

VECTOR INC.

Financial Results - 1Q FY '25



July 12, 2024

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Quarterly Results

Consolidated Performance Summary

Net Sales

13,870 million JPY
(94.0% YoY)

Gross Profit

8,820 million JPY
(97.9% YoY)

EBITDA*

1,650 million JPY
(103.7% YoY)

Operating Profit

1,370 million JPY
(97.2% YoY)

Ordinary Income

1,390 million JPY
(101.3% YoY)

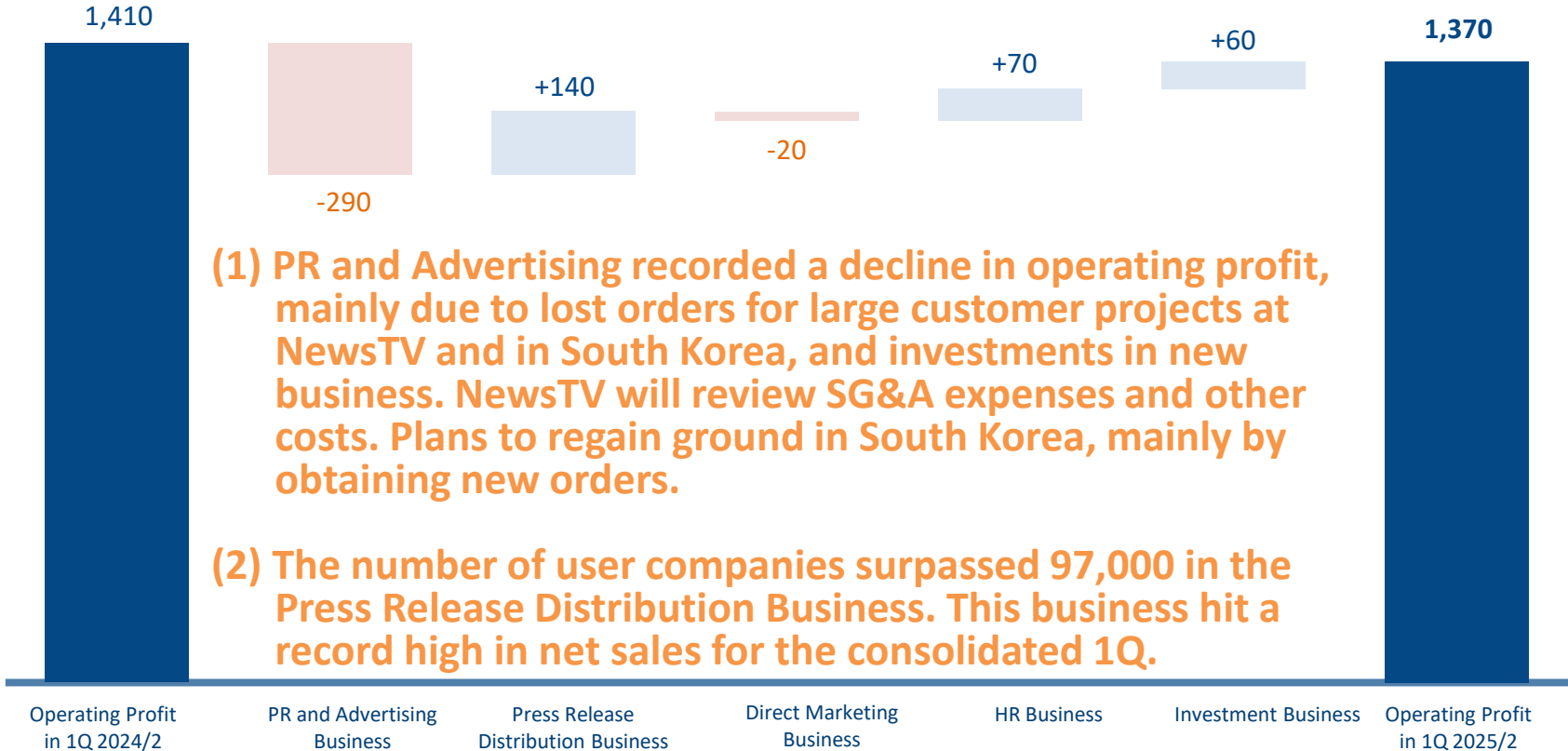
Profit
Attributable to
Owners of Parent

540 million JPY
(76.1% YoY)

* EBITDA = Operating profit + Depreciation + Amortization of goodwill

Operating Profit (YoY Trend)

(million JPY)



(1) PR and Advertising recorded a decline in operating profit, mainly due to lost orders for large customer projects at NewsTV and in South Korea, and investments in new business. NewsTV will review SG&A expenses and other costs. Plans to regain ground in South Korea, mainly by obtaining new orders.

(2) The number of user companies surpassed 97,000 in the Press Release Distribution Business. This business hit a record high in net sales for the consolidated 1Q.

Overview of Results for 1Q FY '25

Consolidated Performance

Net Sales
13,870 million JPY
(94.0% YoY)

Operating Profit
1,370 million JPY
(97.2% YoY)

- ### Business Overview for 1Q FY '25
- Sales decreased despite strong performance of the PR Business in Japan, in part due to the impact from the sale of SIGNAL, Inc., Direct Tech, Inc., and other subsidiaries in the previous fiscal year
 - The PR and Advertising Business saw a decline in operating profit, mainly due to lost orders for large customer projects at NewsTV and in South Korea, and to investments in new business

PR and Advertising

8,640 million JPY
(93.3% YoY)

900 million JPY
(75.4% YoY)

- Sales decreased despite strong performance of the PR Business in Japan, in part due to the impact from the sale of SIGNAL, Inc. and other subsidiaries in the previous fiscal year
- Operating profit declined, mainly due to the loss of large customer projects at NewsTV and in South Korea, and investment in new business

Press Releases (PR TIMES)

1,920 million JPY
(119.6% YoY)

480 million JPY
(141.0% YoY)

- **Achieved record-high quarterly net sales**
- Number of user companies surpassed 97,000
- Invested advertising expenses in promoting use of PR TIMES by local companies

Overview of Results for 1Q FY '25

Direct Marketing

2,620 million JPY
(78.8% YoY)

0.0 million JPY
(Down 20 million JPY YoY)

- Business Overview for 1Q FY '25
- The impact from problems with the raw material, red yeast rice, at another company resulted in a decline in sales and profit for supplements
 - Investment in advertising expenses was reduced, keeping operating profit in the black
 - Strengthened activities to expand sales of new merchandise other than supplements

HR

710 million JPY
(128.4% YoY)

0.0 million JPY
(Up 70 million JPY YoY)

- ASHITA-TEAM **secured a profit** despite investing in advertising and strengthening functionality while revising sales strategies
- Efforts to strengthen the earnings foundation for JOBTV progressed steadily

Investment

50 million JPY
(53.8% YoY)

(10) million JPY
(Up 60 million JPY YoY)

- Despite the partial sale of shares held, an operating loss was posted due to
- Invested aggressively in promising startups

Progress toward Full-Year Financial Forecasts

Full-Year Financial Forecast for FY '25 (million JPY)	FY '25 (Targets)	FY '25 1Q-end	Progress	FY '25 1H Target	FY '25 2H Target
Net Sales	63,000	13,877	22.0%	29,200	33,800
Operating Profit	8,500	1,374	16.2%	1,982	6,518
Ordinary Income	8,350	1,394	16.7%	1,910	6,440
Profit attributable to owners of parent	5,000	549	11.0%	829	4,171

In 1Q FY2025, net sales fell slightly short of the target, mainly due to the loss of large customer orders at NewsTV and in South Korea in the PR and Advertising Business, and to the impact on the Direct Marketing Business from the problems with the raw material, red yeast rice, at other company. Despite this, results are expected to be generally in line with the target for the 1H.

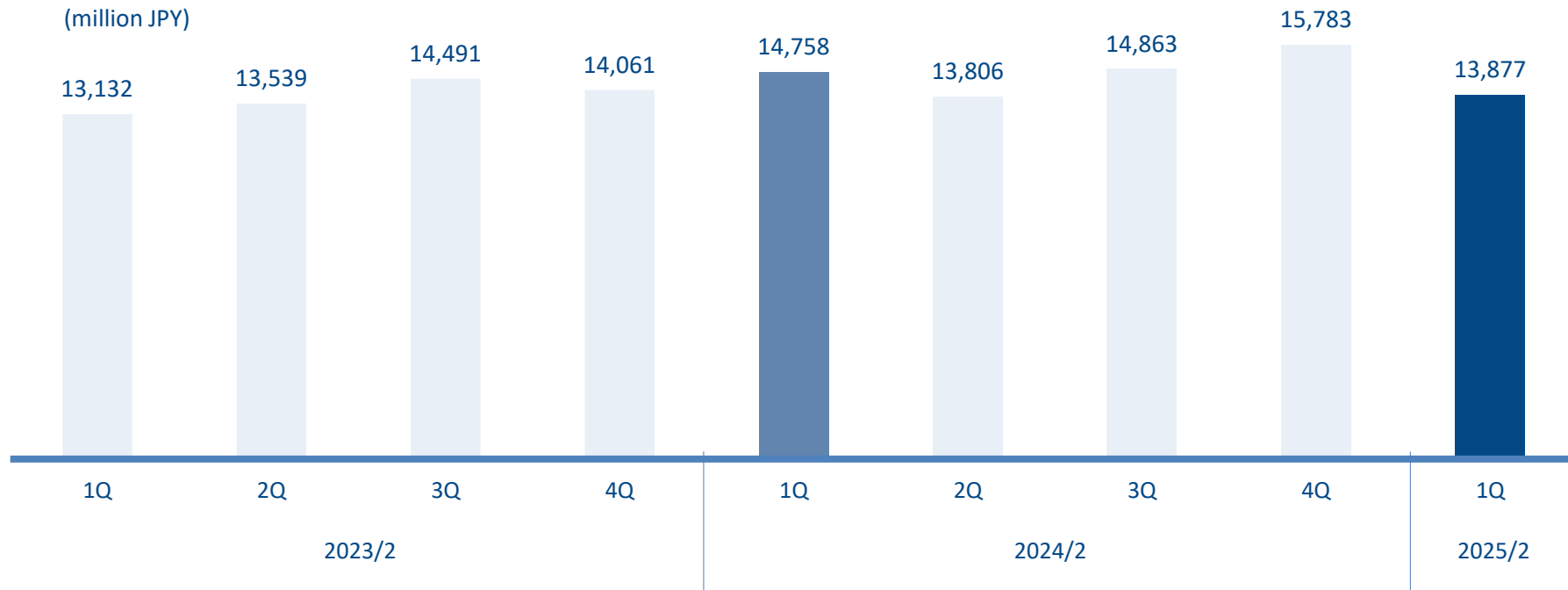
Progress toward Profit Plan by Segment

	Profit Plan by Segment (million JPY)	FY '25 (Targets)	FY '25 1Q-end	Progress
Operating Profit	Consolidated	8,500	1,374	16.2%
	PR and Advertising	4,132	908	22.0%
	Press Releases	1,900	484	25.5%
	Direct Marketing	1,233	0	—
	HR	635	1	—
	Investment	600	(18)	—

The mainstay PR and Advertising and Press Releases businesses have made a good start and are expected to continue to drive performance. Direct Marketing intends to focus on efficiency in advertising investment. HR and Investment are performing mostly as planned.

Consolidated Net Sales

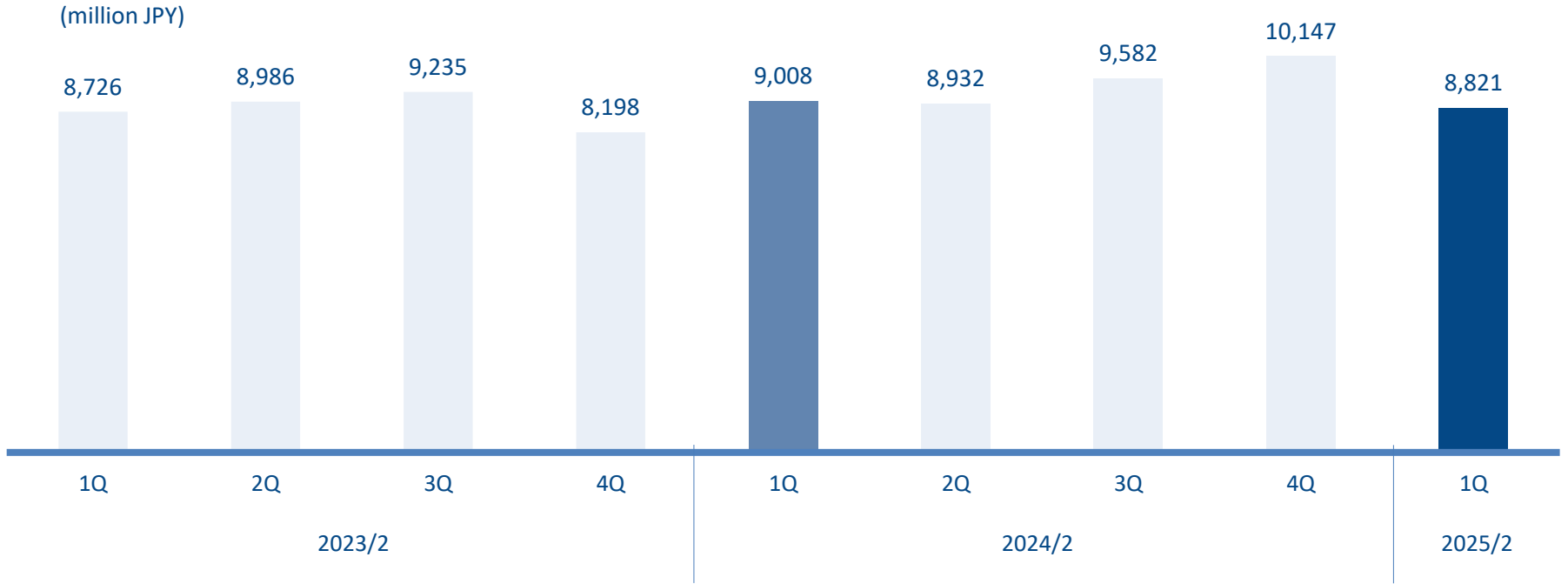
Consolidated net sales for 1Q FY2025 came in at **13,877** million JPY (94.0% YoY).



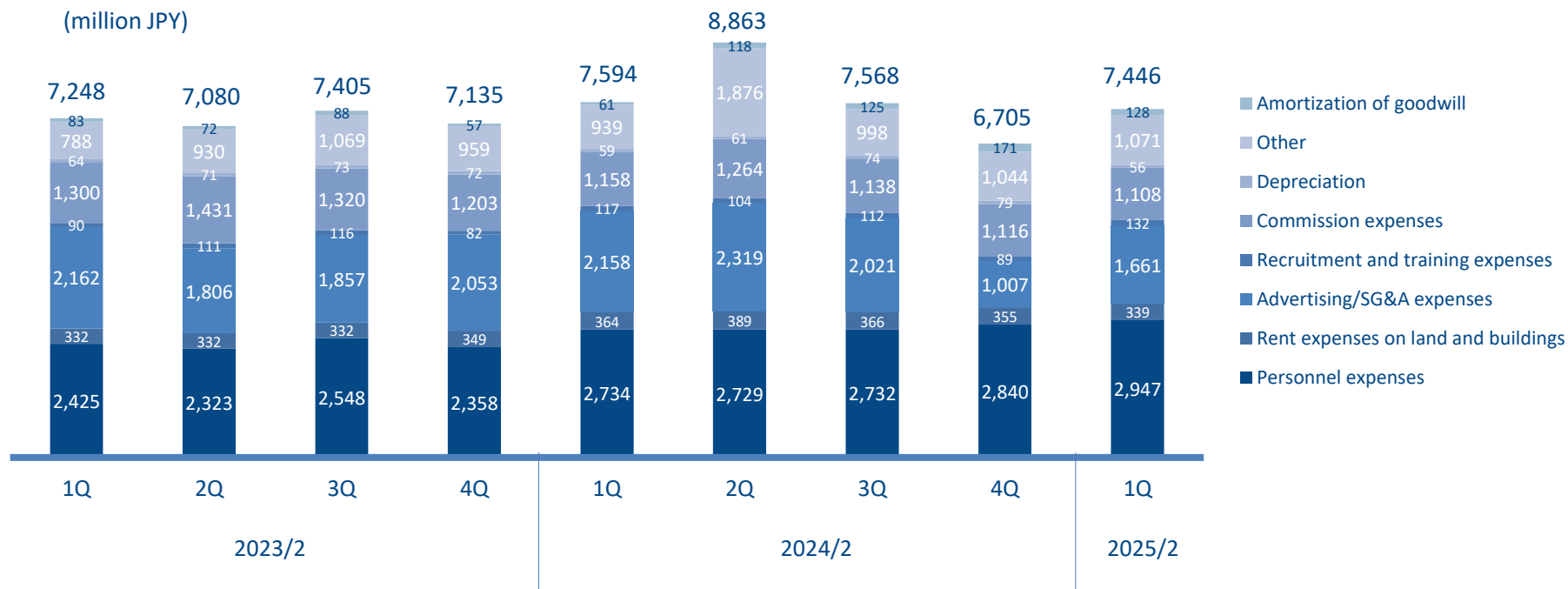
Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

Consolidated Gross Profit

Consolidated gross profit for 1Q FY2025 came in at **8,821** million JPY (**97.9%** YoY).

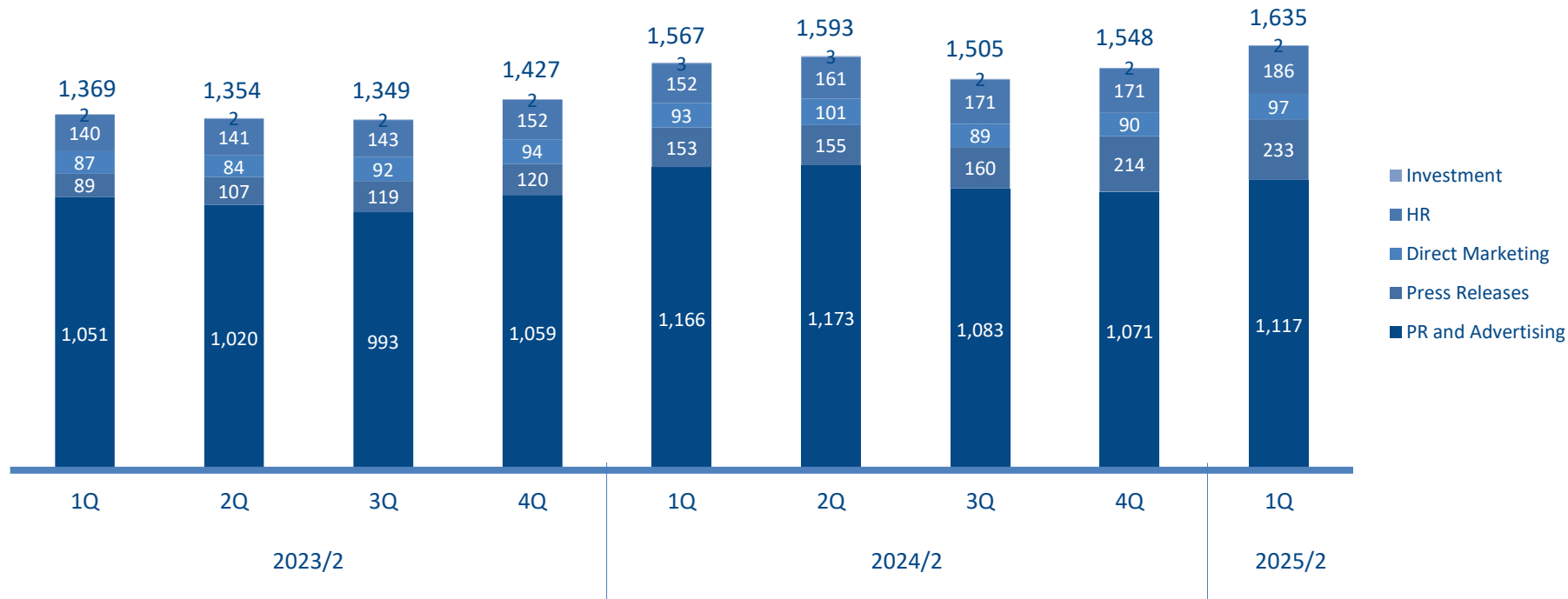


SG&A for 1Q FY2025 amounted to **7,446** million JPY (98.1% YoY) due to an increase in personnel and other expenses and a decrease in advertising/promotion expenses.



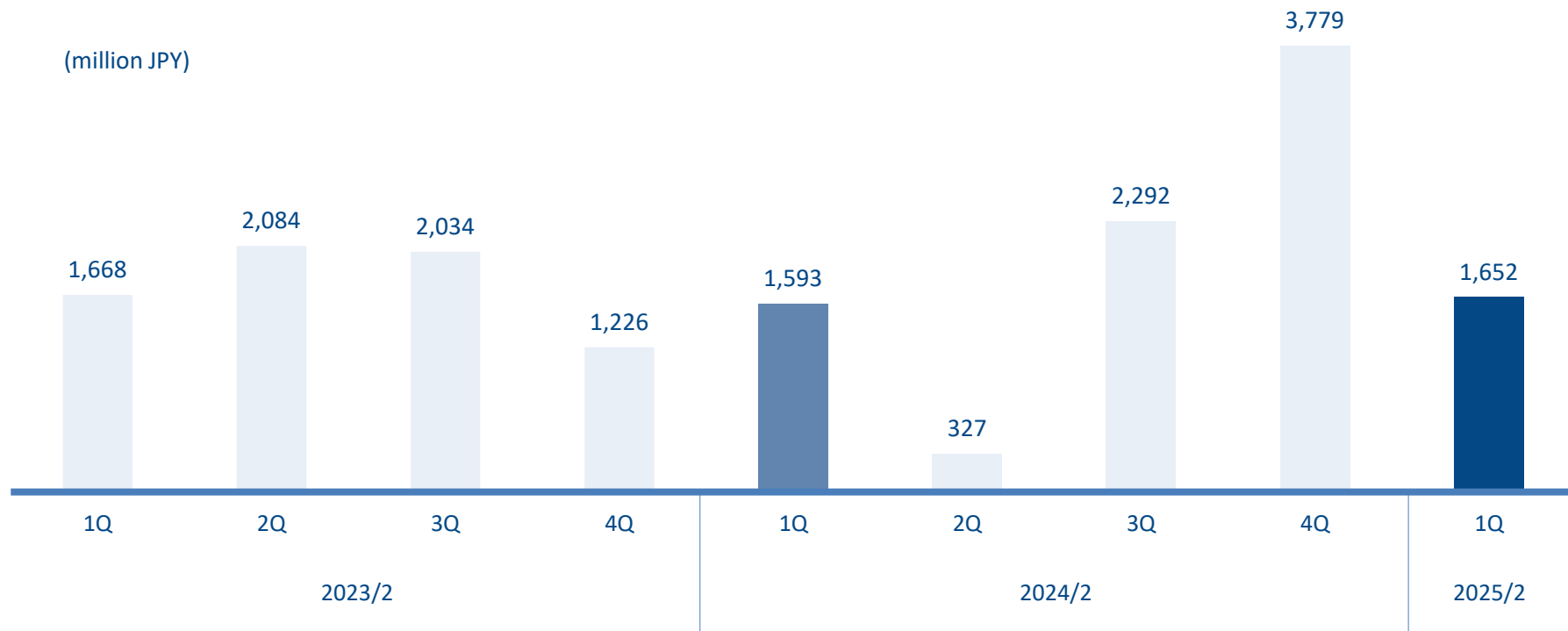
Consolidated Number of Employees (Quarterly Trend)

The consolidated number of employees as of the end of 1Q FY2025 is **1,635**, an overall increase, mainly from new graduates joining the company.



EBITDA*

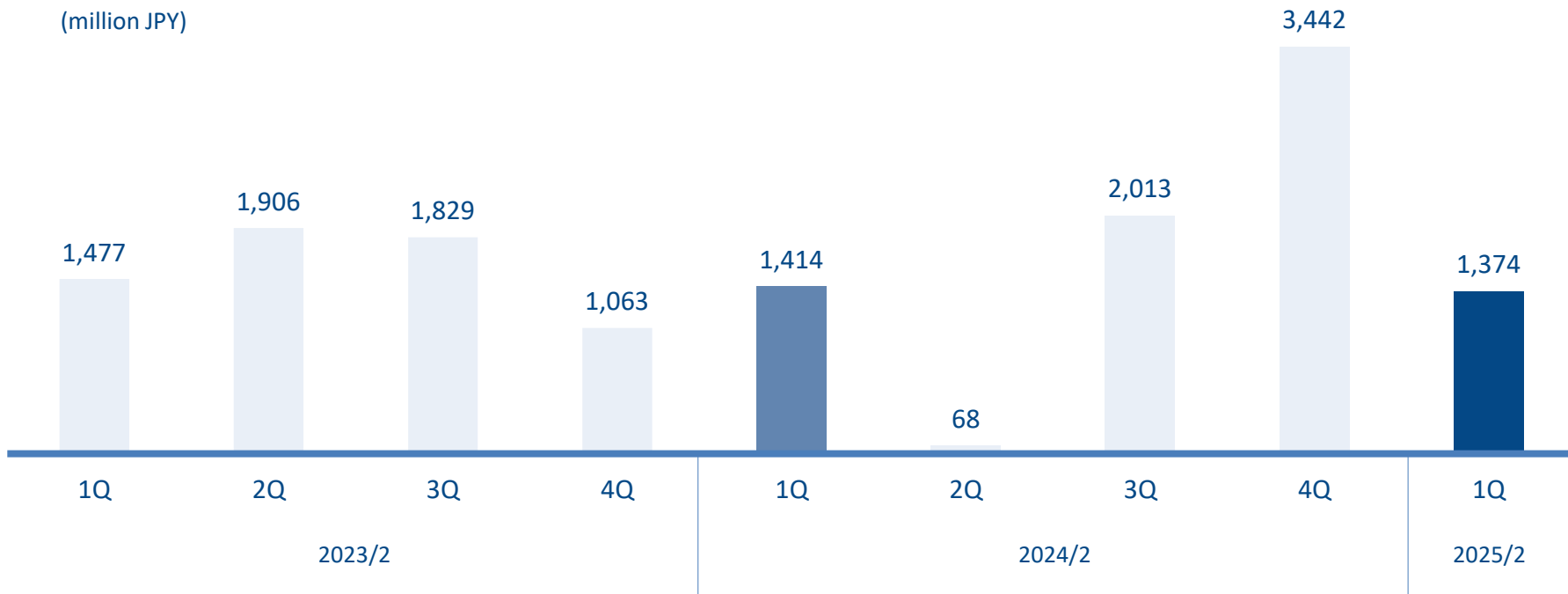
EBITDA for 1Q FY2025 came in at **1,652** million JPY (**103.7%** YoY).



* EBITDA = Operating profit + Depreciation + Amortization of goodwill

Consolidated Operating Profit

Consolidated operating profit for 1Q FY2025 came in at **1,374** million JPY (97.2% YoY).

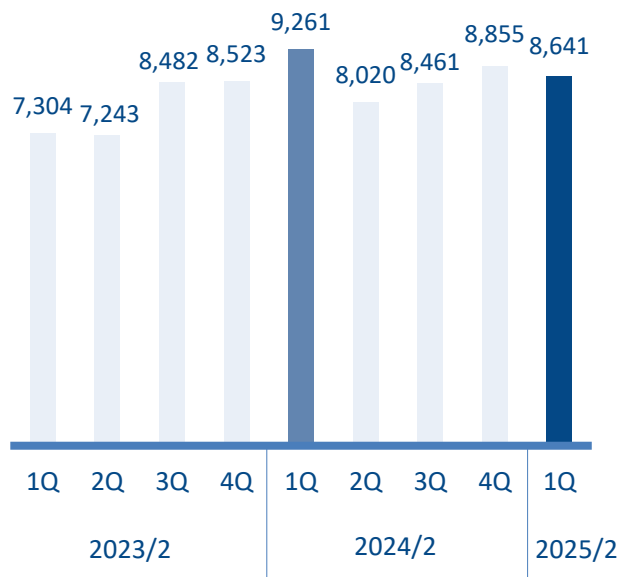


PR and Advertising Business

Sales for 1Q FY2025 declined due to the impact from the sale of subsidiaries in the previous fiscal year. Profit also declined, owing to the loss of large customer projects at NewsTV and in South Korea, and investment in new business. From 2Q onward, NewsTV will review SG&A and other costs while expanding its strong strategic PR. Plans to regain ground in South Korea, mainly by obtaining new orders.

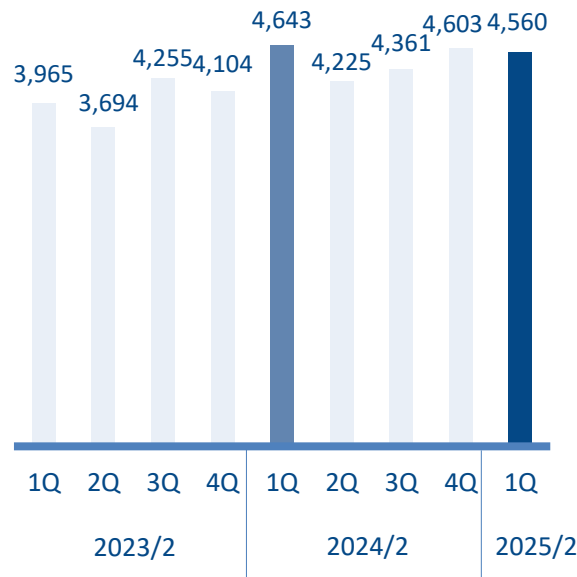
Net Sales (million JPY)

8,641 million JPY (93.3% YoY)



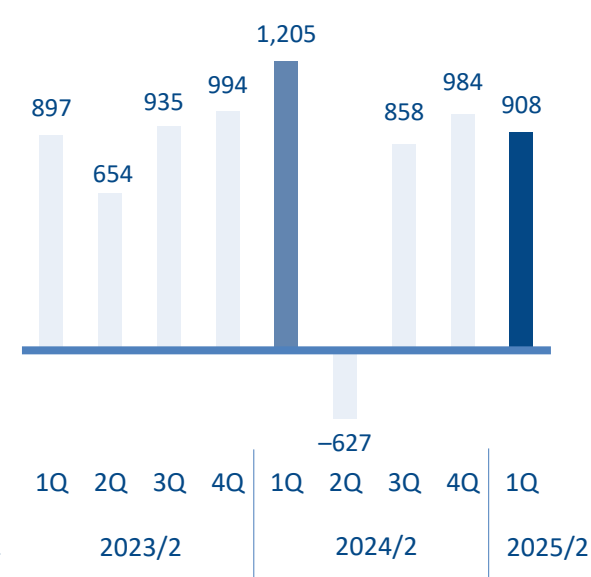
Gross Profit (million JPY)

4,560 million JPY (98.2% YoY)



Operating Profit/Loss (million JPY)

908 million JPY (75.4% YoY)



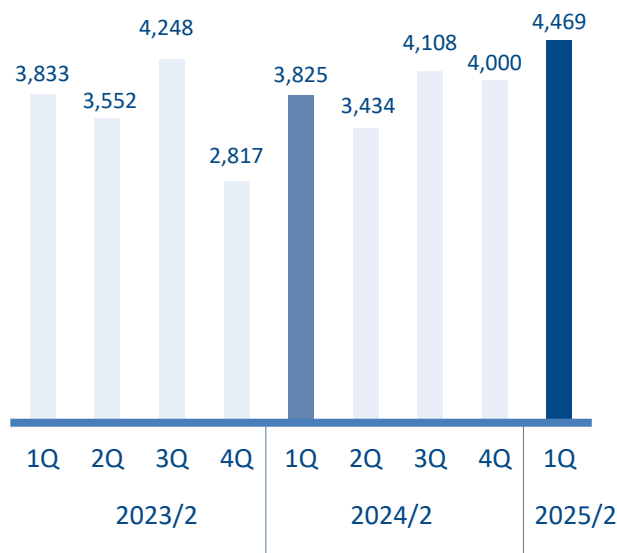
Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

Strategic PR Business (ANTIL, PLATINUM, INITIAL)

In 1Q FY2025, the business demonstrated firm growth from promoting a stable retainer base and cross-selling, which led to growth in both sales and profit. It recorded a record high in quarterly performance. From 2Q onward, we will boost performance by increasing the number of retainer agreements and proposing communication strategies based on strategic PR.

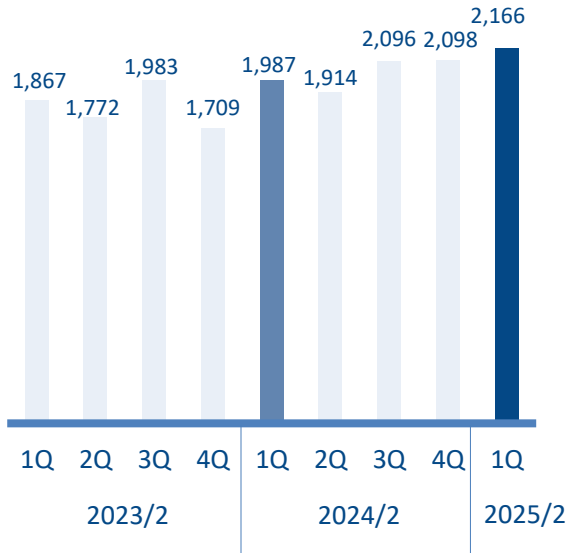
Net Sales (million JPY)

4,469 million JPY (116.8% YoY)



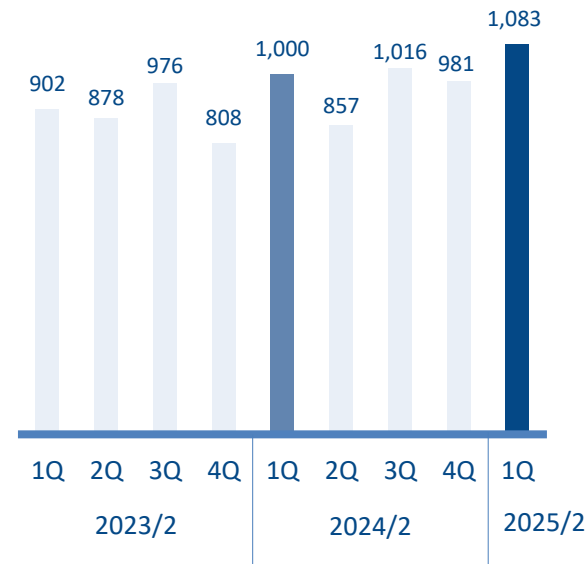
Gross Profit (million JPY)

2,166 million JPY (109.0% YoY)



Operating Profit (million JPY)

1,083 million JPY (108.3% YoY)



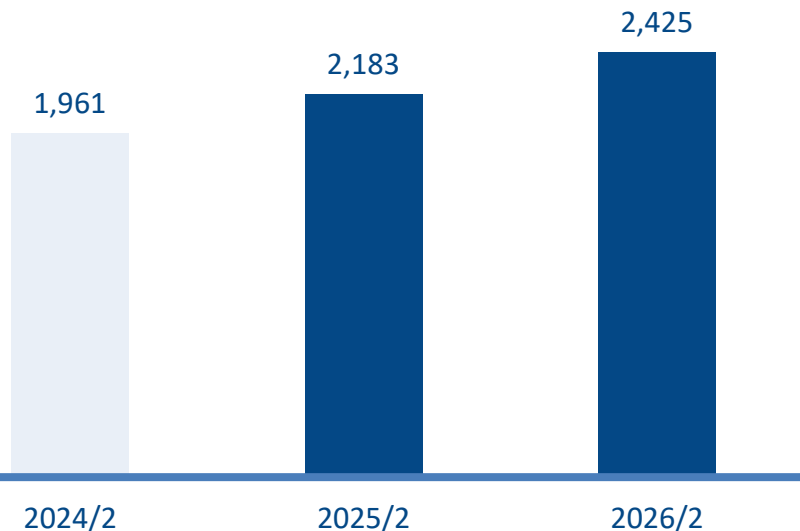
Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.

2. Royalties paid to VECTOR are added back to operating profit for calculation.

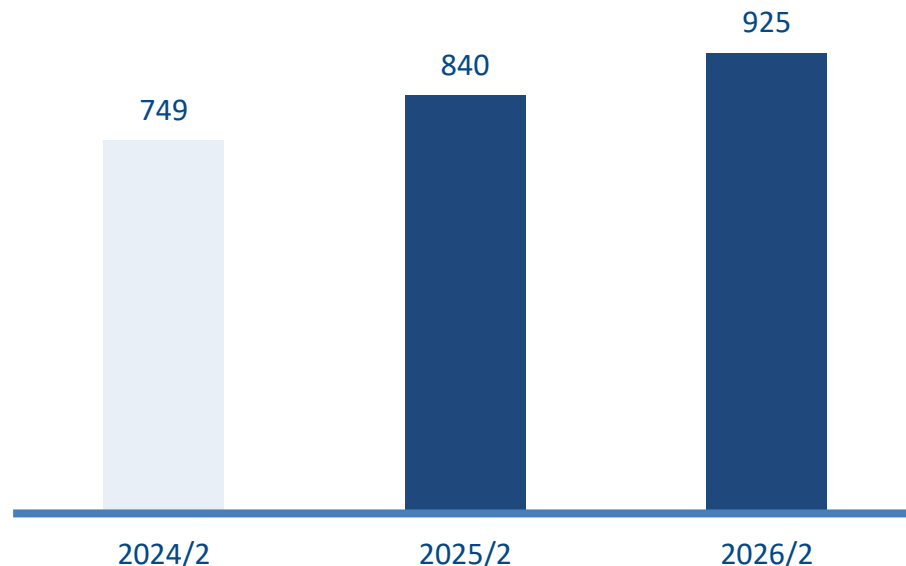
Numerical Targets for Project and PR Retainer Agreement Acquisition

We aim to achieve growth in performance by steadily building on KPIs.

Number of projects*¹ (strategic PR subsidiaries only)



Number of retainer agreements*² (strategic PR subsidiaries only)



*¹ Number of projects: All projects, including spot projects in addition to PR retainer agreements.

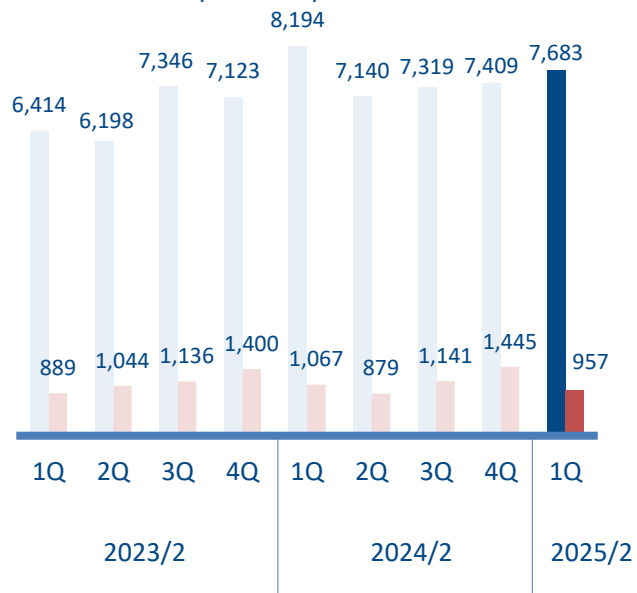
*² Retainer agreement: An agreement with a term of three or six months with monthly fees.

PR and Advertising Business (By Region: Japan/Overseas)

In 1Q FY2025, profit declined due to the loss of large customers orders at NewsTV and in South Korea, despite continued reduction in fixed costs, mainly overseas. From 2Q onward, we will review SG&A expenses and other costs at NewsTV while expanding strong-performing business. Plans to regain ground in South Korea, mainly by obtaining new orders.

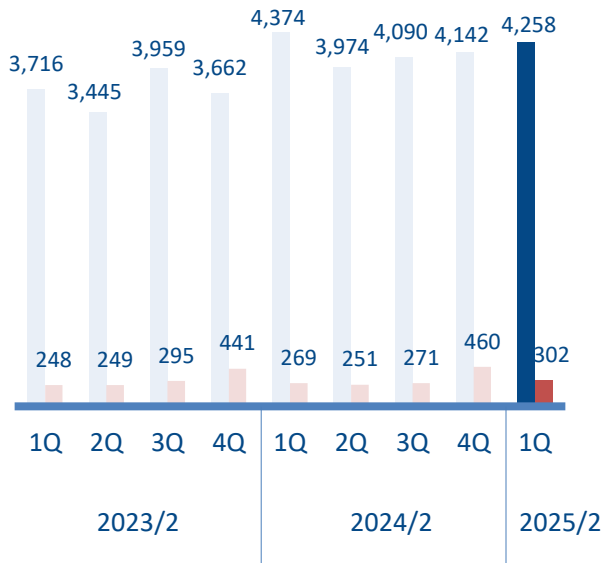
Net Sales (million JPY)

7,683 million JPY (Japan) /
957 million JPY (overseas)



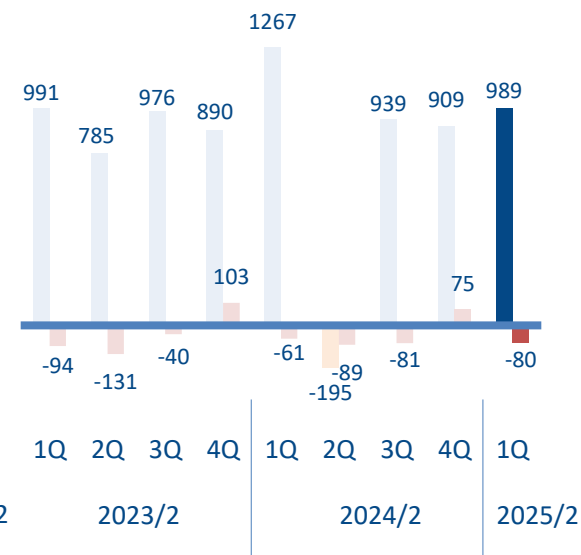
Gross Profit (million JPY)

4,258 million JPY (Japan) /
302 million JPY (overseas)



Operating Profit (Loss) (million JPY)

989 million JPY (Japan) / -80 million JPY (overseas)

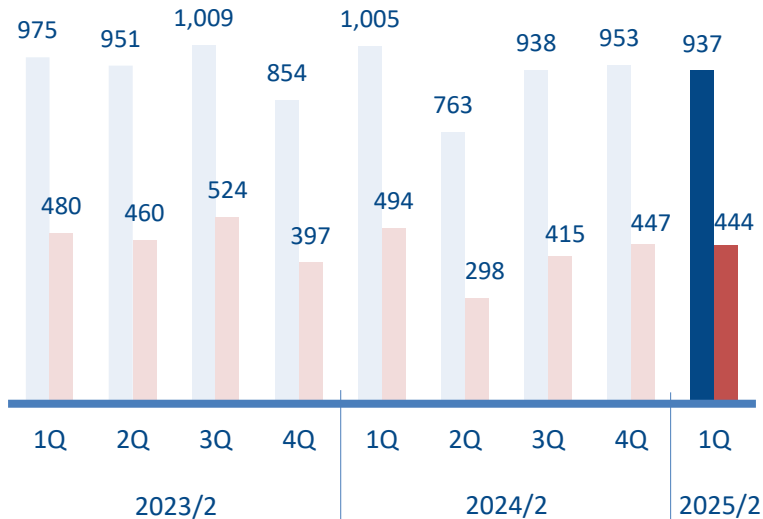


Taxi Signage

1Q FY2025 saw a decline in both sales and profit due to a change in ad placement sentiment by customers. From 2Q onward, we will strengthen the earnings base by capturing customer ad placement needs and through efforts to increase sales per customer.

Net Sales: 937 million JPY (93.3% YoY)

Gross Profit: 444 million JPY (90.0% YoY)



Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.



GROWTHのオリジナル情報番組「HEADLIGHT」を週替わりで放映。日々の行動が変わる、幅広い情報をお届けします。

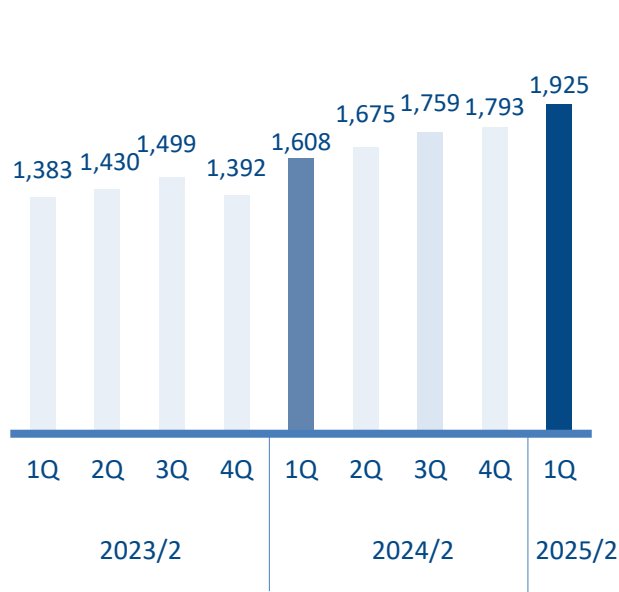
Digital signage has been installed for rear seat passengers in approx. 11,500 vehicles, the largest scale of taxi signage advertising in Tokyo. Roughly 40% of Tokyo's taxi users, who mainly consist of business people, have been covered, with video advertisements and media content reaching around 7.7 million people.

Press Release Distribution Business

In 1Q FY2025, the number of user companies and press release distributions increased, resulting in **record-high** quarterly net sales. From 2Q, we will aim for increased sales and profit despite investing toward a large-scale renewal of PR TIMES and the promotion of its use.

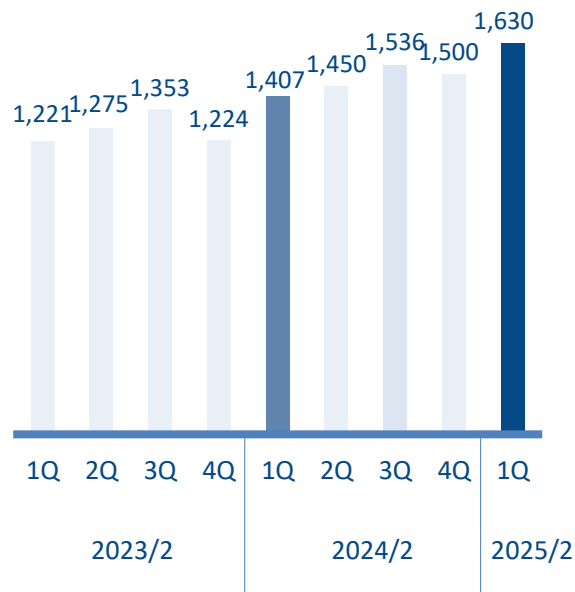
Net Sales (million JPY)

1,925 million JPY (**119.6%** YoY)



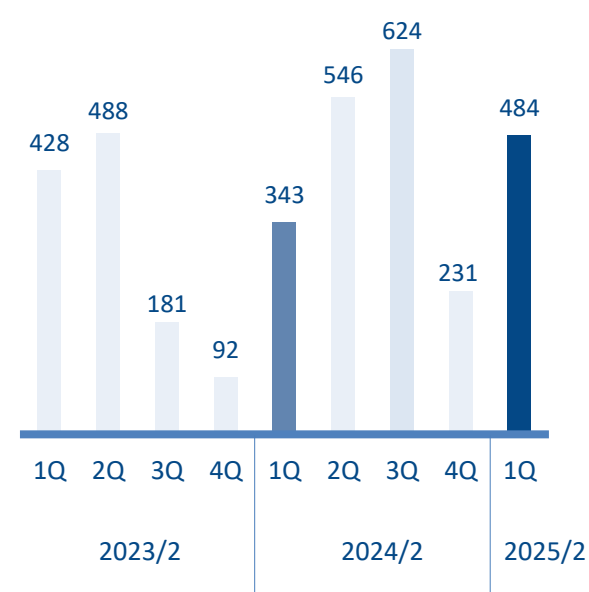
Gross Profit (million JPY)

1,630 million JPY (**115.8%** YoY)



Operating Profit (million JPY)

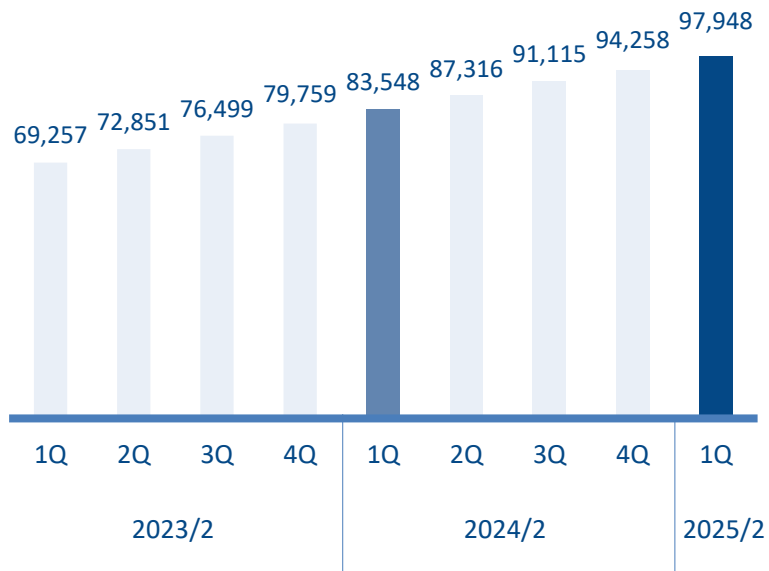
484 million JPY (**141.0%** YoY)



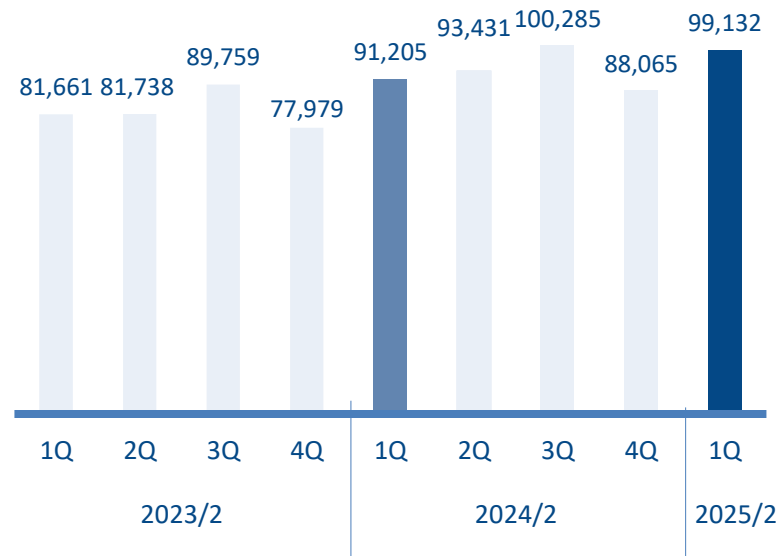
Number of User Companies and Press Release Distributions

In 1Q FY2025, the number of user companies and press release distributions increased significantly year on year. From 2Q, we will increase the number of distributions by continuing to improve the number of user companies and the usage frequency.

Number of user companies: 97,948 (117.2% YoY)



Number of press release distributions: 99,132 (108.6% YoY)



Trend in Number of User Companies and Percentage of Listed User Companies

Japan's No. 1 press release distribution platform PR TIMES

More than 97,000 user companies, used by 58% of listed companies

PR TIMES TSE Prime Market

PR TIMES プレスリリース・ニュースリリース配信サービス PR TIMES PR TIMESの読み 料金プラン ご登録 お問い合わせ

国内シェア **No.1** 上場企業の **58%** が利用

なぜPR TIMESが選ばれるのか?

PR TIMESは2007年にサービス開始し、わずか数年で最もプレスリリースが掲載されるサービスに成長しています。

いま、企業の広報やマーケティングを取り巻く環境は大きく変化し、ますます複雑化しています。マスメディアの影響力低下、デジタルメディアの進化、スマートフォンの普及、生活者による様々なSNSの活用拡大、情報発信力の飛躍的な向上など、このような劇的な環境変化の中、PR TIMESは、新たなマーケティングツールとして進化しています。

主なパブリシティ実績



事例

<p>チーム後も新しい仕掛けで働き続けたい。「面白い企画」を精々と実現し、商品のロングセラー化を狙う湖池屋</p>	<p>素敵な情報なのに世に出せない。埋もれていた情報を表に出し、従来比2~3倍のニュースを届けるパナソニック</p>	<p>ケースに応じさまざまな手法を工夫。興の高い情報発信で、スイーツの魅力を支える銀座コーゼーコーナー</p>	<p>ブランドを「守る」より「広める」ことを重視。次代のファン創出を図る高級ブランド「アストンマーティン」</p>
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Aug. 29, 2018
Moved to 1st section, TSE

Published in more than 200 publications!



Number of user companies
97,000
May 2024

94,000
Feb. 2024

79,000
Feb. 2023

65,000
Feb. 2022

28,000
Feb. 2019



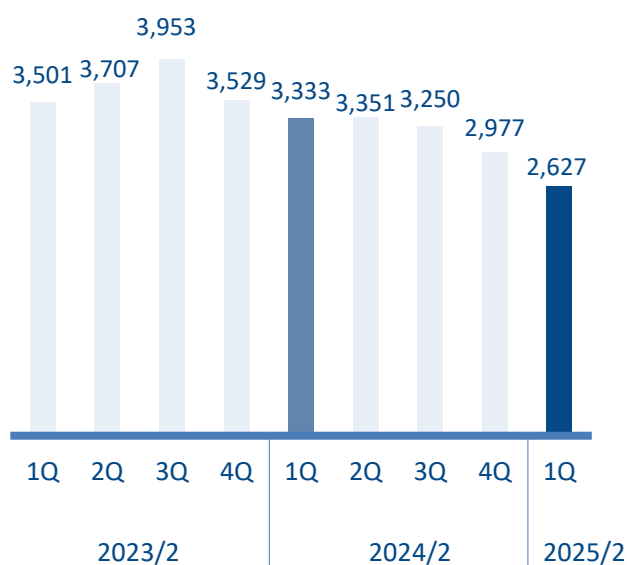
Direct Marketing Business

In 1Q FY2025, supplements saw a decrease in the number of units sold due to problems with the raw material, red yeast rice, at another company. Both sales and profit declined despite reduced investment in advertising.

From 2Q onward, we will aim to expand sales by accelerating advertising investment in products where advertising is highly efficient, while keeping an eye on market sentiment and controlling advertising investment accordingly.

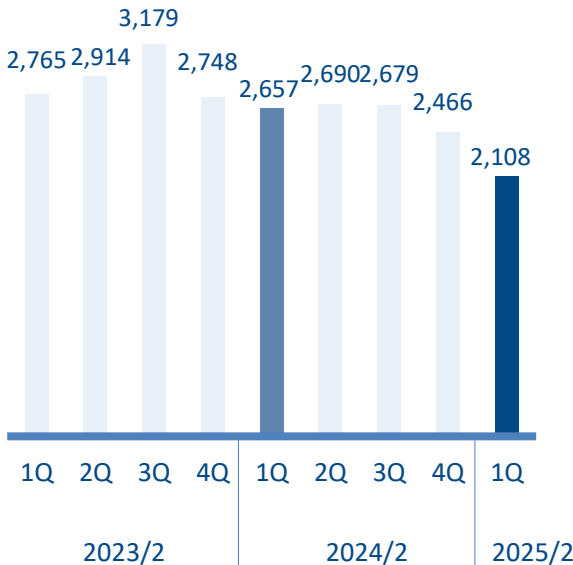
Net Sales (million JPY)

2,627 million JPY (78.8% YoY)



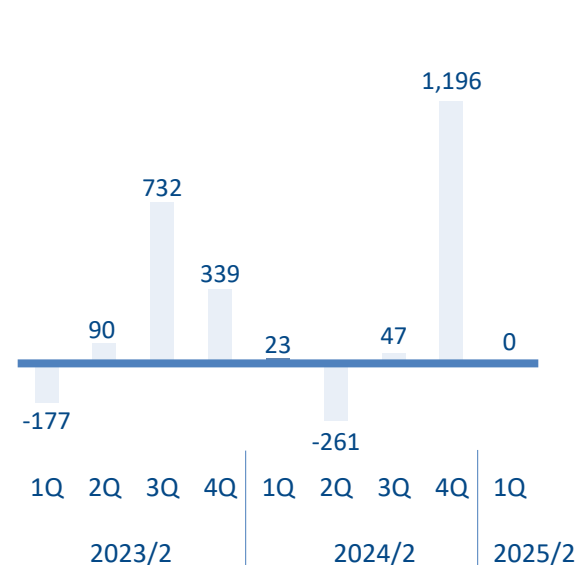
Gross Profit (million JPY)

2,108 million JPY (79.3% YoY)



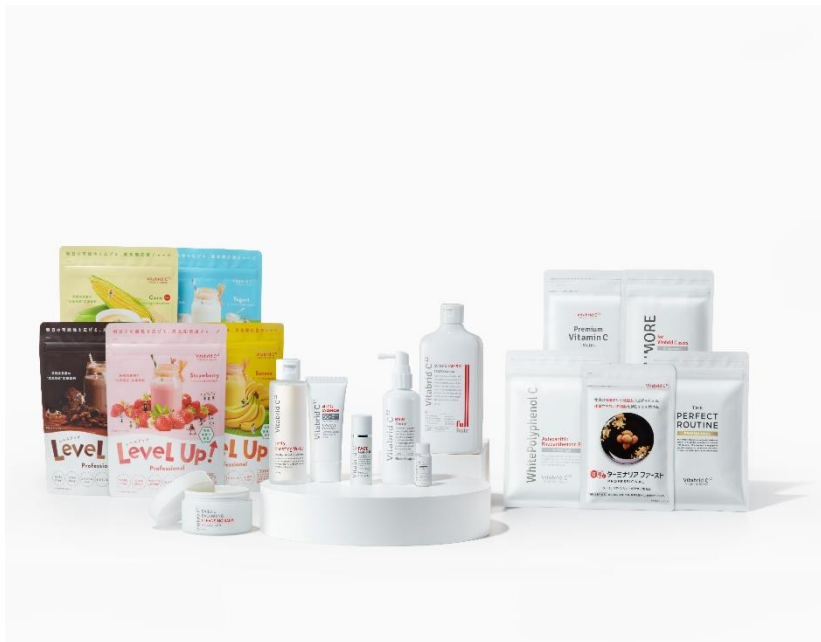
Operating Profit (Loss) (million JPY)

0 million JPY (Down 23 million JPY YoY)



Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

We sell the Vitabrid C series using worldwide patented technology, and units sold are growing steadily. It is an accumulated earnings model provided via a subscription model, and the total number of products provided has **surpassed 16.98 million**.



Sugar and fat absorption inhibiting supplement Terminalia First continued to perform well following its launch, with cumulative sales **exceeding 8.29 million units**.

New Merchandise (Health Food)

- Launched a new brand called “Shizen Shokudo” on Amazon. Launched sales of “Daily beauty nuts” in June 2024 as the first gambit.
- Launched the limited edition cafe au lait flavor in June 2024 (limited to 10,000 units), the most popular of the “Level Up!” beverages to support the growth stage of children.

Daily beauty nuts



Introducing a health food supplement consisting of the two fruits, papaya and pineapple, containing vitamins and dietary fiber mixed with nuts, which can also improve your diet with supplemental nutrition when you are hungry.

Cafe au lait flavored Level Up!



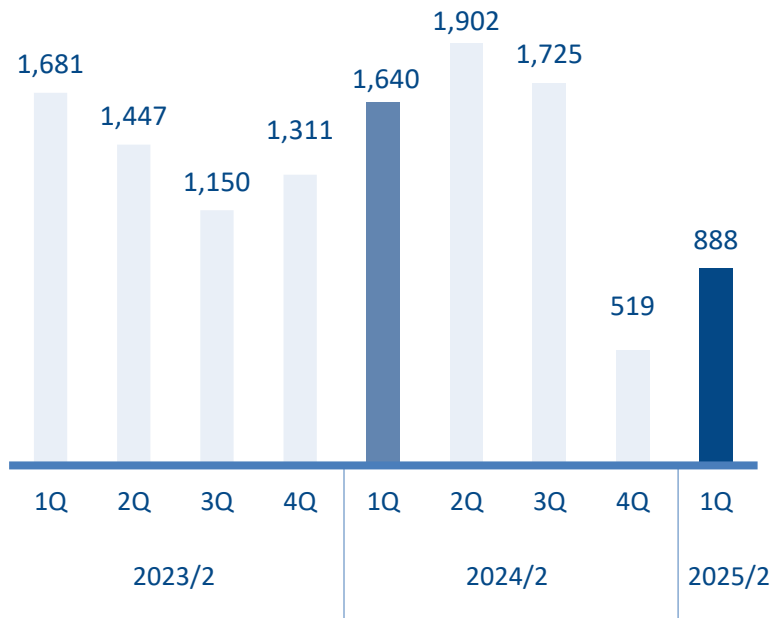
The Level Up! series are beverages that support the growth phase and can efficiently boost the nutrients essential for body building during the growth phase, by dissolving the contents in one cup of milk* a day.

* Recommended intake (two teaspoons (6.6 g) in about 150 mL of milk)

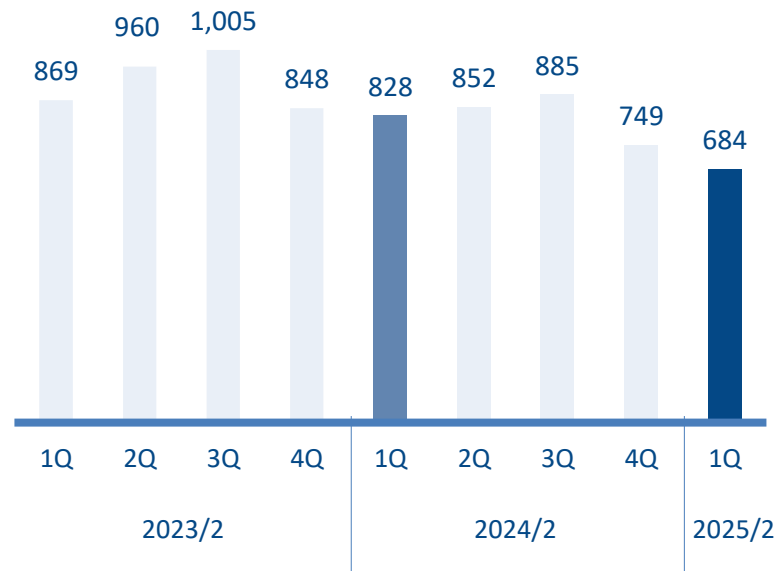
Advertising Expenses and Units Sold

In 1Q FY2025, the impact from problems with the raw material, red yeast rice, at other company and controlling investment in advertising resulted in a decline in unit sales. From 2Q onward, the plan is to actively invest advertising expenses in products where advertising is efficient, while keeping an eye on market sentiment.

Advertising Expenses: 888 million JPY (54.1% YoY)



Number of Units Sold: 684 thousand (82.6% YoY)



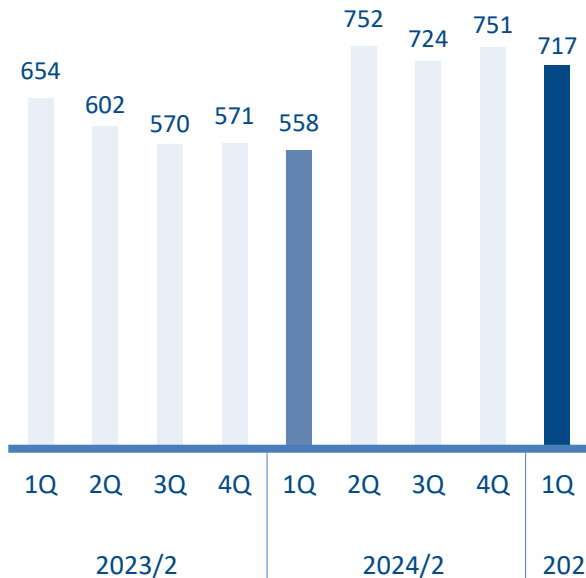
Note: Advertising expenses and units sold figures are for Vitabrid Japan only.

HR Business

In 1Q FY2025, the HR Business was affected by intensified competition in media for temporary staffing, despite the steady progress made on building the earnings base in all segments. From 2Q onward, we will aim to increase sales and profits by focusing on increasing ASHITA-TEAM sales and achieving profitability in JOBTV.

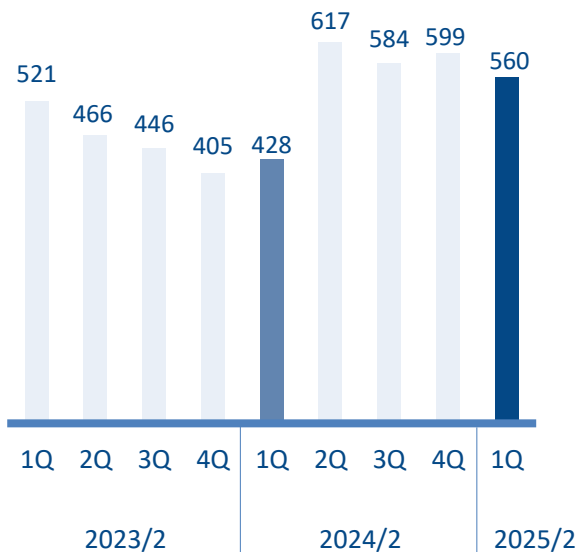
Net Sales (million JPY)

717 million JPY (128.4% YoY)



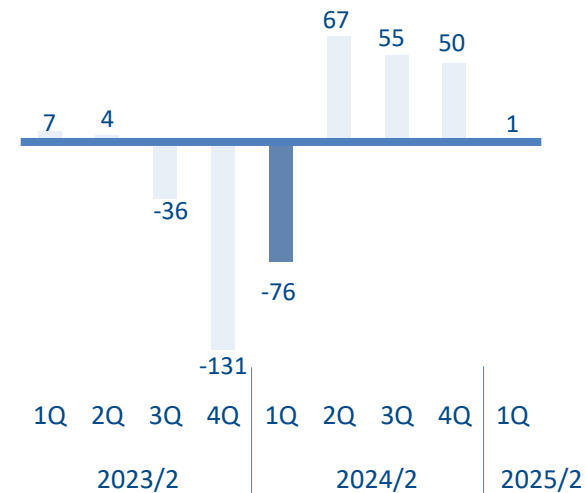
Gross Profit (million JPY)

560 million JPY (130.9% YoY)



Operating Profit (Loss) (million JPY)

1 million JPY (Up 78 million JPY YoY)



Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.

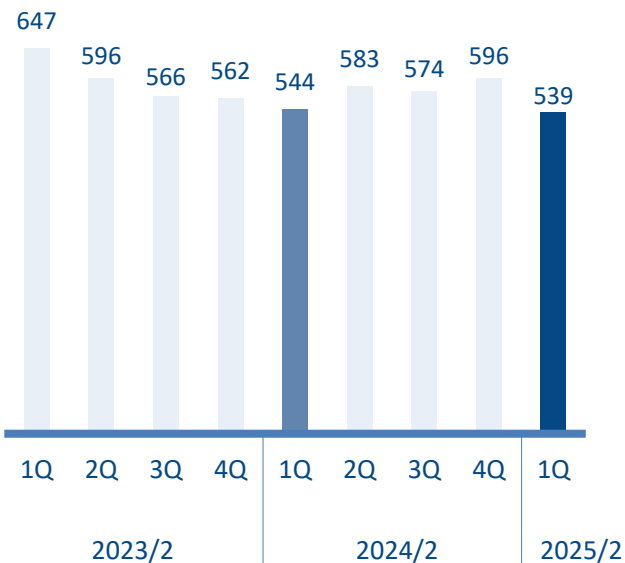
2. Due to segment changes, figures for FY2023 and earlier have been reclassified to figures after the segment changes

HR Business (ASHITA-TEAM)

In 1Q FY2025, strengthening the sales structure and other efforts led to an increase in SG&A expenses. The business remained profitable despite a decline in profit. From 2Q onward, we will strive to grow both sales and profit by utilizing our strong consulting skills to expand sales of SaaS-based products.

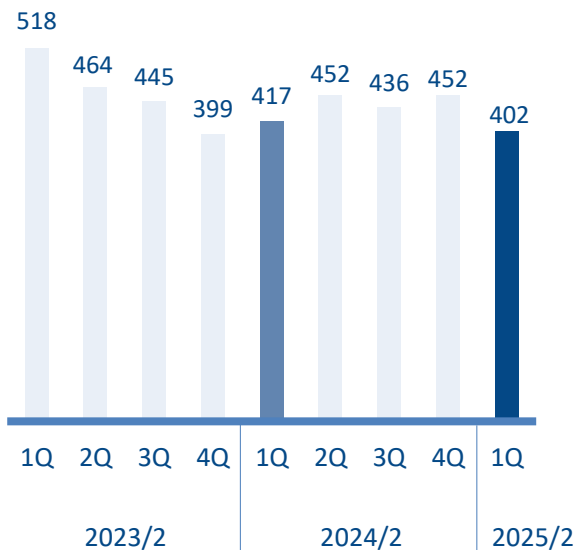
Net Sales (million JPY)

539 million JPY (99.1% YoY)



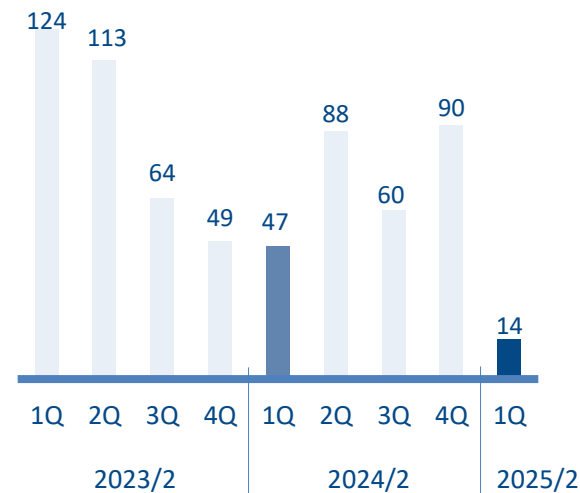
Gross Profit (million JPY)

402 million JPY (96.6% YoY)



Operating Profit (million JPY)

14 million JPY (29.8% YoY)

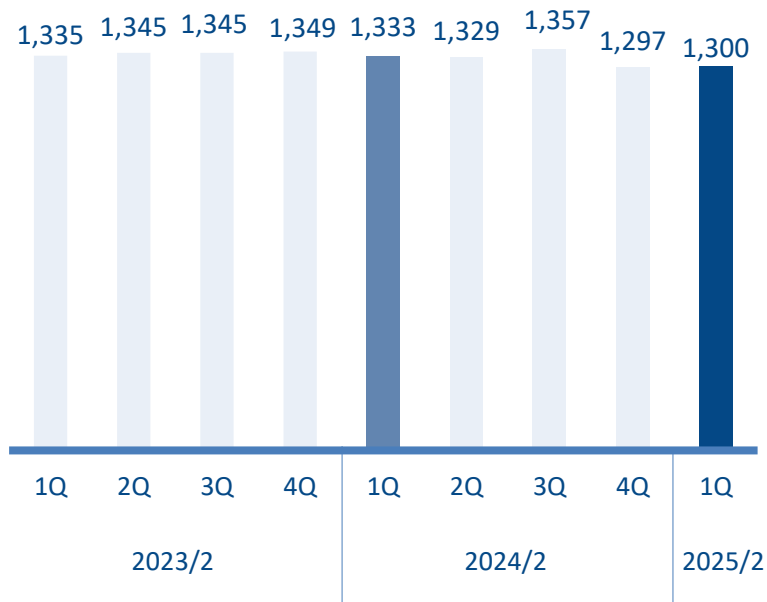


Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

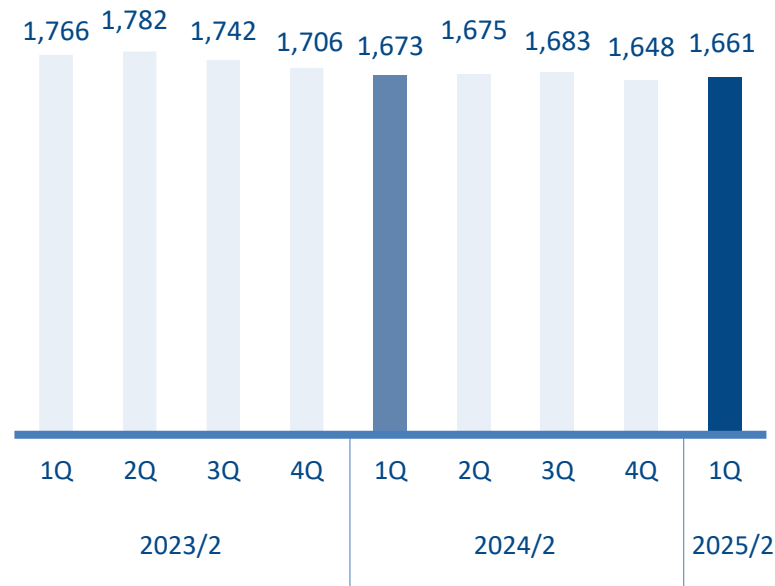
Number of User Companies*1 and ARR*2

In 1Q FY2025, although the cancellation rate remained steady for the most part, the decline in new customer acquisition resulted in a YoY decline in ARR. In 2Q, we will aim for a rebound in the number of user companies and ARR by revising the sales strategy and investing in advertising.

Number of user companies: 1,300 (97.5% YoY)



ARR: 1,661 million JPY (99.3% YoY)



*1 Number of user companies refers to companies using cloud or operating consulting services on a monthly subscription basis.

*2 ARR is the amount calculated by multiplying the monthly recurring revenue (MRR) from cloud and operating consulting services at the end of the quarter by 12.

ASHITA-TEAM Outlook

Through strengthening sales of SaaS-based products and increasing retention by expanding the customer base, we have increased the subscription ratio and created a stable earnings foundation.

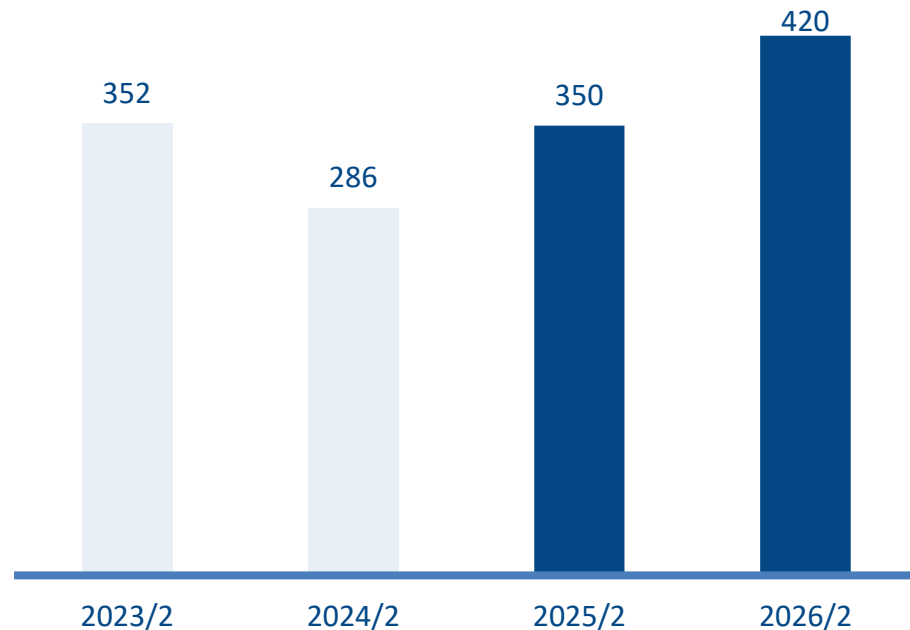
In FY2026, we will aim for 420 million JPY in operating profit achieved through steady growth by building up subscription earnings.

Personnel evaluation cloud “Ashita Cloud”



Build up subscription earnings by strengthening sales of SaaS-based products

Operating Profit (million JPY)

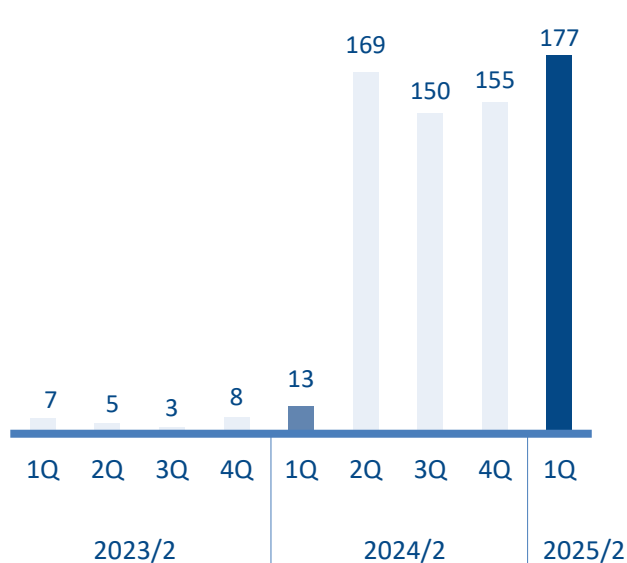


HR Business (JOBTV)

In 1Q FY2025, we continued to strengthen the earnings base by investing in advertising and enhancing functionality to increase the number of registrants. From 2Q onward, we aim to expand net sales by collaborating with BUSiCONET Inc. and FINDAWAY Co., Ltd.

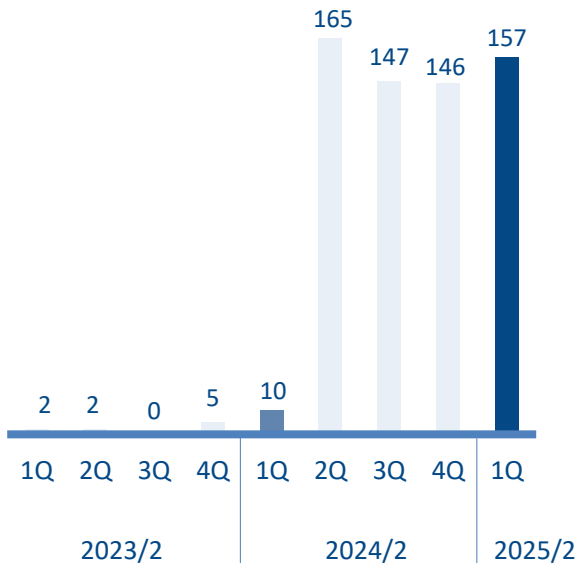
Net Sales (million JPY)

177 million JPY (Up 163 million JPY YoY)



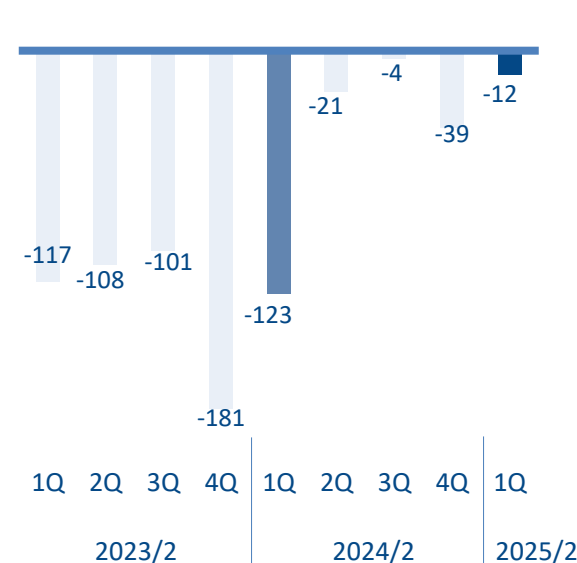
Gross Profit (million JPY)

157 million JPY (Up 146 million JPY YoY)



Operating Loss (million JPY)

12 million JPY (Up 111 million JPY YoY)



JOBTV is a service that solves issues of both job-seekers and companies.
Speedy matching is achieved by leveraging video in the initial recruitment processes.

Recruitment matching platform JOBTV



JOBTV is a recruitment matching platform where users can view unlimited company information videos.

JOBTV Benefits

Over 1,000 registered companies



Job seekers

- 1 Netflix-like search option makes browsing job post videos a breeze!
- 2 Show off your best to employers easier with a self-introduction video!
- 3 Learn more about companies through videos without needing to go to information sessions!

Over 150,000 registered university students



Companies

- 1 Highlight why candidates should join your company with a video introducing your firm and the positions you are hiring for!
- 2 Quick and easy applicant screening through video!
- 3 Reach out to job-seekers directly with scout mails!




Synergies Created through the Acquisition of BUSiCONET

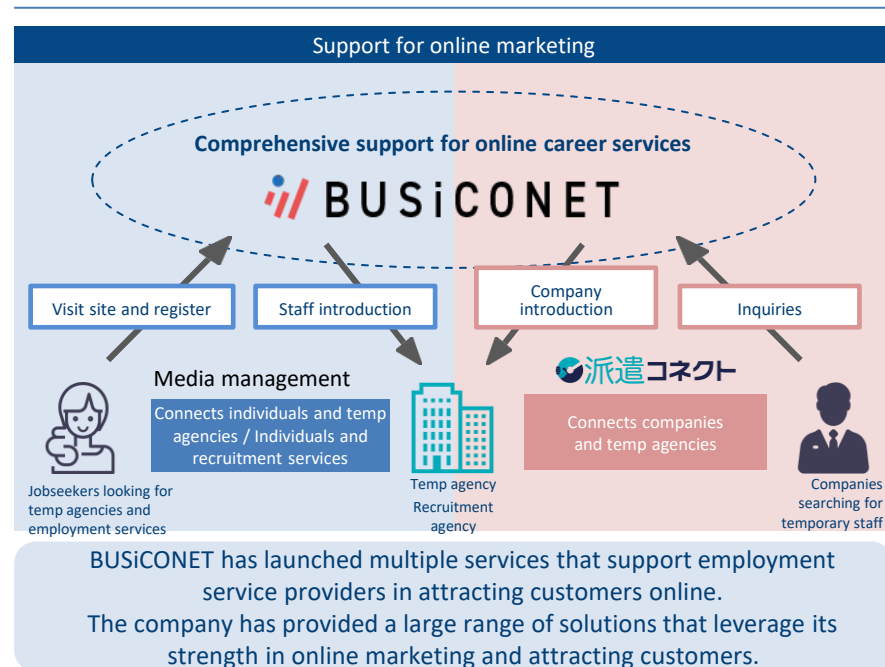
BUSiCONET Inc., a company that provides comprehensive support for online career services, became a consolidated subsidiary on June 28, 2023.

VECTOR will aim to increase revenue by leveraging BUSiCONET's media operations expertise and by referring the jobseekers acquired via its web media to JOBT.V.

Overview of acquisition of shares

Company name	 BUSiCONET Inc.
Business	Operation of online employment media Support for online marketing
Acquisition cost	1,790 million JPY
Share acquisition date	June 28, 2023

Business




Synergy Achieved through Acquisition of FINDAWAY

We made FINDAWAY Co., Ltd., which specializes in recruitment consulting and PR and engineer referrals, a consolidated subsidiary on March 29, 2024.

We will expand the human resource support business by utilizing FINDAWAY's customer and recruitment consulting know-how in JOBTV.

Overview of acquisition of shares

Company name	 FINDAWAY Co., Ltd.
Business	Provision of recruitment consulting Planning and production of online human resources ad media
Share acquisition rate	70.8%
Share acquisition date	March 29, 2024

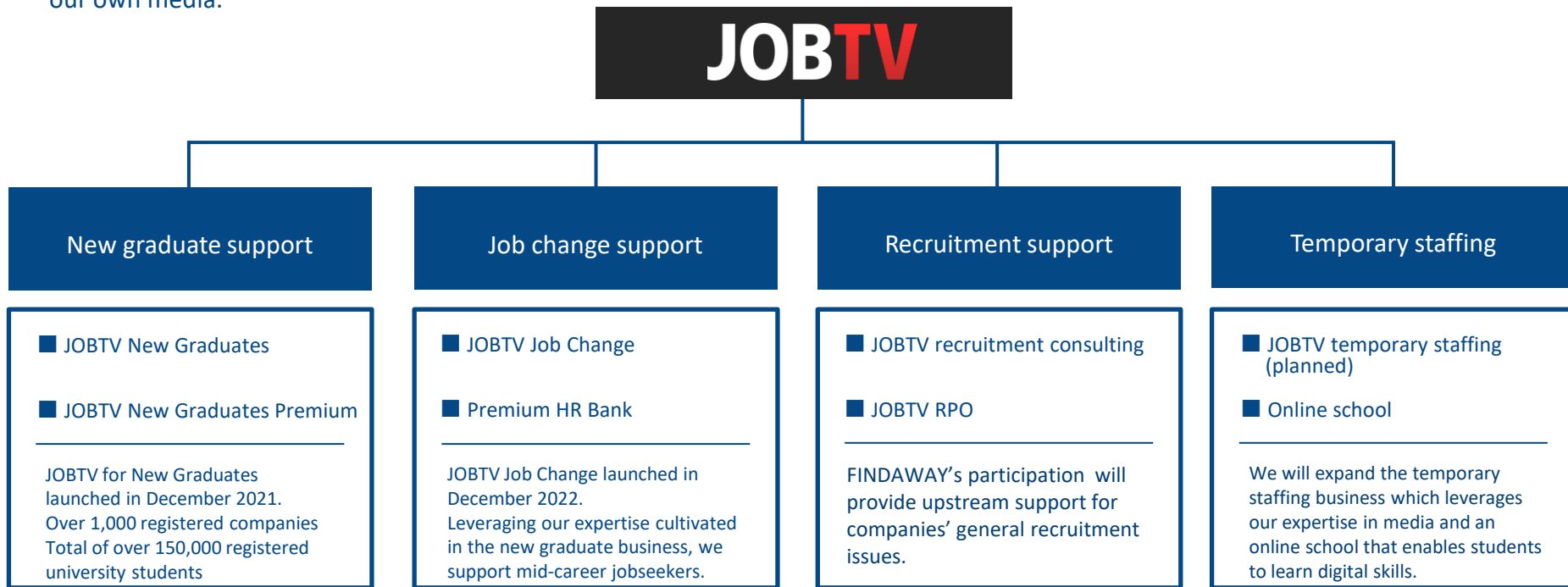
Business

HR Consulting																			
Research, selection, and PR				Applicant management and operation				Screening, assessment, and job offer				Hiring, training, and work							
Recruitment planning	Recruitment concept planning	Selection of recruitment media	Selection of site management tool	Interviewing, production, and filming	Selection of job offer follow-up and assessment tool	Formation of applicant pool	Applicant support	Interviewer training	Planning and holding of company briefing sessions	Document screening and interviews	Aptitude assessment tests	Email and phone-based follow-up	HR screening	Final HR screening	Recruiter follow-up	Job offer follow-up	Implementation of training program	Practical on-site training	Personnel evaluation and system reform
<ul style="list-style-type: none"> Accurate selection of recruitment media Planning of company information pamphlets Increased website access and time on site Joint information session booth interior Response to calls for information sessions University collaborations and on-campus seminars 				<ul style="list-style-type: none"> Recruitment agency support Streamlining of HR operations Centralized management of applicant information Company briefing sessions to differentiate from other companies Countermeasures against libel and slander 				<ul style="list-style-type: none"> Utilization of aptitude assessment tools Recruiter training Sharing of HR acquisition know-how Utilization of job offer follow-up tools 				<ul style="list-style-type: none"> Training for those who have received job offers and prevention of job offer rejection New employee training Mindset development program Basic training for working professionals 							

Leveraging our track record with more than 1,000 client companies and our unique capabilities

We aim to expand JOBTV in the recruitment market based on the four core businesses of new graduate support, job change support, recruitment support, and temporary staffing.

We plan to strengthen the brand of our human resources support business based on new graduate support leveraging referrals from our own media.

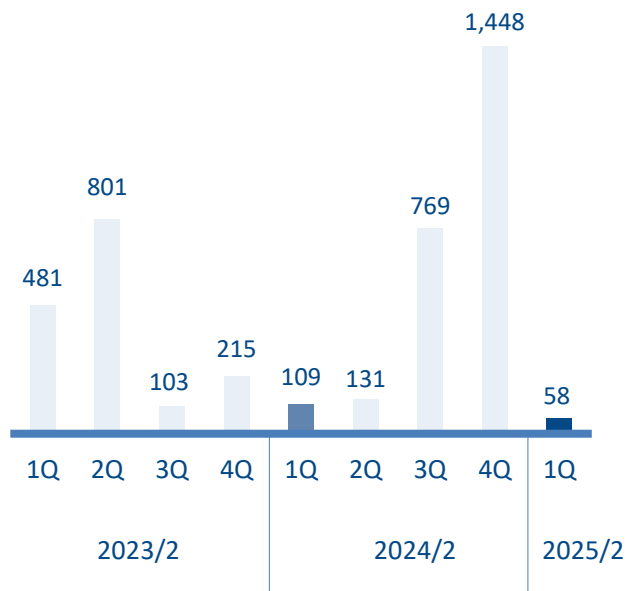


Investment Business

In 1Q FY2025, an operating loss was posted due to loss on valuation of securities, despite the partial sale of shares held.

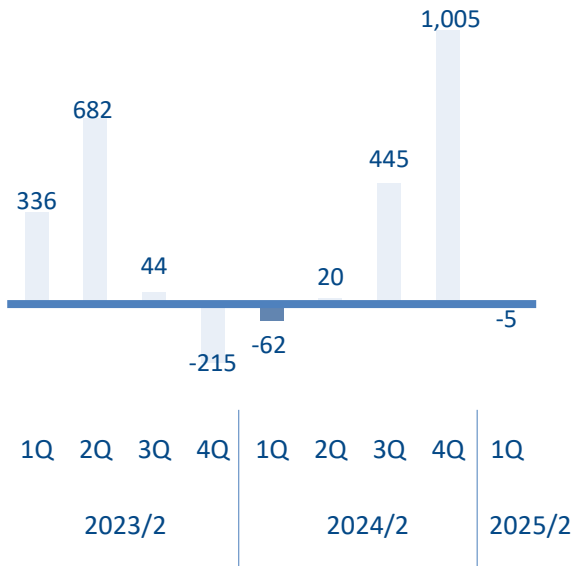
Net Sales (million JPY)

58 million JPY (53.8% YoY)



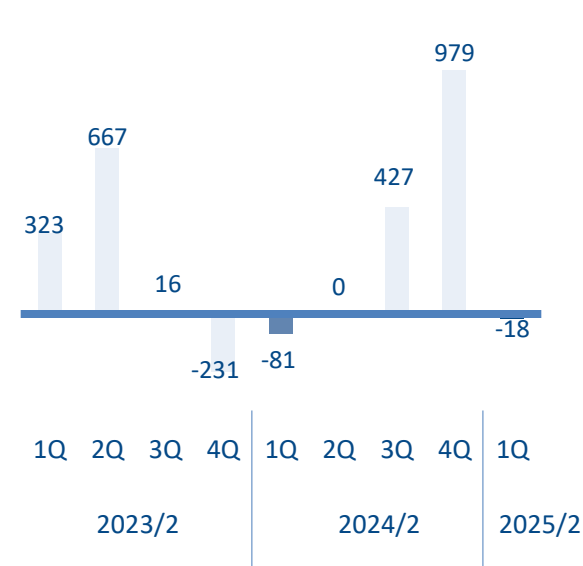
Gross Profit (Loss) (million JPY)

-5 million JPY (Up 56 million JPY YoY)



Operating Profit (Loss) (million JPY)

-18 million JPY (Up 62 million JPY YoY)



Most Recent IPOs Invested In

Supporting corporate growth through capital and PR/IR (total of 32 IPOs).


HATCHWORK CO.,LTD. was listed on the Growth Market of the Tokyo Stock Exchange, bringing the number of recent IPOs to one.

Date of listing	Company name	Market
March 26, 2024	HATCHWORK HATCHWORK CO.,LTD.	TSE Growth Market


Solid Track Record of Investment in Growth Fields

 = IPO complete

IoT and Security Systems




AI and Big Data



Marketing and Sales



D2C



Restaurants, Retail, Beauty, Services and Healthcare



Fintech and Real Estate Technology



Human Resources, Education-Related



Sharing Economy



DX



Other toB Services



Other toC Services



Consolidated Statement of Profit and Loss

(million JPY)	FY '24 1Q	FY '25 1Q	Difference	YoY Change
Net sales	14,758	13,877	-881	94.0%
Gross profit	9,008	8,821	-187	97.9%
EBITDA	1,593	1,652	+59	103.7%
Operating profit	1,414	1,374	-39	97.2%
Ordinary income	1,377	1,394	+17	101.3%
Profit before income taxes	1,378	1,394	+15	101.1%
Profit attributable to owners of parent	722	549	-173	76.1%

Consolidated Balance Sheet

(million JPY)	FY '24 Year End	FY '25 1Q End	Difference	YoY Change
Total assets	43,621	40,603	-3,017	93.1%
Cash and deposits	15,820	14,348	-1,471	90.7%
Goodwill	3,633	3,547	-86	97.6%
Operational investment securities + investment securities	5,991	5,316	-675	88.7%
Other	18,175	17,391	-784	95.7%
Total liabilities	23,645	21,960	-1,685	92.9%
Borrowings + bonds	11,700	11,519	-180	98.5%
Other	11,945	10,440	-1,504	87.4%
Net assets	19,975	18,643	-1,331	93.3%

Medium-term Profit Plan

Medium-term Profit Plan

Medium-term Profit Plan (million JPY)	FY '23 (Results)	FY '24 (Results)	FY '25 (Targets)	FY '26 (Targets)
EBITDA	7,013	7,994	9,400	10,900
Operating Profit	6,276	6,939	8,500	10,000

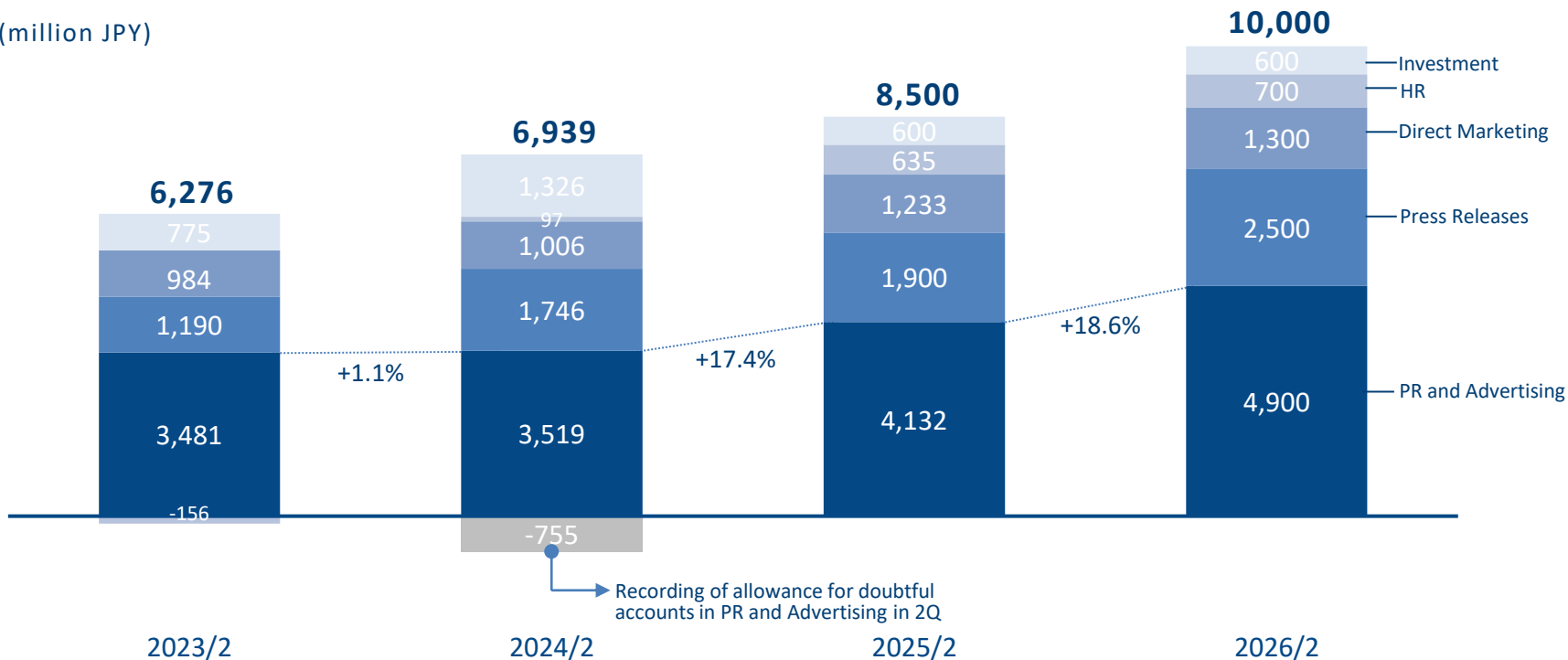
- For FY2026, we expect EBITDA of 10,900 million JPY and operating profit of 10,000 million JPY.
- We will continue to keep ROE above 25%, while taking into consideration our financial soundness.
- VECTOR's dividend policy is to ensure a consolidated payout ratio for shareholders aimed at 30%.

* EBITDA = Operating profit + Depreciation + Amortization of goodwill

Medium-term Profit Plan Progress by Segment

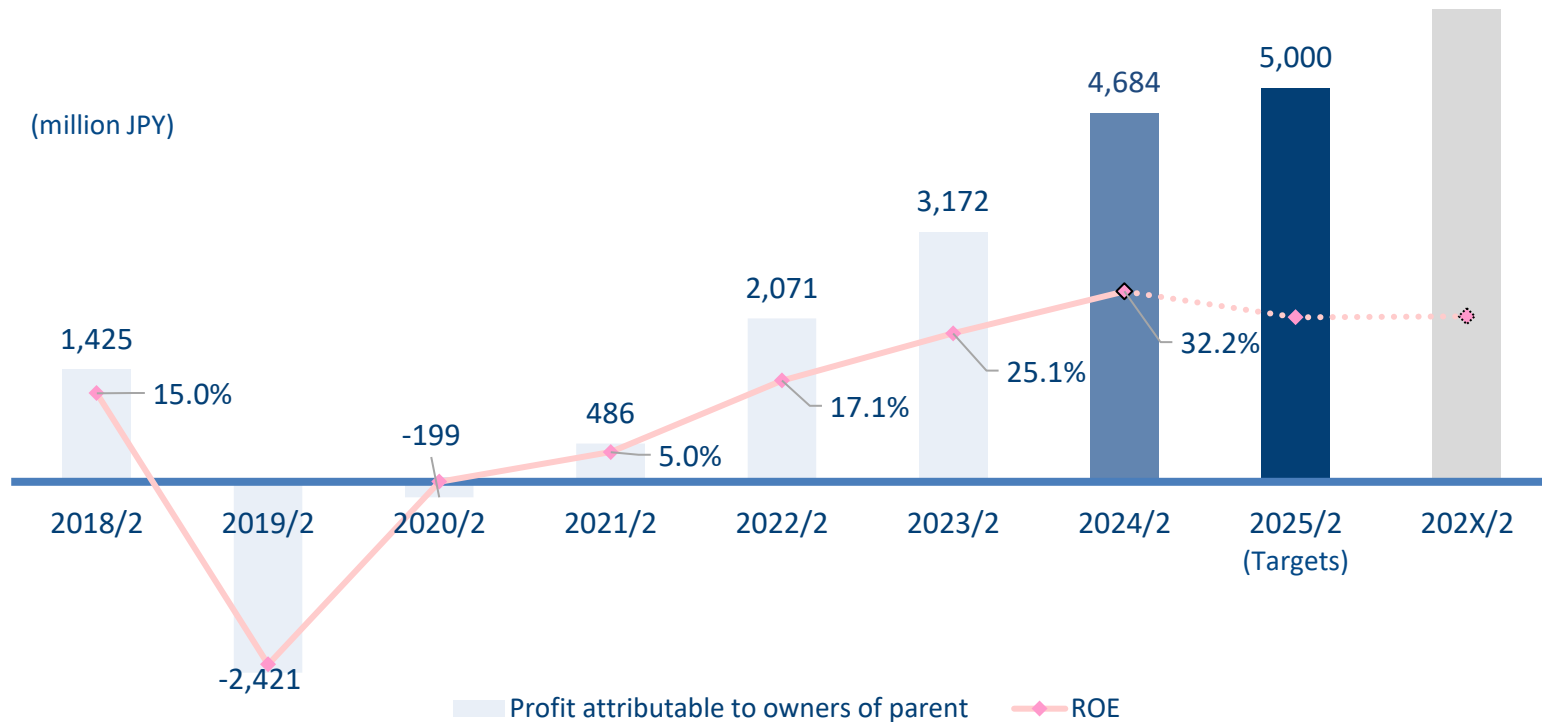
As our mainstay PR and Advertising business is driving performance, we will aim for operating profit of 10,000 million JPY in FY2026.

(million JPY)

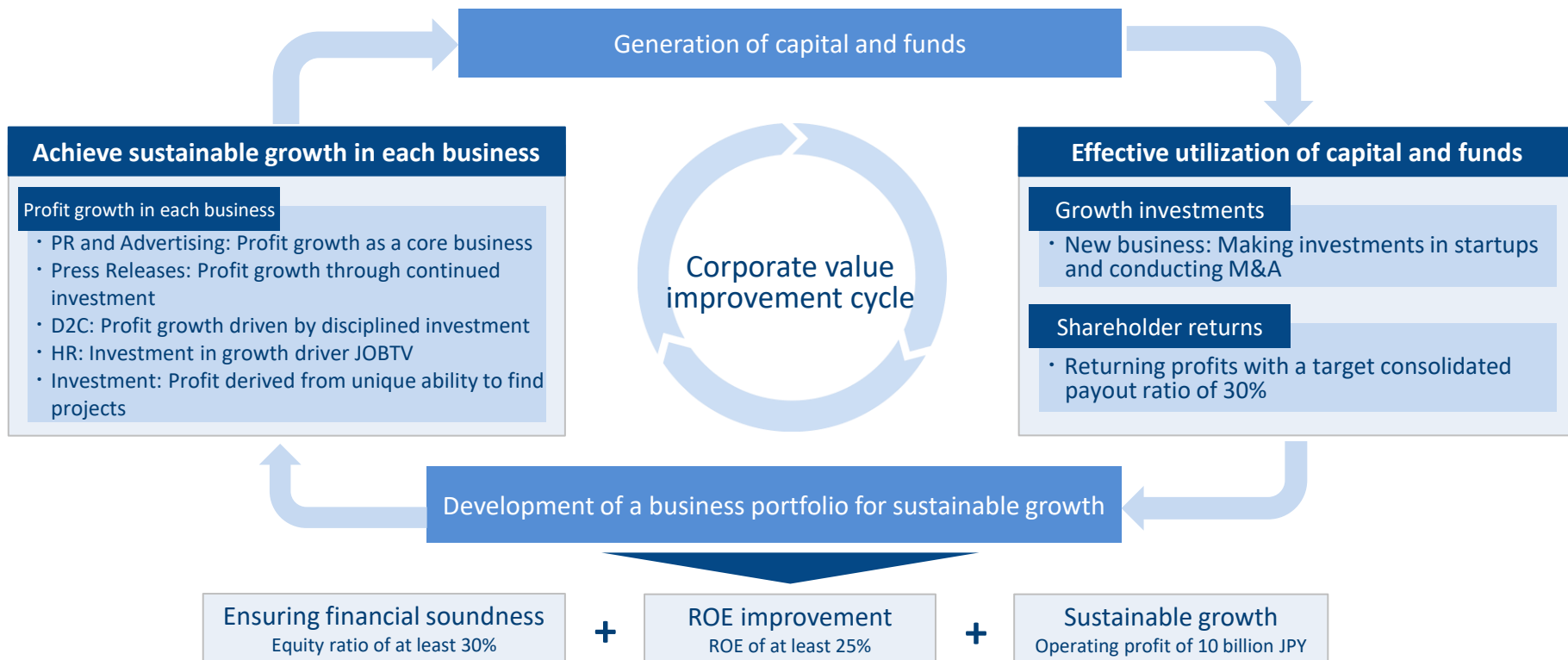


ROE and Profit Attributable to Owners of Parent

Our policy is to keep **ROE above 25%**



Cash provided by operating activities will be allocated to investments for growth and shareholder returns.



Company Strategy

No. 1 in Asia and No. 6 in the world in the global PR company rankings.
 Moving up from No. 7 in the world to No. 6, becoming one of the world's leading companies.

2024	2023	Agency	HQ	Fee Income 2023 (\$)	Fee Income 2022 (\$)	Staff	Growth vs 2022 (USD)	Growth vs 2022 (Constant Currency)
1	1	Edelman ^{nb}	USA	1,037,907,000	1,079,738,000	6,116	-3.9%	-3.9%
2	3	Weber Shandwick ^{nb}	USA	776,000,000	740,000,000		4.9%	4.9%
3	2	BCW	USA	730,000,000	750,000,000		-2.7%	-2.7%
4	4	FleishmanHillard ^{nb}	USA	720,000,000	735,000,000		-2.0%	-2.0%
5	5	Real Chemistry ^{nb}	USA	595,000,000	555,000,000	1,968	7.2%	7.2%
6	7	Vector Inc. ^{nb}	Japan	525,578,752	494,080,000	1,527	6.4%	6.4%
7	6	Ketchum	USA	520,000,000	525,000,000		-1.0%	-1.0%
8	8	Brunswick	UK	497,840,000	471,900,000	1,370	5.5%	0.5%
9	9	FGS Global	USA	455,000,000	421,000,000	1,099	8.1%	8.1%
10	13	Media Consulta	Germany	420,073,612	350,220,000	2,344	19.9%	19.9%

Source: PProvoke Media 2024 Global Rankings

From #1 PR Firm in Asia...

...to #1 PR Firm Worldwide

Further expand domains
PR market in Japan worth 150 billion JPY



...by becoming a Fast Company in
Advertising Industry

Target advertising market worth 7 trillion JPY

Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

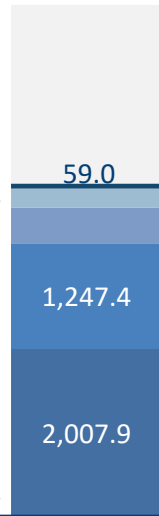
Revolutionize the advertising industry like fast fashion did
in the apparel industry

While the 4 mass media have decreased, online advertising has expanded, leading to a market worth 7 trillion JPY

(billion JPY)

Reference: Advertising Expenditures in Japan (Report by Dentsu)

6,110.2

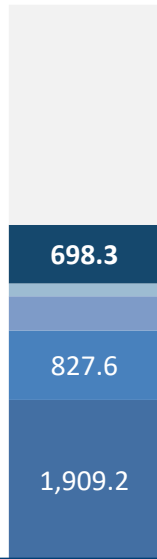


Advertising market is centered on the 4 mass media such as TV and newspapers in 2000, the year our PR business launches

2000

(Launch of PR business)

6,692.6

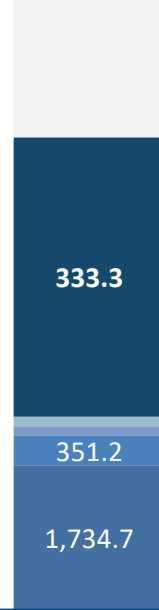


Online advertising begins to drive the market in 2008, the year of the financial crisis

2008

(Expansion of PR business)

7,316.7

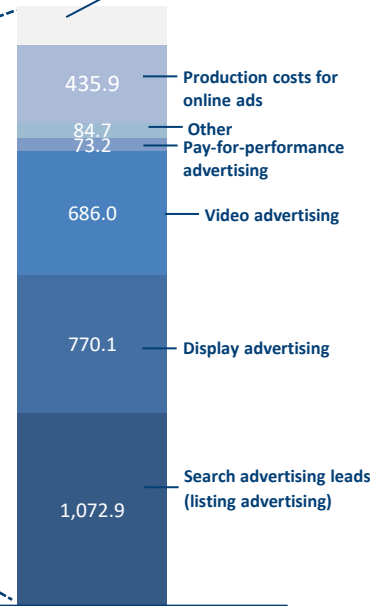


Online advertising market enters the 3 trillion JPY range
Search advertising leads

2023

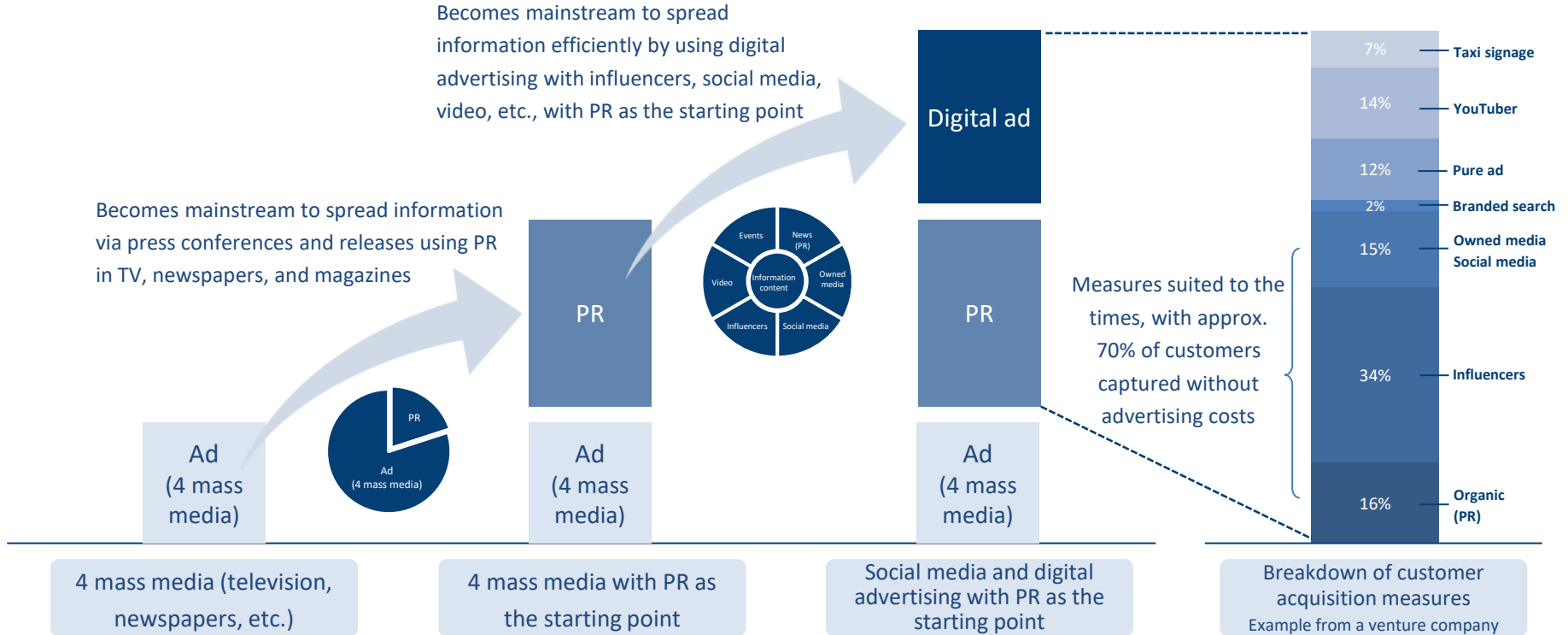
(Accelerated through PR + digital)

Advertising expenses for merchandise sales e-commerce platform



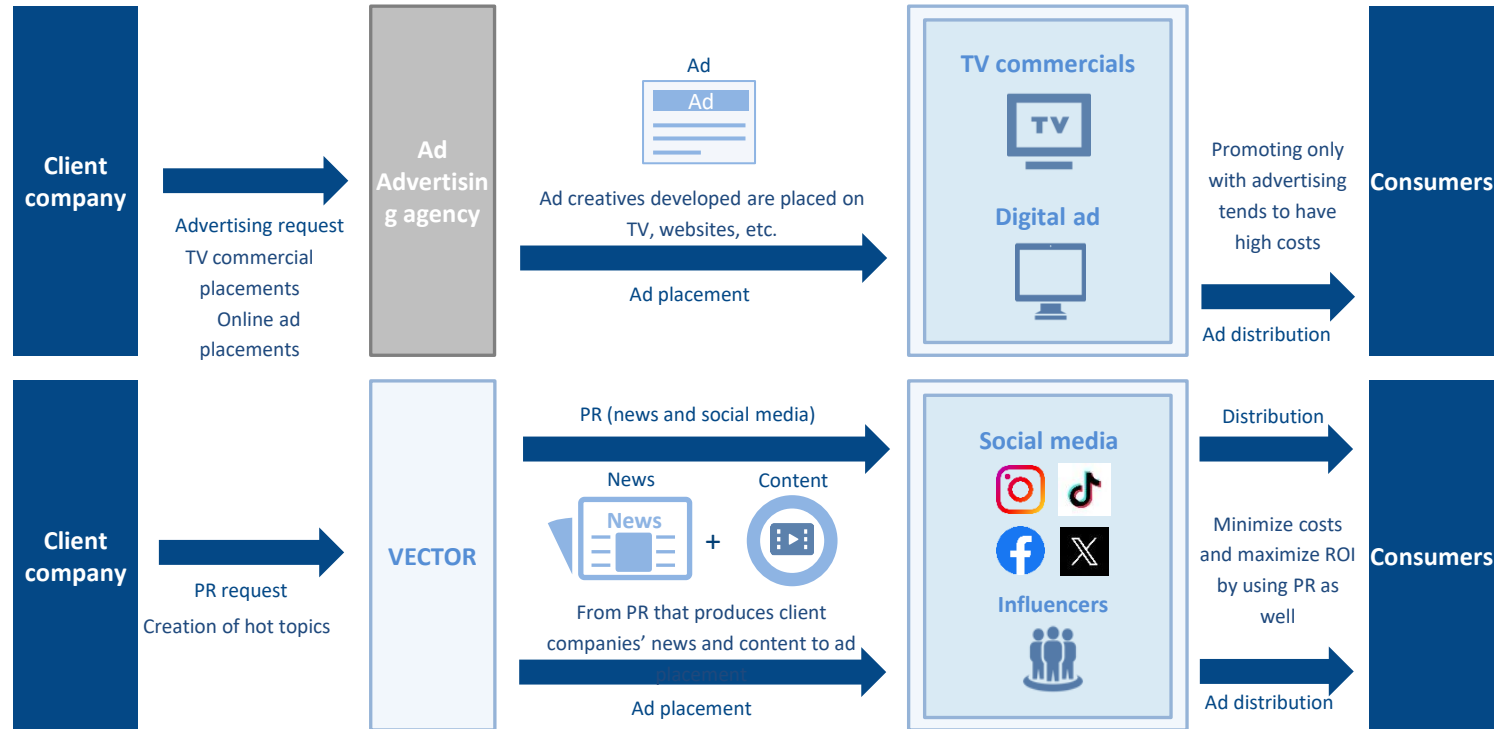
Breakdown of online advertising media expenditures

We are now in an age where information is spread efficiently through using digital advertising with PR as the starting point.



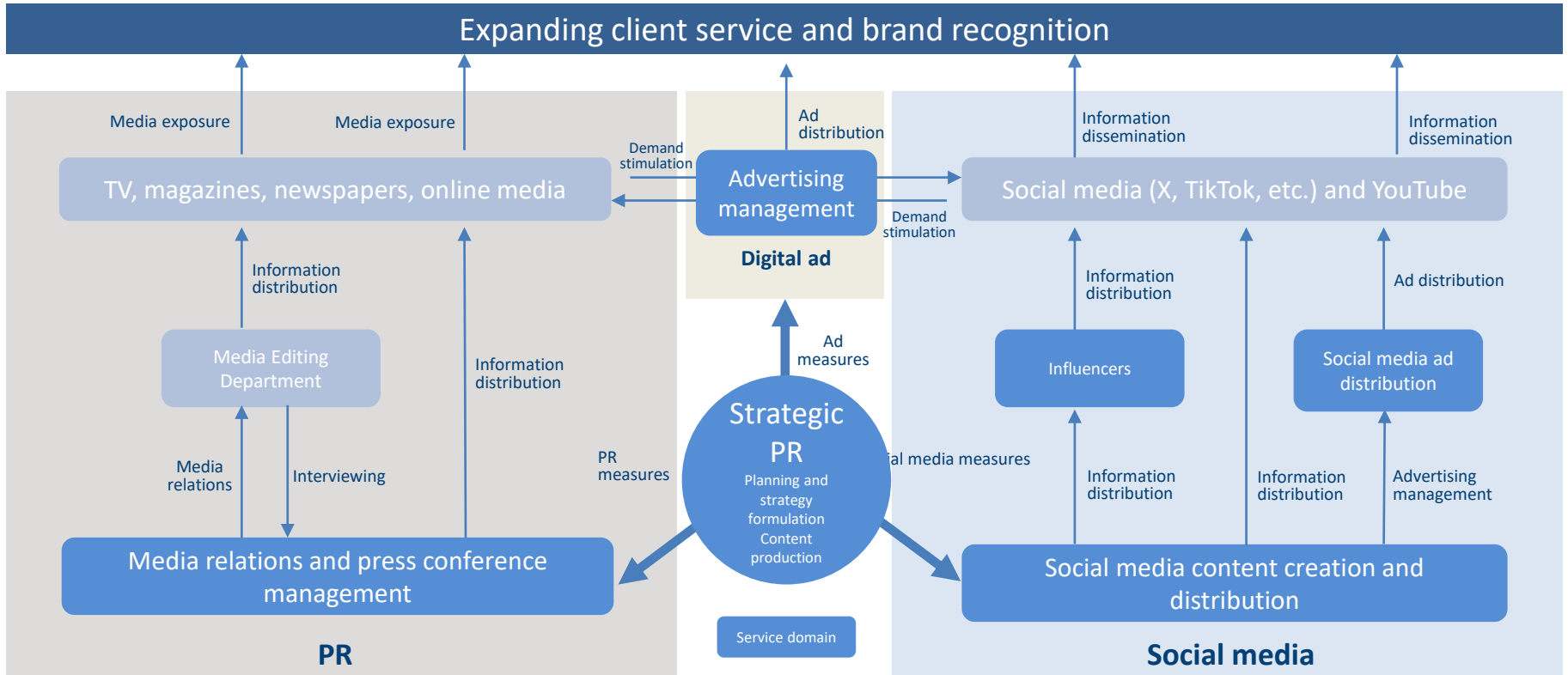
Difference between VECTOR and Advertising Agencies

Advertising agencies spread the word using advertising, while VECTOR spreads the word using news, social media, and more

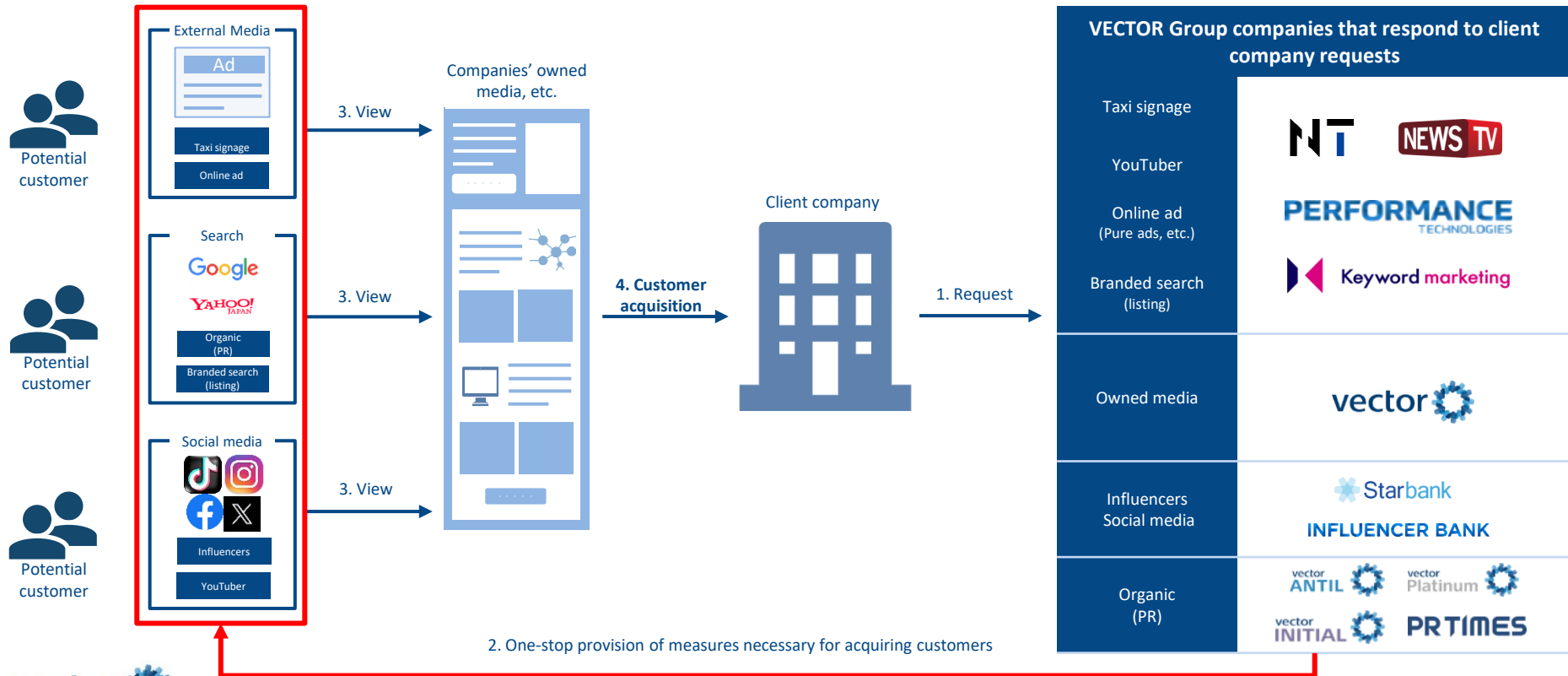


Flow of Communication Starting from PR

Integrated support for everything from PR measures to gain media exposure starting from strategic PR to influencer & social media measures and digital marketing



One-stop provision of measures that companies need to acquire customers



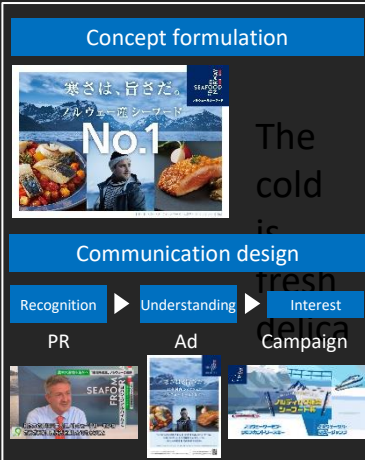
Example of Large-Scale Communication That Leverages Group Synergies (1)

We support integrated marketing communication for customers by leveraging Group synergies with strategic PR as the starting point. Demand for large projects in the 100 to 300 million JPY range is rapidly increasing, triggered by our ability to provide a one-stop service covering everything from strategy building to awareness raising and purchasing.

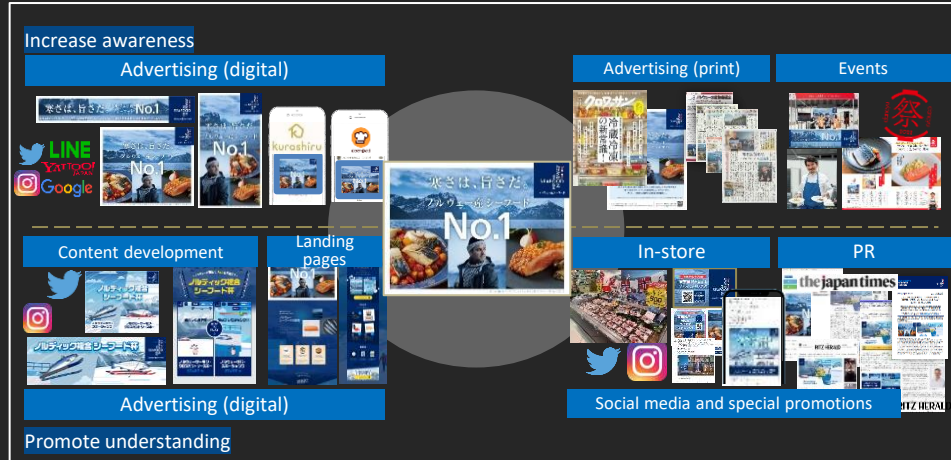
Example: Norwegian Embassy “Seafood from Norway”



Overall communication strategy



We proposed and executed branding and consumer campaigns that would secure shelf space with the aim to increase recognition, value, and demand for Norwegian seafood in Japan, where little is known about countries of origin.




Starting from concept development that captured target insights, we designed and executed a 360° digital x experience campaign that created touch points at every stage and channel of the customer journey, thereby making "Made in Norway" more memorable.

Example of Large-Scale Communication That Leverages Group Synergies (2)

Utilizing Group products centered on strategic PR, digital marketing, and influencer marketing, we achieved VECTOR's unique PR-driven integrated marketing communications.

Example: Opening of FENDER FLAGSHIP TOKYO



Overall communication strategy

Opening concept formulation

FENDER COUNT DOWN 50
2023.06.30 GRAND OPENING

Communication design

Interest ▶ Popularity ▶ Understanding
Social media ▶ PR ▶ Ad

Measures implemented

FENDER FLAGSHIP TOKYO
June 30, 2023: World-first flagship store

Countdown planning

Digital signage

Videos and social media

PR

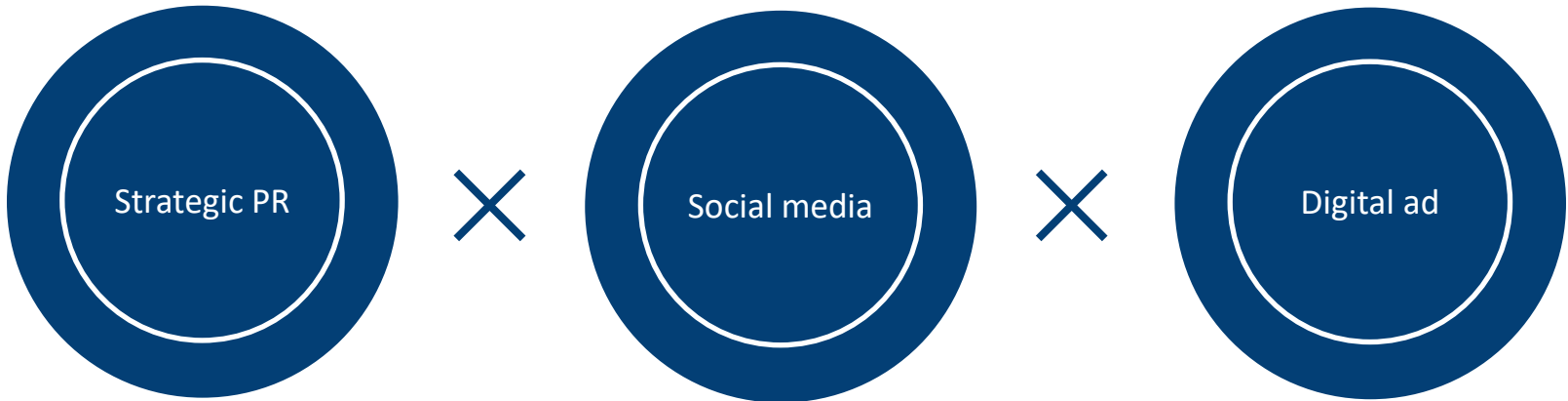
Events

We were responsible for everything from formulating the campaign concept to implementing it for the world's first flagship store FENDER FLAGSHIP TOKYO, which opened in Harajuku in June 2023, with the aim of gaining awareness and encouraging people of all ages to visit.

50 days before the opening, we started a countdown project with 50 artists from around the world, maximizing popularity by linking PR, social media, and videos in preparation for the opening. We succeeded in attracting visitors with an advertising equivalent of upwards of 1 billion JPY, total video views over 8 million, and waiting time of 10 hours.






What Is a Fast Company in the Advertising Industry?

A one-stop marketing strategy that covers everything from recognition where content is delivered directly to the target audience to acquisition where digital ads are tied to purchases, while leveraging strategic PR and social media



One-stop provision of services necessary for spreading the word.

Marketing measures suited to the times delivered at 10% of traditional model’s costs.

Celebrity Casting					
Cast celebrities for content including websites, online videos and events.					Starbank
Press Releases	PR Consulting	Video Releases	Influencers	Digital Marketing	Risk Management
 <p>#1 press release service in Japan with over 90,000 clients. Used by 57% of publicly-listed corporations, our strong brand reputation and media reach are highly appreciated by our clients.</p> <p>PR TIMES</p>	 <p>From PR planning to execution, our experienced PR consultants apply the most effective communication strategies.</p> <p>vector ANTIL</p> <p>vector Platinum</p> <p>vector INITIAL</p>	 <p>Next-generation communication based on the production and distribution of video news from a PR standpoint, delivering content direct to the target audience.</p> <p>NEWS TV</p>	 <p>Support corporate service/product branding through SNS influencers.</p> <p>Starbank INFLUENCER BANK</p>	 <p>Integrated support from website production and system creation to digital promotion; Can also handle owned media creation and operation, and production of PR videos.</p> <p>NT Tryhatch</p> <p>Keyword marketing</p>	 <p>Provision of consulting services concerning corporate reputation management and brand security using unique technology based on theory and know-how built up in the United States.</p> <p>BRAND CLOUD</p>

JPY 0 JPY 100 Million/Year

2 key points for strengthening the Fast Company concept



Expand service areas offered through M&A to enhance marketing measures suited to the times



Expand the customer base by further strengthening venture capital (VC) capabilities based on numerous achievements in venture investment and PR/IR support







1 M&A

M&A

Expand the increasingly important domain of digital marketing to provide comprehensive support for customer marketing strategies

One-stop provision of services necessary for spreading the word.

Marketing measures suited to the times delivered at 10% of traditional model’s costs.

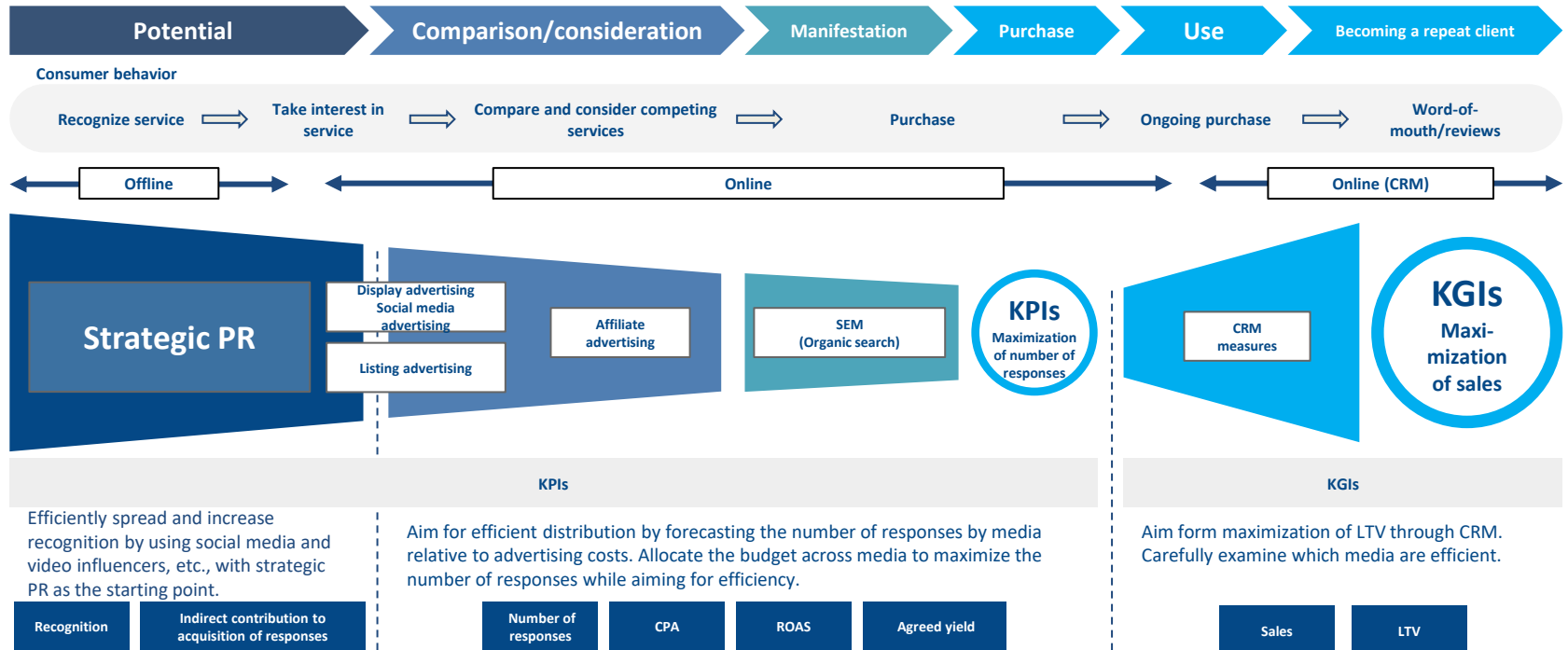
Celebrity Casting					
Cast celebrities for content including websites, online videos and events.					
				★ Starbank	
Press Releases	PR Consulting	Video Releases	Influencers	Digital Marketing	Risk Management
 <p>#1 press release service in Japan with over 90,000 clients. Used by 57% of publicly-listed corporations, our strong brand reputation and media reach are highly appreciated by our clients.</p> <p>PR TIMES</p>	 <p>From PR planning to execution, our experienced PR consultants apply the most effective communication strategies.</p> <p>vector ANTIL</p> <p>vector Platinum</p> <p>vector INITIAL</p>	 <p>Next-generation communication based on the production and distribution of video news from a PR standpoint, delivering content direct to the target audience.</p> <p>NEWS TV</p>	 <p>Support corporate service/product branding through SNS influencers.</p> <p>★ Starbank INFLUENCER BANK</p>	 <p>Integrated support from website production and system creation to digital promotion; Can also handle owned media creation and operation, and production of PR videos.</p> <p>NT Tryhatch</p> <p>Keyword marketing</p>	 <p>Provision of consulting services concerning corporate reputation management and brand security using unique technology based on theory and know-how built up in the United States.</p> <p>BRAND CLOUD</p>

JPY 0

JPY 100 Million/Year

Synergy from Purchase of Digital Marketing Business

The purchase etc. of a company (business) specializing in strategic design and listing advertisement management has enabled us to provide digital measures aimed at maximizing sales based more on strategic PR than before.



Digital Marketing Measures Made Possible through M&A

Leverage the strengths of the acquired company to maximize incoming traffic by getting links at the top of the search results screen

Branded search

Affiliate advertising

Listing advertising

Map engine optimization (MEO)

SEO

Advertorial

General keyword search: "men's hair removal" + "location (city)"

Affiliate advertising

Listing advertising

MEO

SEO

Official website


無料カウンセリング予約

M&A Results (Share Acquisition)

Tryhatch, Inc., which specializes in supporting customer attraction using social media, became a consolidated subsidiary on March 1, 2023

Providing one-stop support for the marketing challenges of customers with physical stores, utilizing strategic PR and technology

Overview of acquisition of shares

Company name	 Tryhatch Tryhatch, Inc.
Business	Social media operations support business SaaS business Digital marketing business
Acquisition cost	350 million JPY
Share acquisition date	March 1, 2023

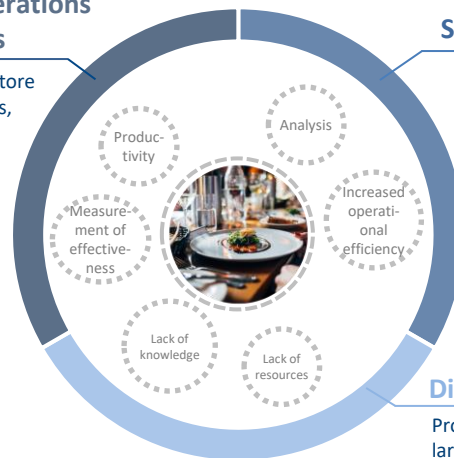
Business

Social media operations support business

Providing support for store social media operations, mainly by handling Instagram and TikTok

SaaS business

Developing MEO management/analysis and other SaaS tools and providing a one-stop solution covering everything from marketing to measurement of effectiveness



Digital marketing business


Providing consulting services using the large amount of data accumulated via our proprietary SaaS

Providing a wide range of services from consulting to social media operation support tailored to the marketing challenges of customers with physical stores, while utilizing a large volume of accumulated data

M&A Results (Share Acquisition)

Owned, Company, which specializes in managing programmatic advertising that leverages search engine optimization (SEO), became a consolidated subsidiary on July 14, 2023. VECTOR will aim to increase sales per customer by harnessing Owned, Company's strong knowledge in specialized areas and expertise in programmatic advertising that incorporates SEO.

Overview of acquisition of shares

Company name	 Owned, Company
Business	Digital marketing support
Acquisition cost	480 million JPY
Share acquisition date	July 14, 2023

Business

SEO consulting

SEO

(Content, backlinks, UI/UX)

- SEO support to ensure that customers' websites are appeared in the top search results.
- Wide-ranging support covering content production based on user needs, backlink measures, and UI/UX improvement.

Achievement
1
From 0 to 6
million PV in
one year

Achievement
2
No. 1 search
ranking
gained in
three months

Management agency for programmatic advertising

Management agency for programmatic advertising
(Listing/social media advertising)

- Managing programmatic advertisements such as listing ads and social media ads on behalf of clients.
- Highly effective advertising management that addresses customers' business challenges based on a deep understanding of specialized areas.

Achievement
1
Increased
monthly sales
by 30% in six
months

Achievement
2
Reduced CPO
by 50% in six
months

Strengthen the Fast Company concept and aggressively pursue M&A that could produce synergy with core businesses
Accelerate organic growth through effective M&A and aim for discontinuous growth

Acquisition target	Companies that can expand and enhance the Fast Company concept
Valuation	Execute M&A with a target EV/EBITDA multiple of 5x to 7x
Fund procurement	Acquisitions will basically be financed by cash on hand and bank loans.
Governance	Possess extensive knowledge related to M&As and financing Make careful decisions at the Board of Directors with a majority of External Directors
PMI	Regularly monitor objectives of acquisition from time of investment and their achievement Develop the internal controls required of a listed group company

VC × PR
2

PR capital that offers both funding and PR support
We will maximize investment leverage by supporting clients not only through funding as in conventional VC but also through PR and IR support.

Support client company growth through investment and PR/IR.
Implement new investments, mainly by transactional investments to conclude PR/IR agreements.

1. Acquire shares in investee based on the amount of investment



1. Transactional investment

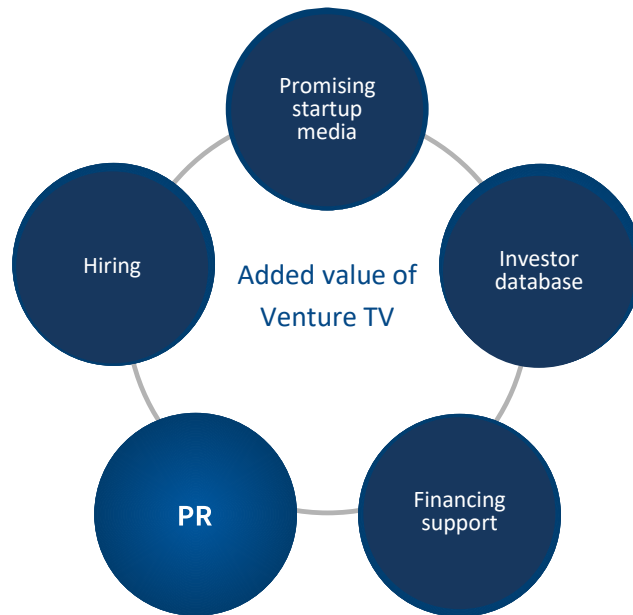
2. PR/IR agreement

Target companies
for investment

2. Following discussion and exploration with the investee, VECTOR provides PR/IR support and the investee pays us for it.

Launched Venture TV, a video-based media offering unlimited access to startup company presentation videos. The plan is to expand various services for presidents and investors of startup companies who are facing challenges.

Venture TV, offering all-you-can-watch presentation videos



Aiming to build Japan's largest startup ecosystem



The purpose of this document is to provide information on our financial results and does not constitute an offer to sell or solicitation of an offer to purchase any investment security issued by VECTOR. The information and outlook contained in this document have been compiled on the basis of the latest information available at the time of preparation and includes the opinion of management. VECTOR therefore provides no guarantee as to the accuracy of this information and advises that actual performance and results may differ from forward-looking statements due to various factors.