

**Summary of Consolidated Financial Results**  
for the Three Months Ended March 31, 2023 (Japanese GAAP)

May 12, 2023

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): May 15, 2023

1. Results of the Second quarter ended March 31, 2023

(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, 2023	3,009	-16.6	445	-34.3	104	-73.2	80	-78.3	31	-89.4
Mar. 31, 2022	3,608	7.5	677	-36.3	390	-52.4	370	-53.6	300	-61.8

Note: Comprehensive income For Three months ended Mar. 31, 2023: ¥181 million [-75.1%]  
For Three months ended Mar. 31, 2022: ¥730 million [-9.6%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
Mar. 31, 2023	1.31	1.30
Mar. 31, 2022	12.37	12.22

(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, 2023	17,707	6,086	33.7	245.82
Dec. 31, 2022	16,891	5,989	34.9	243.12

Reference: Owner's equity As of Mar. 31, 2023: ¥5,966 million  
As of Dec. 31, 2022: ¥5,900 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended Dec. 31, 2022	Yen -	Yen 0.00	Yen -	Yen 4.00	Yen 4.00
Fiscal year ended Dec. 31, 2023	-				
Fiscal year ending Dec. 31, 2023 (Forecast)		0.00	-	4.00	4.00

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, 2023	6,200	-6.2	1,020	-19.7	350	-48.0	320	-49.4	180	-65.3	7.42
Fiscal year ended Dec. 31, 2023	12,500	2.2	2,150	10.5	700	-3.7	600	-2.0	350	316.7	14.42

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, 2022	24,737,400 shares	As of March 31, 2023	24,737,400 shares
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(ii) Number of treasury stock at the end of fiscal year

As of December 31, 2022	466,472 shares	As of March 31, 2023	466,472 shares
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(iii) Average number of shares (quarterly period-YTD)

Three months ended March 31, 2022	24,270,957 shares	Three months ended March 31, 2023	24,270,928 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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,699,697	1,915,546
Notes and accounts receivable - trade	1,737,481	1,846,288
Advance payments to suppliers	1,200	8,157
Other	701,493	666,731
Allowance for doubtful accounts	△17,761	△1,077
Total current assets	4,122,111	4,435,647
Non-current assets		
Property, plant and equipment		
Property, plant and equipment	2,047,246	2,045,464
Intangible assets		
Software	1,895,581	2,034,235
Software in progress	1,127,471	1,294,858
Goodwill	4,071,947	4,135,026
Total intangible assets	7,095,000	7,464,120
Investments and other assets		
Investment securities	416,372	583,269
Shares of subsidiaries and associates	337,466	354,837
Long-term loans receivable	33,175	34,118
Leasehold and guarantee deposits	340,928	339,919
Deferred tax assets	1,875,064	1,826,517
Long-term prepaid expenses	58,889	57,037
Other	566,609	567,192
Allowance for doubtful accounts	△999	△999
Total investments and other assets	3,627,505	3,761,892
Total non-current assets	12,769,752	13,271,476
Total assets	16,891,863	17,707,123

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	494,496	560,879
Short-term borrowings	2,627,160	3,688,386
Current portion of long-term borrowings	3,998,600	4,063,600
Contract liabilities	922,951	796,488
Provision for bonuses	91,824	94,133
Income taxes payable	75,007	22,069
Other	1,114,427	904,582
Total current liabilities	9,324,467	10,130,139
Non-current liabilities		
Long-term borrowings	953,000	905,600
Lease liabilities	310,631	270,422
Asset retirement obligations	296,136	296,234
Other	18,098	18,663
Total non-current liabilities	1,577,866	1,490,921
Total liabilities	10,902,333	11,621,060
Net assets		
Shareholders' equity		
Share capital	92,190	92,190
Capital surplus	2,831,834	2,831,834
Retained earnings	2,500,230	2,434,926
Treasury shares	△794,791	△794,791
Total shareholders' equity	4,629,464	4,564,160
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,826	81,929
Foreign currency translation adjustment	1,218,365	1,320,197
Total accumulated other comprehensive income	1,271,192	1,402,126
Share acquisition rights	2,160	14,359
Non-controlling interests	86,713	105,416
Total net assets	5,989,529	6,086,062
Total liabilities and net assets	16,891,863	17,707,123

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

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	3,608,939	3,009,897
Cost of sales	1,947,337	1,702,838
Gross profit	1,661,602	1,307,059
Selling, general and administrative expenses	1,271,194	1,202,433
Operating profit	390,408	104,626
Non-operating income		
Interest income	798	1,793
Insurance claim income	420	1,421
Subsidy income	5,286	1,608
Gain on valuation of investment securities	—	7,004
Other	679	9,111
Total non-operating income	7,184	20,939
Non-operating expenses		
Interest expenses	10,875	11,785
Foreign exchange losses	10,600	4,937
Commission expenses	170	748
Loss on valuation of investment securities	—	18,592
Share of loss of entities accounted for using equity method	5,031	3,541
Other	242	5,450
Total non-operating expenses	26,920	45,056
Ordinary profit	370,672	80,509
Extraordinary income		
Settlement income	—	6,034
Total extraordinary income	—	6,034
Extraordinary losses		
Loss on retirement of non-current assets	759	235
Loss on cancellation of leases	4,170	—
Settlement payments	7,282	20,967
Other	630	—
Total extraordinary losses	12,843	21,202
Profit before income taxes	357,828	65,340
Income taxes - current	21,180	7,611
Income taxes - deferred	16,880	6,961
Total income taxes	38,061	14,572
Profit	319,767	50,768
Profit attributable to non-controlling interests	19,434	18,988
Profit attributable to owners of parent	300,333	31,779

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	319,767	50,768
Other comprehensive income		
Valuation difference on available-for-sale securities	41,270	29,102
Foreign currency translation adjustment	369,908	101,832
Total other comprehensive income	411,179	130,934
Comprehensive income	730,946	181,702
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	712,259	163,000
Comprehensive income attributable to non-controlling interests	18,687	18,702

(3) Notes to Consolidated Financial Statements  
(Segment Information)

Three months ended March 31, 2022

(Thousands of  
yen)

	Reportable segments				Reconciling items	Per quarterly consolidated financial statements
	Enterprise DX Segment	Event DX Segment	Third Place DX Segment	Reportable segments		
Sales						
Revenues from external customers	1,245,126	1,453,826	909,986	3,608,939	-	3,608,939
Transactions with other segments	-	-	-	-	-	-
Net sales	1,245,126	1,453,826	909,986	3,608,939	-	3,608,939
Operating profit (loss)	257,959	225,667	72,175	555,802	△165,394	390,408

Notes:

1. The ¥165,394 thousand downward adjustment to segment income reflects corporate expenses not allocated to segments. Corporate expenses mainly include general administration costs of administrative departments.
2. Segment income (loss) has been adjusted for the operating income figure on the consolidated income statements.

Three months ended March 31, 2023

(Thousands of  
yen)

	Reportable segments				Reconciling items	Per quarterly consolidated financial statements
	Enterprise DX Segment	Event DX Segment	Third Place DX Segment	Reportable segments		
Sales						
Revenues from external customers	1,172,168	1,076,552	761,176	3,009,897	-	3,009,897
Transactions with other segments	-	-	-	-	-	-
Net sales	1,172,168	1,076,552	761,176	3,009,897	-	3,009,897
Operating profit (loss)	190,098	△145,603	250,136	294,632	△190,006	104,626

Notes:

1. The ¥190,006 thousand downward adjustment to segment income reflects corporate expenses not allocated to segments. Corporate expenses mainly include general administration costs of administrative departments.
2. Segment income (loss) has been adjusted for the operating income figure on the consolidated income statements.