August 14, 2025

Company name: V-cube, Inc.
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Tokyo Stock Exchange, Prime Market (stock code: 3681)
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Progress Toward Compliance with Listing Maintenance Criteria (Net Assets)

V-cube, Inc. (the “Company”) hereby announces that, as disclosed in the "Plan and Progress Toward Compliance with Listing Maintenance Criteria (Market Capitalization of Tradable Shares and Net Assets)" released on March 31, 2025, the Company’s net assets were negative as of the end of December 2024. As a result, the Company failed to meet not only the market capitalization criteria but also the net asset criteria required for continued listing on the Prime Market.

Accordingly, the Company hereby provides an update on the progress of the plan toward compliance with the listing maintenance criteria for the first half of the fiscal year ending December 2025, as follows.

1. Basic Policy for Compliance with the Net Asset Criteria

Due to the full impairment loss of goodwill related to shares of TEN in the fiscal year ended December 2023 and the impairment losses on software recorded in both the fiscal years ended December 2023 and December 2024, the Company’s net assets under the criteria as of the end of December 2024 had significantly declined and turned negative. However, following the capital raise through TEN’s IPO (listing on NASDAQ) in February 2025, the net assets returned to a positive level. The Group will strive to maintain positive net assets under the criteria through the end of December 2025.

2. Progress toward Plan Based on the Basic Policy

Reflecting the capital raised through TEN’s IPO in February and the financial results for the first half of the fiscal year ending December 2025, the Company’s net assets as of the end of June 2025 amounted to 1,250 million yen. After deducting non-controlling interests of 141 million yen, the amount of net assets under the criteria stood at 1,109 million yen, remaining in the positive range.

For the first half of the fiscal year ending December 2025, the Company recorded a net loss attributable to parent company shareholders of 634 million yen. However, net income attributable to owners of the parent is projected to be 100 million yen for the full year. While the Company is currently assessing the impact on net assets from the planned deconsolidation of TEN, the Company believes there is a very low probability of a significant reduction. V-cube group will continue its efforts to ensure overall profitability and financial soundness.