August 13, 2025

Company name: V-cube, Inc.
President & Group CEO: Naoaki Mashita
Tokyo Stock Exchange, Prime Market (stock code: 3681)
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(Progress on Disclosed Matters) Notice Concerning Policy Decision on the Reorganization of U.S. Subsidiary

V-cube, Inc. (the "Company") announces that its consolidated subsidiary, TEN Holdings, Inc. ("TEN"), entered into a stock purchase agreement (the "Agreement") with Lincoln Park Capital Fund, LLC ("LPC") and filed a Form 8-K with the U.S. Securities and Exchange Commission ("SEC") on June 25, 2025 (U.S. time). Form 424b3 has been filed on August 12, 2025 (U.S. time), and the terms of this Agreement will be executed. Details are provided below.

1. Details of the Change

As announced in the "Notice Regarding Decision on Policy for Reorganization of U.S. Subsidiary" dated May 20, 2025, the Company has decided on a policy to exclude TEN from the scope of consolidation.

Currently, TEN is proceeding with fundraising for business expansion, and as part of this, it entered into a Stock Purchase Agreement with LPC, which was disclosed in a Form 8-K with the SEC on June 25, 2025 (U.S. time).

Subsequently, a Registration Statement on Form S-1 ("S-1") was filed and, following the SEC review, the final contents of the S-1 were filed as a Form 424b3 on August 12, 2025 (U.S. time). As a result, stock purchases by LPC are scheduled to commence.

This initial S-1 filing authorizes the issuance of up to 6,117,855 new shares. Even if all these shares are issued, the Company’s voting interest will remain above 50%, meaning TEN will not be deconsolidated at this stage.

However, the Agreement outlines a plan to raise a total of USD 20 million through subsequent S-1 filings. The proceeds are primarily earmarked for developing TEN's next-generation platform and executing a roll-up strategy through M&A of complementary companies. TEN will pursue further growth through this capital raising.

(1)	Number of shares held before the change	22,800,000 shares (Voting rights ownership ratio: 64.93%) ※As of June 30, 2025
(2)	Number of shares held after the change	22,800,000 shares (Voting rights ownership ratio: 55.29%)*

*This is assuming all of 6,117,855 shares are issued.

As the next step, TEN plans to sequentially file a S-1 to issue 7,000,000 or more new shares and execute the Agreement without interruption. Based on NASDAQ listing rules, the issuance of new shares is limited to 19.99% of the total number of issued and outstanding shares. However, issuance exceeding 20% is possible with existing shareholder consent.

Accordingly, depending on the progress of this fundraising, the Company's voting rights ownership ratio in TEN may fluctuate, and there is a possibility that TEN will be excluded from the scope of consolidation. On the other hand, if the purchases do not proceed, TEN will remain a consolidated subsidiary; however, there is no change to our policy of future deconsolidation. Even if this financing alone does not lead to deconsolidation, the Company plans to continue pursuing deconsolidation through other measures.

2. Overview of the Agreement

(1) Commencement Date of Share Purchase

The date on which the registration statement is approved by the SEC and other conditions stipulated in the Agreement are met.

(2) Termination Date of Share Purchase

The first day of the month that is 24 months after the Commencement Date.
If the purchases have not commenced by September 30, 2025, either party may terminate the Agreement.

(3) Total Commitment

Up to USD 20 million.

(4) Share Purchase Conditions

TEN may send a purchase notice to LPC once per business day.
A "Floor Price" of $0.25 is set, meaning the closing price of the common stock on the day of the purchase notice must be $0.25 or higher.

①Regular Purchase

(1)	Purchase Date	If notice is received by 6:00 PM Eastern Time, the date of receipt. If received after 6:00 PM Eastern Time, the next business day.
(2)	Maximum Shares per Purchase	Up to 100,000 shares. The limit increases based on the closing price: 125,000 shares at $1.00 or more, 150,000 shares at $2.00 or more, and 175,000 shares at $3.00 or more.
(3)	Purchase Price	Set at 97% of the lower of two reference prices: Reference Price 1: The lowest trading price during the trading hours on the purchase date Reference Price 2: The average of the three lowest closing prices during the 10 business days preceding the purchase date.

②Accelerated Purchase

TEN may direct an Accelerated Purchase only on a day it has directed a Regular Purchase, if it has directed the maximum number of shares for the corresponding Regular Purchase and has received all shares from all prior purchase notices. TEN must issue the shares within two business days from the purchase date.

(1)	Purchase Date	The business day following the corresponding Regular Purchase date.
(2)	Maximum Shares per Purchase	The lesser of: • 300% of the number of shares directed in the corresponding Regular Purchase. • 30% of the total trading volume in the market during a specific trading period.
(3)	Purchase Price	97% of the lower of the following two prices: • The Volume-Weighted Average Price (VWAP) during a specific trading period*. • The closing price on the purchase date.

* Specific trading period: From the start of trading (9:30 AM) on the purchase date until the earliest of: 1. the close of trading (4:00 PM), 2. reaching the volume cap stipulated in the Agreement, or 3. falling below the minimum price threshold stipulated in the Agreement.

③Additional Accelerated Purchase

TEN may direct an Additional Accelerated Purchase only on the purchase date of an Accelerated Purchase, presupposing that the maximum for a Regular Purchase was directed on the previous day. This is also contingent on LPC having received all shares from all prior purchase notices.

(1)	Purchase Date	The same day as the corresponding Accelerated Purchase. However, if TEN does not receive the notice by 1:00 PM Eastern Time, the purchase date will be the next business day.
(2)	Maximum Shares per Purchase	The lesser of: • 300% of the number of shares directed in the originating Regular Purchase. • 30% of the total trading volume during the specific trading period set for this purchase.
(3)	Purchase Price	97% of the lower of the following two prices: • The VWAP during the trading period that begins after the trading period of the preceding purchase has ended and the shares have been received by LPC. •The closing price on the purchase date.

* Specific trading period: From the time the trading period of the preceding purchase ends and the shares have been received, until the conditions for the end of trading are met.

3. Overview of the Counterparty to the Stock Purchase

(1)	Name	Lincoln Park Capital Fund, LLC
(2)	Address	415 N. LaSalle Drive, Suite 700B, Chicago, IL 60654
(3)	Relationship between the listed company and the fund	No matters to report.

4. Outlook

The Company will promptly announce if any significant events related to this Agreement occur or if the new share issuance is determined by the second S-1.

The Company will also disclose any impact on our earnings forecast as necessary.