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For immediate release

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Notice of Revision of the Consolidated Forecast for the Fiscal Year Ending February 29, 2024, and Revision of the Dividend Forecast

In light of the recent trend in performance, VECTOR INC. (hereafter, "VECTOR" or the "Company") hereby announces the following revisions in the full-year consolidated forecast announced on October 13, 2023 for the fiscal year ending February 29, 2024 and the dividend forecast announced on the same date.

1. Revisions of Consolidated Forecast for the Fiscal Year Ending February 29, 2024

(1) Revisions of Consolidated Forecast for the Fiscal Year Ending February 29, 2024 (March 1, 2023 to February 29, 2024)

	Consolidated Net Sales	Consolidated Operating Profit	Consolidated Ordinary Income	Profit Attributable to Owners of Parent	Earnings per Share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	63,000	7,260	7,260	4,570	95.56
Revised forecast (B)	57,000	6,505	6,505	4,570	95.65
Change (B - A)	–6,000	–755	–755	—	
Change (%)	–9.5%	–10.4%	–10.4%	—	
(Reference) Results for the previous fiscal year (ended February 28, 2023)	55,225	6,276	6,623	3,172	66.54

(2) Reason for Revisions of Consolidated Forecast for the Fiscal Year Ending February 29, 2024

The main reason for revising net sales is that SIGNAL, Inc. and Direct Tech, Inc. have been removed from the scope of consolidation and no longer contribute to performance as of the third quarter of the fiscal year ending February 29, 2024, as announced in the "Notice of Transfer of Consolidated Subsidiary (Share Transfer) and Recording of Extraordinary Income"

on July 24, 2023, the "(Update on Disclosed Matter) Notice of Completion of Transfer of Consolidated Subsidiary (Share Transfer)" on October 2, 2023, and the "Notice of Change in Consolidated Subsidiary (Share Transfer)" on November 7, 2023.

As disclosed in the "Notice of Potential for Overdue or Uncollectable Receivables" on October 13, 2023, there were several reasons for revision of operating profit and ordinary income. First of all, during the second quarter, an allowance for doubtful accounts of 755 million yen was recorded for specific customers in the digital marketing domain. Secondly, in an effort to collect accounts receivable during the year, discussions had been taking place for several months with TERMINAL, inc., from which VECTOR acquired the digital advertising business, aiming to reach a common ground. However, as the discussions progressed, differences in understanding arose, which led to the failure to reach an agreement. As a result, the anticipated collection of accounts receivable during the fiscal year did not materialize, and the recorded allowance for doubtful accounts of 755 million yen in the second quarter remains a negative factor for the fiscal year ending February 29, 2024 and has been reflected in the forecast.

The Company has not revised its forecast for profit attributable to owners of parent upward because it expects to recognize extraordinary income in the third quarter of the fiscal year ending February 29, 2024, as announced in the "Notice of Transfer of Consolidated Subsidiary (Share Transfer) and Recording of Extraordinary Income" on July 24, 2023, the "(Update on Disclosed Matter) Notice of Completion of Transfer of Consolidated Subsidiary (Share Transfer)" on October 2, 2023, and the "Notice of Change in Consolidated Subsidiary (Share Transfer)" on November 7, 2023.

2. Revision of Dividend Forecast

(1) Revision of Dividend Forecast for the Fiscal Year Ending February 29, 2024 (March 1, 2023 to February 29, 2024)

	Dividends per share		
	2Q-end	Year-end	Full year
Previous forecast (announced on October 13, 2023)	Yen 0.00	Yen 28.00	Yen 28.00
Revised forecast		29.00	29.00
Current year	0.00		
Previous year (ended February 28, 2023)	0.00	19.00	19.00

(2) Reason for Revision

VECTOR recognizes the distribution of earnings to our shareholders as an important management issue. Our basic policy is to declare dividends based on a consolidated dividend payout ratio of 30%, after taking cash flow, financial position, and other salient factors into consideration.

The Company resolved to execute a share buyback to enhance shareholder returns and establish a flexible capital policy for the future as announced in the "Notice of Decision on Matters Pertaining to Share Buyback" today. This resolution comprehensively takes into account both the share price trend, which we believe has consistently been undervalued, and our financial position.The method of share buyback will be market purchase based on discretionary transaction agreements for share buybacks. Based on the assumption that we will purchase at least 638,200 shares by the end of the fiscal year, when dividing 30% of the 4,570 million yen in profit attributable to owners of parent, which is the total amount of dividends paid, by the number of issued shares excluding treasury shares at fiscal year-end, the dividend per share will be more than 29 yen.

Based on our policy and the decision on matters pertaining to the share buyback, we have revised the year-end dividend upward from the previous forecast by 1 yen per share to 29 yen.

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