

Translation

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**Summary of Consolidated Financial Results
for the Year Ended November 30, 2019
(Based on Japanese GAAP)**

January 14, 2020

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: Executive Officer and CFO Shun Uchikawa TEL 03(6453)9160
 Scheduled date of ordinary general meeting of shareholders: February 20, 2020
 Scheduled date to file Securities Report: February 20, 2020
 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, 2019 (from December 1, 2018 to November 30, 2019)

(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, 2019	7,156	55.8	(2,269)	–	(2,446)	–	(2,567)	–	(2,572)	–
Year ended November 30, 2018	4,594	58.5	(653)	–	(796)	–	(824)	–	(815)	–

(Note)Comprehensive Income (millions of yen)

Year ended November 30, 2019: (2,504) (-%). Year ended November 31, 2018: (836) (-%)

	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, 2019	(117.89)	–	(46.3)	(20.6)	(34.2)
Year ended November 30, 2018	(42.34)	–	(22.6)	(10.3)	(17.3)

*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, 2019	16,313	8,030	48.2	355.12
As of November 30, 2018	8,660	3,383	37.3	167.01

(Reference)Equity (millions of yen)

As of November 30, 2019: 7,870. As of November 30, 2018: 3,229

(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, 2019	(3,605)	(2,784)	8,637	7,192
Year ended November 30, 2018	(795)	(1,288)	1,305	4,951

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, 2018	–	0.00	–	0.00	0.00	–	–	–
Year ended November 30, 2019	–	0.00	–	0.00	0.00	–	–	–
Year ending November 30, 2020 (Forecast)	–	0.00	–	0.00	0.00		–	

3. Forecast of consolidated financial results for the year ending November 30, 2020 (from December 1, 2019 to November 30, 2020)

Percentages indicate year-on-year changes

	Net sales		EBITDA*		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	%	Millions of yen	%	Yen
Full year	11,093	55.0	(2,800)	—	(3,411)	—	(3,571)	—	(3,601)	—	(165.05)
	~11,451	~60.0	~(1,900)		~(2,511)		~(2,671)		~(2,701)		~(123.79)

*EBITDA= Operating profit/loss + depreciation and amortization + tax expenses included in operating expenses

4. Notes

(1) Changes in significant subsidiaries during the year ended November 30, 2019

(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, 2019	22,165,360 shares	As of November 30, 2018	19,329,640 shares
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Number of treasury shares at the end of the period

As of November 30, 2019	1,158 shares	As of November 30, 2018	— shares
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Average number of shares during the period

Year ended November 30, 2019	21,816,545 shares	Year ended November 30, 2018	19,258,082 shares
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(Reference)

Non-Consolidated financial results for the year ended November 30, 2019 (from December 1, 2018 to November 30, 2019)

(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, 2019	6,221	45.2	(1,748)	—	(1,866)	—	(2,523)	—
Year ended November 30, 2018	4,285	47.8	(233)	—	(257)	—	(264)	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Year ended November 30, 2019	(115.66)	—
Year ended November 30, 2018	(13.73)	—

(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, 2019	14,183	8,622	60.4	386.55
As of November 30, 2018	8,383	3,896	45.8	198.50

(Reference)Equity (millions of yen)

As of November 30, 2019: 8,567. As of November 30, 2018: 3,836

Consolidated Financial Statements
Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2018	As of November 30, 2019
Assets		
Current assets		
Cash and deposits	4,951,530	7,192,537
Notes and accounts receivable - trade	590,982	890,638
Inventories	8,889	7,297
Purchased receivables	362,115	2,068,872
Other	305,332	750,749
Allowance for doubtful accounts	(5,404)	(41,953)
Total current assets	6,213,445	10,868,142
Non-current assets		
Property, plant and equipment		
Buildings	213,178	321,304
Accumulated depreciation	(8,352)	(36,289)
Buildings, net	204,825	285,014
Tools, furniture and fixtures	112,466	183,220
Accumulated depreciation	(28,649)	(80,851)
Tools, furniture and fixtures, net	83,817	102,369
Total property, plant and equipment	288,642	387,384
Intangible assets		
Goodwill	893,407	2,621,095
Software	9,371	18,870
Other	1,274	—
Total intangible assets	904,053	2,639,965
Investments and other assets		
Investment securities	825,215	1,789,955
Leasehold and guarantee deposits	417,167	465,730
Other	11,644	174,657
Allowance for doubtful accounts	—	(12,619)
Total investments and other assets	1,254,027	2,417,722
Total non-current assets	2,446,723	5,445,073
Total assets	8,660,169	16,313,216

(Thousands of yen)

	As of November 30, 2018	As of November 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	189,917	184,730
Short-term loans payable	555,000	2,000,000
Current portion of long-term loans payable	510,000	620,776
Accounts payable - other	236,959	755,661
Accrued expenses	428,688	646,781
Income taxes payable	29,172	77,188
Provision for bonuses	–	11,641
Unearned revenue	774,649	872,713
Other	124,543	225,189
Total current liabilities	2,848,930	5,394,682
Non-current liabilities		
Long-term loans payable	2,425,000	2,809,533
Other	2,804	78,840
Total non-current liabilities	2,427,804	2,888,373
Total liabilities	5,276,735	8,283,056
Net assets		
Shareholders' equity		
Capital stock	3,378,155	6,942,818
Capital surplus	726,723	4,026,306
Retained earnings	(873,822)	(3,211,257)
Treasury shares	–	(146)
Total shareholders' equity	3,231,057	7,757,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(4,677)	120,126
Foreign currency translation adjustment	1,761	(6,917)
Total accumulated other comprehensive income	(2,915)	113,208
Share acquisition rights	60,007	54,541
Non-controlling interests	95,284	104,687
Total net assets	3,383,433	8,030,159
Total liabilities and net assets	8,660,169	16,313,216

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

(Thousands of yen)

	Fiscal year ended November 30, 2018	Fiscal year ended November 30, 2019
Net sales	4,594,789	7,156,784
Cost of sales	1,811,910	2,832,672
Gross profit	2,782,878	4,324,112
Selling, general and administrative expenses	3,579,070	6,770,263
Operating loss	(796,191)	(2,446,151)
Non-operating income		
Interest income	60	293
Subsidy income	–	1,710
Other	3	598
Total non-operating income	63	2,602
Non-operating expenses		
Interest expenses	23,927	28,524
Share issuance cost	2,271	90,735
Other	2,048	4,648
Total non-operating expenses	28,247	123,908
Ordinary loss	(824,374)	(2,567,457)
Extraordinary income		
Gain on reversal of share acquisition rights	3,778	1,901
Total extraordinary income	3,778	1,901
Extraordinary losses		
Impairment loss	–	12,533
Loss on liquidation of business	–	61,395
Total extraordinary losses	–	73,928
Loss before income taxes	(820,595)	(2,639,484)
Income taxes - current	12,073	32,381
Income taxes - deferred	1,249	(51,283)
Total income taxes	13,322	(18,901)
Loss	(833,918)	(2,620,583)
Loss attributable to non-controlling interests	(18,472)	(48,532)
Loss attributable to owners of parent	(815,445)	(2,572,050)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended November 30, 2018	Fiscal year ended November 30, 2019
Loss	(833,918)	(2,620,583)
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,677)	124,803
Foreign currency translation adjustment	1,761	(8,679)
Total other comprehensive income	(2,915)	116,124
Comprehensive income	(836,833)	(2,504,458)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(818,361)	(2,455,926)
Comprehensive income attributable to non-controlling interests	(18,472)	(48,532)

Consolidated Statements of Changes in Equity

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

Fiscal year ended November 30, 2019

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,378,155	726,723	(873,822)	–	3,231,057
Changes of items during period					
Increase/decrease of retained earnings due to the change in the accounting period of subsidiaries			(29,694)		(29,694)
Issuance of new shares	3,375,312	3,375,312			6,750,624
Issuance of new shares - exercise of share acquisition rights	70,206	70,206			140,413
Restricted Stock Unit	119,143	119,143			238,287
Deficit disposition		(264,310)	264,310		–
Purchase of treasury shares				(146)	(146)
Purchase of shares of consolidated subsidiaries		(768)			(768)
Loss attributable to owners of parent			(2,572,050)		(2,572,050)
Net changes of items other than shareholders' equity					
Total changes of items during period	3,564,662	3,299,582	(2,337,434)	(146)	4,526,664
Balance at end of current period	6,942,818	4,026,306	(3,211,257)	(146)	7,757,721

(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	(4,677)	1,761	(2,915)	60,007	95,284	3,383,433
Changes of items during period						
Increase/decrease of retained earnings due to the change in the accounting period of subsidiaries						(29,694)
Issuance of new shares						6,750,624
Issuance of new shares - exercise of share acquisition rights						140,413
Restricted Stock Unit						238,287
Deficit disposition						–
Purchase of treasury shares						(146)
Purchase of shares of consolidated subsidiaries						(768)
Loss attributable to owners of parent						(2,572,050)
Net changes of items other than shareholders' equity	124,803	(8,679)	116,124	(5,466)	9,403	120,061
Total changes of items during period	124,803	(8,679)	116,124	(5,466)	9,403	4,646,725
Balance at end of current period	120,126	(6,917)	113,208	54,541	104,687	8,030,159

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended November 30, 2018	Fiscal year ended November 30, 2019
Cash flows from operating activities		
Loss before income taxes	(820,595)	(2,639,484)
Depreciation	51,615	66,924
Amortization of goodwill	90,794	110,184
Increase (decrease) in provision for bonuses	–	11,641
Increase (decrease) in allowance for doubtful accounts	1,674	48,907
Interest and dividend income	(60)	(293)
Interest expenses	23,927	28,524
Share issuance cost	2,271	90,735
Impairment loss	–	12,533
Loss on liquidation of business	–	61,395
Decrease (increase) in notes and accounts receivable - trade	(231,457)	(175,085)
Decrease (increase) in inventories	(282)	1,870
Decrease (increase) in purchased receivables	(358,041)	(1,706,756)
Increase (decrease) in notes and accounts payable - trade	102,845	(5,186)
Increase (decrease) in accounts payable - other	46,087	483,480
Increase (decrease) in accrued expenses	263,534	160,212
Increase (decrease) in unearned revenue	194,689	98,063
Other, net	(129,269)	(203,919)
Subtotal	(762,267)	(3,556,253)
Interest and dividend income received	60	293
Interest expenses paid	(23,186)	(26,797)
Income taxes paid	(9,970)	(22,263)
Net cash provided by (used in) operating activities	(795,363)	(3,605,019)
Cash flows from investing activities		
Purchase of property, plant and equipment	(301,554)	(117,549)
Purchase of intangible assets	(73,243)	(13,520)
Purchase of investment securities	(735,591)	(778,611)
Proceeds from redemption of investment securities	3,000	–
Payments for leasehold and guarantee deposits	(236,425)	(16,302)
Proceeds from collection of leasehold and guarantee deposits	60,936	4,112
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	(1,330)	(1,836,200)
Other, net	(10,607)	(26,309)
Net cash provided by (used in) investing activities	(1,288,012)	(2,784,380)

(Thousands of yen)

	Fiscal year ended November 30, 2018	Fiscal year ended November 30, 2019
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	554,119	1,445,000
Proceeds from long-term loans payable	1,000,000	1,200,000
Repayments of long-term loans payable	(360,000)	(800,000)
Proceeds from issuance of common shares	51,254	6,796,736
Proceeds from issuance of share acquisition rights	46,992	–
Purchase of treasury shares	–	(146)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(3,390)
Proceeds from share issuance to non-controlling shareholders	13,500	–
Other, net	(83)	(334)
Net cash provided by (used in) financing activities	1,305,783	8,637,865
Effect of exchange rate change on cash and cash equivalents	1,768	(7,457)
Net increase (decrease) in cash and cash equivalents	(775,824)	2,241,006
Cash and cash equivalents at beginning of period	5,727,354	4,951,530
Cash and cash equivalents at end of period	4,951,530	7,192,537