

Asteria Corporation
(TSE Prime Market: 3853)
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Notice Regarding Progress of Plan for Compliance with Continued Listing Criteria

Tokyo -- June 28, 2024 – Asteria Corporation (“Asteria”) submitted and disclosed its “Plan for Compliance with Continued Listing Criteria” (the “Plan”) on June 30, 2023. Asteria hereby announces the progress of the Plan as of March 31, 2024.

1. Status of Compliance with Continued Listing Criteria

Asteria’s compliance with the continued listing criteria of the Prime Market as of March 31, 2024, is as follows. All criteria except for tradable share market capitalization were met. Asteria is advancing initiatives to ensure that it satisfies all continued listing criteria by March 31, 2025.

| | | Criteria | | | |
|-------------------------|----------------------|---------------------|------------------------|--------------------------------------|----------------------|
| | | No. of Shareholders | No. of Tradable Shares | Tradable Share Market Capitalization | Tradable Share Ratio |
| Status of each Criteria | As of March 31, 2023 | 10,595 | 122,806 units | 9.2 billion yen | 70.2% |
| | As of March 31, 2024 | 9,757 | 126,199 units | 8.13 billion yen | 72.1% |
| Listing Criteria | | 800 | 20,000 units | 10 billion yen | 35% |
| Plan Period | | - | - | March 31, 2025 | - |

*Calculated based on the distribution of Asteria’s share certificate, etc. as identified by TSE as of the reference date

2. Implementation Status and Evaluation of the Plan (April 2023-March 2024)

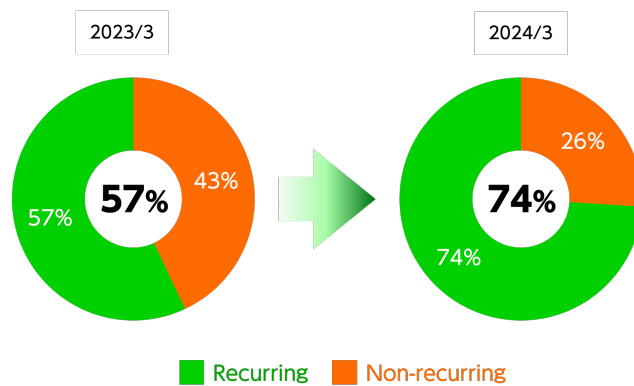
In the “Plan for Compliance with Continued Listing Criteria” published June 30, 2023, Asteria outlined 2 basic policies for increasing its tradable market capitalization.

- (1) Further strengthening its earnings base by shifting to a business structure that curbs excessive volatility and achieving continuous growth.
- (2) Enhancing several measures to improve understanding and build trust among investors in order to obtain a proper evaluation in the stock market.

The status of those measures is described below.

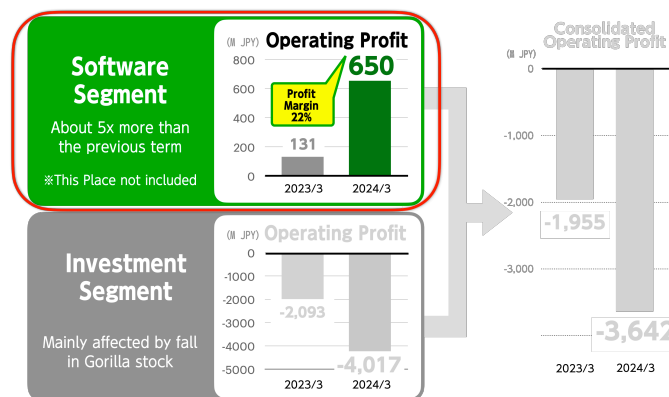
(1) Business structure shift for continued sales and revenue growth while reducing excessive volatility

In the fiscal year 2023, the highly volatile Design business was sold to focus on the Software business, which is expected to generate long-term revenue stability. Flagship products of the Software business Warp and Platio saw subscription year-on-year sales grow 36% and 52% respectively. This prompted Asteria’s significant shift from a non-recurring to recurring revenue model, with the recurring revenue ratio rising from 57% to 74% in the fiscal year 2023, thus strengthening its foundation for stable growth.



The effects based on the Net unrealized gains (losses) on securities of Gorilla share valuation are still reflected in the latest profit figures, but will not affect medium to long term profitability, as these shares have been sold in accordance with market rules from the end of the previous fiscal year. Asteria sold 22% of its Gorilla shares in the fiscal year 2023 and plans to continue divesting while considering market trends. Once the sale of shares is completed, the impact of the Investment business on Asteria’s overall financial results is expected to be significantly reduced.

The Software business has maintained its competitive advantage, holding the number one market share in data integration and continued steady profit growth, having achieved a 22% profit margin ratio over the fiscal year 2023.



(2) Enhance investor relations efforts to improve understanding and build trust

Over the past few years, the Design and Investment businesses significantly impacted results, making it difficult for investors to recognize the strong performance of the Software business, which is Asteria’s main business. Asteria will enhance its Investor and Public Relations efforts to encourage fair evaluation and recognition of the Software business’ competitive advantage and growth potential as worthy of increased investment.

To date, Asteria has grown its IR/PR team from 4 to 6 members; enhanced information disclosure and explanations of management policy and business initiatives; expanded IR information; proactively disseminated PR content in both Japanese and English; and held small meetings with institutional investors. Going forward, Asteria will continue to actively engage with investors to improve understanding of its potential corporate value.

Asteria also introduced a mid-to long-term shareholder benefit program as part of its shareholder return policy and continues to consider further shareholder return improvements.

3. Future Issues and Initiatives for Compliance with Continued Listing Criteria

Asteria recognizes its “not complying with tradable market share capitalization” as an issue to its continued listing on the Prime Market due to Gorilla share valuation resulting in a loss for 2 consecutive years, making it a less attractive investment target. To address this issue, Asteria will prioritize reducing the negative impact from the Investment business on overall performance and strive to boost Asteria’s stock price based on the “Plan for Compliance with Continued Listing Criteria” published June 30, 2023.