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September 29, 2021

Company Name	freee K.K.
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Announcement regarding Issuance of New Restricted Shares to Directors

freee K.K. announces that, at the Board of Directors' meeting held today, the Board of Directors decided to issue new restricted shares (hereinafter the "New Share Issue") as follows.

1. Overview of Share Issuance

(1) Pay-in date	October 29, 2021
(2) Type and number of shares to be issued	4,746 common shares of freee K.K.
(3) Issue price of shares	JPY 8,220 per share
(4) Total issue value	JPY 39,012,120
(5) Allottees	3,651 shares to be allocated to 3 (three) Directors* of freee K.K. 1,095 shares to be allocated to 3 (three) members of the Audit & Supervisory Committee * Except Directors serving as members of the Audit & Supervisory Committee and External Directors
(6) Other	For the New Share Issue, a securities notice has been submitted as required under the Financial Instruments and Exchange Act.

2. Purposes and Reasons of Issuance of New Restricted Shares

At the Board of Directors meeting held on August 30, 2021, freee K.K. implemented a restricted share compensation plan as a new compensation plan for Board Members of freee K.K. (hereinafter the "Plan") with the aims of encouraging Board Members (except Directors serving as members of the Audit & Supervisory Committee and External Directors) to achieve the sustainable growth of the corporate value of freee K.K., to promote a greater sense of shared value with shareholders of freee K.K., and encouraging Board Members serving as members of the Audit & Supervisory Committee to prevent damage and maintain the credibility of corporate value by sharing the same values as freee K.K. shareholders. Furthermore, the 9th Ordinary General Shareholders' Meeting held today approved the payment of monetary receivables of up to JPY 60 million to be made to Board Members (except

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Directors serving as the members of the Audit & Supervisory Committee and External Directors) and up to JPY 15 million to be made to Board Members serving as members of the Audit & Supervisory Committee as property contributed in kind for the restricted shares allocated under the Plan separately from existing monetary compensations with a transfer restriction period of three years.

An overview of the Plan is provided below.

a) Overview of the Plan

The Board Members of freee K.K. will pay-in all of the monetary receivables paid by freee K.K. under the Plan as property contributed in kind, and will receive common shares in freee K.K. to be issued or distributed by freee K.K. in exchange for the in-kind contribution.

The maximum total number of common shares of freee K.K. issued or distributed under the Plan is set to 12,000 shares per year for the Board Members (except Directors serving as members of the Audit & Supervisory Committee and External Directors) and 3,000 for the Directors serving as members of the Audit & Supervisory Committee. The paid-in amount per common share to be issued or distributed under the Plan will be determined by the Board of Directors within a range that is not particularly advantageous to the receiving Board Members based on the closing price of freee K.K.'s common shares on the Tokyo Stock Exchange on the business day prior to the resolution of the Board of Directors concerning the issuance or disposition thereof (or at the closing price on the immediately preceding trading day, if no trading is made on that day).

Upon the issuance or disposal of common shares in freee K.K. under the Plan, freee K.K. and the receiving Board Members will enter into a restricted share allotment agreement which stipulates that:

- 1 the receiving Board Members shall not transfer, pledge as collateral, or use any arrangement to dispose of the allocated common shares for a predetermined period; and
- 2 the common shares shall be acquired by freee K.K. without any compensation in certain circumstances.

On this basis, freee K.K. has paid monetary receivables of JPY 39,012,120 in total to three Board Members (except Directors serving as members of the Audit & Supervisory Committee and External Directors) and three Board Members serving as members of the Audit & Supervisory Committee (hereinafter collectively the "Eligible Board Members") based on the resolution of the Board of Directors meeting held today and the resolution of Directors serving as members of the Audit & Supervisory Committee in consideration of the purpose of the Plan, our business performance, the extent of duties of the Eligible Board Members, and other relevant circumstances. The Board of Directors has also resolved to issue 4,746 common shares in freee K.K. (hereinafter "Allocated Shares") for the purpose of total monetary receivables amounting to JPY 39,012,120 to be paid as property contributed in kind (the amount of the monetary receivables paid per share: JPY 8,220).

b) Overview of the restricted share allocation agreement

An overview of the restricted share allocation agreement to be individually executed between each Eligible Board Member and freee K.K. in relation to the new share issuance is provided below.

(1) Transfer restriction period

The Eligible Board Members shall not transfer, pledge as collateral, or use any arrangement to dispose of Allocated Shares for the period from October 29, 2021 (the pay-in date) to October 29, 2024.

(2) Conditions subsequent

The transfer restriction will be lifted upon expiration of the transfer restriction period: (i) for one third of the Allocated Shares (hereinafter the "Released Portion 1") as long as a respective Eligible Board Member is continuously in the position of a Director of freee K.K. or other position prescribed by the Board of Directors for the period from October 29, 2021 (the pay-in date) to the end of the Ordinary General Shareholders' Meeting for the fiscal year ending June 2022 (hereinafter the "Service Period 1"); (ii) for another third of the Allocated Shares (hereinafter the "Released Portion 2") as long as a respective Eligible Board Member is continuously in the position of a Director of freee K.K. or other position prescribed by the Board of Directors for the period from October 29, 2021 (the pay-in date) to the end of the Ordinary General Shareholders' Meeting for the fiscal year ending June 2023 (hereinafter the "Service Period 2"); and (iii) for the other third of the Allocated Shares (hereinafter the "Released Portion 3") as long as a respective Eligible Board Member is continuously in the position of a Director of freee K.K. or other position prescribed by the Board of

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Directors for the period from October 29, 2021 (the pay-in date) to the end of the Ordinary General Shareholders' Meeting for the fiscal year ending June 2024 (hereinafter the "Service Period 3").

(3) Uncompensated acquisition by freee K.K.

Upon expiration of the transfer restriction period, freee K.K. may automatically acquire all Allocated Shares for which the transfer restriction has not been lifted without providing compensation.

(4) Procedures in the case of retirement during the transfer restriction period

freee K.K. may automatically acquire: all the Allocated Shares of a respective Eligible Board Member if he/she loses the position of a Director of freee K.K. before the expiration of Service Period 1; all the Allocated Shares less the Released Portion 1 if he/she loses the said position between the expiration of Service Period 1 and that of Service Period 2; or all the Allocated Shares less the Released Portion 1 and Released Portion 2 if he/she loses the said position between the expiration of Service Period 2 and that of Service Period 3.

(5) Management of shares

Allocated Shares shall be managed in a dedicated account for restricted shares established by each Eligible Board Member at Daiwa Securities Co. Ltd. in order to prevent the Allocated Shares from being transferred, pledged as collateral, or disposed of by any arrangement during the transfer restriction period.

(6) Reorganization

In the event that freee K.K. becomes a dissolved company under a merger agreement, or when a share exchange agreement, share transfer plan, or any other matters of reorganization by which freee K.K. becomes a wholly-owned subsidiary is approved by the General Meeting of Shareholders (or the Board of Directors when approval of the General Meeting of Shareholders is not required in a relevant reorganization case), the Board of Directors of freee K.K. shall lift the transfer restrictions on the number of Allocated Shares reasonably calculated based on the expired period from the start of the transfer restriction period until the date of approval of the said reorganization immediately before the business day prior to the effective date of such reorganization.

3. Basis and Details of Calculation of Pay-in Amount

The New Share Issue will be funded by monetary receivables paid to the allottees as property contributed in kind under the Plan. In order to eliminate arbitrariness with regard to the pay-in amount, the closing price of the common shares of freee K.K. on the Tokyo Stock Exchange on September 28, 2021 (the business day before the resolution at the Board of Directors), which is 8,220, is taken as the pay-in amount. The amount is the market price immediately prior to the date of the resolution of the Board of Directors meeting, and we believe it appropriately and reasonably reflects the corporate value of freee K.K. and is not a price particularly favorable to the Eligible Board Members, unless there is any special circumstance suggesting that dependence on the latest stock price is inappropriate.