

Translation

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May 16, 2024

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Representative Director, President and CEO
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Stock Exchange: TSE Prime)
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Notice Regarding Absorption-Type Merger of Consolidated Subsidiary (Simplified/Short-Form Merger)

Money Forward, Inc. (the “Company”) hereby announces that at today’s Board of Directors meeting, it was resolved to conduct an absorption-type merger (the “Merger”) of the Company’s consolidated subsidiary Klavis, Inc. (“Klavis”), scheduled to take effect on December 1, 2024. Subsequently, a merger agreement was concluded today.

As the Merger is a simplified absorption-type merger of the Company’s wholly owned subsidiary, certain items and details are omitted from this disclosure.

1. Purpose of the Merger

Klavis provides *STREAMED*, which enables users to convert paper-based evidence such as receipts into digital accounting data by simply scanning them. Klavis recently also released *Scan Center for STREAMED*, which delivers further value by also undertaking scanning tasks to allow users to carry out bookkeeping operations without handling paper documents at all.

The main users of *STREAMED* are professional service firms. As such, Klavis has been expanding its user base since joining Money Forward Group (the “Group”) in November 2017 by leveraging the Group’s strong network of professional service firms, achieving a CAGR of 41% in net sales (*1).

The Company has decided to effectuate an absorption-type merger of Klavis, which is a wholly owned subsidiary, for the purpose of gaining competitiveness in securing talents and unifying the Group’s business strategies targeting professional service firms.

(*1) The compound annual growth rate of net sales from the fiscal year ended November 30, 2018 to the fiscal year ended November 30, 2023

2. Summary of the Merger

(1) Schedule of the Merger

Date of board resolutions (by the Company and Klavis):	May 16, 2024
Date of merger contract signing:	May 16, 2024
Merger effective date:	December 1, 2024 (plan)

* For the Company, the Merger is a simplified merger pursuant to Article 796, paragraph 2 of Japan’s Companies Act,

while for Klavis, it is a short-form merger pursuant to Article 784, paragraph 1 of the same. As such, the Merger can be carried out without the resolutions by the respective general meetings of shareholders.

(2) Method of the Merger

The Company will be the surviving company while Klavis will be dissolved as a result of the absorption-type merger.

(3) Details of Allotment Related to the Merger

Since the Company owns all the outstanding shares of Klavis, no shares, money, or other assets will be allotted as a result of the Merger.

(4) Handling of Share Acquisition Rights and Convertible Bonds of Dissolving Company

There are no applicable matters.

3. Overview of Companies Involved in the Merger (as of Fiscal Year Ended November 2023)

	Surviving company in absorption-type merger (the Company)	Dissolving company in absorption-type merger (Klavis)
(1) Company name	Money Forward, Inc.	Klavis, Inc.
(2) Address	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo 108-0023	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo 108-0023
(3) Name and title of representative	Yosuke Tsuji Representative Director, President and CEO	Kazuaki Kimijima Representative Director, President and CEO
(4) Business description	Development and provision of PFM and cloud services	Planning, development, and operation of automated bookkeeping service <i>STREAMED</i>
(5) Capital	26,716 million yen	100 million yen
(6) Date of incorporation	May 2012	December 2012
(7) No. of shares issued	54,235,305 shares	6,992 shares
(8) Fiscal year-end	November 30	November 30
(9) Major shareholders and ownership ratio	Yosuke Tsuji 16.76% The Master Trust Bank of Japan, Ltd. (trust account) 13.42%	Money Forward, Inc. 100%
(10) Financial earnings and data in previous fiscal year		
Fiscal year	Fiscal year ended November 30, 2023 (consolidated)	Fiscal year ended November 30, 2023 (non-consolidated)
Net assets	34,660 million yen	806 million yen
Total assets	88,282 million yen	1,073 million yen
Net assets per share	514.09 yen	115,389.80 yen
Net sales	30,380 million yen	1,535 million yen
Operating profit	-6,329 million yen	335 million yen
Ordinary profit	-6,738 million yen	336 million yen
Profit (*2)	-6,315 million yen	233 million yen

Earnings per share	-116.98 yen	33,371.70 yen
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(*2) For the Company, loss attributable to owners of parent.

4. Status After the Merger

The Merger will not result in any changes in the Company's name, address, name and title of representative, business description, capital, or fiscal year-end.

5. Future Outlook

As the Merger involves the Company and its wholly owned subsidiary, it will have a minimal impact on the Company's consolidated performance.