

FinTech Global Incorporated

Overview of results on evaluation of Board of Directors' effectiveness

Tokyo, December 20, 2024—The Board of Directors at FinTech Global Incorporated (hereafter, “FGI” and “the Company”) analyzed and evaluated its effectiveness in fiscal 2024, the period from October 1, 2023 through September 30, 2024. An overview of the results is presented below.

1. Evaluation process

In September 2024, seven directors, including those serving on the Audit and Supervisory Committee, were asked to evaluate the effectiveness of the Company’s Board of Directors through an online questionnaire and duly submitted their responses using the web-based format. To raise the objectivity of the process for evaluating board effectiveness, the Company drew on advice from an external organization in executing this evaluation.

Period subject to evaluation	Fiscal 2024 (October 2023 – September 2024)
Question topics	<ol style="list-style-type: none">1. Composition of the Board of Directors2. Operation of the Board of Directors3. Discussions by the Board of Directors4. Monitoring function of the Board of Directors5. Performance of outside directors, including members of the Audit and Supervisory Committee6. Support structure for directors, including members of the Audit and Supervisory Committee7. Training8. Dialogue with shareholders (investors)9. Initiatives by each director10. Overall assessment
Implementation method	<p>Anonymous questionnaire 30 questions with answers rated on scale of one to five plus 10 free-comment questions (40 questions in total)</p> <p>To ensure anonymity, completed questionnaires were submitted directly to the designated external organization, and comments were collected and analyzed by this external organization. The Board of</p>

	Directors explored issues, based on an analysis of questionnaire responses.
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2. Overview of evaluation results and issues to address

Based on an average rating of 4.2 on the multiple-choice section of the questionnaire and from free comments and discussions, the Board of Directors analyzed and evaluated the effectiveness of the board and confirmed that the board’s effectiveness is generally maintained as described below.

- i. The composition of the Board of Directors, including the number and diversity of directors, is appropriate overall.
- ii. The way Board of Directors’ meetings are run is seen in a very positive light overall, with the content of materials provided and the constructive approach to discussion deemed very appropriate. Sufficient information is provided to outside directors in advance of meetings, which promotes effective and candid discussion.
- iii. Governance, risk management and other monitoring processes are also functioning properly.

That said, an analysis of questionnaire responses also revealed points worth further discussion, primarily those presented below, and the Board of Directors looked into how current approaches might be enhanced toward this end.

i. Number of items on the Board of Directors’ meeting agenda

The rating was lower than in the previous fiscal year, indicating dissatisfaction, as an increase in investment deals led to more proposals being put forward, which required a larger block of time to cover items to report.

In regard to agenda items, many proposals pertained to specific investment deals, prompting a suggestion that decisions on individual deals should be delegated the executive side. A response measure was discussed in July 2024, leading to a decision to revise the criteria for putting proposals forward for discussion by the Board of Directors. This measure went into effect in October 2024.

In regard to reports, the entertainment service business has been struggling to turn a profit, and updating the Board on progress and lingering issues required more time than for other business topics. Going forward, the business reports will be more concise.

With the above in mind, the Board of Directors plans to increase discussion on such issues as medium- to long-term management strategies.

ii. Discussions on management strategies and business plans

Since last year, there is a shared understanding among members of the board on the need to

formulate a medium-term management plan, but the questionnaire revealed a downward trend in the perception of effectiveness in discussing management strategies and operating plans.

One director felt that none of the individual business-specific operating plans are integrated with each other, and another director felt that it was difficult to determine an overall trajectory because FGI—and by extension the FGI Group—is active in various business pursuits.

The FGI Group is expanding its business presence through M&A activity and other approaches that fuel corporate development. To enable the Board of Directors to gain a deeper understanding of operations, between August and October 2024, managers of operating divisions and presidents of subsidiaries were invited to provide an update on the market environment, growth strategies and other facets of operation specific to their respective business pursuits and engaged with directors in discussion. Such opportunities for gathering information and insights lay the groundwork for formulating a successful medium-term management plan, and the Board of Directors has decided to continue to seek input this way.

In addition to the above, the questionnaire revealed the need to formulate succession plans for the CEO and other executives—an issue that has long been a challenge for the Company to address. The questionnaire also highlighted issues where executive directors and outside directors hold different perceptions. These included subsidiary management, the supervisory function of outside directors, the personnel structure that supports directors' activities, and the system of cooperation between directors and the internal audit department. A comment was made that the monitoring function must be reinforced because the scope of business is expanding and the number of subsidiaries under the FGI umbrella is increasing.

Given the above evaluation results, the Board of Directors will strive to further improve its effectiveness by engaging in activities in each area where it acknowledges the existence of an issue requiring attention and by enriching the discussion process.

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