Sun*

Financial Results Explanatory Materials for the Fiscal Year Ended December 2024

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

February 12, 2025

Summary of 2024 FY Results and 2025 FY Forecast

FY 2024 Results	• At the 3rd quarter financial results announcement on November 13, 2024, the earnings forecast was revised downward. • **Results for FY 2024 are sales of 13.56 billion yen, operating profit 1.44 billion yen, and net income 1.02 billion yen.** • The result slightly fell short of the revised forecast due to changes in the timing of revenue recognition and other factors • The results were lower than initial forecasts due to delays in acquiring large projects and new customers,, sales increased by 8.4% compared to the 2023 FY. • Gross profit margin and operating profit margin both decreased compared to FY 2023. Key factors include labor costs for unutilized personnel due to the stagnation in revenue growth and the impact of the weak yen.
Consideration for FY 2025 forecast	• Sales forecasts to be created taking into account the current state of the sales organization and the sales pipeline. • **Sales in the first half of the year will continue to trend at the same level as last year, however double-digit growth is expected in the second half.** • At present, there is excess capacity in personnel relative to the number of projects, and labor costs for idle personnel are expected to be recorded as selling, general, and administrative expenses. • In some projects, collaboration with external partners has led to an increase in cost of sales. • We expect improved utilization rates of in-house personnel from the 2nd quarter onward by hiring new personnel critical for project execution and enhancing internal employee development. • While the gross profit margin is expected to decrease compared to the 2024 FY, **we plan to continue investing in AI and new business areas to support future growth, with a total investment of 0.59 billion yen.**
Earnings forecast for FY2025	• Sales: 15.3 billion yen (YoY change: +1.7 billion yen, +13.1% YoY) • Gross profit: 7.7 billion yen (YoY change: +0.73 billion yen, +10.6% YoY) • Operating profit: 1.5 billion yen (YoY change: +0.06 billion yen, +4.2% YoY)

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Agenda

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1

Business Overview



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)	2,116

Sun Asterisk : 448
Sun Asterisk Vietnam : 1,396
Sun Asterisk Software Development : 48
Sun terras : 111
NEWh : 23
Trys : 90

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

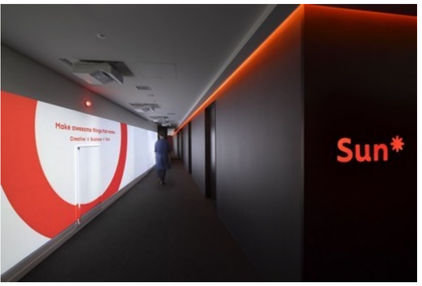
Financial (Previous period)

Sales (2)	13.5Billion
Operating Income (2)	1.44Billion
EBITDA (2) (3)	1.65Billion
Sales CAGR (4)	35.9%

KPIs

Stock-type Client (5)	131Clients
ARPU (6)	5.39million
Churn Rate (7)	3.66%

(1) As of Dec, 2024 (including temporary hirings)
(2) As of Dec, 2024
(3) EBITDA : Operating income + Depreciation and amortization + Amortization of goodwill
(4) Average Annual Growth Rate from 2/2016 to FY2024
(5) 12/2024
(6) 12/2024
(7) Calculated based on Jan. 2015 to Dec, 2024, 120 month average. # of churn clients/ existing clients average



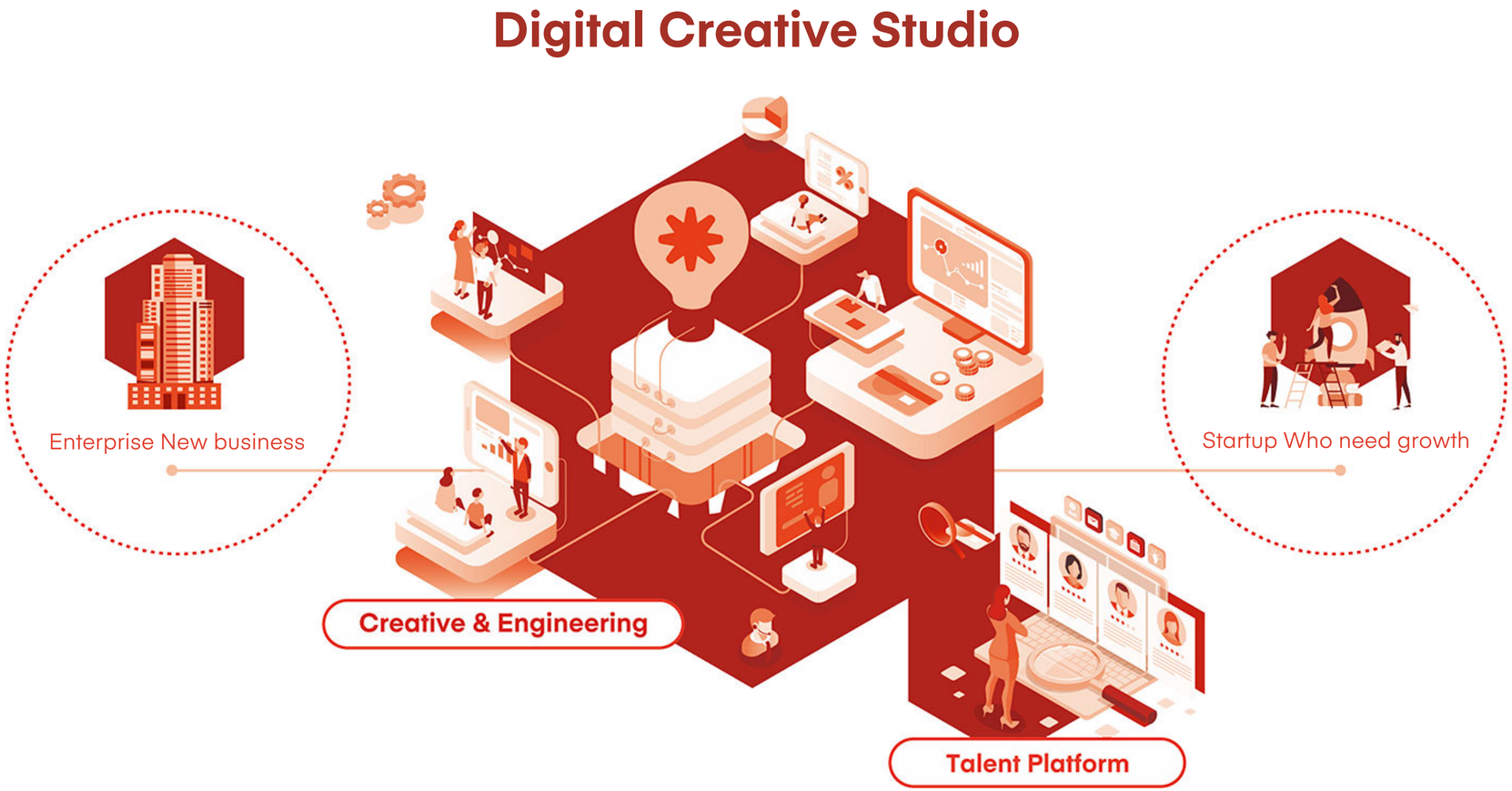







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What is a Digital Creative Studio?



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

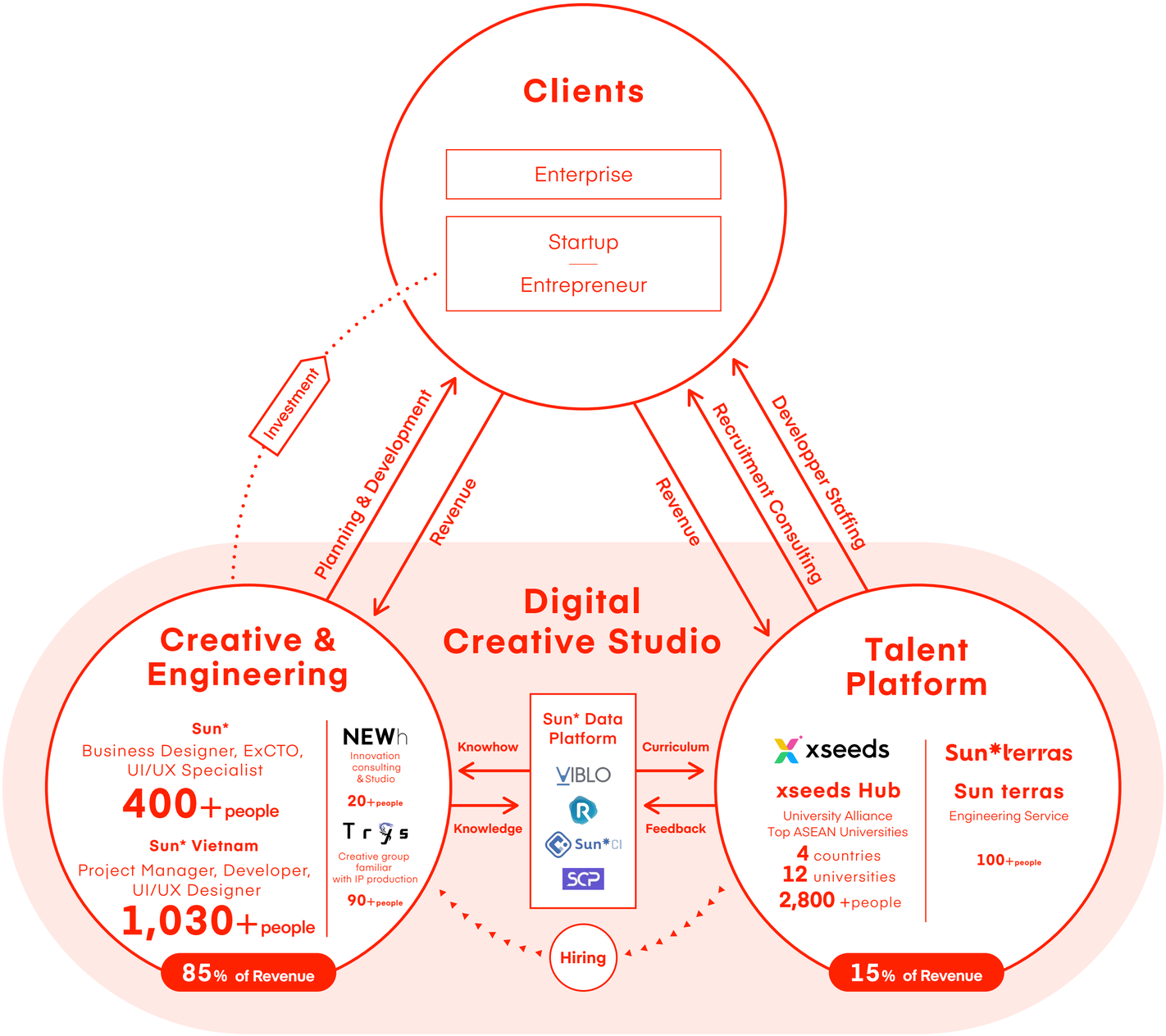
Supporting from business creation to service growth.

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

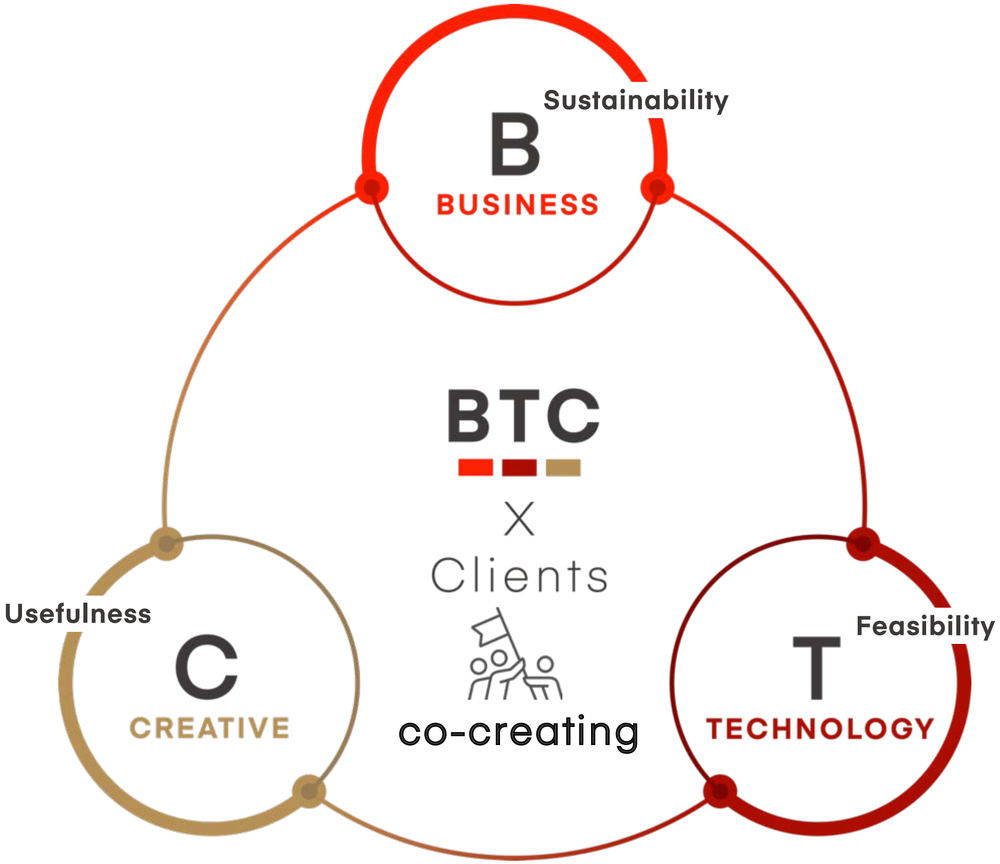
Professional

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*

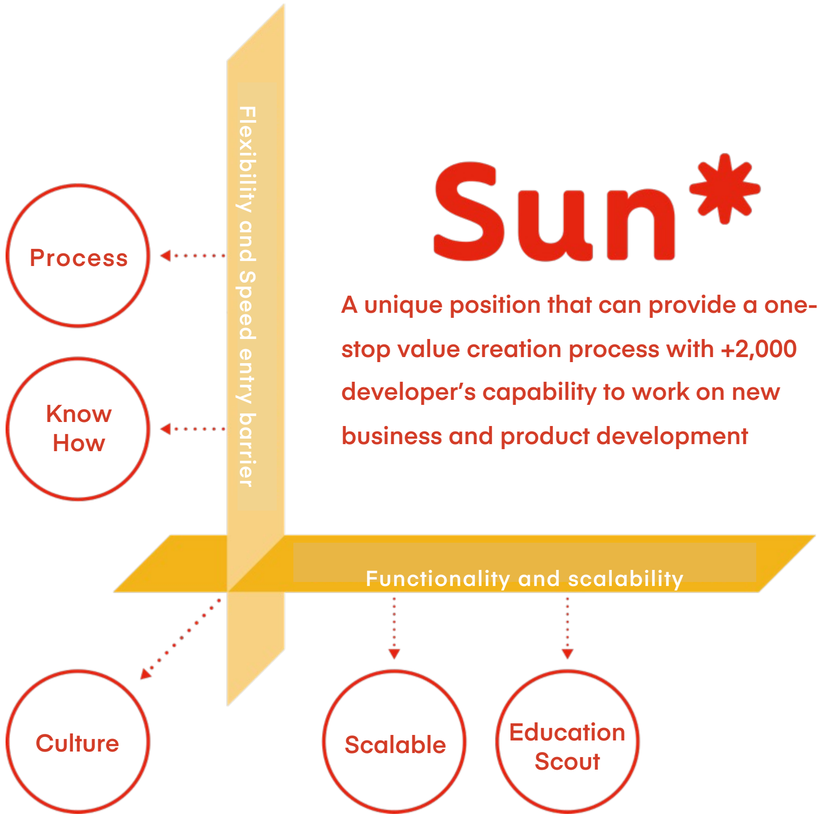
The two types of digital transformation and the method to reach the target

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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DX Promotion and New Business Development Support Case: Michiteku Co., Ltd.

Be afraid in the right way. However, do not be excessively afraid. We are entering an era where we can live this way.

michiteku YOHA is a hospital visit management app for cancer patients

Cancer is a common disease that accounts for one-third of deaths in Japan and affects one in two people. michiteku is a cancer treatment lifestyle support tool developed with the vision of "creating a world where cancer is not scary for everyone." Sun* is responsible for the development of the app for this service, and also supports the growth of the business by supporting the recruitment of overseas student engineers with a view to in-house development in the future.

Agile Development | **App Development** | **DevOps** | Startup | Medical and Health



ISSUE

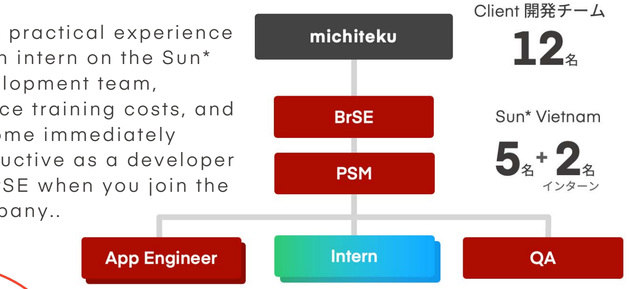
- Looking ahead to the growth of the service, they want to strengthen in-house development, but are having difficulty recruiting engineers in Japan
- Reducing training costs for Vietnamese student engineers hired through xseeds Hub
- A lack of knowledge and resources required for mobile app development
- Promoting agile development and building a system that can quickly change specifications and functions

SOLUTION

- After being hired, student engineers are trained as interns on actual projects until they arrive in Japan
- Teams are made up of members with extensive experience and high technical skills
- Planning, refinement, and review are carried out in sprints



Gain practical experience as an intern on the Sun* development team, reduce training costs, and become immediately productive as a developer or BrSE when you join the company..





Client Voice
In a job that requires expertise in Flutter development, they have progressed with the development of a mobile app with higher quality than expected and schedule management. In addition, we have been able to train our new graduates in actual projects before they join the company, which has led to improved engagement and skills.

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DX Promotion and New Business Development Support Case: Mr. Max Holdings Co., Ltd.

Support for building an online store/app based on MrMax's omnichannel strategy

At the same low price, from anywhere, New service that can be purchased anytime

MrMax operates 56 discount stores in the Kanto, Chugoku, and Kyushu regions and boasts annual sales of 124.5 billion yen (as of February 2024). As part of its business strategy, the company plans to build an omnichannel service that integrates in-store, app, and online store experiences. Through this, we aim to improve the value of the customer experience and improve operational efficiency, and further strengthen the company as a ``social infrastructure.'' We co-created everything from service design to development and implementation with Sun*, and renovated the app into a fusion of online store and store functions. We offer in-store pick-up, immediate delivery, and delivery installation to continuously support the improvement of customer experience and business growth.

Customer Experience Design | UI/UX Design | Requirement definition | Development and implementation | AWS | Vulnerability Assessment | Maintenance | Enterprise | Retail



ISSUE

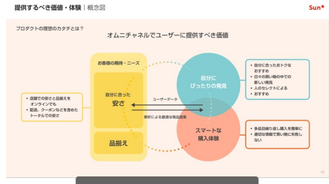
In order to shift to omnichannel, we would like to increase the probability of business success by conducting service design before starting development. In order to promote the project efficiently, we want to co-create with a partner who can provide comprehensive support from service design to development. Another issue is that when linking stores, apps, online stores, and online supermarkets, multiple partner systems are involved, making collaboration difficult.

SOLUTION

Designers implemented customer experience design in 3 months. Based on user research, competitive research, etc., we formulate the experience value, journey, functional concept, and vision to be provided. Sun* flexibly promotes collaboration with multiple systems that are highly difficult, including core systems, and leads development. During the post-release maintenance phase, in addition to functional expansion, we continue to support the company in a variety of ways, including improving operational efficiency, improving store sales promotions, and providing logistical support for the branding business.



MrMaxが目指すオムニチャネルの世界観


提供すべき価値


ユーザージャーニー


プロトタイプ


ロードマップ

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DX Promotion and New Business Development Support Case: Mr. Max Holdings Co., Ltd.

Mr Max's Growth Strategy

Sun* supports “Omni-Channel”, one of the three growth strategies

supported by Sun*

① Store openings	② Omni-Channel	③ M&A and New Business Strategies
Northern Kyushu area, Tokyo metropolitan area. Promoting dominance in central areas 25 new stores	Penetrate omni-channel by using the app as a hub Provide a product lineup that is more than that of a real store,Attracting customers beyond the actual trade area Target for FY02/2029 Sales Composition 10% of total sales	Expansion through M&A Outsourcing of other companies' logistics operations Expansion into overseas markets

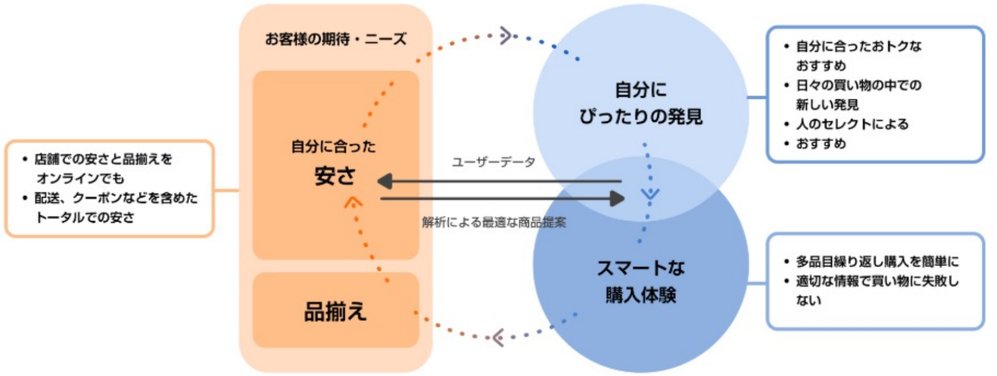
Aiming for growth based on business expansion and enhancement through store openings and omnichannel

Year ending Feb. 2024
1,245 Billion yen

FY02/2029 Target
2,000 Billion yen

Sun* Support: What We Aim for in Experience Design

Core value to be provided by omnichannel



Client Voice

Sun* has deeply understood our business requirements and the situation of each store, and has made a great contribution to realizing our ideal vision. They didn't just build a system, but also considered what kind of services are required and how they can be differentiated, and together we thought about future goals and gave them concrete form. Sun* is not just a development partner, but a reassuring presence that supports the growth of our business together.



Mr Max Holdings Ltd.
Executive Officer
Mr. Imamura

Sun* was an important partner in supporting the promotion of omnichannel. They provided accurate support from requirements definition to operation, and internal coordination was smooth. Their technical proposals were appropriate and reassuring. They also provided thorough follow-up after development, which led to smooth operation. They are not just a company that provides development support, but also a company that provides hands-on support.



Mr Max Holdings Ltd.
DX Strategy Office Manager
Mr. Narumiya

Sun* Support: What we achieved through UI design

Product concept to realize omni-channel strategy

Discover what works for you	Smart Buying Experience	Exciting low prices and deals
TOP Appealing to latent needs A wide selection of products, a variety of cut-off points for discovery, and personalized recommendations	Cart Supports a variety of receipt methods Diverse ways to buy and receive on a single platform	member ID card Store membership card and EC in one Available in store and online Coupons and other savings







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Our Works

DX Promotion and New Business Development Support Case: Sony Block Solutions Singapore Pte. Ltd.

One-stop support for fan marketing initiatives using NFTs, from execution to analysis

Fan Marketing Platform that makes it easy to create newconnections with customers using NFTs

In 2025, the Sony Group announced its entry into the blockchain business "Soneium", cryptocurrency exchange and NFT market businesses as the first step in its full-scale Web3 business. The "Fan Marketing Platform", which handles the NFT market business, is a service that supports businesses in running campaigns using NFTs. This development was co-created with Sony Block Solutions Singapore, a joint venture with Sun*. This platform makes it easy, smooth and seamless to distribute and acquire NFTs and measure their effectiveness. We will continue to support the expansion of the business.

Service Design | UI/UX Design | Requirement definition | Development & implementation | Enterprise | Web3

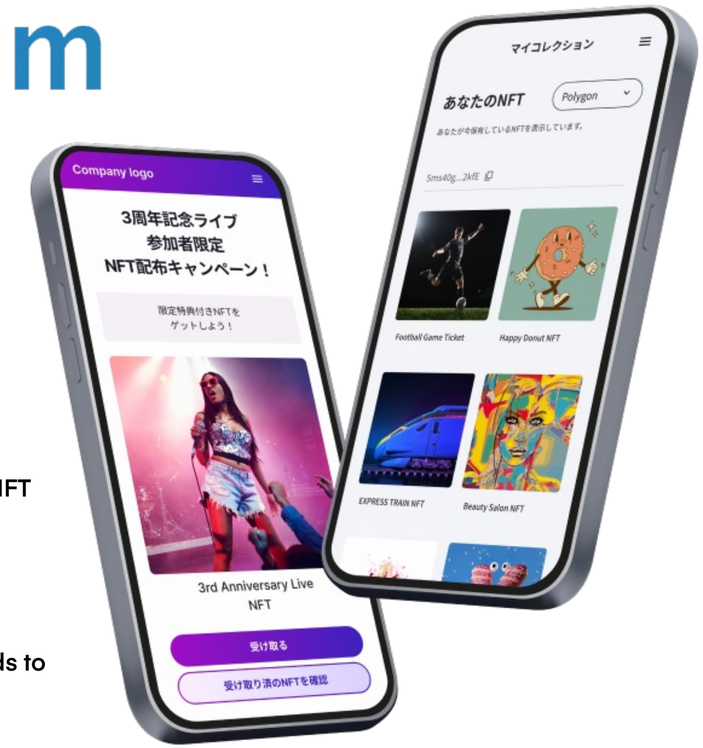
ISSUE

The development of NFT issuance and wallet functions is essential for the development of Web3 services, but there is a shortage of personnel with the necessary knowledge within the company. For large companies to fully enter Web3 as a new business, they need partners with ample development resources. In addition, with no successful model in the market, there are few suitable partners who can work on the same level from planning to development.

SOLUTION

We are involved from the business strategy and service design stage, and make proposals based on the trends in the Web3 market and the worldview of the future. We are a team composed of engineers and designers who are familiar with the Web3 field, such as NFT issuance and wallet functions. We will strengthen system design and security and regulatory compliance with a view to long-term business scale, and accompany the business promotion.

Fan Marketing Platform



- From execution to analysis of NFT issuance measures ((Soneium compatible))
- A web wallet with simple UX
- Function to give various rewards to fans and users

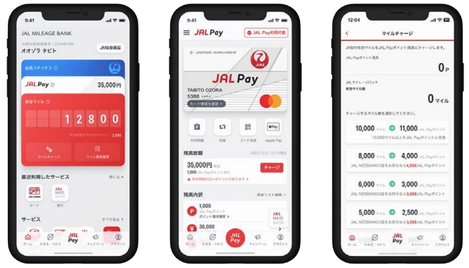
Partner Voice

To enter the Web3 market, we needed specialized knowledge about NFT issuance and wallet functions, but with the support of Sun*, we were able to proceed with development smoothly. It was very reassuring to have them accompany us from the business strategy stage and provide consistent support from planning to development and operation.

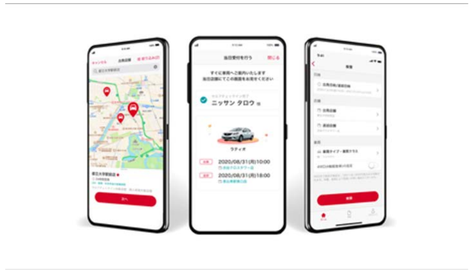
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Case Study of DX Promotion and New Business Development



JAL Mileage Bank App
SBI Sumishin Net Bank, Ltd.
／Japan Airlines 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.



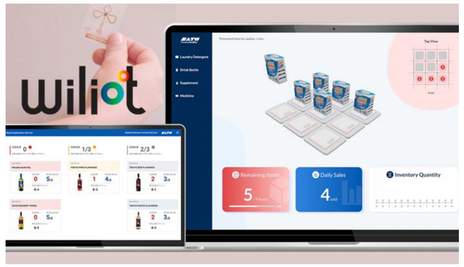
Official Online Store
Siroca Inc.



WMS/TMS systemization support
Daikin Industries, Ltd.



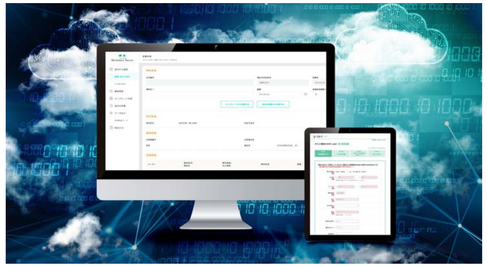
"Everyone's Home Medicine" DX Support
HOKENDOHJIN-FRONTIER Inc.



IoT cloud system development support
SATO Corporation



Music management system KENDRIX
JASRAC



Cloud Spaceship
NIPPON GAS CO.,LTD



Part-time jobs, spot work
Time, Inc.



ProOne
MeetsMore Inc.



BOTCHAN AI
wevnal Co., Ltd.



Todokun
NPO Bridge for Smile

コーポレートサイトにて更新中
https://sun-asterisk.com/works/

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2

2024 FY (December) Full-Year Performance Highlights

Financial Results Overview

Although sales and gross profit increased compared to the same period last year, operating profit, ordinary profit, and net profit for the current period saw a decrease. Additionally, compared to the revised forecast in November, the results slightly fell short due to changes in the timing of revenue recognition and other factors.

Unit : Million Yen

	FY2023	FY2024	Rate of Change	Revised Financial Forecast	Progress Rate
Sales	12,516	13,568	8.4%	13,607	99.7%
Gross profit	6,545	6,965	6.4%	6,988	99.6%
Gross profit margin	52.3%	51.3%	—	51.4%	—
EBITDA (1)	1,968	1,652	(16.1%)	1,702	97.1%
Operating income	1,775	1,444	(18.7%)	1,500	96.3%
Operating margin	14.1%	10.6%	—	11.0%	—
Ordinary income	2,279	1,454	(36.2%)	1,516	95.9%
Net income	1,569	1,023	(34.8%)	1,076	95.0%
Average exchange rate (per 1 Vietnamese Dong)	0.00590yen	0.00600yen		0.00600yen	

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

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Key Point 1

Creative & Engineer sales	• The results were nearly in line with the revised forecast, with revenue increasing year over year. • The number of stock-type customers is 131, increasing of 10 companies from the end of last December. • ARPU was 5.38 million yen ,increased by 200,000 yen year over year.
Talent Platform sales	• Domestic recruitment, recruitment agencies, and overseas IT recruitment are performing well. • Domestic SES operations (Sun Terras) also experienced year-over-year revenue growth due to strengthened relationships with existing customers.
Gross profit margin	• Due to some collaboration project with external partners, cost of sales ratio increased. • The gross profit margin is expected to reach 51.3%, in line with the revised forecast.
Operating income	• Personnel costs in sales and administrative expenses increased year-over-year due to a decline in utilization rate • Recruitment costs also increased year-over-year due to ongoing personnel expansion. • Operating profit margin decreased year-over-year to 10.6%, slightly below the revised forecast
Impact of Foreign Exchange	• The average exchange rate for the full FY is 0.00600 yen per dong, matching the initial full-year forecast; however, the yen is weaker than last year. • In the previous FY, a foreign exchange gain of 180 million yen was recorded, whereas this FY saw a foreign exchange loss of 151 million yen. • Interest income declined by 224 million yen due to a decrease in Vietnamese interest rates, etc

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Key Point 2

Personnel expenses, which account for about 70% of SG&A expenses, increased significantly due to a temporary decline in capacity utilization
Hiring expenses also increased, driven by continued headcount expansion to support growth.

Unit : Million Yen

	FY2023		FY2024			Point
	Result	Composition ratio	**Result**	Composition ratio	YoY Change	
personnel expense	3,477	72.8%	4,003	72.4%	15.1%	Temporary increase due to lower utilization ratio (Costs of unutilized personnel are recorded in SG&A expenses)
recruiting expenses	180	3.7%	269	4.8%	48.9%	Continued aggressive recruitment
Outsourcing expenses	206	4.3%	255	4.6%	23.8%	Increase in development costs for Trys games, etc
Sales activity expenses (excluding recruiting expenses)	167	3.4%	195	3.5%	17.4%	Increase in advertising and other expenses
Facility expenses	526	11.0%	590	10.6%	12.0%	Increase in system costs and other costs
Other SG&A	212	4.4%	207	3.7%	(2.2%)	
Total	**4,770**		**5,521**		**15.7%**	

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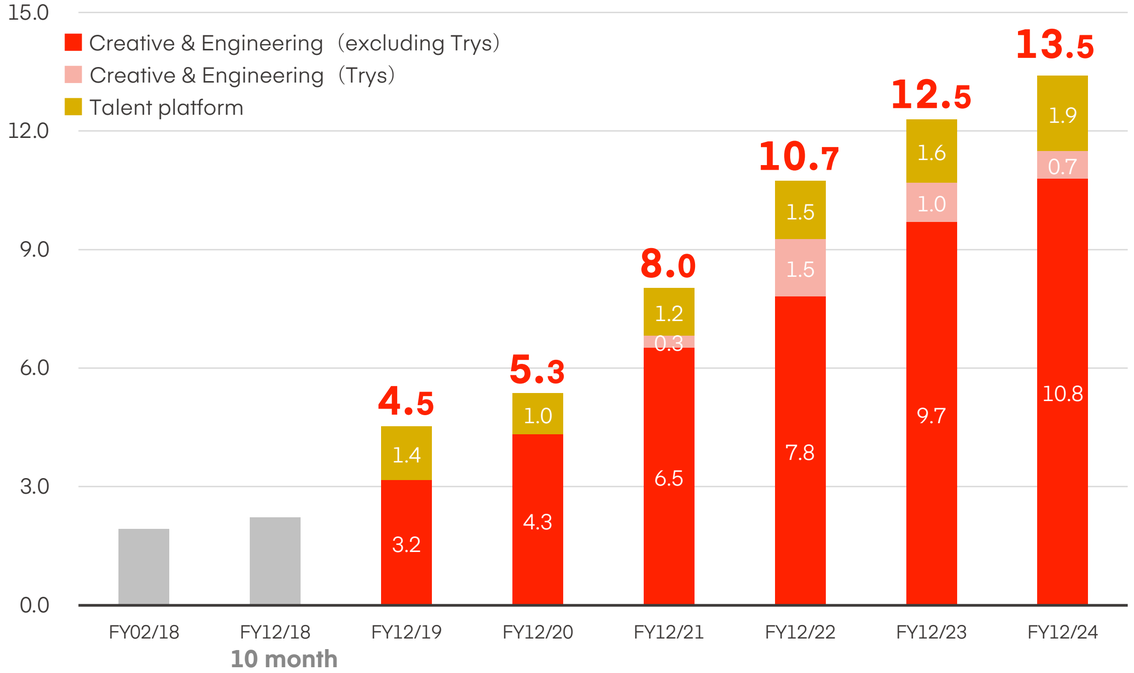
Changes in Sales and Net Income

Progress against the full-year forecast revised in November were 99.7% for sales, 96.3% for operating profit, and 95.9% for ordinary profit.

Sales (1) (2) (3)

progress rate 99.7%

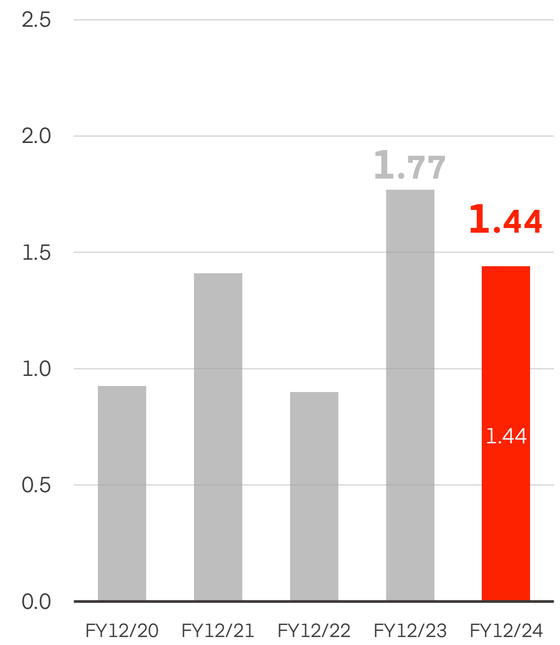
Unit: Billion Yen



Operating Income

progress rate 96.3%

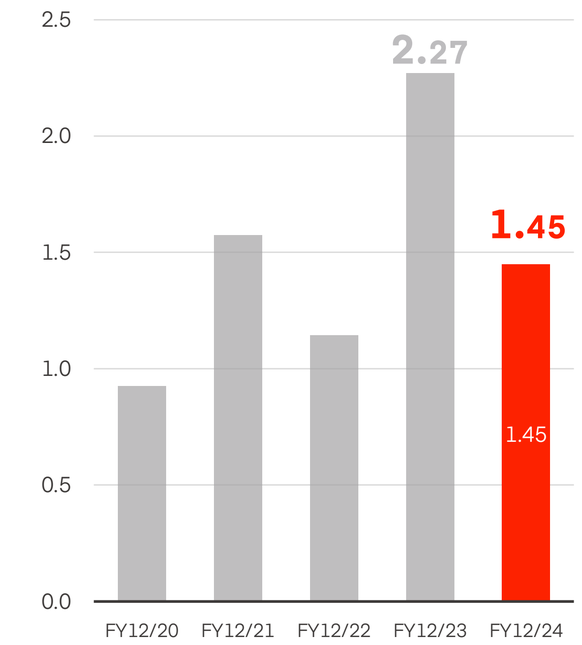
Unit: Billion Yen



Ordinary Income

progress rate 95.9%

Unit: Billion Yen



(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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Sales (quarterly change)

Sales in FY24-Q4
3.57 billion Yen (YoY 10.5%)

Creative and Engineering (excluding Trys)
12.2% YoY

Talent Platform
13.7% YoY

Both the SES business and the overseas recruitment business performed steadily.

Trys
(15.7%) YoY

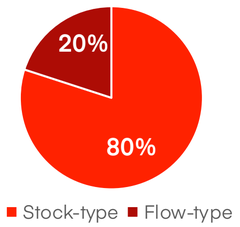
The decrease was due to a lack of new projects to make up for the end of large-scale game development projects.

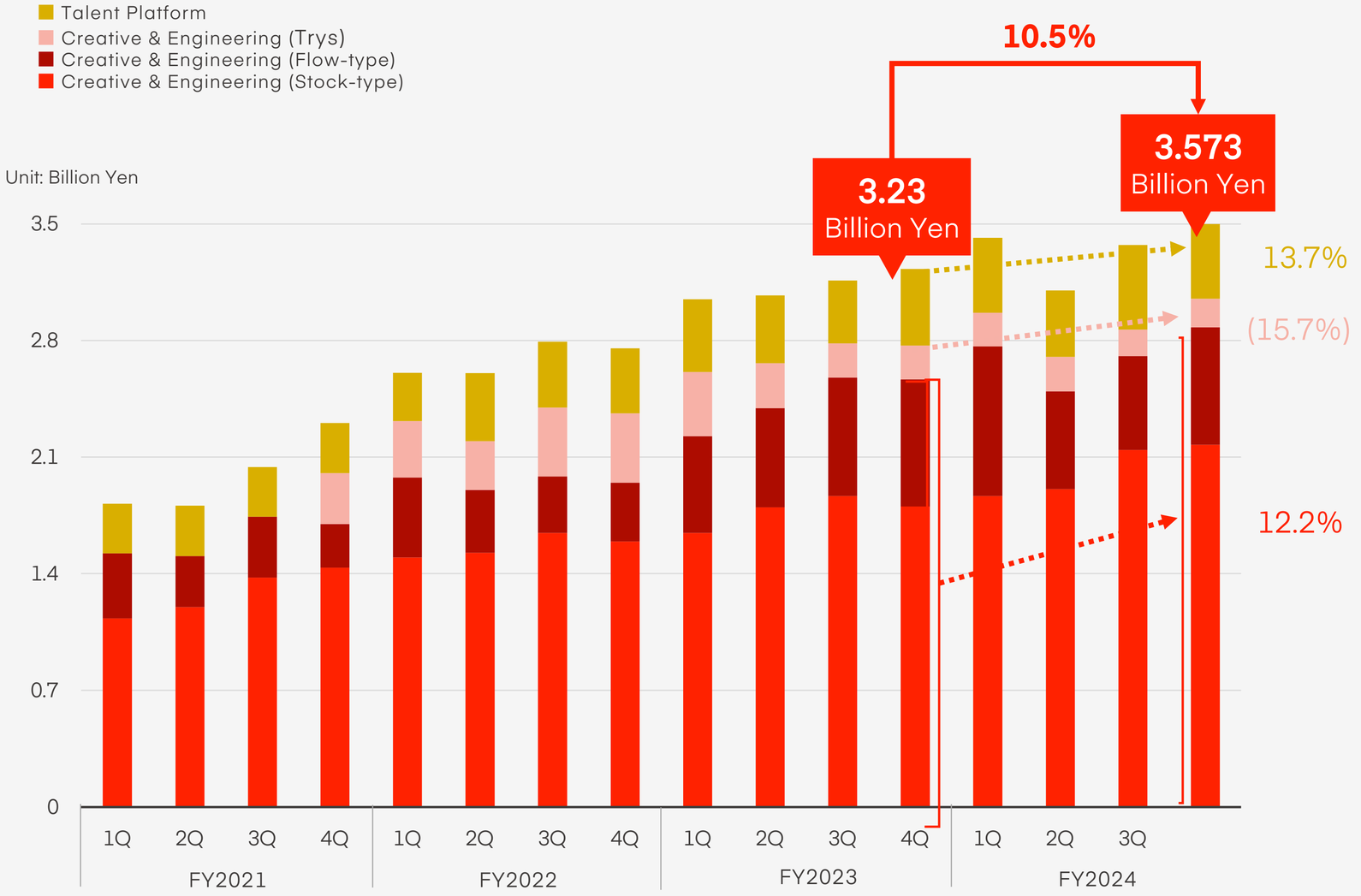
Creative & Engineering

■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.)

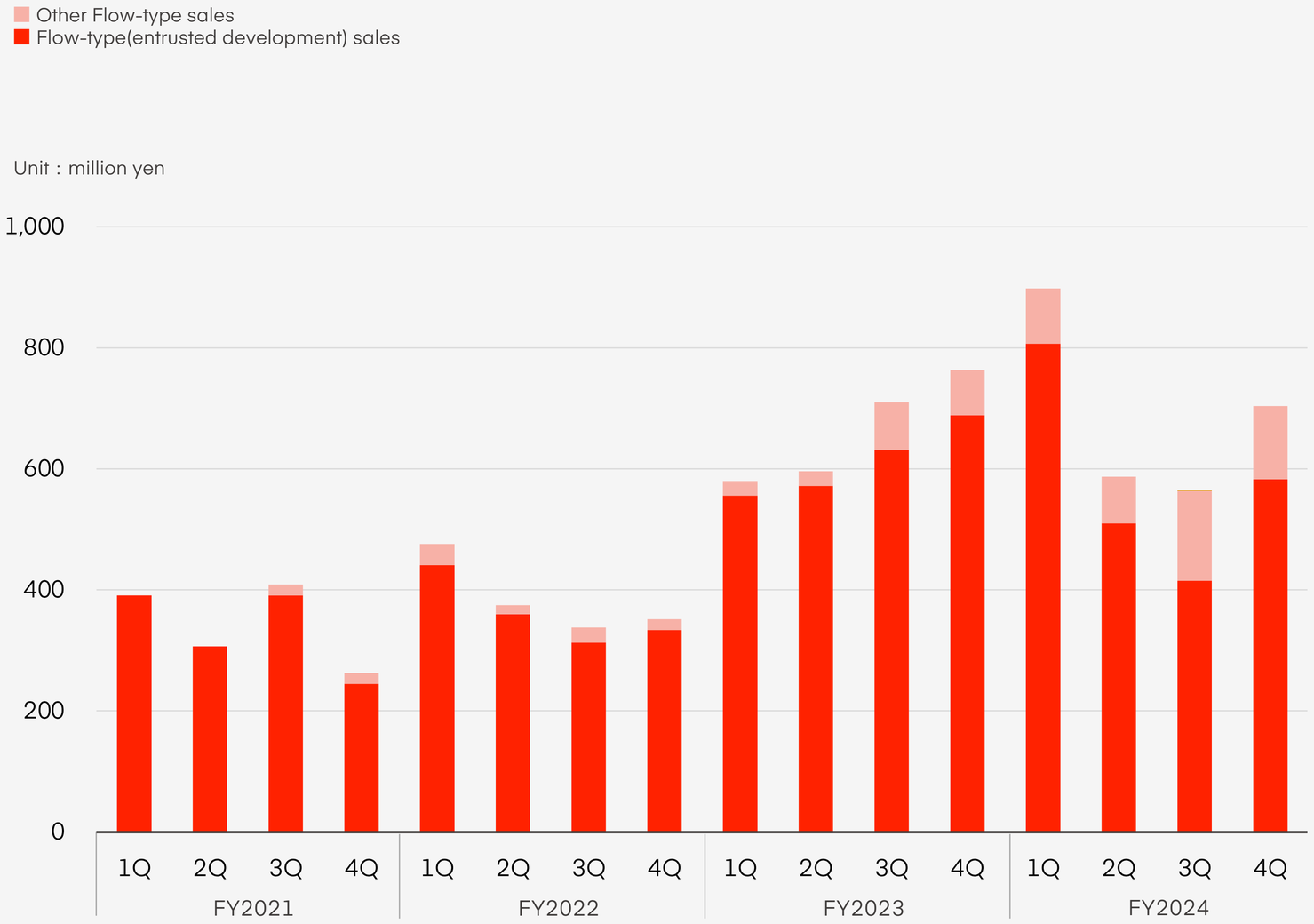
Sales Composition Ratio





Flow-type sales (quarterly)

The review of sales activities contributed to the acquisition of flow-type projects, with flow-type sales in the 4th quarter of FY 2024 declining by 7.7% year over year but increasing by 24.6% quarter over quarter.



(1) Other Flow-type:
New businesses, etc. (ALLLY is a new business, sales other than contract business)

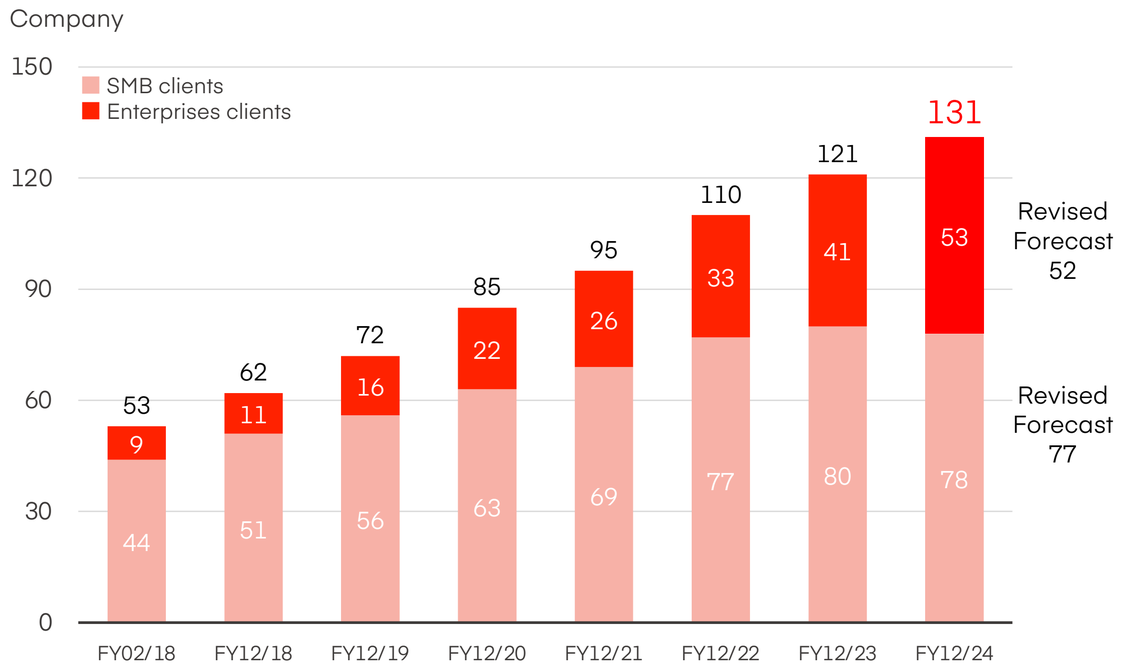
(2) Flow-type(contracted development):
Sales from quasi-contracts of less than 3 months and subcontracts

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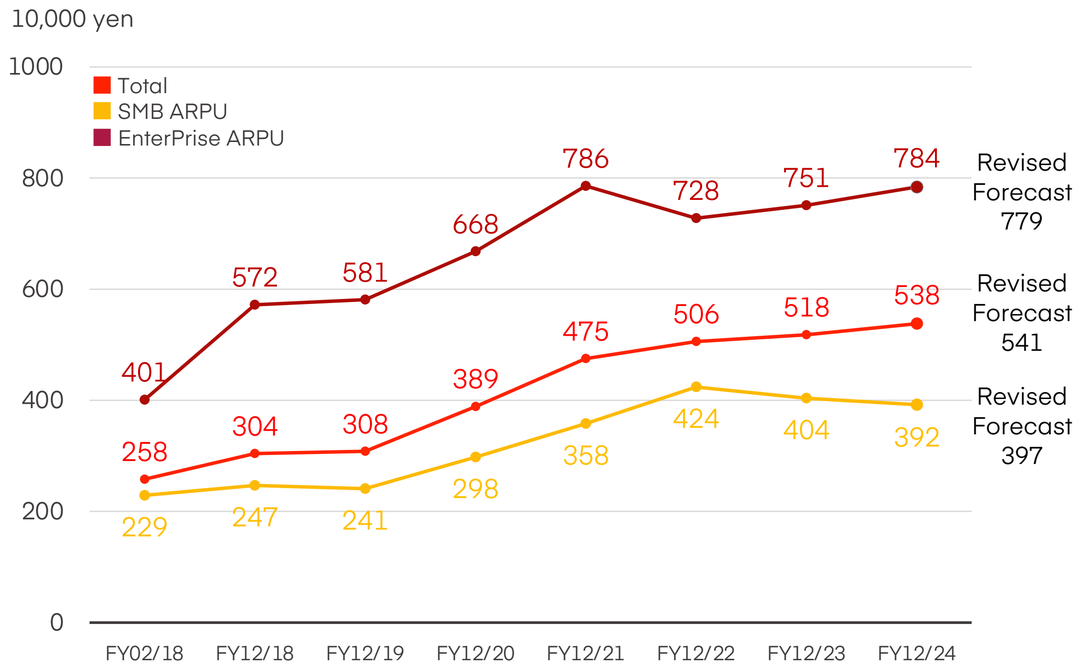
Trends of Key KPIs (by FY)

As of the end of December 2024, the number of stock-type customers reached 131, an increase of 10 companies from the previous FY-end, exceeding the revised forecast.
ARPU for FY 2024 increased year over year, landing at 5.39 million yen, in line with the revised forecast.

Trends in the Number of stock-type clients



Monthly ARPU Trends

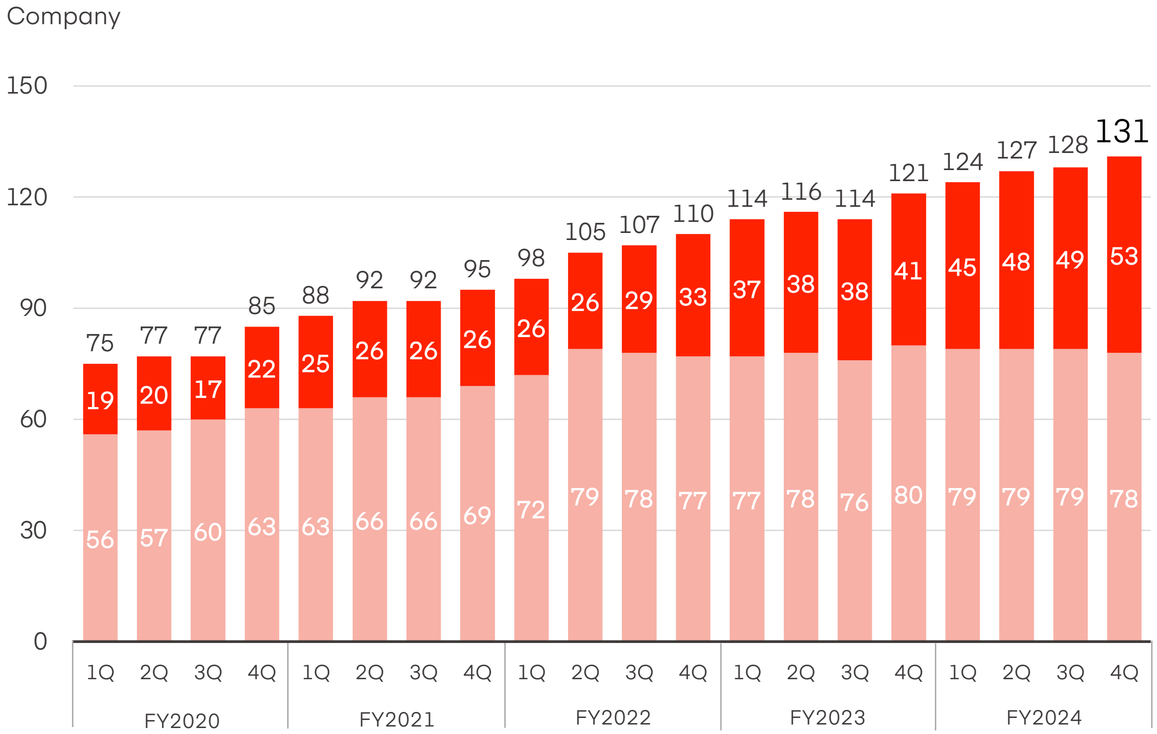


Enterprise: Listed companies that are included in the Nikkei 225, Nikkei 400, or Nikkei 500, or companies in the same group or companies with market capitalization, sales, or number of employees equivalent to the above companies.
SMB: Abbreviation for Small and Midsize Business. All companies other than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

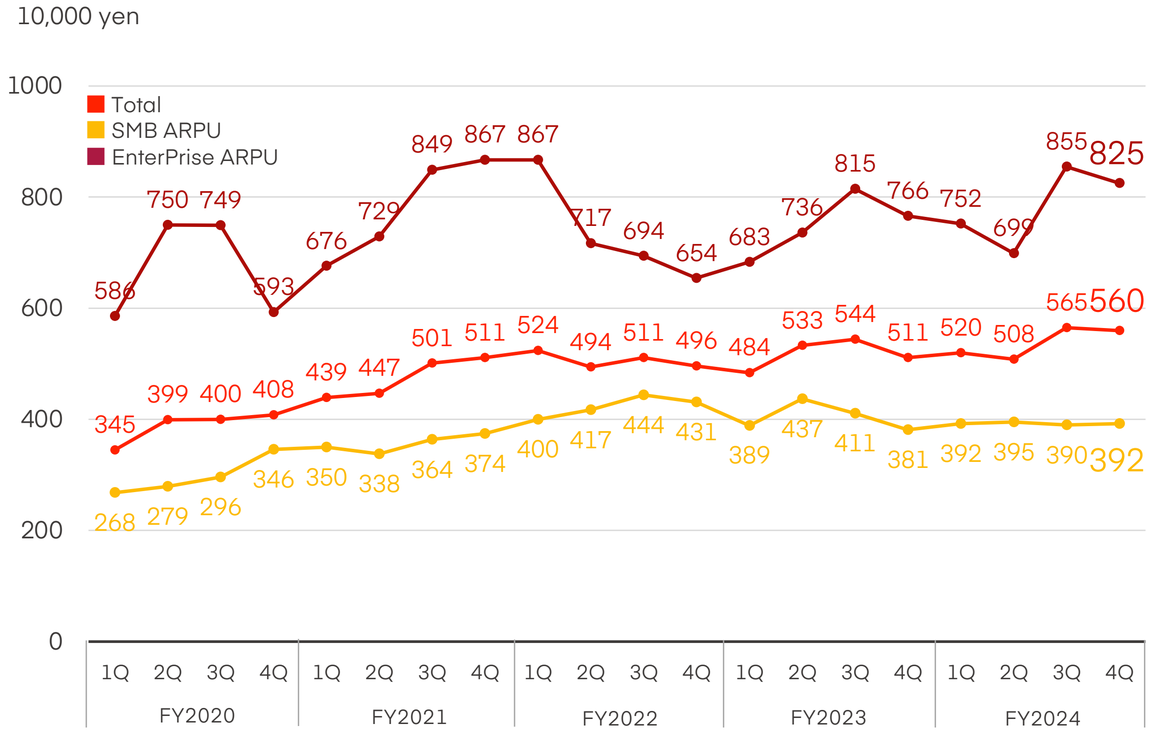
Trends in important KPIs (quarterly)

The number of stock customers increased by 3 companies compared to the end of the previous quarter, and the average ARPU of all customers remains stable

Trends in the Number of stock-type clients



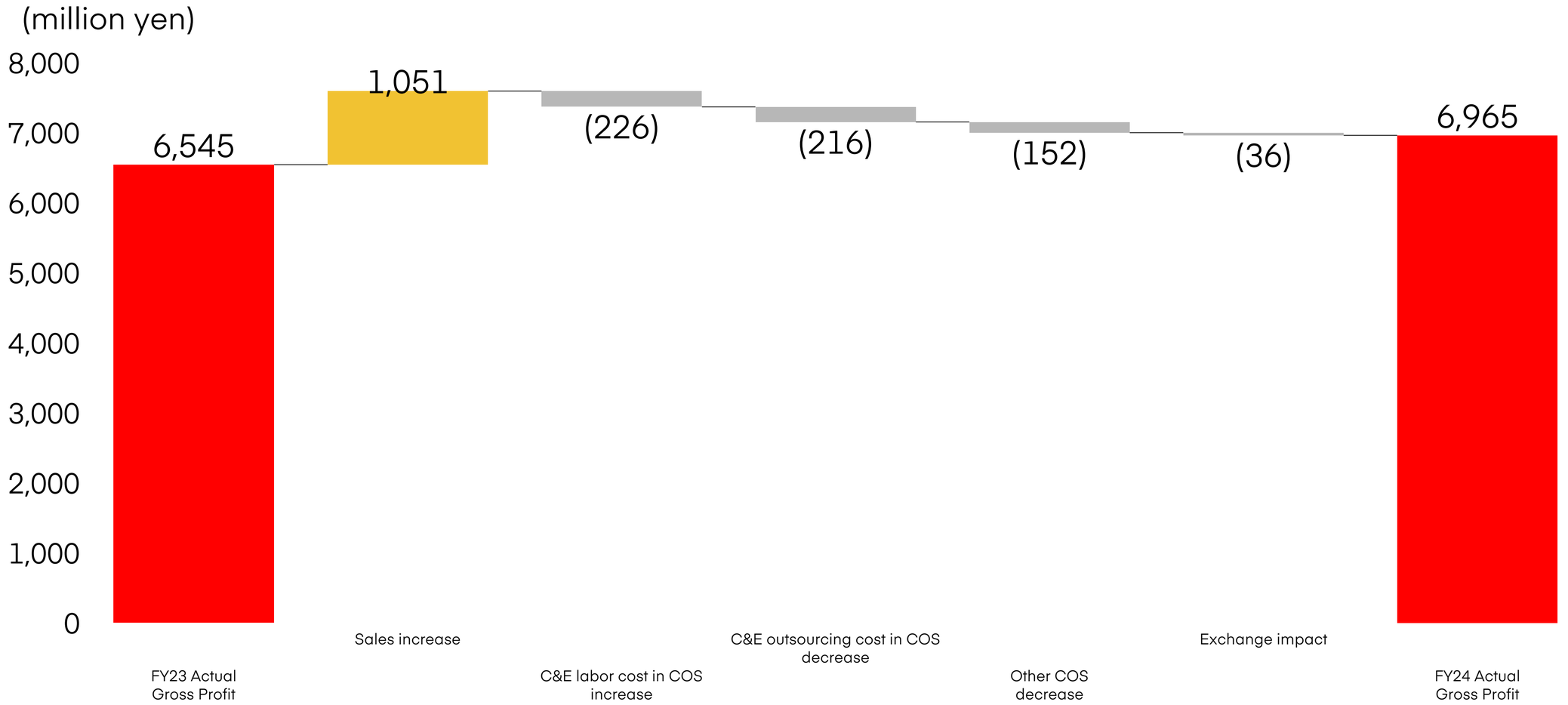
Monthly ARPU Trends



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 (YoY)

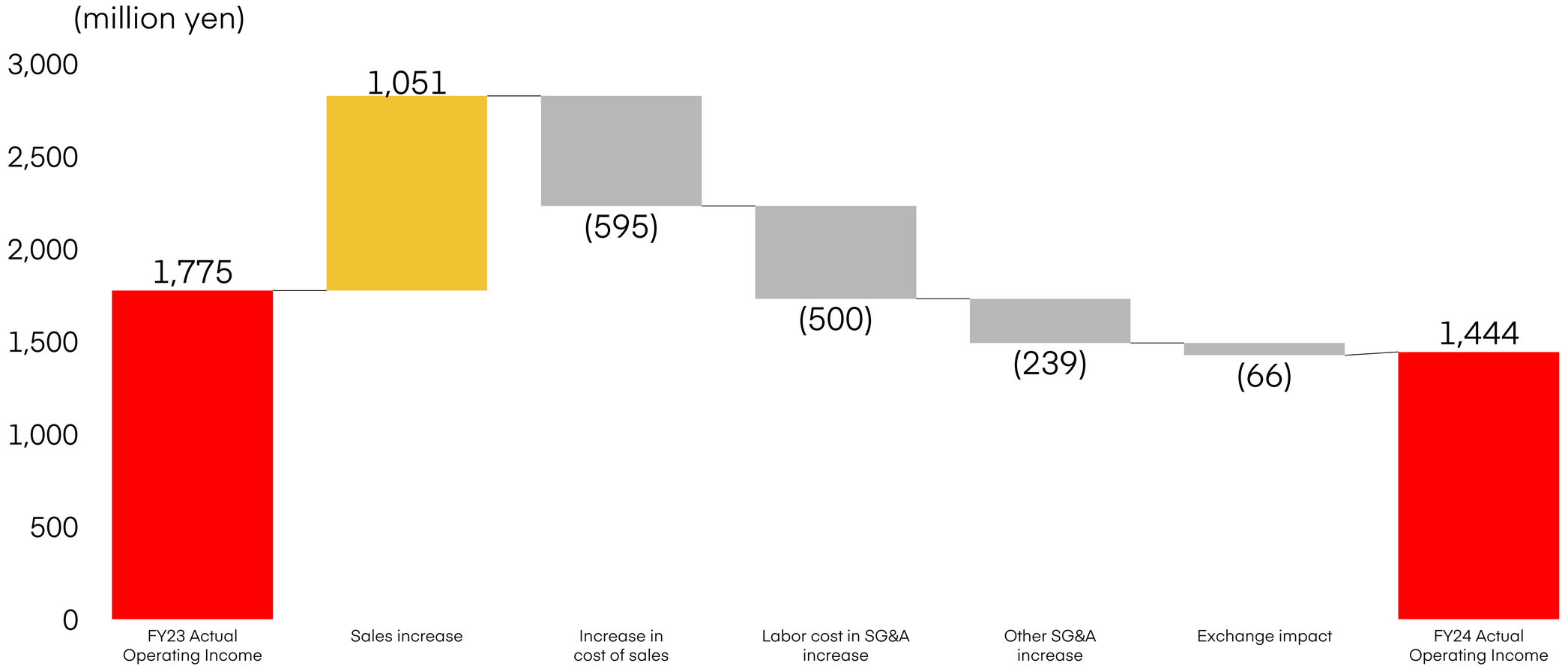
The increase in orders in Creative & Engineering led to a sales increase of 1,051 million yen
Despite a foreign exchange loss of 36 million yen due to the weak yen, profits increased by 420 million yen year over year



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Factors of Operating income Increase/Decrease (YoY)

Labor costs in SG&A expenses increased due to a decline in utilization rate and aggressive hiring
In addition, the impact of the weak yen on profits could not be offset by increased sales, resulting in a profit decrease of 331 million yen



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Balance Sheet Comparison

The equity ratio is at a high level, maintaining a strong financial foundation

Unit: Million Yen

	12/2023	12/2024	Amount of change	Main Factors
Current Asset	10,047	12,235	2,187	Increase in cash and accounts receivable
Cash & Bank	7,946	9,794	1,847	Profit recognition and increase in short-term borrowings
Fixed Assets	1,811	1,741	(70)	
Total Assets	11,859	13,976	2,117	Increase in cash and accounts receivable
Current Liabilities	2,035	3,268	1,233	Increase in short-term borrowings
Fixed Liabilities	324	414	89	
Net Asset	9,499	10,294	794	Profit recognition
Total Liabilities and Equity	11,859	13,976	2,117	Profit recognition and increase in short-term borrowings
Equity Ratio	80.1%	73.7%	—	

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3

2025 FY (December) Full-Year Earnings Forecast

2025 FY (December) Full-Year Earnings Forecast

While revenue is expected to grow by 13.1% compared to FY2024, the growth rates of gross profit, operating profit, and ordinary profit are projected to be lower than revenue growth.
This is due to an increase in cost of sales from outsourcing, the inclusion of unutilized personnel costs in SG&A expenses, and growth investments aimed at expansion beyond FY2026.

Unit : Million Yen

	FY2024	FY2025 Forecast	Rate of Change
Sales	13,568	15,351	13.1%
Gross profit	6,965	7,624	10.6%
Gross profit margin	51.3%	49.6%	—
EBITDA (1)	1,651	1,798	8.9%
Operating income	1,444	1,504	4.2%
Operating margin	10.6%	9.8%	—
Ordinary income	1,454	1,605	10.4%
Net income	1,023	1,288	25.9%
Average exchange rate (per 1 Vietnamese Dong)	0.00600yen	0.00610yen	

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

SG&A Expenses Forecast

SG&A expenses are planned to increase by 12.2% compared to FY 2024
While suppressing recruitment expenses, sales activity expenses, facility expenses, and other sales and administrative expenses will be actively spent for future growth

Unit : Million Yen

	FY2024		FY2025			Point
	Result	Composition ratio	Result	Composition ratio	YoY Change	
personnel expense	4,003	72.4%	4,328	69.8%	8.1%	Increase in utilization rate (used personnel expenses to be included in cost of sales)
recruiting expenses	269	4.8%	208	3.4%	(22.4%)	Hire talents need for sales and project management
Outsourcing expenses	255	4.6%	301	4.9%	17.9%	External expert related costs
Sales activity expenses (excluding recruiting expenses)	195	3.5%	316	5.1%	62.0%	Aggressively investing in sales and marketing activities
Facility expenses	590	10.6%	676	10.9%	14.4%	Increase due to system costs and shareholder benefit expenses, etc.
Other SG&A	207	3.7%	366	5.9%	76.2%	
Total	**5,521**		**6,197**		**12.2%**	

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Review of FY 2024 and Initiatives for FY 2025

		Review of FY2024	Initiatives for FY2025
Creative & Engineering	Developing new clients	• Although sales were lower than the initial forecast, they were at the same level as the revised forecast. • Acquisition of new customers and orders for large projects fell short of initial forecasts • Although KPIs improved due to sale. organization changes and operational improvements, further strengthening is an issue.	• Improve order rate and order unit price by clarifying target customers and proposed services
	Acquiring new project from existing clients		• Strengthening relationships of trust with customers through thorough account planning • Increase the number of business negotiations and proposals and improve the order acceptance rate through thorough KPI management
	Strengthening the sales organization		• Changed to a system in which the sales organization is directly managed by directors in January 2025 • Our policy is to continue to make organizational changes flexibly depending on the situation even during the period. • New recruitment (10 people) and training of sales personnel for enterprise customers
	Improving availability	• In some cases, it was difficult to execute the project with only the capabilities of internal human resources, so we collaborated with an external partner, resulting in an increase in the cost of sales.	• Strengthen recruitment and promote the development of internal human resources in technical areas where there is a shortage within the company
Talent Platform	Expansion of business scale and Strengthening the organizational structure	• Sales were lower than initial forecast, but grew 21.6% compared to the previous year • Challenges in understanding the status of sales activities in a timely and accurate manner.	• Strengthening the sales system with the aim of stable upselling to existing customers • Stabilize sales activities by strengthening KPI management and redesigning operations

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Investment details for FY2025

Implementing continuous investments to achieve medium- to long-term growth

Business Area	Investment amount	Segment	Overview
AI	220 million yen	Creative & Engineering	• By incorporating AI into each process of service development at the Digital Creative Studio, we aim to significantly improve productivity and quality and realize business reform. • We aim to increase profits by supporting the business expansion of client companies through AI agents and support for creating new business ideas
Incubation	200 million yen	Incubation & Others	• Expanding resources and investing in systems for developing ALLLY (fan community platform) apps for new artists • Personnel costs and outsourcing costs for new game development
Sales and Marketing	170 million yen	Creative & Engineering	• Hire 10 sales personnel in a year • Expand and strengthen sales channels through strengthening web marketing, exhibiting at events, referrals, etc.
		Talent Platform	• Strengthening marketing activities to convey the appeal of Vietnam's IT talent • Improving the value of the experience when client companies visit Vietnam
Total	590 million yen		

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FY 2025 (ending December): Investment for Future Growth

AI

Investment amount
220 million yen

Driving Strong Business Transformation of a Digital Creative Studio with 10 Billion Yen in Revenue

Sun* AI Platform

By leveraging AI across various stages of software development (requirements definition, estimation, resource allocation, UI/UX design, implementation, communication, translation, project management, and evaluation), we will achieve a powerful business transformation.

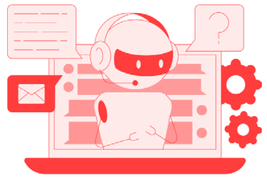


AI Platform Development

Domestic Market Forecast for Generative AI in FY 2028*: Over 1.7 trillion yen

Sun* AI Agent Base

AI Agent will improve work efficiency and productivity for both internal and external operations. It was released in December 2024 and has already received orders from major companies.



Development of AI agents

Achieved centralized management of customer and project information for over 600 companies

DataOps

By introducing BI tools and building a data utilization environment, we have strengthened collaboration between departments and created an environment where quick and optimal decision-making can be achieved



Building an internal data infrastructure

* Fuji Chimera Research Institute's "2025 AI Market Survey: Leaping with Generative AI/LLM"

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FY2025：Investment for future growth

AI

Investment amount
220 million yen

Optimize management processes and streamline collaboration from design to development

Morpheus

A plugin for the design tool Figma that aims to eliminate the gap in detailed design and connect design and development through information integration and automation

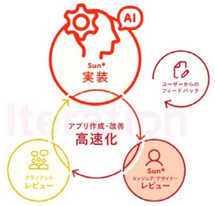


Achieving Centralization of the Development Preparation Environment

Accelerating app development and workflows through a development flow powered by generative AI.

HEART Development

By leveraging AI to accelerate app development, the tool enables rapid improvements based on user feedback, ensuring a smooth transition from service design to development. Released in December 2024, it successfully acquired new customers.



The next-generation development flow using AI

Supporting the Exploration of Business Opportunities Using Sun's Unique Framework and Generative AI.*

AI*deation

Achieving Support for New Business Idea Creation with Cost Efficiency through AI Applications.
The service was released in July 2023 and has been utilized by various enterprises, mainly large corporations, leading to development projects.



Supporting the creation of new business ideas

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FY2025：Investment for future growth

Incubation

Investment amount
200 million yen

High profit potential without relying on licenses from other companies

Trys

100% Subsidiary Content Platform Provider

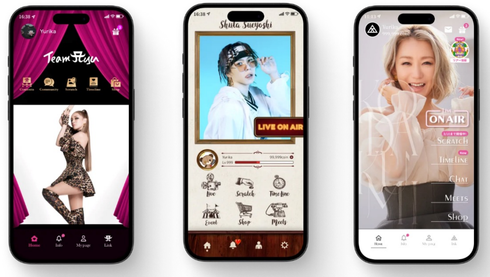


New Game Development

2021-2024 results
Sales growth rate 1,100%
CAGR 129%

ALLY

Professional Artist-Only Fan Community System



New Artist App Development

Market forecast until 2028*
Market size 570 billion yen
CAGR: 13.6%

Developing new business in the ERP market

Focusing on SAP ERP Talent Development to Target Large-Scale Projects



Domestic ERP Market Forecast
Against the backdrop of the "2027 Problem,the market is expected to grow at an average annual rate of 13.6% until FY2028, reaching a market size of 570 billion yen.

Reskilling

*Deloitte Tohmatsu MIC Research Institute, Enterprise Resource Planning (ERP) Market Outlook 2024 Edition

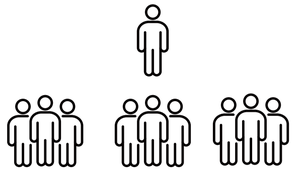
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FY2025 : Investment for future growth

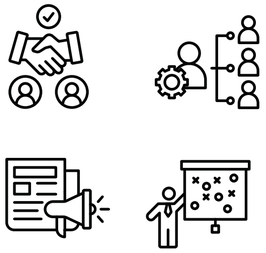
Sales & Marketing

Investment amount
170 million yen

Creative & Engineering



Hire 10 sales staff per year



Strengthening web marketing
Participating in events
Expanding and strengthening sales channels through referrals, etc.

Talent Platform



Strengthening marketing activities to convey the appeal of Vietnam's IT talent



Improving the experience of clients visiting Vietnam

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Important KPI and Segment Changes

	Before 2024	From 2025 onwards	Background
Important KPIs	• Number of stock-type clients*1 • Monthly ARPU*2 (ARPU of stock-type clients) • Average monthly churn rate*3	• Number of unique clients*5 • Monthly ARPU*6 (ARPU of all clients) • Monthly average transaction continuation rate*7	• **The proportion of flow revenue has increased, raising its importance.** • **To acquire new customers starting with spot projects, increase transaction value per customer, and secure large-scale projects, it was determined that changing the key KPI to unique customer count would be appropriate.** • Enhancing the duration of customer transactions is essential for business growth. To place greater emphasis on continuity, the metric will be changed from the monthly average churn rate to the monthly average transaction continuity rate.
Segment	• Stock (Creative &Engineering)*1 • Flow (Creative &Engineering) *1 • Trys*4 • Talent Platform	• Creative & Engineering • Talent Platform • Incubation and Others	• **Due to the above change in key KPIs, stock revenue and flow revenue will be consolidated** • The subsidiaries such as Trys (game development business, etc.) and ALLLY (fan community platform), will be clearly positioned under the 'Incubation and Others' segment. • No change with TPF

*1 : Quasi-agency contracts that are longer than three months and are expected to continue are classified as stock type, while other contracts are classified as flow type

*2 : Total sales of stock-type customers during the target period ÷ Total number of stock-type customers during the target period

*3 Total sales of stock-type customers during the target period ÷ Total number of stock-type customers during the target period

*4 : Sales of Trys, which operates a game development business and other businesses and was acquired as a subsidiary in 2021

*5 : Actual number of customers who conducted transactions during the target period

*6 : Total sales during the target period ÷ Total number of customers during the target period

*7 : 100% - (Number of companies that canceled in the current month / Number of customers in the previous month). Average value from January 2020 to the end of the target period

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Sales forecast

Sales forecast for FY2025

15.3 billion Yen (YoY 13.0%)

Creative and Engineering
13.8% YoY

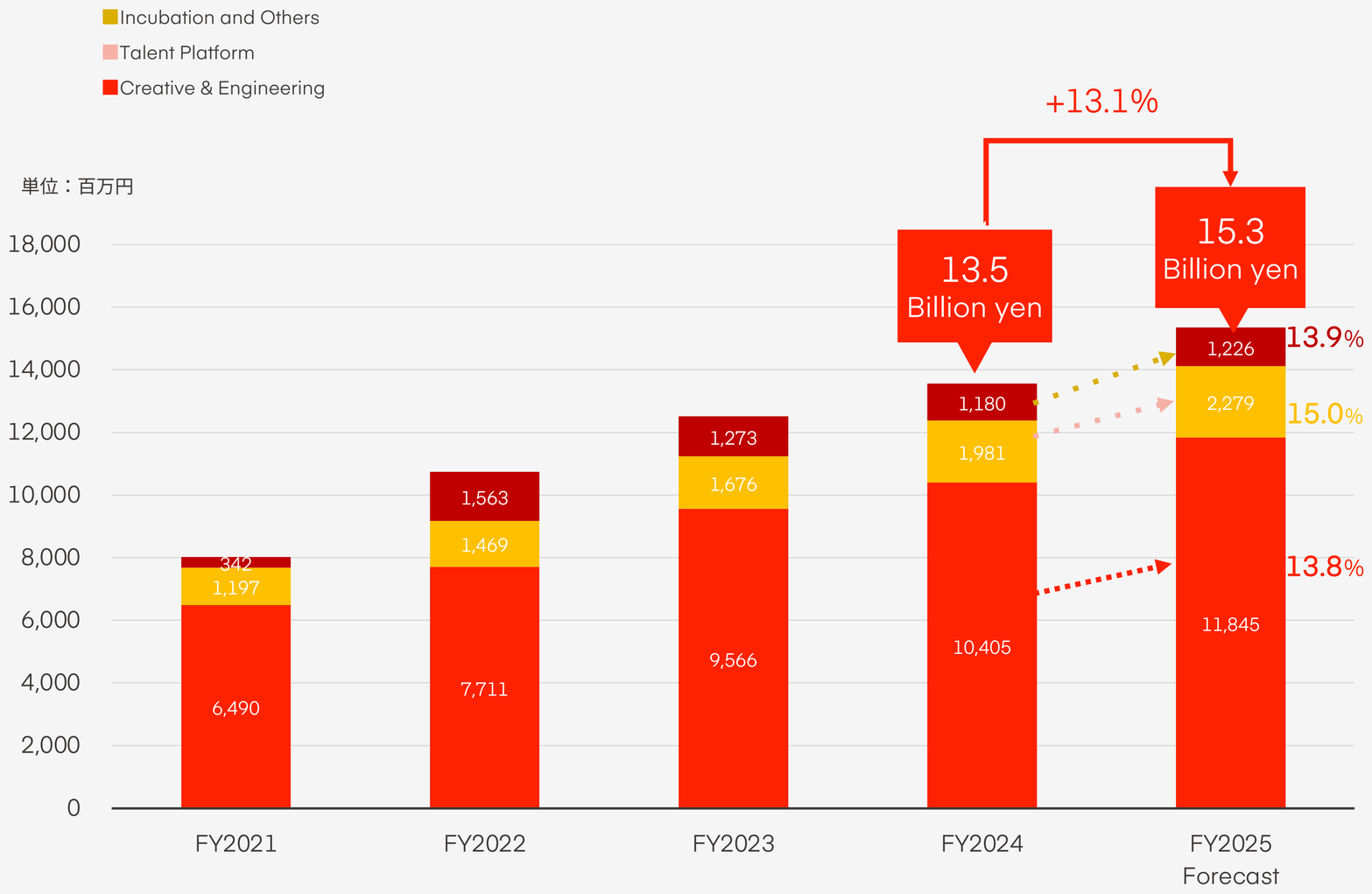
Expected to grow steadily due to acquisition of new customers, mainly enterprises

Talent Platform
15.0% YoY

Growth expected centered on SES (Sun terras)

Incubation & Others
3.9% YoY

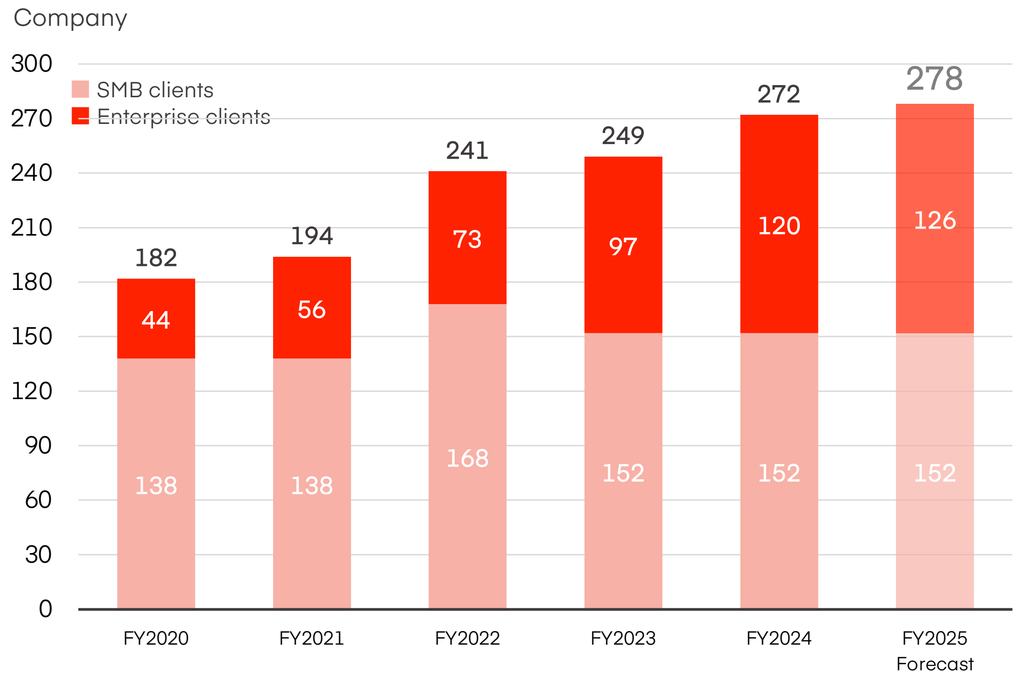
Trys sales are expected to recover due to the expansion of web comics



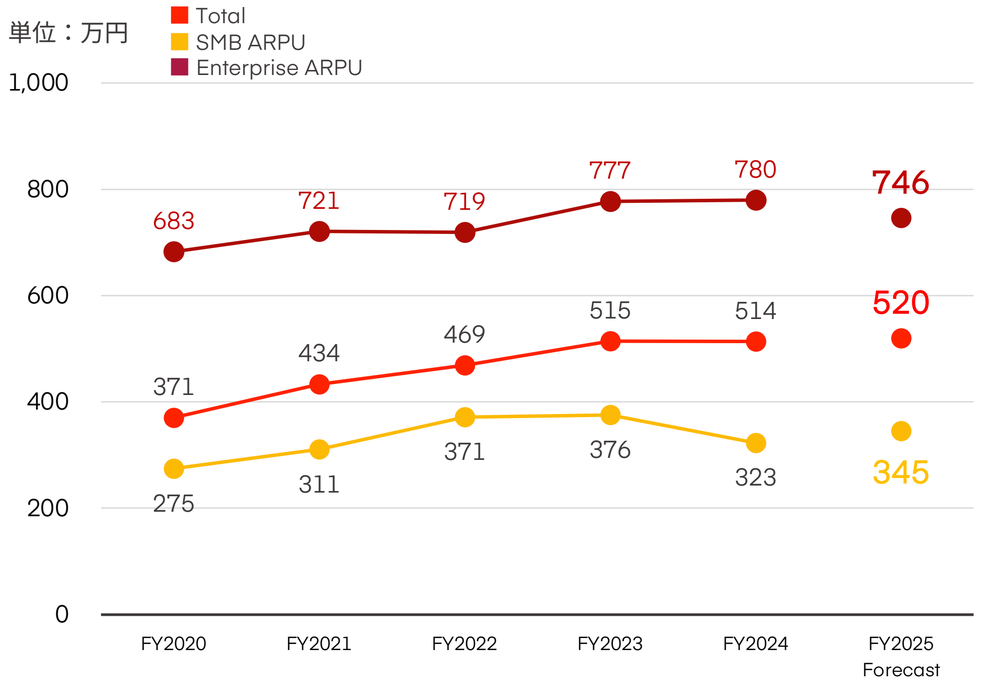
KPI Trend

The number of unique customers is expected to increase by 6 companies year-on-year
The initial forecast for ARPU is 5.11 million yen, the same level as the previous year,
but the company aims to increase orders for large projects during the period

Trends in the Number of Unique Clients



Monthly ARPU Trends



Number of unique clients: The actual number of customers who traded during a specific period
ARPU: Total sales for a specific period divided by the total number of customers during the same period
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
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4

Growth Strategy and Sustainability Topics

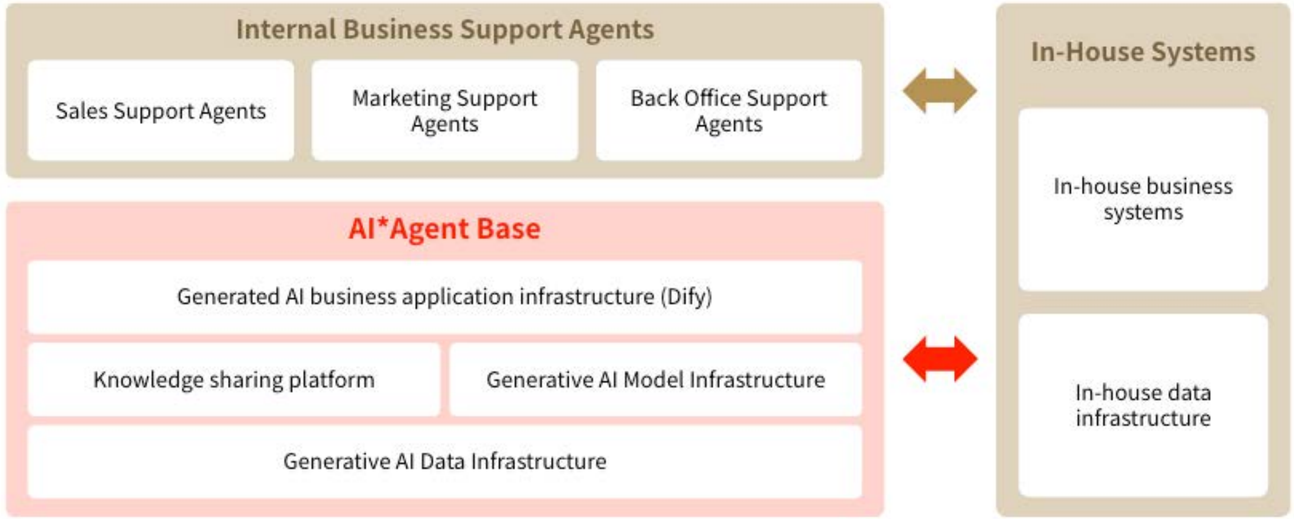
Launch of "AI*Agent Base," a generative AI agent integration platform for businesses



We are launching the enterprise-focused generative AI agent integration platform 'AI*Agent Base' to support business efficiency improvements through the use of the generative AI app development tool 'Dify.'
With the rapid advancement of AI technologies in recent years, the use of AI agents for business efficiency and productivity enhancement has become increasingly realistic. While many companies recognize the need for adoption, they face various challenges in implementation and operation, such as selecting the appropriate AI model, identifying effective business applications, and ensuring the reliability of data.
Furthermore, there are numerous cases where the use of AI is limited to partial optimization of business operations and does not lead to fundamental improvements. In such situations, there is a growing need to create an environment where AI agents can be leveraged as strategic partners. AI*Agent Base is an integrated platform designed to comprehensively address these challenges, enabling companies to quickly and effectively implement and utilize AI agents.

AI*Agent Base Solution Overall Image

The generative AI business application platform is “Dify” by LangGenius. This is an integrated infrastructure package combined with Sun* proprietary knowledge sharing platform and generative AI data infrastructure. Once installed in a company's infrastructure and data linkage and RAG construction are done, the generative AI application can be used immediately.



AI*Agent Base

AI*Agent Base is a platform designed and developed based on four key concepts to solve the challenges of implementing generative AI within companies. By integrating and customizing it within the company's cloud environment, the platform ensures data reliability and security while achieving business efficiency and productivity improvements. The AI specialist team at Sun* can assist in evaluating and selecting the most suitable AI models for specific business operations and, if necessary, carry out AI model or RAG tuning

Dify

Dify is an open source platform developed by Lang Genius in the US that allows you to build and operate AI applications with no code. Using large-scale language models (LLM), you can easily create and customize chatbots, agents, etc. without any programming skills. Furthermore, it supports multiple LLMs, giving users the flexibility to choose the appropriate model according to their needs.

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Certified as an AWS Advanced Tier Service Partner

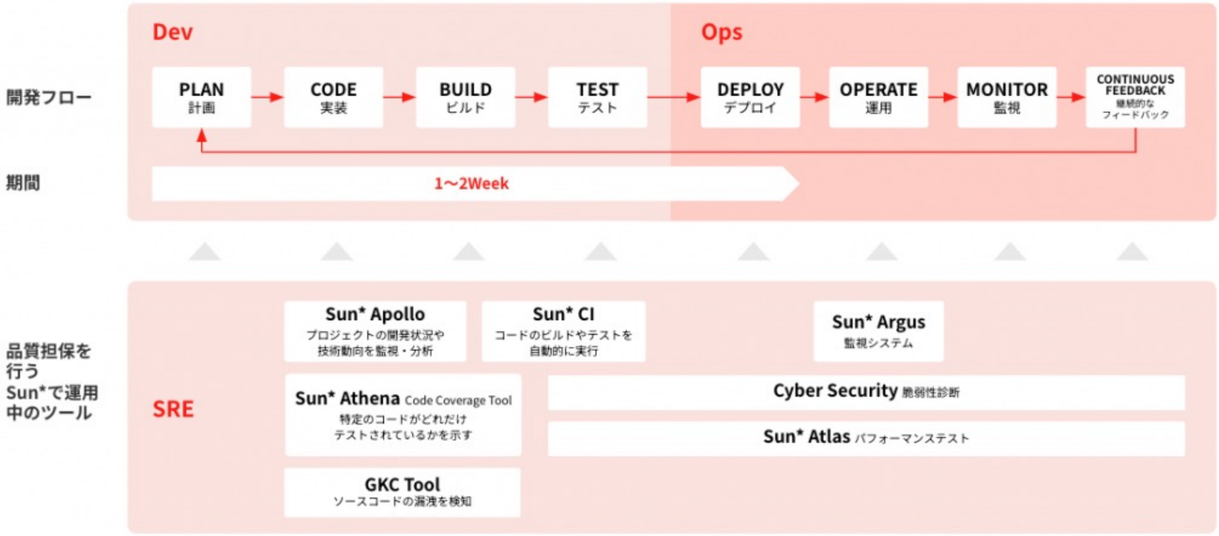
Sun*
AWS
アドバンストティア
サービスパートナー
に認定

From cloud architecture design centered around AWS to development and operations, we provide ongoing support, accelerating business continuity through DevOps

Sun* has been certified as an AWS Advanced Tier Service Partner in the AWS Partner Network. We provide consistent support from cloud architecture design to development and operation with AWS at the core, accelerating business with cloud native and DevOps approaches. Going forward, we will continue to further strengthen our cutting-edge technology and superior engineering capabilities to quickly and flexibly realize new business creation and digital transformation of existing businesses, contributing to even greater value creation.

Business development support using AWS

Sun* provides unique AWS solutions that combine design thinking, agile development, and global engineering resources, and supports the design and operation of cloud architectures that are both speedy and scalable, from new businesses to the transformation of existing businesses. Among the solutions provided by Sun*, the following are related to AWS. In response, Sun* also provides AWS construction and operation monitoring services that provide consistent support from designing and building cloud environments using AWS to operating and monitoring.



AWS Advanced Tier Service Partner

AWS Advanced Tier Services Partner is the highest level of certification status in the AWS Partner Network. Certification will be given based on evaluation of professional technical capabilities, customer support experience, solution provision and operational performance based on AWS best practices. Now that Sun* has been certified as an AWS Advanced Tier Service Partner, we are now able to provide even more advanced AWS solutions and support.

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Invested in RIMM Japan, which provides sustainability-related solutions for Japanese companies

SaaS-based sustainability evaluation platform capable of conducting comprehensive ESG assessments

We have decided to invest in RIMM Japan Co., Ltd. (Headquarters: Minato-ku, Tokyo; President: Ravi Chidambaram; hereinafter referred to as RIMM Japan), which provides sustainability-related solutions for Japanese companies, through a third-party allotment of capital.
RIMM Japan was established in 2021 as a corporation that promotes business development for the Japanese market of the Saas-type ESG service platform developed by RIMM Sustainability Pte Ltd. (Headquarters: Singapore, hereinafter referred to as RIMM Sustainability), which provides services that support businesses' overall sustainability visualization and risk management.
Until now, we have provided a SaaS-type sustainability evaluation platform that can conduct general ESG evaluations of companies, such as our main product, the sustainability performance dashboard "myCSO," but in the future, we aim to develop products that adapt to the needs of Japanese companies and strengthen our customized solutions.

RIMM Japan

Company Name	RIMM Japan Co., Ltd.
Location	Toranomon Hills Business Tower, 1-17-1 Toranomon, Minato-ku, Tokyo
Representative	Representative Director and President Ravi Chidambaram
Established	2021
Business content	Providing sustainability-related solutions for companies



Main features of myCSO



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Established the official fan community for the highly anticipated rising star 'ONE OR EIGHT



Top candidate for next generation star A world-class 8-member boy group

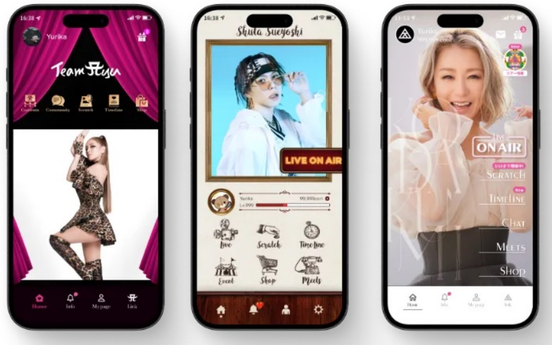
The official fan community site for the boy group "ONE OR EIGHT" produced by Avex Music Creative Inc. has started operating on Friday, January 24, 2025.

"ONE OR EIGHT" is a world-class 8-member boy group whose performance video "KAWASAKI", released on YouTube in June 2024, exceeded 10 million views in just 10 days, even before their debut, and they instantly became a top candidate for next-generation stars.

The long-awaited ONE OR EIGHT official fan community ``Official Fan Community - Prologue'', which opened on Friday, January 24, 2025, aims to develop and operate a site that ONE OR EIGHT fans can enjoy even more by leveraging Sun*'s experience in operating fan communities for top artists such as Ayumi Hamasaki and Kumi Koda using the system ``ALLLY'' developed independently.

ONE OR EIGHT

An eight-member boy group consisting of all Japanese members: MIZUKI, NEO, REIA, RYOTA, SOUMA, TAKERU, TSUBASA, and YUGA. The artist's name "ONE OR EIGHT" comes from the Japanese idiom "Ikka Hachika". With the tagline "BET ON YOURSELF," he and his friends will take on the world in a high-stakes competition toward their dreams.
Debuted on August 16, 2024 with the single “Don’t Tell Nobody”. The song was produced by Ryan Tedder (Taylor Swift, Tate McRae, Adele, Jonas Brothers) and David Stewart (BTS) and reached number 1 on the Billboard Japan Heatseekers Songs chart. Furthermore, the collaboration song "KAWASAKI (with Big Sean)" with Big Sean, released on December 6, 2024, ranked 5th on the American iTunes chart. Nikkei Entertainment! He has been selected as one of the “100 new leading actors of 2025.



ALLLY

ALLY is Sun*'s unique system that provides an interaction function between artists and fans as a new form of OEM fan club. It enables the provision of core content as an artist's personal app. By eliminating trend marketing and anti-fans within the platform, we provide enhanced value to our original fans. It is a collaborative business model in which the revenue from the paid content provided is shared between the artist side and Sun*.

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Awards / Recognition related to Work Style / Certifications and Honors

Achieved a 3-star rating in the 'Nikkei Sustainable Comprehensive Survey - Smart Work Management Edition.

NIKKEI Smart Work ★★★ 2025

In the Nikkei Sustainable Comprehensive Survey - Smart Work Management Edition, which selects advanced companies aiming to maximize corporate value by fully utilizing human resources, accelerating talent investment, fostering new innovations, and improving productivity, Sun* was awarded a 3-star rating.
The Smart Work Management Survey has been conducted by Nikkei Inc. since 2017, targeting publicly listed companies and prominent private companies across Japan. Companies are evaluated on three factors—human resource utilization, talent investment, and technology utilization—using a 5-star rating system. Sun* has received individual evaluations of 'Human Resource Utilization A+', 'Talent Investment A+', and 'Technology Utilization A+' and was recognized with an overall 3-star rating

Selected as a 'Certified Great Place to Work®' in the 2025 edition by the Great Place to Work® Institute Japan.

Great Place To Work. Certified OCT 2024–OCT 2025 JAPAN

Sun* has been selected as a 'Certified Great Place to Work®' in the 2025 edition of the 'Great Place to Work®' survey conducted by the Great Place to Work® Institute Japan. Companies that exceed a certain threshold in employee survey ratings are eligible for certification. This time, Sun* was recognized for its strengths in areas such as 'no underhanded practices or defamation,' 'fair treatment regardless of sexual orientation,' and 'a safe and hygienic work environment.'
At Sun*, we prioritize the development of value-creating talent and teams, as well as the promotion of Diversity, Equity & Inclusion (DE&I), as key challenges. We are committed to creating an environment where employees from diverse backgrounds can work vibrantly, continue to grow, and embrace new challenges.

Sun*

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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 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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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 customer 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
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

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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Vision

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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Disclaimer

- This material has been created for the sole purpose of introducing the company’s business activities, and not for soliciting investments.
- The business forecasts and the future outlook described in the material is based on information currently available.
- The forecast includes uncertainties such as sudden changes, therefore actual results may differ.

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Let’s make awesome things that matter.