

Note: This document is an English translation of the original Japanese language document and has been prepared solely for reference purposes. No warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this English translation and the original Japanese language document, the original Japanese language document shall prevail in all respects.



August 25, 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)

Announcement Regarding Revisions of Compensation under Restricted Stock Compensation Plan and Performance Share Unit Plan

freee K.K. (the “Company”) hereby announces that a resolution was made at its meeting of the Board of Directors held on August 25, 2025, to revise the compensation limits (the “Amendment”) with respect to the restricted stock compensation plan and the performance share unit plan for the Company’s Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; “Eligible Directors (i)”) and the restricted stock compensation plan for the Company’s Directors who are Audit & Supervisory Committee Members (“Eligible Directors (ii)”), which were approved at the 9th Ordinary General Meeting of Shareholders held on September 29, 2021, as well as to propose the Amendment to the 13th Ordinary General Meeting of Shareholders (the “General Meeting of Shareholders”) to be held on September 26, 2025. The Company hereby informs you of the details as follows:

1. Purpose of the Amendment

(1) Revision of the stock compensation plans for Eligible Directors (i)

At the 9th Ordinary General Meeting of Shareholders held on September 29, 2021, the Company received approval to introduce a restricted stock compensation plan (the “Plan I”) and a performance share unit plan (the “Plan II”) for Eligible Directors (i), including the determination that, for each of these plans, the total amount of monetary compensation rights to be allocated to Eligible Directors (i) and the total number of common shares of the Company to be received by Eligible Directors (i) through issuance or disposal shall not exceed 60 million yen or 12,000 shares per annum, respectively. These limits are separate from the limits set for basic salary. Further, at the 12th Ordinary General Meeting of Shareholders held on September 27, 2024, the Company received approval regarding revisions to the calculation method under Plan II.

Given that the competitive environment surrounding the Company has changed since the establishment of the above compensation limits in 2021, and the fact that the Company achieved profitability in the fiscal year ended June 30, 2025 for the first time since its founding in line with the financial targets disclosed for the fiscal year ended June 30, 2022, thereby entering a new phase of its growth strategy, the Company has revised the compensation limits under the Plans I and II. The purpose of this revision is to enable a more flexible design of stock compensation, thereby further promoting the sustainable improvement of corporate

value and strengthening value sharing with shareholders, while at the same time providing stronger incentives for achieving performance targets and other goals.

(2) Revision of the restricted stock compensation plan for Eligible Directors (ii)

At the 9th Ordinary General Meeting of Shareholders held on September 29, 2021, the Company also received approval to introduce a restricted stock compensation plan for Eligible Directors (ii), including the determination that, for this plan, the total amount of monetary compensation rights to be allocated to Eligible Directors (ii) and the total number of common shares of the Company to be received by Eligible Directors (ii) through issuance or disposal shall not exceed 15 million yen or 3,000 shares per annum, respectively. These limits are separate from the limits set for basic salary.

Given that the competitive environment surrounding the Company has changed since the establishment of the above compensation limits in 2021, the Company has revised the compensation limits under this plan. The purpose of this revision is to further strengthen value sharing with shareholders, while providing an appropriate level of incentives to prevent impairment of the Company's corporate value and to maintain its credibility.

2. Summary of the Amendment

(1) Maximum amount of stock compensation for Eligible Directors (i)

The total amount of monetary compensation rights to be allocated to Eligible Directors (i) and the total number of common shares of the Company to be received by Eligible Directors (i) through issuance or disposal under each of the revised Plans I and II shall not exceed 100 million yen or 67,000 shares per annum, respectively. These limits are separate from the limits set for basic salary.

(2) Maximum amount of stock compensation for Eligible Directors (ii)

The total amount of monetary compensation rights to be allocated to Eligible Directors (ii) and the total number of common shares of the Company to be received by Eligible Directors (ii) through issuance or disposal under the revised restricted stock compensation plan shall not exceed 20 million yen or 13,400 shares per annum, respectively. These limits are separate from the limits set for basic salary.

The maximum number of shares that may be granted to Eligible Directors (i) by the Company under Plans I and II for Eligible Directors (i) is 134,000 shares per annum in aggregate. However, the proportion of these shares to the total number of issued shares of 59,221,680 shares (as of the end of June 2025) is approximately 0.23%, and the Company considers the dilution rate to be minimal. Similarly, the maximum number of shares that may be granted to Eligible Directors (ii) by the Company under the restricted stock compensation plan for Eligible Directors (ii) is 13,400 shares per annum. However, the proportion of these shares to the total number of issued shares of 59,221,680 shares (as of the end of June 2025) is approximately 0.02%, and the Company considers the dilution rate to be minimal.

(Reference)

The specific design policy for the performance share unit plan, among others, for the Company's Inside Directors (Eligible Directors (i)) is expected to be as follows, with further details to be determined by the Company's Board of Directors.

The Company's performance share unit plan, among others, is to be designed to align with the progress of the Company's mid- to long-term strategy and the achievement of its financial targets, thereby serving as incentives for their attainment, as described below:

- The evaluation indicators that constitute the conditions for granting annual performance-linked stock compensation shall be the degree of achievement of internal indicators measuring progress toward realizing the Company's mid- to long-term strategy of becoming the "De Facto Standard for Small Business." Specifically, the Company plans to adopt internal targets related to the increase in ARR (Annual Recurring Revenue) and the number of customers as evaluation indicators.

- In addition, in line with the update to the Company's financial targets for the fiscal year ending June 30, 2028, the conditions for granting performance-linked stock compensation for that fiscal year are expected to include not only the achievement of the internal indicators relating to the increase in ARR (Annual Recurring Revenue) and in the number of customers, but also the achievement of the financial targets disclosed on August 13, 2025 (namely, attainment of the "Rule of 40" and a year-on-year revenue growth rate of at least 20% for the fiscal year ending June 30, 2028).
- Furthermore, with respect to these financial targets, the Company intends to design its executive compensation to provide incentives that will encourage the achievement of a more challenging target — a year-on-year revenue growth rate of 25% for the fiscal year ending June 30, 2028.