

VECTOR INC.

Financial Results – FY '21



April 14, 2021

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FY '21 Results

Consolidated Performance Summary

Net Sales

37,270 million JPY
(101.2% YoY)

Gross Profit

24,440 million JPY
(105.3% YoY)

EBITDA*

3,000 million JPY
(79.8% YoY)

Operating Profit

2,310 million JPY
(80.1% YoY)

Ordinary Income

2,790 million JPY
(84.2% YoY)

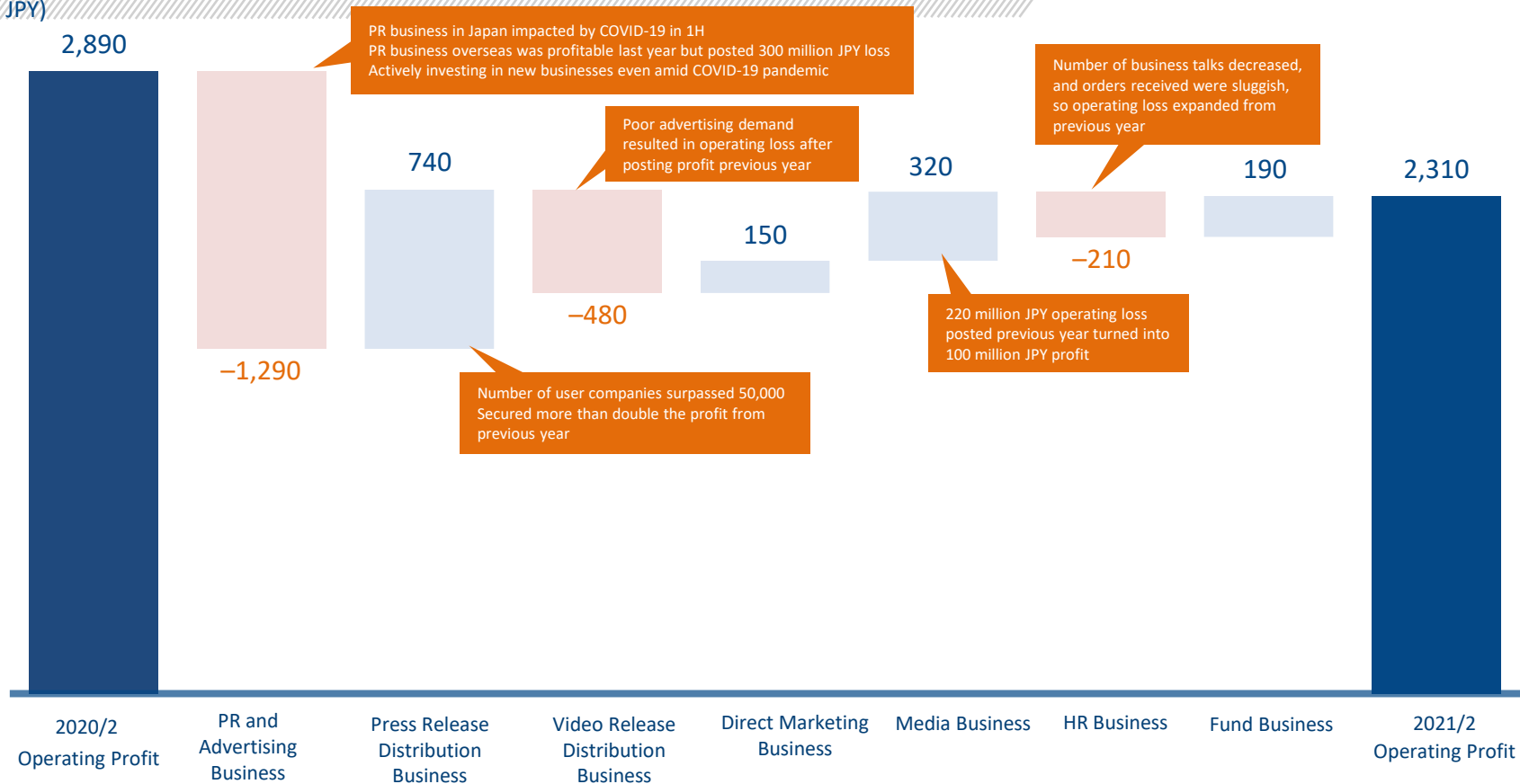
Profit
Attributable to
Owners of Parent

480 million JPY
(Up 680 million JPY YoY)

*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Operating Profit (YoY Trend)

(million JPY)



- (1) Operating profit was secured in PR and advertising on par with 3Q despite a certain level of impact from the redeclaration of a state of emergency, such as postponement of events and presentations
- (2) A loss was posted for video releases due to seasonal factors and poor advertising demand owing due in part to the impact of the redeclaration of a state of emergency
- (3) The operating loss increased in the HR business due to a decrease in business talks as happened in 1Q and failure to receive the anticipated orders as a result of the redeclaration of a state of emergency

Consolidated Performance

Net Sales
37,270 million JPY
(**101.2%** YoY)

Operating Profit (Loss)
2,310 million JPY
(**80.1%** YoY)

FY '21 Business Overview

- Target of 23 million JPY for full-year operating profit achieved
- Record high operating profit recorded in press release and direct marketing businesses
- PR business in Japan recovered significantly going into 2H
- Media business recorded profits in every quarter

PR and Advertising

17,750 million JPY
(**90.6%** YoY)

1,150 million JPY
(**47.2%** YoY)

- PR business in Japan recovered significantly going into 2H
- PR business overseas posted significant loss compared to previous year's profit due to lockdowns
- Actively invested in new businesses to roll out new services that are ahead of the times

Press releases (PR TIMES)

3,760 million JPY
(**130.3%** YoY)

1,300 million JPY
(**232.2%** YoY)

- 1,000 million JPY target for medium term achieved
- Number of user companies surpassed 50,000
- Expanded regional development through partnerships with regional banks
- Actively invested in new businesses

Video Releases (NewsTV)

1,330 million JPY
(**71.5%** YoY)

(150) million JPY
(Down **480** million JPY YoY)

- Poor advertising demand resulted in operating loss
- Breaking free from sales proposals attached to presentations
- Equipped sales personnel to make the shift to consulting-type sales utilizing videos to solve problems

Net Sales

Operating Profit (Loss)

FY '21 Business Overview

Direct Marketing

11,380 million JPY
(**133.4%** YoY)

710 million JPY
(**128.6%** YoY)

- Advertising investment at beginning of year contributed to full-year growth as more new customers than planned were acquired
- Vitabrid C brand performed well
- New brands such as RICA FROSH also introduced

Media

860 million JPY
(**92.3%** YoY)

100 million JPY
(Up **320** million JPY YoY)

- Recorded profit in all four quarters with change in business structure
- Owned media sales were favorable
- Also entered sky advertising business utilizing cutting-edge drone technology

HR (ASHITA-TEAM)

2,670 million JPY
(**72.7%** YoY)

(900) million JPY
(Down **210** million JPY YoY)

- Reformed management structure and strengthened governance for thorough efforts to prevent recurrence of accounting problems
- Business talks decreased substantially and operating loss increased despite working to reduce costs, including closures of bases

Fund

470 million JPY
(**141.1%** YoY)

100 million JPY
(Up **190** million JPY YoY)

- Recorded loss on valuation of investment securities, primarily for some investees impacted by COVID-19
- Recorded gain on sales exceeding loss on valuation of investment securities with sale of some shares held

Review of Full-Year Financial Forecasts

Full-Year Financial Forecast for FY '21 (million JPY)	Revised Forecast Nov. 13, 2020	FY '21 Results	Achievement Rate
Net sales	37,000	37,273	100.7%
Operating profit	2,300	2,314	100.6%
Ordinary income	2,300	2,797	121.6%
Profit attributable to owners of parent	630	486	77.3%

- Concerning profit attributable to owners of parent
Based on stock market trends associated with COVID-19, **priority was given to maximizing gains on sales** when the market turns around, so some sales of shares held were put off. As a result, profit attributable to owners of parent came in 22.7% lower than the revised forecast.

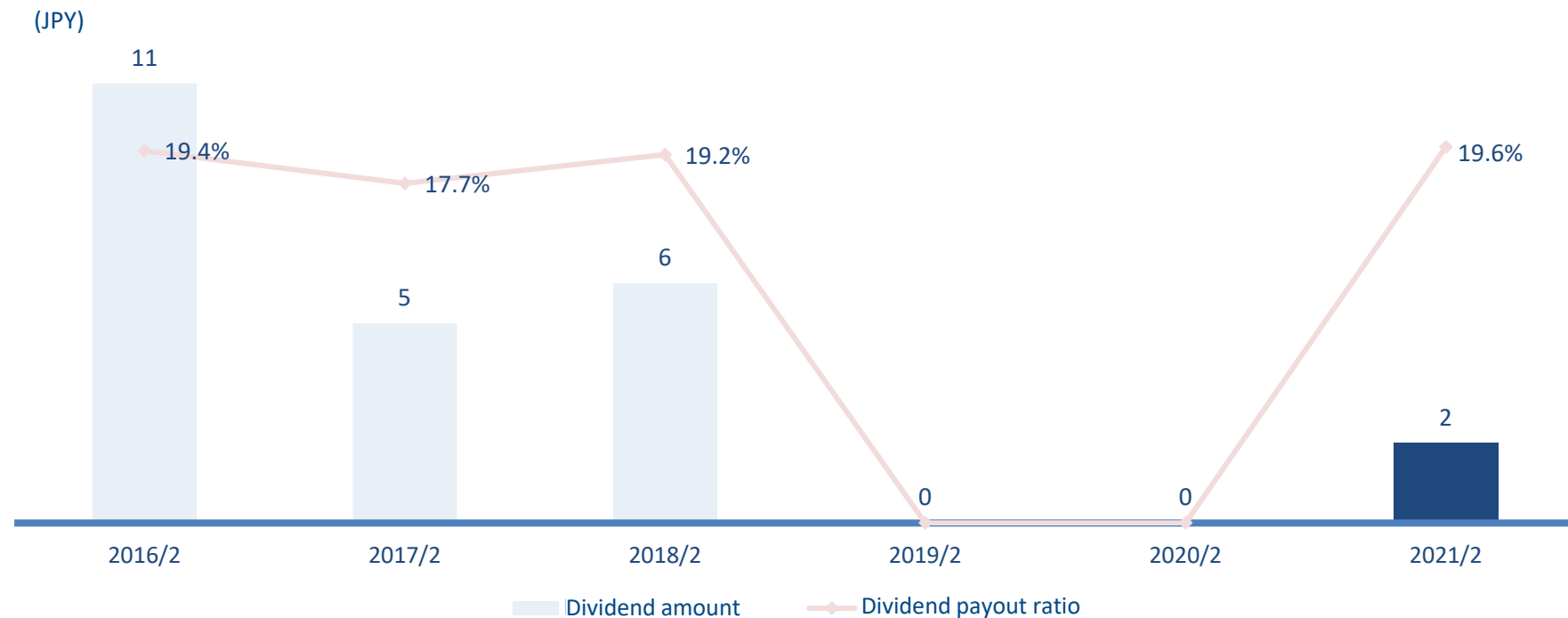
Profit Indicators under Operating Profit

(million JPY)	FY '21	Main reasons
Operating profit	2,314	
Non-operating income	1,946	Recorded gains on sales of investment securities of 1,674 million JPY
Non-operating expenses	1,463	Recorded loss on valuation of investment securities of 1,054 million JPY and share of loss of entities accounted for using equity method of 201 million JPY
Ordinary income	2,797	
Extraordinary income	153	
Extraordinary losses	194	
Profit before income taxes	2,756	
Total income taxes	1,602	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	1,153	
Profit attributable to non-controlling interests	666	For PR TIMES, Vitabrid Japan, and Brand Control, profits other than VECTOR's interests are attributable to non-controlling interests.
Profit attributable to owners of parent	486	

Shareholder Return Measures (Dividends)

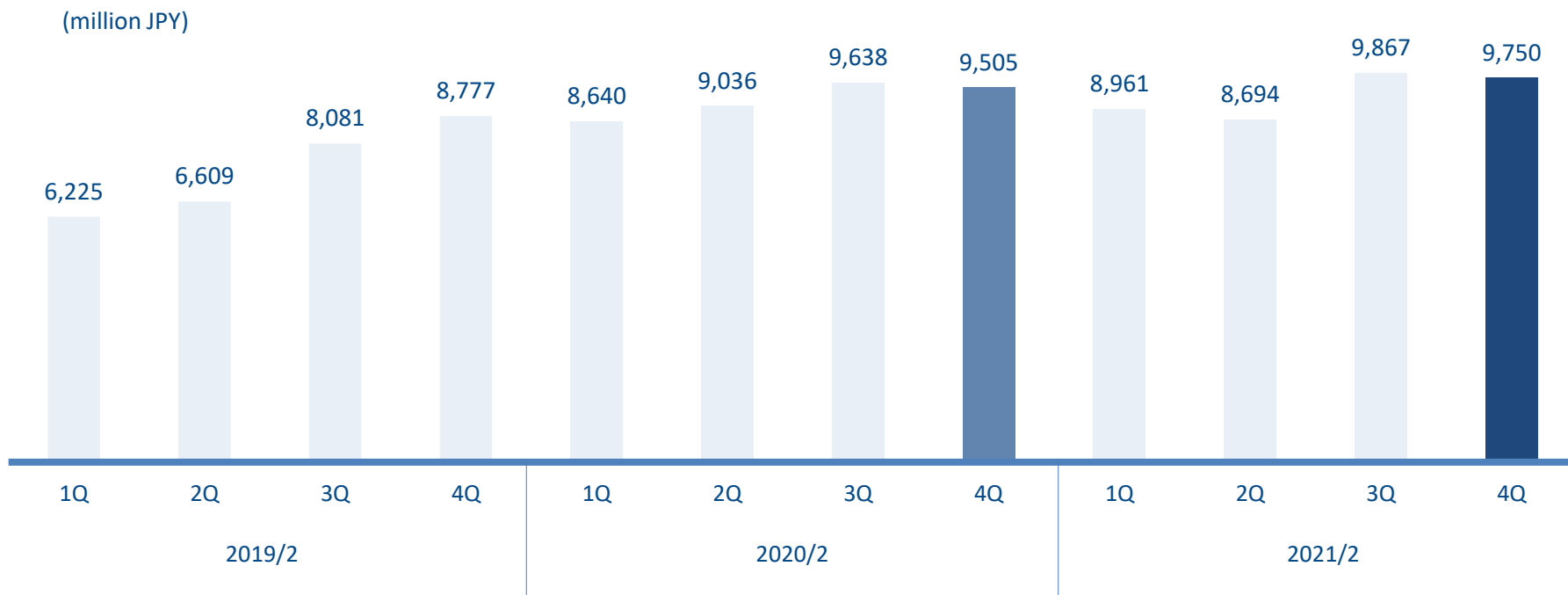
A dividend of 2 JPY was paid to shareholders in FY '21 despite the impact of COVID-19.

A consolidated payout ratio of around 20% will be maintained based on the profit outlook in FY '22 and beyond.



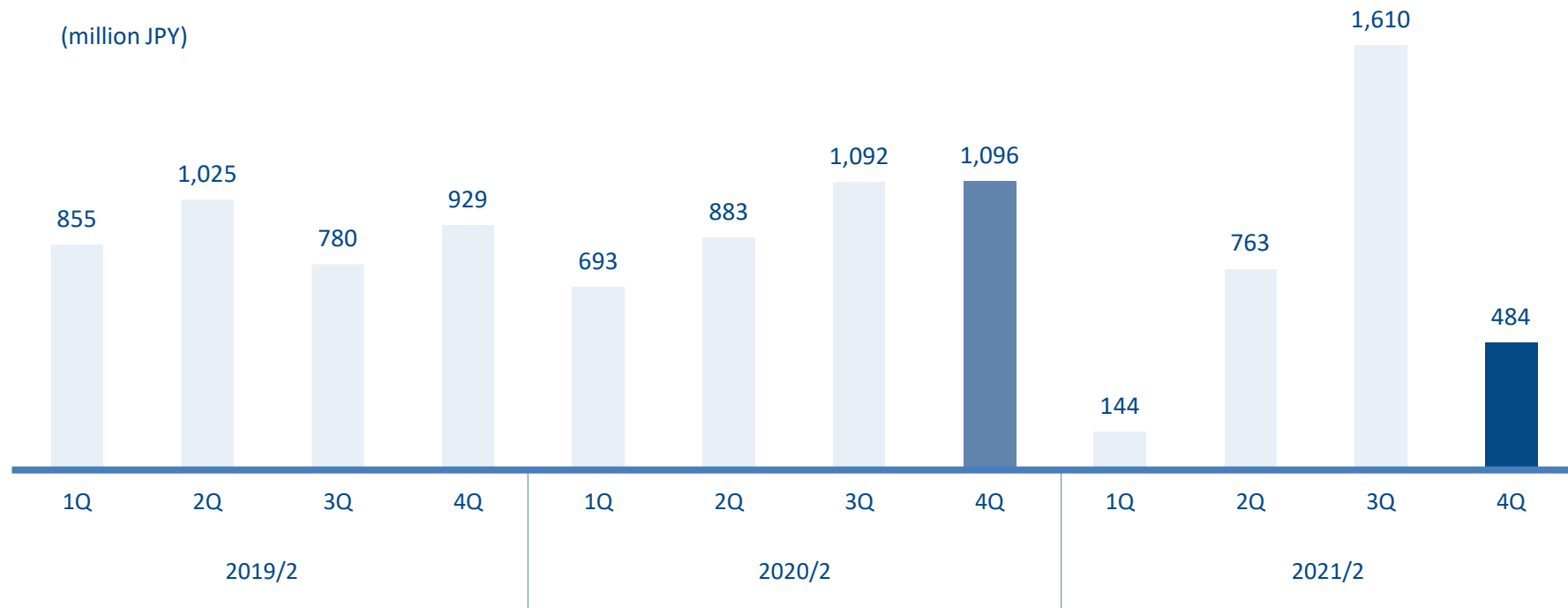
Consolidated Net Sales

Consolidated net sales for 4Q FY2021 came in at 9,750 million JPY (102.6% YoY), staying around the same level as 3Q, despite the state of emergency.



EBITDA

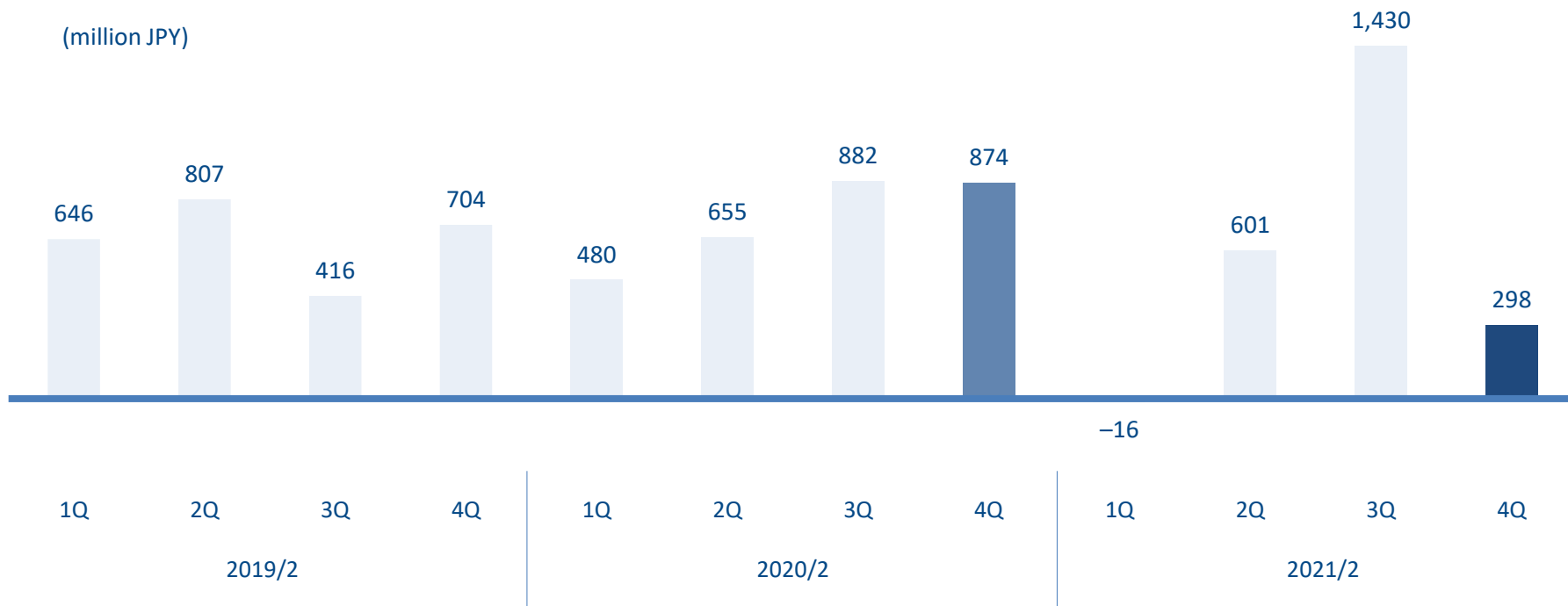
EBITDA for 4Q FY2021 was 484 million JPY (44.2% YoY) due to the decrease in consolidated operating profit.



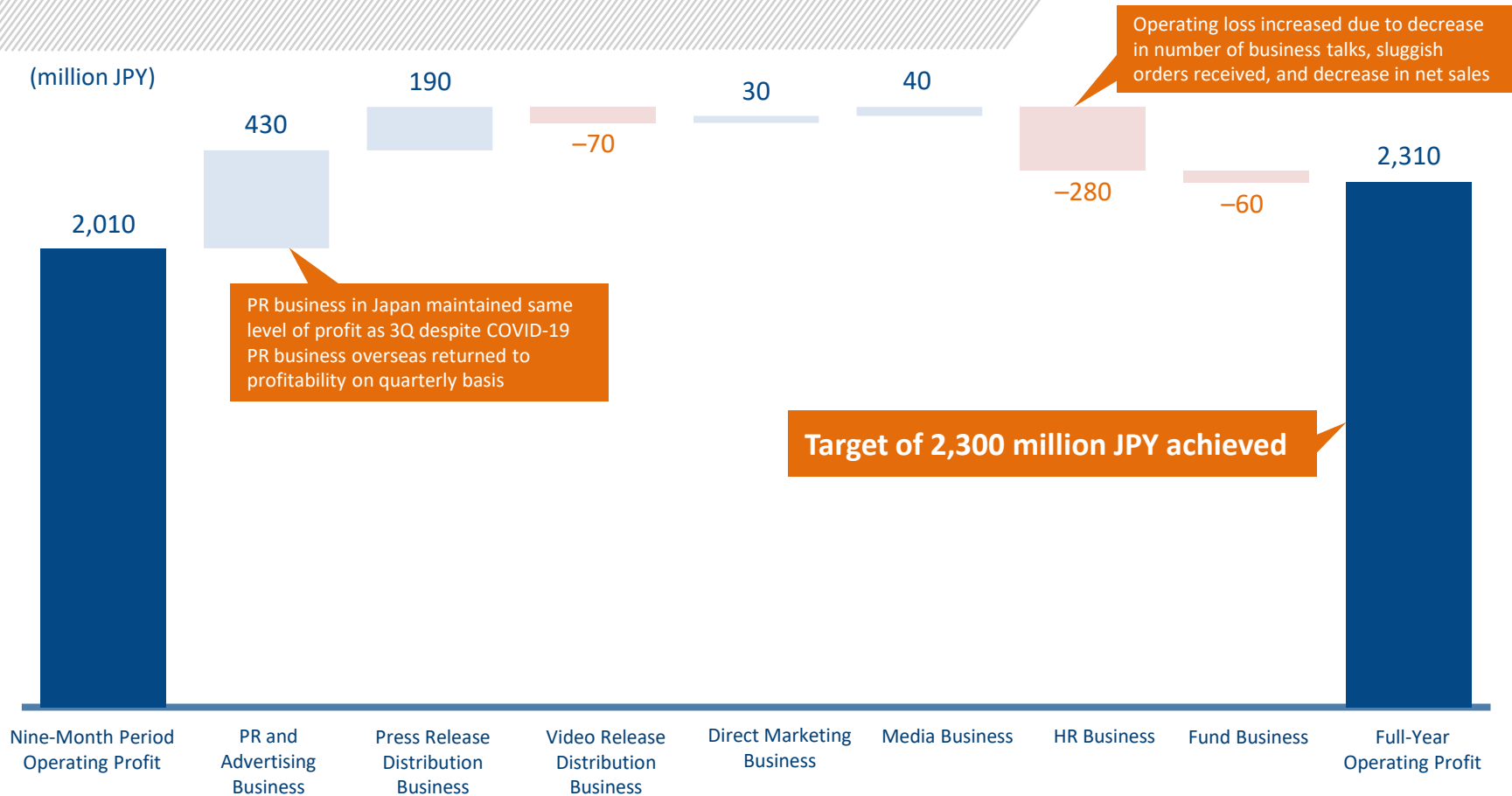
*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Consolidated Operating Profit

Consolidated operating profit for 4Q FY2021 amounted to 298 million JPY (34.1% YoY), staying in the black despite the state of emergency.



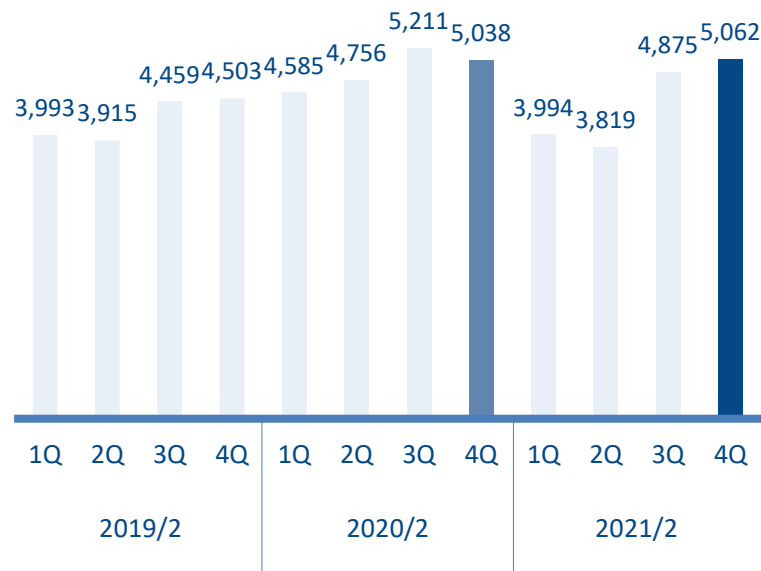
Operating Profit (Quarterly Trend)



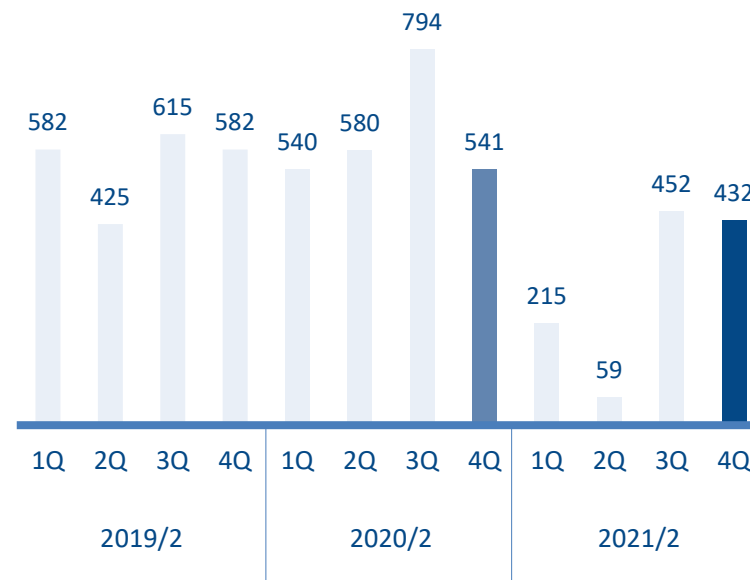
PR and Advertising Business

In 4Q FY2021, **net sales and operating profit** remained at the same level as 3Q despite the redeclaration of a state of emergency. In FY2022, we will support marketing activities and seek further growth by providing services suited to the times.

Net Sales: 5,062 million JPY (100.5% YoY)



Operating Profit: 432 million JPY (79.8% YoY)



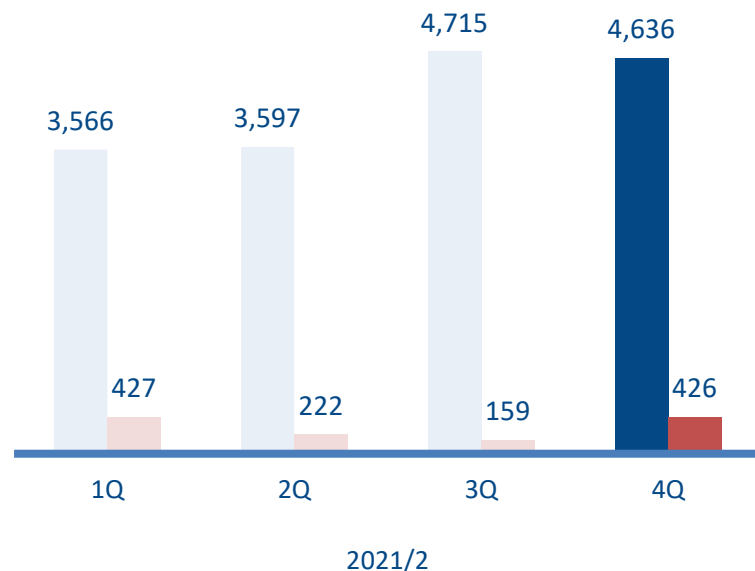
* The PR and Advertising Business was renamed from the PR Business in 1Q FY2021.

PR and Advertising Business* (By Region)

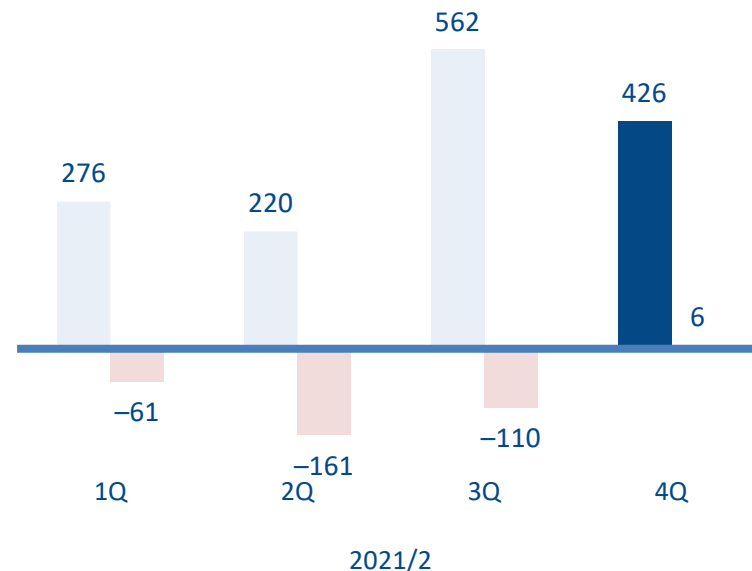
Overseas, operating losses continued through to 3Q impacted by COVID-19, but **profitability was restored** in 4Q owing in part to cost reductions.

In FY2022, **we expect to turn a profit for the full year** as we continue to reduce costs and seek to restore net sales.

Net Sales: 4,636 million JPY (Japan) / 426 million JPY (overseas)



Operating Profit: 426 million JPY (Japan) / 6 million JPY (overseas)

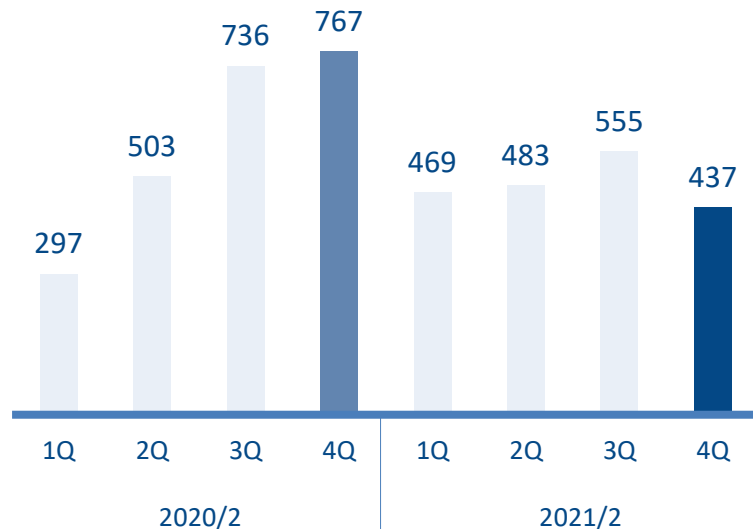


* The PR and Advertising Business was renamed from the PR Business in 1Q FY2021.

Taxi Signage Business* (News Technology)

Taxi occupancy rates decreased in 4Q due to the redeclaration of a state of emergency, **but the full-year contribution to profit was stable.** In FY2022, we will work to further expand net sales by launching Japan's first vehicle window mobility signage service.

Net Sales: 437 million JPY (56.9% 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.

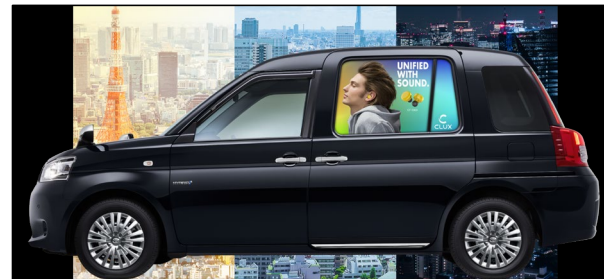
Vehicle Window Mobility Signage Service "Canvas"

Japan's first vehicle window mobility signage service Canvas will be launched in June 2021.

With a high advertising impact utilizing vehicle window signage, we will support a broad range of marketing activities.



Canvas will utilize vacant taxis running in Tokyo, showing advertisements on the back windows and is the first vehicle window mobility signage service in Japan.



Conceptual image

Number of vehicles

100

More to be added gradually

Broadcast time

24/7

Anticipated reach

12 million people

Operating area

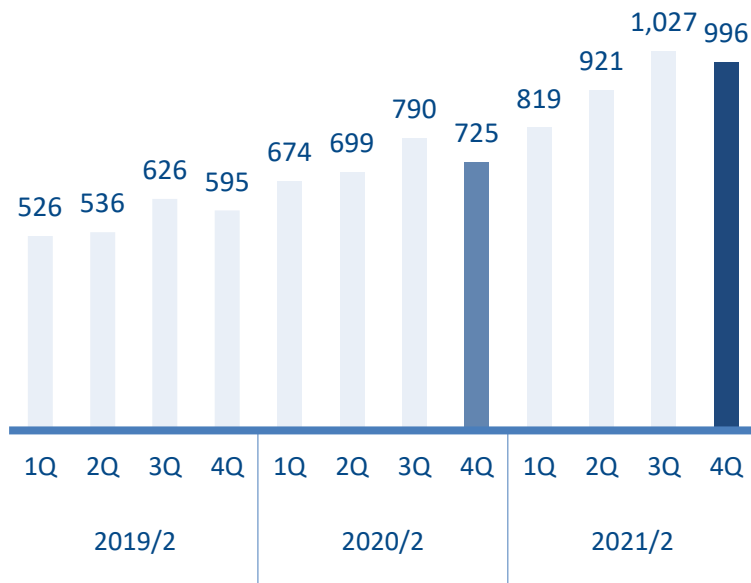
23 wards of Tokyo

Press Release Distribution Business (PR TIMES)

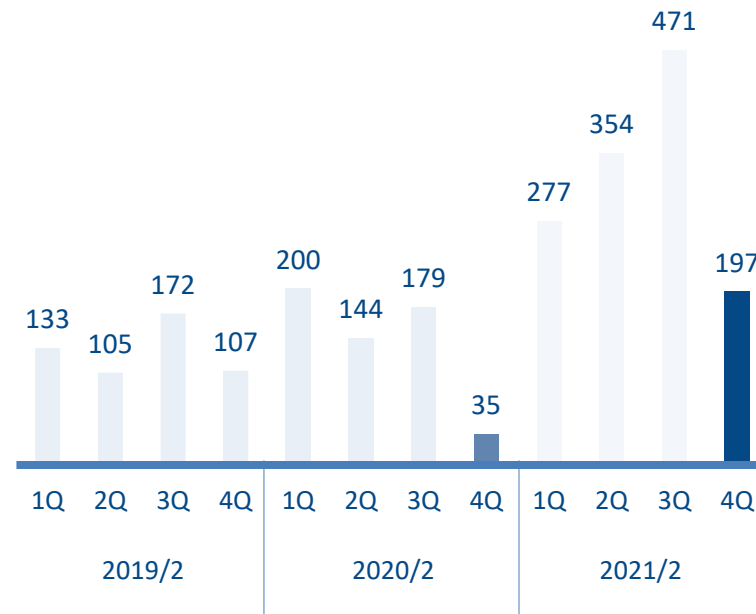
In 4Q FY2021, sales and profit were up YoY despite aggressive advertising spending for new businesses.

In FY2022, we will make further functional improvements to PR TIMES and increase user companies as we cultivate new businesses.

Net Sales: 996 million JPY (137.3% YoY)



Operating Profit: 197 million JPY (560.6% YoY)



Trend in Number of User Companies

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

More than 50,000 user companies, used by 44% of listed companies

PR TIMES 1st Section, TSE

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 **44%** 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配信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隆起、スマートフォンの普及、生活者による様々なSNSの活用拡大と、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選ばれています。

主なパブリシティ実績



事例



チーム後も新しい仕掛けで動きを止めない。「面白い企画」を競うと実現し、商品のロングセラー化を狙う前年度

素直な情報なのに世に出せない。増え続けていた情報を表に出し、従来の2〜3倍のニュースを届けるパナソニック

ケースに応じたさまざまな手法を工夫。例の高い情報発信で、スイーツの魅力を伝える銀座コーヂーコーナー

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」

Published in more than 300 publications!



Number of user companies

50,000

Feb. 2021

36,000

Feb. 2020

Aug. 29, 2018
Moved to 1st section, TSE

28,000

Feb. 2019

21,000

Feb. 2018

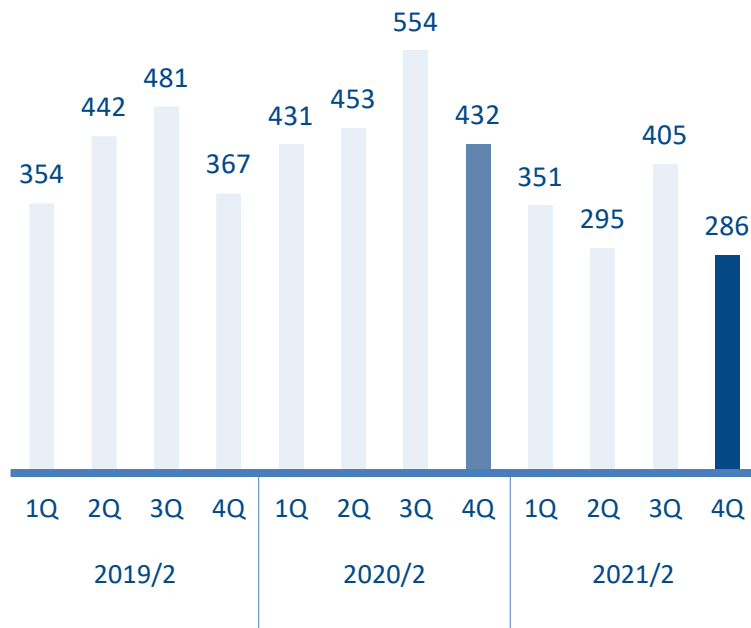
16,000

Feb. 2017

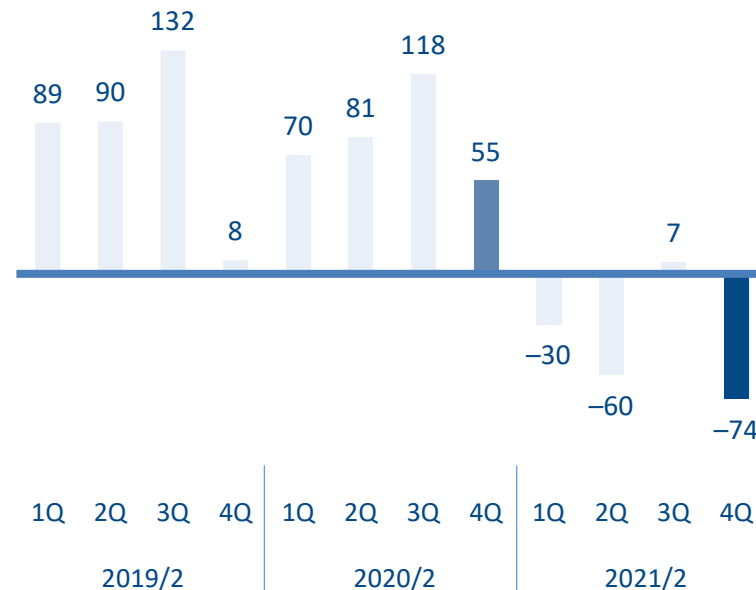
Video Release Distribution Business (News TV)

In 4Q FY2021, advertising demand was sluggish due to the redeclaration of a state of emergency as well as seasonal factors, resulting in an operating loss. In FY2022, we expect to return to profitability in the full-year results as orders received are increased with consulting-type sales utilizing video to solve problems.

Net Sales: 286 million JPY (66.1% YoY)



Operating Loss: 74 million JPY (Down 129 million JPY YoY)



Future Strategy for Video Releases

Breaking free from proposals attached to events and press conferences, we will shift to consulting-type sales in which we solve company problems with videos.

Prevent lost opportunities by promoting the use of videos as solutions based on company needs and expand orders received.

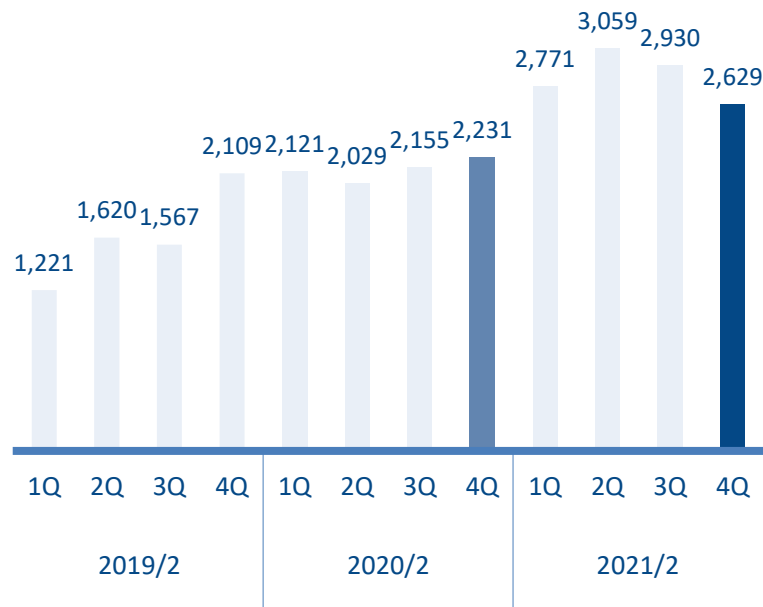


Direct Marketing Business

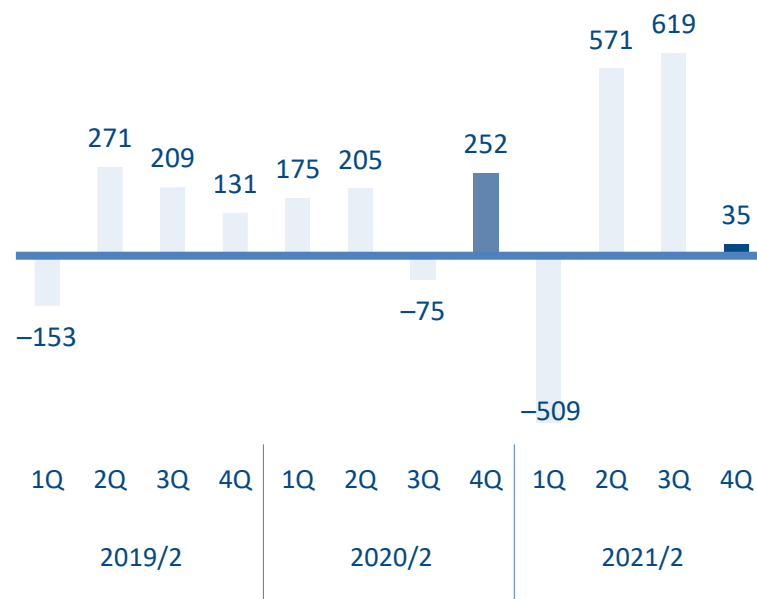
In 4Q FY2021, sales were up and profit was down YoY due to advertising spending for the next year.

In FY2022, we will spend on advertising at the beginning of the year as in FY2021 and seek to maximize earnings and profit for the full year.

Net Sales: 2,629 million JPY (117.8% YoY)



Operating Profit: 35 million JPY (14.2% YoY)



We launched the Vitabrid C series using worldwide patented technology, and it is continuing to grow steadily. It is an accumulated earning model provided via a subscription model, and the total number of products provided **has surpassed 7 million.**



The only powder in the world that releases Vitamin C₁₂ over 12 hours. Face whitening cosmetics, hair growth accelerators, etc. In 2019, foods with functional claims also developed.

Net Sales
9,890 million JPY
Feb. 2021

8,360 million JPY
Feb. 2020

6,510 million JPY
Feb. 2019

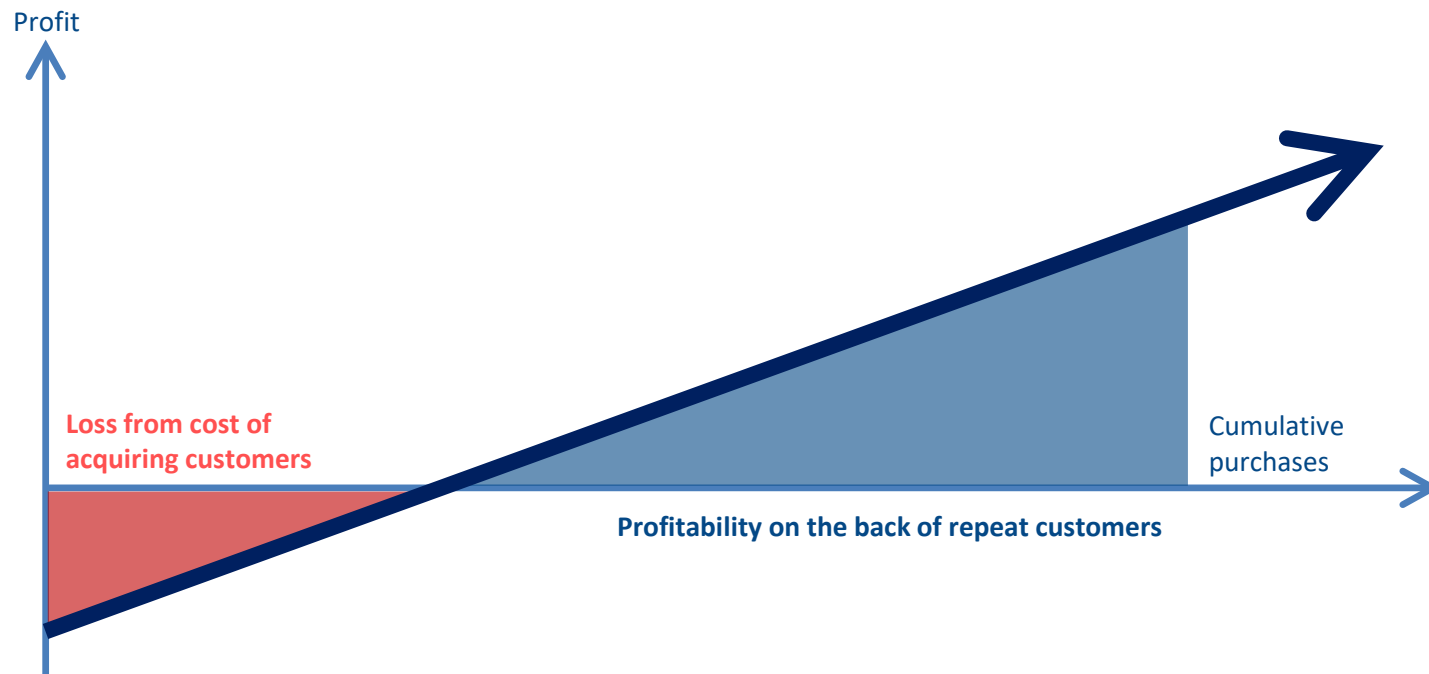
2,850 million JPY
Feb. 2018

1,860 million JPY
Feb. 2017



Vitabrid Japan 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.



Apparel brand “Boka nii,” the first to be produced by Kasu, was launched on March 31.

In just 10 minutes, sales reached 10 million JPY, **and all products sold out the first day, for sales in excess of 60 million JPY.**



YouTuber Kasu is a Generation Z multi-video creator with more than 1 million channel subscribers and is overwhelmingly popular with young people.



“Boka nii” is a collection created through a process of trial and error focusing on the fabric texture and detailed aspects of design of each item.

Direct Tech Future Strategy

Aim to become D2C platform company centered on D2C brand development business

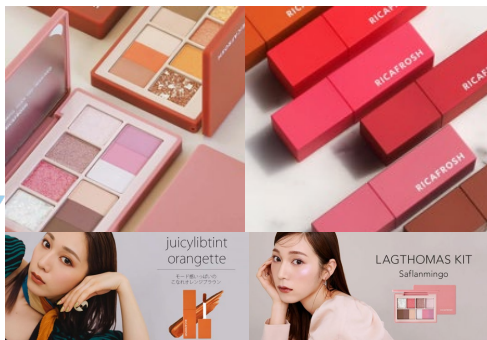
Continue to develop commerce DX support business to solve customer issues and expand the business foundation.



D2C brand development business

RICAFROSH

One year from launch
700,000 units



Produced by Yuka Furukawa, a popular YouTuber and fashionista.
Cumulative sales reached 700,000 units in just about a year after the launch.

Boka nii

10 minutes from launch
10 million JPY

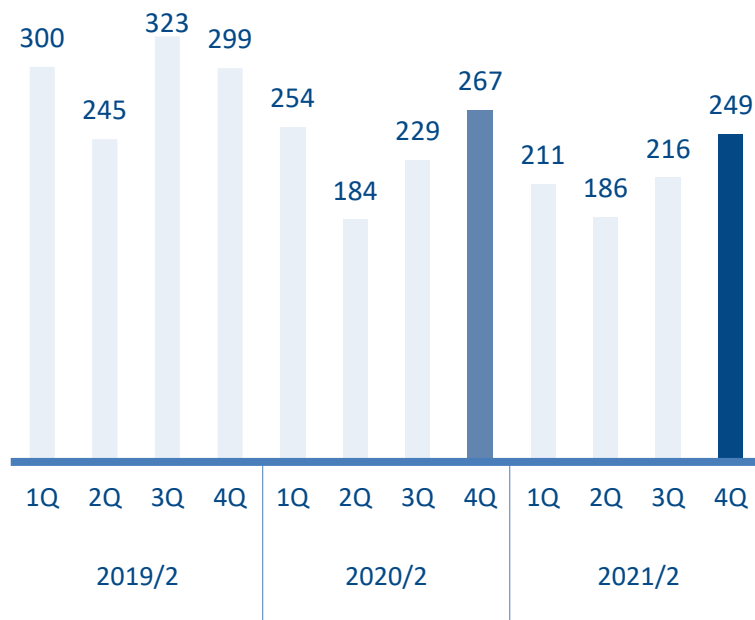


Produced by Generation Z multi-video creator and popular YouTuber Kasu.
Sales surpassed 10 million JPY about 10 minutes after the launch.

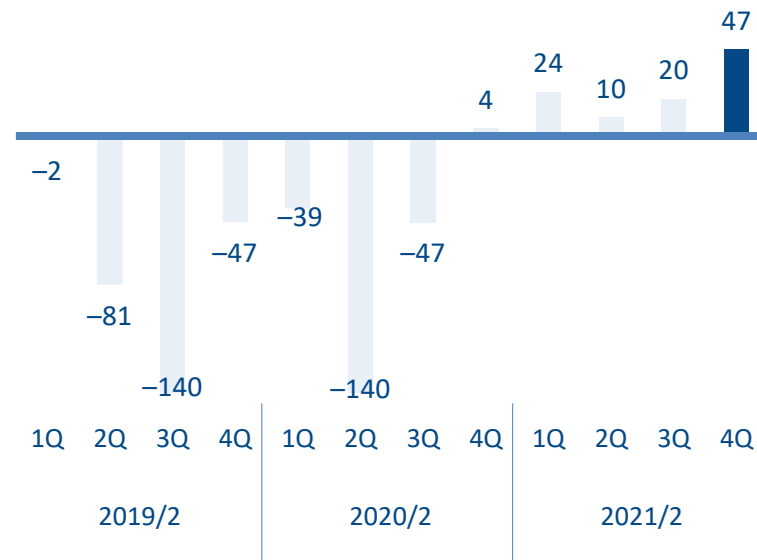
Media Business

In 4Q FY2021, owned media sales and advertising acquisitions were favorable, and record high operating profit in the FY was achieved.
In FY2022, we will focus on the D2C brand promotion support business in addition to strengthening sales of owned media and SaaS-based CMS.

Net Sales: 249 million JPY (93.6% YoY)



Operating Profit: 47 million JPY (Up 43 million JPY YoY)



Future Strategy in Media Business

Enhance the functionality of SaaS-based CMS "Clipkit" as a marketing support tool for e-commerce business operators and strengthen sales. Launch new brand "no-ma" as the first solution of the D2C brand promotion support business and support sales promotion with O2O.



Create no-coding-required landing page as a marketing support tool for SaaS-based e-commerce business operators and expand functionality so that everything from articles to advertisements can be ordered with the click of a button.



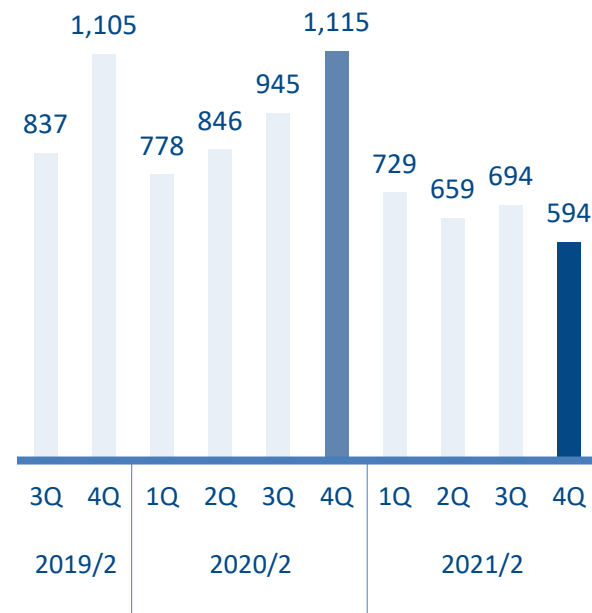
Open RaaS*-based experiential space no-ma in April 1, 2011, a D2C brand connecting real and virtual worlds, on Spain-zaka Slope in Shibuya in collaboration with Shibuya PARCO.

*RaaS: Retail as a Service

Human Resources Business (ASHITA-TEAM)

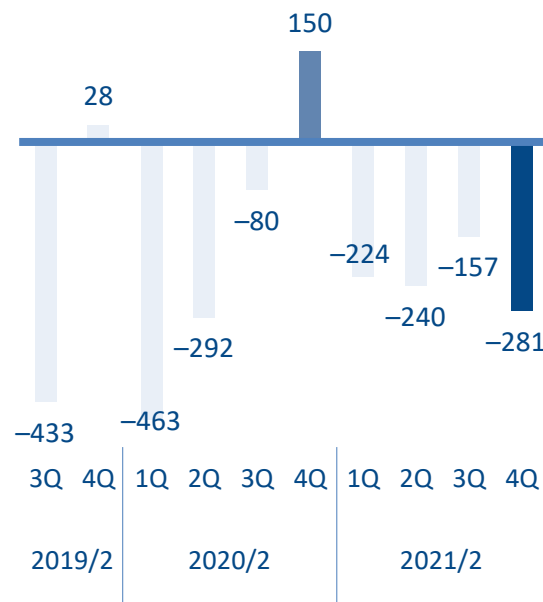
In 4Q FY2021, the number of business talks decreased and orders received were sluggish, due to the redeclaration of a state of emergency, so the operating loss grew. In FY2022, **we expect to turn a profit on a full-year basis** by strengthening sales while implementing measures to increase retention among SaaS-based products.

Net Sales: 594 million JPY (53.3% YoY)



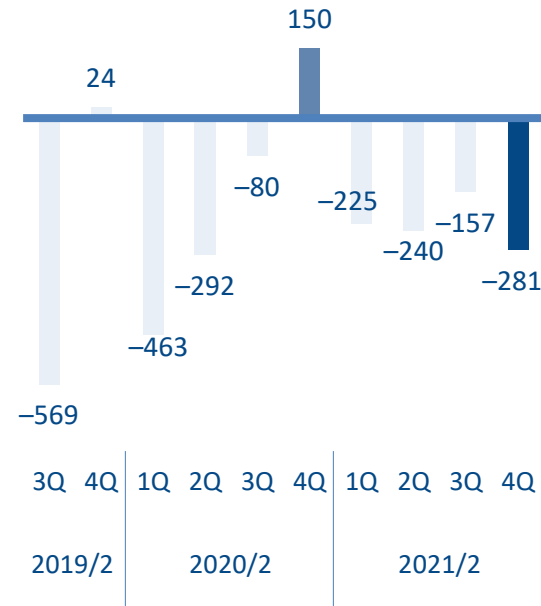
EBITDA: -281 million JPY

(Down 431 million JPY YoY)

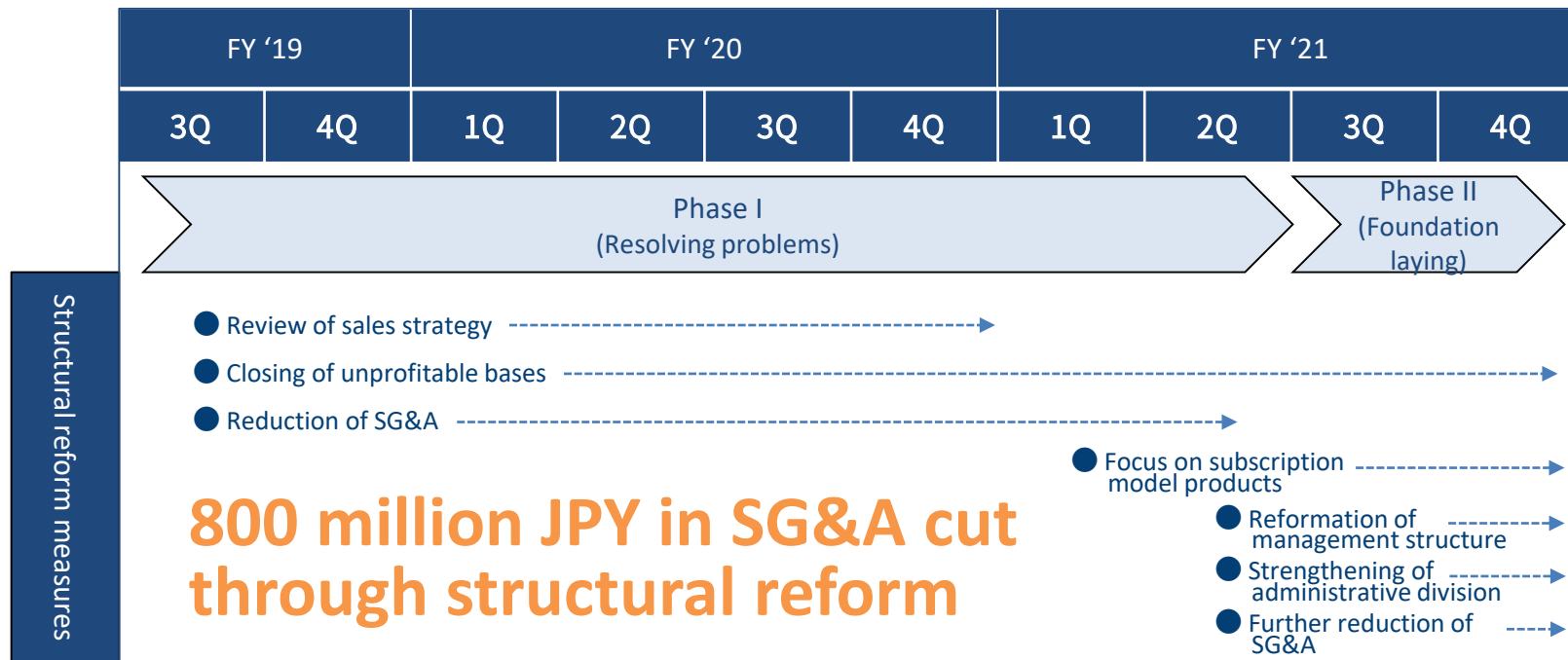


Operating Loss: 281 million JPY

(Down 431 million JPY YoY)



Past Structural Reform Efforts



Beginning in FY2019, we worked on closing unprofitable bases and reducing SG&A after reviewing our sales strategy, and starting in 3Q FY2021, we reformed the management structure. **There is now light at the end of the tunnel of structural reform, and full-year profitability is in sight.**

Human Resources Business Outlook

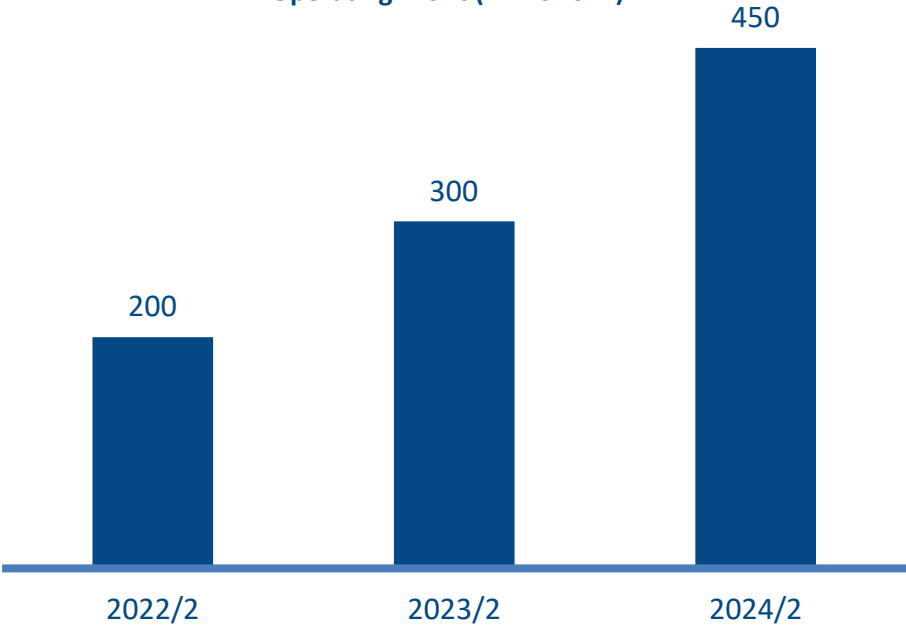
Strengthening sales of SaaS-based products and increasing retention by improving customer satisfaction, we have expanded the subscription ratio and created a stable earnings foundation. Operating profit in FY2024 is projected to climb to 450 million JPY on the back of stable profits achieved by building up subscription earnings.

Personnel evaluation cloud “Ashita Cloud”



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

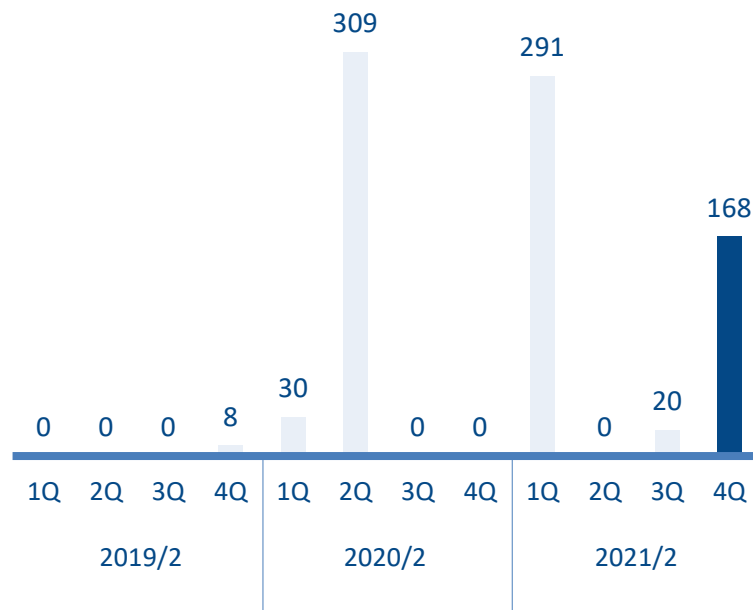
Operating Profit (million JPY)



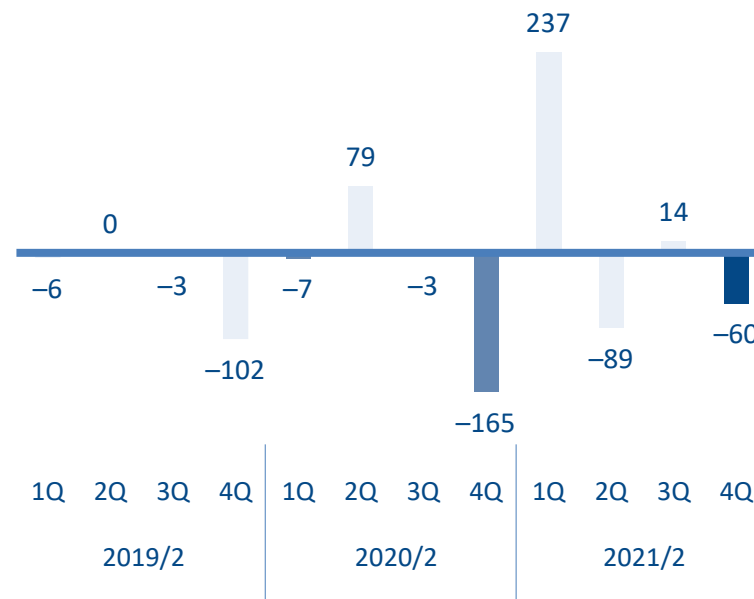
Fund Business

In 4Q FY2021, sales were up but profit was down YoY as we sold a certain number of shares held and recorded a write-down. In FY2022, VECTOR intends to sell shares held in these investments and record write-downs at the appropriate timing based on the COVID-19 situation.

Net Sales: 168 million JPY (Up 168 million JPY YoY)



Operating Loss: 60 million JPY (Up 104 million JPY YoY)



Consolidated Profit and Loss

(million JPY)	FY '20	FY '21	YoY Change	YoY
Net sales	36,821	37,273	+452	101.2%
Gross profit	23,207	24,448	+1,241	105.3%
EBITDA	3,766	3,003	−762	79.8%
Operating profit	2,891	2,314	−576	80.1%
Ordinary income	3,322	2,797	−524	84.2%
Profit before income taxes	2,210	2,756	+545	124.7%
Profit (loss) attributable to owners of parent	(199)	486	+686	—

Consolidated Statement of Comprehensive Income

(million JPY)	FY '20	FY '21	YoY Change	YoY
Profit	160	1,153	+993	720.8%
Other comprehensive income (loss)	(411)	3,696	+4,108	—
Valuation difference on available-for-sale securities*	(390)	3,708	+4,099	—
Other	(21)	(12)	+9	—
Comprehensive income (loss)	(251)	4,850	+5,102	—

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 profit 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	Difference	YoY Change
Total assets	23,606	30,057	+6,451	127.3%
Cash and deposits	7,889	10,860	+2,970	137.7%
Goodwill	631	595	-36	94.3%
Operational investment securities + investment securities	4,331	8,057	+3,725	186.0%
Other	10,753	10,544	-208	98.1%
Total liabilities	13,439	15,202	+1,763	113.1%
Borrowings + bonds	5,799	6,457	+658	111.4%
Other	7,639	8,744	+1,104	114.5%
Net assets	10,166	14,854	+4,688	146.1%

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.

Consolidated Statement of Cash Flows

(million JPY)	FY '20	FY '21	YoY Change	Main Reasons for YoY Change
Cash and cash equivalents at beginning of period	6,038	7,884	+1,846	
Cash flows from operating activities	2,868	2,129	-739	Profit before income taxes increased Income taxes paid increased
Cash flows from investing activities	2,260	644	-1,615	Purchase of non-current assets increased Gain on sales of investment securities decreased
Cash flows from financing activities	(3,273)	209	+3,483	Borrowings increased Secured cash on hand
Cash and cash equivalents at end of period	7,884	10,852	+2,967	

FY '22 Financial Forecasts

FY '22 Consolidated Financial Forecasts

Full-Year Financial Forecast for FY '22 (million JPY)	FY '21 (Results)	FY '22 (Target)	YoY	FY '22 1H Target	FY '22 2H Target
Net Sales	37,273	47,700	128.0%	21,910	25,790
Operating profit	2,314	4,000	172.8%	1,070	2,930
Ordinary income	2,797	4,000	143.0%	1,070	2,930
Profit attributable to owners of parent	486	1,000	205.4%	110	890

The full-year forecasts assume that the impact of COVID-19 will diminish early and that corporate marketing activities will pick up. VECTOR's dividend policy is to ensure a consolidated payout ratio for shareholders of around 20%, and in FY2022, we plan to pay a dividend of 4 JPY per share.

Medium-term Profit Plan

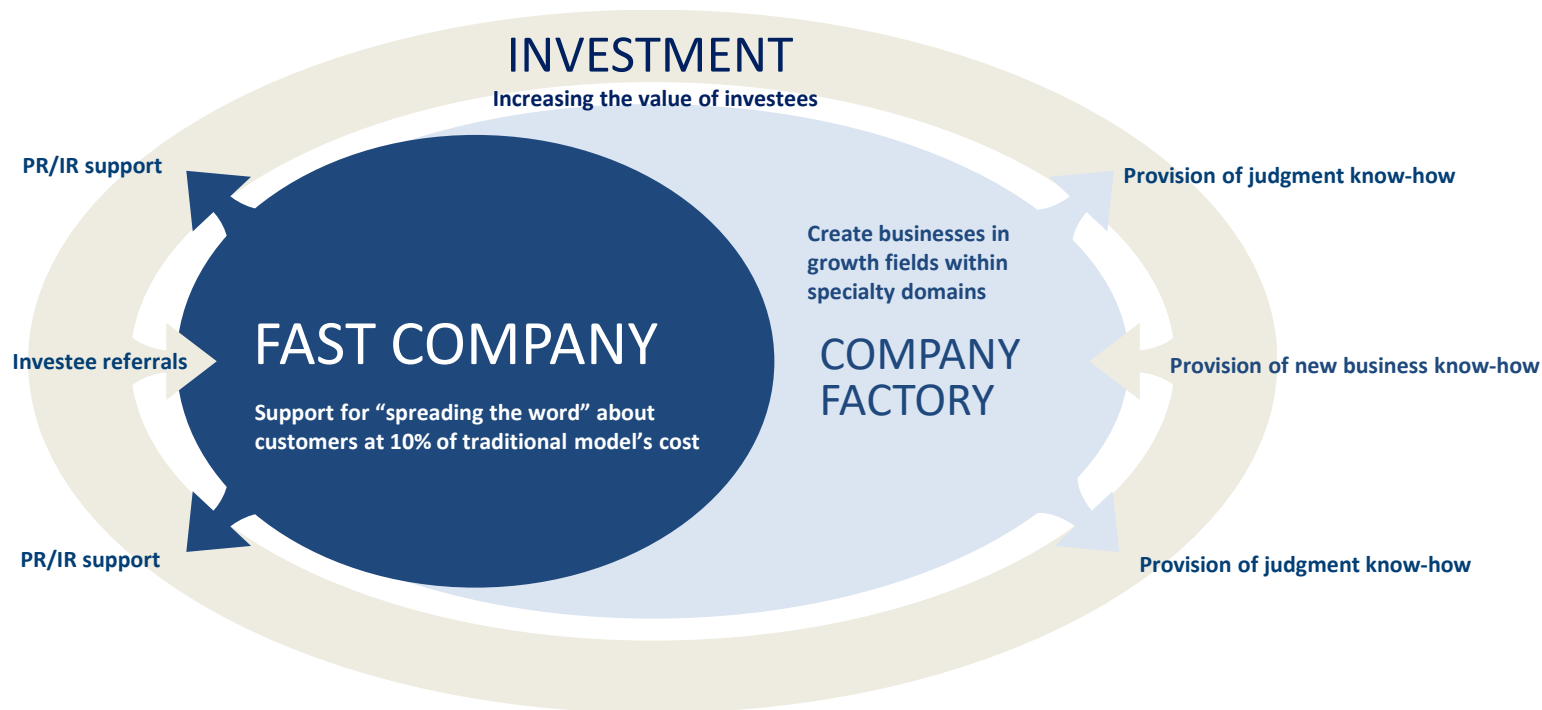
Medium-term Profit Plan (million JPY)	FY '20 (Results)	FY '21 (Results)	FY '22 (Targets)	FY '23 (Targets)
Operating Profit Before Revision	2,891	2,314	4,820	6,000
Operating Profit After Revision	2,891	2,314	4,000	6,000

■ Reason for revision of target for FY2022 operating profit






We had put forth a target for FY2022 operating profit of 4,820 million JPY in the Medium-term Profit Plan announced on October 15, 2019. However, we anticipate achieving the FY2023 target of 6,000 million JPY and posting further profit growth in FY2024 and beyond and made the decision to invest an additional 820 million JPY in new businesses ahead of the initial schedule in FY2022. As such, we have revised the target for FY2022 operating profit downward to 4,000 million JPY.

VECTOR Group Business Concept

Aim for continuous growth of Group profits in the three business domains of **FAST COMPANY**, which seeks to expand the services of existing businesses, **COMPANY FACTORY**, which seeks to create new businesses, and **INVESTMENT**, which seeks to grow our investment business.

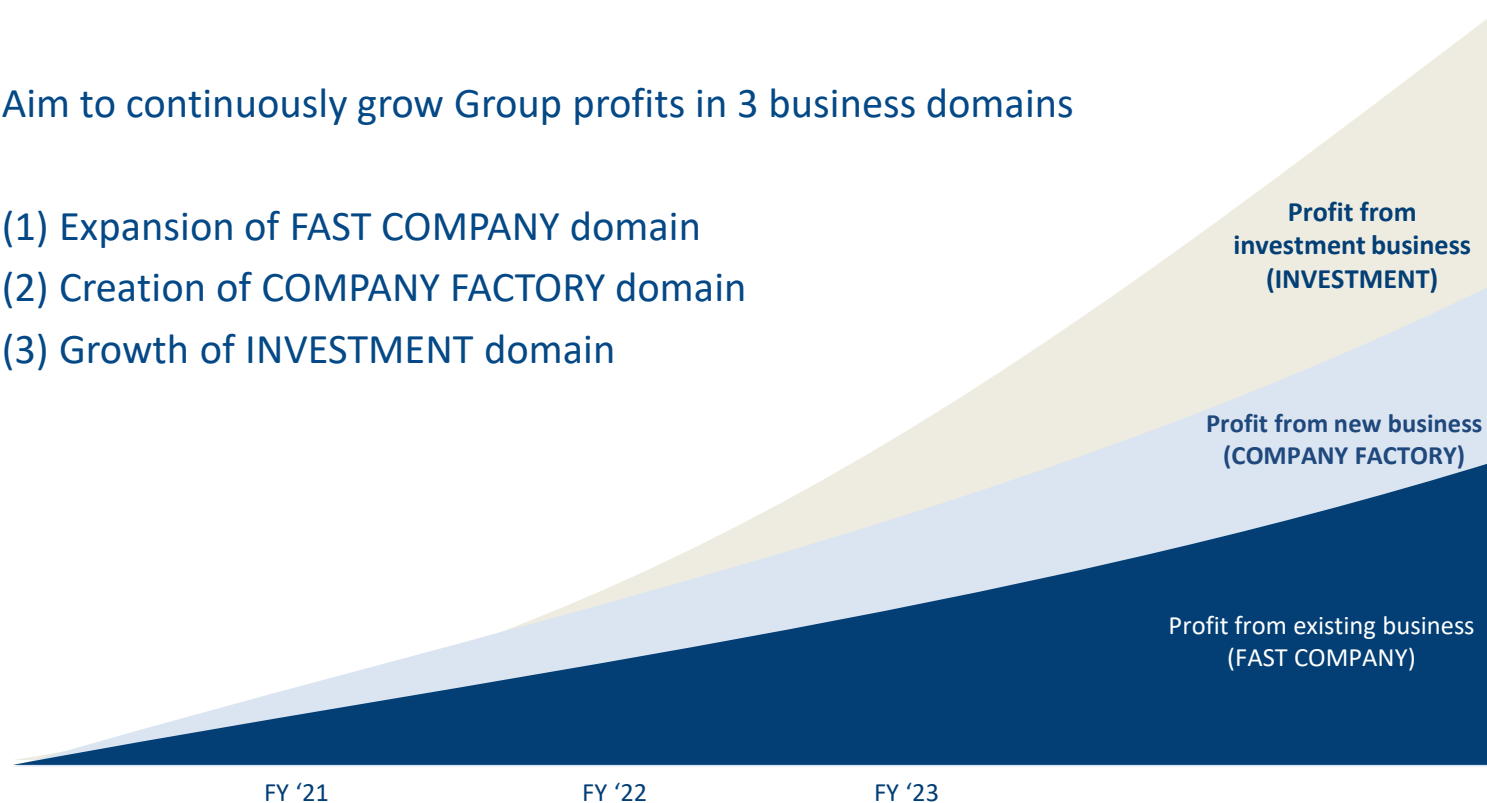


Businesses Comprising VECTOR Group

FAST COMPANY	COMPANY FACTORY			INVESTMENT
PR/Press Video/Media	D2C	HR	New Business	Investment
 <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> <div> <div>vector ANTIL</div> <div>vector Platinum</div> <div>vector INITIAL</div> <div>vector SIGNAL</div> <div>PRTIMES</div> <div>Smartmedia</div> <div>NT</div> <div>NEWS TV</div> </div>	 <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> <div> <div>Vitabrid C¹² Vitabrid Japan</div> <div>Direct Tech</div> </div>	 <p>Our HR business primarily provides consulting and personnel evaluation cloud solutions to support the introduction and operation of personnel evaluation systems.</p> <div> <div>あしたのチーム</div> </div>	 <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> <div> <div>LIVER BANK</div> <div>MEDICAL TECHNOLOGIES</div> <div>PrivTech</div> <div>Colorful Tails</div> <div>PERFORMANCE TECHNOLOGIES</div> <div>CYBER SECURITY BANK</div> <div>SolveC</div> </div>	 <p>In our venture company investing activities, we provide investees with support for increasing value along with PR and IR.</p> <div> <div>vector</div> <div>100 capital</div> </div>

Aim to continuously grow Group profits in 3 business domains

- (1) Expansion of FAST COMPANY domain
- (2) Creation of COMPANY FACTORY domain
- (3) Growth of INVESTMENT domain



Company Strategy

Expansion of FAST COMPANY domain

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

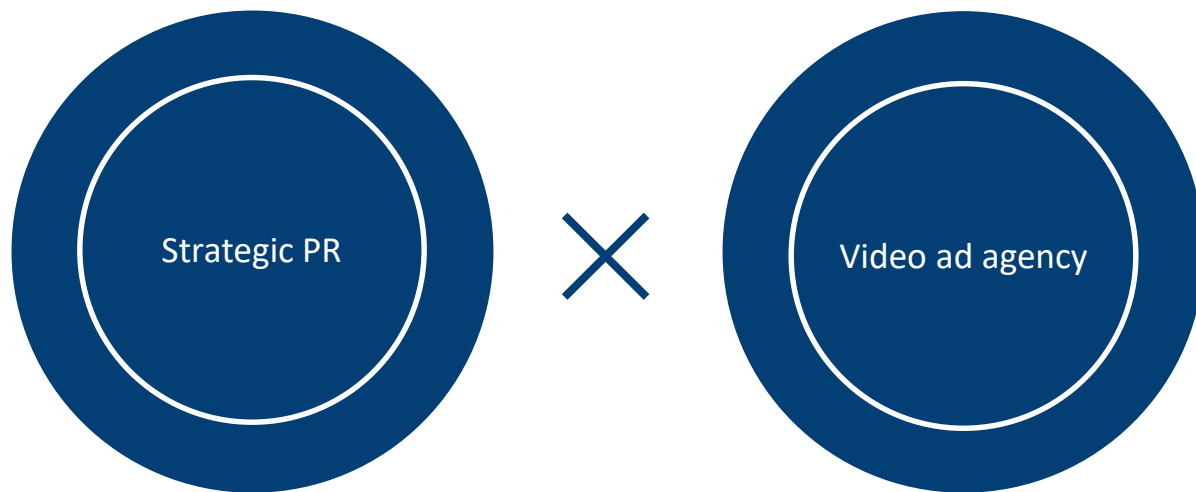
Target advertising market worth 6 trillion JPY

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



“FAST COMPANY” Concept

“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
					
#1 press release service in Japan with 50,000 clients. Used by 44% of public-listed corporations, our strong brand reputation and media reach are highly appreciated by our clients.	From PR planning to execution, our experienced PR consultants apply the most effective communication strategies.	Next-generation communication based on the production and distribution of video news from a PR standpoint, delivering content direct to the target audience.	Support corporate service/product branding through SNS influencers.	Integrated support from website production and system creation to digital promotion; can also handle owned media creation and operation, and production of PR/IR videos.	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.
	  			   	 

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

1 Video News

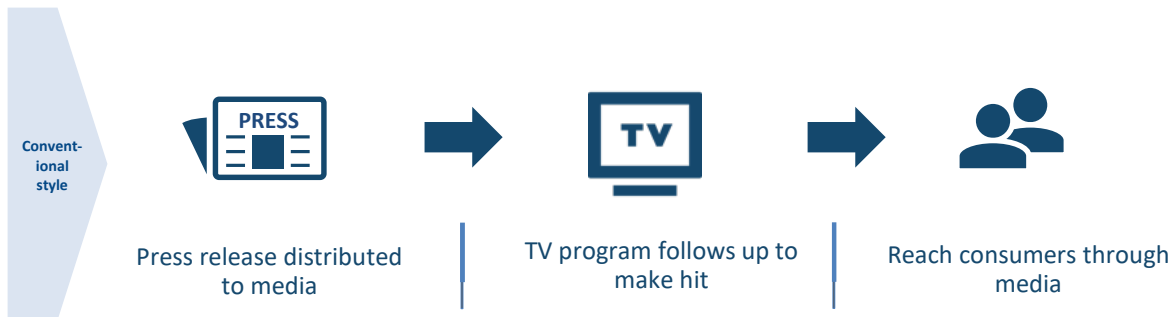
PR and video ad agency

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

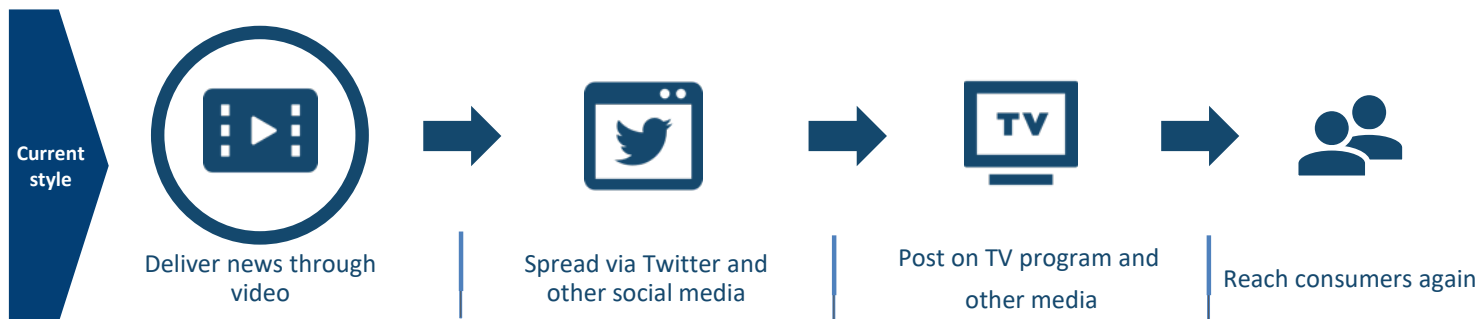
Information dissemination based on press release

B to B to C



Information dissemination based on video news

B to C to B to C



Video News Flow

Video content

Long content

- Live distribution
- Press conferences
- Interviews
- Seminars
- Documentaries
- Programs

1-3 minute video news

Trailer



Appealing Domains to People (Knowhow as a PR company)

- Conflict
- Celebrity
- Beautiful person
- New info.
- Anniversary
- How to
- President
- World-first
- Surprise
- Selfie
- Challenge
- Collaboration
- 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

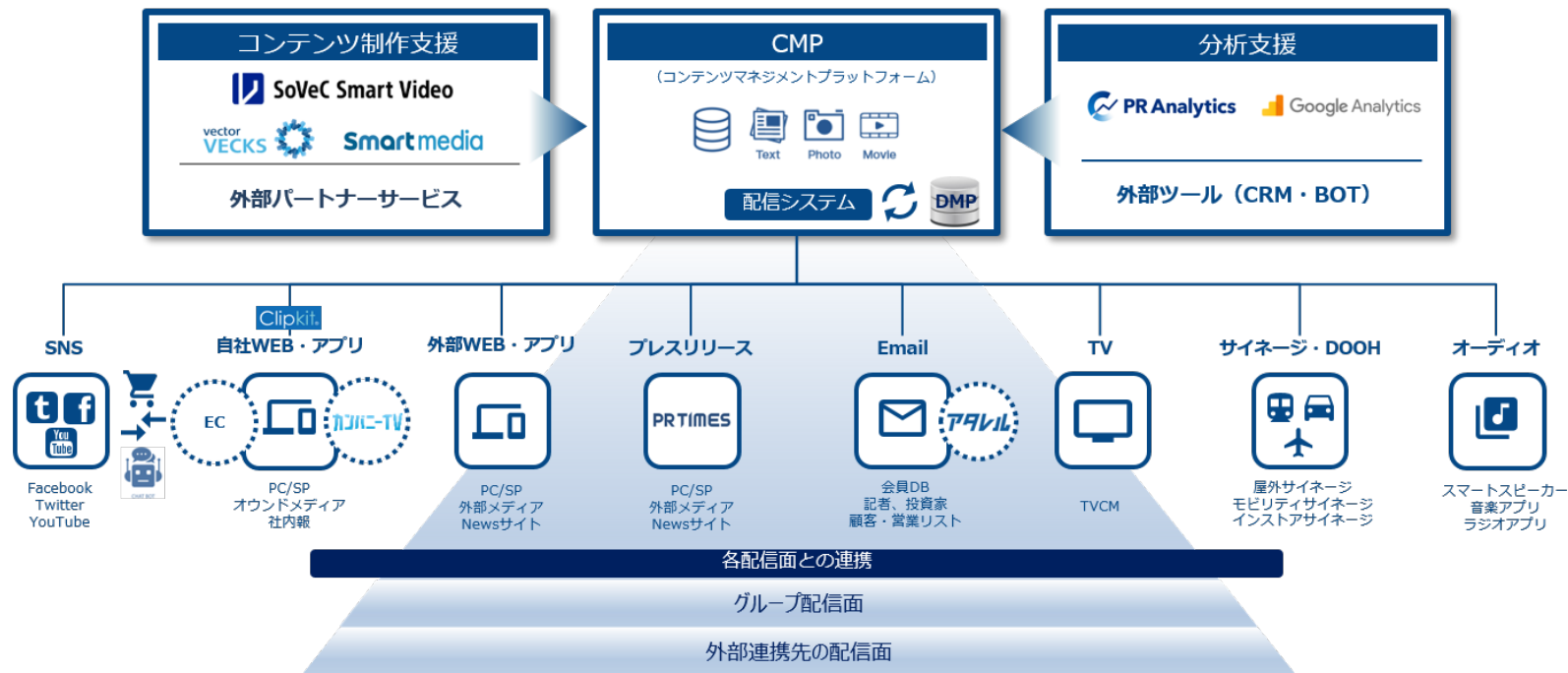


2 DX

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.

toxil そのビジネスをネットで広めよう

Hiromeruとは [コンサルタントに相談する](#) [ログアウト](#) [相談カート](#)

[Hiromeru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 toxilPro](#)

そのビジネスを ネットで広めよう

「Hiromeru」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」してますか？



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

Hiromeru Pro

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

Creation of COMPANY FACTORY Domain

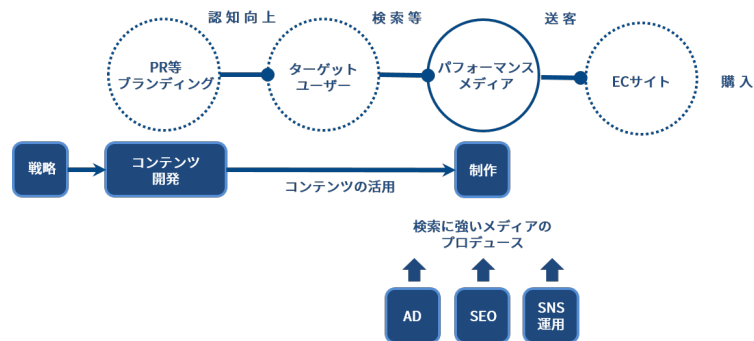
New Business: Performance Technologies

VECTOR established Performance Technologies, a joint venture with DM Solutions, in March 2021 to roll out performance marketing encompassing everything from identification of customer needs to customer acquisition.

PERFORMANCE TECHNOLOGIES

Performance Media Business

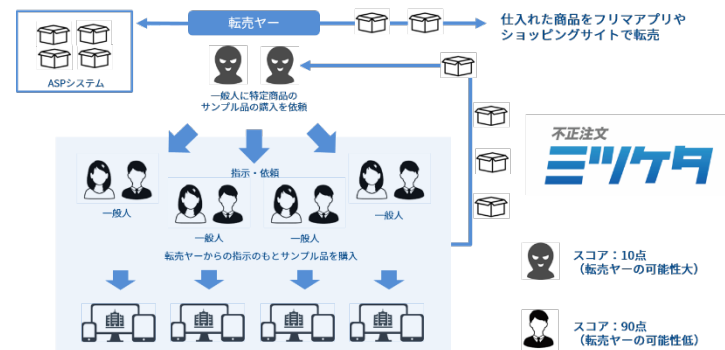
Performance media network structure



By handling everything from strategy design to content development and clean performance-based advertising with PR and affiliate programs, we support customer marketing encompassing everything from identification of customer needs to new customer acquisition.

D2C Performance Marketing Business

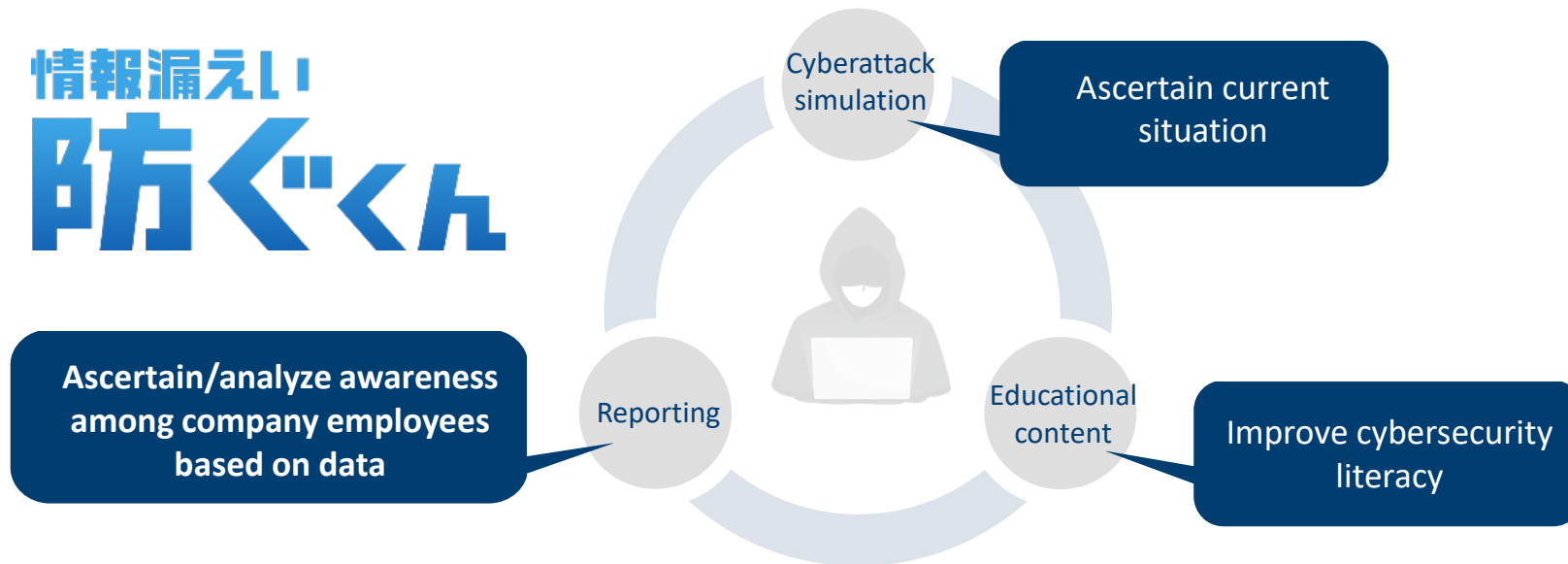
Fraudulent Order Mitsuketa fraud prevention service to discover resale risk



Users purchasing products are evaluated based on proprietary scoring criteria, and those coming in at a certain score or lower are defined as “users intending to resell” and reported to the client company, making it possible to detect risks that lead to resale.

New Business: Cyber Security Bank

Cyber Security Bank, which offers consulting in the cybersecurity domain, has begun providing Information Leak Preventer, a training service to improve security awareness among employees.









Steadily reduce risks of a human nature with **3 services**

New Business: Medical Technologies

Medical Technologies, Inc. was established to resolve issues in the medical industry through DX.

In February 2021, Doctors Match for Companies, which matches companies and medical professionals, was launched.

 Content supervision Medical professionals supervise video and text content	 Seminar presentations Information is communicated at seminars from a physician's perspective	 Product development Physician knowledge is used in development of products and services
企業のための Doctors Match		
 Questionnaire responses Physicians are asked to take questionnaire surveys	 Cooperation with media coverage Physicians are assigned to handle media interview requests	 Joint development R&D projects are launched together with physicians

Privacy consulting service Personal Information Protection Response Preparer was launched in February 2021 to address the requirement of a privacy technology mechanism that balances data utilization with privacy protection.



Features of Personal Information Protection Response Preparer

01

Free consultation

Supports a wide range of consultations, from handling of personal data to the next step of data utilization

02

Internal workshops

Supports general internal educational activities concerning personal information, starting with an explanation of just what constitutes personal information

03

Review of tags and cookies on customer's site

Proprietary system scans customer's site to see what tags and cookies are used

04

Identification of key items to address

Sort out items requiring a response through interviews about operations involving personal data and what tools are used

05

Support for introduction of CMP

Support introduction of consent management tool (CMP) for personal data after identifying key items to address

06

Data utilization consulting

Provide consulting on digital marketing centered on data utilization in thorough consideration to protection of privacy

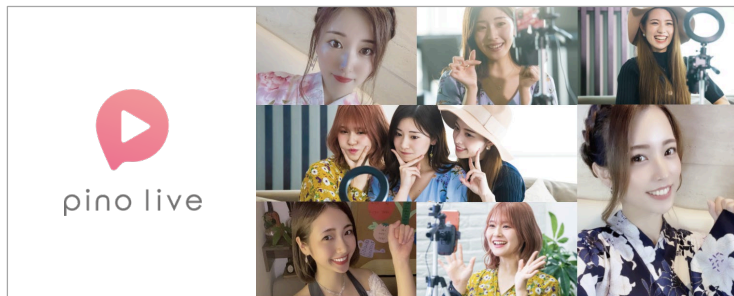
New business: Liver Bank

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”

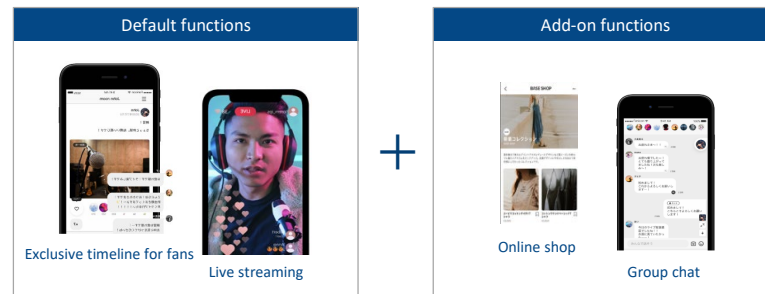


Around 450 livestreamers have joined, growing from beginners to top-level livestreamers

Fan Community System Business

Fan community system with live streaming function

Sun* × **LIVER BANK**



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

New Business: Colorful Tails

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.



New Business: SoVeC

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



XR CHANNEL



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

VECTOR released next-generation AR app XR CHANNEL jointly with KDDI. Combining VPS and AR technology, it transforms town scenery and information, allowing users to enjoy a new experience.

*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


Most Recent IPOs Invested In

Supporting corporate growth through investment and PR/IR (total of 20 IPOs)

This year, five companies, including Cyber Security Cloud, had 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



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.