Sun*

Financial Results Explanatory Materials for the 3rd Quarter of the Fiscal Year Ended December 2024

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

November 13, 2024

Revised Full-Year Financial Forecasts and Shareholder Returns

3rd Quarter Cumulative Results	• Due to continued increase in the number of projects, **Sales reached 9.99 billion yen (up 7.7% YoY).** • The lack of new large-scale projects and low operating rates continued from the 2nd Quarter. Personnel expenses to be recorded as cost become SG&A expenses, **Operating Income to be 1.10 billion yen (down 16.9% YoY).** • The impact of the weak yen was mitigated compared to the 2nd Quarter. However, the average exchange rate for the period was weaker than the previous year, Ordinary Income to be **1.23 billion yen (down 28.7% YoY).**
Revision of Full-Year Financial Forecasts	• Progress rate against the full-year forecast; Sales: 66.4%, Operating Income: 51.3%, Ordinary Income: 53.6%. • **It seems to be difficult to achieve the initial forecast although the 3rd Quarter sales increased, and Sales KPIs is recovering compared to the previous quarter.** • The revised forecast; Sales: 13.6 billion yen (down 9.6% from the initial forecast), Operating Income: 1.5 billion yen (down 30.6%), Ordinary Income: 1.51 billion yen (down 34.0%).
Current Situation and Measures	• Sales to SMBs are roughly at the level of the initial forecast, but sales to enterprises are below the initial forecast. • Challenges remain in acquiring new clients and winning large-scale projects. • While changes have been effective to the sales and marketing organization, overall improvements to take time. • Continue current measures and make improvement to increase ordered projects. Step up sales activities through our Vietnamese subsidiary for expanding sales and increasing operating rate.
Shareholder Return Policy	• Keep enhancing internal reserves up for future business expansion and strong financial position. • As a means of returning profits to shareholders, **we will acquire treasury stock and introduce a shareholder benefit program.** • We will continue to consider shareholder returns, while taking the status of internal reserves and the business environment, etc. into account.

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Agenda

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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)	2,100+

Sun Asterisk : 415+
Sun Asterisk Vietnam : 1,405+
Sun Asterisk Software Development : 50+
Sun terras : 100+
NEWh : 20+
Trys : 105+

Management

CEO	Taihei Kobayashi
Co-founder, Director	Makoto Hirai
Director	Yusuke Hattori
Director	Takuya Umeda
Director: an Audit and Supervisory Committee member	Ken Nihonyanagi
Outside director	Toshihiro Ozawa
Outside director	Eriko Ishii
Outside director	Makiko Ishiwatari

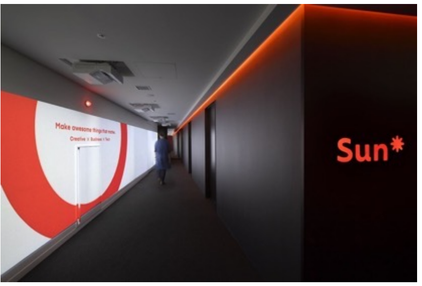
Financial (Previous period)

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)	128 Clients
ARPU (6)	5.65 million
Churn Rate (7)	3.61 %

(1) As of SEP, 2024 (including temporary hirings)
(2) FY12/2023
(3) EBITDA : Operating income + Depreciation and amortization + Amortization of goodwill
(4) Average Annual Growth Rate from 2/2016 to FY2023
(5) 6/2024
(6) 6/2024
(7) Calculated based on Jan. 2015 to JUN, 2024, 117 month average. # of churn clients/ existing clients average







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What is 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

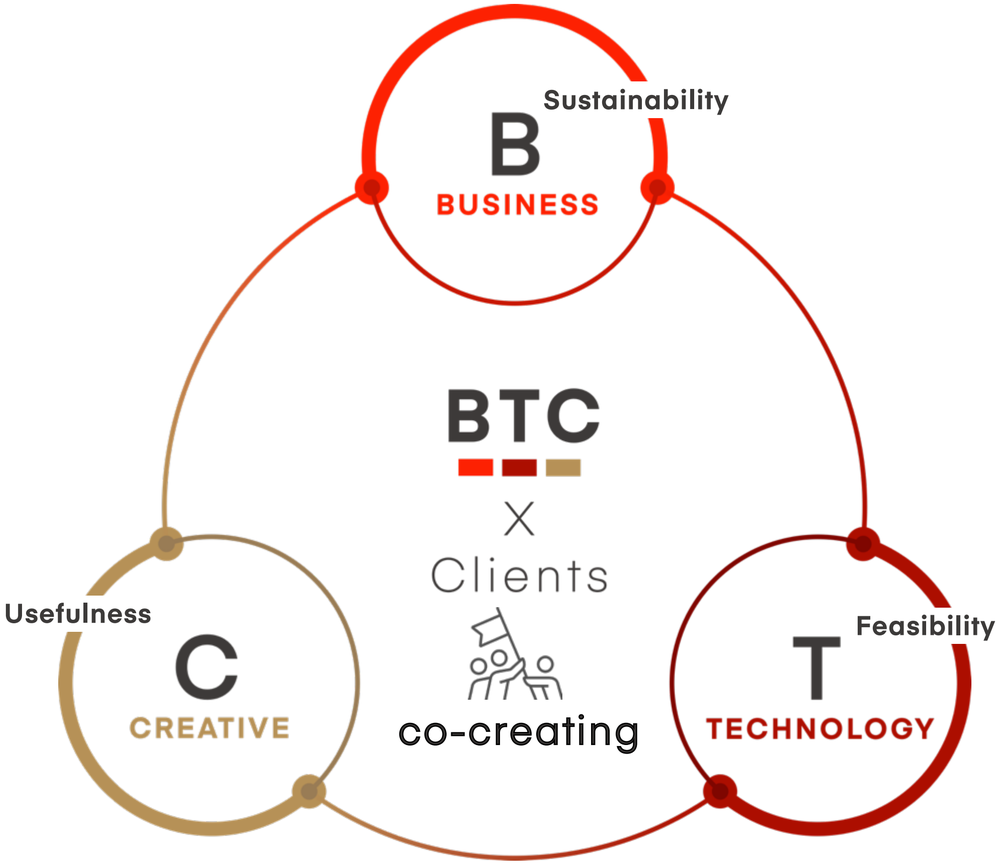
Professional

Business Consultant	Director of Business Development	Business Designer
UI/UX Designer	UI Planner	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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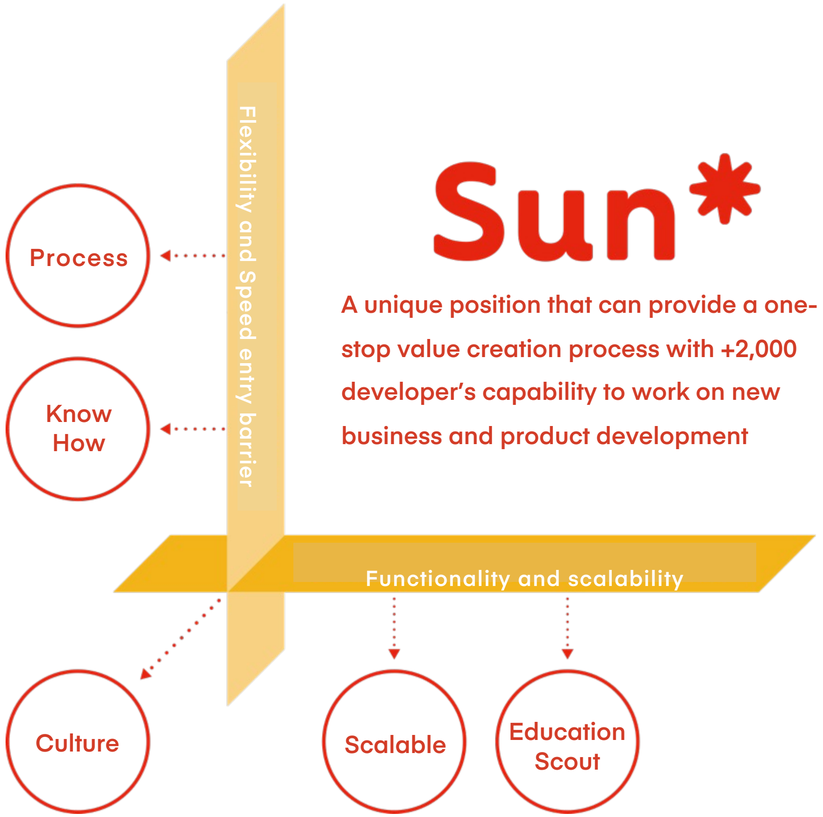
Sun* Uniqueness in DX Market

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



Process・Know-how

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 by building training ecosystems in collaboration with educational institutions.

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Case Study：Japan Tabacco Inc.

New digital platform “Momentia” aiming to realize spiritual enrichment

New App to Support Self-Care Mindfulness Practice “beSelf”

JT is seeking new ways to provide value in response to the ever-changing society and people's values, and as part of this effort, we are developing new services and platforms that can digitally provide the value of ``emotional richness,'' which is our company's purpose. We planned and conceptualized "Momentia". As the content, we considered three apps that lead to experiences of spiritual enrichment. Among these, Sun* supported the service design and UI/UX of the self-care app beSelf and the digital detox app Offly. Regarding beSelf, BTC's dedicated team is involved in the development, implementation, and continuous improvement after release.

Service Design | UI/UX Design | Requirement Definition | Basic Design

Development & Implementation | Enterprise | Retail

App Store からダウンロード

Google Play で手に入れよう

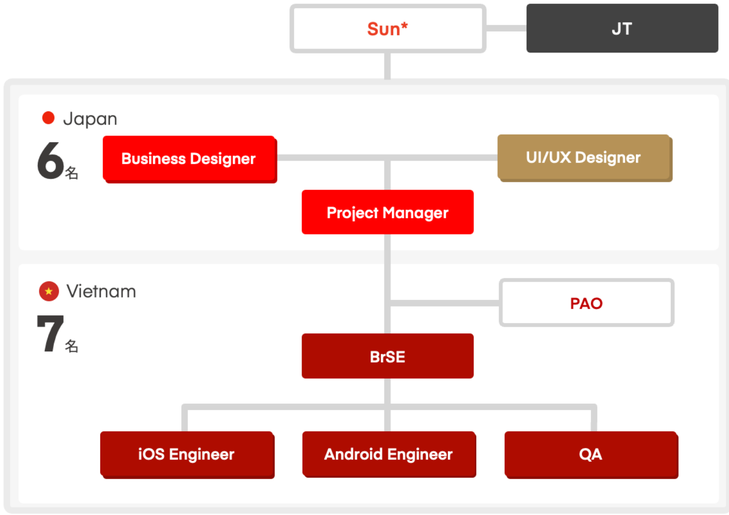


ISSUE

To launch the business quickly and in a short period of time, JT set up a dedicated department. However, they lacked resources for service design and development for new businesses.It was unclear what kind of service they should create and how to define specific user segments, as a latecomer to the highly competitive market without any prior knowledge. They needed a partner that could accompany them in both strategy based on user research and execution.

SOLUTION

We supported all processes, from service concept design to development. After clarifying the direction by creating target users, personas, and user journeys for each service, we proceeded with prototype development and conducted demonstration experiments. We conducted multiple user surveys and improved the completeness of the service from three perspectives: market positioning (business), value creation (creative), and function implementation to realize value (tech).



Client's Voice:
It was great that they kept to the schedule while ensuring quality for the service release.
They handled everything from the service concept to design and development.
What's more, they were able to handle special features such as heart rate measurement using a camera at a quality that was commercially viable within the time frame during the app development process.

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Case Study：Japan Tabacco Inc.

New digital platform “Momentia” aiming to realize spiritual enrichment

Offly, a digital detox support App to prevent excessive smartphone use

“Momentia” aims to provide new customer experiences that lead to the spiritual enrichment of each and every user through the development of lifestyle-related services using digital technology.
The digital detox app Offly is an app that coexists with the digital use of modern society and aims to achieve the ``richness of mind'' that is originally intended. We support Offly's service design and UI/UX at Sun*.

Service Design | UI/UX Design | User Research

Enterprise | Retail

Google Play で手に入れよう







User-Centered Design Design Process

Research ＋ Persona development

Market research and user research to test hypotheses and identify issues and needs



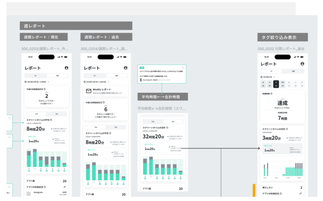
Value Arrangement ＋ Verification

Design the value offering and verify whether it meets user needs



Requirement Definition Accompanying + IA

Create ideal user flow, extract functions, and design optimal information structure



Visual Conceptual Design

Set rules expressing the brand's worldview aesthetically and functionally



Voice & Tone Design

Define rules for the style of text and copy to appropriately express the brand's attitude and distance from the users



UI Design

Design optimal usability according to the flow designed by IA



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Case Study： HARADA METAL INDUSTRY Co., Ltd.

The Challenge of a Company Aiming to Become the World's No. 1 Phosphor Bronze Manufacturer: The Digital Revolution Spinning by Phosphor Bronze

Support for scratch development of product management systems

HARADA METAL INDUSTRY, founded in 1952, supports an ever-evolving society with phosphor bronze. Phosphor bronze is an essential material in the IT field, such as smartphones, PCs, electronic devices, and IC cards. Demand has been expanding with the spread of IoT based on 5G communication, electric vehicles, and autonomous driving. Accordingly, they decided to revamp their core system of product management to improve production efficiency and reform work styles. Sun*'s teams in Japan and Vietnam provided comprehensive support for the start-from-scratch development, from upstream to downstream.

Basic Design | Development & Implementation | Agile Development | AWS | DevOps | UI/UX Design

SMB | Manufacturing

ISSUE

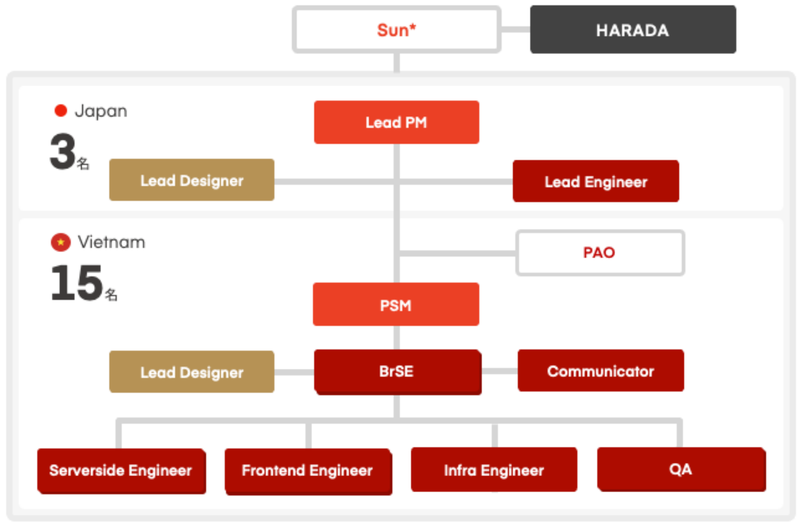
Existing packaged system was not suited to their made-to-order business workflow. It did not allow for precise management, and it depend on individual tasks. Reforming it would take a lot of time. In response to these issues, they wanted to build a unique system that would increase productivity, accumulate technical know-how, and automate workflows.

SOLUTION

The system was designed after all Japanese members had visited the local factory to understand of the operations better. At the same time, the designers listened to the requirements and designed mock screens. The Vietnamese development team also created a glossary, deepened their understanding of the business, and actively proposed functions.

HARADA





Client Voice

Sun* listened sincerely to the challenges our company faced, and made appropriate proposals based on their high level of understanding and analytical ability. Thanks to that, we were able to successfully overcome difficult situations. They also quickly responded to business changes during the development period, and we completed a system that exceeded our expectations.

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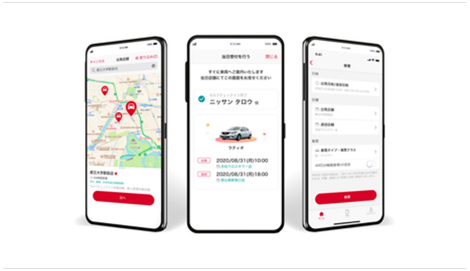
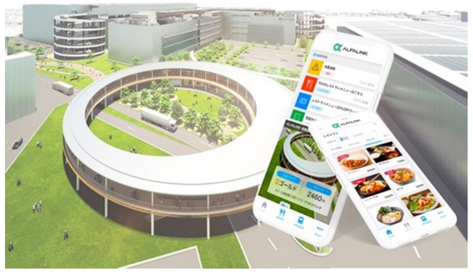
Case Study of DX Promotion and New Business Development



膝栗毛（HIZAKURIGE）
MITSUBISHI ESTATE CO., LTD.



Nissan Rent a Car Official Application
NISSAN CAR RENTAL SOLUTIONS CO., LTD.



GLP ALFALINK Official Application
GLP Japan Inc. ／ Monoful Inc.



elgana
NTT business Solutions corporation.



Official Online Store
Siroca Inc.



MeeTruck
SoftBank Corp.／MeeTruck K. K.



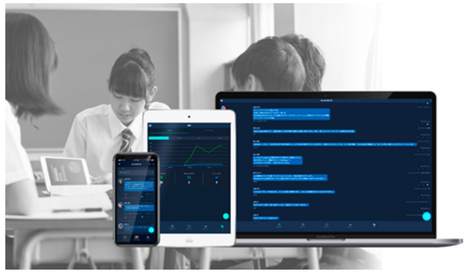
Smart League
SSK CORPORATION



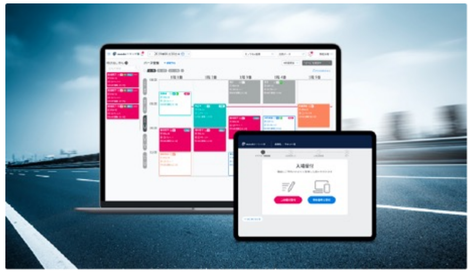
SAAI Wonder Working Community
Mitsubishi Estate Company CO., LTD.



Web Internal Newsletter Tool
Ourly Inc.



ENAGEED GEAR
Enageed Co., Ltd.



Truckbook / dplus
Monoful Inc.



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



Todokun
NPO Bridge for Smile



BI tools, RPA implementation support
LAWSON, INC.

Update on the website

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

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2

FY2024-3Q Financial Highlights

Financial Results Summary

Sales and Gross Profit increased compared to the same period last year.
The lack of new clients and projects continued in the 3rd Quarter, and unused personnel expenses recorded as SG&A expenses, resulting in a decrease in Operating Income.
Although the weak yen was mitigated compared to the 2nd Quarter, the average exchange rate for the period was weaker than the previous year, Ordinary Income decreased.

Unit : Million Yen

	FY2023 3Q Accumulated	**FY2024 3Q Accumulated**	Rate of Change	Financial Forecast	Progress Rate
Sales	9,284	9,995	7.7%	15,061	66.4%
Gross profit	4,838	5,215	7.8%	7,970	65.4%
Gross profit margin	52.1%	52.2%	—	52.9%	—
EBITDA (1)	1,475	1,255	(14.9%)	2,367	53.0%
Operating income	1,336	1,109	(16.9%)	2,162	51.3%
Operating margin	14.4%	11.1%	—	14.4%	—
Ordinary income	1,727	1,231	(28.7%)	2,299	53.6%
Net income	1,204	902	(25.1%)	1,780	50.7%
Average exchange rate (per 1 Vietnamese Dong)	0.00584yen	0.00600yen		0.00600yen	

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

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Key Points 1

Creative & Engineer Sales	• Revenues increased YoY (also YoY in the 3rd Quarter), due to an increase in number of stock-type clients and rise in ARPU.
Talent Platform Sales	• Domestic recruitment and hiring agency services, and overseas IT recruitment services performed well. • Domestic SES operation (Sun terras) also saw revenue increase due to strengthened relationships with existing clients.
Gross Profit Margin	• Gross Profit Margin was 52.2%, the same level on a YoY comparison. • High Gross Profit Margin in the 1st Quarter was due to some large-scale and profitable flow projects.
Operating Income	• Sales fell short of initial forecasts, leading to a decline in Operating rates and an increase in Personnel expenses in SG&A expenses compared to the same period last year. • Recruitment expenses also increased over YoY due to a continuous expansion of personnel. • Operating Income Margins decreased YoY.
Impact of Foreign Exchange	• The yen is weaker YoY even through the average exchange rate for the 3rd Quarter is in line with forecast. • Foreign Exchange Gains decreased by 150 million yen compared on YoY. Interest Income decreased by 187 million yen due to a decline in Vietnam interest rates.

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Key Points 2

Personnel expenses (70% of SG&A expenses) increased significantly due to a temporary decline in operating rate.
Recruitment expenses also increased over YoY due to a continuous expansion of personnel.

Unit : Million Yen

	2023.3Q Accumulated		2024.3Q Accumulated			Point
	Result	Composition ratio	**Result**	Composition ratio	YoY Change	
personnel expenses	2,501	71.4%	3,026	73.7%	21.0%	Temporary increase due to low operating rate (unused personnel expenses to be included in SG&A expenses)
Recruitment expenses	126	3.6%	204	5.0%	61.3%	Continuous aggressive recruitment
Outsourcing expenses	148	4.2%	170	4.2%	15.2%	
Sales activity expenses (excluding Recruitment expenses)	111	3.2%	131	3.2%	18.0%	Increase in advertising and other expenses
Facility expenses	390	11.1%	434	10.6%	11.2%	Increase in system expenses and other expenses
Other SG&A	224	6.4%	138	3.4%	(38.1%)	Decrease in provision for doubtful accounts
Total	**3,502**		**4,105**		**17.2%**	

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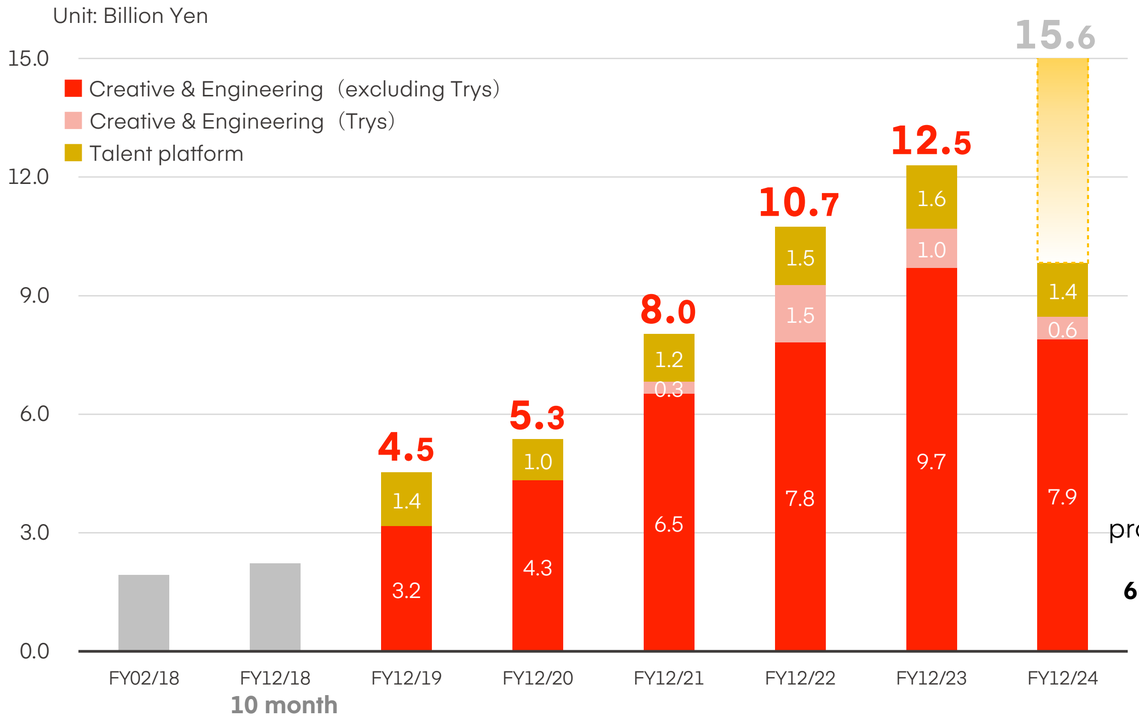
Changes in Sales and Net Income

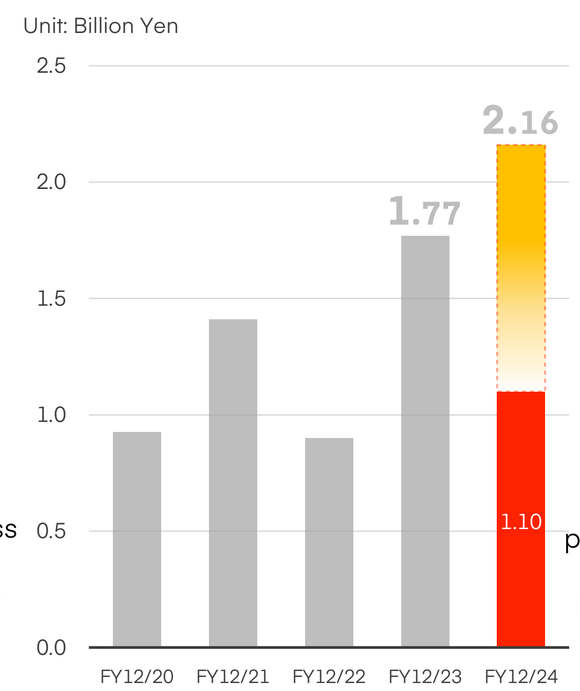
Progress against the full-year forecast is 66.4% for Sales,
51.3% for Operating Income, and 53.6% for Ordinary Income.

Sales (1) (2) (3)



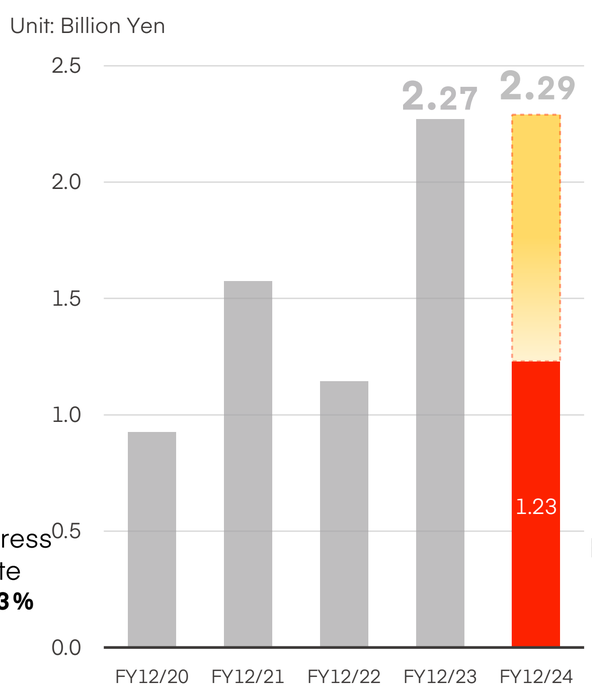
progress rate **66.4%**

Operating Income



progress rate **51.3%**

Ordinary Income



progress rate **53.6%**

(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.

Sales (Quarterly Trends)

Sales in FY2024-Q3
3.47 billion Yen (+10.0% YoY)

Creative and Engineering (excluding Trys)
+5.0% YoY

Talent Platform
+61.4% YoY

Due to change in sales accounting standards for overseas recruitment business. Expected to increase revenue compared to the previous year for the full year.

Trys
down 22.4% YoY

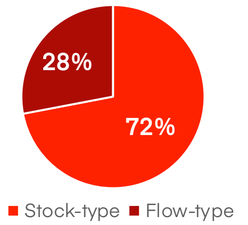
Due to a lack of new projects to compensate for the end of large-scale game development projects

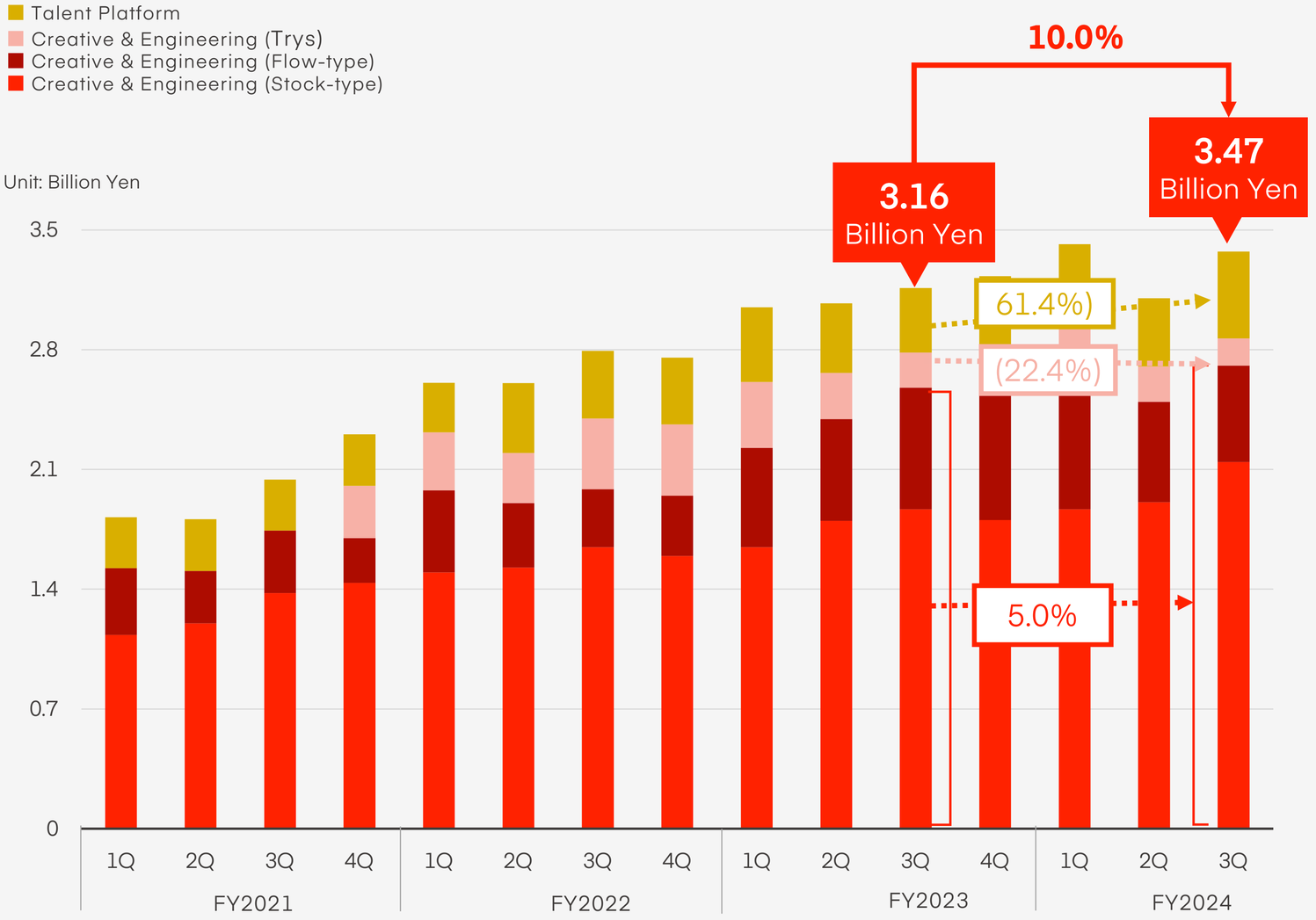
Creative & Engineering

■Stock-type
Sales of quasi-contracts that are expected to last more than 3 months and for a long period of time

■Flow-type
Net sales other than the above stock-type sales
(quasi-contract/contracting. etc.)

Sales Composition Ratio



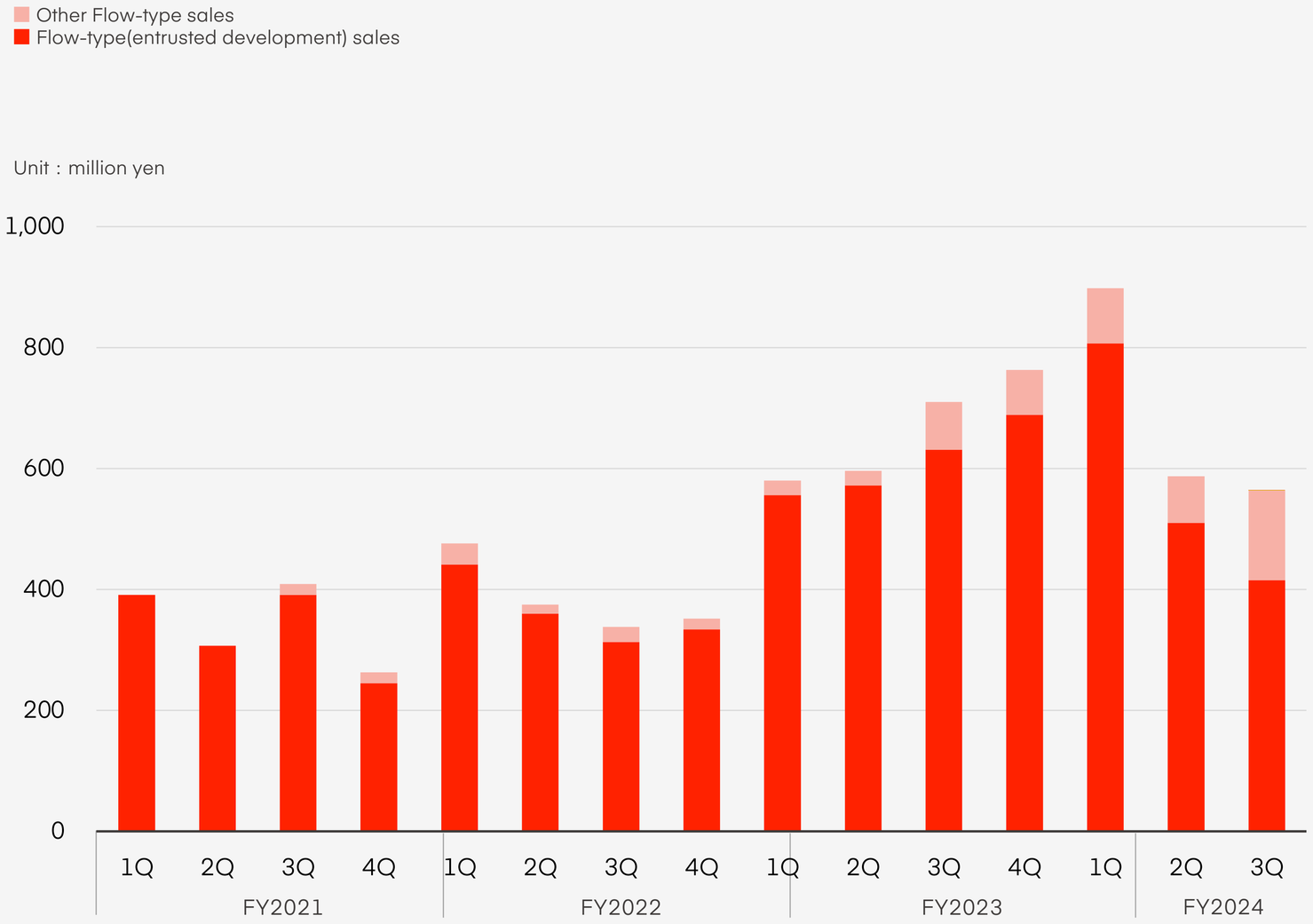


Flow-type Sales (Quarterly Trends)

Flow-type Sales in the 3rd Quarter of FY2024 decreased by 20.4% YoY and by 3.7% QoQ.

Although sales from new businesses, etc. (ALLLY) increased significantly YoY and QoQ, Flow-type Sales from Creative and Engineering decreased due to a lack of new large-scale projects.

(1) Other Flow-type:
New businesses, etc. (ALLLY is a new business, sales other than contract business)
(2) Flow-type(contracted development):
Sales from quasi-contracts of less than 3 months and subcontracts



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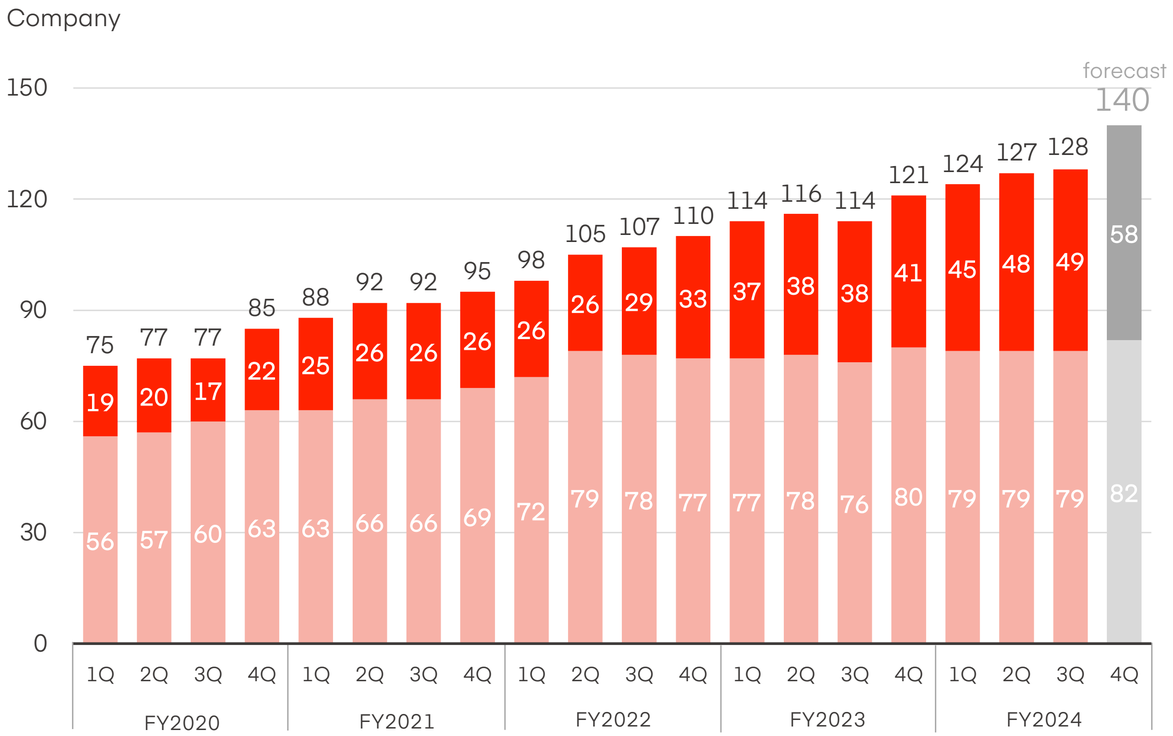
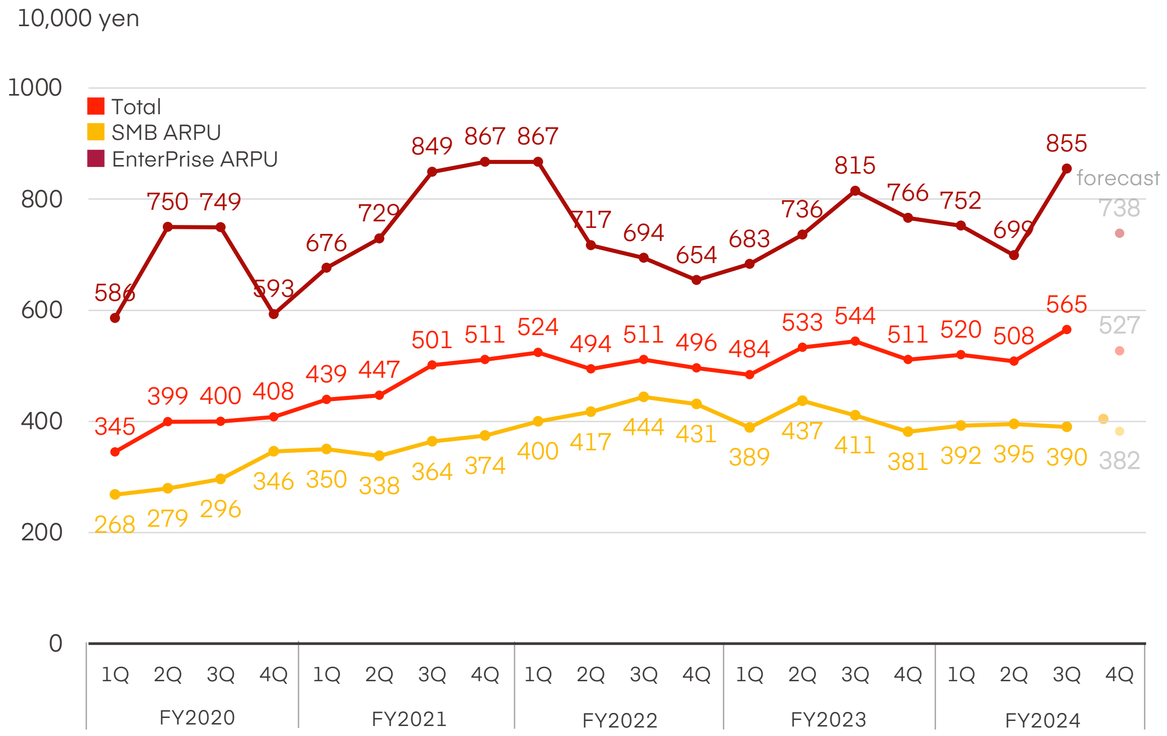
Changes in Important KPIs (Quarter)

The number of stock-type clients increased from the end of the 2nd Quarter, and the average ARPU of all clients remained stable.

Trends of stock-type clients



Trends of ARPU

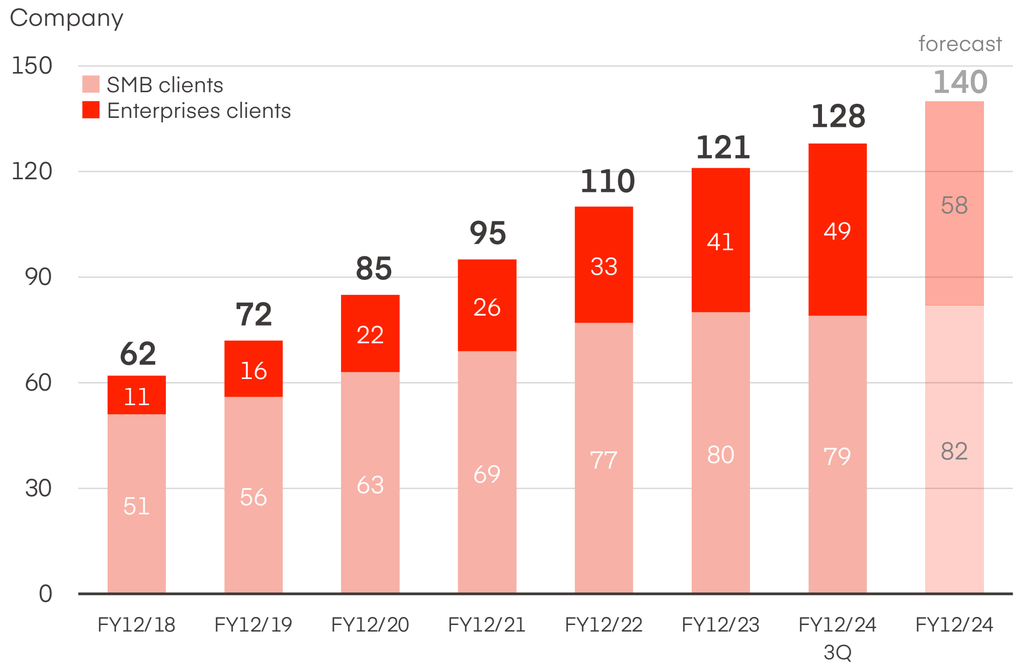


Enterprise: Listed companies that are included in the Nikkei 225, Nikkei 400, or Nikkei 500, or companies in the same group or companies with market capitalization, sales, or number of employees equivalent to the above companies.
SMB: Abbreviation for Small and Midsize Business. All companies other than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

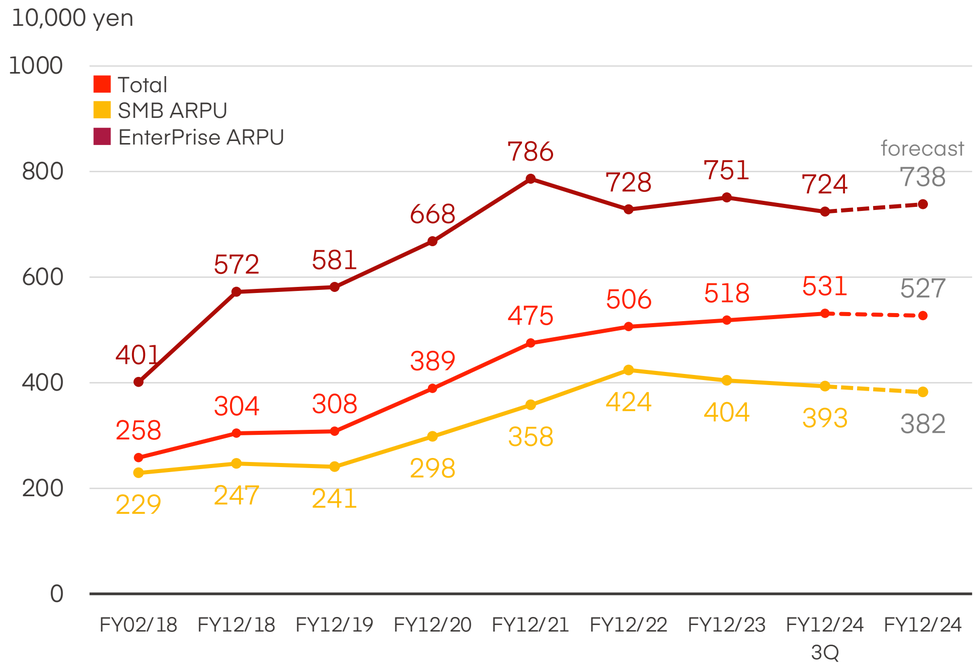
Changes in Important KPIs (fiscal year)

The number of stock-type clients, mainly enterprise clients, increased.
ARPU also remained stable.

Trends of stock-type clients



Trends of ARPU



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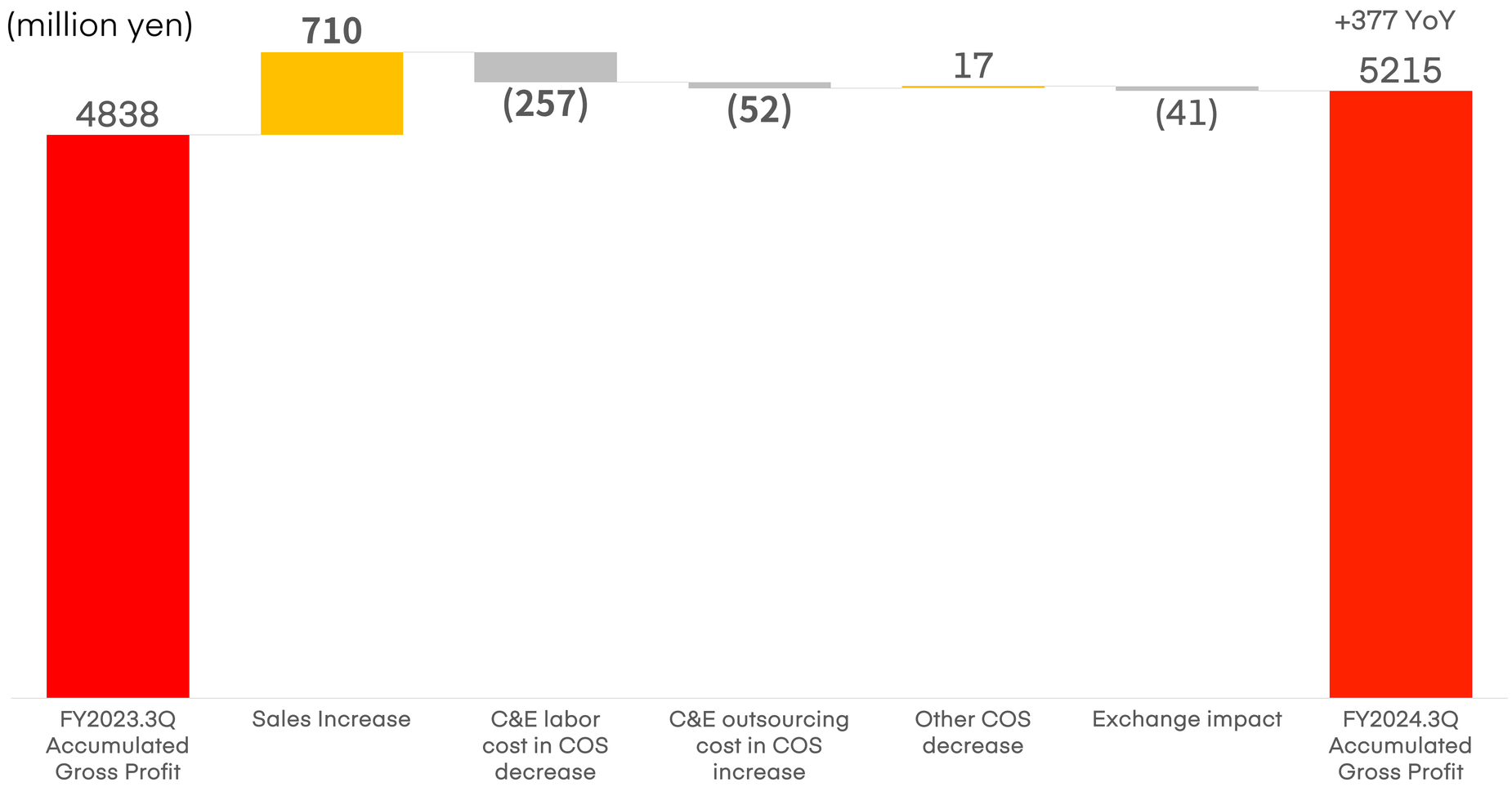
SMB: Abbreviation for Small and Midsize Business. All companies other than those we define as Enterprise.

Factors of Gross Profit Increase/Decrease (YoY)

Revenue grew by 710 million yen due to increase the orders in Creative & Engineering.
Although the weak yen impact of 41 million yen, profits increased by 377 million yen YoY.



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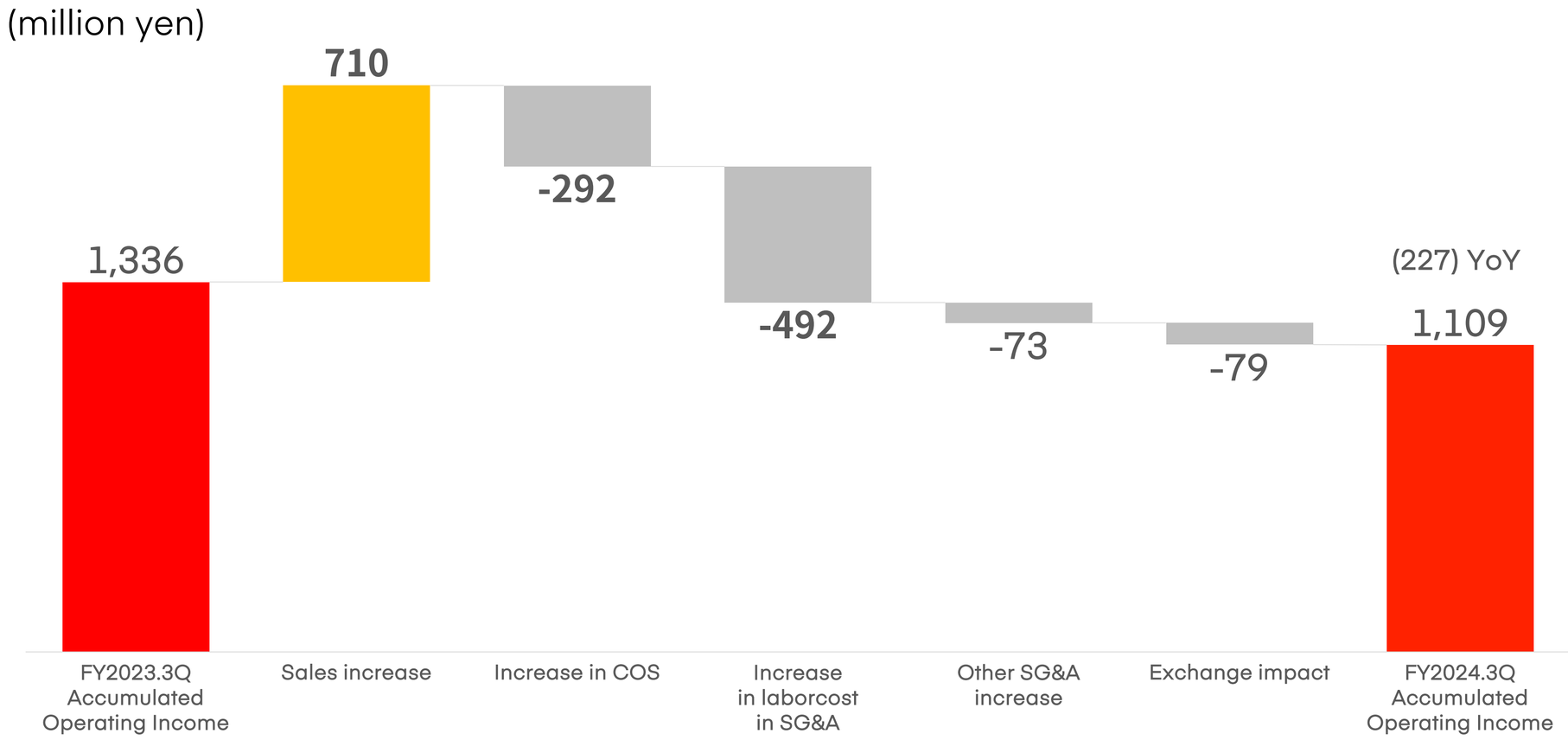
Factors of Operating income Increase/Decrease (YoY)

Personnel expenses in SG&A expenses increased due to a decline in operating rate and Continuous aggressive recruitment.
The impact of the weak yen on profits was not fully offset by increased sales, resulting in a decrease in Operating Income of 227 million yen.



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Balance Sheet Comparison

Equity ratio is at a high level, maintaining a strong financial base.

Unit: Million Yen

	12/2023	9/2024	Amount of change	Main Factors
Current Asset	10,047	11,817	1,770	Increase in cash and bank deposits
└ Cash & Bank	7,946	9,525	1,578	Recording profit and increase in short-term borrowings
Fixed Assets	1,811	1,792	(19)	
Total Assets	11,859	13,610	1,751	Increase in cash and bank deposits
Current Liabilities	2,035	2,928	893	Increase in short-term borrowings
Fixed Liabilities	324	367	43	
Net Asset	9,499	10,314	814	Recording profit
Total Liabilities and Equity	11,859	13,610	1,751	Recording profit and increase in short-term borrowings
Equity Ratio	80.1%	75.8%	—	

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Revision of FY2024 Earnings Forecast

Revision of FY2024 Forecast

The revised earnings forecast is Sales of 13.60 billion yen (down 9.6% from the initial forecast),
Operating Income of 1.50 billion yen (down 30.6%), and Ordinary Income of 1.51 billion yen (down 34.0%).
Compared to FY2023, sales are expected to increase by +8.7%,
but the profit and loss stage after Operating Income is expected to decrease.

Unit : Million Yen	Initial Forecast FY2024	**Revised Forecast FY2024**	Comparison to intial forecast	FY2023 Results	Rate of change
Sales	15,061	13,607	(9.6%)	12,517	8.7%
Gross Profit	7,970	6,988	(12.3%)	6,545	6.8%
Gross Profit margin	52.9%	51.3%	—	52.3%	—
EBITDA (1)	2,367	1,702	(28.1%)	1,968	(13.5%)
Operating Income	2,162	1,500	(30.6%)	1,775	(15.5%)
Operating Margin	14.4%	11.0%	—	14.2%	—
Ordinary Income	2,299	1,516	(34.0%)	2,279	(33.5%)
Net Income	1,780	1,076	(39.5%)	1,569	(31.4%)
Average exchange rate (per 1 Vietnamese Dong)	0.00600yen	0.00600yen		0.00590yen	

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

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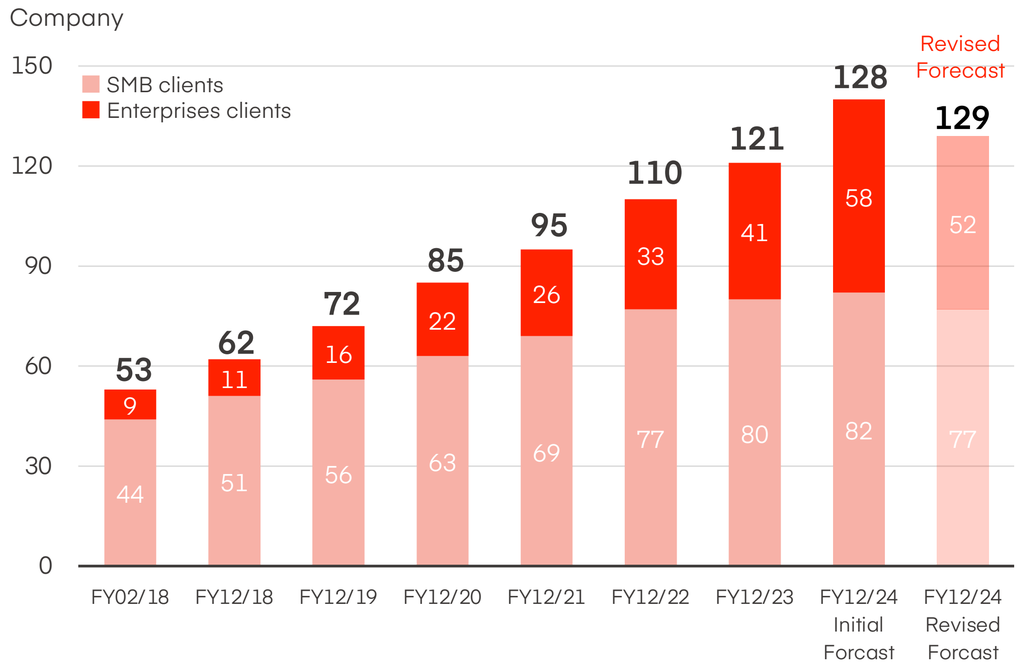
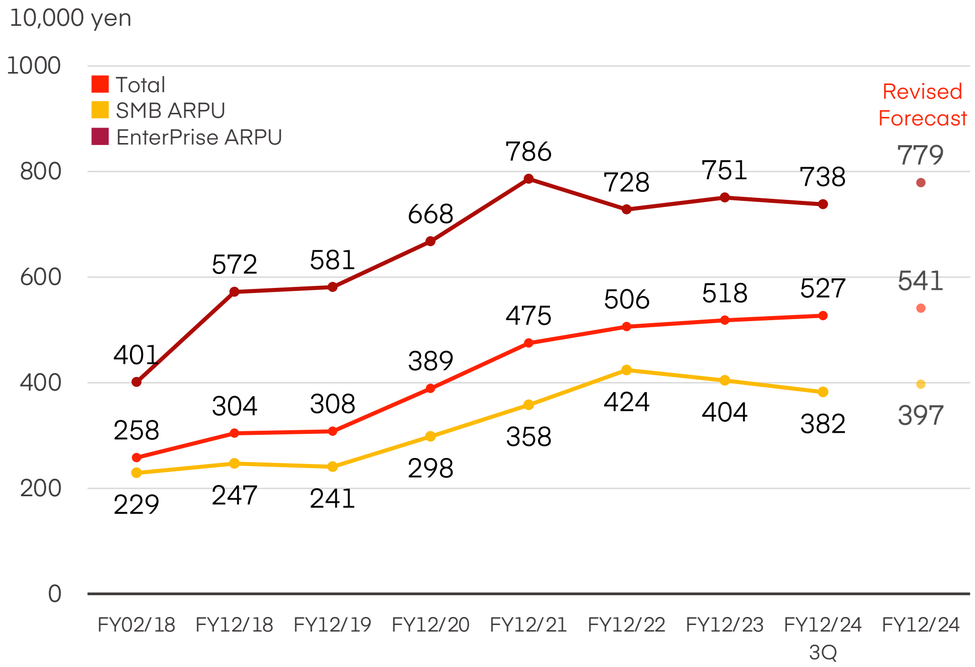
Revised Forecast (Important KPIs)

The number of stock-type clients is not increasing as expected at the beginning of this fiscal year, expected to reach 129 companies by the end of 2024.
ARPU to achieve a higher level than the initial forecast.

of stock-type clients



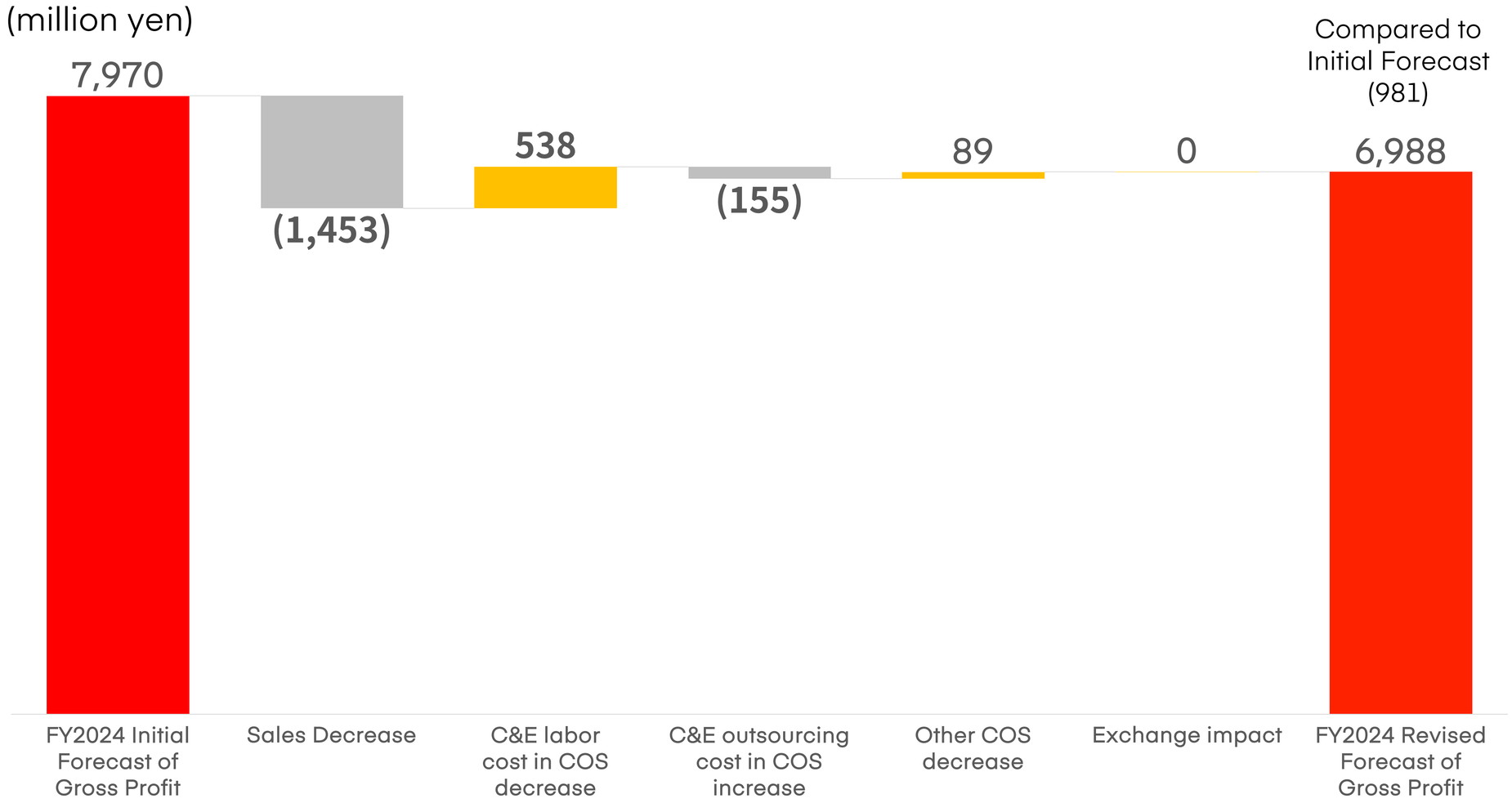
ARPU



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.

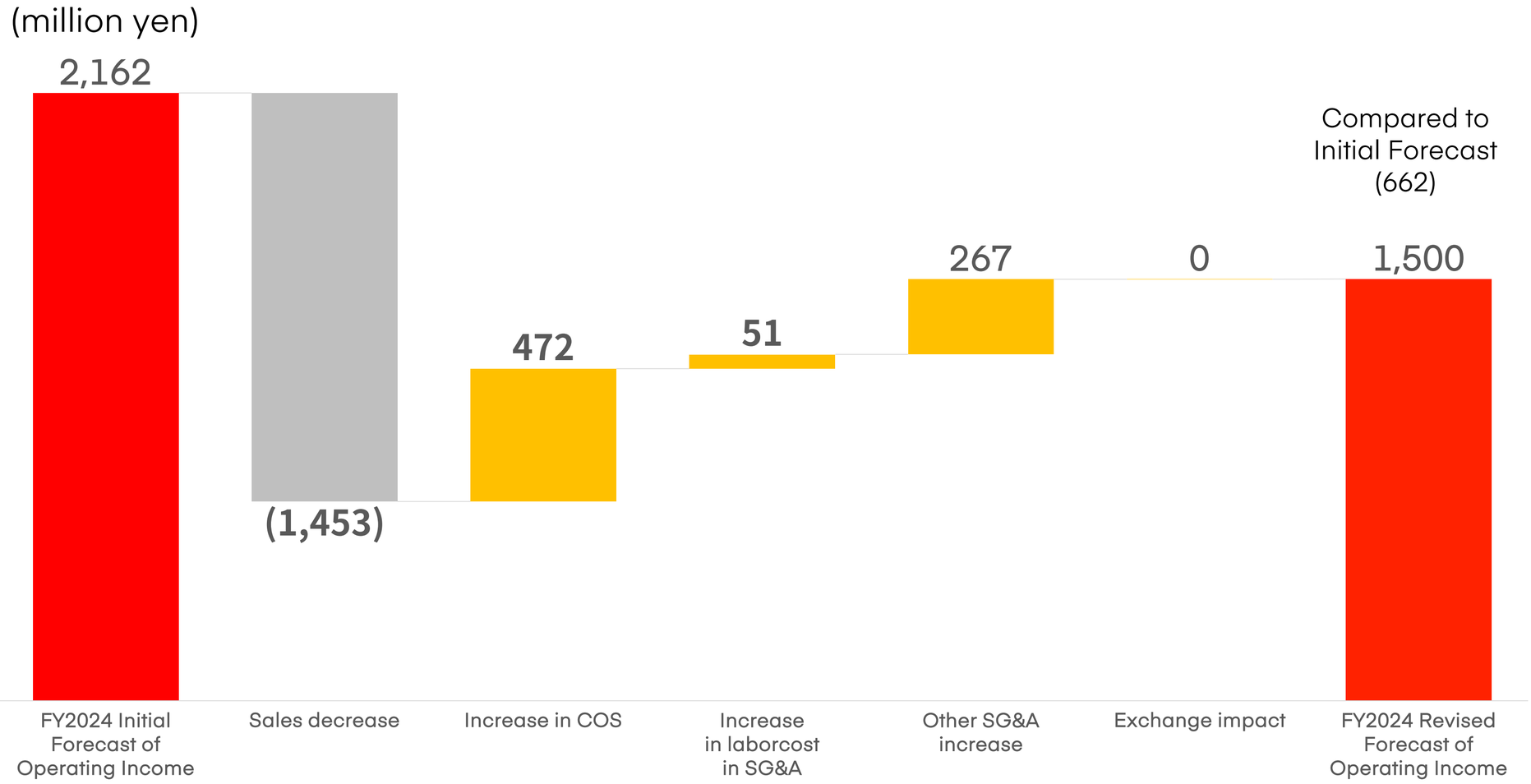
Factors of Gross Profit Increase/Decrease (Compared to Initial Forecast)

Due to a lack of new large-scale projects, Full-year forecast for Sales is down 1,453 million yen.
Full-year Gross Profit forecast is 981 million yen lower than the Initial Forecast.



Factors of Operating Income Increase/Decrease (Compared to Initial Forecast)

Due mainly to the decrease in Sales, the Full-year Operating Income Forecast is 662 million yen lower than the Initial Forecast.
The exchange rate is as initially forecasted, with no increase or decrease.



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Review of the 3rd Quarter Results

Bad		Review of the 3rd Quarter	Future Actions
Creative& Engineering	Acquire new clients and large-scale projects	• By means of improving the sales organization and operation, current KPIs to be getting better. However, **resumed to be difficult to archive initial forcast Sales and KPIs because of taking time to overall improvement.** • Sales to SMBs are expected to remain at the initial forecast level, while sales to enterprises to fall short of it.	• Continue to improve operations. • Improve KPIs and increase order values. • Increase operating rate be properly matching personnel with projects.
	Improve operating rate	• **The operating rate decreased and personnel expenses in SG&A increased** because of less orders compared to the initial forecast. • Possible to improve operating rate by acquiring new projects.	

Good		Review of the 3rd Quarter	Future Actions
Creative& Engineering	Sales activities and delivery by Vietnamese subsidiary	• **Vietnamese subsidiary currently running projects for European and American companies**	• Achieve growth by strengthening sales activities and expanding delivery systems
	Expansion of new businesses	• ALLLY (a fan community system for professional artists) **achieves record-high sales in the 3rd Quarter of FY2024**	• Further expansion of the business scale
Talent Platform	Sales activity progress	• **The issues in sales activities was resolved** by the measures implemented from the 2nd Quarter. • For the full-year results for FY2024, the sales to be expected close to the initial forecast.	• Continue to strengthen KPI monitoring, further improve operations, and strengthen relationships with clients.
Others	Exchange rate trends	• The yen weakened and the VND strengthened in the 2nd Quarter more than initial forecast. • **The 3rd Quarter to result in line with initial forecast.**	• Expecting the average exchange rate to be 0.00600 yen (1 VND), as initially expected for the full FY

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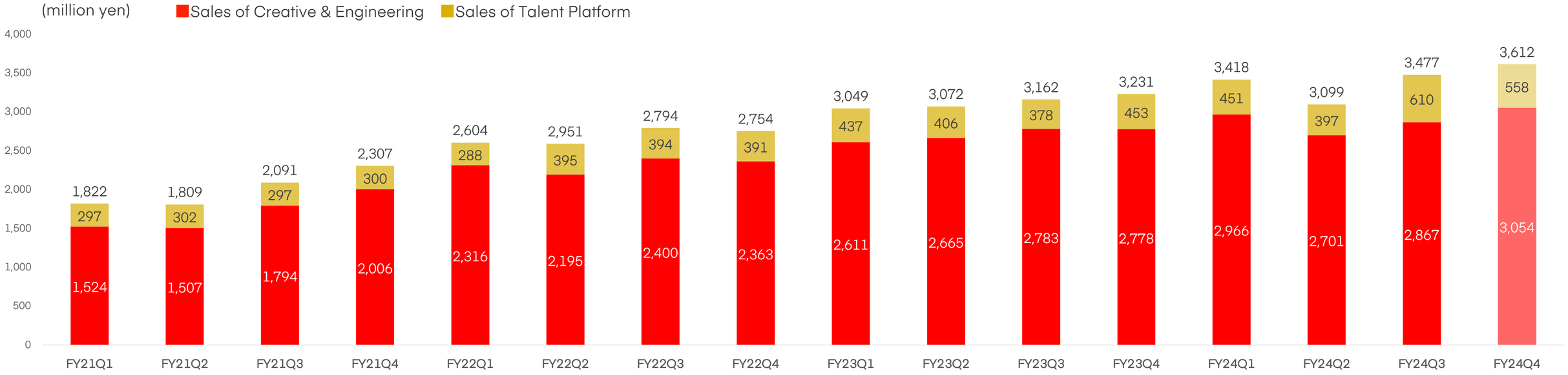
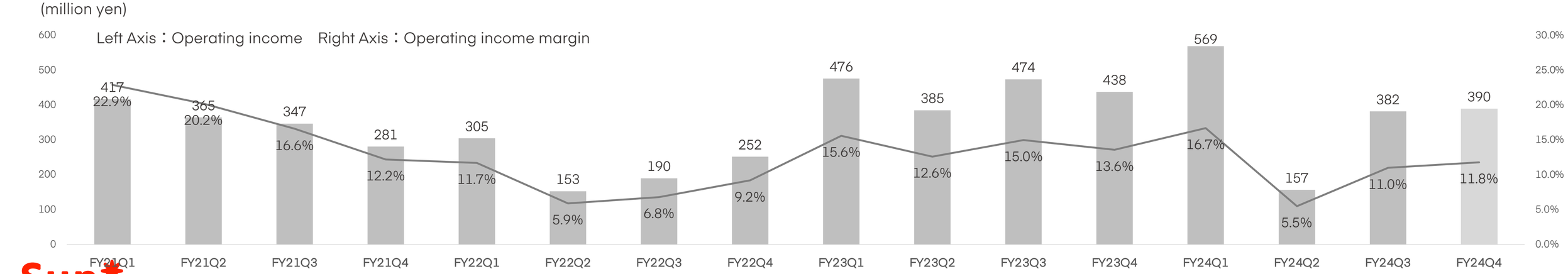
Trends in Sales and Operating income

Sales in the 4th Quarter of FY2024 are expected to reach a record high of 3.6 billion yen.
We aims to continue growing Sales from next fiscal year and beyond.
Operating Income is on an upward trend since the 2nd Quarter of FY2024.
Aiming to expand incomes through increasing Sales and improving Operating rates





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4

Shareholder Return Policy

Shareholder Returns（Acquisition of treasury stock and introduction of a Shareholder Benefit program）

While maintaining business investment in growth with stable financial base, to acquire treasury stock and introduce a Shareholder Benefit program returning profits to shareholders.

Shareholder Return Policy

- Prioritized enhancing internal reserves up till now for future business expansion and strong financial position, we built a stable financial structure.
- As a means of utilizing funds, progressed to the stage considering shareholder returns in addition to investing in business expansion.
- To return shareholders, carried out our first share buyback since listing and introduced a shareholder benefit program.
- Continue to consider shareholder returns while taking into the business environment, etc. account.

Overview of Acquisition of treasury stock
(Details of the Board of Directors resolution dated November 13, 2024)

Total number of shares acquired	Up to 1,000,000 shares Percentage of total number of shares issued [excluding treasury shares] 2.63%
Total purchase price of shares acquired	Up to 700,000,000 yen
Period of acquisition	From November 14, 2024, to February 28, 2025
Method of acquisition	Purchase at the Tokyo Stock Exchange

Overview of Shareholder Benefit program

System	Introduced the “Premium Benefit Club,” a points-based shareholder benefit service provided by Wills Inc.
Eligible shareholders	Shareholders holding 600 or more shares and listed on the shareholder register at the end of December each year.
Benefit yield	The maximum 4.92%
Detail	Read the next page.

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Detail of Shareholder Benefit Program

Introduced the “Premium Benefit Club“ provided by Wills Inc. to enhance shareholder returns.
Benefit yield is up to 4.92% (1)

Detail of Sun Asterisk Benefit Club

Website Name	Sun Asterisk Benefit Club
Website URL	https://sun-asterisk.premium-yutaiclub.jp/
Benefit details	Shareholders receive benefit points according to the number of shares they own. Points can be exchanged for the following: • Products listed on the special website "Sun Asterisk Privilege Club" • Common shareholder benefit coin "WILLS Coin" in the "Premium Privilege Club"
Presentation time	Every March
Eligible shareholders	Shareholders holding six units (600 shares or more) and listed on the shareholder register at the end of December each year

Benefit yield according to the number of shares held

Number of shares held	Points awarded	Benefit yield
Less than 600 shares	0 points	0%
600 to 899 shares	5,000 points	1.03% to 1.54%
900 to 999 shares	10,000 points	1.85% to 2.05%
1,000 to 1,999 shares	15,000 points	1.38% to 2.77%
2,000 to 2,999 shares	40,000 points	2.46% to 3.69%
Over 3,000 shares	80,000 points	4.92% or less

Examples of exchangeable products



(1) Calculated based on the closing price of 542 yen on November 12, 2024

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Appendix

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 client 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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Outline of Group Companies

Company Name	Capital	Voting rights ratio	Business content
Sun Asterisk Vietnam Co., Ltd.	55 Thousand USD	100%	The development base in Vietnam, where our company was founded and where we have a large number of excellent engineers through partnerships with the Hanoi University of Technology and other institutions. The largest organization in the group with a headcount of over 1,400
Sun terras	10 Million Yen	100%	Develops IT human resources training, placement, and dispatch business in Japan; company name changed from GROOVE GEAR in February 2024
NEWh	10 Million Yen	100%	Innovation Design & Studio specializing in new business and service development for large companies, established in January 2021
Trys	100 Million Yen	100%	Businesses include game development in general, illustration, manga production, and video production
Sun Asterisk Software Development Inc.	900 Thousand PHP	99.9%	Originally established by our company in 2015, this development center in the Philippines was once independent in 2019, but became a subsidiary in May 2024. Operates IT and programming education business as well as development support

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Glossary

Terms	Meanigs
Digital transformation	By utilizing digital technologies such as IoT, AI, and big data analytics, the company will create value and establish competitive advantage through new products, services, and new business models. Abbreviated as "DX
Digitization	To digitize business processes and aim for operational efficiency and cost reduction
Digitalization	Transforming business models and creating new business value and client experiences through the use of digital technology. We are strong in our knowledge in this area
Open innovation	Innovation methodologies that combine ideas, services, know-how, data, etc. from other companies, different industries, and different fields to create innovative business models, research results, service development, organizational reform, etc.
Design thinking	An approach for clarifying the nature of the problem, rather than how to solve it, in implementing discontinuous innovation. A method for developing innovative services by clarifying problem discovery and solution
Lean startup	Management techniques for companies and new business start-ups that enable business creation around user feedback
MVP	Minimum Viable Product. Products with the minimum required functionality and approaches that use it

Terms	Meanigs
UI/UX	UI is an abbreviation for User Interface, the design of screens used to exchange information, and UX is an abbreviation for User Experience, the experience that users gain through the use of services, products, etc.
Agile development	A development method that assumes constant change, and that involves a series of processes of formulation, development, testing, and release in a short period of time, starting with the most important functions, and improving through repetition of these processes
DevOps	Development and Operations. A development method that links development and operations to ensure speedy and stable delivery of highly reliable code
DeFi	Decentralized Finance. A financial intermediary application that does not require centralized control of financial assets
NFT	Non-Fungible Token. A unique, non-substitutable unit of data recorded on a blockchain
Web3	New decentralized web world about to be realized by blockchain technology
Metaverse	A three-dimensional virtual space or service that differs from reality and is constructed within a computer or computer network

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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 ".

Sun*

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Let’s make awesome things that matter.