Factbook

freee K. K.

August, 2023

Contents

1. About freee
2. Member & Culture
3. Integrated Management Platform
4. Market Landscape in Japan
5. Mid-to-Long-term Strategy
6. Go-to-market Strategy
7. Key Metrics
8. ESG
9. Case Study
10. Others (Product Overview)

About freee

freee at a Glance

Founded:

2012

# of Employees[1]

1,299

Subscription Rate[2]

90%+

ARR[3]

JPY20.5Bn

# of Paying Customers[4]

451K+ / 159K+

Total **Corporates**

LTM Average Churn Rate[5]

1.2% / 0.6%

Overall **Corporates**

1. As of June 30, 2023.
2. For the twelve months of the fiscal year ending June 30, 2023. Rate calculated by dividing subscription revenue (revenue earned every month from contracts that automatically renew unless customer indicates intention to terminate) by total revenue.
3. Annual Recurring Revenue. Monthly Recurring Revenue (MRR) at June 2023, multiplied by 12. Monthly Recurring Revenue is defined as the amount of fees contracted to be paid by customers on a monthly basis as of the end of a particular month.
4. As of June 30, 2023. The number of paying customers includes self-employed customers.
5. As of June 30, 2023. Average monthly churn rate (ARR of paying customers who left freee in a month / ARR at the end of the previous month) for the past 12 months. All customer segments are included in this calculation.

Mission

Empower Small Businesses to Take Center Stage

With the mission of empowering small businesses to take center stage, we strive to develop and offer innovative solutions with the aim of creating a platform that empowers anyone with ideas, passion and skills to easily grow a robust and streamlined business.

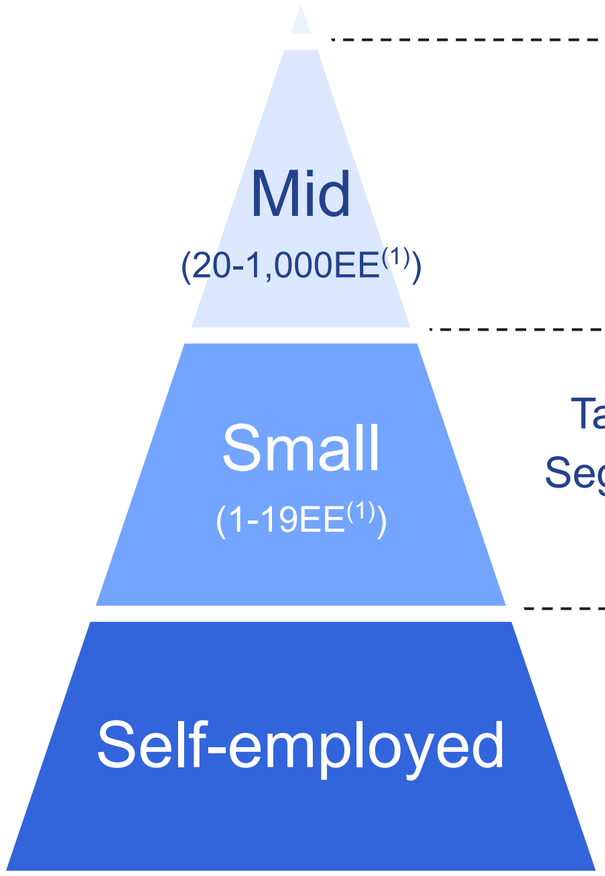
We believe that small businesses have the ability to act quickly and boldly to put ideas into action, positioning them to achieve innovation in various areas, push big businesses to evolve and inspire new movements and ideas in society.

Vision

Integrated Management Platform for Everyone to Manage Business Freely

We strive to develop and offer an “integrated management platform” for creating environments where anyone and everyone can manage their own business freely and naturally.
We dedicate to integration of back office operations in order to enhance automation and increase overall operational efficiency. By visualizing comprehensive management structures, we will advance the platform into the one that enables smart and best business actions than ever before.
In addition, as an open platform that builds connections with external services, we support various business needs. Likewise, we are also committed to vitalizing mutual business transactions within the user network. We do not just offer a platform. We promote change in society by striving to improve the environment for the people involved in small businesses.

Our Services for 6 Million+ Potential Customers



Target Segment

# of Potential Customers(2)

c. **0.3MM**

c. **1.5MM**

c. **4.7MM**

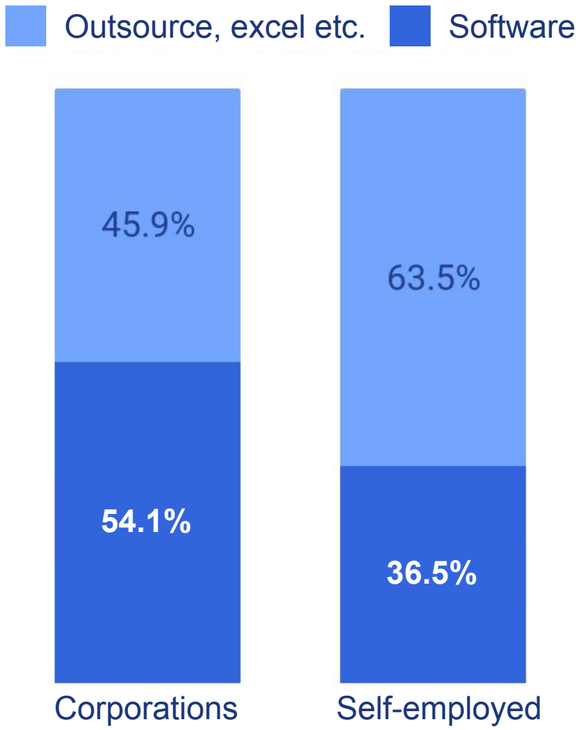
Features of Japanese Market

1. **Persistent opportunity in Japan for cloud accounting software compared to overseas markets**
2. **Japan's Attractive Market in Mid Segment**
3. **Promotion for digitalization by government**

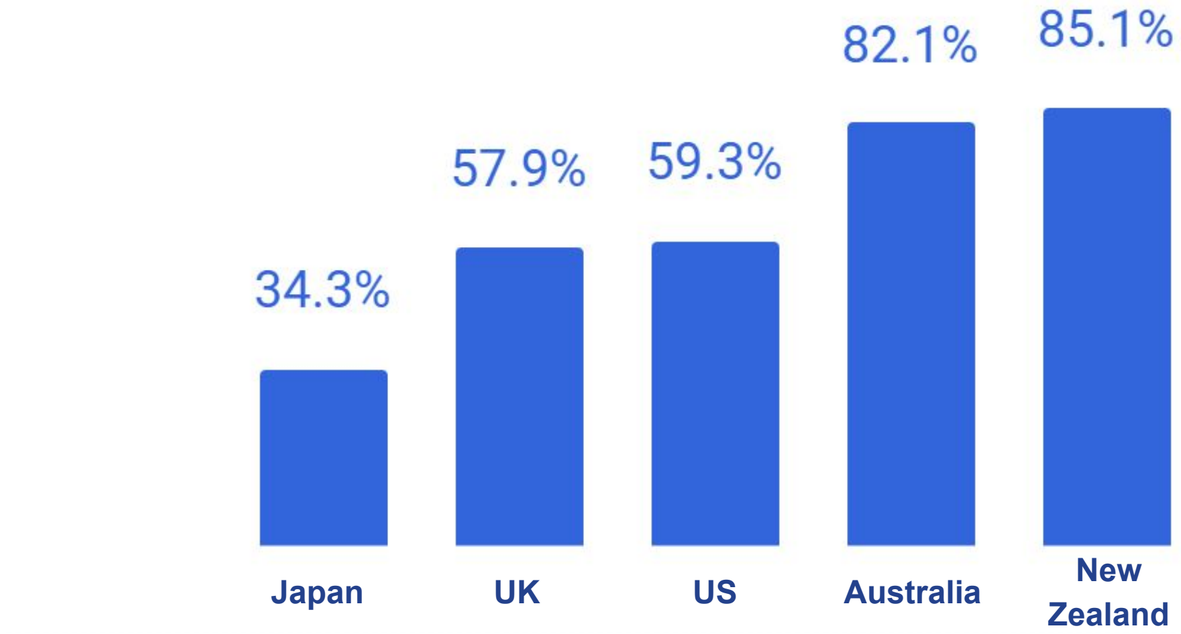
1. EE: Employee.
2. Number of potential customers of Self-employed: Company's estimate based on National Tax Agency "Tax Statistics 2020" ; Number of potential customers of Small and Mid: Company's estimate based on Ministry of Internal Affairs and Communications "2016 Economic Census for Business Activity".

Hugely Untapped Cloud Accounting SW Market: Significant Growth Opportunities

Adoption Rate of Accounting Software among Japan's Small Businesses[1]



Share of Cloud Accounting Software in Accounting Software Used by Small Businesses[2]

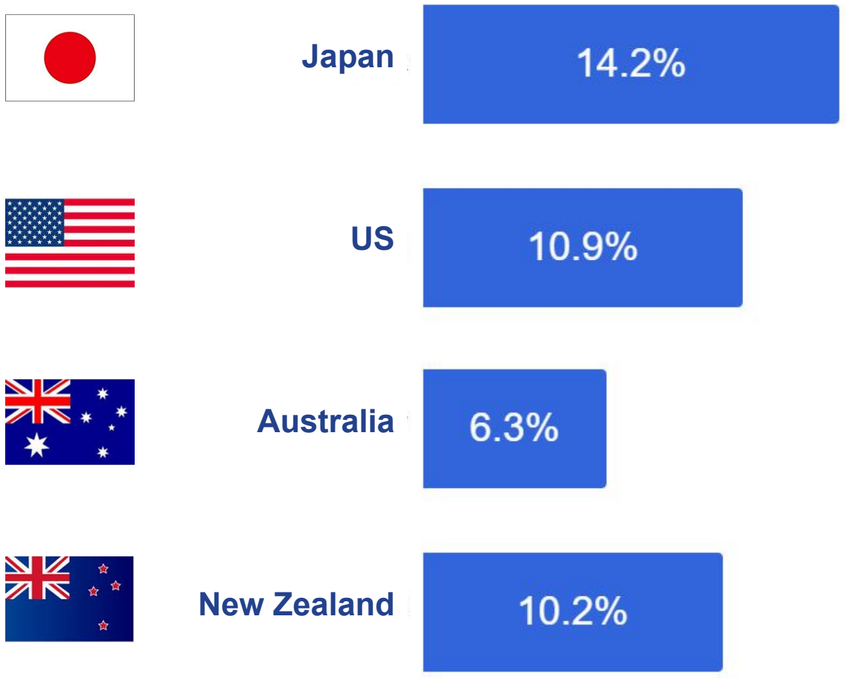


Leading Cloud Accounting Software Services (Release Date)[3]	*freee Accounting* (2013)	Sage (c. 2011)	Intuit (c. 2010)	Xero (2008)	Xero (2007)

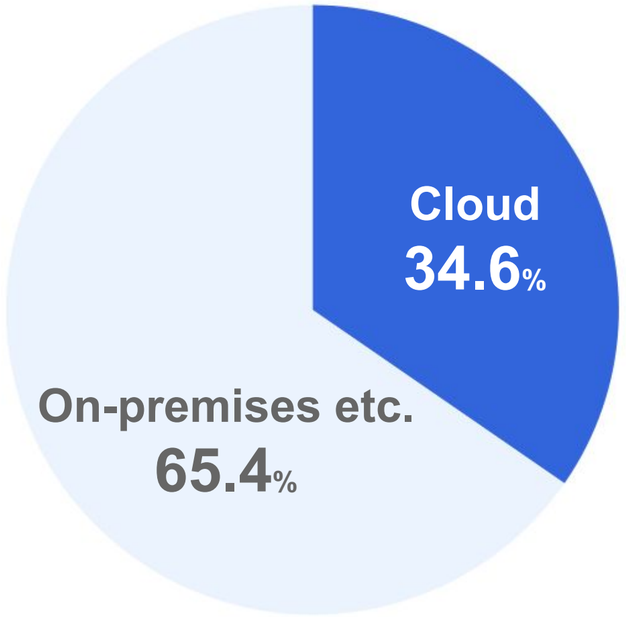
1. Source: MM Research Institute, Ltd.'s August 2017 survey on the status of adoption of cloud accounting software by corporations and April 2022 survey on the status of adoption of cloud accounting software by self-employed. Data on corporation is the adoption rate of accounting software among small and medium corporations with 300 or fewer employees.
2. Source: International Data Corporation (IDC), Worldwide Public Cloud Services Spending Guide Software Add On: V2 2023. The share of cloud accounting software among corporations with fewer than 1,000 employees or self-employed individuals in each country was obtained by dividing the size of the cloud accounting software market by that of the accounting software market.
3. Based on our research.

Japan’s Attractive Market in Mid Segment

Share of Mid/Larger-sized Companies among All Companies[1]



Cloud Accounting Software Penetration Rate in Japan’s Mid-sized Companies [2]



1. Share of companies with 20 or more employees.
   Source: Ministry of Internal Affairs and Communications “2021 Economic Census for Business Activity”; United States Census Bureau(2023.2); Australian Bureau of Statistics(2022.12); Statistics New Zealand(2022)
2. Source: International Data Corporation (IDC), Worldwide Public Cloud Services Spending Guide Software Add On: V2 2023.

Our Integrated Cloud ERP for SMB

Cloud-native[1] Integrated Accounting Software

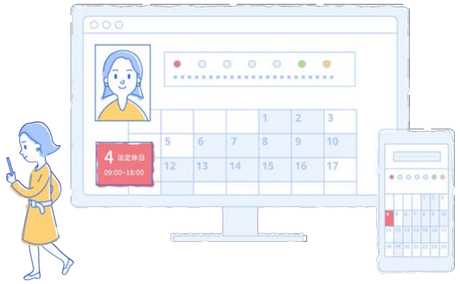
freee 会計

freee Accounting

Launched in 2013.3
No.1 Japan Cloud Market Share [2]

Invoicing | Expense reports | Financial statements | Budgeting | Workflow | Internal controls

Cloud-native Integrated Payroll Software



freee 人事労務

freee HR

Launched in 2014.10
No.1 Japan Cloud Market Share [3]

Time tracking | Joining/leaving management | Payroll | Year-end tax adjustments and filings | Personal identification number (My number) management

Other Products

freee 販売 — *freee Order Management*

freee 経費精算 — *freee Expense Management*

freee 勤怠管理 Plus — *freee Time Tracking Plus* (for the Mid segment)

freee カード — *freee Card Unlimited*

freee サイン — *freee Sign*

freee 申告 — *freee Tax Filing*

freee 工数管理 — *freee Workload Management*

freee 会社設立 — *freee Founding*

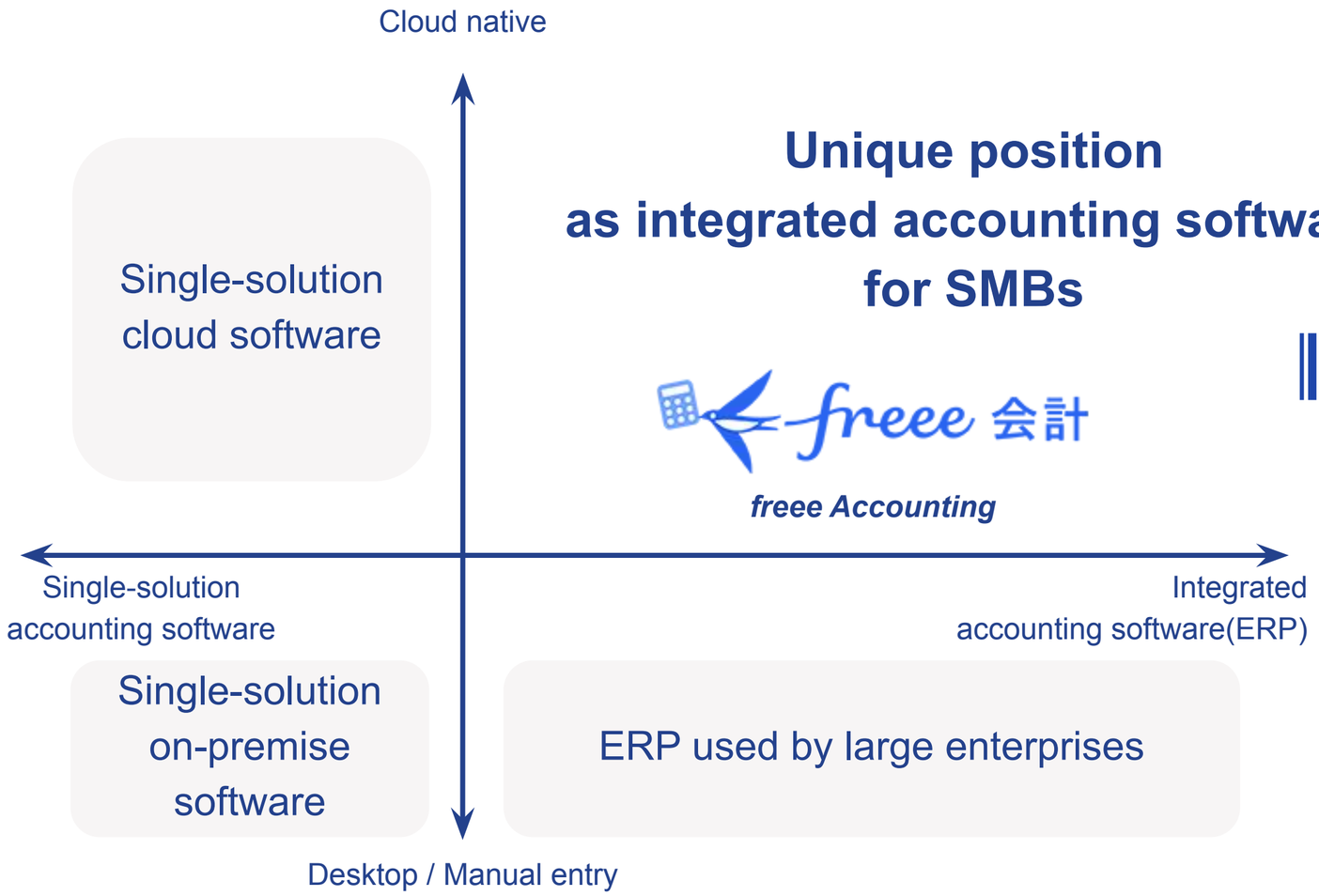
freee 開業 — *freee Opening*

freee 受発注 — *freee Ordering*

freee 福利厚生 — *freee Employee Benefits*

1. Cloud-native services: Services that give users access to an IT system via the Internet, eliminating the need to own software or hardware.
2. Source: LeadPlus, “Industry Analysis Through Keywords Series: Cloud Accounting Software” (August 2022).
3. Source: MM Research Institute. Web survey in March 2016 of employees of entities with less than 300 employees about the usage of cloud payroll software in Japan (N=4,168).

The Only "Integrated Management Platform" for Small Businesses in Japan



Compelling Value Proposition

- Easy-to-use, automated functionality
- Fully-integrated, comprehensive back office functions
- Navigational solutions supporting informed decision-making
- Collaborative across internal functions
- Scalability through public API(1)

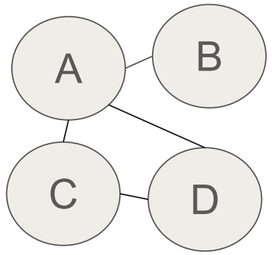
1. Public API: An API that is meant for internal use only is called a private API while an API that is accessible by external entities is called an open API. An open API that is publicly available to a wide range of entities not only specific partners is called a public API.

“Integration” and “Connection”: Differing User Experiences

- Integrated cloud ERP lowers hurdles for management and supports small businesses to manage their business freely.

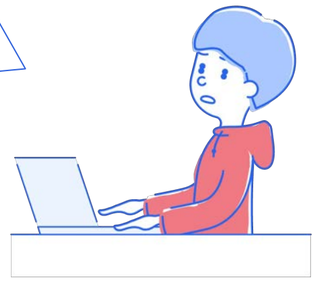
Connection

(Other services)



Fragmented links　　A, B…: Modules

- **User interfaces among modules are different and take time to get used to…**
- **A and B are showing different figures; which one is correct? I’m not sure about this, I need to check it over one more time…**



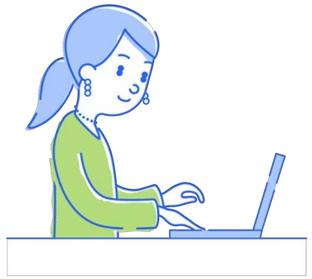
Integration

(freee)

freee

(A+B+C+D+・・・)

Reorganized as a single unit



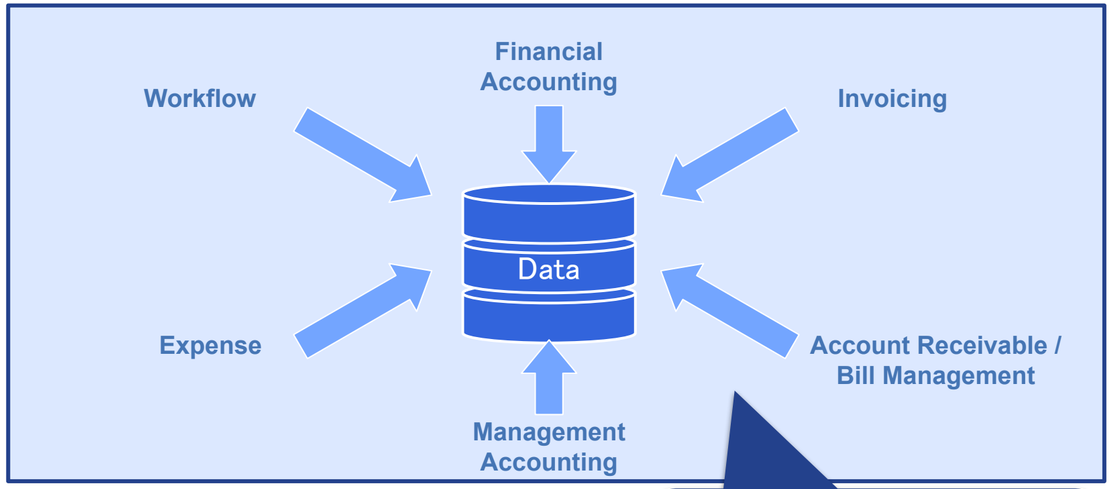
- **It’s easy to setup and learn how to use!**
- **Real-time data synchronization between functions minimizes the burden of checking numbers!**
- **It’s easy to analyze business conditions and get insights!**

freee

Difference in Architecture between "Integrated ERP" and “Single-solution Accounting Software/Connection”

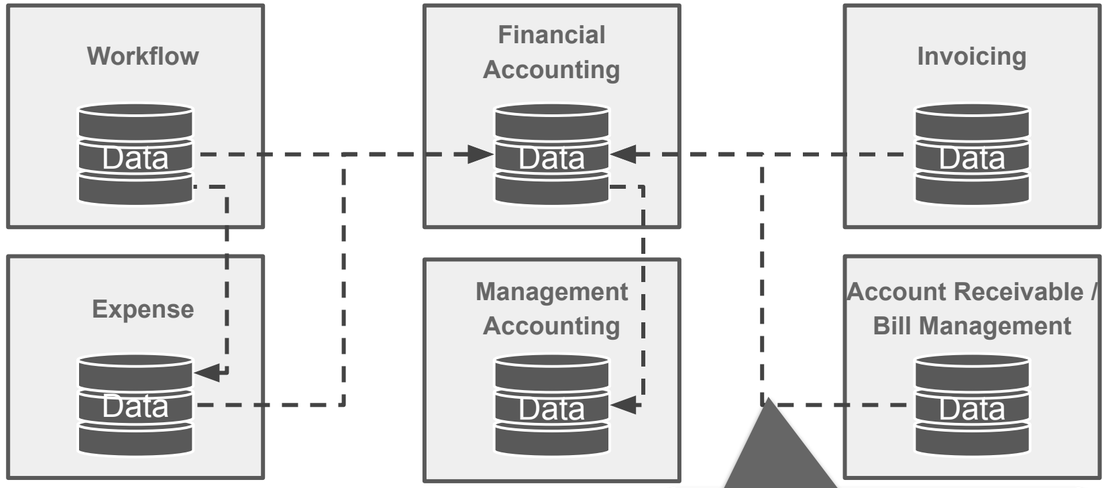
- *freee Accounting* is an "integrated cloud accounting software" that covers not only financial accounting but also invoicing, expense, workflow functions, and more on the same software. By running business operations other than financial accounting with *freee Accounting*, the accounting books are automatically created.
  - In addition to journal entry data, transaction data such as counterparty, approval history, vouchers, settlement status of each transaction can be centrally managed on the same database, contributing to more efficient management and back-office operations and quicker business decisions.

Integrated Accounting Software



Transaction Data
(counterparty, approval history, vouchers, settlement status, etc.)

Single-solution Accounting Software



Journal Entry Data

Member & Culture

Daisuke “Dice” Sasaki

Co-founder and CEO
freee K.K.

Born in Tokyo in 1980 and brought up in a family running a beauty salon. Graduated from the Faculty of Commerce and Management, Hitotsubashi University.

Assumed the post of the Head of APAC SMB Marketing Department at Google and promoted use of Internet ads among Japanese SMBs, among which ads in the forms of FAX marketing and hard-copy flyers were conventionally the mainstream. Also played a role of CFO at a startup, where he experienced the complication of accounting operations.

Based upon these experiences, founded freee K.K. with a mission to boost low productivity and lagged use of new technologies at Japanese small businesses.

At freee, has launched software applications including “freee Accounting” designed for ease of preparation of financial statements and tax return.

Concurrently serves as a member of the Management Council of Hitotsubashi University. A father of two children. A favorite word is “MAJI-KACHI” (a true customer value).

<Career>

2004.3	Graduated from Hitotsubashi University
2004.4 - 2006.6	Hakuhodo Inc.
2006.6 - 2007.4	Investment Fund (CLSA Capital Partners)
2007.5 - 2008.5	ALBERT Inc.
2008.5 - 2012.7	Google Inc.
2012.7	Founded freee K.K.

Sumito Togo

Director and CPO

Born in Akashi, known as Japan's meridian city in Hyogo Pref. Graduated from The University of Tokyo. Master of Engineering. At School of Engineering of The University of Tokyo, belonged to JAXA's Lab. Joined freee in 2013 after McKinsey and Google. Likes to drive, play table tennis and to play Dragon Quest III.

Ryu Yokoji

Co-founder and CTO

Born in Matsue, known as the Ruby City. Graduated from Keio Univ. Graduate School. Started system development for corporations when he was a student. Worked at Sony, and co-founded freee. Aims to redefine the existence of small businesses through the power of technology.

Yoko Naito

Outside Director (Audit and Supervisory Committee Member)

Appointed as a full-time Corporate Auditor of freee in September 2018 after working at a securities company and Ernst & Young ShinNihon LLC.

Junichi Kawai

Outside Director (Audit and Supervisory Committee Member)

Joined Google after working at Recruit, McKinsey, etc., and has served as a Senior Executive Officer at Google since November 2017.

Shinji Asada

Outside Director (Audit and Supervisory Committee Member)

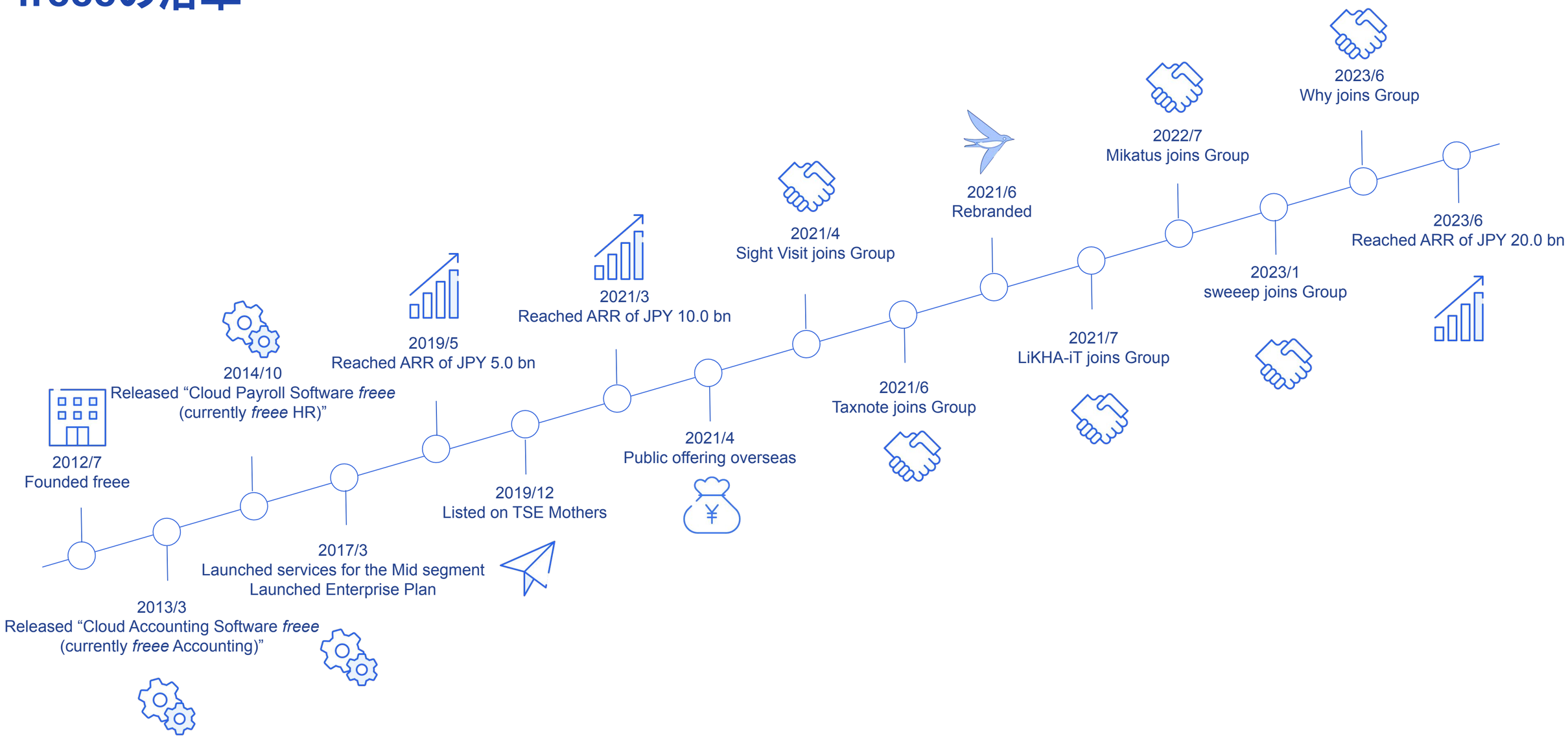
Founded One Capital Corporation in April 2020 after working at ITOCHU Corporation and salesforce.com.

Yumi Hosaka Clark

Outside Director

Served as a Vice President at Capital One and Visa after working at Adobe, PayPal, eBay, Intuit, etc. Joined Quicken Inc. as a Vice President of Integrated Financial Services in March 2021.

freeeの沿革


2012/7
Founded freee
2013/3
Released “Cloud Accounting Software *freee*
(currently *freee* Accounting)”
2014/10
Released “Cloud Payroll Software *freee*
(currently *freee* HR)”
2017/3
Launched services for the Mid segment
Launched Enterprise Plan
2019/5
Reached ARR of JPY 5.0 bn
2019/12
Listed on TSE Mothers
2021/3
Reached ARR of JPY 10.0 bn
2021/4
Public offering overseas
2021/4
Sight Visit joins Group
2021/6
Taxnote joins Group
2021/6
Rebranded
2021/7
LiKHA-iT joins Group
2022/7
Mikatus joins Group
2023/1
sweeep joins Group
2023/6
Why joins Group
2023/6
Reached ARR of JPY 20.0 bn

freee’s Unique Culture

Two Core Principles to deliver “true customer value”

Take responsibility for societal progress.

We aim to undertake new challenges to promote societal progress. We will take action to pursue projects that can change the world.

Movement-minded team.

We have a shared vision of how we want the world to be. Each individual member of our team adopts a self-starting approach while at the same time seeking to lead and engage with other team members.

freee's Unique Culture

Code of Conduct to deliver "true customer value"

Ideal-driven.

Start with your ideal solution to a problem without regard to real world limitations or roadblocks that may stand in your way. Challenge yourself without being limited by your current resources or skills.

Output → then think.

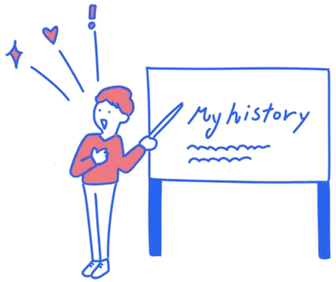
Achieve output first. Then think and refine.

Hack Everything★

Seek a deep understanding of the task at hand and the resources you have. Then think of ideas outside those boundaries.

Be "Your-own Ghost Buster."

Don't fear your own "ghost" (your own pre-conceived ideas of who you are). Be brave in facing up to yourself and continually seek and absorb feedback.



Dare to share.

Know your people and your team, and share about yourself so others know about you. Through exchanging feedback openly, aim to grow together.

Integrated Management Platform

Vision

Integrated Management Platform for Everyone to Manage Business Freely

1

Integrated Cloud ERP(1)

Realizing smart and best business actions

2

Open Platform

Supporting diverse business and management needs

3

User Network

Improving the efficiency and vitality of business transactions

1. ERP: Abbreviation for Enterprise Resources Planning. In Japanese, it is generally called "ERP" or "ERP package," referring to a system that collects all the information scattered throughout a company's management in one place for centralized management.

Integrated Cloud ERP Enabling Smart and Best Business Actions

- Expanded scope of operations and data covered by our integrated ERP solutions allows the realization of smart and best business actions, with a broader range of "automation" and "visualization" of business activities.

Number of Apps Listed on freee App Store: 161 (1)

Partnered Financial Institutions: 1,125 (2)

1. Automation
2. Visualization
3. Realization of smart and best business actions

1. As of March 31, 2023.
2. Partnered FInancial Institutions: Financial institutions contracted concerning API linkage. As of June 30, 2022.

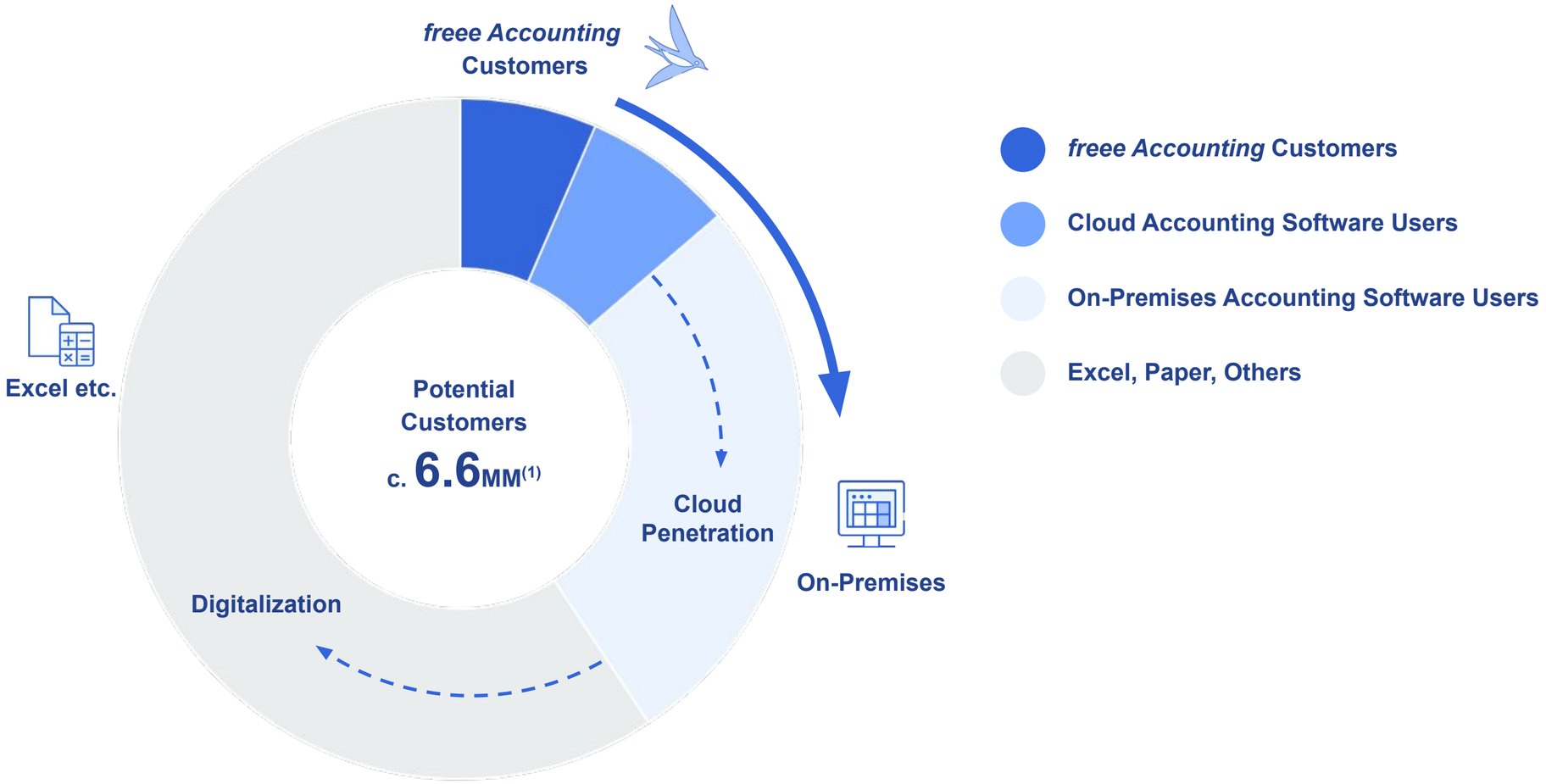
Customer Experience Enabled by Integrated Management Platoform

- In order for everyone to manage their own business freely, we keep enhancing the “Integrated experience.”

Advantages Enabled by Integrated Management Platform		Value Propositions to Customers	
	1. Automation	**Released** No need to spend time considering extra information.	**Freedom**
	2. Visualization	**Relaxed and Confident** Confidently and speedily manage your business using data.	
	3. Realization of smart and best business actions	**Enjoyable** Able to focus on what you want to think about to develop better ideas and better businesses.	

Market Landscape in Japan

Huge Opportunity to Penetrate Cloud Accounting Software in Japan



1. Source：MM Research Institute, Ltd.'s August 2017 survey on the status of adoption of cloud accounting software by corporations, MM Research Institute, Ltd.'s April 2020 survey on the status of adoption of cloud accounting software by self-employed, International Data Corporation (IDC), Worldwide Public Cloud Services Spending Guide Software Add On: V2 2023.

Acceleration of Digitalization and Cloud Penetration by Amendment of Electronic Books Maintenance Act and Introduction of Invoice System

Burden on Companies from System Changes

Support by *freee Accounting*

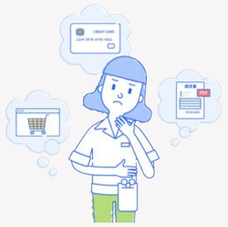
Oct. 1, 2023 ~

Invoice System

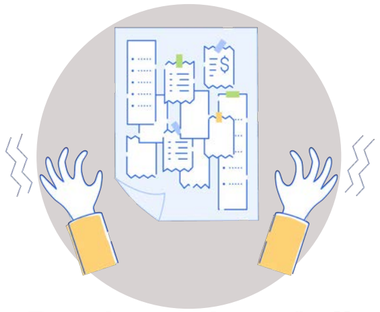
Retain copies of all
issued qualified invoices

Digitization of invoicing

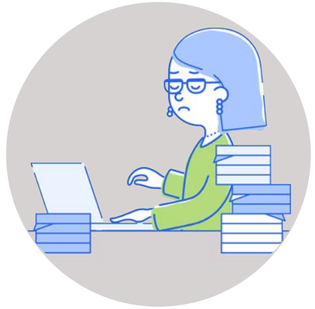
Jan. 1, 2024 ~



Compulsory Electronic Maintenance of Transaction Data



Retain copies of all
received invoices and receipts
(with some exceptions)



Increased burden of book-keeping
for not just dates, prices, and items, but also counterparties, transaction details, and tax categories

Advance paperless efforts for internal processes

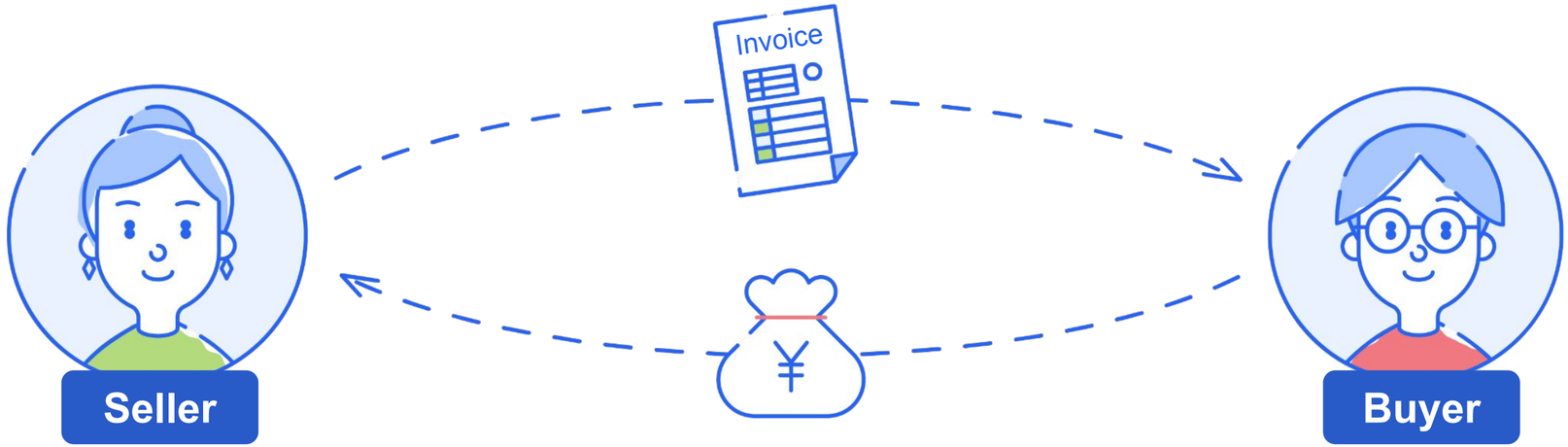
Date : Oct. 10, 2023
Price : JPY 1,430
Item : Travel/transportation expenses
Issuer : *freee Taxi*
Tax : 8% (reduced)

Utilizing AI-OCR in book-keeping

External Environment That Drives Use of Cloud Accounting Software
1. Invoice System for Consumption Tax Credit

- The Invoice System is a new regulation on tax credit for consumption tax on purchases that will begin on October 1, 2023.
- Not responding to the system results in disadvantages for both sellers and buyers of products/services from a business perspective.

Disadvantages from a Business Perspective (when not responding to the Invoice System)



<u>May lose business opportunities</u>
when required to issue qualified invoices by buyers

Businesses who need to prepare:
c. 6.90MM at a maximum

Taxable Person	c.2.04MM(1)
Taxable Person(Simplified)	c.1.14MM(1)
Tax-exempt Person	c.3.72MM(2)

<u>Must pay increased amount for taxes</u>
without tax credit for consumption tax on purchases

Businesses who need to prepare:
c. 2.04MM at a maximum
Taxable Person c.2.04MM(1)

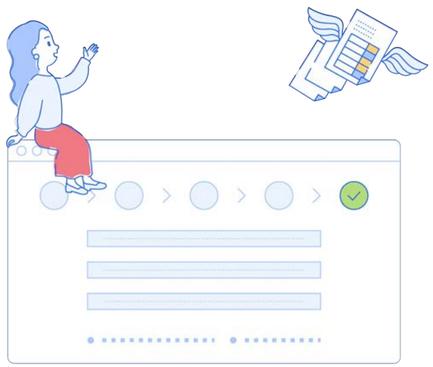
1. Source: Ministry of Finance et al., “Q&A on Preparation for the Invoice System by Tax-exempt Person and Their Counterparty.” A taxable person is one with taxable revenue of more than JPY10MM who are obligated to pay consumption tax. If a person has taxable revenue of JPY50MM or less and selects the simplified taxation method, they will be required to be prepared only as the seller.
2. Source: Government statements in the 198th Financial Affairs Committee (26th, February 2019). The figure excludes businesses in the agriculture, forestry and fisheries industry that ship to agricultural cooperatives etc., and businesses whose main revenue is non-taxable sales. A tax-exempt person is one with taxable revenue of JPY10MM or less who are exempt from paying consumption tax.

External Environment That Drives Use of Cloud Accounting Software
2. Amendment of Electronic Books Maintenance Act

- The amendment of the Electronic Books Maintenance Act in January 2022 significantly relaxed requirements for the storage of electronic books and scanned documents.
- In particular, as a result of the relaxation of requirements for the storage of scanned documents, original paper evidences can be disposed of immediately once they have been saved in the cloud[1].

Electronic Book-keeping

- Requirements for the electronic book-keeping were significantly relaxed.

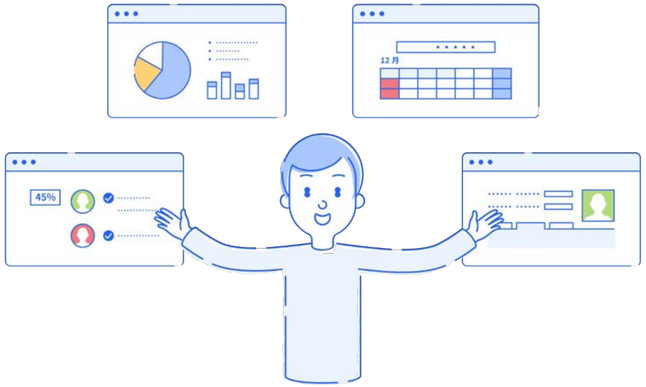


Scanned Documents

- Requirements for the storage of scanned data were relaxed significantly.
- Vouchers saved in the cloud can be disposed of immediately.

Electronic Transactions

- Electronic transactions data such as bank and credit card statements must be stored electronically.
- Paper-based storage will be prohibited from January 2024 onwards.



1. To meet the requirements of the Electronic Books Maintenance Act, a cloud system that can search evidence such as date and amount of receipts and has a history of corrections and deletions of the evidence must be used.

Go-to-market Strategy

Integrated Management Platform for Everyone to Manage Business Freely

Integrated management platform

Number of Apps Listed on freee App Store: 161 (2)

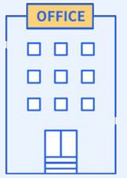
Partnered Financial Institutions: 1,125 (3)

Sales Partner

- Accountants
- FInancial Institutions
- Product Partners

Small business 6.6MM(1)

Self-employed
c. 4.7 MM



Small
(1-19EE)
c. 1.5 MM

Mid
(20-1,000EE)
c. 0.3 MM

1. Number of potential customers of Self-employed: Company's estimate based on National Tax Agency "Tax Statistics 2020" ; Number of potential customers of Small and Mid: Company's estimate based on Ministry of Internal Affairs and Communications "2016 Economic Census for Business Activity".
2. As of March 31, 2023.
3. Partnered FInancial Institutions: Financial institutions contracted concerning API linkage. As of June 30, 2022.

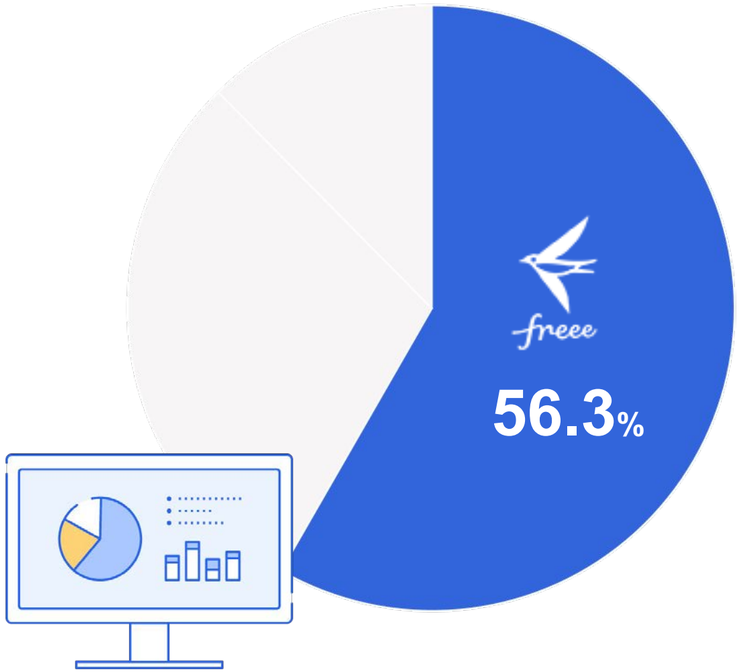
Customer Acquisition Channels

			Self-employed	Small (1-19EE[1])	Mid (20-1,000EE[1])
		# of Potential Customers[2]	c. 4.7MM	c. 1.5MM	c. 0.3MM
Channel	Direct	Marketing		Inbound Marketing	Field Marketing (Offline / Online)
		Sales	—	Inside Sales	Field Sales (Offline / Online)
		Customer Success	—	Online CS	On-site CS (Offline / Online)
	Indirect		Accountants	Financial Institutions	Product Partners

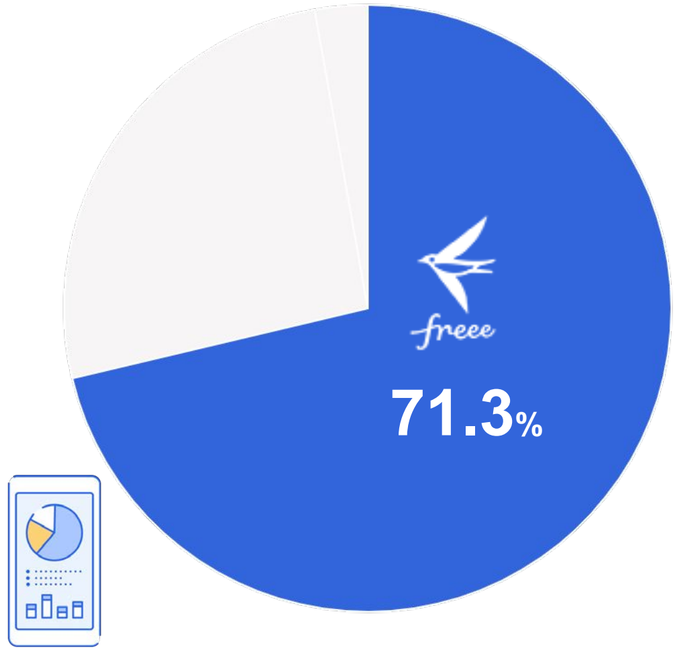
1. EE: Employee.
2. Number of potential customers of Self-employed: Company's estimate based on National Tax Agency "Tax Statistics 2020" ; Number of potential customers of Small and Mid: Company's estimate based on Ministry of Internal Affairs and Communications "2016 Economic Census for Business Activity".

No.1 Market Share in Cloud Accounting Software

Cloud Accounting Software[(1)]



Mobile App[(1)]



1. Source: LeadPlus, “Industry Analysis Through Keywords Series: Cloud Accounting Software” (August 2022).

freee flywheel: Product-driven Growth
The Only “Integrated Management Platform” for Small Businesses in Japan

Enhance “Integrated experience” by Cross-selling

- Enable future opportunities to cross-sell by leveraging customer base
- Expands the “integrated experience” by providing multiple services

Enhance “Integrated Management Platform”

- *freee* is only company providing integrated management platform to small businesses in Japan
- Improve the quality of existing products
- Develop new products
- Further pursue the “integrated experience” to customers

Solidify Customer Base

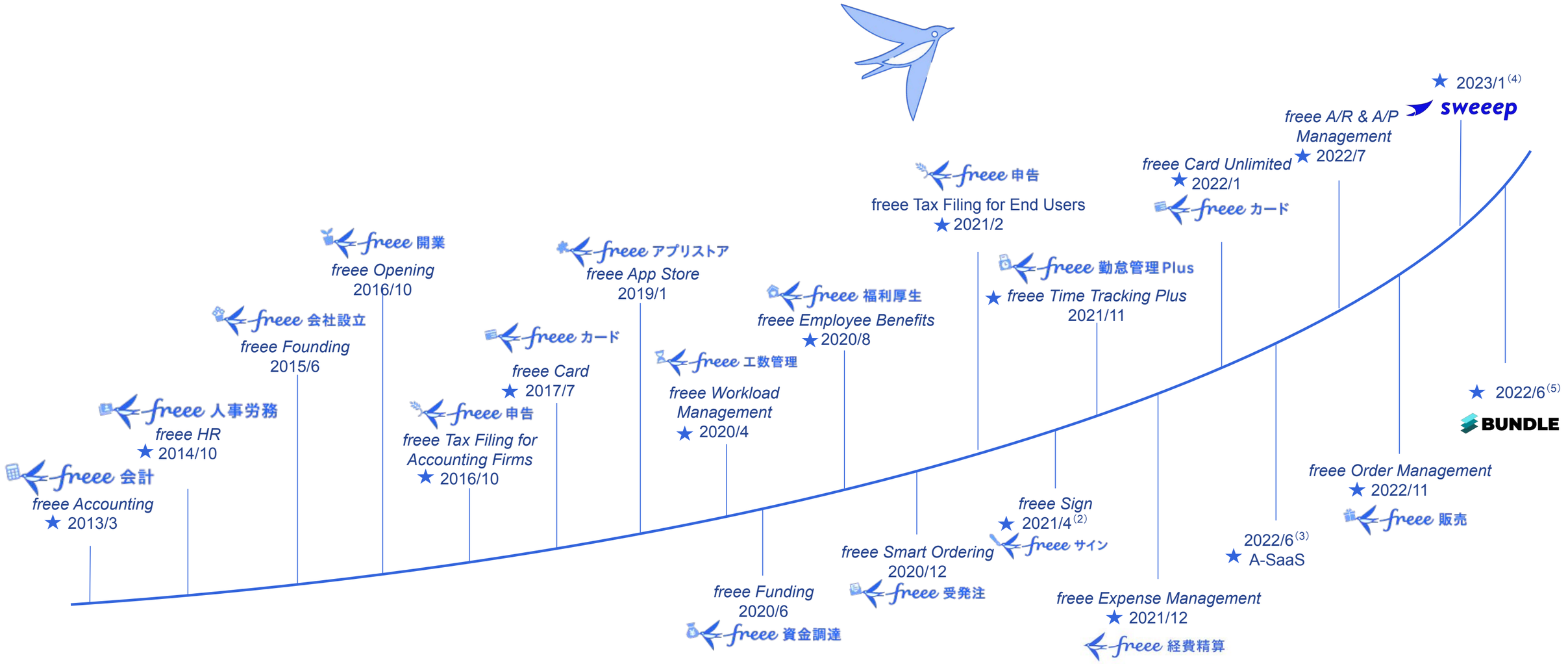
- Develop stickiness by offering customers an opportunity to try *freee’s* products and see their advantages as an integrated ERP
- Expanding customer base and strengthening user network further enhance the value of *freee* as an integrated management platform

Meet Various Kinds of Customer Needs

- As freee develops an integrated management platform, two solutions can be provided, integrated solutions and partial solutions, which meet various customer needs

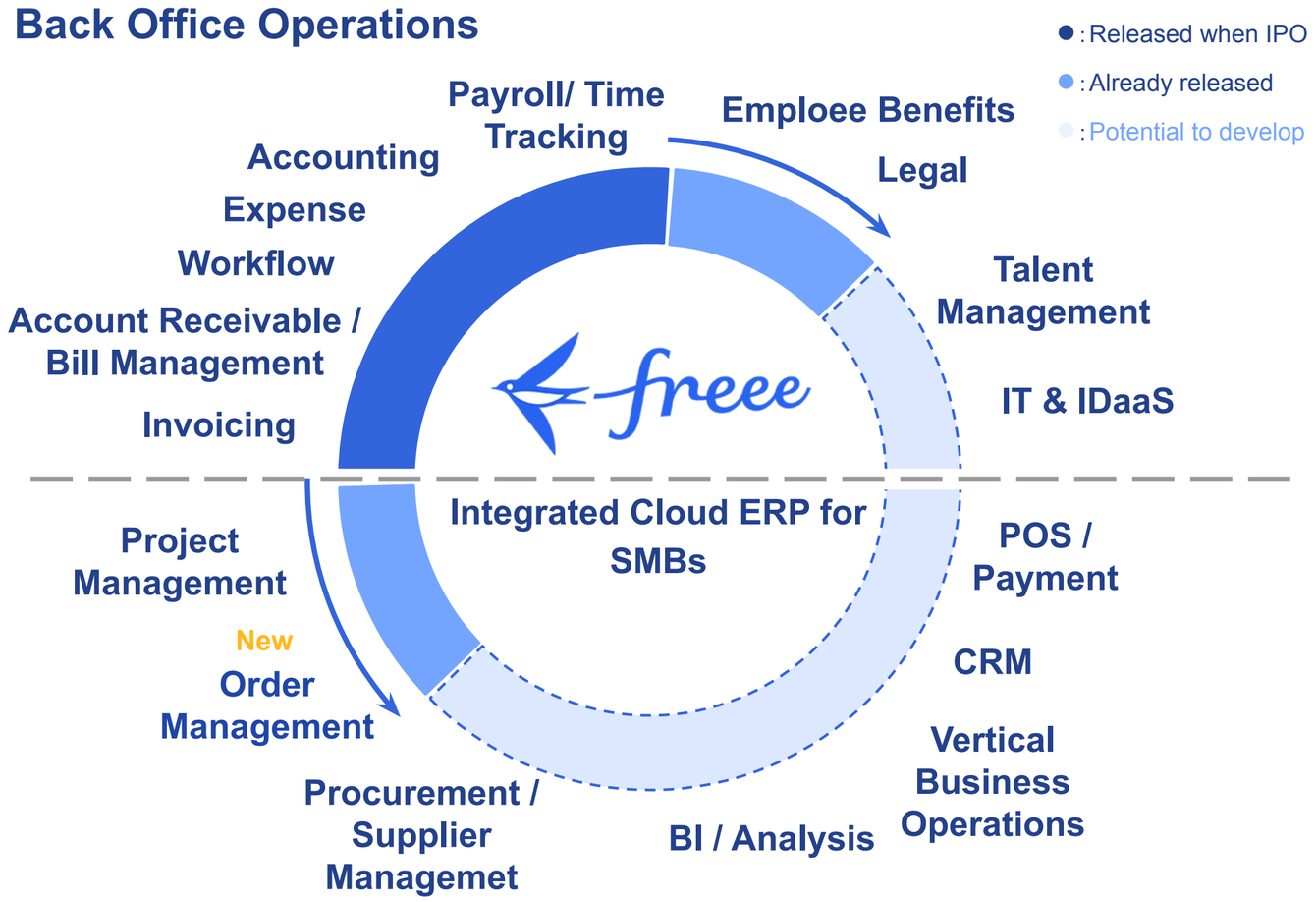
(Example)
Integrated solutions: *freee Accounting*
Partial solutions: *freee A/R & A/P Management*

History of Products



1. ★: Paid product
2. *freee Sign* by Sight Visit inc. joined the freee group in april 2021.
3. A-Saas by Mikatus inc. joined the freee group in June 2022.
4. sweeep Inc. joined the freee group in January 2023.
5. Bundle by Why Inc.joined the freee group in June 2023.

Potential to Expand the Scope of Integrated Cloud ERP



In-house Development

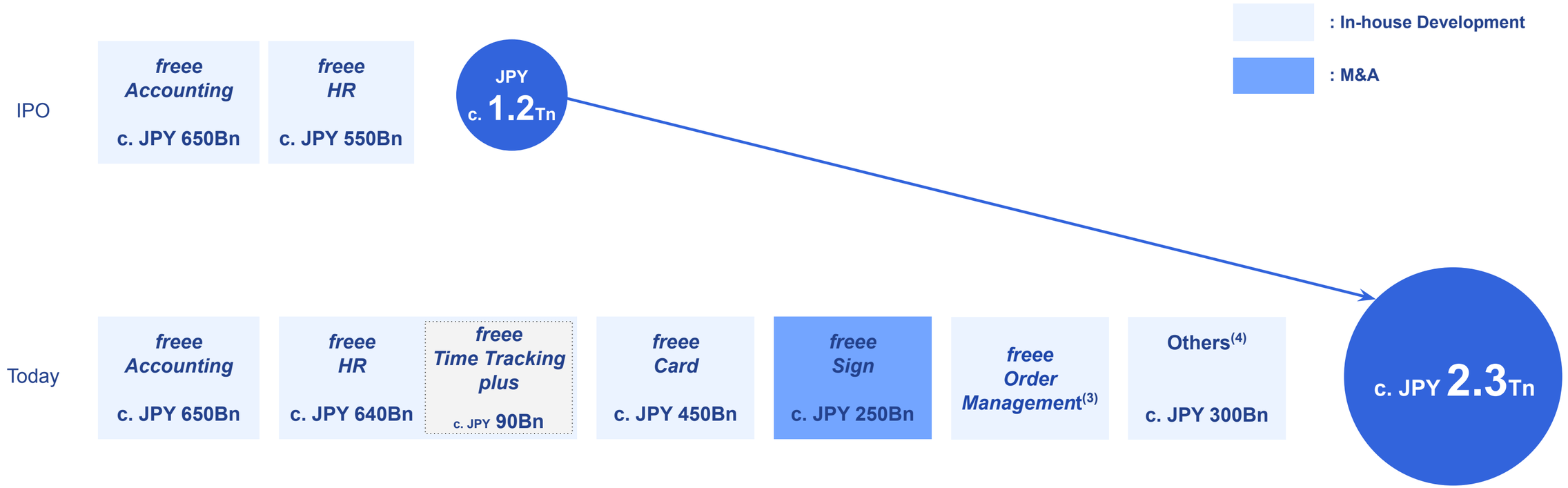
M&A

API Linkage

freee

Expanded TAM by Developing and Acquiring New Products

TAM[1][2]



1. TAM: Total Addressable Market: This figure is our estimate of the maximum amount of revenue we could possibly generate and is not intended as an objective indicator of the size of the market for our businesses as of the date of disclosure of this material. Our estimate of the TAM for each products is based on the following statistical data and publications from external sources and the unit prices of our services. Actual market size may differ from this estimate due to the limitations peculiar to such statistical data and publications in terms of their accuracy.
2. Source：National Tax Agency “Tax Statistics 2020” ; Ministry of Internal Affairs and Communications “2016 Economic Census for Business Activity” ; Portal Site of Statistics of Japan website.
3. *freee order management* was released in November 2022 and is offered mainly to customers in the small segment at this moment. TAM for this product will be estimated after started offering to the mid segment.
4. Includes *freee Workload Management* and *freee Employee Benefits*. *freee Employee Benefits* provides only company housing program, this figure shows the TAM of company housing program.

Mid-to-Long-term Strategy

Strategic Targets for Mid to Long-term Strategy

Strategic Targets

Sales & Marketing

Expanding and Solidifying Our Customer Base

Number of Paying Customers at the end of FY25.6

700K+ / 250K+

Total ***Corporates***

Net Revenue Retention Rate(1) for Coporates at FY27.6

110%+

Cross-selling/Up-selling Leveraged by Solid Customer Base

Research & Development

Investing in Future Cross-selling/ Up-selling Opportunities

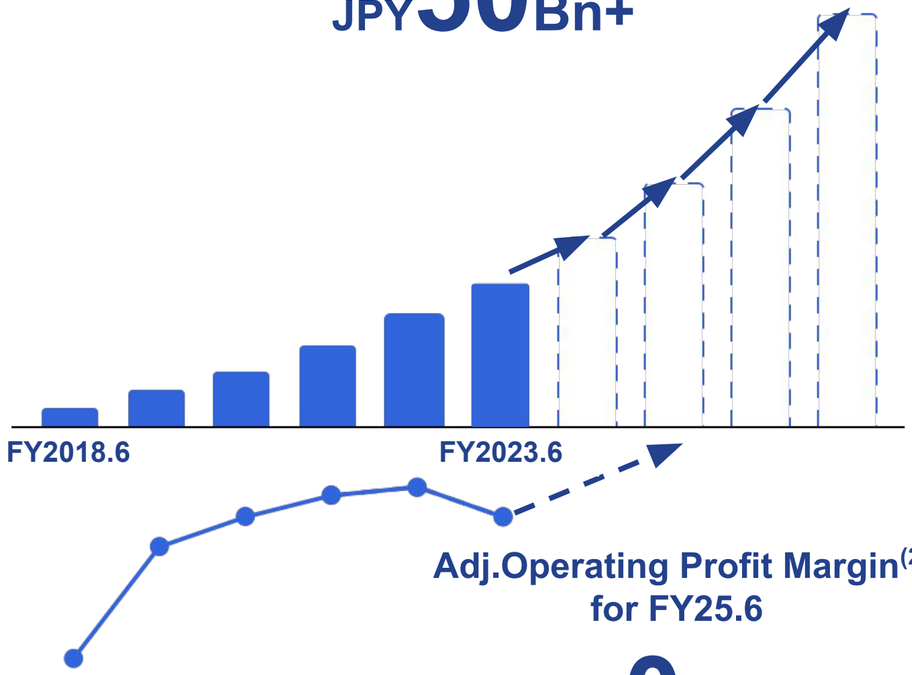
In-house Development

M&A

Financial Outlook

Revenue for FY27.6

JPY50Bn+

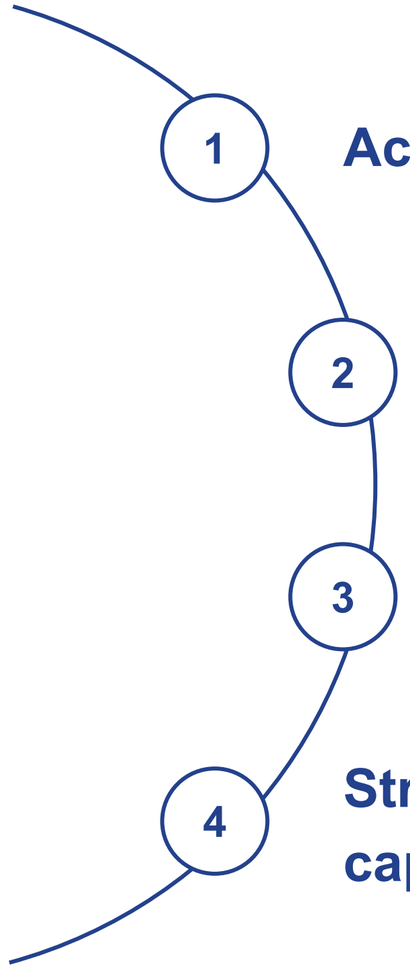


Adj.Operating Profit Margin(2) for FY25.6

0%

1. Net Revenue Retention Rate is calculated by dividing the revenue in the particular period for customers who were customers in the same period of the previous fiscal year by the revenue in the same period of the previous fiscal year. Incremental revenue from accounting firms includes the revenue from the increased revenue by their end users.
2. Adjusted operating profit (the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost).

Focus Areas for Three Years to Achieve Strategic Targets (FY23-25)



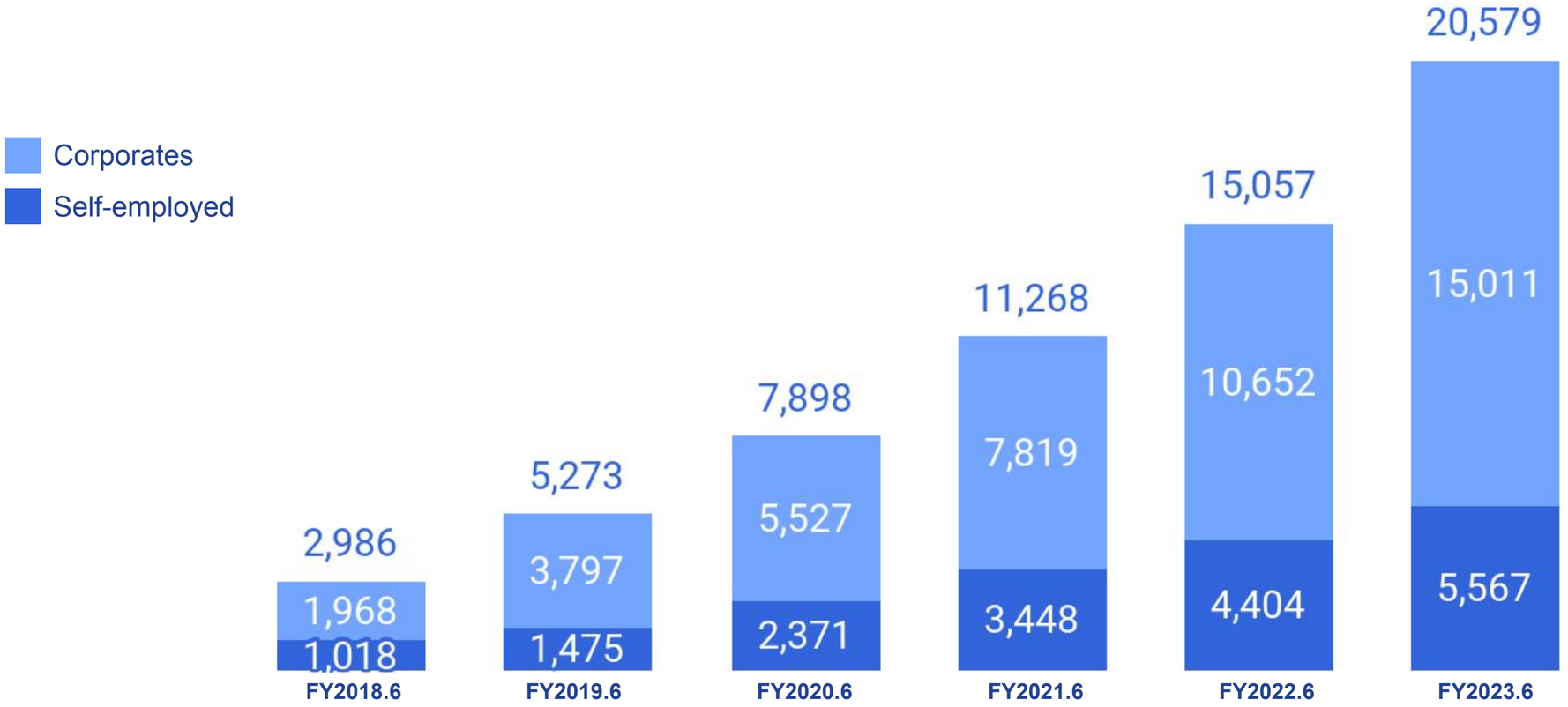
1. Accelerate investments to enrich “integrated experience”
2. Offer a broader range of landing points to provide various customer journeys
3. Expanding customer base by leveraging No.1 share in cloud accounting software market
4. Strengthen organization to enhance product development and sales capabilities

Key Metrics

ARR

ARR(At the end of year)[1][2]

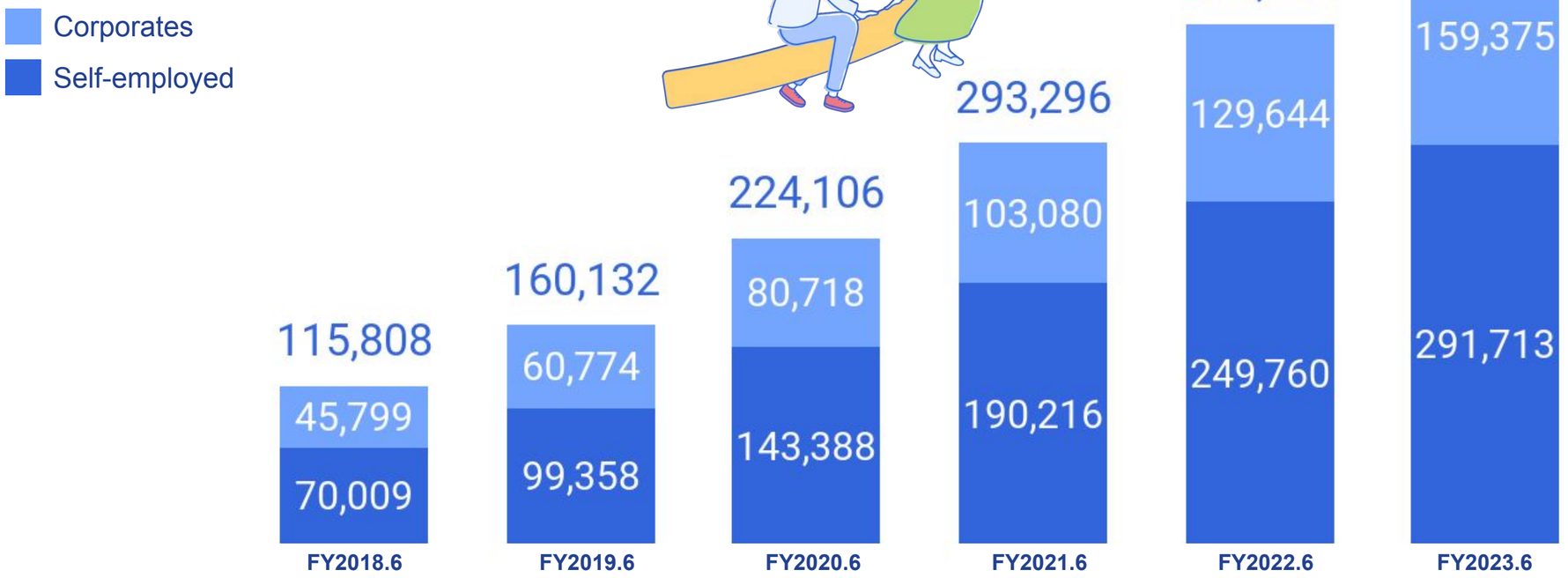
JPY MM



1. ARR: Annual Recurring Revenue. Monthly Recurring Revenue for last month of relevant period, multiplied by 12. Monthly Recurring Revenue is defined as the amount of fees contracted to be paid by customers on a monthly basis as of the end of a particular month (excludes one-time fees).
2. *freee Sign* and *Taxnote* are consolidated from the fiscal year ended June 30, 2022.Mikatus and sweeep Inc. are consolidated from the fiscal year ended June 30, 2023.

Number of Paying Customers

Number of Paying Customers[(1)(2)]



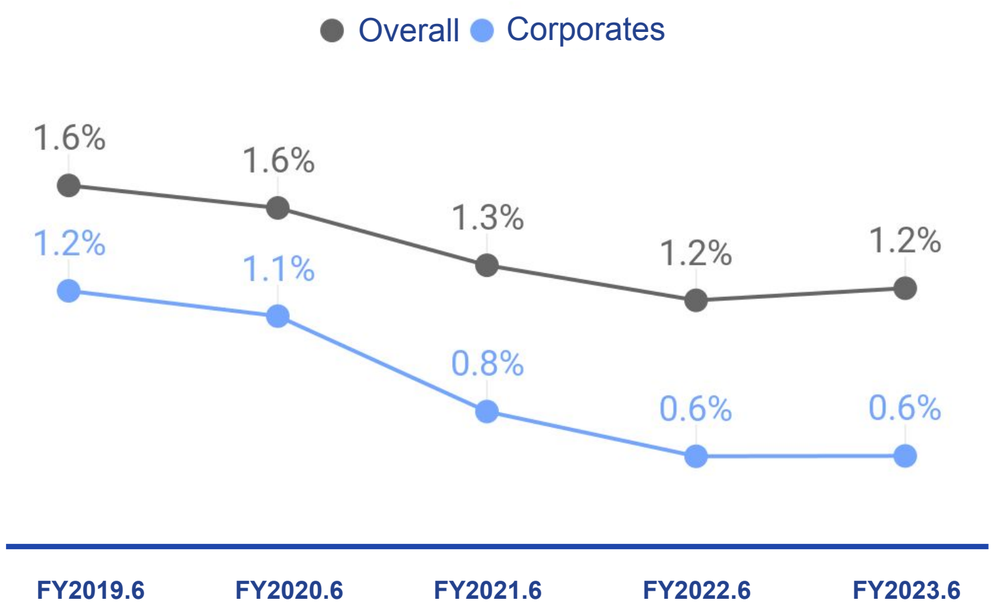
1. Number of paying customers: Refers to both Self-employed individuals and corporations that use our services.
2. *freee Sign and Taxnote are consolidated from the fiscal year ended June 30, 2022.Mikatus and sweeep Inc. are consolidated from the fiscal year ended June 30, 2023.*

Stickiness to “Integrated Cloud ERP” Lowers Churn Rate

Enhancement of existing products and operations

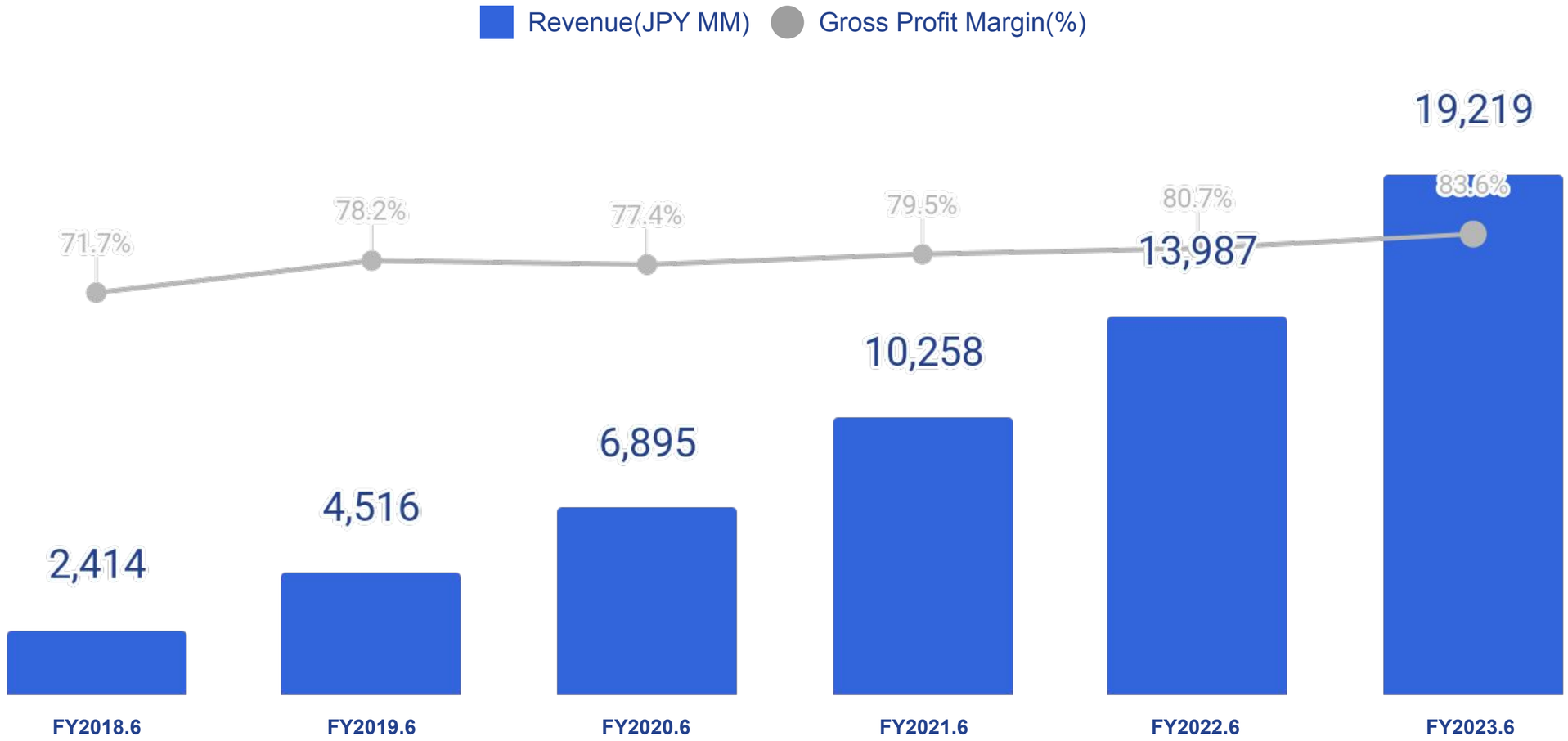
- Improvement of UI/UX
- Enhancement of existing functions
- Enhancement of customer success

LTM Average Churn Rate(1)



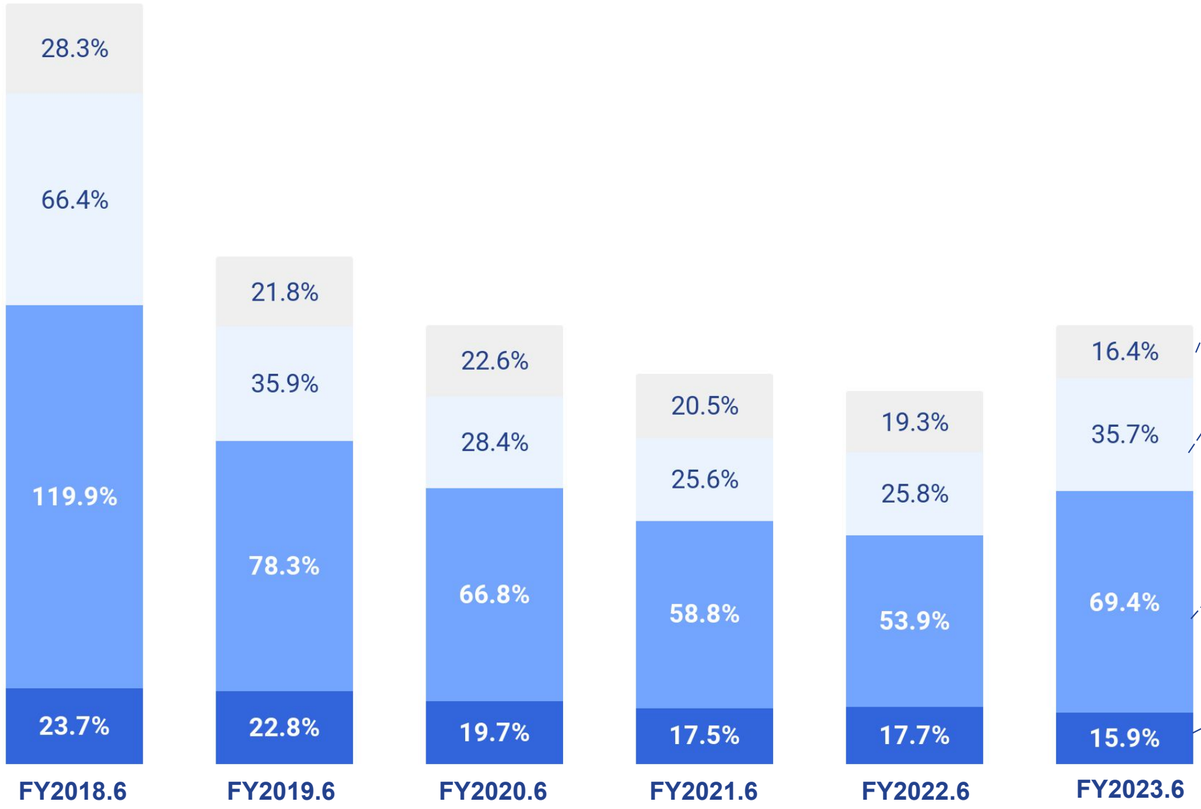
1. Average monthly churn rate (ARR of paying customers who left freee in a month / ARR at the end of the previous month) for the past 12 months.

Revenue and Gross Profit Margin[(1)(2)]



1. Revenue and gross profit margin for FY2022.6 are for Platform business only, excluding *Shikaku Square* sold on December 1, 2021.
2. *freee Sign and Taxnote are consolidated from the fiscal year ended June 30, 2022.Mikatus and sweeep Inc. are consolidated from the fiscal year ended June 30, 2023.*

Breakdown of SG&A (% of Revenue)



COGS[1]

- IT Infrastructure costs
- labor costs of customer support personel
- expenses for amortization of software assets etc.

adj. R&D[1][2]

- labor costs of engineers involved in research and development etc.

adj. S&M[1][3]

- online advertising expenses for sales promotions
- labor costs of sales personnel etc.

adj. G&A[1][4]

- labor costs of corporate departments
- other general and administrative expenses

1. Figures for FY2022.6 are for Platform business only, excluding Shikaku Square sold on December 1, 2021.
2. Research and Development. Total of labor costs of engineers involved in research and development and other research and development-related expenses, as well as allocated common expenses, etc.
3. Sales and Marketing. Total of advertising expenses for sales promotions, labor costs of sales personnel and other sales and marketing-related expense, as well as allocated common expenses, etc.
4. General and Administrative. Total of labor costs of corporate departments and other general and administrative expenses, as well as allocated common expenses, etc.

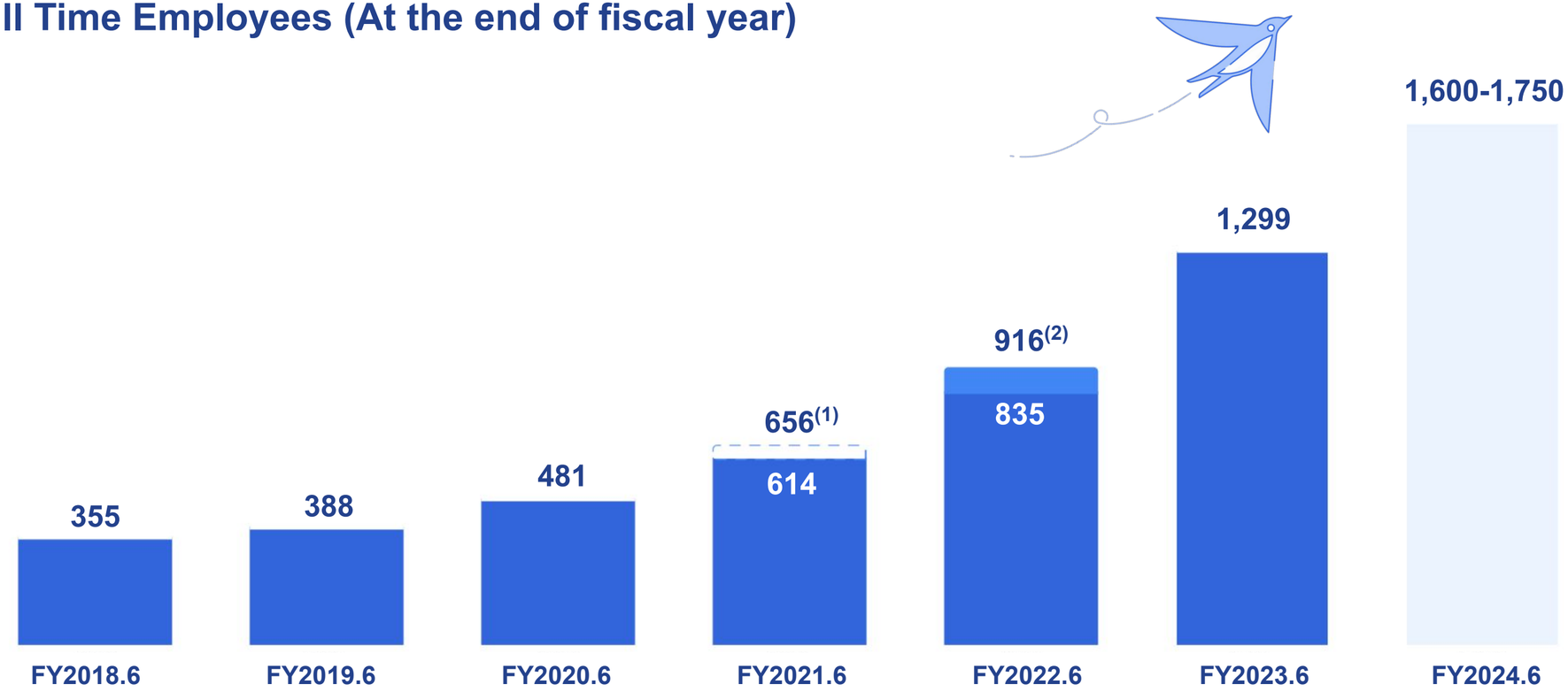
Long Term Financial Model

	FY2018.6	FY2019.6	FY2020.6	FY2021.6	FY2022.6	FY2023.6	Long-term
Gross Profit Margin	71.7%	78.2%	77.4%	79.5%	80.7%	83.6%	80%-85%
adj. R&D[(1)(2)] % of Revenue	66.4%	35.9%	28.4%	25.6%	25.8%	35.7%	17%-20%
adj. S&M[(1)(3)] % of Revenue	119.9%	78.3%	66.8%	58.8%	53.9%	69.4%	30%-35%
adj. G&A[(1)(4)] % of Revenue	23.7%	22.8%	19.7%	17.5%	17.7%	15.9%	8-10%
adj. OP Margin % of Revenue	-138.4%	-58.9%	-37.5%	-22.4%	-16.8%	-37.4%	20%-30%

1. Figures for FY2022.6 are for Platform business only, excluding Shikaku Square sold on December 1, 2021.
2. Research and Development. Total of labor costs of engineers involved in research and development and other research and development-related expenses, as well as allocated common expenses, etc.
3. Sales and Marketing. Total of advertising expenses for sales promotions, labor costs of sales personnel and other sales and marketing-related expense, as well as allocated common expenses, etc.
4. General and Administrative. Total of labor costs of corporate departments and other general and administrative expenses, as well as allocated common expenses, etc.

Accelerate Hiring for Future Growth

Number of Full Time Employees (At the end of fiscal year)

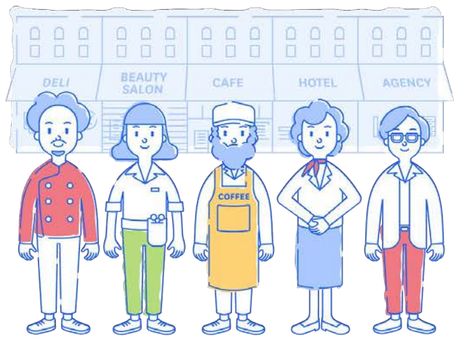


1. Figures include employees of Shikaku Square, which was sold in December 2021.
2. Figures include the number of employees of Mikatus, which was deemed consolidated as of June 30, 2022.

ESG

ESG

Contributing to Reducing Small Businesses' Environmental Impact

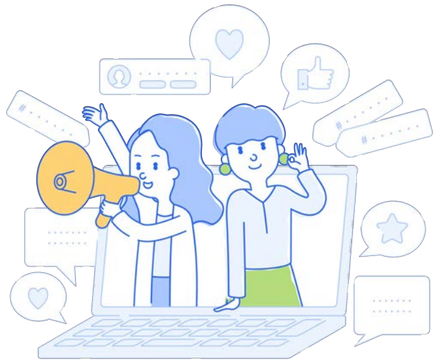


- Providing various online services such as *freee Accounting* and *freee HR* to help small businesses to advance paperless business operations and reduce unnecessary business travels

Developing a Sustainable Organization

- Working to build an environment that emphasizes DEI(1) so that diverse people can deliver outstanding performances
- Ranked in the top 10 companies of "Best Workplaces"(Medium-sized company section), a ranking announced by Great Place to Work(R) Institute Japan, for eight consecutive years (2015 - 2022)

Disclosure on Sustainability Website(2)



- Disclosing the information on freee's sustainability initiatives and data on "Sustainability Website"
- Continue to advance our ESG initiatives with the aim of achieving a sustainable society under our mission, "Empower Small Businesses to Take Center Stage"

1. Diversity, Equity, and Inclusion
2. https://corp.freee.co.jp/sustainability/

Case Study

Examples of Introduction of *freee Accounting*: Self-Employed

I have automated accounting work with *freee Accounting* to focus on principal work. I now use freed-up time for communication with customers.

Mr. Keisuke Tanaka, a business owner

- I feel much happier, much more excited when talking with customers or baking chiffon cake than when keeping books.
- So **I just want to get accounting work done quickly. To do so, it would be better to use software to automate what can be automated,** and I use the tax filing function of *freee Accounting* to get tax filing done on the first day of the filing period. **I don't want to spend much time on accounting, so I always think hard about how to do it with as little effort as possible.**
- **Once I decided to use *freee Accounting*, I decided to choose my others systems with "those that can be integrated with *freee Accounting*." This was because it would definitely make my operations easier.** In this way, I set up my business operations and systems centered on *freee Accounting*.

I didn't know how to file registration forms when starting a business or how to file a tax return. Now with *freee Accounting*, I can work on it anytime I want and get it done within the day.

Ms. Meru Tamaoki, Mori-no-Niji

- **When I decided to go self-employed, expense management was what I was most worried about**, because I need to record how much I spent on what, judge what can and cannot be expensed, and also keep books…
- Basically, when you start a business, you'd find it easy to manage revenue because you'd like to know how much you have earned. On the other hand, expenses could pile up while you don't realize it. So I wanted to accurately grasp expenses on my own to make sure I wouldn't get the feeling that my business is profitable when in fact it is in the red.
- **There are many small items of expenses, so I find *freee Accounting* particularly helpful as it gives me a clear picture of how much expenses were incurred for each month.**

Examples of Introduction of *freee Accounting*: Corporations

Successfully streamlined operations and brought visibility to management by way of cloud accounting

Ms. Tomoko Miyazaki, Representative Director and Chief Executive Manager, Jinya Co., Ltd.

- My husband and I inherited this hotel in 2009, when Jinya was posting annual revenue of 290 million yen but burdened with debts of over 1 billion yen. To break that negative cycle, we launched **basic turnaround efforts, striving to increase revenue and reduce expenses, and also began to work to bring visibility to management**.
- By introducing *freee Accounting*, we have streamlined our routine operations in accounting. As a result, accounting work, which was four people including Senior Executive Manager, is now handled only by one part-time employee working four hours a day, three days a week.
- **We've brought real-time visibility to our financial statements, including P/L and B/S. On non-business days, I often travel for speaking engagements or go meet people from the hotel and other industries to exchange views.** By using *freee*, even when away on those trips, I can check performance data on the cloud at any time.

Central management led to significant reduction in work

Atrae, Inc.

- Originally, our company's accounting was not directly linked to the actual accounting system. The original data for price estimates, invoicing, and delivery information, order information, vouchers, attendance, payrolls, etc., was managed in Excel, and figures were subsequently entered into the accounting system based on this data. This system was overly complex and confusing, and **we wanted to find a way to consolidate and integrate the management of this information. This is why freee, being designed based on the concept of cloud ERP, was very appealing to us**.
- After introducing *freee HR* and *freee Accounting*, **we were able to consolidate our scattered and disconnected collection of information, and now we're able to aggregate all our information without any extra effort**.

Examples of Introduction of *freee Accounting*: Corporations

Enabling smooth cooperation with subsidiaries

KDDI Corporation

- We provide freee IDs to our subsidiaries as well. In the past, after we closed our accounts for the end of the fiscal period, we had to go out of our way to create reports in Excel and show them to each company. **However, with freee, all we need to do is let the parties we are sharing information know that the period is finished, and each company can see the same information on the same platform**. The ability to quickly see updates in real time and view detailed information on each point of note is very convenient.
- We've introduced *freee Accounting* at 11 group companies so far. We asked one of the companies that recently introduced the system for their impressions, and they replied that their employees haven't had any issues concerning operations. **The positioning of buttons and other UI features seem to have been well thought out**. Being able to ensure smooth operations like this is extremely important for employees working on the front lines.

Aiming to innovate accounting operation as a entire group

Nomura Securities CO., LTD., N-Village Co., Ltd.

- When we introduced freee at N-Village Co., Ltd., we immediately found the platform very user-friendly. freee is easy to use and training expenses are very low. Our employees find it simple and intuitive, and it is also easy for us to introduce freee to outsourced contractors as a result.
- I've used freee myself in my capacity as CSO, and found the UI overwhelmingly superior to accounting software from other companies.
- Compared to other package accounting software, freee has very efficient functions such as automatically collecting transaction data from bank accounts that are linked with *freee Accounting* and automatically sorting and categorizing transactions.

Examples of Introduction of *freee Accounting*: Corporations

Achieved real-time visibility of cash management and performance data with an eye to growth over the next 70 years

Chiyoda Rubber Co., Ltd.

- Before introducing *freee Accounting*, it took two to three weeks to put our accounting data together using accounting software, and then we sent it to an accountant and waited for additional two to three weeks to receive pro forma statements. All in all, we had a time lag of one month to one and a half months before we could see the whole dataset. But **after introducing freee, we are now able to get pro forma statements in real time and take action immediately.**
- By linking freee to our bank accounts, we can view the balances on freee and the balances of our bank accounts in real time and also see them at a glance without logging in online banking systems of each bank. In addition, using freee, **we can forecast cash flows and develop a financing strategy based on it. We believe that going forward, we can take full advantage of that function.**

Solid Positioning in Growing Enterprise Segments (Listed Companies)

東証 プライム・スタンダード

RakSul, Gunosy, GMOペパボ, MS-Japan, AVIX, TREホールディングス, GungHo, Atrae, Mobile Factory, HEROZ JAPAN, DRECOM with entertainment, AUN CONSULTING, Inc.

グロース TOKYO PRO Market

Wantedly, HowTelevision, VALUENEX intellectual innovator, GMO MEDIA, 株式会社農業総合研究所, eMnet e-Marketing Network, JFRONTIER, Makuake, HENNGE, FreakOut Holdings, Tri-Stage, 弁護士ドットコム 専門家をもっと身近に, alue, 識学 SHIKIGAKU MANAGETECH COMPANY, 日本を、資源大国にしよう。 REFINVERSE, Aplix, Agent, PLAID

freeeを利用しIPO実施

VISIONAL, KAIZEN PLATFORM, ENECHANGE, for Startups, Inc., CSC CYBER SECURITY CLOUD, safie, Sportsfield, MEDLEY, MODALIS, SUSMED Sustainable Medicine, メディア総研株式会社 Media Research Institute, Inc., LIVERO, macbee planet, JTOWER, C Channel, PORT INC., ONE CAREER, THECOO, LMG LOVABLE MARKETING GROUP, Goodpatch, FLECT

freee

Expansion of freee App Store

Number of Apps Listed on freee App Store[1]

161

1. As of March 31, 2023.

Others(Product Overview)

freee Accounting

- Service that covers not only financial accounting, but also accounts receivable/billing, invoicing, expensing, and workflow functions
- Enables gathering and visualization of necessary accounting information for both Self-Employed/Corporate users owing to the functions above

1 Automatic Input Made More Efficient

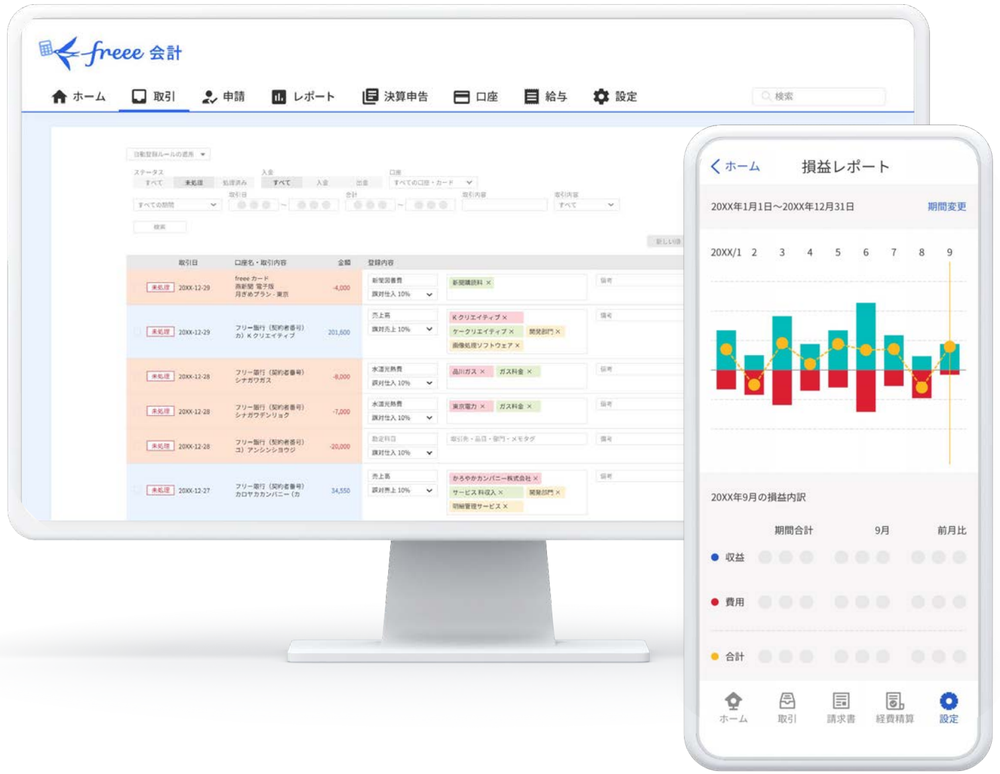
Complete digitization of a colossal number of documents made possible through OCR
Obtain data from financial institutions automatically and create journal entries automatically

2 Integrated Cloud Accounting Software

Complete accounting, invoicing, accounts receivable/billing, workflow, fixed assets, and each business report with one master data on *freee Accounting*

3 Analysis Leading to Smart Business Management

Possible to inspect analysis results of various angles and progress reports of budget and actual management anytime, anywhere in order to perform quick business decisions



freee HR

- Service that enables frequent routine operations such as time tracking, payroll, and HR procedures to be efficient and automatic
- Drastic reduction in the burden of input/confirmation operations by both HR and employees by centrally managing employee master files

1 Connecting Routine HR Operations

Complete routine operations occurring each month, from obtaining employee information to issuing pay statements, solely with freee

2 Constantly Retain Latest Organization and Personnel Information

Compatible with hiring and leaving procedures, changes to personal information, and changes to organizational structure, the latest employee information is continuously aggregated with freee

3 Paperless HR with Electronic Synchronization

Create paperless operations via synchronization not only with freee products, but also with government systems such as e-Tax and eLTAX

freee Order Management

- Service that enables customers to manage a comprehensive series of order management operations for each project in contracted business,from tracking status of business deals to managing deliveries of services after receiving and taking orders

1 Streamlining order management across the board

Centrally manages all operations with freee Order Management: recording deals, receiving and accepting orders, outsourcing, providing deliveries, and billing and paying. Structure allows customers to track data flow from upstream to downstream, providing access to desired data at any point in time.

2 Tracking phase of deals for each project, dropping task omissions to zero

Prevents omission of issuing invoices, etc., even when taking on large numbers of projects.

3 Simplifying the way to monitor sales and profit reports for each project

Reports display forecast information for sales and profits before finalization as accounting information. Enables both executives and entire sales teams to monitor customer information related to projects and the the possibility of receiving an order.

freee Tax Filing

- Service that makes efficient tax filing viable through synchronizing data with *freee Accounting* and *freee HR*
- Reduce the burden of necessary processing and procedures by simplifying employees' annual corporate tax and year-end tax adjustments and filings

1 Product Synchronization that Automatically Connects

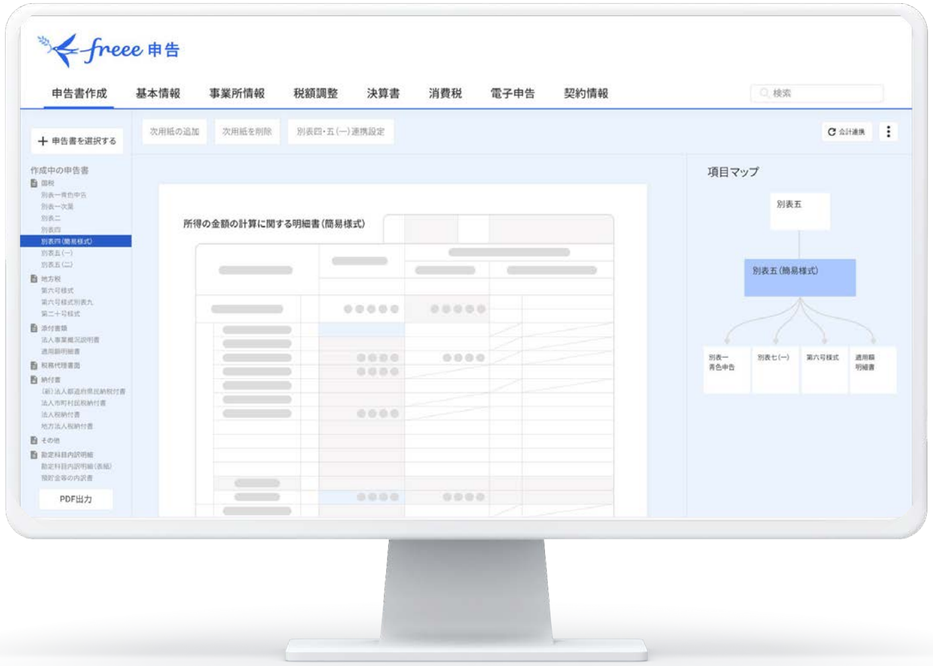
Create tax filing documents by automatically synchronizing data from *freee Accounting* and *freee HR*
Achieved the industry's first two-way accounting and tax filing synchronization by automatically applying calculated results

2 Appropriate for a Wide Range of Tax Filing Operations

Compatible with corporate tax/income tax/year-end tax adjustments and filings/asset depreciation
Designed to be easy to use for accounting firms as well as small and medium-sized businesses

3 Electronic Tax Filing Made Simple

Compatible with both Windows/Mac
Complete paperless tax filing operations through *freee Tax Filing*



freee Workload Management

- Service that enables income and expenditure management for projects through managing item management, workload management, and visualization of reports
- Enables improved estimations and the reduction of unprofitable projects by reducing input workload operations, enabling income and expenditure management, and visualization of profit ratios

1 Input Workload Linked to Actual Schedules

Enable quantitative data entry by synchronizing *freee HR*, *freee Time Tracking Plus*, calendar, and other systems

2 Real Time Assignment Adjustment

Enable a suitable operating rate by aggregating assignment schedules via the cloud and real-time management by visualizing possible operational schedules

3 Detailed Income and Expenditure Analysis

Improve project management with real-time confirmation of income and expenditure progress on a per-project basis and across multiple projects

freee Employee Benefits

- Service that supports management of the introduction of a company-rented housing system providing housing to employees to post-introduction operations
- Drastic reduction in introduction/management costs is made possible through creating regulations, which can be a barrier to introduction, designing internal operations, and reducing the burden of contract operations

1 Company Housing System Even for Small and Medium-Sized Companies

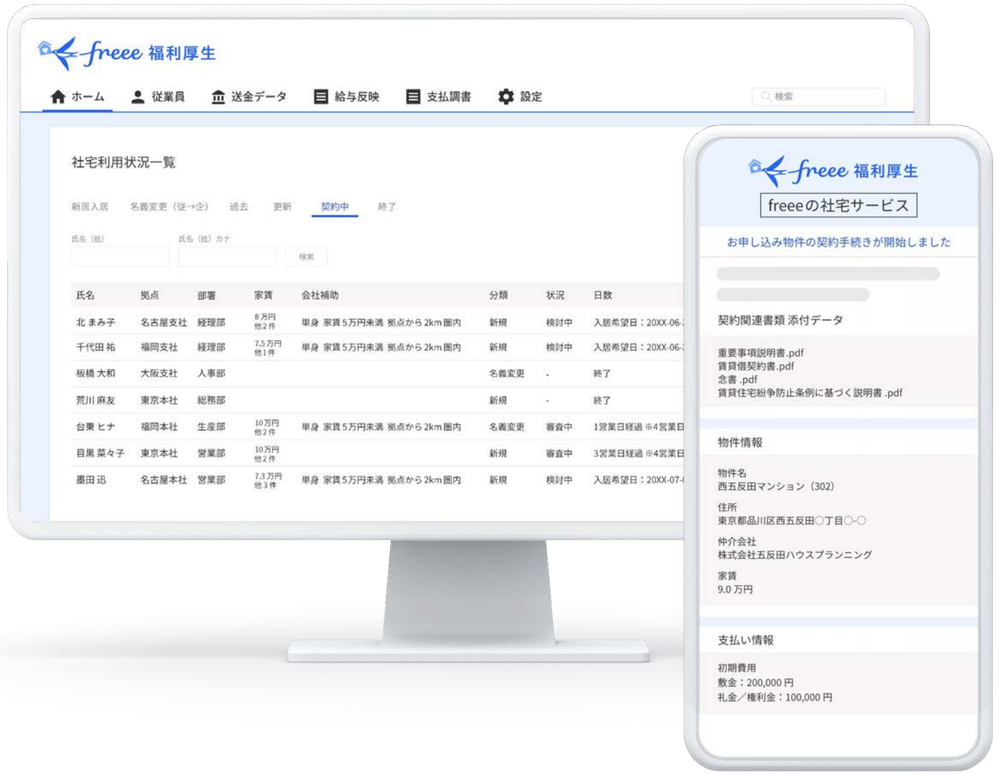
Cover overall company housing management operations from introduction to administration
Support provision of employee benefits with minimum workload

2 Simple Operation of a Complex System

Contract workflow and confirmation of progress done online
Necessary operations and management necessary for a company-rented housing system made easy to understand

3 Smart Synchronization of Related Operations

Enable sustained operation without burdening the back office by connecting with *freee Accounting* and *freee HR*



freee Sign

- Online service that completes bothersome contract operations intuitively
- Contract operations that used to take 30 minutes or more are reduced to as little as 5 minutes

1 One-stop Contract Creation to Management

Complete contract operations from contract editing, creation, conclusion, to management on the one product

2 Seamless Operation of Contracts and Related Operations

Synchronized with *freee Accounting* and *freee Ordering*
Reduce paper usage and workload by connecting contract operations

3 Quick and Smooth Introduction

Intuitive design interface that does not require an operation manual
All plans for corporates include telephone support for customers and contracted partners

freee Ordering

- Transaction platform that increases both client and contractor efficiency through the same service
- One-stop solution for document creation, collection, exchanges with counterparties, and progress management stemming from ordering operations

1 Ordering Communication Made Efficient

Complete ordering exchanges and document deliveries by repeating requests and approvals between contractors and clients

2 Central Management from Contracts to Invoices

Prevent contract update and collection omissions through unified order status management
Smooth operation until contract completion with optional *freee Sign* synchronization

3 Compliance with Various Legal Systems

Transactions made with *freee Ordering* are compliant with the Electronic Books Maintenance Act, while automatically generated documents are compliant with the Subcontract Act

freee Invoice

- Service that enables to issue invoices that meet the requirement of the Invoice System for free
- Enables to issue invoices easily with simply following and filling the forms

1 Comply with the requirements of the Invoice System and the Electronic Book Maintenance Act

Complies easily with the requirements which are difficult for conventional practices using paper or spreadsheet software to comply with

2 Prepare invoices easily

Enables to prepare documentations other than invoices, such as quotations and delivery slips, using over 40 preset templates

3 Launched as a landing point to integrated cloud ERP

Expects customers to recognize the benefits of UI and UX of freee's products by introducing freee Invoice casually

sweeep

- Service that compliant with the Invoice System for invoice receivable and electronic storage of all documents
- Enables to automate receiving and saving invoices and journal entries

1 Great onboarding experience with minimized burden

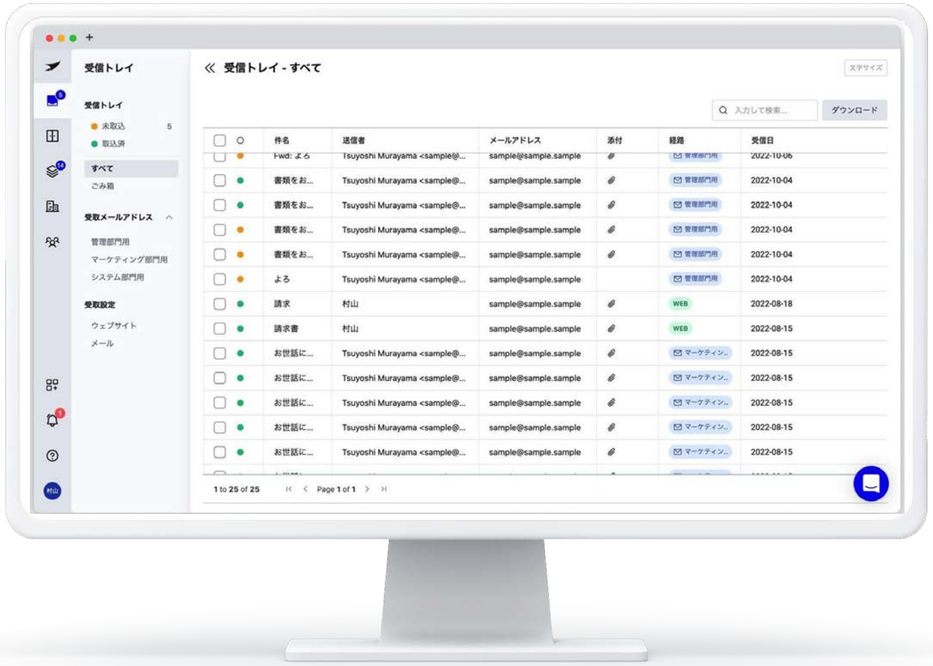
Reduces the cost of manual initial setup by synchronizing data such as the counterparty master data from freee Accounting
Designs a screen to manage invoice lists like a UI similar to that of e-mail receiving software. Lowers learning costs during introduction even for first-time users, and enable to construct stable internal operations quickly

2 Automated input work for invoices with high-precision AI-OCR

Utilizes AI-OCR with a reading accuracy of 98.5% to automatically input journal entries and payment information from received invoices

3 Seamless integrated experience with freee Accounting

Unlike the API linkage between accounting software and invoice software, "invoice data" from sweeep can be viewed in freee Accounting as well as "journal entries," greatly reducing the burden of A/P management



BUNDLE

- Service that visualizes the SaaS accounts used by employees and automates inventory
- Reducing workloads for joining and leaving companies, and transfers of employees contributes to higher efficiency, security

1 Visualize status of utilization by integrating employee and account information

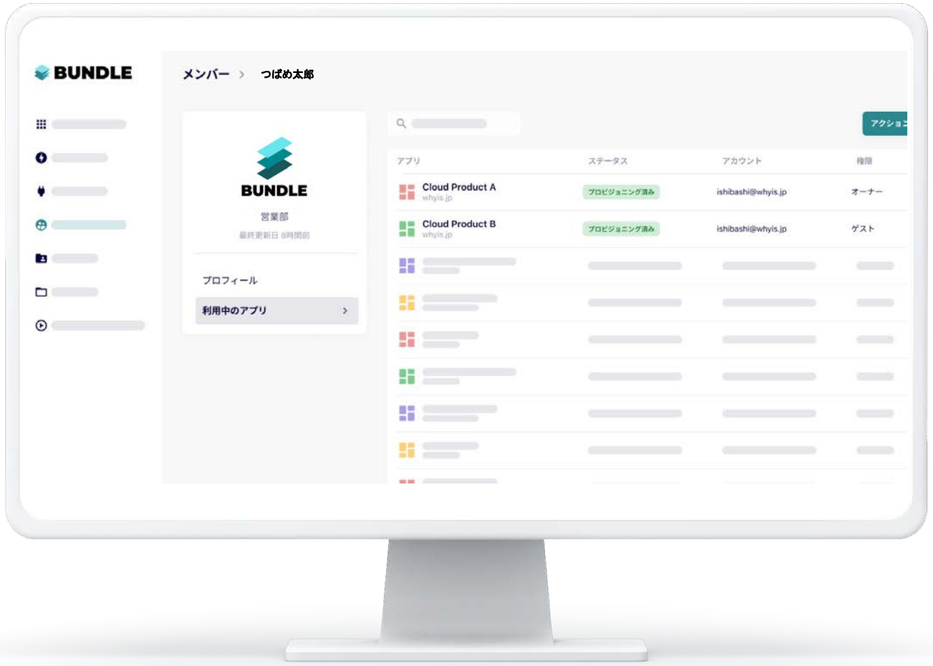
By automatically linking employee data from HR softwares such as freee HR with SaaS account information, visualize status of utilization and unneeded accounts.

2 Reduce operational workload for joining, termination, transfers, and organizational restructuring by automation

Uses the integrated employee database to automate SaaS account provisioning and deprovisioning operations based on changes in employee's status (e.g. departments and job types) upon joining and leaving companies, and transfers of employees

3 Strengthen integrated experience in freee's HR solutions

Covers a suite of processes by offering integrated experiences in operations related to joining and termination as well in addition to existing freee HR functions



Pricing History - *freee Accounting*[1]

freee 会計

For Self-employed

2013.8

Service launch

Starter
JPY980/month
JPY9,800/annum

2016.5

Revision

Starter
JPY980/month
JPY9,800/annum
Standard
JPY1,980/month
JPY19,800/annum
Premium
JPY3,980/month
JPY39,800/annum

2017.3

Revision

Light
JPY1,980/month
JPY19,800/annum
Business
JPY3,980/month
JPY39,800/annum
Enterprise
Quoted Price

2018.7

Revision

Minimum
JPY2,380/month
JPY23,760/annum
Basic
JPY4,780/month
JPY47,760/annum
Professional
JPY47,760/month
JPY477,600/annum
Enterprise
Quoted Price

2020.5

Revision

Starter
JPY1,180/month
JPY11,760/annum
Standard
JPY2,380/month
JPY23,760/annum
Premium
JPY39,800/annum

2022.12

Revision

Starter
JPY1,480/month
JPY11,760/annum
Standard
JPY2,680/month
JPY23,760/annum
Premium
JPY39,800/annum

2023.1

Revision

Minimum
JPY2,680/month
JPY23,760/annum
Basic
JPY5,280/month
JPY47,760/annum
Professional
JPY47,760/month
JPY477,600/annum
Enterprise
Quoted Price

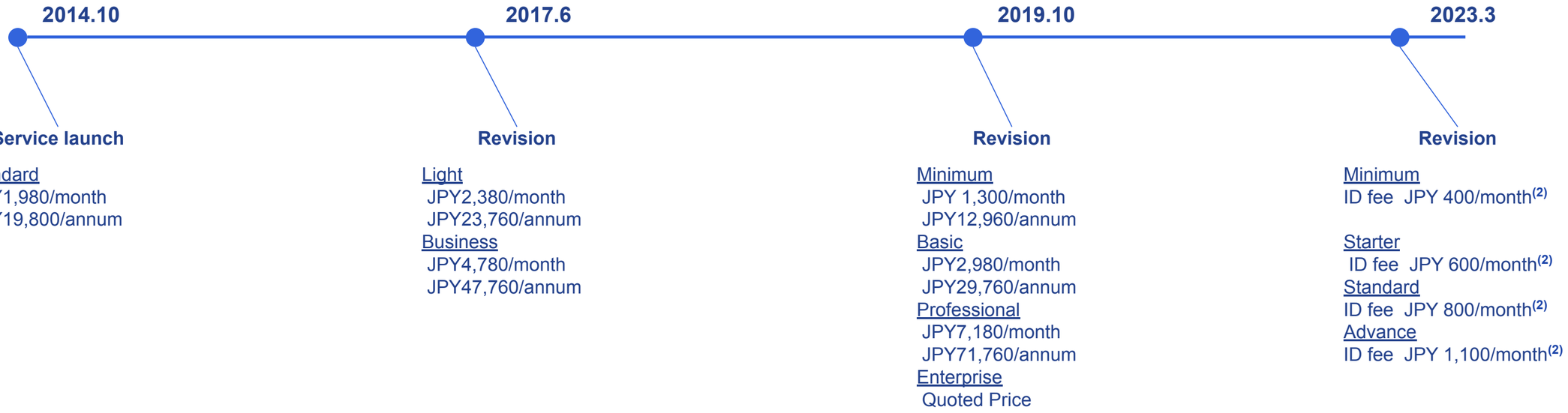
For Corporates

Note:
1. Monthly or annual payment only, does not include ID fee.

Pricing History - *freee HR*[1]

freee 人事労務

For Corporates



Note:
1. With the plan revision in March 2023, pricing for freee HR were revised to ones without basic fees and changed to a plan for each ID
2. Available from the first 5 IDs. For monthly payment, the fee of the first 5 IDs is 1.3 times of the above rate.

Pricing - *freee Accounting*(For Corporates)

Plan[1]	Price[1]		Features[1]					
	Monthly Payment	Annual Payment	Financial Statements	Expense Management	Budgeting	Workflow	Internal Controls	Support
Enterprise	*Quoted price	*Quoted price	○	○	○	○	○	Chat / E-mail / Dedicated Support Team
Professional	• Base fee：JPY 47,760 • ID fee: JPY 600 (Free ID for up to 10 members)	• Base fee: JPY 477,600 • ID fee: JPY 6,000 (Free ID for up to 10 members)	○	○	○	○	×	Chat / E-mail / Telephone
Basic	• Base fee: JPY 5,280 • ID fee: JPY 400 (Free ID for up to 3 members)	• Base fee: JPY 47,760 • ID fee: JPY 3,600 (Free ID for up to 3 members)	○	○	×	×	×	Chat / E-mail / Telephone
Minimum	• Base fee: JPY 2,680 • ID fee: - (Free ID for up to 3 members[2])	• Base fee: JPY 23,760 • ID fee: - (Free ID for up to 3 members [2])	○	×	×	×	×	Chat / E-mail /

1. As of the date of disclosure of this material. Listed prices are excluding tax. Further details of fees and features are on our website.
2. ID for more than 3 members is not available with this plan.

Pricing - *freee Accounting*(for Self-employed)

Plan[1]	Price[1]		Features[1]				
	Monthly Payment	Annual Payment	Book-keeping	Tax Return	Cash Flow Reports	Expense Management	Support
Premium	*Annual payment only	• Base fee: JPY 39,800 • ID fee: JPY 3,600 (Free ID for up to 3 members)	○	○	○	○	Chat / E-mail (Preferential treatment)/ Telephone
Standard	• Base fee: JPY 2,680 • ID fee: JPY 400 (Free ID for up to 3 members)	• Base fee: JPY 23,760 • ID fee: JPY 3,600 (Free ID for up to 3 members)	○	○	○	×	Chat / E-mail (Preferential treatment)
Starter	• Base fee: JPY 1,480 • ID fee: - [2]	• Base fee: JPY 11,760 • ID fee: - [2]	○	○	×	×	Chat / E-mail

1. As of the date of disclosure of this material. Listed prices are excluding tax. Further details of fees and features are on our website.
2. Only advisors authorized by freee may be added.

Pricing - *freee HR*

Plan[1]	Price[1]	Features[1]				
	Per Month	Payroll	HR Procedures	Attendance Management	Advanced Employee Management[3]	Support
Advanced	• ID fee: JPY 1,100[2]	○	○	○	○	Chat / E-mail / Telephone
Standard	• ID fee: JPY 800[2]	○	○	○	×	Chat / E-mail
Starter	• ID fee: JPY 600[2]	○	○	×	×	Chat / E-mail
Minimum	• ID fee: JPY 400[2]	○	×	×	×	Chat / E-mail

1. As of the date of disclosure of this material. Listed prices are excluding tax. Further details of fees and features are on our website.
2. Available from the first 5 IDs. For monthly payment, the fee of the first 5 IDs is 1.3 times of the above rate.
3. Includes the workflow function for managers to approve employee requests for address changes, commuting requests, and other employee-related requests.

Pricing - *freee Sign*

Plan[1]	Price[1]		Features[1]				
	Monthly Payment [2]	Electronic Signature	No. of Templates Registered	No. of Contracts Transmitted	Workflow	API	Support
Pro Plus	• Base fee: JPY 144,000 • ID fee: JPY 300 (Free ID for up to 100 IDs)	• JPY 200 per contract	Unlimited	Unlimited	○	○	Chat / E-mail / Telephone
Pro	• Base fee: JPY 60,000 • ID fee: JPY 500 (Free ID for up to 20 IDs)	• JPY 200 per contract	Unlimited	Unlimited	○	△[3]	Chat / E-mail / Telephone
Light Plus	• Base fee: JPY 23,800 • ID fee: JPY 1,000 (Free ID for up to 6 IDs)	• JPY 200 per contract	Unlimited	Unlimited	×	△	Chat / E-mail / Telephone
Light	• Base fee: JPY 5,980 • ID fee: - (Free ID for up to 1 ID[2])	• JPY 200 per contract	Unlimited	50 per month	×	△	Chat / E-mail / Telephone
Starter (For Self-employed)	• Base fee: JPY 1,280 • ID fee: - • (Free ID for up to 1 ID[2])	• JPY 0 per contract (Up to 10 contracts per month)	10	10 per month	×	×	Chat / E-mail

1. As of the date of disclosure of this material. Listed prices are excluding tax. Further details of fees and features are on freee Sign's website.
2. Also available with annual payment. Annual payment is free for the first month of subscription in the first year of the contract (not applicable to the Starter Plan).
3. API integration is available as an option (JPY 5,000 per month), not as a standard feature.

Pricing - Other Services

freee A/R & A/P Management (1)

Monthly	Base fee : JPY 25,000 per month ID fee : JPY 500 per month (Free ID for up to 20 members)

freee Expense Management (1)

Monthly	ID fee : JPY 500 per month

freee Time Tracking Plus (1)

Monthly	ID fee : JPY 300 per month

freee Order Management (1)

Monthly	Base fee : JPY 1,300 per month ID fee : JPY 260 per month (Free ID for up to 1 member)
Annual	Base fee : JPY 980 per month ID fee : JPY 200 per month (Free ID for up to 1 member)

1. As of the date of disclosure of this material. Listed prices are excluding tax. Further details of fees and features are on our websites.

Pricing - Other Services

freee Workload Management (1)(2)

Monthly	ID fee : JPY 1,800 per month
Annual	ID fee : JPY 1,500 per month

freee Employee Benefits (1)

Monthly	Base fee : JPY 4,980 per month ID fee : JPY 2,300 per month (Free ID for up to 1 member)

freee Tax Filing (for corporates)(1)

Annual	Base fee : JPY 24,800 per annum(3)

Taxnote (1)

Taxnote Plus	Base fee : JPY 3,500 per annum
Taxnote Cloud	Base fee : JPY 600 per month

1. As of the date of disclosure of this material. Listed prices are excluding tax. Further details of fees and features are on our websites.
2. *freee Project Management* was renamed as *freee Workload Management* from April 2023.
3. Annual payment only.

Disclaimer

This document has been prepared solely for the purpose of disclosing relevant information regarding freee K.K. (referred to herein as the "Company", "we" or "us") and, depending on the context, its consolidated subsidiary. This document does not constitute an offer to sell or the solicitation of an offer to buy any security in the United States, Japan or any other jurisdiction.

This presentation material includes forward-looking statements that express expectations of future results. These forward-looking statements include, but are not limited to, expressions such as “believe”, “anticipate”, “plan”, “develop a strategy”, “expect”, “project”, “forecast” or “have the potential” and other similar expressions that explain our future business activities, results, events and circumstances. Forward-looking statements are based on the intentions of our management based on the information that is available to them at the time of such statements. Therefore, these forward-looking statements are dependent on various risks and uncertainties, and actual results may significantly differ from the results expressed or implied in the forward-looking statements. Accordingly, you should not place undue reliance on the forward-looking statements. We are not under any obligation to change or correct the forward-looking statements according to new information, future events or other discoveries.

Any information pertaining to companies other than us or that was derived from any third party source identified in this presentation material is cited from publicly-available information. We have not independently verified the accuracy or appropriateness of such information and are not able to guarantee the accuracy of such information.