Sun*

Financial Results Explanatory Materials for the

3rd Quarter of the Fiscal Year Ended December 2023

Sun Asterisk Inc. | **Securities code** : **4053**
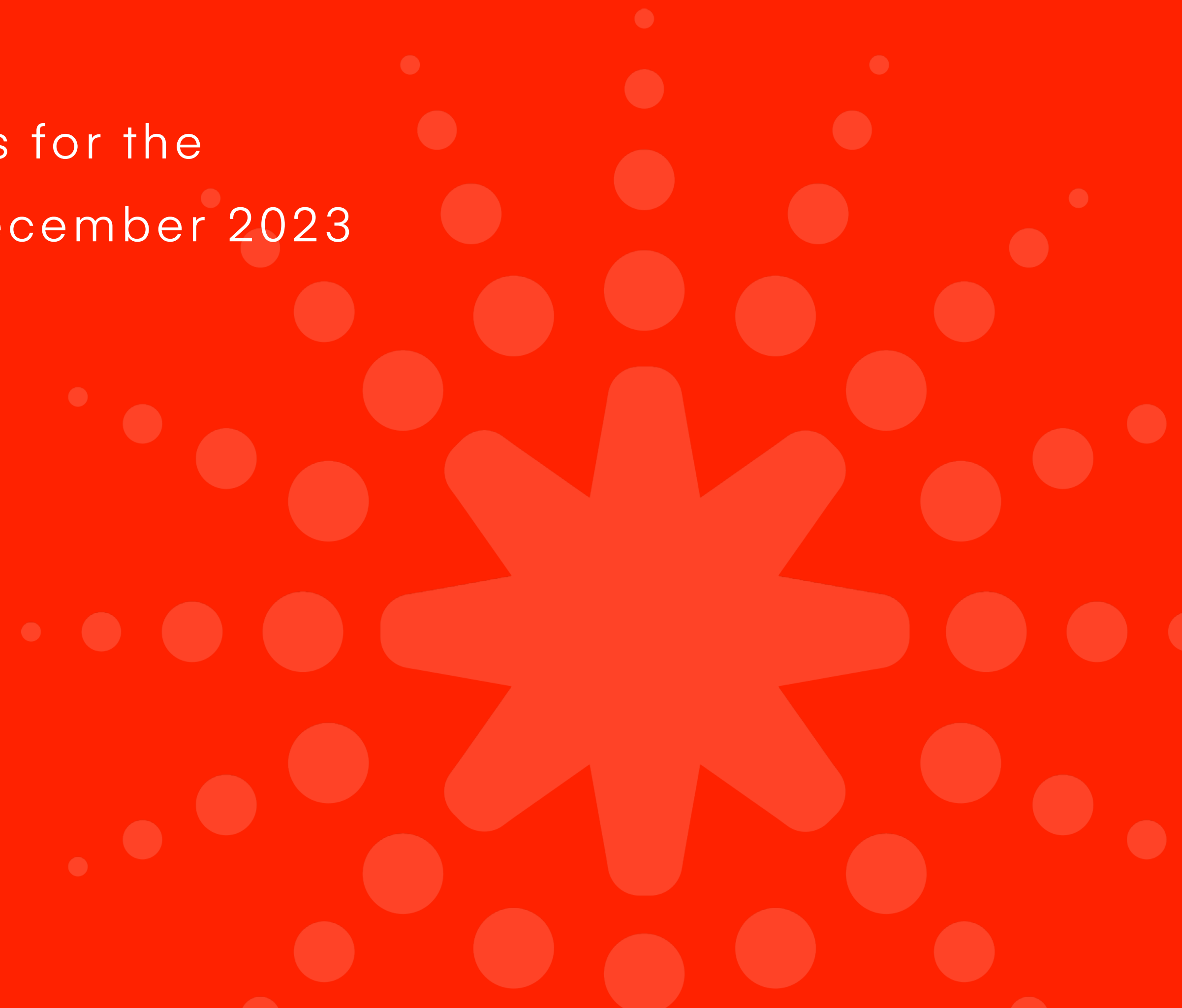
Nov 8, 2023

Sun*

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)	**2,000+**

Sun Asterisk : 260+
Sun Asterisk Vietnam : 1500+
GROOVE GEAR : 95+
NEWh : 15+
Trys : 130+

Management

CEO	Taihei Kobayashi
Co-founder, Director	Makoto Hirai
Director	Yusuke Hattori
Director	Takuya Umeda
Director: an Audit and SupervisoryCommittee member	Ken Nihonyanagi
Outside director	Toshihiro Ozawa
Outside director	Eriko Ishii
Outside director	MAKIKO ISHIWATARI

Financial
(Previous period)

Sales (2)	**10.7** Billion
Operating Income (2)	**0.90** Billion
Sales CAGR (3)	**43.4** %

KPIs

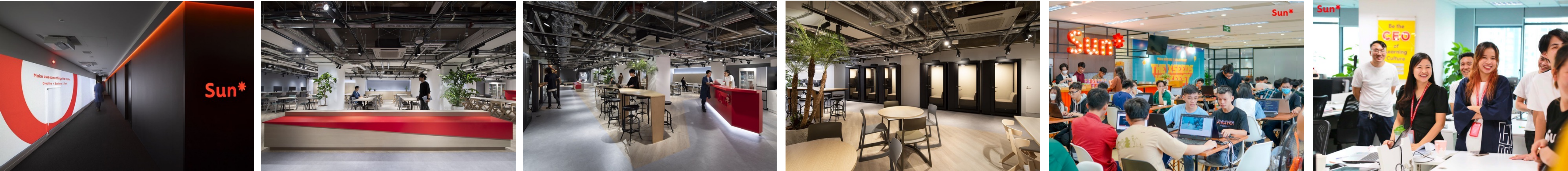|	
Stock Type Client (4)	**114** Clients
ARPU (5)	**5.20** million
Churn Rate (6)	**3.58** %

(1) As of Dec, 2022 (including temporary hirings)
(2) FY12/2022
(3) Average Annual Growth Rate from FY2/2016 to FY12/2022
(4) 9/2023
(5) FY12/2023 1Q-3Q
(6) Calculated based on Jan. 2015 to Sep, 2023, 105 month average. # of churn clients/ existing clients average

Sun*

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.

Sun*

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

Recruitment Consulting

Developper Staffing

Revenue

Digital Creative Studio

Creative & Engineering

Sun*
Business Consultant, ExCTO, UI/UX Specialist
250+ people

NEWh
Innovation consulting & Studio
15+ people

Sun* Vietnam
Project Manager, Developer, UI/UX Designer
1,100+ people

Trys
Creative group familiar with IP production
130+ people

85% of Revenue

Sun* Data Platform
VIBLO
Sun*CI
SCP

Knowhow

Knowledge

Curriculum

Feedback

Hiring

Talent Platform

IT Teachers, Headhunters

xseeds

GEEK JOB

xseeds Hub
University Alliance Top ASEAN Universities
4 countries
12 universities
2,600 + people

GEEK JOB
Programming schools for beginners

15% of Revenue

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

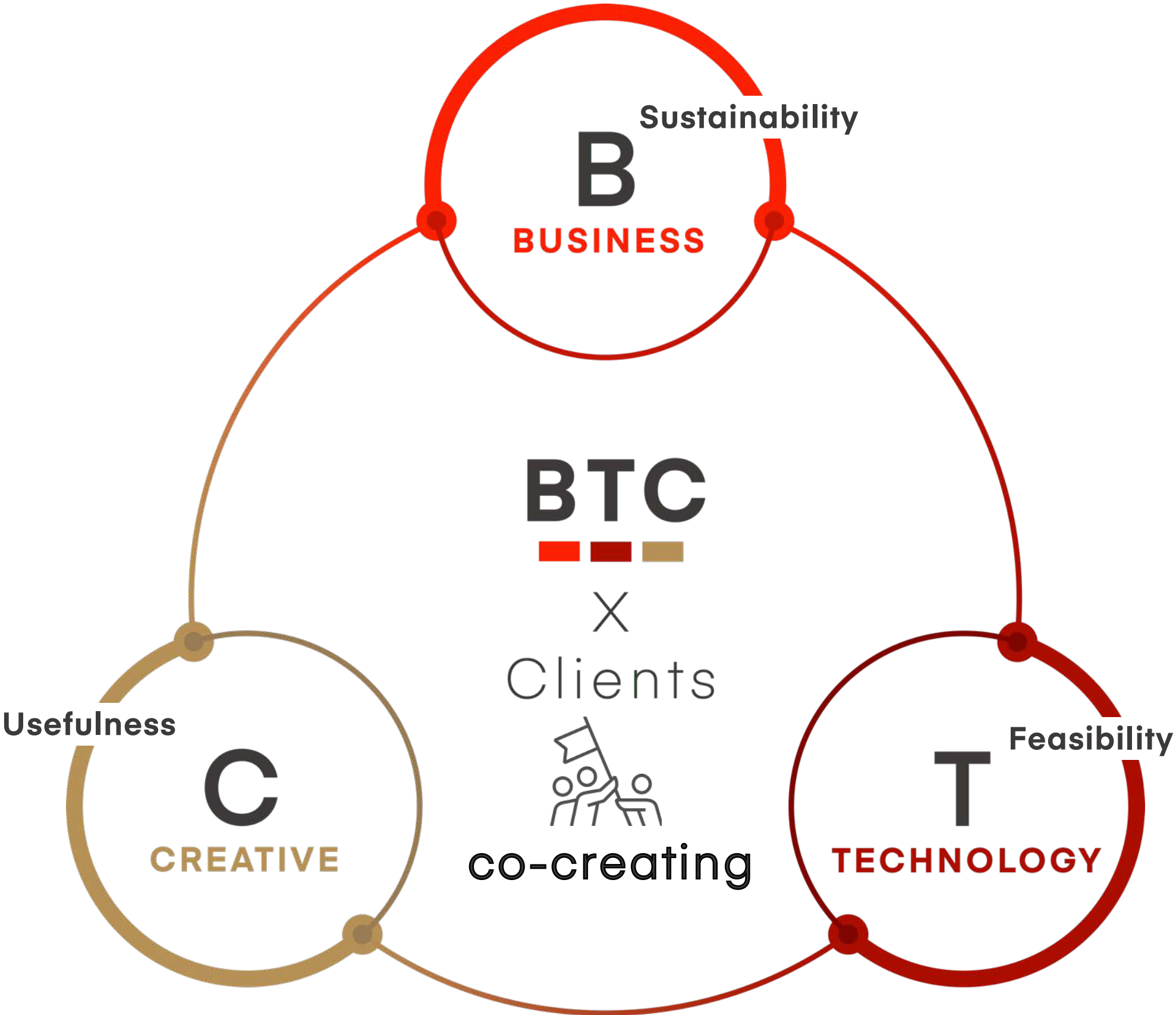## A large number of professionals from diverse backgrounds

Professional

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

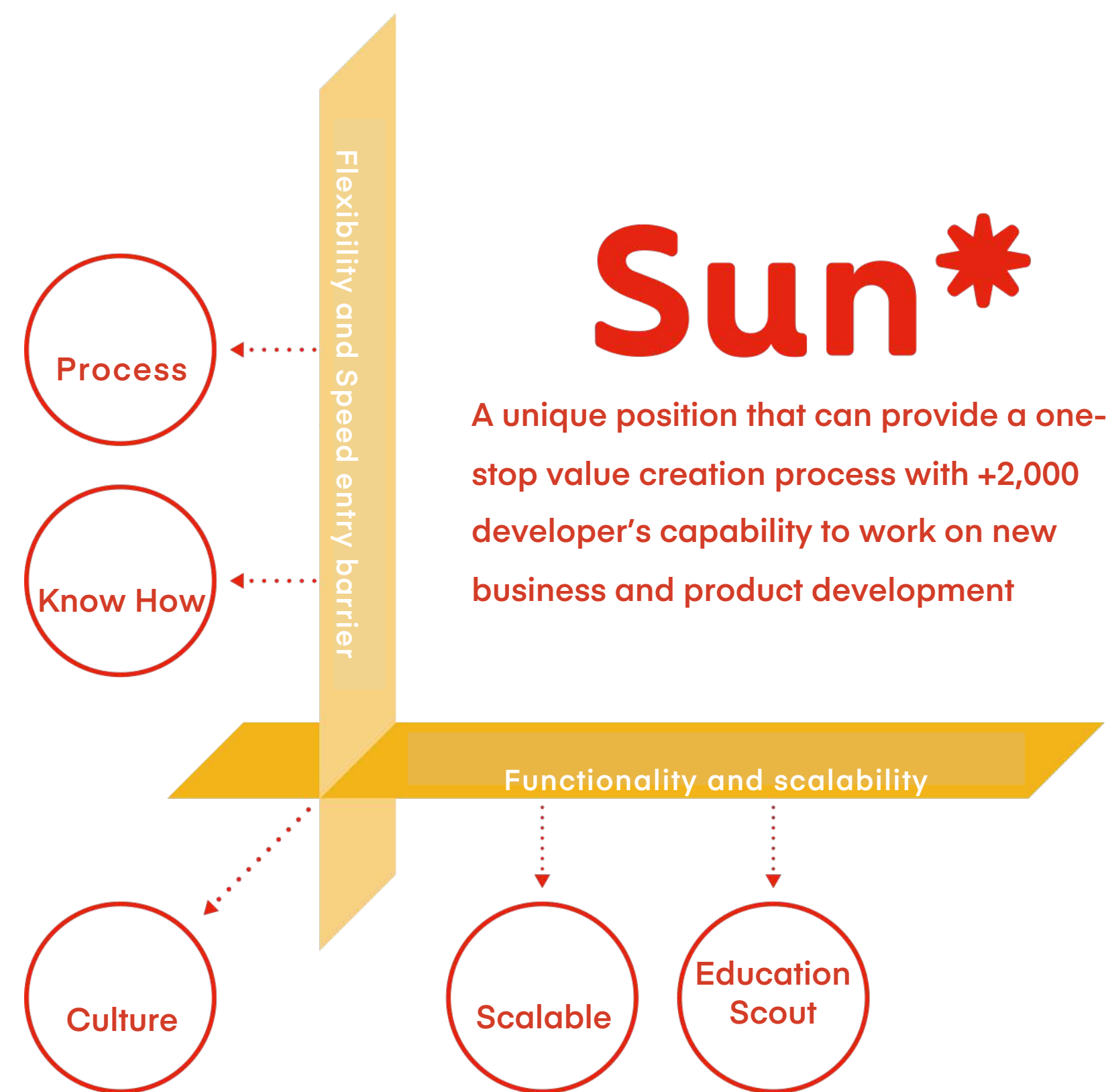## Methods and know-how accumulated from our extensive experience

Methods Know-How

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

B BUSINESS — Sustainability

BTC
✕
Clients
co-creating

C CREATIVE — Usefulness

T TECHNOLOGY — Feasibility

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

Sun*

Sun* Uniqueness in DX Market

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

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 : H2O RETAILING CORP.

"Machi Uma Takatsuki" provides the value of the experience of "eating delicious food at a restaurant in town.

New customer service business challenge for the Kansai region

H2O RETAILING CORP's "Long-Term Business Plan 2030" calls for the development of a "customer service business" that goes completely beyond existing businesses to build connections with all 20 million people in the Kansai region through a new application service. This application, which collects information on local restaurants, conducts searches, and provides functions to use points and coupons, was first launched in Takatsuki City, Osaka Prefecture. The plan is to expand the application to the entire Kansai region in the future.

UI/UX Design	PdM	Requirement Definition	Development & implementation

Enterprise	Retail trade

### ISSUE

Looking for a vendor that could complete the development process in a single integrated manner with full responsibility, and that had excellent in-house development staff to flexibly change the development system in response to changes in circumstances and environment.

SOLUTION

We design projects with flexible and speedy responses to changes in priorities and contents of development projects due to changes in circumstances and environments, such as collaborations with local community organizations. Responding sincerely to client issues, such as proposing mini-waterfall from agile development or changing the project structure based on trade-off sliders.
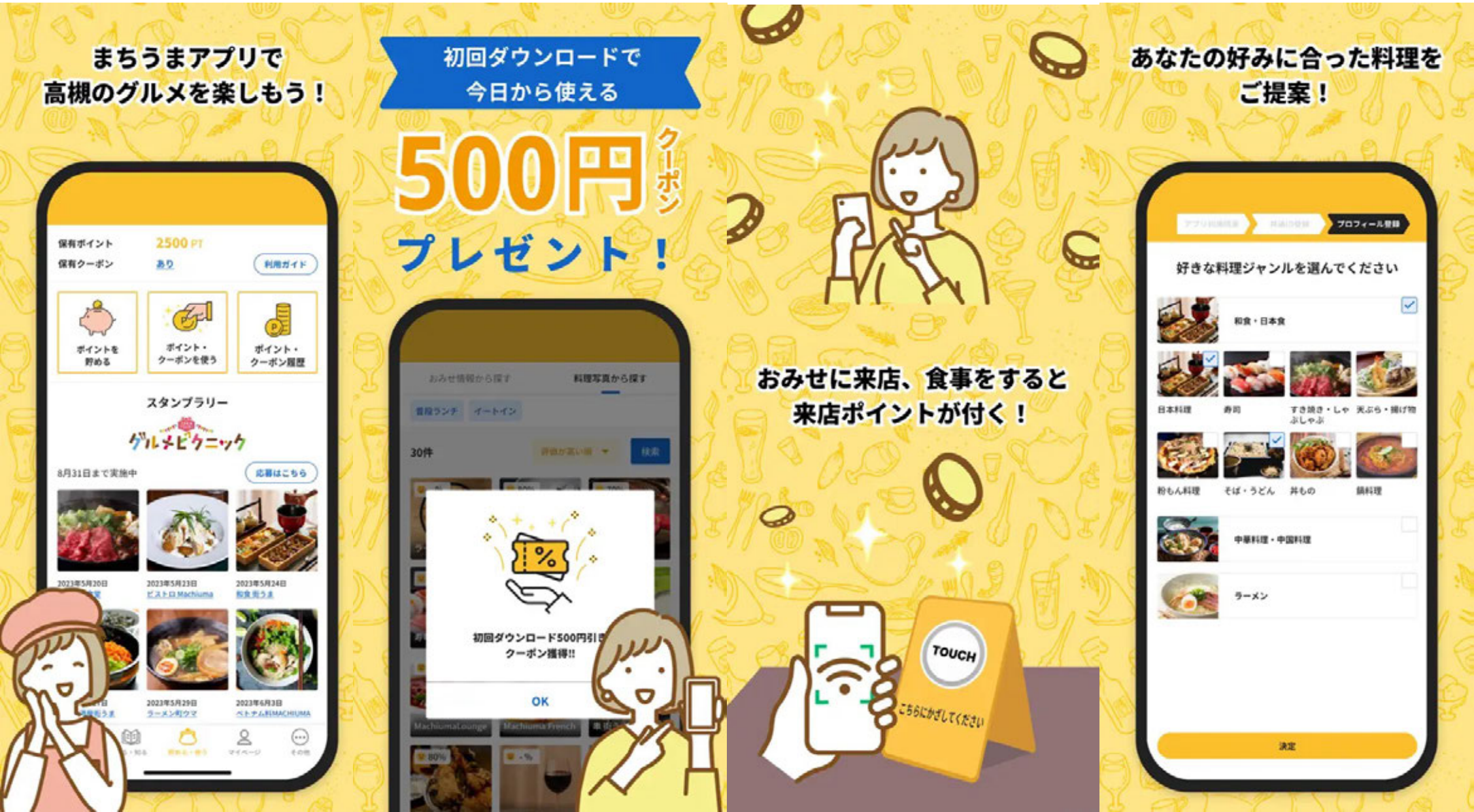
Exchange meeting with Ho Chi Minh City development team through workshops

Client's Voice
"We chose Sun* because they have a large number of engineers in Vietnam and we could expect flexible and flexible development. Also, Sun* promotes agile development, so we had a sense of security in knowing that they would respond to any sudden addition of features or changes in the application specifications as they arose. Above all, we felt that Sun* was a trustworthy company, including its members, which was a major deciding factor in our decision to select them as our partner."

Sun*

Case Study : All Right / T&D Insurance Group

New business to strengthen customer contact in the T&D Insurance Group

T&D Insurance Group's "peer-conne" health support service using LINE as a point of contact

All Right is a subsidiary of T&D Holdings, and is responsible for the company's new business. In collaboration with health promotion and healthcare related companies, the company has released the customer support service "peer-conne" as an official LINE account. At Sun*, we accompany our clients from the planning of services to the development and implementation of LINE applications.

| UI/UX Design | Requirement Definition | Development & implementation | infrastructure building |

| Enterprise | insurance business |

ISSUE

Have an idea for a new service, but would like to be accompanied by a partner with a proven track record and knowledge in new business development to advise us on how best to realize it. In addition, we would like to develop the system early and release the service quickly to quickly build a relationship with users and make continuous improvements while obtaining their reactions and feedback.

SOLUTION

We proposed a system architecture that utilizes Microsoft Azure and the LINE API. This dramatically increased the development speed and allowed us to release the service quickly. By utilizing LINE, the No. 1 SNS in Japan, we were able to provide the service to users as quickly as possible.

ピアコネ
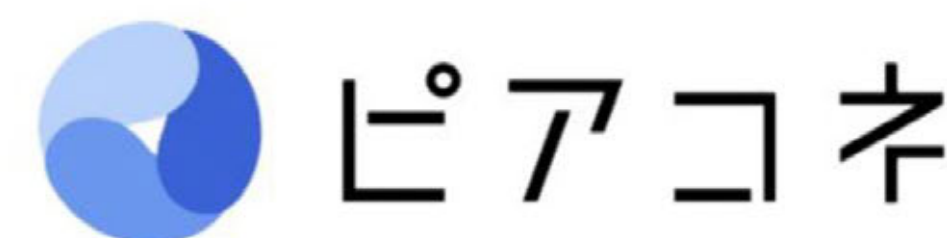
自分らしい価値観を
大切に生きる人たちに
寄り添い 支えていくサービス
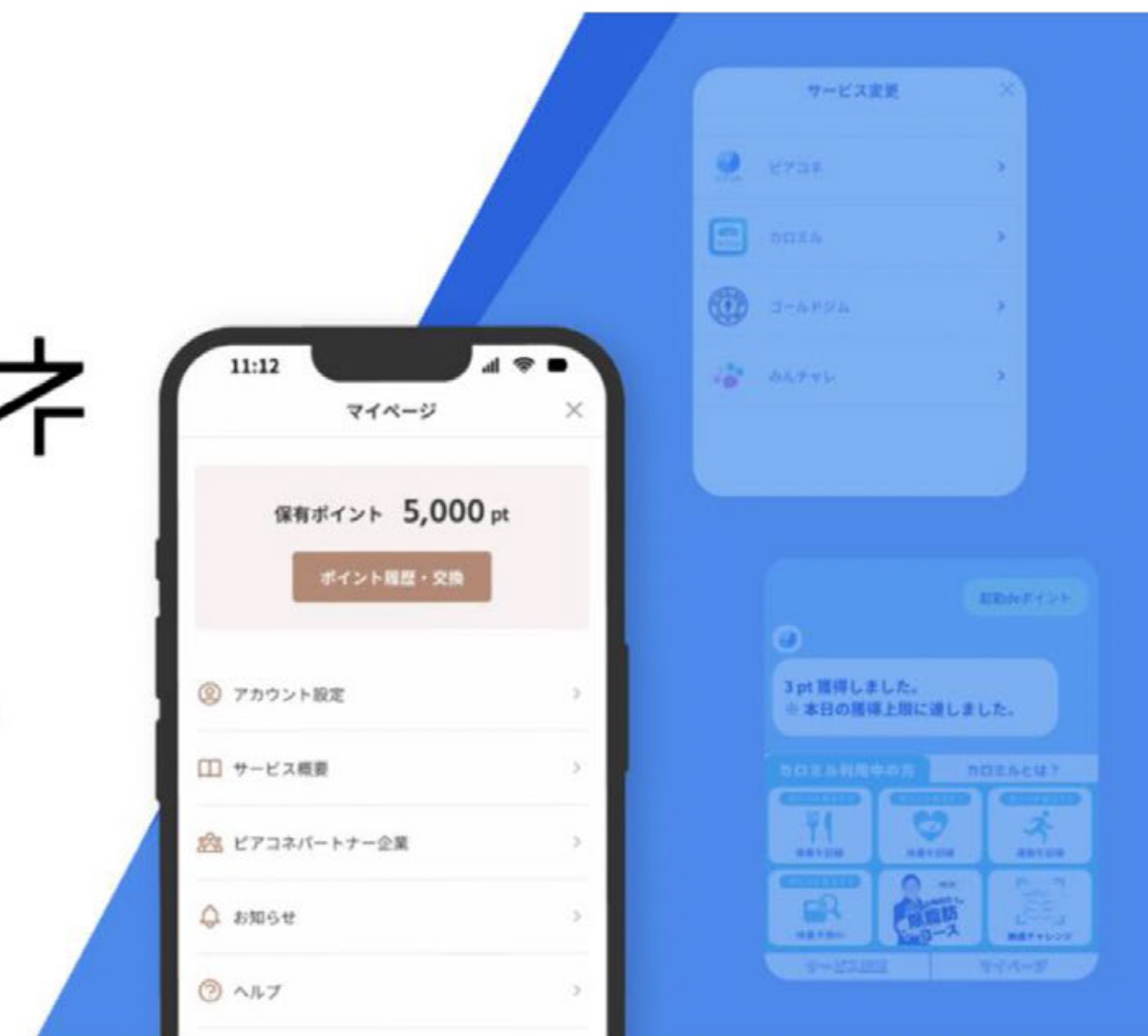
Points for service use

Rich menu switching

My Page

Sun*

Case Study : Onomichi City Office / NTT WEST

Provided support to young employees of Onomichi City Office in creating new service ideas that would benefit the community.

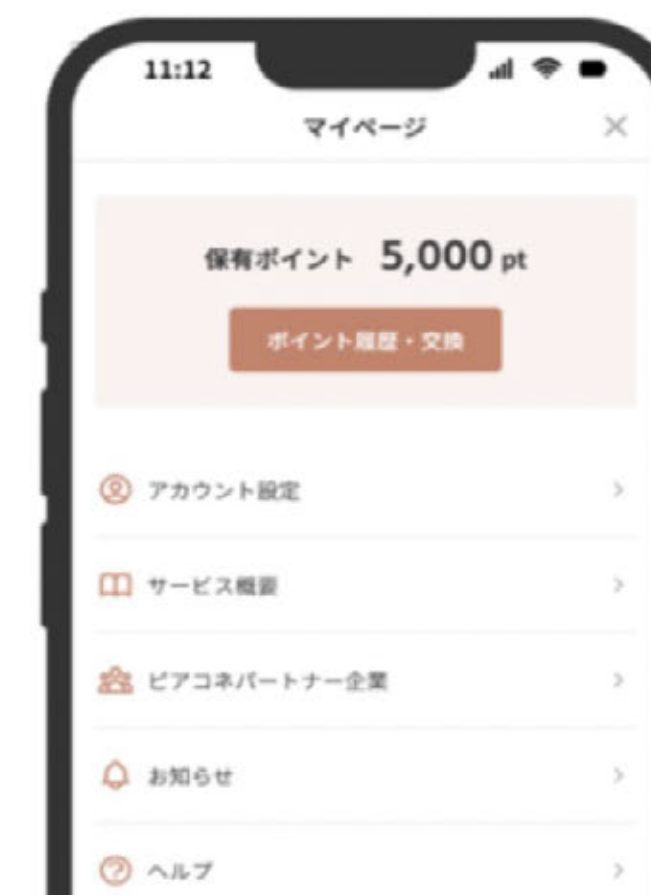## New business idea generation using design thinking in local government

Many local governments are currently facing challenges due to the concentration of people in one area, and there is a need to "increase the attractiveness of the region and create a region that can adapt to a declining population". To address these issues, Sun* implemented a new business creation program to generate ideas through design thinking. Finally, the teams made a presentation to the mayor and received positive comments from the mayor, who said, "We would like to start considering the idea for commercialization.

| Service Design | Design Thinking | Mentor Support | Key Visual Creation | Workshop Design |

Local government

ISSUE
- In response to issues such as the declining birthrate, aging population, and shrinking workforce, we would like to create ideas with the rich sensitivities and ideas of our young employees to lead the way to a sustainable future.

PURPOSE
- Want to create new business ideas using design thinking and aim to commercialize them
- Want young employees to learn design thinking and apply it to their work in the town.

GOAL
- Young staff members will gain successful experience in creating new business ideas on their own
- Acquire the thinking process of design thinking

Create key visuals from issues and ideas identified by each team

One month immigration experience service

Onomichi's lifestyle-related information website

E-application experience space for the elderly

Childcare Information Aggregation and Sharing App

Workshops

Participant's voice
"I learned how to make proposals from the standpoint of citizens, avoiding the viewpoint of the government, and I gained new perspectives and clues that will lead the discussion in the right direction."

Sun*

Case Study of DX Promotion and New Business Development

MeeTruck
SoftBank Corp.／MeeTruck K. K.

Smart League
SSK CORPORATION

SAAI Wonder Working Community
Mitsubishi Estate Company CO., LTD.
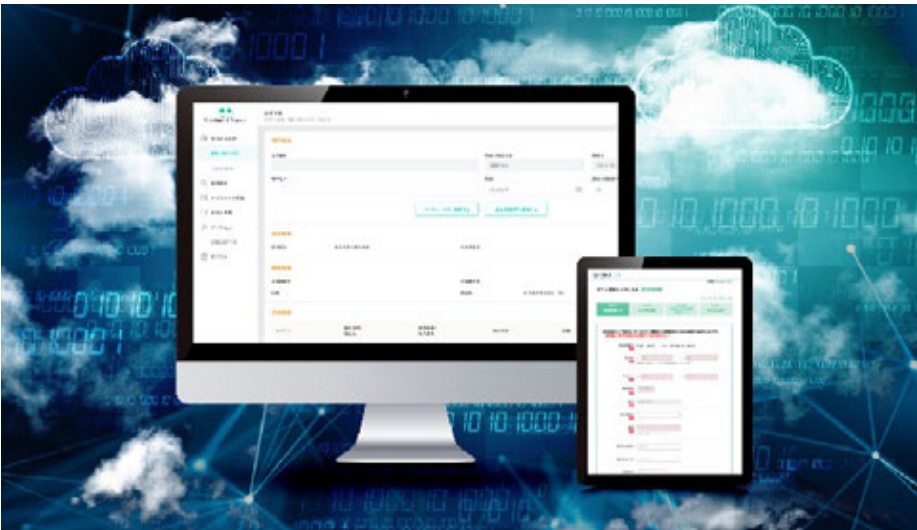
Core systems related to the
"KUMONO UCYUSEN" NIPPON GAS CO.,LTD.

BI tools, RPA implementation support
LAWSON, INC.

0→1Apps
01Booster Inc.
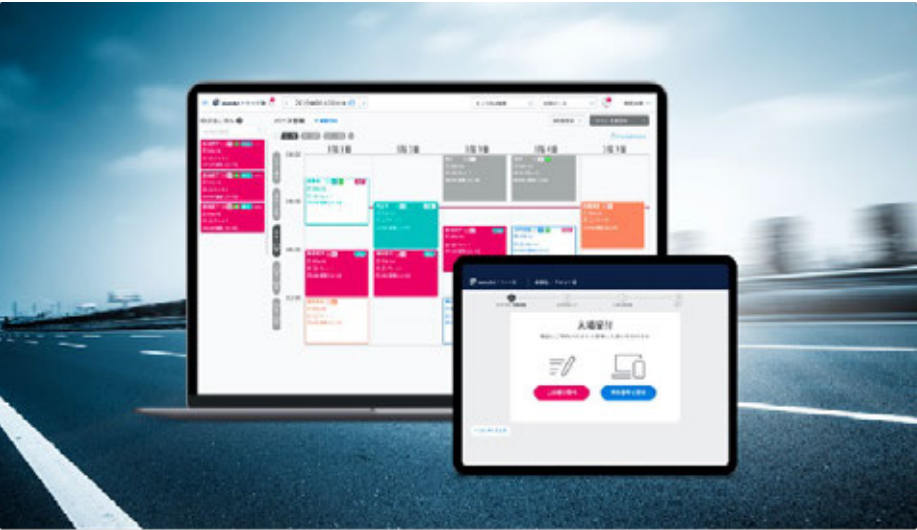
Truckbook / dplus
Monoful Inc.

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

Todokun
NPO Bridge for Smile

Hokuoh,Kurashino Douguten store
Kurashicom Inc.
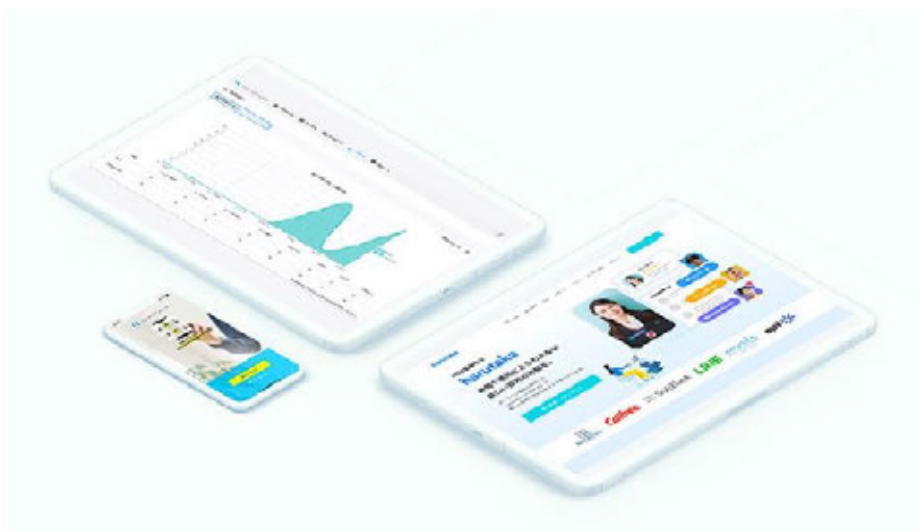
HARUTAKA
ZENKIGEN Inc.

TENANTA
tenant inc.

Kauriru
TENT Inc.
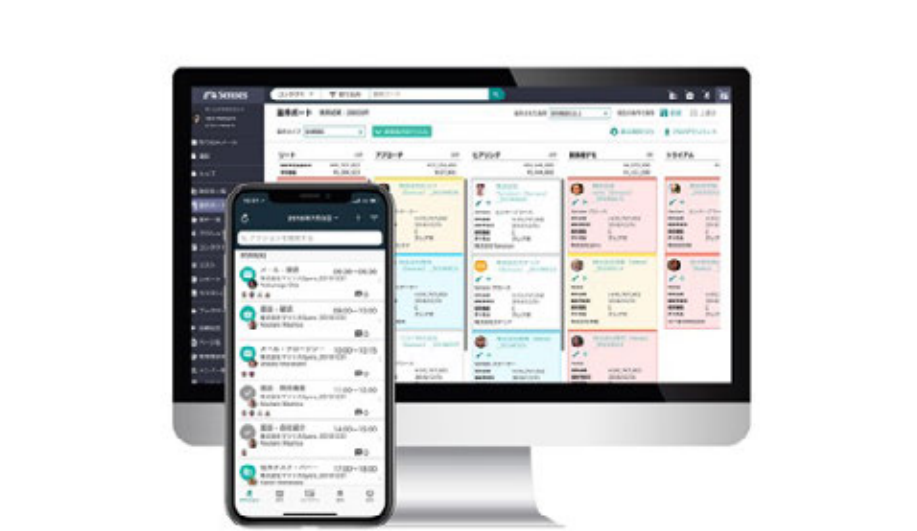
Senses
mazrica inc.

Update on the website
https://sun-asterisk.com/works/

Sun*

2

FY2023-1Q Financial Highlights

Financial Results Summary

Both sales and income increased YoY due to strong orders
in the mainstay Creative & Engineering business.
Steady progress against the full-year forecast, which was revised upward in August 2023.

Unit : Million Yen	FY2022 3Q	FY2023 3Q	Rate of Change	Financial Forecast	Progress Rate
Sales	7,990	**9,284**	16.2%	12,494	74.3%
Gross profit	3,731	**4,838**	29.7%	6,692	72.3%
Gross profit margin	46.7%	**52.1%**	—	53.6%	—
EBITDA (1)	749	**1,475**	96.9%	1,894	77.9%
Operating income	649	**1,336**	105.6%	1,700	78.6%
Operating margin	8.1%	**14.4%**	—	13.6%	—
Ordinary income	812	**1,727**	112.8%	1,993	86.7%
Net income	622	**1,204**	93.5%	1,460	82.5%

Average exchange rate
(per 1 Vietnamese Dong)   0.00555yen   0.00584yen   0.00582yen

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

Sun*

Key Points

| **Sales** | • Both stock and flow-type sales in Creative & Engineering were strong. |

| **Gross profit** | • Gross profit margin improved significantly YoY due to the penetration of new prices for Vietnamese personnel in Creative & Engineering and higher unit labor cost per employee. |

| **Operating income** | • There were no major cost increases other than the increase in personnel expenses associated with the expansion of the workforce, including the hiring of new graduates, and the operating profit margin improved significantly compared to the previous year. |

| **Exchange impact** | • The average exchange rate through FY23-3Q is 0.00584 yen/dong, slightly weaker than the forecast for the period.
• The depreciation of the yen from 0.00555 yen/VND in the same period of the previous year has resulted in a cost increase of JPY139M versus the previous year. |

Sun*

Changes in Sales and Net Income

High progress in both operating income and ordinary income compared to initial plan

Sales (1) (2) (3)

Unit: Billion Yen

- 🟥 Creative & Engineering (excluding Trys)
- 🟧 Creative & Engineering (Trys)
- 🟨 Talent platform

FY	Value
FY02/18	
FY12/18 (10 month)	
FY12/19	**4.52** (1.4 / 3.2)
FY12/20	**5.36** (1.0 / 4.3)
FY12/21	**8.03** (1.2 / 0.3 / 6.5)
FY12/22	**10.74** (1.5 / 1.5 / 7.8)
FY12/23	**12.08** / **92.8** (1.2 / 0.9 / 7.2) progress rate **74.3%**

Operating Income

Unit: Billion Yen

FY	Value
FY12/20	
FY12/21	
FY12/22	**0.90**
FY12/23	**1.70** (1.33) progress rate **78.6%**

Ordinary Income

Unit: Billion Yen

FY	Value
FY12/20	
FY12/21	
FY12/22	**1.14**
FY12/23	**1.99** (1.72) progress rate **86.7%**

(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.

Sun*

Sales (quarterly change)

Sales in FY23Q3
3.16 billion Yen (YoY+13.2%)

Creative and Engineering (excluding Trys)
+29.9% YoY

Talent Platform
-4.1% YoY

Trys
-50.5% YoY

※ Decrease in sales due to the transition to a contracted game development model after the transfer of game titles.

(1) Quasi-delegated contracts lasting more than three months are classified as stock-type contracts, while quasi-delegated contracts lasting less than three months and subcontracted contracts are classified as flow-type contracts.

- Talent Platform
- Creative & Engineering (Trys)
- Creative & Engineering (flow type)
- Creative & Engineering (stock type)

+13.2%

Unit: Billion Yen

3.5

2.8

2.1

1.4

0.7

0

2.79
Billion Yen

3.16
Billion Yen

-4.1%

-50.5%

+29.9%

1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
FY2020				FY2021				FY2022				FY2023		
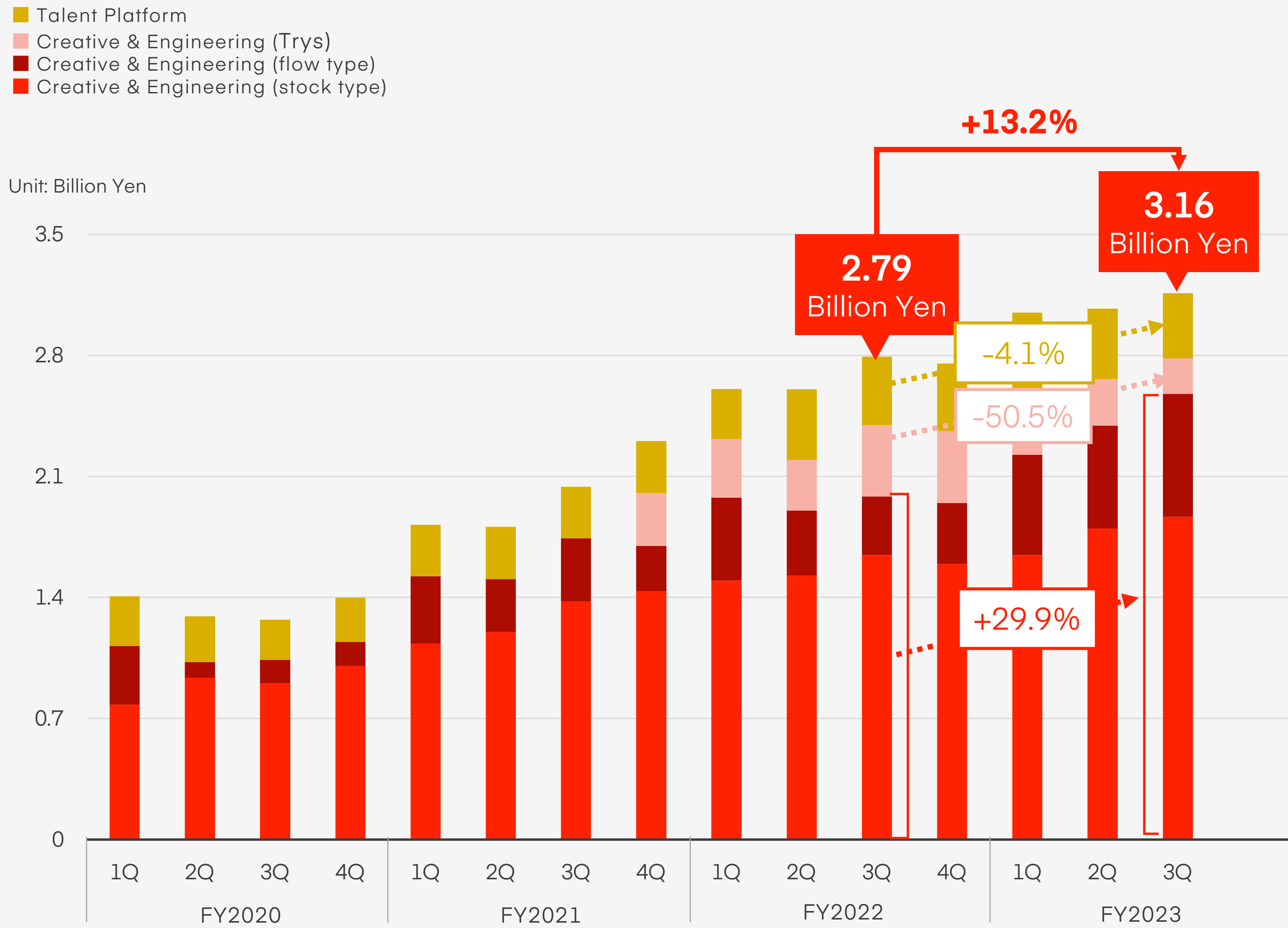
Status of each service line

Creative & Engineering

- Both stock and flow grew by 30% YoY due to particularly strong utilization of enterprise clients' projects.

Talent Platform

- Stable, mainly due to the business of group company Groove Gear.

Sun*

Changes in Important KPIs (quarterly)

The number of stock-type customers was -2 compared to the end of the previous quarter. ARPU increased QoQ, driven by enterprise customer ARPU.
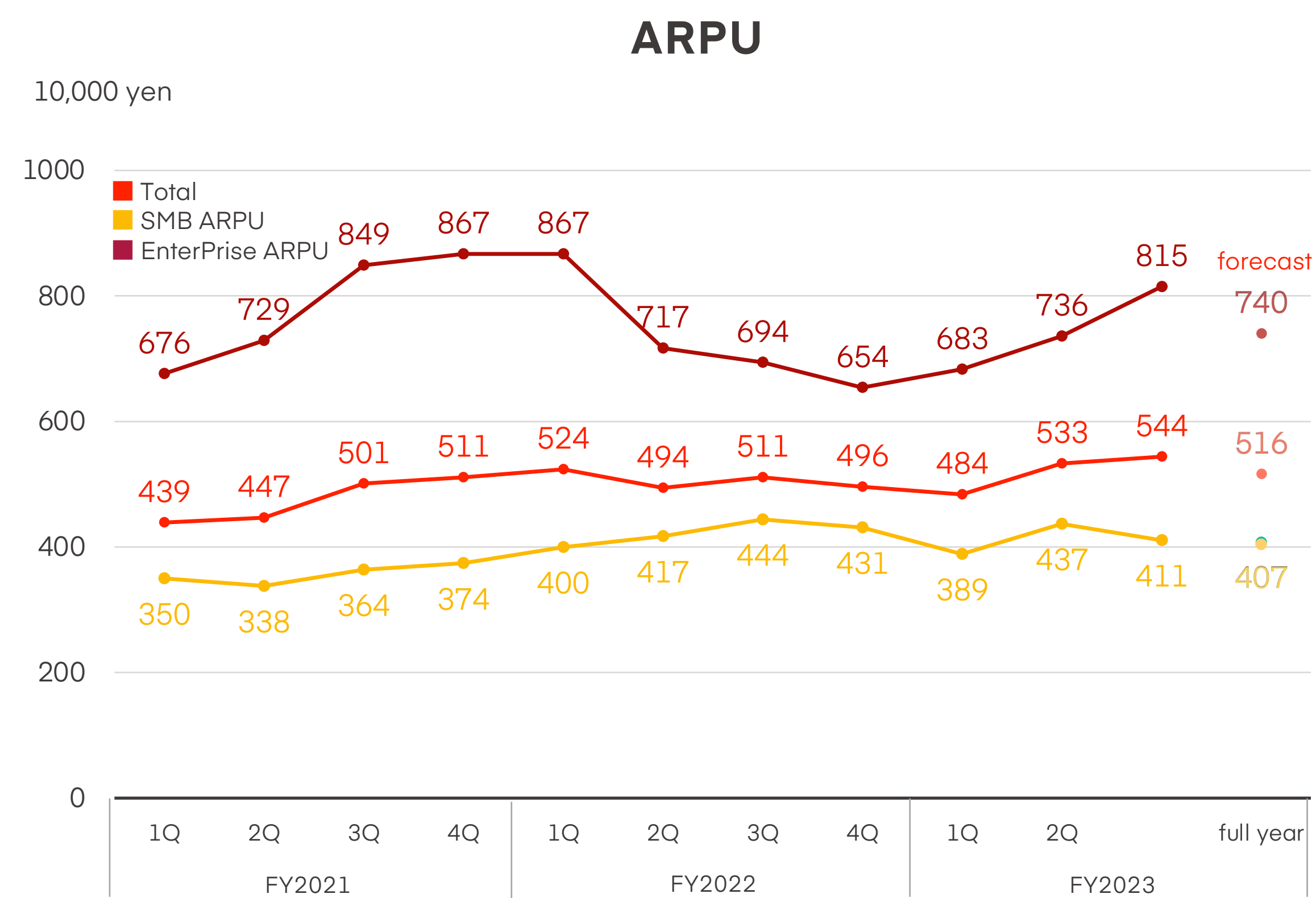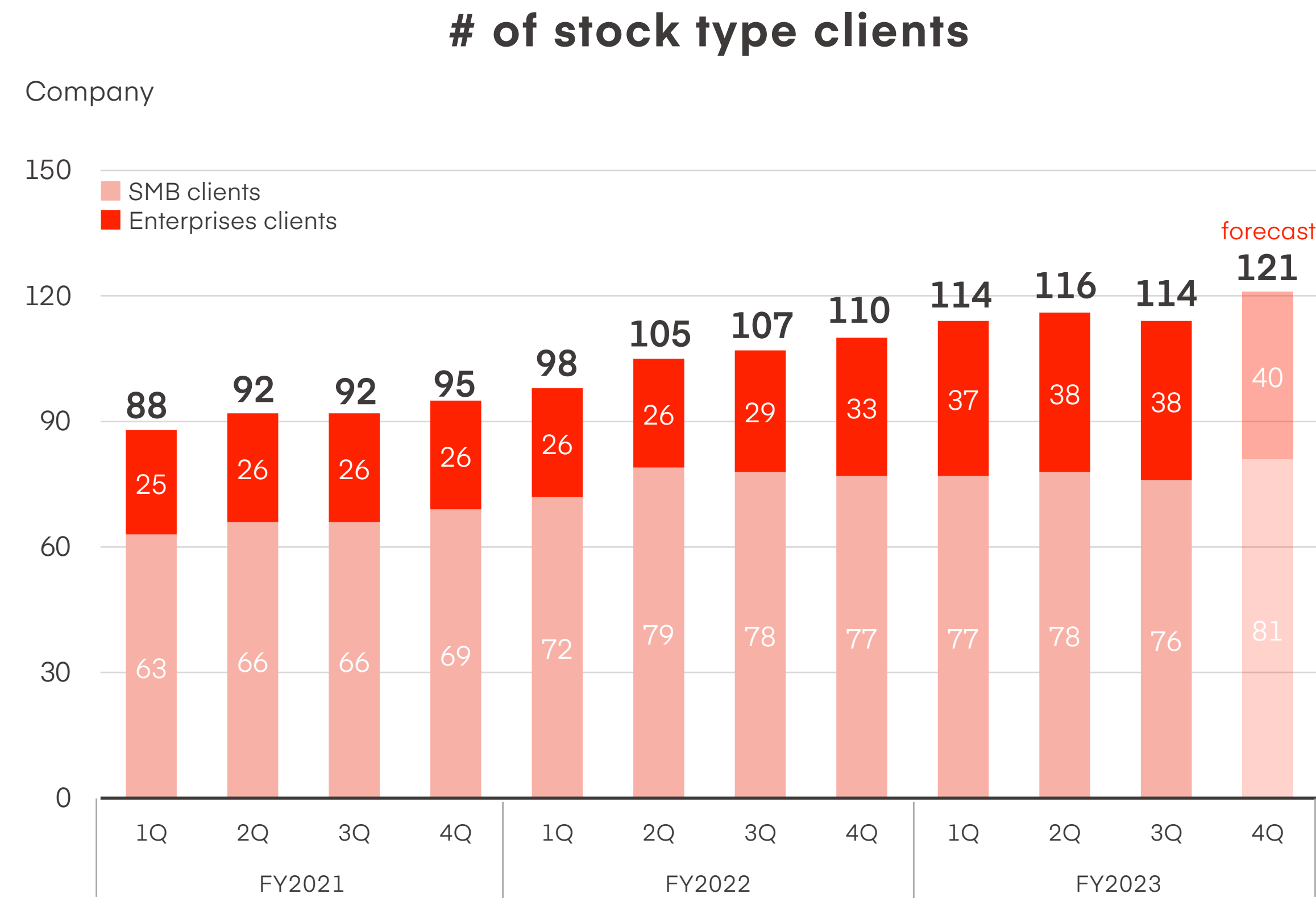
of stock type clients

Company

- SMB clients
- Enterprises clients

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Total	88	92	92	95	98	105	107	110	114	116	114	121 forecast
Enterprises	25	26	26	26	26	26	29	33	37	38	38	40
SMB	63	66	66	69	72	79	78	77	77	78	76	81
	FY2021				FY2022				FY2023			

ARPU

10,000 yen

- Total
- SMB ARPU
- EnterPrise ARPU

	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	full year
EnterPrise	676	729	849	867	867	717	694	654	683	736	815 / 740 forecast
Total	439	447	501	511	524	494	511	496	484	533	544 / 516
SMB	350	338	364	374	400	417	444	431	389	437	411 / 407
	FY2021				FY2022				FY2023		

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

Changes in Important KPIs (fiscal year)

Annual Trends in Key KPIs

of stock type clients

Company

Legend:
- SMB clients
- Enterprises clients

forecast

	FY02/2018	FY12/2018	FY12/2019	FY12/2020	FY12/2021	FY12/2022	FY23-3Q	FY12/23
Total	53	62	72	85	95	110	114	121
Enterprises	9	11	16	22	26	33	38	40
SMB	44	51	56	63	69	77	76	81

ARPU

10,000 yen

Legend:
- Total
- SMB ARPU
- EnterPrise ARPU

forecast

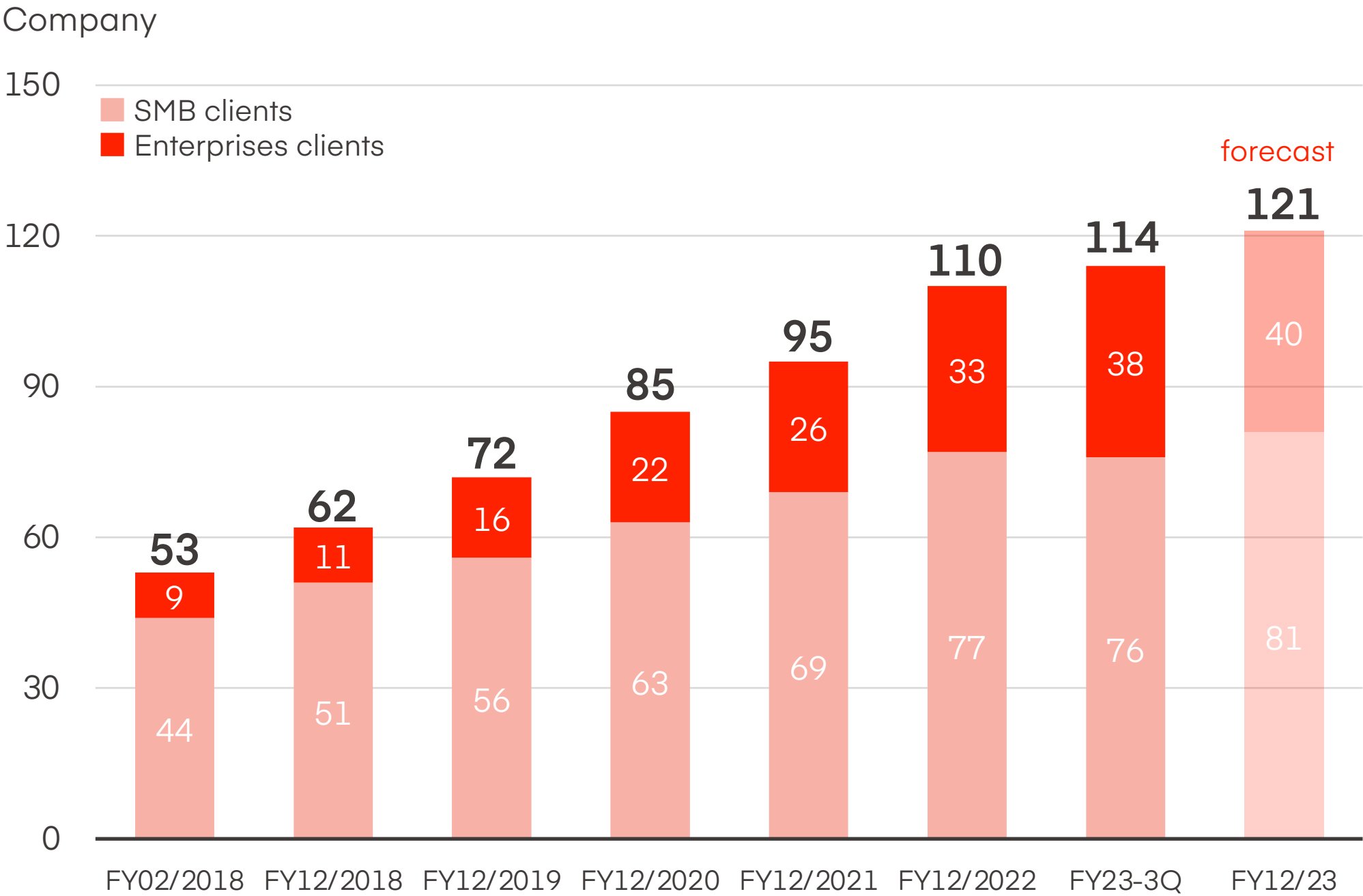|	FY02/2018	FY12/2018	FY12/2019	FY12/2020	FY12/2021	FY12/2022	FY23-3Q	FY12/2023
EnterPrise ARPU	401	572	581	668	786	728	745	740
Total	258	304	308	389	475	506	520	516
SMB ARPU	229	247	241	298	358	424	412	407

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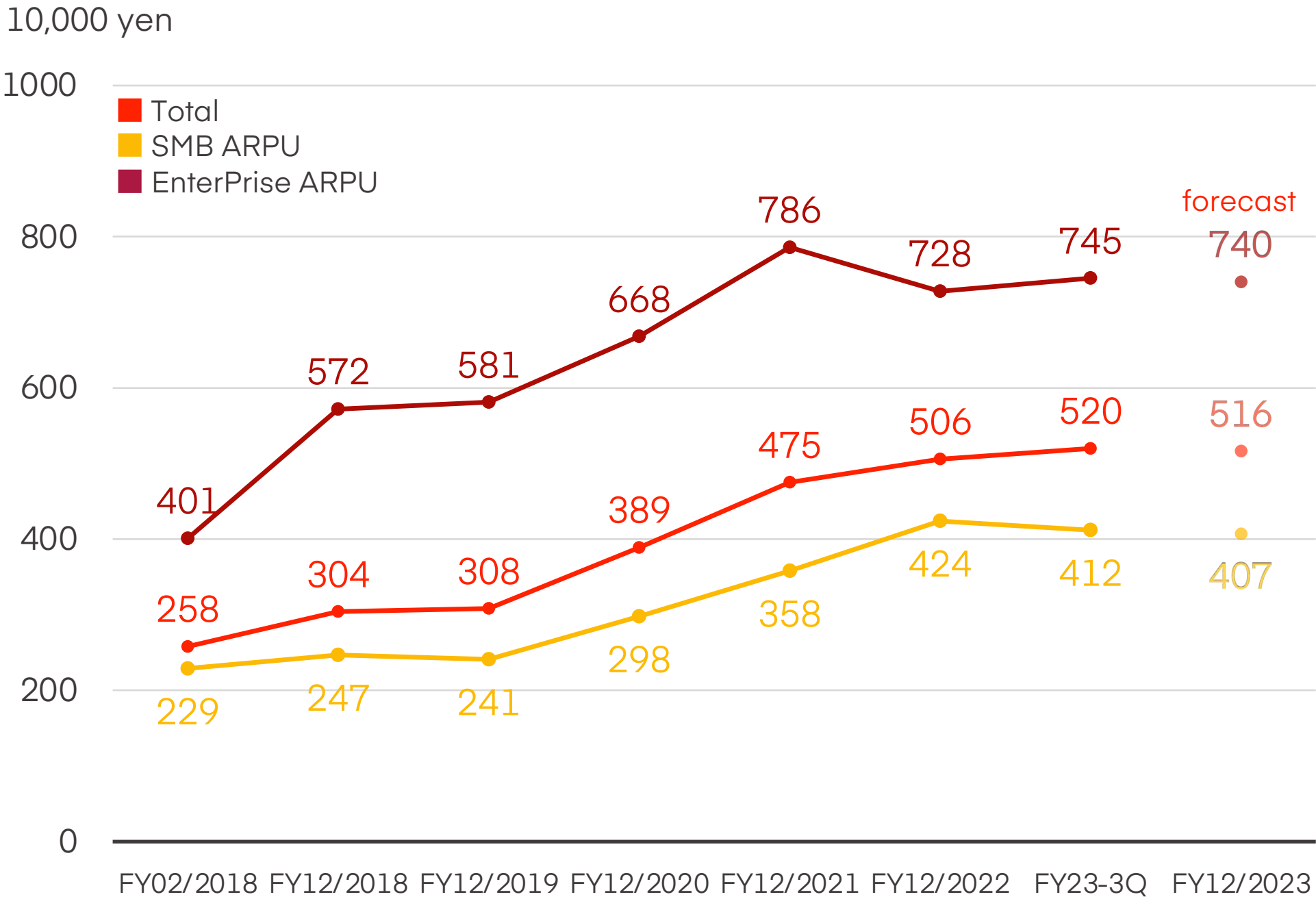**SMB:** Abbreviation for Small and Midsize Business. All companies other than those we define as Enterprise.

Sun*

Status of Major KPIs

stock-type clients

- Weak trend in new project wins for SMB clients led to the first QoQ decline in 3Q.

- On the other hand, the number of projects that will become the seeds for stock-type clients has been accumulating, and progress is being made in building up the pipeline for the next fiscal year.

ARPU

- ARPU, especially for enterprise clients, increased due to upselling of existing clients and the completion of stock projects with small ARPU.

- Stock-type sales amount increased QoQ due to ARPU improvement.

Sun*

Factors of Gross Profit Increase/Decrease (YoY)

Continued the trend of the first half of the year. Due to higher unit labor costs per employee in Creative & Engineering, Increased revenue without a significant increase in labor costs in Creative & Engineering, resulting in a significant increase in profit YoY.

million yen

	1,294		73			
3,731		-160		-22	-77	4,838

| FY22-3Q Accumulated Gross Profit | Sales increase | C&E labor cost in COS increase | C&E outsourcing cost in COS decrease | Other COS increase | Exchange impact | FY23-3Q Accumulated Gross Profit |

Sun*

Factors of Operating income Increase/Decrease (YoY)

Continued the trend of the first half of the year.Despite an increase in SG&A expenses due to personnel expansion and the yen's depreciation, Despite an increase in SG&A expenses due to headcount expansion and the yen's depreciation, the company posted a significant year-on-year increase in operating income due to a significant revenue increase.

million yen

FY22-3Q Accumulated Operating Income	Sales increase	Increase in cost of sales	Labor cost in SG&A increase	Other SG&A decrease	Exchange impact	FY23-3Q Accumulated Operating Income
649	1,294	-110	-391	33	-139	1,336

Sun*
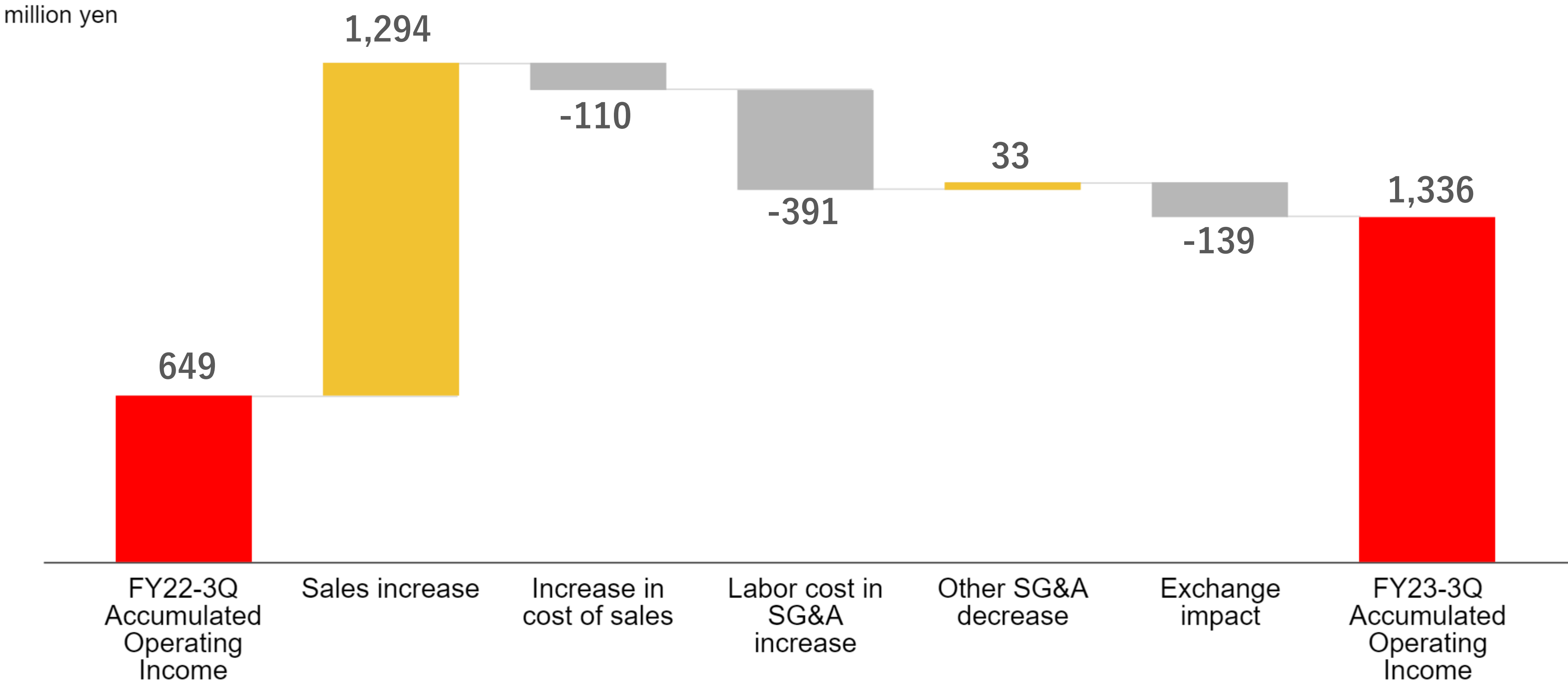
Balance Sheet Comparison

Capital adequacy ratio remains high, ensuring stability of financial base

Unit: Million Yen

	6/2023	9/2023	Amount of change	Main Factors
Current Asset	12,116	**11,065**	-1,051	
Cash & Bank	10,134	**9,075**	-1,059	Decrease due to repayment of short-term borrowings
Fixed Assets	1,661	**1,668**	7	
Total Assets	13,777	**12,734**	-1,043	
Current Liabilities	4,510	**3,018**	-1,492	Decrease due to repayment of short-term borrowings
Fixed Liabilities	406	**418**	12	
Net Asset	8,860	**9,297**	437	Increase due to profit recognition
Total Liabilities and Equity	13,777	**12,734**	-1,043	
Equity Ratio	64.3%	**73.0%**	—	

Sun*

3

Growth Strategy Topics

Enhanced product development support using Azure OpenAI Service

Examples of services offered

AI-based Japanese voice conversion

Idea divergence using generative AI

Convergence of Ideas and Promise Check

Microsoft Azure

Determination and development implementation of Azure architecture

Microsoft Azure

Operation and continuous improvement in Azure

Created hundreds of business ideas using ChatGPT

Sun* proprietary framework for fleshing out and fleshing out business opportunities

Product development utilizing the advantages of Azure OpenAI Service

Scalability of Azure OpenAI Service in product development

Value Design Syntax

Document Production	Image Generation	Strong AI capabilities	Cloud Integration
Emotional Analysis	Voice Transformation	Scalability	cost effectiven
Translation	Data Extraction	Documentation	Security

AI-based Automobile Insurance Loss Surveys

AI-based Virtual Camera

AI-based similarity search for music

Sun* has deepened its collaboration with Microsoft in supporting new business creation for large companies and growth support for startups, and will further deepen its collaboration in supporting product development using the Azure OpenAI Service to strengthen product development support for various companies considering the use of AI. As a first step, we will speedily realize the development of prototypes and PoC on Microsoft Azure for business plans with business potential derived through "AI*deation," a service to support the creation of new business ideas using generative AI.

Launched HR*Blueprint, support service for building recruitment brand through design approach.

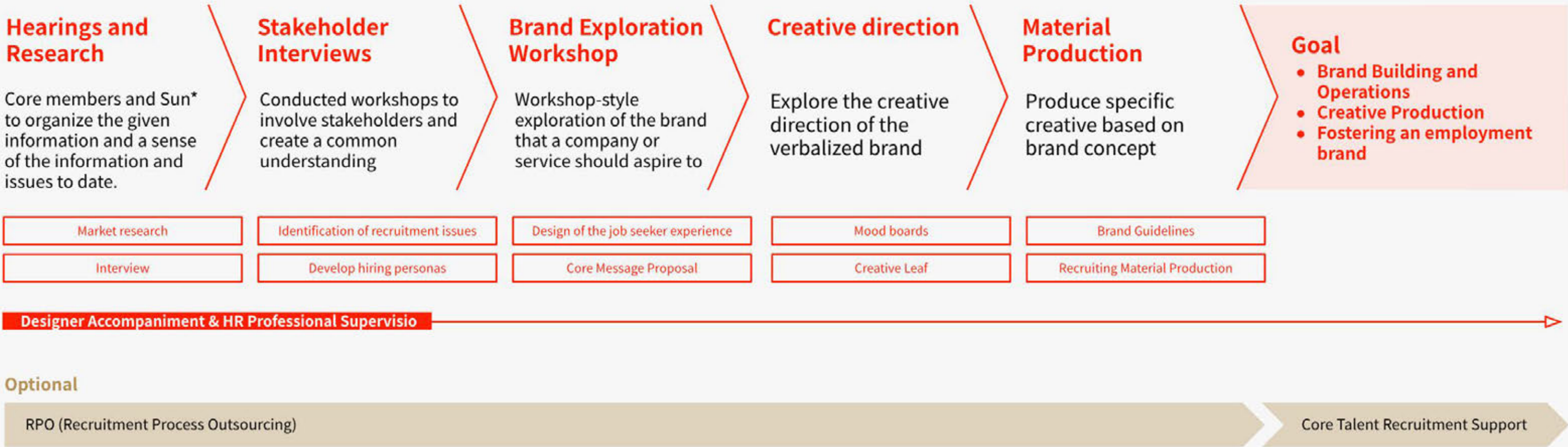## Explore and define the adoption UX through user-centered design

Utilizing the design approach methodologies used in more than 600 new businesses that Sun* has supported, we explore and define the recruitment UX through user-centered design to bring consistency to communications in HR activities. We engage necessary stakeholders to create a common understanding, formulate the essential latent value that underlies the company's brand to potential hires, and provide communication support through creativity. In addition, HR professionals from "Talent Platform," one of Sun*'s service lines that discovers, trains, and introduces IT personnel in Japan and overseas, join as members, enabling us to build a recruiting brand that also crosses HR perspectives.

Crystallize the will of the company and its services to create a point of contact with society.

Standard period: from 3 months

We identify the touchpoints between the candidate and the company, along with candidate insights. We design what kind of value appeal can be made to these touchpoints, and promote communication with candidates by working on creative for each touchpoint. We also work together with the client to create a common understanding within the company regarding recruitment by drawing out these processes together.

Hearings and Research	Stakeholder Interviews	Brand Exploration Workshop	Creative direction	Material Production	Goal
Core members and Sun* to organize the given information and a sense of the information and issues to date.	Conducted workshops to involve stakeholders and create a common understanding	Workshop-style exploration of the brand that a company or service should aspire to	Explore the creative direction of the verbalized brand	Produce specific creative based on brand concept	• Brand Building and Operations • Creative Production • Fostering an employment brand
Market research	Identification of recruitment issues	Design of the job seeker experience	Mood boards	Brand Guidelines	
Interview	Develop hiring personas	Core Message Proposal	Creative Leaf	Recruiting Material Production	

Designer Accompaniment & HR Professional Supervisio

Optional

RPO (Recruitment Process Outsourcing)	Core Talent Recruitment Support

service plan

Recruitment Branding
 • Support
 • Identification of hiring issues
 • Develop recruitment personas
 • Designing the candidate experience
 • Recruitment material development and production
 • Supervision by HR Professional

+

RPO (Recruitment Process Outsourcing)
 • Organizational chart formulation from business plan
 • Organize human resource requirements
 • Cost and KPI planning
 • Establishment of optimal recruiting channels such as agents and media
 • Recruitment population formation - Progress management operation in general

Core Talent Recruitment Support
 • Sourcing and Assignment of Core Talent

Participated as a business development support partner for ARCH, an incubation center operated by Mori Building


Incubation center with a mission of business reform and new business creation for large companies

ARCH is an incubation center conceived specifically for organizations whose mission is to transform the business operations of large corporations and create new businesses. ARCH focuses on the possibilities and challenges unique to large corporations with abundant resources and networks, and supports business creation from both a hardware and software perspective. Sun* is strong in business development through the trinity of business, tech, and creativity, and has supported the development of over 600 services to date. Our goal is to facilitate updates for our clients and the world at large by providing comprehensive support from service design to MVP development, PoC development, and product development.

A seminar hosted by Sun*

Sun*

Collaborating with Kobayashi Pharmaceutical as a DX partner to support enhanced digital transformation
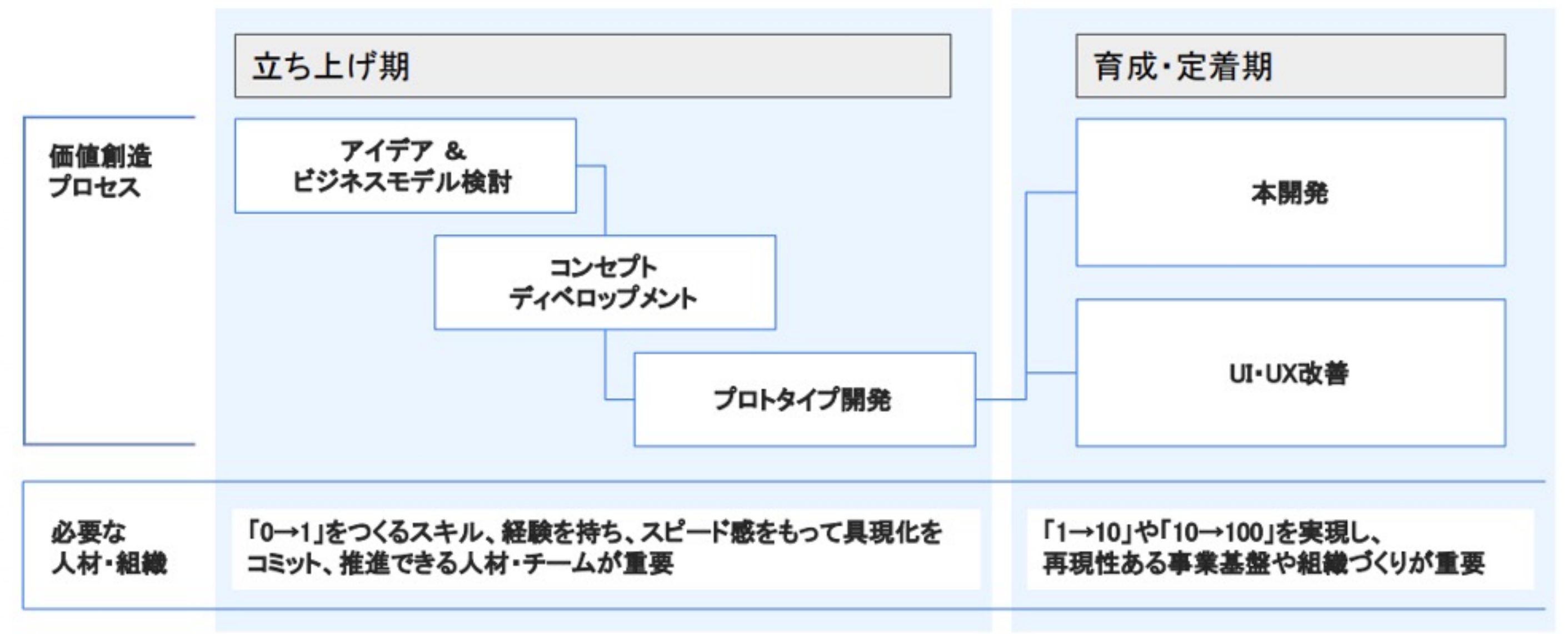
Reinventing all stakeholder contact points and experiences with DX to improve "customer experience" and "employee experience"

Sun* will collaborate with Kobayashi Pharmaceutical Co., Ltd. as a DX partner to promote digital human resource support and new business development utilizing digital technology. Kobayashi Pharmaceutical is promoting DX throughout the company to lay the foundation for its three DX strategies of development, human resources, and productivity improvement, as well as its mid- to long-term management strategy of 280 billion yen in consolidated group sales by 2030 (including 90 billion yen in international business). In the healthcare industry, the most significant change in the environment is the rapid growth of digitally-enabled services. Kobayashi Pharmaceutical is also focusing on new business development utilizing digital technology, but in order to create a foundation for further growth, we are reforming the contact points and experiences with all stakeholders through DX in order to improve the "customer experience" and "employee experience.

Sony Network Communications Singapore（Sun*-funded） exhibit at Blockchain Expo

Proposal to create new value with Sony using blockchain technology in the Web3 area

Sony Network Communications Singapore Pte. Ltd. , a group company of Sony Network Communications, exhibited at Blockchain EXPO held at Makuhari Messe. And Sun*'s members also participated. Also in September, Sun* members participated in TOKEN2049 Singapore, a crypto event where leaders from around the world gathered for Web3, exhibited by Sony Network Communications Labs Pte.

SNCS provided visitors with information on consulting and contract development tailored to their business phases and needs using Web3, business support and infrastructure to build their own Web3 services, and a marketing support platform using NFT.

About Sony Network Communications Singapore Pte. Ltd.

A Web3 business company established in Singapore by Sony Network Communications Corporation and Sun Asterisk Corporation to provide contract development and consulting services in the Web3 domain.

BouncyBunny, the first blockchain game from Trys, to be released this winter

Provides new ways to enjoy blockchain games, including Play to Earn, which is unique

Trys will release its first blockchain game "BouncyBunny" this winter on PlayMining, a GameFi platform operated by Digital Entertainment Asset Pte. Trys is developing a content platform business that specializes in digital content production and application development for the social x smartphone domain. One of its businesses is the game business, which has produced a large number of game titles through both outsourcing and in-house publishing. NFT presales (pre-sales) are conducted prior to launch.

What is BouncyBunny?
It is a multi-action game about animals and comedy. Anyone with a smartphone browser can enjoy the game. Players organize three units of their choice and engage in various real-time blowout battles in 3 vs 3.

NFT Presale (Pre-sale)
To celebrate the launch, a presale of NFTs available in the game will be held on "PlayMining NFT (NFT trading platform on PlayMining)" on Monday, October 30.

Customer Strategy

Expanding the sales team to acquire new customers and Strengthening relationships with existing customers by increasing the number of customer account representatives.

Stock-type customer acquisition measures

Lead Generation

Strengthen inflow from existing customers

Inflow by alliances

Strengthen web-based inflow

Lead Nurturing

Strengthen community building

Strengthen business incubation system

Increase per customer

Increase in average unit price

due to increase in ratio of enterprise

Main factors
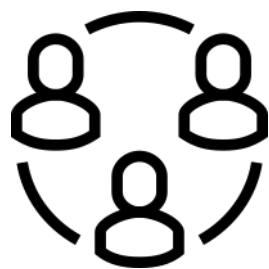
Increase in unit price due to new acquisition of high unit price projects

Unit price increase due to growth of existing projects

Recruitment Strategy

Appropriate recruiting activities in line with demand forecasts by an organized recruiting team
Plans to further accelerate hiring this fiscal year against a backdrop of strong orders

Selected Headhunting Teams to
Expanding CXO Layer Talent
Recruitment

Strengthen relationships
with universities

Domestic

**Tailored to demand
forecasts Appropriate
recruitment activities**

Foreign

Expanding the recruitment of new
graduates by leveraging our expertise
in human resource development

Measures to expand
awareness

Expansion of recruitment team
structure and significant
increase in recruitment budget

Viblo and more expanding
touch points to the
engineering community

メタバース、**NFT**など**Web3**時代の次世代エンターテイメントを生み出す

JV、M&A、R&D、資本業務提携を通じ、グループ会社としてのシナジーを活かした価値創造を展開
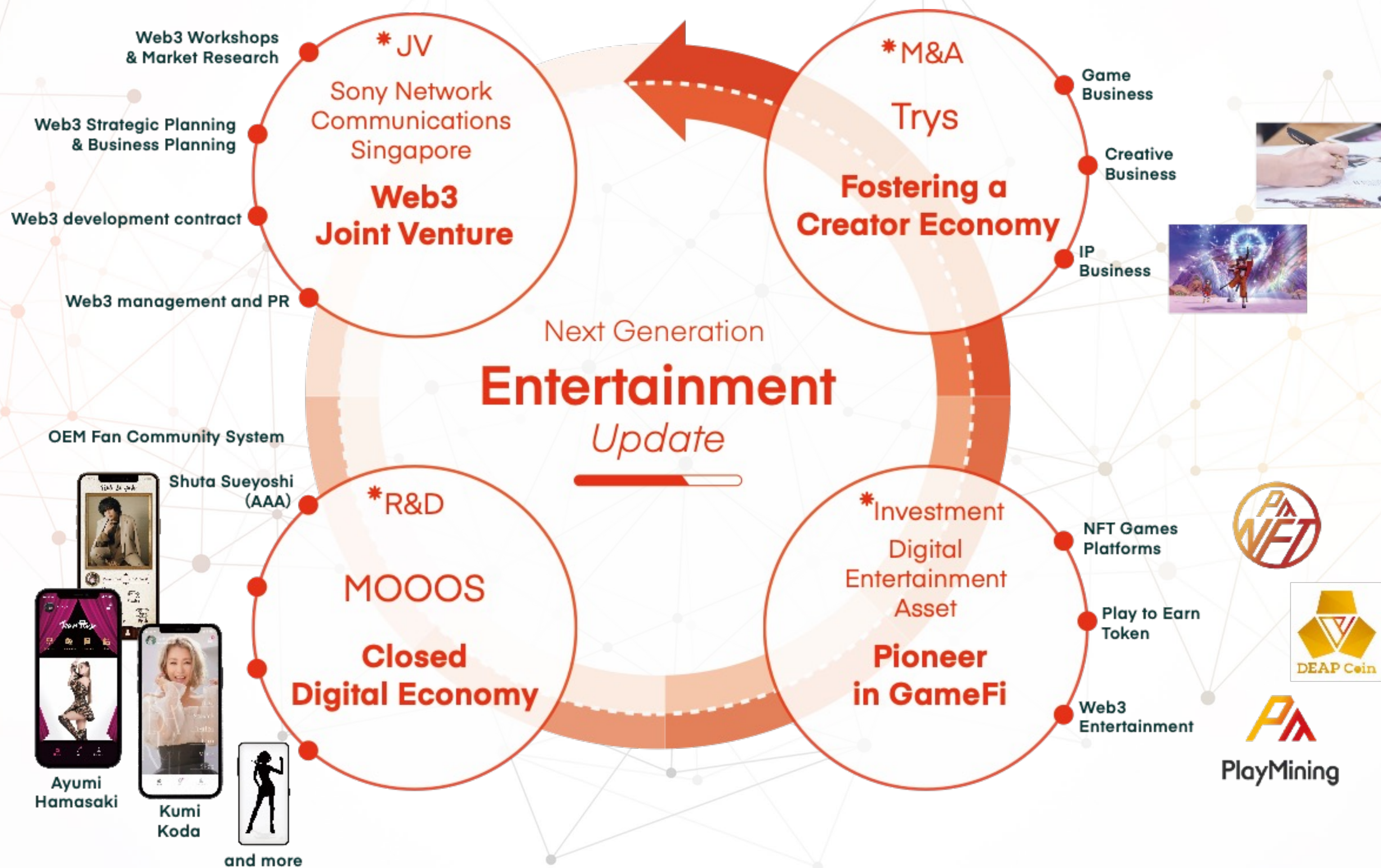
Sustainability Initiatives

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.
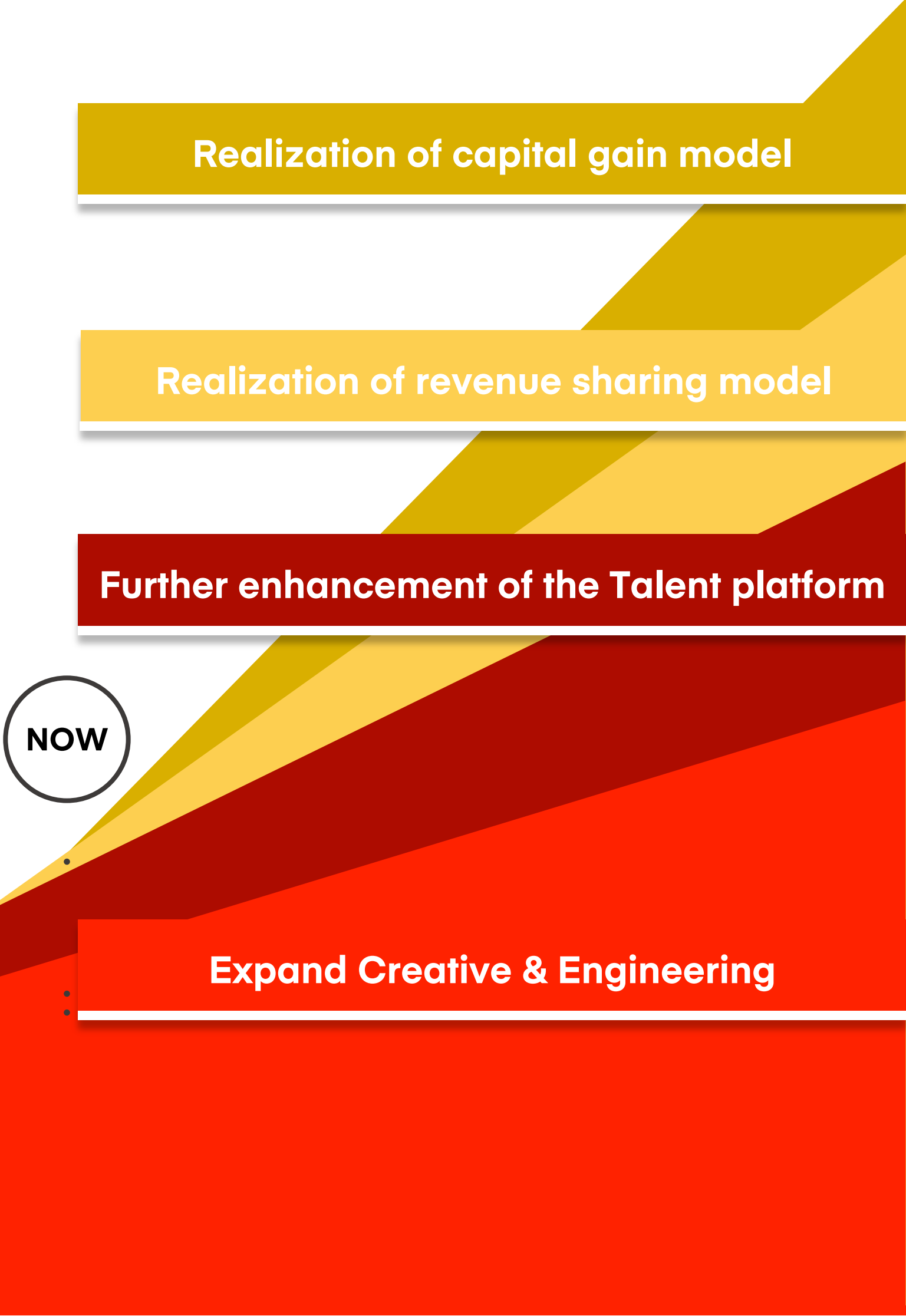
Details are available on the Sustainability Now available on our website!

https://sun-asterisk.com/sustainability

Sun*

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.
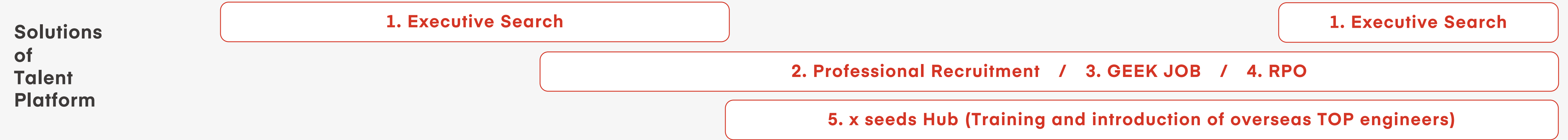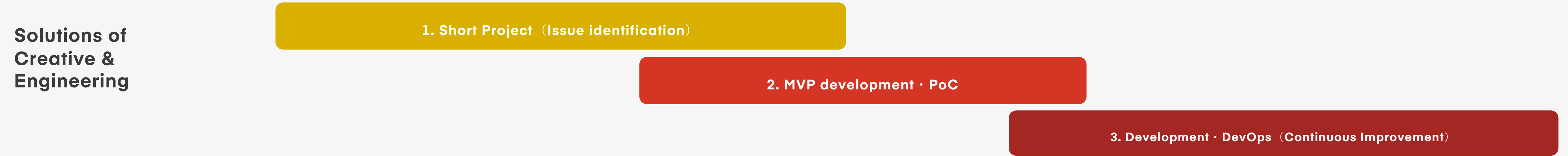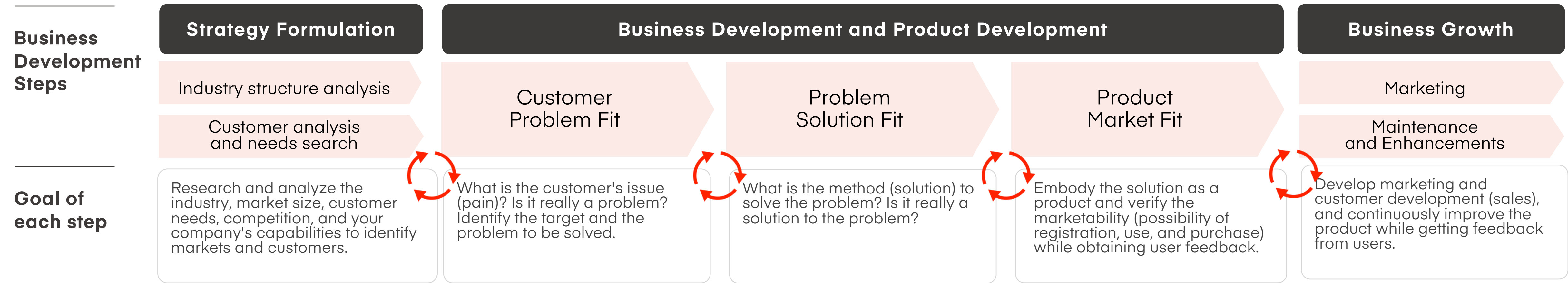
Realization of capital gain model

Realization of revenue sharing model

Further enhancement of the Talent platform

NOW

Expand Creative & Engineering

4
Appendix

Common Business Development Processes and Key Sun* Solutions

Expand Creative & Engineering

Sun*'s studio model is to run alongside the entire process
and provide continuous support for business growth even after release.

Business Development Steps

Strategy Formulation	Business Development and Product Development	Business Growth

Industry structure analysis

Customer analysis and needs search

Customer Problem Fit

Problem Solution Fit

Product Market Fit

Marketing

Maintenance and Enhancements

Goal of each step

- Research and analyze the industry, market size, customer needs, competition, and your company's capabilities to identify markets and customers.
- What is the customer's issue (pain)? Is it really a problem? Identify the target and the problem to be solved.
- What is the method (solution) to solve the problem? Is it really a solution to the problem?
- Embody the solution as a product and verify the marketability (possibility of registration, use, and purchase) while obtaining user feedback.
- Develop marketing and customer development (sales), and continuously improve the product while getting feedback from users.

Solutions of Creative & Engineering

- 1. Short Project（Issue identification）
- 2. MVP development・PoC
- 3. Development・DevOps（Continuous Improvement）

Solutions of Talent Platform

- 1. Executive Search
- 1. Executive Search
- 2. Professional Recruitment ／ 3. GEEK JOB ／ 4. RPO
- 5. x seeds Hub (Training and introduction of overseas TOP engineers)
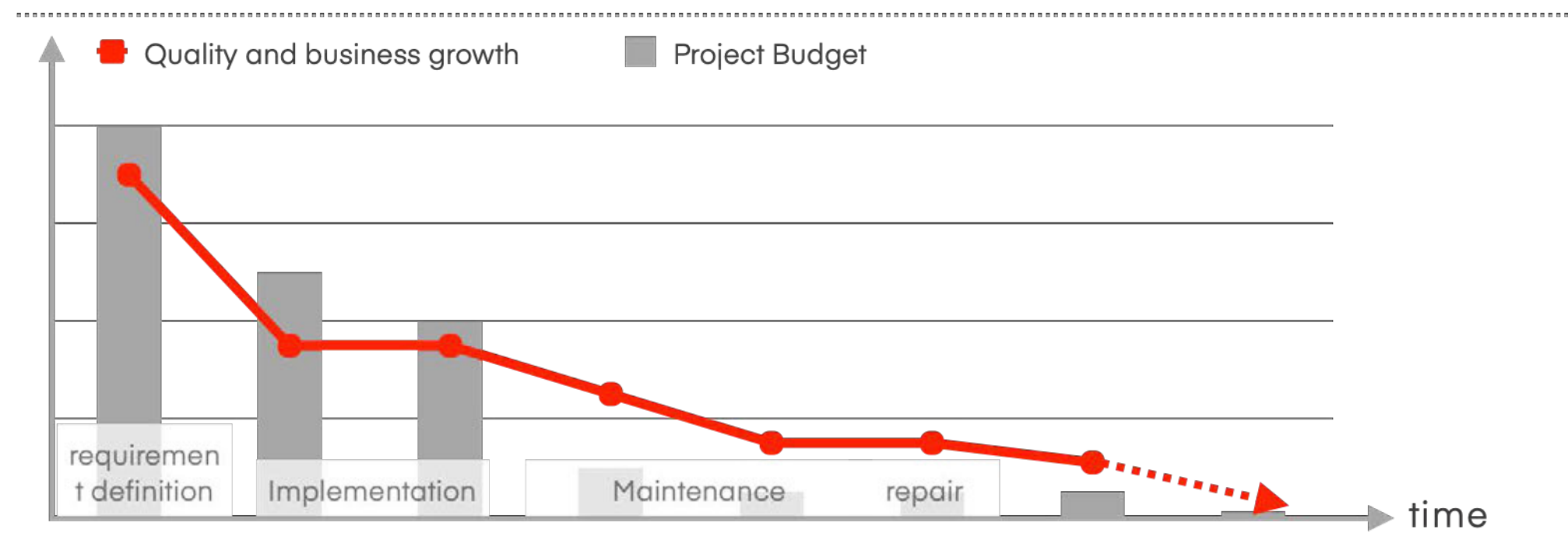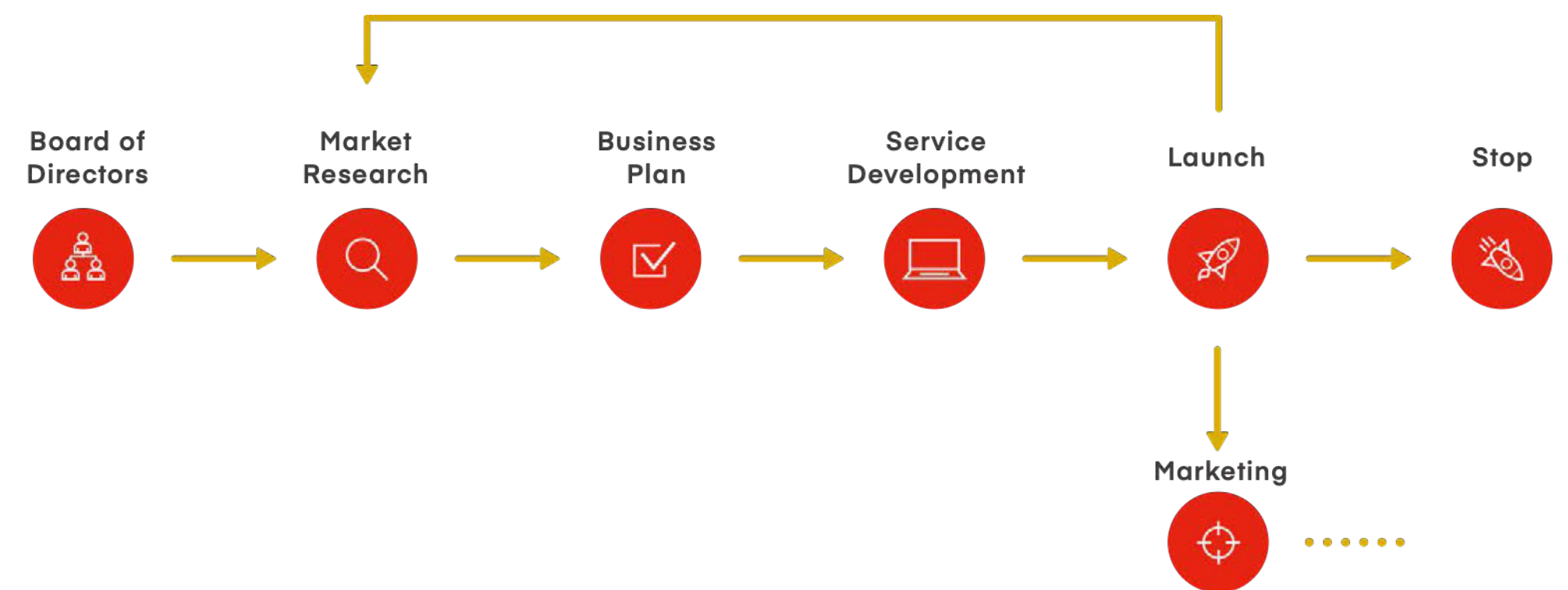
Sun*

Features of the Business Model

Expand Creative & Engineering

Many of the projects are user-centered design projects, which means that as the product or service grows, the development team structure is enhanced and the revenue increases.
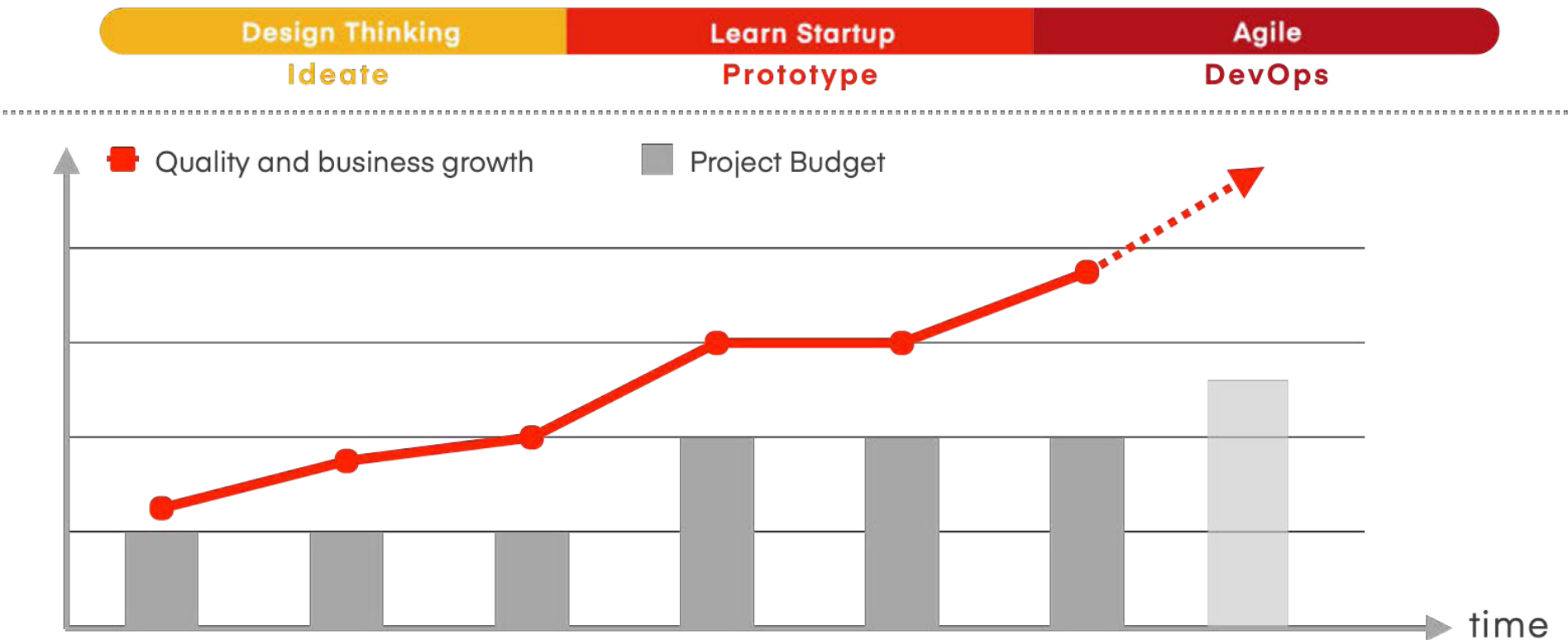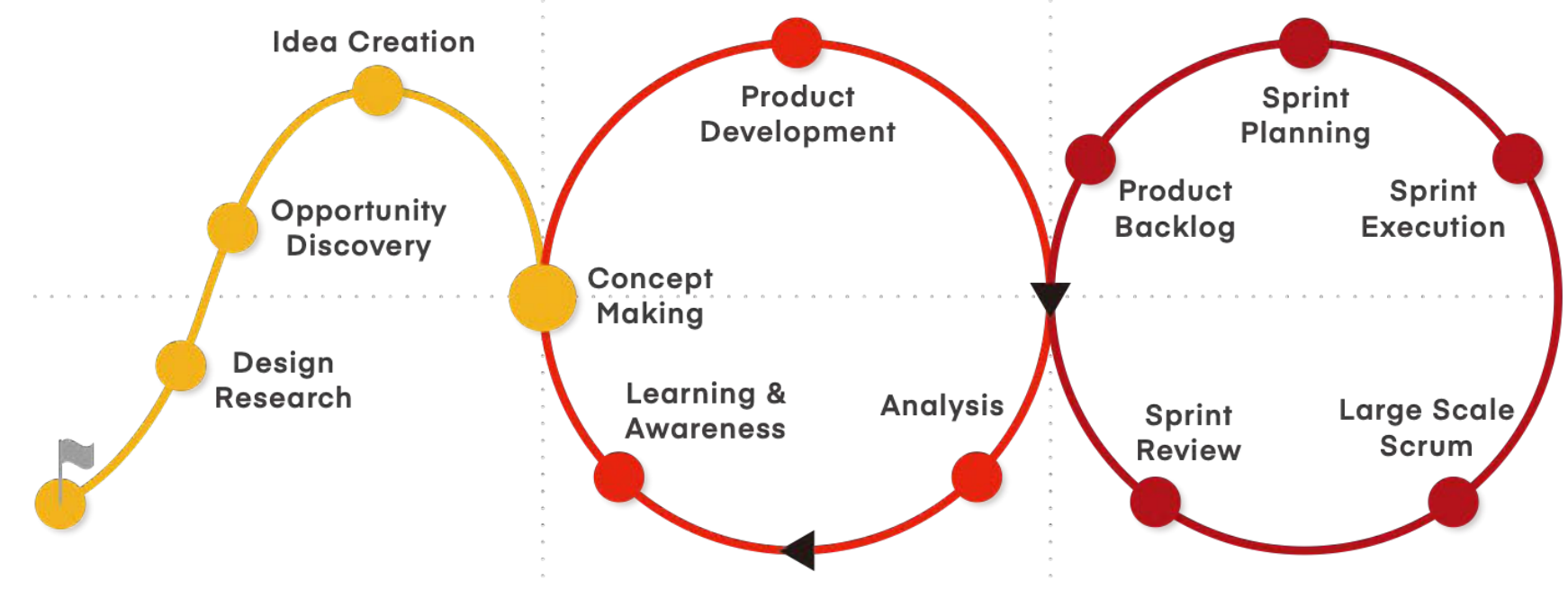
Supplier driven	User-Centered Design

Common goals with customers: delivery and cost reduction

Common objectives with customers: Continuous quality improvement and business growth

Supplier driven diagram: Board of Directors → Market Research → Business Plan → Service Development → Launch → Stop; Launch → Marketing

User-Centered Design diagram: Idea Creation, Opportunity Discovery, Design Research, Concept Making → Product Development, Learning & Awareness, Analysis → Sprint Planning, Product Backlog, Sprint Execution, Sprint Review, Large Scale Scrum

Design Thinking	Learn Startup	Agile
Ideate	Prototype	DevOps

Legend (left chart): ■ Quality and business growth ■ Project Budget

(left chart labels): requirement definition, Implementation, Maintenance, repair, time

Legend (right chart): ■ Quality and business growth ■ Project Budget — time

High development costs are required in the early stages, and estimates are made for each modification.After the release of a product, it tends to be maintained and repair only, and the quality deteriorates over time.

A system that can be started with a small budget and is easy to scale up. A system that can continuously expand its functionality as the service grows, improving quality and adapting to the market.

Sun*

One-stop, Scalable Solution for Value Creation

Expand Creative & Engineering

Achieve service growth and expansion through rapid service releases with a fast-paced, value-creating process and a scalable team

Project period	about 6 months			Period of time based on service growth
method	① idea **Strategy Thinking**	② form **Design Thinking**	③ prototype **Lean Startup**	④ Growth and functional expansion **Agile Development UI/UX Improvement**
Other players	Consulting firm	Design firm	Freelance, etc.	Software Development Company
Sun* Capacity	**250**people+ **Rapid service development through user-centered design**			**1,100**people+ **Optimal team design and scalability**

Sun*

Enterprise Acquisition Alliance (cooperation) and Organizational Expansion

Expand Creative & Engineering

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)

Azure and various other services

Multilingual solution

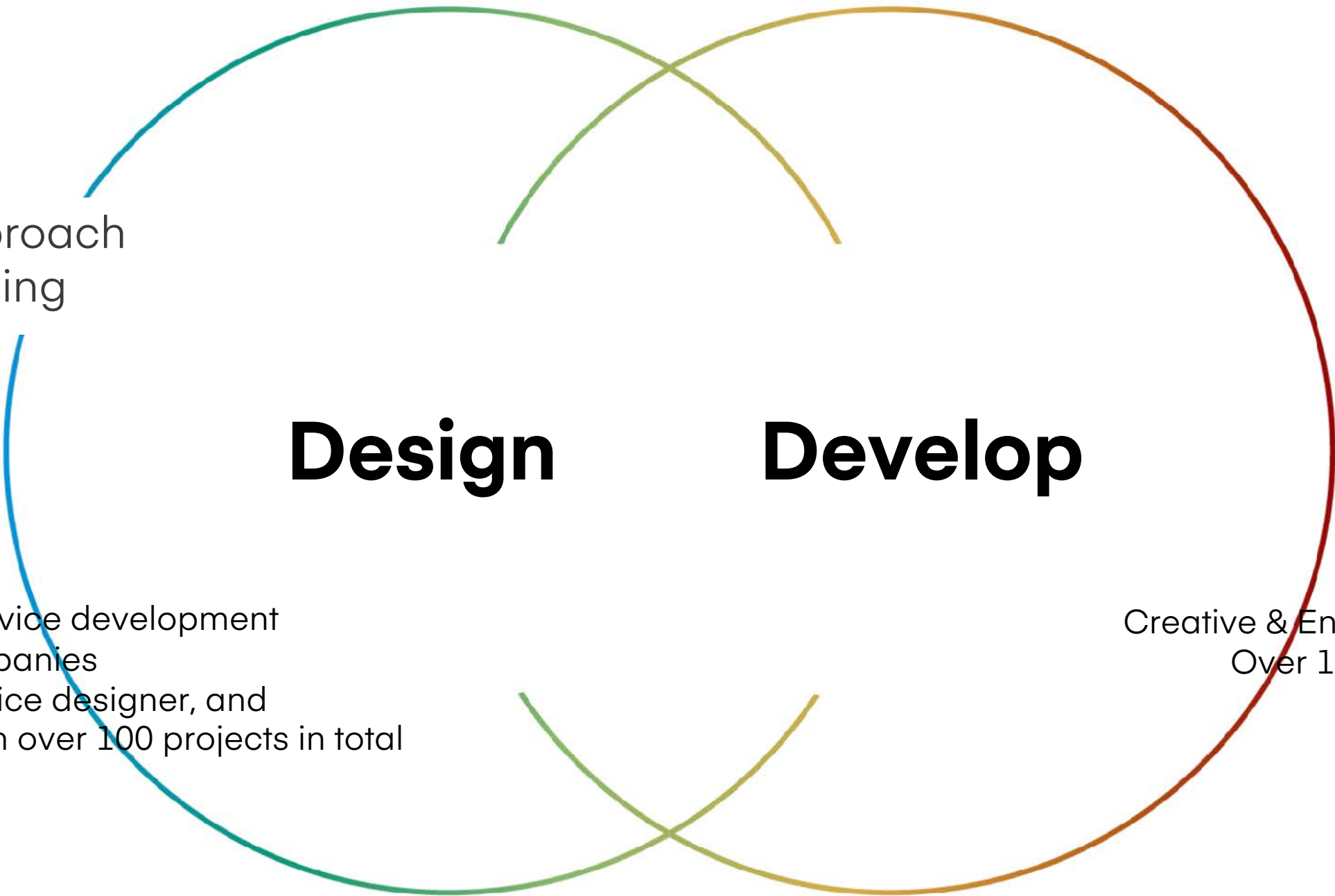Advanced security services

Engagement marketing

Results of Consolidated Subsidiary NEWh (Innovation Consulting Studio)

Expand Creative & Engineering

Development of the design x business field

From service planning co-created by design approach to consulting support for business strategy/planning

Strengthen collaboration with Sun*

Strengthen collaboration in MVP development phase and upstream areas Maximize synergies as a group company

Design **Develop**

Question and Design

NEWh

New business and service development support for large companies
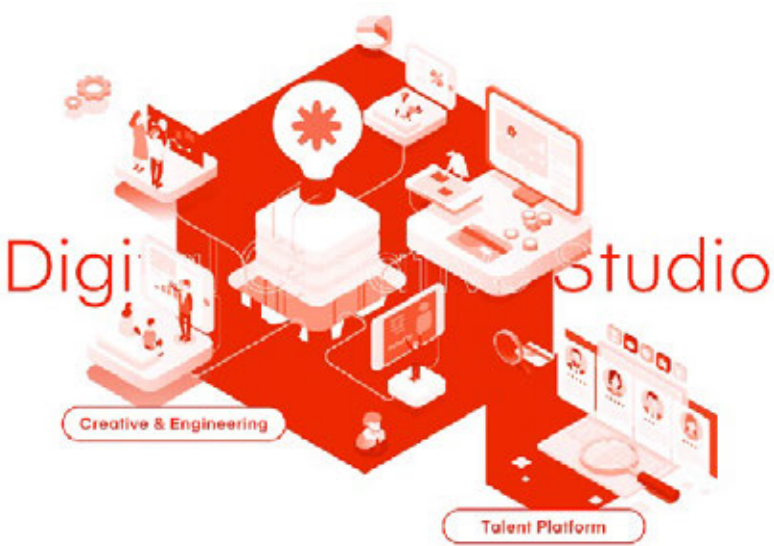Project manager, service designer, and business designer with over 100 projects in total

Sun*

Creative & Engineering Services
Over 1000 engineers and
UI/UX designers

Digi Studio

Began supporting new business development for a number of enterprise companies.

※Examples of projects

Major cosmetics company New product and brand development	**Major Insurance Company** Development of platform services	**Major Entertainment Company** Development of platform services	**Major Electrical Manufacturer** Design of new services
Major Beverage Manufacturer Restructuring of services	**Major Payment Company** New product brand development	**Major Construction Company** DX support for local governments	**Major Electrical Manufacturer** Community research

Sun*

Ecosystem for Digitalization

Further enhancement of the Talent platform

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

Sun* proprietary data platform

Viblo	Rubato	Sun* CI	Schooler	xseeds Hub
Knowledge Sharing Platform	**Optimal Talent Allocation Platform**	**DevOps Platform**	**Learning Management System**	**Employment Support System**
Posting and sharing	Skill Management	Automated Code Review	Class Management	Corporate Information
AI Recommendation	Portfolio Management	Automated Security Check	Schedule Management	Student Information
Clipping Articles	Talent Evaluation Management	Automated Testing	Attendance / Grade Management	Student Follow Function
Discussion	Talent Operation Management	Automated Building Code	Class Content Management	Job Hunting Event Information
Q&A	AI Recommendation(In dev)	Simply Releasing Operation	Report Creation / Output	Matching / Scout Function
Monthly Average 330,000+ MAU 3,000,000+ PV	**In House Only**	**Clients Only**	**Introduced at 9 universities in 3 countries More than 2,000 students**	**Public Over 1,000 student resumes**

Ecosystem for Digitalization

Further enhancement of the Talent platform

xseeds Hub, an exclusive recruitment and selection platform for top overseas science universities

xseeds Hub
Sun* trains IT engineers with its unique curriculum for students selected from challenging universities overseas. As a direct recruiting service, you can recruit online while in Japan.

The Output of Innovative Human Resources Through Education and Training

Further enhancement of the Talent platform

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, the program is offered to three universities in South America, with plans to expand in the future.

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

People
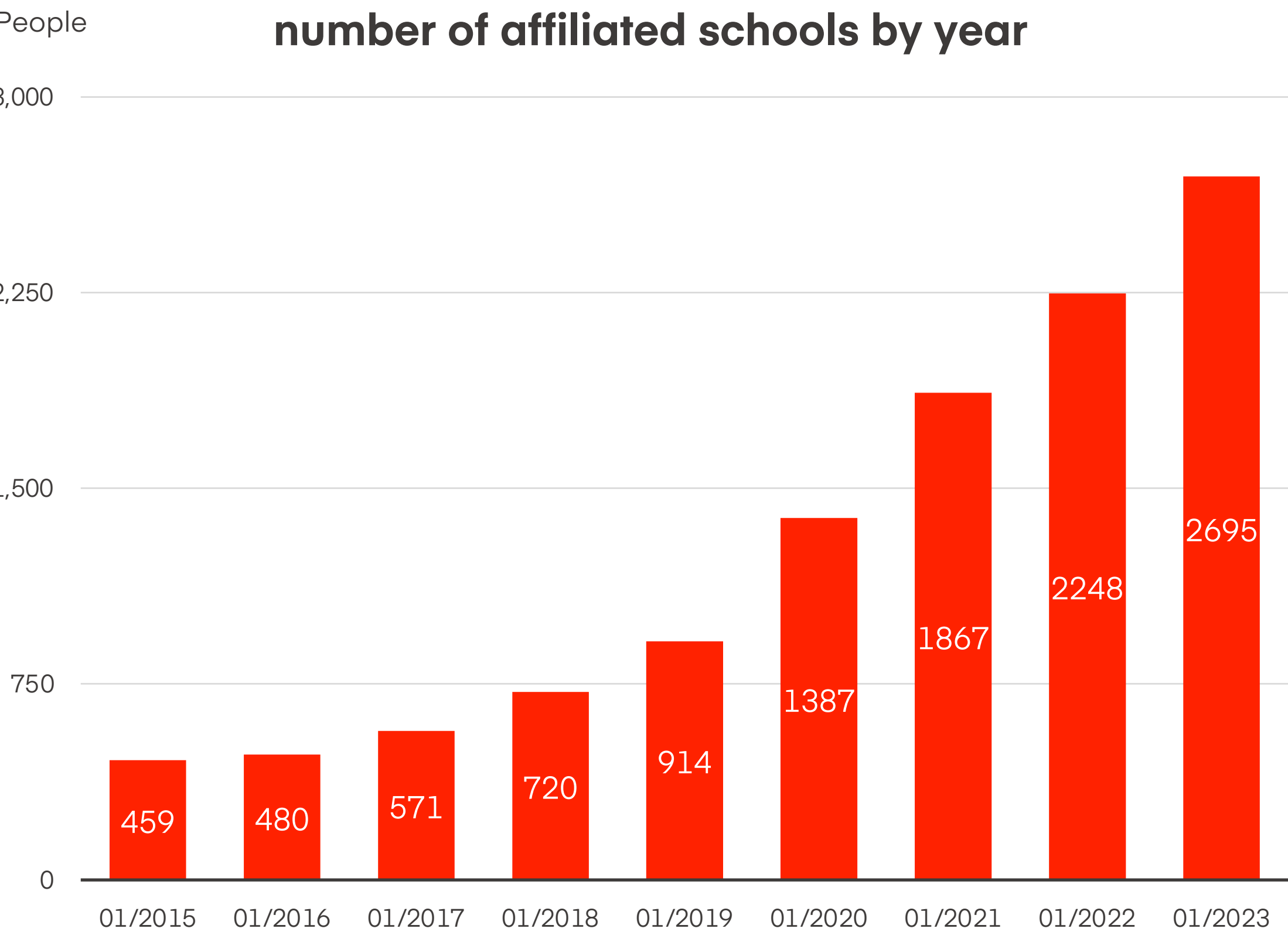
Partner universities

9 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
8. University of Indonesia

Malaysia
9. Malaysia-Japan International Institute of Technology

3 universities

Universities that offer the program

Brazil
10. University of Campinas
11. Federal University of Minas Gerais
12. University of São Paulo

Sun*

Investment in Startup Studio

Realization of capital gain model

Number of startups invested in

24

companies

FY21 Investment performance

2023/10/23	Capital and business alliance with LIG inc. to accelerate digital creative studio business
2022/03/31	Invests in EVERING Corporation, which develops prepaid smart rings
2021/11/15	Invests in PECOFREE Corporation, a school lunch pre-order service via smartphone.
2021/09/03	Invests in GOOD VIBES ONLY, an apparel DX/RETAILTECH x D2C business.
2021/06/09	Invests in Liver Bank, which has a business alliance with MOOOS.
2021/06/04	Investment in Digital Entertainment Asset (based in Singapore), a blockchain business.
2021/04/16	Investing in Opsdata, a company that is developing a data science business focusing on the EC domain.
2021/02/28	Investing in AmoebaX, a financial solutions provider in Kenya.

Investment Highlights

2023/10/23	EVERING sponsors "Expo 'Osaka-Kansai" as a Gold Partnership
2022/12/14	DEA raises $10 million from U.S.-based LDA Capital
2022/11/04	DEA and Rakuten Sign Memorandum of Understanding (MOU) to Promote Collaboration in the Web3 Domain
2022/11/01	DEAPcoin, a Global Leader in GameFi Domain, Listed on Huobi Japan, a Crypto Asset Exchange in Japan
2022/10/27	DEA and TV Tokyo agree to business tie-up with commercial TV station
2022/10/04	xOperation Group raises approximately 100 million yen through third-party allotment of new shares
2022/09/30	Micoworks Raises 600 Million Yen in Third-Party Allotment in Series A Extension Round
2022/09/08	DEAPcoin, a world leader in the GameFi space, listed on the crypto asset exchange OKCoinJapan
2022/01/26	DEAPcoin, a global leader in the GameFi space, is listed on the crypto asset exchange BITPOINT
2022/01/19	DEA, a GameFi business, raises a total of approximately 1.4 billion yen in a pre-series A round of funding

Examples of investments

Investment Areas

AI Solutions	Matching Platform	Crowd Funding	Communication Platform	Recruiting Platform	Advertising Platform
Online Shopping Mall	Mental Health Tech	Game Engine	Education	Live Streaming	New Retail Platform	D2C

Sun*

Sun* Startup Studio

A platform for the creation and growth of startups that leverages
Sun*'s value creation knowledge, talent, and other assets

Target Area

Build	**Boost**	**Joint service**
Co-founding entrepreneurs and startups	Growth support by providing funds and resources to startups	A revenue sharing model that leverages each other's strengths

▲

Business development utilizing Sun*'s core competencies

Creative & Engineering

Investment

Investment Execution

Providing resources and knowledge for growth

Talent Platform

Internal Production Support

Sun* Startup Studio

A platform for the creation and growth of startups that leverages Sun*'s value creation knowledge, talent, and other assets

Entrepreneurial Concerns

- lack of know-how
- Inability to identify issues
- engineer shortage
- lack of funds

▼
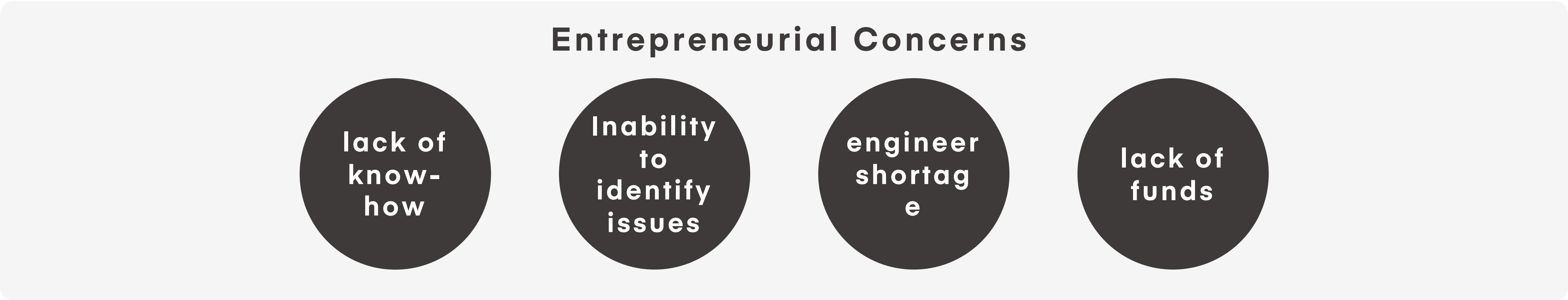
Three functions provided by Sun*.

incubation	+	Talent Asset	+	Investments and Funds

Provide office and knowledge

Provide the human resources necessary for business creation

Funding for development

Startup Studio Case Study : MOOOS

Realization of revenue sharing model

OEM-type fan community system that allows artists to express their worldview

Collaboration with avex management on revenue sharing model

Freedom of MOOOS customization to meet the demands of professional artists

MOOOS is an OEM-type fan community system with highly flexible design, customization, and pricing features that was created to create new value experiences with core fans.

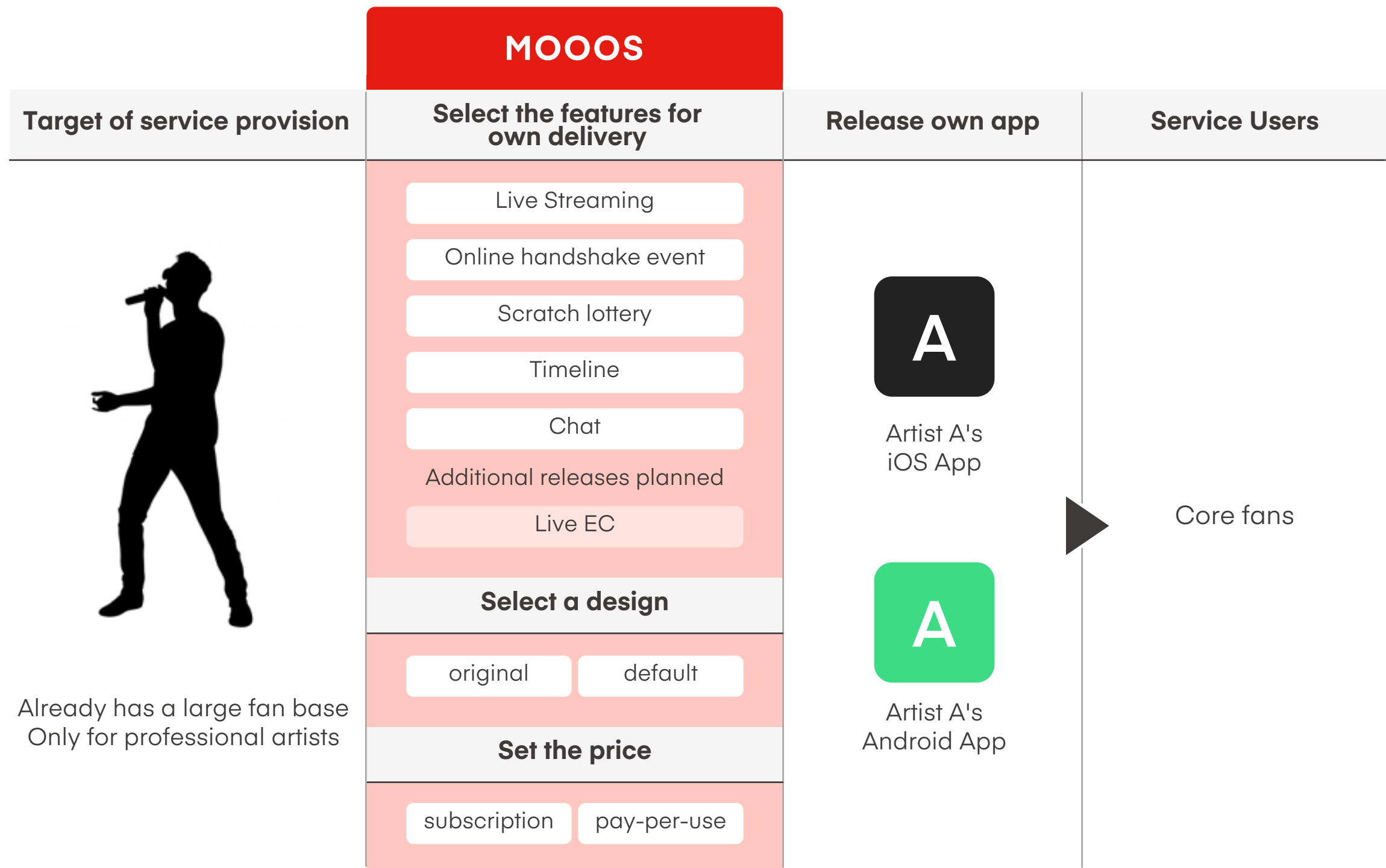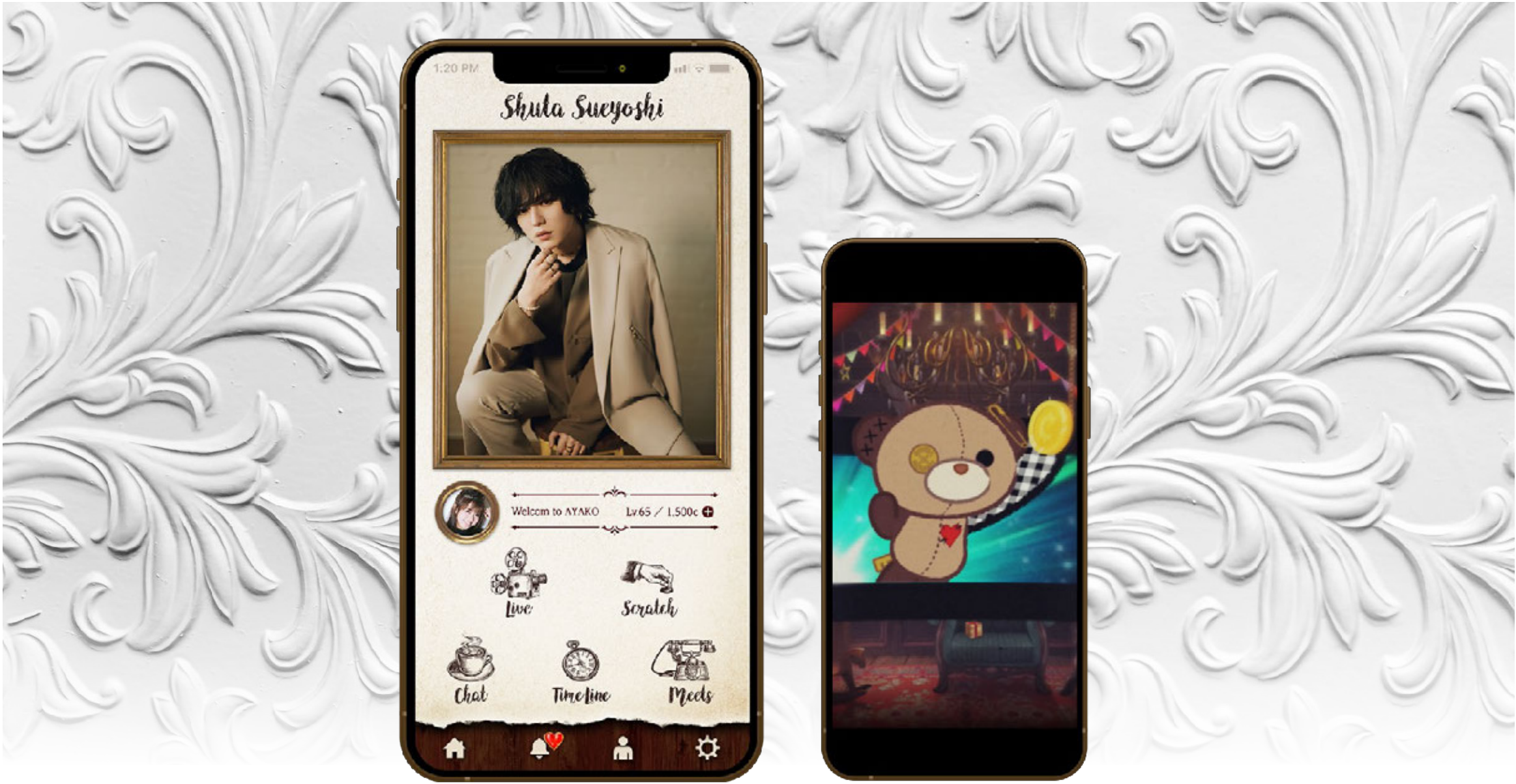| Target of service provision	MOOOS		Release own app	Service Users
	Select the features for own delivery			
	Live Streaming			
	Online handshake event			
	Scratch lottery		**A**	
	Timeline		Artist A's iOS App	
	Chat			
	Additional releases planned			Core fans
	Live EC			
	Select a design		**A**	
	original	default	Artist A's Android App	
	Set the price			
	subscription*	pay-per-use		

Already has a large fan base Only for professional artists

The first release is "SS App" by Shuta Sueyoshi (AAA).

Advantages of using MOOOS for artists

- Independent, build a fan communication and brand that is not influenced by the "trends" and "marketing" of each platform.
- Not limited to live streaming, choose the functions and customize the design to suit EC and usage.
- Because it targets existing core fans, attract customers without spending money on advertising and the risk of flames is low.
- Start your own app with zero development costs.
- Provide high quality services only to your core fans without promotion costs.

Future Plans and Outlook

- Second strong artist confirmed (to be released this fall)
- New project underway through capital alliance with Vector's subsidiary, River Bank
- Expanding business with a view to expanding into global markets and NFT by fully utilizing Sun*'s assets

Sun*

Established an operating company in Singapore for NFT with Sony Network Communications

Aiming to contribute to the ever-expanding NFT market and the diverse economic sphere created in the Web 3.0 world.

Web3 NFT Blockchain

INFRASTRUCTURE for a NEW ERA

Creating new value for customers with Web3 technology.
Together with creators, we are moving toward a new infrastructure for a new era.

Company	**Sony Network Communications Singapore Pte. Ltd.**
Business	Contracted development business related to NFT business Consulting business and related businesses
Investment Ratio	Sony Network Communications : 70% Sun* : 30%

Solutions of Sony Network Communications Singapore

NFT Business Strategic Planning Support

NFT Publication Support

Proprietary Tokens Publication Support

NFT Games Development Support

NFT Promotional Support
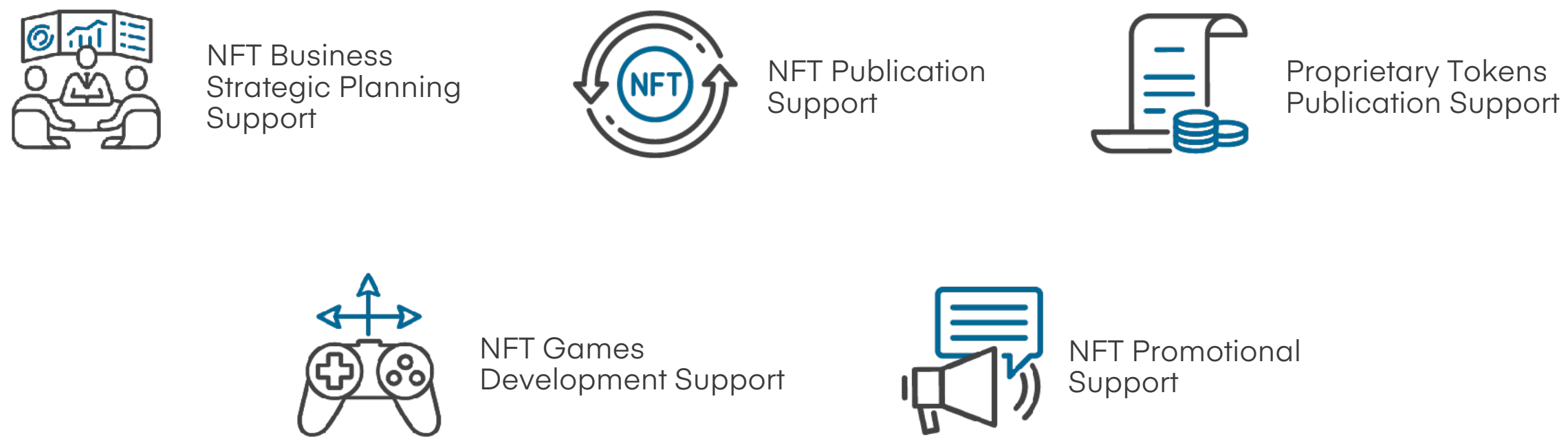
The company will promote contract development and consulting business in the ever-expanding NFT market by leveraging Sony Network Communications' knowledge and experience in the telecommunications and service solutions businesses and Sun*'s development and operation resources, know-how, and technical capabilities.

Features and Strengths of MOOOS

Gain core fans without promotional costs and develop your business with customized and unique apps provided by OEMs.

If it's an open community, it will include anti-social and light people.

Including major SNS and video distribution platforms Open fan communities

Creating new fans

Direct users to proprietary apps

Activation of core fans

Proprietary apps target core fans without promotional costs and generate high engagement and monetization.

Issues of open communities faced by SNS

In major social networking sites and video distribution platforms, it is difficult to design a content marketing strategy for monetization because of the open fan community, including anti and light users, which makes it easy to be compared with competitors. It is necessary to operate under the platform's rules and billing scheme.

To a dense business that satisfies the fever of core fans

By directing only real fans from SNS to your own app, you can design a highly flexible product with a free billing system. By focusing your business domain on original apps, you can conduct content marketing that is not influenced by the existing environment of major SNS.

Sun*

MOOOS Business Model

Unique value proposition points unique to the core service

1. Loyal interface designed with the artist's world view
2. Ability to make one-on-one video calls with the person in question in online handshake sessions
3. The ability to make your own comments stand out in special chats
4. Unique and limited edition goods for sale (planned)
5. Deep community building among core fans

Respond to gifts and comments from fans through live streaming.

Live Streaming

Artists, idols, celebrities, athletes, etc. can also participate.

Deepen connections with core fans.

billing

Monthly subscription

+ pay-per-use

Send a gift / Special chat

EC / Live Commerce

By sending comments and gifts, fans can be recognized by artists.

core fans

want to support idols and artists directly, connect with them, and also connect with other fans who support them.

Profit sharing with affiliated management companies, rather than direct remittance to artists

¥

Revenue   operation

Revenue sharing

Management Company

Sun*

Market Size of Digitalization

Expand Creative & Engineering

12.4 Trillion yen [1]

13.3 Trillion yen [1]

Digitalization

33.7% [2]

Market

22.5% [2]

4.5 Trillion yen [1]

Total Corporate IT Investment Market

2018

2021

Existing Maintenance & Operation Cost

New Business Investment

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.

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 ".

Sun*

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.