



March 19, 2024

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Notice Concerning Change in Dividend Policy and Revision to Dividend Forecast (Dividend Increase)

Simplex Holdings, Inc. (the “Company”) hereby announces that it has resolved, at the Board of Directors meeting held today, to change its dividend policy and revise the year-end dividend forecast for the fiscal year ending March 31, 2024. The details are described below.

1. Change in the dividend policy

(1) Reason for change

The Company formulated Vision1000, which specifies what the Simplex Group aims to be, and announced it in October 2023. Vision1000 is a long-term growth strategy for the Company to appropriately adapt to expected future changes in the business environment and client needs, thereby seeking to sustainably improve our corporate value. Along with Vision1000, we also announced the three-year Medium-Term Business Plan 2027, which begins in the fiscal year ending March 31, 2025, as the halfway point toward the accomplishment of Vision1000.

As part of its efforts to promote a management approach mindful of capital efficiency, the Company has set an ROE target as one of its KPIs in Vision1000 and the Medium-Term Business Plan 2027, and at the same time has decided to further enhance shareholder returns, which helps increase capital efficiency, as a key measure in capital allocation.

In line with the above, the Company has changed its dividend policy to raise the current target dividend payout ratio of 30% to 40% on a consolidated basis, while maintaining its basic policy of stably and sustainably increasing dividend per share through profit growth.

* Please click the URL below to learn more about Vision1000 and the Medium-Term Business Plan 2027.
https://ssl4.eir-parts.net/doc/4373/ir_material_for_fiscal_ym4/143032/00.pdf

(2) Dividend policy

Before change	After change
<p>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 determines dividends by comprehensively considering a target dividend payout ratio of 30% of profit attributable to owners of parent.</p> <p>The Company’s Articles of Incorporation stipulate that the Company may pay an interim dividend. The Company’s Articles of Incorporation also stipulate that</p>	<p>The Company believes that prioritizing investments for growth that helps strengthen its business foundation will contribute to achieving profit growth and improving its corporate value in a sustainable manner while maintaining its financial soundness based on its strong cashflow-generating capability.</p> <p>In addition, the Company is committed to pursuing a management approach mindful of capital efficiency and has therefore set an ROE target as one of its KPIs. The Company is also aware that providing shareholder returns, which helps increase capital efficiency, is a key</p>

the Board of Directors is the decision-making body for the distribution of dividends from surplus pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, except as otherwise provided by laws and regulations.

measure in capital allocation.

Based on this belief, the Company seeks to enhance shareholder returns by paying dividends as a fundamental measure, comprehensively considering trends in business performance, ROE level, opportunities of investments for growth, and other factors.

Specifically, the Company has set a dividend policy of stably and sustainably increasing dividend per share through profit growth, with a target dividend payout ratio of 40% on a consolidated basis.

The Company also intends to buy back its own shares flexibly as part of its shareholder return policy that helps increase capital efficiency, by considering market environment including stock prices on top of the aforementioned considerations to determine dividends.

The Company's Articles of Incorporation stipulate that it may pay an interim dividend. However, the Company currently has a policy of paying dividends from surplus once a year as a year-end dividend.

The Company's Articles of Incorporation also stipulate that the Board of Directors is the decision-making body for the distribution of dividends from surplus pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, except as otherwise provided by laws and regulations.

(3) Timing of change in the dividend policy

The Company will apply the new dividend policy to the year-end dividend for the fiscal year ending March 31, 2024.

2. Revision to the year-end dividend forecast (dividend increase) for the fiscal year ending March 31, 2024

(1) Reason for revision

In accordance with the change in the dividend policy described in Item 1 above, the year-end dividend forecast for the fiscal year ending March 31, 2024 has been revised to 42 yen per share, up 12 yen from the previous forecast of 30 yen (announced on April 27, 2023).

(2) Revised dividend forecast

	Annual dividends per share		
	Q2-end	Year-end	Total
Previous forecast (announced on April 27, 2023)	/	30.00 yen	30.00 yen
Revised forecast	/	42.00 yen	42.00 yen
Actual results for the fiscal year ending March 31, 2024	0.00 yen	/	/