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Company Name: Money Forward, Inc.
Representative: Yosuke Tsuji
Representative Director,
President and Group CEO
(Securities Code: 3994,
Stock Exchange: TSE Prime)
Inquiries: Yumiko Nagao
Executive Officer and Group CFO
(TEL: +81-3-6453-9160)

Notice Regarding the Initiation of Discussions on the Provision of BaaS/Digital Banking with Sumitomo Mitsui Financial Group and Sumitomo Mitsui Banking Corporation

Money Forward, Inc. (the "Company") hereby announces that it decided, by a resolution of its Board of Directors on the same date, that the Company will enter into a basic agreement (the "Agreement") with Sumitomo Mitsui Financial Group, Inc. (Head Office: Chiyoda-ku, Tokyo; Director President and Group CEO: Toru Nakashima, "Sumitomo Mitsui Financial Group," collectively referred to as "SMBC Group") and Sumitomo Mitsui Banking Corporation (President and Chief Executive Officer: Akihiro Fukutome, "Sumitomo Mitsui Banking Corporation") regarding the establishment of a preparatory company (the "Preparatory Company") to consider the provision of BaaS/digital banking, and that it concluded the Agreement on the same day. The Preparatory Company will proceed with considerations aimed at establishing and launching a new bank, subject to the necessary approvals and permits from relevant authorities.

1. Background and Purpose of the Basic Agreement

The Company has been promoting the provision of Fintech services to support corporate growth by streamlining back-office operations through SaaS services such as *Money Forward Cloud Accounting*, which are currently used by over 400,000 sole proprietors and corporate customers as of the end of February 2025.

Customers already using our Fintech services can benefit from accounts receivable guarantees through *Money Forward Kakebarai*, improved cash cycles through *Money Forward Pay for Business*, and early collection of accounts receivable through *Money Forward Transaction Finance for Startups* and *Money Forward Early Payment*. However, it has been challenging for financial institutions to deliver adequate financial services to small and medium-sized enterprises, which are said to account for 99% of Japan's businesses. Against this backdrop, the SMBC Group has set forth the "Creation of social value through 'supporting corporate DX with digital solutions'" as part of its medium-term management plan and has been considering the deployment of various services under fundamental digitalization. Consequently, the Company has formed a partnership with the SMBC Group and Sumitomo Mitsui Banking Corporation to jointly build a new BaaS/digital banking service and promote corporate DX and financial experiences.

2. Initiatives Planned for the Future

The joint venture company (the Preparatory Company) will aim to develop a new digital banking service and consider providing BaaS to business companies and financial institutions using the APIs realized through this initiative. Details such as the outline, service content, and schedule of the BaaS/digital banking will be determined by the Preparatory Company and announced once decided.

3. Overview of the Joint Venture Company

(1)	Company name	TBD
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(2)	Address	TBD
(3)	Name and title of representative	TBD
(4)	Business description	Preparation for the establishment of a new bank
(5)	Capital and capital reserve	TBD
(6)	Date of incorporation	TBD
(7)	Voting rights ratio	The Company: 50% SMBC Group: 50%

4. Overview of the Joint Venture Partner

(1)	Company name	Sumitomo Mitsui Financial Group, Inc.		
(2)	Address	1-2, Marunouchi 1-chome, Chiyoda-Ku, Tokyo		
(3)	Name and title of representative	Toru Nakashima Director President		
(4)	Business description	1. Management of banking subsidiaries and other companies that can be treated as subsidiaries under the stipulations of Japan’s Banking Act as well as the performance of ancillary functions 2. Functions that can be performed by bank holding companies under the stipulations of Japan’s Banking Act		
(5)	Capital	2,344,038 million yen		
(6)	Date of incorporation	December 2, 2002		
(7)	Relationship with the Company	Capital relationship	No applicable matters	
		Human relationship	No applicable matters	
		Business relationship	No applicable matters	
		Related parties	No applicable matters	
(8)	Consolidated operating results and consolidated financial position for the past three years (Unit: million yen)			
Fiscal year		Fiscal year ended March 2022	Fiscal year ended March 2023	Fiscal year ended March 2024
Net assets		12,197,331	12,791,106	14,799,967
Total assets		257,704,625	270,428,564	295,236,701
Net assets per share (yen)		8,825.53	9,430.52	11,157.36
Ordinary revenue		4,111,127	6,142,155	9,353,590
Ordinary income		1,040,621	1,160,930	1,466,128
Profit attributable to owners of parent		706,631	805,842	962,946
Net income per share (yen)		515.51	590.46	724.55
Dividend per share (yen)		210	240	270

(1)	Company name	Sumitomo Mitsui Banking Corporation
(2)	Address	1-2, Marunouchi 1-chome, Chiyoda-Ku, Tokyo
(3)	Name and title of representative	Akihiro Fukutome President
(4)	Business description	Deposit taking, lending, securities brokering and trading, securities investment, money transfer, foreign currency exchange, corporate bond trustee services and custody services, financial futures underwriting, investment trust sales and other

		commercial banking activities	
(5)	Capital	1,770,996 million yen	
(6)	Date of incorporation	June 6, 1996	
(7)	Relationship with the Company	Capital relationship	No applicable matters
		Human relationship	No applicable matters
		Business relationship	There are borrowings of funds and other banking transactions. The Company utilizes API services provided by the bank.
		Related parties	No applicable matters
(8)	Consolidated operating results and consolidated financial position for the past three years (Unit: million yen)		
	Fiscal year	Fiscal year ended March 2022	Fiscal year ended March 2023
			Fiscal year ended March 2024
	Net assets	9,219,858	9,735,509
	Total assets	242,105,934	252,567,523
	Net assets per share (yen)	85,558.44	90,237.03
	Ordinary revenue	2,990,450	4,991,948
	Ordinary income	867,849	1,125,928
	Profit attributable to owners of parent	568,244	807,042
	Net income per share (yen)	5,348.27	7,595.81
	Dividend per share (yen)	3,631	4,385
			7,469

5. Future Outlook

The Preparatory Company is planned to be established as an equity-method affiliate of both the Company and the SMBC Group. The impact of establishing the joint venture company (the Preparatory Company) on our consolidated business results is expected to be minimal, but we will promptly announce any matters that need to be disclosed in the future.