

Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Japanese GAAP)

February 21, 2025

Company name: V-cube, Inc.

Securities code: 3681

Stock exchange listings: The Prime Market of the Tokyo Stock Exchange

URL: (Japanese) <https://jp.vcube.com/> (English) <http://www.vcube.com/>

Date of general shareholders' meeting (as planned): March 28, 2025

Annual securities report filing date (as planned): March 28, 2025

Date of commerce dividend payments (as planned): -

1. Results of the year ended December 31, 2024

(millions of Yen, except per share amounts)

(1) Consolidated operating results:

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec. 31, 2024	10,463	-5.6	1,053	-18.3	-236	-	-320	-
Dec. 31, 2023	11,084	-9.4	1,289	-33.7	-156	-	-275	-

Note: Comprehensive income For the fiscal year ended Dec. 31, 2024: ¥-1,213 million [- %]
For the fiscal year ended Dec. 31, 2023: ¥-5,151 million [- %]

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Millions of yen	%	Yen	Yen	%	%	%
Dec. 31, 2024	-1,417	-	-55.73	-	-586.4	-2.8	-2.3
Dec. 31, 2023	-5,623	-	-231.68	-	-172.4	-1.9	-1.4

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended Dec. 31, 2024: ¥16 million
For the fiscal year ended Dec. 31, 2023: ¥-9 million

(2) Consolidated financial position:

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Dec. 31, 2024	10,481	23	-1.3	-5.35
Dec. 31, 2023	12,329	746	5.0	25.62

Reference: Owner's equity As of Dec. 31, 2024: ¥-138 million
As of Dec. 31, 2023: ¥621 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Dec. 31, 2024	815	-473	-759	1,006
Dec. 31, 2023	990	-1,916	562	1,389

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Dec. 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended Dec. 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending Dec. 31, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

3.Consolidated forecasts

(millions of Yen, except per share amounts)

	Net sales	
	Millions of yen	%
Fiscal year ended Dec. 31, 2025	10,800 ~12,000	3.2 ~14.7

The consolidated earnings forecast for the fiscal year ending December 2025 is currently difficult to estimate, so only the "Net sales" figure is disclosed at this time.

4.Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued and outstanding shares (common stock)

(i) Number of issued and outstanding shares at the end of period (including treasury stock)

As of December 31, 2023	24,737,400 shares	As of December 31, 2024	26,343,900 shares
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(ii) Number of treasury stock at the end of the period

As of December 31, 2023	466,472 shares	As of December 31, 2024	466,472 shares
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(iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2023	24,270,928 shares	Fiscal year ended December 31, 2024	25,429,707 shares
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(4) Formula for each management index

Adjusted EBITDA: Operating income + Depreciation & amortization \pm EBITDA adjustment items (*)

(*) EBITDA adjustments items: Gains/losses on non-recurring or discontinued operations within operating revenues and expenses (M&A- related expenses, gains/losses from exited business etc.)

(Reference) Summary of the Non-consolidated Financial Results

(1) Non-consolidated Results of Operations:

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Dec. 31, 2024	8,850	-5.9	54	-74.8	27	-88.3	-1,007	-
Dec. 31, 2023	9,401	-7.9	217	-70.8	236	-75.5	-4,265	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
Dec. 31, 2024	-39.60	-
Dec. 31, 2023	-175.73	-

(2) Non-consolidated Financial Position:

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Dec. 31, 2024	10,533	150	1.3	5.17
Dec. 31, 2023	12,112	702	5.7	28.59

Reference: Owner's equity As of Dec. 31, 2024: ¥133 million
As of Dec. 31, 2023: ¥693 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Explanation related to appropriate use of results forecasts and other items warranting special mention

The above forecasts are based on the information available as of the date of the release of this document. As a result, a variety of factors in the future may cause actual results to differ from these forecasts.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	1,389,327	1,006,735
Notes and accounts receivable - trade	1,822,004	1,580,520
Advance payments to suppliers	12,210	10,780
Prepaid expenses	715,895	703,144
Current portion of long-term loans receivable	—	39,542
Other	90,936	267,118
Allowance for doubtful accounts	△13,473	△62,668
Total current assets	4,016,900	3,545,172
Non-current assets		
Property, plant and equipment		
Buildings	1,058,031	1,155,471
Accumulated depreciation and impairment	△280,648	△382,871
Buildings, net	777,382	772,599
Tools, furniture and fixtures	1,568,676	1,376,736
Accumulated depreciation and impairment	△621,578	△641,518
Tools, furniture and fixtures, net	947,098	735,217
Leased assets	718,021	1,029,906
Accumulated depreciation	△477,987	△554,171
Leased assets, net	240,033	475,735
Total property, plant and equipment	1,964,515	1,983,552
Intangible assets		
Software	2,042,348	2,509,975
Software in progress	1,482,648	217,905
Goodwill	844,062	770,176
Total intangible assets	4,369,059	3,498,056
Investments and other assets		
Investment securities	600,176	465,197
Shares of subsidiaries and associates	401,785	406,249
Long-term loans receivable	35,455	—
Leasehold and guarantee deposits	330,576	319,466
Deferred tax assets	511,183	153,394
Long-term prepaid expenses	66,527	61,435
Other	34,222	36,052
Allowance for doubtful accounts	△1,234	△1,234
Total investments and other assets	1,978,692	1,440,561
Total non-current assets	8,312,267	6,922,170
Deferred assets		
Share issuance costs	—	13,709
Total deferred assets	—	13,709
Total assets	12,329,168	10,481,052

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	579,049	419,225
Short-term borrowings	3,881,217	3,587,217
Current portion of long-term borrowings	754,500	754,500
Lease liabilities	75,728	196,710
Contract liabilities	911,791	827,061
Provision for bonuses	107,522	129,118
Income taxes payable	34,381	29,661
Other	899,438	813,475
Total current liabilities	7,243,630	6,756,970
Non-current liabilities		
Long-term borrowings	3,847,500	3,093,000
Lease liabilities	176,829	253,882
Asset retirement obligations	289,998	319,572
Other	25,153	33,962
Total non-current liabilities	4,339,481	3,700,417
Total liabilities	11,583,111	10,457,387
Net assets		
Shareholders' equity		
Share capital	92,190	10,000
Capital surplus	2,831,834	1,326,328
Retained earnings	△3,220,036	△2,567,079
Treasury shares	△794,791	△794,791
Total shareholders' equity	△1,090,802	△2,025,541
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93,103	102,940
Foreign currency translation adjustment	1,619,613	1,784,034
Total accumulated other comprehensive income	1,712,717	1,886,975
Share acquisition rights	8,410	16,762
Non-controlling interests	115,731	145,468
Total net assets	746,056	23,664
Total liabilities and net assets	12,329,168	10,481,052

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	11,084,673	10,463,846
Cost of sales	6,445,262	6,515,863
Gross profit	4,639,410	3,947,983
Selling, general and administrative expenses	4,795,509	4,184,752
Operating loss	△156,098	△236,769
Non-operating income		
Interest income	6,928	5,318
Dividend income	3,501	—
Insurance claim income	4,271	1,620
Foreign exchange gains	—	13,550
Subsidy income	1,782	2,490
Gain on valuation of investment securities	15,353	—
Share of profit of entities accounted for using equity method	—	16,025
Other	4,832	3,354
Total non-operating income	36,669	42,360
Non-operating expenses		
Interest expenses	47,787	63,143
Foreign exchange losses	3,469	—
Commission expenses	68,795	56,024
Loss on valuation of investment securities	20,619	2,128
Share of loss of entities accounted for using equity method	9,919	—
Other	5,451	5,154
Total non-operating expenses	156,041	126,452
Ordinary loss	△275,470	△320,861
Extraordinary income		
Gain on sale of non-current assets	1,408	—
Gain on sale of investment securities	—	11,037
Settlement income	10,000	—
Gain on reversal of share acquisition rights	—	2,160
Total extraordinary income	11,408	13,197
Extraordinary losses		
Impairment losses	3,779,758	598,518
Loss on valuation of investment securities	—	7,300
Settlement payments	18,852	—
Extra retirement payments	133,444	4,569
Other	41,405	55,166
Total extraordinary losses	3,973,461	665,555
Loss before income taxes	△4,237,524	△973,218
Income taxes - current	10,779	39,243
Income taxes - deferred	1,344,805	375,078
Total income taxes	1,355,585	414,321
Loss	△5,593,109	△1,387,540
Profit attributable to non-controlling interests	30,073	29,737
Loss attributable to owners of parent	△5,623,183	△1,417,278

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Loss	△5,593,109	△1,387,540
Other comprehensive income		
Valuation difference on available-for-sale securities	40,277	9,836
Foreign currency translation adjustment	401,248	164,420
Total other comprehensive income	441,525	174,257
Comprehensive income	△5,151,583	△1,213,283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△5,180,601	△1,243,020
Comprehensive income attributable to non-controlling interests	29,017	29,737

(3) Consolidated Statements of Changes in Net Assets
Fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	92,190	2,831,834	2,500,230	△794,791	4,629,464
Changes during period					
Dividends of surplus	—	—	△97,083	—	△97,083
Profit (loss) attributable to owners of parent	—	—	△5,623,183	—	△5,623,183
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	—	—	△5,720,266	—	△5,720,266
Balance at end of period	92,190	2,831,834	△3,220,036	△794,791	△1,090,802

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	52,826	1,218,365	1,271,192	2,160	86,713	5,989,529
Changes during period						
Dividends of surplus	—	—	—	—	—	△97,083
Profit (loss) attributable to owners of parent	—	—	—	—	—	△5,623,183
Net changes in items other than shareholders' equity	40,277	401,248	441,525	6,250	29,017	476,792
Total changes during period	40,277	401,248	441,525	6,250	29,017	△5,243,474
Balance at end of period	93,103	1,619,613	1,712,717	8,410	115,731	746,056

Fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	92,190	2,831,834	△3,220,036	△794,791	△1,090,802
Changes during period					
Issuance of new shares	218,479	218,479	—	—	436,959
Profit (loss) attributable to owners of parent	—	—	△1,417,278	—	△1,417,278
Capital reduction	△300,669	300,669	—	—	—
Deficit disposition	—	△2,070,235	2,070,235	—	—
Sale of shares of consolidated subsidiaries	—	△4,559	—	—	△4,559
Change in ownership interest of parent due to transactions with non-controlling interests	—	50,139	—	—	50,139
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	△82,190	△1,505,505	652,956	—	△934,739
Balance at end of period	10,000	1,326,328	△2,567,079	△794,791	△2,025,541

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	93,103	1,619,613	1,712,717	8,410	115,731	746,056
Changes during period						
Issuance of new shares	—	—	—	—	—	436,959
Profit (loss) attributable to owners of parent	—	—	—	—	—	△1,417,278
Capital reduction	—	—	—	—	—	—
Deficit disposition	—	—	—	—	—	—
Sale of shares of consolidated subsidiaries	—	—	—	—	—	△4,559
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	50,139
Net changes in items other than shareholders' equity	9,836	164,420	174,257	8,352	29,737	212,346
Total changes during period	9,836	164,420	174,257	8,352	29,737	△722,392
Balance at end of period	102,940	1,784,034	1,886,975	16,762	145,468	23,664

(4) Consolidated Statements of Cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Loss before income taxes	△4,237,524	△973,218
Depreciation	1,048,619	1,064,910
Impairment losses	3,779,758	598,518
Amortization of goodwill	377,519	132,346
Share of loss (profit) of entities accounted for using equity method	9,919	△16,025
Loss (gain) on valuation of investment securities	5,265	7,300
Increase (decrease) in allowance for doubtful accounts	△4,052	49,194
Increase (decrease) in provision for bonuses	7,963	11,822
Interest and dividend income	△10,429	△5,318
Interest expenses	47,787	63,143
Foreign exchange losses (gains)	3,469	△13,550
Decrease (increase) in trade receivables	△35,037	303,660
Decrease (increase) in advance payments to suppliers	△11,009	1,430
Increase (decrease) in trade payables	80,111	△166,248
Increase (decrease) in contract liabilities	△21,210	42,508
Decrease (increase) in prepaid expenses	△84,707	△859
Increase (decrease) in accrued consumption taxes	△93,761	73,794
Increase (decrease) in accrued expenses	91,258	△56,117
Proceeds from sale of assets for lease	108,139	158,860
Other, net	29,123	△355,839
Subtotal	1,091,202	920,312
Interest and dividends received	10,329	3,413
Interest paid	△45,740	△62,970
Income taxes paid	△64,833	△44,969
Net cash provided by (used in) operating activities	990,958	815,786
Cash flows from investing activities		
Purchase of property, plant and equipment	△402,181	△144,786
Purchase of intangible assets	△1,734,192	△1,129,202
Purchase of shares of subsidiaries and associates	△70,000	—
Purchase of investment securities	△150,018	—
Proceeds from sale of investment securities	48,937	135,198
Proceeds from cancellation of insurance funds	525,093	—
Payments for acquisition of businesses	△130,000	—
Proceeds from sale of businesses	—	661,384
Other, net	△4,552	4,278
Net cash provided by (used in) investing activities	△1,916,914	△473,127

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,254,057	△294,000
Proceeds from long-term borrowings	3,879,000	—
Repayments of long-term borrowings	△4,228,600	△754,500
Proceeds from issuance of shares	—	434,236
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△121,329	—
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	—	8,050
Proceeds from share issuance to non-controlling shareholders	—	50,139
Proceeds from issuance of share acquisition rights	6,250	8,352
Dividends paid	△96,304	△230
Repayments of lease liabilities	△130,669	△211,642
Net cash provided by (used in) financing activities	562,404	△759,595
Effect of exchange rate change on cash and cash equivalents	53,181	34,344
Net increase (decrease) in cash and cash equivalents	△310,369	△382,592
Cash and cash equivalents at beginning of period	1,699,697	1,389,327
Cash and cash equivalents at end of period	1,389,327	1,006,735

(4) Notes to Consolidated Financial Statements
(Segment Information)

Fiscal year ended December 31, 2023

(Thousands of yen)

	Reportable segments				Reconciling items	Per consolidated financial statements
	Enterprise DX Segment	Event DX Segment	Third place DX Segment	Reportable segments		
Sales						
Revenues from external customers	4,337,866	4,196,623	2,550,184	11,084,673	—	11,084,673
Transactions with other segments	—	—	—	—	—	—
Net sales	4,337,866	4,196,623	2,550,184	11,084,673	—	11,084,673
Operating profit (loss)	694,436	△507,938	764,703	951,201	△1,107,299	△156,098
Other items						
Depreciation	312,532	546,117	165,864	1,024,514	24,104	1,048,619
Amortization of goodwill	105,651	271,868	—	377,519	—	377,519

Notes:

1. The ¥1,107,299 thousand downward adjustment to segment income reflects corporate expenses not allocated to segments. Corporate expenses mainly include general administration costs of administrative departments. The adjustment amount of depreciation and amortization expense of ¥24,104 thousand primarily pertains to depreciation expenses related to corporate assets not allocated to any reporting segments.
2. Segment income (loss) has been adjusted for the operating income figure on the consolidated income statements.

Fiscal year ended December 31, 2024

(Thousands of yen)

	Reportable segments				Reconciling items	Per consolidated financial statements
	Enterprise DX Segment	Event DX Segment	Third place DX Segment	Reportable segments		
Sales						
Revenues from external customers	4,058,584	3,763,996	2,641,265	10,463,846	—	10,463,846
Transactions with other segments	—	—	—	—	—	—
Net sales	4,058,584	3,763,996	2,641,265	10,463,846	—	10,463,846
Operating profit (loss)	667,446	△566,367	746,632	847,711	△1,084,481	△236,769
Other items						
Depreciation	320,790	541,589	177,631	1,040,011	24,899	1,064,910
Amortization of goodwill	114,486	17,860	—	132,346	—	132,346

Notes:

1. The ¥1,084,481 thousand downward adjustment to segment income reflects corporate expenses not allocated to segments. Corporate expenses mainly include general administration costs of administrative departments. The adjustment amount of depreciation and amortization expense

of ¥24,899 thousand primarily pertains to depreciation expenses related to corporate assets not allocated to any reporting segments.

2. Segment income (loss) has been adjusted for the operating income figure on the consolidated income statements.

(Information about Revising Segments)

Starting from the first quarter of the fiscal year ending December 31, 2024, the segmentation within our group and the allocation criteria for corporate expenses have been revised to more appropriately reflect the performance of each reporting segment.

The impact of these revisions on the net sales of reporting segments for the current consolidated fiscal year is minimal. Due to these revisions, segment profit or loss (Δ) increased by ¥190,129 thousand in the Enterprise DX Segment, by ¥73,835 thousand in the Event DX Segment, and by ¥116,932 thousand in the Third Place DX Segment, while the amount of reconciling items decreased by ¥380,896 thousand.

The segment information for the previous consolidated fiscal year is presented using the new method after the revisions.