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Company Name: Asteria Corporation
(Securities code: 3853 TSE First Section)
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Notice Regarding a Three-Year Mid-Term Management Plan

Tokyo -- June 25, 2021 -- Asteria Corporation announces that a meeting of its Board of Directors held on June 25, 2021 approved a three-year Mid-Term Management Plan, named “STAR,” commencing for the year ending March 2022.

1. The outline of the Mid-Term Plan

- (1) Name: Mid-Term Management Plan “STAR”
- (2) Target period: From fiscal year ending March 2022 to March 2024 (Three years)
- (3) Target numbers of fiscal year ending March 2024 (Consolidated)

Net sales: 4.5 billion JPY
Adjusted EBITDA*1: 1 billion JPY
Adjusted EBITDA margin: 22.2%

(4) Target figures on a consolidated basis

(Millions of JPY)

	FY2020 Results	FY2023 Targets	Gains/Losses	Rate of growth
Net sales	2,688	4,500	+1,812	+67.4%
Adjusted EBITDA※ 1	615	1,000	+385	+62.5%
Adjusted EBITDA margin	22.9%	22.2%		
Operating income	820			
Operating margin	30.5%			

*1. Adjusted EBITDA is calculated by adding operating income and depreciation plus/minus other factors such as goodwill impairment, unrealized earn-out cost and unrealized valuation loss/gain.

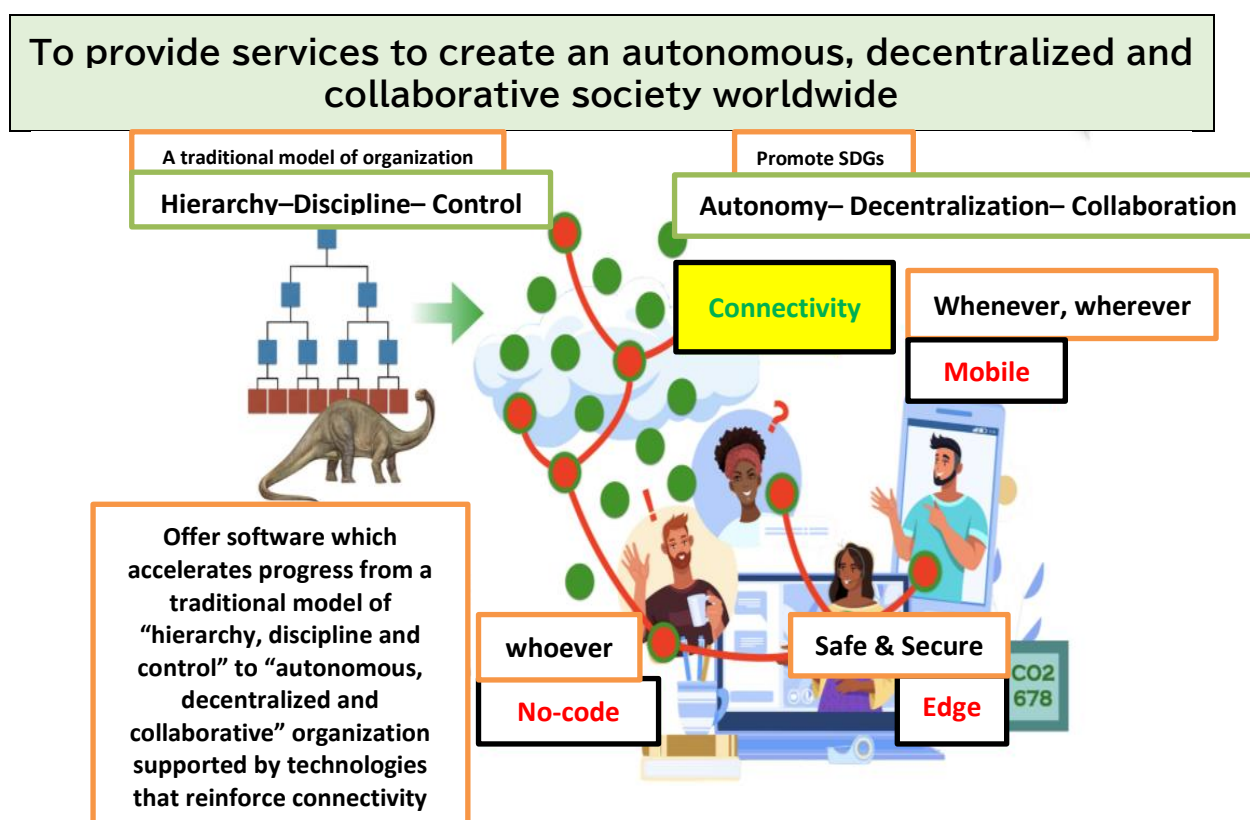
*2. The earnings estimate listed above is based on our expectations and assumptions as of the date the statement was made. It therefore does not guarantee future performance. The actual earnings and other results could deviate significantly due to various factors such as the economic conditions in major markets of Japan and abroad as well as changes in exchange rates. Asteria will make an announcement through timely disclosures, among other means, should an event that requires an important change occur.

Overview of the Mid-Term Management Plan “STAR”

This overview presents excerpts of the three-year Mid-Term Management Plan “STAR,” starting in the year ending March 2022.

Vision

In line with Asteria’s vision since its founding, “to develop software that helps realize computing systems extending beyond organizational boundaries and provide it across the world,” the company defines its vision for the period of the Mid-Term Management Plan as follows:



Asteria launched its business with products using XML technologies and has provided products which have advanced “connectivity” for more than 20 years. Since we began supplying ASTERIA R2 in 2002, all Asteria products work without any coding under the concept of “Graphical Language.” While the term “no-code” is gaining wider recognition, this trend will likely continue to grow for decades onwards.

Due to the COVID-19 pandemic, the global momentum toward an “autonomous, decentralized and collaborative” type of society, which Asteria has pursued since its founding, is becoming increasingly relevant. In this decentralized environment, mobile devices that can be used whenever and wherever have become commonplace. Moreover, the performance of chips and parts will be enhanced as IPv6 -- the next generation of Internet Protocol -- prevails, while “edge computing” spreads more rapidly so as to prevent cloud security threats.

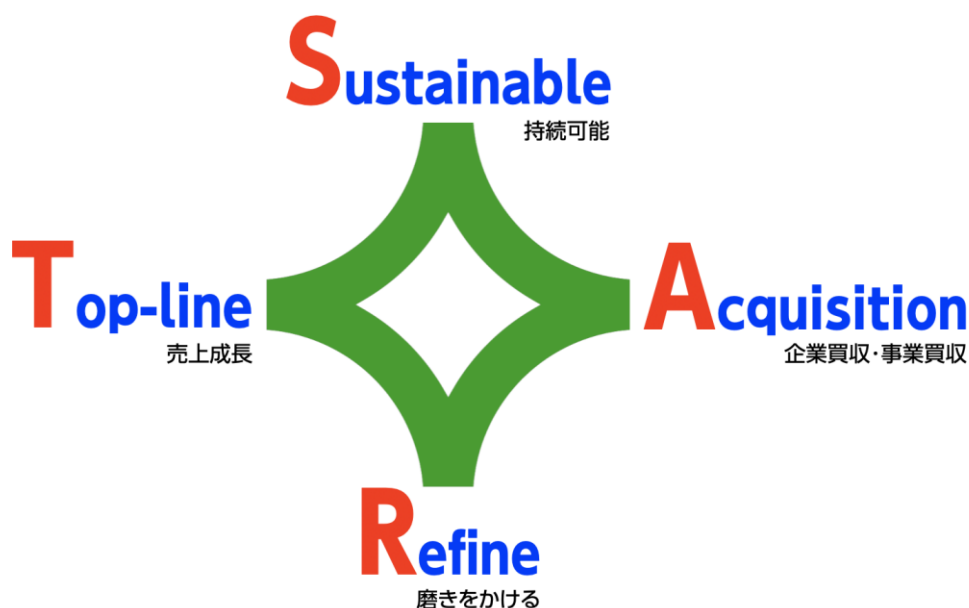
Asteria names the Mid-Term Management Plan “STAR” by taking the initials of keywords set for the target period.

Sustainable = To ensure our businesses are conducive to building a sustainable society

Top-line = To aim for sales expansion through the creation and provision of value

Acquisition = To increase growth rate via business and technology acquisitions

Refine = To improve existing products and services and keep ahead of the new era



Business activity plans by segment

Software unit

Core products:

Two core products as of FY2020 are as follows:

- Warp Raise the ratio of a recurring revenue model to 70% by increasing the ratio of subscriptions
- Handbook Begin shipping new products in the latter half of FY2021

New products:

The aim is to build four pillars with the two products remaining as core pillars:

- Platío
 - Carry out active marketing activities
 - Establish a product category and win the No.1 market share
- Gravio
 - Commence a global operation in Japan, the U.S., the U.K., and Singapore by March 2022; China by March 2023
 - Establish a product category and win the No.1 market share

R&D and consulting:

The aim is to promote research and development of technologies that form the basis of long-life products. The subjects of R&D are as follows:

- Blockchain Offer in-house developed blockchain externally
- AI Middleware for robotics handled by Asteria ART
- Promote joint ventures with infrastructure service providers as a means of monetization that can expect a high level of growth

M&A :

The aim is to reinforce domestic M&A in view of the pandemic.

- Launch a unit for domestic M&A (Completed)
- Target cloud services which receive a majority of its sales from licenses

Design unit

Existing markets:

- Continue with the diverse client strategy
- Acquire projects from clients in the U.S. and Europe after they recover from the pandemic

Japan market :

- Set up an operation in Japan as early as possible

Investment unit

Asteria Vision Fund (AVF)-1

- Constantly recognize unrealized gains through growth of invested companies to achieve an Internal Rate of Return (IRR) target of 10%

AVF-2

- Start considering an establishment of AVF-2 depending on the performance of the AVF

Hiring plan

- Grow workforce by 50% by March 2024 (124 employees as of end-March 2021)
- Continue to focus on diversity in gender and nationality
- Continue to recruit new graduates and expand hiring through internships and other means
- Attract talent from around the world with the benefit of different ways of working, including teleworking and super-flex time.

The numerical goals mentioned above and other future references are based on our expectations and assumptions as of the date the statement was made. It therefore does not guarantee future performance. The actual earnings and other results could deviate significantly due to various factors such as the economic conditions in major markets of Japan and abroad as well as changes in exchange rates. Asteria will make an announcement through timely disclosures, among other means, should an event that requires an important change occur.