Sun*

Financial Results Explanatory Materials for the 1st quarter of the Fiscal Year Ended December 2024

Sun Asterisk Inc. | **Securities code** : **4053**

May 13, 2024

Agenda

Table of contents

1. Business Summary
2. FY2024-1Q Financial Highlights
3. Growth Strategy Topics
4. Appendix

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1

Business Summary

MAKE AWESOME THINGS THAT MATTER

Our Vision

Create a world where everyone has the freedom to make awesome things that matter.

Our Mission

Create radical products and businesses with people who actually care about what they do.

Company Profile

Company

Founded	2013
Employees (1)	2,080+

Sun Asterisk : 370+
Sun Asterisk Vietnam : 1,425+
Sun Asterisk Software Development : 50+
Sun terras : 95+
NEWh : 20+
Trys : 110+

Management

CEO	Taihei Kobayashi
Co-founder, Director	Makoto Hirai
Director	Yusuke Hattori
Director	Takuya Umeda
Director: an Audit and SupervisoryCommittee member	Ken Nihonyanagi
Outside director	Toshihiro Ozawa
Outside director	Eriko Ishii
Outside director	MAKIKO ISHIWATARI

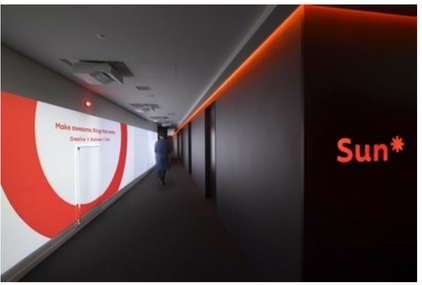
Financial (Previous period)

Sales (2)	12.5 Billion
Operating Income (2)	1.77 Billion
EBITDA (2) (3)	1.96 Billion
Sales CAGR (4)	39.7%

KPIs

Stock Type Client (5)	124 Clients
ARPU (6)	5.20 million
Churn Rate (7)	3.58%

(1) As of Mar, 2024 (including temporary hirings)
(2) FY12/2023
(3) EBITDA : Operating income + Depreciation and amortization + Amortization of goodwill
(4) Average Annual Growth Rate from FY2/2016 to FY12/2023
(5) 3/2024
(6) FY3/2024
(7) Calculated based on Jan. 2015 to Mar, 2024, 111 month average. # of churn clients/ existing clients average







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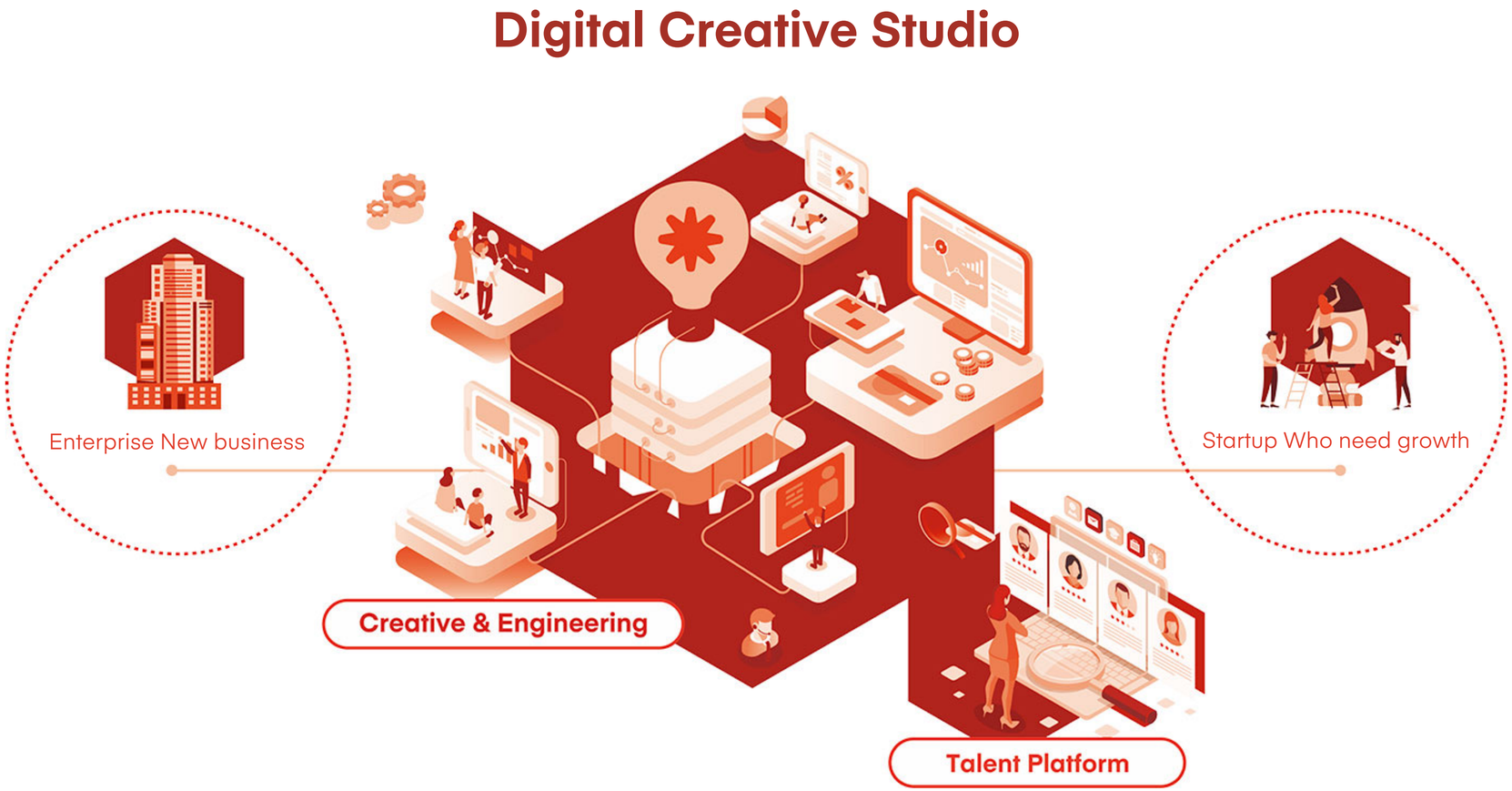
What is a Digital Creative Studio?



A service that creates optimal teams that can utilize digital technology and creativity, promotes digitalization in all industries, and creates value that updates society.

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Business Summary

Supporting from business creation to service growth.

Creative & Engineering

Tech, Design, Business Professional team creates and supports new business and product development

Talent Platform

Scouting, Educating, and recruiting IT talent in Japan and abroad



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Functions of the Digital Creative Studio

A team of B, T, C professionals with multinational and diverse backgrounds
Co-creating businesses with clients by utilizing value-creating methods and know-how

A large number of professionals from diverse backgrounds

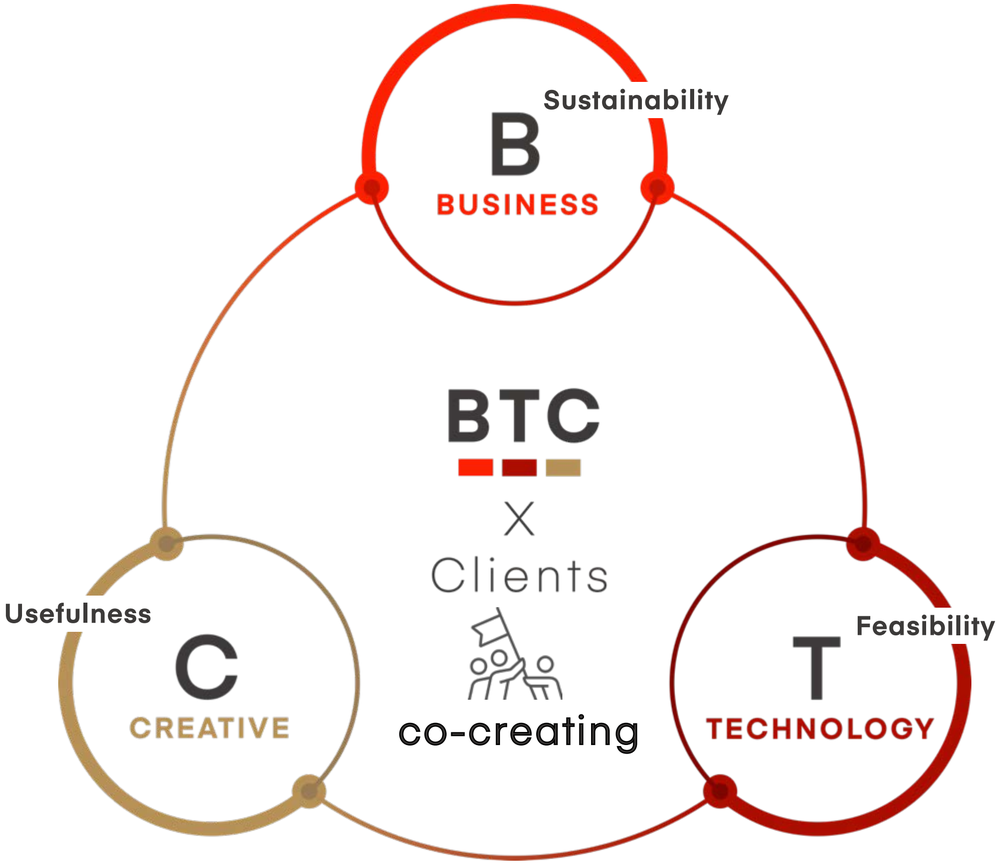
Professional

Business Consultant	Director of Business Development	Business Designer
UI/UX Designer	UI Plannner	Art Director
CTO	Project Manager	Full Stack Engineer

Methods and know-how accumulated from our extensive experience

Methods
Know-How

Design Thinking	Lean Startup	User-Centered Design
Agile	DevOps	CI/CD
AI	Blockchain	NFT



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The Two Types of DX Proposed by Sun*

The two types of digital transformation and the method to reach the target

Classification	Digitization	Digitalization
Target	**Digitize the business process** **Improve business efficiency** Such as renewing the core system	**Digitalize the business** **The growth of revenue** Update and change into a digital company
Requirement	**Stability and Quality**	**Flexibility and Speed**
Method	**Problem solving** Identify problems, organize business flow, design a system of requirement definition, apply a system of Waterfall development, and maintain, measure, improve effectiveness	**Value creation** Use design thinking to create new ideas. Lean startup, MVP development, Agile development. High speed DevOps system and Operation

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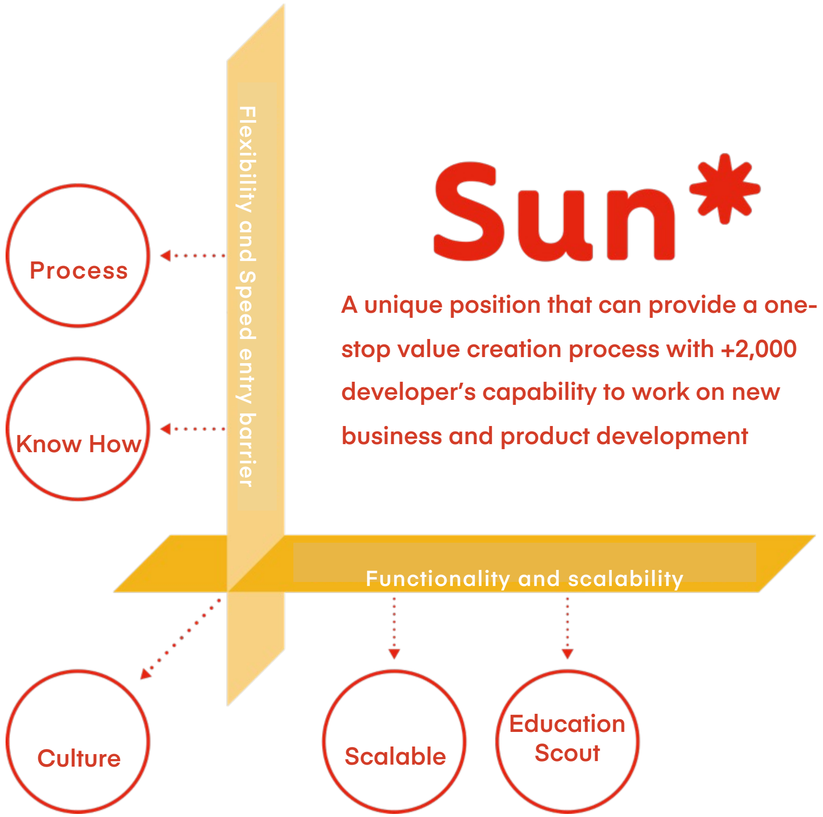
Sun* Uniqueness in DX Market

Unique position to provide one-stop new business/product development



Process・Know-how

Value creation processes that have been repeatedly refined through development using design thinking, Lean Startup, and agile approaches, and reproducibility through a data platform that has accumulated know-how from more than 400 development projects, mainly for new businesses and products.

Culture

Accelerate collaboration with people, products, and things that seriously tackle social issues, and create an open and strong culture where people can immerse themselves in value creation.

Scalability

More than 1,500 B, T, and C professionals in our organization. Ability to identify and develop human resources by leveraging value creation processes and know-how, and building training ecosystems in collaboration with educational institutions.

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Our Works

Case Study : MeetsMore Inc.

Aiming to improve GDP by "creating good products with global standards that can be used by Japanese people”.

SaaS "ProOne" Improves Productivity, Sales, and Customer Satisfaction in Construction Management Operations

MeetsMore Inc, a startup whose mission is to increase GDP. In addition to its main product, “MeetsMore, a platform that automates customer attraction and estimates, the company launched a new business, “ProOne”, a SaaS that streamlines workflow for on-site work, such as electrical and plumbing installation, in June 2022.
Sun* has been accompanying the development of the product since February 2023, mainly at its own development site in the Philippines. Sun* will continue to provide ongoing support for business growth after PMF (Product Market Fit).

Development & implementation | Team proposal-based development | SaaS | Startup company

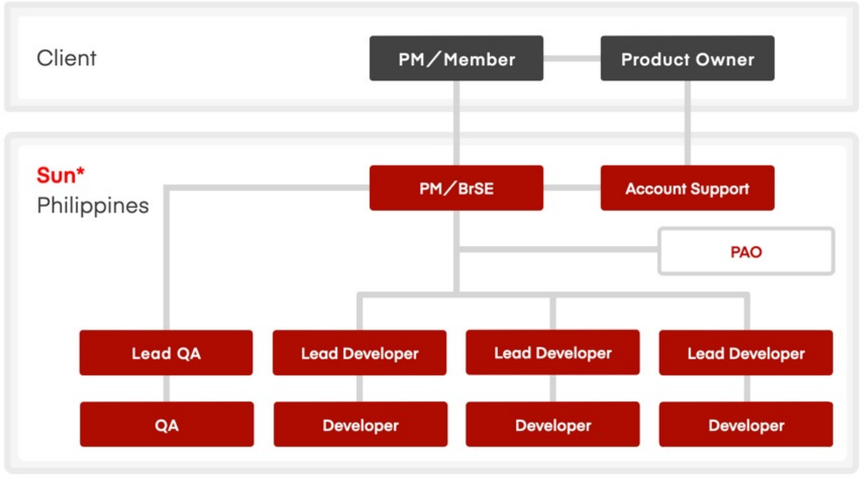


ISSUE

Inquiries from large companies have increased, and the company is now required to develop functions that conform to the demands and governance of large companies. In order to accelerate development and expand orders, and create a development team capable of communicating in Englishm, so they asked Sun* to provide accompanying support.

SOLUTION

A Japanese PM with extensive experience in the Philippines was appointed as BrSE, and a team of over 20 people was formed. With a focus on code quality, he worked with the client to establish standards for code reviews, improving development speed while maintaining quality. We also created prototypes early to minimize delays.



Client Voice
“We feel that the speed of evolution of the product has increased tremendously since we started working with Sun*.
We hope to make 'Pro One' a global standard in the future.”

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Case Study : ROMS Inc.

ROMS Robotics OMni Solutions

DX for logistics, warehousing, and supply chain to “save manpower” with robotics

Transforming the retail and supply chain with digital and automation to create the next EX/CX

ROMS inc. provides retail, e-commerce, and logistics companies with compact automation solutions centered on “high-performance compact automated warehouses” and “robot picks. Sun* has been providing ongoing creative and technical support for ROMS, including native app development and PoC support for MOPU, an ultra-compact robot-automated warehouse, API Gateway development related to an integrated control system (RCS) for optimizing logistics, and prototype development for an order management screen. We also supported the renewal of the corporate website for the company, aiming for further growth

UI/UX Design | **Basic Design** | **Requirement Definition** | **Development & implementation**

Startup company | Retail & Logistics





ISSUE

- [MOPU] Want to improve convenience and UX by making my web apps native
- [RCS] There is no receiving point to connect to RCS from other retail CPs and lack of information to manage store PL.
- [Corporate Website] The amount of information is insufficient and the attractiveness of the company is unclear.

SOLUTION

- [MOPU] Leading the definition of requirements for nativization
- [RCS] Develop a phased Gateway for each function, and automatically recommend order quantities based on inventory quantities linked from RCS.
- [Corporate Website] Conducted insight analysis, created personas and user journey maps, and built consensus.

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Case Study : TRIUMPH

TRIUMPH
With our Clients & Employees

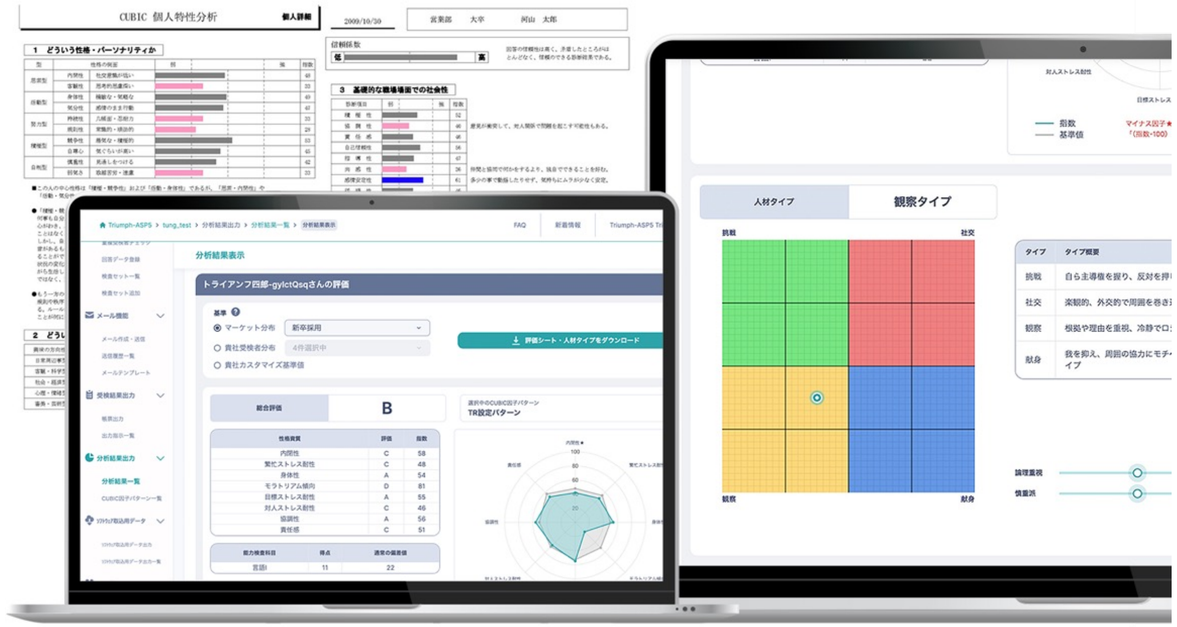
The industry's first aptitude test that enables a detailed understanding of an individual's abilities and aptitude for appropriate staffing and training.

“CUBIC”, an aptitude test that revolutionizes the interview process and motivates applicants to join the company

“CUBIC,” released about 10 years ago, was required to revamp its UI/UX and enhance its competitive advantage. They turned to Sun*, which can handle everything from design to development in one fell swoop, to build a development team of up to 24 people. Sun* accompanied the client from requirement definition to design and development, and after 9 months of development, released CUBIC TRIUMPH Ver.II with new UI and functions.

UI/UX Design | **Basic Design** | **Requirement Definition** | **Development & implementation**

Venture Business | HR & Organization



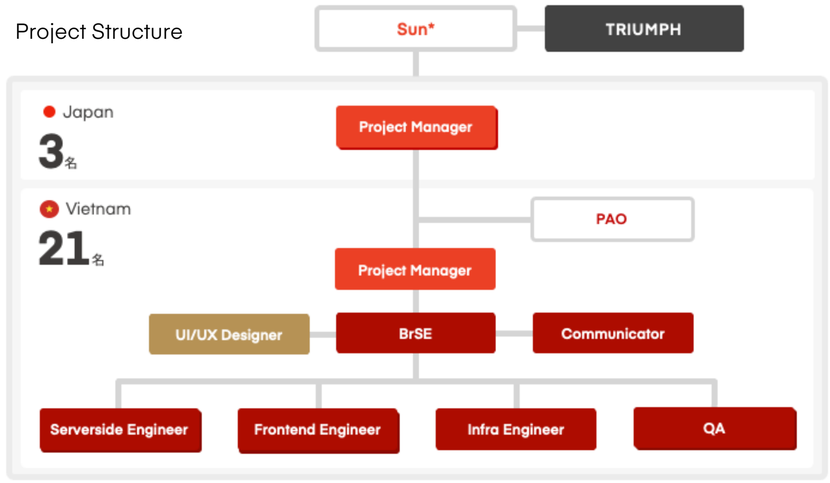
ISSUE

Want to improve the UI/UX of a system developed more than 10 years ago from a usability perspective and expand its functionality to make it more competitive with other companies' services. Want to work with a partner who can handle the entire process from design to development in order to proceed with the project more efficiently.

SOLUTION

Before starting development, we conducted user interviews and prototyping to examine and verify new functions that would differentiate us from our competitors. Development was conducted after clarifying user acceptance and reducing the uncertainty of new functions.

Project Structure



Client's Voice

“For this project, we gave top priority to strict adherence to the release date. When deviations from the estimate occurred, the Japanese PM went to Vietnam to strengthen team building, understood the positions of both parties, and continued to seriously consider how to release the product on time.”

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Case Study of DX Promotion and New Business Development



MeeTruck
SoftBank Corp.／MeeTruck K. K.



Smart League
SSK CORPORATION



SAAI Wonder Working Community
Mitsubishi Estate Company CO., LTD.



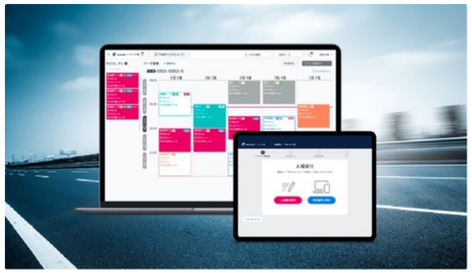
Core systems related to the
"KUMONO UCYUSEN" NIPPON GAS CO.,LTD.



BI tools, RPA implementation support
LAWSON, INC.



0→1Apps
01Booster Inc.



Truckbook / dplus
Monoful Inc.



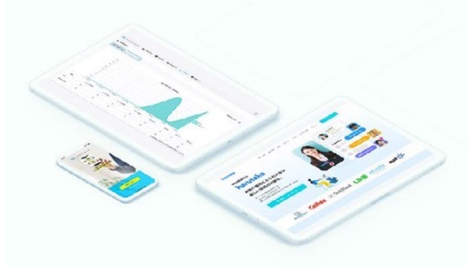
TOKYO-UENO WONDERER PASS
UENO Cultural Park／
LINE Pay Corporation



Todokun
NPO Bridge for Smile



Hokuoh,Kurashino Douguten store
Kurashicom Inc.



HARUTAKA
ZENKIGEN Inc.



TENANTA
tenant inc.



Kauriru
TENT Inc.



Senses
mazrica inc.

Update on the website

https://sun-asterisk.com/works/

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2

FY2023 Financial Highlights

Financial Results Summary

Both sales and income increased due to strong orders in the mainstay Creative & Engineering businessBoth sales and profit progressed as planned.

Unit : Million Yen

	FY2023 1Q	FY2024 1Q	Rate of Change	Financial Forecast	Progress Rate
Sales	3,049	**3,418**	12.1%	15,061	22.7%
Gross profit	1,559	**1,862**	19.4%	7,970	23.4%
Gross profit margin	51.1%	**54.5%**	—	52.9%	—
EBITDA (1)	508	**615**	21.1%	2,367	26.0%
Operating income	476	**569**	19.7%	2,162	26.3%
Operating margin	15.6%	**16.7%**	—	14.4%	—
Ordinary income	611	**582**	▲4.7%	2,299	25.3%
Net income	407	**408**	0.4%	1,780	22.9%
Average exchange rate (per 1 Vietnamese Dong)	0.00562yen	0.00600yen		0.00600yen	

(1) **EBITDA** : Operating income + Depreciation and amortization + Amortization of goodwill

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Key Points

Sales

- Sales grew 24.3% YoY due to strong orders in Creative & Engineering.
- Talent Platform remained generally in line with plans.

Gross profit

- The unit sales per employee in Creative & Engineering continued to improve from FY2023-4Q. Gross profit margin improved to 54.5% from 51.1% in FY2023-1Q due to efficient project execution in FY2024-1Q.

Operating income

- Although the SG&A-to-sales ratio increased YoY due to aggressive hiring, the gross profit margin improved significantly, and the operating profit margin improved to 16.7% from 15.6% in FY2023-1Q.

Exchange impact

- FY2024-1Q at the same level of the budgeted rate of 0.00600 yen.
- Cost increased by 64 million yen due to the impact of yen depreciation compared to the previous year's rate of 0.00562 yen/dong.

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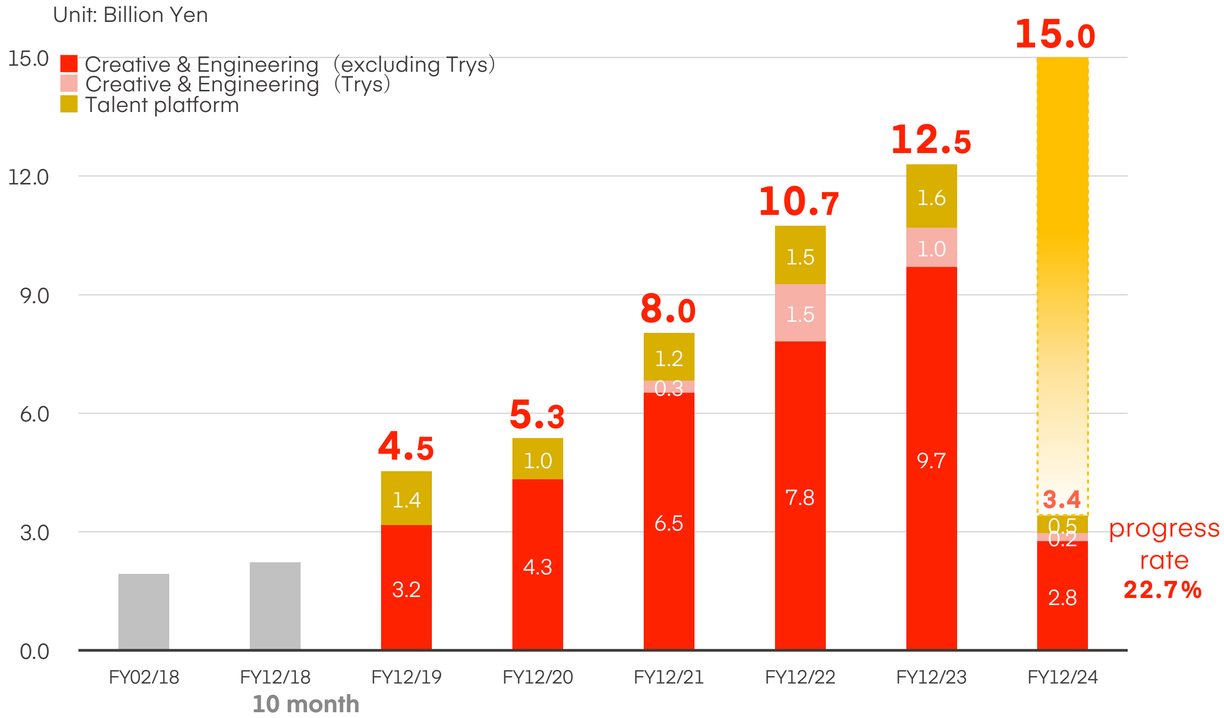
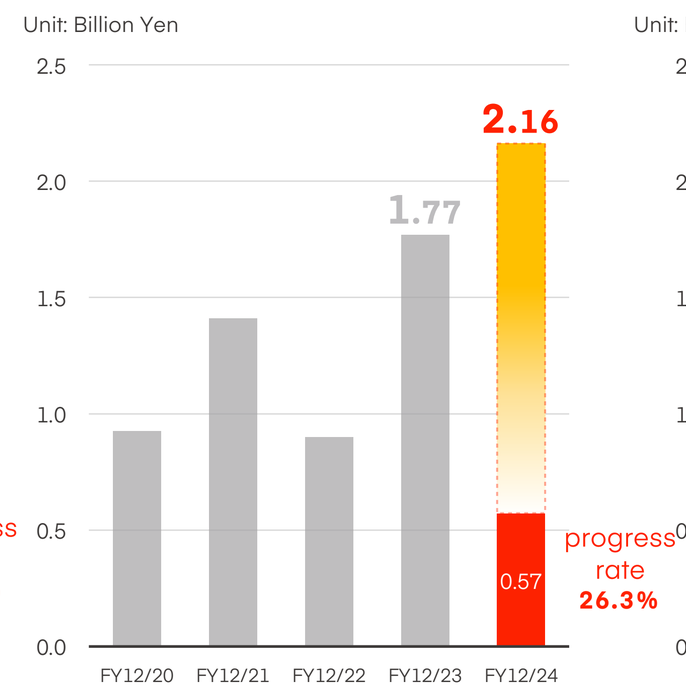
Changes in Sales and Net Income

High progress in both operating income and ordinary income compared to initial plan

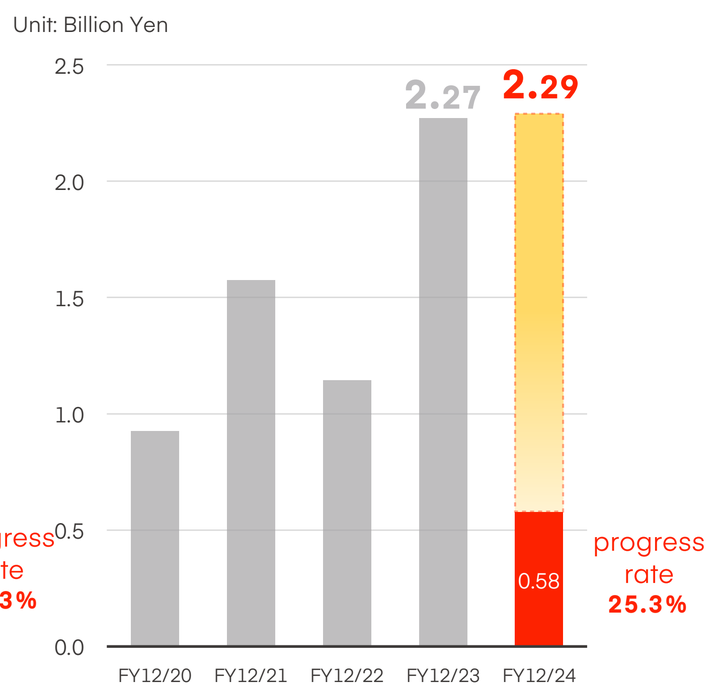
Sales (1) (2) (3)



Operating Income



Ordinary Income



(1) FY 12/2018 is 10 month fiscal year period due to change in accounting period
(2) Sales history presents non-consolidated before FY2/2018
(3) Merged GROOVE GEAR Inc in 2018/12, it reflects FY12/2019, before internal transaction, GROOVE GEAR revenue is 1.144 billion yen and net income is 60 million yen
* The figures before the fiscal year ending February 2018 have not been audited by an audit corporation.

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Performance Highlight

Sales (quarterly change)

Sales in FY24-Q1
3.41 billion Yen (YoY+12.1%)

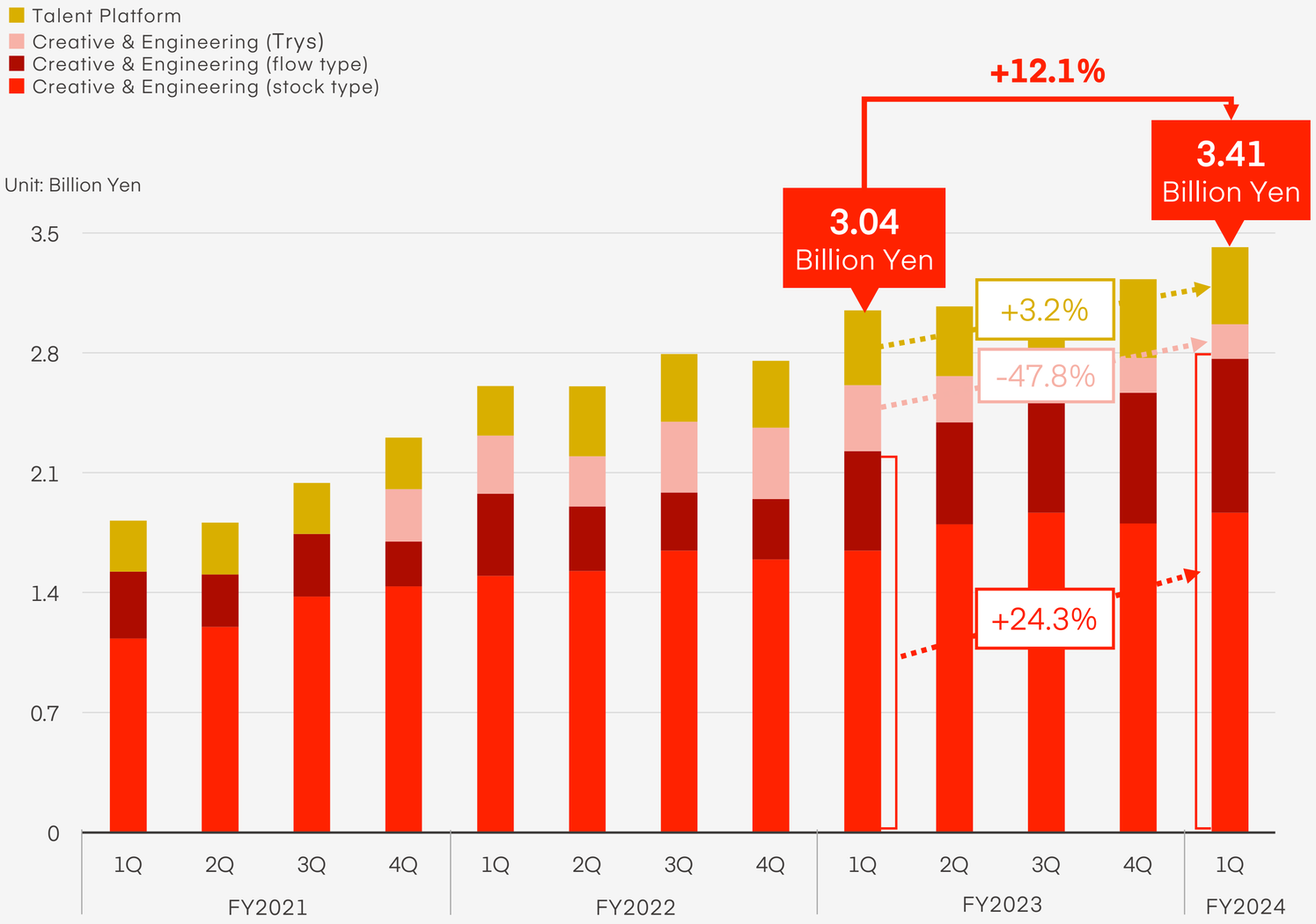
Creative and Engineering (excluding Trys)
+24.3% YoY

Talent Platform
+3.2% YoY

Trys
-47.8% YoY

※ Decrease in sales due to the transition to a contracted game development model after the transfer of game titles.

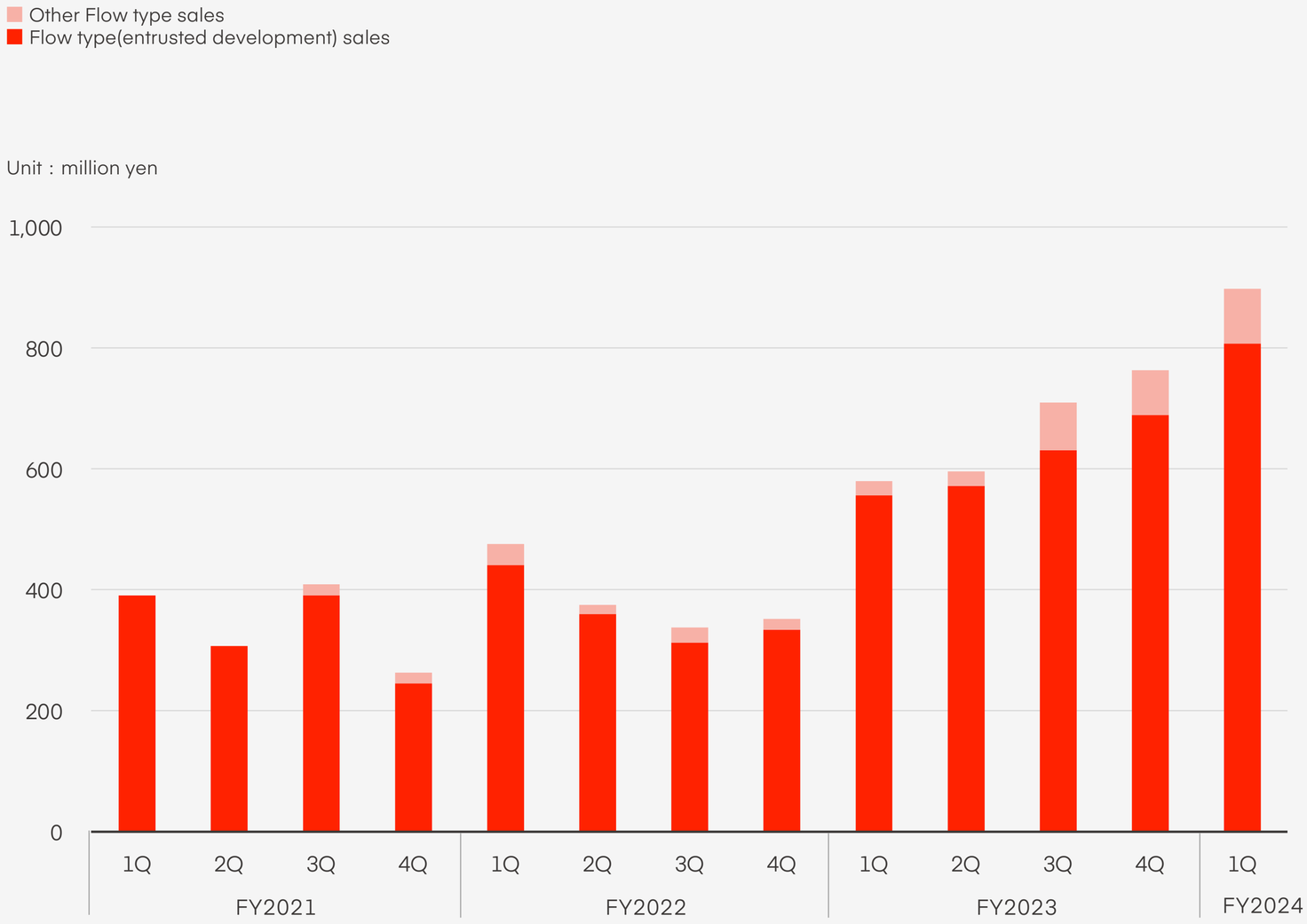
(1) Quasi-delegated contracts lasting more than three months are classified as stock-type contracts, while quasi-delegated contracts lasting less than three months and subcontracted contracts are classified as flow-type contracts.



Performance Highlight

Flow-type sales (quarterly)

In FY24-1Q, flow-type sales increased mainly driven by large projects from enterprise customers.



(1) Other flow type: Sales other than contracted business such as MOOOS
(2) Flow type(contracted development): Sales of quasi-contracts that are not stock, and sales of contracted

Status of each service line

Creative & Engineering

- Net sales increased 24.3% yoy.
- Orders received increased mainly from flow-type projects for enterprise customers, and net sales increased significantly yoy.

Talent Platform

- Sales increased 3.2% yoy.
- 1Q results were generally in line with plans.

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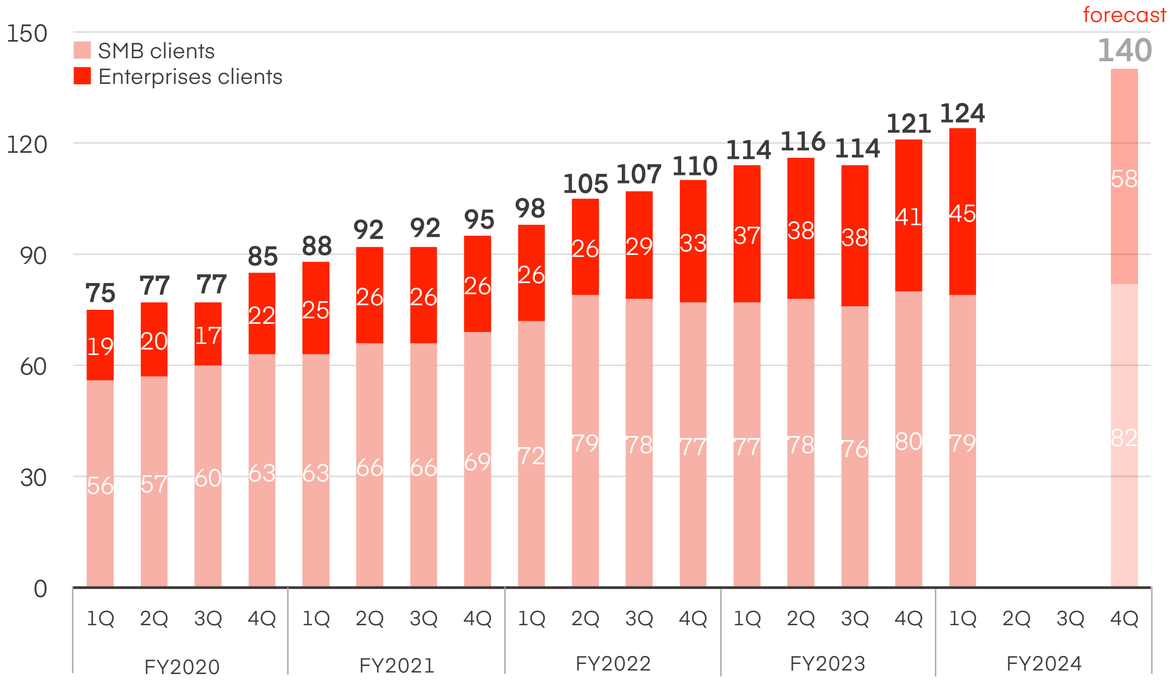
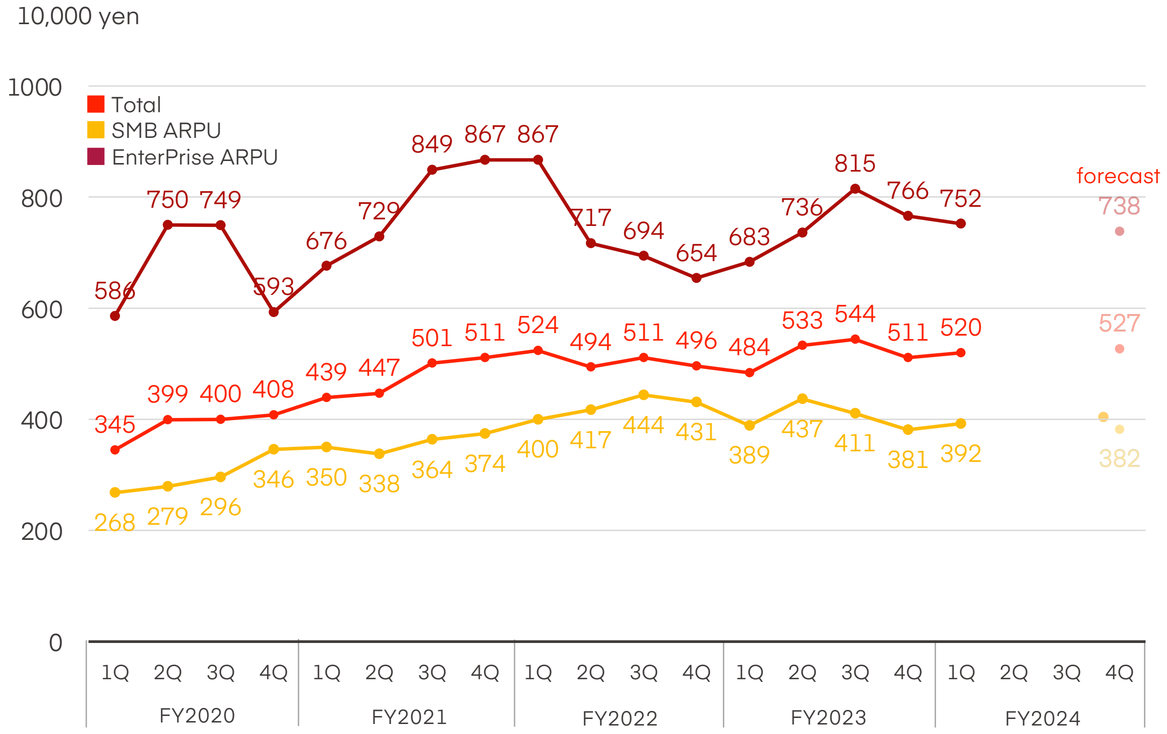
Changes in Important KPIs (quarterly)

The number of stock-type customers increased by 3 QoQ.
Average ARPU for all customers increased by 90,000 yen QoQ
due to orders for large projects

of stock type clients



ARPU

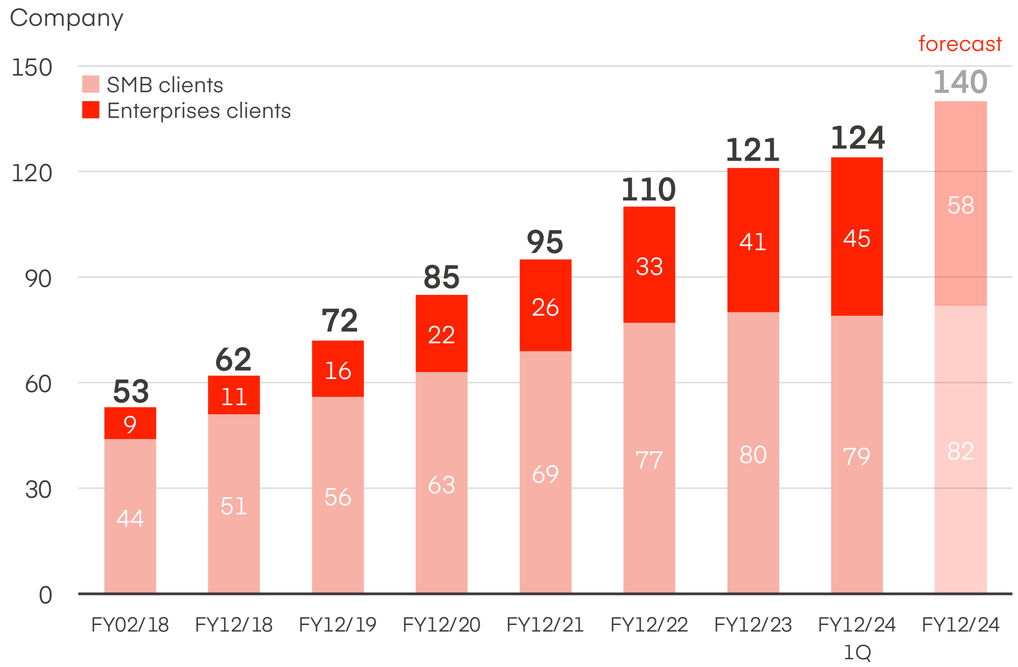


Enterprise: Listed companies that are included in the Nikkei 225, Nikkei 400, or Nikkei 500, or companies in the same group or companies with market capitalization, sales, or number of employees equivalent to the above companies.
SMB: Abbreviation for Small and Midsize Business. All companies other than those we define as Enterprise.

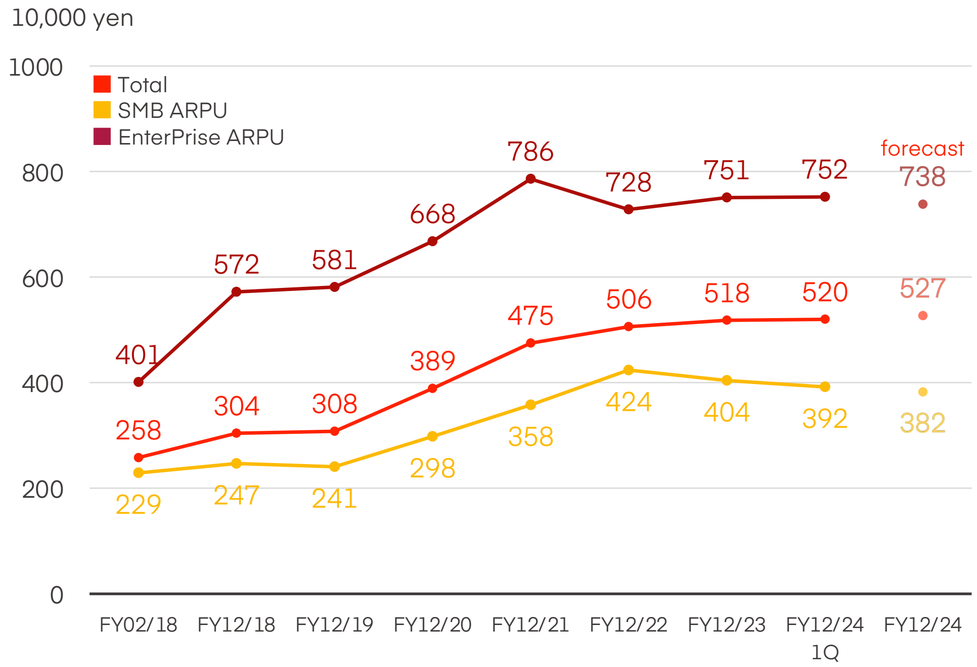
Changes in Important KPIs (fiscal year)

Continued increase in average ARPU for all customers due to growth in the number of enterprise customers

of stock type clients



ARPU



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SMB: Abbreviation for Small and Midsize Business. All companies other than those we define as Enterprise.

Status of important KPIs

stock-type clients

- 3 companies increased QoQ due to the shift of projects to stock, mainly for enterprise customers
- 124 companies in 1Q results were in line with the plan

ARPU

- Average ARPU for all customers increased by 90,000 yen QoQ due to orders for large projects
- 1Q actual ARPU exceeded the plan for Enterprise, SMB, and average ARPU for all customers

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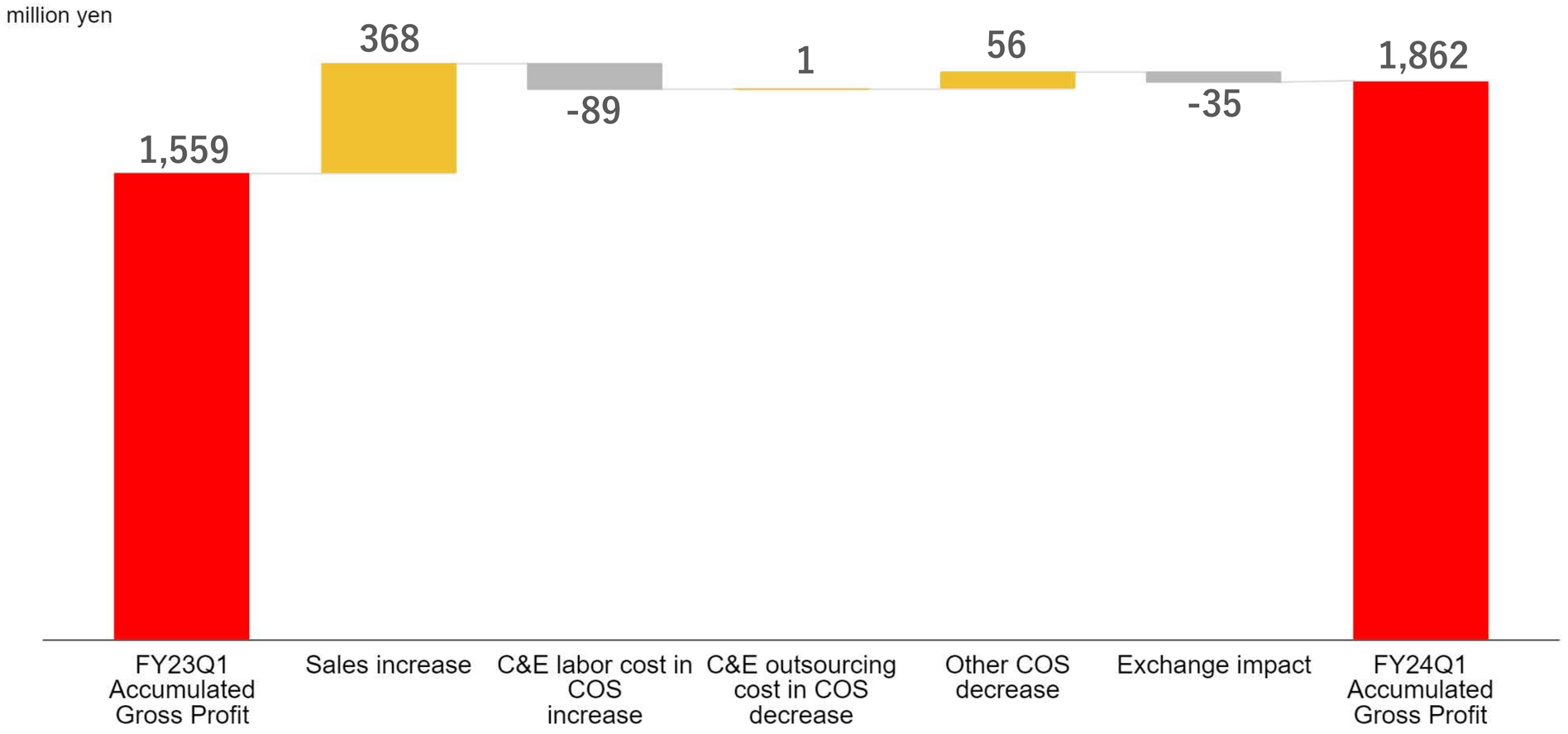
Factors of Gross Profit Increase/Decrease (YoY)

Significant increase in profit YoY due to orders for highly profitable projects in Creative & Engineering and higher unit labor costs per employee. Decrease in server and other costs contributed to other cost of sales due to the sale of the game business of Trys, a group company.



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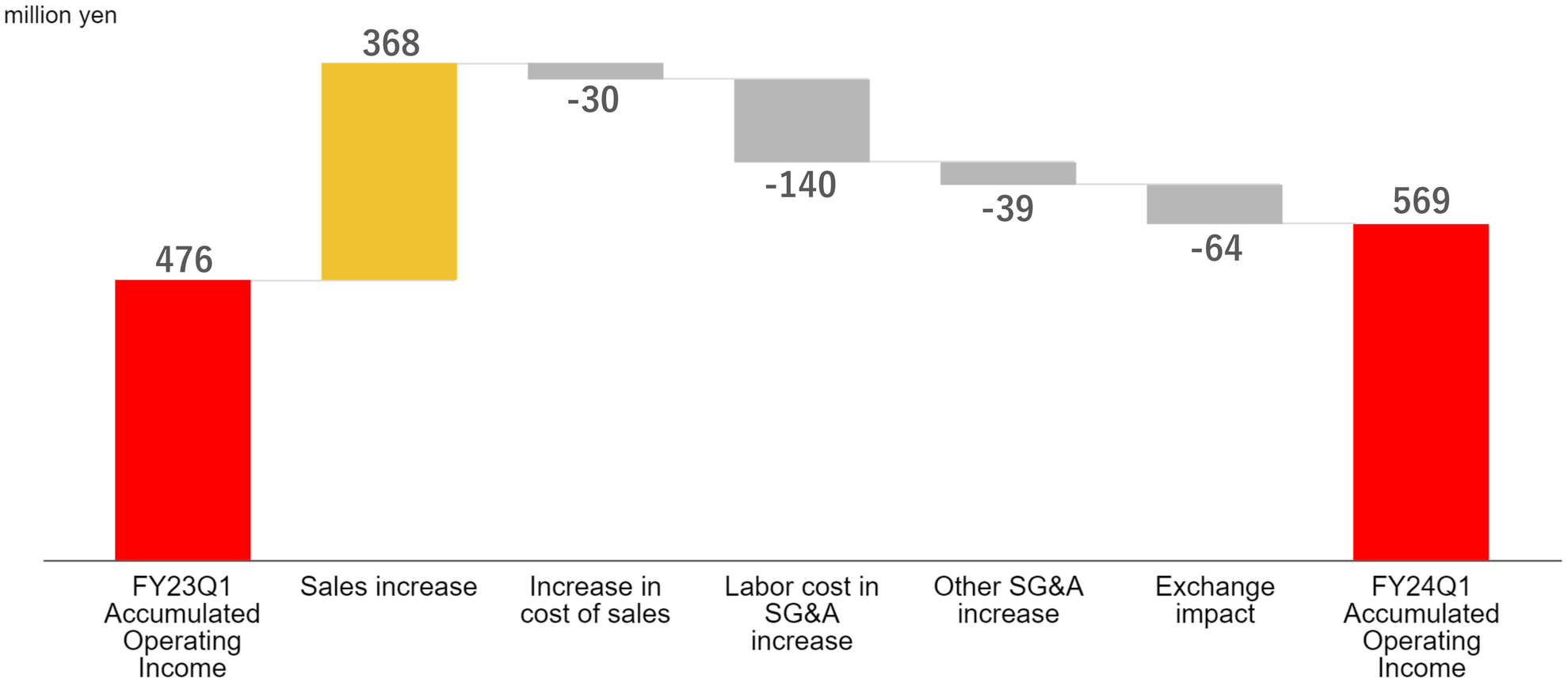
Factors of Operating income Increase/Decrease (YoY)

Despite an increase in personnel expenses due to personnel expansion and the impact of yen depreciation, a significant increase in revenue absorbed the cost increase, resulting in a significant year-on-year increase in operating income.



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Balance Sheet Comparison

Capital adequacy ratio remains high, ensuring stability of financial base

Unit: Million Yen

	12/2023	3/2024	Amount of change	Main Factors
Current Asset	10,047	**11,840**	1,793	Increase in cash and bank deposits
Cash & Bank	7,946	**9,426**	1,480	Profit recognition and increase in short-term borrowings
Fixed Assets	1,811	**1,753**	-58	
Total Assets	11,859	**13,594**	1,735	Increase in cash and bank deposits
Current Liabilities	2,035	**3,156**	1,121	Increase in short-term borrowings
Fixed Liabilities	324	**364**	40	
Net Asset	9,499	**10,073**	574	Profit recognition
Total Liabilities and Equity	11,859	**13,594**	1,735	Profit recognition and increase in short-term borrowings
Equity Ratio	80.1%	**74.1%**	—	

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3

Growth Strategy Topics

Topics

Launched “Quick*Proto” for rapid prototyping and validation of business ideas and product experiences



Prototype business ideas and product experiences and quickly test hypotheses in each phase

Based on our past support experience, we believe that explaining and verifying complex ideas and processes in a simple and concrete manner prior to MVP development is an extremely important process for both users of the service and service developers. This service leverages our past achievements and know-how to support the verification of acceptability by quickly prototyping business ideas and product experiences to meet the challenges and objectives of each business phase.



Recommended for companies with these issues

1. You have a business idea, but you are not sure if it will be well received by users
2. You do not know whether your solution idea is appropriately designed
3. Lack of explanatory material for investment decisions and development budget approval for new business

Four prototypes



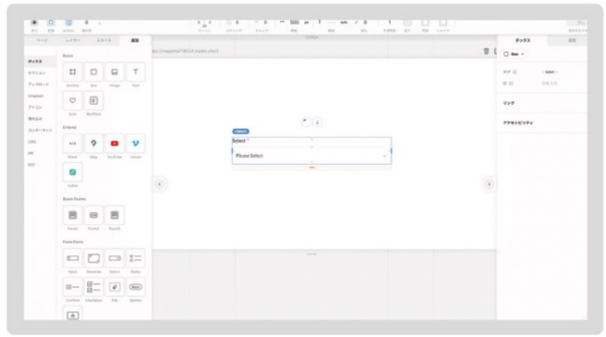
Concept Prototype

Visualize the concept in the form of a storyboard or LP to share the gist and story of the concept.



Design Prototype

Embody the UIUX of the product or service to verify whether the concept is delivered as an appropriate experience and usability.



Low-code Prototype

The user experience, including the interactions related to the technical elements, which cannot be realized by design prototyping alone, should be given shape.



Technical Prototype

In business ideas where the technology element is the core experience of the product, the idea is shaped by coding the key functions.

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Topics

Launched “Web Accessibility* Check”



Support for web accessibility improvements in response to legal changes that will take effect on April 1, 2024

The “Revised Law for the Elimination of Discrimination against Persons with Disabilities,” which will go into effect on April 1, 2024, will make it “mandatory to provide reasonable accommodation” to an unspecified number of persons with disabilities, which was previously considered an obligation of effort by private businesses. As a result, information and communication and services will be required to be provided in an equal manner so that people with disabilities are not restricted.

In response to these changes, we are launching the “Web Accessibility* Check” to adapt web content and services to make them more user-friendly for all users, and to quickly respond to the growing interest in web accessibility.



Features of Sun* Accessibility Assessment

Accessibility improvement proposals that contribute to increased business value



Depending on the business concept, brand guidelines, and targets, we will propose improvement plans, taking into consideration the priority experience value.

Post-diagnosis design, implementation, and renovation phases can also be handled



It is important to improve the experience for people in more diverse situations in an appropriate way, and Sun* can handle the design and even code implementation that needs to be improved.

New development can be designed for accessibility



In addition to diagnosing existing pages, we can also design (design and implementation) for accessibility in advance for newly developed products.

Sun*

Topics

AI Hackathon for Japanese and Vietnamese University Students Jointly Held with Microsoft Japan



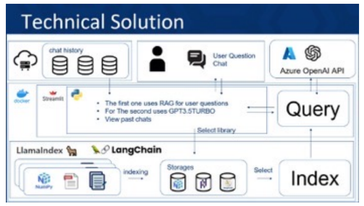
Total number of participants: 218
162 university students from Vietnam and 57 from Japan

From December 2023 to January 2024, Sun Asterisk, Inc. co-hosted the Azure OpenAI Service Hackathon for University Students with Microsoft Japan, Inc. Service," in which OpenAI's advanced artificial intelligence models are available, and university students from two countries, Vietnam and Japan, competed in the technology. After a preliminary round, a total of 29 students from 3 teams from both countries took on the challenge in the finals.

The winning team from each country was selected and presented with a cash prize of 100,000 yen. The competition was a great success, supported by 19 Japanese AI companies.

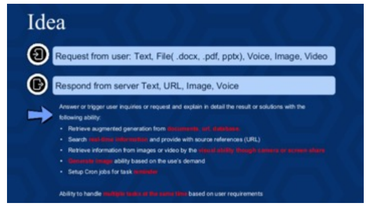


優勝したチームのアプリケーション





Japan winning team "Data Dreamers caffeine coder"
(Kanazawa Institute of Technology)
Learning support to make it easier for beginners to continue machine learning





Vietnam Winning Team "Tech Thrive"
A virtual AI-assistant that provides the information and task processing you need

Judges' Comments

Most of the teams were able to use a variety of programming languages and integrate them into their products in a short period of time. The technologies used were also very diverse and many teams were implementing a new and challenging architecture called RAG. This demonstrates that most of the teams that participated have a solid base of technical knowledge and the ability to learn new technologies quickly."

Sun*VN R&D team Unit Manager
Tran Duc Thang

Sun*

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Topics

Acquisition of shares of Sun Asterisk Software Development Inc（development base in the Philippines）



Name of company	Sun Asterisk Software Development Inc.
Location	JAM HOUSE GUEST HOUSE & CAFÉ 44 E. EMILIO OSMEÑA ST., GUADALUPE, CEBU CITY
Representative	Representative Director Daisuke Nishide
Business	Software Developments
Capital stock	900,000 Philippine peso
Date of Establishment	April 2019
Number of Employees	52 (as of March 31, 2024)

Became a subsidiary for further growth with a view to providing development support to the global market.

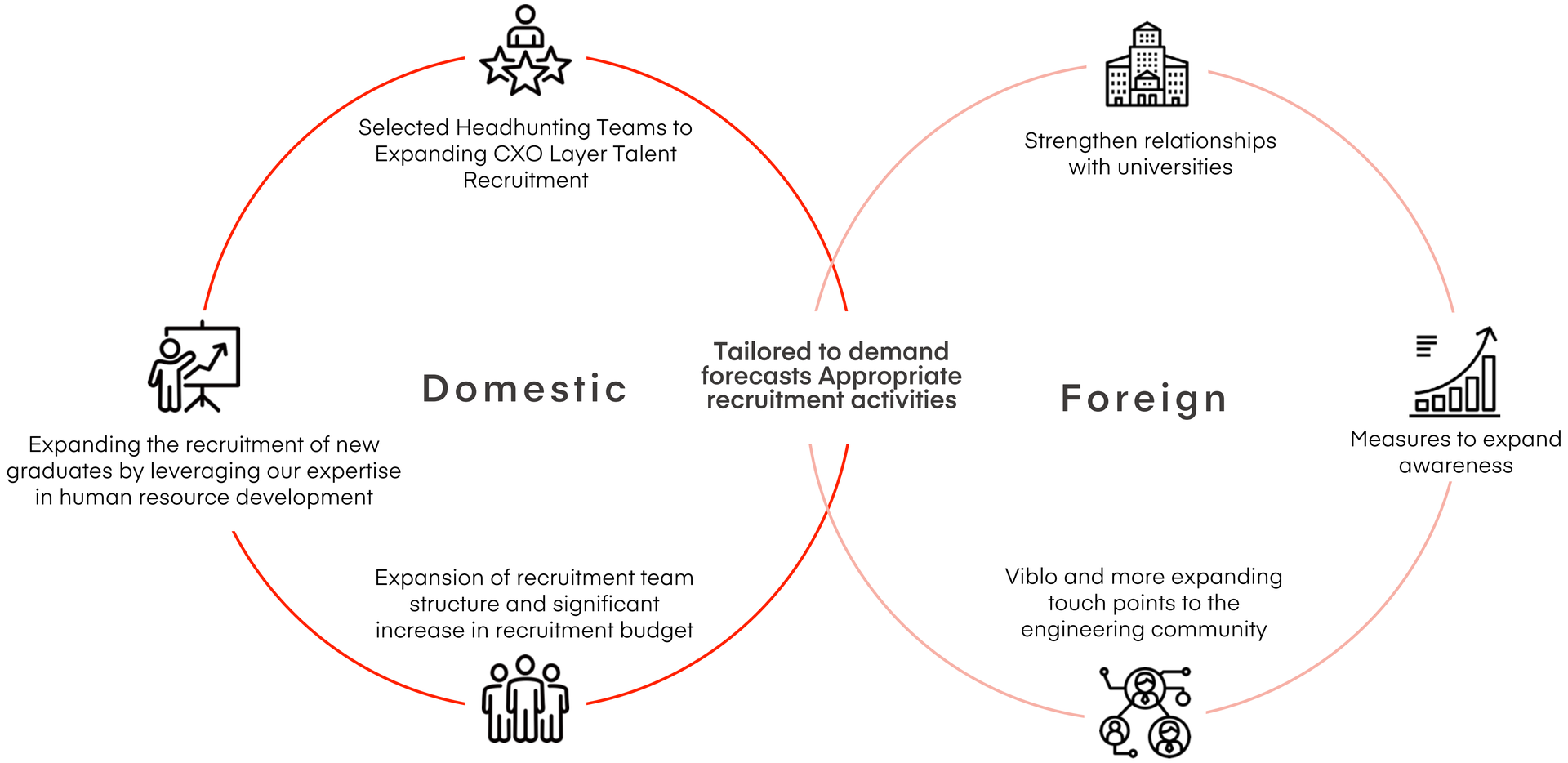
Sun* Inc. has acquired 99.9% of the shares of Sun Asterisk Software Development Inc.As an English-speaking development team, Sun Asterisk Software Development Inc. has provided development support to many startup companies originating from overseas and IT companies based on English communication.
In addition, we also operate an IT education and programming education business to nurture young IT professionals who want to work globally, taking advantage of our partnerships with San Carlos University, one of the top local private universities, and the Cebu Institute of Technology, where there are many language students. We have produced BrSEs and project managers (PM) who are active not only in our own company but also in our overseas offices.



Sun*

Recruitment Strategy

Appropriate recruiting activities in line with demand forecasts by an organized recruiting team
Plans to further accelerate hiring this fiscal year against a backdrop of strong orders



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Customer Strategy

Expanding the sales team to acquire new customers and Strengthening relationships with existing customers by increasing the number of customer account representatives.

Stock-type customer acquisition measures

Lead Generation



Strengthen inflow from existing customers



Inflow by alliances



Strengthen web-based inflow

Lead Nurturing



Strengthen community building



Strengthen business incubation system

Increase per customer



Increase in average unit price

due to increase in ratio of enterprise

Main factors



Increase in unit price due to new acquisition of high unit price projects



Unit price increase due to growth of existing projects

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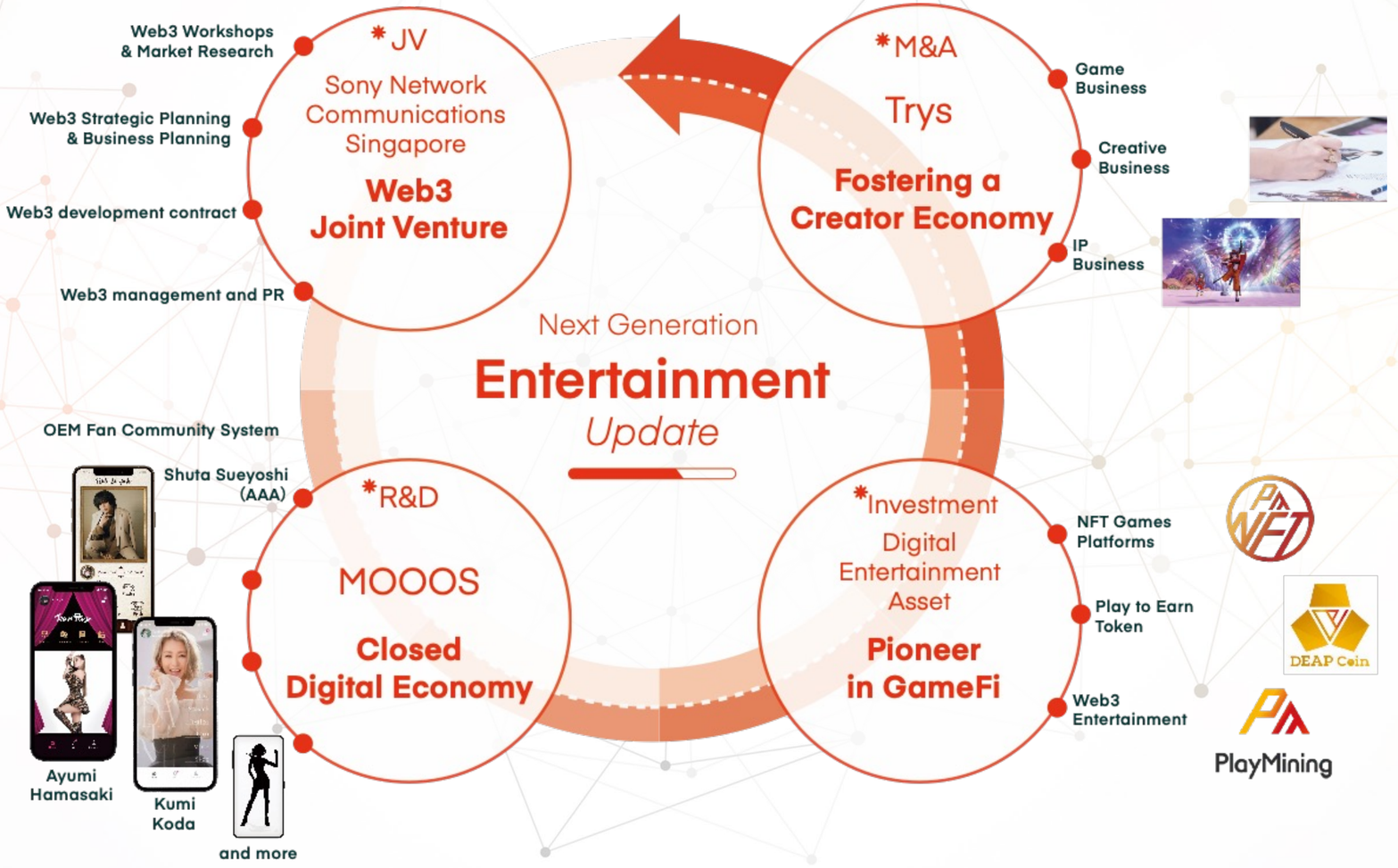
Creating the Next Generation of Entertainment in the Web3 Era

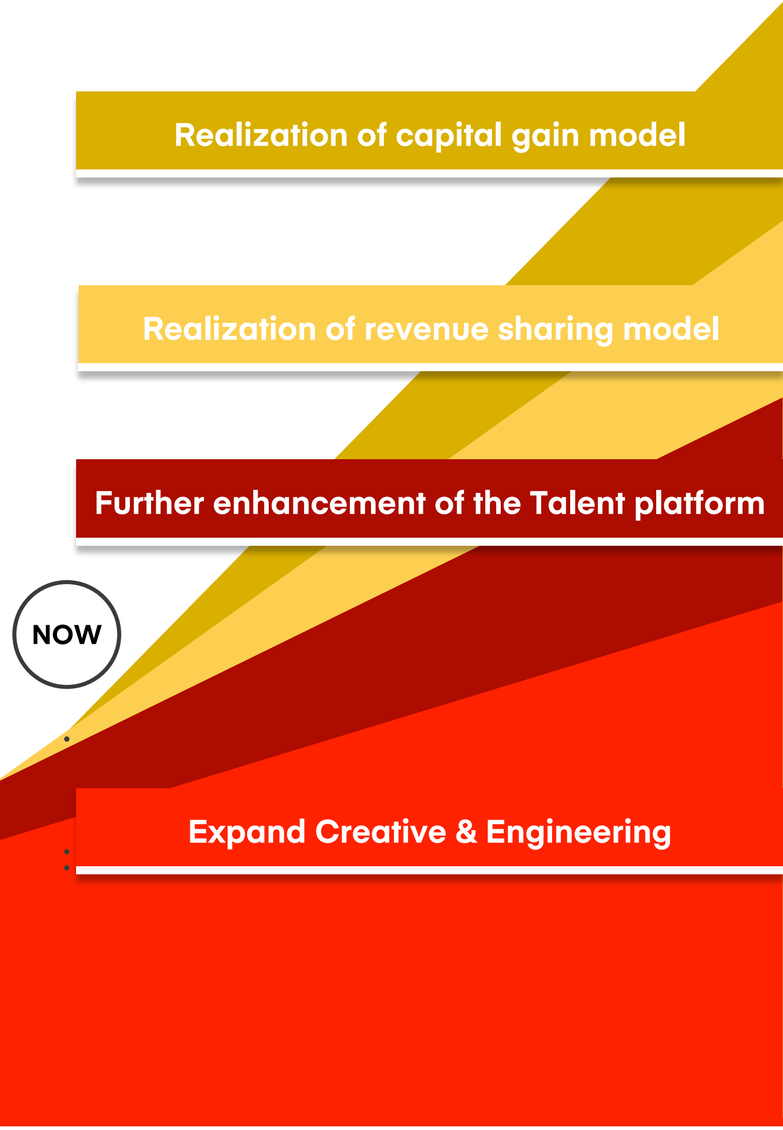
Create value by leveraging synergies as a group company through JV, M&A, R&D, and capital and business alliances



Future Growth Strategy

We will continue to expand the existing digital creative studio business, further improve the quantity and quality in the education and development fields and improve reproducibility by expanding the data platform and develop the social implementation of advanced technology.

Then, increasing the ratio of new businesses in Japan and overseas and committing to creating more valuable businesses and business growth will be the axis of new businesses that support the company's growth drive.



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4

Appendix

Topics

Sustainability Initiatives

Ten materialities were identified and grouped into five categories.

Category	Materiality	ESG
DX and business co-creation	DX promotion in all industries	Social
	Developing a value chain with various partners	
	Improve customer experience and service quality	
Human resources and teams	Finding, nurturing, and promoting the success of value-creating human resources and teams	
	Diversity and Inclusion promotion	
Community	Contribute to the local community and various communities	
Corporate Governance	Enhancement of corporate governance and risk management	Governance
	Thorough implementation of corporate ethics, compliance, and anti-corruption	
	Thorough privacy and information security management	
Environment	Contributing to global environmental issues such as climate change and environmental pollution	Environment

We have systematically organized our sustainability promotion activities, which had been conducted sensitively until now, and analyzed, evaluated, and determined the materiality (key issues) that will become the foundation for Sun* to create value over the long term through its business activities from the company's and stakeholders' perspectives.



Details are available on the Sustainability Now available on our website!

https://sun-asterisk.com/sustainability

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Common Business Development Processes and Key Sun* Solutions

Expand Creative & Engineering

Sun*'s studio model is to run alongside the entire process
and provide continuous support for business growth even after release.

	Strategy Formulation	Business Development and Product Development			Business Growth
Business Development Steps	Industry structure analysis Customer analysis and needs search	Customer Problem Fit	Problem Solution Fit	Product Market Fit	Marketing Maintenance and Enhancements
Goal of each step	Research and analyze the industry, market size, customer needs, competition, and your company's capabilities to identify markets and customers.	What is the customer's issue (pain)? Is it really a problem? Identify the target and the problem to be solved.	What is the method (solution) to solve the problem? Is it really a solution to the problem?	Embody the solution as a product and verify the marketability (possibility of registration, use, and purchase) while obtaining user feedback.	Develop marketing and customer development (sales), and continuously improve the product while getting feedback from users.

Solutions of Creative & Engineering

- 1. Short Project（Issue identification）
- 2. MVP development・PoC
- 3. Development・DevOps（Continuous Improvement）

Solutions of Talent Platform

- 1. Executive Search
- 2. Professional Recruitment / 3. GEEK JOB / 4. RPO
- 5. x seeds Hub (Training and introduction of overseas TOP engineers)
- 1. Executive Search

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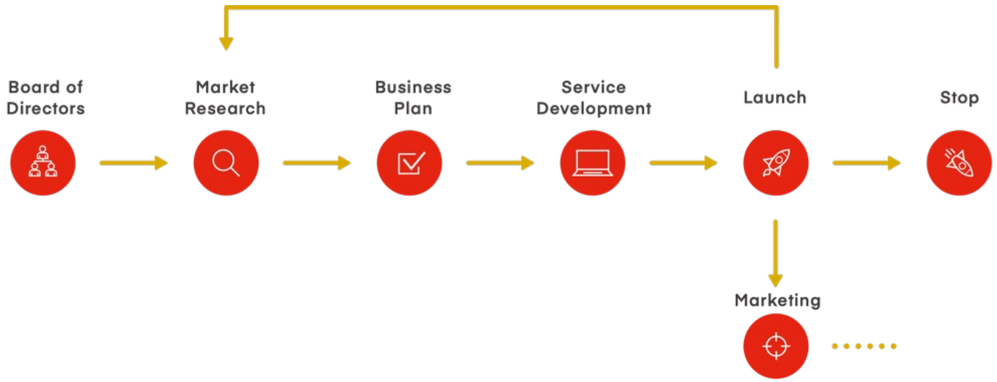
Features of the Business Model

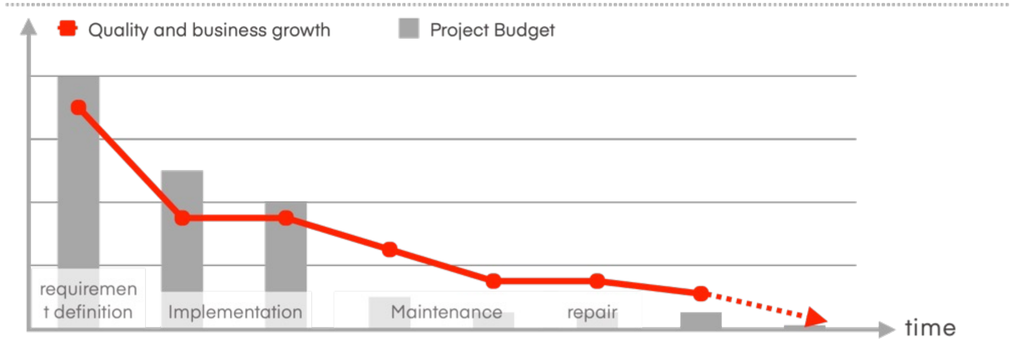
Expand Creative & Engineering

Many of the projects are user-centered design projects, which means that as the product or service grows, the development team structure is enhanced and the revenue increases.

Supplier driven

Common goals with customers: delivery and cost reduction

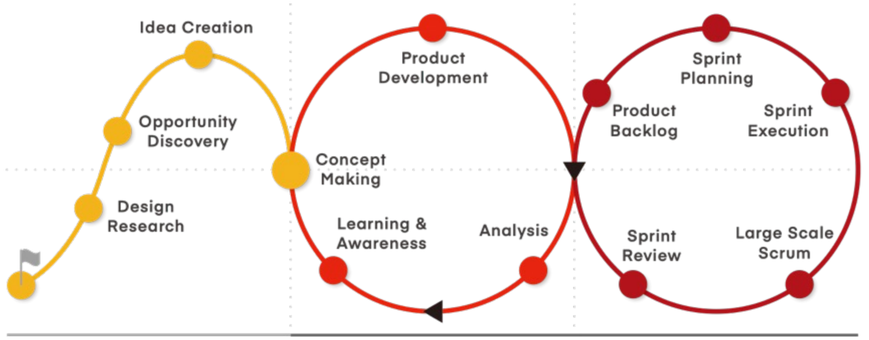




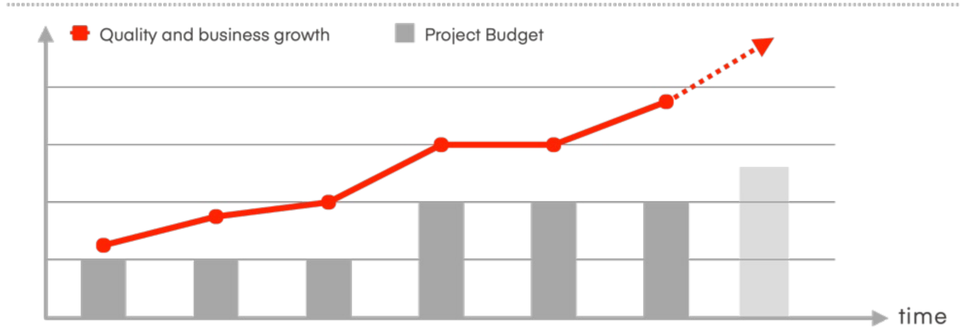
High development costs are required in the early stages, and estimates are made for each modification.After the release of a product, it tends to be maintained and repair only, and the quality deteriorates over time.

User-Centered Design

Common objectives with customers: Continuous quality improvement and business growth







A system that can be started with a small budget and is easy to scale up. A system that can continuously expand its functionality as the service grows, improving quality and adapting to the market.

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One-stop, Scalable Solution for Value Creation

Expand Creative & Engineering

Achieve service growth and expansion through rapid service releases with a fast-paced, value-creating process and a scalable team

Project period	about 6 months			Period of time based on service growth
method	①idea Strategy Thinking	②form Design Thinking	③prototype Lean Startup	④Growth and functional expansion Agile Development UI/UX Improvement
Other players	Consulting firm	Design firm	Freelance, etc.	Software Development Company
Sun* Capacity	340 people+ Rapid service development through user-centered design			1,030 people+ Optimal team design and scalability

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Topics

Enterprise Acquisition Alliance (cooperation) and Organizational Expansion

Expand Creative & Engineering

With the companies we have business alliances including Microsoft,
we will continue to promote DX and support the development of new businesses.

Measures to acquire new customers for the enterprise

Microsoft

A comprehensive solution from PoC to new commercialization

NEWh

Design Consulting & Studio (Consolidated Subsidiary)

Deloitte. デロイト トーマツ

Largest Business Professional Group

Expansion through alliance of peripheral services (expansion of ecosystem, expansion of service area to customers)

Microsoft

Azure and various other services

WOVN.io

Multilingual solution

Red Team Technologies

Advanced security services

Repro

Engagement marketing

Sun*

Topics

Results of Consolidated Subsidiary NEWh (Innovation Consulting Studio)

Expand Creative & Engineering

Development of the design x business field

From service planning co-created by design approach to consulting support for business strategy/planning

Question and Design

NEWh

New business and service development support for large companies
Project manager, service designer, and business designer with over 100 projects in total

Design Develop

Strengthen collaboration with Sun*

Strengthen collaboration in MVP development phase and upstream areas
Maximize synergies as a group company

Sun*

Creative & Engineering Services
Over 1000 engineers and UI/UX designers



Began supporting new business development for a number of enterprise companies.

※Examples of projects

Major cosmetics company New product and brand development	**Major Insurance Company** Development of platform services	**Major Entertainment Company** Development of platform services	**Major Electrical Manufacturer** Design of new services
Major Beverage Manufacturer Restructuring of services	**Major Payment Company** New product brand development	**Major Construction Company** DX support for local governments	**Major Electrical Manufacturer** Community research

Sun*

Sun* Startup Studio

Realization of capital gain model

A platform for the creation and growth of startups that leverages
Sun*'s value creation knowledge, talent, and other assets

Target Area

Build	Boost	Joint service
Co-founding entrepreneurs and startups	Growth support by providing funds and resources to startups	A revenue sharing model that leverages each other's strengths

Business development utilizing Sun*'s core competencies

Creative & Engineering

Providing resources and knowledge for growth

Investment



Investment Execution

Talent Platform



Internal Production Support

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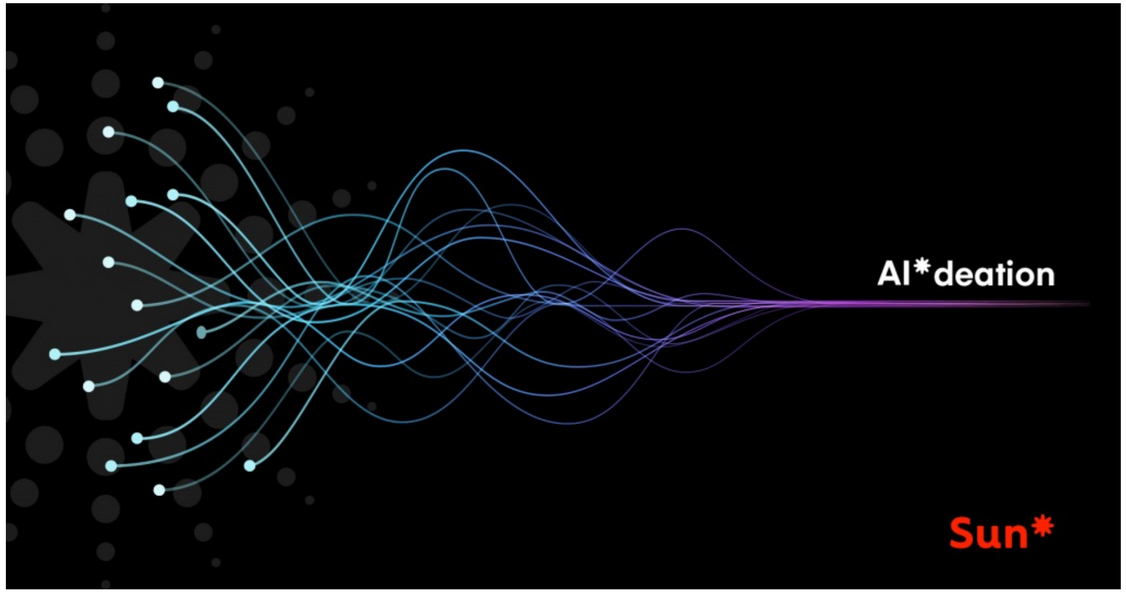
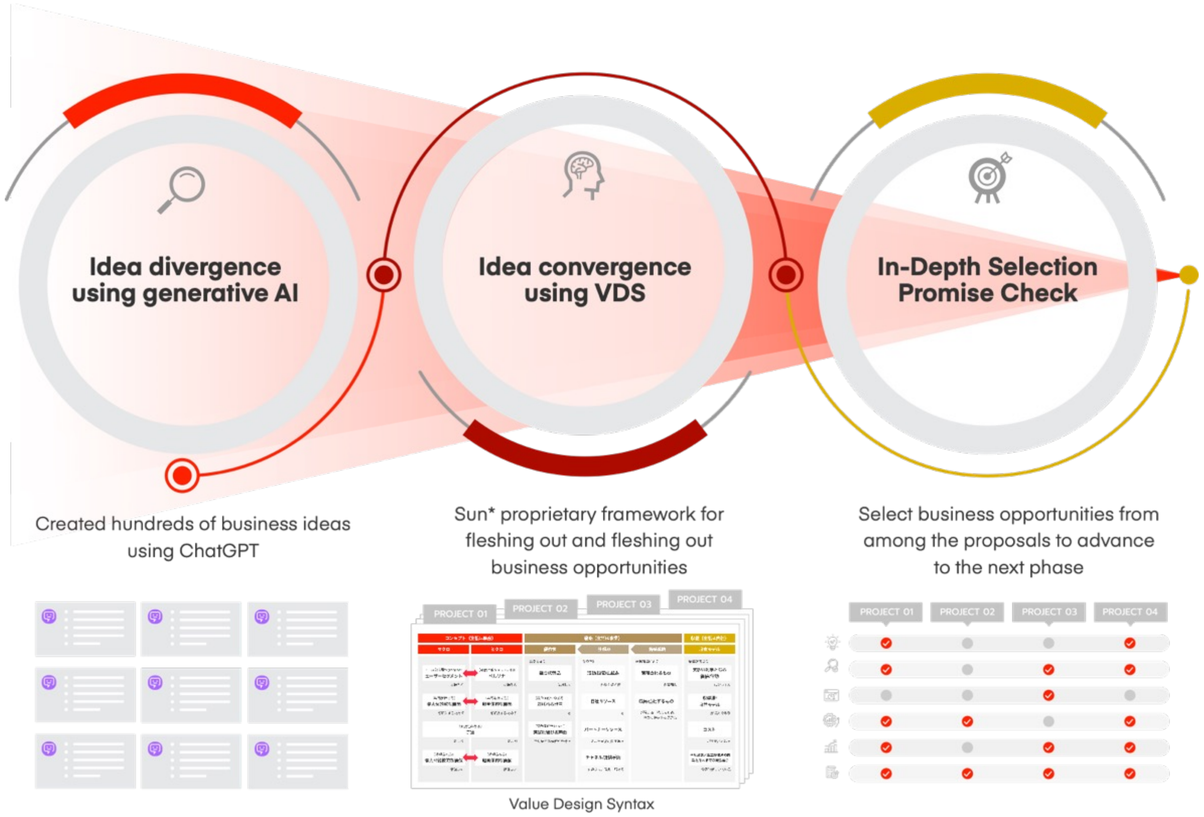
Topics

Launched "AI* deation," a new business ideation support service using generative AI.



Explore unprecedented business opportunities using Sun* proprietary framework and generative AI

This service utilizes generative AI to generate more than several hundred business ideas during the divergence phase of new business development, where the "seeds" of ideas output by the AI are scrutinized by professional members of the Sun* team, and then put into Sun*'s proprietary framework, Value Design Syntax, to carefully select ideas with high business potential. By increasing the quantity and speed of idea generation through the use of AI, combined with an integrated pursuit of quality that includes the creativity, sensitivity, and intuition unique to humans.



Companies that have used this service in the past have utilized it not only for the purpose of obtaining business ideas through ideation, but also for in-house training to enhance the verbalization skills necessary for business development through prompt engineering.
Sun*, with its strength in business, tech, and creative trinity, has assisted in the development of more than 600 businesses. Based on prompt engineering that incorporates our accumulated knowledge, we are now able to provide a large volume of ideation support in a short period of time. By speeding up the cycle of idea creation and consideration, we create a situation where the probability of success can be easily increased by concentrating more on service design and product development, which people should focus on.

Sun*

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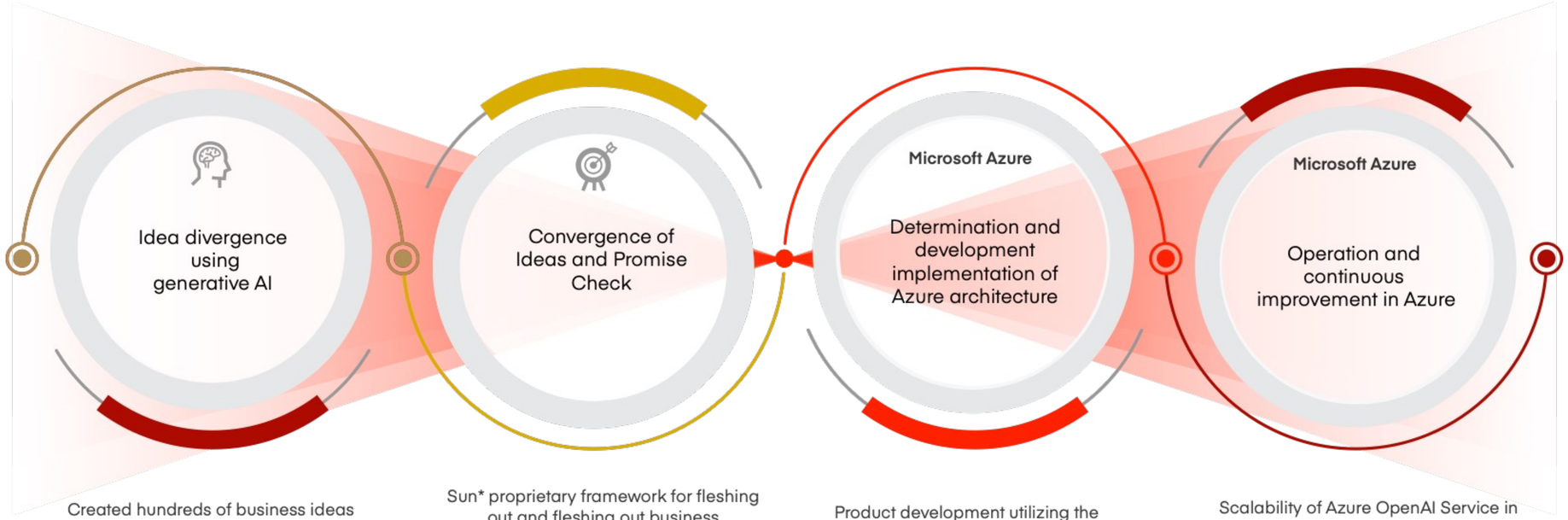
Enhanced product development support using Azure OpenAI Service

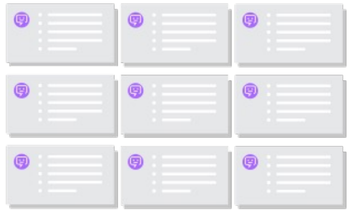


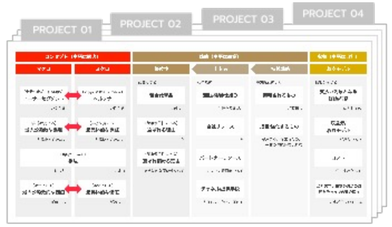
Created hundreds of business ideas using ChatGPT

Sun* proprietary framework for fleshing out and fleshing out business opportunities

Product development utilizing the advantages of Azure OpenAI Service

Scalability of Azure OpenAI Service in product development



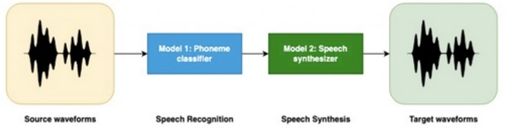


Value Design Syntax

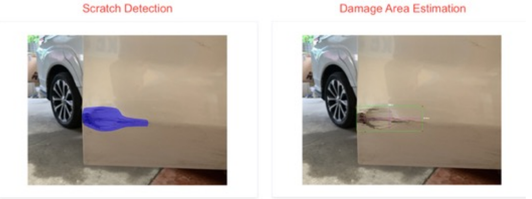
Document Production	Image Generation	Strong AI capabilities	Cloud Integration
Emotional Analysis	Voice Transformation	Scalability	cost effectiven
Translation	Data Extraction	Documentation	Security

Sun* has deepened its collaboration with Microsoft Japan in supporting new business creation for large companies and growth support for startups, and will further deepen its collaboration in supporting product development using the Azure OpenAI Service to strengthen product development support for various companies considering the use of AI. We will further deepen our collaboration in product development support using Azure OpenAI Service, and strengthen product development support for various companies considering AI applications. As a first step, we will speedily realize the development of prototypes and PoC on Microsoft Azure for business plans with business potential derived through "AI*deation," a service to support the creation of new business ideas using generative AI.

Examples of services offered



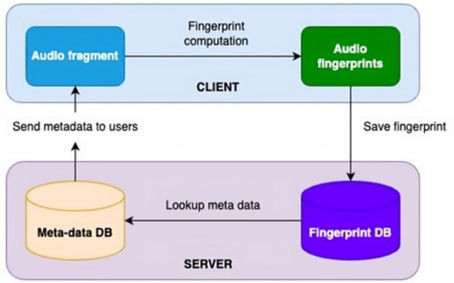
AI-based Japanese voice conversion



AI-based Automobile Insurance Loss Surveys



AI-based Virtual Camera



AI-based similarity search for music

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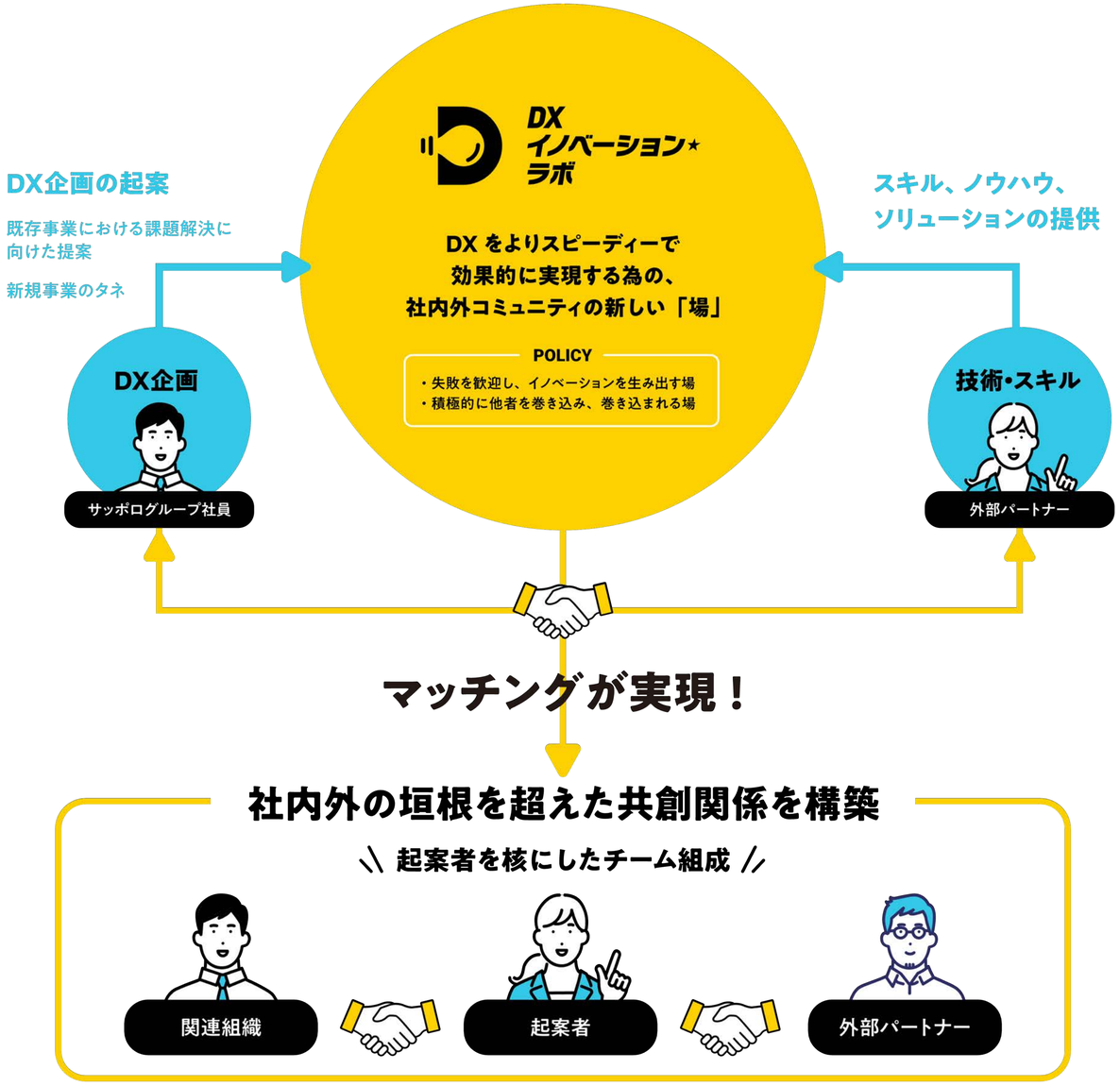
Participation in Sapporo Holdings' co-creation platform "DX Innovation★Lab

Support for DX projects and new businesses voluntarily proposed by Sapporo Group employees

Based on the Group's DX policy, Sapporo Holdings is committed to continuing to grow together with all stakeholders and to maximize the value of customers and the company. As part of these efforts, we have been operating the DX/IT Human Resource Development Program (hereinafter referred to as "DXP") since last year to provide basic education to all Group employees and to develop DX/IT key human resources who will lead DX promotion in the field.

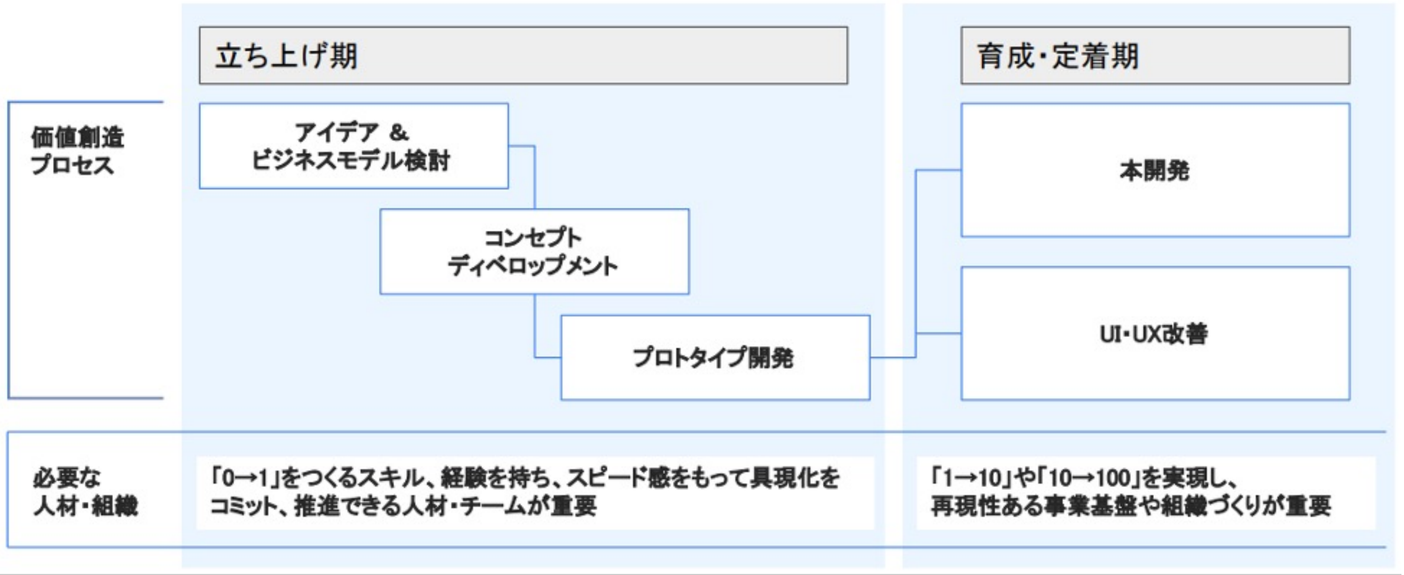
The "DX Innovation★Lab," which will be launched this time, is a scheme that has been conceived and established since last year in cooperation with Microsoft Japan with the aim of reforming business models and creating new businesses by supporting human resources activities.

In addition to Sapporo Group employees, companies from various industries participate in the DX Innovation★Lab as lab partners, and through a dedicated portal site opened for this purpose, they can share issues in existing businesses, proposals for solutions, and seeds of new businesses as "DX plans" with each other. Sun* has a strong track record in business development, combining the three elements of business, technology, and creativity, and has provided support for the development of more than 600 services to date. In this project, Sun* will support the Sapporo Group's new business by providing its expertise in new business development and business development professionals to accompany the project.



Topics

Collaborating with Kobayashi Pharmaceutical as a DX partner to support enhanced digital transformation



Reinventing all stakeholder contact points and experiences with DX to improve "customer experience" and "employee experience

Sun* will collaborate with Kobayashi Pharmaceutical Co., Ltd. as a DX partner to promote digital human resource support and new business development utilizing digital technology. Kobayashi Pharmaceutical is promoting DX throughout the company to lay the foundation for its three DX strategies of development, human resources, and productivity improvement, as well as its mid- to long-term management strategy of 280 billion yen in consolidated group sales by 2030 (including 90 billion yen in international business). In the healthcare industry, the most significant change in the environment is the rapid growth of digitally-enabled services. Kobayashi Pharmaceutical is also focusing on new business development utilizing digital technology, but in order to create a foundation for further growth, we are reforming the contact points and experiences with all stakeholders through DX in order to improve the "customer experience" and "employee experience.

Topics

Sony Network Communications Singapore（ Sun*-funded ） exhibit at Blockchain Expo







Proposal to create new value with Sony using blockchain technology in the Web3 area

Sony Network Communications Singapore Pte. Ltd. , a group company of Sony Network Communications, exhibited at Blockchain EXPO held at Makuhari Messe. And Sun*'s members also participated. Also in September, Sun* members participated in TOKEN2049 Singapore, a crypto event where leaders from around the world gathered for Web3, exhibited by Sony Network Communications Labs Pte.

SNCS provided visitors with information on consulting and contract development tailored to their business phases and needs using Web3, business support and infrastructure to build their own Web3 services, and a marketing support platform using NFT.

About Sony Network Communications Singapore Pte. Ltd.

A Web3 business company established in Singapore by Sony Network Communications Corporation and Sun Asterisk Corporation to provide contract development and consulting services in the Web3 domain.



Sun*

Ecosystem for Digitalization

Further enhancement of the Talent platform

Unique platform platform enhances knowledge sharing, optimal staffing, and development efficiency

Sun* proprietary data platform

Viblo	Rubato	Sun* CI	Schooler	xseeds Hub
Knowledge Sharing Platform	Optimal Talent Allocation Platform	DevOps Platform	Learning Management System	Employment Support System
Posting and sharing	Skill Management	Automated Code Review	Class Management	Corporate Information
AI Recommendation	Portfolio Management	Automated Security Check	Schedule Management	Student Information
Clipping Articles	Talent Evaluation Management	Automated Testing	Attendance / Grade Management	Student Follow Function
Discussion	Talent Operation Management	Automated Building Code	Class Content Management	Job Hunting Event Information
Q&A	AI Recommendation(In dev)	Simply Releasing Operation	Report Creation / Output	Matching / Scout Function
Monthly Average 330,000+ MAU 3,000,000+ PV	In House Only	Clients Only	Introduced at 12 universities in 4 countries More than 2,800 students	Public Over 1,000 student resumes

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Ecosystem for Digitalization

Further enhancement of the Talent platform

xseeds Hub, an exclusive recruitment and selection platform for top overseas science universities

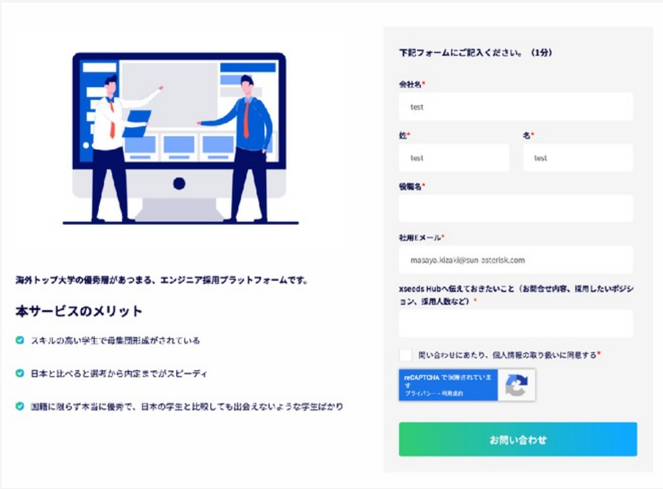




xseeds Hub

xseeds Hub

Sun* trains IT engineers with its unique curriculum for students selected from challenging universities overseas. As a direct recruiting service, you can recruit online while in Japan.



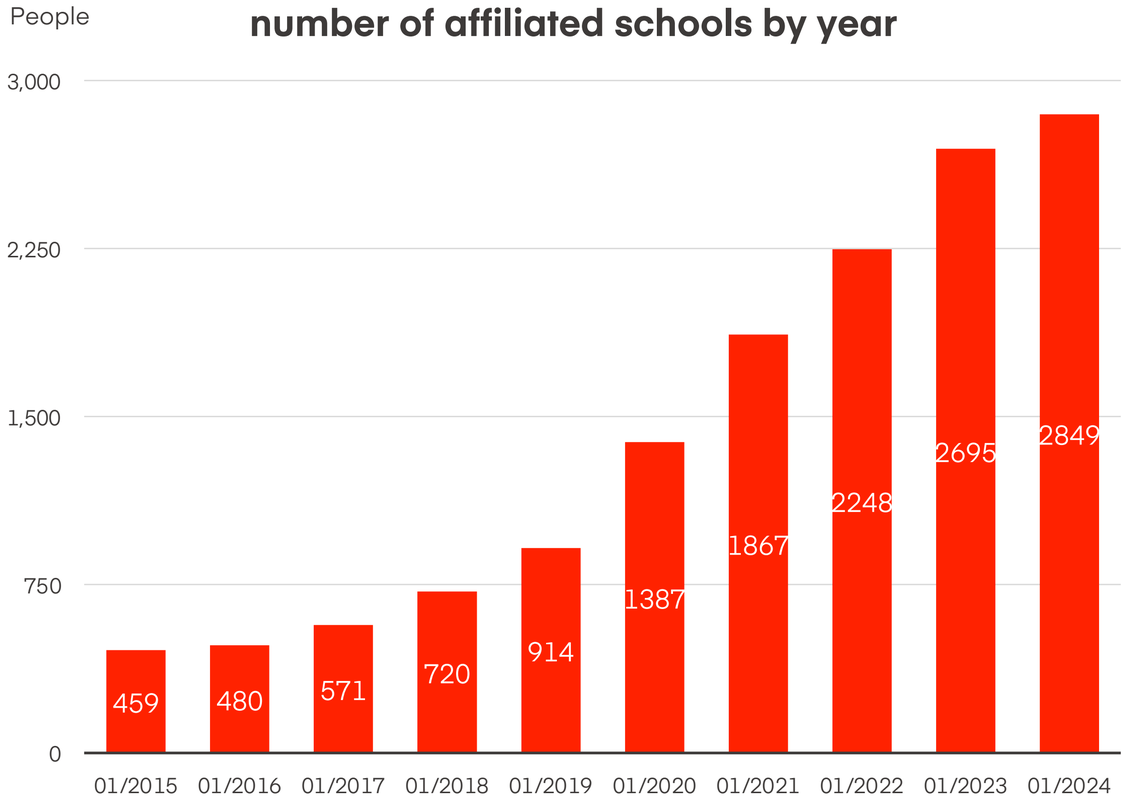
Topics

The Output of Innovative Human Resources Through Education and Training

Further enhancement of the Talent platform

Producing IT human resources who can play an active role in Japan through industry-academia collaboration centering on ASEAN countries and seeking further global expansion in the future.
Currently, the program is offered to three universities in South America, with plans to expand in the future.

Number of Sun*'s educational program students enrolled and number of affiliated schools by year



Partner universities

9 universities

Vietnam
1. Hanoi University of Science and Technology
2. The University of Danang-University Science and Technology
3. Vietnam National University Hanoi-University of Engineering and Technology
4. Vietnam National University HCMC-University of Engineering and Technology
5. Vietnam National University Hanoi-University of Science
6. Phenikaa University

Indonesia
7. Gadjah Mada University
8. University of Indonesia

Malaysia
9. Malaysia-Japan International Institute of Technology

Universities that offer the program

3 universities

Brazil
10. University of Campinas
11. Federal University of Minas Gerais
12. University of São Paulo

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Topics

Group company GROOVE GEAR changes its name to "Sun terras".

Sun*terras

Background of the Company Name Change

Since its establishment, GROOVE GEAR has been developing its business with a focus on engineering services under the mission of "updating people and organizations that learn by themselves and create new value. In 2018, we joined the Sun* Group, and in order to strengthen the synergy and collaboration between our existing business and the Sun* Group, we have shared and clarified our vision and mission with Sun*, as well as renewed our company name and corporate logo.

Representative Comment

We were founded in 2008 as GROOVE GEAR and joined the Sun* Group in 2018. In 2024, we will start anew as Sun terras. Our surroundings are changing at a tremendous pace. How will we respond to these changes by utilizing digital technology? How do we increase the number of people who can take charge of these changes? Our desire is to be like the "Sun" and the "terra" that promote the growth of organizations and people.

Rebranding to Strengthen Synergy with Sun* Group Rebranding with the aim of strengthening synergies with the Sun* Group

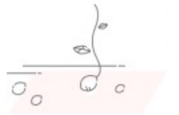
GROOVE GEAR, Inc. (headquartered in Chiyoda-ku, Tokyo; Kenji Onishi, President; hereinafter "GROOVE GEAR") announces that it has renewed its corporate identity and changed its name to "Sun terras, Inc." effective February 1, 2024. In conjunction with the name change, the brand design, including the corporate logo, has been fully renewed.

https://sun-terras.com

LOGO DESIGN CONCEPT

terra

Expresses the role of DX in preparing the ground for DX within the Sun* group.



Growth / positivity

Expressing growth and positivity to "illuminate" society with light



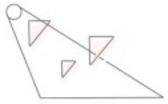
Relationship to Sun*

The name evokes light, and promotes the association of the Sun* motif with the sun.



Naming and form

The triangular shape expressing light matches the naming and meaning.



Sun*

Topics

Investment in Startup Studio

Realization of capital gain model

Number of startups invested in

24

companies

FY21 Investment performance

2023/10/23 Capital and business alliance with LIG inc. to accelerate digital creative studio business
2022/03/31 Invests in EVERING Corporation, which develops prepaid smart rings
2021/11/15 Invests in PECOFREE Corporation, a school lunch pre-order service via smartphone.
2021/09/03 Invests in GOOD VIBES ONLY, an apparel DX/RETAILTECH x D2C business.
2021/06/09 Invests in Liver Bank, which has a business alliance with MOOOS.
2021/06/04 Investment in Digital Entertainment Asset (based in Singapore), a blockchain business.
2021/04/16 Investing in Opsdata, a company that is developing a data science business focusing on the EC domain.
2021/02/28 Investing in AmoebaX, a financial solutions provider in Kenya.

Investment Highlights

2023/10/23 EVERING sponsors "Expo 'Osaka-Kansai" as a Gold Partnership
2022/12/14 DEA raises $10 million from U.S.-based LDA Capital
2022/11/04 DEA and Rakuten Sign Memorandum of Understanding (MOU) to Promote Collaboration in the Web3 Domain
2022/11/01 DEAPcoin, a Global Leader in GameFi Domain, Listed on Huobi Japan, a Crypto Asset Exchange in Japan
2022/10/27 DEA and TV Tokyo agree to business tie-up with commercial TV station
2022/10/04 xOperation Group raises approximately 100 million yen through third-party allotment of new shares
2022/09/30 Micoworks Raises 600 Million Yen in Third-Party Allotment in Series A Extension Round
2022/09/08 DEAPcoin, a world leader in the GameFi space, listed on the crypto asset exchange OKCoinJapan
2022/01/26 DEAPcoin, a global leader in the GameFi space, is listed on the crypto asset exchange BITPOINT
2022/01/19 DEA, a GameFi business, raises a total of approximately 1.4 billion yen in a pre-series A round of funding

Examples of investments

LIG / PECO FREE / ZENKIGEN / TRYETING / FUNDINNO / Tent.
Digital Entertainment Asset Pte.Ltd. / Micoworks / テナンタ / xOperation group / EVERING / lafool

Investment Areas

- AI Solutions
- Matching Platform
- Crowd Funding
- Communication Platform
- Recruiting Platform
- Advertising Platform
- Online Shopping Mall
- Mental Health Tech
- Game Engine
- Education
- Live Streaming
- New Retail Platform
- D2C

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Topics

Established an operating company in Singapore for NFT with Sony Network Communications

Expand Creative & Engineering

Aiming to contribute to the ever-expanding NFT market and the diverse economic sphere created in the Web 3.0 world.

Web3 NFT Blockchain

INFRASTRUCTURE for a NEW ERA

Creating new value for customers with Web3 technology.
Together with creators, we are moving toward a new infrastructure for a new era.

Company	**Sony Network Communications Singapore Pte. Ltd.**
Business	Contracted development business related to NFT business Consulting business and related businesses
Investment Ratio	Sony Network Communications : 70% Sun* : 30%

Solutions of Sony Network Communications Singapore



NFT Business Strategic Planning Support



NFT Publication Support



Proprietary Tokens Publication Support



NFT Games Development Support



NFT Promotional Support

The company will promote contract development and consulting business in the ever-expanding NFT market by leveraging Sony Network Communications' knowledge and experience in the telecommunications and service solutions businesses and Sun*'s development and operation resources, know-how, and technical capabilities.

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Sun* Startup Studio

Realization of capital gain model

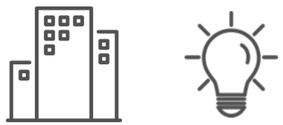
A platform for the creation and growth of startups that leverages Sun*'s value creation knowledge, talent, and other assets

Entrepreneurial Concerns

- lack of know-how
- Inability to identify issues
- engineer shortage
- lack of funds

Three functions provided by Sun*.

incubation + **Talent Asset** + **Investments and Funds**



Provide office and knowledge



Provide the human resources necessary for business creation



Funding for development

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Features and Strengths of MOOOS

Realization of revenue sharing model

Gain core fans without promotional costs and develop your business with customized and unique apps provided by OEMs.



If it's an open community, it will include anti-social and light people.

Including major SNS and video distribution platforms Open fan communities

Creating new fans

Direct users to proprietary apps

Activation of core fans



Proprietary apps target core fans without promotional costs and generate high engagement and monetization.

Issues of open communities faced by SNS

In major social networking sites and video distribution platforms, it is difficult to design a content marketing strategy for monetization because of the open fan community, including anti and light users, which makes it easy to be compared with competitors. It is necessary to operate under the platform's rules and billing scheme.



To a dense business that satisfies the fever of core fans

By directing only real fans from SNS to your own app, you can design a highly flexible product with a free billing system. By focusing your business domain on original apps, you can conduct content marketing that is not influenced by the existing environment of major SNS.

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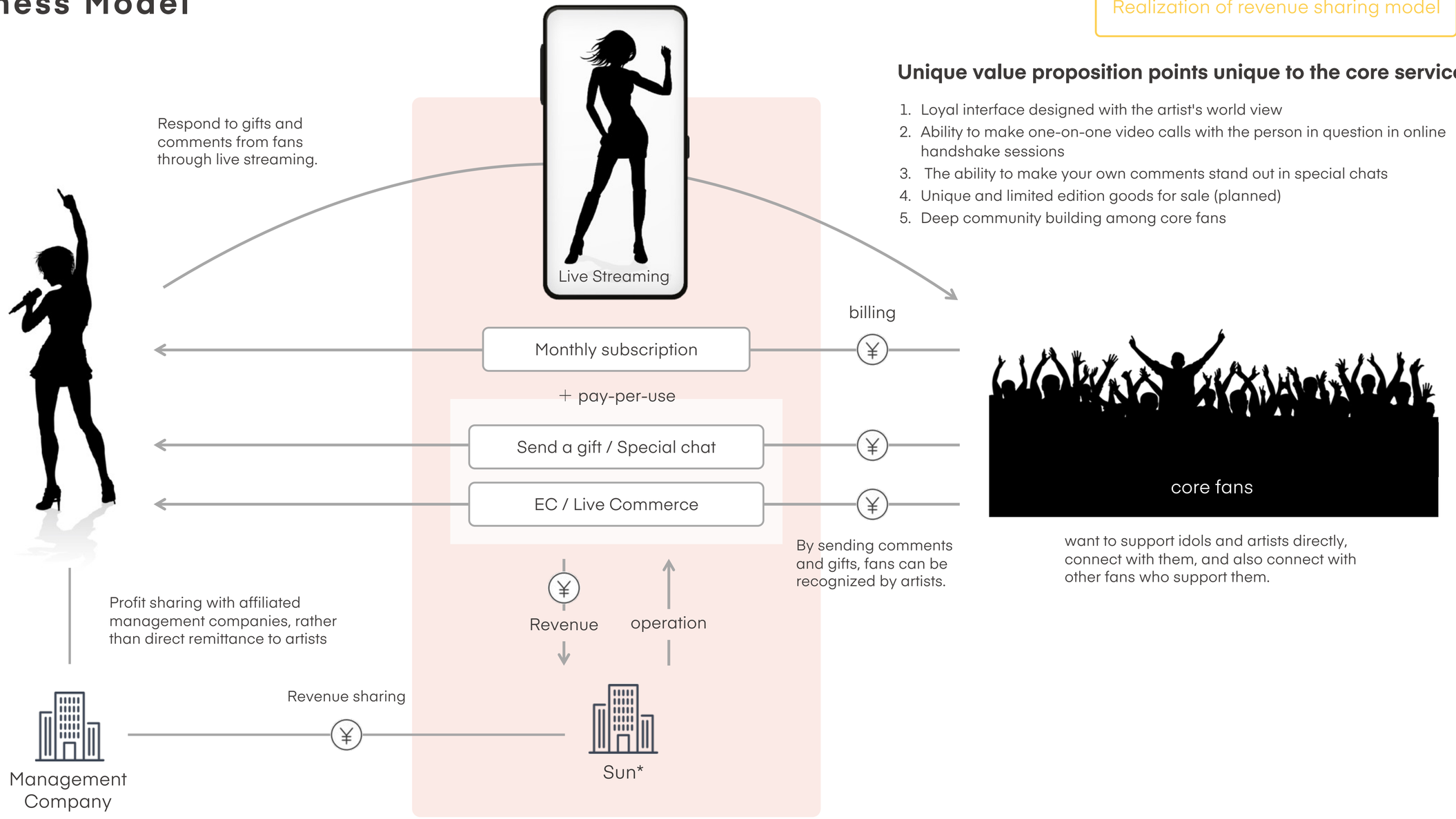
MOOOS Business Model

Realization of revenue sharing model

Unique value proposition points unique to the core service

1. Loyal interface designed with the artist's world view
2. Ability to make one-on-one video calls with the person in question in online handshake sessions
3. The ability to make your own comments stand out in special chats
4. Unique and limited edition goods for sale (planned)
5. Deep community building among core fans



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Topics

Release of "TeamAyu", the official fan community app for Ayumi Hamasaki from MOOOS





ayumi hamasaki 25th Anniversary Live Tour" starts in July.
Please look forward to "TeamAyu" getting more and more exciting!

Contents



TeamAyu限定で配信してきた
むらayuチャンネルやSTAGE PHOTO等
の人気コンテンツを提供！

Timeline



アプリ限定でここでしか読めない
ayuのブログをお届け！さらには
スタッフによる舞台裏写真等も！？

Community



全国のTA会員と楽曲やライブの
チャットで盛り上がろう！
ときにはayuや一座、スタッフが
コミュニティに登場するかも！？

Interactive fun with fans Provides talk entertainment

Ayumi Hamasaki, who celebrated the 25th anniversary of her debut this year as one of Japan's most popular female vocalists both in Japan and abroad, has relaunched her web fan club as an application to create a more active fan community. In addition to photos and videos that cannot be seen on SNS, a timeline where fan blogs can be read and Ayumi Hamasaki herself and dancers can appear in a closed space for fans only, providing interactive and fun talk entertainment that can be enjoyed together with fans.

MOOOS is a Sun* proprietary system that provides artists and fans with the ability to interact with each other as a new form of fan club on an OEM basis. It enables the provision of core content as an individual artist's application. By eliminating trend marketing and anti-trend marketing within the platform, it provides enhanced value to the original fans. It is a cooperative business model where revenue from the paid content provided is shared between the artist side and Sun*.

Sun*

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Trys' Business Transformation

Currently transforming its business to make its own IP into entertainment and content.

Past Issues and Future Policies

The game app market is saturated, and huge development costs and time are required to produce a hit title. In order to increase Trys' potential in the market, the company aims to strengthen cooperation among departments and groups, create IP in the rapidly growing vertical comic market, and transform Trys into a company that can generate high profits through a media mix. The goal is to transform Trys into a company that can generate high profits through a mix of media.

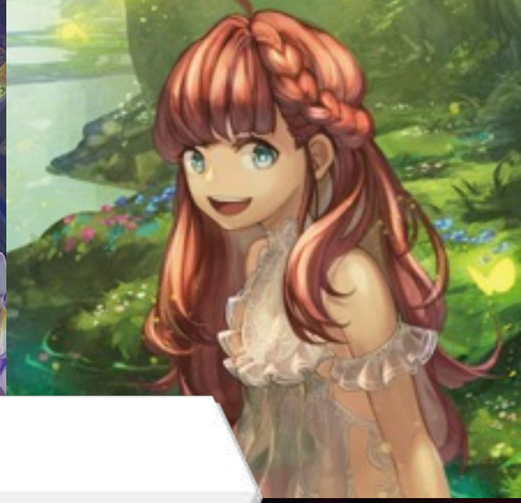
Trys

What is Vertical Reading Comics（VRC）?

Vertical-reading comics is a comic that is read while scrolling vertically across the screen, and has become increasingly popular around the world in recent years. It is characterized by vivid colors and a unique style of expression that takes advantage of the vertical format. The global market for vertically-read comic is projected to grow at a compound annual growth rate (CAGR) of 30.9% through 2029, to reach US$27,510 million (approximately 4 trillion yen).

Reference：Global Webtoons Market Size, Status and Forecast 2022-2028





4 Global Expansion

Develop content IP such as vertical reading comics and games on a global platform

3 IP Strategy for VRC

Increase the number of vertical reading comic IPs, and if the IPs are a hit, make them into games with a budget.

2 Strengthening group synergies

Working with Sun* C&E to pursue joint projects

1 Pivot from game apps

The company transferred its thin-margin games business and withdrew from the market.

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Create a world where everyone has the freedom to make awesome things that matter.

Sun* aims for world peace.
Looking around the world, there are a variety of issues ranging from the major social issues that are mentioned in the SDGs to the issues of everyday life.
We will use digital technology and creativity to solve these problems.
We aim to realize a future where solutions can be made, and a world where people can freely create the values they envision.
World peace for us is like everyone's childhood, excited about creating new value and looking forward to a new morning.
Sun* will build the infrastructure to realize such a "world where everyone has the freedom to make awesome things that matter ".

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- The forecast includes uncertainties such as sudden changes, therefore actual results may differ.

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Let’s make awesome things that matter.