



August 14, 2024

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

Kazuki Yamamoto (TEL. +81-03-6625-5011)

**Notice of Recording of Extraordinary Loss (Impairment Loss), Reversal of  
Deferred Tax Assets, Difference Between Forecast and Actual Results, and Revision  
to Full-Year Results Forecasts**

V-cube, Inc. ("Company") hereby announces that in financial results for the first half of the fiscal year ending December 2024, the Company has recorded an extraordinary loss (impairment loss) and reversed deferred tax assets, resulting in differences between the forecasts announced on February 14, 2024, and the actual results announced today for the first half of the fiscal year ending December 2024. Additionally, the Company has revised its full-year financial results forecasts, as detailed below.

1. Recording of Extraordinary Loss (Impairment Loss) and Reversal of Deferred Tax Assets

V-CUBE Meeting has been the mainstay product in the general-purpose web conferencing area and has driven our business for a long time. However, due to a change in strategy in 2017, the Company started selling Zoom and reallocated management resources to the Event DX Business, Third Place DX Business such as Telecube, and providing SDKs, etc., and the product has been undergoing a long-term sunset and replacement with Zoom. Based on this strategy, and in light of the declining profitability trend of the product, the Company has previously impaired a portion of the related software assets. Thereafter, the Company has decided to terminate the product's service on March 31, 2025, and has recorded an impairment loss.

In addition, the Professional Work Business, which is part of the Enterprise DX Business and provides DX support specialized in disaster countermeasures solutions and fieldwork support solutions such as plant inspections, was transferred on June 30, 2024. The Company has decided to write off the software assets that were not subject to the transfer based on the results of an examination of its potential utilization.

Accordingly, an impairment loss of 165 million yen was recorded for the software assets.

Additionally, based on the financial results for the first half of the fiscal year ending December 2024, and "3. Revisions to financial results forecasts" stated below, the Company has carefully examined the recoverability of deferred tax assets. As a result, the Company has reduced a portion of deferred tax assets and recorded deferred income taxes of 179 million yen.

## 2. Difference between forecast and actual results

(1) Difference Between Consolidated financial results forecast and actual results for the first half of the fiscal year ending December 31, 2024  
(January 1, 2024, to June 30, 2024)

(Millions of yen)

	Net Sales	Adjusted EBITDA	Operating Profit	Ordinary Profit
Previous forecasts (A)	5,600	800	320	280
Actual results (B)	5,619	824	229	191
Change (B-A)	19	24	△91	△89
Rate of change (%)	0.3	3.0	△28.4	△31.8
(Reference) Actual results for the first half of fiscal year ending December 2023	5,751	794	117	91
	Net Profit attributable to owners of parent	Net Profit per share		
Previous forecasts (A)	200	8.24 yen		
Actual results (B)	△212	△8.52 yen		
Change (B-A)	—	—		
Rate of change (%)	—	—		
(Reference) Actual results for the first half of fiscal year ending December 2023	4	0.18yen		

## (2) Reasons for differences

Although there were some differences in progress among each business segment, net sales were generally in line with the forecast.

Operating profit fell short of the forecast due to the impact of the rapid depreciation of the yen on overseas product procurement prices and the postponement of a large-scale project at U.S. subsidiary TEN Events, Inc. to the second half of the fiscal year.

Net income attributable to owners of parent showed a significant difference from the forecast, mainly due to the impairment loss described in "1. Recording of extraordinary loss (impairment loss) and reversal of deferred tax assets".

### 3. Revisions to financial results forecasts

#### (1) Revisions to consolidated financial results forecasts for the current fiscal year

(January 1, 2024, to December 31, 2024)

(Millions of yen)

	Net Sales	Adjusted EBITDA	Operating Profit	Ordinary Profit
Previous forecasts (A)	11,500	1,600	500	400
Revised forecasts(B)	11,400	1,450	300	200
Change (B-A)	△100	△150	△200	△200
Rate of change (%)	△0.9	△9.4	△40.0	△50.0
(Reference) Actual Results for the fiscal year ending December 2023	11,084	1,289	△156	△275
	Net Profit attributable to owners of parent	Net Profit per share		
Previous forecasts (A)	300	12.36 yen		
Revised forecasts(B)	100	4.00 yen		
Change (B-A)	△200	—		
Rate of change (%)	△66.6	—		
(Reference) Actual Results for the fiscal year ending December 2023	△5,623	△231.68 yen		

#### (2) Reasons for revisions

In the Enterprise DX Business, the transfer of the Professional Work Business on June 30, 2024, will reduce the forecasts of net sales and operating profit for the second half of the fiscal year. However, the decrease in sales from the transfer of the Professional Work Business is expected to be partially offset by better-than-expected progress in the Third Place DX Business. Operating profit is expected to be affected by the impact of the weaker yen on overseas product purchases and other factors. Based on the above, the Company has revised consolidated financial results forecast for the current fiscal year.

Regarding net profit attributable to owners of parent, although net loss attributable to owners of parent was recorded in the first half of the current fiscal year, an event which may lead to extraordinary income is expected in the second half of the current fiscal year. Based on this possibility, the Company expects to record net profit in the consolidated financial results forecast for the current fiscal year.