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September 29, 2022

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

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 (the "New Share Issuance") as follows.

1. Overview of the Share Issuance

(1) Pay-in date	October 28, 2022
(2) Type and number of shares to be issued	133,318 common shares of the Company
(3) Issue price of shares	JPY 2,535 per share
(4) Total issue price	JPY 337,961,130
(5) Allottees	11,835 shares to be allocated to 3 Directors* of the Company 3,000 shares to be allocated to 3 Directors serving as members of the Audit and Supervisory Committee 109,150 shares to be allocated to 180 employees of the Company 9,333 shares to be allocated to 6 employees** of the subsidiary of the Company *Except Directors serving as members of the Audit and Supervisory Committee and External Directors **They will become employees of the Company as of September 30, 2022.
(6) Other	The New Share Issuance is subject to the effectiveness of a securities registration statement under the Financial Instruments and Exchange Act.

2. Purposes and reasons of the New Share Issuance

At the Board of Directors meeting held on August 30, 2021, the Company implemented a restricted share compensation plan as a new compensation plan for Directors of the Company (hereinafter the "Plan") with the aims of encouraging Directors (except Directors serving as members of the Audit and Supervisory Committee and External Directors) to achieve the sustainable growth of the corporate value of the Company, to promote a greater sense of shared value with shareholders of the Company, and encouraging Directors serving as members of the Audit and Supervisory Committee to prevent

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damage and maintain the credibility of corporate value by sharing the same values as shareholders of the Company. Furthermore, the 9th Ordinary General Meeting of Shareholders held on September 29, 2021 approved the payment of monetary compensation receivables of up to JPY 60,000,000 per year to be made to Directors (except Directors serving as members of the Audit and Supervisory Committee and External Directors) and up to JPY 15 million per year to be made to Directors serving as members of the Audit and 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.

Overview of the Plan

The Directors of the Company will pay-in all of the monetary compensation receivables paid by the Company under the Plan as property contributed in kind, and will receive common shares in the Company to be issued or disposed by the Company in exchange for the in-kind contribution.

The maximum total number of common shares of the Company issued or disposed under the Plan is set to 12,000 shares per year for the Directors (except Directors serving as members of the Audit and Supervisory Committee and External Directors) and 3,000 shares per year for the Directors serving as members of the Audit and 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 Directors based on the closing price of the Company'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 the Company under the Plan, the Company and the receiving Directors will enter into a restricted share allotment agreement which stipulates that:

- (1) the receiving Directors 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 the Company without any compensation in certain circumstances.

free K.K. has paid monetary (compensation) receivables of JPY 337,961,130 in total to 3 Directors (except Directors serving as members of the Audit and Supervisory Committee and External Directors), 3 Directors serving as members of the Audit and Supervisory Committee, 180 employees of the Company, and 6 employees of the Company's subsidiary (hereinafter collectively the "Eligible Allottees") based on the resolution of the Board of Directors meeting held today and the resolution of Directors serving as members of the Audit and Supervisory Committee in consideration of the purpose of the Plan, our business performance, the extent of duties of the Eligible Allottees, and other relevant circumstances. The Board of Directors has also resolved to allocate 133,318 common shares in the Company (hereinafter the "Allocated Shares") through the New Share Issuance for the purpose of total monetary (compensation) receivables amounting to JPY 337,961,130 to be paid as property contributed in kind (the amount of the monetary (compensation) receivables paid per share: JPY 2,535). In order to encourage medium-/long-term continuous service of the Eligible Allottees, the Allocated Shares are subject to a transfer restriction for a period defined by the Board of Directors (the "Transfer Restriction Period").

The Eligible Allottees will pay-in all of the monetary (compensation) receivables paid as property contributed in kind and take up common shares allocated by the Company through the New Share Issuance. The New Share Issuance is subject to a restricted share allocation agreement signed

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between the Company and the Eligible Allottees. Overview of the restricted share allocation agreement (the “Restricted Share Allocation Agreement”) is as provided below.

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

Overview of the Restricted Share Allocation Agreement

(1) Transfer Restriction Period

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

(2) Conditions subsequent

The transfer restriction of all Allocated Shares will be lifted as of expiration of the Transfer Restriction Period upon condition that the Eligible Allottees 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

The Allocated Shares shall be managed in a dedicated account for restricted shares established by the Eligible Allottees 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) Reorganizations

In the event a merger agreement in which the Company becomes a dissolved company, or a share exchange agreement, share transfer plan, or any other matters of reorganization with which the Company becomes a wholly owned subsidiary is approved by the General Meeting of Shareholders (or the Board of Directors where approval of the General Meeting of Shareholders is not required in a relevant reorganization case), the Board of Directors of the Company shall lift the transfer restriction on the number of the Allocated Shares reasonably calculated as of the moment immediately prior to the business day prior to the effective date of such reorganization.

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

The New Share Issuance will be funded by monetary (compensation) receivables paid to the Eligible 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 September 28, 2022 (the business day before the resolution at the Board of Directors), which is JPY 2,535, is taken as the pay-in amount. The amount is the market price immediately prior to the date of the Board of Directors meeting resolution and the Company believes it appropriately and reasonably reflects the Company’s corporate value and is not a price particularly favorable to the Eligible Allottees unless there is any special circumstance suggesting that dependence on the latest stock price is inappropriate.