3,318,101</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,350,697	3,371,670
Capital surplus	1,484,776	720,238
Retained earnings	(842,814)	(290,404)
Total shareholders' equity	<u>3,992,659</u>	<u>3,801,505</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	(8,883)
Total accumulated other comprehensive income	<u>-</u>	<u>(8,883)</u>
Subscription rights to shares	17,583	61,367
Non-controlling interests	1,500	10,362
<b>Total net assets</b>	<u>4,011,742</u>	<u>3,864,352</u>
<b>Total liabilities and net assets</b>	<u>7,397,364</u>	<u>7,182,453</u>

**Consolidated Statements of Income (cumulative) and Consolidated Statements of Comprehensive Income (cumulative)**

**Consolidated Statements of Income (cumulative)**

	(Thousands of yen)	
	Six months ended May 31, 2017	Six months ended May 31, 2018
Net sales	1,202,827	1,996,571
Cost of sales	391,757	677,940
Gross profit	811,069	1,318,631
Selling, general and administrative expenses	1,486,708	1,539,691
Operating loss	(675,639)	(221,060)
Non-operating income		
Interest income	9	21
Other	2	2
Total non-operating income	12	24
Non-operating expenses		
Interest expenses	3,656	11,263
Share issuance cost	–	2,165
Other	170	755
Total non-operating expenses	3,826	14,184
Ordinary loss	(679,453)	(235,220)
Extraordinary income		
Gain on reversal of subscription rights to shares	–	2,622
Total extraordinary income	–	2,622
Loss before income taxes	(679,453)	(232,597)
Income taxes - current	3,874	5,139
Loss	(683,328)	(237,736)
Loss attributable to non-controlling interests	–	(5,710)
Loss attributable to owners of parent	(683,328)	(232,026)

**Consolidated Statements of Comprehensive Income (cumulative)**

	(Thousands of yen)	
	Six months ended May 31, 2017	Six months ended May 31, 2018
Loss	(683,328)	(237,736)
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(8,883)
Total other comprehensive income	–	(8,883)
Comprehensive income	(683,328)	(246,620)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(683,328)	(240,910)
Comprehensive income attributable to non-controlling interests	–	(5,710)

## Consolidated Statements of Cash Flows

	(Thousands of yen)	
	Six months ended May 31, 2017	Six months ended May 31, 2018
Cash flows from operating activities		
Loss before income taxes	(679,453)	(232,597)
Depreciation	5,768	19,052
Amortization of goodwill	–	41,205
Increase (decrease) in allowance for doubtful accounts	1,303	(775)
Interest and dividend income	(9)	(21)
Interest expenses	3,656	11,263
Decrease (increase) in accounts receivable - trade	(76,038)	24,594
Decrease (increase) in inventories	1,754	4,220
Increase (decrease) in accounts payable - trade	(11,573)	(31,179)
Increase (decrease) in accounts payable - other	(9,589)	(15,072)
Increase (decrease) in accrued expenses	31,206	56,113
Increase (decrease) in unearned revenue	183,213	76,541
Other, net	12,302	(146,772)
Subtotal	<u>(537,459)</u>	<u>(193,426)</u>
Interest and dividend income received	9	21
Interest expenses paid	(5,690)	(10,899)
Income taxes paid	(6,556)	(9,831)
Net cash provided by (used in) operating activities	<u>(549,696)</u>	<u>(214,136)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,950)	(63,534)
Purchase of intangible assets	(1,180)	(56,906)
Purchase of investment securities	–	(239,152)
Payments for lease and guarantee deposits	(16,442)	(196,872)
Proceeds from collection of lease and guarantee deposits	60	144
Other, net	310	267
Net cash provided by (used in) investing activities	<u>(23,202)</u>	<u>(556,054)</u>
Cash flows from financing activities		
Proceeds from long-term loans payable	800,000	–
Repayments of long-term loans payable	(30,000)	(155,000)
Proceeds from issuance of common shares	–	38,594
Proceeds from issuance of subscription rights to shares	–	46,992
Proceeds from share issuance to non-controlling shareholders	–	13,500
Other, net	(170)	–
Net cash provided by (used in) financing activities	<u>769,830</u>	<u>(55,912)</u>
Net increase (decrease) in cash and cash equivalents	<u>196,930</u>	<u>(826,103)</u>
Cash and cash equivalents at beginning of period	<u>2,683,041</u>	<u>5,727,354</u>
Cash and cash equivalents at end of period	<u>2,879,971</u>	<u>4,901,251</u>