

UNOFFICIAL TRANSLATION
The official press release is in Japanese.

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Stock Listing: Tokyo Stock Exchange Standard Market
Stock Code: 8789
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Notice regarding decreases in common stock, legal capital surplus and legal retained earnings, and appropriation of surplus

Tokyo, November 8, 2022—The Board of Directors at FinTech Global (hereafter, “FGI” and “the Company”) resolved at its meeting today to put forward at the Ordinary General Meeting of Shareholders on December 22, 2022, a proposal to reduce common stock, legal capital surplus and legal retained earnings, and to appropriate surplus. Details are provided below.

Particulars

1. Purpose

To cover the current deficit in retained earnings brought forward and enhance financial health as quickly as possible and to provide for the implementation of capital policy, such as future distribution of profits, FGI will decrease common stock, legal capital surplus and legal retained earnings and appropriate surplus, in accordance with Article 447, Paragraph 1, Article 448, Paragraph 1 and Article 452, Paragraph 1 of the Companies Act.

Note that the decrease in common stock is a reduction of capital without compensation, whereby no repayment or reimbursement is made. The number of total shares outstanding will not change, and the decrease in common stock will not affect the number of shares held by shareholders. While common stock, legal capital surplus and legal retained earnings amounts will decrease, retained earnings brought forward will increase by an equivalent amount, precluding any change in the Company’s net assets.

2. Key points regarding decreases in common stock, legal capital surplus and legal retained earnings

- i) Amount of common stock to be reduced
Common stock stood at ¥6,471,266,457 on September 30, 2022, and will be reduced by ¥1,098,930, 229, leaving an amount of ¥5,372,355,228.

Note that if stock acquisition rights (stock options) issued by the Company are exercised before the effective date of the common stock decrease, the amount of common stock after the decrease will be different than the amount noted above.

- ii) Amount of legal capital surplus to be reduced
Legal capital surplus, which stood at ¥4,036,488,964 on September 30, 2022, will be reduced to zero.

Note that if stock acquisition rights (stock options) issued by the Company are exercised before the effective date of the legal capital surplus decrease, the amount of legal capital surplus after the decrease will be different than the amount noted above.

iii) Amount of legal retained earnings to be reduced

Legal retained earnings, which stood at ¥47,303,671 on September 30, 2022, will be reduced to zero.

iv) Reduction method

Leaving the total number of shares outstanding unchanged, common stock and legal capital surplus will be reduced by ¥1,098,930,229 and ¥4,036,488,964, respectively, with these amounts transferred to other capital surplus.

The ¥47,303,671 decrease in legal retained earnings will be transferred to retained earnings brought forward.

v) Effective date

January 27, 2023 (planned)

3. Key points regarding appropriation of surplus

The ¥5,135,419,193 in other capital surplus generated through by decreasing common stock and legal capital surplus will be transferred to retained earnings brought forward and, along with the decrease in retained earnings, be used to compensate for the current deficit. As a result, the balance of retained earnings brought forward will be zero. The anticipated date for appropriation of surplus is January 27, 2023.

4. Schedule

Resolution by Board of Directors	November 8, 2022
Approval by shareholders at General Meeting of Shareholders	December 22, 2022 (planned)
Announcement allowing creditors to submit objections	December 26, 2022 (planned)
Deadline for creditors' objections	January 26, 2023 (planned)
Effective date	January 27, 2023 (planned)

5. Outlook

The proposed decreases and appropriation represent transfers between accounts under net assets, so implementation will have no impact on the value of underlying assets and minimal impact on business results.

Implementation is conditioned upon approval of the resolution to be put forward to shareholders at the General Meeting of Shareholders on December 22, 2022.

END