

February 14, 2023

Company name: V-cube, Inc.
 Chairman & Group CEO: Naoaki Mashita
 Tokyo Stock Exchange, Prime Market (stock code: 3681)
 Contact: Director & CFO, Corporate Planning Division General Manager
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Notice Concerning Issuance of Stock Acquisition Rights (Paid Stock Options and Free Stock Options)

V-cube, Inc. (the “Company”) hereby announces that it has resolved, by written resolution on February 14, 2023 in lieu of a resolution of the Board of Directors, to issue stock acquisition rights (“Stock Acquisition Rights”) as paid stock options (17th stock acquisition rights, “Paid stock options”) to directors of the Company and its subsidiaries and to grant free stock options (18th Stock Acquisition Rights, “Free stock options”) to the employees of the Company and directors of its subsidiaries, pursuant to Articles 236, 238 and 240 of the Companies Act.

1. Purpose of introducing stock option system and reason for requiring issuance with favorable conditions

On February 14, 2023, the Company announced its medium-term management plan covering the period from the fiscal year ending December 31, 2023 to the fiscal year ending December 31, 2025. The Company will issue stock acquisition rights as paid stock options and free stock options for the purpose of achieving this medium-term management plan and increasing corporate value over the medium to long term.

The total number of shares of our common stock that would increase if all of the Stock Acquisition Rights were exercised would be equivalent to 3.1% of the number of shares outstanding, and would dilute the shares held by existing shareholders to a certain degree. However, the exercise of the Stock Acquisition Rights is conditional on the achievement of pre-determined performance targets, and we recognize that the achievement of such targets will contribute to the improvement of the corporate value and shareholder value of our group and will also contribute to the interests of existing shareholders. Accordingly, we believe that the scale of dilution of shares due to the issuance of these stock acquisition rights is within a reasonable range.

2. Overview of issuance of paid stock options

(1)	Recipients of allotment of paid stock options, number of recipients, and number of paid stock options to be allotted	directors of V-cube and its subsidiaries: 6 total 2,500 units
(2)	Class of shares underlying the paid stock options	Common stock of V-cube
(3)	Number of shares underlying the paid stock options	250,000 shares
(4)	Total number of paid stock options to be issued	2,500 units

(5)	Issue price of paid stock options	2,500 yen
(6)	Amount to be paid in upon the exercise of paid stock options (Exercise price)	The Exercise Price shall be the closing price of the ordinary transactions of the Company's shares on the Tokyo Stock Exchange on the allotment date of the Stock Acquisition Rights (or the closing price of the most recent preceding transaction if no transaction has been effected).
(7)	Exercise period of paid stock options	From April 1, 2026 to March 31, 2031
(8)	Conditions for the exercise of paid stock options	Holders of stock acquisition rights may exercise their rights only if the Company's net sales as stated in its consolidated statement of income (or statement of income if the Company does not prepare a consolidated statement of income) for any period from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2027, exceed 18 billion yen. In determining operating income as stated above, if the Board of Directors determines that it is not appropriate to use the actual figures shown in the Company's consolidated statement of income (or statement of income if the Company does not prepare a consolidated statement of income) due to a change in applicable accounting standards or an event such as a corporate acquisition that has a significant impact on the Company's performance, the Board of Directors may exercise the Stock Acquisition Rights. If the Board of Directors determines that it is not appropriate to use the actual figures shown in the consolidated statement of income (or the statement of income if the Company does not prepare a consolidated statement of income) for the determination, the Company may, to the extent reasonable, adjust the actual figures used for the determination to eliminate the effect of the acquisition.
(9)	Date of allotment of the share acquisition rights paid stock options	March 1, 2023

3. Overview of issuance of free stock options

(1)	Recipients of allotment of free stock options, number of recipients, and number of free stock options to be allotted	Employees of V-cube and directors of its subsidiaries:21 total 5,200 units
(2)	Class of shares underlying the free stock options	Common stock of V-cube
(3)	Number of shares underlying the free stock options	520,000 shares
(4)	Total number of free stock options to be issued	5,200 units
(5)	Issue price of free stock options	-
(6)	Amount to be paid in upon the exercise of free stock options (Exercise price)	The Exercise Price shall be the closing price of the ordinary transactions of the Company's shares on the Tokyo Stock Exchange on the allotment date of the Stock Acquisition Rights (or the closing price of the most recent preceding transaction if no transaction has been effected).

(7) Exercise period of free stock options	From April 1, 2026 to March 31, 2031
(8) Conditions for the exercise of free stock options	<p>Holders of stock acquisition rights may exercise their rights only if the Company's net sales as stated in its consolidated statement of income exceed 18 billion yen or if the Company's net sales as stated in its statement of income exceed 14 billion yen for any period from the fiscal year ending December 31, 2025 to the fiscal year ending December 31, 2027. In determining operating income as stated above, if the Board of Directors determines that it is not appropriate to use the actual figures shown in the Company's consolidated statement of income (or statement of income if the Company does not prepare a consolidated statement of income) due to a change in applicable accounting standards or an event such as a corporate acquisition that has a significant impact on the Company's performance, the Board of Directors may exercise the Stock Acquisition Rights. If the Board of Directors determines that it is not appropriate to use the actual figures shown in the consolidated statement of income (or the statement of income if the Company does not prepare a consolidated statement of income) for the determination, the Company may, to the extent reasonable, adjust the actual figures used for the determination to eliminate the effect of the acquisition.</p>
(9) Date of allotment of the free stock options	March 1, 2023