

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended November 30, 2018  
(Based on Japanese GAAP)**

January 15, 2019

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 Co-CFO Naoya Kanesaka TEL 03(6453)9160  
 Scheduled date of ordinary general meeting of shareholders: February 24, 2019  
 Scheduled date to file Securities Report: February 25, 2019  
 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, 2018 (from December 1, 2017 to November 30, 2018)

(1) Consolidated operating results

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	%
Year ended November 30, 2018	4,594	58.5	(653)	–	(796)	–	(824)	–	(815)	–
Year ended November 30, 2017	2,899	–	(781)	–	(797)	–	(834)	–	(842)	–

(Note)Comprehensive Income (millions of yen)

Year ended November 31, 2018: (863) (-%). Year ended November 31, 2017: (842) (-%)

	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, 2018	(42.34)	–	(22.6)	(10.3)	(17.3)
Year ended November 30, 2017	(49.64)	–	(28.8)	(15.9)	(27.5)

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

(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, 2018	8,660	3,383	37.3	167.01
As of November 30, 2017	7,397	4,011	54.0	208.24

(Reference)Equity (millions of yen)

As of November 30, 2018: 3,229. As of November 30, 2017: 3,992

(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, 2018	(795)	(1,288)	1,305	4,951
Year ended November 30, 2017	(498)	(1,065)	4,608	5,727

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, 2017	–	0.00	–	0.00	0.00	–	–	–
Year ended November 30, 2018	–	0.00	–	0.00	0.00	–	–	–
Year ending November 30, 2019 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending November 30, 2019 (from December 1, 2018 to November 30, 2019)

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	7,122	55.0	(2,600)	—	(2,760)	—	(2,790)	—	(129.50)
	~7,581	~65.0	~(2,100)		~(2,260)		~(2,290)		~(106.29)

(Reference) Forecast of EBITDA for the year ending November 30, 2019 (millions of yen): (2,420)~(1,920)

4. Notes

(1) Changes in significant subsidiaries during the year ended November 30, 2018

(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:

Yes

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, 2018	19,329,640 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 November 30, 2018	— shares	As of November 30, 2017	— shares
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Average number of shares during the period

Year ended November 30, 2018	19,258,082 shares	Year ended November 30, 2017	16,978,175 shares
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(Reference)

Non-Consolidated financial results for the year ended November 30, 2018 (from December 1, 2017 to November 30, 2018)

(1) Non-Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended November 30, 2018	4,285	47.8	(233)	—	(257)	—	(264)	—
Year ended November 30, 2017	2,899	88.0	(740)	—	(776)	—	(784)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended November 30, 2018	(13.73)	—
Year ended November 30, 2017	(46.20)	—

(2) Non-Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2018	8,383	3,896	45.8	198.50
As of November 30, 2017	7,407	4,068	54.7	211.58

(Reference)Equity (millions of yen)

As of November 30, 2018: 3,836. As of November 30, 2017: 4,051

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2017	As of November 30, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	5,727,354	4,951,530
Notes and accounts receivable - trade	347,897	590,982
Inventories	7,498	8,889
Purchased receivables	4,074	362,115
Other	112,162	305,332
Allowance for doubtful accounts	(3,729)	(5,404)
Total current assets	6,195,257	6,213,445
Non-current assets		
Property, plant and equipment		
Buildings	37,042	213,178
Accumulated depreciation	(11,950)	(8,352)
Buildings, net	25,091	204,825
Tools, furniture and fixtures	24,113	112,466
Accumulated depreciation	(13,335)	(28,649)
Tools, furniture and fixtures, net	10,778	83,817
Total property, plant and equipment	35,870	288,642
Intangible assets		
Goodwill	796,608	893,407
Software	3,332	9,371
Other	–	1,274
Total intangible assets	799,941	904,053
Investments and other assets		
Investment securities	98,052	825,215
Lease and guarantee deposits	267,495	417,167
Other	747	11,644
Total investments and other assets	366,295	1,254,027
Total non-current assets	1,202,106	2,446,723
Total assets	7,397,364	8,660,169
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	87,071	189,917
Short-term loans payable	–	555,000
Current portion of long-term loans payable	310,000	510,000
Accounts payable - other	179,918	236,959
Accrued expenses	165,153	428,688
Income taxes payable	23,880	29,172
Unearned revenue	579,960	774,649
Other	84,637	124,543
Total current liabilities	1,430,622	2,848,930
Non-current liabilities		
Long-term loans payable	1,955,000	2,425,000
Other	–	2,804
Total non-current liabilities	1,955,000	2,427,804
Total liabilities	3,385,622	5,276,735

(Thousands of yen)

	As of November 30, 2017	As of November 30, 2018
Net assets		
Shareholders' equity		
Capital stock	3,350,697	3,378,155
Capital surplus	1,484,776	726,723
Retained earnings	(842,814)	(873,822)
Total shareholders' equity	3,992,659	3,231,057
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	(4,677)
Foreign currency translation adjustment	–	1,761
Total accumulated other comprehensive income	–	(2,915)
Share acquisition rights	17,583	60,007
Non-controlling interests	1,500	95,284
Total net assets	4,011,742	3,383,433
Total liabilities and net assets	7,397,364	8,660,169

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

(Thousands of yen)

	Fiscal year ended November 30, 2017	Fiscal year ended November 30, 2018
Net sales	2,899,548	4,594,789
Cost of sales	959,063	1,811,910
Gross profit	1,940,485	2,782,878
Selling, general and administrative expenses	2,737,783	3,579,070
Operating loss	(797,298)	(796,191)
Non-operating income		
Interest income	19	60
Other	311	3
Total non-operating income	331	63
Non-operating expenses		
Interest expenses	11,010	23,927
Share issuance cost	11,045	2,271
Listing related expenses	13,657	–
Other	1,634	2,048
Total non-operating expenses	37,348	28,247
Ordinary loss	(834,315)	(824,374)
Extraordinary income		
Gain on reversal of share acquisition rights	605	3,778
Total extraordinary income	605	3,778
Loss before income taxes	(833,709)	(820,595)
Income taxes - current	9,105	12,073
Income taxes - deferred	–	1,249
Total income taxes	9,105	13,322
Loss	(842,814)	(833,918)
Loss attributable to non-controlling interests	–	(18,472)
Loss attributable to owners of parent	(842,814)	(815,445)

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended November 30, 2017	Fiscal year ended November 30, 2018
Loss	(842,814)	(833,918)
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(4,677)
Foreign currency translation adjustment	–	1,761
Total other comprehensive income	–	(2,915)
Comprehensive income	(842,814)	(836,833)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(842,814)	(818,361)
Comprehensive income attributable to non-controlling interests	–	(18,472)

## Consolidated Statements of Changes in Equity

Fiscal year ended November 30, 2017

	Shareholders' equity			
	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
Changes of items during period				
Issuance of new shares	1,433,750	1,433,749		2,867,500
Issuance of new shares - exercise of share acquisition rights	51,026	51,026		102,052
Capital reduction	(425,068)	425,068		–
Deficit disposition		(888,972)	888,972	–
Loss attributable to owners of parent			(842,814)	(842,814)
Net changes of items other than shareholders' equity				
Total changes of items during period	1,059,707	1,020,871	46,158	2,126,737
Balance at end of current period	3,350,697	1,484,776	(842,814)	3,992,659

(Thousands of yen)

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of current period	20,920	–	1,886,842
Changes of items during period			
Issuance of new shares			2,867,500
Issuance of new shares - exercise of share acquisition rights			102,052
Capital reduction			–
Deficit disposition			–
Loss attributable to owners of parent			(842,814)
Net changes of items other than shareholders' equity	(3,337)	1,500	(1,837)
Total changes of items during period	(3,337)	1,500	2,124,900
Balance at end of current period	17,583	1,500	4,011,742

Fiscal year ended November 30, 2018

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of current period	3,350,697	1,484,776	(842,814)	3,992,659
Changes of items during period				
Issuance of new shares - exercise of share acquisition rights	27,458	27,458		54,916
Deficit disposition		(784,437)	784,437	–
Purchase of shares of consolidated subsidiaries		(1,072)		(1,072)
Loss attributable to owners of parent			(815,445)	(815,445)
Net changes of items other than shareholders' equity				
Total changes of items during period	27,458	(758,052)	(31,007)	(761,602)
Balance at end of current period	3,378,155	726,723	(873,822)	3,231,057

(Thousands of yen)

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	–	–	–	17,583	1,500	4,011,742
Changes of items during period						
Issuance of new shares - exercise of share acquisition rights						54,916
Deficit disposition						–
Purchase of shares of consolidated subsidiaries						(1,072)
Loss attributable to owners of parent						(815,445)
Net changes of items other than shareholders' equity	(4,677)	1,761	(2,915)	42,424	93,784	133,293
Total changes of items during period	(4,677)	1,761	(2,915)	42,424	93,784	(628,308)
Balance at end of current period	(4,677)	1,761	(2,915)	60,007	95,284	3,383,433



## Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended November 30, 2017	Fiscal year ended November 30, 2018
Cash flows from operating activities		
Loss before income taxes	(833,709)	(820,595)
Depreciation	15,793	51,615
Amortization of goodwill	–	90,794
Increase (decrease) in allowance for doubtful accounts	2,817	1,674
Interest and dividend income	(19)	(60)
Interest expenses	11,010	23,927
Share issuance cost	11,045	2,271
Listing related expenses	13,657	–
Decrease (increase) in notes and accounts receivable - trade	(144,113)	(231,457)
Decrease (increase) in inventories	(2,461)	(282)
Decrease (increase) in purchased receivables	(4,074)	(358,041)
Increase (decrease) in notes and accounts payable - trade	46,516	102,845
Increase (decrease) in accounts payable - other	62,419	46,087
Increase (decrease) in accrued expenses	51,295	263,534
Increase (decrease) in unearned revenue	265,580	194,689
Other, net	26,885	(129,269)
Subtotal	(477,356)	(762,267)
Interest and dividend income received	19	60
Interest expenses paid	(14,776)	(23,186)
Income taxes paid	(6,637)	(9,970)
Net cash provided by (used in) operating activities	(498,750)	(795,363)
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,336)	(301,554)
Purchase of intangible assets	(1,180)	(73,243)
Purchase of investment securities	(68,025)	(735,591)
Proceeds from redemption of investment securities	–	3,000
Payments for lease and guarantee deposits	(201,503)	(236,425)
Proceeds from collection of lease and guarantee deposits	252	60,936
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	–	6,802
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(786,311)	(1,330)
Other, net	550	(10,607)
Net cash provided by (used in) investing activities	(1,065,554)	(1,288,012)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	–	554,119
Proceeds from long-term loans payable	1,800,000	1,000,000
Repayments of long-term loans payable	(135,000)	(360,000)
Proceeds from issuance of common shares	2,955,775	51,254
Proceeds from issuance of share acquisition rights	–	46,992
Proceeds from share issuance to non-controlling shareholders	1,500	13,500
Listing related expenses	(13,657)	–
Other, net	–	(83)
Net cash provided by (used in) financing activities	4,608,618	1,305,783
Effect of exchange rate change on cash and cash equivalents	–	1,768
Net increase (decrease) in cash and cash equivalents	3,044,313	(775,824)
Cash and cash equivalents at beginning of period	2,683,041	5,727,354
Cash and cash equivalents at end of period	5,727,354	4,951,530