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November 13, 2024

Company Name: Money Forward, Inc.

Representative: Yosuke Tsuji

Representative Director, President and CEO

(Securities Code: 3994,

Stock Exchange: TSE Prime)

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Notice Regarding Conversion of Consolidated Subsidiary (Knowledge Labo, Inc.) into Wholly Owned Subsidiary through Simplified Share Exchange

Money Forward, Inc. (the “Company”) hereby announces that at today’s Board of Directors meeting, it has resolved to convert its consolidated subsidiary Knowledge Labo, Inc. (“Knowledge Labo”) into a wholly owned subsidiary through a share exchange (the “Share Exchange”), with the Company serving as the wholly owning parent company, and that it has concluded a share exchange agreement (the “Share Exchange Agreement”) with Knowledge Labo. Pursuant to the provisions of Article 796, paragraph (2) of the Companies Act, the Company plans to conduct the Share Exchange through a simplified share exchange procedure that does not require approval at its general meeting of shareholders.

As the Share Exchange is a simplified share exchange in which the Company’s consolidated subsidiary is converted into a wholly owned subsidiary, certain items and details are omitted from this disclosure.

1. Purpose of the Share Exchange

Knowledge Labo (headquartered in Osaka City, Osaka Prefecture; represented by Representative Director Hidetsugu Kunimi) provides *Manageboard*, a cloud-based management accounting platform for budget control and cash flow management. The service offers two plans—one for growth companies and medium-sized companies and the other for accounting firms and professional advisors, including consultants. Aside from *Manageboard*, Knowledge Labo’s strength lies in its ability to deliver high-quality business design consulting focused on back-office operations (e.g., support for cloud adoption, business design, and support for establishing a management structure).

Money Forward is meanwhile engaged in the development, sales, implementation, and user support of *Money Forward Cloud*, a cloud-based solution for streamlining back-office operations, and has a customer base centered on sole proprietors, SMEs, and medium-sized companies. The Company made Knowledge Labo a consolidated subsidiary on July 25, 2018 with the aim of strengthening its product lineup and expanding sales of *Manageboard* by utilizing the Company’s network and customer base. Business has since been expanding steadily driven by collaboration between the two companies. The Company believes that by converting Knowledge Labo into a wholly owned subsidiary, the agility and flexibility of the Group’s management structure will

be fortified, with the sharing of managerial resource within the Group leading to further business growth and enhanced corporate value.

Also, as indicated in the timely disclosure issued today titled “Notice Regarding Commencement of Tender Offer for OutlookConsulting Co., Ltd. (Securities Code: 5596) and Conclusion of Capital and Business Alliance Agreement),” The Group is planning on driving M&As (“Group Joins”) and organizational restructuring in the corporate performance management(“CPM”) space as a Group business strategy (Group Joins and organizational restructuring shall collectively be referred to as the “Business Strategy”). Specifically, Money Forward Cloud Corporate Performance Management Consulting, Inc. (“MFCC”), a wholly owned subsidiary of the Company, will be responsible for development and sales of corporate management software and providing consulting services related to such and will also oversee such businesses within the Group as an intermediate holding company. Meanwhile, OutlookConsulting Co., Ltd. (“OutlookConsulting”), which also operates in the CPM space, is expected to become a subsidiary of MFCC.

2. Outline of the Share Exchange

(1) Schedule of the Share Exchange

Date of resolution by the Board of Directors (both companies)	November 13, 2024
Date of conclusion of the Share Exchange Agreement (both companies)	November 13, 2024
Date of extraordinary general meeting of shareholders (Knowledge Labo)	December 16, 2024(scheduled)
Effective date of the Share Exchange	January 1, 2025(scheduled)

(2) Method of the Share Exchange

The Company will become the wholly owning parent company and Knowledge Labo the wholly owned subsidiary resulting from the Share Exchange. Pursuant to the provisions of Article 796, paragraph (2) of the Companies Act, the Share Exchange is to be executed through the simplified share exchange procedure without obtaining approval of the Company’s general meeting of shareholders but with the approval of Knowledge Labo’s extraordinary general meeting of shareholders to be held on December 16, 2024(scheduled).

(3) Details of Allotment Related to the Share Exchange

Company name	The Company (wholly owning parent company resulting from the Share Exchange)	Knowledge Labo (wholly owned subsidiary resulting from the Share Exchange)
Exchange ratio in the Share Exchange	1	1,136.463
No. of the Company’s shares to delivered in the Share Exchange	337,526 common shares	

* The Company will allot its common shares at a ratio of 1,136.463 shares to one share of Knowledge Labo’s common share to those who are Knowledge Labo’s shareholders immediately before the Company acquires all outstanding shares of Knowledge Labo (excluding shares already owned by the Company). With respect to the shares of Knowledge Labo owned by the Company (462 shares as of November 13, 2024), no such allotment shall be made through the Share Exchange. It should be noted that the exchange ratio may be subject to change upon consultation between the two companies in cases where there is a material change in conditions on which the calculation was based.

- * Number of new shares of the Company to be issued through the Share Exchange: 337,526 common shares
- * Shareholders of Knowledge Labo who will receive fractional shares constituting less than one common share of the Company will be dealt with pursuant to the provisions of Article 234 of the Companies Act and other applicable laws and regulations.

(4) Handling of Share Acquisition Rights and Convertible Bonds Accompanying the Share Exchange
Knowledge Labo has not issued any share acquisition rights or convertible bonds.

3. Basis of Allotment Related to the Share Exchange

(1) Basis and Reason behind the Allotment

As the Company is a listed company, its share was valued at 5,448.8 yen using the market-price method (the simple average of the closing prices of the Company's shares on the Tokyo Stock Exchange Prime Market for each trading day for the three months up to November 12, 2024). As a result of thorough discussions by the two companies, comprehensively taking into account factors such as the financial condition, status of assets, and future prospects of Knowledge Labo, it was determined and agreed upon that using the exchange ratio indicated in 2 (3) would be appropriate for both companies and should serve the interests of their respective shareholders.

(2) Matters Concerning Calculation

The discounted cash flow method ("DCF method") was used to calculate Knowledge Labo's share value, which served as the basis for the exchange ratio adopted in the Share Exchange. Using this method, Knowledge Labo's share was valued to be in the range of 6,104,355 yen to 6,555,681 yen. Based on this result, the Company and Knowledge Labo held discussions and determined that it was appropriate to value Knowledge Labo's share at 6,192,358 yen. As for Knowledge Labo's future profit plan, which served as the basis for calculations using the DCF method, Knowledge Labo is expected to log significant profit growth considering that its net sales CAGR is +52.1% (Note 1) after joining the Group, despite adopting an upfront investment-type SaaS model, and that the business management market in which it operates is expected to continue expanding.

(Note 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.

(3) Likelihood of Delisting and Reasons Thereof

There are no applicable matters as the Company will become a wholly owning parent company resulting from the Share Exchange, and Knowledge Labo, which will become the wholly owned subsidiary, is not a listed company.

4. Outline of Companies Involved in the Share Exchange

	Wholly owning parent company resulting from the Share Exchange	Wholly owned subsidiary resulting from the Share Exchange
(1) Company name	Money Forward, Inc.	Knowledge Labo, Inc.
(2) Address	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo	Tradepia Yodoyabashi 9F, 2-5-8 Imabashi, Chuo-ku, Osaka City, Osaka
(3) Name and title of representative	Yosuke Tsuji Representative Director, President and CEO	Hidetsugu Kunimi Representative Director and CEO
(4) Business	Development and provision of PFM and cloud services	Provision of business management platform <i>Manageboard</i> and business design consulting services

(5) Capital	26,716 million yen	100 million yen
(6) Date of incorporation	May 18, 2012	October 29, 2012
(7) No. of shares issued	54,235,305 shares	759 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 60.9% Hidetsugu Kunimi 18.3%
Financial data and earnings in most recent fiscal year		
Fiscal year	FY11/23 (consolidated)	FY11/23 (non-consolidated)
Net assets	34,660 million yen	162 million yen
Total assets	88,282 million yen	537 million yen
Net assets per share	514.09 yen	214,737.21 yen
Net sales	30,380 million yen	716 million yen
Operating profit (loss)	-6,329 million yen	10 million yen
Ordinary profit (loss)	-6,738 million yen	8 million yen
Profit attributable to owners of parent	-6,315 million yen	60 million yen
Profit (loss) per share	-116.98 yen	79,673.86 yen

5. Status after the Share Exchange

(1) Company name	Money Forward, Inc.
(2) Address	21F Tamachi Station Tower S, 3-1-21 Shibaura, Minato-ku, Tokyo
(3) Name and title of representative	Yosuke Tsuji Representative Director, President and CEO
(4) Business	Platform service business
(5) Capital	Not determined at present
(6) Fiscal year-end	November 30

* The representative director of Knowledge Labo will continue to be involved in its management after it becomes a wholly owned subsidiary.

* Although there is a restructuring plan to make Knowledge Labo, which operates in the CPM space, a wholly owned subsidiary of MFCC as part of the Business Strategy, details including the specific timing, method, and conditions of such reorganization have yet to be determined after the tender offer for OutlookConsulting by MFCC is completed.

6. Future Outlook

While the impact of the Share Exchange on the Company's consolidated financial results is expected to be minimal, any impact or other matters requiring disclosure will be promptly announced if identified.