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September 29, 2020

Company Name	freee K.K.
Representative	Daisuke Sasaki, CEO and Representative Director
Code No.	4478, Tokyo Stock Exchange Mothers
Contact	Sumito Togo, CFO and Director (TEL. +81 3-6630-3231)

#### Announcement regarding Issuance of New Restricted Shares to External Directors

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

##### 1. Overview of the Share Issuance

(1) Pay-in date	Wednesday, October 14, 2020
(2) Type and number of shares to be issued	334 common shares of freee K.K.
(3) Issue price of shares	JPY 7,500 per share
(4) Total issued value	JPY 2,505,000
(5) Allottees	334 shares to be allocated to 1 External Director of freee K.K.

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(6) Other	For the New Share Issue, a securities notice has been submitted as required under the Financial Instruments and Exchange Act.
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## 2. Purposes and reasons of the New Share Issue

At the Board of Directors meeting held on September 9, 2020, freee K.K. decided to implement a restricted share compensation plan as a new compensation plan for External Board Members of freee K.K. (hereinafter the “Plan”) with the aim of encouraging External Board Members to share values with our shareholders and work to prevent impairment of our enterprise value and maintain credibility on freee K.K. Furthermore, the 8th Ordinary General Shareholders’ Meeting held on September 29, 2020 approved the payment of monetary receivables of up to JPY 10 million to be made to the External Board Members as property contributed in kind for the restricted shares allocated under the Plan, separately from existing monetary compensations, and a restricted period of the restricted shares to be defined by the Board of Directors within a range from approximately one year to three years.

Overview of the Plan is as provided below.

### Overview of the Plan

The External 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 receive freee K.K.’s common shares 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 to the External Board Members under the Plan is set to 5,000 shares per year. The paid-in amount per common share to be issued or distributed of under the Plan will be determined by the Board of Directors within a range that is not particularly advantageous to the receiving External 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 freee K.K.’s common shares under the Plan, freee K.K. and the receiving External Board Members will enter into a restricted share allotment agreement which stipulates that:

- 1) the receiving External Board Members shall not transfer, pledge as collateral, or use any arrangement to dispose of the allocated common shares for a predetermined period; and

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- 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 2,505,000 in total to an External Board Member (hereinafter the “Eligible Board Member”) by resolution of the Board of Directors meeting held today in consideration of the purpose of the Plan, our business performance, the extent of duties of the Eligible Board Member, and other relevant circumstances. The Board of Directors has also resolved to allocate 334 common shares of freee K.K. (hereinafter “Allocated Shares”) for the purpose of the monetary receivables to be paid as property contributed in kind (the amount of the monetary receivables paid per share: JPY 7,500).

#### Overview of the Restricted Share Allocation Agreement

Overview of the restricted share allocation agreement to be individually executed between the Eligible Board Member and freee K.K. (hereinafter the “Allotment Agreement”) is as provided below.

##### (1) Transfer Restriction Period

The Eligible Board Member may not transfer, pledge as collateral, or use any arrangement to dispose of Allocated Shares for the period from October 14, 2020 (the pay-in date) to the end of the Ordinary General Shareholders’ Meeting for the fiscal year ending June 30, 2021.

##### (2) Conditions subsequent

The transfer restriction of Allocated Shares will be lifted as of expiration of the transfer restriction period upon condition that the Eligible Board Member continues to serve in the status of an officer at freee K.K.

##### (3) Uncompensated acquisition by freee K.K.

Upon expiration of the transfer restriction period or at the time otherwise specified in an agreement, freee K.K. will 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 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.

##### (5) Reorganizations

In the event a merger agreement in which freee K.K. becomes a dissolved company, or a share exchange agreement, share transfer plan, or any other matters of reorganization with which freee K.K. becomes a wholly owned subsidiary is approved by the General

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Shareholders' Meeting (or the Board of Directors where approval of the General Shareholders' Meeting is not required in a relevant reorganization case), the Board of Directors of freee K.K. shall lift the transfer restriction on the number of Allocated Shares calculated by dividing the number of months from October 2020 to the month of the said reorganization approval by 12 (if the result is larger than 1, it shall be deemed 1) and multiplying it by the number of the Allocated Shares (any fraction less than 1 share shall be rounded off).

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

The new share issue will be funded by monetary receivables paid to the allottee as property contributed in kind under the Plan. In order to exclude arbitrariness with regard to the pay-in amount, the closing price of the common shares of freee K.K. on Tokyo Stock Exchange on September 28, 2020 (the business day before the resolution at the Board of Directors), which is 7,500, 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 we believe it appropriately and reasonably reflects the company's corporate value and is not a price particularly favorable to the allottee unless there is any special circumstance suggesting that dependence on the latest stock price is inappropriate.