

Summary of Consolidated Financial Results
for the Nine Months Ended September 30, 2021 (Japanese GAAP)

November 1, 2021

Company name: V-cube, Inc.

Securities code: 3681

Stock exchange listings: The First Section of the Tokyo Stock Exchange

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

Quarterly statement filing date (as planned): November 12, 2021

1. Results of the third quarter ended September 30, 2021

(millions of Yen, except per share amounts)

(1) Consolidated quarterly operating results:

	Nine months ended September 30, 2020		Nine months ended September 30, 2021	
	Amount	Change	Amount	Change
Net sales	¥5,314	+17.3%	¥8,509	+60.1%
Operating income	556	—%	1,111	+99.8%
Ordinary income	550	—%	1,024	+86.1%
Profit attributable to owners of parent	635	+32.1%	977	+53.8%
Comprehensive income	504	+26.0%	1,009	+100.0%
Net income per share	26.33		40.37	
Diluted net income per share	25.45		39.23	

(2) Consolidated financial position:

	As of December 31, 2020	As of September 30, 2021
Total assets	¥10,031	¥13,466
Net assets	3,825	4,371
Capital adequacy ratio	37.8%	32.1%
Net assets per share	156.41	178.96
Owner's equity	3,786	4,323

2. Dividends

(Yen)

	Fiscal Year ended December 31, 2020 (Result)	Fiscal Year ended December 31, 2021 (Result)	Fiscal Year ending December 31, 2021 (forecast)
Dividend per share -1st quarter	—	—	
Dividend per share -2nd quarter	0.00	0.00	
Dividend per share -3rd quarter	—	—	
Dividend per share -fiscal year End	4.00		8.00
Dividend per share -total	4.00		8.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated forecasts

(millions of Yen, except per share amounts)

	Fiscal Year ending December 31, 2021	
	Amount	Change
Forecast-net sales	¥13,000	+57.0%
Forecast-operating income	2,400	+129.4%
Forecast-ordinary income	2,300	+125.5%
Forecast-profit attributable to owners of parent	2,000	+75.7%
Forecast-net income per share	81.23	

Note: Revisions to the forecasts most recently announced: None

4. Others

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Number of subsidiaries newly consolidated: 1 (Xyvid, Inc.)

Number of subsidiaries excluded from consolidation: —

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) 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

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

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

As of December 31, 2020	24,500,600 shares	As of September 30, 2021	24,626,200 shares
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(ii) Number of treasury stock at the end of fiscal year

As of December 31, 2020	290,243 shares	As of September 30, 2021	466,443 shares
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(iii) Average number of shares (quarterly period-YTD)

Nine months ended September 30, 2020	24,143,408 shares	Nine months ended September 30, 2021	24,219,842 shares
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* Quarterly financial results reports are exempt from quarterly review 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, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	2,772,585	2,490,730
Notes and accounts receivable - trade	1,744,906	1,863,340
Advance payments - trade	145,914	51,942
Other	313,330	541,604
Allowance for doubtful accounts	△200	△200
Total current assets	4,976,536	4,947,418
Non-current assets		
Property, plant and equipment	496,314	1,737,763
Intangible assets		
Software	1,815,178	2,332,959
Software in progress	279,992	343,080
Goodwill	767,851	2,293,275
Other	62	62
Total intangible assets	2,863,085	4,969,378
Investments and other assets, gross	1,695,323	1,811,920
Total non-current assets	5,054,724	8,519,062
Total assets	10,031,260	13,466,481
Liabilities		
Current liabilities		
Accounts payable - trade	461,930	469,378
Short-term borrowings	1,174,950	2,176,666
Current portion of long-term borrowings	1,411,690	530,540
Advances received	931,072	1,259,048
Provision for bonuses	214,894	77,100
Income taxes payable	37,993	15,557
Other	802,284	657,118
Total current liabilities	5,034,816	5,185,409
Non-current liabilities		
Long-term borrowings	904,380	3,085,000
Asset retirement obligations	14,347	245,153
Other	252,299	579,161
Total non-current liabilities	1,171,026	3,909,314
Total liabilities	6,205,842	9,094,724
Net assets		
Shareholders' equity		
Share capital	65,550	79,680
Capital surplus	2,805,194	2,819,324
Retained earnings	1,397,417	2,278,295
Treasury shares	△399,963	△794,757
Total shareholders' equity	3,868,198	4,382,542
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	7,380
Foreign currency translation adjustment	△81,369	△66,239
Total accumulated other comprehensive income	△81,369	△58,859
Share acquisition rights	2,160	2,160
Non-controlling interests	36,428	45,914
Total net assets	3,825,417	4,371,757
Total liabilities and net assets	10,031,260	13,466,481

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

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	5,314,399	8,509,025
Cost of sales	2,850,601	4,559,091
Gross profit	2,463,797	3,949,934
Selling, general and administrative expenses	1,907,648	2,838,650
Operating profit	556,149	1,111,283
Non-operating income		
Interest income	2,444	1,433
Dividend income	476	—
Guarantee commission received	3,201	—
Foreign exchange gains	25,149	—
Insurance claim income	2,326	8,550
Subsidy income	10,668	7,202
Gain on valuation of investment securities	15,099	8,652
Other	6,146	13,986
Total non-operating income	65,513	39,824
Non-operating expenses		
Interest expenses	15,756	25,380
Foreign exchange losses	—	11,469
Commission expenses	4,620	16,789
Rents	—	31,723
Share of loss of entities accounted for using equity method	45,149	28,492
Other	5,582	12,639
Total non-operating expenses	71,108	126,495
Ordinary profit	550,554	1,024,613
Extraordinary income		
Gain on sales of investment securities	148,122	—
Other	502	—
Total extraordinary income	148,625	—
Extraordinary losses		
Loss on retirement of non-current assets	582	3,350
Loss on valuation of investment securities	4,339	—
Other	—	1,013
Total extraordinary losses	4,921	4,363
Profit before income taxes	694,258	1,020,249
Income taxes - current	114,066	28,807
Income taxes - deferred	△70,244	4,270
Total income taxes	43,822	33,078
Profit	650,436	987,171
Profit attributable to non-controlling interests	14,713	9,452
Profit attributable to owners of parent	635,722	977,718

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Profit	650,436	987,171
Other comprehensive income		
Valuation difference on available-for-sale securities	△46,222	7,380
Foreign currency translation adjustment	△99,477	15,129
Total other comprehensive income	△145,700	22,510
Comprehensive income	504,736	1,009,681
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	489,969	1,000,196
Comprehensive income attributable to non-controlling interests	14,766	9,485