

Translation

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Summary of Consolidated Financial Results for the Three Months Ended February 28, 2021 (Based on Japanese GAAP)

April 13, 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
 Inquiries: Director, Executive Officer and CFO Naoya Kanesaka TEL 03(6453)9160
 Scheduled date to file Quarterly Securities Report: April 13, 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 three months ended February 28, 2021 (from December 1, 2020 to February 28, 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	%
Three months ended February 28, 2021	3,466	44.8	358	–	80	–	74	–	64	–
Three months ended February 29, 2020	2,393	71.3	(459)	–	(631)	–	(669)	–	(656)	–

(Note) Comprehensive income (millions of yen)

Three months ended February 28, 2021: (100) (-%). Three months ended February 29, 2020: (747) (-%)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 28, 2021	1.35		1.30	
Three months ended February 29, 2020	(14.60)		–	

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

* The Company conducted a 2-for-1 stock split of common stock effective on December 1, 2020. Therefore, earnings per share and diluted earnings per share are 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 February 28, 2021	21,246		10,350		45.9	
As of November 30, 2020	21,711		10,237		44.3	

(Reference) Equity (millions of yen) As of February 28, 2021: 9,749. 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				
Year ended November 30, 2020	–	0.00	–	0.00	0.00
Year ending November 30, 2021	–	–	–	–	–
Year ending November 30, 2021 (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, 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 three months ended February 28, 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 February 28, 2021	47,812,196 shares	As of November 30, 2020	47,702,436 shares
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Number of treasury shares at the end of the period

As of February 28, 2021	20,838 shares	As of November 30, 2020	17,836 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended February 28, 2021	47,755,477 shares	Three months ended February 29, 2020	44,963,574 shares
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* 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 February 28, 2021
Assets		
Current assets		
Cash and deposits	8,919,850	7,603,084
Notes and accounts receivable - trade	1,228,255	1,277,398
Operational investment securities	219,851	289,857
Inventories	83,005	116,971
Purchased receivables	2,210,303	2,409,603
Other	855,801	893,406
Allowance for doubtful accounts	(56,747)	(64,958)
Total current assets	13,460,320	12,525,363
Non-current assets		
Property, plant and equipment	478,231	479,787
Intangible assets		
Goodwill	3,547,877	3,424,339
Software	623,057	790,806
Software in progress	393,400	733,367
Total intangible assets	4,564,335	4,948,514
Investments and other assets		
Investment securities	2,230,427	2,358,779
Leasehold and guarantee deposits	580,220	563,428
Other	410,833	380,082
Allowance for doubtful accounts	(12,619)	(9,812)
Total investments and other assets	3,208,861	3,292,478
Total non-current assets	8,251,428	8,720,779
Total assets	21,711,748	21,246,143

(Thousands of yen)

	As of November 30, 2020	As of February 28, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	175,032	223,770
Short-term loans payable	2,510,000	2,500,000
Current portion of long-term loans payable	968,344	1,035,534
Accounts payable - other	1,664,797	1,076,653
Accrued expenses	717,171	787,249
Income taxes payable	89,930	44,640
Provision for bonuses	16,874	7,260
Unearned revenue	1,454,299	1,471,894
Other	643,955	737,292
Total current liabilities	8,240,405	7,884,293
Non-current liabilities		
Long-term loans payable	3,067,741	2,831,715
Other	165,833	179,811
Total non-current liabilities	3,233,574	3,011,526
Total liabilities	11,473,980	10,895,820
Net assets		
Shareholders' equity		
Capital stock	9,614,410	9,624,337
Capital surplus	2,910,162	1,082,105
Retained earnings	(3,111,275)	(1,208,834)
Treasury shares	(146)	(850)
Total shareholders' equity	9,413,150	9,496,757
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	214,893	267,158
Foreign currency translation adjustment	(9,752)	(13,944)
Total accumulated other comprehensive income	205,140	253,214
Share acquisition rights	46,549	44,810
Non-controlling interests	572,927	555,540
Total net assets	10,237,768	10,350,322
Total liabilities and net assets	21,711,748	21,246,143

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

Consolidated Statements of Income (cumulative)

	(Thousands of yen)	
	Three months ended February 29, 2020	Three months ended February 28, 2021
Net sales	2,393,690	3,466,847
Cost of sales	725,790	924,038
Gross profit	1,667,899	2,542,808
Selling, general and administrative expenses	2,299,753	2,462,234
Operating profit (loss)	(631,853)	80,574
Non-operating income		
Interest income	29	36
Consumption taxes refund	–	9,013
Subsidy income	1,718	–
Other	455	1,050
Total non-operating income	2,203	10,100
Non-operating expenses		
Interest expenses	8,467	10,981
Share issuance costs	25,351	–
Foreign exchange losses	–	3,910
Other	5,746	971
Total non-operating expenses	39,565	15,864
Ordinary profit (loss)	(669,216)	74,810
Extraordinary income		
Gain on reversal of share acquisition rights	77	1,210
Total extraordinary income	77	1,210
Profit (loss) before income taxes	(669,138)	76,021
Income taxes	10,309	23,104
Profit (loss)	(679,448)	52,917
Loss attributable to non-controlling interests	(23,207)	(11,538)
Profit (loss) attributable to owners of parent	(656,241)	64,456

Consolidated Statements of Comprehensive Income (cumulative)

(Thousands of yen)

	Three months ended February 29, 2020	Three months ended February 28, 2021
Profit (loss)	(679,448)	52,917
Other comprehensive income		
Valuation difference on available-for-sale securities	(71,143)	52,265
Foreign currency translation adjustment	2,244	(4,191)
Deferred gains or losses on hedges	402	—
Total other comprehensive income	(68,496)	48,074
Comprehensive income	(747,944)	100,991
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(724,737)	112,530
Comprehensive income attributable to non-controlling interests	(23,207)	(11,538)