

For immediate release

Company name	VECTOR INC.
Representative	Keiji Nishie Chairman and Representative Director
Securities code:	6058 (Tokyo Stock Exchange Prime Market)
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Notice of Acquisition of Shares and Absorption-Type Merger (Simplified Merger/Short Form Merger) of Consolidated Subsidiary (NewsTV Inc.), Making It a Wholly Owned Subsidiary, and Debt Forgiveness

VECTOR INC. (hereafter, “VECTOR” or the “Company”) hereby announces the decision to acquire shares of NewsTV Inc. (hereafter, “NewsTV”), a consolidated subsidiary, on September 30, 2024 to make it a wholly owned subsidiary and execute an absorption-type merger (hereafter, the “Merger”) with an effective date of December 1, 2024. The resolution was approved at a Board of Directors meeting held today, and the details are provided below. The Company also decided to write off the claims it has against NewsTV as part of the Merger.

Some disclosure matters and details have been omitted because the Merger is a simplified absorption-type merger of a wholly owned subsidiary.

1. Purpose of Share Acquisition and the Merger

NewsTV is engaged in the development of a video release business, which transforms the information companies wish to convey into video content and delivers it to target consumers through social media and other channels.

As a “fast company” that is a one-stop source of comprehensive support for marketing strategies designed to spread the word about excellent products, services and solutions of our customers to the world, the VECTOR Group has worked to enhance capabilities in delivering end-to-end solutions, from raising awareness to driving purchases. Having thus expanded the service domain in our core PR business, we determined that the merger of a business highly compatible with our PR business was the best way to streamline management and therefore made the decision to make NewsTV a wholly owned subsidiary and absorb it into VECTOR.

2. Summary of Share Acquisition

(1) Number of shares acquired and number of shares held before/after transfer

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|--|---------------------------------------|
| (i) Number of shares held before transfer | 4,000,000 shares (ownership: 91.95%) |
| (ii) Number of shares acquired | 350,000 shares (ownership: 8.05%) |
| (iii) Number of shares held after transfer | 4,350,000 shares (ownership: 100.00%) |

Note: VECTOR will enter into acquisition agreements with the four shareholders of NewsTV, excluding its own shares, at an acquisition price of ¥1 for each agreement.

(2) Share acquisition date September 30, 2024 (plan)

3. Merger Summary

(1) Merger Timetable

Date of Board of Directors resolution	September 17, 2024
Merger agreement conclusion date	October 1, 2024 (plan)
Effective date	December 1, 2024 (plan)

Note: The Merger is a simplified merger for the Company under Article 796, Paragraph 2 of the Companies Act and a short-form merger for NewsTV under Article 784, Paragraph 1 of the same act. A General Meeting of Shareholders is not convened for approval of either type of merger agreement.

(2) Merger Method

VECTOR will be the surviving company, and NewsTV will be dissolved.

The liabilities of NewsTV currently exceed its assets. However, VECTOR intends to write off its claims against NewsTV before the Merger and execute the Merger after the state of insolvency has been resolved.

- Description of claims to be written off: Loans
- Amount of claims to be written off: ¥400 million (estimate)
- Date of claims write-off: October 31, 2024 (plan)

(3) Allotments Associated with Merger

The Merger is a merger of a wholly owned subsidiary and there will therefore be no allotment of shares or other monies, etc.

(4) Treatment of Share Options and Bonds with Share Options of the Company Being Dissolved

Not applicable.

4. Overview of the Merger Parties

	Surviving Company	Dissolved Company
(1) Company name	VECTOR INC.	NewsTV Inc.
(2) Address	4-15-1 Akasaka, Minato-ku, Tokyo 107-0052, Japan	1-12-32 Akasaka, Minato-ku, Tokyo 107-0052, Japan
(3) Name and title of representative	Keiji Nishie Chairman and Representative Director	Kenta Sugiura Representative Director
(4) Business description	PR consulting and agency	Video release production and distribution
(5) Share capital	¥3,038 million	¥25 million
(6) Established	March 30, 1993	June 10, 2015
(7) Number of issued shares	46,914,039	4,350,000
(8) Fiscal year end	End of February	End of February
(9) Major shareholders and equity interest	Keiji Nishie: 40.12% Custody Bank of Japan, Ltd. (trust account): 10.25% The Master Trust Bank of Japan, Ltd. (trust account): 8.51%	VECTOR INC.: 91.95% GMCM Venture Capital Partners I Inc.: 5.06% 1 other corporation, 2 individuals: 2.99%
(10) Financial position and results of operations in the previous fiscal year		
Fiscal year	Fiscal year ended February 29, 2024 (consolidated)	Fiscal year ended February 29, 2024 (non-consolidated)
Net assets	¥19,975 million	¥133 million
Total assets	¥43,621 million	¥666 million
Net assets per share	¥344.64	¥30.59
Net sales	¥59,212 million	¥1,300 million
Operating profit	¥6,939 million	−¥34 million
Ordinary income	¥6,871 million	−¥36 million
Profit attributable to owners of parent / Net profit	¥4,684 million	−¥36 million
Earnings per share	¥98.12	−¥8.44

5. Post-merger Status

The Merger will not result in a change in name and address of VECTOR, the name and title of its representative officer, business description, share capital, and fiscal year end.

6. Outlook

Due to the debt forgiveness that will be executed prior to the Merger, the Company expects to record an extraordinary loss (debt waiver loss) of approximately ¥400 million in its non-consolidated financial results for the fiscal year ending February 28, 2025. However, it also anticipates recording extraordinary income (gain on extinguishment of tie-in shares) of a similar amount as a result of the Merger. As such, the impact on the Company's non-consolidated financial results will be minimal.

In addition, VECTOR will assume NewsTV's loss carried forward of ¥626 million. This will decrease income taxes by ¥191 million in the second quarter of consolidated fiscal year ending February 28, 2025. As a result, profit attributable to owners of parent for the second quarter of the fiscal year ending February 28, 2025 is projected to rise by approximately ¥191 million.

Reference: Consolidated Forecast for the Fiscal Year Ending February 28, 2025 and Results for the Previous Fiscal Year

(Millions of yen)

	Net sales	Operating profit	Ordinary income	Profit attributable to owners of parent
Fiscal year ending February 28, 2025	63,000	8,500	8,350	5,000
Previous year (ended February 29, 2024)	59,212	6,939	6,871	4,684