

March 25, 2024

Company name: V-cube, Inc.
 Chairman & Group CEO: Naoaki Mashita
 Tokyo Stock Exchange, Prime Market (stock code: 3681)
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Notice of Plan for Compliance with Listing Maintenance Criteria for Prime Market

V-cube, Inc. (the “Company”) hereby announces that as of the base date, December 31, 2023, the Company was not in compliance with the criteria for maintaining its listing on the prime market. The Company hereby announce that we have prepared a plan to comply with the listing maintenance criteria as follows.

- The Company’s status of compliance with the listing maintenance criteria and the period of the plan
 As of December 31, 2023 (base date), the Company's status of compliance with the listing maintenance criteria for the Prime Market is as shown in the table below, and the Company does not comply with the criteria for "market capitalization of tradable shares”.

The Company will take various measures to comply with the listing maintenance criteria by the end of December 2024.

	Number of shareholders (persons)	Number of tradable shares (units)	Market capitalization of tradable shares (billion yen)	Ratio of tradable shares (%)	Average daily trading value (million yen)
Compliance status (as of the base date)	18,798	197,495	6.79	79.8	157
Listing maintenance criteria	800	20,000	10.0	35.0	20
Planning Period			Until the end of December 2024		

(Note) The Company's compliance status is calculated based on the distribution of the Company's share certificates, etc. submitted to the Tokyo Stock Exchange as of the base date.

2. Basic policy on initiatives for compliance with the listing maintenance criteria

As of the transition date (June 30, 2021), the Company was in compliance with all items of the listing maintenance criteria for the Prime Market and was transferred from the First Section to the Prime Market in April 2022. However, in compliance with the listing maintenance criteria with a base date of December 31, 2023, "market capitalization of tradable shares" was found to be non-compliant.

As shown in the table below, this is due to the stagnation of the stock price due to the slowdown of growth expectations along with the declining profitability, etc. Therefore, we will aim to comply with the listing maintenance criteria for "market capitalization of tradable shares" with the basic policy of "improvement of stock price".

Trends of consolidated financial results (millions of yen)

	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022	Fiscal year ended Dec. 31, 2023
Net sales	11,493	12,229	11,084
Adjusted EBITDA	2,651	1,945	1,289
Adjusted operating income	1,649	1,025	240
Operating income	1,351	675	△156
Ordinary income	1,232	612	△275
Net income attributable to owners of the parent	1,324	84	△5,623

Trends of indicators related to tradable shares

	Fiscal year ended Dec. 31, 2021	Fiscal year ended Dec. 31, 2022	Fiscal year ended Dec. 31, 2023
Stock Price (as of the reference date)	1,058 yen	715 yen	320 yen
Ratio of tradable shares	76.6%	79.5%	79.8%
Market capitalization of tradable shares	51.29 billion yen	16.78 billion yen	6.79 billion yen

(Note) Ratio of tradable shares and market capitalization of tradable shares for the fiscal year ended December 31, 2021 and 2022 are based on the Company's calculations.

3. Issues and measures to be taken for items that was not compliance with the listing maintenance criteria

(Issues)

The global outbreak of the COVID-19 that began in 2020 has brought about major changes in the social structure, as well as the rapid spread of remote work, and has created new challenges related to the way of work. The Company have aggressively invested in increasing the capacity of our personnel and facilities, in addition to the development investments we had made. In June 2021, the Company acquired Xyvid Inc. ("Xyvid"), an online event business operator, in order to expand our event DX business in the U.S., the largest market in the world.

However, while remote work and other activities were steadily taking root in Japan as restrictions on behavior were eased and economic activities normalized, fixed costs, particularly labor costs, which expanded to meet the rapid increase in social demand in the COVID-19 pandemic, have become a factor in declining profitability. Therefore, in 2023, the Company implemented management rationalization

measures centering on the solicitation of buyout packages and other measures. In addition, in the U.S., a sharp swing back to return to face-to-face business began in the second half of 2022, resulting in a continuous downturn in performance compared to the Company's plan.

As mentioned above, the Company was unable to progress business as planned amidst the rapid changes in the social environment, and in the fiscal year ended December 31, 2023, the Company revised forecast downward three times, full-year results fell short of forecasted sales and profits.

In order to achieve the basic policy of "improvement of stock price," the Company believe that the challenges are to avoid downward revisions due to delays in business progress or declining profitability, based on the changes in the social environment and medium- to long-term business strategies, and to restore confidence by turning around the operating deficit in the fiscal year ended December 31, 2023 and ensuring the achievement of the forecast in the fiscal year ended December 31, 2024.

(Measures)

In the fiscal year ended December 31, 2024, compared to the fiscal year ended December 31, 2023 and prior, the direction of the business environment is becoming clearer as the use of online has become more widespread and COVID-19 has moved to Class 5 and we have moved to a post-COVID-19 society.

In terms of sales, the Company plans to increase sales compared to the previous year by conservatively planning for the pharmaceutical industry and the human resources industry area of the Event DX business, which fell far short of the plan for the fiscal year ending December 31, 2023, by starting operation of the Hybrid Studio, which maximizes the value of face-to-face and online experiences, by fully developing VCP, a product developed in-house, and by growing in other areas.

In terms of profit, in addition to the effects of management rationalization measures implemented in 2023, centering on personnel expenses, the Company will continue to thoroughly reduce costs, including cost improvement by optimizing the outsourcing ratio, and select and concentrate on self-developed products, in order to further improve profitability, particularly in the Event DX business.

In the investor relations activities, the Company will promote information disclosure and dialogue with the market in order to promote understanding of the breakdown of the business performance, as well as to increase awareness and trust in the Company group's business and growth potential, and to encourage more investors to consider investing in shares.

The Company's consolidated business results and forecast (Millions of yen)

	Actual results for the fiscal year ended Dec. 31,2023	Forecast for the fiscal year ended Dec. 31,2024
Net sales	11,084	11,500
Adjusted EBITDA	1,289	1,600
Adjusted operating income	240	600
Operating income	△156	500
Ordinary income	△275	400
Net income attributable to owners of the parent	△5,623	300