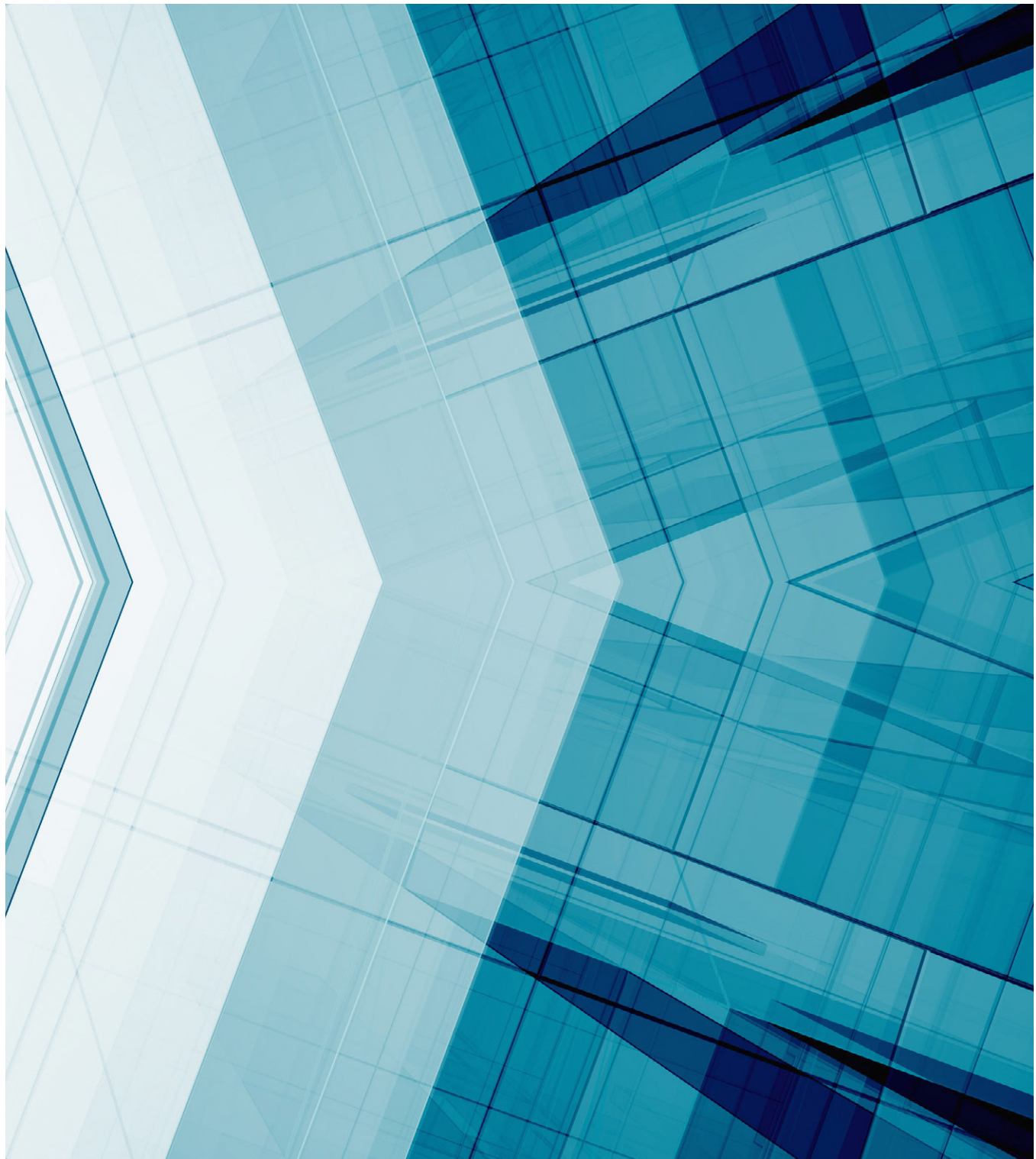


Simplex Integrated Report 2025

Simplex Holdings, Inc.
TSE: 4373



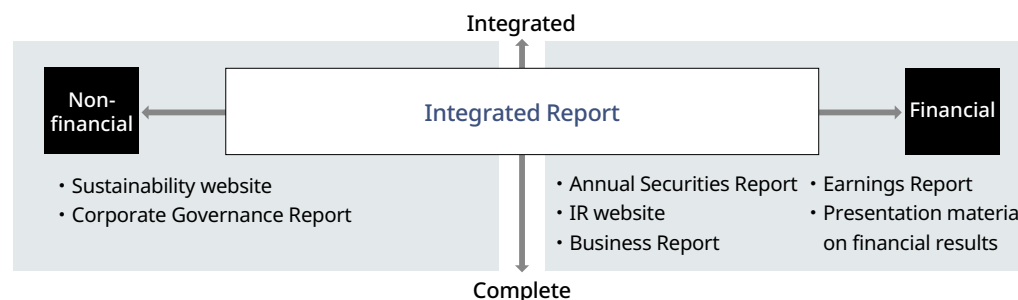
Editorial Policy

This integrated report aims to provide information necessary for shareholders and investors to make their own assessments of the Simplex Group's future prospects, and organize this in a systematic and integrated manner. In line with the long-term growth strategy Vision1000 and the Medium-Term Business Plan (MTBP2027) announced in Oct 2023, the report has been prepared to provide an understanding of the Simplex Group's value creation framework, focusing on its mechanisms and human capital initiatives of particular importance to institutional investors.

In FY3/25, the first year of MTBP2027, we achieved record profits through the expansion of Strategy/DX Consulting and deep-diving into the financial and non-financial domains. This report presents the results and outlines key directions for sustainable growth, including the enhancement of human capital, M&A, and R&D investment in cutting-edge technologies, with the aim of achieving Vision1000 ahead of schedule.

In addition, we have enhanced both the financial and non-financial content of this report by referring to a range of guidelines, including the International Integrated Reporting Framework, the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation, TCFD Recommendations, and the GRI Standards. For more detailed information and the latest disclosures, please refer to our IR and Sustainability websites.

Information disclosure structure



Reporting scope

Reporting period: FY3/25 (Apr 1, 2024 through Mar 31, 2025) (Note that some information refers to activities before or after the reporting period.)

Entities covered: Simplex Holdings, Inc. and its consolidated subsidiaries and equity-method associates

Disclaimer for forward-looking statements

This integrated report contains forward-looking statements, including the Simplex Group's outlook, forecasts, targets, and plans. These statements reflect the judgment of management in light of the information currently available to us and are therefore subject to various risks and uncertainties that could cause actual results to differ materially from those stated. The forward-looking statements contained in this integrated report are based on the judgment of management at the time of preparation and may be revised without prior notice due to future events or new information. We undertake no obligation to update or revise these statements.

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Management Philosophy

Innovation from Japan to the World

We at the Simplex Group have embraced the aspiration of “Innovation from Japan to the World” and have continued to take on challenges since our founding.

But what does innovation mean at Simplex?

To us, it means leveraging the power of technology to earnestly, persistently, and with grit to realize the “optimal solutions” that everyone instinctively envisions as ideal, but which have long remained unachieved due to formidable barriers and entrenched conventions.

Questioning conventional wisdom, breaking free from entrenched norms, and getting to the heart of the matter—this is how we deliver new options and breakthroughs to our clients, and ultimately to society. This endeavor is precisely the innovation that we continue to pursue.

We evolve together with our clients, consistently creating added value that exceeds expectations. With unmatched insight, technological excellence, and repeatable success, we deliver innovation to the world.

This is our *raison d’être* and the driving force behind our challenges.

With this conviction at our core, we will continue to embrace new challenges.

Core Values

Our People Share 5 DNAs and Simplex Philosophy

We believe that not only our unique business model but also values shared by our people are essential factors for us to continue creating value added.

At the Simplex Group, a diverse group of professionals work as one team in pursuit of innovation by sharing values of 5 DNAs and Simplex Philosophy under the strong leadership of our management team.

Corporate Slogan

Hello world, Hello innovation.

Among the 5 DNAs, we believe “No. 1” is the most important.

If we venture into a new field, we must become No. 1 in that field, or otherwise, we will never enter that field from the outset. This is our policy and represents our values. It is also an expression of our determination to pursue innovation.

In order to remain No. 1, we need always to be open to new ideas and pave the road less traveled without being bound by conventional thinking. No matter how difficult this challenge is, only by becoming a No. 1 player can we obtain the right to take on the challenge to drive innovation—this is what we believe.

5 DNAs

- 1 **No.1**
Innovators have always been the No. 1 companies in their fields. So always seek to be No. 1 at all times.
- 2 **Client First**
The success of the client's business is our top priority. Make clients happy by creating value added that exceeds their expectations.
- 3 **Commitment**
Cultivate the fortitude to get through any difficulty to deliver results. Have a strong sense of purpose and act without losing sight of the goal to be accomplished.
- 4 **Professionalism**
As a first-class professional, pursue the best results. Doubt common sense, think outside the box, and work out what is key.
- 5 **Global**
Keep challenging ourselves toward fulfilling our management philosophy. Don't be afraid of any change, and bring innovation to the world.

Simplex Philosophy

- 1 **Player**
We have valued the "Be a player" mindset since our founding. Regardless of the job title, everyone creates value added as a player.
- 2 **Work for Simplex**
Think what you can do to maximize the value of Simplex as a team. Think how things should be not only for yourself but also for your team.
- 3 **Mutual Respect**
Achieving the best results as a team requires bringing together a variety of sharp-edged talent. Be humble to recognize talent that others possess, learn from others, and respect each other.
- 4 **God is in the Details**
Always remember, God is in the details. Be meticulous in your job, such as thinking through every last line of source code.

Recognition of Business Environment

Japanese Market: Rising DX Demand Triggered by Structural Challenges

Japanese companies aiming to promote DX face internal structural challenges, including the need to modernize aging legacy systems and a shortage of highly skilled DX talent.

Moreover, the consulting and IT industries that provide support are also affected by constraints arising from their industrial structures.

Against the backdrop of such situations and constraints, there are rising expectations for advanced end-to-end support from strategy to implementation.

Amid these trends, we at the Simplex Group believe that society will expect us to play an even greater role in the future.

Challenges on DX Promotion That Japanese Companies Face and Recognition of the Business Environment



Acceleration of legacy system modernization

In Japanese companies, legacy systems that have been in use for many years still play a core role in operations. Meanwhile, accumulated customizations have made systems increasingly complex, leading to dependencies on specific personnel and external vendors in some cases.

Against this background, the Ministry of Economy, Trade and Industry (METI) has been warning of the “2025 Digital Cliff,” which specifically refers to the end of maintenance support, a shortage of engineers, and newly-emerging security risks that may adversely affect corporate activities.

Today, a wide range of industries are accelerating efforts to modernize legacy systems. This demonstrates that DX demand in the Japanese market is both structural and sustained.



Growing demand for highly skilled DX talent and a widening supply-demand gap

To promote DX, companies need highly skilled talent who are well-versed in advanced technologies such as AI, cloud, and security, and who can implement solutions in close alignment with management strategies. Nevertheless, Japan faces a structural shortage in supply of such talent. METI showed that Japan could possibly be facing a shortage of up to about 790,000 IT engineers by 2030 in the “Survey on IT Human Resources Supply and Demand” (2019).

Given these circumstances, many companies are formulating DX strategies premised on collaboration with external partners. The importance of support providers with highly skilled IT talent that offer both expertise and execution capabilities is expected to increase further going forward.



Limitations of the division of labor and multi-tier subcontracting in the consulting and IT sectors

In the Japanese consulting industry, while firms often play a role in strategy formulation, structural constraints remain that make it difficult for them to fully commit to delivering results. Therefore, they are often unable to translate formulated strategies into concrete business processes and system designs.

Multi-tier subcontracting, in which a prime contractor outsources operations that are split up across multiple subcontractors, is the norm in the IT industry. This often results in challenges in cost efficiency and quality management due to accumulated structural margins and the dispersion of development responsibilities.

As a result, we expect that demand for support providers capable of providing end-to-end support from strategy to implementation will grow even further in the future.

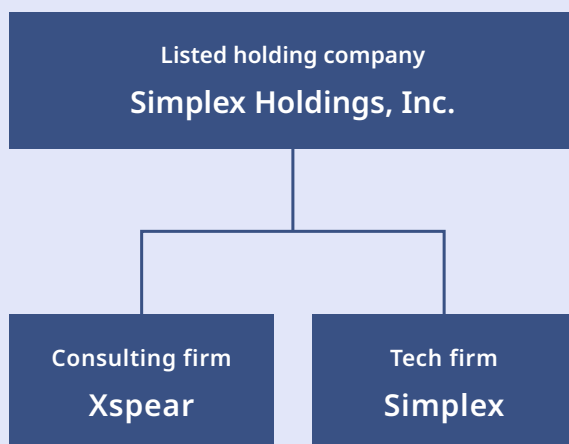
Group Overview

Simplex and Xspear Provide Full-Cycle Coverage for Supporting DX

The basic management policy of the Simplex Group is to contribute to the business success of our clients and pursue sustainable growth with high profitability as a technology partner highly proficient in business.

At present, under the listed holding company Simplex Holdings, Inc., the 1997-founded tech firm Simplex and the 2021-established consulting firm Xspear work in tandem to provide full-cycle coverage for supporting DX promotion of our clients while maximizing the group synergies.

Group Structure



Simplex Group in numbers

Founded	Revenue	Operating profit	ROE
1997	47.3 billion yen	10.8 billion yen	16.2%
Cash flow from operating activities	Gross profit margin	Operating profit margin	Number of employees
9.7 billion yen	41.4%	22.8%	1,560

Business Model

Simplex Way, the Foundation of Quality Growth

Since its founding, the Simplex Group has challenged the multi-tier subcontracting structure of the Japanese IT industry and has continuously refined its unique Simplex Way business model.

Furthermore, we achieve reproducible and sustainable growth while evolving our unique competitive advantage by integrating our proprietary reusable Simplex Library IP assets with the Simplex Competency training organization, which takes on the role of inheriting and advancing competency.

Simplex Library

Reusable group-owned IP assets

Retain IP rights by taking orders as a prime vendor and for in-house development



We directly contract with our clients and provide know-how and ideas from a concept development phase. We undertake all processes in-house, from concept development to implementation, thereby establishing a system of retaining IP rights to source code within the Group, even though we are a contracted developer.

Accumulate and systematize as a library



We standardize the design specifications and developed source code and systematically accumulate this IP to form a library. We manage source code as reusable IP assets, making it possible to boost project quality and scalably deploy code at the same time.

Reuse IP assets to pursue both client value and profitability



Utilization of the library provides our clients with reduced person-hours and shorter lead times and allows them to focus on system customization. We can achieve both efficient project advancement and high profitability.

Simplex Way

DX support with full cycle coverage and direct client engagement, driven by hybrid talents

Full Cycle Coverage



We organize project teams of hybrid talent with expertise in both business and technology to look at issues faced by clients in various industries, and take responsibility for all processes from consulting to system development, operations and maintenance.

Direct Client Engagement



In contrast to the Japanese IT industry practice of multi-layered vendor hierarchy, in which tasks are outsourced in stages from a prime contractor to subcontractors, we have maintained a system in which we deal directly with clients to become the prime vendor and do not outsource development work to subcontractors.

Hybrid Talent Development



The management capital essential to the realization of our unique business model is our people. Our most important strategy is to develop and retain talent who are well versed in both business and technology in order to meet client demands.

Simplex Competency

Training organization that assumes a role of succession and evolution of competency

Build a team in six areas of expertise



We currently have teams in six areas: project management, system development, UI/UX, infrastructure/cloud DX, mathematical engineering, and generative AI. We have a system that can develop success and evolve strengths in these areas.

Provide talent development and training occasions that complement OJT



We ensure that employees accumulate both project experience and acquire perspectives and develop skills that cannot be obtained by on-the-job training (OJT). What makes this possible is that the teams dedicated to these areas engage in training design and content development. This enables employees to take key project roles early and grow sustainably.

Disseminate knowledge in a cross-organizational manner and research cutting-edge technologies



Each team engages in multiple projects as subject-matter experts, leading cross-project sharing of expertise and value creation. Each team also conducts research on trends and cutting-edge technologies, playing a vital role in providing intellectual support for the organization's competitive advantage.

Most Important KPI and Revenue Model

High Value Added × Fair Price = Sustainable High-Profitability Model

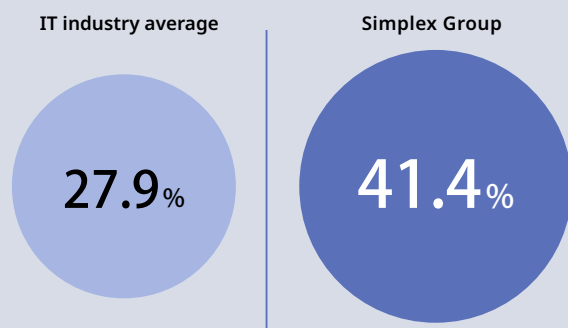
The Simplex Way is a business model that shows its intrinsic value in complex projects that other tech firms and consulting firms cannot handle.

By selecting markets where fair prices reflecting the value created can be achieved, and by building long-term partnerships based on trust, it ensures both sustainability and profitability.

Approximately 60% of total revenue is stable, low-risk revenue supported by repeat-order business and recurring business.

Gross Profit Margin, a Measure of Value Added

Comparison of gross profit margin (%)



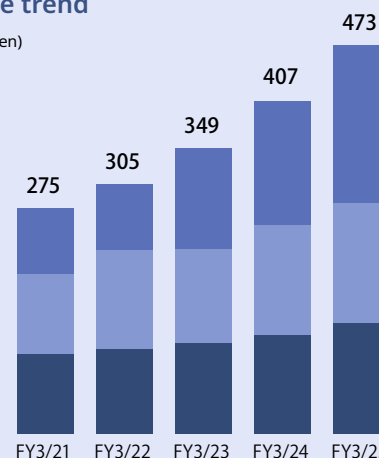
The IT industry average is calculated by the Group based on gross profit divided by revenue of "Software Industry" for FY3/23 according to the Ministry of Economy, Trade and Industry's Basic Survey on Corporate Activities in the "2023 Corporate Activity Basic Survey Confirmation Report: FY3/23 Results" released on Jun 27, 2024.

Source: Ministry of Economy, Trade and Industry's Basic Survey on Corporate Activities "2023 Corporate Activity Basic Survey Confirmation Report: FY3/23 Results"

Revenue Model: Stable, Low-Risk Revenue Expands from One-Time Fee Business

Revenue trend

(Billions of yen)



One-time-fee business

We acquire consulting projects and new system development projects centered on the Simplex Way. This serves as a driver for revenue growth and acts as the starting point leading to repeat orders and recurring business.



Repeat-order business

We stay close to clients after implementing a system to propose additional developments in line with operational changes and improvement requests. Repeat-order business leads to less fluctuations in revenue and stronger relationships.



Recurring business

We secure stable, low-risk revenue through operating and maintaining implemented systems and providing subscription services. Recurring business serves as the foundation of stable revenue underpinning our growth.

Innovation and Competitiveness

Digital Capabilities Cultivated in Finance for All Industries

Since our founding in 1997, the Simplex Group has established the top-tier track record in Japan in system support in the financial domain.

We are currently expanding support into various industries including public sector, manufacturing, and entertainment sectors by leveraging digital capabilities such as UI/UX, cloud, and web3 that we acquired in the financial domain.

We continue to take on challenges of new value creation across several industries through solving the fundamental issues of our clients.

Value Creation in Existing Domains

#01 Securities Firms

With our technical expertise and securities business acumen, we provide support in all domains from retail to wholesale. Our support covers phases from project concept development to monetization.

#03 FX

The FX domain requires both speed and accuracy in trading, which is specific to the FX industry. We support rapid business launches and profit maximization through providing an FX trading platform and consulting services.

#02 Banks

We support fundamental business transformation, leveraging advanced financial technologies such as quantitative analysis, trading, and risk management. We have been chosen as a trusted partner by Japan's leading banks through rigorous selection processes.

#04 Crypto Assets

In the crypto asset market that has been evolving at a dramatic pace, we leverage our knowledge and track record accumulated over the years to provide solutions that balance security and speed. We support launching businesses within a shorter period.

Digital Capabilities in Supporting DX

Driving forces of value creation for all industries

- | | |
|------------------------|----------------------------------|
| 1 Consulting | 6 Financial services development |
| 2 Project management | 7 Mathematical engineering |
| 3 System development | 8 Generative AI |
| 4 Infrastructure/Cloud | 9 web3 |
| 5 UI/UX | 10 Blockchain/NFT |

Value Creation in New Domains

#05 Insurance

We drive digital transformation for both life and non-life insurers, leveraging our deep understanding of the businesses. With an extensive track record of implementation, we serve as a trusted partner supporting new market entry from companies in other industries and business expansion by insurance companies in Japan and overseas.

#07 Public Sector

We support central government ministries and agencies, local governments, and independent administrative agencies in enhancing their services and improving efficiency. We serve as a trusted partner addressing the growing demand for digital transformation and business reform in the public sector.

#06 Manufacturing

We support the manufacturing industry in optimizing operations and eliminating dependence on specific personnel. We contribute to continuous improvements in productivity through building flexible and sustainable business foundations that cover the supply chain area.

#08 Entertainment

The entertainment industry is required to handle ever-diversifying and expanding user data. We apply our data utilization capabilities cultivated in the finance field to support development of information infrastructure and optimization of services.

Growth Strategy

Aspire to Be the Game Changer in the Age of DX to Create Social Value

Prompted by the establishment of Xspear in 2021, the Simplex Group has evolved the Simplex Way into a model that positions strategic consulting as an entry point.

In the MTBP2024 ended in FY3/24, we demonstrated the effectiveness of this model.

In the current MTBP2027, we are striving to strengthen our foundation to achieve the Vision1000 earlier than planned.

Going forward, we will forge ahead with our efforts to be a game changer in the Age of DX to consistently create social value.

Medium-Term Business Plan “MTBP2024”

From FY3/22 to FY3/24

Expansion and deepening of business domains achieved through group synergies

Previously, a Full Cycle Coverage model mainly covered support provided after the decision to implement IT. Under MTBP2024, the establishment of Xspear expanded this scope to include support starting from the strategic planning phase. The “domain expansion” driven by Xspear and the “domain deepening” pursued by Simplex were dynamically connected, enabling the Simplex Way to evolve to encompass strategic consulting for management. One of the landmark achievements was the establishment of a joint venture with SBI SECURITIES. Through these initiatives, we achieved our performance targets a full year ahead of schedule.

(Billions of yen, unless otherwise indicated)

	FY3/21 Results		FY3/24 Results	Change	CAGR
Revenue	27.5	➡	40.7	+13.2	+13.9%
Operating profit	4.5	➡	8.8	+4.3	+25.2%
Gross profit margin	39.1%	➡	42.9%	+3.8pt	-
Operating profit margin	16.4%	➡	21.7%	+5.3pt	-
ROE	9.8%	➡	13.9%	+4.1pt	-

Medium-Term Business Plan “MTBP2027”

From FY3/25 to FY3/27

The phase for strengthening our foundation toward achieving the Vision1000

In MTBP2027, positioned as the midpoint of our Long-Term Growth Strategy Vision 1000, we are focusing on expanding and deepening our business domains while strengthening recruitment and talent development. With a view to achieving the Vision1000 earlier than planned, we are currently promoting initiatives toward accelerated growth. We have begun to lay important foundations for future breakthrough growth, including the acquisition of large clients with annual sales exceeding ¥5 billion, the creation of a less labor-intensive business model, and the review of our resource strategy to enhance productivity.

(Billions of yen, unless otherwise indicated)

	FY3/21 Results		FY3/27 Targets	Change	CAGR
Revenue	40.7	➡	60.0	+19.3	+13.8%
Operating profit	8.8	➡	15.0	+6.2	+19.3%
Gross profit margin	42.9%	➡	45.0%	+2.1pt	-
Operating profit margin	21.7%	➡	25.0%	+3.3pt	-
ROE	13.9%	➡	17.0%	+3.1pt	-

Long-Term Growth Strategy “Vision1000”

Challenge to achieve revenue of ¥100 billion by the early 2030s

The Simplex Group aims to be a company that makes an impact on society by the early 2030s, in which DX is broadly implemented in companies and society, accompanied by full-fledged structural transformation. Looking at this future, we have set the achievement of revenue of ¥100 billion as a key milestone, based on our belief that it is essential for us to increase our corporate influence and presence in the market. We will create long-term corporate value through the achievement of the Vision1000 targets.

Aim to achieve the following indicative targets by early 2030s

Revenue	100 billion yen
Operating profit	30 billion yen
Operating profit margin	30%
ROE	20%

Toward the early realization of **Vision1000**: Creating added value as one team

Hideki Kaneko

Representative Director, President and CEO
Simplex Holdings, Inc.



A solid sense of progress gained from adversity

FY3/25, the first fiscal year of our Medium-Term Business Plan (MTBP2027), began under challenging circumstances. A large-scale project in the insurance field was cancelled, and as a result, both revenue and operating profit for the first half fell short of our initial forecasts. As CEO, I responded by working in close coordination with employees on the frontline to swiftly grasp the situation, manage risks, and lead an all-hands effort to recover performance. Ultimately, the project in question was brought to a close through a mutually agreed termination with the client, resolving the series of pending issues and enabling us to focus fully on business execution from the second half onward. As a result, for the full year, revenue significantly exceeded our initial forecast, and operating profit ended the year ¥200 million above expectations.

This past year can clearly be characterized as one in which the first half was dedicated to “laying the groundwork,” while the second half marked a “shift to offense.” We were once again reminded of the solid and resilient demand for digital transformation (DX), where we identify complex challenges faced by our client companies through consulting and put in place technology solutions. In particular, it was a year in which we strongly felt that increasing production capacity in our operating environment led directly to revenue growth. Having overcome this difficult phase and achieved a recovery, we as a Group have gained a renewed sense of confidence. I believe that for both myself and for each of our employees, it was a year in which we experienced first-hand the satisfaction of growing by turning adversity into a source of strength.

Lessons from the insurance project and rebuilding our strategy

The cancellation of the large-scale project in the insurance field was an event that made us keenly aware of the weight of management decisions, and it became a major turning point for us to fundamentally review our strategy and organizational structure.

Since 2013, our Group has been engaged in the insurance business in the front-office domain, primarily through online sales, and has developed systems for several life and non-life insurance companies. At the time of our re-listing in 2021, we had a client base of around 10 companies, and while expanding our coverage into the back-office domain, including contract management, we had been making full-scale investments under a strategy of turning the insurance field into a pillar of growth.

The project that was ultimately cancelled was an extremely challenging one involving a complete overhaul of legacy systems in a back-office domain in the insurance field. The scope of work was extensive, and the specifications of the existing systems had become increasingly complex. Moreover, at the client company, only a limited number of people understood the operational history and structure of the systems, making it difficult to gain a comprehensive understanding of the status quo (a prerequisite for the project). In our haste to expand within the insurance field, I cannot deny that it was my own decision to proceed without adequate preparation in terms of organization and personnel.

These individual difficulties also stem from structural issues shared across the insurance industry. Due in part to the effects of past consolidations and reorganizations, it is often the case that in-house knowledge of legacy system operations and design has not been properly passed down, making it difficult for companies to grasp the full picture of their business operations. In such an environment, it is essential to have a structure in place that can provide support from the stage of carefully visualizing and organizing current workflows. Taking these lessons to heart, we are rebuilding our strategy for the insurance field from the ground up.

Starting in FY3/26, consultants from Xspear—our Group’s internal consulting firm—will be stationed at client companies to focus on visualizing and organizing operations related to legacy systems. Building on this, when the need for new system development arises in future, Simplex will take full responsibility for implementation, establishing a structure that provides seamless support from planning through to operation, under a clear division of roles. In addition, we have integrated repeat orders and operational services for existing clients into Simplex’s Financial Retail business area to enhance organizational efficiency, while also consolidating related IR disclosures.

We have renewed our focus on the insurance field because it remains a highly attractive market. The scale of IT investment in the insurance sector surpasses that of market-related front-office operations in the securities and banking industries, which have been our Group’s primary battleground to date. It is also a domain where system responses will continue to be required in line with regulatory changes and societal demands. For that very reason, by applying the lessons of the past and building a structure capable of reliably delivering value, we will once again aim for growth in this field.

Expansion into non-financial domains

Our Group has regarded the period since the MBO in 2013 as our second founding phase and has actively driven the expansion into non-financial domains. Since our re-listing in 2021, Xspear has been at the center of these efforts, working to extend the strengths we have cultivated in the financial domain to other industries through strategy and DX consulting.

These initiatives not only address the solid and resilient demand for DX, but have also laid the foundation for expanding the value we provide to a broader range of industries. In fact, in the second half of FY3/25, the accumulation of projects—including those in non-financial domains—was one of the factors that supported our Group’s recovery in performance.

We now do business with approximately 120 companies, but what we place importance on is not simply expanding the number of clients, but building relationships in which we are trusted as a strategic partner. Our aim is to consistently deliver added value that exceeds expectations and to become a true strategic partner in every sense. By approaching both non-financial institutions and previously hard-to-reach departments within financial institutions, Xspear takes the lead in upstream processes such as issue identification and concept development, while Simplex can provide solutions in situations where specific technology is required. This complementary relationship is steadily expanding growth opportunities for our Group as a whole.



Management rooted in the frontline

My management philosophy can be described as an extension of a “player manager” approach. Rather than focusing solely on management and leaving everything to the frontline, I believe my strength lies in maintaining a close connection to on-the-ground realities and becoming deeply involved when necessary. Compared with a typical company, this could be seen as being too hands-on with frontline operations, but this reflects my passion and sense of responsibility as a business leader.

Above all, I find deep fulfillment in building teams and sharing in the process of achieving a common goal. We set an imaginary rival, share with the team the challenges our client companies face and the goals they aspire to, and then work together to craft a story toward realizing that vision. I am convinced that the exhilaration and shared sense of accomplishment when goals are reached are what strengthen organizations and serve as the driving force for developing people.

As the leader of a listed company, I consider it one of my most important responsibilities to earn the trust and support of three key stakeholders: our shareholders, our client companies, and our employees. I aim to deliver sustained growth in corporate value to our shareholders, to be a partner our clients can rely on even in difficult times, and to provide an environment where employees can grow and feel a sense of pride in their work. I constantly ask myself whether I am truly earning the confidence of all three as I carry out my duties.

When selecting a successor to lead the Group in the future, I place the greatest importance on whether that individual can earn the trust of all three stakeholders. Regardless of how strong their track record or expertise may be, the most important quality for a future leader is the ability to sincerely engage with the perspectives and expectations of shareholders, client companies, and employees. That, to me, is the essential attribute of someone capable of sustaining the management of our Group into the future.

Strengthening human capital

One reason the Group has been able to continuously generate added value is the presence of “hybrid talent”, personnel well-versed in both business and technology. Rather than seeking such talent externally, we have focused on hiring high-potential individuals and developing them internally. This approach has built the foundation for a professional organization capable of delivering reproducible value.

For such talent to fully demonstrate their capabilities, it is essential to have an environment that respects each individual's creativity and draws out their strengths. Therefore, our Group has introduced a “Commitment Style” system. Employees above a certain grade select one of three working styles—Style α, Style β, or Style γ—discuss their choice with their team in advance, and then carry out their duties accordingly. Style α is a flexible approach that adapts working hours to the needs of the project; Style β assumes, in principle, approximately two hours of overtime per day; and Style γ assumes, in principle, no overtime. None of the styles is considered superior or inferior, and all are evaluated fairly based on results and contribution. This system enables employees to choose a working style that suits their values and life stage, align mutual expectations with their teams, and perform at a high level.

We are also focused on fostering an environment that encourages employees to take on new challenges. In the technology domain in particular, we have cultivated a culture of exploring the potential of new technologies and solutions. Employees who demonstrate independent thinking, market awareness, and a clear vision can secure R&D funding and support to bring their approved proposals to life. In addition, with the launch of Xspear and the expansion of our business areas, internal mobility across the Group has increased. Employees who have honed expertise in the financial domain are redefining their skills and value by moving into new areas and achieving further growth.

These multifaceted initiatives support each employee's ambition and self-directed growth, while respecting their freedom in choosing a career path. At the same time, they foster a culture of proactive value creation and management-oriented thinking. We believe that creating this kind of environment is a solid foundation for supporting our Group's sustainable growth. Professionals who identify with our 5 DNAs as a code of conduct—and who find meaning and motivation even in the face of difficulty—embody the kind of people the Simplex Group aspires to cultivate.

Toward the early realization of Vision1000

Under MTBP2027, we are targeting revenue of ¥60 billion and operating profit of ¥15 billion by FY3/27—and the likelihood of achieving these targets through organic growth alone is steadily increasing. Taking this situation into account, from FY3/26 onward we will begin a new challenge: how to accelerate the realization of Vision1000 (our long-term growth strategy aiming for revenue of ¥100 billion, with a current target timeframe in the early 2030s).

By the time Vision1000 is achieved, we aim to have raised our operating profit margin from 22.8% in FY3/25 to 30%. To that end, we will curb the SG&A ratio, increase the share of revenue from high-margin strategy and DX consulting, and, looking ahead, also explore the creation of business models with lower labor intensity.

Another key to realizing Vision1000 will be increasing the number of clients with annual revenue of around ¥5 billion. Moreover, both before and after achieving that milestone, we are also eyeing a new challenge: securing multiple clients with annual revenue of around ¥10 billion. In addition to expanding our client base, we will also strengthen strategic partnerships with leading companies across various industries, in line with our Group's DNA: “If we enter a new domain, we will aim to be the leader in that domain.”

We also intend to actively leverage M&A as an effective means of shortening the timeframe for realizing Vision1000. While we have previously limited ourselves to minority investments, going forward we will proactively pursue M&A opportunities, including acquisitions and business integrations. In doing so, we will place the highest priority on cultural fit, carefully identifying partners who will support the expansion of our business domains.

Achieving Vision1000 is not simply about reaching a numerical target for expanding business scale; it signifies our aspiration to become a socially influential force and a game changer across diverse industries in the DX era. Given our high profit margins, we believe that achieving ¥30 billion in operating profit would carry an impact comparable to that of a company with revenue of around ¥300 billion. With this in mind, we are also committed to pursuing every growth initiative possible toward the early realization of Vision1000.



Annual General Meeting held on Saturday, Jun 14, 2025

From entrepreneur to business leader

In our previous Integrated Report, I stated that only when we could consistently generate ¥10 billion in operating profit would I consider I had made the leap from entrepreneur to business leader. Achieving this milestone for the first time in FY3/25 served as a renewed confirmation of our Group's capacity for sustainable growth and the strength of our management foundation.

I personally regard this achievement as merely a waypoint. It is true that the business I launched as an entrepreneur has grown into an organization capable of consistently delivering value to society—but our journey is far from over. As we move forward from here, we will set our sights even farther and aim even higher.

Realizing Vision1000 is not merely about expanding our business performance. It is a challenge that will test our true worth as a deliverer of innovation from Japan to the world. We will continue to deliver value sincerely to society and our client companies, and pursue sustainable growth together with our employees. By remaining steadfast in this approach, we will advance to the next stage of our growth.

Hideki Kaneko

Representative Director, President and CEO
Simplex Holdings, Inc.

Aiming for a leap forward toward Vision1000 through capital allocation focused on enhancing corporate value

A shift to offense underpinned by organizational strength

FY3/25 marked the first year of our Medium-Term Business Plan (MTBP2027), and the Simplex Group delivered record-high performance. Although the cancellation of a large-scale project in the insurance domain during the first half made it difficult to maintain our planned trajectory, the entire Group came together to drive recovery, steadily regaining ground in the second half. As a result, we ended the fiscal year ahead of our initial targets. This experience reaffirmed the strength of our organizational capabilities and gave us solid confidence as we look ahead to the next stage of growth.

As CFO, I moved quickly to conduct a top-down review of our strategy and to drive the early formulation of a bottom-up recovery plan from the frontline in response to the developments in the first half of the fiscal year. At our Group, regular communication between management and on-site teams is deeply embedded in our culture, extending well beyond the Executive Committee. The close-knit coordination enables us to respond to change with speed and agility. From the second half onward, we positioned ourselves for a “shift to offense,” strengthened our organizational setup, and pushed forward with our business initiatives, ultimately achieving record-high performance as a result.



Keisuke Enosawa
Director & CFO
Simplex Holdings, Inc.

Company-wide real-time profit-and-loss management

Since our founding, the KPI the Simplex Group has placed the greatest importance on has been gross profit margin. We regard this not simply as a measure of profitability, but as a symbolic figure that reflects the competitive strength of the Group. Our ability to sustain one of the highest profit margins in the industry is the result of a robust company-wide monitoring system and an unwavering commitment to this metric.

We handle over 1,000 active projects under contract with client companies annually, and apply strict real-time profit and loss management for everyone. Each project is overseen by an on-site project manager, with an established system ensuring any changes to plans are reported immediately. The Corporate Planning Division aggregates this data on a regular basis, enabling the management team—including the CEO—to continuously monitor numerical trends. In addition, detailed analyses are conducted when monthly results are finalized, and the findings are reported to the Board of Directors. This framework enables us to respond flexibly to growth in project volume.

While frontline teams remain strongly committed to achieving numerical targets, management takes constant care to avoid falling into “management for the sake of numbers,” and instead carries out detailed management based on actual conditions on the ground. We believe this balance was a key factor behind the record-breaking performance we achieved in FY3/25.

FY3/25 Results

	FY3/24 Results	FY3/25 Results	Change
Revenue	¥40.7 bn	¥47.3 bn	+16.4%
Operating profit	¥8.8 bn	¥10.8 bn	+22.1%
Gross profit margin	42.9%	41.4%	-1.5pt
Operating profit margin	21.7%	22.8%	+1.1pt
ROE	13.9%	16.2%	+2.3pt

Capital allocation policy

The Simplex Group’s financial strategy centers on maintaining high profitability while steadily growing the top line to achieve sustainable profit expansion. Based on this approach, our core capital allocation policy is to generate cash efficiently and strategically reinvest in growth initiatives that reinforce the business foundation.

While revenue continues to grow steadily, the labor-intensive nature of our business model makes talent acquisition and development an important challenge. To overcome this, we believe it is essential to pursue both steady growth as well as to actively seek opportunities for transformational growth. Achieving this will require advancing inorganic initiatives, making capital allocation an even more critical management priority going forward.

Ongoing investment in human capital

To sustain and expand the scale of hiring, the Simplex Group is continuing to strengthen our investment in human capital. In mid-career recruitment, we hired approximately 170 employees in FY3/25—surpassing our initial target—as part of our ongoing efforts to attract top talent. We are also gradually increasing compensation for current employees in pursuit of maintaining industry-leading pay levels. Most recently, we raised the starting salary for new graduates joining in Apr 2025 from ¥5 million to ¥6 million, and implemented a uniform ¥1 million increase in annual salaries for younger employees.

At the same time, we recognize that raising compensation levels inevitably increases costs, and we are carefully monitoring the resulting impact on our gross profit margin. Sustaining high profitability requires balancing revenue growth with rising costs, and our Group continues to engage in ongoing discussions to maintain that equilibrium.

At present, our order environment remains robust, backed by growing demand for digital transformation (DX). We have successfully absorbed rising personnel costs by appropriately reflecting them in our pricing. As long as these conditions persist, we will continue to actively return value to our employees while pursuing both business growth and investment in human capital.

R&D and M&A strategy

In addition to talent acquisition, the Simplex Group believes that proactive investment in new growth areas is essential to achieving further expansion. Every year, we allocate 3–4% of annual revenue to R&D, identifying key focus areas and pursuing them intensively. Recently, we have reinforced our investment not only in deepening existing business domains, but also in AI and other advanced technology fields.

M&A is also positioned as an important means of accelerating growth for the Group. In particular, from a talent acquisition perspective, we are exploring opportunities involving teams and companies whose scale offers strong potential synergies with our business. While MTBP2027 is centered on organic growth without relying on M&A, we plan to actively leverage strategic acquisitions to accelerate progress toward our Vision1000 goal.

Improving capital efficiency and shareholder returns

The Simplex Group regards ROE as one of our core KPIs. Following the MBO, our capital structure changed, and ROE fell below 10% as of the end of FY3/21. Since then, we have implemented various measures focused on enhancing capital efficiency, which improved to 16.2% by the end of FY3/25. Looking ahead, we have set a medium- to long-term goal of reaching 20% ROE and will continue our efforts to achieve this target.

Regarding shareholder returns, we have adopted a dividend-focused policy that considers a comprehensive range of factors, including business performance, ROE levels, and growth investment opportunities. Our basic policy is to achieve stable and sustainable increases in dividend per share, with a target consolidated dividend payout ratio of approximately 40%.

In addition, we view share buybacks as a shareholder return measure aimed at enhancing capital efficiency, and implement them flexibly based on factors such as stock price and market conditions. Most recently, between Jan and Apr 2025, we repurchased stock worth approximately ¥5 billion in total. Going forward, we will continue to take a broad-based view of capital efficiency, stock price trends, and market conditions as we pursue appropriate shareholder return initiatives.

Effective governance structure

At the Simplex Group, alongside investment in human capital, we view effective corporate governance as a cornerstone of our sustainability and ESG initiatives.

We maintain a sound governance structure with a high ratio of outside directors and have established a framework for active communication between executive officers and outside directors on an ongoing basis. For example, we have introduced a system that allows outside directors to attend Executive Committee meetings at any time as observers, giving them opportunities to gain insight into strategic planning processes and frontline realities. Several outside directors do attend these meetings on a regular basis, enabling the Board of Directors and Audit and Supervisory Committee to engage in highly effective discussions informed by direct understanding of progress and challenges as experienced on the ground.

Our outside directors bring a wide range of expertise and backgrounds, and we actively incorporate their diverse perspectives into management to enhance the quality and transparency of our governance. At Board meetings, they offer constructive feedback and proposals from an independent standpoint, further strengthening the soundness of our management decisions.

We therefore believe that we have established a well-balanced governance framework that effectively integrates both decision-making and oversight functions.

IR activities that emphasize dialogue

At the Simplex Group, we have strengthened our engagement with ESG rating agencies, resulting in improved evaluations. As a result of enhancing our internal frameworks and disclosure practices—both prerequisites for meaningful dialogue with shareholders and investors—we raised our MSCI rating from BBB to A, and our CDP score from B– to B. That said, the primary aim is not to improve scores for their own sake, but to close gaps between perception and reality caused by insufficient disclosure. Going forward, we will continue to improve both the quality and quantity of our disclosure to ensure an accurate assessment of our corporate value by effectively conveying the Group’s strengths and competitive advantages.

In our IR activities, we place strong emphasis on ongoing dialogue with shareholders and investors. For institutional investors and analysts, we hold 60 to 70 one-on-one meetings each quarter. For individual investors, we strive to enhance awareness and understanding of the Simplex Group by participating in company briefings and a variety of other events.

In particular, expanding opportunities for dialogue with individual investors is one of our key initiatives. Following each General Meeting of Shareholders, we host a shareholder engagement event. In Jun 2025, over 200 shareholders participated. We recognize that the nature of our business is not always intuitive, and we will continue to value opportunities for direct dialogue between management and shareholders to foster deeper understanding.

A leap forward toward Vision1000

In our previous integrated report, I stated that we were “aiming for a leap forward” toward achieving Vision1000. One year on, we are making steady progress under MTBP2027, and our confidence in achieving our targets continues to grow. We believe that we are now in the phase of solidifying the foundation for that very “leap.”

Building on this momentum, the Simplex Group is stepping into the next stage on the path to the early realization of Vision1000. Throughout our history, we have consistently faced difficult challenges with sincerity and determination—overcoming each one and steadily building long-term growth.

This growth has been underpinned by the Group’s management stance of carefully balancing offense and defense—consistently making optimal decisions based on prevailing circumstances. We will continue to act decisively when bold action is warranted and exercise prudence when caution is called for, maintaining this balanced approach to management as we move forward.

We are also deeply aware that the progress we have made thus far has been supported by the steadfast backing of our shareholders and investors. Looking ahead, we remain committed to moving beyond incremental growth—creating new opportunities, delivering added value, and clearly communicating our progress and achievements to you.

Long-term growth strategy and KPIs for Medium-term Business Plans

	Year prior to MTBP2024 FY3/21 (results)	Final year of MTBP2024 FY3/24 (results)	Final year of MTBP2027 FY3/27 (target)	Vision1000 (illustrative projection*)
Revenue (3-year CAGR)	¥27.5 bn —	¥40.7 bn (+13.9%)	¥60.0 bn (+13.8%)	¥100 bn —
Operating profit (3-year CAGR)	¥4.5 bn —	¥8.8 bn (+25.2%)	¥15.0 bn (+19.3%)	¥30 bn —
Gross profit margin	39.1%	42.9%	45.0%	—
Operating profit margin	16.4%	21.7%	25.0%	30.0%
ROE	9.8%	13.9%	17.0%	20.0%

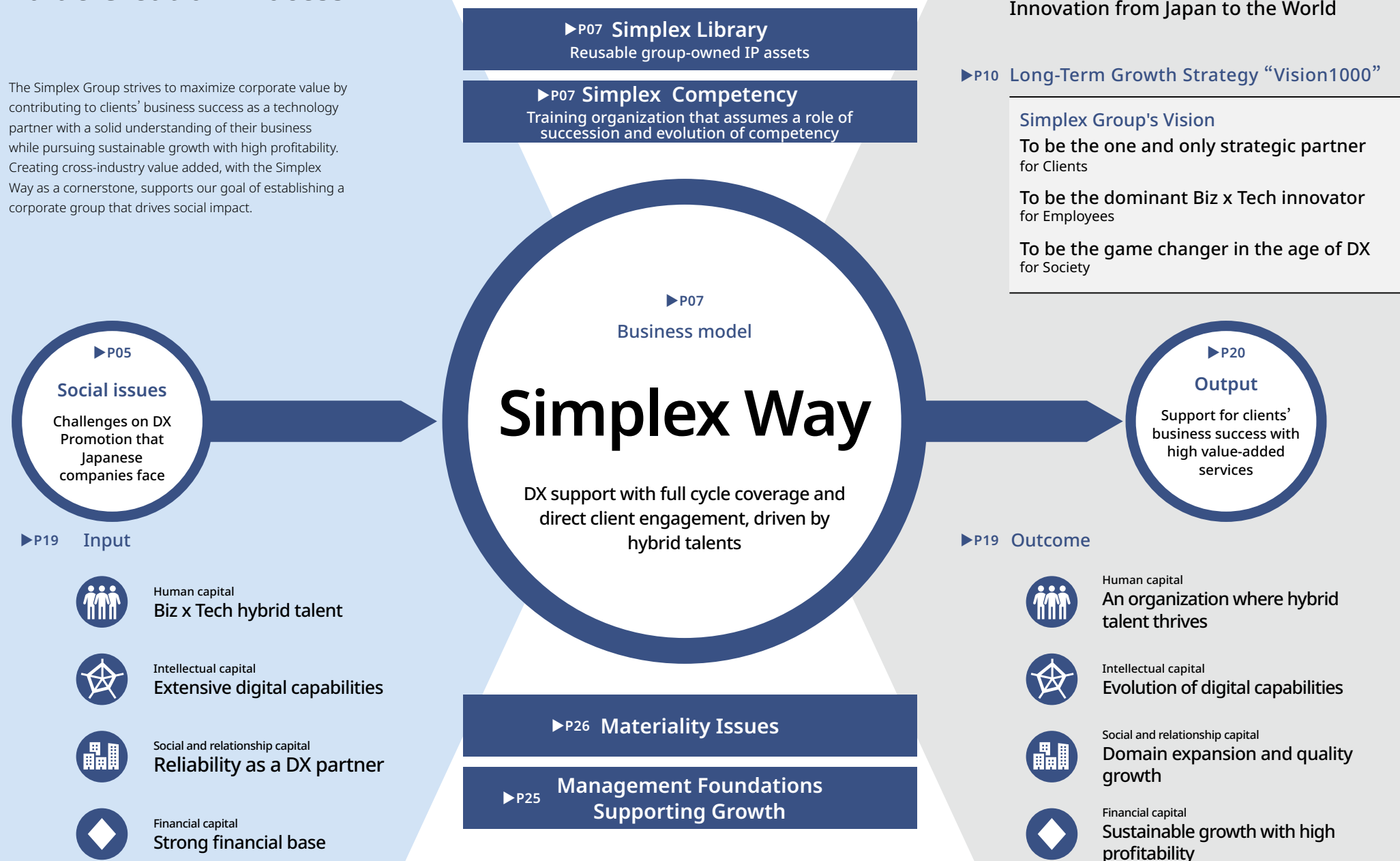
*Aim to achieve by early 2030s (timeframe not specified)



Simplex Group's Value Creation

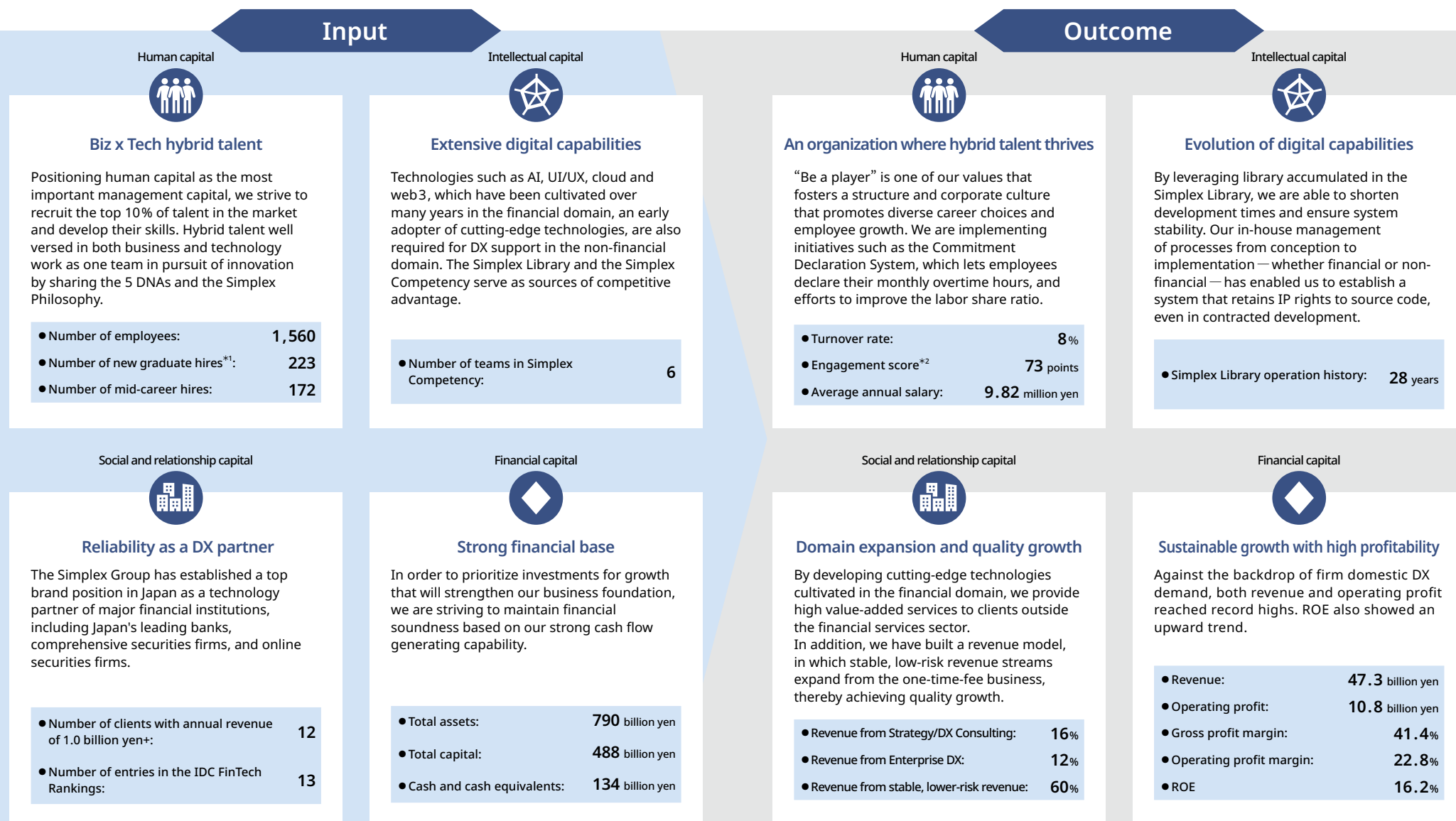
Value Creation Process

The Simplex Group strives to maximize corporate value by contributing to clients' business success as a technology partner with a solid understanding of their business while pursuing sustainable growth with high profitability. Creating cross-industry value added, with the Simplex Way as a cornerstone, supports our goal of establishing a corporate group that drives social impact.



Simplex Group's Value Creation

Strengths, Input and Outcome



^{*1} Based on the number of employees decided to be hired during the current fiscal year. The actual starting date of employment is Apr 1 of the following fiscal year.

^{*2} Result of an engagement survey conducted among employees of the Group.

Simplex Group's Value Creation

Evolution Through Challenges

An essential part of the Simplex Group's trajectory of transformation is the delisting of its shares following the MBO in 2013 in a bid to return to a growth path. Since then, we have positioned the post-MBO period as our second founding phase and we focus on breakthroughs in existing domains and expansion into new business areas. During the period as an unlisted company, we underwent significant transformation, culminating in our re-listing in Sep 2021. Furthermore, we are advancing domain expansion and deep-diving into domains through the provision of high value-added services to clients, even outside the financial services sector.

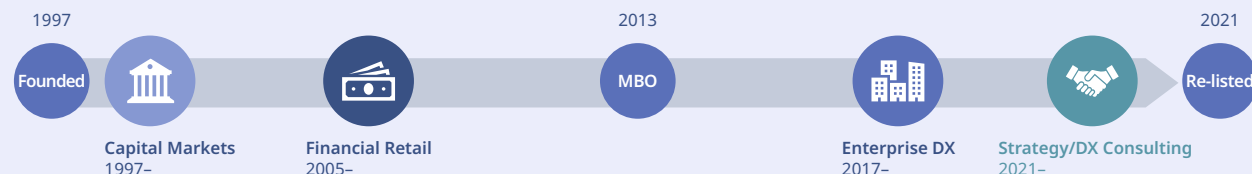
Financial Frontier Domain

The Financial Frontier Domain is the term we use to describe the domain that supports financial institutions in revenue-earning operations such as front-office trading and risk management from a technological perspective. Banks, comprehensive securities firms, and online securities firms are our main clients, and this is an area with high entry barriers, requiring both extensive business know-how and advanced technology.

Cross Frontier Domain

The Cross Frontier Domain is the term we use to describe the domain where technology contributes significantly to the success of a client's business. The Financial Frontier Domain could be said to be one of the main Cross Frontier Domain areas because it is the very area where technology has been driving the business. In addition to this, the domain includes Enterprise DX, in which we have been engaged since our MBO in 2013, as well as the Strategy/DX Consulting services we provide across industries.

MBO-driven business area expansion



Pre-MBO

Specialization in the Financial Frontier Domain

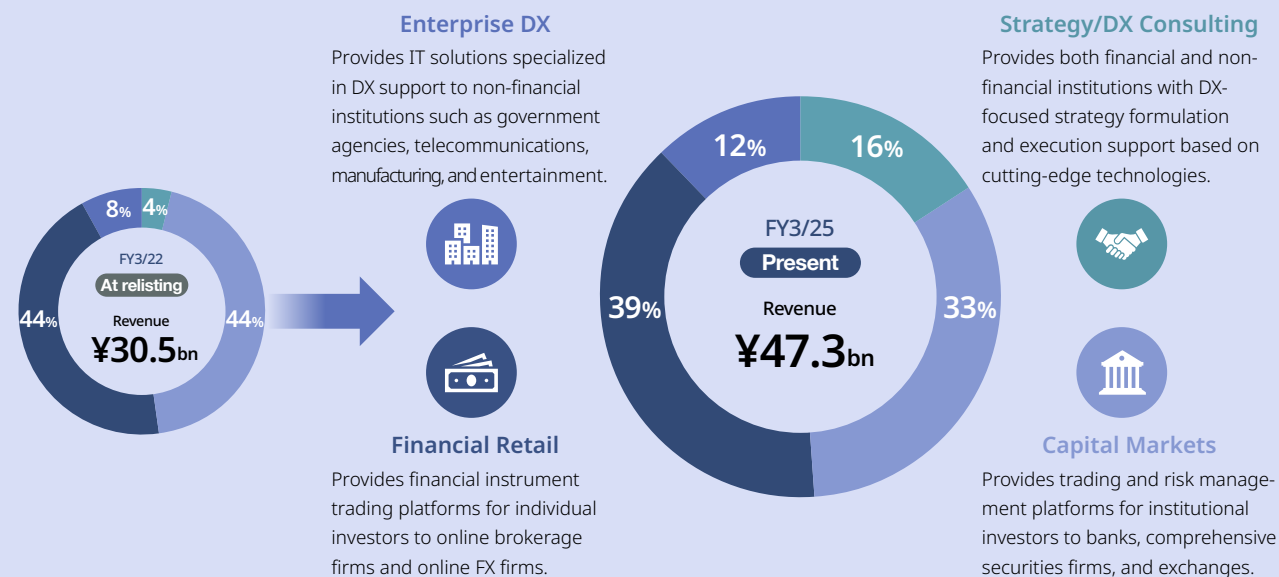
Since our founding, we have specialized in the Financial Frontier Domain that supports financial institutions in trading and risk management from a technological perspective. We have continued to achieve strong growth toward securing a position as Japan's leading provider. However, after FY3/10, our earnings entered a downward trend, prompting us to undertake an MBO. Our shares were delisted in Oct 2013.

Post-MBO

Expansion into the Cross Frontier Domain

Following the MBO, we achieved a breakthrough in the Financial Frontier Domain by strengthening our consulting sales approach. We expanded our offerings by launching Enterprise DX for non-financial institutions. In 2021, the establishment of Xspear enabled us to provide Strategy/DX consulting services, and we extended our reach into the Cross Frontier Domain. These milestones led to our relisting in Sep 2021.

Promoting domain expansion and deep-diving after relisting



Strategy by Business Area

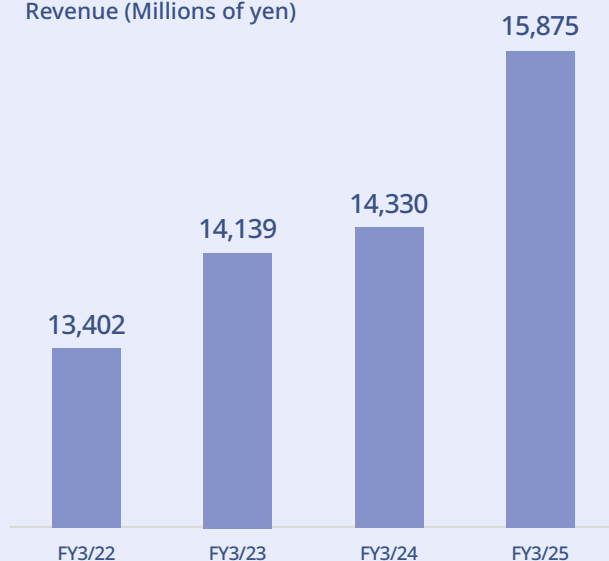


Capital Markets

Accelerates talent development and the acquisition of cutting-edge technologies in an environment where advanced “Biz x Tech” is required.

Provides trading and risk management platforms for institutional investors to banks, comprehensive securities firms, and exchanges. The Capital Markets domain, which has been our core business since our founding, has supported value enhancement at Japan’s leading financial institutions and continues to serve as the foundation for both our competitive advantage and human resource development.

Revenue (Millions of yen)



Growth Trajectory

1990s: Entry into the securities industry

As a tech firm capable of implementing a full stack of services from mission-critical system construction to 24/7 operations and maintenance, Simplex established a unique position in the securities industry. Although localization of overseas packages was prevalent at the time, the domestic bond front office system developed by Simplex went on to become the de facto standard in the securities industry.

2000s: Expansion into banking

Building on our achievements in the securities industry, we made a full-fledged entry into the banking industry in the 2000s. Our trading systems, which supported more than 200 financial products, and real-time risk management from a high-speed computing platform, were highly valued and adopted, primarily by Japan's largest banks. This trust then continued, allowing us to maintain our presence and competitive advantage in the banking industry to this day.

2010s: Support for overall optimization by a single platform

After the MBO in 2013, Simplex moved beyond being limited to individual optimization for each financial instrument and transitioned to a system supporting total optimization across products. Against a backdrop of strengthening risk management triggered by the collapse of Lehman Brothers, we provided proactive consulting starting from a phase of IT roadmap formulation, primarily for major financial institutions, helping them to build single platforms that integrate trading and risk management.

2020s: Business for exchanges—a new pillar

Since the 2020s, Simplex has accelerated our expansion into the business for exchanges, aiming for growth in a new market infrastructure field as the third profitable pillar after the securities and banking industries. We have received an increasing number of orders from multiple exchanges, whether public or private, and our achievements and technological capabilities accumulated for financial institutions have been highly regarded. We believe that these efforts will support medium- and long-term growth and lead to diversification of a future business portfolio.

Future Growth Strategy

Selectively accepting important projects

Leading financial institutions, which are the major clients in Capital Markets, are enhancing their competitiveness and increasing the sophistication of risk management through long-term IT investments with an eye to the future. Under a clear policy of contributing to the increasing sophistication of capital markets while working with these corporate clients, Simplex will continue our proactive consulting sales approach. Especially, we will focus on selectively accepting important projects that will benefit from our one-platform offering.

Improving digital capabilities

The modest growth rate for Capital Markets targeted in the medium-term management plan "MTBP2027" is a strategic decision to focus our engineering resources on other growth areas. However, Capital Markets remains the core of Simplex, as it requires evolution of advanced technology such as ultra-low latency, massive cloud, AI, and web3. We will continue to make efforts to improve digital capabilities.

Developing hybrid talents

Capital Markets requires both advanced financial engineering as well as taking into account comprehensive business operations needs. These characteristics make it an ideal area for the development of hybrid professionals who have a thorough knowledge of business and technology. Simplex aims to maximize client value and achieve sustainable growth through these innovations and talent development.

Key themes of dialogue with shareholders/investors

1. What is the value of the one-platform offering?
2. How much room is there for development of clients who are interested in one-platform offering?
3. What factors contributed to your breakthrough after the MBO?
4. What strategic decision was made to set the growth rate target in MTBP2027?
5. To what extent do you expect sales to expand over the medium to long term?

Strategy by Business Area

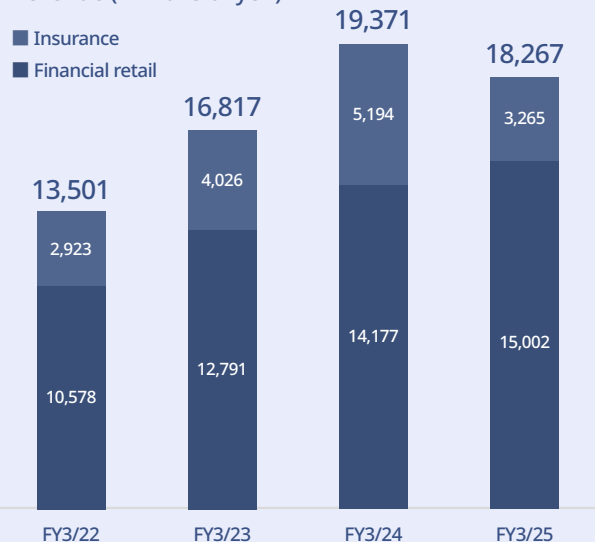


Financial Retail

Contributes to greater sophistication of the financial retail business, with overwhelming success of the joint venture scheme.

Provides financial instrument trading platforms for individual investors to online brokerage firms and online FX firms. Financial Retail, which has grown with the evolution of financial services for individual investors, is the core of our recurring business serving a strong customer base.

Revenue (Millions of yen)



*Note: Figures shown are those after retroactive adjustments that reflect the transfer of the insurance area.

Growth Trajectory

2000s: Launch of subscription services

From the early days of online securities trading, we began planning and developing systems in-house and launched a shared SaaS service to multiple financial institutions. Based on a vision of providing a professional-grade investment environment to individual investors, the platform was highly regarded for its intuitive UI/UX and reliability in processing large volumes of transactions. As a result, it gained wide adoption as a financial instrument trading platform for individual investors, supporting stocks as well as futures and options. By adopting a performance-based business model committed to results after implementation, the platform continues to be used by multiple corporate clients today.

2000s: Become the de facto standard for FX trading

When talking about growth in the financial retail area, it is essential to mention our FX trading platform, which became the de facto standard in the industry. With FX trading increasingly being offered to individual investors, the service has been adopted as a shared SaaS solution and used by leading financial institutions in Japan.

2010s: Challenge of web3 and initial implementation

Simplex was quick to notice the potential of web3 and began to provide crypto asset trading platforms in 2017. In recent years, we also worked to expand into non-financial areas such as NFTs and the metaverse. In 2025, we started to provide a system supporting the issuance and redemption of stablecoins. The Simplex Group continues to expand the pillars of value creation in the new economic area of web3.

2020s: Closer cooperation with SBI SECURITIES

The capital and business alliance with SBI Holdings and SBI SECURITIES attracted a great deal of interest from various stakeholders. SBI SECURITIES is a comprehensive online securities company with the largest number of accounts and the largest transaction share in Japan. In Feb 2023, we established a joint venture with SBI SECURITIES. With this, we and SBI SECURITIES have gone beyond a mere client-vendor relationship and built a one-team system where all members work together on system development projects and established the necessary structure. Cooperation as a strategic partner is proceeding at full swing.

Future Growth Strategy

Verification of the effectiveness of the JV scheme

One of the key themes of the medium-term management plan "MTBP2027" is to work in close cooperation with SBI SECURITIES, which has chosen the Simplex Group as its one and only strategic partner, with outstanding results. We believe the key to supporting sustainable growth lies in demonstrating the effectiveness of the JV scheme that brings together resources and know-how from both parties and promotes system development and organizational framework as one team.

Further contribution to revenue maximization

Enhancing services for individual investors through digital technology remains an important theme for financial institutions in their efforts to improve customer satisfaction and strengthen competitiveness. The Simplex Group will continue to provide highly reliable platforms in a stable manner by leveraging our expertise accumulated as the top brand in Japan. In addition, we will help financial institutions to maximize their profits through detailed consulting services in response to market trends and the specific circumstances of individual companies. We will also work to secure development projects in new fields for major comprehensive securities companies, our existing clients.

Insurance system development with an eye toward the future

Following a strategic shift in the insurance area, the acquisition and development of repeat orders for more than 10 existing clients was integrated into the financial retail area from the fiscal year ending Mar 31, 2026. Although projects will primarily focus on existing clients in the near term, we will continue to accumulate know-how and improve our structure through these projects so that we are able to respond when major insurance companies make requests to revamp their legacy systems in future.

Key themes of dialogue with shareholders/investors

1. How much room is there for market expansion in the financial retail field?
2. How has the JV scheme with SBI SECURITIES contributed to earnings?
3. What specific support services do you provide through the JV?
4. Is there a possibility that it will be applied to other entities in the SBI Group?
5. Is the JV a business model that can also be applied to other companies?

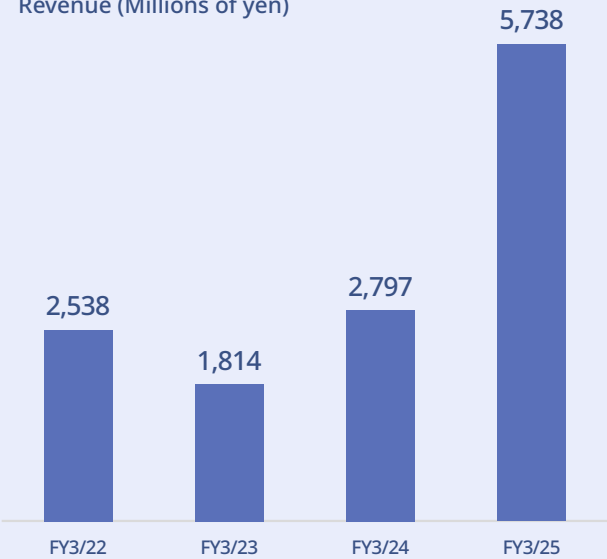
Strategy by Business Area



Maximize synergies with Xspear to create projects using cutting-edge technologies cultivated in the Financial Solutions.

Provides IT solutions specialized in DX support to non-financial institutions such as government agencies, telecommunications, manufacturing, and entertainment. Leveraging advanced technologies cultivated in the financial domain and a collaborative model with Xspear, Enterprise DX promotes the creation of new projects in the non-financial domain and serves as a growth driver for the Simplex Group’s business expansion.

Revenue (Millions of yen)



Growth Trajectory

2010s: Expanded cutting-edge technologies cultivated in the financial domain to the non-financial domain

The financial industry, often referred to as the information industry, has been an early adopter of cutting-edge technologies ahead of other sectors. The Simplex Group, which has provided added value to the financial domain since our founding, leverages our strengths of digital capabilities including AI, UI/UX, cloud, and web3 to play an active role in non-financial sectors. Across various industry sectors such as government agencies, telecommunications, manufacturing, and entertainment, the Group addresses needs for promoting DX to create new business models, improve operational efficiency, and enhance user experience.

2020s: Established a collaborative model with Xspear

We have established a structure that allows us to demonstrate our capabilities in proposal development and implementation, supported by a collaborative model between Xspear, responsible for concept formulation, and Simplex, responsible for implementation. We have successfully acquired projects with strong synergies and high potential for replication by building new relationships with non-financial clients and completing all processes in-house—from upstream processes to development, maintenance, and operation. For a period just after the establishment of Xspear, projects mainly progressed with Xspear building relationships with clients through consulting, and Simplex then carrying out system development. In recent years, however, both companies often collaborate from the initial phase and jointly make proposals and provide support.

Our digital capabilities and the value we provide

AI	Providing AI solutions that can immediately accommodate any client need, from strategy formulation to business implementation.
UI/UX	A team of UI/UX experts with a deep understanding of any client business will help the clients develop products with a focus on user experience.
Cloud	Supporting clients in implementing cloud services consistent with business strategies by leveraging unparalleled knowledge gained from advanced case studies.
web3	Experts with extensive knowledge of crypto assets, the metaverse, NFTs, and other emerging technologies working with clients to address challenges.

Future Growth Strategy

Maximize group synergies

The greatest group synergies in Enterprise DX lies in the ability to realize business models and system concepts developed by Xspear, a consulting firm specializing in DX, using Simplex's digital capabilities. Specifically, under this division of roles, Xspear is responsible for identifying and formulating solutions to challenges faced by non-financial clients. Simplex then takes over to develop the required systems. This structure enables us to seamlessly provide solutions within the Group, from concept development through to implementation.

Create projects by leveraging cutting-edge technologies

Equipped with cutting-edge technologies such as AI, UI/UX, cloud, and web3 cultivated in the financial domain, we will also look to secure new projects by leveraging digital capabilities distinctive of the Simplex Group. These technologies have already been deployed in certain areas in the non-financial domain and are expected to become a key focus in future projects, contributing to outcomes such as creation of new business models, improvement of operational efficiency, and enhancement of user experience.

Deepening promising sectors

Enterprise DX covers non-financial sectors where Simplex Group’s revenue has not yet reached a certain scale on an industry basis. Once revenue in a given sector reaches a certain level, businesses can be spun off into separate domains. Based on this approach, we are further deepening our presence in promising sectors such as government, telecommunications, manufacturing, and entertainment.

Key themes of dialogue with shareholders/investors

- How are you developing the non-financial domain?
- Are there any promising industry sectors that could be carved out as independent businesses?
- Why is the Group able to retain system intellectual property rights even in the non-financial domain?
- Why does the gross profit margin remain on par with that in the financial domain?
- What are some examples of specific projects?

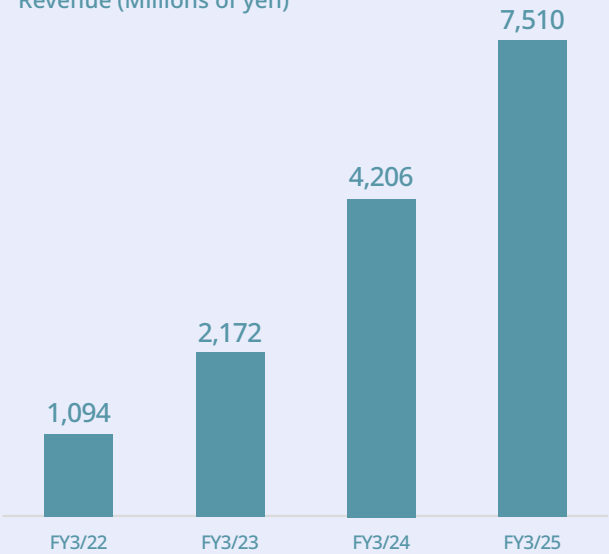
Strategy by Business Area



Aim to achieve further group synergies with a team of professionals who can directly deal with client management teams.

Provides both financial and non-financial institutions with DX-focused strategy formulation and execution support based on cutting-edge technologies. By providing services that accurately target the top priorities of management, Strategy/DX Consulting contributes to the sustainable growth of client companies, leveraging the Group’s digital capabilities and execution strengths.

Revenue (Millions of yen)



Growth Trajectory

2020s: Established unique talent portfolio

Since its establishment in 2021, Xspear has developed a unique talent portfolio supported by both mid-career hires and intra-Group secondments. Our mid-career hires proactively target experienced talent, such as individuals from international consulting firms. Younger employees, in contrast, first get a grasp of technology basics at Simplex, then talents with a strong aspiration to become a consultant are identified and assigned to Xspear. The approach is differentiated from other consulting firms through the assignment of such hybrid talent to both consulting and technology areas.

2020s: Provided fundamental DX support based on technology

Xspear leverages the advanced digital capabilities that Simplex has cultivated over many years to provide end-to-end support, from strategy planning to implementation support based on cutting-edge technologies. Specifically, Xspear has established a framework to support clients’ transformation both in consulting and system development by coordinating with Simplex, that has strengths in implementing technologies. The consistent support system enables management issues to be highlighted via direct communication with management, and ensure company-wide optimization and that is not limited to one specific operational component.

Outline of our consulting services and value we provide

Strategic consulting	Supporting clients in developing practical and effective strategies when formulating medium- to long-term growth strategies — including business model development — and new business concepts.
IT consulting	Supporting building communication lines between management and IT by formulating systematization concepts and developing policies for renewing existing systems.
Project implementation support	Supporting business transformation, including PMO functions, as well as the execution of IT implementation, in promoting DX projects.
DX talent development	Supporting clients in building their capability to independently drive DX initiatives using a combined approach of training and on-the-job practice, thereby fostering DX talent.

Future Growth Strategy

Expand the non-financial domain with Xspear as an entry point

Our greatest group synergies are derived from the ability to realize business models and concepts developed by Xspear using Simplex’s digital capabilities. With the establishment of Xspear, we have built a framework that enables involvement from the upstream strategy formulation phase. This expands opportunities to make proposals directly to clients’ management, an approach that was previously difficult. We will continue to strengthen our end-to-end support structure within the Group, from strategy formulation to system operation, and steadily advance our business expansion in the non-financial sector.

Strengthening the revenue base through expansion of major clients

In order to achieve Vision1000 earlier than planned, the Group has positioned the expansion of major clients with annual sales exceeding ¥5 billion as one of our priority measures. Currently for clients with transactions over ¥3 billion, they are first referred to Xspear, which then works to strengthen relationships through cross-selling into untapped areas, thereby expanding business opportunities. Simplex then engages with these clients to further deepen the relationship, thereby strengthening the revenue base through collaboration of both companies.

Expansion of Consultants and M&A Initiatives

Given the solid demand for DX, we will continue to increase the number of consultants, mainly through mid-career hiring and intra-Group secondments. While M&A-driven inorganic growth is not factored into MTBP2027, we will proactively consider and pursue acquisitions of small boutique consulting firms with advanced expertise and distinctive services as one of our key measures to accelerate the realization of Vision1000.

Key themes of dialogue with shareholders/investors

1. Why did you carve out the consulting business as a separate operating company?
2. Why does demand for consulting in Japan remain strong?
3. What is Xspear’s competitive advantage?
4. What attracts senior consultants to Xspear as a career change destination?
5. Why are employees seconded from Simplex able to perform well at Xspear?
6. How is the M&A of boutique consulting firms progressing?

The Simplex Group, with offices in both Toranomon Hills and Azabudai Hills, supports the digital transformation of Japanese enterprises and aims to realize a sustainable society.



Simplex Group's Sustainability

Bring about positive impact in society through business

With the goal of bringing "Innovation from Japan to the world," the Simplex Group is united in our pursuit of "Creating high value-added services" that contribute to the business success of our clients. We are looking to bring about positive impact in society through business and fulfill our responsibility as an innovation-creating company to realize a sustainable society.

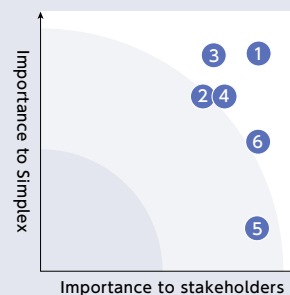
Process of identifying materiality issues

Based on the concept of double materiality, the Simplex Group classifies issues to address along two axes: the level of importance for the Group and the level of importance for client companies, business partners, and stakeholders such as shareholders and investors. Then, the Group identifies sustainability-related material (materiality) issues that should be addressed as priorities, and these are determined by the Board of Directors.

The Simplex Group sets medium-term targets for the six materiality items identified in the fiscal year ended Mar 31, 2024, and continuously monitors the status of efforts. The Group reviews the materiality issues identified whenever necessary in response to changes in the social situation and internal environment and opinions of client companies, business partners, and stakeholders such as shareholders and investors.



Material (materiality) issues related to sustainability



- 1 Innovation and competitiveness
- 2 Client relationship management
- 3 Human capital management
- 4 Product quality and safety
- 5 Response to global environmental issues
- 6 Realization of sophisticated governance

Simplex Group's Sustainability

Concept behind each materiality issue

Materiality issues	Concept
1 Innovation and competitiveness	- Pursuing value creation through the integration of business and technology, while driving the evolution of reproducible competitive advantages in both financial and non-financial domains to become a game changer in the digital transformation (DX) era - Delivering innovation to create social impact by supporting clients' transformation and leveraging accumulated intellectual assets
2 Client relationship management	- Deeply engaging with fundamental issues, building on a robust client base that includes leading companies across diverse industries - Positioning ourselves as the one and only strategic partner with capabilities in both business and technology via the provision of irreplaceable, high value-added solutions
3 Human capital management	- Continuously refining our recruitment, development, and assessment systems along with our culture in order to attract the top 10% of talent in the market who possess intellectual curiosity and aspiration for growth - Developing the talent base as a source for medium- and long-term growth to enable various individuals to become players who perform at their highest potential
4 Product quality and safety	- Appropriately complying with safety standards and risk countermeasures required in all areas to provide solutions with a high level of reliability and availability, suitable for mission-critical uses - Continuously strengthening the protection of information assets, maintaining robust internal controls, and enhancing employee education to ensure quality and safety
5 Response to global environment issues	- Accelerating renewable energy utilization and decarbonization initiatives, while promoting partnerships with entities and groups that share the same goals - Committed to a sustainable society by addressing climate change risks and opportunities identified in line with the TCFD recommendations, and by reducing environmental impacts across business operations and the value chain
6 Realization of sophisticated governance	- Strengthening the Board of Directors' diversity and supervisory function through proactive outside director appointments - Implementing governance that enhances sustainable corporate value through sophisticated internal controls, risk management, and compliance systems, together with transparent, sound management

External ESG rating

MSCI: A

The MSCI ESG Ratings is an international rating provided by MSCI Inc. in the U.S., that assesses companies' ESG performance on a seven-point scale from AAA to CCC. Our ESG rating rose to A in May 2025, from BBB in 2024.



As of 2025, Simplex Holdings, Inc. received an MSCI ESG Rating of A.

CDP: B

CDP (Carbon Disclosure Project), operated by a UK charity, runs a global environmental disclosure system that assesses companies using eight score bands from A to D-. As of Mar 2025, our CDP score rose to B, corresponding to the Management level, from B- in 2024.



Trends in ESG ratings

Rating agencies	2023	2024	2025
MSCI	BB	BBB	A
CDP	—	B-	B

* MSCI assigns us its ratings annually in May, while CDP publishes its scores annually in Mar.

Inclusion in ESG Indices

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

S&P/JPX Carbon Efficient Index

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Simplex Group's Sustainability

Sustainability Governance System

In the Simplex Group, the Executive Committee consisting of the president and CEO, and executive directors takes charge of company-wide risk management, under the supervision of the Board of Directors. In particular, we are focusing on the identification and evaluation of risks and opportunities related to sustainability by delegating authority to the Sustainability Council chaired by the president and CEO.

The Sustainability Council is composed of executive directors of the Company and its subsidiaries and serves as a place for effective discussion where opinions are exchanged from the perspective of respective businesses and functions. Issues deliberated in the council are reported to the Executive Committee, treated as part of company-wide risk management, and reported semiannually to the Board of Directors in order to ensure a highly effective supervisory system. The Board of Directors has developed a system that reflects such reports in group-wide strategies, the medium-term management plan, risk management policies, and other policies.

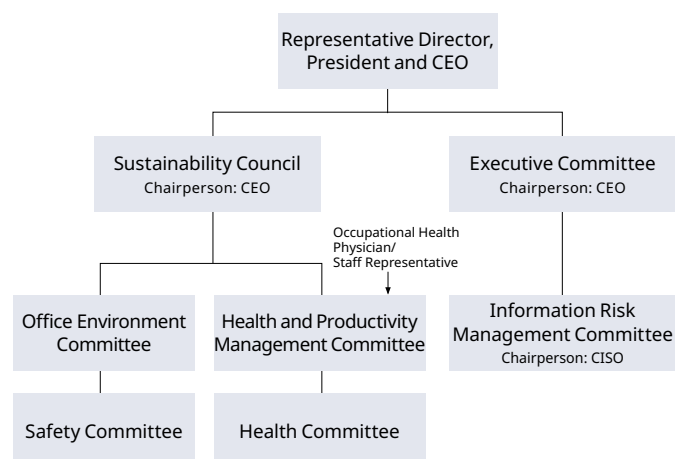
As subordinate organizations of the Sustainability Council, we have established the Health and Productivity Management Committee and the Office Environment Committee, which address issues related to employees' health and working environments. The statutory Health Committee and Safety Committee are organized under the Health and Productivity Management Committee and the Office Environment Committee, respectively. The Health and Productivity Management Committee is chaired by a director of the Company who oversees the Health Committee, and seeks the participation of occupational health physicians and employee representatives. The Committee plans and implements measures that support the physical and mental health of employees and their family members and contribute to improving productivity.

In addition, we have appointed a Chief Information Security Officer (CISO) to address issues related to information security. The director in charge of the Group's administrative divisions is appointed as CISO to ensure the position is independent from the operating divisions and that it can serve as a check and balance. As an advisory body for the CISO, we have established the Information Risk Management Committee and look to involve staff in charge of operating divisions, thereby building a highly effective management system through company-wide collection and sharing of information.

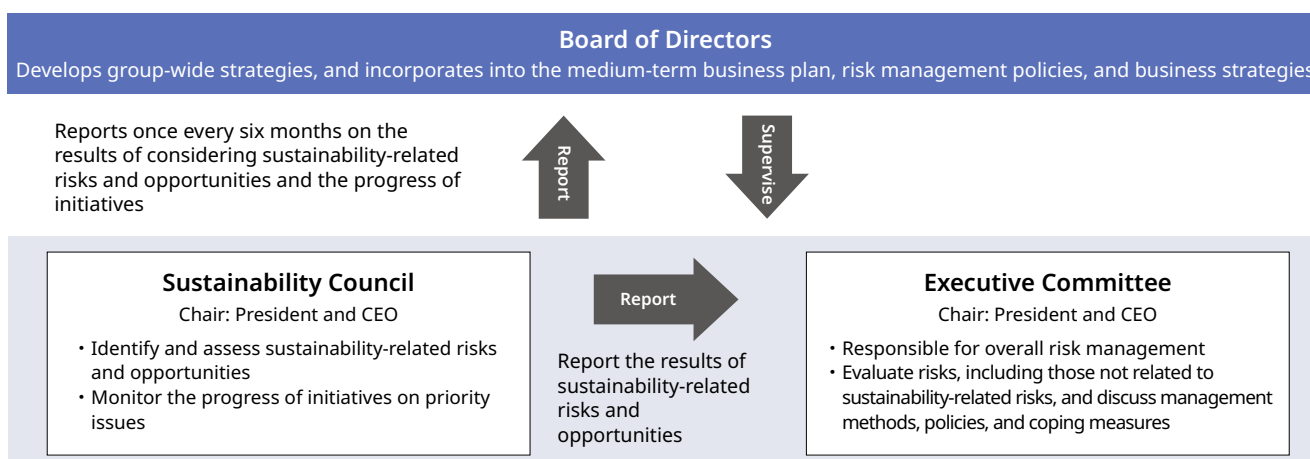
Sustainability-related Risk Management

The Simplex Group defines risk as any event that could result in economic loss, business interruption or suspension, or damage to credibility or brand images, and has implemented a risk management system to mitigate and avoid risk. At Sustainability Council meetings, each member shares sustainability issues based on the environment surrounding the Group, and a wide range of relevant risks are identified. Identified risks are then evaluated on two fronts: the likelihood of occurrence and the impact in the event of occurrence. Depending on their significance, they are reported to the Executive Committee and the Board of Directors. For risks that are considered material, the Sustainability Council sets targets and monitors progress, and reports to the Board on a semi-annual basis. This helps ensure that the progress of measures is assessed, and material risks are re-identified.

Sustainability Governance System Diagram



Sustainability-related Risk Management System Diagram



Sustainability: Environment



Simplex Group's Environmental Initiatives: Aim to Realize a Sustainable Society

The Green Growth Strategy Through Achieving Carbon Neutrality in 2050, released by the Ministry of Economy, Trade and Industry of Japan in Jun 2021, presents policies of promoting next-generation power management to achieve zero energy in office buildings and achieving carbon neutrality in data centers by 2040. This strategy aims to concurrently realize a digital society and a green society by improving the ratio of renewable energy use, strengthening energy-saving performance, promoting decentralized location in regional cities, and developing a system that allows business to continue in the event of a disaster.

In response to these social demands, the Simplex Group sincerely faces global environmental challenges including climate change and is working to continuously reduce the environmental load resulting from business activities. Towards the realization of a sustainable future, we are working in concert with businesses and institutions that care about environmental values, and steadily expanding efforts based on co-creation.

Energy Management

The Simplex Group has offices in the Azabudai Hills Mori JP Tower and the Toranomon Hills Mori Tower operated by Mori Building Co., Ltd. Both offices use electricity derived from fully renewable energy sources. By selecting environmentally friendly offices, we promote the advancement of energy management in business locations.

In terms of IT infrastructure, we promote the use of energy-efficient cloud servers in order to optimize electricity consumption and reduce greenhouse gas emissions.

*1 FISC Security Guidelines are a set of guidelines and explanatory notes on security measures for computer systems for financial institutions, etc., established by the Financial Information Systems Center (FISC) as voluntary guidelines for financial institutions, etc. in Japan.

*2 JHEP: Japan Habitat Evaluation and Certification Program, which evaluates and certifies initiatives that contribute to the conservation and restoration of biodiversity. The program is developed and operated by the Ecosystem Conservation Society-Japan.

*3 For more information on biodiversity initiatives at our business sites and our efforts to conserve water resources, please visit the Sustainability website of Mori Building Co., Ltd.

These efforts are made not only within the company but also for corporate clients. Since 2020, we have been participating in FISC-compliant APN Consortium of Amazon Web Services (AWS) to help the introduction of cloud servers by major financial institutions, our major clients, and support the compliance with the FISC Security Guidelines*¹. Based on the know-how of high-level security response and system installation which has been cultivated in the Financial Solutions domain, we are also helping non-financial industries optimize the introduction and operation of cloud services. Through these efforts, we contribute to increasing the sophistication and resilience of digital infrastructures in diverse industries not limited to the financial industry.

Biodiversity

The Azabudai Hills Mori JP Tower, where the Simplex Group is located, has a 2.4ha green area including a 6,000m² central square. At the Toranomon Hills Mori Tower, a 6,000m² green space has also been created, and its biodiversity-conscious landscaping plan has been highly evaluated, earning the highest rank (AAA) of JHEP certification*^{2,3}.

Water Conservation

At both sites, relatively clean wastewater as recycled water is used for flushing toilets in offices and adopt water-saving fixtures with a high performance. Furthermore, we collect and filter rainwater from the entire site to sprinkle on exterior plantings, contributing to effective use of water resources and creation of environmentally sound urban areas*³.

Business Continuity and Resilience

The Simplex Group has developed and implemented a BCP (Business Continuity Plan) to prevent prolonged interruption of systems and services. We are continuously working on structural reinforcement to protect important information assets from failures and disasters and realize quick and stable resumption of operations.



The Azabudai Hills Mori JP Tower, where the Simplex Group is located, has a 2.4ha green area including a 6,000m² central square.

Sustainability: Environment

Disclosure based on TCFD Recommendations

In Jun 2023, the Simplex Group announced our support for the TCFD (Task Force on Climate-related Financial Disclosures) recommendations, an international framework for climate change disclosure, and declared our intention to join the TCFD Consortium. We are committed to promoting efforts to achieve a decarbonized society, and to improving our disclosure practices in line with the TCFD recommendations.

Governance

We have the Sustainability Council identify and evaluate risks and opportunities related to climate change. The Sustainability Council is chaired by the Representative Director, President and CEO and is composed of executive directors of the Company and its subsidiaries. Issues deliberated in the council are reported to the Executive Committee, treated as part of company-wide risk management, and reported semiannually to the Board of Directors in order to ensure a highly effective supervisory system. The Board of Directors incorporates the reports into group-wide strategies, the medium-term business plan, risk management policies, and other policies.

Risk management

The Simplex Group defines risk as any event that could result in economic loss, business interruption or suspension, or damage to credibility or brand images, and we have implemented a risk management system to mitigate and avoid risk. At Sustainability Council meetings, each member shares climate change-related issues based on the environment surrounding the Group, and a wide range of relevant risks are identified. Identified risks are then evaluated on two axes: the likelihood of occurrence and the impact in the event of occurrence. Depending on their significance, they are reported to the Executive Committee and the Board of Directors. For climate change-related risks that are considered material, the Sustainability Council sets targets and monitors their progress, and reports to the Board on a semi-annual basis. This helps ensure that the progress of measures is assessed, and material risks are re-identified.

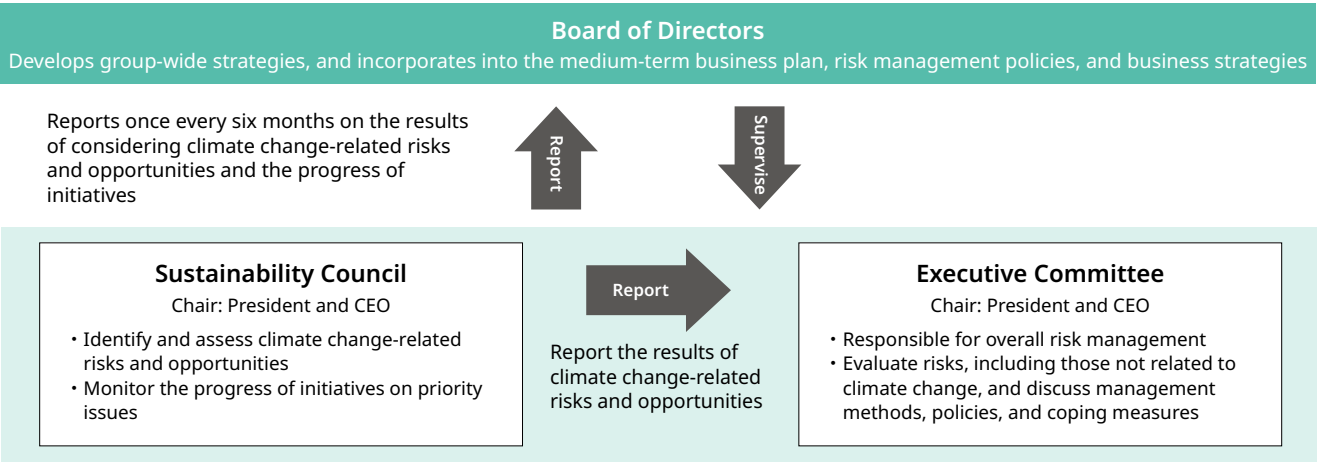
Strategy

The Group regards response to risks and opportunities caused by climate change as important business issues in realizing sustainable growth.

We have continued to accurately understand the impact of climate change, control and minimize risks, and proactively seize future growth opportunities. Under this policy, we organize the impacts of climate change in a systematic manner while taking into account the timing when risks and opportunities come to the surface and their characteristics from a short-term, medium-term, and long-term time perspective.

Timeline	Period covered	Approach to assessing development timing
Short term	0–3 years	Organize items that are already evident, such as current initiatives and areas where sales are increasing, as short-term issues.
Medium term	3–10 years (including 2030)	Organize items that are not occurring right now but have a very high likelihood of occurring by 2030, such as a carbon tax, as medium-term issues.
Long term	10–30 years (including 2050)	With a focus on the physical risks of disasters, organize items anticipated to have a significant impact after the 2030s as long-term issues.

Climate Change-related Governance Risk Management System Diagram



To quantitatively evaluate the impact of each risk and opportunity on our business, we conducted an analysis under two scenarios: a scenario where global temperatures rise by less than 2°C (“below 2°C scenario”), in which climate change policies and regulations are expected to progress; and a scenario where they rise by 4°C (“4°C Scenario”), in which natural disasters would become more severe and chronic global warming is expected. Risks and opportunities in each scenario are evaluated on two axes, the likelihood of occurrence and the degree of financial impact, in order to visualize business impacts. For the details of analysis methods and conceivable scenarios and the calculation method of the impact on the business, please visit our website.



Sustainability: Environment

Identifying risks related to climate change

Type	Impact	Major impact on the Group	Timeline	Business impact		Possible measures	
				Below 2°C	Below 4°C		
Transition risks	Regulation	Carbon Pricing Mechanism	• New carbon taxes on the Group’s CO ₂ emissions could increase costs.	Medium term	Low	—	• Switch power consumption in offices to power derived from renewable energy sources. • Continuously monitor and strive to reduce greenhouse gas emissions.
	Market	Changing Customer Behavior	• In an environment where customers are choosing data centers with less environmental impact, we could lose sales opportunities by continuing to use existing data centers with high environmental impact. • Costs to implement measures could increase, such as changing to a data center with low environmental impact.	Medium term	Medium	—	• Choose data centers and cloud solutions with low environmental impact and high energy efficiency.
	Reputation	Sector condemnation	• Sales could decline due to less demand for crypto asset trading platforms as a result of the massive power consumption required for blockchain mining.	Medium term	Low	—	• Conduct ongoing surveys of environmental regulation trends and consider coping measures.
		More stakeholder concerns or negative stakeholder feedback	• Failure to implement adequate climate change measures could cause long-term damage to the Group’s brand image, leading to a loss of trust from customers and shareholders and ultimately reducing corporate value.	Medium term	Low	—	• Use climate change as an opportunity to more clearly define risk management. • Proactively disclose non-financial sustainability information. • Participate in international climate change initiatives.
Physical risks	Increased frequency of typhoons, floods, and other extreme weather events that cause extensive damage	• Business opportunities could be lost due to data center outages.	Long term	Low	Medium		• Regularly review BCP plans and regularly conduct emergency drills. • Geographic distribution of data centers and utilizing cloud computing to avoid or reduce disaster risks.

Identifying opportunities related to climate change

Type	Impact	Major impact on the Group	Timeline	Business impact		Possible measures
				Below 2°C	Below 4°C	
Products and Services	Financing for the development and expansion of low-emission services	Lower financing costs through sustainability bond financing that provides favorable financing.	Short term	Low	—	- Proactively disclose non-financial sustainability information. - Consider third-party verification of greenhouse gas emissions, which may become a financing requirement, and continuously monitor company emissions.
	Development of solutions for climate adaptation, resilience, and risk	Restrictions on mobility caused by disasters, temperature changes, and other factors have increased the use of remote work to ensure business continuity. This, together with rising demand for ICT infrastructure, is creating business opportunities for our AI-based remote work solution services.	Medium to long term	Medium	Medium	In addition to our existing solutions, develop and provide solutions that are attuned to changes in how customers work in response to climate change.
		Sales opportunities could expand through orders to integrate or consult on DX-based climate change response systems (weather derivatives, etc.).	Medium term	Medium	—	Develop and provide new solutions that are tailored to customers' climate change measures created through the use of ICT.
Markets	Taking proactive action on climate change	- By improving our social credibility and image, we could increase our advantage over other companies in recruiting employees and reduce recruitment costs. - Stock price could increase due to increased trust from customers or shareholders.	Medium term	Medium	—	- Use climate change as an opportunity to more clearly define risk management. - Proactively disclose non-financial sustainability information. - Participate in international climate change initiatives.
Resilience	Improvement of employee working conditions, etc.	Work style reform via ICT and business efficiency process reform via DX could improve business continuity as well as help maintain and improve working conditions, resulting in higher employee satisfaction and lower turnover.	Short term	Low	Low	Diversify risks and streamline business processes through flexible working styles that use ICT technology, such as remote work.

Sustainability: Social



Social Initiatives of the Simplex Group: Contribute to Society through Innovation

Our purpose at the Simplex Group lies in co-creating innovation with our clients. We aspire not only to simply carry out our work but also to contribute to resolving fundamental challenges for our clients. To this end, we continuously provide high value-added services. We believe that the innovations we have created will extend beyond our clients and drive evolution of industry and society. We are now seeing the steady expansion of domains where technology can contribute to solving social issues, such as work style reform, increasing sophistication of financial services, and the digital transformation (DX) of public infrastructure.

To realize this value creation, the Group embraces the value “Be a player,” and all members of the Group, including the CEO, continue taking on challenges at the forefront. Each and every employee takes ownership of their work and sincerely strives for achievements that exceed our clients’ expectations—this mindset drives the Simplex Group.

Acquisition of the top 10% of talent in the market

► Potential-focused new graduate recruitment

Since going public in 2002, the Simplex Group has focused on recruiting new graduates. The most important feature of our recruiting policy is our focus on potential hires. Based on the experience of our own founding members, who acquired technology expertise over the course of their careers, our hiring policy is to emphasize intellectual capabilities and high motivation, without taking into account IT knowledge at the time of interview. This stance, which targets students from a wide range of backgrounds regardless of their academic background, is unique in the IT industry, where a science or engineering background tends to be a prerequisite.

One reason the Simplex Group has focused on recruiting new graduates has been a shortage of top talent in the IT industry. Due to the multi-layered vendor hierarchy in Japan, it has been difficult for talented individuals to find jobs in the industry because of unappealing compensation structure and a harsh working environment.



In the industry with these kinds of structural problems, we have refined a system for identifying high-potential talent among students with no work experience and rapidly developing them in a short period of time. This system is the foundation that supports our sustainable growth.

► Mid-career recruitment being strengthened throughout the Group

The establishment of Xspear in 2021 was the catalyst for us to strengthen our strategic mid-career recruitment, after having long focused on hiring new graduates. Along with intra-group transfers from Simplex, we focused on mid-career recruitment of consultants who are oriented toward practical DX support based on technological expertise.

We have made steady progress in recruiting experienced consultants who can make an immediate impact on our business. Underpinning the solid

progress is our corporate culture and compensation structure forged since our establishment by the leadership of our management team, who have working experience at global consulting firms. Furthermore, this trend of mid-career recruitment is not limited to Xspear, but is also being adopted by Simplex, a tech firm. The number of mid-career hires, which previously hovered around 30 each year, has increased to more than 100 per year for the entire group since the establishment of Xspear.

One reason we are strengthening mid-career recruiting is the fact that the IT industry is attracting more and more attention every year due to the rise of FinTech ventures and other factors. This has created momentum for talented individuals with high potential who would not have considered IT in the past, but who now aspire to enter the IT industry. These external changes are creating a tailwind not only for new graduates, but also for mid-career hiring.

Sustainability: Social**► Fair and transparent evaluation system**

The personnel system in Japanese companies is one typically based on lifetime employment and seniority. As a result, length of service and management ability have been the main criteria for salary increases and promotions. However, in order to contribute to the business success of our clients, we have adopted a unique evaluation system that is fair and transparent.

Employee evaluations are conducted through an annual review session that we call “Bidding,” or fudaire in Japanese. All senior managers involved in the employee’s projects during the fiscal year participate in the evaluation process. This ensures a fair assessment of the employee’s performance, without being biased toward any subjective opinions of a single supervisor.

At the bidding process, a theoretical annual salary for the following year is determined based on the evaluation of the employee’s repeatable capabilities, reflecting the degree of difficulty for projects and past experience. There is no system of salary increases based on years of employment, as is the norm at Japanese companies. Instead, a culture of “Pay for Value” has taken root, in which employees are fairly evaluated on their work output, and not on how long they have been at the company, the number of hours worked, gender, or nationality.

Moreover, the Simplex Group’s evaluation system goes beyond a simple assessment of achievement—we value evaluations that facilitate employee growth. Therefore, we not only share evaluation results with employees but also place an importance on facilitating their growth by providing feedback on why they received a certain evaluation and what they need to do to grow further in the future.

► The highest level of compensation in the industry

Even when Simplex was just a single entity prior to the establishment of Xspear, our Group, while being in the IT industry, positions securing talent in the top 10% of the market as our most important strategy, viewing our competitors in recruitment as the global consulting firms. In parallel with developing our corporate culture, we have continuously committed to sophistication of our compensation structure. This serves as our foundation that supports the Group’s competitiveness.

Our latest initiative has been to raise the starting annual salary for new graduates joining the company in or after Apr 2025 from ¥5 million to ¥6 million with the aim of further enhancing our recruitment competitiveness. Moreover, we have strategically raised the compensation level for junior employees by raising salaries for existing employees in the second and third levels by ¥1 million each.

We have designed our compensation structure based on the belief that “Top players deserve top rewards—and the next great opportunity.” Our plan offers compensation on par with global consulting firms for those developing at the typical pace, while providing significant upside potential for those who deliver exceptional results. This structure gives us a strong advantage in both recruitment and retention.

Group-wide compensation table (Thousands of yen)

Executive Principal	Band D	40,000 + performance pay
	Band C	30,000 + performance pay
	Band B	25,000 + performance pay
	Band A	20,000 + performance pay
Principal	15,000 ~ 19,000	
Associate Principal	11,000 ~ 14,000	
Lead	8,000 ~ 10,000	
Staff	6,000 ~	

* The starting salary has been increased to ¥6 million for new graduates joining the company in or after Apr 2025.

Since joining Simplex in 2008, Yoshinobu Nakano has advanced as a development specialist. As part of the System Development Competency team, he drives the company’s growth through his technical expertise.

Sustainability: Social

Development of Hybrid Talents

► Quality OJT through projects

Quality OJT through projects done via our unique business model, called the Simplex Way, is vital to develop hybrid talent well versed both in business and technology. An environment in which our staff can directly communicate with client's management and users, and engage in daily, in-person discussions to resolve issues, is critically important to understand the true nature of any issues that arise. This environment allows employees to work on projects that affect the success of client's business with a sense of ownership and contributes greatly to the growth of our employees.

► Internal training organization: Competency Team

In 2018, we established the Competency Team, an internal training organization dedicated to a variety of specialized areas, with the aim of taking over and refining competencies that have been the crux of the Simplex Group's strengths, and with it strengthening our organizational capabilities.

Currently, there are six teams, namely Project Management, System Development, UI/UX, Infrastructure/Cloud DX, and Mathematical Engineering, as well as Generative AI, which was newly established in Jul 2023. Each team further develops talent alongside OJT through projects and maintains a training system, as well as engaging in cross-organizational involvement in various projects as experts in their respective areas of expertise. The teams are also involved in researching trends and cutting-edge technologies.

List of Competencies

1 Project Management	4 Infrastructure/Cloud DX
2 System development	5 Mathematical engineering
3 UI/UX	6 Generative AI

Each team has a high degree of specialization. In these, employees who have mastered management or specific skills are appointed as a Competency Lead. In addition, mid-career employees who have gained a certain level of experience through OJT on projects are also offered the opportunity to participate as members if they meet requirements set by each team. The Competency Team, in which various team members hone strengths in an apprenticeship-like environment, offers a growth opportunity for employees to acquire both specialized skills, and also leadership skills, solid work ethics, and other diverse skills.

► A corporate culture that maximizes individual strengths

The Simplex Group has fostered a corporate culture that encourages diversity in career paths and maximizes individual strengths. Underpinning this philosophy is the value of Mutual Respect. For the team to achieve the best results, we need to bring together the best talents from various fields. Mutual Respect requires humility, recognizing the talents of others, learning from each other, and respecting each other. Based on these values, Simplex Group forges a corporate culture that maximizes the potential of each individual and recognizes unique talents.

In addition, from the interview stage at the time of hiring, we emphasize the importance of determining whether candidates can share our 5 DNAs code of conduct. To continue being a team of value-creating professionals, we need to ensure we can maximize the power of each individual to make the Simplex Group even stronger by sharing the 5 DNAs with all employees.

Furthermore, to maximize the potential of an "edgy" personality of each employee, we consider it important to make a clear distinction between job title and role. In our evaluation system, we have equal appreciation for those both in management positions who commit to achieving team targets and supporting team members' growth and in specialist positions who master a specific professional skill. Our company has had employees rise to the highest level without having any reporting team members.

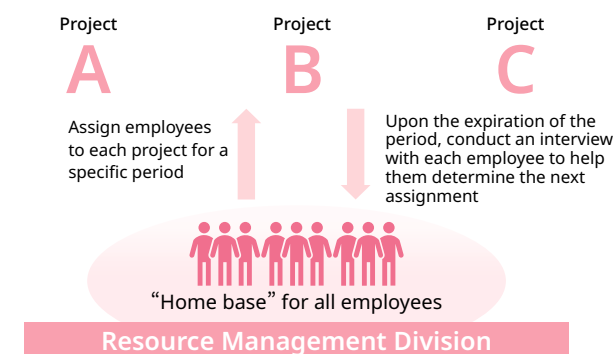
► Strategic resource assignment

Many Japanese companies are vertically organized, thereby tend to have siloed organizational structures. They therefore have problems in inter-division coordination and fluidity of human resources. In contrast, the Group has a flat structure that crosses divisional boundaries, and flexibly assigns talent on a project-by-project basis. Employees are assigned irrespective of division and secondment between Simplex and Xspear has been active in recent years.

Such talent assignment is carried out by the Resource Management Division established in 2020. In addition to matching project-side demand with company-wide supply of talent, the Division works on the strategic rotation of employees that facilitates their development. All employees are enrolled in the Division and assigned projects for a specific period based on project status. This enables us to perform Group-wide optimization by having an overview of employee skillsets and how they are being used. When an assignment deadline is approaching, a Division head conducts interviews with relevant employees to check future career aspirations, current roles, and sense of accomplishment. The division holds a weekly assignment meeting based on interview results and makes adjustments with project managers. If an assignment is made that does not align with employee's preferences, we thoroughly provide careful explanations so that the employee is satisfied.

These initiatives enabled us to achieve appropriate talent assignment in line with employee aspirations, resulting in a reduction of our turnover rate from 11% in FY3/21 to 8% in FY3/24.

Resource assignment system illustrated



Sustainability: Social

► Initiatives for supporting self-directed career development

The Simplex Group is fostering an environment that supports self-directed career development, enabling employees to continue learning and growing on their own initiative. We regularly hold the Simplex Tech Day to share employees' challenges and knowledge in the technical area and the Simplex Biz Day that showcases initiatives related to business promotion and project management. Employees participate in these conferences when the topics spark their interest. In addition, we offer a wide range of learning opportunities to support employees' self-directed development. These include subsidies for acquiring job-related certifications and purchasing relevant books, the development of the Boost learning portal, which features a curated collection of training materials covering essential business skills, and the introduction of the Udemy Business e-learning platform. Furthermore, employees can also use the administrative leave system for the purpose of entering a postgraduate college or studying abroad. We also offer the Career Sharing Meetings, the in-house short-term study program, and other programs, thereby providing multifaceted support for the growth of each and every employee.

Occupational Health and Safety / Health and Productivity Management

► Promotion of Health and Productivity Management

The Simplex Group actively promotes Health and Productivity Management, striving to create an environment where all employees can work in good health, with vitality, peace of mind, and a strong sense of purpose. Starting with the Health and Productivity Management Declaration issued by the President and CEO, we enhance our initiatives for maintaining the physical and mental health of employees, such as achieving the attendance rate of 100% for health checkups, implementing stress check tests biannually, appointing full-time occupational health physicians and certified public psychologists, and establishing relaxation rooms.

Health and Productivity Management Declaration

The Simplex Group places the utmost value on employee health and also considers health and productivity management to be an important operational matter. Our Health and Productivity Management Declaration aims to maintain and improve the physical and mental health of our employees and their families, while also maintaining the company's productivity, by putting its principles into practice.

► Improvement of work environment

To strike a balance between flexibility and comfort in work style, the Simplex Group has developed a remote work environment and introduced a flextime system, as well as enhanced our ICT environment through measures such as securing a dual-monitor work environment and lending iPhones. We also strive to ensure more active internal communication by utilizing Slack and other tools.

Moreover, we have introduced the Commitment Style system, which allows employees at a certain level or above to choose their preferred work style and share it within the company. This system is designed to allow employees to work autonomously while sharing expectations with their colleagues. Specifically, employees choose their preferred work style among three options: α (Allowing flexible work in accordance with project situations), β (Able to work around two hours of overtime per day), and γ (No overtime work in principle). Note that the style an employee chooses under the system is not uniformly reflected to the personnel evaluation. We operate the system to balance freedom of work style, fairness of evaluation, and respect for diverse values.

► Support for childcare

To support balancing work and childcare or nursing care, we provide employees with more days of leave than the statutory minimum and have introduced systems of reduced work hours, nursing care leave, parental leave, and babysitter discount. We have prepared an environment where working mothers and fathers can continue to develop their careers with peace of mind while proactively engaging in their children's growth.

► Well-being

In order to achieve both ease of work and job satisfaction, we have introduced programs designed to enhance employees' daily satisfaction, including complimentary dinners, a casual dress code, and employee exchange events.

► Employee engagement

We conduct an engagement survey covering all employees every three months (four times a year) and collect employees' opinions through the independent General Counseling Service to reflect them to system design. With this initiative, we are striving to create a work environment with peace of mind.

Chikashi Serizawa has expanded his challenges from Simplex to Xspear, leveraging his expertise. After three months of parental leave, he has embraced a culture that supports balancing family and career.



Sustainability: Social

Respect for Human Rights

The Simplex Group considers conducting business in a manner consistent with human rights as a social responsibility—in other words, everyone’s right to pursue happiness. To effectively promote this philosophy in each of our businesses, we have established the Simplex Group Basic Policy on Human Rights and strive to conduct our business with the utmost respect for human rights. We give out this Policy to officers and employees to educate them and post on our website to broadly and publicly announce our initiatives toward respect for human rights.

Diversity & Inclusion

We promote diversity and inclusion that allows each employee, regardless of gender, age, nationality, or disability, to fully demonstrate their abilities, while complying with laws and regulations and taking sufficient care not to undermine our corporate culture.

In Sep 2023, Simplex received the “Kurumin Certification” as a company supporting childcare based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Furthermore, Xspear received “Eruboshi Certification (2 Stars)” in May 2024 based on the Act on the Promotion of Women’s Active Engagement in Professional Life.

Kurumin Certification mark



Eruboshi Certification mark



Social Contribution

► Social contribution through innovation

In a changing business environment, we believe that to achieve sustainable growth, we must contribute to solving the challenges that address the future of society as a whole, which is the foundation of our success. Based on this belief, we strive to continuously create innovations and enhance our competitiveness to fulfill our responsibilities while proactively giving back to society.

► Contribution to Education

We make donations to Hitotsubashi University, which offers a Master’s Program in Financial Strategy and Accounting (MBA), and also provide endowment lectures—covering topics such as informatization strategies and applications, and risk management and financial education—in collaboration with Simplex Institute, Inc. In addition, we provide donations to Kyoto University to support the advancement of academic fields related to our expertise in financial system development and digital transformation (DX) consulting at client companies.

► Social contribution through sports

At the Simplex Group, we are actively engaged in contributing to society through sports. In particular, we support the athletic pursuits of employees with disabilities. In FY3/25, 15 such employees—participating in swimming, table tennis, judo, athletics, basketball, and other disciplines—delivered remarkable performances in their respective fields. We also place emphasis on promoting lesser-known sports, supporting both sports organizations and employees taking on new challenges, including through a partnership with the Japan Padel Association.



Hotaru Tatsuoka is pursuing new challenges in both wheelchair basketball and the 100m wheelchair race, opening up future possibilities.

Sustainability: Governance



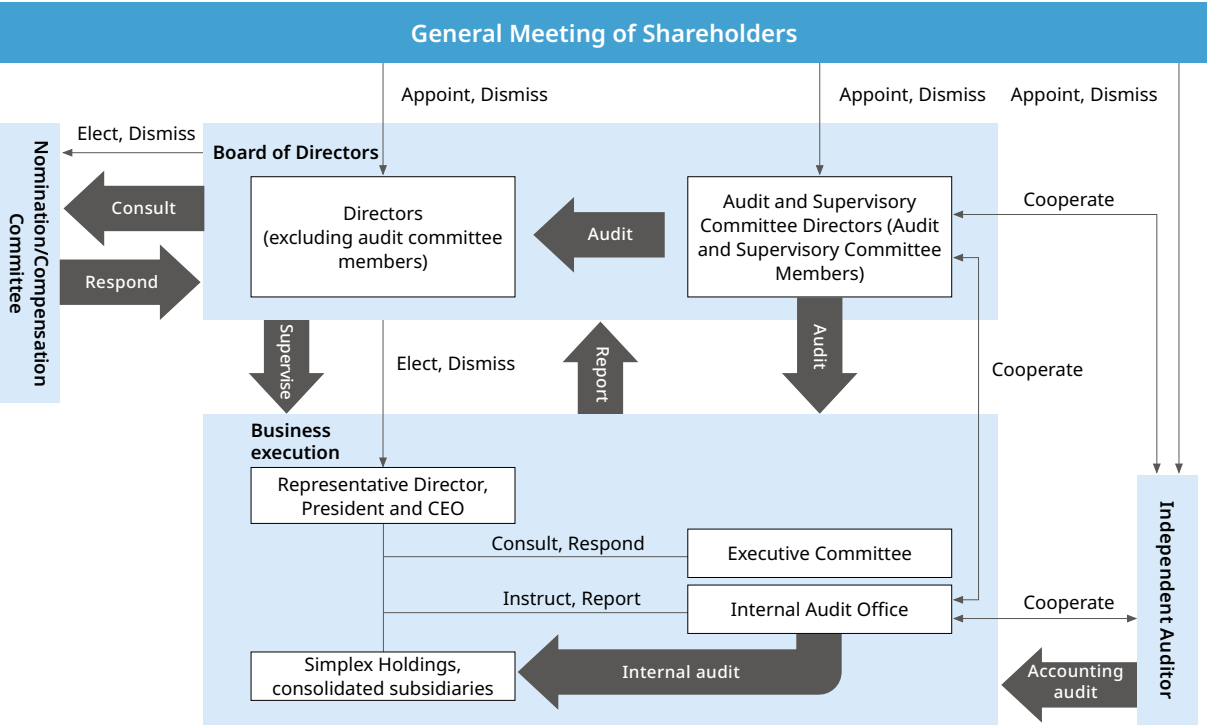
Simplex Group's Governance: Advancing Governance for the Future

The Simplex Group has a basic policy of creating valuable innovation through business activities and maximizing corporate value under its business philosophy "Innovation from Japan to the world." Aiming for sustainable growth and corporate value improvement, we have built fair and constructive relationships with various stakeholders and developed a system that improves the transparency and efficiency of management.

History of Strengthening Corporate Governance

2016	Simplex Holdings, Inc. established through a share transfer to transition to a holding company structure Set a basic policy on internal control system
2021	Transitioned from a company with an audit & supervisory board to a company with an audit and supervisory committee Set up the Nomination/Compensation Committee Listed on the TSE 1st Section
2022	Moved from the TSE 1st Section to the Prime Market Disclosed skills matrix of directors
2023	Appointed a female director for the first time
2024	Issued Integrated Report

Corporate Governance Organizational Chart



Status of Corporate Governance Structure (as of Jun 14, 2025)

Organizational structure	Company with an audit and supervisory committee	Voluntary committee	Nomination/Compensation Committee
Directors	10 (including 6 outside directors)	Incentives provided to directors	Not provided
Terms of office of directors	1 year for directors not serving as Audit and Supervisory Committee members 2 years for directors serving as Audit and Supervisory Committee members	Independent auditor	Grant Thornton Taiyo LLC
Directors serving as Audit and Supervisory Committee members	6 (consisting entirely of outside directors)	Corporate Governance Report	Available on our website



Sustainability: Governance

Board of Directors

Our Board of Directors consists of executive directors, who have abundant experience and extensive insights regarding management and business, and outside directors, who have experience in corporate management and expertise in legal and financial affairs, etc. As of the end of Jun 2025, the number of directors is 10 (of which six are outside directors, and two are women) where we secure the balance and diversity of knowledge, experience, and ability. In addition, we identify six skills that the Board of Directors should have and disclose a skill matrix that organizes the expertise and experience of directors. By appointing outside directors actively, we revitalize the Board of Directors, build an anti-fraud system, and strengthen supervisory functions over the management team to promote highly transparent management.

► Activities of the Board of Directors

As a rule, the Board of Directors convenes at least once a month. In the fiscal year ended Mar 31, 2025, it convened 13 times, and the attendance rate of directors was 100%. The Board of Directors receives reports from executive directors on the status of execution of duties and business results and has lively discussions on key topics in response to changes in business conditions. More specifically, executive directors and outside directors exchange views from diversified perspectives on themes that will contribute to the medium- and long-term sustainable growth of the Simplex Group, such as sharing challenges for improving human capital, considering personnel deployment measures, and responding to advanced technology and security issues.

Skills that the Board of Directors should have

Corporate management	Experience and expertise as a corporate manager, including experience as a director
IT/Technology	Knowledge and insights on IT, DX or other technologies, and work experience and expertise in system development and operations
Finance/Accounting	Certified Public Accountant, Certified Tax Accountant, work experience in an accounting or finance department, or other experience or expertise in the finance or accounting field
Global perspective	Corporate management or work experience in global companies, or experience and expertise in overseas business development or similar
Personnel affairs/ Human resources development	Work experience in a personnel department, and other experience and expertise in the human resources and organizational fields such as personnel training, and design and development of internal systems
Legal/Compliance	Experience as an attorney-at-law or work experience in a legal or compliance department, as well as experience and expertise in risk management or corporate governance

► Evaluation of the Board Effectiveness

We have a policy of evaluating the Board effectiveness once a year with the aim of examining whether the composition and operation of the Board of Directors work effectively and pursuing further sophistication of governance. In the fiscal year ended Mar 31, 2025, we conducted a questionnaire survey targeting directors, and the Board of Directors deliberated on its results.

In the questionnaire survey, items such as the size and composition of the Board of Directors, decision-making processes, and the quality of information provided were rated as being appropriate in many respects. In particular, opportunities are secured for outside directors to provide necessary information, enabling on-site problems and other issues to be monitored appropriately, which was recognized as contributing to the improved effectiveness of the Board of Directors. At meetings, discussions involve active exchange of views and are not limited to formal procedures. The management team, including the CEO, demonstrated a commitment to open discussion, which was rated positively as a factor supporting effective operation of the Board of Directors.

As an issue that should be monitored closely, it was also pointed out that it is required to share information more proactively and recognize risks early in information management associated with organizational expansion and response to risks of fraudulent acts. With such opinions in mind, we will work on further improvement of the Board effectiveness to secure the soundness and sustainability of management, including what roles outside directors should play.

Audit and Supervisory Committee

As a company with an audit and supervisory committee, we separate business execution and a supervisory function, realizing the Board effectiveness and the enhancement of governance. As of Jun 14, 2025, the number of Audit and Supervisory Committee members was six, all of which are outside directors. As a rule, the Audit and Supervisory Committee convenes monthly on an as needed basis. In the fiscal year ended Mar 31, 2025, it convened 14 times, with an attendance rate of 100%. The Audit and Supervisory Committee members contribute to the enhancement of governance through cooperation with the Internal Audit Office and independent auditors and through execution of voting rights at the Board of Directors and attendance at important deliberative bodies such as management meetings.

Executive Committee

The Executive Committee consists of the representative director, president and CEO and three executive directors. As an advisory body to a representative director, president and CEO, the Executive Committee meets at least twice a month in principle so that they can promptly deliberate and assess important matters on the execution of the Simplex Group's business. It is flexibly operated so that persons responsible for relevant sections and other persons concerned can participate depending on what to discuss, and functions as a place for practical deliberations to assess important matters and solve problems. By discussing various management issues, we have developed a system that can flexibly respond to trends in the rapidly changing IT industry and can devise agile management strategies.

Internal Control System

We have developed an internal control system to secure the appropriateness and efficiency of operations. Under this system, the Internal Audit Office plays a central role and works in cooperation with the Board of Directors, the Audit and Supervisory Committee, and independent auditors, and continuously monitors the status of important business execution and response to risks. With this system, we are striving to maintain and improve a management system to be sound and transparent.

Internal Audit Office

We have the Internal Audit Office as a department under the direct control of the representative director, president and CEO. The Internal Audit Office is divided into two sections: a section responsible for business audits, which checks whether our business activities are operated reasonably and effectively in line with laws and regulations, the articles of incorporation, and internal rules to achieve business objectives; and a section responsible for system audits, which sees whether risk management for systems works properly. The head of the Internal Audit Office oversees both functions. The two sections conduct an audit based on an internal audit plan formulated every year, report its results to the representative director, president and CEO, and continuously follow up on improvements of audit findings.

Sustainability: Governance

Nomination/Compensation Committee

In order to enhance the transparency and objectivity of the deliberation process in the election and dismissal of directors and the compensation system, we set up a voluntary Nomination/Compensation Committee as an advisory body to the Board of Directors. Important matters such as election and removal of directors and compensation are initially discussed by the Nomination/Compensation Committee, and then determined by the Board of Directors after careful consideration on the content of the Committee's report. The Nomination/Compensation Committee consists of three members, of which two—a majority—are independent outside directors to secure the independence of the committee composition. Most recently, it convened four times, two times in the fiscal year ended Mar 31, 2025 and two times in the fiscal year ending Mar 31, 2026. The committee members and their status of attendance are as follows.

Committee member		Number of meetings held	Attendance
Noriyuki Ogasawara (chairman)	Outside Director and Audit and Supervisory Committee member	4 times	4 times
Ryozo Akiyama	Outside Director and Audit and Supervisory Committee member	4 times	4 times
Hideki Kaneko	Representative Director and President	4 times	4 times

At the most recent meeting, the Nomination/Compensation Committee drew up a draft of director candidates and compensation amounts for directors, confirmed the adequacy of compensation levels, and discussed the introduction of performance-linked compensation. For basic compensation, the committee decided to continue traditional policy. For bonuses, the committee discussed the need to consider introducing quantitative indicators in terms of fairness and transparency. Based on these, the committee reported to the Audit and Supervisory Committee and the Board of Directors.

Total amount of remuneration by category of directors (FY3/25)

Category of directors	Number of recipients (persons)	Total amount of remuneration by type (millions of yen)			Total amount of remuneration (millions of yen)
		Fixed remuneration	Performance-linked remuneration	Retirement benefits	
Director (excluding outside directors)	4	634	-	-	634
Outside director	6	63	-	-	63
Total	10	697	-	-	697

Total amount of remuneration of directors whose remuneration was in excess of 100 million yen (FY3/25)

Name	Total amount of remuneration (millions of yen)	Category of directors	Total amount of remuneration by type (millions of yen)		
			Fixed remuneration	Performance-linked remuneration	Retirement benefits
Hideki Kaneko	230	Director	230	-	-
Kozo Sukema	158	Director	158	-	-
Masataka Soda	158	Director	158	-	-

Entity and Process for Determining Director Compensation

Compensation for directors who are not Audit and Supervisory Committee members is initially discussed by the Nomination/Compensation Committee, and then determined by the Board of Directors after careful consideration on the content of the Committee's report. This is subject to the maximum amount of compensation determined by a resolution of the General Meeting of Shareholders. Compensation for directors serving as Audit and Supervisory Committee members is decided through discussions among all Audit and Supervisory Committee members. The policy for determining the individual compensation for directors excluding those serving as Audit and Supervisory Committee members is resolved by the Board of Directors. This decision is based on the proposal prepared in advance by the Nomination/Compensation Committee. The Board of Directors has confirmed that the method of determining individual compensation for the fiscal year under review and its details are consistent with the decision policy and therefore, determined that the compensation is in line with the decision policy.

Cross-shareholdings

With respect to cross-shareholdings, we hold an appropriate number of shares in another company following a due diligence process only when it is deemed reasonable to hold the shares, such as when it contributes to the enhancement of the Simplex Group's corporate value over the medium to long term through the maintenance and strengthening of business relationships as well as the maintenance and development of business partnerships.

We exercise our voting rights for all cross-shareholdings. In exercising such rights, we make decisions about whether to approve or reject each proposal after careful consideration based on criteria such as whether it will lead to enhancing the corporate value of both the Simplex Group and the investee company or whether it will damage the corporate value of both companies.



Centering on CEO Kaneko and CFO Enosawa, we are conducting IR activities in close cooperation with corporate planning, accounting, finance, and legal sections.

Promote constructive dialogues with shareholders and investors under the strong leadership of top management

To achieve sustainable growth and enhance corporate value, we recognize the importance of sincerely listening to the expectations, concerns, and requests of our shareholders and investors through constructive dialogue and appropriately reflecting them in the improvement of IR activities and the strengthening of business activities.

Under the strong leadership of top management, we aim to conduct IR activities that always convey clear corporate messages with passion, and we will continue to work to build relationships of trust with our shareholders and investors.

Number of interviews with institutional investors and analysts (times)

FY3/24	FY3/25
199	209

Major themes in dialogues

1. Human resource strategy
2. Growth strategy
3. Strategies and digital transformation (DX) consulting
4. Capital allocation
5. M&A

Sustainability: Governance

List of Officers (as of Jun 14, 2025)

Activities and expected roles			Resume			
	Hideki Kaneko Representative Director, President and CEO (Date of birth: Sep 1, 1963) Number of shares held: 9,981,900 shares Nomination and Compensation Committee Member	As CEO and the founder, he has continued to move forward with the formulation and implementation of management strategy since the starting up of the Simplex Group. He is currently overseeing company-wide strategy for medium- and long-term growth. Through the promotion of businesses emphasizing reproducibility and the building of a management system, he leads the growth of the entire group and directs the enhancement of cooperation with group companies and the optimal distribution of management resources. Drawing on his abundant management experience and leadership, he contributes to continued improvement of corporate value and enhancement of the governance system.	Apr 1987: Nov 1990: Nov 1991: Sep 1997: Aug 2000:	Joined Arthur Andersen & Co. (currently Accenture Japan Ltd.) Joined CATS Software Inc. Joined Salomon Brothers Asia Ltd. (currently Citigroup Inc.) Joined Simplex Risk Management (currently Simplex Inc.) Representative Director and President, Simplex Inc. (present post) Director, Simplex U.S.A., Inc. (present post) Representative Director and President, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.)	Dec 2016: Jun 2017: Jun 2021: Nov 2022: Feb 2023:	Founded the Company and appointed as Representative Director, President and CEO (present post) Director, Simplex Global Inc. (present post) Representative Director, Chairman and President, Deep Percept Inc. (present post) Director, SIMPLEX QUANTUM Inc. (present post) Director and Co-Chairperson, SBI Simplex Solutions Co., Ltd. (present post)
			Apr 2008: Jun 2008:			
	Kozo Sukema Vice President and Co-COO (Date of birth: Jul 29, 1972) Number of shares held: 375,000 shares	As COO, he has wide experience in business execution mainly in the financial field and leads the core businesses of the Simplex Group by taking advantage of his ability to build relationships with major corporate clients and carry out business steadily. Based on his experience as Representative Director and President of SBI Simplex Solutions Co., Ltd. and Managing Director of SBI SECURITIES Co., Ltd., he also contributes to the continued growth of the Simplex Group.	Apr 1996: Nov 1999: Jun 2003: Jan 2005: Aug 2008: Jan 2014: Dec 2016: Jan 2017:	Joined Andersen Consulting (currently Accenture Japan Ltd.) Joined ACCESS Co., Ltd. Joined Accenture Japan Ltd. Joined USEN Corporation Joined Simplex Technology, Inc. (currently Simplex Inc.) Senior Managing Officer, Simplex Inc. Senior Managing Director, Simplex Inc. Senior Managing Director, the Company	Apr 2020: Mar 2021: Jun 2022: Feb 2023: Jun 2023: Jan 2024:	Director and Vice President, Simplex Inc.; Director, Deep Percept Inc. Director, Vice President and Co-COO, the Company (present post) Director, Xspear Consulting, Inc. Representative Director and President, SBI Simplex Solutions Co., Ltd. (present post) Director, Simplex Consulting Hong Kong, Limited Managing Director, SBI SECURITIES Co., Ltd. (present post)
	Masataka Soda Vice President and Co-COO (Date of birth: Oct 30, 1978) Number of shares held: 277,800 shares	As COO, he mainly leads the business development in non-financial fields, including the expansion of strategy and digital transformation (DX) consulting. As Representative Director and President of Xspear Consulting, Inc., which takes charge of strategy and DX consulting, a top priority area in the medium-term management plan, he currently contributes to the promotion of the growth strategy of the Simplex Group through expansion of business areas and improvement of the business portfolio.	Jul 2002: May 2007: Oct 2007: Mar 2011: Jun 2017:	Joined Accenture Japan Ltd. Joined Simplex Technology, Inc. (currently Simplex Inc.) Joined Accenture Japan Ltd. Joined Simplex Consulting, Inc. (currently Simplex Inc.) Senior Managing Director, Simplex Inc.; Director, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.)	Mar 2019: Apr 2020: Feb 2021: Mar 2021:	Director, Deep Percept Inc. (present post) Director and Vice President, Simplex Inc. (present post) Representative Director and President, Xspear Consulting, Inc. (present post) Director, Vice President and Co-COO, the Company (present post)
	Keisuke Enosawa Director and CFO (Date of birth: Sep 1, 1983) Number of shares held: 100,150 shares	As CFO, he oversees all aspects of corporate functions such as finance and accounting, IR, and legal, labor, and general affairs. Through constructive dialogues with shareholders and investors in addition to the formulation of financial strategy linked to management strategy and the implementation of capital policy, he builds continuing relationships of trust with capital markets in order to strengthen the governance system and stabilize the management foundation, thereby contributing to continued improvement of the corporate value of the Simplex Group.	Jul 2007: Jan 2017: Mar 2019: Mar 2021: Feb 2023:	Joined Simplex Technology, Inc. (currently Simplex Inc.) Transferred to the Company Statutory Auditor, Deep Percept Inc. Director and CFO, the Company (present post) Statutory Auditor, SBI Simplex Solutions Co., Ltd. (present post)		

* The number of shares held represents the number of shares beneficially held by each director as of the end of Mar 2025.

Sustainability: Governance

Activities and expected roles			Resume		
	Ryozo Akiyama Director (Audit and Supervisory Committee) (Date of birth: Feb 21, 1956) Number of shares held: 2,300 shares Outside Independent Nomination and Compensation Committee Member	In addition to abundant knowledge cultivated through his experience in working for a major comprehensive consulting firm, he has long years of experience in serving as a representative director and provides helpful advice so that appropriate decisions are made in implementing our business strategies. As a member of our voluntary Nomination/Compensation Committee, he also gives objective opinions from an independent position and plays an important role in responding to requests for advice from the Board of Directors.	Apr 1980: Joined Andersen Consulting (currently Accenture Japan Ltd.) Feb 2000: Representative Director, SunGard Systems Japan K.K. Feb 2001: Joined Arthur Andersen Aug 2004: Founded Elan Vital Ltd. and appointed as Representative Director and President (present post) Jun 2014: Outside Director, Simplex Inc.	Dec 2016: Outside Director, the Company Mar 2021: Outside Director (Audit and Supervisory Committee Member), the Company (present post)	
	Noriyuki Ogasawara Director (Audit and Supervisory Committee) (Date of birth: Jul 15, 1951) Number of shares held: – Outside Independent Nomination and Compensation Committee Member	He has many years of experience in financial institutions and other related organizations, and also brings extensive experience and broad insight gained through his corporate career. He contributes to ensuring sound and appropriate decision-making at the management level. As the chairman of our voluntary Nomination/Compensation Committee, he leads the development of objective discussions from an independent position and plays an important role in responding to requests for advice from the Board of Directors.	Apr 1976: Joined Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.) Feb 2002: Executive Officer, Nikko Cordial Corporation (currently SMBC Nikko Securities Inc.) Feb 2004: President and Representative Director, Nikko Beans, Inc. (currently Monex, Inc.) Aug 2004: Chairman and Representative Director, Monex Beans Holdings, Inc. (currently Monex Group, Inc.) Feb 2005: Representative Director and Vice President, Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.) Feb 2007: Executive Vice President, Nikko Cordial Corporation (currently SMBC Nikko Securities Inc.) Aug 2008: Director and Vice President, Nikko Citi Holdings, Inc. (currently Citigroup Japan Holdings G.K.)	Apr 2011: Chairman and Representative Director, Nikko Systems Solutions, Ltd. Apr 2012: Member of the board of directors, Nikko Systems Solutions, Ltd. Jul 2012: Statutory Auditor, Simplex Holdings, Inc. (currently Simplex Inc.) (present post); Director and Chairman, Simplex Asset Management Co., Ltd. (present post) Dec 2016: Statutory Auditor, the Company Mar 2021: Outside Director (Audit and Supervisory Committee Member), the Company (present post) Jun 2021: Outside Director, Japan Investment Corporation (present post) Aug 2022: Director, Simplex Capital Investment Co., Ltd. (present post) Jun 2024: Statutory Auditor, Xspear Consulting, Inc. (present post) Statutory Auditor, Deep Percept Inc. (present post)	
	Yoko Sugita Director (Audit and Supervisory Committee) (Date of birth: Sep 18, 1976) Number of shares held: – Outside Independent New election	In addition to her professional knowledge and experience as a certified public accountant and a U.S. certified public accountant, she has a wealth of experience in working for audit corporations and a private equity fund. Based on such experience, she gives helpful advice from a professional perspective on the enhancement of our auditing and supervisory system and financial base.	Apr 1999: Joined Tokyo Office of Asahi Audit Corporation (currently KPMG AZSA LLC) Mar 2002: Registered as a Certified Public Accountant (Japan) Jan 2004: Joined San Francisco Office of BDO Seidman, LLP Oct 2008: Registered as a Certified Public Accountant (New Hampshire, USA) Jan 2009: Joined Advantage Partners, LLP Jan 2015: Joined Phronesis Partners Co., Ltd. Jan 2019: Partner, Phronesis Partners Co., Ltd.	Nov 2019: Outside Director, ELEPHANT DESIGN HOLDINGS Ltd. (present post) Sep 2021: Outside Director (Audit and Supervisory Committee Member), Sparty, Inc. (present post) Jun 2023: Substitute Outside Director (Audit & Supervisory Committee Member), Japan Airport Terminal Co., Ltd. (present post) Mar 2025: Partner, BLUEPASS CAPITAL INC. (present post) Jun 2025: Outside Director (Audit and Supervisory Committee Member), the Company (present post)	
	Mari Takahashi Director (Audit and Supervisory Committee) (Date of birth: Dec 5, 1975) Number of shares held: – Outside Independent	She has long years of experience and insights in the judicial world, including experience in many trials as a public prosecutor and a lawyer. Based on such experience, she gives helpful advice from a professional perspective on the enhancement of governance and compliance of our corporate activities.	Oct 2002: Public prosecutor Mar 2011: Registered as attorney-at-law Jan 2017: Joined Authense Law Office (currently Authense LPC) (present post) Jun 2022: External Audit & Supervisory Board Member, SHIDAX CORPORATION Jun 2023: Outside Director (Audit and Supervisory Committee Member), the Company (present post)		
	Yasuto Hamanishi Director (Audit and Supervisory Committee) (Date of birth: Oct 11, 1959) Number of shares held: – Outside Independent	He has long years of experience and insights in financial institutions, including as a general manager and a global head of a global investment banking sector and an outside director of Mizuho Securities USA LLC. Based on such experience, he contributes to securing the soundness of corporate management from a perspective that overlooks our group especially including overseas bases.	Apr 1984: Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) Apr 2012: Executive Officer, Mizuho Securities Co., Ltd. Apr 2015: Managing Executive Officer, Mizuho Securities Co., Ltd. Apr 2017: Managing Executive Officer, Mizuho Financial Group, Inc. Senior Managing Executive Officer, Mizuho Securities Co., Ltd.	Apr 2021: Deputy President and Executive Officer, Mizuho Securities Co., Ltd. Apr 2022: Officer, Mizuho Securities Co., Ltd. Jul 2022: Outside Director (Audit and Supervisory Committee Member), the Company (present post) Jul 2022: Advisor, TECHNO RYOWA LTD. (present post)	
	Naoto Hirota Director (Audit and Supervisory Committee) (Date of birth: Jun 4, 1958) Number of shares held: – Outside Independent	He has abundant experience and extensive insights in business execution and corporate management at financial institutions and other related organizations. He contributes to securing the soundness and appropriateness of corporate activities.	Apr 1981: Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) Jun 2009: Executive Officer, The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) Apr 2011: Director and Deputy President, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Managing Executive Officer, Mitsubishi UFJ Securities Holdings Co., Ltd. Jul 2012: Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. May 2014: Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.)	May 2015: Senior Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) Jun 2015: Senior Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. Jun 2017: Director (Audit and Supervisory Committee Member), The Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd.) Jun 2019: Director, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Jun 2021: Director and Chairperson, Chitose Corporation Jul 2021: Outside Director (Audit and Supervisory Committee Member), the Company (present post) Jun 2023: Outside Director, Omikenshi Co., Ltd. (present post)	

* The number of shares held represents the number of shares beneficially held by each director as of the end of Mar 2025.

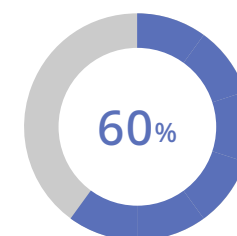
* Ms. Yoko Sugita took office on Jun 14, 2025.

Sustainability: Governance

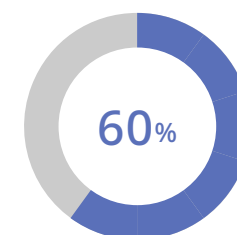
Board composition (as of Jun 14, 2025)

Categories of Directors	Name (● : Female)	Area of expertise						Qualification related to areas of expertise
		Corporate Management	IT / Technology	Finance / Accounting	Internationality	Human resources / Talent development	Legal / Compliance	
Director Inside	Hideki Kaneko	✓	✓		✓	✓		
	Kozo Sukema	✓	✓			✓		
	Masataka Soda	✓	✓			✓		
	Keisuke Enosawa	✓		✓			✓	
Director (Audit and Supervisory Committee Member) Outside, Independent	Ryozo Akiyama	✓	✓		✓			
	Noriyuki Ogasawara	✓				✓	✓	
	Yoko Sugita ●	✓		✓	✓			CPA U.S. CPA
	Mari Takahashi ●	✓				✓	✓	Lawyer
	Yasuto Hamanishi	✓		✓	✓			
	Naoto Hirota	✓			✓		✓	

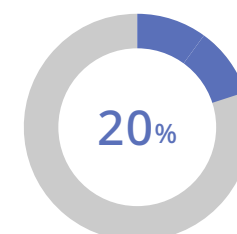
Percentage of outside directors



Percentage of independent directors



Percentage of female directors



Sustainability: Governance

Report on the General Shareholders Meeting and Shareholder Engagement Event

Simplex Holdings, Inc. held our 9th Annual General Meeting of Shareholders at the Main Hall of Toranomon Hills Forum from 10:00 a.m. on Saturday, Jun 14, 2025. Following the previous meeting held on Sunday, this meeting was held on Saturday, which allowed as many as 277 shareholders to attend the meeting. After the General Meeting, a shareholder engagement event was held in Hall A of the same venue.

For several years leading up to our delisting following the management buyout (MBO) in Oct 2013, we hosted annual shareholder engagement events after the General Meeting of Shareholders, with attendance reaching nearly 450 shareholders at its peak. However, after our relisting in Sep 2021, we refrained from holding such events for a while due to the impact of the COVID-19 pandemic. In this context, we successfully resumed the event for the first time in 11 years following the previous General Meeting, and were pleased to welcome many shareholders once again.

At our company, we have long placed great importance on our management team sincerely responding to every question raised by our shareholders, ensuring that all inquiries are fully addressed. We regard the shareholder engagement event as a valuable opportunity for meaningful dialogue with our shareholders. The most recent event, the second since our relisting, was attended by our management team—including outside directors—as well as the management teams of Xspear and Simplex. Looking ahead, we remain committed to fostering an open and transparent General Meeting of Shareholders by continuing to hold the meetings on weekends and regularly organizing shareholder engagement events.



Compliance

Compliance

The Simplex Group believes it is important for every one of our employees to act with high ethical standards and a sense of responsibility to earn trust from society and client companies and achieve sustained growth. To embed such an attitude across the organization as an embodiment of “professionalism,” one of the 5 DNAs, we strive not only to comply with laws, regulations, and internal rules, but also to foster a culture and build systems that enable the organization to autonomously prevent risks before they arise.

Compliance structure

The Simplex Group has established a whistle-blowing system to enhance the effectiveness of the compliance structure. This whistle-blowing system, which is operated in accordance with the Internal Reporting Regulations and the Harassment Prevention Regulations, is available to all workers including temporary workers. Under the system, we have established a highly reliable framework to ensure anonymity and privacy by offering consultation channels that are managed by third parties such as external attorneys and are independent from the organization. Reported matters are investigated for facts before being reported to the Executive Committee, and corrective measures and recurrence prevention actions are taken, as necessary. Alongside this, we seek to enhance awareness of the system and ensure its effectiveness by disseminating information through internal postings and awareness-raising posters, while continuing to conduct harassment prevention training.

Fostering compliance awareness

► 5 DNAs training

In order to foster a culture where every one of our employees acts with high ethical standards and specialization, we endeavor to penetrate the 5 DNAs, our code of conduct. We provide “5 DNAs training” to existing employees to entrench the 5 DNAs as a standard of practice, with emphasizing not just understanding the 5 DNAs at a basic level, but actually putting it into practice in our daily work. Among the 5 DNAs, “professionalism” is positioned as a core value embodying compliance. We make efforts to cultivate a culture of behavior that goes beyond mere rule compliance, which enables employees to make sound decisions autonomously and act in a manner that gains trust.

► Anti-corruption training

Amid the expansion of its business to the public sector, prevention measures against corrupt practice such as bribes and excessive entertainment to public officials have become even more important for the Simplex Group to address. Given this situation, we have formulated the Basic Anti-Corruption Policy, thereby making the standards of conduct for securing transparency and appropriateness known to all employees. Furthermore, we continue to conduct anti-corruption training aimed at improving employees’ judgement in business operations.

► Training for preventing insider trading

With the aim of preventing insider trading that violates the Financial Instruments and Exchange Act, we have established the Rules for Preventing Insider Trading to ensure thorough information control within the Group. With regard to trading of shares by the Simplex Group’s officers and employees, we have developed effective operation systems by establishing strict periods during which trading is prohibited and putting in place approval procedures required before trading. In addition, we implement periodic training and tests to check understanding for employees and business partners.

Respect for human rights

The Simplex Group has established the Basic Human Rights Policy based on belief that respect for human rights is a crucial viewpoint for all business activities. To pursue our business with respect for basic human rights of all stakeholders including employees, client companies, and business partners, we strive to prevent risks of serious human rights violations proactively. In doing so, we identify key issues that should be addressed based on the types and severity of risks.

Efforts to eliminate antisocial forces

The Simplex Group has set eliminating any relationship with antisocial forces as one of its basic policies. In accordance with the Rules for Elimination of Antisocial Forces and the Implementation Guidelines for Background Check for Relationships with Antisocial Forces, we have put in place a system to eliminate relationships with antisocial forces. With respect to our business

partners, we perform procedures to confirm that they have no relationships with antisocial forces prior to starting business with them and on a regular basis (once a year) as well. In addition, candidates for officers are also subject to the same procedure prior to submitting a proposal for election to the general meeting of shareholders. We also confirm with employees that they have no relationships with antisocial forces and require them to submit written pledges.

AI ethics

As the utilization of generative AI expands rapidly, we continuously work on strengthening group-wide governance system to manage risks and opportunities related to AI appropriately. Specifically, we first identified diverse potential risks associated with the use of generative AI, including information leakage, improper handling of personal data, and the spread of false information. Based on the identified risks, we have established internal regulations and operational rules to ensure safe and responsible utilization of AI.

Especially for confidential information and personal data, we have set strict standards for handling, thereby enforcing thorough control over input and output of information when using AI tools. We have also created usage categories based on the purpose and method of AI utilization and introduced proper approval processes and control measures for usage involving high risk. Moreover, we strive to improve AI utilization literacy and ensure compliance with the rules among employees through continued education and enlightenment.

Along with these efforts, in consideration of the development of AI technology and social trends, we periodically make reviews on the rules and monitor the operational status so that we can enhance our risk management system consistently. In addition, we actively incorporate opinions and expertise on governance from both inside and outside sources to promote the establishment of highly transparent and reliable information security system.

Information Security

Information Security

With financial institutions as our main clients, we believe that systemic risk countermeasures in cyber security are critically important. Based on this belief, we are building an infrastructure backed by solid security, developing systems compliant with the FISC Security Guidelines*1 to prevent financial systemic risks, and conducting system audits by the Internal Audit Office on a regular and ad-hoc basis.

Since our founding, the Simplex Group has consistently engaged in business with an advanced awareness of information security and accumulated extensive expertise and experience in this area. Specifically, we have established the Basic Policy on Information Security and have adopted robust security measures for software and hardware in our internal systems to thoroughly prevent the leakage of confidential information. In addition, we are constantly striving to improve security awareness and knowledge of all employees through monthly theme-specific training sessions and an annual comprehension measurement test.

Furthermore, in light of the importance of maintaining confidentiality in business-to-business transactions as well as the confidentiality of personal information handled by clients, we have established the Personal Information Protection Policy and develop and provide robust products and services under strict control.

Third-party certification

We have obtained security-related certifications from third-party organizations to ensure that our clients can use our systems safely and securely. For internal control, we have obtained the SOC1 Type 2 Report and SOC2 (Security) Type 2 Report*2, whereas for information security, we have obtained the Information Security Management System (ISMS)*3 certifications for each solution. The acquisition of these third-party certifications not only enhances our information security, but also improves the reliability of the systems provided by the Simplex Group.

Services covered by SOC1 and SOC2

A) SOC1 Type2 Report	System integration services associated with Simplex Inc.'s solutions/Operation and maintenance services/Subsorption (ASP) services
B) SOC2 Type2 Report (Applicable criteria: Security)	System integration services associated with Simplex Inc.'s solutions/Operation and maintenance services/Subsorption (ASP) services



Scope of ISMS (ISO27001) Registration

1	Software development, maintenance, operation and provision of service infrastructure for FX (foreign exchange margin trading) systems
2	Software development, maintenance, operation and provision of service infrastructure for cryptoasset systems
3	Cloud system development, maintenance, operation and provision of service infrastructure for financial institutions

IS577203 / ISO27001



Security Strategy Supporting Sustainable Growth

Cyberattacks targeting the vast amounts of client data, financial assets, and cryptoassets held by companies are becoming increasingly sophisticated, and the importance of strengthening security measures and resilience is growing year by year. To address these threats, the Simplex Group has been implementing organizational and multilayered initiatives through its security teams, including the Simplex-CSIRT, which was established in 2017.

In group-wide security management, we work in close collaboration with the Information Risk Management Committee, Internal Audit, Legal, and Corporate IT divisions to enforce security policies, provide education and training, respond to incidents, and establish review processes in system development and operations. We also engage in ongoing risk mitigation activities, such as managing risks associated with the use of external services, sharing vulnerability information, and responding to client audits.

Furthermore, to enhance the reliability and safety of the systems and services we deliver, we collaborate with competency teams specialized in system development to strengthen pre-release verification processes and to introduce mechanisms that address the latest cyber threats, thereby driving continuous improvement.

Through these comprehensive initiatives led by the entire security organization, including the Simplex-CSIRT, the Simplex Group is reinforcing our cybersecurity resilience, securing the trust of society, and establishing a framework that underpins the sustainable growth of corporate value.

*1 FISC Security Guidelines are a set of guidelines and explanatory notes on security measures for computer systems for financial institutions, etc., established by the Financial Information Systems Center (FISC) as voluntary guidelines for financial institutions, etc. in Japan

*2 A report that expresses an assurance opinion based on an objective evaluation from a third-party perspective regarding SOC (System and Organization Controls), a framework for evaluating and reporting on internal control over fiduciary services at a fiduciary company, as provided by the American Institute of Certified Public Accountants (AICPA).

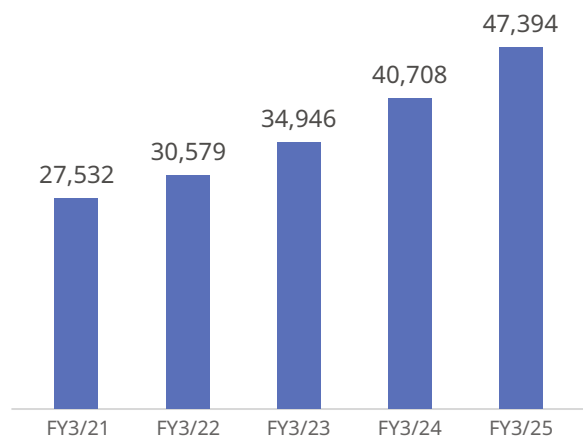
*3 A system in which a third party examines and certifies that an organization has put in place a management system for confidentiality, integrity, and availability of information security as well as a management system by repeating the PDCA cycle.

Data

Financial Highlights

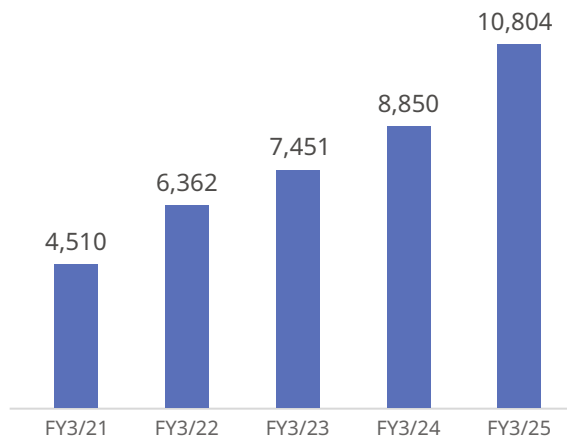
Revenue

(Millions of yen)



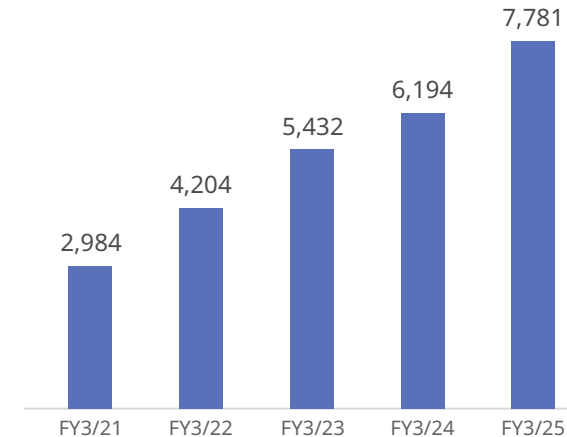
Operating profit

(Millions of yen)

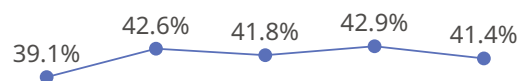


Profit attributable to owners of parent

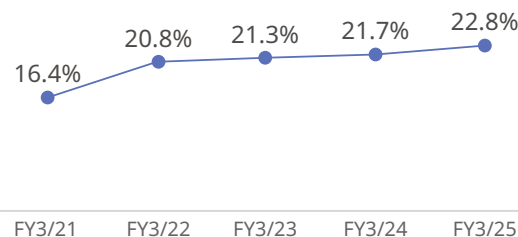
(Millions of yen)



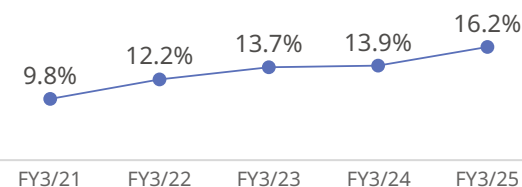
Gross profit margin



Operating profit margin



ROE



* The above figures are prepared in accordance with International Financial Reporting Standards (IFRS).

Data

Financial Data

(Millions of yen)

Summary of five-year financial results (consolidated)*1 *2	FY3/21	FY3/22	FY3/23	FY3/24	FY3/25
Revenue	27,532	30,579	34,946	40,708	47,394
Gross profit	10,757	13,016	14,597	17,450	19,638
Gross profit margin (%)	39.1	42.6	41.8	42.9	41.4
Operating profit	4,510	6,362	7,451	8,850	10,804
Operating profit margin (%)	16.4	20.8	21.3	21.7	22.8%
Profit before tax	4,324	6,191	7,298	8,744	10,729
Profit attributable to owners of parent	2,984	4,204	5,432	6,194	7,781
Basic earnings per share*3 (yen)	61.80	83.06	96.91	107.54	133.82
Diluted earnings per share*3 (yen)	53.97	71.74	91.23	103.47	130.24
Total assets	61,678	66,934	70,266	79,248	79,022
Total liabilities	30,216	29,640	28,282	32,159	30,212
Total equity	31,462	37,294	41,984	47,089	48,810
Equity ratio (%)	51.0	55.7	59.7	59.4	61.8
Cash flows provided by (used in) operating activities	5,255	7,561	3,733	8,329	9,746
Cash flows provided by (used in) investing activities	△234	△328	△1,441	△3,673	534
Cash flows provided by (used in) financing activities	△2,348	△1,346	△3,435	△3,772	△10,570
Cash and cash equivalents at end of year	8,068	13,966	12,832	13,731	13,438
Share capital	285	814	1,013	1,189	1,350
ROE*4 (%)	9.8	12.2	13.7	13.9	16.2
ROA*4 (%)	4.8	6.5	7.9	8.3	9.8

*1 Figures are based on International Financial Reporting Standards (IFRS).

*2 Figures are excerpts from the consolidated financial statements.

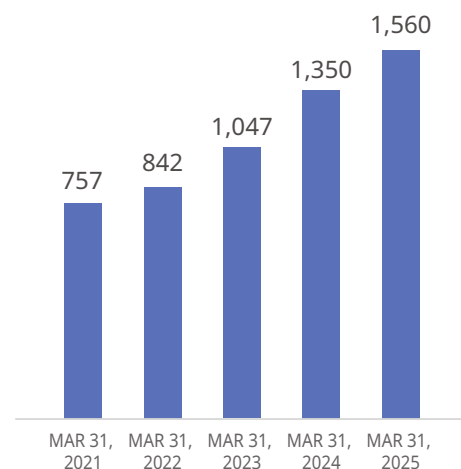
*3 In accordance with a resolution at the Board of Directors' meeting held on Jun 24, 2021, the Company conducted a 100-for-1 stock split of ordinary shares effective on Jul 10, 2021. However, the figures for basic and diluted earnings per share were calculated on the assumption that the stock split had been conducted at the beginning of FY3/21.

*4 Amounts of equity attributable to owners of parent and total assets to be used as denominators in calculating ROE and ROA, respectively, are the averages of the beginning and ending balances.

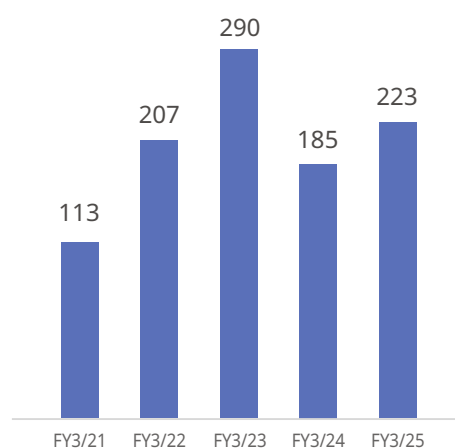
Data

Non-financial Highlights

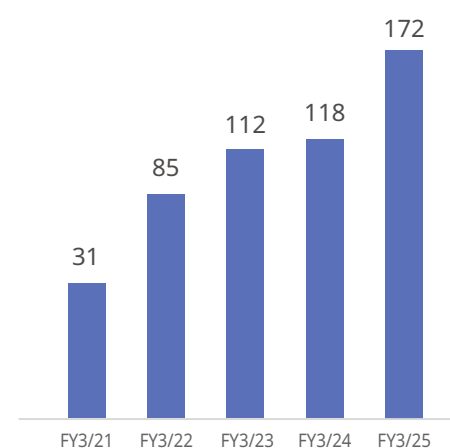
Number of Employees



Number of new graduate hires*¹

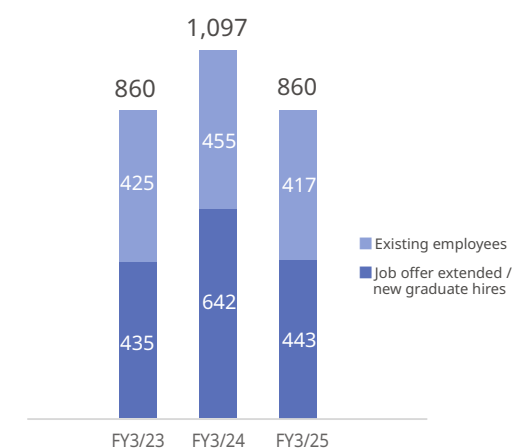


Number of mid-career hires

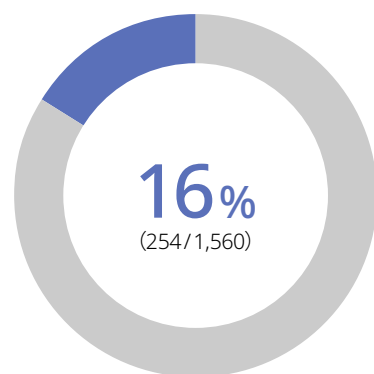


Costs for talent development and training

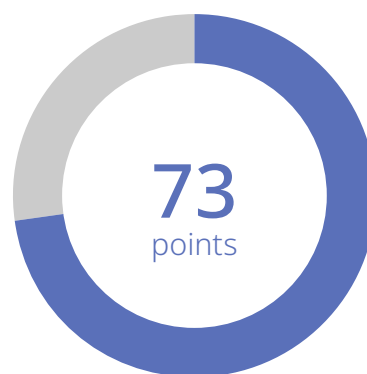
(Millions of yen)



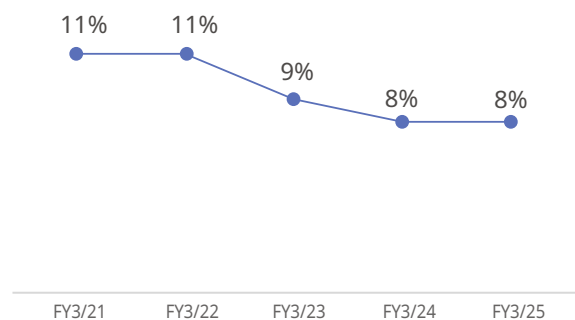
Percentage of women to total employees



Engagement Score*²



Turnover rate



*¹ The number of new graduates hired is based on the number of those offered jobs in FY3/25. Actual employment starts from Apr 1 of the following fiscal year.

*² The results of the engagement survey conducted among the employees of the Group.

Data

Non-financial Data

Social

Employment (consolidated)	FY3/23	FY3/24	FY3/25
Number of employees	1,047	1,350	1,560
Number of employees newly hired	402	303	395
New graduates*1	290	185	223
Mid-career professionals	112	118	172
Turnover rate (%)	9	8	8
Average age (years old)	31.7	31.0	31.3
Average years of service (years)	4.5	4.2	4.3
Average annual salary (thousand yen)	9,565	9,292	9,823

*1 The number of new graduates newly hired is based on the number of those decided to be hired during each fiscal year. Actual employment starts from Apr 1 of the following fiscal year.

Productivity (consolidated)	FY3/23	FY3/24	FY3/25
Average number of engineers and consultants during the period	1,436	1,678	1,912
Employees engineers and consultants	894	1,156	1,387
Business partner engineers and consultants*2	542	522	525
Revenue per engineer/consultant (million yen)*3	24	24	25

*2 Business partners refer to temporary workers, employees of subcontractors, and equivalents who are engaged in work in the office environment of Simplex Group.

*3 The figures are calculated by dividing the annual revenue by the average number of engineers and consultants during the period.

Skills and competencies (consolidated)	FY3/23	FY3/24	FY3/25
Number of applications for financial support for certification	102	121	121
Number of AWS certifications earned*4	376	593	515
Number of Information Technology Engineer certifications earned*5	738	1,091	1,333
Number of advanced certifications including RISS*6	150	188	209
HR development and training costs (million yen)	860	1,097	860
Personnel expenses incurred during the training period for those who received job offers and new graduates (million yen)	435	642	443
Time spent on training for skill development (hours)	176,454	204,607	147,596
Training hours per employee (hours)*7	169	152	95

*4 AWS: Amazon Web Services

*5 The number of successful candidates in the Information Technology Engineer Examination administered by the Information-technology Promotion Agency, Japan (IPA).

*6 The number of successful candidates in the Advanced Information Technology Engineer Examinations and the number of registered Information Security Specialists (RISS), both administered by IPA.

*7 The figures are calculated by dividing the time spent on training for skill development by the number of employees at the end of each fiscal year.

Organizational culture (consolidated)	FY3/23	FY3/24	FY3/25
Number of engagement surveys conducted (times)	4	4	4
Engagement score (marks)*8	73	73	73
Number of in-house short-term study programs used (cases)	14	14	17
Number of internal conferences held (times)	6	4	4
Number of sessions at internal conferences (sessions)	85	55	50

*8 The figures are the results of the engagement survey conducted among the employees of the Group.

HR diversity (consolidated)	FY3/23	FY3/24	FY3/25
Percentage of women to total employees (%)	12.6	15.7	16.3
Percentage of women in management positions (%)	6.3	6.6	7.2
Percentage of women to employees hired as new graduates (%)	22	15	13.5
Total number of retirees rehired	4	6	10
Number of retirees rehired during the period	3	2	5

Internal environmental improvement (consolidated)	FY3/23	FY3/24	FY3/25
Percentage of paid leave taken (%)*9	61.9	66.6	76.0
Wage disparity between male and female workers (%)*10	81.2	77.5	79.0
Regular workers (%)	81.3	77.7	80.0
Non-regular workers (%)	81.2	73.0	61.2
Number of employees taking birth-related leave before and after childbirth	3	8	8
Number of employees taking childcare leave	13	18	33
Male employees	10	14	26
Female employees	3	4	7
Percentage of male employees taking childcare leave (%)	38.5	53.8	66.7
Percentage of female employees taking childcare leave (%)	100.0	100.0	87.5
Number of employees taking nursing care leave	2	1	1

*9 Since annual paid leave is granted on the record date of Jan 1 of each year, the figures are for the period from Jan 1 to Dec 31, 2022, 2023 and 2024.

*10 The wage disparity between male and female workers for FY3/25 is higher than the average for all companies applying for the 2024 Nadeshiko Brand (71.7%), and the average for companies in the information and telecommunications industry (76.8%). This is attributable in part to Simplex Group's evaluation system. Other factors contributing to the disparity are thought to be the salaries of general staff, who are more likely to be women.

Data

Governance

Board composition ^{*1} (non-consolidated)	FY3/23	FY3/24	FY3/25
Total number of directors	9	10	9
Outside directors	5	6	5
Percentage of outside directors (%)	56	60	56
Number of female directors	0	1	1
Percentage of female directors (%)	0	10	11

^{*1} As of the date of issue of this report, there were ten directors in total, including six outside directors (60% of the total) and two female directors (20% of the total).

Board of Directors meetings (non-consolidated)	FY3/23	FY3/24	FY3/25
Number of meetings held (times)	12	13	13
Attendance rate of all directors (%)	99	100	100
Attendance rate of outside directors (%)	100	100	100

Audit and Supervisory Committee meetings (non-consolidated)	FY3/23	FY3/24	FY3/25
Number of meetings held (times)	13	14	14
Attendance rate of all Audit and Supervisory Committee members (%)	100	100	100

Nomination and Compensation Committee meetings (non-consolidated)	FY3/23	FY3/24	FY3/25
Number of meetings held (times)	2	2	2
Attendance rate of all Nomination and Compensation Committee members (%)	100	100	100

Information security (Consolidated)	FY3/23	FY3/24	FY3/25
Percentage of employees who participated in the annual measurement of the degree of understanding security (%)	100	100	100
Number of Information Risk Management Committee meetings held (times)	57	57	51
Number of security incident response drills conducted (times)	1	1	1
Number of times information security education themes are communicated internally (times)	12	12	12
ISMS certification obtained ^{*2}	Obtained for certain solutions	Obtained for certain solutions	Obtained for certain solutions

^{*2} For details on ISMS certification, please refer to page 44 Information Security.

Environment

Greenhouse gas (GHG) emissions ^{*3 *4} (consolidated)	FY3/23	FY3/24	FY3/25
Scope1 (direct emissions from owned or controlled sources) (t-CO2)	0	0	0
Scope2 (indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company) (t-CO2)	445.8	10.3	0
Scope3 (all other indirect emissions that occur in the reporting company's supply chain) (t-CO2)	5,270.4	6,880.0	8,347.9
Category 1 Purchased goods and services (t-CO2)	3,575.1	3,376.1	4,219.3
Category 2 Capital goods (t-CO2)	759.2	1,980.0	2,012.2
Category 3 Fuel- and energy-related activities not included in Scope 1 or Scope 2 (t-CO2)	75.2	77.2	89.5
Category 5 Waste generated in operations (t-CO2)	55.5	16.4	26.3
Category 6 Business travel (t-CO2)	149.7	418.2	644.7
Category 7 Employee Commuting (t-CO2)	655.8	1,012.1	1,356.0

^{*3} Each item is calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Mar 2025, Ministry of the Environment and Ministry of Economy, Trade and Industry). Scope 1 emissions of Simplex Group are excluded from the calculation because they are negligible. In addition, categories not listed above are not included in the calculation because they are either not applicable or of low significance to Simplex Group.

^{*4} The main factors for the increase in GHG emissions consist of temporary and permanent factors. The temporary factors include an increase in the procurement of office equipment and fixtures associated with the expansion of office space. The permanent factors include an increase of approximately 200 employees from the end of the previous fiscal year and it is expected to increase gradually. Meanwhile, our office buildings have transitioned to renewable energy, enabling us to reduce Scope 2 emissions to zero. Moving forward, we will continue to proactively select sustainable business environments and engage in responsible energy management.

Energy consumption and renewable energy usage ratio (consolidated)	FY3/23	FY3/24	FY3/25
Office building energy consumption (MWh)	1,102	1,131	1,312
Office building renewable energy usage rate (%)	92	98	100
Percentage of data centers and other facilities using renewable energy (%) ^{*5}	56	79	76

^{*5} In calculating the percentage, the percentage of renewable energy and the reduction contribution rate for electricity used the data centers and cloud services contracted by Simplex Group are translated into electricity consumption.

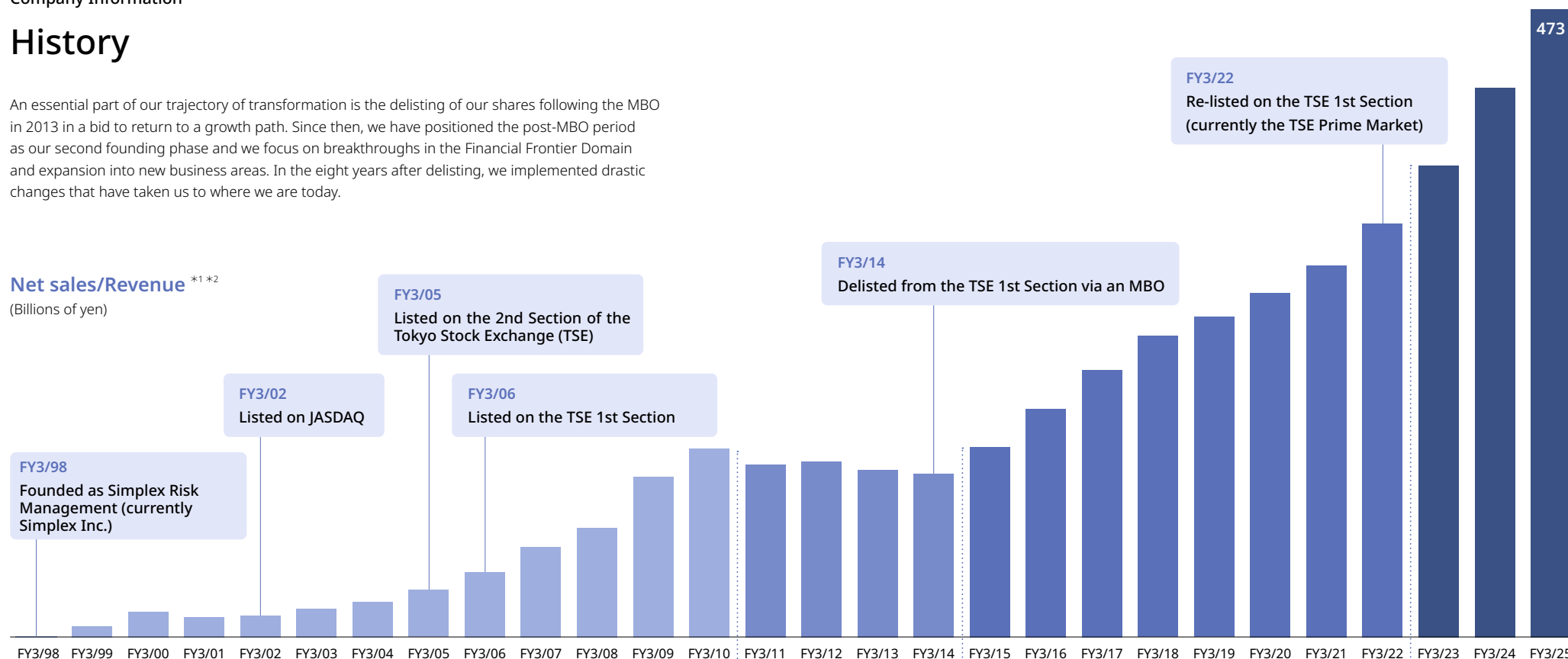
Company Information

History

An essential part of our trajectory of transformation is the delisting of our shares following the MBO in 2013 in a bid to return to a growth path. Since then, we have positioned the post-MBO period as our second founding phase and we focus on breakthroughs in the Financial Frontier Domain and expansion into new business areas. In the eight years after delisting, we implemented drastic changes that have taken us to where we are today.

Net sales/Revenue ^{*1 *2}

(Billions of yen)



First founding phase and listing on the stock exchange (FY3/98–FY3/10)

Simplex, founded in Sep 1997 as Simplex Risk Management, expanded its client base and solution offerings by engaging in a system development business, with a focus on the Financial Frontier Domain. We supported financial institutions in improving profitability from a technological perspective, and steadily increased our earnings. Our shares were listed on the JASDAQ market in Feb 2002, and then on the 1st Section of the Tokyo Stock Exchange in Sep 2005. After the IPO, we continued to achieve steady earnings growth through FY3/10 toward securing a position as Japan's leading provider in the Financial Frontier Domain.

Earnings stagnation and MBO (FY3/11–FY3/14)

However, after FY3/10, our earnings entered a downward trend to the extent that sustainable growth in the future could no longer be expected without drastic business restructuring. Under these circumstances, we decided to conduct a tender offer with the support of the Carlyle Group. We believed that, for us to sustainably increase our corporate value over the medium to long term, we needed to delist our shares by means of an MBO and establish a structure that would enable us to quickly and boldly implement management reforms under a consistent policy. After the completion of the tender offer, our shares were delisted from the 1st Section of the Tokyo Stock Exchange in Oct 2013.

Second founding phase and re-listing (FY3/15–FY3/22)

While defining the period after the delisting due to the MBO as a second founding phase, we then spent the first four years on achieving a breakthrough in the Financial Frontier Domain, which had reached a plateau in its growth. This was done by thoroughly implementing a proactive consulting sales approach. During the latter four years, we developed the key technologies from the Financial Frontier Domain and took these into several new business areas that broadened our target clients outside financial institutions. In order to achieve further growth, we newly defined the Cross Frontier Domain as a business area in which technology could make a significant contribution to improving the profitability of client companies. In Sep 2021, we relisted on the 1st Section of the Tokyo Stock Exchange (currently the Prime Market of the Tokyo Stock Exchange).

*1 Net sales for the period from FY3/11 to FY3/17 exclude those of Virtualex Consulting, which was a consolidated subsidiary from Aug 2010 to Jun 2016.

*2 Revenue for FY3/17 and beyond were prepared in accordance with International Financial Reporting Standards (IFRS).

Company Information

Status of Shareholdings (as of Mar 31, 2025)

Basic information

Stock exchange listing	Tokyo Stock Exchange Prime Market
Securities code	4373
Date of listing	Sep 22, 2021
Total number of shares authorized to be issued	114,704,000 shares
Total number of shares issued	58,707,975 shares
Number of shareholders	4,487 shareholders
Number of trading unit shares	100 shares

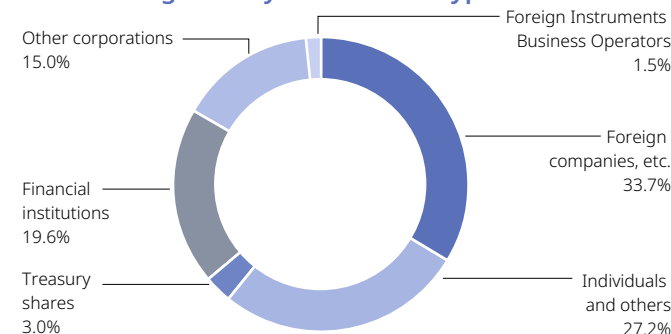
Shareholder distribution

Category	Number of shareholders	Number of shares held
Foreign companies, etc.	205	19,784,151
Individuals and others	4,188	15,980,924
Treasury shares	1	1,758,447
Financial institutions	15	11,521,800
Other corporations	51	8,781,794
Financial Instruments Business Operators	27	880,859
Government and municipalities	—	—
Total	4,487	58,707,975

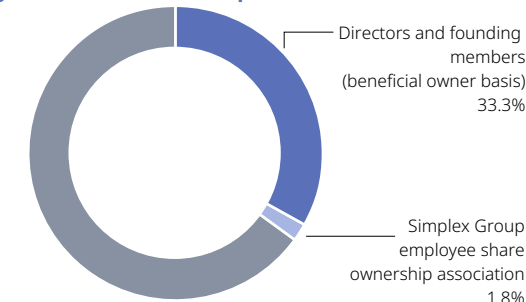
Major shareholders ^{*1 *2}

Shareholder Name	Number of shares held	Shareholding ratio
1 Hideki Kaneko	7,072,812	12.4%
2 The Master Trust Bank of Japan, Ltd. (Trust Account)	6,760,900	11.9%
3 Custody Bank of Japan (Trust Account)	3,481,400	6.1%
4 SBI Holdings, Inc.	3,296,200	5.8%
5 MLPFS CUSTODY ACCOUNT ^{*3}	3,000,000	5.3%
6 Mitsuru Igarashi	2,222,800	3.9%
7 Kenichi Tanaka	1,500,000	2.6%
8 YK & Company K.K. ^{*4}	1,454,544	2.6%
8 TK & Company K.K. ^{*4}	1,454,544	2.6%
10 Karita and Company INC.	1,310,600	2.3%
Total number of shares held by the top 10 major shareholders ^{*4}	31,553,800	55.4%

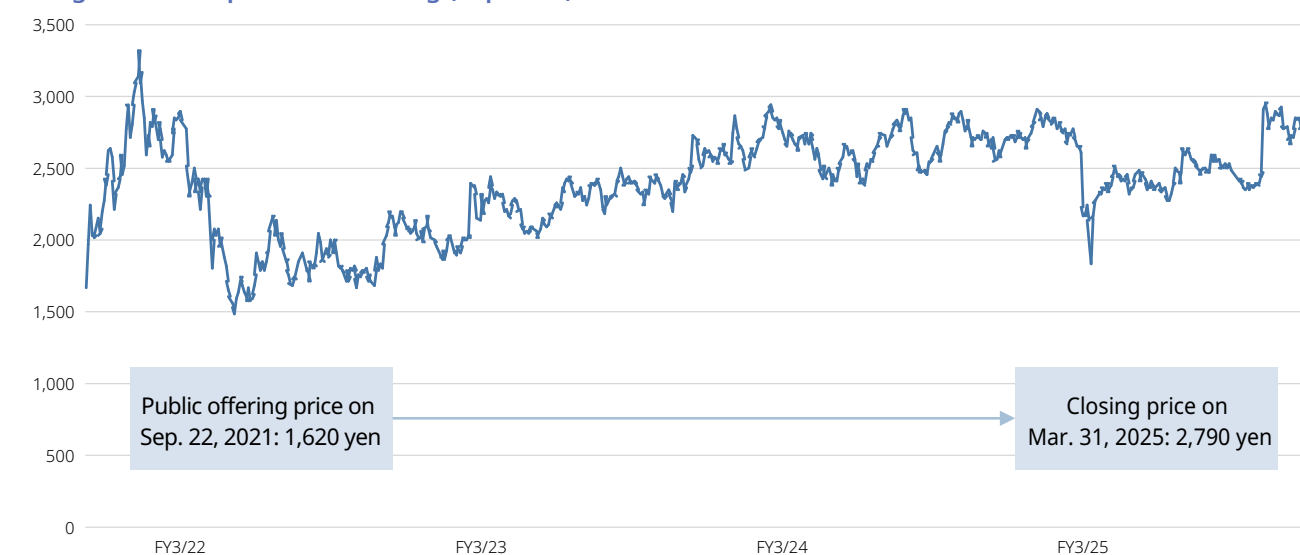
Shareholding ratio by shareholder type



Shareholding ratio by directors, founding members and employee share ownership association



Changes in share price since listing (Sep 2021)



^{*1} 1,758,447 shares of treasury shares held by the Company are excluded from the list of major shareholders shown on the left.

^{*2} Shareholding ratio is calculated by excluding treasury shares.

^{*3} 3,000,000 shares held by MLPFS CUSTODY ACCOUNT are beneficially owned by Mitsuru Igarashi, a founding member of the Company. Including the shares held in his own name, Mitsuru Igarashi's beneficial shareholding ratio is 9.2%.

^{*4} 1,454,544 shares held by YK & Company K.K. and 1,454,544 shares held by TK & Company K.K. are beneficially owned by Hideki Kaneko, Representative Director, President and CEO of the Company. Including the shares held in his own name, Hideki Kaneko's beneficial shareholding ratio is 17.5%.

Company Information

Company Information (as of Mar 31, 2025)

Company Outline

Company Name	Simplex Holdings, Inc.
Founded	Sep 16, 1997
Incorporated	Dec 1, 2016 (newly established through corporate reorganization)
Share capital	1,350 million yen
Number of employees	1,560 (consolidated)
Group companies	Simplex Inc. Xspear Consulting, Inc. Deep Percept Inc. Simplex Global Inc. Simplex U.S.A., Inc. Simplex Consulting Hong Kong, Limited
Main business	Management and control of subsidiaries and all activities incidental or related thereto
Location	Head office (registered) 1-23-1 Toranomon, Minato-ku, Tokyo, Japan Toranomon Office 19F Toranomon Hills Mori Tower,1-23-1 Toranomon, Minato-ku, Tokyo 105-6319, Japan Azabudai Office 18F Azabudai Hills Mori JPTower,1-3-1 Azabudai, Minato-ku, Tokyo 106-0041, Japan

IR Site Information



IR Information

<https://www.simplex.holdings/en/ir/>

Sustainability Site Information



Sustainability

<https://www.simplex.holdings/en/sustainability/>

Reader Survey

We are fully aware that stakeholder feedback is essential for improving and enhancing the Integrated Report in the future. We look forward to hearing your opinions.



Readers' Survey in Forms

<https://forms.office.com/r/PkRYQD1GYC?origin=lprLink>

Disclosure Policy

Basis of information disclosure

We will carry out prompt disclosure of information under the principles of transparency, openness and continuity in accordance with relevant laws and regulations such as the Financial Instruments and Exchange Act, and rules defined by the Tokyo Stock Exchange pertaining to timely disclosure (the “Timely Disclosure Rules”). Information determined to be important or beneficial for shareholders or investors to understand us will be proactively and fairly disclosed even if this information is not required to be disclosed by relevant laws and regulations or the Timely Disclosure Rules.

How information will be disclosed

For information disclosure following the Timely Disclosure Rules, the information will be disclosed on TDnet (Timely Disclosure network) provided by the Tokyo Stock Exchange, and then promptly posted on our website. We will endeavor as much as possible to fairly and widely convey information which does not fall under the Timely Disclosure Rules by, for example, similarly posting such information on our website.

Forward-looking statements

Information disclosed by the Company pertaining to the future, such as forecasts, predictions, targets, and plans for Simplex Group is based on determinations or assumptions made by the Company at the time of disclosure, and do not constitute a promise or guarantee to our future financial results and measures. Actual results may take on greatly different outcomes due to various factors.

Quiet Period

In order to prevent the leakage of important corporate information and ensure fairness, the Company has a “Quiet Period” from a week before the end of the fiscal quarter to the earnings release day as a general rule. In this period, the Company refrains from answering questions regarding the Company’s results and giving relevant comments. However, this does not apply to the occurrence of material events that the Company believe will have a significant impact on the investment decisions of shareholders or investors, even during this period.