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November 14, 2023

Company Name freee K.K.  
Representative Daisuke Sasaki,  
CEO and Representative  
Director  
Code No. 4478 Tokyo Stock Exchange  
Growth  
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### **Notice on Absorption-type Merger of sweep, Inc. (Simplified Merger and Short-form Merger)**

freee K.K. (the “Company”) today announced that its Board of Directors resolved to carry out an absorption-type merger (“the Merger”) of sweep, Inc. (“sweep”), which is the Company’s fully owned subsidiary, effective from January 1, 2024 (scheduled).

As the Merger is a simplified absorption-type merger of a wholly owned subsidiary, some disclosure items and details are omitted.

#### 1. Purpose of the Merger

In line with the Company’s corporate mission “Empower Small Businesses to Take Center Stage,” the Company has developed and offered services centered around integrated cloud ERP aimed at realization of “an integrated management platform for everyone to manage business freely.”

Under its mission of “realizing a society that people can do what they wish by creating extra time,” sweep offers the “sweep” series, a service that automates the receiving, journal entries, and safekeeping of invoices as well as a cloud cabinet in compliance with the Electronic Books Maintenance Act that specializes in business records.

The Merger will enable freee as a group to work towards expanding services compatible with the Invoice System which began in October 2023, and the Company will strengthen its pursuit of realization of a cloud based B2B platform.

#### 2. Summary of the Merger

##### (1) Schedule of the Merger

Date of resolution of the Merger by the Board of Directors	November 14, 2023
Date of Merger Agreement	November 14, 2023
Effective date of the Merger	January 1, 2024 (subject to change)

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\* The Merger will be implemented in accordance with the simplified merger procedure pursuant to Paragraph 2 of Article 796 of the Companies Act of Japan in relation to the Company, and in accordance with the short-form merger procedure pursuant to Paragraph 1 of Article 784 of the said Act in relation to sweep in both cases without obtaining approval at the ordinary general meeting of shareholders.

(2) Type of Merger

An absorption-type merger will be undertaken with the Company as the continuing company and sweep as the dissolving company.

(3) Allotment in the Merger

As the Merger is the one with the Company's fully owned subsidiary, no shares or other compensations will be allotted as a result of the Merger.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Merger

There are no applicable items.

3. Overview of the Companies Involved in the Merger

	Continuing Company (as of June 30, 2023)	Dissolving Company (as of June 30, 2023)
(1) Name	freee K.K.	sweep Inc.
(2) Address	1-2-2, Osaki, Shinagawa-ku, Tokyo	1-2-2, Osaki, Shinagawa-ku, Tokyo
(3) Name and title of representative	Daisuke Sasaki, CEO and Representative Director	Tsuyoshi Murayama, Representative Director
(4) Description of business	Develop and offer integrated cloud ERP services	Offering the "sweep" series, a service that automates the receiving, journal entries, and safekeeping of invoices as well as a cloud cabinet in compliance with the Electronic Books Maintenance Act that specializes in business records
(5) Capital	JPY 25,640 million	JPY 78,500 thousand
(6) Date of establishment	July 2012	June 2011
(7) Total number of issued shares	57,875,116 shares	390 shares
(8) Fiscal year end	June 30	May 31
(9) Major shareholders and their shareholding ratio	Daisuke Sasaki 19.11% MSIP CLIENT SECURITIES 10.79% GOLDMAN SACHS & Co. 7.18% REG MSCO CUSTOMER 5.09% SECURITIES INTERACTIVE BROKERS 4.21% LLC	freee K.K. 100%

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(10) Financial position and results of operations for the immediately preceding fiscal year (in JPY million)		
	freee K.K. (Consolidated)	sweep Inc (Non-consolidated)
Fiscal year	Fiscal year ended June 30, 2023	Fiscal year ended May 31, 2023
Net assets	27,059	(176)
Total assets	42,786	85
Net assets per share (JPY)	444.66	(451,310)
Net sales	19,219	102
Operating profit (loss)	(7,919)	(79)
Ordinary profit (loss)	(7,982)	(69)
Loss attributable to owners of parent / Net profit (loss)	(12,338)	(207)
Net loss per share (JPY)	(215.64)	(532,164)

#### 4. Status after the Merger

No changes are expected in the name, address, name and title of representative, description of business, capital, or fiscal year-end for the Company as a result of the Merger.

#### 5. Outlook

As the Merger is the one with the Company's fully owned subsidiary, the impact on the Company's consolidated financial results are expected to be limited