



**Consolidated Financial Results for the Three Months
Ended March 31, 2025 [Japanese GAAP]**

May 14, 2025

Company name Sun* Inc.
 Stock Exchange listing Tokyo
 Code 4053 URL <http://sun-asterisk.com/>
 Representative (Title) Representative Director (Name) Taihei Kobayashi
 Contact (Title) Executive Officer and CFO (Name) Yuya Fukutomi TEL 03 (6419) 7655
 Scheduled date for commencement of dividend payment: –
 Availability of supplementary briefing material on quarterly financial results: Yes
 Holding of financial result presentation: Yes (For institutional investors and analysts,)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2024 – March 31, 2025)

(1) Consolidated Operating Results Accumulated (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
Three months ended	million yen	%	million yen	%	million yen	%	million yen	%
March 31, 2025	3,539	3.6	291	(48.8)	409	(29.7)	228	(44.1)
March 31, 2024	3,418	12.1	569	19.7	582	(4.7)	408	0.4

(Note) Comprehensive income: Three months ended March 31, 2025: (46) million yen -
 Three months ended June 30, 2024: 574 million yen (22.1%)

	Net income per share	Net income per share (diluted)
Three months ended	yen	yen
March 31, 2025	6.10	5.81
March 31, 2024	10.73	10.12

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of March 31, 2025	14,502	10,094	69.6
As of December 31, 2024	13,976	10,294	73.6

(Reference) Shareholders' Equity
 As of March 31, 2025 10,094 million yen
 As of December 31, 2024 10,293 million yen

2. Cash Dividends

	Cash dividends per share for the fiscal year (yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
Year ending December 31, 2024	–	0.00	–	0.00	0.00
Year ending December 31, 2025	–	–	–	–	–
Year ending December 31, 2025 (forecast)	–	0.00	–	0.00	0.00

(Note) Revisions of the latest forecast for cash dividend: None

3. Consolidated Financial Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 - December 31, 2024)
(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2025	15,351	13.1	1,504	4.2	1,605	10.3	1,286	25.9	34.37

(Note) Revisions of the latest financial results forecast: None

※ Notes

(1) Significant changes in subsidiaries during the current quarter

(Changes in specified subsidiaries due to changes in the scope of consolidation): None

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to "2. Consolidated Financial Statements and Primary Notes (3) Notes on Quarterly Consolidated Financial Statements (Application of Special Accounting Treatment in Preparing Quarterly Consolidated Financial Statements)" on page 8 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, revisions, and restatements

① Changes in accounting policies due to revision of accounting standards, etc.: None

② Changes in accounting policies other than ①: Yes

③ Change of accounting estimates: Yes

④ Restatement: None

(Note) For details, please refer to "2. Quarterly Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" on page 8 of the Attached Documents and "2. Quarterly Financial Statements and Major Notes (3) Notes on Quarterly Consolidated Financial Statements (Changes in Accounting Policies that are difficult to distinguish from Changes in Accounting Estimates)" on page 9 of the Attached Documents.

(4) Number of shares outstanding (common shares)

① Number of shares outstanding at the end of the period (including treasury shares)

First Quarter of the Fiscal Year ended December 2025	38,445,240	shares	As of December 31, 2023	38,413,660	shares
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② Number of treasury shares at the end of the period

First Quarter of the Fiscal Year ended December 2025	1,000,132	shares	As of December 31, 2023	766,532	shares
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③ Average number of shares during the period (Cumulative total for the quarter)

First Quarter of the Fiscal Year ended December 2025	37,496,474	shares	Third Quarter of the Fiscal Year ended December 2023	38,075,763	shares
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※ The report is not subject to quarterly review by certified public accountants or audit firms.

※ Information about the proper usage of forecast financial results, and other special instructions

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. Please refer to "1. Qualitative Information on Consolidated Financial Results, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 3 of the attached materials for the conditions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecast.

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1. Qualitative Information on the Consolidated Financial Results for the Three Months Ended March 31, 2024

(1) Explanation of Consolidated Financial Results

During the first quarter of this consolidated fiscal year, the Japanese economy is recovering gradually thanks to the effects of various government policies and an improving employment and income environment. However, due to fluctuations in global financial and capital markets, the economic outlook remains uncertain both at home and abroad. In this business environment, in order to provide the services required to meet the challenges facing our customers, our group has developed three service lines within the single segment of the "Digital Creative Studio Business": "Creative & Engineering," which creates digital products together with customers; "Talent Platform," which discovers and develops the talent necessary to create digital products and provides them to customers; and "Incubation and Others," which produces digital content and develops and operates fan community systems.

We are focusing on increasing the number of customers and the average customer spending by developing these three service lines within the single segment of the "Digital Creative Studio Business." The Group has traditionally used the number of stock-type customers and average monthly customer sales for stock-type customers in Creative & Engineering as objective indicators (hereinafter, KPIs) to determine the achievement of management goals. However, from the fiscal year ending December 2025, the KPIs will be changed to the number of unique customers in Creative & Engineering (the actual number of customers who conducted transactions during the target period) and average monthly customer sales (the total sales for the target period divided by the total number of customers during the same period). In recent years, sales to flow-type customers have increased and become more important, so we have determined that it is appropriate to use the total number of trading customers and the average monthly sales for all customers as KPIs.

In "Creative & Engineering," stable and strong orders from existing customers continue, and as a result, the number of unique customers in the first quarter of this consolidated cumulative period was 195 companies, average monthly customer sales was 5,073,000 yen, and sales were 2,779 million yen (4.0% increase from the previous consolidated fiscal year).

In "Talent Platform," sales were 507 million yen (12.5% increase from the previous consolidated fiscal year).

In "Incubation and Others," sales were 252 million yen (down 14.0% year on year).

As a result, in the first quarter of this consolidated cumulative period, sales were 3,539 million yen (up 3.6% year on year), gross profit was 1,633 million yen (down 12.3% year on year), operating profit was 291 million yen (down 48.8% year on year), ordinary profit was 409 million yen (down 29.7% year on year), and quarterly net profit attributable to owners of parent was 228 million yen (down 44.1% year on year). Please note that segment information is not provided as our group operates in a single segment, the Digital Creative Studio business.

(2) Explanation of Consolidated Financial Position

(Assets)

Current assets at the end of the first quarter of this consolidated fiscal year amounted to 12,650 million yen, up 415 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 384 million yen resulting from borrowing funds, etc.

Fixed assets amounted to 1,851 million yen, up 110 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 152 million yen from the acquisition of investment securities.

As a result, total assets at the end of the first quarter of this consolidated fiscal year were 14,502 million yen, up 525 million yen from the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of the first quarter of this consolidated fiscal year were 3,928 million yen, up 660 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 750 million yen in short-term borrowings due to borrowing execution.

Non-current liabilities were 478 million yen, up 64 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase of 70 million yen in long-term advances received from customers.

As a result, liabilities at the end of the first quarter of this consolidated fiscal year were 4,407 million yen, up 725 million yen from the end of the previous consolidated fiscal year.

(Net Assets)

Net assets at the end of the first quarter of this consolidated fiscal year were 10,094 million yen, down 199 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 228 million yen in retained earnings due to the recording of quarterly net income attributable to owners of parent, an increase of 155

million yen in treasury stock due to the purchase of treasury stock, and a decrease of 269 million yen in foreign currency translation adjustments due to exchange rate fluctuations.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There are no changes to the consolidated earnings forecast announced in the "Financial Results for the Fiscal Year Ending December 2024" dated February 12, 2025.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalent	9,794	10,178
Notes and accounts receivable - trade and contract assets	1,670	1,880
Work in process	66	49
Other	725	572
Allowance for doubtful accounts	(21)	(30)
Total current assets	12,235	12,650
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures	390	381
Accumulated depreciation	(273)	(276)
Buildings and structures (Net)	117	105
Machinery and equipment	400	416
Accumulated depreciation	(306)	(315)
Machinery and equipment (Net)	93	100
Total property, plant and equipment	211	205
Intangible assets		
Goodwill	413	394
Other	53	46
Total intangible assets	466	441
Investments and other assets		
Investment securities	675	827
Deferred tax assets	78	81
Other	538	519
Allowance for doubtful accounts	(228)	(224)
Total investments and other assets	1,064	1,205
Total non-current assets	1,741	1,851
Total assets	13,976	14,502

(Unit: million yen)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	371	400
Short-term loans payable	1,250	2,000
Accounts payable - other	192	139
Accrued expenses	449	369
Income taxes payable	218	148
Contract liabilities	280	264
Provisions for bonuses	145	283
Other	361	322
Total current liabilities	3,268	3,928
Non-current liabilities		
Asset retirement obligations	96	95
Deferred tax liabilities	71	73
Other	246	310
Total non-current liabilities	414	478
Total liabilities	3,682	4,407
Net assets		
Shareholders' equity		
Capital stock	1,731	1,732
Capital surplus	1,716	1,717
Retained earnings	6,468	6,697
Treasury stock	(520)	(676)
Total shareholders' equity	9,396	9,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	24
Foreign currency translation adjustment	868	599
Total accumulated other comprehensive income	897	623
Stock subscription rights	0	0
Total net assets	10,294	10,094
Total liabilities and net assets	13,976	14,502

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated statements of income for the Three months ended March 31, 2024)

(Unit: million yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net sales	3,418	3,539
Cost of sales	1,555	1,906
Gross profit	1,862	1,633
Selling, general and administrative expenses	1,292	1,341
Operating income	569	291
Non-operating income		
Interest income	58	59
Foreign exchange gains	—	86
Other	1	6
Total non-operating income	59	152
Non-operating expense		
Interest expenses	1	4
Foreign exchange losses	37	—
Shareholder related expenses	—	25
Miscellaneous losses	1	4
Other	7	0
Total non-operating expense	46	34
Ordinary income	582	409
Extraordinary gains		
Gain of sales of fixed assets	0	—
Total extraordinary gains	0	—
Extraordinary losses		
Loss on valuation of investment securities	25	31
Total extraordinary losses	25	31
Income before income taxes	558	378
Income taxes	149	149
Quartaly net income	408	228
Quarterly net income attributable to shareholders of parent company	408	228

(Consolidated statements of income for the Three months ended March 31, 2024)

(Unit: million yen)

	Three months ended March 31, 2024	Three months ended March 31, 2025
Net income	408	228
Other comprehensive income		
Foreign currency translation adjustments	6	△5
Other	159	△269
Total other comprehensive income	165	△274
Comprehensive income	574	△46
(Details)		
Attributable to owners of the Company	574	△46
Attributable to non-controlling interests	—	—

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

Not applicable.

(Notes in the event of significant changes in the amount of shareholders' equity)

Not applicable.

(Application of Special Accounting Treatment in Preparing Quarterly Consolidated Financial Statement)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes for the consolidated fiscal year, including the third quarter of the current consolidated fiscal year, and multiplying quarterly income before taxes by said estimated effective tax rate.

However, in cases where the calculation of tax expenses using such estimated effective tax rate would significantly lack rationality, the statutory effective tax rate is used.

(Changes in accounting policies)

(Application of "Accounting Standards for Corporate Taxes, Resident Taxes, and Business Taxes, etc.")

The "Accounting Standards for Corporate Taxes, Resident Taxes, and Business Taxes, etc." (ASBJ Statement No. 27, October 28, 2022. hereinafter referred to as the "2022 Revised Accounting Standards"), etc. have been applied from the beginning of the first quarter consolidated accounting period.

With regard to the amendments to the classification of corporate taxes, etc. (taxation on other comprehensive income), we follow the transitional treatment set forth in the proviso to paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso to paragraph 65-2(2) of the "Guidelines for the Implementation of Accounting Standards for Tax-Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022. hereinafter referred to as the "2022 Revised Implementation Guidance"). Please note that the change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, the 2022 revised guidelines for the treatment of profits and losses on sales of subsidiary shares between consolidated companies that are deferred for tax purposes have been applied from the beginning of the first quarter of the consolidated fiscal year. The change in accounting policy has been applied retroactively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and fiscal year are retroactively applied. The change in accounting policy has no impact on the quarterly consolidated financial statements for the previous quarter and fiscal year.

(Changes in accounting policies that are difficult to distinguish from changes in accounting estimates)

(Change in depreciation method for tangible fixed assets)

Previously, our company and domestic subsidiaries used the declining balance method (except for buildings and auxiliary equipment acquired after April 1, 2016, which are depreciated using the straight-line method) for depreciation of tangible fixed assets. However, from the first quarter of this consolidated fiscal year, we have changed the depreciation method to the straight-line method.

As a result of examining the actual usage of tangible fixed assets from the perspective of standardizing accounting procedures within our group, we have concluded that the tangible fixed assets used by our company and our domestic subsidiaries are used stably over their useful lives, and that recording expenses evenly will more appropriately reflect the economic realities of our company and our domestic subsidiaries, and therefore have decided to use the straight-line method.

The impact of this change on profit and loss for the first quarter of this consolidated fiscal year is minor.

(Notes to the quarterly consolidated cash flow statement)

We have not prepared a quarterly consolidated cash flow statement for the third quarter of the current consolidated cumulative period. However, the depreciation expenses (including amortization expenses for intangible fixed assets other than goodwill) and amortization of goodwill for the third quarter of the current consolidated cumulative period are as follows:

	(Unit: million yen)	
	Three months ended March 31, 2024	Three months ended March 31, 2025
Depreciation and amortization	29	35
Goodwill amortization	2	2

(Segment Information, etc.)

【Segment Information】

As our group operates in a single segment, the Digital Creative Studio business, segment information is not provided.

(Significant Subsequent Events)

Not applicable.