

Summary of Consolidated Financial Results
for the Nine Months Ended September 30, 2022 (Japanese GAAP)

November 11, 2022

Company name: V-cube, Inc.

Securities code: 3681

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

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

Quarterly statement filing date (as planned): November 11, 2022

1. Results of the Second quarter ended September 30, 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	%
Nine months ended										
Sep. 30, 2022	9,093	6.9	1,474	-24.8	551	-50.3	506	-50.5	384	-60.7
Sep. 30, 2021	8,509	60.1	1,958	58.6	1,111	99.8	1,024	86.1	977	53.8

Note: Comprehensive income For nine months ended Sep. 30, 2022: ¥1,849 million [83.2%]
For nine months ended Sep. 30, 2021: ¥1,009 million [100.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended		
Sep. 30, 2022	15.82	15.58
Sep. 30, 2021	40.37	39.23

(2) Consolidated financial position:

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
Sep. 30, 2022	18,071	6,754	36.9	274.53
Dec. 31, 2021	15,259	5,100	33.1	207.92

Reference: Owner's equity As of Sep. 30, 2022: ¥6,672 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	-	0.00	-		
Fiscal year ending Dec. 31, 2022 (Forecast)				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
Fiscal year ended Dec. 31, 2022	12,300	7.0	2,100	-20.8	800	-40.8	700	-43.2	500	-62.2	20.60

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 September 30, 2022	24,737,400 shares
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(ii) Number of treasury stock at the end of fiscal year

As of December 31, 2021	466,443 shares	As of September 30, 2022	466,472 shares
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(iii) Average number of shares (quarterly period-YTD)

Nine months ended September 30, 2021	24,219,842 shares	Nine months ended September 30, 2022	24,270,949 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, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,823,797	2,729,945
Notes and accounts receivable - trade	1,728,357	1,450,792
Advance payments to suppliers	49,156	58,634
Other	621,147	669,679
Allowance for doubtful accounts	△200	△20,896
Total current assets	4,222,259	4,888,155
Non-current assets		
Property, plant and equipment		
Property, plant and equipment	1,694,812	2,040,966
Intangible assets		
Software	1,704,740	2,056,167
Software in progress	661,894	1,111,423
Goodwill	3,759,122	4,384,816
Other	62	62
Total intangible assets	6,125,820	7,552,470
Investments and other assets		
Investment securities	273,208	389,827
Shares of subsidiaries and associates	307,569	344,526
Leasehold and guarantee deposits	305,460	349,941
Long-term loans receivable	48,755	36,202
Deferred tax assets	1,651,506	1,844,031
Long-term prepaid expenses	82,102	60,802
Other	548,418	566,027
Allowance for doubtful accounts	△894	△999
Total investments and other assets	3,216,127	3,590,360
Total non-current assets	11,036,760	13,183,797
Total assets	15,259,020	18,071,952

(Thousands of yen)

As of December 31, 2021 As of September 30, 2022

Liabilities		
Current liabilities		
Accounts payable - trade	546,312	327,352
Short-term borrowings	1,642,912	3,146,207
Current portion of long-term borrowings	512,980	1,742,600
Contract liabilities	882,928	1,023,768
Provision for bonuses	104,119	77,809
Income taxes payable	51,897	45,704
Other	837,834	921,946
Total current liabilities	4,578,983	7,285,388
Non-current liabilities		
Long-term borrowings	4,828,100	3,356,400
Lease obligations	496,941	369,997
Asset retirement obligations	245,219	296,037
Other	8,925	9,820
Total non-current liabilities	5,579,185	4,032,255
Total liabilities	10,158,169	11,317,644
Net assets		
Shareholders' equity		
Share capital	92,190	92,190
Capital surplus	2,831,834	2,831,834
Retained earnings	2,609,803	2,799,645
Treasury shares	△794,757	△794,791
Total shareholders' equity	4,739,070	4,928,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,380	52,826
Foreign currency translation adjustment	299,904	1,690,395
Total accumulated other comprehensive income	307,284	1,743,222
Share acquisition rights	2,160	2,160
Non-controlling interests	52,336	80,047
Total net assets	5,100,851	6,754,308
Total liabilities and net assets	15,259,020	18,071,952

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

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	8,509,025	9,093,315
Cost of sales	4,559,091	5,012,469
Gross profit	3,949,934	4,080,846
Selling, general and administrative expenses	2,838,650	3,528,975
Operating profit	1,111,283	551,870
Non-operating income		
Interest income	1,433	2,463
Insurance claim income	8,550	3,722
Subsidy income	7,202	5,745
Gain on valuation of investment securities	8,652	7,004
Other	13,986	2,421
Total non-operating income	39,824	21,357
Non-operating expenses		
Interest expenses	25,380	33,918
Foreign exchange losses	11,469	6,497
Commission expenses	16,789	229
Rents	31,723	3,979
Share of loss of entities accounted for using equity method	28,492	17,736
Other	12,639	3,976
Total non-operating expenses	126,495	66,337
Ordinary profit	1,024,613	506,891
Extraordinary losses		
Loss on retirement of non-current assets	3,350	759
Loss on cancellation of leases	-	9,371
Litigation settlement	-	7,685
Office relocation expenses	-	6,111
Other	1,013	630
Total extraordinary losses	4,363	24,559
Profit before income taxes	1,020,249	482,331
Income taxes - current	28,807	52,608
Income taxes - deferred	4,270	16,351
Total income taxes	33,078	68,960
Profit	987,171	413,370
Profit attributable to non-controlling interests	9,452	29,361
Profit attributable to owners of parent	977,718	384,009

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	987,171	413,370
Other comprehensive income		
Valuation difference on available-for-sale securities	7,380	45,446
Foreign currency translation adjustment	15,129	1,390,491
Total other comprehensive income	22,510	1,435,937
Comprehensive income	1,009,681	1,849,308
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,000,196	1,821,597
Comprehensive income attributable to non-controlling interests	9,485	27,711