

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended February 29, 2020 (Based on Japanese GAAP)

April 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 to file Quarterly Securities Report: April 14, 2020  
 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 three months ended February 29, 2020 (from December 1, 2019 to February 29, 2020)

(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	%
Three months ended February 29, 2020	2,393	71.3	(499)	–	(631)	–	(669)	–	(656)	–
Three months ended February 28, 2019	1,397	54.3	(921)	–	(984)	–	(1,083)	–	(1,154)	–

(Note) Comprehensive Income (millions of yen)

Three months ended February 29, 2020: (747) (-%). Three months ended February 28, 2019: (1,179) (-%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 29, 2020	(29.19)		–	
Three months ended February 28, 2019	(54.40)		–	

\*EBITDA=Operating profit(loss) + depreciation + amortization + tax expenses included in operating expenses

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of February 29, 2020	18,886		10,696		56.2	
As of November 30, 2019	16,313		8,030		48.2	

(Reference) Equity (millions of yen) As of February 29, 2020: 10,609. As of November 30, 2019: 7,870.

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

(Note) Revisions to most recent dividend forecast: None

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)

4. Notes

- (1) Changes in significant subsidiaries during the three months ended February 29, 2020  
(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: Yes
- (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: Yes
- Changes in accounting estimates: Yes
- 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 February 29, 2020	23,326,300 shares	As of November 30, 2019	22,165,360 shares
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Number of treasury shares at the end of the period

As of February 29, 2020	2,558 shares	As of November 30, 2019	1,158 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended February 29, 2020	22,481,787 shares	Three months ended February 28, 2019	21,232,083 shares
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**Quarterly Consolidated Financial Statements**  
**Consolidated Balance Sheets**

(Thousands of yen)

	As of November 30, 2019	As of February 29, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,192,537	8,793,791
Notes and accounts receivable - trade	890,638	813,847
Inventories	7,297	45,908
Purchased receivables	2,068,872	2,399,307
Other	750,749	992,705
Allowance for doubtful accounts	(41,953)	(46,432)
<b>Total current assets</b>	<b>10,868,142</b>	<b>12,999,129</b>
<b>Non-current assets</b>		
Property, plant and equipment	387,384	390,251
<b>Intangible assets</b>		
Goodwill	2,621,095	2,542,496
Software	18,870	111,461
Software in progress	–	86,711
<b>Total intangible assets</b>	<b>2,639,965</b>	<b>2,740,669</b>
<b>Investments and other assets</b>		
Investment securities	1,789,955	2,027,286
Other	640,387	742,193
Allowance for doubtful accounts	(12,619)	(12,619)
<b>Total investments and other assets</b>	<b>2,417,722</b>	<b>2,756,860</b>
<b>Total non-current assets</b>	<b>5,445,073</b>	<b>5,887,781</b>
<b>Total assets</b>	<b>16,313,216</b>	<b>18,886,910</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	184,730	91,624
Short-term borrowings	2,000,000	2,000,000
Current portion of long-term borrowings	620,776	620,344
Accounts payable - other	755,661	796,094
Accrued expenses	646,781	688,764
Income taxes payable	77,188	30,408
Provision for bonuses	11,641	3,255
Unearned revenue	872,713	947,846
Other	225,189	305,569
<b>Total current liabilities</b>	<b>5,394,682</b>	<b>5,483,907</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,809,533	2,647,249
Other	78,840	58,837
<b>Total non-current liabilities</b>	<b>2,888,373</b>	<b>2,706,086</b>
<b>Total liabilities</b>	<b>8,283,056</b>	<b>8,189,993</b>

(Thousands of yen)

	As of November 30, 2019	As of February 29, 2020
Net assets		
Shareholders' equity		
Share capital	6,942,818	9,345,731
Capital surplus	4,026,306	2,563,589
Retained earnings	(3,211,257)	(1,344,234)
Treasury shares	(146)	(146)
Total shareholders' equity	7,757,721	10,564,940
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120,126	48,983
Foreign currency translation adjustment	(6,917)	(4,673)
Deferred gains or losses on hedges	–	402
Total accumulated other comprehensive income	113,208	44,712
Share acquisition rights	54,541	54,046
Non-controlling interests	104,687	33,218
Total net assets	8,030,159	10,696,917
Total liabilities and net assets	16,313,216	18,886,910

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

**Consolidated Statements of Income (cumulative)**

	(Thousands of yen)	
	Three months ended February 28, 2019	Three months ended February 29, 2020
Net sales	1,397,539	2,393,690
Cost of sales	651,272	725,790
Gross profit	746,266	1,667,899
Selling, general and administrative expenses	1,730,571	2,299,753
Operating loss	(984,304)	(631,853)
Non-operating income		
Interest income	31	29
Subsidy income	570	1,718
Other	16	455
Total non-operating income	617	2,203
Non-operating expenses		
Interest expenses	6,906	8,467
Share issuance cost	90,401	25,351
Other	2,622	5,746
Total non-operating expenses	99,931	39,565
Ordinary loss	(1,083,617)	(669,216)
Extraordinary income		
Gain on reversal of share acquisition rights	475	77
Total extraordinary income	475	77
Extraordinary losses		
Impairment loss	12,533	-
Loss on liquidation of business	61,395	-
Total extraordinary losses	73,928	-
Loss before income taxes	(1,157,070)	(669,138)
Income taxes	7,625	10,309
Loss	(1,164,696)	(679,448)
Loss attributable to non-controlling interests	(9,778)	(23,207)
Loss attributable to owners of parent	(1,154,918)	(656,241)

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

(Thousands of yen)

	Three months ended February 28, 2019	Three months ended February 29, 2020
Loss	(1,164,696)	(679,448)
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,875)	(71,143)
Foreign currency translation adjustment	(424)	2,244
Deferred gains or losses on hedges	–	402
Total other comprehensive income	(15,299)	(68,496)
Comprehensive income	(1,179,996)	(747,944)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,170,217)	(724,737)
Comprehensive income attributable to non-controlling interests	(9,778)	(23,207)