

VECTOR INC

Financial Results Briefing — FY2/26

April 15, 2026

Event Summary

[Company Name]	VECTOR INC.
[Company ID]	6058
[Event Language]	JPN
[Event Type]	Financial Results Briefing
[Event Name]	Financial Results Briefing — FY2/26
[Period Covered]	FY2/26 (full year)
[Date]	April 15, 2026
[Number of Pages]	35
[Time]	15:00–15:28
[Venue]	Streamed online
[Venue Area]	
[Attendance]	
[Presenters]	2 Representative Director and CEO Keiji Nishie Representative Director, Executive Vice President, and CFO Yosuke Goto

Presentation

MC: Thank you very much for attending the VECTOR INC. FY2/26 financial results briefing.

I would like to introduce today's presenters.

Please welcome Keiji Nishie, CEO and Representative Director of VECTOR INC.

And Yosuke Goto, Director and CFO.

First, Mr. Goto will explain the executive summary and business results for FY2/26. Following that, Mr. Nishie will explain the plan for FY2/27 and the VECTOR Group's strategy.

Mr. Goto will now provide an explanation of the executive summary.



Goto: Thank you, it's good to be here.

I will explain the first two items: the summary and our financial results.

Executive Summary

- **Achieved all FY2/26 plan metrics (Sales, OP, Ordinary income, Profit for parent owners)**
  - Strategic PR, Taxi signage, Press release distributions, Direct marketing were robust
  - Two lossmaking businesses in FY2/25 (NewsTV, S. Korea) turned profitable, contributing to OP growth
  - Earnings at gracemode Inc, which joined the group at start of FY2/26 through M&A, grew steadily
- **Focus on PR x Short Video measures**
  - Acquired gracemode Inc, Connect Tokyo Gourmet, Storicity,Inc. (S. Korea) via M&A
  - Strengthened sales, particularly in Strategic PR
- **Subsidiary Vitabrid Japan Inc. listed (2 April 2026)**
- **Keep paying dividends at 30% consolidated payout ratio or more**

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Starting with the summary, in FY2/26, we achieved our targets for all indicators: sales, operating profit, ordinary income, and net income.

We also focused on PR × Short Video initiatives and executed multiple M&A transactions in line with that strategy. In the Strategic PR Business, we concentrated on winning new Short Video orders.

Vitabrid Japan also listed on the TSE Growth Market on April 2.

On dividends, we intend to maintain a consolidated payout ratio of at least 30%.

Consolidated Financial Results Summary

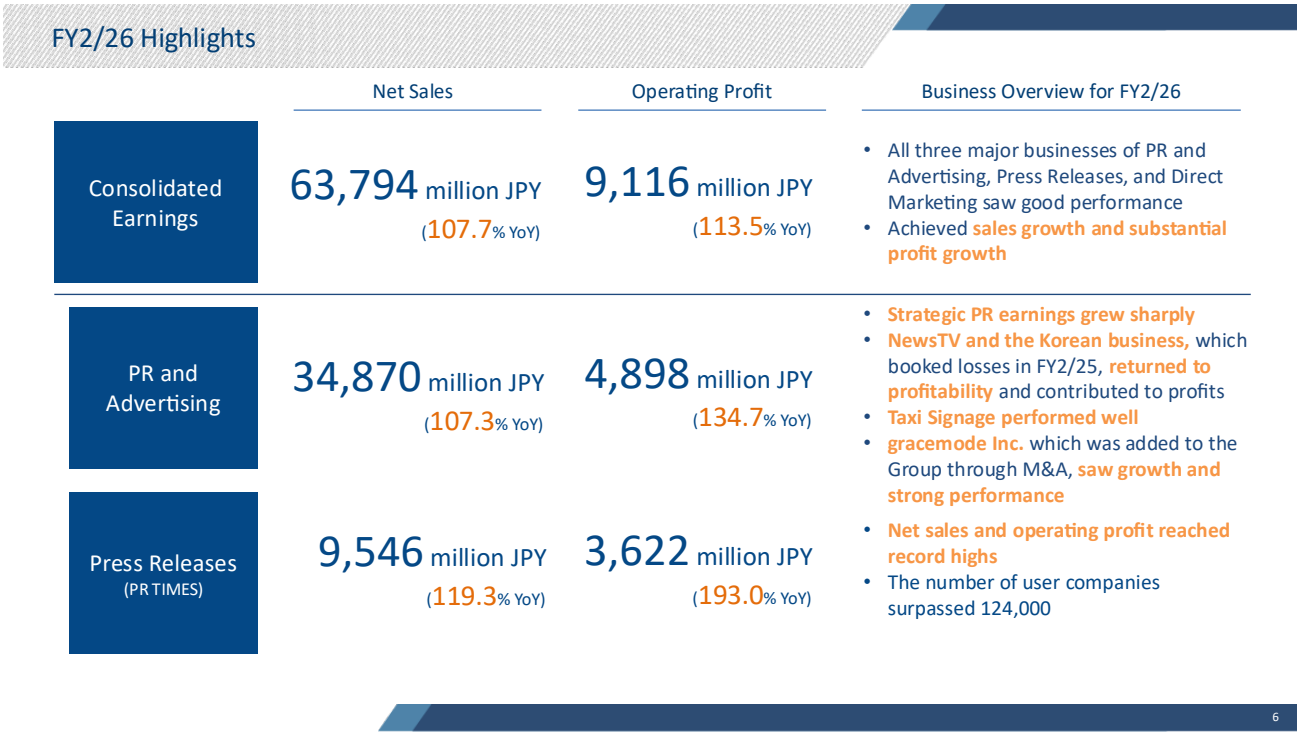
Net Sales	63,794 million JPY (107.7% YoY) (101.3% vs. Plan)	Gross Profit	42,649 million JPY (108.5% YoY)
EBITDA*	10,559 million JPY (115.4% YoY)	Operating Profit	9,116 million JPY (113.5% YoY) (107.3% vs. Plan)
Ordinary Profit	9,144 million JPY (119.4% YoY) (110.2% vs. Plan)	Profit Attributable to Owners of Parent	5,109 million JPY (121.8% YoY) (102.2% vs. Plan)

* EBITDA = Operating profit + Depreciation + Amortization of goodwill

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First, let me discuss our FY2/26 financial results.

Sales were ¥63.79 billion, up 7.7% YoY. Operating profit was ¥9.11 billion, up 13.5%. Net profit was ¥5.1 billion, up 21.8%. We therefore beat our forecasts on all metrics. We also achieved record-high results.



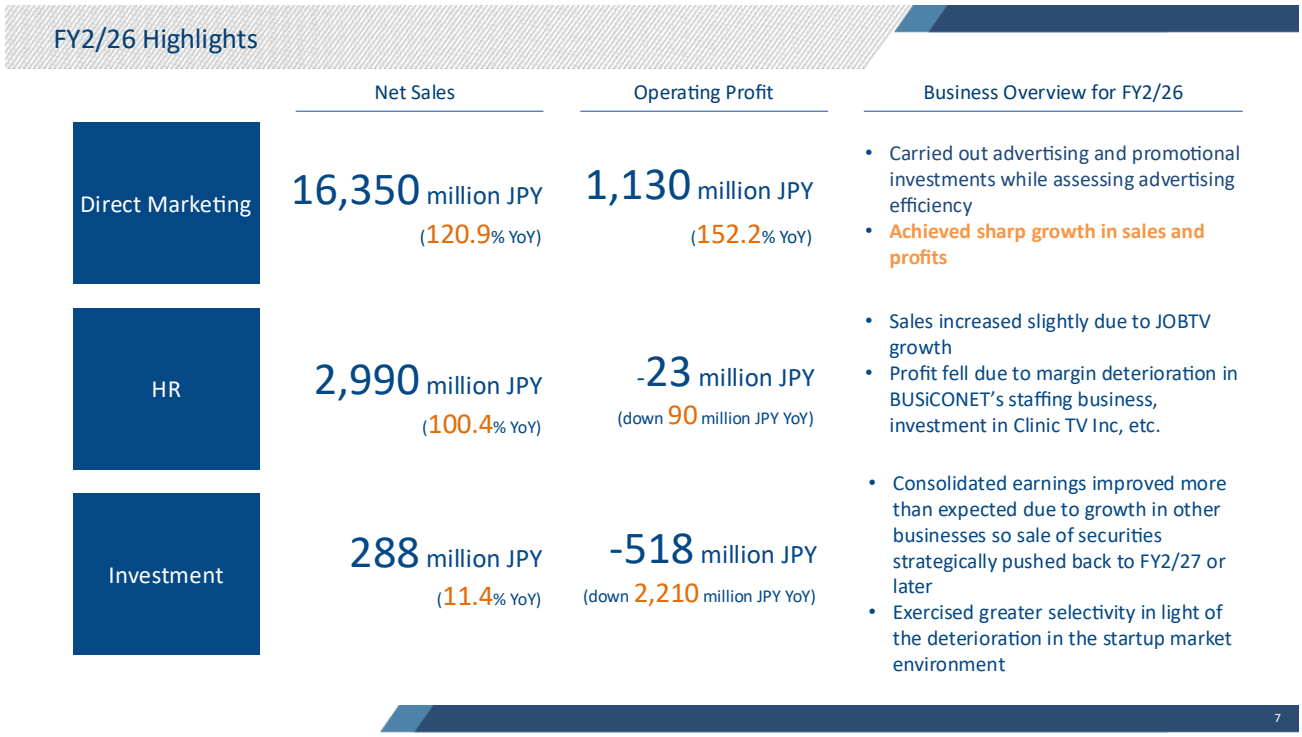
Next up are the results by segment.

PR and Advertising segment sales were up 7.3% YoY and operating profit up 34.7%.

As shown in the summary, the main factors were strong performance in the Strategic PR business, the return to profitability in the NewsTV business and the South Korean business, which posted losses in FY2/25, strong performance in the Taxi Signage business, and strong performance by gracemode, which joined the VECTOR group via M&A.

Press release distributions sales increased 19.3%, and operating profit was up by 93%.

The number of user companies also increased steadily, surpassing the 124,000 mark.



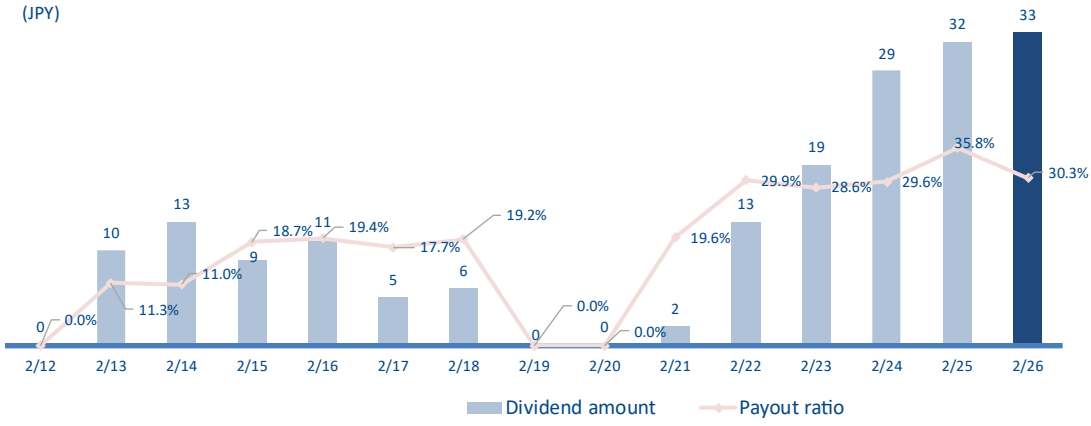
The Direct Marketing segment also performed well, with sales and profit up substantially.

Profits in the HR business fell due to lower revenue in BUSiCONET's temporary staffing media business and business investments in Clinic TV, among other factors. However, in FY2/27 we are working on improving earnings, including efforts to expand sales through Short Video initiatives in the recruitment field.

In the Investment segment, consolidated earnings improved more than we forecast due to growth in other segments, and we strategically chose to postpone the sale of our holdings to FY2/27 or later.

Shareholder Returns (Dividends)

In FY2/26, we increased the FY2/25 dividend by JPY1, raising the dividend to **JPY33**
Plan to pay dividends continuously from FY2/27 onwards, targeting a **consolidated payout ratio of at least 30%**

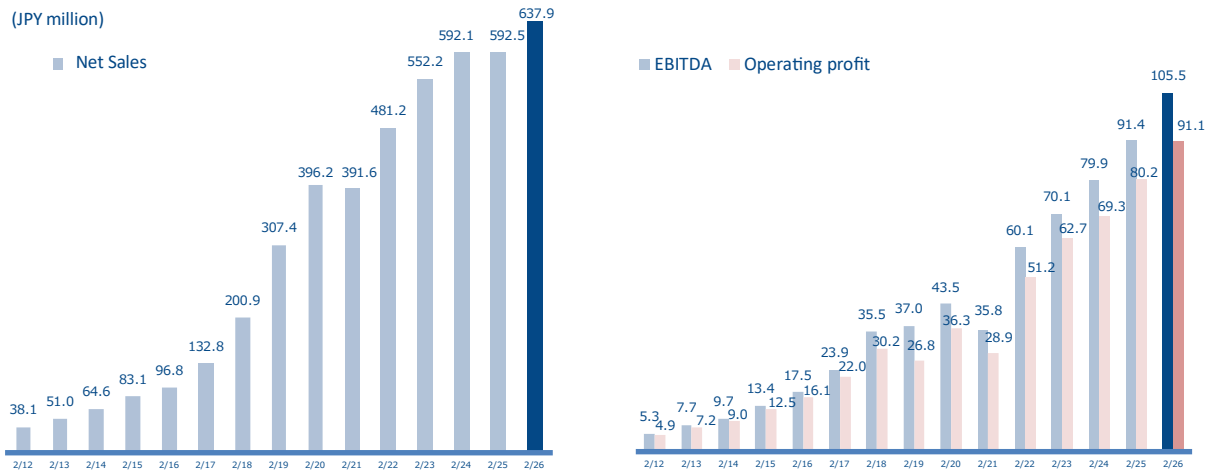


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Maintaining a consolidated payout ratio of at least 30%, we set our FY2/26 dividend at ¥33 per share.

Net Sales, EBITDA, and Operating Profit

Steady growth since listing, with record-high Net Sales, EBITDA, and Operating Profit in FY2/26



Notes: 1. In FY2/23, the accounting policy regarding the treatment of revenues, expenses, and other items related to the comm ercialization of investment business was changed. As a result, figures from FY2/19 onward have been restated retroactively
2. . The Accounting Standard for Revenue Recognition has been applied from FY2023

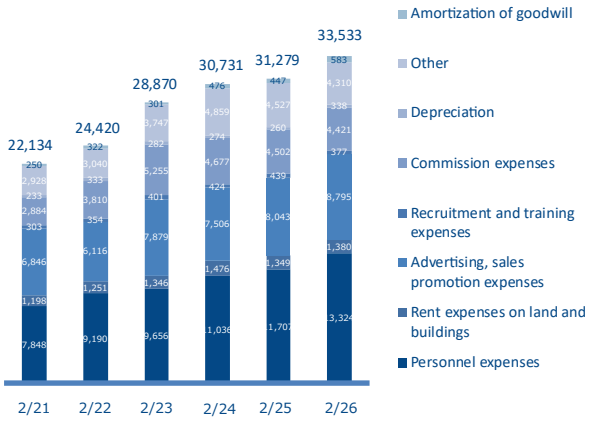
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Both net sales and operating profit grew steadily and reached record highs.

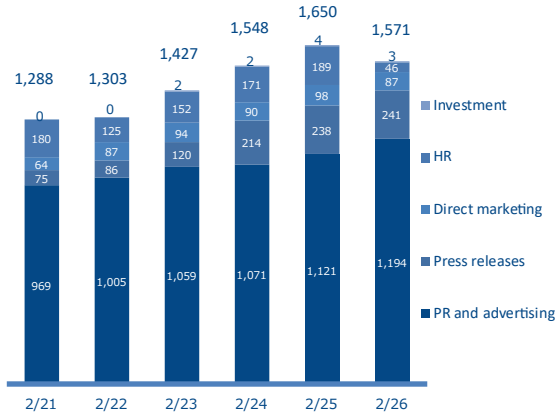
SG&A and Consolidated Number of Employees

SG&A expenses for FY2/26 totaled JPY33,533 million (107.2%YoY)
Number of employees was 1,571 (95.2% YoY) due to the deconsolidation of ASHITA-TEAM on February 27, 2026

SG&A expenses (JPY million)



Consolidated Number of Employees



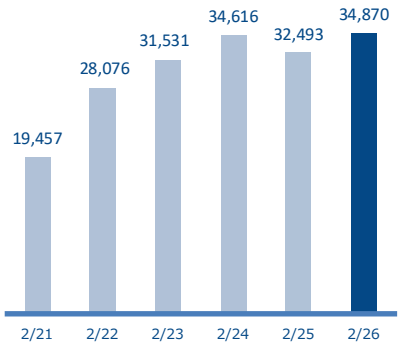
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Consolidated selling, general and administrative expenses amounted to ¥33.5 billion for the year, and headcount fell to 1,571 people due to the sale of a consolidated subsidiary.

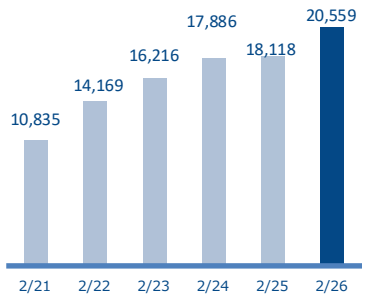
PR and Advertising Business (Full-Year Trend)

All metrics hit record highs in FY2/26 (net sales, gross profit and operating profit)
For FY2/27, we will promote PR x Short Video measures to achieve further earnings growth

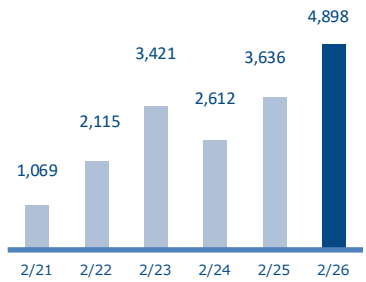
Net sales (JPY million)
JPY34,870 million (107.3% YoY)



Gross profit (JPY million)
JPY20,559 million (113.5% YoY)



Operating profit/loss (JPY million)
JPY4,898 million (134.7% YoY)



Notes: . Accounting Standards for Revenue Recognition were applied from FY2/23

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Next up is trends by segment.

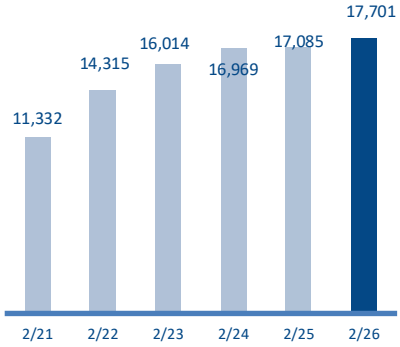
The PR and Advertising segment achieved record highs on all metrics: sales, gross profit, and operating profit.

In FY2/27, we will promote PR × Short Video initiatives to further expand earnings.

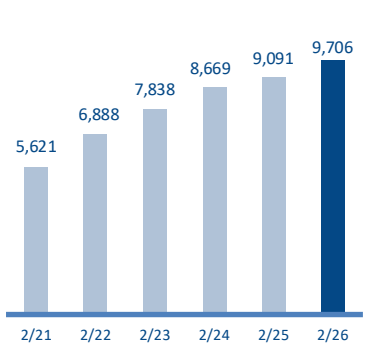
Full-Year Trend in Strategic PR Business (ANTIL, PLATINUM, INITIAL)

All metrics hit record highs in FY2/26 (net sales, gross profit and operating profit)
In FY2/27, the Strategic PR business will continue to play a lead role in the Group for PR x Short Video measures and lead overall growth

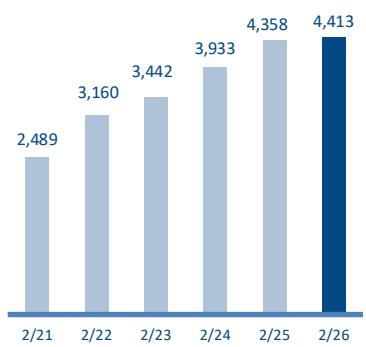
Net sales (JPY million)
JPY17,701 million (103.6% YoY)



Gross profit (JPY million)
JPY9,706 million (106.8% YoY)



Operating profit (JPY million)
JPY4,413 million (101.3% YoY)



Notes: 1. Operating profit calculated by adding back royalties paid to VECTOR

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The strategic PR business also achieved record highs across all three earnings metrics.

Changing market environment & Consolidation of marketing budgets

Existing advertising market issues

Declining share of TV ad market

As usage of smartphones, video streaming, and social media rises, time spent on TV viewing (real-time broadcasts) continues to decline, prompting companies to rethink TV advertising budgets and optimize investments for efficiency

Search ad market stagnating

Development of gen AI search results (e.g. AI overview) are resulting in fewer clicks on search ads, making it harder to sustain ad effectiveness

Consolidation of marketing budgets

Overall corporate advertising budgets are on the rise

The need for marketing investment remains. Budgets however are shifting to more efficient channels

Budgets shifting to PR x Short videos

Third-party non-advertising information builds brand trust
Vector provides a platform for this

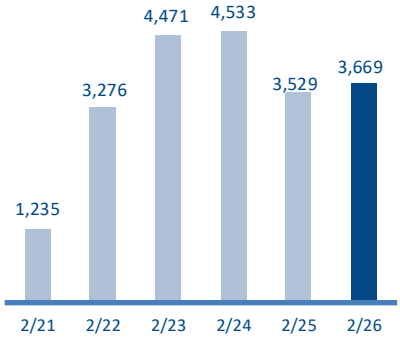
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In the advertising market, while the relative share of TV commercials is declining and the search advertising market is stagnating, corporate marketing budgets are increasing. To respond to this, our policy as a group is to address market needs with solutions that combine PR and Short Video.

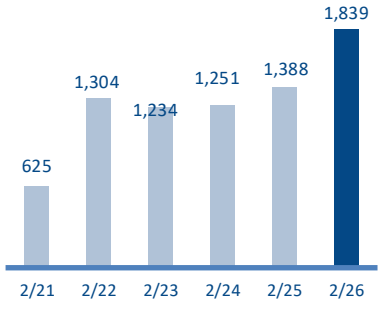
PR and Advertising Business (Overseas)

In the Overseas PR business, **profitability was achieved over the full year** in FY2/26 thanks to a recovery in the Korean business
In FY2/27, we are aiming for further profit growth by promoting PR x Short video measures in the overseas business as well

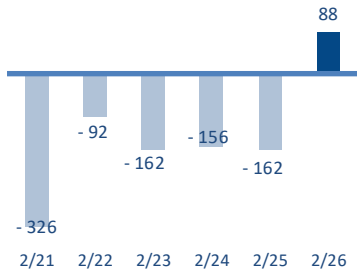
Net sales (JPY million)
JPY3,669 million (104.0% YoY)



Gross profit (JPY million)
JPY1,839 million (132.5% YoY)



Operating profit (JPY million)
JPY88 million (up JPY250 million YoY)



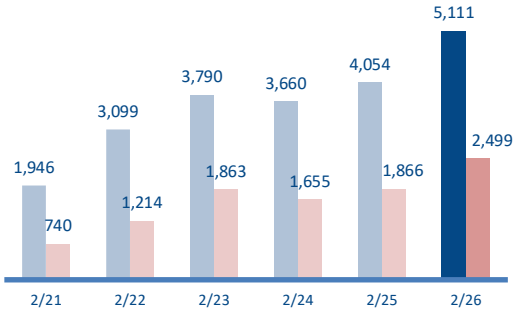
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The overseas PR and Advertising segment achieved profitability, driven by strong earnings in South Korea. We also intend to promote PR × Short Video initiatives overseas.

Taxi Signage

In FY2/26, ad slot and media sales were steady, resulting in net sales and gross profit **reaching record highs**
In FY2/27, we will drive revenue growth by selling new ad menu service options and rolling out new signage business using our taxi signage knowhow

Net Sales: JPY5,111 million (126.1% YoY)
Gross Profit: JPY2,499 million (133.9% 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 c. 11,500 vehicles, the largest scale of taxi signage advertising in Tokyo.
This covers roughly 42% of Tokyo's taxi users, who are mainly business people, with video advertisements and media content reaching around 7.7 million people.

Note: Accounting Standards for Revenue Recognition were applied from FY2/23

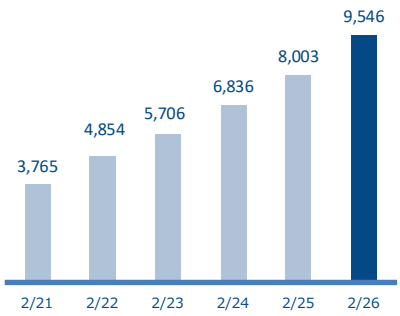
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The Taxi Signage Business achieved record-high earnings thanks to strong ad slot sales.

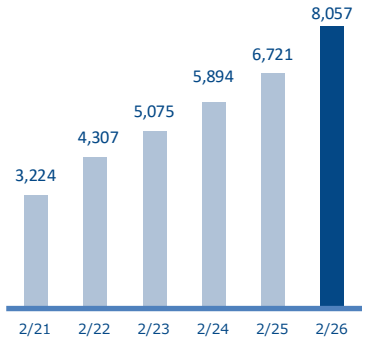
Press Release Distribution Business (Full-Year Trend)

In FY2/26, functionality improvements and marketing investments started to bear fruit, **resulting in record-high** net sales, gross profit, and operating profit
In FY2/27, we aim to increase revenue by continuing to grow the number of user companies and usage frequency

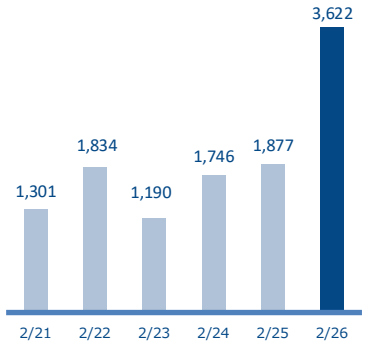
Net Sales (JPY million)
JPY9,546 million (119.3% YoY)



Gross Profit (JPY million)
JPY8,057 million (119.9% YoY)



Operating Profit (JPY million)
JPY3,622 million (193.0% YoY)



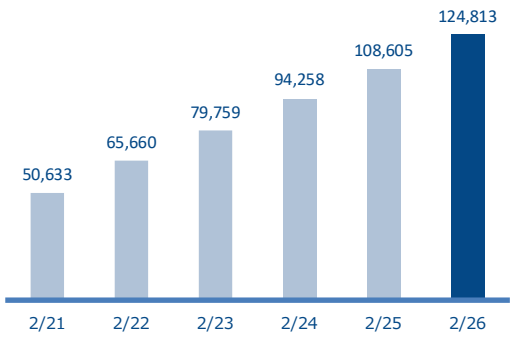
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The Press Release Distribution business achieved record-high earnings due to an increase in the number of corporate users.

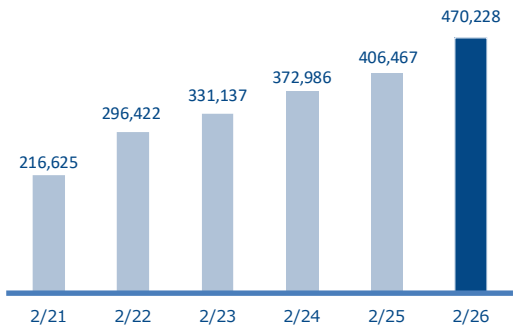
Number of User Companies and Press Release Distributions

In FY2/26, the number of user companies and press release distributions increased year on year
In FY2/27, we aim to increase revenue by continuing to grow the number of user companies and usage frequency

Number of user companies: 124,813 (114.9% YoY)



Number of press release distributions: 470,228 (115.7% YoY)



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We distributed press releases ore than 470,000 companies.

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

Japan's No. 1 press release distribution platform PR TIMES
More than 120,000 user companies, used by more than 65% of listed companies

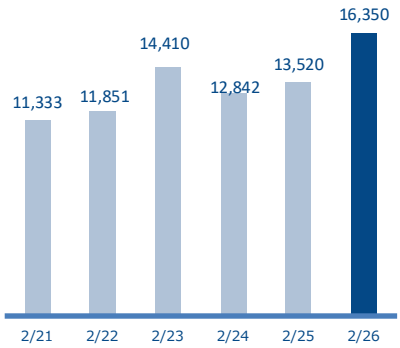


The number of user companies also increased steadily, surpassing the 124,000 mark.

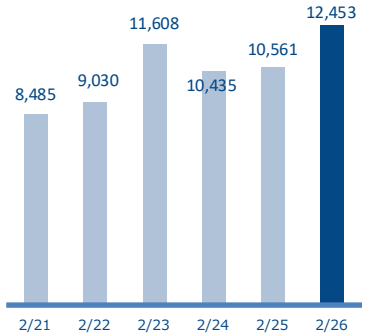
Direct Marketing Business (Full-Year Trend)

In FY2/26, **net sales and gross profit hit new record highs**
In FY2/27, we aim to achieve full-year net sales and operating profit targets by continuing to control advertising spend while keeping a close eye on market conditions

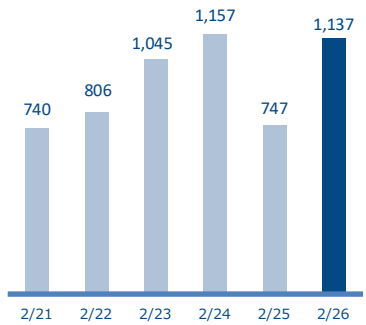
Net Sales (JPY million)
JPY16,350 million (120.9%)



Gross Profit (JPY million)
JPY12,453 million (117.9%)



Operating Profit (JPY million)
JPY1,137 million (152.2% YoY)



Note: Accounting Standards for Revenue Recognition were applied from FY2/23

The Direct Marketing segment achieved significant revenue and profit growth, driven by strong earnings at Vitabrid Japan.

SCRIPTS Asia's Meetings, Globally

ダイレクトマーケティング事業（四半期推移）

- **四半期ベースで売上高が過去最高を更新**
- ビタブリッドジャパンは2027年2月期に向けた広告投資を実行

【売上高（百万円）】
4,527百万円（前年同期比122.9%）



【売上総利益（百万円）】
3,076百万円（前年同期比114.4%）



【営業利益（百万円）】
359百万円（前年同期比37.9%）



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While the business has significant quarterly volatility, we have consistently managed it to ensure that it achieves its annual targets.

Vitabrid Japan

Listed on the Tokyo Stock Exchange on 2 April 2026
Develop highly-functional and strongly-differentiated products that leverage patented technologies and bespoke designs
Recurring revenue D2C subscription model with expanding channels to drugstores and major e-commerce platforms



Sugar and fat absorption inhibiting supplement Terminalia First continued to perform well following its launch. **No.1 ranked sales** in the Japanese diet market



Long-standing product Vitabrid C Face contains Vitamin C and leverages patented technologies



Sales of "Vitabrid Daily GABA," a multifunctional supplement with seven GABA-based functionalities, are showing steady and robust growth

Source: Fuji Keizai (H.B. Foods Marketing Handbook 2024–2026 No.1, Functional Food Edition; Diet Market – Total / Brand)

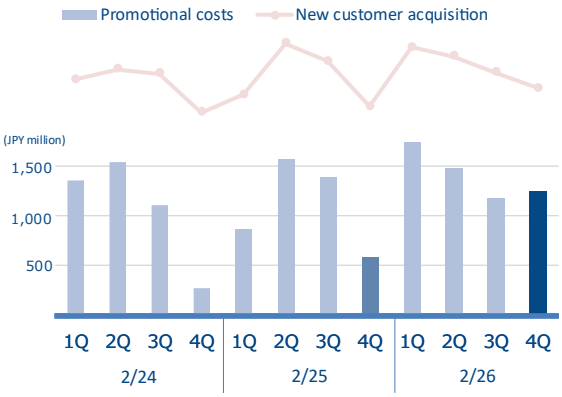
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As I mentioned in the summary, Vitabrid Japan listed on the Tokyo Stock Exchange on April 2. It is achieving sales growth ultiple products including GABA as well as Terminalia First and the VitabridC series.

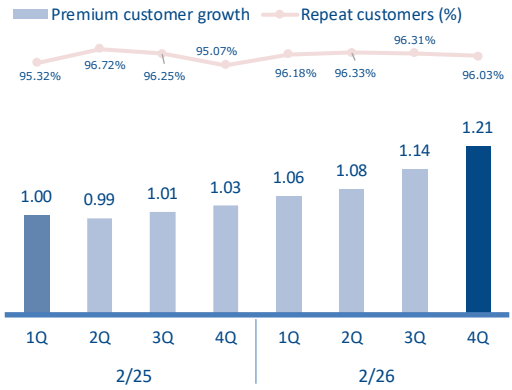
New customer acquisition and premium customers (Vitabrid Japan)

In FY2/26, **new customer acquisition grew steadily** in line with advertising investment
Premium customers grew steadily and are **21% higher** compared to 1Q FY2/25
New customers acquired via advertising in 1H expected to become repeat customers in 2H, driving achievement of the plan in FY2/27

Promotional costs & new customer acquisition trends



Growth in premium customers, repeat customers



Notes: Slide only shows D2C customers, excludes other sales via other channels

Indexed: 1Q FY2/25=1.00
Premium customers: Customers with defined high-value LTV threshold (JPY30,000-50,000) based on buying certain profitable products, have made a purchase in last 1 year and have a regular subscription
Premium customer retention rate: The percentage of premium customers at previous month end that remain premium customers at current month end

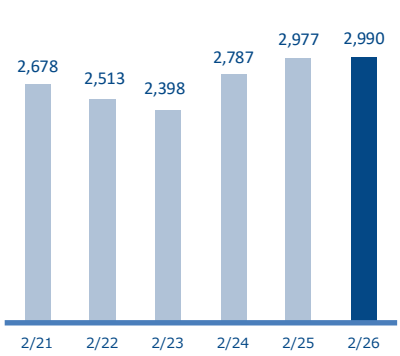
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Vitabrid Japan is acquiring new customers while maintaining promotional cost efficiency, and the number of high-value customers is steadily increasing.

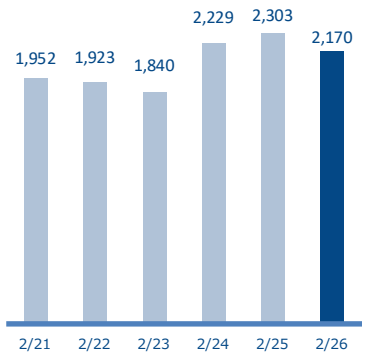
HR Business (Full-year trend)

In FY2/26, JOBTV revenue slightly increased due to strong performance at new graduate events
In FY2/27, we aim to expand sales by leveraging our PR and advertising expertise and implementing Short Video strategies in the recruitment field

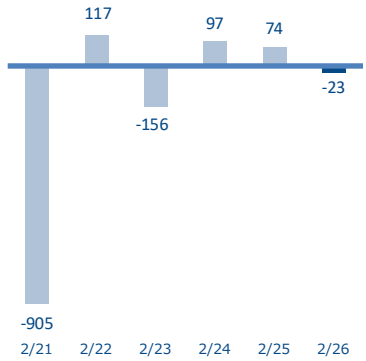
Net Sales (JPY million)
JPY2,990 million (100.4% YoY)



Gross profit (JPY million)
JPY2,170 million (94.2% YoY)



Operating profit (JPY million)
JPY-23 million (Down JPY98 million YoY)



※"Accounting Standards for Revenue Recognition" have been applied since FY2/23.

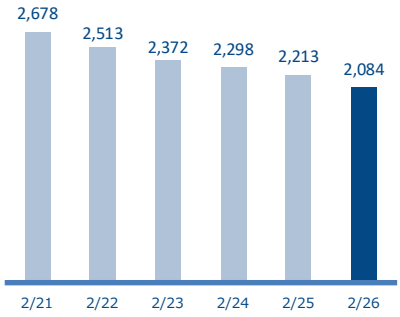
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In the HR business, the strong performance for JOBTV's new graduate events drove revenue growth.

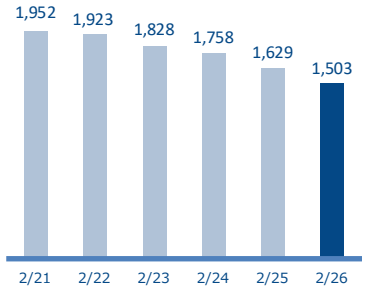
HR Business (ASHITA-TEAM)

On February 27, 2026, we sold all our shares in ASHITA-TEAM to Wellness Communications Corporation

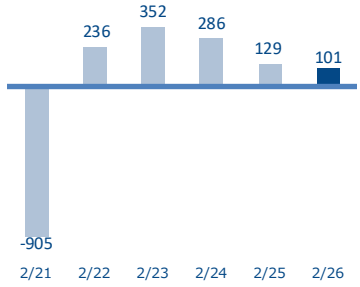
Net Sales (JPY million)
JPY2,084 million (94.2% YoY)



Gross profit (JPY million)
JPY1,503 million (92.2% YoY)



Operating profit (JPY million)
JPY101 million (78.2% YoY)



Notes: Accounting Standards for Revenue Recognition were applied from FY2023

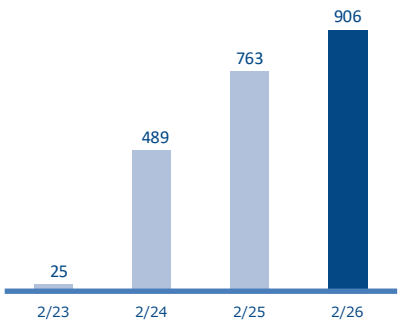
24

Regarding ASHITA-TEAM's earnings, as noted, we sold all our shares at the end of February.

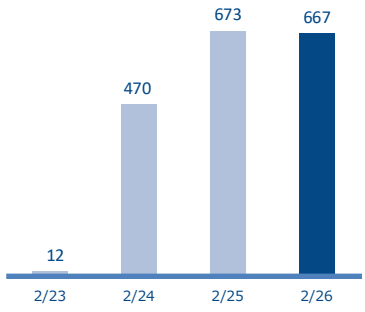
HR Business (JOBTV)

In FY2/26, profit fell due to margin deterioration in BUSiCONET's staffing business, investment in Clinic TV Inc, etc
In FY2/27, we aim to expand sales by leveraging our PR and advertising expertise and implementing short video strategies in the recruitment field

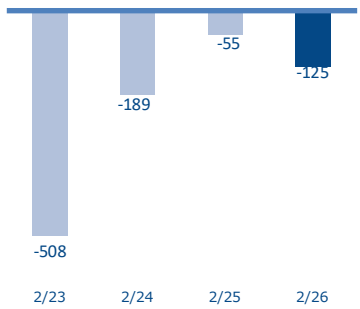
Net Sales (million JPY)
JPY906 million (118.6% YoY)



Gross profit (JPY million)
JPY667 million (99.1% YoY)



Operating profit (JPY million)
JPY-125 million (Down 70 million YoY)



25

JOBTV business revenue rose due to the strong performance of recruitment events, but profit fell due to worsening earnings at BUSiCONET and business investment in Clinic TV.

In FY2/27, we will deploy the Group's Short Video expertise to expand sales at JOBTV through Short Video initiatives in the talent recruitment domain.

JOBTV

We have given our video recruitment platform “JOBTV” a complete update





From "search" to "immersive" UI/UX
Provides intuitive operations similar to social media apps that Generation Z use daily, including continuous playback for Short Videos and more broader content. Dramatically improves student viewing times and engagement.

Introduction of recruitment documentaries
Rather than superficial PR videos, they cinematically depict the struggles on the ground and the challenges facing companies, promoting better understanding and generating deep empathy.

Strengthened data utilization
The control screen has been updated to be more user -friendly for corporates. It offers management functions that visualize student viewing behavior and data of interest, and directly translates the effectiveness of the audience acquisition ecosystem into corporate recruitment activities.

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This month, we fully revamped JOBTV, our Video recruitment platform.

JOBTV business model

Full-fledged roll-out of customer acquisition ecosystem that combines
SNS x Video media x in-person events
SEESAS x JOBTV (Customer acquisition ecosystem)

JOBTV

Gen Z Behaviour Model	Surf Encounter	Engage	Search	Action	Share
JOBTV Functions & Roles	Organic Social Media Management	New JOBTV Media	New JOBTV Media	In-person recruitment event	When interested students share information on social media, a structure can be created allowing information to spread even further
Value of a Customer Acquisition Ecosystem	By utilizing short videos, we can reach the potential Generation Z audience through corporate ranking lists and third-party perspective content.	UI optimized for Short Videos. Achieves intuitive operations like video streaming platforms. Recruitment documentary videos depict real workplaces and employee stories foster empathy among students.	Students developing interest from videos can seamlessly dig further into company sites and find detailed information within, deepening their understanding of a company.	Creating opportunities for direct interaction with students interested in the media. Achieves a key match between corporate values & student potential via unique programs such as business contest workshops and PR planning workshops.	

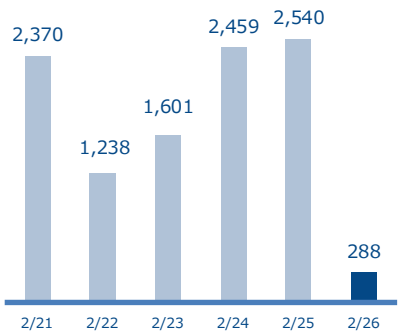
27

JOBTV has established a customer acquisition funnel from social media initiatives based on Short Videos to the JOBTV media platform, and has built a unique customer acquisition ecosystem that connects students to in-person events. The renewal of the Video recruitment platform is also part of this initiative.

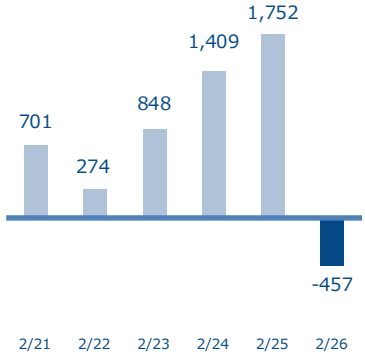
Investment Business (Full-year trend)

In FY2/26, consolidated performance was better than expected due to growth in other businesses, so we strategically chose to push back the sale of holdings to the following fiscal year and later
In FY2/27, we will exercise more selectivity in investment in light of the deterioration in the startup market environment

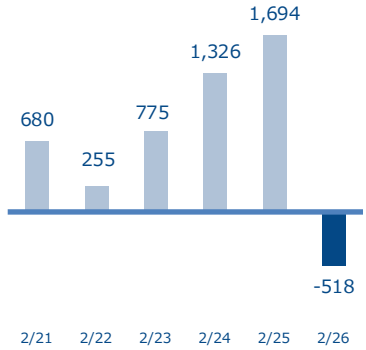
Sales (JPY million)
JPY288 million (+11.4% YoY)



Gross profit (JPY million)
JPY-457 million (Down JPY2,209 million YoY)



Operating profit (JPY million)
JPY-518 million (Down JPY2,213 million YoY)



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Last is the Investment Business.

In the investment segment, we postponed the sale of shares to FY2/27 or later as overall consolidated earnings were above our expectations.

Recent IPOs from investments

Supporting corporate growth through capital and PR/IR (total of 34 IPOs).

Date of listing	Company name
Mar. 31, 2016	AirTrip Corp.
Nov. 18, 2016	Phil Company, Inc.
Dec. 20, 2016	Renet Japan Group, Inc.
Aug. 3, 2017	SHARINGTECHNOLOGY INC.
Dec. 12, 2017	Ikka Holdings Co., Ltd.
Dec. 13, 2017	Global Link Management Inc.
Dec. 11, 2018	PIALA INC.
Feb. 22, 2019	SHIKIGAKU. Co., Ltd.
Mar. 19, 2019	MINKABU THE INFONOID, Inc.
Jun. 21, 2019	Branding Technology Inc.
Jun. 25, 2019	infoNet inc.
Oct. 8, 2019	AI CROSS Inc.
Dec. 17, 2019	WILLs Inc.
Dec. 18, 2019	BuySell Technologies Co., Ltd.
Mar. 26, 2020	Cyber Security Cloud, Inc.
Jul. 7, 2020	TWOSTONE&Sons
Sep. 28, 2020	Headwaters Co., Ltd.

Date of listing	Company name
Dec. 18, 2020	Inbound Tech Inc.
Dec. 23, 2020	Koukandekirukun, Inc.
Jun. 29, 2021	Waqoo, Inc.
Jul. 6, 2021	BCC
Sep. 28, 2021	ROBOT PAYMENT INC.
Sep. 28, 2021	Livero Inc.
Nov. 24, 2021	Last One Mile Co., Ltd.
Mar. 28, 2022	Mental Health Technologies Co., Ltd.
Apr. 4, 2022	SecondXight Analytica, Inc.
Sep. 29, 2022	PROGRIT Inc.
Mar. 31, 2023	SYLA Technologies Co., Ltd.
Jun. 29, 2023	W TOKYO INC.
Nov. 22, 2023	VALUE CREATION Co., Ltd.
Mar. 26, 2024	HATCHWORK CO.,LTD.
Sep. 25, 2024	ROXX, Inc.
Jul. 24, 2025	Fuller, Inc.
Mar. 25, 2026	Basic Inc.

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The cumulative number of IPOs for our investees reached 34 companies.

I will skip over discussing the balance sheet, income statement, and cash flow statement here.

I will hand over to Mr. Nishie to discuss our earnings forecasts and the remaining items on the agenda.

FY2/27 Consolidated Forecasts

FY2/27 Full-year forecast (unit：JPY million)	FY2/26 (Actual)	FY2/27 (Plan)	YoY	FY2/27 H1	FY2/27 H2
Net Sales	63,794	68,000	106.6%	31,800	36,200
Operating Profit	9,116	10,000	109.7%	3,220	6,780
Ordinary Profit	9,144	9,800	107.2%	3,120	6,680
Profit attributable to owners of parent	5,109	5,500	107.7%	1,550	3,950

・Our dividend policy is to maintain a payout ratio of at least 30%, so our planned dividend for FY2/27 is **JPY36 per share**

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Nishie: In FY2/27, we aim to achieve sales of ¥68 billion and operating profit of ¥10 billion. We target net income of ¥5.5 billion and EPS of ¥36.

Profit plan by segment

Profit plan by segment (unit：JPY million)	FY2/26 (Actual)	FY2/27 (Plan)	YoY	FY2/27 H1	FY2/27 H2
Consolidated	9,116	10,000	109.7%	3,220	6,780
PR and Advertising	4,898	5,400	110.2%	2,300	3,100
Press Release	3,622	3,250	89.7%	1,650	1,600
Direct Marketing	1,137	1,250	109.9%	-550	1,800
HR	-23	100	–	-30	130
Investment	-518	0	–	-150	150

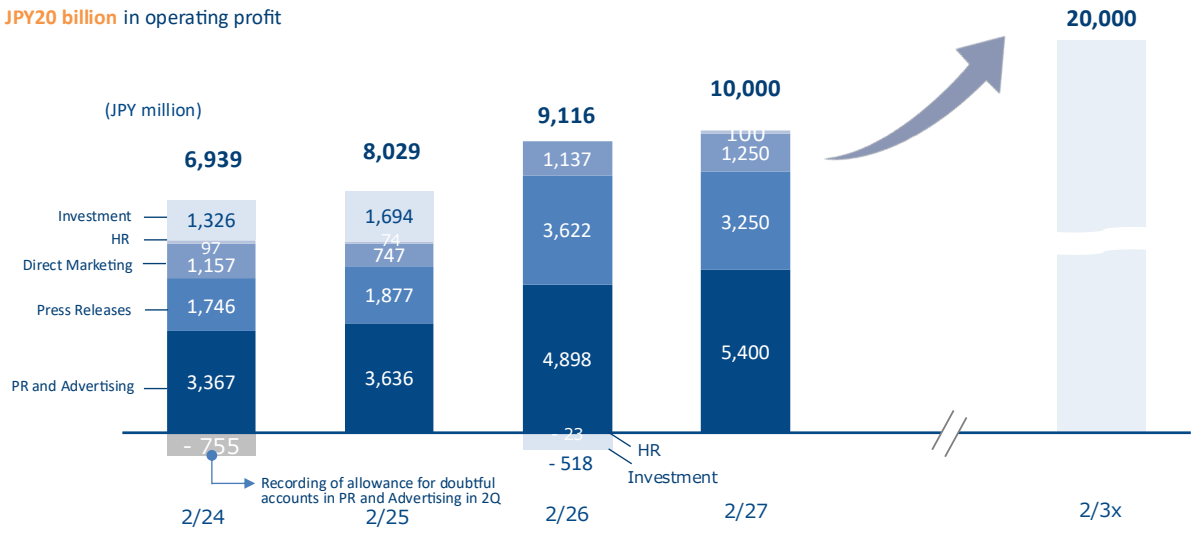
- We still aim for JPY10 billion as per MTMP
- Increased profit contribution from PR and Advertising
- In direct marketing, we will continue the pattern of investing in H1 and securing profits in H2
- In HR, JOBTV is expected to turn to profit from a loss, leading to increased profits.

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By segment, we target 10% YoY growth in PR and Advertising. We estimate slightly lower growth in the Press Release business, but expect to offset this with 10% growth in Direct Marketing, which will drive our current profit target.

Medium-term Profit Plan Progress by Segment

Centered on the PR and Advertising Business, we aim to achieve both organic and non-linear growth, with a **medium-term target of JPY20 billion** in operating profit

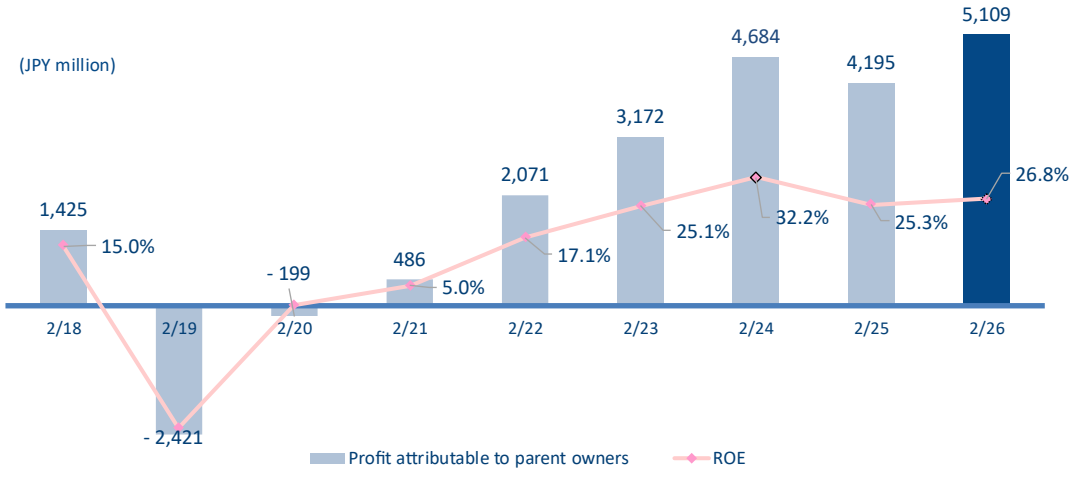


Note: INFLUENCER BANK was moved from the Direct Marketing segment to PR and Advertising from 2Q FY2/25.

In the medium term, we target operating profit of ¥20 billion. I personally want to achieve ¥30 billion or ¥50 billion, but our initial goal is to aim for ¥20 billion.

ROE and Profit Attributable to Owners of Parent

Policy is to keep **ROE above 25%**



Regarding ROE, we view around 25% as one of our management metrics.



Let me move on to management strategy.

"From Asia's No. 1 PR firm to the world's No. 1 PR firm." We will achieve this by doubling sales.



I should note that we are now targeting the ¥8 trillion advertising market rather than the ¥150 billion domestic PR market.



"Becoming a “fast company” in the advertising industry through 'Low Cost,' 'Middle Quality,' and 'Speedy.'" Low Cost and Speedy are our main focus. Our goal is to spark the kind of revolution in the advertising industry that Uniqlo achieved in fashion and Nitori in furniture.

What a "FAST COMPANY" means in the Advertising Industry

	Full-service agency	Vector Group
Value Proposition	Haute Couture	Fast Fashion
Speed	Several Months	Instant / Speedy
Cost	Hundreds of Millions of Yen	Low Cost
Quality	Premium Offering	Optimal Quality

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In other words, if major full-service advertising agencies are haute couture, we are fast fashion. In terms of speed, what takes them 3-4 months we can do in 1-2 weeks at around a tenth of the cost. We also aim to optimize quality.



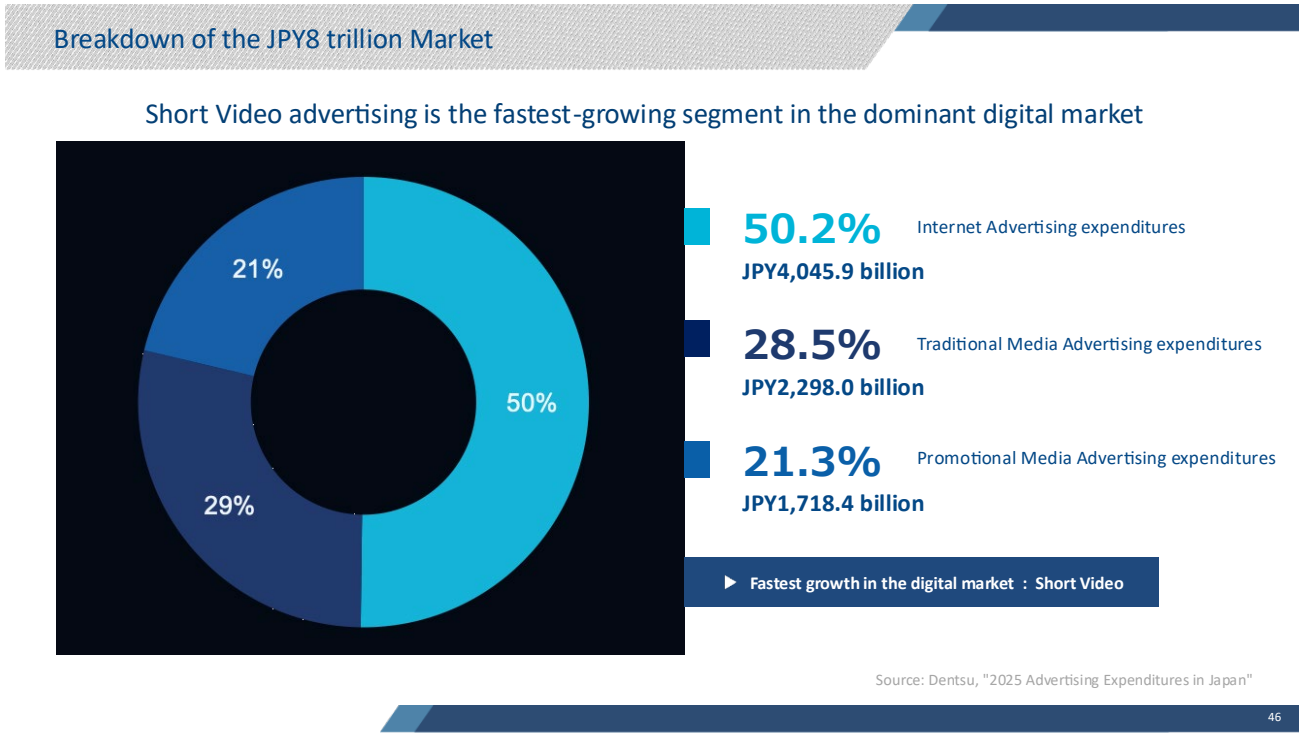
Under our "fast company" concept, we aim to secure all the infrastructure needed to distribute product information at a cost ranging from ¥0 to ¥100 million, focusing entirely on press releases, PR, and Short Video, with a particular emphasis on Short Video. While influencers are also part of the strategy, Short Video is becoming our main focus, and our primary approach is to use digital marketing to expand reach through this channel.



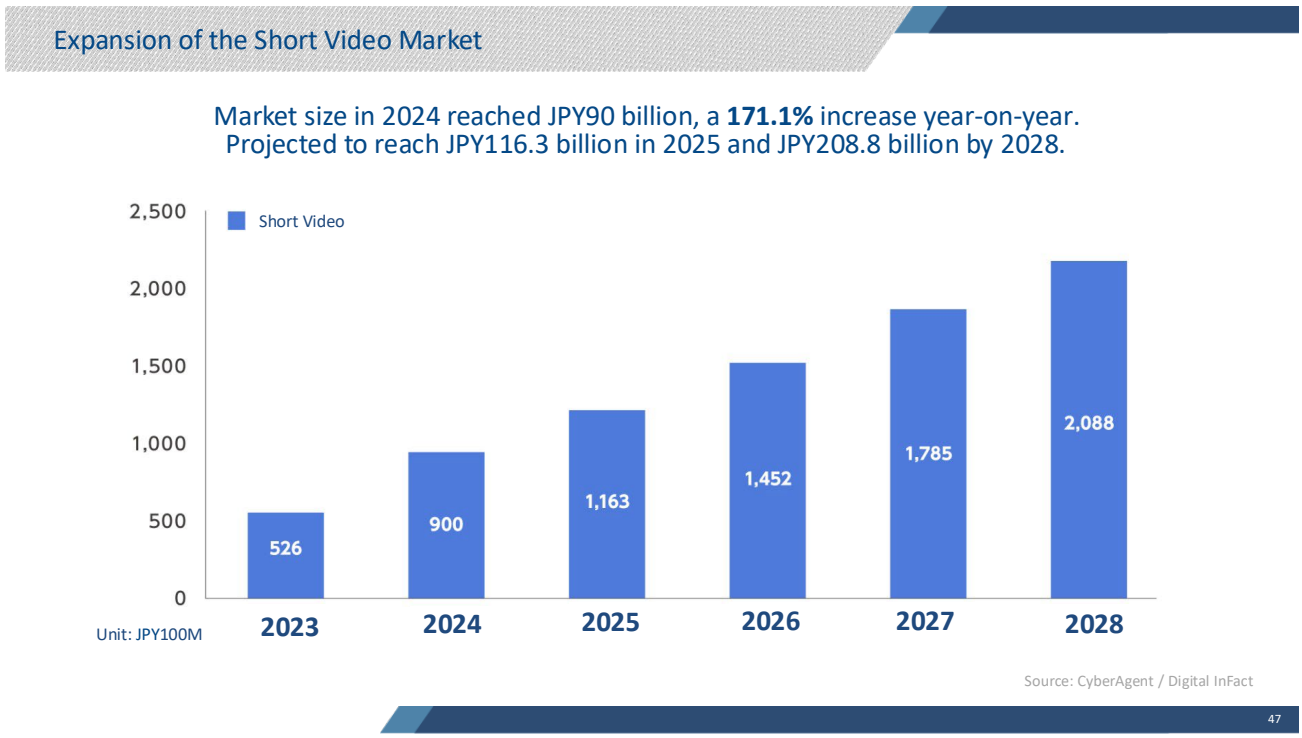
The ¥8 trillion market I mentioned earlier continues to grow in various ways. We believe it will continue to grow even as AI advances. Even if labor costs are reduced, advertising budgets are

likely to increase, and as that happens it will remain true for TV ads that people are simply not watching television.

One more thing, which is even more significant—AI search is disrupting internet banner ads and online advertising in general, and ad agencies are facing a move by major clients to bring work in house, so everything is in flux. The advertising industry is entering a period of transformation.



This mainly involves internet ads, television, and promotions.



The greatest growth is in Short Video, which is our main target.

PR×Short Video Vision

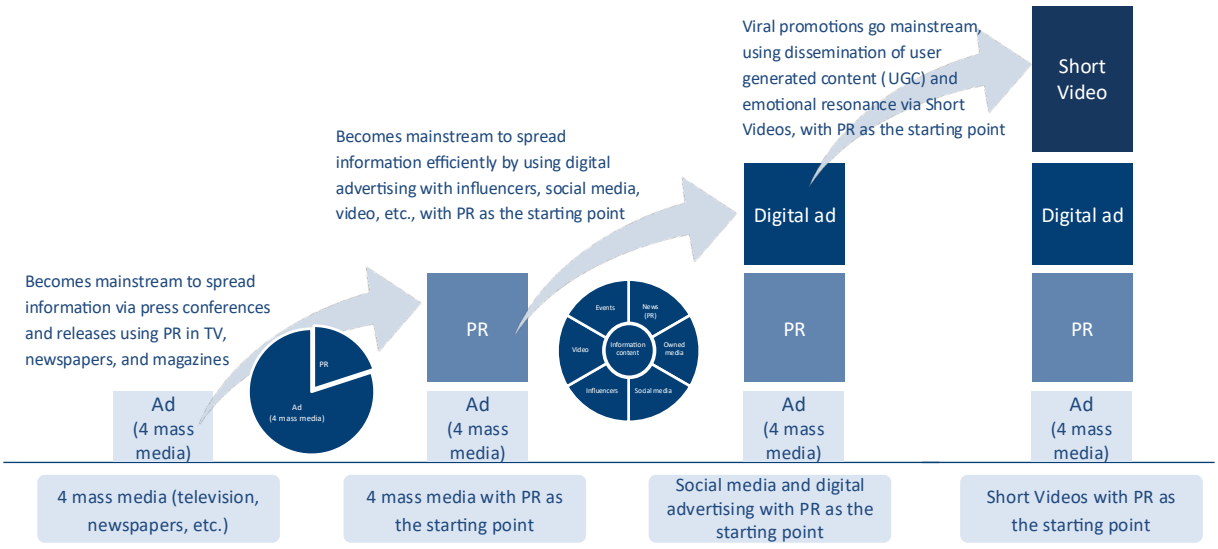
We are going all in on Short Video to become
the next-gen infrastructure for market reach

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Our "PR × Short Video Vision" is now fully focused on Short Videos. Selling Short Video naturally brings PR along with it, so our current goal is to become the No.1 Short Video company.

Changing Ways of Spreading the Word

An era of rapid dissemination via Short Videos, with PR as the starting point

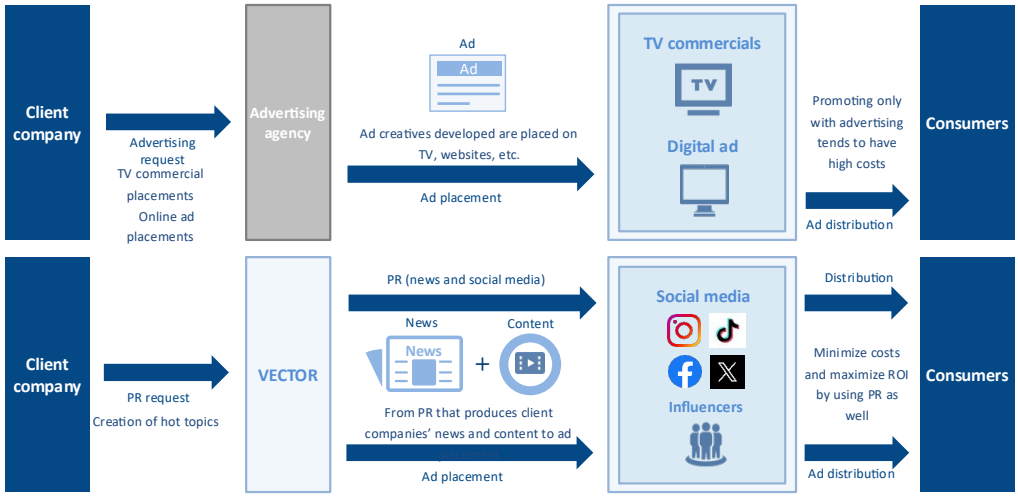


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PR was effective, but impossible to scale. Unlike advertising, even if PR worked well and we wanted to do 10x more, it wasn't possible—but with Short Video it is. By combining PR with Short Video, we can now reach 90% of the audience from a campaign that used to cost around ¥100 million at probably one-fifth to one-tenth the price. With Short Videos and PR we have completed the "fast company" I originally wanted to create, so we intend to go on the offensive from here.

Difference between VECTOR and Advertising Agencies

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

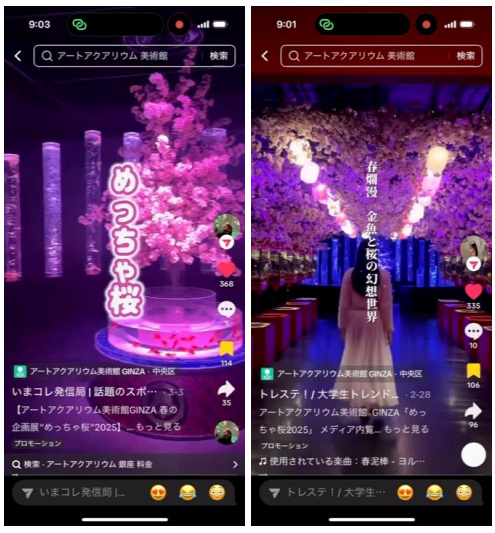


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This is the difference between traditional advertising agencies and PR. If you watch Short Video, you'll see there are almost no straightforward commercials; our news and content are clearly being turned into Video. This is what we mean when we say this area is our strength.

What are Short Videos: Media

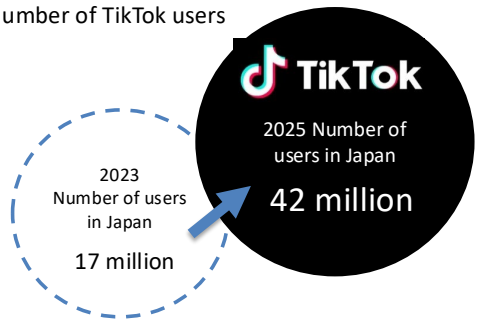
Short Videos are short vertical videos that typically run for 15 to 60 seconds
Representative platforms include TikTok, Instagram Reels, and YouTube Shorts



▼Short Video media

TikTok Shorts Instagram X

▼ Trend in number of TikTok users



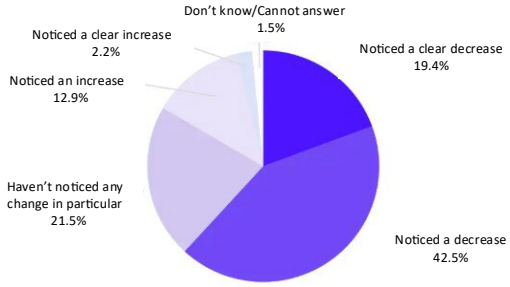
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What is Short Video? It includes both TikTok, YouTube Shorts, and Instagram (which has become increasingly TikTok-like), and X is taking on a similar structure. While Short Video is seen as something young people watch, the average age is probably around 40, and there are no signs of Short Video losing its popularity.

Underlying Factor 1: Threat of Disruption of Online Advertising by AIO

Total Google searches are declining due to the impact of AI Overviews (AIO)

Q. From March 2025 onward, have you noticed a change in traffic from natural searches to your company website due to impact of AI Overviews?



Approx. 60% (61.9%) of respondents indicated a decrease
Approx. 20% (15.1%) of respondents indicated an increase

Pointed out that traffic to their websites from Google searches has decreased dramatically and the threat will grow larger with the introduction of AI Overviews.

Change in the world order and demise of Google searches brought about by AI searches.

Pew Research announced results of analysis indicating that the click rate on external links in Google AI Overviews has decreased by half.

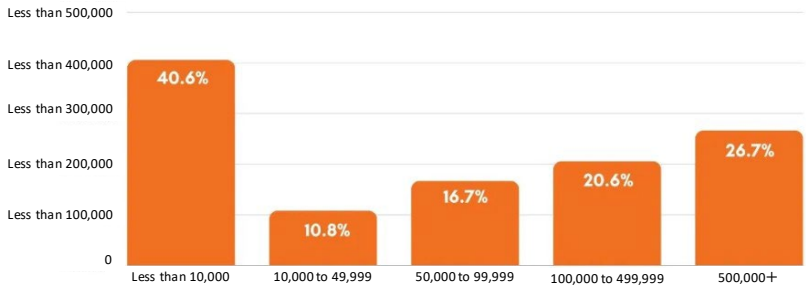
52

As I mentioned earlier, the growth of AI search is weakening online advertising somewhat. It is now around half the scale of Short Video.

Underlying Factor 2: Decline in famous influencer marketing

In the U.S., where the degree of influential power is no longer directly correlated to the number of followers, a performance-based compensation model tied to view counts, not payment per follower, is becoming the mainstream

Roughly how many followers did influencers whose introductions resulted in the purchase of a product have? (Single response)



The reason for purchasing is nano-influencers with less than 10,000 followers

Source: Talent vs. Influencer, Who Has the Most Influence? Boku to Watashi and, Inc. Awareness survey on "degree of influence" targeting Gen Z and Millennials https://boku-to-watashi-and.com/z-category1_detail/zview-article021 (in Japanese only)

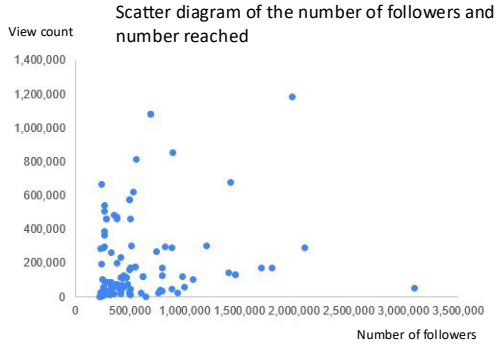
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Another interesting point is that while companies like Uniqlo are doing Short Video well, it has become less about which influencer created the content and more about the Video itself. So globally, as Short Video has developed, marketing by famous influencers has been declining somewhat.

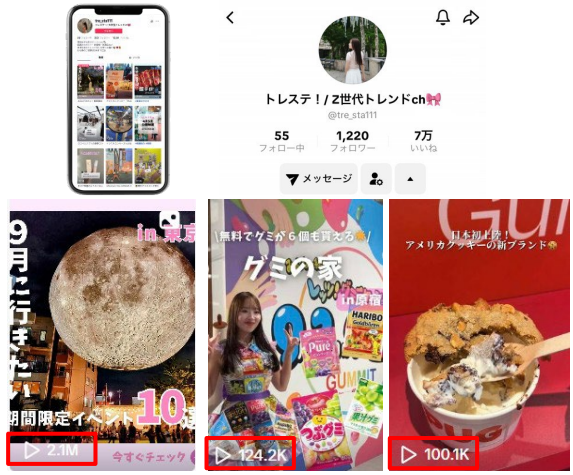
Underlying Factor 3: Toward an Era of Nano -Influencers

While influencers only reach around 35% of followers, the view count for UGC will grow if it plays into the algorithm, regardless of the number of followers

Reaching only around 35% of followers
Scatter diagram of the number of followers and number reached



VECTOR event-related media: TreSta



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The era of nano-influencers, Short Video influencers, has arrived. That's what we're targeting.

Example: PR x Short Video agency

Developed information to generate buzz on social media from context development that highlights the appeal of Jin Den Rou
PR x Short Video measures contributed to a substantial increase in sales

Context development	Information development	PR x Short Video
Issue: Increasing awareness and contributing to sales in Japan ↓ There is confusion between Jin Den Rou and its competitor in the Japanese market ↓ One of Taiwan's three most famous Xiao Long Bao dumplings A wide variety of Xiao Long Bao dumplings /dim sum	Created "Dim Sum twin tower" content from social media trends	







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https://www.tiktok.com/@greenmascot/video/7419262259358207250



https://www.tiktok.com/@tokyopresso.jp/video/7412454580710474322

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For example, this applies to the kind of dim sum menu shown in the slide. A recent case is Yoshinoya—2 million people watch scenes of eating ramen at Yoshinoya in 1 day. Perhaps 2.5 million people. Over a full week, that jumps to 7-8 million people.

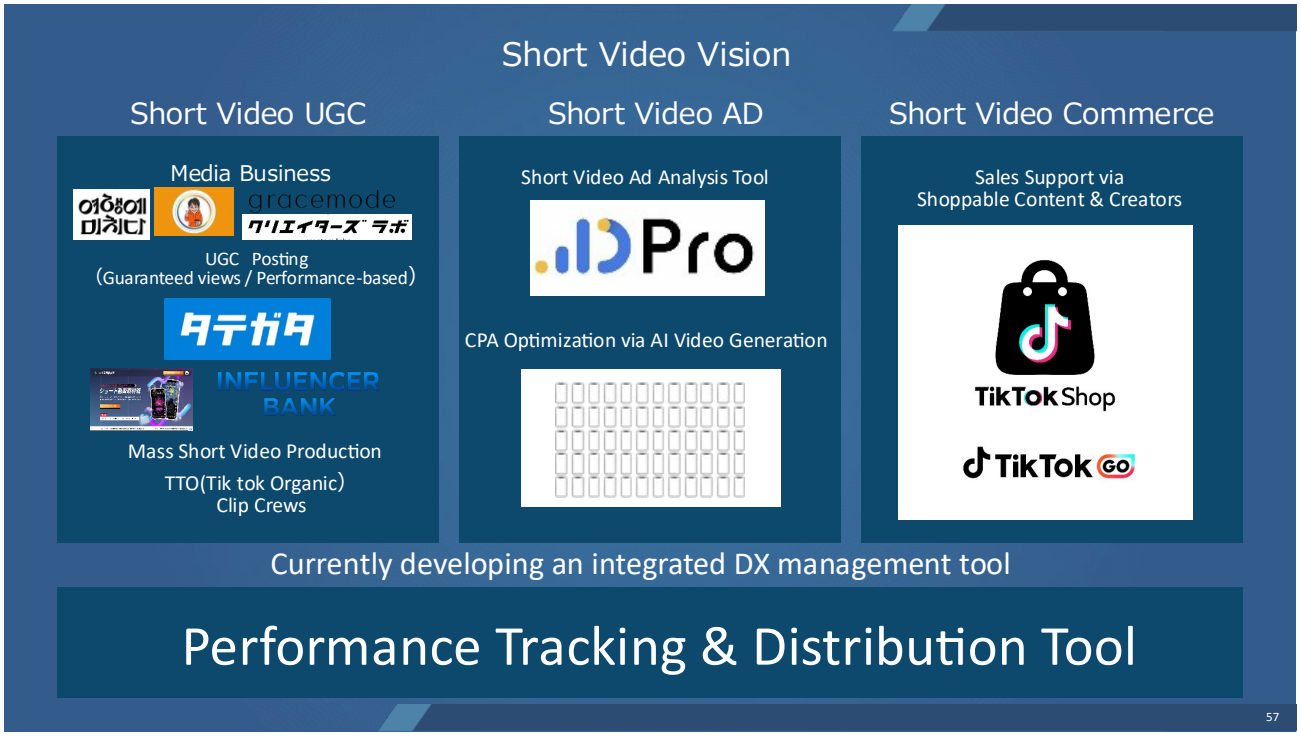
The point is, this creates considerable influence. We recently saw a new type of ramen featured in a Short Video and it turned into a viral trend where a lot of people were ordering the ramen in restaurants. This kind of thing can become possible in a couple of weeks.



We currently have around 1,000 PR clients, but we only launched the business around July-August last year. Work actually started coming in around October, which is why PR business numbers increased in the second half.

We are targeting 3,000 companies with ¥5 million gross profit per company, so we're aiming for a market offering at least ¥15 billion in gross profit. However, of those 3,000 companies, we think gross profit could reach around ¥10 million in 3-4 years, so it's a market that could reasonably generate around ¥30 billion in profit.

Having launched last year, we now think it's possible to acquire around 700-800 corporate customers per year, so we're putting in considerable effort and it has become a core business. When we do this, PR will also come in.



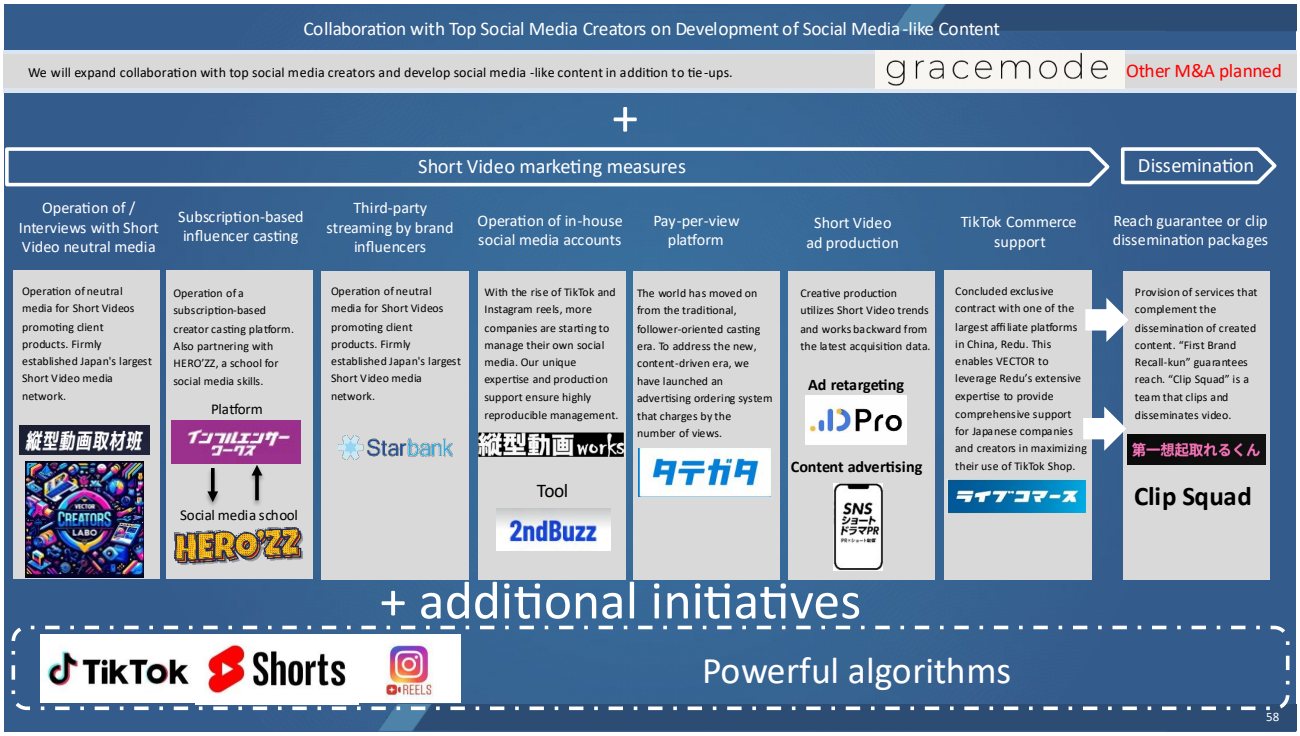
Short Video user-generated content (UGC) refers to Short Videos created by human experts. The recent spate of AI-created Short Video means that the amount of human-like UGC Videos we can upload is a critical point. We are initially targeting 3,000 companies in this area.

Let me move next to the Short Video ad space. We didn't focus much on this during the digital ad era, but we plan to pursue it for Short Video. We will also expand into Short Video ads, including AI-powered ad delivery and AI-generated Short Video ads.

The third and largest area is live commerce using Short Video, targeting both live streaming and the Short Video commerce space. Recently, Matsuya is generating ¥80 million in monthly sales. At ¥80 million per month, that translates to ¥1 billion annually, and with annual sales of ¥1 billion and a low cost ratio of 30%, they are likely generating profits of around ¥700 million. They are using ads, but ultimately this is also driving up sales, so in China, all the major companies are starting to do something similar.

In a nutshell, we do Short Video PR, and commerce just involves adding a button. We also do live commerce. TikTok is also getting behind this, so we're aiming for 3,000 companies for Short Video UGC and 1,000 companies for Short Video commerce.

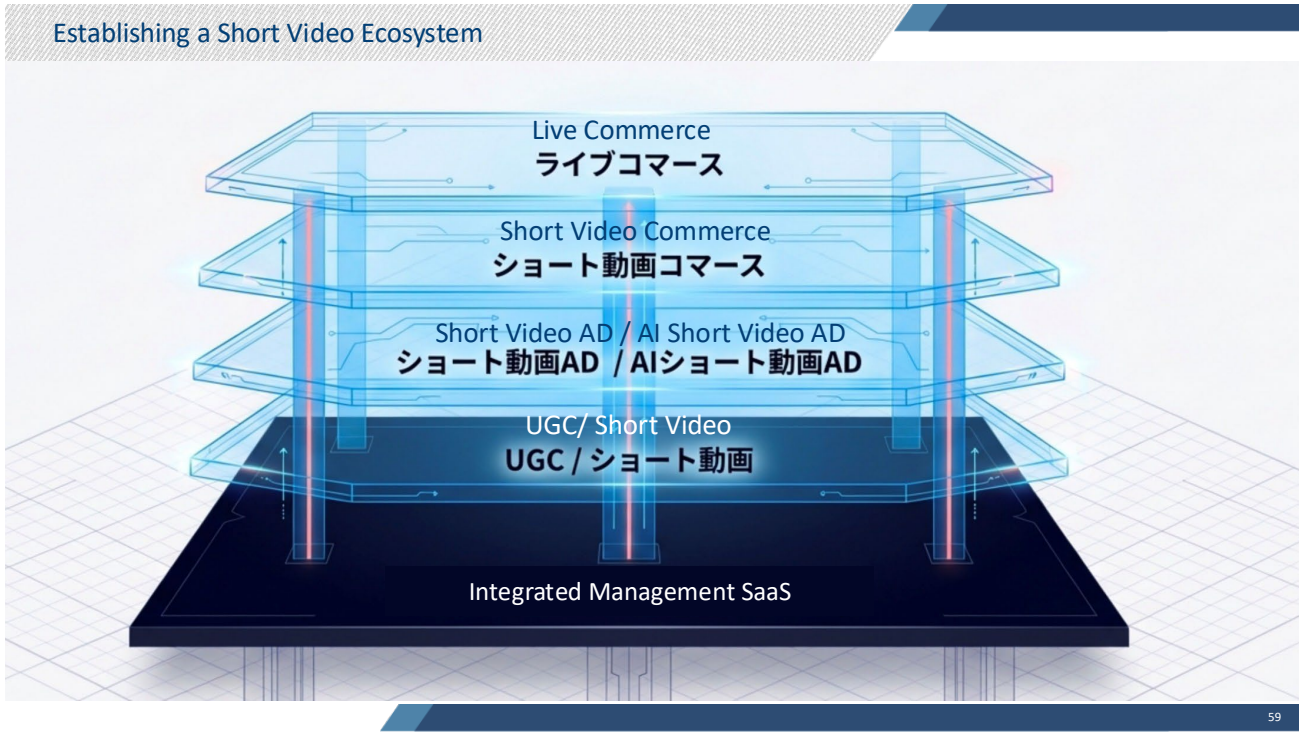
If large clients want to do Short Video, they will aim for a company positioned like ours that is capable of handling the entire process in one stop. We also plan to complete DX tools that can centrally manage this within this year.



This shows what we do with Short Video. Rather than simply asking whether clients would like to do just one Short Video for one platform, we're positioning ourselves more as a full-service agency for Short Video. For large clients with substantial budgets for Short Video, our strength is that we can plan and execute the entire campaign.

There are various approaches. For example, we use AI to create clips, or have 20-30 people come to capture Short Videos at a company's press event, which they can quickly upload within 2-3 days.

From these, we can pick the three best-performing Videos, use AI to generate clips of them, use them for digital ads, and so on, which lets us generate proposals that target a total reach of 3 million views. For 3 million views at roughly ¥2-3 per view, the cost comes to around ¥6 million. With a budget of ¥10 million, we can reach about 5 million people. Producing a TV commercial costs at least ¥10-30 million. Clients clearly prefer the Short Video approach, and this is the area we're aggressively focusing on.



This is the same as I discussed earlier. We're becoming a full-service company for Short Video, UGC, ads, commerce, and live. Our strategy targets major companies. Our strength is providing full-service solutions when companies like Uniqlo or Toyota want to do Short Video.



The work itself is labor-intensive, but we are working to digitalize it.

Take the example of a movie trailer: even if a company creates the trailer, holds a press launch, and creates Video featuring the actors, it will only reach about 1 million people; in contrast, we can immediately reach 10 million people in the space of a week. As I mentioned, by showing it to 10

million people at about ¥2 per view, we receive about ¥5 million for 10 million views, and this clearly drives up movie rankings, which is where we shine as a company.

In the second phase, we're looking to use digital transformation in PR to track how many people viewed the Video and how much revenue it generated.



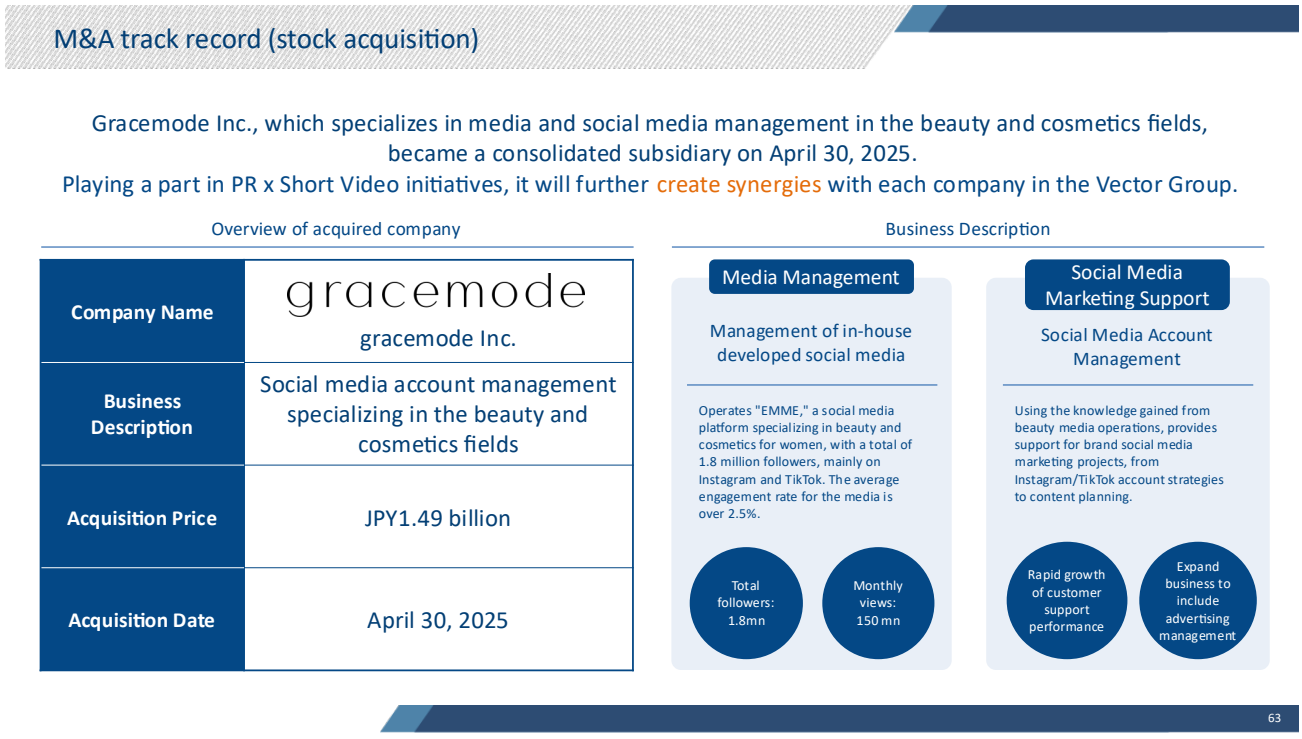
We expect this to be available within this year. After we post a Short Video, we will track how many people viewed it on TikTok and Instagram, link it to posts, and track search volume and views. Unlike news releases, the moment we post a Video, it will likely be viewed by millions of people. These are very real figures and highly influential. We have operated a variety of businesses in the advertising industry, but in PR, we are constantly generating the kind of content worthy of major media coverage, which is a very exciting development.

Even in M&A, we are focusing on PR x Short Videos

M&A Targets	Focus on areas that contribute to expanding the Group's PR x Short Video initiatives and creating synergies
Valuation	Implement M&A with a target EV/EBITDA ratio of 5-7x
Investment Policy	Avoid large targets and focus on small and medium-sized targets

Our previous management strategy assumed that PR was plateauing somewhat and we forecast 5-10% growth at most. We were therefore pursuing developments such as taxi signage, Vitabrid, and new businesses on the assumption that PR itself was not set for drastic growth. However, our thinking has changed - the market for PR and Short Video is so large that just with these businesses, we could potentially even surpass Dentsu if we execute well.

Our focus in M&A will also be primarily on the PR x Short Video space. Our policy is still that we will acquire profitable companies at around 5-7x EBITDA.



gracemode, which we acquired last year, is a cosmetics media company that had profits of around ¥200 million; since joining the VECTOR Group, it is now generating around ¥450 million as of this year.

For example, female users typically watch for one to two hours per day. This is different from traditional commercials, and users keep swiping—if they're not interested, they swipe past in one second—so the number of unique users is extremely large. Therefore, this has significant potential if executed well. We position Short Video as Short media; we think our content is likely the most viewed Short Video media in Japan in terms of numbers. This is our key focus area.

M&A track record (stock acquisition)

Storicity, Inc., which specializes in travel media and social media management, became a consolidated subsidiary on April 30, 2025
In future we expect to further create synergies with Vector.com

Overview of acquired company

Company Name	Storicity, Inc.
Business Description	Travel content production and media management
Acquisition Price	KRW7.58 billion (c. JPY750 million)
Acquisition Date	April 30, 2025

Business Description

Travel content production and media management

Own-Account Social Media Operation

Operates Korea's largest travel content account with a total of 4.2 million followers, mainly on Instagram, TikTok, and YouTube, and also produces content in-house.

Total followers: 4.2mn

Annual views: 800 mn

Influencer management

Exclusive/Collaborating Influencers

Personal social media accounts of over 200 exclusive and collaborating influencers contributing to increased awareness of products, services, etc.

Total 200 influencers

Total followers: 40mn

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This is a South Korean travel media company. We acquired the most-viewed platform among South Koreans traveling abroad. It is also profitable. We purchased it at roughly 3x EBITDA, and profits are up by around 50%.

M&A track record (business acquisition and joint venture establishment)

We established Top Creators Co., Ltd. and acquired the gourmet media channel "Connect Tokyo Gourmet"
Playing a part in PR x short video initiatives, we will further create synergies with each company in the Vector Group.

Overview of acquired business

Media Name	**Connect Tokyo Gourmet**
Business Description	A social media channel specializing in the gourmet field
Acquisition Price	JPY50 million
Acquisition Date	October 1, 2025

Business Description

Media Operation

Social Media Account Operation

Operates "Connect Tokyo Gourmet," a gourmet-focused media outlet with over 350,000 followers, mainly on Instagram and TikTok, which has an established reputation for attracting customers to restaurants.

Followers: 350,000

Monthly hits: Over 30 million



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Finally, Connect Tokyo Gourmet was founded by university students. When you watch Short Video you'll see restaurant websites with no people appearing in them - this company operates about half of those. Growth is very solid, with unique users now at 350-360 million per year. Therefore, our M&A strategy is to continue focusing on Short Video companies like this.

Disposals of Subsidiaries and Affiliates

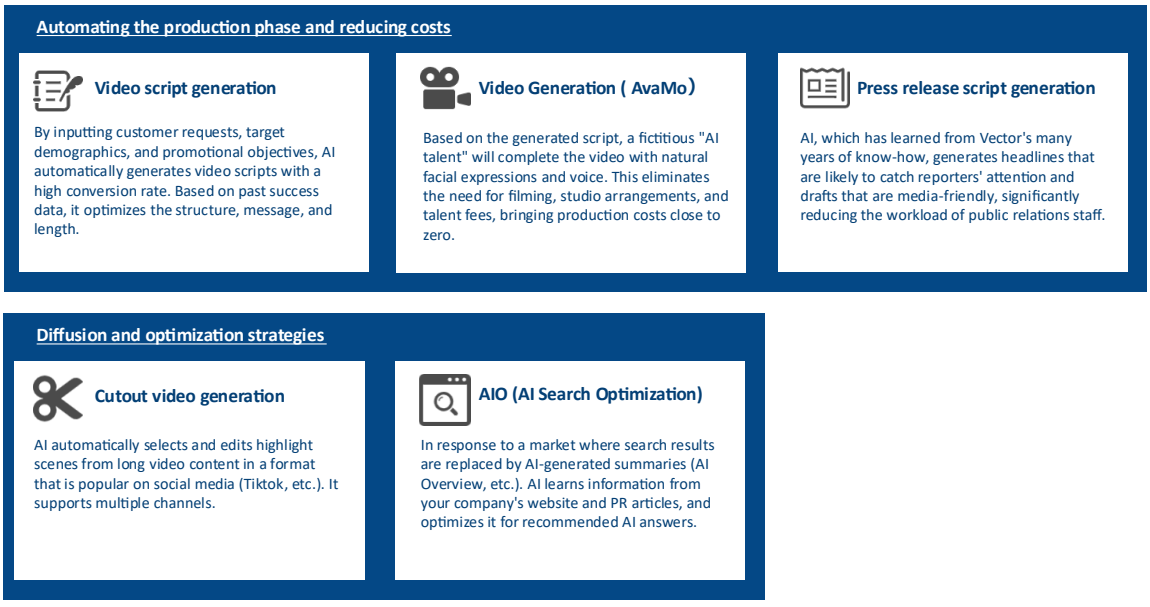
After consulting the stakeholders of each company, we proceeded with the sale of 6 companies and the liquidation of 1 company
Due to the sale, we posted a profit on sales of shares in affiliated companies of JPY2,151 million
Thanks to selection and focus, we improved the capital efficiency of the whole group

Segment	Company Name	Business Description
PR and Advertising	Amy	Franchise matching platform business
PR and Advertising	CLOUD BEAUTY	Cloud-based salon system provider
PR and Advertising	Performance Technologies	Performance Marketing business
PR and Advertising	Tryhatch	Retail-specialized SaaS business and digital marketing business
Direct Marketing	Direct Tech China	Marketing consulting business in China
HR	ASHITA-TEAM	Consulting services and sales of cloud systems related to personnel evaluation systems.
Equity-method affiliate	MicroAd Taiwan	Public relations and PR services and consulting in Taiwan

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Also, as I mentioned earlier, our approach has shifted somewhat, so we are in the process of revamping our business portfolio.

AI Solutions



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Regarding our use of AI, our business has the strongest association with AI, so we are creating AI tools for the PR industry and services like AvaMo, our company's AI talent and CM creation service, which has been extensively featured on TV. As I mentioned, AI will also dominate Short Video, and we intend to make extensive use of it.

That concludes my presentation for today.

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