

Consolidated Financial Results for the Fiscal Year Ended February 28, 2026

April 14, 2026

Company name:	VECTOR INC.
Listing:	Tokyo Stock Exchange
Code number:	6058
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Scheduled date of annual general meeting of shareholders:	May 28, 2026
Scheduled date of dividend payment:	May 29, 2026
Scheduled date to file annual securities report:	May 29, 2026
Preparation of supplementary materials for financial results:	Yes
Holding of financial results meeting:	Yes

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (March 1, 2025—February 28, 2026)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Feb. 28, 2026	63,794	7.7	9,116	13.5	9,144	19.4	5,109	21.8
Fiscal year ended Feb. 28, 2025	59,254	0.1	8,029	15.7	7,655	11.4	4,195	(10.5)

(Note) Comprehensive income: For the fiscal year ended February 28, 2026: ¥6,392 million (134.8%)

For the fiscal year ended February 28, 2025: ¥2,723 million (-53.4%)

	Earnings per share	Diluted earnings per share	Return on equity (ROE)	Return on assets (ROA)	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended Feb. 28, 2026	108.93	—	26.8	20.3	14.3
Fiscal year ended Feb. 28, 2025	89.43	—	25.3	17.7	13.6

(Reference) Gain (loss) on equity-method investments: For the fiscal year ended February 28, 2026: ¥100 million

For the fiscal year ended February 28, 2025: ¥30 million

Note: Diluted earnings per share has been omitted due to the absence of potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Feb. 28, 2026	47,293	27,141	44.7	450.66
As of Feb. 28, 2025	42,881	21,337	39.5	361.16

(Reference) Shareholders' equity: As of February 28, 2026: ¥21,137 million

As of February 28, 2025: ¥16,939 million

(3) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Feb. 28, 2026	10,349	(3,149)	(2,092)	22,273
Fiscal year ended Feb. 28, 2025	5,675	(1,478)	(2,901)	17,125

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Feb. 28, 2025	—	0.00	—	32.00	32.00	1,500	35.8	9.1
Fiscal year ended Feb. 28, 2026	—	0.00	—	33.00	33.00	1,547	30.3	8.1
Fiscal year ending Feb. 28, 2027 (forecast)	—	0.00	—	36.00	36.00		30.7	

3. Consolidated Forecast for the Fiscal Year Ending February 28, 2027 (March 1, 2026—February 28, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	31,800	6.9	3,220	(13.7)	3,120	(20.2)	1,550	(12.2)	33.05
Full year	68,000	6.6	10,000	9.7	9,800	7.2	5,500	7.7	117.26

Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (gracemode Inc. and Storicity, Inc.)
Excluded: 1 company (ASHITA-TEAM Co., Ltd.)

(2) Changes in accounting policies and accounting-based estimates, and restatements

- (1) Changes in accounting policies due to revisions in accounting standards, others: Yes
(2) Changes in accounting policies other than (1) above: No
(3) Changes in accounting-based estimates: No
(4) Restatements: No

Note: Please refer to the section “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Notes on Changes in Accounting Policies” on page 16 for further information.

(3) Number of issued shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of February 28, 2026	46,914,039
As of February 28, 2025	46,914,039

2) Number of treasury shares at the end of the period

As of February 28, 2026	9,600
As of February 28, 2025	9,600

3) Average number of shares during the period

Fiscal year ended February 28, 2026	46,904,439
Fiscal year ended February 28, 2025	46,906,648

Note: Please refer to the section “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Notes on Per Share Information” on page 22 for further information.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2026 (March 1, 2025—February 28, 2026)

(1) Non-consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Feb. 28, 2026	8,454	4.5	746	(7.7)	2,272	(30.4)	2,346	4.4
Fiscal year ended Feb. 28, 2025	8,088	(7.4)	809	—	3,266	196.5	2,247	(9.4)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Feb. 28, 2026	50.03	—
Fiscal year ended Feb. 28, 2025	47.92	—

Note: Diluted earnings per share has been omitted due to the absence of potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Feb. 28, 2026	17,873	8,109	45.4	172.90
As of Feb. 28, 2025	17,349	7,183	41.4	153.15

(Reference) Shareholders' equity: As of February 28, 2026: ¥8,109 million

As of February 28, 2025: ¥7,183 million

* The financial report is not subject to audit by certified public accountants or auditing firms.

* Appropriate use of business forecast and other special items

Forecasts regarding future performance in this material are based on information currently available to VECTOR and incorporate a variety of uncertainties. Actual performance may differ from these forecasts for a number of reasons including changes in internal or external factors affecting business operations. Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 6 of the attachments regarding the forecasts shown in this material.

VECTOR released the financial results briefing materials today and plans to upload a financial results briefing video on its website on Thursday, April 30, 2026.

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1. Overview of Results of Operations

Forward-looking statements are based on judgments made by VECTOR as of the date of this document.

(1) Results of operations

1) Results for FY2/26

During the fiscal year ended February 28, 2026, the Japanese economy continued its moderate recovery, supported by the resurgence of inbound tourism demand and improvements in the employment and income environments, despite impacts such as inflation due to yen depreciation. Nonetheless, the outlook remains cautious due to the effects of U.S. trade policies, concerns about the future of the Chinese economy, and geopolitical tensions in the Middle East, which continue to pose downside risks to overseas economic conditions.

The VECTOR Group is centered around the concept of distributing information in a simple and speedy manner through state-of-the-art communication tools, beginning with strategic public relations (PR) services. We provide these services at more affordable rates than traditional advertising budgets and we cater to a variety of industry sectors. This enables us to establish a revenue base that is less susceptible to the fluctuations of specific industries. As such, we anticipate minimal impact on our performance from deteriorating business conditions, and we expect this trend to continue into the future.

In the advertising industry, according to the "2025 Advertising Expenditures in Japan" report released by Dentsu Inc. in March 2026, total advertising expenditures in Japan for calendar 2025 reached ¥8,062.3 billion, 105.1% year on year, supported by accelerated digitalization spending on the back of strong corporate earnings and major events, marking a record high for the fourth consecutive year. Of this, internet advertising expenditures accounted for ¥4,045.9 billion, 110.8% year on year. This growth can be attributed to increasing demand for vertical video advertising on social media and video advertising on connected TVs contributing to the expansion of the overall advertising market.

Against this market backdrop, we continue to focus on operating as a "fast company" that is a one-stop source of comprehensive support for marketing strategies with the goal of making people aware of the outstanding products, services, and other attributes of our clients. To accomplish this goal, we have been expanding our services, primarily aimed at the VECTOR Group's existing clients. Furthermore, with the ongoing growth of internet advertising expenditure in Japan's advertising industry driven by society's digital transformation, the Company has focused on strengthening its Group foundation, including through M&A, with the goal of enhancing services, particularly in the social media sector, where the share of consumers' disposable time is increasing, within the broader context of digital domains.

In addition, VECTOR recorded ¥2,151 million in gains on the sale of affiliate stocks as extraordinary income for the consolidated fiscal year under review, of which ¥1,797 million was gained from the sale of all holdings in ASHITA-TEAM Co., Ltd. ("ASHITA-TEAM"), which had been a consolidated subsidiary. VECTOR also recorded ¥2,407 million in extraordinary losses, of which ¥1,220 million stems from the impairment of goodwill at BUSICONET Inc. ("BUSICONET") and Owned, Company, consolidated subsidiaries of VECTOR, and ¥634 million stems from software impairment at ASHITA-TEAM. Please refer to the "Notice Regarding Recording of Extraordinary Income and Extraordinary Losses" released today (April 14, 2026) for more details.

Due to these activities, net sales for the consolidated fiscal year increased 7.7% year on year to ¥63,794 million, operating profit grew 13.5% to ¥9,116 million, ordinary profit rose 19.4% to ¥9,144 million, and profit attributable to owners of parent grew 21.8% to ¥5,109 million.

Business segment performance is as follows.

PR and Advertising

In this business segment, we provide a one-stop communication strategy tailored to each client that includes Strategic PR services centered on consulting and is driven by digital marketing using IoT signage via tablets placed in taxis and social networking services. With the transition toward digitalization as the preferred method for distributing information, our strategic approach as a "fast company" has become even more relevant to the times. Further, our efforts to expand services through such means as M&A in the social media marketing domain has enabled us to further reinforce a robust framework for providing even more comprehensive support to our clients' communication strategies.

These efforts restored NewsTV and the South Korean business, which recorded losses in the previous fiscal year, to profitability. Combined with the Strategic PR business and strong performance in the Taxi Signage business and gracemode Inc., which became a consolidated subsidiary in the first quarter, this led to record high net sales, gross profit, and operating profit.

As a result of the above, sales in the PR and Advertising segment were up 7.3% year on year to ¥34,870 million,

and operating profit was up 34.7% to ¥4,898 million.

Press Release Distribution

PR TIMES, Inc. ("PR TIMES") distributes and posts press releases by using its PR TIMES website as well as many other websites. Utilization of this service has been very high. The number of companies using PR TIMES surpassed 124,000. Further, as planned at the beginning of the period, we actively engaged in sales and other activities to boost usage frequency of PR TIMES among existing customers. This resulted in a record-high number of companies using PR TIMES and number of press releases distributed. As a result, VECTOR achieved record-high net sales, gross profit, and operating profit.

As a result of the above, sales in the Press Release Distribution segment were up 19.3% year on year to ¥9,546 million, and operating profit was up 93.0% to ¥3,622 million.

Direct Marketing

In Direct Marketing operated primarily by Vitabrid Japan Inc., efforts were made to strengthen sales existing products in the interest of advertising efficiency and to develop new products. By controlling advertising spending and monitoring market conditions, VECTOR achieved record-high net sales and gross profit. Vitabrid Japan Inc. was newly listed on the Tokyo Stock Exchange Growth Market on April 2, 2026.

Segment sales increased 20.9% year on year to ¥16,350 million and operating profit rose 52.2% to ¥1,137 million.

HR

ASHITA-TEAM recorded an operating profit of ¥101 million. VECTOR deconsolidated ASHITA-TEAM as it sold the entirety of its holdings in the company to Wellness Communications Corporation on February 27, 2026.

JOBTV operates a recruiting platform using video content, and to establish a solid revenue base it developed a broad set of services from recruitment events to video and other production to social media management. However, BUSICONET, which operates a job-search web media business mainly focused on temporary staffing, was affected by changes in market demand. In addition, business investment in Clinic TV Inc., established in the third quarter of the previous fiscal year, led to a decline in profit, resulting in an operating loss of ¥125 million for the overall JOBTV business.

Segment sales increased 0.4% year on year to ¥2,990 million and an operating loss of ¥23 million was posted, compared with an operating profit of ¥74 million in the previous fiscal year.

Investment

In the Investment segment, as consolidated earnings improved beyond expectations due to growth in other segments, VECTOR strategically chose to sell its holdings in the following fiscal year and beyond.

Segment sales fell 88.6% year on year to ¥288 million while an operating loss of ¥518 million was recorded, compared with an operating loss of ¥1,694 million in the previous fiscal year.

(2) Overview of financial position

1) Assets, liabilities and net assets

Assets

Total assets at the end of the fiscal year increased by ¥4,412 million from the end of the previous fiscal year to ¥47,293 million.

Current assets increased by ¥5,030 million to ¥37,376 million. This was mainly attributable to an increase of ¥5,148 million in cash and deposits.

Non-current assets decreased by ¥618 million to ¥9,916 million. This was mainly attributable to decreases of ¥447 million in software and ¥165 million in investment securities.

Liabilities

Total liabilities at the end of the fiscal year decreased by ¥1,392 million from the end of the previous fiscal year to ¥20,152 million.

Current liabilities increased by ¥1,654 million to ¥15,920 million. This was mainly attributable to increases of ¥537 million in short-term borrowings, ¥921 million in accounts payable-other, ¥809 million in income taxes payable, and ¥421 million in consumption taxes payable, which is included in others under current liabilities, despite a decrease of ¥990 million in current portion of long-term borrowings.

Non-current liabilities decreased by ¥3,046 million to ¥4,231 million. This was primarily due to decreases of ¥2,440 million in long-term borrowings, ¥239 million in lease liabilities, and ¥489 million in deferred tax liabilities.

Net assets

Net assets at the end of the fiscal year increased by ¥5,804 million compared to the end of the previous fiscal year to ¥27,141 million. This was primarily due to increases of ¥543 million in capital surplus, ¥3,608 million in retained earnings, and ¥1,406 million in non-controlling interests.

(3) Cash Flows

Cash and cash equivalents at the end of the fiscal year under review increased by ¥5,148 million from the end of the previous fiscal year to ¥22,273 million.

Consolidated results in the fiscal year ended February 28, 2026, for each category of cash flows and the main factors underlying the results are as follows.

Cash flows from operating activities

Net cash provided by operating activities amounted to ¥10,349 million, up 82.3% from the previous fiscal year. This was mainly due to an increase in cash from profit before income taxes of ¥8,891 million and the recording of impairment losses of ¥1,885 million.

Cash flows from investing activities

Net cash used in investing activities amounted to ¥3,149 million (compared to ¥1,478 million used in the previous fiscal year). This was mainly due to cash increases from the sale of affiliate shares of ¥578 million, and cash decreases from purchase of property, plant and equipment of ¥459 million, purchase of intangible assets of ¥625 million, payments of leasehold and guarantee deposits of ¥554 million, and purchase of shares of subsidiaries resulting in change in scope of consolidation of ¥1,903 million.

Cash flows from financing activities

Net cash used in financing activities amounted to ¥2,092 million (compared to ¥2,901 million used in the previous fiscal year). This was mainly attributable to cash increases including a net increase in short-term borrowings of ¥535 million and the sale of subsidiary shares not resulting in change in scope of consolidation of ¥989 million, and cash decreases including repayments of long-term borrowings of ¥1,879 million, repayments of lease obligations of ¥236 million, and cash dividends paid of ¥1,498 million.

Trends in the VECTOR Group's cash flow indicators are as follows.

	FY2/23	FY2/24	FY2/25	FY2/26
Equity ratio (%)	35.6	37.1	39.5	44.7
Equity ratio based on market value (%)	183.5	135.2	100.7	142.5
Ratio of interest-bearing debt to cash flows (years)	6.7	2.8	2.0	0.8
Interest coverage ratio (X)	36.65	34.85	40.03	59.78

The above figures are calculated as follows.

Equity ratio = Shareholders' equity / Total assets

Equity ratio based on market value = Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows = Interest-bearing debt / Cash flows

Interest coverage ratio = Cash flows / Interest payments

Notes: 1. All indicators are calculated based on consolidated figures.

2. Cash flows are calculated using cash flows from operating activities.

3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest. Interest payments are based on the interest paid in the consolidated statement of cash flows.

(4) Outlook

The outlook requires continued attention, primarily due to U.S. policies, particularly regarding trade, concerns over the direction of the Chinese economy, and the situation in the Middle East.

The VECTOR Group will continue to operate as a “fast company” providing comprehensive support for marketing activities with the goal of making people aware of the outstanding products, services, and other attributes of our clients. To achieve this, we are committed to strengthening our marketing infrastructure enabling us to address diverse customer needs in a one-stop manner. By doing so, we aim to sustain overall steady growth and enhance performance.

Given these factors, our forecasts for the Group for FY2/27 are as follows.

Consolidated Forecast

Consolidated earnings forecast for fiscal year ending February 28, 2027 (millions of yen)

	FY2/26 (results)	FY2/27 (forecasts)	Change	Change (%)
Net sales	63,794	68,000	4,205	6.6%
Operating profit	9,116	10,000	883	9.7%
Ordinary profit	9,144	9,800	658	7.2%
Profit attributable to owners of parent	5,109	5,500	390	7.7%
Earnings per share (Yen)	108.93	117.26		

Consolidated earnings forecast for first half of fiscal year ending February 28, 2027 (millions of yen)

	FY2/26 (results)	FY2/27 (forecasts)	Change	Change (%)
Net sales	29,749	31,800	2,050	6.9%
Operating profit	3,730	3,220	(510)	-13.7%
Ordinary profit	3,910	3,120	(790)	-20.2%
Profit attributable to owners of parent	1,765	1,550	(215)	-12.2%
Earnings per share (Yen)	37.65	33.04		

Segment earnings forecasts

Operating profit forecast by business segment for fiscal year ending February 28, 2027 (millions of yen)

	FY2/26 (results)	FY2/27 (forecasts)	Change	Change (%)
PR and Advertising	4,898	5,400	501	10.2%
Press Release Distribution	3,622	3,250	(372)	-10.3%
Direct Marketing	1,137	1,250	112	9.9%
HR	(23)	100	123	—
Investment	(518)	0	518	—
Segment total	9,116	10,000	883	9.7%

Operating profit forecast by business segment for first half of fiscal year ending February 28, 2027

(millions of yen)

	FY2/26 (results)	FY2/27 (forecasts)	Change	Change (%)
PR and Advertising	2,198	2,300	101	4.6%
Press Release Distribution	1,892	1,650	(242)	-12.8%
Direct Marketing	(126)	(550)	(423)	—
HR	(59)	(30)	29	—
Investment	(173)	(150)	23	—
Segment total	3,730	3,220	(510)	-13.7%

The anticipated performance being skewed toward the second half stems from our strategic approach of maximizing revenue throughout the fiscal year. This involves allocating significant advertising budgets to Direct Marketing from the start of the fiscal year, as in FY2/26.

For key segment forecasts, in PR and Advertising, VECTOR expects sustained high growth driven by continued strong performance in Strategic PR and Taxi Signage businesses, increased customer numbers and customer unit prices through PR × Short video initiatives that the Group is focusing on, and expanded profitability in overseas operations which turned profitable in FY2/26. In Press Release Distribution, while VECTOR anticipates a certain level of advertising expenditure to increase the number of companies using PR Times in FY2/27, as well as one-off profit decline due to investments in human resources, AI, and other areas, it sees this as groundwork laid for subsequent sharp growth. In Direct Marketing, VECTOR expects to secure profits in the second half by allocating advertising budget to existing products in the first half while accelerating up-front investments for new product development. The HR segment now consists only of the JOBTV business following the sale of all shares in ASHITA-TEAM, but VECTOR expects to achieve profitability by continuing successful recruitment events while expanding Short Video initiatives in talent recruitment by leveraging PR and Advertising segment expertise horizontally. In the Investment segment, as in FY2/26, VECTOR plans for careful investment selection in light of stock market trends and selling off holdings based on consolidated earnings conditions in FY2/27.

(5) Basic Policy for Profit Distribution, and Dividends for the Current and Next Fiscal Years

The VECTOR Group views returning profits to shareholders as an important management issue. Accordingly, it will strive to return profits by increasing corporate value through medium- to long-term business growth and by providing stable dividends. The articles of incorporation stipulate interim dividends may be paid. However, our basic policy is to distribute surplus earnings once a year through year-end dividends. Taking into consideration factors such as maintaining a sound financial structure and building internal reserves for active business expansion, we intend to continue providing dividends while maintaining a consolidated dividend payout ratio of 30% or higher.

Based on the above, VECTOR plans to pay a dividend of ¥33 per share for FY2/26.

It also plans to pay a dividend of ¥36 per share for FY2/27 in line with this basic policy.

2. Basic Approach to the Selection of Accounting Standards

The consolidated financial statements of the VECTOR Group are prepared in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapters 5 and 6) (Ordinance of the Ministry of Finance No. 28, 1976) for the purpose of facilitating comparisons with other companies and prior years.

We will appropriately address the adoption of International Financial Reporting Standards (IFRS), considering relevant factors in both Japan and other countries.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	FY2/25 As of Feb. 28, 2025	FY2/26 As of Feb. 28, 2026
Assets		
Current assets		
Cash and deposits	17,125	22,273
Notes and accounts receivable-trade, and contract assets	7,843	8,867
Operational investment securities	1,798	1,621
Merchandise and finished goods	2,021	1,685
Costs on service contracts in progress	606	799
Other	3,378	2,591
Allowance for doubtful accounts	(427)	(462)
Total current assets	32,346	37,376
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,216	1,249
Machinery, equipment and vehicles	66	58
Tools, furniture and fixtures	1,026	1,305
Leased assets	1,122	1,125
Construction in progress	16	36
Accumulated depreciation	(1,622)	(1,996)
Total property, plant and equipment	1,825	1,779
Intangible assets		
Goodwill	2,976	2,856
Software	998	550
Other	185	97
Total intangible assets	4,160	3,504
Investments and other assets		
Investment securities	1,326	1,161
Deferred tax assets	1,713	1,586
Leasehold and guarantee deposits	714	1,107
Other	1,996	1,067
Allowance for doubtful accounts	(1,202)	(290)
Total investments and other assets	4,548	4,632
Total non-current assets	10,534	9,916
Total assets	42,881	47,293

(Millions of yen)

	FY2/25 As of Feb. 28, 2025	FY2/26 As of Feb. 28, 2026
Liabilities		
Current liabilities		
Accounts payable-trade	2,505	2,571
Accounts payable-other	1,728	2,649
Short-term borrowings	2,351	2,888
Current portion of long-term borrowings	2,076	1,085
Current portion of bonds payable	10	—
Lease obligations	234	247
Income taxes payable	1,318	2,127
Provision for bonuses	642	847
Contract liabilities	1,625	943
Provision for point card certificates	5	9
Provision for shareholder benefit program	40	53
Provision for contract losses	—	60
Other	1,726	2,434
Total current liabilities	14,265	15,920
Non-current liabilities		
Long-term borrowings	6,051	3,610
Bonds payable	25	10
Lease obligations	526	287
Deferred tax liabilities	516	26
Retirement benefit liability	33	37
Provision for contract losses	—	158
Other	124	101
Total non-current liabilities	7,278	4,231
Total liabilities	21,544	20,152
Net assets		
Shareholders' equity		
Share capital	3,038	3,038
Capital surplus	—	543
Retained earnings	13,477	17,085
Total shareholders' equity	16,516	20,667
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	40	141
Foreign currency translation adjustment	383	328
Total accumulated other comprehensive income	423	470
Share acquisition rights	145	345
Non-controlling interests	4,251	5,657
Total net assets	21,337	27,141
Total net assets and liabilities	42,881	47,293

(2) Consolidated Statements of Income and Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	FY2/25 Mar. 1, 2024–Feb. 28, 2025	FY2/26 Mar. 1, 2025–Feb. 28, 2026
Net sales	59,254	63,794
Cost of sales	19,946	21,144
Gross profit	39,308	42,649
Selling, general and administrative expenses	31,279	33,533
Operating profit	8,029	9,116
Non-operating income		
Interest and dividend income	13	50
Foreign exchange gains	–	76
Gain on investments in investment partnerships	97	78
Share of profit of entities accounted for using equity method	30	100
Other	58	51
Non-operating income	200	356
Non-operating expenses		
Interest expenses	150	171
Foreign exchange losses	138	–
Loss on investments in investment partnerships	41	55
Provision of allowance for doubtful accounts	196	38
Commission expenses	16	26
Other	30	37
Total non-operating expenses	574	329
Ordinary profit	7,655	9,144
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	51	2,151
Gain on reversal of share acquisition rights	1	–
Gain on sale of non-current assets	–	3
Total extraordinary income	53	2,155
Extraordinary losses		
Loss on sale of non-current assets	3	–
Loss on retirement of non-current assets	40	15
Loss on valuation of investment securities	110	188
Impairment loss	264	1,885
Loss on liquidation of business	–	55
Loss on sale of receivables	–	38
Loss on abandonment of receivables	–	7
Provision for contract losses	–	218
Total extraordinary losses	419	2,407
Profit before income taxes	7,290	8,891
Income taxes - current	2,648	3,012
Income taxes - deferred	(158)	(456)
Total income taxes	2,490	2,555
Net income	4,800	6,335
Profit attributable to non-controlling interests	605	1,226
Profit attributable to owners of parent	4,195	5,109

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2/25 Mar. 1, 2024–Feb. 28, 2025	FY2/26 Mar. 1, 2025–Feb. 28, 2026
Net income	4,800	6,335
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,235)	104
Foreign currency translation adjustment	145	0
Share of other comprehensive income of entities accounted for using equity method	12	(48)
Total other comprehensive income	(2,077)	56
Comprehensive income	2,723	6,392
Comprehensive income attributable to:		
Owners of parent	2,114	5,155
Non-controlling interests	608	1,237

(3) Consolidated Statement of Changes in Equity
FY2/25 (Mar. 1, 2024–Feb. 28, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,038	130	11,942	(1,447)	13,664
Changes during period					
Dividends of surplus			(1,360)		(1,360)
Profit attributable to owners of parent			4,195		4,195
Cancellation of treasury shares		(1,447)		1,447	—
Purchase of shares of consolidated subsidiaries		1			1
Sale of shares of consolidated subsidiaries					—
Change in ownership interest of parent due to transactions with non-controlling interests		15			15
Transfer from retained earnings to capital surplus		1,299	(1,299)		—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(130)	1,534	1,447	2,851
Balance at end of period	3,038	—	13,477	—	16,516

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	2,274	229	2,503	8	3,798	19,975
Changes during period						
Dividends of surplus						(1,360)
Profit attributable to owners of parent						4,195
Cancellation of treasury shares						—
Purchase of shares of consolidated subsidiaries						1
Sale of shares of consolidated subsidiaries						—
Change in ownership interest of parent due to transactions with non-controlling interests						15
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	(2,233)	153	(2,080)	137	452	(1,490)
Total changes during period	(2,233)	153	(2,080)	137	452	1,361
Balance at end of period	40	383	423	145	4,251	21,337

FY2/26 (Mar. 1, 2025–Feb. 28, 2026)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,038	—	13,477	—	16,516
Changes during period					
Dividends of surplus			(1,500)		(1,500)
Profit attributable to owners of parent			5,109		5,109
Cancellation of treasury shares					—
Purchase of shares of consolidated subsidiaries		(8)			(8)
Sale of shares of consolidated subsidiaries		534			534
Change in ownership interest of parent due to transactions with non-controlling interests		16			16
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	543	3,608	—	4,151
Balance at end of period	3,038	543	17,085	—	20,667

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	40	383	423	145	4,251	21,337
Changes during period						
Dividends of surplus						(1,500)
Profit attributable to owners of parent						5,109
Cancellation of treasury shares						—
Purchase of shares of consolidated subsidiaries						(8)
Sale of shares of consolidated subsidiaries						534
Change in ownership interest of parent due to transactions with non-controlling interests						16
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	100	(54)	46	199	1,406	1,652
Total changes during period	100	(54)	46	199	1,406	5,804
Balance at end of period	141	328	470	345	5,657	27,141

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2/25 Mar. 1, 2024–Feb. 28, 2025	FY2/26 Mar. 1, 2025–Feb. 28, 2026
Cash flows from operating activities		
Profit before income taxes	7,290	8,891
Depreciation	671	859
Amortization of goodwill	447	583
Amortization of long-term prepaid expenses	2	2
Depreciation and amortization on other	64	34
Impairment loss	264	1,885
Loss (gain) on sale of non-current assets	3	(3)
Loss on retirement of non-current assets	40	15
Loss (gain) on valuation of investment securities	110	188
Loss (gain) on investments in investment partnerships	(56)	(22)
Share of loss (profit) of entities accounted for using equity method	(30)	(100)
Loss (gain) on sale of shares of subsidiaries and associates	(51)	(2,151)
Gain on reversal of share acquisition rights	(1)	–
Increase (decrease) in allowance for doubtful accounts	267	(715)
Increase (decrease) in provision for bonuses	89	209
Increase (decrease) in provision for shareholder benefit program	20	13
Increase (decrease) in provision for point card certificates	5	4
Increase (decrease) in retirement benefit liability	(13)	2
Interest and dividend income	(13)	(50)
Interest expenses	150	171
Decrease (increase) in trade receivables and contract assets	(568)	(1,224)
Decrease (increase) in inventories	(502)	145
Decrease (increase) in investment securities for sale	(181)	294
Increase (decrease) in trade payables	7	140
Decrease (increase) in deposits paid	262	36
Decrease (increase) in advance payments	1,016	(649)
Decrease (increase) in accounts receivable - other	(1,159)	1,585
Increase (decrease) in accounts payable-other	501	1,114
Increase (decrease) in contract liabilities	(257)	(89)
Decrease (increase) in distressed receivables	2	796
Other	469	1,219
Subtotal	8,851	13,189
Interest and dividends received	3	50
Interest paid	(141)	(173)
Income taxes paid	(3,036)	(2,717)
Net cash provided by (used in) operating activities	5,675	10,349

(Millions of yen)

	FY2/25 Mar. 1, 2024–Feb. 28, 2025	FY2/26 Mar. 1, 2025–Feb. 28, 2026
Cash flows from investing activities		
Purchase of property, plant and equipment	(360)	(459)
Proceeds from sale of property, plant and equipment	8	7
Purchase of intangible assets	(670)	(625)
Purchase of investment securities	(69)	(70)
Purchase of golf club membership	–	(3)
Payments for investments in capital	(231)	(197)
Proceeds from divestments	117	111
Loan advances	(170)	(74)
Proceeds from collection of loans receivable	53	75
Payments for acquisition of businesses	–	(50)
Proceeds from sale of shares of affiliates	–	578
Payments of leasehold and guarantee deposits	(72)	(554)
Proceeds from refund of leasehold and guarantee deposits	68	107
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(271)	(1,903)
Expenditure from sale of shares of subsidiaries resulting in change in scope of consolidation	(2)	(386)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	121	292
Net cash provided by (used in) investing activities	(1,478)	(3,149)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	276	535
Proceeds from long-term borrowings	645	–
Repayments of long-term borrowings	(2,040)	(1,879)
Redemption of bonds	(88)	(10)
Proceeds from issuance of shares	11	7
Proceeds from share issuance to non-controlling shareholders	24	155
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(0)	(9)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	–	989
Purchase of treasury shares of subsidiaries	(0)	(1)
Repayments of lease obligations	(224)	(236)
Dividends paid	(1,359)	(1,498)
Dividends paid to non-controlling interests	–	(144)
Amount of distribution paid to investment business members	(146)	–
Net cash provided by (used in) financing activities	(2,901)	(2,092)
Effect of exchange rate change on cash and cash equivalents	9	41
Net increase (decrease) in cash and cash equivalents	1,305	5,148
Cash and cash equivalents at beginning of period	15,820	17,125
Cash and cash equivalents at end of period	17,125	22,273

(5) Notes to Consolidated Financial Statements

Notes on Going Concern Assumption

Not applicable.

Notes on Changes in Accounting Policies

Application of the Accounting Standard for Current Income Taxes

The Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereinafter the “2022 Revised Accounting Standard”) has been applied as of the beginning of FY2/26.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”). There is no impact from this change in accounting policies on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the 2022 Revised Implementation Guidance has been adopted from the beginning of FY2/26. There is no impact from this change in accounting policies on the consolidated financial statements.

Notes on Segment and Other information

Segment information

1. Overview of reportable segments

The VECTOR Group is comprised of five reportable segments: PR and Advertising, Press Release Distribution, Direct Marketing, HR, and Investment. The reportable segments represent distinct components of the Group for which financial information is accessible. They are subject to regular review by the Board of Directors, who use this information to make decisions regarding resource allocation and to evaluate performance.

The PR and Advertising segment designs and executes communication strategies with PR perspectives at the core of marketing activities, which it calls "Strategic PR," and also operates advertising sales through IoT signage services utilizing tablets installed in taxis. These services are provided to clients through group companies. In addition, the Company is generating synergies in the short-form video domain, which represents a new solution. Further, VECTOR conducts business both in Japan and overseas.

The Press Release Distribution business operates "PR Times," Japan's top press release distribution platform, which connects companies and consumers by distributing information about products and services through such press releases.

The Direct Marketing segment develops and sells health and beauty-related products and services through the internet via its direct-to-consumer (D2C) business, and conducts wholesale sales through various e-commerce malls, TV shopping channels, and drugstores.

The HR segment operates human resources business that provide recruitment support and video recruitment marketing using a next-generation short video recruitment platform.

The Investment segment develops investment operations aimed at supporting the growth of startups.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting treatment of reportable segments conforms to the accounting policies adopted in preparing the consolidated financial statements.

The profit of the reportable segments is based on operating profit.

Inter-segment sales and transfers are determined based on market prices.

3. Information related to net sales, profit or loss, assets, liabilities, and other items for each reportable segment, and breakdown of revenue

FY2/25 (Mar. 1, 2024–Feb. 28, 2025)

(Millions of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment			
Net sales								
Revenue from contracts with customers	32,366	7,879	13,518	2,949	—	56,714	—	56,714
Other revenue	—	—	—	—	2,540	2,540	—	2,540
External sales	32,366	7,879	13,518	2,949	2,540	59,254	—	59,254
Inter-segment sales and transfers	126	123	2	27	—	280	(280)	—
Total	32,493	8,003	13,520	2,977	2,540	59,535	(280)	59,254
Segment profit	3,636	1,877	747	74	1,694	8,029	(0)	8,029
Segment profit	20,974	8,211	6,239	3,767	3,691	42,884	(3)	42,881
Segment profit	13,597	1,336	3,188	2,916	507	21,547	(3)	21,544
Other items								
Depreciation	450	134	35	50	—	671	—	671
Investment in entities accounted for by equity method	300	13	—	—	—	314	—	314
Increase in property, plant and equipment and intangible assets	(603)	(33)	31	226	—	(378)	—	(378)

Notes: 1. The (0) million yen adjustment to segment profit is the elimination of inter-segment transactions.

Additionally, the (3) million yen adjustment to segment assets and liabilities is the result of offsetting inter-segment receivables and payables.

2. Segment profit is adjusted to be consistent with operating profit in the consolidated financial statements.

FY2/26 (Mar. 1, 2025–Feb. 28, 2026)

(Millions of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment			
Net sales								
Revenue from contracts with customers	34,750	9,425	16,348	2,980	—	63,505	—	63,505
Other revenue	—	—	—	—	288	288	—	288
External sales	34,750	9,425	16,348	2,980	288	63,794	—	63,794
Inter-segment sales and transfers	120	120	1	9	—	252	(252)	—
Total	34,870	9,546	16,350	2,990	288	64,046	(252)	63,794
Segment profit (loss)	4,898	3,622	1,137	(23)	(518)	9,116	0	9,116
Segment assets	24,543	11,554	7,684	1,660	1,889	47,333	(39)	47,293
Segment liabilities	13,940	2,308	3,658	241	43	20,191	(39)	20,152
Other items								
Depreciation	490	218	35	115	—	859	—	859
Investment in entities accounted for by equity method	—	13	—	59	—	73	—	73
Increase in property, plant and equipment and intangible assets	707	35	16	325	—	1,084	—	1,084

Notes: 1. The 0 million yen adjustment to segment profit or loss is the elimination of inter-segment transactions. Additionally, the (39) million yen adjustment to segment assets and liabilities is the result of offsetting inter-segment receivables and payables.

2. Segment profit (loss) is adjusted to be consistent with operating profit in the consolidated statement of income.

Related information**FY2/25 (Mar. 1, 2024-Feb. 28, 2025)****1. Information by product or service**

This information is omitted because the same information is presented in “Segment information.”

2. Information by region**(1) Net sales**

This information is omitted since external sales in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan accounted for more than 90% of property, plant and equipment in the consolidated balance sheet.

3. Information by major client

This information is omitted because no specific external sales accounted for 10% or more of net sales in the consolidated statement of income.

FY2/26 (Mar. 1, 2025-Feb. 28, 2026)**1. Information by product or service**

This information is omitted because the same information is presented in “Segment information.”

2. Information by region**(1) Net sales**

This information is omitted since external sales in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

The amounts of property, plant and equipment located outside Japan are omitted as they are not material.

3. Information by major client

This information is omitted because no specific external sales accounted for 10% or more of net sales in the consolidated statement of income.

Information related to impairment losses on non-current assets for each reportable segment

FY2/25 (Mar. 1, 2024–Feb. 28, 2025)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Impairment loss	165	99	—	—	—	—	264

FY2/26 (Mar. 1, 2025–Feb. 28, 2026)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Impairment loss	364	—	22	1,498	—	—	1,885

Information related to amortization of goodwill and the unamortized balance for each reportable segment

FY2/25 (Mar. 1, 2024 - Feb. 28, 2025)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Amortization during the period	213	57	—	176	—	—	447
Balance at end of period	1,698	95	—	1,183	—	—	2,976

FY2/26 (Mar. 1, 2025 - Feb. 28, 2026)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Amortization during the period	382	30	—	169	—	—	583
Balance at end of period	2,677	64	—	114	—	—	2,856

Information related to gain on bargain purchase for each reportable segment

FY2/25 (Mar. 1, 2024 - Feb. 28, 2025)

Not applicable.

FY2/26 (Mar. 1, 2025 - Feb. 28, 2026)

Not applicable.

Notes on Per Share Information

	FY2/25 Mar. 1, 2024–Feb. 28, 2025	FY2/26 Mar. 1, 2025–Feb. 28, 2026
Net assets per share	¥361.16	¥450.66
Basic earnings per share	¥89.43	¥108.93

Note: 1. Diluted earnings per share has been omitted due to the absence of potential shares.

2. The basis for calculating net assets per share is as follows.

	FY2/25 As of Feb. 28, 2025	FY2/26 As of Feb. 28, 2026
Total net assets (millions of yen)	21,337	27,141
Deduction on total net assets (millions of yen)	4,397	6,003
(of which, share acquisition rights (millions of yen))	145	345
(of which, non-controlling interests (millions of yen))	4,251	5,657
Net assets applicable to common shares at year-end (millions of yen)	16,939	21,137
Number of common shares at year-end used in calculation of net assets per share	46,904,439	46,904,439

3. The basis for calculating earnings per share is as follows.

Item	FY2/25 Mar. 1, 2024–Feb. 28, 2025	FY2/26 Mar. 1, 2025–Feb. 28, 2026
Basic earnings per share		
Profit attributable to owners of parent (millions of yen)	4,195	5,109
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent applicable to common shares (millions of yen)	4,195	5,109
Average number of common shares during the period	46,906,648	46,904,439

Notes on Subsequent Events

Vitabrid Japan stock market listing and disposal of treasury stock

The Tokyo Stock Exchange approved the initial public offering of Vitabrid Japan Inc. ("Vitabrid Japan"), a consolidated subsidiary of the Company, on the Tokyo Stock Exchange Growth Market, and the stock was subsequently listed on April 2, 2026. In connection with the stock listing, Vitabrid Japan disposed of treasury stock via a public offering.

1. Purpose of listing

VECTOR believes that Vitabrid Japan's development as a listed company will contribute to enhancing its recognition and social credibility, securing talented personnel, and maintaining and improving the motivation of its officers and employees as a top-tier listed company within the industry. Additionally, by conducting agile business operations under an independent management structure as a listed company, it will secure opportunities to strengthen its business and accelerate its growth while further enhancing its competitive advantage within the industry, ultimately leading to the reinforcement of competitive advantages for the entire VECTOR Group including Vitabrid Japan

2. Overview of Vitabrid Japan

(1) Company name	Vitabrid Japan Inc.
(2) Location of head office	5-3-1 Akasaka, Minato-ku, Tokyo
(3) Date of establishment	April 2014
(4) Representative	Hiroshi Otsuka, Representative Director and CEO
(5) Capital stock	¥105 million (as of February 28, 2026)
(6) Business description	Wellness care-related product planning, development, and direct-to-consumer (D2C) sales

3. Outline of initial and secondary offering of Vitabrid Japan shares

- (1) Initial public offering (disposal of treasury stock): 1,640,000 shares
- (2) Overallotment (see Note): 246,000 shares (maximum)
- (3) Settlement date: April 2, 2026
- (4) Offering price: ¥1,370 per share
- (5) Underwriting price: ¥1,260.40 per share
- (6) Issue price: ¥1,096.50 per share
- (7) Total issue amount: ¥1,798.26 million
- (8) Payment date: April 1, 2026

Note: As part of this firm commitment underwritten offering, SBI Securities Co., Ltd. may, depending on demand conditions, conduct a secondary offering through overallotment, borrowing up to 246,000 Vitabrid Japan shares from VECTOR. In connection with this, VECTOR has agreed to grant SBI Securities the right to receive an allocation of shares in a third-party allotment to be conducted by Vitabrid Japan (a greenshoe option), in order to return the shares borrowed for the overallotment.

4. Impact on consolidated financial statements

The stock offering and sale had no impact on consolidated earnings for FY2/26. From FY2/27, VECTOR's ownership ratio in Vitabrid Japan is expected to decrease from 95.4% before the listing to 66.5% (see Note) due to the disposal of treasury stock through the public offering. As a result, Vitabrid Japan's contribution to VECTOR's profit attributable to owners of parent in the consolidated financial statements is expected to decrease in proportion to the reduction in ownership. However, no gains on the sale will be recorded in the consolidated income statement as a result of this transaction.

Note: If the overallotment offering is conducted in full and the greenshoe option is fully exercised, the percentage will fall to 63.6%.