Notice: This is a translation of a notice in Japanese and is made solely for the convenience of foreign shareholders.
In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

The Notice of Convocation

(Securities Code 4373)

June 6, 2022

To Shareholders:

Notice of Convocation of the 6th Ordinary General Meeting of Shareholders

Dear Madam/Sir:

You are hereby notified that the 6th Ordinary General Meeting of Shareholders of Simplex Holdings, Inc. (the "Company") will be held as stated below.

Shareholders' voting rights may be exercised by mailing the enclosed Voting Rights Exercise Form or via the Internet, etc. (please refer to pages 4 through 5 of this document). Please review the Reference Documents for the General Meeting of Shareholders attached below, and exercise your voting rights no later than 6:00 p.m. on Monday, June 20, 2022.

Yours faithfully,

By: Hideki Kaneko
Representative Director, President and CEO
Simplex Holdings, Inc.
19F Toranomon Hills Mori Tower,
1-23-1 Toranomon, Minato-ku, Tokyo,
Japan

Particulars

1. Date and Time: 10:00 a.m. on Tuesday, June 21, 2022

2. Place: Hall B, Toranomon Hills Forum
4F Toranomon Hills Mori Tower,
1-23-3 Toranomon, Minato-ku, Tokyo

3. Purpose:

Matters to be reported:

1. Report on the Business Report, Consolidated Financial Statements, and report on the results of audit by the Independent Auditor and the Audit and Supervisory Committee for Consolidated Financial Statements for the 6th fiscal year (from April 1, 2021 to March 31, 2022);
2. Report on the Non-consolidated Financial Statements for the 6th fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved:

First Proposal: Partial Amendments to the Articles of Incorporation
Second Proposal: Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Third Proposal: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

-End-

Should the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (https://www.simplex.holdings/en/ir/).
The "Risk Factors," "Share Acquisition Rights," "Consolidated Statements of Changes in Equity," "Notes to Consolidated Financial Statements," "Non-consolidated Statements of Changes in Net Assets," and "Notes to Non-consolidated Financial Statements" are posted on the Company's website (https://www.simplex.holdings/en/ir/) in accordance with the provisions of laws and regulations as well as Article 16 of the Articles of Incorporation of the Company and therefore are not provided in this Convocation Notice and its appendix.

The results of the resolutions of this Ordinary General Meeting of Shareholders will be posted on the Company's website (https://www.simplex.holdings/en/ir/) after the conclusion of this meeting, in lieu of sending written notice of resolutions.

Although we will take appropriate measures to prevent the spread of COVID-19, shareholders attending the meeting in person are asked to take the preventive measures below as it is difficult to eliminate all the risk of infection. Also, we would appreciate if you could view the live stream and exercise your voting rights in writing in advance or via the Internet.

<Requests to shareholders attending the meeting in person>

- We will **hold no social gathering for shareholders, and provide no gifts and drinks** at the meeting.
- We will limit the number of seats in the venue to less than 90 to ensure sufficient space between seats for preventing the spread of COVID-19. Accordingly, **if all seats are occupied, we may restrict entry to the venue**.
- Please bring and wear a face mask at all times.
- Alcohol disinfectant for shareholders will be provided around the reception area.
- We will measure the body temperature of shareholders at the reception.
- Staff may ask shareholders who have a fever of 37.5 degrees Celsius or higher or appear to be in poor health to not attend the meeting.
- Please bring this Convocation Notice and the enclosed Voting Rights Exercise Form and submit the form at the reception.
- Please arrange for an interpreter if necessary. One interpreter may attend the meeting for one shareholder.

Live stream of the General Meeting of Shareholders

The General Meeting of Shareholders will be live-streamed on the website below. A preliminary application is not required to view the live stream. If you wish to view the live stream, please access the website via the URL below or by scanning the QR Code to the right.
https://v.sokai.jp/4373/2022/simplexholdings/
(For this translation, the QR Code is omitted.)

* Please access the live stream website at the URL provided above with your "Shareholder ID number" and "password (zip code)" as you will be required to enter them on the authentication screen (login screen).

Starting time of the live stream: 10:00 a.m. on Tuesday, June 21, 2022

* Please note that you cannot exercise your voting rights or ask any questions on this website.
* If the live stream is cancelled for any reason, we will announce it on the Company's website.
* We will not distribute a recorded video after the live stream ends.

Contact information for inquiries on viewing the live stream on the day of the Meeting
Live Streaming Call Center provided by PRONEXUS Inc.
Tel: 0120-970-835 (toll free, only in Japan)
Inquiry period: Tuesday, June 21, 2022, the day of the General Meeting of Shareholders, from 9:00 a.m. (JST) until the conclusion of the General Meeting of Shareholders

Guidance for Means of Exercising Voting Rights:

Voting rights exercised at the General Meeting of Shareholders represent an important right of the shareholders.
Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders attached below.
There are three means of exercising voting rights as described below.

When exercising voting rights via the Internet:
Deadline for exercise: vote is required to be received by 6:00 p.m. on Monday, June 20, 2022
Please indicate your vote approval or disapproval of each proposal following the guidance on the next page.

When exercising voting rights in writing (by mail):
Deadline for exercise: Voting Rights Exercise Form is required to be arrived by 6:00 p.m. on Monday, June 20, 2022
Please indicate your approval or disapproval of each proposal on the Voting Rights Exercise Form and return by mail.

When attending the meeting in person:
Date and time of the meeting: 10:00 a.m. on Tuesday, June 21, 2022
Please submit the Voting Rights Exercise Form at the reception.

How to Fill Out Voting Rights Exercise Form

Please indicate your approval or disapproval of each proposal.

First Proposal

- If you approve, put a circle in the "賛 (approve)" box.
- If you disapprove, put a circle in the "否 (disapprove)" box.

Second and Third Proposals

- If you approve the election of all candidates, put a circle in the "賛 (approve)" box.
- If you disapprove the election of all candidates, put a circle in the "否 (disapprove)" box.
- If you disapprove the election of a certain candidate(s), put a circle in the "賛 (approve)" box, and also write the candidate number for each candidate you disapprove to be elected.

If you exercise your voting rights both in writing (by mail) or via the Internet, etc., only the vote exercised via the Internet, etc. will be recognized as valid. Also, if you exercise your voting rights redundantly via the Internet, etc., only the last vote will be recognized as valid.

[Exercise of Voting Rights via the Internet]

"Smart Convocation" service allows you to view the convocation notice more smartly

The Company has introduced the Smart Convocation service that allows you to view the main content of the convocation notice with your smartphone or other devices.
Please access to the URL or the QR Code below to view the Smart Convocation webpage.

* "QR Code" is a registered trademark of DENSO WAVE INCORPORATED.
* This service is only available in Japanese.

https://p.sokai.jp/4373/

You can also exercise your voting rights easily via the Internet

The Company has introduced a service that allows you to exercise your voting rights more easily with your smartphone or other devices.
You can log into a dedicated website without entering voting rights exercise code or password by scanning the QR Code printed on the Voting Rights Exercise Form with your smartphone or other devices.
If you wish to exercise your voting rights on the Voting Rights Exercise Website (see the URL below), please log into the website by entering "Voting Rights Exercise Code" and "password" printed on the Voting Rights Exercise Form.
Voting Rights Exercise Website: https://www.web54.net

* This service is only available in Japanese.

For inquiries, please contact:

Shareholders Register Administrator
Stock Transfer Agency Business Planning Department
Sumitomo Mitsui Trust Bank, Limited
Tel: 0120-652-031

Institutional investors may use the electronic voting platform for institutional investors operated by ICJ, Inc.

Reference Documents for the General Meeting of Shareholders

Proposals and Matters for Reference

First Proposal: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

In line with the enforcement of the amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) on September 1, 2022, we will introduce a system for providing materials for the general meeting of shareholders in electronic format. Accordingly, the Articles of Incorporation of the Company shall be amended as follows:

(1) Article 16 (Electronic Provision Measure, Etc.), Paragraph 1 of the proposed amendments shall be newly established as the Company will be obliged to stipulate in its Articles of Incorporation that it takes the electronic provision measure for information included in the reference documents for the general meeting of shareholders, etc.

(2) Article 16 (Electronic Provision Measure, Etc.), Paragraph 2 of the proposed amendments shall be newly established in order to allow the Company to limit the scope of the matters to be included in the hard copy to be sent to shareholders who have requested it to the scope specified by the Ordinance of the Ministry of Justice, with respect to those matters for which electronic provision measures are to be taken concerning the information included in the reference documents for the general meeting of shareholders, etc.

(3) Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders) of the current Articles of Incorporation shall be deleted as its provisions will become unnecessary once the system for providing materials for the general meeting of shareholders in electronic format is introduced.

(4) Supplementary provisions shall be established concerning the effectiveness of the above newly established and deleted provisions. These supplementary provisions shall be deleted after a certain period has elapsed.

2. Reasons for amendments

The specific amendments are as set forth below.

(Changes are indicated by underline.)

Current Articles of Incorporation	Proposed Amendments
(Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders) Article 16. If the Company discloses information relating to matters to be stated or indicated in reference documents, a business report, financial statements, and consolidated financial statements in connection with convening the general meeting of shareholders through the Internet pursuant to the Ordinance of the Ministry of Justice, the Company may deem that it has provided the same to shareholders.	(Deleted)
(Newly established)	*(Electronic Provision Measure, Etc.)* Article 16. The Company shall, when convening a general meeting of shareholders, take the electronic provision measure for information included in the reference documents for general meeting of shareholders, etc. 2. Among the matters subject to the electronic provision measure, the

Current Articles of Incorporation	Proposed Amendments
	Company shall not be required to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the hard copy to be sent to shareholders who have requested it by the record date for voting rights.
Supplementary Provision	Supplementary Provision *(Transitional Measures Concerning Electronic Provision of Information for General Meeting of Shareholders)* Article 2. The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders) and the new establishment of Article 16 (Electronic Provision Measure, Etc.) of the Articles of Incorporation shall come into effect as from September 1, 2022. 2. Notwithstanding the provisions of the preceding paragraph, Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for General Meeting of Shareholders) of the Articles of Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six (6) months from September 1, 2022. 3. The provisions of this Article shall be deleted after the later of the day on which six (6) months have elapsed from September 1, 2022 and the day on which three (3) months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph.
(Newly established)	

Second Proposal: Election of Four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all four (4) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal) will expire at the close of this Annual Shareholders Meeting.

Therefore, it is proposed that four (4) Directors be elected.

The Audit and Supervisory Committee has expressed no objection to this proposal.

The candidates for Directors are as follows:

Candidate No.	Name	Current position and responsibilities at the Company	Nomination and Compensation Committee Member*	Attribute
1	Hideki Kaneko	Representative Director, President and CEO	○	Reelection
2	Kozo Sukema	Director, Vice President and Co-COO	–	Reelection
3	Masataka Soda	Director, Vice President and Co-COO	–	Reelection
4	Keisuke Enosawa	Director and CFO	–	Reelection

Reelection: Candidate for reelection as director

* The Company has established a voluntary Nomination and Compensation Committee as an advisory committee to the Board of Directors in order to improve the transparency and objectivity of the deliberation process of regarding the election and dismissal of Directors and the compensation system. The Committee discussed the election and dismissal of Directors, their compensation and others in advance. The Board of Directors makes decisions with the utmost respect for the Committee's recommendations. The Committee consists of three or more of the Company's Directors, and more than half of the Committee members are Outside Directors.
(○ the Committee member, ◎ Chairperson of the Committee)

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
1	 Hideki Kaneko (September 1, 1963) Reelection	April 1987: Joined Arthur Andersen & Co. (currently Accenture Japan Ltd.) November 1990: Joined CATS Software Inc. November 1991: Joined Salomon Brothers Asia Ltd. (currently Citigroup Inc.) September 1997: Joined Simplex Risk Management (currently Simplex Inc.) August 2000: Representative Director and President, Simplex Inc. (present post)* April 2008: Director, Simplex U.S.A., Inc. (present post) June 2008: Representative Director and President, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.) (present post) December 2016: Founded the Company and appointed as Representative Director, President and CEO (present post) February 2017: Representative Director, Simplex Global Inc. May 2017: Director, Money Design Co., Ltd. (present post) June 2017: Director, Simplex Global Inc. (present post) March 2019: Founded Deep Percept Inc. and appointed as Representative Director, Chairman June 2021: Representative Director, Chairman and President, Deep Percept Inc. (present post)* (Years in office as Director) 5 years and 6 months (Attendance in meetings of the Board of Directors) 14/14 meetings (Reasons for selection as a candidate for Director) Mr. Hideki Kaneko is selected as a candidate for Director because he has been responsible for the management of the Group as Representative Director and President since 2000 and has promoted the formulation and implementation of management strategies for many years. Therefore, we believe that he will continue to promote the business of the Group and contribute to enhancing the corporate value.	11,226,900 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
2	 Kozo Sukema (July 29, 1972) Reelection	April 1996: Joined Andersen Consulting (currently Accenture Japan Ltd.) November 1999: Joined ACCESS Co., Ltd. June 2003: Joined Accenture Japan Ltd. January 2005: Joined USEN Corporation August 2008: Joined Simplex Technology, Inc. (currently Simplex Inc.) January 2014: Senior managing officer, Simplex Inc. December 2016: Senior managing director, Simplex Inc. January 2017: Senior managing director, the Company June 2018: Director, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.) April 2020: Director and Vice President, Simplex Inc. (present post)*; Director, Deep Percept Inc. (present post)* March 2021: Director, Vice President and Co-COO, the Company (present post) (Years in office as Director) 1 year and 3 months (Attendance in meetings of the Board of Directors) 14/14 meetings (Reasons for selection as a candidate for Director) Mr. Kozo Sukema is selected as a candidate for Director because he has extensive business execution experience and achievements in a wide range of business areas as Co-COO, and has contributed to the expansion of the Group through deep diving into customers. Therefore, we believe that he will continue to contribute to enhancing the corporate value of the Group.	227,925 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
3	 Masataka Soda (October 30, 1978) Reelection	September 2002: Joined Accenture Japan Ltd. May 2007: Joined Simplex Technology, Inc. (currently Simplex Inc.) October 2007: Joined Accenture Japan Ltd. March 2011: Joined Simplex Consulting, Inc. (currently Simplex Inc.). June 2017: Senior managing director, Simplex Inc.; Director, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.) March 2019: Director, Deep Percept Inc. (present post)* April 2020: Director and Vice President, Simplex Inc. (present post)* February 2021: Representative Director and President, Xspear Consulting, Inc. (present post)* March 2021: Director, Vice President and Co-COO, the Company (present post) (Years in office as Director) 1 year and 3 months (Attendance in meetings of the Board of Directors) 14/14 meetings (Reasons for selection as a candidate for Director) Mr. Masataka Soda is selected as a candidate for Director because he has contributed to acquiring new customers in a wide range of business areas as Co-COO, including the promotion of the new businesses launch as Representative Director and President of Xspear Consulting, Inc. Therefore, we believe that he will continue to contribute to enhancing the corporate value of the Group.	105,000 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
4	 Keisuke Enosawa (September 1, 1983) Reelection	April 2007: Joined Simplex Technology, Inc. (currently Simplex Inc.) January 2017: Transferred to the Company March 2019: Statutory Auditor, Deep Percept Inc. March 2021: Director and CFO, the Company (present post) (Years in office as Director) 1 year and 3 months (Attendance in meetings of the Board of Directors) 14/14 meetings (Reasons for selection as a candidate for Director) Mr. Keisuke Enosawa is selected as a candidate for Director because he has extensive business execution experience and achievements in the corporate division as CFO, and has contributed to strengthening governance and improving organizational capabilities. Therefore, we believe that he will continue to contribute to the sustained growth of the Group by leveraging such experience and knowledge.	78,200 shares

Notes:

1. Each candidate has no special interest in the Company.
2. An asterisk (*) indicates important concurrent positions held in other organizations.
3. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph (1) of the Companies Act. This insurance agreement covers compensation for damages and other losses of the insured persons, including the Company's Directors. If each candidate is elected and assumes office as a Director, he will be the insured person under the insurance agreement. The insurance agreement is scheduled to be renewed at the next renewal. Please refer to Business Report “3. Status of Officers (3) Outline of Directors and Officers Liability Insurance Agreement” for the outline of the content of such agreement.

Third Proposal: Election of Four (4) Directors Who Are Audit and Supervisory Committee Members

The terms of office of Mr. Ryozo Akiyama, Mr. Noriyuki Ogasawara, Mr. Kenji Kotera and Mr.Toshio Chujo as Directors Who Are Audit and Supervisory Committee Members will expire at the close of this Annual Shareholders Meeting.

Therefore, it is proposed that four (4) Directors who are Audit and Supervisory Committee Members be elected.

The Audit and Supervisory Committee has approved for this proposal.

The candidates for Directors Who Are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current position and responsibilities at the Company	Nomination and Compensation Committee Member*	Attribute
1	Ryozo Akiyama	Director (Audit and Supervisory Committee Member)	–	Reelection Outside Independent
2	Noriyuki Ogasawara	Director (Audit and Supervisory Committee Member)	◎	Reelection Outside Independent
3	Kenji Kotera	Director (Audit and Supervisory Committee Member)	○	Reelection Outside Independent
4	Yasuto Hamanishi	–	–	New election Outside Independent

New election: Candidate for new election as director
Reelection: Candidate for reelection as director
Outside: Candidate as outside director
Independent: Independent director who satisfies the requirements of independence stipulated by Tokyo Stock Exchange, Inc.

* The Company has established a voluntary Nomination and Compensation Committee as an advisory committee to the Board of Directors in order to improve the transparency and objectivity of the deliberation process of regarding the election and dismissal of Directors and the compensation system. The Committee discussed the election and dismissal of Directors, their compensation and others in advance. The Board of Directors makes decisions with the utmost respect for the Committee's recommendations. The Committee consists of three or more of the Company's Directors, and more than half of the Committee members are Outside Directors.
(○ the Committee member, ◎ Chairperson of the Committee)

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
1	 Ryozo Akiyama (February 21, 1956) Reelection Outside Independent	April 1980: Joined Andersen Consulting (currently Accenture Japan Ltd.) February 2000: Representative Director, SunGard Systems Japan K.K. February 2001: Joined Arthur Andersen August 2004: Founded Elan Vital Ltd. and appointed as Representative Director and President (present post)* June 2014: Outside Director, Simplex Inc. December 2016: Outside Director, the Company March 2021: Outside Director (Audit and Supervisory Committee Member), the Company (present post) (Years in office as Director) Audit and Supervisory Committee Member: 1 year and 3months Outside Director: 5 years and 6 months (Attendance in meetings of the Board of Directors) 14/14 meetings (Reasons for selection as a candidate for Outside Director and a summary of expected roles) Mr. Ryozo Akiyama is selected as a candidate for Outside Director because he has a wealth of knowledge gained through his work experience at a major general consulting firm and his many years of experience as a representative director. Therefore, we expect that he will continue to leverage such knowledge to supervise and advise our directors on executing their duties from a professional perspective, particularly for developing our business strategies.	2,300 shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
2	 Noriyuki Ogasawara (July 15, 1951) Reelection Outside Independent	April 1976: Joined Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.) February 2002: Executive Officer, Nikko Cordial Corporation (currently SMBC Nikko Securities Inc.) February 2004: President and Representative Director, Nikko Beans, Inc. (currently Monex, Inc.) August 2004: Chairman and Representative Director of Monex Beans Holdings, Inc. (currently Monex Group, Inc.), February 2005: Representative Director and Vice President, Nikko Cordial Securities Inc. (currently SMBC Nikko Securities Inc.) February 2007: Executive Vice President, Nikko Cordial Corporation (currently SMBC Nikko Securities Inc.) August 2008: Director and Vice President, Nikko Citi Holdings, Inc. (currently Citigroup Japan Holdings Corp.) April 2011: Chairman and Representative Director, Nikko Systems Solutions, Ltd. April 2012: Member of the board of directors, Nikko Systems Solutions, Ltd. June 2012: Auditor, Simplex Holdings, Inc. (currently Simplex Inc.) (present post)*; Director and Chairman, Simplex Asset Management Co., Ltd. (present post)* December 2016: Auditor, the Company March 2021: Outside Director (Audit and Supervisory Committee Member), the Company (present post) June 2021: Outside Director, Japan Investment Corporation. (present post)* (Years in office as Director) 1 year and 3months (Attendance in meetings of the Board of Directors) 14/14 meetings	– shares

		(Reasons for selection as a candidate for Outside Director and a summary of expected roles) Mr. Noriyuki Ogasawara is selected as a candidate for Outside Director because he has abundant experience and extensive knowledge in corporate planning, human resources, and systems divisions of financial institutions, etc. Therefore, we expect that he will continue to leverage such knowledge to supervise and advise our directors on executing their duties from a professional perspective, particularly for management decision-making. If he is elected, he will be involved in the selection of the Company's director candidates and the determination of director compensation and others from an objective and neutral standpoint as a member of the Nomination and Compensation Committee.	

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
3	 Kenji Kotera (June 1, 1951) Reelection Outside Independent	December 1975: Joined Wells Fargo Bank, N.A. Tokyo Branch September 1981: Joined Touche Ross (currently Deloitte Touche Tohmatsu) June 1984: Founded D'Elarco Kotera Suzuki & Co. February 1989: Joined Touche Ross (currently Deloitte Touche Tohmatsu) and appointed as Audit Manager, May 1994: Audit Partner, Touche Ross (currently Deloitte Touche Tohmatsu), September 2000: General Manager, Vertex Standard Co., Ltd. (currently Vertex Standard LMR, Inc.) June 2001: Director, Vertex Standard Co., Ltd. (currently Vertex Standard LMR, Inc.) November 2004: Joined D3 Publisher Inc. January 2005: Director, D3 Publisher Inc. July 2008: Senior Managing Director, D3 Publisher Inc. June 2015: Advisor, D3 Publisher Inc. July 2019: Auditor, Simplex Business Solutions, Inc. (currently Xspear Consulting, Inc.) (present post)* June 2020: Auditor, the Company Auditor, Simplex Inc. (present post)* March 2021: Auditor, Deep Percept Inc. (present post)* Outside Director (Audit and Supervisory Committee Member), the Company (present post) (Years in office as Director) 1 year and 3months (Attendance in meetings of the Board of Directors) 14/14 meetings (Reasons for selection as a candidate for Outside Director and a summary of expected roles) Mr. Kenji Kotera is selected as a candidate for Outside Director because he has expertise and experience as a U.S. certified public accountant as well as his extensive work experience at auditing firms. Therefore, we expect that he will continue to leverage such knowledge to supervise and advise our directors on executing their duties from a professional perspective in strengthening the Company's auditing and supervision systems. If he is elected, he will be involved in the selection of the Company's director candidates and the determination of director compensation and others from an objective and neutral standpoint as a member of the Nomination and Compensation Committee.	– shares

Candidate No.	Name (Date of birth)	Resume, position and responsibilities at the Company	Number of shares of the Company owned
4	 Yasuto Hamanishi (October 11, 1959) New election Outside Independent	April 1984: Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.) April 2012: Executive Officer, Mizuho Securities Co., Ltd. April 2015: Managing Executive Officer, Mizuho Securities Co., Ltd. Managing Executive Officer, Mizuho Financial Group, Inc. April 2017: Senior Managing Executive Officer, Mizuho Securities Co., Ltd. April 2018: Outside Director, Mizuho Securities USA LLC April 2021: Deputy President and Executive Officer, Mizuho Securities Co., Ltd. April 2022: Officer, Mizuho Securities Co., Ltd. (present post) (Years in office as Director) – years (Attendance in meetings of the Board of Directors) –/– meetings (Reasons for selection as a candidate for Outside Director and a summary of expected roles) Mr. Yasuto Hamanishi is selected as a candidate for Outside Director because he has many years of experience and insight in financial institutions, including his experience as the head of the global investment banking division. Therefore, we expect that he will continue to leverage such knowledge to supervise and advise our directors on executing their duties from a higher perspective of the Group, including overseas operations.	– shares

Notes:

1. Each candidate has no special interest in the Company.
2. Marked as * in the Resume, position and responsibilities at the Company of each candidate is indicated the significant concurrent positions.
3. Mr. Ryozo Akiyama, Mr. Noriyuki Ogasawara, Mr. Kenji Kotera and Mr. Yasuto Hamanishi are candidates for Outside Directors.
4. If the election of Mr. Yasuto Hamanishi is approved, he will assume office effective July 1, 2022.
5. Mr. Ryozo Akiyama, Mr. Noriyuki Ogasawara and Mr. Kenji Kotera are currently the Company Outside Directors Who Are Audit and Supervisory Committee Members. Their term of office as the Company Outside Directors Who Are Audit and Supervisory Committee Members will be one (1) year and three (3) months at the conclusion of this Annual Shareholders Meeting. Mr. Ryozo Akiyama was previously the Company officer (Outside Director) who was not an executive officer. Including the previous term of office, as the Company Outside Directors Who Is Audit and Supervisory Committee Member will be Five (5) year and six (6) months at the conclusion of this Annual Shareholders Meeting. Mr. Noriyuki Ogasawara and Mr. Kenji Kotera were previously the Company officers (Auditors) who were not executive officers.
6. Pursuant to Article 427, Paragraph (1) of the Companies Act, the Company has entered into an agreement with Mr. Ryozo Akiyama, Mr. Noriyuki Ogasawara and Mr. Kenji Kotera to limit their liability for damages under Article 423, Paragraph (1) of the Companies Act. The maximum amount of liability for damages under the said agreement is the minimum liability amount provided in Article 425, Paragraph (1) of the Companies Act. If the reelection of each director is approved, the Company will maintain such agreements with each director. If the election of Mr. Yasuto Hamanishi is approved, the Company will enter into a liability limitation agreement with him having the same condition.
7. The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph (1) of the Companies Act. This insurance agreement covers compensation for damages and other losses of the insured persons, including the Company's Directors. If each candidate is elected and assumes office as a Director, he will be the insured person under the insurance agreement. The insurance agreement is scheduled to be renewed at the next renewal. Please refer to Business Report "3. Status of Officers (3) Outline of Directors and Officers Liability Insurance Agreement" for the outline of the content of such agreement.
8. The Company has designated Mr. Ryozo Akiyama, Mr. Noriyuki Ogasawara and Mr. Kenji Kotera as Independent Directors as stipulated by the Tokyo Stock Exchange, Inc. and has registered them with the Exchange. If the reelection of each of them is approved, they will continue to be Independent Directors. Mr. Yasuto Hamanishi also satisfies the requirements for an Independent Director as stipulated by the Tokyo Stock Exchange, Inc. If his election is approved, the Company will designate him as an Independent Director. The Company determines the independence of Independent Outside Directors under the qualification requirements for independence as stipulated by the Tokyo Stock Exchange, Inc. In selecting Independent Outside Directors, the Company strives to select candidates who have a high level of expertise, extensive experience, and knowledge and achievements of management in general, and who can contribute to the sustained growth of the Group and the enhancement of corporate value over the medium- to long-term through constructive discussions at meetings of the Board of Directors and other.

(Reference) Skills Matrix for the Candidates for Directors

If Second Proposal and Third Proposal are approved as originally proposed, each director's main skill will be as follows:

Name	Current position at the Company		Corporate management	IT / Technology	Finance / Accounting	Internationality	Human resources / Human development	Legal / Compliance
Hideki Kaneko	Reelection	Representative Director, President and CEO	•	•		•	•	
Kozo Sukema .	Reelection	Director, Vice President and Co-COO	•	•			•	
Masataka Soda	Reelection	Director, Vice President and Co-COO	•	•			•	
Keisuke Enosawa	Reelection	Director and CFO	•		•			•
Ryozo Akiyama	Reelection Outside Independent	Director (Audit and Supervisory Committee Member)	•	•		•		
Noriyuki Ogasawara	Reelection Outside Independent	Director (Audit and Supervisory Committee Member)	•				•	•
Kenji Kotera	Reelection Outside Independent	Director (Audit and Supervisory Committee Member)	•		•	•		•
Yasuto Hamanishi	New election Outside Independent	–	•		•	•		
Naoto Hirota	Present Outside Independent	Director (Audit and Supervisory Committee Member)	•			•		•

New election: New Director　　Reelection: Director to be reelected
Present: Present Director　　Outside: Outside Director
Independent: Independent Officer who meets the qualification requirements for independence as stipulated by the Tokyo Stock Exchange

Business Report (from April 1, 2021 to March 31, 2022)

1. Matters concerning Present State of the Simplex Group (Corporate Group)

Summary of Key Performance Indicators

		FY3/2021	FY3/2022 (Current fiscal year)	YoY	
				Change	Change (%)
Revenue	(Millions of yen)	27,532	30,579	3,047	11.1
Gross profit	(Millions of yen)	10,757	13,016	2,259	21.0
Operating profit	(Millions of yen)	4,510	6,362	1,852	41.1
Profit	(Millions of yen)	2,974	4,205	1,231	41.4
Profit attributable to owners of parent	(Millions of yen)	2,984	4,204	1,220	40.9
Total assets	(Millions of yen)	61,678	66,934	5,256	8.5
Total equity	(Millions of yen)	31,462	37,294	5,832	18.5
Basic earnings per share (Notes 1 and 2)	(Yen)	61.80	83.06	21.26	34.4
Equity attributable to owners of parent per share (Notes 1 and 3)	(Yen)	651.40	671.83	20.43	3.1
Dividend per share (of which interim dividend per share)	(Yen)	— (—)	23.00 (—)	23.00	—
EBITDA (Note 4)	(Millions of yen)	5,530	7,342	1,811	32.8

Notes
1. In accordance with a resolution of the Board of Directors' meeting held on June 24, 2021, the Company conducted a 100-for-1 stock split of ordinary shares effective on July 10, 2021. Basic earnings per share and equity attributable to owners of parent per share were calculated based on the assumption that the stock split had been conducted at the beginning of the fiscal year ended March 31, 2021.
2. Basic earnings per share is calculated based on the average number of shares outstanding during the period (less treasury shares).
   As of March 31, 2021: 48,291,800 shares As of March 31, 2022: 50,618,831 shares
3. Equity attributable to owners of parent per share is calculated based on the shares issued at the end of period (less treasury shares)
   As of March 31, 2021: 48,291,800 shares As of March 31, 2022: 55,511,437 shares
4. EBITDA = Operating profit + Depreciation and amortization + Amortization of identifiable assets

(1) Overview and Results of Operations

Matters worthy of note with respect to earnings for the fiscal year ended March 31, 2022 (the current fiscal year) are summarized as follows:

i) Revenue significantly increased year-on-year to achieve the record high of 30,579 million yen (up 11.1% from 27,532 million yen for the previous fiscal year). This was driven mainly by strong sales from System Integration and new contracts won by Strategy/DX Consulting.

Gross profit increased markedly year-on-year to 13,016 million yen (up 21.0% from 10,757 million yen for the previous fiscal year) with the gross profit margin of 42.6% (compared with 39.1% for the previous fiscal year), backed primarily by the improved profit margin in System Integration.

Selling, general and administrative expenses increased year-on-year to 5,209 million yen (up 29.9% from 4,011 million yen for the previous fiscal year) due primarily to more active recruiting efforts, enhanced talent development initiatives, and strengthened sales activities for winning Strategy/DX Consulting contracts besides the recognition of listing expenses of 157 million yen. By contrast, research and development expenses decreased year-on-year to 1,241 million yen (down 34.1% from 1,883 million yen for the previous fiscal year).

In addition, we recognized 446 million yen in amortization of identifiable assets (unchanged year-on-year), 303 million yen in other income, and 60 million yen in other expenses.

As a result, operating profit amounted to 6,362 million yen (up 41.1% from 4,510 million yen for the previous fiscal year), and the operating profit margin came in at 20.8% (compared with 16.4% for the previous fiscal year). Profit before tax increased significantly year-on-year to 6,191 million yen (up 43.2% from 4,324 million yen for the previous fiscal year), with 7 million yen and 178 million yen recognized as finance income and finance costs, respectively.

Income tax expense amounted to 1,986 million yen (compared with 1,350 million yen for the previous fiscal year) and profit attributable to owners of parent significantly increased year-on-year to 4,204 million yen (up 40.9% from 2,984 million yen for the previous fiscal year).

ii) By service category, Strategy/DX Consulting, launched in full scale during the current fiscal year, has performed very strongly, generating revenue of 1,094 million yen with the gross profit margin of 45.8%.

Revenue from System Integration amounted to 19,085 million yen (compared with 17,657 million yen for the previous fiscal year) with the gross profit margin of 43.3% (compared with 37.6% for the previous fiscal year), both having significantly exceeded the results for the previous fiscal year.

Revenue from Operation Service increased year-on-year to 10,372 million yen (compared with 9,867 million yen for the previous fiscal year), but the gross profit margin was 40.8%, which was largely the same as 41.7% for the previous fiscal year.

(Reference)

Breakdown of revenue by service category

(Millions of yen, unless otherwise indicated)

	FY3/2021			FY3/2022 (Consolidated fiscal year under review)			
	Revenue	Percentage of total revenue (%)	Gross profit margin (%)	Revenue	Percentage of total revenue (%)	Gross profit margin (%)	YoY change
Strategy / DX Consulting	—	—	—	1,094	3.6	45.8	1,094
System Integration	17,657	64.1	37.6	19,085	62.4	43.3	1,428
Operation Service	9,867	35.8	41.7	10,372	33.9	40.8	505
Other	8	0.0	100.0	28	0.1	100.0	20
Total	27,532	100.0	39.1	30,579	100.0	42.6	3,047

Note System Integration includes system engineering and other services.
Operation Service includes operation and maintenance, common interests services, and licensing.
Other consists primarily of the sale of goods, such as hardware and middleware.

Capital Expenditures

The Group made a capital investment of 313 million yen in the current fiscal year.

Financing of the Group

The Group has entered into commitment line agreements totaling 3,000 million yen with two financial institutions and overdraft agreements totaling 5,000 million yen with four financial institutions in order to raise working capital safely and efficiently.

(2) Assets, Profits and Losses for the Three Most Recent Fiscal Years

Assets, Profits and Losses of the Corporate Group

Items		FY3/2019	FY3/2020	FY3/2021	FY3/2022 (Current fiscal year)
Revenue	(Millions of yen)	23,700	25,508	27,532	30,579
Operating profit	(Millions of yen)	2,223	1,222	4,510	6,362
Profit	(Millions of yen)	1,357	749	2,974	4,205
Basic earnings per share (Note)	(Yen)	28.46	15.78	61.80	83.06
Total assets	(Millions of yen)	59,589	61,768	61,678	66,934
Total equity	(Millions of yen)	28,610	29,279	31,462	37,294

Note In accordance with a resolution of the Board of Directors' meeting held on June 24, 2021, the Company conducted a 100-for-1 stock split of ordinary shares effective on July 10, 2021. Basic earnings per share was calculated based on the assumption that the stock split had been conducted at the beginning of the fiscal year ended March 31, 2019.
Basic earnings per share is calculated based on the average number of shares outstanding during the period.

(3) Principal Parent Company and Subsidiaries

i) Parent company
Not applicable.

ii) Principal subsidiaries

Name of subsidiary	Issued capital (Millions of yen)	Percentage of voting rights directly or indirectly held by the Company (%)	Main business
Simplex Inc.	4,750	100.0	Consulting service, system development, operations and maintenance
Xspear Consulting, Inc.	20	100.0	Consulting services focused on strategy/DX
Deep Percept Inc.	200	100.0	AI consulting service, system development
Simplex Global Inc. (U.S.)	11	100.0	Consulting services for foreign companies
Simplex U.S.A., Inc. (U.S.)	21	100.0	Marketing for U.S. market, R&D
Simplex Consulting Hong Kong, Limited (Hong Kong, PRC)	6	100.0	Consulting service for Japanese companies aiming to enter into Asian market, system development, operations and maintenance

(4) Issues to be Addressed

The Group believes that it has achieved a strong position as a top brand in Japan in Financial Frontier areas (Note 1), which has led to sustained growth of the Group. Meanwhile, looking at the current climate, Digital Transformation (DX), which fully utilizes state of the art technology to reform business models themselves, is a top priority in every industry. Given this trend, we make it a priority to broaden our strategic focus beyond Financial Frontier areas to encompass all business areas, while at the same time further deep diving into new and existing business domains. We believe that addressing these issues will enable us to respond appropriately to changes in the market environment and client needs, and simultaneously, lead to further growth of the Group. To this end, it is critical to secure and retain top talent, the source of our competitiveness. Towards resolving these issues, the Group has formulated key strategies as follows.

Note 1:
We define Financial Frontier Areas as areas in which we assist financial institution clients to incorporate technology into their business, including their front-office (profit-earning) operations such as trading and risk management operations. The principal clients operate in the banking, securities, and online securities industries.

i) Business domain expansion

The number of clients has steadily increased with our proactive sales consulting efforts implemented in recent years. In order to further promote this initiative during the period of the medium-term business plan, we will proceed with the following strategies.

(Domain expansion by strategy/DX consulting)

To pursue domain expansion, we are actively expanding to provide strategic/DX consulting services from clients' business perspectives and entering into whole new business domains. We assist clients in various non-financial industries, such as government, retail and distribution, construction, and manufacturing. In addition, we are actively seeking orders from financial

institutions (existing clients) for consulting projects that are not related to system development as in the past, aiming to win DX projects in areas where the Group has not been involved in before. Specifically, our wholly owned subsidiary, Xspear Consulting, Inc. that started operations in April 2021 plays a central role in our strategic and DX consulting services. We are proactively expanding the unit, and highly skilled professionals with excellent track records at top-tier consulting firms are joining us. In this way, we are working to enter into new domains for the Group as a whole by promoting consulting offerings in the sectors including government, retail and distribution, construction, and manufacturing.

(Increase the number of our clients)
Along with the expansion of business domains in recent years, we have increased the total number of clients from 43 in the fiscal year ended March 31, 2017 to 89 in the fiscal year ended March 31, 2022. We will further promote this initiative during the period of the medium-term business plan.

ii) Deep dive into business domains
With its efforts to deep dive into business domains by leveraging the Simplex Way (Note 2), the Group has seen steady growth in revenue per client. In order to further promote this initiative during the period of the medium-term business plan, we will proceed with the following strategies.

Note 2:
The Simplex Way is a word coined by the Simplex Group. It refers to a business model in which a project team formed by hybrid talent proficient in both business and technology is responsible in all aspects from consulting, design through to system development, operation and maintenance, and provides comprehensive technology solutions with full cycle coverage and direct client engagement.

(Pursue steady growth in Financial Frontier Areas)
In recent years, the Financial Frontier Areas, where the Group has established a position as a top brand in Japan, also has seen increasing demand for Digital Transformation (DX), which fully utilizes state of the art technology to reform business models themselves. In the areas, we aim for steady growth by providing even higher value-added services as a DX partner for financial institutions. Specifically, we will focus on increasing our consulting sales efforts targeting banks, securities firms, and online securities firms seeking to invest in technology, including providing support that meets current needs, such as operational integration among banks and securities firms, and developing and providing new trading platforms compatible with AI and cloud technology.

(Promote measures to deep dive into new domains)
Since going private in October 2013, the Group has implemented the Simplex Way to promote its business operations. As a result, the Group has become confident that through this approach, it can achieve strong positions in a number of areas in addition to Financial Frontier areas, and that over and over again. Based on its track record in newly entered business areas, the Group will promote strategies aimed at achieving high profitability in domains with high barriers to entry by adhering to the Simplex Way and leveraging its abundant experience and expertise in Financial Frontier Areas, where the Group has aggressively introduced new technologies ahead of other industries. In this way, the Group will deep dive into the targeted areas. Specifically, we will work to expand our offerings of solutions for life and non-life insurance companies covering entire range of common insurance industry tasks regardless of the type of insurance, and promote demonstration tests of blockchain technology with a view to future replacement of clients' core systems.

(Drive growth in revenue per client)
With its efforts to deep dive into business domains, the Group has seen steady growth in revenue per client counted based on contracts with all group companies. Specifically, in the fiscal year ended March 31, 2017, annual revenue per client was in the range of 1 to 2 billion yen at most, and revenue generated from clients in this range was 11,272 million yen, or about 57% of total

revenue, whereas in the fiscal year ending March 31, 2022, revenue from clients with annual revenue of 1 to 2 billion was 8,087 million yen, or about 26% of total revenue, and revenue from clients with annual revenue of 2 billion yen or more was 10,140 million yen or about 33% of total revenue. As this indicates, we have been steadily deep diving into our business domains. We will further promote this initiative during the period of the medium-term business plan.

iii) Hire and foster professional talent

One of the key management resources in the Group's business is human resources. Our challenge, and at the same time one of our key strategic priorities is to secure and retain hybrid talent with strong skills in both business and technology to meet the demands of our clients. In order to further promote this initiative during the period of the medium-term business plan, we will proceed with the following strategies.

(Further focus on hiring talent with high potential as businesspeople)

The Group has focused on hiring new graduates by our applicants' core abilities and potential as businesspeople since around 2002. Specifically, the number of new graduates hired in the fiscal year ended March 31, 2022 and in the fiscal year ending March 31, 2023 was 113 and 207, respectively, showing a steady increase. We will strengthen recruitment activities more than ever, with a target of around 250 new graduates to hire for the fiscal year ending March 31, 2024, the final year of the medium-term business plan.

We will also strengthen recruitment of mid-career hires. Specifically, the number of mid-career hires for the fiscal year ended March 31, 2021 was 31 for the group as a whole, and the number significantly increased to 85 for the fiscal year ended March 31, 2022. We have set the target number of hires for the fiscal year ending March 31, 2023 at around 100.

With a hiring policy that is blind to nationality, age, gender, and work history, we will continue to strengthen our recruiting activities more than ever for talent who will engage in DX for our client companies to secure talent who will contribute to the Company's growth.

(Hire and foster talent who are strong in specialized areas)

To expand and deep dive into our business domains, we will work to stay at the cutting-edge of technology indispensable for DX, such as AI, blockchain, and cloud computing. We will strengthen mid-career hires and foster talent who are strong in specialized areas, by reinforcing the "competency system" under which competency leaders selected for each key technology are directly or indirectly involved in each project.

(Improve talent retention measures)

In addition to our recruiting efforts to secure talent, we strive to improve our employee retention rate by improving and implementing retention measures. We aim to improve our employee retention with the aim of reducing our turnover rate through various measures, including provision of environmental support and system development to support the realization of career plans that fit individual work styles while giving both job satisfaction and ease of work, provision of further training opportunities and development of such system, and measures to improve labor's share of corporate profit

(5) Principal Businesses (as of March 31, 2022)

The Group, which consists of the Company and six consolidated subsidiaries, is mainly engaged in providing IT solutions related to system consulting, system development, and system operation and maintenance for success of our clients.

Since its establishment in 1997, Simplex Inc., the nucleus of the Group, has developed its business as a technology partner of clients including Japan's leading banks, securities firms and online securities firms, and has continued to grow strongly to achieve a position as a top brand in Japan in Financial Frontier areas. Currently, we are expanding our business areas from Financial Frontier areas to the Cross Frontier Domain, gaining a strong presence in the various areas such as life insurance and non-life insurance, in addition to Financial Frontier areas. We offer high value-added services to a wider client base than financial institutions, leveraging key technological capabilities such as AI and cloud technology that we accumulated in the Financial Frontier areas.

Some of the major products and solutions in each domain are as follows. In the Financial Frontier areas, we offer products and services such as SimplexPRISM, designed to meet the needs of institutional investors executing asset management tasks, and SimplexFX, a foreign exchange margin trading solution with an advanced algorithmic trading engine that helps financial institutions enhance profitability. Other products and services we offer include, in the cryptoassets domain, SimplexCryptoCurrency, a comprehensive solution for cryptoasset that utilizes blockchain technology, and in the life and non-life insurance domain, Simplex xInsurance, which covers the entire range of common insurance industry tasks.

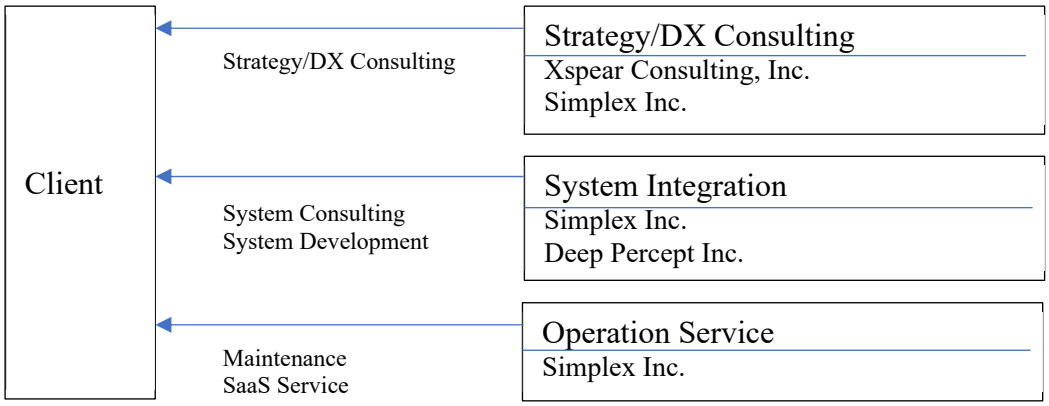
In addition, Xspear Consulting Inc., launched in April 2021, provides strategy and DX consulting services to a diverse range of non-financial industries, including government, retail and distribution, construction, and manufacturing.

Since the Group operates in a single segment that focuses on the provision of IT solutions, segment information is not provided. For reference, the features of the Group's main services by category are summarized as below.

Service category		Service features
Strategy/DX Consulting		We deliver strategic proposals and tactical support based on the latest technology stack, such as AI, IoT, Blockchain, RPA, UI/UX design, and Cloud. We customize strategic consulting services to fit various office levels from C-level to business planning divisions. The services include forming management strategy, business strategy formulation, organizational reform, and business process transformation.
System Integration		We provide system consulting service and system development support to clients in a wide range of industries, as the Group's primary service.
	System Consulting	Our professionals are proficient in both business and technology, and work closely with our clients to develop and support strategic IT planning and systems specifications from a management perspective. We look at the overall scope of the systems deployment from the clients' business perspective, and at the same time, consider how the system can be refined later after the system is deployed.
	System Development	In our Systems Development service, the team of professionals involved in the systems consulting phase will continue to oversee the actual development. When appropriate, we use the Simplex Library (note), a collection of the Group's know-how, which we keep improving over time in order to optimize the development cycle, and at the same time, to secure the robustness and stability of the resulting system. With this efficiency, we can offer high value-added solutions.
Operation Service		We provide maintenance and SaaS services after system launch to almost all clients to whom we have provided system development support.
	Maintenance	Our teams always have long-term partnership with our clients in mind. Not only are they involved from the consulting phase to the development phase, but they also monitor the system 24 hours a day 365 days a year standing by in case system troubles occur. We proactively prepare system improvement proposals after the system is deployed because they are key to success in DX projects.
	SaaS Service	We provide SaaS services for a wide range of clients. These services run on systems that we have built ourselves by utilizing the Simplex Library. Our SaaS services are hosted by cutting-edge IT and mainly support the financial industry. However, because they are so cutting edge, our SaaS services are also favored by non-financial firms wanting to enter financial services, as well as by financial institutions wanting to provide added financial services.
Other Service		We distribute products, mainly including hardware and middleware.

Note: The Group retains intellectual property rights for generally all systems we have developed for our clients. We preserve most common components from previously developed solutions in our internal repository for solutions for reapplication in future projects, which is called the "Simplex Library."

The matters described above are shown in the below business system diagram.



Note: Arrows indicate the main flow of services.

Glossary

AI	Abbreviation for Artificial Intelligence. It refers to software or systems that autonomously perform tasks such as recognition and judgment, similar to those performed by the human brain.
IoT	Abbreviation for Internet of Things. It refers to the connection of all physical devices to a network through the Internet, thanks to the development of communication technology and infrastructure.
RPA	Abbreviation for Robotic Process Automation. It refers to technology that automates business processes and tasks performed on computers in place of humans.
UI/UX	Abbreviation for User Interface/User Experience. The former refers to a set of interactive elements such as input and display methods when users using devices such as PCs and smartphones, while the latter refers to the user experience gained through services and other means.

(6) Principal Offices and Plants (as of March 31, 2022)

Tranomon Office (Head office)

Toranomon Hills Mori Tower, 1-23-1 Toranomon, Minato-ku, Tokyo

Atago Office

Atago Green Hills MORI Tower, 2-5-1 Atago, Minato-ku, Tokyo

(7) Employees (as of March 31, 2022)

Present State of the Corporate Group

Number of employees	Average age	Average years of service
842 (116) persons	32.3 years old	4.9 years

Note: The number of employees is the number of employees currently on duty (excluding individuals seconded from the Group to other companies and including individuals seconded to the Group from other outside companies). The yearly average number of temporary employees (including part-timers and temporary workers from staffing companies) is separately indicated in parentheses.

Present Status of the Company

Number of employees	Average age	Average years of service
77 (23) persons	35.8 years old	3.6 years

Note: The number of employees is the number of employees currently on duty (excluding individuals seconded from the Company to other companies and including individuals seconded to the Company from other outside companies). The yearly average number of temporary employees (including part-timers and temporary workers from staffing companies) is separately indicated in parentheses.

(8) Principal Lenders (as of March 31, 2022)

Lender	Balance of borrowings
Syndicated loan	19,230 million yen

Note: The syndicated loan was cofinanced by four banks, Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, and Resona Bank, Ltd. with MUFG Bank, Ltd. as the arranger.

2. Matters Concerning Shares of the Company (as of March 31, 2022)

(1) Total number of shares authorized to be issued by the Company: 114,704,000 shares
(2) Total number of issued shares: 55,511,550 shares
(3) Number of shareholders: 6,879
(4) Principal shareholders

Name of shareholder	Number of shares held	Percentage of shares held
Hideki Kaneko	11,226,900 shares	20.2%
Mitsuru Igarashi	5,619,800 shares	10.1%
The Master Trust Bank of Japan, Ltd. (trust account)	5,239,600 shares	9.4%
Yasuhito Fukui	2,598,400 shares	4.7%
Kenichi Tanaka	2,378,300 shares	4.3%
The Norinchukin Bank	2,377,500 shares	4.3%
Custody Bank of Japan, Ltd. (trust account)	2,333,500 shares	4.2%
Simplex Employee Stock Ownership Association	1,398,600 shares	2.5%
JP MORGAN CHASE BANK 385174	1,320,000 shares	2.4%
Karita & Company Inc.	1,310,600 shares	2.4%

Note: The percentage of shares held is calculated after deducting treasury shares (113 shares).

3. Status of Officers

(1) Directors (as of March 31, 2022)

Position in the Company outside the Company	Name	Significant concurrent positions
Representative Director and President CEO	Hideki Kaneko	Representative Director, President, Simplex Inc. Representative Director, Chairman and President, Deep Percept Inc.
Director and Vice President and Co-COO	Kozo Sukema	Director, Vice President, Simplex Inc. Director, Deep Percept Inc.
Director and Vice President and Co-COO	Masataka Soda	Director, Vice President, Simplex Inc. Representative Director and President, Xspear Consulting, Inc. Director, Deep Percept Inc.
Director and CFO	Keisuke Enosawa	—
Director (Audit and Supervisory Committee Member)	Ryozo Akiyama	Representative Director and President, Elan Vital Ltd.
Director (Audit and Supervisory Committee Member)	Noriyuki Ogasawara	Auditor, Simplex Inc. Director and Chairman, Simplex Asset Management Co., Ltd. Outside Director, Japan Investment Corporation
Director (Full-time Audit and Supervisory Committee Member)	Kenji Kotera	Auditor, Simplex Inc. Auditor, Xspear Consulting, Inc. Auditor, Deep Percept Inc.
Director (Full-time Audit and Supervisory Committee Member)	Toshio Chujo	Auditor, Simplex Inc.
Director (Audit and Supervisory Committee Member)	Naoto Hirota	Director and Chairman, Chitose Corporation

Notes
1: Directors (Audit and Supervisory Committee Members) Mr. Ryozo Akiyama, Mr. Noriyuki Ogasawara, Mr. Kenji Kotera, Mr. Toshio Chujo, and Mr. Naoto Hirota are Outside Directors.
2: The Company has designated Mr. Ryozo Akiyama, Mr. Noriyuki Ogasawara, Mr. Kenji Kotera, Mr. Toshio Chujo, and Mr. Naoto Hirota as independent officers pursuant to the provisions of the Tokyo Stock Exchange and has registered them as such at the exchange.
3: Director (Audit and Supervisory Committee Member) Mr. Kenji Kotera is a U.S. certified public accountant and has an extensive knowledge in finance and accounting.
4. Mr. Masahiko Motono resigned from his position as Director (Audit and Supervisory Committee Member) at the conclusion of the 5th Ordinary General Meeting of Shareholders held on June 24, 2021.
5. The Company has appointed Directors (Audit and Supervisory Committee Members) Mr. Kenji Kotera and Mr. Toshio Chujo as Full-time Audit and Supervisory Committee Members, with Mr. Kenji Kotera as Chairperson of the Committee, in order to improve audit effectiveness and audit and supervision functions through enhanced information gathering and sufficient coordination mainly with the internal audit division.

(2) Outline of Liability Limitation Agreement

The Company has entered into an agreement with each Director (Audit and Supervisory Committee Member) in accordance with the provisions of Article 427, Paragraph (1) of the Companies Act of Japan, to limit their liabilities for damages stipulated in Article 423, Paragraph (1) of the same Act. The maximum amount of liability for damages under such agreement shall be the minimum liability amount stipulated in Article 425, Paragraph (1) of the Companies Act if the Director (Audit and Supervisory Committee Member) performs his/her duties in good faith and without gross negligence.

(3) Outline of Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement with an insurance company as provided for in Article 430-3, Paragraph (1) of the Companies Act. The outline of the content of such agreement is as follows:

i) Scope of insured persons
All directors, executive officers, and auditors of the Company and of all the Company's subsidiaries.
ii) Outline of the contents of the insurance agreements

This insurance agreement covers compensation for damages and litigation costs to be borne by the insured persons in the event of claims made against them during the policy period for actions taken or inaction in their role as an officer of the Company, or any violation of laws and regulations or stock exchange rules concerning the purchase and sale, offer or solicitation of securities of the Company or registration of securities relating thereto. However, measures are taken so that the properness of the performance of duties by officers is not impaired by excluding the damages of officers themselves who illegally obtained personal benefits or favors, engaged in other criminal acts or intentionally committed illegal acts from the scope of compensation. The insurance premiums are all paid by the Company, thus essentially imposing no burden on the insured.

(4) Compensation, etc. of Directors

i) Total amount of compensation for the fiscal year under review

Category	Total amount of compensation (Millions of yen)	Number of applicable Directors (persons)
Directors (excluding Audit and Supervisory Committee Members)	501	4
(of which Outside Directors)	(－)	(0)
Directors (Audit and Supervisory Committee Members)	57	5
(of which Outside Directors)	(57)	(5)
Total	558	9
(of which Outside Directors)	(57)	(5)

Notes
1. Amounts are rounded to the nearest million yen.
2. The Extraordinary General Meeting of Shareholders held on March 17, 2021 resolved to set the maximum amount of compensation for Directors (excluding Audit and Supervisory Committee Members) at 900 million yen per year (excluding employee salaries for Directors who concurrently serve as employees). The number of Directors (excluding Audit and Supervisory Committee Members) was five (including no Outside Directors) as of the conclusion of the said General Meeting of Shareholders. The said meeting resolved to set the maximum amount of compensation for Directors (Audit and Supervisory Committee Members) at 100 million yen per year. The number of Directors (Audit and Supervisory Committee Members) was five (including five Outside Directors) as of the conclusion of the said General Meeting of Shareholders.

ii) Policy, etc. on determination of details of compensation for officers, etc.

At the Company, the Board of Directors resolves a policy on determining the details of compensation, etc. for individual Directors (excluding Audit and Supervisory Committee Members). At the said Board of Directors' meeting, details of such decision-making policy are resolved as originally proposed by the Nomination and Compensation Committee. The Board of Directors has determined that compensation, etc. for individual Directors (excluding Audit and Supervisory Committee Members) for the fiscal year under review is in line with the said decision-making policy, since it has confirmed that the method of determining the details of compensation, etc. and the details of compensation, etc. determined for each individual Director (excluding Audit and Supervisory Committee Member) are consistent with the policy resolved by the Board of Directors. The details of the policy for determining the details of compensation, etc. of individual Directors (excluding Audit and Supervisory Committee Members) are as follows.

All compensation, etc. of Directors (excluding Audit and Supervisory Committee Members) shall be paid as monetary compensation that is not linked to performance, in the form of monthly monetary compensation and bonuses, both of which are subject to a resolution of the Board of Directors. Performance-linked compensation, etc. and non-monetary compensation, etc. shall not be paid. The Nomination and Compensation Committee makes a draft decision on the amount of monthly monetary compensation, taking into consideration such factors as position,

responsibilities, years of service, and the degree of contribution of each Director, and the Company's performance. The Committee also makes a draft decision on monetary bonuses when it deems necessary to grant them from the viewpoint of providing appropriate incentives, after comprehensively considering the Company's performance and other factors. Bonuses in the form of monetary compensation shall be paid within three months after the end of the fiscal year.

(5) Matters concerning Outside Officers

Activities for the fiscal year under review

	Summary of attendance, statements made, and duties performed with respect to the role expected of an outside director
Director (Audit and Supervisory Committee Member) Ryozo Akiyama	He attended all 14 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He has a wealth of knowledge gained through his work experience at a major general consulting firm and his many years of experience as a representative director. He provides useful advice to ensure that the Company makes appropriate decisions when developing its business strategies. At meetings of the Board of Directors, he has made statements to ensure the adequacy and appropriateness of decision-making by the Board of Directors. At meetings of the Audit and Supervisory Committee, he has exchanged opinions on audits and made other statements as appropriate from a professional standpoint.
Director (Audit and Supervisory Committee Member) Noriyuki Ogasawara	He attended all 14 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He has many years of experience at financial institutions, etc. and extensive knowledge as a person with corporate experience, and has contributed to ensuring the soundness and appropriateness of management decision-making. At meetings of the Board of Directors, he has made statements to ensure the adequacy and appropriateness of decision-making by the Board of Directors. At meetings of the Audit and Supervisory Committee, he has exchanged opinions on audits and made other statements as appropriate from a professional standpoint. In addition, as the chairperson of the Nomination and Compensation Committee, he attended all two meetings of the Committee held during the fiscal year under review and led the supervisory function in the process of selecting candidate officers and determining compensation, etc. for officers of the Company from an objective and neutral standpoint.
Director (Audit and Supervisory Committee Member) Kenji Kotera	He attended all 14 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee held during the fiscal year under review. In addition to his expertise and experience as a U.S. certified public accountant, he has work experience at auditing firms and has contributed to strengthening the Company's auditing and supervision system. At meetings of the Board of Directors, he has made statements to ensure the adequacy and appropriateness of decision-making by the Board of Directors. At meetings of the Audit and Supervisory Committee, he has exchanged opinions on audits and made other statements as appropriate from a professional standpoint. In addition, as a member of the Nomination and Compensation Committee, he attended all two meetings of the Committee held during the fiscal year under review and performed a supervisory function in the process of selecting candidate officers and determining compensation, etc. for officers of the Company from an objective and neutral standpoint.

Director (Audit and Supervisory Committee Member) Toshio Chujo	He attended all 14 meetings of the Board of Directors and all 13 meetings of the Audit and Supervisory Committee held during the fiscal year under review. He has many years of experience at financial institutions, etc. and the insight gained therefrom, and has provided sufficient advice to ensure the soundness of corporate management. At meetings of the Board of Directors, he has made statements to ensure the adequacy and appropriateness of decision-making by the Board of Directors. At meetings of the Audit and Supervisory Committee, he has exchanged opinions on audits and made other statements as appropriate from a professional standpoint.
Director (Audit and Supervisory Committee Member) Naoto Hirota	He attended all 11 meetings of the Board of Directors and all 9 meetings of the Audit and Supervisory Committee held during the fiscal year under review since his appointment on July 1, 2021. He extensive experience in business execution and corporate management at financial institutions, etc., and the wide-ranging insight he has gained therefrom, which contributes to ensuring the soundness and appropriateness of corporate activities. At meetings of the Board of Directors, he has made statements to ensure the adequacy and appropriateness of decision-making by the Board of Directors. At meetings of the Audit and Supervisory Committee, he has exchanged opinions on audits and made other statements as appropriate from a professional standpoint.

4. Independent Auditor

(1) Name of Independent Auditor

Grant Thornton Taiyo LLC

(2) Amount of compensation, etc.

	Amount of compensation, etc.
Amount of compensation paid to Independent Auditor for the fiscal year under review	29 million yen
Total amount of cash and other material benefits payable to Independent Auditor by the Company and its subsidiaries:	47 million yen

Notes

1. The amount of compensations for auditing pursuant to the Companies Act and the amount of compensations for auditing pursuant to the Financial Instruments and Exchange Act are not divided in the Auditing Agreement concluded between the Company and the Independent Auditor. Also, it is practically impossible to state separately, so the amount stated in "Amount of compensation paid to Independent Auditor for the fiscal year under review" in the table above represents the total amount paid by the Company.
2. After having performed the necessary verification as to the appropriateness of matters such as the content of the Independent Auditor's audit plan, the status of performance of their duties, and the basis for the calculation of the estimated compensation for the independent auditor, based on the size and nature of the Company's business, the Audit and Supervisory Committee has consented to the amount of compensation, etc. to be paid to the Independent Auditor.

(3) Details of non-audit services

The Company has paid compensation to Grant Thornton Taiyo LLC for preparation of comfort letters in connection with its listing application.

(4) Policy on determination of dismissal or refusal of re-election of the Independent Auditor

In case of an impediment in the Independent Auditor's execution of their duties, lack of independence and qualification of the Independent Auditor as required by laws, or other such events that necessitate to dismiss or refuse to re-elect the Independent Auditor, the Audit and Supervisory Committee will decide the content of proposals on the dismissal or refusal of re-election of the Independent Auditor to be submitted to the General Meeting of Shareholders.

If the Audit and Supervisory Committee determines that the Independent Auditor falls under any event for dismissal provided for in Article 340, paragraph (1) of the Companies Act, it will dismiss the Independent Auditor with unanimous consent of the Audit and Supervisory Committee members.

5. Basic Policy on Internal Control Systems

The following is a summary of decisions made regarding the development of a system to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, as well as other systems to ensure the appropriateness of the Company's operations.

(1) System to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation

i) Directors and employees are constantly reminded that compliance with laws and regulations, the Articles of Incorporation and social ethics is a prerequisite for corporate activities.
ii) The Audit and Supervisory Committee verifies that the execution of duties by Directors complies with laws and regulations every fiscal year.

(2) System to store and manage information related to the execution of duties by Directors

Information related to the execution of duties by Directors (including information related to the conduct of employees) is recorded in documents or electromagnetic media, and is stored and managed appropriately in accordance with internal rules.

(3) Regulations and other systems for managing risk of loss

i) The Company has established organizational rules, segregation of duties rules, rules on administrative authority and other similar rules to clarify the responsibility structure and decision-making procedures, thereby managing risks in overall management.
ii) The Company has established risk management regulations and other rules to ensure that risks that may occur in its business operations are identified and detected early and that the extent of damage from such risks is prevented from expanding.
iii) In the event that risk materializes, the Company takes prompt action, headed by the Executive Committee, and put in place a system to prevent and minimize the spread of damage.

(4) System to ensure that Directors execute their duties efficiently

i) Executive Directors responsible for business execution are appointed by resolution of the Board of Directors. Executive Directors execute operations in accordance with the Company's policies determined by the Board of Directors and under the direction of Representative Directors.
ii) In order to ensure that Directors execute their duties efficiently, the Board of Directors meets at least once a month, and meets on an extraordinary basis whenever necessary, where important matters of the Company are resolved and Executive Directors report on the status of their duties.
iii) The Executive Committee, composed of Executive Directors, meets at least twice a month to make decisions on important matters related to the execution of operational matters. The authority of determining such matters is delegated to Representative Directors by the Board of Directors, thereby ensuring efficient decision-making.

(5) System to ensure the appropriateness of business operations in the corporate group

i) In order to ensure the appropriateness of business operations within the corporate group, the Company appropriately manages its subsidiaries and provides guidance and advice as necessary in accordance with the Regulations on Management of Affiliated Companies.
ii) The Company's Independent Auditor, the Audit and Supervisory Committee, and the Internal Audit Office conduct audits of subsidiaries as necessary.

(6) In the event the Audit and Supervisory Committee requests that employees be assigned to assist in their duties, matters related to the relevant employees, matters related to ensuring the effectiveness of the instructions given to such employees, and matters related to the independence of such employees from Directors (excluding Directors who are Audit and Supervisory Committee Members)
When the Audit and Supervisory Committee deems it necessary to have employees to assist their duties, the Company will assign such employees. In such cases, the Audit and Supervisory Committee gives instructions and orders to the employees, and the consent of the Audit and Supervisory Committee shall be obtained for the personnel changes, evaluations, decisions on disciplinary actions, etc. of said assistant employees

(7) System for Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees to report to the Audit and Supervisory Committee, other systems for reporting to the Audit and Supervisory Committee, and systems to ensure that reporters will not receive detrimental treatment because of such reporting

i) Directors (excluding Directors who are Audit and Supervisory Committee Members) and employees shall report to the Audit and Supervisory Committee on important matters that may affect the Company's business operations or financial performance each time they arise and on the following matters.
- Matters resolved by the Executive Committee
- Status of activities related to the establishment of internal control systems
- Details of matters subject to whistleblowing as stipulated in the Internal Reporting Regulations
- Other information related to meetings and minutes requested by the Audit and Supervisory Committee

ii) The Company has established the Internal Reporting Regulations to ensure an appropriate mechanism for reporting to the Company and its subsidiaries about violations of laws and misconduct observed. The regulations stipulate that the whistleblower shall not be treated disadvantageously for such reporting or reporting to the Audit and Supervisory Committee.

(8) Matters concerning procedures for prepayment or reimbursement of expenses arising from the execution of duties by Audit and Supervisory Committee members (limited to those related to the execution of duties of the Audit and Supervisory Committee), policy related to the handling of expenses or liabilities arising from the execution of other related duties, and other systems to ensure that audits by the Audit and Supervisory Committee are conducted effectively

i) The Audit and Supervisory Committee regularly exchanges information and opinions with Representative Directors and the Internal Audit Office.
ii) Audit and Supervisory Committee members may attend all important meetings when deemed necessary by the Audit and Supervisory Committee.
iii) The Company shall promptly pay expenses necessary for the execution of duties by Audit and Supervisory Committee members (limited to those related to the execution of duties of the Audit and Supervisory Committee), upon request by any of such members.

(9) System for eliminating antisocial forces

i) The Company, at the organizational level, takes a firm stance against antisocial forces that threaten social order and sound corporate activities, in accordance with the Rules for Elimination of Antisocial Forces.
ii) In the event of unreasonable demands by antisocial forces, the Company will immediately deal with such demands in cooperation with the police and other relevant organizations.

(10) System to ensure the reliability of financial reporting

The Company strives to develop, maintain, and improve a system to effectively implement internal control over financial reporting.

(**Outline of the Operational Status of Internal Control System**)

(1) System to ensure that Directors execute their duties efficiently

The Company has established the Regulations of the Board of Directors to clarify matters to be resolved by the Board of Directors and to ensure that Directors act in accordance with laws, regulations, and the Articles of Incorporation. During the fiscal year under review, the Board of Directors met 14 times to discuss each agenda item, monitor the status of business execution, and actively exchange opinions, and therefore, the Company believes that the effectiveness of decision-making and supervision of business execution is ensured.
In addition, in accordance with the Regulations on Administrative Authority, the Company has established the Executive Committee consisting of Executive Directors to deliberate and examine important management matters for which the authority to make decisions is delegated to Representative Directors by the Board of Directors. The Executive Committee met 25 times during the fiscal year under review to speed up decision-making.

(2) Regulations and other systems for managing risk of loss

Information security risk is considered to be among the highest risks of loss. The Company has established a basic policy for information security and other information system-related regulations, and conducts periodic risk assessments from the viewpoint of confidentiality, integrity, and availability.

(3) System for eliminating antisocial forces

The Company incorporates provisions regarding the elimination of antisocial forces in its contracts with business partners, etc., and continuously exchanges information with its legal advisors regarding its response to antisocial forces.

6. Policy on Determination of Dividends from Surplus, etc.

The Company's basic policy on the distribution of dividends of surplus is to constantly pay stable dividends while securing internal reserves necessary for further developing its business in the future and strengthening its management culture. The Company plans to pay dividends with a target dividend payout ratio of 30% of profit attributable to owners of parent.

Based on the above policy, the Company decided to pay 23 yen per share as the year-end dividend for the fiscal year ended March 31, 2022.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Millions of yen)

	(Reference) Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	8,068	13,966
Trade and other receivables	6,297	5,743
Inventories	7	8
Other current assets	550	913
Total current assets	14,921	20,630
Non-current assets		
Property, plant and equipment	1,456	1,325
Right-of-use assets	3,269	2,660
Goodwill	36,476	36,476
Intangible assets	1,726	1,158
Other financial assets	2,562	3,466
Deferred tax assets	993	910
Other non-current assets	274	309
Total non-current assets	46,756	46,304
Total assets	61,678	66,934
Liabilities		
Current liabilities		
Trade and other payables	1,708	2,278
Borrowings	1,140	1,140
Lease liabilities	1,193	1,407
Other financial liabilities	1	1
Income taxes payable	1,085	1,485
Provisions	2,675	2,921
Other current liabilities	1,110	1,014
Total current liabilities	8,912	10,246
Non-current liabilities		
Borrowings	19,034	17,947
Lease liabilities	2,042	1,182
Provisions	223	264
Deferred tax liabilities	4	–
Total non-current liabilities	21,304	19,394
Total liabilities	30,216	29,640
Equity		
Share capital	285	814
Capital surplus	25,833	26,622
Retained earnings	5,227	9,431
Treasury shares	–	(0)
Other components of equity	112	427
Total equity attributable to owners of parent	31,457	37,294
Non-controlling interests	5	–
Total equity	31,462	37,294
Total liabilities and equity	61,678	66,934

Note: Amounts less than a million yen are rounded off to the nearest million yen.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Millions of yen)

	(Reference) Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Revenue	27,532	30,579
Cost of sales	(16,775)	(17,563)
Gross profit	10,757	13,016
Amortization of identifiable assets	(446)	(446)
Selling, general and administrative expenses	(4,011)	(5,209)
Research and development expenses	(1,883)	(1,241)
Other income	135	303
Other expenses	(42)	(60)
Operating profit	4,510	6,362
Finance income	7	7
Finance costs	(192)	(178)
Profit before tax	4,324	6,191
Income tax expense	(1,350)	(1,986)
Profit	2,974	4,205
Profit attributable to:		
Owners of parent	2,984	4,204
Non-controlling interests	(10)	0
Profit	2,974	4,205

Note: Amounts less than a million yen are rounded off to the nearest million yen.

NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

	(Reference) Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	1,612	3,780
Prepaid expenses	7	61
Income taxes receivable	–	307
Other	171	87
Total current assets	1,790	4,235
Non-current assets		
Investments and other assets		
Investment securities	77	77
Shares of subsidiaries and associates	25,039	25,044
Deferred tax assets	72	88
Total non-current assets	25,188	25,209
Total assets	26,978	29,444
Liabilities		
Current liabilities		
Accounts payable - other	117	295
Accrued expenses	24	49
Income taxes payable	97	43
Accrued consumption taxes	35	36
Provision for bonuses	334	368
Other	23	30
Total current liabilities	631	820
Total liabilities	631	820
Net assets		
Shareholders' equity		
Share capital	285	814
Capital surplus		
Legal capital surplus	185	714
Other capital surplus	25,776	25,776
Total capital surplus	25,961	26,490
Retained earnings		
Other retained earnings		
Retained earnings brought forward	102	1,321
Total retained earnings	102	1,321
Treasury shares	–	(0)
Total shareholders' equity	26,348	28,624
Total equity	26,348	28,624
Total liabilities and equity	26,978	29,444

Note: Amounts less than a million yen are rounded off to the nearest million yen.

NON-CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Millions of yen)

	(Reference) Previous fiscal year (from April 1, 2020 to March 31, 2021)	Current fiscal year (from April 1, 2021 to March 31, 2022)
Operating revenue	1,788	4,026
Operating costs	–	–
Gross profit	1,788	4,026
Selling, general and administrative expenses	1,521	2,784
Operating profit	267	1,243
Non-operating income		
Interest and dividend income	4	0
Miscellaneous income	4	0
Total non-operating income	8	0
Non-operating expenses		
Foreign exchange losses	1	1
Miscellaneous losses	0	–
Total non-operating expenses	1	1
Ordinary profit	274	1,242
Extraordinary income	–	–
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	288	–
Total extraordinary losses	288	–
Profit (loss) before income taxes	(14)	1,242
Income taxes – current	114	39
Income taxes – deferred	(10)	(16)
Profit (loss)	(118)	1,219

Note: Amounts less than a million yen are rounded off to the nearest million yen.

Audit Report

Independent Auditors' Report on Consolidated Financial Statements

Independent Auditor's Report

(English Translation)

May 17, 2022

To the Board of Directors of
Simplex Holdings, Inc.:

Grant Thornton Taiyo LLC
Tokyo Office

Takeshi Iwasaki
Certified Public Accountant
Designated Engagement Partner

Shinichi Shinozuka
Certified Public Accountant
Designated Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity, and the notes to the consolidated financial statements of Simplex Holdings, Inc. (the "Company") for the fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Group, which consists of the Company and its consolidated subsidiaries, applicable to the fiscal year under review in conformity with accounting principles with the omission of a part of the disclosures required under International Financial Reporting Standards ("IFRS") as allowed by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties with regard to the design, implementation, and maintenance of the reporting process for the other information.

Our audit opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in conformity with accounting principles with the omission of a part of the disclosures required under IFRS as allowed by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting, and for designing, implementing, and maintaining such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on a going concern basis, and disclosing, as applicable, matters related to going concern in accordance with accounting principles with the omission of a part of the disclosures required under IFRS as allowed by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting.

Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties within the designing, implementation, and maintenance of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a

qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation of the consolidated financial statements and the notes thereto are in conformity with accounting principles with the omission of a part of the disclosures required under IFRS as allowed by the provisions of the latter part of Article 120, Paragraph 1 of the Regulations on Corporate Accounting, as well as evaluate the overall presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements represent the underlying transactions and accounting events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Committee with a statement that we have complied with the relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

Independent Auditor's Report

(English Translation)

May 17, 2022

To the Board of Directors of
Simplex Holdings, Inc.:

Grant Thornton Taiyo LLC
Tokyo Office

Takeshi Iwasaki
Certified Public Accountant
Designated Engagement Partner

Shinichi Shinozuka
Certified Public Accountant
Designated Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statements of profit or loss, the non-consolidated statements of changes in net assets, the notes to the non-consolidated financial statements, and the related supplementary schedules of Simplex Holdings, Inc. (the "Company") (the "non-consolidated financial statements, etc.) for the 6th fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year under review in conformity with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements, etc. in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the Business Report and its supplementary schedules. Management is responsible for the preparation and disclosure of the other information. Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties with regard to the design, implementation, and maintenance of the reporting process for the other information.

Our audit opinion on the non-consolidated financial statements, etc. does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, etc., our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements, etc. or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Audit and Supervisory Committee for the Non-Consolidated Financial Statements, Etc.

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for designing, implementing, and maintaining such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. on a going concern basis, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties within the designing, implementation, and maintenance of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, Etc.

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the non-consolidated financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements, etc.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, etc., whether due to fraud or error, design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit of the non-consolidated financial statements, etc. in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of management's use of the going concern basis for preparing the non-consolidated financial statements, etc. and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related notes to the non-consolidated financial statements, etc. or, if the notes to the non-consolidated financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the presentation of the non-consolidated financial statements, etc. and the notes thereto are in accordance with accounting principles generally accepted in Japan, as well as evaluate the overall presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. represent the underlying transactions and accounting events in a manner that achieve fair presentation.

We communicate with Audit & Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide Audit & Supervisory Committee with a statement that we have complied with the relevant ethical requirements in Japan regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Conflicts of Interest

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act.

AUDIT REPORT
(English Translation)

Audit and Supervisory Committee has audited the Directors' execution of duties during the 6th fiscal year from April 1, 2021 through March 31, 2022. The Committee hereby reports the methods and results of the audit it has resolved as follows:

1. Methods of Audit and Details thereof

Audit and Supervisory Committee received reports regularly from Directors, employees, and other personnel on the contents of the resolutions of the Board of Directors concerning the matters listed in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act, as well as the development an operation status of systems that have been put in place based on said resolutions (internal control systems), and then requested explanations when necessary, expressed its opinion, and conducted audits by the following methods.

(i) In accordance with audit policies, division of duties, and other relevant matters established by Audit and Supervisory Committee, the Committee, in cooperation with the internal audit office and other employees, attended important meetings, received reports from Directors, employees, and other personnel on matters concerning the execution of their duties, requested explanations when necessary, inspected important authorized documents and others, and examined the operations and financial positions at the head office. Additionally, in regard to the Company's subsidiaries, Audit and Supervisory Committee sought to facilitate communication and exchange information with directors, corporate auditors, and others of its subsidiaries and, when necessary, received reports from these subsidiaries on the state of their business.

(ii) Audit and Supervisory Committee monitored and verified whether the independent auditor maintained its independence and conducted its audits in an appropriate manner, received reports from the independent auditor on the status of the execution of its duties and, when necessary, requested explanations. Also, Audit and Supervisory Committee received a notification from the independent auditor that it is taking steps to improve the "system for ensuring appropriate execution of duties" (matters specified in the items under Article 131 of the Regulations on Corporate Accounting) in accordance with the "Quality Control Standards for Audit" (Business Accounting Council, October 28, 2005) and other standards, and requested explanations when necessary.

Based on the foregoing methods, Audit and Supervisory Committee examined the Business Report and its supplementary schedules, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statements of profit or loss, the non-consolidated statements of changes in net assets, and the notes to non-consolidated financial statements) and the related supplementary schedules, and the consolidated financial statements (the consolidated statements of financial position, the consolidated statements of profit or loss, the consolidated statements of changes in equity, and the notes to the consolidated financial statements) for the fiscal year under review.

2. Results of Audit:

(1) Results of audit of Business Report and other documents

In our opinion:

(i) the Business Report and its supplementary schedules fairly represent the state of the Company in accordance with the applicable laws and regulations as well as the Articles of Incorporation of the Company;

(ii) no misconduct or material fact constituting a violation of applicable laws or regulations or the Articles of Incorporation of the Company was found with respect to Directors in the execution of their duties; and

(iii) the contents of the resolutions of the Board of Directors regarding internal control systems are appropriate. Furthermore. there are no matters that we should point out regarding the contents of the Business Report and Directors' execution of their duties related to internal control systems.

(2) Results of audit of the non-consolidated financial statements and the related supplementary schedules

In our opinion, the methods and results of the audit conducted by the independent auditor, Grant Thornton Taiyo LLC, are appropriate.

(3) Results of audit of the consolidated financial statements

In our opinion, the methods and results of the audit conducted by the independent auditor, Grant Thornton Taiyo LLC, are appropriate.

May 17, 2022

Audit and Supervisory Committee of Simplex Holdings, Inc.

Audit and Supervisory Committee Member (full-time):

Kenji Kotera

Audit and Supervisory Committee Member (full-time):

Toshio Chujo

Audit and Supervisory Committee Member:

Ryozo Akiyama

Audit and Supervisory Committee Member:

Noriyuki Ogasawara

Audit and Supervisory Committee Member:

Naoto Hirota

Note: Audit and Supervisory Committee Members Kenji Kotera, Toshio Chujo, Ryozo Akiyama, Noriyuki Ogasawara, and Naoto Hirota are Outside Directors as defined in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.

Simplex Group's Efforts to Realize a More Sustainable Society

As we lead businesses through technology, we believe it is our responsibility to think ahead to the future of global environment which lays the foundation for sustainable and continued growth.

Based on our management philosophy of "Innovation from Japan to the world," we have established a "5DNA" code of conduct as well as Simplex Philosophy to define our core values, and we are committed to offering "meaningful and rewarding work" by focusing on human resources as they are our source of continuous innovation and abundant creativity.

Through our business activities, Simplex Group confronts the issues that must be dealt with to realize a sustainable society and aims to achieve the kind of sustainable development that grows together with the global environment and society.

For more details on our efforts for sustainability, please access to the Company's website:

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