March 31, 2025

Company name: V-cube, Inc.
President & Group CEO: Naoaki Mashita
Tokyo Stock Exchange, Prime Market (stock code: 3681)
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Plan and Progress Toward Compliance with Listing Maintenance Criteria (Market Capitalization of Tradable Shares and Net Assets)

V-cube, Inc. (the "Company") hereby announces that, as of the base date of December 31, 2024, it remains to be non-compliant with the listing maintenance criteria for market capitalization of tradable shares in the Prime Market, as it was on the base date of December 31, 2023. Additionally, the Company has also become non-compliant with the net assets criteria of the listing maintenance criteria and has prepared a plan to achieve compliance with these criteria.

1. Trends in the Company's Compliance with the Listing Maintenance Criteria and the Plan Period

As of December 31, 2024, the Company's compliance with the listing maintenance criteria for the Prime Market is as shown in the table below. The Company does not meet the criteria for market capitalization of tradable shares and net assets.
The Company will take various measures to achieve compliance with the listing maintenance criteria by December 31, 2025.

		Market Capitalization of Tradable Shares	Ratio of Tradable Shares	Average Daily Trading Value	Net Assets
Compliance Status	December 31, 2023	6.79 billion yen	79.8%	157 million yen	630,325 thousand yen
	December 31, 2024	4.68 billion yen	79.4%	63 million yen	△121,804 thousand yen
Listing Maintenance Criteria		10.0 billion yen	35.0%	20 million yen	
Compliance Status		Non-compliant	Compliant	Compliant	Non-compliant
Planning Period		End of Dec. 2025			End of Dec. 2025

(Note 1) The Company's compliance status is calculated based on the distribution of the Company's share certificates, etc., as understood by the Tokyo Stock Exchange as of the base date.
(Note 2) The amount of net assets is calculated based on the consolidated balance sheet, plus reserves or provisions required by law (Article 45-2-1 of the Regulations for Consolidated Financial Statements), less non-controlling interests. The Company is not in a state of insolvency on either a consolidated or non-consolidated basis as of December 31, 2024.

2. Basic Policy on Efforts to Meet Net Assets Criteria

As stated in the press release dated February 13, 2025, titled “Notice Concerning the Estimated Amount of Funds to be Raised through the Listing of Consolidated Subsidiary TEN Holdings, Inc. on NASDAQ”, the Company’s net assets are currently positive as a result of the funds raised through the IPO of its consolidated subsidiary, TEN Holdings, Inc. (“TEN”). The Company will make every effort to maintain positive net assets through the end of December 2025.

3. Implementation and Evaluation of Efforts to Meet the Criteria for Market Capitalization of Tradable Shares (January 2025 - December 2025)

With a basic policy of "improving the stock price," the Company has aimed to avoid downward revisions in the fiscal year ended December 31, 2024, due to delayed business progress and deterioration in earnings balance, to achieve a turnaround from the operating loss in the fiscal year ended December 31, 2023, and to restore confidence by ensuring the achievement of its earnings forecast.
For the fiscal year ending December 31, 2024, the Company initially forecasted consolidated operating income of 500 million yen, aiming to return to profitability. However, consolidated net sales declined year over year, primarily due to the sale of the Professional Work business (disaster countermeasures segment) as part of a portfolio reshuffle that will affect performance in the following fiscal year and beyond, as well as the underperformance of the domestic Event DX Business.
In addition, TEN focused not only on organic growth but also on strategic initiatives for future expansion. These efforts resulted in reduced profitability due to the restructuring of the management team, other organizational changes, and the recognition of IPO-related expenses for the NASDAQ listing. As a result, the Company recorded a consolidated operating loss of 156 million yen.

4. Issues and Actions Taken for Each Item that Does Not Meet the Listing Maintenance Criteria

(1) Market Capitalization of Tradable Shares

The Company continues to view the key challenges as restoring investor confidence through improved profitability and enhancing its stock price based on growth expectations.
On a non-consolidated basis (domestic operations), since the second half of 2023, the Company has been implementing initiatives such as optimizing the outsourcing ratio, improving variable costs, reducing fixed costs, and selectively focusing on internally developed products. These efforts have progressed, leading to the resolution of issues that had significantly impacted the Company’s profit structure. With no segment expected to experience a significant decline in sales due to the reshaping of the business portfolio, the Company has established a system to control contribution margins and optimize fixed costs. It will continue monitoring the earnings structure while striving to achieve profit growth through sales expansion.
At TEN, the organizational structure, including the management team, has been rebuilt, and its listing on NASDAQ has been completed. Going forward, TEN will utilize the funds raised to pursue a roll-up strategy by acquiring other companies in the same industry with stable earnings, in addition to driving growth in its existing businesses.
Regarding the financial outlook for the fiscal year ending December 31, 2025, the Company is currently disclosing only revenue forecasts due to the difficulty in assessing the impact of post-IPO initiatives at TEN. Nevertheless, as noted above, the Company will continue working on initiatives aimed at improving profitability and achieving medium- to long-term growth on both a standalone and consolidated basis.

(2) Net Assets

Due primarily to the full impairment of goodwill related to TEN shares in the fiscal year ended December 31, 2023, as well as impairment losses on software in both the fiscal years ended December 31, 2023 and 2024, the Company’s net assets as of the end of December 2024 decreased significantly. However, as stated in “2. Basic Policy on Efforts to Meet Net Assets Criteria,” the Company’s net assets are currently positive.
The Company will strive to maintain financial soundness and ensure that net assets remain positive through the end of December 2025.