

VECTOR INC.

## Financial Results — FY '24



April 12, 2024

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# FY '24 Results

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Net Sales

59,210 million JPY  
(107.2% YoY)

Gross Profit

37,670 million JPY  
(107.2% YoY)

EBITDA\*

7,990 million JPY  
(114.0% YoY)

Operating Profit

6,930 million JPY  
(110.6% YoY)

Ordinary Income

6,870 million JPY  
(103.7% YoY)

Profit

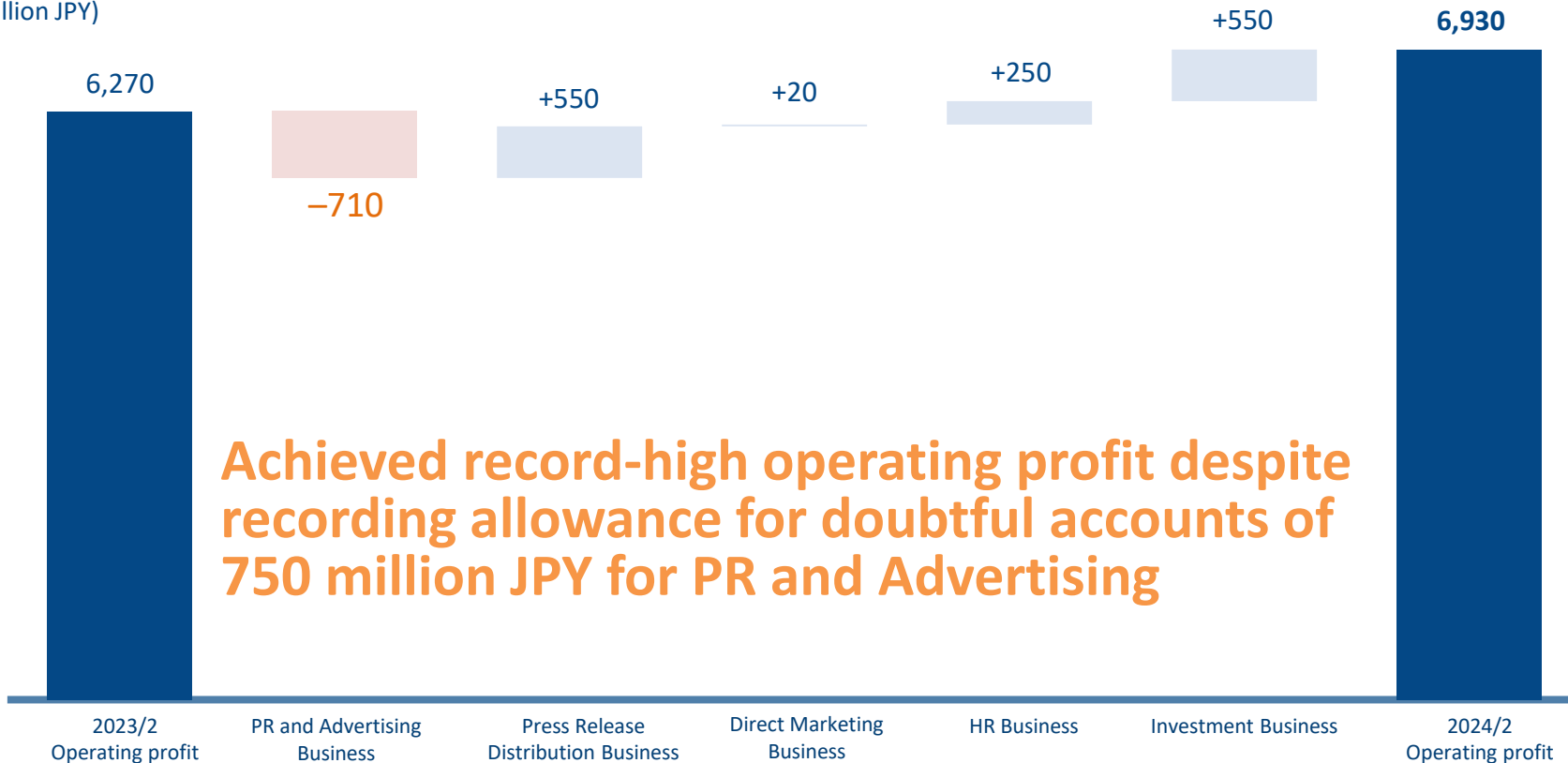
Attributable to Owners of Parent

4,680 million JPY  
(147.7% YoY)

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

# Operating Profit (YoY Trend)

(million JPY)



**Achieved record-high operating profit despite recording allowance for doubtful accounts of 750 million JPY for PR and Advertising**

# FY '24 Highlights

## Consolidated Performance

### Net Sales

59,210 million JPY  
(107.2% YoY)

### Operating Profit

6,930 million JPY  
(110.6% YoY)

### FY '24 Business Overview

- Achieved record-high net sales and operating profit
- Although the PR business in Japan continued to perform well, profits in PR and Advertising decreased after recording 750 million JPY allowance for doubtful accounts
- Net sales of Press Releases hit a record high
- In Investment, sale of shares exceeded loss on valuation of securities, contributing to profit
  
- **Achieved record-high net sales** helped by improved sales per customer in projects for major companies
- Significant decrease in profit due to recording allowance for doubtful accounts
- Acquired Owned, Company and Tryhatch, Inc. to expand services in the digital domain
  
- **Achieved record-high net sales**
- Number of user companies surpassed 94,000
- Promoted use of PR TIMES and made advertising investments toward new business as planned
- Strengthened peripheral businesses through aggressive M&A

## PR and Advertising

34,590 million JPY  
(109.6% YoY)

2,760 million JPY  
(79.4% YoY)

## Press Releases (PR TIMES)

6,830 million JPY  
(119.8% YoY)

1,740 million JPY  
(146.7% YoY)

Note: The Video Release and Media CMS segments have been integrated into the PR and Advertising segment as of 1Q FY2024.

Direct Marketing

Net Sales  
**12,910** million JPY  
 (87.9% YoY)

Operating Profit  
**1,000** million JPY  
 (102.2% YoY)

- FY '24 Business Overview
- **Secured profits in 2H according to initial target**
  - Achieved record-high operating profit, surpassing 1 billion JPY
  - Terminalia First continued to perform well
  - Transferred some shares of subsidiary Direct Tech, Inc.

HR

**2,780** million JPY  
 (116.2% YoY)

**90** million JPY  
 (Up 250 million JPY YoY)

- ASHITA-TEAM achieved **surplus of 280 million JPY** despite investing in advertising, by continuing sales strategy revisions and strengthening its sales structure
- Established business foundation for JOBTV via M&A while making up-front investments, shrinking the operating loss

Investment

**2,450** million JPY  
 (153.6% YoY)

**1,320** million JPY  
 (171.0% YoY)

- **Secured profits in 2H according to initial target**
- Achieved record-high operating profit, bolstered by gain on sale of shares held, despite recording valuation loss for some investees
- Released Venture TV

Note: JOBTV, which was included in PR and Advertising, has been transferred to HR as of 1Q FY2024.

## Review of Profit Plan by Segment

Full-Year Financial Forecast for FY '24 (million JPY)	FY '24 (Targets)	FY '24 (Results)	Achievement Rate
Net sales	57,000	59,212	103.9%
Operating profit	6,505	6,939	106.7%
Ordinary income	6,505	6,871	105.6%
Profit attributable to owners of parent	4,570	4,684	102.5%

In FY2024, we recorded allowance for doubtful accounts of 755 million JPY as a one-off cost in 2Q and the sale of two subsidiaries, SIGNAL and Direct Tech, in 3Q, but all segments performed almost as expected and remained profitable. Record-highs were achieved for all items according to the financial forecasts.



## Review of Profit Plan by Segment

	Profit Plan by Segment (million JPY)	FY '24 (Targets)	FY '24 (Results)	Achievement Rate
Operating Profit	Consolidated	6,505	6,939	106.7%
	PR and Advertising	3,089	2,763	89.5%
	Press Releases	1,500	1,746	116.4%
	Direct Marketing	974	1,006	103.3%
	HR	100	97	96.8%
	Investment	842	1,326	157.5%

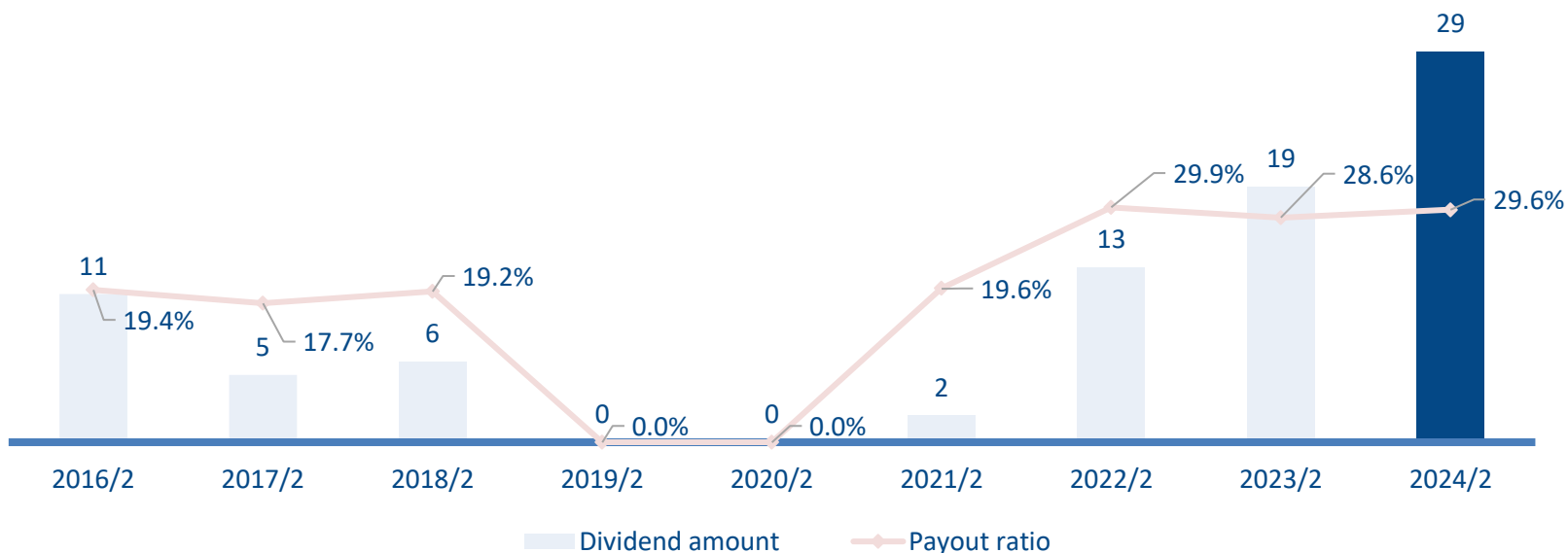
Although the mainstay PR and Advertising business performed well in Japan, the target was not achieved due to overseas business losses and new business investments. However, the Press Release and Investment businesses significantly exceeded the targets, and the HR business, although not achieving its target, turned profitable from FY2023, allowing us to secure profitability in all segments. Thus, we achieved the full-year financial forecasts.

## Shareholder Return Measures (Dividends)

In FY2024, we increased the dividend by 10 JPY from 19 JPY in FY2023, providing a **29 JPY dividend** to shareholders.

As we expect to secure a final profit in FY2025 and onward, we will continue to pay dividends with the target **consolidated payout ratio of 30%**.

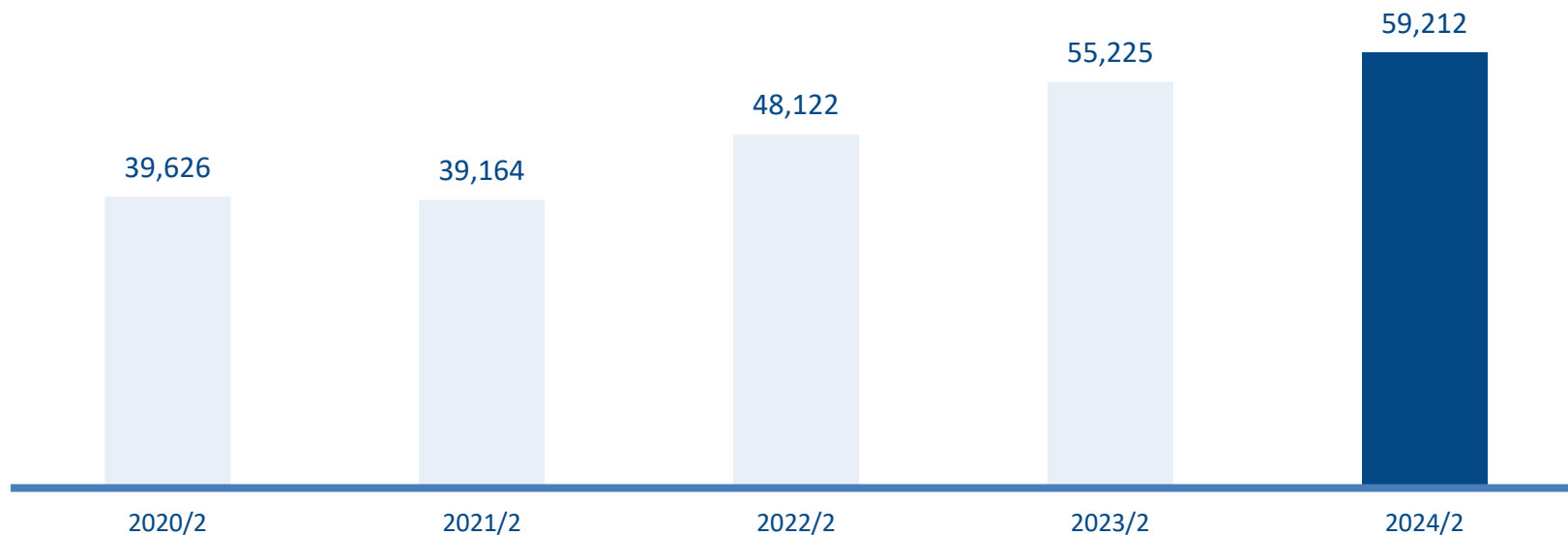
(JPY)



## Consolidated Net Sales (Full-Year Trend)

Consolidated net sales for FY2024 amounted to a **record high** of 59,212 million JPY (107.2% YoY).

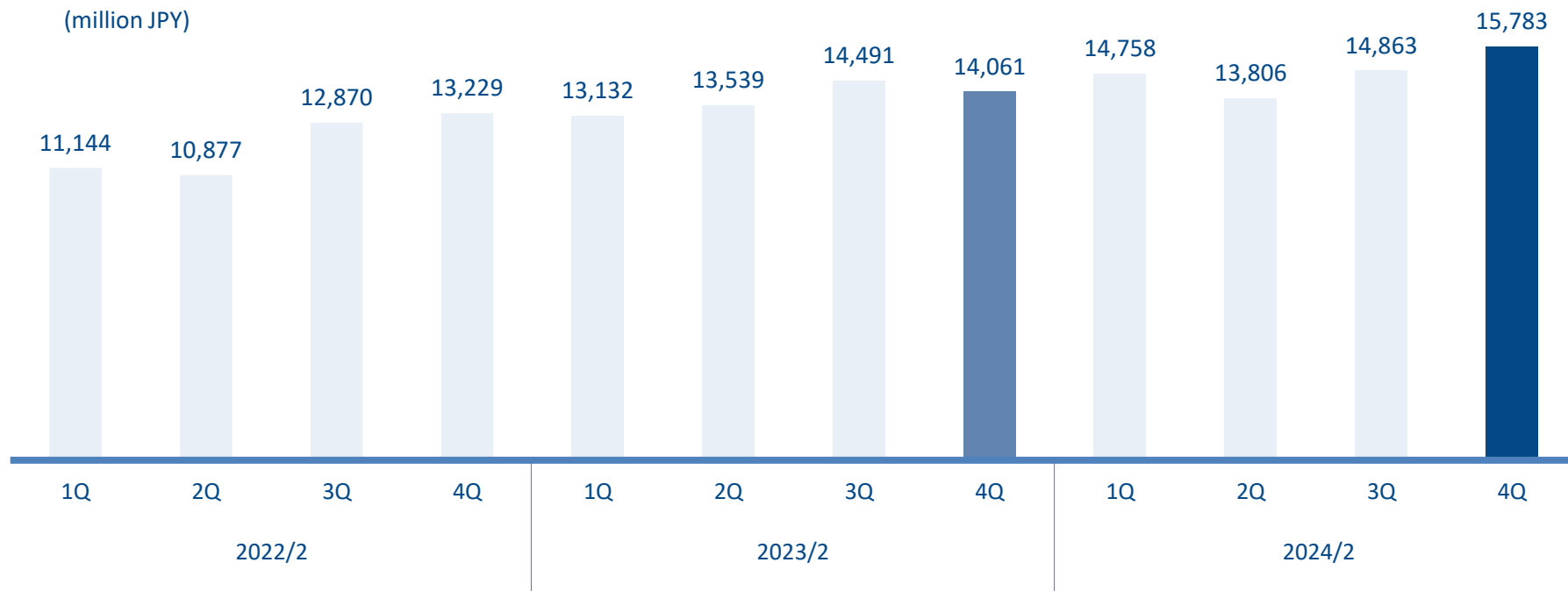
(million JPY)



Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

# Consolidated Net Sales

Consolidated net sales for 4Q FY2024 came in at **15,783** million JPY (**112.2%** YoY), the **highest ever** for 4Q.

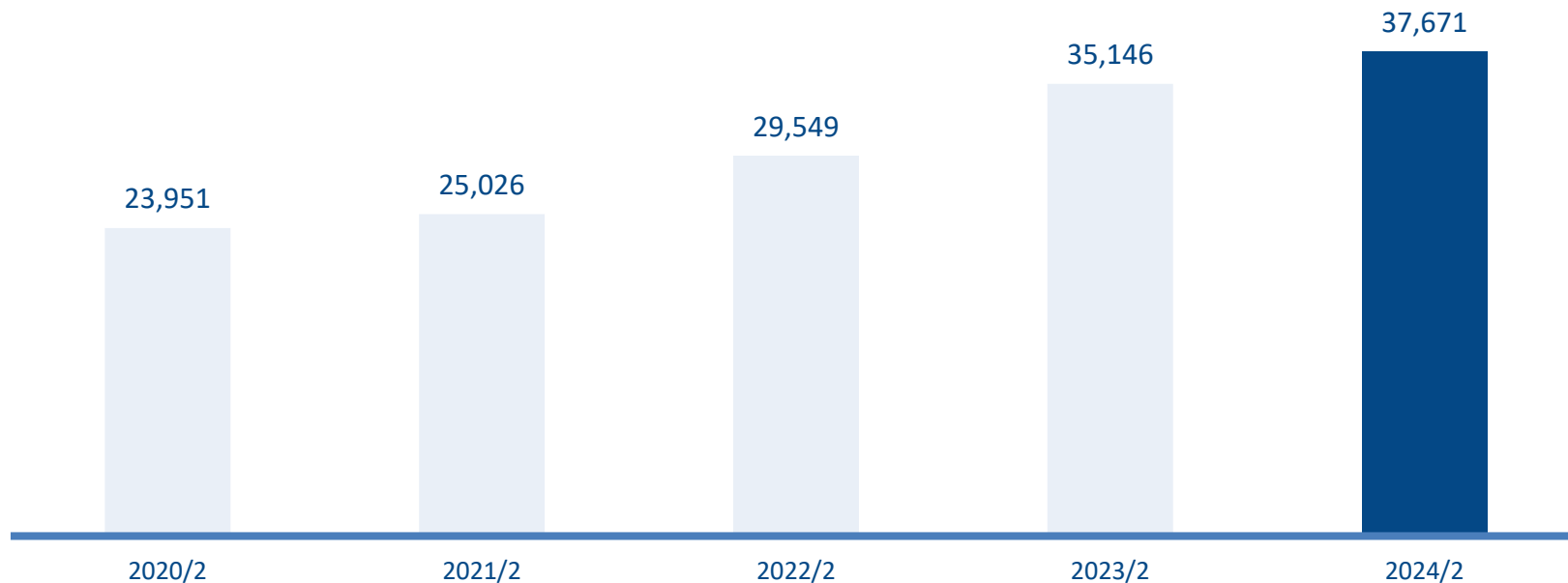


Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

## Consolidated Gross Profit (Full-Year Trend)

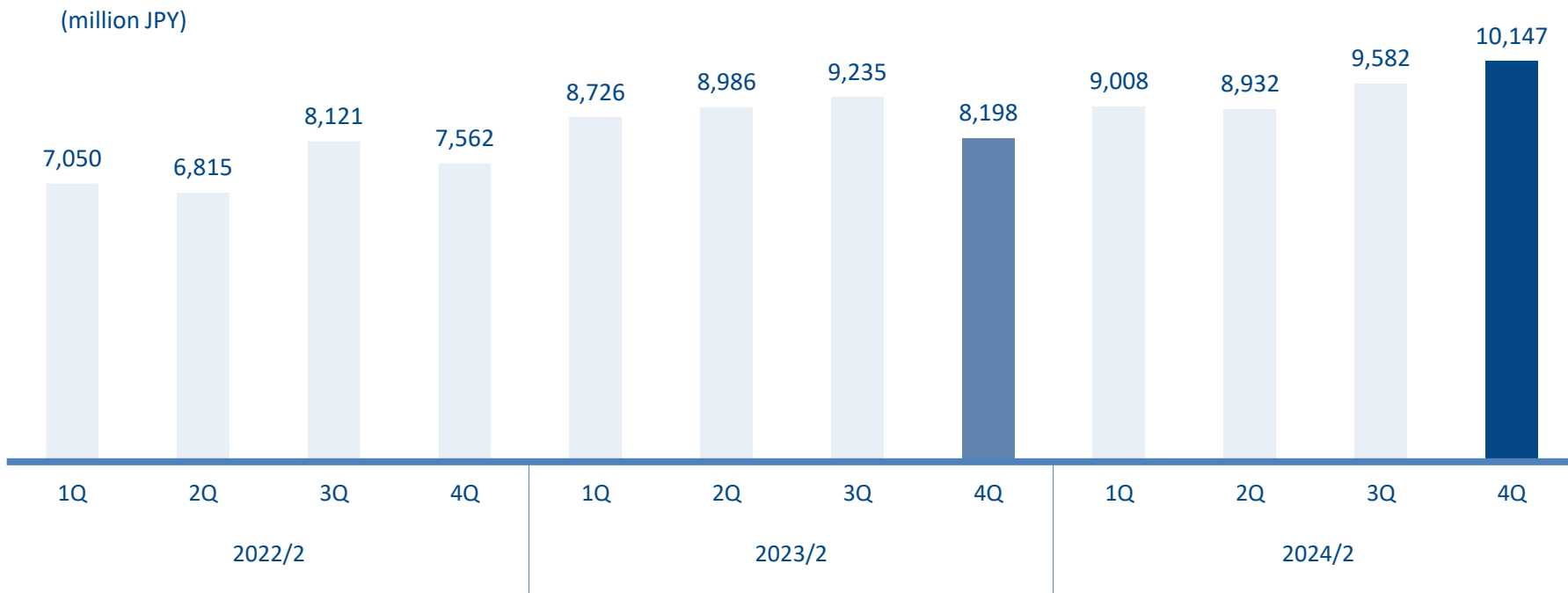
Consolidated gross profit for FY2024 came in at a **record high** of 37,671 million JPY (107.2% YoY).

(million JPY)

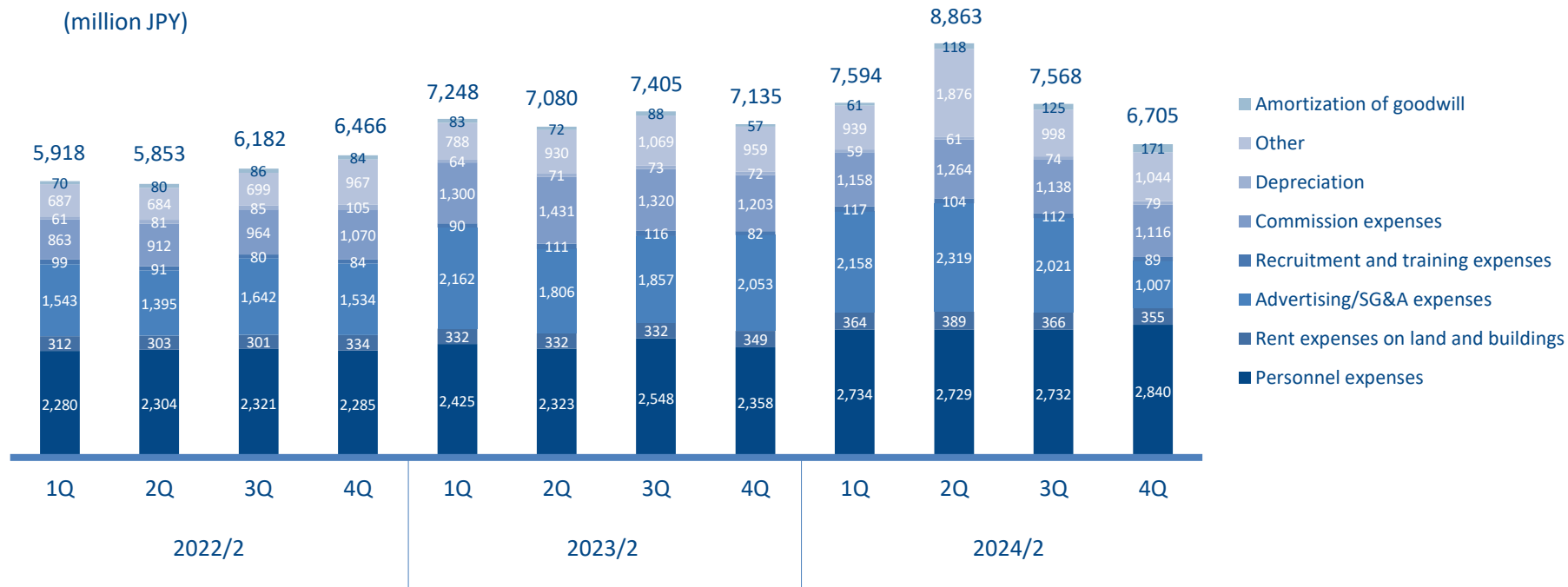


# Consolidated Gross Profit

Consolidated gross profit for 4Q FY2024 **surpassed 10,000 million JPY**, coming in at **10,147** million JPY (**123.8%** YoY), the **highest ever** for 4Q.

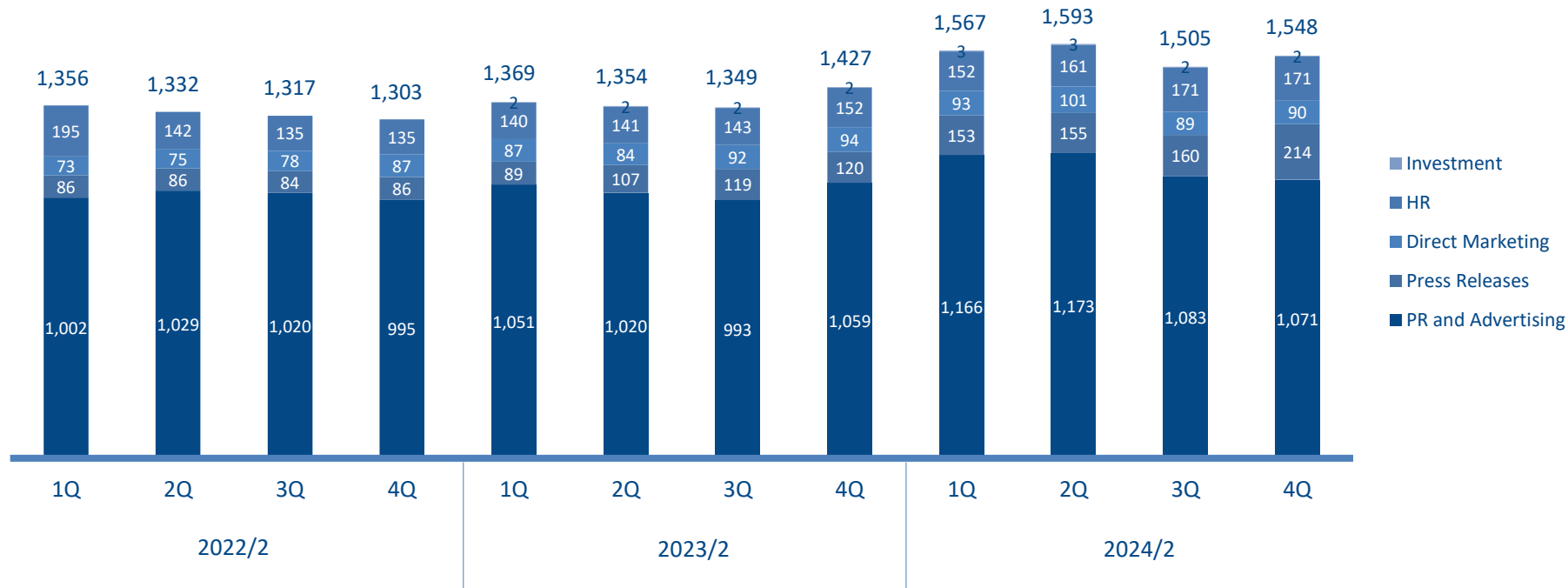


SG&A for 4Q FY2024 amounted to **6,705** million JPY (94.0% YoY) due to an increase in advertising and sales promotion expenses.



# Consolidated Number of Employees (Quarterly Trend)

Consolidated number of employees as of the end of FY2024 came to **1,548** people due to an increase in the Press Release business as a result of M&A.



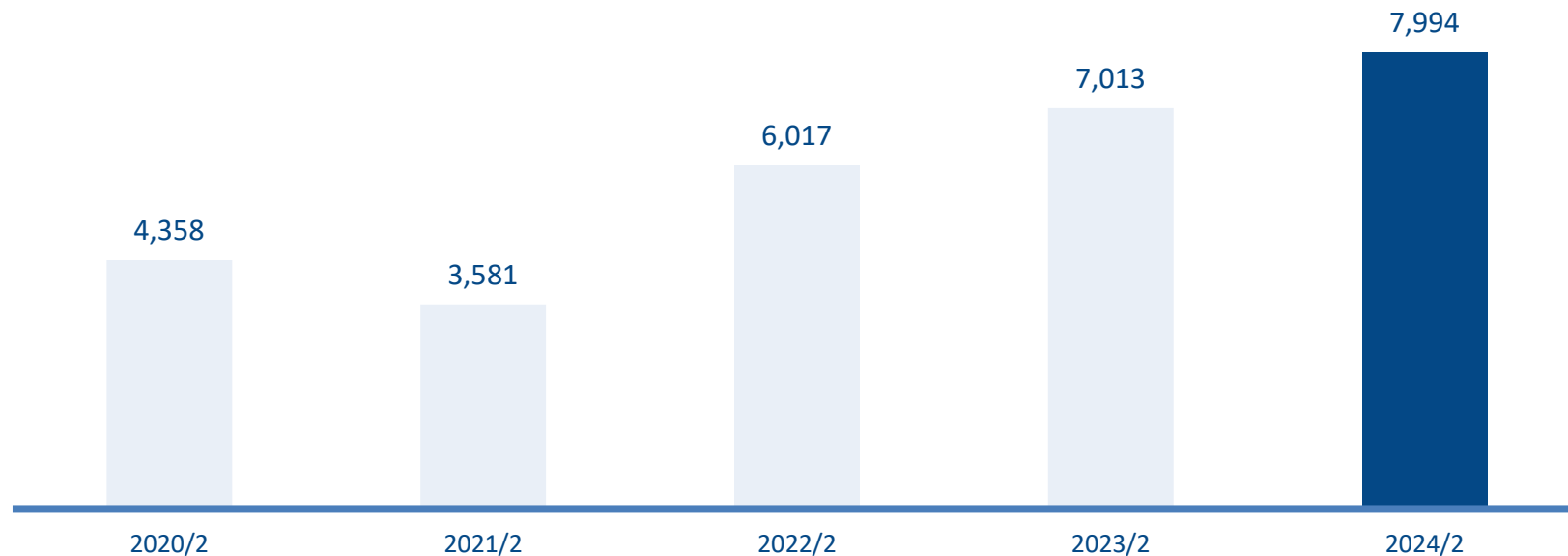
Note: Due to segment changes, figures for FY2023 and earlier have been reclassified to figures after the segment changes



## EBITDA\* (Full-Year Trend)

EBITDA for FY2024 came in at a **record high** of 7,994 million JPY (114.0% YoY).

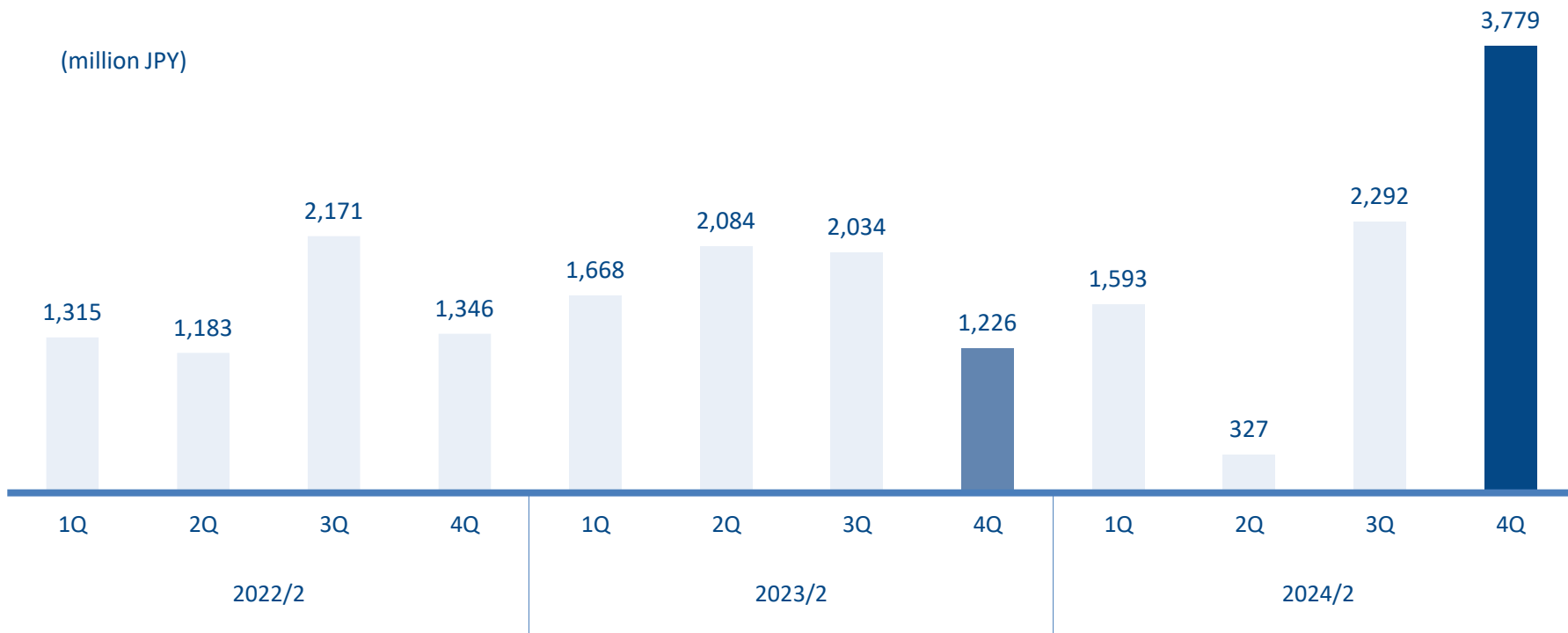
(million JPY)



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

## EBITDA\* (Quarterly Trend)

EBITDA for 4Q FY2024 came in at a **record high** of 3,779 million JPY (308.2% YoY) due to an increase in operating profit.

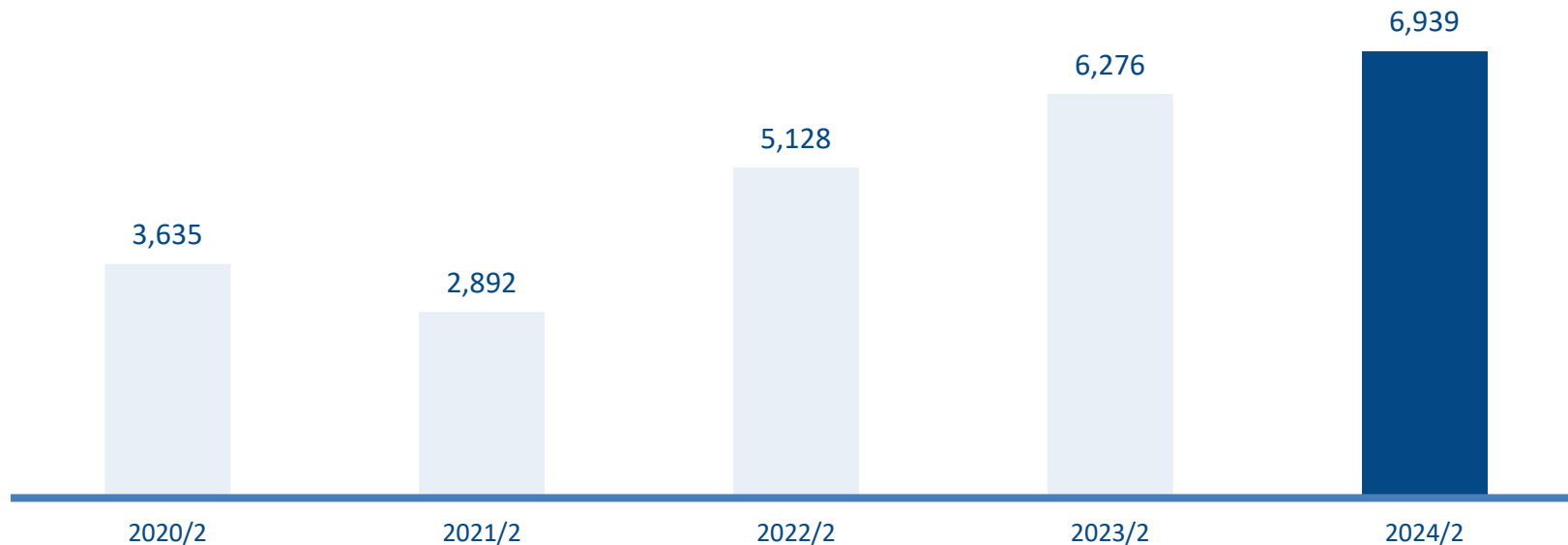


\* EBITDA = Operating profit + Depreciation + Amortization of goodwill

## Consolidated Operating Profit (Full-Year Trend)

Consolidated operating profit for FY2024 amounted to a **record high** of **6,939** million JPY (**110.6%** YoY).

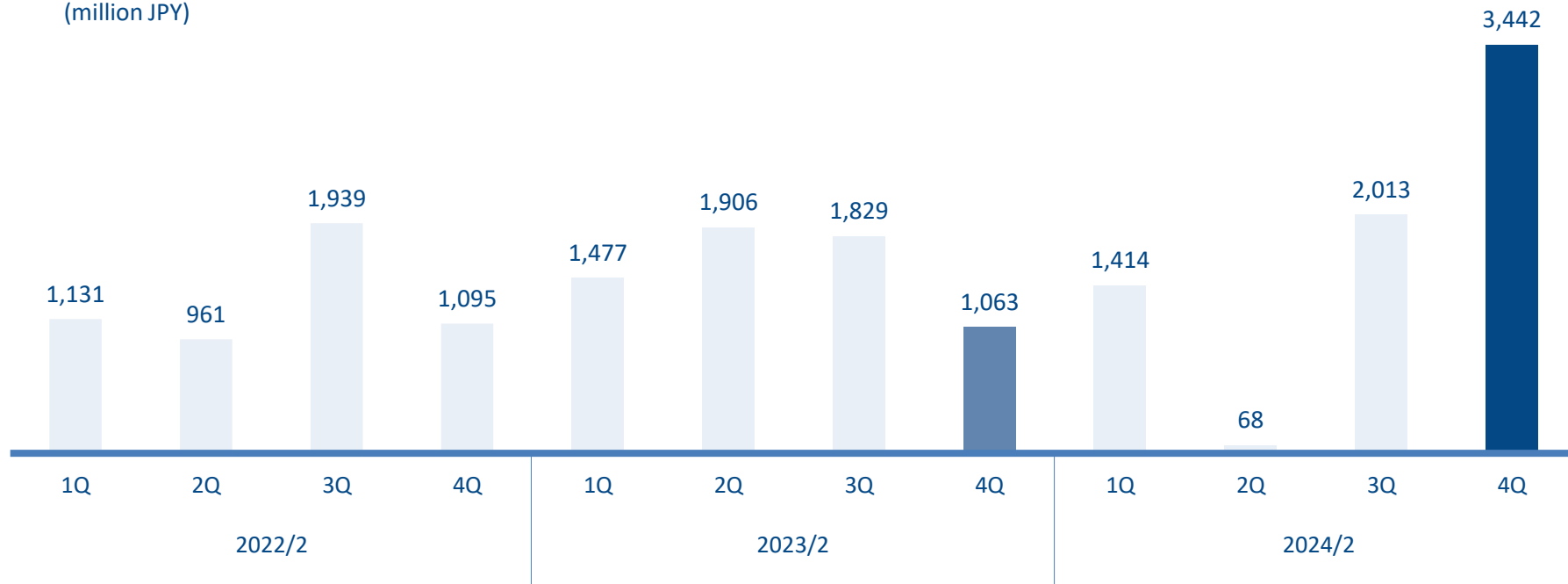
(million JPY)



# Consolidated Operating Profit

Consolidated operating profit for 4Q FY2024 came in at a **record high** of **3,442** million JPY (323.8% YoY), **breaking past the 3,000 million mark**.

(million JPY)



# Operating Profit (By Segment)



**All segments profitable, with operating profit reaching a record high**

- (1) Mainstay PR and Advertising remained steady, contributing to profits
- (2) Direct Marketing secured a profit as planned
- (3) Investment secured a profit as planned thanks to gain on sales

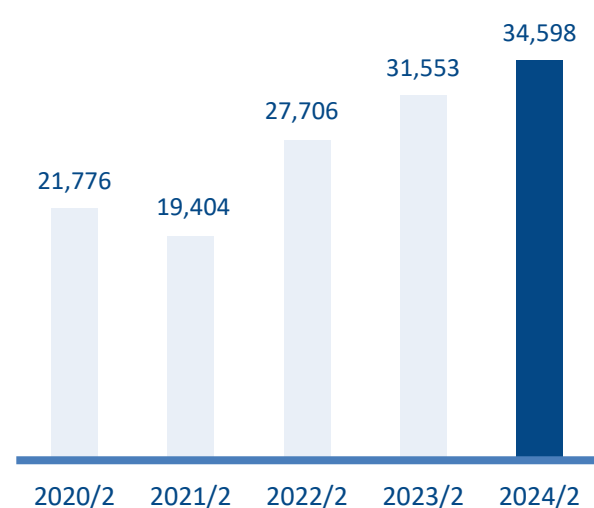
## PR and Advertising Business (Full-Year Trend)

In FY2024, the PR business in Japan strongly drove performance, leading to **record-high** net sales and gross profit.

In FY2024, operating profit was down due to the allowance for doubtful accounts recorded in 2Q, but excluding this, it was at a record high.

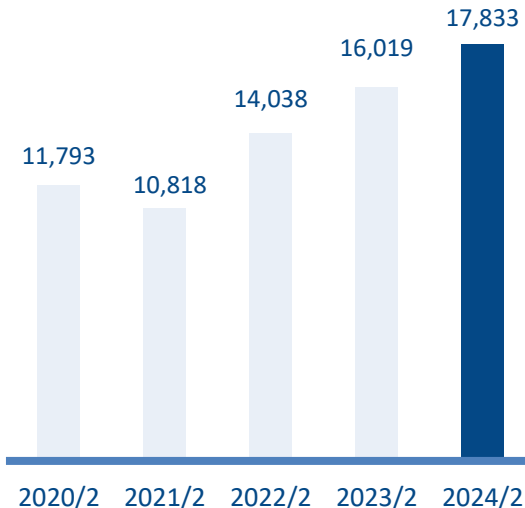
### Net Sales (million JPY)

34,598 million JPY (109.6% YoY)



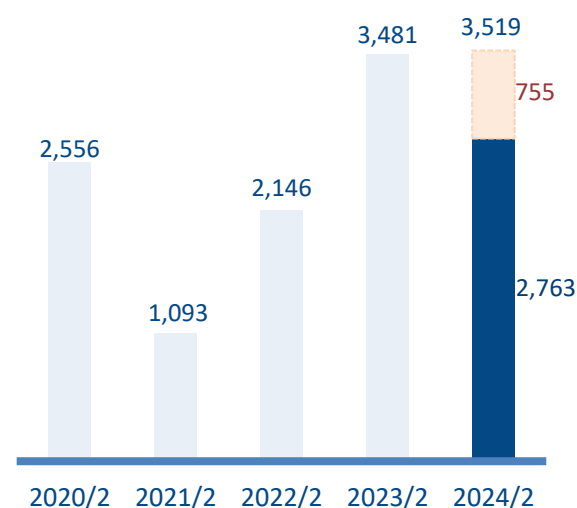
### Gross Profit (million JPY)

17,833 million JPY (111.3% YoY)




### Operating Profit (million JPY)

2,763 million JPY (79.4% YoY)



Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.

2. Due to segment changes, figures for FY2023 and earlier have been reclassified to figures after the segment changes.

 Amount recorded as allowance for doubtful accounts

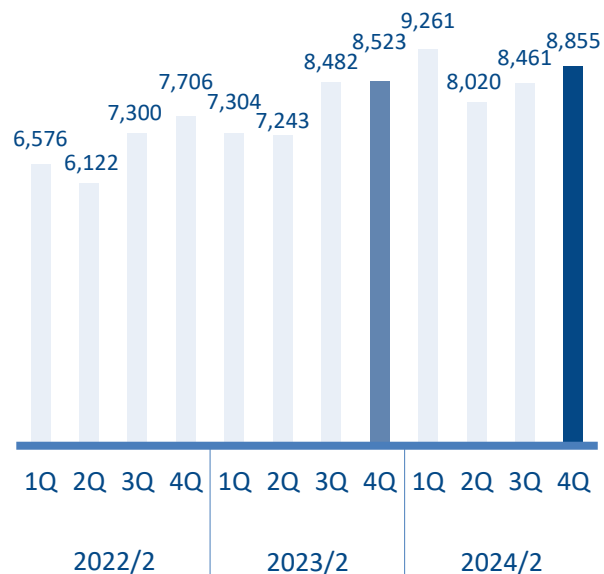
# PR and Advertising Business

Achieved record-high net sales in 4Q 2024, despite the sale of SIGNAL during the period.

In FY2025, we will aim to increase sales per customer by providing one-stop support for the communication strategies of major companies, our main customers.

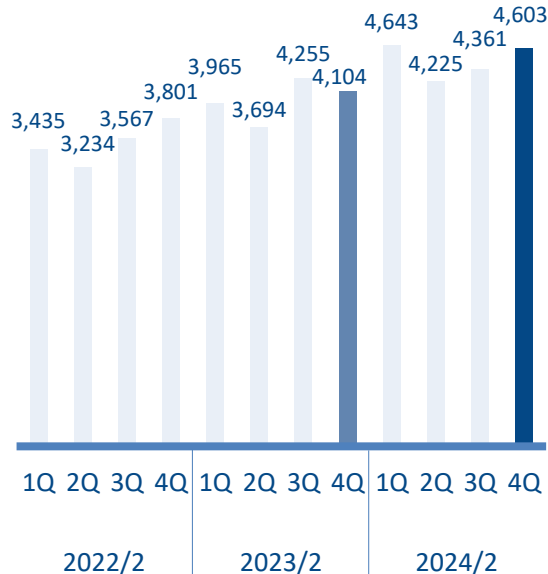
## Net Sales (million JPY)

8,855 million JPY (103.9% YoY)



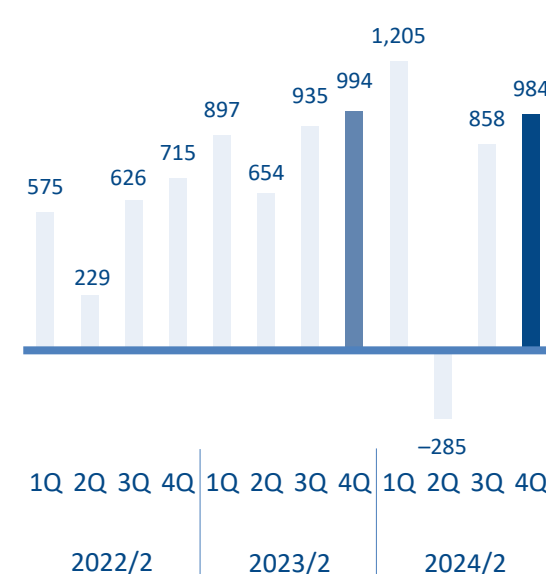
## Gross Profit (million JPY)

4,603 million JPY (112.2% YoY)



## Operating Profit/Loss (million JPY)

984 million JPY (99.0% YoY)



Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.

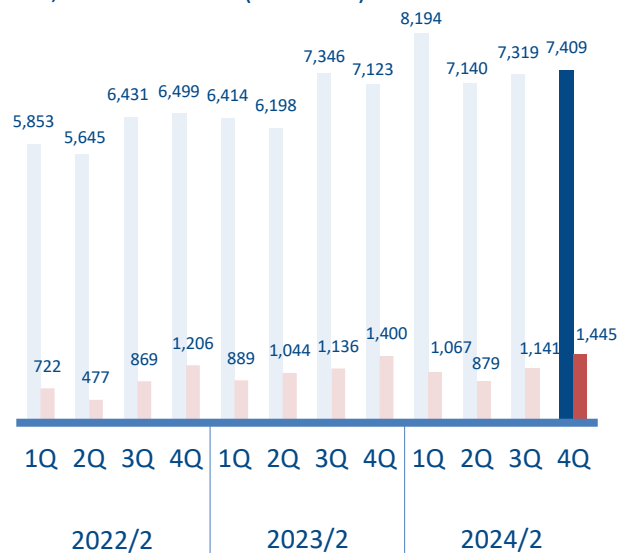
2. Due to segment changes, figures for FY2023 and earlier have been reclassified to figures after the segment changes

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

In 4Q FY2024, the overseas business turned profitable as expected, and together with the PR business in Japan, it secured a profit. The overseas business is on track to return to profitability in FY2025, and both the domestic and overseas businesses are expected to contribute to profits.

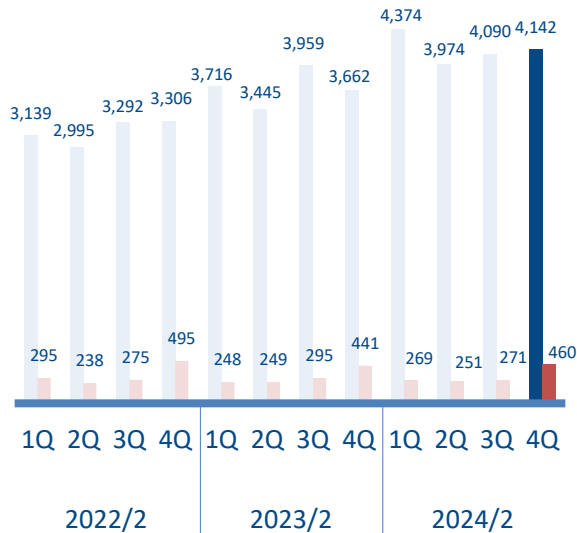
## Net Sales (million JPY)

7,409 million JPY (Japan) /  
1,445 million JPY (overseas)



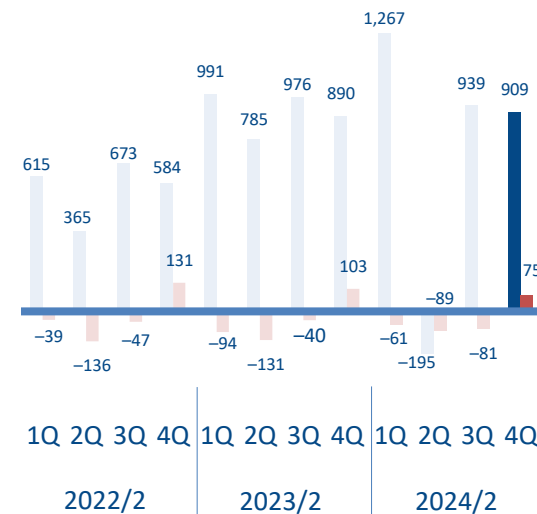
## Gross Profit (million JPY)

4,142 million JPY (Japan) /  
460 million JPY (overseas)



## Operating Profit/Loss (million JPY)

909 million JPY (Japan) /  
75 million JPY (overseas)





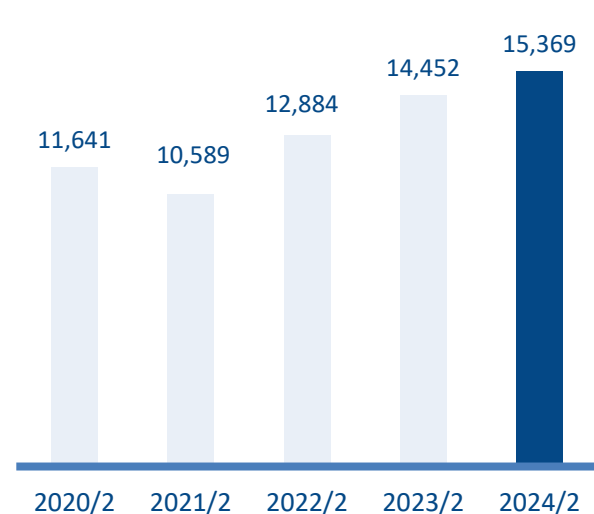
# Full-Year Trend in Strategic PR Business (ANTIL, PLATINUM, INITIAL)

In FY2024, sales per customer increased, resulting in **record-high** net sales and gross profit.

Operating profit has grown steadily since the COVID-19 pandemic in FY2021, reaching a **record high** in FY2024.

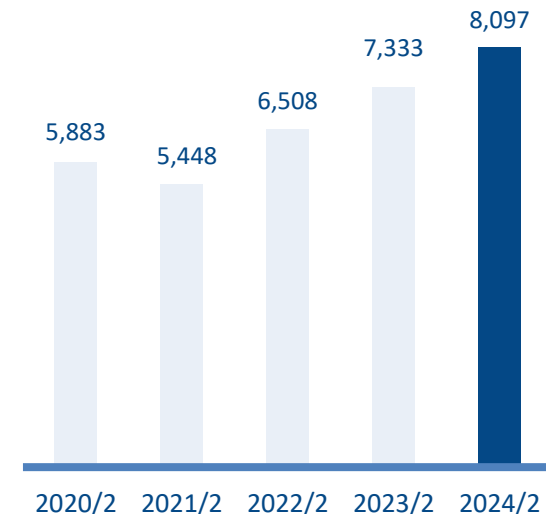
Net Sales (million JPY)

15,369 million JPY (106.3% YoY)



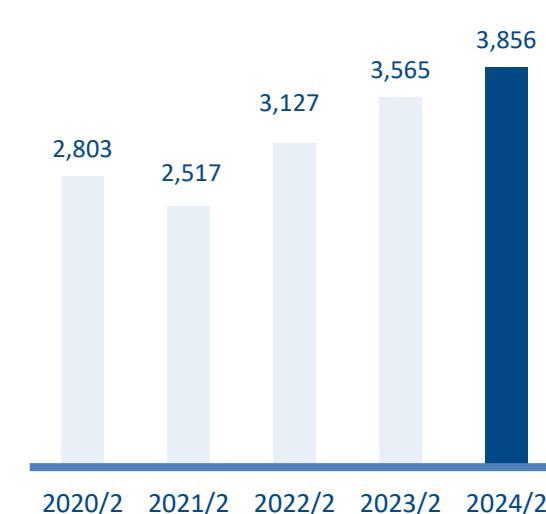
Gross Profit (million JPY)

8,097 million JPY (110.4% YoY)



Operating Profit (million JPY)

3,856 million JPY (108.2% YoY)



Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.

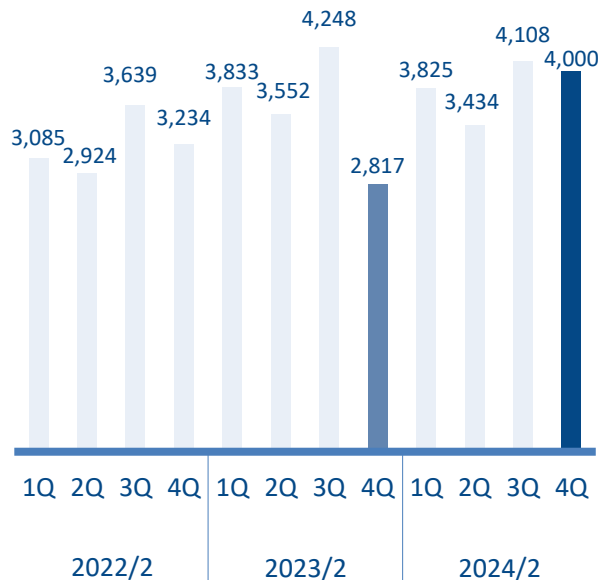
2. Royalties paid to VECTOR are added back to operating profit for calculation.

# Strategic PR Business (ANTIL, PLATINUM, INITIAL)

In 4Q FY2024, an increase in cross-selling projects on top of stable retainer revenue resulted in a substantial increase in sales and profits. In FY2025, we will aim to boost sales per customer by increasing the number of retainer agreements and proposing communication strategies based on strategic PR.

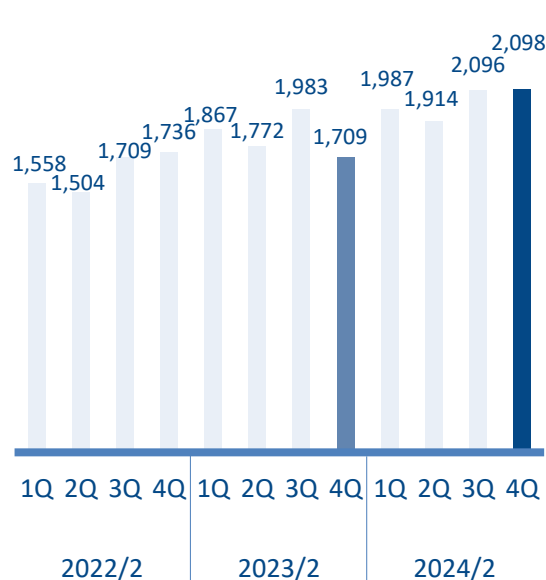
Net Sales (million JPY)

4,000 million JPY (142.0% YoY)



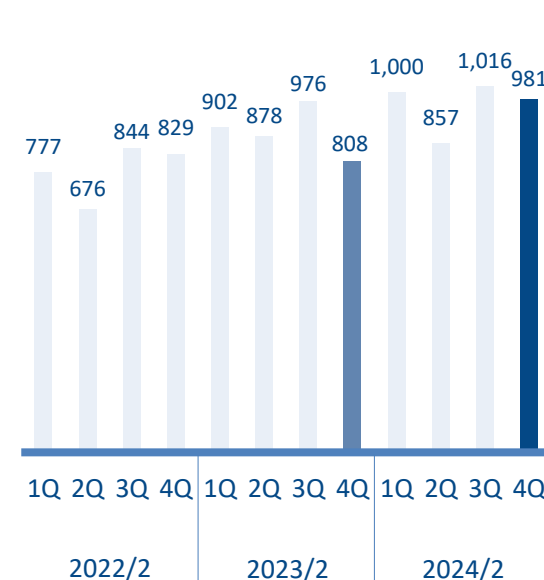
Gross Profit (million JPY)

2,098 million JPY (122.7% YoY)



Operating Profit/Loss (million JPY)

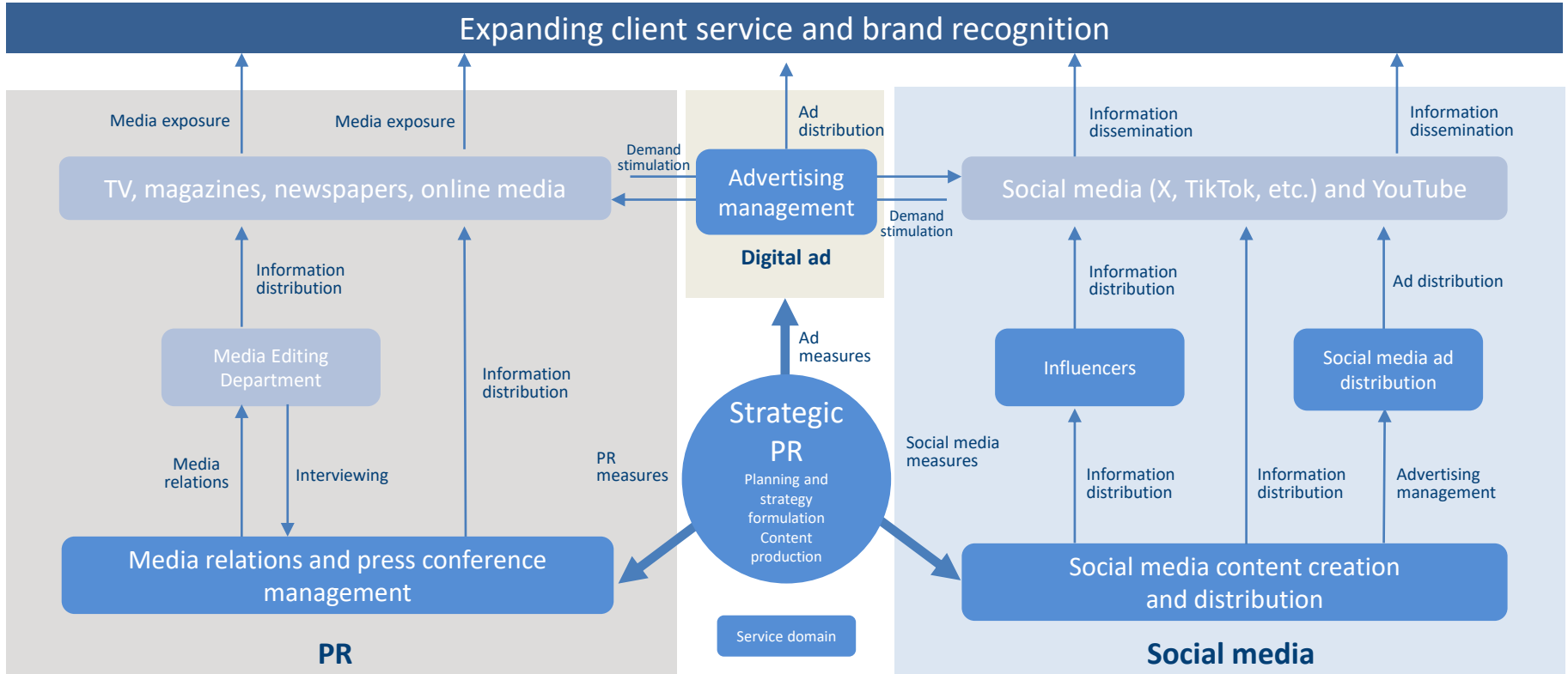
981 million JPY (121.5% YoY)



Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.  
2. Royalties paid to VECTOR are added back to operating profit for calculation.

# Flow of Communication Starting from PR

Integrated support for everything from PR measures to gain media exposure starting from strategic PR to influencer & social media measures and digital marketing



# Example of Large-Scale Communication That Leverages Group Synergies

We support integrated marketing communication for customers by leveraging Group synergies with strategic PR as the starting point. Large projects with high unit prices are increasing, triggered by our ability to provide a one-stop service covering everything from strategy building to lead acquisition.

## Example: Sun Frontier Fudousan “FRONTIER PITCH TOKYO for Startups”

### Overall communication strategy



Concept formulation/  
Planning and design

Communication design

Recognition → Understanding → Acquisition

PR      Flyers and videos      Landing page

For the startup support business of Sun Frontier Fudousan Co., Ltd., we designed integrated communication from a strategic PR perspective, utilizing the VECTOR Group's knowledge of startup support.

### Measures implemented

Increase awareness

Advertising (digital)

Content development

Landing page

Promote understanding

Increase awareness

PR

Events

Pitching events

Order acquisition

Responsible for the overall project concept development and the design, operation, customer attraction, and campaign secretariat for the pitching events of the project. Had many startups participate in the events.

# Example of Large-Scale Communication That Leverages Group Synergies

Designed communications utilizing the Group's commercial products, including video content production, distribution, and PR. Implemented a PDCA cycle with our unique sense of speed, contributing to the expansion of our clients' PR methods and accumulation of PR knowledge.

## Example: Japan Aerospace Exploration Agency (JAXA) "FY2023-FY2024 ISS Long-Duration Mission PR"

### Communication strategy

#### Establishment of theme for mission PR



#### Planning of communication measures

YouTube/project streaming

Vertical video

PR



Distributed information focusing on missions promoted by JAXA, such as expansion of Japanese Experiment Module (Kibo) utilization, promotion of private sector participation, significance of professional astronauts, and efforts for the Artemis Program, designing communication to foster a positive image of JAXA's credibility and technological capabilities.

### Measures implemented

#### Live streaming of ISS launch, arrival and return



#### Vertically oriented short videos



#### ISS communication event (YouTube streaming)



#### PR



Communicated the significance and key points of astronaut Satoshi Furukawa's ISS long-duration mission in an easy-to-understand manner from various angles through YouTube streaming events and vertically oriented short videos. In addition to those interested in space, the communication will also attract the recognition and interest of a wide range of target groups,

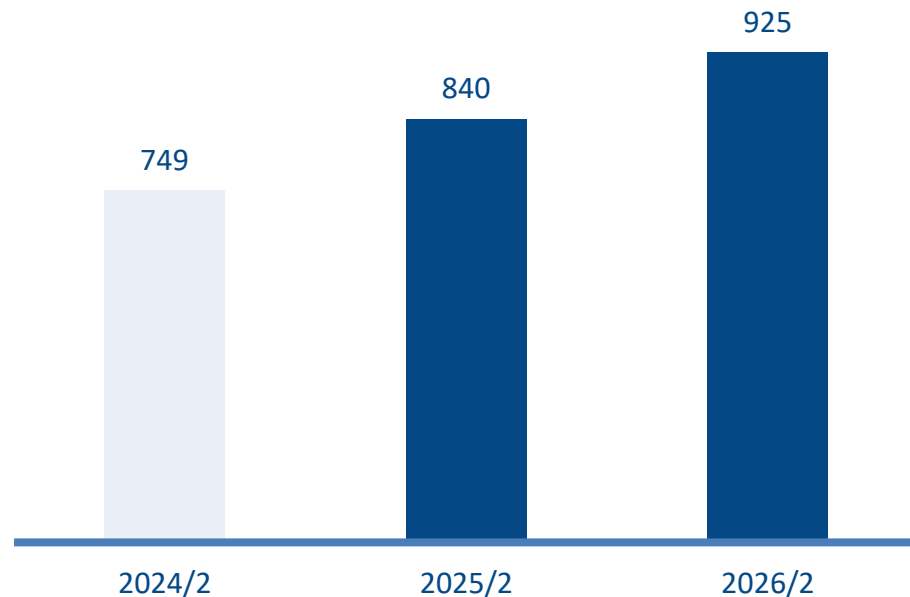
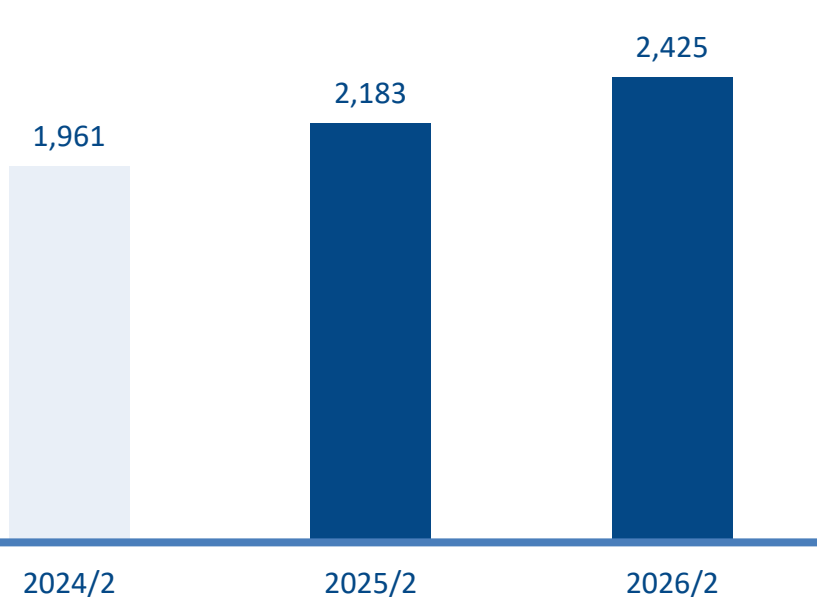
# Numerical Targets for Project and PR Retainer Agreement Acquisition

Added the number of projects to the number of PR retainer agreements as a KPI for the Strategic PR business starting in FY2025

In FY2024, we reached 1,961 projects and 749 PR retainer agreements

Number of projects\*1 (strategic PR subsidiaries only)

Number of PR retainer agreements\*2 (strategic PR subsidiaries only)



\*1 All projects, including PR retainer agreements and spot projects

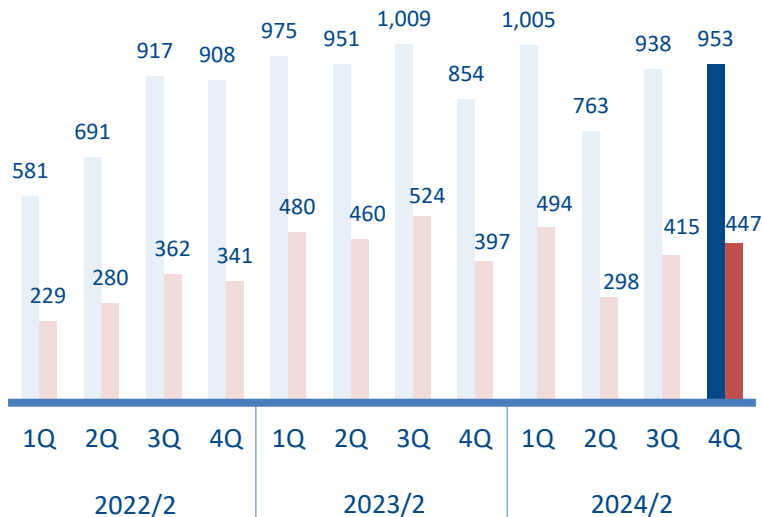
\*2 Agreements with a term of six or more months with monthly fees

# Taxi Signage

In 4Q FY2024, ad slot sales remained steady thanks to customer base expansion, resulting in increased sales and profits YoY. We will increase advertising value and expand the earnings base while strengthening services and proposal capabilities in FY2025.

Net Sales: 953 million JPY (111.6% YoY)

Gross Profit: 447 million JPY (112.5% YoY)



Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.



Digital signage has been installed for rear seat passengers in approx. 11,500 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.**

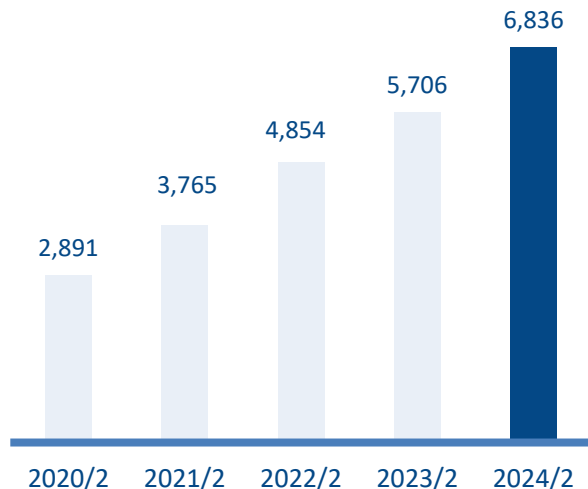
Roughly 40% of Tokyo's taxi users, who mainly consist of business people, have been covered, with video advertisements and media content reaching around 7.7 million people.

## Press Release Distribution Business (Full-Year Trend)

In FY2024, the number of user companies increased, resulting in **record-high** net sales and gross profit. Operating profit was up significantly despite aggressive investment in TV commercials and other advertising.

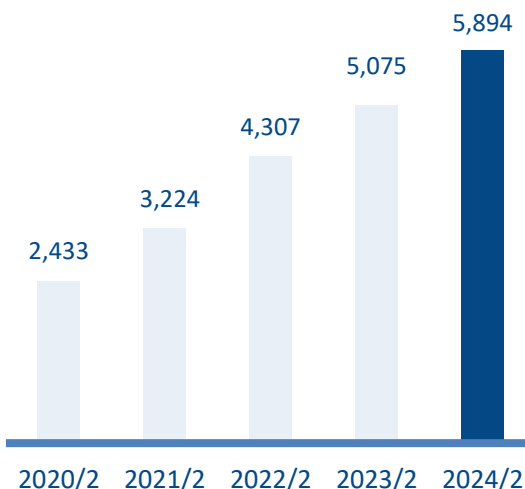
Net Sales (million JPY)

6,836 million JPY (119.8% YoY)



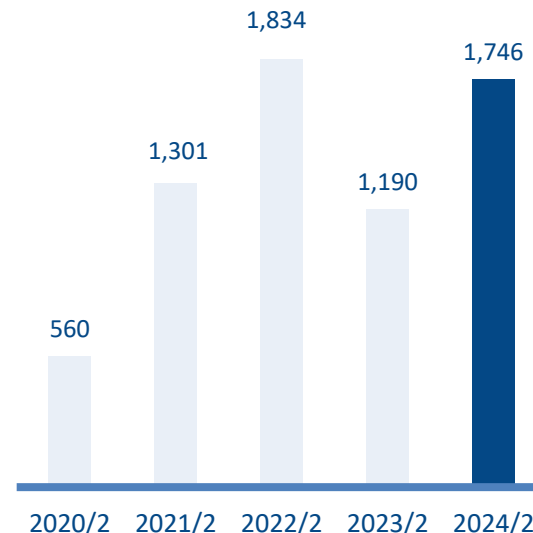
Gross Profit (million JPY)

5,894 million JPY (116.1% YoY)



Operating Profit (million JPY)

1,746 million JPY (146.7% YoY)



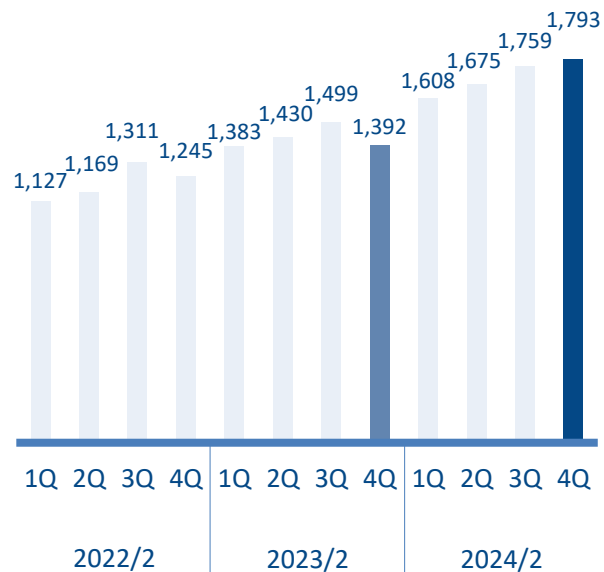


# Press Release Distribution Business

In 4Q FY2024, we **posted record-high net sales**, with an increase in user companies due to aggressive investment in advertising. In FY2025, we will aim for increased sales and profits while aggressively investing in improving PR TIMES and enhancing peripheral businesses through M&A.

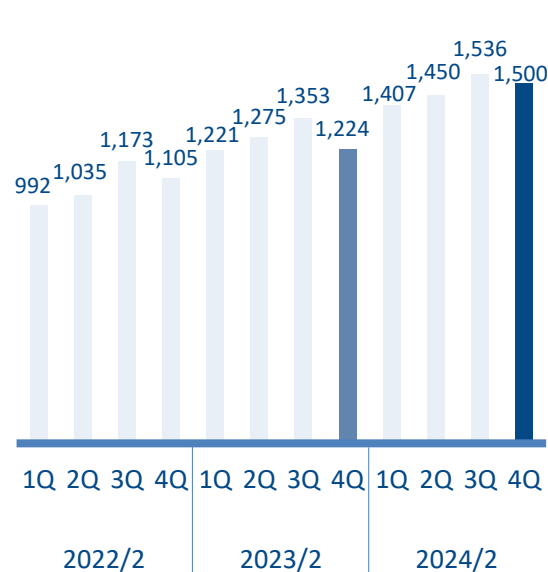
## Net Sales (million JPY)

1,793 million JPY (128.8% YoY)



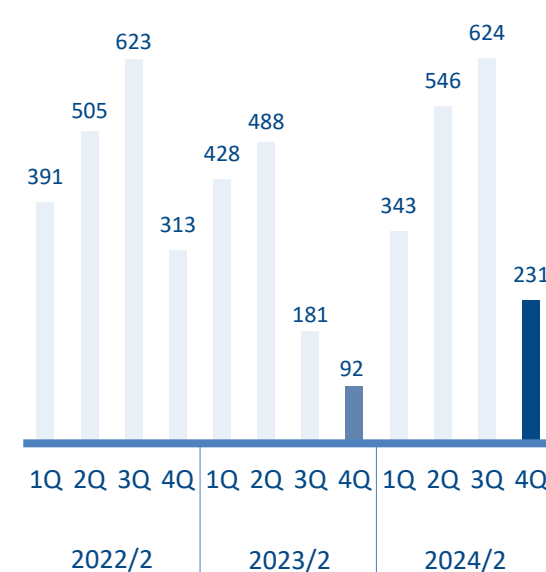
## Gross Profit (million JPY)

1,500 million JPY (122.6% YoY)



## Operating Profit (million JPY)

231 million JPY (250.2% YoY)

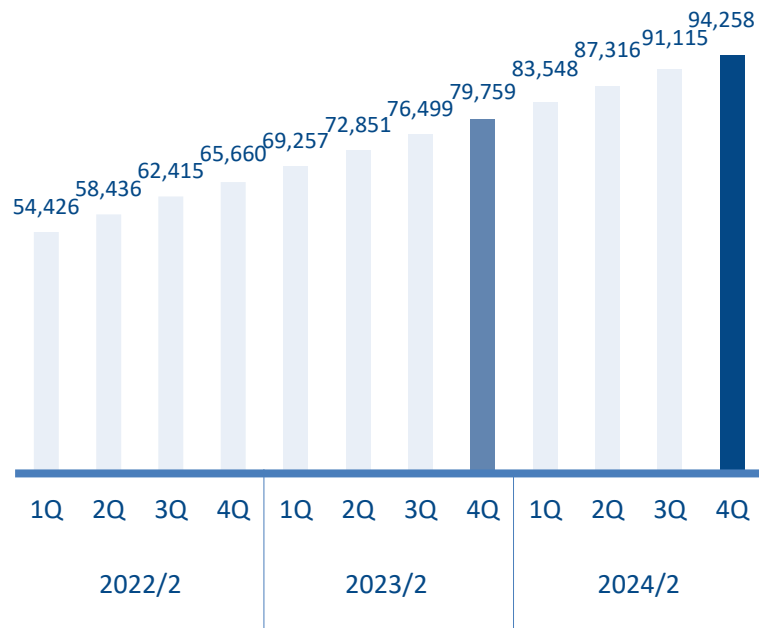


# Number of User Companies and Press Release Distributions

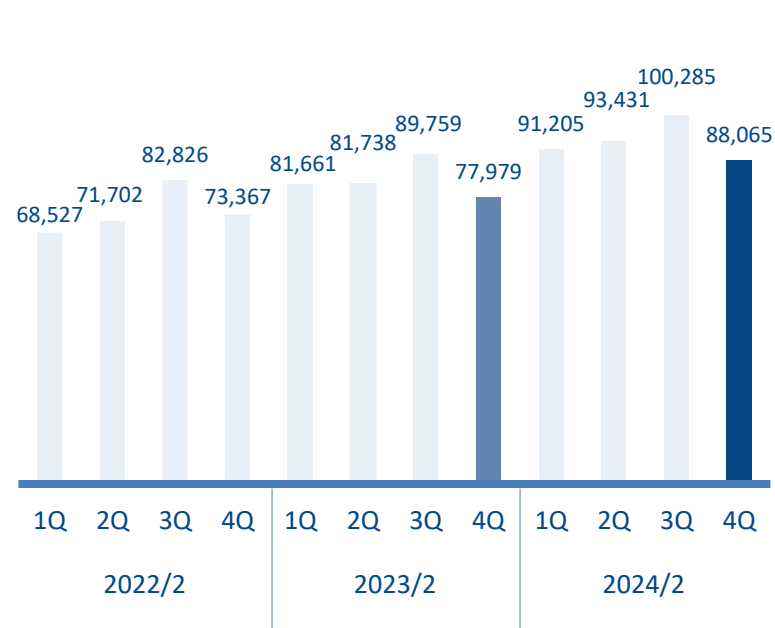
In 4Q FY2024, the number of user companies and press release distributions increased significantly YoY.

In FY2025, we will increase the number of distributions by continuing to improve the number of user companies and the usage frequency.

Number of user companies: 94,258 (118.2% YoY)



Number of press release distributions: 88,065 (112.9% 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 94,000 user companies, used by 58% of listed companies

## PR TIMES TSE Prime Market

PR TIMES プレスリリース・ニュースリリース配信サービス PR TIMES PR TIMESの読み 料金プラン ご登録 お問い合わせ

国内シェア **No.1** 上場企業の **58%** 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掲載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進化、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、情報発信力の飛躍的な向上など、このような劇的な環境変化の中、PR TIMESは、新たなマーケティングツールとして進化しています。

#### 主なパブリシティ実績



#### 事例



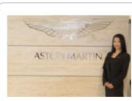
チーム後も新しい仕掛けで働きさせない。「面白い企画」を精々と実現し、商品のロングセラー化を狙う湖池屋



素敵な情報なのに世に出せない。埋もれていた情報を表に出し、従来比2~3倍のニュースを届けるパナソニック



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



ブランドを「守る」より「広める」ことを重視。次代のファン創出を図る高級ブランド「アストンマーティン」

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

Published in more than 200 publications!



Number of user companies

**94,000**

Feb. 2024

79,000

Feb. 2023

65,000

Feb. 2022

50,000

Feb. 2021

28,000

Feb. 2019

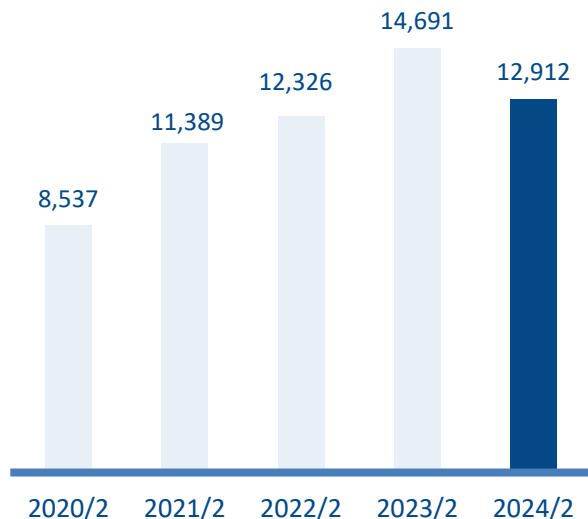
## Direct Marketing Business (Full-Year Trend)

Net sales and gross profit were down in FY2024 due in part to the sale of Direct Tech in 3Q.

We recorded **record-high** operating profit by prioritizing full-year targets and strategically reducing advertising investments.

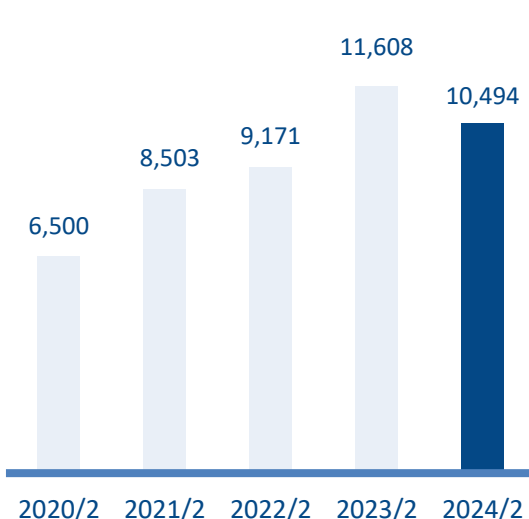
Net Sales (million JPY)

12,912 million JPY (87.9% YoY)



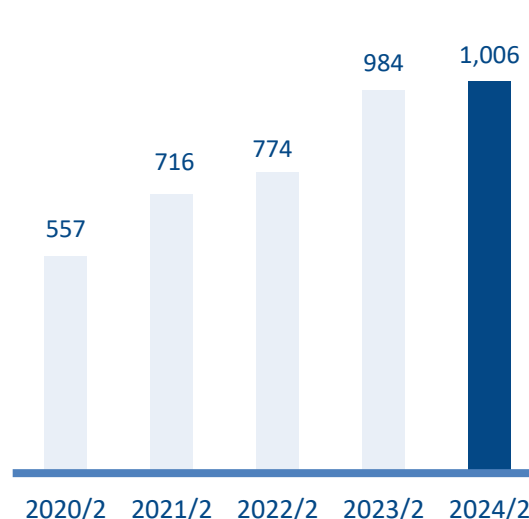
Gross Profit (million JPY)

10,494 million JPY (90.4% YoY)



Operating Profit (million JPY)

1,006 million JPY (102.2% YoY)



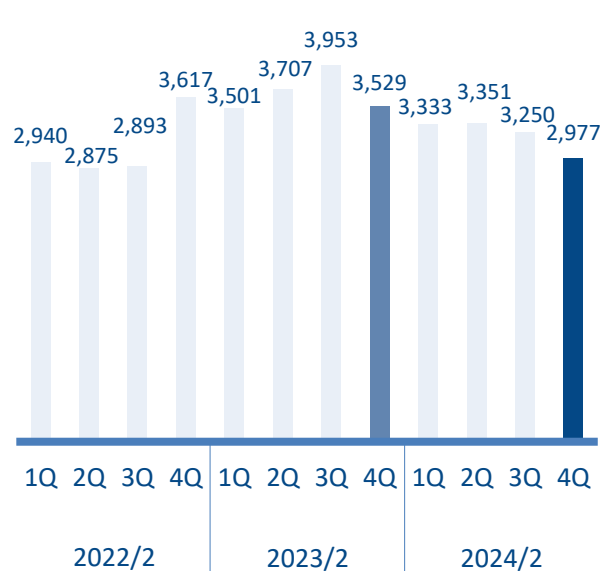
Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

# Direct Marketing Business

In 4Q FY2024, we secured a profit while reducing investment in advertising for acquiring new customers as planned. In FY2025, we will aim for increased sales and profits by continuing the pattern of investing aggressively in advertising in 1H and securing a profit in 2H.

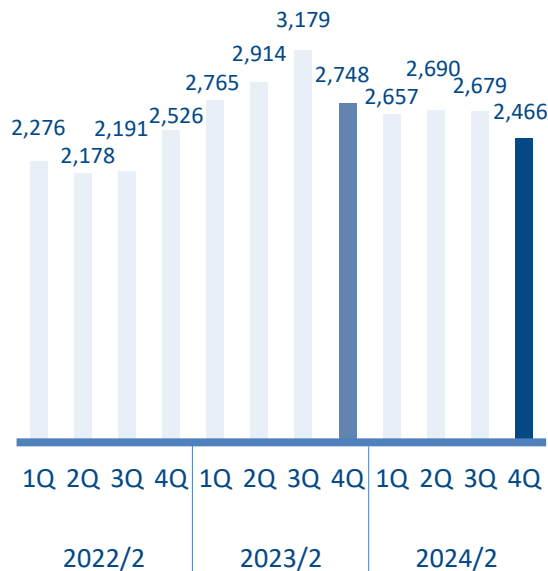
## Net Sales (million JPY)

2,977 million JPY (84.4% YoY)



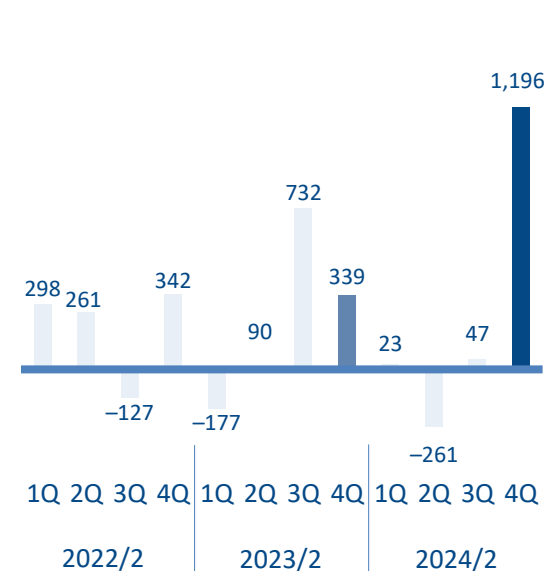
## Gross Profit (million JPY)

2,466 million JPY (89.7% YoY)



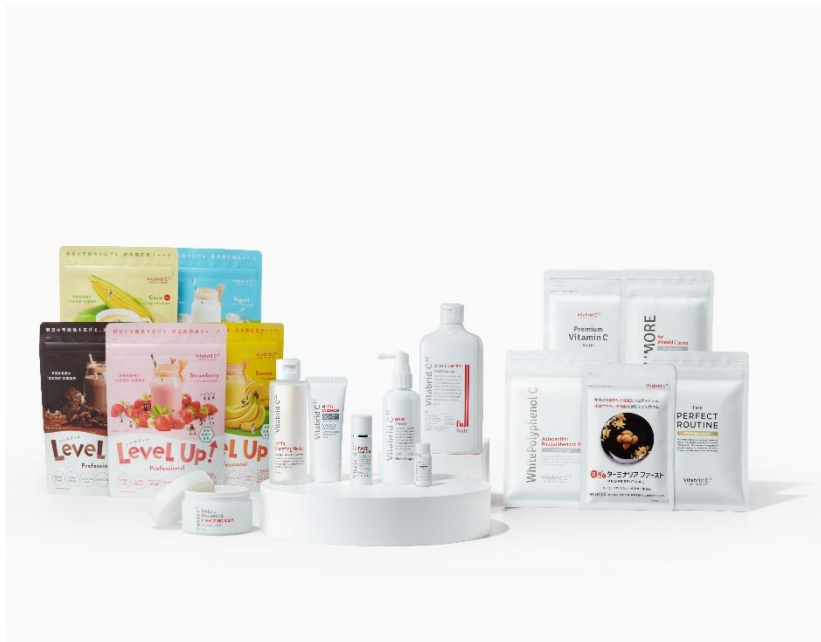
## Operating Profit (million JPY)

1,196 million JPY (352.4% YoY)



Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

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 16.32 million**.



Sugar and fat absorption inhibiting supplement Terminalia First continued to perform well following its launch, with cumulative sales **exceeding 7.77 million units**.

## New Products (Functional Supplements)

First in Japan!\* Japan Premium DHA & EPA + GABA, a functional supplement that addresses 8 health concerns and Vitabrid Daily GABA, a supplement that brings positivity back into everyday life, were released on September 21, 2023

Japan Premium DHA & EPA + GABA



Japan Premium DHA & EPA + GABA is Japan's first triple action supplement containing DHA, EPA and GABA that has been shown after six years of long research and development to benefit the eight body functions.

Vitabrid Daily GABA



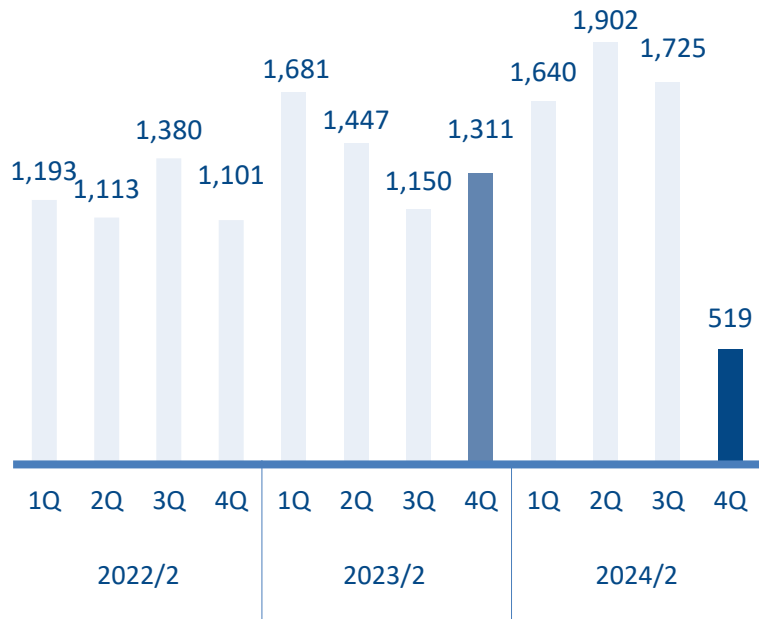
Vitabrid Daily GABA is a supplement that aids the problems we face in modern day living, such as bad sleep, stress, and constant fatigue, to make our everyday lives feel more positive and so much better.

\* Japan's first and only functional supplement that addresses eight functions including neutral fat levels in blood, and sleep, etc. (Researched by TPC Marketing Research, May 2023)

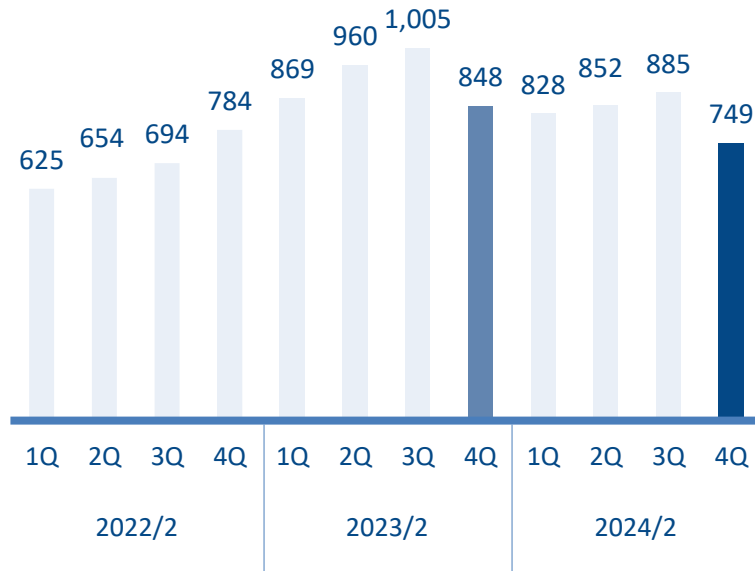
# Advertising Expenses and Units Sold

In 4Q FY2024, the number of units sold was down temporarily due to substantially reducing advertising expenses as planned. In FY2025, we will increase the number of units sold by aggressively investing in advertising in 1H.

Advertising Expenses: 519 million JPY (39.6% YoY)



Number of Units Sold: 749 thousand (88.3% YoY)



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

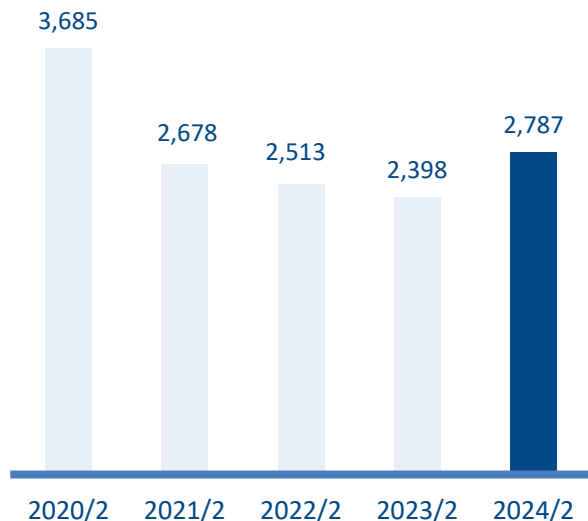


# HR Business (Full-Year Trend)

In FY2024, net sales and gross profit increased year on year owing to the BUSiCONET M&A. Operating profit went into the black despite investment in advertising and development in JOBTV.

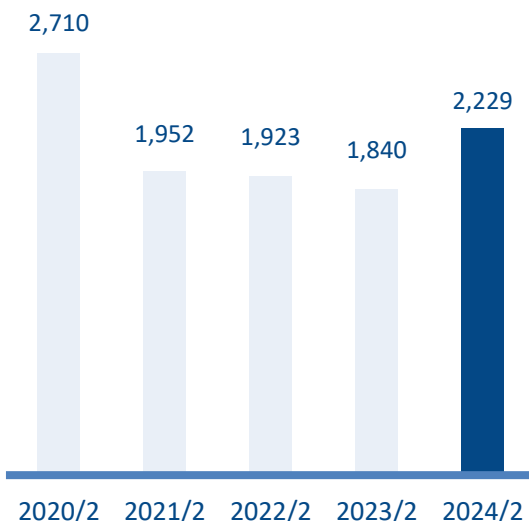
### Net Sales (million JPY)

2,787 million JPY (116.2% YoY)



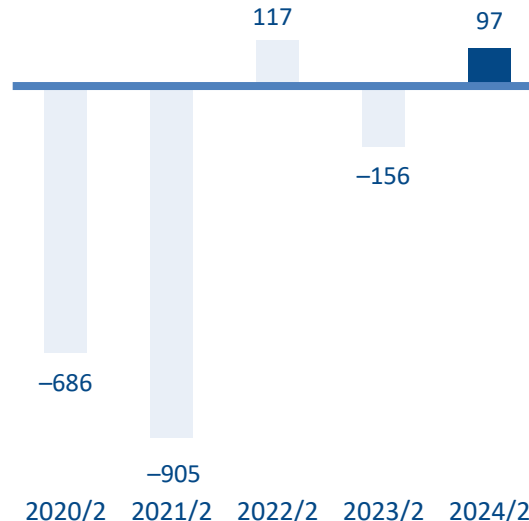
### Gross Profit (million JPY)

2,229 million JPY (121.1% YoY)



### Operating Profit (million JPY)

97 million JPY (up 253 million JPY YoY)



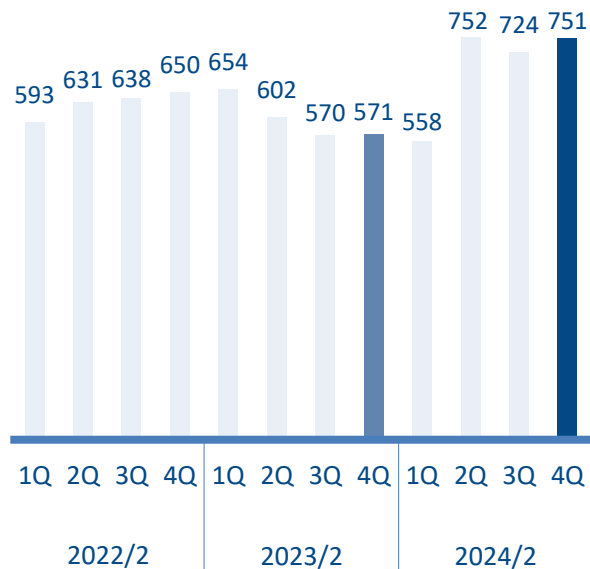
Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.

2. Due to segment changes, figures for FY2023 and earlier have been reclassified to figures after the segment changes

4Q FY2024 saw a continued operating surplus thanks to a reduced operating loss resulting from increased JOBTV sales. In FY2025, we will aim to increase sales and profits by focusing on increasing ASHITA-TEAM sales and achieving profitability in JOBTV.

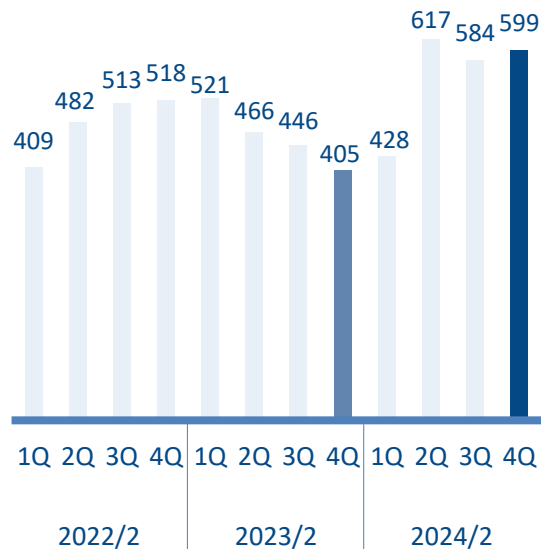
## Net Sales (million JPY)

751 million JPY (131.6% YoY)



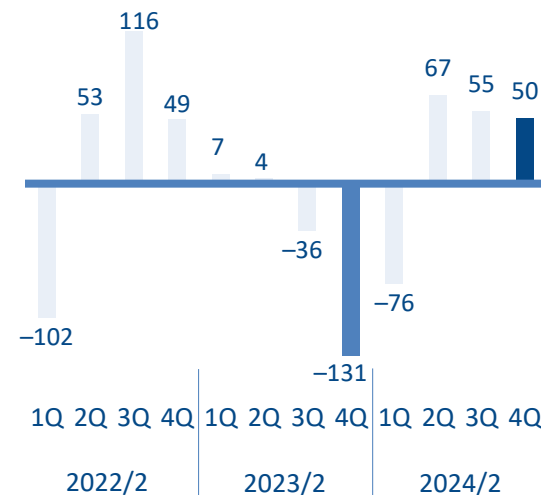
## Gross Profit (million JPY)

599 million JPY (147.9% YoY)



## Operating Profit (million JPY)

50 million JPY (up 182 million JPY YoY)



Notes: 1. The Accounting Standard for Revenue Recognition has been applied from FY2023.

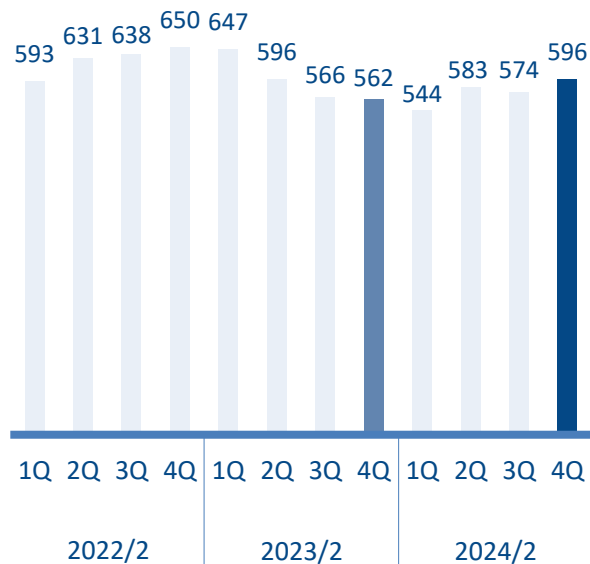
2. Due to segment changes, figures for FY2023 and earlier have been reclassified to figures after the segment changes

# HR Business (ASHITA-TEAM)

In 4Q, sales and profits were up YoY thanks to an increase in consulting projects with high unit prices.  
 In FY2025, we will increase net sales by improving the functions of SaaS-type products and strengthening the sales system for expanding the customer base.

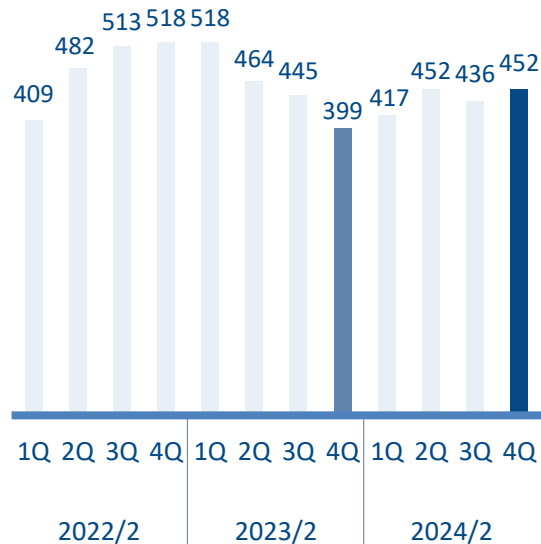
Net Sales (million JPY)

596 million JPY (106.0% YoY)



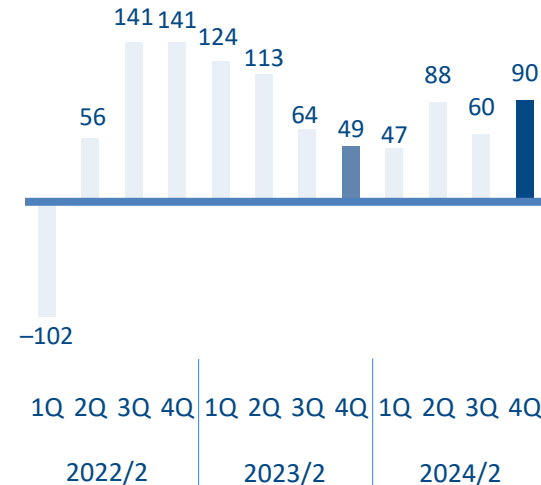
Gross Profit (million JPY)

452 million JPY (113.3% YoY)



Operating Profit/Loss (million JPY)

90 million JPY (180.2% YoY)



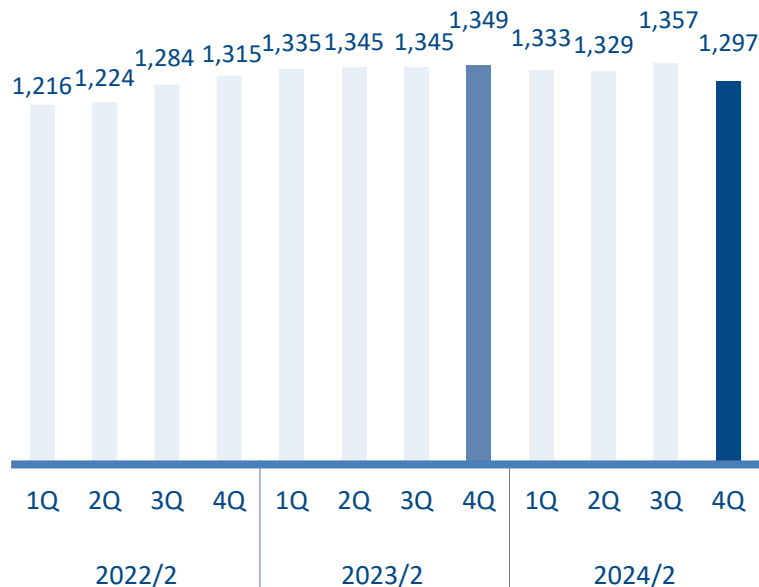
Note: The Accounting Standard for Revenue Recognition has been applied from FY2023.

# Number of User Companies\*1 and ARR\*2

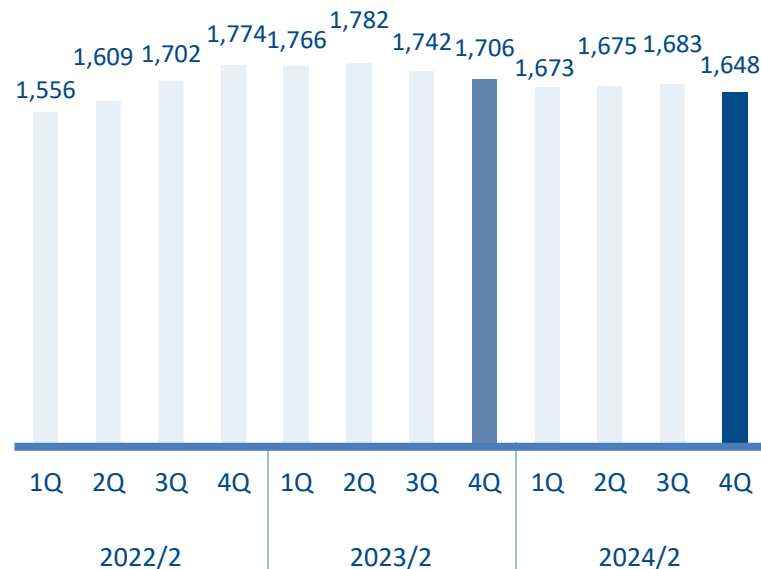
In 4Q FY2024, the number of user companies and the ARR decreased due to sluggishness in new customer acquisition despite the number of cancellations remaining steady.

In FY2025, we aim to leverage our consulting strengths to expand the company size and increase both the number of user companies and the ARR.

Number of user companies: 1,297 (96.1% YoY)



ARR: 1,648 million JPY (96.6% YoY)



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

\*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.

# Performance Management Platform Cateras

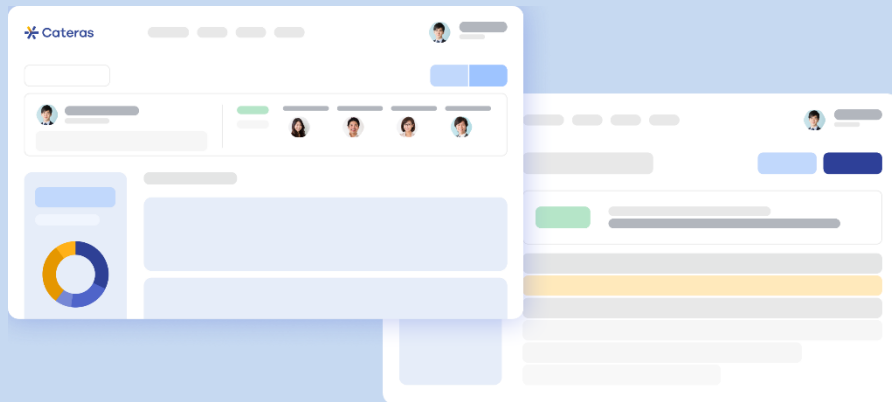
Released Cateras, a performance management platform that maximizes organizational results

With personnel evaluations as the starting point, expanding the target scale leveraging a cloud system with and our strengths in consulting



## Cloud system

Realize a workplace where one can work proactively with products that facilitate goal setting and evaluations and a training program tailored to the specific level, phase, and task



## Consulting

Increase personnel capabilities through the assistance of consultants with a wealth of knowledge while improving efficiency with centralized management of human resources, including personnel evaluations



# ASHITA-TEAM Outlook

Through strengthening sales of SaaS-based products and increasing retention by expanding the customer base, we have increased the subscription ratio and created a stable earnings foundation.

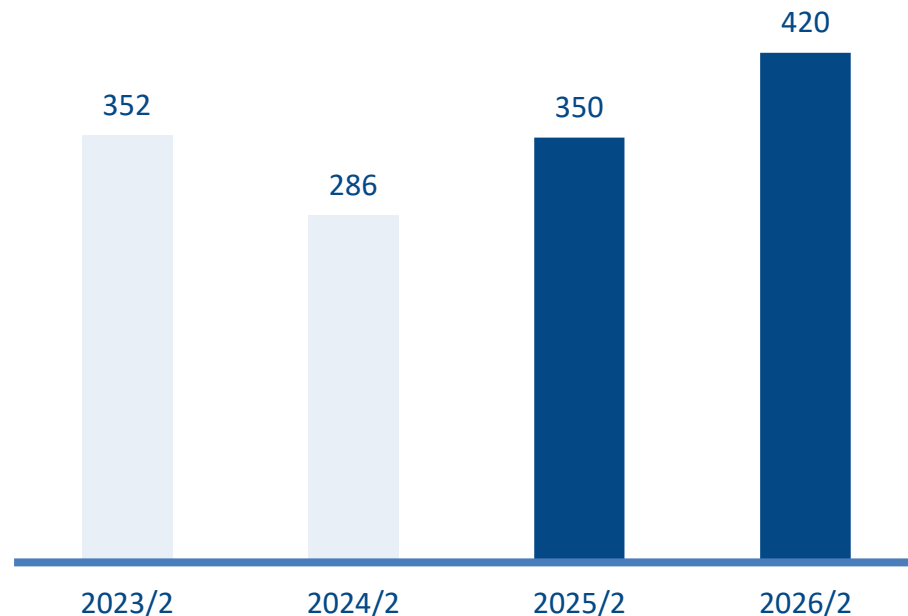
In FY2026, we will aim for 420 million JPY in operating profit achieved through steady growth by building up subscription earnings.

Personnel evaluation cloud “Ashita Cloud”



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

Operating Profit (million JPY)



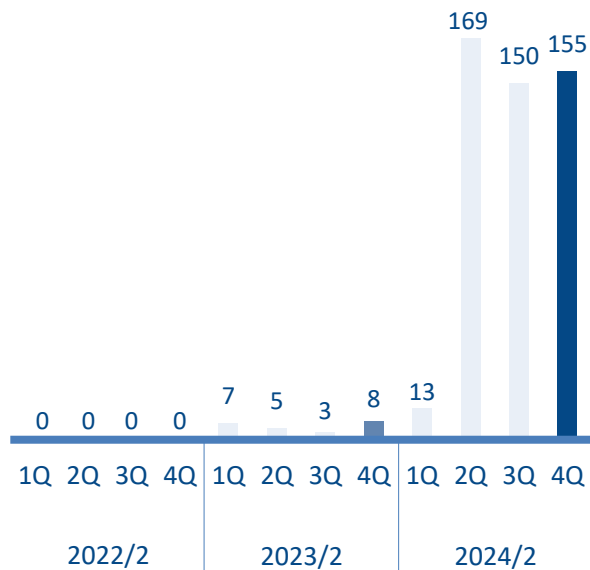
# HR Business (JOBTV)

In 4Q FY2024, net sales increased, bringing the operating loss down thanks to the contribution of JOBTV sales as a result of events for new graduates.

In FY2025, we will aim to turn a profit in JOBTV while making a certain amount of investments to strengthen the new graduate support and job change support businesses.

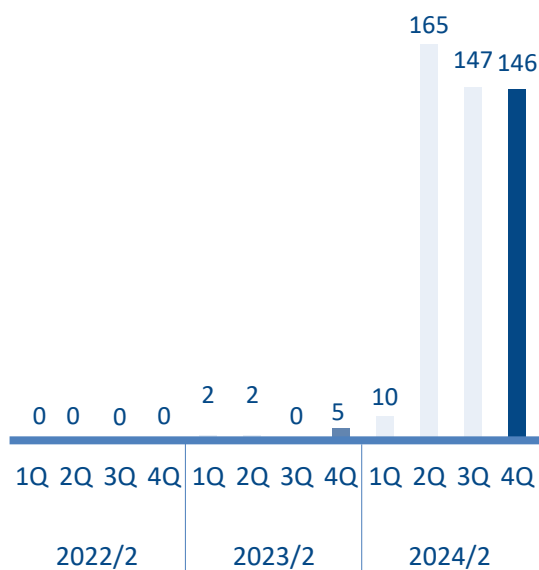
## Net Sales (million JPY)

155 million JPY (up 146 million JPY YoY)



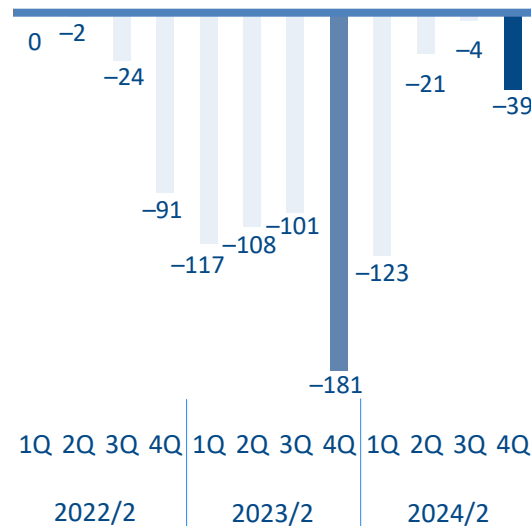
## Gross Profit (million JPY)

146 million JPY (up 141 million JPY YoY)



## Operating Profit/Loss (million JPY)

Operating Loss: 39 million JPY  
(up 142 million JPY YoY)



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.

## Recruitment matching platform JOBTV



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

## JOBTV Benefits

Over 1,000 registered companies



### Job seekers

- 1 Netflix-like search option makes browsing job post videos a breeze!
- 2 Show off your best to employers easier with a self-introduction video!
- 3 Learn more about companies through videos without needing to go to information sessions!

Over 150,000 registered university students



### Companies

- 1 Highlight why candidates should join your company with a video introducing your firm and the positions you are hiring for!
- 2 Quick and easy applicant screening through video!
- 3 Reach out to job-seekers directly with scout mails!






# Synergies Created through the Acquisition of BUSiCONET

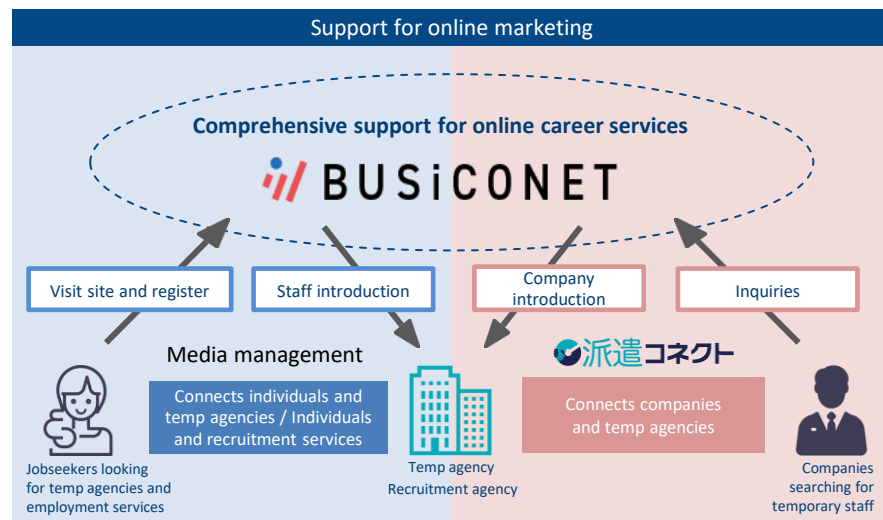
BUSiCONET Inc., a company that provides comprehensive support for online career services, became a consolidated subsidiary on June 28, 2023.

VECTOR will aim to increase revenue by leveraging BUSiCONET's media operations expertise and by referring the jobseekers acquired via its web media to JOBTV.

## Overview of acquisition of shares

<b>Company name</b>	 BUSiCONET Inc.
<b>Business</b>	Operation of online employment media Support for online marketing
<b>Acquisition cost</b>	1,790 million JPY
<b>Share acquisition date</b>	June 28, 2023

## Business




BUSiCONET has launched multiple services that support employment service providers in attracting customers online. The company has provided a large range of solutions that leverage its strength in online marketing and attracting customers.

# Synergy Achieved through Acquisition of FINDAWAY

We made FINDAWA Co., Ltd., which specializes in recruitment consulting and engineer referrals, a consolidated subsidiary on March 29, 2024.

We will expand the human resource support business by utilizing FINDAWAY's customer and recruitment consulting know-how in JOBTV.

## Overview of acquisition of shares

<b>Company name</b>	 FINDAWAY Co., Ltd.
<b>Business</b>	Provision of recruitment consulting Planning and production of online human resources ad media
<b>Share acquisition rate</b>	70.8%
<b>Share acquisition date</b>	March 29, 2024

## Business

HR Consulting																			
Research, selection, and PR				Applicant management and operation				Screening, assessment, and job offer				Hiring, training, and work							
Recruitment planning	Recruitment concept planning	Selection of recruitment media	Selection of site management tool	Interviewing, production, and filming	Selection of job offer follow-up and assessment tool	Formation of applicant pool	Applicant support	Interviewer training	Planning and holding of company briefing sessions	Document screening and interviews	Aptitude assessment tests	Email and phone-based follow-up	HR screening	Final HR screening	Recruiter follow-up	Job offer follow-up	Implementation of training program	Practical on-site training	Personnel evaluation and system reform
<ul style="list-style-type: none"> <li>Accurate selection of recruitment media</li> <li>Planning of company information pamphlets</li> <li>Increased website access and time on site</li> <li>Joint information session booth interior</li> <li>Response to calls for information sessions</li> <li>University collaborations and on-campus seminars</li> </ul>				<ul style="list-style-type: none"> <li>Recruitment agency support</li> <li>Streamlining of HR operations</li> <li>Centralized management of applicant information</li> <li>Company briefing sessions to differentiate from other companies</li> <li>Countermeasures against libel and slander</li> </ul>				<ul style="list-style-type: none"> <li>Utilization of aptitude assessment tools</li> <li>Recruiter training</li> <li>Sharing of HR acquisition know-how</li> <li>Utilization of job offer follow-up tools</li> </ul>				<ul style="list-style-type: none"> <li>Training for those who have received job offers and prevention of job offer rejection</li> <li>New employee training program</li> <li>Mindset development program</li> <li>Basic training for working professionals</li> </ul>							

Leveraging our track record with more than 1,000 client companies and our unique capabilities allows us to provide seamless support from recruitment to post-acquisition follow-up.

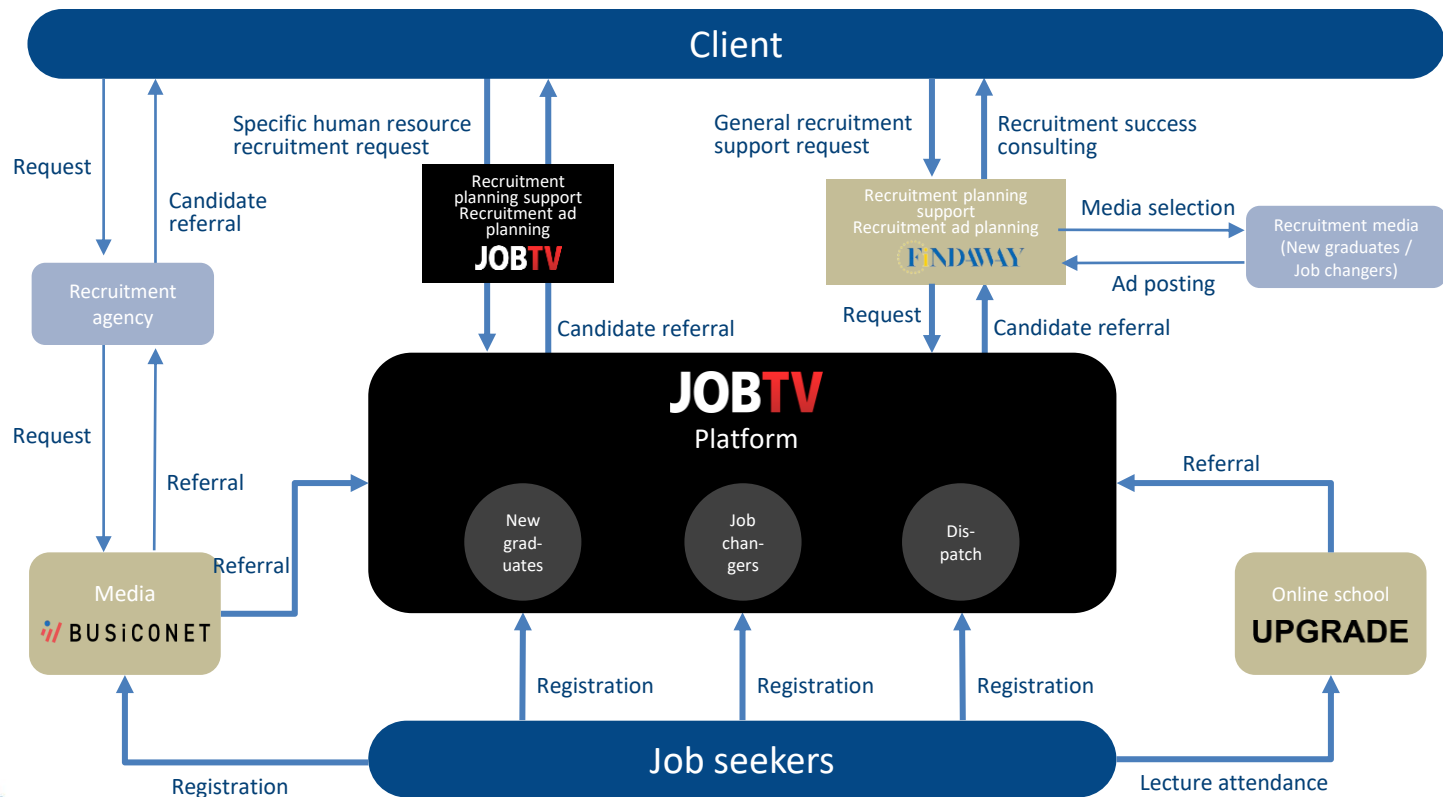
# JOBTV Growth Strategy

We aim to expand JOBTV in the recruitment market based on the four core businesses of new graduate support, job change support, recruitment support, and temporary staffing.

We plan to strengthen the brand of our human resources support business based on new graduate support leveraging referrals from our own media.



Form a JOBTV ecosystem that can meet all human resource needs of clients

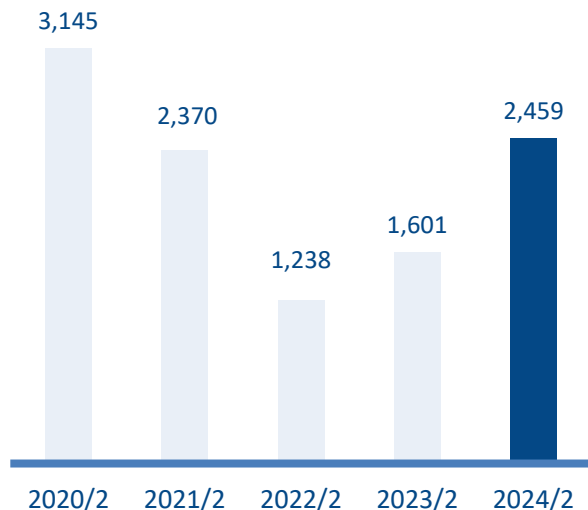


## Investment Business (Full-Year Trend)

In FY2024, net sales and gross profit increased year on year owing to partial sale of shares held. Operating profit reached a record-high of 1,326 million JPY as a result of selling shares with high investment leverage.

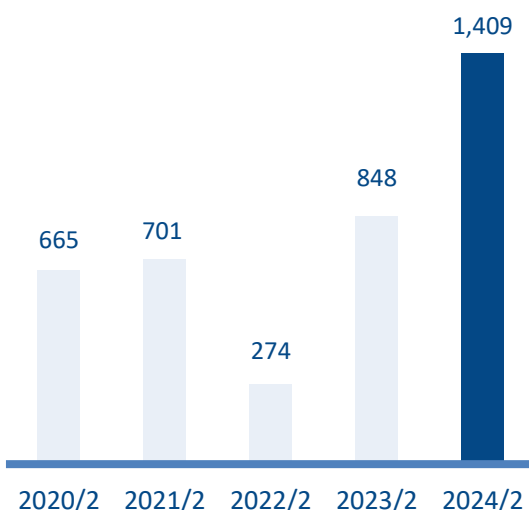
Net Sales (million JPY)

2,459 million JPY (153.6% YoY)



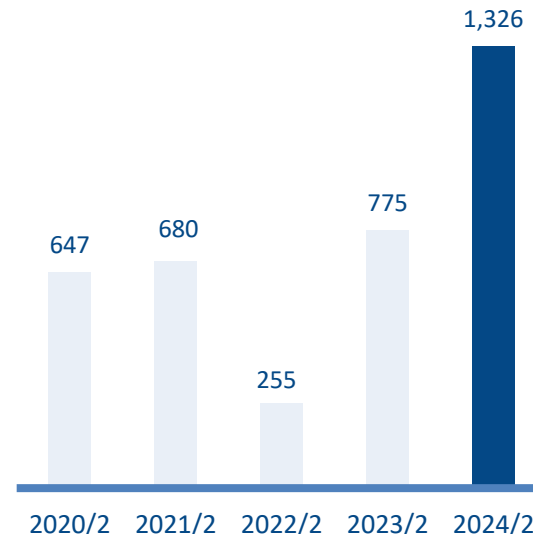
Gross Profit (million JPY)

1,409 million JPY (166.0% YoY)



Operating Profit (million JPY)

1,326 million JPY (171.0% YoY)



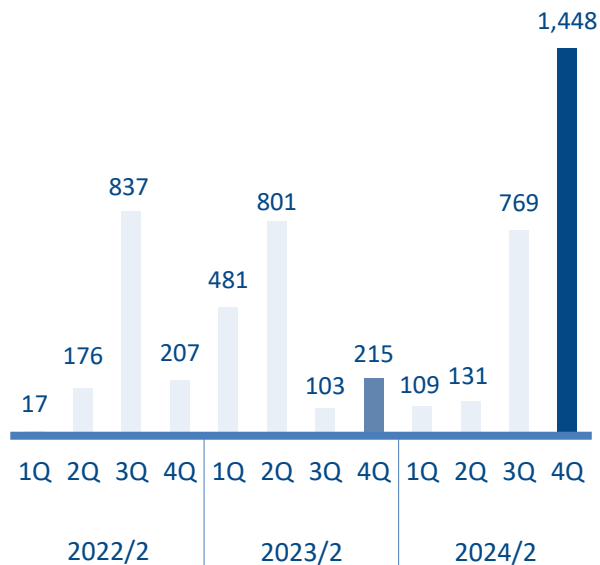
Note: Amounts for FY2020 are estimated restatements based on reportable segments.

# Investment Business

In 4Q FY2024, despite posting a certain amount of valuation loss, profit increased substantially with the sale of shares held according to plan. In FY2025, we expect to secure full-year operating profit in 2H without aggressively selling shares held in 1H.

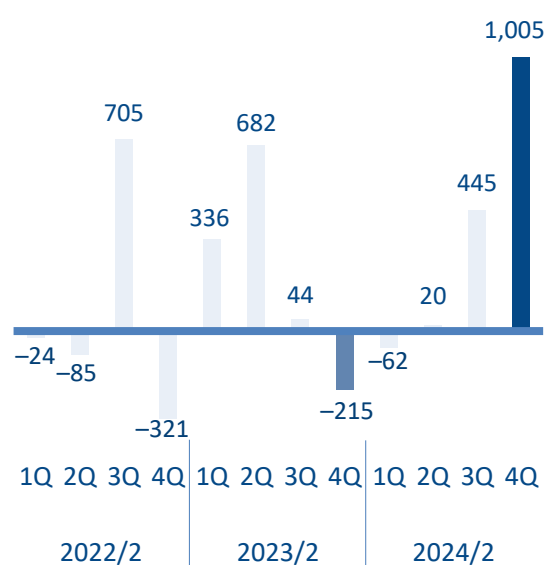
## Net Sales (million JPY)

1,448 million JPY (673.3% YoY)



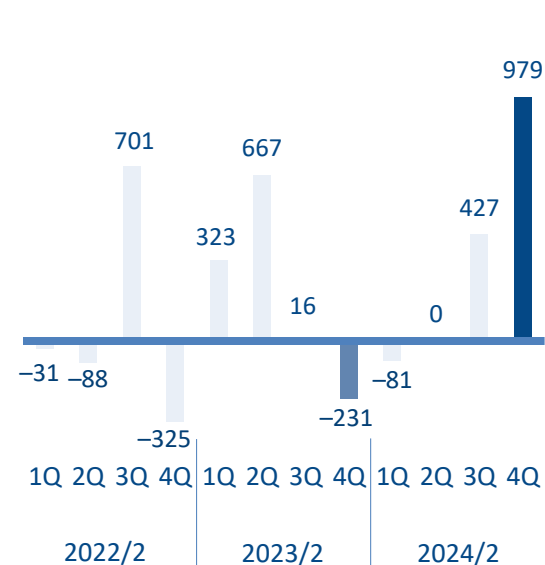
## Gross Profit (million JPY)

1,005 million JPY (up 1,221 million JPY YoY)



## Operating Profit/Loss (million JPY)

979 million JPY (up 1,210 million JPY YoY)




## Most Recent IPOs Invested In

Supporting corporate growth through capital and PR/IR (total of 32 IPOs).

HATCHWORK CO.,LTD. was listed on the Growth Market of the Tokyo Stock Exchange, bringing the number of recent IPOs to four.

Date of listing	Company name	Market
March 26, 2024	 HATCHWORK CO.,LTD.	TSE Growth Market
November 22, 2023	 VALUE CREATION Co., Ltd.	TSE Growth Market
June 29, 2023	 W TOKYO INC.	TSE Growth Market
March 31, 2023	 SYLA Technologies Co., Ltd.	NASDAQ

# Solid Track Record of Investment in Growth Fields

 = IPO complete

### IoT and Security Systems

Logbar, Orano, infoNet, genGO, REVOLVER, CSC, QR Translator, Secul, PHONE APPLI, SWITCH+SMILE, AOSDATA, OTOBANK, uhuru, CiN, +medi, ERIC SECURITY INC.

### AI and Big Data

AI CROSS, SecondXight, Headwaters, cinnamon, VIRTUSIZE, VISITS Technologies, Poetics, メトロエンジン, ΩMEGA

### Marketing and Sales

QON, Branding Technology, WILL.GATE, SALES ROBOTICS, CMN, ALLIANCE CLOUD, LISUTO!, Flagship Orchestra, Algorithm, FULLER, 3Operation group, URBAL GREEN FARM, foriio, COMIX, ENRISSION, basic, AdInte, Concierge U, SubFac

### D2C

KOL Technologies, High Link, Vegetable Tech, PIALA, Waqoo, Wondershake, Oops

### Restaurants, Retail, Beauty, Services and Healthcare

TERMINAL, SARAH, GO TODAY SHARE SALON, MIRTEL, S&T, NABU MAFIA, VEGE VEGE, HITOMIO, adval, エアトリ, FUN UP inc., 12UMI-12M GROUP, Fun, i-SpaLine, zentokyo, SOELU, Bears, The Ethical Spirits & Co., MabiGenesis, TRION CORPORATION, 株式会社一家ダイニングプロジェクト

### Fintech and Real Estate Technology

RESIDENCE TOKYO, リノベる, LEEWAYS, milize, SYLA, bitFlyer, TakeMe, IMPACT CIRCLE, GLOBAL LINK MANAGEMENT, LENDY, ele-style, SPACE AGENT, Phil Company, Inc., Warranty technology, 株式会社エヌシーエス, 株式会社エヌシーエス, FAN'S, ACTICE ASSET MANAGEMENT CO., LTD.

### Human Resources, Education-Related

ROXX, Refcome, 地球人.jp, SPECIFIC INC, LEADING MARK, INBOUND TECHNOLOGY, BRANDING ENGINEER, HR CLOUD, Life is Tech!, HALLHEART, flamingo, LOGZGROUP, マナリンク, Maple Systems, CODEGYM, Infracorp, EduFuture, Take Action, Anotherworks

### Sharing Economy

SHARINO TECHNOLOGY, zehitomo, Audiostock, officeSTYLE, Ancor, Laxus, unito, LIVERO, nearMe

### DX

ROBOT PAYMENT, MENTAL HEALTH TECHNOLOGIES, 八面六臂, boost, ORIGINAL Inc., KAKUCHO, HATCHWORK, bravesoft, Uniforce, Allin, Canly, CONOC, WELLNEST, BCCRECH

### Other toB Services

MINABU THE INFOID, WILLS, SHINGAU, TOKYO, WHITE HOLE, INBOUNDTECH, レトリバ, JX通信社, CHARA-ART, SHELFY, astrolab, CLAS, Talknote, Helpfeel, stayway, ENE CLOUD, コンテンツ3, UPSELL TECHNOLOGIES, ATOM ica, 業務改革クラウド Pathfinder, CasTech, Tabi Life, BPOテクノロジー, gigbase

### Other toC Services

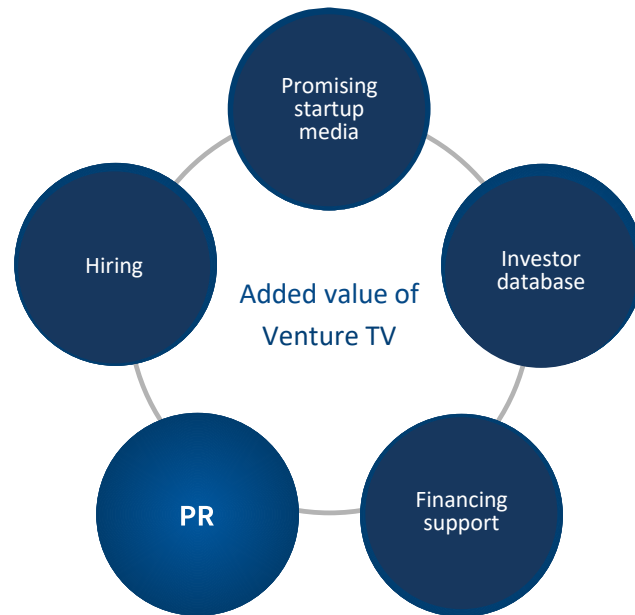
FREE DOM, hey!, MONOCO, HOGUGU, PROGRIT, TimeTree, Nagisa, 4コマgram, LANIMAL, ORIGINAL LIFE, INC., naco-do, Xmobile, LASTONEMILE, SPORTS CROWN



# Venture TV

Launched Venture TV, a video-based media offering unlimited access to startup company presentation videos. The plan is to expand various services for presidents and investors of startup companies who are facing challenges.

Venture TV, offering all-you-can-watch presentation videos



Aiming to build Japan's largest startup ecosystem

# Consolidated Statement of Profit and Loss

(million JPY)	FY '23	FY '24	Difference	YoY Change
Net sales	55,225	59,212	+3,987	107.2%
Gross profit	35,146	37,671	+2,524	107.2%
EBITDA	7,013	7,994	+980	114.0%
Operating profit	6,276	6,939	+662	110.6%
Ordinary income	6,623	6,871	+248	103.7%
Profit before income taxes	5,712	8,347	+2,634	146.1%
Profit attributable to owners of parent	3,172	4,684	+1,512	147.7%

# Consolidated Balance Sheet

(million JPY)	FY '23 Year End	FY '24 Year End	Difference	YoY Change
Total assets	36,343	43,621	+7,277	120.0%
Cash and deposits	13,372	15,820	+2,447	118.3%
Goodwill	1,780	3,633	+1,853	204.1%
Operational investment securities	5,495	5,991	+495	109.0%
+ investment securities				
Other	15,694	18,175	+2,480	115.8%
Total liabilities	20,584	23,645	+3,061	114.9%
Borrowings + bonds	9,756	11,700	+1,943	119.9%
Other	10,827	11,945	+1,118	110.3%
Net assets	15,759	19,975	+4,215	126.7%

# Consolidated Statement of Cash Flows

(million JPY)	FY '23	FY '24	Change	Main Reasons for YoY Change
Cash and cash equivalents at beginning of period	13,522	13,372	-149	
Cash flows from operating activities	1,457	4,451	+2,994	Existing businesses performed well Profit before income taxes is up
Cash flows from investing activities	(1,288)	(1,146)	+141	Acquired subsidiary shares through M&A Sold shares of two subsidiaries
Cash flows from financing activities	(358)	(882)	-523	Procured funds for M&A Acquisition of treasury shares
Cash and cash equivalents at end of period	13,372	15,820	+2,447	

# FY '25 Financial Forecasts

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## FY '25 Consolidated Financial Forecasts

Full-Year Financial Forecast for FY '25 (million JPY)	FY '24 (Results)	FY '25 (Targets)	YoY Change	FY '25 1H Target	FY '25 2H Target
Net sales	59,212	63,000	106.4%	29,200	33,800
Operating profit	6,939	8,500	122.5%	1,982	6,518
Ordinary income	6,871	8,350	121.5%	1,910	6,440
Profit attributable to owners of parent	4,684	5,000	106.7%	829	4,171

The full-year financial forecast is based on the operating profit figures set out in the medium-term profit plan announced on April 14, 2022. VECTOR's dividend policy is to ensure a consolidated payout ratio for shareholders of around 30%, and in FY2025, we plan to pay a dividend of **31 JPY per share**.

## Profit Plan by Segment

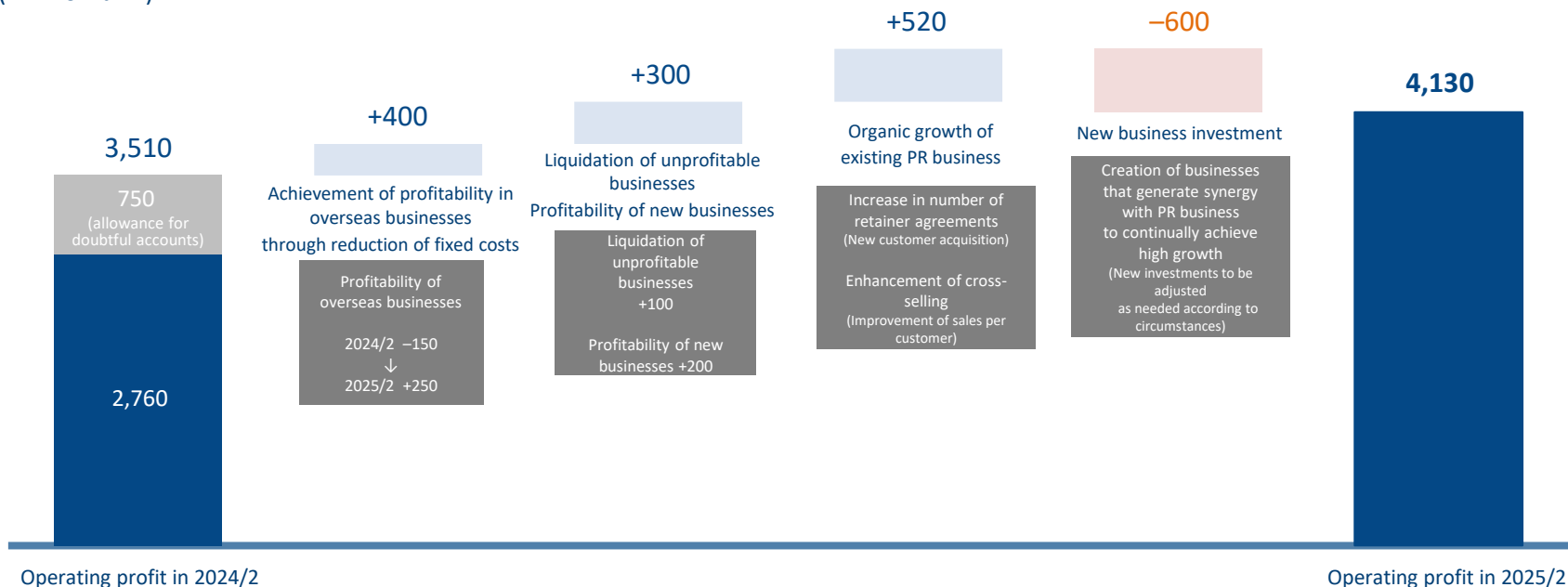
Profit Plan by Segment (million JPY)	FY '24 (Results)	FY '25 (Targets)	YoY Change	FY '25 1H Targets	FY '25 2H Targets
Consolidated	6,939	8,500	122.5%	1,982	6,518
PR and Advertising	2,763	4,132	149.5%	1,720	2,412
Press Releases	1,746	1,900	108.8%	842	1,058
Direct Marketing	1,006	1,233	122.6%	(580)	1,813
HR	97	635	653.2%	165	470
Investment	1,326	600	45.2%	(165)	765

In the Direct Marketing business, we will continue the pattern of investing in advertising in 1H and securing profit in 2H. Meanwhile, in the Investment business, the plan is weighted toward 2H as we expect a gain on sale of shares in 2H. In the HR business, we expect a significant increase in profit based on JOBTV becoming profitable.

# Factors behind Increase in Operating Profit in PR and Advertising Business in FY2025

Operating profit increased 49.5% year on year to 4,130 million JPY in PR and Advertising Business in FY2025.

(million JPY)





# Medium-term Profit Plan

---

## Medium-term Profit Plan

Medium-term Profit Plan (million JPY)	FY '23 (Results)	FY '24 (Results)	FY '25 (Targets)	FY '26 (Targets)
EBITDA*	7,013	7,994	9,400	10,900
Operating profit	6,276	6,939	8,500	10,000

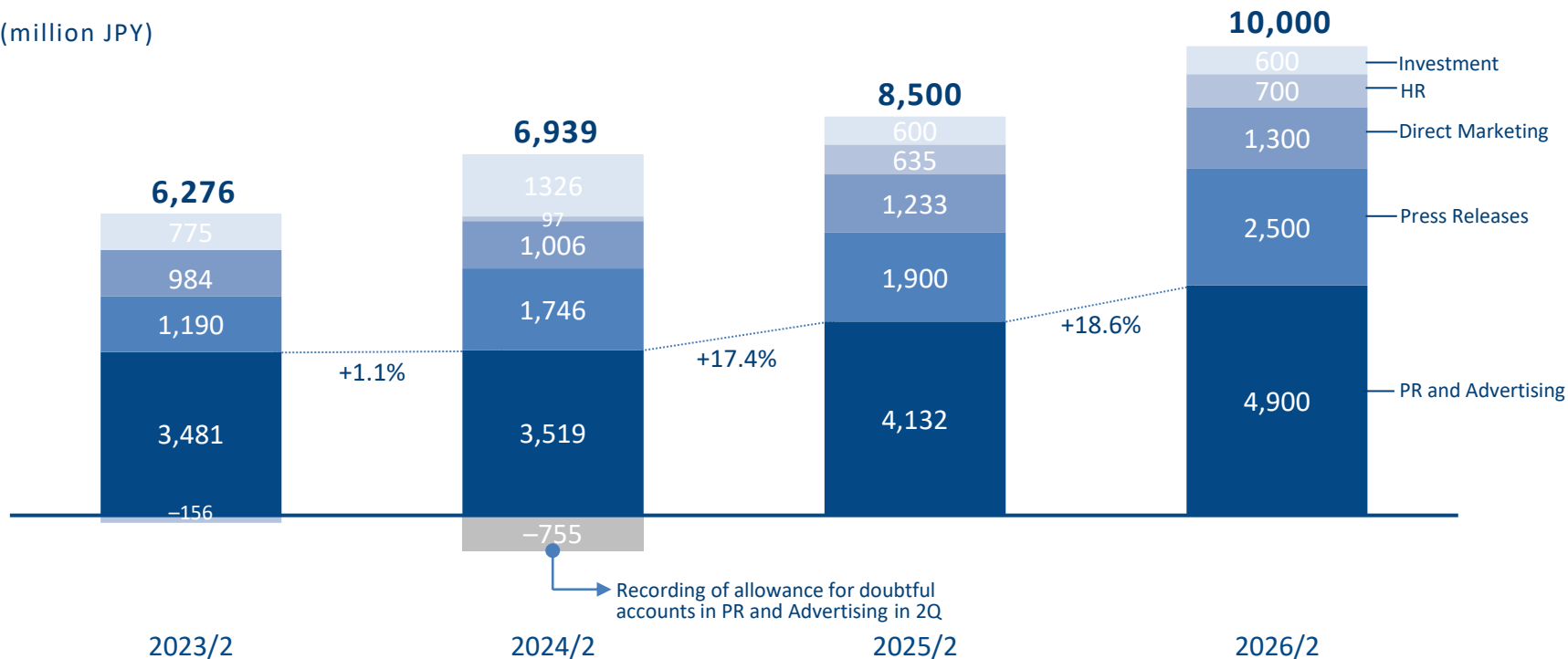
- **For FY2026, we expect EBITDA of 10,900 million JPY and operating profit of 10,000 million JPY.**
- We will continue to keep **ROE above 25%**, while taking into consideration our financial soundness.
- VECTOR's dividend policy is to ensure a **consolidated payout ratio** for shareholders aimed at **30%**.
- We will update the medium-term profit plan as necessary in accordance with market conditions and business performance.

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

## Medium-term Profit Plan Progress by Segment

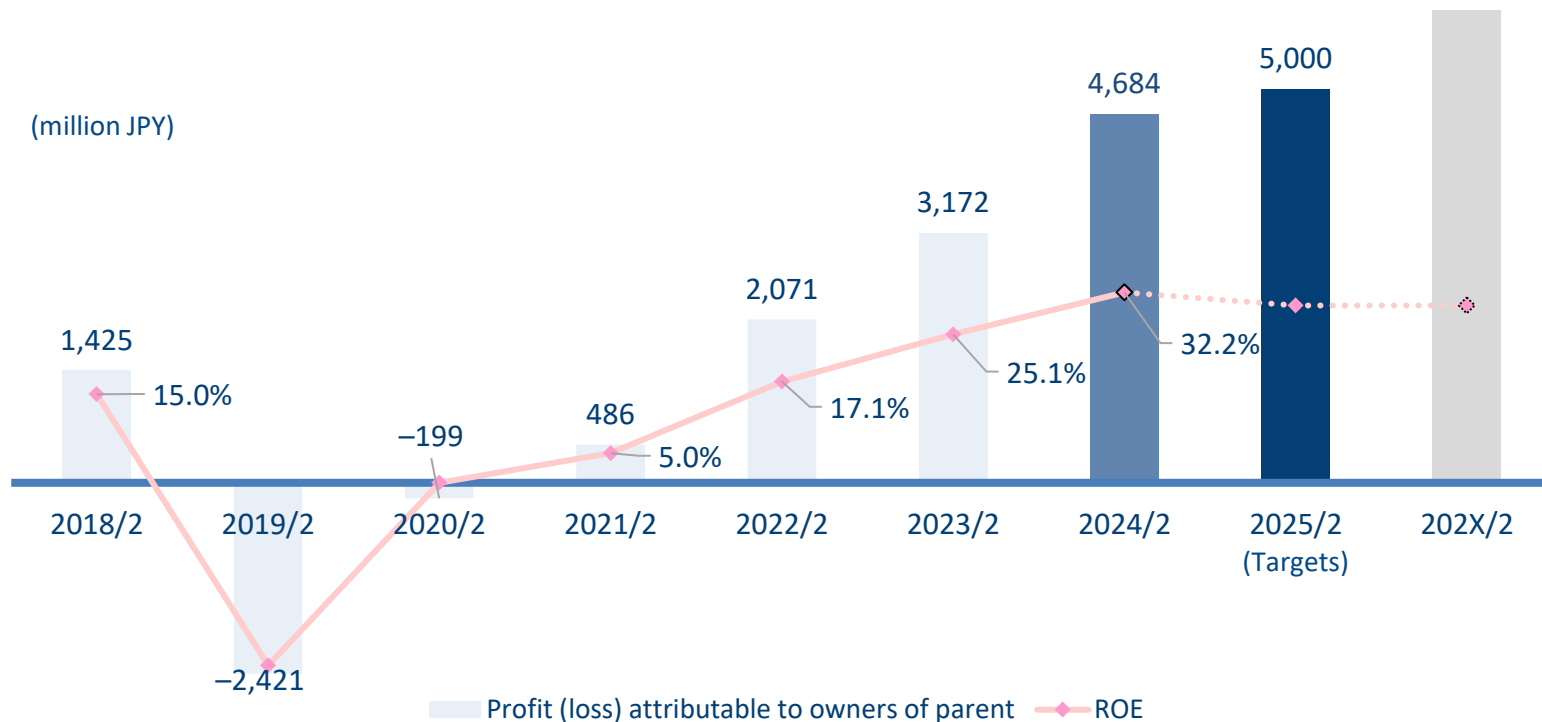
As our mainstay PR and Advertising business is driving performance, we will aim for operating profit of 10,000 million JPY in FY2026.

(million JPY)



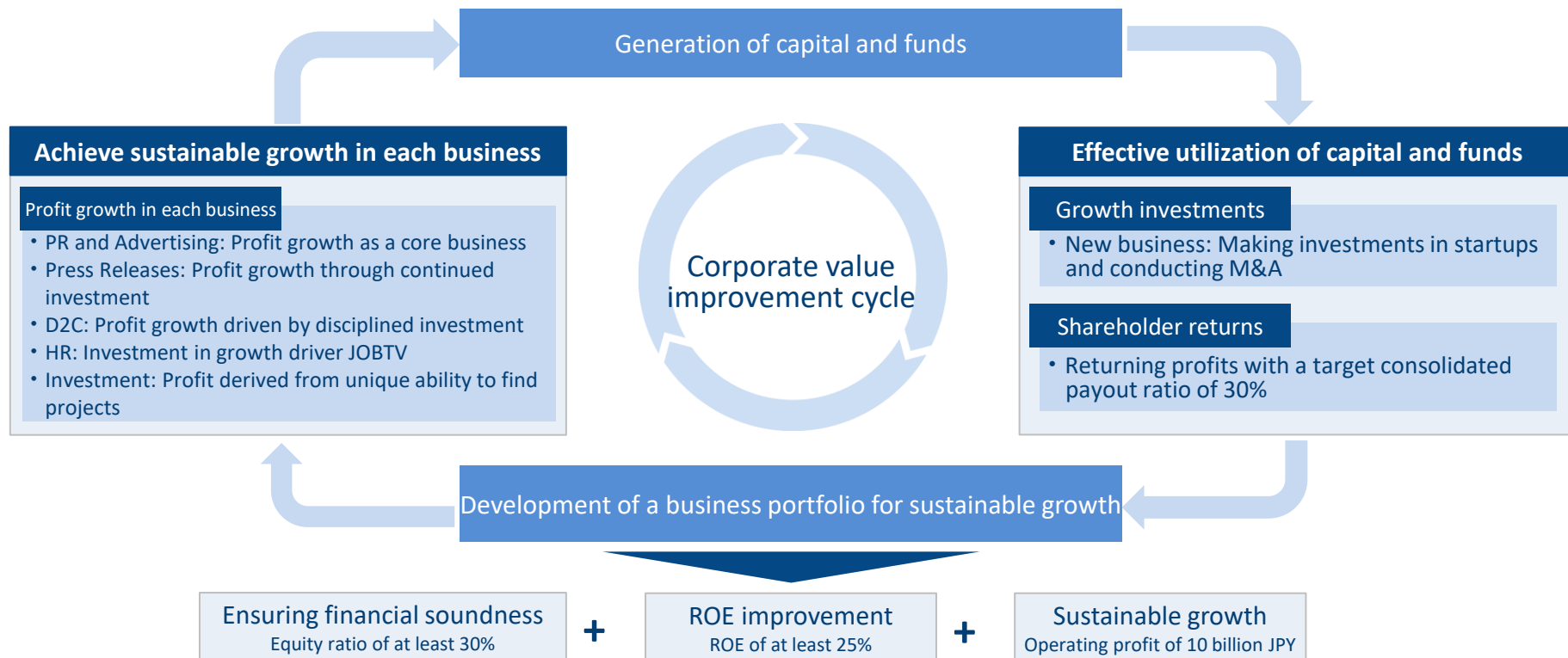
# ROE and Profit Attributable to Owners of Parent

Our policy is to keep **ROE above 25%**



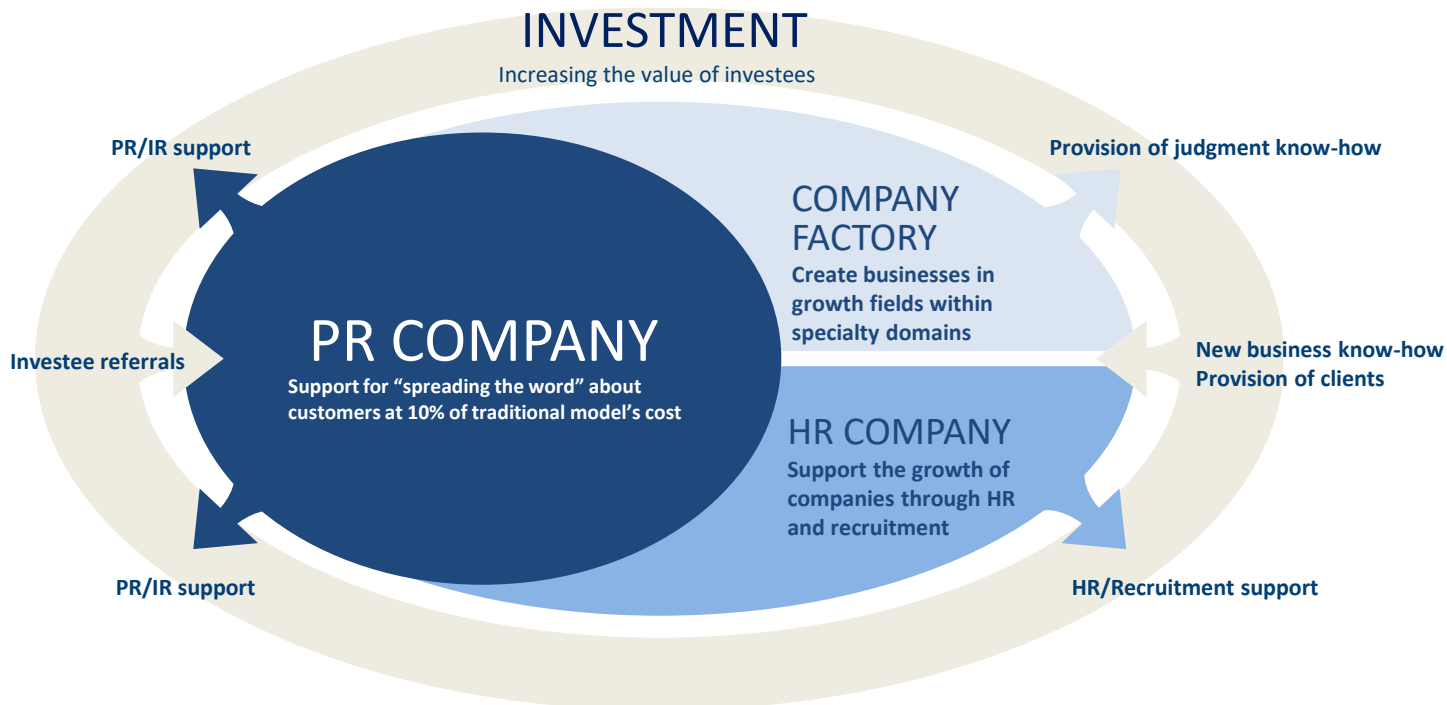
# Capital Allocation

Cash provided by operating activities will be allocated to investments for growth and shareholder returns.












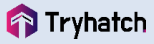







# VECTOR Group Business Concept

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/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>Our HR business primarily provides consulting and personnel evaluation cloud solutions to support the introduction and operation of personnel evaluation systems.</p>	 <p>In our startup investing activities, we provide investees with support for increasing value along with PR and IR.</p>
       	<p>New Business</p>  <p>We grow service domains taking advantage of the business knowhow we have cultivated and start new businesses that leverage Group synergies and partner strengths.</p> 	<p>Recruitment Support</p>  <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> 	 

# Appendix (Company Strategy)

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No. 1 in Asia and No. 7 in the world in the global PR company rankings.  
 Moving up from No. 14 in the world to No. 7, becoming one of the world's leading companies.

2023	2022	Agency	HQ	Fee Income 2022 (\$)	Fee Income 2021 (\$)	Staff	Growth vs 2021 (USD)	vs 2021 (Constant Currency)
1	1	Edelman <sup>nb</sup>	USA	1,079,738,000	984,921,000	6,433	9.6%	9.6%
2	2	Weber Shandwick <sup>nb</sup>	USA	920,000,000	860,000,000		7.0%	7.0%
3	3	BCW	USA	840,000,000	772,000,000		8.8%	8.8%
4	4	FleishmanHillard <sup>nb</sup>	USA	750,000,000	680,000,000		10.3%	10.3%
5	5	Ketchum <sup>nb</sup>	USA	600,000,000	550,000,000		9.1%	9.1%
6	7	Real Chemistry <sup>nb</sup>	USA	555,000,000	475,000,000	1,977	16.8%	16.8%
7	14	Vector Inc. <sup>nb</sup>	Japan	494,080,000	292,400,000	1,421	69.0%	69.0%
8	6	Brunswick	UK	471,900,000	469,125,000	1,250	0.6%	12.2%
9	9	MSL	France	425,000,000	387,000,000	2,110	9.8%	9.8%
10	8	FGS Global <sup>nb</sup>	USA	421,000,000	390,000,000	1,099	7.9%	7.9%

Source: PProvoke Media 2023 Global Rankings

From #1 PR Firm in Asia...

...to #1 PR Firm Worldwide

Further expand domains  
PR market in Japan worth 100 billion JPY



...by becoming a Fast Company in  
Advertising Industry

Target advertising market worth 7 trillion JPY

# Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

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

While the 4 mass media have decreased, online advertising has expanded, leading to a market worth 7 trillion JPY

(billion JPY)

Reference: Advertising Expenditures in Japan (Report by Dentsu)

6,110.2

6,692.6

7,102.1

4 mass media

Advertising market is centered on the 4 mass media such as TV and newspapers in 2000, the year our PR business launches

Online advertising begins to drive the market in 2008, the year of the financial crisis

Online advertising market enters the 3 trillion JPY range  
Search advertising leads

2000

2008

2022

(Launch of PR business)

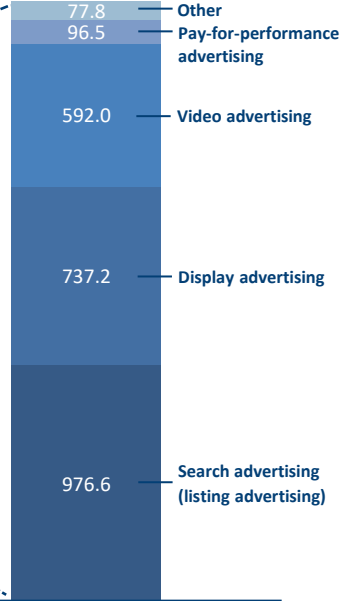
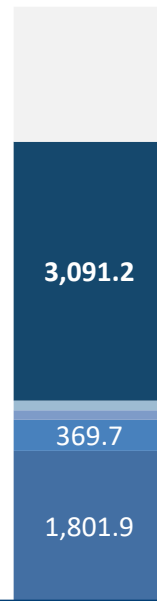
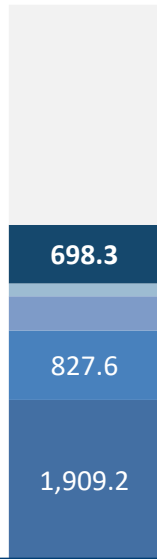
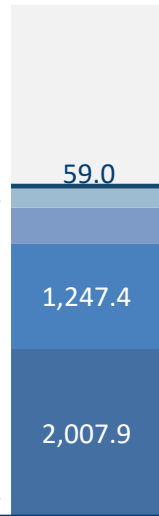
(Expansion of PR business)

(Accelerated through PR + digital)

Breakdown of online advertising media expenditures\*

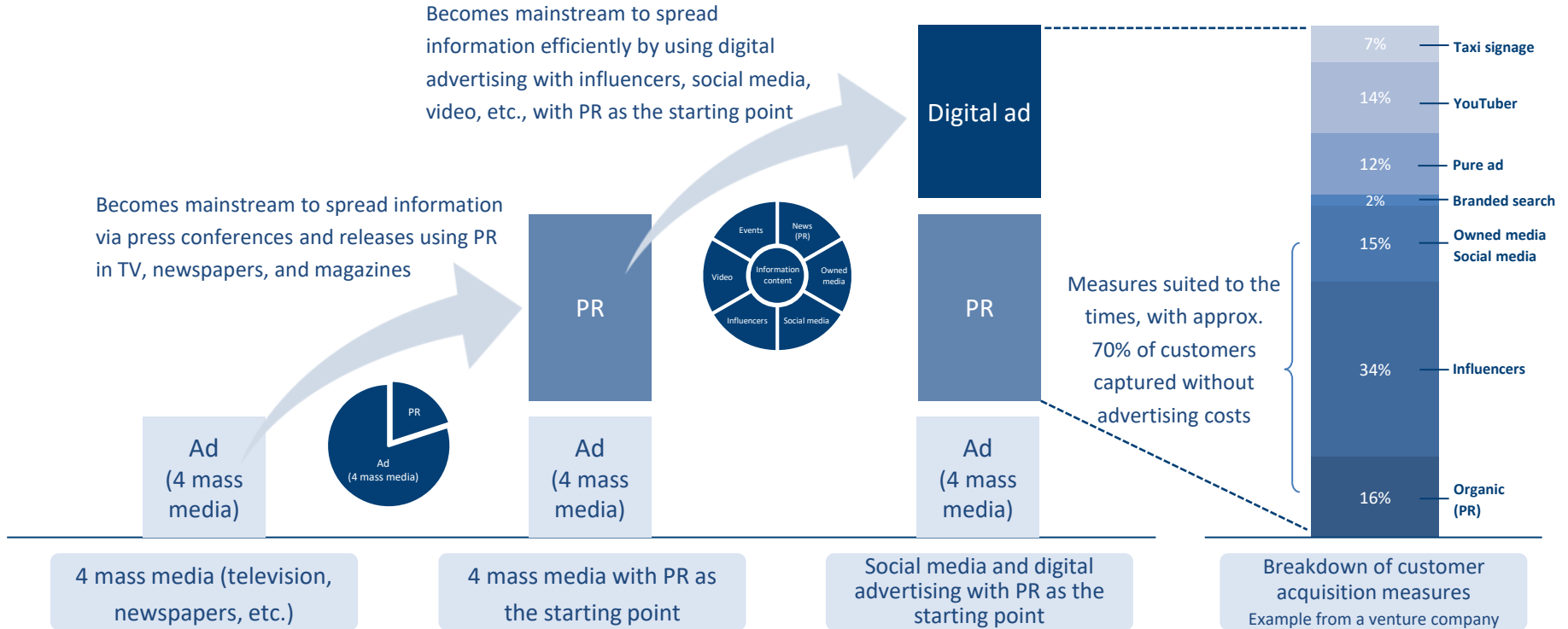
■ TV ■ Newspapers ■ Magazines ■ Radio ■ Online ■ Other (OOH, transit advertising, etc.)

\* Excludes production costs for online ads, etc.



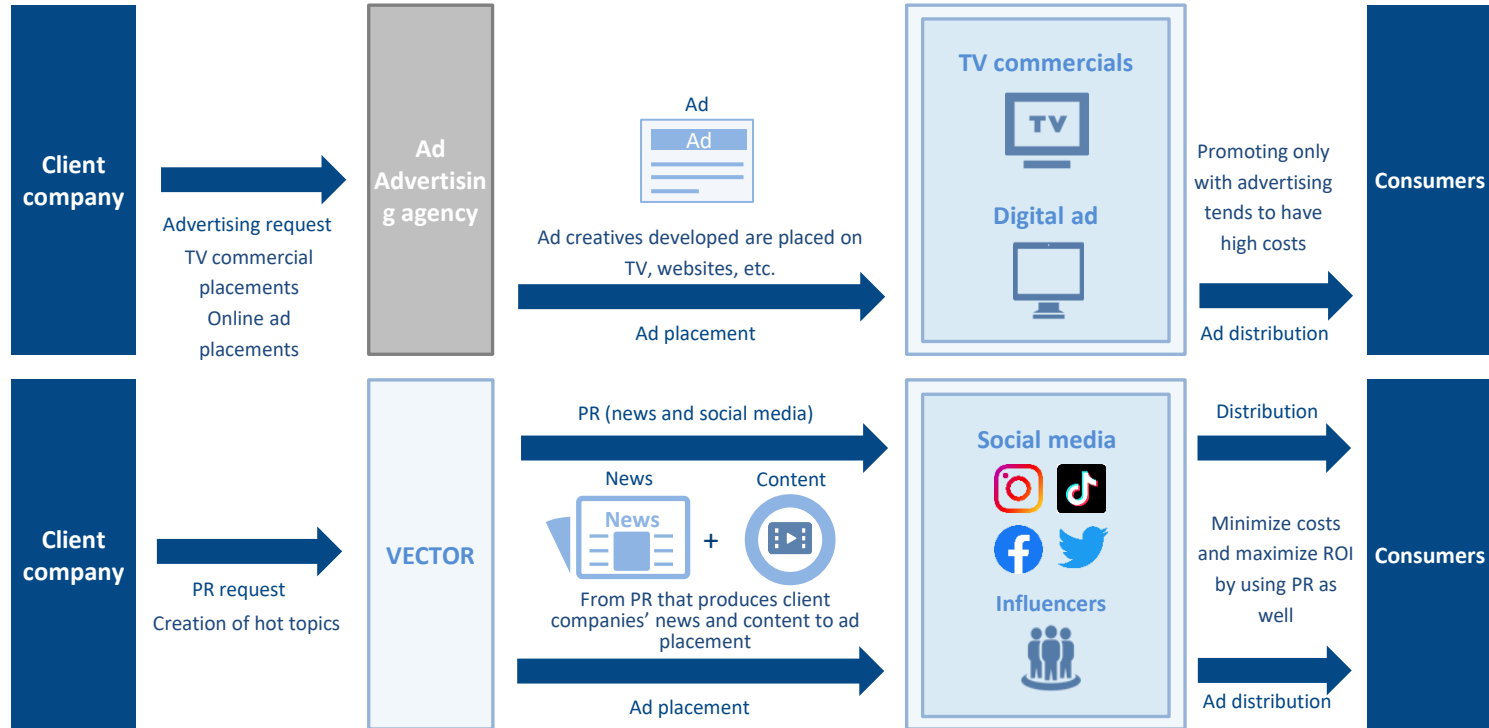


We are now in an age where information is spread efficiently through using digital advertising with PR as the starting point.



# Difference between VECTOR and Advertising Agencies

Advertising agencies spread the word using advertising, while VECTOR spreads the word using news, social media, and more



We spread the word by creating catchy keywords and combining PR with social media and advertising technology.

## Example: Opening of Yebaozi



### Overall communication strategy

#### Concept formulation



“Gachi Chuka”  
(Authentic  
Chinese food)

#### Communication design

Recognition



Understanding

Interest



×



×



The key challenge was to maximize interest for the launch of Japan's first Yebaozi, a hugely popular *nikuman* (meat bun) chain from China that boasts long lines.

We provided support covering from concept formulation to keyword creation and the implementation of measures.

### Measures implemented

#### PR



Japan's first Yebaozi  
Launched on May 14, 2022



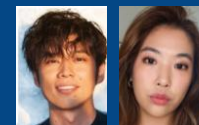
#### Vertical video



#### Social media

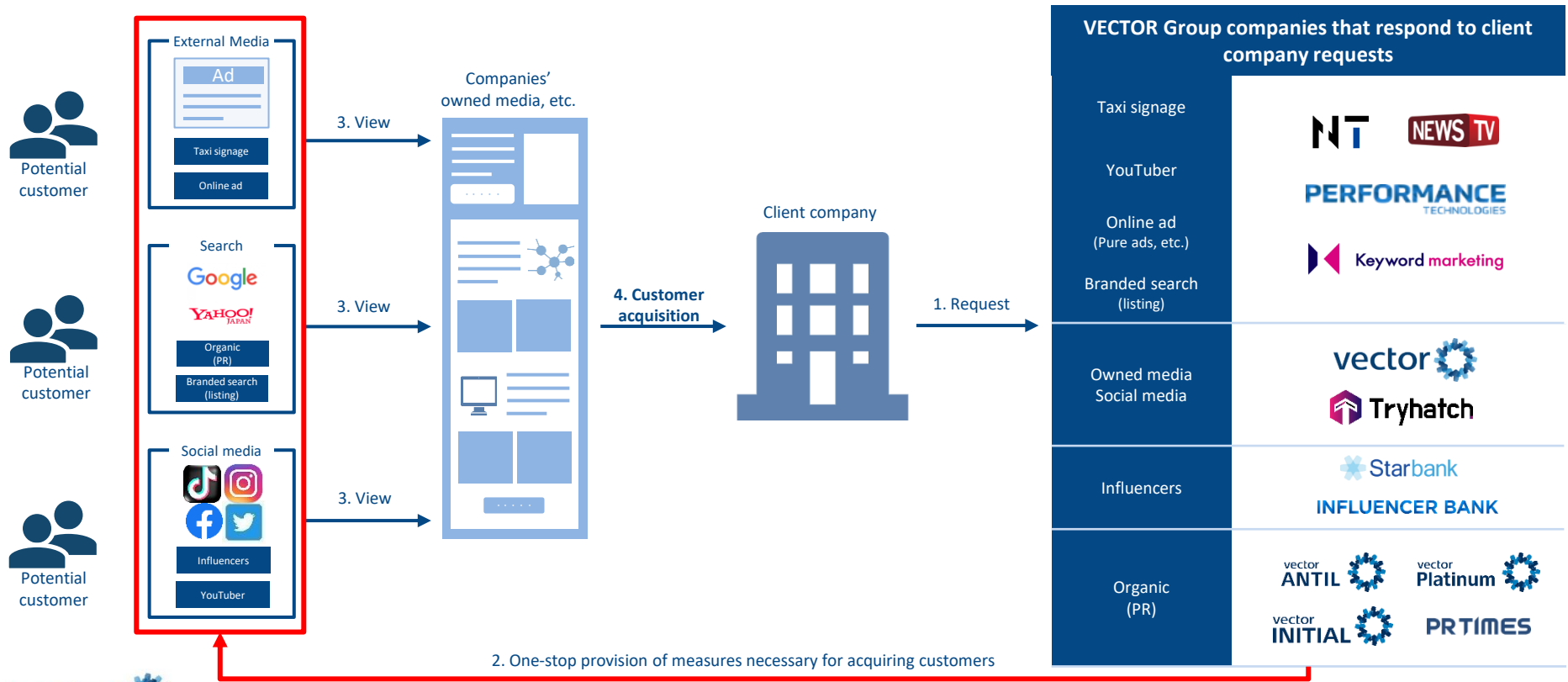


#### Celebrities

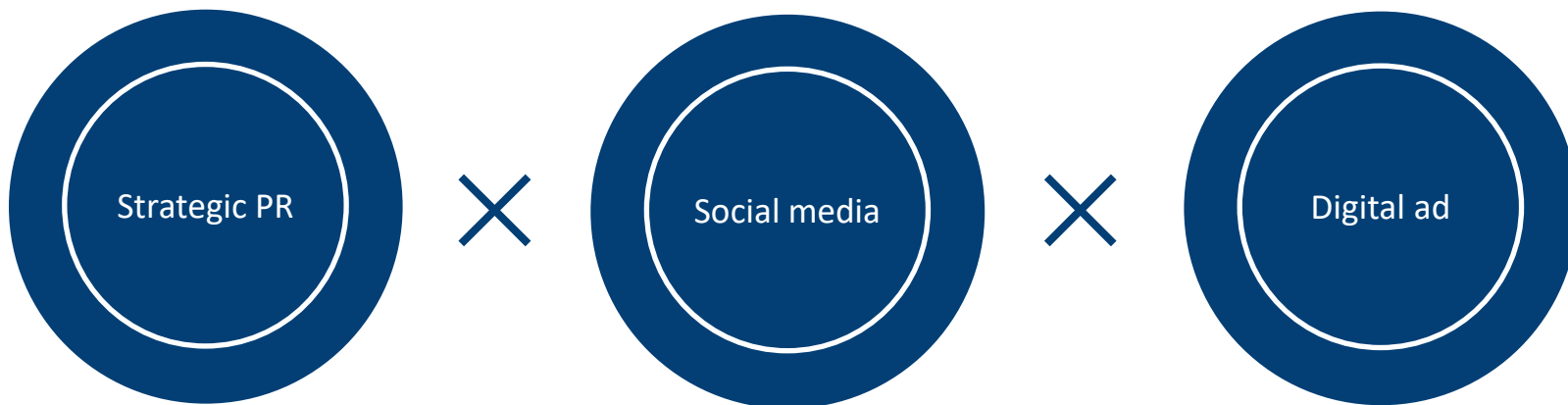


We created a powerful buzz through advertising and utilized catchy keyword phrases such as “gachi chuka,” “Japan's first,” and “bite-sized *nikuman*” to gain media exposure, turning “gachi chuka” into a trend for 2022.

## One-stop provision of measures that companies need to acquire customers






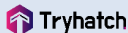




A one-stop marketing strategy that covers everything from recognition where content is delivered directly to the target audience to acquisition where digital ads are tied to purchases, while leveraging strategic PR and social media



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 90,000 clients. Used by 57% 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><b>NT</b> </p> <p></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 100 Million/Year

## 2 key points for strengthening the Fast Company concept



Expand service areas offered through M&A to enhance marketing measures suited to the times



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

# 1 M&A






## M&A

Expand the increasingly important domain of digital marketing to provide comprehensive support for customer marketing strategies



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.					
Press Releases	PR Consulting	Video Releases	Influencers	Digital Marketing	Risk Management
 <p>#1 press release service in Japan with over 90,000 clients. Used by 57% 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><b>NT</b>   <b>Tryhatch</b></p> <p><b>Keyword marketing</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>

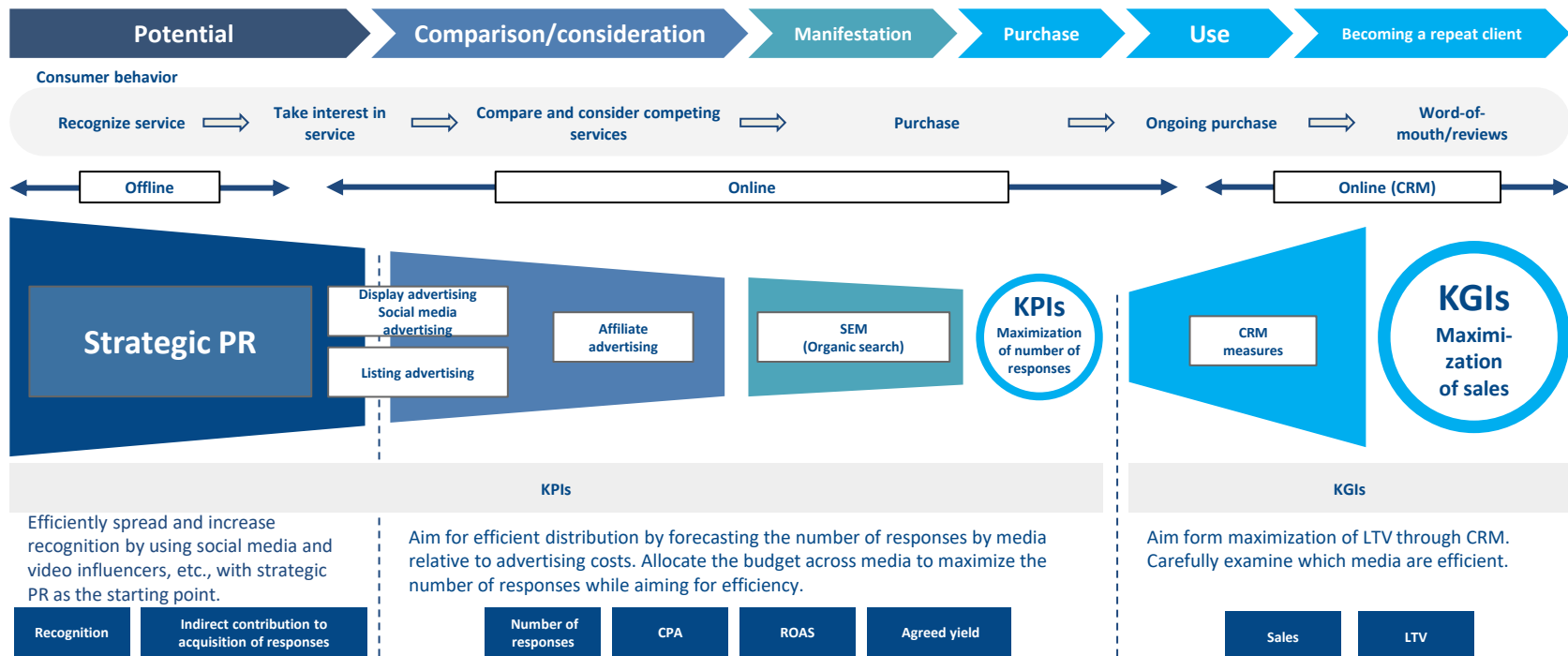
Starbank

JPY 0

JPY 100 Million/Year

# Synergy from Purchase of Digital Marketing Business

The purchase etc. of a company (business) specializing in strategic design and listing advertisement management has enabled us to provide digital measures aimed at maximizing sales based more on strategic PR than before.



# Digital Marketing Measures Made Possible through M&A

Leverage the strengths of the acquired company to maximize incoming traffic by getting links at the top of the search results screen

## Branded search

**Affiliate advertising**

**Listing advertising**

**Map engine optimization (MEO)**

**SEO**

**Advertorial**

## General keyword search: "men's hair removal" + "location (city)"

**Affiliate advertising**

**Listing advertising**

**MEO**

**SEO**

**Official website**


無料カウンセリング予約

# M&A Results (Business Transfer)

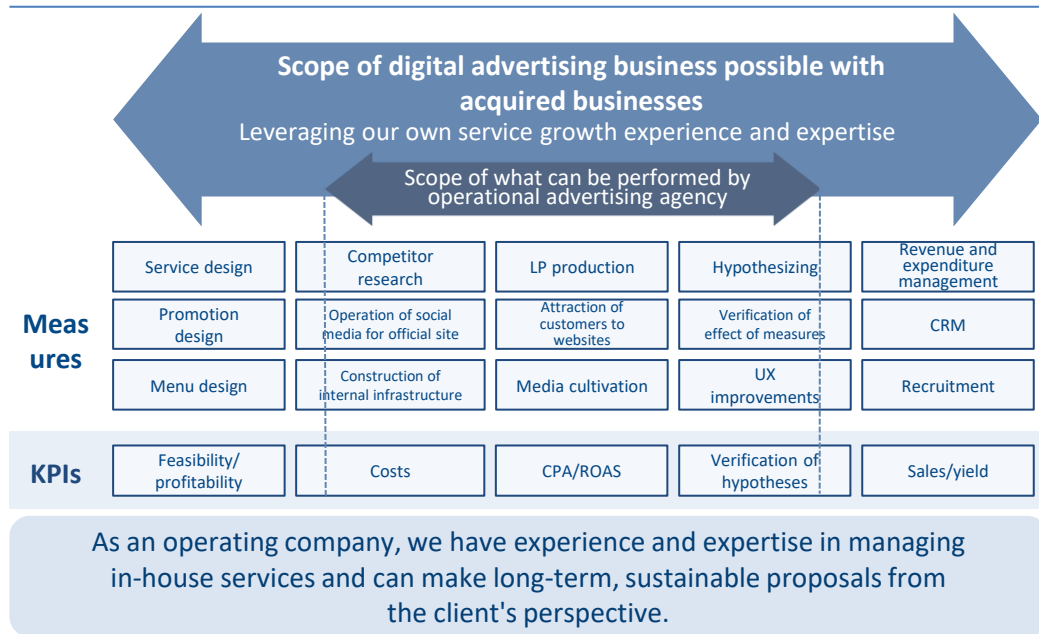
Acquired a digital advertising business specializing in strategic design from TERMINAL inc. for 1.1 billion JPY on September 30, 2022.

Now able to provide PR services based on digital marketing on top of enhancement of digital advertising

Overview of acquired business

<b>Company name</b>	 <b>TERMINAL inc.</b> TERMINAL inc.
<b>Business transfer</b>	Digital advertising business
<b>Acquisition cost</b>	1.1 billion JPY
<b>Date of acquisition</b>	September 30, 2022

Digital advertising business



# M&A Results (Share Acquisition)

Keyword Marketing Co., Ltd., a company specializing in managing programmatic advertising, became a consolidated subsidiary on December 26, 2022.

We will increase sales per customer by digitally enhancing client marketing strategies using strategic PR as a launchpad.

## Overview of acquisition of shares

<b>Company name</b>	 Keyword Marketing Co., Ltd.
<b>Business</b>	Management agency for programmatic advertising Advertising management consulting
<b>Acquisition cost</b>	1,180 million JPY
<b>Share acquisition date</b>	December 26, 2022

## Business

Management agency for programmatic advertising

Management agency for programmatic advertising  
(Listing/social media advertising)

Managing programmatic advertisements such as listing ads and social media ads on behalf of clients. Conducts interviews prior to the start of operations to clarify issues not only in advertising but also in the business as a whole, setting goals.

Clients supported  
Over 300

Annual retention rate  
Over 90%

In-house management support

Advertising management consulting

Provides consulting services to clients who manage their own advertising. Offers the most up-to-date advertising proposals suited to the client's industry and sector based on expertise gained from managing over 300 accounts at any one time.

Clients supported  
Over 900


Course participants  
Over 25,000

# M&A Results (Share Acquisition)

Tryhatch, Inc., which specializes in supporting customer attraction using social media, became a consolidated subsidiary on March 1, 2023

Providing one-stop support for the marketing challenges of customers with physical stores, utilizing strategic PR and technology

Overview of acquisition of shares

<b>Company name</b>	 <b>Tryhatch</b> Tryhatch, Inc.
<b>Business</b>	Social media operations support business SaaS business Digital marketing business
<b>Acquisition cost</b>	350 million JPY
<b>Share acquisition date</b>	March 1, 2023

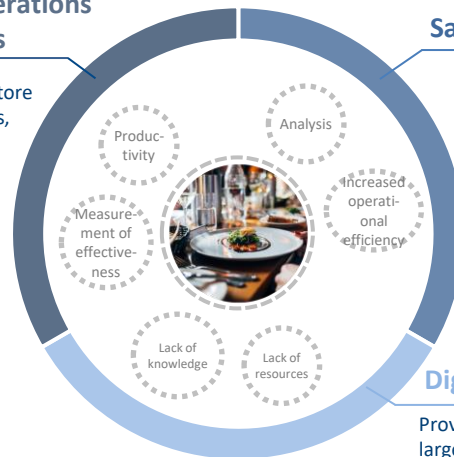
Business

## Social media operations support business

Providing support for store social media operations, mainly by handling Instagram and TikTok

## SaaS business

Developing MEO management/analysis and other SaaS tools and providing a one-stop solution covering everything from marketing to measurement of effectiveness



## Digital marketing business

Providing consulting services using the large amount of data accumulated via our proprietary SaaS


Providing a wide range of services from consulting to social media operation support tailored to the marketing challenges of customers with physical stores, while utilizing a large volume of accumulated data

# M&A Results (Share Acquisition)

Owned, Company, which specializes in managing programmatic advertising that leverages search engine optimization (SEO), became a consolidated subsidiary on July 14, 2023.

VECTOR will aim to increase sales per customer by harnessing Owned, Company's strong knowledge in specialized areas and expertise in programmatic advertising that incorporates SEO.

Overview of acquisition of shares

<b>Company name</b>	 Owned, Company
<b>Business</b>	Digital marketing support
<b>Acquisition cost</b>	480 million JPY
<b>Share acquisition date</b>	July 14, 2023

Business

## SEO consulting

### SEO

(Content, backlinks, UI/UX)

- SEO support to ensure that customers' websites are appeared in the top search results.
- Wide-ranging support covering content production based on user needs, backlink measures, and UI/UX improvement.

Achievement  
1  
From 0 to 6  
million PV in  
one year

Achievement  
2  
No. 1 search  
ranking  
gained in  
three months

## Management agency for programmatic advertising

### Management agency for programmatic advertising

(Listing/social media advertising)

- Managing programmatic advertisements such as listing ads and social media ads on behalf of clients.
- Highly effective advertising management that addresses customers' business challenges based on a deep understanding of specialized areas.

Achievement  
1  
Increased  
monthly  
sales by 30%  
in six months

Achievement  
2  
Reduced CPO  
by 50% in six  
months

Strengthen the Fast Company concept and aggressively pursue M&A that could produce synergy with core businesses

Accelerate organic growth through effective M&A and aim for discontinuous growth

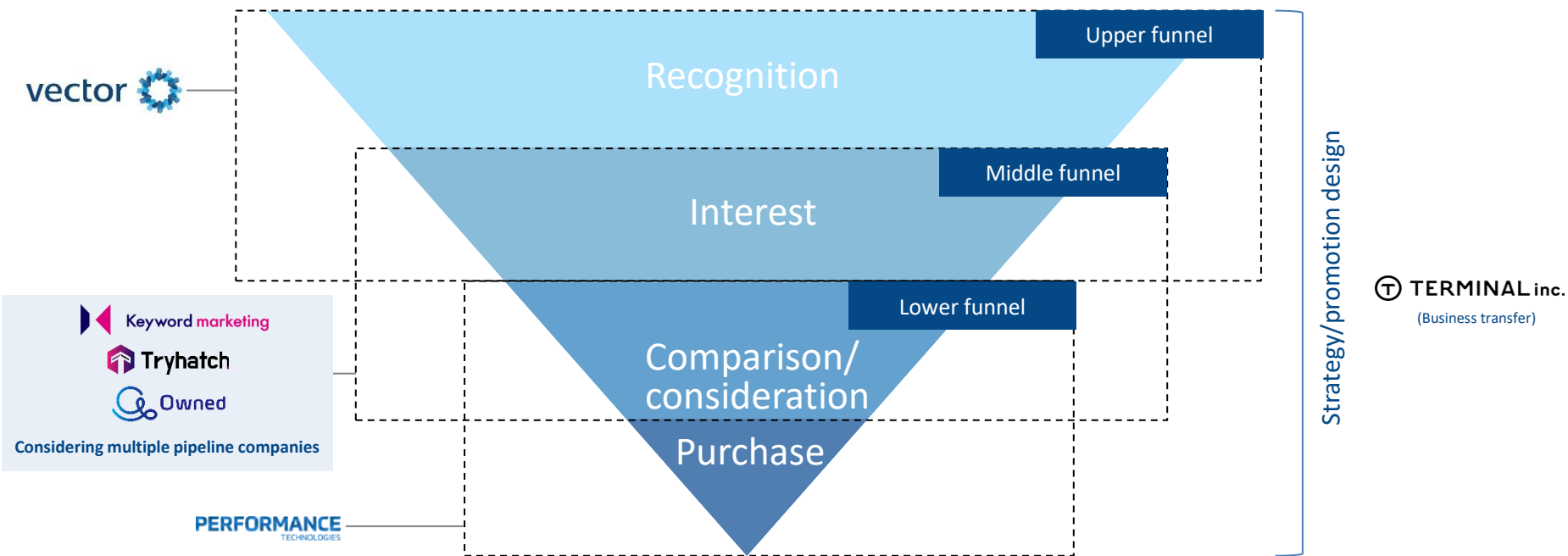
Acquisition target	Companies (small-scale projects) that can expand and enhance the Fast Company concept Strengthen digital marketing (digital advertising) domain in particular
Valuation	Execute M&A with a target EV/EBITDA multiple of 5x to 7x
Fund procurement	Acquisitions will basically be financed by cash on hand and bank loans.
Governance	Possess extensive knowledge related to M&As and financing Make careful decisions at the Board of Directors with a majority of External Directors
PMI	Regularly monitor objectives of acquisition from time of investment and their achievement Develop the internal controls required of a listed group company



# Expansion of Digital Marketing Domain

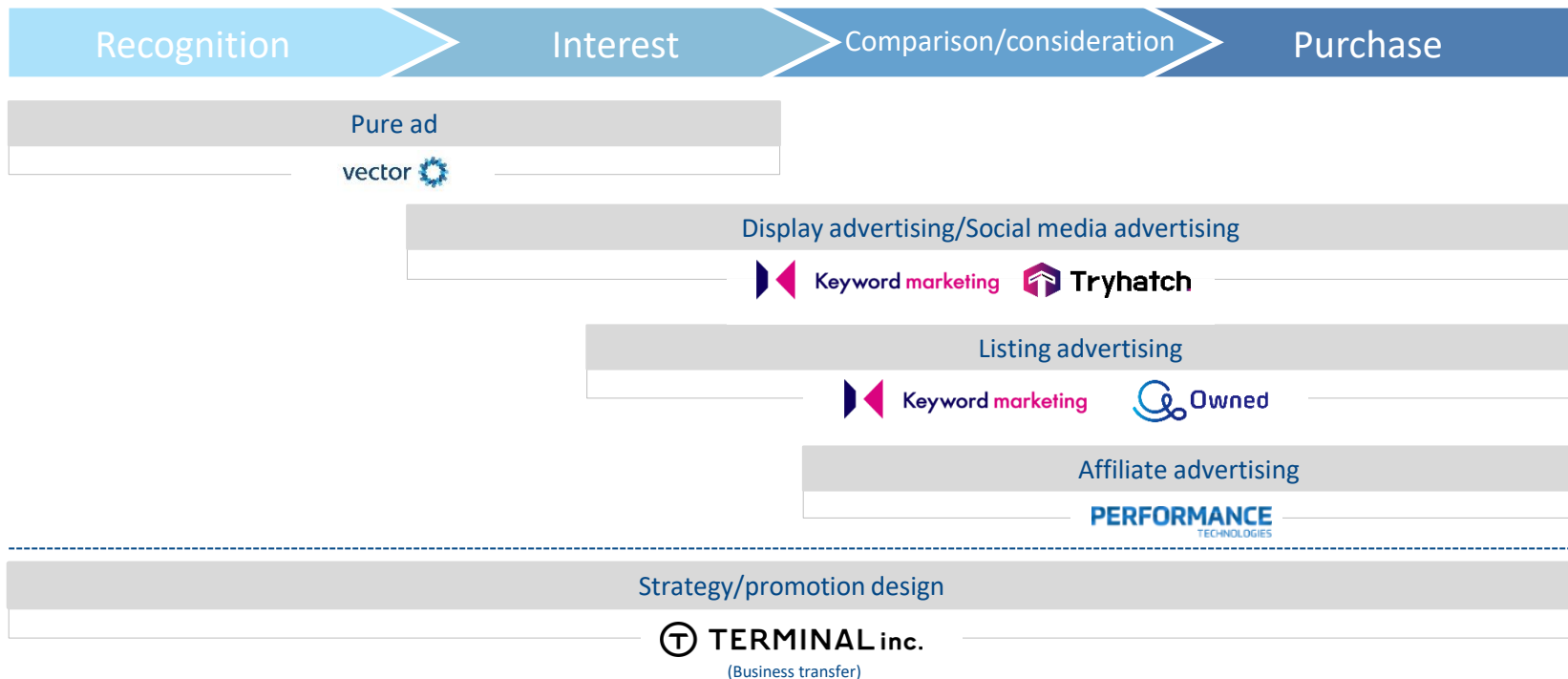
Develop businesses that can handle each funnel based on the purchasing process of consumers

Policy is to increase coverage through M&A to expand domains supported by each funnel



# Expansion of Digital Marketing Domain (by Ad)

Expand the digital marketing domain to further strengthen the system for providing a one-stop solution that includes strategy and promotion design covering everything from expanding recognition to purchases in digital advertising measures



## 2 VC + PR

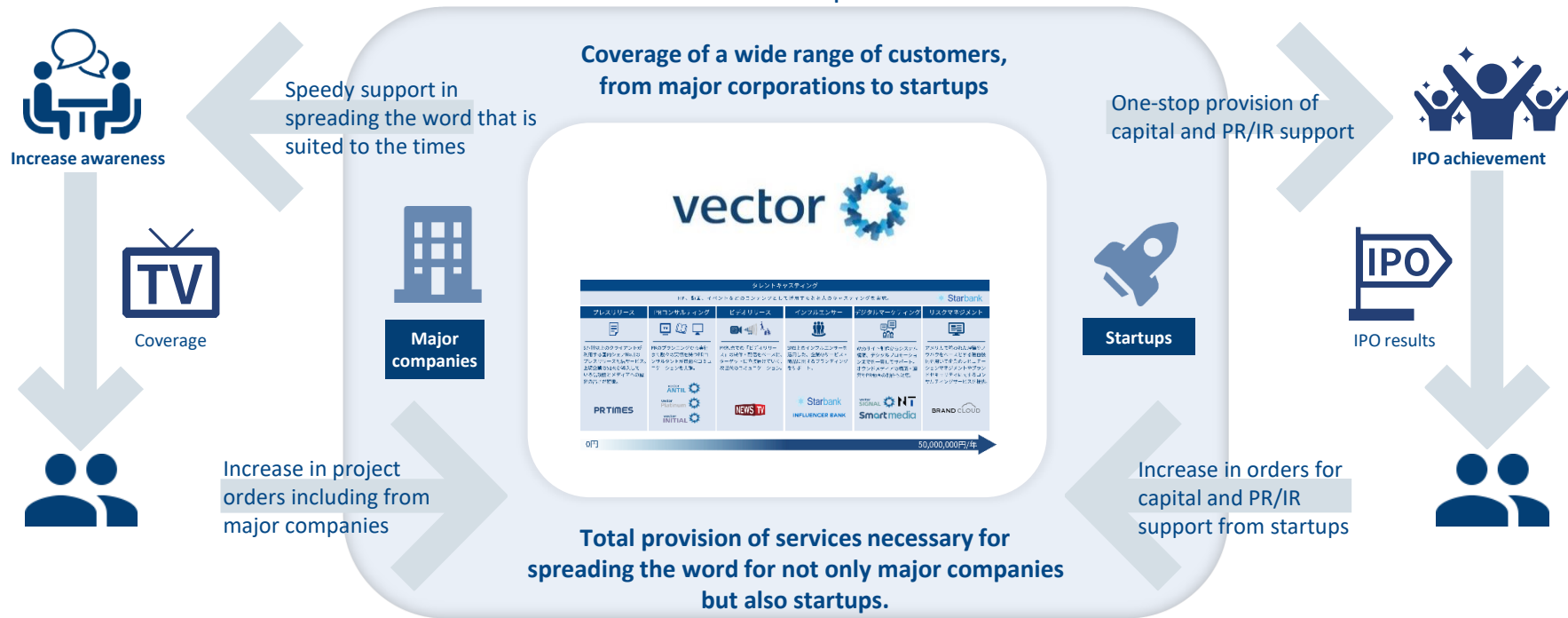
PR capital that offers both funding and PR support

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

Accelerate venture investment backed by investments in capital and PR/IR support based on the increasing number of startups

We will expand our customer base by covering not only the major companies that comprise our main clients, but also startups.





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.