VECTOR INC.

Financial Results - 3Q FY ‘25

January 14, 2025

Akasaka Garden City 18th Floor 4-15-1 Akasaka, Minato-ku, Tokyo 107-0052 Japan

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Quarterly Results

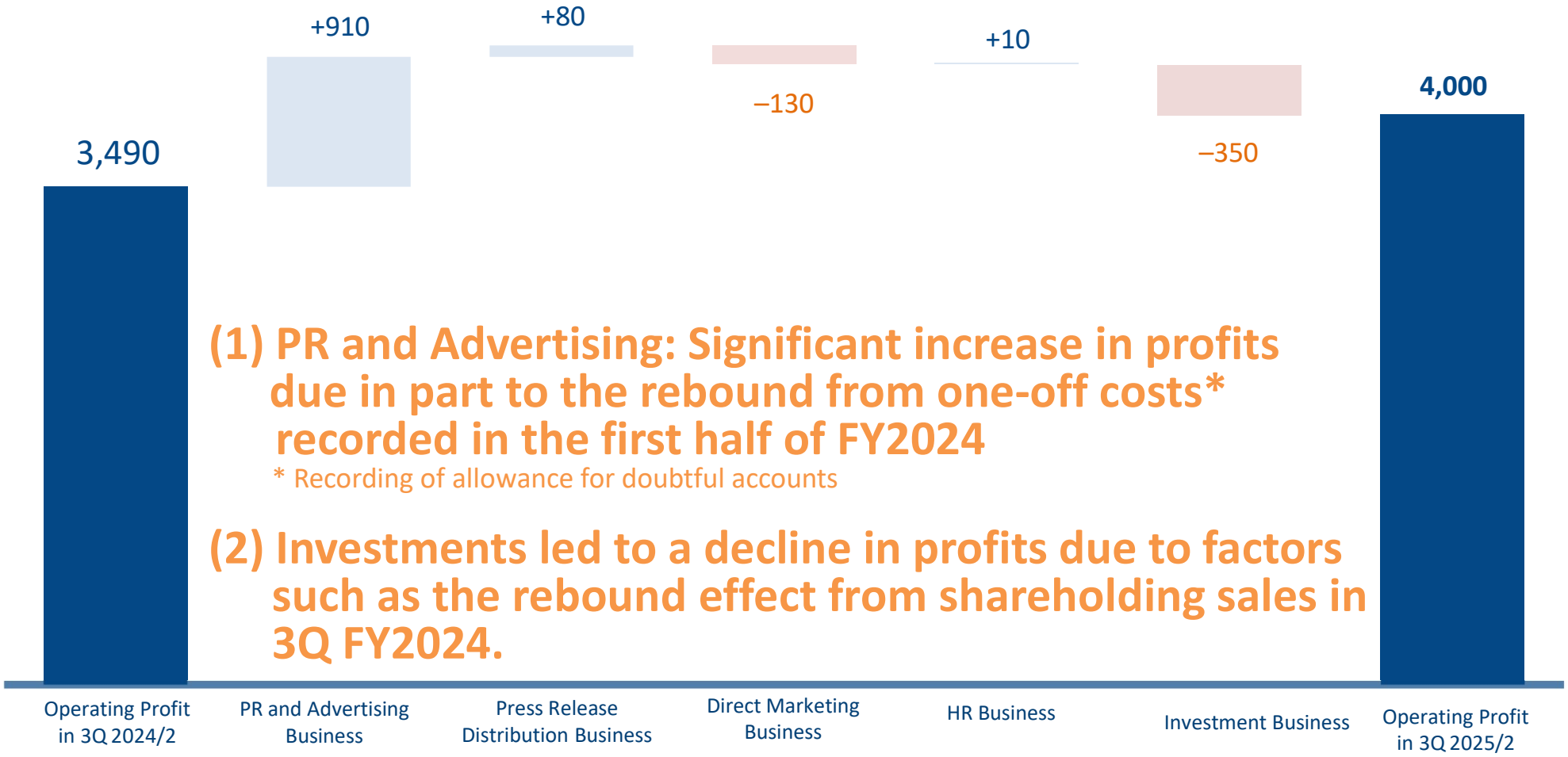
Consolidated Performance Summary

Net Sales	42,450 million JPY	(97.8% YoY)
Gross Profit	27,920 million JPY	(101.5% YoY)
EBITDA*	4,860 million JPY	(115.4% YoY)
Operating Profit	4,000 million JPY	(114.6% YoY)
Ordinary Income	3,960 million JPY	(109.8% YoY)
Profit Attributable to Owners of Parent	2,030 million JPY	(68.1% YoY)

* EBITDA = Operating profit + Depreciation + Amortization of goodwill

Operating Profit (YoY Trend)

(million JPY)



(1) PR and Advertising: Significant increase in profits due in part to the rebound from one-off costs* recorded in the first half of FY2024

* Recording of allowance for doubtful accounts

(2) Investments led to a decline in profits due to factors such as the rebound effect from shareholding sales in 3Q FY2024.

Note: The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

Overview of Results for Nine-Month Period

	Net Sales	Operating Profit	Business Overview for the Nine-Month Period
Consolidated Performance	42,450 million JPY (97.8% YoY)	4,000 million JPY (114.6 % YoY)	• Sales decreased despite strong performance of the PR business in Japan, in part due to the impact from the sale of SIGNAL, Inc., Direct Tech, Inc., and other subsidiaries in FY2024. • There was an increase in profits due in part to the rebound from one-off costs recorded in FY2024 in the PR and Advertising.
PR and Advertising	24,310 million JPY (94.4% YoY)	2,560 million JPY (155.3% YoY)	• Sales decreased despite the steady performance of the PR business in Japan, in part due to the impact of subsidiaries sold in FY2024. • There was a significant increase in profits due in part to the rebound from one-off costs recorded in FY2024.
Press Releases (PR TIMES)	5,980 million JPY (118.7% YoY)	1,590 million JPY (105.4% YoY)	• **Achieved record-high net sales and operating profit** • Number of user companies surpassed 100,000 • The number of press release distributions has also remained steady.

Note: The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

Overview of Results for Nine-Month Period

	Net Sales	Operating Profit	Business Overview for the Nine-Month Period
Direct Marketing	9,830 million JPY (99.5% YoY)	(200) million JPY (Down 130 million JPY YoY)	• The impact from problems with the raw material, red yeast rice, at another company resulted in a decline in sales and profit for supplements • In 3Q, with the aforementioned impacts resolved, advertising and promotional investments were made, resulting in Vitabrid Japan achieving **record-high quarterly sales**. • We aim to achieve the targets in 4Q by limiting investments in sales promotions to secure profits.
HR	2,160 million JPY (106.6% YoY)	60 million JPY (129.6% YoY)	• ASHITA-TEAM continues to invest in advertising and development for strengthening functionality while revising sales strategies. • Efforts to strengthen the earnings foundation for JOBTV progressed steadily
Investment	350 million JPY (34.9% YoY)	(0) million JPY (Down 350 million JPY YoY)	• The decline in proceeds from sales of shareholdings resulted in a decrease in both sales and profits. • Full-year profits were secured in line with the target. • Invested aggressively in promising startups

* The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

Progress toward Full-Year Financial Forecasts

Full-Year Financial Forecast for FY '25 (million JPY)	FY '25 Full-Year Target	Nine months ended November 30, 2024	Progress
Net Sales	61,000	42,452	69.6%
Operating Profit	8,500	4,008	47.2%
Ordinary Income	8,350	3,964	47.5%
Profit attributable to owners of parent	5,000	2,034	40.7%

Actual results are progressing at a rate in the 40% range of the plan, leaving a portion of profit generation for 4Q. While continuing to grow strong-performing areas, particularly the mainstay strategic PR, recovery measures are being steadily implemented in underperforming segments across various businesses. We are focused on steadily building profits toward achieving the full-year target.

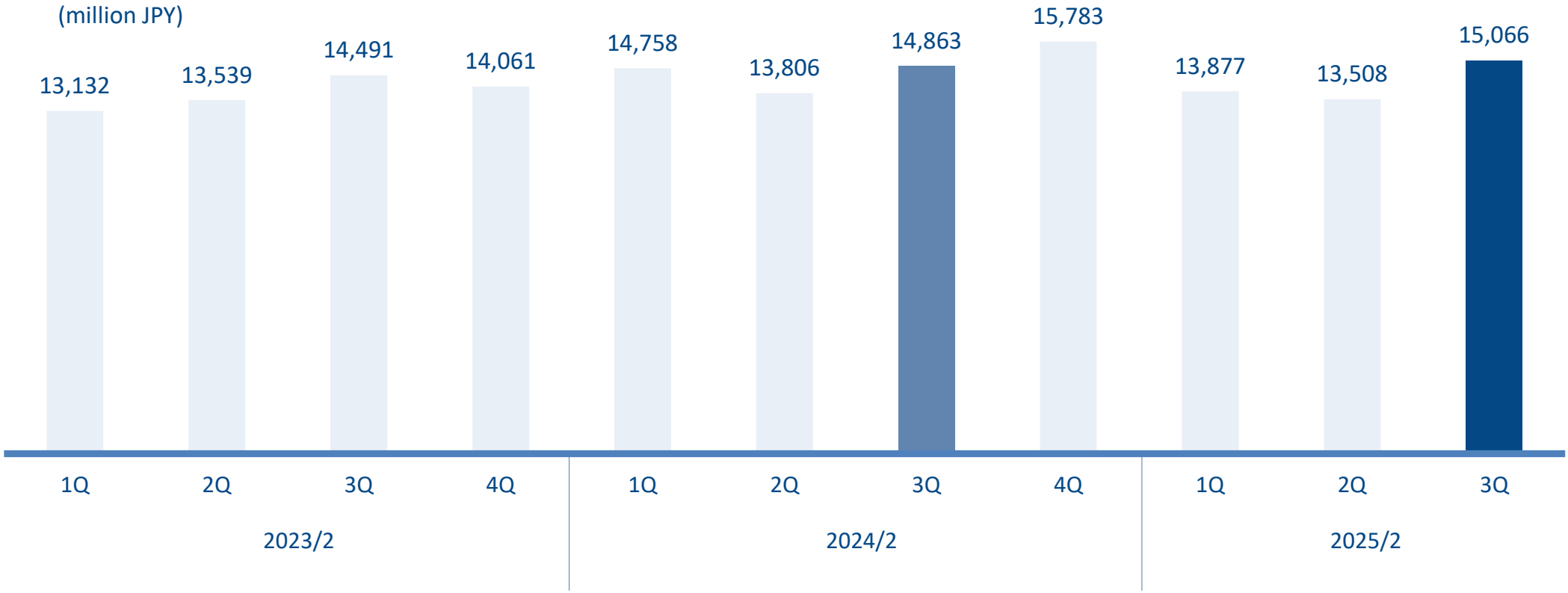
Progress toward Profit Plan by Segment

	Profit Plan by Segment (million JPY)	FY '25 Full-Year Target	Nine months ended November 30, 2024	Progress
Operating profit	Consolidated	8,500	4,008	47.2%
	PR and Advertising*	4,154	2,564	61.7%
	Press Releases	1,900	1,596	84.0%
	Direct Marketing	910	(202)	—
	HR	635	60	9.5%
	Investment	900	(8)	—

* The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

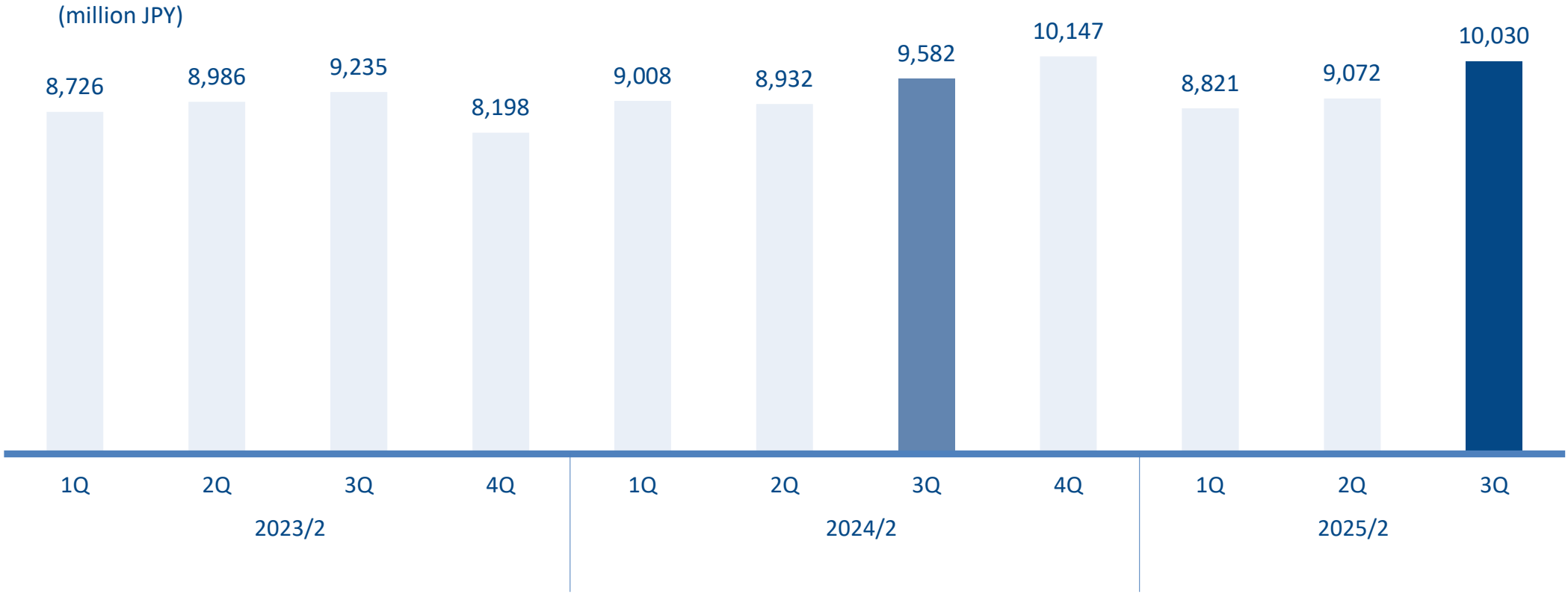
Consolidated Net Sales

Consolidated net sales for 3Q FY2025 came in at 15,066 million JPY (101.4% YoY).



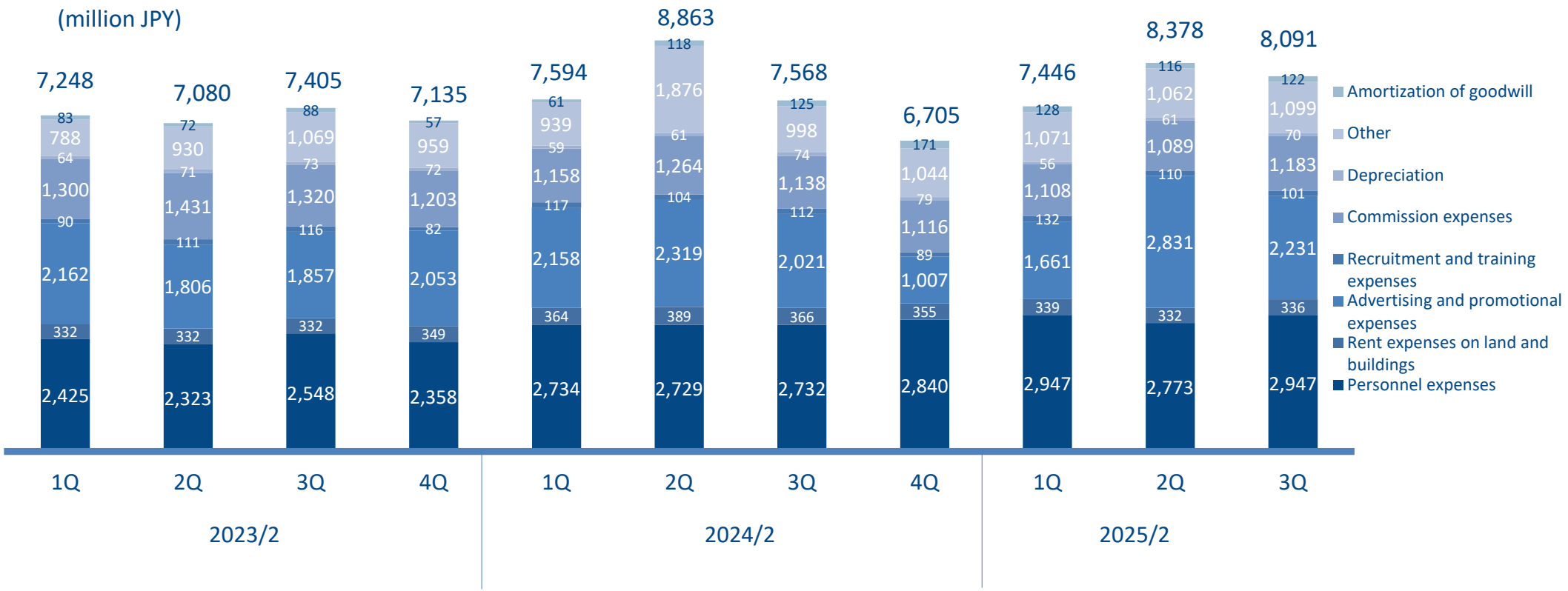
Consolidated Gross Profit

Consolidated gross profit for 3Q FY2025 came in at 10,030 million JPY (104.7% YoY).



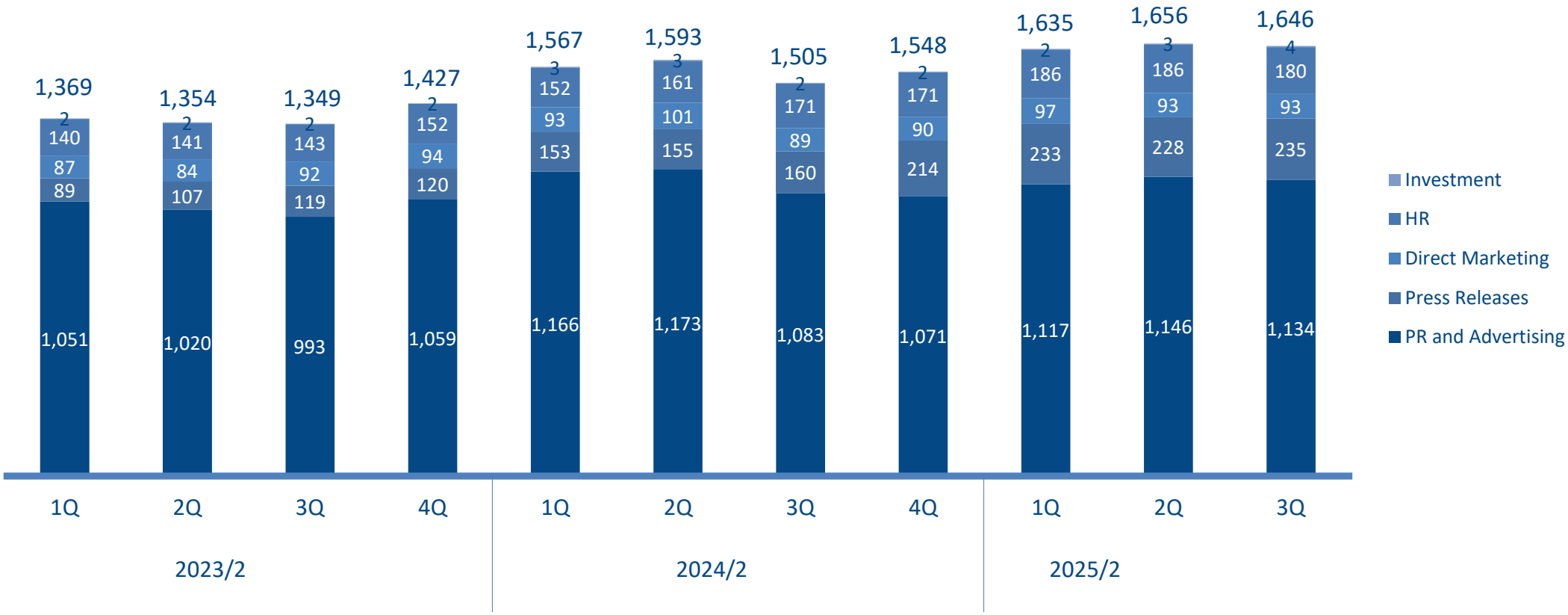
SG&A

SG&A for 3Q FY2025 amounted to 8,091 million JPY (106.9% YoY) due to an increase in personnel expenses and advertising/promotion expenses.



Consolidated Number of Employees

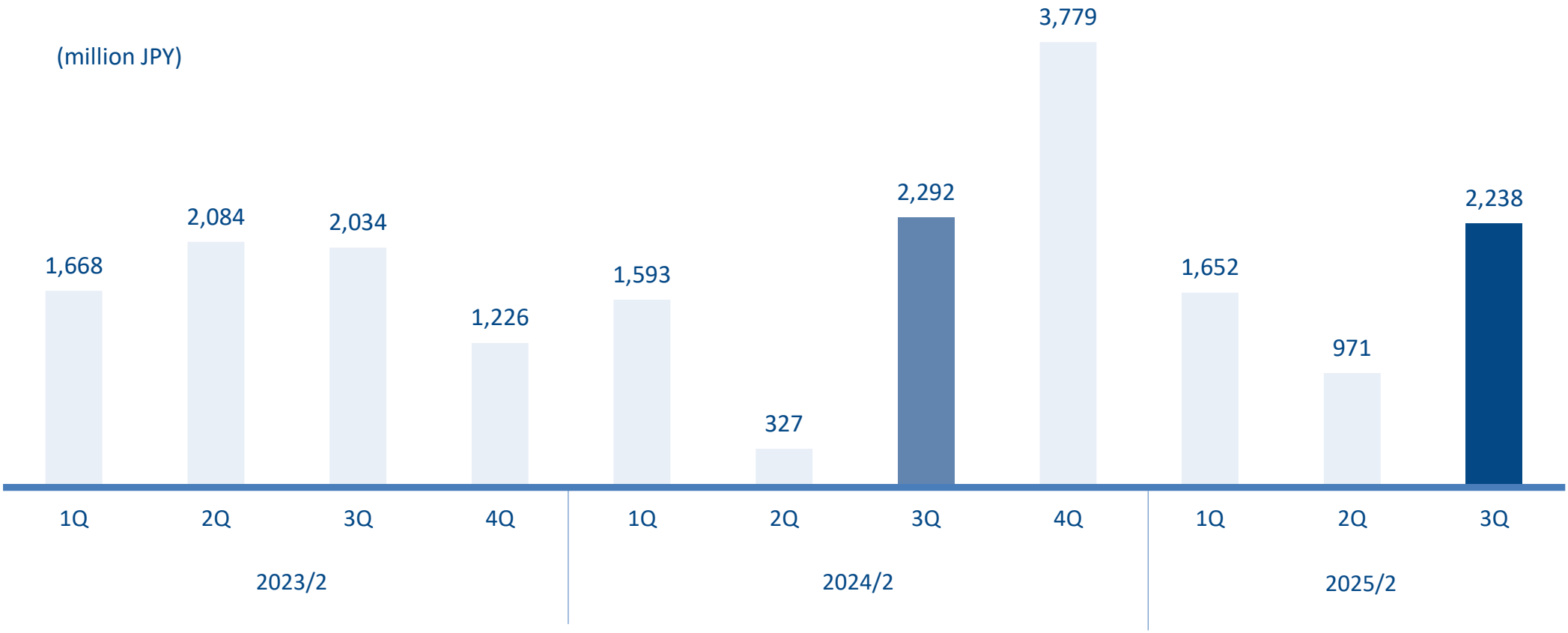
Consolidated headcount as of the end of 3Q FY2025 decreased in the PR and Advertising segment to 1,646.



Note: The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

EBITDA*

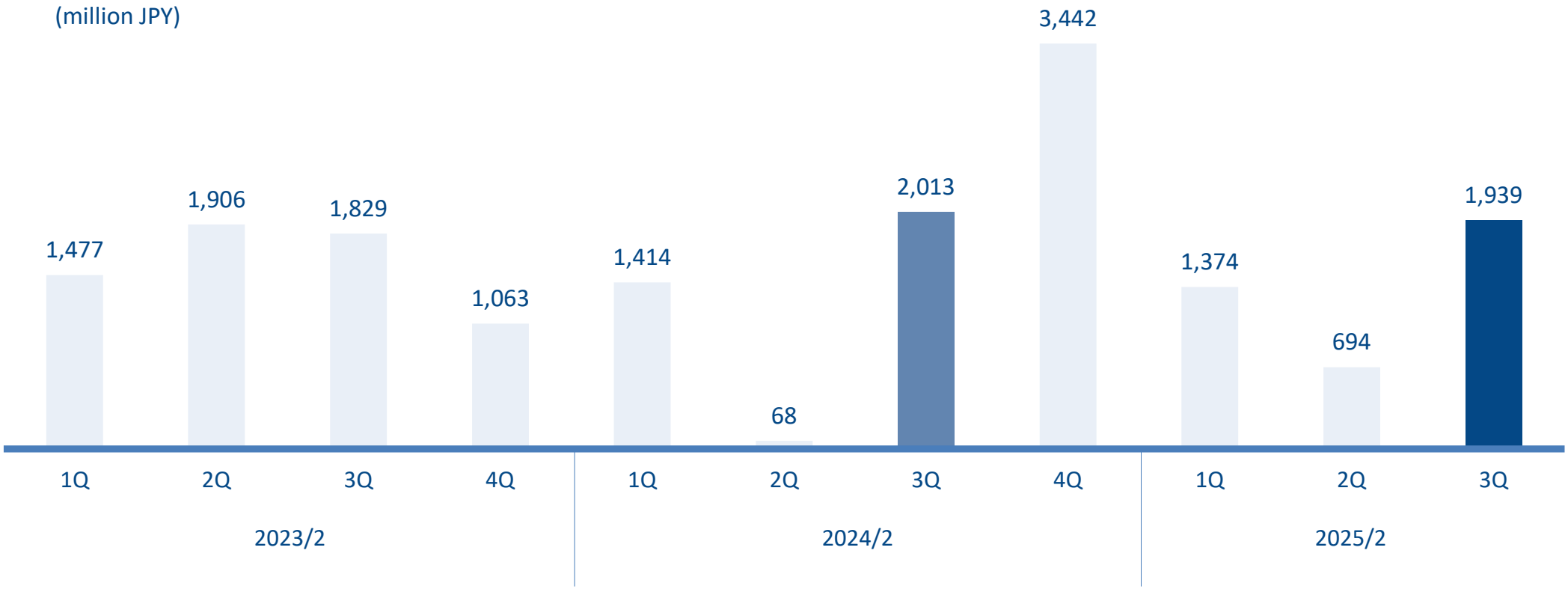
EBITDA for 3Q FY2025 came in at 2,238 million JPY (97.6% YoY).



* EBITDA = Operating profit + Depreciation + Amortization of goodwill

Consolidated Operating Profit

Consolidated operating profit for 3Q FY2025 came in at 1,939 million JPY (96.3% YoY).

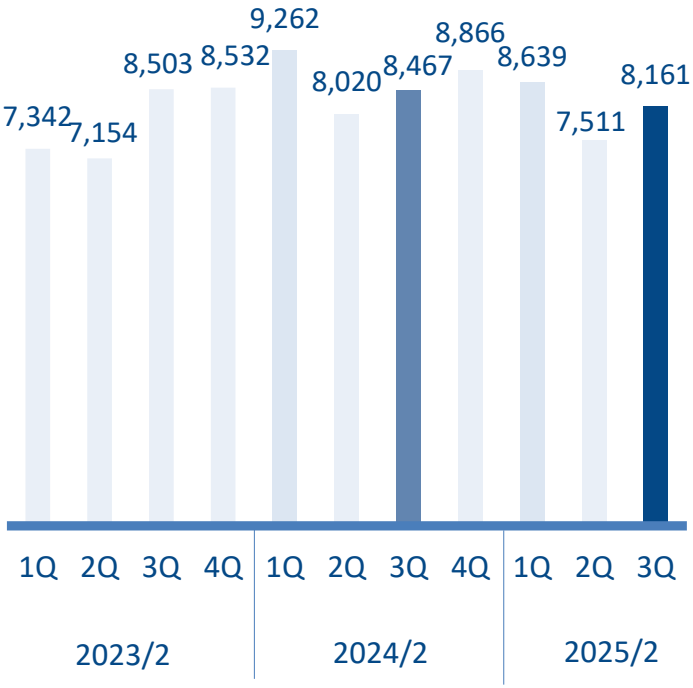


PR and Advertising Business

In 3Q FY2025, sales decreased due to factors such as the impact of the sale of SIGNAL, Inc. in the previous 3Q and declines in overseas businesses. However, an increase in high-margin projects resulted in higher profits.
In 4Q, we aim to keep expanding strategic PR while steadily implementing recovery measures for underperforming businesses.

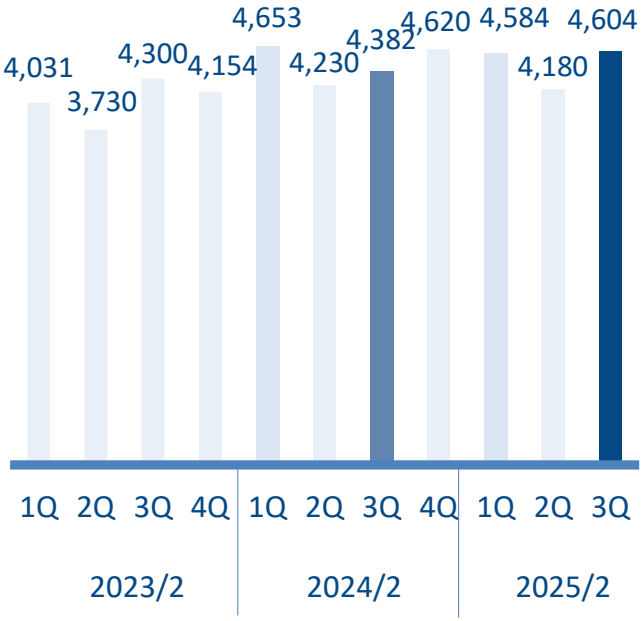
Net Sales (million JPY)

8,161 million JPY (96.4% YoY)



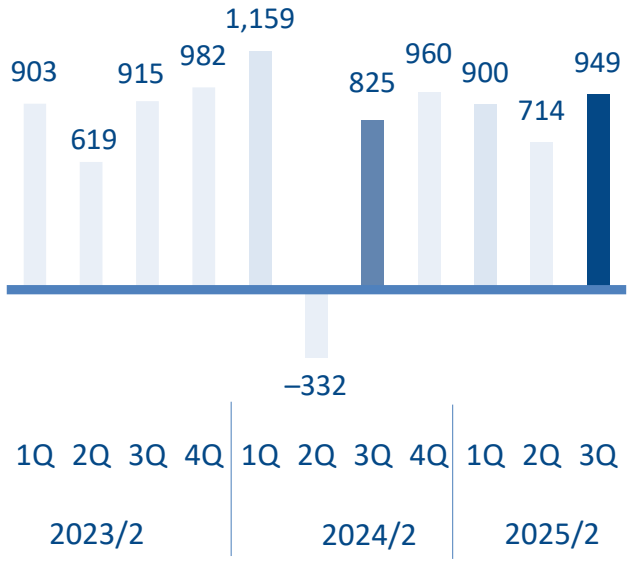
Gross Profit (million JPY)

4,604 million JPY (105.1% YoY)



Operating Profit (million JPY)

949 million JPY (115.0% YoY)



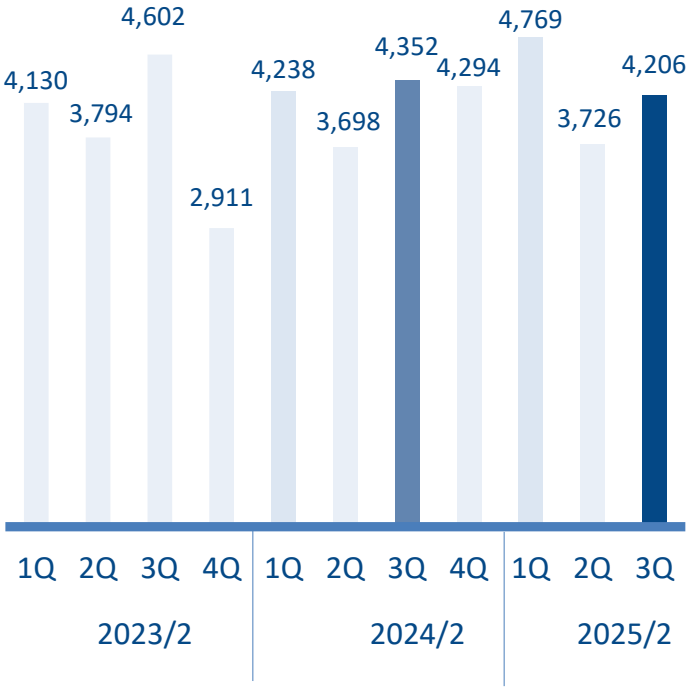
Note: The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

Strategic PR Business (ANTIL, PLATINUM, INITIAL)

In 3Q, sales declined due to an increase in projects using the latest PR methods, which are less likely to generate immediate sales. However, profits grew as the number of projects increased and higher-value projects became more prevalent among them. In 4Q, we will boost performance by increasing the number of retainer agreements and continuing to propose communication strategies based on strategic PR.

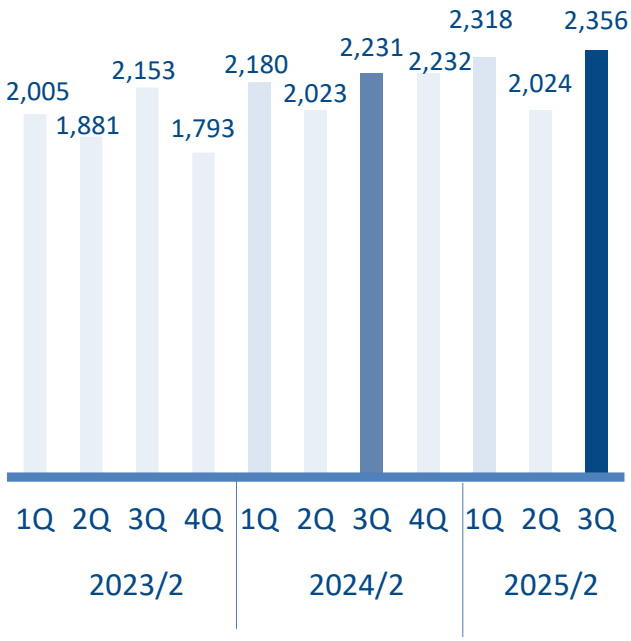
Net Sales (million JPY)

4,206 million JPY (96.6% YoY)



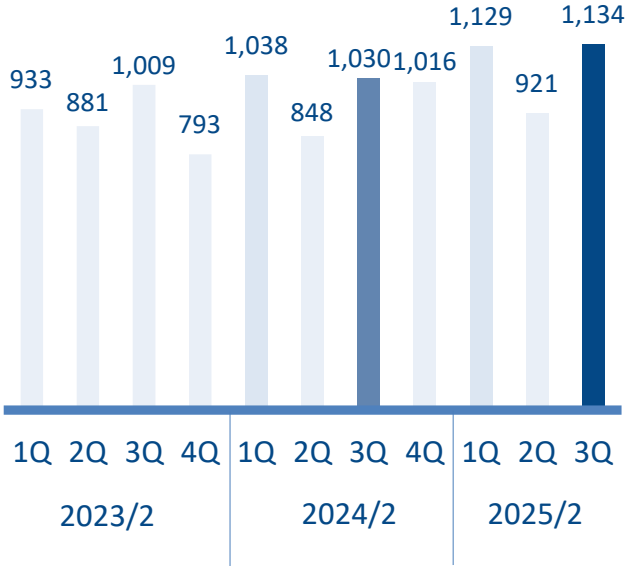
Gross Profit (million JPY)

2,356 million JPY (105.6% YoY)



Operating Profit (million JPY)

1,134 million JPY (110.0% YoY)

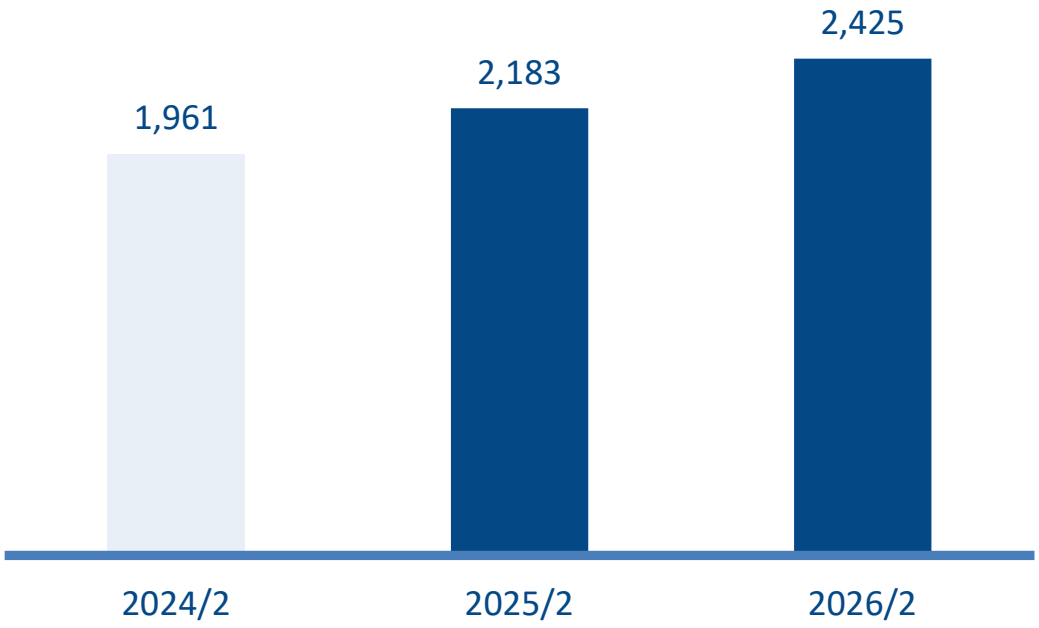


Notes: 1. Royalties paid to VECTOR are added back to operating profit for calculation.
2. The figures for Starbank and INFLUENCER BANK have been included in the calculation from 2Q FY2025.

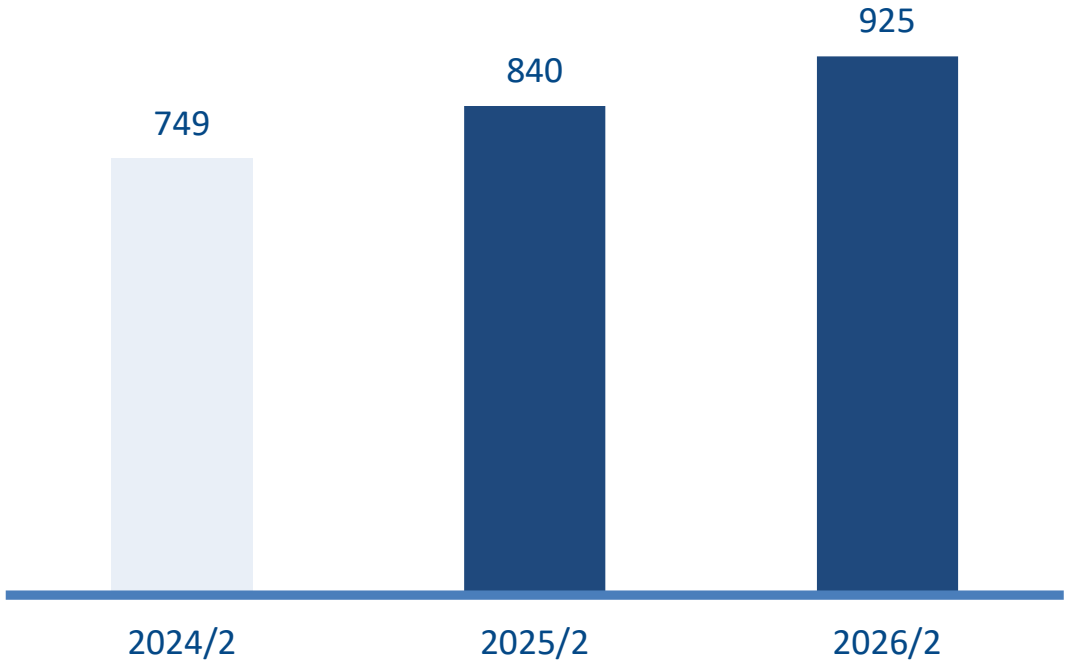
Numerical Targets for Project and PR Retainer Agreement Acquisition

We aim to increase the number of retainer contracts, which provide stable revenue, and to secure end-to-end orders for measures that spread the word, thereby raising project unit prices.
Achieve growth in performance by steadily building on KPIs.

Number of projects*1 (strategic PR subsidiaries only)



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



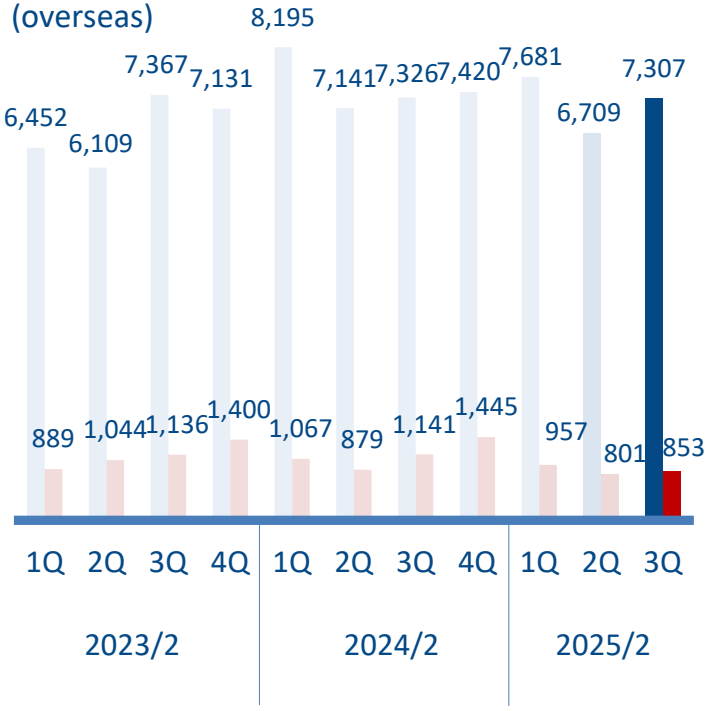
*1 Number of projects: All projects, including spot projects in addition to PR retainer agreements.

*2 Retainer agreement: An agreement with a term of six or more months with monthly fees.

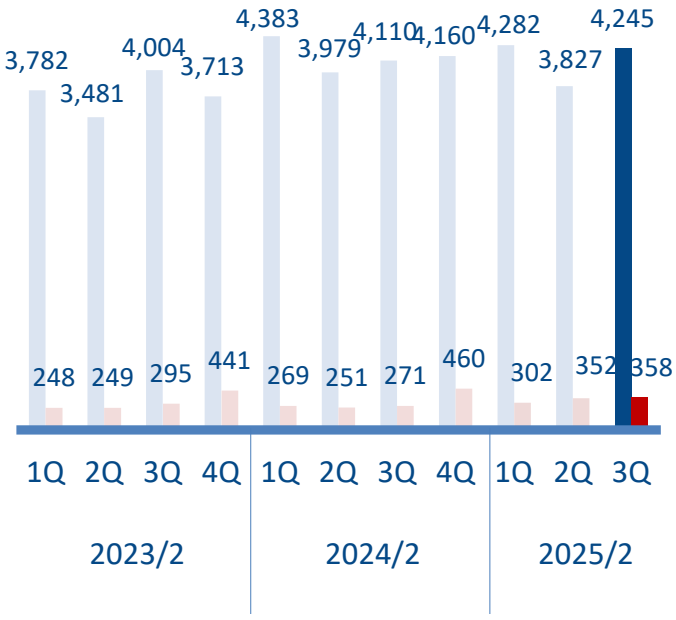
PR and Advertising Business (By Region: Japan/Overseas)

In 3Q, high-margin projects accumulated both in Japan and overseas, leading to increased profits.
We aim to win new projects in 4Q while continuing to reduce fixed costs both in Japan and overseas.

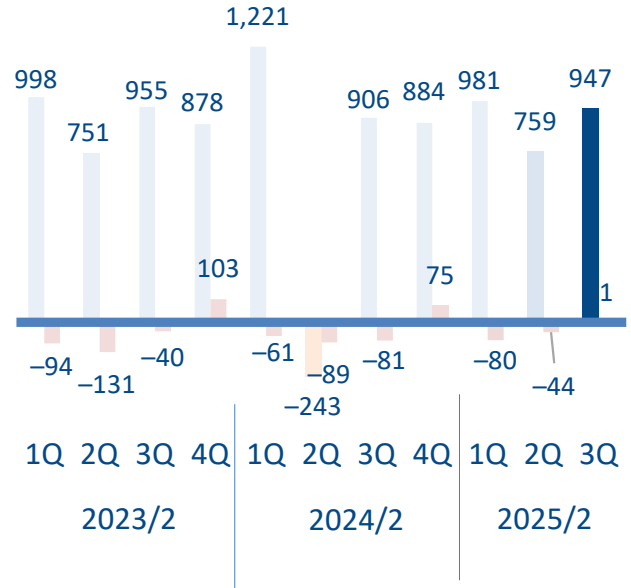
Net Sales (million JPY)
7,307 million JPY (Japan) / 853 million JPY (overseas)



Gross Profit (million JPY)
4,245 million JPY (Japan) / 358 million JPY (overseas)



Operating Profit (million JPY)
947 million JPY (Japan) / 1 million JPY (overseas)



Note: The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025, and is included in domestic PR and Advertising.

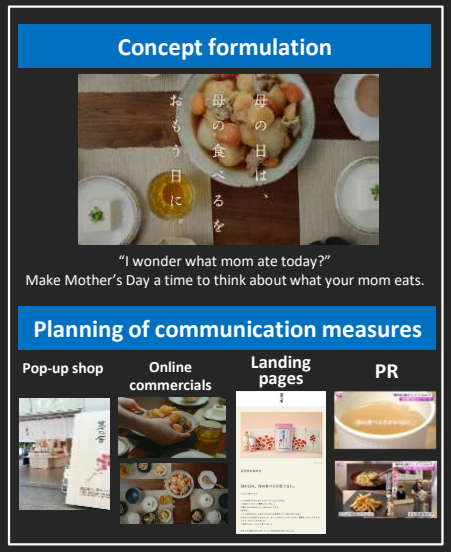
Example of Large-Scale Communication That Leverages Group Synergies (1)

Supporting integrated marketing communications to attract new customers starting with Mother's Day

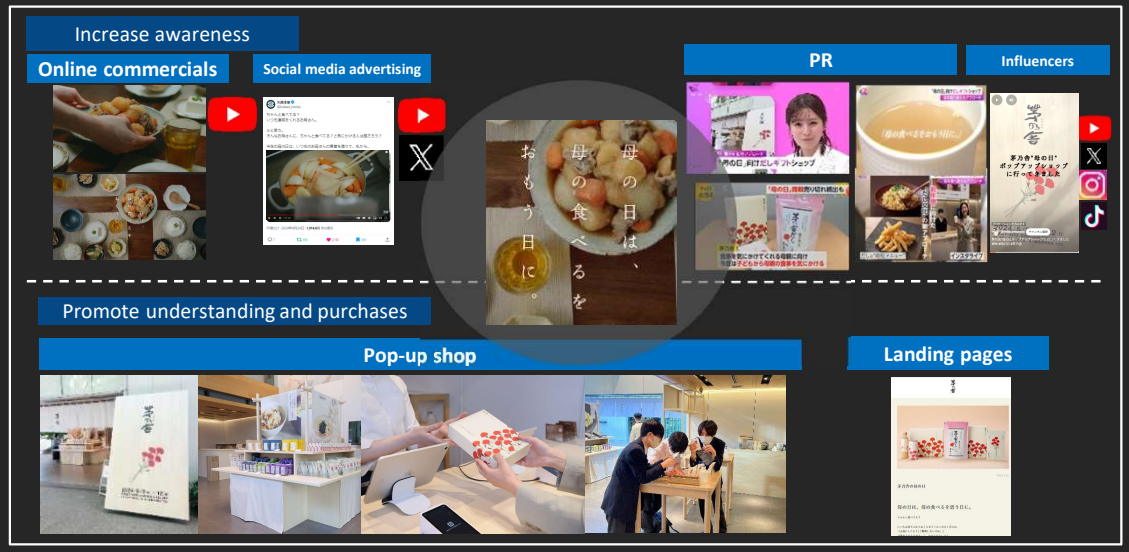
Message formulation and measures utilizing Group solutions contributing to sales improvement from branding

Example: Kayanoya “Mother's Day Gift”
Make Mother’s Day a time to think about what your mom eats.





Aiming to attract a new segment of consumers, mainly young people, we proposed and executed measures from the formulation of communication messages to recognition and purchasing, starting with Mother's Day. The concept and overall communication was designed based on the insight that “children do not know what their mothers eat.”



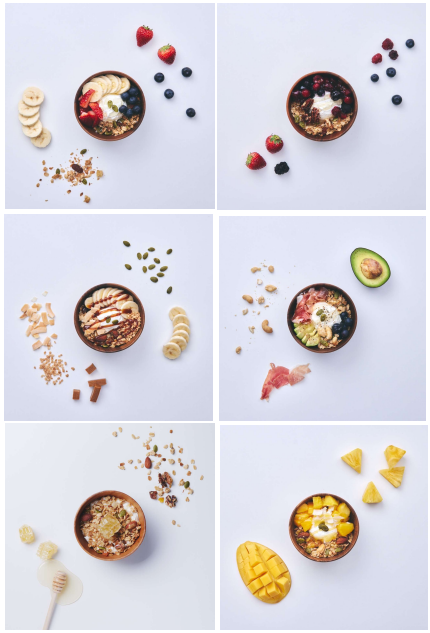
With concept of “Making Mother’s Day a time to think about what your mom eats,” we designed and implemented a web commercial to convey the message and pop-up shop touch points where customers can actually purchase the products. The pop-up shop offers an experience where patrons can select and purchase a Mother's Day gift from Kayanoya while thinking of their mothers. These online and offline measures contributed to sales improvement from branding.

Example of Large-Scale Communication That Leverages Group Synergies (2)

Example of integrated marketing solutions combining PR, social media, and influencers

We provide end-to-end support from concept design to recognition/expansion and attracting customer traffic to the store

Example: PR for grand opening of a South Korean Greek Yogurt Specialty Store called Bowls#



Communication strategy

Concept formulation



"South Korean Greek yogurt"

Communication design

Recog-nition ▶ Interest ▶ Popularity

Influencer postings



Social media operation



PR



Measures implemented

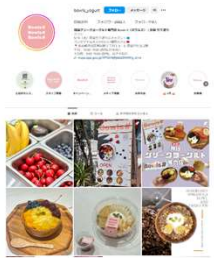
Social media operation

Food influencers



Lifestyle influencers





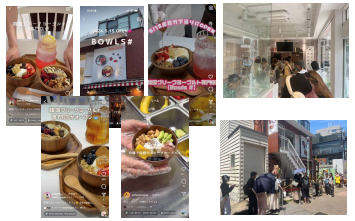
Vertical video



PR

ELLE gourmet macaroni Mery MORE





We handled the PR for the grand opening of Bowls#, a South Korean Greek yogurt specialty store that opened in May 2024. Our role spanned from supporting the launch of the official social media account in order to gain recognition and generate buzz before and after the grand opening.

Influencers were contacted 10 days before the store's grand opening. Ahead of the grand opening, we created a mechanism to flood information on Bowls# on social media, and gained exposure on six TV programs and 30 web media. The grand opening was a huge success. There were over 200 million ad impressions and 3.36 million people reached on social media. As a result, the store sold out every day for about a week after opening.

Awards

Our strategic PR activities have been recognized externally as well, earning first-place rankings, gold awards, and grand prizes in various domestic and international competitions.

We ranked first in Asia and sixth globally for the first time in the "Global Top 250 PR Agency Rankings," maintaining the top position domestically for the seventh consecutive year.



We were awarded Gold in the Japan PR Agency category at "Campaign Agency of the Year 2024."



We won four awards, including the Minister of Internal Affairs and Communications Award and the ACC Grand Prize, at the "2024 64th ACC TOKYO CREATIVITY AWARDS."





We received Bronze in the Integrated Marketing category at "PR Awards Asia-Pacific 2024."

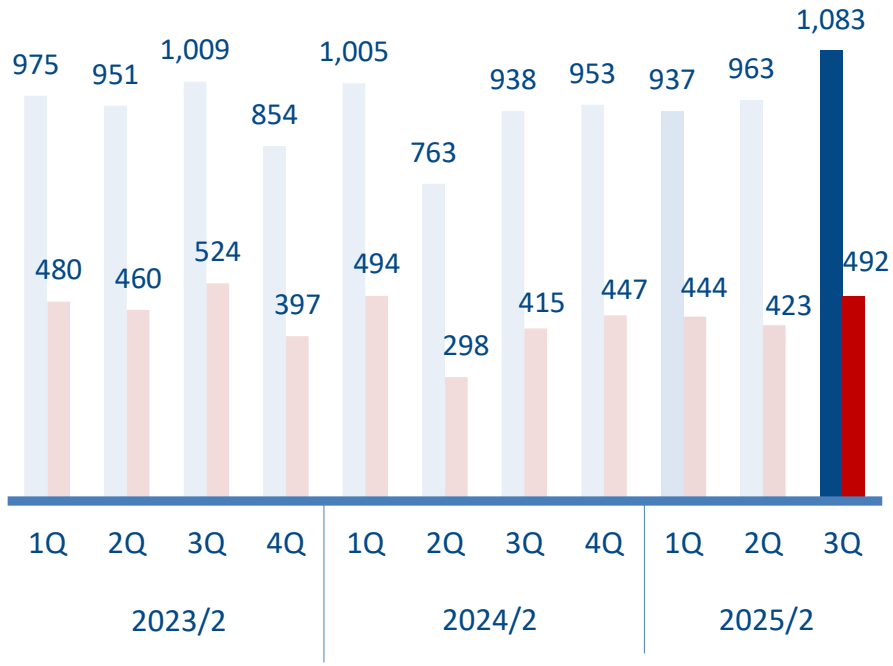




Taxi Signage

Sales and profits increased year on year in 3Q thanks to successful sales measures. **Achieved record-high net sales**.
In 4Q, we will continue to capture the advertising needs of customers and strengthen the earnings base.

Net Sales: 1,083 million JPY (115.4% YoY)
Gross Profit: 492 million JPY (118.5% YoY)





GROWTH のオリジナル情報番組
「HEADLIGHT」を週替わりで放映。
日々の行動が変わる、
幅広い情報をお届けします。

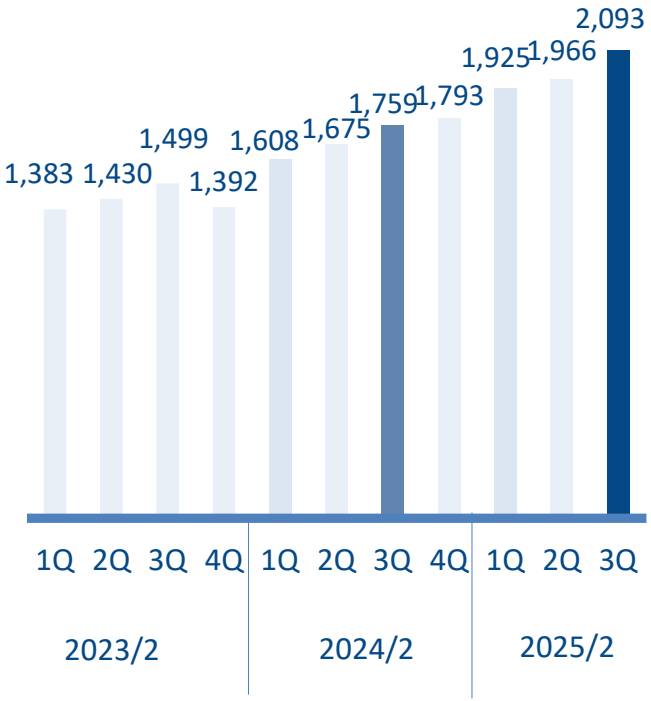
Digital signage has been installed for rear seat passengers in approx. 11,500 vehicles, the largest scale of taxi signage advertising in Tokyo. Roughly 40% of Tokyo's taxi users, who mainly consist of business people, have been covered, with video advertisements and media content reaching around 7.7 million people.

Press Release Distribution Business

In 3Q FY2025, the number of user companies and press release distributions increased, resulting in **record-high net sales and operating profit**. In 4Q, we will continue to make investments to increase the number of user companies and promote their use, while aiming to increase revenues and profits.

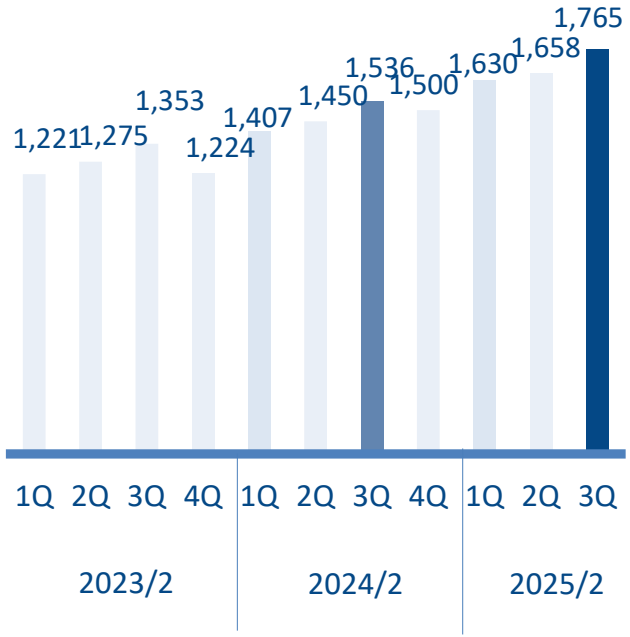
Net Sales (million JPY)

2,093 million JPY (119.0% YoY)



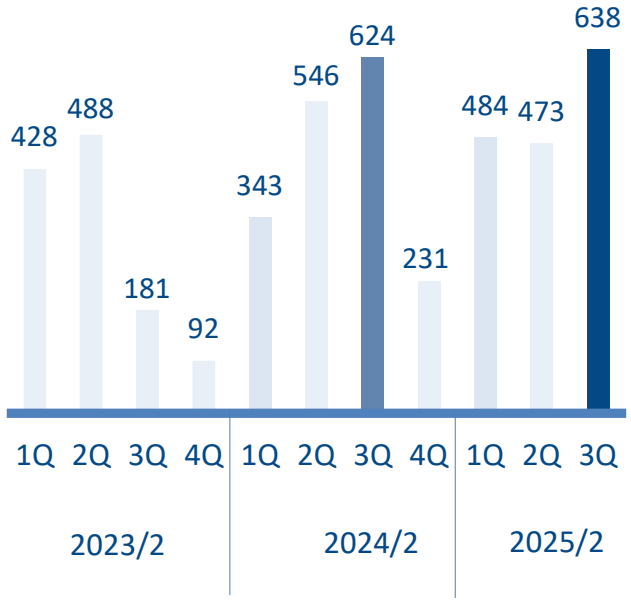
Gross Profit (million JPY)

1,765 million JPY (114.9% YoY)



Operating Profit (million JPY)

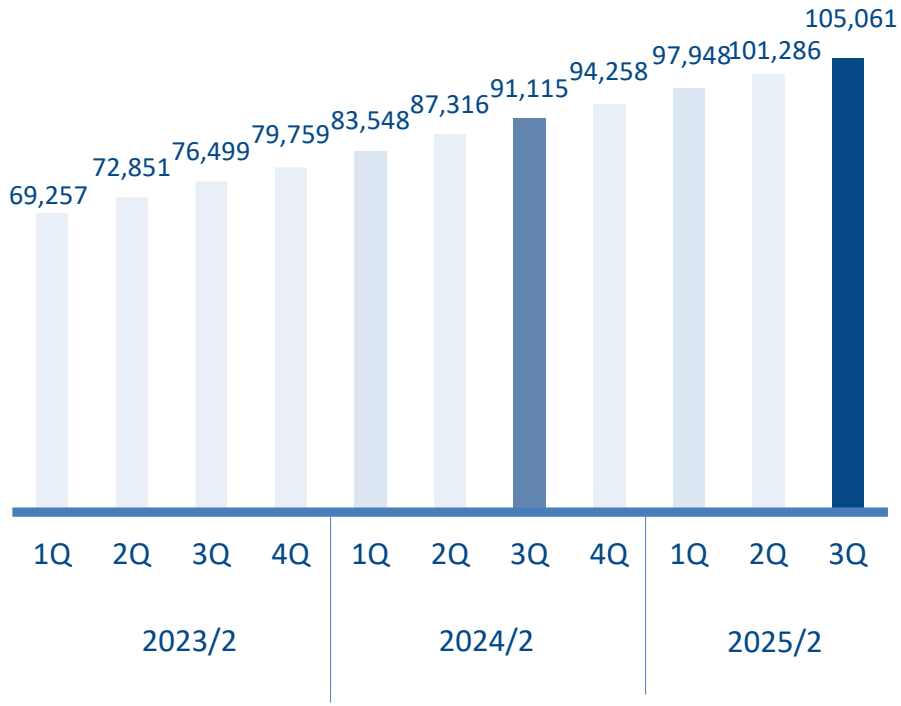
638 million JPY (102.2% YoY)



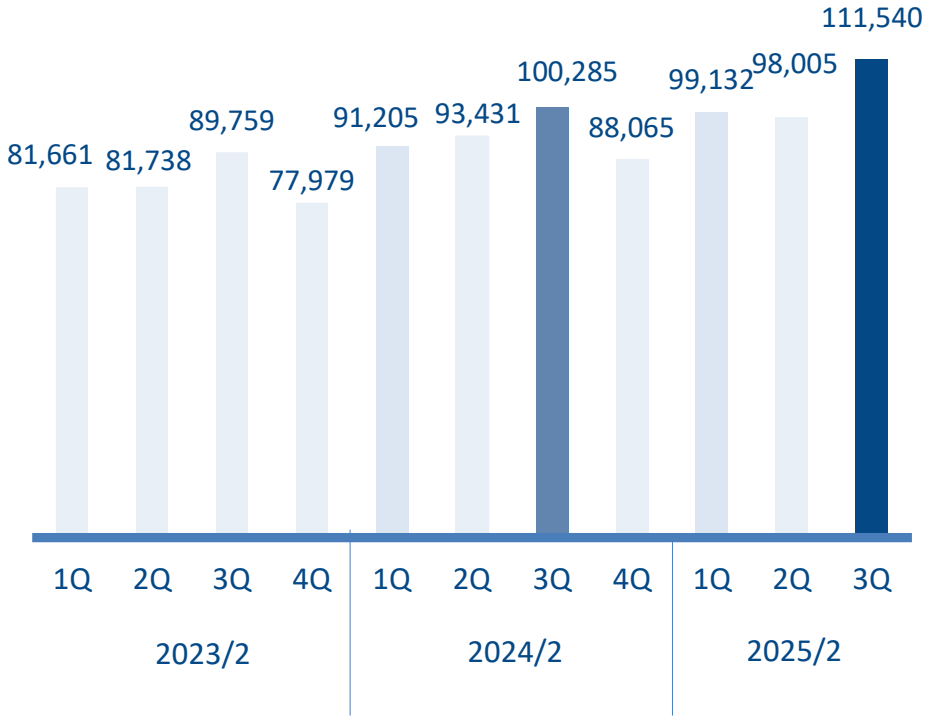
Number of User Companies and Press Release Distributions

In 3Q FY2025, the number of user companies and press release distributions increased year on year.
In 4Q, we will increase the number of distributions by continuing to improve the number of user companies and the usage frequency.

Number of user companies: 105,061 (115.3% YoY)



Number of press release distributions: 111,540 (111.2% YoY)



Trend in Number of User Companies and Percentage of Listed User Companies

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

More than 100,000 user companies, used by 60% of listed companies

PR TIMES TSE Prime Market



Published in more than 200 publications!

YOMIURI ONLINE 朝日新聞 DIGITAL 産経ニュース
JIJI.COM 毎日新聞 iZa DIAMOND online
Infoseek 楽天 excite 東洋経済 ONLINE
BIGLOBE PRESIDENT Online JBPRESS

Number of user companies
105,000
Nov. 2024

94,000
Feb. 2024

79,000
Feb. 2023

65,000
Feb. 2022

28,000
Feb. 2019

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

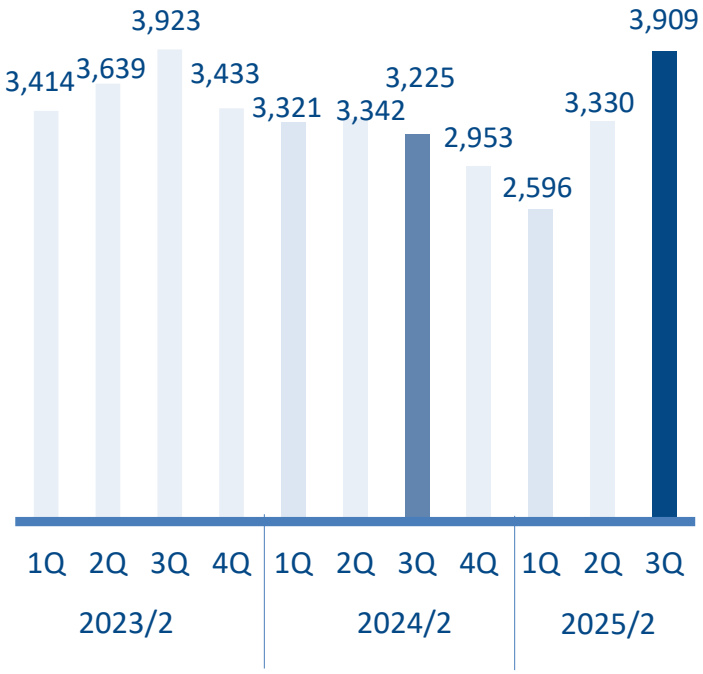


Direct Marketing Business

In 3Q FY2025, the resolution of the problem with red yeast rice raw material that originated at another company, along with the growth of products complementing core offerings, drove increases in both sales and profits.
In 4Q, we plan to temporarily curb advertising and place the highest priority on securing the full-year target of operating profit.

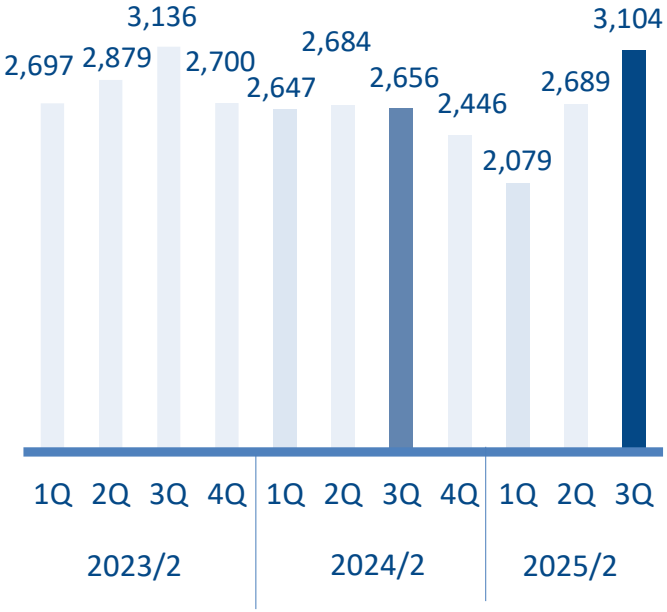
Net Sales (million JPY)

3,909 million JPY (121.2% YoY)



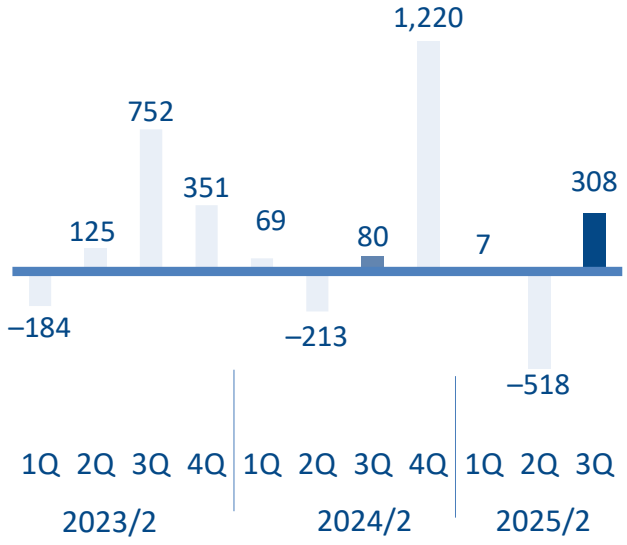
Gross Profit (million JPY)

3,104 million JPY (116.9% YoY)



Operating Profit (million JPY)

308 million JPY (382.6% YoY)



Note: The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

Vitabrid Japan

We sell the Vitabrid series using advanced technology, and units sold are growing steadily.
It is an accumulated earnings model provided via a subscription model, and the total number of products provided has **surpassed 19.12 million**.



Sugar and fat absorption inhibiting supplement Terminalia First continued to perform well following its launch, with cumulative sales **exceeding 9.73 million units**.



Vitabrid Daily GABA, which supports improved sleep quality and helps alleviate modern ailments such as stress and fatigue, has grown to the point that cumulative sales of **500,000 units** are on the horizon.

New Merchandise (Health Food)

- Launched a new brand called “Shizen Shokudo” on Amazon. Launched sales of “Daily beauty nuts” in June 2024 as the first gambit.
- Launched the limited edition cafe au lait flavor in June 2024 (limited to 10,000 units), the most popular of the “Level Up!” beverages to support the growth stage of children.

Daily beauty nuts



Introducing a health food supplement consisting of the two fruits, papaya and pineapple, containing vitamins and dietary fiber mixed with nuts, which can also improve your diet with supplemental nutrition when you are hungry.

Cafe au lait flavored Level Up!



The Level Up! series are beverages that support the growth phase and can efficiently boost the nutrients essential for body building during the growth phase, by dissolving the contents in one cup of milk* a day.

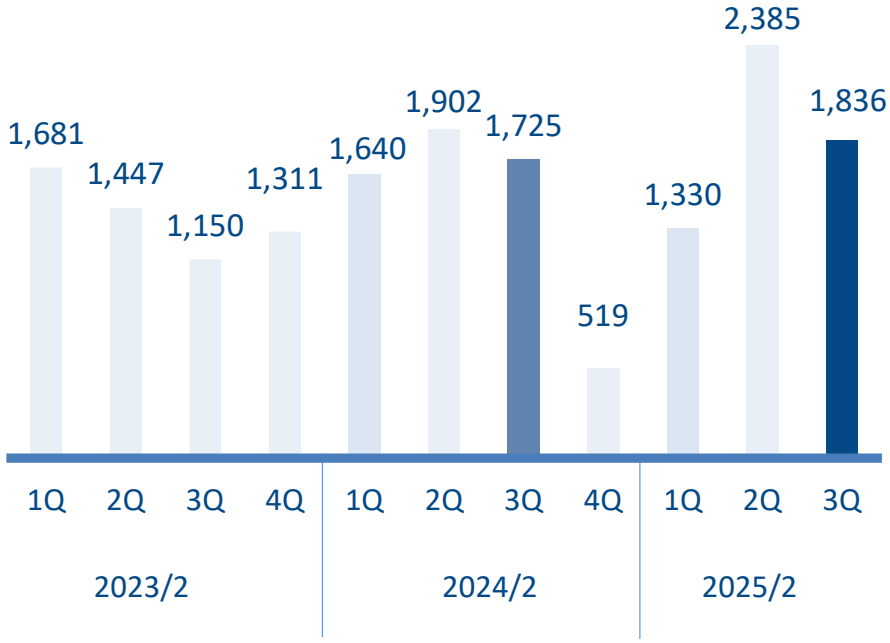
* Recommended intake (two teaspoons (6.6 g) in about 150 mL of milk)

Advertising and Sales Promotion Expenses and Units Sold

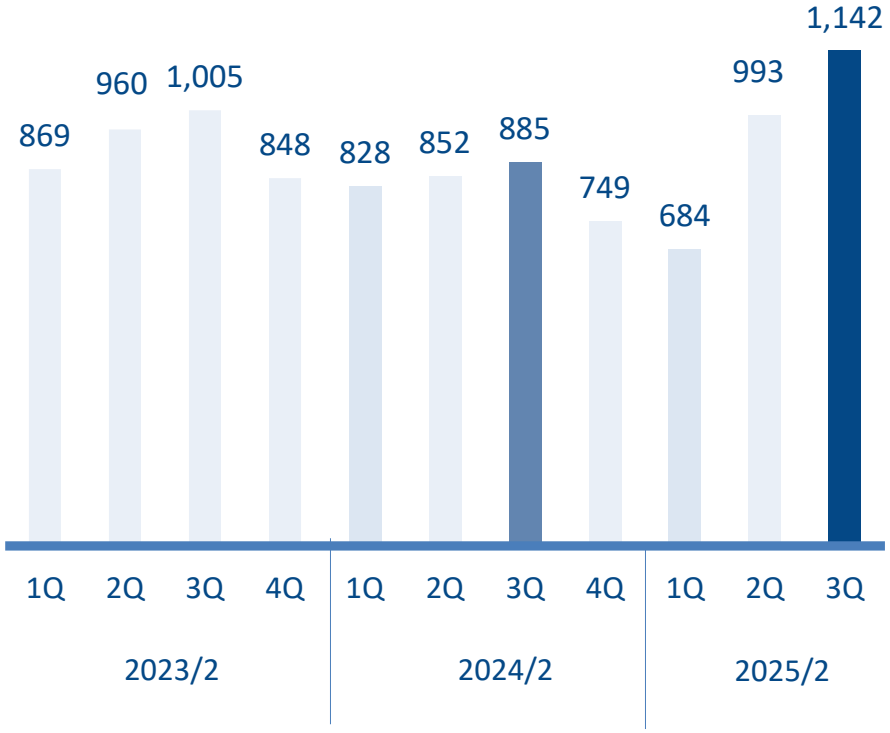
In 3Q, our investments in sales promotions continued as the problem with red yeast rice raw material at another company subsided, and we achieved **record-high units sold**.

In 4Q, we plan to temporarily curb advertising and place the highest priority on securing the full-year target of operating profit.

Advertising and Sales Promotion Expenses: 1,836 million JPY (106.5% YoY)



Number of Units Sold: 1,142 thousand (129.1% YoY)



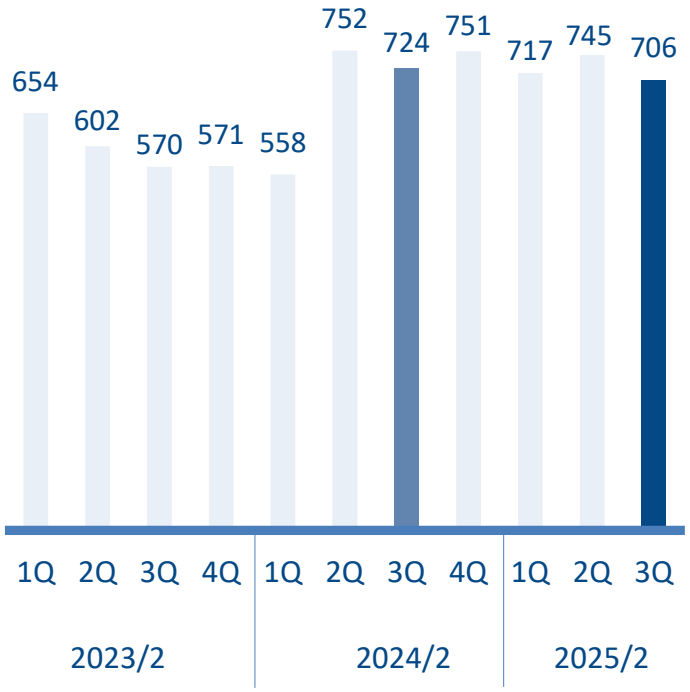
Note: Advertising and sales promotion expenses and units sold figures are for Vitabrid Japan only.

HR Business

In 3Q FY2025, sales and profits declined due to a decrease in the number of user companies of ASHITA-TEAM despite steady growth of JOBTV. From 4Q onward, we will aim to recover net sales of ASHITA-TEAM and decrease the operating loss in JOBTV for an increase in sales and profits.

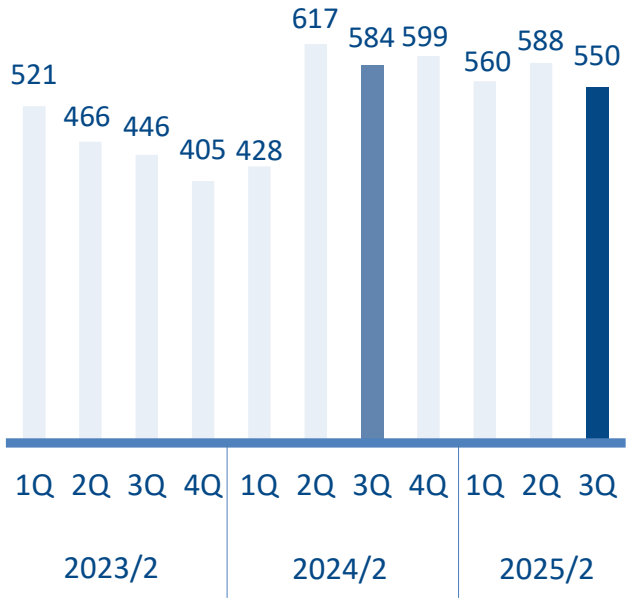
Net Sales (million JPY)

706 million JPY (97.5% YoY)



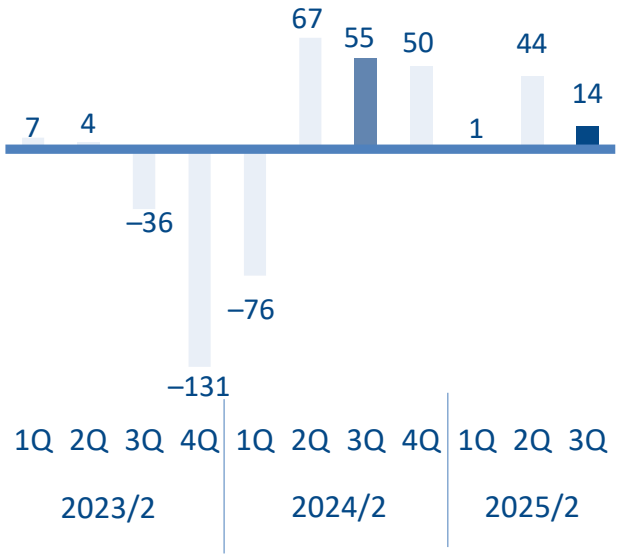
Gross Profit (million JPY)

550 million JPY (94.2% YoY)



Operating Profit (million JPY)

14 million JPY (25.6% YoY)

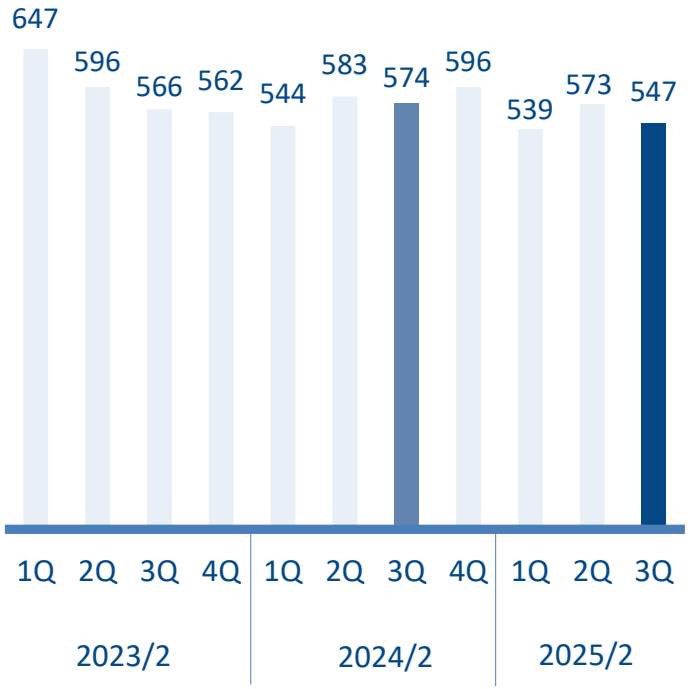


HR Business (ASHITA-TEAM)

In 3Q FY2025, the number of users declined, and we strengthened the sales structure. This increased SG&A expenses, which in turn caused sales and profits to decline. In 4Q, we aim to achieve sales and profit growth by deploying experienced sales professionals to drive the expansion of our SaaS offerings.

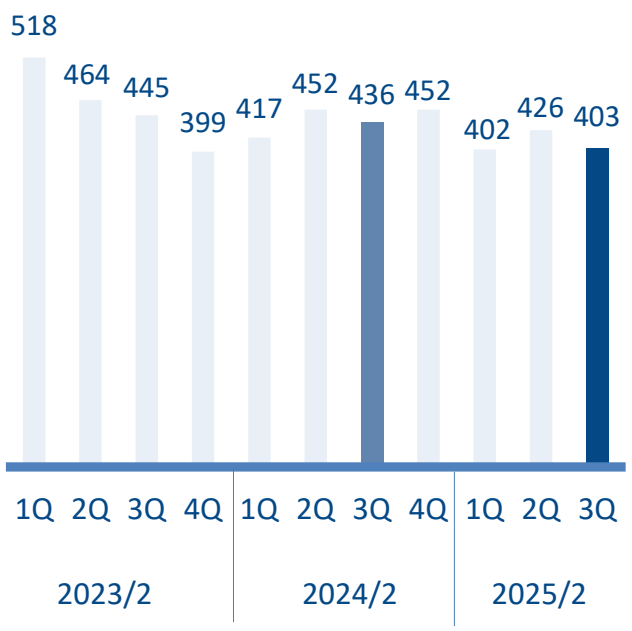
Net Sales (million JPY)

547 million JPY (95.3% YoY)



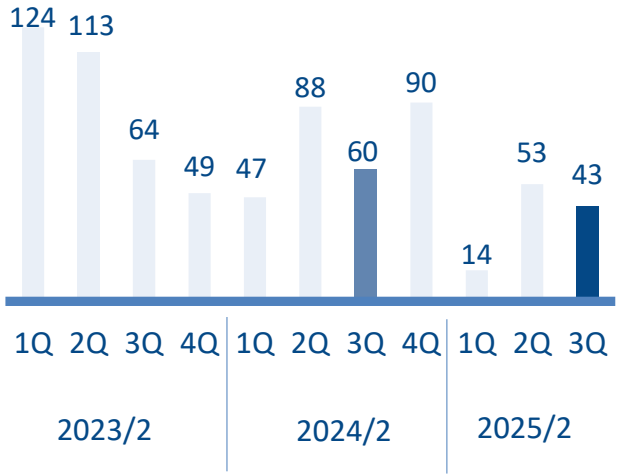
Gross Profit (million JPY)

403 million JPY (92.3% YoY)



Operating Profit (million JPY)

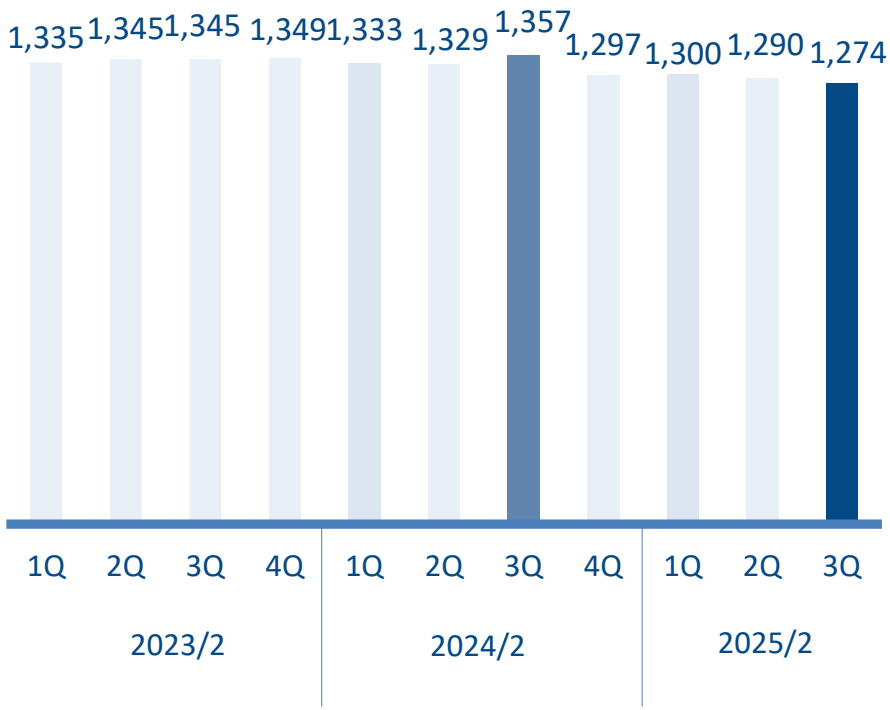
43 million JPY (71.7% YoY)



Number of User Companies*1 and ARR*2

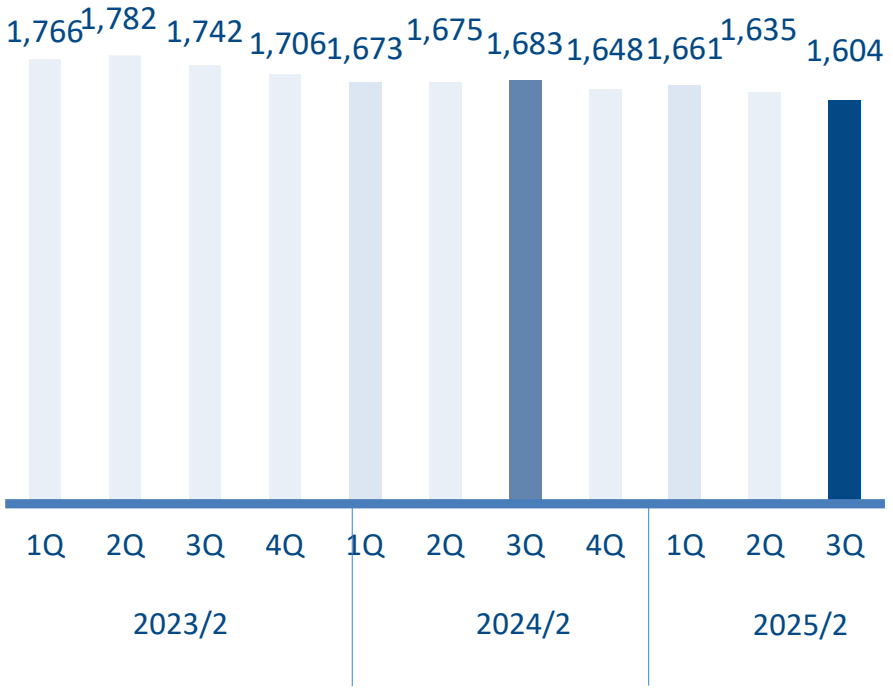
In 3Q FY2025, although the cancellation rate remained steady for the most part, the decline in new customer acquisition resulted in a YoY decline in ARR. In 4Q, we will promote the acquisition of new users by deploying experienced sales professionals and recover the number of user companies and ARR.

Number of user companies: 1,274 (93.9% YoY)



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

ARR: 1,604 million JPY (95.3% YoY)



*2 ARR is the amount calculated by multiplying the monthly recurring revenue (MRR) from cloud and operating consulting services at the end of the quarter by 12.

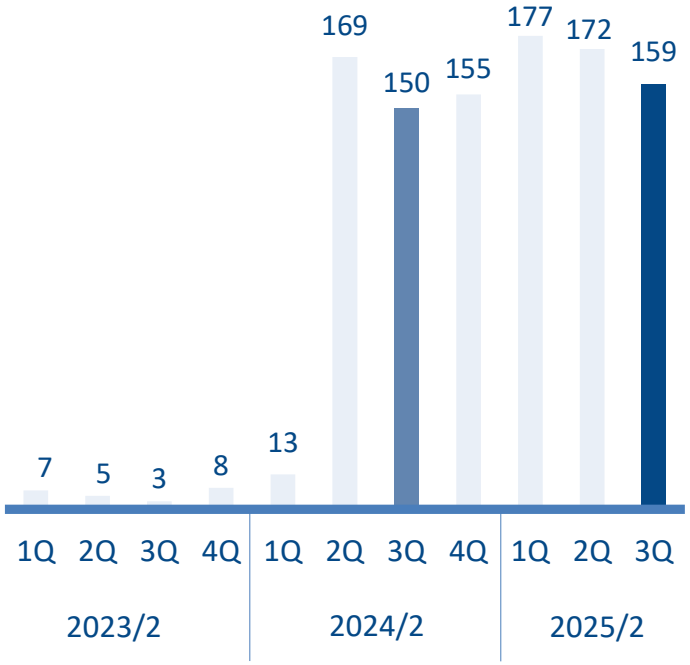
HR Business (JOBTV)

In 3Q FY2025, we continued to strengthen the earnings base by investing in advertising and enhancing functionality to increase the number of registrants.

From 4Q onward, we aim to expand net sales by strengthening collaboration with BUSiCONET Inc. and FINDAWAY Co., Ltd.

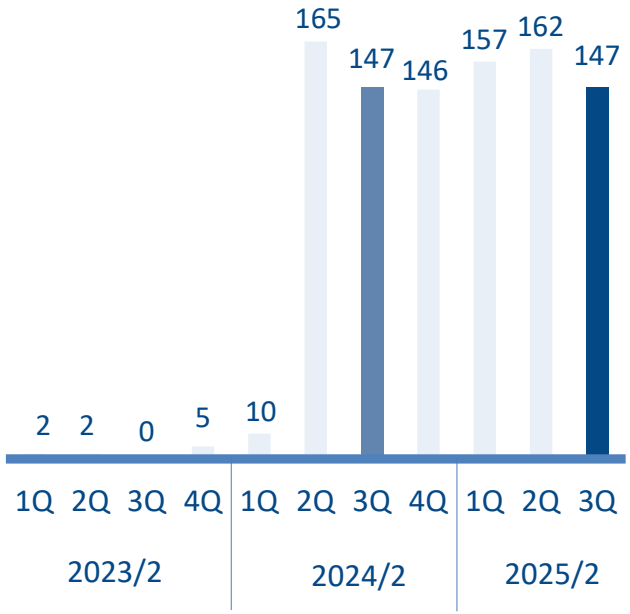
Net Sales (million JPY)

159 million JPY (105.9% YoY)



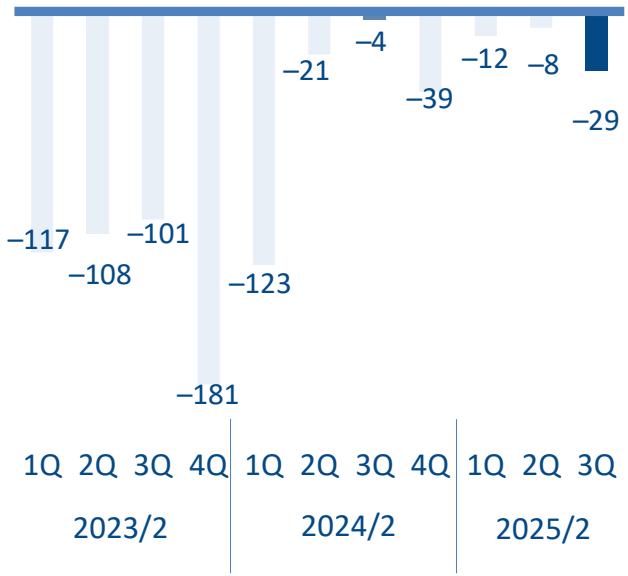
Gross Profit (million JPY)

147 million JPY (99.6% YoY)



Operating Loss (million JPY)

29 million JPY (Down 24 million JPY YoY)



JOBTV

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!

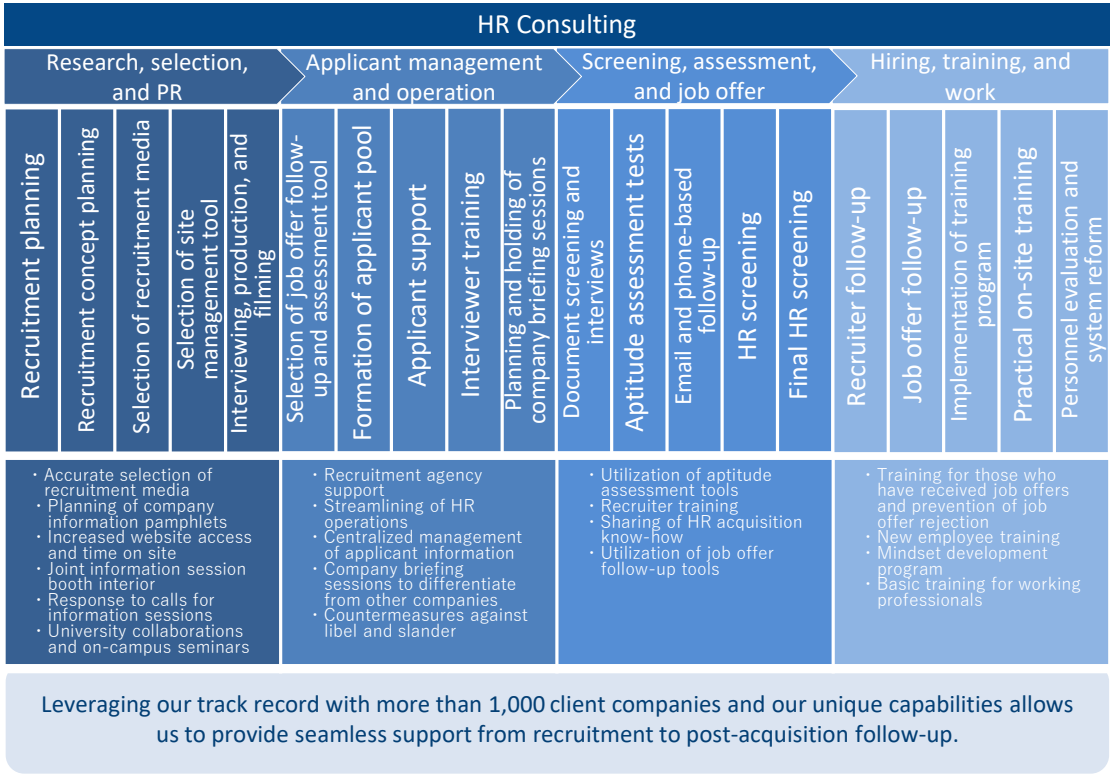
Synergy Achieved through Acquisition of FINDAWAY

We made FINDAWAY 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

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

Business



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.

JOBTV

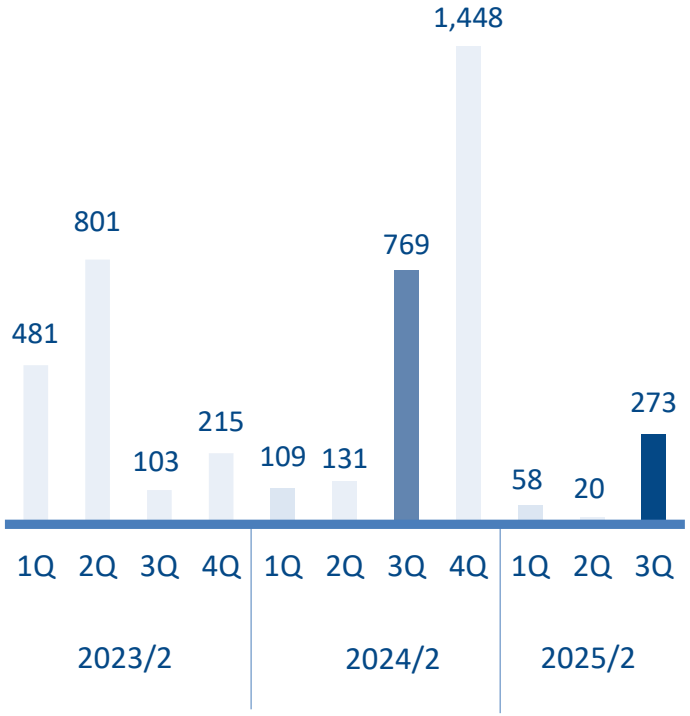
New graduate support	Job change support	Recruitment support	Temporary staffing
■ JOBTV New Graduates ■ JOBTV New Graduates Premium	■ JOBTV Job Change ■ Premium HR Bank	■ JOBTV recruitment consulting ■ JOBTV RPO	■ JOBTV temporary staffing (planned) ■ Online school
JOBTV for New Graduates launched in December 2021. There are over 1,000 registered companies and a total of over 150,000 registered students.	JOBTV Job Change launched in December 2022. Leveraging our expertise cultivated in the new graduate business, we support mid-career jobseekers.	FINDAWAY's participation will provide upstream support for companies' general recruitment issues. We will build a system that will allow us to refer new graduates and job changers.	We will expand the temporary staffing business which leverages our expertise in media and an online school that enables students to learn digital skills.

Investment Business

In 3Q FY2025, an operating loss was posted due to loss on valuation of securities, despite the partial sale of shares held including IPO stocks.

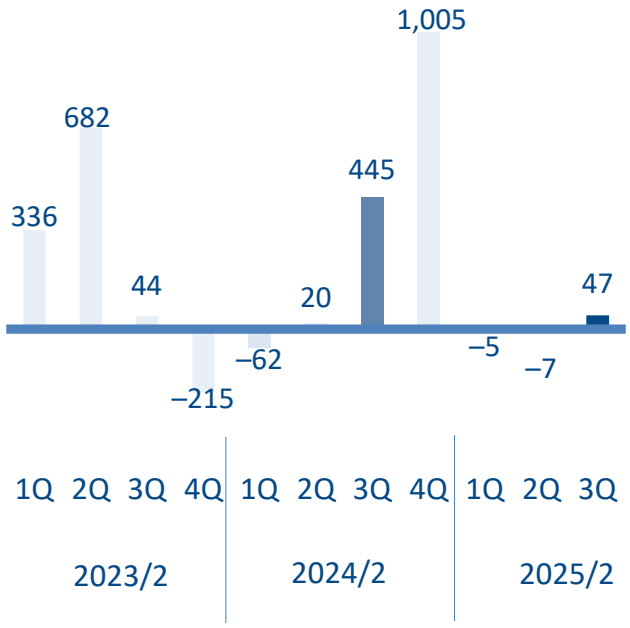
Net Sales (million JPY)

273 million JPY (35.5% YoY)



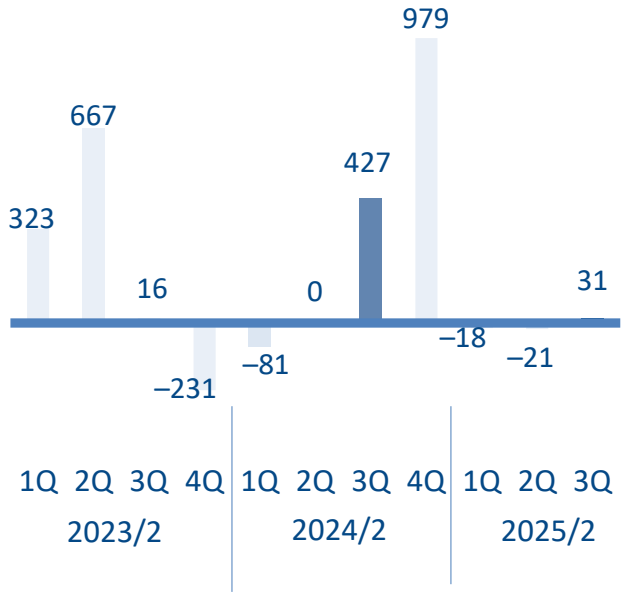
Gross Profit (million JPY)

47 million JPY (10.6% YoY)



Operating Profit (million JPY)

31 million JPY (7.3% YoY)



Most Recent IPOs Invested In

Supporting corporate growth through capital and PR/IR (total of 32 IPOs).
HATCHWORK CO., LTD. and ROXX, Inc. were listed on the Growth Market of the Tokyo Stock Exchange, bringing the number of recent IPOs to two.

Date of listing	Company name	Market
March 26, 2024	HATCHWORK CO.,LTD.	TSE Growth Market
September 25, 2024	ROXX, Inc.	TSE Growth Market

Solid Track Record of Investment in Growth Fields

= IPO complete

IoT and Security Systems

Logbar, infoNet, gengo, REVOLVER, CSC, QR Translator, PHONE APPLI, SWITCH SMILE, AOS DATA, medi, uhuru, CiN, IDRAC SECURITY INC.

AI and Big Data

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

Marketing and Sales

QON, Branding Technology, WILLGATE, SALES ROBOTICS, CMN, ALLIANCE CLOUD, LISUTO!, Flagship Orchestra, Algorithm, FULLER, xOperation group, VALUE CREATION, 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, SARÀH, GO TODAY SHAIRE SALON, MiRTeL, VEGEO VEGECO, adval, WAmazing, Fun, エアトリ, FUN UP inc., IZUMI-IZM GROUP, i-Seel inc., zentokyo, SOELU, ReNet.jp Group, デラサーフ, The Ethical Spirits & Co., MabGenesis, 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 Technologies, bitFlyer, TakeMe, IMPACT CIRCLE, GLOBAL LINK MANAGEMENT, LENDY, ele·style, SPACE AGENT, Phil Company, Inc., Warranty technology, 診断カンパニー, WINE BANK, FANTAS, ACTICE ASSET MANAGEMENT.CO.,LTD

Human Resources, Education-Related

ROXX, Refcome, 地球人.jp, HANDICAP CLOUD, TWOSTONE & Sons, DO LEADING MARK, INBOUND TECHNOLOGY, HR CLOUD, Life is Tech!, HALLHEART, flamingo, LOGZGROUP, マナリンク, Maple Systems, CODEGYM, Infratop, EduFuture, Take Action, Anotherworks

Sharing Economy

SHARING TECHNOLOGY, unito, Audiostock, Cvalice STYLE, Ancar, Laxus, nearMe., LIVERO NEWLIFE AGENCY

DX

ROBOT PAYMENT, MentalHealth Technologies, GOOD VIBES ONLY, booost technologies, スポスル, ORIGINAL Inc., KAKUCHO, HATCHWORK, bravesoft, Uniforce, Allm SHAPING HEALTHCARE, BCC株式会社, Canly, CONOC, WELLNEST communications

Other toB Services

MINKABU THE INFONOID, WILLs, SHIKIGAKU, W TOKYO, WHITE HOLE, INBOUNDTECH, Harajuku Mate, レトリバ, JX通信社, FUNDOM!, SHELFY, astrolab, CLASC, Talknote, ブルーリーフパートナーズ株式会社, Helpfeel, stayway, ENE CLOUD, コンテンツヨ, UPSELL TECHNOLOGIES, ATOMica, 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, GRAND DESIGN, LANIMAL, ORIGINAL LIFE,INC., naco do, X-mobile, 交換できるくん, SPORTS CROWN, LASTONEMILE

vector

Consolidated Statement of Profit and Loss

(million JPY)	FY '24 3Q	FY '25 3Q	Difference	YoY Change
Net sales	43,428	42,452	–975	97.8%
Gross profit	27,523	27,924	+401	101.5%
EBITDA	4,214	4,862	+648	115.4%
Operating profit	3,497	4,008	+511	114.6%
Ordinary income	3,610	3,964	+353	109.8%
Profit before income taxes	5,458	3,878	–1,579	71.1%
Profit attributable to owners of parent	2,987	2,034	–952	68.1%

Consolidated Balance Sheet

(million JPY)	FY '24 Year End	FY '25 3Q End	Difference	YoY Change
Total assets	43,621	43,445	–175	99.6%
Cash and deposits	15,820	15,749	–70	99.6%
Goodwill	3,633	3,474	–159	95.6%
Operational investment securities + investment securities	5,991	5,254	–736	87.7%
Other	18,175	18,967	+791	104.4%
Total liabilities	23,645	23,218	–427	98.2%
Borrowings + bonds	11,700	12,921	+1,221	110.4%
Other	11,945	10,297	–1,648	86.2%
Net assets	19,975	20,227	+251	101.3%

Medium-term Profit Plan

Medium-term Profit Plan

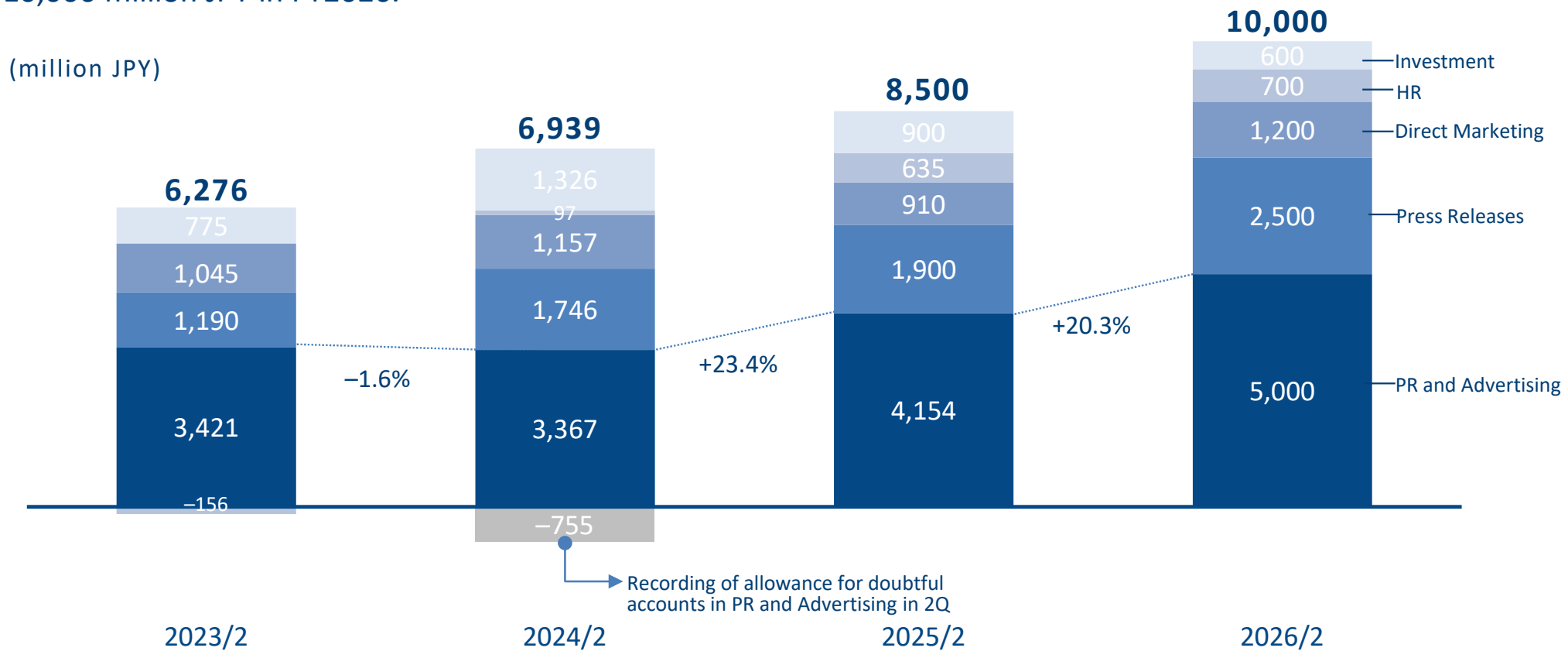
Medium-term Profit Plan (million JPY)	FY '23 (Results)	FY '24 (Results)	FY '25 (Targets)	FY '26 (Targets)
EBITDA*	7,013	7,994	9,400	10,900
Operating profit	6,276	6,939	8,500	10,000

- **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% or higher**.

* EBITDA = Operating profit + Depreciation + Amortization of goodwill

Medium-term Profit Plan Progress by Segment

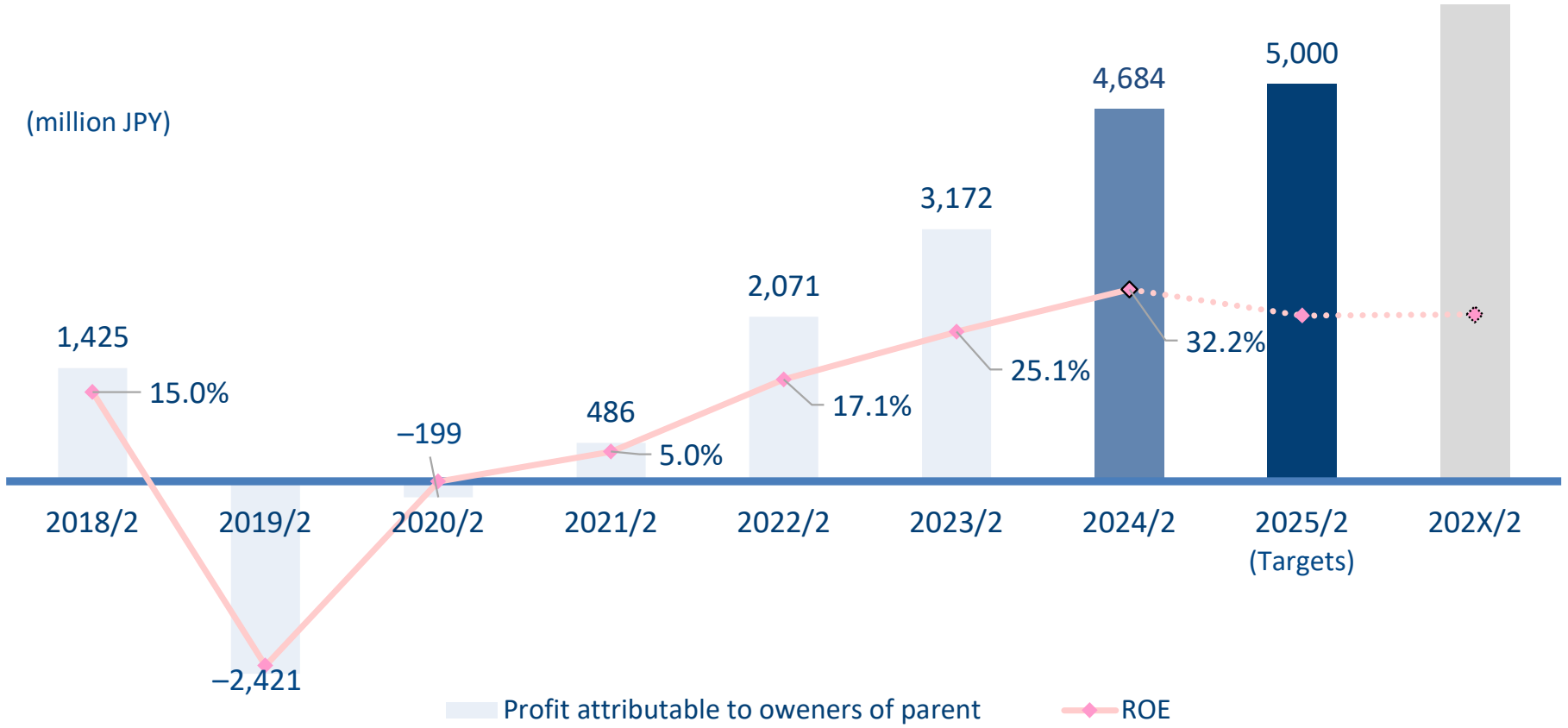
As our mainstay PR and Advertising business is driving performance, we will aim for operating profit of 10,000 million JPY in FY2026.



Note: The segment of INFLUENCER BANK has been changed from Direct Marketing to PR and Advertising from 2Q FY2025.

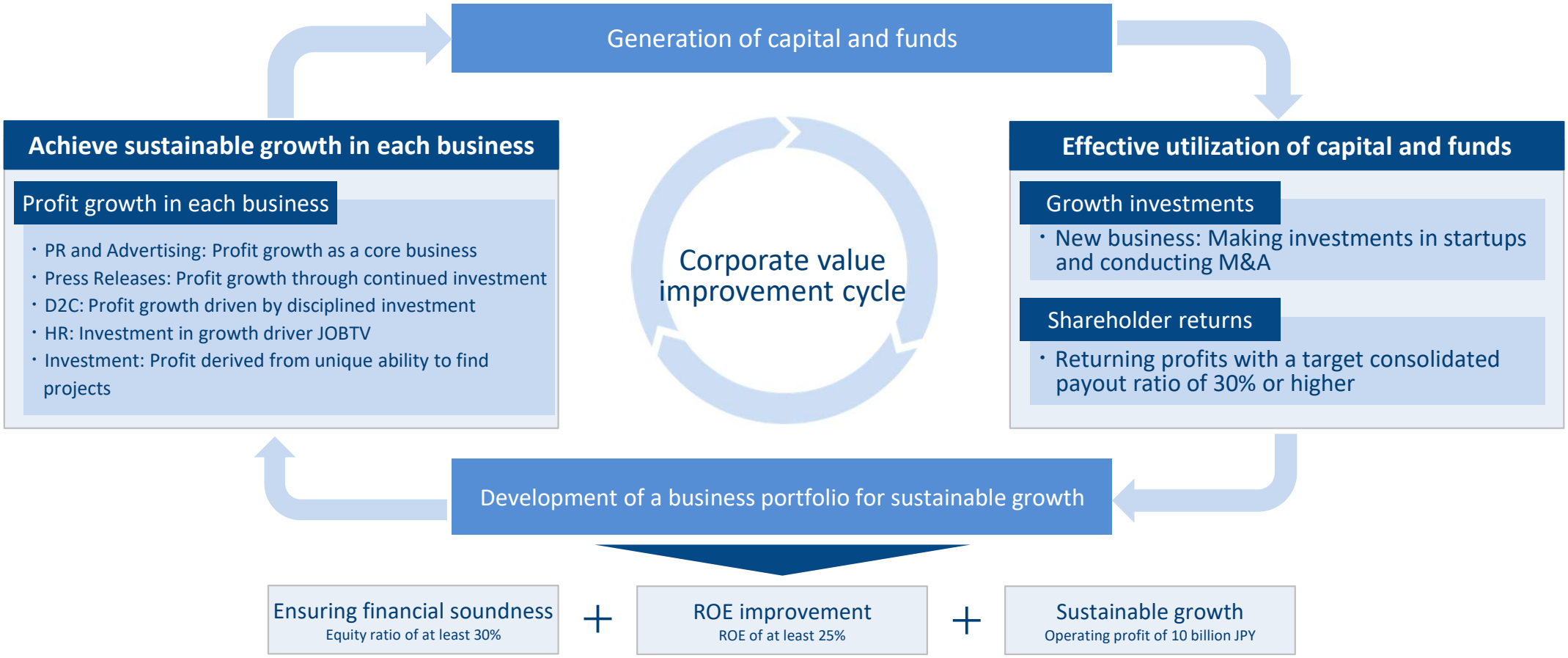
ROE and Profit Attributable to Owners of Parent

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.



Company Strategy

No. 1 in Asia and No. 6 in the world in the global PR company rankings. Moving up from No. 7 in the world to No. 6, becoming one of the world's leading companies.

2024	2023	Agency	HQ	Fee Income 2023 ($)	Fee Income 2022 ($)	Staff	Growth vs 2022 (USD)	Growth vs 2022 (Constant Currency)
1	1	Edelman [nb]	USA	1,037,907,000	1,079,738,000	6,116	-3.9%	-3.9%
2	3	Weber Shandwick [nb]	USA	776,000,000	740,000,000		4.9%	4.9%
3	2	BCW	USA	730,000,000	750,000,000		-2.7%	-2.7%
4	4	FleishmanHillard [nb]	USA	720,000,000	735,000,000		-2.0%	-2.0%
5	5	Real Chemistry [nb]	USA	595,000,000	555,000,000	1,968	7.2%	7.2%
6	7	Vector Inc. [nb]	Japan	525,578,752	494,080,000	1,527	6.4%	6.4%
7	6	Ketchum	USA	520,000,000	525,000,000		-1.0%	-1.0%
8	8	Brunswick	UK	497,840,000	471,900,000	1,370	5.5%	0.5%
9	9	FGS Global	USA	455,000,000	421,000,000	1,099	8.1%	8.1%
10	13	Media Consulta	Germany	420,073,612	350,220,000	2,344	19.9%	19.9%

Source: PRovoke Media 2024 Global Rankings

From #1 PR Firm in Asia...

…to #1 PR Firm Worldwide

Further expand domains

PR market in Japan worth 150 billion JPY



…by becoming a Fast Company in Advertising Industry

Target advertising market worth 7 trillion JPY

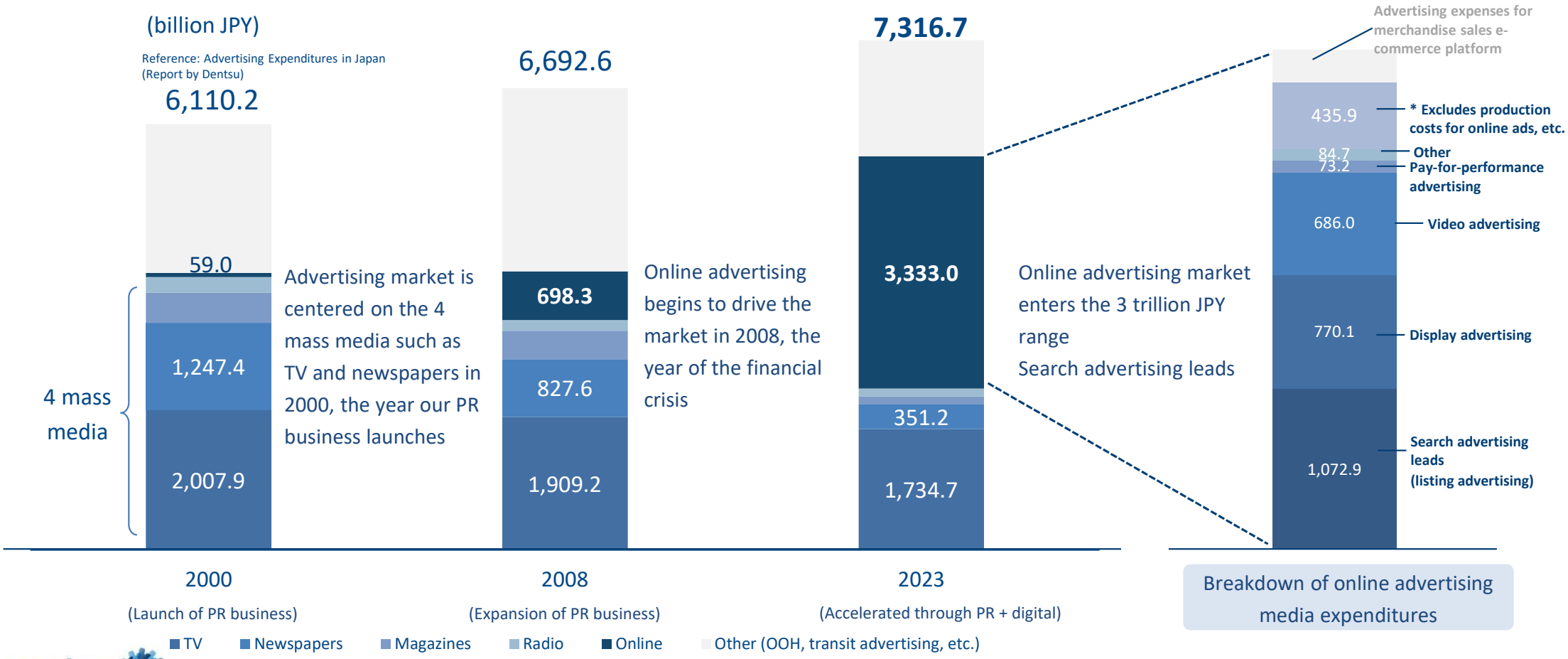
Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

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

Change in Japan's Advertising Market

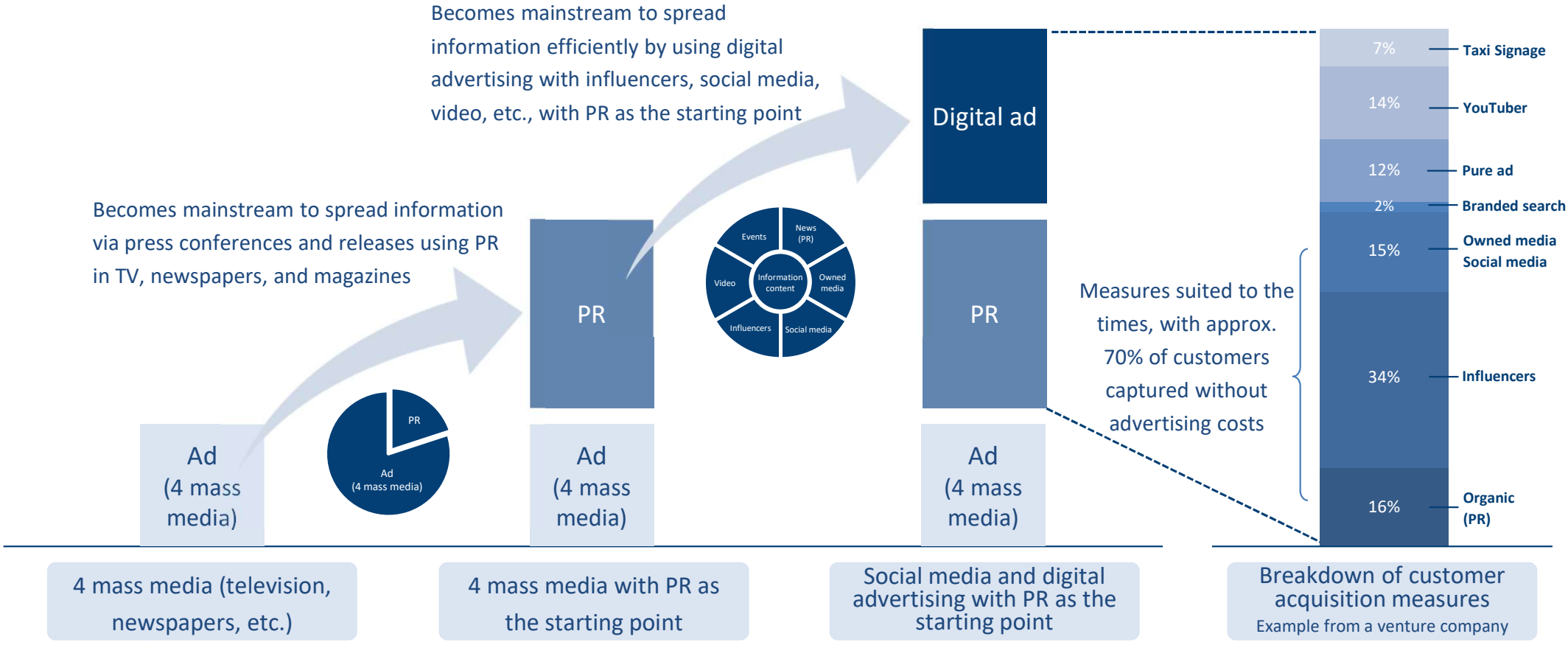
While the 4 mass media have decreased, online advertising has expanded, leading to a market worth 7 trillion JPY



Breakdown of online advertising media expenditures

Change in the Way to Spread the Word

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



4 mass media (television, newspapers, etc.)

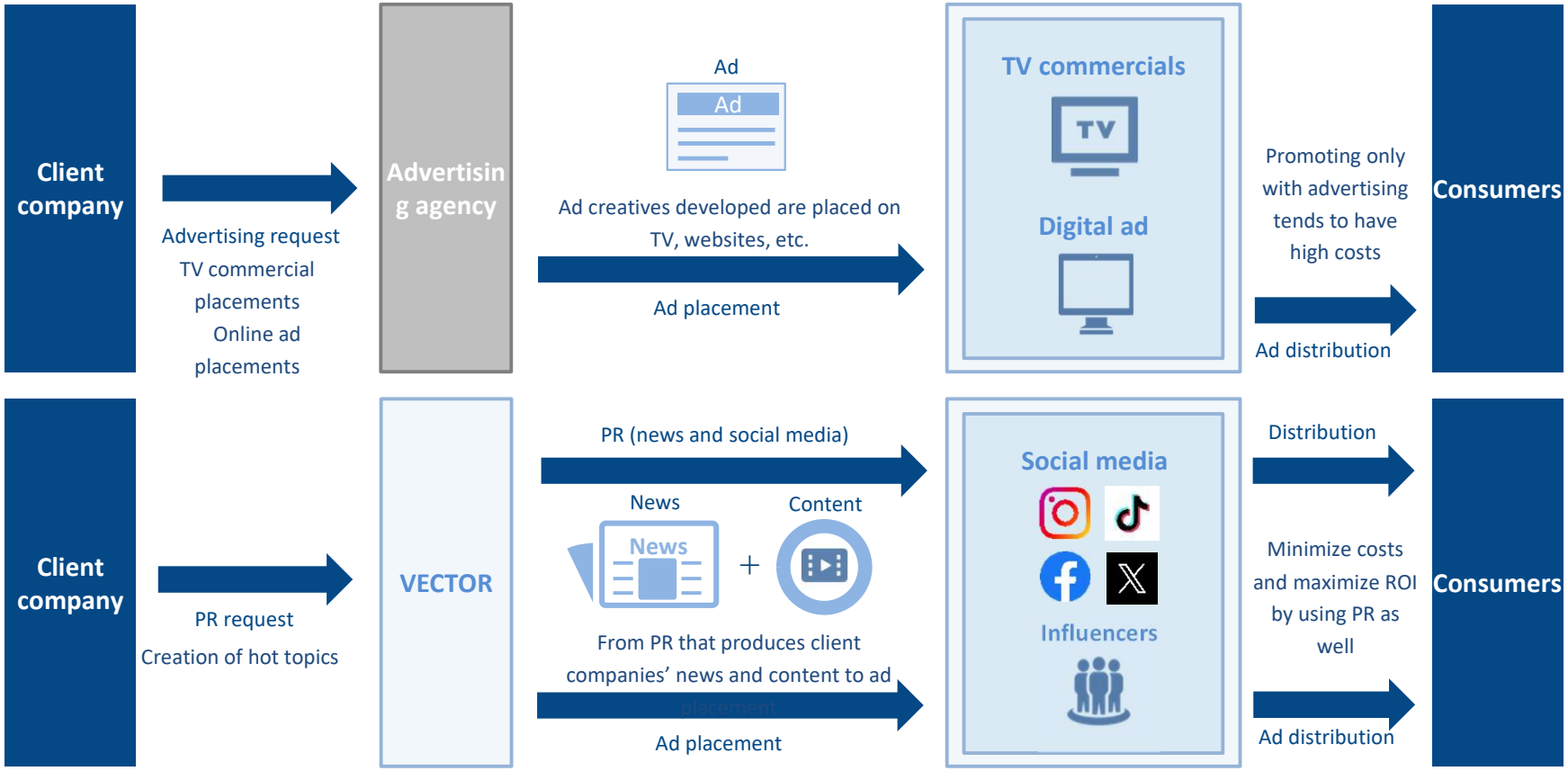
4 mass media with PR as the starting point

Social media and digital advertising with PR as the starting point

Breakdown of customer acquisition measures
Example from a venture company

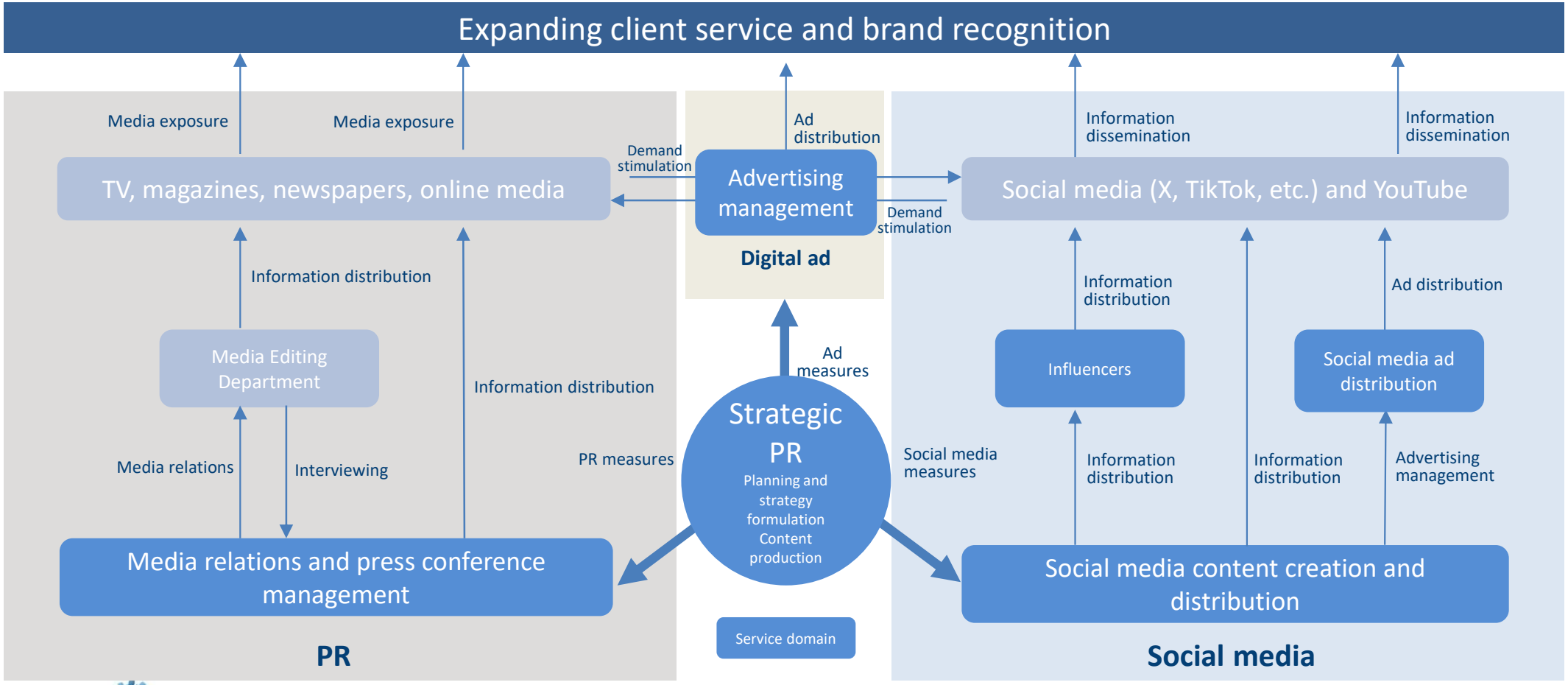
Difference between VECTOR and Advertising Agencies

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



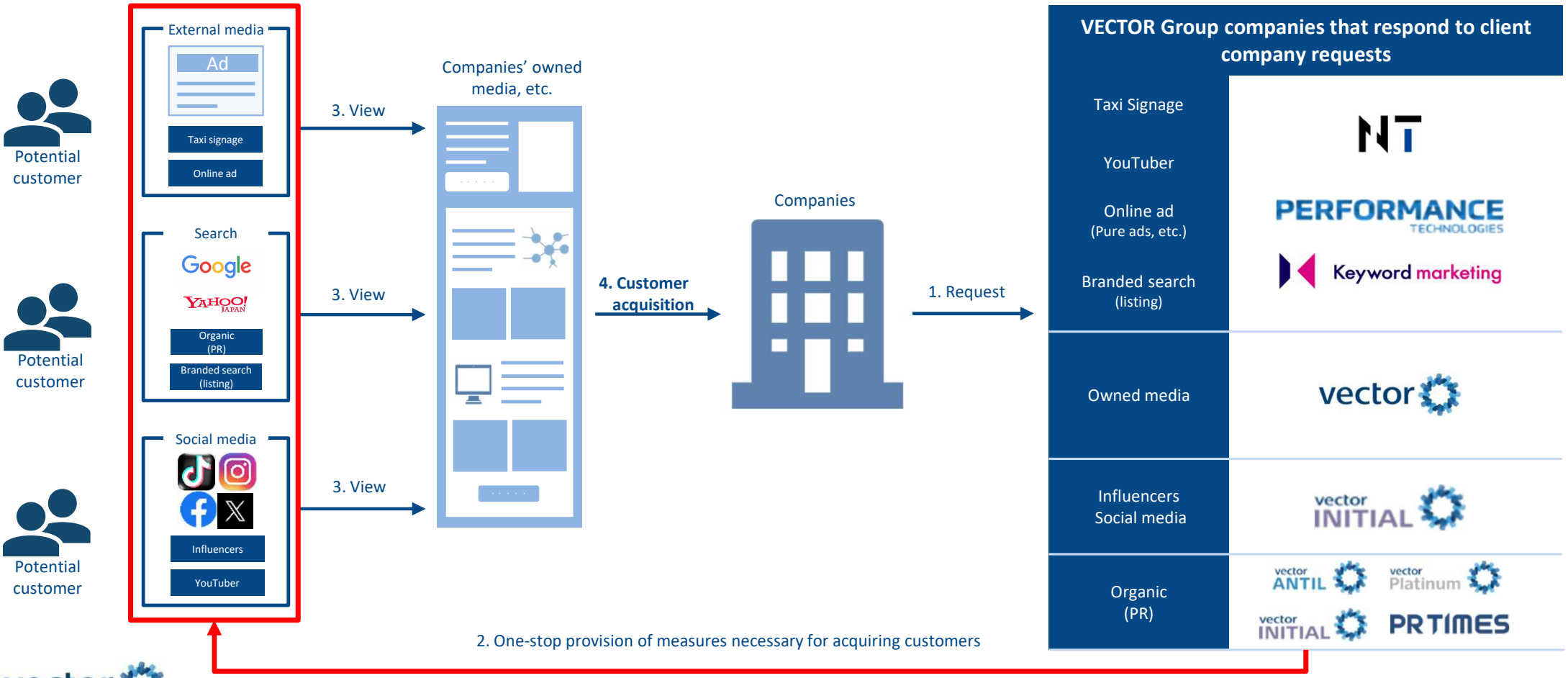
Flow of Communication Starting from PR

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



Customer Acquisition Flow

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



VECTOR's Unique Way of Spreading the Word

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 ▶ Under-standing ▶ Interest

PR × Social media × Ad tech-nology

Measures implemented

PR



Japan's first Yebaozi Launched on May 14, 2022



Vertical video



Social media



Celebrities

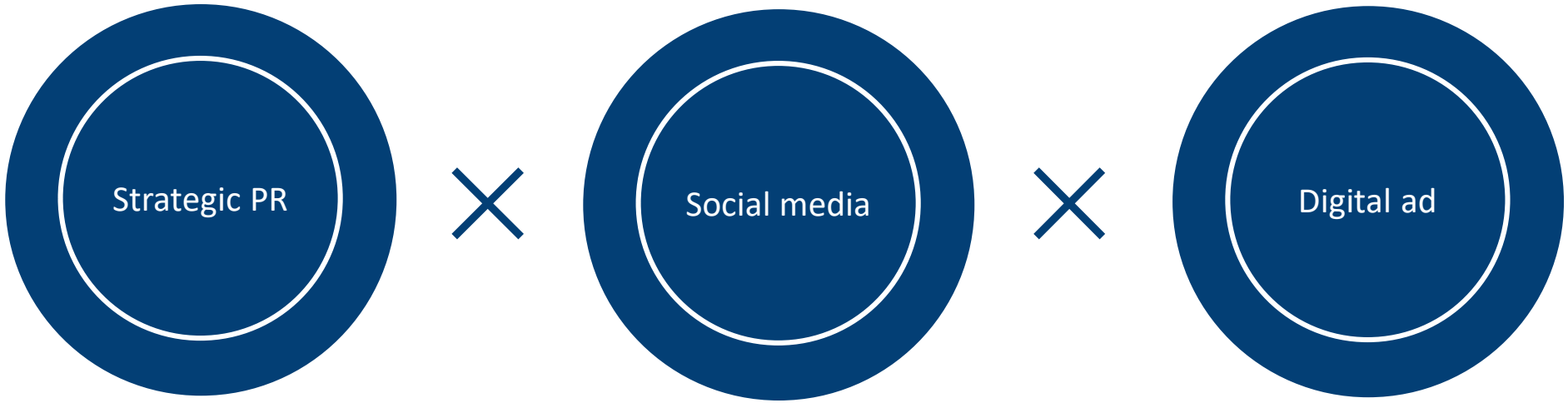


The key challenge was to maximize interest for the launch of Japan's first Yebaozi, a hugely popular *nikuman* (meat bun) chain from China that boasts long lines.
We provided support covering from concept formulation to keyword creation and the implementation of measures.

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.

What Is a Fast Company in the Advertising Industry?

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



“FAST COMPANY” Concept

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.

vector INITIAL

Press Releases	PR Consulting	Video Releases	Influencers	Digital Marketing	Risk Management
#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.	From PR planning to execution, our experienced PR consultants apply the most effective communication strategies.	Next-generation communication based on the production and distribution of video news from a PR standpoint, delivering content direct to the target audience.	Support corporate service/product branding through SNS influencers.	Integrated support from website production and system creation to digital promotion; Can also handle owned media creation and operation, and production of PR videos.	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.
PR TIMES	vector ANTIL vector Platinum vector INITIAL	vector	vector INITIAL	NT Tryhatch Keyword marketing	BRAND CLOUD

JPY 0 → JPY 100 Million/Year

Strengthening the Fast Company Concept

2 key points for strengthening the Fast Company concept

1 M&A

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

×

2 VC + PR

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

1 M&A

M&A

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

“FAST COMPANY” Concept

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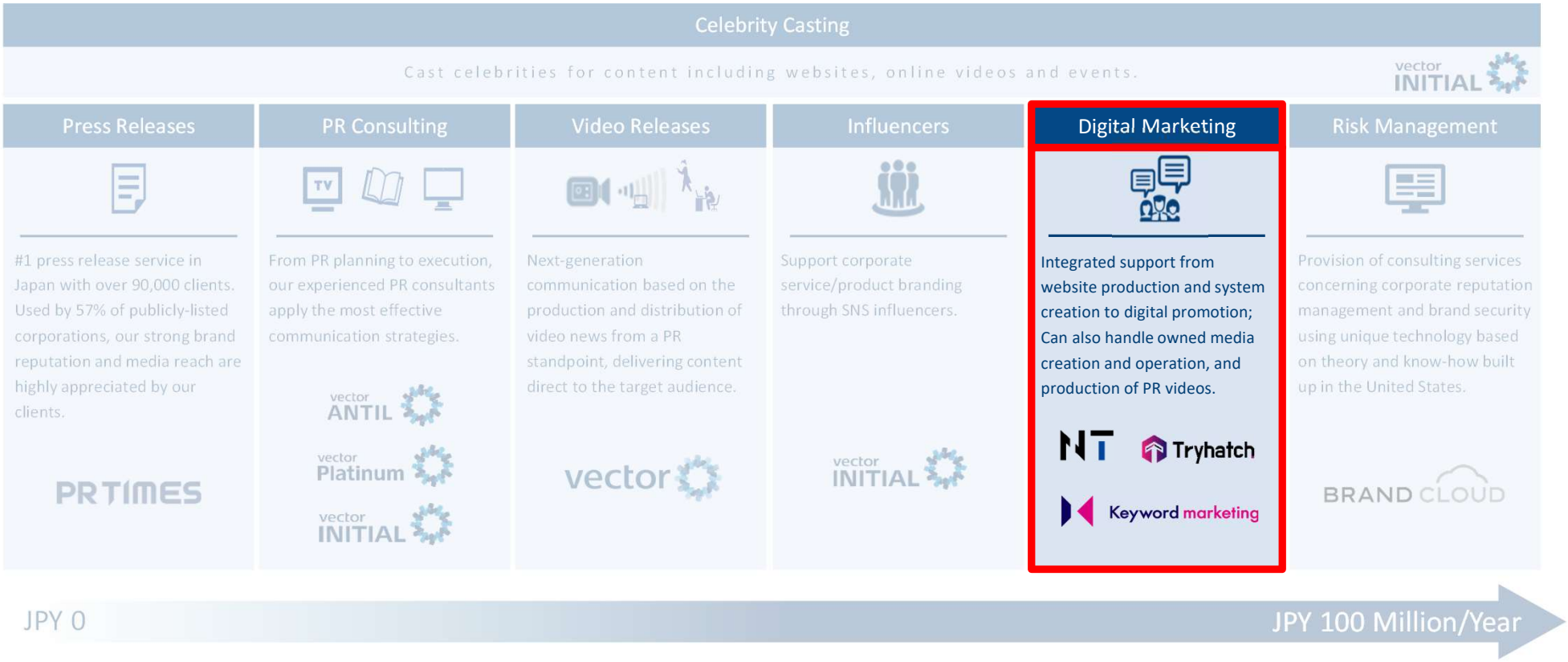
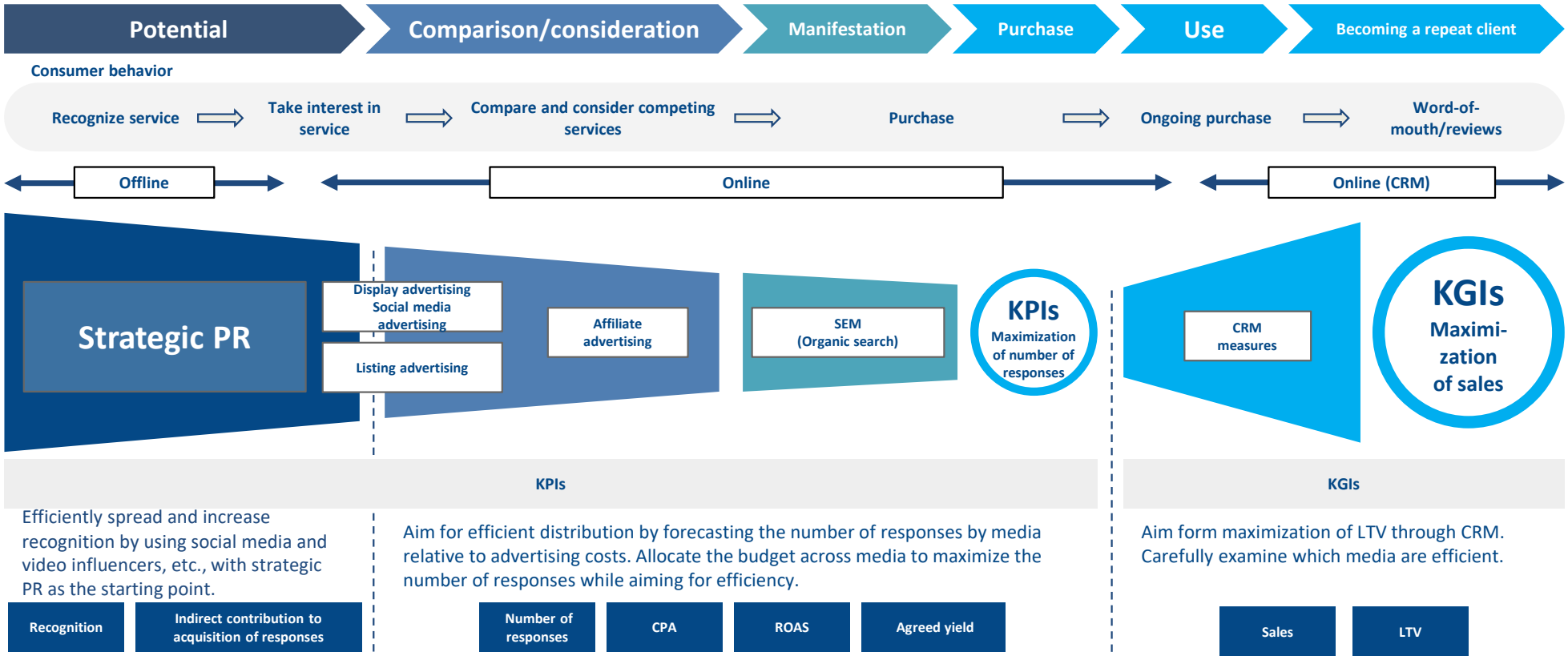


Synergy from Purchase of Digital Marketing Business

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.

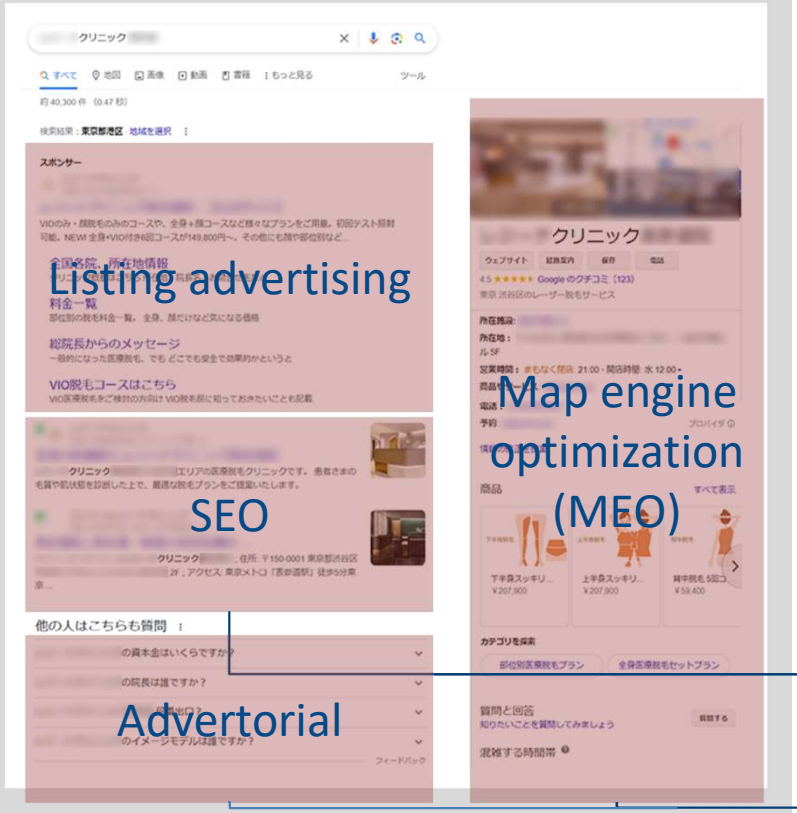


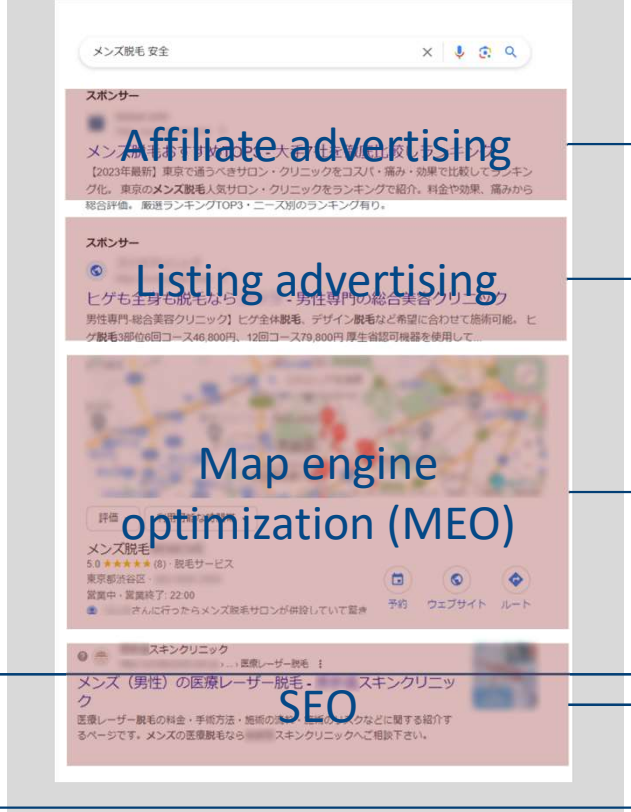
Digital Marketing Measures Made Possible through M&A

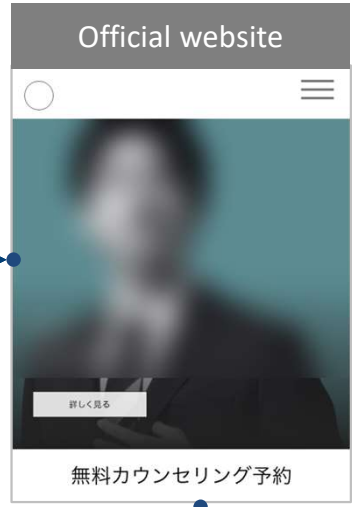
Leverage the strengths of the acquired company to maximize incoming traffic by getting links at the top of the search results screen

Branded search

General keyword search: “men’s hair removal” + “location (city)”







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

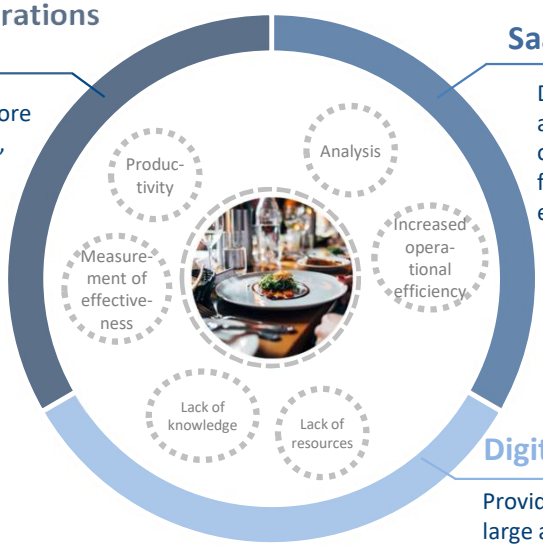
Overview of acquisition of shares

Company name	Tryhatch Tryhatch, Inc.
Business	Social media operations support business SaaS business Digital marketing business
Acquisition cost	350 million JPY
Share acquisition date	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

Company name	Owned, Company
Business	Digital marketing support
Acquisition cost	480 million JPY
Share acquisition date	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

Basic Policy on M&A

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 that can expand and enhance the Fast Company concept
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	Make careful decisions at the Board of Directors with a majority of External Directors possessing extensive knowledge related to M&As and financing
PMI	Regularly monitor objectives of acquisition from time of investment and their achievement Develop the internal controls required of a listed group company

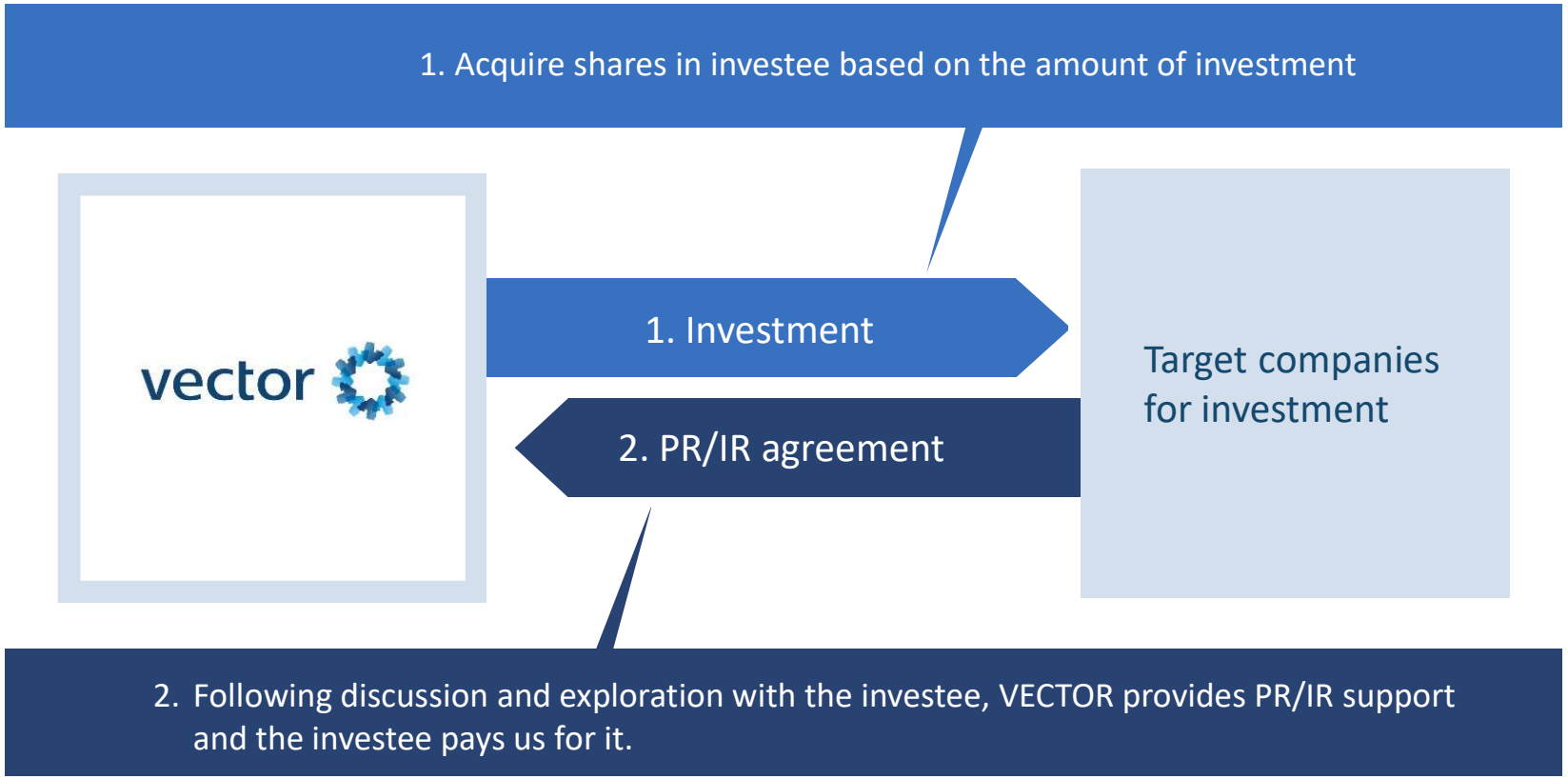
2 VC + PR

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.

Startup Investment Policy

Support client company growth through both investment and PR/IR support.
We aim to simultaneously expand our client base and support the growth of our investees by establishing a sourcing function within the PR business operations.

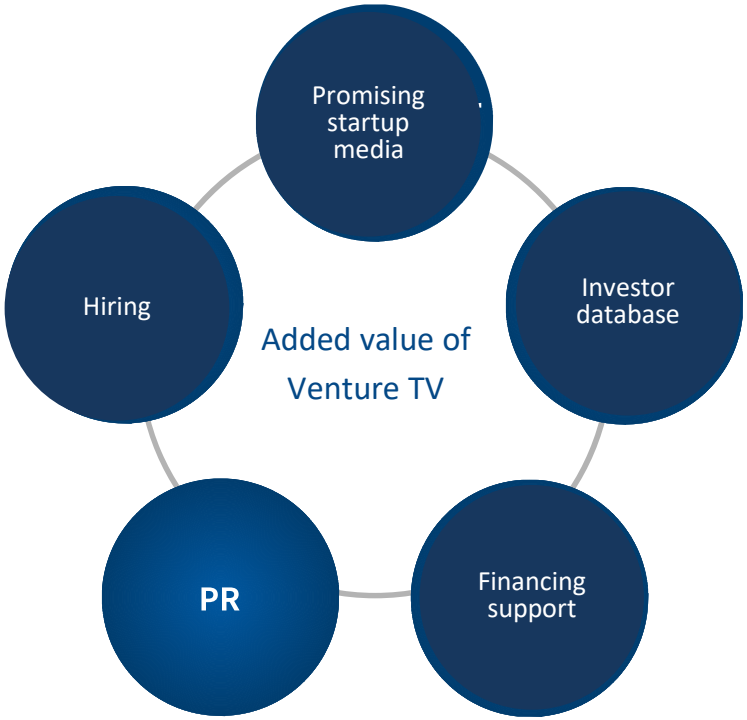


Venture TV

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



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