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August 26, 2024

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 Regarding Reduction of Capital Reserve and Appropriation of Surplus

freee K.K. (the "Company") announces that, based on the Articles of Incorporation pursuant to the provisions of Article 459, paragraph 1 of the Companies Act, a resolution was made at its meeting of the Board of Directors held on August 26, 2024 "to reduce the amount of capital reserve and appropriate surplus" as follows:

1. Purpose of the reduction of the amount of capital reserve and the appropriation of surplus

The Company has decided to reduce the amount of capital reserve and to appropriate surplus in order to cover the deficit of retained earnings brought forward to restore the financial position. As this case falls under the proviso of Article 449, paragraph 1 of the Companies Act, the procedure for filing an objection by creditors will not occur.

2. Details of reduction of the amount of capital reserve

Pursuant to the provision of Article 448, paragraph 1 of the Companies Act, the Company will reduce its capital reserve and transfer it to other capital surplus.

- (1) Amount of capital reserve to be reduced
Capital reserve: 34,296,361,362 yen
- (2) Amount of other capital surplus to be increased
Other capital surplus: 34,296,361,362 yen
- (3) Amount of capital reserve after the reduction
Capital reserve: 0 yen

3. Details of appropriation of surplus

Following the transfer of capital reserve described in 2. above, the Company will transfer the other capital surplus to retained earnings brought forward to cover the deficit, pursuant to the provisions of Article 452 of the Companies Act.

- (1) Item of surplus to be decreased and amount of decrease
Other capital surplus: 42,253,912,187 yen

- (2) Item of surplus to be increased and amount of increase
Retained earnings brought forward: 42,253,912,187 yen

4. Schedule for reduction of amount of capital reserve and appropriation of surplus

- (1) Date of Resolution by the Board of Directors
August 26, 2024
- (2) Effective Date
August 26, 2024

5. Outlook for the future

Since this is a transfer between accounts in the net assets section on the balance sheet, the Company's net assets will remain unchanged and the transfer has no impact on the Company's business results.