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July 30, 2025

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under IFRS)

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 Listing: Tokyo Stock Exchange
 Securities code: 4373
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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Amounts less than a million yen are rounded off to the nearest million yen.)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	13,464	22.9	3,213	97.6	3,181	97.0	2,159	101.2
June 30, 2024	10,954	16.5	1,626	(4.8)	1,615	(4.6)	1,073	(5.9)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended June 30, 2025	2,159	101.2	2,152	62.4	38.01	36.94
June 30, 2024	1,073	(5.9)	1,325	24.0	18.43	17.89

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
June 30, 2025	74,875	47,571	47,571	63.5	837.18
March 31, 2025	79,022	48,810	48,810	61.8	857.07

2. Cash dividends

	Annual dividends per share				
	Q1-end	Q2-end	Q3-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	0.00	–	50.00	50.00
Fiscal year ending March 31, 2026	–				
Fiscal year ending March 31, 2026 (Forecast)		0.00	–	65.00	65.00

Note: Revisions to the forecast of cash dividends most recently announced: None

**3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026
(from April 1, 2025 to March 31, 2026)**

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months	27,250	24.6	6,470	65.2	6,455	66.4	4,418	70.3	4,418	70.3	77.37
Fiscal year	55,500	17.1	13,400	24.0	13,307	24.0	9,146	17.5	9,146	17.5	159.48

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies due to reasons other than (i) above: None
- (iii) Changes in accounting estimates: None

(3) Number of shares issued (ordinary shares)

(i) Total number of shares issued at the end of the period (including treasury shares)

As of June 30, 2025	58,803,900 shares
As of March 31, 2025	58,707,975 shares

(ii) Number of treasury shares at the end of the period

As of June 30, 2025	1,980,731 shares
As of March 31, 2025	1,758,447 shares

(iii) Average number of shares outstanding during the period

Three months ended June 30, 2025	56,788,333 shares
Three months ended June 30, 2024	58,226,406 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

We calculated basic earnings per share for the first six months and fiscal year specified in the forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026) based on the assumption that the average number of shares outstanding during the period will increase by 151,630 shares for the first six months and by 398,621 shares for the fiscal year from the total number of shares issued as of March 31, 2025 (excluding treasury shares) through the exercise of share acquisition rights.

The forward-looking statements including earnings forecast contained in this document are based on information currently available to us and certain assumptions that we believe to be reasonable. Accordingly, the Company does not guarantee the achievement of the forecast, and the actual results may differ materially due to various factors.

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1. Overview of Consolidated Financial Results

(1) Operating results

Operating results for the three months ended June 30, 2025 (the period under review) are summarized as follows:

Revenue	13,464	million yen	(up 22.9% year-on-year)
Operating profit	3,213	million yen	(up 97.6% year-on-year)
Profit before tax	3,181	million yen	(up 97.0% year-on-year)
Profit attributable to owners of parent	2,159	million yen	(up 101.2% year-on-year)

Matters worthy of note with respect to earnings for the period under review are as follows:

- i) Revenue totaled 13,464 million yen (up 22.9% from 10,954 million yen for the same period last year), marking a record high for a single quarter. This was driven by strong sales in both System Integration and Operation Service, as well as solid repeat orders in Strategy/DX Consulting.

Gross profit amounted to 5,921 million yen (up 30.3% from 4,546 million yen for the same period last year). The gross profit margin was 44.0%, exceeding the 41.5% recorded for the same period last year.

Selling, general and administrative expenses increased year-on-year to 2,480 million yen (up 13.6% from 2,183 million yen for the same period last year) due mainly to an increase in the number of new graduate hires and the enhancement of training programs. In contrast, research and development expenses decreased year-on-year to 246 million yen (down 59.5% from 609 million yen for the same period last year). In addition, we recognized 19 million yen in other income and 1 million yen in other expenses.

As a result, operating profit amounted to 3,213 million yen (up 97.6% from 1,626 million yen for the same period last year), and the operating profit margin came in at 23.9% (compared with 14.8% for the same period last year). Profit before tax increased year-on-year to 3,181 million yen (up 97.0% from 1,615 million yen for the same period last year), with 7 million yen, 50 million yen, and 11 million yen recognized as finance income, finance costs, and share of profit of investments accounted for using equity method, respectively.

Income tax expense amounted to 1,022 million yen (compared with 542 million yen for the same period last year) and profit attributable to owners of parent increased year-on-year to 2,159 million yen (up 101.2% from 1,073 million yen for the same period last year).

- ii) By service category, revenue from Strategy/DX Consulting amounted to 2,285 million yen, which significantly exceeded the 1,438 million yen recorded for the same period last year, while the gross profit margin declined to 46.2%, falling below the 48.1% recorded for the same period last year.

Revenue from System Integration amounted to 7,733 million yen, which exceeded the 6,276 million yen recorded for the same period last year, and the gross profit margin increased to 44.4%, significantly exceeding the 41.8% recorded for the same period last year.

Revenue from Operation Service amounted to 3,439 million yen with the gross profit margin of 41.5%, both of which exceeded the figures for the same period last year of 3,238 million yen and 38.0%, respectively.

(Reference)

Breakdown of revenue by service category

(Millions of yen, unless otherwise indicated)

	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)			Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)			
	Revenue	Percentage of total revenue (%)	Gross profit margin (%)	Revenue	Percentage of total revenue (%)	Gross profit margin (%)	YoY change
Strategy/DX Consulting	1,438	13.1	48.1	2,285	17.0	46.2	847
System Integration	6,276	57.3	41.8	7,733	57.4	44.4	1,457
Operation Service	3,238	29.6	38.0	3,439	25.5	41.5	201
Other	2	0.0	100.0	8	0.1	100.0	5
Total	10,954	100.0	41.5	13,464	100.0	44.0	2,510

(2) Financial position

Assets

Total assets as of June 30, 2025 amounted to 74,875 million yen (down 4,147 million yen from the end of the previous fiscal year). This is primarily attributable to decreases in trade and other receivables of 3,232 million yen due to the collection of accounts receivable and right-of-use assets of 489 million yen due to amortization.

Liabilities

Total liabilities as of June 30, 2025 amounted to 27,304 million yen (down 2,908 million yen from the end of the previous fiscal year). This is primarily attributable to decreases in provisions of 1,874 million yen primarily due to the payment of bonuses and income taxes payable of 1,297 million yen primarily due to the payment of income taxes.

Equity

Total equity as of June 30, 2025 amounted to 47,571 million yen (down 1,239 million yen from the end of the previous fiscal year) and the ratio of equity attributable to owners of parent came in at 63.5% (compared with 61.8% as of the end of the previous fiscal year).

(3) Cash flows

Cash and cash equivalents (“net cash”) as of June 30, 2025 amounted to 12,878 million yen (up 1,971 million yen year-on-year). The status of cash flows and reasons for changes during the three months ended June 30, 2025 are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 2,797 million yen (compared with 422 million yen provided for the same period last year). This is primarily attributable to an increase in cash flow resulting from the recording of profit before tax of 3,181 million yen and a decrease in trade and other receivables of 3,232 million yen due to the collection of accounts receivable, which were partially offset by a decrease in cash flow resulting from income taxes paid of 2,505 million yen and a decrease in provisions of 1,874 million yen primarily due to the payment of bonuses.

(Cash flows from investing activities)

Net cash provided by investing activities amounted to 546 million yen (compared with 455 million yen used for the same period last year). This is primarily attributable to an increase in cash flow resulting from a partial receipt of consideration for the transfer of shares of 567 million yen.

(Cash flows from financing activities)

Net cash used in financing activities amounted to 3,901 million yen (compared with 2,798 million yen used for the same period last year). This is primarily attributable to cash dividends paid of 2,847 million yen, purchase of treasury shares of 614 million yen, and repayments of lease liabilities of 508 million yen.

(4) Forward-looking information including consolidated earnings forecast

Please refer to “Notice Concerning Revisions to the Forecast of Semi-annual and Full-year Financial Results” that we have disclosed today. Note that the forecast of consolidated financial results of Simplex Group stated in the said disclosure material 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.

2. Quarterly Condensed Consolidated Financial Statements and Major Notes

(1) Quarterly condensed consolidated statements of financial position

(Millions of yen)

	Previous fiscal year (as of March 31, 2025)	Current period (as of June 30, 2025)
Assets		
Current assets		
Cash and cash equivalents	13,438	12,878
Trade and other receivables	13,021	9,789
Inventories	—	44
Other current assets	1,100	1,398
Total current assets	27,559	24,109
Non-current assets		
Property, plant and equipment	1,674	1,518
Right-of-use assets	3,826	3,337
Goodwill	36,476	36,476
Intangible assets	130	120
Investments accounted for using equity method	1,956	1,967
Other financial assets	4,459	4,451
Deferred tax assets	2,152	2,220
Other non-current assets	790	676
Total non-current assets	51,463	50,765
Total assets	79,022	74,875
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,826	3,347
Borrowings	1,480	1,480
Lease liabilities	2,016	1,776
Other financial liabilities	2	46
Income taxes payable	2,507	1,210
Provisions	3,890	2,016
Other current liabilities	1,954	2,154
Total current liabilities	14,674	12,028
Non-current liabilities		
Borrowings	13,320	13,320
Lease liabilities	1,809	1,546
Provisions	409	409
Total non-current liabilities	15,538	15,275
Total liabilities	30,212	27,304
Equity		
Share capital	1,350	1,385
Capital surplus	27,385	27,430
Retained earnings	23,679	22,990
Treasury shares	(4,386)	(5,000)
Other components of equity	782	767
Total equity attributable to owners of parent	48,810	47,571
Total equity	48,810	47,571
Total liabilities and equity	79,022	74,875

(2) Quarterly condensed consolidated statements of profit or loss and quarterly condensed consolidated statements of comprehensive income

Quarterly condensed consolidated statements of profit or loss

	(Millions of yen, except for per share data)	
	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Revenue	10,954	13,464
Cost of sales	(6,408)	(7,543)
Gross profit	4,546	5,921
Amortization of identifiable assets	(44)	—
Selling, general and administrative expenses	(2,183)	(2,480)
Research and development expenses	(609)	(246)
Other income	5	19
Other expenses	(90)	(1)
Operating profit	1,626	3,213
Finance income	16	7
Finance costs	(43)	(50)
Share of profit of investments accounted for using equity method	16	11
Profit before tax	1,615	3,181
Income tax expense	(542)	(1,022)
Profit	1,073	2,159
Profit attributable to:		
Owners of parent	1,073	2,159
Profit	1,073	2,159
Earnings per share		
Basic earnings per share (Yen)	18.43	38.01
Diluted earnings per share (Yen)	17.89	36.94

Quarterly condensed consolidated statements of comprehensive income

	(Millions of yen)	
	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Profit	1,073	2,159
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	245	(5)
Total of items that will not be reclassified to profit or loss	245	(5)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7	(2)
Total of items that may be reclassified to profit or loss	7	(2)
Other comprehensive income, net of tax	252	(7)
Comprehensive income	1,325	2,152
Comprehensive income attributable to:		
Owners of parent	1,325	2,152
Comprehensive income	1,325	2,152

(3) Quarterly condensed consolidated statements of changes in equity

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Share acquisition rights
Balance at April 1, 2024	1,189	27,153	18,350	(0)	250
Profit	–	–	1,073	–	–
Other comprehensive income	–	–	–	–	–
Comprehensive income	–	–	1,073	–	–
Exercise and forfeiture of share acquisition rights	29	45	–	–	(16)
Dividends	–	–	(2,444)	–	–
Share-based payment transactions	–	–	–	–	7
Transfer from other components of equity to retained earnings	–	–	271	–	–
Total transactions with owners	29	45	(2,173)	–	(9)
Balance at June 30, 2024	1,218	27,197	17,250	(0)	241

	Equity attributable to owners of parent			
	Other components of equity			Total
	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Total	
Balance at April 1, 2024	37	111	399	47,089
Profit	–	–	–	1,073
Other comprehensive income	7	245	252	252
Comprehensive income	7	245	252	1,325
Exercise and forfeiture of share acquisition rights	–	–	(16)	57
Dividends	–	–	–	(2,444)
Share-based payment transactions	–	–	7	7
Transfer from other components of equity to retained earnings	–	(271)	(271)	–
Total transactions with owners	–	(271)	(280)	(2,379)
Balance at June 30, 2024	44	86	371	46,035

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Equity attributable to owners of parent				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity
					Share acquisition rights
Balance at April 1, 2025	1,350	27,385	23,679	(4,386)	213
Profit	–	–	2,159	–	–
Other comprehensive income	–	–	–	–	–
Comprehensive income	–	–	2,159	–	–
Exercise and forfeiture of share acquisition rights	34	45	–	–	(11)
Purchase of treasury shares	–	–	–	(614)	–
Dividends	–	–	(2,847)	–	–
Share-based payment transactions	–	–	–	–	3
Total transactions with owners	34	45	(2,847)	(614)	(8)
Balance at June 30, 2025	1,385	27,430	22,990	(5,000)	205

	Equity attributable to owners of parent			
	Other components of equity			Total
	Exchange differences on translation of foreign operations	Financial assets measured at fair value through other comprehensive income	Total	
Balance at April 1, 2025	35	535	782	48,810
Profit	–	–	–	2,159
Other comprehensive income	(2)	(5)	(7)	(7)
Comprehensive income	(2)	(5)	(7)	2,152
Exercise and forfeiture of share acquisition rights	–	–	(11)	69
Purchase of treasury shares	–	–	–	(614)
Dividends	–	–	–	(2,847)
Share-based payment transactions	–	–	3	3
Total transactions with owners	–	–	(8)	(3,390)
Balance at June 30, 2025	32	530	767	47,571

(4) Quarterly condensed consolidated statements of cash flows

	(Millions of yen)	
	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Profit before tax	1,615	3,181
Depreciation and amortization	178	175
Amortization of identifiable assets	44	—
Amortization of right-of-use assets	464	489
Finance income	(16)	(7)
Finance costs	43	50
Share of loss (profit) of investments accounted for using equity method	(16)	(11)
Decrease (increase) in trade and other receivables	748	3,232
Decrease (increase) in inventories	(9)	(44)
Increase (decrease) in trade and other payables	1,081	521
Increase (decrease) in provisions	(1,532)	(1,874)
Decrease (increase) in other current assets	137	(298)
Increase (decrease) in other current liabilities	(67)	(366)
Other	(1)	255
Subtotal	2,668	5,302
Interest and dividends received	16	7
Interest paid	(4)	(6)
Income taxes paid	(2,258)	(2,505)
Net cash provided by (used in) operating activities	422	2,797
Cash flows from investing activities		
Purchase of property, plant and equipment	(863)	(16)
Purchase of intangible assets	(2)	(4)
Proceeds from sale of investment securities	412	—
Payments of leasehold and guarantee deposits	(2)	—
Other	—	567
Net cash provided by (used in) investing activities	(455)	546
Cash flows from financing activities		
Repayments of lease liabilities	(411)	(508)
Proceeds from exercise of share acquisition rights	57	69
Purchase of treasury shares	—	(614)
Cash dividends paid	(2,444)	(2,847)
Net cash provided by (used in) financing activities	(2,798)	(3,901)
Net increase (decrease) in cash and cash equivalents	(2,831)	(557)
Cash and cash equivalents at beginning of period	13,731	13,438
Effect of exchange rate changes on cash and cash equivalents	7	(3)
Cash and cash equivalents at end of period	10,907	12,878

(5) Notes to quarterly condensed consolidated financial statements

Going concern assumption

Not applicable

Segment information

(1) Overview of reportable segments

The Group's business consists primarily of providing IT solutions related to system consulting, system development, and system operation and maintenance for success of our clients. Because there are no separate segments into which the business should be classified, there is only one reportable segment.

(2) Information concerning revenue and gross profit by service category

Our services are categorized into Strategy/DX Consulting, System Integration, and Operation Service. Revenue and gross profit from each of these services are as follows:

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)						(Millions of yen)
	Service category				Other	Total
	Strategy/DX Consulting	System Integration	Operation Service	Total		
Revenue	1,438	6,276	3,238	10,952	2	10,954
Gross profit	692	2,622	1,230	4,544	2	4,546

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)						(Millions of yen)
	Service category				Other	Total
	Strategy/DX Consulting	System Integration	Operation Service	Total		
Revenue	2,285	7,733	3,439	13,457	8	13,464
Gross profit	1,056	3,432	1,426	5,914	8	5,921

* System Integration includes system engineering and other services.

Operation Service includes operation and maintenance, subscription services, and licensing.

Other consists primarily of the sale of goods, such as hardware and middleware.