

Summary of Consolidated Financial Results
for the Three Months Ended March 31, 2022 (Japanese GAAP)

April 28, 2022

Company name: V-cube, Inc.

Securities code: 3681

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

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

Quarterly statement filing date (as planned): May 13, 2022

1. Results of the first quarter ended March 31, 2022

(millions of Yen, except per share amounts)

(1) Consolidated quarterly operating results:

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended										
Mar. 31, 2022	3,608	7.5	677	-36.3	390	-52.4	370	-53.6	300	-61.8
Mar. 31, 2021	3,356	116.6	1,064	272.5	820	—	798	811.7	787	964.8

Note: Comprehensive income For the first quarter ended Mar. 31, 2022: ¥730 million [-9.6%]
For the first quarter ended Mar. 31, 2021: ¥808 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
Mar. 31, 2022	12.37	12.22
Mar. 31, 2021	32.43	31.47

(2) Consolidated financial position:

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2022	17,026	5,636	32.7	229.23
Dec. 31, 2021	15,259	5,100	33.1	207.92

Reference: Owner's equity As of Mar. 31, 2022: ¥5,563 million
As of Dec. 31, 2021: ¥5,046 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec. 31, 2021	-	0.00	-	8.00	8.00
Fiscal year ended Dec. 31, 2022	-				
Fiscal year ending Dec. 31, 2022 (Forecast)		0.00	-	8.00	8.00

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

3. Consolidated forecasts

(millions of Yen, except per share amounts)

	Net sales		Adjusted EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ended Jun. 30, 2022	6,700	11.2	1,500	-3.0	850	-16.7	800	-14.7	700	-23.1	28.84
Fiscal year ended Dec. 31, 2022	13,900	20.9	3,380	27.5	2,000	48.0	1,900	54.2	1,500	13.3	61.80

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): None
- (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: Yes
 - (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, 2021	24,737,400 shares	As of March 31, 2022	24,737,400 shares
-------------------------	-------------------	----------------------	-------------------

(ii) Number of treasury stock at the end of fiscal year

As of December 31, 2021	466,443 shares	As of March 31, 2022	466,443 shares
-------------------------	----------------	----------------------	----------------

(iii) Average number of shares (quarterly period-YTD)

Three months ended March 31, 2021	24,268,438 shares	Three months ended March 31, 2022	24,270,957 shares
--------------------------------------	-------------------	--------------------------------------	-------------------

* 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, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	1,823,797	2,480,282
Notes and accounts receivable - trade	1,728,357	2,393,661
Advance payments to suppliers	49,156	48,550
Other	621,147	546,985
Allowance for doubtful accounts	△200	△20,896
Total current assets	4,222,259	5,448,583
Non-current assets		
Property, plant and equipment	1,694,812	1,672,916
Intangible assets		
Software	1,704,740	1,997,519
Software in progress	661,894	661,081
Goodwill	3,759,122	3,903,241
Other	62	62
Total intangible assets	6,125,820	6,561,904
Investments and other assets		
Investment securities	273,208	344,703
Shares of subsidiaries and associates	307,569	304,315
Leasehold and guarantee deposits	305,460	350,352
Long-term loans receivable	48,755	50,602
Deferred tax assets	1,651,506	1,670,310
Long-term prepaid expenses	82,102	58,637
Other	548,418	564,756
Allowance for doubtful accounts	△894	△894
Total investments and other assets	3,216,127	3,342,784
Total non-current assets	11,036,760	11,577,605
Total assets	15,259,020	17,026,189

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	546,312	593,866
Short-term borrowings	1,642,912	3,112,208
Current portion of long-term borrowings	512,980	1,773,420
Contract liabilities	882,928	741,534
Provision for bonuses	104,119	64,769
Income taxes payable	51,897	51,311
Other	837,834	916,133
Total current liabilities	4,578,983	7,253,243
Non-current liabilities		
Long-term borrowings	4,828,100	3,459,200
Lease obligations	496,941	422,786
Asset retirement obligations	245,219	245,285
Other	8,925	8,790
Total non-current liabilities	5,579,185	4,136,061
Total liabilities	10,158,169	11,389,305
Net assets		
Shareholders' equity		
Share capital	92,190	92,190
Capital surplus	2,831,834	2,831,834
Retained earnings	2,609,803	2,715,969
Treasury shares	△794,757	△794,757
Total shareholders' equity	4,739,070	4,845,236
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,380	48,650
Foreign currency translation adjustment	299,904	669,813
Total accumulated other comprehensive income	307,284	718,463
Share acquisition rights	2,160	2,160
Non-controlling interests	52,336	71,023
Total net assets	5,100,851	5,636,883
Total liabilities and net assets	15,259,020	17,026,189

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

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Net sales	3,356,189	3,608,939
Cost of sales	1,658,818	1,947,337
Gross profit	1,697,371	1,661,602
Selling, general and administrative expenses	876,727	1,271,194
Operating profit	820,644	390,408
Non-operating income		
Interest income	603	798
Insurance claim income	250	420
Subsidy income	6,449	5,286
Gain on valuation of investment securities	6,057	—
Other	5,601	679
Total non-operating income	18,962	7,184
Non-operating expenses		
Interest expenses	6,518	10,875
Foreign exchange losses	11,309	10,600
Commission expenses	1,099	170
Rents	9,949	—
Share of loss of entities accounted for using equity method	8,321	5,031
Other	4,053	242
Total non-operating expenses	41,252	26,920
Ordinary profit	798,353	370,672
Extraordinary losses		
Loss on retirement of non-current assets	1,022	759
Loss on cancellation of leases	—	4,170
Litigation settlement	—	7,282
Other	—	630
Total extraordinary losses	1,022	12,843
Profit before income taxes	797,330	357,828
Income taxes - current	309	21,180
Income taxes - deferred	△1,036	16,880
Total income taxes	△727	38,061
Profit	798,057	319,767
Profit attributable to non-controlling interests	11,020	19,434
Profit attributable to owners of parent	787,036	300,333

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	798,057	319,767
Other comprehensive income		
Valuation difference on available-for-sale securities	10,182	41,270
Foreign currency translation adjustment	△13	369,908
Total other comprehensive income	10,168	411,179
Comprehensive income	808,226	730,946
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	797,344	712,259
Comprehensive income attributable to non-controlling interests	10,881	18,687