

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.

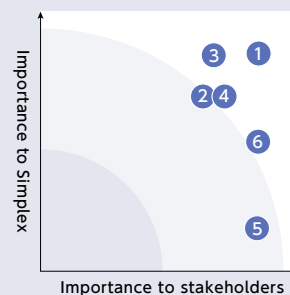
Process of identifying materiality issues

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.

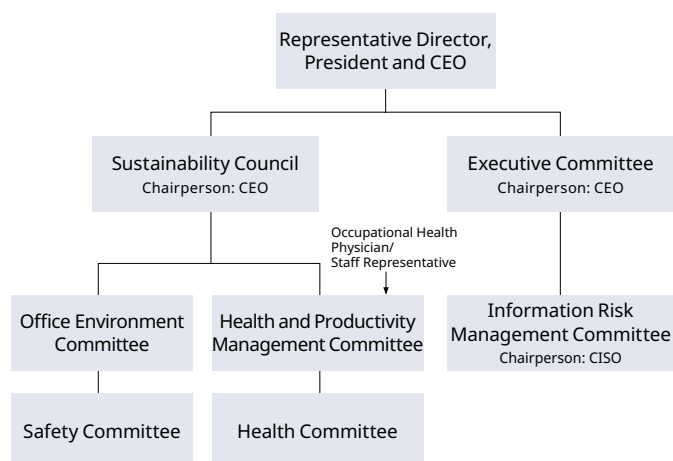
As subordinate organizations of the Sustainability Council, we have established the Health and Productivity Management Committee and the Office Environment Committee, which address issues related to employees' health and working environments. The statutory Health Committee and Safety Committee are organized 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.

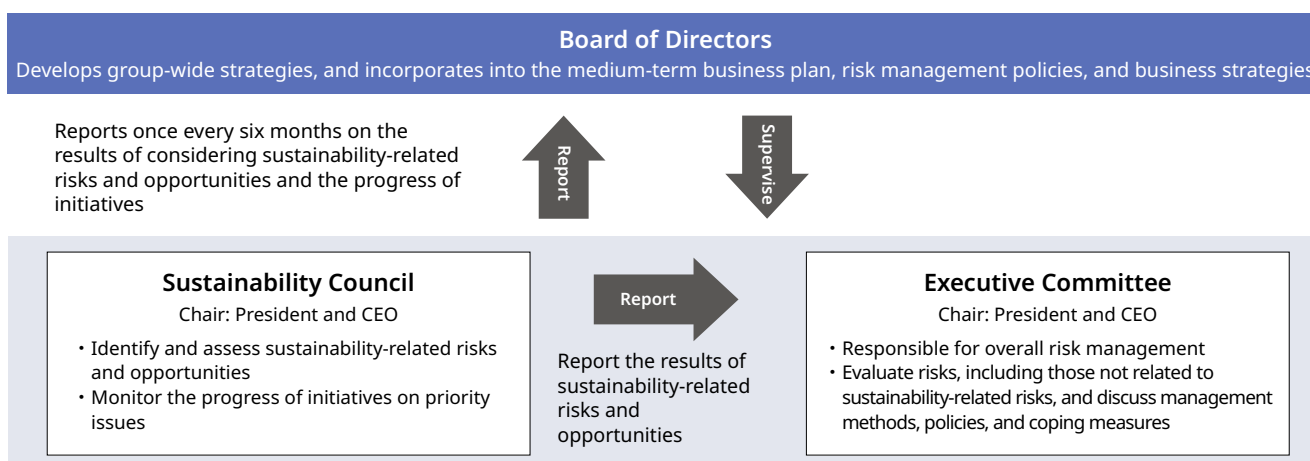
Sustainability-related Risk Management

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.

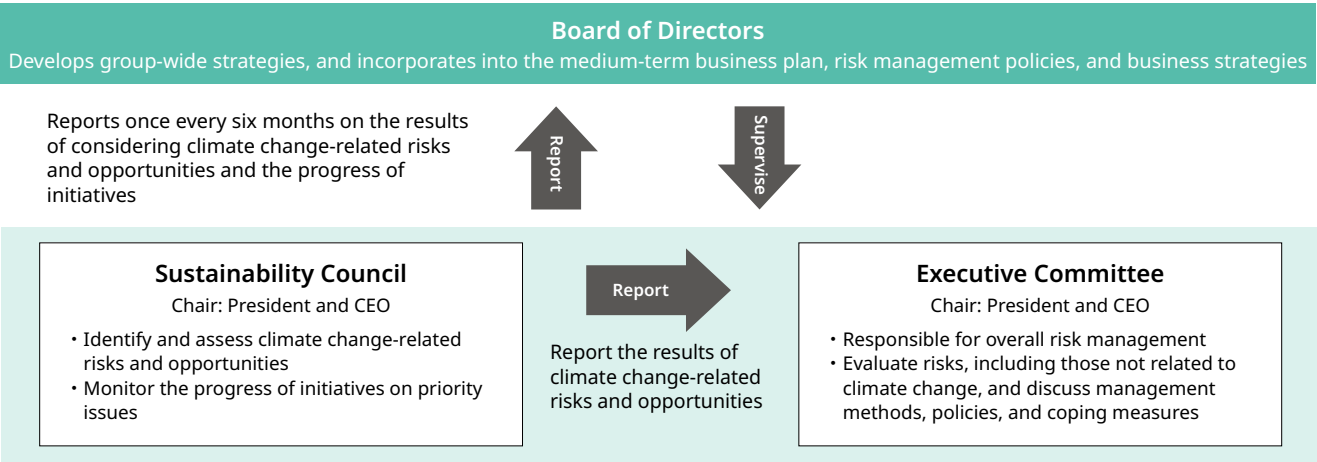
Strategy

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.



Taken at the new graduate training camp in Okinawa, Jun 2025. The Simplex Group welcomed 185 new graduates in Apr 2024 and 223 in Apr 2025.

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.

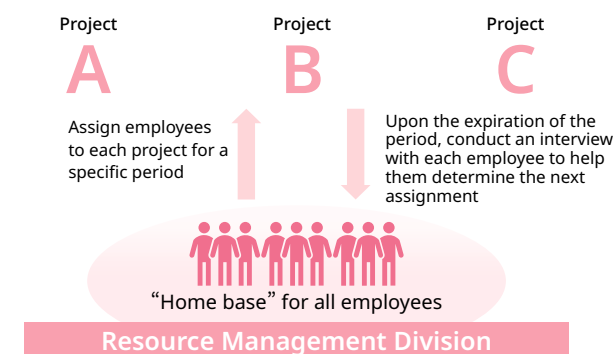
► Strategic resource assignment

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



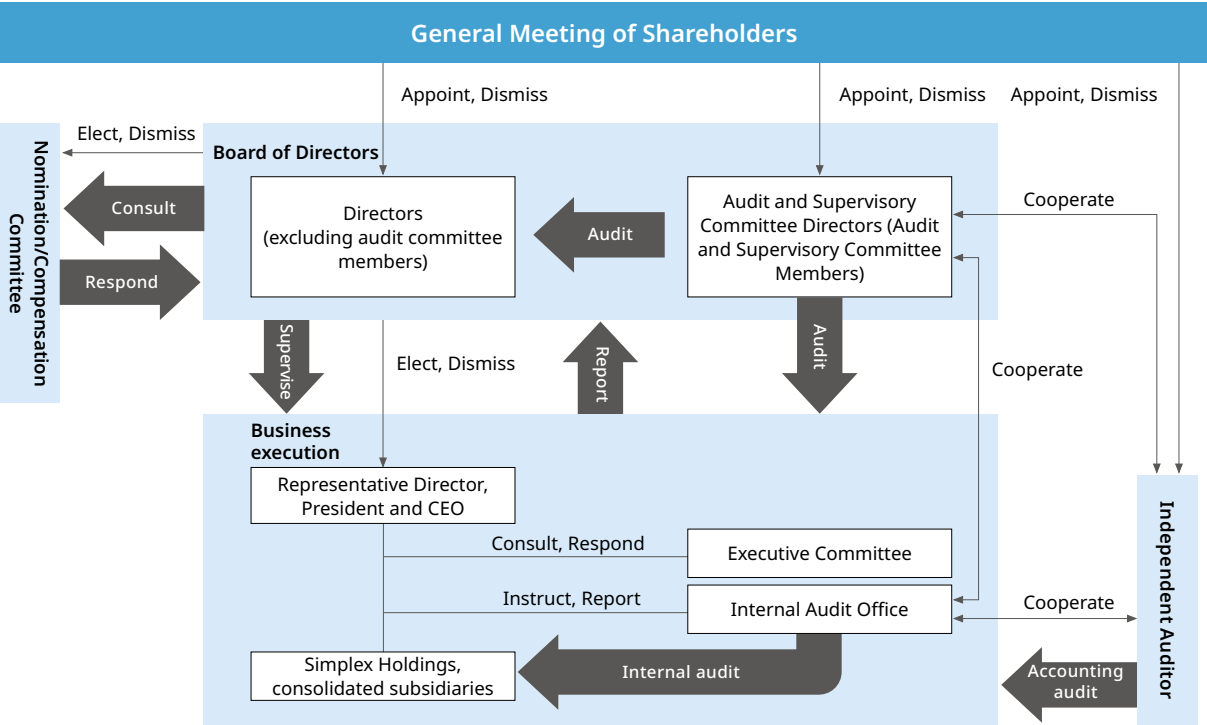
Simplex Group's Governance: Advancing Governance for the Future

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:	Joined Arthur Andersen & Co. (currently Accenture Japan Ltd.)	Dec 2016:	Founded the Company and appointed as Representative Director, President and CEO (present post)
			Nov 1990:	Joined CATS Software Inc.	Jun 2017:	Director, Simplex Global Inc. (present post)
			Nov 1991:	Joined Salomon Brothers Asia Ltd. (currently Citigroup Inc.)	Jun 2021:	Representative Director, Chairman and President, Deep Percept Inc. (present post)
			Sep 1997:	Joined Simplex Risk Management (currently Simplex Inc.)		Director, SIMPLEX QUANTUM Inc. (present post)
			Aug 2000:	Representative Director and President, Simplex Inc. (present post)	Nov 2022:	Director and Co-Chairperson, SBI Simplex Solutions Co., Ltd. (present post)
			Apr 2008:	Director, Simplex U.S.A., Inc. (present post)	Feb 2023:	
			Jun 2008:	Representative Director and President, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.)		
	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:	Joined Andersen Consulting (currently Accenture Japan Ltd.)	Apr 2020:	Director and Vice President, Simplex Inc.; Director, Deep Percept Inc.
			Nov 1999:	Joined ACCESS Co., Ltd.	Mar 2021:	Director, Vice President and Co-COO, the Company (present post)
			Jun 2003:	Joined Accenture Japan Ltd.		Director, Xspear Consulting, Inc.
			Jan 2005:	Joined USEN Corporation	Jun 2022:	Representative Director and President, SBI Simplex Solutions Co., Ltd. (present post)
			Aug 2008:	Joined Simplex Technology, Inc. (currently Simplex Inc.)	Feb 2023:	Director, Simplex Consulting Hong Kong, Limited
			Jan 2014:	Senior Managing Officer, Simplex Inc.	Jun 2023:	Managing Director, SBI SECURITIES Co., Ltd. (present post)
			Dec 2016:	Senior Managing Director, Simplex Inc.	Jan 2024:	
			Jan 2017:	Senior Managing Director, the Company		
	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:	Joined Accenture Japan Ltd.	Mar 2019:	Director, Deep Percept Inc. (present post)
			May 2007:	Joined Simplex Technology, Inc. (currently Simplex Inc.)	Apr 2020:	Director and Vice President, Simplex Inc. (present post)
			Oct 2007:	Joined Accenture Japan Ltd.	Feb 2021:	Representative Director and President, Xspear Consulting, Inc. (present post)
			Mar 2011:	Joined Simplex Consulting, Inc. (currently Simplex Inc.)	Mar 2021:	Director, Vice President and Co-COO, the Company (present post)
			Jun 2017:	Senior Managing Director, Simplex Inc.; Director, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.)		
	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:	Joined Simplex Technology, Inc. (currently Simplex Inc.)		
			Jan 2017:	Transferred to the Company		
			Mar 2019:	Statutory Auditor, Deep Percept Inc.		
			Mar 2021:	Director and CFO, the Company (present post)		
			Feb 2023:	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		
	Ryozyo 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.

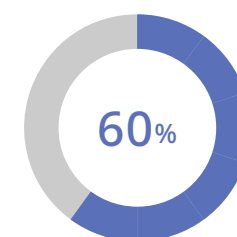
* Ms. Yoko Sugita took office on Jun 14, 2025.

Sustainability: Governance

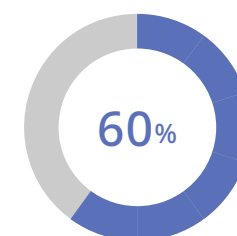
Board composition (as of Jun 14, 2025)

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	✓			✓		✓	

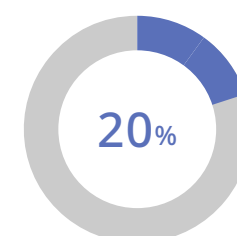
Percentage of outside directors



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



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.