



April 18, 2024

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(Securities code: 4373; TSE Prime Market)  
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**Notice Regarding Progress of Capital and Business Alliance with CIRCULATION Co., Ltd. and Acquisition of Its Shares (to Make It an Equity-Method Associate)**

As announced in the “Notice Regarding Execution of Memorandum of Understanding on Capital and Business Alliance with CIRCULATION Co., Ltd. and Acquisition of Its Shares (to Make It an Equity-Method Associate)” on January 30, 2024, Simplex Holdings, Inc. (Head Office: Minato-ku, Tokyo; Representative Director, President and CEO: Hideki Kaneko; hereinafter “Simplex Holdings” or the “Company”) has been holding intensive discussions to start the capital and business alliance with CIRCULATION Co., Ltd. (Head Office: Shibuya-ku, Tokyo; President and Representative Director: Yu Fukuda; Securities code: 7379; hereinafter “CIRCULATION”). As a result, Simplex Holdings hereby announces that effective today it has concluded the final agreement on the capital and business alliance with CIRCULATION.

As described in “1. Details of the capital and business alliance, (2) Details of the capital alliance” below, the Company acquired 1,668,600 shares of common stock of CIRCULATION on January 30, 2024 and then acquired additional 431,400 shares of common stock of CIRCULATION on March 12, 2024. Through these acquisitions of shares, Simplex Holdings now holds 2,100,000 shares (Voting rights ratio: 25.17% (Note 1)), allowing the Company to make CIRCULATION an equity-method associate.

(Note 1) The voting rights ratio is calculated by dividing the number of voting rights held by the total number of voting rights, which is the sum of 8,306,000 shares of common stock issued (excluding treasury shares) as of October 31, 2023 and 43,000 shares of common stock issued to CIRCULATION’s directors and executive officers as restricted stock compensation on November 24, 2023.

1. Details of the capital and business alliance

(1) Details of the business alliance

Specific policies and details of the business alliance are as announced in the “Notice Regarding Execution of Memorandum of Understanding on Capital and Business Alliance with CIRCULATION Co., Ltd. and Acquisition of Its Shares (to Make It an Equity-Method Associate)” on January 30, 2024.

(2) Details of the capital alliance

Simplex Holdings acquired (i) 1,668,600 shares of common stock of CIRCULATION (Voting rights ratio: 19.99% (Note 1)) from Mr. Masatoshi Kubota, who is the largest shareholder and previously served as Director and President of CIRCULATION (the “First Transfer”), through off-market OTC trading on January 30, 2024, and then acquired (ii) additional 431,400 shares of common stock of CIRCULATION (Voting rights ratio: 5.17% (Note 1)) from Mr. Masatoshi Kubota on March 12, 2024 after the notification was filed with and received by the Japan Fair Trade Commission under Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947, as amended); the statutory waiting period passed; and the commission gave notice to the effect that it would not issue a cease and desist order as a result of its investigation (the “Second Transfer”).

## 2. Shareholding before and after share transfer

### (1) First Transfer

Number of shares held before the acquisition	0 shares (Voting rights ratio: 0% (Note 1))
Number of shares acquired	1,668,600 shares
Acquisition cost	1,382 million yen
Number of shares held after the acquisition	1,668,600 shares (Voting rights ratio: 19.99% (Note 1))

### (2) Second Transfer

Number of shares held before the acquisition	1,668,600 shares (Voting rights ratio: 19.99% (Note 1))
Number of shares acquired	431,400 shares
Acquisition cost	357 million yen
Number of shares held after the acquisition	2,100,000 shares (Voting rights ratio: 25.17% (Note 1))

## 3. Timetable

Date of resolution at the Board of Directors meeting regarding execution of the memorandum of understanding on capital and business alliance	January 30, 2024
Date of execution of the memorandum of understanding on capital and business alliance	January 30, 2024
Date of share acquisition (First Transfer)	January 30, 2024
Date book-entry transfer of share (First Transfer)	February 1, 2024
Date of share acquisition (Second Transfer)	March 12, 2024
Date of resolution at the Board of Directors meeting regarding execution of the Capital and Business Alliance	April 17, 2024
Date of execution of the final agreement on the Capital and Business Alliance	April 18, 2024
Date of commencement of business	April 18, 2024

## 4. Outlook

Through the execution of the First and Second Transfers, CIRCULATION became an equity-method associate of Simplex Holdings. The impact of the capital and business alliance and CIRCULATION becoming an equity-method associate on the Company's consolidated operating results for the fiscal year ending March 31, 2025 will be minor. A further announcement will immediately be made if any matters to be disclosed arise in the future.