VTuber agency VShojo to shut down after most of its streamers quit

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U.S.-based VTuber agency VShojo is shutting down, the CEO announced on social media Thursday. This comes after a mass exodus of talent from the company over reports of unpaid revenue, including money raised for charity.

In a statement posted to X, VShojo CEO Justin "Gunrun" Ignacio says the company is shutting down due to his own mismanagement.

"VShojo has failed," the statement reads in part. "I've mismanaged the company into the situation you're all witnessing."

The controversy first began when one of the VShojo's most popular streamers, Ironmouse, suddenly announced her departure from the company on July 21. In a video posted to her YouTube channel, she stated she was "owed a significant amount of funds," and further mentioned that over $500,000 in donations she had raised for the Immune Deficiency Foundation during a charity livestream had yet to be paid to the organization.

Following Ironmouse's announcement, several streamers who were also under contract with VShojo left the company, with many also stating that they had yet to be paid revenue they had earned.

In the same statement on X, Ignacio says the company failed to generate revenue to keep its doors open. He further states that some of the money used to keep things afloat had come from streamers' revenue but did not mention Ironmouse, nor the Immune Deficiency Foundation by name.

"I acknowledge that some of the money spent by the company was raised in connection with talent activity, which I later learned was intended for a charitable initiative," the statement reads.

That part of the statement is contradicted by previous social media posts, including one where Ignacio himself congratulates Ironmouse on successfully raising the funds during her stream.

Many former streamers have since responded to the Ignacio's statement, taking issue with the fact that there was no communication about just how dire things were for the VShojo.

"VShojo didn't just fail, many staff and leadership failed VShojo," says former VShojo streamer GEEGA in a direct reply. "Instead of using talent money on operating costs, the company should have shut down or at least informed us, but you used us as cash cows to keep things afloat while keeping us in the dark."

As for the Immune Deficiency Foundation, in Ironmouse's original video announcing her departure, she directed viewers to a fundraising link where viewers could donate directly to the nonprofit. At time of reporting, the campaign has raised over $1.3 million. The overwhelming response prompted President and CEO Jorey Berry to post a video, where she thanked Ironmouse personally.

"Even in the midst of challenges, she thought of us before herself," says Berry. "What has been raised in less than 48 hours is surreal... overwhelming in the best possible way."

Ironmouse, who herself has been diagnosed with Common Variable Immune Deficiency, has raised funds for the Immune Deficiency Foundation multiple times in the past, usually donating half of the money she earns during her yearly "sub-a-thon" streams. During her 2024 stream, she briefly became the most subscribed creator on Twitch with 326,252, which set a new record high for the platform at the time.

What is a VTuber?

The term "VTuber' is a portmanteau of "virtual" and "YouTuber." As the term suggests, a VTuber is an online entertainer who, rather than going on camera themselves, uses a virtual avatar. This is typically done using a mix of 2D assets and/or 3D models that are controlled using specialized software, akin to a digital puppet.

The term was first coined in 2016 by YouTuber Kizuna AI, who introduced herself as a "virtual YouTuber." However, the use of virtual avatars for online video dates as far back as 2010.

VTubers surged in popularity during the 2020 COVID-19 pandemic, when many parts of the world were under lockdown. A majority of VTuber agencies are based in Japan, but have since begun establishing branches dedicated to Western audiences.

Some have even collaborated with American companies, such as when VTuber agency Hololive collaborated with the Los Angeles Dodgers in July 2024. A second collaboration with the team occurred July 5.

VShojo, which first debuted November 24, 2020, was one of the first VTuber agencies to be based in the United States, with Ironmouse being one of it's first streamers.

Prior to this latest controversy, the company featured a stable of 14 VTubers across both its US and Japan branches, and was even involved in a joint venture with Universal Music Japan.