Group's Business Strategy in CPM Space

・Acquiring up to 60% ownership of listed company OutlookConsulting Co., Ltd. via tender offer

・Acquiring 100% ownership of group company Knowledge Labo, Inc. (current ownership: 61%) via share exchange

Money Forward, Inc.

November 13, 2024

Highlights

Accelerating expansion in corporate performance management software (CPM) space, where high growth is expected

- **Accelerate cross-selling of** *Money Forward Cloud* **services** centered on *Accounting / Accounting Plus*. (Roughly 60% of *Manageboard* paying customers use *Money Forward Cloud*.)
- **Bolster sales in Group's CPM space** by promoting OutlookConsulting 's *Sactona* **among medium- to large-sized companies** and Knowledge Labo's *Manageboard* **among small- to medium-sized companies**. Aiming to address diverse needs and improve customer acquisition cost (CAC).

Commencing tender offer for listed company OutlookConsulting Co., Ltd. ("OutlookConsulting")

- Provides *Sactona*, a data platform for management accounting and business management targeting **medium- to large-sized companies**.
- By linking *Sactona* with *Money Forward Cloud ERP*, the Group will be able to help customers streamline not only accounting but also budget control and to accelerate sales targeting **medium- to large-sized companies**.
- In FY3/24, OutlookConsulting recorded **¥1,670 million in net sales, ¥690 million in ARR, ¥580 million in EBITDA, and ¥560 million in operating profit**. Sales and profits are expected to continue rising in FY3/25.
- The tender offer commenced today, **on November 13, with the ownership target set to 50.1%– 60%**.
- **¥3.69 billion yen** will be required to achieve the upper limit of 60%.[1] The tender offer is expected to be **financed through bank loans**.

Overview of Acquiring 100% Ownership of Knowledge Labo

- Provides *Manageboard*, a cloud-based management accounting platform for **small- to medium-sized companies**.
- By making Knowledge Labo a wholly owned subsidiary, the Group will be able to **drive cross-selling** of *Money Forward Cloud Accounting/Accounting Plus* to existing *Manageboard* customers and drive bundle sales to new customers.
- In FY11/23, Knowledge Labo logged **¥716 million in net sales, (8.1-fold the sales when joining the Group in 2018)** and **¥28 million in EBITDA**, with **ARR standing at ¥550 million** as of October 31, 2024 (+**49.3% YoY**).
- The company joined the Group through a ¥200-million investment in 2018. Money Forward currently owns 61% of its shares. It will become **a wholly owned subsidiary through a share exchange with Money Forward**. **The blended valuation**, consisting of the cumulative investment since 2018 and the value for obtaining 100% ownership based on the terms of the share exchange is **¥2.14 billion**.[2]
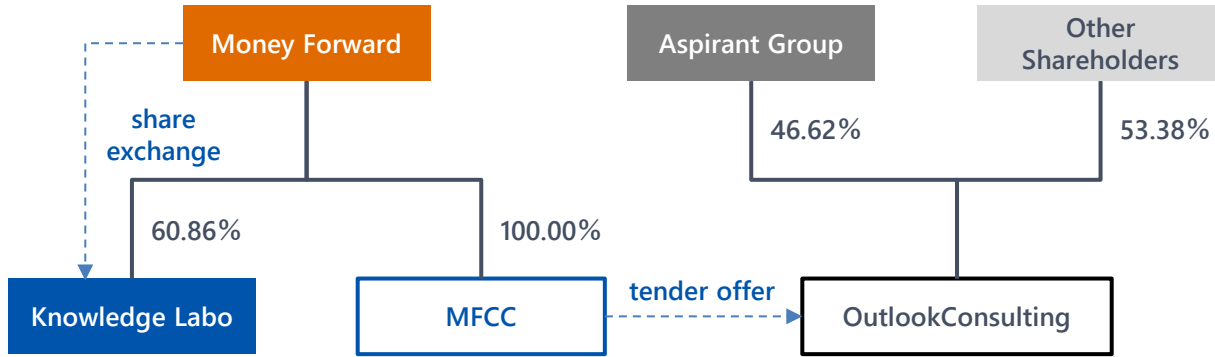
*1 Includes acquisition fees, etc.
*2 Cumulative investment of ¥0.3 billion yen + share exchange value of ¥1.83 billion

Structure Overview

Expand our business in CPM space by implementing reorganization after the execution of the tender offer and share exchange.
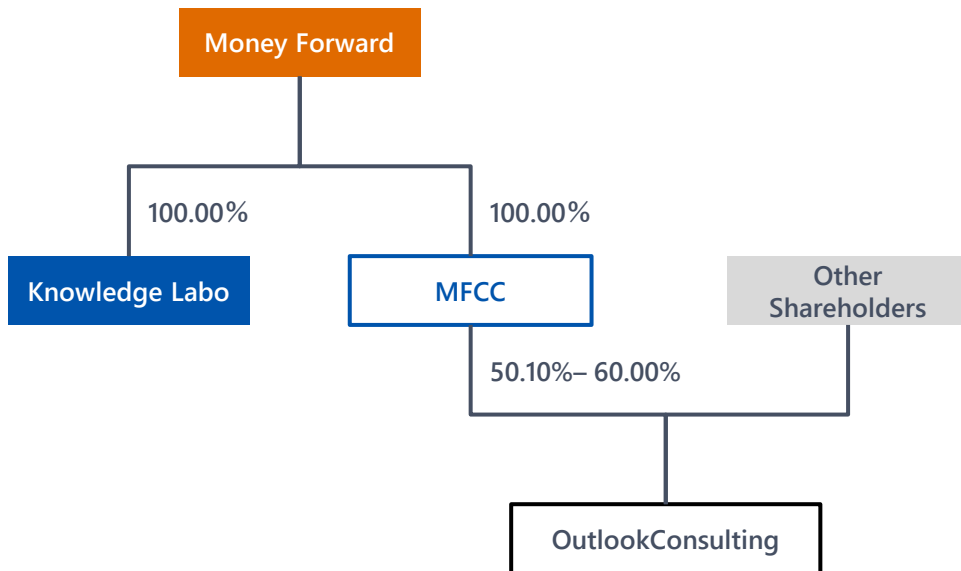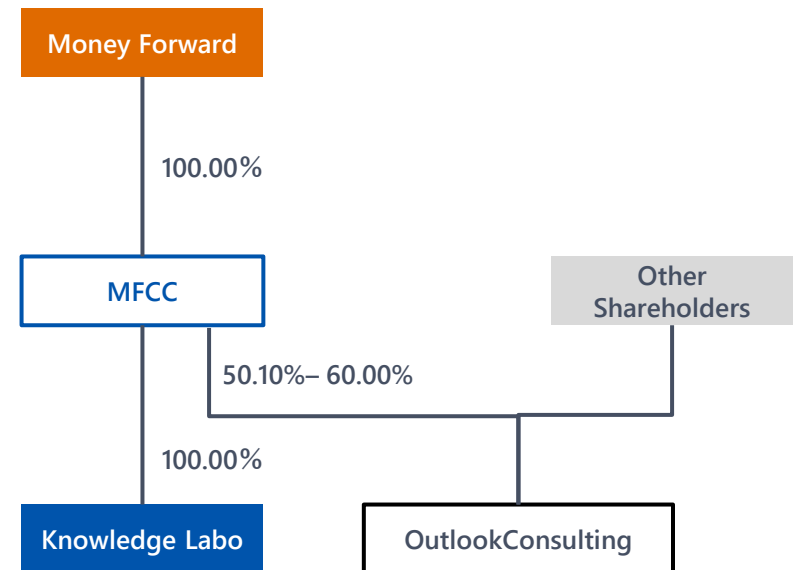
As of November 13

Money Forward — share exchange → Knowledge Labo (60.86%)

Money Forward — MFCC (100.00%)

Aspirant Group (46.62%) / Other Shareholders (53.38%) — OutlookConsulting

MFCC — tender offer → OutlookConsulting

Overview of MFCC

Company Name	Money Forward Cloud Corporate Performance Management Consulting, Inc. (MFCC)
Representative	Representative Director: Hiroshi Shimanouchi *
Business	• Development and sales of corporate management software and providing consulting services related to such. • Holding shares or interests in companies engaged in these businesses
Investment ratio	Money Forward 100%

After tender offer and share exchange (as of January 2025, tentative)

Money Forward — Knowledge Labo (100.00%)

Money Forward — MFCC (100.00%)

MFCC (50.10%–60.00%) / Other Shareholders — OutlookConsulting

After reorganization (plan)

Money Forward — MFCC (100.00%)

MFCC — Knowledge Labo (100.00%)

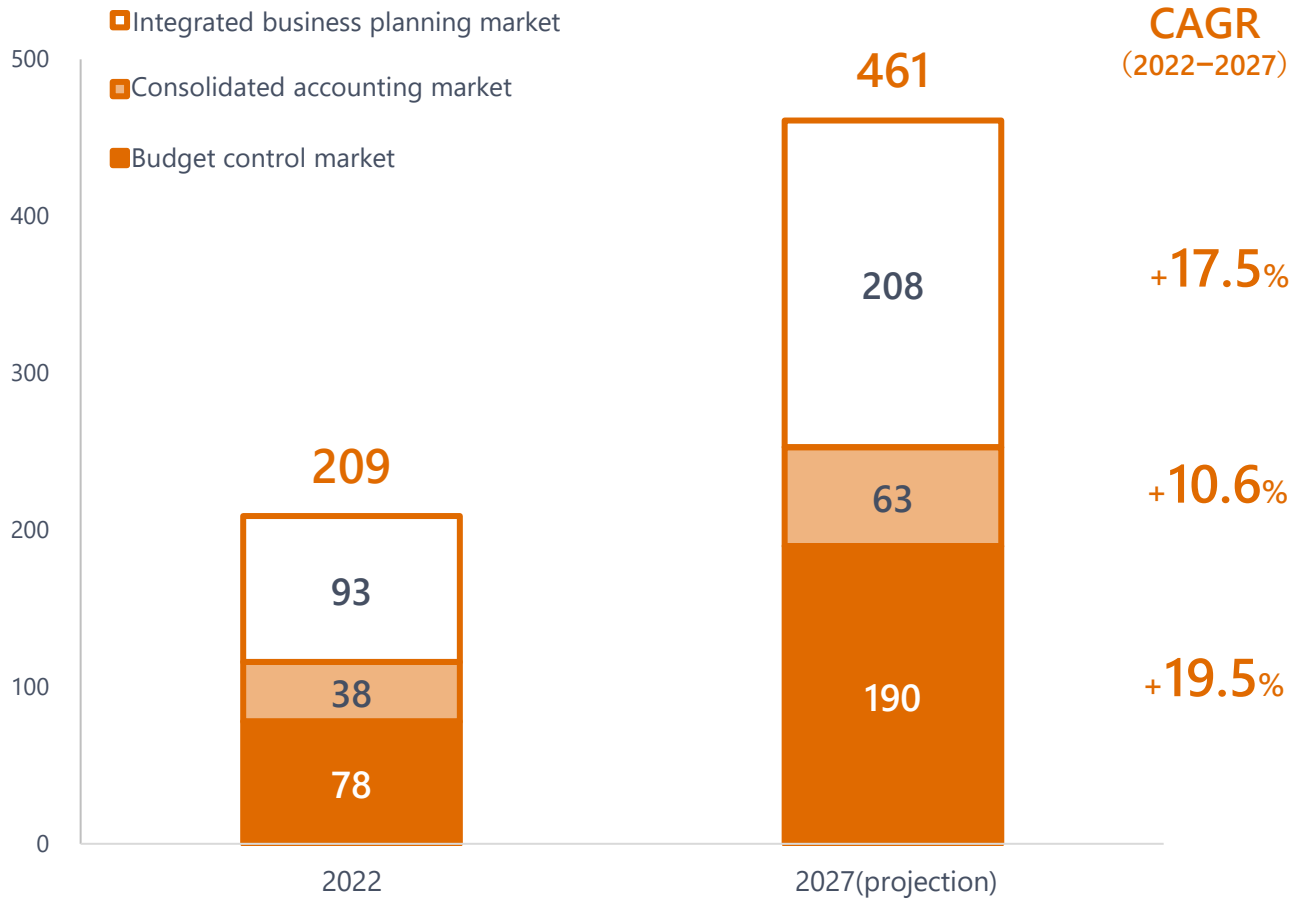MFCC (50.10%–60.00%) / Other Shareholders — OutlookConsulting

* Current Position: General Manager, Group Management Solution Department, Money Forward Business Company

Group's Business Strategy in CPM Space

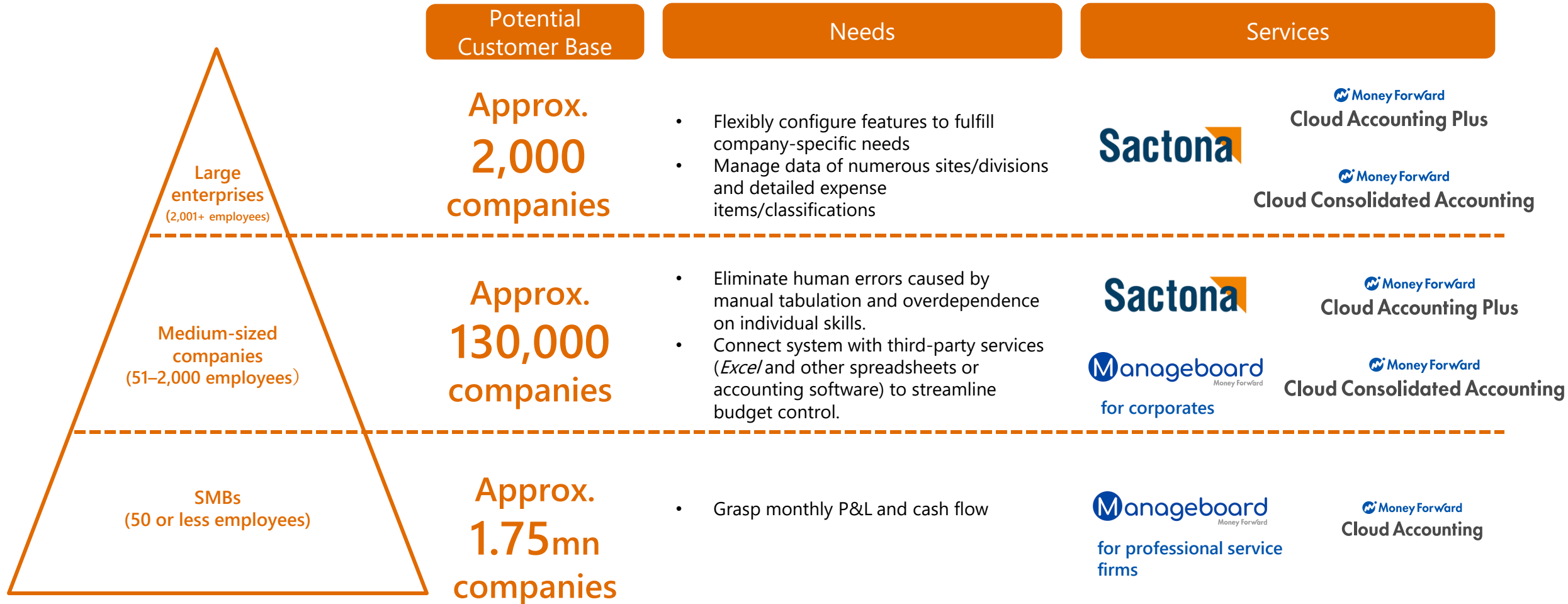# Bolstering Group's Business Strategy in CPM Space

Outlook of CPM Market Size

- Integrated business planning market
- Consolidated accounting market
- Budget control market

CAGR
（2022−2027）

	2022	2027(projection)	CAGR (2022−2027)
Total	209	461	
Integrated business planning market	93	208	+17.5%
Consolidated accounting market	38	63	+10.6%
Budget control market	78	190	+19.5%

Change in market size
from 2022 to 2027:

roughly 2-fold

*Calculated based on market size trend and forecast by service type (FY2021–FY2027 sales) of market for consolidated accounting, budget control, and integrated business planning in ITR Market View's *Budget Control, Expense, Subscription Management Market 2024*.

Addressing Wide Range of CPM Needs of Small- to Large-Sized Companies

Aims to cover diverse needs by offering *Manageboard* to small- to medium-sized companies and *Sactona* to large enterprises seeking higher levels of customization. Will also aim to enhance managerial efficiency and transparency of group companies by driving bulk sales with *Money Forward Cloud Consolidated Accounting* .

	Potential Customer Base	Needs	Services
Large enterprises (2,001+ employees)	Approx. **2,000** companies	• Flexibly configure features to fulfill company-specific needs • Manage data of numerous sites/divisions and detailed expense items/classifications	**Sactona** **Money Forward Cloud Accounting Plus** **Money Forward Cloud Consolidated Accounting**
Medium-sized companies (51–2,000 employees）	Approx. **130,000** companies	• Eliminate human errors caused by manual tabulation and overdependence on individual skills. • Connect system with third-party services (*Excel* and other spreadsheets or accounting software) to streamline budget control.	**Sactona** **Money Forward Cloud Accounting Plus** **Manageboard** Money Forward for corporates **Money Forward Cloud Consolidated Accounting**
SMBs (50 or less employees)	Approx. **1.75mn** companies	• Grasp monthly P&L and cash flow	**Manageboard** Money Forward for professional service firms **Money Forward Cloud Accounting**

Prepared by Money Forward, Inc. based on the Ministry of Internal Affairs and Communications' (MIC) June 2016 economic census activity survey and Teikoku Databank, Ltd.'s *Final Aggregation Report of Survey on Administrative Workload of Payment Operations* (October 26, 2016).

Streamlining Customers' Business Management Further by Linking with *Money Forward Cloud ERP*

| Consolidation | Budget Control | Reporting and Analyses |

Accounting data
Money Forward
Cloud Accounting Plus

Consolidated data
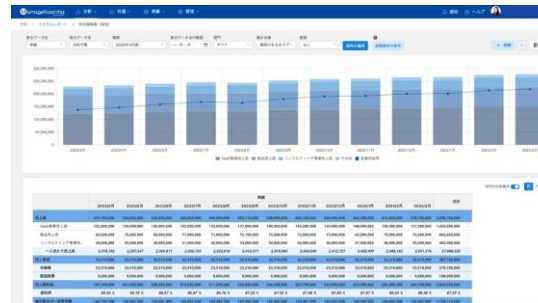**Money Forward**
Cloud Consolidated Accounting

Sales management system

Integrate data

Manageboard
Money Forward

Sactona

- Financial management
- Project balance management
- Expense management
- HR management
- Production and demand management

Budget control

Financial simulation

Drill-down analyses

Comment function

Acquisition of OutlookConsulting

Overview of OutlookConsulting

Provides *Excel*-based CPM that can be configured flexibly

Sactona

FY3/24 net sales

¥1.67bn

Net sales CAGR +14.9%
(FY3/19–FY3/24)

FY3/24 ARR ¥690mn

High operating margin and strong financial condition
Operating margin

33.9%

Net Cash ¥1 bn
(FY3/24)

139

Corporate customers
(as of March 31, 2024)

76% are listed companies
(includes group companies)

High customer satisfaction

Customer churn rate[1]

<4.0% / year

Revenue churn impact[2]
0.9% / year
(FY3/24)

Tailored consulting by IT consultants well versed in accounting and finance

46

Consultants
(March 31, 2024)

*1 Churn rate = No. of cancelled clients / No. of clients at the end of the fiscal year
*2 Impact of cancellation fee = base business sales from cancelled clients / total base business sales. Base business sales is the sum of revenue from product license and infrastructure service

Sactona in Multiple Use over Industries

- Sactona is a data platform system for corporate management accounting and performance management
- Provide information that contribute to management decisions through visualization of data from various sources
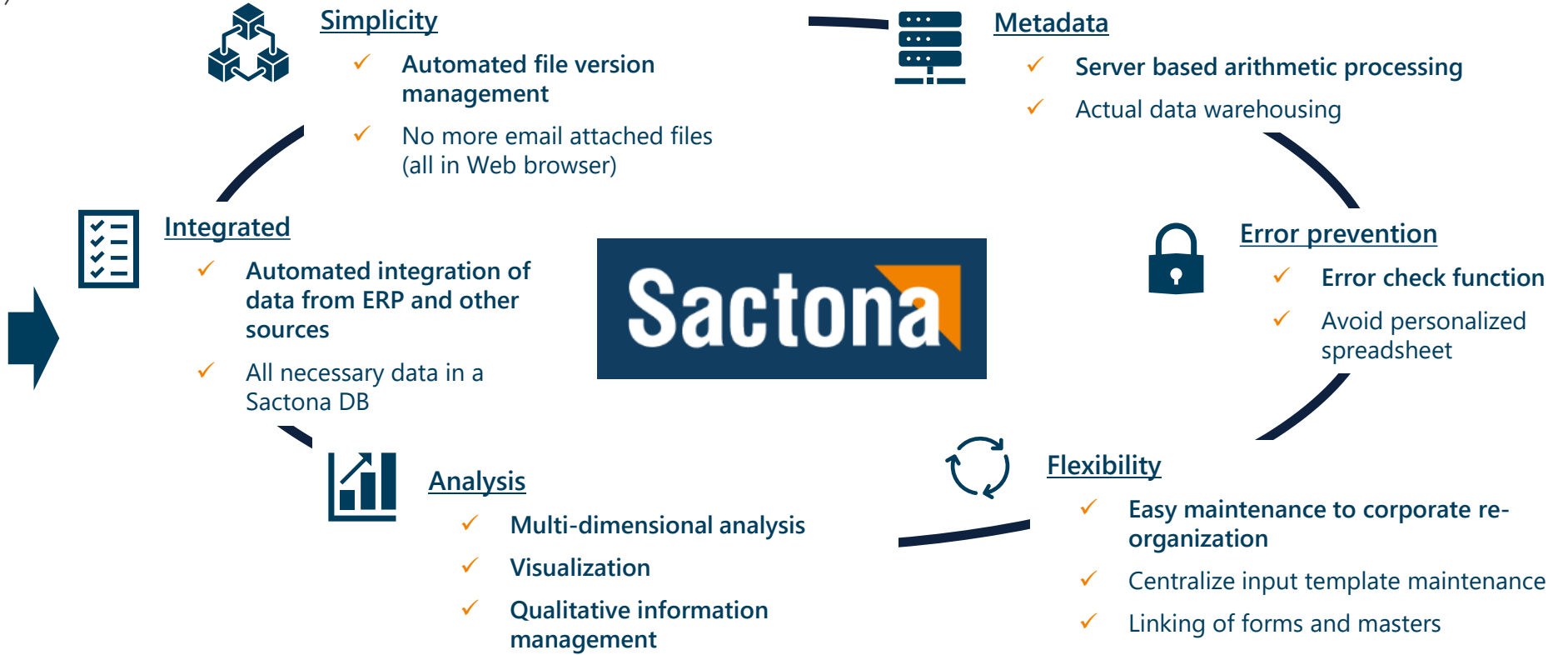- From corporate financials to sales and operation planning, and human resources planning

Sactona

Production planning
Sales planning
Inventory management

Sales and operation planning

Global group business management

Financial planning & analysis

- PL
- BS
- CF

Profitability management

Human resources management

Expense management

- By Department
- By Product
- By Outlet
- By Project

Personnel expenses
Man-hour management
Performance appraisal

- SG&A expenses
- Depreciation
- R&D expenses
- Facilities and equipment administration

Sactona Interface

- **Users can maintain a familiar working environment as data input/output app is Excel**
- **Users can link with a database through various modules**
- **Low-cost implementation as users can keep using Excel**
- **Meet the needs of step-by-step implementation to avoid risks**

Sactona Platform

Sactona Solution

〈Major issues at companies 〉
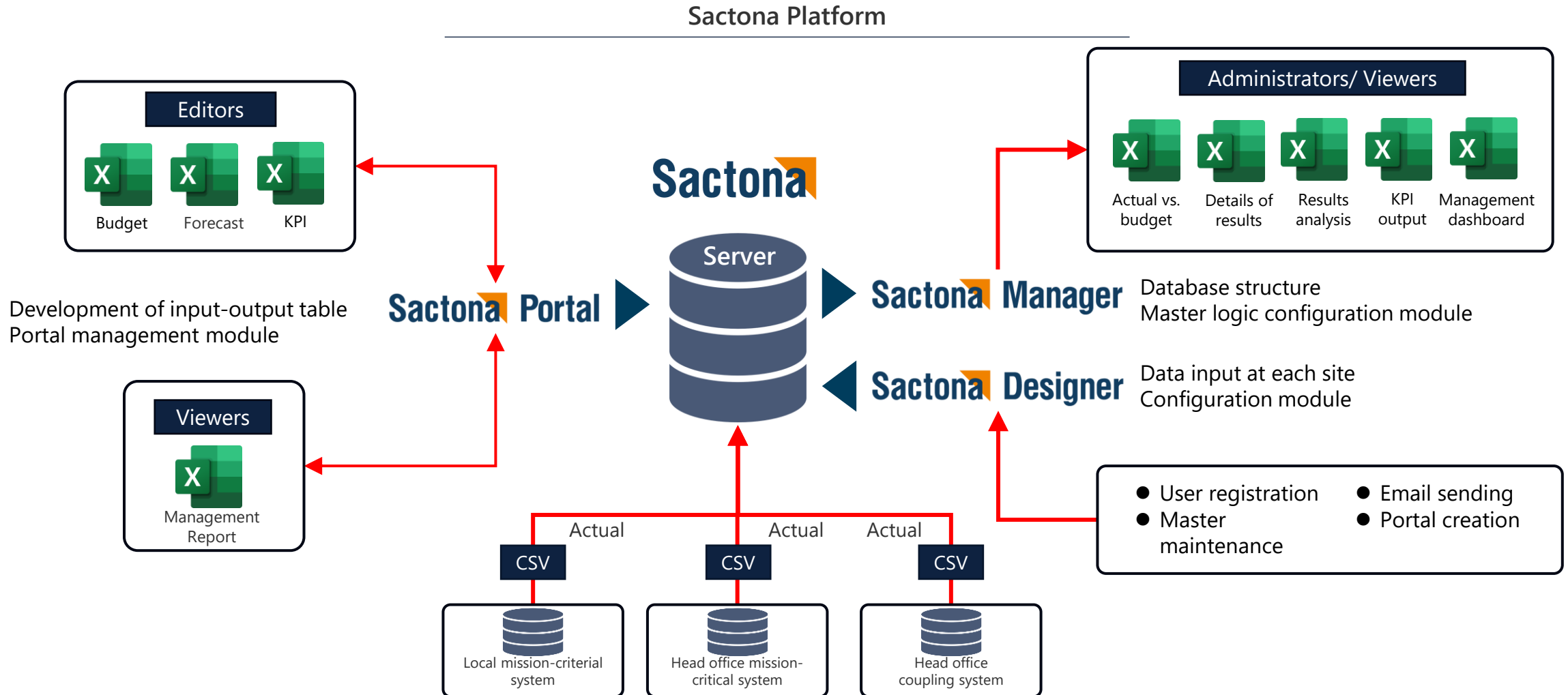
Data from many sources
（Complications and omissions due to internal shared communication）

Frequent data integration error, though hard work
（Manual transcription errors, replacing formulas with fixed values, version control errors）

Low accuracy, little time for analysis
（No evidence, ignoring historical trends）

Delay in recognizing the alert
（Significant time required to reach aggregate results and analysis）

The work is so personalized
（Black boxed files by depending on a particular）

Simplicity
- ✓ **Automated file version management**
- ✓ No more email attached files (all in Web browser)

Integrated
- ✓ **Automated integration of data from ERP and other sources**
- ✓ All necessary data in a Sactona DB

Metadata
- ✓ **Server based arithmetic processing**
- ✓ Actual data warehousing

Error prevention
- ✓ **Error check function**
- ✓ Avoid personalized spreadsheet

Analysis
- ✓ **Multi-dimensional analysis**
- ✓ **Visualization**
- ✓ **Qualitative information management**

Flexibility
- ✓ **Easy maintenance to corporate re-organization**
- ✓ Centralize input template maintenance
- ✓ Linking of forms and masters

Sactona

< Customer Success >

Reduced man hours required for budgeting in Corporate Planning department

1800 hours/year reduction from 3 to 2 persons in charge

Reduced under-performing inventory

Approx. 2 billion yen of underperforming inventory reduced to almost zero

Accelerate decision-making based on a correct understanding of the business progress

(Note) OutlookConsulting does not guarantee the same achievements as above to all clients.

Business Description

- **Single business segment to provide a Corporate Performance Management system "*Sactona*" related services**

- **The company receives *Sactona* license fee and infrastructure service fee as Base business together with Consulting business for *Sactona* initial implementation followed by extension development**

Base Business

<Product License>
- ✓ Subscription base *Sactona* license fee upon the number of users*1 of files produced by Sactona

<Infrastructure Services*2>
- ✓ Cloud base *Sactona* infrastructure usage fees

37%
610 Mn

Sales
1.67billion yen
FY24/3

(5%)

87 Mn
Recurring
maintenance
revenue

63%
1,057 Mn

Consulting Business

<Implementation Support>
- ✓ Development of initial application upon *Sactona*

<Extension Support>
- ✓ Extensional application development for additional function and scope of users

Two Business Wheels

*1：The number of individuals who belong to a client, individuals who are outsourced by a client, or individuals who belong to a corporation that is outsourced by a client, who use Sactona using a user ID, and who enter and update data in packages generated by Sactona

*2：Cloud service that provides servers, databases, and other infrastructure for using Sactona

Business Model Comparison

- The company has an unrivaled business model, two-wheel structure: licensing / infrastructure service business and consulting business. This business model differentiates the company from SaaS platform providers and consulting firms

- The company's proprietary product, Sactona leverages widely used Excel as an interface to ensure easy to use

- The company also provides continuous consulting services for clients' function and user scope extension, that result in clients' satisfaction and low churn rate

Business Model Comparison

	Typical consulting firm	Outlook Consulting	Typical SaaS platform provider
Business Composit		License subscription fee / Infrastructure service fee (proprietary product)	Subscription fee
	Consulting fee	Consulting fee	
Focus of activities	Delivery of each project	Continuous service provision initial apps to extension	Acquisition of new clients
Interface	—	Excel	Own interface
Churn rate	—	<4% / year[1]	4.75% / month[2]

*1： Number of cancelled clients / Number of clients at the end of fiscal year (FY 2023/3)

*2 : Recurly Research, "What is a good churn rate?" https://recurly.com/research/churn-rate-benchmarks/

Client Companies Profile

- **Client companies are in all over sectors with approx. 40% manufacturing companies and approx. 60% non-manufacturing companies.**
Most companies are of large size

- **Large companies tend to have strong needs for business performance management platform. And the company's product and services are well accepted by them**

Clients by Sector

Other
3%

IT/Communication
13%

Manufacturing
39%

Services
14%

Sector agnostic

Wholesale/
Retail
15%

Finance / Real
estate /
Construction
16%
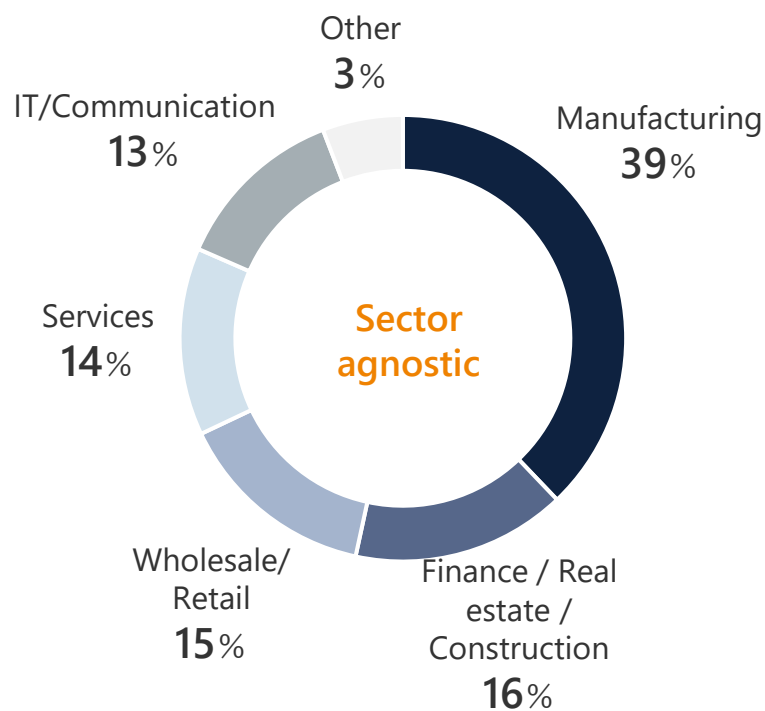
by Clients Revenue Size

Less than JPY
10 bn
12%

JPY 100 bn
or more
48%

JPY 10-
50 bn
25%

Most are categorized as large companies whose revenues are more than JPY 100 bn

JPY 50-100 bn
15%
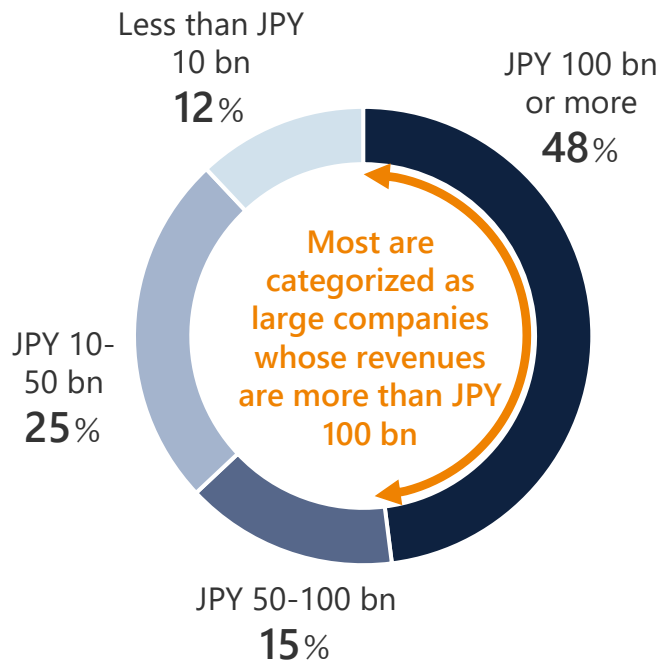
Listed companies (including group companies) account
for **76**% of all client companies

by Clients No. of Employees

Less than
500
26%

5,000 or
more
30%

About 80% of the client companies have more than 500 employees

500-
1,000
14%

1,000-5,000
30%
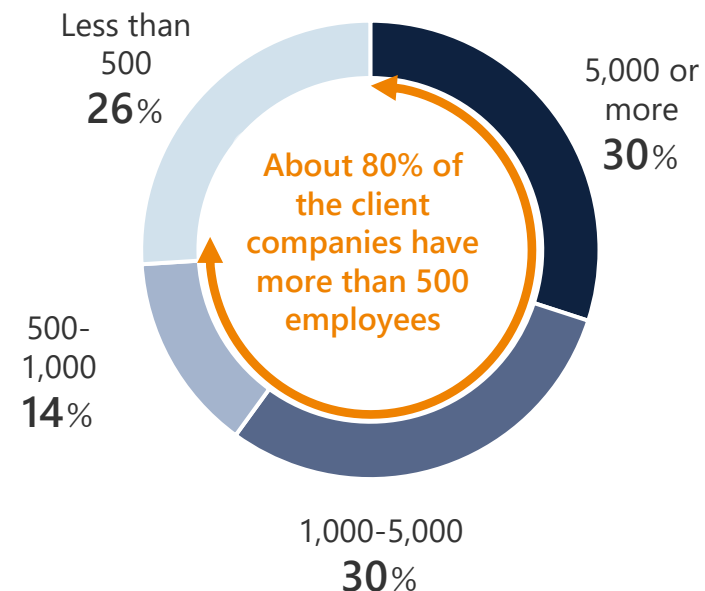
(Note) Information based on the
FY2023 client companies

Examples of Client Companies

100% Acquisition of Knowledge Labo

Overview of Knowledge Labo

Provides cloud-based management accounting platform to enhance transparency by collecting, analyzing, and projecting data required to make managerial decisions

Manageboard

Net sales CAGR[1]

+82.0%

FY11/23 net sales
¥716 mn

ARR[2] as of October 31, 2024

¥550 mn

ARR YoY growth rate

+49.3%

Paying customers as of October 31, 2024

574 companies

ARR / paying customers (ARPA[3]) as of October 31, 2024

¥969,000

Business design consulting
Cumulative corporate customers

500+

Offers optimal back-office SaaS by introducing multiple products and supporting design to maintenance in complex SaaS projects

*1 CAGR of net sales from FY11/19 to FY11/23, excluding the discontinued business (business turnaround consulting, which ended in FY11/24).
*2 ARR: annual recurring revenue Calculated by multiplying the MRR as of the end of a particular period by 12. MRR: monthly recurring revenue; the total recurring revenue as of the end of a particular month.
*3 ARPA: average revenue per paying account.

Business Continues to Expand since joining the Group in 2018

Net sales of Knowledge Labo

(¥mn)

CAGR*²
+82.0%

FY11/19–11/23 CAGR

Manageboard
+77.0%

Business design consulting
+88.2%

Legend:
- Manageboard
- Business design consulting
- Discontinued business*1

	FY11/18	FY11/19	FY11/20	FY11/21	FY11/22	FY11/23
Total	88	135	260	399	541	716
Manageboard		37	96	196	255	366
Business design consulting	30	28	98	137	237	348
Discontinued business*1	53	70	66	66	49	2
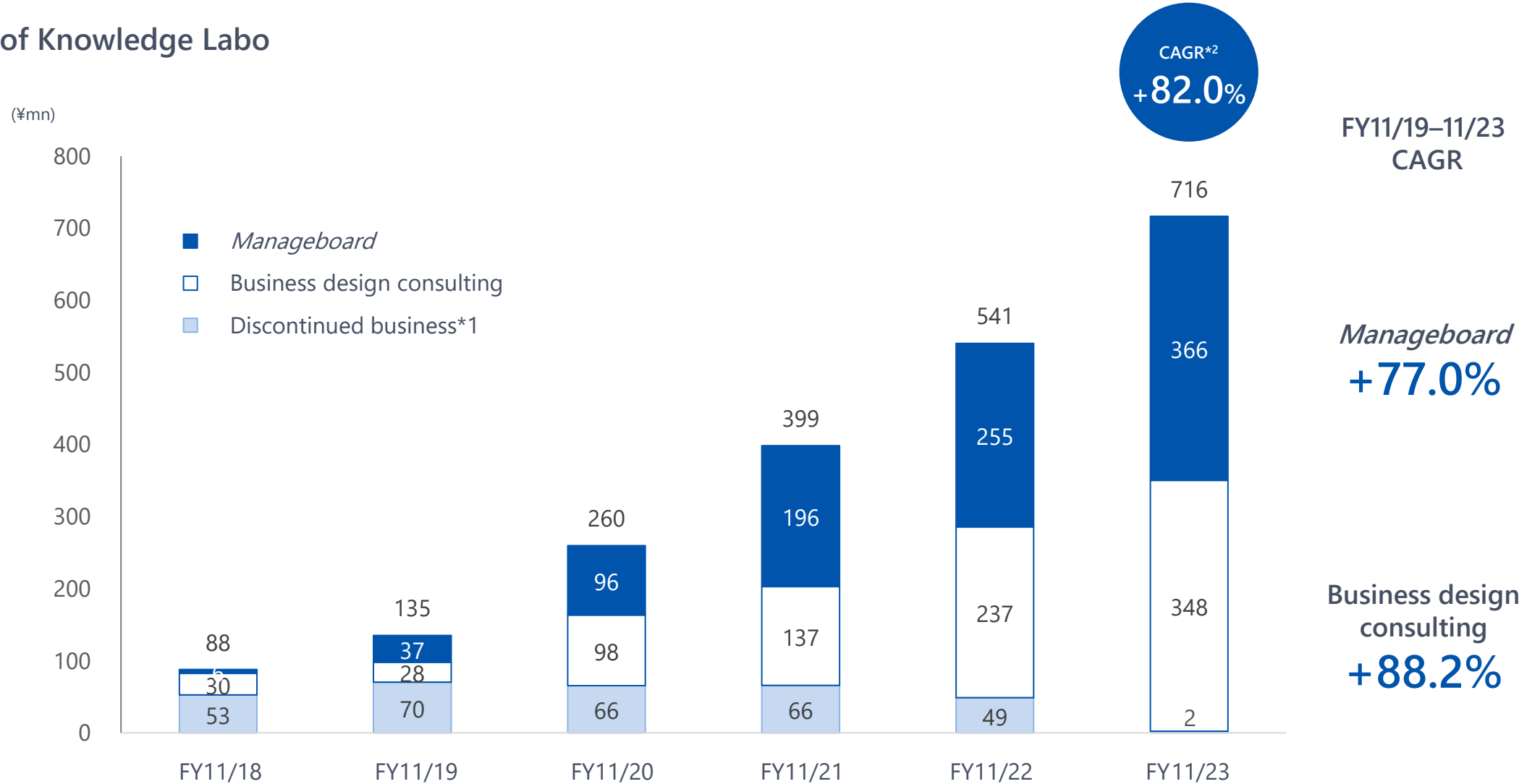
*1 Business turnaround consulting. Operations ended in FY11/24.
*2 CAGR of net sales from FY11/19 to FY11/23, excluding the discontinued business.

Business Area

Offers growth companies a framework for business management that interweaves technology with consulting to drive managerial innovation.

Technology

Management accounting platform

SaaS-based management accounting system that aggregates, analyzes, and manages data scattered within a company

Consulting

Business design consulting

Provides scheme for raising transparency of management by merging technology and consulting

Manageboard Solution

Streamlines operations from budget planning to reporting, thereby supporting sophisticated analyses and decision-making.
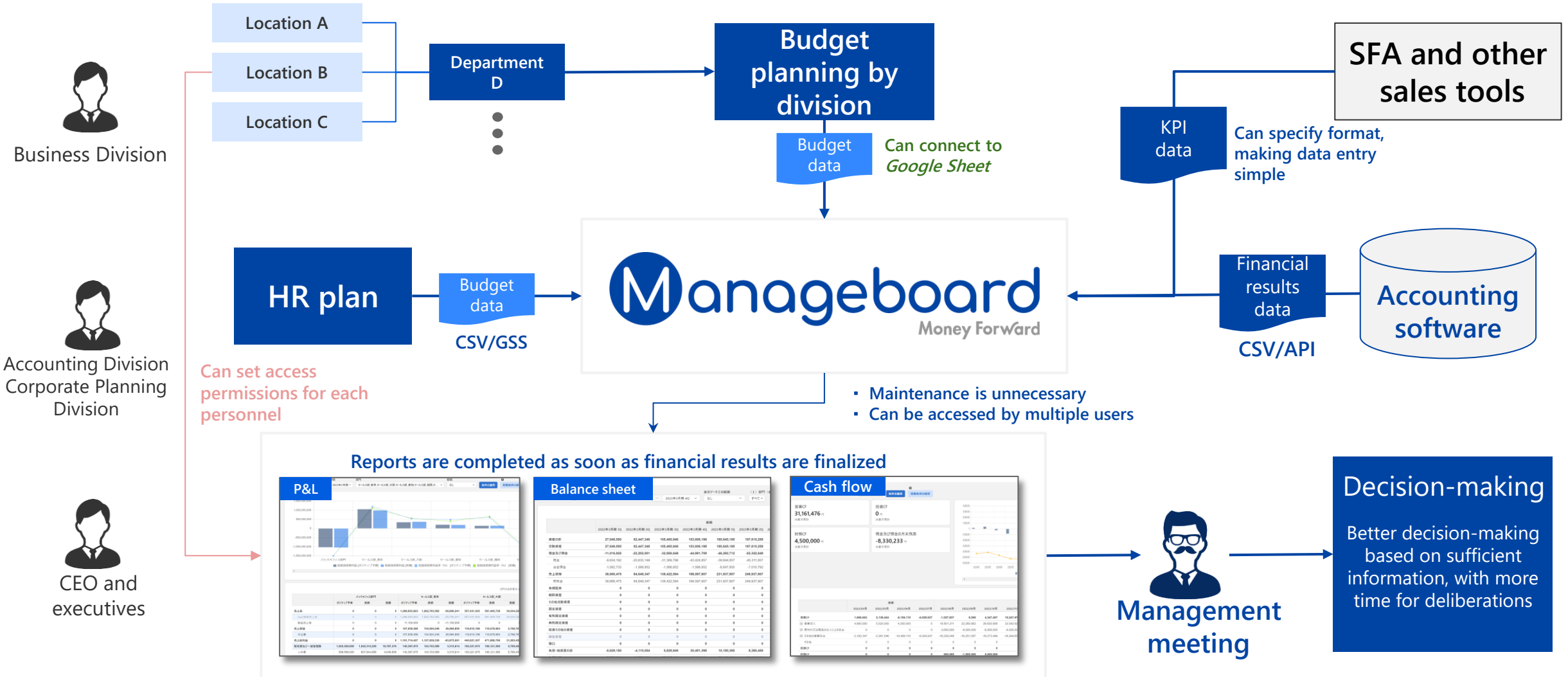
Issues Solved with *Manageboard*

Over 90% of customers face trouble in Excel-based operations and take time finding specific figures.

Reasons for inquiry (survey results)
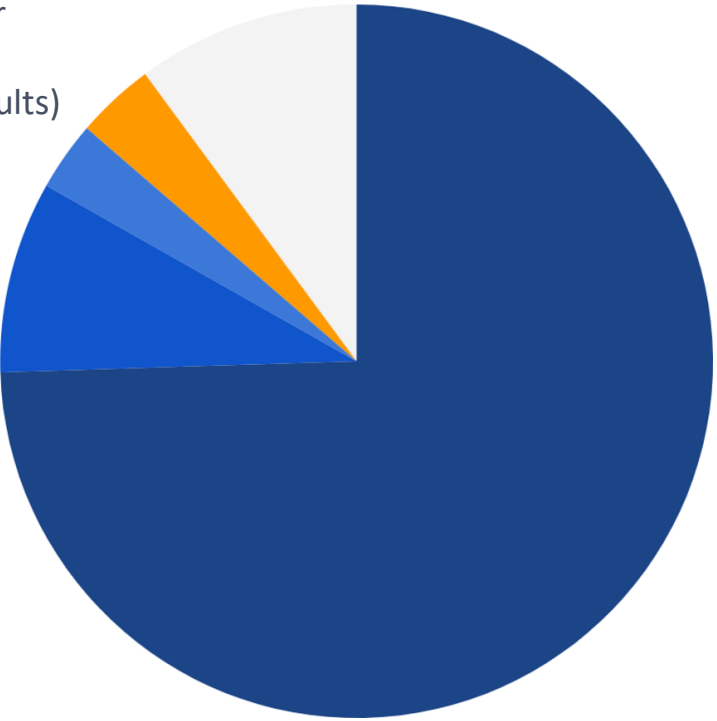
- Error function of spreadsheet; excessive man-hours for maintenance
- Trouble aggregating/reporting divisional budgets
- Excessive man-hours for consolidating formats of results/budgets
- Difficulty creating cash flow projection
- Other
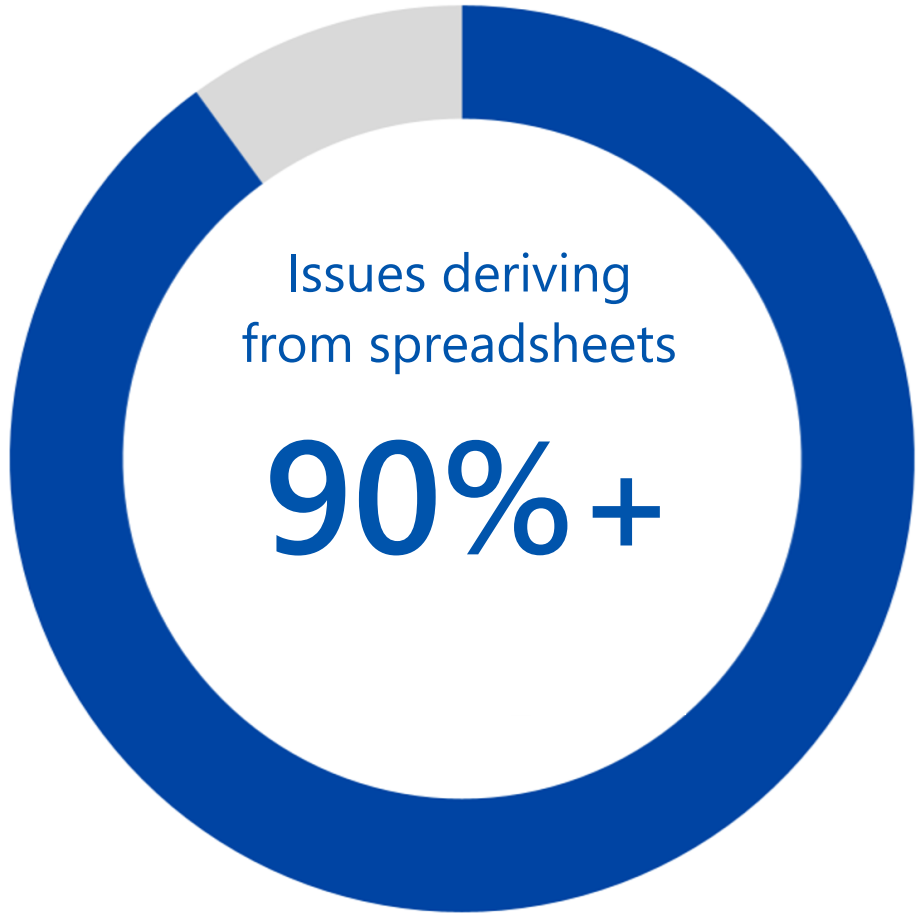
Issues deriving from spreadsheets

90%+

* Created based on a survey asking the "challenges faced by the company" to clients who made inquiries to the *Manageboard* support desk.
   Survey period: December 1, 2022–November 30, 2023

Issues Solved with *Manageboard*

Accounting and finance

Difficult to monitor progress

Progress in operations is difficult to grasp as business data is managed separately by each division.

Cannot make speedy decisions

Cannot make speedy and accurate decisions since progress in operations and future business outlook are unclear.

Executives

Data collection is hard

Data aggregation takes time and effort because each department uses different file types

Financial data and KPI are not linked

Reflecting financial data to KPIs takes time because they are not linked

Administrative division

Business units

Marketing Division	Sales Division	Customer Support Division	HR Division
• No. of leads • CVR	• No. of sales meetings • No. of orders	• Churn rate • Customer satisfaction	• No. of new hires • Engagement
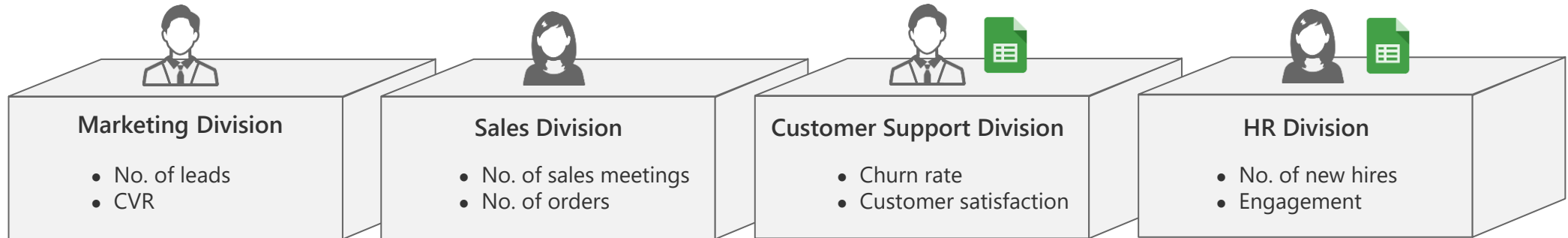
Manageboard Functions

Connects to accounting software

- Links via API to *Money Forward Cloud* and other major cloud accounting software.
- Obtains accounting data from CSV files of on-premise accounting.

Connects to spreadsheets

- Links to *Google Sheets*.
- Efficiently imports budget and KPI data.
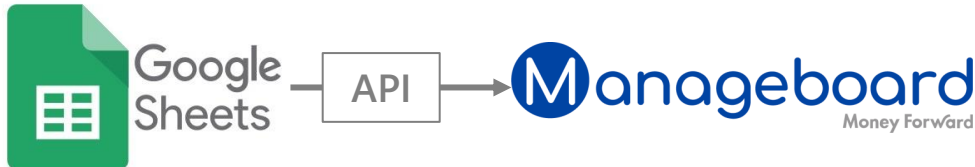
Links 3 financial statements

- Financial plans can be created by linking PL, balance sheet, and cash flow.
- Reports can be created by flexibly setting KPIs based on multiple account items.
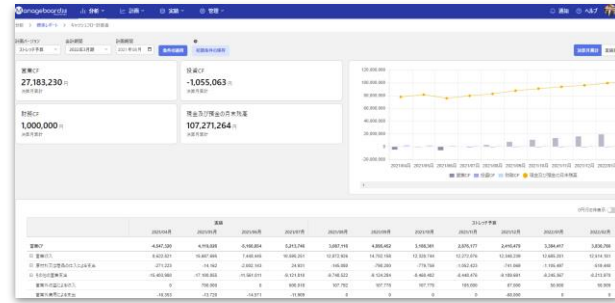
Enables configuring divisional structure

- Divisional hierarchies can be configured by importing organization data from the company's accounting software.
- Divisional structure can be updated as necessary in cases of organizational change.

Manageboard Functions

Input assistance

- Budgets are formulated automatically with a single click based on the previous year's performance and seasonal factors.

KPI tree

- Budget control can be conducted by setting non-financial items, which can be accessed by drilling down from sales or expenses.


Custom reports

- In-house reports containing financial indicators and KPIs can be replicated.
- Reports can be saved in multiple forms by saving templates for different purposes.
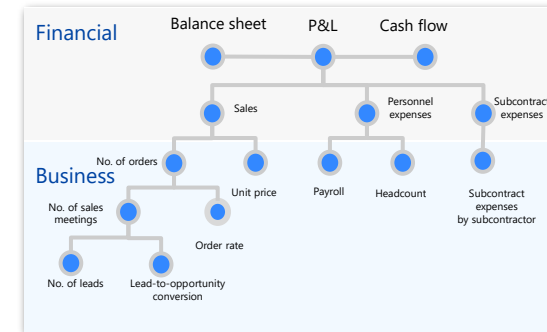
Cost allocation

- Multiple allocation logics can be created, e.g., according to ratio of sales or headcount.
- Indirect costs, such as personnel and utility costs, can be allocated easily.
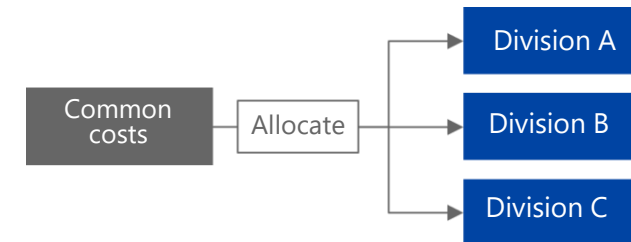
Manageboard Functions

Report comment function

- Users can communicate efficiently by leaving comments on reports rather than using email or chat tools.
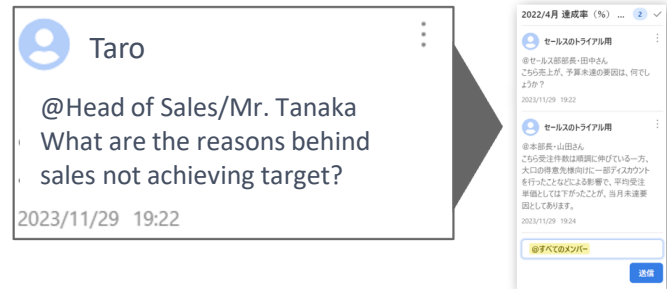
Drilldown to general ledger

- General ledger can be viewed by clicking on earnings data
- Budget variance analyses can be carried out without referring to transactions on accounting software.

Reporting

- Reports can be downloaded in PDF format and submitted to executives or financial institutions.

- Executives
- VCs, investors
- Financial institutions
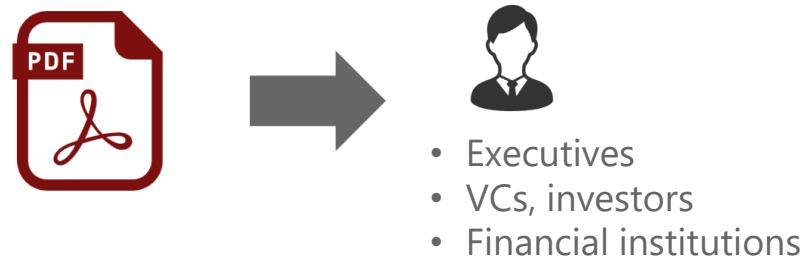
Detailed permission setting

- Permissions can be set for respective operations as well as for data of each division/branch and account item.

Examples of Client Companies

IT Service

Manufacturing, Pharma

Medical Welfare

Food, Beverage

Sites, Shops

HR

Service, Retail

Disclaimer

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