



March 31, 2026

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(Code:4053, TSE Prime Market)
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Plan for Compliance with Listing Maintenance Criteria (Entering Improvement Period)

As of the end of December 2025, our company has fallen out of compliance with the listing maintenance criteria for the Prime Market of Tokyo Stock Exchange (TSE). We hereby inform you that we have formulated a plan to achieve compliance with the listing maintenance criteria as outlined below.

1. Our compliance status with listing maintenance criteria and plan period

As of December 31, 2025, our compliance with the Prime Market listing maintenance criteria is as shown in the table below. Our "Market Capitalization of Outstanding Shares" is 7.6 billion yen, which does not meet the criteria, and we are currently in an improvement period.

If compliance with the listing maintenance criteria (market capitalization of outstanding shares) is not confirmed during the improvement period until December 31, 2026, the Tokyo Stock Exchange will designate us as a supervised stock (under review). Subsequently, if the Tokyo Stock Exchange's review, based on the distribution status as of December 31, 2026, which we submit, confirms that we do not meet the criteria, we will be designated as a delisted stock and delisted on July 1, 2027. If the likelihood of this happening increases, we intend to consider changing our market to the Standard Market to ensure a certain level of stock liquidity.

We consider maintaining our listing on the Prime Market to be a crucial issue and are aiming to move beyond the improvement period. Regarding the "market capitalization of outstanding shares," we will proceed with the various initiatives described in this plan in order to meet the listing maintenance criteria by the end of December 2026.

【Status of compliance with listing maintenance criteria as of the reference date (December 31, 2025)】

	Number of Shareholders (persons)	Number of Tradable Shares (units)	Market Capitalization of Tradable Shares (million yen)	Tradable Share Ratio (%)
Our Status	8,544	168,013	7,653	42.9%
Listing Maintenance Criteria	800	20,000	10000	35% or more
Status of Compliance	Compliant	Compliant	Not Compliant	Compliant
Plan Period (Improvement Period)	—	—	End of December 2026	—

Note: Our compliance status is calculated based on the distribution status of our shares and other securities as understood by the TSE as of the reference date.

2. Basic policy, challenges, and initiatives for compliance with listing maintenance criteria

(1) Basic policy

Our basic policy is to maintain our listing status in the Prime Market, implement business activities and capital policies that contribute to sustainable growth and the enhancement of corporate value, and proactively work on these measures to increase the attractiveness of our shares and improve the investment environment for more investors. We aim to improve both corporate value and shareholder value and strive to meet the listing status by the end of December 2026.

(2) Challenges and initiatives

While our company meets the criteria for the number of shareholders, the number of outstanding shares, and the ratio of outstanding shares, we do not meet the criteria for "market capitalization of outstanding shares." Therefore, we recognize that the challenge in improving the market capitalization of outstanding shares is to be valued by the stock market by working to enhance corporate value, thereby increasing the share price.

To address this challenge, our company will promote the following

【Initiatives】

i) Recovery of Performance (Business Strategy)

As a result of the longer-than-expected use of external partners in specific projects, the cost of goods sold increased more than anticipated. This, in turn, led to a shortage of resources in acquiring new customers and projects. Consequently, we revised our earnings forecast downward for the fiscal year ending December 2025, resulting in a 9.3% increase in revenue but a decrease in profits at every stage, marking our second consecutive year of declining profits. Therefore, we recognize that the stock price reflects a harsh assessment of our failure to achieve the high growth potential the market expects of us.

We have been working to strengthen our profitability by hiring senior personnel to expand our technical capabilities, mitigating the risk of acquiring unprofitable projects through a review of contract processes, integrating our marketing and sales organizations for unified planning and operational improvements, and establishing a department responsible for utilization rates in Vietnam. We believe the results of these efforts will become apparent in the future.

Regarding our customer acquisition strategy, we aim to strengthen new enterprise acquisition through a new marketing strategy, deepen relationships with existing customers, and prevent churn and generate additional orders through enhanced customer success.

To strengthen our sales organization, we will establish four solution business lines in Creative & Engineering to increase our precision, focus on targeted marketing, implement detailed approaches to industries and individual companies, and strengthen the recruitment and training of senior talent.

Furthermore, we plan to acquire projects that match our internal resources to improve utilization rates and recruit personnel in technical areas where we lack talent internally.

Our company has received AWS Foundational Technical Review certification and Microsoft Data & AI Solution Partner certification. We will reflect our strengths, which are externally recognized as a partner that can utilize solutions based on high technical capabilities, in our performance.

Talent Platform has entered into a business matching agreement with Hokuriku Bank. This marks our first partnership with a financial institution, and we expect it to further expand our customer base to include Hokuriku Bank's client companies.

In Incubation business, our ALLLY fan community system for professional artists is expanding steadily, with official fan club apps for supported artists now available in three South American countries and Thailand.

Global Gear, which we acquired as a subsidiary last year, consistently releases numerous casual games. The company continues to rank highly in the casual game sector, and we expect it to continue contributing to our group's revenue.

Regarding M&A, in addition to Global Gear, we acquired MIXENSE, a company that operates a software development business, as a subsidiary last year. This company has strengths in the digitization field, which is an area we are focusing on strengthening,

and we expect it to accelerate our group's growth in this area. Furthermore, we acquired shares in Babel Method, which operates an online Japanese language education business. This acquisition was made with the aim of expanding both our businesses, considering the synergies in our talent platform.

Regarding the value we provide in the AI business, our strength lies in working with customers from the initial stages of development, considering what to create, and supporting their business growth. We intend to keep this strength in mind as we move forward with our business in the AI era.

With the advancement of AI, we believe that technology, which was previously seen as a competitive advantage, a privilege only accessible to a select few engineers, will become a prerequisite, largely due to AI. Our group views this as the democratization of technology. In a world where technology becomes commonplace and manufacturing itself becomes commoditized, we believe the differentiating factors will be passion, dedication, feelings, individuality, and unique stories that each person brings—the "unarticulated value."

Our strengths lie in our ability to fundamentally address what should be created through human-centered design, focusing on this "unarticulated value." We continuously support questioning and decision-making from a business perspective, accompanying clients through operational improvements. Furthermore, we maintain a commitment to technical quality, incorporating new technologies and refining our own in-house quality. This is what we believe constitutes Sun*'s strength.

Sun* has been at the forefront of democratizing AI technology and has spent considerable time building various AI infrastructures and organizational standardizations to drive further value creation. We aim to translate this standardization of development, workflows, and knowledge into external values. From this fiscal year onward, we aim to empower companies with AI and create AI-ready systems. To this end, we have built and invested in a significant number of development flows, development structures, and in-house AI platforms. We intend to make these a growth-driver from the next fiscal year onward. Based on these considerations, our performance forecast for the fiscal year ending December 2026 is shown in the table below.

Consolidated Financial Forecast

	Sales revenue		Operating income		Income before taxes		Income attributable to owners of the parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2026	18,201	—	1,714	—	1,900	—	1,389	—

Consolidated Financial Results

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2025	14,835	9.3	1,052	(27.1)	998	(31.4)	476	(53.5)

(Percentages indicate the percentage change compared to the previous period.)

(Note 1) For detailed forecasts, please refer to the full-year financial results presentation materials for the fiscal year ending December 2025, which were disclosed on February 13th.

(Note 2) As our company will voluntarily adopt International Financial Reporting Standards (IFRS) from the fiscal year ending December 2026, consolidated earnings forecasts are calculated based on IFRS. Therefore, percentage changes compared to the consolidated results for the fiscal year ending December 2025, which were based on Japanese standards, are not shown.

ii) Shareholder Returns (Shareholder Benefits)

We recognize that returning profits to shareholders is an important management issue. Our basic policy is to implement stable and continuous dividends while securing the internal reserves necessary for future business expansion and strengthening our financial structure. We have strived to increase our internal reserves and have not paid dividends since our founding.

While this basic policy remains unchanged, the various measures taken to strengthen our profitability and our M&A efforts have yielded results, and we anticipate increased revenue and profits in the fiscal year ending December 2026. Therefore, we have decided to implement a year-end dividend for the first time since our founding, and disclosed this decision on March 25, 2026.

Regarding future dividends, our basic policy is to continue implementing them based on a comprehensive consideration of investments for future business expansion, maintaining a sound financial structure, operating results, and financial condition.

Furthermore, to express our gratitude for the continued support of our shareholders, we plan to continue our shareholder benefit program, "Sun Asterisk Premium Benefits Club."

Going forward, we intend to continue considering shareholder returns while monitoring our capital situation and the macroeconomic environment.

iii) Strengthening IR Activities

While we currently disclose information to shareholders and investors through our website and other channels, we will continue to proactively disseminate information to ensure that more stakeholders can correctly understand the status of our corporate activities. Furthermore, while we currently hold quarterly earnings briefings to explain our performance and business activities, we will strengthen our IR activities by further enhancing disclosure materials on our IR website, participating in various seminars for individual investors, and improving press releases beyond earnings disclosures. This will stimulate investment interest among individual investors and improve liquidity.