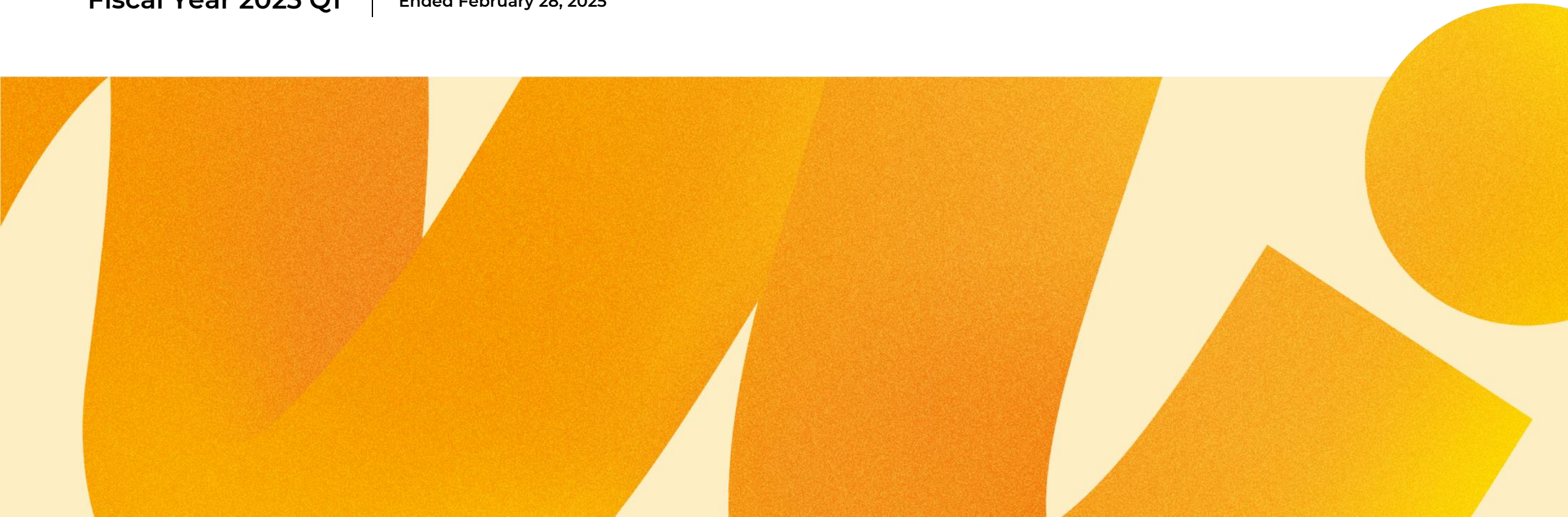


# Financial Results



Fiscal Year 2025 Q1 | Ended February 28, 2025






01	<b>Companywide Financial Highlights in Q1 of FY11/25</b>	P.2
02	<b>Business Highlights and Initiatives in Focus Areas</b>	P.22
03	<b>Business Domain Profit Plan and Optimization of Capital Allocation</b>	P.39
04	<b>Appendix 1 : Financial Highlights by Companywide and Domain</b>	P.44
05	<b>Appendix 2 : Product Strategy and TAM in Business Domain</b>	P.53

# **Companywide Financial Highlights in Q1 of FY11/25**

## Major Risk Scenarios and Our Assessment and Countermeasures Due to Sudden Changes in the Macro Environment

For a domestic demand-oriented IT company like ours, the direct impact of the Trump administration's tariff policies is considered limited. However, there are risks that could affect our business environment indirectly through macroeconomic fluctuations. On the other hand, if the yen appreciates leading to cost reductions, and more companies are forced to streamline back-office operations and strengthen cost management, it could have a positive effect.

Major Risk Scenarios		Our Assessment and Measures
Reduction in IT spending due to economic downturn		<ul style="list-style-type: none"> <li>• Back-office SaaS is a core system for companies, and its priority as a target for IT spending cuts is low.</li> <li>• On the other hand, if there is a slowdown in acquiring new customers, further reduction in Sales &amp; Marketing costs should be considered.</li> <li>• There is also a possibility that the adoption of SaaS/AI will accelerate as a measure to improve productivity and reduce costs.</li> </ul>
Increase in the bankruptcy rate of small and medium-sized companies		<ul style="list-style-type: none"> <li>• Risk of increased SaaS churn rates due to the rising bankruptcy rate of small and medium-sized companies.</li> <li>• Strengthen screening criteria in finance businesses to prepare for increased credit risk.</li> </ul>
Rise in product delivery costs, such as server expenses		<ul style="list-style-type: none"> <li>• Thoroughly implement the strengthening of cost management, further optimize infrastructure costs, enforce stricter use of internal tools, and review the hiring pace.</li> <li>• Additionally, in our case, a stronger yen leads to cost reductions.</li> </ul>

## Highlights in FY11/25 Q1

Both net sales and adjusted EBITDA made a good start toward achieving FY11/25 full-year forecasts<sup>\*1</sup>

No. of paying customers in Business domain topped 400k.

Q1 Consolidated Net Sales

+23% YoY

¥11.71bn

(FY11/24 Q1 net sales: ¥9.54 bn)

Organic growth rate without impact of M&As.

SaaS ARR<sup>\*2</sup>

+26% YoY

¥32.13bn

(FY11/24 Q1 SaaS ARR: ¥25.5 bn)

Organic growth rate without impact of M&As.

Q1 adjusted EBITDA<sup>\*3</sup>/ Gross profit

Record high

¥1.19bn / ¥8.03bn

EBITDA adjusted for HIRAC FUND:  
¥0.56bn(record high as well)  
Q1 advertising expenses:  
¥1.66bn (-¥0.14bn QoQ)

Disclosed the Business Domain Profit Plan and Capital Allocation Initiatives

In the Business domain:

- Achieve an average annual improvement of around 7-8pt in EBITDA margin from the FY11/25 to FY11/28.
- An FY11/28 EBITDA margin of over 30% and Operating Profit margin of over 20%

Released "Money Forward AI Vision 2025"

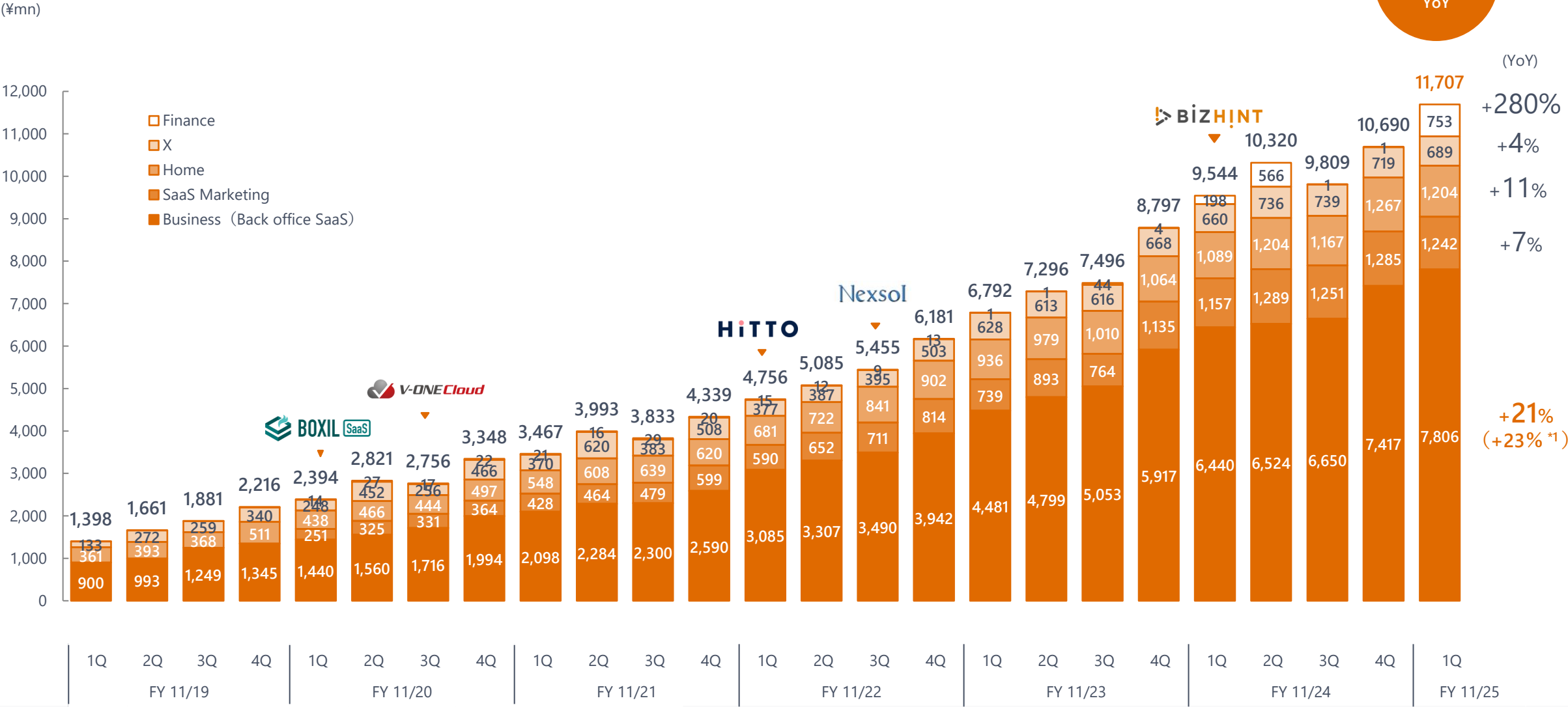
- Provide AI agents for back-office operations and build an open platform. Aim to become the No.1 back-office AI company.
- Further promote the use of AI within the company. Aim for an impact of more than doubling revenue per employee by FY11/28.

\*1 See P.52 for details on the full-year forecast. \*2 See P.60 for the definition of SaaS ARR.

\*3 Adjusted EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses + One-time M&A-related expenses + Other one-time expenses. See P.50 for details.

# Q1 Consolidated Net Sales Up 23% YoY

+23%  
YoY

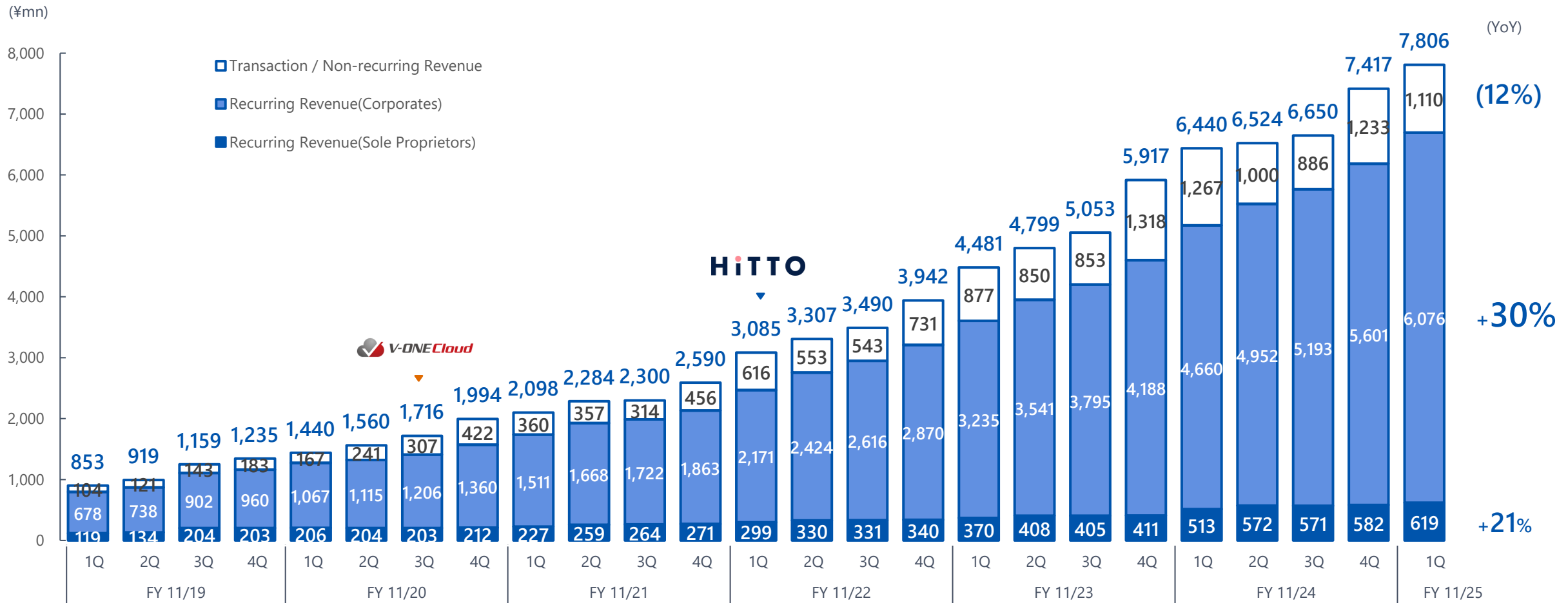


\* The aggregate of net sales of each domain does not necessarily correspond to consolidated net sales as net sales of "Other" are omitted from the graph. \* Net sales of businesses in ex-Finance domain excluding HIRAC FUND are tallied under Business domain for past and Q1 results. The impact of M&As of OutlookConsulting Co., Ltd. and other companies will be reflected in P&L from Q2. \*1 Net sales growth rate excluding businesses transferred from ex-Finance to Business domain in FY11/25 (Money Forward Kakebarai, Money Forward Early Payment, SEIKYU+, SHIKIN+, and Money Forward Invoice Card Pay for Startups).

# Quarterly Net Sales of Business Domain

Corporate recurring revenue continued to see firm growth, **up 30% YoY**.  
Excluding the impact of the domain transfers from this quarter <sup>\*1</sup>, the sales growth rate was 23% YoY.

**+21%**  
(+23% )  
YoY

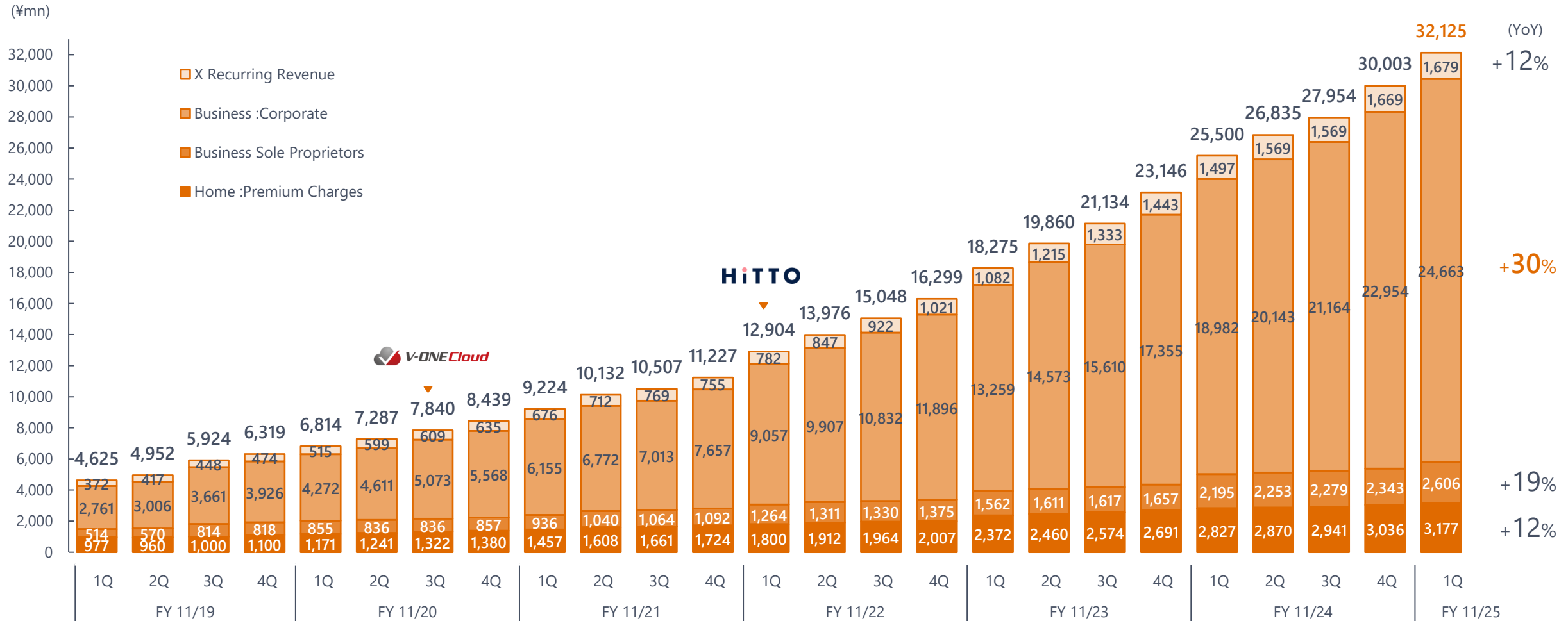


\* "Recurring Revenue (Sole Proprietors)" is the revenue from services for sole proprietors in *Money Forward Cloud*. "Recurring Revenue (Corporates)" is the revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *Money Forward Certified Member System*, *HITTO*, *Money Forward Admina*, and *Money Forward Kakebarai*. "Non-Recurring Revenue" primarily consists of sales from IT introduction subsidies, sales from initial implementations of *Money Forward Cloud* and *V-ONE Cloud* mainly by medium-sized companies, sales from consulting by Knowledge Labo, Inc., sales from card payment fees in *Money Forward Pay for Business*, and *Money Forward Early Payment*. \*Net sales of businesses in ex-Finance domain excluding HIRAC FUND are tallied under Business domain for past and Q1 results. The impact of M&As of OutlookConsulting Co., Ltd. and other companies will be reflected in P&L from Q2. \*1 *Money Forward Kakebarai*, *Money Forward Early Payment*, *SEIKYU+*, *SHIKIN+*, and *Money Forward Invoice Card Pay for Startup*, etc. See P.59 for details.

# SaaS ARR\*1

ARR for corporate customers in Business domain **continued to trend favorably, up 30% YoY.**

**+26%**  
YoY



\* Net sales of businesses in ex-Finance domain excluding HIRAC FUND are tallied under Business domain for past and Q1 results. The impact of M&As of OutlookConsulting Co., Ltd. and other companies will be reflected in P&L from Q2. \*1 "Business: Sole Proprietors" is revenue from services for sole proprietors in *Money Forward Cloud*. "Business: Corporates" is revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *Money Forward Certified Member System*, *HiTTO*, *Money Forward Admina*, and *Money Forward Kakebarai*. "X: Recurring Revenue" includes maintenance fees of co-creation projects with financial institutions and revenue from services for customers of financial institutions, including the *Mikano* series and *Money Forward for XX*. As a seasonal adjustment, the MRR of *STREAMED* is calculated as one-third of its revenue in Q1 and Q2 of each fiscal year. Non-recurring revenue of each business is not included. See P.60 for the definitions of ARR, MRR, etc.

# Business Domain: Highlights in FY11/25 Q1

Number of paying corporate customers exceeded 400,000. **Medium-sized company ARR continued to rise, up 41% YoY.**  
Net increase in SMB ARR reached a record high of ¥1.01bn.

## Quarterly net sales

¥ **7.81** <sub>bn</sub>

(+21% YoY)

In the ex-Business domain definition \*1,  
Net sales growth rate: +23% YoY

## Corporate ARR

¥ **24.6** <sub>bn</sub>

(+30% YoY)

In the ex-Business domain definition \*1,  
Corporate ARR growth rate: +29% YoY

## Medium-sized company ARR

¥ **11.6** <sub>bn</sub>

(+41% YoY)

In the ex-Business domain definition \*1,  
Medium-sized company ARR: +40% YoY

## Corporate / Medium-sized company ARPA

**+3.5 % / + 11.9 %** YoY

In the ex-Business domain definition \*1,  
Medium-sized company ARPA: +11.1% YoY

## Corporate customer churn rate

**0.7 % / 0.7 %**

(3-month avg. / 12-month avg.)

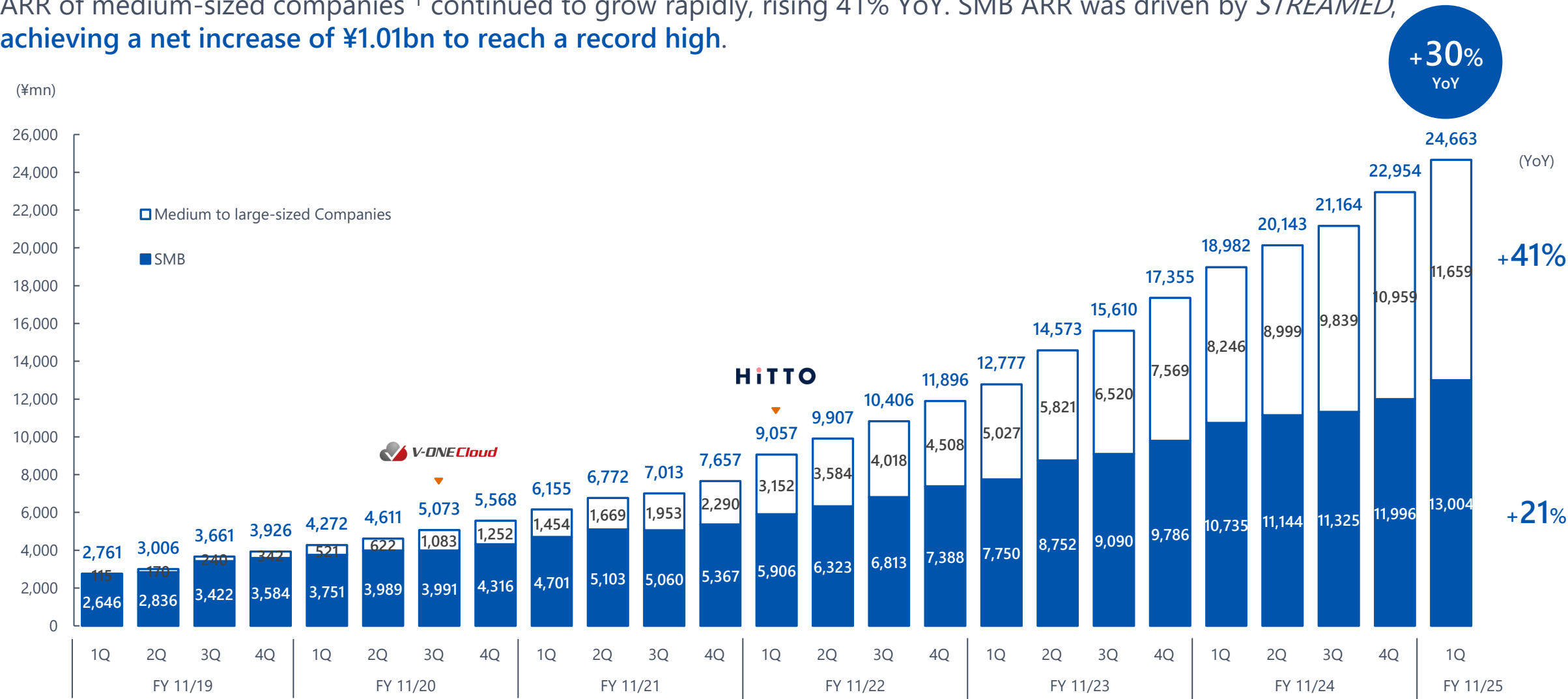
The 12- and 3-month average churn rate of sole proprietors was 2.1% and 1.4%, respectively

Implement a price revision in the SMB segment starting June 2025,  
**with an expected ARR impact of 2 bn yen.**

\*1 See P.59 for details.

# Corporate ARR in Business Domain Jumped 30% YoY

ARR of medium-sized companies\*<sup>1</sup> continued to grow rapidly, rising 41% YoY. SMB ARR was driven by *STREAMED*, achieving a net increase of ¥1.01bn to reach a record high.

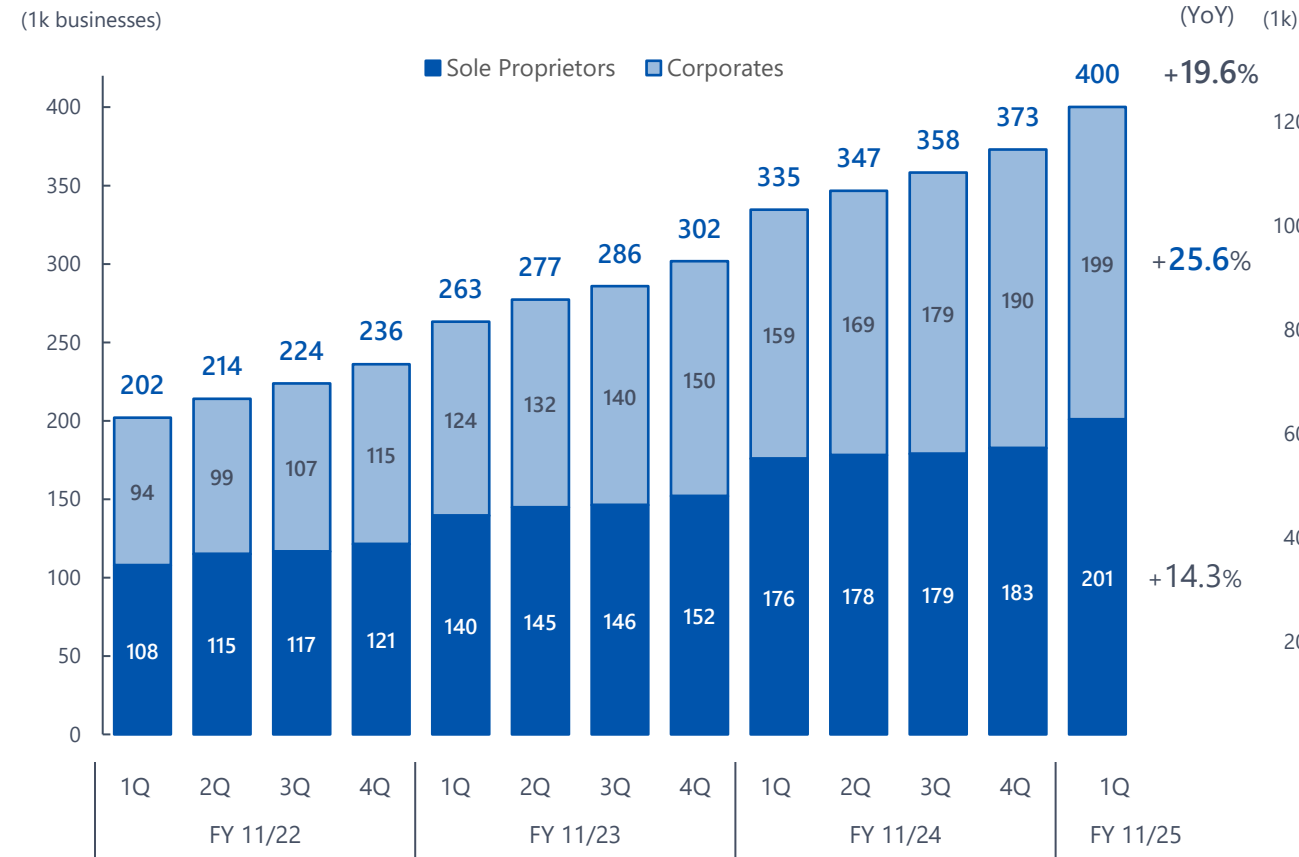


\* Net sales of businesses in ex-Finance domain excluding HIRAC FUND are tallied under Business domain for past and Q1 results. The impact of M&As of OutlookConsulting Co., Ltd. and other companies will be reflected in P&L from Q2. \*<sup>1</sup> "SMB" is revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, and *Money Forward Certified Membership System*, as well as from professional service firms and their clients. As a seasonal adjustment, the MRR of *STREAMED* is calculated as one-third of its revenue in Q1 and Q2 of each fiscal year. Revenue from *STREAMED* tends to rise in Q1 and Q2 as transactions increase during the fiscal year-end of corporate customers but drop in Q3 (mainly in August) compared to Q2 since there are less business days. "Medium-sized companies" includes general corporate users (excluding professional service firms) that have adopted such services as *Money Forward Cloud*, *Manageboard*, *V-ONE Cloud*, *HITTO*, *Money Forward Admina* and *Money Forward Kakebarai* via field sales, with the majority of companies having 50 or more employees. See P.60 for the definitions of ARR, MRR, etc.

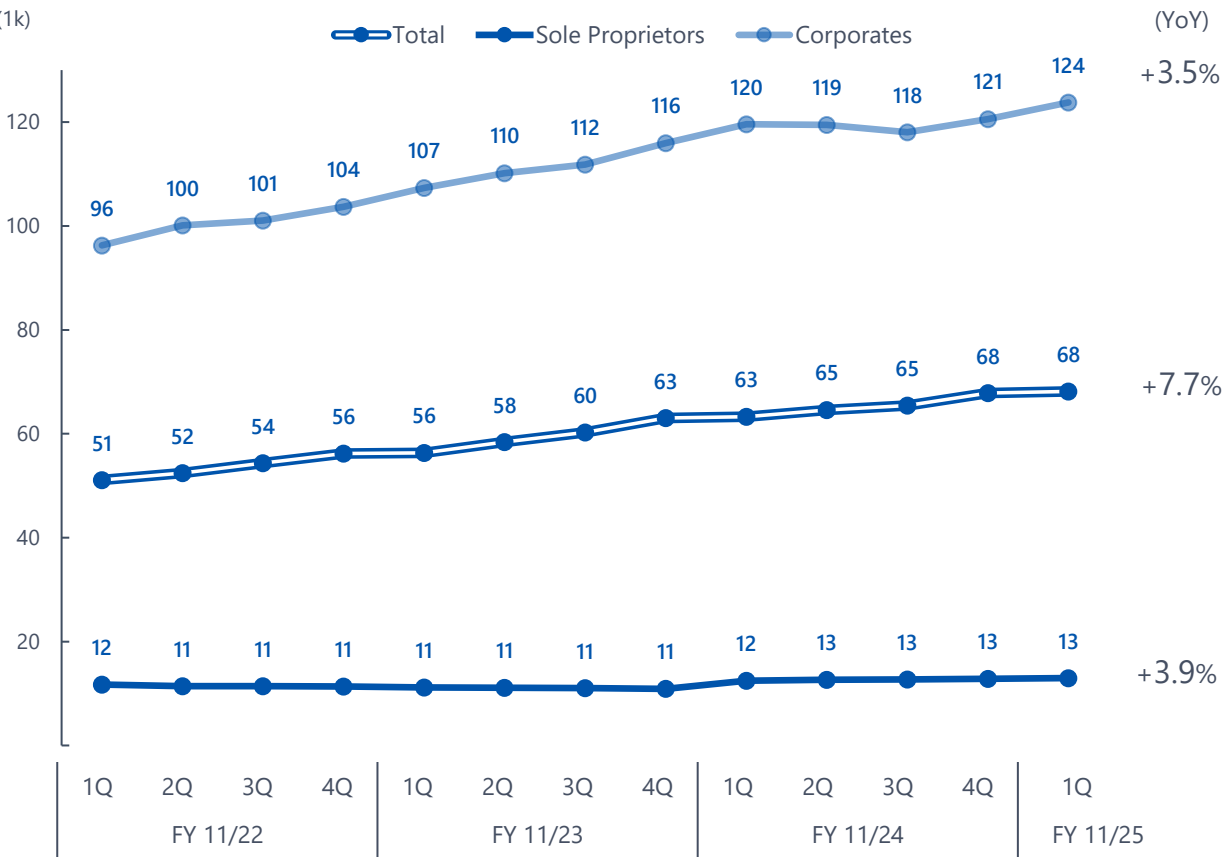
# Paying Customers\*1 and ARPA\*2 Continued to Rise

The number of paying customers (corporates + sole proprietors) **topped 400k**. **Corporate ARPA was ¥124k, up 2.6% QoQ (+3.5% YoY)**. From Q1, KPIs of the ex-Finance domain are disclosed retrospectively in medium-sized company area\*3.

Paying customers\*1



ARPA\*2



\* Net sales of businesses in ex-Finance domain excluding HIRAC FUND are tallied under Business domain for past and Q1 results. The impact of M&As of OutlookConsulting Co., Ltd. and other companies will be reflected in P&L from Q2\*1. The number of paying sole proprietor customers is the number of those who pay for *Money Forward Cloud* services catering to individuals. The number of corporate paying customers includes business corporations, and professional service firms and their clients that pay for services catering to corporations, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, *V-ONE Cloud*, *HiTTO*, *Money Forward Admina*, and *Money Forward Kakebarai*, as well as professional service firms that pay for *Money Forward Cloud Certified Member System*. \*2 ARPA: 12 times the monthly recurring revenue of Business domain in the last month of each term (ARR), divided by the number of paying customers. See P.60 for detailed definitions. \*3 See p.59 for details.

## Steady Promotion of *Money Forward Cloud* via Accounting Firms

Migrations to *Money Forward Cloud* continued to increase among large offices across Japan.

### FLAGS Group



#### Had all clients migrate to *Money Forward Cloud* to gain competitive edge

- A tax accountant corporation based in Nagoya City, Aichi Prefecture that provides a wide range of services, including support in corporate management and compliance with public schemes.
- In 2022, decided to have all clients switch to *Money Forward Cloud*. Also launched a service centered around the product to drive digital transformation (DX) in accounting across the region together with financial institutions.
- As of February 2025, 500+ clients have adopted *Money Forward Cloud*.

### L&B Yoshida Tax Corporation



#### Migrated to support SMEs' business management

- A tax accountant corporation that specializes in small businesses, with 1,200+ clients and two bases in the Niigata Prefecture.
- Streamlined legal administration and bookkeeping tasks by also adopting *STREAMED*.
- Can now spend more time on high value-added work such as startup support, fund procurement, and managerial consulting, which are the corporation's strengths.
- As of February 28, 2025, 300+ clients have adopted *Money Forward Cloud*. The corporation aims to raise this to 800+ clients.

### Hokuriku Kaikei

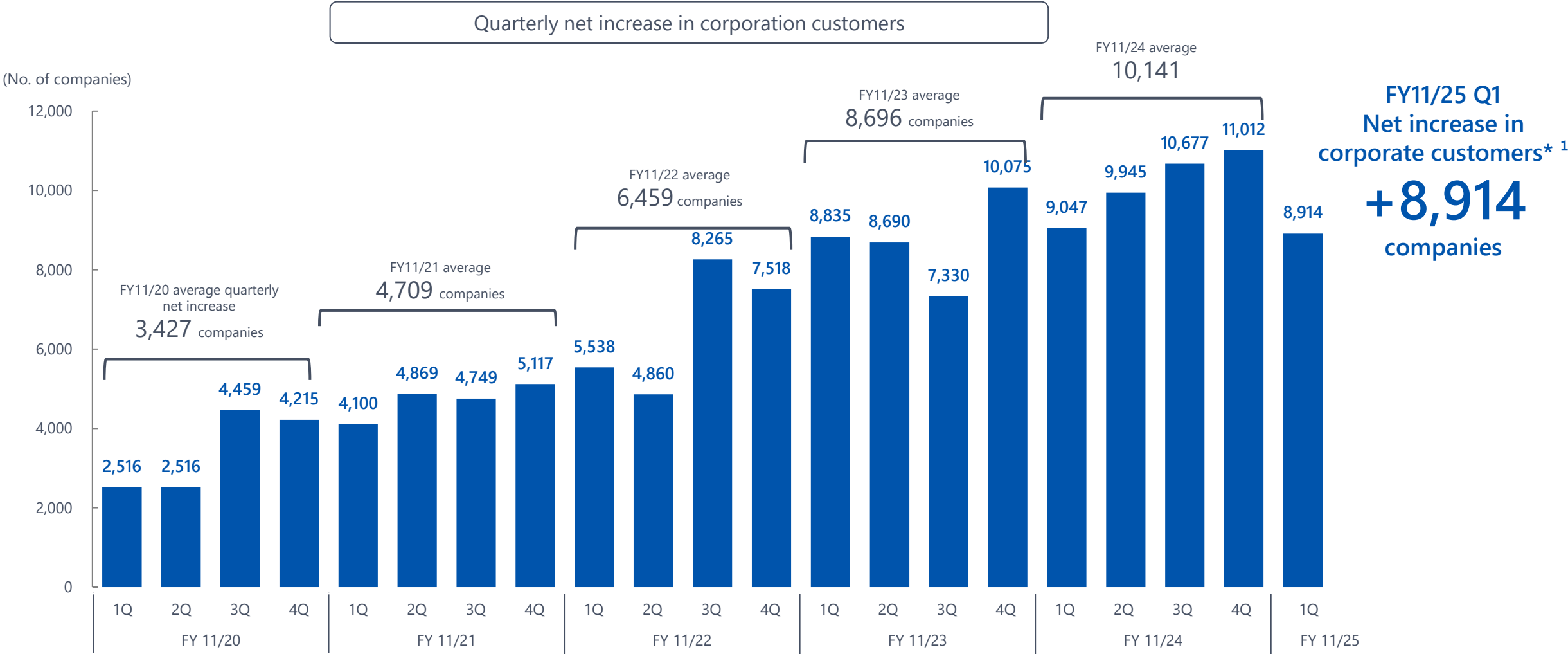


#### Adopted *Money Forward Cloud* to create employee-friendly environment

- A leading tax accountant corporation in Ishikawa Prefecture with 42 years of history and three offices in the prefecture.
- Introduced *Money Forward Cloud* to streamline bookkeeping tasks, which pose a heavy burden on employees. Achieved smooth migrations by actively hiring new graduates and having the younger employees lead the switch to *Money Forward Cloud*.
- As of February 28, 2025, 500+ clients have adopted *Money Forward Cloud*.

# Net Growth in Corporate Customers and Continued Enhancement of Professional Service Channel

Continued to acquire customers via large professional service firms. The net increase in customers dropped QoQ due to the seasonal impact of accounting firms (tax return period).

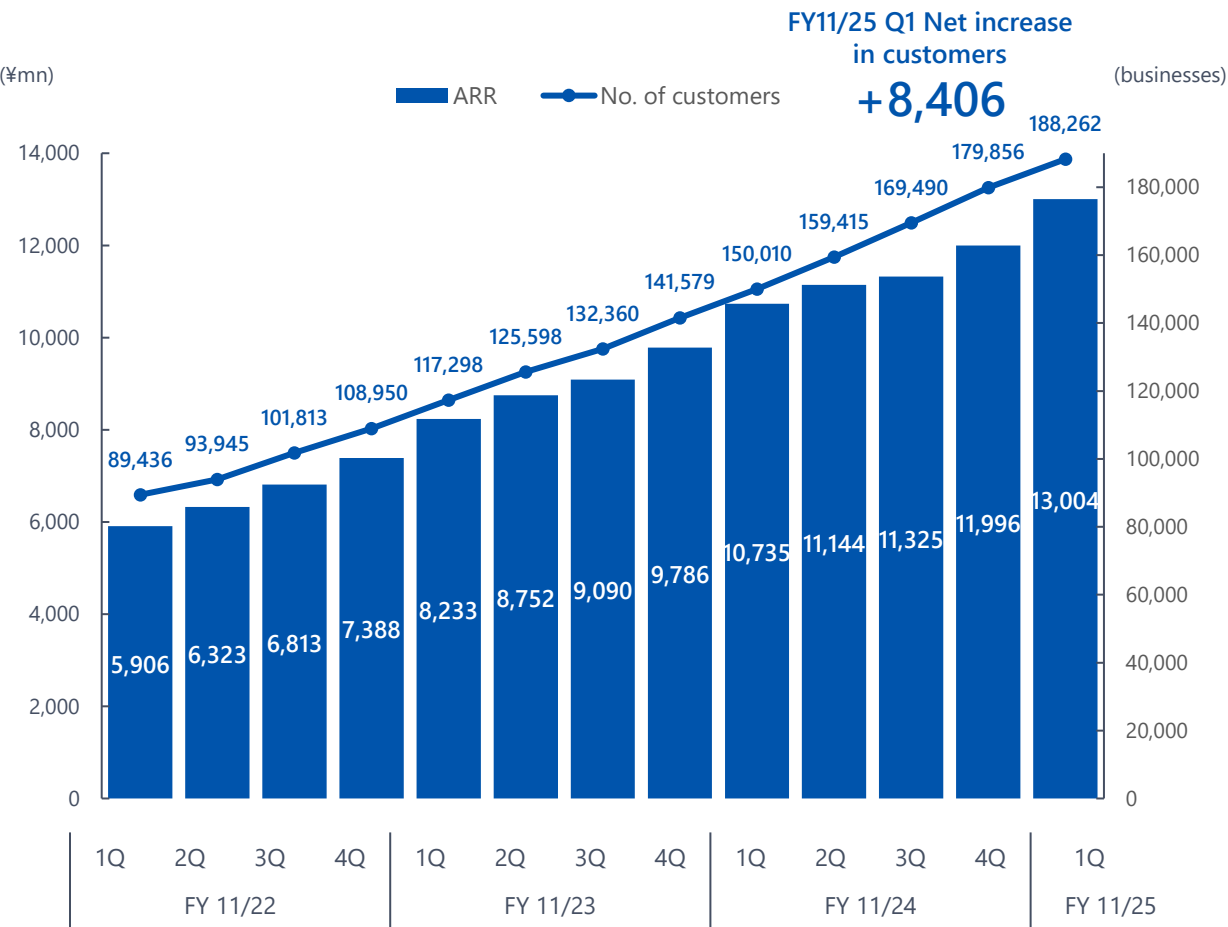


\* 1 In FY25 Q1, the net increase in customers for the ex-Finance domain, excluding the HIRAC FUND, is included, but it is not included for FY24 Q4 and earlier. The P&L impact (including KPIs such as the number of customers) from M&A activities, such as with Outlook Consulting Co., will commence from Q2.

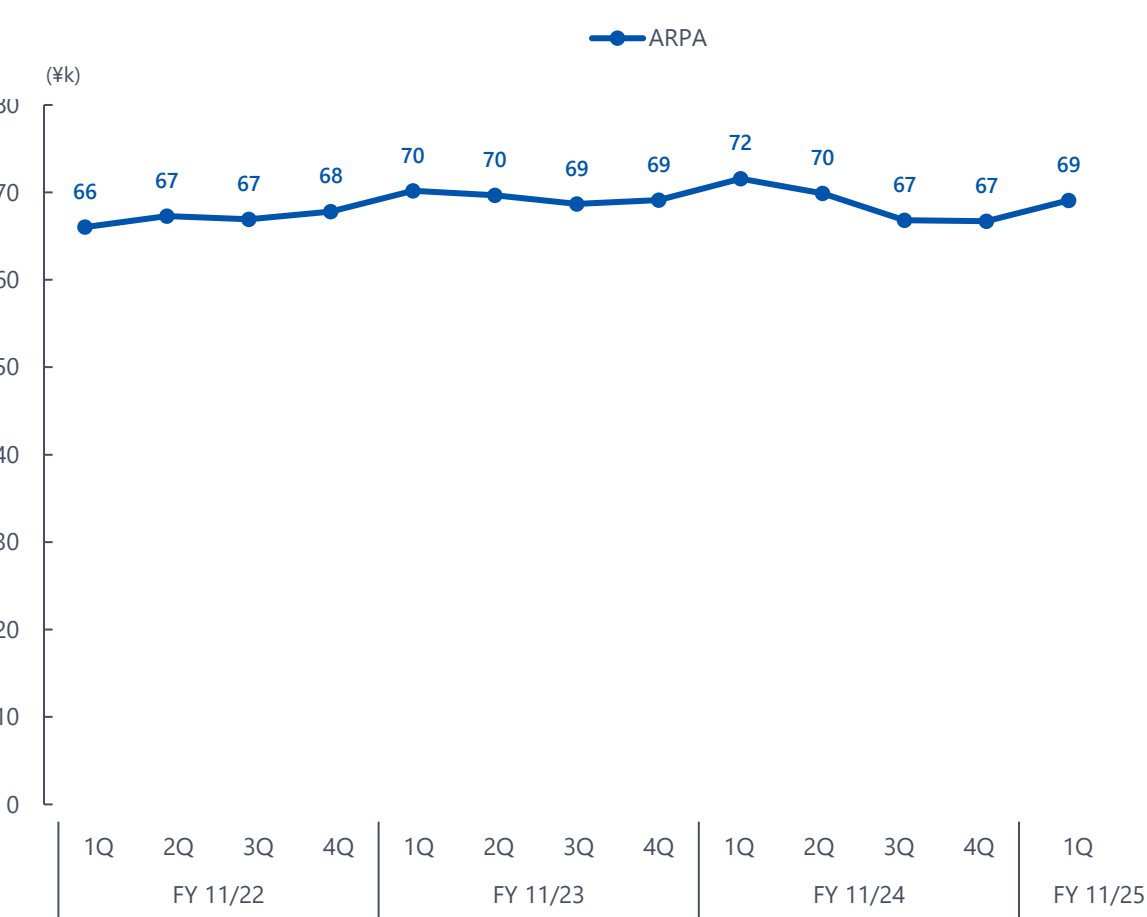
# Net Increase in SMB ARR Hit Record High of +¥1.01bn

SMB ARPA stood at ¥69k with **QoQ increase of +3.6%**. Net sales of *STREAMED* drove a growth in ARR and ARPA.

SMB ARR\*2 and No. of customers



SMB ARPA

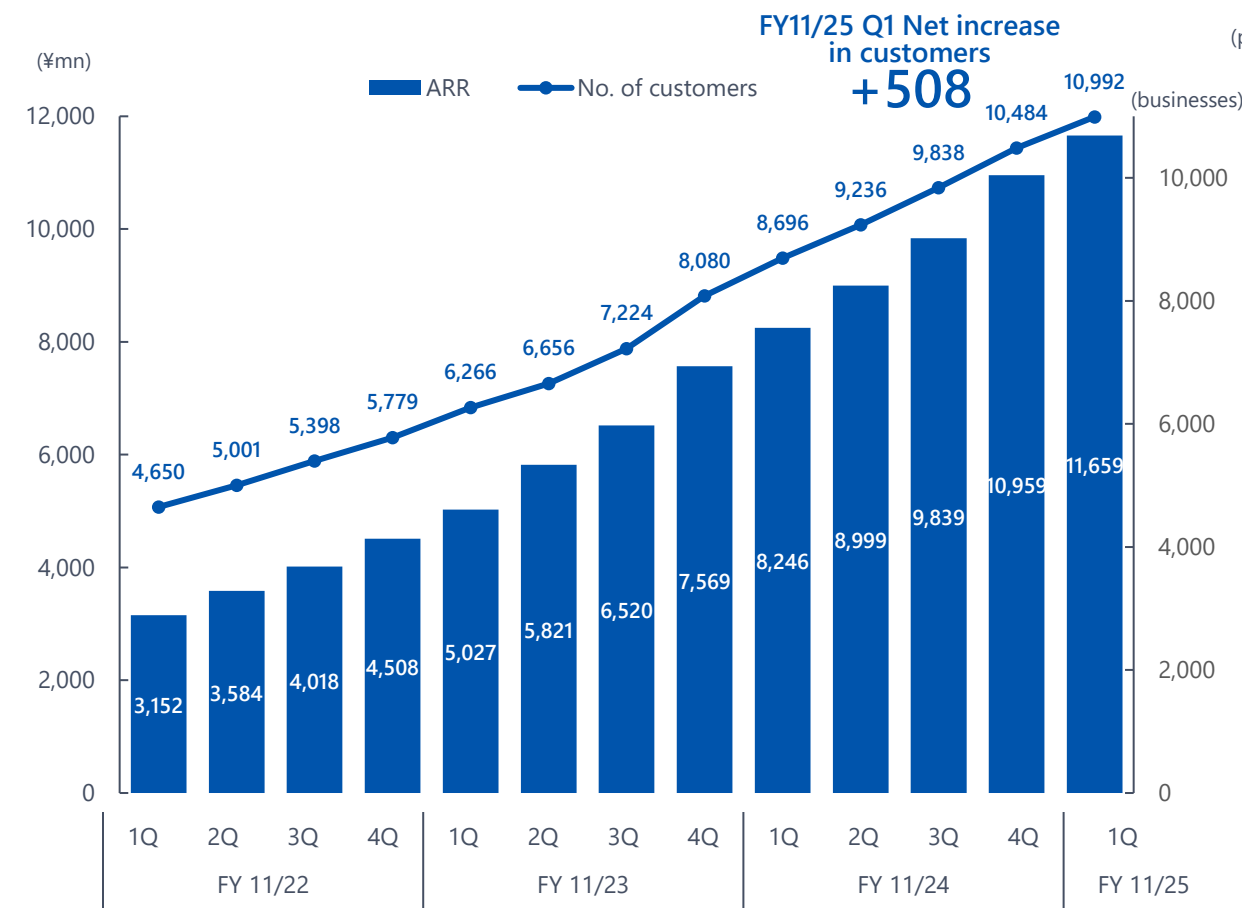


\* "SMB" is revenue from services for corporate customers, including *Money Forward Cloud*, *STREAMED*, *Manageboard*, and *Money Forward Certified Membership System*, as well as from professional service firms and their clients. As a seasonal adjustment, the MRR of *STREAMED* is calculated as one-third of its revenue in Q1 and Q2 of each fiscal year. Revenue from *STREAMED* tends to rise in Q1 and Q2 as transactions increase during the fiscal year-end of corporate customers but drop in Q3 (mainly in August) compared to Q2 since there are less business days.

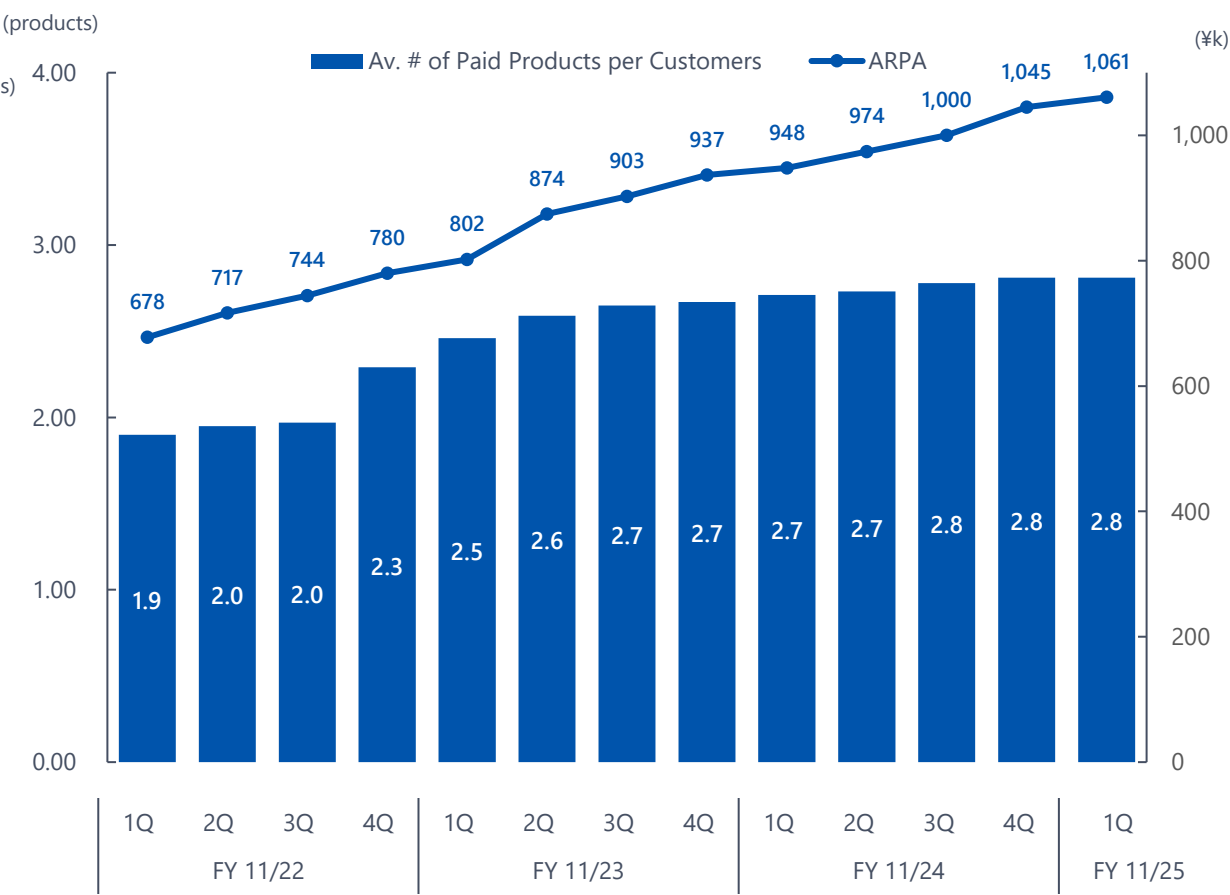
# Medium-Sized Company ARR also show growth, with a YoY increase of 41%

Mid-sized ARPA continues to grow, with a YoY increase of 11.9% as well.

Medium-sized company ARR\*1 and No. of customers



Average No. of paid products and ARPA per 1 medium-sized company

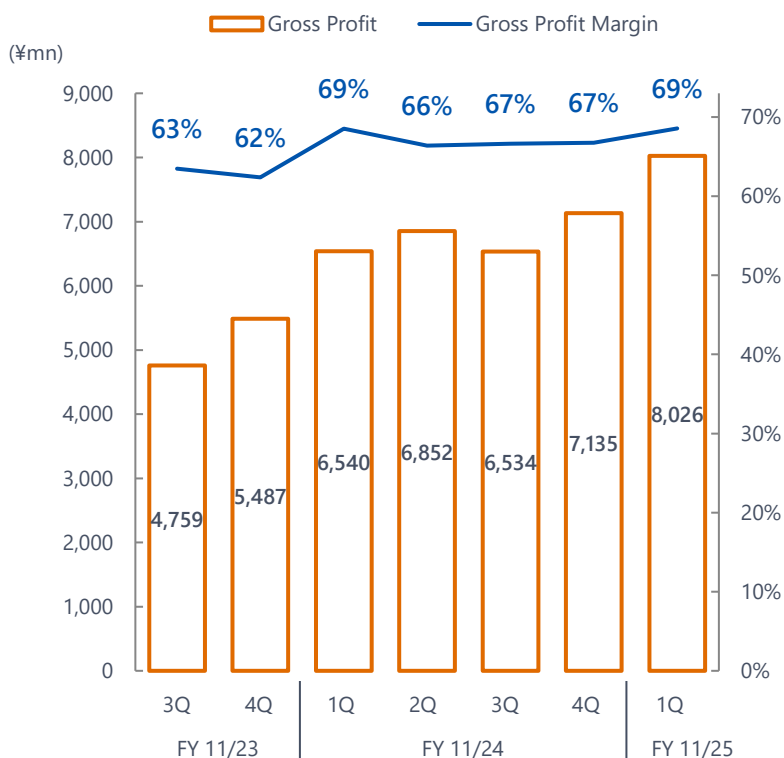


\* Net sales of businesses in ex-Finance domain excluding HIRAC FUND are tallied under Business domain (medium-sized companies) for past and Q1 results. The impact of M&As of OutlookConsulting Co., Ltd. and other companies will be reflected in P&L from Q2. \*1 "Medium-sized companies" includes general corporate users (excluding professional service firms) that have adopted such services as *Money Forward Cloud*, *Manageboard*, *V-ONE Cloud*, *HiTTO*, *Money Forward Admina*, and *Money Forward Kakebarai* via field sales, with the majority of companies having 50 or more employees.

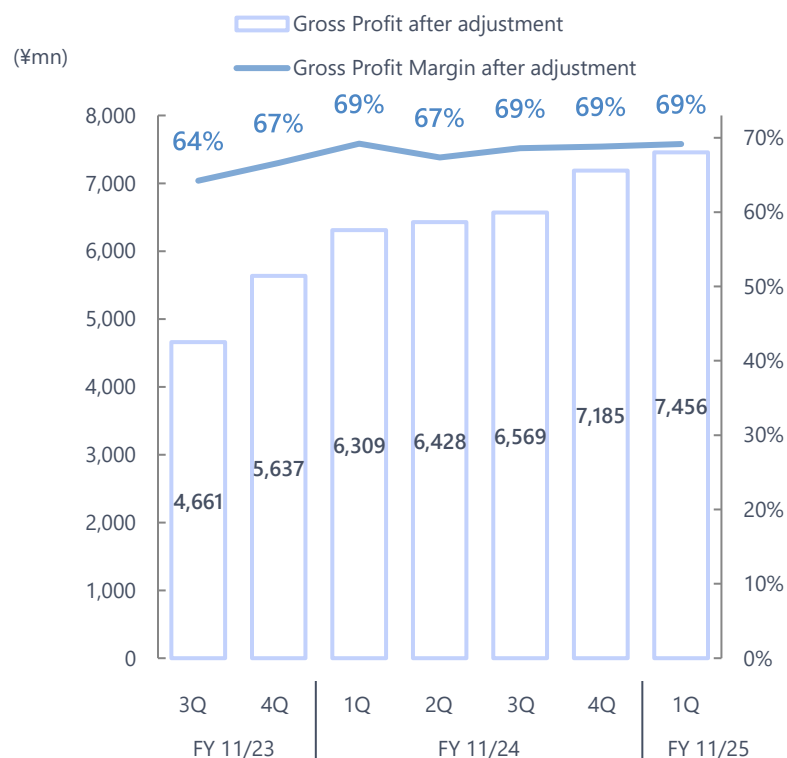
# Consolidated Gross Profit (Before/After Adjustment), Gross Margin of Back-Office SaaS Business

Consolidated gross profit after adjustment <sup>\*1</sup> and gross margin of SaaS applications for back-office operations continued to increase. The gross margin rate<sup>\*2</sup> of back-office SaaS applications was 86%.

Consolidated gross profit  
(financial accounting basis)



Consolidated gross profit after adjustment<sup>\*1</sup>  
(financial accounting basis)



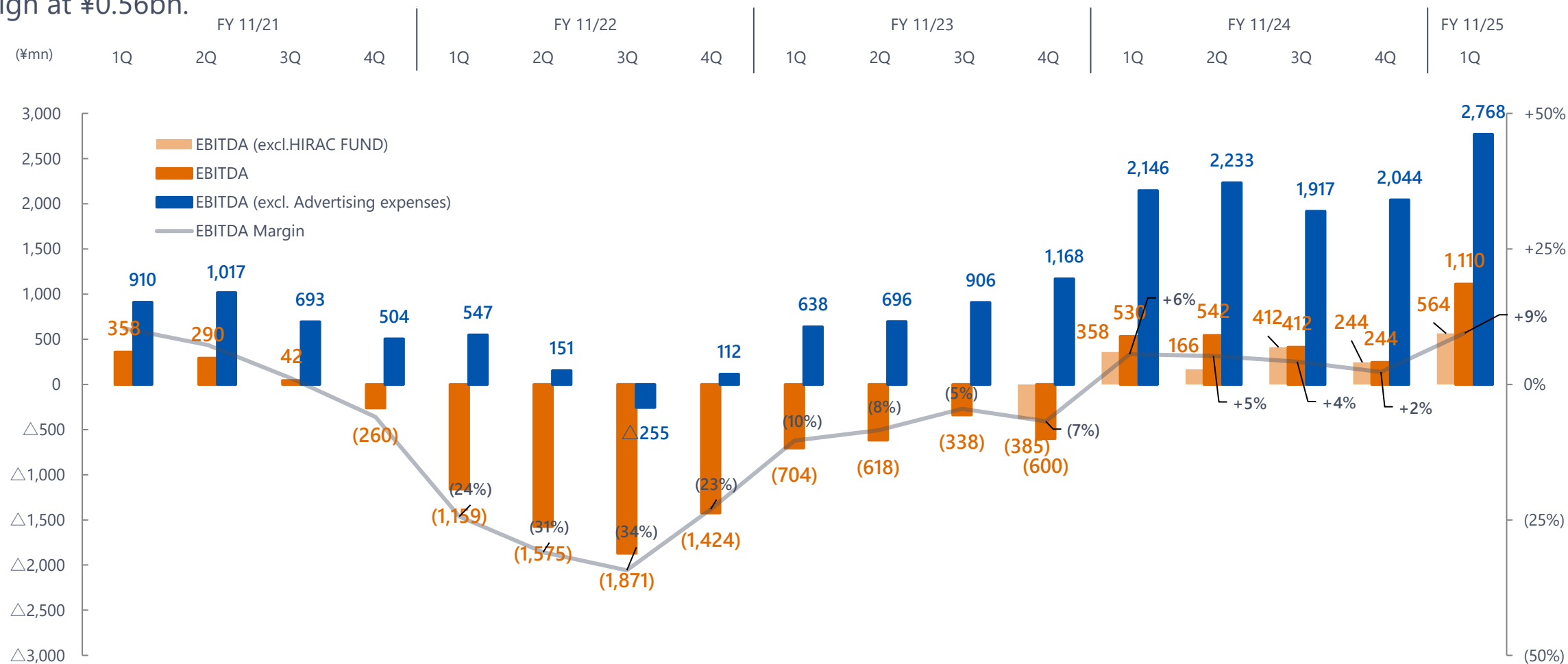
Gross margin rate of back-office SaaS business<sup>\*2</sup>  
(management accounting basis)



<sup>\*1</sup> Gross profit margin after adjustment is calculated by excluding sales and fees related to IT introduction subsidies from both net sales and costs as the seasonal impact is large. Also, when advertising of Group companies is conducted by SMARTCAMP Co., Ltd. (ADXL business), the relevant advertising expenses are booked as cost of sales (net sales of SMARTCAMP Co., Ltd. and subcontract expenses of the Group companies are offset, while advertising media purchase costs of SMARTCAMP Co., Ltd. are booked as cost of sales). Thus, gross profit is adjusted. Furthermore, HIRAC FUND's proceeds on sale of operational investment securities, cost of securities sold, and impairment losses are excluded from both sales and costs because they cause large fluctuations in quarterly gross profit margins. <sup>\*2</sup> Calculated based on the definition used by typical global SaaS companies for Business domain (SaaS applications for back-office operations). The cost portion includes communication expenses and system subscription fees related to product development, server fees including for AWS, API connection fees, as well as personnel expenses related to customer support, service infrastructure, and operators of *STREAMED*. Personnel expenses for engineers and designers involved in product development are included in cost of sales in the Japanese accounting standards and the Company's statement of income. Net sales of *Pay for Business* are included up to F11/23 Q3 but excluded from Q4 due to its expansion. Until FY11/24, the figure was calculated based on cross-domain costs and net sales of Business domain including *Pay for Business* but from FY11/25 Q1, retroactive revisions are applied to use net sales of Business domain (excluding *Pay for Business*).

## EBITDA \*1 (Quarterly)

**Q1 adjusted EBITDA\*<sup>2</sup> stood at ¥1.19bn\*<sup>3</sup> (adjusted EBITDA margin: 10%) and EBITDA\*<sup>1</sup> at ¥1.11bn (EBITDA margin: 9%), hitting record highs.** EBITDA excluding advertising expenses was ¥2.77bn. EBITDA excluding HIRAC FUND reached a record high at ¥0.56bn.

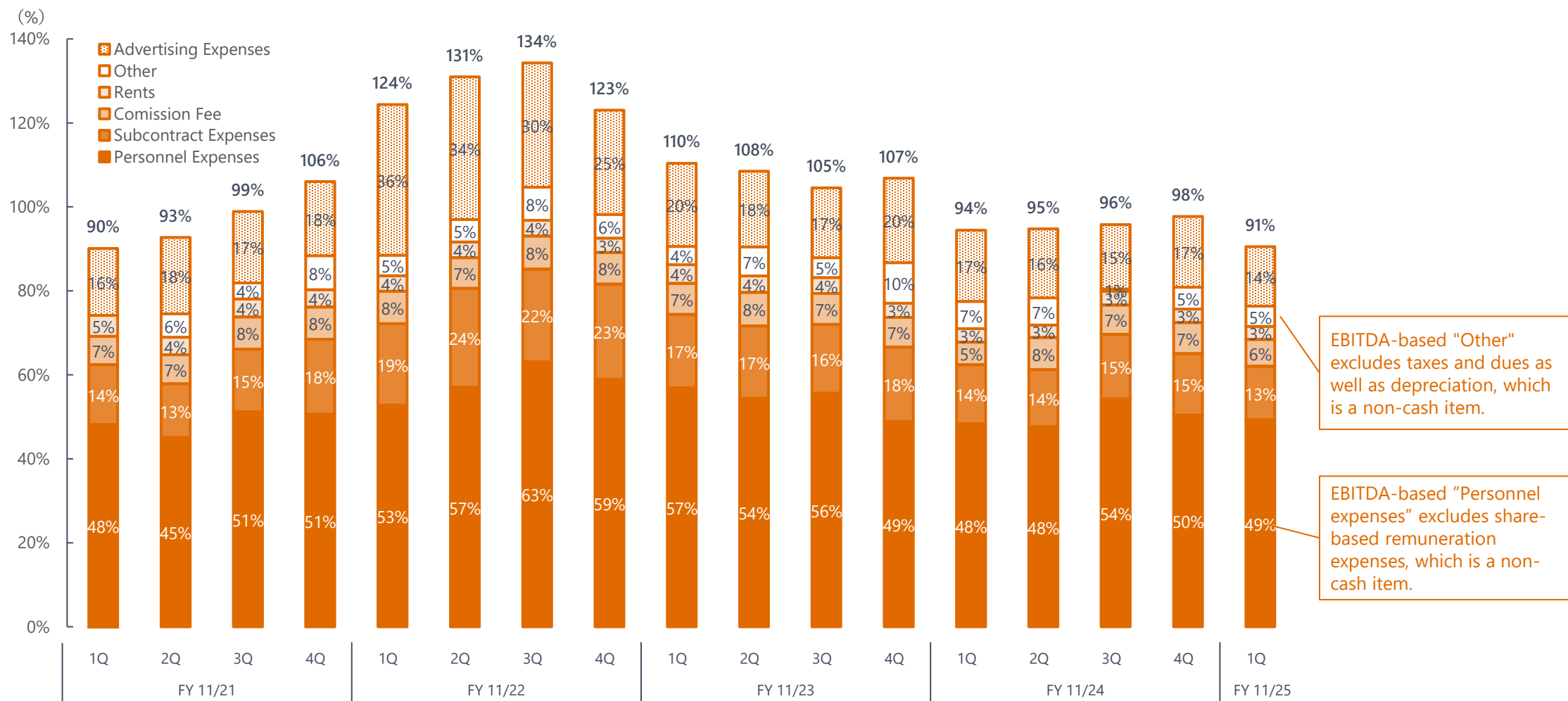


\*1 EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses. Adjusted EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses + One-time M&A-related expenses + Other one-time expenses.

\*3 See P.50 for details on adjusted figures.

## Breakdown of Cost of Sales and SGA (% to Net Sales, Based on EBITDA)

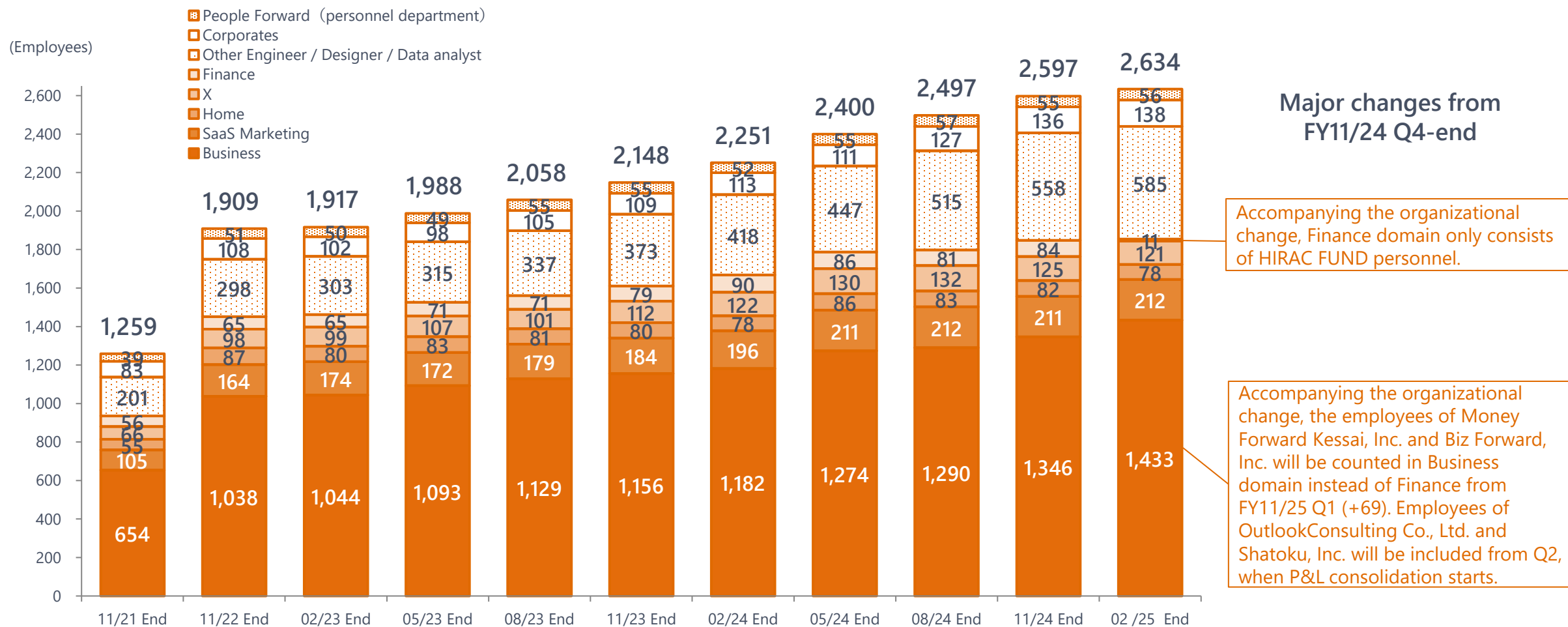
The ratio of advertising, personnel, and outsourcing expenses to sales has decreased.  
Will continue to prioritize unit economics and drive disciplined investments.



\* Other" includes IT introduction subsidy fees, communication expenses, recruiting/training expenses, fee expenses, and point expenses related to *Pay for Business*.

# Employees\*1

Employees increased by 37 from the previous quarter. Continued to hire employees based on careful selections.



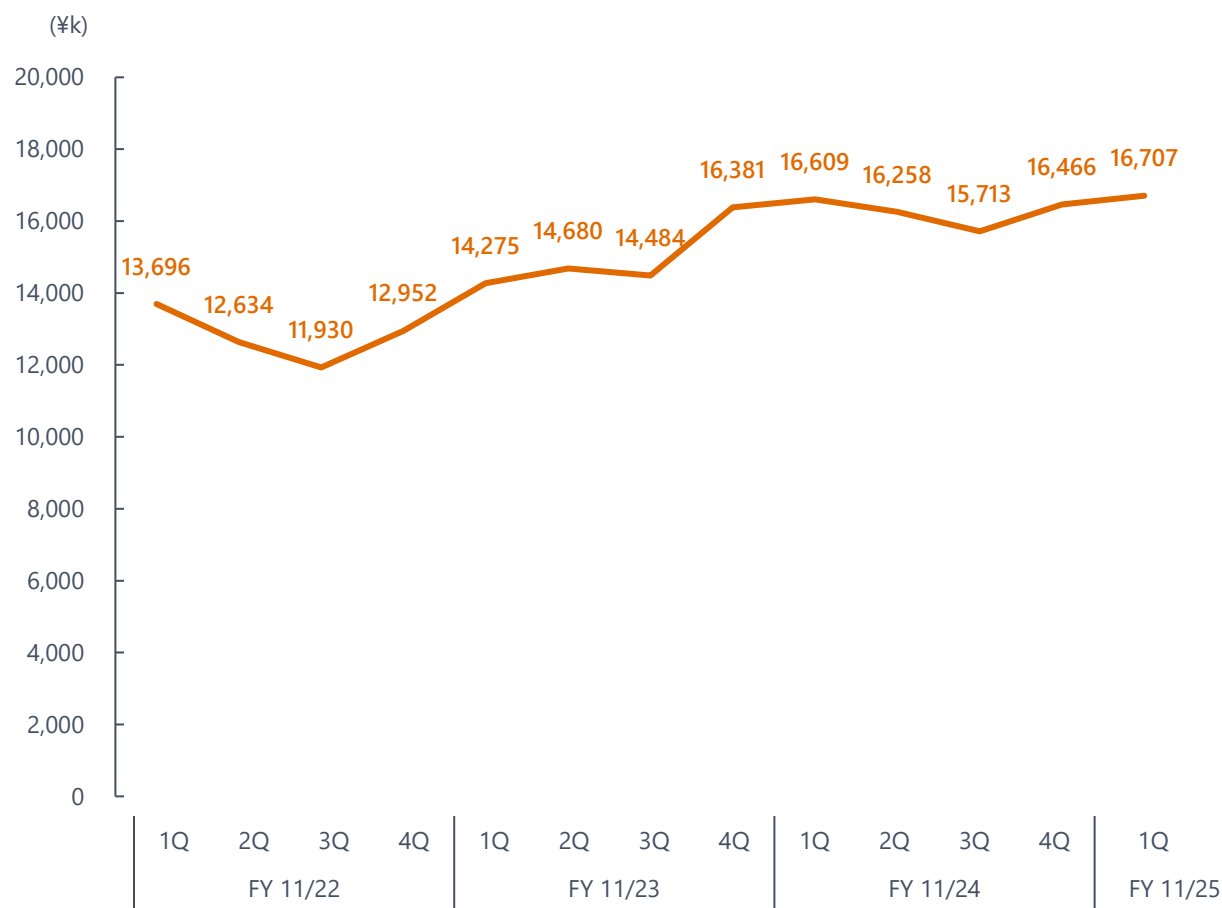
\* "Engineers/Designers/Data Analysts" includes Lab, the Analysis Promotion Office, Data Strategy Office, Design Strategy Office, CISO Office, CTO Office, Service Infrastructure Dept., CQO Office, Global IT Dept., AI Promotion Office, Account Aggregation Dept., and Money Forward Vietnam, Co., Ltd. "Corporate" includes the CEO Office, Corporate Development Dept., Accounting Dept., Legal Dept., Public Affairs Office, and IP Strategy Office. Employees on leave of absence are counted in "Corporate".

\*1 The total number of employees (excluding contract, part-time, dispatched, and other temporary workers) and executive officers who do not concurrently serve as directors. Delegated executive officers will be excluded from the employee headcount from FY11/24 accompanying the Company's adoption of the "delegated executive officer system."

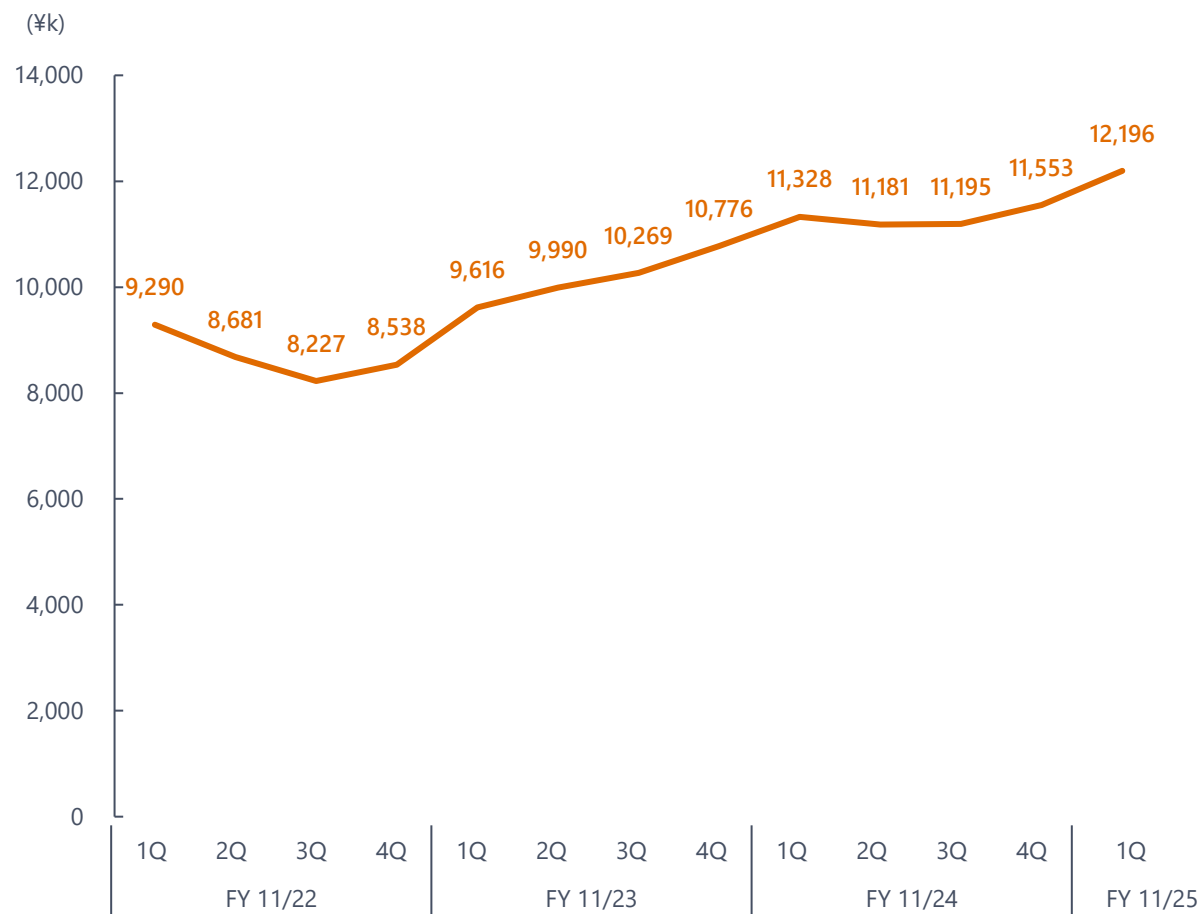
## Annual Sales per Employee(excluding HIRAC FUND )<sup>\*1</sup> and ARR<sup>\*2</sup> per Employee

By leveraging AI, we aim to achieve annual sales per employee of over 30 million yen by FY11/28.

Annual sales per employee (excluding HIRAC FUND)<sup>\*1</sup>



ARR per employee<sup>\*2</sup>



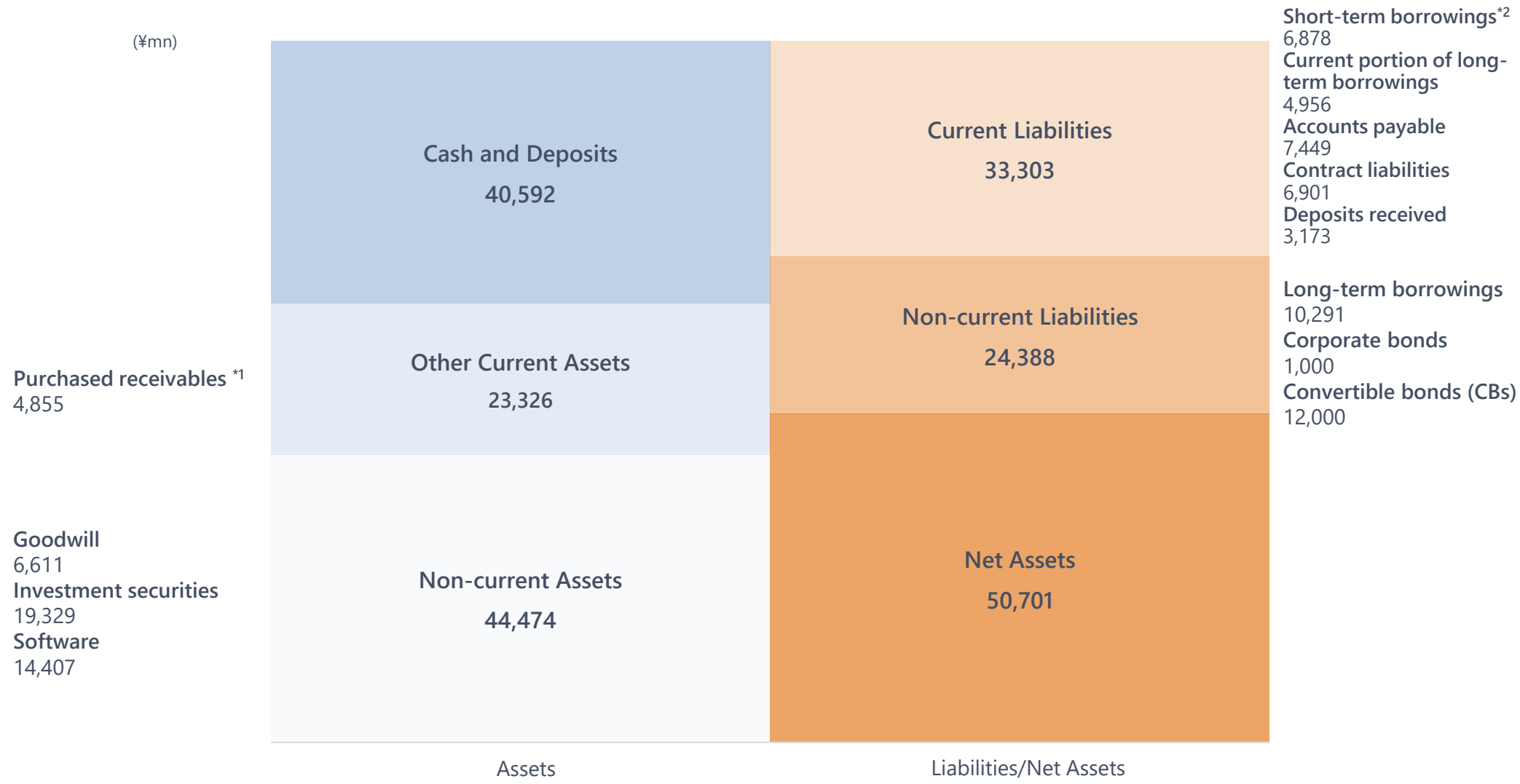
\* See P.18 for the number of employees. From FY25 Q1 onwards, the calculation will exclude the number of employees in the Finance domain; HIRAC FUND.

\*1 Calculated by dividing four times the revenue of each quarter by the number of employees at the end of each quarter, excluding those in the Finance domain from FY25 Q1 onwards.

\*2 Calculated by dividing ARR at the end of each quarter by the number of employees at the end of each quarter.

# Balance Sheet Items

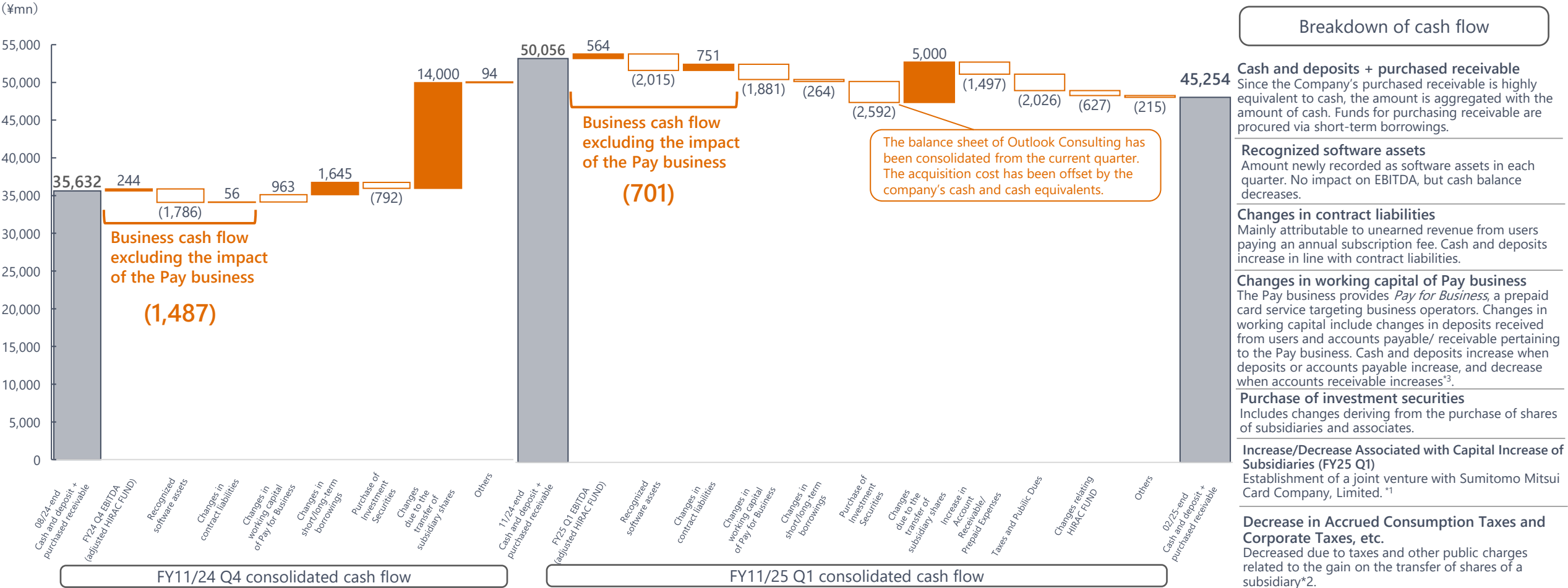
Continued to maintain a high level of financial soundness.



\*1 Mainly related to Money Forward Kessai, Inc. and Biz Forward, Inc.\*2 Mainly related to Money Forward Kessai, Inc., Biz Forward, Inc., and Pay for Business.

# Analysis of Changes in Cash and Deposits Balance

Business cash flow improved by ¥786 million compared to the previous quarter.  
Cash and deposits plus purchased receivables increased by ¥5.0 billion due to a third-party allotment of shares to Money Forward Home Co., Ltd. \*1The funds for the M&A of Outlook Consulting Co., Ltd. were fully covered by borrowings \*2.



\*1 For more details, please refer to the "Supplementary Materials: [Basic Agreement on the Establishment of a Joint Venture with Sumitomo Mitsui Card Co., Ltd. \(SMBC Group\) in the Home Domain](#)," disclosed on July 17, 2024.

\*2 The item "Changes in Borrowings (Long-term/Short-term)" in the graph includes increases, but due to repayments of other borrowings, total borrowings have decreased this term.

\*3 In the consolidated balance sheets in the Company's "Annual Report" and "Summary of Consolidated Financial Results," accounts payable, deposits received, and accounts receivable are respectively included in "accounts payable," "deposits received," and "other current assets." Prior to FY11/23 Q3, deposits received were included in "other current liabilities."

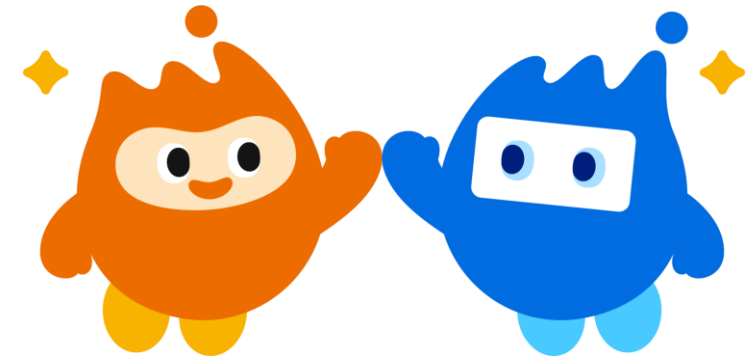
Financial Results

Business Highlights and Initiatives in Focus Areas

# Money Forward AI Vision 2025

## Released “Money Forward AI Vision 2025” \*1

A new strategy regarding AI was announced, including AI Agent concept and initiatives to enhance internal productivity. Following the announcement, it was covered by 18 media outlets \*2, including TV and online media.



The official character of Money Forward  
“me:mo”

\*1 [\[Full Transcript\] Money Forward AI Strategy "Money Forward AI Vision 2025" Presentation](#) \*2 As of 8<sup>th</sup>, April, 2025.

- 01 From DX to AX, from Digital Tools to Digital Workers
- 02 Leveraging AI for Internal Operations and Existing Products
- 03 AI Agent Concept and Building an Open Ecosystem
- 04 Implementing AX Consulting to Medium- to Large-Sized Companies and Financial Institutions

# DX

## Digital Transformation

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Humans utilize IT and cloud  
to streamline operations



# AX

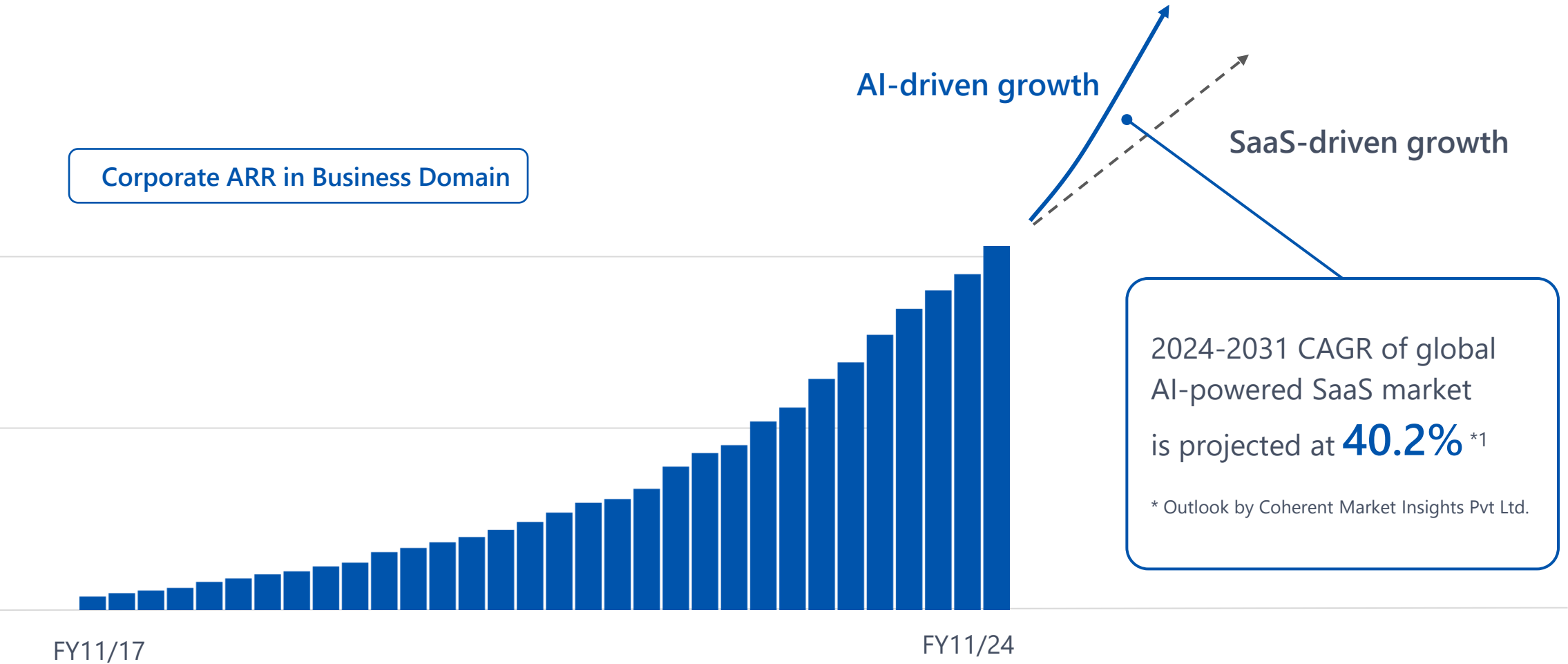
## AI Transformation

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AI autonomously takes action  
to transform business  
(Digital workers)

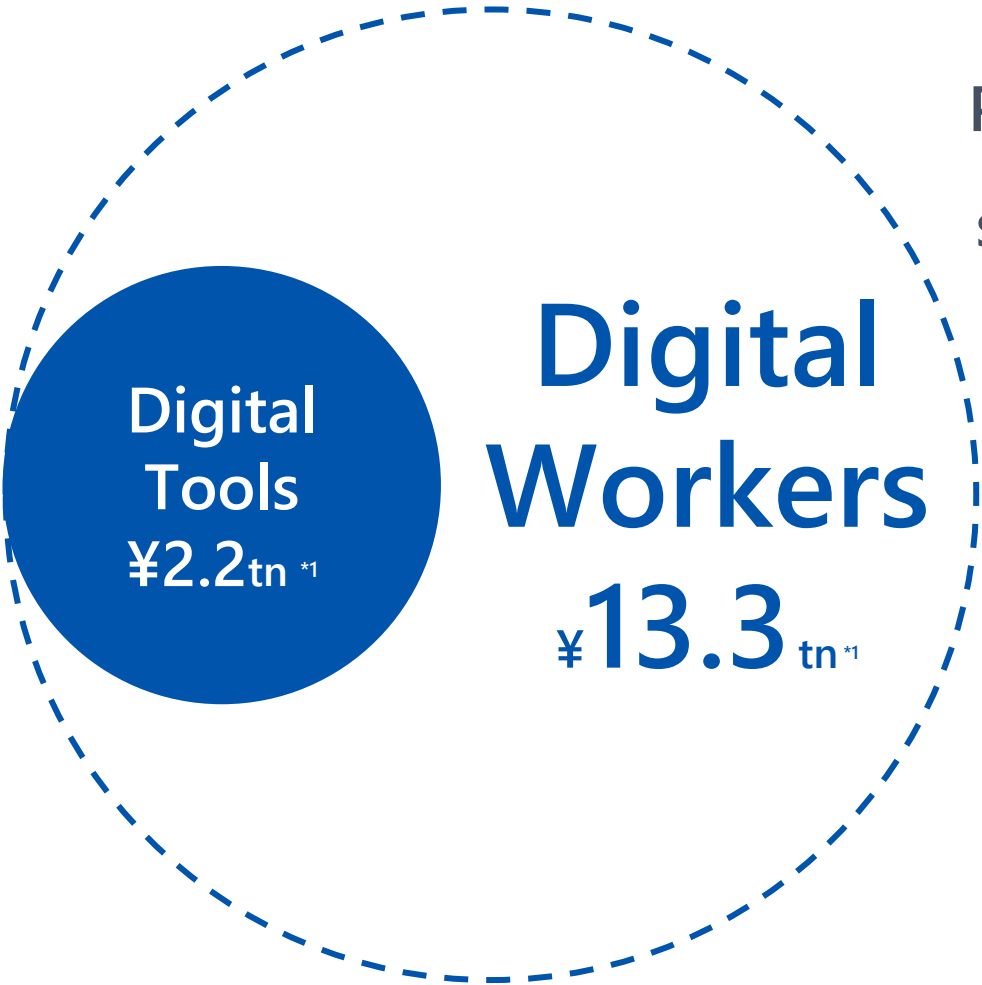
# Accelerating Business Growth with Promotion of AX

In addition to the growth of the SaaS business, accelerate business expansion through the promotion of AX.  
Aim to become the No.1 back-office AI company.



\*1 Source: Coherent Market Insights Pvt Ltd., *AI-Powered SaaS Market: by Organization Size, Deployment Style, Industry, and Region*, December 16, 2024.

# Extending Reach from Digital Tool Market to Digital Worker Market



Promote **AX** to empower SMBs and medium-sized companies facing labour shortage with AI capabilities and **digital workers**.



<sup>\*1</sup> Potential market size based on estimates by Money Forward, Inc.

# Money Forward as No.1 Back-Office AI Company

# Impact of AI Utilization for Internal Operations

**Aim to achieve an impact of more than doubling net sales per employee** through productivity improvements driven by AI and enhanced product value from new features.



# Leveraging AI in Existing Products

Enhance value of services by incorporating generative AI in product centered on B2B services. Add on AI-powered functions in accounting, contract, and various other products.

## Money Forward Cloud Accounting Plus

Money Forward Cloud Accounting Plus

Click [here](#) to see demo video (in Japanese).

### Money Forward Accounting Plus Begins Integration with ChatGPT\*1

Generative AI Supports Financial Analysis for Mid-sized and Publicly Listed Companies.



Provided via API connection with *ChatGPT*. Interprets balance sheets and P&L of medium-sized and listed companies, detects outliers, and offers advice.

## Money Forward Cloud Contract

Upload documents

Create a ledger automatically

Customized items can be also input automatically



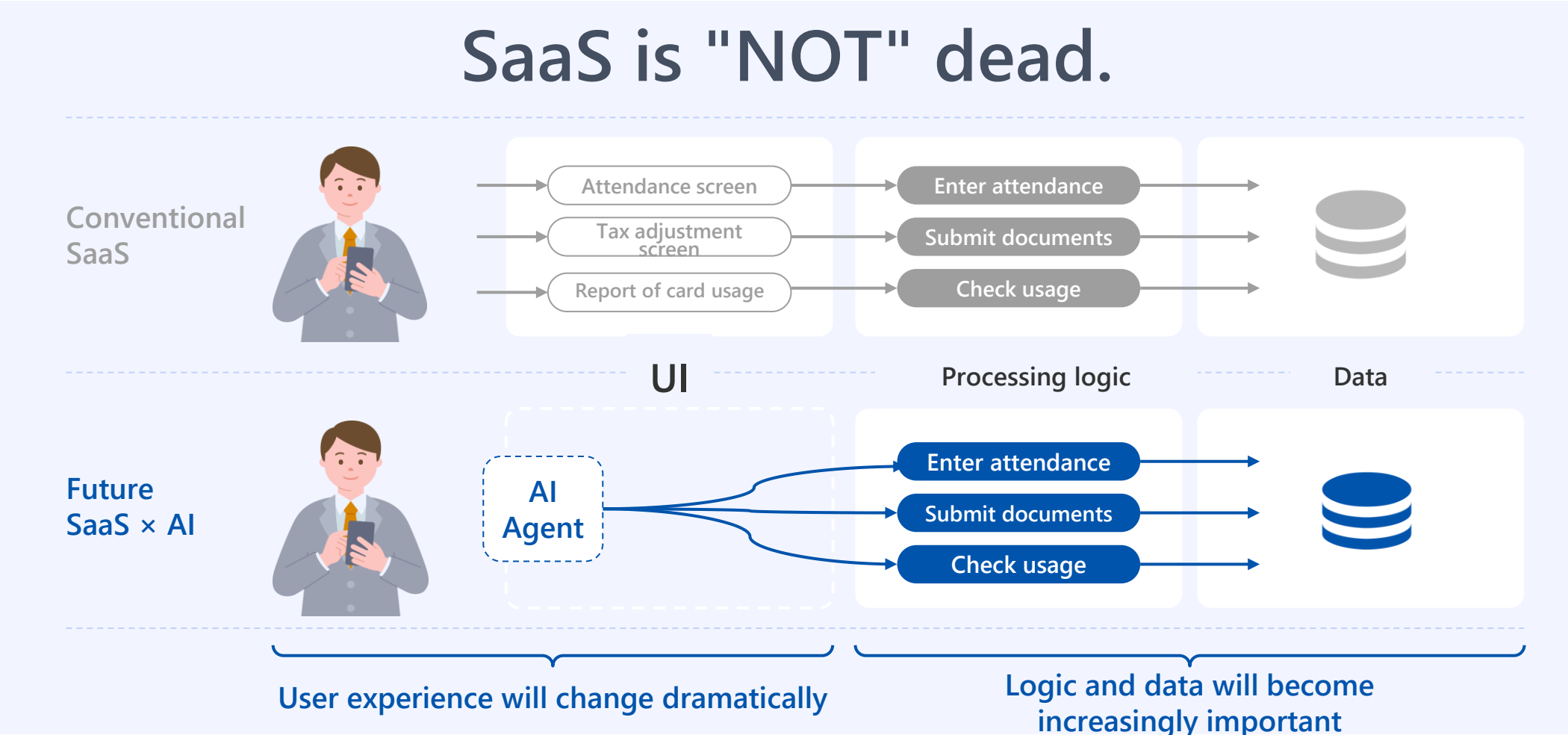
Automatically input by AI



Uses AI-OCR to scan text information of contracts and category titles tailored to each company to create a ledger. Information required for contract management is also automatically entered to streamline operations.

# Beyond AI-driven operational efficiency through the AI Agent

AI agents will significantly enhance UX. The processing logic and data accumulated over the years will become increasingly important, serving as a valuable competitive advantage.



## Goals of Developing AI Agent

Aiming to develop an “AI agent” that automates and autonomizes manual work and tasks that require decision-making by humans. The AI agent will help make optimal proposals and decisions with its expertise while leveraging back-office data, thereby automating users’ back-office operations.



**Autonomously carries out back-office tasks**



**Has a high level of expertise as a back-office expert**

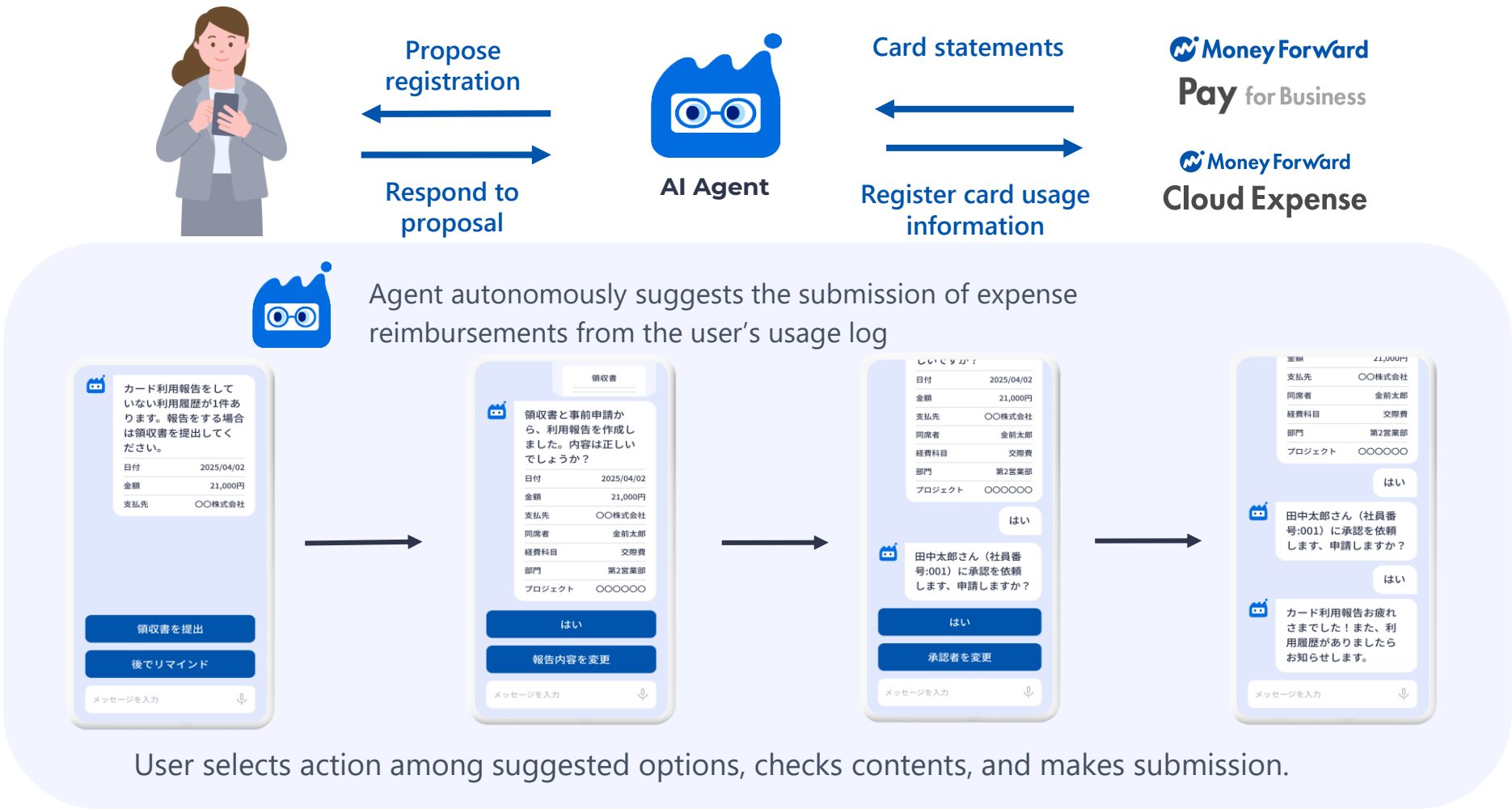


**Continues to gain intelligence with new data and logics**

# Using AI Agent to Raise Value of Existing Services

Sequentially develop AI agents for each product and area to significantly enhance user experience.

Ex) AI agent in expense realm



User selects action among suggested options, checks contents, and makes submission.

## Aiming to Provide Various Advisory Agent Services for Accounting Firms

Offer AI agents aligned with the workflow of accounting firms to enhance the efficiency of their daily operations.



### Document collection agent

Lists up the necessary documents and reminds staff via communication tools



### Document sorting agent

Classifies documents received by type and counterpart



### Account title recommendation agent

Makes highly accurate recommendations for account titles, even for first-time transactions

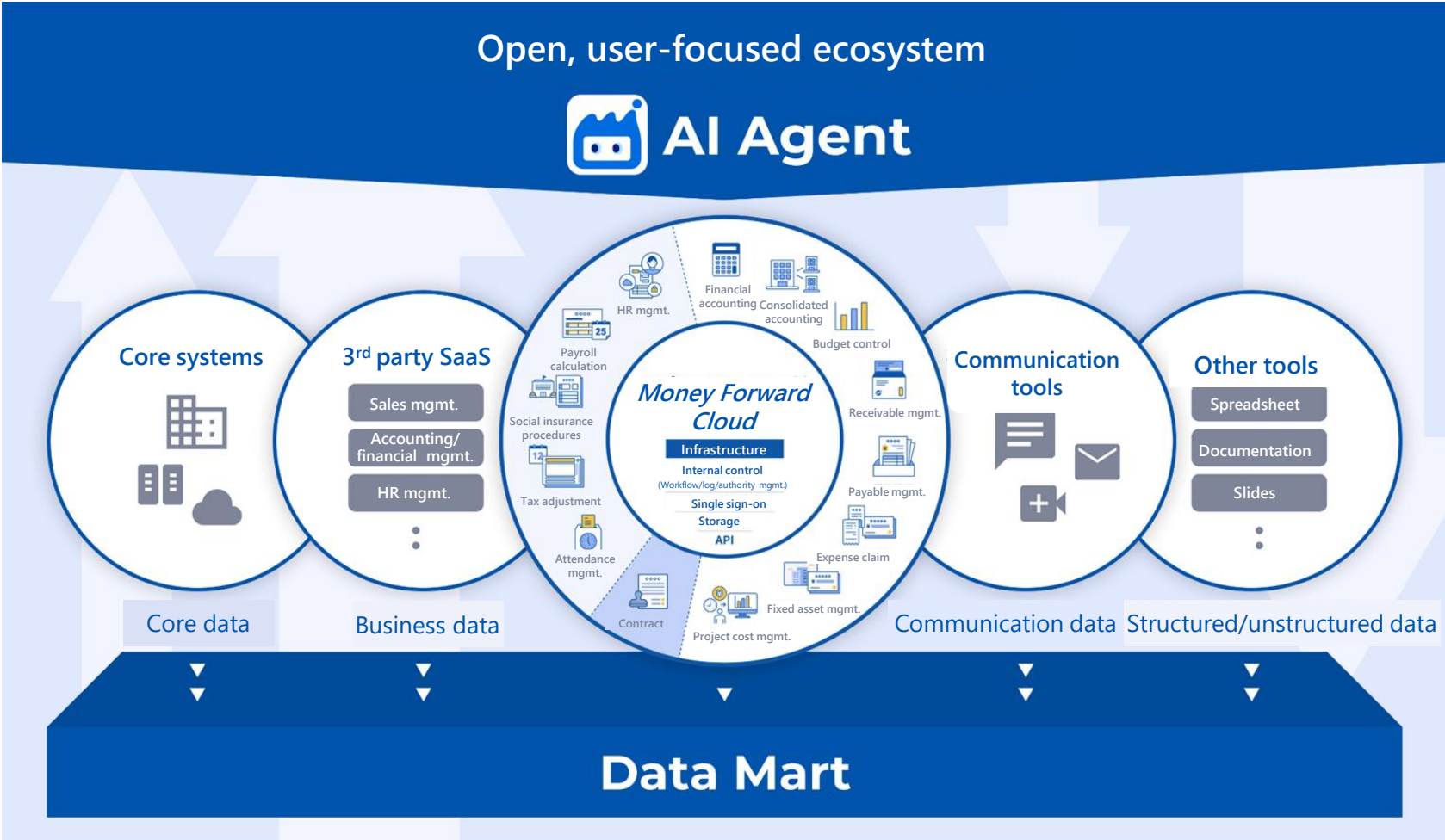


### Report preparation agent

Creates a report in formats catering to each client based on requests made through prompts

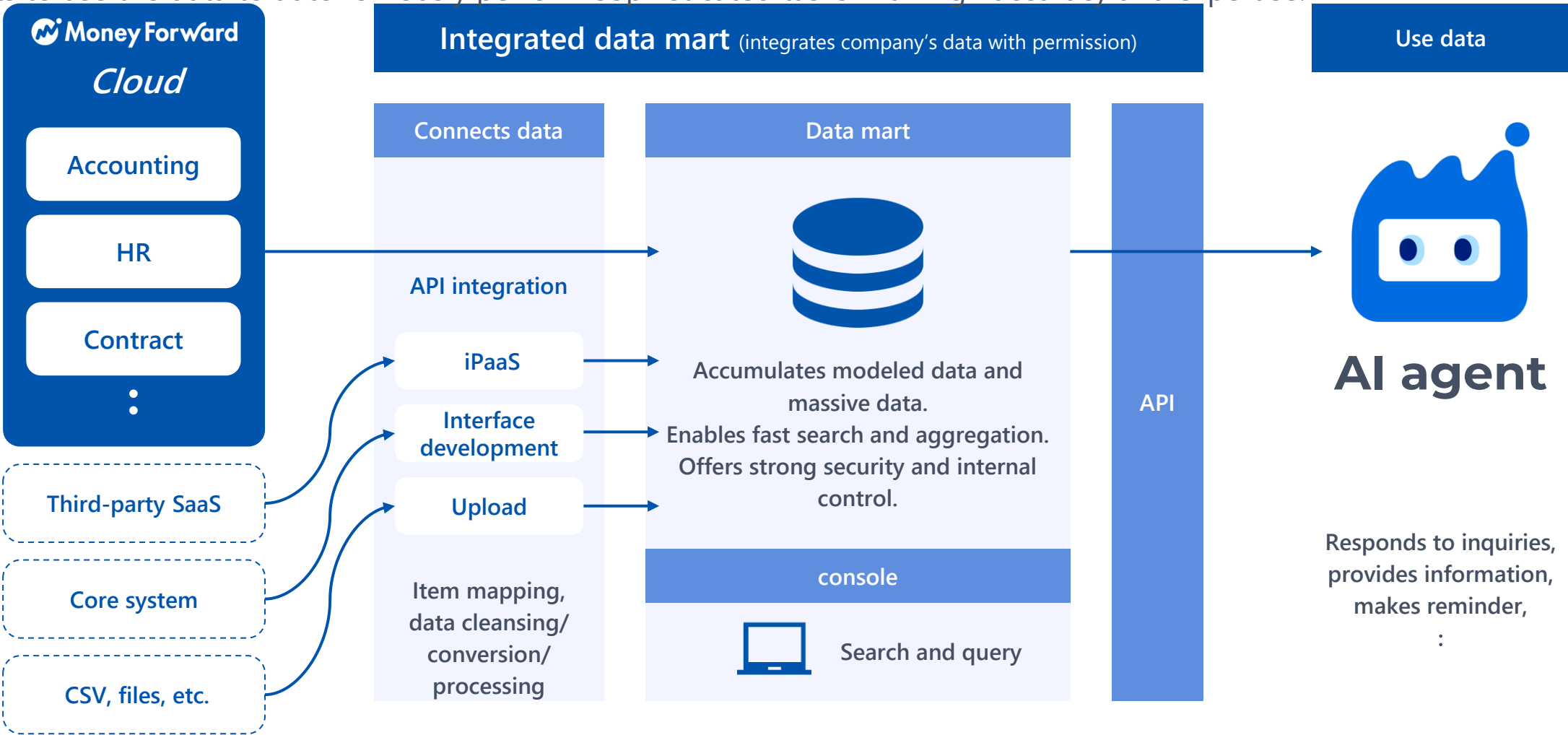
# Building Open, User-Focused Ecosystem

Integrate core data of core systems, business data of third-party SaaS, logs of communication tools, and structured/unstructured data of other tools with *Money Forward Cloud* logics and data. Build an appropriate data mart tailored for the output of AI agents.



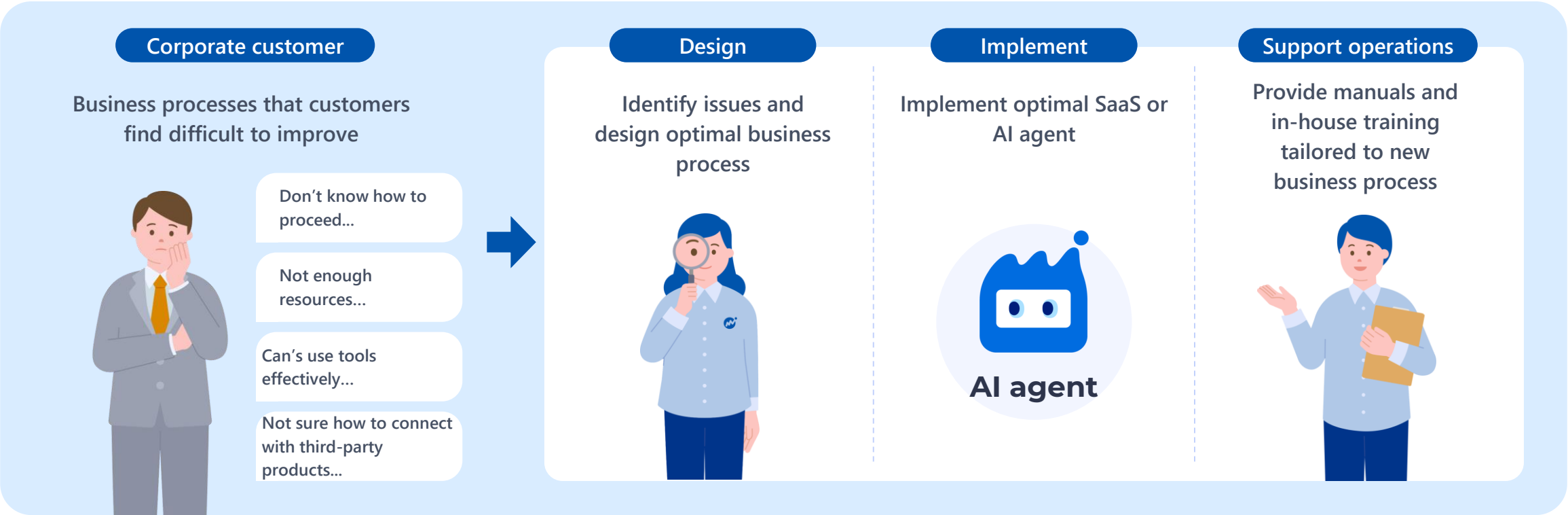
# Building Data Mart That Supports AI Agents

Accumulate data from *Money Forward Cloud* as well as other third-party systems and create optimal models to enable AI agents to use the data to autonomously perform sophisticated tasks with high accuracy and expertise.



# Providing AX Consulting Leveraging AI

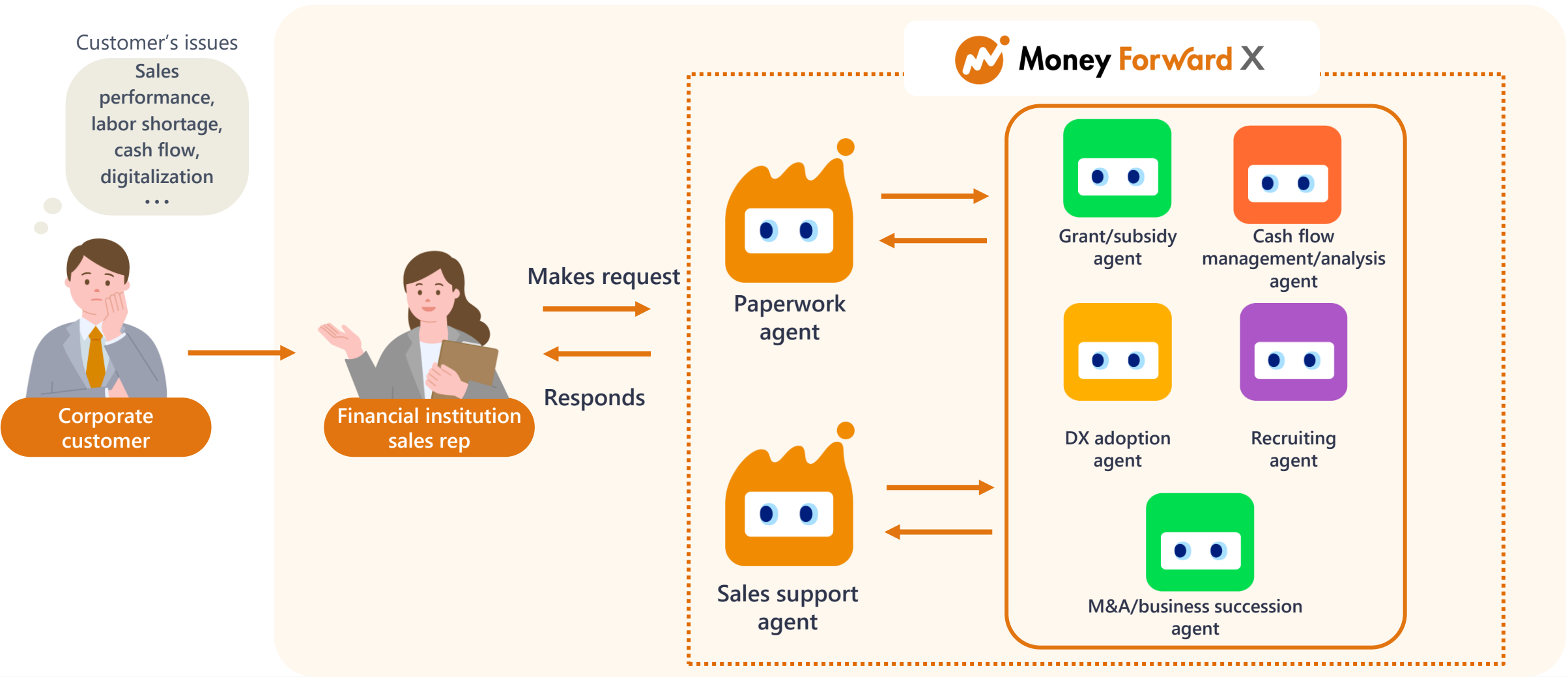
Promote AX consulting targeting medium- to large-sized companies while capitalizing on our track record in back-office consultations offered to over 500 companies\*1.



\*1 Accumulated number of customers of Money Forward Cloud Corporate Performance Management Consulting Co., Ltd. and other group companies.

# Creating World Where Financial Partners/AI Agents Can Drive Businesses in Various Regions/Sizes

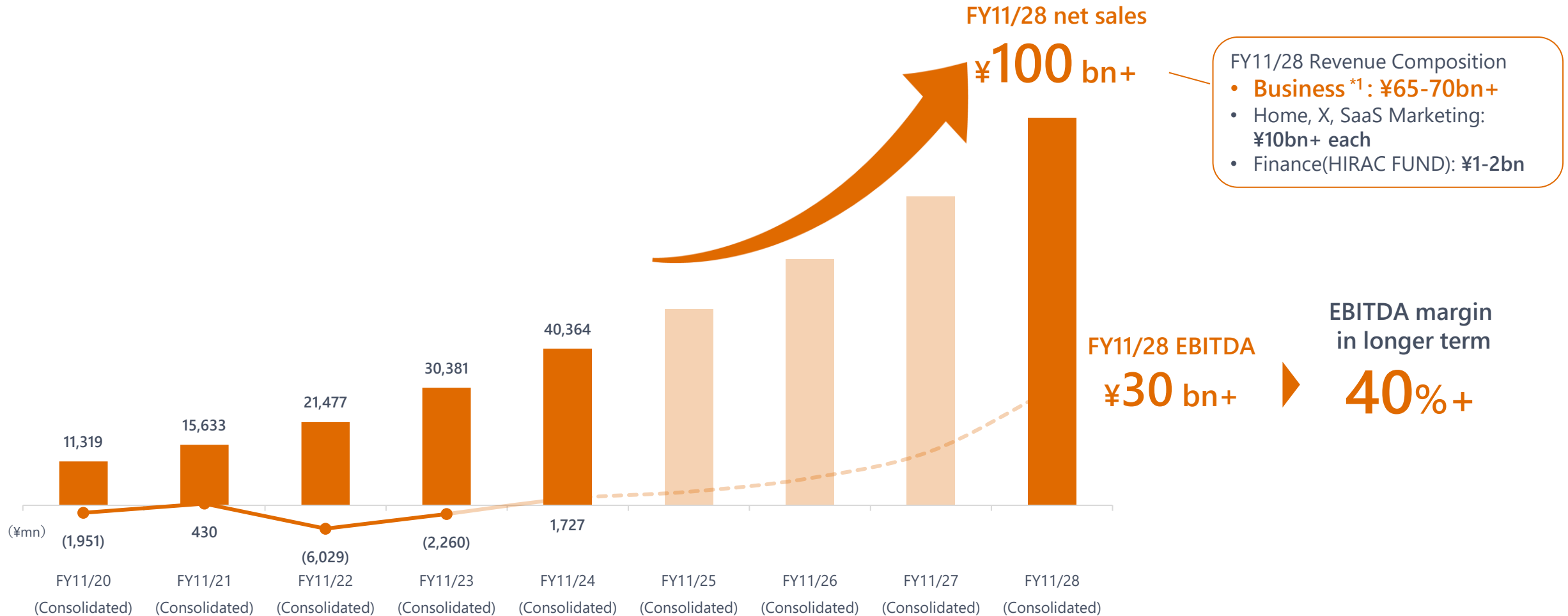
In X domain, planning to offer AX consulting that utilizes AI agents through financial institutions.



# **Business Domain Profit Plan and Optimization of Capital Allocation**

## (Restatement) Medium to Long Term Financial Targets

Aiming to achieve both high growth and better margins, with FY11/28 target net sales set to ¥100 bn+ (SaaS ARR ¥80bn+) and EBITDA to ¥30 bn+. In the longer term, eyeing an EBITDA margin of 40%+.

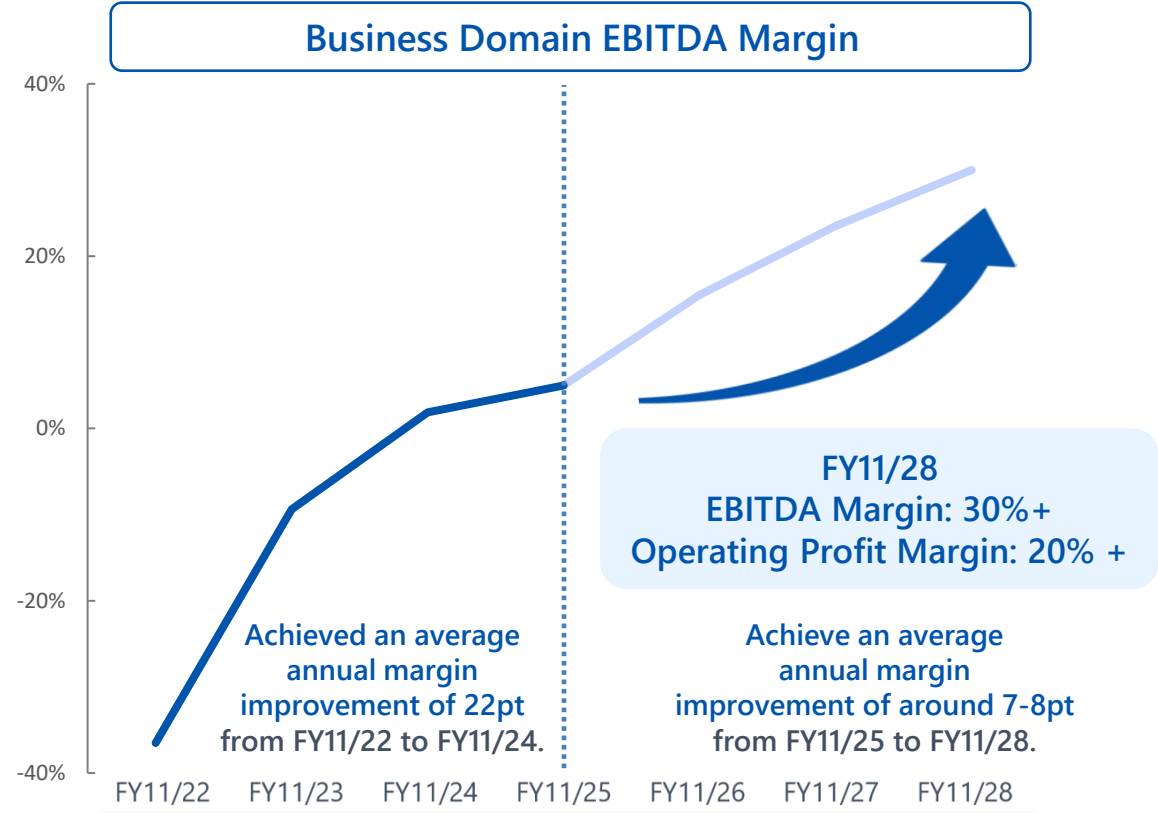
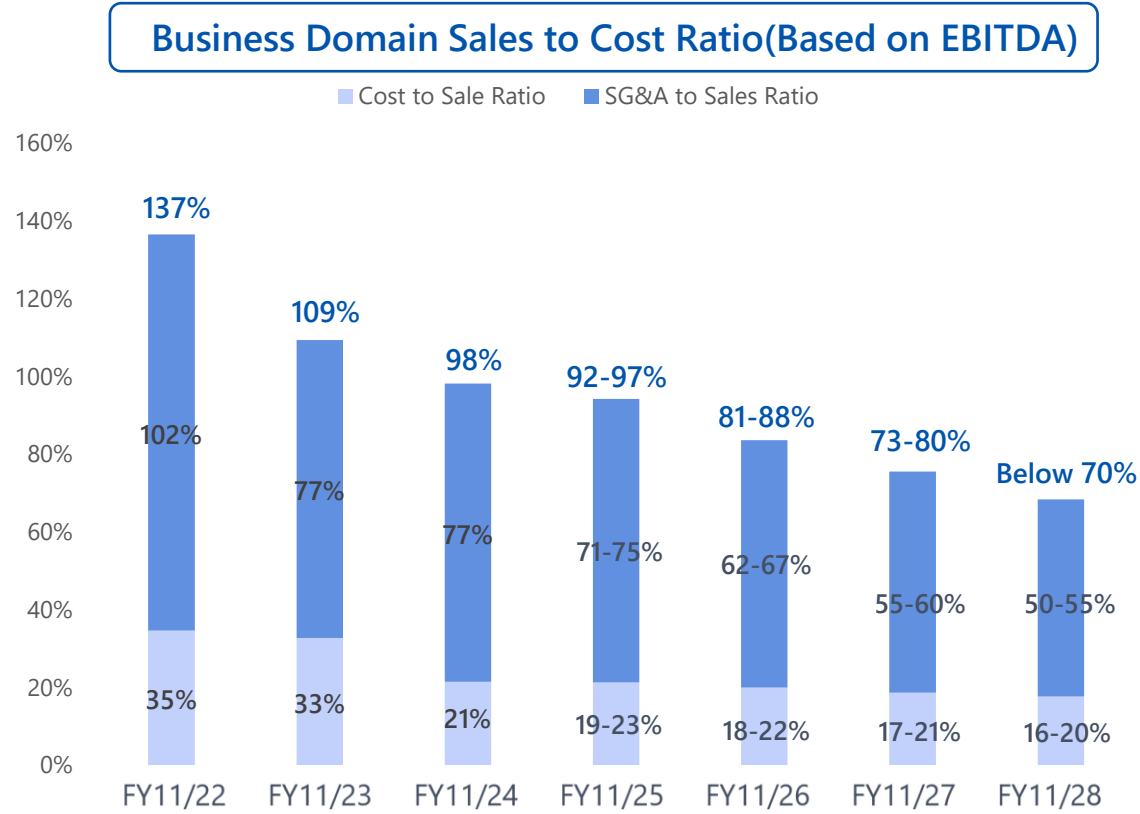


\*1 Starting from FY11/25, *Money Forward Kakebarai*, *Money Forward Early Payment*, *SHIKIN+* and *Money Forward Invoice Card Payment for Startups*, which were previously recorded under the Finance domain, will be transferred to the Business domain. The revenue target for the Business domain before the transfer in FY28 was 60 to 65 billion yen or more.

\* Above is an image for reference purpose. Chart between FY26 to FY28 does not imply our Revenue and EBITDA assumption.

# Business Domain Profit Plan toward Achieving Medium- to Long-Term Financial Targets

- Towards achieving a company-wide EBITDA of 30 bn+ yen by FY11/28, starting from FY11/26 onwards, efforts will be focused on accelerating margin improvement in the Business domain.
- Aiming to keep CAC payback within 18-24 months as per the original plan. Will boost acquisition efficiency further particularly in the midmarket.
- In FY11/25, while certain investment will be accelerated to maximize incremental ARR, from FY11/26 onwards, the growth rate of advertising expenses and personnel/subcontract expenses will be reduced. FY11/26 aims to achieve the Rule of 40 <sup>\*1</sup>. Based on the above CAC Payback Period levels, the goal is to steadily accumulate incremental ARR.



\* The graph indicates the median, and for the EBITDA margin in FY28, it refers to the lower end of the range

\*1 This is an indicator that evaluates the balance between growth rate and profit margin, represented by "Revenue Growth Rate + EBITDA Margin ≥ 40."

## Optimizing Capital Allocation

To maximize corporate value, concentrate resources in Business domain (SaaS applications for back-office operations), where ARR growth is accelerating markedly. While maintaining growth in other domains, will continue to prioritize improvement in profitability and further optimize capital allocation.

### Approach and Current Initiatives Regarding Capital Allocation by Domain

#### Home domain

- Established a strategic joint venture with Sumitomo Mitsui Card Company, Limited, holding a 51% stake. This move accelerates the growth strategy of the Home business and resulted in cash proceeds of 19 billion yen for the entire group<sup>\*1</sup>.
- Transferred Nexsol Co., Ltd., an insurance agency business (See following page for details.)**

#### X domain

- X domain was transferred to Money Forward X, Inc., which was established through a company split. Initiated deliberations toward entering into capital and business alliances with strategic partners.

#### SaaS Marketing domain

- Initiated deliberations for transferring ownership of SMARTCAMP, Co., Ltd. ahead of IPO that has already been announced.

<sup>\*1</sup> The total amount before tax considerations of 14 billion yen from the transfer of shares of a wholly-owned subsidiary and 5 billion yen from a third-party allotment of new shares.

## Transfer Ownership of Nexsol in Line with Review of Insurance Agency Business Strategies

Transferred 90% of Nexsol Co., Ltd.’s shares to Sumitomo Mitsui Card Company, Limited and Sony Life Insurance Co., Ltd. on reviewing strategies after the establishment of a joint venture with Sumitomo Mitsui Card Company, Limited in Home domain\*1. Will book gain on sale of shares in Q2. Revised FY11/25 earnings forecasts as a result of the exclusion of Nexsol from the scope of Money Forward’s consolidation\*2.

Revised earnings forecast for FY11/25

(¥mn)	Previous forecasts (disclosed on January 14, 2025)		Revised forecasts
Consolidated net sales (YoY)	50,000~52,600 (23.9% ~30.3%)	➡	49,500~52,100 (24.5%~31.0%)
Consolidated ARR (YoY)	39,180~41,160 (30.6%~37.2%)		No change
Home domain net sales (YoY)	5,620 ~5,900 (18.9% ~24.8%)	➡	5,120~5,400 (23.7%~30.5%)
Home domain ARR (YoY)	3,774~4,183 (24.3%~37.8%)		No change
Adjusted EBITDA	2,500~4,500		No change
Operating profit	(4,700)~(2,300)		No change

\*1 See ["Notice Regarding Transfer of Consolidated Subsidiary \(Share Transfer\) and Revision to Full-Year Earnings Forecast"](#) disclosed on March 31, 2025.   \*2 Even after the un-consolidation, Nexsol will maintain a business relationship with Money Forward Group as a joint solicitation agent for *Money Forward Personal Financial Consulting*.

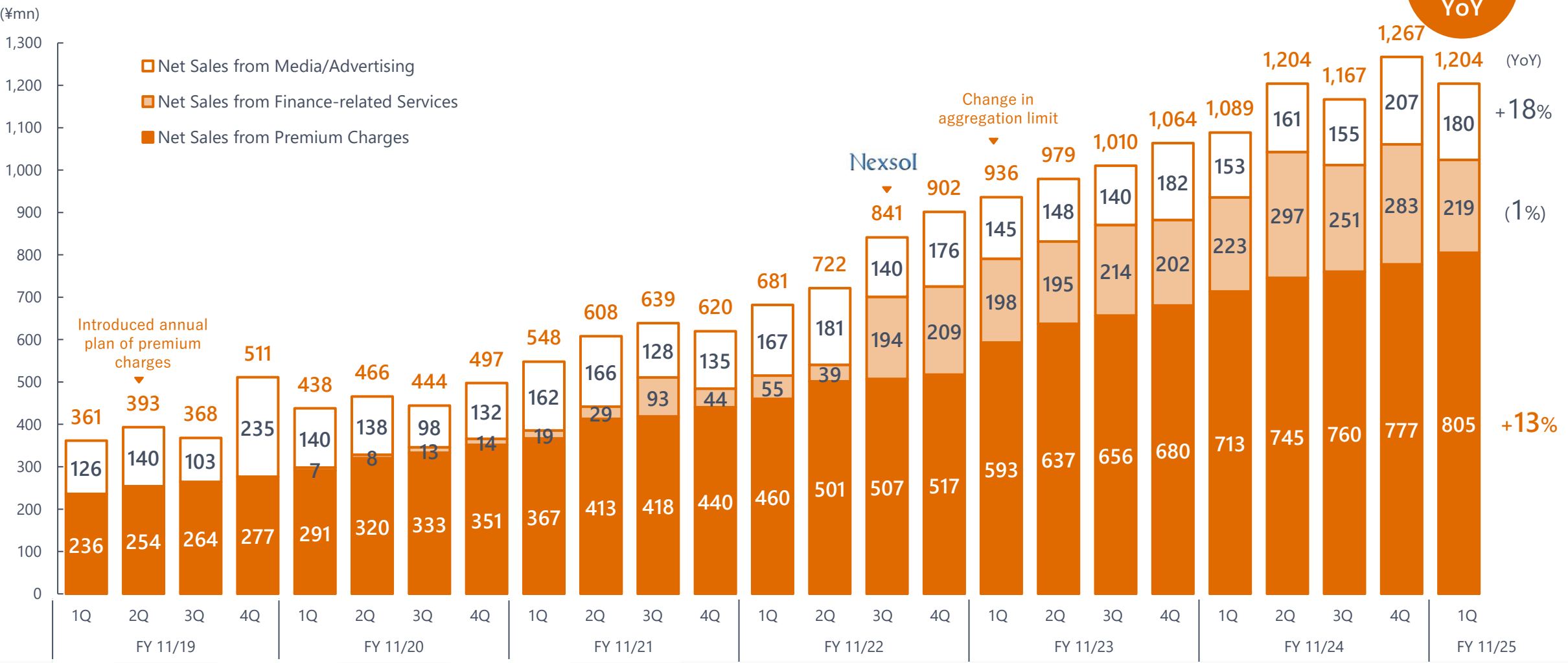
Financial Results

Appendix 1

# Financial Highlights by Companywide and Domain

# Quarterly Net Sales of Home Domain

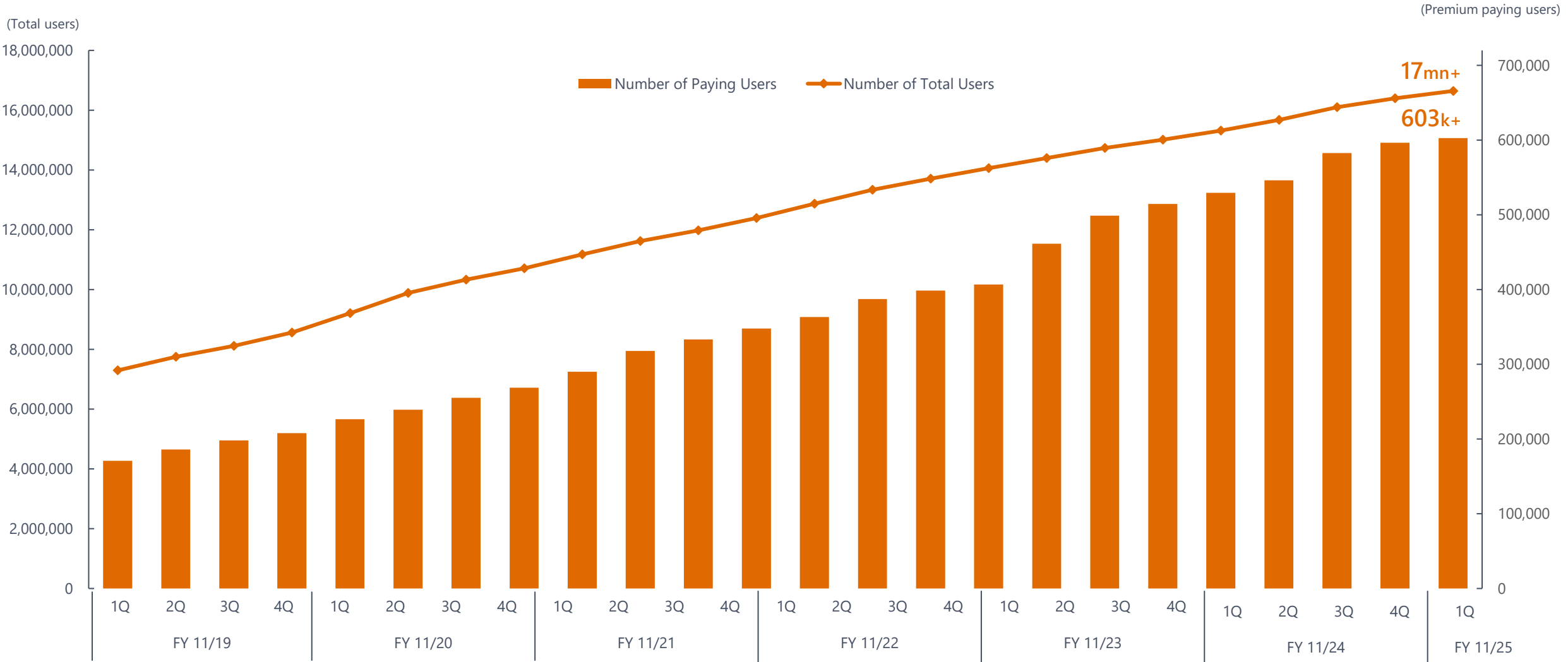
Revenue from premium paying users of *Money Forward ME* continued to grow firmly, **up 13% YoY**. Nexsol will be excluded from the scope of Money Forward’s consolidation from April 2025 as a result of a review of insurance agency business strategies\*1.



\* Net sales from financial services include revenues from *Money Forward Personal Financial Consulting*, *Money Forward Fixed Cost Review*, and Nexsol Co., Ltd. \*1 See P.43 for details.

# Total and Premium Paying Users of *Money Forward ME*

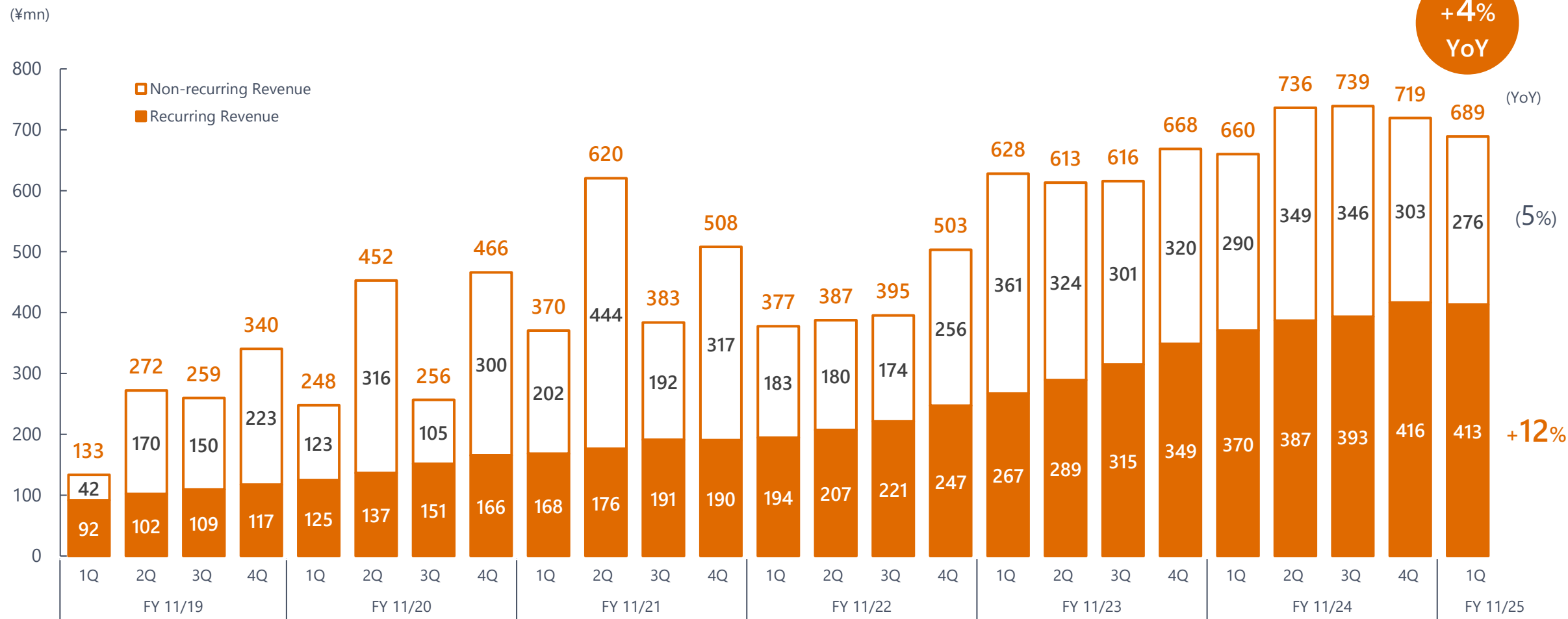
The number of total and paying users expanded steadily, topping 17 million\*1 and 600,000, respectively.



\*1 Accumulated number of users of *Money Forward ME* in Home domain, consisting of app downloads and online registrations.

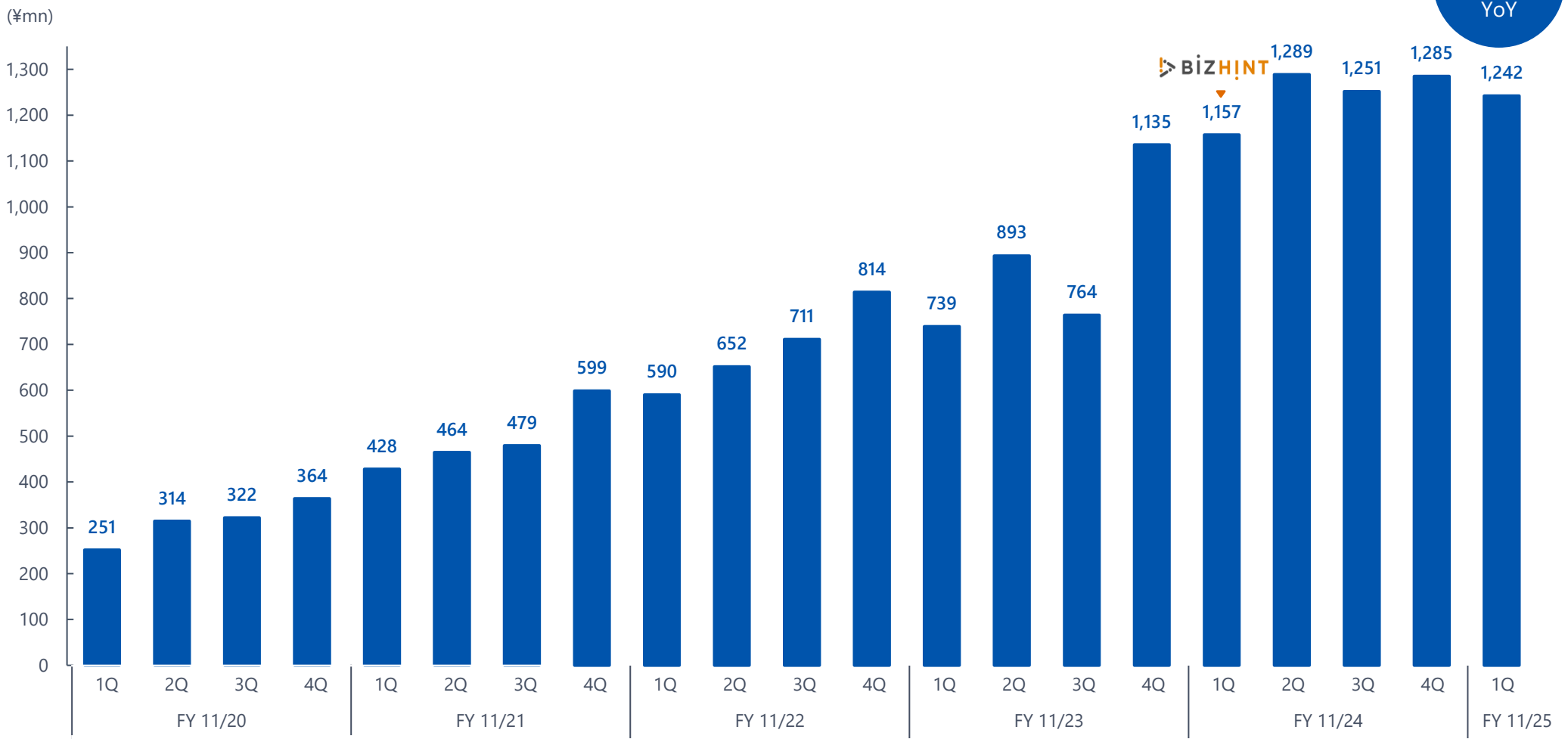
## Quarterly Net Sales of X Domain

As an initiative for optimizing capital allocation, **started deliberating capital and business alliances with strategic business partners** in X domain. Also entered into a business alliance with JCB Co., Ltd. and Orient Corporate to co-create new B2B businesses, such as cash flow improvements, loan screening and guarantees.



# Quarterly Net Sales of SaaS Marketing Domain

Lead acquisitions for *BOXIL* dropped temporarily due to website renewal. Meanwhile, net sales increased QoQ for the online exhibition business *BOXIL EXPO*. Began deliberations of the transfer of shares of SMARTCAMP Co., Ltd. ahead of its IPO, which has already been announced.



## FY11/24 Q1 Financial Performance by Domain

(¥mn)	FY11/25 Q1 Results				(Reference) FY11/24 Q1 Results		
	Net sales	YoY	EBITDA	EBITDA margin	Net sales	EBITDA	EBITDA margin
Consolidated	11,707	23%	1,110	9%	9,544	530	6%
Business	7,806	30%	492	6%	6,440	175	2%
Home	1,204	11%	188	15%	1,089	327	30%
X	689	4%	157	22%	660	138	21%
SaaS Marketing	1,242	7%	204	16%	1,157	216	17%
Finance	753	17%	446	59%	198	123	62%
Common expenses*1	14	-	(378)	-	1	(450)	-

\* From FY11/25, the financial results of *Money Forward Kakebarai*, *Money Forward Early Payment*, *SHIKIN+*, and *Money Forward Invoice Card Pay for Startups*, will be recorded under Business domain instead of Finance domain.

\*1 Includes adjustments made for consolidation.

## Adjusted EBITDA <sup>\*1</sup> / EBITDA <sup>\*2</sup> Adjusted Items and Operating Profit

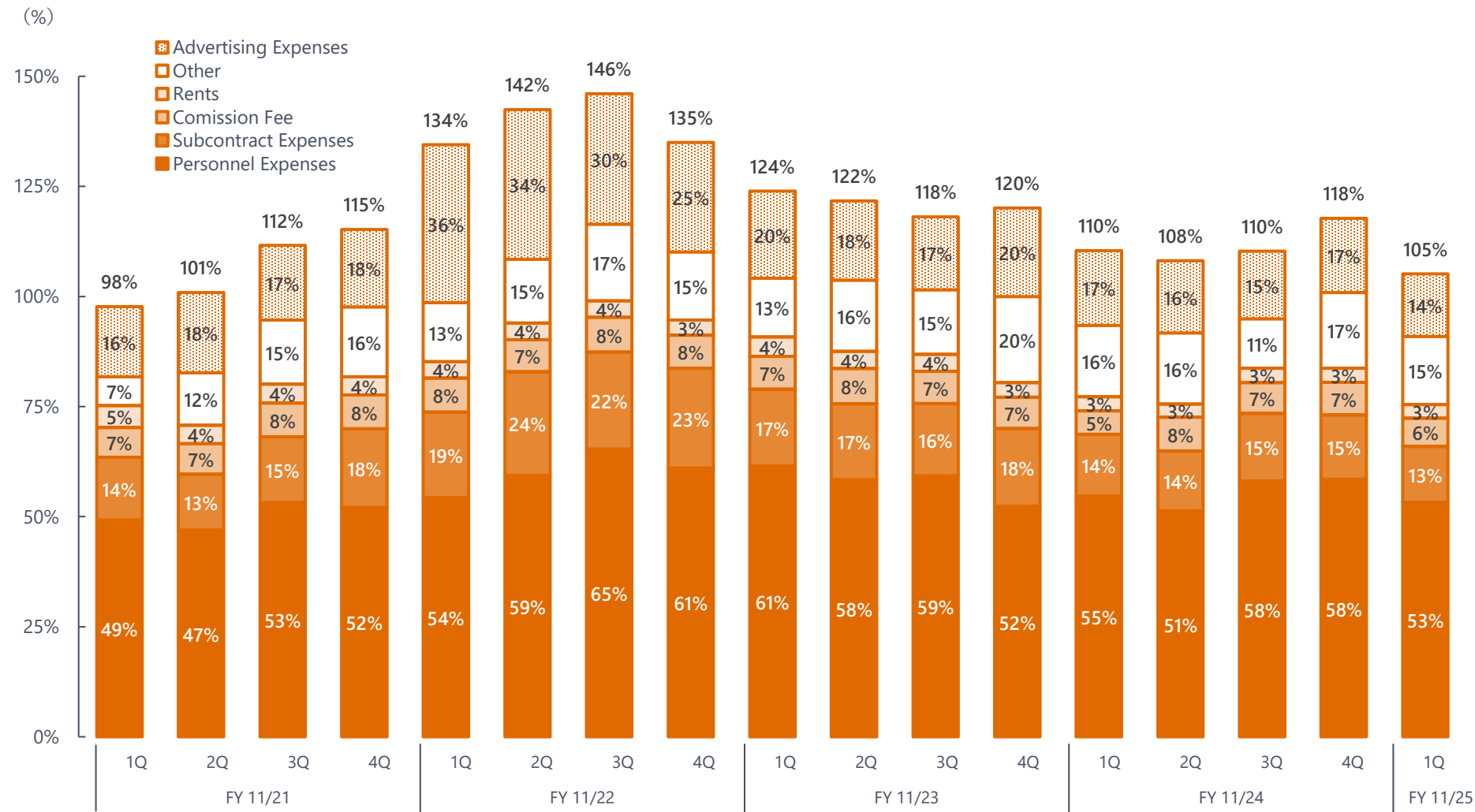
**Operating profit increased by ¥410mn YoY.** Expenses decreased in FY11/25 Q1 primarily because the following three one-time expenses were logged in FY11/24: 1) revisions to the policy for recording share-based remuneration expenses in association with the 12th performance-linked stock options <sup>\*3</sup>, 2) increase in tax expenses deriving from the gain on sale from the share transfer associated with the joint venture set up with Sumitomo Mitsui Card Company, Limited in Home domain<sup>\*4</sup>, and 3) one-time expenses related to the tender offer of OutlookConsulting Co., Ltd. <sup>\*4</sup>

(¥mn)	FY11/24 Q1	FY11/24 Q4	FY11/25 Q1
<b>Adjusted EBITDA <sup>*1</sup></b>	529	380	<b>1,189</b>
One-time expenses related to M&As	0	136	<b>80</b>
<b>EBITDA <sup>*2</sup></b>	529	244	<b>1,110</b>
Depreciation and amortization	808	995	<b>1,070</b>
Tax expenses included in operating expenses	117	286	<b>159</b>
Share-based remuneration expenses	597	860	<b>461</b>
Operating profit/loss	(992)	(1,898)	<b>(580)</b>

YoY (vs FY11/24 Q1)	QoQ (vs FY11/24 Q4)
+660	+809
+80	(56)
+581	+866
+262	+75
+42	(127)
(136)	(399)
+412	+1,318

<sup>\*1</sup> Adjusted EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses + One-time M&A-related expenses + Other one-time expenses. <sup>\*2</sup> EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share based remuneration expenses. <sup>\*3</sup> See P.46 of the "Presentation Material for FY11/24 Full-Year Financial Results" for details. <sup>\*4</sup> See ["Notice Regarding Recording of Extraordinary Losses and Operating Expenses and Differences between Earnings Forecasts and Actual Results for FY11/24"](#) disclosed on January 14, 2025 for details.

(Reference) Breakdown of Cost of Sales and SGA (% to Net Sales, Based on Operating Profit)



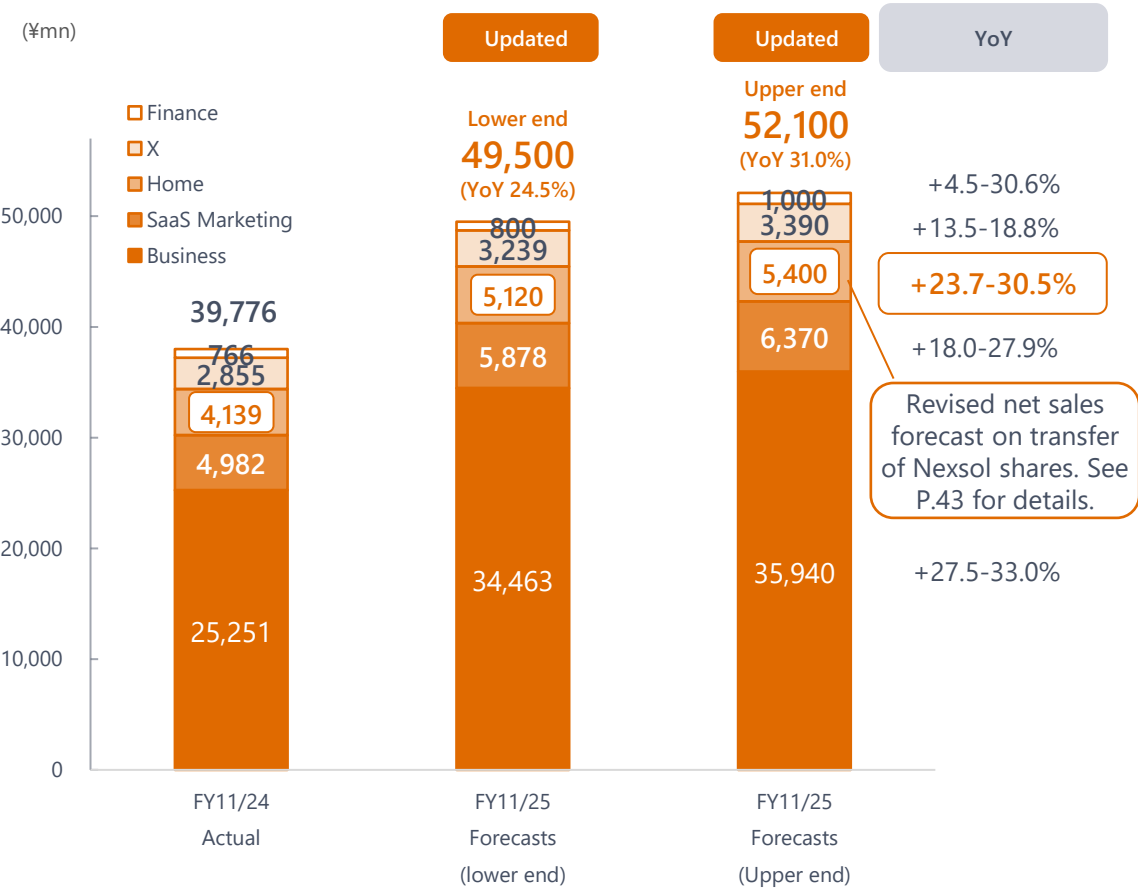
\* "Other" includes IT introduction subsidy fees, taxes and dues, communication expenses, recruiting/training expenses, amortization of goodwill, depreciation, fee expenses, expenses related to reward points in Pay for Business, and transfer to other account (subtractive item).

\* Non-cash items are: share-based remuneration expenses under "Personal expenses," amortization of goodwill, depreciation, and provisions under "Other."

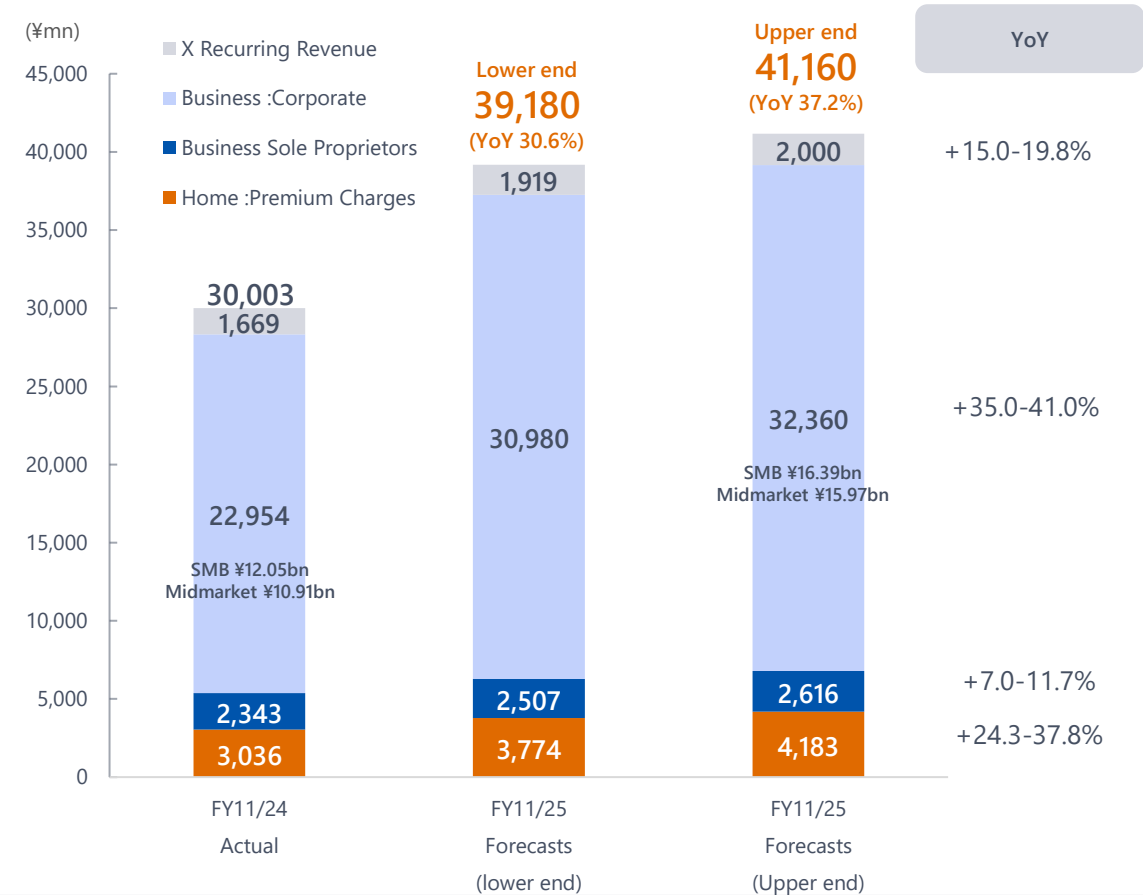
## (Updated) FY11/25 Forecasts

No changes in the following forecasts: SaaS ARR ¥39.2-41.2bn (+30.6-37.2% YoY), adjusted EBITDA\*<sup>1</sup> ¥2.5-4.5bn, advertising expenses to sales ratio 14.5-16.5%, personnel and outsourcing expenses to sales ratio (EBITDA-based) 57.0-62.0%\*<sup>2</sup>, adjusted EBITDA margin +1-5% improvement vs. FY11/24\*<sup>3</sup>.

Net sales by domain: results/forecasts\*<sup>4</sup>



SaaS ARR by domain: results/forecasts



\* From FY11/25, the financial results of *Money Forward Kakebarai*, *Money Forward Early Payment*, *SHIKIN+*, and *Money Forward Invoice Card Pay for Startups* will be recorded under Business domain instead of Finance domain. \*<sup>1</sup> Adjusted EBITDA = Operating profit/loss + Depreciation and amortization + Tax expenses included in operating expenses + Share-based remuneration expenses + One-time M&A-related expenses + Other one-time expenses. \*<sup>2</sup> Ratio of personnel and outsourcing expenses excluding share-based remuneration expenses to sales. In FY11/24, the personnel and outsourcing expenses to sales ratio was 64.6%. \*<sup>3</sup> In FY11/24, the advertising to sales ratio was 16.4% and EBITDA margin was 4%. \*<sup>4</sup> Includes "Other" net sales.

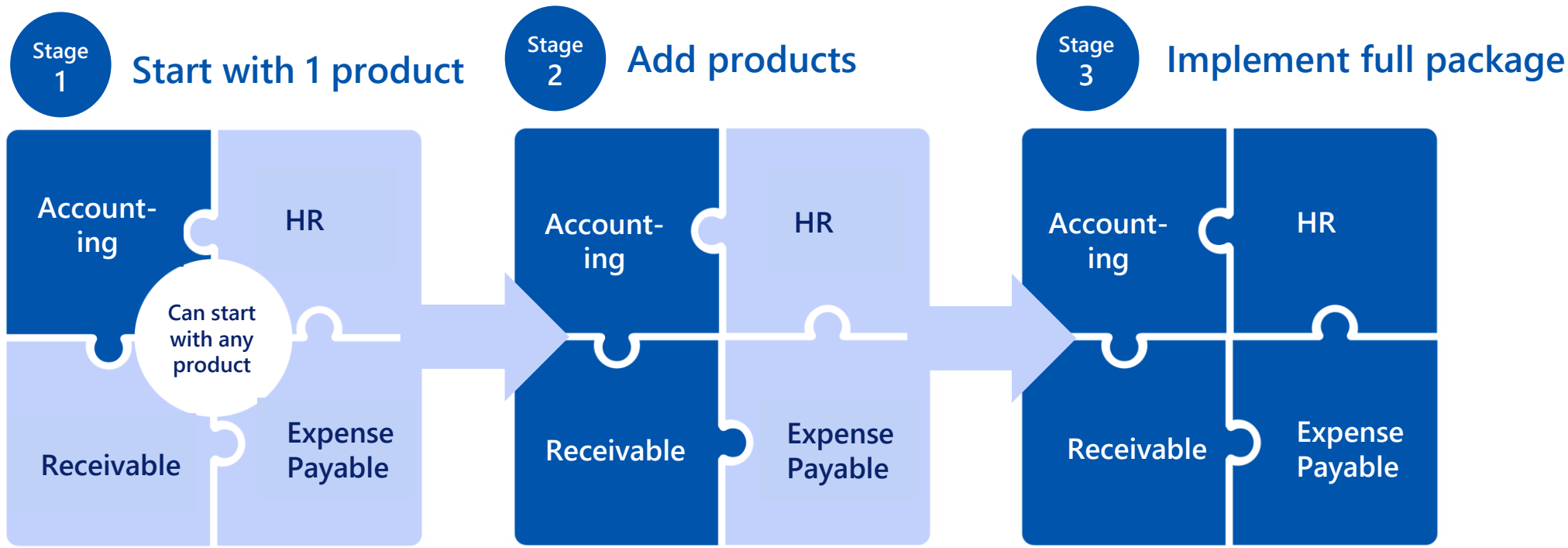
Financial Results

Appendix 2

# Product Strategy and TAM in Business Domain

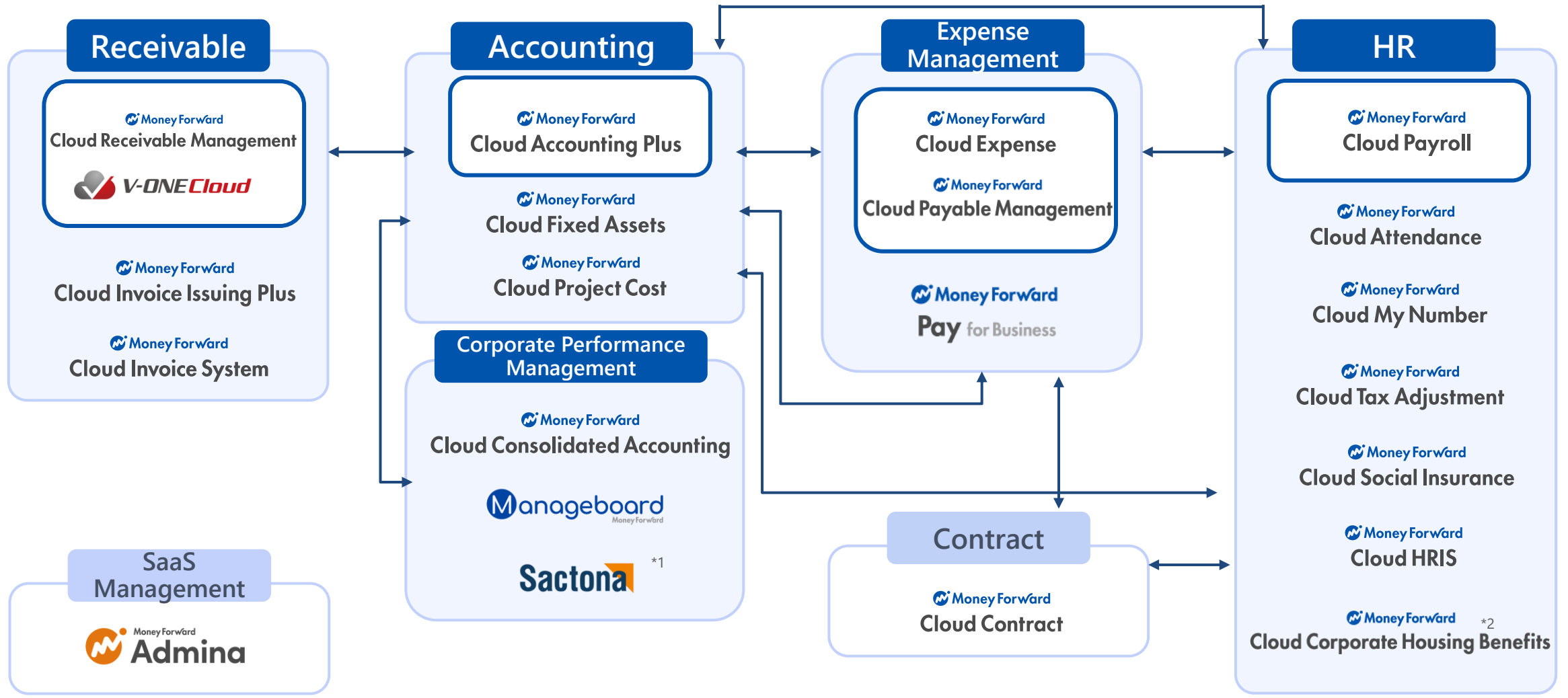
# Deploying Composable ERP with Flexibility and Scalability in Midmarket Space

Develops and provides stand-alone functions for users to speedily realize the optimal system configuration. Customers can implement individual functions as necessary while combining them with their existing systems and gradually adding new functions. Consolidation of master data, which is often a challenge when simultaneously using multiple products, is carried out in sequence.



# Covering Back-office Operations of Medium-sized Companies




Offers a broad product lineup by sharing accounting, evidence, and employee data, with each product having a competitive edge even as a stand-alone service. Extended product lineup through M&As.



<sup>\*1</sup> OutlookConsulting's impact will be reflected in P&L from Q2. <sup>\*2</sup> Shatoku's impact will be reflected in P&L from Q2.. Money Forward Cloud Corporate Housing Benefits is a rebranded service of Shatoku Corporate Housing Benefits provided by Shatoku Co., effective December 26, 2024.

# Back Office SaaS Potential Market Size

Potential market size of back-office SaaS, Group’s current area of focus, is estimated to be about **¥2.31tn**<sup>\*1</sup>.

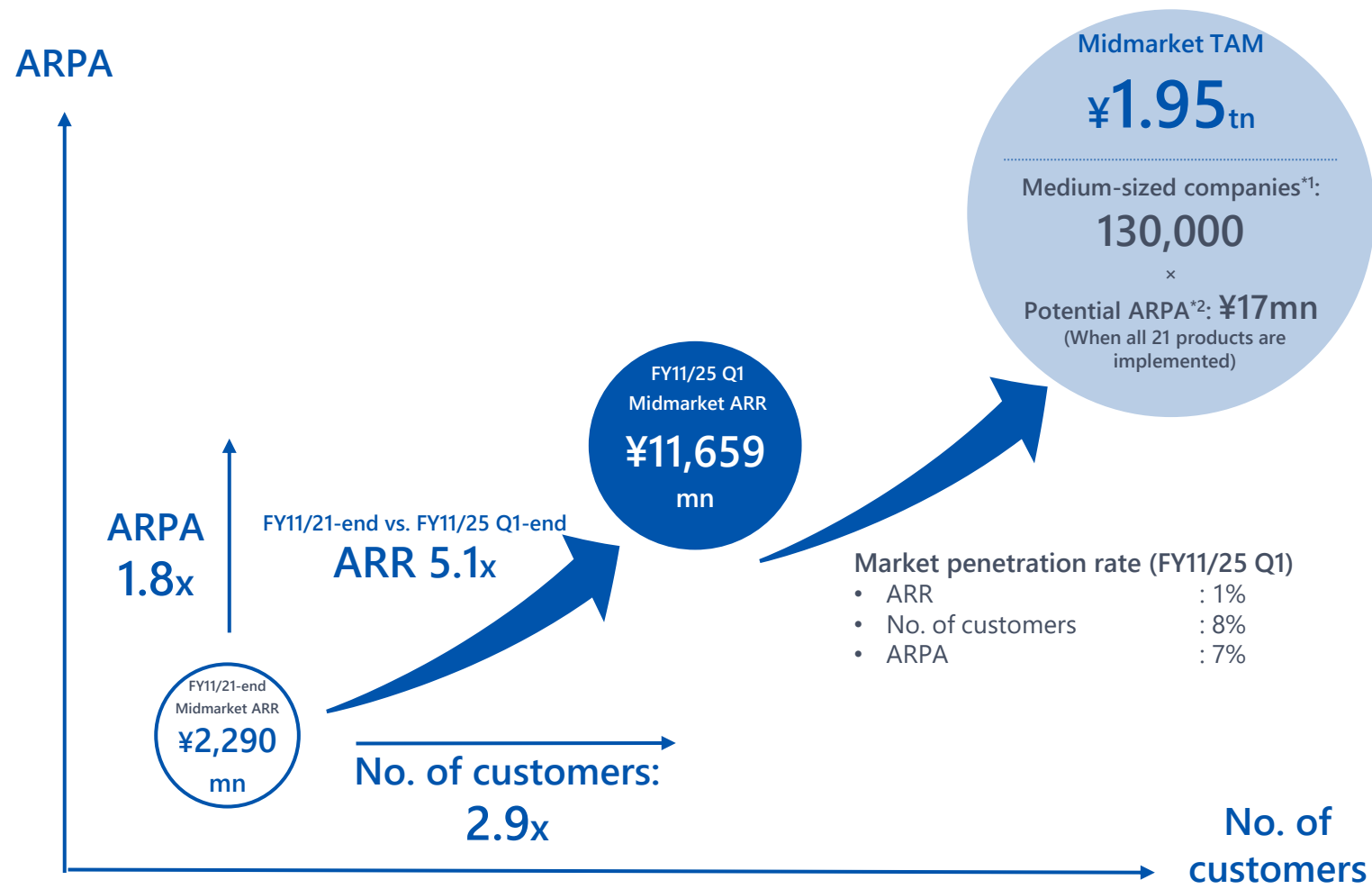
		Potential customers	TAM <sup>*1</sup>	Money Forward’s share (No. of customers) <sup>*3</sup>
Sole Proprietors		4.61mn	¥93bn	4%
SMBs <sup>*2</sup>		1.92mn	¥263bn	10%
Medium-sized Companies (midmarket) <sup>*2</sup>		0.13mn	¥1.95tn	8%

<sup>\*1</sup> Created by Money Forward, Inc. based on National Tax Agency 2021 Survey, MIAC June 2016 Economic Census Activity Survey, TEIKOKU DATABANK, Ltd, and Final tabulation report of the "Survey on the Actual Conditions Concerning the Administrative Workload of Settlement Affairs, etc.", October 26, 2016. Total annual expenditure when the Group’s all potential customers introduced Money Forward Cloud in Japan. The total number of potential customers is the sum of sole proprietors and corporates with less than 2,000 employees.

<sup>\*2</sup> Previously classified companies with fewer than 19 employees as 'SMB' and those with 20 to 999 employees as 'medium-sized enterprises.' However, aligning with our current classification, companies with up to 49 employees are now categorized as 'SMBs,' while those with 50 to 1,999 employees are considered 'mid-sized companies.' <sup>\*3</sup> As of February 2025.

# Potential of Midmarket

Further growth is expected driven by the expansion of the midmarket customer base and increase in ARPA .

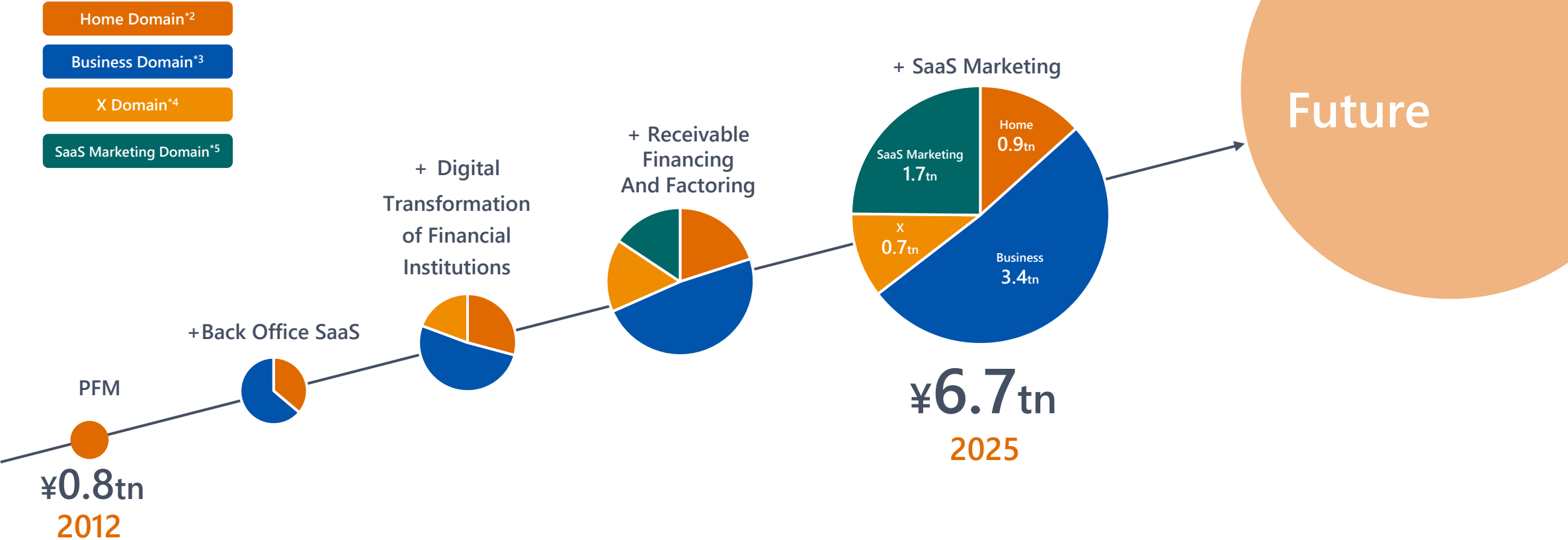


\*1 The total annual expenditure of all the Group's potential corporate users in Japan if they were to implement *Money Forward Cloud* or other *Money Forward* services The total of potential corporate users is the sum of sole proprietors and companies with less than 2,000 employees. Prepared by Money Forward, Inc. based on the National Tax Agency's (NTA) 2021 survey, 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). Companies with between 50 and 1,999 employees are defined as "medium-sized companies."

\*2 Annual fees paid by each company if they were to implement all 19 of the Group's services targeting the midmarket, based on the definition provided by the National Tax Agency, that the average number of employees of all medium-sized companies (50 to 1,999 employees) is 170 (NTA 2021 survey).

# TAM\*1 Continued to Expand, Driven by Expansion of Business Areas and Services

Continue to develop our business in this huge potential market, which totals ¥6.7tn, and aim for further growth.

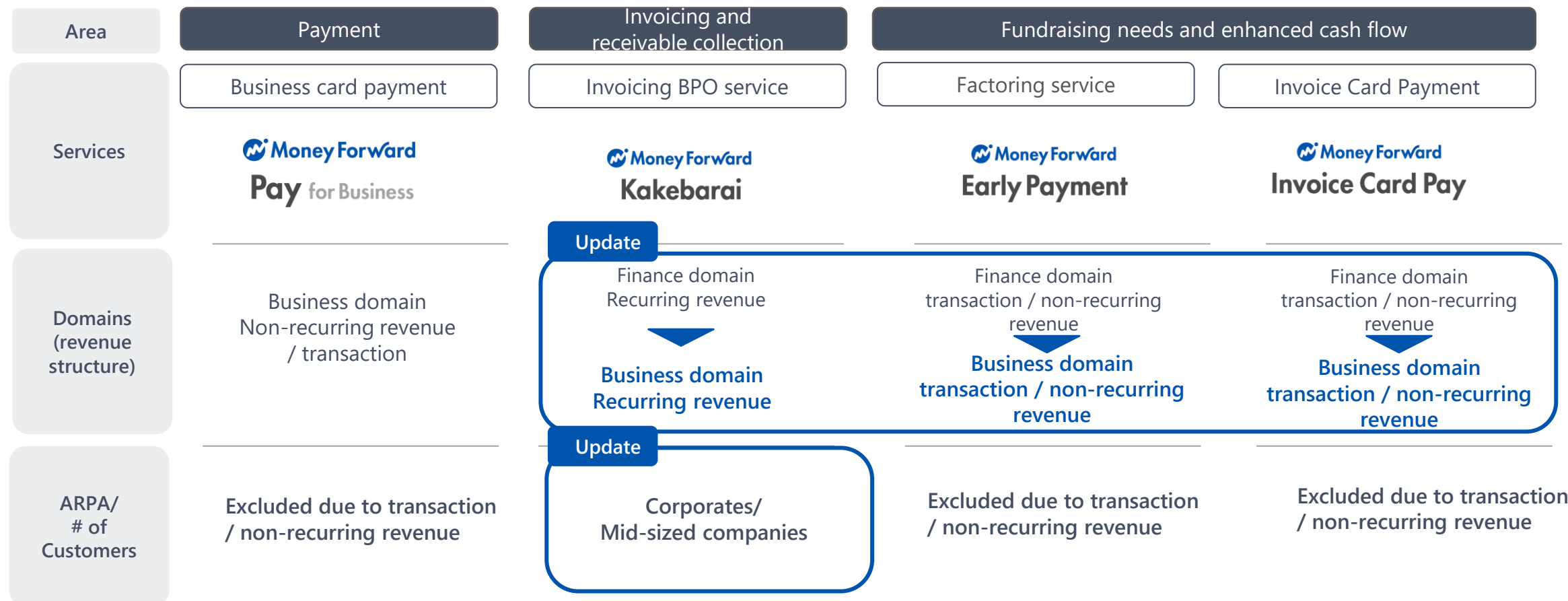


\*1 Total Addressable Market. Potential market size for five domains of Money Forward is estimated, by using certain assumptions, based on third party research, publication as well as Money Forward historical data. \*2 See Business Overview's P21. \*3 The total TAM for Back Office SaaS and Pay for Business combined. See P56. The TAM for post-payment services is based on the annual working capital needs of Japanese companies with sales under 500 million yen, considering the use of inter-company post-payment services and fees from 'Money Forward Kakebarai.' Working capital is calculated as "accounts receivable + inventory - accounts payable," based on the 2023 SME Agency survey. \*4 Created by Money Forward, Inc. Calculated based on the market size for the Japanese contract software development market size and for *Mikata* according to the Ministry of Internal Affairs and Communications/Ministry of Economy, Trade and Industry's 2021 Basic Survey on Information and Communications Industry multiplied by an estimated market share. \*5 Estimated by the potential market size of back-office SaaS and the costs to net sales ratio. The potential market size of back-office SaaS is estimated by Fuji Chimera Research Institute, Inc., "2022 New Software Business Market" and the costs to net sales ratio is based on financial reports and presentation documents of Money Forward, RAKUS, Uzabase, User Local, kaonavi, Chatwork, Sansan, freee, Cybozu, TeamSpirit, and Yappli available as of December 31, 2022. All of those are created by Money Forward, Inc.

\*These figures are not intended as an objective indicator of the size of the market for our businesses as of October 2023. Actual market size may differ from this estimate due to the limitations peculiar to such third-party research and publications in terms of their accuracy.

# Change in Domain that Books Sales related to Financing Services

Accompanying the reorganization, sales related to financing services are recorded in Business domain, not Finance domain, from FY11/25. KPIs (number of customers and ARPA) are recorded in Mid-sized companies' area. Only sales of services related to VC business HIRAC FUND will be booked in Finance domain.



## Definition of KPIs

<b>MRR</b>	Monthly recurring revenue. Total recurring revenue as of the end of a particular month.
<b>ARR</b>	Annual recurring revenue. Calculated by multiplying the MRR as of the end of a particular period by 12.
<b>SaaS ARR</b>	Calculated by multiplying the MRR of Home, Business, X, and Finance domains at the end of a particular period by 12. Includes: 1) revenue from premium charges in Home domain, 2) revenue from sales of services, including <i>Money Forward Cloud</i> , <i>STREAMED</i> , <i>Manageboard</i> , <i>V-ONE Cloud</i> , <i>Money Forward Certified Member System</i> , <i>HiTTO</i> , <i>Money Forward Admina</i> and <i>Money Forward Kakebarai</i> in Business domain, 3) maintenance income of co-creation projects with financial institutions and revenue from services for customers of financial institutions, including the <i>Mikatano</i> series and <i>Money Forward for XX</i> in X domain, and 4) monthly fixed fees as well as settlement and associated fees of <i>Money Forward Kakebarai</i> in business domain. In order to adjust for seasonal factors of <i>STREAMED</i> , its MRR is calculated as one-third of its revenue in Q1 and Q2 of each fiscal year.
<b>Paying customer</b>	Paid subscribers of services provided in Business domain, consisting of 1) professional service firms and their clients and 2) businesses and sole proprietors who have subscribed via direct marketing, including the web channel or field sales.
<b>ARPA</b>	Average revenue per paying account. Calculated as: (ARR as of the end of a particular period) / (number of customers).
<b>New ARPA</b>	Calculated as: (MRR deriving from new paying customers) / (number of new paying customers).
<b>Customer churn rate</b>	Average monthly churn rate of a particular period. Calculated as [number of customer churns during (N) months] / [number of customers as of the end of (N-1) month].
<b>MRR churn rate (based on MRR)</b>	Average monthly churn rate based on MRR of a particular period. Calculated as: $1 - [\text{MRR as of the end of (N) month} / \text{MRR as of the end of (N-1) month}]$ / $[\text{MRR as of the end of (N-1) month}]$ . A negative value (negative churn) indicates cases where the impact of the increase in revenue from upselling or cross-selling among existing customers surpasses the impact of the decrease in revenue due to customer churns.
<b>CAC payback period</b>	Customer acquisition cost payback period (months). CAC Payback Period is calculated as (customer acquisition cost / number of new customers) / (new ARPA * gross margin * NRR). ). The customer acquisition cost included the total expenses associated with sales and marketing, such as advertising and personnel costs for sales and marketing departments for corporate services like <i>Money Forward Cloud</i> , <i>Streamed</i> , <i>Manageboard</i> , <i>V-ONE Cloud</i> , <i>HiTTO</i> , <i>Money Forward Admina</i> and <i>Money Forward Kakebarai</i> . The gross margin was derived by deducting costs related to service operations personnel, customer support department expenses, and commission expenses from revenue. Prior to FY23 Q2 the Customer Acquisition Cost Payback Period was calculated as (customer acquisition cost / number of acquired customers) / (ARPA * gross margin). Unlike the prior calculation based on the ARPA of existing customers, this revised method appropriately considers the expected revenue from new customers. It factors in the improvements in the new revenue per account (new ARPA) and the enhancement in ARPA after acquisitions through cross-selling (NRR).
<b>NRR</b>	Net revenue retention. Metric that indicates the change in MRR of a cohort of paying customers from the same month of the previous year, calculated as: (MRR of the cohort in the current month) / (MRR of the cohort in the same month of the previous year).

#### 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.

Money Forward, Inc. shall not represent or warrant the accuracy or completeness of the information contained in this material.

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**FY11/25 Q2 financial results are  
scheduled to be released at 16:30 or later on July 15, 2025 (Tuesday).**