Consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]

September 14, 2026

Company name	Sun* Inc.			
Stock Exchange listing	Tokyo			
Code	4053	URL http://sun-asterisk.com/		
Representative	(Title)	CEO	(Name) Taihei Kobayashi	
Contact	(Title)	CFO	(Name) Yuya Fukutomi	TEL 03 (6419) 7655

Scheduled date for filing the quarterly report: September 14, 2026
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 Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)

(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	
Six months ended	million yen	%	million yen	%	million yen	%	million yen	%
June 30, 2026	8,881	25.8	1,004	141.8	1,189	163.1	792	128.0
June 30, 2025	7,058	8.3	415	(42.8)	452	(35.2)	347	(25.8)

(Note) Comprehensive income:	Six months ended June 30, 2026:	1,094	million yen	(－%)
	Six months ended June 30, 2025:	(318)	million yen	(－%)

	Net income per share	Net income per share (diluted)
Six months ended	yen	yen
June 30, 2026	20.39	20.09
June 30, 2025	9.25	8.84

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2026	19,299	11,859	61.3
As of December 31, 2025	16,109	10,662	66.2

(Reference) Shareholders' Equity	As of June 30, 2026	11,833	million yen
	As of December 31, 2025	10,662	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, 2025	－	0.00	－	0.00	0.00
Year ending December 31, 2026	－	0.00			
Year ending December 31, 2026 (forecast)			－	10.00	10.00

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

3. Consolidated Financial Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 - December 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Income before tax		Net income attributable to shareholders of parent company		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2026	18,201	—	1,714	—	1,900	—	1,389	—	36.73

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

※ Notes

(1) Significant changes in subsidiaries during the current fiscal year
(Changes in specified subsidiaries due to changes in the scope of consolidation): Yes
Newly added: 1 company (company name): Mixense Inc. Removed: None
(Note) For details, please refer to "2. Consolidated Financial Statements and Primary Notes (4) Notes to Consolidated Financial Statements (Business Combination by Acquisition)" on page 9 of the attached materials.

(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 (4) Notes to Consolidated Financial Statements (Application of Special Accounting Treatment in Preparing Interim Consolidated Financial Statements)" on page 9 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: None
③ Change of accounting estimates: None
④ Restatement: None

(4) Number of shares outstanding (common shares)

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

Second Quarter of the Fiscal Year ended December 2026	40,055,360	shares	As of December 31, 2025	39,115,080	shares

② Number of treasury shares at the end of the period

Second Quarter of the Fiscal Year ended December 2026	1,000,132	shares	As of December 31, 2025	1,000,132	shares

③ Average number of shares during the period (Cumulative total for the quarter)

Second Quarter of the Fiscal Year ended December 2026	38,862,679	shares	Second Quarter of the Fiscal Year ended December 2025	37,561,230	shares

※ The report is not subject to quarterly review by certified public accountants or audit firms.

※ Explanation Regarding the Appropriate Use of Performance Forecasts and Other Special Notes

The forward-looking statements, such as performance forecasts, contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable. These statements are not intended as a guarantee of achievement. Actual results may differ significantly due to various factors. For information regarding the conditions underlying the performance forecasts and precautions for using them, please refer to page 3 of the attached document, "1. Qualitative Information Regarding the Interim Financial Results (4) Explanation Regarding Forward-Looking Information such as Consolidated Performance Forecasts."

The Company Group had planned to apply International Financial Reporting Standards (IFRS) from the first quarter of the fiscal year ending December 2026 (January 1, 2026 to March 31, 2026). However, based on the judgment that accounting treatment and disclosure information should be considered more carefully than ever before when accounting standards change, we have decided to postpone the voluntary application date. We plan to apply International Financial Reporting Standards (IFRS) from the full-year financial results for the fiscal year ending December 2026 (January 1, 2026 to December 31, 2026).

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1. Qualitative Information on the Consolidated Financial Results for This Interim

(1) Explanation of Consolidated Financial Results

During this interim consolidated accounting period, the Japanese economy is recovering gradually, thanks to improvements in employment and income conditions, and the effects of various policies. However, due to fluctuations in global financial and capital markets, the economic outlook both domestically and internationally remains uncertain.

In this business environment, our group is developing three service lines within a single segment, "Digital Creative Studio Business," to provide necessary services tailored to customer needs: "Creative & Engineering," which involves creating digital products together with customers; "Talent Platform," which discovers, cultivates, and provides talent necessary for creating digital products to customers; and "Incubation and Others," which involves the production of digital content and the development and operation of fan community systems. Our main focus is on expanding the number of customers and the average transaction value per customer.

As objective indicators (KPIs) for judging the achievement of management objectives, our group has set the number of unique customers (the actual number of customers who conducted transactions during the target period) and the average monthly customer sales (total sales for the target period divided by the total number of customers who conducted transactions during the same period) in Creative & Engineering.

In the "Creative & Engineering" servise, due to strong order growth from existing clients, the number of unique clients reached 227, with an average monthly client revenue of 6,133 thousand yen and total sales of 7,033 million yen (a 28.5% increase year-on-year) during this interim consolidated accounting period.

In the "Talent Platform" servise, sales were 967 million yen (a 2.8% decrease year-on-year).

In the "Incubation & Others" servise, partly due to the acquisition of Global Gear Co., Ltd. as a subsidiary in July 2025, sales were 881 million yen (a 49.0% increase year-on-year).

As a result, for the current interim consolidated accounting period, net sales were 8,881 million yen (up 25.8% year-on-year), gross profit was 4,424 million yen (up 38.1%), operating profit was 1,004 million yen (up 141.8%), ordinary profit was 1,189 million yen (up 163.1%), and net profit attributable to parent company shareholders was 792 million yen (up 128.0%). Please note that our group operates in a single segment, the Digital Creative Studio business, and therefore segment information is not included.

(2) Explanation of Consolidated Financial Position

(Assets)

Current assets at the end of this interim consolidated fiscal period amounted to 15,365 million yen, an increase of 2,214 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,708 million yen in cash and deposits resulting from borrowings, etc.

Fixed assets amounted to 3,934 million yen, an increase of 975 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 424 million yen in other intangible fixed assets.

As a result, total assets at the end of this interim consolidated accounting period amounted to 19,299 million yen, an increase of 3,189 million yen compared to the end of the previous consolidated fiscal year.

(Liabilities)

At the end of this interim consolidated accounting period, current liabilities amounted to 5,000 million yen, an increase of 1,846 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 1,775 million yen in short-term borrowings resulting from the execution of borrowings.

Fixed liabilities amounted to 2,438 million yen, an increase of 147 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 217 million yen in deferred tax liabilities. As a result, liabilities at the end of this interim consolidated accounting period amounted to 7,439 million yen, an increase of 1,993 million yen compared to the end of the previous consolidated fiscal year.

(Net Assets)

Net assets at the end of this interim consolidated accounting period amounted to 11,859 million yen, an increase of 1,196 million yen compared to the end of the previous consolidated fiscal year. This is mainly due to an increase of 792 million yen in retained earnings resulting from the recognition of interim net income attributable to parent company shareholders, and an increase of 217 million yen in the foreign currency translation adjustment account.

(3) Overview of Consolidated Cash Flow

Cash and cash equivalents (hereinafter referred to as "funds") at the end of this interim consolidated fiscal period decreased by 1,542 million yen compared to the end of the previous consolidated fiscal year, totaling 6,352 million yen. The details of each cash flow during the accounting period and their contributing factors are as follows

(Cash flows from operating activities)
Cash flow from operating activities was an inflow of 574 million yen (compared to an inflow of 291 million yen in the same period of the previous year). This was mainly due to factors such as the recording of interim net income before taxes and adjustments of 1,119 million yen, while there were factors such as a decrease of 458 million yen in accounts receivable and contract assets.

(Cash flows from investing activities)
Cash flow from investing activities was an outflow of 3,963 million yen (compared to an outflow of 2,891 million yen in the same period of the previous year). This was mainly due to factors such as a net increase of 3,251 million yen in time deposits and an outflow of 609 million yen due to the acquisition of subsidiary shares involving a change in the scope of consolidation.

(Cash flows from financing activities)
Cash flow from financing activities was an inflow of 1,563 million yen (compared to an outflow of 210 million yen in the same period of the previous year). This was mainly due to an increase of 1,775 million yen in the net change in short-term borrowings.

(4) 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 2025" dated February 13, 2026.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of December 31, 2025	As of June 30, 2026
Assets		
Current assets		
Cash and cash equivalent	10,560	12,269
Notes and accounts receivable - trade and contract assets	1,787	2,323
Work in process	103	42
Other	768	753
Allowance for doubtful accounts	(68)	(23)
Total current assets	13,150	15,365
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures	393	460
Accumulated depreciation	(320)	(350)
Buildings and structures (Net)	72	110
Machinery and equipment	462	519
Accumulated depreciation	(352)	(382)
Machinery and equipment (Net)	110	136
Total property, plant and equipment	182	247
Intangible assets		
Goodwill	906	1,159
Other	47	493
Total intangible assets	954	1,652
Investments and other assets		
Investment securities	1,360	1,521
Deferred tax assets	127	109
Other	570	681
Allowance for doubtful accounts	(236)	(278)
Total investments and other assets	1,822	2,034
Total noncurrent assets	2,958	3,934
Total assets	16,109	19,299

(Unit: million yen)

	As of December 31, 2025	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	380	382
Short-term loans payable	—	1,775
Accounts payable - other	316	331
Accrued expenses	693	673
Income taxes payable	356	264
Contract liabilities	410	400
Provisions for bonuses	189	399
Provisions for shareholders benefit	111	—
Other	696	772
Total current liabilities	3,154	5,000
Noncurrent liabilities		
Long-term loans payable	1,777	1,628
Asset retirement obligations	100	157
Deferred tax liabilities	141	359
Other	271	293
Total noncurrent liabilities	2,291	2,438
Total liabilities	5,446	7,439
Net assets		
Shareholders' equity		
Capital stock	1,759	1,797
Capital surplus	1,744	1,782
Retained earnings	6,944	7,737
Treasury stock	(676)	(676)
Total shareholders' equity	9,772	10,640
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	157	243
Foreign currency translation adjustment	732	949
Total accumulated other comprehensive income	889	1,193
Stock subscription rights	0	25
Total net assets	10,662	11,859
Total liabilities and net assets	16,109	19,299

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated statements of income for the Six months ended June 30, 2025)

(Unit: million yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net sales	7,058	8,881
Cost of sales	3,853	4,456
Gross profit	3,204	4,424
Selling, general and administrative expenses	2,789	3,419
Operating income	415	1,004
Non-operating income		
Interest income	134	163
Cash gift benefits	—	30
Other	17	50
Total non-operating income	151	244
Non-operating expense		
Interest expenses	8	25
Shareholder related expenses	100	19
Allowance for doubtful accounts	—	9
Other	6	5
Total non-operating expense	115	60
Ordinary income	452	1,189
Extraordinary losses		
Loss on valuation of investment securities	31	59
Other	—	10
Extraordinary losses	31	69
Income before income taxes	420	1,119
Income taxes	73	327
Interim net income	347	791
Interim net loss attributable to non-controlling interests	—	(1)
Interim net income attributable to shareholders of parent company	347	792

(Consolidated statements of income for the Six months ended June 30, 2025)

(Unit: million yen)

	Six months ended June 30, 2025	Six months ended June 30, 2026
Net income	347	791
Other comprehensive income		
Valuation difference on available-for-sale securities	(131)	85
Foreign currency translation adjustments	(534)	217
Total other comprehensive income	(666)	303
Comprehensive income	(318)	1,094
(Details)		
Attributable to owners of the Company	(318)	1,095
Attributable to non-controlling interests	−	(1)

(3) Consolidated Interim Statements of Cash Flows

(Unit: million yen)

	Six months ended June 30, 2025 (Jan. 1 - Jun.30)	Six months ended June 30, 2026 (Jan. 1 - Jun.30)
Cash flows from operating activities		
Income before income taxes and minority interests	420	1,119
Depreciation and amortization	62	47
Amortization of goodwill	35	61
Amortization of intangible assets	―	28
Increase (decrease) in allowance for doubtful accounts	3	△4
Increase (decrease) in accrued bonuses	85	201
Interest income	(134)	(163)
Cash gift benefits	―	(30)
Interest expenses	8	25
Foreign exchange losses (gains)	(171)	(49)
Shareholder related expenses	100	19
Loss (gain) on valuation of investment securities	31	60
Decrease (increase) in trade receivables and contract assets	(213)	(458)
Decrease (increase) in inventories	(0)	79
Increase (decrease) in notes and accounts payable-trade	56	(36)
Increase (increase) in other receivables	(2)	(51)
Increase (decrease) in deposits	154	(3)
Increase (decrease) in accrued consumption taxes	(42)	31
Increase (decrease) in contract liabilities	(23)	(17)
Increase (decrease) in accrued expenses	(4)	(27)
Increase (decrease) in long-term advances received	120	26
Other	(66)	(24)
Subtotal	418	834
Interest income received	70	158
Amount received through cash donation	―	30
Interest payments	(8)	(25)
Income taxes paid	(188)	(423)
Cash flows from operating activities	291	574
Cash flows from investing activities		
Decrease (increase) in fixed term deposits	(2,364)	(3,251)
Purchases of property, plant and equipment	(32)	(50)
Payments for purchase of investment securities	(511)	(86)
Income from the recovery of short-term loans	―	116
Expenses from the acquisition of subsidiary shares involving a change in the scope of consolidation	―	(609)
Other	17	(81)
Cash flows from investing activities	(2,891)	(3,963)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowing	-	1,775
Net increase (decrease) in long-term borrowing	-	(156)
Payment for the acquisition of treasury stock	(155)	-
Payment for the shareholder related expenses	(100)	(130)
Other	45	75
Cash flows from financing activities	(210)	1,563
Effect of exchange rate changes on cash	54	283
Net increase (decrease) in cash	(2,756)	(1,542)
Cash at beginning of year	6,217	7,895
Cash and cash equivalents at end of interim period	3,461	6,352

(4) Notes on the 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.

(Adoption of accounting methods specific to the preparation of interim consolidated financial statements)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to pre-tax net income for the consolidated fiscal year including the current interim consolidated accounting period, and multiplying the pre-tax interim net income by this estimated effective tax rate.

However, if calculating tax expenses using this estimated effective tax rate results in a significantly unreasonable outcome, the statutory effective tax rate is used instead.

(Additional Information)

(Regarding Inappropriate Accounting Practices)

As announced in our "Notice Regarding the Announcement Date of the Second Quarter Financial Results for the Fiscal Year Ending December 2026" dated September 4, 2026, we have confirmed the existence of cash not recorded in the accounting books at our consolidated subsidiary, Sun Asterisk Vietnam Co., Ltd., and have conducted an investigation and verification by an external expert (lawyer).

As a result of verifying transactions outside the accounting books, inappropriate accounting practices were confirmed, including transactions that should have been recorded in the accounting books. These mainly relate to expenditures and incomes arising from transactions related to industry-academia collaboration at the company.

As a result, cash and cash equivalents of 24 million yen were recorded at the end of this interim consolidated accounting period.

In addition, selling expenses and general and administrative expenses of 6 million yen and non-operating income of 30 million yen (of which prior-year impact of 22 million yen) were recorded during this interim consolidated accounting period.Furthermore, since the impact of these accounting practices on the prior-year consolidated financial statements is minimal, no corrections have been made to the prior-year consolidated financial statements.

(Business Combination by Acquisition)

At the Board of Directors meeting held on December 24, 2025, the Company resolved to acquire 100% of the outstanding shares of MIXENSE, Inc. and make it a subsidiary.

Based on this resolution, the Company acquired 100% of the company's shares on January 5, 2026.

(1) Overview of the Business Combination

① Name and Business of the Acquired Company

Name of the Acquired Company: MIXENSE, Inc.

Business Description: Software Contract Development

② Main Reasons for the Business Combination

MIXENSE, Inc., aims to "provide an environment where customers can focus on their own business" and develops a variety of systems tailored to customer needs in a variety of fields, including operational and control systems. Highly regarded for its proposal capabilities, technical expertise, and flexibility, the company has maintained long-term relationships with clients, including major telecommunications carriers.

By welcoming MIXENSE, Inc. into the Group through this share acquisition, we will expand the value we provide in the "digitization" field, which is our Group's responsibility. Furthermore, by creating synergies such as collaboration across our customer base and mutual utilization of management resources, we will further strengthen our DX support and aim to realize our vision of "a world where everyone can immerse themselves in value creation."

③ Date of Business Combination

January 5, 2026

④ Legal Form of Business Combination

Acquisition of shares in exchange for cash

⑤ Name of Post-Combination Company
The name of the post-combination company will remain unchanged.

⑥ Percentage of Voting Rights Acquired
100%

⑦ Primary Basis for Determining the Acquiring Company
This is because we acquired 100% of the shares of MIXENSE Inc. in exchange for cash.

(2) Period of performance of the acquired company included in the interim consolidated income statement for the interim consolidated accounting period:
January 5, 2026 to June 30, 2026

(3) Breakdown of the acquisition cost and consideration of the acquired company by type:
Consideration for acquisition: Cash and deposits (including accounts payable): 900 million yen
Acquisition cost: 900 million yen

(4) Details and Amount of Major Acquisition-Related Expenses
Advisory Fees, etc.: 49 million yen

(5) Amount of Goodwill Arising, Cause of Arising, Amortization Method, and Amortization Period
① Amount of Goodwill Arising
313 million yen
② Cause of Arising
Arising from future excess earning power expected from future business development.
③ Amortization Method and Amortization Period
Straight-line amortization over 15 years

(6) Method of procurement and payment of funds
Bank loans and internal funds will be used for the payment.

(6) Amount of Assets Acquired and Liabilities Assumed on the Business Combination Date and Their Main Breakdown
Current Assets: 432 million yen
Fixed Assets: 477 million yen
Total Assets: 910 million yen
Current Liabilities: 142 million yen
Fixed Liabilities: 181 million yen
Total Liabilities: 323 million yen

(7) Amount Allocated to Intangible Assets Other Than Goodwill and Their Main Breakdown by Type and Amortization Period
Type Amount Amortization Period
Customer-Related Assets 443 million yen 14 years

(8) Finalization of Provisional Accounting Treatment Related to the Business Combination
Provisional accounting treatment was performed in the first quarter consolidated accounting period for the business combination with MIXENSE Co., Ltd., which took place on January 5, 2026, but it has been finalized in this interim consolidated accounting period.
With the finalization of this provisional accounting treatment, a significant revision is reflected in the initial allocation of acquisition cost.

As a result, the provisionally calculated goodwill amount of 494 million yen decreased by 180 million yen to 313 million yen after the accounting treatment was finalized. This decrease in goodwill is due to increases of 282 million yen in customer-related assets and 101 million yen in deferred tax liabilities.

The amortization period for goodwill is 15 years, and the amortization period for customer-related assets is 14 years.