February 21, 2025

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 Concerning Extraordinary Loss (Impairment Loss), Reversal of Deferred Tax Assets, and Difference between Earnings Forecast and Actual Results

V-cube, Inc.(“Company”) hereby announces that it has recognized an extraordinary loss (impairment loss) and reversed deferred tax assets in its financial results for the fiscal year ended December 31, 2024. Additionally, there is a difference between the earnings forecast and the actual results announced today, as detailed below.

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

The Company recorded an impairment loss of 278,808 thousand yen for a portion of software in the Event DX Business and Third Place DX Business that was not expected to generate future profits.
In addition, after reassessing the future functionality development and operational structure of the internal business system that had been implemented to improve operational efficiency, the Company determined that the expected improvements could not be reliably achieved. As a result, an impairment loss of 148,556 thousand yen was conservatively recorded.
Including these and other impairment losses, such as 165,296 thousand yen recorded in the second quarter, the total impairment loss for the fiscal year ending December 31, 2024, amounted to 598,518 thousand yen.
Furthermore, based on past performance trends and future business plans, the Company reassessed its estimated future taxable income. As a result, due to uncertainties regarding the recoverability of a portion of deferred tax assets, the Company reversed 201,428 thousand yen in deferred tax assets in the fourth quarter and recorded it as an income tax adjustment.

2. Difference Between Earnings Forecast and Actual Results

(1) Difference Between Consolidated Earnings Forecast and Actual Results for the Fiscal Year Ended December 31, 2024
(January 1, 2024 - December 31, 2024)

(Millions of yen)

	Net Sales	Adjusted EBITDA	Operating Profit	Ordinary Profit
Previous Forecast (A)	11,400	1,450	300	200
Actual Results (B)	10,463	1,053	△236	△320
Change (B-A)	△937	△397	△536	△520
Percentage change (%)	△8.2	△27.4	—	—
(Reference) Actual results for the previous fiscal year (ending December 31, 2023)	11,084	1,289	△156	△275
	Net Income Attributable to Parent Company Shareholders	Net Income per Share		
Previous Forecast (A)	100	4.00 yen		
Actual Results (B)	△1,417	△55.73 yen		
Change (B-A)	△1,517			
Percentage change (%)	—			
(Reference) Actual results for the previous fiscal year (ending December 31, 2023)	△5,623	△231.68 yen		

(2) Reasons for the Difference

In terms of sales, the domestic Event DX business saw signs of bottoming out in the pharmaceutical sector, which accounts for a significant portion of total sales. The in-house event segment—comprising 'inner events' for customers' internal audiences and 'outer events' for external audiences—experienced an increase in order rates due to improved service capabilities driven by experience and data utilization. However, shortfalls in each sector excluding pharmaceutical asector accumulated, resulting in performance falling short of the plan.
In the Third Place DX Business, while enterprise-use Telecube continued to perform steadily, the installation schedule for new public-use Telecube products experienced delays.
TEN Holdings, a subsidiary responsible for the U.S. Event DX Business, required time to restructure its organization, including its management team. Additionally, the shift in management policy to a roll-up strategy impacted performance, as TEN Holdings focused on IPO preparation to execute this strategy while also working toward the growth of its existing businesses, resulting in results falling short of the plan.

Operating profit turned negative due to the impact of lower-than-expected sales in the domestic Event DX Business, as well as the shortfall in sales at TEN Holdings and the recognition of IPO-related audit and operational costs.

Net income attributable to the parent company’s shareholders differed significantly from the forecast, mainly due to the impairment loss described in “1. Extraordinary Loss (Impairment Loss) and Reversal of Deferred Tax Assets”.