

Vector, Inc.

Financial Results – FY '20



April 22, 2020

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FY '20 Results

The spread of the novel coronavirus (COVID-19) caused delays in collecting balance confirmation at certain consolidated subsidiaries, which led to a lag in settlement procedures. As a result, the FY2020 financial results announcement was put off from April 14 until today, April 22.

We sincerely apologize for the inconvenience and concern caused to our shareholders and investors.

<p>Consolidated Performance</p>	<p>Net sales and operating profit increased YoY, with revised performance targets achieved. The Media domain <u>returned to profitability in 4Q</u> and the HR domain <u>realized profitability in 3Q and 4Q</u>, portraying signs of recovery.</p> <p>Net Sales: 37,540 million JPY (124.5% YoY) Operating Profit: 3,324 million JPY (116.4% YoY)</p>
<p>PR</p>	<p>Sales increased and profit decreased YoY due to higher SGA expenses caused by rising personnel numbers and a decline in profitability at a production subsidiary. In FY2021, policies will be executed to boost added value and efficiency in the PR domain.</p> <p>Net Sales: 17,930 million JPY (107.4% YoY) Operating Profit: 1,855 million JPY (87.5% YoY)</p>
<p>Press Releases (PR TIMES)</p>	<p>Sales and profit increased YoY due to steady growth in the no. of user companies following aggressive advertising. FY2021 will include new initiatives such as expanding regional development to boost the no. of user companies.</p> <p>Net Sales: 2,891 million JPY (126.5% YoY) Operating Profit: 560 million JPY (108.1% YoY)</p>
<p>Video Releases (NewsTV)</p>	<p>Sales and profit were up YoY despite surging advertising and personnel costs due to a growing business base. In FY2021, focus will continue on strengthening sales structure and HR development to further expand business base.</p> <p>Net Sales: 1,873 million JPY (113.8% YoY) Operating Profit: 326 million JPY (102.0% YoY)</p>

Note: The “News Release Distribution Business” was renamed the “Press Release Distribution Business” in 3Q of FY2020.

<p>Direct Marketing</p>	<p>Sales and profit were up YoY by actively investing in advertising for mainstay Vitabrid C and new products. In FY2021, effective and efficient use of advertising is expected to further boost profits.</p> <p>Net Sales: 8,537 million JPY (131.0% YoY) Operating Profit: 557 million JPY (121.6% YoY)</p>
<p>Media</p>	<p>Sales down and profit up YoY due to a change in business structure <u>with full-year profit of 7 million JPY in EBITDA</u>. In FY2021, we will strengthen our profit base by boosting sales of owned media and developing new businesses.</p> <p>Net Sales: 935 million JPY (80.0% YoY) Operating Profit: -223 million JPY (Up 47 million JPY YoY)</p>
<p>Human Resources (ASHITA-TEAM)</p>	<p>Achieved profit in 4Q as in 3Q, <u>with full-year profit of 197 million JPY in EBITDA</u>. In FY2021, we will create a stable profit base by focusing on sales of stock-earning cloud products.</p> <p>Net Sales: 4,404 million JPY (184.2% YoY) Operating Profit: -253 million JPY (Up 9 million JPY YoY)</p>
<p>Other (Signage and investment)</p>	<p>Sales and profit increased YoY due to solid signage business with 10,000 units installed. In FY2021, Cyber Security Cloud, Inc. that we have invested in will be listed on the stock exchange, and our investment business will also contribute to performance.</p> <p>Net Sales: 2,644 million JPY (479.1% YoY) Operating Profit: 505 million JPY (Up 528 million JPY YoY)</p>

Review of Full-Year Financial Forecasts

Full-Year Financial Forecast for FY2020 (million JPY)	Revised Forecast October 15, 2019	FY '20 Results	Achievement Rate
Net sales	37,410	37,540	100.3%
Operating profit	3,230	3,324	102.9%
Ordinary income	3,360	3,755	111.8%
Profit (loss) attributable to owners of parent	0	(315)	—

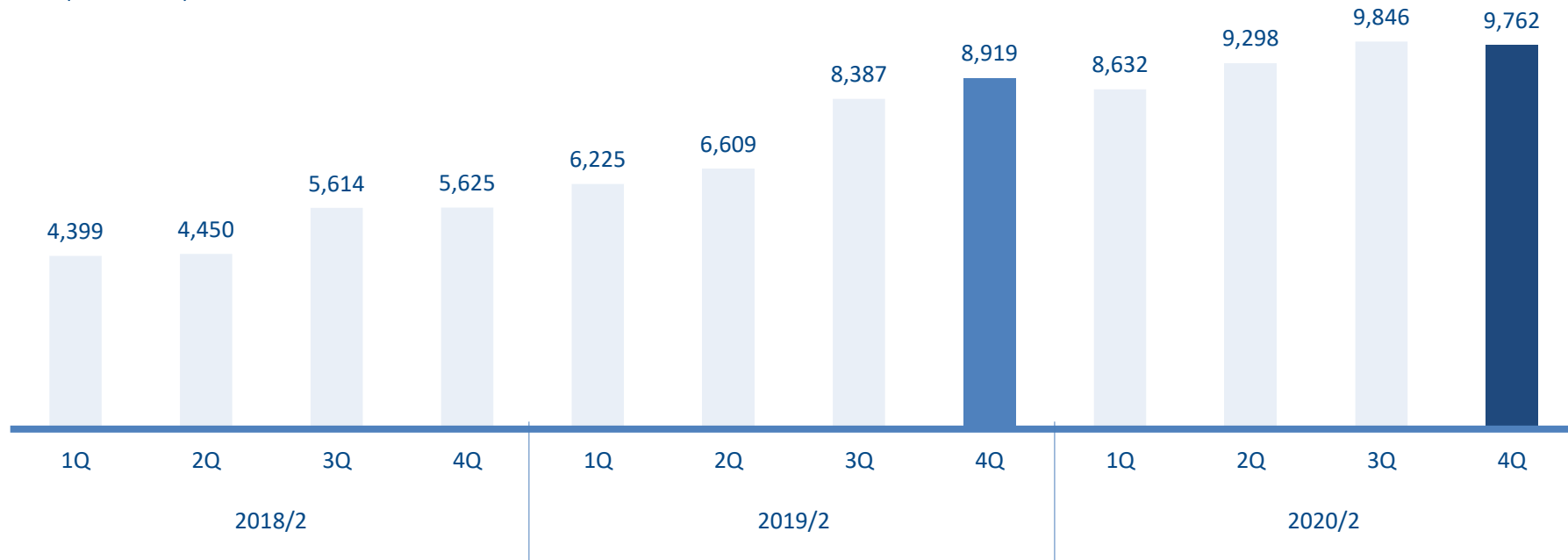
■ Concerning profit (loss) attributable to owners of parent

Although Vector Group business was favorable overall and we expected to post 255 million JPY in profit attributable to owners of parent, we conservatively estimated goodwill in the HR domain and recorded an impairment loss of 570 million JPY, which resulted in loss attributable to owners of parent of 315 million JPY.

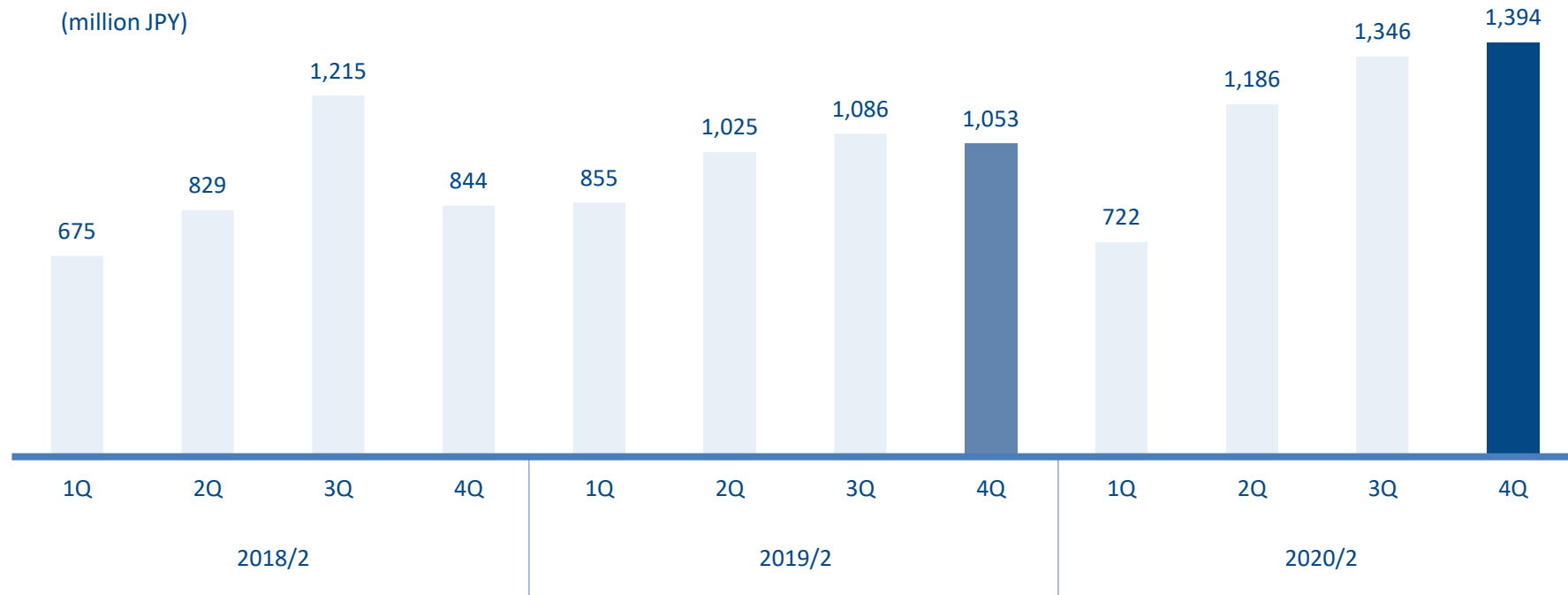
Consolidated Net Sales

Consolidated net sales for 4Q of FY2020 were a record high **9,762** million JPY (**109.5%** YoY)

(million JPY)



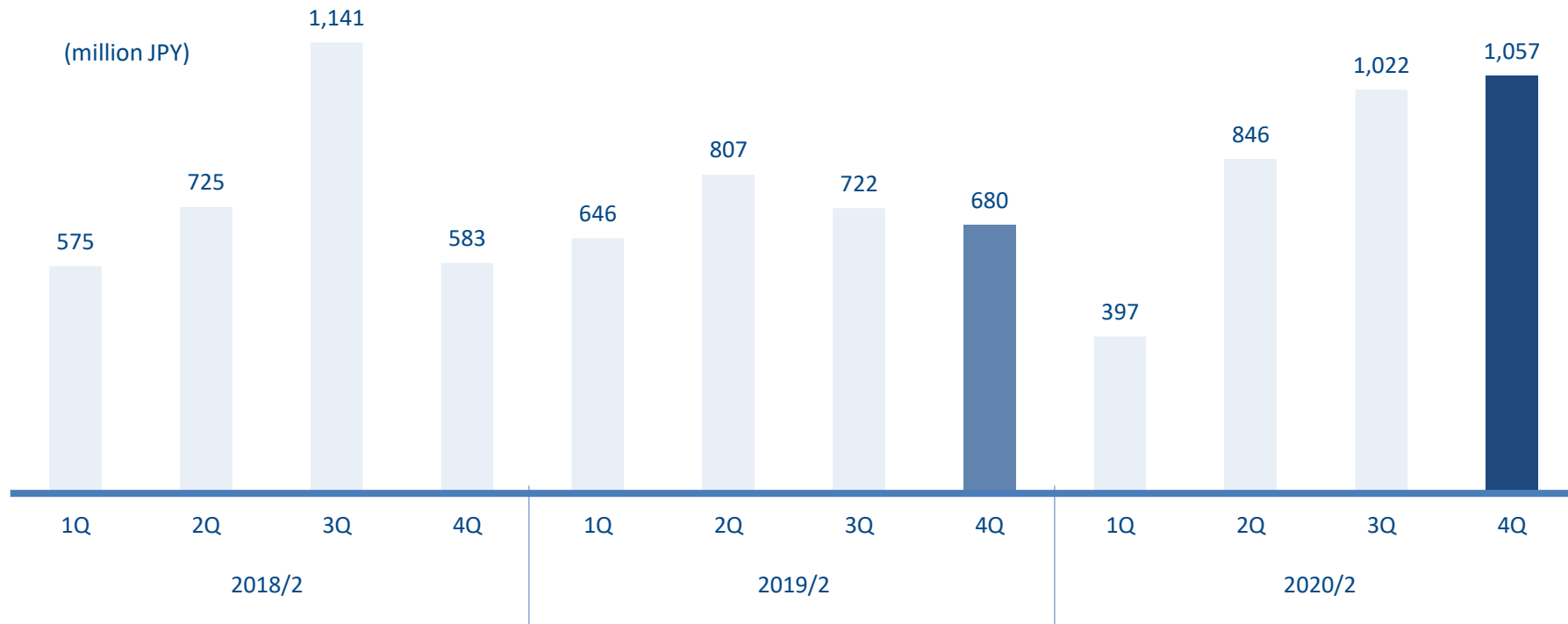
EBITDA for 4Q of FY2020 was a record high **1,394** million JPY (132.4% YoY)



*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Consolidated Operating Profit

Consolidated operating profit for 4Q of FY2020 was a record high **1,057** million JPY (**155.3%** YoY)

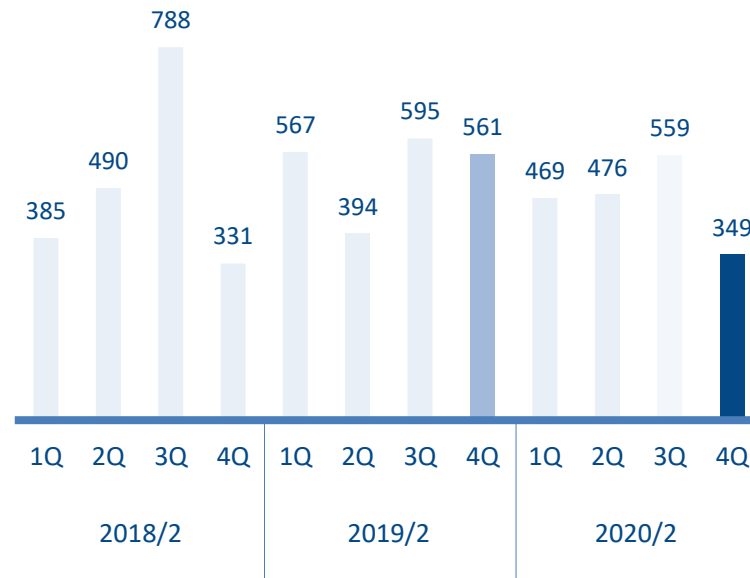
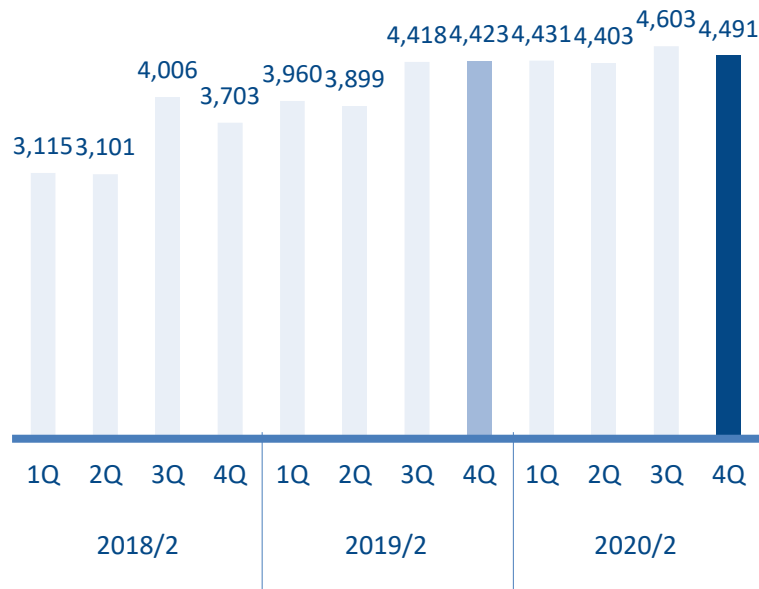


Sales were up and profit down in 4Q of FY2020 YoY due to the recording of allowance for doubtful accounts at Brand Control Inc. and investment in development.

In FY2021, we will introduce measures to enhance added value and efficiency in the PR domain in order to achieve further growth.

Net Sales: 4,491 million JPY (101.5% YoY)

Operating Profit: 349 million JPY (62.3% YoY)

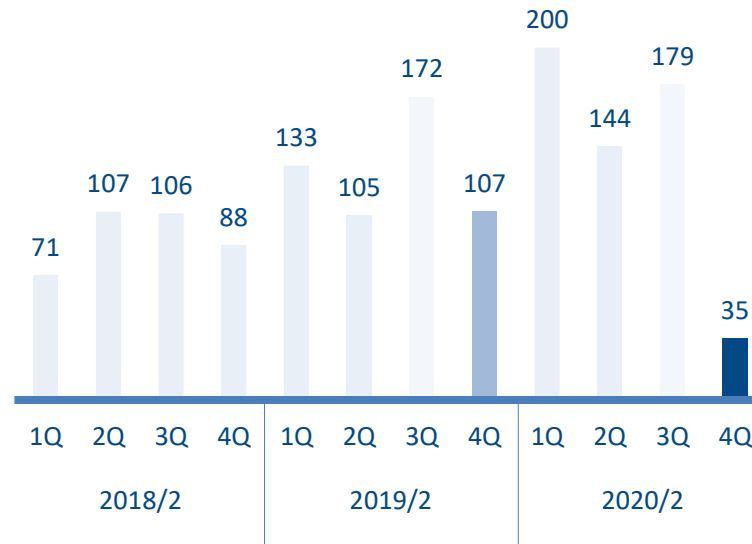
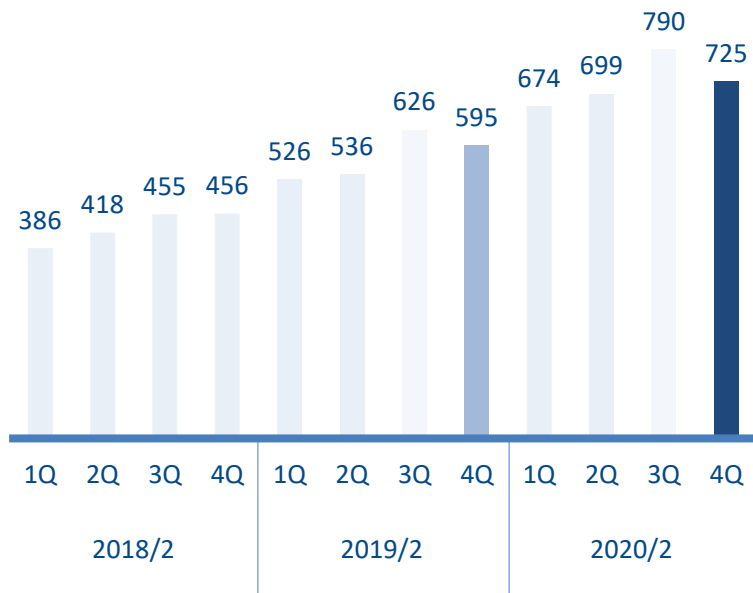


Press Release Distribution Business (PR TIMES)

Record high 4Q sales were posted for 4Q of FY2020 while investment in advertising led to a decline in profit despite an increase in sales YoY. In FY2021, we will undertake new measures such as improving functions and expanding local and regional developments in order to further increase the number of companies using this service.

Net Sales: 725 million JPY (121.9% YoY)

Operating Profit: 35 million JPY (32.6% YoY)

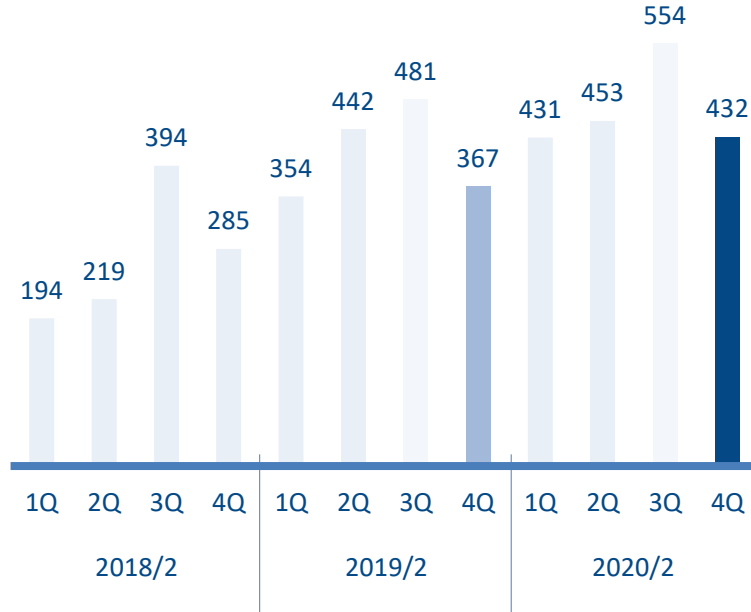


Note: The “News Release Distribution Business” was renamed the “Press Release Distribution Business” in 3Q of FY2020.

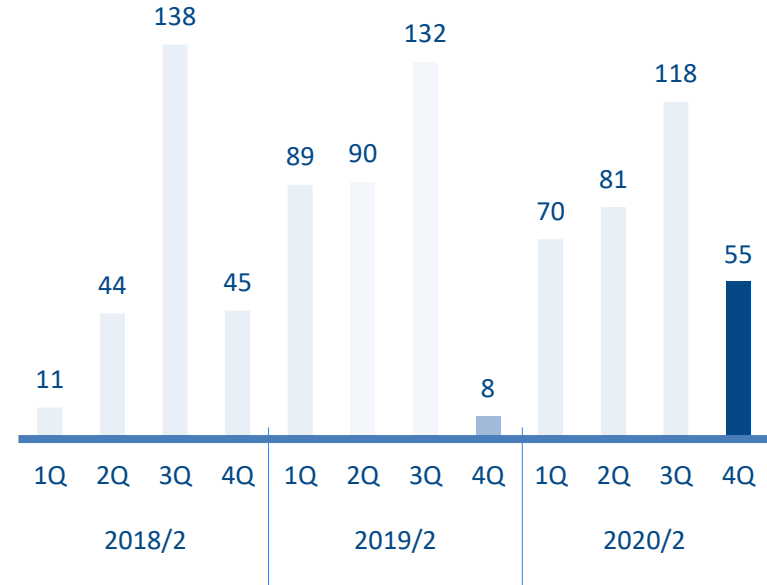
Video Release Distribution Business (News TV)

This business **achieved record 4Q highs in net sales and operating profit** in 4Q of FY2020 by bolstering advertising and personnel. In FY2021, focus will remain on strengthening sales structure and developing human resources to further expand business base.

Net Sales: 432 million JPY (117.7% YoY)



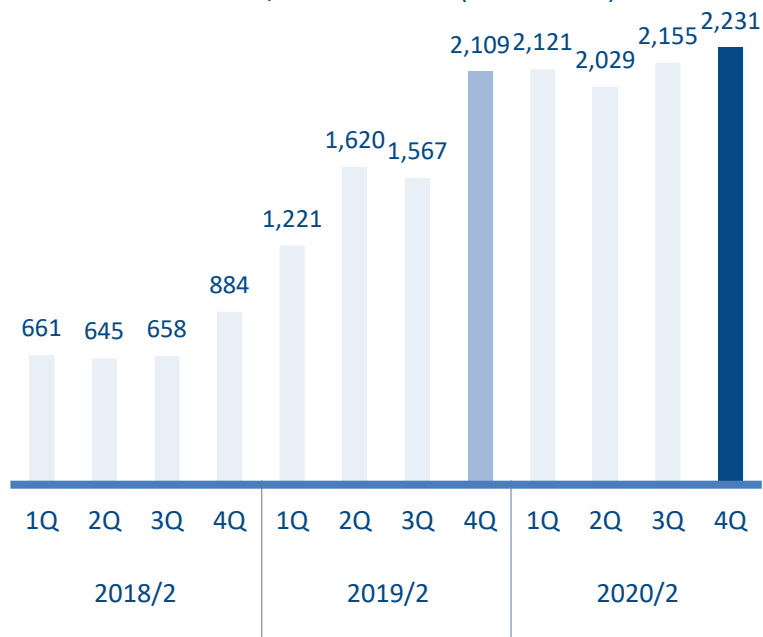
Operating Profit: 55 million JPY (693.5% YoY)



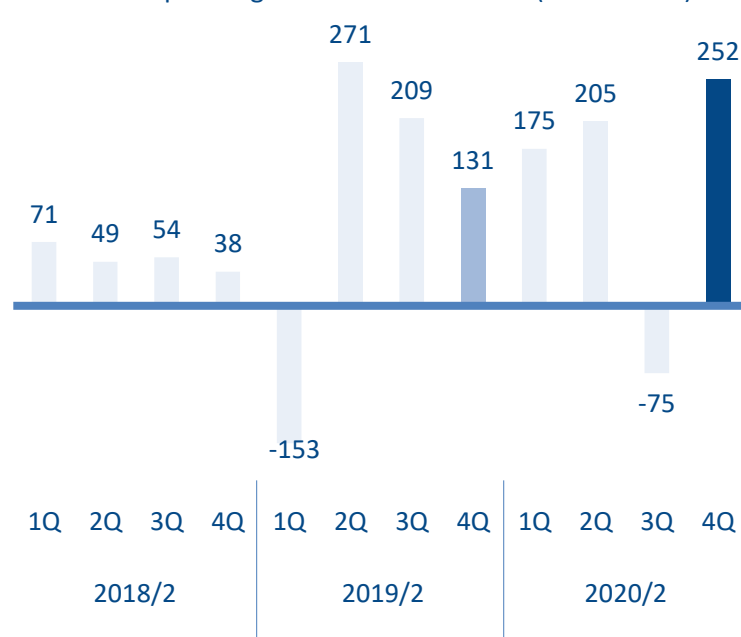
Direct Marketing Business

Sales and profit increased YoY in 4Q of FY2020, with sales at a record high due to the effects of aggressive investment in advertising. In FY2021, we will actively invest in advertising from 1Q while expanding product lineup with the expectation of further increasing profit.

Net Sales: 2,231 million JPY (105.8% YoY)

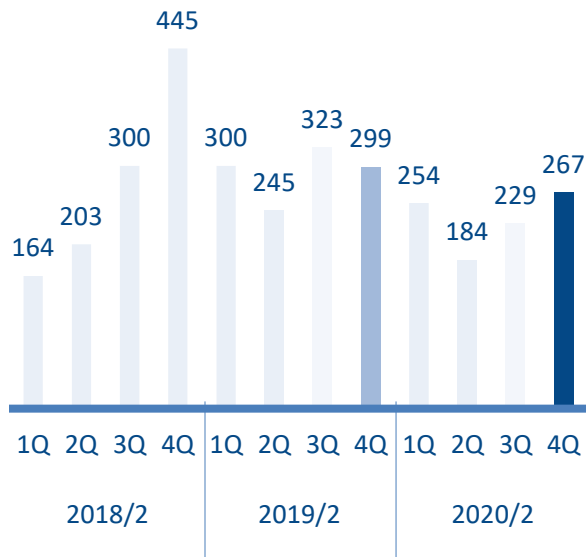


Operating Profit: 252 million JPY (192.6% YoY)

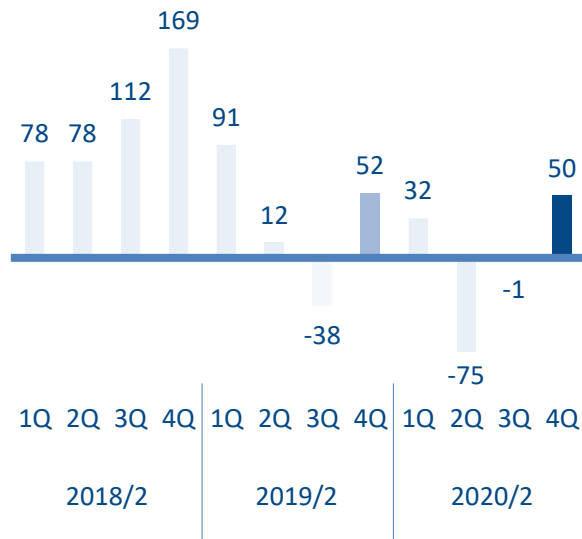


This business **achieved profitability in 4Q** of FY2020 by improving efficiency in existing media and solid sales of owned media. In FY2021, we forecast further improvement in profit due to growth in existing businesses and the absence of goodwill due to impairment loss.

Net Sales: 267 million JPY (89.2% YoY)

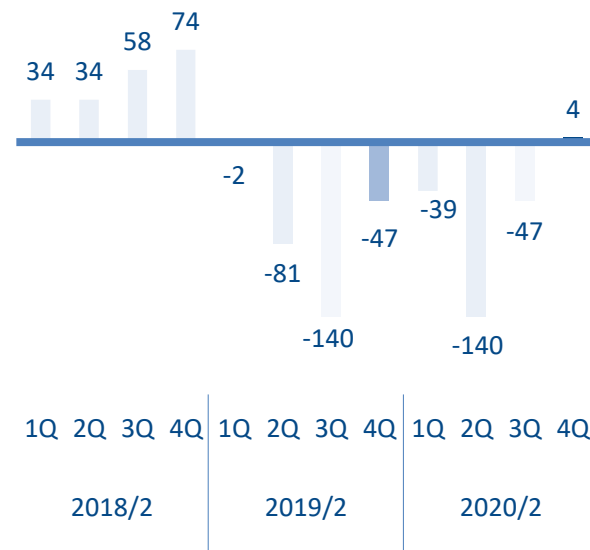


EBITDA: 50 million JPY (97.1% YoY)



Operating Profit: 4 million JPY

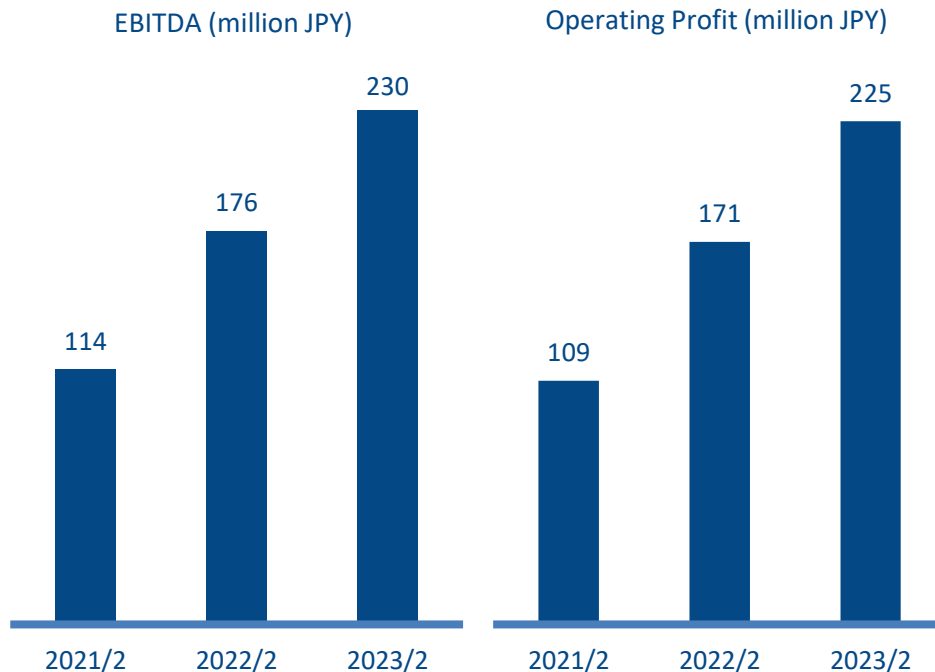
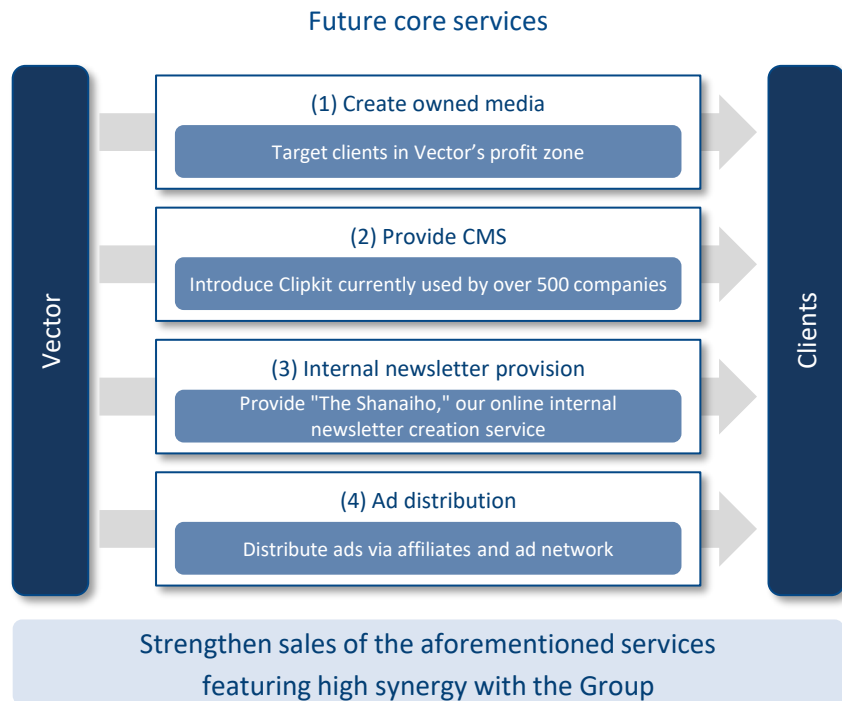
(Up 51 million JPY YoY)



Media Business Outlook

Vector will nurture new businesses into new pillars for future growth while strengthening sales of owned media boasting exceptional group synergies.

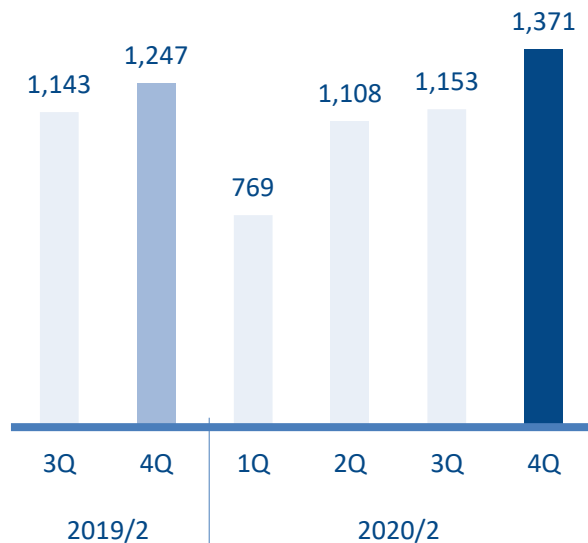
We forecast a significant increase in operating profit in FY2023 to 225 million JPY based on expectations of contribution from new businesses in addition to existing businesses.



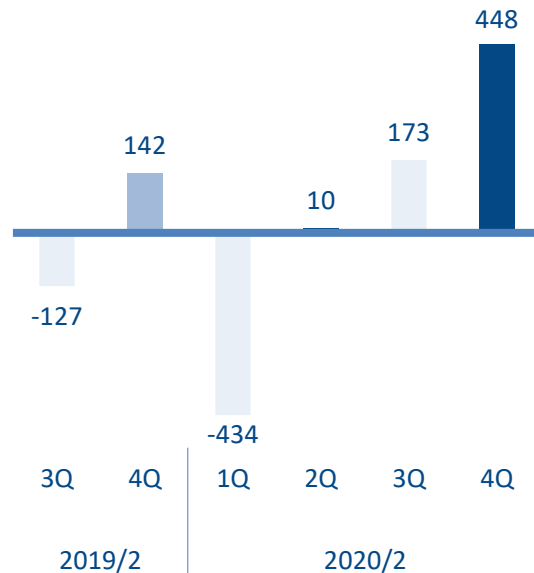
Human Resources Business (ASHITA-TEAM)

In this business, we **achieved record-high operating profit** in 4Q of FY2020 by increasing orders received while maintaining appropriate costs.
 In FY2021, we will build a stable profit base by maintaining costs and focusing on selling subscription-based cloud products.

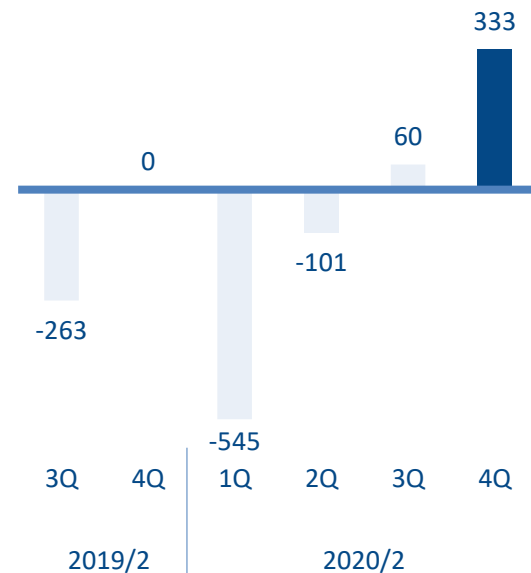
Net Sales: 1,371 million JPY (110.0% YoY)



EBITDA: 448 million JPY
(Up 306 million JPY YoY)



Operating Profit: 333 million JPY
(Up 332 million JPY YoY)



Human Resources Business Outlook

Vector will focus on selling subscription-based cloud products while maintaining an appropriate cost structure through restructuring.

Our aim is to expand operating profit to 520 million JPY in FY2023, assuming an increase in sales achieved by bolstering sales of personnel evaluation cloud solutions.

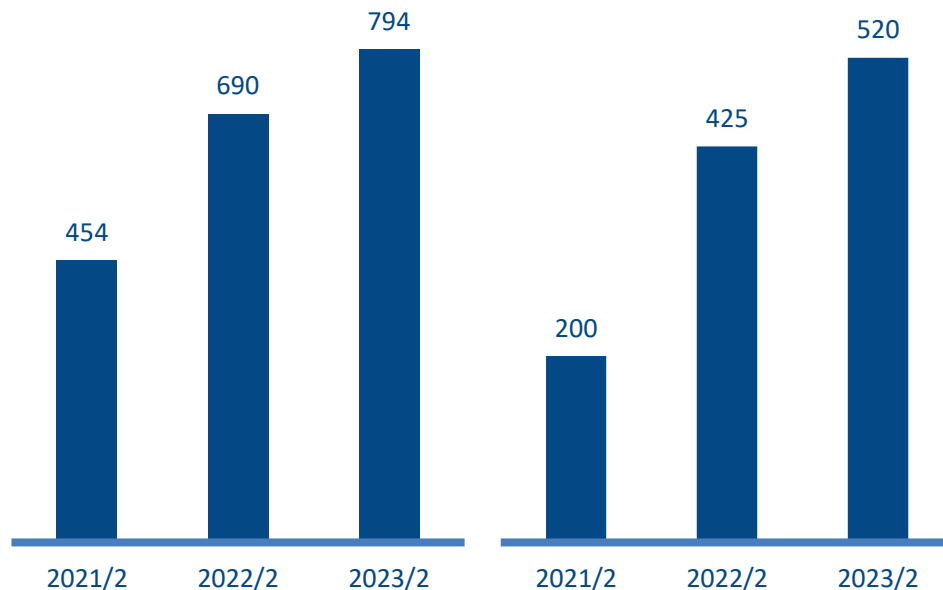
Personnel evaluation cloud “Ashita Cloud®”



Build up recurring fee revenues by strengthening sales of the personnel evaluation cloud

EBITDA (million JPY)

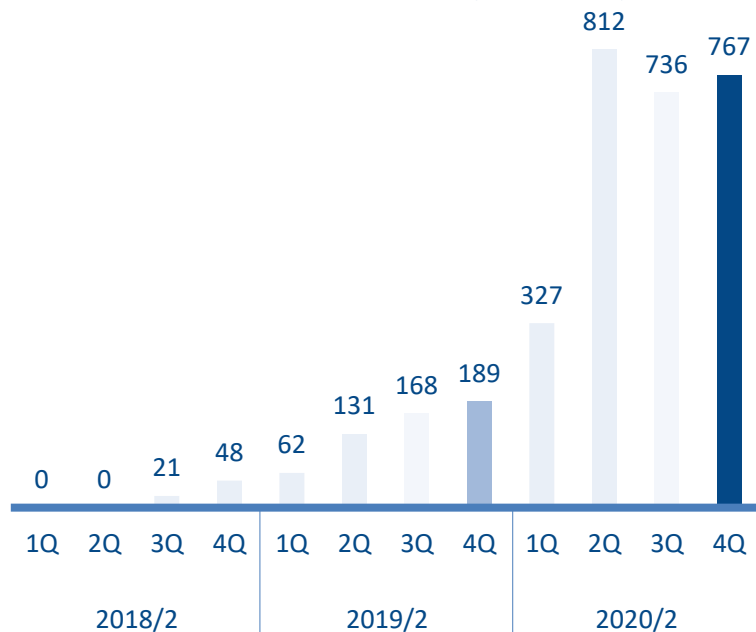
Operating Profit (million JPY)



Other Business (Signage and Investment)

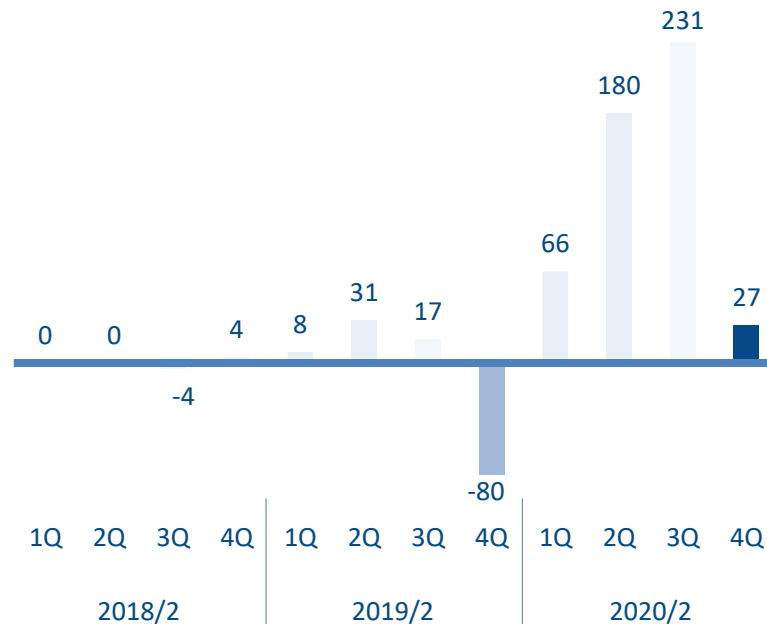
Despite a valuation loss on investment, the signage business contributed to higher sales and profit YoY in 4Q of FY2020. In FY2021, we project the signage business to keep growing through expansion into new areas other than taxis such as “ChargeSPOT.”

Net Sales: 767 million JPY (405.1% YoY)



Note: Net sales for 2Q of FY2020 include 309 million JPY due to the sale of shares.

Operating Profit: 27 million JPY (Up 107 million JPY YoY)



Note: Operating profit for 4Q of FY2020 includes loss on valuation of investment securities in the amount of 137 million JPY.

Consolidated Profit and Loss

(million JPY)	FY '19	FY '20	Difference	YoY
Net Sales	30,141	37,540	+7,399	124.5%
Gross Profit	18,974	23,864	+4,890	125.8%
EBITDA	4,020	4,649	+629	115.6%
Operating profit	2,857	3,324	+467	116.4%
Ordinary income	3,020	3,755	+734	124.3%
Profit before income taxes	1,856	2,072	+216	111.6%
Profit (loss) attributable to owners of parent	28	(315)	-344	—

Consolidated Balance Sheet

(million JPY)	FY '19	FY '20	Difference	YoY Change
Total assets	26,908	25,302	-1,606	94.0%
Cash and deposits	6,063	7,889	+1,826	130.1%
Goodwill	3,735	1,343	-2,391	36.0%
Operational investment securities + investment securities	7,048	4,331	-2,717	61.5%
Other	10,061	11,737	+1,676	116.7%
Total liabilities	14,169	12,801	-1,368	90.3%
Borrowings + bonds	9,079	5,799	-3,279	63.9%
Other	5,090	7,001	+1,911	137.5%
Net assets	12,738	12,500	-237	98.1%

Consolidated Statement of Cash Flows

(million JPY)	FY '19	FY '20	YoY Change	Main Reasons for YoY Change
Cash and cash equivalents at beginning of period	4,320	6,038	+1,717	
Cash flows from operating activities	816	3,030	+2,214	Unprofitable businesses recovering Profitability of existing businesses improved
Cash flows from investing activities	(4,941)	2,098	+7,040	New investment currently frozen Increased due to gain on sales of investment securities
Cash flows from financing activities	5,857	(3,273)	-9,131	Suppressed new borrowings Repaid debt
Cash and cash equivalents at end of period	6,038	7,884	+1,846	Made cash flow situation healthier in the above indicators

Consolidated Financial Forecast for FY'21

Consolidated Financial Forecast for FY'21

Full-Year Financial Forecast for FY2020 (million JPY)	FY '20 (Results)	FY '21 (Target)	YoY	FY2021 1H Target	FY2021 2H Target
Net sales	37,540	37,000– 44,800	98.6%– 119.3%	17,460– 19,440	19,540– 25,360
Operating Profit	3,324	2,300– 3,850	69.2%– 115.8%	(80)–750	2,380– 3,100
Ordinary Income	3,755	2,300– 3,850	61.2%– 102.5%	(80)–750	2,380– 3,100
Profit (loss) attributable to owners of parent	(315)	630–1,700	–	(490)– 130	1,120– 1,570

This range assumes as a best scenario the weakening of the impact of the novel coronavirus in the short term and the marketing needs of our client companies to recover quickly, and as a worst scenario, stagnation in the marketing needs of client companies for a prolonged period and delays in recovery, particularly for strategic PR subsidiaries.

Medium-term Profit Plan

Medium-term Profit Plan (million JPY)	FY '20 (Results)	FY '21 (Target)	FY '22 (Target)	FY '23 (Target)
EBITDA *	4,649	3,090–4,640	6,000	7,000
Operating profit	3,324	2,300–3,850	4,820	6,000

Vector's dividend policy is to ensure a consolidated payout ratio for shareholders aimed at 20%.

- No dividend will be paid for FY2020.
- The EBITDA target for FY2021 has been revised in light of a decrease in goodwill amortization due to the impairment of goodwill.
- Vector expects to record an appropriate level of profit attributable to owners of parent from FY2021 onward.

*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Although we are heartened by the fact that Vector was able to create a strong business model centered on a growing PR business in the aftermath of the Lehman shock, the impact the coronavirus outbreak will have on business remains unclear.

■ PR Business

- In Japan, although the outlook is uncertain due to the cancellation and postponement of PR events, etc., we expect recovery to ensue once the coronavirus has been brought under control.
- Overseas, China is already on a recovery track while other places are similarly expected to recover as time passes.

■ Press Release Distribution Business

- Although the number of press release distributions has decreased due to the cancellation and postponement of PR events, etc., we expect recovery to ensue once the coronavirus has been brought under control.

■ Video Release Distribution Business

- Although the number of video release distributions has decreased due to the cancellation and postponement of PR events, etc., we expect recovery to ensue once the coronavirus has been brought under control.

■ Taxi Signage Business

- Although some ad placements have been canceled or postponed due to fewer people taking taxis, we expect recovery to ensue once the coronavirus has been brought under control.

Despite uncertainty in the business environment due to the coronavirus, we can offset the negative impact by switching to online support and leveraging the strengths of the Vector Group such as robust direct marketing capabilities.

■ PR Business / Press Release Distribution Business

- The negative impact on business has been reduced by switching to live streaming of PR events and presentations, etc.

■ Direct Marketing Business

- Sales of the mainstay product Vitabrid C and popular influencer-based cosmetics brand “RICA FROSH” have been solid.

■ Human Resources Business

- Taking advantage of the spread of telework, we have poured more effort into online seminars and proposed cloud-based products that are subject to subsidies.

■ Livestreamer Production Business

- The development-type livestreamer production service “pino live” has grown rapidly following an upsurge in interest in the live streaming market due to the increased consumption of people at home on account of self-isolation.

Company Strategy

What is the future growth outlook for the PR Business?

**Vector expects continued high growth
going forward through the
commercialization of “CompanyTV” and
“Hiromeru.”**

Future Growth of PR Business

Although growth is slowing in the PR Business, it is assumed that we can expect future growth by enhancing added value and efficiency in PR services through the commercialization of “CompanyTV” and “Hiromeru,” which will be described later.



Enhance the added value of PR services through “CompanyTV”



Improve efficiency in sales of PR services through “Hiromeru”

From #1 PR Firm...

PR market in Japan worth 100 billion JPY



...to a Fast Company in
Advertising Industry

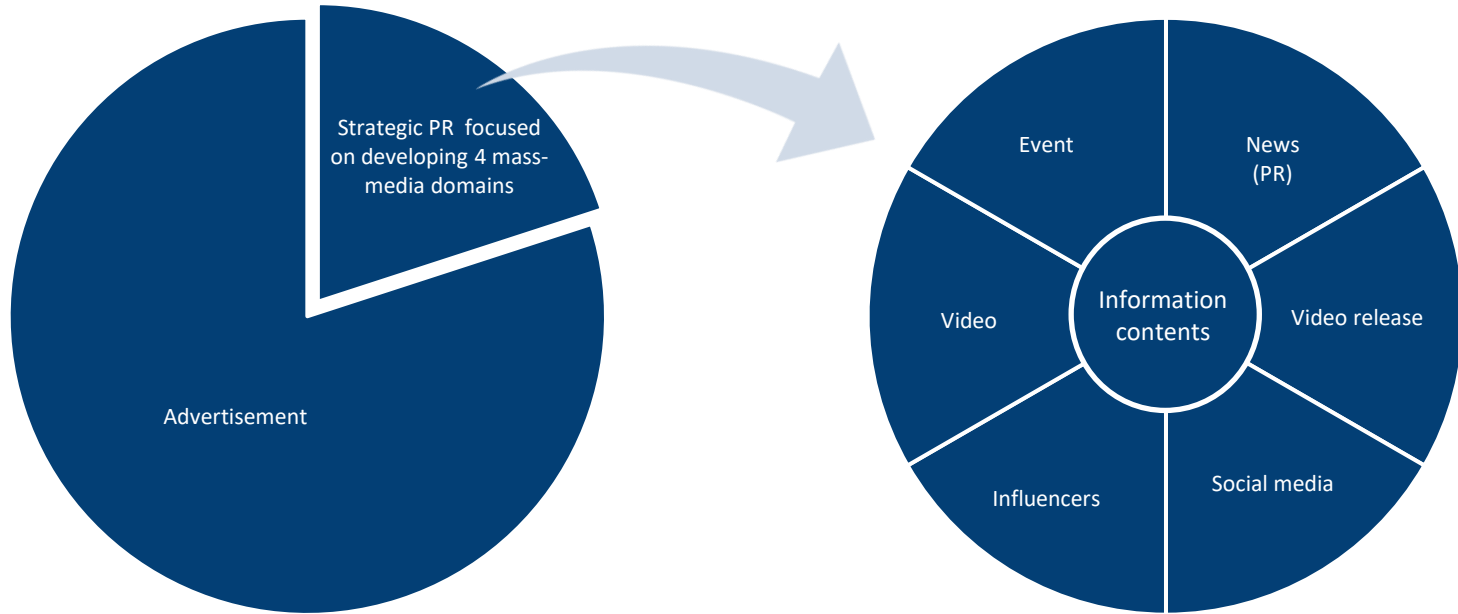
Target advertising market worth 6 trillion JPY

Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

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

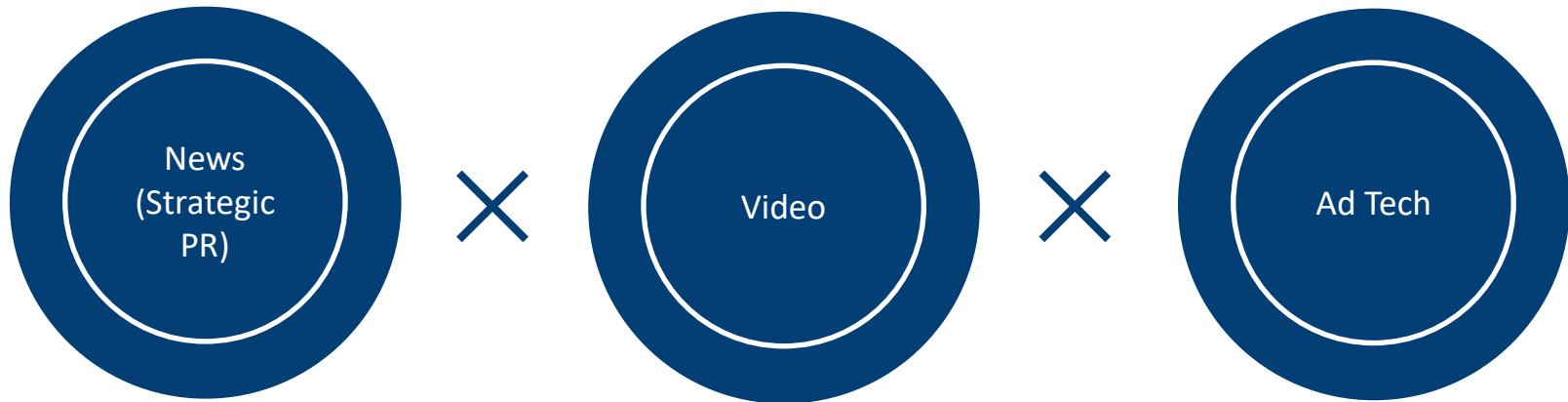
Shift in Advertising Strategy



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

Promote communication with a focus on developing content for PR ideas

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



“Spreading the word” at about 10% of traditional model’s cost

Celebrity Casting

Cast celebrities for content including Websites, Online Videos and Events.



Press releases	PR Consulting	Video Releases	Influencers	Digital Marketing	Reputation Management
<p>#1 press release service in Japan with 16,000 clients. JPY 1.2M Annual fee. Used by 25% of public-listed corporations, our strong brand reputation and media reach are highly appreciated by our clients.</p> <p>PR TIMES</p>	<p>From PR planning to execution, our experienced PR consultants apply the most effective communication strategies.</p> <p>vector ANTIL</p> <p>vector Platinum</p> <p>vector INITIAL</p>	<p>Distribute news videos directly to desired audience through one of the nation's largest ad networks. Deliver tailored content to target audience.</p> <p>NEWS TV</p>	<p>Support corporate service/product branding through SNS influencers.</p> <p>Starbank</p>	<p>Integrated support from website production and system creation to digital promotion; can also handle ad distribution, owned media creation and operation, and production of PR/IR videos.</p> <p>vector SIGNAL</p> <p>NT</p> <p>Smart media</p> <p>IR robotics</p>	<p>Provision of consulting services concerning corporate reputation management and brand security using unique technology based on theory and knowhow built up in the United States.</p> <p>BRAND CONTROL</p> <p>vector TOTAL</p>



Content Delivery



JPY 0

JPY 50 Million/Year

Expand service domain via “FAST COMPANY”

1
CompanyTV

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

2
Hiromeru

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

3
Celebrities

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

4
New Business

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

1 CompanyTV

Communications platform to help spread the word

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

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



Distribution of press release



Publication in newspaper, magazine, online media

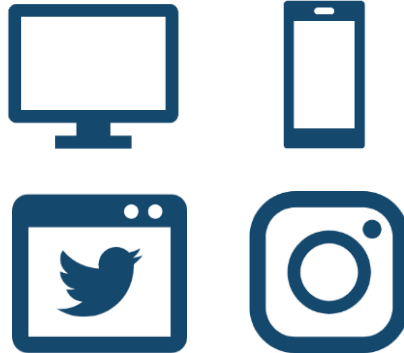


Introduction on TV program

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



Transmission of unedited, on-the-spot video content



Spread on social media to make hot topic
Publication of this phenomenon by online media



Introduction as hot topic by media
such as TV program

Maesawa Yusaku : Use video to deliver personal life.



Upload to YouTube channel



Deliver the same video on Twitter



Taken up by news medias

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

PR

Human
resources

Company
newsletter

IR

Advertisement

Social
media

Owned
media

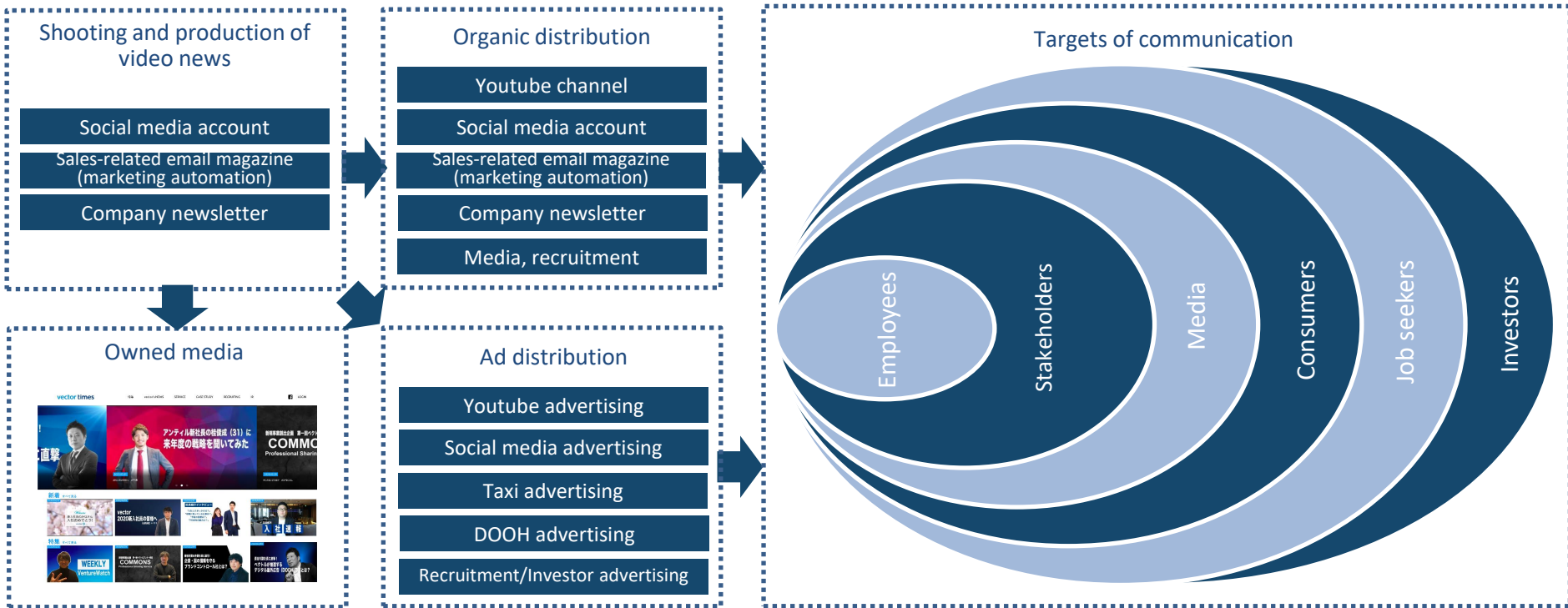
Event

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

“CompanyTV” is a distribution and content management platform in which corporate information is produced as video news.

Overview of "CompanyTV"

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



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



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

CMS Platform



Image of functions
(Under development)

Centralized account
management

Reach analysis

Organic ad/distribution



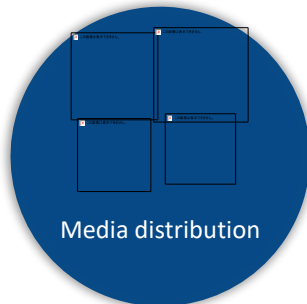
Post to owned media



Post to channel
Ad distribution



Post to social media
Ad distribution



Media distribution



Distribute company
newsletter with
in-house tools



Other

Creation of an environment for filming on a smartphone



Successful Case of Video-type Owned Media : Toyota Times

"Toyota Times" developed by TOYOTA is a successful case of owned media utilizing video distribution.



2019.12.11 UPDATE!



INSIDE TOYOTA #44
様々な会社から集いEVを考える職場を豊田章男が訪問



#31 自動運転の先にあるものとは?

自動運転の開発拠点である日本橋のTRI-AD。ここで開発中の技術は我々の生活をどう変えていくだろうか。



#29 トヨタが日本橋で自動運転を開発する理由とは?



#30 自動運転の究極の姿は「愛馬」かもしれない

トヨタの自動運転はいつ、どんな風に製品化されるのか。最高技術責任者の鯉淵健氏にインタビューした。



#28 全社員が共有していた自動運転への想い(後編)

News axis

01.

- New services
- New products
- Hot topics

Company newsletter axis

02.

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

President axis

03.

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

Product/service axis

04.

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

Event axis

05.

- Press conferences
- Appearance at outside events
- Employee meetings

Celebrity axis

06.

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

Brand context axis

07.

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

Recruiting axis

08.

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

IR axis

09.

- Financial results briefings
- Shareholder meetings
- Dialogue with investors

Archive axis

10.

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

Example of Content Scenario (Company Newsletter/IR Axes)

Content that is difficult to convey in text is distributed in video format based on application.



New president discusses
future strategy
(Company newsletter axis)



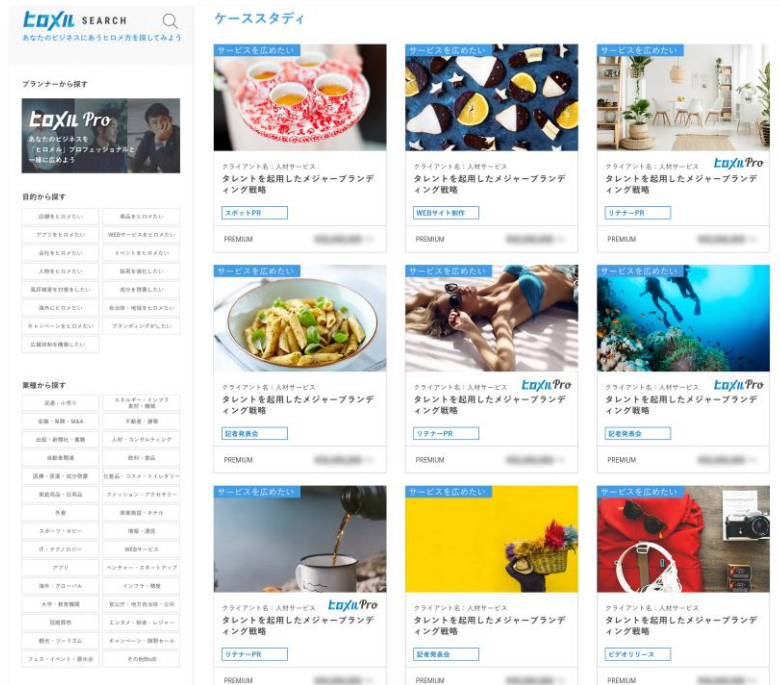
Manager of listed company
discusses growth strategy
(IR axis)

2 Hiomeru

Ad industry e-commerce sites

Increase efficiency in sales processes by creating a platform
enabling online ordering of Vector Group's PR menu

Digitally share extensive PR menu providing services offline



Possible to select from professional talent



COXIL

そのビジネスをネットで広めよう

- > プライバシーポリシー
- > 利用規約
- > お問い合わせ

PRマーケティング

プランナーから選ぶ **17%**

PRプランナー

メニューから選ぶ

- プレスリリース
- ビデオリリース
- リテナーPR
- スポットPR
- 記者発表会
- TV-PR
- 海外PR
- イベントプロモーション
- ロビー活動(パブリックアフェアーズ)

デジタルマーケティング

プランナーから選ぶ **20%**

AD運用プランナー
SNSプランナー

メニューから選ぶ

- AD運用
- SNSマーケティング
- インフルエンサー
- SEO/逆SEO
- オウンドメディア

デザイン&コンテンツ制作

プランナーから選ぶ **17%**

WEBディレクター
デザイナー
映像プランナー

メニューから選ぶ

- CI/ロゴ
- WEB/LP制作
- 動画

AD

メニューから選ぶ

タクシー広告
ローカルCM

タレントマーケティング

メニューから選ぶ

- タレント起用プロモーション
- タレントキャスティング
- インフルエンサー

3 Celebrities

Celebrity casting

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

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

Example: ROXX INC.



Top page of corporate website



Corporate promotional video

Example: SYLA Co., Ltd.



Top page of corporate website

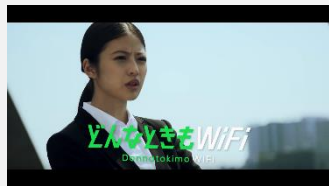


Corporate promotional video

Example: GOOD LUCK Inc.



Top page of corporate website



Corporate promotional video

Example: X-Mobile, Co., Ltd.



Top page of corporate website



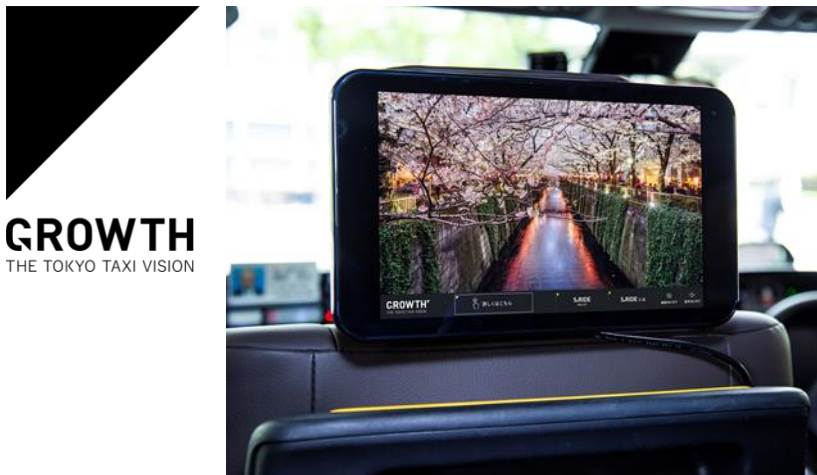
Corporate promotional video

New **4** Business

Creation of new businesses to expand service domain

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

Provide signage to over 10,000 taxis in Tokyo belonging to the Minnano Taxi network.
Broadly deliver video ads to 7 million businesspeople in Tokyo every month.



GROWTH
THE TOKYO TAXI VISION

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

Number of signage units
installed in taxis in Tokyo*1

10,000

Average time spent
in taxi

Approx. 18 mins.

Usage rate among
businesspeople

(Company employees, public servants, freelancers,
managers)

Over 80%

Monthly reach

7 million people

Coverage rate of taxi users
in Tokyo*2

Approx. 40%

Average of at least 11 taxi rides
per month

Approx. 30%

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

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

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

New Business: DOOH

Vector has leveraged its knowhow built up in the taxi signage business to enter the Digital-Out-of-Home (DOOH) domain. Services started in December 2019 on two large outdoor display screens in the Shibuya district, where such screens are highly popular.



Started services on VECTOR VISION SHIBUYA (Shibuya MK Vision) as media owner and at Under Armour Vision as a general sales agency. HAMATOMO Vision synchronizes with these two displays to simultaneously promote products and services through “Shibuya Triangle VISION Broadcasting.”

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

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



Number of units nationwide

12,000 or more


Number of units in Tokyo

5,000 or more

Regions covered

47 prefectures

We aim to provide new services that are ahead of the times by combining Vector Group's customer base and marketing communication capabilities with the strengths of partner companies.

	 PrivTech	SoVeC
Customer issue	As data-driven business expands, how personal data is handled has become a pressing issue. The challenge is to balance data utilization and privacy protection.	Demand for video communication is on the rise, which has led to such issues as time required for editing and the lack of personnel in-house who are proficient at editing.
Partner	Intimate Merger, Inc.	Sony Network Communications Inc.
Partner strengths	A leading DMP specialist with one of the largest databases in Japan, boasting data for 470 million audience members	Advanced technologies such as AI and IoT within the Sony Group
Service provided	"Trust 360," a management platform for user consent of personal data, etc.	"SoVeC Smart Video" automatic video generation cloud service utilizing AI

Going forward, the “privacy tech market” is forecast to expand alongside growing needs for handling personal information within data volumes. Priv Tech, Inc., a joint venture with Intimate Merger, Inc., was established in March 2020 in anticipation of market expansion.



CMP JS

1

Consent management tag generation



CMP Manager

2

Consent management



CMP CDP/BI

3

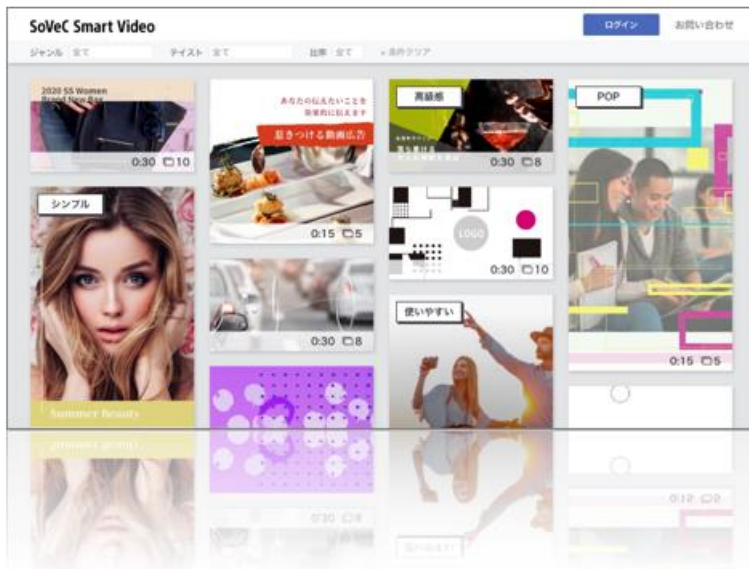
Consent level analysis

As a first solution, the company started providing “Trust 360,” a management platform for user consent of personal data, etc. “Trust 360” builds trusting relationships between consumers and CMP companies that can obtain consent regarding the acquisition and use of personal data when required without obtaining the data unnecessarily online. The service is also used by companies to ensure compliance with the Act on the Protection of Personal Information, violations of which will be subject to severe penalties in the future.

*CMP: Consent Management Platform

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

SoVeC Smart Video



“響く”プロデザイナー
品質の動画を簡単に

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



定額作り放題を
リーズナブルに

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



スピーディな動画制作で
気軽に何度でも

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

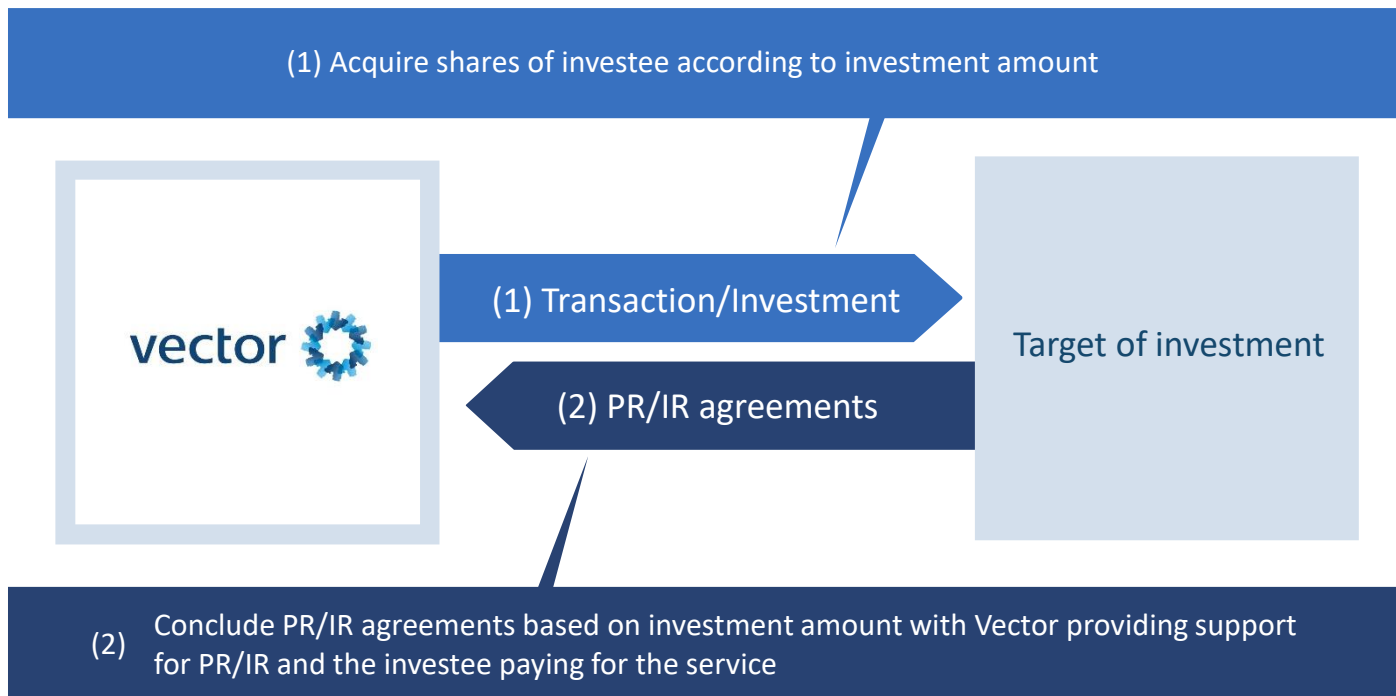
Latest design video format



New Investment Policy

New Investment Policy

In FY2020, new investments were temporarily frozen as we prioritized the rebuilding of unprofitable businesses.
In FY2021, our policy is to make new investment centered on transactions and investments after concluding PR/IR agreements based on investment amount.



Supporting corporate growth through investment and PR/IR (Total of 16 companies)

March 24, 2020	Cyber Security Cloud, Inc.	TSE Mothers	Market cap: 71,570 million JPY (As of April 21)
December 18, 2019	BuySell Technologies Co., Ltd.	TSE Mothers	
December 17, 2019	WILLs Inc.	TSE Mothers	
October 8, 2019	AI CROSS Inc.	TSE Mothers	
June 25, 2019	infoNet inc.	TSE Mothers	
June 21, 2019	Branding Technology Inc.	TSE Mothers	
March 19, 2019	MINKABU THE INFONOID	TSE Mothers	
February 22, 2019	Shikigaku Co., Ltd.	TSE Mothers	
December 11, 2018	PIALA	TSE Mothers	
December 13, 2017	Global Link Management	TSE Mothers	(December 13, 2018: Listed on TSE 1st Section)
December 12, 2017	Ikka Dining Project	TSE Mothers	
August 3, 2017	Sharing Technology	TSE Mothers	
December 20, 2016	ReNet Japan Group	TSE Mothers	
November 18, 2016	Phil Company, Inc.	TSE Mothers	
March 31, 2016	AirTrip Corp.	TSE Mothers	(March 31, 2017: Listed on TSE 1st Section)
March 31, 2016	PR TIMES	TSE Mothers	(August 29, 2018: Listed on TSE 1st Section)



The purpose of this document is to provide information on our financial results and does not constitute an offer to sell or solicitation of an offer to purchase any investment security issued by Vector. The information and outlook contained in this document have been compiled on the basis of the latest information available at the time of preparation and includes the opinion of management. Vector therefore provides no guarantee as to the accuracy of this information and advises that actual performance and results may differ from forward-looking statements due to various factors.