

To all concerned stakeholders,



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

Tokyo -- June 30, 2023 -- Asteria Corporation (hereinafter the "Company") hereby announces that the Company was not in compliance with the continued listing criteria of the Prime Market of the Tokyo Stock Exchange (TSE) as of the end of March 2023. To address this issue, the Company has drawn up a plan for compliance with the continued listing criteria as follows:

1. Status of the Company's compliance with the continued listing criteria for the TSE Prime Market and target period

As of March 31, 2023, the status of the Company's compliance with the continued listing criteria of the TSE Prime Market is shown in a table below. Among the requirements, the Company failed to meet the one for "tradable share market capitalization" and is therefore undertaking measures to ensure that it fulfills the continued listing criteria by the end of March 2025.

	Number of Shareholders	Number of Tradable Shares	Tradable Share Market Cap	Tradable Share Ratio
Status of the Company* (As of March 31, 2023)	10,595	122,806 units	9.2 billion yen	70.2%
Continued Listing Criteria for Prime Market	800	20,000 units	10 billion yen	35%
Compliance Status	Compliant	Compliant	Not compliant	Compliant
Target Period			March 2025	

* The Company's status mentioned above is calculated based on the data on the distribution of its share certificates, etc., available to Tokyo Stock Exchange, Inc. as of March 31, 2023.

2. Basic policy on measures to comply with the continued listing criteria, details of the measures, and related challenges

The tradable share market capitalization, one of the continued listing criteria the Company failed to meet, is calculated by multiplying the current market capitalization and tradable share ratio. The fact that the Company fulfilled the requirement for tradable share ratio has made it an utmost priority for the Company to increase its market capitalization. Thus, the Company will work toward this goal.

The Company will strive to further solidify its earnings base through a continued revenue and profit growth and the transition to a business structure, which reduces excessive volatility. Moreover, it intends to implement a variety of measures aimed at deepening investors' understanding of the Company and building trust with them in order to gain a fair market value.

For more details, please refer to the attached: "Plan for Compliance with Continued Listing Criteria of the TSE Prime Market".

Plan for Compliance with Continued Listing Criteria of the TSE Prime Market

Asteria Corporation
(TSE Prime Market:3853)

2023年6月30日



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1. Our View of the Current Status Regarding Compliance with Continued Listing Criteria of the TSE Prime Market

Current Status of Compliance with Listing Criteria of TSE Prime Market

【Current Status】

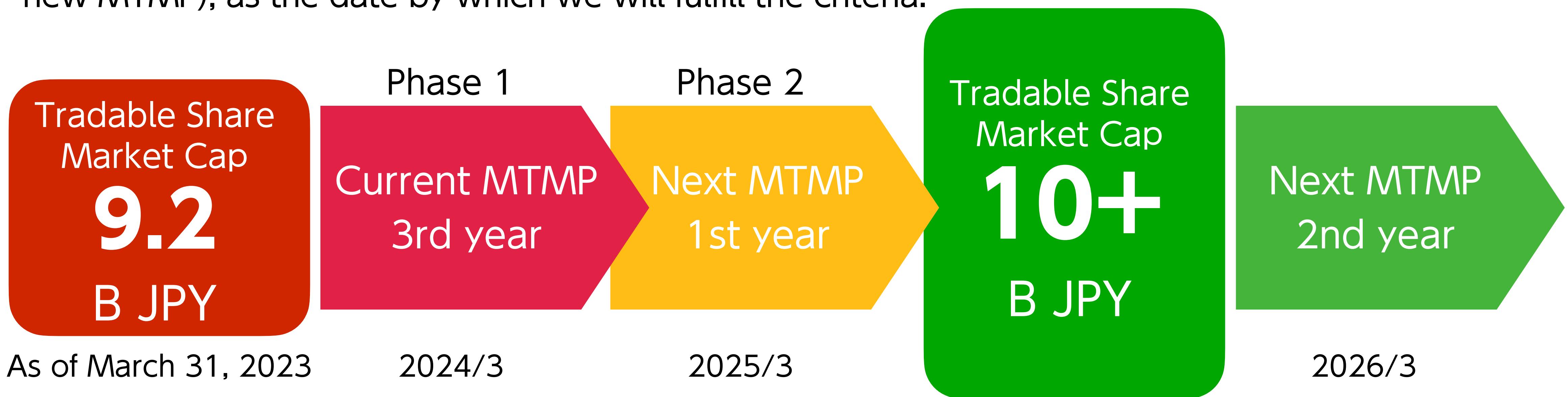
- ◆ Among the continued listing requirements, Asteria failed to meet the one for “tradable share market capitalization” as of March 31, 2023 (base date).

Category	Requirement	Asteria's Status*	Compliance Status
Number of Shareholders	800 or more	10,595	Compliant
Number of Tradable Shares	20,000 units or more	122,806 units	Compliant
Tradable Share Market Cap	10 billion yen or more	9.2 billion yen	Not compliant
Tradable Share Ratio	35% or higher	70.2%	Compliant

*The Asteria's status mentioned above is calculated based on the data on the distribution of its share certificates, etc., available to Tokyo Stock Exchange Inc. as of the base date.

Target Period and Roadmap to Meet the Listing Criteria

Asteria will implement various measures to meet the listing criteria during the periods of the current “Medium-Term Management Plan (MTMP) STAR” announced in June 2021 and the new MTMP, starting next fiscal year. We have set March 31, 2025 (at the end of the first year of the new MTMP), as the date by which we will fulfill the criteria.

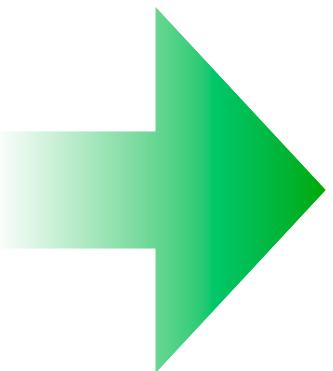


Asteria's tradable share market capitalization was 8% lower than the TSE requirement — 10 billion — as of March 31, 2023, which is the base date. Given our earnings growth potential based on our past financial performance and PER trends, etc., we believe that we are fully capable of meeting the listing criteria by the target period through measures described in the following slides.

Our View of the Challenges Related to Stock Market Assessment of Our Company Valuation and Measures Against Them

[Challenge]

Boost revenues & profits



[Measure]

1. Increase financial performance

- ✓ In addition to the sustained growth of existing products, we are strengthening efforts in high-growth new technological fields and concentrating management resources on subscription-based products

2. Reduce concerns

- ✓ Structural change in the Design Business
- ✓ A shift in policy in the Corporate Investment Business

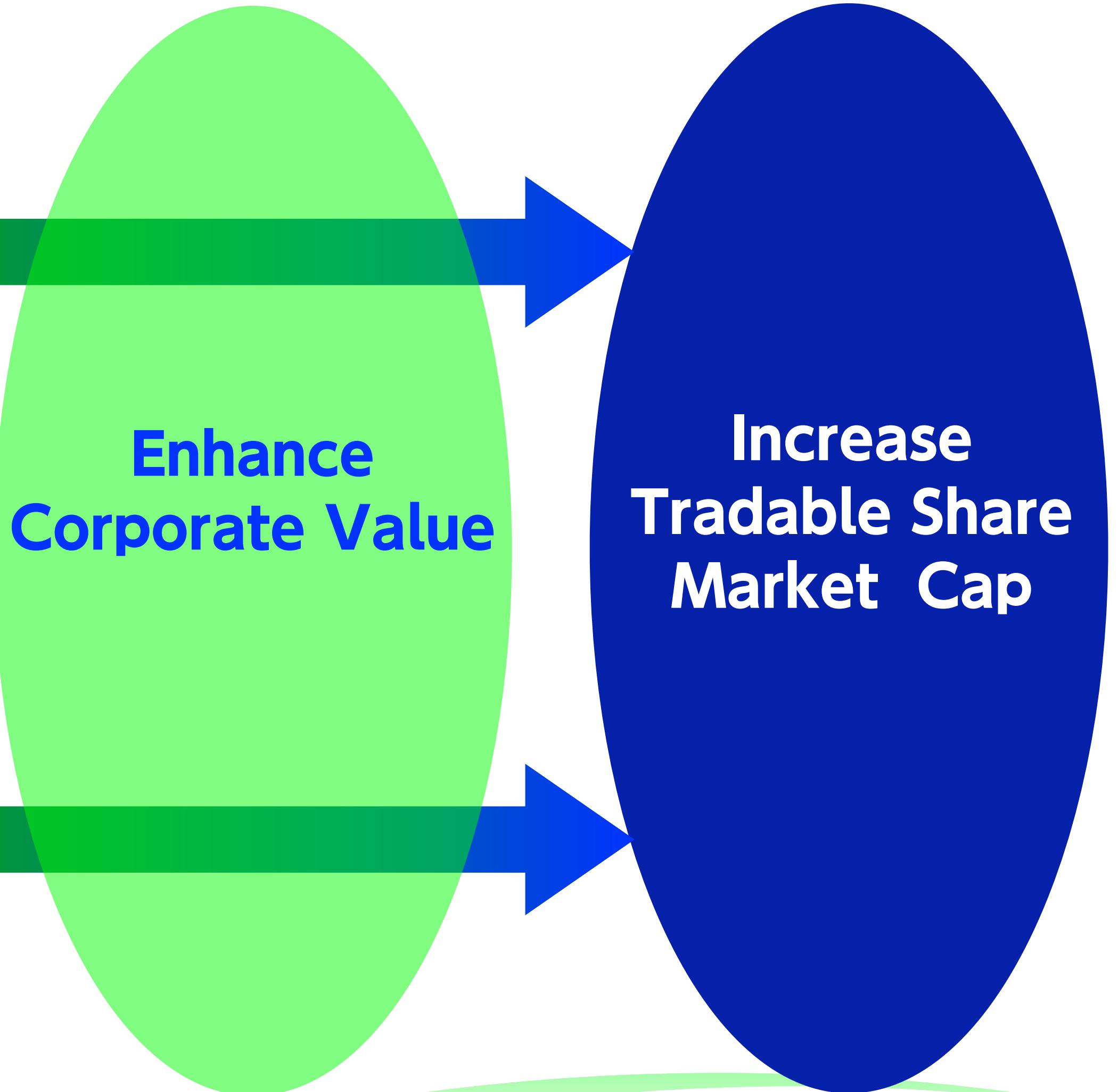
Basic Policy to Comply with the Listing Criteria

Quantitative Approach

- Steady growth of revenues and profits
- Inorganic growth through business investment and collaboration
- Shareholder returns through stable dividends

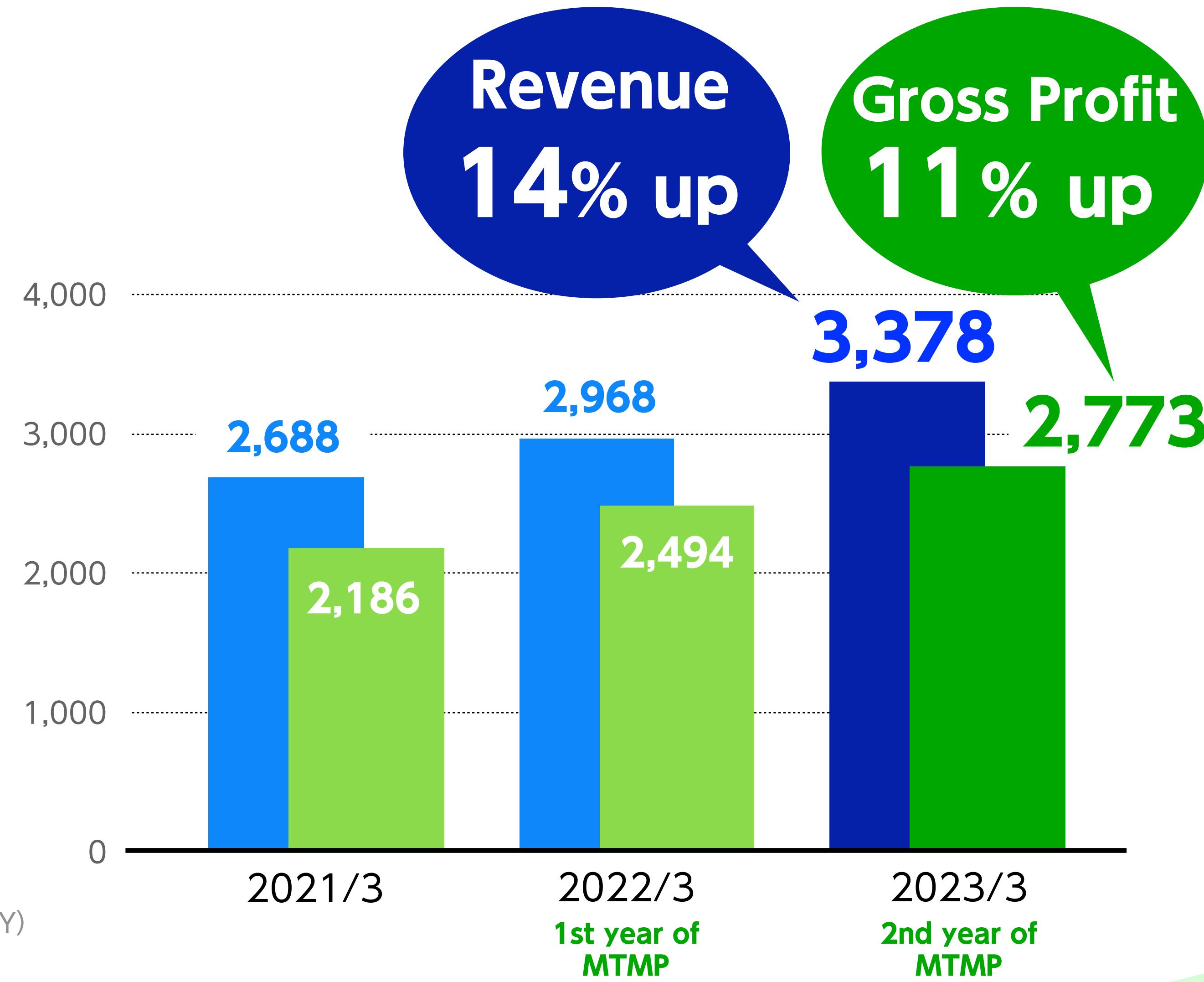
Qualitative Approach

- Build trust through highly effective governance
- Strengthen IR activities by integrating them with PR activities
- Enhancement of the company's value to society with sustainable management



2-1. Basic Policy on Measures to Comply with the Criteria - Quantitative Approach

Continuous Business Growth (YoY)



2021/3 - 2023/3

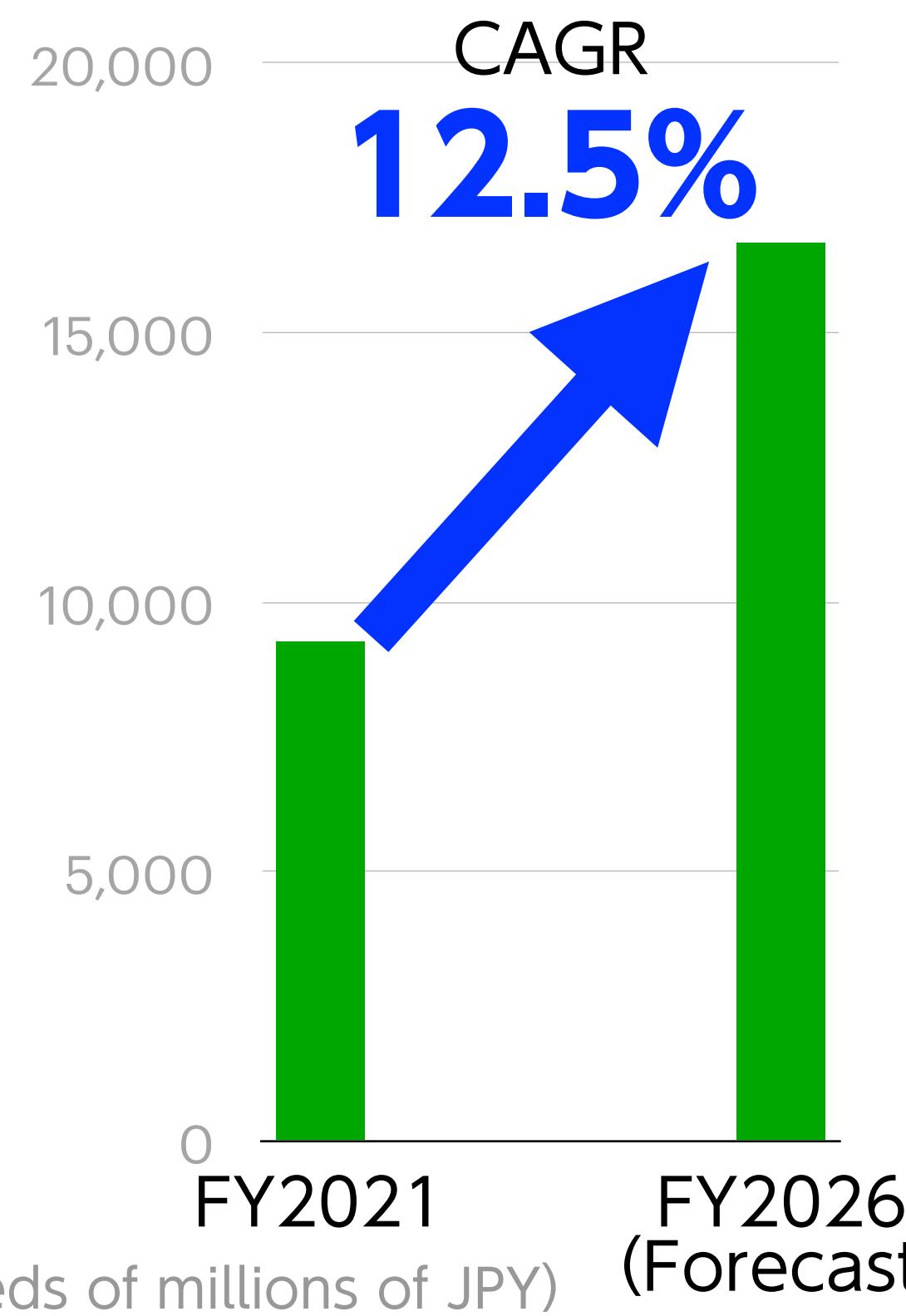
*Growth compared to 1st year of the “STAR” Medium-Term Management Plan (MTMP)

Revenue
26% up

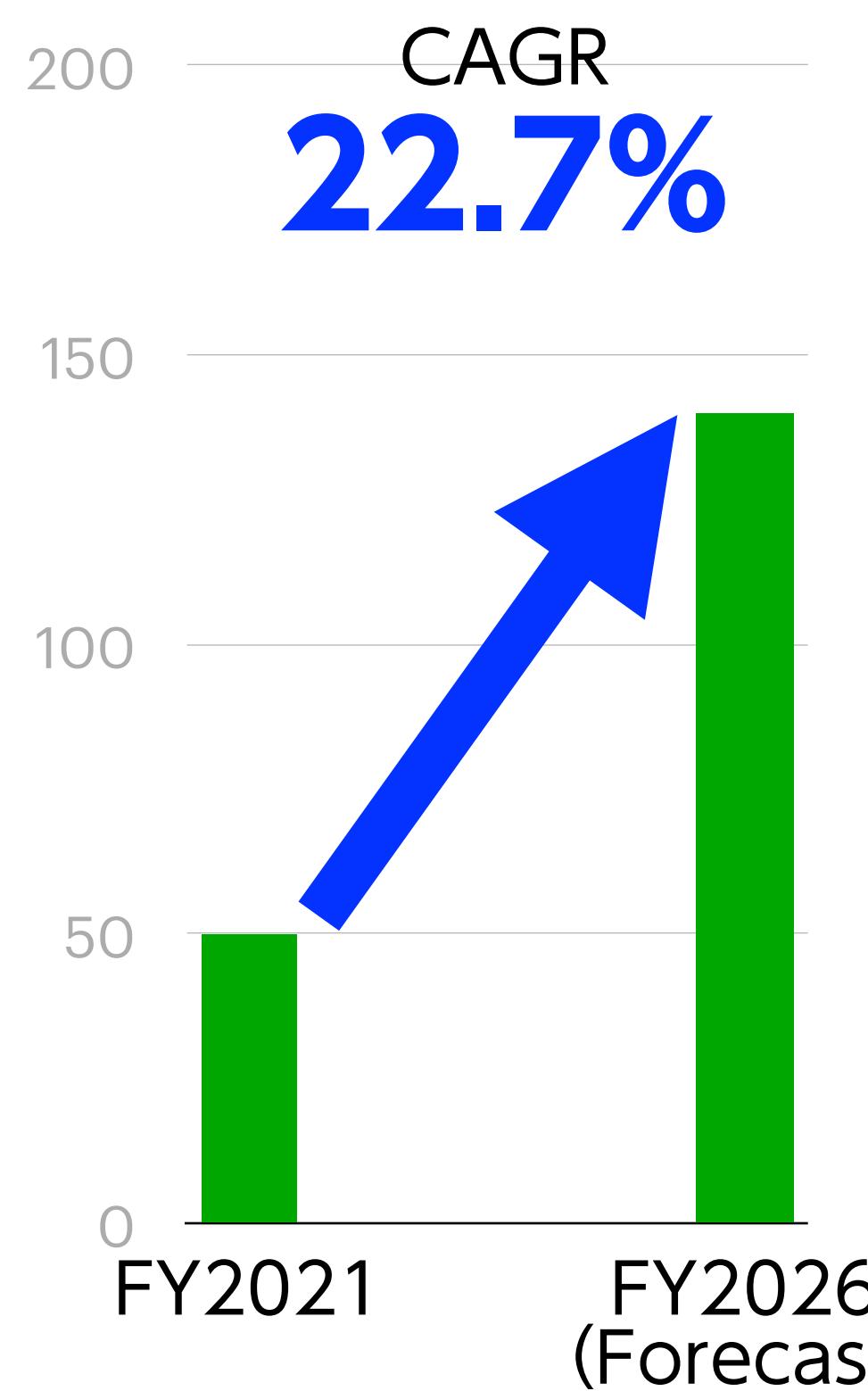
Gross Profit
27% up

Entered Growth Markets Where Asteria Has A Technological Edge

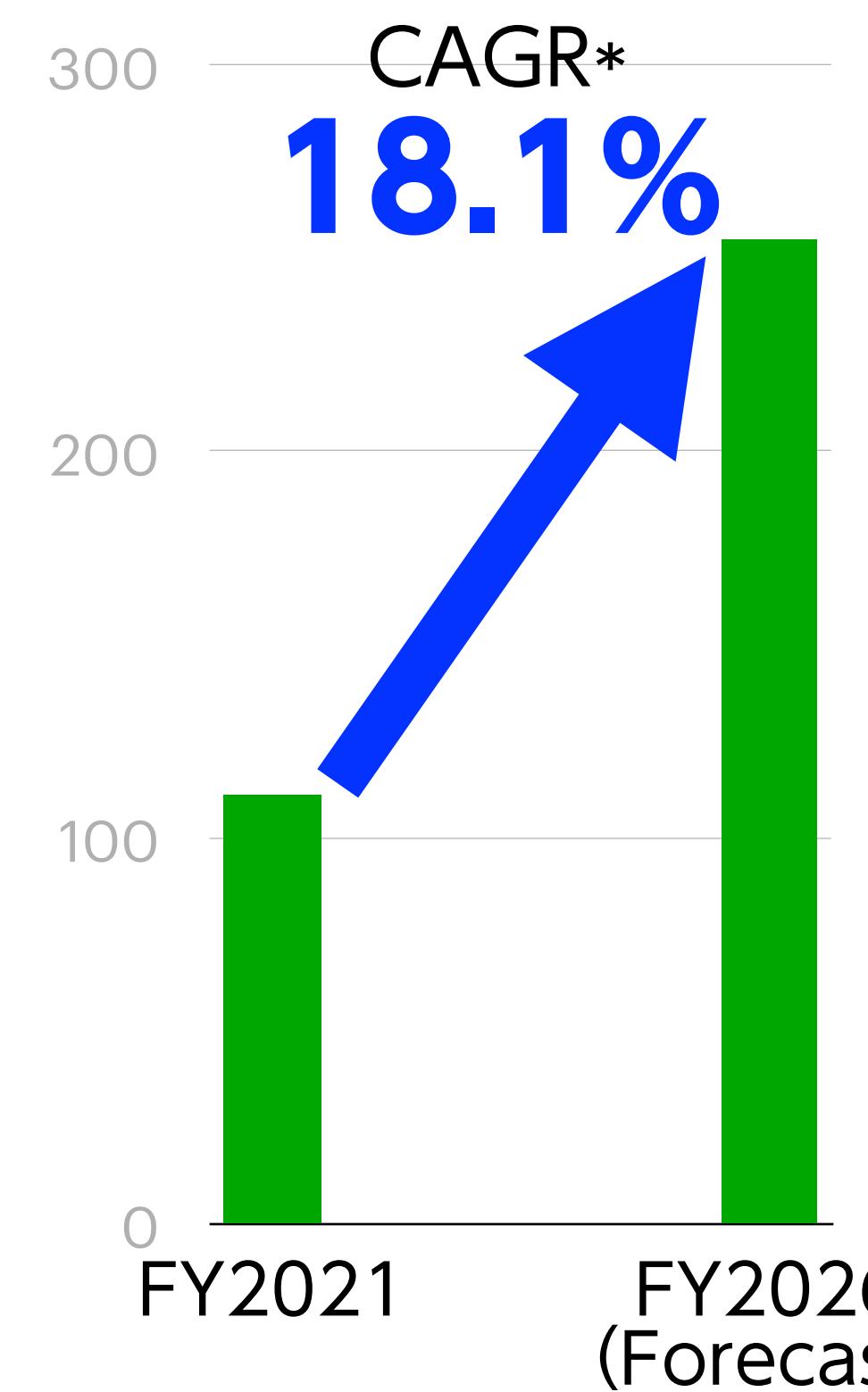
SaaS



iPaaS



No-Code



AI

Incorporate AI into products



(Subsidiary)
Asteria ART

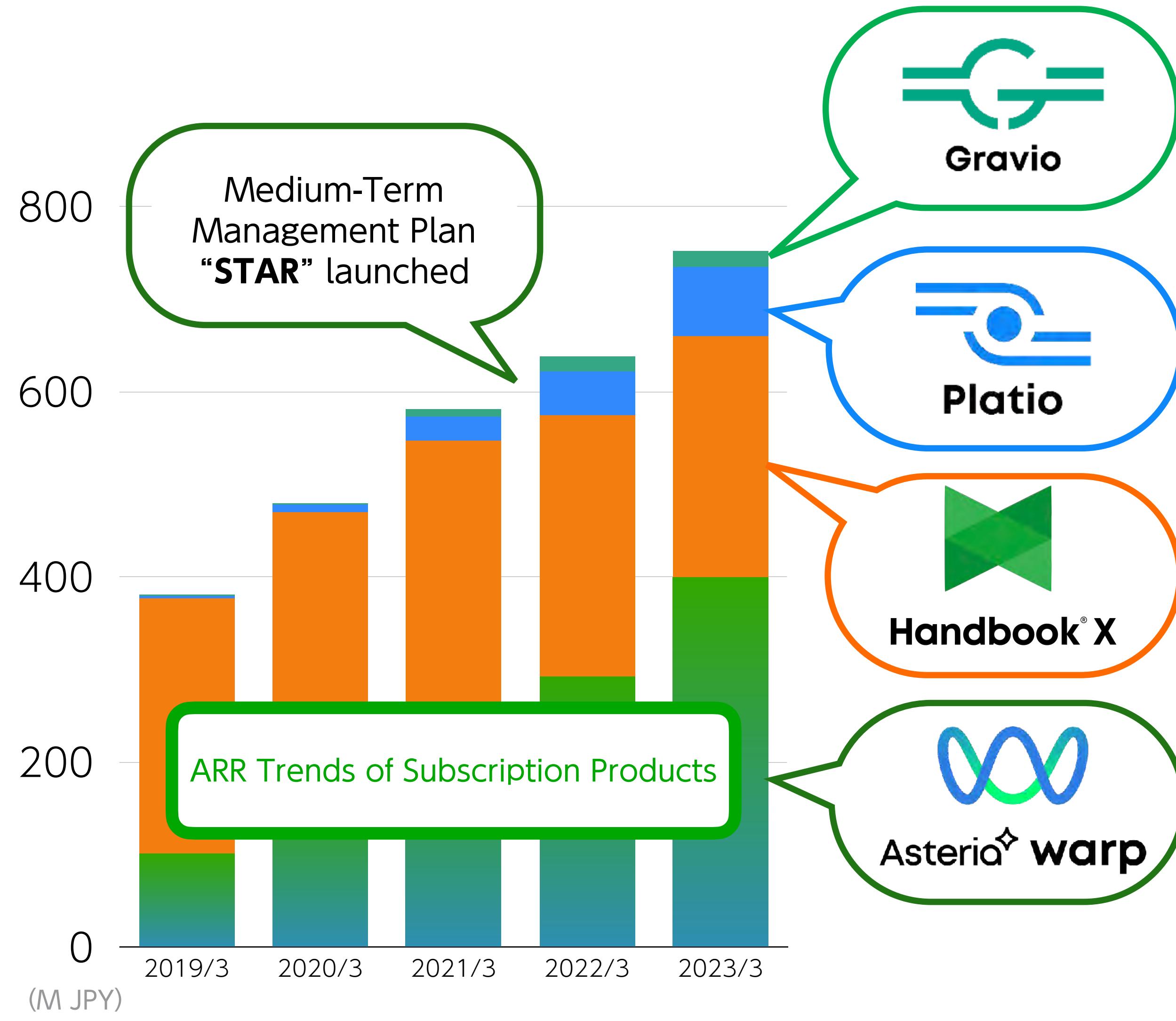
Founded in 2019

Source: "Software Business New Market 2022 Edition"
published by Fuji Chimera Research Institute, Inc.

*Compound Average Growth Rate

*The size of "webDB/no-code development tools" market

A Focus on Subscription Products* Led to Revenue Growth

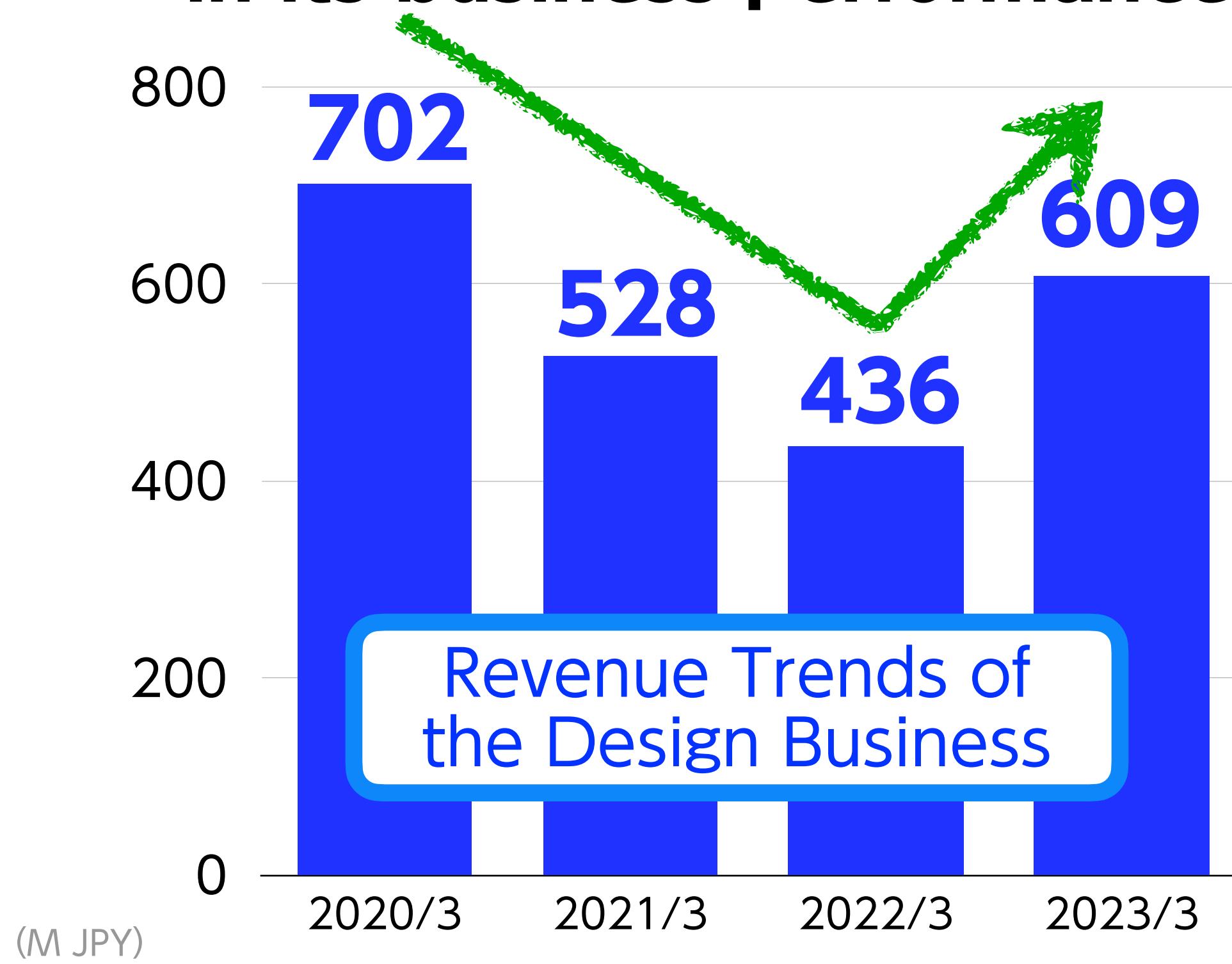


- ◆ Rising DX needs from Small to Medium Businesses (SMBs) & local governments
- ◆ Revenues from subscription products exceeded **700M JPY**
- ◆ Sales promotions using additional budgets **boosted** overall revenues from subscription products by **18% YoY**

*Annual Recurring Revenue

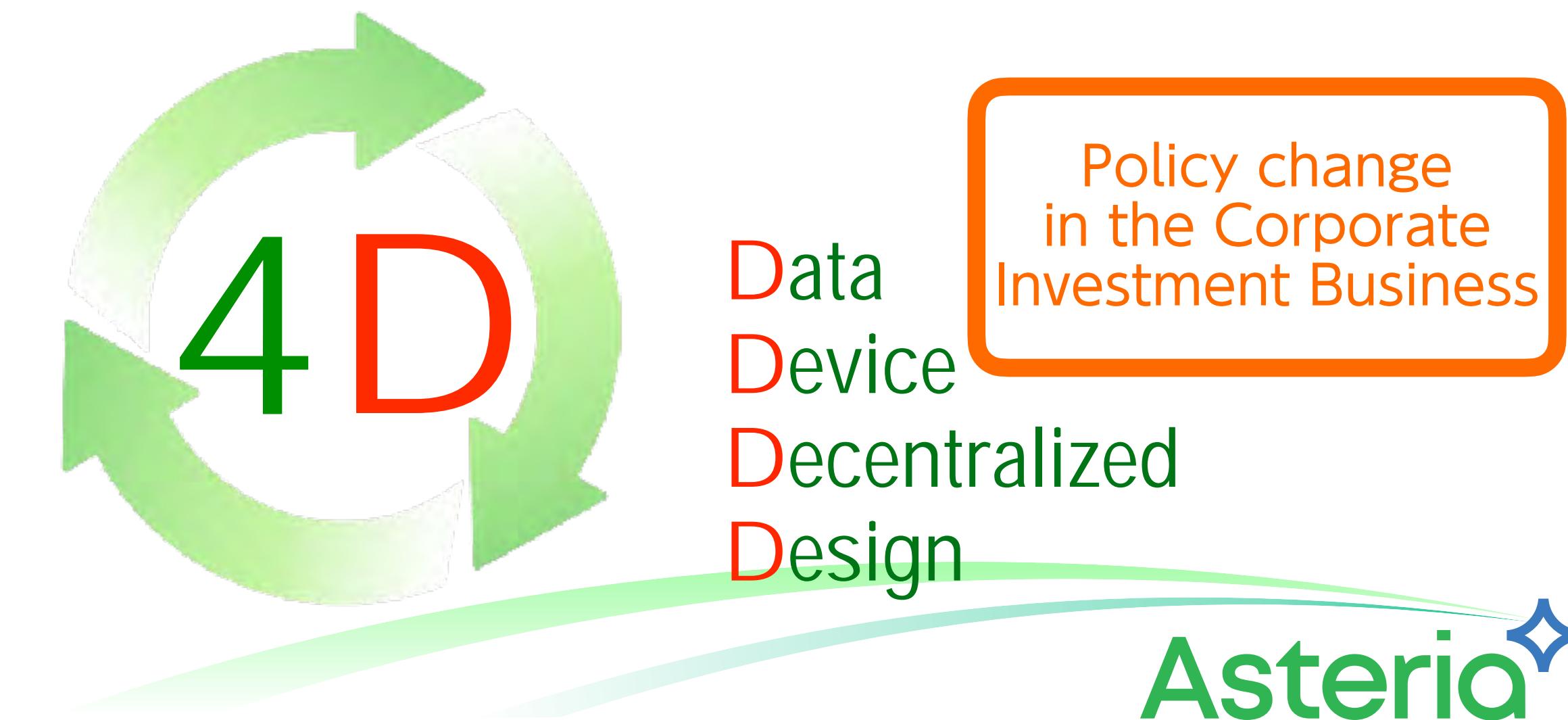
Remove the Causes of Stock Price Volatility

- ◆ The Design Business, which was a reason for Asteria stock drop, is showing a V-shaped recovery in its business performance



- ◆ Shift focus from volatile venture fund management to inorganic growth driven by business investments and partnerships

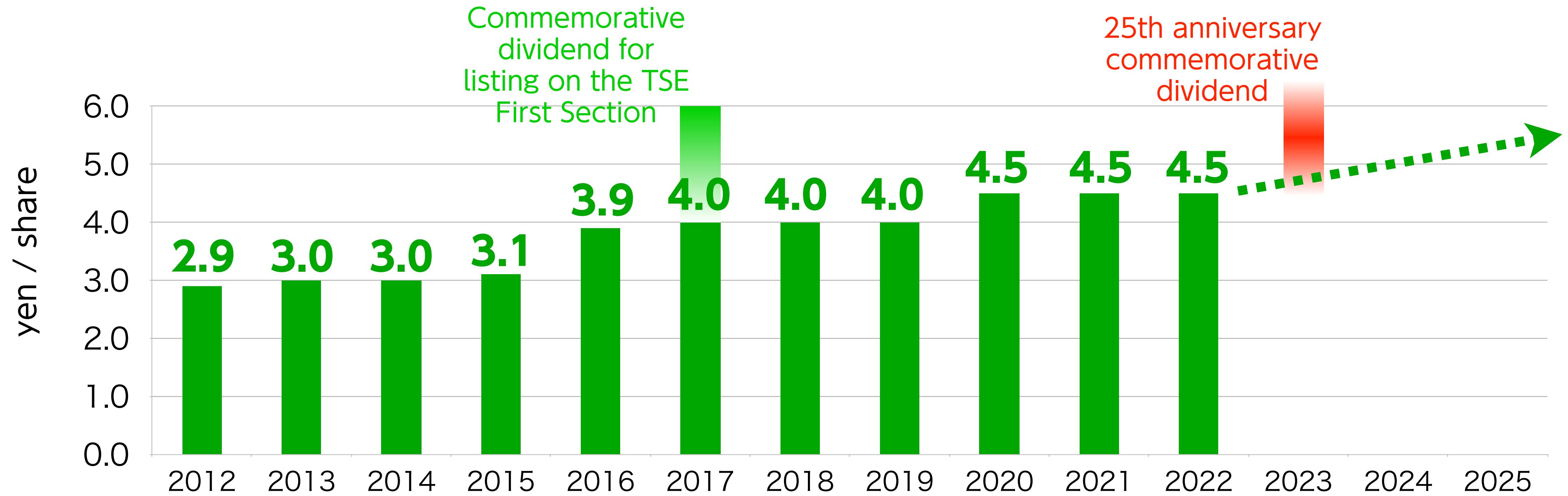
- ✓ Cancelled formation of AVF-II
- ✓ Sell the shares of AVF-I portfolio companies at advantageous times



Maintain Stable Dividend Policy / 1st Interim Dividend Forecast

◆ Continue to provide **stable dividends** for 10-plus years

◆ **Asteria's first** interim dividend forecast for first-half of FY2023
(Celebrating its **25th** anniversary)



2-2. Basic Policy on Measures to Comply with the Criteria - Qualitative Approach

Governance: Independent, Outside Directors Form Two-Thirds of the Board

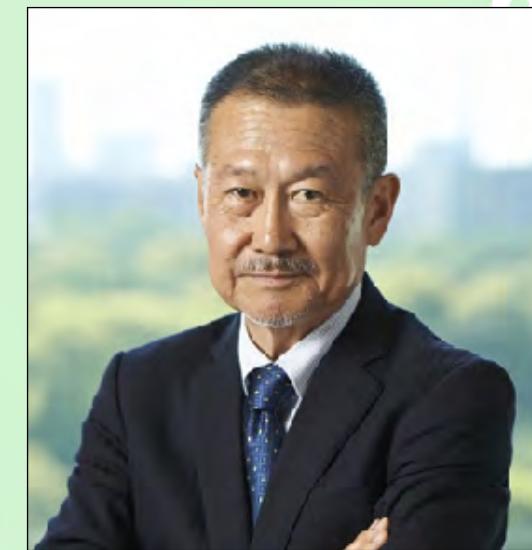
- ◆ The composition of outside directors reflects nationality and gender diversity
- ◆ Achieves separation of management and execution on a higher level

Inside directors



HIRANO Yoichiro (Pina)

- ▶ Co-founder
- ▶ President / CEO



GOMI Hirofumi

- ▶ **Former FSA Commissioner**
- ▶ **Chairman of Shinsei Bank Ltd.**
- ▶ BCG Japan senior advisor

Outside directors



Anis Uzzaman

- ▶ **CEO of Silicon Valley VC**
- ▶ Organizer of “Startup World Cup” held in over 40 countries
- ▶ Lives in California, US



TOKIOKA Mariko

- ▶ **Serial Entrepreneur**
- ▶ Awarded “Forbes Japan WOMEN AWARD 2019”
- ▶ Lives in New York, US



MASAMUNE Elizabeth

- ▶ **Former minister of Australian Embassy in Tokyo**
- ▶ Senior Executive Advisor of Pasona Group Inc.
- ▶ A member of Next Generation Leaders Program, Japan-Australia Business Co-operation Committee, Tokyo Chamber of Commerce and Industry

Governance

Compliance with five principles and supplementary principles of Japan's Corporate Governance Code that will be applied only to companies listed on the Prime Market

Principle & supplementary principle	Asteria's measure
1-2④ The use of electronic voting platforms	Although we do not use the voting platform provided by the Tokyo Stock Exchange (TSE), we adopt a blockchain-based voting system developed in-house.
3-1② Enhance the provision of English language disclosures	In addition to translating our company website and quarterly financial statements to English, we offer the English language version of convocation notices.
3-1③ Provide extensive disclosures based on the framework of the Task Force on Climate-related Financial Disclosures (TCFD)	We invite external experts to serve on the Advisory Board, which provides guidance to the Board of Directors, and are actively considering appropriate disclosure based on our business operations.
4-8 Appointment of at least one-third of directors as independent outside directors	Our independent outside directors make up more than two-thirds of the Board and are chosen with a focus on gender and nationality diversity.
4-10① Independence of Nomination & Compensation Committee and provision of disclosures related to the committee	We have established the Nomination & Compensation Committee in which independent outside directors and the Audit & Supervisory Board members constitute the majority of the committee members.

Public Relations/Investor Relations

[Strengthened IR/PR Activities]

◆ Enhanced communication with stakeholders

- ✓ Increases in communication such as financial results presentations, briefings for investors, and meetings with institutional investors
- ✓ Participation in events to attract new investors

◆ Increased touchpoints with investors with broader disclosures of company information

- ✓ Provide more content such as releases of immediate disclosure and original presentation materials on Asteria business
- ✓ Extensive disclosures of the execution status of sustainability management and information related to SDGs
- ✓ Publication of analyst report for investors in Japan and abroad

◆ Promote technologies to stakeholders

- ✓ Hold briefings about technological trends for media representatives and investors
- ✓ Collaborate with securities companies to hold study sessions themed on a specific technology for a small group of investors



Asteria wins “Best IR Award for Encouragement” in 2021

Our Policy on Contribution to Sustainable Society

Environmental Conservation	Asteria aims to realize a sustainable society by building an ecosystem between “the global environment and nature” as well as “society and industry”.	   
Diverse work styles	Asteria is actively promoting the creation of work environment that supports diverse work styles so that personnel from various backgrounds can continue to play an active role.	   
Social Contribution	In order to realize a healthy and prosperous society and encourage its sustainable development, Asteria engages in social contribution activities inside and outside the company, besides its business activities.	   

<https://en.asteria.com/company/sustainability/>

Efforts Toward Achieving SDGs



Support DX in Local Governments



Forest Conservation



Plastic-free Giveaways

Achievement	Support local government commitments to digital transformation (DX) in disaster prevention, tourism, etc.	Preserve cedar forest in Oguni Town, Kumamoto Pref. and cherry blossom trees in Semboku City, Akita Pref. using the corporate version of hometown tax donation system (won a ministry award in recognition of these efforts in 2022)	Replace plastics with thinned timber of cedar for use in promotional giveaways, such as a fan, calendar, badge, and trophy
Plan	Further expand the scope of target municipalities and advance DX with no-code tools	Continue donations to Oguni and Semboku and promote our efforts as model cases to other companies	Continue and expand the efforts as necessary

Efforts Toward Achieving SDGs



Achievement	Held Annual General Meetings of Shareholders without a designated venue to reduce CO2 emissions from operating the events and achieved net zero emissions using carbon offsetting	Offer more than 700 workplace options in Japan by classifying offices into five dimensions	Launched the reskilling portal site NoCode Gate. The No Code Promotion Association was established with the aim of creating a society where even non-engineers can thrive
Plan	Increase the number of carbon-neutral events using carbon offsetting	Boost employee well-being and productivity by leveraging our resort office	Promote no-code tools in rural areas of Japan with the launch of “No Code Declaration City” program

Efforts Toward Achieving SDGs



Diversity



Support for Employee Health



Eradicate Human Trafficking

Achievement	Ensure director diversity, support women's advancement through measures such as maternity and childcare leave, and implement revised policies for the LGBTQ community	Continue our support for "IT Charity Ekiden" hosted by FDA (Future Dream Association)	Continue our support for "Kamonohashi Project"
Plan	Aim to spread our initiatives to other companies	Continue our support for "IT Charity Ekiden" hosted by FDA (Future Dream Association)	Continue our support for "Kamonohashi Project"

Plan for Compliance with Continued Listing Criteria of the TSE Prime Market

The information used in this material includes forward-looking statements. These descriptions are based on current assumptions of Asteria and involves uncertainties. Please be informed that changes in market conditions and other factors could cause actual results to differ materially from those discussed in the forward-looking statement.

