

Overview of evaluation results on effectiveness of Board of Directors

Tokyo, December 23, 2022—The Board of Directors at FinTech Global Incorporated (hereafter, “FGI” and “the Company”) undertook an evaluation of its effectiveness over the course of fiscal 2022, the period from October 1, 2021 through September 30, 2022. An overview of the results of this evaluation is presented below.

1. Evaluation process

In October 2022, FGI implemented an online questionnaire, asking all six directors, including those serving on the Audit and Supervisory Committee, to evaluate the effectiveness of the Board of Directors, and received responses. To elevate objectivity in the process for evaluating board effectiveness, the Company engaged an external organization (Mizuho Trust & Banking Co., Ltd.) to provide advice.

Period subject to evaluation	Fiscal 2022 (October 2021 – September 2022)
Key evaluation items	<ol style="list-style-type: none"> 1. Role and function of the Board of Directors 2. Composition and size of the Board of Directors 3. Conducting Board of Directors’ meetings 4. Cooperation with auditing firm 5. Communication with management team 6. Relationships with shareholders and investors 7. Overall assessment
Evaluation method	<p>The questions were the same as those on the previous year’s questionnaire, but the point of evaluation for considering the state of effectiveness was different, given recent trends in corporate governance.</p> <p>To ensure anonymity, questionnaires were submitted directly to the designated external organization, and comments were collected and analyzed by this external organization.</p> <p>The Board of Directors explored issues, based on the results of questionnaire analysis.</p>

2. Overview of evaluation results

The Board of Directors explored issues, based on questionnaire analysis, including comparison to the board effectiveness evaluation results of other companies obtained by the external organization and comparison to results from the Company’s own questionnaire of the previous year. The Board of Directors then concluded from analysis and evaluation of said results that it had maintained effectiveness in terms of the points presented below.

- (1) The Board of Directors strikes a good balance overall, including director skills, experience and knowledge as well as number of directors.
- (2) The Board of Directors appropriately covers issues that must be covered, and then makes decisions and prepares reports. Outside directors indicate key points, and the executive side responds.
- (3) Directors who are full-time members of the Audit and Supervisory Board pinpoint the status of Group companies, and connect with outside directors. They supervise and audit the activities of executive directors and execute these duties appropriately.

However, analysis of questionnaire responses also revealed issues requiring improvement, as presented below.

- A Discussions from medium- to long-term perspective (carryover from last time)
- B Planning for next successor (carryover from last time)
- C Dialogue with stakeholders, such as shareholders and investors, to get feedback
- D Communication with investors, particularly on management strategies and governance structure

3. Measures to improve effectiveness

The Board of Directors will address the results of this evaluation as a board management theme for fiscal 2023. Future measures to address the points noted in 2. above are presented below.

- A The Board of Directors acknowledges there is an issue with the preparation of a medium-term management plan and will pursue discussions on this.
- B Successor planning was set as a theme in director training in October 2022, and FGI will continue its efforts to deepen discussion.
- C, D FGI will take a robust approach to dialogue with investors and establish a framework that facilitates regular feedback to the Board of Directors.

Going forward, the Board of Directors will maintain this process of self-evaluation and implement comparative analysis using the previous year's evaluation results to further improve the effectiveness of its activities.

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