



**Consolidated Financial Results for the Six Months
Ended June 30, 2025 [Japanese GAAP]**

August 13, 2025

Company name Sun* Inc.
 Stock Exchange listing Tokyo
 Code 4053 URL <http://sun-asterisk.com/>
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 Contact (Title) CFO (Name) Yuya Fukutomi TEL 03 (6419) 7655
 Scheduled date for filing the quarterly report: August 13, 2025
 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 June 30, 2025 (January 1, 2025 – June 30, 2025)

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

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of parent company	
Six months ended	million yen	%	million yen	%	million yen	%	million yen	%
June 30, 2025	7,058	8.3	415	(42.8)	452	(35.2)	347	(25.8)
June 30, 2024	6,517	6.5	727	(15.6)	697	(31.7)	468	(34.6)

(Note) Comprehensive income:

Six months ended June 30, 2025: (318) million yen (– %)

Six months ended June 30, 2024: 801 million yen (28,2%)

	Net income per share	Net income per share (diluted)
Six months ended	yen	yen
June 30, 2025	9.25	8.84
June 30, 2024	12.30	11.60

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
As of June 30, 2025	13,677	9,871	72.2
As of December 31, 2024	13,976	10,294	73.6

(Reference) Shareholders' Equity	As of June 30, 2025	9,870	million yen
	As of December 31, 2024	10,293	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, 2024	–	0.00	–	0.00	0.00
Year ending December 31, 2025	–	–			
Year ending December 31, 2025 (forecast)			–	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
FY2025	15,053	10.9	1,012	(29.9)	1,084	(25.4)	846	(17.2)	22.55

(Note) Revisions of the latest financial results forecast: Yes

※ 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 (4) Notes to Consolidated Financial Statements (Application of Special Accounting Treatment in Preparing Interim Consolidated Financial Statements)" on page 9 of the attached materials.

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

① Changes in accounting policies due to revision of accounting standards, etc.: Yes

② Changes in accounting policies other than ①: Yes

③ Change of accounting estimates: Yes

④ Restatement: None

(Note) For details, please refer to "2. Consolidated Financial Statements and Primary Notes (4) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" and "2. Consolidated Financial Statements and Primary Notes (4) Notes to Consolidated Financial Statements (Changes in Accounting Policies Difficult to Distinguish from Changes in Accounting Estimates)" on page 9 of the attached materials.

(4) Number of shares outstanding (common shares)

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

Second Quarter of the Fiscal Year ended December 2025	39,051,640	shares	As of December 31, 2024	38,413,660	shares
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② Number of treasury shares at the end of the period

Second Quarter of the Fiscal Year ended December 2025	1,000,132	shares	As of December 31, 2024	766,532	shares
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③ Average number of shares during the period (Cumulative total for the quarter)

Second Quarter of the Fiscal Year ended December 2025	37,561,230	shares	Second Quarter of the Fiscal Year ended December 2024	38,077,239	shares
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※ 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, (4) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 3 of the attached materials for the conditions that form the assumptions for earnings forecasts and cautions concerning the use of earnings forecast.

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

(1) Explanation of Consolidated Financial Results

During the interim period under review, the Japanese economy showed a gradual recovery, supported by the effects of various government policies and an improving employment and income environment. However, due to fluctuations in global financial and capital markets, the economic outlook remains uncertain both domestically and internationally. Amid this business environment, our Group has developed three service lines within our single segment, the "Digital Creative Studio Business," to provide the services needed to meet our customers' challenges: "Creative & Engineering," which creates digital products together with customers; "Talent Platform," which discovers and develops the talent needed to create digital products and provides them to customers; and "Incubation & Other," which produces digital content and develops and operates fan community systems. We are working to increase the number of customers and the average spending per customer as our priority.

The Group has previously used the number of stock-type customers and average monthly customer sales for stock-type customers in Creative & Engineering as objective indicators (hereinafter referred to as KPIs) to determine the achievement status of management goals, but will change the KPIs to the number of unique customers in Creative & Engineering (the actual number of customers with whom transactions were conducted during the target period) and average monthly customer sales (total sales for the target period divided by the total number of customers with transactions during the same period) from the fiscal year ending December 2025. In recent years, sales to flow-type customers have increased and become more important, so the background to this change is that we have determined that it is appropriate to use the total number of trading customers and average monthly sales for all customers as KPIs. In the "Creative & Engineering" segment, orders from existing clients remained strong, resulting in a total of 228 unique clients, average monthly client sales of ¥4,986,000, and net sales of ¥5,472 million (up 7.5% year-on-year). In the "Talent Platform" segment, net sales were ¥994 million (up 17.1% year-on-year). In the "Incubation & Other" segment, net sales were ¥591 million (up 2.5% year-on-year).

As a result, in the interim period, net sales were ¥7,058 million (up 8.3% year-on-year), gross profit was ¥3,204 million (down 6.6% year-on-year), operating profit was ¥415 million (down 42.8% year-on-year), ordinary profit was ¥452 million (down 35.2% year-on-year), and interim net income attributable to parent company shareholders was ¥347 million (down 25.8% 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)

Current assets at the end of this interim consolidated fiscal period amounted to 11,517 million yen, a decrease of 718 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease of 779 million yen in cash and deposits due to the purchase of investment securities and treasury stock, and the payment of shareholder-related expenses.

Noncurrent assets were 2,160 million yen, an increase of 419 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 286 million yen from the purchase of investment securities and a 213 million yen increase in deferred tax assets.

As a result, total assets at the end of this interim consolidated fiscal period amounted to 13,677 million yen, a decrease of 298 million yen compared to the end of the previous consolidated fiscal year.

(Liabilities)

Current liabilities at the end of this interim consolidated fiscal period were 3,285 million yen, an increase of 16 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to a 55 million yen increase in accounts payable-trade.

Non-current liabilities were 521 million yen, an increase of 107 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 120 million yen in long-term advances received from customers, which is included in other non-current liabilities.

As a result, total liabilities at the end of this interim consolidated fiscal period were 3,806 million yen, an increase of 124 million yen compared to the end of the previous consolidated fiscal year.

(Net Assets)

Net assets at the end of the current interim consolidated fiscal period were 9,871 million yen, a decrease of 423 million yen compared to the end of the previous consolidated fiscal year. This was mainly due to an increase of 347 million yen in retained earnings due to the recording of interim net income attributable to owners of the parent, and a decrease of 534 million yen in foreign currency translation adjustments.

(3) Overview of Consolidated Cash Flow

Cash and cash equivalents (hereinafter referred to as "funds") at the end of this interim consolidated fiscal period were 3,461 million yen, down 2,756 million yen from the end of the previous consolidated fiscal year. The status of each cash flow during this interim consolidated fiscal period and the factors behind them are as follows:

(Cash flows from operating activities)

Cash flow from operating activities was an income of 291 million yen (income of 507 million yen in the same period of the previous year), which was due to factors including the recording of interim net income before taxes of 420 million yen and a decrease in deposits of 154 million yen, but also due to factors including a decrease in income taxes paid of 188 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 2,891 million (compared to an income of 313 million in the same period of the previous fiscal year), due to factors such as a net increase in time deposits of 2,364 million and expenditures of 511 million for the acquisition of investment securities.

(Cash flows from financing activities)

Cash flows from financing activities were an expenditure of 210 million yen (compared to an income of 2,374 million yen in the same period of the previous year), due to factors such as an expenditure of 155 million yen for the purchase of treasury stock.

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

In light of the performance trends for the current interim consolidated fiscal period, we have revised the consolidated earnings forecast announced in the "Financial Results Summary for the Fiscal Year Ending December 2024" on February 12, 2025. For details, please see the "Notice Regarding Revision of Earnings Forecast" announced today.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalent	9,794	9,015
Notes and accounts receivable - trade and contract assets	1,670	1,842
Work in process	66	67
Other	725	623
Allowance for doubtful accounts	(21)	(30)
Total current assets	12,235	11,517
Noncurrent assets		
Property, plant, and equipment		
Buildings and structures	381	394
Accumulated depreciation	390	371
Buildings and structures (Net)	(273)	(280)
Machinery and equipment	117	91
Accumulated depreciation	400	419
Machinery and equipment (Net)	(306)	(321)
Total property, plant and equipment	93	97
Intangible assets		
Goodwill	413	377
Other	53	40
Total intangible assets	466	418
Investments and other assets		
Investment securities	675	961
Deferred tax assets	78	291
Other	538	520
Allowance for doubtful accounts	(228)	(221)
Total investments and other assets	1,064	1,552
Total noncurrent assets	1,741	2,160
Total assets	13,976	13,677

(Unit: million yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	371	426
Short-term loans payable	1,250	1,250
Accounts payable - other	192	158
Accrued expenses	449	444
Income taxes payable	218	232
Contract liabilities	280	248
Provisions for bonuses	145	229
Other	—	74
Total current liabilities	361	220
Noncurrent liabilities	3,268	3,285
Long-term loans payable		
Asset retirement obligations	96	94
Deferred tax liabilities	71	72
Other	246	354
Total noncurrent liabilities	414	521
Total liabilities	3,682	3,806
Net assets		
Shareholders' equity		
Capital stock	1,731	1,757
Capital surplus	1,716	1,742
Retained earnings	6,468	6,816
Treasury stock	(520)	(676)
Total shareholders' equity	9,396	9,639
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	△102
Foreign currency translation adjustment	868	333
Total accumulated other comprehensive income	897	231
Stock subscription rights	0	0
Total net assets	10,294	9,871
Total liabilities and net assets	13,976	13,677

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated statements of income for the Six months ended June 30, 2025)

(Unit: million yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net sales	6,517	7,058
Cost of sales	3,085	3,853
Gross profit	3,432	3,204
Selling, general and administrative expenses	2,704	2,789
Operating income	727	415
Non-operating income		
Interest income	98	134
Other	3	17
Total non-operating income	101	151
Non-operating expense		
Interest expenses	2	8
foreign exchange loss	111	—
Shareholder related expenses	—	100
Other	17	6
Total non-operating expense	131	115
Ordinary income	697	452
Extraordinary gains		
Gain of sales of fixed assets	0	—
Total extraordinary gains	0	—
Extraordinary losses		
Loss on valuation of investment securities	25	31
Total extraordinary losses	25	31
Income before income taxes	672	420
Income taxes	204	73
Interim net income	468	347
Interim net income attributable to shareholders of parent company	468	347

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

(Unit: million yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Net income	468	347
Other comprehensive income		
Valuation difference on available-for-sale securities	12	(131)
Foreign currency translation adjustments	320	(534)
Total other comprehensive income	333	(666)
Comprehensive income	801	(318)
(Details)		
Attributable to owners of the Company	801	(318)
Attributable to non-controlling interests	—	—

(3) Consolidated Interim Statements of Cash Flows

(Unit: million yen)

	Six months ended June 30, 2024 (Jan. 1 - Jun.30)	Six months ended June 30, 2025 (Jan. 1 - Jun.30)
Cash flows from operating activities		
Income before income taxes and minority interests	672	420
Depreciation and amortization	62	62
Amortization of goodwill	35	35
Increase (decrease) in allowance for doubtful accounts	(3)	3
Increase (decrease) in accrued bonuses	113	85
Interest income	(98)	(134)
Interest expenses	2	8
Foreign exchange losses (gains)	57	(171)
Shareholder related expenses	-	100
Gain on sales of fixed assets	(0)	-
Loss (gain) on valuation of investment securities	25	31
Decrease (increase) in trade receivables and contract assets	(11)	(213)
Decrease (increase) in inventories	18	(0)
Increase (decrease) in notes and accounts payable-trade	(9)	56
Increase (decrease) in deposits	(5)	154
Increase (decrease) in accrued consumption taxes	(210)	(42)
Increase (decrease) in contract liabilities	(82)	(23)
Increase (decrease) in accrued expenses	57	(4)
Increase (decrease) in long-term advances received	107	120
Other	(114)	(68)
Subtotal	618	418
Interest income received	235	70
Interest payments	(2)	(8)
Income taxes paid	(343)	(188)
Cash flows from operating activities	507	291
Cash flows from investing activities		
Decrease (increase) in fixed term deposits	347	(2,364)
Proceeds from withdrawal of time deposits	149	-
Purchases of property, plant and equipment	(48)	(32)
Payments for purchase of investment securities	(97)	(511)
Other	(36)	17
Cash flows from investing activities	313	(2,891)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,400	-
Payment for the acquisition of treasury stock	-	(155)
Payment for the shareholder related expenses	-	(100)
Other	(25)	45
Cash flows from financing activities	2,374	(210)
Effect of exchange rate changes on cash	60	54
Net increase (decrease) in cash	3,256	(2,756)
Cash at beginning of year	4,633	6,217
Net increase (decrease) in cash	7,889	3,461

(4) Notes on the Consolidated Financial Statements

(Notes on Going-Concern Assumptions)

Not applicable.

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

Not applicable.

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

(Calculation of tax expense)

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

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

(Changes in Accounting Policies)

(Application of "Accounting Standards for Corporate Tax, Resident Tax, and Business Tax, etc.)

Effective from the beginning of this interim consolidated fiscal period, we have applied the "Accounting Standard for Corporation Taxes, Inhabitant Taxes, Enterprise Taxes, etc." (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "2022 Revised Accounting Standards") and other standards.

With regard to the amendments to the classification of corporate taxes, etc. (taxation of other comprehensive income), we have followed the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standards and the transitional treatment set forth in the proviso to Paragraph 65-2(2) of the "Guidance on Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). This change in accounting policy has no impact on the interim consolidated financial statements.

In addition, with regard to the amendments related to the review of the treatment in consolidated financial statements of cases where gains or losses on sales of subsidiary shares, etc. between consolidated companies are deferred for tax purposes, we have applied the 2022 Revised Guidance from the beginning of this interim consolidated fiscal period.

This change in accounting policy has been applied retroactively, and the interim consolidated financial statements and consolidated financial statements for the previous interim consolidated accounting period and the previous consolidated accounting year have been retroactively applied. Please note that this change in accounting policy has no impact on the interim consolidated financial statements for the previous interim consolidated accounting period and the consolidated financial statements for the previous consolidated accounting year.

(Changes in Accounting Policies Difficult to Distinguish from Changes in Accounting Estimates)

(Change in depreciation method for tangible fixed assets)

Previously, our company and domestic subsidiaries used the declining-balance method for depreciation of tangible fixed assets (with the exception of buildings and fixtures acquired after April 1, 2016, which were depreciated using the straight-line method). However, effective from the current interim consolidated fiscal period, we have changed our depreciation method to the straight-line method.

This change was prompted by the launch of a project aimed at improving financial reporting in the previously consolidated fiscal year. As a result of reviewing the actual usage of tangible fixed assets with the aim of standardizing accounting procedures within the Group, we determined that the tangible fixed assets used by our company and our domestic subsidiaries are used stably over their useful lives, and that recording expenses evenly would more appropriately reflect the economic realities of our company and our domestic subsidiaries, so we decided to adopt the straight-line method.

The impact of this change on profit and loss for the current interim consolidated fiscal period is immaterial.

(Significant Subsequent Events)

(Business combination through acquisition)

At the Board of Directors meeting held on June 25, 2025, our company resolved to acquire 100% of the issued shares of Global Gear Co., Ltd. and make it a subsidiary.

Based on this resolution, we acquired 100% of the company's shares as of July 1, 2025.

(1) Overview of the Business Combination

① Name and Business of the Acquired Company

Acquired Company Name: GlobalGear Co., Ltd.

Business Description: Planning, development, and operation of smartphone game apps

② Main Reasons for the Business Combination

Global Gear Inc. is a company that plans, develops, and operates smartphone game apps under the vision of "Bringing Fun to Everyone." Focusing on "casual games" that anyone can easily enjoy in their spare time, the company has released over 170 apps to date. The company handles all game development processes in-house, boasting the development capabilities to continuously release new titles and the planning capabilities to create popular series with over 20 million cumulative downloads.

With this share acquisition, the Group will enter the casual game business. Through synergies such as the mutual sharing of game production know-how and mutual utilization of human resources with Global Gear Inc., the Group aims to accelerate the growth of the casual game business and make it a growth driver in the entertainment sector, thereby achieving its vision of "a world where everyone can immerse themselves in value creation."

③ Date of Business Combination

July 1, 2025

④ Legal Form of Business Combination

Acquisition of Shares in Exchange for Cash

⑤ Name of Post-Combination Company

There will be no change to the name of the post-combination company.

⑥ Percentage of Voting Rights Acquired

100%

⑦ Primary Basis for Determining the Acquiring Company

This is because the Company will acquire 100% of the shares of Global Gear Co., Ltd. in exchange for cash.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Acquisition cost: Cash and deposits (including accounts payable): 1,100 million yen

Acquisition cost: 1,100 million yen

(3) Details and amounts of major acquisition-related expenses

Advisory fees, etc. (estimated): 53 million yen

(4) Amounts of assets acquired and liabilities assumed on the date of the business combination and their main breakdown

Not yet determined.

(5) Amount of goodwill incurred, cause of occurrence, amortization method, and amortization period
Not yet determined.

(6) Method of procurement and payment of funds
Bank loans and internal funds were used.