

# FY22 Q2

# Financial Results Briefing Document

**V-cube, Inc.**  
**August 12, 2022**



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## Seasonality of each segment

Net Sales (Segment Profit)  
(million yen)

		Q1	Q2	Q3	Q4
Event DX	FY20	360 (54)	376 (69)	610 (86)	1,239 (241)
	FY21	1,536 (479)	1,069 (75)	880 (△37)	1,223 (109)
	<b>FY22</b>	1,453 (225)	1,408 (144)	3,194 (611)	
Third place DX	FY20	164 (40)	137 (33)	252 (64)	419 (121)
	FY21	522 (164)	473 (162)	523 (179)	690 (195)
	<b>FY22</b>	909 (72)	579 (200)	1,644 (595)	
Enterprise DX	FY20	1,024 (108)	1,203 (213)	1,184 (280)	1,309 (299)
	FY21	1,296 (326)	1,126 (131)	1,079 (121)	1,070 (88)
	<b>FY22</b>	1,245 (257)	1,013 (119)	2,359 (308)	

# Seasonality of each segment **Event DX Business**

Net Sales (Segment Profit)  
(million yen)

		Q2		Q3		Q4	
<b>Event DX</b>	FY20	360 (54)	376 (69)	610 (86)	1,239 (241)		
	FY21	1,536 (479)	1,069 (75)	880 (△37)	1,223 (109)		
	<b>FY22</b>	1,453 (225)	1,408 (144)	3,194 (611)			
<b>Third place DX</b>	FY20	1,000 (50)	1,000 (33)	523 (179)			
	FY21	500 (162)	500 (162)	523 (179)			
	<b>FY22</b>	668 (50)	668 (50)	1,644 (595)			
<b>Enterprise DX</b>	FY21	1,290 (320)	1,120 (131)	1,079 (121)	1,309 (299)		
	<b>FY22</b>	1,245 (257)	1,013 (119)	2,359 (308)			

Increased capacity was in full operation. Large volume of pharma small events. The seasonality also peaked

Lost opportunities due to rapidly increasing needs of the pharma industry

Catch up with capacity expansion by increasing number of 100 staff

Largest off-peak through year

Strong demand in pharma in off-peak, but overall profit issues due to off-peak and fixed costs  
Virtual AGM in full swing  
Acquisition of Xyvid

Pharma small events were on the decline. Overcapacity and losses.

Small events in the pharma significantly decreased. Capacity reductions. Mid / large and high value-added in the pharma remain strong. Full-scale expansion into other industries.

Although pharma small events, which were large in FY21Q1, declined sharply, other industries grew significantly  
Hybrid events in the U.S. slumped due to Omicron's rapid expansion

Virtual AGM fell short of expectations but increased significantly.  
Increase in operating costs due to COVID19.  
Continued expansion of non-pharma industries  
Although U.S. was affected by the return to real in Apr-May, online recovered from June onward due to inflation and other cost increases.

Seasonality is heavily weighted to Q4  
Q4 may be more heavily weighted in FY22 than usual (depending on the situation in the U.S.)

# Seasonality of each segment Third Place DX Business and Enterprise DX Business

Net Sales (Segment Profit)  
(million yen)

		Q1	Q2	Q3	Q4
<b>Event DX</b>	FY20	360 (54)	376 (69)	610 (86)	1,239 (241)
	FY21	536 (479)	1,069 (75)	880 (△37)	1,223 (109)
	<b>FY22</b>	536 (479)	1,069 (75)	880 (△37)	1,223 (109)
		<b>3,194 (611)</b>			
<b>Third place</b>	FY20	164 (40)	137 (33)	252 (64)	221 (21)
	FY21	522 (164)	473 (162)	523 (179)	690 (195)
	<b>FY22</b>	909 (72)	579 (200)	523 (179)	690 (195)
<b>Enterprise DX</b>	FY20	1,024 (108)	1,133 (13)	1,184 (280)	1,309 (299)
	FY21	1,296 (326)	1,126 (131)	1,079 (88)	1,070 (88)
	<b>FY22</b>	1,245 (257)	1,013 (119)	1,079 (88)	1,070 (88)
		<b>2,359 (308)</b>			

Q1 is the largest Q compared to other Q due to the seasonality of the office furniture industry, as it is the end of the fiscal year in general.

Driven by the largest public installations (Business model which sales and profits are easily booked in the short term when installation)

School LMS in Singapore decrease due to the government policy (sales and profits down about 150 mil yen YoY). Corporate sales increased.

Demand period of emergency measures (end of the fiscal year for government) On-premise demand also exists

Some delays in installation for public use.

Special demand in early stage of COVID19

Rapidly intensifying competition in General Web (GAFAM) Growth of SDK

Spot sales for SDK and emergency measures

Reduced sales activity on emergency measures due to voluntary restraint in FY20

Rapid switch to ZOOM for general Web SDK steady growth

Emergency measures heavily weighted to Q4

# Financial Highlights

Although Q2 sales 112%, operating profit 140% Q o Q, Overall 1H sales and profit progress in the U.S. was delayed due to the rapid expansion of Omicron (Q1), the frenzy for real events (April/May). (Sales Δ200 mil yen, OP Δ120 mil yen vs. 1H budget) . Along with the catch-up of the U.S. business in 2H by returning to online due to price and wage hikes since June, we will continue to realize strong growth through the steady domestic Event DX and Third Place DX businesses.

## FY22 1H Consolidated Financial Results

The decrease in EBITDA and operating profit is due to the following factors

- 510 mil yen decrease in small event sales
- 230 mil yen in Telecube CM expenses
- 90 mil yen Xyvid's unachieved target
- Q1 down from last year's special demand
- Q2 112% in sales, 140% in OP Q o Q

Net Sales	Marginal Profit	EBITDA	Operating Profit
<b>6.61</b>	<b>4.31</b>	<b>1.27</b>	<b>0.67</b> (billion Yen)
(10% increase)	(4% increase)	(18% decrease)	(34% decrease)

※ Sales minus variable costs

Figures in ( ) : Percentage change from the same period last year

### Enterprise DX (EP)

SDK Usage fee (recurring billing for last 12 months)

**930 million yen**  
(58% increase)

### Event DX (EV)

Event unit price	No. of Events
<b>730 thousand yen</b> (30% increase)	<b>3,925 times</b> (15% decrease)

### Third Place DX (TP)

Quarterly installed units	Cumulative installed units
<b>2,305 units</b> (94% increase)	<b>12,818 units</b> (205% increase)

Figures in ( ) : Percentage change from the same period last year

## Highlights of each segment

### FY22 Q2

#### Event DX Business

- Strong expansion outside of the pharma industry, including virtual AGM, led to significant Q2 growth of 31.7% over last year. Profit decreased in 1H compared to last year. Operational costs increased due to the impact of COVID 19, and cost control of event operations remains issues.
- Continue to promote diversification of the industry and accelerate the shift to mid / large, high-value-added events (e.g., Metaverse) to further improve the unit price rather than the number of events.

#### Third Place DX Business

- Sales increased significantly due to strong demand from office (corporate) customers. Profit increased significantly excluding CM investment of 230 million yen in Q1.
- The total installed units, including both corporate and public installations, reached 2,305 units on a quarterly basis, the largest ever except for the busy Q1 period. The cumulative units reached 12,818. New subscription installations continue to be favorable, and despite the purchase after expiration of usage, the number of units in operation increased steadily compared to last year.

#### Enterprise DX Business

- While general web decreased, SDK increased. Sales and profit decreased due to the sales mix changes.
- SDK's STOCK (recurring billing for last 12 months) grew steadily by 58% compared to the same period last year.

### FY22 Forecast

**Event DX and Third Place DX continue to drive strong growth, targeting sales of 13.9 billion yen (+21%) and EBITDA of 3.4 billion yen (+27%) (No change in business forecast from the beginning of the fiscal year)**

**Strengthening event delivery system in Kansai area**

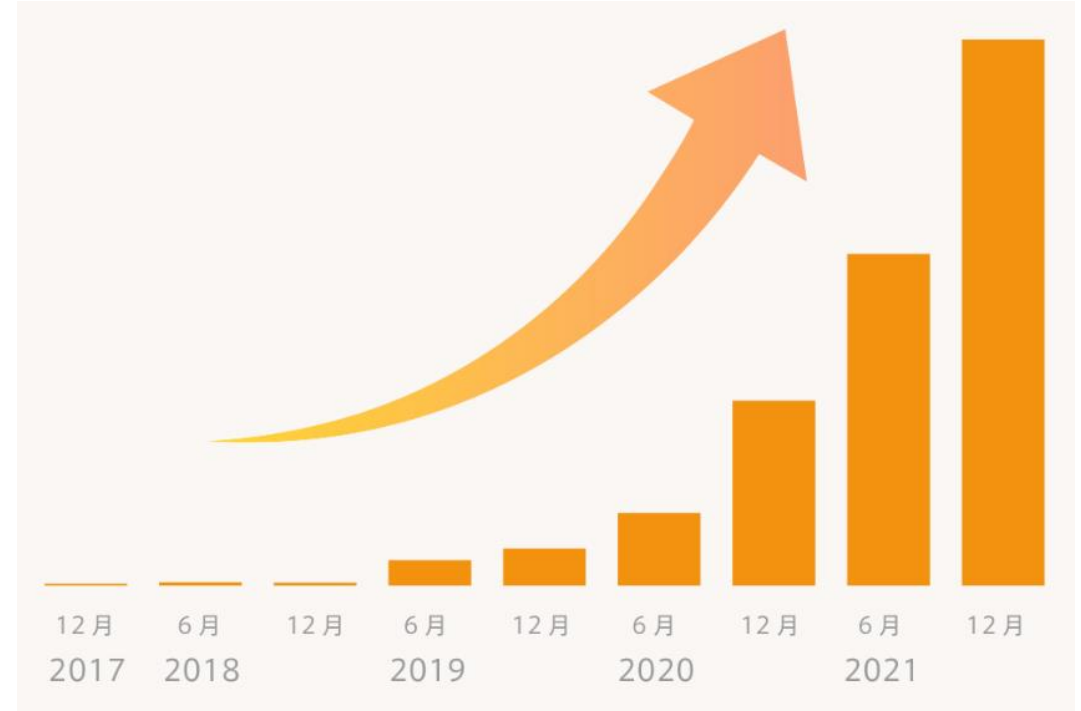
**Tokyo: Platinum Studio (14 studios), Osaka: Royal Studio (4 studios)**





**Telecube, a new business has grown into a single business segment**

**As a measure to create business that will drive V-cube in the future, a new business idea contest, "Next ATARIMAE Challenge," has been held starting in 2020**



- Initiatives that embody Next ATARIMAE which is our corporate values
- Create a system that everyone can feel "Atarimae (natural)" and use in order to realize a society Provide Even Opportunity to Everybody
- Contests for new business ideas, as well as study sessions

**Strategic investment in CHARGE+, a Singapore's leading EV charging station provider**

**Starting to consider the expansion of basic recharging in Japan as an important element to realize “Selectable way of work” and “Selectable way of living”.**

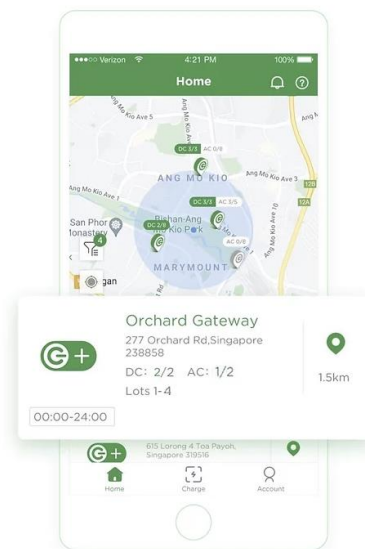
**Based on the know-how cultivated through Telecube, a similar business model, work to develop it into the 4th growth driver of V-cube group.**



Ultra-Slim EV Charger



Smart Charging Software



Innovative Business Models



1. Highlight

2. Business Environment

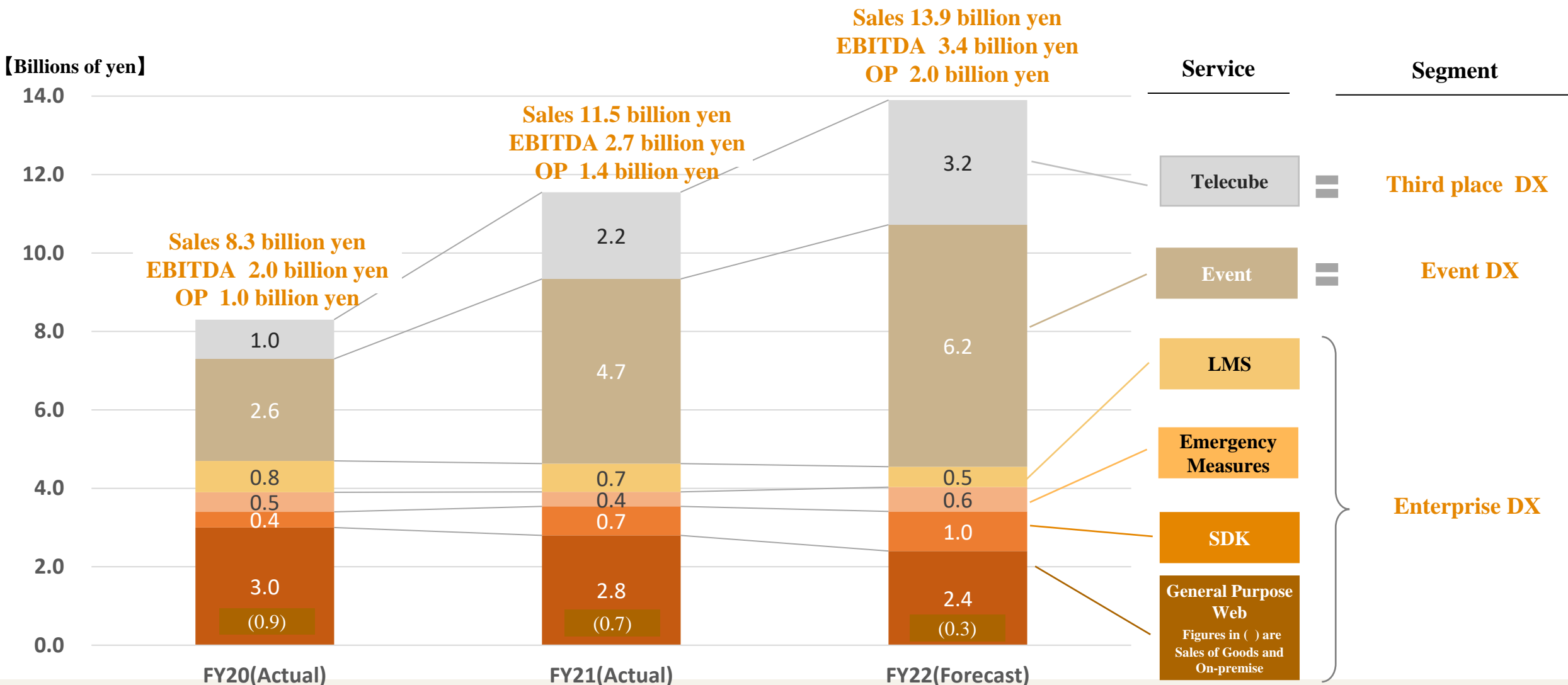
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# Net Sales Forecasts by Segment

Event DX and Third Place DX have been driving growth. In particular, Third Place DX is expanding rapidly with the expansion of social activities due to the COVID 19 convergence and habituation. Event DX is expanding through overseas development, other industries, and high value-added. Enterprise DX is moving toward expansion with a focus on industry-specific SDK and emergency measures.



# Provide Even Opportunity to Everybody

**We want to create a world where everyone can get even opportunity in any circumstances.**

**We believe that we can realize more affluent society  
by reducing the time and distance of face-to-face communication.**

**The world is facing social issues such as  
extreme concentration of population and industry in city area,  
declining birthrate and aging society,  
long working hours, educational and healthcare gaps, etc.**

**We aim to provide even opportunity to everybody  
by solving these social issues with our Visual Communication solutions.**

## Beyond Telework

～ In a towards the realization of a society to provide Even opportunity to everybody, we need to make remote communication, not only in the field of telework, but also in various other fields, take root as a culture in Japan.～

- 1. In order to “realize a society to provide Even opportunity to everybody”, we will establish telework and improve productivity and quality of life through remote communication**
- 2. Achieve sustainable growth for the Group as a whole by creating new business domains**
- 3. Improve performance and return profits to shareholders in order to maximize corporate value**

# Overall of the Business Segment

## 1. Event DX Business



- Remoting events in various fields
- Product provision, operational design, direction operation, log analysis, and other operational support



Pharmaceutical Web Seminar



Employment/recruitment briefings



Virtual shareholders meeting

## 2. Third Place DX Business

- Providing Telecube to companies and public use
- Higher value-added Telecube and development and deployment of third-place management and operation systems



For companies



For public use



Telecube Connect



## 3. Enterprise DX Business

- Provision of remote communication products for internal and external companies
- Development, provision and operational support of industry/application-specific remote communication products using SDK and hardware

### Internal and external communication



V-CUBE meeting



V-CUBE Collaboration



V-CUBE Board

### Customer business/service DX

Remote Education Healthcare



Remote Real estate Financial consultation



V-CUBE Video SDK

Fan Service/ Live entertainment distribution



SNS/ matching Community



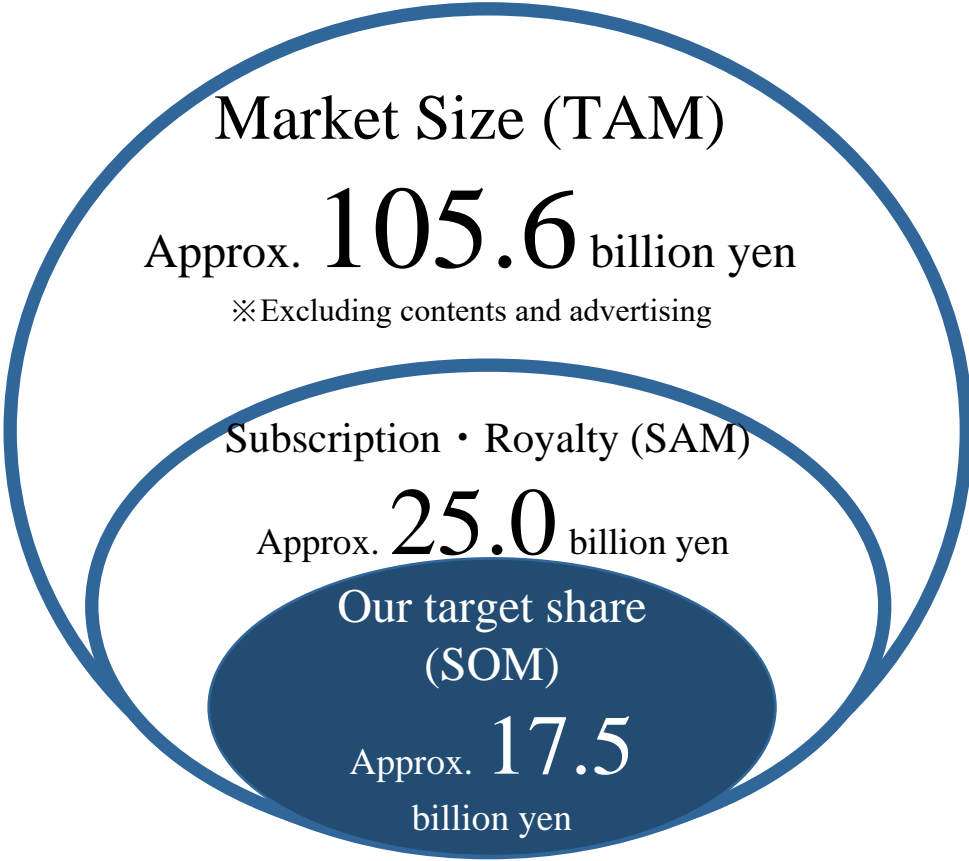
### Knowledge Share/LMS



## Event DX market



## Third-place DX market



Our estimates based on “2016 Economic Census and Activity Survey” by Statistics Bureau, Ministry of Internal Affairs and Communications

※TAM : Total Addressable Market  
SAM : Serviceable Available Market  
SOM : Serviceable Obtainable Market



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Despite a significant decrease in small events in the pharma industry, net sales increased due to higher sales of Telecube, in addition to the high unit price events for virtual AGM and other industries, and the contribution of Xyvid (acquired in June 2021) in the first six months of the year.

Although operating profit decreased in 1H due to a short-term profit margin decline by to the transition from in-house web conference to Zoom(EP), cost control issues (EV), and 230 million yen in Telecube CM expenses in Q1(TP), the profit in Q2 increased QonQ

(million yen)	FY21 Q2	FY22 Q2	FY22 1H	FY22 1H	FY22 1H Forecast	FY22 Forecast
Net Sales	2,669	<b>3,001</b>	6,026	<b>6,610</b>	6,700	13,900
EBITDA	483	<b>592</b>	1,547	<b>1,270</b>	1,500	3,380
Operating Profit	200	<b>282</b>	1,021	<b>673</b>	850	2,000
Ordinary Profit	140	<b>262</b>	938	<b>633</b>	800	1,900
Profit attributable to owners of parent	123	<b>219</b>	910	<b>519</b>	700	1,500

※ EBITDA: Operating profit + Depreciation & Amortization + Gains/losses on non-recurring or discontinued operations within operating revenue and expenses (M&A-related expenses, gains/losses from exited business )

The increase in current liabilities is due to the refund of short-term debt due to year-end measures and the transfer of a portion of the borrowings for the Xyvid acquisition from long-term debt to current portion of long-term debt.

Goodwill is being amortized, but increased slightly due to yen depreciation (U.S. subsidiary Xyvid, Singapore subsidiary Wizlearn)

(million yen)	FY21 Dec 31	FY22 Jun 30	Change
<b>Current assets</b> (Cash and deposits)	4,222 (1,823)	<b>5,444</b> (2,763)	+1,221 (+939)
<b>Fixed assets</b> (Tangible assets)	11,036	<b>12,390</b>	+1,354
(Software)	(1,694)	(1,734)	(+39)
(Goodwill)	(2,366)	(2,898)	(+531)
	(3,759)	(4,246)	(+487)
<b>Total assets</b>	<b>15,259</b>	<b>17,834</b>	+2,575
<b>Current liabilities</b> (Short-term borrowings, current portion of long-term debt)	4,578 (2,155)	<b>7,352</b> (4,798)	+2,773 (+2,642)
<b>Long-term liabilities</b> (Long-term loans payable)	5,579 (4,828)	<b>3,943</b> (3,293)	△1,635 (△1,534)
<b>Net assets</b>	<b>5,100</b>	<b>6,538</b>	+1,437

**Operating C/F** : Slight decrease compared to the profit decrease of the current term due to the payment of consumption tax last year.

**Investing C/F** : Mainly for software development. In the 1H of last year, 500 million yen for the Platinum Studio and 1.7 billion yen for the acquisition of Xyvid.

(million yen)	Jun 30, 2021	Jun 30, 2022
<b>Operating C/F</b>	1,198	<b>1,063</b>
<b>Investing C/F</b>	△3,180	<b>△1,090</b>
<b>Financing C/F</b>	1,981	<b>829</b>
<b>Free cash flow</b>	△1,982	<b>△26</b>
<b>Net increase/decrease in cash and cash equivalents</b>	62	<b>939</b>
<b>Cash and cash equivalents at the end of period</b>	2,835	<b>2,763</b>

Provide stable and continuous shareholder returns with taking into account financial condition.

**Dividend Policy**

**Targeting a 20% dividend payout ratio based on NOPLAT and aiming for 30% in the future**

※NOPLAT=Net Operating Profit Less Adjusted Taxes

	FY19	FY20	FY21	FY22 (Forecast)	
Dividend (Per Share)	1 yen	4 yen	8 yen	8 yen	Calculate the amount based on NOPLAT
Share buyback	177,700 shares (Approx. 100 million yen)	112,500 shares (Approx. 300 million yen)	176,200 shares (Approx. 400 million yen)		Holding about 1.9% of outstanding shares

**EP: Decrease in general-purpose web and increase in SDK. Wizlearn sales down due to in-house production by the government in the school LMS market in Singapore**

**EV: Growth mainly due to an increase in mid and large, high-value-added events in Japan. Xyvid failed to contribute to profit if goodwill is included**

**TP: Telecube sales volume expanded compared to the same period last year with high profit.**

(million yen)		FY21	FY22
		Q2 Actual	Q2 Actual
Enterprise DX Business	Net sales	1,126	1,013
	Segment profit	131	119
	(Ratio)	(11.7%)	(11.8%)
Event DX Business	Net sales	1,069	1,408
	Segment profit	75	144
	(Ratio)	(7.1%)	(10.3%)
Third Place DX Business	Net sales	473	579
	Segment profit	162	200
	(Ratio)	(34.3%)	(34.6%)
Corporate expenses		△168	△181
Total	Net sales	2,669	3,001
	Operating profit	200	282
	(Ratio)	( 7.5%)	( 9.4%)

Adjusted segment results

FY21	FY22
Q2 Actual	Q2 Actual
※ Adjustment details EV: Exclude Xyvid	
967	1,247
23 (2.4%)	177 (14.2%)

**EP : Despite lower profit margin on general-purpose web due to decrease in-house products, exceeded 1H forecast due to growth in SDK.**

**EV : Decrease in profit was due to concentration of small events for which efficient service system was established in Q1 last year.**

**Cost control has not been implemented, in response to percentage change by industry and event size, and social changes by the COVID 19.**

**TP: Despite an increase in units, the forecast was not achieved due to a sales mix caused by a delay in public-sector, which are easy to sell and profitable in the short term.**

(million yen)		FY21	FY22	FY22	FY22
		1H Actual	1H Actual	1H Forecast	Full year Forecast
Enterprise DX Business	Net sales	2,423	2,258	2,190	4,550
	Segment profit (Ratio)	461 (19.0%)	377 (16.7%)	361 (16.5%)	670 (14.7%)
Event DX Business	Net sales	2,606	2,862	2,975	6,170
	Segment profit (Ratio)	552 (21.2%)	370 (12.9%)	568 (19.1%)	1,180 (19.1%)
Third Place DX Business	Net sales	996	1,489	1,534	3,180
	Segment profit (Ratio)	327 (32.8%)	272 (18.3%)	294 (19.1%)	890 (28.0%)
Corporate expenses		△319	△374	△373	△740
Total	Net sales	6,026	6,610	6,700	13,900
	Operating profit (Ratio)	1,021 ( 16.9%)	673 ( 10.2%)	850 (12.7%)	2,000 (14.4%)

Adjusted segment results

FY21	FY22
1H Actual	1H Actual

\*Adjustment details

EV: Exclude goodwill amortization of Xyvid

TP: Exclude commercial expenses in Q1

2,606	2,863
560 (21.5%)	480 (16.8%)
996	1,489
327 (32.8%)	501 (33.7%)

**Q2 growth mainly due to increase in domestic mid and large, high-value-added events.**

**Xyvid failed to contribute to profit if goodwill is included**

**Decrease in profit in 1H was due to concentration of small events for which efficient service system was established in Q1 last year.**

**Cost control was not fully implemented due to the diversity of events by industry and size.**

(million yen)	FY21	FY22	FY21	FY22	FY22	FY22
	2Q Actual	2Q Actual	1H Actual	1H Actual	1H Forecast	Full year Forecast
Net Sales	1,069	1,408	2,606	2,862	2,975	6,170
Segment profit (Ratio)	75 (7.1%)	144 (10.3%)	552 (21.2%)	370 (12.9%)	568 (19.1%)	1,180 (19.1%)



V-CUBE Seminar



EventIn



Touchcast



XYVID

## Value Delivery Model for Event DX Business



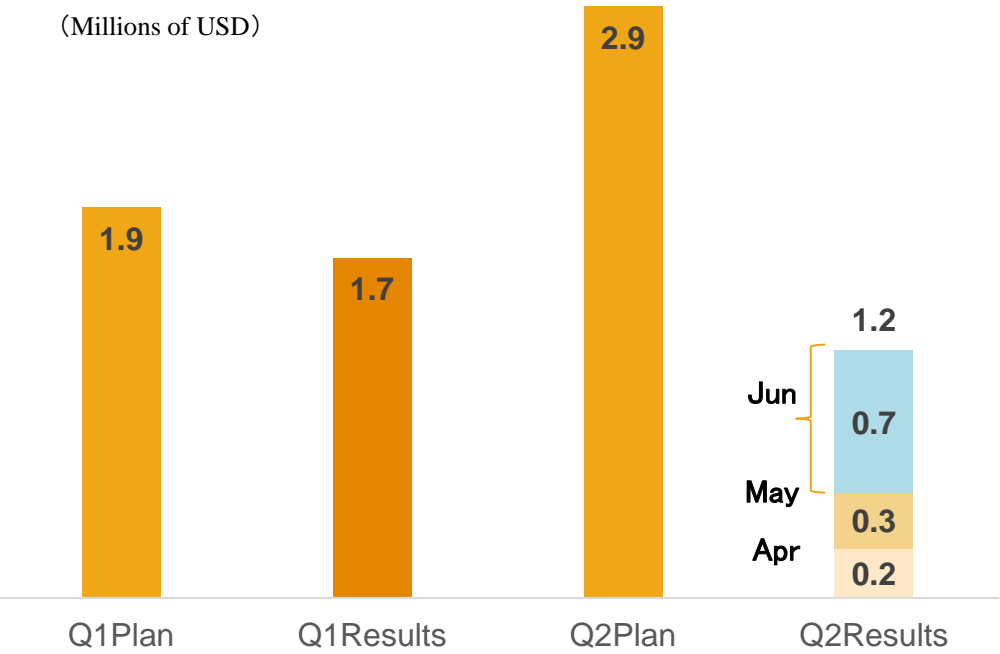


Sales in 1H fell short of the plan due to the postponement of the hybrid event caused by the COVID 19 in the U.S (Q1), and the rapid return to the real events in April and May.

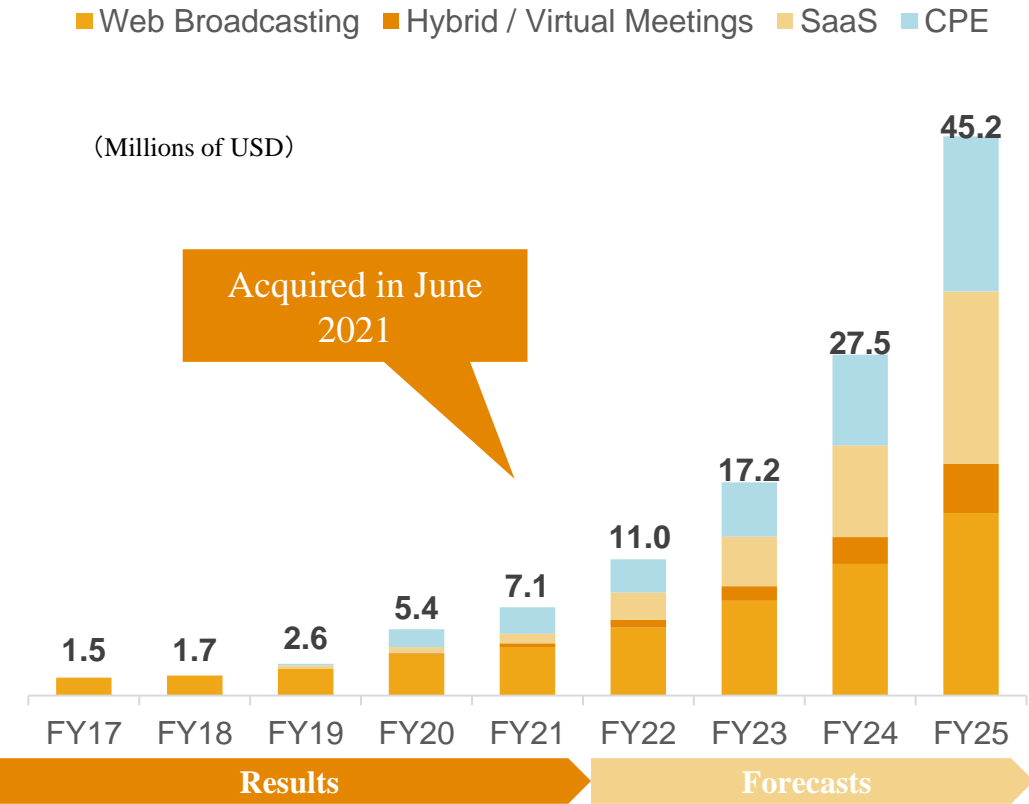
Online utilization is expected to expand again from June due to price and wage hikes, and full-year sales are expected to grow compared to the previous year due to good progress in customer acquisition.

If catch-up is delayed in 2H, the acquisition price will be significantly lower due to the determination of the acquisition price by Earnout.

Net Sales Trend in 1H



Net Sales trend



CPE : Continuing Professional Education  
 Provided to accountants, doctors, and other industries that collect credits for training.

**In FY22, plan for increase in the unit price and decrease in the number of events, assuming decrease in the number of small events for pharma industry. Number of events was generally in line with the plan, In 2H, continue to focus on medium- and large-scale, high-value-added events and expand Xyvid to increase the unit price.**

	FY21		FY22	
	1H (Jan-Jun)	Full Year (Jan-Dec)	1H (Jan-Jun)	Full year Forecast (Jan-Dec)
Average unit price (thousand yen)	560	610	<b>730</b>	<b>800</b>
Number of events (times)	4,639	7,785	<b>3,925</b>	<b>7,681</b>

Small scale events

- Pharma industry (regional)

Medium / large scale events

- Pharma industry (nationwide), human resources, financial, IR briefings, marketing, internal events

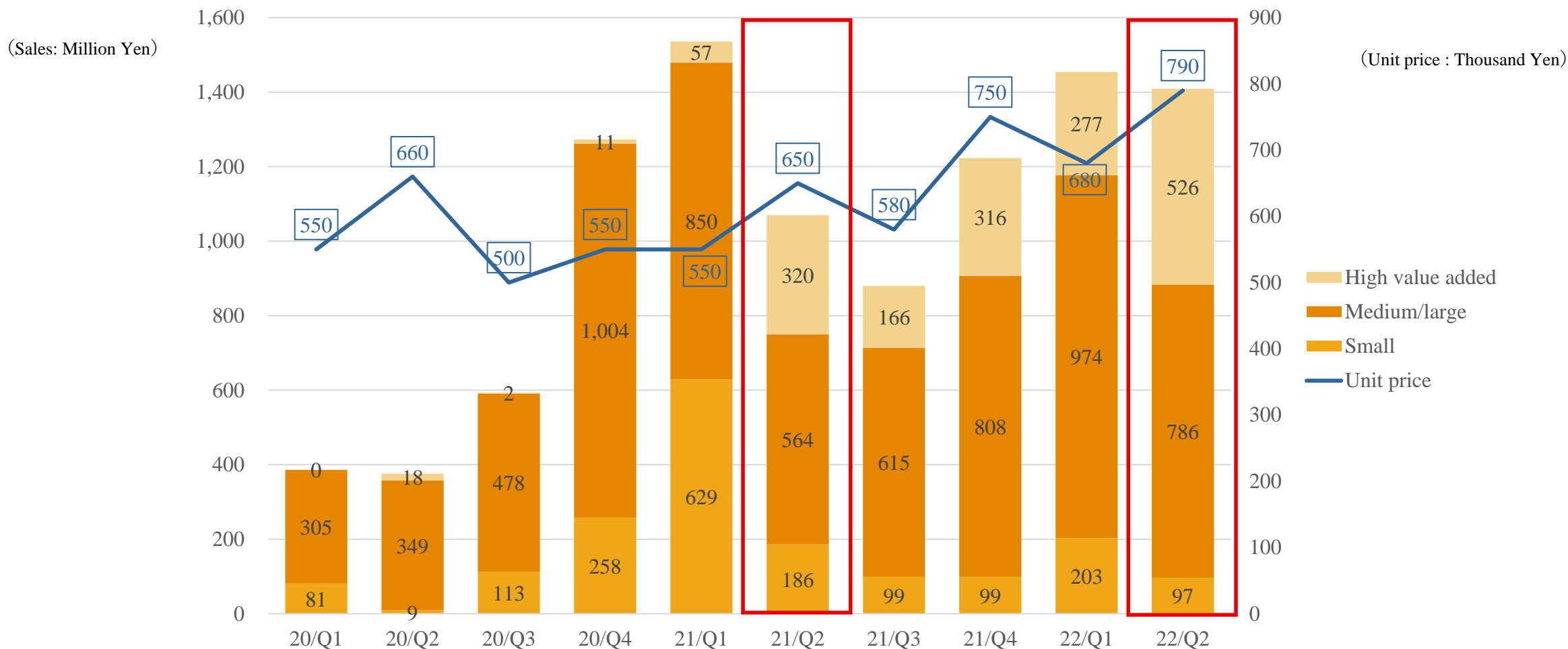
high-value-added events

- EventIn, Touchcast, Virtual AGM, Xyvid

# Event DX Business Changes in Events by Scale

**Small event sales in the pharma industry continued to decline sharply from Q1. Expected to remain flat from Q3 onward. Medium / large scale expanded to other industries, and high value-added was led by AGM, Metaverse, Eventin, Xyvid, Hybrid. Continue to focus on these to expand the unit price and number of events.**

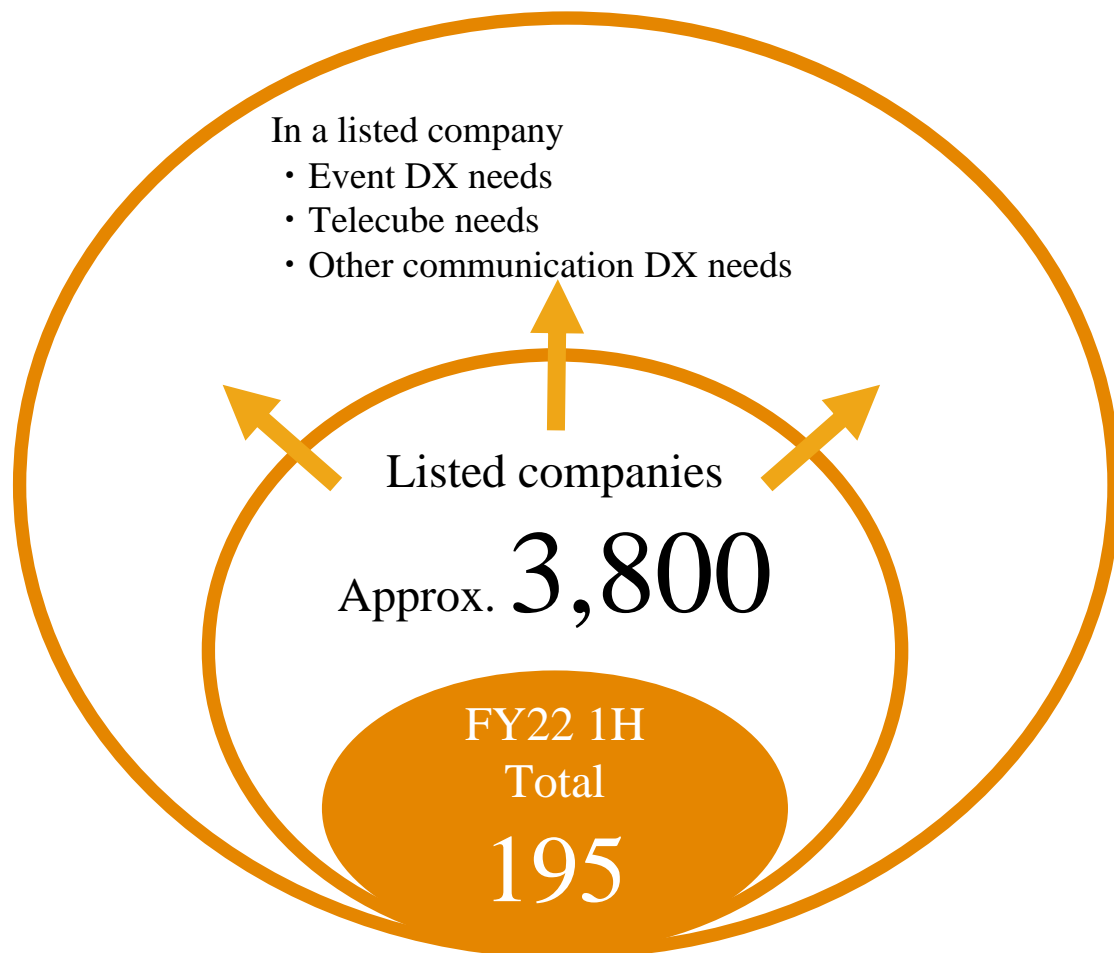
Quarterly sales and unit price since FY20



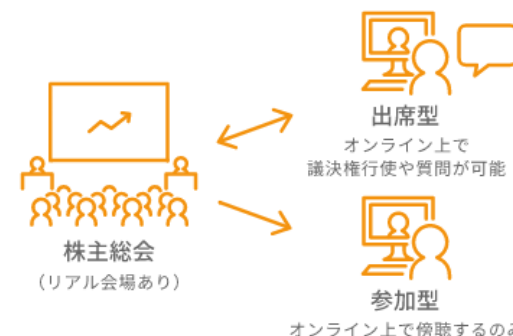
# Event DX Business Virtual AGM of Shareholders (High value-added events)

Supported 195 virtual AGM, 1.3 times more than last year. In June, when AGM is concentrated, can deliver 30 companies per day. Although there have been very few virtual-only events, a cumulative total of about 300 companies have changed their articles of incorporation to hold virtual-only events.

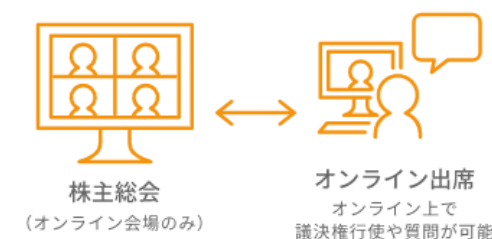
Because of its high growth potential as well as high unit price stock revenue business, strengthen sales activities and functional improvement for growth in the next year



## Hybrid Type (Participating / Attending)



## Virtual-only



Launched “Metaverse Event Service” as the first step in providing communication services on Metaverse.  
Launched “EventIn Workplace”, a virtual office platform on Feb 1<sup>st</sup> 2022.

## Metaverse Event Service

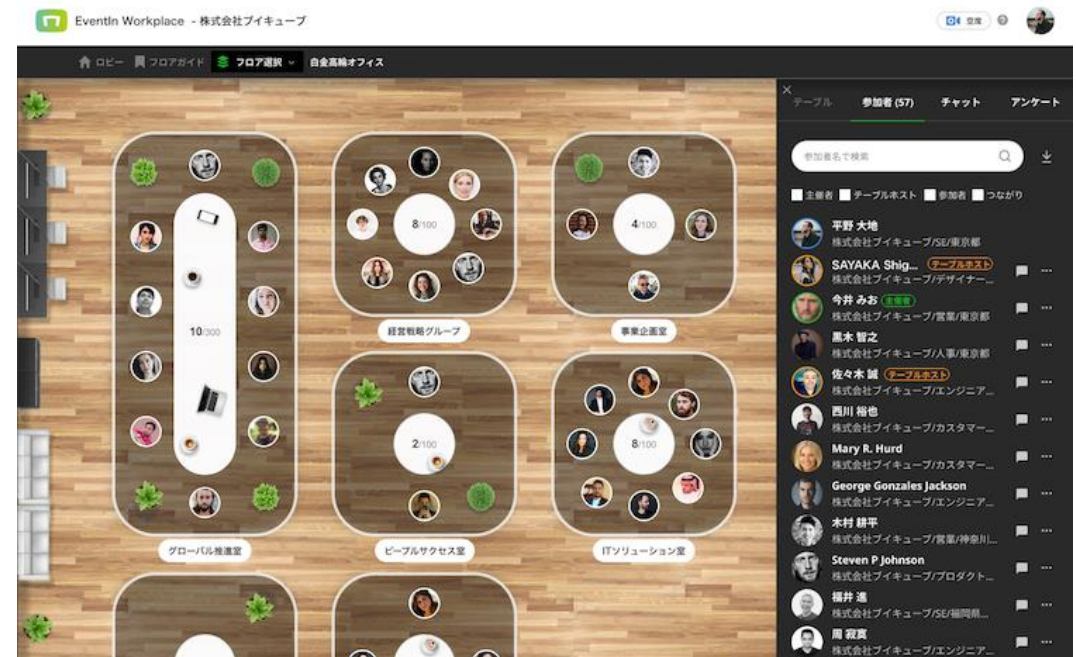
- Create a metaverse of events for all types of business (games, music, sports, office/urban development, etc.)
- Promoting the use of the metaverse in business domains



<Image of an event in the metaverse space>

## Virtual Office Platform “EventIn Workplace”

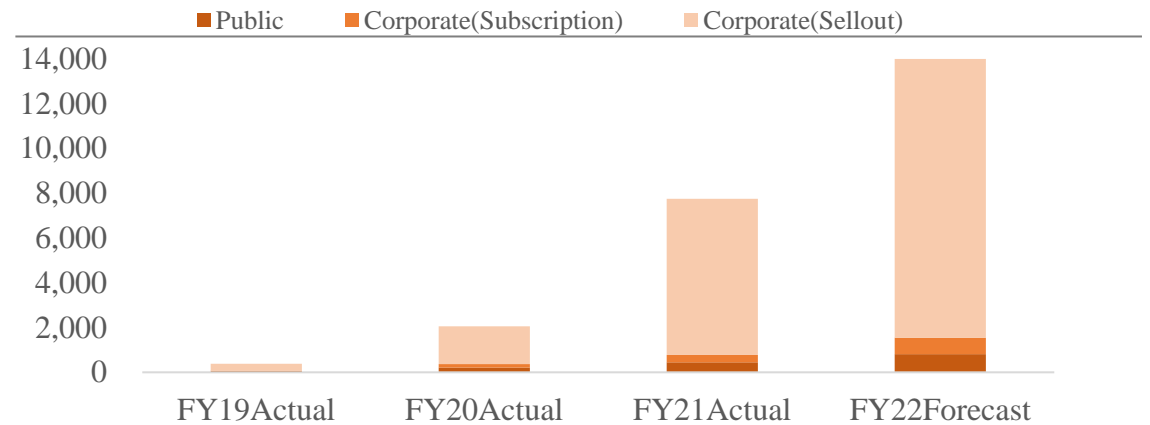
- Revitalize internal communication, which tends to be diluted by the spread of telework.
- Virtual office with chatting space, open space for collaborative work, and meeting rooms
- Web conferencing and text chatting allow employees to communicate with each other in a variety of ways



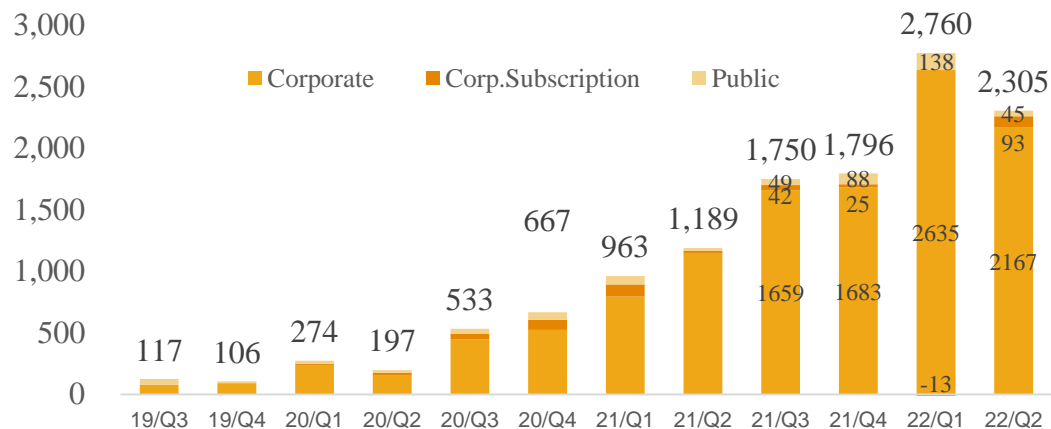
**Corporate sales in Q1 declined due to demand at the end of the fiscal year in general, but solid performance in 1H, significantly exceeding that of the same period last year. The number of subscription model accelerated. Missed forecast is due to delay in public use, which has large short-term volume of sales and profits.**

(million yen)	FY21	FY22	FY22	FY22
	1H Actual	1H Actual	1H Forecast	Full Year Forecast
Net Sales	996	1,489	1,534	3,180
Segment Profit (Ratio)	327 (32.8%)	272 (18.3%)	294 (19.1%)	890 (28.0%)
Profit excluding mass advertising expenses (Ratio)	327 (32.8%)	501 (33.7%)		

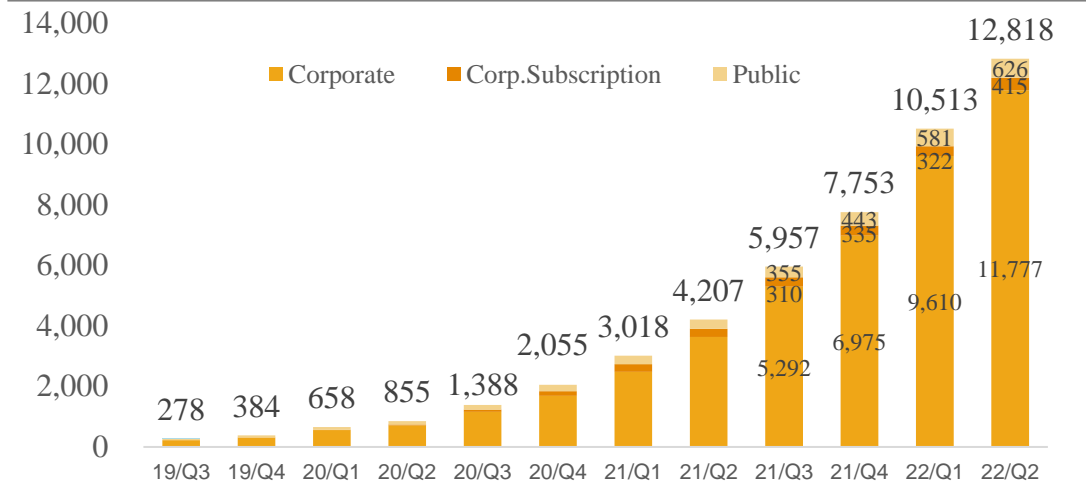
Planned Cumulative Installed



Installed Units (Quarterly)



Installed Units (Cumulative)



Video AD views resulted in approx. **27 million**. (7 times the internal target) , Significantly expanded recognition.



**Steady increase in installations**

Utilization rate of Telecube for public use is rising even as the number of units installed increases.

**【KPI】**  
**Q2(Apr-Jun) Installed units 2,305 units** (SPLY 1,189 units)  
**Cumulative installed units 12,818units**  
 Sales volume + the subscription number of units in operation  
**Usage rate at end of period for public 53% increase (Y to Y)**

**Telecube Corporate Flat-rate Plan for Public use**

- Companies contract for "Telecube" installed in public, and their employees can use it for a fixed monthly fee (From 30,000 yen/month)
- Contributing to create an environment where both companies and businesspeople can work comfortably via telework

**Installed in JAL's Diamond Premium Lounge**

- Installation in Haneda Airport Domestic Lounges for a limited time (~Nov.)
- Effective use of waiting time for boarding



**Collaboration with Nestle @ Shin-Marunouchi Building**

- Check your iron intake in the Telecube and take home a box of "Nestlé Milo Original Sticks"





**Launched “Metacube”, a private VR space for a Phygital Reality Metaverse experience**  
**Provided Telecube for the “Telecube Cup”, e-sports tournament**

**Private VR space “Metacube”**

- Experience a realistic VR • Metaverse space by projecting video content on the walls of the Telecube.
  - Creating "Phygital(\*) Reality" experiences that provide new value to business scenes and consumers.
- \* A term coined by combining the words “physical” and “digital”



**e-sports tournament “Telecube Cup presented by V-cube”**

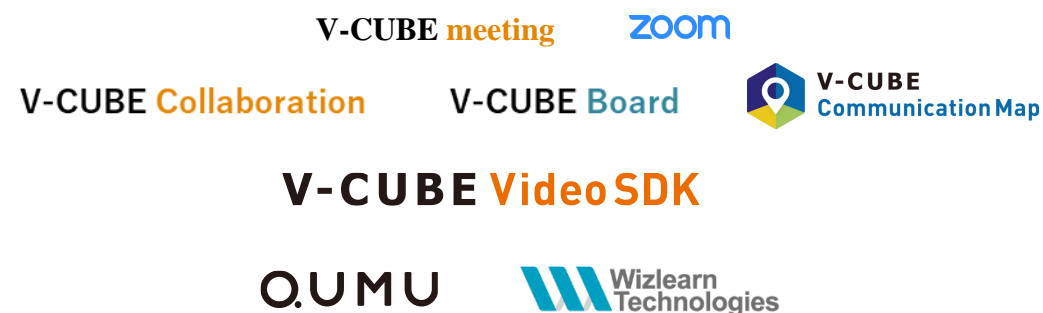
- Telecube was provided for the “Telecube Cup”, a 2-on-2 e-sports tournament between four J-Club teams at the “Kawasaki Frontale Soccer Game Festival in Takeshiba Port Hall.
- Soundproof design that shuts out outside sound and eliminates internal sound leakage  
Expected to be used for e-sports and a variety of entertainment experiences spaces



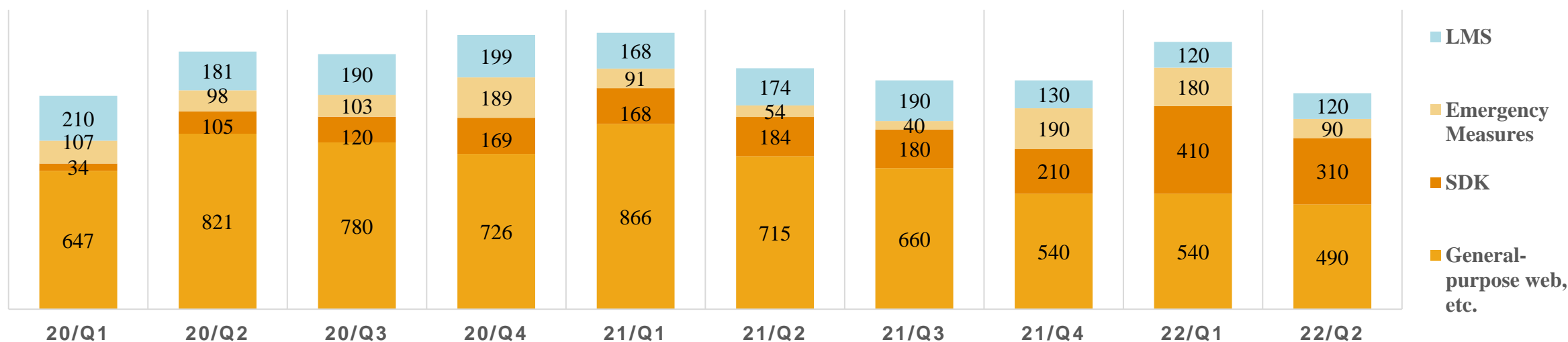
# Enterprise DX Business Overview

**Supporting customers' internal and external communications and business remotng**  
**While general-purpose web conferencing is expected to remain flat, aim to grow each service such as SDK, which is expanding rapidly.**

(million yen)	FY21	FY22	FY22	FY22
	1H Actual	1H Actual	1H Forecast	Full Year Forecast
Net Sales	2,423	2,258	2,190	4,550
Segment Profit (Ratio)	461 (19.0%)	377 (16.7%)	361 (16.5%)	670 (14.7%)



Enterprise DX Sales trend (Millions of yen)



**Incorporating video communication functionality into existing services to support to make the service remote and online**  
**Our sales increase along with the growth of our clients' businesses**

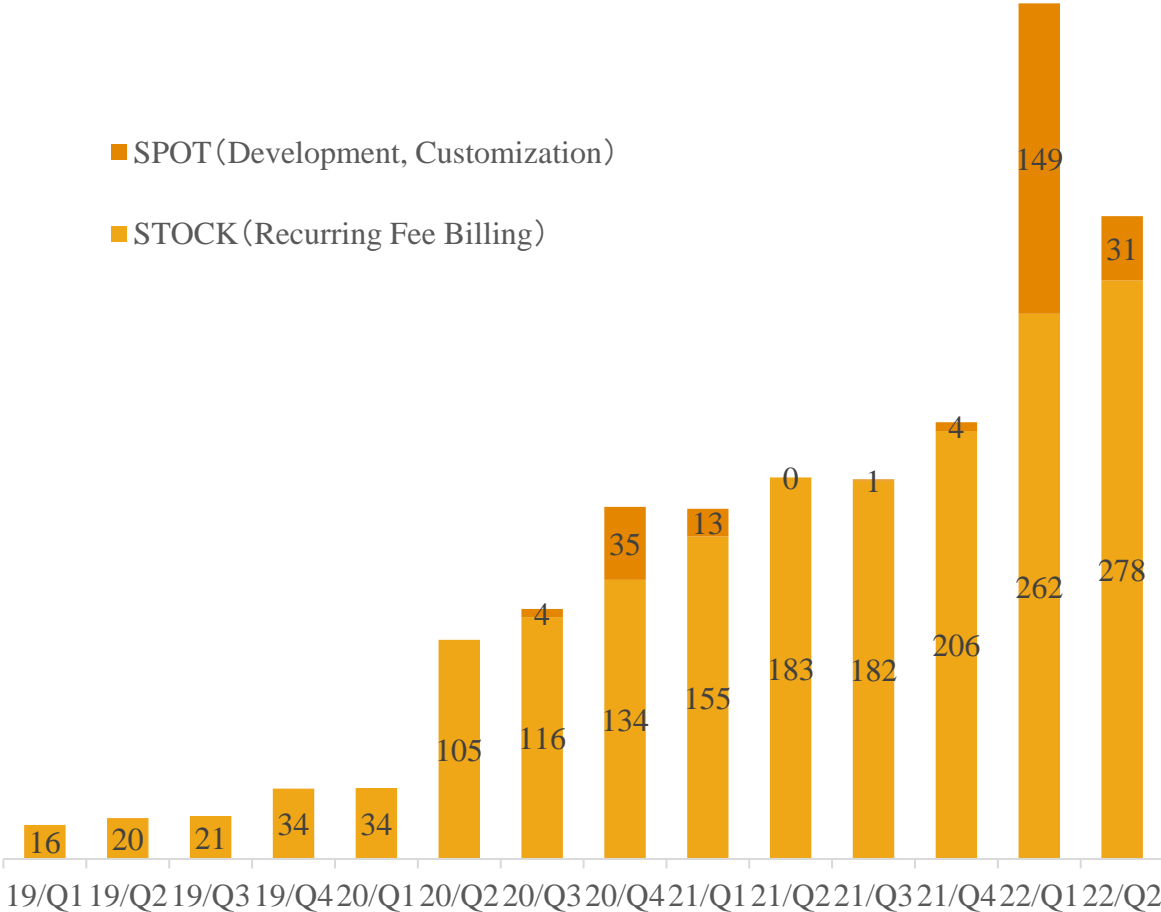
Recurring fee billing / Growth rate  
 (last 12 months)

**930 million yen / 58% increase**

Number of partners

**192 companies**  
 (170 at the beginning of term)

Sales trends for each quarter (million yen)



Provide support for going online and increase engagement with existing services in a variety of industries/applications.

**TV program ①**

**Increased engagement**

A platform that can be used for a variety of programs  
The screen configuration you want to show can be controlled from the customer management screen



**TV program ②**

**remote interviewing**

Customization specific to remote coverage screens, such as switching positions, recording individual performers



**Online service**

**Cosmetic Counseling**

**palplat Inc.**

Personal counseling service for beauty  
In addition to high-definition video calls, a whiteboard function is implemented for convenient counseling.

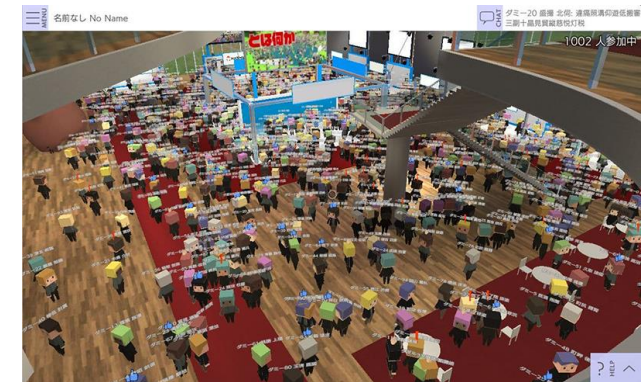


**Metaverse**

**Voice Communications**

**Hashilus Co, Ltd.**

Enabling communication among participants by implementing voice functionality in a metaverse space for thousands of people  
Realize a realistic and interactive event experience



**In Q2, although semiconductor shortages settled down, partial procurement delays caused some bids to be cancelled. FY21 was sluggish due to difficulties in sales visits to local areas in the COVID 19 pandemic. In FY22, business activities are increasing due to the infection control and increased awareness of disaster preparedness.**

## V-CUBE Board

Information gathered at the headquarters is consolidated on the screen of an electronic table, organized and overviewed.



## V-CUBE Collaboration

Communication system that enables real-time information sharing with remote locations (Writing on the screen and voice/video communication are possible.)



## V-CUBE Communication Map

Case management map system that overlooks and manages all information on a map in the event of a disaster.

## Smart Glasses (remote assistance for on-site work)

Real-time confirmation of on-site video images, instructions and support via web conferencing



1. Highlight

2. Business Environment

3. FY22 Q2 Results

4. SDGs ▪ ESG

5. Appendix

# Initiatives for ESG Issues

## E

### (Environment)

In order to contribute to the realization of a carbon-free society, we aim to convert all electricity consumed in our business activities to 100% renewable energy by 2025.

## S

### (Social)

We will work to resolve social issues and aim to realize a society in which all people can gain equal opportunities.

## G

### (Governance)

Recognizing the importance of corporate ethics and improving the soundness of management, we will promote management with an awareness of increasing corporate value.

## Our Initiatives

- Develop and provide services to remotely communicate internally and externally
- Supporting the Introduction and Establishment of a New Communication Culture

### [Examples of Solutions]

- Telework tool
- Online events
- Virtual AGM of shareholders
- Remote health care

- Ratio of Outside Directors :38% (3 out of 8)
- Diversity of Directors (In addition to founding members, experienced corporate management and mayors, women, and experts)

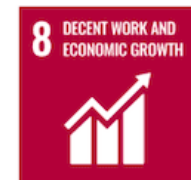
## Contribution to Society

- To reduce the use of CO2 and other fuels generated by physical movements
- Resource conservation by reducing opportunities to use physical goods

- To solve societal issues
    - ✓ Equal opportunity
    - ✓ Improvement of digital divide
    - ✓ Regional revitalization
- ⇒ **“Realize a society to provide Even opportunity to everybody”**

- Strengthening governance and compliance as a company that solves social issues
- Integration of ideas and know-how to solve social issues through diverse human resources

## SDGs



## **Sustainability Management for a Decarbonized Society**

**We aim to convert 100% of the electricity consumed for our business activities to renewable energy by 2025.**



① Advocating for the global environment sustainability

**E**  
(Environment)



② Realizing an even society through liberating the ways we work

**S**  
(Social)



③ Leaving no one behind with digitalization

**S**  
(Social)



④ Remotizing all kinds of industries

**S**  
(Social)



⑤ Governing to support corporate activities

**G**  
(Government)



## **① Advocating for the global environment sustainability**

**We will promote the use of renewable energy to realize an environmentally friendly society and the energy conservation through the provision of ICT technology that enables non-mobile communication.**

### **Main initiatives**

- **Sustainability Management for a Decarbonized Society**
- **By 2025, convert 100% of electricity used in business activities to renewable energy**

## ② Realization an even society through liberating the way we work

In order to create an environment where everyone can work actively and achieve self-fulfillment regardless of location, we are working to realize equality of opportunity by reforming work styles through visual communication technology.

### Main examples

- Providing communication tools that enable employees to work from anywhere
- Increase employee engagement by realizing new work style
- Bringing events online and hybrid
- Solving the problem of "no place" by Telecube



V-CUBE MTG & Zoom and other general-purpose web conferencing  
Engagement score, postpartum return rate  
Number of events held  
20,000 times per year in 2025  
Cumulative number of Telecube installed  
40,000 units by 2025

## **③ Leaving no one behind with digitalization**

**We will contribute to the realization of a society where everyone can communicate equally and without inconvenience through visual communication technology, regardless of age, gender, nationality, etc.**

### **Main examples**

- **Digital technology that is safe and secure and can be used by anyone through Service**
- **Correction of regional disparities and equal opportunities using remote technologies**
- **Deregulation and diffusion of telemedicine and distance education**
- **Digitalization of disaster and emergency measures**
- **Virtualization of AGM of shareholders**

## ④ Remotizing all kinds of Industries

We will provide unprecedented new video communication technology and work to create new businesses and realize DX through collaboration with local governments and companies through ICT technology innovation.

### Main examples

- Remoting Industries by SDK
- Vertical Solutions
- Maintenance of social infrastructure (Senshin Robotics)

## **⑤ Governing to support corporate activities**

**We will improve the efficiency of management and maintain soundness by establishing a high-level governance system, ensuring transparency, planning and executing strategies for sustainable growth, and enhancing appropriate supervision of these strategies.**

### **Main examples**

- **Enhancing corporate governance and ensuring its effectiveness**
- **Improving employee happiness and diversity and inclusion**
- **Ensuring cyber security**

1. Highlight

2. Business Environment

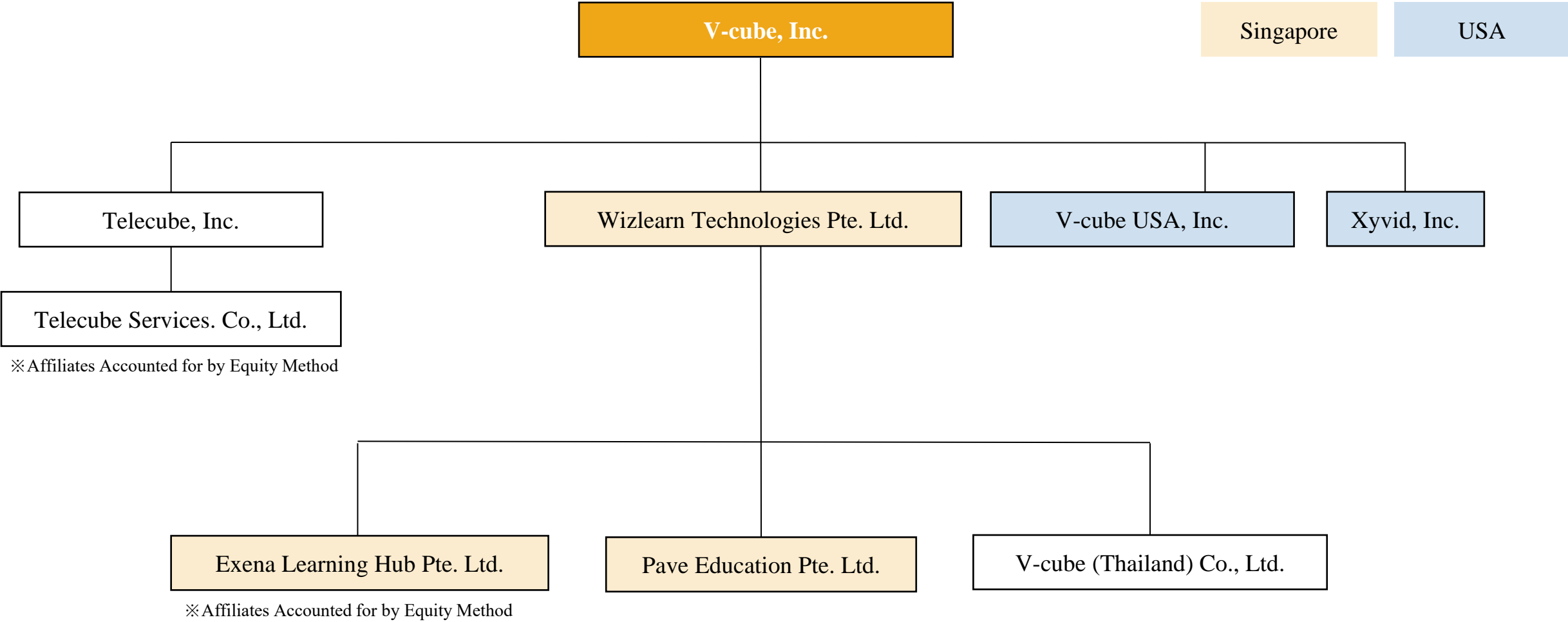
3. FY22 Q2 Results

4. SDGs ▪ ESG

5. Appendix

Company name	V-cube, Inc.
Established	October 16, 1998
Fiscal year end	December
Capital (including capital surplus)	3,465 million JPY
Listed Markets	The Prime Market of the Tokyo Stock Exchange (3681)
Group companies	Domestic 3, Overseas 6
Number of Employees	Total 478 (consolidated)





Other Group companies: Senshin Robotics, Inc

## Management team consisting mainly of members from the time of founding



**Chairman and Group CEO**  
**Naoaki Mashita**

1998 Established V-cube Inc.  
2002 Graduated from Keio Graduate School  
2003 Established V-cube USA, Inc.  
2022 Chairman and Group CEO of V-cube Inc.



**Representative Director, President and CEO**  
**Masaya Takada**

2001 Director of V-cube Inc.  
2002 Graduated from Keio Graduate School  
2006 Vice president of V-cube Inc.  
2012 Executive Vice President of V-cube Inc.  
2022 President and CEO of V-cube Inc.



**Director, Vice President and COO**  
**Jun Mizutani**

2006 Entered V-cube Inc. (as new graduate)  
2012 Deputy General Manager of Sales Division  
2015 General Manager of Sales Division  
2016 Director of V-cube Inc.  
2019 Managing Director of V-cube Inc.  
2021 Senior Managing Director of V-cube Inc.  
2022 Vice president of V-cube Inc.



**Director, CTO**  
**Yosuke Kamezaki**

2002 Entered V-cube Inc.  
2007 Executive Officer of V-cube Inc.  
2012 Director of V-cube Inc.



**Director, CFO**  
**Kazuki Yamamoto**

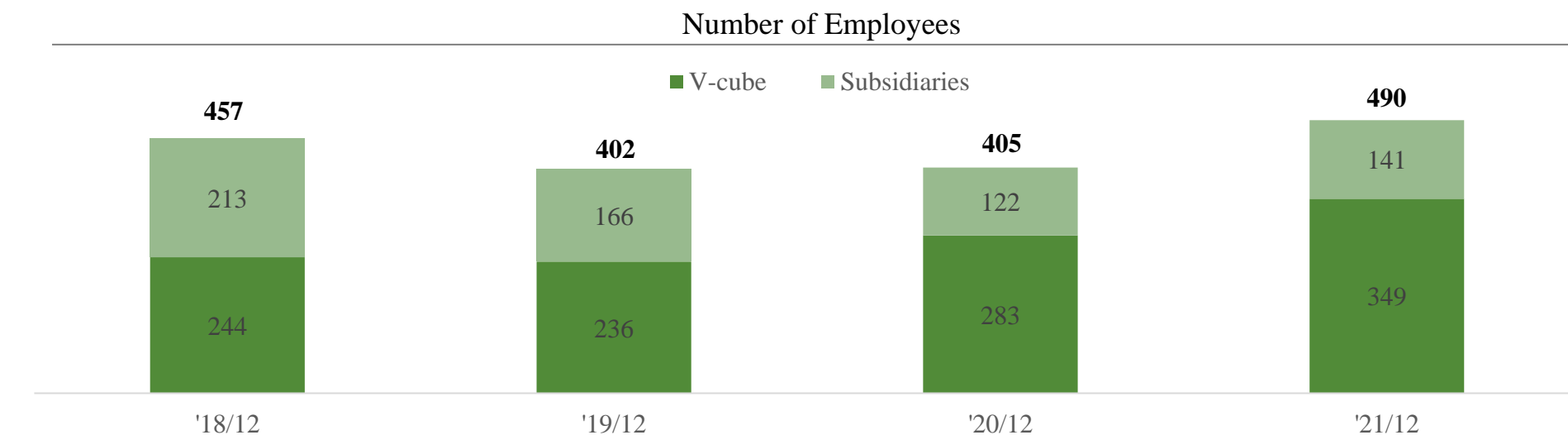
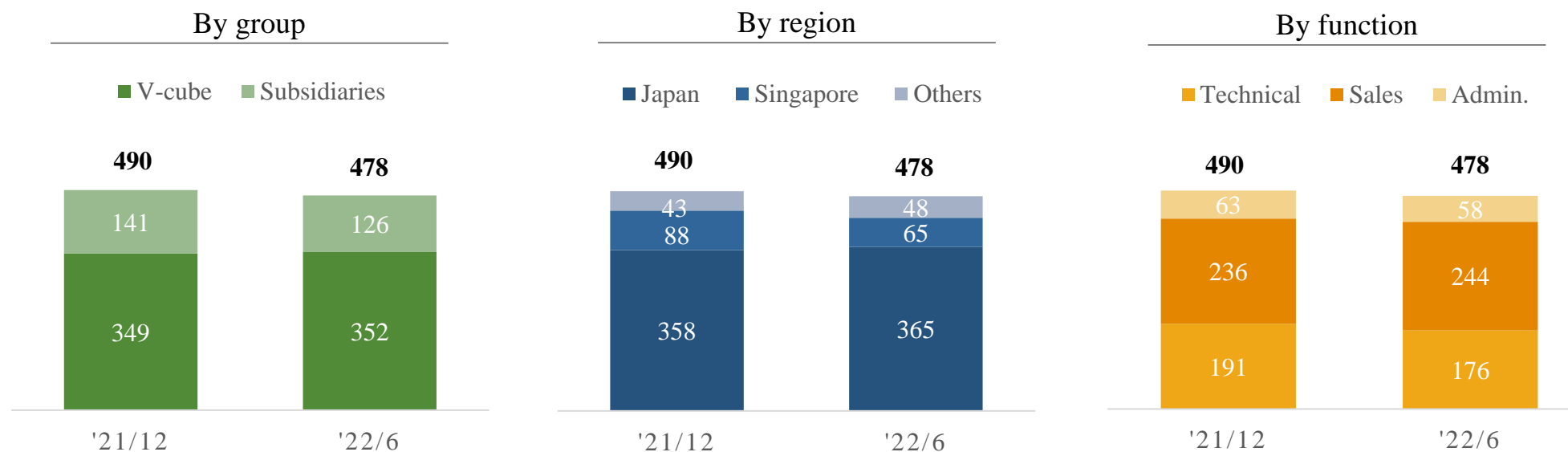
2003 Joined Deloitte Touche Tohmatsu  
2017 Joined Regional Economy Vitalization Corporation of Japan (REVIC)  
2019 CFO and General Manager of Corporate Planning Division of V-cube Inc.  
2021 Director of V-cube Inc.

## Outside Directors and Auditors (June 30, 2022)

### Corporate Governance by Experienced and Strong Outside Directors and Auditors

Title	Name	Independent Director	Career summary
Outside director	Norio Murakami	○	Representative director, Murakami Norio Office, Inc. Outside director, Cell Source Co., Ltd. , Former Vice president, Google, Inc. and President, Google, Inc.
Outside director	Kenichi Nishimura	○	Outside director, Hakusan, Inc. Former President, NTT-Neomeit Former Advisor, Mirait, Inc.
Outside director	Naomi Koshi	○	Partner Attorney, Miura Law Office Outside director, SoftBank Corp. Representative director and CEO, OnBoard K.K. Former Mayor of Otsu City
Full-time outside auditor	Kikuo Fukushima	○	Representative, Success Coaching Studio
Outside auditor	Kiyoji Odashima	○	Representative tax attorney, Odashima Kiyoji Tax Account Office Outside Corporate Auditor, Ebara Foods Industry, Inc.
Outside auditor	Daiko Matsuyama	○	Deputy Head Priest of Taizoin Zen Buddhist Temple Visit Japan Ambassador, Japan Tourism Agency Visiting Lecturer, Stanford University Member of the Kyoto City Board of Education

# Status of Group Employees (excluding contract employee, etc.)



## Main business domain

## Face-to-face market

## SaaS products offered

### Enterprise DX Business

- Provision of remote communication products for internal and external companies
- Development, provision and operational support for industry/application-specific remote communication products using SDK and hardware

Internal and external communication

DX of customer business and services

Knowledge share/LMS

V-CUBE meeting      zoom  
 V-CUBE Collaboration      V-CUBE Board



**V-CUBE VideoSDK**

**O.UMU**      **Wizlearn Technologies**

### Event DX Business

- Remoting Events in Various Fields
- Product provision and operational design, direction operations, log analysis, and other operational support

Online pharmaceutical seminar

On-line job placement/recruitment briefings

Virtual AGM of shareholders and Financial Results Briefing

**V-CUBE Seminar**



### Third Place DX Business

- Providing Telecube to companies and public use
- Higher value-added Telecube and development and deployment of third-place management and operation systems

For companies

For the public use

**TELECUBE**

**Telecube Connect**

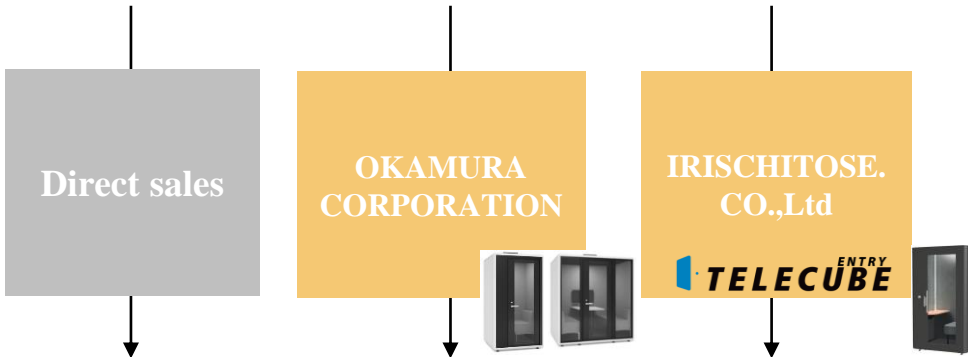


Solving the problem of "lack of space" when realizing "flexible and selectable work styles," which is one of the social issues. Aiming to provide a variety of services as a high-value-added third place (telemedicine, English conversation lessons, administrative procedures, housing consultation)

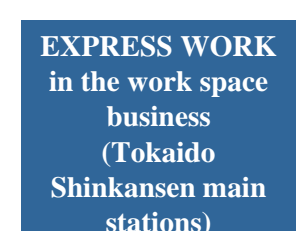
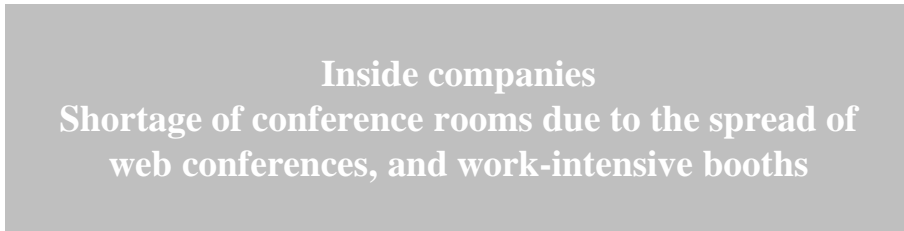
**For Corporate Customers**

**For Public Use**

**Sales destination**



**Installation Location**



**Sales model**



Provide **Even** Opportunity to Everybody



Beyond Telework  
**V-CUBE**

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