

VECTOR INC.

## Financial Results – 1Q FY '21



July 15, 2020

# Contents

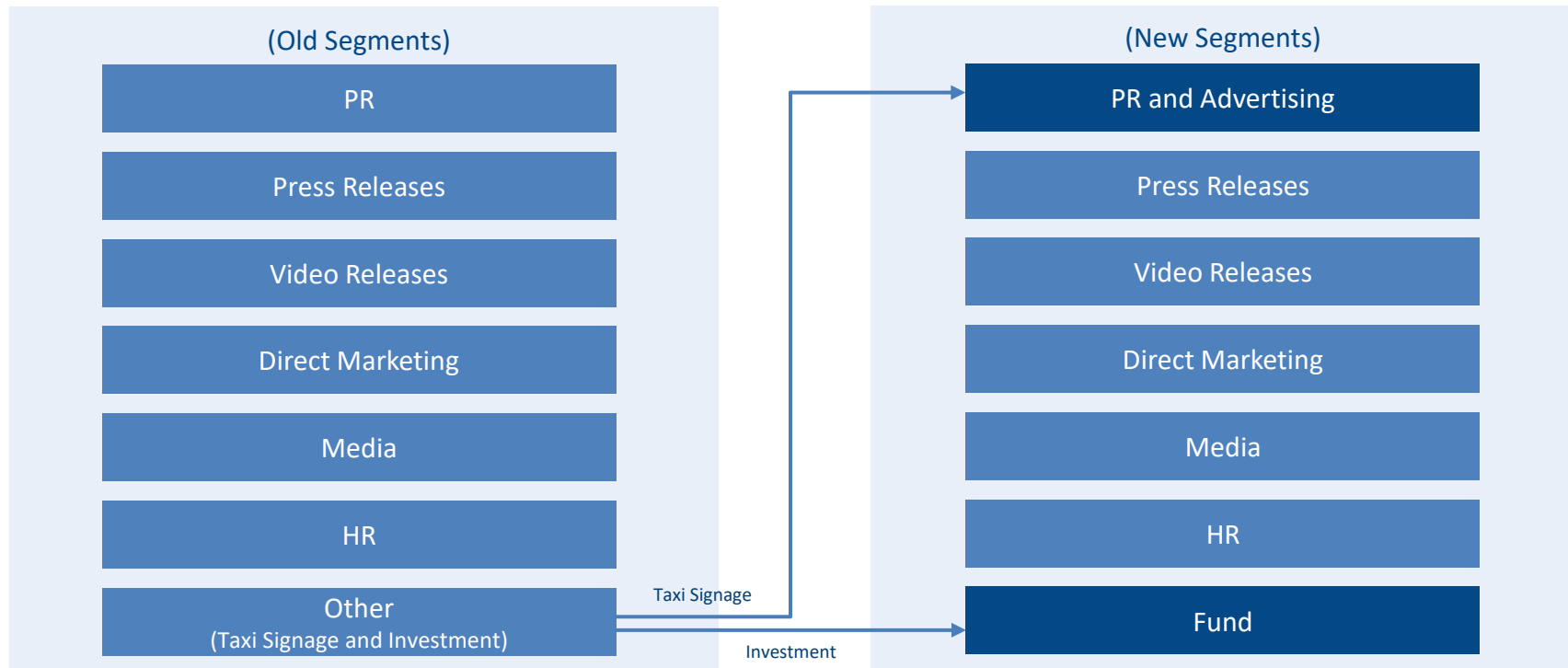
1. Quarterly Results
2. Company Strategy
3. Investment Performance
4. Reference Material

# Quarterly Results

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## Segment Changes

From the fiscal year ending February 2021, the Taxi Signage Business in the Other segment was re-categorized into the PR segment, and in line with this, the PR Business was renamed the PR and Advertising Business and the Investment Business in the Other segment was renamed the Fund Business.



(1) Although events and other were postponed or canceled, the impact on strategic PR was minimal

(2) Advertising such as taxi signage and video releases were impacted to an extent

(3) HR was significantly impacted as the situation made it difficult to conduct business negotiations, causing orders to nosedive

Net Sales

8,960 million JPY

(103.7% YoY)

Gross Profit

5,990 million JPY

(106.1% YoY)

EBITDA\*

140 million JPY

(20.9% YoY)

Operating  
Loss

10 million JPY

(Down 490 million JPY YoY)

Ordinary  
Income

0 million JPY

(0.7% YoY)

Loss  
Attributable to  
Owners of  
Parent

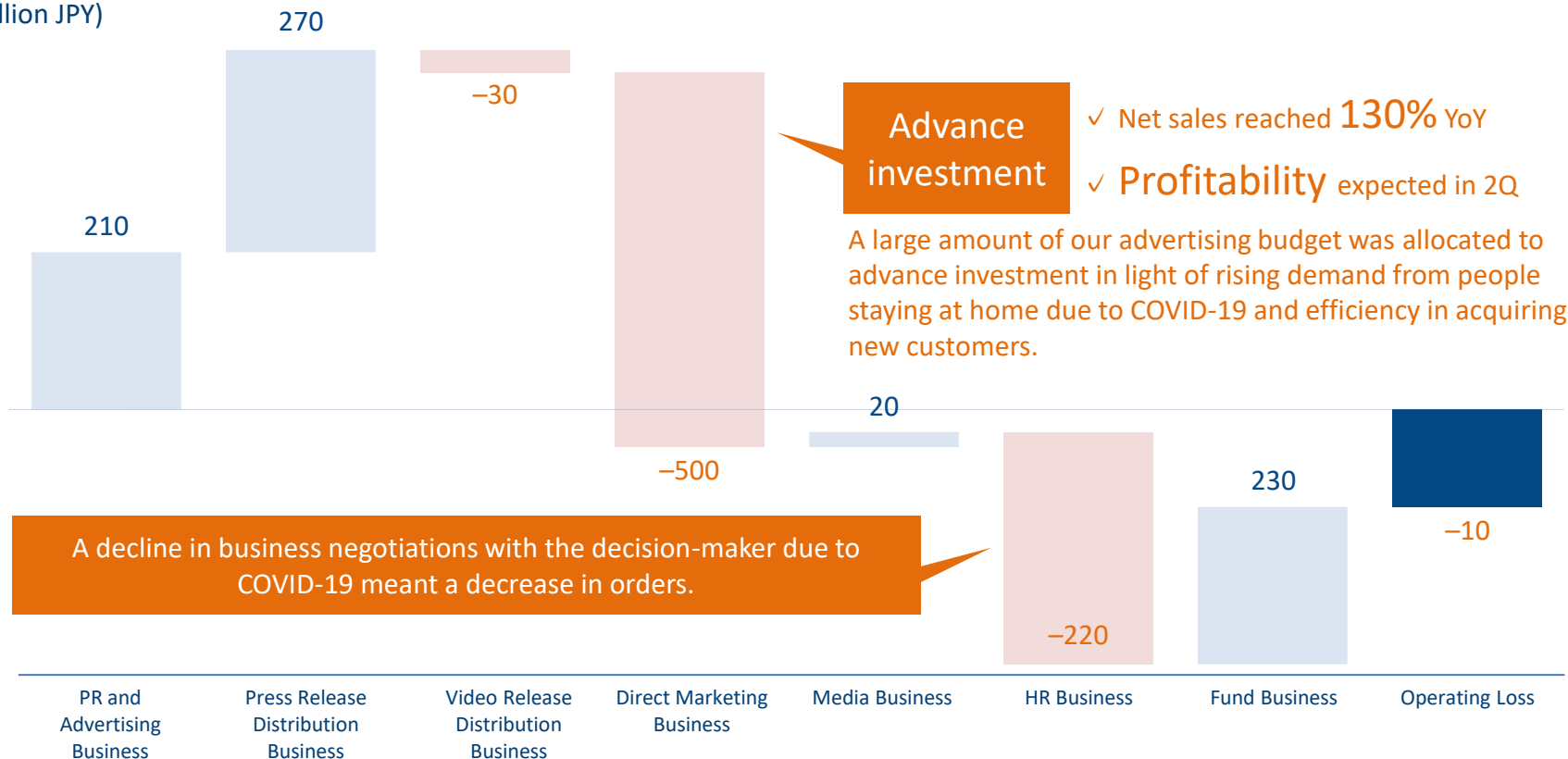
160 million JPY

(Down 10 million JPY YoY)

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

# Operating Profit (By Segment)

(million JPY)



<p>Consolidated Performance</p>	<p>Sales increased and profit decreased YoY as per initial forecasts due to <b>strategic advertising investment</b> based on direct marketing.</p> <p><b>Record high operating profit</b> was achieved in the Press Release domain while the Media domain <b>achieved profitability</b> for the second consecutive quarter.</p> <p>Net Sales: 8,961 million JPY (103.7% YoY)      Operating Loss: 16 million JPY (Down 496 million JPY YoY)</p>
<p>PR and Advertising</p>	<p>Sales and profit declined YoY despite <b>profit from the early shift to online response</b> during COVID-19. VECTOR will provide online in addition to offline services supporting corporate marketing activities from 2Q.</p> <p>Net Sales: 3,994 million JPY (87.1% YoY)      Operating Profit: 215 million JPY (39.9% YoY)</p>
<p>Press Releases (PR TIMES)</p>	<p>Utilization as social infrastructure and a large increase in user companies resulted in <b>record highs in net sales and operating profit.</b></p> <p>New measures will be taken such as expanding regional development in order to increase the number of user companies from 2Q.</p> <p>Net Sales: 819 million JPY (121.4% YoY)      Operating Profit: 277 million JPY (138.3% YoY)</p>
<p>Video Releases (NewsTV)</p>	<p>Sales and profit decreased YoY due to restraints in corporate marketing activities due to COVID-19 despite enhancing online response.</p> <p>VECTOR will provide services tailored to corporate needs and increase the number of video releases from 2Q.</p> <p>Net Sales: 351 million JPY (81.4% YoY)      Operating Loss: 30 million JPY (Down 101 million JPY YoY)</p>

Note: The PR Business was renamed the PR and Advertising Business in 1Q FY2021.



Direct Marketing	<p>Sales were up and profit was down YoY, <u>with record high net sales</u> due to <u>strategic advertising investment</u> and the securing of new customers.</p> <p>In 2Q, VECTOR will shift to an investment recovery phase while continuing to invest steadily in advertising, with expectations of <u>securing profitability</u>.</p> <p>Net Sales: 2,771 million JPY (130.6% YoY)      Operating Loss: 509 million JPY (Down 685 million JPY YoY)</p>
Media	<p>Sales were down and profit was up YoY due to the absence of the burden of goodwill amortization from FY2021 coupled with a change in business structure.</p> <p>Profit is projected to rise further from 2Q by significantly strengthening sales of owned media.</p> <p>Net Sales: 211 million JPY (83.0% YoY)      Operating Profit: 24 million JPY (Up 64 million JPY YoY)</p>
HR (ASHITA-TEAM)	<p>Sales were down YoY due to fewer business negotiations owing to COVID-19, which resulted in stagnant growth in orders.</p> <p>VECTOR will create a solid profit base from 2Q by increasing sales of SaaS-based products and building up subscription earnings.</p> <p>Net Sales: 729 million JPY (93.7% YoY)      Operating Loss: 225 million JPY (Up 237 million YoY)</p>
Fund	<p>Sales and profit were up YoY in the Fund domain due to a major gain on sales from the sale of a certain number of shares held in funds. VECTOR aims to maximize profit from 2Q by selling shares in investments at the appropriate timing.</p> <p>Net Sales: 291 million JPY (958.8% YoY)      Operating Profit: 237 million JPY (Up 245 million JPY YoY)</p>

## Progress Toward Full-Year Financial Forecasts

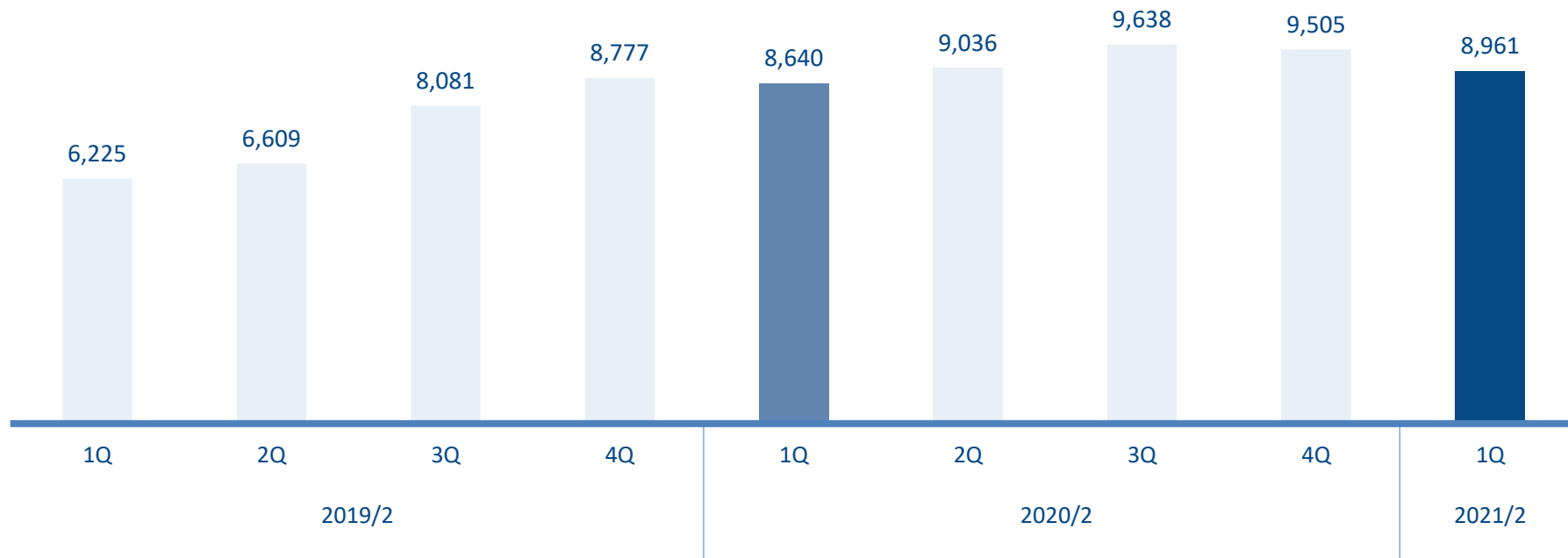
Full-Year Financial Forecast for FY '21 (million JPY)	FY '21 (Target)	FY '21 1Q-end	Progress	FY '21 1H Target	FY '21 2H Target
Net Sales	37,000– 44,800	8,961	24.2%– 20.0%	17,460– 19,440	19,540– 25,360
Operating Profit (Loss)	2,300– 3,850	(16)	—	(80)– 750	2,380– 3,100
Ordinary Income (Loss)	2,300– 3,850	2	0.1%	(80)– 750	2,380– 3,100
Profit (Loss) Attributable to Owners of Parent	630– 1,700	(163)	—	(490)– 130	1,120– 1,570

Although operating profit and all items under this indicator were in the negative in 1Q, corporate marketing activities are slowly returning to normal while we expect to eliminate any deficit in the Direct Marketing Business as we shift into the investment recovery phase, and as a result, **we have made no changes to financial forecasts and expect to post results within our forecast range for 1H.**

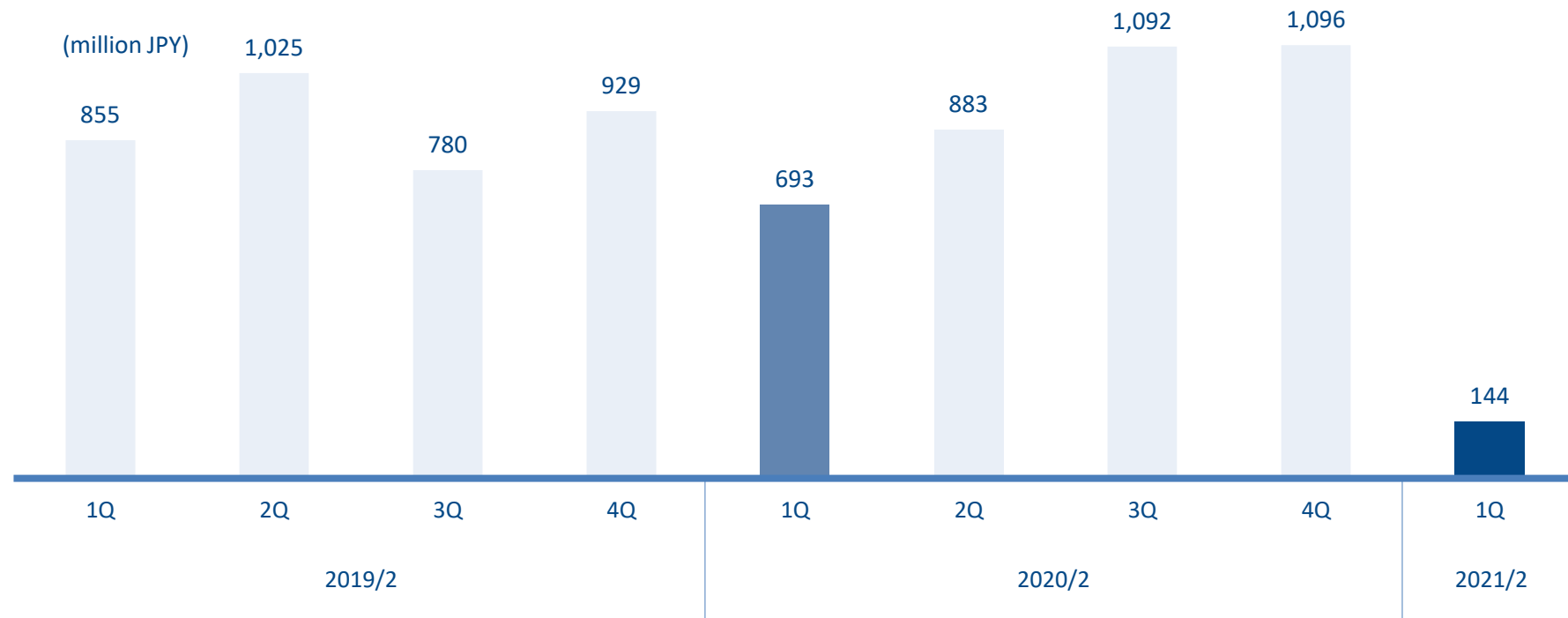
# Consolidated Net Sales

Consolidated net sales for 1Q FY2021 recorded a YoY increase to **8,961** million JPY, despite COVID-19 (**103.7%** YoY)

(million JPY)



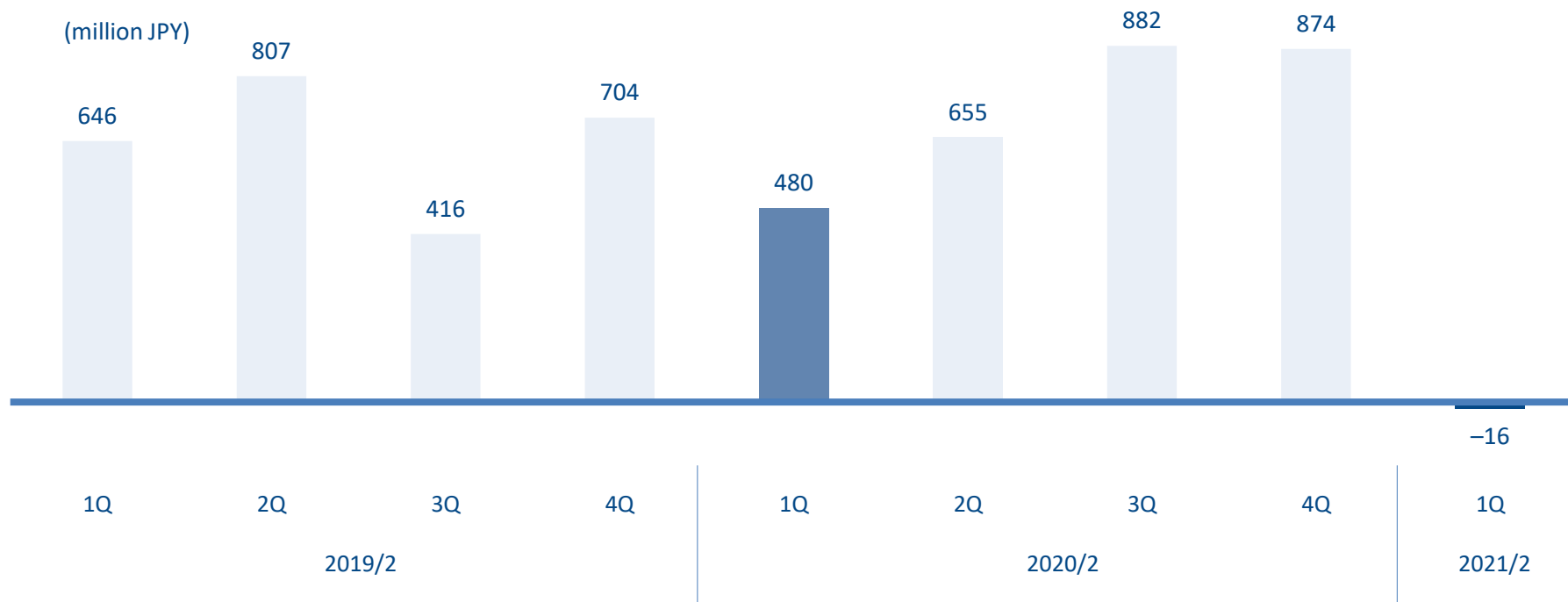
EBITDA\* for 1Q FY2021 was 144 million JPY (20.9% YoY) due to the decline in operating profit



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

# Consolidated Operating Profit

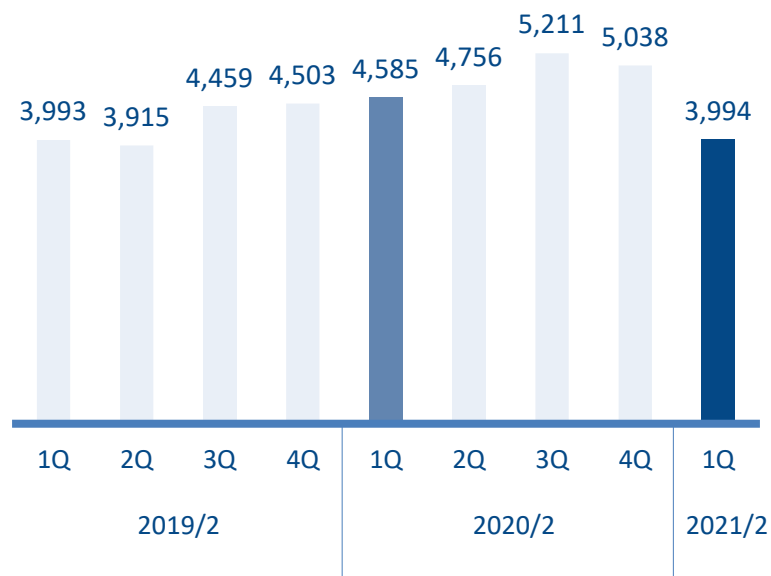
Consolidated operating profit for 1Q FY2021 recorded a loss of 16 million JPY on the back of strategic advance investment (Down 496 million JPY YoY)



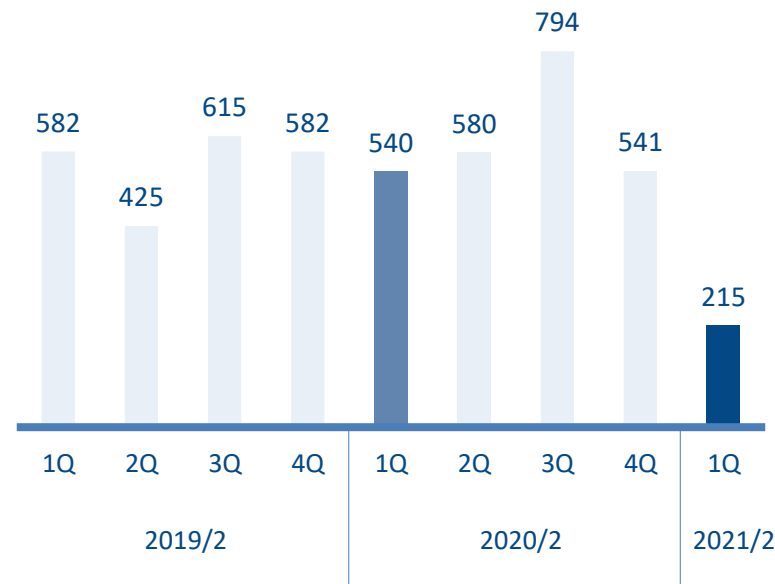
## PR and Advertising Business

In 1Q FY2021, sales and profit declined YoY despite profit from the early shift to online response during COVID-19. From 2Q, VECTOR will provide online as well as offline services based on needs, thereby supporting corporate marketing activities.

Net Sales: 3,994 million JPY (87.1% YoY)



Operating Profit: 215 million JPY (39.9% YoY)



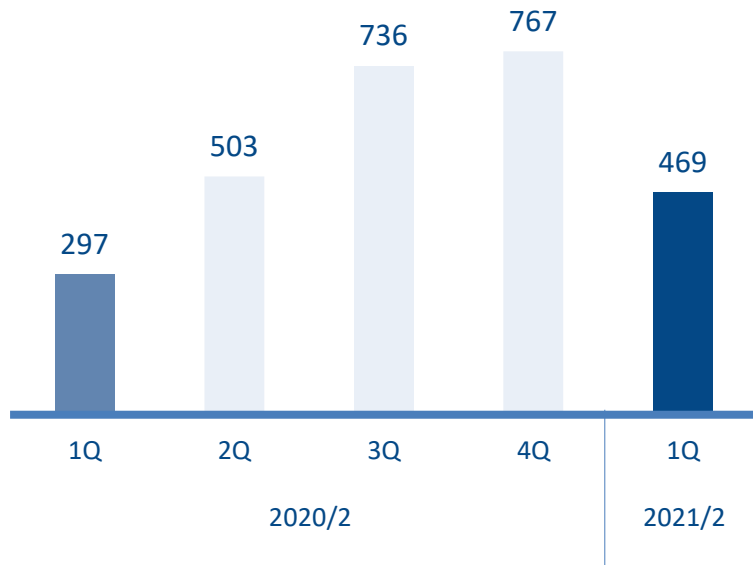
Note: The PR Business was renamed the PR and Advertising Business in 1Q FY2021.

## Taxi Signage Business\* (News Technology)

Sales decreased from the previous quarter as significantly fewer taxis were operating due to the stay-at-home order accompanying the government's emergency declaration.

From 2Q, VECTOR expects gradual recovery as the number of taxis in operation returns to normal following the lifting of the state of emergency.

Net Sales: 469 million JPY (157.9% 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.

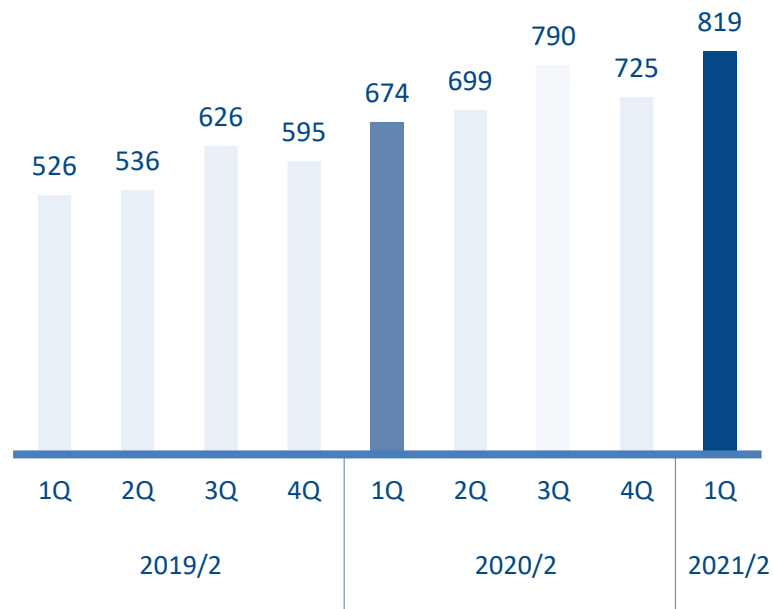
\*The Taxi Signage Business has been included in the PR and Advertising Business from 1Q FY2021.

# Press Release Distribution Business (PR TIMES)

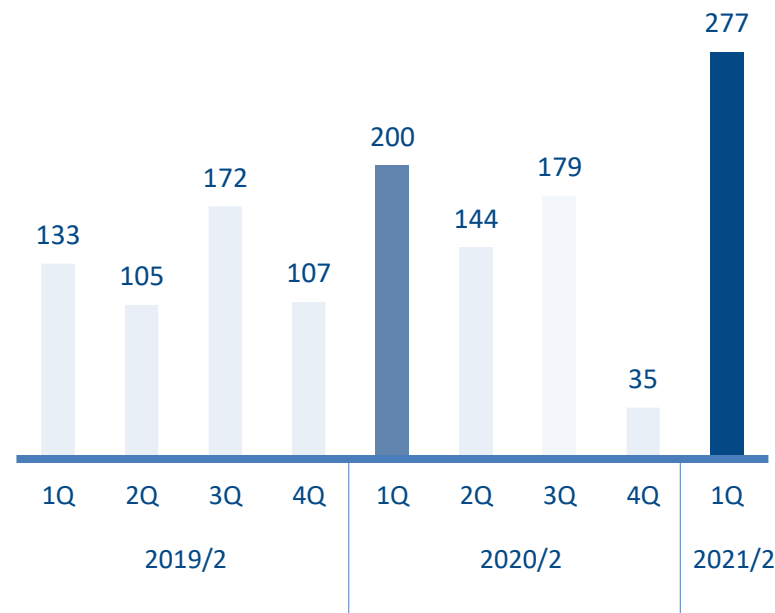
In 1Q FY2021, we saw YoY increases both in sales and profit, with **record highs in net sales and operating profit despite COVID-19.**

From 2Q, 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: 819 million JPY (**121.4%** YoY)



Operating Profit: 277 million JPY (**138.3%** YoY)



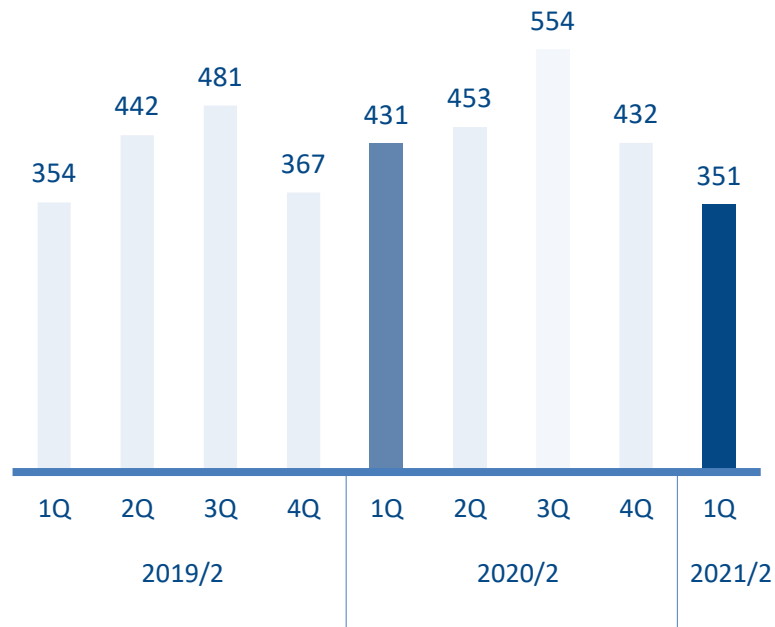


## Video Release Distribution Business (News TV)

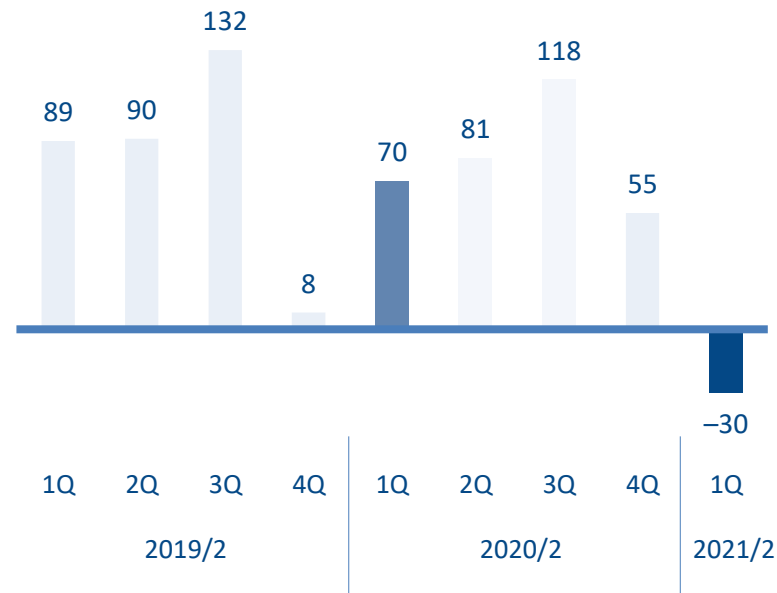
In 1Q FY2021, sales and profit decreased YoY due to restraints in corporate marketing activities due to COVID-19 despite enhancing online response.

In 2Q, we will provide services based on corporate needs and continue strengthening the sales system and developing human resources.

Net Sales: 351 million JPY (81.4% YoY)



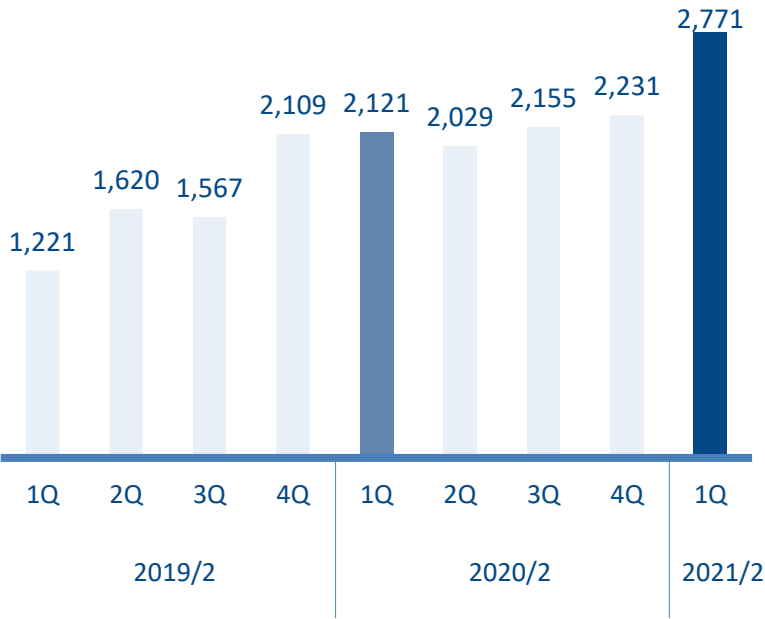
Operating Loss: 30 million JPY (Down 101 million JPY YoY)



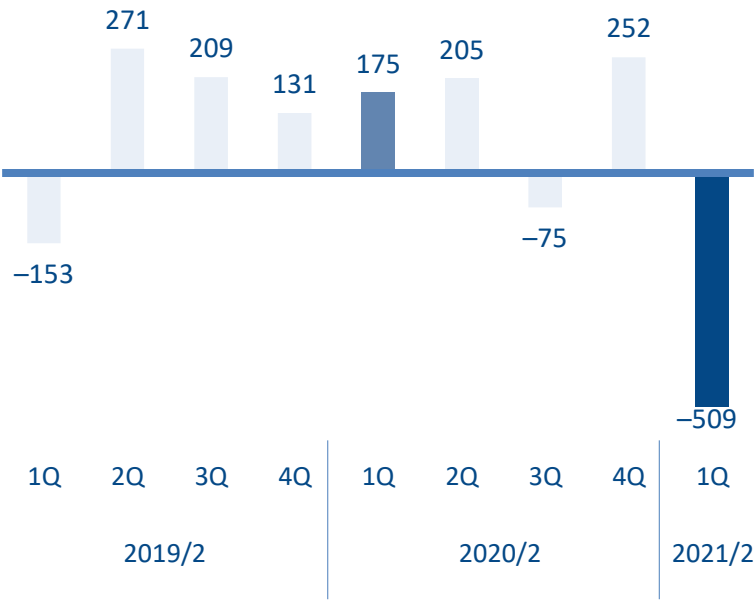
## Direct Marketing Business

In 1Q FY2021, sales were up and profit was down, **with a record high in net sales** due to the effects of strategic investment in advertising. In 2Q, we will shift to an investment recovery phase while continuing to invest steadily in advertising as per initial plans, with expectations of **securing profitability**.

Net Sales: 2,771 million JPY (130.6% YoY)



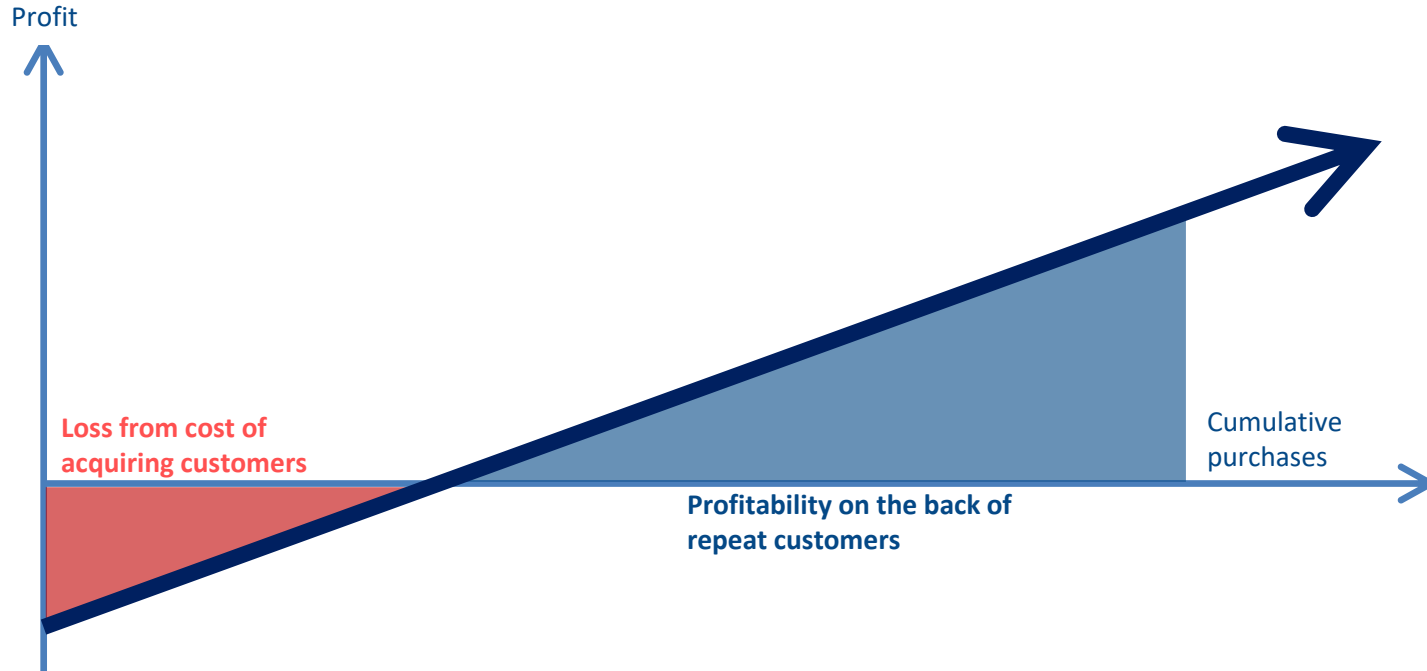
Operating Loss: 509 million JPY (Down 685 million JPY YoY)



## 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.

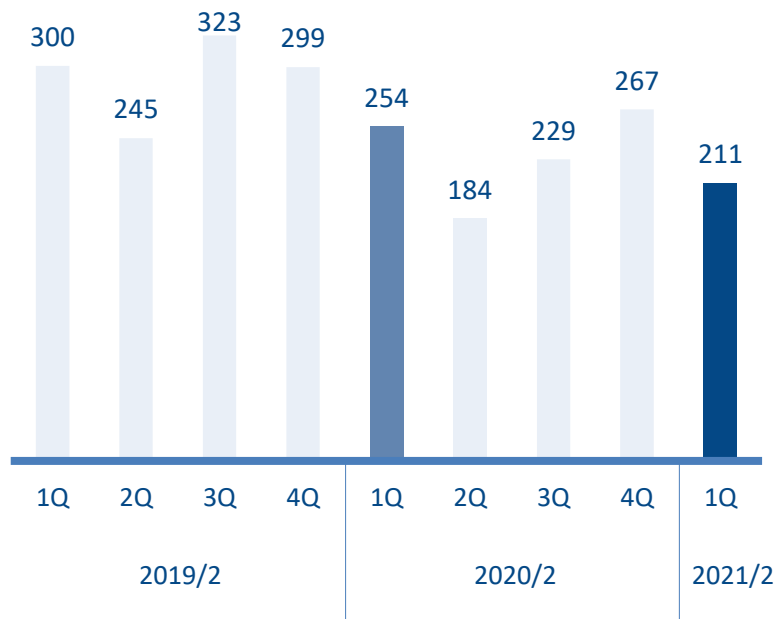


# Media Business

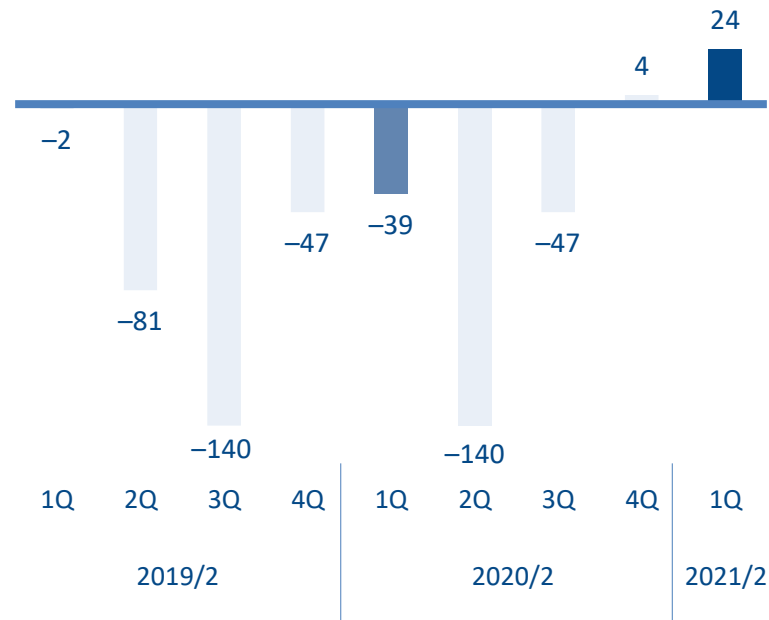
In 1Q FY2021, **profit was achieved** due to the absence of the burden of goodwill amortization from this FY coupled with a change in business structure.

From 2Q, profit is projected to rise further by significantly strengthening sales of owned media to create stable business foundations.

Net Sales: 211 million JPY (83.0% YoY)



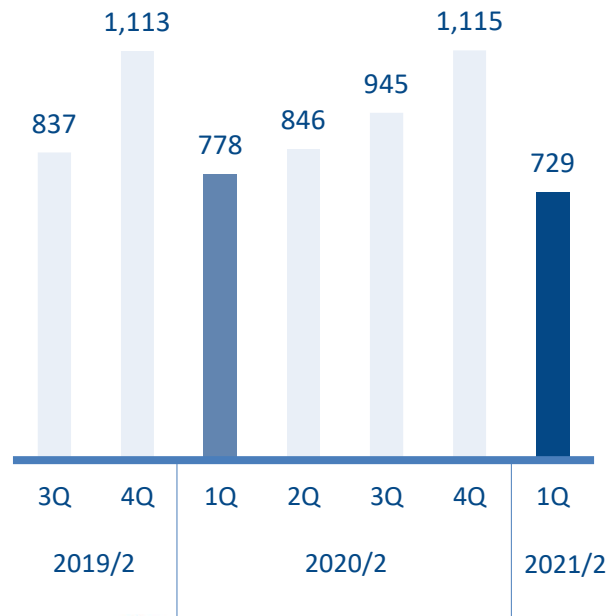
Operating Profit: 24 million JPY (Up 64 million JPY YoY)



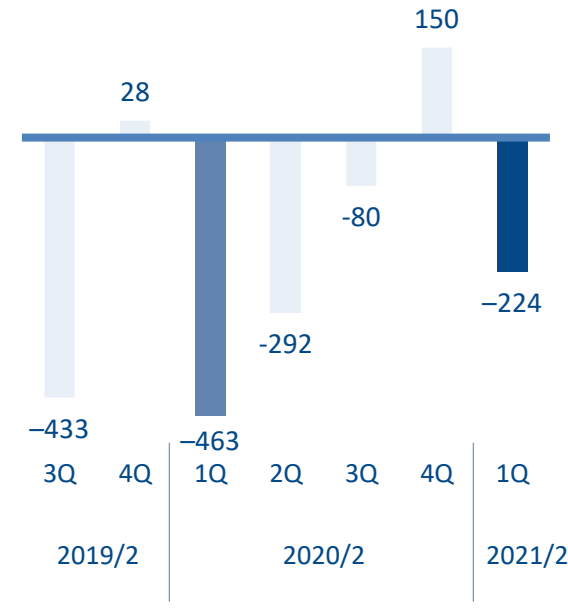
# Human Resources Business (ASHITA-TEAM)

In 1Q FY2021, sales were down YoY due to fewer business negotiations owing to COVID-19, which resulted in stagnant growth in orders. From 2Q, VECTOR will create a solid profit base by increasing sales of SaaS-based products such as personnel evaluation cloud solutions and building up subscription earnings.

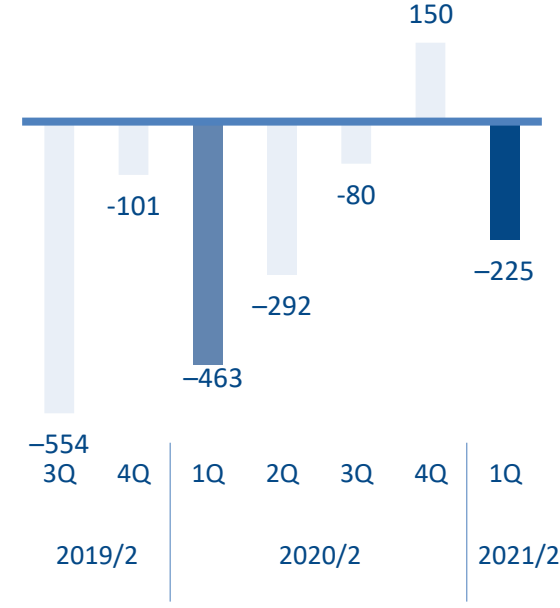
Net Sales: 729 million JPY (93.7% YoY)



EBITDA: -224 million JPY  
(Up 238 million JPY YoY)



Operating Loss: 225 million JPY  
(Up 237 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 FY2023 is projected to climb to 520 million JPY on the back of stable profits achieved by building up subscription earnings.

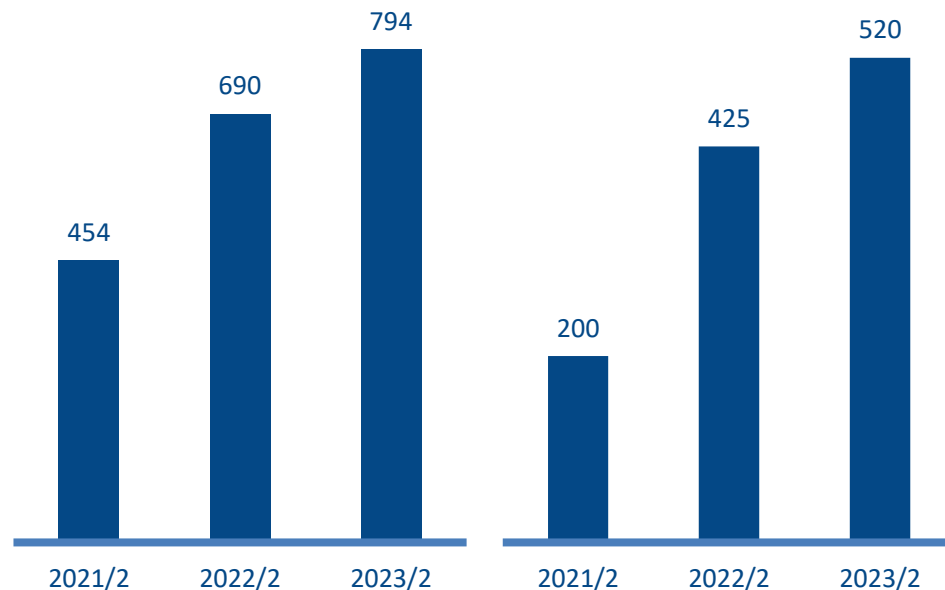
## Personnel evaluation cloud “Ashita Cloud®”



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

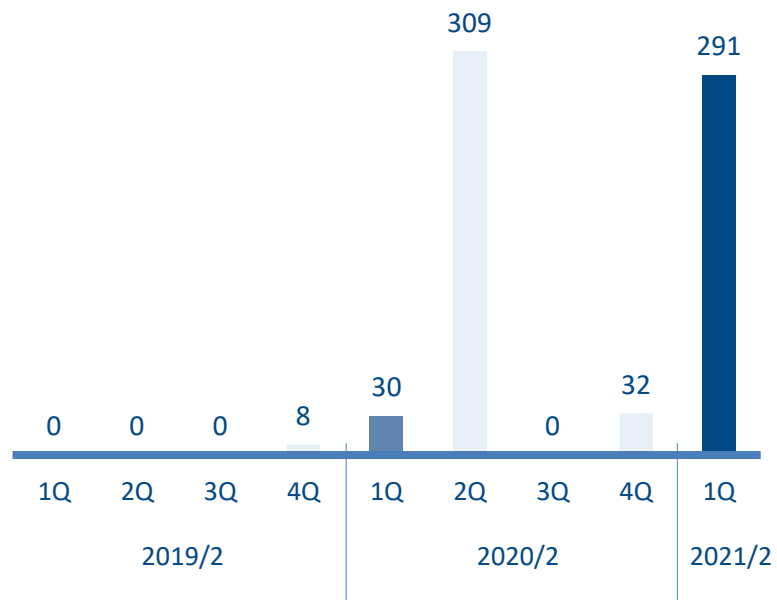
## EBITDA (million JPY)

## Operating Profit (million JPY)

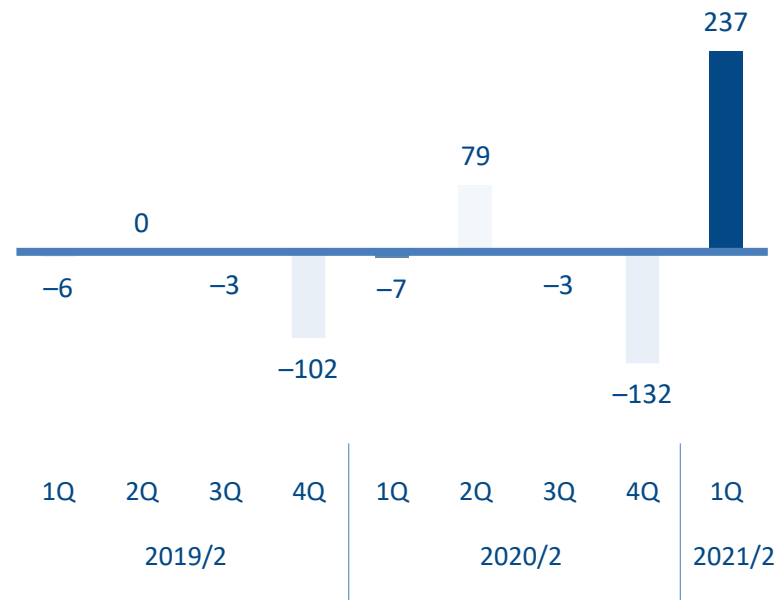


In 1Q FY2021, sales and profit were up YoY due to a major gain on sales from the sale of a certain number of shares held. From 2Q, VECTOR aims to maximize profit in the Fund Business by selling shares in investments at the appropriate timing.

Net Sales: 291 million JPY (958.8% YoY)



Operating Profit: 237 million JPY (Up 245 million JPY YoY)



## Consolidated Profit and Loss

(million JPY)	FY '20 1Q	FY '21 1Q	Difference	YoY
Net sales	8,640	8,961	+321	103.7%
Gross profit	5,654	5,997	+343	106.1%
EBITDA	693	144	−549	20.9%
Operating profit (loss)	480	(16)	−496	—
Ordinary income	349	2	−346	0.7%
Profit before income taxes	388	75	−312	19.5%
Loss attributable to owners of parent	(150)	(163)	−13	—



# Consolidated Balance Sheet

(million JPY)	FY '20 Year End	FY '21 1Q End	Difference	YoY Change
Total assets	23,606	33,783	+10,177	143.1%
Cash and deposits	7,889	11,289	+3,399	143.1%
Goodwill	631	571	-60	90.5%
Operational investment securities + investment securities	4,331	11,980	+7,648	276.6%
Other	10,753	9,943	-809	92.5%
Total liabilities	13,439	18,566	+5,127	138.2%
Borrowings + bonds	5,799	10,184	+4,385	175.6%
Other	7,639	8,382	+742	109.7%
Net assets	10,166	15,216	+5,050	149.7%

The main factors behind changes from the end of the previous FY are the increase in cash and deposits and borrowings associated with new loans, an increase in investment securities and net assets associated with the listing of Cyber Security Cloud, Inc.

# 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

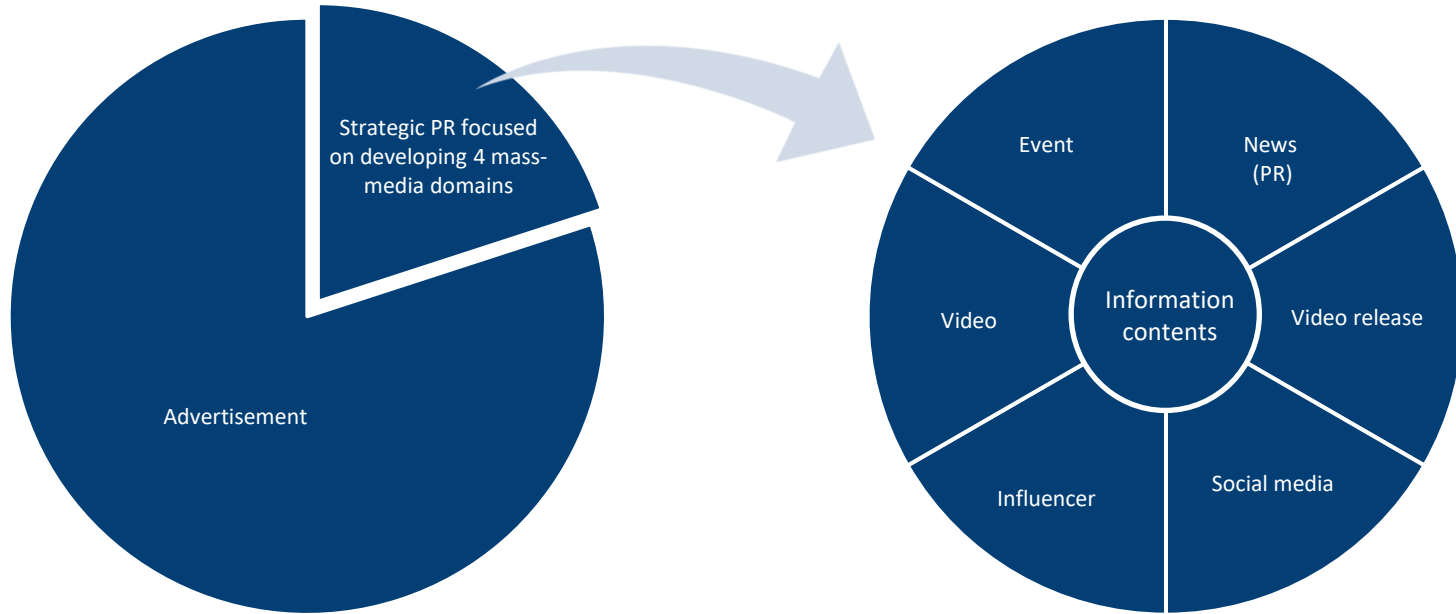
Target advertising market worth 6 trillion JPY

# Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

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

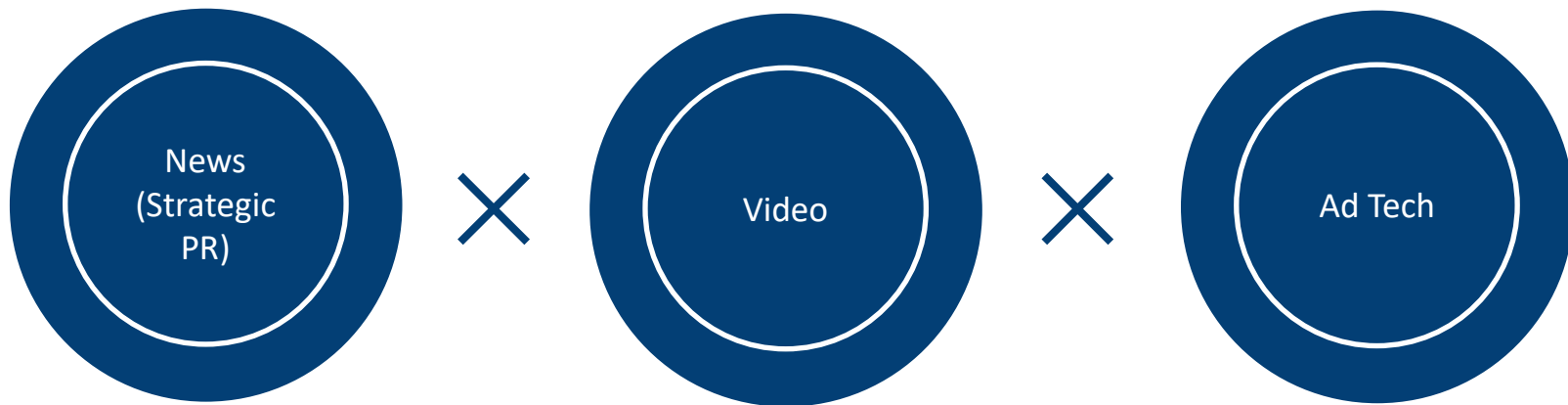
## Shift in Advertising Strategy



Run ad on TV and in newspaper/magazine using press conference and news release, etc.

Promote communication with a focus on developing content for PR ideas

Next-generation communication that delivers Content to target segments  
using Information Communication Infrastructure and Ad Technology





## "Spreading the word" at about 10% of traditional model's cost

Celebrity Casting					
Cast celebrities for content including Websites, Online Videos and Events.					
Press releases	PR Consulting	Video Releases	Influencers	Digital Marketing	Reputation Management
 <p>#1 press release service in Japan with 20,000 clients. JPY 1.2M Annual fee. Used by 25% 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>Distribute news videos directly to desired audience through one of the nation's largest ad networks. Deliver tailored content to target audience.</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><b>Smartmedia</b></p> <p><b>IR</b> robotics</p>	 <p>Provision of consulting services concerning corporate reputation management and brand security using unique technology based on theory and knowhow built up in the United States.</p> <p><b>BRAND CONTROL</b></p> <p>vector <b>TOTAL</b></p>



## Content Delivery



JPY 0

JPY 50 Million/Year

## Expand service domain via “FAST COMPANY”

1  
CompanyTV

Comprehensive support built around video news that ranges from the creation of a platform to help spread information to the production of actual content

2  
Hiromeru

Sale of various services online for existing businesses such as PR TIMES, video release, TV PR, and social media-based strategic celebrity casting

3  
Celebrities

Achieve celebrity castings for content such as website and event to improve sales per customer

4  
New Business

Expand new business such as by providing new IoT signage to taxis in the Minnano Taxi fleet, one of the largest in Tokyo

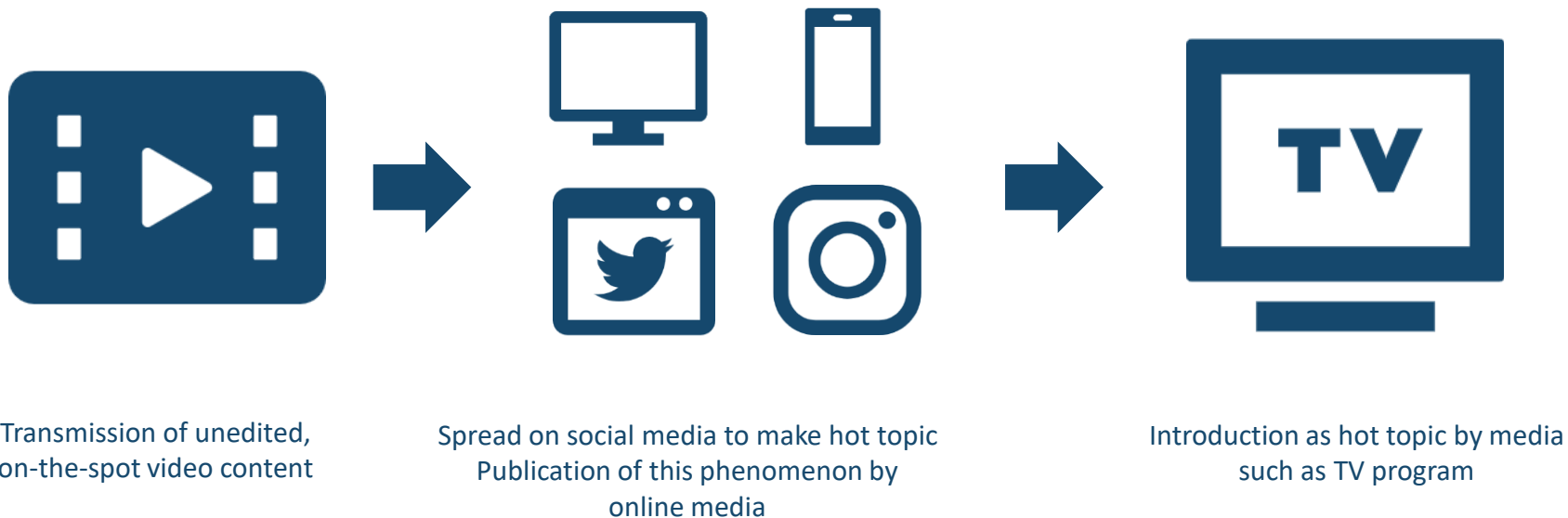
# 1 CompanyTV

Communications platform to help spread the word  
Enhance the added value of PR services by offering comprehensive support built around video news that ranges from the creation of a platform to help spread information to the production of actual content.

The spread of information has traditionally started with the distribution of a press release.



We are now moving into an era in which companies and individuals spread information via video news.



A different person is in charge of each type of information to be communicated,  
meaning the content coming out of a company lacks consistency.

PR

Human  
resources

Company  
newsletter

IR

Advertisement

Social  
media

Owned  
media

Event

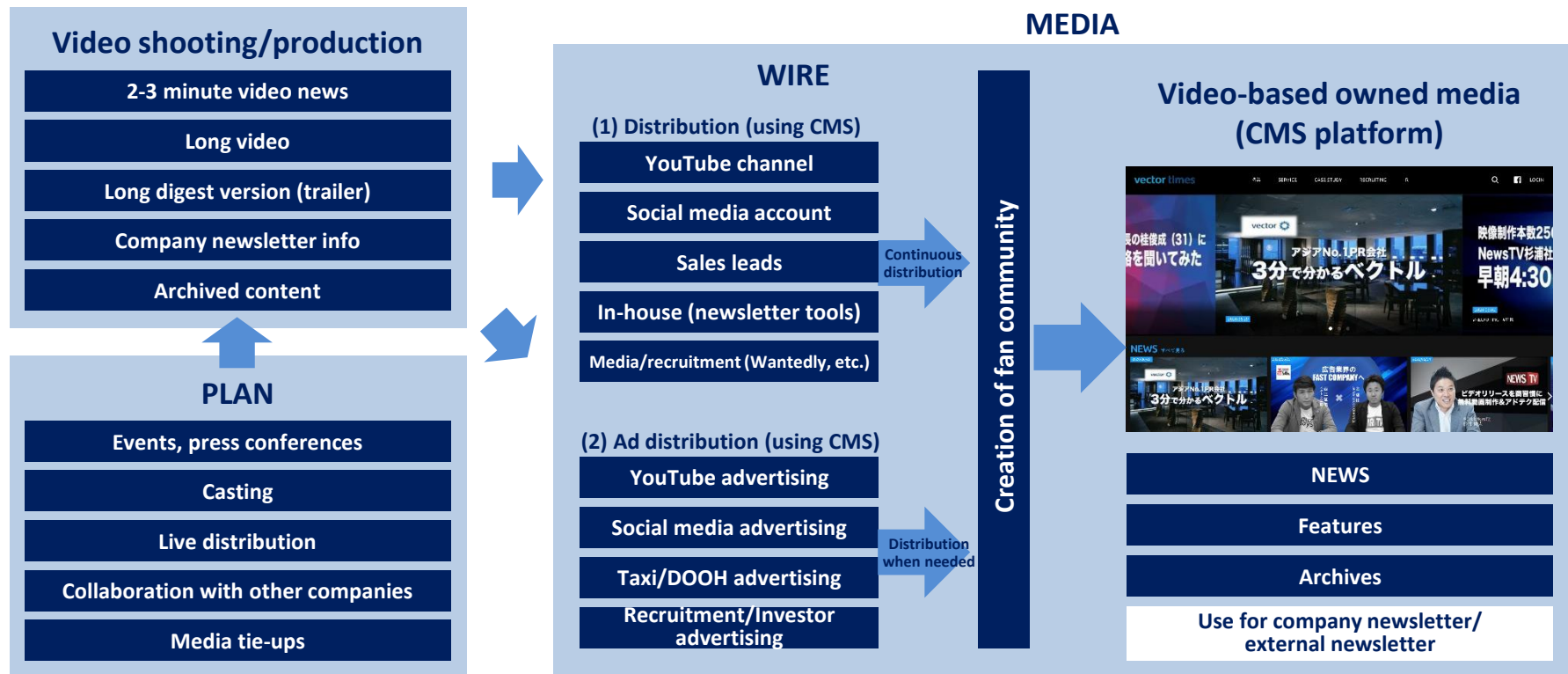
**“CompanyTV” solves a company’s  
communication issues.**

# **A corporate video-based communication package service beginning with video-based owned media**

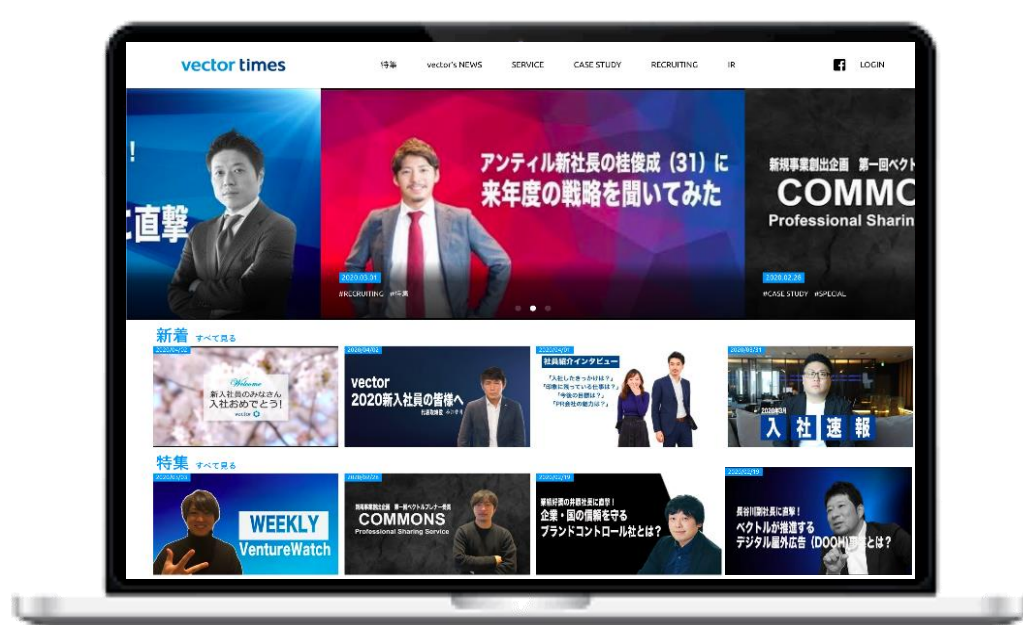


# Overview of “CompanyTV”

Creation of a distribution platform in which companies can spread information via video news



Quick creation of owned media for a company at a reasonable price through the use of the owned media content management system “Clipkit”



Implementation of a CMS platform enabling video management and distribution to various media

## CMS Platform

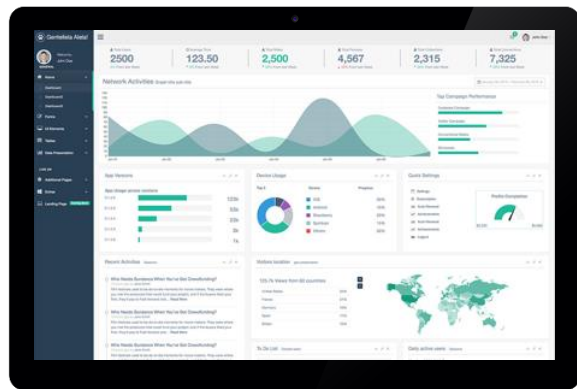


Image of functions  
(Under development)

Centralized account  
management

Reach analysis

Organic ad/distribution

Post to owned media

YouTube

Post to channel  
Ad distribution

Twitter Facebook Instagram  
LINE 公式アカウント

Post to social media  
Ad distribution

Media distribution

cybozu

slack

Distribute company  
newsletter with  
in-house tools

IR TV NEWS TV

Other

### Creation of an environment for filming on a smartphone



01.

## News axis

- New services
- New products
- Hot topics

02.

## Company newsletter axis

- Introduction to executives' beginnings with the Company
- Special feature on next-generation leaders
- Employee roundtable

03.

## President axis

- Dialogue with experts
- Dialogue with industry leaders
- Dialogue with media editors

04.

## Product/service axis

- Event coverage
- Reviews of user experience
- Product presentations by managers
- Customer opinion

05.

## Event axis

- Press conferences
- Appearance at outside events
- Employee meetings

06.

## Celebrity axis

- Appearance at in-house events
- Celebrity service experience
- Dialogue between celebrity and president

07.

## Brand context axis

- Dialogue between industry leaders
- Dialogue between president and well-known industry figures
- Industry column

08.

## Recruiting axis

- Employee introduction
- A close-up look at interviews by the president
- Summary of corporate action guidelines

09.

## IR axis

- Financial results briefings
- Shareholder meetings
- Dialogue with investors

10.

## Archive axis

- Introduction to corporate strategy
- Introduction to divisions
- Corporate history
- President's presentations
- Videos describing business

## Celebrity Used to Promote “CompanyTV”

Mio Imada is featured in advertising to help promote “CompanyTV.”



## 2 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 toxiPro](#)

# 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... 



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

We will provide added value by hiring professional human resources.



**Hiromeru**

そのビジネスをネットで広めよう

- > プライバシーポリシー
- > 利用規約
- > お問い合わせ

#### PRマーケティング

プランナーから選ぶ **1700**

PRプランナー

メニューから選ぶ

プレスリリース

ビデオリリース

リテナーPR

スポンサーPR

記者発表会

TV-PR

海外PR

イベントプロモーション

ロビー活動(パブリックアフェアーズ)

#### デジタルマーケティング

プランナーから選ぶ **1700**

AD運用プランナー

SNSプランナー

メニューから選ぶ

AD運用

SNSマーケティング

インフルエンサー

SEO/逆SEO

オウンドメディア

#### デザイン&コンテンツ制作

プランナーから選ぶ **1700**

WEBディレクター

デザイナー

映像プランナー

メニューから選ぶ

CI/ロゴ

WEB/LP制作

動画

#### AD

メニューから選ぶ

タクシー広告

ローカルCM

#### タレントマーケティング

メニューから選ぶ

タレント起用プロモーション

タレントキャスティング

インフルエンサー

# 3 Celebrities

## Celebrity casting

Increase unit price per customer by casting celebrities who are a good fit for the client company's products and services.

## Build trust and sense of being a major player by casting celebrities

Example: ROXX INC.



Top page of corporate website



Corporate promotional video

Example: SYLA Co., Ltd.



Top page of corporate website



Corporate promotional video

Example: GOOD LUCK Inc.



Top page of corporate website



Corporate promotional video

Example: X-Mobile, Co., Ltd.



Top page of corporate website



Corporate promotional video

## New 4 Business

### Creation of new businesses to expand service domain

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

Provide signage to over 11,000 taxis in Tokyo belonging to the Minnano Taxi network.  
Broadly deliver video ads to 7.5 million businesspeople in Tokyo every month.



Start “GROWTH” digital signage advertising service for taxis  
in April 2019

Number of signage units  
installed in taxis in Tokyo\*1

**11,000**

Monthly reach

**7.5 million people**

Average time spent  
in taxi

**Approx. 18 mins.**

Coverage rate of taxi users  
in Tokyo\*2

**Approx. 40%**

Usage rate among  
businesspeople  
(Company employees, public servants, freelancers,  
managers)

**Over 80%**

Average of at least 11 taxi  
rides per month

**Approx. 30%**

\*1. This will be the number of units installed in a digital signage network throughout Tokyo's 23 wards ,  
Musashino City and Mitaka City.

\*2. This refers to the rate of users covered relative to the 27,576 corporate taxis in Tokyo's 23 wards ,  
Musashino City and Mitaka City.

Note: Taxi user data is based on studies of findings from questionnaire concerning taxis in FY2017 (26th time).

Vector has leveraged its knowhow built up in the taxi signage business to enter the Digital-Out-of-Home (DOOH) domain.

Services started in December 2019 on two large outdoor display screens in the Shibuya district, where such screens are highly popular.



Started services on VECTOR VISION SHIBUYA (Shibuya MK Vision) as media owner and at Under Armour Vision as a general sales agency.

HAMATOMO Vision synchronizes with these two displays to simultaneously promote products and services through “Shibuya Triangle VISION Broadcasting.”



## New Business: ChargeSPOT

VECTOR has signed a partner agreement with INFORICH INC. for the development of a sharing service for smartphone chargers called “ChargeSPOT.”

We started providing digital signage service at the more than 10,000 ChargeSPOT locations nationwide.



Number of units nationwide

**12,000 or more**

Number of units in Tokyo

**5,000 or more**

Share of service\*

**97%**

Regions covered

**47 prefectures**

\* Calculated using the number of units installed by competing companies relative to the number installed by VECTOR



## New Business (Beauty Salon Signage)

Leveraging our knowledge and knowhow in digital signage services, from April 2020 we started providing “THE TOKYO SALON VISION COVER” as signage media specializing in high-end hair salons centering on Tokyo.



Area covered

**Only high-end salons in Tokyo**

Harajuku, Omotesando, Aoyama, Ebisu,  
Daikanyama, Ginza

No. of salons

**80 stores/1,000 units**

Average time in salon per visit

**At least 120 minutes**

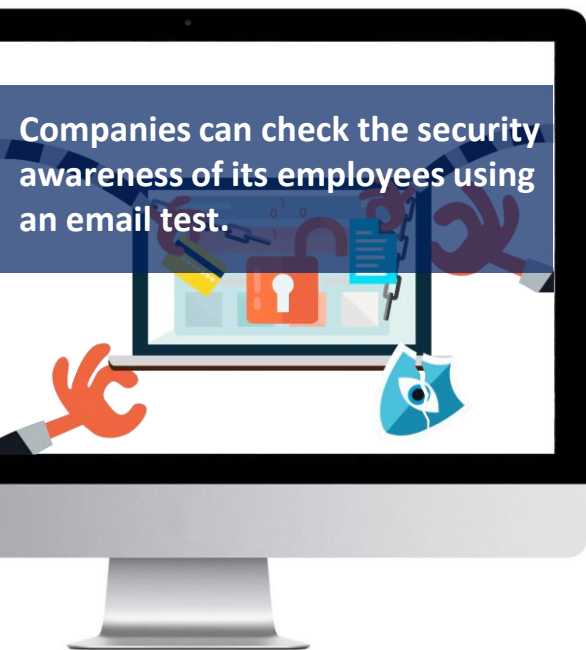
Monthly reach

**45,000 people**

## New Business (Risk Find)

VECTOR entered the cyber security industry with the aim of expanding the range of its risk management domain being developed within its PR Business.

In May 2020, we started providing “Risk Find” as a diagnostic service for visualizing employees’ awareness of security.



### Risk Find service

#### 01 Set roles

Select target employees to send fake phishing email to.

#### 02 Create phishing email

Prepare a fake phishing email that can easily be sent using a template.



#### 03 Send en masse to targeted employees

Send the fake phishing email to the targeted employees simultaneously.

#### 04 Report results

Report results such as email open rate and URL click status.

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.

	 PrivTech	
Customer issue	As data-driven business expands, how personal data is handled has become a pressing issue. The challenge is to balance data utilization and privacy protection.	Demand for video communication is on the rise, which has led to such issues as time required for editing and the lack of personnel in-house who are proficient at editing.
Partner	Intimate Merger, Inc.	Sony Network Communications Inc.
Partner strengths	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	“Trust 360,” a management platform for user consent of personal data, etc.	“SoVeC Smart Video” automatic video generation cloud service utilizing AI

## New Business: Priv Tech

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



CMP Manager



CMP CDP/BI

1

Consent management tag generation

2

Consent management

3

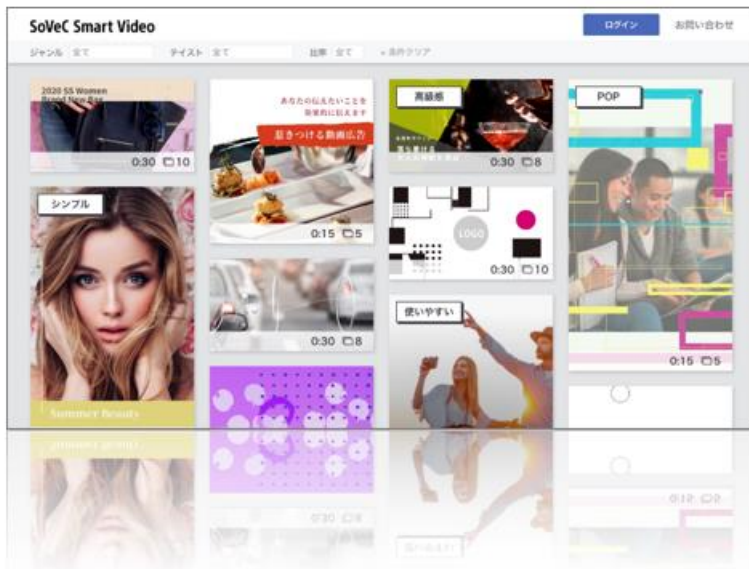
Consent level analysis

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.

\*CMP: Consent Management Platform

SoVeC Corp., a joint venture with Sony Network Communications Inc., was established in March 2019. It started providing the automatic video generation cloud service “SoVec Smart Video” utilizing AI in November 2019.

# SoVeC Smart Video



**“響く”プロデザイナー  
品質の動画を簡単に**

専門知識は一切不要。動画ノウハウが凝縮したフォーマットを選ぶだけで、貴社の情報を魅力的に伝えます。



**定額作り放題を  
リーズナブルに**

業界トップクラスにリーズナブルなプライスで、動画はつくり放題。SNS用のシリーズ動画や大量に配信する動画広告などにも何本でも作成可能です。



**スピーディな動画制作で  
気軽に何度でも**

急ぎの動画も安心。「動画作成は数週間」という常識を取り払い、リッチな動画もすぐにリリースできます。

Latest design video format



# Investment Performance

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## Supporting corporate growth through investment and PR/IR (Total of 17 companies)

July 7, 2020	<b>Branding Engineer CO., LTD.</b>	<b>TSE Mothers</b>
March 24, 2020	<b>Cyber Security Cloud, Inc.</b>	<b>TSE Mothers</b>
December 18, 2019	BuySell Technologies Co., Ltd.	TSE Mothers
December 17, 2019	WILLs Inc.	TSE Mothers
October 8, 2019	AI CROSS Inc.	TSE Mothers
June 25, 2019	infoNet inc.	TSE Mothers
June 21, 2019	Branding Technology Inc.	TSE Mothers
March 19, 2019	MINKABU THE INFONOID	TSE Mothers
February 22, 2019	Shikigaku Co., Ltd.	TSE Mothers
December 11, 2018	PIALA	TSE Mothers
December 13, 2017	Global Link Management	TSE Mothers (December 13, 2018: Listed on TSE 1st Section)
December 12, 2017	Ikka Dining Project	TSE Mothers
August 3, 2017	Sharing Technology	TSE Mothers
December 20, 2016	ReNet Japan Group	TSE Mothers
November 18, 2016	Phil Company, Inc.	TSE Mothers
March 31, 2016	AirTrip Corp.	TSE Mothers (March 31, 2017: Listed on TSE 1st Section)
March 31, 2016	PR TIMES	TSE Mothers (August 29, 2018: Listed on TSE 1st Section)

# Reference Material

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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*	4,649	3,090–4,640	6,000	7,000
Operating profit	3,324	2,300–3,850	4,820	6,000

- VECTOR's dividend policy is to ensure a consolidated payout ratio for shareholders aimed at 20%.
- The full-year forecast for FY2021 has been provided as a range in light of the impact of COVID-19.
- VECTOR expects to record an appropriate level of profit attributable to owners of parent from FY2021 onward.

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



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.