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MEMBERSHIP

January 30, 2025

Company name: Simplex Holdings, Inc.
Representative: Hideki Kaneko
Representative Director, President and CEO
(Securities code: 4373 TSE Prime Market)
Contact Keisuke Enosawa, Director and CFO
(Tel. +81-3-3539-7370)

Notice Concerning Issuance of Share Acquisition Rights for Subscription (Performance-Linked Stock Options with Charge)

Simplex Holdings, Inc. (hereinafter, the "Company") hereby announces that it has resolved at the Board of Directors meeting held on January 30, 2025, to issue share acquisition rights (hereinafter, the "Share Acquisition Rights") to its directors as well as employees of the Company and its subsidiaries as described below, in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act. The issuance will be carried out without the approval of a general meeting of shareholders, as the Share Acquisition Rights will be issued to subscribers for value at a fair price, not on particularly favorable terms. In addition, the Share Acquisition Rights will not be offered as compensation to the eligible grantees, but will be subscribed based on their individual investment decision.

I. Purpose and Reasons for Soliciting Subscription for Share Acquisition Rights

The Company will issue share acquisition rights with charge to its directors as well as employees of the Company and its subsidiaries, aiming to further increase their motivation and morale and to reinforce the unity of the Company, so as to expand business performance and enhance corporate value over the medium-to-long term.

The Share Acquisition Rights may become exercisable only when operating profit recorded in the Company's consolidated statement of profit or loss is ¥15.0 billion or more in any of the fiscal years ending March 31, 2027, March 31, 2028, and March 31, 2029.

If all of the Share Acquisition Rights are exercised, the total number of ordinary shares of the Company will increase by 832,200 shares, leading to a dilution of 1.42% of the total number of shares issued (excluding treasury shares). However, the Share Acquisition Rights can only be exercised on the condition that pre-determined performance target is achieved, and we recognize the achievement of the target will help enhance the corporate value and shareholder value of the Company. In addition, the Company resolved at the Board of Directors meeting held on January 30, 2025 on the matters on the share buyback program in accordance with Article 156 of the Companies Act as applied by replacing the provision of Article 165, Paragraph 3 of the same Act. Under the share buyback program, the maximum number of shares to be bought back is set at 2,000,000 shares, which exceeds the total number of ordinary shares of

the Company that will increase if all of the Share Acquisition Rights are exercised, indicating that the Company will take a measure to avoid share dilution. For these reasons, we have determined that the issuance of the Share Acquisition Rights will contribute to the interests of our existing shareholders, and believe that its effects on share dilution are reasonable.

II. Outline of the Issuance of the Share Acquisition Rights

1. Name of the share acquisition rights

   Simplex Holdings, Inc. 8th Series Share Acquisition Right

2. Eligible allottees and the number of share acquisition rights to be allotted

   Directors of the Company: 3 persons and 3,100 units

   Employees of the Company and its subsidiaries: 29 persons and 5,226 units

3. Class and number of shares underlying the share acquisition rights

   The class and number of shares underlying one unit of share acquisition right (hereinafter, the "Number of Shares Granted") shall be 100 ordinary shares of the Company; provided, however, that the Number of Shares Granted shall be adjusted according to the formula below in the case the Company conducts a stock split or a stock consolidation of ordinary shares after the date of resolution to issue share acquisition rights. However, such adjustment is only applicable to the number of shares underlying the share acquisition rights that have not been exercised at that point in time, with any fraction less than one share arising from the adjustment being omitted.

   Number of Shares Granted after adjustment = Number of Shares Granted before adjustment × Ratio for stock split or stock consolidation

   In the cases where, in addition to the above, the Number of Shares Granted needs to be adjusted due to a merger, company split, share exchange, share transfer or other organizational restructuring of the Company (hereinafter collectively, the "Organizational Restructuring of the Company") after the date of resolution to issue share acquisition rights, or in any other equivalent cases where the Number of Shares Granted needs to be adjusted, the Company shall make appropriate adjustments to the Number of Shares Granted within reasonable limits.

4. Total number of share acquisition rights to be offered

   8,322 units

5. Amount to be paid in per share acquisition right (issue price) and the date of allotment

   (1) Amount to be paid in per share acquisition right: ¥2,816

   (2) Date of allotment: February 14, 2025

6. Value or calculation method of assets to be contributed upon the exercise of the share acquisition rights,

The value of assets to be contributed upon the exercise of the share acquisition rights shall be the amount calculated by multiplying the amount paid in per share that is issuable upon the exercise of the share acquisition rights (hereinafter, the "Exercise Price") by the Number of Shares Granted.

The Exercise Price shall be ¥2,447.

If the Company conducts a stock split or a stock consolidation with respect to its ordinary shares after the date of resolution to issue share acquisition rights, the Exercise Price shall be adjusted using the formula below, with any amount less than one yen arising from the adjustment being omitted.

Exercise Price after adjustment = Exercise Price before adjustment
÷ Ratio for stock split or stock consolidation

In the case, after the date of resolution to issue share acquisition rights, the Company issues new ordinary shares or disposes of treasury shares at a price below the market price (except for the cases of issuing new shares or disposing of treasury shares upon exercise of share acquisition rights, or delivering shares due to the Organizational Restructuring of the Company), the Exercise Price shall be adjusted using the formula below, with any amount less than one yen arising from the adjustment being omitted.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares issued} + \dfrac{\text{Number of new shares to be issued} \times \text{Amount to be paid in per share}}{\text{Market price per share before issuance}}}{\text{Number of shares issued} + \text{Number of new shares to be issued}}$$

The "Number of shares issued" in the formula above is the total number of the Company's ordinary shares issued, less the number of the Company's treasury ordinary shares. When the Company disposes of its treasury ordinary shares, the "Number of new shares to be issued, " the "Amount to pe paid in per share," and the "Market price per share before issuance" shall be replaced by the "Number of treasury shares to be disposed of," the "Disposal price per share," and "Market price per share before disposal of treasury shares," respectively.

In addition to the above, in the case where the Exercise Price needs to be adjusted due to the Organizational Restructuring of the Company after the date of resolution to issue share acquisition rights, or in any other equivalent cases where the Exercise Price needs to be adjusted, the Company shall make appropriate adjustments to the Exercise Price within reasonable limits.

7. Period during which the share acquisition rights are exercisable (exercise period)

From July 1 of the fiscal year following the fiscal year that satisfies the conditions specified in 13-(i) through February 13, 2035

8. Reasons and conditions for acquisition of share acquisition rights by the Company

(i) The Company may acquire, without compensation, all or part of the share acquisition rights issued to a holder of share acquisition rights (hereinafter, the "Rights Holder") upon arrival of the date separately determined by the Board of Directors of the Company if the Rights Holder falls under any of the following: (i) in the case the Rights Holder is sentenced to imprisonment or a severer penalty; (ii) in the case the Rights Holder, who is an officer or employee, or a trustee of the Company or its affiliated companies, was dismissed for disciplinary reasons or discharged, or resigned or retired from office due to a breach of the employment regulations or other internal regulations of the Company or its affiliated companies, or due to abuse of confidence against society, the Company or its affiliated companies; (iii), in the case the Rights Holder becomes an officer, advisor, employee, etc. of a company or organization that is engaged in a business that competes with the business conducted or to be conducted by the Company or its affiliated companies without obtaining the prior written consent of the Company or its affiliated companies; (iv) in the case the Rights Holder has caused damage or potential damage to the Company or its affiliated companies, or in the case the Board of Directors deems it inappropriate to authorize the exercise of the rights in light of the purpose for which the share acquisition rights were granted; (v) in the case bankruptcy, civil rehabilitation or other insolvency proceedings have commenced against the Rights Holder; (vi) in the event of death of the Rights Holder; or (vii) in the case the Rights Holder has notified in a form specified by the Company and with the consent of the Company or its affiliated companies, stating the intention to waive all or part of the share acquisition rights.

(ii) The Company may acquire, without compensation, all of the share acquisition rights upon arrival of the date separately determined by the Board of Directors of the Company, in the case the general meeting of shareholders has approved (or, the Board of Directors has resolved, if approval of the general meeting of shareholders is not required) a merger agreement under which the Company becomes a merged company; an absorption-type company split agreement or plan under which the Company will be split; or a share exchange agreement or a share transfer plan, under which the Company will become a wholly owned subsidiary.

(iii) In addition to the above, the Company may acquire, without compensation, all of the share acquisition rights issued to the Rights Holder, in the event that the share acquisition rights become unexercisable in accordance with the provisions of Item 13 before the Rights Holder exercises the rights.

9. Restriction on transfer of share acquisition rights

(i) Any acquisition of share acquisition rights through transfer shall require the approval of the Company.

(ii) It is not permitted to dispose of share acquisition rights through pledge or other means.

10. Amount of share capital and legal capital surplus to be increased due to the issuance of shares upon exercise of share acquisition rights

(i) The amount of share capital to be increased when new shares are issued upon exercise of share acquisition rights shall be one half of the maximum amount of increase in share capital calculated according to Article 17, Paragraph 1 of the Regulations on Corporate Accounting, with any amount less than one yen arising from such calculation being rounded up to the nearest yen.

(ii) The amount of legal capital surplus to be increased when new shares are issued upon exercise of share acquisition rights shall be the amount obtained by subtracting the amount of increase in share capital as specified in (i) above from the maximum amount of increase in share capital as stated in (i) above.

11. Treatment of share acquisition rights upon a merger, absorption-type company split, incorporation-type company split, share exchange or share transfer

In the case where the Company conducts a merger (limited to the case where the Company is dissolved as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer, share acquisition rights of the stock company as listed in (a) to (e) of Article 236, Paragraph 1, Item 8 of the Companies Act (the "Restructured Company") shall be delivered in each of the above cases to Rights Holders in accordance with the terms below, as of the effective date of such acts of reorganization. However, the foregoing shall apply only to cases where delivery of share acquisition rights of the Restructured Company in accordance with the following conditions is stipulated in an absorption-type merger agreement, an incorporation-type merger agreement, an absorption-type split agreement, an incorporation-type split plan, a share exchange agreement, or a share transfer plan.

(i) Number of share acquisition rights of the Restructured Company to be delivered
The same number of share acquisition rights as the number of the share acquisition rights held by a Right Holder shall be delivered.

(ii) Class and number of shares of the Restructured Company underlying the share acquisition rights
Ordinary shares of the Restructured Company. The number of shares shall be determined in accordance with the provisions of Item 3.

(iii) Asset value contributed through the exercise of the share acquisition rights, or the relevant calculation method
To be determined in accordance with the provisions of Item 6.

(iv) Period during which the share acquisition rights are exercisable
The exercise period shall be from the first day of the exercise period as specified in Item 7, or the effective date of a merger (limited to the case where the Company is dissolved as a result of the merger), an absorption-type company split, an incorporation-type company split, a share exchange or a share transfer, whichever is the later, through the date the exercise period as specified in Item 7 expires.

(v) Amount of share capital and legal capital surplus to be increased due to the issuance of shares upon exercise of share acquisition rights

Shall be the same as specified in Item 10.

(vi) Reasons and conditions for acquisition of share acquisition rights by the Company

To be determined in accordance with the provisions of Item 8.

(vii) Restriction on transfer of share acquisition rights, etc.

Any acquisition of the share acquisition rights through transfer shall require approval by the Restructured Company. It is not permitted to dispose of share acquisition rights through pledges or other means.

(viii) Conditions for exercising share acquisition rights

To be determined in accordance with the provisions of Item 13.

12. Due date for making cash payment in exchange for share acquisition rights

February 21, 2025

13. Conditions for exercising share acquisition rights

(i) The Rights Holder may exercise the share acquisition rights only when operating profit recorded in the Company's consolidated statement of profit or loss is ¥15.0 billion or more in any of the fiscal years ending March 31, 2027, March 31, 2028, and March 31, 2029. In judging the figures of operating profit described above, if the Board of Directors determines that using the actual figures recorded in the Company's consolidated statement of profit or loss is not appropriate due to changes in the accounting standards applied or events such as corporate acquisitions that have a significant impact on the Company's operating results, the Company may adjust the actual figures to be used for the judgment by reasonably excluding the impact of such changes in accounting standards or events such as corporate acquisitions. In the event of a material change in the concept of indicators to be referenced, the Board of Directors of the Company shall separately specify the indicators to be referenced.

(ii) Inheritors of the Rights Holder shall not be permitted to exercise the share acquisition rights.

(iii) If the exercise of share acquisition rights causes the total number of shares issued of the Company to exceed the number of its authorized shares at the time of the exercise, the share acquisition rights may not be exercised.

(iv) Fractions of one share acquisition right may not be exercised.

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