

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 Nine Months Ended August 31, 2021 (Based on Japanese GAAP)

October 15, 2021

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
 Executive Officer and Accounting Department Manager
 Inquiries: Shun Matsuoka TEL 03(6453)9160
 Scheduled date to file Quarterly Securities Report: October 15, 2021
 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 nine months ended August 31, 2021 (from December 1, 2020 to August 31, 2021)

(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	%
Nine months ended August 31, 2021	11,293	41.7	690	–	(401)	–	(751)	–	(758)	–
Nine months ended August 31, 2020	7,970	61.3	(1,027)	–	(1,603)	–	(1,662)	–	(1,561)	–

(Note) Comprehensive income (millions of yen)

Nine months ended August 31, 2021: (811) (-%). Nine months ended August 31, 2020: (1,285) (-%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended August 31, 2021	(15.74)	–
Nine months ended August 31, 2020	(33.75)	–

* EBITDA=Operating profit(loss) + depreciation and amortization + tax expenses included in operating expenses + share-based remuneration expenses

* Diluted earnings per share is not disclosed because it is anti dilutive due to the Company's net loss position.

* The Company conducted a 2-for-1 stock split of common stock effective on December 1, 2020. Therefore, earnings per share is calculated on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2021	56,407	42,453	72.9
As of November 30, 2020	21,711	10,237	44.3

(Reference) Equity (millions of yen) As of August 31, 2021: 41,130. As of November 30, 2020: 9,618

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended November 30, 2020	–	0.00	–	0.00	0.00
Year ending November 30, 2021	–	0.00	–		
Year ending November 30, 2021 (Forecast)				0.00	0.00

(Note) Revisions to most recent dividend forecast: None

3. Forecast of consolidated financial results for the year ending November 30, 2021 (from December 1, 2020 to November 30, 2021)

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	14,750	30.3	100	—	(1,196)	—	(1,261)	—	(1,308)	—	(27.42)
	~15,750	~39.2	~500		~(796)		~(861)		~(908)		~(19.04)

(Note) Revisions to most recent dividend forecast: None

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended August 31, 2021
(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: No
- Changes in accounting estimates: No
- 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 August 31, 2021	53,240,660 shares	As of November 30, 2020	47,702,436 shares
-----------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of August 31, 2021	34,447 shares	As of November 30, 2020	17,836 shares
-----------------------	---------------	-------------------------	---------------

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

Nine months ended August 31, 2021	48,200,562 shares	Nine months ended August 31, 2020	46,272,912 shares
-----------------------------------	-------------------	-----------------------------------	-------------------

* The Company conducted a 2-for-1 stock split of common stock effective on December 1, 2020. Therefore, total number of issued shares (common shares) is calculated on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.

Quarterly Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of November 30, 2020	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	8,919,850	38,180,275
Notes and accounts receivable - trade	1,228,255	1,157,793
Operational investment securities	219,851	819,268
Inventories	83,005	22,195
Purchased receivables	2,210,303	3,272,817
Other	855,801	1,076,950
Allowance for doubtful accounts	(56,747)	(78,020)
Total current assets	13,460,320	44,451,279
Non-current assets		
Property, plant and equipment	478,231	518,314
Intangible assets		
Goodwill	3,547,877	3,187,288
Software	623,057	1,692,229
Software in progress	393,400	822,619
Total intangible assets	4,564,335	5,702,136
Investments and other assets		
Investment securities	2,230,427	4,430,384
Leasehold and guarantee deposits	580,220	576,691
Other	410,833	782,934
Allowance for doubtful accounts	(12,619)	(53,848)
Total investments and other assets	3,208,861	5,736,161
Total non-current assets	8,251,428	11,956,613
Total assets	21,711,748	56,407,892
Liabilities		
Current liabilities		
Accounts payable - trade	175,032	189,720
Short-term loans payable	2,510,000	4,270,000
Current portion of long-term loans payable	968,344	1,488,277
Accounts payable - other	1,664,797	1,585,009
Accrued expenses	717,171	757,426
Income taxes payable	89,930	232,068
Provision for bonuses	16,874	22,914
Unearned revenue	1,454,299	1,627,412
Other	643,955	724,869
Total current liabilities	8,240,405	10,897,698
Non-current liabilities		
Long-term loans payable	3,067,741	2,921,050
Retirement benefit liability	–	2,109
Other	165,833	133,715
Total non-current liabilities	3,233,574	3,056,874
Total liabilities	11,473,980	13,954,573

(Thousands of yen)

	As of November 30, 2020	As of August 31, 2021
Net assets		
Shareholders' equity		
Capital stock	9,614,410	25,751,247
Capital surplus	2,910,162	17,209,015
Retained earnings	(3,111,275)	(2,031,896)
Treasury shares	(146)	(850)
Total shareholders' equity	9,413,150	40,927,515
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214,893	199,203
Foreign currency translation adjustment	(9,752)	3,338
Total accumulated other comprehensive income	205,140	202,542
Share acquisition rights	46,549	40,171
Non-controlling interests	572,927	1,283,091
Total net assets	10,237,768	42,453,319
Total liabilities and net assets	21,711,748	56,407,892

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

Consolidated Statements of Income (cumulative)

	(Thousands of yen)	
	Nine months ended August 31, 2020	Nine months ended August 31, 2021
Net sales	7,970,396	11,293,311
Cost of sales	2,631,774	3,232,564
Gross profit	5,338,622	8,060,747
Selling, general and administrative expenses	6,942,009	8,461,892
Operating loss	(1,603,387)	(401,145)
Non-operating income		
Interest income	109	73
Subsidy income	3,718	2,281
Consumption taxes refund	–	9,013
Other	1,755	10,082
Total non-operating income	5,583	21,450
Non-operating expenses		
Interest expenses	27,602	35,155
Share issuance costs	25,351	313,935
Other	11,579	23,194
Total non-operating expenses	64,533	372,284
Ordinary loss	(1,662,337)	(751,978)
Extraordinary income		
Gain on reversal of share acquisition rights	1,790	2,207
Gain on step acquisitions	100,000	–
Total extraordinary income	101,790	2,207
Loss before income taxes	(1,560,547)	(749,771)
Income taxes	35,814	58,821
Loss	(1,596,361)	(808,593)
Loss attributable to non-controlling interests	(34,742)	(49,987)
Loss attributable to owners of parent	(1,561,619)	(758,605)

Consolidated Statements of Comprehensive Income (cumulative)

(Thousands of yen)

	Nine months ended August 31, 2020	Nine months ended August 31, 2021
Loss	(1,596,361)	(808,593)
Other comprehensive income		
Valuation difference on available-for-sale securities	311,171	(15,689)
Foreign currency translation adjustment	811	13,090
Deferred gains or losses on hedges	(996)	–
Total other comprehensive income	310,985	(2,598)
Comprehensive income	(1,285,375)	(811,191)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,250,747)	(761,203)
Comprehensive income attributable to non-controlling interests	(34,628)	(49,987)