English Translation
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Consolidated Financial Results for the Three Months Ended September 30, 2026 [Japanese GAAP]

November 11, 2026

Company name: freee K.K.
Listing: Tokyo Stock Exchange
Securities code: 4478
URL: http://www.freee.co.jp
Representative: Daisuke Sasaki, Representative Director and CEO
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Scheduled date to commence dividend payment: -
Preparation of supplementary materials on financial results: Yes
Holding of financial results meeting: Yes (for institutional investors and analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

1. Consolidated financial results for the first three months of the fiscal year ending June 30, 2027 (from July 1, 2026 to September 30, 2026)

(1) Consolidated operating results

(Percentages indicate year-over-year changes.)

	Net sales		Adjusted operating profit		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	12,031	23.5	1,487	115.5	762	180.6	614	311.4	532	244.9
September 30, 2025	9,743	32.1	690	43.6	271	27.2	149	(8.8)	154	(9.1)

Notes: 1. Comprehensive income Three months ended September 30, 2026: ¥501 million (99.9%)
Three months ended September 30, 2025: ¥250 million (−%)

2. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2026	9.00	8.97
September 30, 2025	2.61	2.60

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	62,849	19,811	31.4
June 30, 2026	61,920	21,186	34.1

Reference: Equity
As of September 30, 2026: ¥19,721 million
As of June 30, 2026: ¥21,096 million

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2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended June 30, 2026	Yen –	Yen 0.0	Yen –	Yen 0.0	Yen 0.0
Fiscal year ending June 30, 2027	–				
Fiscal year ending June 30, 2027 (Forecast)		0.0	–	0.0	0.0

Note: Revisions to the forecast of dividends most recently announced: None

3. Consolidated earnings guidance for the fiscal year ending June 30, 2027 (from July 1, 2026 to June 30, 2027)

For the fiscal year ending June 30, 2027, we forecast net sales of 52,210 million yen (up 23.0% compared to net sales for Platform business (*2) for the fiscal year ended June 30, 2026) backed by the expansion of our customer base in the SaaS business, enhancement in customer value, etc. Adjusted operating profit (*3) is expected to be 5,750 million yen.

For details, please refer to "1. Qualitative information regarding results for the period, (3) Explanation of consolidated earnings guidance and other forward-looking statements".

(Percentages indicate year-over-year changes.)

	Net sales		Adjusted operating profit	
	Millions of yen	%	Millions of yen	%
Fiscal year ending June 30, 2027	52,210	23.0	5,750	115.9

Notes: 1. Revisions to the earnings guidance most recently announced: None
2. Platform business: Business consisting of the integrated cloud ERP offering for small businesses and financial services, etc.
3. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Application of specific accounting for preparing the quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

a. Changes in accounting policies due to revisions to accounting standards and other regulations : None
b. Changes in accounting policies other than a. above : None
c. Changes in accounting estimates : None
d. Retrospective restatement : None

(4) Number of issued shares (Common stock)

a. Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2026	59,787,102 shares
As of June 30, 2026	59,781,402 shares

b. Number of treasury stock at the end of the period

As of September 30, 2026	863,262 shares
As of June 30, 2026	400,014 shares

c. Average number of outstanding shares during the period

Three months ended September 30, 2026	59,211,227 shares
Three months ended September 30, 2025	59,156,103 shares

(Note) In calculating the number of treasury stock to be deducted in determining the number of treasury stock at the end of the period and the average number of shares outstanding during the period, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets under the Employee Stock Ownership Plan (J-ESOP) are included.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

* Proper use of earnings guidance, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. The achievement of said forecasts cannot be promised. Results may differ materially from the consolidated forecasts due to various factors.

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1. Qualitative information regarding results for the period

(1) Explanation of operating results

In line with our corporate mission "Empower Small Businesses to Take Center Stage," we develop and offer services aimed at realization of "Integrated Management Platform for Everyone to Manage Business Freely." We estimate that the TAM (*1) for cloud accounting and HR software for small businesses (*2) is approximately 1.7 trillion yen (*3). In addition, the utilization rate of cloud software for back-office operations among domestic small businesses stands at 47.7% (*4), while the utilization rate of cloud accounting software among sole proprietors is 38.4% (*5). We believe that cloud ERP market has high potential for expansion.

During the first quarter of the consolidated fiscal year, our Group implemented development investments aimed at functional improvements, primarily for our main services "freee Accounting" and "freee HR," and promoted new customer acquisition through accounting firms and cross-selling by leveraging our existing customer base. Furthermore, we view the shift in customer experience in the Agentic AI era as a transition from "Done by You" to "Done for You," and are pivoting our value proposition from "user-friendly UIs for humans" to "experiences where tasks are completely delegated to AI agents." Against this backdrop, we initiated the paid offering of AI agents tailored for accounting firms' client operations, including "freee Client Management AI Agent," where preset agents execute routine tasks, and "freee Agent Hub," which enables users to build customized AI agents. In addition, as a key driver toward becoming the de facto standard for small business management, we are strengthening our solution offerings to address management challenges, releasing "freee Invoice Factoring" to support the cash-flow needs of corporate customers.

As a result of initiatives including the above, as of the end of the first quarter, for Platform business, Platform ARR(*6) increased by 21.9% year-over-year to 45,265 million yen, the number of paying customers(*7) by 11.2% to 694,707, and ARPU(*8) by 9.7% to 65,162 yen. Moreover, for the first three months of Platform business, net sales increased by 23.5% year-over-year to 12,031 million yen and adjusted operating profit(*9) increased by 115.5% to 1,487 million yen.

As a result, for the first three months of the consolidated fiscal year under review, net sales increased by 23.5% year-over-year to 12,031 million yen, adjusted operating profit increased by 115.5 % to 1,487 million yen, operating profit increased by 180.6% to 762 million yen, ordinary profit increased by 311.4% to 614 million yen, and profit attributable to owners of parent increased by 244.9% to 532 million yen.

Trends in Platform ARR, Number of Paying Customers and ARPU

	Jun. 30, 2024	Jun. 30, 2025	Jun. 30, 2026	Sep. 30, 2025	Sep. 30, 2026
ARR (¥ million)	26,834	35,796	43,595	37,120	45,265
Number of paying customers	534,819	609,292	694,586	624,916	694,707
ARPU (¥)	50,174	58,750	62,772	59,407	65,162

Trends in Subscription ARR, Number of Paying Customers and ARPU

	Jun. 30, 2024	Jun. 30, 2025	Jun. 30, 2026	Sep. 30, 2025	Sep. 30, 2026
ARR (¥ million)	26,087	34,393	41,274	35,540	42,721
Number of paying customers	532,637	606,533	691,225	621,963	691,371
ARPU (¥)	48,977	56,704	59,715	57,144	61,794

Notes: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 product is based on the statistical data and publications from external sources as well as the status of our business initiatives, including product lineup expansion and price revisions. 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. Small Businesses refers to businesses with or less than 1,000 employees as well as self-employed individuals.
3. Total annual spending of all potential customers assuming that all potential customers in Japan adopted freee Accounting and freee HR. All potential customers are the total of self-employed and small businesses with less than 1,000 employees. (Number of businesses in each category among all potential customers of freee Accounting and freee HR (National Tax Agency "Tax Statistics 2023" and Ministry of Internal Affairs and Communications "2021 Economic Census for Business Activity") × Estimated annual charge of freee Accounting and freee HR for each category).
4. Estimated by the Company based on the "2025 Communications Usage Trend Survey" (Information and Communications Bureau, Ministry of Internal Affairs and Communications), targeting enterprises with 100 to 999 employees regarding the usage rate of cloud software for financial accounting, HR, and payroll.
5. Survey on Cloud Accounting Software Usage (as of end of March 2026), MM Research Institute, Ltd.
6. Platform Annual Recurring Revenue (ARR): a metric calculated by converting 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. Subscription ARR is calculated by multiplying Monthly Recurring Revenue(MRR) for the last month of relevant period by 12. MRR 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. Transaction ARR is a metric that annualizes usage-based and fee-based revenue by multiplying revenue for the last month of the period by 12.
7. Refers to both self-employed and corporations that use our services.
8. 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.
9. Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

(2) Explanation of financial position

(Assets)

Total assets at the end of the period under review amounted to 62,849 million yen, an increase of 928 million yen from the end of the previous consolidated fiscal year. This was primarily due to a decrease of 5,560 million yen in cash and deposits, and increases in other current assets of 3,063 million yen, advances paid of 1,531 million yen, goodwill of 819 million yen, and software of 734 million yen.

(Liabilities)

Total liabilities at the end of the period under review came to 43,037 million yen, an increase of 2,302 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in short-term borrowings of 2,560 million yen, partially offset by decreases of 238 million yen in other payable and 222 million yen in provision for bonuses.

(Net assets)

Total net assets at the end of the period under review were 19,811 million yen, a decrease of 1,374 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,877 million yen in treasury stock, partially offset by an increase of 531 million yen in retained earnings.

(3) Explanation of consolidated earnings guidance and other forward-looking statements

Our SaaS business, which generates the highest proportion of our earnings, provides services to users in the subscription business model, in which earnings are built up through users' continuous subscription of services over time. Meanwhile, this business model is characterized by prior investment in development and acquisition of customers, which generally entails an operating loss in the short term. In the fiscal year ended June 30, 2025, our Group achieved operating profitability for the first time since its founding, and we continue to maintain high growth and improved profitability in the following fiscal year ended June 30, 2026.

For the fiscal year ending June 30, 2027, we forecast net sales of 52,210 million yen (up 23.0% compared to net sales in the fiscal year ended June 30, 2026 for Platform business(*1)), reflecting the expansion of our customer base and enhancement in customer value in the SaaS business driven by the investment under the established revenue foundation. As for profit items, by driving productivity gains alongside solid top-line growth, adjusted operating profit (*2) for the fiscal year ending June 30, 2027 is expected to be 5,750 million yen (up 115.9% year-over-year) with an adjusted operating profit margin of 11.0%.

Notes:1.Platform business: Business consisting of the integrated cloud ERP offering for small businesses and financial services, etc.

2.Adjusted operating profit is the sum of the operating profit, stock-based compensation expenses, expenses for amortization of acquisition-related intangible assets, and one-time cost.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of June 30, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	36,187,021	30,626,482
Accounts receivable - trade	4,999,068	4,642,213
Purchased receivables	1,536,610	1,652,488
Advances paid	7,158,047	8,689,481
Segregated deposits	532,957	1,053,672
Other	1,006,175	4,069,532
Allowance for doubtful accounts	(1,062,688)	(1,088,616)
Total current assets	50,357,192	49,645,254
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	661,528	661,312
Accumulated depreciation	(35,846)	(55,445)
Facilities attached to buildings, net	625,682	605,867
Tools, furniture and fixtures	517,091	559,162
Accumulated depreciation	(107,363)	(137,898)
Tools, furniture and fixtures, net	409,727	421,263
Other	–	6,530
Accumulated depreciation	–	(2,806)
Other, net	–	3,724
Total property, plant and equipment	1,035,410	1,030,855
Intangible assets		
Goodwill	949,398	1,769,297
Software	5,402,451	6,136,608
Software in progress	1,206,159	1,257,900
Total intangible assets	7,558,008	9,163,806
Investments and other assets		
Investment securities	433,272	467,816
Deferred tax assets	1,368,828	1,352,823
Lease and guarantee deposits	1,107,519	1,115,250
Other	205,903	180,410
Allowance for doubtful accounts	(145,342)	(107,090)
Total investments and other assets	2,970,182	3,009,210
Total non-current assets	11,563,601	13,203,872
Total assets	61,920,793	62,849,127

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(Thousands of yen)

	As of June 30, 2026	As of September 30, 2026
Liabilities		
Current liabilities		
Short-term borrowings	14,300,000	16,860,000
Other payable	1,723,467	1,484,792
Accrued expenses	2,699,142	2,636,559
Income taxes payable	279,537	178,155
Unearned revenue	17,336,565	17,224,945
Provision for bonuses	508,990	286,092
Provision for stock-based compensation	285,204	299,790
Other provisions	184,067	178,958
Other	1,269,138	1,627,320
Total current liabilities	38,586,112	40,776,614
Non-current liabilities		
Asset retirement obligation	1,976,086	1,975,203
Provision for stock-based compensation	151,126	232,086
Other	20,945	53,252
Total non-current liabilities	2,148,158	2,260,541
Total liabilities	40,734,270	43,037,156
Net assets		
Shareholders' equity		
Common stock	12,918,532	12,919,971
Capital surplus	16,448,997	16,450,436
Retained earnings (Accumulated deficit)	(7,055,816)	(6,524,131)
Treasury stock	(1,291,607)	(3,169,006)
Total shareholders' equity	21,020,105	19,677,269
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	38,625	38,818
Deferred gains or losses on hedges	29,910	(6,494)
Foreign currency translation adjustment	7,492	11,988
Total accumulated other comprehensive income	76,028	44,312
Stock acquisition rights	90,389	90,389
Total net assets	21,186,522	19,811,971
Total liabilities and net assets	61,920,793	62,849,127

(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Thousands of yen)

	For the three months ended September 30, 2025	For the three months ended September 30, 2026
Net sales	9,743,664	12,031,448
Cost of sales	1,860,956	2,311,847
Gross profit	7,882,708	9,719,601
Selling, general and administrative expenses	7,611,030	8,957,267
Operating profit	271,677	762,334
Non-operating income		
Interest income	20,889	36,411
Lecture fee and other income	2,122	568
Share of profit of entities accounted for using equity method	–	1,083
Other	3,669	4,564
Total non-operating income	26,681	42,628
Non-operating expenses		
Interest expenses	31,737	74,045
Foreign exchange losses	11,503	6,587
Loss on amortization of restricted stock remuneration	47,000	23,872
Commission expenses	50,000	82,393
Share of loss of entities accounted for using equity method	318	–
Other	8,464	3,628
Total non-operating expenses	149,024	190,527
Ordinary profit	149,335	614,434
Extraordinary income		
Gain on sale of non-current assets	–	1,171
Gain on reversal of stock acquisition rights	23,392	–
Total extraordinary income	23,392	1,171
Extraordinary losses		
Loss on valuation of investment securities	8,177	1,732
Total extraordinary losses	8,177	1,732
Profit before income taxes	164,550	613,873
Income taxes - current	8,875	48,092
Income taxes - deferred	1,172	32,842
Total income taxes	10,047	80,935
Profit	154,502	532,938
Profit attributable to owners of parent	154,502	532,938

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Quarterly consolidated statement of comprehensive income

(Thousands of yen)

	For the three months ended September 30, 2025	For the three months ended September 30, 2026
Profit	154,502	532,938
Other comprehensive income		
Valuation difference on available-for-sale securities	49,549	193
Deferred gains or losses on hedges	44,652	(36,404)
Foreign currency translation adjustment	2,020	4,495
Total other comprehensive income	96,221	(31,715)
Comprehensive income	250,724	501,222
Comprehensive income attributable to		
Owners of parent	250,724	501,222

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Based on the resolution of the Board of Directors on August 13, 2026, the Company acquired 88,400 shares of treasury stock. In addition, 414,200 shares of the Company's common stock were acquired under the Employee Stock Ownership Plan (J-ESOP). As a result, treasury stock increased by 2,098,920 thousand yen.

Furthermore, 28,455 shares of the common stock were granted to eligible participants and 28,600 shares of the common stock were sold to fund cash payments under the Employee Stock Ownership Plan (J-ESOP). As a result, treasury stock decreased by 221,658 thousand yen.

At the end of the first quarter of the fiscal year ending June 30, 2027, "Treasury stock" amounted to 3,169,006 thousand yen.

(Additional information)

(Incentive plan to grant company shares to employees through a trust)

At the Board of Directors meeting on July 18, 2025, the Company resolved to introduce the Employee Stock Ownership Plan (J-ESOP) (hereinafter referred to as "the Plan"), an incentive plan to grant the Company’s shares to its employees.

1. Outline of the Transaction

The Plan is a scheme under which the Company grants its employees who meet certain requirements the Company's shares and cash equivalent to the fair value of such shares, based on the Stock Provision Rules stipulated by the Company.

In order to acquire the shares to be granted in the future, the Company entrusts money to Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for the Plan and the Custody Bank of Japan, Ltd. acquires the Company's shares on the stock exchange market or by subscribing for the new shares issued by the Company, using the entrusted money.

2. Company shares remaining in the trust

The Company's shares remaining in the trust are recorded as "Treasury stock" under net assets at the book value in the trust (excluding incidental costs).

The book value and number of such treasury stock are 1,291,078 thousand yen and 332,324 shares, respectively, as of the end of the previous consolidated fiscal year, and 2,868,414 thousand yen and 689,469 shares, respectively, as of the end of the first quarter of the current consolidated fiscal year.

(Notes on segment information)

<Segment information>

For the three months ended September 30, 2025

The group engages in a single segment, namely, the platform business; therefore, segment information is not presented.

For the three months ended September 30, 2026

The group engages in a single segment, namely, the platform business; therefore, segment information is not presented.

(Notes on quarterly consolidated statement of cash flows)

We have not prepared the quarterly consolidated statement of cash flows for the three months ended September 30, 2026. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the three months ended September 30, 2026, is as presented below.

(Thousands of yen)

	For the three months ended September 30, 2025	For the three months ended September 30, 2026
Depreciation	187,368	439,103
Amortization of goodwill	35,095	106,478