

VECTOR INC.

Financial Results – FY '22



April 14, 2022

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FY '22 Results

Net Sales

47,350 million JPY
(127.0% YoY)

Gross Profit

29,660 million JPY
(121.4% YoY)

EBITDA*

6,130 million JPY
(204.3% YoY)

Operating Profit

5,240 million JPY
(226.8% YoY)

Ordinary income

5,200 million JPY
(185.9% YoY)

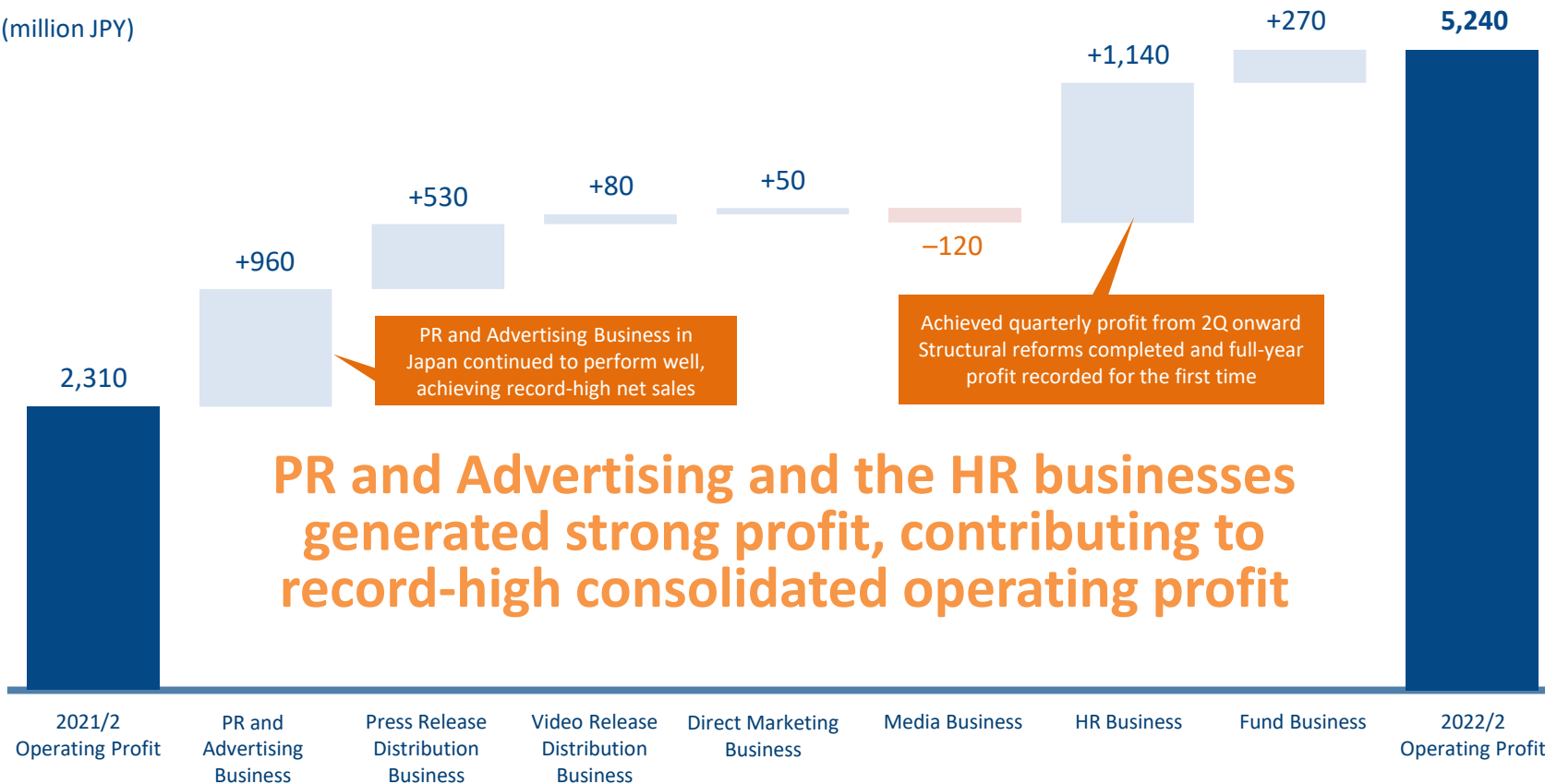
Profit Attributable to Owners of Parent

2,070 million JPY
(425.4% YoY)

*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Operating Profit (By Segment)

(million JPY)



Consolidated Performance

PR and Advertising

Press Releases (PR TIMES)

Video Releases (NewsTV)

Net Sales

47,350 million JPY
(127.0% YoY)

25,960 million JPY
(146.3% YoY)

4,850 million JPY
(128.9% YoY)

1,360 million JPY
(101.7% YoY)

Operating Profit (Loss)

5,240 million JPY
(226.8% YoY)

2,120 million JPY
(183.3% YoY)

1,830 million JPY
(140.9% YoY)

(70) million JPY
(Up 80 million JPY YoY)

FY '22 Business Overview

- Achieved record highs for both net sales and operating profit
- PR and Advertising in Japan drove high performance
- Number of user companies for Press Release increased
- HR Business completed structural reforms, achieving quarterly profit from 2Q onward and a profit for the full year
- PR in Japan and Taxi Signage continued to perform well, achieving record-high net sales
- PR overseas returned to operating profitability in 4Q
- Launched the new business "JOBTV"
- Achieved record highs for both net sales and operating profit
- Number of user companies surpassed 65,000
- Expanded regional development through partnerships with regional banks
- Continued to actively invest in new businesses
- Operating loss reduced despite severe restriction of business activities due to state of emergency declarations
- Released Sales Video Analytics, a sales DX support service that utilizes video

Direct Marketing

12,320 million JPY
(108.2% YoY)

Operating Profit (Loss)

770 million JPY
(108.1% YoY)

FY '22 Business Overview

- Advertising investments made in 3Q led to record-high 4Q net sales
- Vitabrid C brand performed well
- Commenced the sale of body and fitness supplements

Media
(Smart Media)

900 million JPY
(105.1% YoY)

(20) million JPY
(Down 120 million JPY YoY)

- Owned media sales were favorable
- Made advance investments to expand CMS functionality
- Will establish a business policy that will strengthen CMS sales to build a stable earnings foundation

HR
(ASHITA-TEAM)

2,510 million JPY
(93.8% YoY)

230 million JPY
(Up 1,140 million JPY YoY)

- Net sales decreased in conjunction with the end of cloud system lifetime license sales
- SaaS-based product sales going strong
- Structural reforms completed and quarterly profit achieved from 2Q onward, delivering a profit for the full year

Fund

460 million JPY
(97.4% YoY)

370 million JPY
(367.3% YoY)

- Secured operating profit due to the partial sale of shares held, which exceeded loss on valuation of securities

Review of Full-Year Financial Forecasts

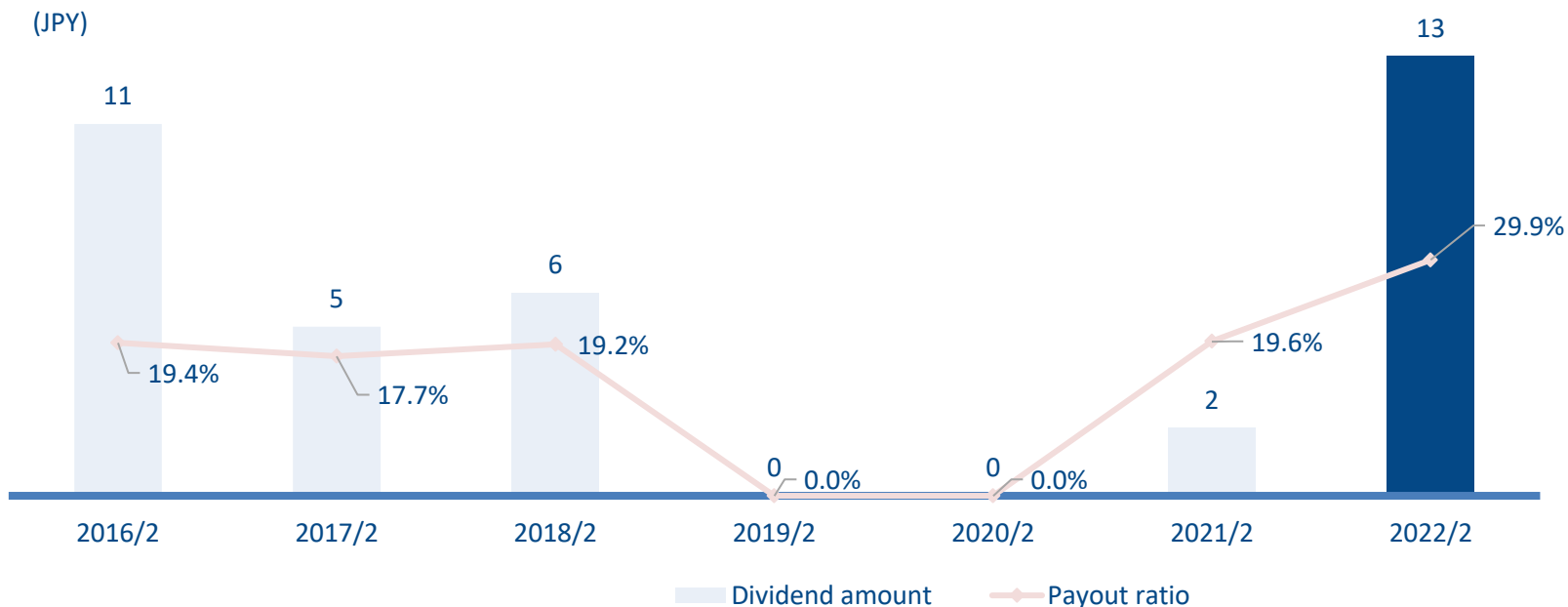
Full-Year Financial Forecast for FY '22 (million JPY)	FY '22 Revised Forecast October 15, 2021	FY '22 Results	Achievement Rate
Net sales	45,500	47,351	104.1%
Operating profit	4,800	5,248	109.4%
Ordinary income	5,000	5,201	104.0%
Profit attributable to owners of parent	2,000	2,071	103.6%

In FY2022, all items achieved the full-year financial forecast despite some degree of impact due to COVID-19. Results were attributed to capturing corporate marketing demand, recovery in the PR and Advertising Business, strong performance in the Press Release Business, and a full-year profit in the HR Business following the completion of structural reforms.

Shareholder Return Measures (Dividends)

VECTOR has abolished the shareholder benefit program, replacing it with a policy focused on the direct return of profit to shareholders through dividends from FY2023 onward. Furthermore, as long-term and continuous growth is expected, **the planned consolidated payout ratio will be raised from the previous level of 20% to 30%.**

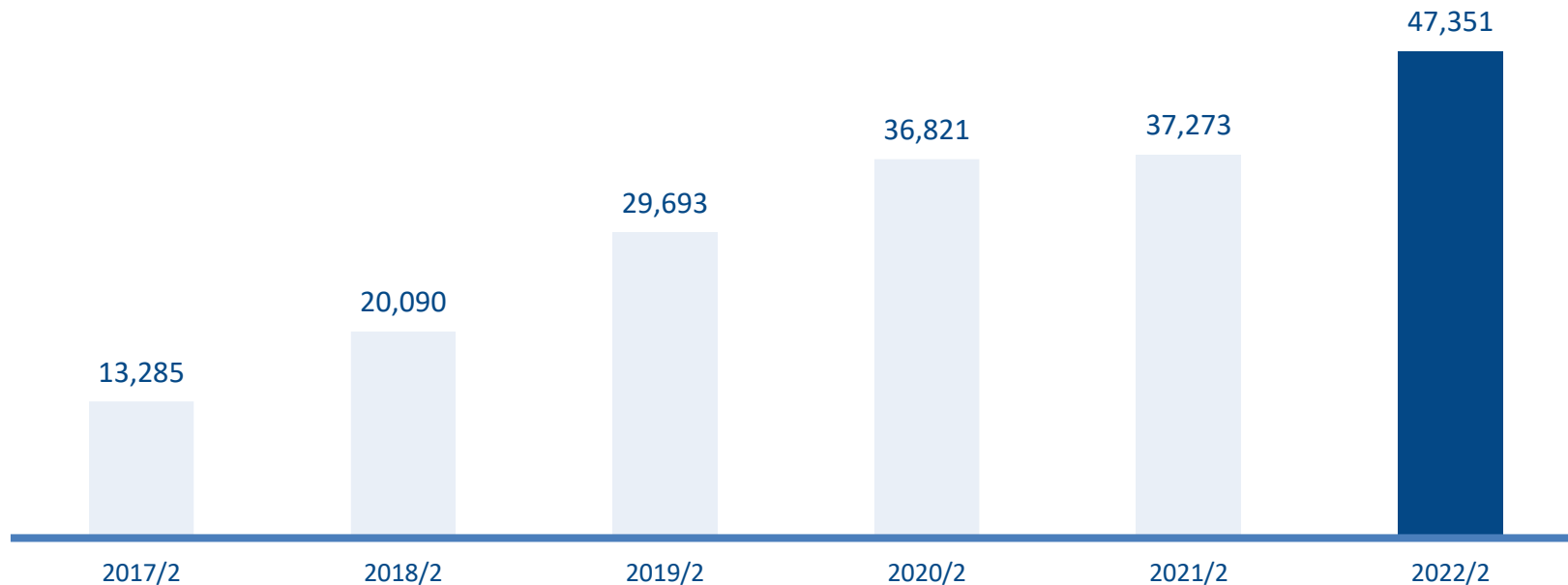
For FY2022, we will increase the dividend from the previous forecast of 8 JPY per share to **13 JPY per share.**



Consolidated Net Sales (Full-Year Trend)

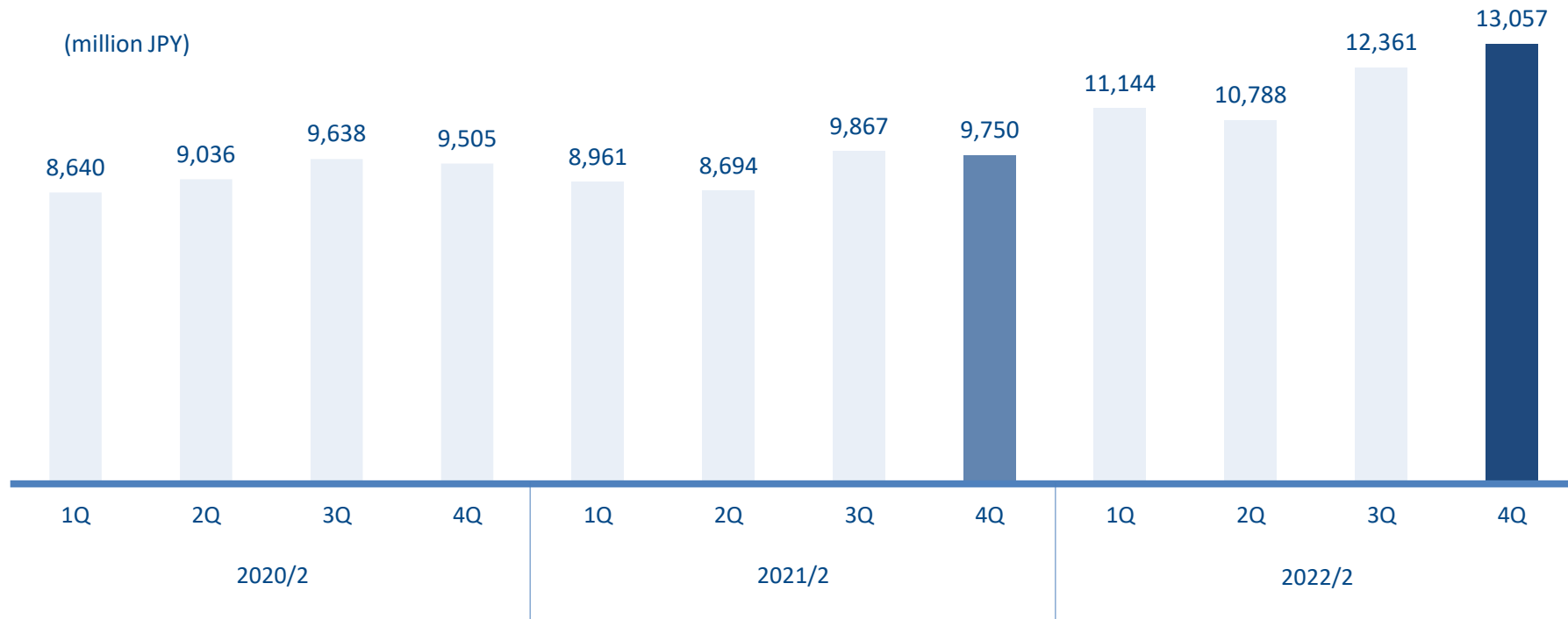
Consolidated net sales for FY2022 amounted to a **record high of 47,531 JPY (127.0% YoY)**.

(million JPY)



Consolidated Net Sales (Quarterly Trend)

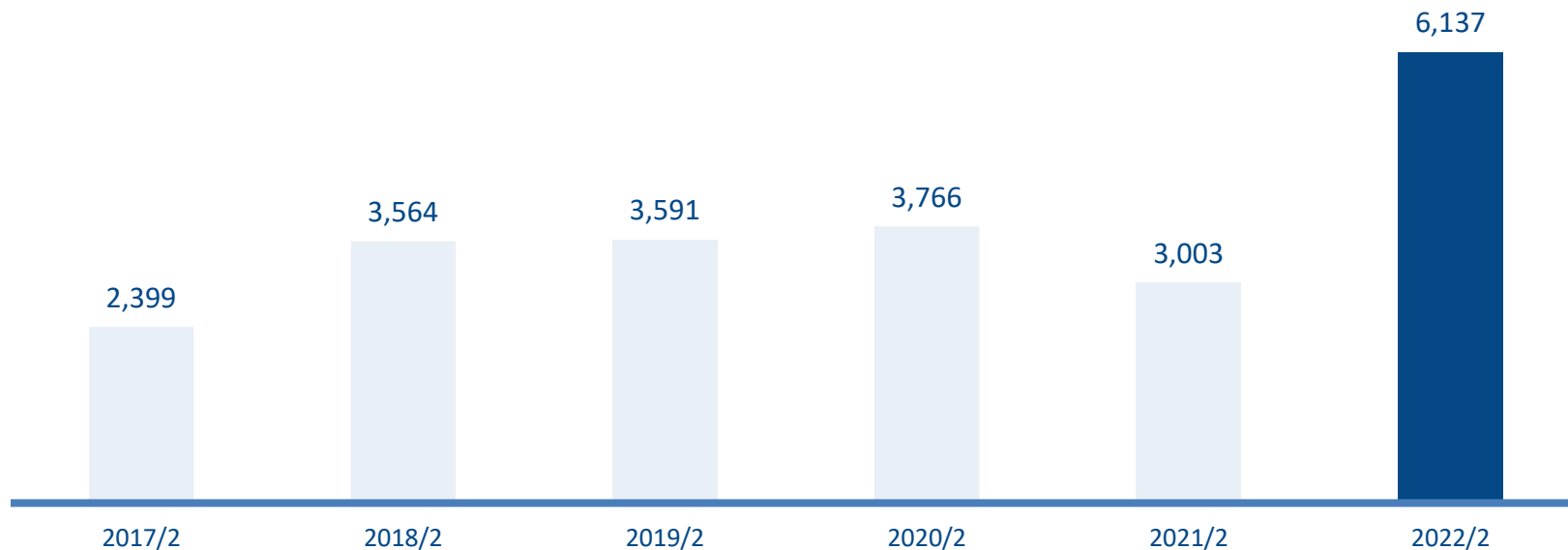
Consolidated net sales for 4Q FY2022 came in at **13,057** million JPY (133.9% YoY), **breaking the previous record set in 3Q**.



EBITDA (Full-Year Trend)

EBITDA for FY2022 was a **record-high 6,137** million JPY (204.3% YoY), more than doubling the result for FY2021.

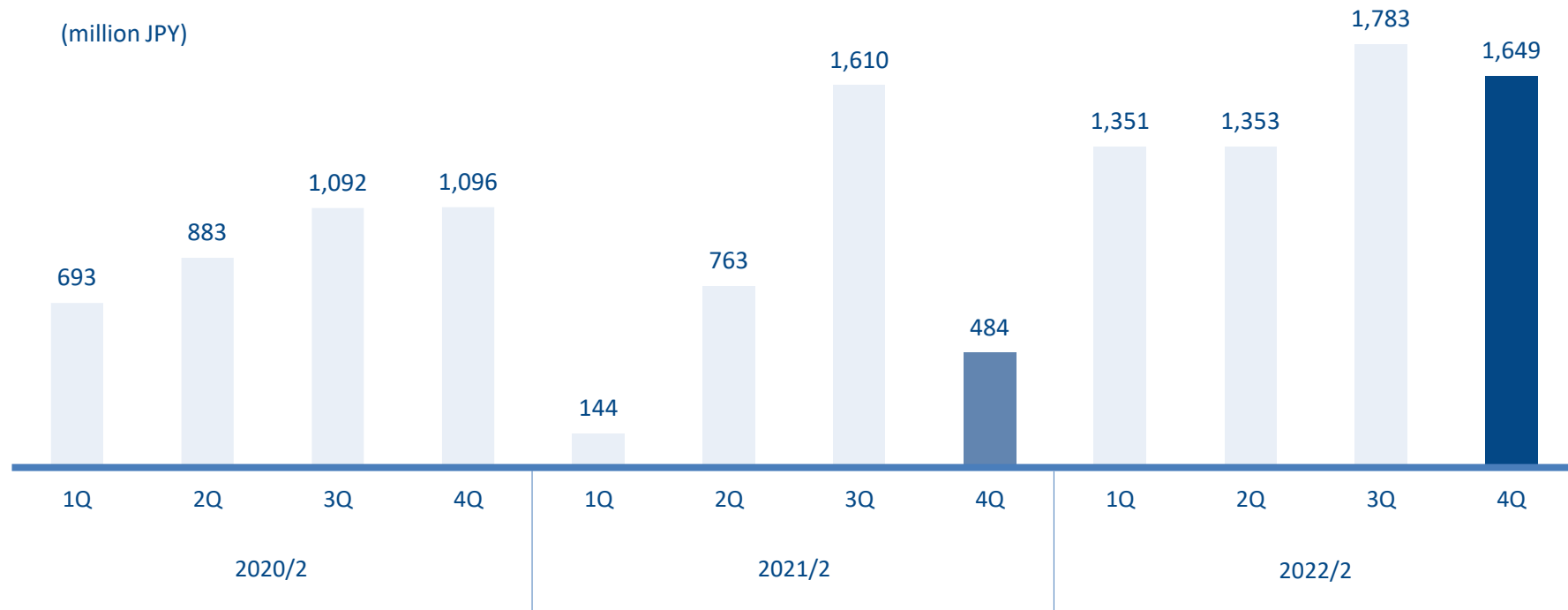
(million JPY)



*EBITDA = Operating profit + Depreciation + Amortization of goodwill

EBITDA (Quarterly Trend)

EBITDA for 4Q FY2022 was 1,649 million JPY (340.1% YoY), the **highest ever for 4Q**.

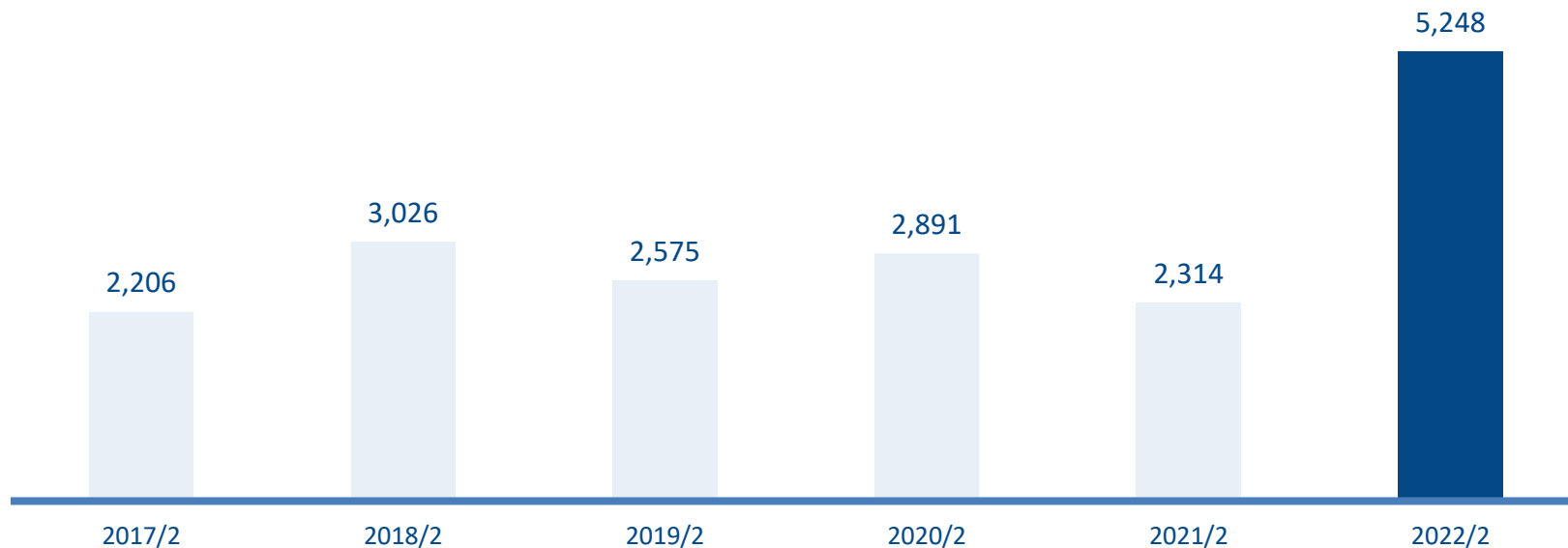


*EBITDA = Operating profit + Depreciation + Amortization of goodwill

Consolidated Operating Profit (Full-Year Trend)

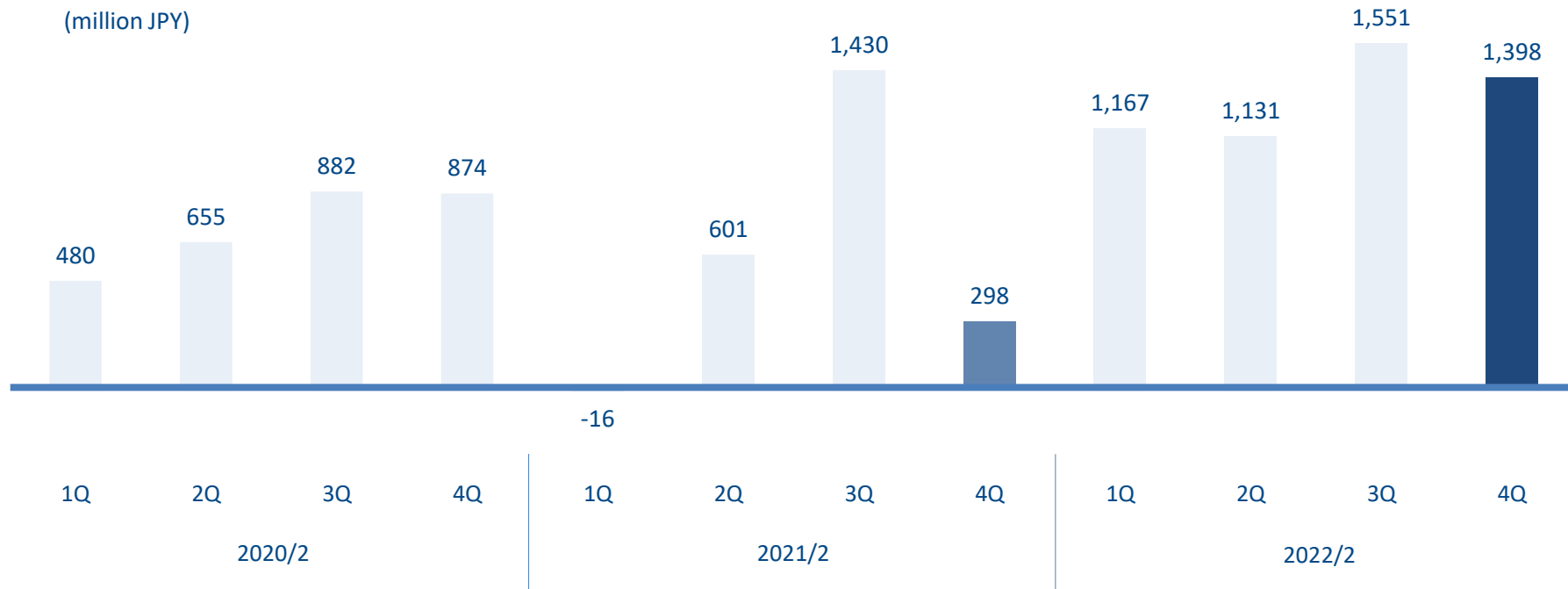
Consolidated operating profit for FY2022 was a **record-high 5,248** million JPY (226.8% YoY), more than twice the amount for FY2021.

(million JPY)



Consolidated Operating Profit (Quarterly Trend)

Consolidated operating profit for 4Q FY2022 totaled **1,398** million JPY (468.4% YoY), the **highest ever for 4Q**.



Operating Profit (By Segment)

(million JPY)

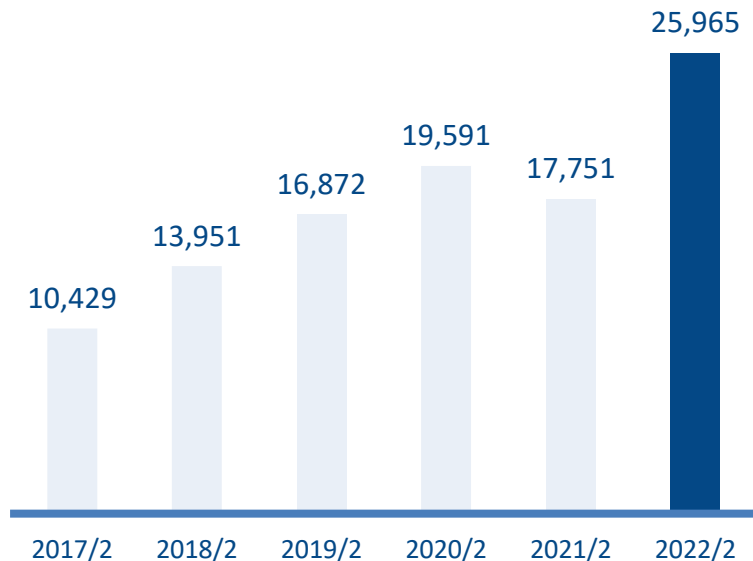


The PR and Advertising, Press Release, Direct Marketing, and HR businesses generated strong profit, contributing to record-high operating profit

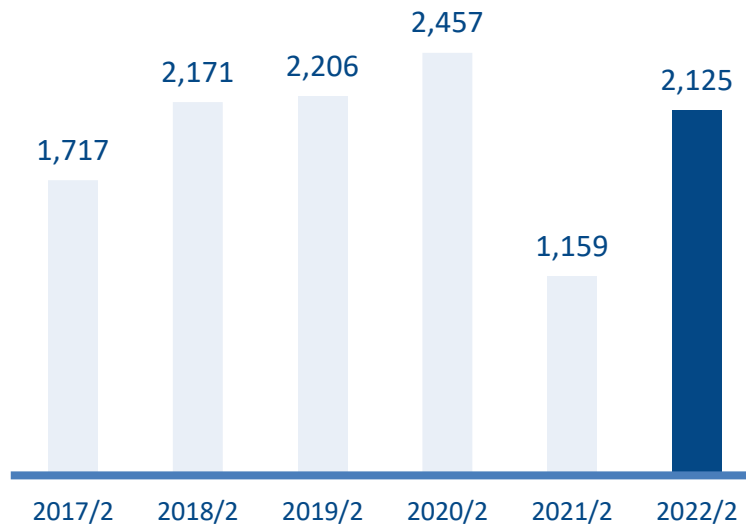
PR and Advertising Business (Full-Year Trend)

Despite a certain degree of impact from COVID-19, net sales in FY2022 **achieved a record-high**, with the business in Japan strongly driving performance. Operating profit **recovered to the 2,000 million JPY mark**, contributed by an increase in net sales and more focused investment through selection and concentration.

Net Sales: 25,965 million JPY (146.3% YoY)



Operating Profit: 2,125 million JPY (183.3% YoY)

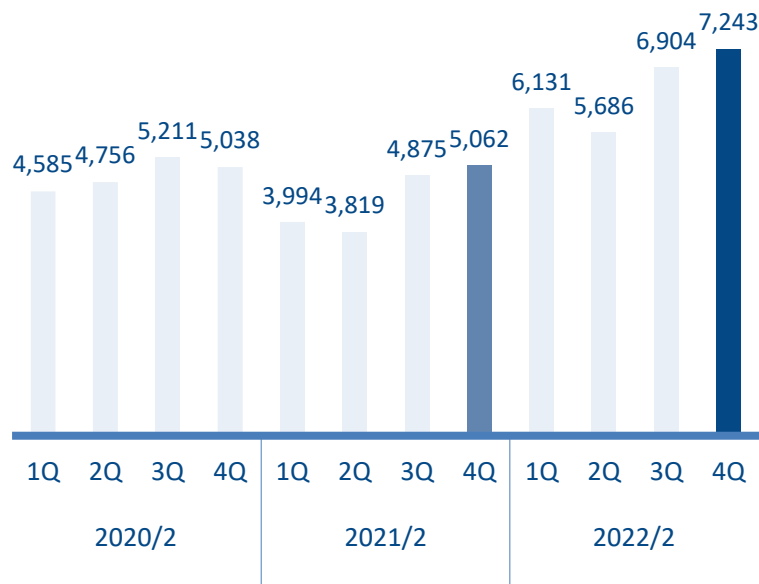


Note: Amounts for 2017/2 and 2018/2 are estimated restatements based on reportable segments.

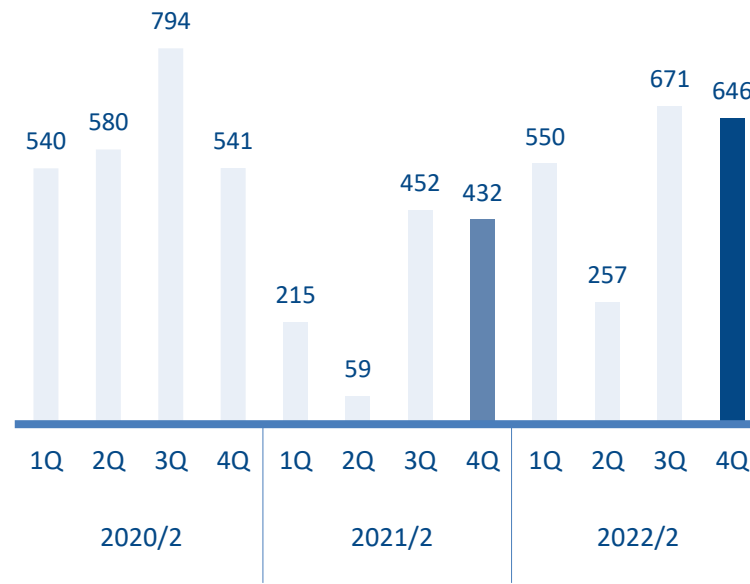
PR and Advertising Business (Quarterly Trend)

In FY2023, quarterly **net sales surpassed the 7,000 million JPY mark for the first time, achieving a record for two consecutive quarters**. In FY2023, we aim to increase the number of retainer agreements, which form the earnings base of the business, and raise the unit price through cross-selling.

Net Sales: 7,243 million JPY (143.1% YoY)



Operating Profit: 646 million JPY (149.4% YoY)

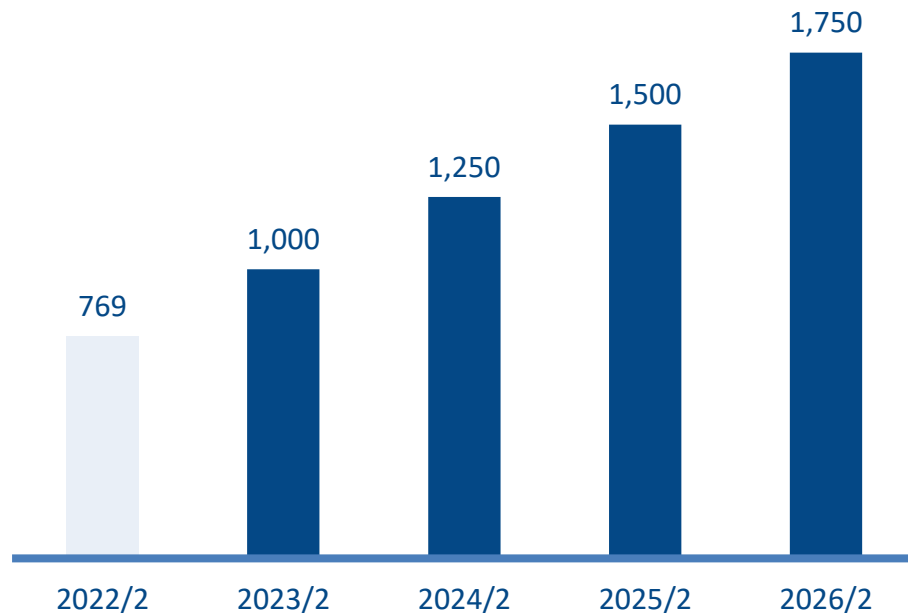


Retainer Agreement* Targets

Retainer agreements will form a stable earnings base for the PR business, and we aim to have entered contracts with 1,750 companies by FY2026. We have set the target of reaching 1,000 retainer agreements in FY2023 and will work to strengthen customer engagement.



Number of retainer agreements (strategic PR subsidiaries only)



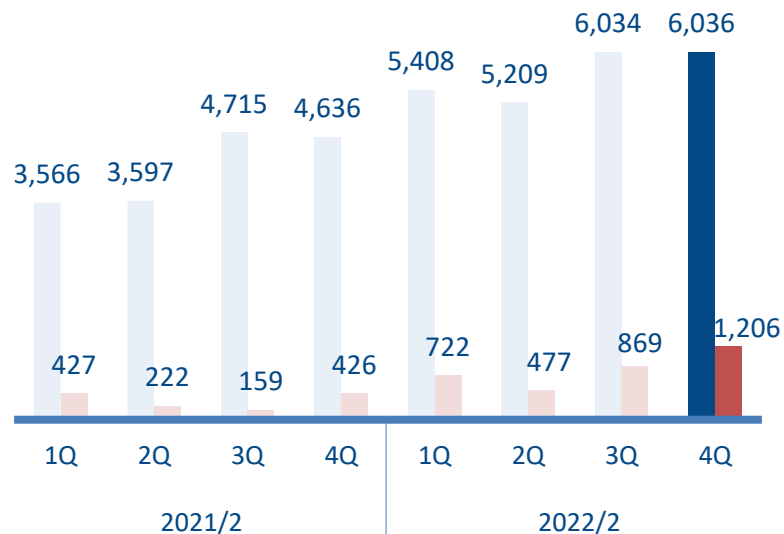
* Retainer agreement: An agreement with a term of three or more months with monthly fees.

PR and Advertising Business (By Region)

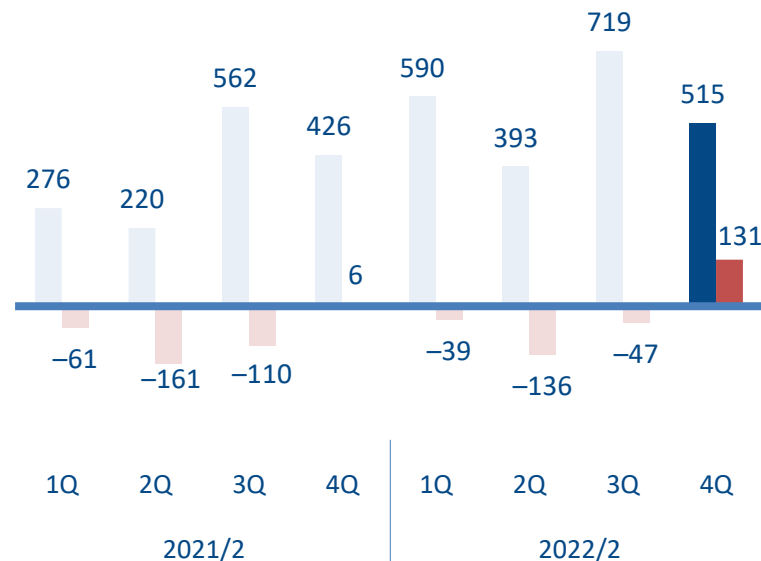
In 4Q FY2022, an operating profit was secured in the business overseas owing to a strong contribution from China despite some countries being affected by COVID-19.

In FY2023, while we anticipate that COVID-19 will continue to have an impact, we are aiming for growth that surpasses FY2022 levels.

Net Sales: 6,036 million JPY (Japan) / 1,206 million JPY (overseas)



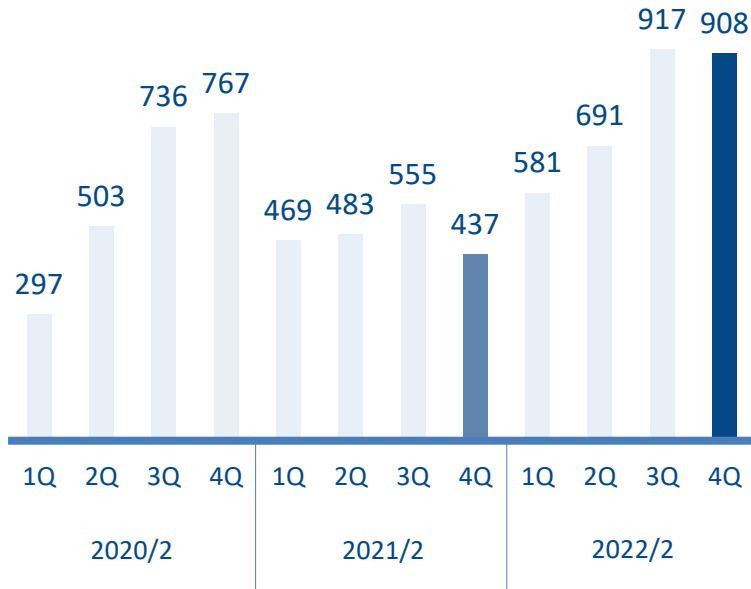
Operating Profit/Loss: 515 million JPY (Japan) / 131 million JPY (overseas)



Advertising Business (Taxi Signage)

In 4Q FY2022, strong ad placement demand continued from 3Q, enabling the business to secure **net sales of 900 million JPY, a figure similar to the previous quarter**. In FY2023, we will increase the number of vehicles for taxi signage and mobility vehicle window media, with the aim of expanding net sales.

Net Sales: 908 million JPY (207.9% YoY)



GROWTH



Digital signage has been installed for rear seat passengers in approx. 12,500 vehicles, the largest scale of taxi signage advertising in Tokyo. Roughly 45% of Tokyo's taxi users, who mainly consist of business people, have been covered, with video advertisements and media content reaching around 8.2 million people.

Mobility Vehicle Window Media “Canvas”

Japan’s first mobility vehicle media service "Canvas" was launched at the end of May 2021.

With a high advertising impact utilizing vehicle window signage, we support a broad range of marketing activities.



Canvas utilizes vacant taxis running in Tokyo, showing advertisements on the back windows. It is the first mobility vehicle media service in Japan.



Conceptual image

Number of vehicles

100

More to be added gradually

Anticipated reach

12 million people

Broadcast time

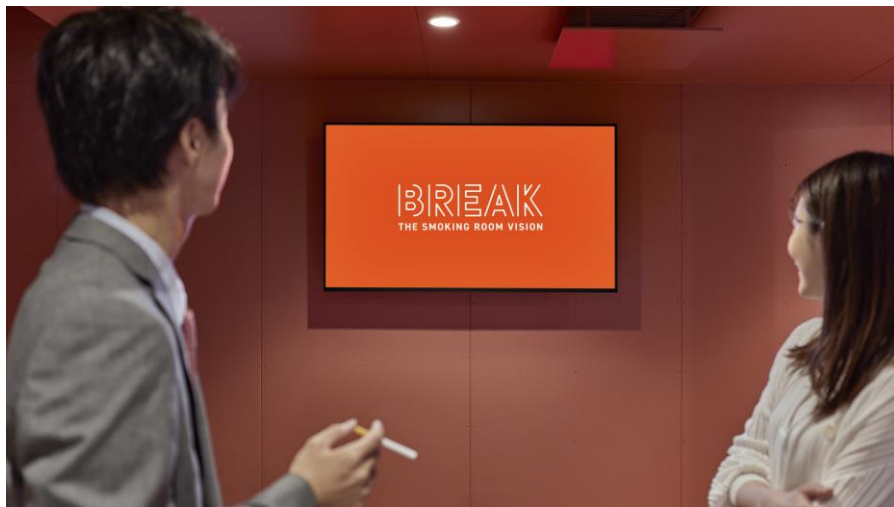
24/7

Operating area

23 wards of Tokyo

Smoking Area Signage Media Service “BREAK”

BREAK, a smoking area signage media service, was launched in September 2021 in collaboration with office buildings in Tokyo. Targeting business people, it delivers video advertisements and media content suited for break times in smoking areas.



BREAK makes it possible to deliver looped video advertisements and original content to business people in smoking areas, spaces that provide an easy viewing environment

Area covered

23 wards of Tokyo

Media also distributed to some other areas

Office buildings

62

Number of units planned to be installed by the end of September

No. of people reached

680,000

Monthly total

Monitor size

55 inch

The smallest size is 32 inch

Audio

ON

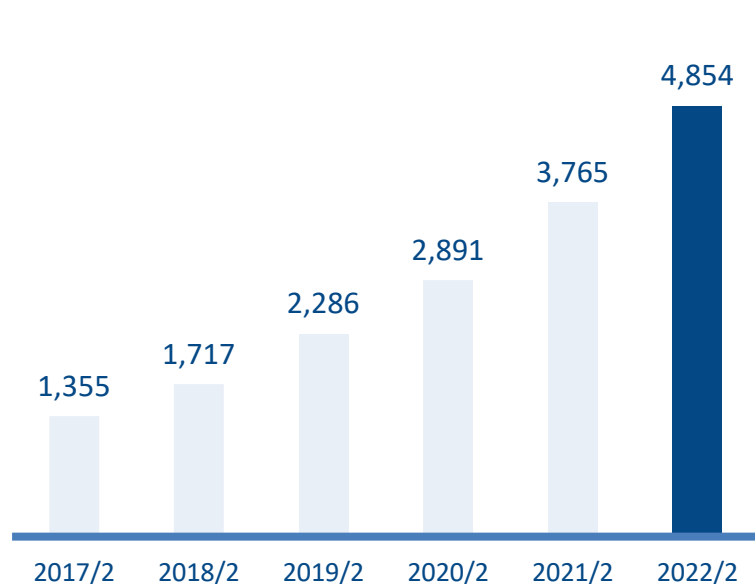
Measurement method

AI Camera

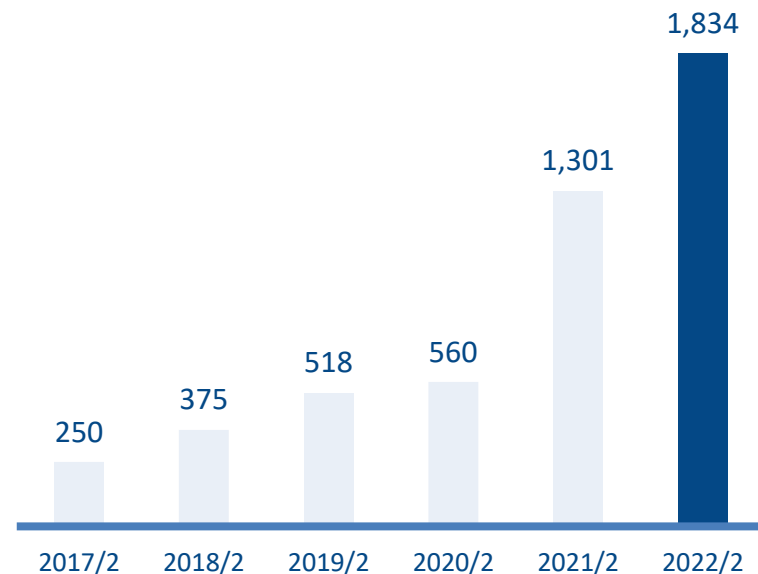
Press Release Distribution Business (Full-Year Trend)

FY2022 net sales **achieved record-high performance** contributed by the number of user companies surpassed 65,000 thanks to expanding regional development. **A record high was posted** for operating profit in FY2022, despite advance investments in developing new functions for PR times and other areas.

Net Sales: 4,854 million JPY (128.9% YoY)



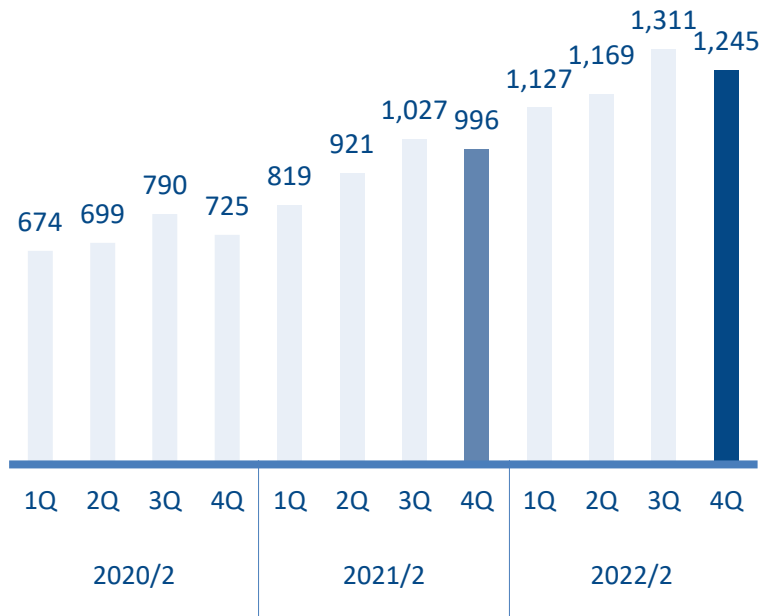
Operating Profit: 1,834 million JPY (140.9% YoY)



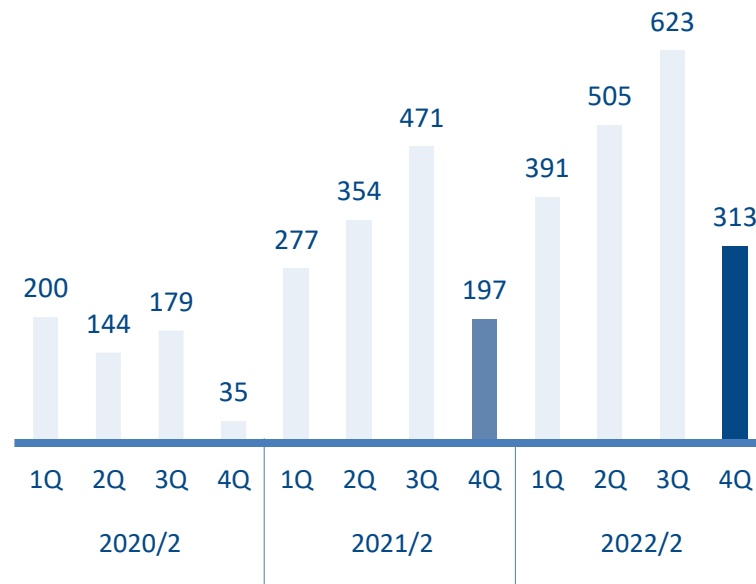
Press Release Distribution Business (Quarterly Trend)

In 4Q FY2022, the number of user companies steadily increased, resulting **in record highs for 4Q in net sales and operating profit**. In FY2023, we will strive for further growth by making aggressive advance investments in PR TIMES as well as in new business expansion.

Net Sales: 1,245 million JPY (125.0% YoY)



Operating Profit: 313 million JPY (158.8% YoY)

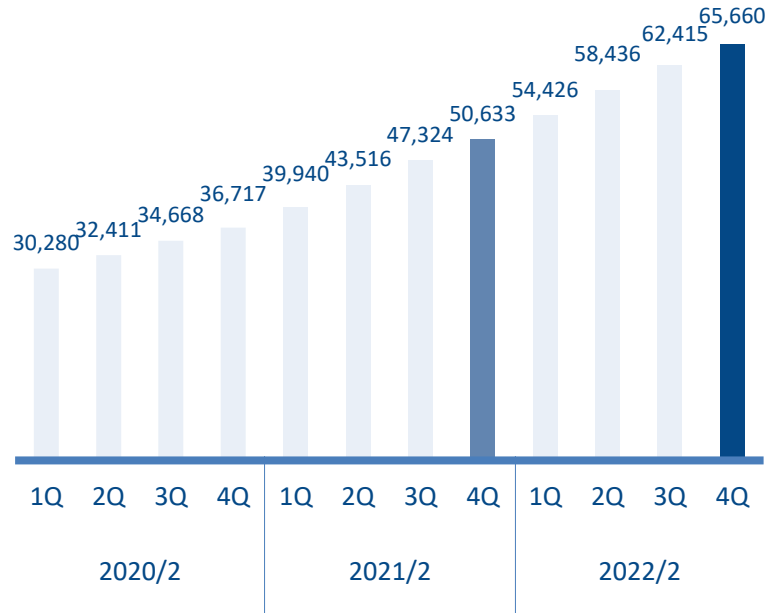


Number of User Companies and Press Release Distributions

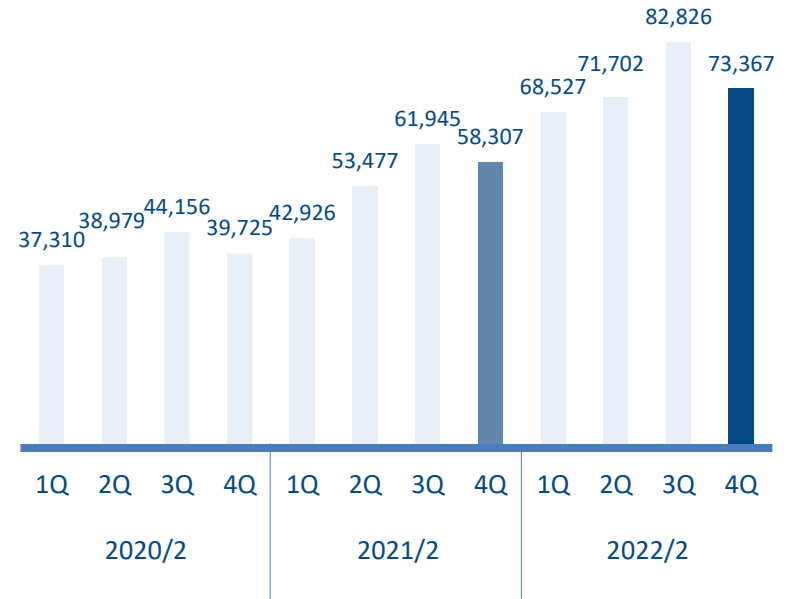
The number of user companies in 4Q increased by 3,245 compared to 3Q, which led to an increase of 15,027 companies annually, resulting in an accumulated total of 65,660 companies.

Although the number of press release distributions for 4Q was less than in 3Q, there was a 15,060 increase for the full year.

Number of user companies: 65,660 (129.7% YoY)



Number of press release distributions: 73,367 (125.8% YoY)



Number of User Companies and Percentage of Listed User Companies

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

More than 65,000 user companies, used by 50% of listed companies

PR TIMES TSE Prime Market

Published in more than 300 publications!

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

国内シェア **No.1** 上場企業の **50%** が利用

なぜPR TIMESが選ばれるのか?

PR TIMESは2007年にサービス開始し、わずか数年で最もプレスリリースが掲載されるサービスに成長しています。

いま、企業の広報やマーケティングを取り巻く環境は大きく変化し、ますます複雑化しています。マスメディアの影響力低下、デジタルメディアの進化、スマートフォンの普及、生活者による様々なSNSの活用拡大、情報発信力の飛躍的な向上など、このような劇的な環境変化の中、PR TIMESは、新たなマーケティングツールとして進化しています。

主なパブリシティ実績



事例



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



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



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



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

Number of user companies
65,000
Feb. 2022

50,000
Feb. 2021

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

36,000
Feb. 2020

28,000
Feb. 2019

21,000
Feb. 2018

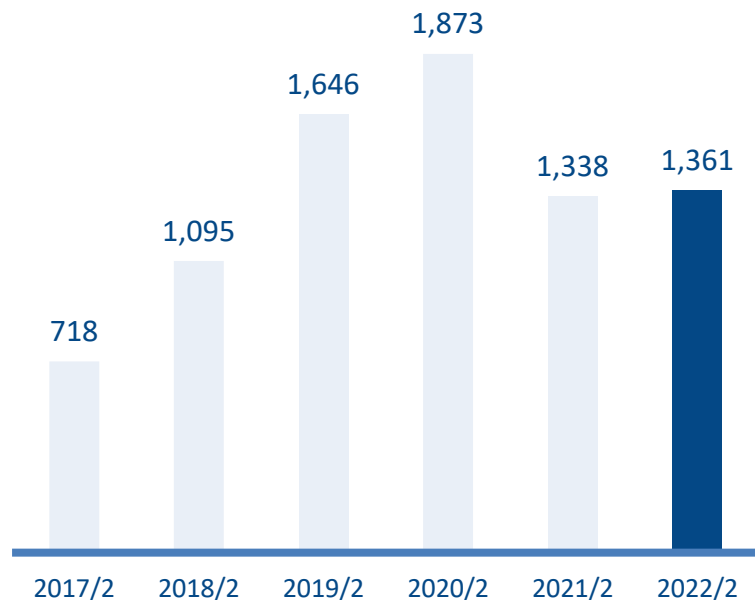


Video Release Distribution Business (Full-Year Trend)

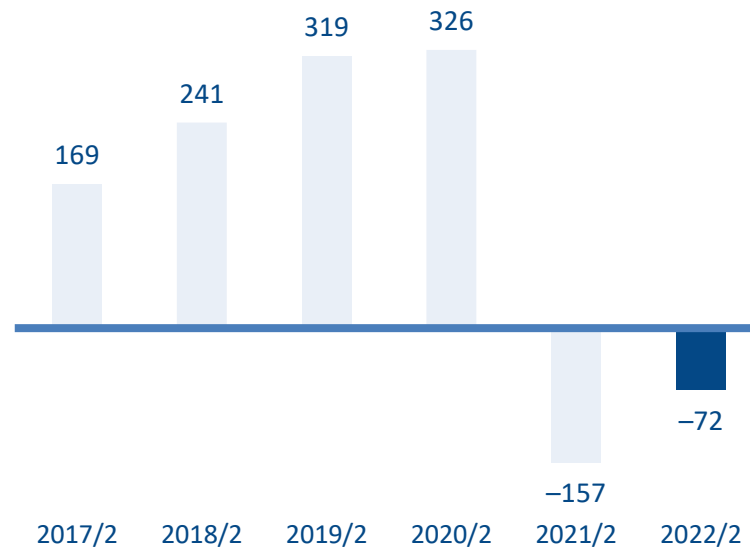
Despite the impact of COVID-19, net sales began to recover in FY2022, benefiting from a shift to consulting-type sales.

While an operating loss was recorded in FY2022, a profit was secured in 1Q and 2Q, **reducing the loss**.

Net Sales: 1,361 million JPY (101.7% YoY)



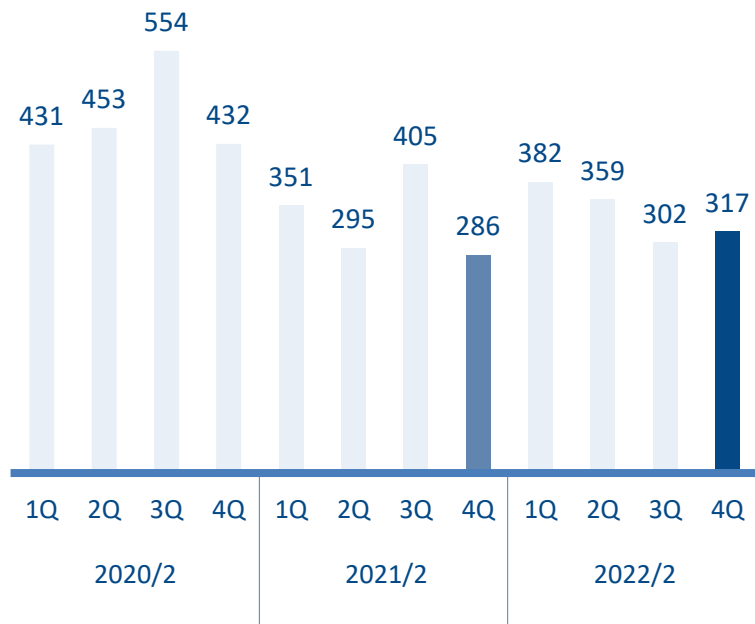
Operating Loss: 72 million JPY (Up 84 million JPY YoY)



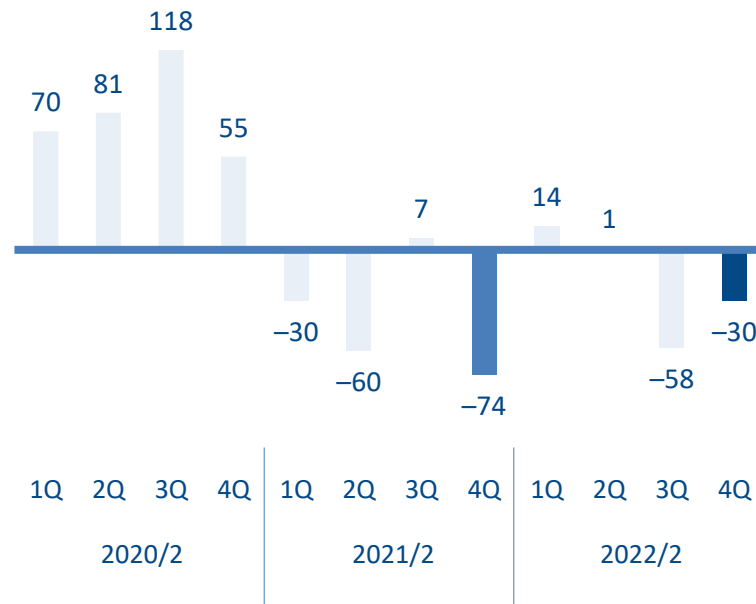
Video Release Distribution Business (Quarterly Trend)

Despite the impact of COVID-19, net sales in 4Q FY2022 increased compared to 3Q, reducing the operating loss. We aim to return to profitability in FY2023 by strengthening our new service, Sales Video Analytics, in addition to video releases.

Net Sales: 317 million JPY (111.0% YoY)



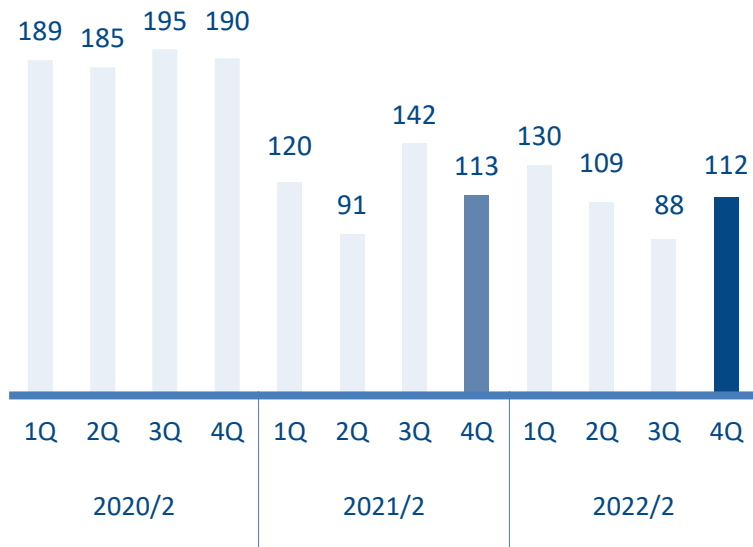
Operating Loss: 30 million JPY (Up 43 million JPY YoY)



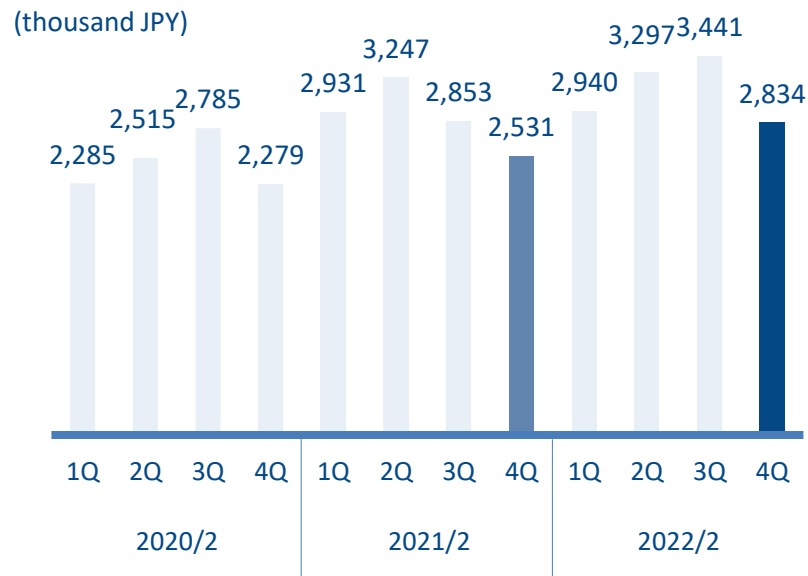
Number of Video Release Distributions and Average Price Per Distribution

Despite the impact of COVID-19, the number of video release distributions in 4Q FY2022 increased by 24 compared to 3Q, reaching a similar number to 4Q FY2021. While the average price per distribution in 4Q decreased compared to 3Q partly due to seasonal factors, there was a year-on-year increase of 300,000 JPY.

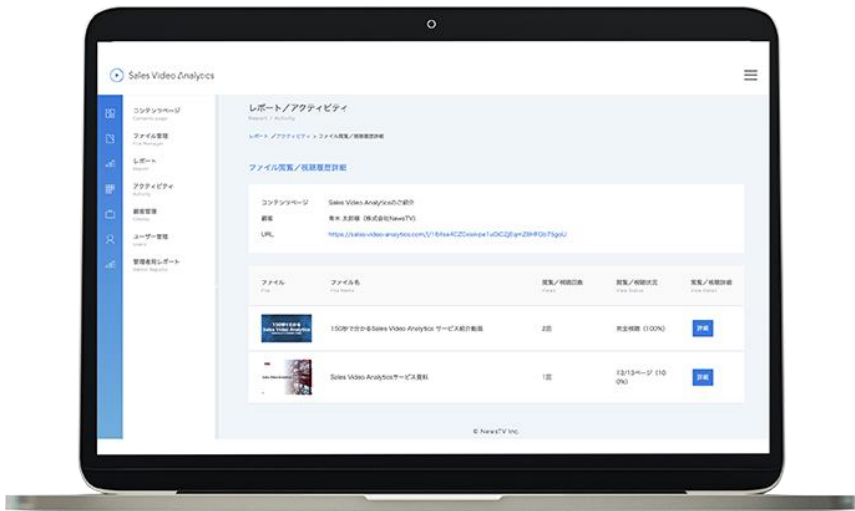
Number of video release distributions: 112 (99.1% YoY)



Average price per distribution: 2,834 thousand JPY (112.0% YoY)



In response to changes in ways of communicating due to COVID-19, VECTOR has developed a new service that utilizes video. Released in January 2022, Sales Video Analytics is the first SaaS-based product to apply DX to sales activities by leveraging the power of video and data.



Sales Video Analytics is a sales DX support service that boosts sales efficiency and increases revenues by enabling visualization of customer actions and the use of video for sales activities.

01 Free-of-charge video production

Production of free movies (two per year) that present sales material and features for in-house services as well as success cases of companies that introduced the product



02 Customer landing page production

Landing pages for customers can be created. Video and sales materials can be included on the landing page.



03 Viewing log

Possible to acquire data such as the number of landing page views, date and time of views, and the number of seconds videos are watched for.



04 "Thank you" video function

Function for using "thank you" videos when communicating with customers that allows videos to be displayed in emails

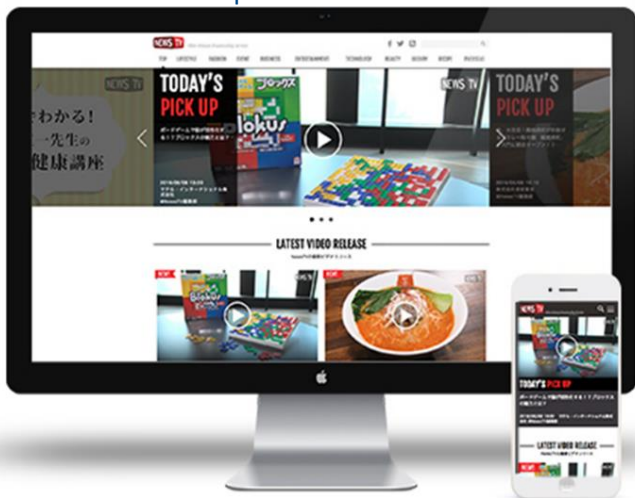


Video Release Business Outlook

We will train sales personnel to strengthen proposal capabilities that tap into customer needs, expand the customer base, and increase the average price per distribution.

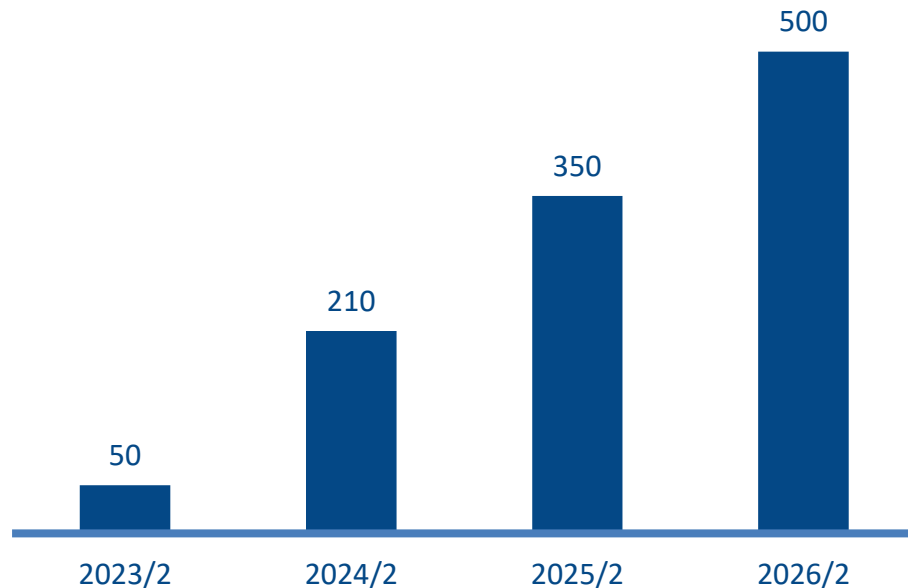
By expanding both Video Release and Sales Video Analytics, we aim to achieve an operating profit of 500 million JPY in FY2026.

Video advertising distribution, Video Release, allowing clients to produce them for free



Over 3,500 videos have been produced and distributed since the service was launched in 2015.

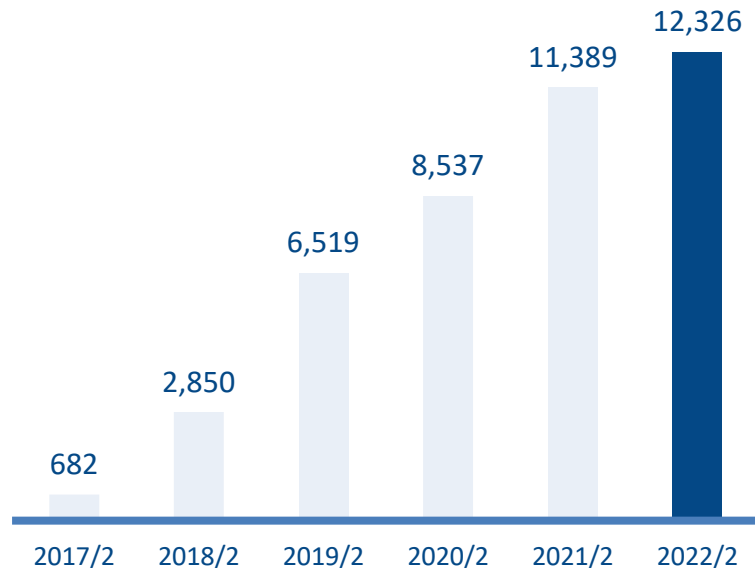
Operating Profit (million JPY)



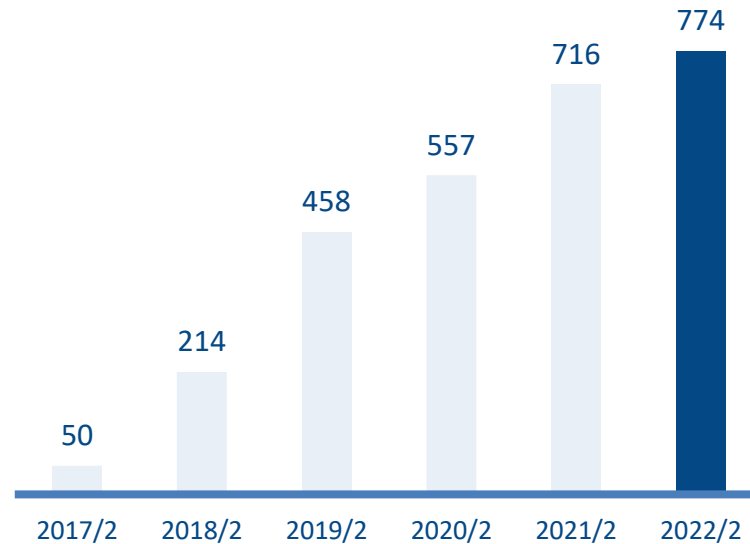
Direct Marketing Business (Full-Year Trend)

Record net sales were posted for FY2022 thanks to strong performance by the Vitabrid C series throughout the year. FY2022 operating profit **achieved record high**, contributed by an increase in net sales due to advertising investment based on efficiency of new customer acquisition.

Net Sales: 12,326 million JPY (108.2% YoY)



Operating Profit: 774 million JPY (108.1% YoY)

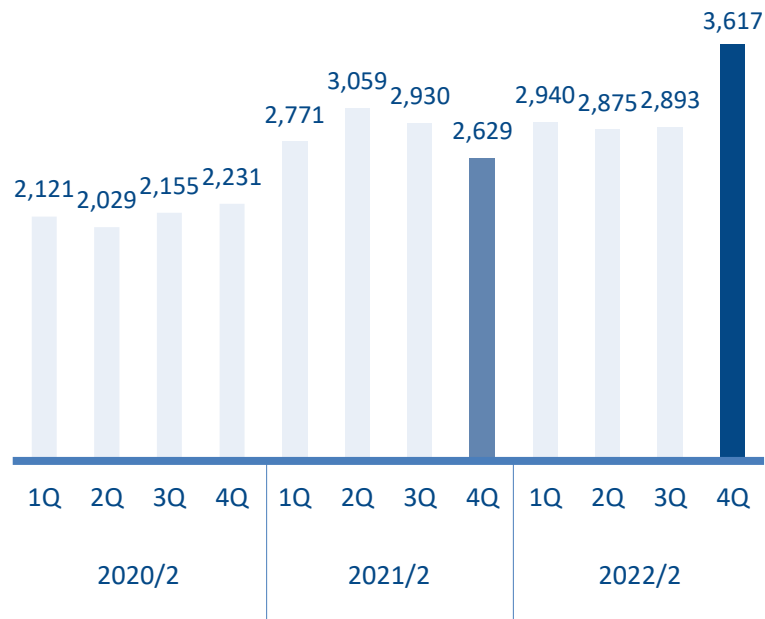


Direct Marketing Business (Quarterly Trend)

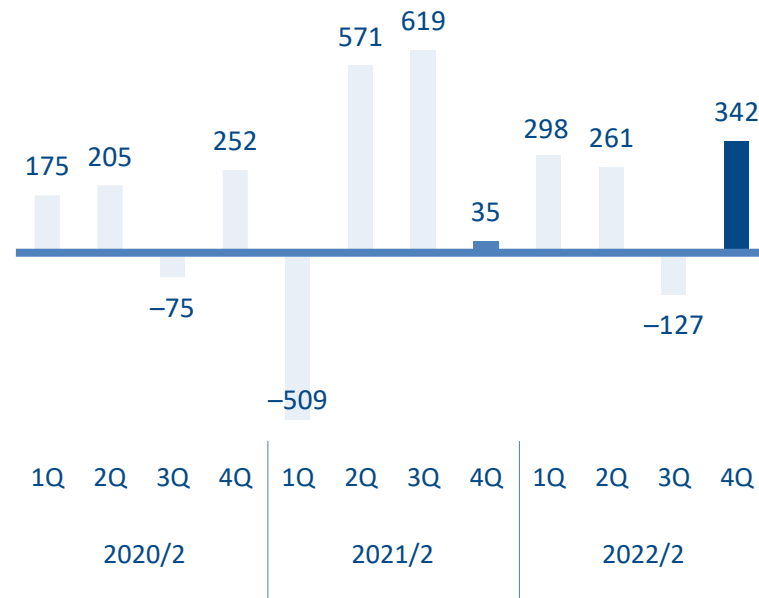
In 4Q FY2022, **record-high net sales were achieved** due to the effect of advertising investment made in 3Q.

In FY2023, we will spend on advertising at the beginning of the year as in FY2021 and seek to maximize earnings and profit for the full year.

Net Sales: 3,617 million JPY (137.6% YoY)



Operating Profit: 342 million JPY (958.7% YoY)



We launched the Vitabrid C series using worldwide patented technology, and it is continuing to grow steadily. It is an accumulated earnings model provided via a subscription model, and the total number of products provided **has surpassed 9,320,000.**

Vitabrid C¹²
Vitabrid Japan

● 定価一覧 ● 会社情報 ● ショッピングガイド ● お問い合わせ
● 最新情報 ● ログイン ● カートを見る

0120-987-361
9時～18時(年中無休)

ビタブリッドCとは 頭皮用 HAIR 美顔用 FACE 注目製品 PICK UP よくあるご質問 マイページ

ビタブリッドC イスチマーキフテン ショウブインジカイド @ サンゼルス

0:39 / 2:13

最新情報 一覧を見る

- 2021.02.03 ターミリアがさらに進化! ターミリアがさらに進化! ターミリアがさらに進化! ターミリアがさらに進化!
- 2020.12.14 フェイスがボスストーン発進に よりご賞状いただけるサービスと連携配慮のため、ビタブリッドCフェイスボスストーン配薬に変更させていただきます。
- 2020.12.1 シリウス累計600万個突破! シリウス累計600万個突破! シリウス累計600万個突破!
- 2020.10.30 日本市場の商品が新発売! 海外で人気の保湿クレンジングバーム、1人1人のエイジングケアを重視した日本初上陸、数週間限定発売開始しました。
- 2020.10.15 フェイス/ヘア-3個定期誕生 特約字商標ビタブリッドC フェイス/ヘア-などにおいて、3個まとめ定期コースを開設いたしました。



The only powder in the world that releases Vitamin C over 12 hours. We will develop skin-beautifying cosmetics, hair growth accelerators, and foods with functional claims.

Net Sales
10,210 million JPY
Feb. 2022

9,890 million JPY
Feb. 2021

8,360 million JPY
Feb. 2020

6,310 million JPY
Feb. 2019

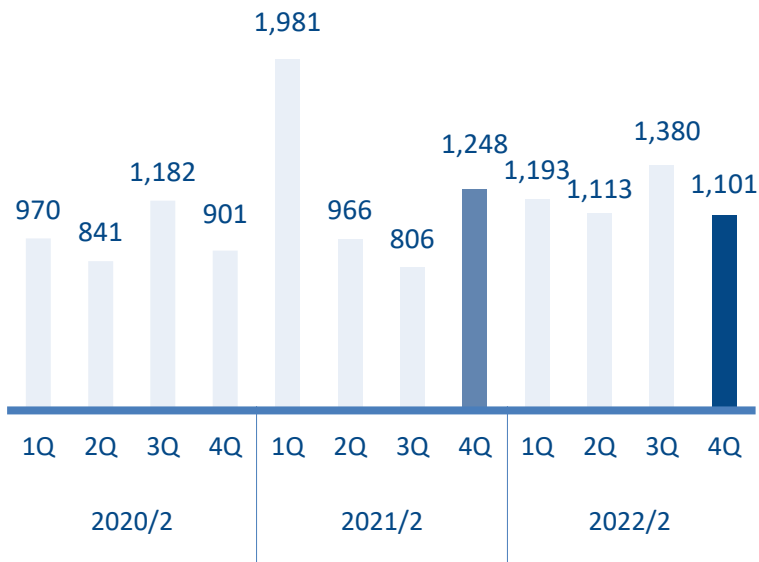
2,850 million JPY
Feb. 2018



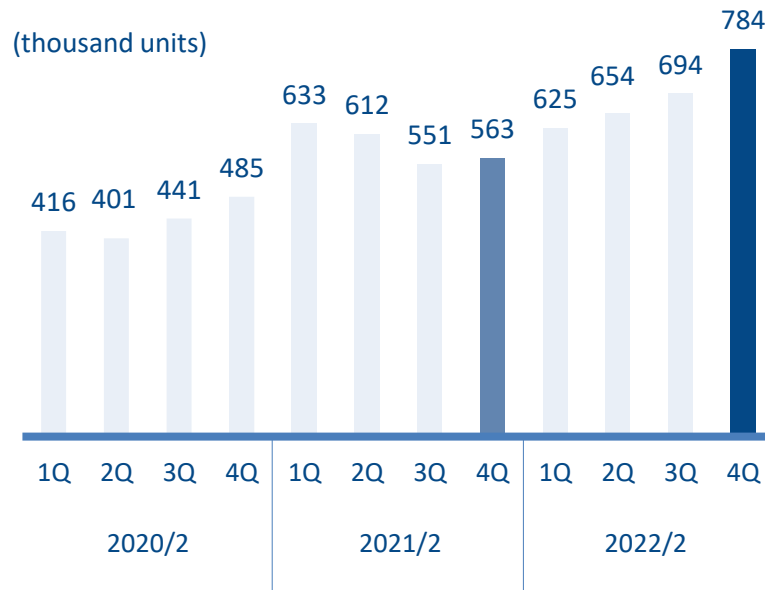
Advertising Expenses and Units Sold

In 4Q FY2022, advertising expenses decreased compared to 3Q due to investment based on efficiency of new customer acquisition. The number of units sold increased significantly thanks to the effect of advertising investments made in 3Q.

Advertising Expenses: 1,101 million JPY (88.2% YoY)

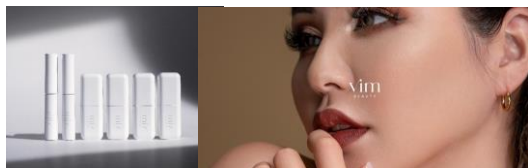


Number of Units Sold: 784 thousand (139.4% YoY)



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

The core brand development business has steadily launched brands, significantly expanding both sales and profits. In FY2023, we will expand our business foundation by establishing a D2C agency business to support client companies' D2C business.



vim
BEAUTY

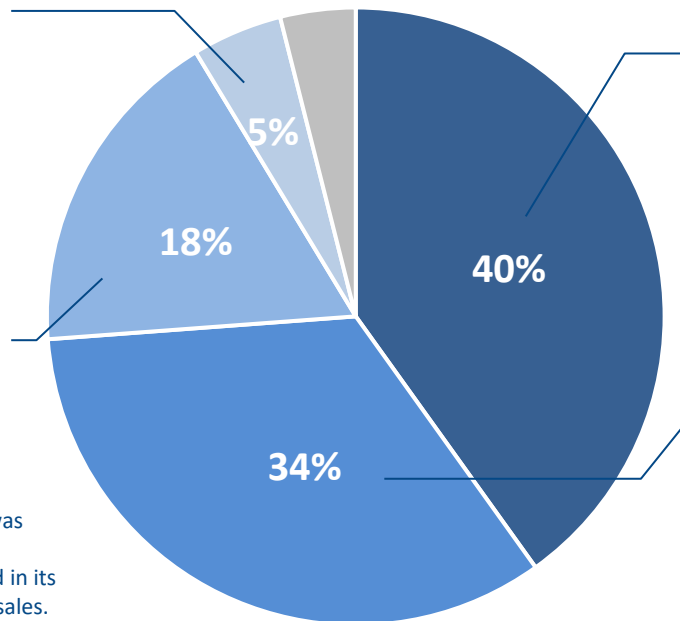
Cosmetic brand produced by a YouTuber Marilyn that launched in January 2022.



U/CHOO

Launched in January 2022, cosmetic brand U/CHOO was produced by Misako Uno, a member of the famous Japanese pop group AAA. Over 20,000 units were sold in its first week of release, made up of online and physical sales.

FY2022 Sales Distribution Ratio



RICAFROSH

Lip tint produced by a popular YouTuber and fashionista Yuka Furukawa. It has surpassed cumulative sales of 1 million units since its launch in February 2020.



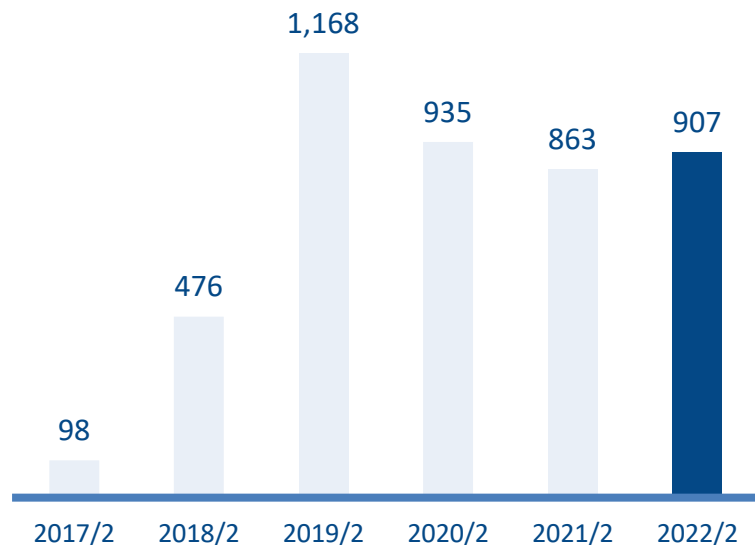
Boka ni

Apparel brand produced by a popular YouTuber Kasu. It generated over JPY 60 million in sales on its day of release, setting a launch day sales record for a YouTuber apparel brand.

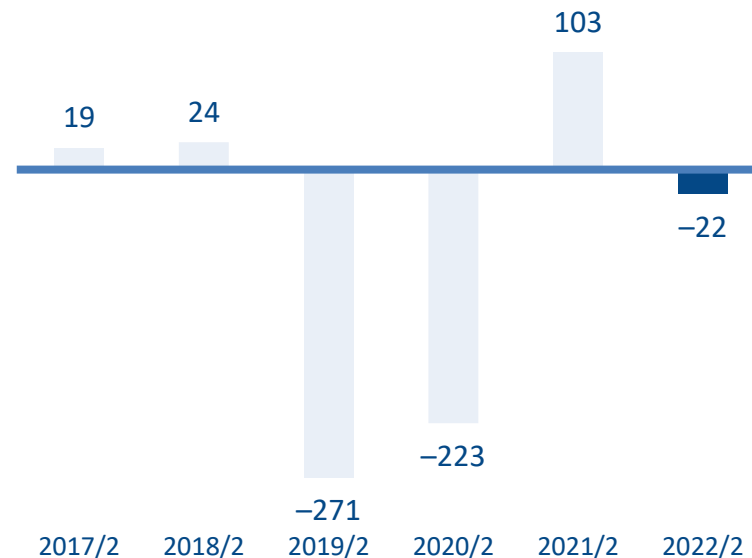
Media Business (Full-Year Trend)

In FY2022, net sales was on a recovery trend thanks to favorable owned media sales although earnings from advertising decreased. An operating loss was recorded for FY2022 due to advance investments in CMS made for building a stable earnings foundation.

Net Sales: 907 million JPY (105.1% YoY)



Operating Loss: 22 million JPY (Down 126 million JPY YoY)

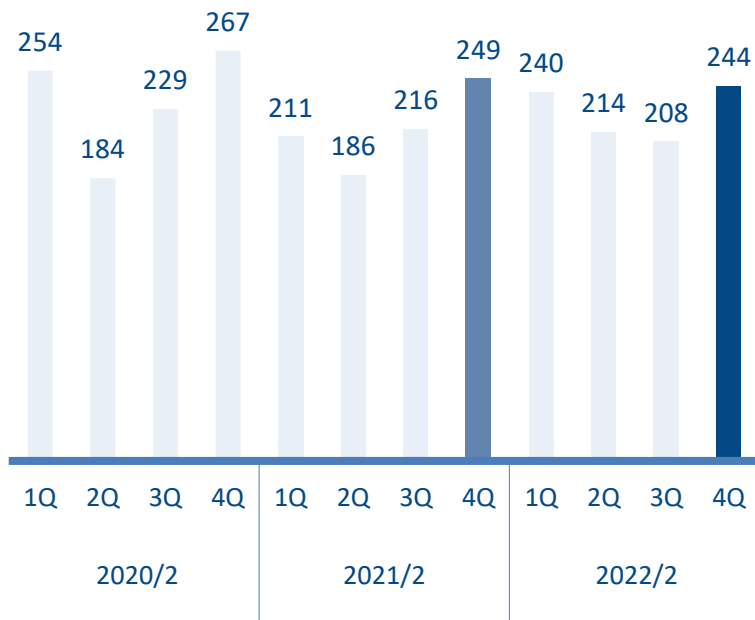


* Amounts for FY2017 and FY2018 are estimated restatements based on reportable segments.

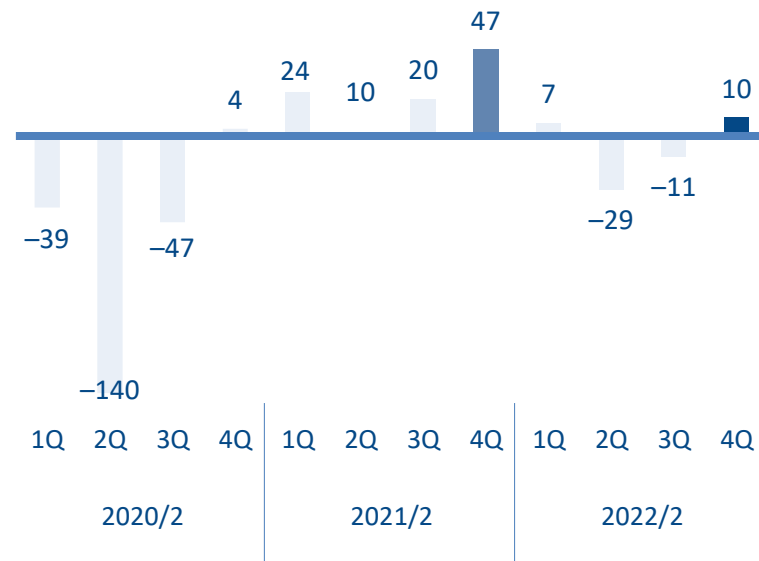
Media Business (Quarterly Trend)

Despite advance investments in CMS, an operating profit was posted for 4Q FY2022 thanks to strong performance in owned media sales. In FY2023, we aim to return to full-year profitability by further strengthening sales for CMS in addition to owned media.

Net Sales: 244 million JPY (97.9% YoY)



Operating Profit: 10 million JPY (22.9% YoY)



Targets for CMS Contracts

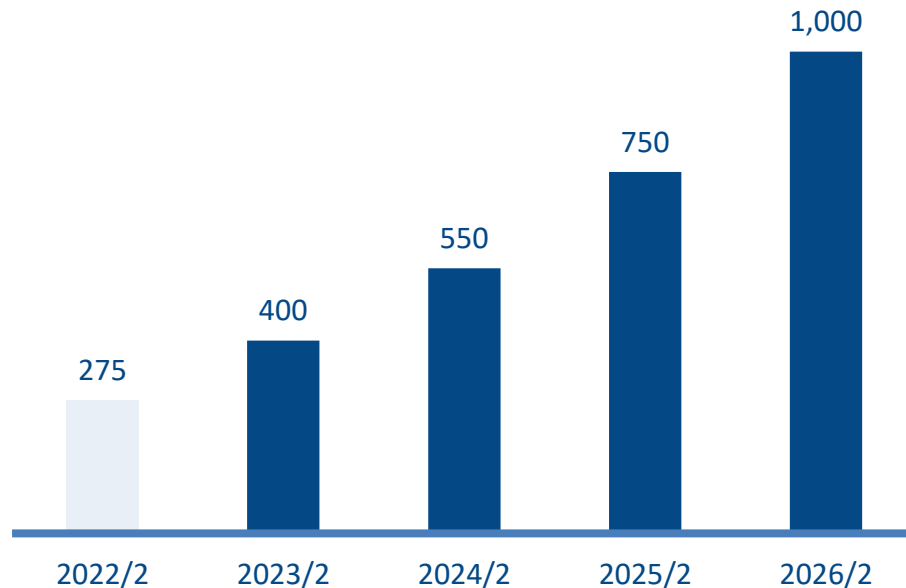
The total number of CMS contracts forms a stable earnings foundation of the Media Business, which we aim to increase to 1,000 by FY2026. In FY2023, we are targeting a total number of CMS contracts of 400 and will secure stable profit by building up subscription earnings.

Integrated management of corporate media systems COMPANY CLOUD



COMPANY CLOUD enables companies to easily develop and manage not only their owned media but also all of their essential media and platforms, such as corporate websites and e-commerce sites, via one CMS and with no coding.

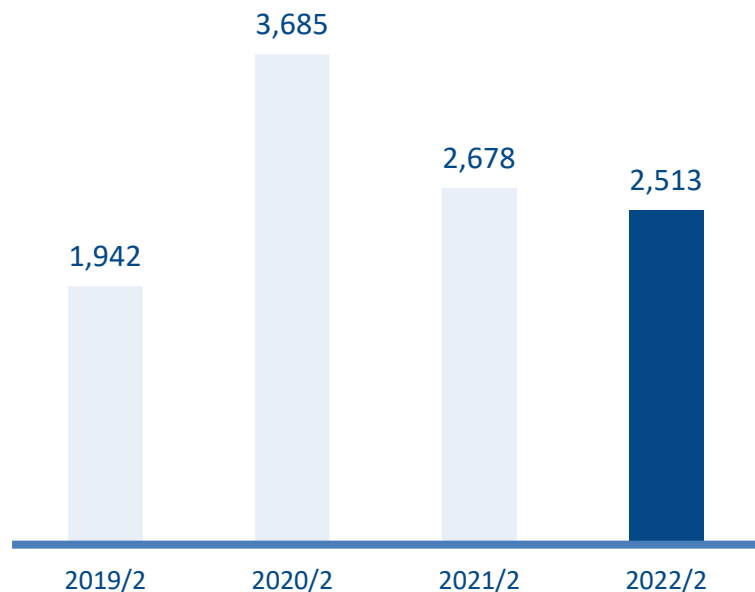
Total number of CMS contracts



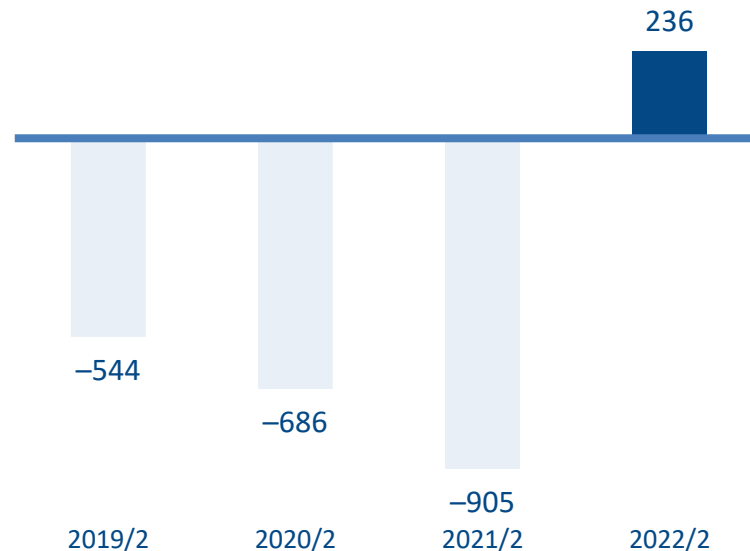
HR Business (Full-Year Trend)

In FY2022, although sales grew for SaaS-based products, net sales decreased in conjunction with the end of cloud system lifetime license sales. Quarterly operating profit has achieved profitability since 2Q following the completion of structural reforms, with a full-year **operating profit also being recorded for the first time**.

Net Sales: 2,513 million JPY (93.8% YoY)



Operating Profit: 236 million JPY (Up 1,141 million JPY YoY)



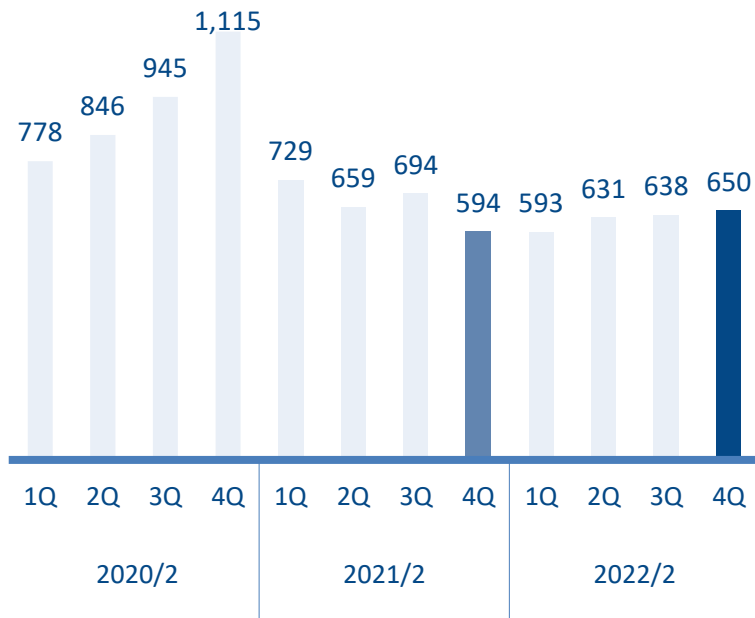
* The figure for 2019/2 is the total of net sales for Q3 and Q4.

HR Business (Quarterly Trend)

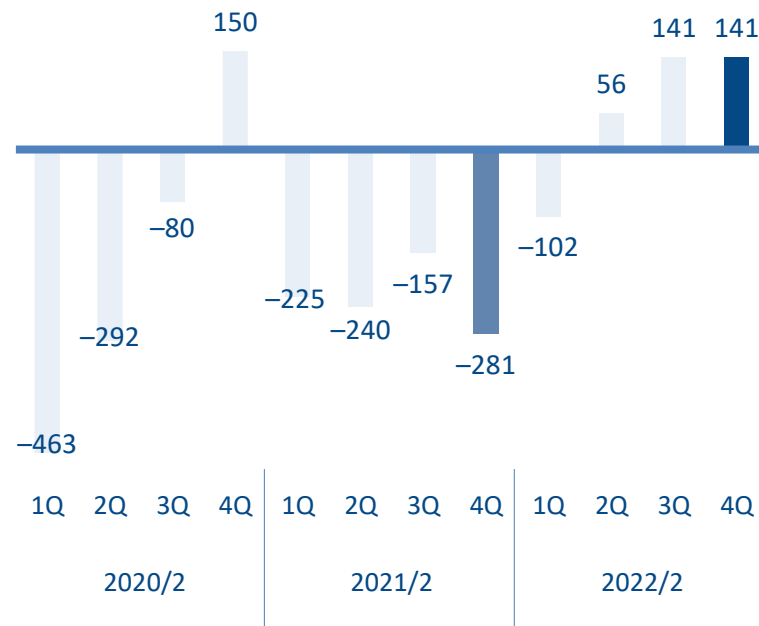
In 4Q FY2022, **operating profit remained at the same level as 3Q** due to growth in sales for SaaS-based products.

In FY2023, we will invest to strengthen sales and functionality of SaaS-based products, aiming for an operating profit of 350 million JPY.

Net Sales: 650 million JPY (109.4% YoY)



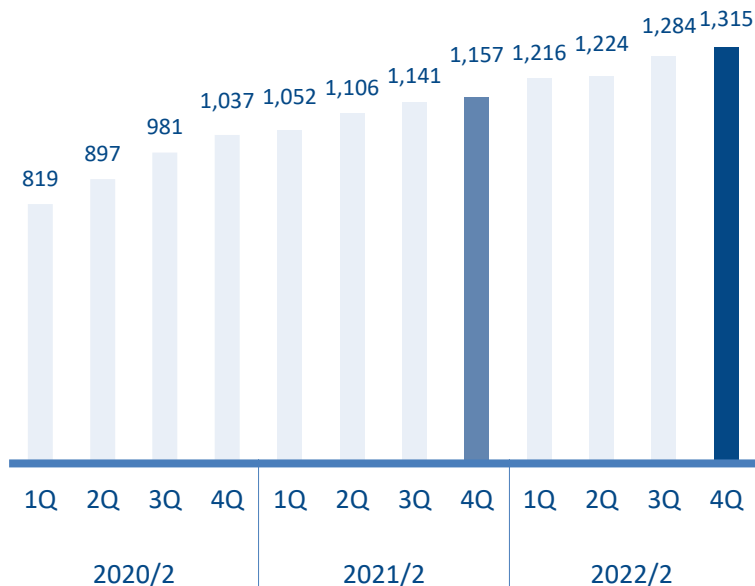
Operating Profit: 141 million JPY (Up 423 million JPY YoY)



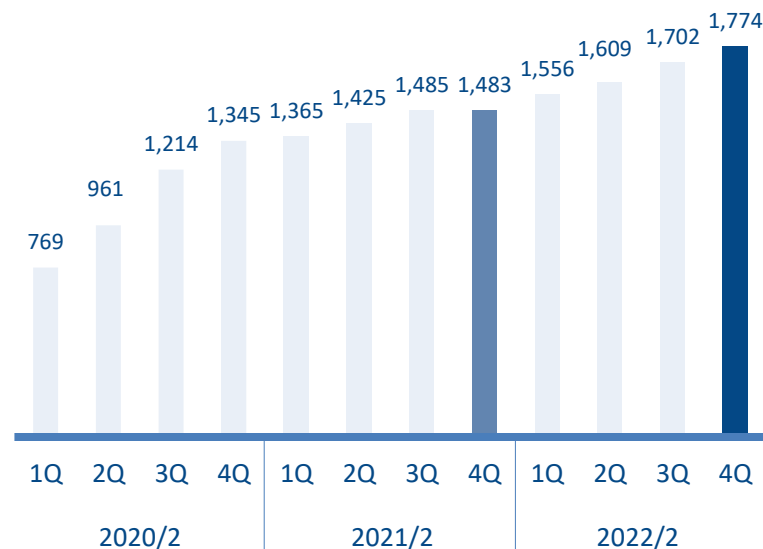
Number of User Companies*1 and ARR*2

The number of user companies in 4Q increased by 31 compared to 3Q, which led to an increase of 158 companies annually, resulting in an accumulated total of 1,315 companies. Annual recurring revenue (ARR) for 4Q was up 72 million JPY from 3Q, with an annual increase of 291 million JPY and bringing the total ARR to 1,774 million JPY.

Number of user companies: 1,315 (113.7% YoY)



ARR: 1,774 million JPY (119.7% YoY)



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

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

Human Resources Business Outlook

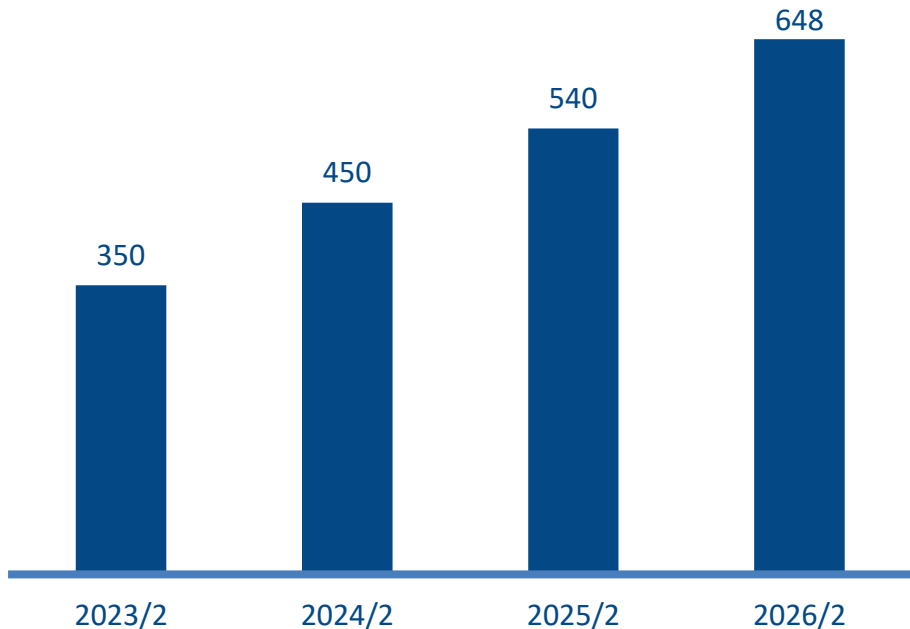
Through strengthening sales of SaaS-based products and increasing retention by improving customer satisfaction, we have expanded the subscription ratio and created a stable earnings foundation. Operating profit in FY2026 is projected to climb to 648 million JPY on the back of stable profits achieved by building up subscription earnings.

Personnel evaluation cloud “Ashita Cloud”



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

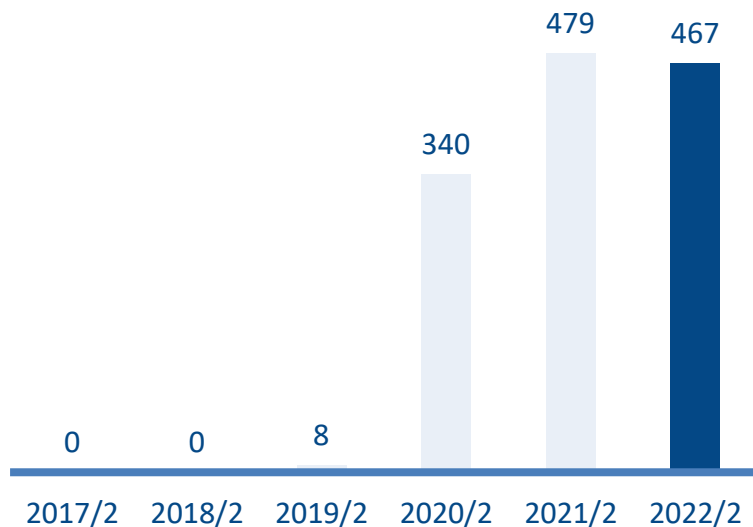
Operating Profit (million JPY)



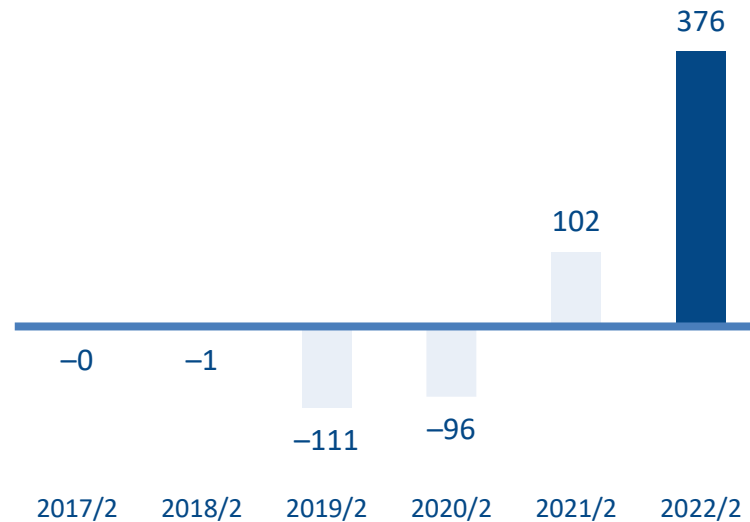
Fund Business (Full-Year Trend)

In FY2022, we sold shares primarily in investees that made IPOs, securing net sales similar to FY2021 levels. Operating profit increased significantly in FY2022, reaching 376 million JPY due to the sale of shares with highly investment leverage.

Net Sales: 467 million JPY (97.4% YoY)



Operating Profit: 376 million JPY (367.3% YoY)

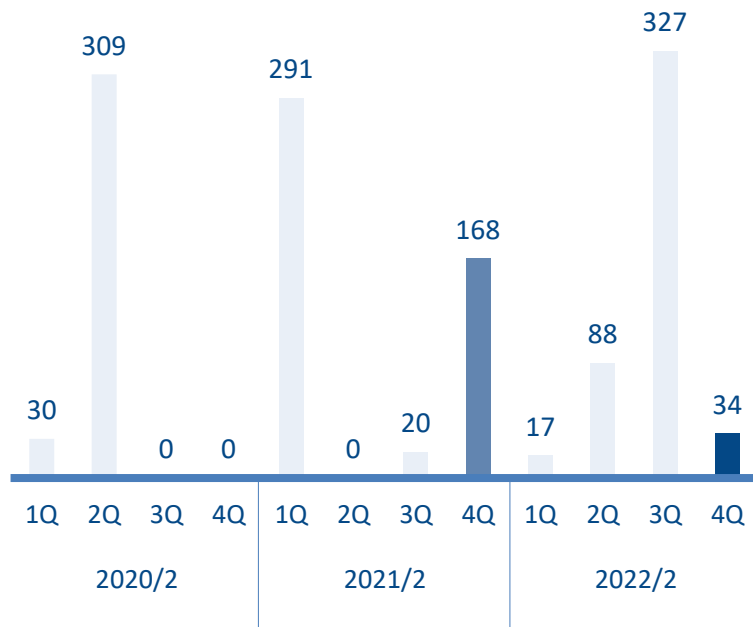


Fund Business (Quarterly Trend)

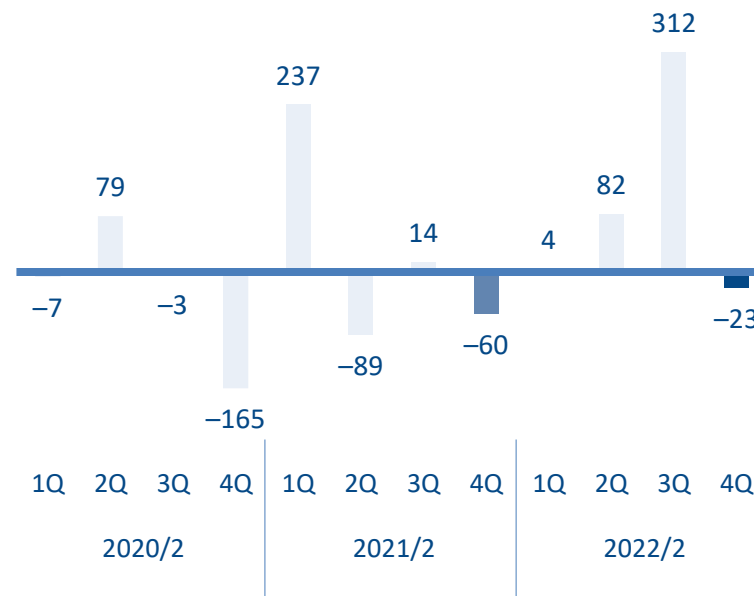
In 4Q FY2022, while a gain was recorded on the sale of shares, an operating loss was posted due to valuation loss.

In FY2023, we will maximize profit by selling shares and recording write-downs based on market trends and the situations of our investees.

Net Sales: 34 million JPY (20.4% YoY)



Operating Loss: 23 million JPY (Up 37 million JPY YoY)



Consolidated Profit and Loss

(million JPY)	FY '21	FY '22	YoY Change	YoY
Net sales	37,273	47,351	+10,078	127.0%
Gross profit	24,448	29,669	+5,220	121.4%
EBITDA	3,003	6,137	+3,134	204.3%
Operating profit	2,314	5,248	+2,934	226.8%
Ordinary income	2,797	5,201	+2,403	185.9%
Profit before income taxes	2,756	5,116	+2,360	185.7%
Profit attributable to owners of parent	486	2,071	+1,584	425.4%

Consolidated Balance Sheet

(million JPY)	FY '21 Year End	FY '22 Year End	Difference	YoY Change
Total assets	30,057	31,575	+1,518	105.1%
Cash and deposits	10,860	13,522	+2,662	124.5%
Goodwill	595	354	-241	59.5%
Operational investment securities + investment securities	8,057	5,363	-2,693	66.6%
Other	10,544	12,335	+1,790	117.0%
Total liabilities	15,202	15,397	+194	101.3%
Borrowings + bonds	6,457	5,717	-740	88.5%
Other	8,744	9,679	+934	110.7%
Net assets	14,854	16,178	+1,323	108.9%

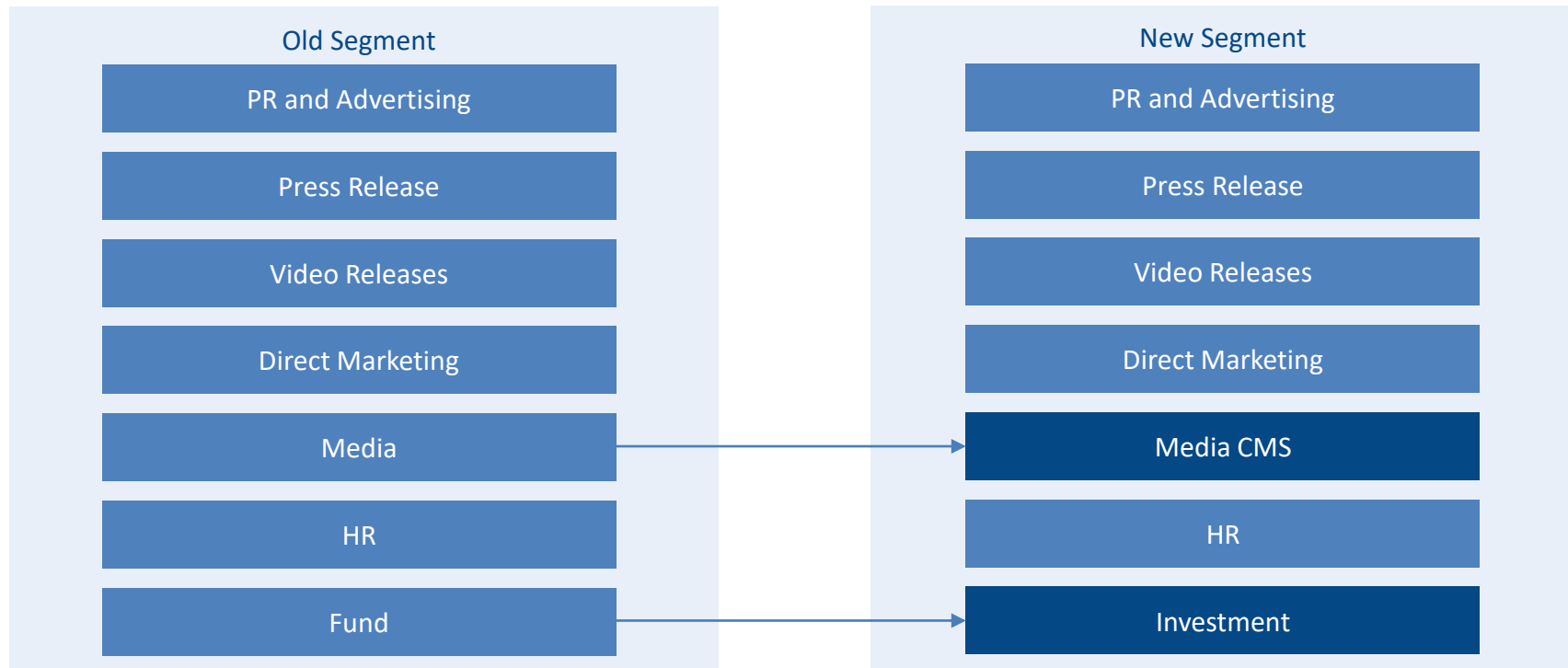
Consolidated Statement of Cash Flows

(million JPY)	FY '21	FY '21	YoY Change	Main Reasons for YoY Change
Cash and cash equivalents at beginning of period	7,884	10,852	+2,967	
Cash flows from operating activities	2,129	4,672	+2,543	Existing businesses showed strong performance Profit before income taxes increased
Cash flows from investing activities	644	(1,002)	-1,646	Gain on sales of investment securities decreased Loss on sale of shares of subsidiaries and associates increased
Cash flows from financing activities	209	(1,060)	-1,270	Secured cash on hand in FY2021 through borrowings Restricted borrowings in FY2022 compared to FY2021
Cash and cash equivalents at end of period	10,852	13,522	+2,670	

FY '23 Financial Forecasts

Segment Changes

In FY2023, we will rename the Fund segment as the Investment segment due to the commercialization of our venture investment activities. The Media segment will also be renamed as the Media CMS segment to reflect the nature of its operations.



Accounting Treatment Change Due to Commercialization of Investment Activities (Companies That Commercialize Investment)

We will position investment as a core business by strengthening its business structure through an increase of personnel numbers and commercialization of investment activities.

From FY2023, accounting treatment for companies that commercialize investment activities will be changed as follows.

Financial Statement	Item	Before Change	After Change
Profit and Loss (PL)	Sale of shares	Gain (loss) on sale is recorded under non-operating income (expenses)	Sale price to be recorded in net sales and book value on sale recorded in cost of sales
	Share valuation (impairment)	Recorded in non-operating expenses	To be recorded in cost of sale
	Dividends received	Recorded in non-operating income	To be recorded in net sales
Balance Sheet (BS)	Acquisition of shares	Recorded in investment securities (investments and other assets section)	To be recorded in operational investment securities (current assets section)
Statement of Cash Flows (CF)	Acquisition of shares	Recorded in purchase of investment securities (cash flows from investing activities section)	To be recorded in decrease (increase) in investment securities for sale (cash flows from operating activities section)
	Sale of shares	Sale price recorded in proceeds from sale of investment securities (cash flows from investing activities section), and gain (loss) on sale recorded in loss (gain) on sale of investment securities (cash flows from operating activities section)	To be recorded in decrease (increase) in investment securities for sale (cash flows from operating activities section)
	Share valuation (impairment)	Recorded in loss (gain) on valuation of investment securities (cash flows from operating activities section)	To be recorded in decrease (increase) in investment securities for sale (cash flows from operating activities section)
	Dividends received	Balance of the amount recorded in the PL and the cash income amount is adjusted in the cash flows from operating activities section	Adjustment not required

Accounting Treatment Change Due to Commercialization of Investment Activities (Companies That Do Not Commercialize Investment)

Prior to the changes, accounting treatment for companies that do not commercialize investment activities was performed in accordance with the Group's accounting method. Due to the commercialization, from FY2023 accounting treatment will be performed in accordance with the situations of each Group company and will be changed as follows.

Financial Statement	Item	Before Change	After Change
Profit and Loss (PL)	Sale of shares	Gain (loss) on sale is recorded under non-operating income (expenses)	Gain (loss) on sale is recorded under extraordinary income (loss)
	Share valuation (impairment)	Recorded in non-operating expenses	Recorded in extraordinary loss
	Dividends received	Recorded in non-operating income	No change
Balance Sheet (BS)	Acquisition of shares	Recorded in investment securities (investments and other assets section)	No change
Statement of Cash Flows (CF)	Acquisition of shares	Recorded in purchase of investment securities (cash flows from investing activities section)	No change
	Sale of shares	Sale price recorded in proceeds from sale of investment securities (cash flows from investing activities section), and gain (loss) on sale recorded in loss (gain) on sale of investment securities (cash flows from operating activities section)	No change
	Share valuation (impairment)	Recorded in loss (gain) on valuation of investment securities (cash flows from operating activities section)	No change
	Dividends received	Balance of the amount recorded in the PL and the cash income amount is adjusted in the cash flows from operating activities section	No change

Accounting Treatment Due to Commercialization of Investment Activities (Company Classification)

Investment will be positioned as a core business and four companies will engage in the commercialization of investment activities.
(VECTOR, VECTOR Hong Kong, 100Capital, VECTOR Investment Advisory)

Accounting Classification	Before Change	After Change
<ul style="list-style-type: none"> Gain (loss) on investment and dividend income recorded in operating profit (loss) Shares recorded in operational investment securities 	100Capital VECTOR Investment Advisory	100Capital VECTOR Investment Advisory VECTOR VECTOR Hong Kong
<ul style="list-style-type: none"> Gain (loss) on investment and dividend income recorded in non-operating income (expense) Shares recorded in investment securities 	VECTOR VECTOR Hong Kong Companies that do not commercialize investment activities	Not applicable
<ul style="list-style-type: none"> Gain (loss) on investment recorded in extraordinary income (loss) Dividend income recorded in non-operating income Shares recorded in investment securities 	Not applicable	Companies that do not commercialize investment activities

Effect of Accounting Treatment Change on the Consolidated Financial Statement

From FY2023, accounting treatment for investment will be changed due to the commercialization of investment and its positioning as a core business.

The table below shows the changes in the consolidated financial statement if the accounting treatment changes are applied to FY2022.

FY '22 (million JPY)	Before Change	Difference Due to Change in Accounting Policy	After Change
Net sales	47,351	+771	48,122
Cost of sales	17,681	+891	18,573
Gross profit	29,669	-120	29,549
SG&A expenses	24,420	—	24,420
Operating profit	5,248	-120	5,128
Non-operating income	868	-642	225
Non-operating expenses	915	-770	144
Ordinary income	5,201	+7	5,208
Extraordinary income	125	—	125
Extraordinary losses	209	+7	216
Profit before income taxes	5,116	—	5,116
Profit attributable to owners of parent	2,071	—	2,071

Full-Year Financial Forecast for FY '23

Full-Year Financial Forecast for FY '23 (million JPY)	FY '22 (Results)	FY '23 (Target)	YoY	FY '23 1H Target	FY '23 2H Target
Net sales	47,351	53,100	112.1%	24,890	28,210
Operating profit	5,248	6,200	118.1%	2,070	4,130
Ordinary income	5,201	6,100	117.3%	2,020	4,080
Profit attributable to owners of parent	2,071	3,000	144.8%	900	2,100
Reference: Net sales under the old revenue standard	47,351	56,500	119.3%	26,550	29,950

The full-year forecast assumes that the impact of COVID-19 will be of a similar level to FY2022. VECTOR's dividend policy is to ensure a consolidated payout ratio for shareholders of around 30%, and in FY2023, we plan to pay a dividend of **18 JPY per share**.

Profit Plan by Segment

	Profit Plan by Segment (million JPY)	FY '22 (Results)	FY '23 (Targets)	YoY
Operating profit (loss)	Consolidated	5,248	6,200	118.1%
	PR and Advertising	2,125	2,634	123.9%
	Press Releases	1,834	1,600	87.2%
	Video Releases	(72)	50	+122
	Direct Marketing	774	835	107.7%
	Media CMS	(22)	51	+73
	HR	236	350	148.1%
	Investment	376	680	180.7%

We expect operating profit in PR and Advertising to continue to perform strongly in FY2023 at 123.9% YoY, despite some impact anticipated from COVID-19. For Press Release, we are expecting operating profit at 87.2% YoY due to advance investments made with the aim of achieving 3,500 million JPY in FY2026.

Advance Investments in the Press Release Business

Press Release Business (million JPY)	FY '22 (Results)	FY '23 (Targets)	YoY
Net sales	4,854	5,950	122.6%
Operating profit	1,834	1,600	87.2%
Advertising expenses	343	1,190	346.2%
Overseas expansion expenses	0	200	—

■ Key points for advance investments in the Press Release Business

Press Release will enter an advance investment phase in FY2023, with an increase in sales and decrease in profit planned.

We will make advance investments of 1,390 million JPY to expand the business, targeting an operating profit of 3,500 million JPY in FY2026.

1. Will make large-scale advertising investment of 1,190 million JPY to increase the number of users for services such as PR TIMES.
2. Expenses related to preparation for the expansion of PR TIMES into the U.S. market are estimated at 200 million JPY.

Medium-term Profit Plan

Medium-term Profit Plan

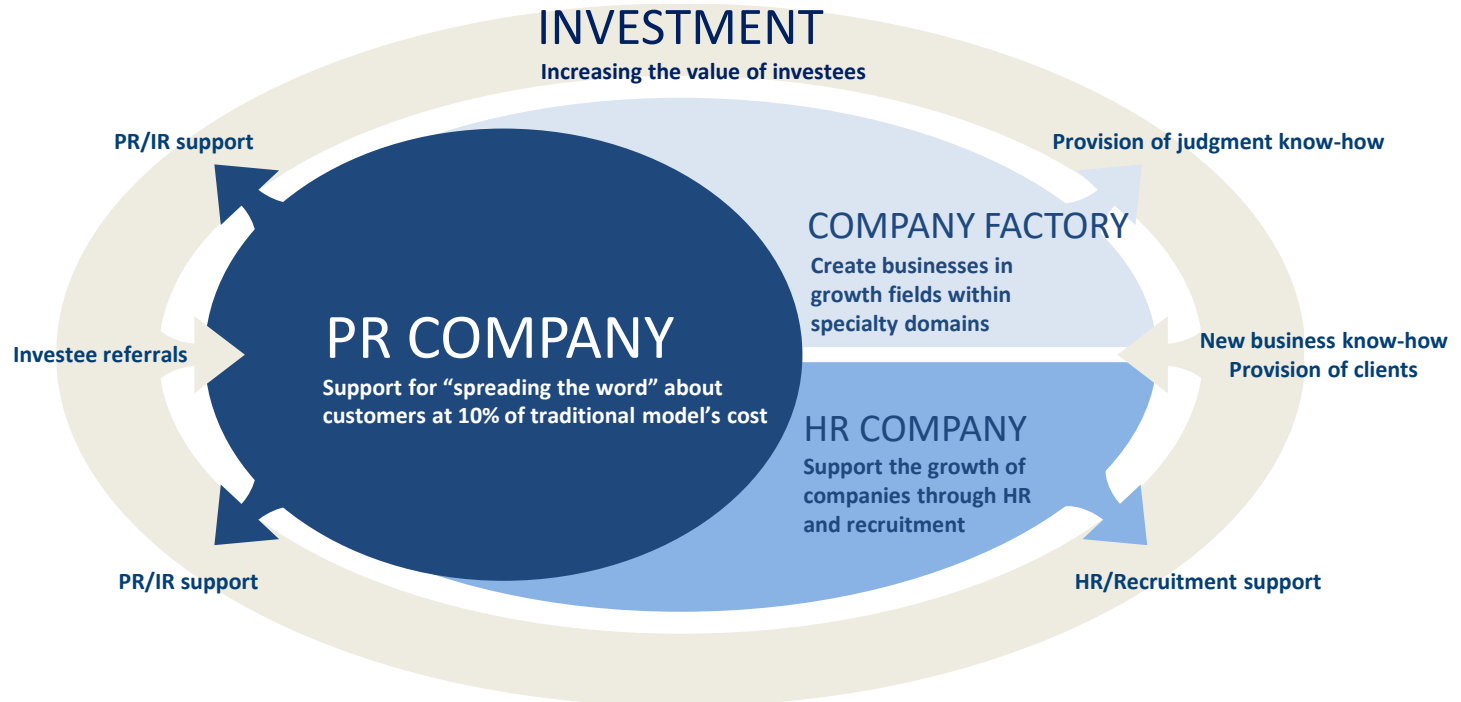
Medium-term Profit Plan (million JPY)	FY '23 (Targets)	FY '24 (Targets)	FY '25 (Targets)	FY '26 (Targets)
EBITDA*	7,020	7,920	9,160	10,660
Operating profit	6,200	7,260	8,500	10,000

- **For FY2026, we expect EBITDA of 10,660 million JPY and operating profit of 10,000 million JPY.**
- Figures for both EBITDA and operating profit are target figures excluding stock-based compensation expenses.
- VECTOR's dividend policy is to ensure a **consolidated payout ratio** for shareholders aimed at **30%**.
- We will revise the medium-term profit plan as necessary according to factors such as market trends and financial performance.



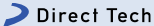










*EBITDA = Operating profit + Depreciation + Amortization of goodwill

VECTOR Group Business Concept

Aim for continuous Group expansion by supporting the growth of client companies in the four business domains of **PR COMPANY**, which seeks to help client companies spread the word, **HR COMPANY**, which seeks to support businesses through HR and recruitment, **COMPANY FACTORY**, which seeks to create new businesses, and **INVESTMENT**, which seeks to grow our investment business.



Businesses Comprising VECTOR Group

PR COMPANY	COMPANY FACTORY	HR COMPANY	INVESTMENT
PR/Press Releases/Video/Digital Marketing	D2C	Personnel Evaluation	Investment
 <p>FAST COMPANY provides one-stop, comprehensive support for marketing strategies designed to deliver the excellent products, services and solutions of our customers to the world.</p>	 <p>We handle everything in-house, from product planning and production to advertising, marketing, and purchasing in a D2C business having direct contact with customers.</p> <hr/> <p>Vitabrid C¹² Vitabrid Japan</p> 	 <p>Our HR Business primarily provides consulting and personnel evaluation cloud solutions to support the introduction and operation of personnel evaluation systems.</p> <hr/> 	 <p>In our venture company investing activities, we provide investees with support for increasing value along with PR and IR.</p> <hr/>
<p>vector ANTIL </p> <p>vector Platinum </p> <p>vector INITIAL </p> <p>vector SIGNAL </p> <p>PRTIMES</p> <p>Smartmedia</p> <p>NT</p> <p>NEWS TV</p>	<p>New Business</p>  <p>We grow service domains taking advantage of the business knowhow we have cultivated and start new businesses that leverage Group synergies and partner strengths.</p> <hr/> <p>MEDICAL TECHNOLOGIES</p> <p>LIVER BANK</p> <p>PERFORMANCE TECHNOLOGIES</p> <p>CYBER SECURITY BANK</p>	<p>Recruitment Support</p>  <p>We provide a service that enables job seekers and companies to utilize video in the initial recruitment processes, solving issues that both parties face and achieving speedy matching.</p> <hr/> <p>JOBTV</p>	<p>vector </p> <p>100 capital</p>

Company Strategy

Expanding the PR COMPANY Domain

PRWeek Top Consultancies 2020: Asia-Pacific

Rank	Company	2019 revenue (US\$)	2018 revenue (US\$)	% change
1	Vector	212,000,000	180,500,000	17%
2	Ogilvy*	163,500,000	150,000,000	9%
3	Weber Shandwick*	132,011,250	125,725,000	5%
4	MSL*	128,100,000	122,000,000	5%
5	BCW*	108,416,000	96,800,000	12%
6	MC Group	107,490,000	70,870,479	52%
7	Edelman	105,626,000	104,230,000	1%
8	Fleishman Hillard*	62,400,000	60,000,000	4%
9	Brunswick	40,100,000	32,100,000	25%
10	Ruder Finn	38,991,500	37,626,000	4%
11	Havas PR	28,900,000	25,000,000	16%
12	WE Communications	27,600,000	24,900,000	11%

Ranked #1 for Asia
in *PRWeek*

*Source: PRWeek Top Consultancies 2020: Asia-Pacific

From #1 PR Firm in Asia...

...to #1 PR Firm Worldwide

Further expand domains
PR market in Japan worth 100 billion JPY



...by becoming a Fast Company in
Advertising Industry

Target advertising market worth 6 trillion JPY

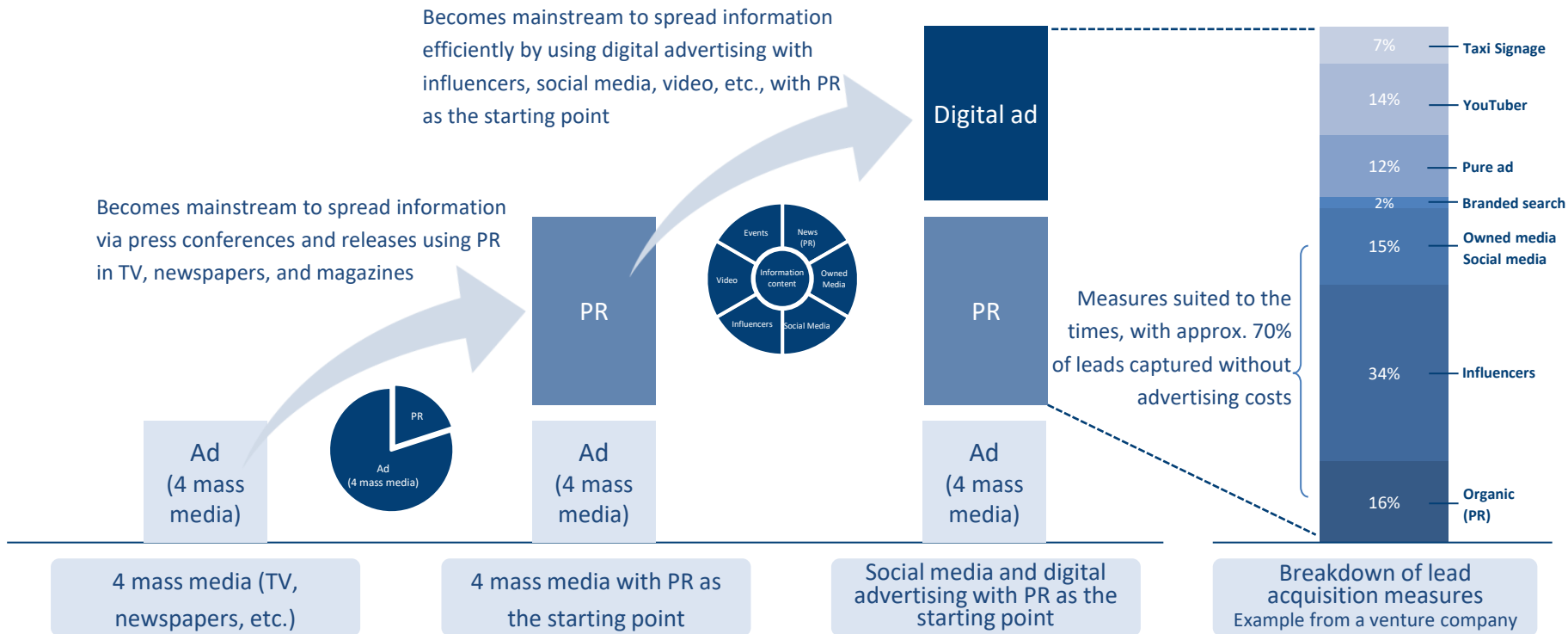
Advertising industry disrupter

“Low Cost” “Middle Quality” “Speedy”

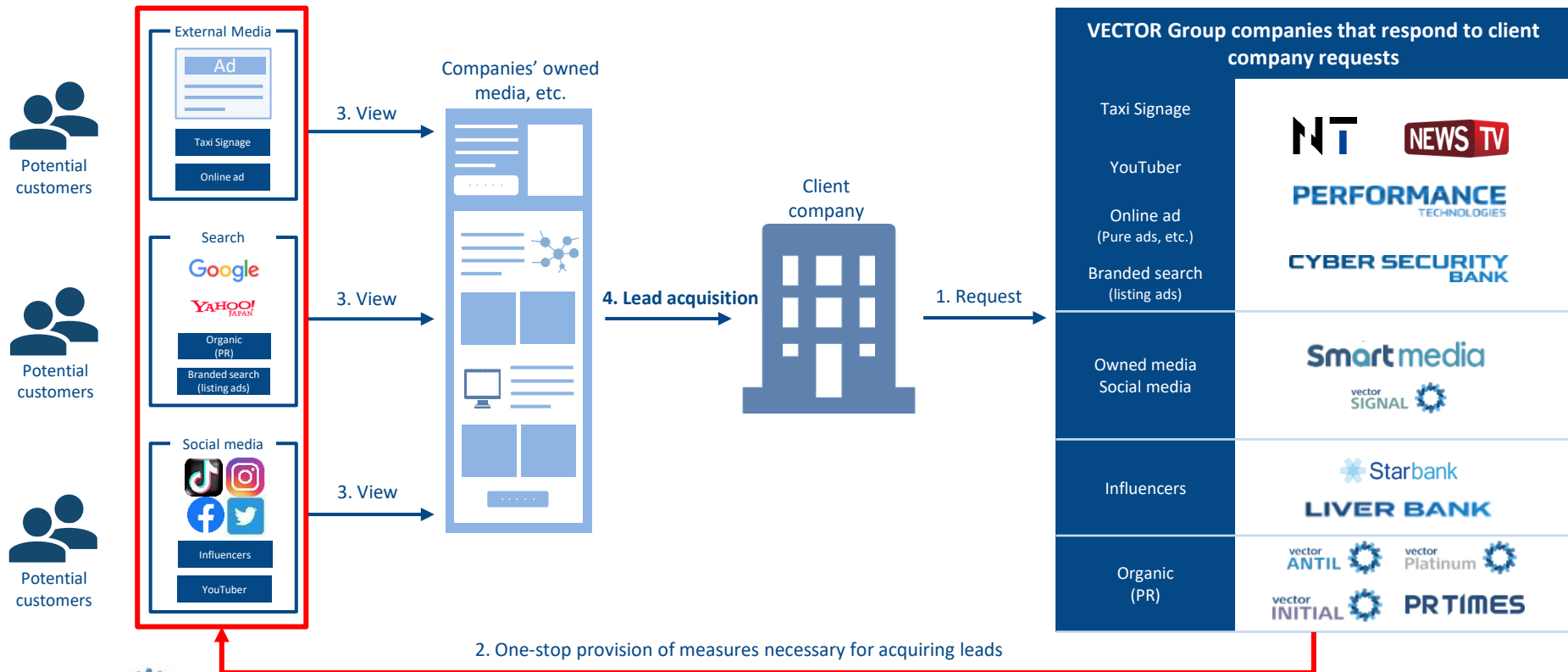
Revolutionize the advertising industry like fast fashion did
in the apparel industry

Change in the Way to Spread the Word

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



One-stop provision of measures necessary for acquiring leads



One-stop provision of services necessary for spreading the word.
Marketing measures suited to the times delivered at 10% of traditional model’s costs.

Celebrity Casting					
Cast celebrities for content including websites, online videos and events.					Starbank
Press Releases	PR Consulting	Video Releases	Influencers	Digital Marketing	Risk Management
 <p>#1 press release service in Japan with over 60,000 clients. Used by 50% of publicly-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>Next-generation communication based on the production and distribution of video news from a PR standpoint, delivering content direct to the target audience.</p> <p>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 owned media creation and operation, and production of PR videos.</p> <p>vector SIGNAL</p> <p>NT</p> <p>Smart media</p>	 <p>Provision of consulting services concerning corporate reputation management and brand security using unique technology based on theory and know-how built up in the United States.</p> <p>BRAND CONTROL</p>

JPY 0

JPY 50 Million/Year

3 key points for strengthening the Fast Company concept

1
DX

Improve business efficiency through the promotion of Hiomeru and PR BANK, which aim to advance DX in the advertising industry

2
Talent

Increase sales per customer by enabling clients to use celebrities and slogans to increase service awareness

3
VC + PR

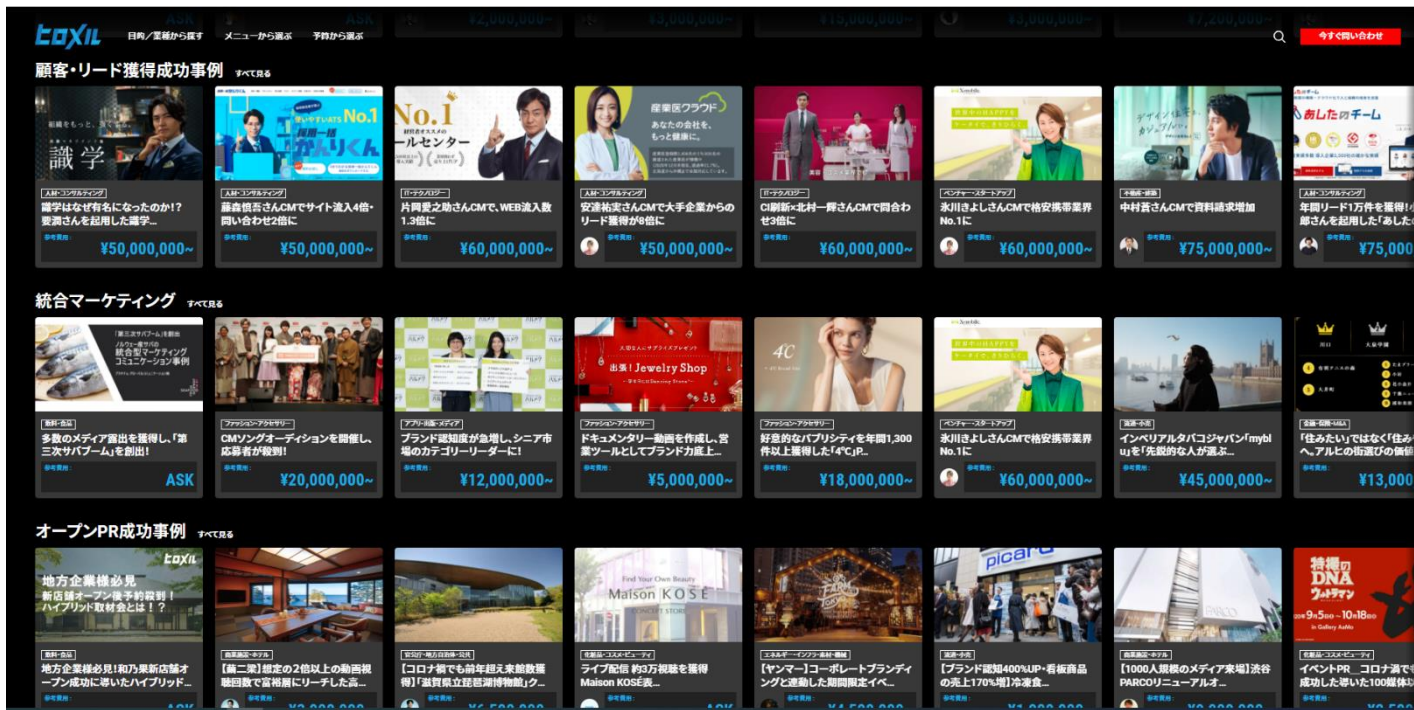
Expand the customer base by further strengthening venture capital (VC) capabilities based on numerous achievements in venture investment and PR/IR support

1 DX

DX in the advertising industry

We will boost productivity for clients while increasing our sales per customer by providing Hiromeru and PR BANK, which aims to improve business efficiency and deliver new value to customers.

Hiomeru is an e-commerce site for the advertising industry that aims to improve sales process efficiency by providing online orders.



<https://hilomel.com/> (in Japanese only)

Customers can find plans suitable for their business by browsing success examples.

採用一括 **かんりくん** 特長・機能 セキュリティ 導入事例 プラン セミナー情報 お知らせ お役立ち情報

無料お試し お問い合わせ ログイン

採用担当者が選ぶ
使いやすいATS **No.1**

採用一括 **かんりくん**

藤森慎吾さんCMでサイト流入4倍・問い合わせ2倍に

新卒・中途採用を一元管理できる採用管理システム「採用一括かんりくん」の認知度向上とブランディングを通じた問い合わせの獲得。

再生

この事例の費用と内容

費用イメージ ¥50,000,000~ | 一割

目的 タクシー 広告成功事例、顧客・リード獲得成功事例

採用もり内容 タレント契約 : 約3000万円~ CM企画・制作 : 約1000万円~ タクシー 広告 : 約200万円/1週間~

このパッケージで利用したメニュー
タレントブランディング タクシー広告 (adsense)

お問い合わせ

シェアする



Agents in charge of previous orders explain what made the job successful via video.

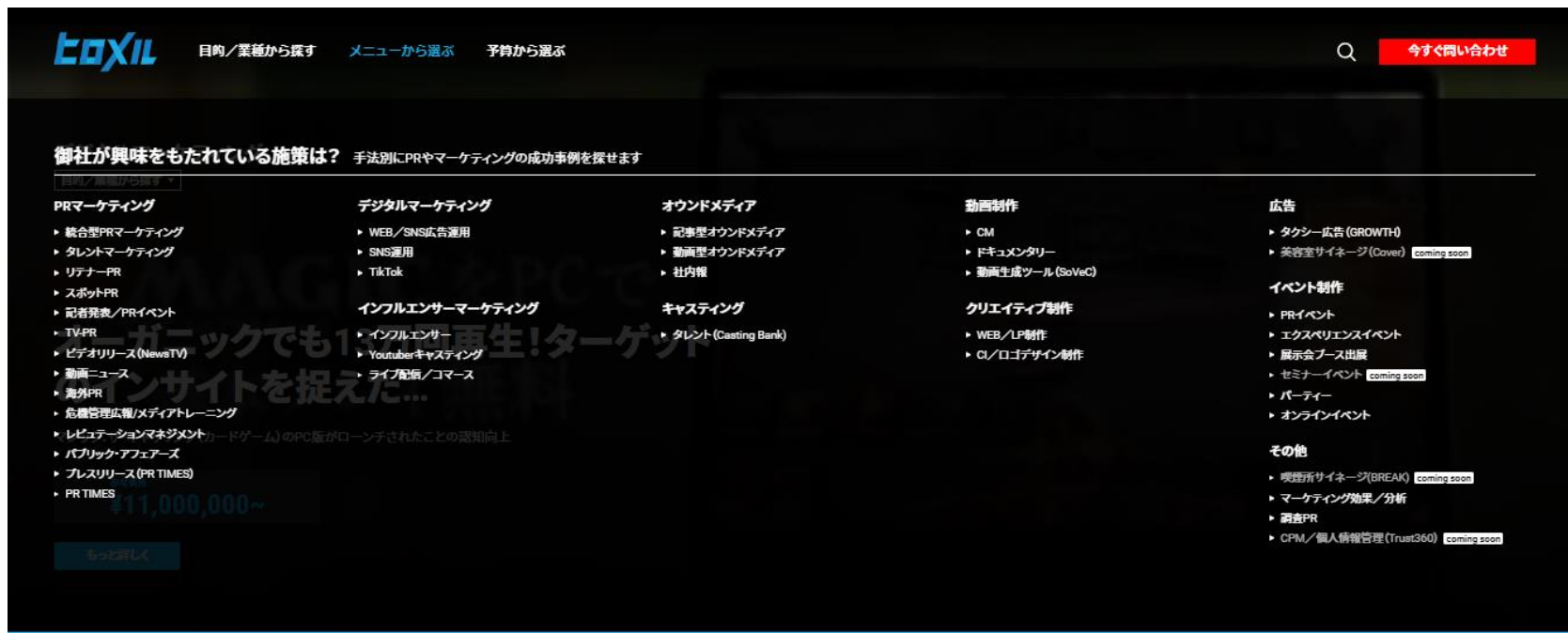
Example: Branding strategy utilizing celebrities

1. Formulation of keywords that ensure the audience remember product features
2. Celebrity casting to ensure that the brand becomes well known
3. Production of a commercial that clearly explains the brand's appeal

Providing an extensive, one-stop Hiomeru menu utilizing VECTOR Group services

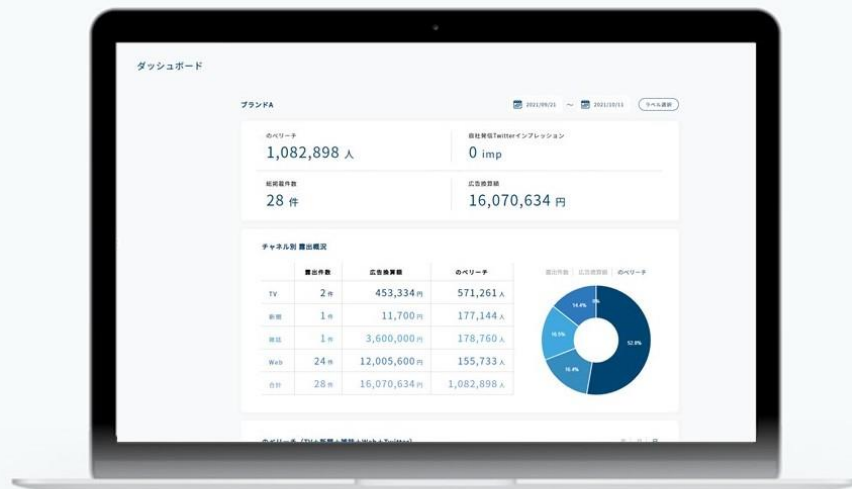
We will start with targeting 350 inquires and 35 orders,

increasing awareness of Hiomeru while improving its functionality.



PR BANK provides a cloud-based solution that can provide measurement and analysis of PR effectiveness to support the data-driven PR activity for our clients.

PR効果を自動で可視化



PR BANK provides monitoring and integrated management of PR activity (TV, newspaper, magazine, website, and social media) as well as automatic calculation of advertising conversions and reach numbers.

PR BANK Benefits

01

Visualization and analysis of reach numbers

The original PR metric of ad conversions can be replaced with new evaluation metrics.

02

Expansion of strategy development perspective through competitor comparison

Fixed-point measurement of media coverage of specified competitors' services can be performed.

03

Refinement of PR project reviews

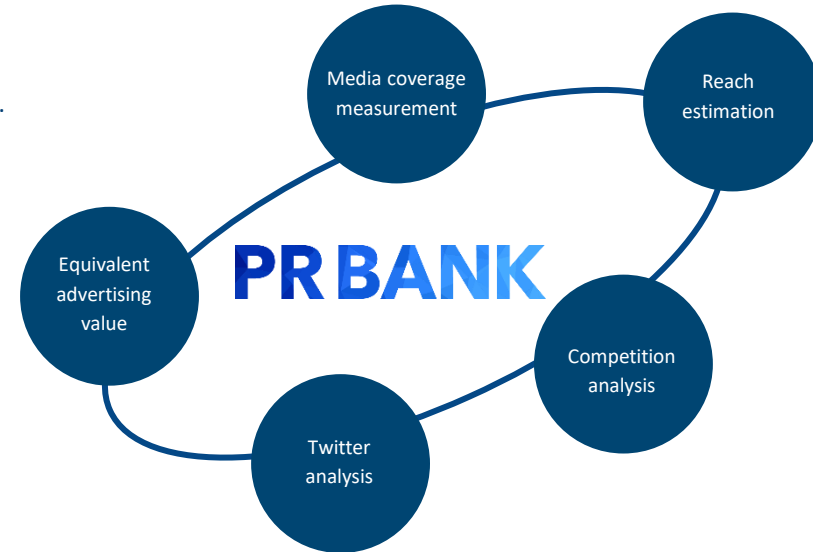
Measure and compare reach numbers for each campaign and project.

04

Increased efficiency in monitoring and reporting

The amount of coverage and media can be visualized over a specified time period using the dashboard.

Features provided by PR BANK



2 Talent

Talent Communication

Utilize well-known celebrities to create a strong impact and deliver a focused message about services to increase awareness and maximize advertising effectiveness.

Promote services by using celebrities and slogans to deliver a focused message.
We have set the target to provide talent communication to 300 user companies per year,
aiming to increase sales per customer.



TALENT BANK was launched in April 2022 to reduce the barriers companies face in using celebrities and to create opportunities to establish celebrity advertising contracts.

It also enables celebrity images and video to be used in forms of media other than TV.



<https://talentbank.jp/> (in Japanese only)

3 VC + PR

VC that offers both capital and PR support

We will maximize investment leverage by supporting clients not only through funding as in conventional VC but also through PR and IR support.

Most Recent IPOs Invested In

Supporting corporate growth through investment and PR/IR (total of 27 IPOs).

SecondXight Analytica, Inc. and Mental Health Technologies Co., Ltd. listed on the TSE Growth Market.

Date of listing	Company name	Market
April 4, 2022	 SecondXight Analytica, Inc.	TSE Growth Market
March 28, 2022	 Mental Health Technologies Co., Ltd.	TSE Growth Market
November 24, 2021	 Last One Mile Co.,Ltd.	TSE Growth Market
September 28, 2021	 Livero	TSE Growth Market
September 28, 2021	 ROBOT PAYMENT	TSE Growth Market
July 6, 2021	 BCC Co.,Ltd.	TSE Growth Market
June 29, 2021	 Waqoo	TSE Growth Market

Solid Track Record of Investment in Growth Fields

 = IPO complete

IoT and Security Systems

Logbar, Orano, infoNet, gengo, REVOLVER, CSC, QR Translator, Secual, PHONE APPLI, hachidori, GMO タウンWiFi, SWITCH★SMILE, OTOBANK, RES社UNI, uhuru, CiN, medi

AI and Big Data

AI CROSS, SecondXight, Headwaters, cinnamon, OMEGA, メトロエンジン, VIRTUSIZE, ウバトル, VISITS Technologies

Marketing and Sales

QON, Branding Technology, WILL.GATE, SALES, Marketing-Robotics, ALLIANCE CLOUD, COMIX, SubFac, Algorithm, FULLER, ENRISSION, basic, AdInte, CMN

D2C

KOL Technologies, Vegetable Tech, PIALA, Waqoo, Wondershake

Restaurants, Retail, Beauty

TERMINAL, SARAH, TRION CORPORATION, Life is Tech!, S&T, M&A, VEGO VEGECO, iCure, adval, エアトリ, FUN UP Inc., 12UMI-12M GROUP, Fun, iSealina, zentokyo, Bears, ReNet Group, X-mobile, reposito, 株式会社一宮ダイニングプロジェクト

Fintech and Real Estate

RESIDENCE TOKYO, リノべる, LEEWAYS, milize, SYLA HOLDINGS, bitFlyer, TakeMe, SPACE AGENT, GLOBAL LINK MANAGEMENT, LENDY, HATCHWORK, Phil Company, Inc., Warranty technology, FUEL, FANAS, ACTICE ASSET MANAGEMENT CO.LTD

Human

ROXX, Refcome, 地球人.jp, LEADING MARK, INBOUND TECHNOLOGY, BRANDING ENGINEER, wanted, Maple Systems, HALLHEART, Infracorp, Anotherworks

Sharing Economy

SHARINGO TECHNOLOGY, zehitomo, Audiostock, Calice STYLE, Ancor, Laxus, unito, LIVERO NEWSPRAGENCY, S

DX

ROBOT PAYMENT, Menta Health Technologies, 八面六臂 HACHIRENROPPY, ORIGINAL Inc., OHJUKAKU, boost, Canly, Allm SHAPING HEALTHCARE, bravesoft, WELLNEST communications, BCCW&C

Other toB Services

WINKOU THE INFONOD, WILLS, SHINGAKU, ERAE SECURITY INC., WHITE HOLE, INBOUNDTECH, Hoshijima Labo, doubleL, TOKYO, SHELFLY, ENECLOUD, AOSDATA, CLAS, Talknote, JX 通信社, SKYROBOT, UPSSELL TECHNOLOGIES, SPECIFICINC, Castech

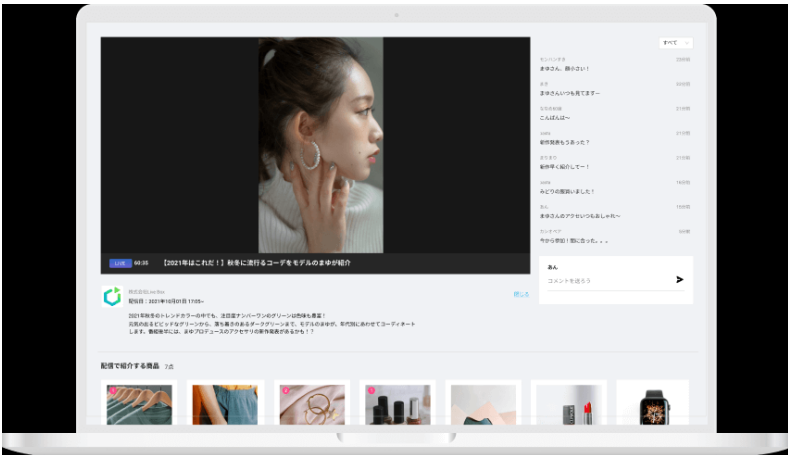
Other toC Services

Nagisa, raco-do, key!, GRAND DESIGN, PROGRIT, TimeTree, 4コマgram, ORIGINAL LIFE, INC., NOTA, FREE DOM, MONOCO, HOGUGU, 住居設備、ネット付実家交換できる, SPORTS CROWN, LASTONEMILE

Creation of COMPANY FACTORY Domain


LIVER BANK (In-House Live Commerce Tool “Live Commerce Dekiru-Kun”)

Live Commerce Dekiru-Kun was launched in March 2022 as a tool for in-house live commerce. It leverages VECTOR's PR know-how to deliver total support for client companies' live communication.



A live commerce service that delivers one-stop support, from planning to live streaming, analysis, and presentation of improvement plans.


Live streaming on social media



Allows customers to be reached in real-time through live streaming on the company's own social media account.

3 Key Features

Data analysis/report function



Consumer motivations can be identified through data analysis and insights can be applied in future marketing measures.

Versatile design template



Possible to select a design for the live stream screen suited to the company and product image.

Launched in October 2021, Influencer Works is a matching platform that builds new relationships by linking the various needs of companies with influencers.



1

Beauty/Cosmetics/Daily commodity clients

Experience/Review



Promote product features through sampling

2

Entertainment/Service industry clients

Campaign/Giveaways



Generate campaign awareness and promote participation

3

Restaurant/Tourism clients

Visits



Recruit visitors and promote with actual store images

4

Online shopping/EC clients

Models/Secondary use



Possible to search for models as well as collect influencer content for secondary use

Opening the HR COMPANY Domain

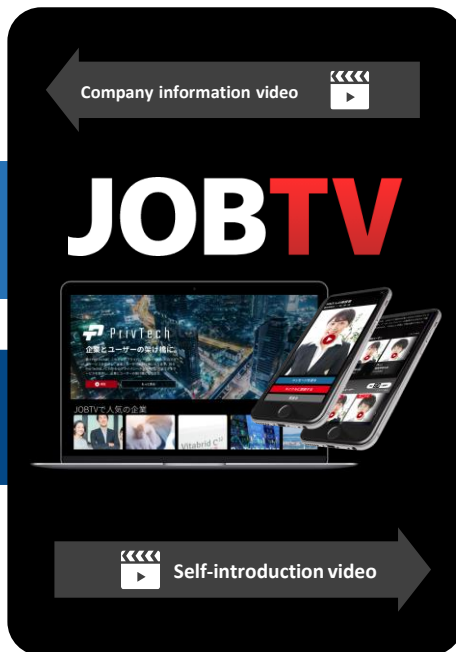
JOBTV is a recruitment matching platform where users can view unlimited company information videos.



JOBTV is a service that solves issues of both job-seekers and companies.
Speedy matching is achieved by leveraging video in the initial recruitment processes.

Job seekers

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

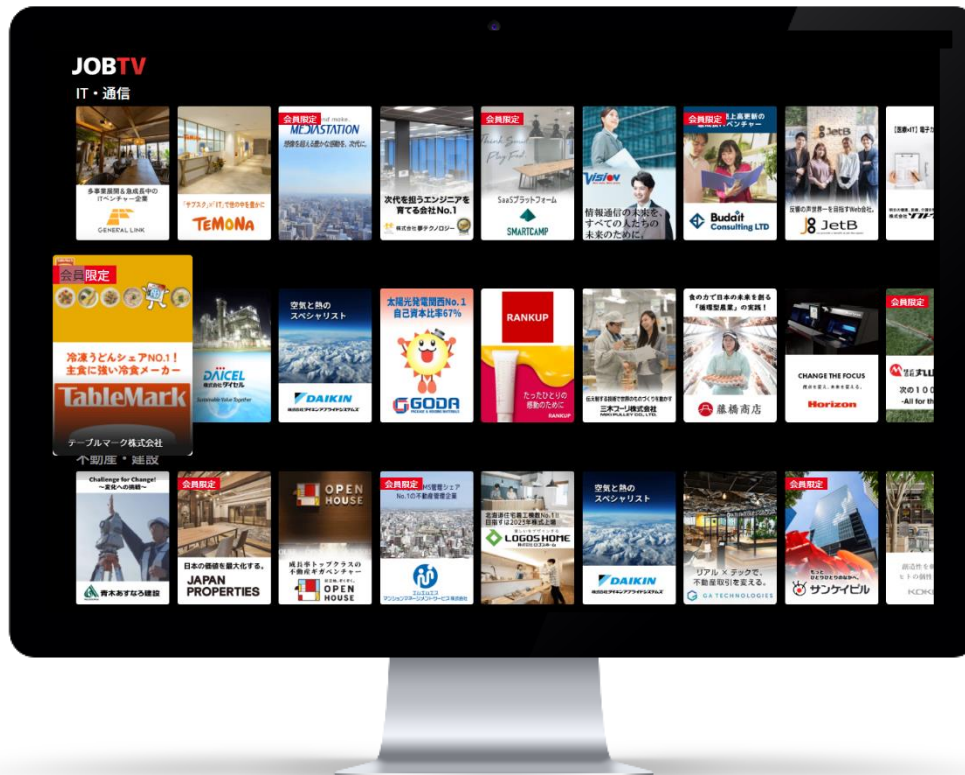


Companies

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

JOBTV (Image of Screen for Job-Seekers)

Search for company information videos via a Netflix-like design.



JOBTV (Image of Screen for Companies)

Reduce mismatching by getting a proper impression of applicants through videos, which is difficult to gain otherwise.



JOBTV User Companies (Example/In Random Order)





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