

VECTOR INC.

## Financial Results – 3Q FY '21



January 14, 2021

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# Quarterly Results

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## Overview of Consolidated Results for Nine-Month Period

Net Sales

27,520 million JPY  
(100.8% YoY)

Gross Profit

18,300 million JPY  
(105.2% YoY)

EBITDA\*

2,510 million JPY  
(94.4% YoY)

Operating Profit

2,010 million JPY  
(100.0% YoY)

Ordinary Income

2,190 million JPY  
(82.1% YoY)

Profit Attributable to Owners of Parent

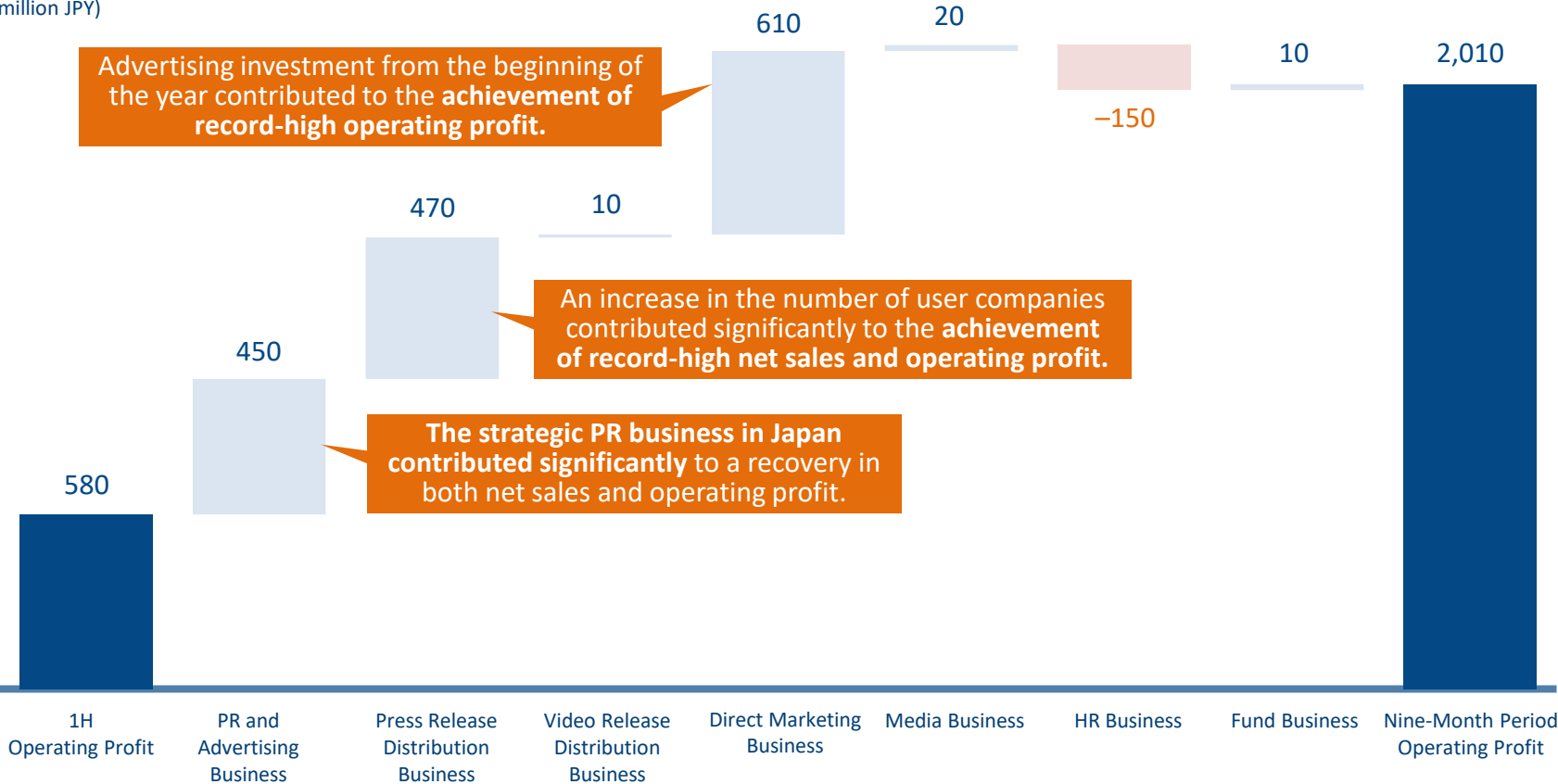
70 million JPY  
(Up 100 million JPY YoY)

\*EBITDA = Operating profit + Depreciation + Amortization of goodwill

- (1) The impact of the pandemic on strategic PR lessened even more. Corporate marketing activities continued to rebound to pre-COVID levels, and 3Q performance recovered to a significant extent.
- (2) The video release business was impacted to a certain extent due to sluggish advertising demand, while we have seen a return to pre-COVID levels in terms of profitable projects, translating to a return to profitability.
- (3) The HR business continued to be impacted by the pandemic, but business talks rebounded to a greater extent than in 2Q, and orders improved, so the loss shrank in 3Q.

# Operating Profit (By Segment)

(million JPY)



## Nine-Month Period / Highlights

### Consolidated Performance

**Net sales and operating profit returned to the previous year's levels**, owing to solid performance in the Direct Marketing and Press Release businesses. **Full-year operating profit is expected to reach 2,300 million JPY**, owing to the Group's stable earnings foundations even in the midst of the pandemic.

Net Sales: 27,522 million JPY (100.8% YoY)

Operating Profit: 2,016 million JPY (100.0% YoY)

### PR and Advertising\*

**The PR business in Japan contributed significantly to a recovery in net sales** in 3Q despite the impact of COVID-19 on the PR business overseas. In 4Q, VECTOR will provide support corporate marketing activities suited to the circumstances created by the pandemic.

Net Sales: 12,689 million JPY (87.2% YoY)

Operating Profit: 727 million JPY (38.0% YoY)

### Press Releases (PR TIMES)

A significant rise in user companies as in 1Q and 2Q **resulted in record highs in net sales and operating profit**. New measures will be taken such as expanding regional development in order to increase the number of user companies in 4Q as well.

Net Sales: 2,769 million JPY (127.9% YoY)

Operating Profit: 1,103 million JPY (210.2% YoY)

### Video Releases (NewsTV)

Although willingness to place ads has been slow to recover among companies, resulting in lower sales and profit, **the business achieved profitability in 3Q**. In 4Q, VECTOR will strengthen sales activities that involve making proposals suited to the circumstances of the pandemic, based on the recovery in advertising demand.

Net Sales: 1,052 million JPY (73.1% YoY)

Operating Loss: 83 million JPY (Down 354 million JPY YoY)

\* The PR and Advertising Business was renamed from the PR Business in 1Q FY2021.

### Direct Marketing

Strategic investment in advertising from the beginning of the year contributed significantly to achieving record-high operating profit in the first nine months. In 4Q, VECTOR will place ads for the next year while securing higher operating profit than the previous year on a full-year basis.

Net Sales: 8,760 million JPY (138.9% YoY)

Operating Profit: 681 million JPY (223.4% YoY)

### Media

Profit was up YoY due to the absence of the burden of goodwill amortization from FY2021 coupled with a change in business structure. Profit is projected to rise further in 4Q by strengthening sales of owned media and CMS functions.

Net Sales: 613 million JPY (91.8% YoY)

Operating Profit: 55 million JPY (Up 283 million JPY YoY)

### HR (ASHITA-TEAM)

The loss shrank as a result of an increase in net sales driven by a recovery in orders and a decrease in SGA expenses primarily from the closing of bases. In 4Q, VECTOR will strengthen the functions of SaaS-based products and tie this into an expansion of orders in the aim of achieving an early recovery.

Net Sales: 2,083 million JPY (81.1% YoY)

Operating Loss: 623 million JPY (Up 213 million JPY YoY)

### Fund

Profit was up YoY due to a gain on sale of shares despite a loss on valuation of stock in investments affected by COVID-19. VECTOR intends to evaluate and sell shares in these investments at the appropriate timing in 4Q.

Net Sales: 311 million JPY (91.7% YoY)

Operating Profit: 162 million JPY (238.1% YoY)



## Progress Toward Full-Year Financial Forecasts

Full-Year Financial Forecast for FY '21 (million JPY)	Revised Forecast Nov. 13, 2020	FY '21 3Q-end	Progress
Net sales	37,000	27,522	74.4%
Operating profit	2,300	2,016	87.7%
Ordinary income	2,300	2,193	95.4%
Profit attributable to owners of parent	630	75	11.9%

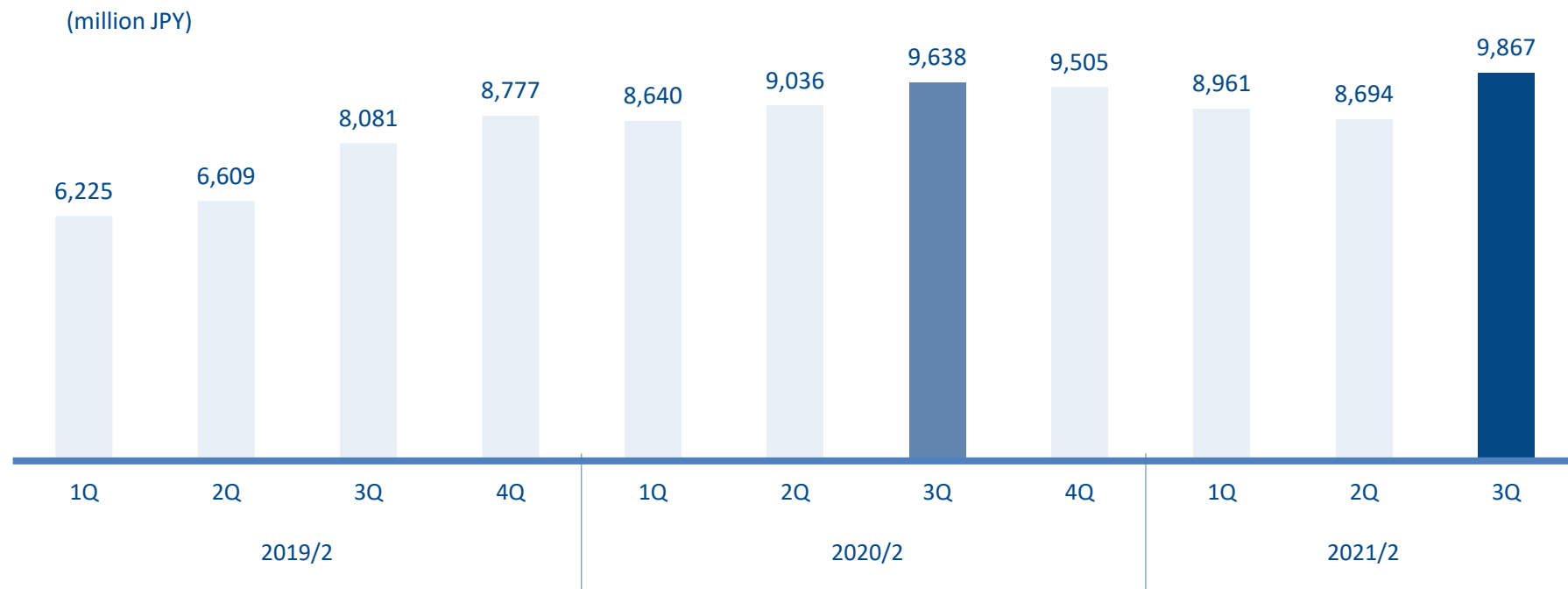
In 4Q, the economic situation remains uncertain due to the government's redeclaration of a state of emergency to prevent the spread of COVID-19. However, as of the end of 3Q, operating profit and ordinary income are trending at higher levels than anticipated, so even if there is certain degree of impact from COVID-19, we expect to achieve the full-year forecasts.

## Profit Indicators under Operating Profit

(million JPY)	FY' 21 Q3	Main reasons
Operating profit	2,016	
Non-operating income	1,195	Recorded gains on sales of investment securities of 1,071 million JPY
Non-operating expenses	1,018	Recorded loss on valuation of investment securities of 764 million JPY and share of loss of entities accounted for using equity method of 127 million JPY
Ordinary income	2,193	
Extraordinary income	78	
Extraordinary losses	87	
Profit before income taxes	2,184	
Total income taxes	1,468	A high level of income tax was recorded relative to the scale of profit before income taxes due to the effect of non-deductible items such as loss on valuation of investment securities and loss of entities accounted for using equity method.
Profit	716	
Profit attributable to non-controlling interests	641	For PR TIMES and Vitabrid Japan, profits other than VECTOR's interests are attributable to non-controlling interests.
Profit attributable to owners of parent	75	

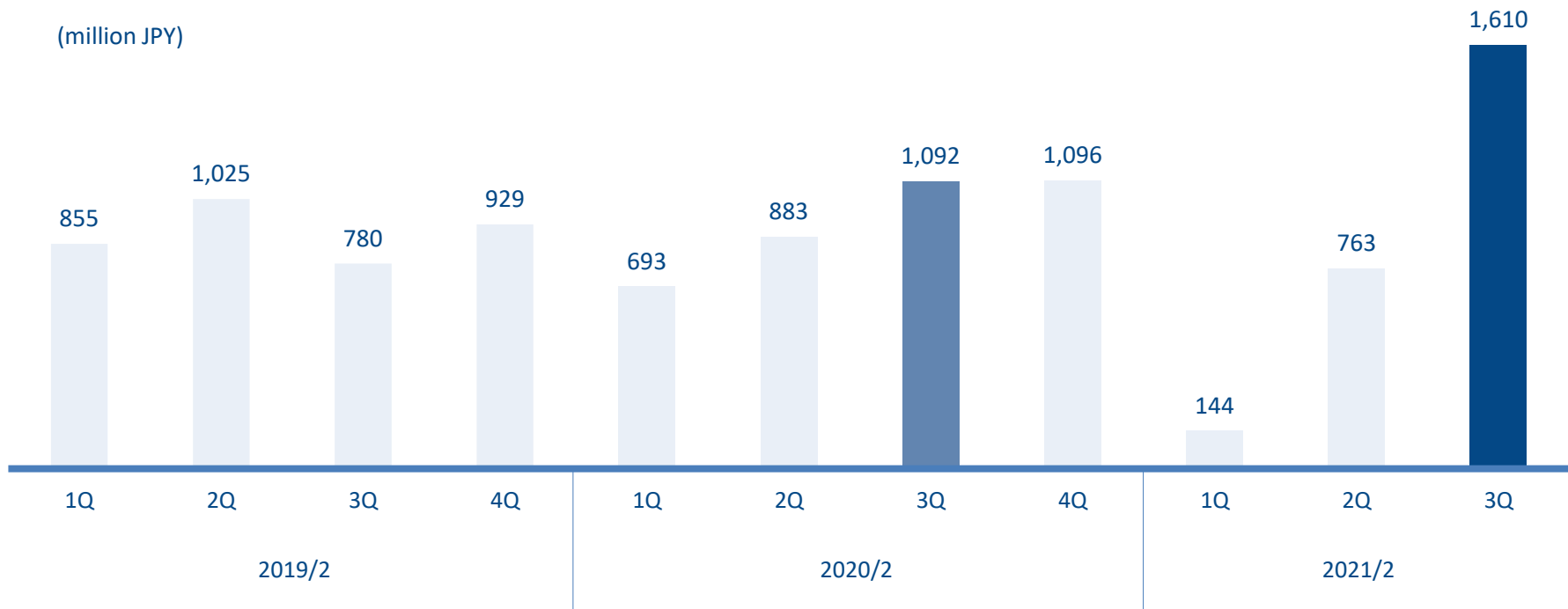
## Consolidated Net Sales

Consolidated net sales for 3Q FY2021 recorded a YoY increase to **9,867** million JPY (**102.4%** YoY), reaching a record high, despite COVID-19.



# EBITDA

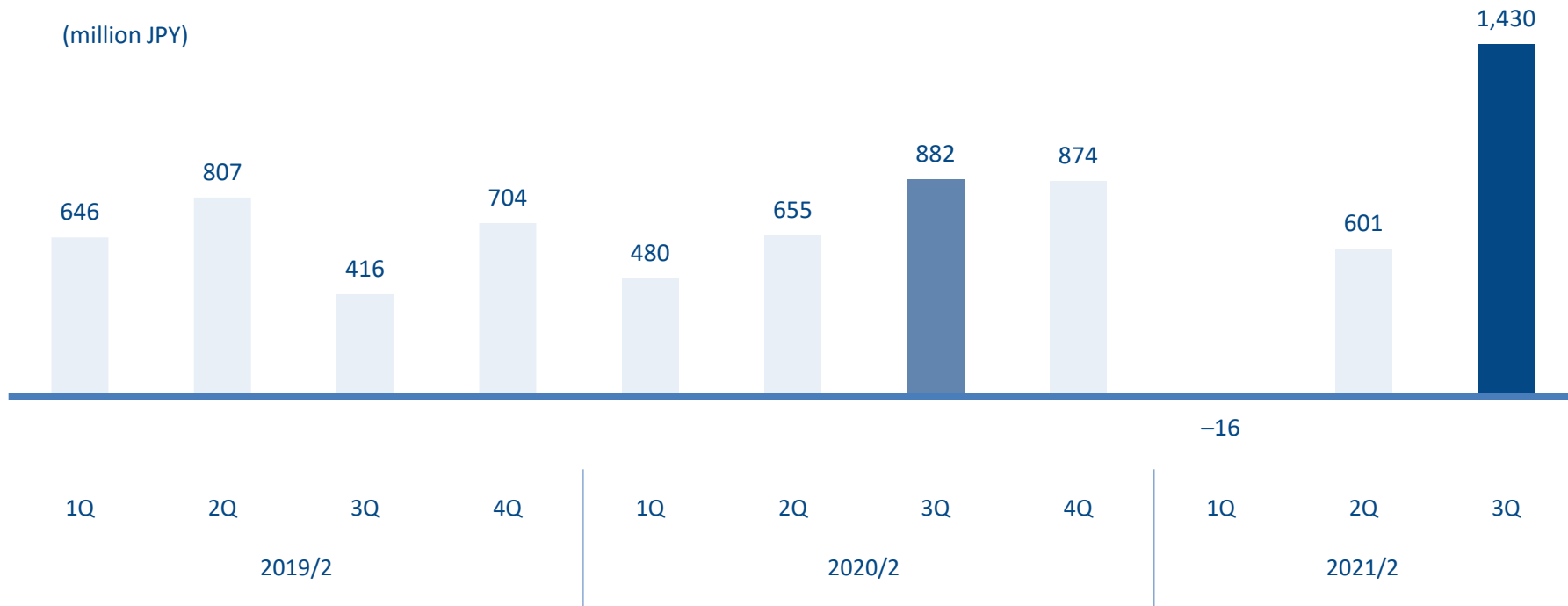
EBITDA for 3Q FY2021 was a record high 1,610 million JPY (147.5% YoY) with record-high consolidated operating profit contributing significantly.



\*EBITDA = Operating profit + Depreciation + Amortization of goodwill

# Consolidated Operating Profit

Consolidated operating profit for 3Q FY2021 amounted to 1,430 million JPY (162.2% YoY), reaching a record high, despite COVID-19.

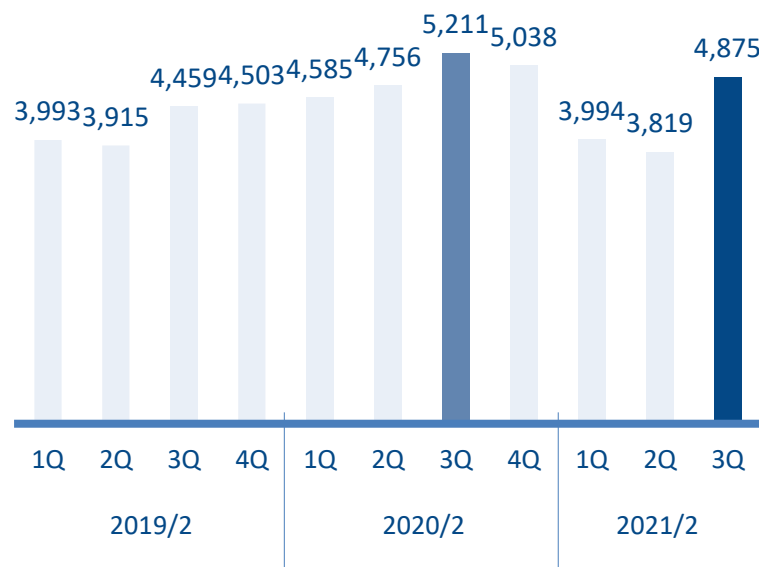


## PR and Advertising Business\*

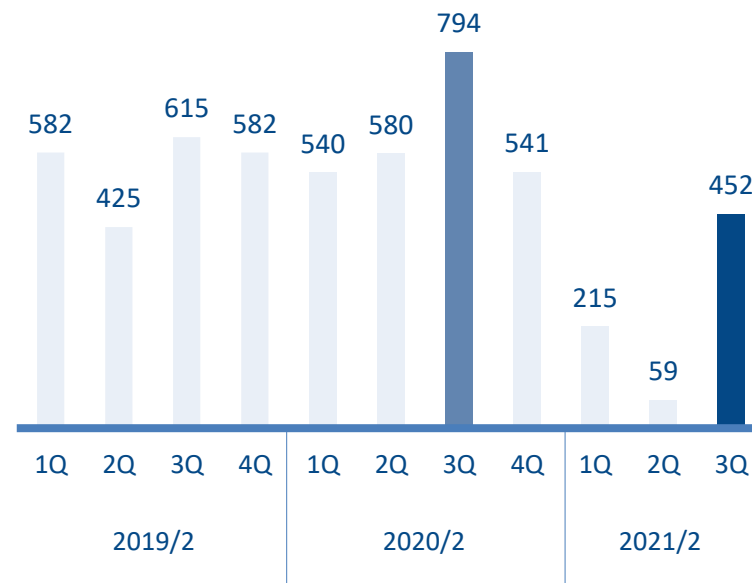
The mainstay PR business in Japan contributed in 3Q FY2021, **helping both net sales and operating profit recover significantly** compared with 1H.

In 4Q, VECTOR will provide support corporate marketing activities suited to the circumstances created by the pandemic with the aim of further recovery.

Net Sales: 4,875 million JPY (93.6% YoY)



Operating Profit: 452 million JPY (57.0% YoY)



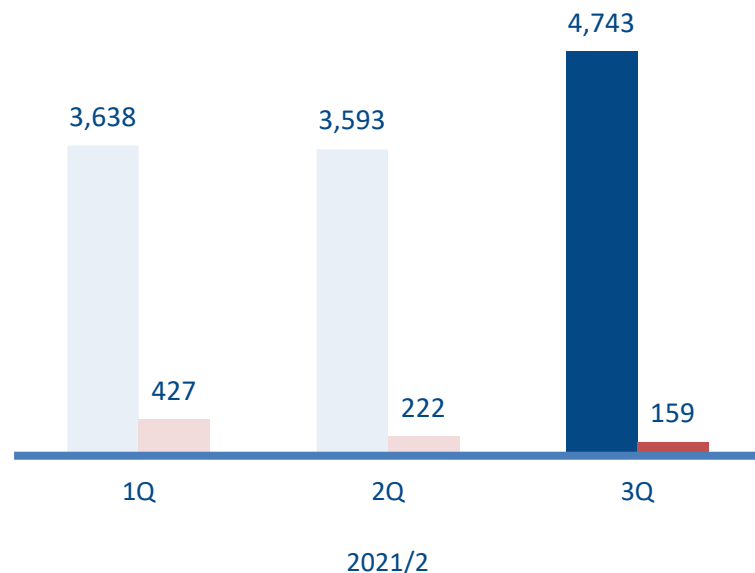
\* The PR and Advertising Business was renamed from the PR Business in 1Q FY2021.

## PR and Advertising Business\* (By Region)

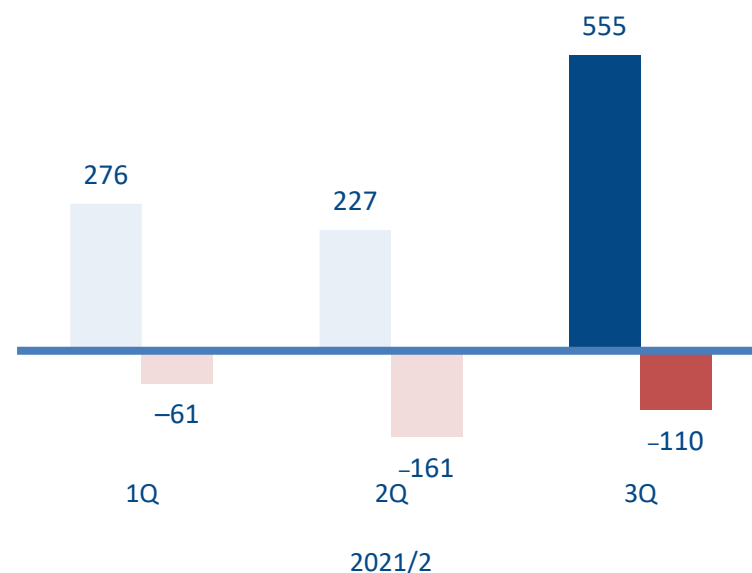
Although a loss was recorded overseas due to COVID-19, the business in Japan contributed significantly,  
**producing profits in the PR and Advertising business.**

The policy for FY2021 is to further grow the business in Japan, keeping losses to a minimum in the overseas business while reducing costs.

Net Sales: 4,743 million JPY (Japan) / 159 million JPY (overseas)



Operating Profit/Loss: 555 million JPY (Japan) / -110 million JPY (overseas)

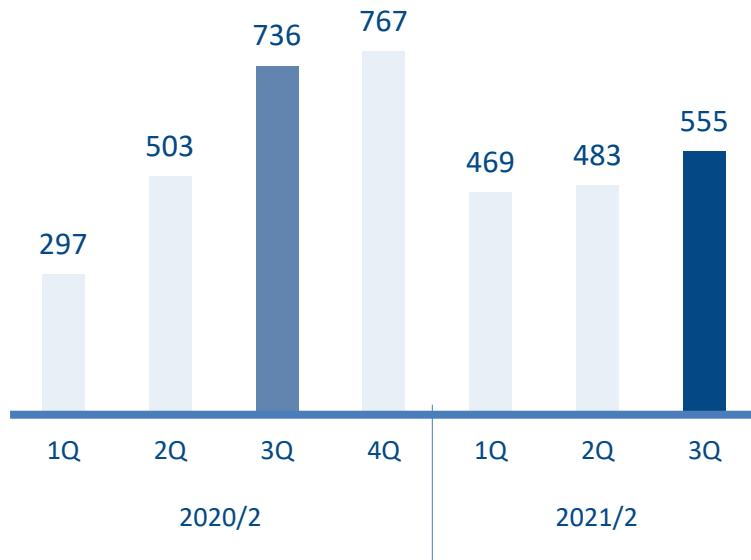


\* The PR and Advertising Business was renamed from the PR Business in 1Q FY2021.

## Taxi Signage Business\* (News Technology)

**Net sales recovered** compared with 1H as the number of taxis in operation continued to further rebound after 2Q. In 4Q, VECTOR will strive to boost net sales by providing content that enhances the appeal of taxi signage.

Net Sales: 555 million JPY (75.5% YoY)



### GROWTH



Around 30% of users are heavy taxi users. The high frequency of viewing a video ad when a person uses taxis repeatedly enhances ad recall and understanding.

\* The Taxi Signage Business has been included in the PR and Advertising Business from 1Q FY2021.

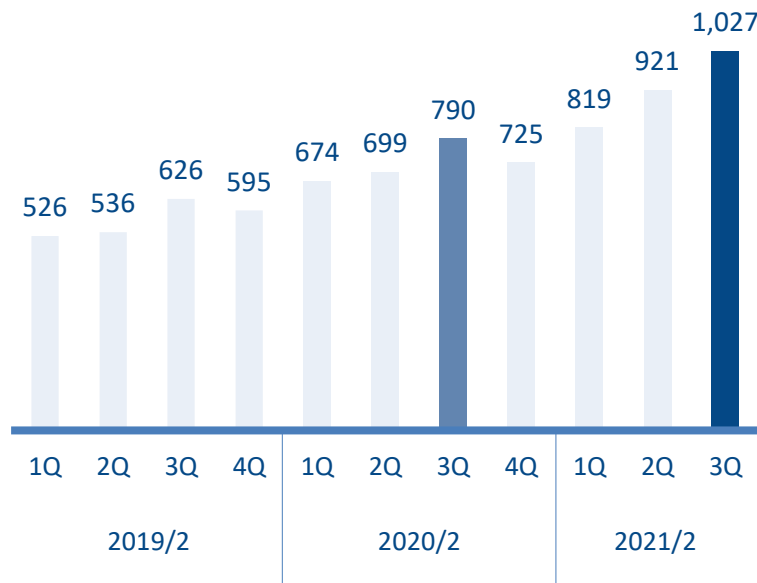


## Press Release Distribution Business (PR TIMES)

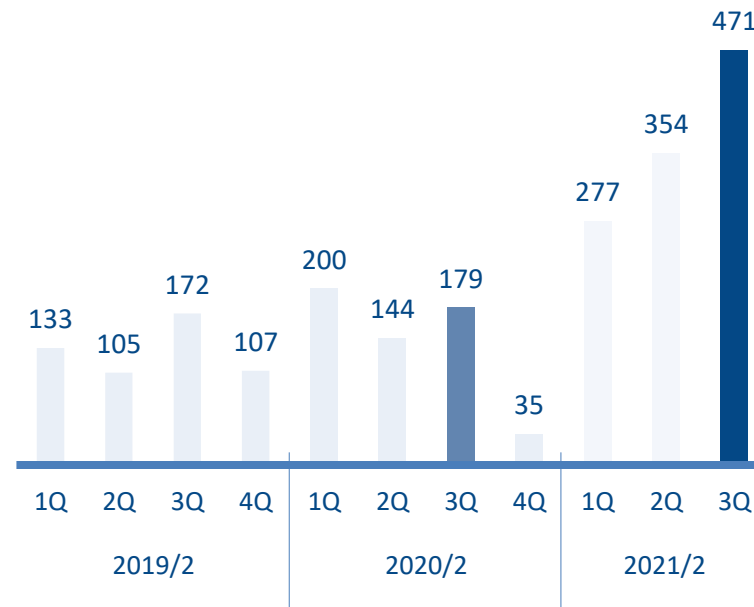
In 3Q FY2021, we saw YoY increases in both sales and profit, **with new record highs set in net sales and operating profit as in 2Q.**

In 4Q, VECTOR will strive to further improve functions and increase the number of user companies based on a mission to drive growth as social infrastructure.

Net Sales: 1,027 million JPY (130.0% YoY)



Operating Profit: 471 million JPY (262.3% YoY)

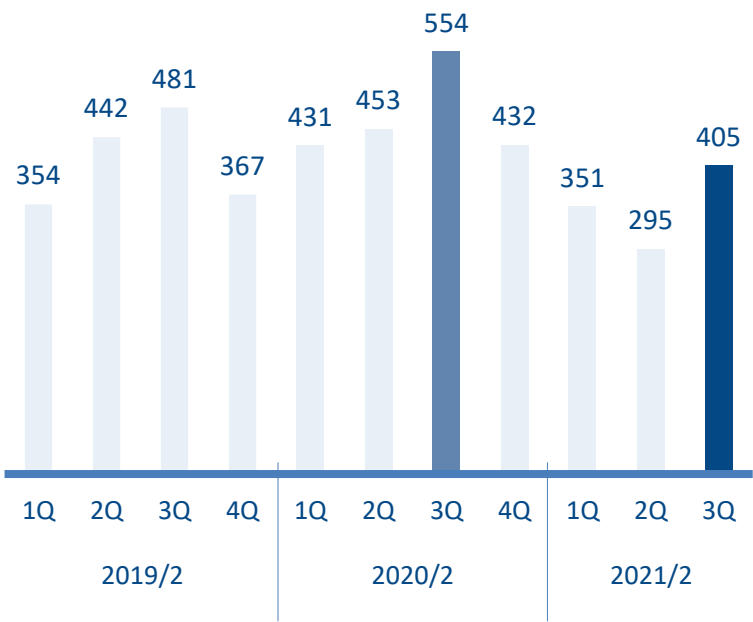


## Video Release Distribution Business (News TV)

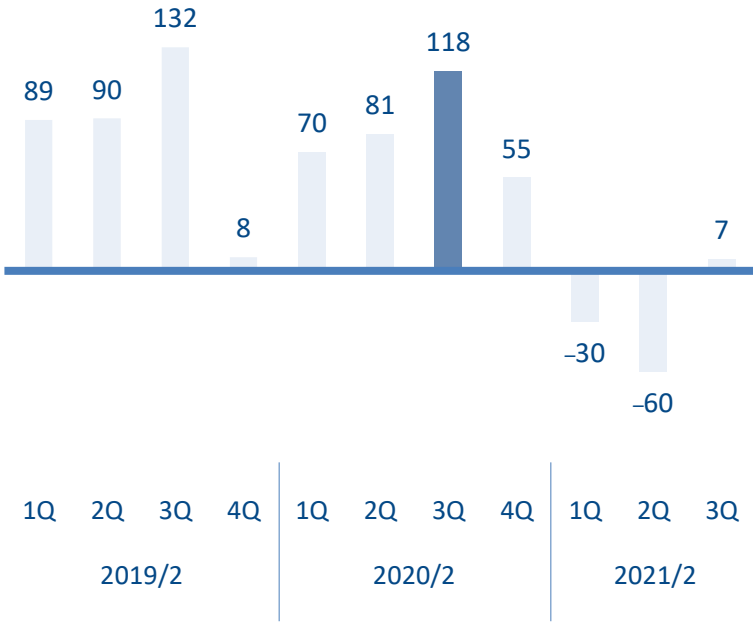
Although willingness to place ads was slow to recover among companies, the number of projects bounced back to pre-pandemic levels, and **the business achieved profitability** in 3Q.

In 4Q, VECTOR will equip sales personnel to make proposals suited to the circumstances of the pandemic, based on the recovery in advertising demand.

Net Sales: 405 million JPY (73.0% YoY)



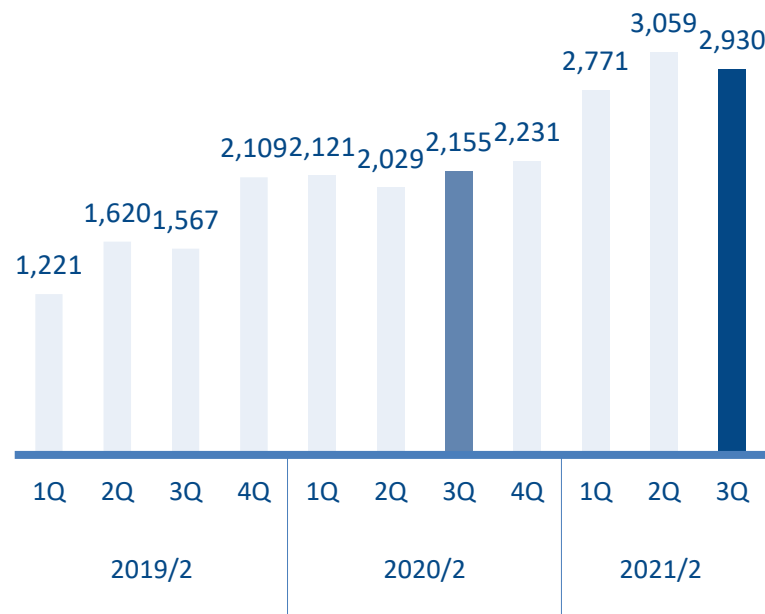
Operating Profit: 7 million JPY (6.4% YoY)



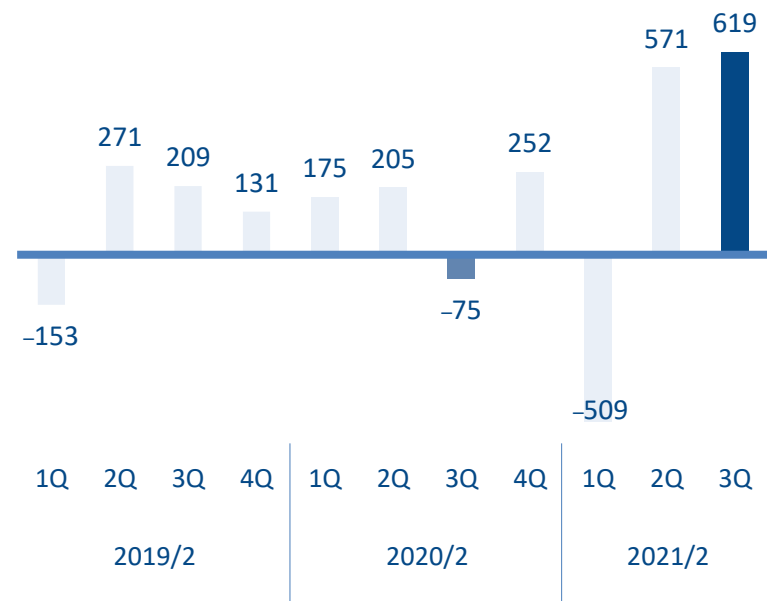
# Direct Marketing Business

In 3Q FY2021, **record highs were recorded in operating profit** attributable to advertising investment in 1Q.  
In 4Q, VECTOR will place ads for FY2022 with the aim of further growth **while securing higher operating profit than the previous year on a full-year basis**.

Net Sales: 2,930 million JPY (135.9% YoY)



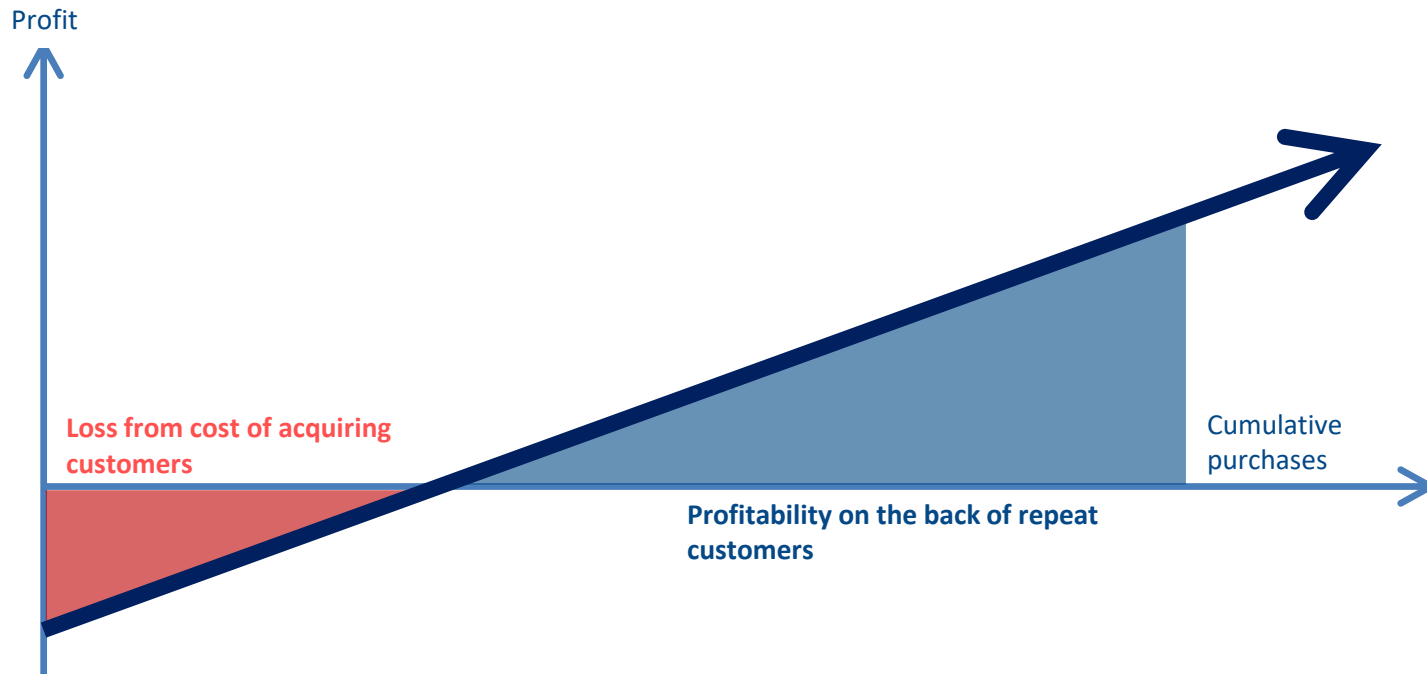
Operating Profit: 619 million JPY (Up 695 million JPY YoY)



## Direct Marketing Business Model

This domain will use an **advance investment-type business model** in which investment is made in advertising to acquire new customers, and profits are increased through sales from repeat customers.

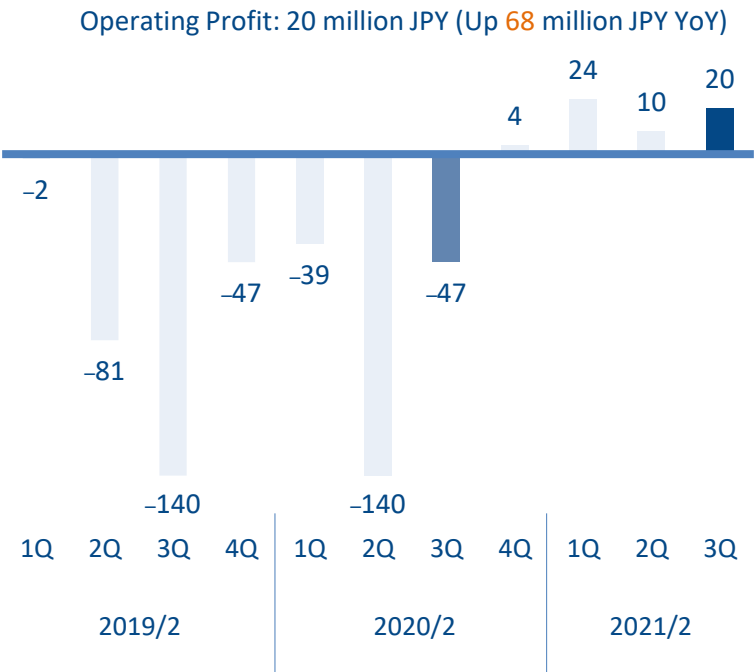
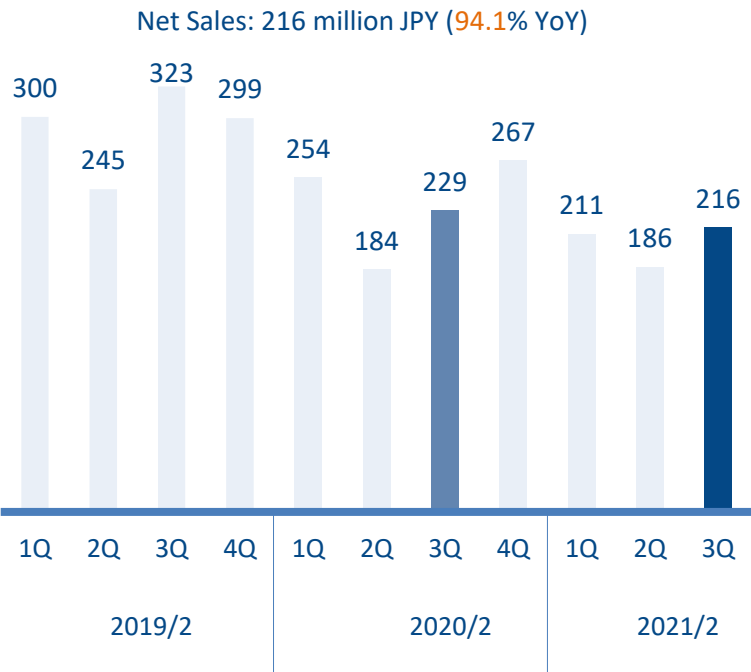
A loss will be posted initially due to costs to secure customers, but we can recover investment through repeat customers and achieve profitability once we build profits.



# Media Business

In 3Q FY2021, **profit was achieved** due to the absence of the burden of goodwill amortization from this FY coupled with a change in business structure.

Profit is projected to rise further in 4Q through investment for enhancing CMS functions while strengthening sales of owned media.

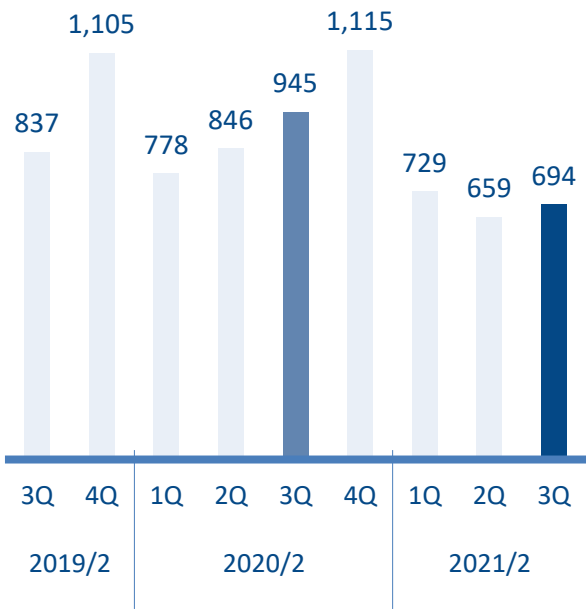


# Human Resources Business (ASHITA-TEAM)

**The loss shrank** in 3Q FY2021 as a result of an increase in net sales driven by a recovery in orders and a decrease in SGA expenses primarily from the closing of bases.

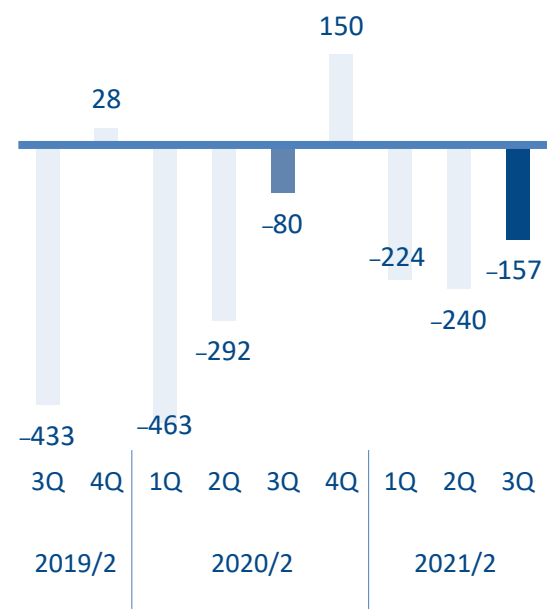
In 4Q, VECTOR will strengthen the functions of SaaS-based products and tie this into an expansion of orders by meeting customer needs with the aim of achieving an early recovery.

Net Sales: 694 million JPY (73.5% YoY)



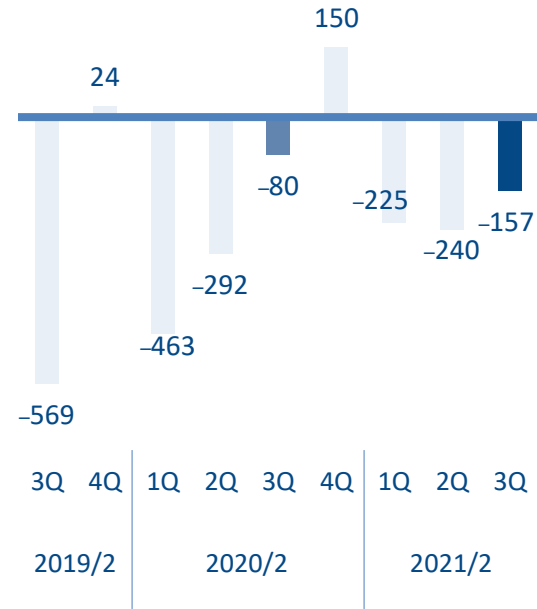
EBITDA: -157 million JPY

(Down 76 million JPY YoY)



Operating Loss: 157 million JPY

(Down 76 million JPY YoY)



# Human Resources Business Outlook

VECTOR will expand the subscription ratio and create stable earnings foundations by strengthening sales of SaaS-based products such as personnel evaluation cloud solutions.

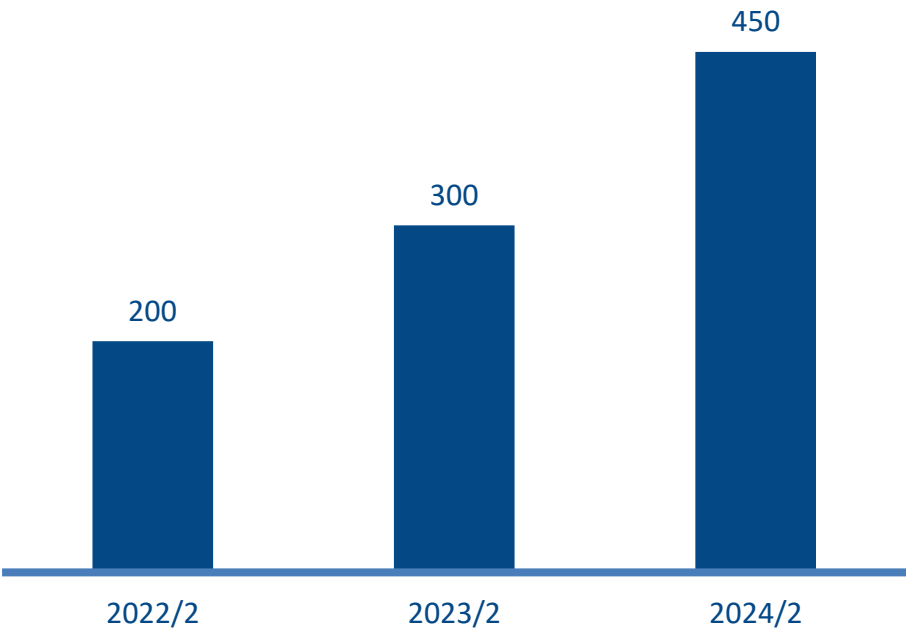
Operating profit in FY2024 is projected to climb to 450 million JPY on the back of stable profits achieved by building up subscription earnings.

Personnel evaluation cloud “Ashita Cloud”<sup>®</sup>



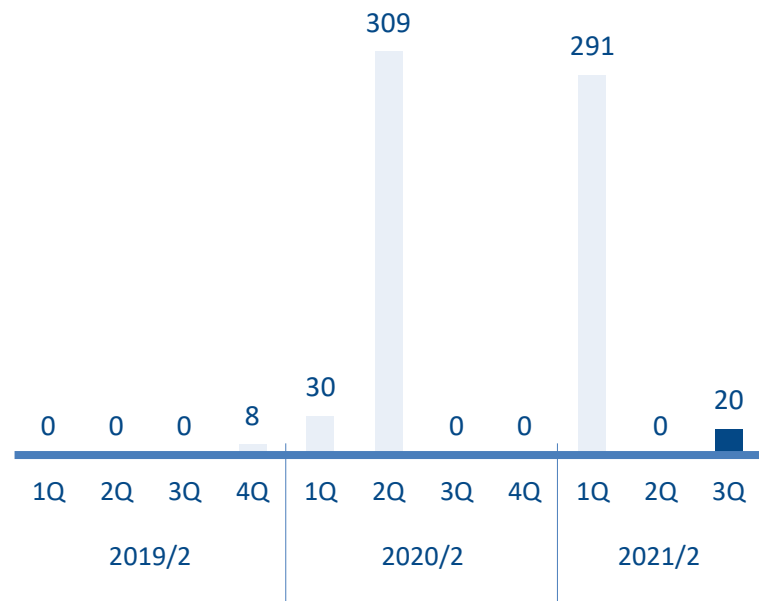
Build up subscription earnings by strengthening sales of SaaS-based products

Operating Profit (million JPY)

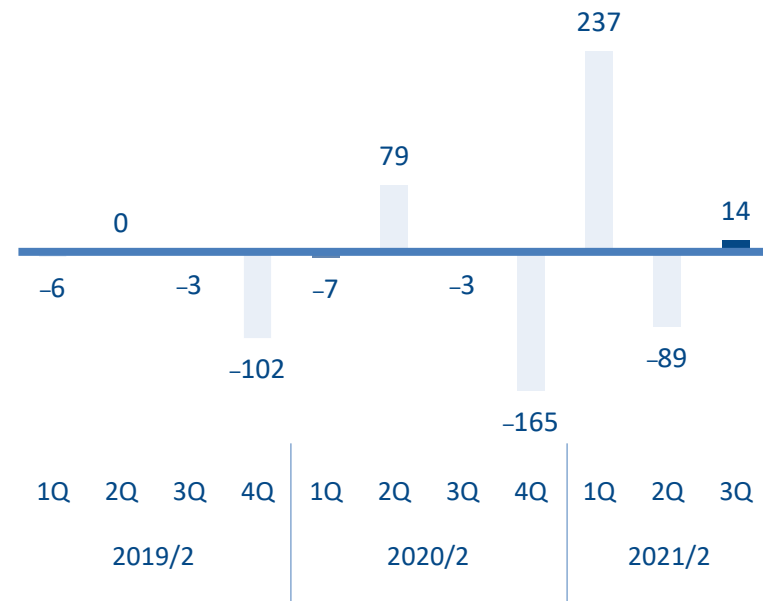


In 3Q FY2021, sales and profit were up YoY due to a gain on sales from the sale of a certain number of shares held.  
 In 4Q, VECTOR intends to evaluate and sell shares held in these investments at the appropriate timing based on the COVID-19 situation.

Net Sales: 20 million JPY (Up 20 million JPY YoY)



Operating Profit: 14 million JPY (Up 17 million JPY YoY)





## Consolidated Profit and Loss

(million JPY)	FY' 20 3Q	FY' 21 3Q	Difference	YoY
Net sales	27,315	27,522	+207	100.8%
Gross profit	17,397	18,304	+907	105.2%
EBITDA	2,669	2,519	-150	94.4%
Operating profit	2,017	2,016	-0	100.0%
Ordinary income	2,672	2,193	-478	82.1%
Profit before income taxes	2,124	2,184	+60	102.8%
Profit (loss) attributable to owners of parent	(25)	75	+100	—

# Consolidated Statement of Comprehensive Income

(million JPY)	FY' 20 3Q	FY' 21 3Q	Difference	YoY
Profit	352	716	+364	203.3%
Other comprehensive income (loss)	(462)	4,858	+5,320	—
Valuation difference on available-for-sale securities*	(422)	4,875	+5,297	—
Other	(39)	(17)	+22	—
Comprehensive income (loss)	(109)	5,574	+5,684	—

The main reason for the difference was the recording of a significant amount for valuation difference on available-for-sale securities in line with the listing of Cyber Security Cloud, Inc. **Sale of the Company shares contribute to an increase in net income at time of sale.**

\* Valuation difference on available-for-sale securities refers to unrealized gains/losses associated with the market value of listed stocks recorded in the net assets section.

# Consolidated Balance Sheet

(million JPY)	FY' 20 Year End	FY' 21 3Q End	Difference	YoY Change
Total assets	23,606	31,806	+8,200	134.7%
Cash and deposits	7,889	9,984	+2,095	126.6%
Goodwill	631	654	+22	103.6%
Operational investment securities + investment securities	4,331	10,319	+5,988	238.2%
Other	10,753	10,847	+94	100.9%
Total liabilities	13,439	16,236	+2,796	120.8%
Borrowings + bonds	5,799	7,834	+2,035	135.1%
Other	7,639	8,401	+761	110.0%
Net assets	10,166	15,570	+5,403	153.1%

The main factors behind the difference from the previous fiscal year-end were an increase in cash and deposits as well as borrowings due to new loans to increase cash on hand and an increase in investment securities and net assets in line with the listing of Cyber Security Cloud, Inc.

# Medium-term Profit Plan

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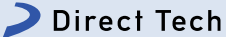


## Medium-term Profit Plan

Medium-term Profit Plan (million JPY)	FY '20 (Results)	FY '21 (Target)	FY '22 (Target)	FY '23 (Target)
EBITDA*	3,766	2,940	5,460	6,590
Operating profit	2,891	2,300	4,820	6,000

- VECTOR expects to record an appropriate level of profit attributable to owners of parent from FY2021 onward.
- The forecast for EBITDA for FY2021 and beyond has been revised due to a decline in goodwill amortization caused by the impairment of goodwill.
- VECTOR's dividend policy is to ensure a consolidated payout ratio for shareholders aimed at 20%.
- Dividends for FY2021 have yet to be determined.

\*EBITDA = Operating profit + Depreciation + Amortization of goodwill

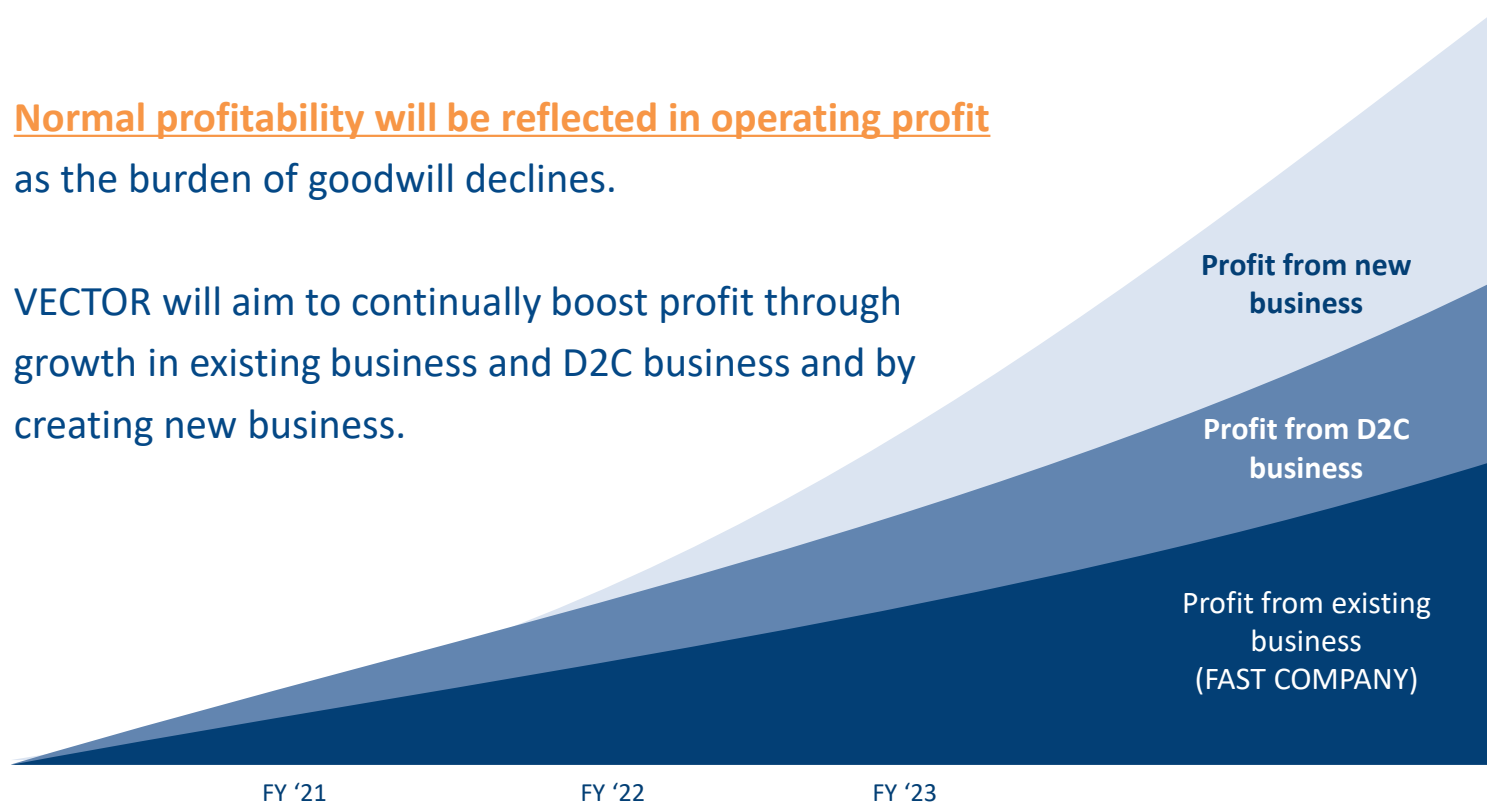
# Businesses Comprising VECTOR Group

FAST COMPANY	D2C	HR	Investment	New Business
 <p>FAST COMPANY provides one-stop, comprehensive support for marketing strategies designed to deliver the excellent products, services and solutions of our customers to the world.</p> <p>vector <b>ANTIL</b></p> <p>vector <b>Platinum</b></p> <p>vector <b>INITIAL</b></p> <p>vector <b>SIGNAL</b></p> <p><b>PRTIMES</b> <b>Smartmedia</b></p> <p><b>NT</b> <b>NEWS TV</b></p>	 <p>We handle everything in-house, from product planning and production to advertising, marketing, and purchasing in a D2C business having direct contact with customers.</p> <p><b>Vitabrid C<sup>12</sup></b> Vitabrid Japan</p>	 <p>Our HR business primarily provides consulting and personnel evaluation cloud solutions to companies to support the introduction and operation of personnel evaluation systems.</p> <p></p>	 <p>In our venture company investing activities, we provide investees with support for increasing value along with PR and IR.</p> <p><b>100 capital</b></p>	 <p>We grow service domains taking advantage of the business knowhow we have cultivated and start new businesses that leverage Group synergies and partner strengths.</p> <p></p> <p><b>MEDICAL</b> TECHNOLOGIES</p> <p></p> <p></p> <p><b>SolveC</b></p>

### Normal profitability will be reflected in operating profit

as the burden of goodwill declines.

VECTOR will aim to continually boost profit through growth in existing business and D2C business and by creating new business.



# Company Strategy



# From #1 PR Firm...

PR market in Japan worth 100 billion JPY

A modern office interior with large windows overlooking a city skyline at dusk. The office is furnished with desks, chairs, and a large wooden sculpture in the foreground. The text is overlaid on the image.

# ...to a Fast Company in Advertising Industry

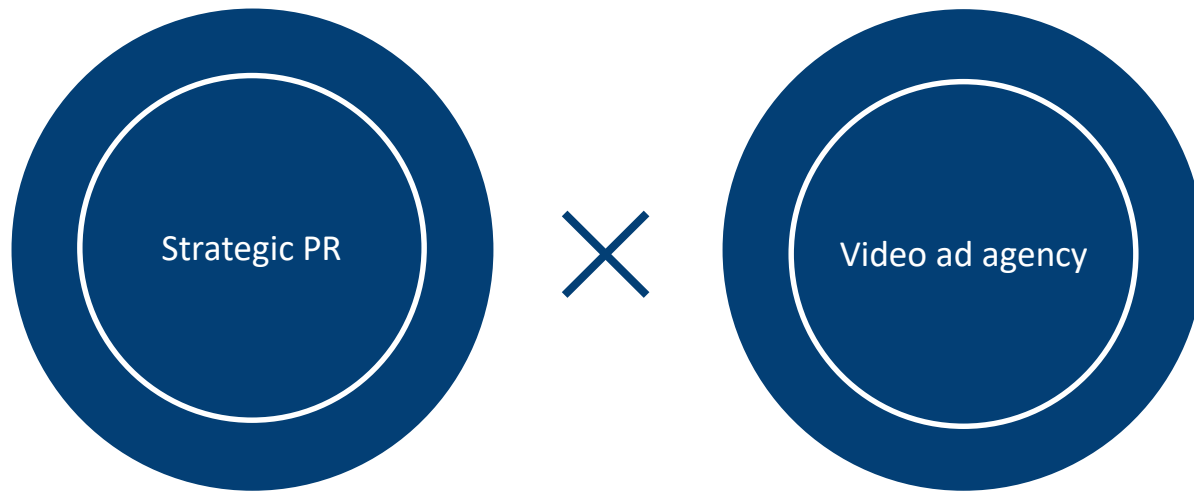
Target advertising market worth 6 trillion JPY

# Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

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

Accelerate growth as a video ad agency with a strategic PR perspective  
with the aim of becoming a “FAST COMPANY” in the advertising industry



## “Spreading the word” at about 10% of traditional model’s cost

Celebrity Casting					
Cast celebrities for content including Websites, Online Videos and Events.					
Starbank					
Press releases	PR Consulting	Video News	Influencers	Digital Marketing	Digital Signage
 <p>#1 press release service in Japan with 40,000 clients. Used by 40% of public-listed corporations, our strong brand reputation and media reach are highly appreciated by our clients.</p> <p><b>PR TIMES</b></p>	 <p>From PR planning to execution, our experienced PR consultants apply the most effective communication strategies.</p> <p>vector <b>ANTIL</b></p> <p>vector <b>Platinum</b></p> <p>vector <b>INITIAL</b></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 and using a CMS platform for integrated management.</p> <p><b>NEWS TV</b></p>	 <p>Support corporate service/product branding through SNS influencers.</p> <p>Starbank</p>	 <p>Integrated support from website production and system creation to digital promotion; can also handle ad distribution, owned media creation and operation, and production of PR/IR videos.</p> <p>vector <b>SIGNAL</b></p> <p><b>NT</b></p> <p>Smartmedia</p> <p><b>IR</b> robotics</p>	 <p>VECTOR provides strong support for a client’s next-generation communication using Tokyo’s largest volume of digital signage and digital out-of-home (DOOH) media.</p> <p><b>GROWTH</b></p> <p>vector DOOH</p>

JPY 0

JPY 50 Million/Year

### Expand service domain via “FAST COMPANY”

1  
Video News

Produce highly effective video news as a video ad agency based on a PR standpoint and deliver it directly to the target audience.

2  
DX

Utilize the digital data accumulated within the VECTOR Group to build a CMP capable of content production, delivery and analysis.

3  
Hiromeru

Ad industry e-commerce sites that sell various services of existing businesses (video releases, social media strategies, etc.) online

4  
New Business

Develop new businesses for the times in the advertising domain leveraging knowhow from existing businesses and partner strengths.

# 1 Video News

## PR and video ad agency

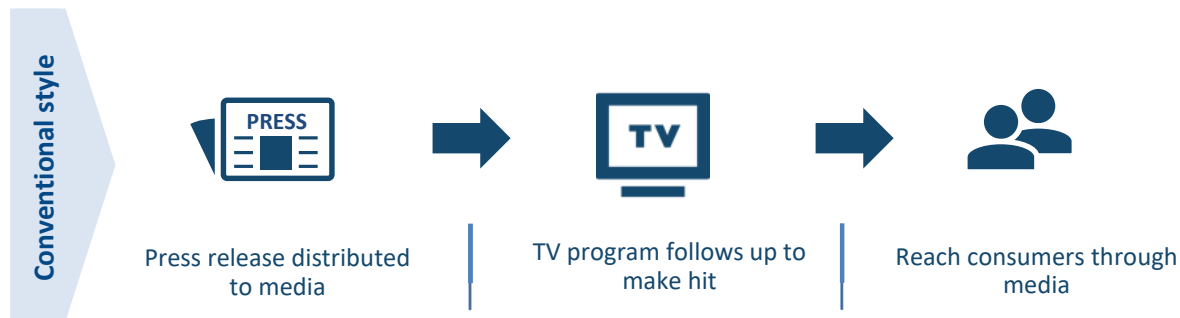
Combine the functions of a video ad agency with conventional strategic PR to cross-sell highly effective video news, thereby improving sales per customer.



# Past vs Future Information Dissemination

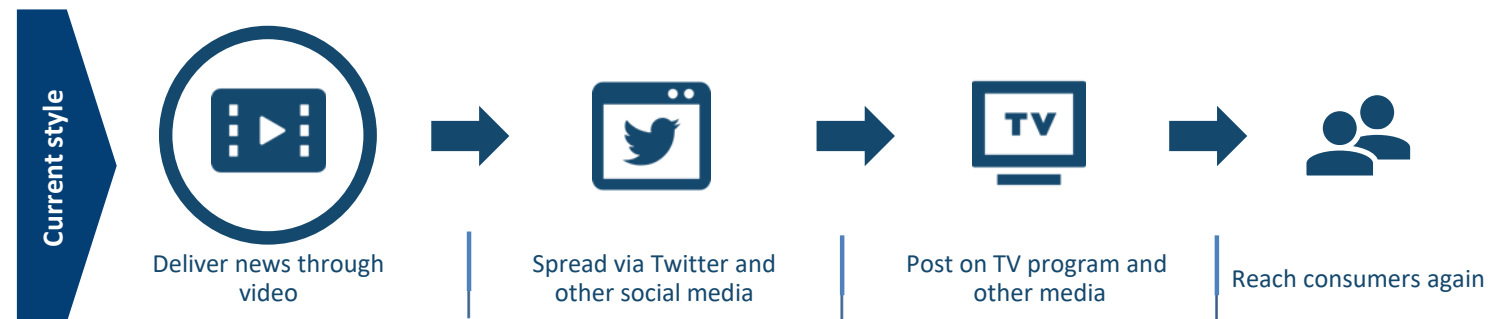
## Information dissemination based on press release

B to B to C



## Information dissemination based on video news

B to C to B to C



## Video content

### Long content

Live distribution

Press conferences

Interviews

Seminars

Documentaries

Programs

## Trailer



### 1–3 minute video news



### Appealing Domains to People (Knowhow as a PR company)

Conflict

Celebrity

Beautiful  
person

New info.

Anniversary

How to

President

World-first

Surprise

Selfie

Challenge

Collabo-  
ration

Current  
events

Comment

Event

Popular

Live  
content

Empathy

etc.

## Distribution

### Organic video distribution

Media list

Social media account

Sales leads

In-house (newsletter tools)

Recruitment (Wantedly, etc.)

Media (CompanyTV)

### Video advertising distribution

YouTube advertising

Social media advertising

Taxis

DOOH advertising

Media ad space

## Community- building

Continuous  
distribution



Distribution  
when needed



New community

## Video News Success Case

Thanks to the distribution of "video news," BLUE STAR BURGER created a stir even before it opened. The video was covered by various media, including 15 TV programs. This reflects an age of distributing video content from a PR standpoint.



Key message: Tomoyoshi Nishiyama's biggest challenge of his life as a restaurateur



An effective appeal to the target audience with a 2-minute video news production

Deliver video news en masse to stakeholders with video owned media as hub

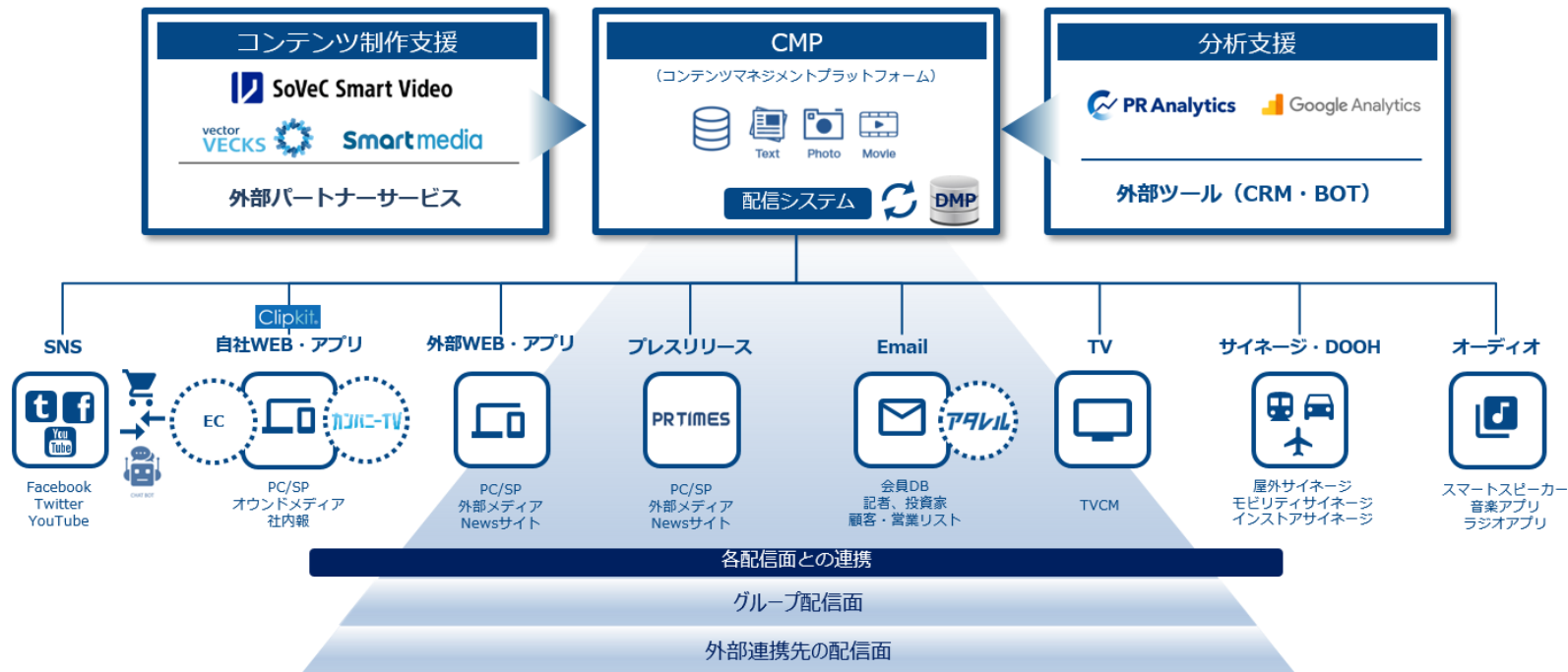


# 2 DX

## DX in the advertising industry

Utilize the digital data accumulated within the VECTOR Group to build a VECTOR PR platform capable of content production, delivery and analysis.

Utilize accumulated digital data to build an optimal comprehensive platform capable of supporting everything from content production and delivery to analysis



# 3 Hiomeru

## Ad industry e-commerce sites

Increase efficiency in sales processes by creating a platform enabling  
online ordering of VECTOR Group's PR menu



The efficiency of the sales process will be boosted by securing orders online for PR news.

coxil そのビジネスをネットで広めよう

ヒロメルとは コンサルタントに相談する ログアウト 相談カート

ヒロメルメニューから選ぶ ▼ 目的から探す ▼ プロフェッショナルから選ぶ coxilPro ▼

# そのビジネスを ネットで広めよう

「ヒロメル」はモノを広める時に必要なサービスが全て揃った  
広告業界のE コマースサイトです

会員登録をしてコンサルタントに相談する

## FEATURE



We can capture potential needs by showcasing successful strategic PR plans.


そのビジネスをネットで広めよう

ヒロメルとは

[コンサルタントに相談する](#)

[ログアウト](#)


相談カート

[ヒロメルメニューから選ぶ ▼](#)

[目的から探す ▼](#)

[ヒロメルTOP](#) > [PRマーケティング](#) > [PRプラン](#)

## 『HR業界No.1』を達成したタレント起用のメジャーブランディング戦略とは

[概要](#)
[プロジェクト背景](#)
[活動成果](#)
[レビュー（お客様の声）](#)




【あしたのチーム】人事評価クラ...


後で見る


共有

「給与連動」してま... 



広告費「0円」、TVPRで広告換算10億円以上の一大ブームへ！

なぜ「あしたのチーム」は「HR業界No.1」になったのか？タレント起用のマーケティング戦略

[相談カートを見る（2点）](#)

[PRプラン](#)



参考価格 ￥10,000,000～

ヒロメル目的 ブランディングがしたい

内容 ミニマムパッケージと合わせ、商圏内の見込み客や興味関心のある人にビデオリリースを活用

このパッケージで利用したヒロメルメニュー

[書籍](#)
[ミニマムパッケージ](#)
[タクシー広告](#)
[SNS運用](#)

[ビデオリリース](#)
[リテナーPR](#)
[書籍](#)


このプランを相談カートに入れる

## New Business 4

### Creation of new businesses ahead of the times

Use knowhow from existing businesses to grow service domains and start new businesses that leverage Group synergies and partner strengths.

## New business: Liver Bank

Established Liver Bank, Inc. anticipating the growth potential of the rapidly growing live streaming market  
Promoted celebrity, artist and other fan communication DX in a tie-up with Sun\* Inc.

# LIVER BANK

### Livestreamer Management Business

Development-type livestreamer production service “pino live”

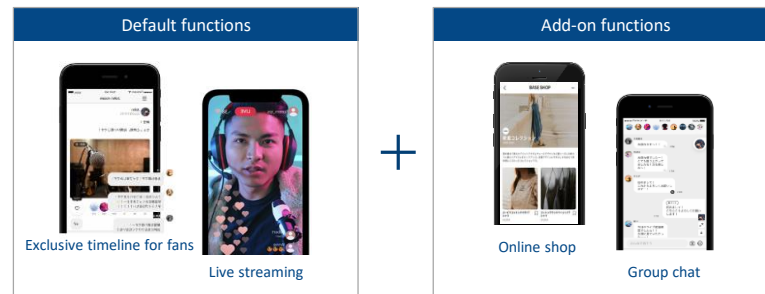


Around 450 livestreamers have joined, growing from beginners to top-level livestreamers

### Fan Community System Business

Fan community system with live streaming function

Sun\* × LIVER BANK



Enhancing communication with fans, promoting DX for each celebrity/artist

Sales of RICA FROSH “Juicy Lasting Tint” featuring Yuka Furukawa topped 500,000 units in eight months since launch. Initial sales of the second product in the series, RICA FROSH “LAGTHOMAS KIT,” commenced on the company’s official website on November 12, 2020



Yuka Furukawa has a friendly and charismatic persona and is popular among teenagers. She commands 1.48 million YouTube subscribers and 1.9 million Twitter and Instagram followers.



The six colors in the Juicy Lasting Tint series have remained popular ever since they hit the market.

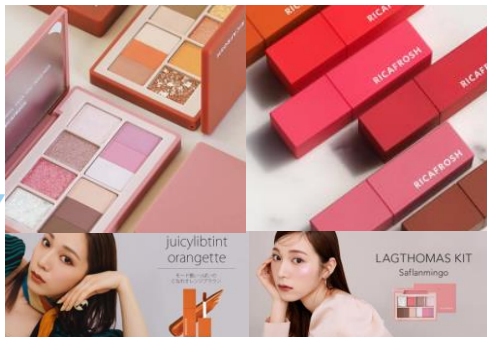
Aim to become D2C platform company centered on D2C brand development business.  
Continue to develop commerce DX support business to solve customer issues and expand the business foundation.



D2C brand development business

**RICAFROSH**

In **8 months** since launch:  
**500,000**  
units sold



Produced by Yuka Furukawa, a popular YouTuber and fashionista.  
Cumulative sales reached 500,000 units just eight months after the launch.



10,000 units of hand gel developed under the supervision of  
multi-talented popular YouTuber Yun sold in just 24 hours  
following the launch.

**Liypaint**

Within **24 hours** of launch:  
**10,000**  
units sold



Colorful Tails, Inc. was established with the main business of developing content for hyper casual games with a focus on their growth potential as media from the perspective of advertising revenue.



Colorful Tails

Examples of titles released



KetchupMaster



MenthosCola



MadeYouLook



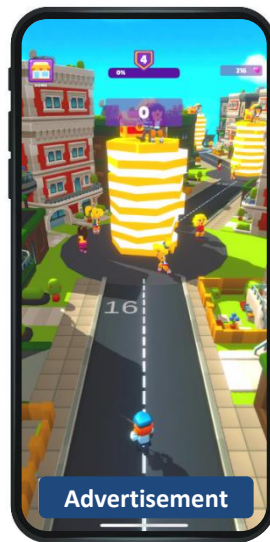
ThankYouOffice



VacuumRun



DeliveryRun!



Banner

In-game advertising



Video reward



Interstitial

## Colorful Tails Business Strategy

Increase probability of hit products and bring about its early achievement by partnering with major overseas publishers on development.

Colorful Tails engages in planning and development and acquires operational knowhow and profits from partners.





# VECTOR Group's Communications Infrastructure

Provide more opportunities for client content to catch the eye of consumers and maximize advertising effectiveness by leveraging the communications infrastructure VECTOR Group has built up.

## DOOH

Two most popular display screens in Shibuya and Shinjuku



## Taxi Signage

Number of signage units installed in taxis in Tokyo

**11,000**



## Hyper casual games

Pages of advertisements increase significantly based on the number of apps installed



## ChargeSPOT

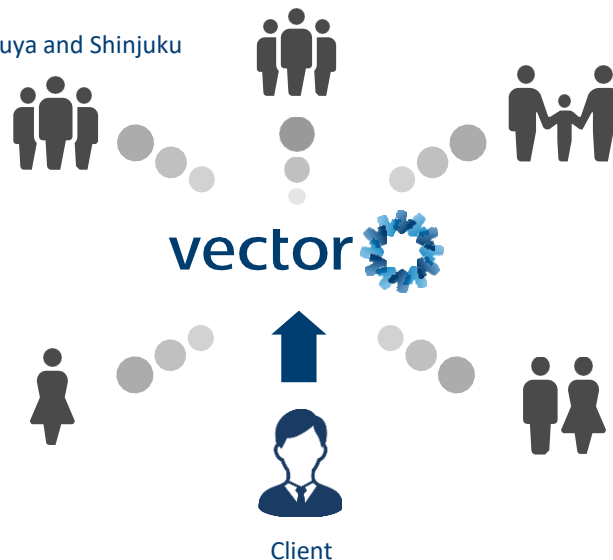
Number of units nationwide

**12,000** or more

## Beauty Salon Signage

Only high-end salons in Tokyo

**80** stores/**1,000** units





VECTOR entered the sales tech field in order to provide comprehensive support for customer sales activities given the impact of COVID-19.

Atareru, launched in September 2020, is a subscription-based cloud service aimed at securing customer leads.






Atareru is a subscription-based cloud service supporting inside sales and field sales

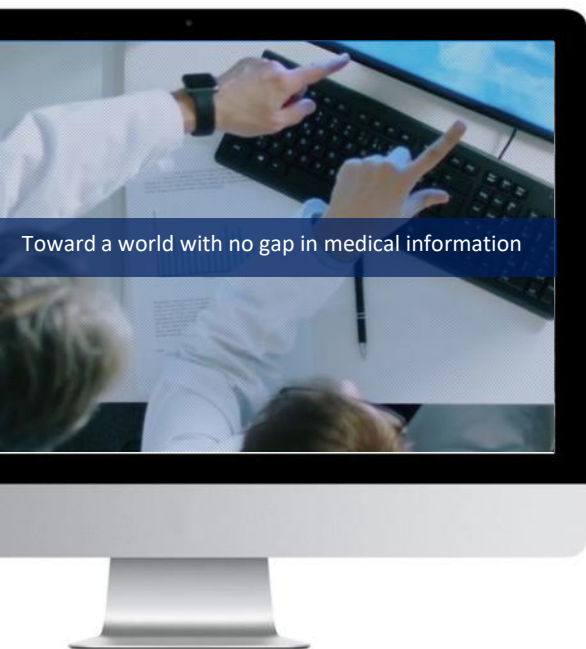


## Background to Entry into New Service Area

We aim to provide new services that are ahead of the times by combining VECTOR Group's customer base and marketing communication capabilities with the strengths of partner companies.

			
Customer issue	Challenges include improving labor shortage in the medical field through digitalization and boosting the efficiency of gathering highly reliable medical information	Challenges include effective data utilization and privacy protection in line with issues surrounding the handling of personal data	Challenges include the time required to edit videos and the lack of human resources in-house who are proficient at editing
Partner	Business Intelligence Inc.	Intimate Merger, Inc.	Sony Network Communications Inc.
Partner strengths	Specializes in medical marketing and does numerous business deals with clients in the medical industry	A leading DMP specialist with one of the largest databases in Japan, boasting data for 470 million audience members	Advanced technologies such as AI and IoT within the Sony Group
Service provided	"MEDICAL PLATFORM" online lecture platform specializing in the medical industry	"Trust 360," a management platform for user consent of personal data, etc.	"SoVeC Smart Video" automatic video generation cloud service utilizing AI

Medical Technologies, Inc. was established to resolve issues in the medical industry through DX. Plans are in place to launch the online lecture platform “MEDICAL PLATFORM” specializing in the medical industry in winter this year.



Toward a world with no gap in medical information

### Features of MEDICAL PLATFORM

01

#### One-stop support from management office

Centralized management, from venue arrangements on the day and equipment arrangement and management to registration and follow-up

02

#### Industry-specific online functions

A finely-tuned system implementing the functions pharmaceutical and medical device manufacturers want to realize

03

#### Database creation and marketing support

Build a database specializing in behavioral information and apply it to marketing support

04

#### Online, real-time support (*Under development*)

Management of registration and membership not only for online but also in-person lectures

Going forward, the “privacy tech market” is forecast to expand alongside growing needs for handling personal information within data volumes. Priv Tech, Inc., a joint venture with Intimate Merger, Inc., was established in March 2020 in anticipation of market expansion.



CMP JS

1

Consent management tag generation



CMP Manager

2

Consent management



CMP CDP/BI

3

Consent level analysis

As a first solution, the company started providing “Trust 360,” a management platform for user consent of personal data, etc. “Trust 360” builds trusting relationships between consumers and CMP companies that can obtain consent regarding the acquisition and use of personal data when required without obtaining the data unnecessarily online. The service is also used by companies to ensure compliance with the Act on the Protection of Personal Information, violations of which will be subject to severe penalties in the future.

SoVeC launched a virtual exhibition platform using the latest VR technology in July 2020 and the XR CHANNEL service to display AR in everyday space using VPS\* technology in August 2020.

Virtual exhibition



People can easily take part in a virtual exhibition via PC or smartphone as the events can be held online on a web browser.

XR CHANNEL



XR CHANNEL, jointly developed with KDDI, is Japan's first 3D-mapping AR app that transforms urban settings and information using powerful AR.

\* VPS: Visual Positioning Service is a service in which one's surroundings are identified using images from the camera mounted on a smartphone, etc.

# Investment Performance


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Supporting corporate growth through investment and PR/IR (total of 20 IPOs)  
Listing of Koukandekirukun, Inc. and Inbound Tech Inc. brought FY2021 total to 5 IPOs

Date of listing	Company name		Market
December 23, 2020		Koukandekirukun, Inc.	TSE Mothers
December 18, 2020		Inbound Tech Inc.	TSE Mothers
September 28, 2020		Headwaters Co., Ltd.	TSE Mothers
July 7, 2020		Branding Engineer CO., LTD.	TSE Mothers
March 26, 2020		Cyber Security Cloud, Inc.	TSE Mothers



# 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 and Services



## Fintech and Real Estate Technology



## Human Resources-Related



## Sharing Economy



## DX



## Other toB Services



## Other toC Services







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.