

VECTOR INC.

## Financial Results - 1Q FY '23



July 15, 2022

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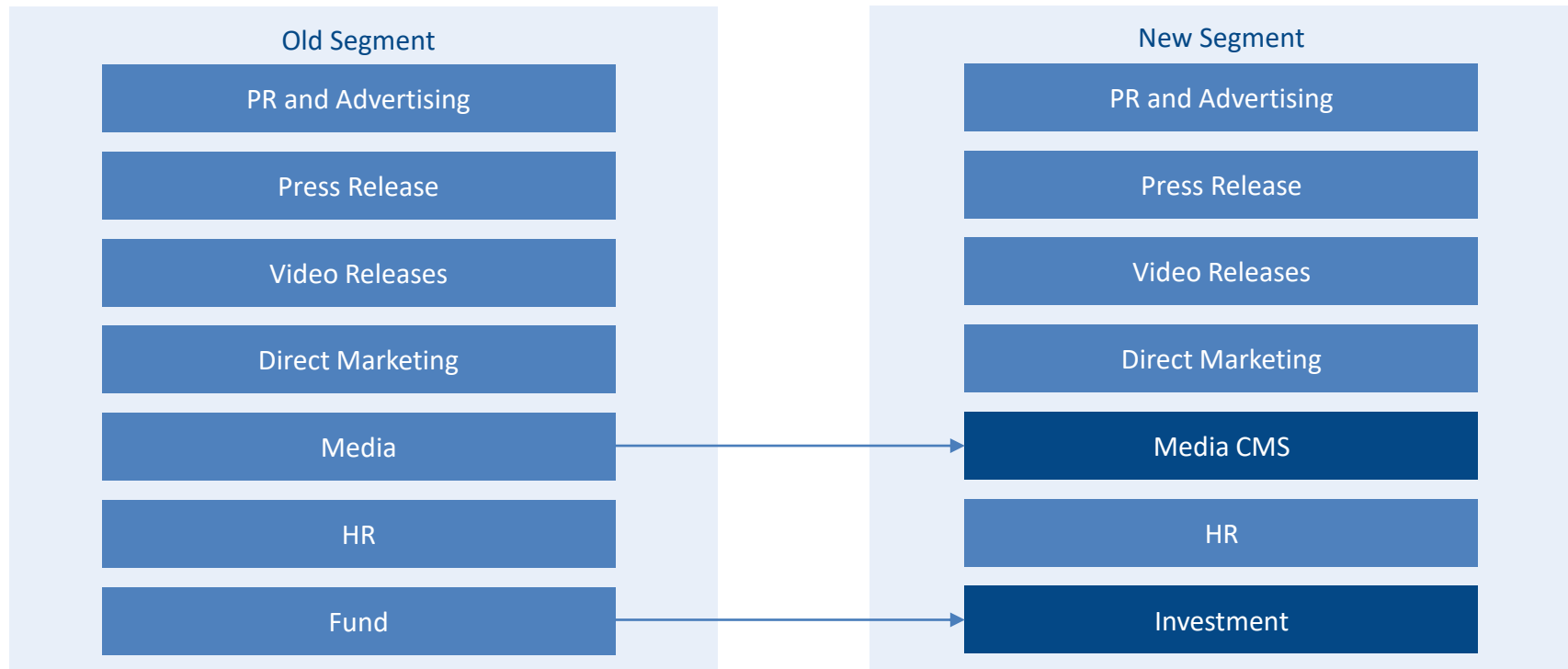
1. Quarterly Results
2. Medium-Term Profit Plan
3. Company Strategy
4. JOBTV Progress Status

# Quarterly Results

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## Segment Changes

As of FY2023, the Fund segment has been renamed Investment segment due to the commercialization of our venture investment activities. The Media segment has also been renamed as the Media CMS segment to reflect the nature of its operations.



## Application of Accounting Standard for Revenue Recognition

The accounting treatment for net sales has been changed as of March 1, 2022 due to the application of the Accounting Standard for Revenue Recognition **(impact on operating profit will be minor)**.

Transactions deemed to be agent transactions, which were previously recorded as gross amounts, will now be recorded as net amounts **(no impact on gross profit)**.

Segment	Main transactions affected by application of new accounting standard	Comparison with previous standard (percentage decrease)	Level of impact
PR and Advertising Business	Transactions related to digital ad operations	10%–15%	High
Direct Marketing Business	Transactions related to sales of other companies' products	5%–10%	Moderate
HR Business	Transactions related to sales of other companies' products Sales transactions by agents related to personnel-related services	3%–5%	Low
Video Release Business	Transactions related to digital advertising operations	1%–3%	Minor
Press Release Business Media CMS Business Investment Business	Not applicable	—	None

Net Sales

13,130 million JPY  
(117.8% YoY)

Gross Profit

8,720 million JPY  
(123.8% YoY)

EBITDA\*

1,660 million JPY  
(126.8% YoY)

Operating Profit

1,470 million JPY  
(130.6% YoY)

Ordinary Income

1,480 million JPY  
(128.7% YoY)

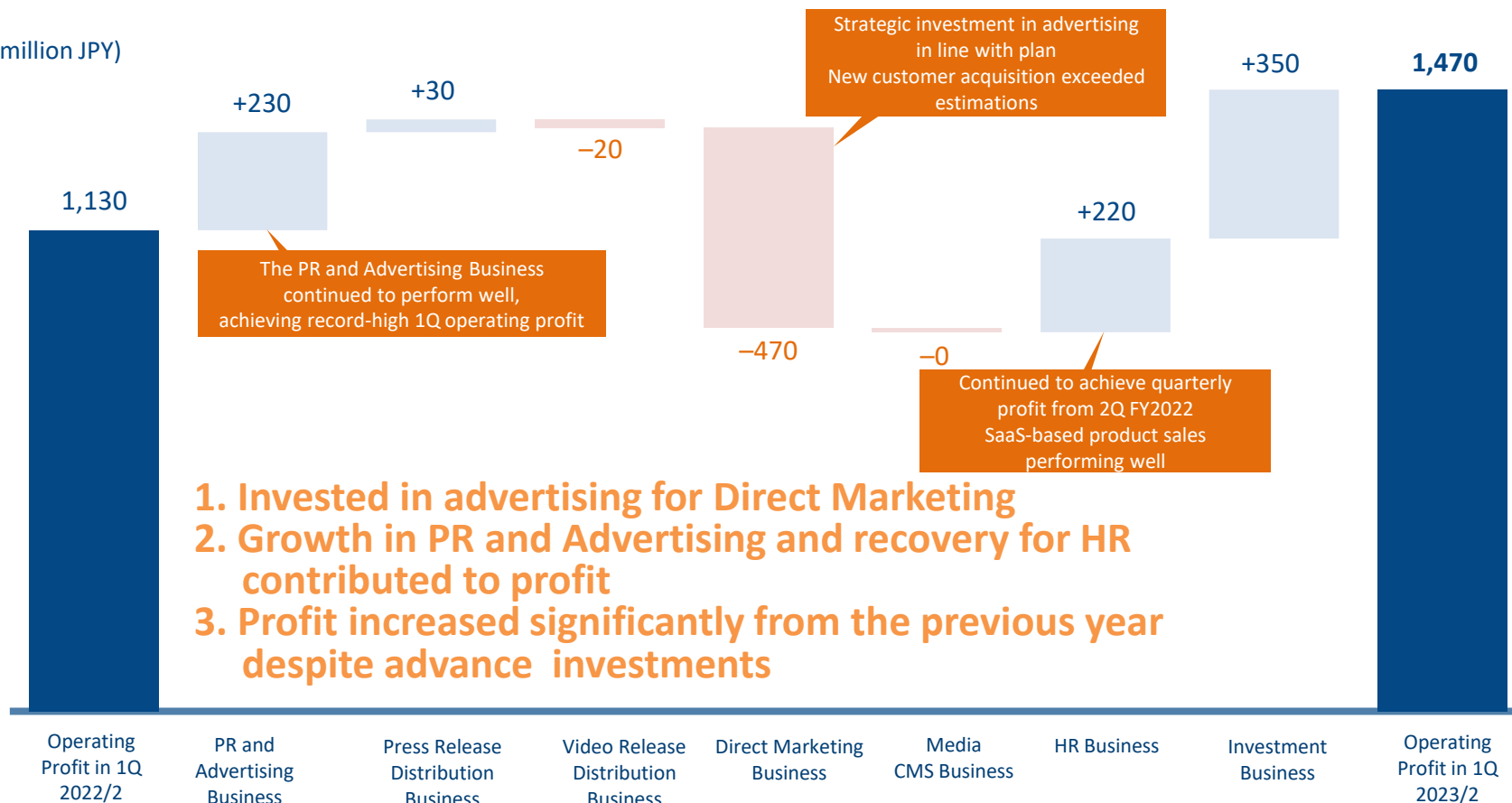
Profit  
Attributable to  
Owners of Parent

830 million JPY  
(188.8% YoY)

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

# Operating Profit (YoY Trend)

(million JPY)



1. Invested in advertising for Direct Marketing
2. Growth in PR and Advertising and recovery for HR contributed to profit
3. Profit increased significantly from the previous year despite advance investments

## Consolidated Performance

Net Sales

**13,130** million JPY  
(**117.8%** YoY)

Operating Profit (Loss)

**1,470** million JPY  
(**130.6%** YoY)

- Business Overview for 1Q FY '23
- Steady growth for both net sales and operating profit
  - PR and Advertising in Japan drove high performance
  - Invested in advertising for Direct Marketing as planned, with new customer acquisition exceeding estimations
  - HR achieved profit from 2Q FY2022 onward

## PR and Advertising

**6,830** million JPY  
(**111.4%** YoY)

**780** million JPY  
(**142.5%** YoY)

- PR in Japan and Taxi Signage continued to perform well, achieving a record level of operating profit
- PR overseas recorded a loss due to the COVID-19 pandemic
- New business JOBTv launched and performed well

## Press Releases (PR TIMES)

**1,380** million JPY  
(**122.7%** YoY)

**420** million JPY  
(**109.3%** YoY)

- New record high for quarterly sales
- Number of user companies surpassed 69,000
- Expanded regional development through partnerships with regional banks
- Continued to invest in advertising for new businesses

## Video Releases (NewsTV)

**350** million JPY  
(**91.8%** YoY)

**(10)** million JPY  
(Down **20** million JPY YoY)

- Orders for large projects decreased temporarily due to prioritizing expansion of the customer base, resulting in an operating loss
- Number of video release distributions increased due to expansion of customer base
- Sales Video Analytics going strong



Direct Marketing

Media CMS  
(Smart Media)

HR  
(ASHITA-TEAM)

Investment

Net Sales

3,500 million JPY  
(119.1% YoY)

Operating Profit (Loss)

(170) million JPY  
(Down 470 million JPY YoY)

Business Overview for 1Q FY '23

- New customer acquisition exceeded estimations due to strategic advertising investment based on past acquisition efficiency
- Terminalia First going extremely well
- Continued advertising investment from 2Q FY2022 onward

- Reassigned Media Business sales personnel to strengthen owned media sales
- Net sales declined as a result of limiting new tie-up projects, which contribute well to advertising revenue

- Continued profitability from 2Q FY2022 onward
- SaaS-based product sales going strong
- Accelerated growth by investing in advertising to acquire leads and investing in development to strengthen product functionality

- Accounting treatment changed due to commercialization of investment activities
- Going strong due to the partial sale of shares held, which exceeded loss on valuation of securities

## Progress Toward Full-Year Financial Forecasts

Full-Year Financial Forecast for FY '23 (million JPY)	FY '23 (Target)	FY '23 1Q-end	Progress	FY '23 1H Target	FY '23 2H Target
Net Sales	53,100	13,132	24.7%	24,890	28,210
Operating profit	6,200	1,477	23.8%	2,070	4,130
Ordinary income	6,100	1,487	24.4%	2,020	4,080
Profit attributable to owners of parent	3,000	836	27.9%	900	2,100
Reference: Net sales under the old revenue standard	56,500	14,421	25.5%	26,550	29,950

While achievement of 1Q targets progressed well, we have not revised the full-year financial forecast as we plan to continue to invest in advertising in 2Q for the Direct Marketing business since new customer acquisition exceeded estimations as a result of investment based on past acquisition efficiency.

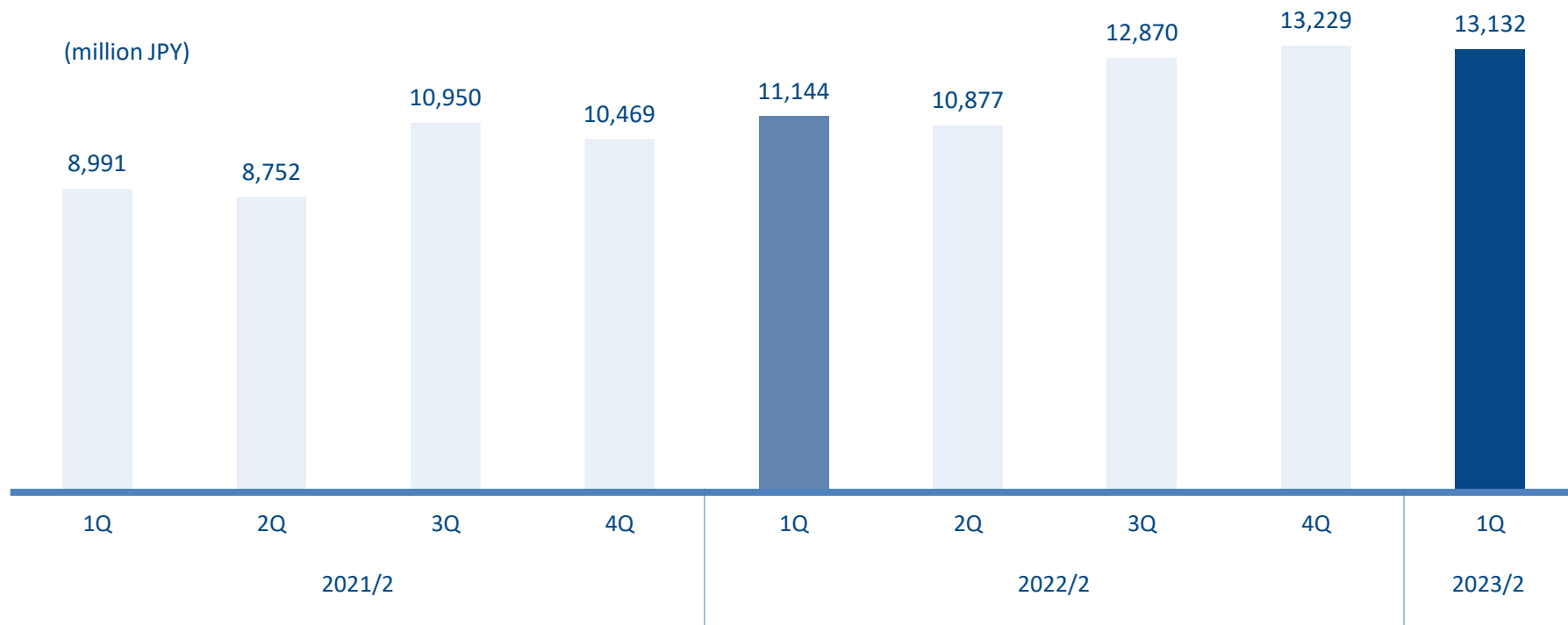
## Profit Plan by Segment

	Profit Plan by Segment (million JPY)	FY '23 (Targets)	FY '23 1Q-end	Progress
Operating profit (loss)	Consolidated	6,200	1,477	23.8%
	PR and Advertising	2,634	784	29.8%
	Press Releases	1,600	428	26.8%
	Video Releases	50	(12)	—
	Direct Marketing	835	(177)	—
	Media CMS	51	0	0.7%
	HR	350	124	35.6%
	Investment	680	323	47.5%

The core PR and Advertising business have made a strong start and we forecast it to continue to drive performance. While the Video Release and Direct Marketing businesses recorded a loss for 1Q, all segments are performing well in terms of plan targets.

## Consolidated Net Sales (Quarterly Trend)

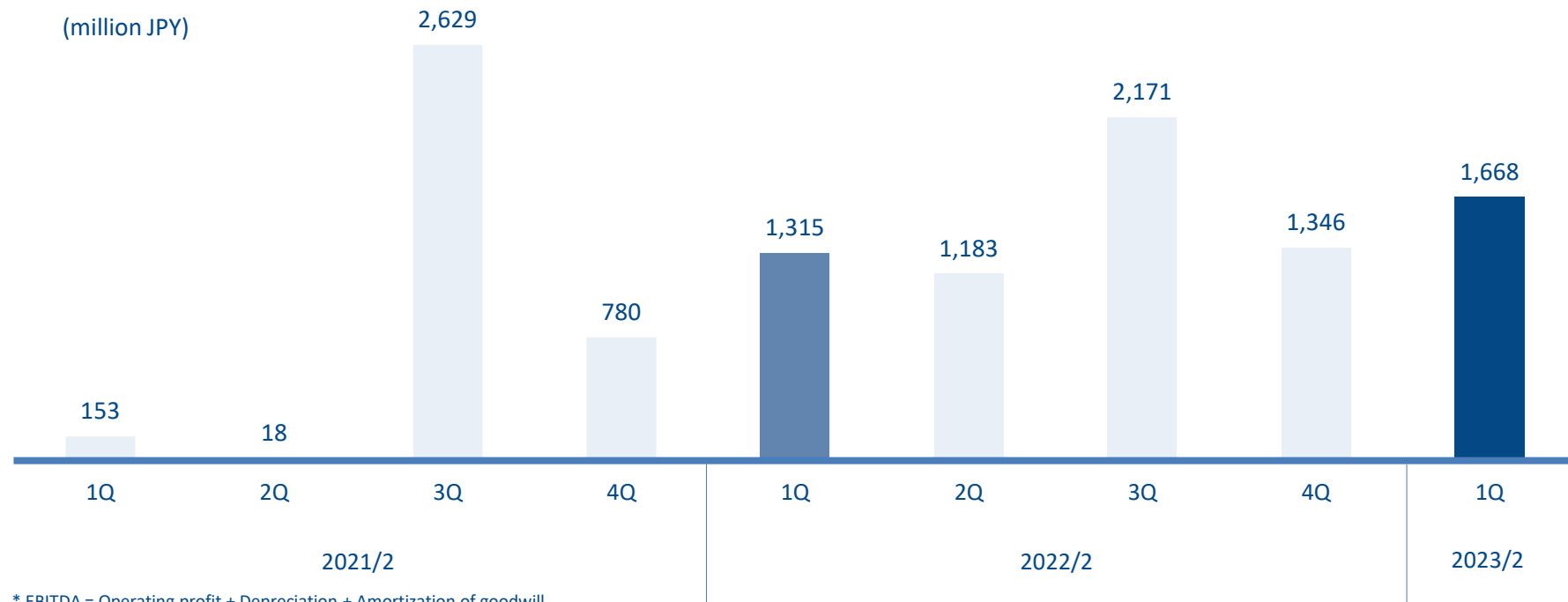
Consolidated net sales for 1Q FY2023 came in at **13,132** million JPY, the highest ever for 1Q (117.8% YoY).



Note: Figures for fiscal years before FY2023 have been restated to reflect the change in accounting treatment due to the commercialization of investment activities.

## EBITDA (Quarterly Trend)

EBITDA for 1Q FY2023 came in at **1,668** million JPY, a **record-high for 1Q** (126.8% YoY).

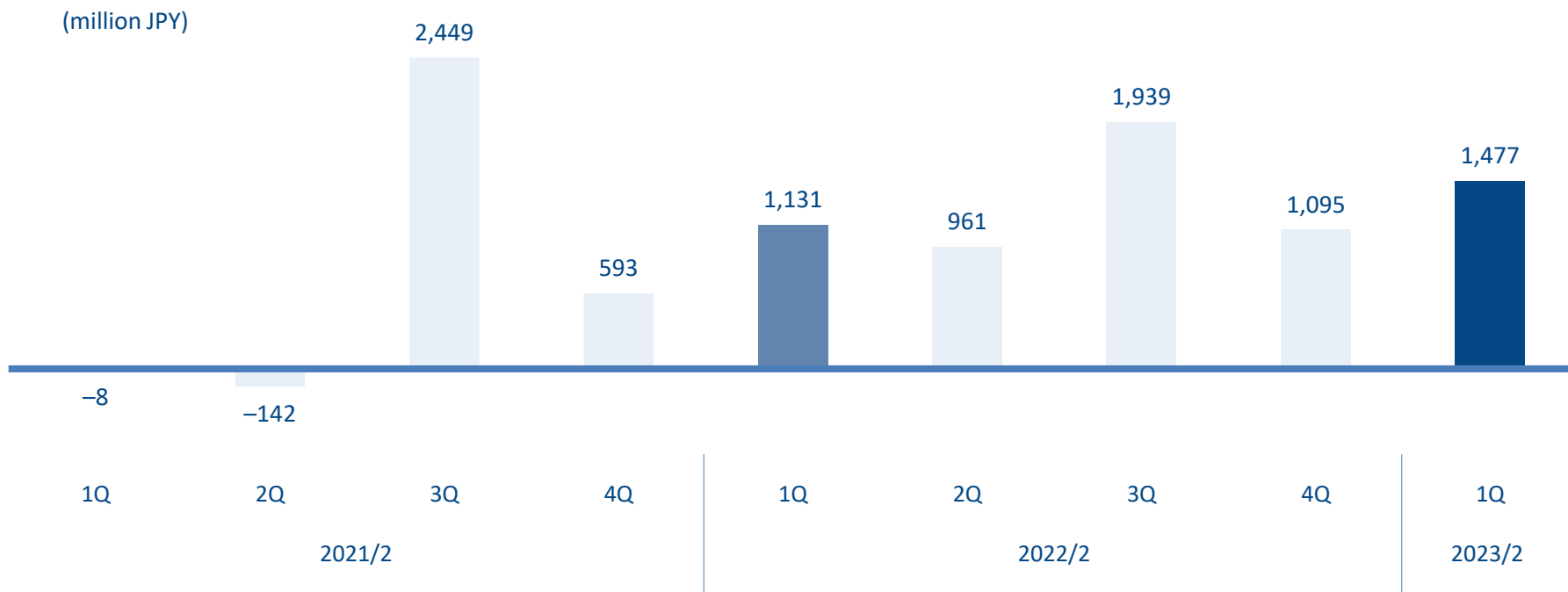


\* EBITDA = Operating profit + Depreciation + Amortization of goodwill

\* Figures for fiscal years before FY2023 have been restated to reflect the change in accounting treatment due to the commercialization of investment activities.

## Consolidated Operating Profit (Quarterly Trend)

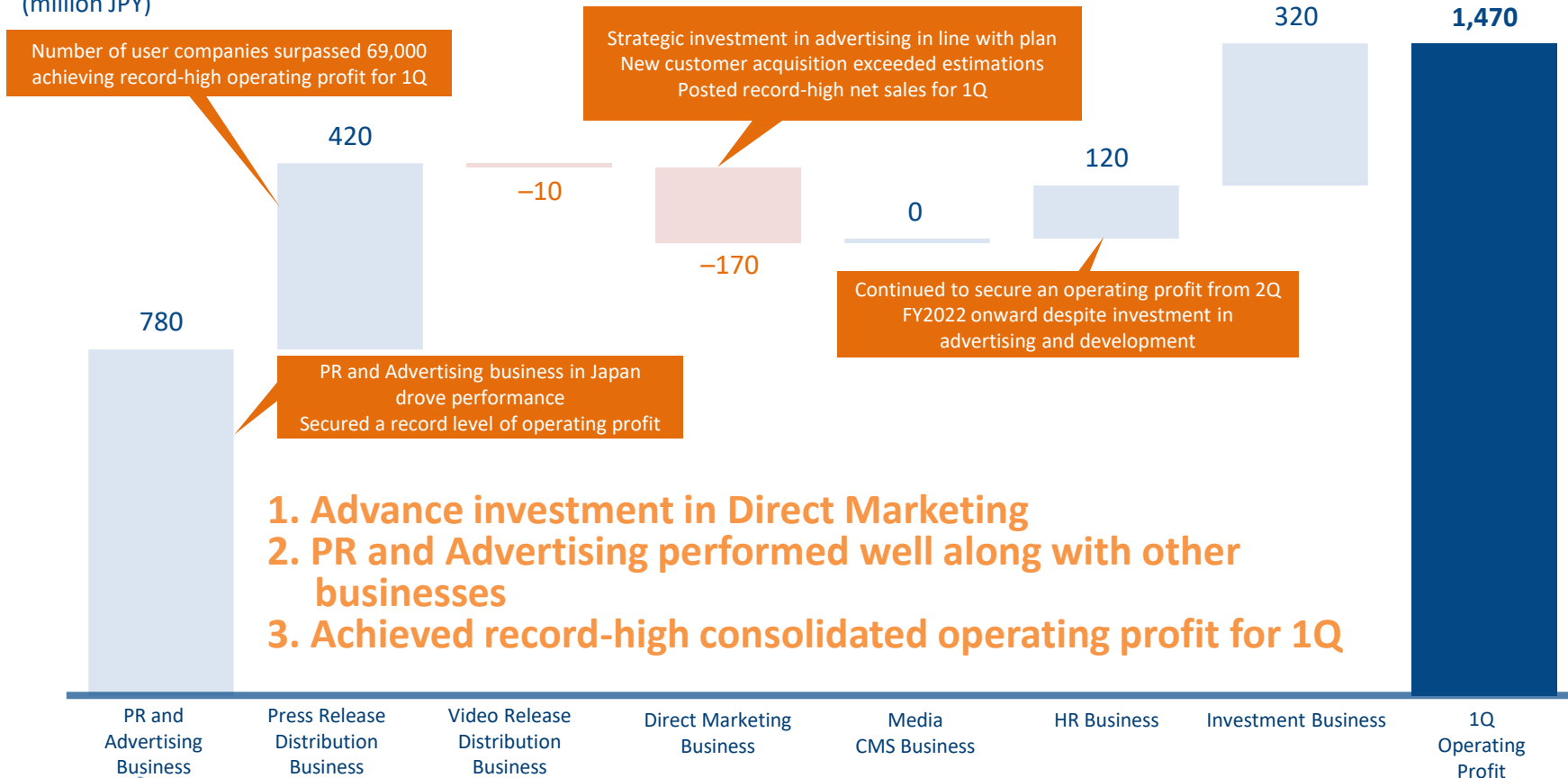
Consolidated operating profit for 1Q FY2023 came in at **1,477** million JPY, the **highest ever for 1Q** (130.6% YoY).



\*Figures for fiscal years before FY2023 have been restated to reflect the change in accounting treatment due to the commercialization of investment activities.

# Operating Profit (By Segment)

(million JPY)



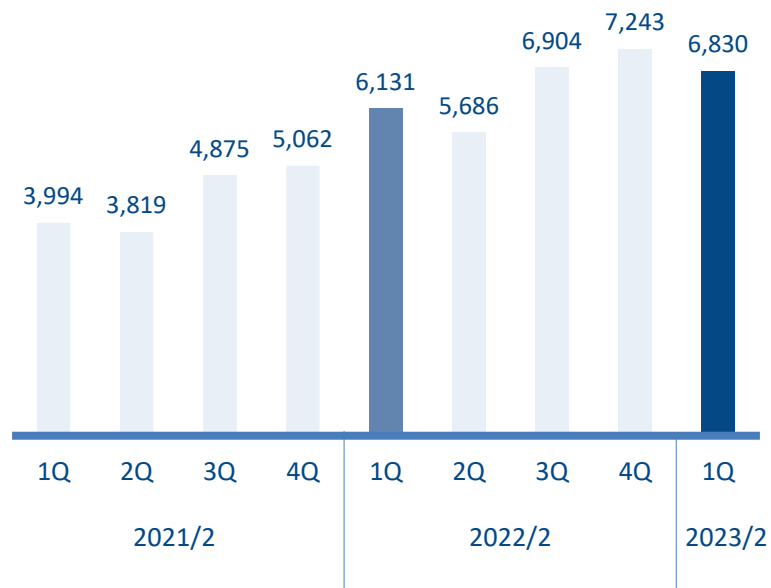
1. Advance investment in Direct Marketing
2. PR and Advertising performed well along with other businesses
3. Achieved record-high consolidated operating profit for 1Q

## PR and Advertising Business (Quarterly Trend)

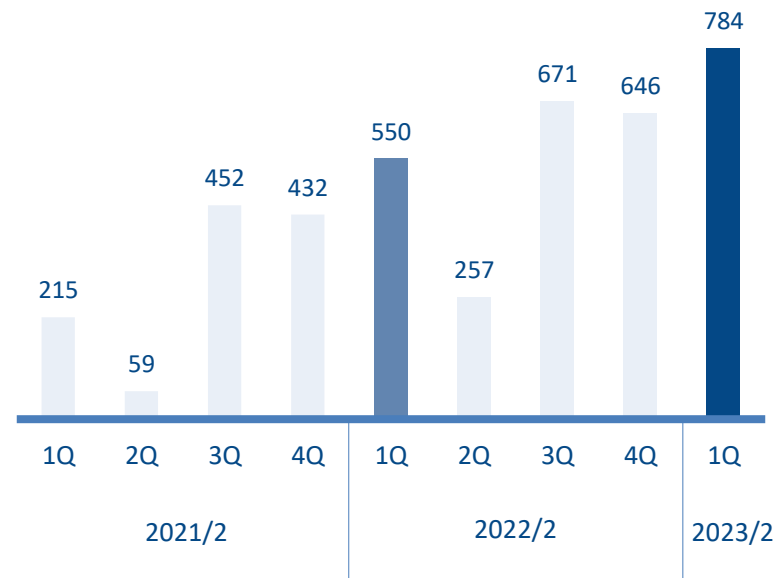
In 2Q FY2023, we **secured a record level of operating profit** by meeting the marketing needs of customers.

From 2Q FY2023, we will aim to increase the number of retainer agreements and raise the unit price by cross-selling.

Net Sales: 6,830 million JPY (**111.4%** YoY)



Operating Profit: 784 million JPY (**142.5%** YoY)



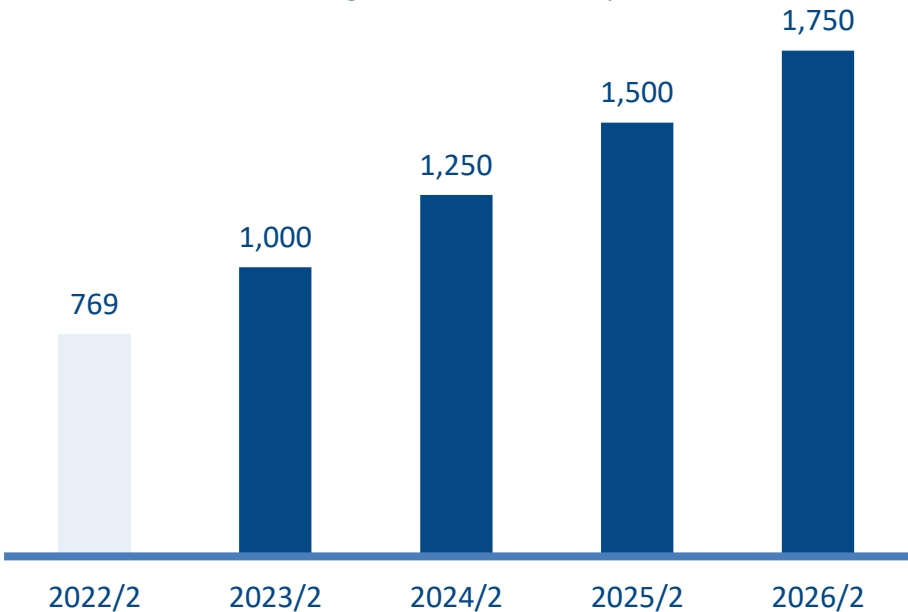


# Retainer Agreement\* Targets

Retainer agreements form a stable earnings base for the PR business, and we aim to have entered contracts with 1,750 companies by FY2026. We have set the target of reaching 1,000 retainer agreements in FY2023 and will work to strengthen customer engagement.



Number of retainer agreements  
(strategic PR subsidiaries only)

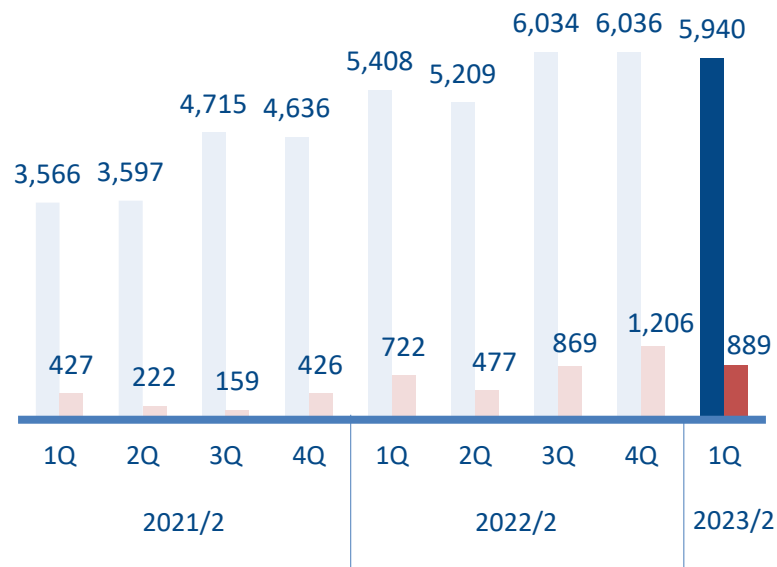


\* Retainer agreement: An agreement with a term of three or more months with monthly fees.

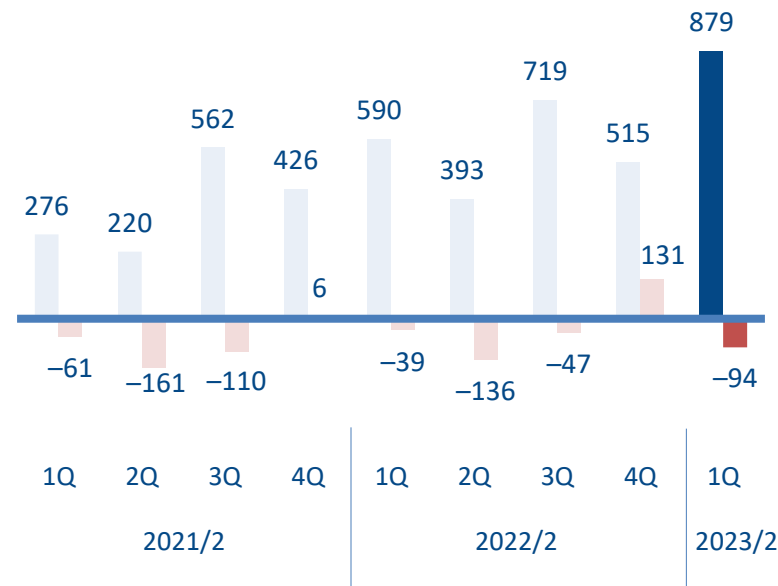
## PR and Advertising Business (By Region: Japan/Overseas)

In 1Q FY2023, although the business overseas recorded a loss due to the impact of COVID-19, the business in Japan strongly drove performance. In 2Q FY2023 and thereafter, while we anticipate that COVID-19 will continue to affect the business overseas, we will compensate for this with the strong growth of the business in Japan.

Net Sales: 5,940 million JPY (Japan) / 889 million JPY (overseas)



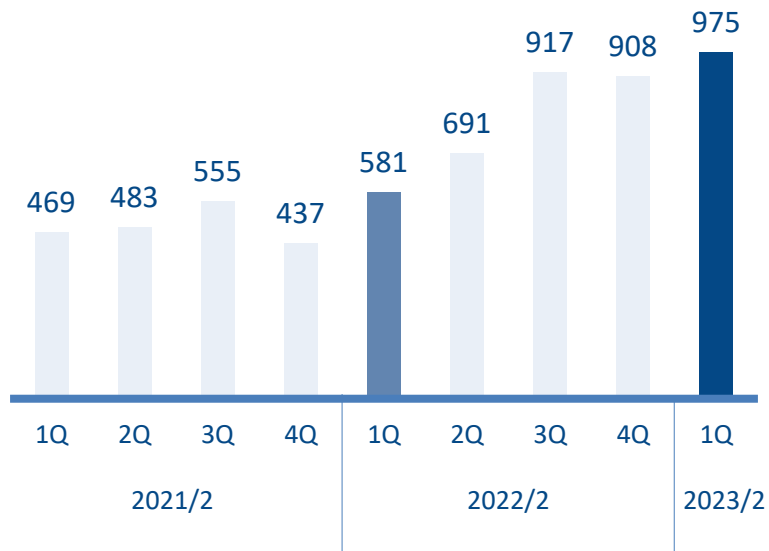
Operating Profit/Loss: 879 million JPY (Japan) / -94 million JPY (overseas)



## Advertising Business (Taxi Signage)

In 1Q FY2023, ad placement demand continued to be strong, contributing to record-high net sales.  
From 2Q FY2023, we will expand Taxi Signage and other services, with the aim of increasing net sales.

Net Sales: 975 million JPY (167.7% YoY)



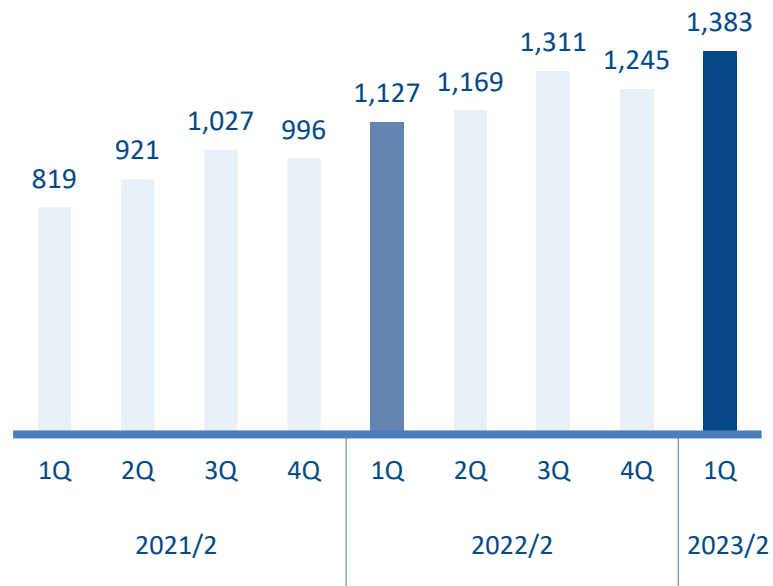
Digital signage has been installed for rear seat passengers in approx. 12,500 vehicles, the largest scale of taxi signage advertising in Tokyo.  
In October 2022, we introduced a new screen for signage that is 156% larger than previous screens.

Roughly 45% of Tokyo's taxi users, who mainly consist of business people, have been covered, with video advertisements and media content reaching around 8.2 million people.

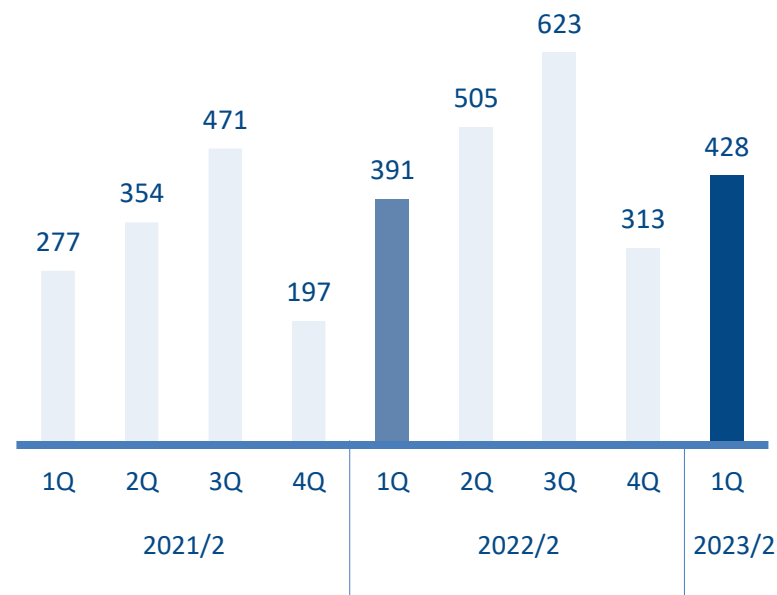
# Press Release Distribution Business (Quarterly Trend)

In 1Q FY2023, the number of user companies increased, resulting in record quarterly net sales and record 1Q operating profit. From 2Q FY2023, we plan to make advance investments in PR TIMES as well as in new business expansion.

Net Sales: 1,383 million JPY (122.7% YoY)



Operating Profit: 428 million JPY (109.3% YoY)

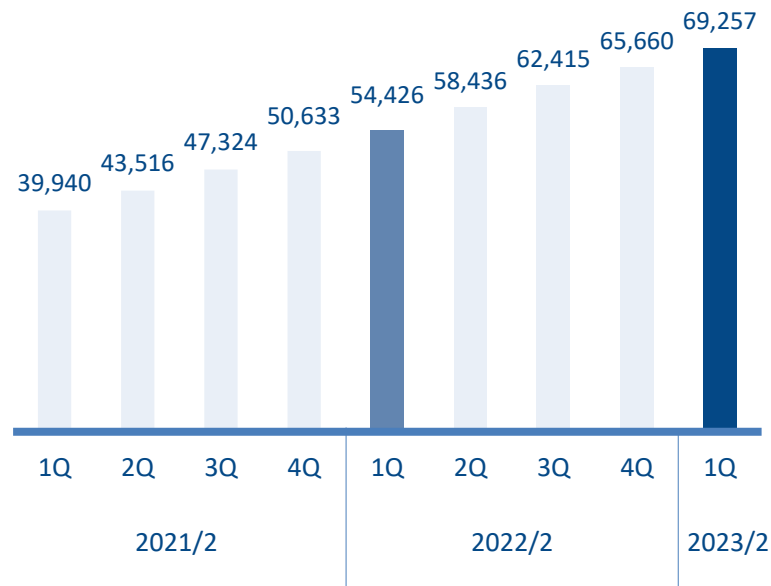


# Number of User Companies and Press Release Distributions

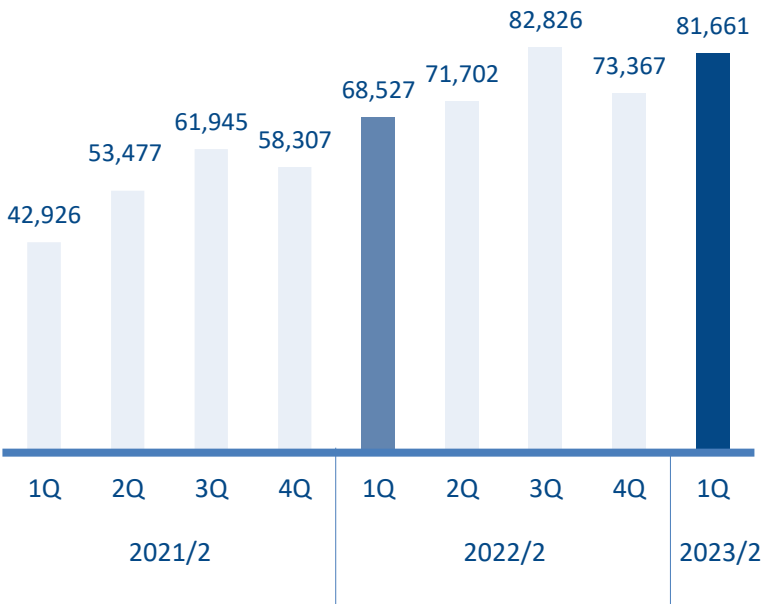
The number of user companies in 1Q FY2023 increased by 3,597 compared to 4Q FY2022, which led to an increase of 14,831 year on year and an accumulated total of 69,257 companies.

The number of press release distributions increased by 8,294 compared to 4Q, leading to a 13,134 increase year on year and an accumulated total of 81,661.

Number of user companies: 69,257 (127.2% YoY)



Number of press release distributions: 81,661 (119.2% 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 69,000 user companies, used by 50% of listed companies



国内シェア **No.1** 上場企業の **50%** 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、情報発信力の競争は向上など、このような顕著的な環境変化の中、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



Published in more than  
300 publications!



Number of  
user companies

**69,000**

May 2022

**65,000**

Feb. 2022

**50,000**

Feb. 2021

**36,000**

Feb. 2020

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

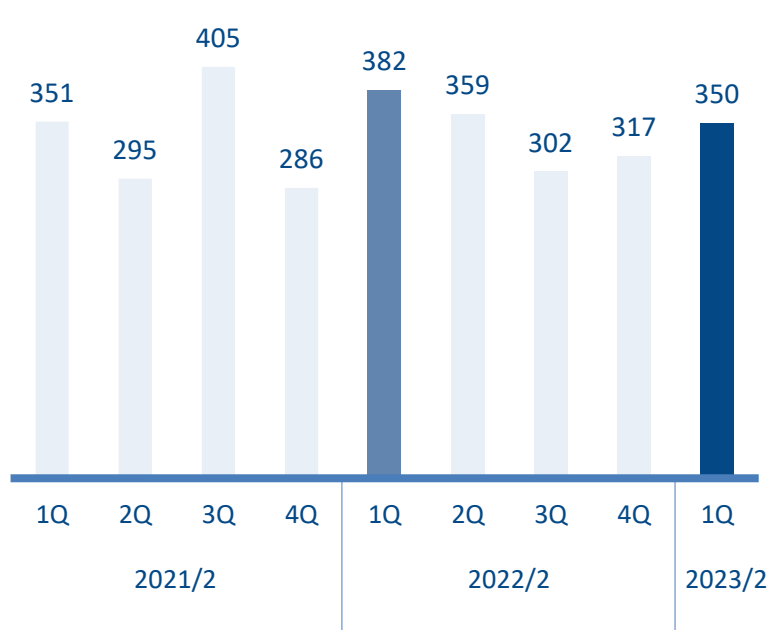
**28,000**

Feb. 2019

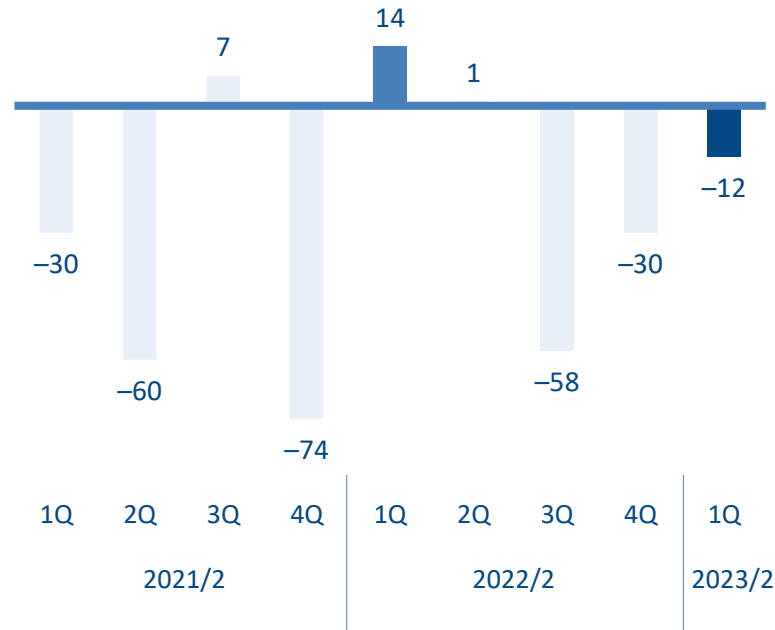
# Video Release Distribution Business (Quarterly Trend)

In 1Q FY2023, an operating loss was recorded as orders for large projects decreased temporarily while we prioritized the expansion of our customer base.  
From 2Q FY2023, we will work to increase orders for large projects in addition to expanding our customer base, aiming to achieve full-year profitability.

Net Sales: 350 million JPY (91.8% YoY)



Operating Loss: 12 million JPY (Down 27 million JPY YoY)



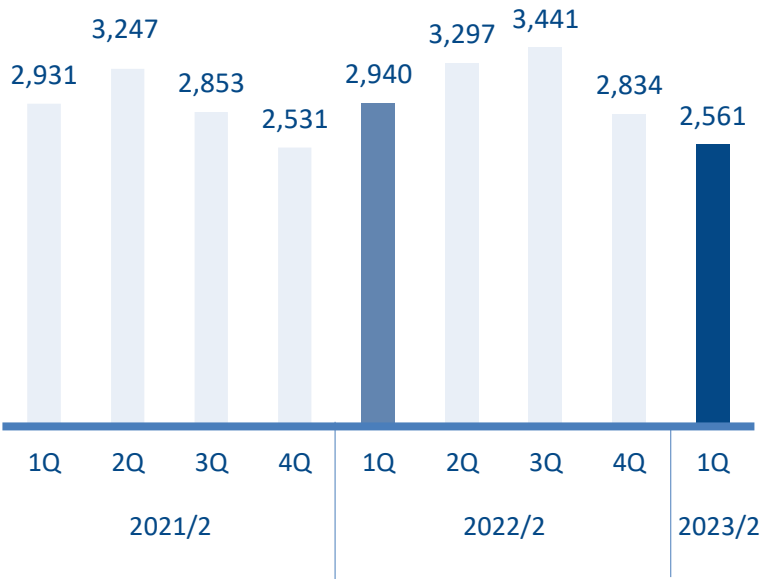
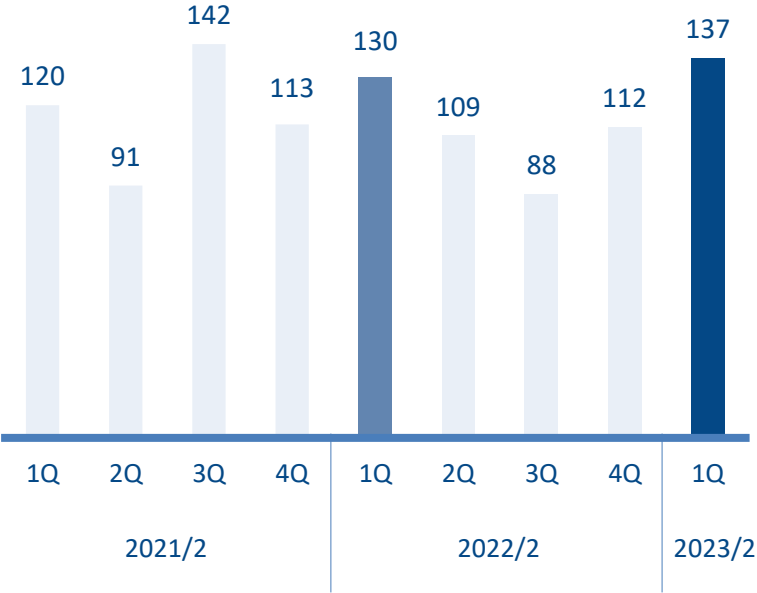
# Number of Video Release Distributions and Average Price Per Distribution

As a result of efforts in expanding the customer base, the number of video release distributions for 1Q FY2023 increased year on year and exceeded quarterly figures FY2022.

The average price per distribution in 1Q decreased by 379,000 JPY due to a temporary decrease in large orders.

Number of video release distributions: 137 (105.4% YoY)

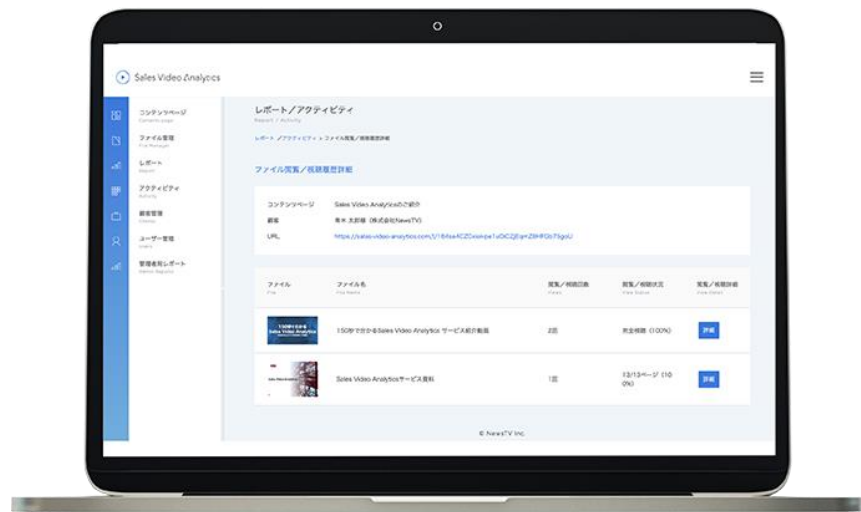
Average price per distribution: 2,561 thousand JPY (87.1% YoY)





# Sales Video Analytics

In response to changes in ways of communicating due to COVID-19, VECTOR has developed a new service that utilizes video. Released in January 2022, Sales Video Analytics is the first SaaS-based product to apply DX to sales activities by leveraging the power of video and data.



Sales Video Analytics is a sales DX support service that boosts sales efficiency and increases revenues by enabling visualization of customer actions and the use of video for sales activities.

## 01 Free video production

Production of free movies (two per year) that present sales material and features for in-house services as well as success cases of companies that introduced the product.



## 02 Customer landing page production

Landing pages for customers can be created. Video and sales materials can be included on the landing page.



## 03 Viewing log

Possible to acquire data such as the number of landing page views, date and time of views, and the number of seconds videos are watched for.



## 04 "Thank you" video function

Function for using "thank you" videos when communicating with customers that allows videos to be displayed in emails.

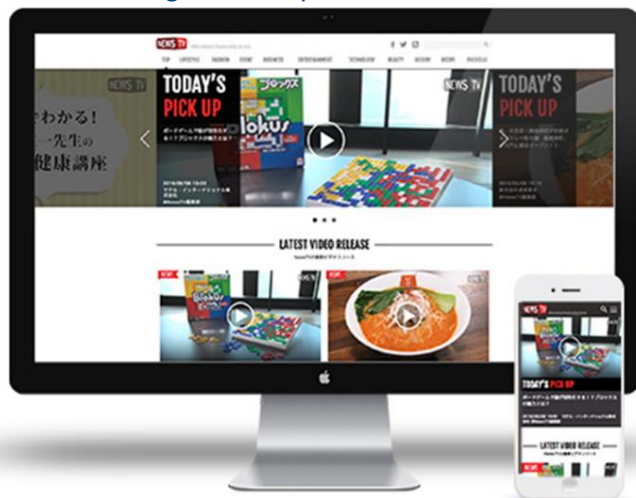


# Video Release Business Outlook

We will train sales personnel to strengthen proposal capabilities that tap into customer needs, expand the customer base, and increase the average price per distribution.

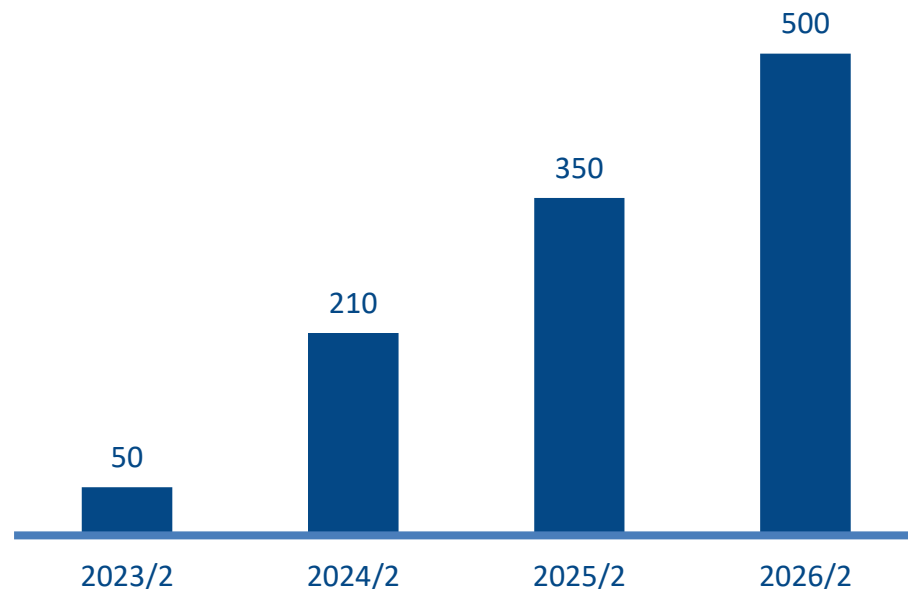
By expanding both Video Release and Sales Video Analytics, we aim to achieve an operating profit of 500 million JPY in FY2026.

Video advertising distribution, Video Release,  
allowing clients to produce them for free



Over 3,500 videos have been produced and distributed since the service was launched in 2015.

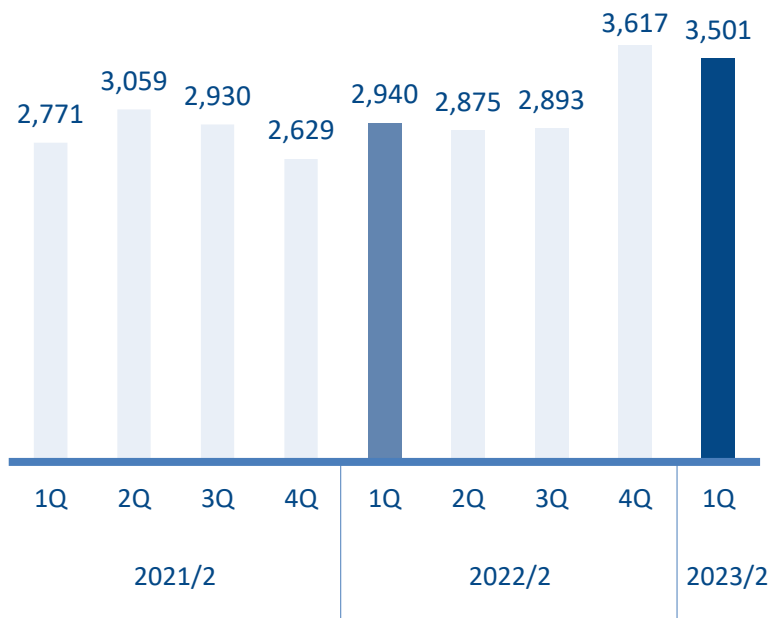
Operating Profit (million JPY)



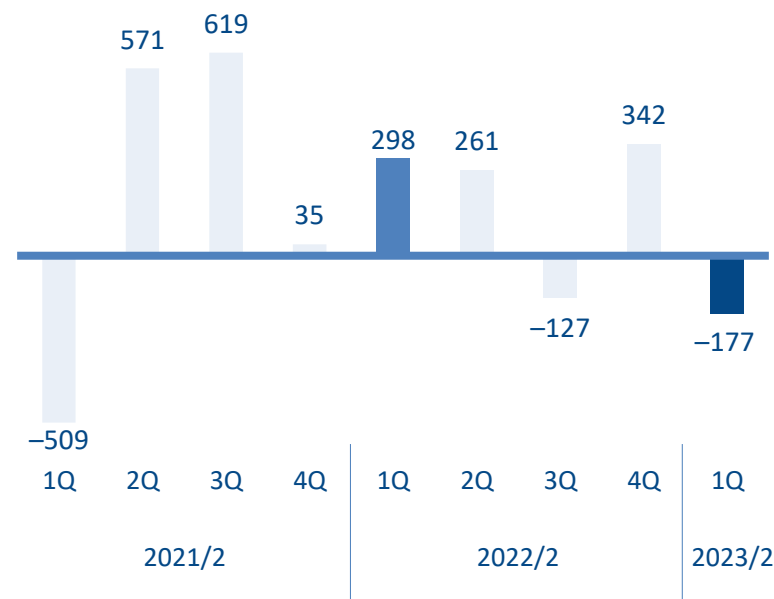
# Direct Marketing Business (Quarterly Trend)

In 1Q FY2023, strategic investment in advertising in line with the plan enabled us to **achieve record-high net sales for 1Q**. From 2Q FY2023, while we plan to continue investing in advertising, we anticipate that we **will meet the full-year target of 835 million JPY**.

Net Sales: 3,501 million JPY (119.1% YoY)



Operating Loss: 177 million JPY (Down 476 million JPY YoY)



We launched the Vitabrid C series using worldwide patented technology, and it is continuing to grow steadily. It is an accumulated earnings model provided via a subscription model, and the total number of products provided **has surpassed 10.19 million.**



The only powder in the world that releases Vitamin C over 12 hours. We will develop skin-beautifying cosmetics, hair growth accelerators, and foods with functional claims.

Net Sales  
**10,210 million JPY**

Feb. 2022

**9,890 million JPY**  
Feb. 2021

**8,360 million JPY**  
Feb. 2020

**6,310 million JPY**  
Feb. 2019

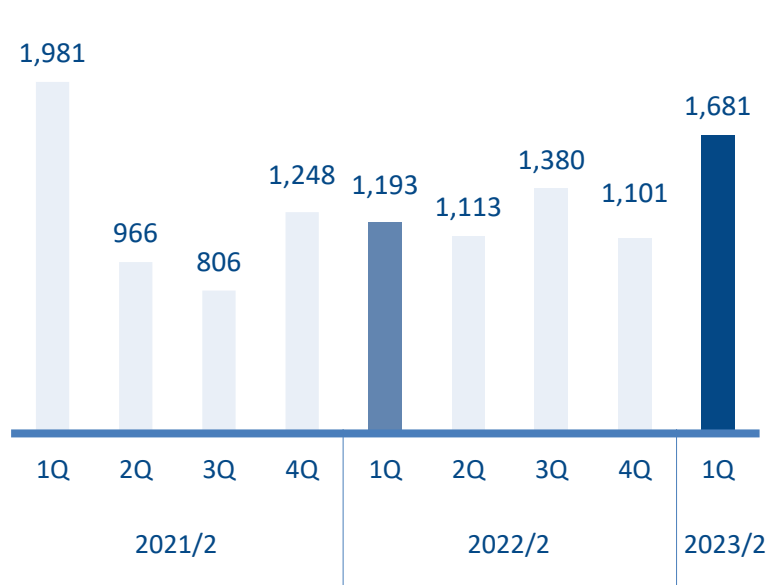
**2,850 million JPY**  
Feb. 2018



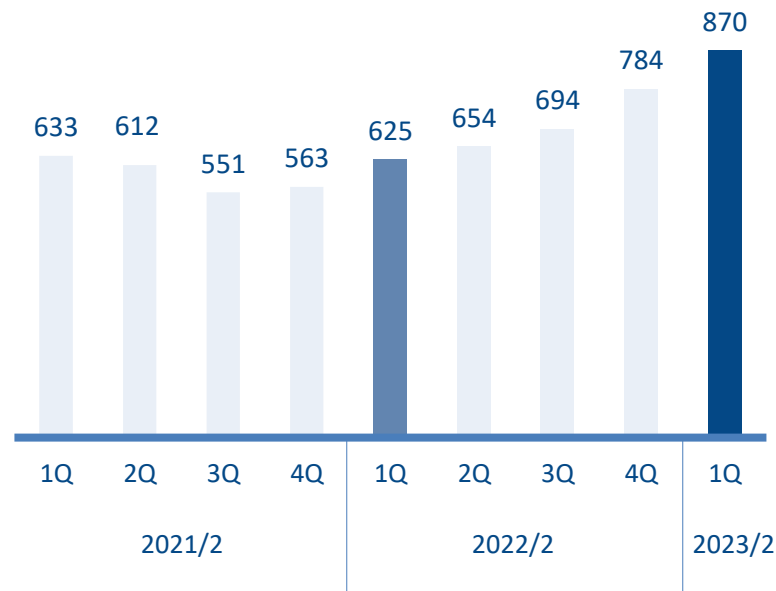
# Advertising Expenses and Units Sold

In 1Q, advertising expenses increased significantly year on year due to aggressive investment.  
The number of units sold in 1Q increased substantially due to **strong sales of Terminalia First**.

Advertising Expenses: 1,681 million JPY (140.9% YoY)



Number of Units Sold: 870 thousand (139.1% YoY)



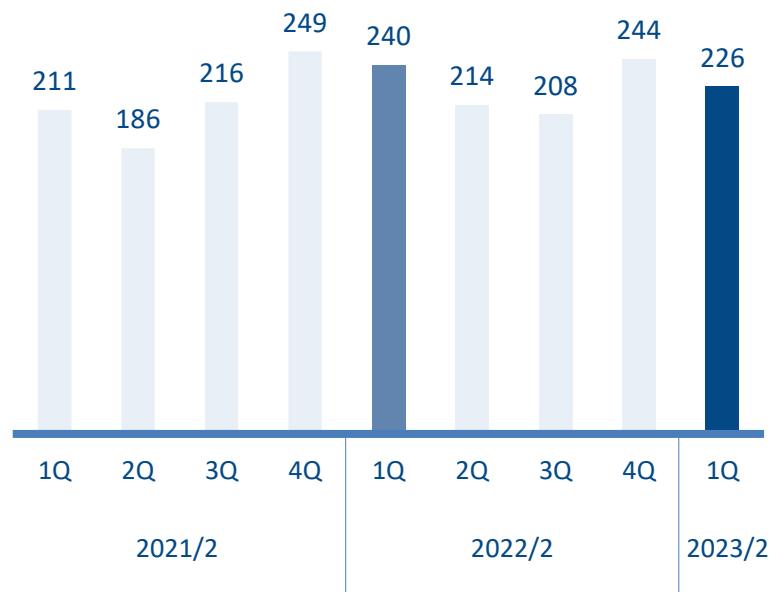
Note: Advertising expenses and units sold figures are for Vitabrid Japan only.

## Media CMS Business (Quarterly Trend)

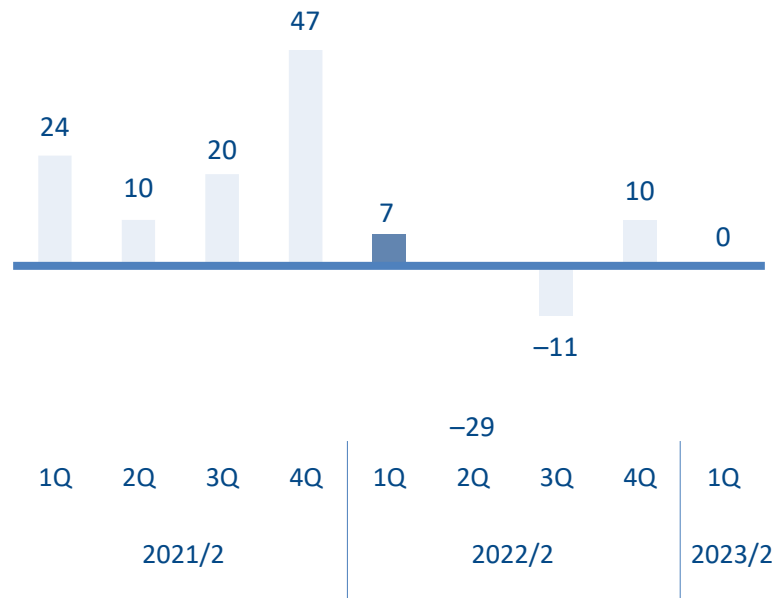
In 1Q FY2023, we secured a profit despite limiting new tie-up projects to focus on strengthening sales of owned media.

In 2Q FY2023 and thereafter, we will aim for full-year profitability by focusing on sales of owned media, where we have strengthened the sales system.

Net Sales: 226 million JPY (94.1% YoY)



Operating Profit: 0 million JPY (4.8% YoY)

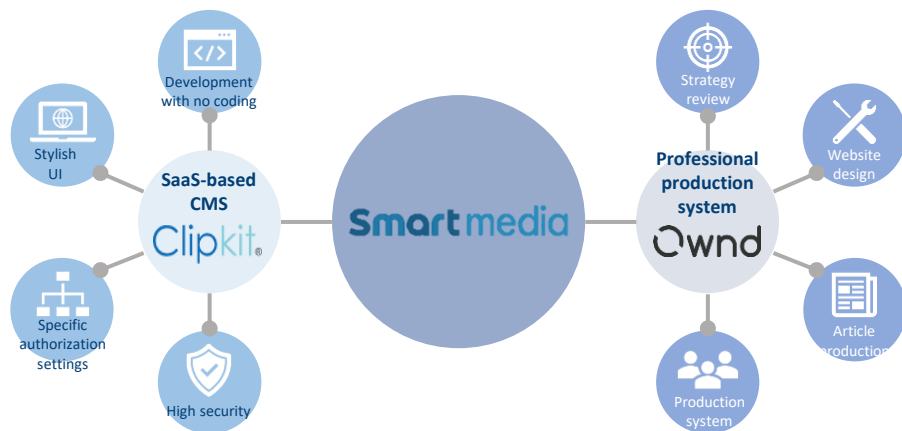


Note: As of 1Q FY2023, the Media segment has been renamed the Media CMS segment.

# Future Business Policy

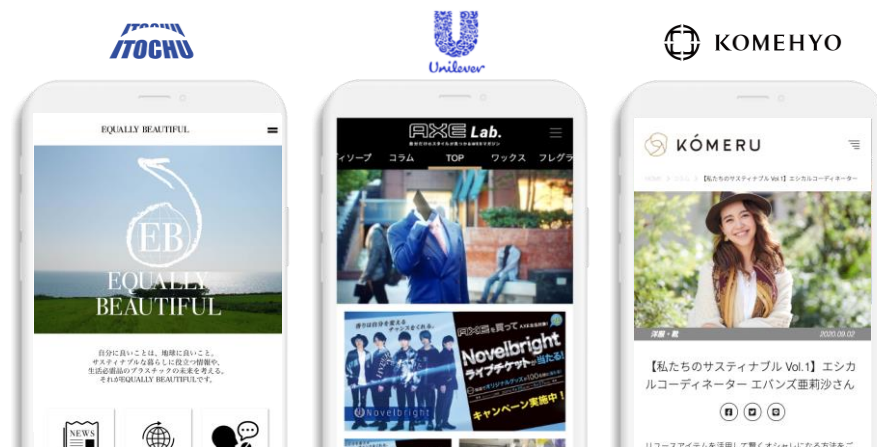
We will support the content marketing of client companies by switching to a policy focused on acquiring clients using our owned media support services that leverage our know-how. In addition to acquiring clients of our owned media support services, we will also build up subscription earnings through CMS sales to create a stable earnings foundation.

Owned media support service



Policy will focus on acquiring clients using our owned media support services, which is an area where there is strong demand, along with sales of CMS required for owned media production.

Owned media production examples

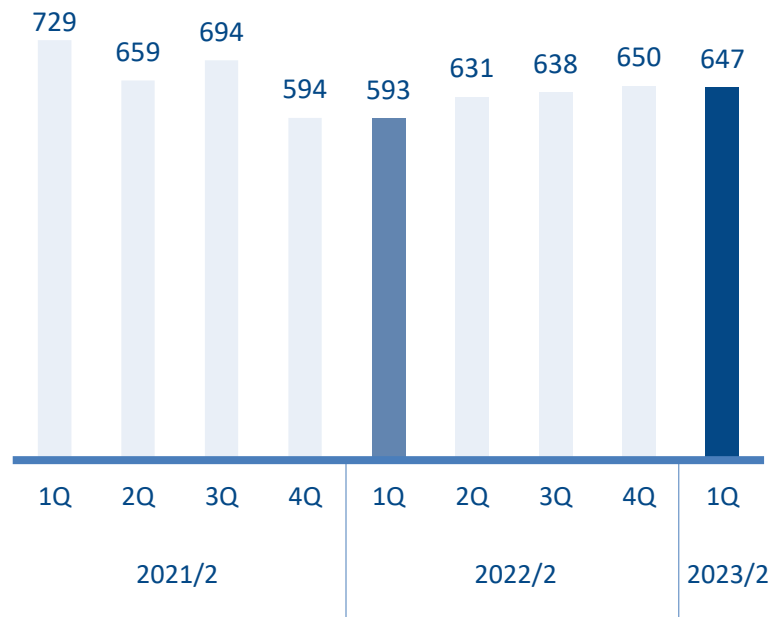


By leveraging our know-how cultivated in media operation, we will support the content marketing of companies across all areas, from owned media production to operation.

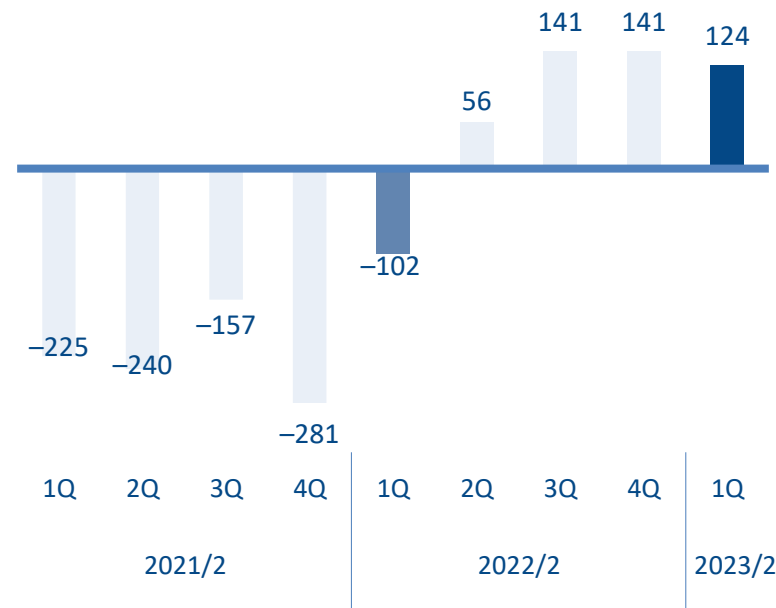
## HR Business (Quarterly Trend)

In 1Q FY2023, we secured an operating profit despite investing in advertising to capture leads and investing in development to strengthen product functionality. From 2Q FY2023, we will aim for full-year operating profit of 350 million JPY while continuing to invest in areas such as advertising in and development to achieve growth.

Net Sales: 647 million JPY (109.1% YoY)



Operating Profit: 124 million JPY (Up 227 million JPY YoY)



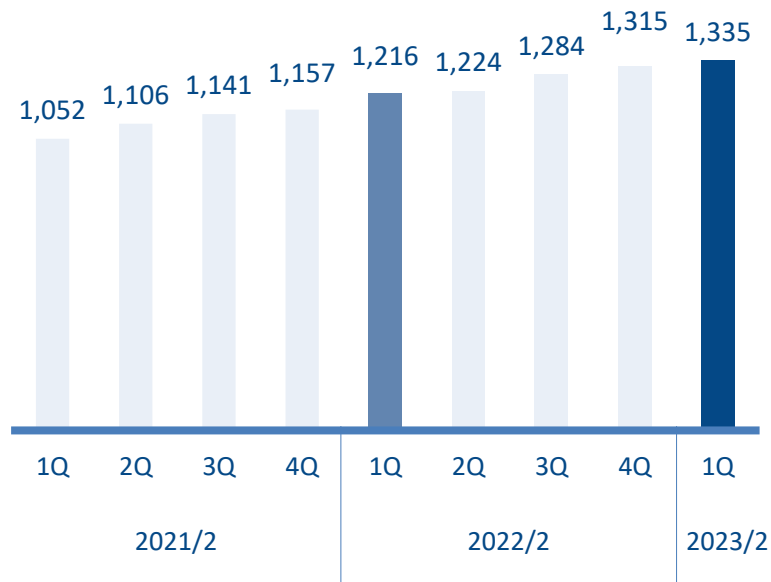


## Number of User Companies\*<sup>1</sup> and ARR\*<sup>2</sup>

In 1Q FY2023, the number of user companies of cloud services increased to 1,335 from 4Q FY2022.

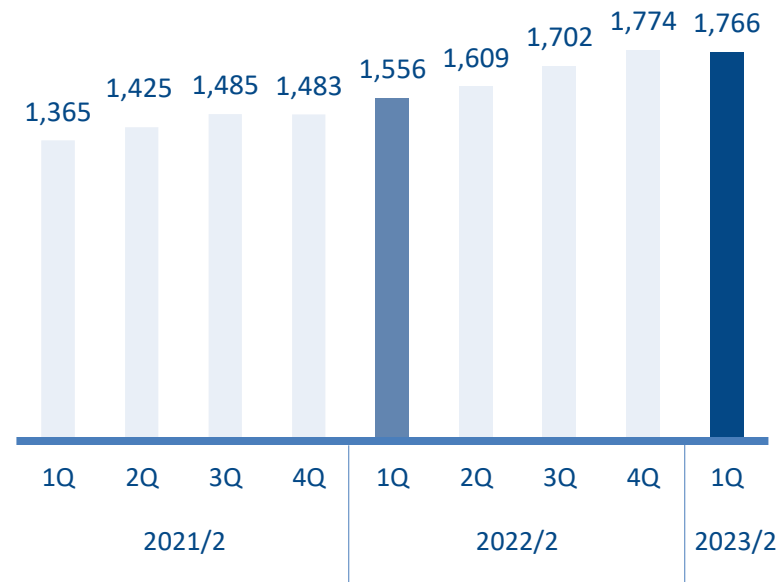
Annual recurring revenue (ARR) for 1Q decreased to 1,766 million JPY from 4Q .

Number of user companies: 1,335 (109.8% YoY)



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

ARR: 1,766 million JPY (113.5% YoY)



\*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.

# Human Resources Business Outlook

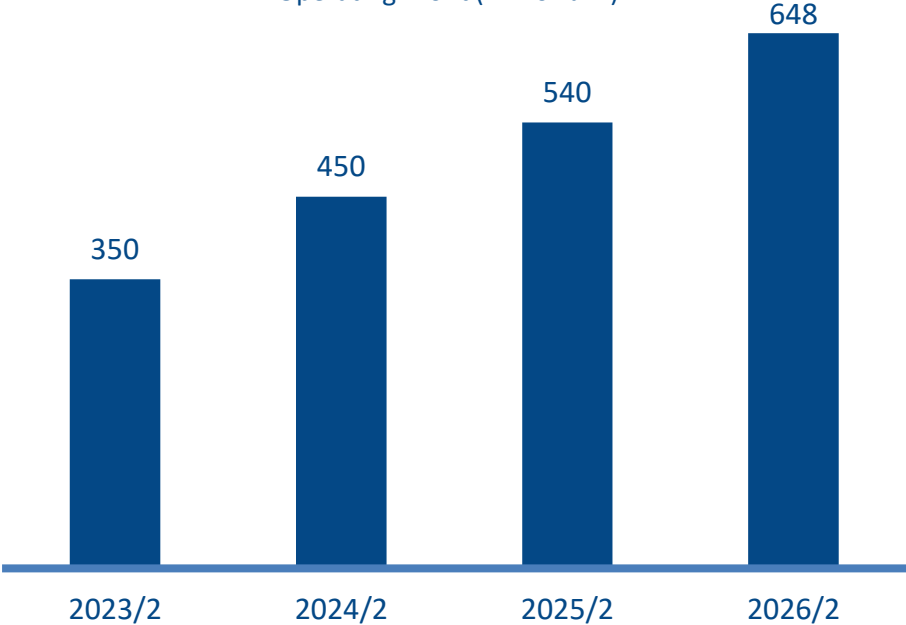
Through strengthening sales of SaaS-based products and increasing retention by improving customer satisfaction, we have expanded the subscription ratio and created a stable earnings foundation. Operating profit in FY2026 is projected to climb to 648 million JPY on the back of stable profits achieved by building up subscription earnings.

Personnel evaluation cloud “Ashita Cloud”



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

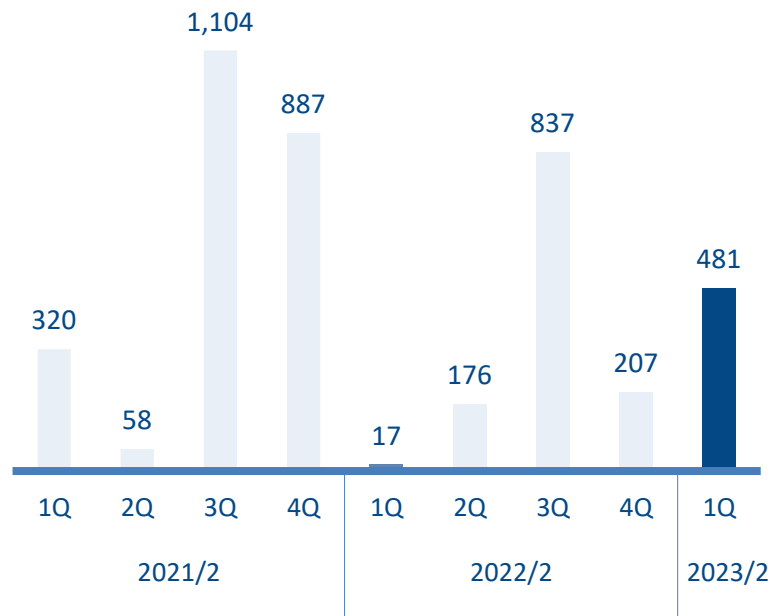
Operating Profit (million JPY)



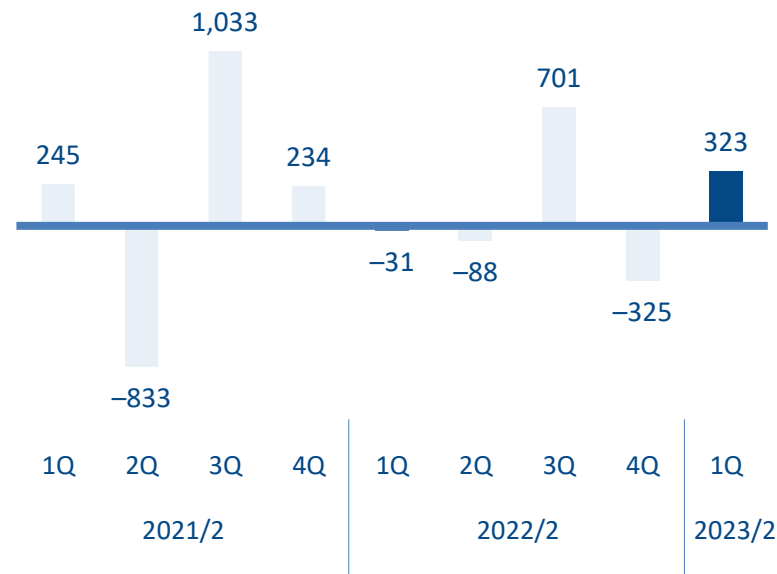
## Investment Business (Quarterly Trend)

In 1Q FY2023, sales and profit increased significantly due to the partial sale of shares held, exceeding loss on valuation of securities. From 2Q FY2023, we plan to sell shares held in accordance with market trends and record write-downs based on the situations of our investees.

Net Sales: 481 million JPY (Up 464 million JPY YoY)



Operating Profit: 323 million JPY (Up 354 million JPY YoY)



Note: As of 1Q FY2023, accounting treatment changed due to the commercialization of our investment activities, and the Fund business has been renamed as the Investment business.

# Accounting Treatment Change Due to Commercialization of Investment Activities (Companies That Commercialize Investment)

We will position investment as a core business by strengthening its business structure through an increase of personnel numbers and commercialization of investment activities.


From FY2023, accounting treatment for companies that commercialize investment activities will be changed as follows.

Financial Statement	Item	Before Change	After Change
Profit and Loss (PL)	Sale of shares	Gain (loss) on sale is recorded under non-operating income (expenses)	Sale price recorded in net sales and book value on sale recorded in cost of sales
	Share valuation (impairment)	Recorded in non-operating expenses	Recorded in cost of sales
	Dividends received	Recorded in non-operating income	Recorded in net sales
Balance Sheet (BS)	Acquisition of shares	Recorded in investment securities (investments and other assets section)	Recorded in operational investment securities (current assets section)
Statement of Cash Flows (CF)	Acquisition of shares	Recorded in purchase of investment securities (cash flows from investing activities section)	To be recorded in decrease (increase) in investment securities for sale (cash flows from operating activities section)
	Sale of shares	Sale price recorded in proceeds from sale of investment securities (cash flows from investing activities section), and gain (loss) on sale recorded in loss (gain) on sale of investment securities (cash flows from operating activities section)	To be recorded in decrease (increase) in investment securities for sale (cash flows from operating activities section)
	Share valuation (impairment)	Recorded in loss (gain) on valuation of investment securities (cash flows from operating activities section)	To be recorded in decrease (increase) in investment securities for sale (cash flows from operating activities section)
	Dividends received	Balance of the amount recorded in the PL and the cash income amount is adjusted in the cash flows from operating activities section	Adjustment not required

## Most Recent IPOs Invested In

Supporting corporate growth through capital and PR/IR (total of 27 IPOs).

SecondXight Analytica, Inc., Mental Health Technologies Co., Ltd. listed on the TSE Growth Market.

Date of listing	Company name	Market
April 4, 2022	 SecondXight Analytica, Inc.	TSE Growth Market
March 28, 2022	 Mental Health Technologies 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 and Services



## Fintech and Real Estate Technology



## Human Resources-Related



## Sharing Economy



## DX



## Other toB Services



## Other toC Services



# Consolidated Statement of Profit and Loss

(million JPY)	FY '22 1Q	FY '23 1Q	Difference	YoY Change
Net sales	11,144	13,132	+1,988	117.8%
Gross profit	7,050	8,726	+1,675	123.8%
EBITDA	1,315	1,668	+352	126.8%
Operating profit	1,131	1,477	+345	130.6%
Ordinary income	1,155	1,487	+331	128.7%
Profit before income taxes	1,189	1,484	+295	124.8%
Profit attributable to owners of parent	443	836	+393	188.8%

# Consolidated Balance Sheet

(million JPY)	FY '22 Year End	FY '23 1Q End	Difference	YoY Change
Total assets	31,575	31,477	−98	99.7%
Cash and deposits	13,522	12,497	−1,025	92.4%
Goodwill	354	270	−83	76.5%
Operational investment securities + investment securities	5,363	5,597	+233	104.4%
Other	12,335	13,111	+776	106.3%
Total liabilities	15,397	15,118	−279	98.2%
Borrowings + bonds	5,717	5,655	−62	98.9%
Other	9,679	9,463	−216	97.8%
Net assets	16,178	16,358	+180	101.1%



# Medium-term Profit Plan

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## Medium-term Profit Plan

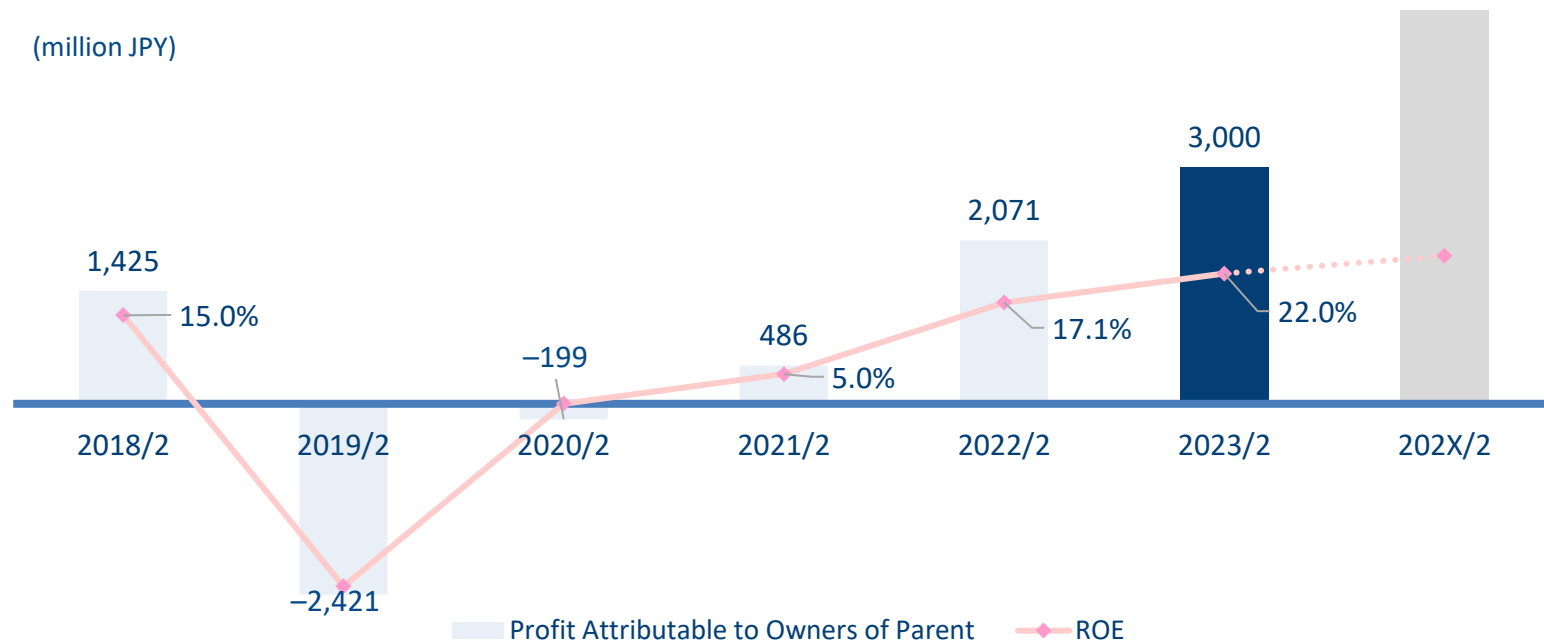
Medium-term Profit Plan (million JPY)	FY '23 (Targets)	FY '24 (Targets)	FY '25 (Targets)	FY '26 (Targets)
EBITDA*	7,020	7,920	9,160	10,660
Operating profit	6,200	7,260	8,500	10,000

- **For FY2026, we expect EBITDA of 10,660 million JPY and operating profit of 10,000 million JPY.**
- Figures for both EBITDA and operating profit are target figures excluding stock-based compensation expenses.
- We will target a return on equity (ROE) of **22%**, aiming for continuous improvement.
- VECTOR's dividend policy is to ensure a **consolidated payout ratio** for shareholders aimed at **30%**.

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

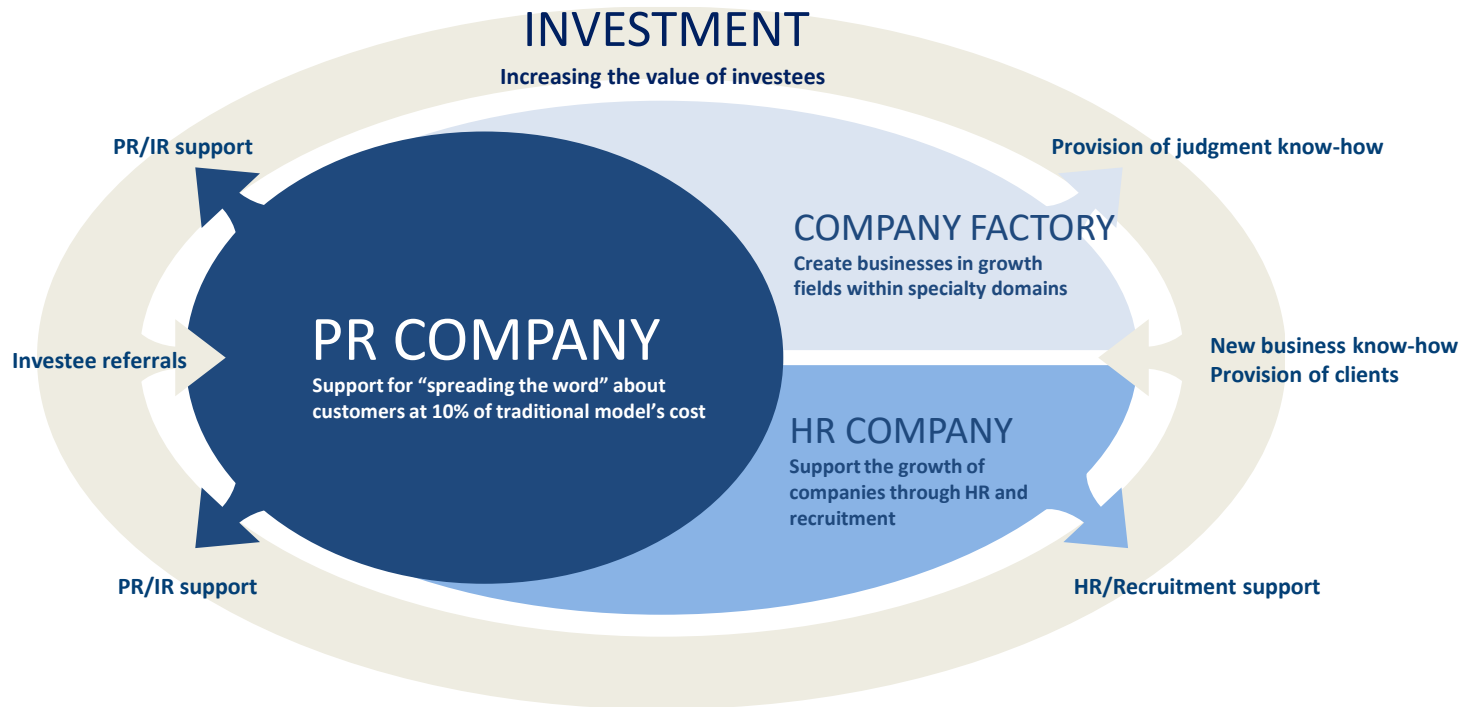
## ROE and Profit Attributable to Owners of Parent

We have set ROE as a new management indicator with our policy to target an ROE of **22%**, aiming for continuous improvement.




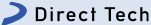







# VECTOR Group Business Concept

Aim for continuous Group expansion by supporting the growth of client companies in the four business domains of PR COMPANY, which seeks to help client companies spread the word, HR COMPANY, which seeks to support businesses through HR and recruitment, COMPANY FACTORY, which seeks to create new businesses, and INVESTMENT, which seeks to grow our investment business.



# Businesses Comprising VECTOR Group

PR COMPANY	COMPANY FACTORY	HR COMPANY	INVESTMENT
PR/Press Releases/Video/Digital Marketing	D2C	Personnel Evaluation	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>	 <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>   </p>	 <p>Our HR business primarily provides consulting and personnel evaluation cloud solutions 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>
<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>	<div> <div>New Business</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>MEDICAL TECHNOLOGIES</div> <div>INFLUENCER BANK</div> <div>PERFORMANCE TECHNOLOGIES</div> <div>CYBER SECURITY BANK</div> </div> </div>	<div> <div>Recruitment Support</div>  <p>We provide a service that enables job seekers and companies to utilize video in the initial recruitment processes, solving issues that both parties face and achieving speedy matching.</p> <div>JOBTV</div> </div>	<div> <div>vector</div> <div>100 capital</div> </div>

# Company Strategy

# PRWeek Top Consultancies 2020: Asia-Pacific

Rank	Company	2019 revenue (US\$)	2018 revenue (US\$)	% change
1	Vector	212,000,000	180,500,000	17%
2	Ogilvy*	163,500,000	150,000,000	9%
3	Weber Shandwick*	132,011,250	125,725,000	5%
4	MSL*	128,100,000	122,000,000	5%
5	BCW*	108,416,000	96,800,000	12%
6	MC Group	107,490,000	70,870,479	52%
7	Edelman	105,626,000	104,230,000	1%
8	Fleishman Hillard*	62,400,000	60,000,000	4%
9	Brunswick	40,100,000	32,100,000	25%
10	Ruder Finn	38,991,500	37,626,000	4%
11	Havas PR	28,900,000	25,000,000	16%
12	WE Communications	27,600,000	24,900,000	11%

\*Source: PRWeek Top Consultancies 2020: Asia-Pacific

Ranked #1 for Asia  
in *PRWeek*

# From #1 PR Firm in Asia...



...to #1 PR Firm Worldwide

Further expand domains  
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 central table. The text is overlaid on the image.

# ...by becoming a Fast Company in Advertising Industry

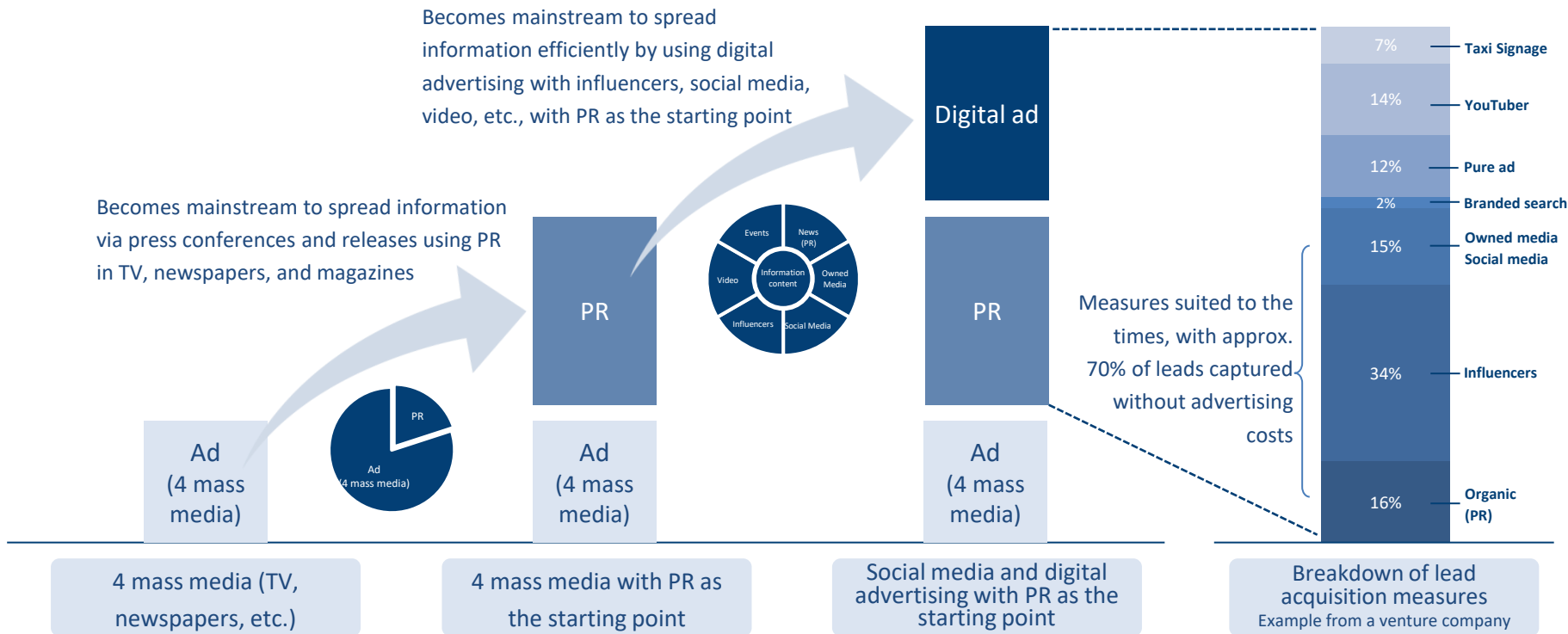
Target advertising market worth 6 trillion JPY

# Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

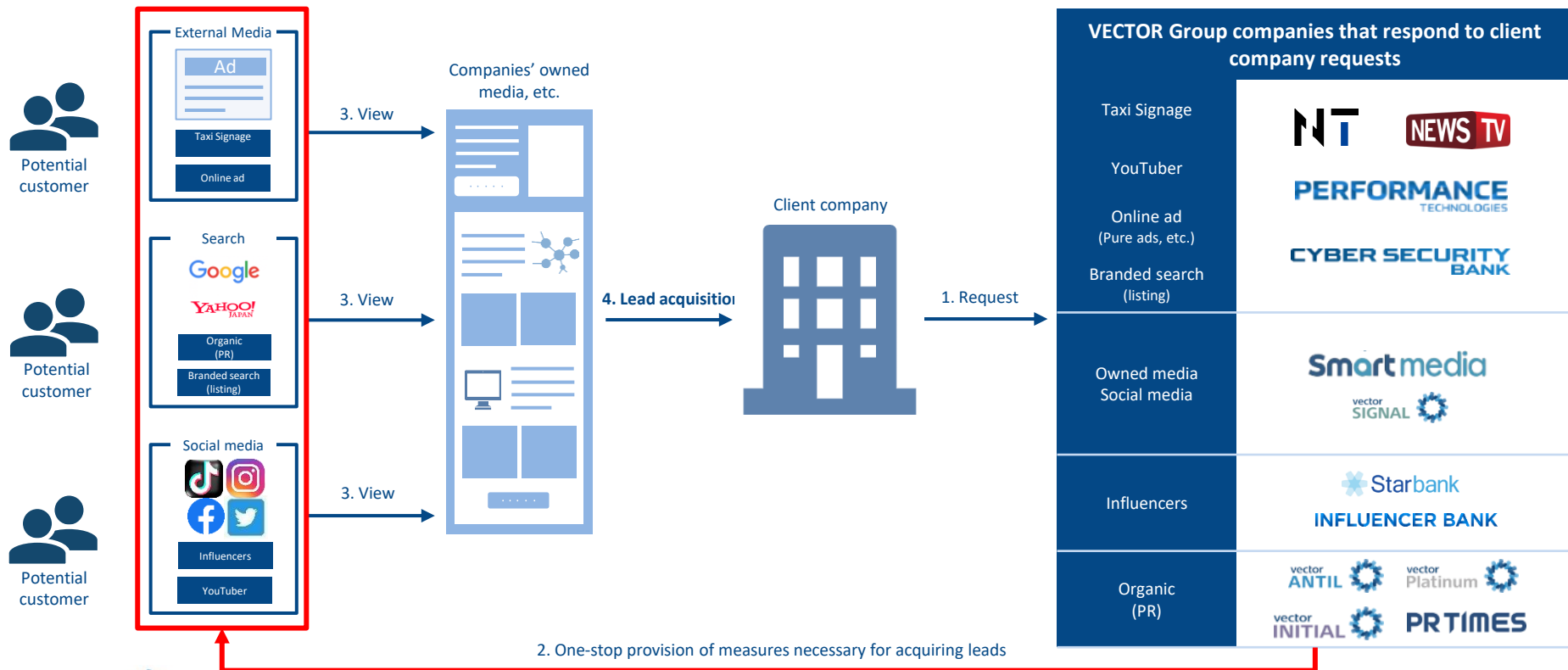
Revolutionize the advertising industry like fast fashion did in  
the apparel industry

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











## One-stop provision of measures necessary for acquiring leads



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 60,000 clients. Used by 51% of publicly-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.</p> <p><b>NEWS TV</b></p>	 <p>Support corporate service/product branding through SNS influencers.</p> <p>Starbank <b>INFLUENCER BANK</b></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>vector <b>SIGNAL</b></p> <p><b>NT</b></p> <p><b>Smartmedia</b></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><b>BRAND CLOUD</b></p>

JPY 0

JPY 50 Million/Year



## 3 key points for strengthening the Fast Company concept

1  
DX

Improve business efficiency through the promotion of Hiomeru and PR BANK, which aim to advance DX in the advertising industry

2  
Talent

Increase sales per customer by enabling clients to use celebrities and slogans to increase service awareness

3  
VC + PR

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

# 1 DX

## DX in the advertising industry

We will boost productivity for clients while increasing our sales per customer by providing Hiromeru and PR BANK, which aim to improve business efficiency and deliver new value to customers.

Hiomeru is an e-commerce site for the advertising industry that aims to improve sales process efficiency by providing online orders.

The image shows a man in a suit and glasses pointing at a large screen displaying the Hiomeru website. The website features various advertising and PR service listings with prices. The main headline on the screen reads: **広告・PR施策を 成功事例から選んで 発注できる！** (You can place orders by selecting advertising and PR strategies from successful cases!). Below this, it says: 「ヒロメル」では 認知度や集客力をアップさせる施策を 様々な“成功事例”“予算”“業種”などから選べ、 その事例を手がけた担当者に発注いただけます。 (At Hiomeru, you can select strategies to increase awareness and attract customers from various "successful cases", "budgets", "industries", etc., and place orders with the person in charge of that case.). The website header includes the logo 'ヒロメル' and navigation links: 目的／業種から探す, メニューから選ぶ, 予算から選ぶ. There are also search and contact buttons: ヒロメルとは? and 今すぐ問い合わせ. A small inset video of the man is in the bottom right corner with the text 今すぐお問い合わせ.

<https://hilomel.com/> (in Japanese only)

Customers can find plans suitable for their business by browsing success examples.



Agents introduce examples, explaining specific points that made jobs successful, such as increased inquiries.



Agents in charge of previous orders explain what made the job successful via video.

Example: Branding strategy utilizing celebrities

1. Formulation of keywords that ensure the audience remember product features
2. Celebrity casting to ensure that the brand becomes well known
3. Production of a commercial that clearly explains the brand's appeal

Providing an extensive, one-stop Hiromeru menu utilizing VECTOR Group services

**Why ヒロメル**

## 選ばれる理由

PR業界No.1「ベクトルグループ」のサービスを中心に  
認知・集客・売上アップに成功した広告・PRの事例からメニューを選び、  
最適な方法に、最短でたどりつけるから。

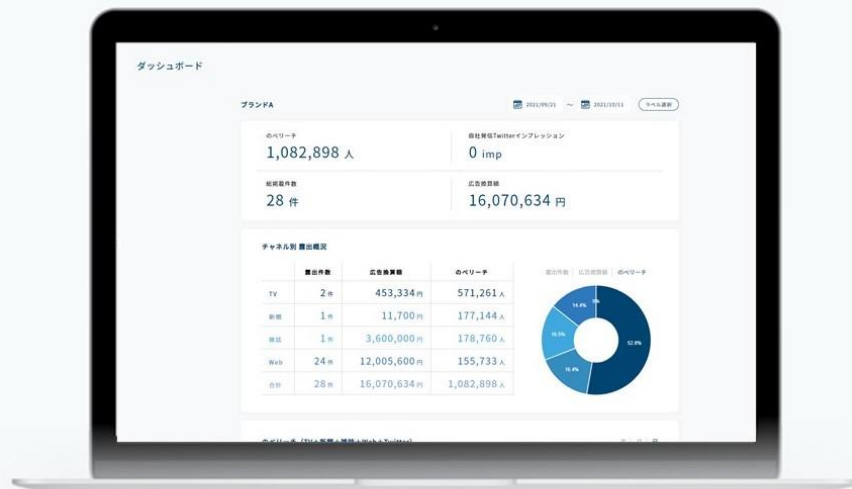
広告・PRの成功事例が豊富に揃った「ヒロメル」では、  
問い合わせが殺到した、売上が数倍になった、認知拡大の成功事例を様々な目的・業種から選べるので、  
あなたのビジネスに合った方法をスムーズに見つけていただけます。

企業ブランディング	新商品・サービス発表	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他
認知向上	集客・売上アップ	PR戦略	Web戦略	動画戦略	SNS戦略	イベント戦略	その他



PR BANK provides a cloud-based solution that can provide measurement and analysis of PR effectiveness to support the data-driven PR activity for our clients.

## PR効果を自動で可視化



PR BANK provides monitoring and integrated management of PR activity (TV, newspaper, magazine, website, and social media) as well as automatic calculation of advertising conversions and reach numbers.

## PR BANK Benefits

01

### Visualization and analysis of reach numbers

The original PR metric of ad conversions can be replaced with new evaluation metrics.

02

### Expansion of strategy development perspective through competitor comparison

Fixed-point measurement of media coverage of specified competitors' services can be performed.

03

### Refinement of PR project reviews

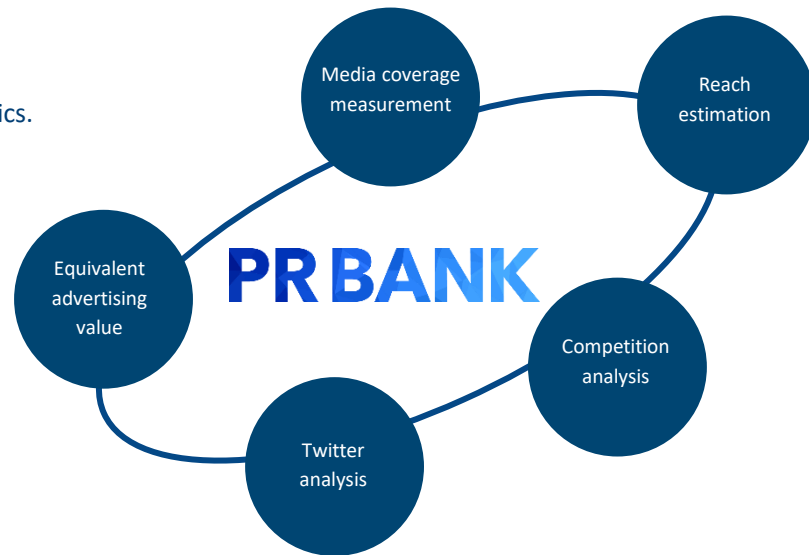
Measure and compare reach numbers for each campaign and project.

04

### Increased efficiency in monitoring and reporting

The amount of coverage and media can be visualized over a specified time period using the dashboard.

## Features provided by PR BANK





## 2 Talent

### Talent Communication

Utilize well-known celebrities to create a strong impact and deliver a focused message about services to increase awareness and maximize advertising effectiveness.

Promote services by using celebrities and slogans to deliver a focused message.  
We have set the target to provide talent communication to 300 user companies per year,  
aiming to increase sales per customer.



TALENT BANK was launched in April 2022 to reduce the barriers companies face in using celebrities and to create opportunities to establish celebrity advertising contracts.

It also enables celebrity images and video to be used in forms of media other than TV.



<https://talentbank.jp/> (in Japanese only)

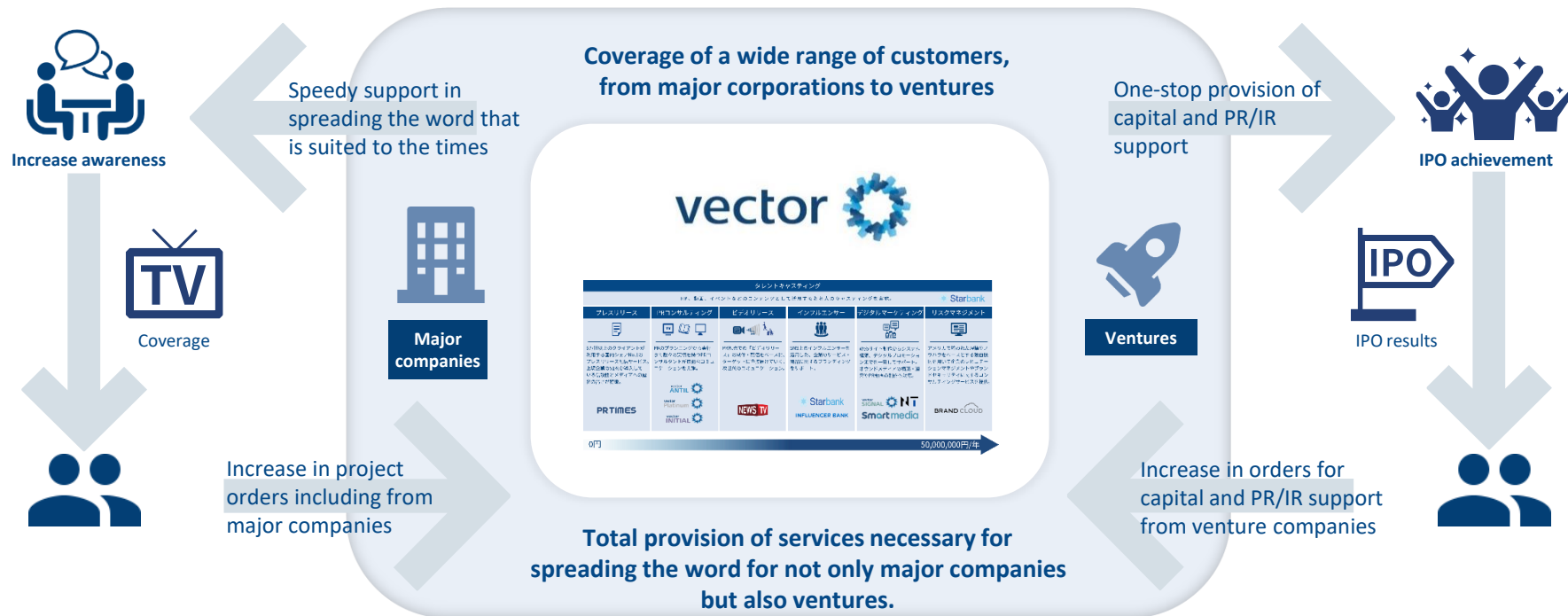
# 3 VC + PR

## VC that offers both capital 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.

# Expanding the Customer Base through Venture Capital

In light of the increase in venture companies, we will accelerate venture investment that support businesses through capital and PR/IR. We will expand our customer base by covering not only the major companies that comprise our main clients, but also venture companies.



# JOBTV Progress Status

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



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.





Shingo Fujimori has been appointed as the face for JOBTV



## Status of Registered Students

The number of registered students has surpassed 60,000 due to our promotion of JOBTv among students and coverage on TV and other media.



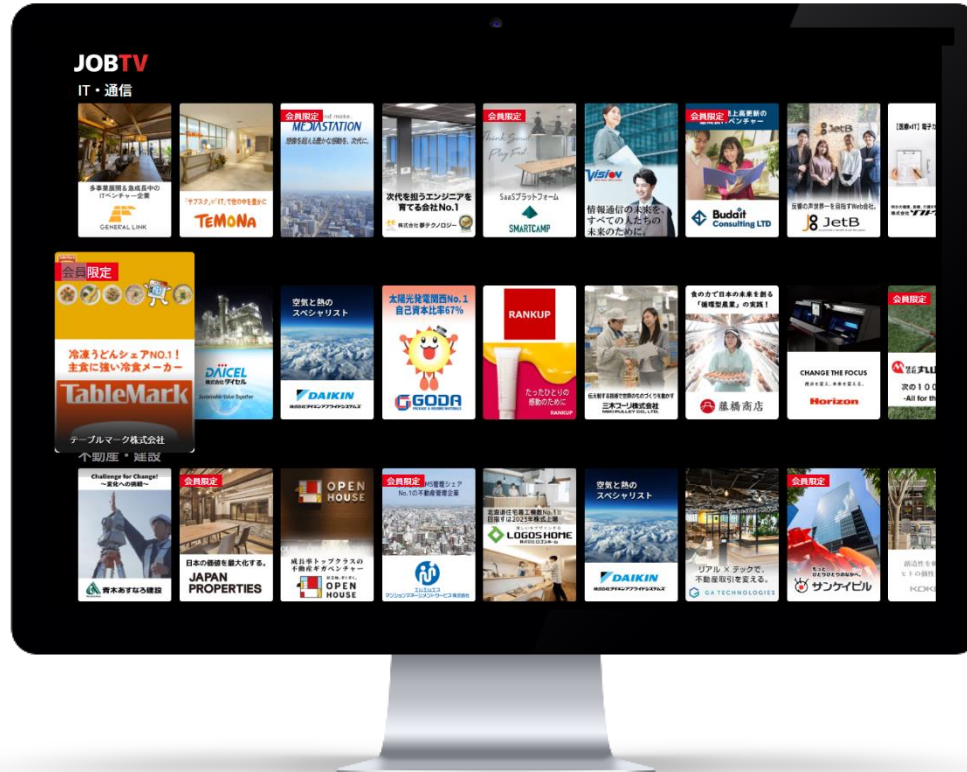
Expand coverage on TV and other media by leveraging our PR know-how



Workshop for job-seeking students on how to record and make effective video resumes

# JOBTV (Image of Screen for Job-Seekers)

Search for company information videos via a Netflix-like design.



## JOBTV (Image of Screen for Companies)

Reduce mismatching by getting a proper impression of applicants through videos, which is difficult to gain otherwise.



# JOBTV User Companies (Example/In Random Order)





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.