Sun*

Financial Results Explanatory Materials for the

1st quarter of the Fiscal Year ending December31,2025

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

May 14, 2025

Summary of first quarter financial results for FY2025

1Q Results

- Sales and profits at each stage both exceeded initial forecasts
- Sales: 3.53 billion yen (up 3.6% YoY), gross profit: 1.63 billion yen (down 12.3% YoY), operating profit: 290 million yen (down 48.8% YoY)
- Due to the use of external partners in certain projects, gross profit decreased year on year, but was within expectations
- SG&A expenses were 1.34 billion yen, up 3.8% year on year, remaining lower than initial forecasts

Outlook for 2Q and beyond

- Although sales progress in the first quarter exceeded the initial forecast, attention must be paid to the order situation from the second quarter onward in order to achieve the full-year forecast.
- At the beginning of the fiscal year, the increase in the use of external partners was expected to end in the second quarter, but the continuation of the project will have an impact on the third quarter. There is a possibility that gross profit margins will continue to be squeezed.
- The company plans to thoroughly manage revenue management in order projects and optimize costs.

Priority issues and progress of growth investments

- Continue to focus on recruiting sales, engineering, and project management personnel.
- Investments in the AI field are progressing smoothly. Trials are being conducted with an eye toward sales to customers, and tools aimed at streamlining internal and external operations are now in operation.
- Investments in the incubation field are also progressing as planned. Promoting the increase in users of the fan community system, the release of game titles based on our own IP, and sales growth in the ERP field, etc.

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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)	**2,011**

Sun Asterisk : 437
Sun Asterisk Vietnam : 1,301
Sun Asterisk Software Development : 47
Sun terras : 114
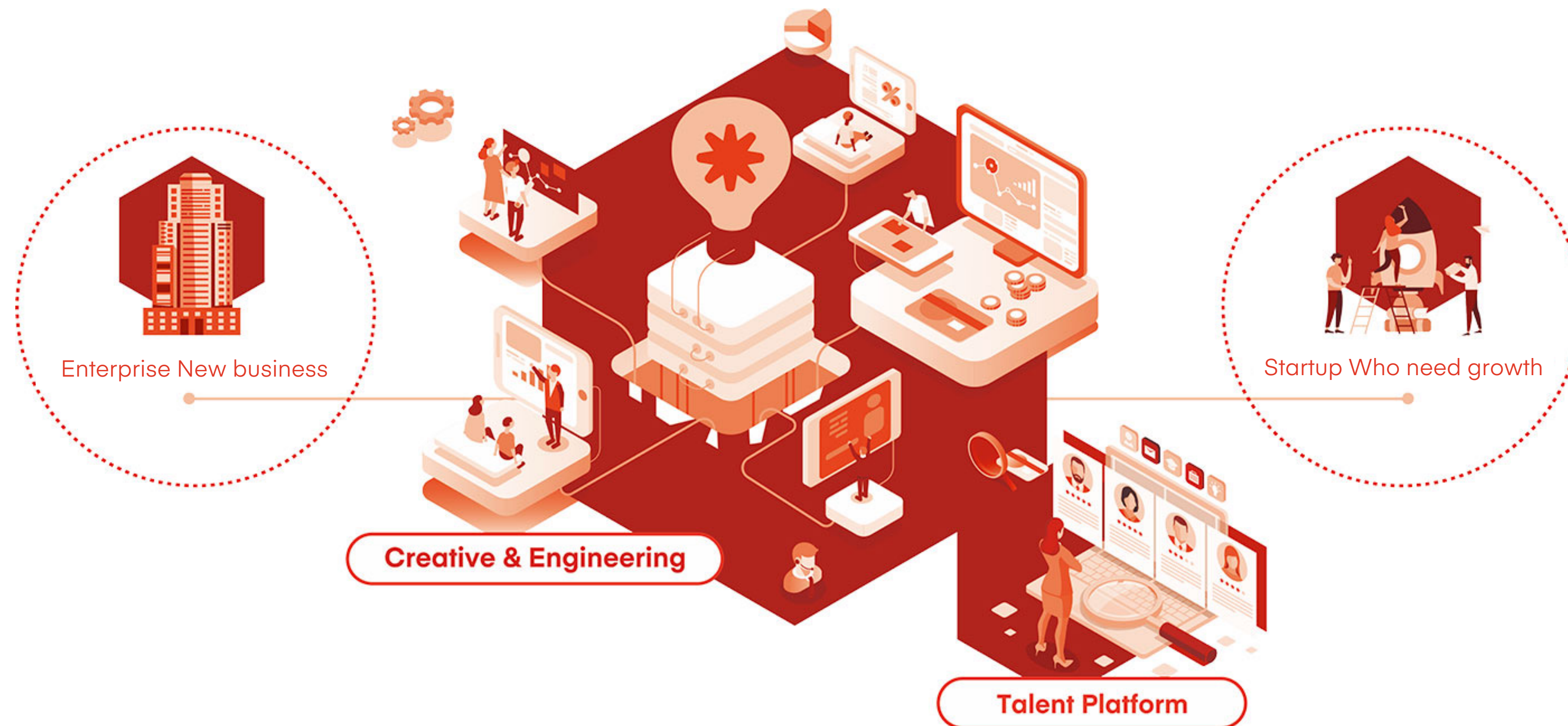NEWh : 24
Trys : 88

(1) As of Mar, 2025 (including temporary hirings)
(2) As of Mar, 2025
(3) EBITDA : Operating income + Depreciation and amortization
       + Amortization of goodwill
(4) Average Annual Growth Rate from 2/2016 to FY2024

Management

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

(5) Actual number of customers conducted transactions in FY2024
(6) FY2024 total sales / total number of trading customers
(7) 100% - (Number of customers who canceled in the current month / Number of customers in the previous month),
       average value for 63 months from January 2020 to March 2025

Financial (Previous period)

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

KPIs

Unique Client (5)	**272** Clients
ARPU (6)	**5.12** million
Monthly average transaction continuation rate (7)	**92.7** %

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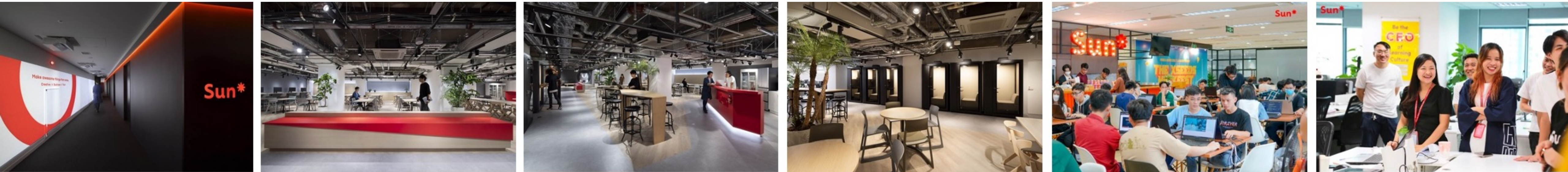
What is a Digital Creative Studio?

Digital Creative Studio

Enterprise New business

Startup Who need growth

Creative & Engineering

Talent Platform

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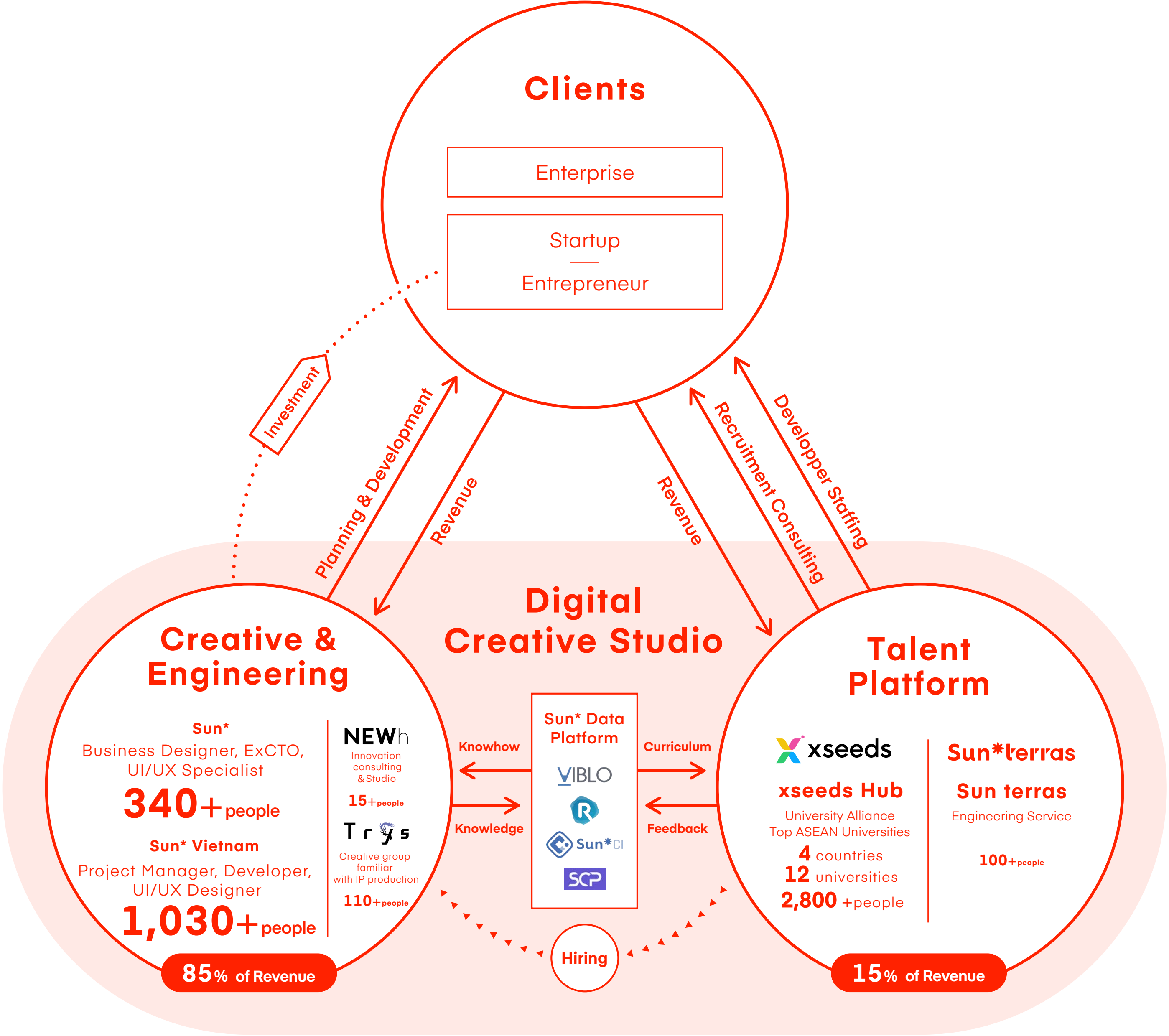
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Business Summary

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

Clients

Enterprise

Startup — Entrepreneur

Investment

Planning & Development

Revenue

Revenue

Recruitment Consulting

Developper Staffing

Digital Creative Studio

Creative & Engineering

Sun*
Business Designer, ExCTO, UI/UX Specialist
340+ people

Sun* Vietnam
Project Manager, Developer, UI/UX Designer
1,030+ people

NEWh
Innovation consulting & Studio
15+ people

Trys
Creative group familiar with IP production
110+ people

Knowhow

Knowledge

Sun* Data Platform
VIBLO
Sun* CI
SCP

Curriculum

Feedback

Hiring

Talent Platform

xseeds

xseeds Hub
University Alliance
Top ASEAN Universities
4 countries
12 universities
2,800 +people

Sun*terras

Sun terras
Engineering Service
100+ people

85% of Revenue

15% of Revenue

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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
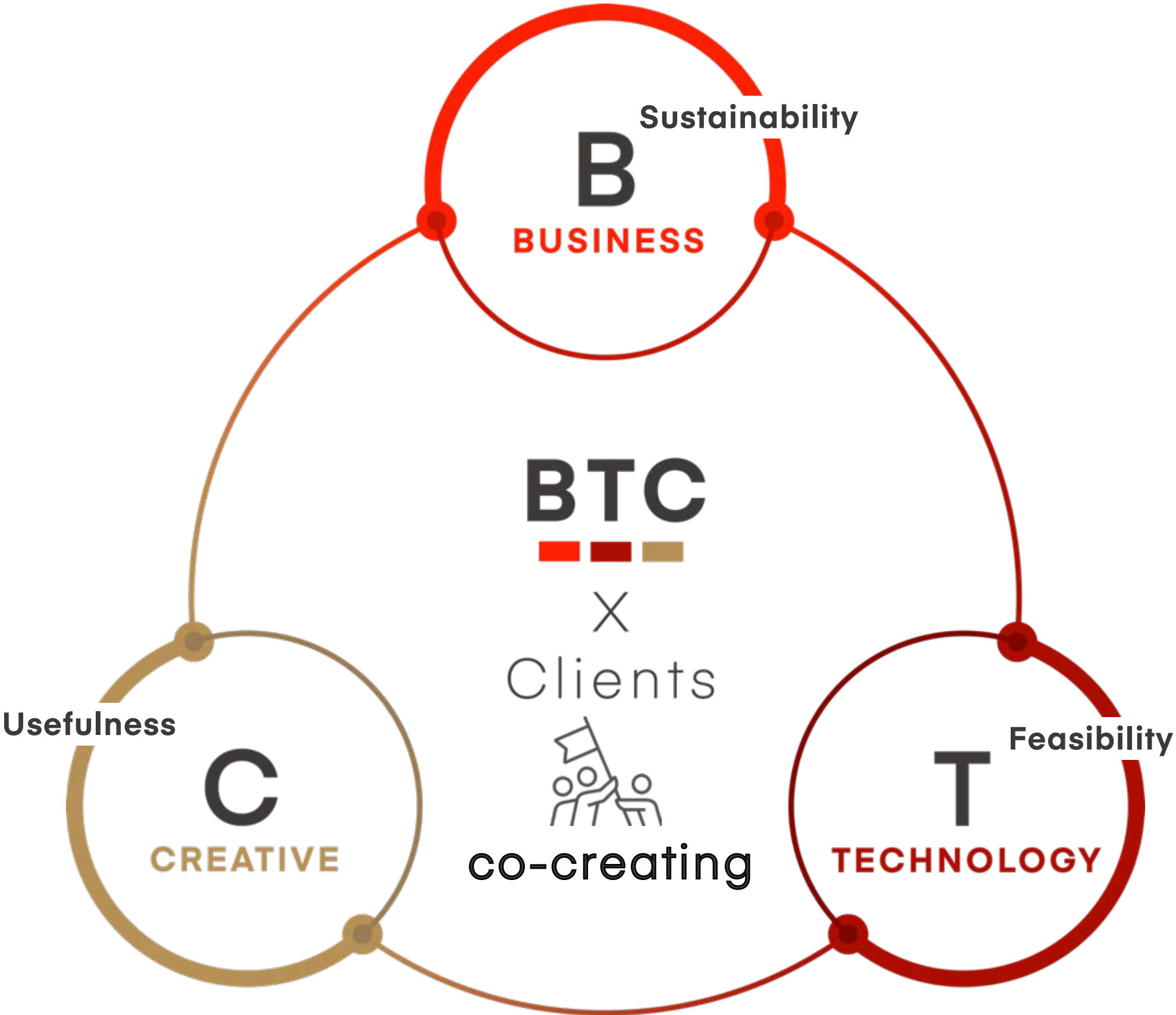
Professional

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

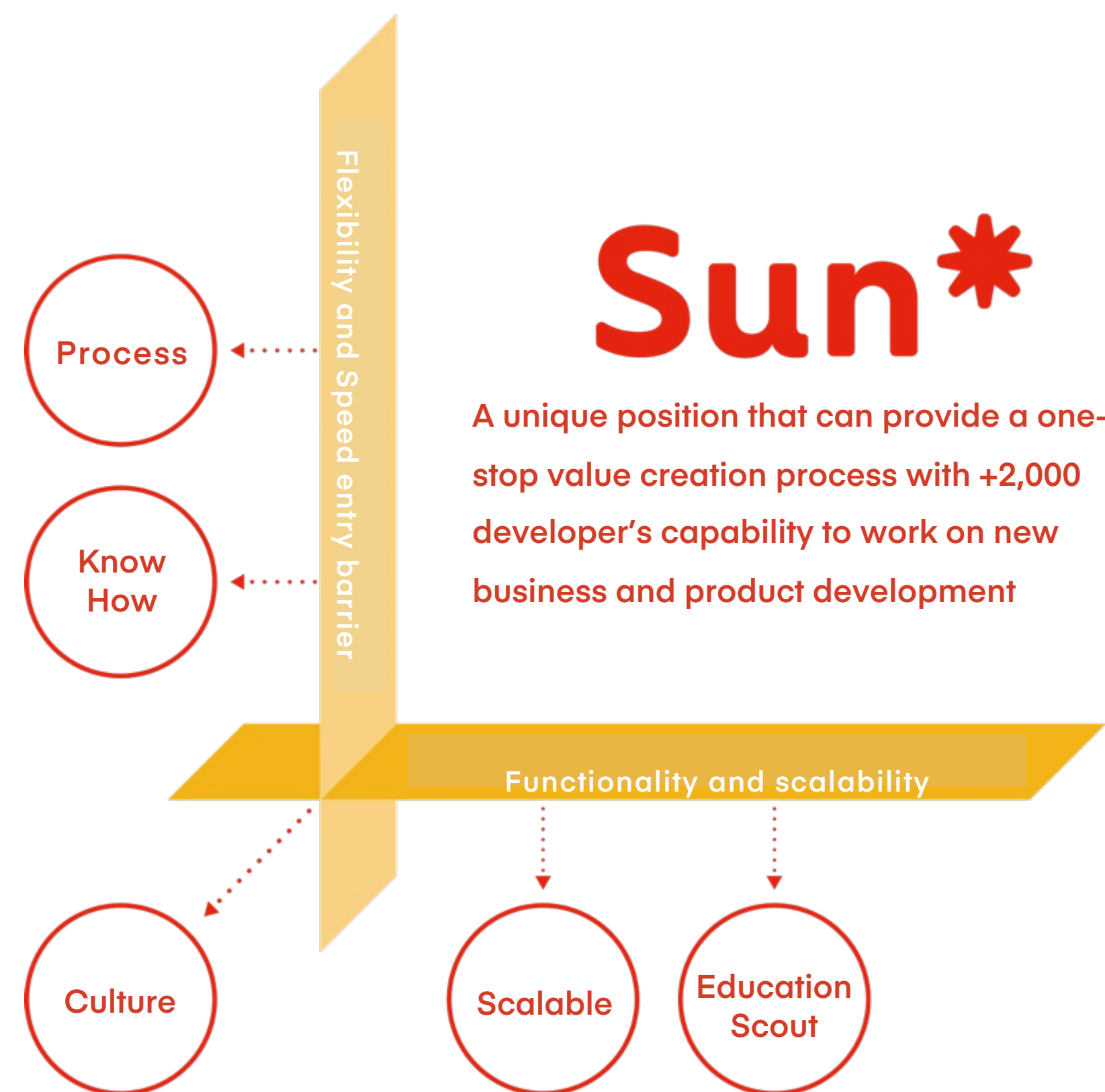## Methods and know-how accumulated from our extensive experience

Methods Know-How

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

B — BUSINESS — Sustainability
C — CREATIVE — Usefulness
T — TECHNOLOGY — Feasibility

BTC X Clients

co-creating

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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

Flexibility and Speed entry barrier

Process

Know How

Culture

Functionality and scalability

Scalable

Education Scout

A unique position that can provide a one-stop value creation process with +2,000 developer's capability to work on new business and 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.

Case Study：Fancrew Inc.

A global development team of 34 people supported Fancrew CR's SaaS conversion and data infrastructure construction

Supporting the development of Fancrew CR's SaaS, which utilizes real feedback from customers immediately after their visit

Since 2007, Funkuru Inc. has operated a monitor portal site for mystery shoppers and undercover investigators, which has been used by approximately 1.5 million people nationwide. In 2023, the company will begin offering customer experience (CX) management services in anticipation of further business growth. Sun* provided comprehensive support for the creation of this service as a SaaS and the construction of a data utilization platform, from requirements definition to development and UX design. A team of 34 people across three countries accompanied the company.

| Requirement definition | Development and implementation | Agile Development | AWS | DevOps | UI/UX Design |

| SMB | SaaS |

ISSUE

Although the development of the in-house prototype had produced some results, there were issues with rolling it out as an official service in a stable and sustainable manner. In addition to a lack of development resources, there was limited know-how on system design for a large number of users and data utilization, which were major concerns.

SOLUTION

For requirements definition, we used Figma for visual design, and worked with the client on everything from specifications to information design. Multilingual communication centered on BrSE and flexible task allocation enabled us to achieve optimal results for the entire project.
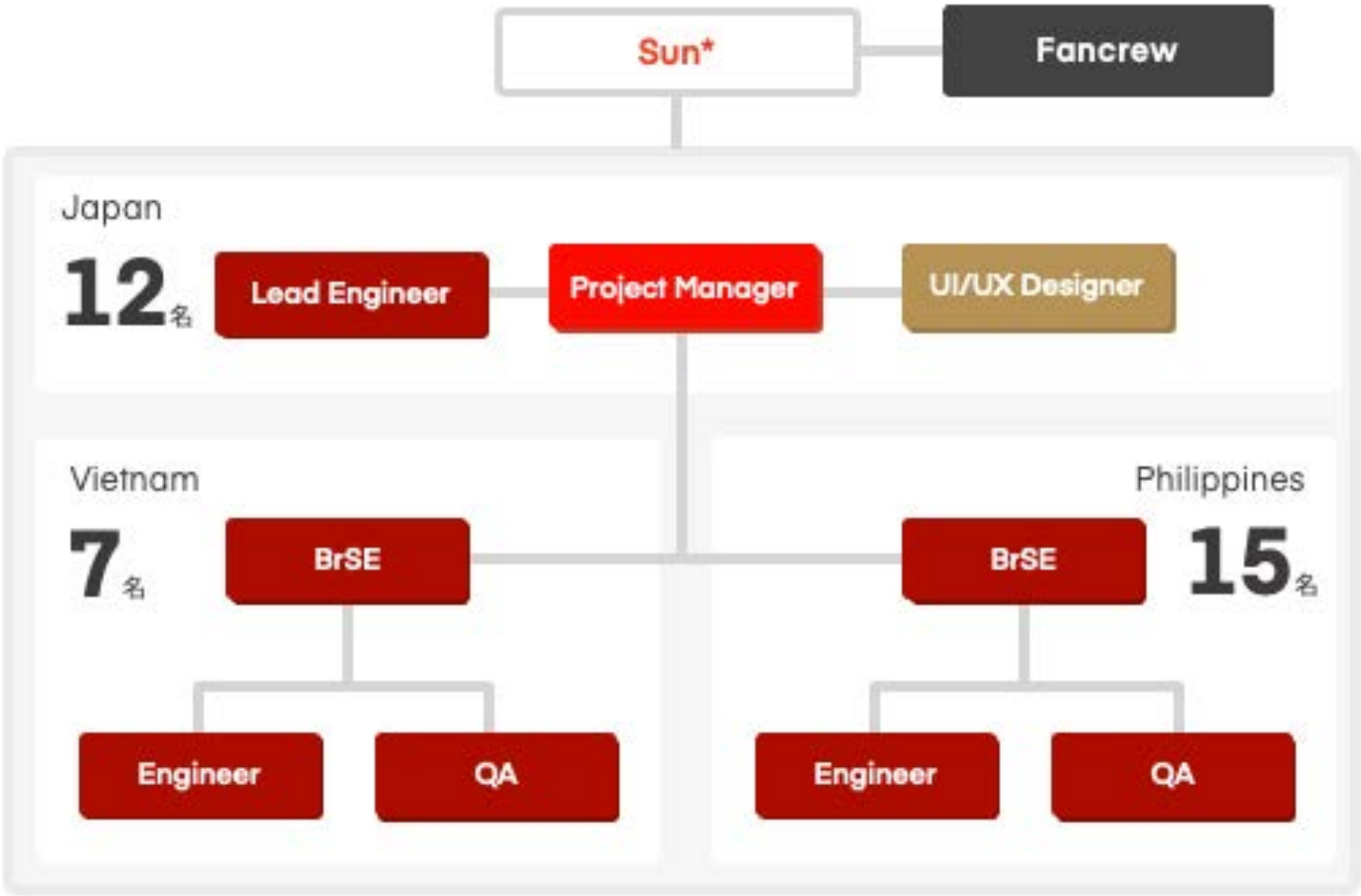
Client Voice
"You have been so considerate in addressing our difficult requests that we have been able to successfully launch the game. We are truly grateful for your professional work. Our service will continue to evolve, so we ask for your continued support."

Case Study：NISHIMATSU CONSTRUCTION CO.,LTD.

Nishimatsu Construction promotes digital transformation and develops new businesses with an eye to the future

NISHIMATSU

DX Roadmap Co-Creation Project: Drawing a Path to the Future Together

Since its founding in 1874, Nishimatsu Construction has been strongly supporting the creation of social infrastructure, including the construction of tunnels and dams. With an eye to the future, the company has embarked on a new challenge: promoting digital transformation and developing new businesses. The "Nishimatsu Digital Transformation Vision," formulated in 2022, has a major theme of "a business that creates new services and spaces in an ecosystem." Sun* and group company NEWh accompanied the project to put this vision into a plan and map out a concrete path for implementation.

`Service Design` `Enterprise` `Construction`

ISSUE

As the company promotes DX and new business development under the "Nishimatsu DX Vision" formulated in 2022, a major challenge was how to translate the abstract vision of "creating new services and spaces through an ecosystem" into an actionable strategy.

SOLUTION

In order to turn an abstract vision into a feasible strategy, we use the M-F-T framework to organize current business opportunities, explore future business opportunities through scenario planning, and organize them into two directions: "regional revitalization" and "construction industry support." We reconstruct them into short-term, medium-term, and long-term roadmaps, and provide consistent support up to visualization and documentation.

Explore business opportunities by linking "functions required in the current market" with "functions of technology"

1. Creating a factor map
Identify keywords that will bring about changes to the space and select words to explore in depth
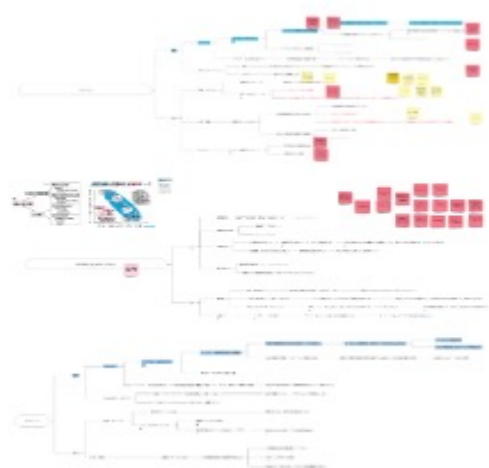
2. M-F-T framework
Identify the functions required by the market and the corresponding functions of your own technology

3. Creating business opportunities
Brainstorm business opportunities based on the connections between functions

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Case Study： JMAM （JMA Management Center Inc.）

Accompany from start-up to PoC, UI/UX design, development, and growth

Support for the conception, development and growth of "ahame"

JMAM has supported the growth of individuals and companies through the design of "learning" and "time," and as a new business that will play a central role in the "JMAM Group 2030 Vision," the company has planned a personal growth support service called "ahame." This service combines psychology and gaming to provide a learning experience that improves emotional intelligence and communication skills. Sun* has been involved in this project since the service concept stage, and has been in charge of supporting the growth of the service after its release.

| Service Design | UI/UX Design | Requirement definition | Basic Design | Development and implementation |

| SMB | Training Service |

aha me
アハミー
3 minutes a day!
Improve your communication skills with psychology

ISSUE

The company lacked know-how and practical experience in planning BtoC services and in-house development of IT products, and the organization was also underdeveloped. In addition, there were insufficient resources to advance business planning and PoC in a short period of time, so it was urgent to build a system for quickly verifying hypotheses.

SOLUTION

Sun* has been involved from the early stages of planning to address issues such as a lack of know-how in BtoC and IT product development, and an underdeveloped system. We provide step-by-step support, from service verbalization, PoC design and implementation, to UI design and development. We also accompany our clients in hypothesis verification and decision-making, utilizing our external perspective and structuring skills.

Project Phase	2022	2023	2024	2025
Service Concept	■			
UX Design		■		
PoC		■ Unique Framework Value Design Syntax	May 2025: Number of members exceeds 20,000	
UIDesign・Requirement definition		■		
Development		■		
Service Growth			■	

August 2024: Web service release

March 2025: Mobile app release

Provided step-by-step support from the initial concept stage, build long-term relationships of trust, and accompany the project for three years to produce results

Client Voice

"They are an indispensable presence as a 'professional group that can reliably change uncertainties' by sharing goals, flexibly revising and resolving issues, and giving feedback to each other. I look forward to continuing to receive perspectives, views, and viewpoints that cannot be obtained through our in-house team."

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Case Study of DX Promotion and New Business Development
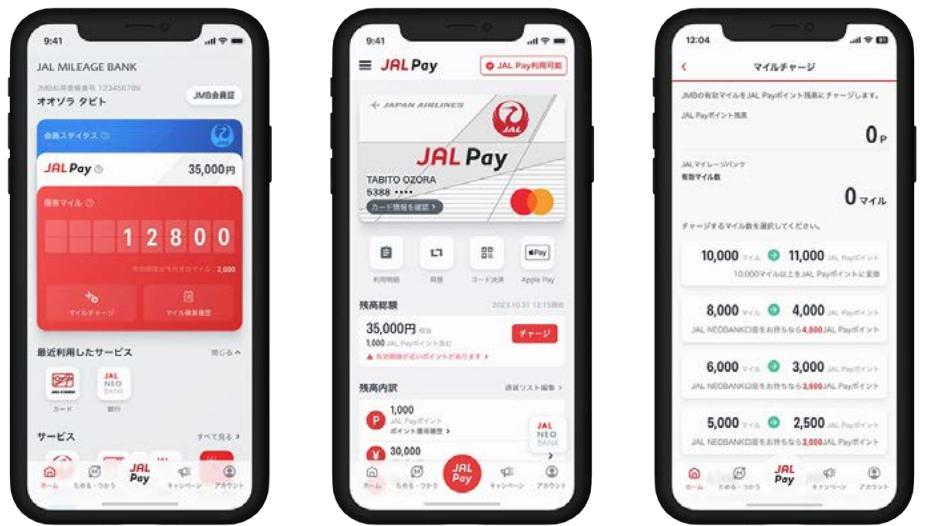
JAL Mileage Bank App
SBI Sumishin Net Bank, Ltd.
／Japan Airlines Co., Ltd.
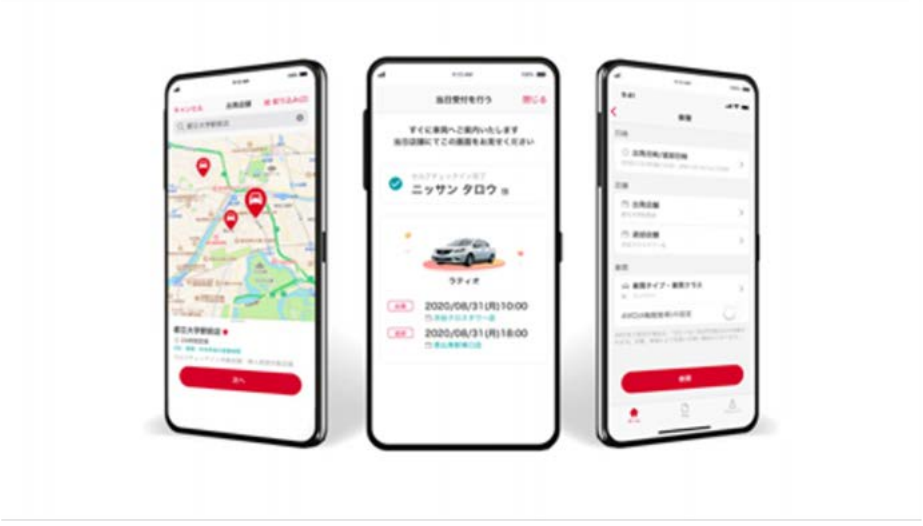
Nissan Rent a Car Official Application
NISSAN CAR RENTAL SOLUTIONS CO., LTD.

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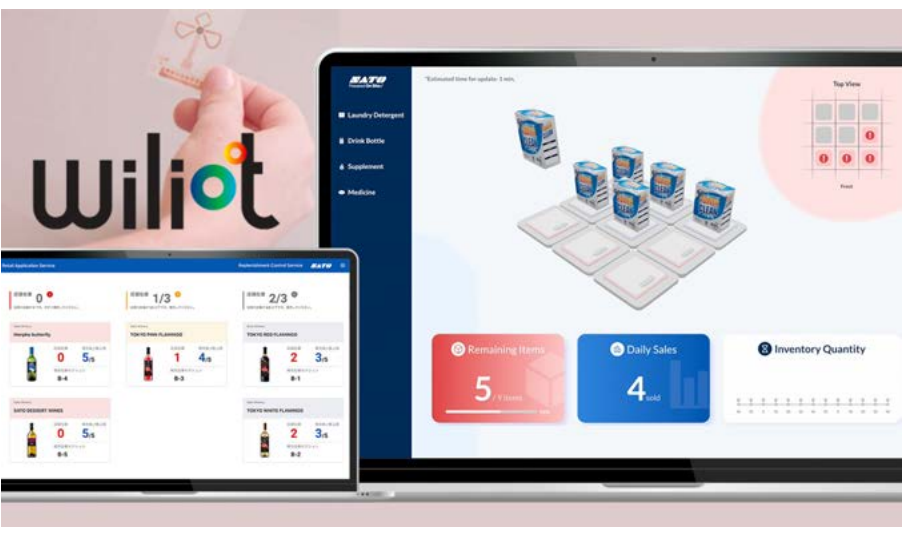

elgana
NTT business Solutions corporation.

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

Update on the website

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

2

FY2025-1Q Financial Highlights

Financial Results Summary

Sales

- Sales rose 3.6% year on year to 3.53 billion yen, exceeding initial expectations
- C&E saw an increase in order amounts, while TPF saw an increase in Sun Terras (SES) unit prices and number of employees
- C&E's number of unique customers increased by 25 companies year on year to 195, and ARPU was down 570,000 yen to 5.07 million yen. This period ended up at the same level as initial expectations.

Gross profit margin

- Gross profit was 1.63 billion yen, down 12.3% year on year, but progress exceeded initial expectations
- Due to an increase in cost of sales due to the use of external partners in certain projects, gross profit margin was 46.2%, down 8.3% year on year. Expected to continue beyond the second quarter.

Operating income

- Operating profit was 290 million yen, down 48.8% year on year. The progress rate against the full-year forecast was 19.4%, but the first quarter plan was achieved
- The main reason for the decrease in profits was the increase in cost of sales. Sales and administrative expenses were 1.34 billion yen, up 3.8% year on year

Ordinary Income

- Ordinary income was 400 million yen, down 29.7% year on year
- The average exchange rate during the period was stronger than initially expected
- The exchange rate remained strong in the latter half of the first quarter, resulting in a foreign exchange gain of 123 million yen compared to the same period last year

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FY2025 1Q Results Sales and Profits

Although sales increased 3.6% year on year, gross profit decreased 12.3% due to an increase in cost of sales associated with the use of external partners in certain projects.
Both sales and profits in the first quarter exceeded initial forecasts.

Unit : Million Yen	FY2024 1Q	FY2025 1Q	Rate of Change	Financial Forecast	Progress Rate
Sales	3,418	3,539	+3.6%	15,352	23.1%
Gross profit	1,862	1,633	(12.3%)	7,703	21.2%
Gross profit margin	54.5%	46.2%	—	—	—
EBITDA (1)	615	341	(44.4%)	1,798	19.0%
Operating income	570	291	(48.8%)	1,505	19.4%
Operating margin	16.7%	8.2%	—	9.8%	—
Ordinary income	583	409	(29.7%)	1,605	25.5%
Net income	409	228	(44.1%)	1,289	17.7%
Average exchange rate (per 1 Vietnamese Dong)	0.00600yen	0.00600yen		0.00610yen	

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

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Key Points 2

Sales and administrative expenses increased 3.8% from the previous quarter, but remained at a lower level than initially expected.
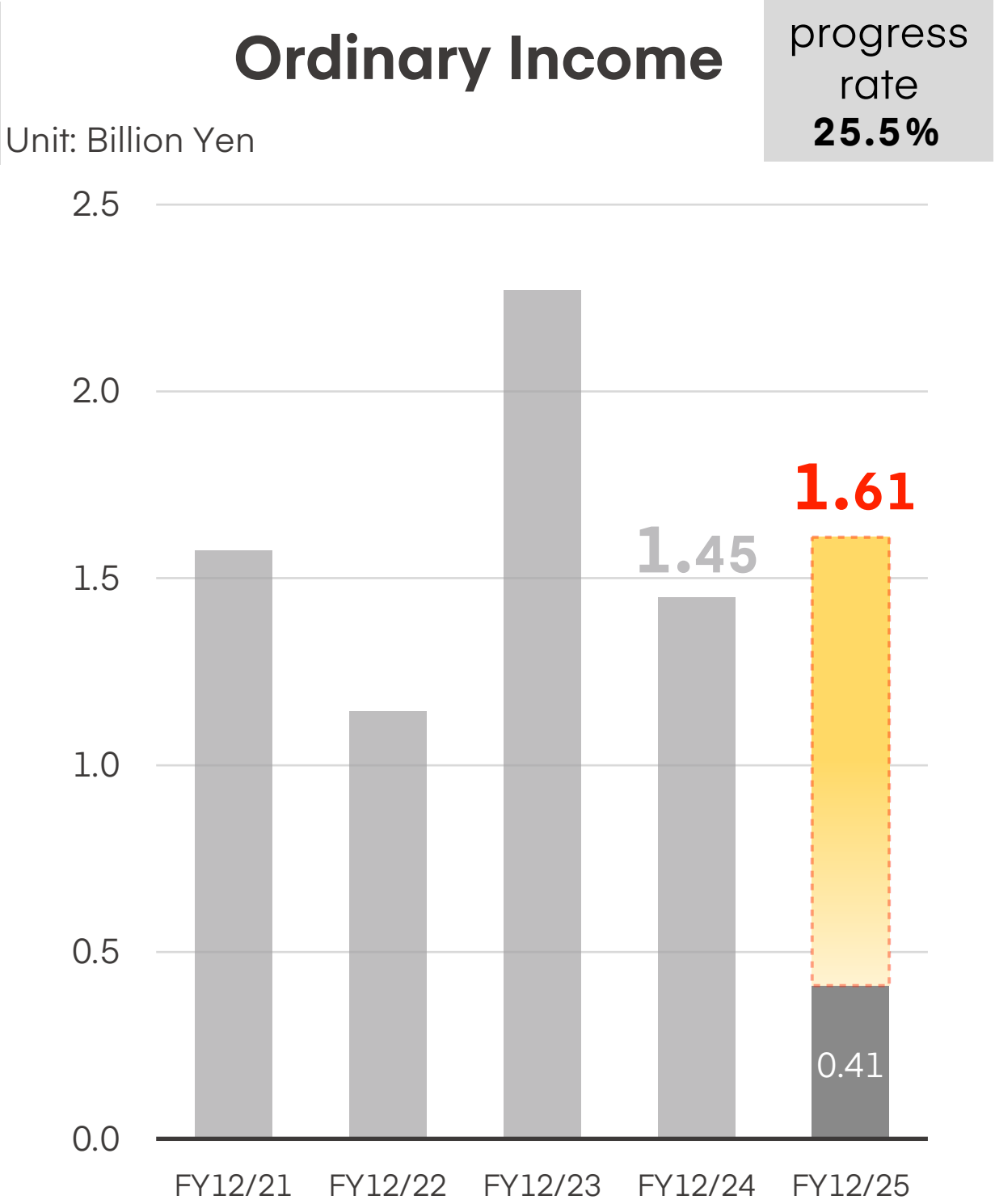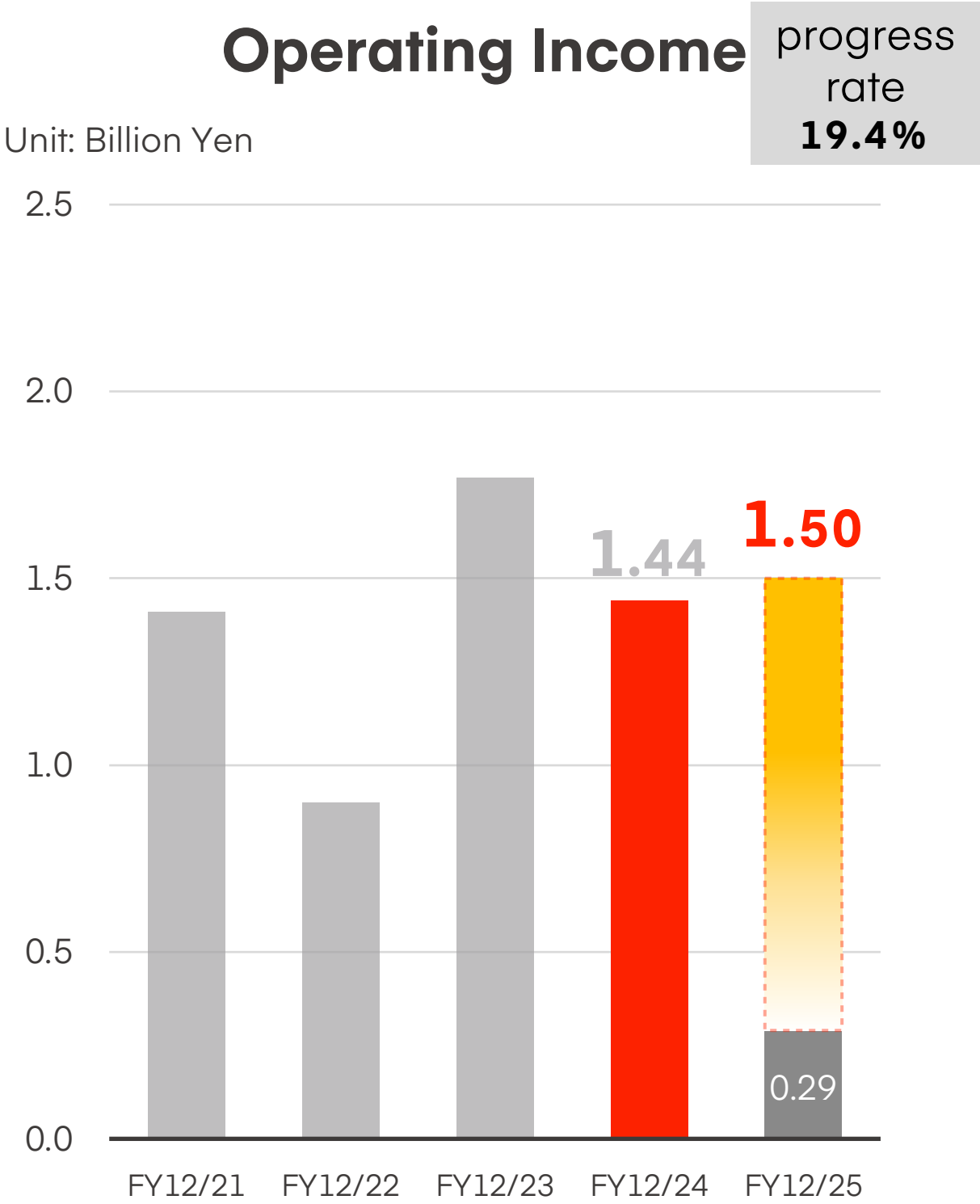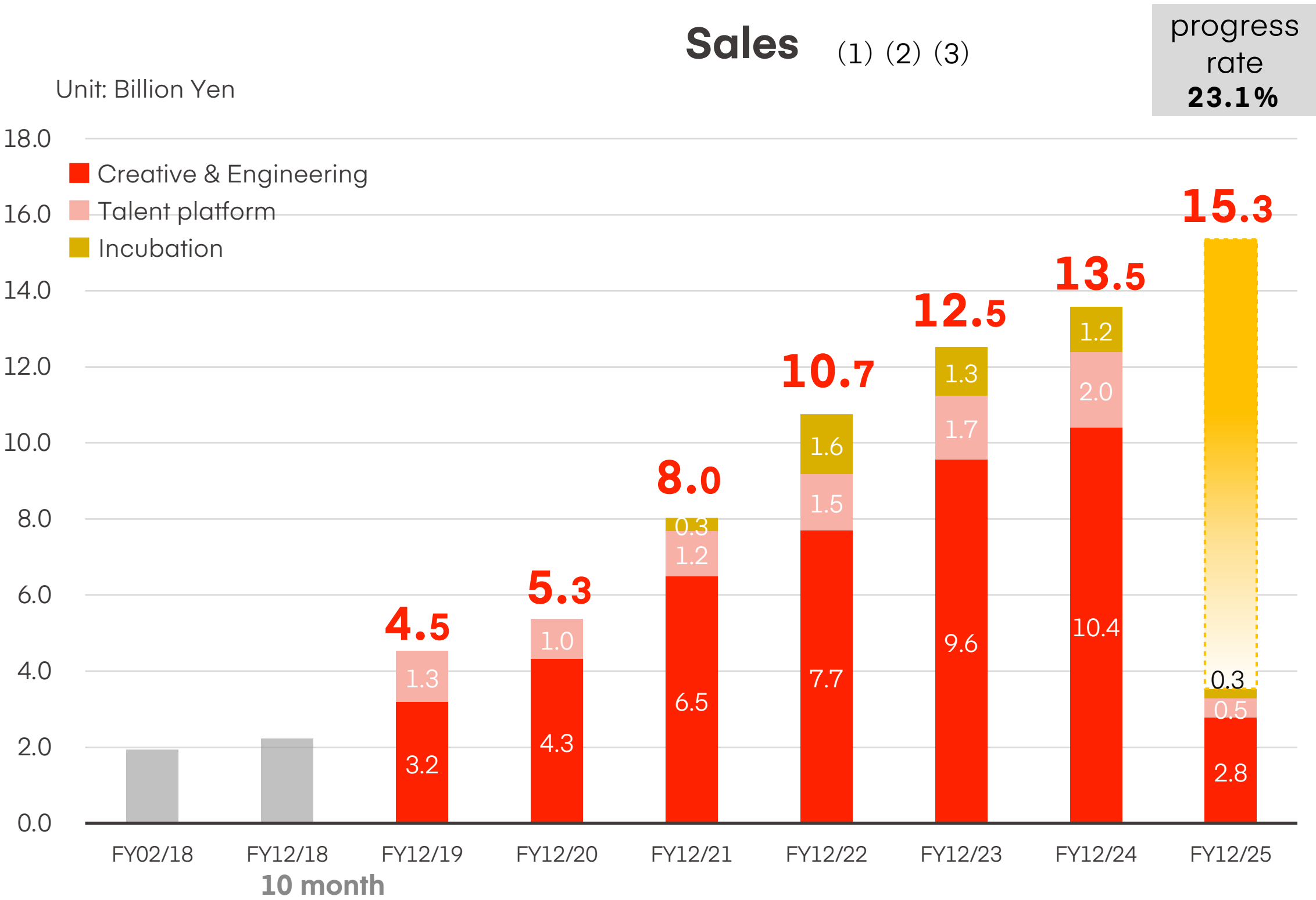Advertising expenses increased due to investment in marketing, and outsourcing expenses increased due to sales support by external personnel and expert fees, etc.

Unit : Million Yen	FY2024 1Q		FY2025 1Q			Point
	Result	Composition ratio	Result	Composition ratio	YoY Change	
personnel expense	937	72.5%	958	71.4%	2.2%	Increase due to increased personnel
recruiting expenses	69	5.3%	55	4.1%	(19.8%)	Focus on recruiting necessary personnel
Outsourcing expenses	48	3.7%	71	5.3%	47.1%	Increase due to external sales support and use of experts, etc.
Sales activity expenses (excluding recruiting expenses)	44	3.4%	49	3.7%	12.6%	Increase in advertising and other expenses
Facility expenses	138	10.7%	153	11.5%	11.2%	Increase in system costs and other costs
Other SG&A	55	4.2%	53	4.0%	(2.4%)	
Total	1,292	100.0%	1,341	100.0%	3.8%	

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Changes in Sales and Net Income

Sales, operating profit, and ordinary profit all progressed as expected at the beginning of the fiscal year
The increase in cost of sales due to the use of external partners in certain projects was already factored into the initial forecast

Sales (1) (2) (3)

progress rate **23.1%**

Unit: Billion Yen

- Creative & Engineering
- Talent platform
- Incubation

Operating Income

progress rate **19.4%**

Unit: Billion Yen

Ordinary Income

progress rate **25.5%**

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 FY25-1Q
3.53 billion Yen (YoY 3.6%)

Creative and Engineering
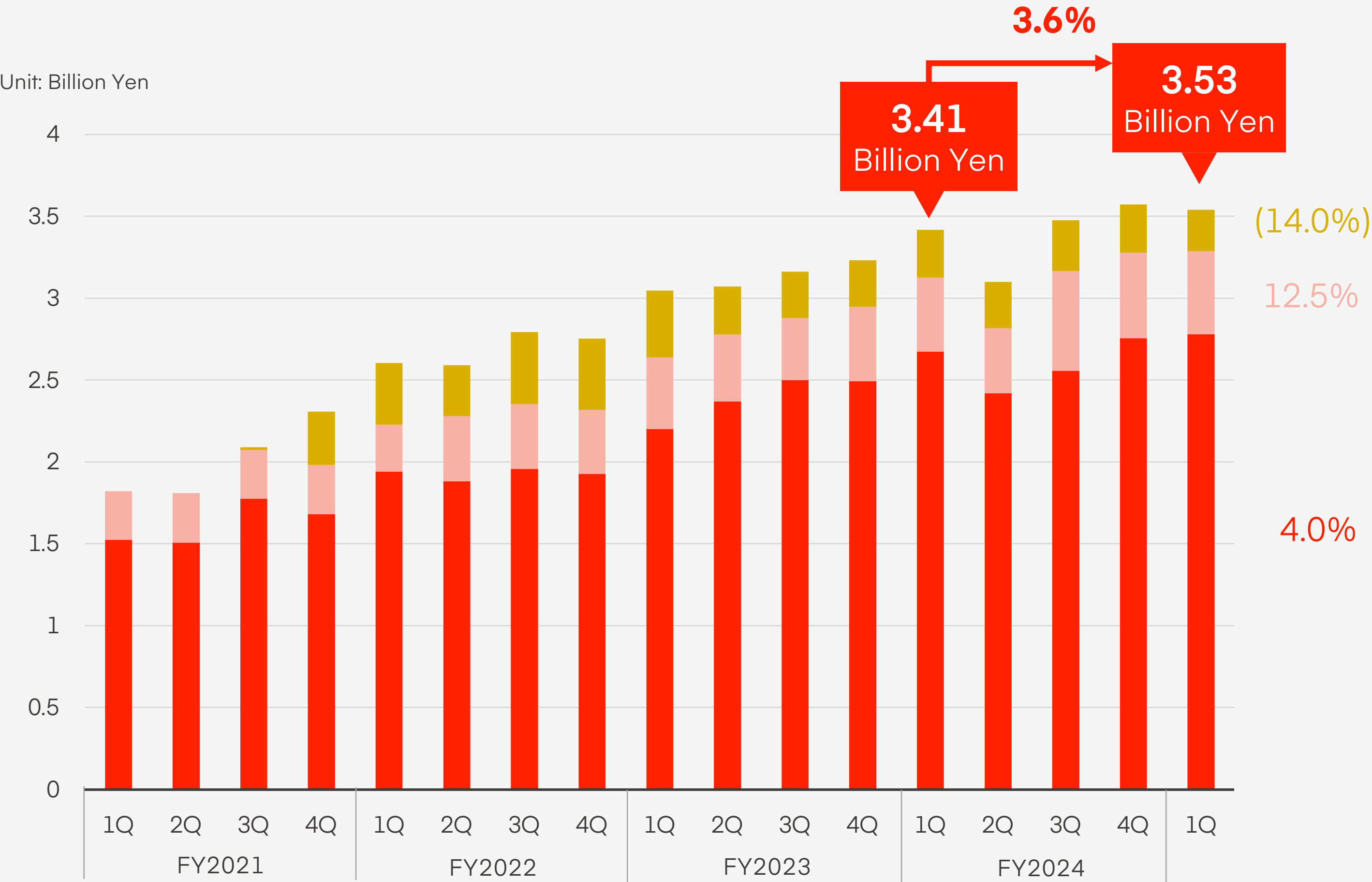4.0% YoY

Talent Platform
12.5% YoY

SES business performed steadily.

Incubation
(14.0%) YoY

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

- Incubation
- Talent Platform
- Creative & Engineering

Unit: Billion Yen

3.6%

3.41 Billion Yen

3.53 Billion Yen

(14.0%)

12.5%

4.0%

	FY2021				FY2022				FY2023				FY2024				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q

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Changes in Important KPIs (1Q)

The number of unique customers increased significantly compared to the same period last year
ARPU in the same period last year was at a high level due to the impact of a large project for an
enterprise customer, but this period ended at the level initially expected
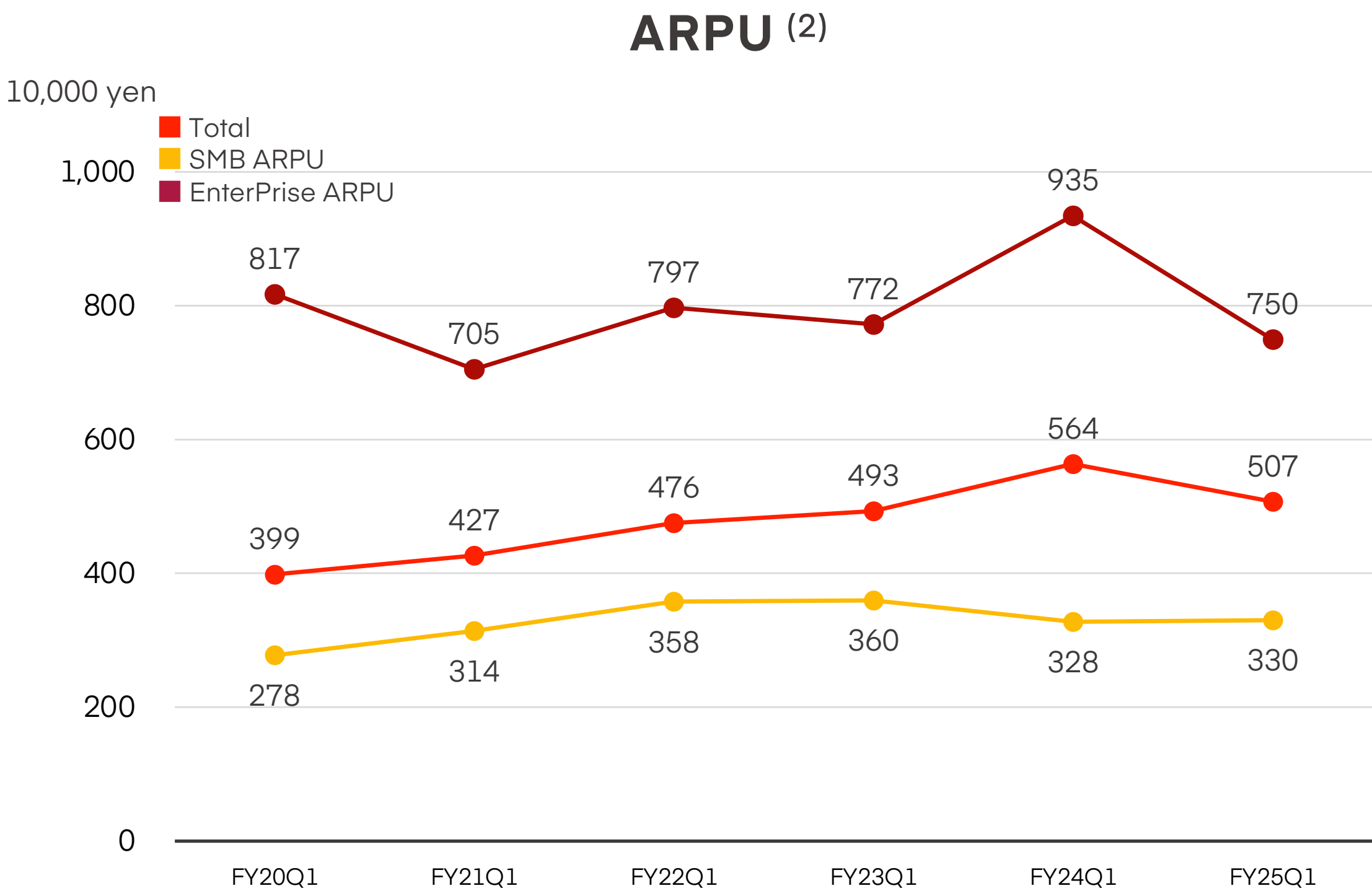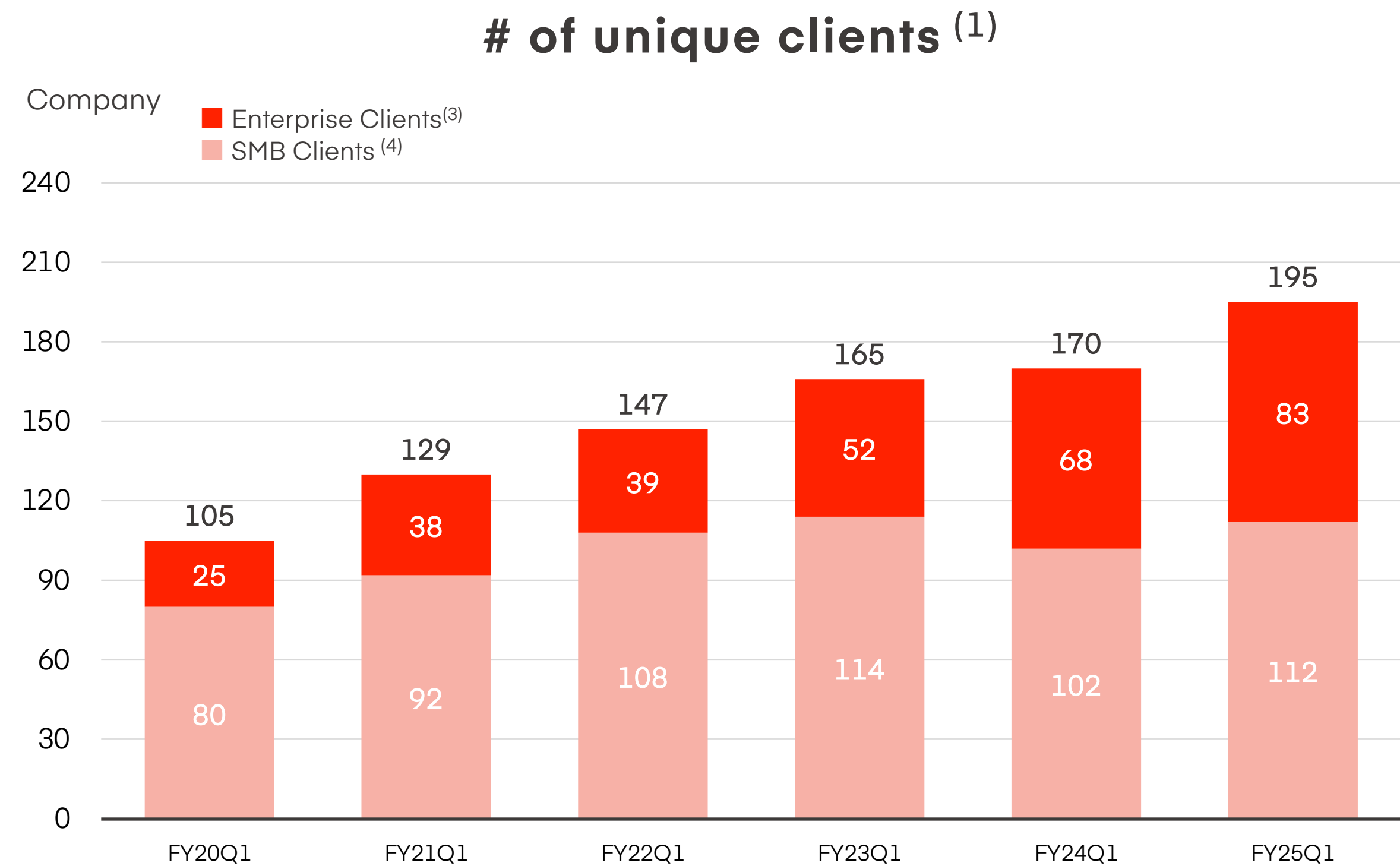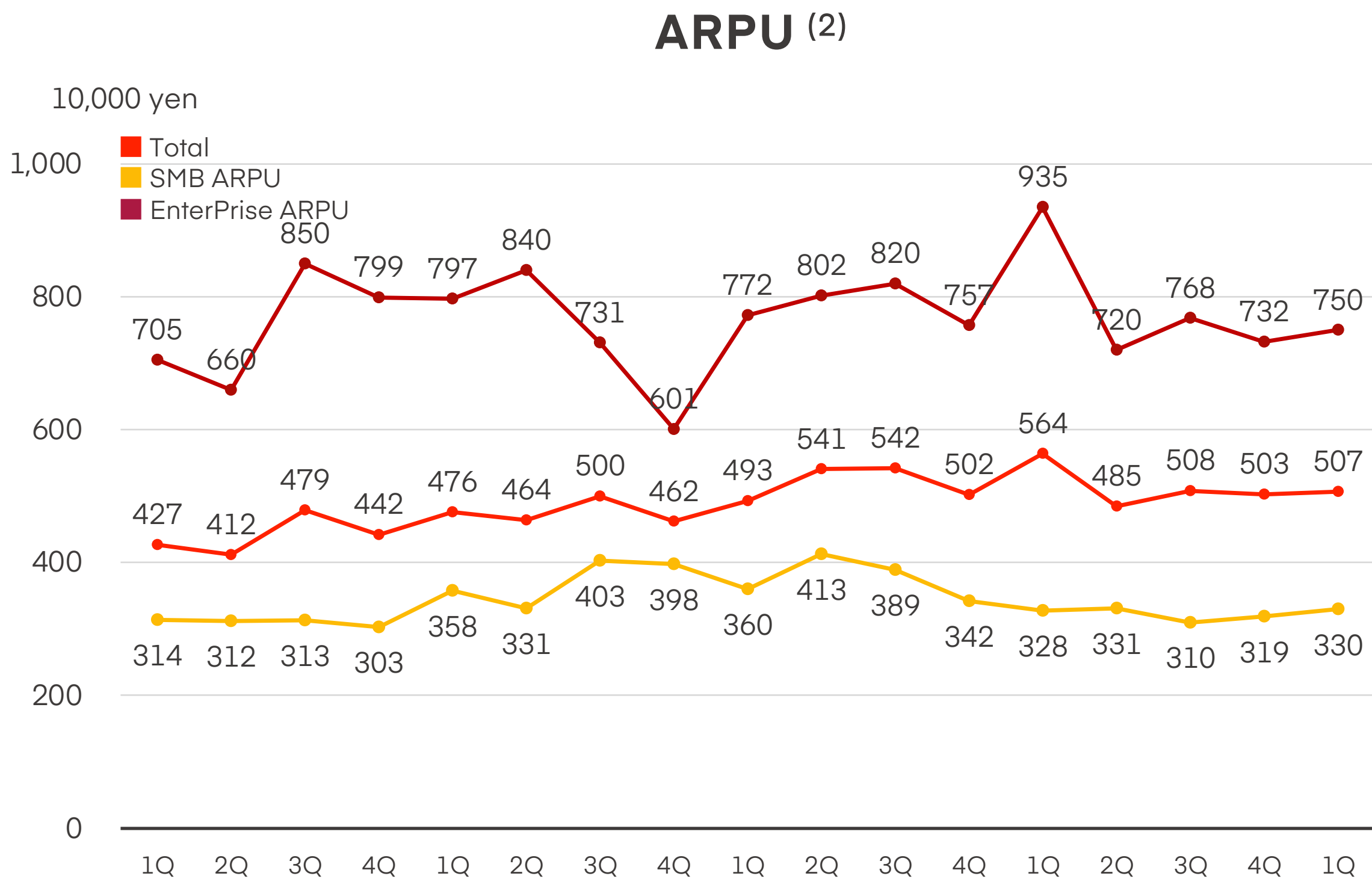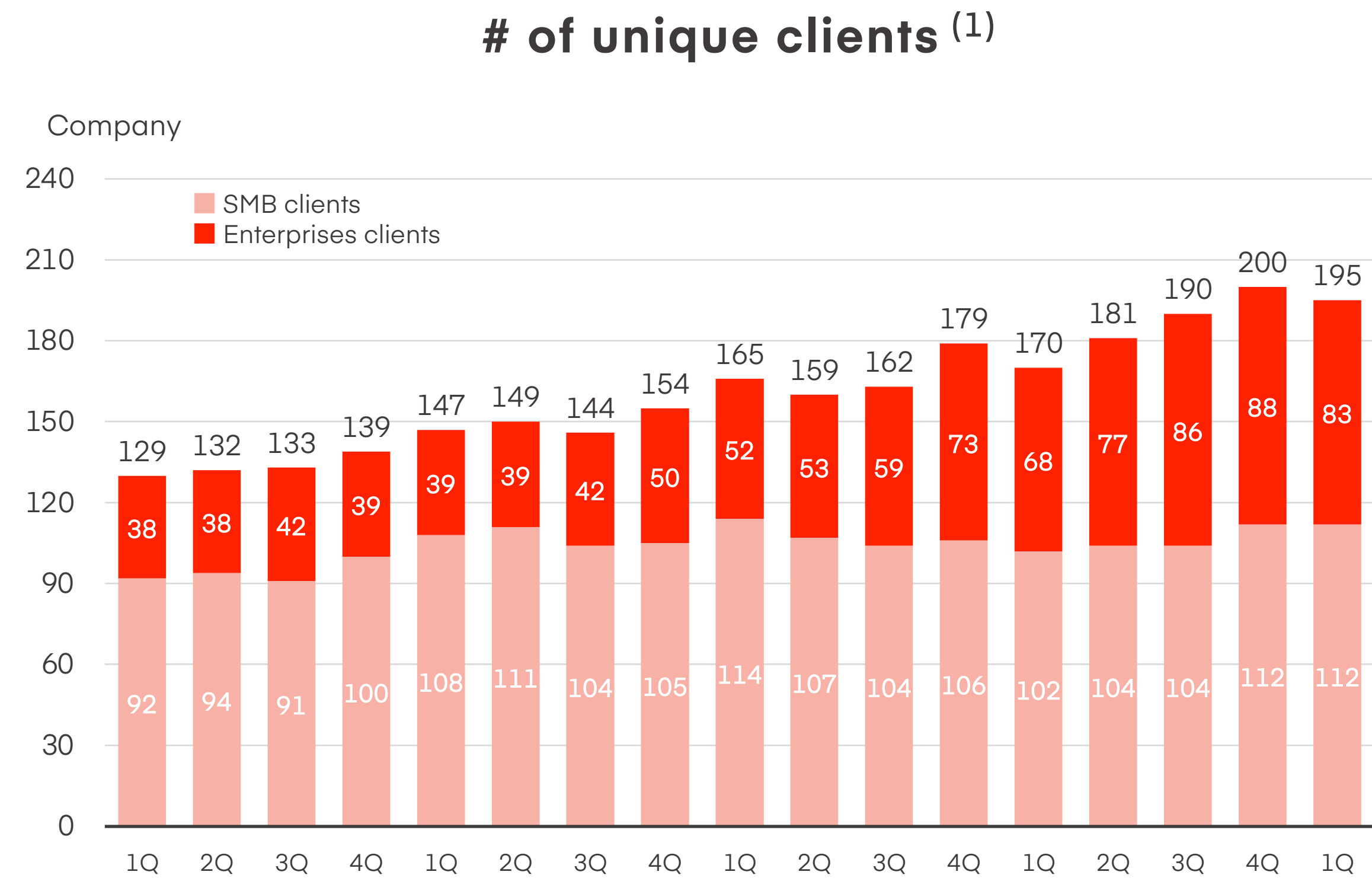

# of unique clients [1]

ARPU [2]

(1) The actual number of customers who conducted transactions during the period

(2) Total sales for the period / total number of customers during the same period

(3) **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.

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

Changes in Important KPIs (Quaterly)

Both the number of unique clients and ARPU are continuing to increase
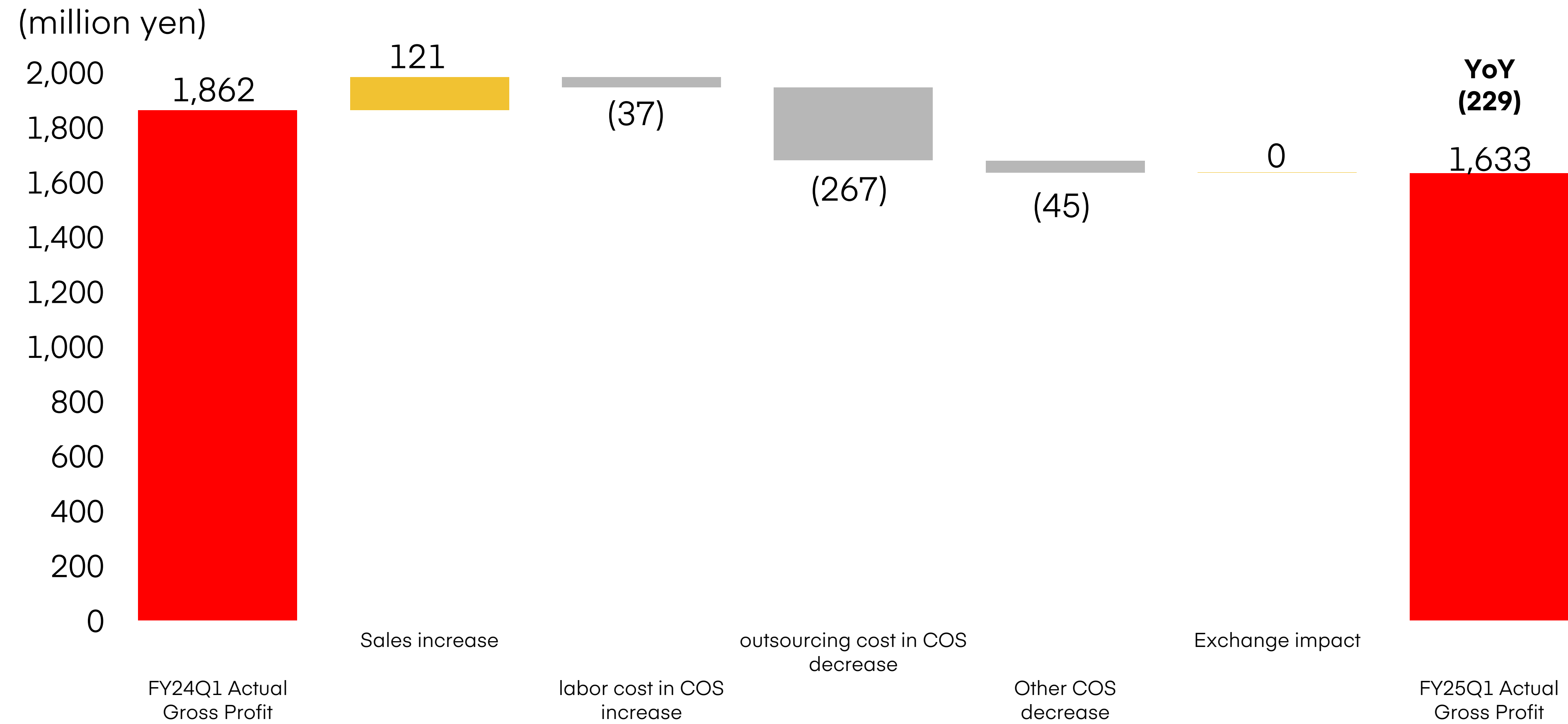
of unique clients [1]

ARPU [2]

(1) The actual number of customers who conducted transactions during the period

(2) Total sales for the period / total number of customers during the same period

(3) **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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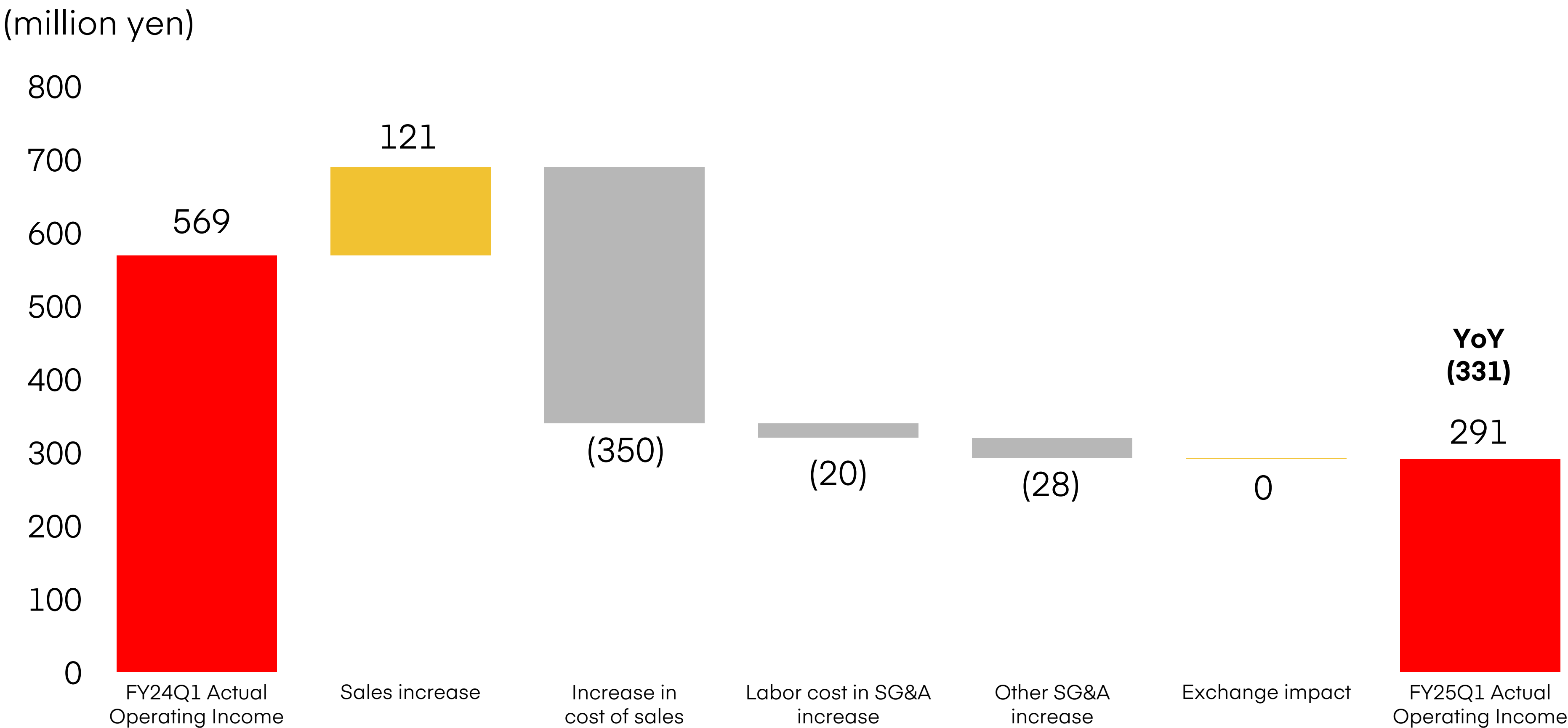
Factors of Gross Profit Increase/Decrease (YoY)

Outsourcing costs increased by 267 million yen due to the use of external partners in certain projects.
Gross profit was 1,633 million yen, down 229 million yen year on year.

(million yen)

Waterfall chart:
- FY24Q1 Actual Gross Profit: 1,862
- Sales increase: 121
- labor cost in COS increase: (37)
- outsourcing cost in COS decrease: (267)
- Other COS decrease: (45)
- Exchange impact: 0
- FY25Q1 Actual Gross Profit: 1,633
- YoY (229)

Balance Sheet Comparison

Equity ratio is high, maintaining a strong financial base

Unit: Million Yen

	12/2024	3/2025	Amount of change	Main Factors
Current Asset	12,235	12,650	415	
Cash & Bank	9,794	10,178	384	Profit recognition and increase in short-term borrowings
Fixed Assets	1,741	1,851	110	
Total Assets	13,976	14,502	525	
Current Liabilities	3,268	3,928	660	Increase in short-term borrowings
Fixed Liabilities	414	478	64	
Net Asset	10,294	10,094	(199)	Acquisition of treasury stock Decrease in yen equivalent of VND-denominated assets and liabilities due to appreciation of the yen
Total Liabilities and Equity	13,976	14,502	525	
Equity Ratio	73.7%	69.6%	—	

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Priority issues for FY2025

		Review of FY2025-1Q	Future Actions
Creative & Engineering	Acquiring new clients and acquiring new business from existing clients	• Initial forecast achieved • Sales pipeline buildup from the second quarter onwards is insufficient • Progress in verifying effectiveness of new customer acquisition methods	• Optimal staffing to improve order rates • Improve project quality to acquire new customers and prevent cancellations from existing customers • Realize stable customer acquisition with new methods
	Strengthening the sales organization	• Hire two new senior-level employees • Continue to improve KPI management	• Continue to focus on recruitment activities • Continue to improve KPI management • Optimize sales organization whenever necessary
	Increasing operating rate	• Utilization rates in Japan and Vietnam both increased compared to the previous quarter • The use of external partners for specific projects landed at the level expected at the beginning of the period, but the impact is expected to continue in the future. • Shortage of senior-class engineers/PMs.	• Continue recruiting in technical fields where there is a shortage of in-house personnel • Continue to develop and transfer personnel
Talent Platform	Expanding business scale and strengthening organizational structure	• Sales increased 12.5% year on year, achieving initial forecasts • Continuing efforts to strengthen organizational structure	• Continue current efforts after the second quarter

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Priority issues for FY2025 and current status of growth investments

Future growth strategies

Inorganic Growth

Leveraging external forces for growth

NEWh   **T r y s**

Sun*terras   **Sun Asterisk Philippines**

Implementing M&A using abundant funds on hand

and **more**

Achieving non-linear growth through M&A

Organic Growth

Sony Block Solutions Singapore   **GROW**

and **more**

Establishing joint ventures with enterprise companies
Investing in startup companies

Establishing joint ventures and investing in startups

Grow organically using your own internal resources

ALLLY

and **more**

A fan community system for professional artists
A highly scalable platform-type business
Sales have doubled every year since the business began in 2021

Accelerating growth of our new businesses

Creative & Engineering Talent Platform

The size of the domestic DX market continues to expand
New entry into cloud ERP development support

Expanding the scale of existing businesses

Present

At IPO

Enterprise value

Sun*

Four growth strategies and investments/key measures for future growth

Deepening and expanding existing businesses

Purpose: Strengthening C&E's competitive advantage and increasing sales

Key measures
- Introducing AI
- AI agents
- Data infrastructure
- Advancing cloud ERP
- Strengthening sales and marketing

Developing new fields through external collaboration

Purpose: Expanding co-creation with external partners

Key measures
- Establishment of a joint venture

Accelerating growth of our own business

Purpose: To create a new spin-out business as a revenue source

Key measures
- Expanding ALLY
- Acquiring new artists

Achieving non-linear growth through M&A

Purpose: Acquire high profit margin areas

Key measures
- IP Creation (Trys)
- Business Diversification through M&A

Growth Strategy

Sun*

Investment details for FY2025

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

Business Area	Investment amount	Segment	Overview
AI & etc.	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 • Reskilling existing engineers to prepare for new entrants into the **cloud ERP market**
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		

Sun*

AI-based business co-creation model

Sun*'s use of AI is an engine that simultaneously drives internal operational reform and client business transformation
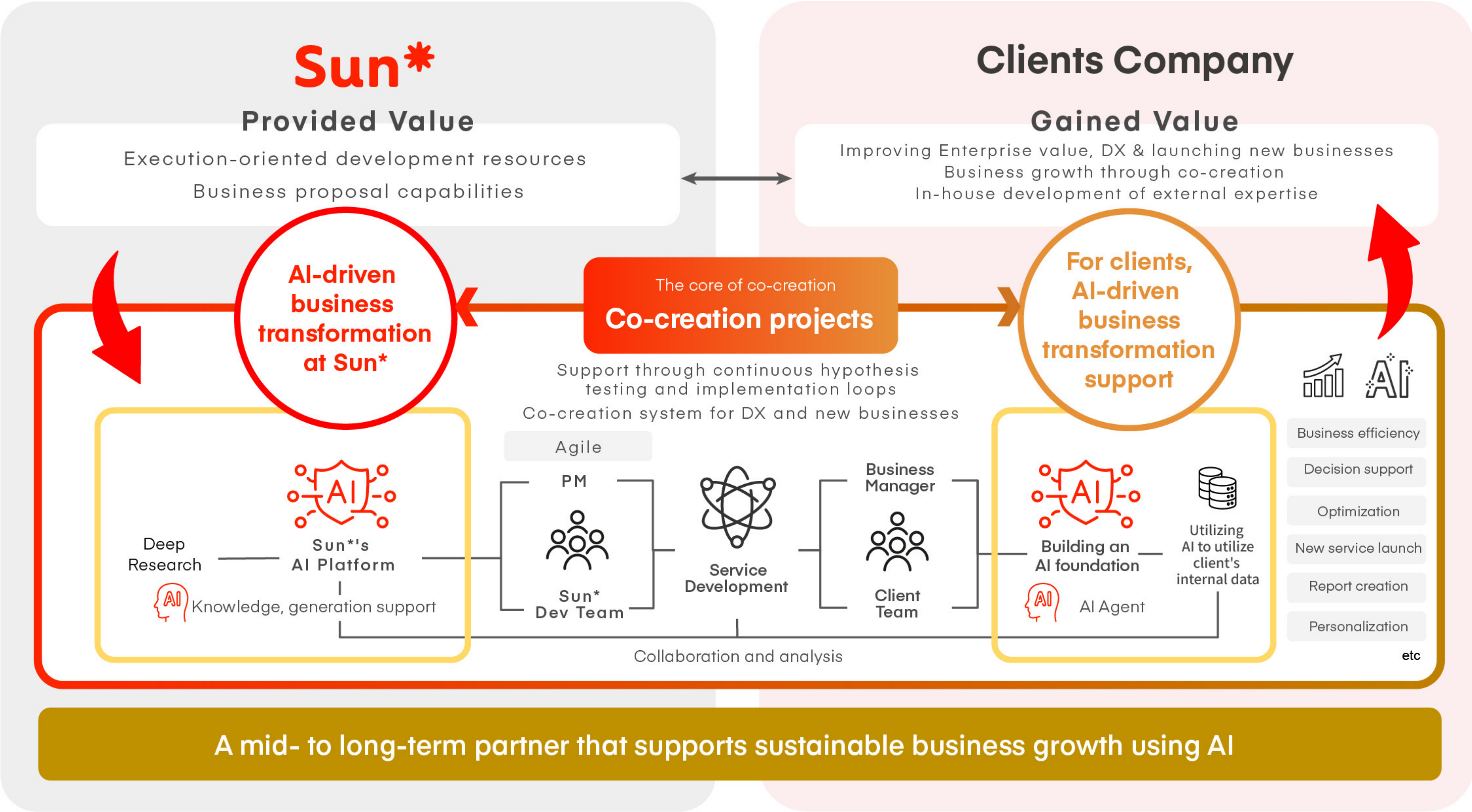
A mid- to long-term partner that supports sustainable business growth using AI

Investing for future growth | Q1 results report

AI & etc

Investment amount
220 million yen

PLAN

In Creative & Engineering with sales of 10 billion yen
Promoting business reform

AI* Platform

AI platform development

AI is used to reform business processes in various software development processes

DO

Promoting the development and implementation of AI* Platform to improve business efficiency and productivity
Developing and releasing three tools

Sun* Echo
Slack communication support tool

Release of tool to help translate, summarize, and automatically generate Slack messages
- ✓ Processing over 800 requests per month
- ✓ Improved the quality and speed of daily communication, greatly reducing misunderstandings between teams

Sun* Translator
Automatic file translation tool

- ✓ Currently translating 600 files per month
- ✓ Translation work that previously took hours has been reduced to just a few minutes, dramatically improving work efficiency.

Sun* Nereus
Project summary and visualization tool

- ✓ Even those not involved can quickly understand the situation
- ✓ Significantly reduces the time required for information sharing, contributing to faster management and decision-making

Domestic generative AI market forecast for 2028*
Over 1.7 trillion yen

AI*Agent Base

Development of AI agent

By introducing AI agents to customers, sales increased. At the same time, it was also deployed in the Sun* Group's internal operations, improving work efficiency and productivity

AI*Agent Base enters implementation phase
Sales support agents begin operating within the company, a first step towards improving work efficiency

AI*Agent Base
共通基盤

Sales Support
Marketing
Personnel development, etc

Improve efficiency of routine tasks60% reduction in some areas (estimated)

- ✓ Sun*'s common AI platform "AI Agent Base" moves into implementation phase
- ✓ First step: internal release of sales support AI agent in May 2025
- ✓ Expected to reduce up to 60% of routine work
- ✓ In the process of small-scale implementation and verification
- ✓ Plans to expand to other departments

Investing for future growth | Q1 results report
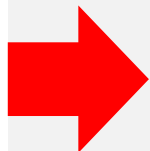
AI & etc

Investment amount
220 million yen

PLAN

Centralized management of customer and project information
For quick and optimal decision-making

Data*Ops

**Building an internal data infrastructure**

By introducing BI tools and building an environment for utilizing data, we strengthened collaboration between departments and created an environment for quick and optimal decision-making.

Sun*'s own Figma plugin
Next-generation AI tools

Morpheus

Integration of development environment and automation of business processes

A plugin for the design tool Figma that aims to eliminate gaps in detailed design and link design and development through information integration and automation.

DO

Data*Ops team's business improvement project
Visualizing on-site workload and building a continuous improvement cycle

Review of operation management system
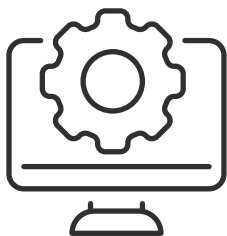
By redesigning the flow of grasping and reporting operational results, the manager's **confirmation and compilation work is made more efficient**, reducing the **workload** and realizing real-time operational management.

Strengthening utilization of sales order management SaaS (started in May 2025)
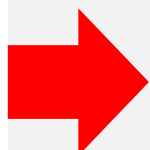
By integrating sales orders and resource assignments with SaaS, we plan to **reduce project assignment work by up to 50%.** It will also help you understand the difference between plans and results and visualize projects.

Reconstructing the process from design to development with AI and design
Next-generation development support tools to protect and support enterprise brand value

Put into practical use in actual client projects from late March 2025

It achieves both speed and quality in the entire process from design to review to development. It plans to continue expanding its functionality in the future, making it a reliable and reproducible tool that supports enterprise development.

Sun*

AI & etc | Incubation | **Sales & Marketing**

Investing for future growth I Q1 results report

AI & etc

PLAN

Development flow using generative AI
Accelerate app development and workflow
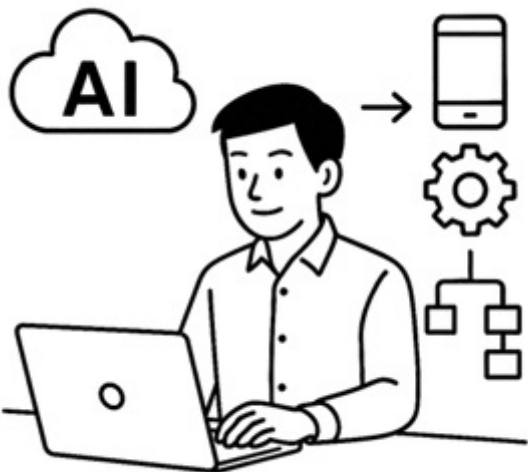### HEART Development

Next-generation development flow using AI

Leveraging AI to speed up app development and enable rapid improvements based on user feedback, enabling a smooth transition from service design to development. Released in December 2024.

Utilizing Sun*'s proprietary framework and generative AI
Support for exploring business opportunities
AI*deation

Support for creating new business ideas

Through AI applications, we have been able to generate ideas for new businesses while keeping costs down. These ideas are being used by enterprise companies and are being expanded into development projects.

DO

Putting AI-based next-generation development flow into practice
Client adoption has begun, and the transition to the actual development phase is underway

Two client projects are in operation between January and March 2025, one of which is in development

A new tentative project is scheduled for May and June, making the third implementation confirmed. By supporting the development work itself with AI, it is possible to achieve both accuracy and speed, standardize document preparation, and reduce dependency on individuals. As an effort to structurally improve the "quality of development," it is expected that the number of clients will increase in the future
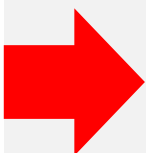
Support for creating new business ideas using AI
Connection to new orders and development phase begins, supporting implementation-oriented business creation
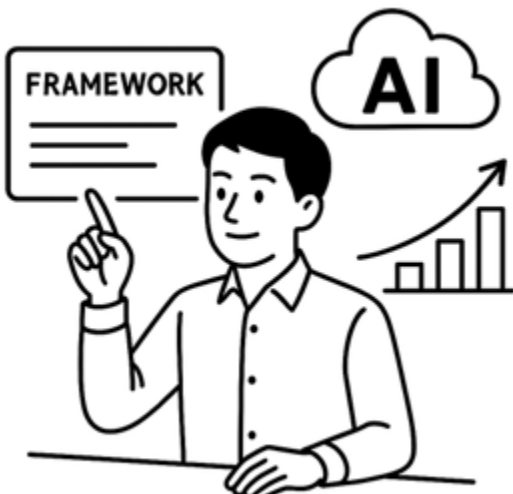
Two new orders were received in the first half of 2025
One of these contracts has developed into a six-month long-term contract

In the case of JT's "beSelf," AI*deation was partially used in the concept stage, leading to the actual development phase. Support is underway from concept to implementation. Going forward, we will work to further strengthen our collaboration as a system that provides consistent support from PoC to development and operation

Investing for future growth I Q1 results report

Incubation

Investment amount
200 million yen

PLAN

No dependency on third-party licenses
High profit potential

T r y s

Creation of in-house IP

Wholly owned content platform operator

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

ALLY

New Artist Releases

Fan community system for professional artists

DO

A new game projact aimed at creating our own IP has begun, scheduled for release after August

We has accumulated knowledge and technology gained from past games from its previously in-house developed game "Bouncy Bunny" as assets,, and is currently developing new games using that engine. It has reexamined its platforms and targets, and is developing games with more sophisticated creativity and experiences.

In addition to introducing legendary artists, a new star project is also being launched with the aim of expanding globally.

We work with management companies to operate and improve the system. Continuous improvements based on fan reactions and data have led to high retention rates and growth potential. We are currently developing this as a scalable business model.
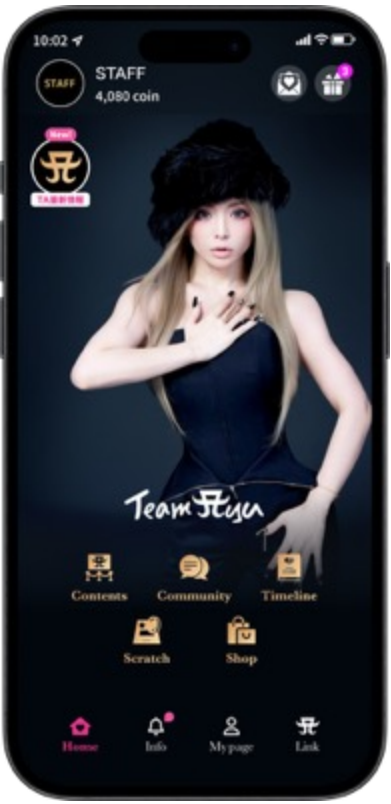
ONE OR EIGHT
OFFICIAL FAN COMMUNITY

Sun*

Investing for future growth I Q1 results report

Incubation

Investment amount
200 million yen

PLAN

Market forecasts through 2028

Market size: Approx. 570 billion yen
CAGR: Approx. 13.6%

New developments in cloud ERP

Reskilling existing engineers

Promote cloud ERP talent development and aim to win large projects

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

DO

Focusing on building a track record and strengthening the foundation in the cloud ERP field
Currently promoting the development of a human resources strategy and partnership system to acquire projects

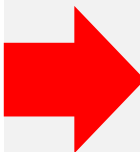Starting this fiscal year, the company will begin ERP development support business as a future growth area, balancing immediate deployment with strategic use of in-house resources. Approximately 40 employees have taken the reskilling program, of which 30 have acquired practical skills in SAP ABAP and S/4HANA. Currently, the company is working with partner companies to prepare for development support for major clients, with full-scale operations expected to begin this fall.

Market Trends I Accelerating migration to cloud ERP for AI

The limitations of traditional customized ERP
- Unique specifications make AI and external integration difficult,
- Not suitable for analysis or automation

The benefits of cloud ERP for the AI era
- The latest AI features are immediately available
- Easy to connect to ChatGPT and BI tools
- Data is unified and real-time
- Flexible based on configuration changes, and also good for reviewing business processes

Actual flow
- Many companies are gradually moving to cloud ERP to utilize AI
- ERP is the foundation for preparing the groundwork for AI utilization

Areas where Sun* can establish an advantage
- In the face of the rapid evolution of AI, existing consulting and SI vendors are not adequately prepared for cloud ERP
- In particular, there are very few people in Japan who can support the implementation of SAP S/4HANA Public Cloud and Oracle Fusion Cloud ERPI
- f they can build a support system that is based on the connection of cloud ERP and AI, they will be able to position themselves ahead of other companies
- There is a lot of room for Sun* to respond flexibly to the supply shortage in the market

Investing for future growth I Q1 results report
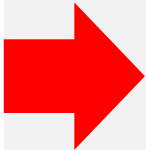
Sales & Marketing

PLAN

Creative & Engineering

Hire 10 sales personnel per year

Strengthening web marketing
Exhibiting at 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 quality of events held in Vietnam for client companies

DO

Sales rate and inflow are improving
Visualizing initial results and moving on to the next step

Strengthening sales structure and improving sales rate

✓ With a goal of having 10 people per year, we are strengthening our organization by hiring 3 sales personnel in Q1
✓ By specializing in the industry and re-contacting leads, the sales rate is showing a certain improvement
✓ 60-70% are development needs, and some are spreading to other areas.

Web marketing measures have proved effective

✓ There has been a certain improvement in the number of website visits and conversions compared to the same period last year, with multi-channel initiatives contributing
✓ The content structure is also being strengthened, and continuous improvements are being made

Continue to work on improving the rate of orders received from proposals as a key area for future strengthening

A positive response from prior investment
Improved event quality further raises customer expectations

Strengthening appeal of Vietnamese IT talent

✓ Expanding xseeds event reports to all customers
✓ Strengthening appeal using video, photos, and evaluation data
✓ Considering restructuring of web-based information dissemination system

Expanding Global PBL

✓ Continuing Japan-Vietnam collaborative projects
✓ Preparing to turn results of activities into content and disseminate it
✓ Considering inviting outstanding students to Japan and for company visits

Improving the quality of events for corporate clients

✓ Utilizing large facilities to revamp decorations and novelties
✓ Active investment compared to last year earned high praise from customers
✓ Testing events such as university tours and class observations

From the third quarter onwards, we plan to simultaneously scale up events and optimize prices

Sun*

4

Growth strategies and sustainability topics

Established GROWGRIT, a joint venture with AlphaDrive that specializes in "starting new businesses"

GROW

Sun* × AlphaDrive

Established　GROWGRIT

Achieving growth and success through the ability to persevere in the challenge of new business

Sun Asterisk Inc. and AlphaDrive Inc. established GROWGRIT Inc., a joint venture that provides general tech support for new businesses, in April 2025. By combining the assets and knowledge of both companies, we will support product development that is committed to the launch and growth of new businesses.

GROWGRIT's philosophy, target businesses, and solutions provided

We provide comprehensive solutions for product development, primarily agile, with the goal in mind not just to "make and deliver products," but to "advance business hypothesis verification efficiently and quickly, and succeed as a new business."

各フェーズごとのご支援イメージ

	ENTRY	MVP	SEED	ALPHA	BETA→EXIT
	0→1		1→10~		10→100~
	Area/problem exploration	**Solution proof**	**Solution proof**	**Commercialization**	**Business expansion**
	Clarify the theme to be addressed and the customer issues to be focused on. Understand the structure.	Prove your solution hypothesis with a minimum viable prototype/MVP. Develop a business plan to secure initial investment.	Develop an initial product and demonstrate customer purchase. Obtain initial customer satisfaction.	Start full-scale product development and conduct proof-of-concept. Obtain growth drivers for customer acquisition.	While achieving business scale, we will build an operational structure with a medium to long-term perspective and promote business expansion and development.

Prototype creation — Initial products

MVP — Full-scale product

Requirement — In-house development team

Technical Validation

Company Name	GROWGRIT Inc.
Business Contents	Development of new business products, systems, applications, etc.
Investment ratio	Sun*：66% AlphaDrive：34%
Directors	Representative Director: Kenji Matsumoto (Sun*) Director: Hayato Kato (AlphaDrive) Director: Ryo Masui (Sun*)

Sun*

Certified as an AWS partner to promote in-house production support

Certified as an AWS partner
to promote in-house
production support
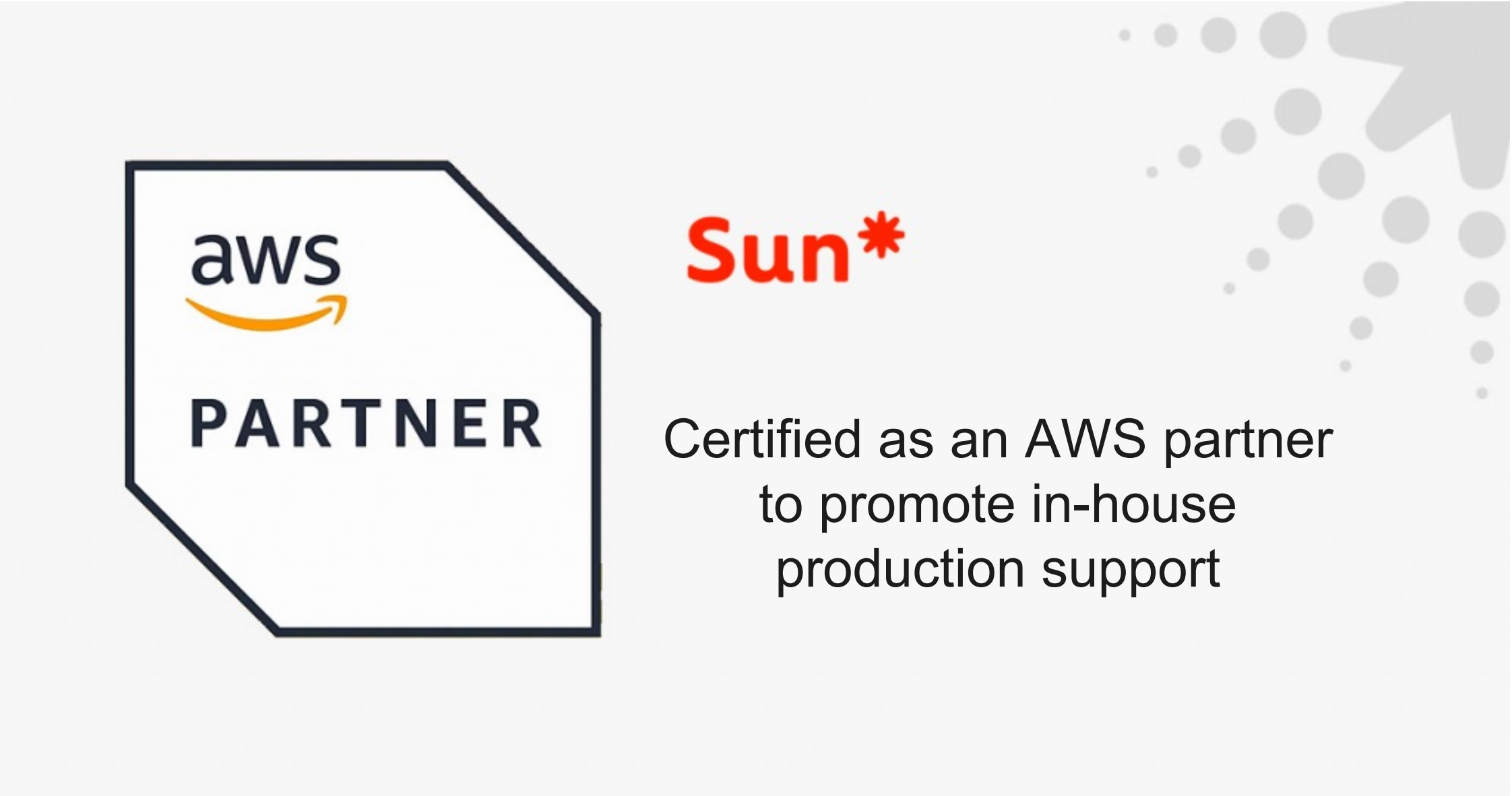
Supporting self-driving business development through the power of Agile×DevOps

Sun* is pleased to announce that it has been newly certified as an "AWS Partner for Promoting In-House Development Support" by Amazon Web Services (AWS). This certification recognizes Sun*'s track record of supporting companies in improving the agility of their product development and new businesses with its "in-house business solutions realized through agile and DevOps."

What is an AWS Partner that Supports In-House Development?

The reasons why in-house development is not progressing in Japan include a shortage of IT personnel and issues with technical capabilities. To solve these issues, AWS certifies partner companies that are familiar with cloud technology and have a track record of supporting in-house development as "AWS Partners Promoting In-House Development Support."

Features of Sun*'s in-house production support solutions

Supporting organizational transformation through Agile×DevOps

Scrum masters and DevOps engineers will accompany the project on-site and help build a "BizDevOps" system in which development, operations, and business work together.

Consistent support from business creation to scaling

We provide one-stop support from idea generation to PoC, MVP development, and production operation, and even cover training of product owners and engineers.

Support for setting up domestic and international mixed teams

We work with overseas bases in countries such as Vietnam and the Philippines to help you create a flexible team that utilizes global human resources.

System design for recruiting, training and in-house development of engineers

We provide comprehensive support for organization building, from assisting in recruiting engineers to setting up an in-house development department and designing personnel systems.

Sales of NEWh Executive Officer Hori's book "Writing a Business Plan" are going well

Total number of copies published has exceeded 10,000

Now on sale at bookstores and EC sites

Amazon 及びこれらに関連するすべての商標は、Amazon.com, Inc. 又はその関連会社の商標です。

This book introduces a business concept framework called "Value Design Syntax®". This was born from NEWh's track record and experience in supporting new business development for many companies, and is being used in business development at more than 70 companies (as of September 2024), mainly major companies.

Its unique feature is that by writing down the business model as text, it not only visualizes it, but also "diagnoses" the current state and weaknesses of your business concept, and accelerates the activity of new business development itself. This is the crucial difference from existing methodologies for visualizing business models, and this book carefully explains it with more than 160 abundant illustrations.

NEWh Executive Officer Hori's book "Writing a Business Concept: A Framework for Visualizing Business Models and Accelerating New Business Development" has been reprinted, and the total number of copies published has exceeded 10,000. This book is available for purchase at bookstores and EC sites nationwide.

Comments from readers

"From the introduction, I found myself reading on and off, with a message that resonated with me and captured the reality of the new business development process. Before I came across this book, even when I filled in existing frameworks, I wasn't confident that my business would work, but this book seems to help me draw up a business concept that can break through the barriers to decision-making when it comes to new businesses in large companies."
- Major IT company/New business development department/Director

"We use the Value Design Syntax® described in this book in our in-house new business proposal system. By using this framework to organize the business concept, it is possible to have a certain degree of shape at the time of proposal, which is great as it allows us to have a conversation with supporters on a common understanding."
- Senior Manager, New Business and DX Division, Major Electronics Manufacturer

Title	"Writing" your business concept: A framework to visualize your business model and accelerate new business development
Author	Masahiko Hori (Executive Officer, NEWh Inc.)
Publisher	Shoeisya
List price	1,000 yen

5
Appendix

Founding Story

2013: Vietnamese members at the time of the company's founding

The coding contest (2016)

Shouting "Wasshoi" at the start of work

2006

"HEDSPI" is an ODA project jointly launched by Hanoi University of Science and Technology and JICA

With the goal of cultivating highly skilled IT professionals who can speak Japanese, students study Japanese language and practical IT subjects as part of a formal university department

Hanoi University of Science and Technology

JICA

2014

With the end of JICA's support, Sun* will take over the program at its own expense

- Student motivation shifts from "studying abroad on government funding" **to "finding employment in Japan"**
- Sun* dispatches **its own employees** to the university **as staff** and is in charge of all the courses they teach
- **Operates as an official university department**, not a donation course
- **High awareness of "finding employment in Japan," which is also the course's purpose**
- Students work hard **to improve their Japanese language skills (N3 level required for graduation) and IT skills for 4-5 years**
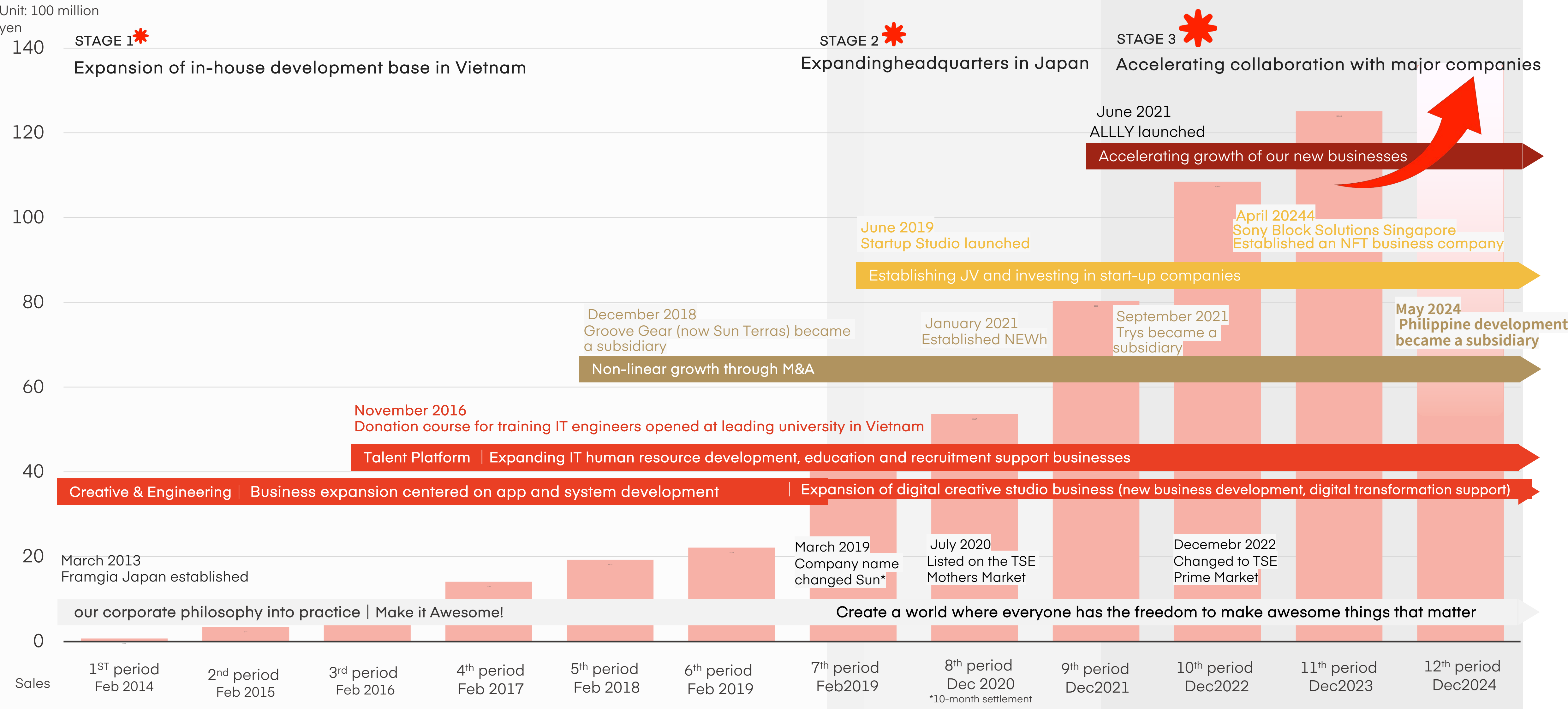

Sun* (VN)
October 27, 2015

At a ceremony held by Hanoi University of Technology, Framgia Vietnam was recognized as the most important strategic partner! Our CEO, Kobayashi, gave a passionate speech about the future of IT in Vietnam, which was met with thunderous applause from the audience.

44

44

Sun's journey of value creation and self-transformation

Unit: 100 million yen

STAGE 1 ✳
Expansion of in-house development base in Vietnam

STAGE 2 ✳
Expandingheadquarters in Japan

STAGE 3 ✳
Accelerating collaboration with major companies

June 2021
ALLLY launched

Accelerating growth of our new businesses

April 20244
Sony Block Solutions Singapore
Established an NFT business company

June 2019
Startup Studio launched

Establishing JV and investing in start-up companies

December 2018
Groove Gear (now Sun Terras) became a subsidiary

January 2021
Established NEWh

September 2021
Trys became a subsidiary

May 2024
Philippine development became a subsidiary

Non-linear growth through M&A

November 2016
Donation course for training IT engineers opened at leading university in Vietnam

Talent Platform ｜ Expanding IT human resource development, education and recruitment support businesses

Creative & Engineering ｜ Business expansion centered on app and system development ｜ Expansion of digital creative studio business (new business development, digital transformation support)

March 2019
Company name changed Sun*

July 2020
Listed on the TSE Mothers Market

Decemebr 2022
Changed to TSE Prime Market

March 2013
Framgia Japan established

our corporate philosophy into practice ｜ Make it Awesome!

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

| Sales | 1ST period Feb 2014 | 2nd period Feb 2015 | 3rd period Feb 2016 | 4th period Feb 2017 | 5th period Feb 2018 | 6th period Feb 2019 | 7th period Feb2019 | 8th period Dec 2020 *10-month settlement | 9th period Dec2021 | 10th period Dec2022 | 11th period Dec2023 | 12th period Dec2024 |

Sun*

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

Sun*

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

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
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

Sun*

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 ".

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.

Sun*

Let's make awesome things that matter.