



Financial Results Explanatory Materials  
for the Fiscal Year Ending December 2020

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

February 10, 2021



## Table of contents

1. Business Summary
2. FY2020 Performance Highlights
3. Forecast for FY2021
4. Growth Strategy Topics
5. Appendix



**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) **1,500+**

Sun Asterisk : 120+  
Sun Asterisk Vietnam : 1300+  
GROOVE GEAR : 80+

## Management

CEO	Taihei Kobayashi
Co-founder, Director	Makoto Hirai
Director	Yusuke Hattori
Director	Takuya Umeda
Director: an Audit and Supervisory Committee member	Ken Nihonyanagi
Outside director	Toshihiro Ozawa
Outside director	Hiroki Asano

## Financial

Sales (2) **5.36** Billion

Net Income (2) **0.80** Billion

Sales CAGR (3) **44.2%**

## KPIs

Stock Type  
Client (4) **85** Clients

ARPU (5) **3.89** million

Churn Rate (6) **3.63%**

(1) FY12/2020(including temporary hirings)

(2) FY12/2020

(3) From FY2/2016 to FY12/2020's Yearly Average Revenue Growth

(4) FY12/2020

(5) FY12/2020

(6) Calculated from 2015/1 to 2020/12. 72 month average. # of churn clients/ existing clients average



## What is a Digital Creative Studio?



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

## Business Summary

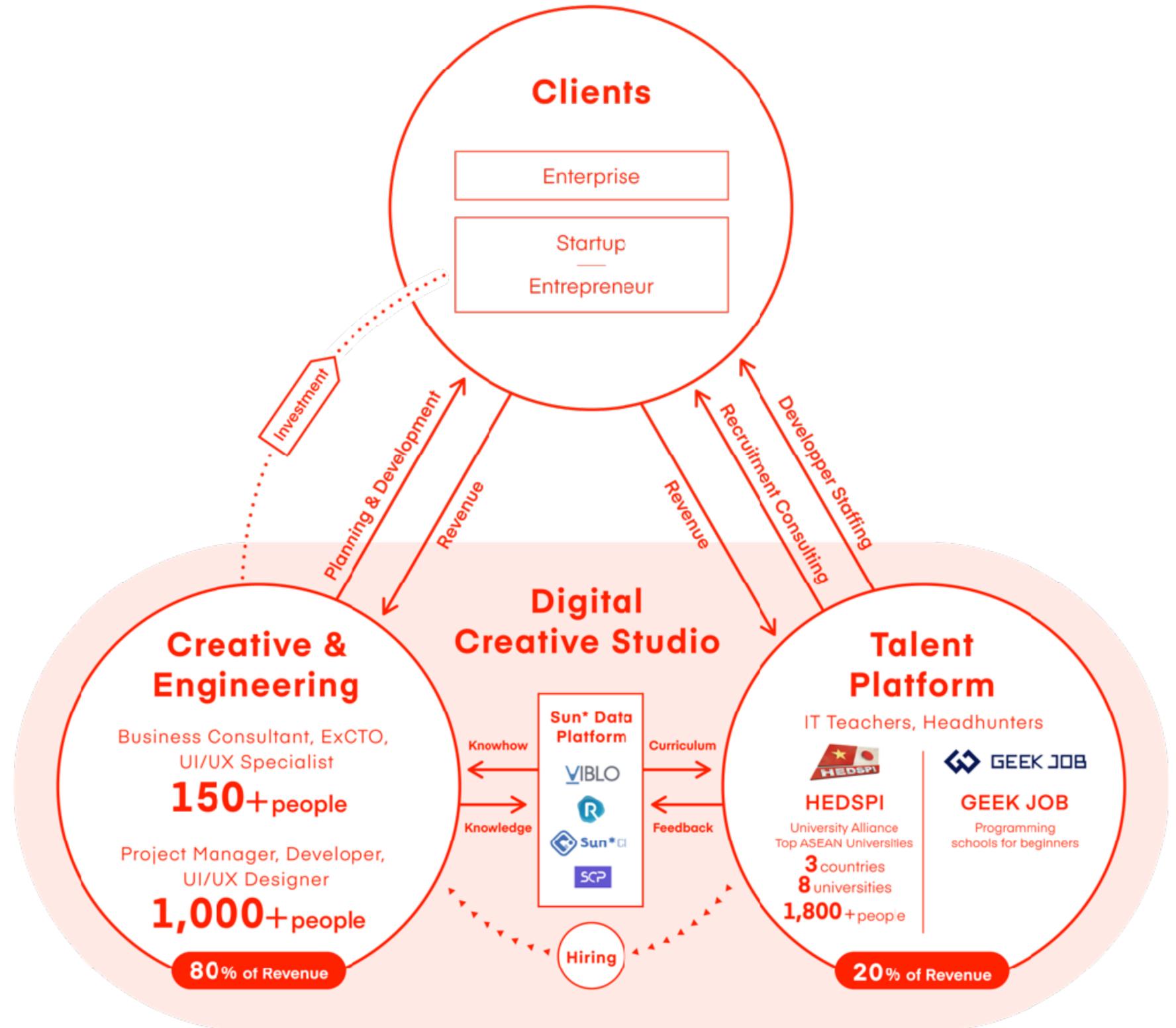
Supporting from business creation to service growth.

### 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

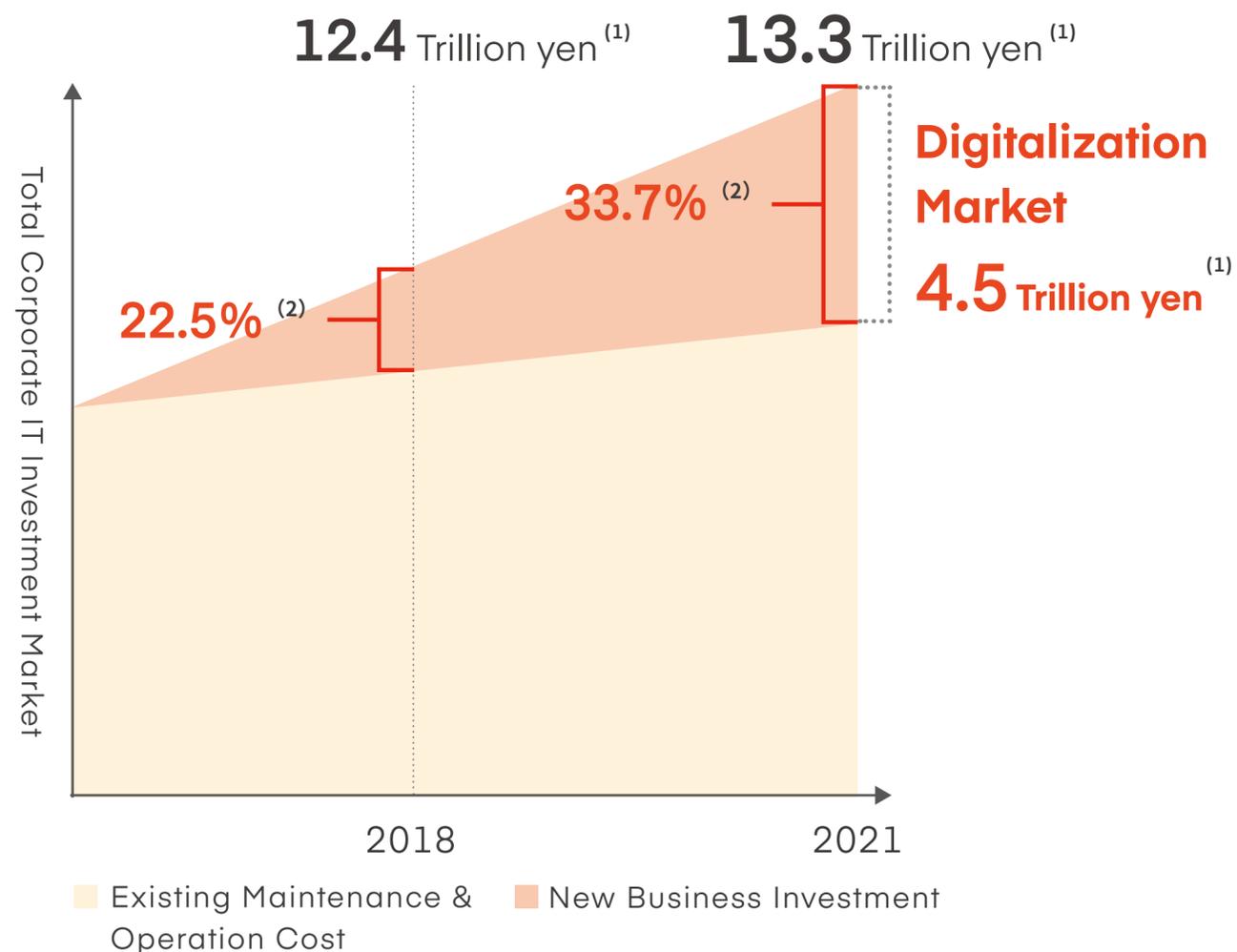


## The two types of DX proposed by Sun\*

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

Classification	<b>Digitization</b>	<b>Digitalization</b>
Target	<p><b>Digitize the business process</b>  <b>Improve business efficiency</b>                  Such as renewing the core system</p>	<p><b>Digitalize the business</b>  <b>The growth of revenue</b>                  Update and change into a digital company</p>
Requirement	<b>Stability and Quality</b>	<b>Flexibility and Speed</b>
Method	<p><b>Problem solving</b>                  Identify problems, organize business flow, design a system of requirement definition, apply a system of Waterfall development, and maintain, measure, improve effectiveness</p>	<p><b>Value creation</b>                  Use design thinking to create new ideas.                  Lean startup, MVP development, Agile development.                  High speed DevOps system and Operation</p>

## Market size of digitalization

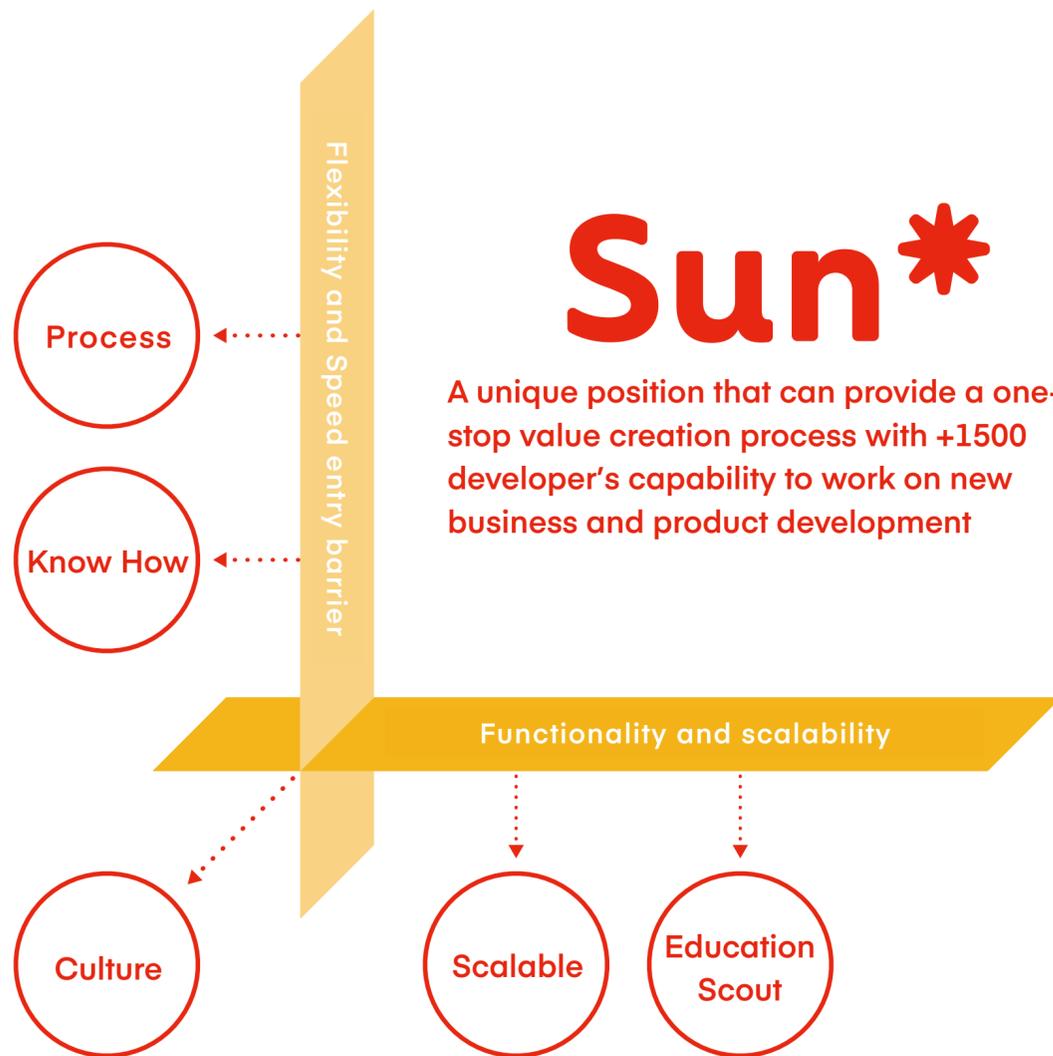


The size of the private domestic IT market will continue to increase. In particular, it is estimated that the new business investment budget, which has remained at 22.5% of the total, will increase to 33.7% in three years, and the digitalization market size will reach 4.5 trillion yen.

(1) Domestic company's IT investment research (2019). Yano Research Institute Ltd.  
 (2) Company's IT trend research 2019. Japan Users Association of Information System  
 (3) The market estimation is calculated by Sun Asterisk Inc. Therefore actual number may differ.

## Sun\* Uniqueness in DX Market

Unique position to provide one-stop new business/product development



### Process

The value creation process that has been repeatedly refined through design thinking, lean startup and agile development.

### Know-how

Reproducibility by the data platform acquired through over 300 new business-oriented-projects.

### Culture

Setup a global base and the visions building an infrastructure where anyone can create value.

### Scale

Implement recruitment and training Human Resources. Currently we have more than 1,500 employees who have experiences in the value creation process.

### Recruitment and training

Utilize the value creation process/knowhow and construct the training ecosystem linked to educational organization to discover and train talented human resources.

# Support case of DX/new business development in FY 2020: Nippon Gas Co., Ltd.



Support for the development of gas and electricity application reception management system and four other core systems

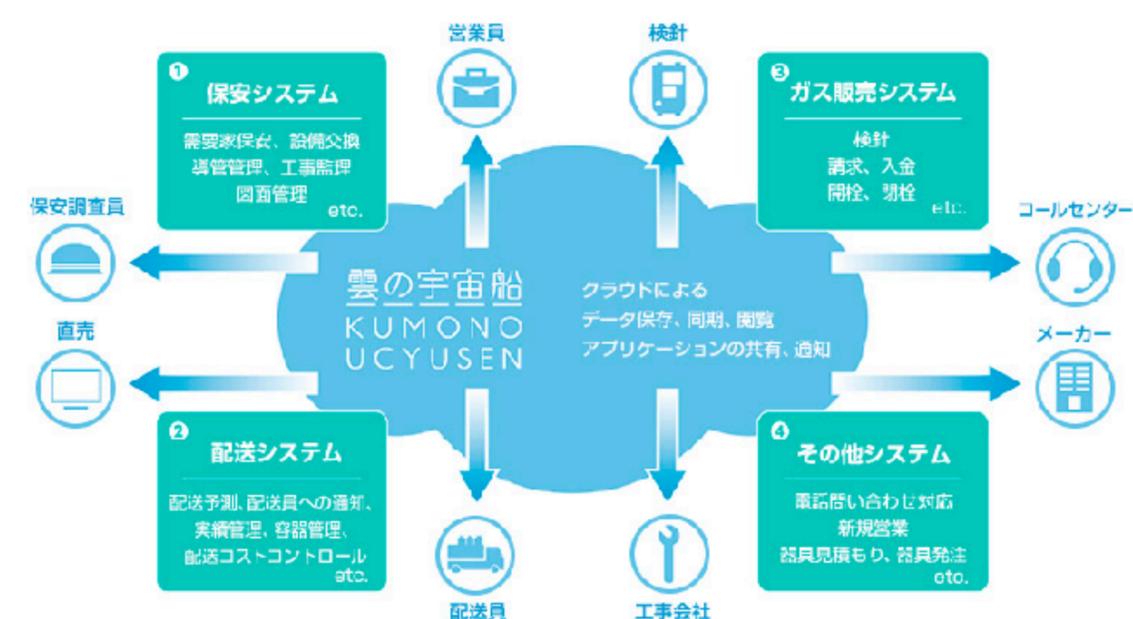
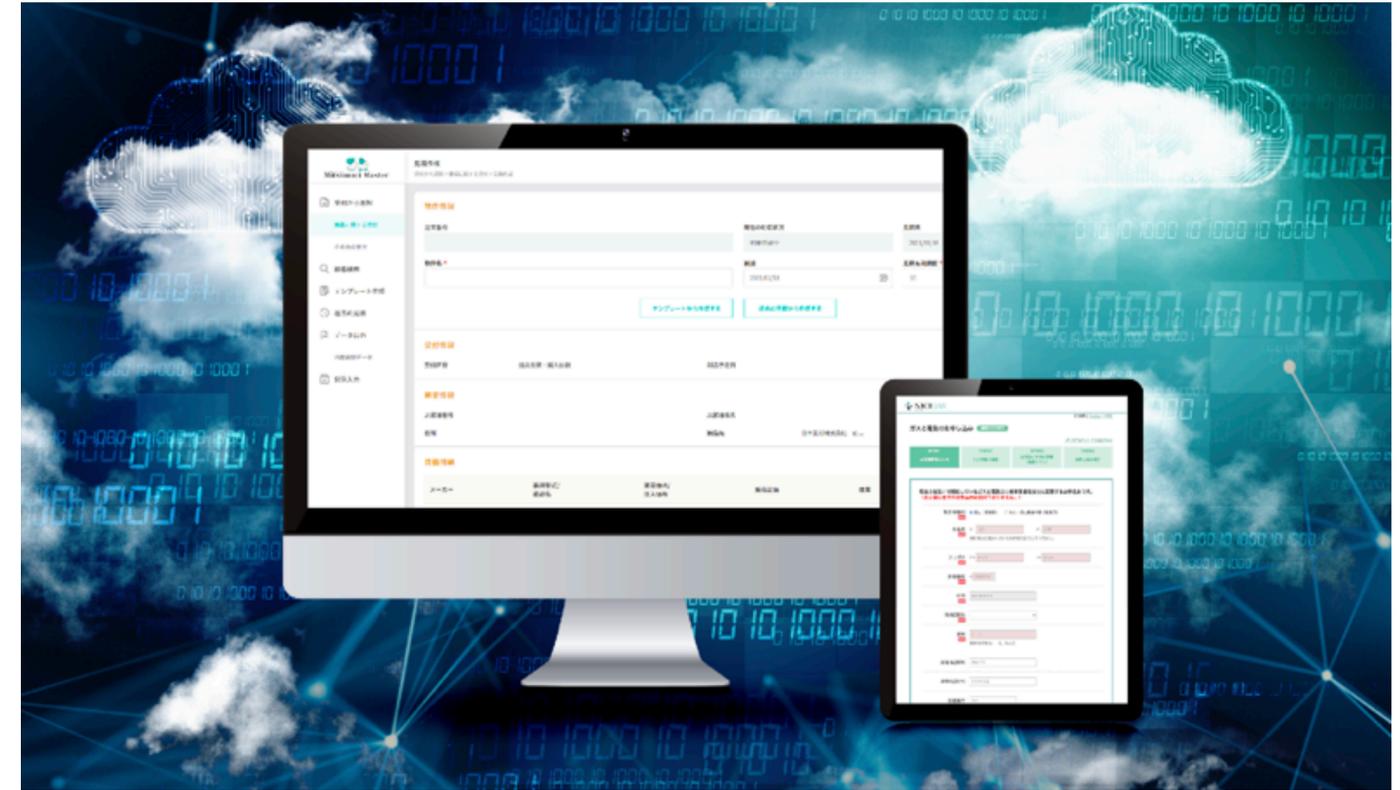
## Functional development to make better use of the "Cloud Spaceship" that drives DX in the LPG industry

Nichigas Co., Ltd. has more than 1.8 million users of electricity and gas, and is experiencing a net increase in users every year. While aiming for further operational efficiency, we have developed four systems in parallel with the cloud business system "Cloud Spaceship" that realizes operational efficiency in the LPG industry. We have built a system of more than 30 people at offshore bases to support from upstream to UI/UX, implementation, and infrastructure.



### Client Voice

Sun\* has highly skilled engineers, and catch-up and response are quick. In addition, I am grateful that I do not just respond to what is said, but strive to understand the specifications and improve the accuracy with a sense of ownership, and think positively about everything. When utilizing an overseas development team, it is necessary for the ordering side to establish a solid system, but the fact that the PM on the Japanese side of Sun\* played a central role in coordinating well has been stable for more than two years. I think this is a factor in promoting the project. In the future, I would like to utilize design thinking and work together with user-based business development and business growth.



### What is a cloud spaceship?

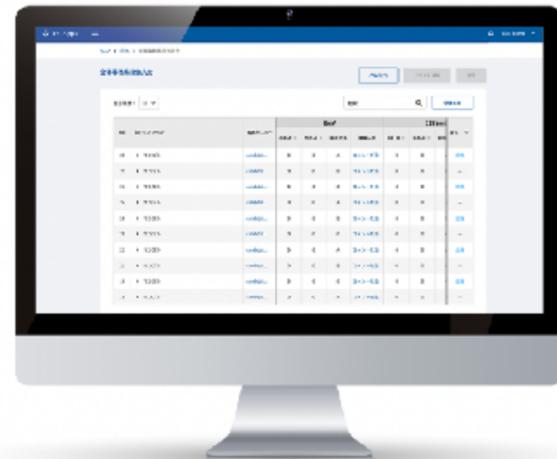
A cloud computing system developed by Nichigas to streamline the operations of his LPG industry. Based on this API, Sun\* designs the functions of application reception and quotation management system, and supports the application on Web and mobile.

## Support case in FY2020: Zero One Booster Inc.

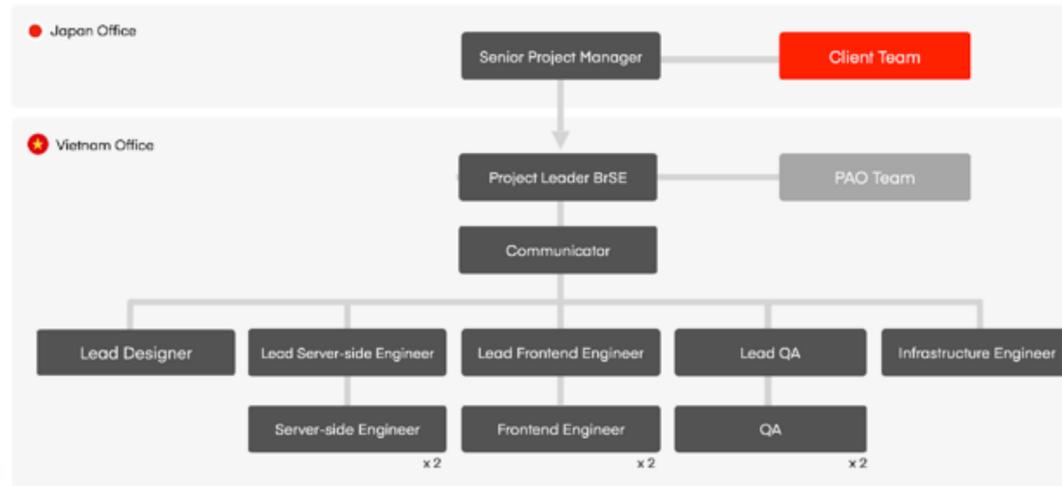
Support for the development of 0 → 1 Apps that strengthens the operation and management of the Entrepreneur Accelerator Program

### Visualize the business creation process of enterprise companies

Zero One Booster supports the business co-creation of large companies and startups as a corporate accelerator. The company is focusing on discovering and training entrepreneurs (in-house entrepreneurs) in large companies, and is promoting the "Entrepreneur Accelerator Program (IAP)" program to increase entrepreneurs in large companies. Sun\* supports the development of "0 → 1 Apps" that strengthens the operation and management of this IAP.



UX design is also supported by Sun\*. Individual evaluation screen for document selection that is particular about reducing the burden on users



Development system diagram. Supported by a development team of 13 people on the Vietnamese side, centered on senior PMs based in Japan



Aim to improve the operational efficiency of IAP, accumulate data of program participants, and utilize it for future business

### Client Voice

This was the first time we worked with an overseas development engineer team, so I have thought that we couldn't release the product within the specified period with our product management system. Thanks to Sun\*'s enthusiastic and courteous supports, firstly our requests have been done, so I am very grateful. From now on, I would like to continue to improve it during operation and maintenance. In the future, I would like to make it a service that can be used by all companies.

# Support Case in FY2020: NPO Bridge For Smile



Development of donation-through-intermediaries platform "Todokun"

**"A platform which aims to spread Independence support for "children who cannot rely on their parents" nationwide**

Since "Todokun", a service to make donation for children, is offered free of charge, it is difficult to continuously raise development costs. Then a project with the proposal from Sun\* to raise funds through crowdfunding has started. A team with 14 people have supported from planning to implementation, such as utilizing a virtual office during Coronavirus pandemic.



Responsibility to human rights and local community

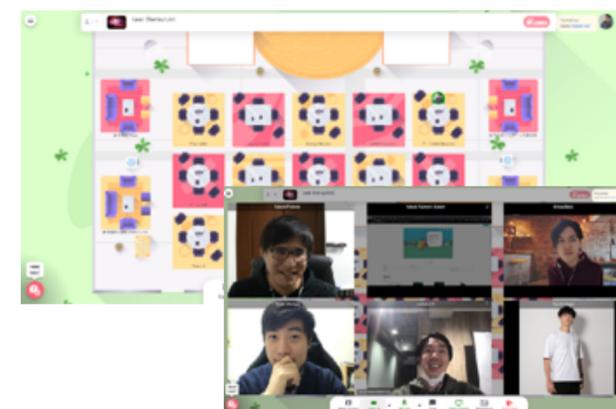
At Sun \*, we are engaging in various business activities from the perspective of ESG (environment, society, governance) toward the creation of a prosperous society, based on our corporate philosophy that is "Create a world where everyone has the freedom to make awesome things that matter."



Crowdfunding with donation from more than 300 people. The project start successfully due to using a part of this money as development funds. We are promoting the development with a passion to cast the thoughts of each supporter into shape



We can support the third-year students who have just graduated from high school but need to prepare facilities for their lives by giving them daily necessities.



We use the virtual office remo to create a space where members can easily talk to each other at any time. Development was completed even though we have not met client yet due the coronavirus pandemic.

### Client Voice

You have listened carefully to our selfish request that is "We have a small budget, but we want to do so many things" and have made various positive proposals in order to realize such things. We were very happy that all the staffs cared about the children's problems and worked together with the passion to solve them. We would like you to make use of that wonderful technology for the benefit of society."

# Support cases of promoting New Businesses and DX



## Vehicle allocation support for logistics companies responsible for truck transportation

SoftBank Corp./MeeTruck K. K.  
MeeTruck



## A Challenge to strengthen people and society by Sport Data

SSK CORPORATION  
Smart League



## Make Yurakucho the more likely place for diverse individuals to gather

Mitsubishi Estate  
SAAI Wonder Working Community



## An app that realizes a custom-made lifestyle

Kurashicom Inc.  
Nordic, living tool store



## Reveal the value of Ueno's culture and art that represents Japan

UENO Cultural Parks/LINE Pay Corporation  
TOKYO-UENO WONDERER PASS



## DX Implementation in recruitment process through Start up Studio

ZENKIGEN Inc.  
HARUTAKA



**2**

**FY2020 Performance Highlights**

## Financial Results Summary

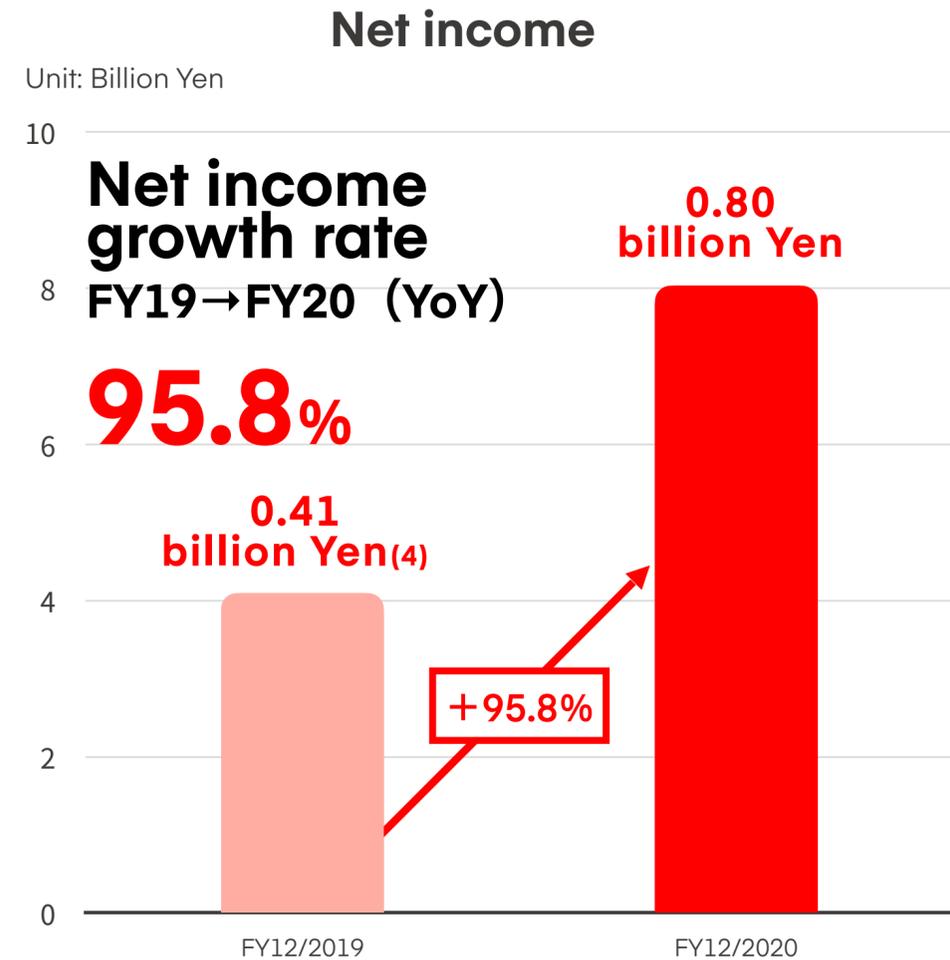
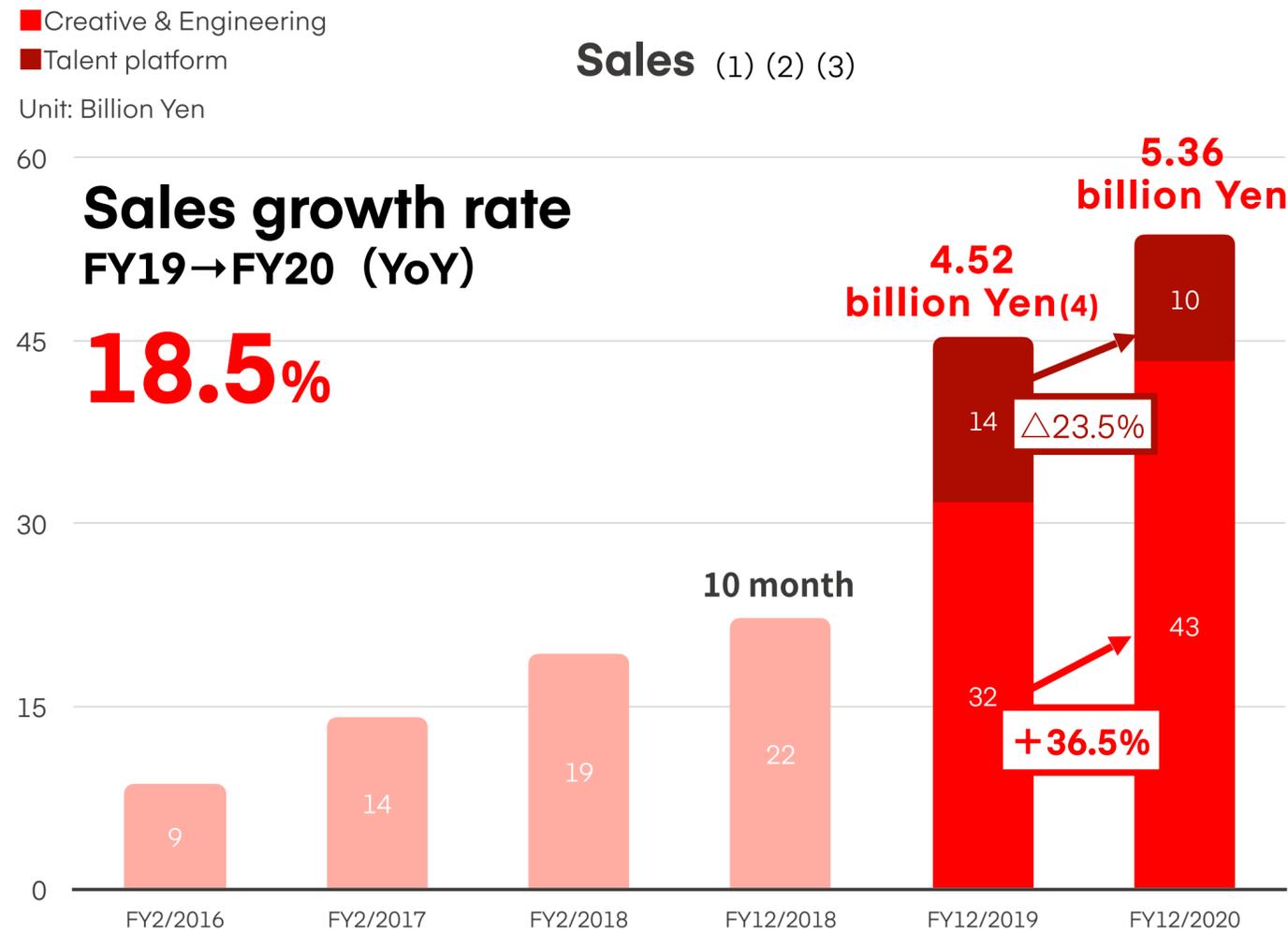
Sales and all profit accounts increased even more than the forecast which was revised in the previous quarter.  
All profit accounts have nearly doubled year-on-year.

Unit : Million Yen

	<b>FY2019 Full year</b>	<b>FY2020 Full year</b>	<b>Rate of Change</b>	<b>Financial Forecast</b> Disclosed at 2020/11/11	<b>Progress Rate</b>
<b>Sales</b>	4,529	<b>5,367</b>	18.5%	5,307	101.1%
<b>Operating Income</b>	474	<b>886</b>	86.8%	849	104.4%
<b>Operating Rate of Return</b>	10.5%	<b>16.5%</b>	—	16.0%	—
<b>Ordinary Income</b>	486	<b>926</b>	90.7%	876	105.7%
<b>Net Income</b>	410	<b>804</b>	95.8%	765	105.1%

## Changes in sales and net income

Achieved high sales and profit growth overall, despite being partially affected by Coronavirus pandemic



(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) From FY2/2016 to FY12/2020's Yearly Average Revenue Growth

(4) 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

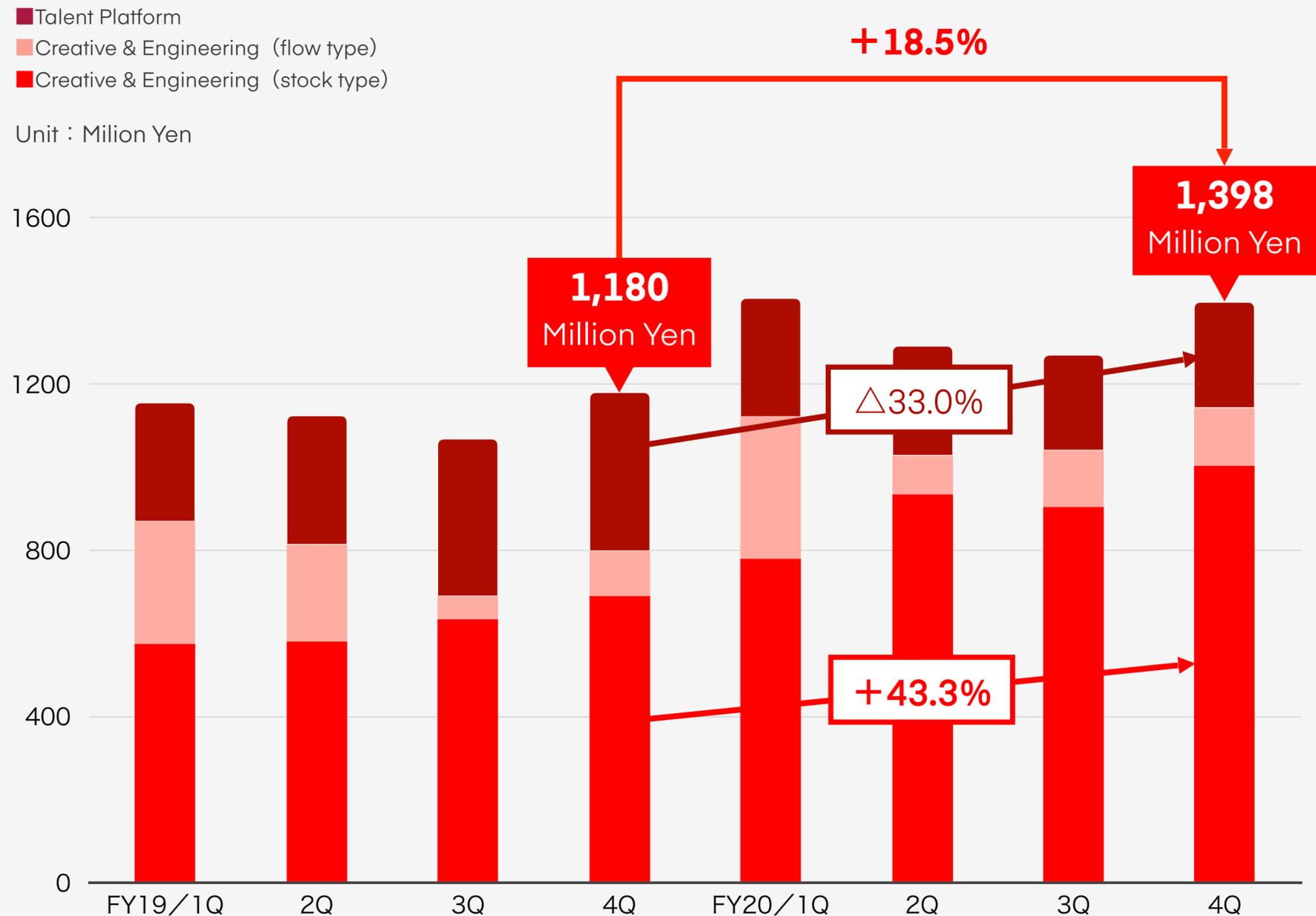
\* The figures before the fiscal year ending February 2018 have not been audited by an audit corporation.

## Quarterly Sales Change

**Sales** in FY20Q4  
**1,398 million Yen**  
 (Year-on-year+18.5%)

The main force of Creative and Engineering drove overall performance by **+43.3% year-on-year**.

Sales ratio of Stock type in Creative and Engineering increased.



※ Quarterly number is not audited by audit corporation.

## Service Lines

### Creative & Engineering

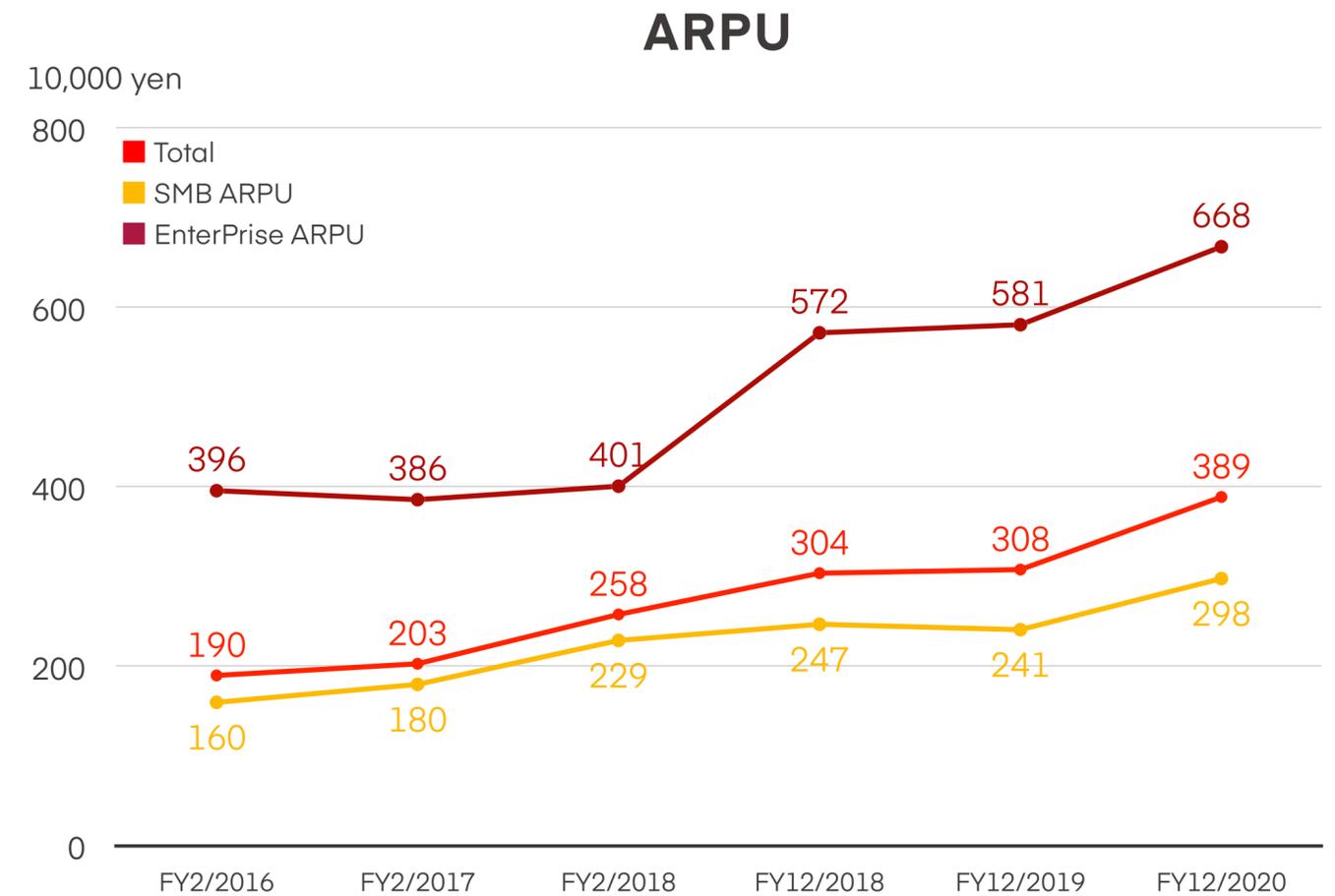
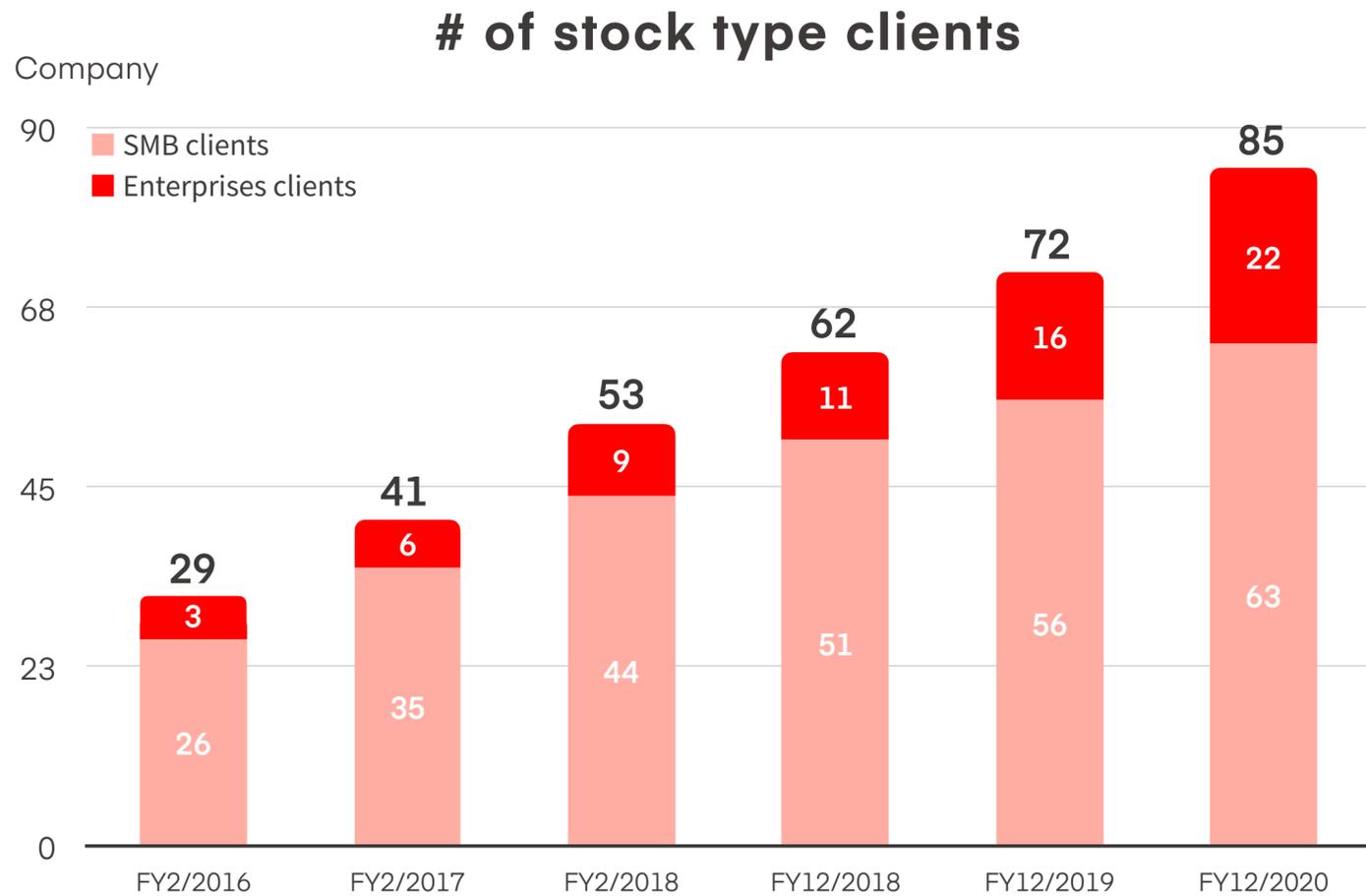
- Due to the growth of the number of stock-type clients and ARPU, we succeeded in accumulating important KPIs that will be the launch pad for the fiscal year ending December 2021.
- Active recruitment is still conducted nationwide and the prior investment is prepared for the expected order after FY 2021. (End of 2019 : 65 people → End of 2020 : 126 people)

### Talent Platform

- Due to the impact of novel coronavirus, the recruitment needs of inexperienced human resources is sluggish, and training consulting is facing difficulties.
- On the other hand, since there is a deep-rooted need for ready-to-use human resources, the personnel are reassigned and the performance of the entire service line is on a recovery trend.

## Changes in important KPIs (fiscal year)

Steady growth in both stock-type client numbers and average monthly revenue per user (ARPU)  
 The monthly average rate <sup>(1)</sup> remained unchanged at 3.62% even in the Coronavirus pandemic.



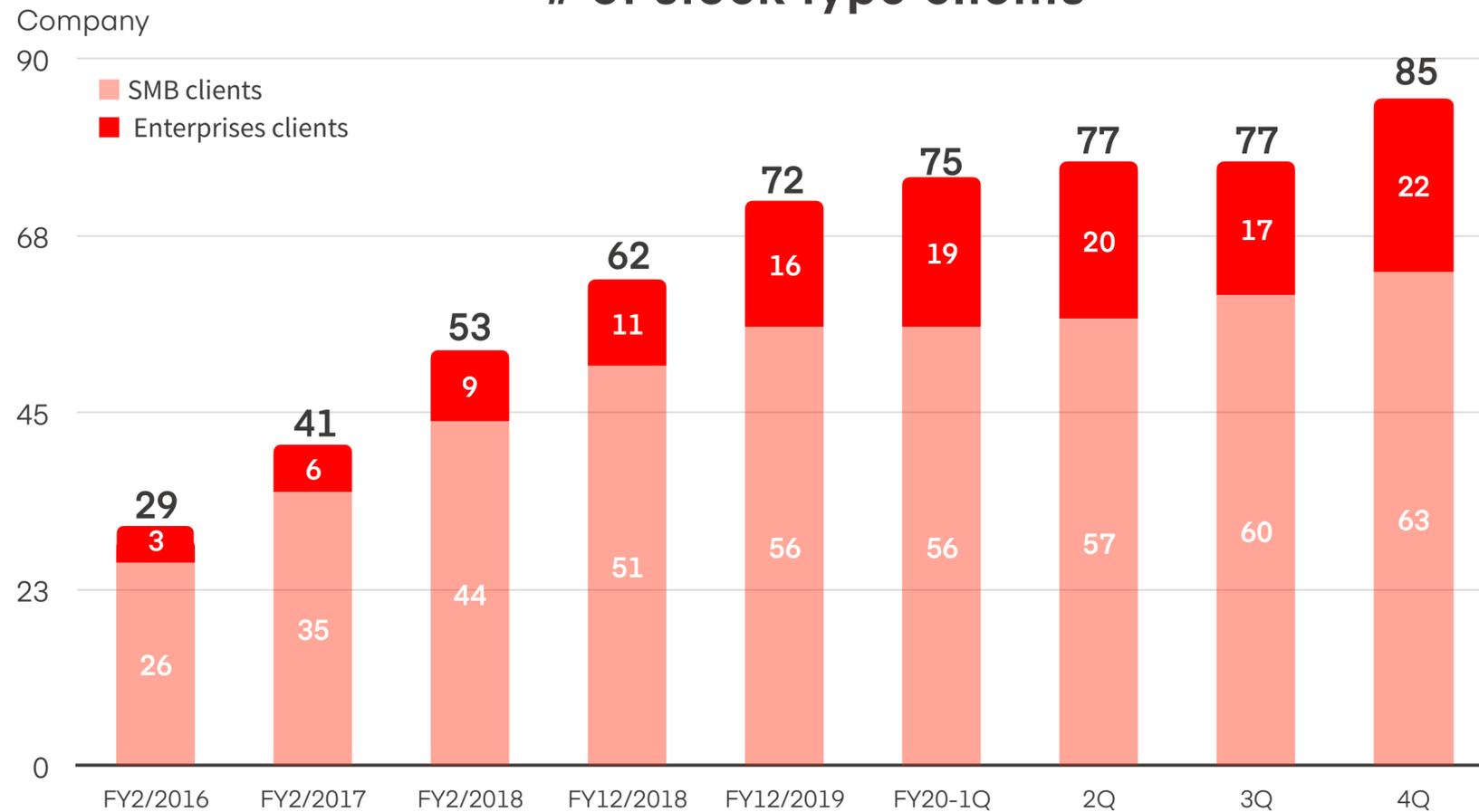
Definition of enterprise company is either adoption of Nikkei 225, Nikkei 400, and Nikkei 500 and their group company, market cap, revenue scale and employee scale company.

## Changes in important KPIs (quarterly)

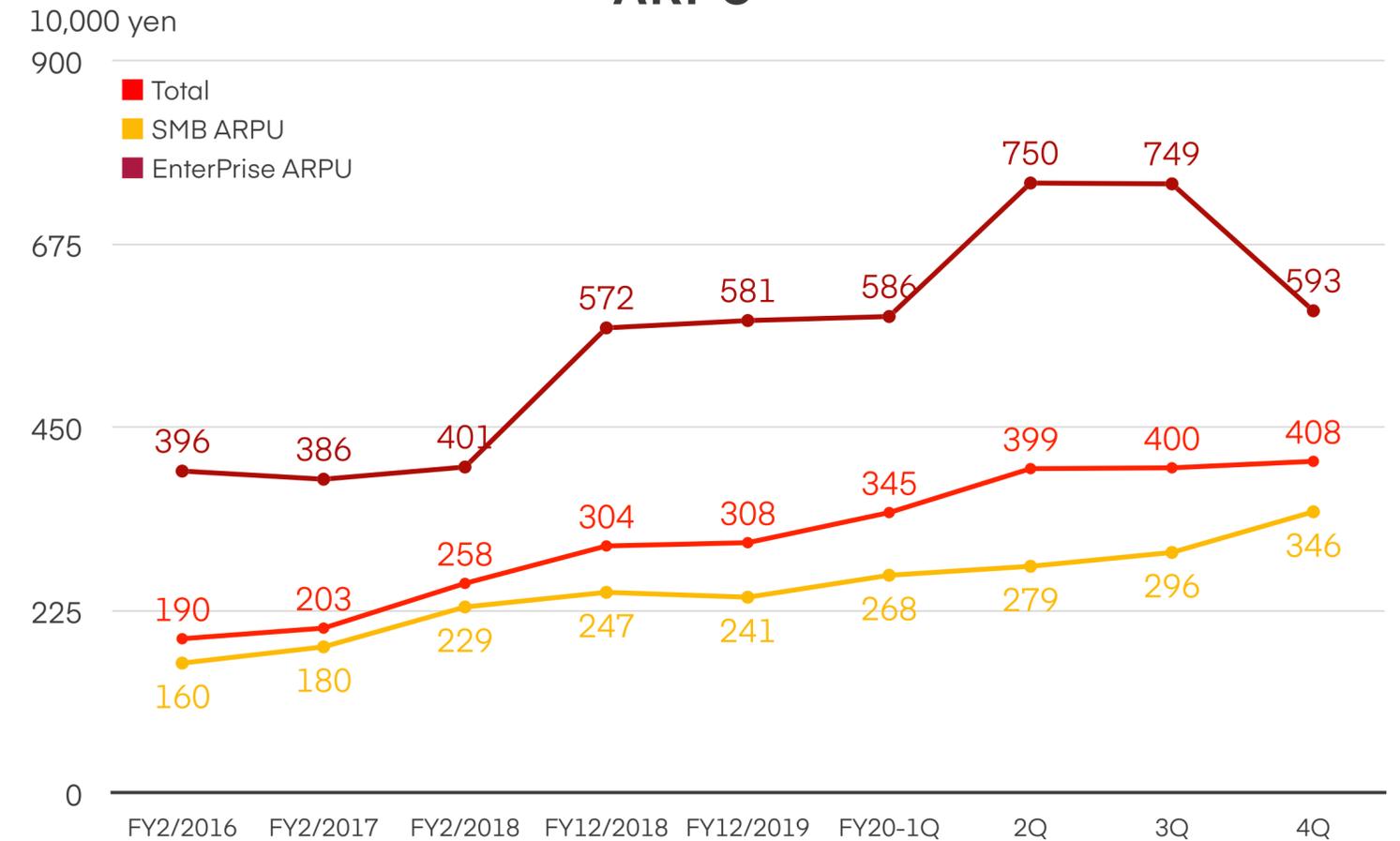
The number of stock-type clients in Q4 increased by 8.

Since the denominator of the enterprise client unit price is still small, the volatility is large compared to SMB, but the average ARPU of all clients increased slightly to 4.08 million Yen.

### # of stock type clients



### ARPU



Definition of enterprise company is either adoption of Nikkei 225, Nikkei 400, and Nikkei 500 and their group company, market cap, revenue scale and employee scale company.

## Change in important KPIs

### Stock Type Client Number

- As of the end of December 2020, the number of stock type clients was 85.
- In comparison with 2019, the number of enterprises increased by 6 and the number of SMBs increased by 7, both were steadily increasing.

### Average Monthly Revenue Per User (ARPU)

- Enterprise ARPU in FY20/4Q decreased due to an increase in new customers, but total ARPU increased because of a rise in SMB ARPU .
- FY2020 experienced a steady increase by 800 thousand yen year-on-year.

## Balance Sheet comparison

Cash on hand, Cash and Cash equivalents and Net Asset increase due to the IPO financing and profit recording.

Equity Ratio is 80.7%, and implies an increase in the stability of financial base.

Unit: Million Yen

	FY12/2019	FY12/2020	Amount in change	Main Factors
<b>Current Asset</b>	2,949	<b>5,795</b>	2,846	Increase in cash and cash equivalents due to the IPO financing and profit recording.
<b>Cash &amp; Bank</b>	2,383	<b>5,073</b>	2,690	Increase due to the IPO financing and profit recording.
<b>Fixed Assets</b>	414	<b>448</b>	34	
<b>Total Assets</b>	3,363	<b>6,243</b>	2,880	Increase in cash and cash equivalents due to the IPO financing and profit recording.
<b>Current Liabilities</b>	969	<b>1,010</b>	41	
<b>Fixed Liabilities</b>	365	<b>215</b>	△150	
<b>Net Asset</b>	2,028	<b>5,017</b>	2,989	Increase due to the IPO financing and profit recording.
<b>Total Liabilities and Equity</b>	3,363	<b>6,243</b>	2,880	Increase in Net Asset due to the IPO financing and profit recording.
<b>Equity Ratio</b>	60.5%	<b>80.7%</b>	—	



**3**

**Forecast for FY 12/2021**

## Our stance on disclosure of earnings forecasts

Since our founding, we have always set high ideals in our business, and have achieved high growth while taking risks and flexibly adapting to various changes in the external environment so as not to miss the best opportunity.

Going forward, we will continue to achieve dramatic growth from a medium- to long-term perspective without significantly changing our stance toward the realization of "Create a world where everyone has the freedom to make awesome things that matter". We want to achieve it.

Earnings forecasts are based on information available at the time of disclosure and are subject to risks and uncertainties. Actual results may differ significantly from the outlook due to the effects of various uncertainties.

**FY12/2021 Consolidated forecast**

In the FY 12/2021, both sales and profits are forecasted to grow based on the assumption that there will be the increase in the number of Stock type clients and ARPU in Creative and Engineering

Unit : Million Yen

	<b>FY12/2020 Results</b>	<b>FY 12/2021 Forecast</b>	<b>Rate of Change</b>
<b>Sales</b>	5,367	<b>6,608</b>	23.1%
<b>Operating Income</b>	886	<b>1,100</b>	24.1%
<b>Operating Rate of Return</b>	16.5%	<b>16.7%</b>	—
<b>Ordinary Income</b>	926	<b>1,153</b>	24.5%
<b>Net Income</b>	804	<b>983</b>	22.3%

## Sales forecast

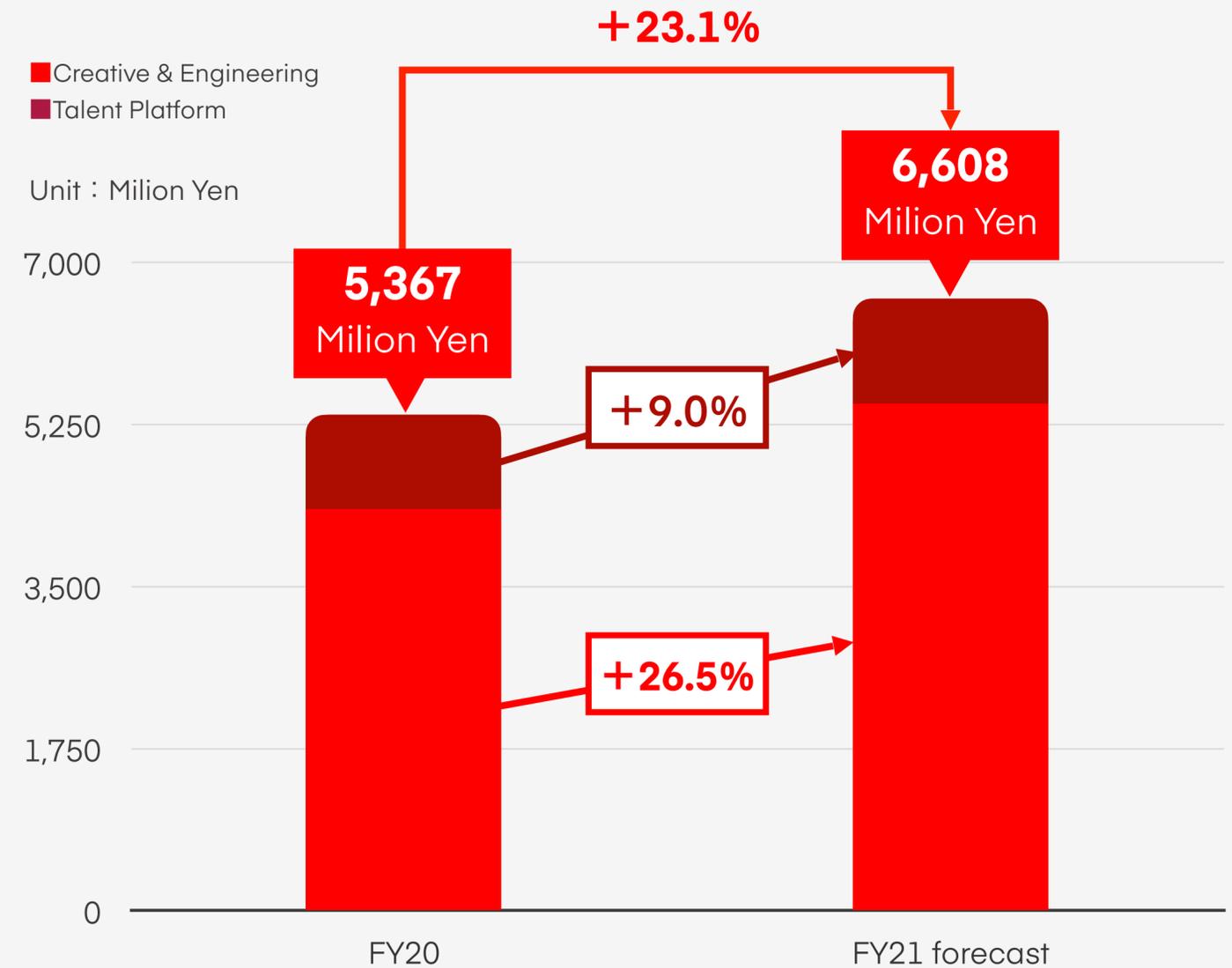
Sales forecast for FY 12/2020

**6,608 Million Yen**

**(+23.1% year-on-year)**

Creative & Engineering: **+26.5% year-on-year**

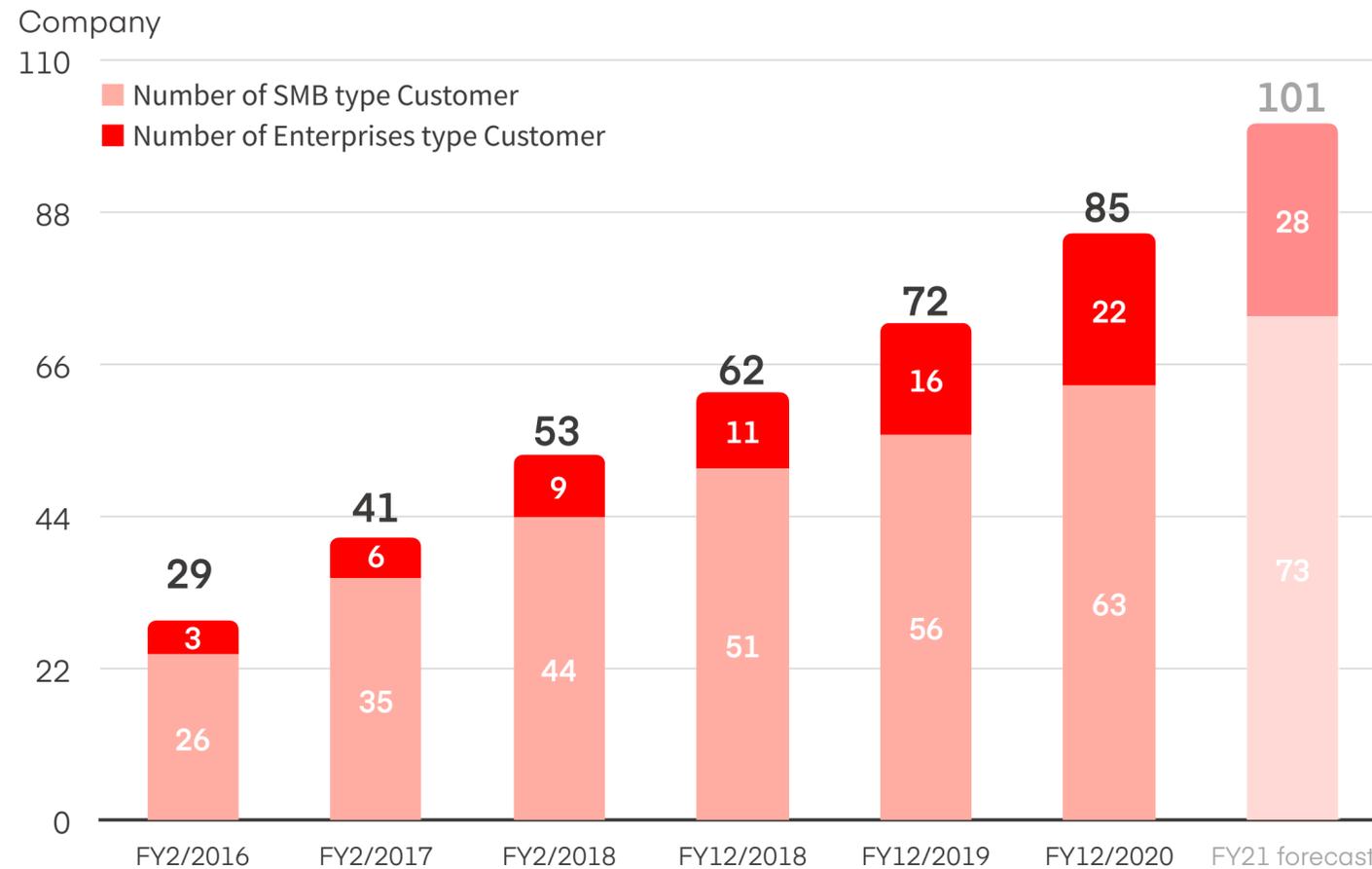
Talent platform: **+9.0% year-on-year**



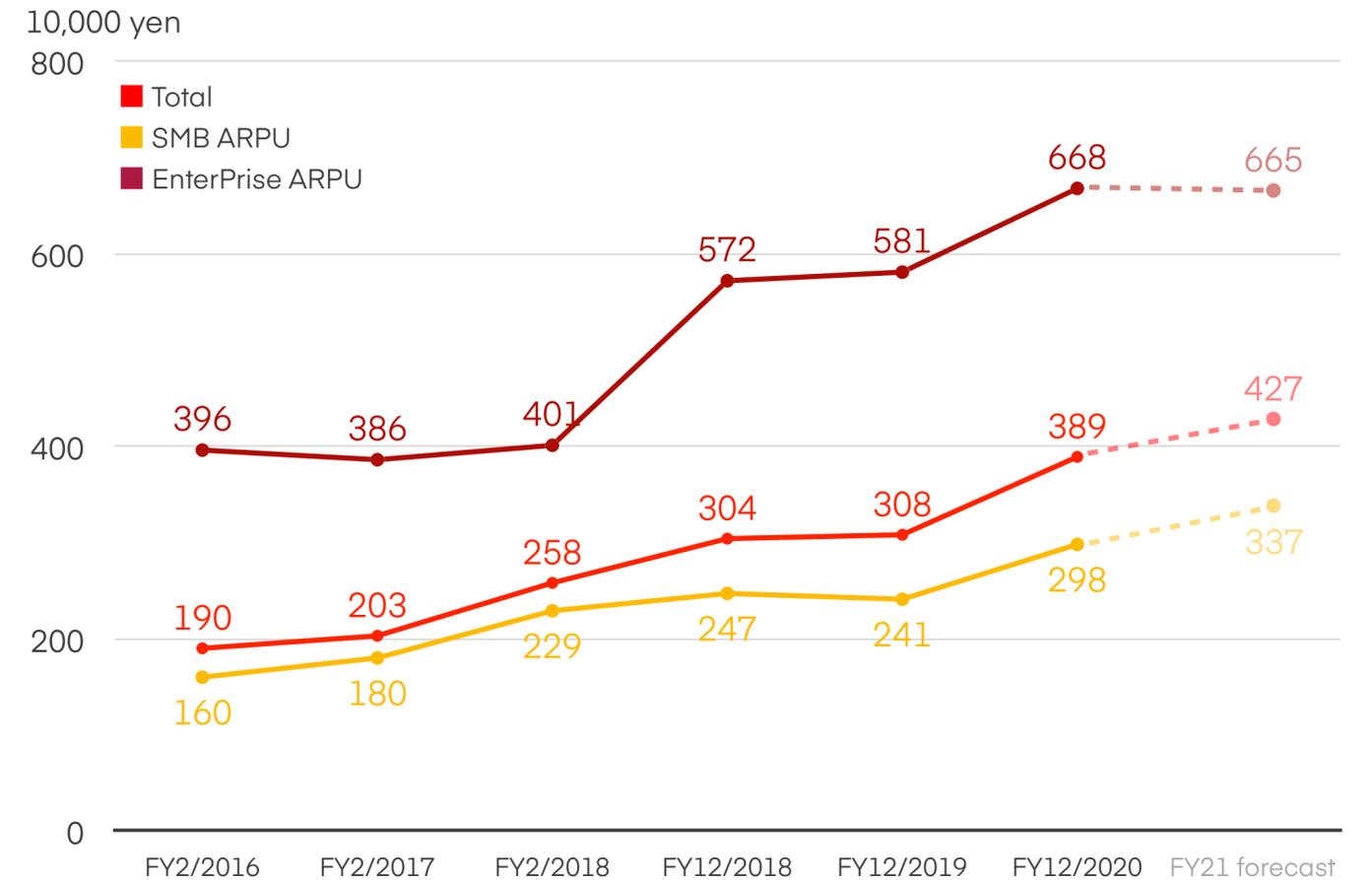
## important KPIs forecast

As of the end of December 2021, the number of stock-type clients is expected to increase by 16 to 101. The average annual ARPU for all customers is expected to increase by 0.38 million Yen to 4.27 million Yen.

### Changes in the number of stock-type clients



### Changes in average monthly revenue per user



Definition of enterprise company is either adoption of Nikkei 225, Nikkei 400, and Nikkei 500 and their group company, market cap, revenue scale and employee scale company.



**4**

**Future Growth Strategy Topics**

# Customer Strategy

Strengthen all the channels, obtain new customers and increase ARPU for both Enterprises and SMB.

## Measure to obtain Stock type clients

### Lead generation



Referral from existing client



Alliances



Web Marketing

### Lead nurturing



Strengthening community formation



Strengthening business incubation system

## ARPU Improvements

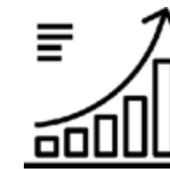


ARPU growth by increasing enterprise projects

### Main Factor



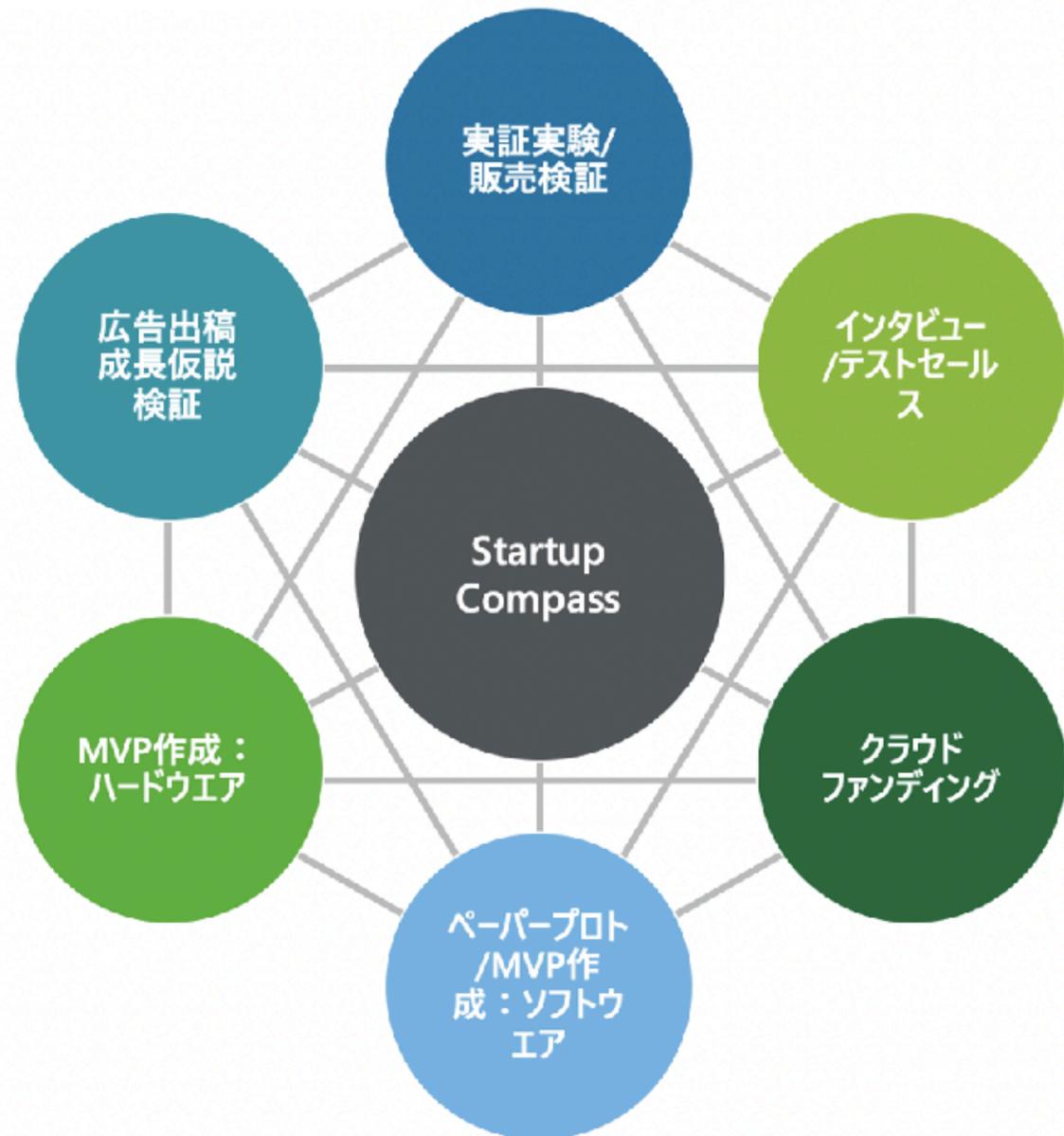
Obtain new high ARPU projects



ARPU growth for existing projects

## Started collaboration with Deloitte Tohmatsu in the area of new business development support

Deloitte Tohmatsu Venture Support Co., Ltd. Deloitte Tohmatsu Venture Support Co., Ltd. In the new business development support digital tool "Startup Compass" under development, Sun \* supports the hypothesis verification in the business creation of customers and enhances the feasibility of new business development.



Example of Startup Compass hypothesis testing function



### Startup Compass

It is a business development tool that can be widely used from new business managers and managers of large companies to people involved in start-up business development. The process of new business development is divided into five phases: "idea creation", "customer / issue verification", "product / solution verification", "PMF (market suitability) verification", and "growth verification". We will provide specific items to be confirmed / verified and points to be emphasized, and guide users to confirm / verify them one by one without fail and move forward. In addition, in each phase, we will not only support the construction of hypotheses to be verified, but also present concrete methods for verifying hypotheses, and introduce specialized companies that can cooperate in such hypothesis verification.

### DTVS Deloitte Tohmatsu Venture Support Co., Ltd.

With the mission of "opening the future with those who challenge," DTVS is working toward a world where venture companies, major companies, government agencies / local governments, etc. collaborate to create numerous innovations. The main activities are venture company support, major company innovation consulting, and policy proposal / execution support for government agencies. We have a network with 5,000 venture companies in Japan and overseas, and we are utilizing the knowledge we have gained to support major companies.

## Enterprise acquisition alliance (cooperation) and organizational expansion

With the companies we have business alliances including Microsoft, we will continue to promote DX and support the development of new businesses.

### Measures to acquire new customers for the enterprise



A comprehensive solution from PoC to new commercialization



Design Consulting & Studio (Consolidated Subsidiary)



Largest Business Professional Group

### Expansion through alliance of peripheral services (expansion of ecosystem, expansion of service area to customers)



Aure and various other services



Multilingual solution



Advanced security services



Engagement marketing

# Ecosystem for digitalization

Unique platform platform enhances knowledge sharing, optimal staffing, and development efficiency

## Sun\* proprietary data platform



### Viblo

Knowledge Sharing Platform

Posting and sharing

AI Recommendation

Clipping Articles

Discussion

Q&A

Public  
Average 330,000 MAU



### Rubato

Optimal Talent Allocation Platform

Skill Management

Portfolio Management

Talent Evaluation Management

Talent Operation Management

AI Recommendation(In dev)

In House Only



### Sun\* CI

DevOps Platform

Automated Code Review

Automated Security Check

Automated Testing

Automated Building Code

Simply Releasing Operation

Clients Only



### Schooler

Learning Management System

Class Management

Schedule Management

Attendance / Grade Management

Class Content Management

Report Creation / Output

Introduced at 8 universities  
in 3 countries  
More than 1,800 students



### SCP

(Sun\* consulting Platform)

Employment Support System

Corporate Information

Student Information

Student Follow Function

Job Hunting Event Information

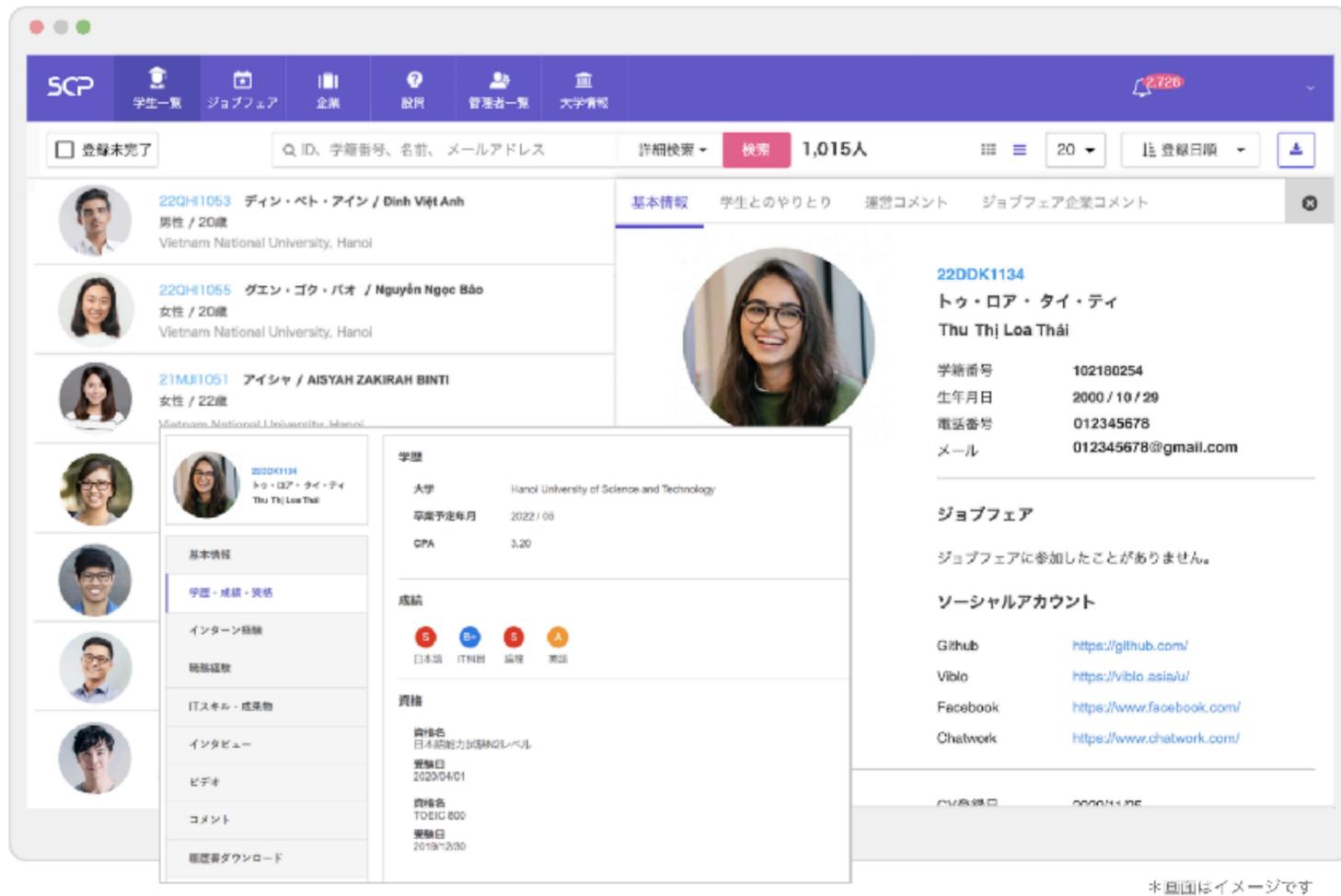
Matching / Scout Function

Public  
Over 1,000 student resumes

# Data management system launched in 2020



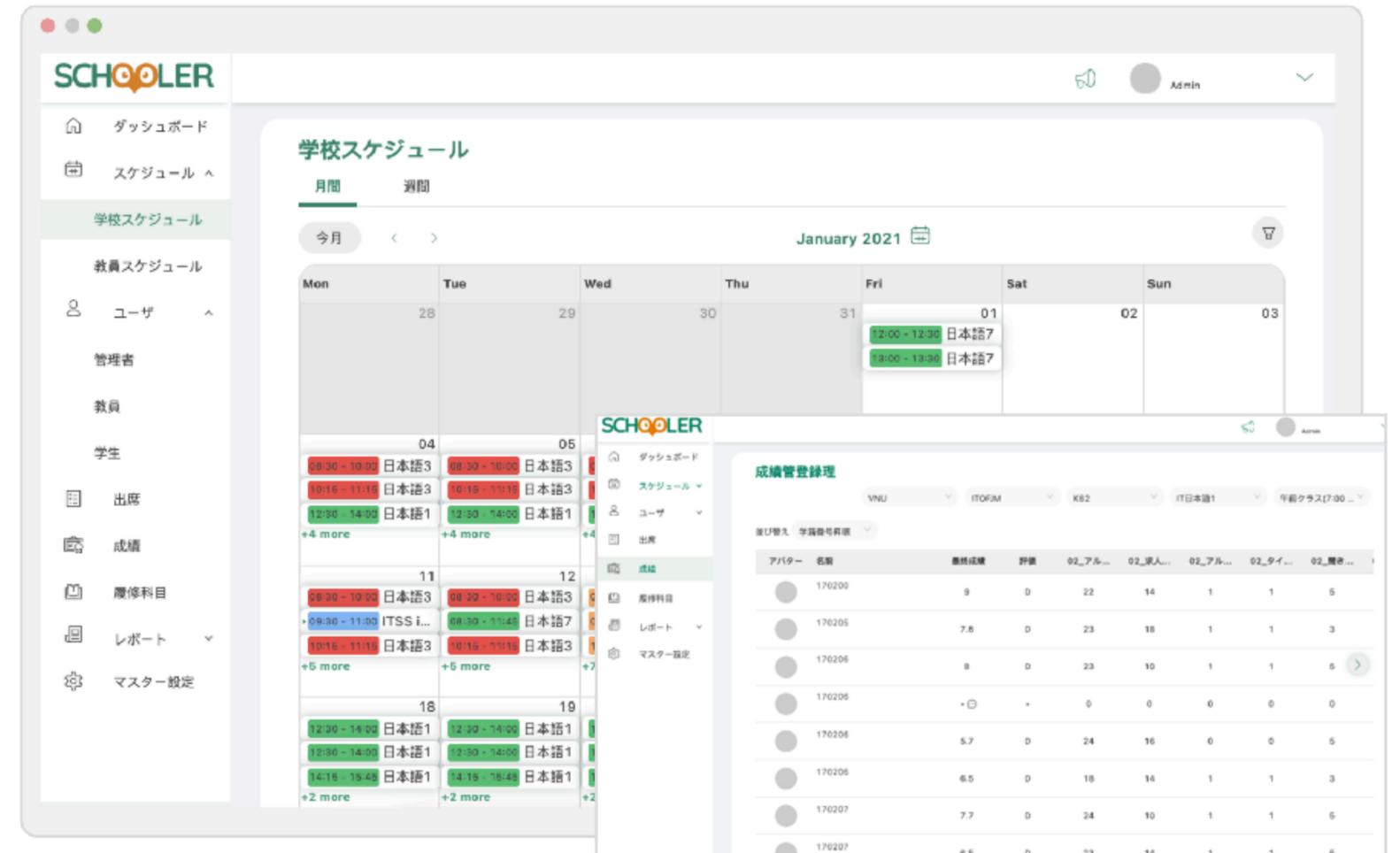
Web system that manages student resumes in a database and supports employment



\*画面はイメージです



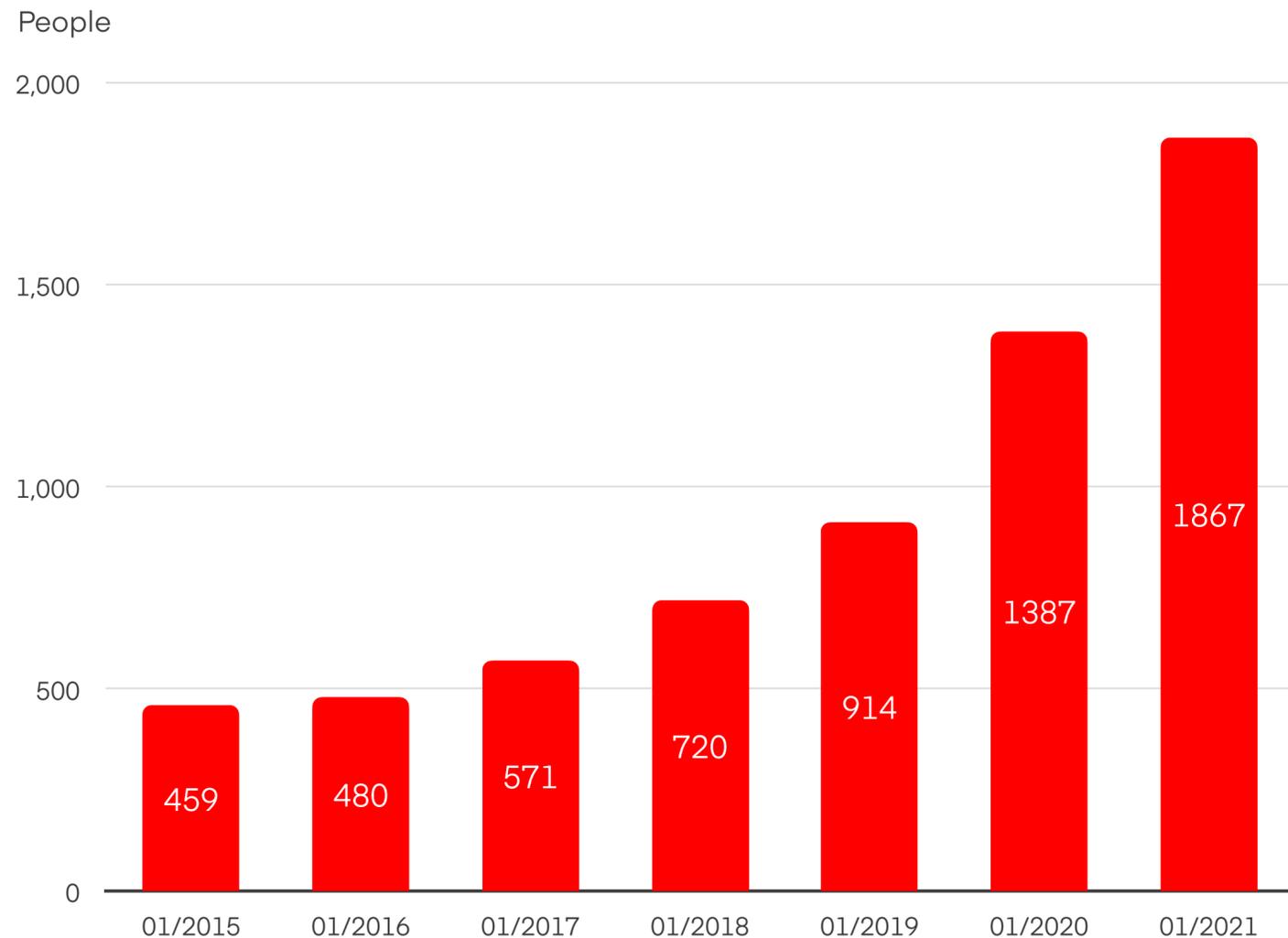
Learning management system that enables systematization and visualization of education



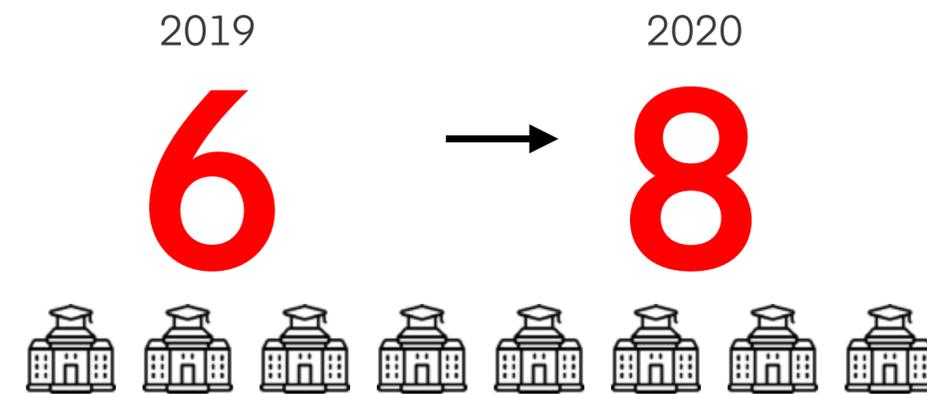
## The output of Innovative human resources through education and training

Producing IT human resources who can play an active role in Japan through industry-academia collaboration centering on ASEAN countries and seeking further global expansion in the future. Currently, we are expanding alliances in South America and Africa.

**Number of Sun\*'s educational program students enrolled and number of affiliated schools by year**



**Partner universities**



**Vietnam**

1. Hanoi University of Science and Technology
2. The University of Danang-University Science and Technology
3. Vietnam National University Hanoi-University of Engineering and Technology
4. Vietnam National University HCMC-University of Engineering and Technology
5. Vietnam National University Hanoi-University of Science
6. Phenikaa University

**Indonesia**

7. Gadjah Mada University

**Malaysia**

8. Malaysia-Japan International Institute of Technology

## Future Growth Strategy

We will continue to expand the existing digital creative studio business, further improve the quantity and quality in the education and development fields, and improve reproducibility by expanding the data platform and develop the social implementation of advanced technology.

Then, increasing the ratio of new businesses in Japan and overseas and committing to creating more valuable businesses and business growth will be the axis of new businesses that support the company's growth drive.

NOW

Expand business creation

Expansion of data platform

Further strengthen education and training

Expand creative & engineering



**5**

**Appendix**



## Efforts to eliminate poverty

Every year, we visit elementary schools in Vietnam and donate to children. In recent years, Vietnam has become economically rich in urban areas, but many rural areas are still poor. Schools in such rural poor areas have many children living in poor family background. We donate daily necessities and stationery to such children.

As you can see from the pictures of the event, there are many children and adults wearing folk costumes. Minorities live in Vietnam's rural areas (especially in the mountainous areas), and many people living in the mountainous areas do not benefit from Vietnam's economic development.

Sun\* is working on poverty prevention through donations to these people.

## SDGs initiatives

### Provide high quality education at no cost

Sun\* believes that it is important to ensure that quality education is distributed to people around the world in order to achieve the sustainable world of the SDGs. In addition to basic education, it is important to create an environment in which there are opportunities for advanced education and lifelong learning that continues to be learned even after appearing in society.

If we can provide quality education for free, we can provide quality education regardless of rich or poor. If you can educate and acquire advanced skills, you will have an opportunity to play an active role in advanced countries such as Japan. We believe that increasing the number of successful cases of receiving free education and being hired as advanced human resources in developed countries will expand the opportunities for free education and provide education opportunities to more people.

With this in mind, Sun\* is committed to providing high-quality education free of charge. In cooperation with universities in Vietnam, Indonesia, and Malaysia, we dispatch IT and Japanese language education teachers as volunteers.



## SDGs initiatives



### Creating a base for industrial and technological innovation with Digital Transformation

We are promoting innovation through the business of Sun\*'s creative studio. We will also focus on the promotion of DX and promote comprehensive and sustainable industrialization.

Throughout the business, we are committed to fostering technology talent to drive innovation that creates a continuous industry.

The digitization of businesses is not just about streamlining operations but pursuing further growth.

Sun\* recognizes that DX = Digital Transformation, which is one of the key issues in the field, is important for various industries to grow sustainably and contribute to society.

Although DX is often regarded as the digitization of existing businesses and operations, we do not simply aim at “improving the efficiency of operations” but ask all partners working on DX to “develop the business through business structure reform”. We can grow our business even further by having the common goal that sustainable development is the benefit of digitalization.

Sun\* specializes in UI/UX and design thinking in addition to providing upstream consulting, development and implementation, and original MVP development package products according to the content of issues for each company centered on the achievement of various product developments of 300 companies. We provide comprehensive solutions necessary for DX, including specialized consulting products and human resource support through the education business.

## 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.



**Let's make awesome things that matter.**