

Translation

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October 15, 2021

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Representative Director, President and CEO
(Securities Code: 3994,
Stock Exchange: TSE First Section)
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Notice Regarding Risk of Uncollectibility of Receivables at a Consolidated Subsidiary

Money Forward, Inc. (the “Company”), hereby announces that the Company recognized a risk that the receivables to a transaction counterparty (the “Counterparty”) of the Company’s consolidated subsidiary, Money Forward Kessai, Inc. (“Kessai”) may become delayed or uncollectible, and recorded operating loss accordingly.

1. Overview of Kessai

(1) Name	Money Forward Kessai, Inc.
(2) Location	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo
(3) Job title and name of representative	Representative Director and President, Naomichi Tomiyama
(4) Description of business	Development and offering of BPO and online invoicing service, <i>Money Forward Kessai</i> , and accounts receivable financing service, <i>Money Forward Early Payment</i>
(5) Share capital	100 million yen

2. Overview of the Counterparty

The Counterparty has not dishonored its bills nor is in a state of bankruptcy. Thus, to secure possibility of debt collectability, the Company will refrain from disclosing the Counterparty’s name.

3. Course of events that lead to the risk of uncollectibility

Kessai has collected 13 million yen from the Counterparty and was continuing to collect the residual amount based on the split payment agreement. Since the payment has been delayed, Kessai discussed with the Counterparty to seek the possibility of the revision of repayment schedule. However, in light of the Counterparty’s current financial status, the collection of full amount of receivables has become difficult.

4. Type and amount of receivables to the Counterparty and provision of allowance for doubtful receivables

Transferred receivables, etc.: 70 million yen

Provision of allowance for doubtful receivables as of the nine months ended August 31, 2021: approximately 5.7 million yen

Kessai protects the transferred receivables related to *Money Forward Kessai* and *Money Forward Early Payment* with insurance, based on the contract between Money Forward Hosho, Inc., Kessai's guarantee organization and a consolidated subsidiary of the Company, and insurance companies. Although 70 million yen of the said receivables is fully covered by the insurance, 10% of the total loss, (10% of the amount after deduction of collected receivables from the total amount of the receivables) is expected to be posted as a provision for allowance for doubtful receivables in the fiscal year ending November 30, 2021.

5. Future outlook

There is no change in full-year guidance due to the recognition of provision of allowance for doubtful receivables.

The Company will disclose additional information once the uncollectibility has been determined.