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October 15, 2021

Company Name	freee K.K.
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Code No.	4478, Tokyo Stock Exchange Mothers
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Announcement Regarding Issuance of New Restricted Shares to freee Employees

freee K.K. (the “Company”) announces that, at the Board of Directors’ meeting held today, the Board of Directors made the decision to issue new restricted shares (hereinafter the “New Share Issue”) as follows.

1. Overview of Share Issuance

(1) Pay-in date	November 15 , 2021
(2) Type and number of shares to be issued	36,484 common shares of the Company
(3) Issue price of shares	JPY 7,840 per share
(4) Total issue price	JPY 286,034,560
(5) Allottees	25,190 shares to be allocated to 145 employees of the Company 11,294 shares to be allocated to 13 senior management employees of the Company
(6) Other	For the New Share Issue, a securities registration statement has been submitted as required under the Financial Instruments and Exchange Act.

2. Purposes and reasons for the New Share Issue

Pursuant to a resolution at a Board of Directors meeting held today, the Company granted 158 Company employees who satisfy certain requirements (hereinafter the “Eligible Employees”) monetary

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receivables of JPY 286,034,560 in total with the purpose of motivating the employees to work toward the sustainable growth of the Company's corporate value and strengthening the sense of shared value with shareholders. On this basis, at the Board of Directors meeting, it was further decided to allocate 36,484 common shares of the Company through the New Share Issuance (hereinafter "Allocated Shares") for the purpose of total monetary receivables of JPY 286,034,560 to be paid as property contributed in kind (monetary receivables paid per share: JPY 7,840). In order to encourage continuous service among the Eligible Employees in the medium-to-long term, Allocated Shares are subject to a transfer restriction for a period defined by the Board of Directors (hereinafter the "Transfer Restriction Period").

The Eligible Employees will pay-in all of the monetary receivables paid as property contributed in kind and will receive common shares allocated by the Company through the New Share Issue. The New Share Issue is subject to a restricted share allocation agreement signed between the Company and the Eligible Employees. An overview of the restricted share allocation agreement is provided below. 13 of Eligible Employees are classified as executive employees (hereinafter the "Eligible Executive Employees"), while the other Eligible Employees are classified as ordinary employees (hereinafter "Eligible Ordinary Employees"), and the provisions stipulated in the restricted share allocation agreement to be executed with Eligible Executive Employees differ from those of Eligible Ordinary Employees in view of the differences in their duties.

Allocated Shares will be allocated only to Eligible Employees who wish to take up the shares.

a) Overview of the Restricted Share Allocation Agreement for Eligible Executive Employees

An overview of the restricted share allocation agreement to be individually executed between each Eligible Executive Employees and the Company in relation to the new share issuance is provided below.

(1) Transfer restriction period

The Eligible Executive Employees shall not transfer, pledge as collateral, or otherwise dispose of Allocated Shares during the Transfer Restriction Period.

(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 the respective Eligible Executive Employees continue to serve in the status of officers or employees at the Company for the period from November 15, 2021 (the pay-in date) to November 15, 2022 (hereinafter the "Service Period 1"); (ii) for another third of the Allocated Shares (hereinafter the "Released Portion 2") as long as the respective Eligible Executive Employees continue to serve in the status of officers or employees at the Company for the period from November 15, 2021 (the pay-in date) to November 15, 2023 (hereinafter the "Service Period 2"); and (iii) for the other third of the Allocated Shares (hereinafter the "Released

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Portion 3") as long as the respective Eligible Executive Employees continue to serve in the status of officers or employees at the Company for the period from November 15 , 2021 (the pay-in date) to November 15, 2024 (hereinafter the "Service Period 3").

(3) Uncompensated acquisition by the Company

Upon expiration of the transfer restriction period, the Company 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

The Company may automatically acquire: all the Allocated Shares of a respective Eligible Executive Employee if he/she loses the status of officer or employee at the Company before the expiration of Service Period 1; all the Allocated Shares less the Released Portion 1 if he/she loses the said status 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 status 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 Executive Employees 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

During the Transfer Restriction Period, in the event that approval is given at 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) for the Company to become a dissolved company under a merger agreement, or to become a wholly-owned subsidiary under a share exchange agreement or share transfer plan, or for any other matters of reorganization, the transfer restriction shall be lifted from the number of Allocated Shares that has been reasonably calculated by means of a resolution of the Board of Directors for the period until the business day immediately prior to the effective date of such reorganization.

b) Overview of the Restricted Share Allocation Agreement for Eligible Ordinary Employees

An overview of the restricted share allocation agreement to be individually executed between each Eligible Ordinary Employees and the Company in relation to the new share issuance is provided below.

(1) Transfer Restriction Period

The Eligible Ordinary Employees shall not transfer, pledge as collateral, or otherwise dispose of Allocated Shares during the Transfer Restriction Period.

(2) Conditions subsequent

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The transfer restriction of Allocated Shares will be lifted as of the expiration of the Transfer Restriction Period upon the condition that the Eligible Employees continue to serve in the status of officers or employees at the Company.

(3) Uncompensated acquisition by the Company

Upon expiration of the Transfer Restriction Period, the Company may automatically acquire all Allocated Shares for which the transfer restriction has not been lifted without providing compensation.

(4) Management of Shares

Allocated Shares shall be managed in a dedicated account for restricted shares established by the Eligible Ordinary Employees at Daiwa Securities Co. Ltd. in order to prevent the Allocated Shares from being transferred, pledged as collateral, or otherwise disposed of during the Transfer Restriction Period.

(5) Reorganization

During the Transfer Restriction Period, in the event that approval is given at 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) for the Company to become a dissolved company under a merger agreement, or to become a wholly-owned subsidiary under a share exchange agreement or share transfer plan, or for any other matters of reorganization, the transfer restriction shall be lifted from the number of Allocated Shares that has been reasonably calculated by means of a resolution of the Board of Directors for the period until the business day immediately prior to the effective date of such reorganization

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

The New Share Issue will be funded by monetary receivables paid to the allottees as property contributed in kind. In order to exclude arbitrariness with regard to the pay-in amount, the closing price of the common shares of the Company on Tokyo Stock Exchange on October 14, 2021 (the business day before the resolution at the Board of Directors), which is JPY 7,840, is taken as the pay-in amount. The amount is the market price immediately prior to the date of the resolution by the Board of Directors meeting and we believe it appropriately and reasonably reflects the corporate value of the Company and is not a price particularly favorable to the Eligible Employees unless there are any special circumstances suggesting that dependence on the latest stock price is inappropriate.