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Financial Accounting Standards Foundation
FASF
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February 28, 2023

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

Notice Concerning Revisions to the Forecast of Consolidated Financial Results

Simplex Holdings, Inc. (the "Company") hereby announces that, at its Board of Directors meeting held on February 28, 2023, it has decided to revise the forecast of consolidated financial results for the fiscal year ending March 31, 2023, announced on April 28, 2022, in view of the recent business trends. The details are as follows:

1. Revisions to the forecast of consolidated financial results (from April 1, 2022 to March 31, 2023)

	Revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A) (announced on April 28, 2022)	33,700	6,777	6,610	4,586	80.10[*1]
Revised forecast (B)	34,900	7,463	7,310	5,000	89.18[*2]
Change (B – A)	+1,200	+686	＋700	+414	+9.08
Change (%)	+3.6%	+10.1%	＋10.6%	+9.0%	+11.3%
(Ref.) Previous fiscal year results (Fiscal year ended March 31, 2022)	30,579	6,362	6,191	4,204	83.06

[*1] Basic earnings per share shown as the previous forecast announced on April 28, 2022 was calculated based on the assumption that the average number of shares outstanding during the period will increase by 1,744,282 shares from the total number of shares issued as of March 31, 2022 (excluding treasury shares) through the exercise of share acquisition rights.

[*2] Basic earnings per share shown as the revised forecast announced on February 28, 2023 was calculated based on the assumption that the average number of shares outstanding during the period will increase by 251,522 shares from the average number of shares outstanding for the nine months ended December 31, 2022 (cumulative from the beginning of the fiscal year) through the exercise of share acquisition rights.

2. Reason for the Revisions

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

With Financial Retail, which is currently deep diving into major financial institutions, at the top of the list, Simplex Group's Insurance Solutions, which is currently working on a large scale project to develop an integrated life/non-life insurance solution, and Strategy/DX Consulting, which is led by Xspear Consulting, Inc. in its second year of operations, have all been making an excellent progress in their earnings in line with the solid sustainable demand for DX. In light of such circumstances, we have revised upward the forecast of consolidated financial results. On the other hand, the forecast of fiscal year-end cash dividends has remained unchanged from the previous forecast (¥25 per share) in consideration of the recent exercise status of share acquisition rights and other factors.

The Company announced the three-year Medium-term Business Plan ending in the fiscal year ending March 31, 2024 (the next fiscal year) on December 4, 2020. As this fiscal year is the second year of the Medium-term Business Plan, the revised forecast of consolidated financial results has been prepared based on the assumption that the targets for not only revenue and operating profit but also profit attributable to owners of parent for the final fiscal year of the plan will be achieved a year ahead of the plan.

The Company, together with SBI Holdings, Inc. (Head Office: Minato-ku, Tokyo; Representative Director, Chairman, President & CEO: Yoshitaka Kitao) and SBI SECURITIES Co., Ltd. (Head Office: Minato-ku Tokyo; Representative Director and President: Masato Takamura), has established a joint venture "SBI Simplex Solutions Co., Ltd." on February 28, 2023 based on the Capital and Business Alliance Agreement entered into on January 30, 2023. While we have determined that the impact of this capital and business alliance on our consolidated financial results for the current fiscal year will be minor, we expect that it will make a full contribution to our consolidated financial results in the next fiscal year or later.

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

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