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April 18, 2025

Company Name	freee K.K.
Representative	Daisuke Sasaki, CEO and Representative Director
Code No.	4478, Tokyo Stock Exchange Growth
Contact	Ami Tsuboi, CFO (TEL. +81 3-6683-0242)

Notice on Absorption-type Merger of Apollo 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 Apollo Inc. (“Apollo”), which is planned to be the Company’s fully owned subsidiary, effective from July 1, 2025 (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.”

To further expand our product lineup for business growth, the company acquired all outstanding shares of Apollo on October 21, 2024. Apollo provides 'tol (current freee Reservation) ', an online reservation service for individuals and small businesses that utilizes AI to automatically generate reservation websites, enabling online booking 24 hours a day, 365 days a year.

The Merger will be executed to enhance the value of the Integrated ERP by supporting the operations of individual and small businesses not only in back-office functions but also in front-office operations.

2. Summary of the Merger

(1) Schedule of the Merger

Date of resolution of the Merger by the Board of Directors	April 18, 2025
Date of Merger Agreement	April 18, 2025

Effective date of the Merger	July 1, 2025 (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 Apollo 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 Company as the continuing company and Apollo 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 allocated 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.

(5) Overview of the Companies Involved in the Merger

	Parent company through share exchange	Subsidiary through share exchange
(1) Name	freee K.K.	Apollo 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	Representative Director CEO Chihiro Kawaguchi
(4) Description of business	Develop and offer integrated cloud ERP services	Develop and offer AI-powered reservation site generation and reservation management software.
(5) Capital	JPY 26,690 million (as of December 31, 2024)	JPY 2.3 million (as of October 21, 2024)
(6) Date of establishment	July 2012	October 2018
(7) Total number of issued shares	58,944,945 shares (as of December 31, 2024)	2,300,000 shares (as of October 21, 2024)
(8) Fiscal year end	June 30	September 30
(9) Major shareholders and their shareholding ratio	Daisuke Sasaki 18.68% MSIP CLIENT SECURITIES 10.13% GOLDMAN SACHS & Co. REG 7.81% Morgan Stanley MUFG Securities Co., Ltd. 4.04% BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE	freee K.K. 100.00% (as of October 21, 2024)

		3.95%	
		(as of December 31, 2024)	
(10) Financial position and results of operations for the immediately preceding fiscal year (in JPY million)			
	freee K.K. (Consolidated)	Apollo Inc. (Non-consolidated)	
Fiscal year	Fiscal year ended June 30, 2024	Fiscal year ended September 30, 2024	
Net assets	16,952	(8)	
Total assets	39,953	25	
Net assets per share (JPY)	286.47	(3.8)	
Net sales	25,430	53	
Operating profit (loss)	(8,386)	(8)	
Ordinary profit (loss)	(8,638)	(9)	
Loss attributable to owners of parent / Net profit (loss)	(10,150)	(9)	
Net loss per share (JPY)	(174.43)	(4.0)	

(6) 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.

3. Outlook

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