

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended May 31, 2020 (Based on Japanese GAAP)

July 15, 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: Director, Executive Officer and CFO Naoya Kanesaka TEL 03(6453)9160  
 Scheduled date to file Quarterly Securities Report: July 15, 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 six months ended May 31, 2020 (from December 1, 2019 to May 31, 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	%
Six months ended May 31, 2020	5,214	70.5	(976)	–	(1,245)	–	(1,287)	–	(1,274)	–
Six months ended May 31, 2019	3,058	53.2	(1,426)	–	(1,558)	–	(1,662)	–	(1,733)	–

(Note) Comprehensive Income (millions of yen)

Six months ended May 31, 2020: (1,221) (-%). Six months ended May 31, 2019: (1,782) (-%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended May 31, 2020	(55.54)		–	
Six months ended May 31, 2019	(80.44)		–	

\*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 May 31, 2020	21,256	10,599	49.5
As of November 30, 2019	16,313	8,030	48.2

(Reference) Equity (millions of yen) As of May 31, 2020: 10,520. 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	–	0.00			
Year ending November 30, 2020 (Forecast)			–	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)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended May 31, 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 May 31, 2020	23,477,272 shares	As of November 30, 2019	22,165,360 shares
--------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of May 31, 2020	3,958 shares	As of November 30, 2019	1,158 shares
--------------------	--------------	-------------------------	--------------

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

Six months ended May 31, 2020	22,945,142 shares	Six months ended May 31, 2019	21,547,147 shares
-------------------------------	-------------------	-------------------------------	-------------------

**Quarterly Consolidated Financial Statements**  
**Consolidated Balance Sheets**

	(Thousands of yen)	
	As of November 30, 2019	As of May 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,192,537	10,495,886
Notes and accounts receivable - trade	890,638	1,031,293
Inventories	7,297	22,640
Purchased receivables	2,068,872	2,212,307
Other	750,749	1,071,170
Allowance for doubtful accounts	(41,953)	(49,538)
<b>Total current assets</b>	<b>10,868,142</b>	<b>14,783,760</b>
<b>Non-current assets</b>		
Property, plant and equipment	387,384	377,738
<b>Intangible assets</b>		
Goodwill	2,621,095	2,463,898
Software	18,870	176,803
Software in progress	-	220,833
<b>Total intangible assets</b>	<b>2,639,965</b>	<b>2,861,535</b>
<b>Investments and other assets</b>		
Investment securities	1,789,955	2,274,390
Other	640,387	971,908
Allowance for doubtful accounts	(12,619)	(12,619)
<b>Total investments and other assets</b>	<b>2,417,722</b>	<b>3,233,679</b>
<b>Total non-current assets</b>	<b>5,445,073</b>	<b>6,472,953</b>
<b>Total assets</b>	<b>16,313,216</b>	<b>21,256,713</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	184,730	130,979
Short-term borrowings	2,000,000	3,030,000
Current portion of long-term borrowings	620,776	620,344
Accounts payable - other	755,661	1,099,404
Accrued expenses	646,781	699,147
Income taxes payable	77,188	60,039
Provision for bonuses	11,641	9,032
Unearned revenue	872,713	1,066,699
Other	225,189	288,822
<b>Total current liabilities</b>	<b>5,394,682</b>	<b>7,004,470</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,809,533	3,522,913
Other	78,840	129,537
<b>Total non-current liabilities</b>	<b>2,888,373</b>	<b>3,652,450</b>
<b>Total liabilities</b>	<b>8,283,056</b>	<b>10,656,921</b>

	(Thousands of yen)	
	As of November 30, 2019	As of May 31, 2020
Net assets		
Shareholders' equity		
Share capital	6,942,818	9,535,572
Capital surplus	4,026,306	2,753,429
Retained earnings	(3,211,257)	(1,962,407)
Treasury shares	(146)	(146)
Total shareholders' equity	<u>7,757,721</u>	<u>10,326,448</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120,126	202,771
Foreign currency translation adjustment	(6,917)	(7,823)
Deferred gains or losses on hedges	–	(451)
Total accumulated other comprehensive income	<u>113,208</u>	<u>194,496</u>
Share acquisition rights	54,541	51,121
Non-controlling interests	<u>104,687</u>	<u>27,725</u>
Total net assets	<u>8,030,159</u>	<u>10,599,792</u>
Total liabilities and net assets	<u>16,313,216</u>	<u>21,256,713</u>

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

**Consolidated Statements of Income (cumulative)**

	(Thousands of yen)	
	Six months ended May 31, 2019	Six months ended May 31, 2020
Net sales	3,058,846	5,214,512
Cost of sales	1,290,124	1,715,527
Gross profit	1,768,721	3,498,985
Selling, general and administrative expenses	3,327,035	4,744,894
Operating loss	(1,558,313)	(1,245,909)
Non-operating income		
Interest income	36	32
Subsidy income	570	3,718
Other	1,466	1,436
Total non-operating income	2,072	5,187
Non-operating expenses		
Interest expenses	13,068	17,538
Share issuance cost	90,735	25,351
Other	2,285	4,049
Total non-operating expenses	106,089	46,939
Ordinary loss	(1,662,330)	(1,287,660)
Extraordinary income		
Gain on reversal of share acquisition rights	848	1,712
Total extraordinary income	848	1,712
Extraordinary losses		
Impairment loss	12,533	-
Loss on liquidation of business	61,395	-
Total extraordinary losses	73,928	-
Loss before income taxes	(1,735,410)	(1,285,947)
Income taxes	20,389	17,166
Loss	(1,755,800)	(1,303,114)
Loss attributable to non-controlling interests	(22,442)	(28,699)
Loss attributable to owners of parent	(1,733,357)	(1,274,415)

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

(Thousands of yen)

	Six months ended May 31, 2019	Six months ended May 31, 2020
Loss	(1,755,800)	(1,303,114)
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,386)	82,644
Foreign currency translation adjustment	(4,712)	(906)
Deferred gains or losses on hedges	–	(451)
Total other comprehensive income	(27,098)	81,287
Comprehensive income	(1,782,898)	(1,221,826)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,760,456)	(1,193,127)
Comprehensive income attributable to non-controlling interests	(22,442)	(28,699)