



**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending February 28, 2025**  
**(Three Months Ended May 31, 2024)**

July 12, 2024

Company name: VECTOR INC.

Listing: Tokyo Stock Exchange

Securities code: 6058 URL: <https://vectorinc.co.jp/en>

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Scheduled date of filing of Quarterly Report: July 12, 2024 Scheduled date of dividend payment: —

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending February 28, 2025**

**(March 1, 2024–May 31, 2024)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2024	13,877	-6.0	1,374	-2.8	1,394	1.3	549	-23.9
Three months ended May 31, 2023	14,758	12.4	1,414	-4.3	1,377	-7.4	722	-13.6

Note: Comprehensive income: Three months ended May 31, 2024: 235 million yen (down 89.2%)  
Three months ended May 31, 2023: 2,178 million yen (up 94.7%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended May 31, 2024	11.72	—
Three months ended May 31, 2023	15.16	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2024	40,603	18,643	36.6	317.17
As of Feb. 29, 2024	43,621	19,975	37.1	344.64

Reference: Shareholders' equity: As of May 31, 2024: 14,876 million yen  
As of Feb. 29, 2024: 16,168 million yen

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Feb. 29, 2024	—	0.00	—	29.00	29.00
Fiscal year ending Feb. 28, 2025	—	—	—	—	—
Fiscal year ending Feb. 28, 2025 (plan)	—	0.00	—	31.00	31.00

Note: Revision to the most recently announced dividend forecast: None

### 3. Consolidated Forecast for the Fiscal Year Ending February 28, 2025 (March 1, 2024–February 28, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	29,200	2.2	1,982	33.6	1,910	12.5	829	0.7	17.67
Full year	63,000	6.4	8,500	22.5	8,350	21.5	5,000	6.7	106.58

Note: Revision to the most recently announced consolidated forecast: None

#### \* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to the section “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” on page 8 for further information.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of May 31, 2024	46,914,039 shares	As of Feb. 29, 2024	48,176,100 shares
As of May 31, 2024	9,600 shares	As of Feb. 29, 2024	1,262,061 shares
Three month ended May 31, 2024	46,913,204 shares	Three month ended May 31, 2023	47,674,039 shares

2) Number of treasury shares at the end of the period

3) Average number of shares during the period

\* The quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

\* Appropriate use of business forecast and other special items

Forecasts regarding future performance in this material are based on information currently available to VECTOR and incorporate a variety of uncertainties. Actual performance may differ from these forecasts for a number of reasons including changes in internal or external factors affecting business operations. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Consolidated Forecast and Other Forward-Looking Statements” on page 3 of the attachments regarding the forecasts shown in this material.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

Forward-looking statements are based on judgments made by VECTOR as of July 12, 2024.

### (1) Results of Operations

In the three months ended May 31, 2024, the Japanese economy continued its moderate recovery, supported by the resurgence of inbound tourism demand and improvements in the employment and income environments, despite impacts such as inflation due to yen depreciation. Nonetheless, the outlook remains cautious due to the effects of global monetary tightening, concerns about the future of the Chinese economy, and geopolitical tensions in the Middle East, which continue to pose downside risks to overseas economic conditions.

The VECTOR Group is centered around the concept of distributing information in a simple and speedy manner through state-of-the-art communication tools, beginning with strategic public relations (PR) services. We provide these services at more affordable rates than traditional advertising budgets and we cater to a variety of industry sectors. This enables us to establish a revenue base that is less susceptible to the fluctuations of specific industries. As such, we anticipate minimal impact on our performance from deteriorating business conditions, and we expect this trend to continue into the future.

Against this market backdrop, we continue to focus on operating as a “fast company” that is a one-stop source of comprehensive support for marketing strategies with the goal of making people aware of the outstanding products, services, and other attributes of our clients. To accomplish this goal, we have been expanding our services, primarily aimed at the VECTOR Group’s existing clients. Considering the ongoing growth of internet advertising expenditure in Japan’s advertising industry driven by society’s digital transformation, we have strategically expanded our service portfolio through new business developments and mergers and acquisitions, with a particular emphasis on the digital domain.

Additionally, in the Global Top 250 PR Agency Ranking 2024 issued by PProvoke Media, a specialized media for the advertising industry in the United Kingdom, VECTOR achieved the 6th position globally based on corporate performance, maintaining its top spot in Asia.

Despite these efforts, net sales decreased 6.0% year on year to 13,877 million yen, operating profit dipped 2.8% to 1,374 million yen, ordinary profit increased 1.3% to 1,394 million yen, and profit attributable to owners of parent decreased 23.9% to 549 million yen.

Business segment performance is as follows.

#### PR and Advertising

In this business segment, we provide a one-stop communication strategy tailored to each client that includes strategic PR services centered on consulting and is driven by digital marketing using IoT signage via tablets placed in taxis and social networking services.

With the transition toward digitalization as the preferred method for distributing information, our strategic approach as a “fast company” has become even more relevant to the times. Further, our aggressive efforts to expand services through such means as mergers and acquisitions in the digital domain conducted in the previous fiscal year has enabled us to establish a robust framework for providing even more comprehensive support to our clients’ communication strategies. Despite this, sales declined due to factors such as the impact of transferring shares in a subsidiary in the third quarter of the previous fiscal year. In addition, profit was down owing primarily to the loss of large customer projects in some subsidiaries and investments in new businesses.

As a result, segment sales decreased 6.7% to 8,641 million yen and operating profit decreased 24.6% to 908 million yen year on year.

#### Press Release Distribution

PR TIMES, Inc. distributes and posts press releases by using its PR TIMES website as well as many other websites. Utilization of this service has been very high. In May 2024, the number of companies using PR TIMES surpassed 97,000. As a result, quarterly sales rose to an all-time high. Additionally, as initially planned at the beginning of the fiscal year, in the first three months, efforts were made to promote the use of PR TIMES among local companies and investments were made to update its functionality.

Consequently, segment sales increased 19.6% to 1,925 million yen and operating profit grew 41.0% to 484 million yen year on year.

#### Direct Marketing

In Direct Marketing operated primarily by Vitabrid Japan Inc., efforts were made to develop new products. However, in light of changes in consumer sentiment regarding functional food products, sparked by issues related to health damage from red yeast rice supplements reported by other companies recently, we have reduced advertising and promotional investments, considering the efficiency of customer acquisition. Sales decreased due to a temporary increase in cancellations of supplement products and the impact of transferring shares in a subsidiary in the previous third quarter. Profit was also down due mainly to lower sales of supplement products resulting from restrained advertising and promotional investments. Regarding full-year performance, we aim to strengthen sales through aggressive advertising expenses and effective marketing from the second quarter onward.

Segment sales decreased 21.2% year on year to 2,627 million yen and operating profit was down 98.8% to 0 million yen.

## HR

ASHITA-TEAM Co., Ltd. reexamined its sales strategies, strengthened its sales team, and reinforced development aimed at improving functionality, resulting in operating profit of 14 million yen. Moreover, in April 2024, we launched a new service called CATERAS. By leveraging its strengths, namely, a cloud system centered on personnel evaluation and consulting capabilities, we aim to expand our target customer base.

JOBTV, which operates a recruiting platform using video content, continued to incur advertising expenses aimed at increasing the number of registered users, both new graduates and job seekers, and development costs to upgrade functions for the recruitment platform, in order to establish a solid revenue base. In addition, in June 2023, we acquired BUSICONET Inc., which operates a web media business for job seekers, and in March 2024, we acquired FINDAWAY Co., Ltd., which operates recruitment support and recruitment advertising planning. This reduced the operating loss by 111 million yen year on year to 12 million yen.

Segment sales increased 28.4% year on year to 717 million yen and operating profit of 1 million yen was posted, compared with an operating loss of 76 million yen in the first quarter of the previous fiscal year.

## Investment

Despite gains on sales of certain investments, there were valuation losses on certain holdings.

VECTOR also supports companies where it makes investments by supplying public relations and investor relations services and in other ways. As a result, HATCH WORK CO., LTD. successfully listed on the Tokyo Stock Exchange's Growth Market on March 26, 2024.

Segment sales decreased 46.2% year on year to 58 million yen while an operating loss of 18 million yen was recorded, an improvement from the operating loss of 81 million yen in the previous first quarter.

## (2) Financial Position

### Assets

Total assets as of May 31, 2024 decreased 3,017 million yen from the end of the previous fiscal year to 40,603 million yen.

Current assets decreased 3,339 million yen to 29,908 million yen. This was mainly due to decreases of 1,471 million yen in cash and deposits, 1,109 million yen in notes and accounts receivable - trade, and contract assets, 666 million yen in operational investment securities, and 748 million yen in advance payments and accounts receivable - other included in other under current assets, while there was an increase of 624 million yen in merchandise and finished goods.

Non-current assets increased 322 million yen to 10,695 million yen. This was primarily due to increases of 109 million yen in construction in progress, 224 million yen in software, and 97 million yen in deferred tax assets, while there was a decrease of 86 million yen in goodwill.

### Liabilities

Total liabilities as of May 31, 2024 decreased 1,685 million yen from the end of the previous fiscal year to 21,960 million yen.

Current liabilities decreased 794 million yen to 12,879 million yen. This was mainly due to decreases of 797 million yen in Income taxes payable, 307 million yen in accounts payable - trade, and 291 million yen in provision for bonuses, while there were increases of 375 million yen in short-term borrowings and 169 million yen in accrued expenses.

Non-current liabilities decreased 890 million yen to 9,080 million yen. This was primarily due to decreases of 457 million yen in long-term borrowings, 57 million yen in lease liabilities, and 382 million yen in deferred tax liabilities.

### Net assets

Total net assets as of May 31, 2024 decreased 1,331 million yen from the end of the previous fiscal year to 18,643 million yen. This was primarily due to decreases of 2,128 million yen in retained earnings and 538 million yen in valuation difference on available-for-sale securities, while there was a decrease of 1,447 million yen in treasury shares, which contributed to the increase in net assets.

## (3) Consolidated Forecast and Other Forward-Looking Statements

There are no changes to the financial forecasts for the fiscal year ending February 28, 2025, from the projected figures announced on April 12, 2024.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY2/24 As of Feb. 29, 2024	First quarter of FY2/25 As of May 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	15,820	14,348
Notes and accounts receivable-trade, and contract assets	7,314	6,205
Operational investment securities	4,815	4,149
Merchandise and finished goods	1,655	2,280
Costs on service contracts in progress	492	576
Other	3,494	2,717
Allowance for doubtful accounts	(345)	(368)
Total current assets	33,247	29,908
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,074	1,116
Machinery, equipment and vehicles	28	32
Tools, furniture and fixtures	956	960
Leased assets	1,123	1,123
Construction in progress	66	175
Accumulated depreciation	(1,294)	(1,361)
Total property, plant and equipment	1,953	2,047
Intangible assets		
Goodwill	3,633	3,547
Software	480	705
Other	297	211
Total intangible assets	4,411	4,464
Investments and other assets		
Investment securities	1,175	1,167
Deferred tax assets	1,232	1,330
Leasehold and guarantee deposits	770	771
Other	1,848	1,940
Allowance for doubtful accounts	(1,019)	(1,025)
Total investments and other assets	4,008	4,183
Total non-current assets	10,373	10,695
Total assets	43,621	40,603

(Millions of yen)

	FY2/24 As of Feb. 29, 2024	First quarter of FY2/25 As of May 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	2,505	2,198
Accounts payable-other	1,244	1,397
Short-term borrowings	2,038	2,413
Current portion of long-term borrowings	1,961	1,941
Current portion of bonds payable	88	10
Lease obligations	224	226
Income taxes payable	1,673	876
Provision for bonuses	553	261
Provision for shareholder benefit program	20	29
Contract liabilities	1,879	1,824
Provision for point card certificates	—	29
Other	1,484	1,670
<b>Total current liabilities</b>	<b>13,673</b>	<b>12,879</b>
Non-current liabilities		
Long-term borrowings	7,576	7,118
Bonds payable	36	36
Lease obligations	758	701
Deferred tax liabilities	1,178	795
Retirement benefit liability	45	57
Other	377	372
<b>Total non-current liabilities</b>	<b>9,971</b>	<b>9,080</b>
<b>Total liabilities</b>	<b>23,645</b>	<b>21,960</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,038	3,038
Capital surplus	130	—
Retained earnings	11,942	9,814
Treasury shares	(1,447)	—
<b>Total shareholders' equity</b>	<b>13,664</b>	<b>12,853</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,274	1,735
Foreign currency translation adjustment	229	287
<b>Total accumulated other comprehensive income</b>	<b>2,503</b>	<b>2,023</b>
Share acquisition rights	8	8
Non-controlling interests	3,798	3,758
<b>Total net assets</b>	<b>19,975</b>	<b>18,643</b>
<b>Total liabilities and net assets</b>	<b>43,621</b>	<b>40,603</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****Quarterly Consolidated Statement of Income****(For the Three-month Period)**

(Millions of yen)

	First three months of FY2/24 Mar. 1, 2023–May 31, 2023	First three months of FY2/25 Mar. 1, 2024–May 31, 2024
Net sales	14,758	13,877
Cost of sales	5,749	5,055
Gross profit	9,008	8,821
Selling, general and administrative expenses	7,594	7,446
Operating profit	1,414	1,374
Non-operating income		
Interest and dividend income	2	2
Gain on investments in investment partnerships	0	79
Share of profit of entities accounted for using equity method	7	8
Other	12	10
Total non-operating income	22	100
Non-operating expenses		
Interest expenses	23	35
Foreign exchange losses	22	9
Loss on investments in investment partnerships	12	20
Other	1	16
Total non-operating expenses	60	80
Ordinary income	1,377	1,394
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	—	4
Gain on reversal of share acquisition rights	1	0
Total extraordinary income	1	4
Extraordinary losses		
Loss on sale of non-current assets	—	0
Loss on retirement of non-current assets	0	4
Total extraordinary losses	0	4
Profit before income taxes	1,378	1,394
Income taxes	514	677
Profit	864	716
Profit attributable to non-controlling interests	141	167
Profit attributable to owners of parent	722	549



**Quarterly Consolidated Statement of Comprehensive Income**  
**(For the Three-month Period)**

(Millions of yen)

	First three months of FY2/24 Mar. 1, 2023–May 31, 2023	First three months of FY2/25 Mar. 1, 2024–May 31, 2024
Profit	864	716
Other comprehensive income		
Foreign currency translation adjustment	16	51
Valuation difference on available-for-sale securities	1,295	(540)
Share of other comprehensive income of entities accounted for using equity method	2	7
Total other comprehensive income	1,314	(481)
Comprehensive income	2,178	235
Comprehensive income attributable to:		
Owners of parent	1,964	68
Non-controlling interests	214	166

### (3) Notes to Quarterly Consolidated Financial Statements

#### Going Concern Assumption

Not applicable.

#### Significant Changes in Shareholders' Equity

As of March 29, 2024, pursuant to a resolution adopted at the Board of Directors meeting held on March 15, 2024, VECTOR cancelled 1,262,061 treasury shares. As a result, in the first quarter, capital surplus, retained earnings, and treasury shares decreased by 321 million yen, 1,126 million yen, and 1,447 million yen, respectively.

In addition, due to the cancellation of treasury shares, the balance of capital surplus has turned negative. Therefore, we have set capital surplus to zero and reduced the corresponding negative amount from retained earnings.

As a result, retained earnings amounted to 9,814 million yen, and treasury shares became 0 yen at the end of the first quarter.

#### Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

The tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the fiscal year, including the first quarter, and multiplying that rate by the quarterly profit before income taxes.

However, if the tax expense calculated by using the estimated effective tax rate differs significantly from a reasonable amount of taxes, the statutory effective tax rate is used instead after adjustments for significant differences that are not temporary differences involving quarterly net profit.

#### Segment and Other Information

##### Segment information

1. First three months of FY2/24 (Mar. 1, 2023–May 31, 2023)

(1) Information related to net sales and profit or loss for each reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment			
Net sales								
Revenue from contracts with customers	9,204	1,577	3,311	556	—	14,648	—	14,648
Other revenue	—	—	—	—	109	109	—	109
External sales	9,204	1,577	3,311	556	109	14,758	—	14,758
Inter-segment sales and transfers	57	31	22	2	—	113	(113)	—
Total	9,261	1,608	3,333	558	109	14,872	(113)	14,758
Segment profit (loss)	1,205	343	23	(76)	(81)	1,415	(0)	1,414

Notes: 1. The minus 0 million yen adjustment to segment profit (loss) is the elimination of intersegment transactions.

2. Segment profit (loss) is adjusted to be consistent with operating profit in the quarterly consolidated statement of income.

(2) Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses involving non-current assets

Not applicable.

Significant change in goodwill

In addition, starting from the first quarter of the current fiscal year, Tryhatch, Inc. has been included in the scope of consolidation within the Press Relations and Advertising segment. This acquisition resulted in goodwill of 233 million yen.

Moreover, starting from the first quarter of the current fiscal year, glucose Inc. has been included in the scope of consolidation within the Press Release Distribution segment. This acquisition resulted in goodwill of 154 million yen.

Significant gain on bargain purchase

Not applicable.

2. First three months of FY2/25 (Mar. 1, 2024 – May 31, 2024)

(1) Information related to net sales and profit or loss for each reportable segment and breakdown of revenue

(Millions of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment			
Net sales								
Revenue from contracts with customers	8,595	1,892	2,615	714	—	13,818	—	13,818
Other revenue	—	—	—	—	58	58	—	58
External sales	8,595	1,892	2,615	714	58	13,877	—	13,877
Inter-segment sales and transfers	45	32	11	2	—	92	(92)	—
Total	8,641	1,925	2,627	717	58	13,969	(92)	13,877
Segment profit (loss)	908	484	0	1	(18)	1,376	(1)	1,374

Notes: 1. The minus 1 million yen adjustment to segment profit (loss) is the elimination of intersegment transactions totaling minus 1 million yen.

2. Segment profit (loss) is adjusted to be consistent with operating profit in the quarterly consolidated statement of income.

(2) Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

Significant impairment losses involving non-current assets

Not applicable.

Significant change in goodwill

Starting from the first quarter, FINDAWAY Co., Ltd. has been included in the scope of consolidation within the HR segment.

This acquisition resulted in goodwill of 102 million yen.

Significant gain on bargain purchase

Not applicable.

### Subsequent Events

Not applicable.