



**Consolidated Financial Results for the Three Months  
Ended March 31, 2024 [Japanese GAAP]**

May 13, 2024

Company name Sun\* Inc.  
 Stock Exchange listing Tokyo  
 Code 4053 URL <http://sun-asterisk.com/>  
 Representative (Title) CEO (Name) Taihei Kobayashi  
 Contact (Title) CFO (Name) Yuya Fukutomi TEL 03 (6419) 7655  
 Scheduled date for filing the quarterly report: May 13, 2024  
 Scheduled date for commencement of dividend payment: –  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Holding of financial result presentation: Yes (For institutional investors and analysts,)

(Amounts less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (January 1, 2024 - March 31, 2024)

(1) Consolidated Operating Results (Accumulated) (% indicates changes from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended								
March 31, 2024	3,418	12.1	569	19.7	582	△4.7	408	0.4
March 31, 2023	3,049	17.1	476	55.8	611	244.7	407	202.1

(Note) Comprehensive income: Three months ended March 31, 2024: 574 million yen (22.1%)  
 Three months ended March 31, 2023: 470 million yen (36.2%)

	Net income per share	Net income per share (diluted)
Three months ended	yen	yen
March 31, 2023	10.73	10.12
March 31, 2023	10.71	10.07

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of March 31, 2024	13,594	10,073	74.1
As of December 31, 2023	11,859	9,499	80.1

(Reference) Shareholders' Equity As of March 31, 2024 10,073 million yen  
 As of December 31, 2023 9,498 million yen

2. Cash Dividends

	Cash dividends per share for the fiscal year (yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
Year ending December 31, 2023	—	0.00	—	0.00	0.00
Year ending December 31, 2024	—				
Year ending December 31, 2024 (forecast)		0.00	—	0.00	0.00

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

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

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
FY2024	15,061	20.3	2,162	21.8	2,299	0.8	1,780	13.4	46.80

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

※ Notes

(1) Significant changes in subsidiaries during the current quarter

(Changes in specified subsidiaries due to changes in the scope of consolidation): None

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to "2. Consolidated Financial Statements and Primary Notes (3) Notes to Consolidated Financial Statements (Application of Special Accounting Treatment in Preparing Quarterly Consolidated Financial Statements)" on page 7 of the attached materials.

(3) Changes in accounting policies, changes in accounting estimates, revisions, and restatements

① Changes in accounting policies due to revision of accounting standards, etc.: None

② Changes in accounting policies other than ①: None

③ Change of accounting estimates: None

④ Restatement: None

(4) Number of shares outstanding (common shares)

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

First Quarter of the Fiscal Year ended December 2024	38,076,100 shares	As of December 31, 2023	38,075,500 shares
---	-------------------	-------------------------	-------------------

② Number of treasury shares at the end of the period

First Quarter of the Fiscal Year ended December 2024	132 shares	As of December 31, 2023	132 shares
---	------------	-------------------------	------------

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

First Quarter of the Fiscal Year ended December 2024	38,075,763 shares	First Quarter of the Fiscal Year ended December 2023	37,991,219 shares
---	-------------------	---	-------------------

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

※ Information about the proper usage of forecast financial results, and other special instructions

The forward-looking statements, including business forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. Please refer to "1. Qualitative Information on Consolidated Financial Results, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 4 of the attached materials for the conditions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecast.

○ TABLE OF CONTENTS

1. Qualitative Information on the Consolidated Financial Results .....	2
(1) Explanation of Consolidated Financial Results .....	2
(2) Explanation of Consolidated Financial Position.....	2
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements .....	2
2. Consolidated Financial Statements and Primary Notes .....	3
(1) Consolidated Balance Sheet .....	3
(2) Consolidated Statements of Income and Comprehensive Income .....	5
Consolidated Statements of Income .....	5
Consolidated Statements of Comprehensive Income .....	6
(3) Notes on the Consolidated Financial Statements .....	7
(Notes on Going-Concern Assumptions) .....	7
(Notes in Case of Significant Changes to Shareholders' Equity).....	7
(Changes in Accounting Policies).....	7
(Application of Special Accounting Treatment in Preparing Quarterly Consolidated Financial Statements) ....	7
(Segment Information, etc.) .....	7
(Significant Subsequent Events) .....	7

## 1. Qualitative Information on the Consolidated Financial Results for the Three Months Ended March 31, 2023

### (1) Explanation of Consolidated Financial Results

During the first quarter of the consolidated fiscal year under review, the Japanese economy has been recovering moderately under the improving employment and income environment and with the effects of various policies. On the other hand, the economic outlook in Japan and abroad remains uncertain due to the effects of global monetary tightening and sharp exchange rate fluctuations.

In such a business environment, the Group has developed two service lines within the single segment of "Digital Creative Studio Business" to provide the services necessary to meet the challenges of our clients: "Creative & Engineering" to create digital products together with our clients, and "Talent Platform" to discover, train and produce the human resources necessary for the creation of digital products for our clients.

In the "Creative & Engineering" service, the number of stock-type clients was 124, ARPU was 5,204 thousand yen, and net sales were 2,966 million yen (up 13.5% year-on-year) in the first quarter of the current fiscal year due to continued and stable firm orders from existing customers and continued growth in numbers of new customers. In the "Talent Platform" service, sales were 451 million yen (up 3.2% year-on-year).

As a result, in the first quarter of the current consolidated fiscal year, net sales were 3,418 million yen (up 12.1% year-on-year), gross profit was 1,862 million yen (up 19.4% year-on-year), operating income was 569 million yen (up 19.7% year-on-year), ordinary income was 582 million yen (down 4.2% year-on-year), and net income attributable to owners of the parent was 408 million yen (up 0.4% year on year).

Segment information is omitted because Group operates in a single segment – i.e., Digital Creative Studio Business.

### (2) Explanation of Consolidated Financial Position

#### (Assets)

Total assets at the end of the first quarter of the current fiscal year were 13,594 million yen, an increase of 1,735 million yen compared to the end of the previous fiscal year. This was mainly due to a 1,479 million yen increase in cash and deposits resulting from borrowing of funds and a 409 million yen increase in accounts receivable due to an increase in sales in the "Creative & Engineering" segment.

#### (Liabilities)

Total liabilities at the end of the first quarter of the current fiscal year were 3,520 million yen, an increase of 1,160 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in short-term loans payable of 1,350 million yen.

#### (Net Assets)

Net assets at the end of the first quarter of the current fiscal year were 10,073 million yen, an increase of 574 million yen compared to the end of the previous fiscal year. This was mainly due to a 408 million yen increase in retained earnings resulting from net income attributable to parent company shareholders and a 159 million yen increase in foreign currency translation adjustments.

### (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

There is no change to the consolidated earnings forecast announced in the "Summary of Financial Results for the Year Ended December 31, 2023" on February 9, 2024.

## 2. Consolidated Financial Statements and Primary Notes

## (1) Consolidated Balance Sheet

(Unit: million yen)

	As of December 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalent	7,946	9,426
Notes and accounts receivable - trade and contract assets	1,422	1,831
Work in process	68	70
Other	656	558
Allowance for doubtful accounts	△45	△46
Total current assets	10,047	11,840
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures	381	388
Accumulated depreciation	△211	△230
Buildings and structures (Net)	170	158
Machinery and equipment	318	357
Accumulated depreciation	△236	△251
Machinery and equipment (Net)	81	105
Total property, plant and equipment	252	263
Intangible assets		
Goodwill	456	446
Other	51	57
Total intangible assets	507	504
Investments and other assets		
Investment securities	489	574
Deferred tax assets	102	99
Other	634	490
Allowance for doubtful accounts	△174	△178
Total investments and other assets	1,051	985
Total noncurrent assets	1,811	1,753
Total assets	11,859	13,594

(Unit: million yen)

	As of December 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	242	232
Short-term loans payable	—	1,350
Current portion of long-term loans payable	33	24
Accounts payable - other	66	61
Accrued expenses	408	409
Income taxes payable	328	162
Contract liabilities	295	243
Provisions for bonuses	195	353
Other	463	318
<b>Total current liabilities</b>	<b>2,035</b>	<b>3,156</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	11	8
Asset retirement obligations	95	96
Deferred tax liabilities	85	90
Other	132	168
<b>Total noncurrent liabilities</b>	<b>324</b>	<b>364</b>
<b>Total liabilities</b>	<b>2,359</b>	<b>3,520</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,717	1,717
Capital surplus	1,702	1,702
Retained earnings	5,445	5,854
Treasury stock	△0	△0
<b>Total shareholders' equity</b>	<b>8,865</b>	<b>9,274</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	19	25
Foreign currency translation adjustment	614	773
<b>Total accumulated other comprehensive income</b>	<b>633</b>	<b>799</b>
<b>Stock subscription rights</b>	<b>0</b>	<b>0</b>
<b>Total net assets</b>	<b>9,499</b>	<b>10,073</b>
<b>Total liabilities and net assets</b>	<b>11,859</b>	<b>13,594</b>

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated statements of income for the Three months ended March 31, 2024)

(Unit: thousand yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Net sales	3,049	3,418
Cost of sales	1,489	1,555
Gross profit	1,559	1,862
Selling, general and administrative expenses	1,083	1,292
Operating income	476	569
Non-operating income		
Interest income	102	58
Foreign exchange gains	34	—
Gain on sales of investment securities	4	—
Other	1	1
Total non-operating income	142	59
Non-operating expense		
Interest expenses	3	1
foreign exchange loss	—	37
Other	4	8
Total non-operating expense	7	46
Ordinary income	611	582
Extraordinary gains		
Gain of sales of fixed assets	0	0
Total extraordinary gains	0	0
Extraordinary losses		
Loss on valuation of investment securities	26	25
Loss on valuation of investments in affiliates	57	—
Loss on valuation of investments in capital	8	—
Total extraordinary losses	92	25
Income before income taxes	520	558
Income taxes	113	149
Quarterly net income	407	408
Quarterly net income attributable to shareholders of parent company	407	408

(2) Consolidated Statements of Income and Comprehensive Income  
(Consolidated statements of income for the Three months ended March 31, 2024)

(Unit: million yen)

	Three months ended March 31, 2023	Three months ended March 31, 2024
Net income	407	408
Other comprehensive income		
Valuation difference on available-for-sale securities	1	6
Foreign currency translation adjustments	62	159
Total other comprehensive income	63	165
Comprehensive income	470	574
(Details)		
Attributable to owners of the Company	470	574
Attributable to non-controlling interests	—	—



(3) Notes on the Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

Not applicable.

(Notes in the event of significant changes in the amount of shareholders' equity)

Not applicable.

(Changes in Accounting Policies)

Not applicable

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

(Calculation of tax expense)

Tax expenses are calculated by rationally estimating the effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the consolidated fiscal year, including the first quarter under review, and multiplying income before income taxes and minority interests for the quarter by said estimated effective tax rate.

However, in cases where the calculation of tax expenses using such estimated effective tax rate would significantly lack rationality, the statutory effective tax rate is used.

(Segment Information, etc.)

(Segment Information)

This information is omitted because the Group operates in a single segment, the digital creative studio business.

(Significant Subsequent Events)

Not applicable.