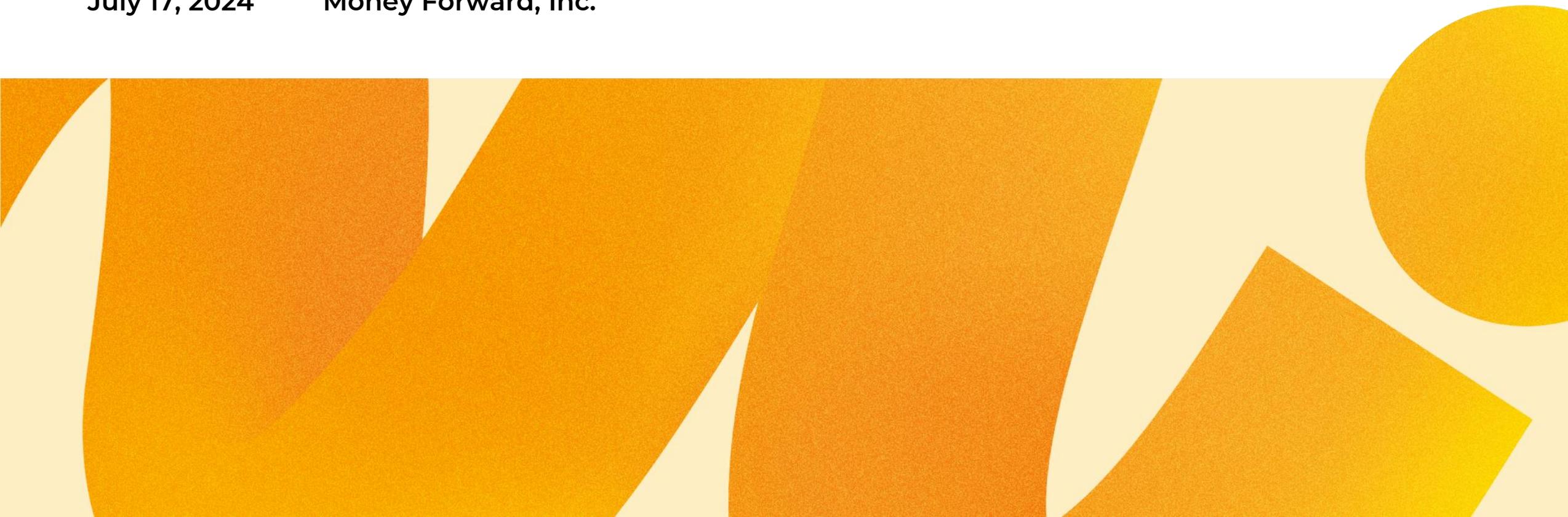


Conclusion of Basic Agreement with Sumitomo Mitsui Card Company, Limited (SMBC Group) to Establish Joint Venture in Home Domain

July 17, 2024

Money Forward, Inc.



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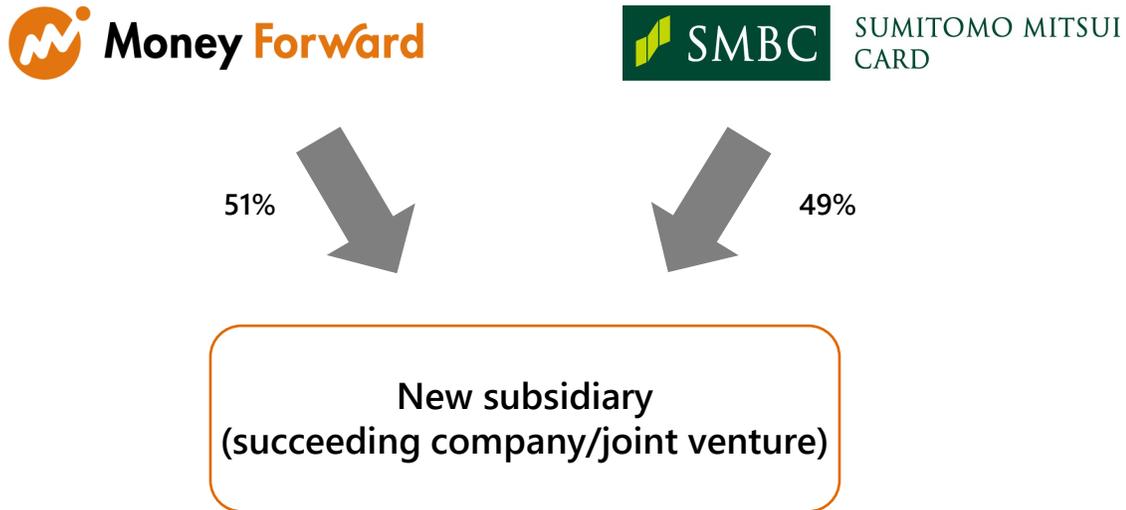
The background features a series of overlapping, organic shapes in white and a textured gold color. The shapes are layered, creating a sense of depth and movement. The gold color has a fine, grainy texture, while the white areas are solid. The overall composition is abstract and modern.

Outline of Basic Agreement

Outline of Joint Venture to Be Established

Money Forward Inc. and Sumitomo Mitsui Card Company, Limited (SMCC) have reached a basic agreement*¹ to establish a joint venture for the purpose of providing personalized B2C financial services by combining Japan's largest PFM service*² Money Forward ME with SMBC Group's financial services (e.g., Olive and V Point). A definitive agreement is scheduled to be concluded at the end of September 2024. This is the second joint venture that Money Forward has established with a megabank group, following Biz Forward, Inc.*⁴ with MUFG Bank, Ltd.

Outline of structure



An absorption-type company split of B2C businesses (Money Forward Home domain business)*³ including Money Forward's PFM service*² Money Forward ME.

Outline of joint venture

Name and title of representatives (plan)	Yukihiko Onishi, Representative Director and Chairperson (President and Representative Director of SMCC) Yosuke Tsuji, Representative Director and President (Representative Director, President and CEO of Money Forward)
Business	Development and provision of PFM services* ²
Business launch	December 2024 (plan)
Fiscal year-end	November 30 (plan)
Investment ratio	Before share transfer and investment: Money Forward 100% After share transfer and investment: Money Forward 51% SMCC 49%
Net Sales of the Business(FY11/23)	¥3,523 million (Net sales of Home Domain excluding Nexsol)

*1 Money Forward and SMCC have agreed to sincerely discuss the contents of a binding definitive agreement pertaining to this transaction (please refer to the next page for the transaction scheme) based on the provisions of the basic agreement.

*2 "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.

*3 Among Money Forward Home Domain, shares of Nexsol, Co., Ltd., Money Forward PrivateBANK, Inc., and Susten Capital Management Inc. are not included.

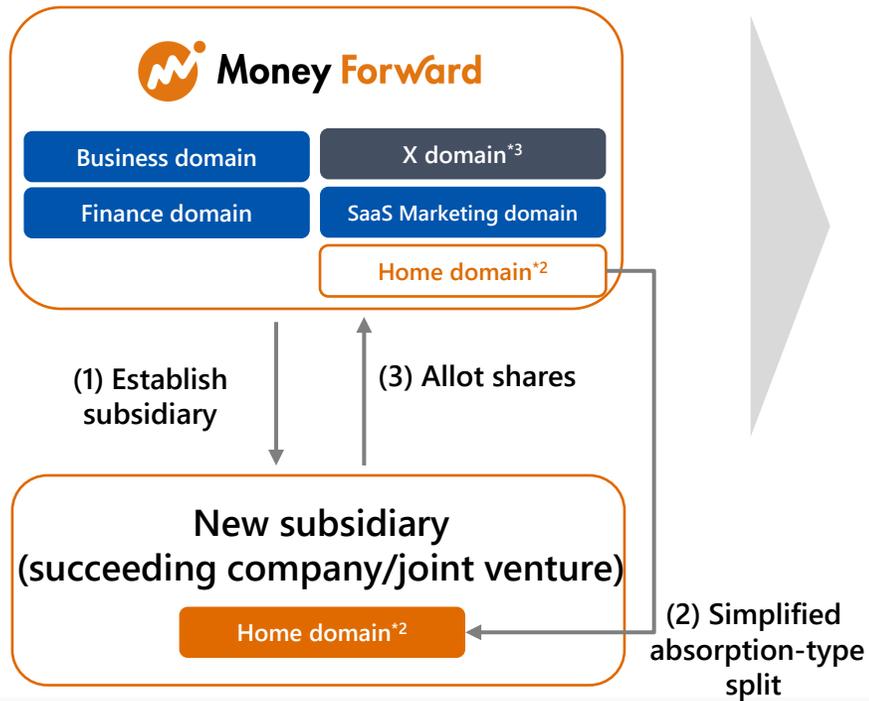
*4 A joint venture established in August 2021, which specializes in online factoring and invoicing BPO services for SMEs. 51% is owned by Money Forward, 39% by MUFG Bank, and 10% by Mitsubishi UFJ Factors Limited.

Transaction Scheme

The joint venture will be established following the three steps described below, with Money Forward ultimately owning 51% and SMCC 49%. The scheme includes **transferring a portion of the shares of the joint venture (share value estimated at ¥33.8 billion) to SMCC (¥14 billion) and increasing the joint venture's capital through a third-party allotment to SMCC (¥5 billion)*1.** (All amounts shown on this page are subject to the definitive agreement.)

Step 1: Establish new company through absorption-type company split

(Split planned by November 2024)

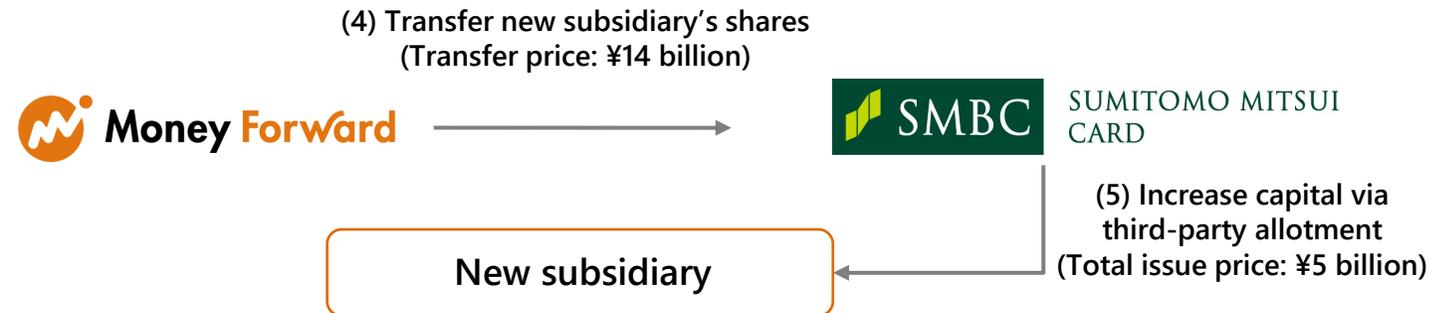


Step 2: Transfer new subsidiary's shares to SMCC

(Planned for November 2024)

Step 3: Raise capital of new subsidiary through third-party allotment to SMCC

(Planned for December 2024)



Impact on the Group's financial performance (BS/PL)

- On a non-consolidated basis, Money Forward is expected to book a gain on sale of business (under extraordinary income) of up to approx. ¥14 billion accompanying the transfer of the new subsidiary's shares.
- Meanwhile, on a consolidated basis, Money Forward will book a capital surplus (an increase in consolidated net assets) but no profits as the new subsidiary will continue to be a consolidated subsidiary even after the transfer of shares. As such, the impact of this transaction on Money Forward's consolidated financial performance is expected to be minimal.
- Consolidated cash and deposits and net assets are expected to increase by up to ¥14 billion^{*4} at FY11/24-end and by another ¥5 billion at the beginning of FY11/25.

*1 Based on a third-party stock valuation report from Mizuho Securities Co., Ltd. The valuation of the new subsidiary and the transfer price are approximations calculated based on the business plan of the new subsidiary as of the date of the announcement, and the final transfer price will be determined in the final agreement with SMCC.

*2 For details on Home domain, please see P6. Among Money Forward Home Domain, shares of Nexsol, Co., Ltd., Money Forward PrivateBANK, Inc., and Susten Capital Management Inc. are not included in the absorption-type split.

*3 X domain will be taken over by Money Forward X, Inc., scheduled to be established through an incorporation-type company split with the effective date set to December 2, 2024. For details, please refer to "Notice Regarding Establishment of Subsidiary through Company Split (Simplified Incorporation-Type Company Split)," issued on June 25, 2024.

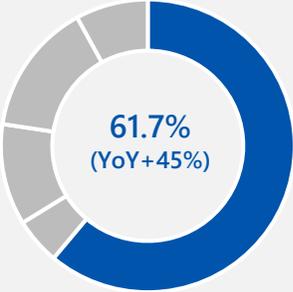
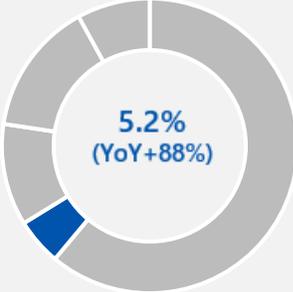
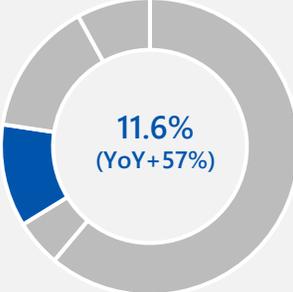
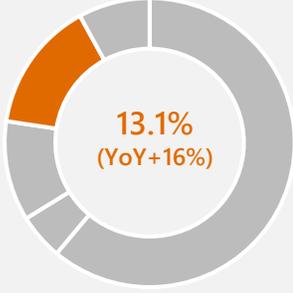
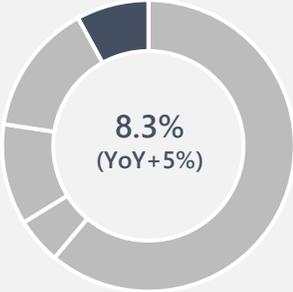
*4 Before tax on capital gains

Background and Purpose

The background features a light gold or beige color with several large, overlapping, organic white shapes that resemble stylized leaves or petals. The shapes are arranged in a way that creates a sense of depth and movement, with some appearing to be layered over others.

Outline of Money Forward Home Domain

Money Forward Home domain embraces the mission "Move the individual's money forward. Move your true self forward," and deploys businesses that address individual's financial concerns, centered on the PFM and asset management app *Money Forward ME*.

Corporation*1			Individuals*1	Financial Institutions*1
Business	Finance	SaaS Marketing	Home*2	X
<p>SaaS Applications for Back-Office Operations Cloud service for back office (accounting/finance, HR, legal, and information systems) Paying customers: 340k+, approx. half of which are corporations.</p>  <p>61.7% (YoY+45%)</p> <p>  </p>	<p>Financial Services Provides BtoB deferred payment billing and factoring services. Provides online factoring service in partnership with MUFG.</p>  <p>5.2% (YoY+88%)</p> <p>  </p>	<p>SaaS Marketing Platform One of Japan's largest SaaS marketing platforms operated by SMARTCAMP, Co., Ltd. and BizHint, Inc.</p>  <p>11.6% (YoY+57%)</p> <p>  </p>	<p>Personal Financial Management Services Users: 16.1 mn+, Japan's No.1 share*3 Paying customers: 550k+*4 Aggregated assets: ¥25 tn</p>  <p>13.1% (YoY+16%)</p> <p>  </p>	<p>Digital Transformation of Financial Institutions In collaboration with partners from financial institutions, Money Forward, Inc. provides financial services through co-creation, as well as cloud services for back-office operations, in partnership with 36 regional financial institutions*5.</p>  <p>8.3% (YoY+5%)</p> <p>  </p>

*1 The pie chart and revenue composition ratio show the portion within FY11/23 cumulative net sales (excluding "Other" sales).

*2 Among Money Forward Home Domain, shares of Nexsol, Co., Ltd., Money Forward PrivateBANK, Inc., and Susten Capital Management Inc. are not included in the absorption-type split.

*3 The number of users of *Money Forward ME* in Home domain, consisting of the cumulative number of app downloads and online registrations.

*4 The number of paying users of *Money Forward ME* in Home domain as of May 31, 2024.

Japan's No.1 PFM and Asset Management App*1 *Money Forward ME*

Money Forward ME was crowned No.1 PFM app and asset management app in terms of user base and brand recognition for three consecutive years*1. The number of users has topped 16.1 million*2, while the number of financial services that can be linked is now 2,464*3, enabling a range of users to collectively view and analyze their personal finances and assets.

The app is based on a freemium model, allowing users to use certain functions for free while offering the "Premium Plan (Standard Course)" (¥500/month) to those who wish to access more functions and the "Premium Plan (Wealth Formation Advanced Course)" (¥980/month) to support users' wealth formation.

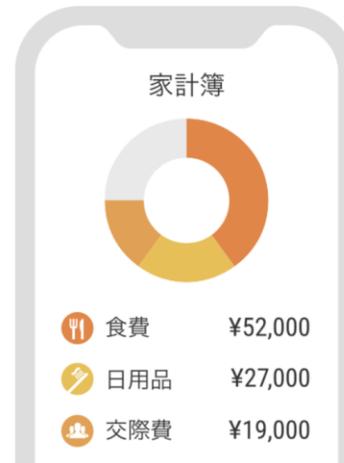
Centrally manages various financial services

Can connect with 2,464+ financial services, the largest coverage in Japan*3.



Visualizes personal finances (income/expenses) using automated classification

Automatically classifies daily expenses into categories such as "food" and "household items." Enables users to easily check what they are spending their money on and how much more they can spend during the current month.



Enables managing all assets by linking with bank and security accounts

Enables users to check their total assets via connections with multiple bank accounts, both for daily use and saving, and securities accounts.



*1 Based on an online survey outsourced to Macromill, Inc. Respondents consist of 1,034 PFM app users and 1,035 asset management app users, both in their 20s to 60s. Survey period: September 11–12, 2023.

A PFM app refers to an app that enables managing personal finances using a smartphone or tablet, while an asset management app refers to an app that enables centrally managing multiple assets using a smartphone or tablet.

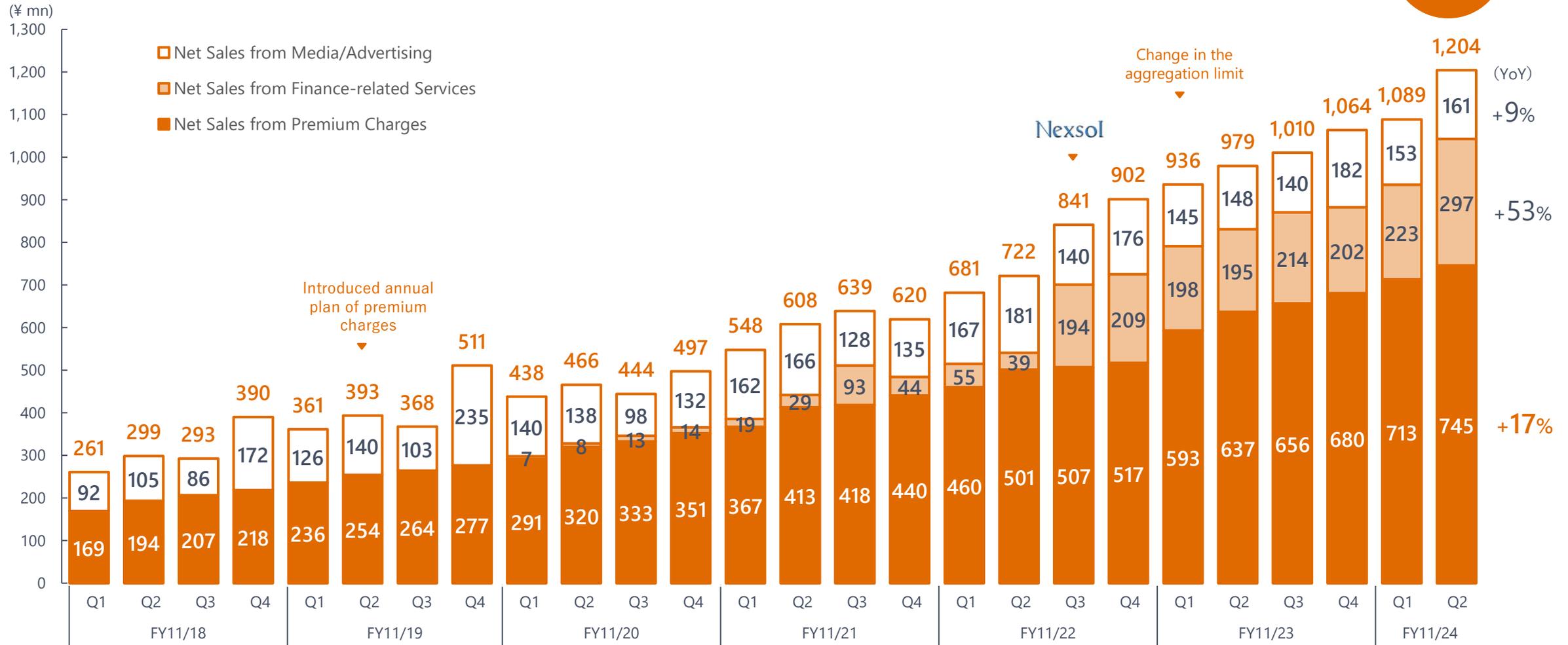
*2 The number of users of *Money Forward ME* in Home domain, consisting of the cumulative number of app downloads and online registrations.

*3 In-house data as of May 31, 2024.

Quarterly Net Sales of Home Domain

Revenue from premium paying users of *Money Forward ME* continued to grow firmly, **up 17% YoY**. Released *Money Forward Care* <*Anticipatory Nursing Care* + *Accident Insurance*> in Q2 of FY11/24.

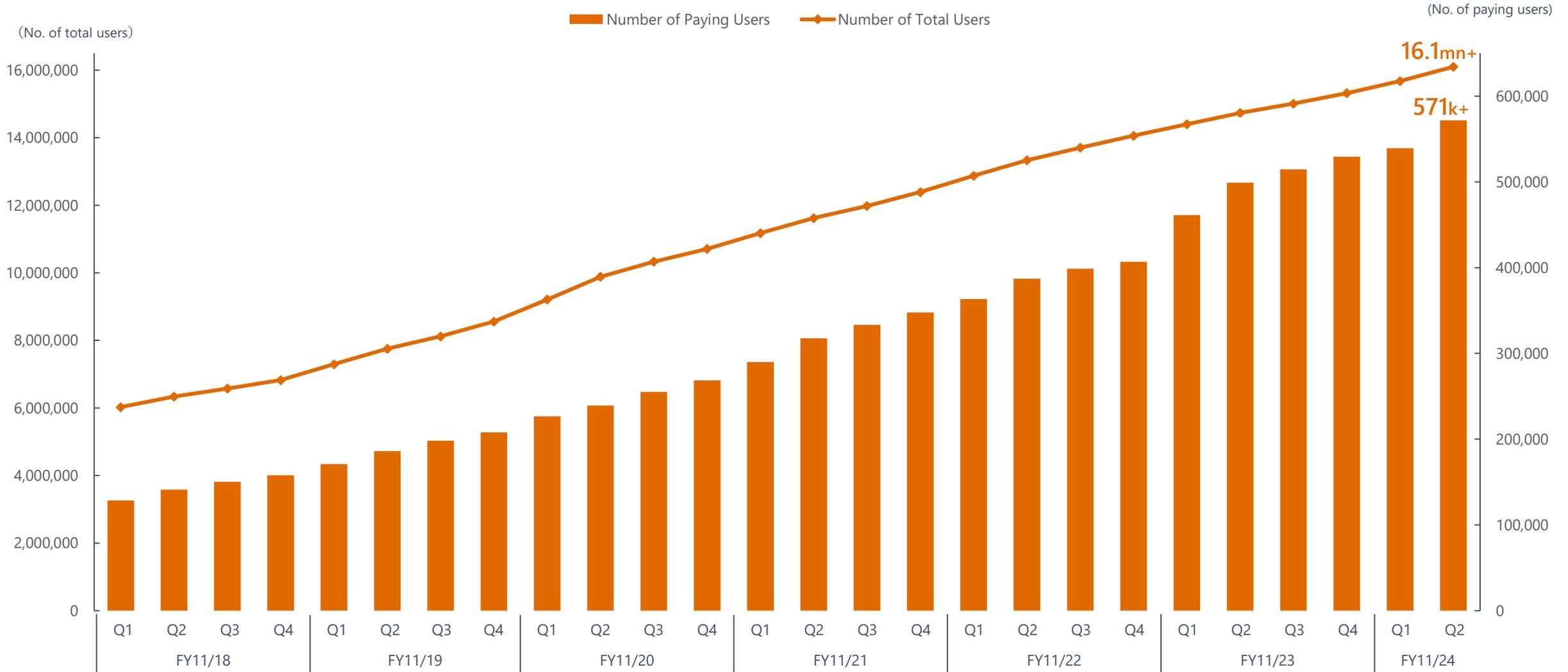
+23%
YoY



* Net sales from financial services include revenues from *Money Forward Personal Financial Consulting*, *Money Forward Fixed Cost Review*, and Nexsol Co., Ltd.
 * Among Money Forward Home Domain shown in the graph above, shares of Nexsol, Co., Ltd., and Money Forward PrivateBANK, Inc., are not included in this basic agreement.

Total and Paying Users of Money Forward ME

The number of total and paying users expanded steadily, topping 16.1 million*1 and 570,000, respectively.



*1 Accumulated number of users of *Money Forward ME* in Home domain, consisting of app downloads and online registrations. Excludes the number of users of services for financial institutions in X domain.

Outline of *Olive*

"*Olive*," a Comprehensive Mobile Financial Service for Retail Customers provided by SMBC Group 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 investments and insurance.

The renewed *V Point* was launched in April 2024, by bringing together the 70 million *T Point* users and 16 million *V Point* users.

Olive
Fit For Your Cashless Living.



- ***Olive* merges multiple financial services on a single app**
 - Offering banking, payments, insurance, and securities, with seamless user experience
- ***Flexible Pay* as the world's first all-in-one payment app covering four different payment modes**
 - Users can flexibly switch among cash card, debit card, credit card, and points
- As a pillar of SMBC Group's retail business strategy, *Olive* is extending its services further by **collaborating and partnering with industry top players outside the SMBC Group**
 - SBI Securities Co., Ltd., Lifenet Insurance Co., and Mitsui Sumitomo Insurance Co., Ltd., etc.
- **Over 2.3 million *Olive* accounts** have been opened in just over a year since the service launched in March 2023
 - Targeting the number of accounts to **12 million by 2028**
- ***V Point*** is Japan's largest point reward system
 - Bringing together the 70 million *T Point* users and 16 million *V Point* users

Vision of Joint Venture: Japan's No.1 Financial Platform for Individuals

Aiming to **accelerate growth in B2C businesses** by leveraging the strengths of both companies and creating an innovative **user-centric** financial experience of **"using, saving, increasing, and managing money more conveniently and economically."**

 **Money Forward ME**

Financial data visualization service

Will continue to support users' PFM and asset management with existing services, while maintaining usability and neutrality



Olive

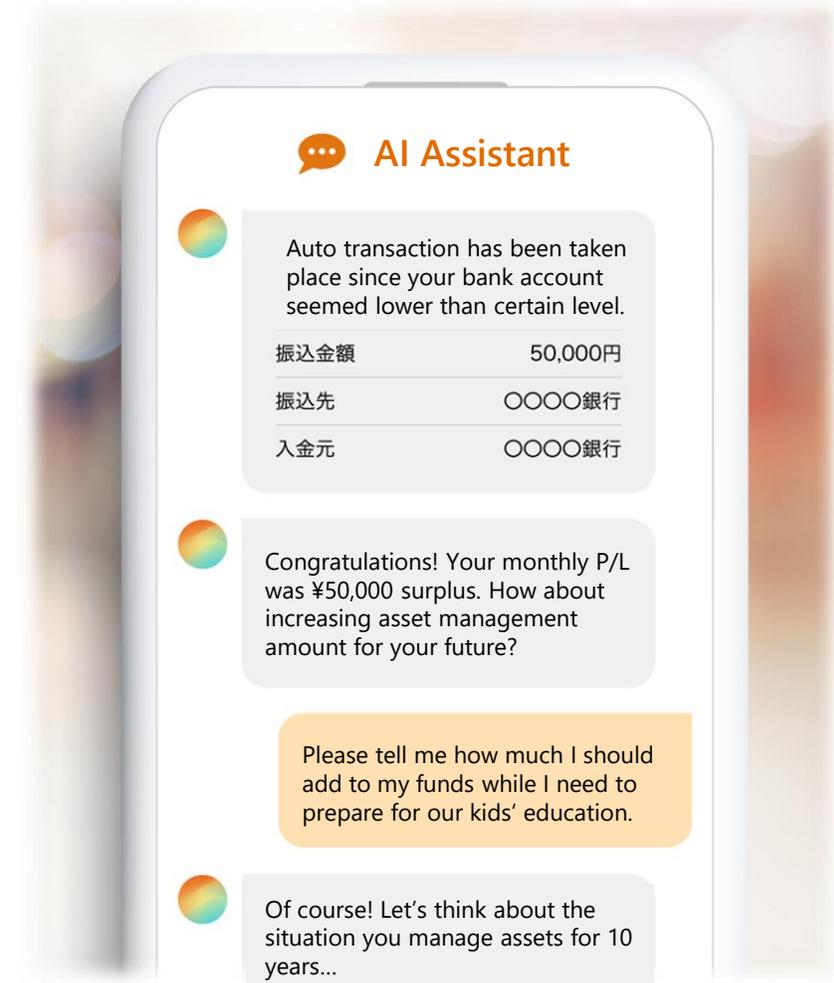
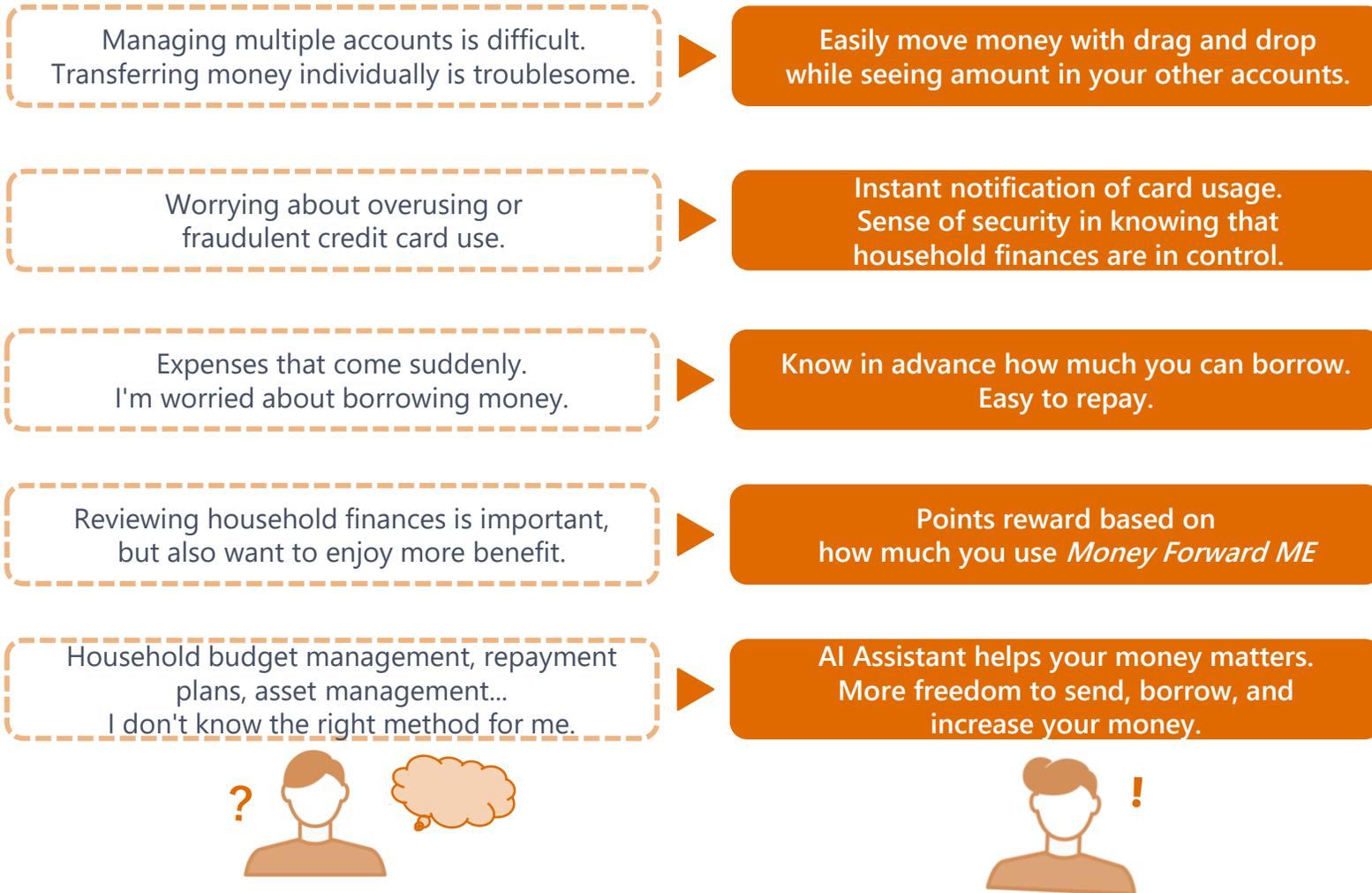
Mobile financial and payment service

Combining *Money Forward ME* and financial services to advance from stage of data "visualization" to the stage of driving users' "actions for change," making it more convenient

Aiming to deliver more open and personalized customer-oriented financial services

The partnership greatly enhances the user experience

Provide the unprecedented user experience that is only possible through a partnership between *Money Forward ME* and *Olive*.



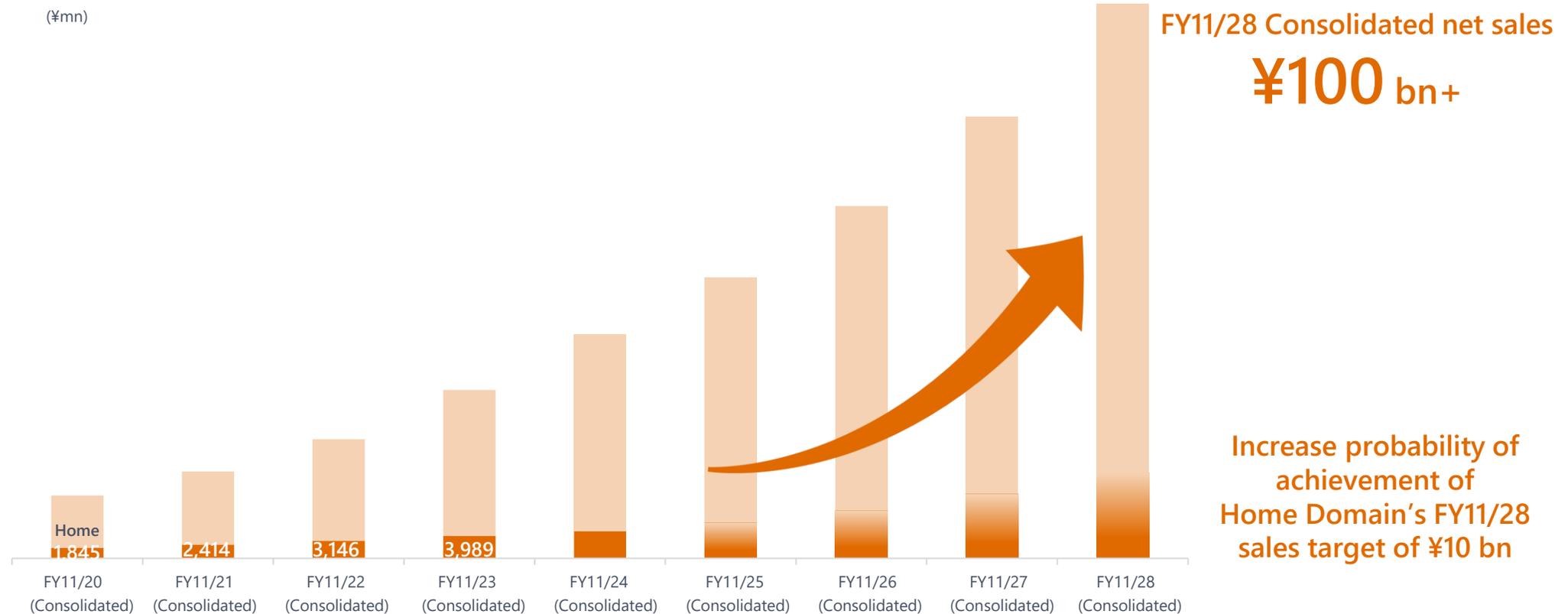
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Money Forward Group's Growth Strategy

Acceleration of Growth in Home Domain Business and Medium- to Long-Term Financial Targets

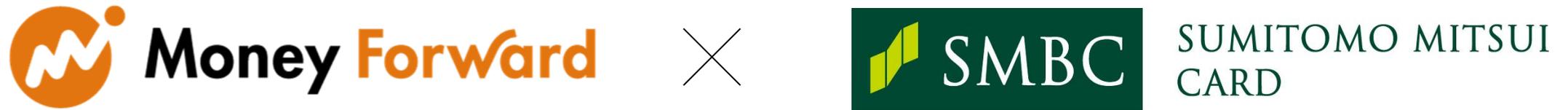
Aiming to accelerate growth in Home domain business through this alliance and increase probability of achieving the medium- to long-term target for FY11/28, currently set at over ¥100 billion for net sales and over ¥30 billion for EBITDA, to higher levels.

Medium- to long-term financial targets



Alliance with SMBC Group in corporate business

We expect to extend the scope of this basic agreement from the financial services for individuals to **collaborative projects in the corporate business as well** by interweaving the services and customer base of Money Forward and SMBC Group.

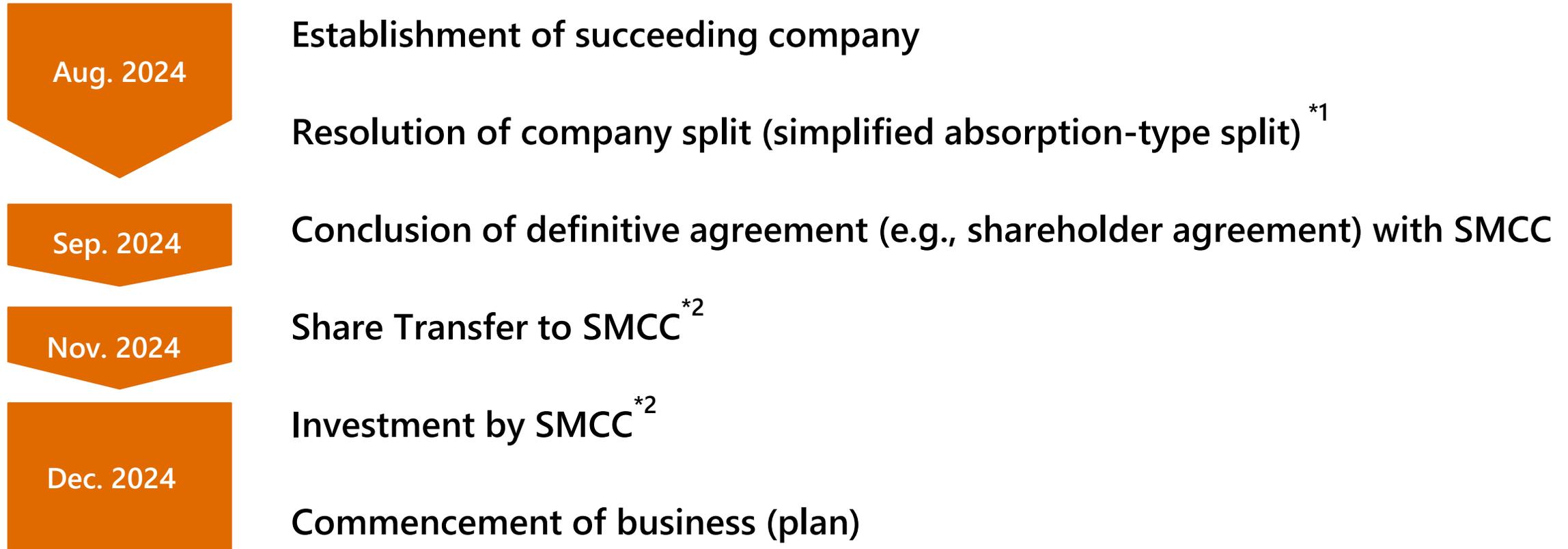


**Aiming to spread the concept of “Open” integrated financial services
to the corporate business as well**

The background features a textured gold color with several large, white, organic, overlapping shapes that resemble stylized leaves or petals. The text is centered horizontally and vertically within the white space.

Upcoming Schedule

Upcoming Schedule (Plan)



*1 Scheduled to take effect in November.

*2 Scheduled to be executed in sequence as a single transaction.

Disclaimer

The forward-looking statements and other contents included in this material are determined based on information currently available and may be subject to change due to macro economic trends, changes in the market environment or industry in which the Group operates, or for other internal/external factors.

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