



November 11, 2020

To whom it may concern,

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Notice regarding Revision of financial forecast for the fiscal year ending December 2020

At the board of directors meeting held today, the Company hereby announces the revision of its financial forecast for the fiscal year ending December 2020 (From January 1, 2020 to December 31, 2020), which was announced on July 31, 2020, as follows.

1. Revision of full-year financial forecast for the fiscal year ending December 2020

	Sales	Operating profit	Ordinary profit	Net profit	Earnings/Net income per share
Previous forecast (A)	Million yen 5,120	Million yen 710	Million yen 726	Million yen 640	Yen 18.38
Revised forecast (B)	5,307	849	876	765	21.80
Variance in amount (B-A)	187	139	150	125	3.42
Variance in percentage (%)	3.6	19.4	20.5	19.3	18.6
(For reference) Results for the previous fiscal year	4,529	474	486	410	13.17

2. Reason for the revision

In order to promote digitalization in all industries, the Company has named the service for co-creating new businesses and products "Digital Creative Studio", and has separated this single-segment business into two service lines, "Creative & Engineering" and "Talent Platform.". On July 31, 2020, when the Company was listed on the TSE Mothers, the Company has announced its financial forecasts of 5,120 million yen in sales and 710 million yen in operating profit.

During the first nine months of the fiscal year ending December 2020, sales of "Talent Platform" was 782 million yen (-19.8% year-on-year) due to the weak recruitment needs of recruiting companies caused by the influence of the new Coronavirus. On the other hand, sales of "Creative & Engineering" continued to grow to 3,186 million yen (+34.2% year-on-year) due to continued, stable and strong orders from existing customers and continued increase in new customers. In addition, although active recruitment remained, the shift to remote work has reduced facility-related costs, and other costs like travel expenses, transportation costs, which has resulted in a limited increase in operating costs. Therefore, the operating profit grew up to 694 million yen (+111.0% year-on-year).

As a result of adding the financial forecast for the fourth quarter due to the above situation and taking into consideration the costs of relocating the head office and opening studios in both countries, we assumed that the full-year financial forecast for the fiscal year ending December 2020 needs to be revised upward. For the fiscal year ending December 2020, we expected that sales would be 5,307 million yen (+17.2% year-on-year), operating profit would be 849 million yen (+79.2% year-on-year), ordinary profit would be 876 million yen (+80.3% year-on-year), and net profit would be 765 million yen (+86.5% year-on-year).

[Notes on financial forecasts]

The forward-looking statements, including the financial forecasts described in this document, are based on the information available as of the date hereof along with a certain assumptions that are deemed rational. Actual results may differ from the financial forecasts due to various factors.