

January 22, 2020

To All Concerned Parties

Company Name: Money Forward, Inc.
Representative: Yosuke Tsuji
Representative Director,
President and CEO
(Code number: 3994, TSE Mothers Market)
Contact: Executive Officer and CFO
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Announcement Regarding Issuance of New Shares by way of International Offering

Money Forward, Inc. (the “Company”) hereby announces that, on January 22, 2020 (Wed), its Board of Directors resolved to issue new shares by way of an international offering (the “International Offering”) as set forth below.

Purpose of the International Offering

With funds raised from the equity offering in December 2018, the Company has pro-actively made investments aimed at growing its “Money Forward Business” and “Money Forward Finance” businesses. The Company is conducting this International Offering to strengthen its financial position in pursuit of further growth, by raising funds to cover the amounts announced in the past year for the acquisition of SMARTCAMP Co., Ltd. (“Smartcamp”) and the equity investments in the Indonesia-based Mekari group.

The Company intends to use the proceeds from the International Offering to strengthen its corporate value and shareholder value. In addition, by conducting the International Offering, the Company is seeking to improve the liquidity of its shares and expanding its institutional investor base. Through a so-called accelerated bookbuilding process, which allows pricing to be completed overnight, the Company aims to minimise the impact on its share price. The Company believes that this fund raising will enable it to expand its business domains while strengthening its financial position, and as a result contribute to its profitability and corporate value in the mid to long term.

Issuance of New Shares by way of International Offering (Public Offering)

(1) Class and Number of Shares to be Offered	1,100,000 shares of common stock of the Company
(2) Method of Determination of Amount to be Paid In	The amount to be paid in will be determined on a day (the “Pricing Date”) in the period from January 22, 2020 (Wed) to January 23, 2020 (Thu) in accordance with a method which is equivalent to the bookbuilding method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of making a public announcement regarding the International Offering, and not for the purpose of soliciting investment, etc. within or outside Japan. This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. Any public offering of securities in the United States will be pursuant to a prospectus that may be obtained from Money Forward, Inc. that will contain detailed information about Money Forward, Inc. and its management, as well as financial statements of Money Forward, Inc. No public offering of the securities will take place in the United States.

	promulgated by the Japan Securities Dealers Association (the “JSDA”).
(3) Amount of Capital Stock and Capital Surplus to be Increased	Capital stock will increase by the amount which is 50% of the “maximum permitted increase in capital stock”, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, rounding up any fraction of less than one yen resulting from such calculation to the nearest yen. Capital surplus will increase by the remainder of the maximum permitted increase in capital stock after deducting the amount of increase in capital stock.
(4) Method of Offering	The offering will be made outside of Japan, mainly in Europe and Asia (and excluding the United States and Canada), and all of the shares described in (1) above shall be purchased by the sole international underwriter named in the Purchase Agreement to be entered into in relation to the offerings (the “Underwriter”). The issue price (the offer price) will be determined on the pricing date of the offering in accordance with a method which is equivalent to the bookbuilding method set forth in Article 25 of the Rules Concerning Underwriting, Etc. of Securities promulgated by the JSDA, based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the pricing date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with any fraction less than one yen being rounded down), taking into account market demand and other conditions.
(5) Compensation for the Underwriter	The Company will not pay any underwriting fees to the Underwriter. The aggregate amount of the difference between (a) the issue price (the offer price) in the International Offering and (b) the amount to be paid to the Company by the Underwriter shall constitute the proceeds to the Underwriters.
(6) Payment Date	The payment date shall be February 6, 2020 (Thu)
(7) Delivery Date	The delivery date of the shares shall be February 7, 2020 (Fri)
(8) Subscription Unit	100 shares
(9)	The amount to be paid in, the amount of capital stock and capital surplus to be increased, the issue price (the offer price), and any other matters necessary for the International Offering will be determined at the discretion of Yosuke Tsuji, Representative Director, President and CEO.

[Reference]

Use of Proceeds

The net proceeds from the International Offering, estimated to be approximately ¥4.65 billion, are expected to be applied

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as follows:

- in relation to the acquisition of Smartcamp^{*1}, the first phase of which having been funded by working capital and a bank loan, (i) approximately ¥2.00 billion toward replenishing the Company's working capital (to be applied by the end of February 2020) and repaying in accordance with its terms the bank loan which was used for financing the first phase of such acquisition, (ii) approximately ¥1.38 billion (to be applied by around the end of November 2020) toward acquiring the remaining outstanding shares of Smartcamp^{*2} and (iii) up to approximately ¥0.30 billion (to be applied by around the end of November 2021) toward funding Smartcamp's future expansion (including personnel and advertising costs) and working capital, and making an additional investment in Smartcamp by way of new share issue to support its growth; and
- approximately ¥0.71 billion (to be applied by the end of February 2020) toward replenishing the Company's working capital which was previously used in July and December 2019 for acquiring an equity interest in the Mekari group, a provider of cloud-based human resource and accounting services in Indonesia.

To the extent any amount remains after providing for the above amounts, the Company expects to apply such remainder amount toward the repayment of its bank financing during the period from now up to around November 2021 in order to strengthen its financial position and business foundation in anticipation of future M&A opportunities.

The estimated net proceeds amount above was calculated based on the closing price of the Company's shares on January 21, 2020 as reported by the Tokyo Stock Exchange, Inc.

(Notes)

- *1 The acquisition of Smartcamp shares announced by the Company on November 11, 2019, as a result of which Smartcamp became a subsidiary of the Company.
- *2 The acquisition of Smartcamp shares announced by the Company on January 14, 2020, upon the completion of which Smartcamp is expected to become a wholly-owned subsidiary of the Company.

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