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September 9, 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 Introduction of the Restricted Share Compensation Plan

freee K.K. announces that, at the Board of Directors' meeting held on September 9, 2020, we reviewed our executive compensation system and resolved to introduce a restricted share compensation plan for our External Board Members (hereinafter the "Plan") as follows. The agenda item concerning the Plan will be proposed at the 8th Ordinary General Shareholders' Meeting of freee K.K. to be held on September 29, 2020 (hereinafter the "Shareholders' Meeting").

1. Purpose and conditions of the introduction of the Plan

(1) Purpose of the introduction of the Plan

The Plan is to be implemented with the aim of encouraging External Board Members of freee K.K. (hereinafter "Eligible External Board Members") to share values with our shareholders and work to prevent impairment of our corporate value and maintain confidence of freee K.K.

(2) Conditions of the introduction of the Plan

As the Plan is to pay monetary receivables as compensation to the Eligible External Board Members for allocation of restricted shares, the introduction of the Plan is conditioned on our shareholders' approval at the Shareholders' Meeting to grant such compensation.

At the 7th Ordinary General Shareholders' Meeting held on September 24, 2019, compensation payable to Board Members was approved at a maximum amount of 300 million yen per year (of which, the maximum amount payable to the External Board Members is 40 million yen per year). At the Shareholders' Meeting, we plan to seek shareholders' approval for the introduction of the Plan and establishment of compensation under the Plan separate from the existing compensation limit.

2. Overview of the Plan

The Eligible External Board Members 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 disposed by freee K.K. in exchange for the in-kind contribution.

The total amount of monetary receivables to be paid to the Eligible External Board Members will be up to 10 million yen per year besides the existing monetary receivables and the total number of freee K.K.'s common shares to be issued or disposed under the Plan will be up to 5,000 shares per year. (The number of shares to be issued or disposed may be adjusted for any compelling reason such as a share split or share consolidation of our common shares.)

The restricted period will be defined by the Board of Directors within a range from about one year to about three years. Specific timing and allocation of payment to the Eligible External Board Members will be resolved by the Board of Directors.

The paid-in amount per common share to be issued or disposed under the Plan will be determined by the Board of Directors within a range that is not particularly advantageous to the Eligible External Board Members, based on the closing price of freee K.K.'s common shares on the Tokyo Stock Exchange on

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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 Eligible External Board Members will enter into a restricted share allotment agreement (hereinafter the "Allotment Agreement"), which stipulates that:

- (1) the Eligible External Board Members shall not transfer, pledge as collateral, or otherwise dispose of the common shares allocated under the Allotment Agreement for a predetermined period; and
- (2) the common shares shall be acquired by freee K.K. without any compensation in certain circumstances.

(Supplementary Note)

As announced in the "Announcement regarding Issuance of New Restricted Shares to freee Employees" dated August 12, 2020, we also allocated restricted shares to eligible freee employees.