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May 15, 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) |

Notice Concerning Revision of Consolidated Guidance for Fiscal Year Ended June 30, 2020

We made a resolution at the Board of Directors held May 15, 2020, to revise its consolidated business forecast for the fiscal year ended June 30, 2020 (from July 1, 2019 to June 30, 2020), which was disclosed on December 17, 2019.

1. Revision of the consolidated guidance for the fiscal year ended June 30, 2020 (from July 1, 2019 to June 30, 2020)

| | Net sales | Operating Profit | Ordinary Profit | Profit attributable to owners of parent | Basic earnings per share |
|---------------------------------------|-----------------|------------------|-----------------|-----------------------------------------|--------------------------|
| | Millions of yen | Millions of yen | Millions of yen | Millions of yen | Yen |
| Previous Guidance (A) | 6,941 | △2,876 | △3,127 | △3,135 | △76.10 |
| Revised Guidance (B) | 6,700 | △2,876 | △3,127 | △3,135 | △69.81 |
| Variance (B-A) | -241 | 0 | 0 | 0 | |
| % Change | -3.5% | 0.0% | 0.0% | 0.0% | |
| (For reference) Results for FY2019 | 4,516 | △2,830 | △2,850 | △2,778 | △68.27 |

2. Reasons for Revision

We lower our consolidated net sales forecast for the fiscal year ending June 30, 2020 because the acquisition of new customers has been affected by the COVID-19 especially since March, mainly through the factors described below.

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Extension of Deadline for Filing Tax Returns

On February 27, 2020, the National Tax Agency announced the extension of the deadline for filing tax returns from March 16, 2020 to April 16, 2020, further announcing on April 6 that tax returns filed after April 16 will also be accepted. Many self-employed start using our integrated cloud accounting software “Accounting freee” during the tax filing season every year to file their income tax returns. Due to the extension of the tax filing deadline, the timing of new subscriptions by some self-employed will no longer be March as initially anticipated but April or later and our revenue forecast is, therefore, now lower than initially anticipated.

Impact on Sales Activities

While we continue sales activities through online meetings as usual in the Small segment (corporate customers with fewer than 20 employees), we shifted to online sales meetings in the Mid segment (corporate customers with 20+ employees), where we would usually do sales activities through face-to-face sales visits. In addition, some customers in each segment face their circumstances under this environment. Our customer acquisition for this fiscal year is expected to be lower than initially anticipated due to those factors.

Impact on Marketing Activities

In consideration of the increasing risk of novel coronavirus infection, we voluntarily decided to cancel, postpone, or hold online our onsite events originally scheduled on or after February 25, 2020. While we still gain marketing leads from online events, the voluntary cancellation/rescheduling of the events resulted in lower sponsorship revenues and fewer potential leads than initially anticipated.

As a result of the foregoing, we forecast consolidated net sales of 6,700 million yen for the fiscal year ending June 30, 2020 (down 241 million yen from our previous guidance).

However, our forecasts for operating profit, ordinary profit and profit attributable to owners of parent for the same fiscal year are unchanged as we plan to properly control sales and marketing costs in view of the temporary slowdown in customer acquisitions.

In the short-term, we expect the COVID-19 situations to affect our business as described above, but we believe our overall business performance is relatively stable, given more than 90% of our revenue comes from subscription fees. However, we will continue to monitor the impact on our earnings going forward and take appropriate measures where necessary.

One of the features of our integrated ERP software is that it allows users to conduct their business operations anywhere and on any device and therefore supports the diverse working styles of small businesses. Moving forward, by continuing to do our best as a company leading the cloud services sector and provide benefits of cloud-native solutions, we will pursue our mission to “Empower small businesses to take center stage.”