

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended August 31, 2018 (Based on Japanese GAAP)

October 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 to file Quarterly Securities Report: October 15, 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 nine months ended August 31, 2018 (from December 1, 2017 to August 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 | % |
| Nine months ended August 31, 2018 | 3,126 | 61.6 | (407) | – | (507) | – | (528) | – | (525) | – |
| Nine months ended August 31, 2017 | 1,934 | – | (711) | – | (720) | – | (735) | – | (741) | – |

(Note) Comprehensive Income (millions of yen)

Nine months ended August 31, 2018: (542) (-%). Nine months ended August 31, 2017: (741) (-%)

| | Earnings per share | | Diluted earnings per share | |
|-----------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended August 31, 2018 | (27.31) | | – | |
| Nine months ended August 31, 2017 | (44.50) | | – | |

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

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|-------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of August 31, 2018 | 8,417 | 3,666 | 41.6 |
| As of November 30, 2017 | 7,397 | 4,011 | 54.0 |

(Reference) Equity (millions of yen)

As of August 31, 2018: 3,499. 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 |
| | Yen | | | | |
| 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 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 nine months ended August 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 August 31, 2018 | 19,295,540 shares | As of November 30, 2017 | 19,173,520 shares |
|-----------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-----------------------|----------|-------------------------|----------|
| As of August 31, 2018 | – shares | As of November 30, 2017 | – shares |
|-----------------------|----------|-------------------------|----------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-----------------------------------|-------------------|-----------------------------------|-------------------|
| Nine months ended August 31, 2018 | 19,244,041 shares | Nine months ended August 31, 2017 | 16,661,700 shares |
|-----------------------------------|-------------------|-----------------------------------|-------------------|

Quarterly Consolidated Financial Statements
Consolidated Balance Sheets

(Thousands of yen)

| | As of November 30, 2017 | As of August 31, 2018 |
|---|-------------------------|-----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,727,354 | 5,273,100 |
| Accounts receivable - trade | 347,897 | 445,040 |
| Inventories | 7,498 | 6,658 |
| Other | 116,236 | 483,060 |
| Allowance for doubtful accounts | (3,729) | (3,925) |
| Total current assets | 6,195,257 | 6,203,933 |
| Non-current assets | | |
| Property, plant and equipment | 35,870 | 291,997 |
| Intangible assets | | |
| Goodwill | 796,608 | 915,638 |
| Other | 3,332 | 7,245 |
| Total intangible assets | 799,941 | 922,883 |
| Investments and other assets | 366,295 | 998,991 |
| Total non-current assets | 1,202,106 | 2,213,872 |
| Total assets | 7,397,364 | 8,417,806 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 87,071 | 151,430 |
| Current portion of long-term loans payable | 310,000 | 510,000 |
| Accounts payable - other | 179,918 | 302,185 |
| Accrued expenses | 165,153 | 315,316 |
| Income taxes payable | 23,880 | 14,901 |
| Unearned revenue | 579,960 | 818,319 |
| Other | 84,637 | 73,698 |
| Total current liabilities | 1,430,622 | 2,185,852 |
| Non-current liabilities | | |
| Long-term loans payable | 1,955,000 | 2,565,000 |
| Total non-current liabilities | 1,955,000 | 2,565,000 |
| Total liabilities | 3,385,622 | 4,750,852 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 3,350,697 | 3,372,283 |
| Capital surplus | 1,484,776 | 720,851 |
| Retained earnings | (842,814) | (583,899) |
| Total shareholders' equity | 3,992,659 | 3,509,235 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | – | (9,315) |
| Total accumulated other comprehensive income | – | (9,315) |
| Subscription rights to shares | 17,583 | 61,303 |
| Non-controlling interests | 1,500 | 105,730 |
| Total net assets | 4,011,742 | 3,666,954 |
| Total liabilities and net assets | 7,397,364 | 8,417,806 |

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

Consolidated Statements of Income (cumulative)

| | (Thousands of yen) | |
|---|--------------------------------------|--------------------------------------|
| | Nine months ended August 31, 2017 | Nine months ended August 31, 2018 |
| Net sales | 1,934,966 | 3,126,172 |
| Cost of sales | 612,676 | 1,135,435 |
| Gross profit | 1,322,289 | 1,990,736 |
| Selling, general and administrative expenses | 2,043,124 | 2,498,101 |
| Operating loss | (720,834) | (507,364) |
| Non-operating income | | |
| Interest income | 17 | 42 |
| Other | 4 | 3 |
| Total non-operating income | 22 | 45 |
| Non-operating expenses | | |
| Interest expenses | 7,365 | 18,000 |
| Share issuance cost | – | 2,165 |
| Listing related expenses | 7,043 | – |
| Other | 342 | 749 |
| Total non-operating expenses | 14,751 | 20,915 |
| Ordinary loss | (735,563) | (528,234) |
| Extraordinary income | | |
| Gain on reversal of subscription rights to shares | – | 2,652 |
| Total extraordinary income | – | 2,652 |
| Loss before income taxes | (735,563) | (525,582) |
| Income taxes - current | 5,814 | 7,967 |
| Loss | (741,377) | (533,549) |
| Loss attributable to non-controlling interests | – | (8,026) |
| Loss attributable to owners of parent | (741,377) | (525,522) |

Consolidated Statements of Comprehensive Income (cumulative)

(Thousands of yen)

| | Nine months ended August 31, 2017 | Nine months ended August 31, 2018 |
|--|--------------------------------------|--------------------------------------|
| Loss | (741,377) | (533,549) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | – | (9,315) |
| Total other comprehensive income | – | (9,315) |
| Comprehensive income | (741,377) | (542,865) |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (741,377) | (534,838) |
| Comprehensive income attributable to non-controlling interests | – | (8,026) |