

## Summary of Consolidated Financial Results for the Fiscal Year Ended February 28, 2025

April 14, 2025

Company name: VECTOR INC.

Listing: Tokyo Stock Exchange

Securities code: 6058 URL: <https://vectorinc.co.jp/en>

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Scheduled date of Annual General Meeting of Shareholders: May 29, 2025 Scheduled date of dividend payment: May 30, 2025

Scheduled date of filing of Annual Securities Report: May 30, 2025

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: Yes

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (March 1, 2024–February 28, 2025)

#### (1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Feb. 28, 2025	59,254	0.1	8,029	15.7	7,655	11.4	4,195	−10.5
Fiscal year ended Feb. 29, 2024	59,212	7.2	6,939	10.6	6,871	3.7	4,684	47.7

Note: Comprehensive income: Fiscal year ended Feb. 28, 2025: 2,723 million yen (down 53.4%)

Fiscal year ended Feb. 29, 2024: 5,844 million yen (up 63.8%)

	Earnings per share	Diluted earnings per share	Return on equity (ROE)	Return on assets (ROA)	Operating margin
	Yen	Yen	%	%	%
Fiscal year ended Feb. 28, 2025	89.43	—	25.3	17.7	13.6
Fiscal year ended Feb. 29, 2024	98.12	—	32.2	17.2	11.7

Reference: Equity in earnings (losses) of affiliates: Fiscal year ended Feb. 28, 2025: 30 million yen

Fiscal year ended Feb. 29, 2024: (157) million yen

Note: Diluted earnings per share has been omitted due to the absence of potential shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Feb. 28, 2025	42,881	21,337	39.5	361.16
As of Feb. 29, 2024	43,621	19,975	37.1	344.64

Reference: Shareholders' equity: As of Feb. 28, 2025: 16,939 million yen

As of Feb. 29, 2024: 16,168 million yen

#### (3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended Feb. 28, 2025	5,675	(1,478)	(2,901)	17,125
Fiscal year ended Feb. 29, 2024	4,451	(1,146)	(882)	15,820

### 2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Feb. 29, 2024	—	0.00	—	29.00	29.00	1,360	29.6	9.4
Fiscal year ended Feb. 28, 2025	—	0.00	—	32.00	32.00	1,500	35.8	9.1
Fiscal year ending Feb. 28, 2026 (plan)	—	0.00	—	33.00	33.00		31.0	

### 3. Consolidated Forecast for the Fiscal Year Ending February 28, 2026 (March 1, 2025–February 28, 2026)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	30,400	11.0	2,105	1.7	2,005	0.2	648	−36.4	13.82
Full year	63,000	6.3	8,500	5.9	8,300	8.4	5,000	19.2	106.60

#### \* Notes

(1) Significant changes in the scope of consolidation during the period: No

(2) Changes in accounting policies and accounting-based estimates, and restatements

- |   |      |
|---|------|
| 1) Changes in accounting policies due to revisions in accounting standards, others: | None |
| 2) Changes in accounting policies other than 1) above:                              | None |
| 3) Changes in accounting-based estimates:   | None |
| 4) Restatements:  | None |

(3) Number of issued shares (common stock)

1) Number of shares issued at the end of the period (including treasury shares)	As of Feb. 28, 2025	46,914,039 shares	As of Feb. 29, 2024	48,176,100 shares
2) Number of treasury shares at the end of the period	As of Feb. 28, 2025	9,600 shares	As of Feb. 29, 2024	1,262,061 shares
3) Average number of shares during the period	Fiscal year ended Feb. 28, 2025	46,906,648 shares	Fiscal year ended Feb. 29, 2024	47,742,872 shares

Note: Please refer to the section “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Per Share Information” on page 21 of the attachments for further information.

Reference: Summary of Non-consolidated Financial Results

**1. Non-consolidated Financial Results for the Fiscal Year Ended February 28, 2025 (March 1, 2024–February 28, 2025)**

(1) Non-consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary income		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Feb. 28, 2025	8,088	−7.4	809	—	3,266	196.5	2,247	−9.4
Fiscal year ended Feb. 29, 2024	8,743	15.2	(258)	−119.3	1,101	−46.2	2,483	71.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended Feb. 28, 2025	47.92	—
Fiscal year ended Feb. 29, 2024	52.01	—

Note: Diluted earnings per share has been omitted due to the absence of potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Feb. 28, 2025	17,349	7,183	41.4	153.15
As of Feb. 29, 2024	17,689	6,706	37.9	142.95

Reference: Shareholders' equity: As of Feb. 28, 2025: 7,183 million yen

As of Feb. 29, 2024: 6,706 million yen

\* The financial report is not subject to audit by certified public accountants or auditing firms.

\* Appropriate use of business forecast and other special items

Forecasts regarding future performance in this material are based on information currently available to VECTOR and incorporate a variety of uncertainties. Actual performance may differ from these forecasts for a number of reasons including changes in internal or external factors affecting business operations.

Please refer to “1. Overview of Results of Operations, (4) Outlook” on page 5 of the attachments regarding the forecasts shown in this material. VECTOR released the financial results briefing materials today (April 14, 2025) and plans to upload a financial results briefing video on its website on Friday, April 18, 2025.

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## 1. Overview of Results of Operations

Forward-looking statements are based on judgments made by VECTOR as of April 14, 2025.

### (1) Results of operations

#### 1) Results for FY2025

During the fiscal year ended February 28, 2025, the Japanese economy continued its moderate recovery, supported by the resurgence of inbound tourism demand and improvements in the employment and income environments, despite impacts such as inflation due to yen depreciation. Nonetheless, the outlook remains cautious due to downside risks to overseas economic conditions such as the ongoing impact of high interest rates in Europe and the United States and concerns about the future of the Chinese economy, as well as U.S. policy uncertainties, particularly regarding trade, and geopolitical tensions in the Middle East.

The VECTOR Group is centered around the concept of distributing information in a simple and speedy manner through state-of-the-art communication tools, beginning with strategic public relations (PR) services. In addition to providing these services at more affordable rates than traditional advertising budgets, we offer retainer services based on ongoing transactions to a variety of industry sectors. This enables us to establish a revenue base without favoring specific industries. As such, we anticipate minimal impact on our performance from deteriorating business conditions, and we expect this trend to continue into the future.

In the advertising industry, according to the “2024 Advertising Expenditures in Japan” report released by Dentsu Inc. in February 2025, total advertising expenditures in Japan for calendar 2024 reached 7,673.0 billion yen, up 4.9% year on year, supported by strong corporate earnings, increased consumer spending, major international events, and growing inbound tourism demand, marking a record high for the third consecutive year. Of this, internet advertising expenditures accounted for 3,651.7 billion yen, up 9.6% year on year. This growth can be attributed to the digitalization of society, driving the entire advertising market.

Against this market backdrop, we continue to focus on operating as a “fast company” that is a one-stop source of comprehensive support for marketing strategies with the goal of making people aware of the outstanding products, services, and other attributes of our clients. To accomplish this goal, we have been expanding our services, primarily aimed at the VECTOR Group’s existing clients. Moreover, we enhanced the sales of services, with a focus on digital marketing, which we expanded through M&A and other initiatives in the previous fiscal year.

Additionally, in the Global Top 250 PR Agency Ranking 2024 issued by PProvoke Media, a specialized media for the advertising industry in the United Kingdom, VECTOR achieved the 6th position globally based on corporate performance, maintaining its top spot in Asia.

Due to these activities, net sales increased 0.1% year on year to 59,254 million yen, operating profit grew 15.7% to 8,029 million yen, and ordinary income rose 11.4% to 7,655 million yen, while profit attributable to owners of parent decreased 10.5% to 4,195 million yen.

Business segment performance is as follows.

As stated in the announcement titled “Notice of Merger of Between Wholly Owned Subsidiaries,” published on September 17, 2024, in line with an absorption-type merger, in which INITIAL Inc. will be the surviving company, and Starbank Inc. and INFLUENCER BANK, Inc. will be the dissolved companies, INFLUENCER BANK has been reclassified from the Direct Marketing segment to the PR and Advertising segment from the six months ended August 31, 2024. For the following year-on-year comparisons, we have adjusted the figures for the previous year's corresponding period based on the revised segment classification. Please refer to the section “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements, Segment and Other Information” for further information.

#### PR and Advertising

In this business segment, we provide a one-stop communication strategy tailored to each client that includes strategic PR services centered on consulting and is driven by digital marketing using IoT signage via tablets placed in taxis and social networking services.

With the transition toward digitalization as the preferred method for distributing information, our strategic approach as a “fast company” has become even more relevant to the times. Further, our aggressive efforts to expand services through such means as mergers and acquisitions in the digital marketing domain conducted in the previous fiscal year has enabled us to establish a robust framework for providing even more comprehensive support to our clients’ communication strategies. In FY2025, revenue decreased due to factors such as the impact of the subsidiary share transfer conducted in October 2023 and the increase in online initiatives, such as in-house management of social media platforms, which do not rely on or promote sales of third-party products. However, profit continued to increase due to the reversal of one-time expenses recorded in the previous fiscal year. Segment sales decreased 6.1% to 32,493 million yen and operating profit increased 39.2% to 3,636 million yen year on year.

#### Press Release Distribution

PR TIMES, Inc. distributes and posts press releases by using its PR TIMES website as well as many other websites. Utilization of this service has been very high. In February 2025, the number of companies using PR TIMES surpassed 108,000. As a result, sales rose to an all-time high. Further, as planned at the beginning of the period, we actively promoted the use of “PR TIMES” among local businesses and allocated advertising resources to new business ventures.

Segment sales increased 17.1% to 8,003 million yen and operating profit grew 7.5% to 1,877 million yen year on year.

## **Direct Marketing**

In Direct Marketing, primarily operated by Vitabrid Japan Inc., we reduced advertising and promotional investments during the first quarter in response to changes in consumer sentiment regarding functional food products, sparked by health issues related to red yeast rice supplements reported by other companies. This decision, made with consideration for the efficiency of customer acquisition, led to an inability to secure the expected profit increase from sales growth, resulting in a decline in profits. On the other hand, from the midpoint of the second quarter, the issue was resolved, and by accelerating promotional investments, we achieved record-high sales.

Segment sales increased 5.3% year on year to 13,520 million yen, while operating profit decreased 35.4% to 747 million yen.

## **HR**

ASHITA-TEAM Co., Ltd. reexamined its sales strategies, strengthened its sales team, and enhanced development aimed at improving functionality. Despite these efforts, challenges persisted during the fiscal year, leading to an operating profit of 129 million yen.

JOBTV, which operates a recruiting platform using video content, incurred advertising expenses aimed at increasing the number of registered users, both new graduates and job seekers, and development costs to upgrade functions for the recruitment platform, in order to establish a solid revenue base. In addition, in March 2024, we acquired FINDAWAY Co., Ltd., which operates recruitment support and recruitment advertising planning, with the aim of expanding revenue from JOBTV. This, along with other factors, reduced the operating loss by 134 million yen year on year to 55 million yen.

Segment sales grew 6.8% to 2,977 million yen, while operating profit decreased 23.3% to 74 million yen year on year.

## **Investment**

Valuation losses were recognized in certain investments. However, we sold a portion of our holdings in the second half, resulting in record-high operating profit.

VECTOR also supports companies where we make investments by supplying public relations and investor relations services and in other ways. As a result, HATCH WORK CO., LTD. successfully listed on the Tokyo Stock Exchange's Growth Market on March 26, 2024, followed by ROXX, inc., which successfully listed on the same market on September 25, 2024.

Segment sales grew 3.3% to 2,540 million yen and operating profit climbed 27.8% to 1,694 million yen year on year.

## **(2) Overview of financial position**

### **1) Assets, liabilities and net assets**

#### **Assets**

Total assets as of February 28, 2025 decreased 739 million yen year on year to 42,881 million yen.

Current assets decreased 900 million yen to 32,346 million yen. This was mainly due to decreases of 3,017 million yen in operational investment securities and 1,038 million yen in advance payments included in other under current assets, while there were increases of 1,305 million yen in cash and deposits, 528 million yen in notes and accounts receivable - trade, and contract assets, and 1,147 million yen in accounts receivable - other included in other under current assets.

Non-current assets increased 161 million yen to 10,534 million yen. This was primarily due to increases of 517 million yen in software and 481 million yen in deferred tax assets, while there was a decrease of 657 million yen in goodwill.

#### **Liabilities**

Total liabilities as of February 28, 2025 decreased 2,101 million yen year on year to 21,544 million yen.

Current liabilities increased 592 million yen to 14,265 million yen. This was mainly due to increases of 312 million yen in short-term borrowings, 483 million yen in accounts payable—other, and 198 million yen in accrued expenses included in other under current liabilities, which offset a decrease of 355 million yen in income taxes payable.

Non-current liabilities decreased 2,693 million yen to 7,278 million yen. This was primarily due to decreases of 1,524 million yen in long-term borrowings, 231 million yen in lease liabilities, 661 million yen in deferred tax liabilities, and 228 million yen in long-term accounts payable - other included in other under non-current liabilities.

#### **Net assets**

Total net assets as of February 28, 2025 increased 1,361 million yen year on year to 21,337 million yen. This was primarily due to a decrease of 1,447 million yen in treasury shares and increases of 1,534 million yen in retained earnings and 452 million yen in non-controlling interests, all contributing to an overall increase in net assets, despite a decrease of 2,233 million yen in valuation difference on available-for-sale securities.

### (3) Cash Flows

Cash and cash equivalents at the end of the fiscal year ended February 28, 2025 increased 1,305 million yen year on year to 17,125 million yen.

Consolidated results in the fiscal year ended February 28, 2025, for each category of cash flows and the main factors underlying the results are as follows.

#### Cash flows from operating activities

Net cash provided by operating activities amounted to 5,675 million yen, up 27.4% over the previous fiscal year. Main cash inflows include 7,290 million yen in profit before taxes and a 1,016 million yen decrease in advance payments, while cash outflows include 3,036 million yen in income taxes paid.

#### Cash flows from investing activities

Net cash used in investing activities was 1,478 million yen, compared with 1,146 million yen in FY2024. Main cash outflows include purchase of property, plant and equipment of 360 million yen, purchase of intangible assets of 670 million yen, payments for investments in capital of 231 million yen, and purchase of shares of subsidiaries resulting in change in scope of consolidation of 271 million yen.

#### Cash flows from financing activities

Net cash used in financing activities was 2,901 million yen, compared with 882 million yen in FY2024. Main cash inflows include proceeds from long-term borrowings of 645 million yen. Main cash outflows include repayments of long-term borrowings of 2,040 million yen and dividends paid of 1,359 million yen.

Trends in the VECTOR Group's cash flow indicators are as follows.

	FY2/22	FY2/23	FY2/24	FY2/25
Equity ratio (%)	39.2	35.6	37.1	39.5
Equity ratio based on market value (%)	167.9	183.5	135.2	100.7
Ratio of interest-bearing debt to cash flows (years)	1.2	6.7	2.8	2.0
Interest coverage ratio (times)	102.15	36.65	34.85	40.03

The above figures are calculated as follows.

Equity ratio = Shareholders' equity / Total assets

Equity ratio based on market value = Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows = Interest-bearing debt / Cash flows

Interest coverage ratio = Cash flows / Interest payments

Notes: 1. All indicators are calculated based on consolidated figures.

2. Cash flows are calculated using cash flows from operating activities.

3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest. Interest payments are based on the interest paid in the consolidated statement of cash flows.

### (4) Outlook

The outlook requires continued attention, primarily due to U.S. policies, particularly regarding trade, as well as the situation in Ukraine and the Middle East.

The VECTOR Group will continue to operate as a "fast company" providing comprehensive support for marketing activities with the goal of making people aware of the outstanding products, services, and other attributes of our clients. To achieve this, we are committed to strengthening our marketing infrastructure enabling us to address diverse customer needs in a one-stop manner. By doing so, we aim to sustain overall steady growth and enhance performance.

Given these factors, our forecasts for the Group for FY2026 are as follows.

# Consolidated Forecast

Consolidated forecast for the fiscal year ending February 28, 2026 (Millions of yen)

	FY2/25 (Results)	FY2/26 (Forecasts)	Change	Change (%)
Net sales	59,254	63,000	3,745	6.3
Operating profit	8,029	8,500	470	5.9
Ordinary income	7,655	8,300	644	8.4
Profit attributable to owners of parent	4,195	5,000	804	19.2
Earnings per share (Yen)	89.43	106.60		

Forecast for the first half of the fiscal year ending February 28, 2026 (Millions of yen)

	FY2/25 (Results)	FY2/26 (Forecasts)	Change	Change (%)
Net sales	27,385	30,400	3,014	11.0
Operating profit	2,069	2,105	35	1.7
Ordinary income	2,000	2,005	4	0.2
Profit attributable to owners of parent	1,019	648	-371	-36.4
Earnings per share (Yen)	21.73	13.82		

## Consolidated Forecast by Business Segment

Forecast for operating profit by business segment for the fiscal year ending February 28, 2026 (Millions of yen)

	FY2/25 (Results)	FY2/26 (Forecasts)	Change	Change (%)
PR and Advertising	3,636	4,090	453	12.5
Press Release Distribution	1,877	3,149	1,271	67.7
Direct Marketing	747	1,000	252	33.8
HR	74	261	186	250.1
Investment	1,694	0	-1,694	-100.0
Segment total	8,029	8,500	470	5.9

Forecast for operating profit by business segment for the first half of the fiscal year ending February 28, 2026 (Millions of yen)

	FY2/25 (Results)	FY2/26 (Forecasts)	Change	Change (%)
PR and Advertising	1,615	1,819	203	12.6
Press Release Distribution	958	1,472	513	53.6
Direct Marketing	(510)	(905)	-394	—
HR	46	(43)	-89	—
Investment	(39)	(238)	-198	—
Segment total	2,069	2,105	35	1.7

The anticipated performance being skewed toward the second half stems from our strategic approach of maximizing revenue throughout the fiscal year. This involves allocating significant advertising budgets to Direct Marketing from the start of the fiscal year, as in FY2025. Additionally, the expected gain from sales in the Investment segment during the second half contributes to this trend.



Turning to the performance forecast for key segments, in PR and Advertising, the strong strategic PR and taxi signage businesses are expected to continue driving growth. Meanwhile, the overseas business is projected to turn profitable, and efforts to return the South Korean business to profitability, as well as achieve profitability for NewsTV (which was absorbed into VECTOR and continues operations while streamlining its indirect departments), are anticipated during FY2026. Furthermore, we expect sustained high growth through the acceleration of the integration of strategic PR and digital marketing, leading to higher customer unit prices and other achievements. In Press Release Distribution, we are projecting continued growth by maintaining a certain level of advertising investment in FY2026, aimed at increasing the number of companies using PR TIMES. Additionally, we plan to invest in businesses, particularly to strengthen peripheral areas. In Direct Marketing, we expect to secure profits in the second half, following a strategy similar to FY2025, by allocating advertising budget to existing products in the first half while accelerating up-front investments for new product development. In HR, we made up-front investments in the JOBTV business up until FY2025. Performance has therefore been solid in JOBTV, a recruiting platform using video content. Additionally, M&As have helped establish business foundations. Consequently, we anticipate turning a profit in FY2026, even as we continue with our up-front investments. In the Investment segment, similar to FY2025, we anticipate selling certain holdings in the second half of FY2026 in light of stock market trends.

Note that the forecasts provided above were determined based on information available at the time this announcement was made. Actual performance may differ from the forecast numbers due to various factors.

#### **(5) Basic Policy for Profit Distribution, and Dividends for the Current and Next Fiscal Years**

The VECTOR Group views returning profits to shareholders as an important management issue. Accordingly, we will strive to return profits by increasing corporate value through medium- to long-term business growth and by providing stable dividends. Our articles of incorporation stipulate that we may provide interim dividends. However, our basic policy is to distribute surplus earnings once a year through year-end dividends. Taking into consideration factors such as maintaining a sound financial structure and enhancing internal reserves for active business expansion, we intend to continue providing dividends while maintaining a consolidated dividend payout ratio of 30% or higher.

Given these factors, we plan to pay a dividend of 32 yen per share from dividends of surplus for the year ended February 28, 2025, as stated in Notice of Change in Dividend Policy and Revision of Dividend Forecast released on October 15, 2024.

We also plan to pay a dividend of 33 yen per share for FY2026 in line with this basic policy.

## **2. Basic Approach to the Selection of Accounting Standards**

The consolidated financial statements of the VECTOR Group are prepared in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (excluding Chapters 5 and 6) (Ordinance of the Ministry of Finance No. 28, 1976) for the purpose of facilitating comparisons with other companies and prior years.

We will appropriately address the adoption of International Financial Reporting Standards (IFRS), considering relevant factors in both Japan and other countries.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

(Millions of yen)

	FY2/24 As of Feb. 29, 2024	FY2/25 As of Feb. 28, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	15,820	17,125
Notes and accounts receivable-trade, and contract assets	7,314	7,843
Operational investment securities	4,815	1,798
Merchandise and finished goods	1,655	2,021
Costs on service contracts in progress	492	606
Other	3,494	3,378
Allowance for doubtful accounts	(345)	(427)
Total current assets	33,247	32,346
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,074	1,216
Machinery, equipment and vehicles	28	66
Tools, furniture and fixtures	956	1,026
Leased assets	1,123	1,122
Construction in progress	66	16
Accumulated depreciation	(1,294)	(1,622)
Total property, plant and equipment	1,953	1,825
Intangible assets		
Goodwill	3,633	2,976
Software	480	998
Other	297	185
Total intangible assets	4,411	4,160
Investments and other assets		
Investment securities	1,175	1,326
Deferred tax assets	1,232	1,713
Leasehold and guarantee deposits	770	714
Other	1,848	1,996
Allowance for doubtful accounts	(1,019)	(1,202)
Total investments and other assets	4,008	4,548
Total non-current assets	10,373	10,534
Total assets	43,621	42,881

(Millions of yen)

	FY2/24 As of Feb. 29, 2024	FY2/25 As of Feb. 28, 2025
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	2,505	2,505
Accounts payable-other	1,244	1,728
Short-term borrowings	2,038	2,351
Current portion of long-term borrowings	1,961	2,076
Current portion of bonds payable	88	10
Lease obligations	224	234
Income taxes payable	1,673	1,318
Provision for bonuses	553	642
Contract liabilities	1,879	1,625
Provision for point card certificates	—	5
Provision for shareholder benefit program	20	40
Other	1,484	1,726
Total current liabilities	13,673	14,265
Non-current liabilities		
Long-term borrowings	7,576	6,051
Bonds payable	36	25
Lease obligations	758	526
Deferred tax liabilities	1,178	516
Retirement benefit liability	45	33
Other	377	124
Total non-current liabilities	9,971	7,278
Total liabilities	23,645	21,544
<b>Net assets</b>		
Shareholders' equity		
Share capital	3,038	3,038
Capital surplus	130	—
Retained earnings	11,942	13,477
Treasury shares	(1,447)	—
Total shareholders' equity	13,664	16,516
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,274	40
Foreign currency translation adjustment	229	383
Total accumulated other comprehensive income	2,503	423
Share acquisition rights	8	145
Non-controlling interests	3,798	4,251
Total net assets	19,975	21,337
Total liabilities and net assets	43,621	42,881

## (2) Consolidated Statements of Income and Comprehensive Income

### Consolidated Statement of Income

(Millions of yen)

	FY2/24 Mar. 1, 2023–Feb. 29, 2024	FY2/25 Mar. 1, 2024–Feb. 28, 2025
Net sales	59,212	59,254
Cost of sales	21,541	19,946
Gross profit	37,671	39,308
Selling, general and administrative expenses	30,731	31,279
Operating profit	6,939	8,029
Non-operating income		
Interest and dividend income	9	13
Foreign exchange gains	12	—
Gain on investments in investment partnerships	313	97
Share of profit of entities accounted for using equity method	—	30
Other	79	58
Total non-operating income	414	200
Non-operating expenses		
Interest expenses	128	150
Foreign exchange losses	—	138
Loss on investments in investment partnerships	23	41
Provision of allowance for doubtful accounts	3	196
Share of loss of entities accounted for using equity method	157	—
Commission expenses	95	16
Other	74	30
Total non-operating expenses	482	574
Ordinary income	6,871	7,655
Extraordinary income		
Reversal of provision for loss on business liquidation	0	—
Gain on sale of shares of subsidiaries and associates	1,922	51
Gain on reversal of share acquisition rights	2	1
Gain on sale of businesses	19	—
Total extraordinary income	1,944	53
Extraordinary losses		
Loss on sale of non-current assets	1	3
Loss on retirement of non-current assets	8	40
Loss on valuation of investment securities	14	110
Loss on valuation of goods	3	—
Loss on cancellation of leases	0	—
Impairment losses	426	264
Loss on liquidation of subsidiaries and associates	14	—
Total extraordinary losses	469	419
Profit before income taxes	8,347	7,290
Income taxes - current	2,668	2,648
Income taxes - deferred	147	(158)
Total income taxes	2,816	2,490
Profit	5,530	4,800
Profit attributable to non-controlling interests	846	605
Profit attributable to owners of parent	4,684	4,195

# Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2/24 Mar. 1, 2023–Feb. 29, 2024	FY2/25 Mar. 1, 2024–Feb. 28, 2025
Profit	5,530	4,800
Other comprehensive income		
Valuation difference on available-for-sale securities	249	(2,235)
Foreign currency translation adjustment	48	145
Share of other comprehensive income of entities accounted for using equity method	15	12
Total other comprehensive income	313	(2,077)
Comprehensive income	5,844	2,723
Comprehensive income attributable to:		
Owners of parent	5,044	2,114
Non-controlling interests	799	608

### (3) Consolidated Statement of Changes in Equity

FY2/24 (Mar. 1, 2023–Feb. 29, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,880	—	8,173	(259)	10,793
Changes during period					
Issuance of new shares	158	158			317
Dividends of surplus			(905)		(905)
Profit attributable to owners of parent			4,684		4,684
Purchase of treasury shares				(1,187)	(1,187)
Cancellation of treasury shares					—
Change in scope of consolidation			(6)		(6)
Change in scope of equity method			(3)		(3)
Purchase of shares of consolidated subsidiaries		(44)			(44)
Sale of shares of consolidated subsidiaries		(7)			(7)
Change in ownership interest of parent due to transactions with non-controlling interests		23			23
Transfer from retained earnings to capital surplus					—
Net changes in items other than shareholders' equity					—
Total changes during period	158	130	3,769	(1,187)	2,870
Balance at end of period	3,038	130	11,942	(1,447)	13,664

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	1,974	169	2,144	9	2,812	15,759
Changes during period						
Issuance of new shares						317
Dividends of surplus						(905)
Profit attributable to owners of parent						4,684
Purchase of treasury shares						(1,187)
Cancellation of treasury shares						—
Change in scope of consolidation						(6)
Change in scope of equity method						(3)
Purchase of shares of consolidated subsidiaries						(44)
Sale of shares of consolidated subsidiaries						(7)
Change in ownership interest of parent due to transactions with non-controlling interests						23
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	300	59	359	(1)	986	1,345
Total changes during period	300	59	359	(1)	986	4,215
Balance at end of period	2,274	229	2,503	8	3,798	19,975

FY2/25 (Mar. 1, 2024–Feb. 28, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,038	130	11,942	(1,447)	13,664
Changes during period					
Issuance of new shares					
Dividends of surplus			(1,360)		(1,360)
Profit attributable to owners of parent			4,195		4,195
Purchase of treasury shares					—
Cancellation of treasury shares		(1,447)		1,447	—
Change in scope of consolidation					—
Change in scope of equity method					—
Purchase of shares of consolidated subsidiaries		1			1
Sale of shares of consolidated subsidiaries					—
Change in ownership interest of parent due to transactions with non-controlling interests		15			15
Transfer from retained earnings to capital surplus		1,299	(1,299)		—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(130)	1,534	1,447	2,851
Balance at end of period	3,038	—	13,477	—	16,516

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	2,274	229	2,503	8	3,798	19,975
Changes during period						
Issuance of new shares						—
Dividends of surplus						(1,360)
Profit attributable to owners of parent						4,195
Purchase of treasury shares						—
Cancellation of treasury shares						—
Change in scope of consolidation						—
Change in scope of equity method						—
Purchase of shares of consolidated subsidiaries						1
Sale of shares of consolidated subsidiaries						—
Change in ownership interest of parent due to transactions with non-controlling interests						15
Transfer from retained earnings to capital surplus						—
Net changes in items other than shareholders' equity	(2,233)	153	(2,080)	137	452	(1,490)
Total changes during period	(2,233)	153	(2,080)	137	452	1,361
Balance at end of period	40	383	423	145	4,251	21,337

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	FY2/24 Mar. 1, 2023–Feb. 29, 2024	FY2/25 Mar. 1, 2024–Feb. 28, 2025
Cash flows from operating activities		
Profit before income taxes	8,347	7,290
Depreciation	578	671
Amortization of goodwill	476	447
Amortization of long-term prepaid expenses	1	2
Depreciation and amortization on other	93	64
Impairment losses	426	264
Loss (gain) on sale of non-current assets	1	3
Loss on retirement of non-current assets	8	40
Loss (gain) on valuation of investment securities	14	110
Loss (gain) on investments in investment partnerships	(290)	(56)
Share of loss (profit) of entities accounted for using equity method	157	(30)
Loss (gain) on sale of shares of subsidiaries and associates	(1,922)	(51)
Loss on valuation of goods	3	—
Loss (gain) on liquidation of subsidiaries and associates	14	—
Loss (gain) on sale of businesses	(19)	—
Gain on reversal of share acquisition rights	(2)	(1)
Increase (decrease) in allowance for doubtful accounts	792	267
Increase (decrease) in provision for bonuses	(115)	89
Increase (decrease) in provision for shareholder benefit program	(6)	20
Increase (decrease) in provision for point card certificates	—	5
Increase (decrease) in provision for loss on business liquidation	(9)	—
Increase (decrease) in retirement benefit liability	3	(13)
Interest and dividend income	(9)	(13)
Interest expenses	128	150
Decrease (increase) in trade receivables and contract assets	397	(568)
Decrease (increase) in inventories	(555)	(502)
Decrease (increase) in investment securities for sale	151	(181)
Increase (decrease) in trade payables	12	7
Decrease (increase) in deposits paid	705	262
Decrease (increase) in advance payments	(741)	1,016
Decrease (increase) in accounts receivable - other	(304)	(1,159)
Increase (decrease) in accounts payable-other	(935)	501
Increase (decrease) in contract liabilities	(313)	(257)
Decrease (increase) in distressed receivables	(706)	2
Other, net	127	469
Subtotal	6,510	8,851
Interest and dividends received	5	3
Interest paid	(127)	(141)
Income taxes paid	(1,936)	(3,036)
Net cash provided by (used in) operating activities	4,451	5,675



(Millions of yen)

	FY2/24 Mar. 1, 2023–Feb. 29, 2024	FY2/25 Mar. 1, 2024–Feb. 28, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(412)	(360)
Proceeds from sale of property, plant and equipment	0	8
Purchase of intangible assets	(493)	(670)
Purchase of investment securities	(119)	(69)
Proceeds from sale of investment securities	1	—
Payments for investments in capital	(165)	(231)
Proceeds from divestments	355	117
Loan advances	(30)	(170)
Proceeds from collection of loans receivable	139	53
Proceeds from sale of businesses	21	—
Payments for acquisition of businesses	(380)	—
Purchase of shares of subsidiaries and associates	(177)	—
Payments of leasehold and guarantee deposits	(108)	(72)
Proceeds from refund of leasehold and guarantee deposits	61	68
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,050)	(271)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(2)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	2,211	121
Net cash provided by (used in) investing activities	(1,146)	(1,478)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,072)	276
Proceeds from long-term borrowings	7,139	645
Repayments of long-term borrowings	(2,287)	(2,040)
Redemption of bonds	(176)	(88)
Proceeds from issuance of shares	—	11
Expenditure for redemption of convertible bonds with subscription rights to shares	(43)	—
Proceeds from issuance of share acquisition rights	1	—
Proceeds from share issuance to non-controlling shareholders	4	24
Purchase of treasury shares	(1,187)	—
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(69)	(0)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	6	—
Purchase of treasury shares of subsidiaries	(36)	(0)
Proceeds from disposal of treasury shares of subsidiaries	31	—
Repayments of lease obligations	(202)	(224)
Dividends paid	(905)	(1,359)
Amount of distribution paid to investment business members	(84)	(146)
Net cash provided by (used in) financing activities	(882)	(2,901)
Effect of exchange rate change on cash and cash equivalents	25	9
Net increase (decrease) in cash and cash equivalents	2,447	1,305
Cash and cash equivalents at beginning of period	13,372	15,820
Cash and cash equivalents at end of period	15,820	17,125

## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

Not applicable.

### **Additional Information**

#### **Establishment of a Specified Subsidiary**

VECTOR INC. resolved to establish a joint venture in Taiwan with Mars Holdings Co., Ltd. (hereafter, “Mars Holdings”), one of Taiwan’s largest advertising agencies, at its Board of Directors’ meeting held on December 16, 2024. Since the capital of this subsidiary is equivalent to 10% or more of VECTOR’s capital, it is classified as a specified subsidiary.

#### **(1) Purpose of the Joint Venture**

As a “fast company” that is a one-stop source of comprehensive support for marketing strategies designed to spread the word about excellent products, services and solutions of our customers to the world, the VECTOR Group has worked to enhance capabilities in delivering end-to-end solutions, from raising awareness to driving purchases. In addition, News Technology Inc. (hereafter, “News Technology”), a Group company, engages in media and creative businesses, including operating GROWTH, one of Tokyo’s largest taxi signage media, and Canvas, Japan’s first mobility vehicle window media.

The new joint venture plans to leverage the expertise and track record in taxi signage and wrapping advertisement businesses developed by News Technology, combined with the sales capabilities and network of Mars Holdings, to roll out taxi signage and taxi wrapping advertisement businesses in Taiwan.

#### **(2) Overview of the Joint Venture**

1. Company name: New Milestone Co., Ltd.
2. Address: 3rd Floor, No. 120, Section 2, Jianguo North Road, Zhongshan District, Taipei City, Taiwan
3. Name and title of representative: Kensei Kinoshita, Chairman
4. Business: Taxi signage and taxi wrapping advertisement businesses in Taiwan
5. Share capital: NTD 75,000,000 (approx. ¥349 million)
6. Establishment (planned): April 30, 2025
7. Ownership ratio: VECTOR: 60.0%  
Mars Holdings: 40.0%

Note: The Japanese yen conversion is based on an exchange rate of NTD 1 to ¥4.66.

## **Segment and Other Information**

### **Segment information**

#### **1. Overview of reportable segments**

The VECTOR Group is comprised of five reportable segments: PR and Advertising, Press Release Distribution, Direct Marketing, HR, and Investment. The reportable segments represent distinct components of the Group for which financial information is accessible. They are subject to regular review by the Board of Directors, who use this information to make decisions regarding resource allocation and to evaluate performance.

PR and Advertising not only encompasses traditional PR activities but also includes strategic PR, which leverages PR techniques in the advertising field. Through this approach, we provide consulting services to support PR for clients' products and services, as well as engage in advertising sales through IoT signage services utilizing tablets installed in taxi vehicles. Most of these services are provided to clients through Group companies. Each of these companies strategically operates across various media domains, including traditional media, blogs, and social media, while also targeting different markets for expansion, such as Japan, China, ASEAN, and others.

Press Release Distribution delivers press releases containing information about clients' products and services, based on their publicity requests. The business functions as a platform that connects companies with consumers through press releases.

Direct Marketing operates a direct-to-consumer (D2C) business, developing and selling beauty-related products and services via the internet.

HR operates human resources-related services, offering consulting services to assist companies in implementing and managing personnel evaluation systems as well as cloud-based personnel evaluation services and recruitment support services utilizing a recruitment platform employing video content.

The Investment segment focuses on supporting the growth of startups.

#### **Revisions for reportable segments**

As a “fast company” that is a one-stop source of comprehensive support for marketing strategies designed to spread the word about excellent products, services and solutions of our customers to the world, the VECTOR Group has worked to enhance capabilities in delivering end-to-end solutions, from raising awareness to driving purchases.

VECTOR has decided to proceed with an absorption-type merger, in which INITIAL Inc., a wholly owned subsidiary, will be the surviving company, and Starbank Inc. and INFLUENCER BANK, Inc., both of which are also wholly owned subsidiaries, will be the dissolved companies. The aims are to restructure the PR and Advertising segment and streamline management. As a result, starting from the six months ended August 31, 2024, the segment for INFLUENCER BANK has been changed from the previous Direct Marketing segment to the PR and Advertising segment.

The segment information for FY2024 is based on the reportable segment structure after the reclassification.

#### **2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment**

The accounting treatment of reportable segments conforms to the accounting policies adopted in preparing the consolidated financial statements.

The profit of the reportable segments is based on operating profit.

Inter-segment sales and transfers are determined based on market prices.

### 3. Information related to net sales, profit or loss, assets, liabilities, and other items for each reportable segment, and breakdown of revenue

FY2/24 (Mar. 1, 2023–Feb. 29, 2024)

(Millions of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment			
Net sales								
Revenue from contracts with customers	34,457	6,707	12,808	2,778	—	56,752	—	56,752
Other revenue	—	—	—	—	2,459	2,459	—	2,459
External sales	34,457	6,707	12,808	2,778	2,459	59,212	—	59,212
Inter-segment sales and transfers	159	129	34	8	—	331	(331)	—
Total	34,616	6,836	12,842	2,787	2,459	59,543	(331)	59,212
Reportable segment	2,612	1,746	1,157	97	1,326	6,939	(0)	6,939
Segment assets	22,713	7,038	4,998	3,360	5,692	43,803	(182)	43,621
Segment liabilities	15,334	1,407	2,723	3,001	1,361	23,827	(182)	23,645
Other items								
Depreciation	426	117	32	1	—	578	—	578
Investment in entities accounted for by equity method	254	13	—	2	—	270	—	270
Increase in property, plant and equipment and intangible assets	1,522	302	39	1,398	—	3,262	—	3,262

Notes: 1. The (0) million yen adjustment to segment profit is the elimination of inter-segment transactions. Additionally, the (182) million yen adjustment to segment assets and liabilities is the result of offsetting inter-segment receivables and payables.

2. Segment profit is adjusted to be consistent with operating profit in the consolidated financial statements.

FY2/25 (Mar. 1, 2024–Feb. 28, 2025)

(Millions of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment			
Net sales								
Revenue from contracts with customers	32,366	7,879	13,518	2,949	—	56,714	—	56,714
Other revenue	—	—	—	—	2,540	2,540	—	2,540
External sales	32,366	7,879	13,518	2,949	2,540	59,254	—	59,254
Inter-segment sales and transfers	126	123	2	27	—	280	(280)	—
Total	32,493	8,003	13,520	2,977	2,540	59,535	(280)	59,254
Reportable segment	3,636	1,877	747	74	1,694	8,029	(0)	8,029
Segment assets	20,974	8,211	6,239	3,767	3,691	42,884	(3)	42,881
Segment liabilities	13,597	1,336	3,188	2,916	507	21,547	(3)	21,544
Other items								
Depreciation	450	134	35	50	—	671	—	671
Investment in entities accounted for by equity method	300	13	—	—	—	314	—	314
Increase in property, plant and equipment and intangible assets	(603)	(33)	31	226	—	(378)	—	(378)

Notes: 1. The (0) million yen adjustment to segment profit is the elimination of inter-segment transactions. Additionally, the (3) million yen adjustment to segment assets and liabilities is the result of offsetting inter-segment receivables and payables.  
2. Segment profit is adjusted to be consistent with operating profit in the consolidated financial statements.

## Related Information

**FY2/24 (Mar. 1, 2023–Feb. 29, 2024)**

### 1. Information by product or service

This information is omitted because the same information is presented in “Segment information.”

### 2. Information by region

#### (1) Net sales

This information is omitted since external sales in Japan accounted for more than 90% of net sales in the consolidated statement of income.

#### (2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan accounted for more than 90% of property, plant and equipment in the consolidated balance sheet.

### 3. Information by major client

This information is omitted because no specific external sales accounted for 10% or more of net sales in the consolidated statement of income.

**FY2/25 (Mar. 1, 2024–Feb. 28, 2025)**

### 1. Information by product or service

This information is omitted because the same information is presented in “Segment information.”

### 2. Information by region

#### (1) Net sales

This information is omitted since external sales in Japan accounted for more than 90% of net sales in the consolidated statement of income.

#### (2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan accounted for more than 90% of property, plant and equipment in the consolidated balance sheet.

### 3. Information by major client

This information is omitted because no specific external sales accounted for 10% or more of net sales in the consolidated statement of income.

## Information related to impairment losses on non-current assets for each reportable segment

**FY2/24 (Mar. 1, 2023–Feb. 29, 2024)**

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Impairment losses	426	—	—	—	—	—	426

**FY2/25 (Mar. 1, 2024–Feb. 28, 2025)**

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Impairment losses	165	99	—	—	—	—	264

**Information related to amortization of goodwill and the unamortized balance for each reportable segment**

FY2/24 (Mar. 1, 2023–Feb. 29, 2024)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Amortization during the period	320	34	1	119	—	—	476
Balance at end of period	2,199	252	—	1,181	—	—	3,633

FY2/25 (Mar. 1, 2024–Feb. 28, 2025)

(Millions of yen)

	Reportable segment					Elimination or corporate	Total
	PR and Advertising	Press Release Distribution	Direct Marketing	HR	Investment		
Amortization during the period	213	57	—	176	—	—	447
Balance at end of period	1,698	95	—	1,183	—	—	2,976

**Information related to gain on bargain purchase for each reportable segment**

FY2/24 (Mar. 1, 2023–Feb. 29, 2024)

Not applicable.

FY2/25 (Mar. 1, 2024–Feb. 28, 2025)

Not applicable.

## Per Share Information

	FY2/24 Mar. 1, 2023–Feb. 29, 2024	FY2/25 Mar. 1, 2024–Feb. 28, 2025
Net assets per share	¥344.64	¥361.16
Earnings per share	¥98.12	¥89.43

Notes: 1. Diluted earnings per share has been omitted due to the absence of potential shares.

2. The basis for calculating net assets per share is as follows.

	FY2/24 As of Feb. 29, 2024	FY2/25 As of Feb. 28, 2025
Total net assets (millions of yen)	19,975	21,337
Deduction on total net assets (millions of yen)	3,807	4,397
(of which, share acquisition rights (millions of yen))	8	145
(of which, non-controlling interests (millions of yen))	3,798	4,251
Net assets applicable to common shares at year-end (millions of yen)	16,168	16,939
Number of common shares at year-end used in calculation of net assets per share	46,914,039	46,904,439

3. The basis for calculating earnings per share is as follows.

	FY2/24 Mar. 1, 2023–Feb. 29, 2024	FY2/25 Mar. 1, 2024–Feb. 28, 2025
Earnings per share		
Profit attributable to owners of parent (millions of yen)	4,684	4,195
Amounts not attributable to common shareholders (millions of yen)	—	—
Profit attributable to owners of parent applicable to common shares (millions of yen)	4,684	4,195
Average number of common shares during the period	47,742,872	46,906,648

## Subsequent Events

### Acquisition of a company, etc., through the purchase of shares

VECTOR resolved to acquire shares of gracemode K.K. at the Board of Directors meeting held on April 14, 2025.

#### (1) Purpose of the share acquisition

The VECTOR Group is guided by its philosophy of “making people happy by delivering excellent products, services and solutions to the world,” and has consistently achieved growth by developing a business centered around strategic PR services.

Moreover, even during periods of growth, the Company has proactively responded to changes in the market environment while continuously expanding and strengthening its services. As a “fast company” offering comprehensive, one-stop support for marketing strategies aimed at making people aware of the outstanding products, services, and other attributes of our clients, it has developed a system to provide a wide range of marketing services that balance effectiveness and cost efficiency to meet customer needs.

According to the “2024 Advertising Expenditure in Japan” report released by Dentsu Inc. in February 2025, the advertising industry has continued to experience high growth in internet advertising expenditures, driven by the digitalization of society. In particular, the increasing demand for video ads and vertical-format video ads on social media platforms is driving the overall market, and the internet advertising market is expected to continue expanding in the future.

In response to changes in the market environment, the Company is focused on strengthening its Group foundation, including through M&A, with the goal of enhancing services, particularly in the social media sector, where the share of consumers’ disposable time is increasing, within the broader context of digital marketing.

Specializing in PR and digital marketing support for the beauty and cosmetics sector, gracemode focuses on SNS marketing. With the mission of continuously enhancing lives toward individual happiness and well-being, gracemode provides one-stop support for end-to-



end strategies, from increasing brand awareness on social media to driving purchases, all aimed at consumers.

With this acquisition, the Company aims to broaden its marketing capabilities by combining gracemode's expertise in social media marketing and social media with the PR and customer base of the Group. This will maximize the effectiveness of efforts to promote our clients' outstanding products, services, and other attributes to the world, while strengthening the foundation for contributing to their business growth.

VECTOR will continue to enhance the Group, including through M&A, to adapt to changes in the market environment, while driving further growth and offering comprehensive support for our clients' marketing strategies.

(2) Name of the target company, business details, and scale of operations

- i. Name of the acquired company: gracemode K.K.
- ii. Business description: Planning and sales of cosmetics, e-commerce site operations, PR, and marketing agency services.
- iii. Share capital: 50 million yen

(3) Timing of the share acquisition

April 30, 2025 (plan)

(4) Number of shares to be acquired, acquisition price, and post-acquisition ownership ratio

- i. Number of shares to be acquired: 26,135
- ii. Acquisition price: 1.5 billion yen for common shares of gracemode K.K.
- iii. Ownership ratio after acquisition: 100%