



Q3 FY2026.6 Financial Results

freee K.K.
May 13, 2026

Highlights for the Third Quarter of Fiscal Year Ending June 30, 2026

Announced the launch of *freee Agent Hub*, an integrated AI agent for accounting firms.

- A new product embodying the *freee Cockpit* AI concept to deliver professional accuracy and accountability.
- Delivering stringent security tailored for professionals, integrated with orchestrated AI agents designed to optimize advisory services.

Self-employed segment: Record-high ARR net additions of JPY 1.76Bn, driven by solid acquisition during the tax filing season.

- Dispelled AI replacement concerns to achieve record-high Net New ARR. By leveraging AI as a catalyst for growth, we will further strengthen our brand and drive sustainable expansion.

Scaling our product lineup for diverse industry verticals via in-house development and M&A.

- Launched *freee for Medical* in March, a package plan compliant with medical accounting standards that ensures rapid updates in response to frequent regulatory changes.
- Driving efficiency in the retail and distribution sectors through a seamless inventory-to-accounting experience via *freee Inventory Management*, previously known as *Logikura* before the April acquisition.



Important KPIs and Financial Results

Platform ARR⁽¹⁾

JPY 42.4Bn (YoY +23.2%)

Corporate Segment:

JPY 32.7Bn (YoY +26.8%)

Platform Number of Paying Customers⁽²⁾

712K+ (YoY +13.6%)

Corporate Segment:

264K+ (YoY +17.6%)

Platform ARPU⁽³⁾

JPY 59.6K (YoY +8.5%)

Corporate Segment:

JPY 123.9K (YoY +7.8%)

Revenue for Q3

JPY 10.90Bn
(YoY +26.8%)

Adjusted Operating Profit For Q3⁽⁴⁾

JPY 445MM



1. Platform Annual Recurring Revenue (ARR): a metric calculated based on recurring revenue from the Group's Platform business into an annualized amount, excluding one-time revenue. Platform ARR consists of Subscription ARR and Transaction ARR.
2. As of March 31, 2026. The number of paying customers includes self-employed customers.
3. As of March 31, 2026. Calculated by dividing total ARR by the number of paying customers.
4. 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).

Financial Highlights

- Platform Business -

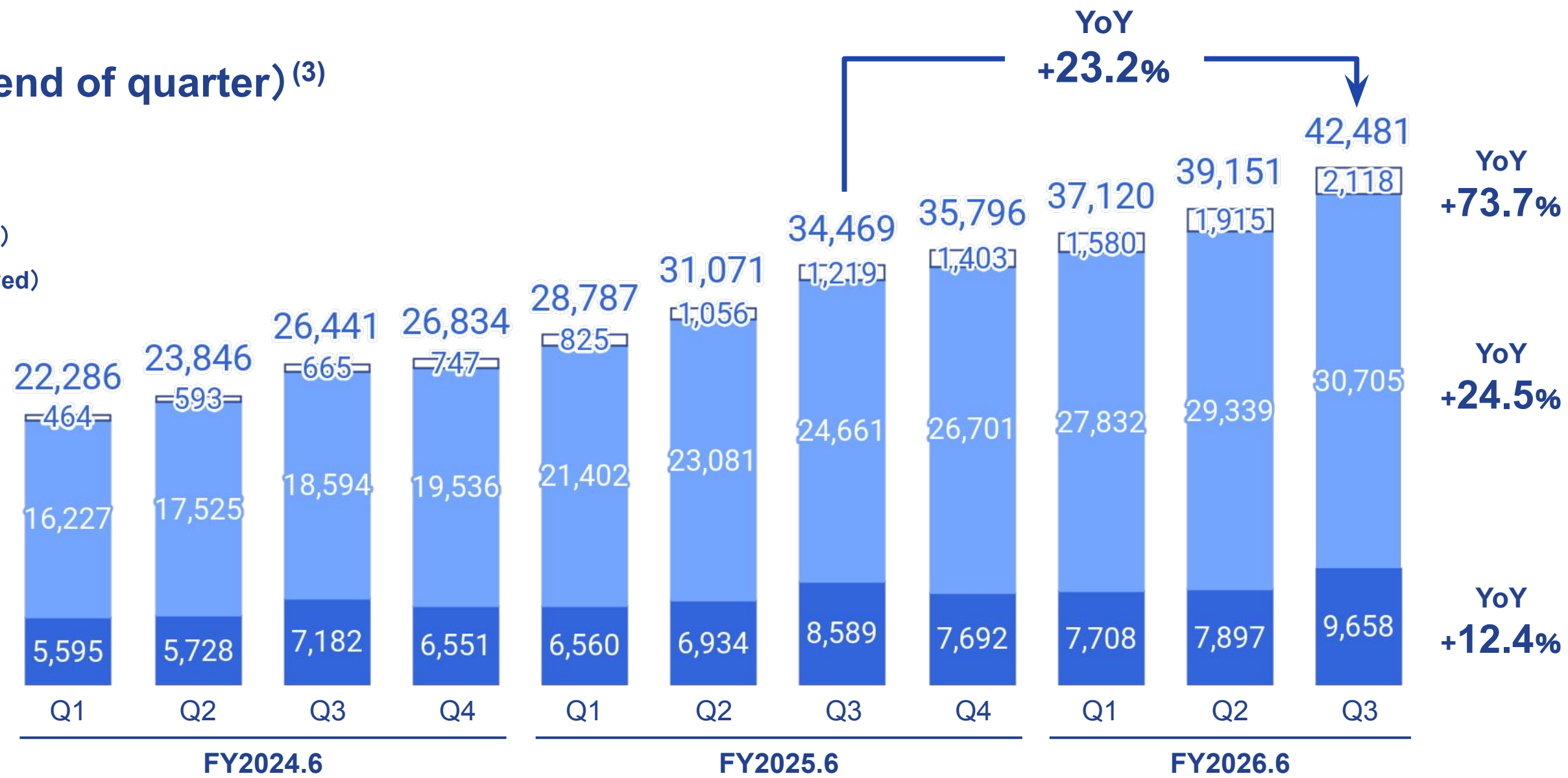
Platform ARR

- The Platform ARR expanded to JPY 42,481MM, up +23.2% YoY.
 - Subscription ARR⁽¹⁾ in the Self-employed segment expanded +12.4% YoY due to solid acquisitions during the tax filing season, while the Corporate segment grew +24.5% YoY driven by new customer acquisitions.
 - Transaction ARR⁽²⁾ reached over JPY 2Bn, up +73.7% YoY, driven by the expansion of the corporate credit card services.

Platform ARR (At the end of quarter)⁽³⁾

JPY MM

- Transaction ARR
- Subscription ARR (Corporate⁽⁴⁾)
- Subscription ARR (Self-employed)



1. Subscription 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. Transaction ARR: A metric that annualizes usage-based and fee-based revenue by multiplying revenue for the last month of the period by 12.

3. Why, Inc. is consolidated from Q1 of FY2024.6, pasture is consolidated from Q2 of FY2024.6, Apollo Inc. is consolidated from Q2 of FY2025.6, YUI Inc. is consolidated from Q3 of FY2025.6, GMO creators networks, Inc and kansapo are consolidated after Q1 of FY2026.6. (Company and business names are those used at the time of acquisition)

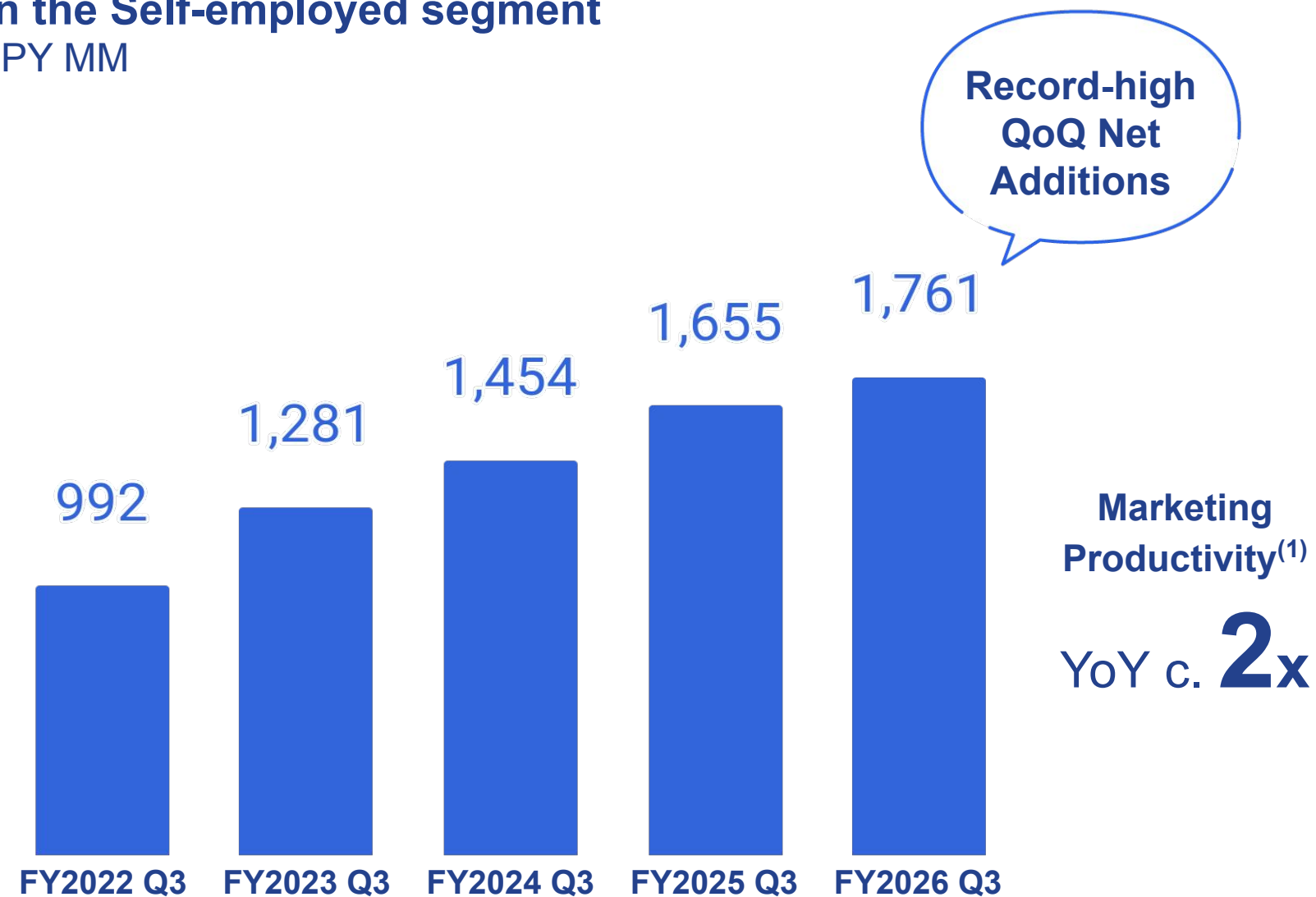
4. Corporates: Paying Customers other than Self-employed (the Corporate segment includes partner companies such as accounting firms).

Self-employed Segment Achieved Record-High Net ARR Additions Driven by Solid Acquisitions During the Tax Filing Season

- Achieved record-high net ARR additions while doubling marketing productivity year-over-year. We aim for sustainable business growth by further enhancing our value proposition through AI integration.

Accelerating Business Growth Momentum while Increasing Marketing Productivity

QoQ net subscription ARR additions in the Self-employed segment
JPY MM



AI as a Driver for Strengthening Competitive Advantage Rather Than a Threat

AI Chat Support

- The completion rate of customer support via AI chat rose to over 90%, effectively streamlining labor costs.

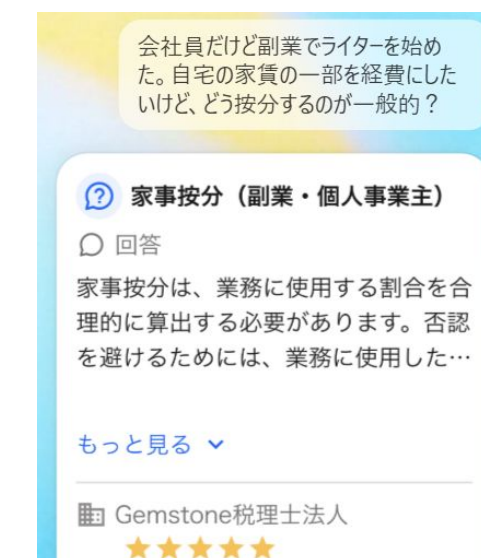
Automated Data Entry Plan

- Outsourcing services for data entry and bookkeeping, powered by AI and human operators.
- Orders outperformed the initial targets** despite a lean launch, demonstrating strong market traction.

Tax Filing AI-OCR

- AI automatically calculates and inputs data simply by uploading withholding slips and deduction documents
- Reached approx. 95K users** for the 2026 tax filing.

App for ChatGPT



- Provides optimal advice leveraging a database of 10K+ professional tax consultations.
- Usage reached 20K cases** within two weeks of launch.
- Inbound traffic through our website contributes to paid user acquisition.



1. The ratio of new ARR acquisitions to advertising expenses in the Self-employed segment reached approx. 2x improvement YoY.

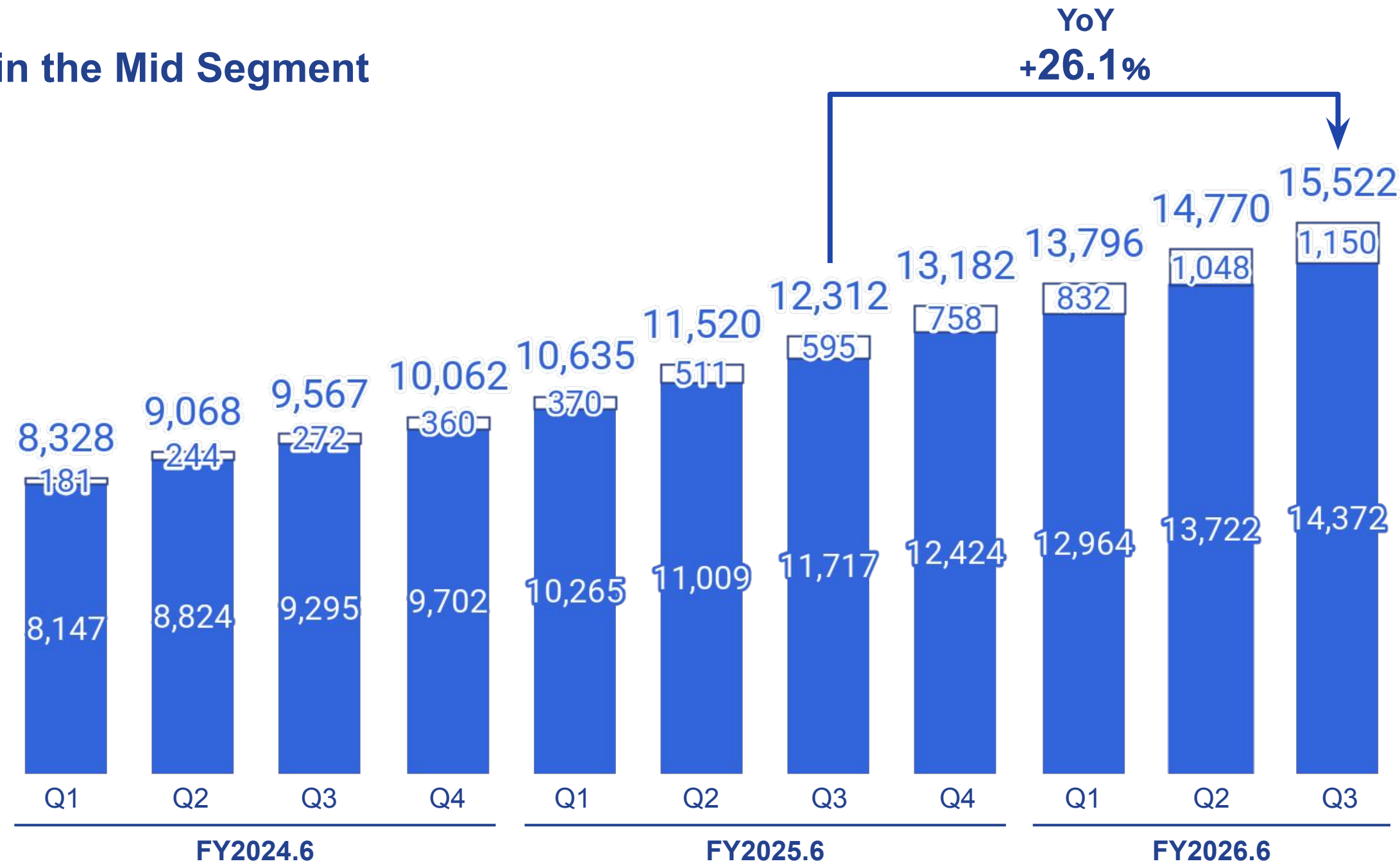
Mid Segment Platform ARR

- Mid segment Platform ARR expanded to JPY 15,522MM, up +26.1% YoY, driven by accelerated new customer acquisition and expansion of the credit card services.

Platform ARR Trends in the Mid Segment

JPY MM

- Transaction ARR
- Subscription ARR

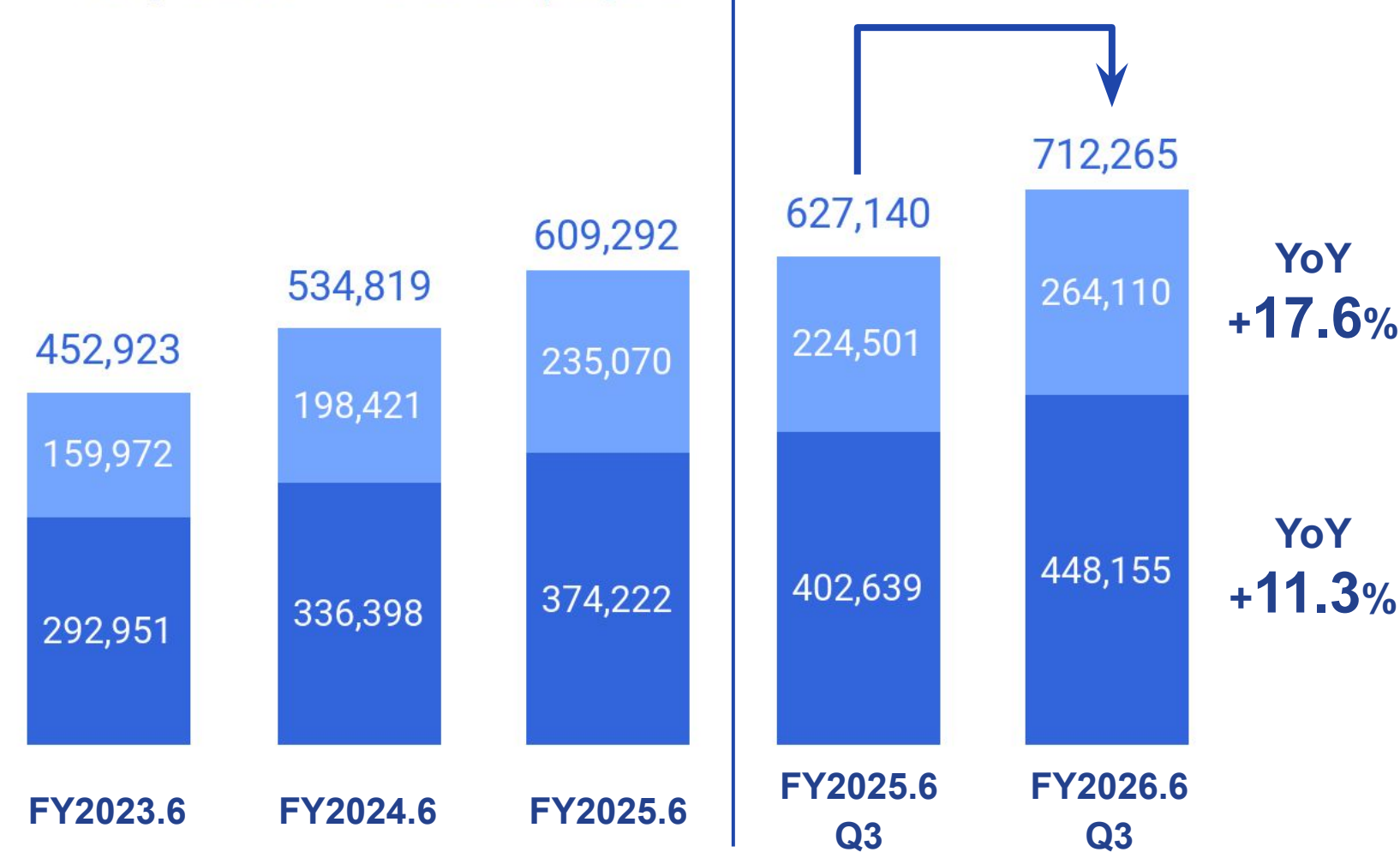


Number of Paying Customers/ARPU (Platform)

- Number of paying customers in the Self-employed segment reached +11.3% YoY growth due to solid acquisitions during the tax filing season, while the Corporate segment expanded +17.6% YoY driven by direct channel acquisitions.
- Self-employed segment ARPU reached +1.1% YoY growth, backed by an increased proportion of higher-tier plans even as the impact of the monthly plan price revision implemented last year has stabilized. Corporate segment ARPU reached +7.8% YoY growth, supported by steady cross-selling progress.

Number of Paying Customers⁽¹⁾⁽²⁾

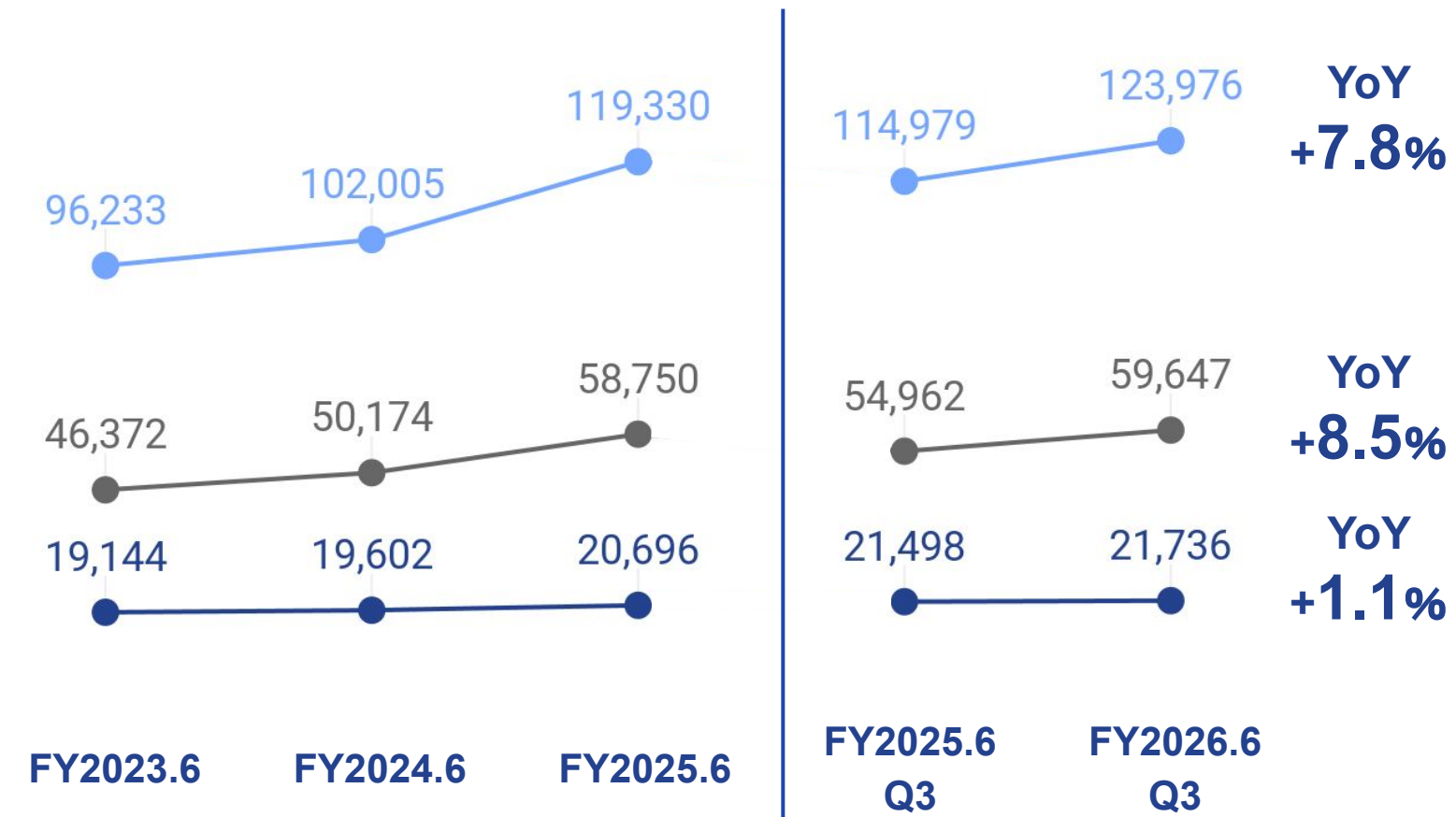
■ Corporates ■ Self-employed



ARPU⁽²⁾⁽³⁾

JPY

● Overall ● Corporates ● Self-employed

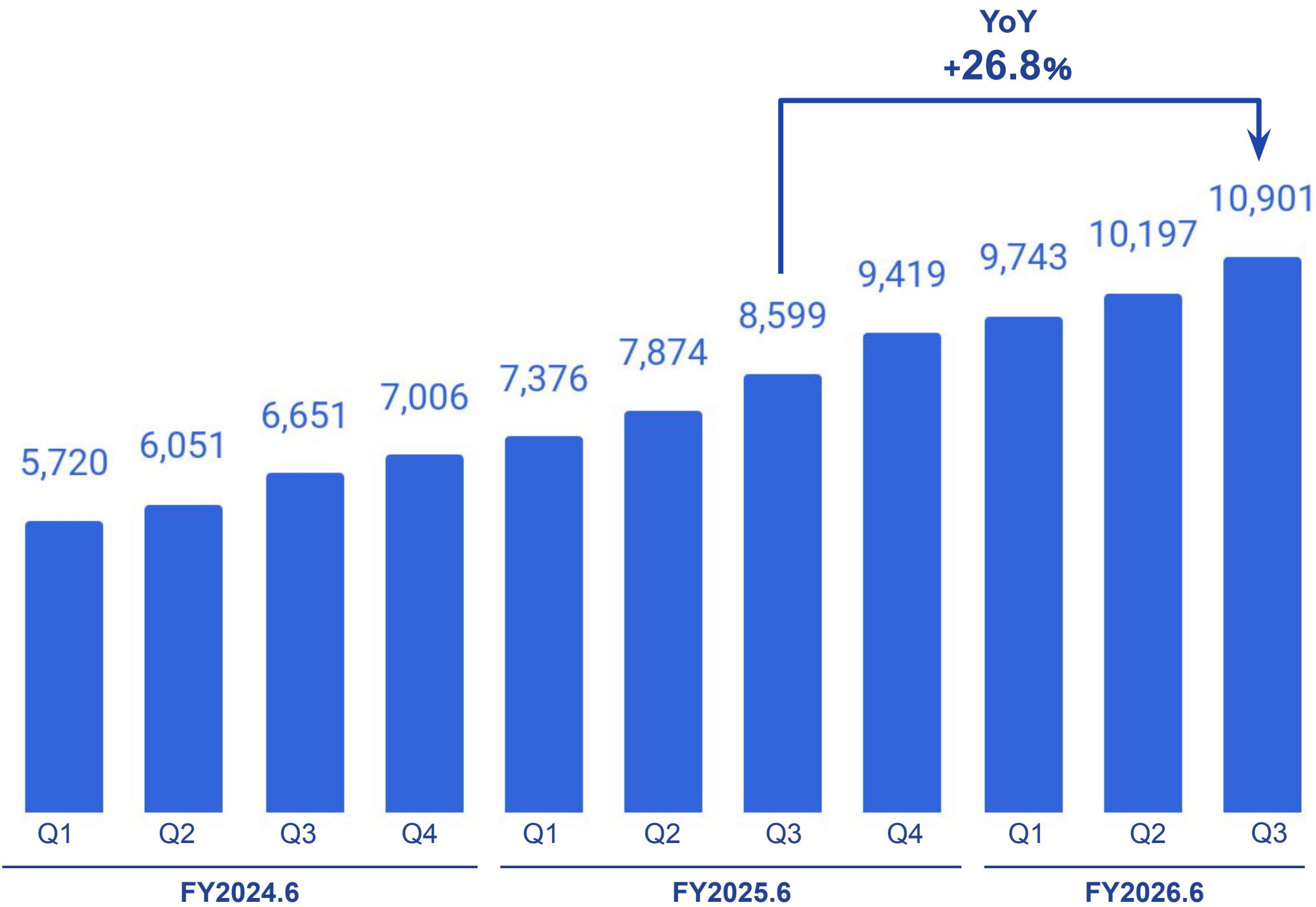


1. Number of paying customers: Refers to both Self-employed individuals and corporates that use our services.
2. Mikatus Inc. is consolidated from FY2023.6, sweep is consolidated from Q3 of FY2023.6, Why, Inc. is consolidated from Q1 of FY2024.6, pasture is consolidated from Q2 of FY2024.6, Apollo Inc. is consolidated from Q2 of FY2025.6, YUI Inc. is consolidated from Q3 of FY2025.6, GMO creators networks, Inc. and kansapo are consolidated after Q1 of FY2026.6. (Company and business names are those used at the time of acquisition)
3. ARPU: Average Revenue Per User. Annual Recurring Revenue as of the end of the relevant period divided by the number of paying customers as of the end of the same period.

Revenue

- Revenue showed steady growth of +26.8% YoY to JPY 10,901MM, progressing on track toward the full-year growth target of +26.0%.

Revenue⁽¹⁾ (Quarterly)
JPY MM



1. Why, Inc. is consolidated from Q1 of FY2024.6, pasture is consolidated from Q2 of FY2024.6, Apollo Inc. is consolidated from Q2 of FY2025.6, YUI Inc. is consolidated from Q3 of FY2025.6, GMO creators networks, Inc. and kansapo are consolidated after Q1 of FY2026.6. (Company and business names are those used at the time of acquisition)

Gross Profit

- Gross profit was JPY 9,001MM, and gross profit margin was 82.6%. Gross profit margin excluding software amortization increased to 85.2%.
- Driving gross profit margin efficiency through the integration of AI within our customer support operations.
- Certain costs previously recognized under COGS have been reclassified as SG&A expenses to more appropriately reflect the state of our business operations.
 - Reclassified a portion of AI service usage fees for R&D activities from COGS to R&D: Q3 impact of c. JPY 150MM.
 - Reclassified a portion of personnel costs for post-implementation utilization support from COGS to S&M: Q3 impact of c. JPY 80MM.

Gross Profit⁽¹⁾ (Quarterly)

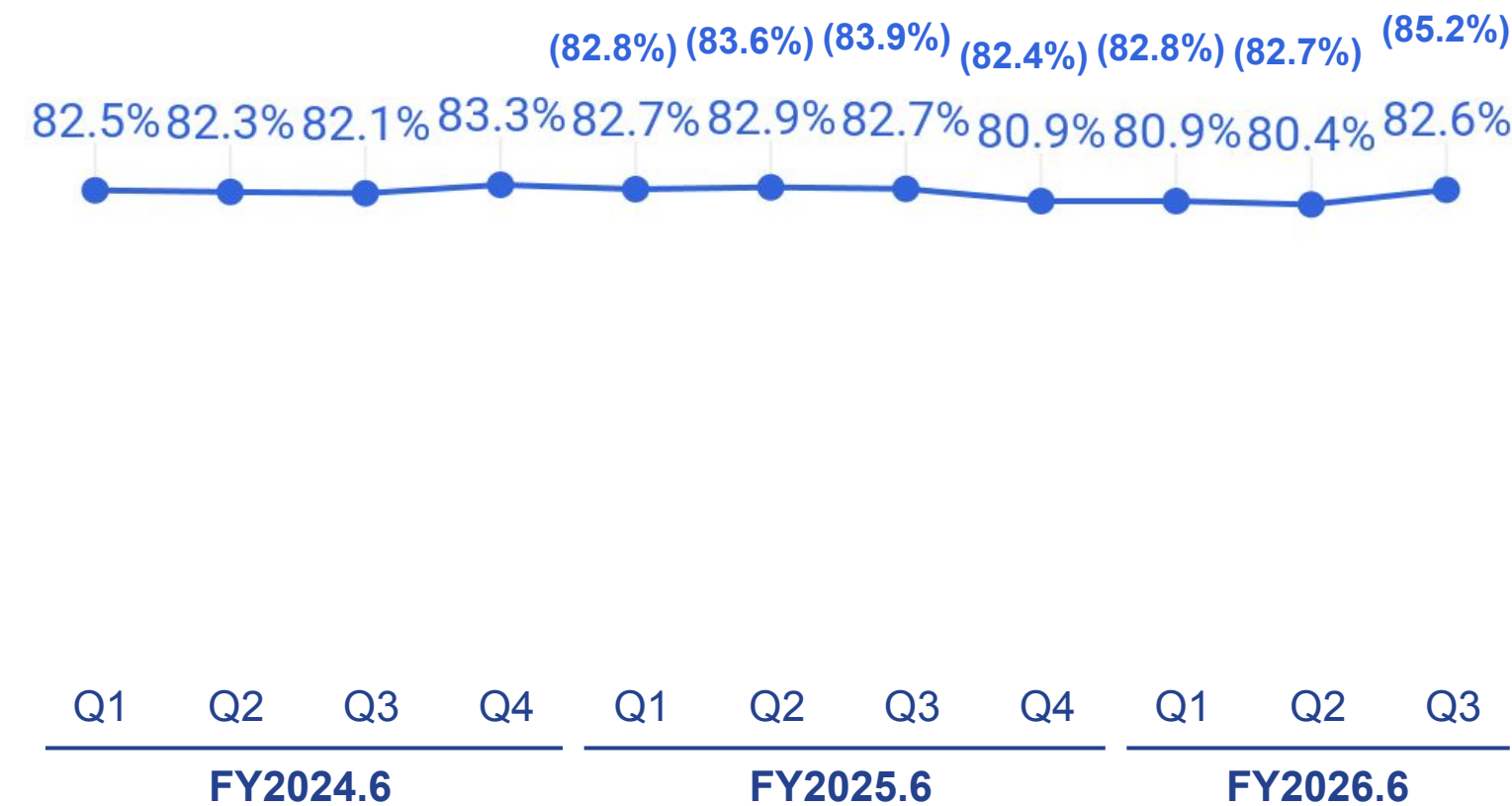
JPY MM



Gross Profit Margin⁽¹⁾ (Quarterly)

%

※ Gross profit margin in () excludes the impact of software amortization



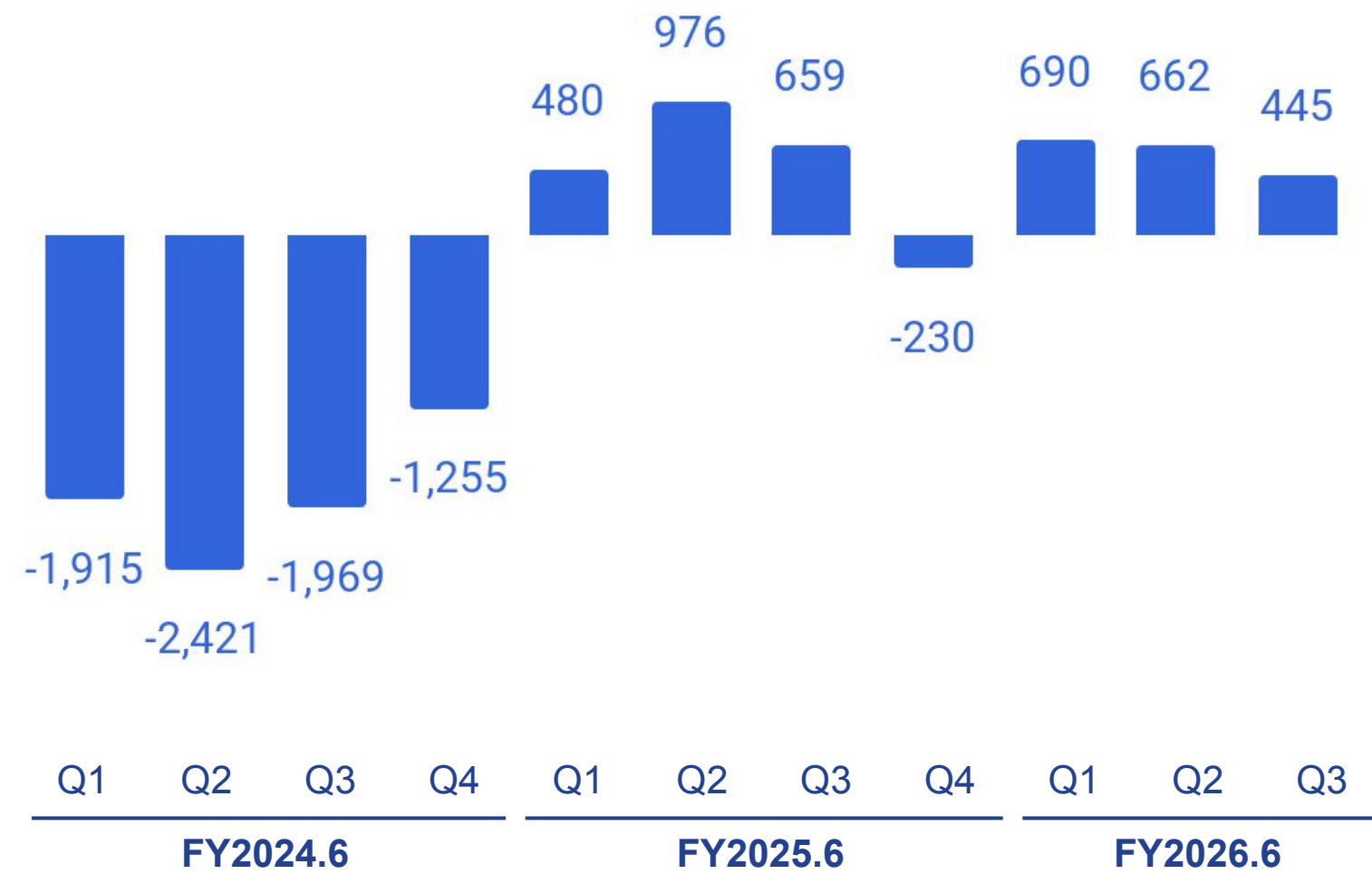
1. Why, Inc. is consolidated from Q1 of FY2024.6, pasture is consolidated from Q2 of FY2024.6, Apollo Inc. is consolidated from Q2 of FY2025.6, YUI Inc. is consolidated from Q3 of FY2025.6, GMO creators networks, Inc. and kansapo are consolidated after Q1 of FY2026.6. (Company and business names are those used at the time of acquisition)

Adjusted Operating Profit

- Adjusted operating profit was JPY 445MM, and adjusted operating profit margin was 4.1%.

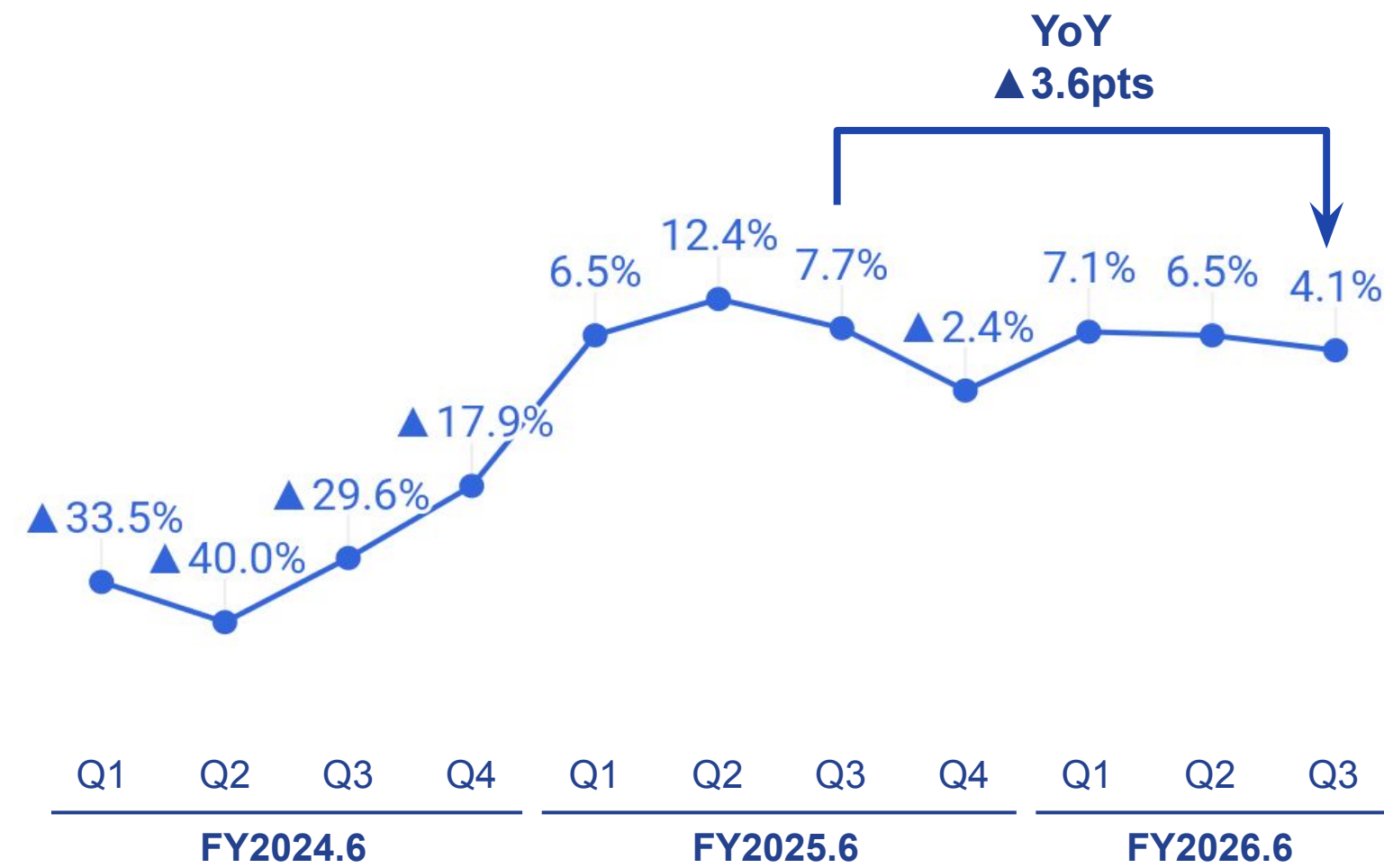
Adjusted Operating Profit⁽¹⁾⁽²⁾(Quarterly)

JPY MM



Adjusted Operating Profit⁽¹⁾⁽²⁾(Quarterly)

%

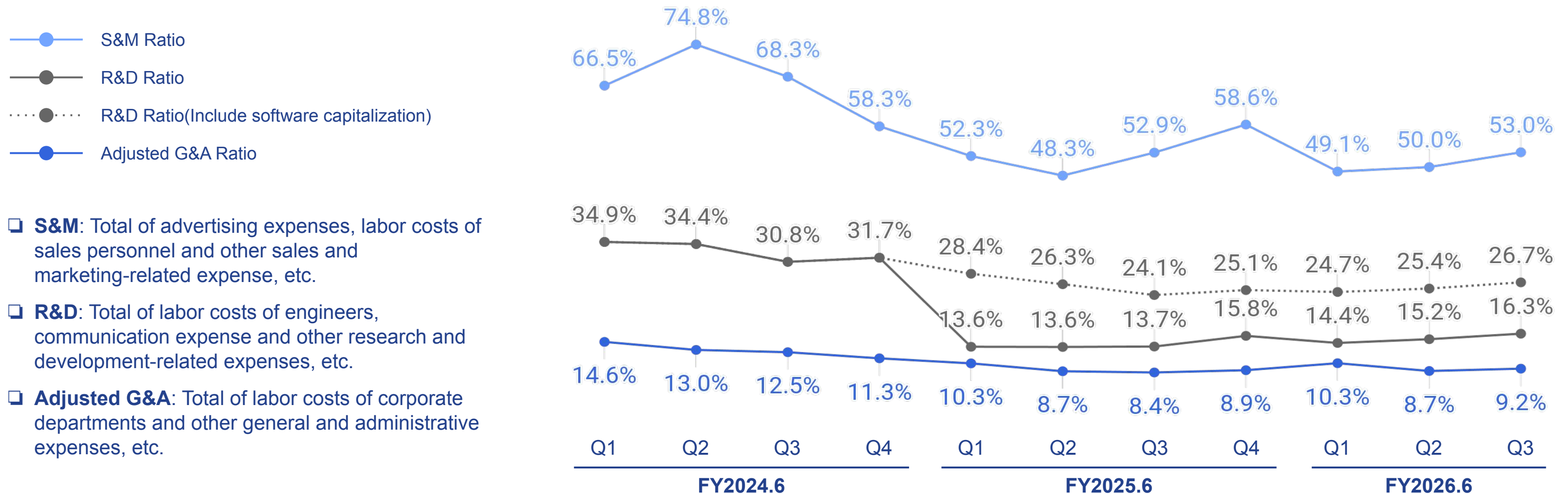


1. Adjusted operating profit (the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost). Breakdown of adjustment items is provided later.

2. Why, Inc. is consolidated from Q1 of FY2024.6, pasture is consolidated from Q2 of FY2024.6, Apollo Inc. is consolidated from Q2 of FY2025.6, YUI Inc. is consolidated from Q3 of FY2025.6, GMO creators networks, Inc. and kansapo are consolidated after Q1 of FY2026.6 (Company and business names are those used at the time of acquisition).

Breakdown of SG&A (% of Revenue)

- **S&M-to-revenue ratio** remained flat YoY. Advertising expenses-to-revenue ratio declined due to enhanced marketing productivity. Conversely, the S&M personnel cost ratio rose, reflecting ongoing headcount expansion and the reclassification⁽¹⁾ from COGS.
- **R&D-to-revenue ratio** (include software capitalization) increased YoY. Executing strategic AI-driven development investments to accelerate industry-specific enhancements and AI product expansion; while tool costs and expense reclassifications⁽²⁾ from COGS led to an increase in communication expense-to ratio, this remained within expectations as ROI materialized through a 1.5x⁽³⁾ increase in development productivity, driving platform value growth while effectively containing personnel costs.
- **Adjusted G&A-to-revenue ratio** increased YoY. While corporate departments continued to contain personnel costs and improve operational efficiency, the overall ratio rose due to expanded recruiting and training costs to strengthen the sales force.



❑ **S&M:** Total of advertising expenses, labor costs of sales personnel and other sales and marketing-related expense, etc.

❑ **R&D:** Total of labor costs of engineers, communication expense and other research and development-related expenses, etc.

❑ **Adjusted G&A:** Total of labor costs of corporate departments and other general and administrative expenses, etc.



1. Reclassified a portion of personnel costs for post-implementation utilization support from COGS to S&M: Q3 impact of c. JPY 80MM.

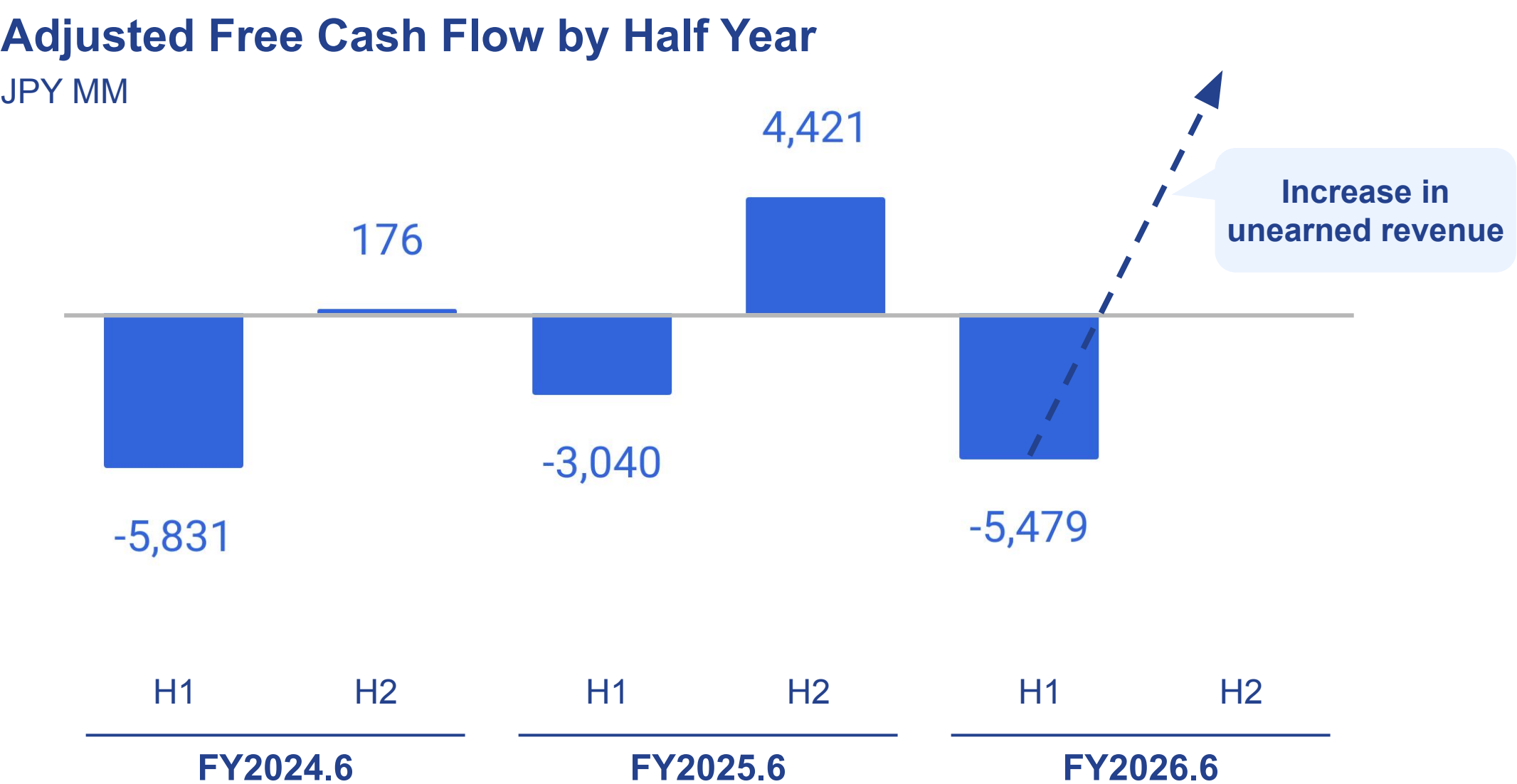
2. Reclassified a portion of AI service usage fees for R&D activities from COGS to R&D: Q3 impact of c. JPY 150MM.

3. Development Productivity: Number of pull requests per engineer, our productivity metric for R&D activities, increased approximately 1.5x year-over-year.

Adjusted Free Cash Flow

- Adjusted free cash flow⁽¹⁾ for H1 of FY2026.6 came in at JPY ▲5,479MM, impacted by seasonal factors such as prepayment of server costs and expenses for AI-related tools. We expect an improvement in H2 driven by the unearned revenue build-up.

Adj. FCF Fluctuation Factors		
Seasonal Factors	H1	Cash-outflows for prepaid IT tool expenses decreased adj. FCF.
	H2	Increase in adj. FCF driven by cash-inflows from growing unearned revenue.
Other Factors		Software capitalization resumed from FY2025.6, leading to an increase in investing cash outflows.



1. Adjusted Free Cash Flow Definition: Starting with common free cash flow (cash flows from operating activities + cash flows from investing activities), this metric is adjusted to exclude the impact of fluctuations in advances paid incurred in the credit card business and fluctuations in purchased receivables incurred in the factoring business from operating cash flow, and M&A-related payments and proceeds from investing cash flow. This metric represents the actual cash flow from business activities.

FY2026.6

Financial Outlook

FY2026.6 Revenue Earnings Guidance is +26% YoY, JPY 41,930MM

- The revenue earnings guidance is +26.0% YoY, JPY 41,930MM. On the profit outlook, as we continue to promote strategic investments with productivity improvements, we forecast adjusted operating profit⁽¹⁾ to JPY 2,520MM (YoY +33.7%), and adjusted free cash flow⁽²⁾ to JPY 1,260MM to JPY 2,520MM (YoY ▲8.8% to +82.5%). We remain on track to achieve the full-year guidance revised upward in February.

JPY MM	FY2025.6	FY2026.6		
	Actual	Previous Guidance Announced on Aug.13.25	Current Guidance Announced on Feb.12.26	vs. Previous Guidance
Revenue	33,270	40,930 ~ 41,590	41,930	+340 ~ +1,000
YoY Growth	30.8%	+23.0% ~ +25.0%	+26.0%	+1.0pts ~ 3.0pts
Adjusted Operating Profit	1,885	2,460 ~ 2,500	2,520	+20 ~ +60
Adjusted Operating Profit Margin	5.7%	6.0%	6.0%	—
YoY Growth	—	+30.5% ~ +32.6%	+33.7%	+1.1pts ~ +3.2pts
Adjusted Free Cash Flow	1,381	1,230 ~ 2,500	1,260 ~ 2,520	+20 ~ +30
Adjusted Free Cash Flow Margin	4.2%	3.0% ~ 6.0%	3.0% ~ 6.0%	—
YoY Growth	—	▲10.9% ~ +81.0%	▲8.8% ~ +82.5%	+1.4pts ~ +2.2pts



1. 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). Breakdown of adjustment items is provided later.

2. Adjusted Free Cash Flow Definition: Starting with common free cash flow (cash flows from operating activities + cash flows from investing activities), this metric is adjusted to exclude the impact of fluctuations in advances paid incurred in the credit card business and fluctuations in purchased receivables incurred in the factoring business from operating cash flow, and M&A-related payments and proceeds from investing cash flow. This metric represents the actual cash flow from business activities.

Driving Growth Through Core Business Investment and Cost Optimization

- We will make strategic investments focused on key areas of S&M and R&D in FY2026.6 to drive mid-to-long-term growth, while continuing to improve efficiency in customer support, product development and sales activities through AI integration.
- Hiring progressed as planned, maintaining steady momentum in H1. For H2, we will continuously expand our sales and customer success structure for accounting firm partnerships – a key driver of sustainable gains in customer acquisition productivity.

Expense-to-Revenue Ratio Outlook⁽¹⁾: No Change to Previous Guidance

		FY2025.6 Actual	FY2026.6 Key Investment Areas and Outlook
COGS		17.8%	18-21%
	Excl. Software Amortization	16.8%	15-18%
R&D		14.3%	14-17%
	Incl. Software Capitalization	25.9%	24-27%
S&M		53.3%	48-51%
Adj. G&A		9.0%	9-10%



1. Ranges of each item ratio to revenue are expectations as of the date of disclosure of this material. These figures are dependent on future revenue growth, progress in Investment, and other various risks or uncertainties, and actual results may differ.

Continuing Investment to Strengthen Positioning in the Corporate Segment

- Investments for growth in the Corporate segment will continue to build a strong position and ensure profitability in both Small and Mid Corporate segments, supported by brand recognition established in Self-employed segment.

Phase of Each Business Segment and ARR Growth Outlook



1. EE: Employee.
2. Subscription based ARR + Transaction ARR: A metric that converts usage-based and fee-based revenue into an annual recurring revenue equivalent (final month's revenue × 12 • Revenue).

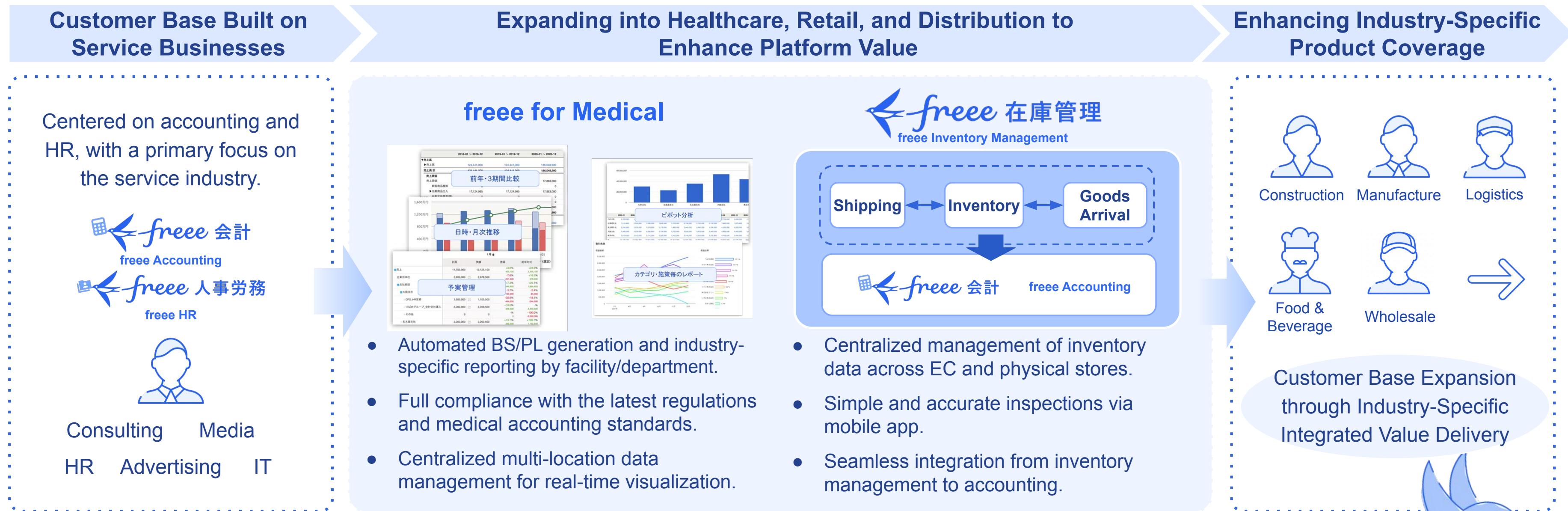
Mid-to-Long-term Growth Strategy Initiatives

Drivers for Achieving the Rule of 40 in FY2028.6



Launched *free for Medical* and *free Inventory Management*, Accelerating Industry-Specific Solutions to Enhance Integrated Platform Value

- Launched *free for Medical* in March to meet medical accounting standards. Accelerating market penetration by achieving PMF⁽¹⁾ through specialized features of medical corporation, such as department-specific B/S.
- Rebranded the service of Logikura Inc., which joined the free Group in April, as *free Inventory Management*, delivering an integrated experience for retailers in the e-commerce industry by enabling seamless data management through integration with free Accounting.

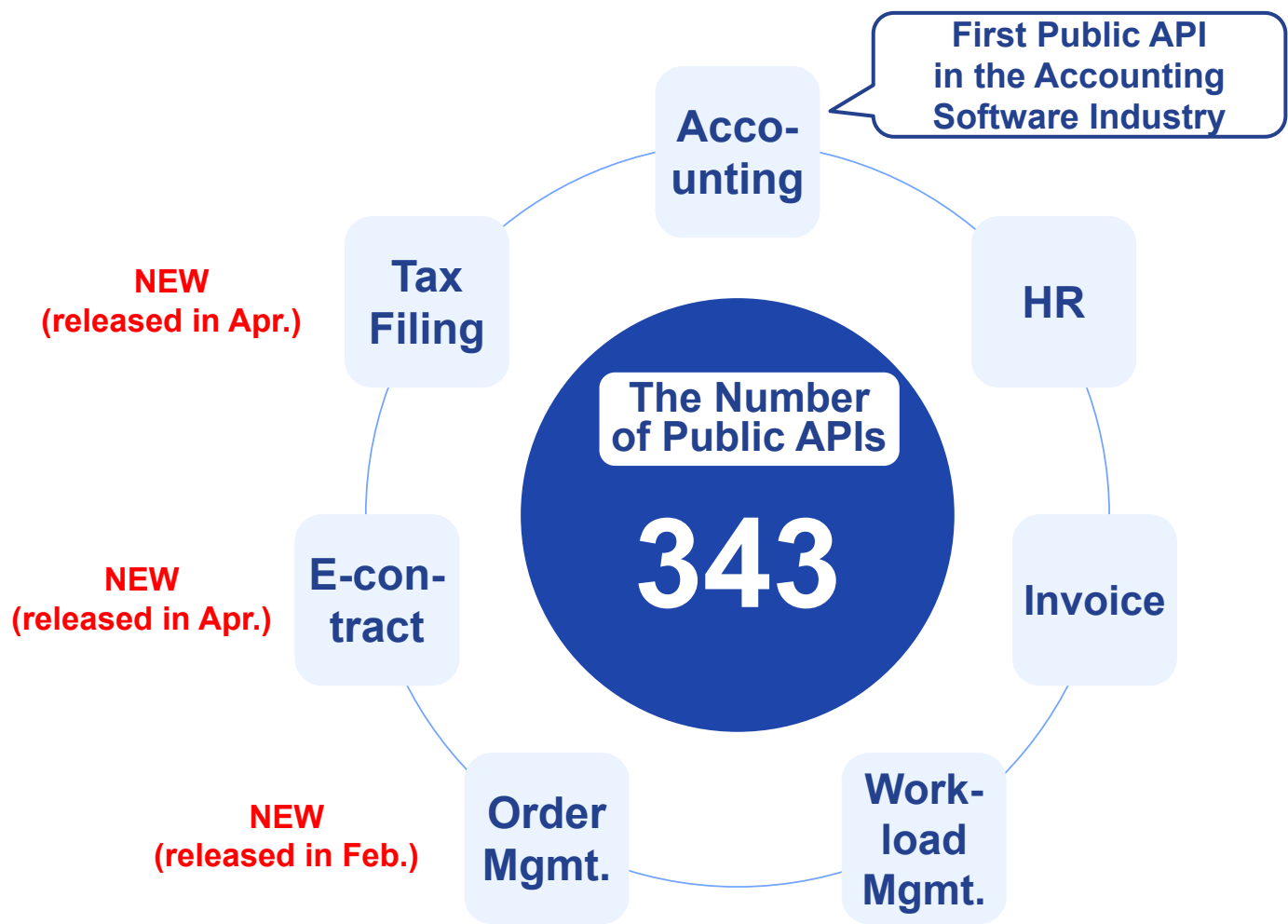


1. Product-Market Fit (PMF) refers to the state where a product or service precisely meets market needs and gains strong customer acceptance.

Delivering Superior Accessibility in the AI Ecosystem through Extensive Public API Assets and MCP Server Provision

- Since releasing the industry's first⁽¹⁾ Public API in 2013, we have accumulated extensive Public API assets across a wide range of domains, including accounting, HR/payroll, and order management etc.
- Released the *freee-mcp*⁽²⁾ server as OSS⁽³⁾ in March 2026, delivering superior accessibility within the AI ecosystem. Innovative accounting firms are spearheading new use cases for operational efficiency, gaining market traction and interest.

Extensive Public API Assets Across Seven Domains Maximize the Potential for Business Automation by AI Agents



New Use Cases for Operational Efficiency are Emerging led by Innovative Accounting Firms

Kento Hatakeyama (Certified Public Accountant and Tax Accountant)

- Achieving overwhelming operational efficiency through the combination of *freee-mcp* and AI agents.
- A social media post showcasing a method for "managing 60 client accounts with zero staff members" generated 3.4 million impressions

Social Media Post from Hatakeyama⁽⁴⁾

Inside an AI-Driven Tax Accountant Firm

The method of managing 60 clients using Claude Code with zero staff

▼For Corporate Clients: Switch to freee accounting
This is *the* solution. freee is the most advanced in APIs, automated journaling, and invoice OCR, making it the best with AI.

▼For Tax Accountants: Transform operations and optimize with freee
The strategy for accountants remains the same; redesign operations to leverage freee. Standardizing on the freee platform reduces the operational burden of bookkeeping, monthly closing and document management, freeing up capacity for higher value services such as strategic advisory.



1. Industry-first release of a Public API among cloud accounting software in Japan.
2. Abbreviation for Model Context Protocol. An open standard designed to seamlessly connect AI models, such as LLMs, with external tools and data sources.
3. Abbreviation for Open Source Software. Refers to software whose source code is made available to the public, allowing users to freely modify and redistribute it.
4. This is an English translation of a Japanese social media post. The original Japanese text remains the official source of information.

Announcing the Release of Integrated AI Agent *freee Agent Hub*: Delivering Business Automation Solutions to a Wide Range of Accounting Firms

- Scheduled for release in May as an open beta, *freee Agent Hub* is an integrated AI agent for accounting firms built on the *freee Cockpit* AI concept, which ensures expert-level accuracy and accountability. It provides high-level security required by professionals while enabling the orchestration of multiple AI agents optimized for client services.

freee Agent Hub

Enabling AI agent orchestration in a secure environment

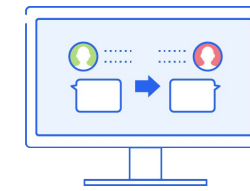


Able to switch workspaces for each client

AI Agent executing tasks directly through chat commands

Review the execution results of AI agents on the dashboard

Desktop App



- Runs on a desktop environment, enabling stable execution of long-duration processing by AI agents.

Optimize for freee



- Preset with AI agents optimized for freee's workflow to achieve overwhelming token efficiency.
- Achieve business automation by leveraging extensive API assets, with no complex setup required.

High Security



- Provide independent workspaces for each client, ensuring strict data isolation such as authentication credentials and context.
- Establish guardrails for verifying and correcting automated journal entries generated by AI agents.



Growing Anticipation for Automated Operation via freee Agent Hub Among Accounting Firms

- Streamlining accounting operations through automated execution of anomaly detection and journal generation.
- *freee Agent Hub* has garnered significant traction from accounting firms since its announcement, with rising expectations as an innovative solution tailored to professional needs.

freee Agent Hub Task Execution Examples

Automated Anomaly Detection:

AI-driven analysis of transaction data for automated detection of irregular patterns and amount anomalies.

Automated Bookkeeping via AI Agents:

AI agent generates journal entries based on controllable bookkeeping rules, ensuring both efficiency and precision through a human-in-the-loop verification process.

Seamless external document integration:

The system accesses business memos in external files, such as documents from client firms, to automatically update bookkeeping rules and perform other tasks.

Growing Expectations Among Accounting Firms as an Innovative Solution

SoVa Inc.

“We believe *freee Agent Hub* could revolutionize accounting operations. ***While security and edge cases previously hindered AI adoption***, this solution overcomes those barriers. ***By using dedicated client workspaces***, anomaly detection, and automated journal entries, ***it ensures a secure and practical transition to AI-driven workflows.***”

Enjoint Tax Accountant Corporation

“The ability to switch between dedicated client workspaces ***provides the high level of security essential for handling sensitive data***. We expect *freee Agent Hub* to automate tasks previously impossible for software alone, ***allowing us to focus on higher-value advisory services*** and evolving our practice.”

sankyodo Tax Corporation

“The era where AI handles execution and humans add value as reviewers has arrived. We are confident *freee Agent Hub* ***will be a powerful tool to revolutionize industry operations***. For practitioners, this is an opportunity to move beyond mere efficiency and ***shift focus toward the work humans were meant to do.***”



FAQ

Q. Is there a risk that revenue from seat-based pricing models will be impaired as AI agents increasingly replace back-office operations?

A. Given our strategic revenue framework and the unique dynamics of the Japanese labor market, we believe we are relatively insulated from the risk of per-seat revenue erosion due to the proliferation of AI agents.

Firstly, from a revenue mix perspective, our accounting solution—comprising roughly 70% of total ARR—adopts a base-fee pricing model per company. Conversely, our company-wide exposure to seat-based revenue is limited to just 3% of total ARR, rendering the risk of revenue erosion insignificant.

Secondly, from the perspective of the domestic labor market, our employee-based pricing model for HR solutions is highly resilient due to the structural labor shortage facing our target small businesses, particularly in the healthcare and construction sectors. Given Japan's rigid dismissal regulations, we analyzed the proliferation of AI agents is unlikely to trigger immediate workforce downsizing, thereby providing a stable and reliable revenue foundation.

In light of the global debate regarding the sustainability of seat-based pricing, we recognize that AI agents pose a potential threat to seat-based SaaS models—particularly in creative or customer support fields where value is derived directly from AI-generated outputs. In contrast, our accounting and HR software functions as a System of Record (SoR), accurately capturing the core operational data of a business. Our platform provides the indispensable data foundation upon which AI agents operate to execute their tasks. By leveraging AI to transform our platform's value proposition, we are committed to empowering customers through operational excellence and business scaling while solidifying our revenue streams.



Q. There is a prevailing view that SaaS for self-employed faces a higher risk of AI displacement compared to SaaS for corporates. How do you respond to this market sentiment?

- A. Our self-employed segment achieved a record-breaking JPY 1.76Bn net increase in subscription ARR for Q3 FY2026.6. Despite market concerns, the risk of AI displacement has not materialized; instead, we continue to drive revenue growth, underpinned by our strong brand power and product superiority.

The sustainability of this segment is underpinned by a customer base where approx. 90% utilize the Blue Tax Return Filing System⁽¹⁾. Since "Proper Bookkeeping Principles"⁽²⁾ is the standard for Blue-return taxpayers, we believe our value proposition as a System of Record (SoR) remains unchanged. On the contrary, we anticipate that our role as a SoR will gain even greater strategic importance, catalyzed by institutional reforms promoting digital transformation. Specifically, starting from the 2027 tax filing, the maximum deduction for Blue-return taxpayers will be raised to JPY 750K. Accessing this benefit necessitates compliance with "high-quality electronic records" that allow for tracking the history of data corrections and deletions, and ensuring "digital seamlessness" such as the automated retrieval of bank statements via an API integration. Fully compliant with these standards, *freee Accounting* is firmly positioned as the optimal solution for maximizing tax benefits while streamlining operations. We are confident that we will continue to earn strong support from self-employed users as their platform of choice. Furthermore, our strength lies in our unique positioning as an integrated platform. Beyond back-office efficiency, we provide a product lineup covering front-office operations to drive revenue growth, alongside end-to-end support from founding to incorporation. This enables us to partner with customers throughout their business expansion.

Looking ahead, to further enhance the platform's value, we aim to realize a "Done-for-you experience" by accelerating our AI integration. The stronger-than-anticipated adoption of our "Automated Data Entry Plan"⁽³⁾ during this tax season serves as clear validation for the "Done-for-you" experience. It confirms robust market demand for advanced automation and the complete outsourcing of back-office operations. Within our self-employed segment, we position AI as a core driver to maximize growth opportunities by creating entirely new customer experiences, ensuring sustained and scalable revenue expansion.



1. A Japanese tax filing status designed to promote sound accounting practices among individual business owners and small corporations. By maintaining a high standard of financial records (proper bookkeeping), taxpayers are entitled to significant benefits, which currently allows for a tax deduction of up to JPY 650k (scheduled to rise to JPY 750k in 2027). Since the maximum deduction is contingent upon accurate double-entry bookkeeping and digital compliance, the system effectively drives the continuous use of specialized accounting SaaS, establishing a high barrier to entry for non-compliant tools.
2. Proper Bookkeeping: An organized method, typically double-entry bookkeeping, capable of producing both a Balance Sheet and a Profit and Loss Statement.
3. A plan for self-employed segment that outsources tax filing data entry and journalizing operations through a combination of AI and human operators.

Q. What is the difference between the recently announced integrated AI agent "freee Agent Hub" and "Claude Cowork"?

- A. The defining difference lies in our professional-grade security architecture, specifically tailored for accounting firms. *freee Agent Hub* strictly isolates credentials, contexts, browser sessions, and data files by providing siloed workspaces for each client. This architecture eliminates the risk of information cross-contamination and provides a robust execution framework where the AI agent's outputs are fully accountable. Furthermore, "freee Agent Hub" features native high-performance AI agents with superior token efficiency optimized for freee's operational workflows. For instance, our "Bookkeeping Agent" automates journal entry, executing routine bookkeeping tasks with high precision and quality by adhering to predefined rules. The orchestration of high-performance AI agents allows for the immediate automation of routine workflows without complex setups. This empowers accounting firms to effectively shift their operational resources to high-impact, value-added advisory services.

Q. What is freee's strategy for AI Monetization?

We aim to maximize Life Time Value by natively integrating proprietary AI agents—such as "AI Expense Reimbursement" and "AI Year-end Tax Adjustment"—into our SaaS platform, revolutionizing the customer experience and driving long-term user stickiness. Simultaneously, we will scale our AI-driven operational outsourcing services to meet the demand for entrusting entire operations.

This strategy enables us to address not only IT spend but also back-office labor budgets. We now define the JPY 30Tn+ personnel expenditure market as our TAM, positioning us to accelerate market penetration and unlock significant new revenue streams.

We are committed to accelerating our AI-driven product and service roadmap to fuel long-term growth. By tailoring our monetization model to Japanese small business market, we will maximize financial impact by converting enhanced value proposition into scalable revenue growth.



Q. Regarding the timely disclosure on April 23 concerning the Extraordinary General Meeting of Shareholders, what is the specific rationale behind this capital reduction?

- A. To enhance our agility in executing capital policies such as share buybacks and in response to the stock market shifts since early 2026, we have decided to implement a capital reduction. Specifically, we will reduce stated capital by JPY 15Bn to offset an approx. JPY 8Bn deficit in retained earnings (as of June 2025). This transfer to other capital surplus will secure the distributable capacity required under the Companies Act, enabling us to take timely corporate actions according to market conditions. Our policy for mid- to long-term value creation remains unchanged. We continue to prioritize disciplined growth investments and strategic M&A as we strive to scale our business and fulfill our mission.

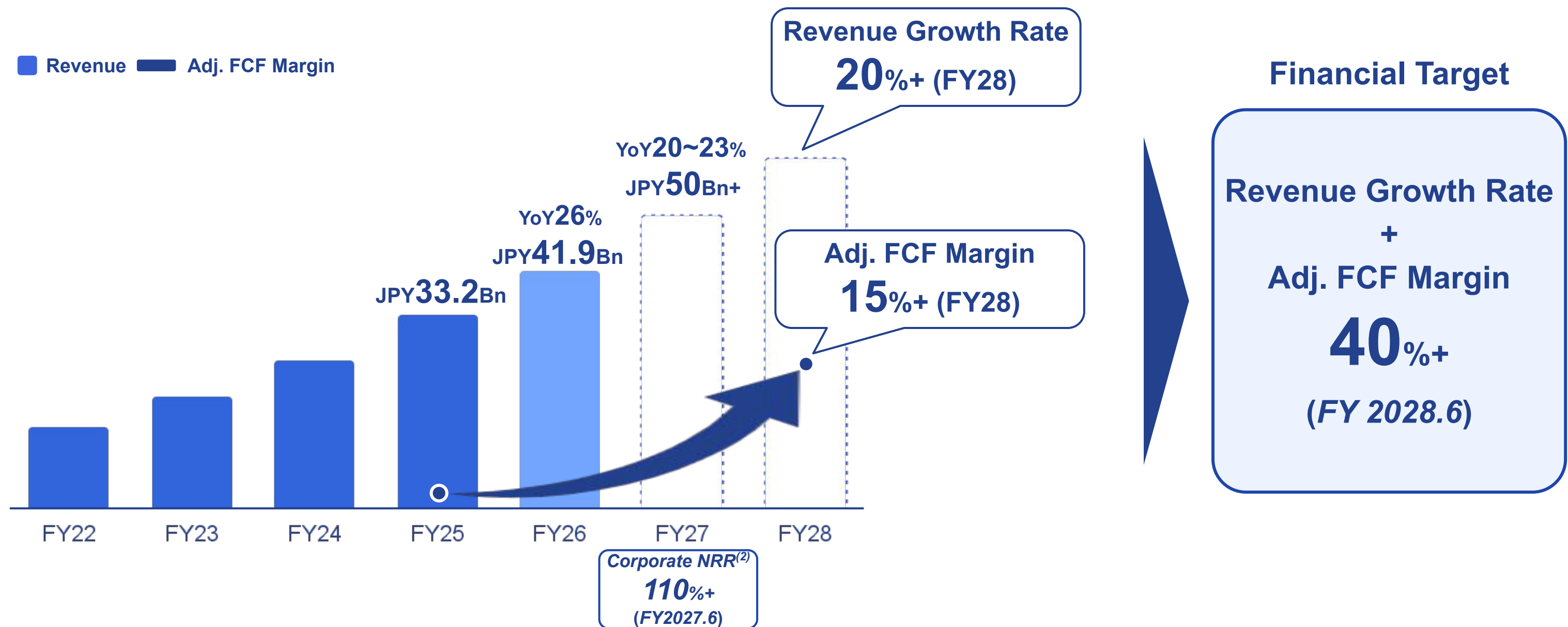
Appendix 1

Mid-to-Long-term Growth Strategy

Sustaining High Growth and Improving Margins to Achieve Rule of 40 in FY2028.6

- During the three-year period starting FY2026.6, we will continue to drive strong top-line growth through strategic initiatives, while steadily improving our adjusted free cash flow to build capacity for the future investments, targeting to achieve the Rule of 40 by FY2028.6.

Rule of 40 Achievement Roadmap (Illustrative)

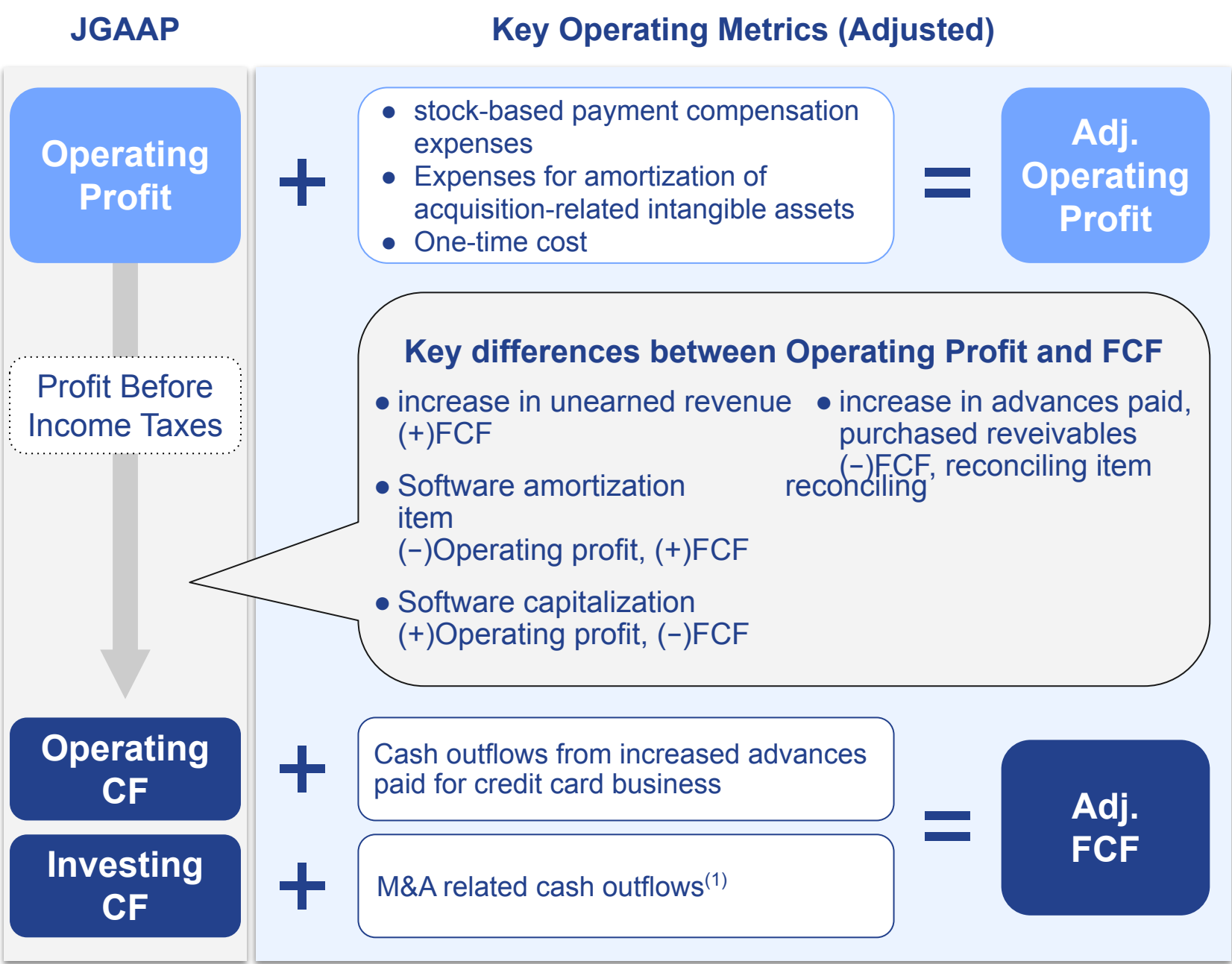


1. Adjusted Free Cash Flow Definition: Starting with common free cash flow (cash flows from operating activities + cash flows from investing activities), we make two adjustments to better reflect our actual business performance: excluding fluctuations of advances paid incurred in the credit card business in operating cash flow and M&A-related payments and proceeds from investing cash flow.

2. 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.

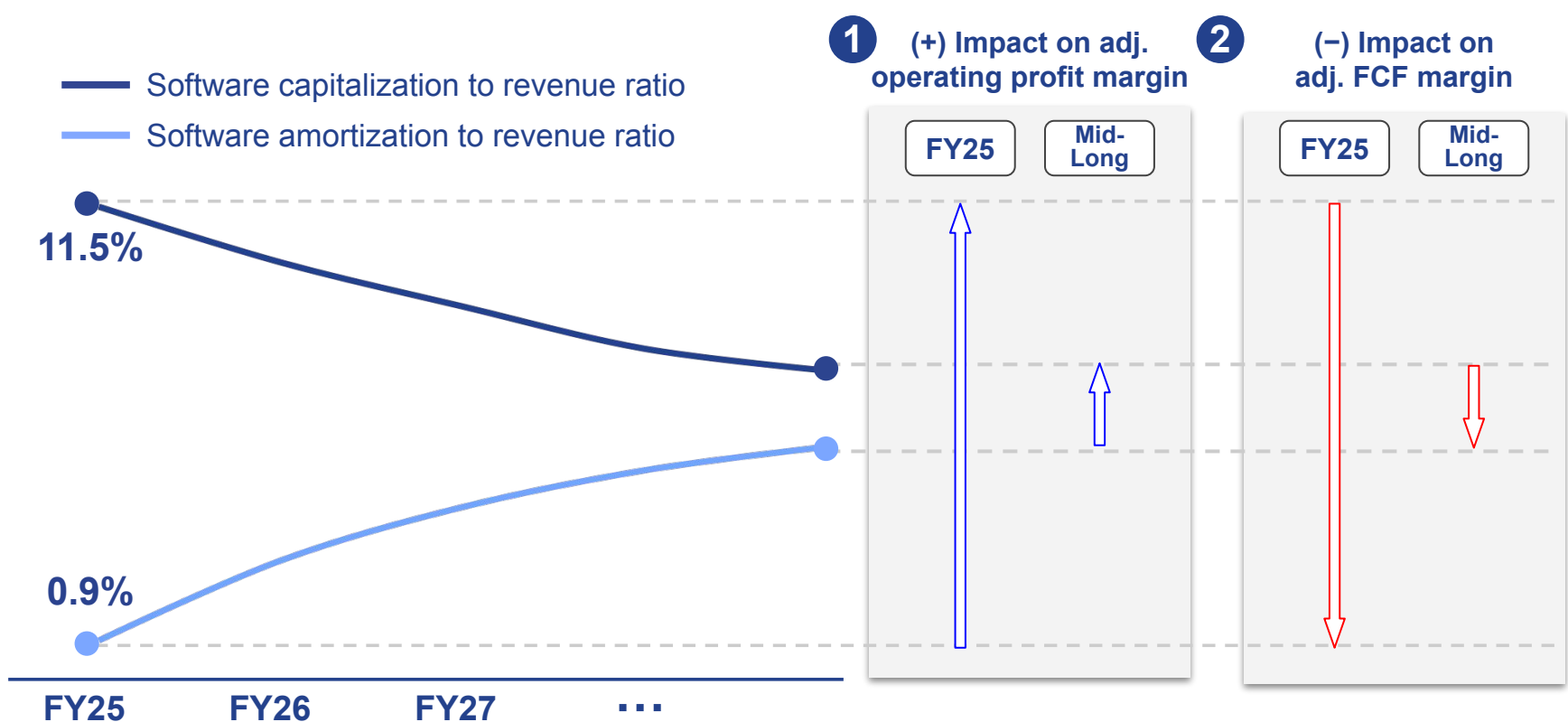
Supplementary: Relationship Between Adjusted Operating Profit Margin and Adjusted FCF Margin

Reconciliation Items for Adj. Operating Profit and Adj. FCF



Software Capitalization Impact on Adj. Operating Profit and Adj. FCF

Software Capitalization and Amortization Ratios to Revenue (Illustrative)



- 1** (+) Impact on adj. operating profit margin= software capitalization to revenue ratio – software amortization to revenue ratio
- The positive impact on adj. operating profit margin will gradually diminish, as the ratio of capitalized costs deducted from R&D expenses declines while the ratio of amortization in cost of revenue increases.
- 2** (-) Impact on adj. FCF margin= software amortization to revenue ratio – software capitalization to revenue ratio
- Due to improved R&D productivity, the negative impact on adj. FCF margin will gradually diminish, as the ratio of capitalized expenses in investing cash flows declines while the ratio of amortization added back in operating cash flows increases.

Over the mid-to-long-term, the pace of adj. FCF margin improvement is expected to accelerate due to increased cash inflows from growing unearned revenue and declining cash outflows from software capitalization.



1. Cash inflows from subsidiary disposals and similar transactions are excluded from investing cash flows through adjustment.

Business Model Enabling 40%+ Adjusted Operating Margin in Long-term

Mid-to-Long-term Financial Model

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY30	Long Term adj. OP Margin % of Revenue 40%+
Gross Margin	78.2%	77.4%	79.5%	80.7%	83.6%	82.5%	82.2%	75%-80%	
adj. R&D⁽¹⁾⁽²⁾⁽³⁾ % of Revenue	35.9%	28.4%	25.6%	25.8%	35.7%	32.8%	14.2%	8%-13%	
adj. S&M⁽¹⁾⁽²⁾⁽⁴⁾ % of Revenue	78.3%	66.8%	58.8%	53.9%	69.4%	66.7%	53.3%	30%-35%	
adj. G&A⁽¹⁾⁽²⁾⁽⁵⁾ % of Revenue	22.8%	19.7%	17.5%	17.7%	15.9%	12.8%	9.0%	5%-10%	
adj. OP Margin % of Revenue	-58.9%	-37.5%	-22.4%	-16.8%	-37.4%	-29.7%	5.7%	20-30%	



1. Breakdown of adjustment items is provided later.

2. Figures for each fiscal year after FY2022.6 are for Platform business only, excluding Shikaku Square sold on December 1, 2021.

3. 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.

4. 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.

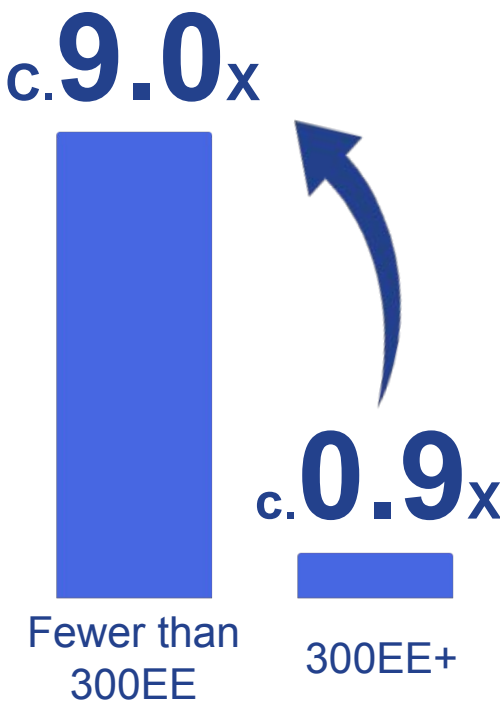
5. General and Administrative. Total of labor costs of corporate departments and other general and administrative expenses, as well as allocated common expenses, etc.

Cloud Penetration in Japan's Small Business Continues to Expand

Growing demand due to labor shortage

- Labor shortage in small businesses are **about 10x more severe than in large companies. Accounting firms also face growing shortages.**
- **Raising wages is becoming essential** for securing and retaining talent.
- **Rising demand for cloud software that supports efficiency gains and wage funding.**

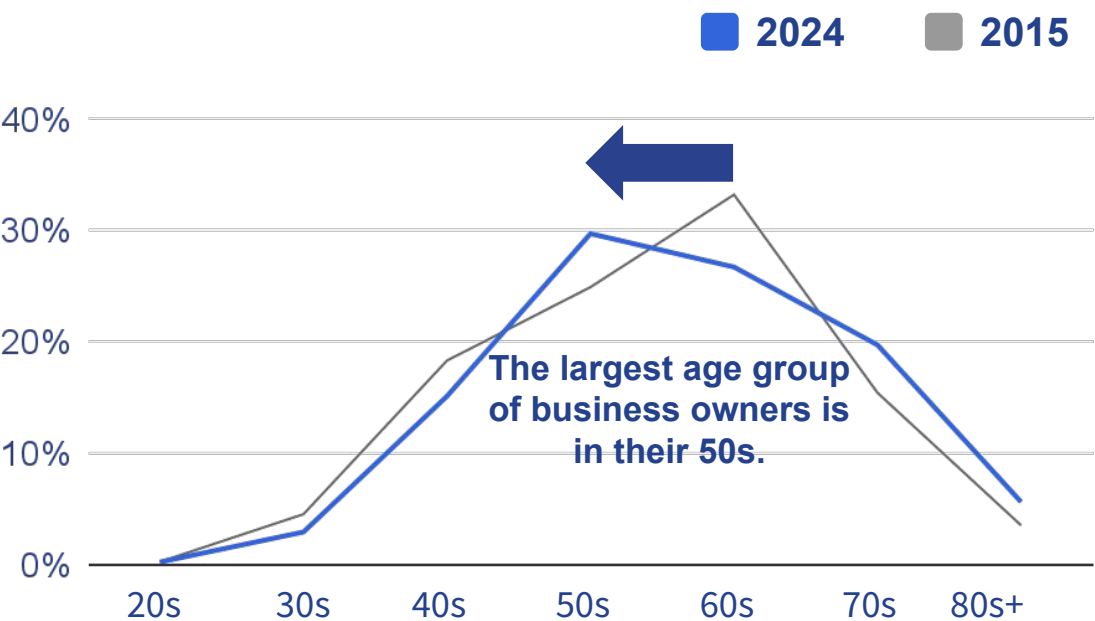
Job Openings-to-Applicants Ratio
(Mar 2026 University Graduates)⁽¹⁾



Generational succession accelerating cloud shift

- **Business succession and generational transition are increasing.**
- **Share of business owners in their 50s and below, a cloud-ready generation, is increasing.**
- **Growing need for management visibility** during business succession.

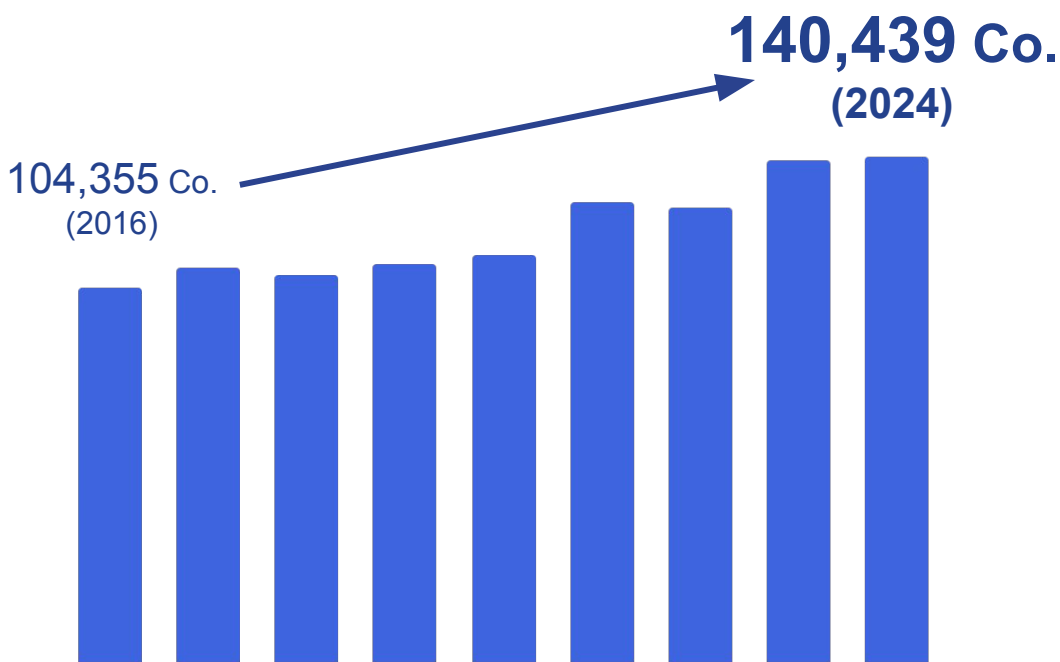
Age Distribution of Business Owner(%)⁽²⁾



Increase in new company incorporations

- Newly established companies **prioritize cloud software as their preferred choice.**
- Despite a declining labor force, the number of new company incorporations **continues to increase.**

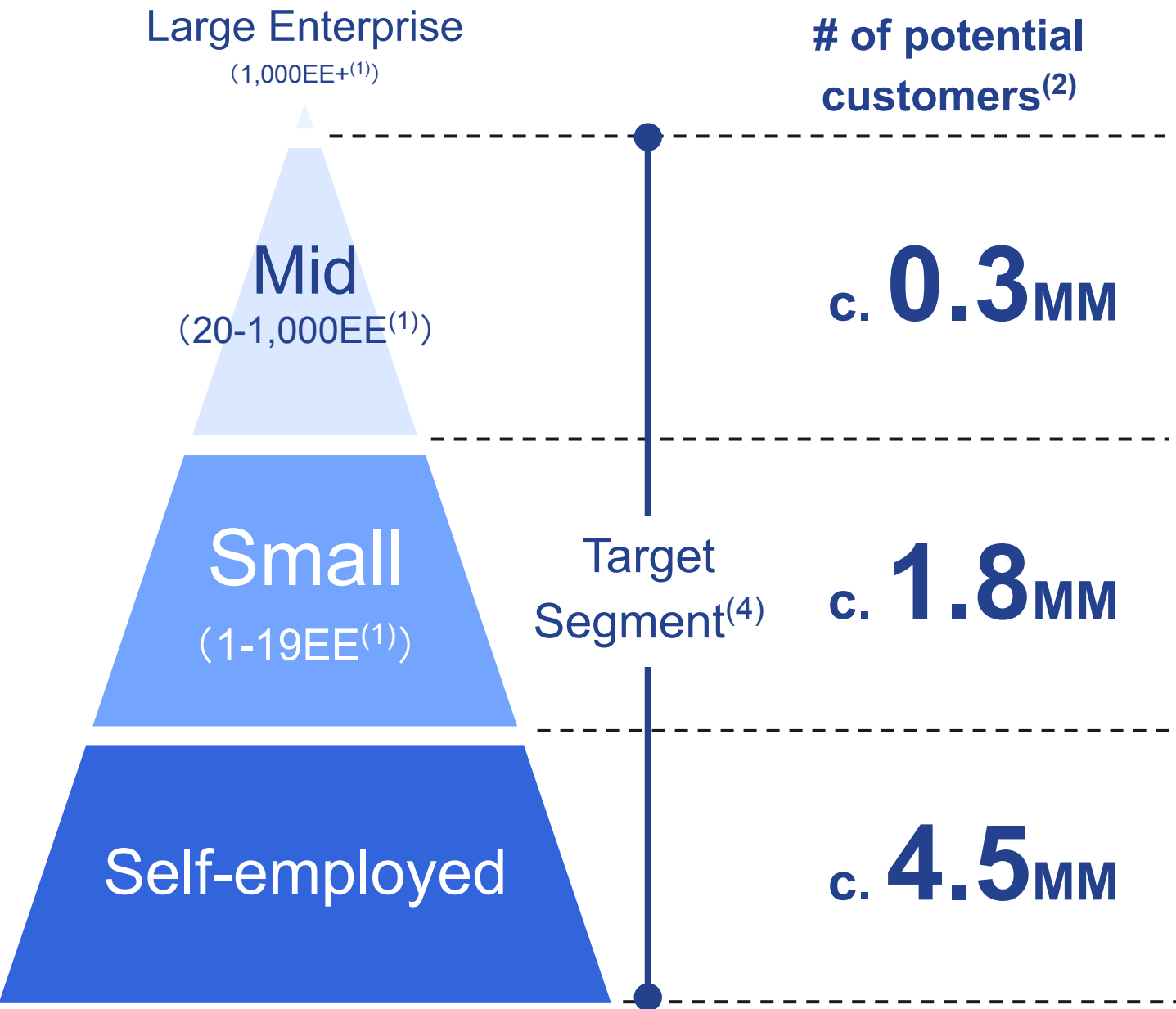
New Company Incorporation Trends⁽³⁾



1. Recruit Works Institutes (2025), "Job Openings-to-Applicants Ratio for University Graduates (Mar 2026 Graduates)". For company with 300~999 employees:1.40x, 1,000~4,999 employees:1.05x, above 5,000employees:0.34x. EE: Employee.
2. Small and Medium Enterprise Agency (2025). "2025 White Paper on Small and Medium Enterprises in Japan".
3. Compiled from the number of newly assigned corporate numbers each year, based on data from the National Tax Agency Corporate Publication Site.

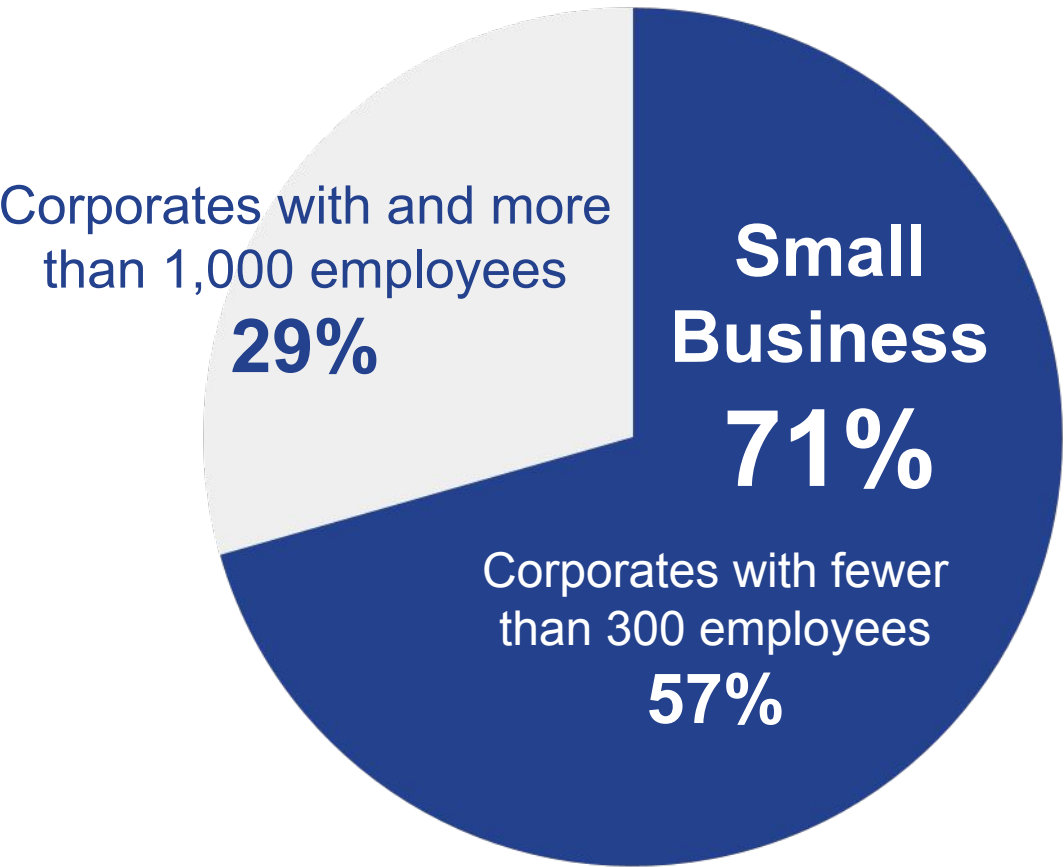
Our Services for 6.6 Million Potential Customers and over 70% of Total Employees

freee's target segment



Small business accounts for more than 70% out of the 57 million employees in Japan

Ratio of total employees by company size⁽³⁾



1. EE: Employee.
2. Number of potential customers and workers of Self-employed: Company's estimate based on National Tax Agency "Tax Statistics 2022" ; Number of potential customers and workers of Small and Mid: Company's estimate based on Ministry of Internal Affairs and Communications "2021 Economic Census for Business Activity".
3. Ministry of Internal Affairs and Communications "2021 Economic Census for Business Activity".
4. We define "Small Business" as our target segment, which comprises Self-employed, Mid corporates, and Small corporates segments.

Our Goal: “De Facto Standard for Small Business”

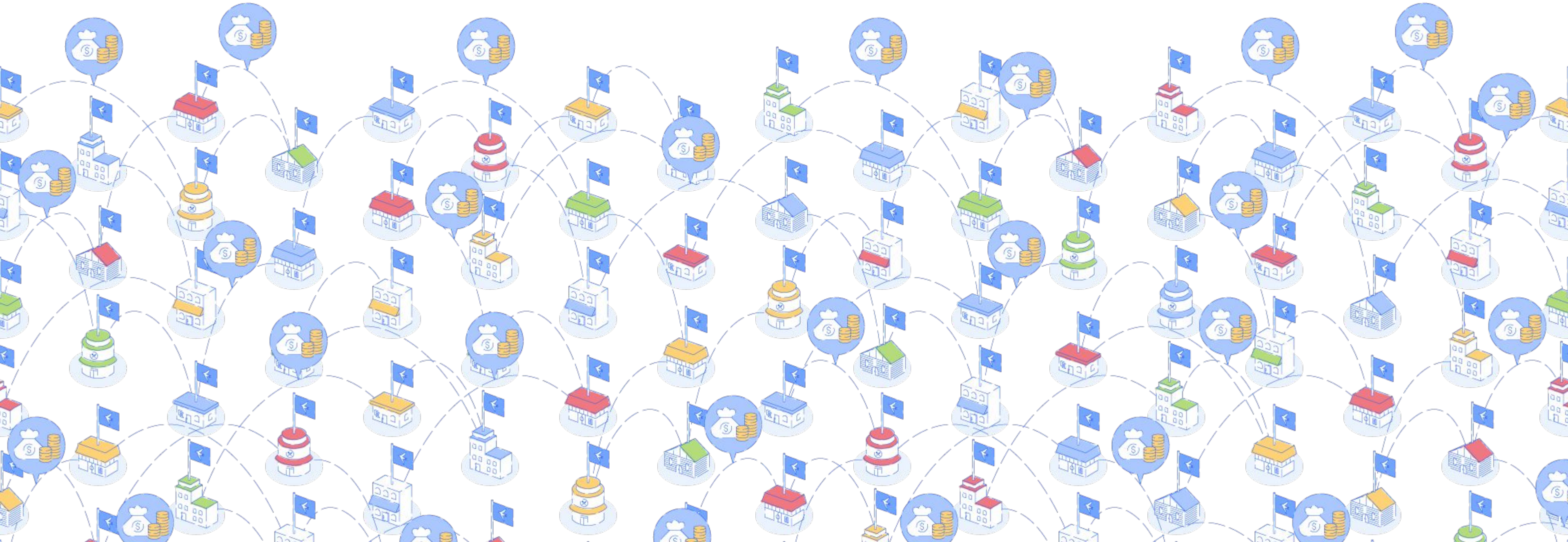
Delivering integrated experience that drives meaningful business impact

Expanding scope of automation and management support value through AI

Accelerating network effects through exponential growth in user transactions

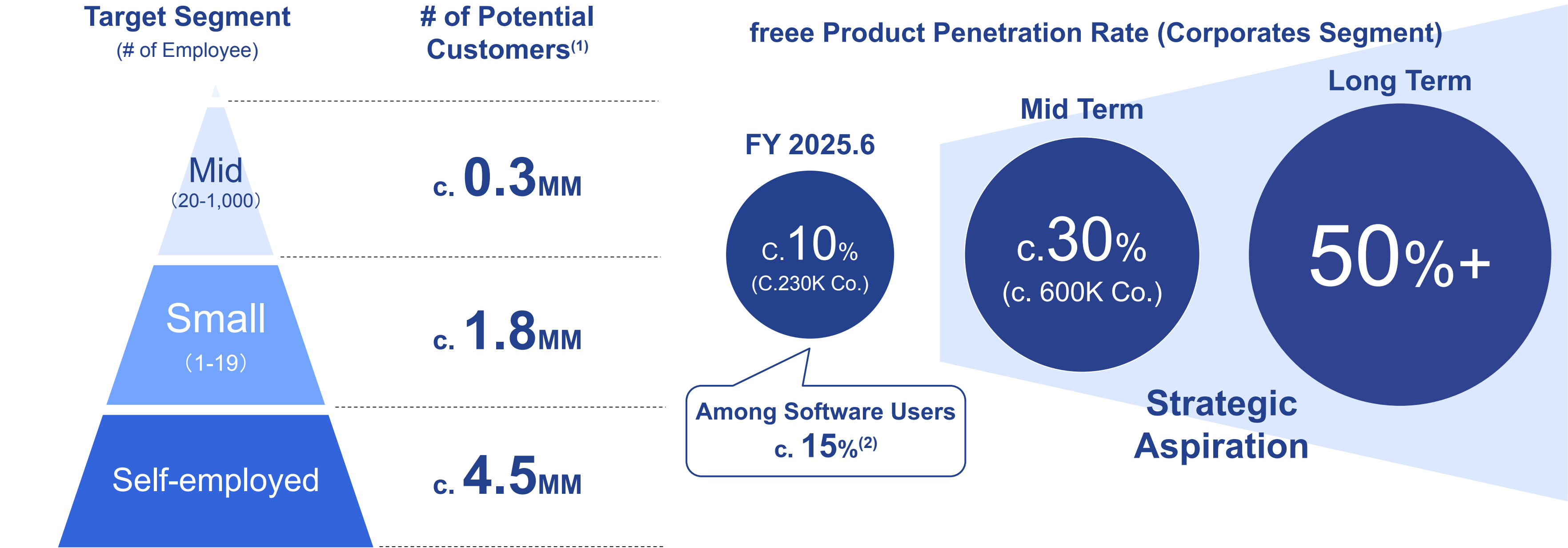
Unlocking potential in SaaS-adjacent services: Financial and Employee Solutions

Building strong ecosystem with accounting firms and partners



Path to Establishing De Facto Standard Position

- Strategic investments will drive free product penetration rate to 30% in the Corporate segment in mid-term, with a longer-term goal of establishing it as the de facto standard in small business market.
- Leverage network effects from higher penetration to accelerate both new and existing customer acquisition and enhance profitability.

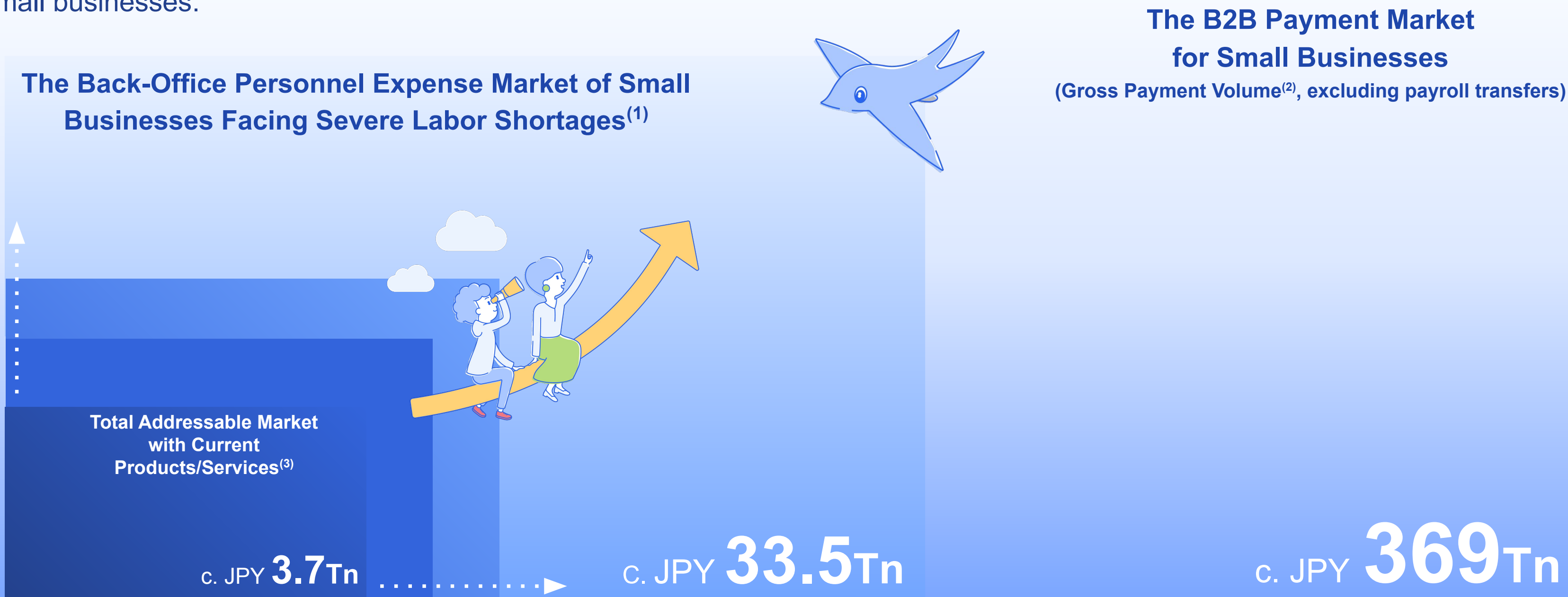


1. Number of potential customers and workers of Self-employed: Company's estimate based on National Tax Agency "Tax Statistics 2022" ; Number of potential customers and workers of Small and Mid: Company's estimate based on Ministry of Internal Affairs and Communications "2021 Economic Census for Business Activity".

2. Estimates based on our April 2025 survey on financial accounting and HR operations targeting companies with 1,000 or fewer employees. Software usage rate in the survey was approximately 70-80%. When penetration rate is calculated using only software-using companies as the base, it reaches approximately 15%.

Driving Sustainable Growth by Expanding the Back-Office Personnel Expenses and B2B Payment Markets for Small Businesses Facing Labor Shortages

- By accelerating AI utilization and driving the expansion of our outsourcing business, in addition to the SaaS and Finance domains, we aim to develop a vast JPY 33.5Tn market focused on the back-office personnel expenses of small businesses facing labor shortages.
- Driving mid-to-long-term growth by expanding our expense management platform to capture the JPY 369Tn B2B payment market among small businesses.



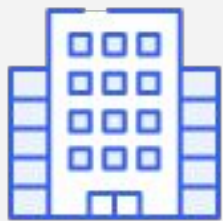
1. Back-Office Personnel Expense Market= # of Regular Employees × % Back-Office Personnel × Avg. Labor Cost, where Regular Employees (EE) are based on MIC "2021 Economic Census" (Regular Employees); MIC "2022 Employment Status Survey" (estimated clerical worker ratio); National Tax Agency "2024 Private Salary Survey" (estimated avg. salary). All data based on businesses w/ ≤999 employees.

2. Calculated as the total sum of "Cost of Goods/Materials," "Outsourcing," "Freight/Packing," "Advertising," and "Entertainment" expenses, based on MIC "2024 Basic Survey on SMEs" (Section 3: Sales and Operating Expenses; Table 1: By Industry and Number of Employees).

3. TAM (Total Addressable Market): Annual potential revenue assuming full adoption of Group products/services by all target enterprises (sole proprietors and corporations w/ <1,000 employees). Data based on National Tax Agency "2023 Declared Income Tax" (sole proprietors) and MIC "2021 Economic Census" (corporations).

Positioning and Strategic Advantages of the Small Business Market in the Agentic AI Era

Market Characteristics in the Agentic AI Era



Enterprise Market

- Abundant management resources enable proprietary AI utilization
- Strong demand for sub-optimization of subdivided business processes



Small Business Market

- Severe challenges in securing talent
- Limited customer capacity for in-house AI tool development
- Increasing back-office administrative burden due to successive regulatory changes
- Strong demand for cross-functional efficiency and professional outsourcing to address labor shortages



Strategic Advantages of the Integrated Management Platform for Small Businesses

- High replacement barriers for small businesses to switch from free to other AI tools, sustained by our strong brand as a leader in cloud accounting and HR software, a proven track record of compliance with frequent regulatory changes, and an extensive professional network of over 5,000 accounting firms.
- AI-driven lowering of implementation hurdles to accelerate DX for small businesses that have lagged in cloud adoption due to specialized skill and resource constraints.
- Capability to deliver cross-functional job completion via AI agents and high-quality, cost-effective BPO services combining AI with outsourcing.
- Expansion beyond the traditional IT budget market to address the JPY 30Tn+ back-office labor cost market.

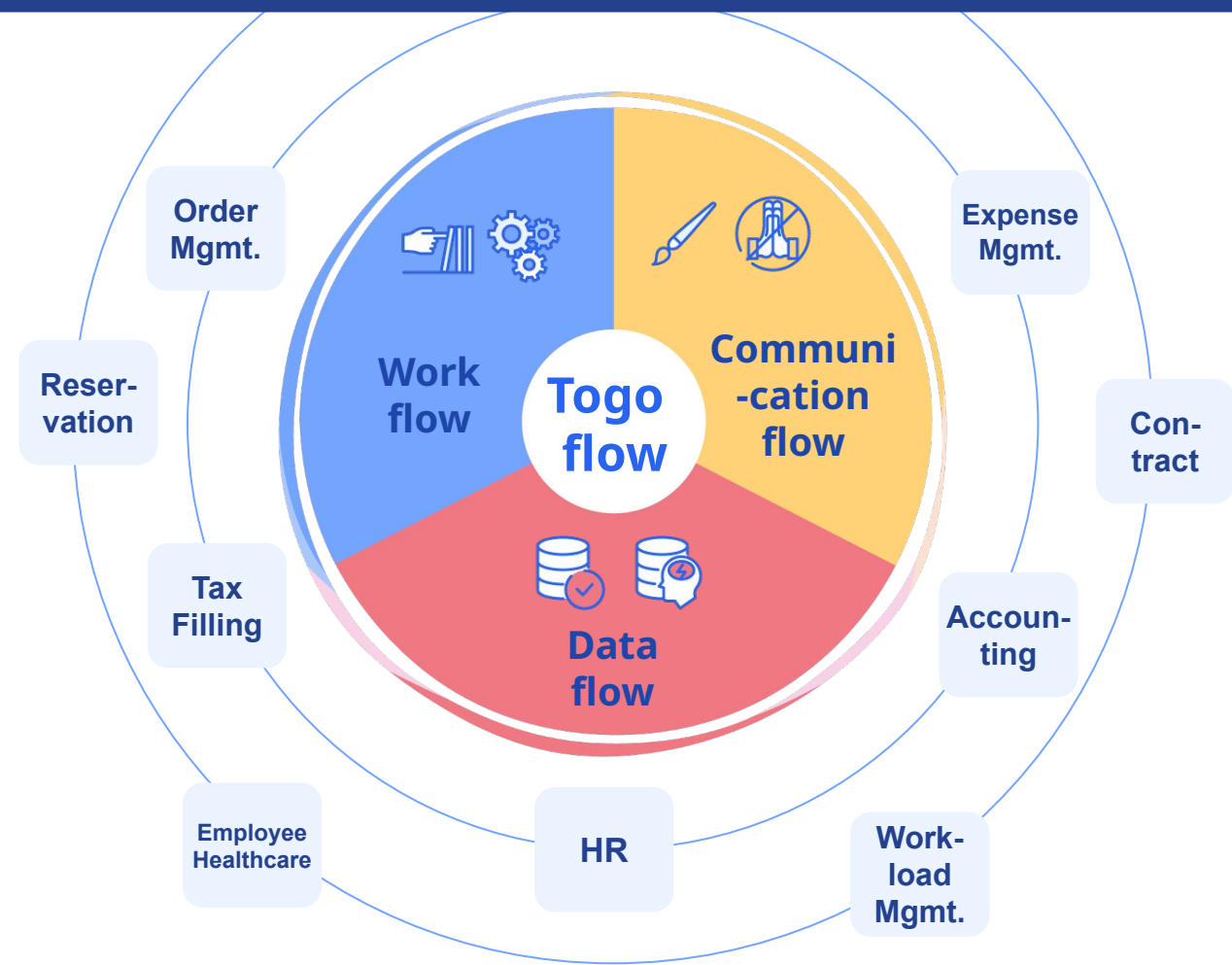


free is uniquely positioned to evolve into the AI-native integrated platform for small businesses

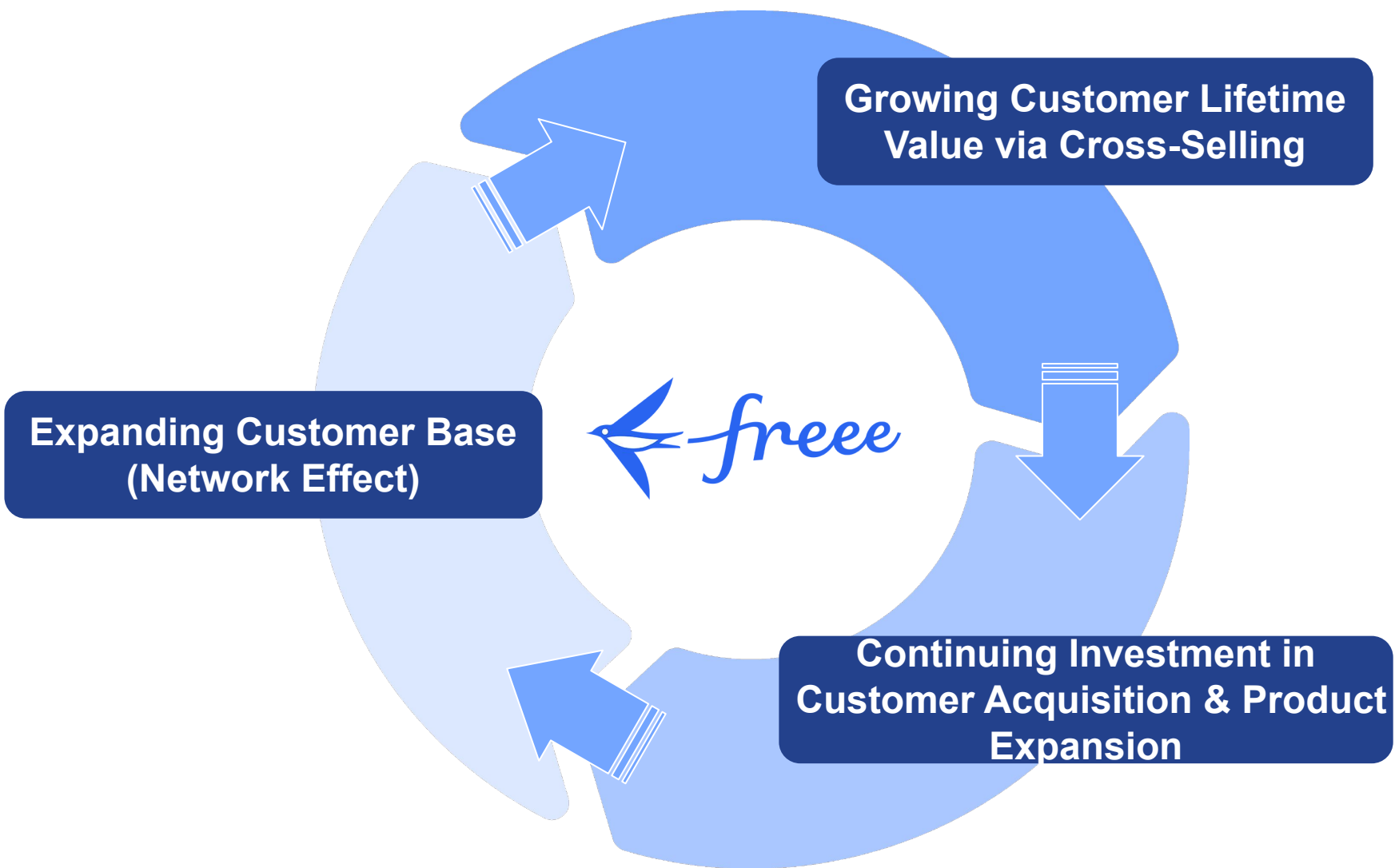
Into Phase of Expanding Customer Base and Improving Productivity through Cross-Selling Driven by Integrated Value

Competitive Advantage as an Integrated Management Platform

Deliver seamless integration across accounting, HR, and other core business functions, driving organizational efficiency and cross-functional optimization



“A Flywheel” Driving Customer Base Growth and Productivity Gains



Drivers for Achieving the Rule of 40 in FY2028.6



Drivers for Achieving Rule of 40 in FY2028.6:

①Driving Customer Base Expansion Through Industry-Focused Solutions in Core Businesses

- Accelerating industry-specific product adaptations in core business areas such as *freee Accounting* and *freee HR*, and expand PMF⁽¹⁾ coverage. Deliver integrated value to small businesses across diverse industries to further grow the customer base.

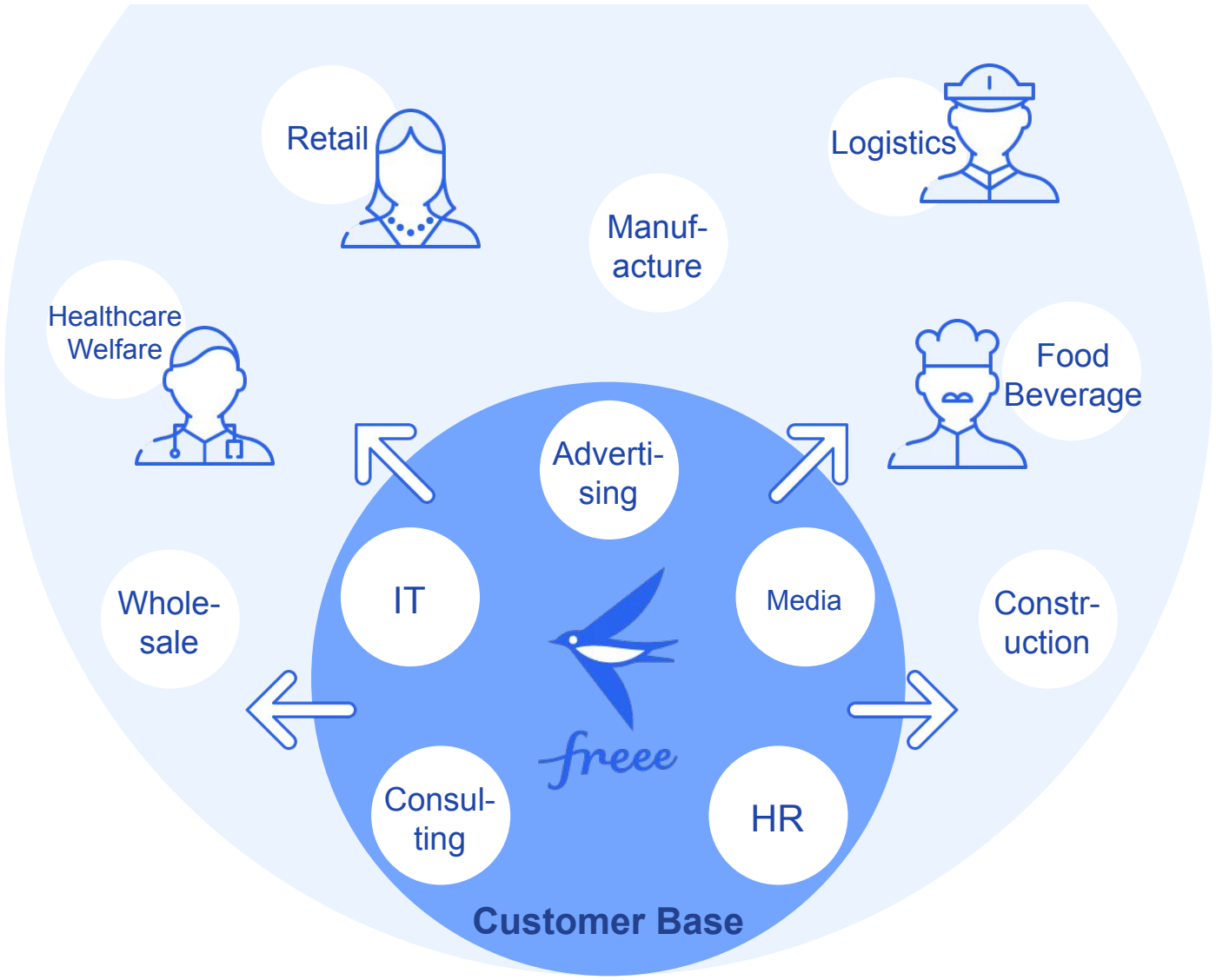
Accelerate Industry-Specific Needs Response and Expand PMF⁽¹⁾ Scope

Accounting

- Launched “Spend Management Petty Cash” last September, using AI to generate cash book entries from smartphone receipt scanning. Transaction data from branch stores synchronizes with the *freee Accounting* system and linked to the corporate office.
 - Retail
 - F&B
 - Logistics
- Plan to enhance the fixed asset ledger and comply with new lease accounting standards by March 2026.
 - Manufacture
 - Healthcare
 - Construction

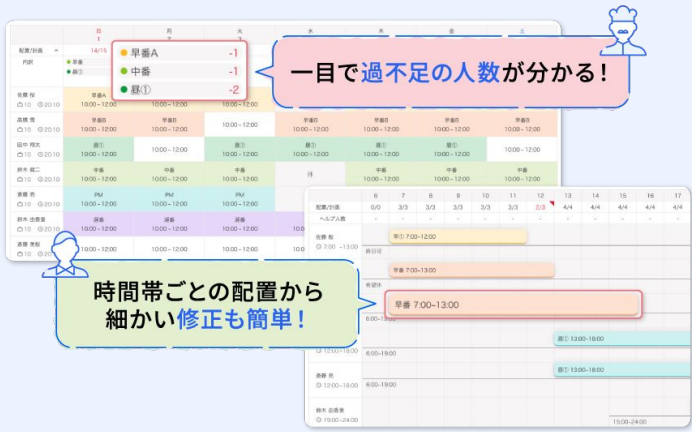


Expand Customer Base by Delivering Integrated Value to More Small Businesses



HR

- Released “*freee HR AI Shift Management*” in October last year, enabling AI-powered shift scheduling.
- Added automatic night shift scheduling feature for two-shift systems in December last year.
 - Healthcare
 - Welfare
 - F&B
 - Manufacture



1. Product-Market Fit (PMF) refers to the state where a product or service precisely meets market needs and gains strong customer acceptance.

Drivers for Achieving Rule of 40 in FY2028.6:

②Increasing Revenue Contribution from New Businesses with High Growth Potential

- Strengthening the revenue foundation for sustainable growth by increasing contributions from rapidly growing new businesses such as *freee Order Management* and the credit card business.
- Financial service lineup is being expanded through M&A. We will continue to pursue strategic M&A opportunities in various business fields to deliver comprehensive solutions for small businesses.

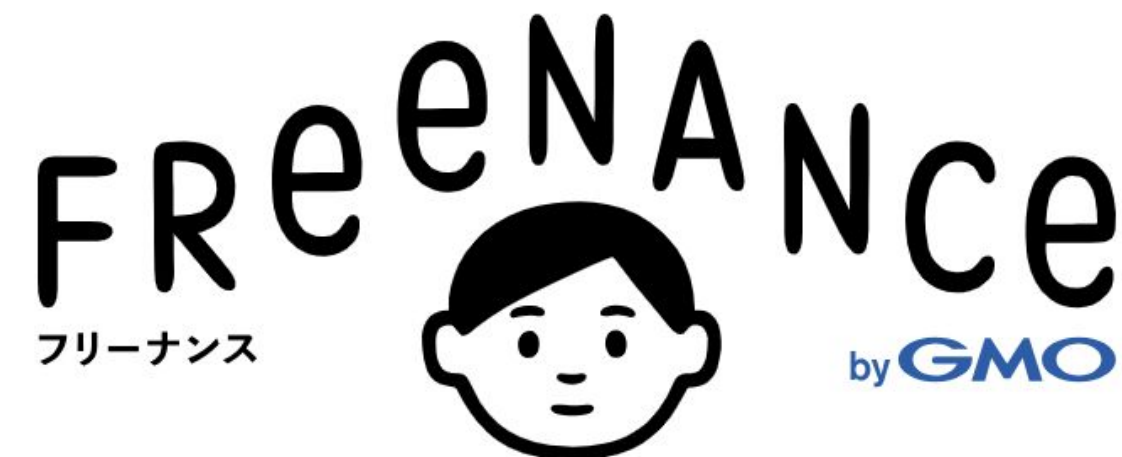
Rapidly Expanding New Businesses with High Growth Rate

New Products and Services Growing Rapidly at More Than 2x YoY⁽¹⁾



Strategic M&A to Enhance Financial Service Lineup

Announced the group joining of GMO creators network, Inc., which provides FREENANCE, financial support services such as same-day payment factoring

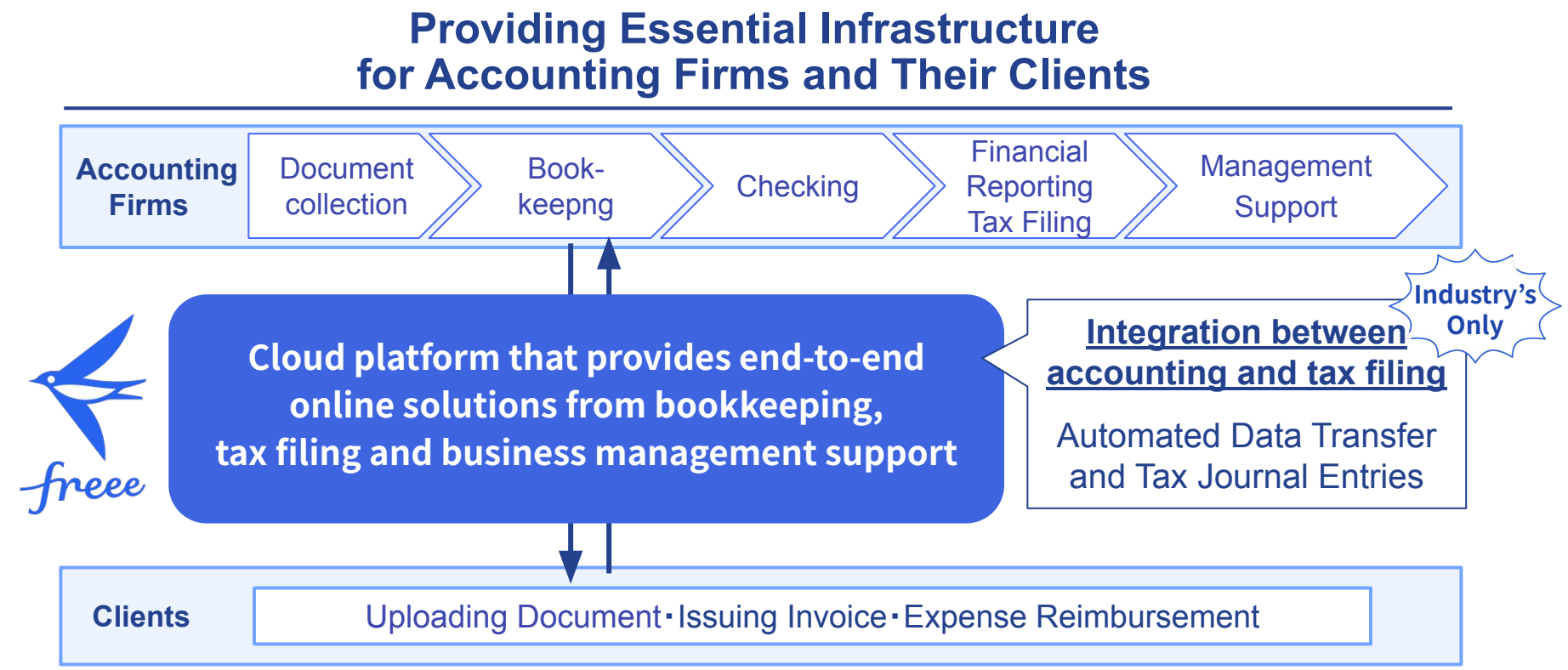


1. Comparing FY2025.6 and FY2024.6, 'freee Card Unlimited' in Transaction ARR, 'freee Order Management,' 'freee Employee Benefits,' 'freee HR Employment Contract,' 'freee Employee Healthcare' in ARR, and Outsource in combined ARR/Transaction ARR achieved over 2x YoY growth.

Drivers for Achieving Rule of 40 in FY2028.6:

③Aiming to Become the De Facto Standard Infrastructure for Accounting Firms

- Leveraging our industry's only⁽¹⁾ cloud platform to provide end-to-end online solutions from bookkeeping, tax filing and business management support, we will promote further expansion of partnerships by providing essential infrastructure for accounting firms and their clients.



Automation and Streamlining of Operations

- Automatic receipt scanning with smartphone
- Customizing automated journal entry rules
- Timely communication through comment function

Real-time Visualization and Analysis of Business Management

- Drill-down analysis enabled by linking transactions with receipts
- Customizable tagging function for multi-dimensional data analysis
- AI Quick Analysis that visualizes and analyzes profit and loss trends

Strategic M&A to Enhance Financial Service Lineup

Value Proposition for Accounting Firms

Example of Ito Tax Account Office

Overtime Reduction

90% Less

Peak-Season Hours with Fast-Track Monthly Closing of Client Accounts

Example of Arai Tax Account Office

Revenue Growth

1.5x

in Three Years along with Expansion of free Users

Expanding Partnership

Accounting firms participating in the advisory program

c.5,000 Co.

(at the end of June 2025)



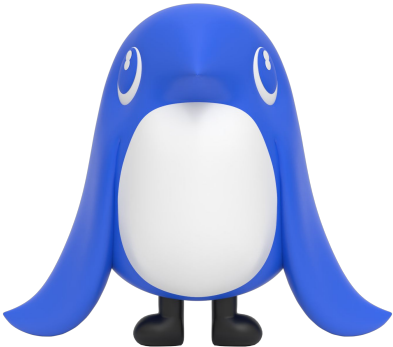
1. As the cloud native software serving accounting firms and tax accounting offices as of August 13, 2025 (freee research).

Drivers for Achieving Rule of 40 in FY2028.6:

④Advancing AI Integration to Strengthen Product Value and Increase Operational Productivity

- We aim to enhance product value by expanding operational automation capabilities and enabling high-precision management insights, ultimately driving customer business growth.
- Improving operational efficiency: Accelerating company-wide AI adoption to drive continuous productivity gains.

Accelerate Practical Implementation of New AI Features and Services to Enhance Product Value



Expediting the release of AI features to deliver innovative customer experiences

AI Agents
「free AI (β)」

AI Year-end Tax Adjustment

AI Expense Reimbursement

AI Time Tracking Checker

AI Chat Invoicing

AI Quick Guide

AI Workload Manager

AI Year-end Tax Adjustment

- “AI Year-end Tax Adjustment” feature will be available for *freee HR* users’ starting from this fiscal year.
- Outsourcing service utilizing “AI Year-end Tax Adjustment” has been launched in this August, priced at JPY 500 per employee, aiming for rapid adoption among small businesses.

Sustain Productivity Improvement through AI Utilization in Internal Operations

COGS

- Promote usage and improve accuracy of AI chat support to further optimize customer support costs.

S&M

- Utilize AI tool to reduce non-sales work hours and eliminate knowledge silos such as sales expertise. Awarded the “AI Transformation Award” at Forbes JAPAN NEW SALES OF THE YEAR 2025.
- Support early ramp-up of the expanding sales workforce.

R&D

- Deploy AI coding across company to enhance development productivity.

G&A

- Automate internal inquiry responses with AI chatbot.



Shift in Customer Value :from “Done by You” to “Done for You”

Conventional Saas

Intuitive UI/UX for easy expense item entry and minimize errors.

Enables rapid journal entry for users of all proficiency levels.

Automates payroll end-to-end by integrating attendance and HR data.

Done by You

What to expect from
Accounting ?

What to expect from
Bookkeeping ?

What to expect from
HR Operations ?

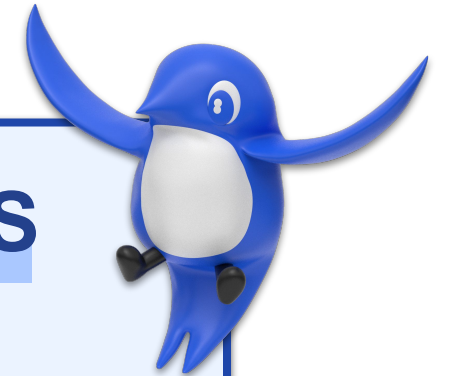
Agentic AI Era SaaS

Automates compliant expense applications based on receipts, internal policies, and tax regulations.

Delivers immediate trial balances by simply aggregating source documents.

Completes payroll processing and audits automatically through seamless data centralization.

Done for You



Redefining the Value Proposition of SaaS in the Agentic AI Era

Increasing Value Proposition	SaaS that is Challenged by AI	SaaS that Thrives in the Agentic AI Era
1 Authoritative Record Completeness (System of Record)	• SaaS in domains where full business data integrity is not required. • Prioritizing ease of information input and viewing through UI, without maintaining an official ledger, discretionary data entry permitted.	• SaaS in domains requiring auditability and accountability. • Maintain an accurate and mandatorily accumulated business data ledger. • Captures full context to the authoritative record, ensuring audit validity.
2 Execution Foundation for AI Job Completion	• Point solution model (fragmented workflows requiring additional tasks and manual input to complete a job).	• End-to-end model with workflows and rules covering the full business process. • Enables AI to reproducibly complete the full sequence of data entry, validation, confirmation and posting.
3 Audit Trail Foundation for Human Accountability	• No traceability of who performed what processing, on what basis; not explainable to third parties.	• Applies clearly defined authority scopes and policies to AI-executed operations, establishing a secure operating environment. • Ensure traceability of AI-executed operations.
4 Accessibility within the AI Ecosystem	• Limited APIs; AI-driven operations reliant on screen scraping.	• Extensive API offerings ensure that AI operations are predominantly API-driven. • Clearly defined operational scope and error-handling logic, ensuring disciplined AI operations.



freee: Built a Competitive Advantage as a SaaS that Thrives in the Agentic AI Era

Increasing Value Proposition

- 1

Authoritative Record Completeness (System of Record)
- 2

Execution Foundation for AI Job Completion
- 3

Audit Trail Foundation for Human Accountability
- 4

Accessibility within the AI Ecosystem

freee’s Competitive Advantage and Reinforcement Points in the Agentic AI Era

- One stop *source of truth* for all data in domains where an authoritative record is mandatory, including accounting, tax filing, and payroll.
 - Transaction and payroll related supporting documents, plus the finalization history of journal entries, accumulated in a single platform.
- An integrated platform supporting end-to-end job completion, from document collection to financial statement preparation and year-end tax filing.
 - Proven business logic reflecting up-to-date local regulations, Japan-specific business practices, and bank API integrations.
 - A workflow engine that automatically runs the next step based on defined business-event triggers.
- Flexible permissioning and audit logs that constrain unsafe AI behavior and ensure full traceability of AI actions.
 - A business foundation enabling collaboration with a professional network including a certified advisor program joined by over 5,000 accounting firms and a wide range of AI BPO partners.
- In 2013, we launched the industry’s first⁽¹⁾ public API. Since then, we have provided public APIs across most core products, promoting an open API ecosystem, featuring over 200 apps in the freee App Store.
 - Seamlessly accessible from Claude via Anthropic’s Model Context Protocol (MCP)⁽²⁾ and Skills⁽³⁾, ensuring highly efficient utilization.



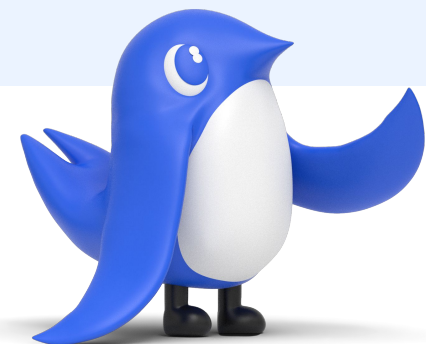
1. Within the accounting software industry; based on our company’s internal research.
2. A new open standard designed to seamlessly connect AI models with data sources.
3. Packaged capabilities consisting of the specialized knowledge and tools required for Claude to execute specific professional tasks.

freee's “Done for You” Value Proposition: Two Concepts in the Agentic AI Era

for Small Business Owners

**Towards Unprecedented,
Fully Entrusted Automation.
AI-Native Back-Office Series**

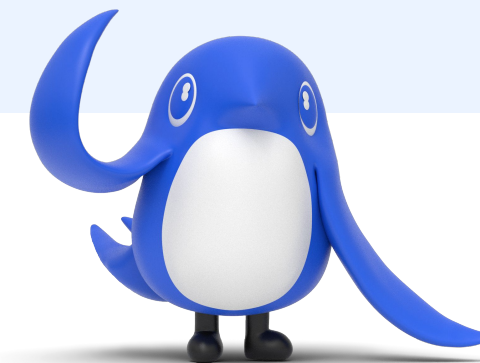
freee Autopilot



for Back-Office Professionals

**The AI Management Core Platform
that Delivers Professional
Accuracy and Accountability.**

freee Cockpit



freee Cockpit: Achieving Professional Accuracy and Accountability

What is Necessary to Achieve Expert-Level Accuracy and Accountability

1 Governance

Business processes are standardized based on legal regulations and internal rules, allowing for easy detection of process exceptions and accurate decision-making through human judgment.

2 Execution Accuracy

AI agents strictly comply with defined business rules to achieve precise execution, ensuring operations that accommodate the latest legal regulations and industry-specific practices.

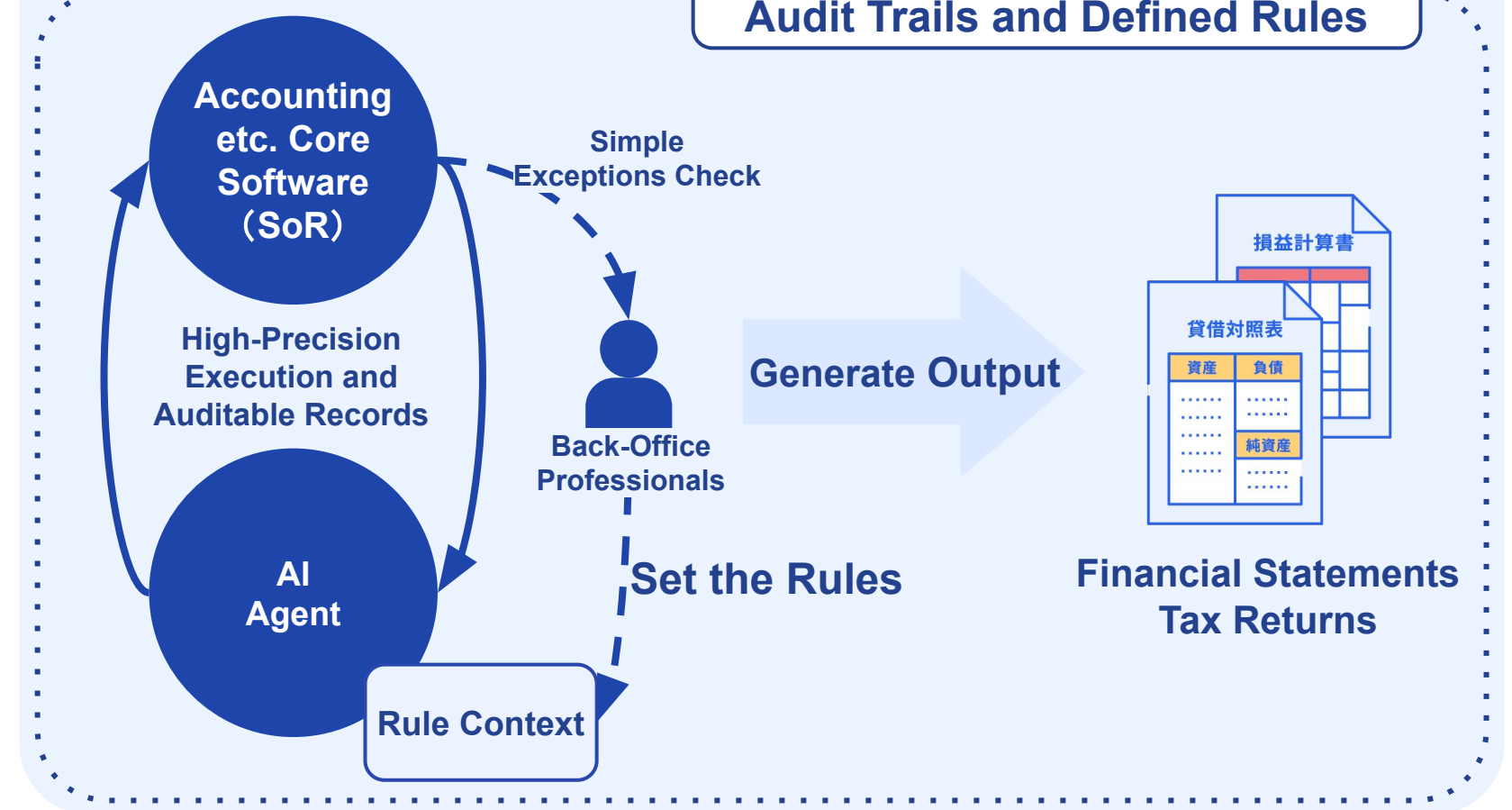
3 Audit Log

All AI agent execution processes are recorded in logs, ensuring comprehensive auditability and end-to-end traceability of operations.

The Only AI Management Core Platform that Delivers Professional Accuracy and Accountability

freee Cockpit

Accountability Ensured by Clear Audit Trails and Defined Rules



free Autopilot: The Ecosystem for Complete Business Entrustment

What is Necessary for Complete Entrustment

1 Entrustment to AI x Professionals from Upstream Business Processes

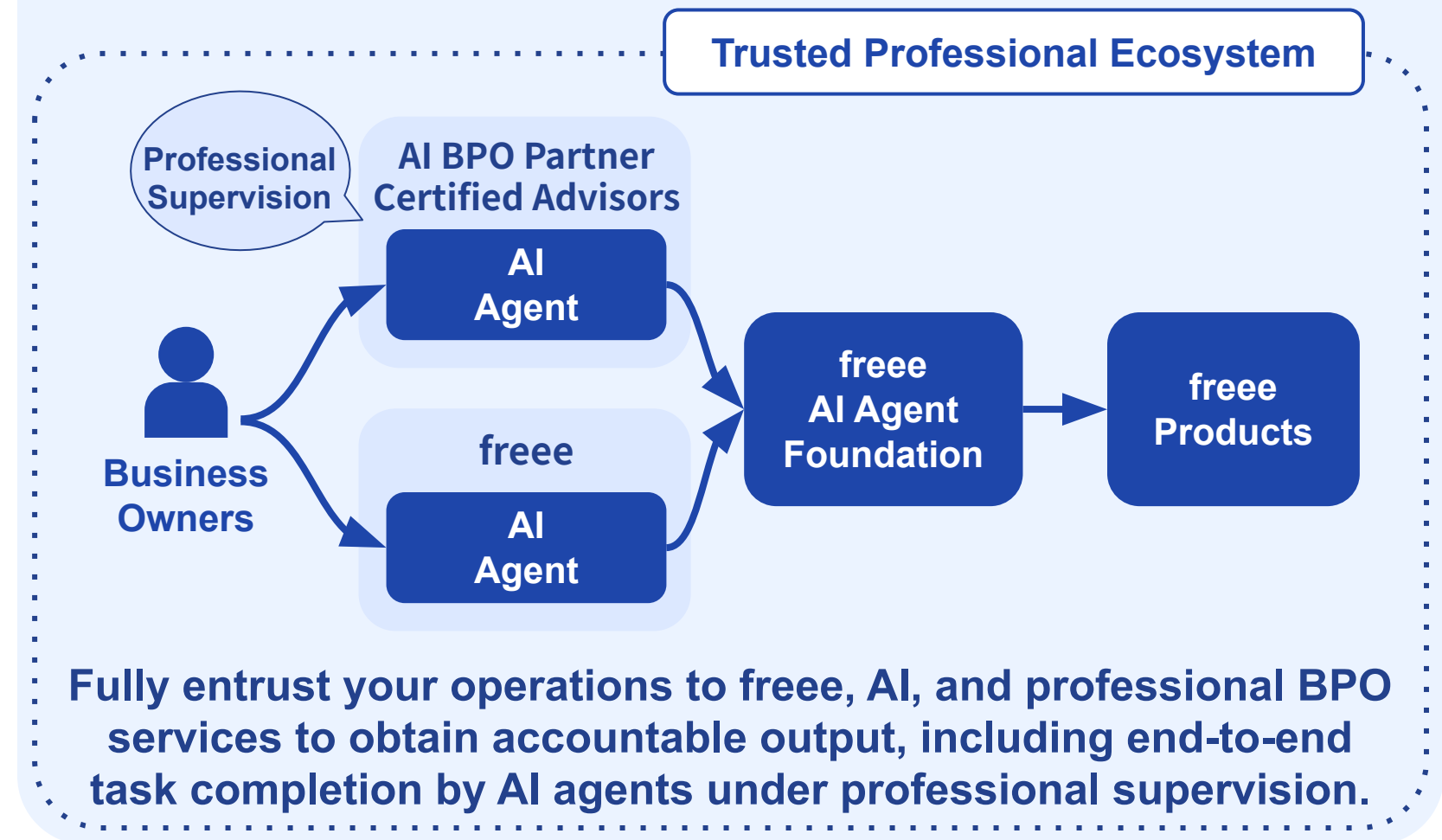
AI x Professionals handle and supervise from the initial setup stage, tailored to the user's business needs and preferences.

2 Easily Collect All Supporting Documents

By leveraging AI to efficiently collect and centrally manage all supporting documentation, we enable AI agents to achieve accurate, end-to-end task completion.

Towards unprecedented, fully entrusted automation.
AI-Native Back-Office Series

free Autopilot



Appendix 2

- Financial Data -

ARR/Number of Paying Customers/ARPU

Platform ARR ⁽¹⁾		FY2024.6				FY2025.6				FY2026.6		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Platform ARR	JPY MM	22,286	23,846	26,441	26,834	28,787	31,071	34,469	35,796	37,120	39,151	42,481
Self-employed		5,636	5,773	7,231	6,594	6,604	6,988	8,656	7,745	7,765	7,970	9,741
Corporates		16,650	18,073	19,210	20,240	22,183	24,083	25,813	28,051	29,355	31,181	32,740
Number of Paying Customers⁽²⁾	Customers	460,160	474,442	545,397	534,819	549,448	567,355	627,140	609,292	624,916	643,027	712,265
Self-employed		292,590	297,505	359,158	336,398	340,824	350,157	402,639	374,222	378,448	386,692	448,155
Corporates		167,570	176,937	186,239	198,421	208,624	217,198	224,501	235,070	246,468	256,335	264,110
ARPU⁽³⁾	JPY	48,431	50,261	48,480	50,174	52,393	54,765	54,962	58,750	59,407	60,892	59,647
Self-employed		19,262	19,405	20,133	19,602	19,377	19,957	21,498	20,696	20,521	20,611	21,736
Corporates		99,361	102,144	103,147	102,005	106,330	110,880	114,979	119,330	119,115	121,656	123,976

Subscription ARR ⁽⁴⁾		FY2024.6				FY2025.6				FY2026.6		
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Subscription ARR	JPY MM	21,822	23,253	25,776	26,087	27,962	30,015	33,250	34,393	35,540	37,236	40,363
Self-employed		5,595	5,728	7,182	6,551	6,560	6,934	8,589	7,692	7,708	7,897	9,658
Corporates		16,227	17,525	18,594	19,536	21,402	23,081	24,661	26,701	27,832	29,339	30,705
Number of Paying Customers⁽²⁾	Customers	458,196	472,375	543,370	532,637	547,145	564,828	624,538	606,533	621,963	639,960	709,181
Self-employed		291,243	296,083	357,834	334,936	339,307	348,471	400,948	372,461	376,555	384,791	446,281
Corporates		166,953	176,292	185,536	197,701	207,838	216,357	223,590	234,072	245,408	255,169	262,900
ARPU⁽³⁾	JPY	47,626	49,226	47,437	48,977	51,105	53,140	53,239	56,704	57,144	58,187	56,917
Self-employed		19,211	19,346	20,071	19,559	19,334	19,898	21,422	20,652	20,471	20,523	21,641
Corporates		97,195	99,409	100,218	98,816	102,974	106,680	110,296	114,072	113,416	114,984	116,800



1. Platform Annual Recurring Revenue(ARR): a metric calculated based on recurring revenue from the Group's Platform business into an annualized amount, excluding one-time revenue. Platform ARR consists of Subscription ARR and Transaction ARR.
2. Number of paying customers: Refers to both Self-employed individuals and corporations that use our services.
3. Average Revenue Per User. Annual Recurring Revenue as of the end of the relevant period divided by the number of paying customers as of the end of the same period.
4. Subscription Annual Recurring Revenue. Monthly Recurring Revenue (MRR) at the end of March 2026, 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.

Consolidated Income Statement for Platform Business

JPY MM	Platform Business ⁽¹⁾					FY2025.6	FY2026.6
	FY2021.6	FY2022.6	FY2023.6	FY2024.6	FY2025.6	Q1-3	Q1-3
Revenue	10,258	13,987	19,219	25,430	33,270	23,850	30,843
<i>YoY Growth</i>	48.8%	36.4%	37.4%	32.3%	30.8%	29.5%	29.3%
Cost of Revenue	2,100	2,701	3,153	4,439	5,909	4,109	5,760
<i>% of Revenue</i>	20.5%	19.3%	16.4%	17.5%	17.8%	17.2%	18.7%
Gross Profit	8,158	11,285	16,066	20,991	27,361	19,740	25,082
<i>Gross Profit Margin</i>	79.5%	80.7%	83.6%	82.5%	82.2%	82.8%	81.3%
Adjusted Selling, General and Administrative Expenses	10,459	13,629	23,261	28,553	25,475	17,624	23,284
<i>% of Revenue</i>	102.0%	97.4%	121.0%	112.3%	76.6%	73.9%	75.5%
Adjusted R&D ⁽²⁾	2,630	3,606	6,864	8,346	4,742	3,250	4,723
<i>% of Revenue</i>	25.6%	25.8%	35.7%	32.8%	14.3%	13.6%	15.3%
Adjusted S&M ⁽³⁾	6,031	7,541	13,337	16,961	17,733	12,210	15,666
<i>% of Revenue</i>	58.8%	53.9%	69.4%	66.7%	53.3%	51.2%	50.8%
Adjusted G&A ⁽⁴⁾	1,798	2,481	3,059	3,245	2,999	2,163	2,894
<i>% of Revenue</i>	17.5%	17.7%	15.9%	12.8%	9.0%	9.1%	9.4%
Adjusted Operating Profit	-2,301	-2,343	-7,195	-7,561	1,885	2,116	1,797
<i>Adjusted Operating Profit Margin</i>	-22.4%	-16.8%	-37.4%	-29.7%	5.7%	8.9%	5.8%



1. Figures represent the Group's overall business, 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.
3. Sales and Marketing. Total of advertising expenses for sales promotions, labor costs of sales personnel and other sales and marketing-related expenses.
4. General and Administrative. Total of labor costs of corporate departments and other general and administrative expenses.

Reconciliation Table for Consolidated Income Statement for Platform Business

R&D ⁽¹⁾ JPY MM	FY2024.6	FY2025.6	FY2024.6				FY2025.6				FY2026.6		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
R&D	8,346	4,742	1,994	2,083	2,050	2,218	1,004	1,069	1,175	1,491	1,402	1,545	1,774
-) stock-based compensation expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
-) Expenses for amortization of acquisition-related intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0
-) One-time cost	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted R&D	8,346	4,742	1,994	2,083	2,050	2,218	1,004	1,069	1,175	1,491	1,402	1,545	1,774
% of Revenue	32.8%	14.3%	34.9%	34.4%	30.8%	31.7%	13.6%	13.6%	13.7%	15.8%	14.4%	15.2%	16.3%
% of Revenue (Adjusted)	32.8%	14.3%	34.9%	34.4%	30.8%	31.7%	13.6%	13.6%	13.7%	15.8%	14.4%	15.2%	16.3%

S&M ⁽²⁾ JPY	FY2024.6	FY2025.6	FY2024.6				FY2025.6				FY2026.6		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
S&M	16,961	17,733	3,804	4,529	4,544	4,083	3,854	3,802	4,553	5,523	4,786	5,100	5,779
-) stock-based compensation expenses	0	0	0	0	0	0	0	0	0	0	0	0	0
-) Expenses for amortization of acquisition-related intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0
-) One-time cost	0	0	0	0	0	0	0	0	0	0	0	0	0
Adjusted S&M	16,961	17,733	3,804	4,529	4,544	4,083	3,854	3,802	4,553	5,523	4,786	5,100	5,779
% of Revenue	66.7%	53.3%	66.5%	74.8%	68.3%	58.3%	52.3%	48.3%	52.9%	58.6%	49.1%	50.0%	53.0%
% of Revenue (Adjusted)	66.7%	53.3%	66.5%	74.8%	68.3%	58.3%	52.3%	48.3%	52.9%	58.6%	49.1%	50.0%	53.0%



1. Research and Development. Total of labor costs of engineers involved in research and development and other research and development-related expenses.
2. Sales and Marketing. Total of advertising expenses for sales promotions, labor costs of sales personnel and other sales and marketing-related expenses.

Reconciliation Table for Consolidated Income Statement for Platform Business

G&A ⁽¹⁾ JPY MM	FY2024.6	FY2025.6	FY2024.6				FY2025.6				FY2026.6		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
G&A	4,070	4,274	994	1,005	1,108	961	1,023	1,004	1,067	1,178	1,421	1,291	1,355
-) stock-based compensation expenses	736	972	156	181	221	176	237	236	233	264	347	336	311
-) Expenses for amortization of acquisition-related intangible assets	0	88	0	0	0	0	0	20	33	33	35	35	35
-) One-time cost	87	213	2	37	54	-6	29	64	76	43	35	31	6
Adjusted G&A	3,246	2,999	835	786	833	790	756	682	724	836	1,003	889	1,001
<i>% of Revenue</i>	<i>16.0%</i>	<i>12.8%</i>	<i>17.4%</i>	<i>16.6%</i>	<i>16.7%</i>	<i>13.7%</i>	<i>13.9%</i>	<i>12.8%</i>	<i>12.4%</i>	<i>12.5%</i>	<i>14.6%</i>	<i>12.7%</i>	<i>12.4%</i>
<i>% of Revenue (Adjusted)</i>	<i>12.8%</i>	<i>9.0%</i>	<i>14.6%</i>	<i>13.0%</i>	<i>12.5%</i>	<i>11.3%</i>	<i>10.3%</i>	<i>8.7%</i>	<i>8.4%</i>	<i>8.9%</i>	<i>10.3%</i>	<i>8.7%</i>	<i>9.2%</i>

Adjusted Operating Profit ⁽²⁾ JPY MM	FY2024.5	FY2025.6	FY2024.6				FY2025.6				FY2026.6		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Operating Profit	-8,386	610	-2,074	-2,640	-2,245	-1,425	213	654	315	-572	271	259	91
+) stock-based compensation expenses	736	972	156	181	221	176	237	236	233	264	347	336	311
+) Expenses for amortization of acquisition-related intangible assets	0	88	0	0	0	0	0	20	33	33	35	35	35
+) One-time cost	87	213	2	37	54	-6	29	64	76	43	35	31	6
Adjusted Operating Profit	-7,562	1,885	-1,915	-2,421	-1,969	-1,255	480	976	659	-230	690	662	445
<i>Operating Profit Margin</i>	<i>-33.0%</i>	<i>1.8%</i>	<i>-36.3%</i>	<i>-43.6%</i>	<i>-33.8%</i>	<i>-20.3%</i>	<i>2.9%</i>	<i>8.3%</i>	<i>3.7%</i>	<i>-6.1%</i>	<i>2.8%</i>	<i>2.5%</i>	<i>0.8%</i>
<i>Adjusted Operating Profit Margin</i>	<i>-29.7%</i>	<i>5.7%</i>	<i>-33.5%</i>	<i>-40.0%</i>	<i>-29.6%</i>	<i>-17.9%</i>	<i>6.5%</i>	<i>12.4%</i>	<i>7.7%</i>	<i>-2.5%</i>	<i>7.1%</i>	<i>6.5%</i>	<i>4.1%</i>



1. General and Administrative. Total of labor costs of corporate departments and other general and administrative expenses, as well as allocated common expenses, etc.

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).

Reconciliation Table for Consolidated Income Statement for Platform Business (Breakdown of COGS and R&D)

COGS JPY MM	FY2024.6	FY2025.6	FY2024.6				FY2025.6				FY2026.6		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
COGS	4,439	5,909	1,001	1,074	1,193	1,169	1,279	1,343	1,486	1,799	1,860	1,999	1900
-) Software Amortization	0	310	0	0	0	0	10	52	104	142	182	232	282
COGS (Excl. software amortization)	4,439	5,599	1,001	1,074	1,193	1,169	1,269	1,290	1,382	1,657	1,678	1,766	1618
% of Revenue	17.5%	17.8%	17.5%	17.7%	17.9%	16.7%	17.3%	17.1%	17.3%	19.1%	19.1%	19.6%	17.4%
% of Revenue (Excl. software amortization)	17.5%	16.8%	17.5%	17.7%	17.9%	16.7%	17.2%	16.4%	16.1%	17.6%	17.2%	17.3%	14.8%

R&D JPY MM	FY2024.6	FY2025.6	FY2024.6				FY2025.6				FY2026.6		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
R&D	8,346	4,742	1,994	2,083	2,050	2,218	1,004	1,069	1,175	1,491	1,402	1,545	1,774
+) Software Capitalization	0	3,862	0	0	0	0	1,090	1,000	896	873	1,005	1,045	1,132
R&D (Incl. software capitalization)	8,346	8,604	1,994	2,083	2,050	2,218	2,095	2,070	2,072	2,365	2,408	2,591	2,907
% of Revenue	32.8%	14.3%	34.9%	34.4%	30.8%	31.7%	13.6%	13.6%	13.7%	15.8%	14.4%	15.2%	16.3%
% of Revenue (Incl. software capitalization)	32.8%	25.9%	34.9%	34.4%	30.8%	31.7%	28.4%	26.3%	24.1%	25.1%	24.7%	25.4%	26.7%

Consolidated Balance Sheet and Consolidated Cash Flow Statement

Consolidated Balance Sheet

JPY MM

	FY2023.6	FY2024.6	FY2025.6	FY2026.6 Q3
Total Current Assets	41,210	38,431	45,874	48,011
Cash and Deposit	36,405	31,750	35,789	32,639
Total Non-current Assets	1,576	1,521	6,720	9,765
Total Current Liabilities	14,053	21,385	31,310	35,657
Unearned Revenue	8,940	11,356	14,665	16,611
Total Non-Current Liabilities	1,673	1,614	1,621	1,761
Total Net Assets	27,059	16,952	19,663	20,358

Consolidated Cash Flow Statement

JPY MM

	FY2023.6	FY2024.6	FY2025.6	FY2026.6 Q1-Q3
Net Cash Provided by (Used in) Operating Activities	-4,753	-6,767	3,661	-2,286
Net Cash Provided by (Used in) Investing Activities	-1,935	-1,088	-4,601	-4,305
Net Cash Provided by (Used in) Financing Activities	543	3,705	4,977	3,438
Net Increase in Cash and Cash Equivalents	-6,141	-4,154	4,038	-3,150
Cash and Cash Equivalents at the Beginning of Period	42,046	35,905	31,750	35,789
Cash and Cash Equivalents at the End of Period	35,905	31,750	35,789	32,639



Reconciliation Table for Consolidated Cash Flow Statement for Platform Business

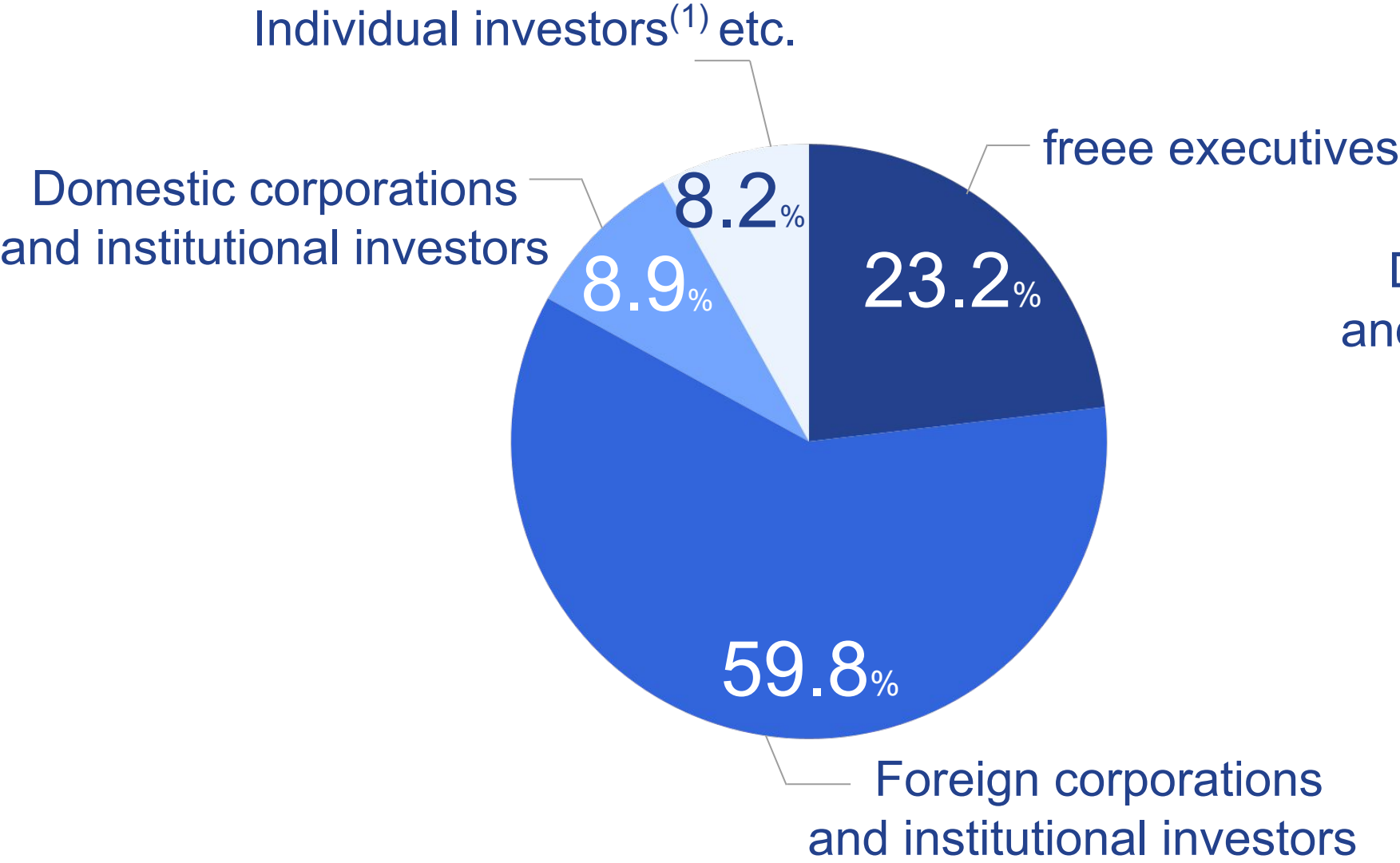
Adjusted Free Cash Flow			FY2024.6		FY2025.6		FY2026.6
JPY MM			FY2024.6	FY2025.6	H1	H2	H1
Operating Cash Flow			-6,767	3,661	-6,420	-347	-4,622
+) Increase in advances paid			1,275	1,691	489	785	1,573
+) Increase in purchased receivables							48
Investing Cash Flow ⁽¹⁾			-1,088	-4,601	-826	-261	-2,829
+) Payments for acquisition of businesses			0	0	0	0	21
+) Payments for absorption-type split			794	0	794	0	0
+) Purchase of shares of subsidiaries resulting in change in scope of consolidation			130	628	130	0	328
Adjusted Free Cash Flow			-5,654	1,381	-5,831	176	-5,479
Adjusted FCF Margin			-22.2%	4.2%	-49.5%	1.3%	-27.7%



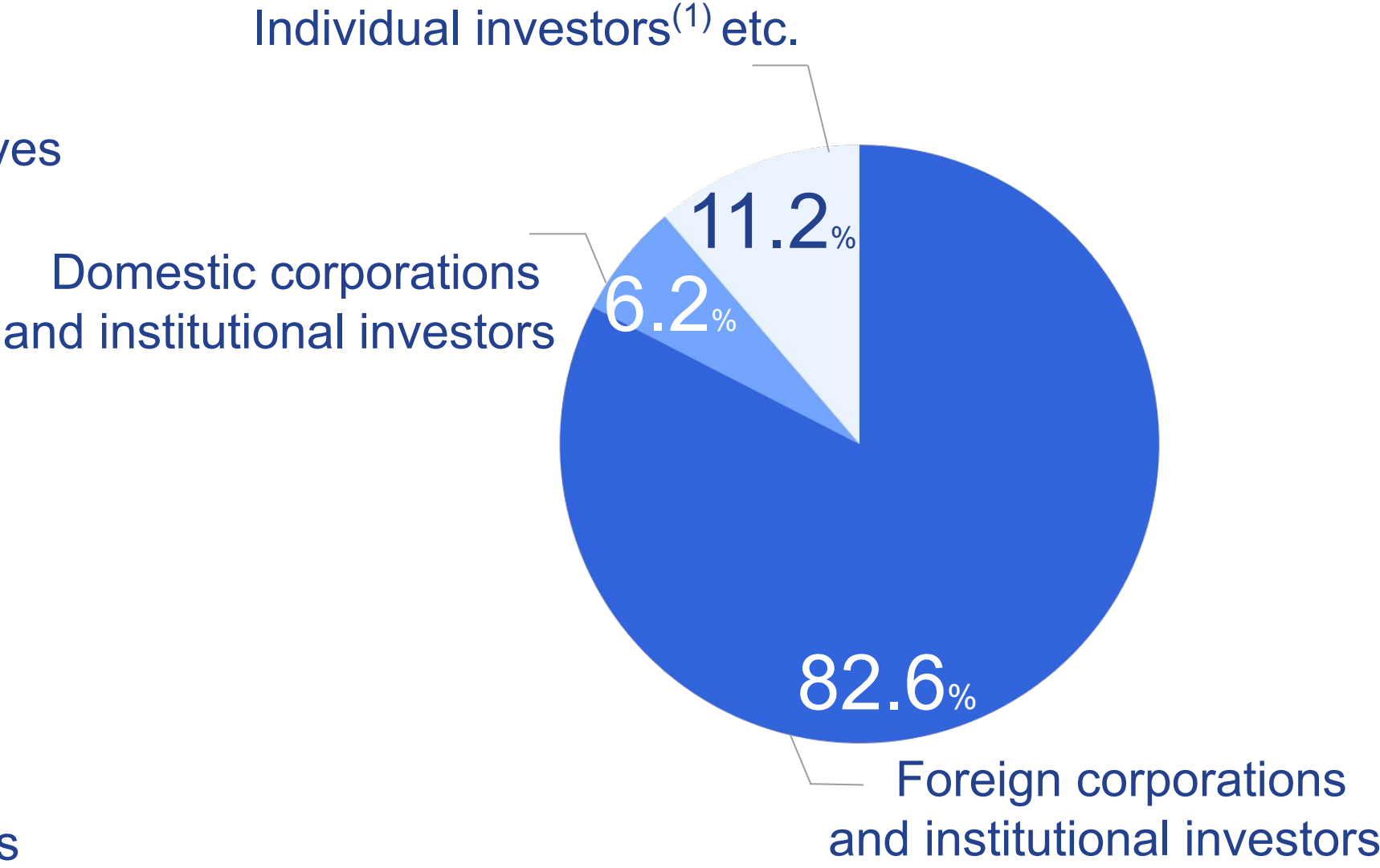
1. Cash inflows from subsidiary disposals and similar transactions are excluded from investing cash flows through adjustment.

Shareholder Structure (As of December 31, 2025)

Based on Total Shares Outstanding



Excluding Shares Held by free Executives and Pre-IPO VC / Strategic Shareholders



1. Excludes free's executives.

Appendix 3

- Product Pricing -

Pricing - free Accounting

Plan ⁽¹⁾	Price ⁽¹⁾		Features ⁽¹⁾					Support
	Monthly Payment	Annual Payment	Financial Statements	Expense Management	Budgeting	Workflow	Internal Controls	
Enterprise	*Quoted price	*Quoted price	○	○	○	○	○	Chat / E-mail / Dedicated Support Team
Advance	- Base fee: JPY 51,980 - ID fee⁽²⁾: 1,300 - Pay-as-you-go fee⁽³⁾	- Base fee: JPY 477,360 - ID fee⁽²⁾: 1,000 - Pay-as-you-go fee⁽³⁾	○	○	○	○	×	Chat / E-mail / Telephone
Standard	- Base fee: JPY 11,980 - ID fee⁽²⁾: 400 - Pay-as-you-go fee⁽³⁾	- Base fee: JPY107,760 - ID fee⁽²⁾: 300 - Pay-as-you-go fee⁽³⁾	○	○	○	×	×	Chat / E-mail / Telephone
Startar	- Base fee: JPY 7,280 - ID fee⁽²⁾:400 - Pay-as-you-go fee⁽³⁾	- Base fee: JPY 65,760 - ID fee⁽²⁾: 300 - Pay-as-you-go fee⁽³⁾	○	○	×	×	×	Chat / E-mail / Telephone
One-person Corporation	- Base fee: JPY 3,980 - ID fee⁽²⁾: 1,300	- Base fee: JPY 35,760 - ID fee⁽²⁾: 1,000	○	×	×	×	×	Chat / E-mail



1. Effective from July 1, 2024. Listed prices are excluding tax. An 1 ID is assigned to all plans for payroll calculations. Further details of fees and features are on our website at https://www.freee.co.jp/accounting/revised_plan_2024/

2. 1 ID is included in the One-person Corporation, 3 IDs are included in the Starter and the Standard, and 5 IDs are included in the Advance with no extra cost.

3. Pay-as-you-go fee in the Starter and Standard plans includes expense reimbursement at 300 yen per person per month and the sending and receiving of invoices and other documents for 95 yen per item. Pay-as-you-go fee in the Advance and Enterprise plans includes expense reimbursement and various applications at 650 yen per person per month and the sending and receiving of invoices and other documents for 95 yen per item.

61

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 2,980 - 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 1,780 - 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 at <https://www.freee.co.jp/accounting/individual/pricing/>
 2. Only advisors authorized by freee may be added.

Pricing - *freee* HR

Plan ⁽¹⁾	Price ⁽¹⁾	Features ⁽¹⁾				
		Payroll	HR Procedures	Attendance Management	Advanced Employee Management ⁽²⁾	Support
Advanced	Fee per employee: JPY 1,100	○	○	○	○	Chat / E-mail / Telephone
Standard	Fee per employee: JPY 800	○	○	○	×	Chat / E-mail
Starter	Fee per employee: JPY 600	○	○	×	×	Chat / E-mail
Minimum	Fee per employee: JPY 400	○	×	×	×	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 at <https://www.freee.co.jp/hr/pricing/>
 2. Includes the workflow function for managers to approve employee requests for address changes, commuting requests, and other employee-related requests.

Pricing - free Sign

Plan ⁽¹⁾	Price ⁽¹⁾			Features ⁽¹⁾				
	Annual Payment ⁽²⁾	Electronic Signature	Certified Electronic Signature	No. of Templates Registered	No. of Contracts Transmitted	Workflow	API	Contract Check
Enterprise	*Quoted price	JPY 100 per contract (Free for up to 5,000 contract per month)	JPY 200 per contract	Unlimited	Unlimited	○	○	○
Advance	*Quoted price	JPY 100 per contract (Free for up to 1,000 contract per month)	JPY 200 per contract	Unlimited	Unlimited	○	○	○
Standard	- Base fee: JPY 357,600 - Unlimited ID⁽²⁾	JPY 100 per contract (Free for up to 100 contract per month)	JPY 200 per contract	Unlimited	Unlimited	×	○	○
Starter	- Base fee: JPY 71,760 - Unlimited ID⁽²⁾	JPY 100 per contract (Free for up to 50 contract per month)	JPY 200 per contract	Unlimited	Unlimited	×	○	×



1. As of the date of disclosure of this material. Listed prices are excluding tax. Further details of fees and features as well as plans for corporate are on freee Sign’s website.
Plans for corporates: <https://www.freee.co.jp/sign/pricing/> Plans for self-employed: <https://www.freee.co.jp/sign/individual/pricing/>
2. Also available with monthly payment.

Pricing - Other Services

free A/R & A/P Management⁽¹⁾

Annually

Base fee : JPY 357,600 per annum

free Expense Reimbursement Plus⁽¹⁾

Monthly

Base fee : JPY 10,000 per month
(ID fee: 650 per month)

free Time Tracking Plus⁽¹⁾

Monthly

ID fee : JPY 300 per month

free Order Management⁽¹⁾⁽²⁾

Monthly

Base fee : JPY 3,580 per month
ID fee : JPY 600 per month
(Free ID for up to 1 member)

Annually

Base fee : JPY 2,980 per month
ID fee : JPY 500 per month
(Free ID for up to 1 member)

free Contractor Management⁽¹⁾

Monthly

Base fee : JPY 32,000 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 website.
2. free Order Management has two plans. This material features the starter plan. The standard plan is available at a quoted price upon inquiry.

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.

