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January 28, 2022

Company name: Simplex Holdings, Inc.
Representative: Hideki Kaneko
Representative Director, President and CEO
(Securities code:4373; TSE First Section)

Notice Concerning Revisions to the Forecast of Full-year Financial Results

Simplex Holdings, Inc. (the "Company") hereby announces that, at its Board of Directors meeting held on January 28, 2022, it has decided to revise the forecast of financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022), announced on August 19, 2021, in view of the recent business trends. The details are as follows:

1. Revisions to the forecast of consolidated financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

	Revenue	Operating profit	Profit attributable to owners of parent	Basic earnings per share	(Ref.) Adjusted operating profit	(Ref.) Adjusted profit attributable to owners of parent	(Ref.) Adjusted basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	30,300	5,612	3,750	77.65	5,787	3,873	80.15
Revised forecast (B)	30,300	6,230	4,171	84.88	6,388	4,280	87.09
Change (B – A)	—	618	421	7.23	600	407	6.94
Change (%)	—	11.0%	11.2%	9.3%	10.4%	10.5%	8.7%
(Ref.) Previous fiscal year results (Fiscal year ended March 31, 2021)	27,532	4,510	2,984	61.80	4,540	3,005	62.23

* The Company conducted a 100-for-1 stock split of ordinary shares effective on July 10, 2021. Basic earnings per share and adjusted basic earnings per share were therefore calculated based on the assumption that the stock split had been conducted at the beginning of the fiscal year ended March 31, 2021.

* Basic earnings per share for the previous fiscal year (ended March 31, 2021) was calculated using the average number of shares outstanding during the period.

* The revised forecast of basic earnings per share as announced today was calculated using the average number of shares outstanding for the nine months ended December 31, 2021. For the detailed number of shares, please refer to *Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Under IFRS)*.

* Operating profit, adjusted operating profit, adjusted profit attributable to owners of parent, and adjusted basic earnings per share were calculated using the following formulas:
  Operating profit = Gross profit – Amortization of identifiable assets – Selling, general and administrative expenses – Research and development expenses + Other income – Other expenses
  Adjusted operating profit = Operating profit + Listing Expenses
  Adjusted profit attributable to owners of parent = Profit attributable to owners of parent + Listing expenses + Related tax adjustment
  Adjusted basic earnings per share = Adjusted profit attributable to owners of parent ÷ Average number of shares outstanding during the period
* Listing expenses refer to one-time expenses associated with our listing on stock exchange, including legal fees for listing, advisory fees on listing preparation, expenses for listing examination, and audit fee for an offering circular in English, and fees to audit firms.

2. Reason for the Revisions

In recent years, with the advancement and prevalence of digital technology, Digital Transformation (DX), which fully utilizes state of the art technology to reform business models themselves, is a top priority in every industry.

In line with the recent solid sustainable demand for DX, the business environment surrounding Simplex Group continues to allow us to be selective about which projects to take. In addition, our efforts to enhance quality control have led to a decline in unprofitable projects. As a result, gross profit margin exceeded our initial forecast. Meanwhile, we expect a decrease in research and development expenses due to the uninvested budget for such expenses, as we gave priority to our client's actual development projects.

In light of such circumstances, we have revised upward the forecasts of operating profit, profit attributable to owners of parent, and basic earnings per share. At the same time, we have also revised upward the forecasts of adjusted operating profit, adjusted profit attributable to owners of parent, and adjusted basic earnings per share calculated by subtracting listing expenses, which are no longer expected to be incurred from the fiscal year ending March 31, 2022 onward. On the other hand, the forecasts of revenue and cash dividends have remained unchanged from the previous forecasts.

The above forecast of financial results represents our judgment based on information currently available to us. Accordingly, the actual results may differ from the forecast due to various factors in the future.

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