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**Notice Regarding Conclusion of Basic Agreement with Sumitomo Mitsui Card Company, Limited on
Business Succession through Company Split (Simplified Absorption-Type Company Split) and
Establishment of Joint Venture as Consolidated Subsidiary**

Money Forward, Inc. (the “Company”) hereby announces that at today’s extraordinary Board of Directors meeting, it resolved to conclude a non-binding basic agreement (the “Agreement”) with Sumitomo Mitsui Card Company, Limited (headquartered in Koto-ku, Tokyo; represented by Yukihiko Onishi, President and Representative Director; “SMCC”) for the purpose of establishing a joint venture (a consolidated subsidiary of the Company) for the development and provision of PFM services (Note 1) and that it subsequently concluded the Agreement with SMCC.

Under the terms of the Agreement, the Company will establish a subsidiary (the “New Subsidiary”) on the premise of converting it to a joint venture with SMCC and conduct an absorption-type company split (the “Split”) by transferring the Company’s Money Forward Home domain business (Note 2) targeting individuals (the “Business”), including the PFM service *Money Forward ME*, to the New Subsidiary, after which SMCC will receive a transfer of the New Subsidiary’s shares from the Company (the “Transfer”) and invest in the New Subsidiary (the “Investment”), thereby acquiring 49% of the New Subsidiary’s shares and converting the New Subsidiary into a Joint Venture. (The series of transactions consisting of the Split, the Transfer, and the Investment shall collectively be referred to as the “Transaction.” The New Subsidiary after the Transaction shall be referred to as the “Joint Venture.”) Based on the provisions of the Agreement, the Company and SMCC have agreed to discuss in good faith the contents of a binding contract (the “Definitive Agreement”) pertaining to the Transaction.

Accompanying the Transfer, the Company expects to record up to approximately 14 billion yen in extraordinary income (gain on sale of shares of subsidiaries and associates) in its non-consolidated financial statements, assuming that the transfer price (estimated value) is the value specified in “4. Conversion to Joint Venture through the Transfer and the Investment.” Meanwhile, although capital surplus will increase on a consolidated basis, the impact of the Transaction on the Company’s consolidated profit and loss will be minimal, because the Joint Venture will continue to be a consolidated subsidiary of the Company.

As the Split is a simplified absorption-type company split involving only the Company and its wholly-owned subsidiary, certain items and details are omitted from this disclosure. The Company has also disclosed a supplementary material related to this disclosure today.

(Note 1) “PFM service” is the abbreviation for “personal financial management service” and refers to a service that helps individuals manage their financial assets and personal finances.

(Note 2) “Money Forward Home domain business” provides individuals with services for dealing with “money,” including *Money Forward ME*, *Money Forward Fixed Cost Review*, and *Money Forward Financial Planning*.

1. Background and Purpose

Money Forward Home domain embraces the mission “Move the individual’s money forward. Move your true self forward,” and deploys businesses that address the “money” of individuals, centered on *Money Forward ME*. *Money Forward ME* has had a large user base since its release in 2012 with the number of users now exceeding 16.1 million (cumulative total of app downloads and online registrations) and the amount of financial assets under all integrated accounts standing at 25 trillion yen, making it Japan’s No.1 PFM and asset management app in terms of both user base and brand recognition (Note 3). The number of financial services that can be linked to *Money Forward ME* is 2,464 (as of May 31, 2024), enabling users to collectively view their personal finances and assets. Recently, the business has also been focused on deploying services that solve issues that users acknowledge through such visualization in *Money Forward ME*, such as the *Money Forward Fixed Cost Review* series and *Money Forward Financial Consulting*.

Meanwhile, “*Olive*,” a Comprehensive Mobile Financial Service for Retail Customers provided by Sumitomo Mitsui Financial Group, Inc. (“SMFG”) offers a range of high-quality functions on a single platform to solve users’ various financial issues. It provides banking and card payment functions as well as access to securities investments and insurance. In addition, SMFG has recently launched *Blue and Yellow V Point*, which integrates reward points with payments and has thereby started providing a reward point program that offers both excellent usability and economic incentives and can be used anytime, anywhere. Over 2.3 million accounts have been opened in just over a year since the launch of *Olive*.

The Company and SMCC have agreed to hold discussions in good faith on the establishment of a joint venture focused on B2C financial services by integrating *Money Forward ME*’s financial data visualization service with *Olive*’s numerous financial services for the purpose of offering users a novel financial experience. The Joint Venture will leverage the strengths of both companies and work toward building a customer-centric “open financial platform” while empathizing with customers. Initiatives are envisioned to include (1) developing a function that enables users to transfer funds between their accounts of multiple financial services using an intuitive drag-and-drop action while viewing the balance of those accounts on a single screen, (2) developing a function for notifying credit-card usage and reflecting such data to the household accounting book in real time, (3) providing loans based on data in *Money Forward ME*, (4) developing a function to grant points according to the use of the PFM service, and (5) developing a support function for PFM and asset management using AI and other tools.

(Note 3) Outline of Survey

Survey outsourced to: Macromill, Inc.

Survey on “No.1 PFM app” to which 1,034 PFM app users in their 20s to 60s responded / Survey on “No.1 asset management app” to which 1,035 asset management app users in their 20s to 60s responded

Survey period: September 11–12, 2023

Survey method: online survey

2. Establishment of the Subsidiary

The Company will establish a subsidiary on the premise of converting it to a joint venture with SMCC.

(1) Outline of the Subsidiary to Be Established (at the time of establishment)

(1) Company name	TBD
(2) Address	3-1-21 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Yosuke Tsuji, Representative Director and President
(4) Business description	Development and provision of PFM services
(5) Capital	TBD

(6) Date of incorporation	August 2024 (plan)
(7) Fiscal year-end	November 30
(8) Major shareholders and ownership ratio	The Company 100%

(2) Date of Establishment of the Subsidiary

Resolution of the Board of Directors (the Company)	July 17, 2024 (today)
Establishment of subsidiary by the Company	August 2024 (plan)

3. Company Split (the Split)

The Company plans to transfer the Business to the New Subsidiary through a company split (simplified absorption-type company split).

(1) Outline of the Split

1 Date of the Split

Date of resolution by the Board of Directors (approval of the absorption-type company split agreement) (the Company)	August 2024 (plan)
Date of determination of directors (approval of absorption-type company split agreement) (the New Subsidiary)	August 2024 (plan)
Date of conclusion of absorption-type company split agreement	August 2024 (plan)
Date of resolution by general meeting of shareholders (approval of absorption-type company split agreement) (the New Subsidiary) (Note 4)	August 2024 (plan)
Effective date of the Split	November 2024 (plan)

(Note 4) Pursuant to the provisions of Article 784, paragraph 2 (Simplified Absorption-type Company Split) of Japan's Companies Act, the Company will carry out the Split without obtaining approval at the Company's general meeting of shareholders.

2 Method of the Split

The method is a simplified absorption-type company split in which the Company is the splitting company and the New Subsidiary is the succeeding company.

3 Details of Allotment Related to the Split

The New Subsidiary will issue 328,000 shares (plan) of common stock accompanying the Split, all of which will be allotted to the Company.

4 Handling of Share Acquisition Rights and Convertible Bonds Accompanying the Split

There will be no change in the handling of share acquisition rights and convertible bonds issued by the Company as a result of the Split.

5 Changes in Capital Resulting from the Split

There will be no changes in the Company's capital as a result of the Split.

6 Rights and Obligations to Be Succeeded to by the New Subsidiary

The New Subsidiary shall succeed to the assets and liabilities, contractual rights and obligations, and the status thereof related to the Business as of the effective date, unless otherwise provided for in the absorption-type company split agreement to be concluded with the Company.

7 Prospects for Fulfillment of Obligations

The Company has determined that it does not foresee the New Subsidiary facing any problems in fulfilling the obligations it will bear after the effective date of the Split.

(2) Overview of Companies Involved in the Split

	Splitting company (the Company) (as of November 30, 2023)	Succeeding company (the New Subsidiary) (plan)
(1) Company name	Money Forward, Inc.	TBD
(2) Address	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo	3-1-21 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Yosuke Tsuji Representative Director, President and CEO	Yosuke Tsuji Representative Director and President
(4) Business description	Development and provision of PFM and cloud services	Development and provision of PFM services
(5) Capital	26,716 million yen	TBD
(6) Date of incorporation	May 18, 2012	August 2024
(7) No. of shares issued	54,235,305 shares	338,000 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%	The Company 100%

(3) Financial Earnings and Data in Previous Fiscal Year of the Split Company

Fiscal year	Fiscal year ended November 30, 2023 (consolidated)
Net assets	34,660 million yen
Total assets	88,282 million yen
Net assets per share	514.09 yen
Net sales	30,380 million yen
Operating profit	-6,329 million yen
Ordinary profit	-6,738 million yen
Loss attributable to owners of parent	-6,315 million yen
Earnings per share	-116.98 yen

(4) Overview of Business Unit to Be Split

1 Details of Business to Be Split

The Company’s Money Forward Home domain business targeting individuals.

The business succession will not include businesses in Money Forward Home domain that are deployed by the Company’s subsidiaries or shares of the Company’s subsidiaries in Money Forward Home domain.

2 Financial Performance of Business to Be Split

Net sales: 3,523 million yen (for the fiscal year ended November 30, 2023)

3 Accounts and Values of Assets and Liabilities to Be Split (as of February 29, 2024) (Note 5)

Assets		Liabilities	
Account	Book value	Account	Book value
Current assets	838 million yen	Current liabilities	1,048 million yen
Non-current assets	435 million yen	Non-current liabilities	7 million yen
Total	1,274 million yen	Total	1,056 million yen

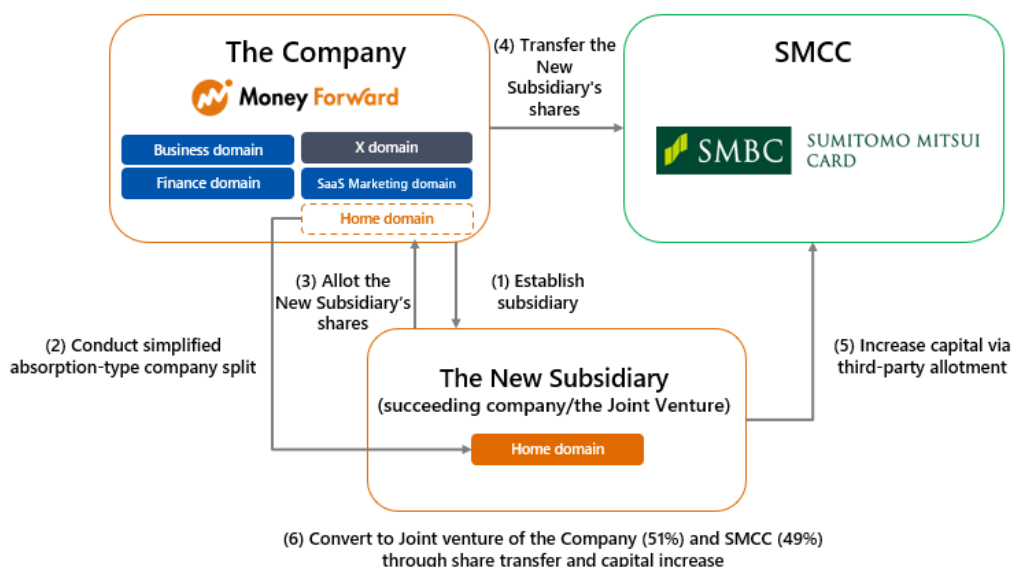
(Note 5) The values of assets and liabilities to be split will be finalized by adjusting the above figures for any changes incurred up to the effective date of the Split.

(5) Status after the Split

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

4. Conversion to Joint Venture through the Transfer and the Investment

Through the Transfer (transfer of a portion of the New Subsidiary’s shares from the Company to SMCC) and the Investment (issuance of shares by the New Subsidiary through a capital increase by way of a third-party allotment to SMCC and the subscription to and payment for such shares by SMCC), the New Subsidiary will become a joint venture of the Company and SMCC, with the Company owning 51% and SMCC 49%. The Joint Venture will continue to be a consolidated subsidiary of the Company.



(1) Outline of Joint Venture Partner

(1) Company name	Sumitomo Mitsui Card Company, Limited (SMCC)
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(2) Address	SMBC Toyosu Bldg.,2-2-31,Toyosu Koto-Ku Yokyo,135-0061		
(3) Name and title of representative	Yukihiko Onishi President and Representative Director		
(4) Business description	Credit card, debit card, prepaid card, and other payment businesses and loan, credit guarantee, gift card, and other auxiliary businesses		
(5) Capital	34,000 million yen		
(6) Date of incorporation	December 26, 1967		
(7) Major shareholders and ownership ratio	SMFG 100%		
(8) Relationship with the Company	Capital relationship	There are no applicable matters.	
	Human relationship	There are no applicable matters.	
	Business relationship	There are transactions related to <i>Money Forward Business Visa Cards</i> issued by the Company. In addition, the Company has banking transactions and transactions related to API connections with Sumitomo Mitsui Banking Corporation, a group company of SMCC.	
	Related parties	There are no applicable matters.	
(9) Non-consolidated financial earnings and data of SMCC over the last three years (million yen)			
Fiscal year	FY3/22	FY3/23	FY3/24
Net assets	963,520	999,909	1,163,503
Total assets	2,852,233	3,400,081	4,401,273
Net assets per share (yen)	90,264	93,673	108,999
Operating revenue	300,221	351,281	454,968
Operating profit	15,808	16,525	24,185
Ordinary profit	19,052	16,514	24,162
Profit attributable to owners of parent	12,431	11,449	18,560
Earnings per share (yen)	1,164	1,073	1,739
Dividends per share (yen)	465.86	429.04	956.33

(2) Outline of the Transfer

(1) Transferee	SMCC
(2) No. of shares held before transfer	0 shares
(3) No. of shares to be transferred	140,000 shares (plan)
(4) Transfer price (estimated value)	14,000 million yen (Note 6)
(5) No. of shares held after transfer	140,000 shares (plan)
(6) Basis for calculation of transfer price (estimated value)	The Company requested Mizuho Securities Co., Ltd. (Chiyoda-ku, Tokyo), a third-party

	organization, to estimate the share value. The discounted cash flow (DCF) method was adopted for estimations. The Company has set the share value of the Newly Subsidiary (before the Investment) to 33,800 million yen (Note 6), which is within the range of the share valuation estimated by the third-party valuation organization.
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(Note 6) “Transfer price (estimated value)” and “Share value of the New Subsidiary (before the Investment)” are estimated values calculated based on the business plan of the New Subsidiary at this time and may be subject to change in the course of discussions with SMCC. The final transfer price will be determined in the Definitive Agreement after making necessary adjustments upon mutual agreement with SMCC.

(3) Outline of the Investment

(1) Allottee	SMCC
(2) No. of shares to be issued	Common stock 50,000 shares (plan)
(3) Issue price	100,000 yen per share (plan)
(4) Total issue price (estimated value)	5,000 million yen (Note 7)
(5) Payment date	December 2024 (plan)
(6) Increase in capital and capital reserve	TBD
(7) Basis for calculation of issue price (estimated value)	As specified in “(6) Basis for calculation of transfer price (estimated value)” under “(2) Outline of the Transfer.” The Company plans to reach a mutual agreement with SMCC to have SMCC own 49% of the New Subsidiary after the Investment based on the transfer price agreed on with SMCC.
(8) Use of procured funds	The procured funds will be allocated toward the business growth of the Joint Venture.

(Note 7) “Total issue price (estimated value)” is an estimate calculated based on the business plan of the New Subsidiary at this time and may be subject to change in the course of discussions with SMCC. The final issue price will be determined in the Definitive Agreement after making necessary adjustments upon mutual agreement with SMCC.

(4) Business of the Joint Venture

The Joint Venture plans to deploy the businesses described below by combining the user base and data of *Money Forward ME*—Japan’s No. 1 PFM and asset management app in terms of the number of users and brand recognition (Note 3)—with *Olive* and other numerous high-quality financial services provided on SMFG’s platform for the purpose of delivering innovative services to individual customers.

- 1 Operations of the Business
- 2 Planning and development of new functions and services as well as marketing activities
- 3 Development and provision of systems required in new services to be released on SMFG’s platform

(5) Outline of the Joint Venture after the Transfer and the Investment

(1) Company name	TBD	
(2) Address	Minato-ku, Tokyo	
(3) Name and title of representative	Yukihiko Onishi, Representative Director and Chairperson Yosuke Tsuji, Representative Director and President	
(4) Business description	Development and provision of PFM services	
(5) Capital	TBD	
(6) Date of incorporation	August 2024 (plan)	
(7) Fiscal year-end	November 30 (plan)	
(8) Investment ratio	(Before the Transfer and the Investment) The Company 100% (After the Transfer and the Investment) The Company 51% SMCC 49%	
(9) Relationship between the Company and the Joint Venture	Capital relationship	The Company's ownership of the Joint Venture will be 100% at the time of its establishment. After the Transfer and the Investment, the Company is expected to own 51% and SMCC 49% of the Joint Venture.
	Human relationship	The Company and SMCC are each planning on appointing three of their officers and employees as directors of the Joint Venture at the time of its establishment. The Company's employees currently engaged in the Business will continue to engage in the Business at the Joint Venture.
	Business relationship	Once its operations commence, the Joint Venture will have business relationships with the Company, including outsourcing system development and other activities to the Company.

(6) Financial Outlook of the Joint Venture

The financial outlook of the Joint Venture will be discussed between the two companies and as such, details have yet to be determined.

(7) Date of Conversion to Joint Venture

Resolution of Board of Directors (the Company)	September 2024 (plan)
Date of conclusion of the Definitive Agreement based on the Agreement	September 2024 (plan)
Date of execution of the Transfer	November 2024 (plan)

Date of payment of the Investment	December 2024 (plan)
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5. Future Outlook

The Company is currently holding discussions toward the conclusion of the Definitive Agreement with SMCC and thus it is difficult to estimate the impact of the Transaction on the Company's consolidated financial results for the current fiscal year at this time. The Company will promptly disclose its future outlook when it becomes possible to calculate appropriate and reasonable estimates.

Accompanying the Transfer, the Company expects to record up to 14 billion yen in extraordinary income (gain on sale of shares of subsidiaries and associates) in its non-consolidated financial statements, assuming that the transfer price (estimated value) is the value specified in "4. Conversion to Joint Venture through the Transfer and the Investment." Meanwhile, although capital surplus will increase on a consolidated basis, the impact of the Transaction on consolidated profit and loss will be minimal, because the Joint Venture will continue to be a consolidated subsidiary of the Company.