

# 2nd Quarter FY2020 Financial Results

August 17, 2020

Vision Inc.

(1st Section of the Tokyo Stock Exchange, code : 9416)

- 2Q FY2020 Financial Results (Consolidated)
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  - “GLOBAL WiFi” Business
  - Information and Communications Service Business
- Topics

# 2Q FY2020 Financial Results (Consolidated)

Sales: **-25.6%** YoY, and Operating loss: **-JPY15mn**

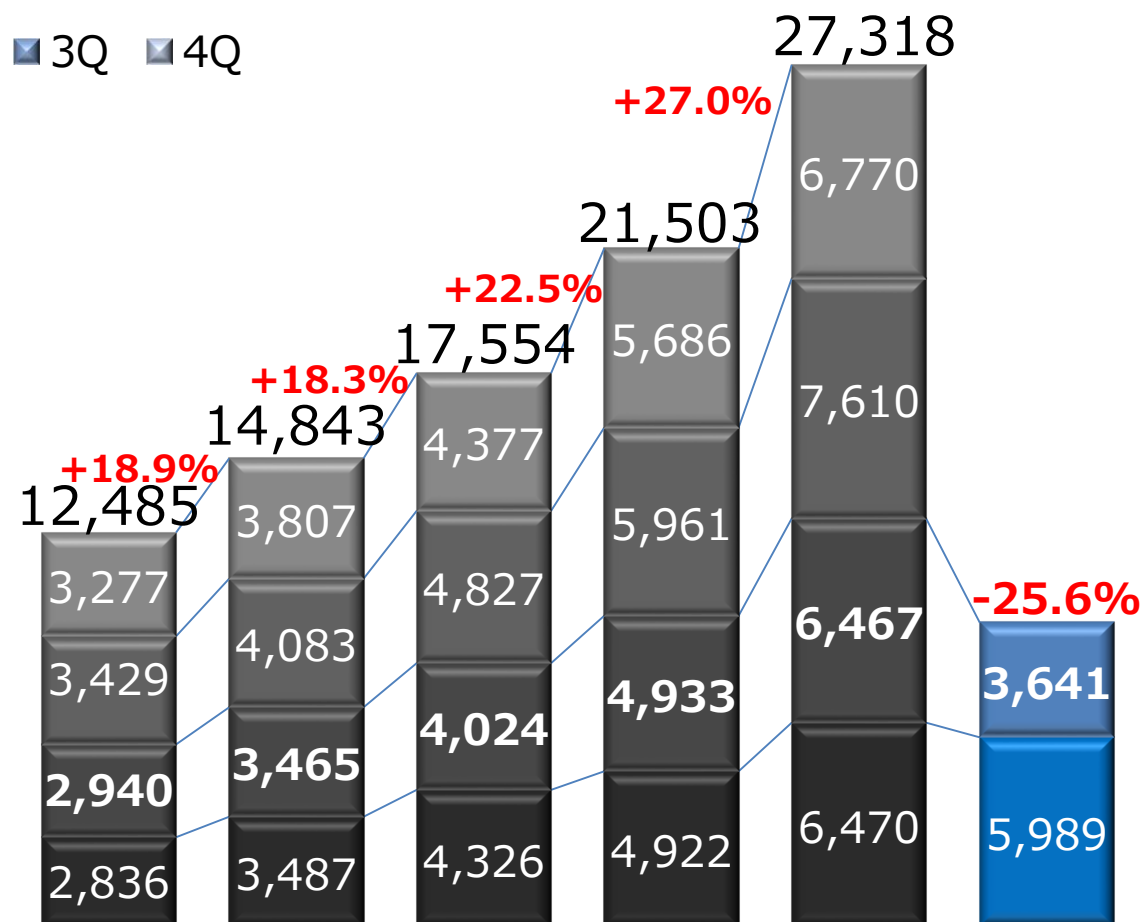
(JPYmn, %)

Item	FY2019/2Q Result		Change	FY2020/2Q Result	
	Amount	Composition ratio		Amount	Composition ratio
Sales	12,937	100.0	<b>-3,307</b>	<b>9,630</b>	100.0
Gross profit	7,496	57.9	<b>-2,673</b>	<b>4,822</b>	50.1
EBITDA	2,091	16.2	<b>-1,801</b>	<b>290</b>	3.0
Operating profit or loss (-)	1,690	13.1	<b>-1,705</b>	<b>-15</b>	<b>-0.2</b>
Recurring profit	1,673	12.9	<b>-1,606</b>	<b>66</b>	0.7
Profit or loss (-) attributable to owners of parent	1,075	8.3	<b>-2,427</b>	<b>-1,352</b>	<b>-14.0</b>

# Performance Change (Total)

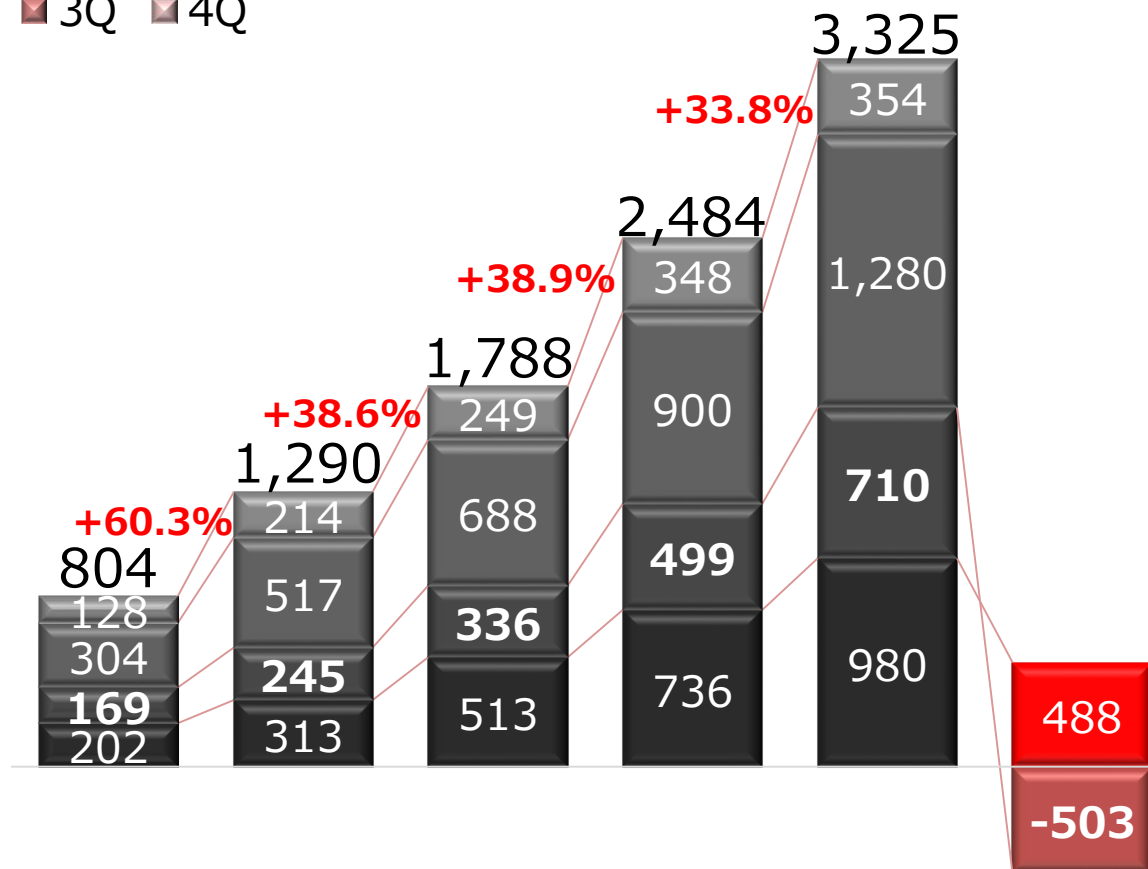
## SALES

■ 1Q ■ 2Q  
■ 3Q ■ 4Q



## OPERATING PROFIT OR LOSS (-) (JPYmn)

■ 1Q ■ 2Q  
■ 3Q ■ 4Q



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

(Note) Regarding the quarterly results in FY2015, the year-on-year ratio is for reference, because we do not prepare for the quarterly financial statements.

# Performance Change (“GLOBAL WiFi” Business)

**Sales were domestic Wi-Fi rental only during the 2Q consolidated fiscal period (April to June).**

Strengthen domestic Wi-Fi sales:

In response to the growing needs for teleworking and online classes, increase orders due to our high-quality, abundant lineup, and product inventory (companies, universities, government offices, etc.).

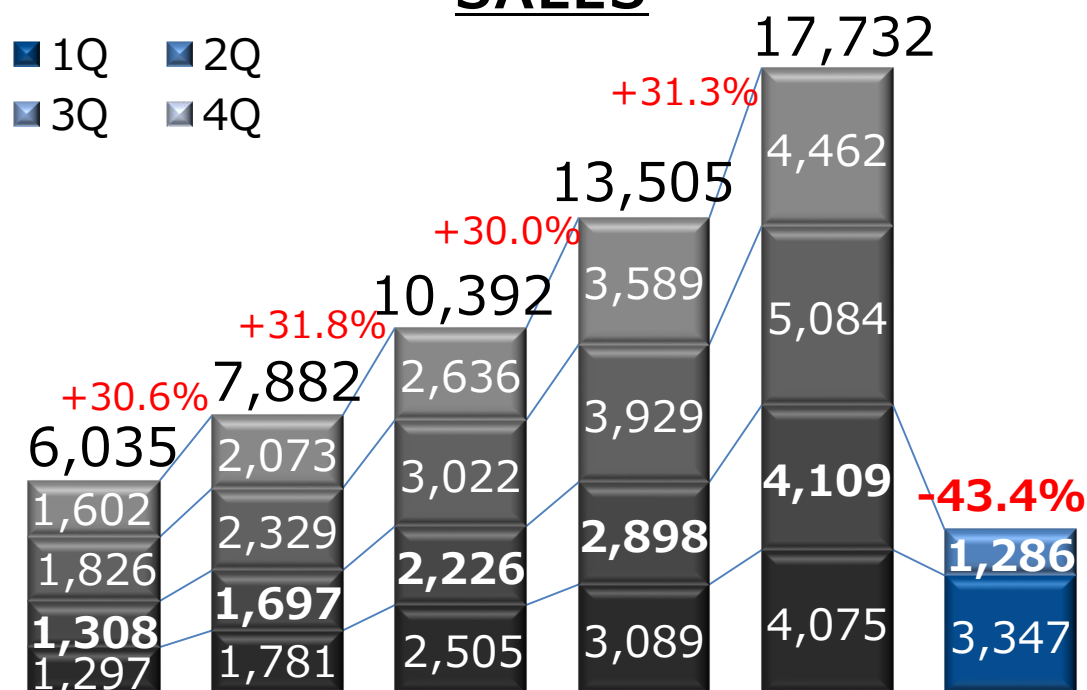
Rapid overall cost reductions:

Personnel costs (including job rotation), rent, sales promotion expenses, advertising expenses, employment adjustment (leave), suspension of some shops, etc.

(JPYmn)

## SALES

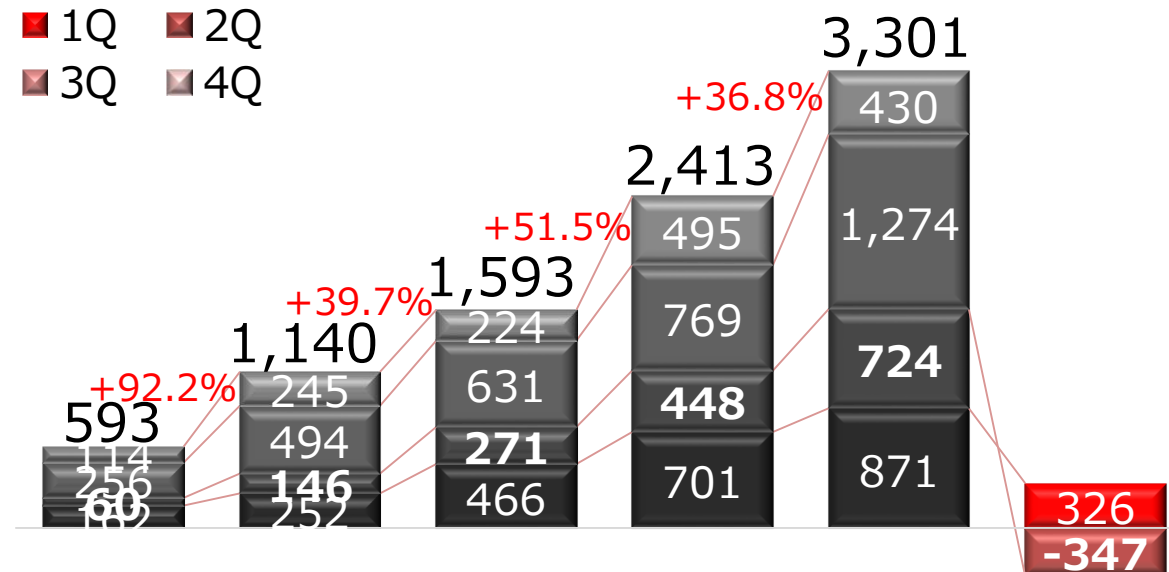
■ 1Q ■ 2Q  
■ 3Q ■ 4Q



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

## SEGMENT PROFIT OR LOSS (-)

■ 1Q ■ 2Q  
■ 3Q ■ 4Q



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

# Performance Change

(Information and Communications Service Business)

**Sales of cost reduction products and mobile communication equipment (for teleworking, etc.) were strong.**

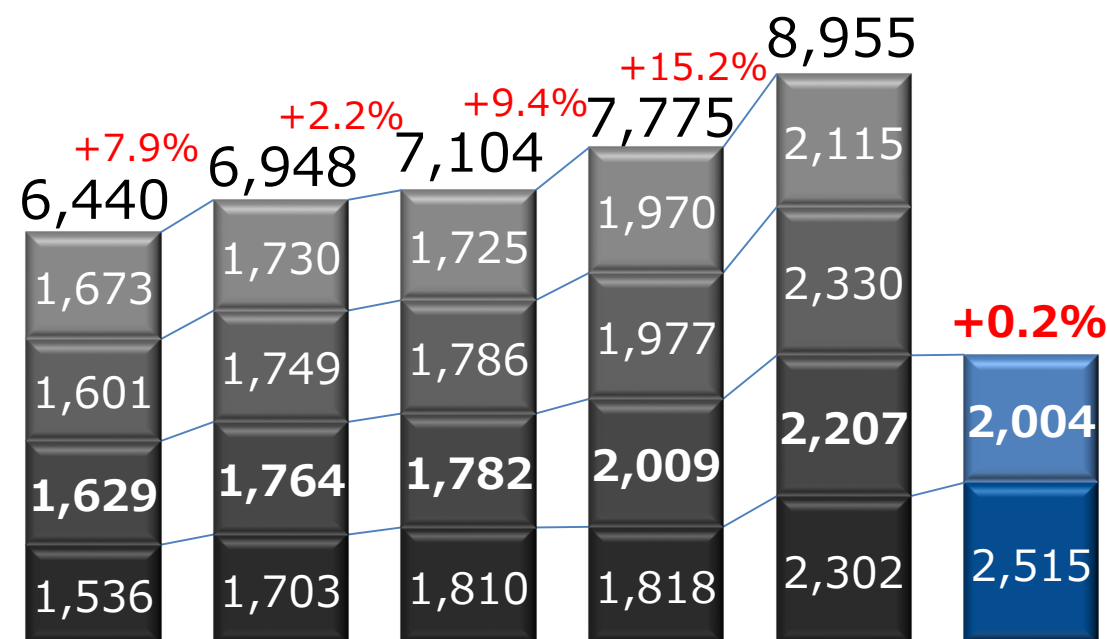
Develop sales activities that accurately capture the companies' needs to reduce costs and support teleworking due to the spread of COVID-19.

Strengthen sales of VWS (Vision Web Service), online products and services.

\* Efforts to increase stock earnings by deploying SaaS model services that reduce initial installation costs.

■ 1Q ■ 2Q  
■ 3Q ■ 4Q

## SALES

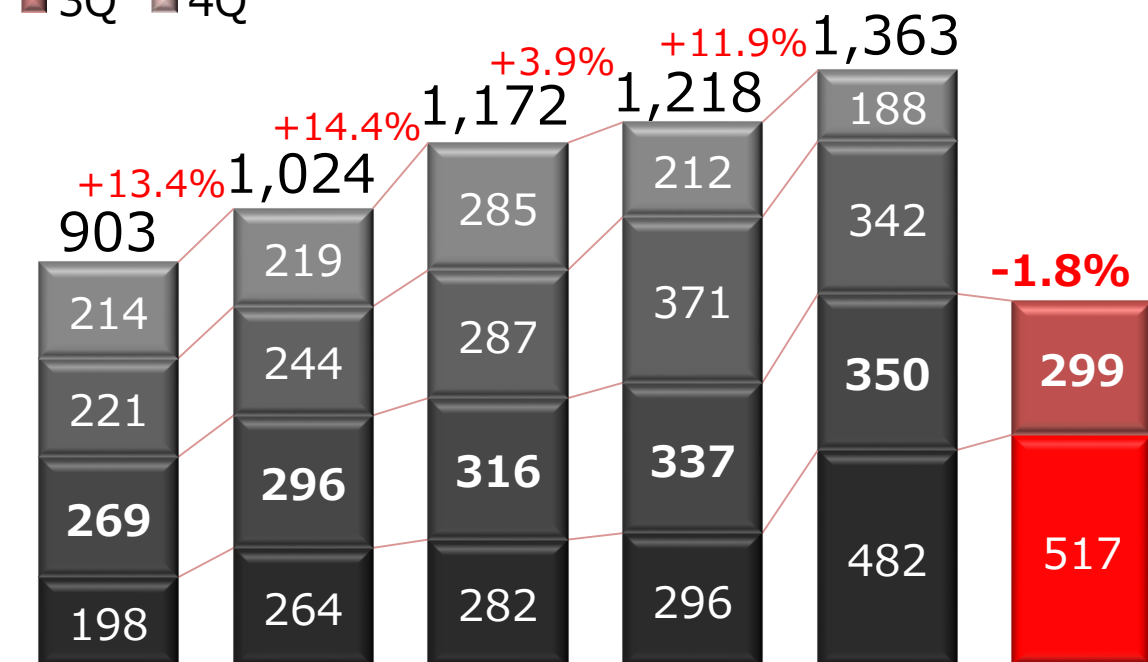


FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

■ 1Q ■ 2Q  
■ 3Q ■ 4Q

## SEGMENT PROFIT

(JPYmn)



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

# Consolidated Balance Sheet

Equity ratio: **78.4%** (Approx. **+2.1% points** from the previous quarter)

## Cash and deposits decreased:

A significant decrease in sales in “GLOBAL WiFi” Business, securing inventory of the mobile communications devices, purchasing hygiene products for sale, and other factors.

(JPYmn, %)

	As of Jun. 30, 2020	As of Mar. 31, 2020	Change	
	Amount	Amount	Amount	Percentage
Current assets	8,580	9,965	-1,384	-13.9%
<b>Cash and deposits</b>	<b>5,738</b>	<b>6,864</b>	<b>-1,125</b>	<b>-16.4%</b>
Non-current assets	2,313	3,173	-859	-27.1%
<b>Total assets</b>	<b>10,894</b>	<b>13,138</b>	<b>-2,243</b>	<b>-17.1%</b>
Current liabilities	2,304	3,058	-753	-24.7%
Non-current liabilities	24	36	-11	-31.5%
<b>Total liabilities</b>	<b>2,329</b>	<b>3,094</b>	<b>-765</b>	<b>-24.7%</b>
<b>Total net assets</b>	<b>8,565</b>	<b>10,044</b>	<b>1,478</b>	<b>-14.7%</b>
<b>Total liabilities and net assets</b>	<b>10,894</b>	<b>13,138</b>	<b>-2,243</b>	<b>-17.1%</b>
<b>Equity ratio</b>	<b>78.4%</b>	<b>76.3%</b>	<b>+2.1%</b>	<b>—</b>



# Revise Consolidated Financial Forecast

## Revise Financial Forecast

Calculate the financial forecast, assuming that the sharp decrease in overseas travelers (outbound, inbound) will continue even after FY2020, and that no social restrictions will be enforced in Japan such as emergency declarations.

Details	Sales	Operating profit	Recurring profit	Net income attributable to owners of parent	Net income per share
	JPYmn	JPYmn	JPYmn	JPYmn	JPY
Previous forecast (A)	Undecided	Undecided	Undecided	Undecided	Undecided
Revised forecast (B)	16,700	-320	-213	-1,601	-34.03
Change (B – A)	—	—	—	—	
Change (%)	—	—	—	—	
(Reference) Previous year results (FY2019)	27,318	3,325	3,358	2,226	46.05



# Policy on Growth Strategy (for Entire Group)

## Current situation

### **“GLOBAL WiFi” Business:**

The monthly loss has improved to less than -JPY100mn.

### **Information and Communications Service Business:**

The same level as last year although it has been affected by COVID-19.

## Policy

### **Turn “GLOBAL WiFi” Business into a profitable early on a monthly basis.**

Actively sell domestic Wi-Fi, and develop Information and Communications Service Business and any new business, other than resources ensuring quality and operations that maintain competitive advantages after recovery of travel.

### **Accelerate the growth of Information and Communications Service Business.**

Accelerate the growth of the business, which is one of our growth businesses and generates stable returns. Develop businesses and services that leverage our strength of capturing newly established companies.

### **Actively engage in new businesses, new products and services.**

Make the most of corporate culture, organizational structure, business partners, and customer assets. Provide products and services that meet the high needs of existing customers in “GLOBAL WiFi” Business and Information and Communications Service Business through cross selling.

**By the end of 2Q, measures to improve loss (defense) had been roughly completed.**

**After 3Q, make the most of the experience and know-how cultivated as a compilation of 25 anniversary of its foundation, while making various investments to earn profits (offense).**

# Current Situation and Future Policy

## ("GLOBAL WiFi" Business)

### Current situation

**The number of overseas travelers is almost zero.**

Number of overseas travelers from April to June\*: Both outbound and inbound decreased by 99% YoY. \*Refer to the materials released by the Japan National Tourism Organization (JNTO).

### Policy

**Turn profitable by operating the business at the lowest cost, assuming that overseas travel will not recover even within 2020 or 2021.**

**After the recovery of overseas travel, aim to maximize profit margin and increase market share by organizing to operate with the minimum personnel, improving operational efficiency, and improving convenience.**

#### Strengthen Domestic Wi-Fi Sales

Strengthen sales expansion of a mobile Wi-Fi for teleworking.  
Strengthen sales expansion of a mobile Wi-Fi for educational institutions and local governments.  
Actively expand domestic plan options of "Global WiFi for Biz" for corporate customers.

#### Personnel

Focus on expanding domestic Wi-Fi sales.  
Employees other than those who engage in the development of new technology will be transferred to Information and Communications Service Business etc.  
Use employment adjustment subsidy (for businesses affected by the COVID-19 pandemic), and employment adjustment (leave) for some personnel.

#### Shipping center

Utilize as a shipping center for other businesses such as Information and Communications Service Business (reduce outsourcing costs for the entire group).

#### Airport counter

Close some counters and shorten business hours.  
Advance Smart Strategy (Expand unmanned shops, Smart Pickup + SIM vending machine, etc.).  
Add new delivery method (convenience store).  
Significantly streamline the system (reduce fixed cost).

#### Cost reduction

Suspend and cancel SIMs with fixed costs.  
No fixed cost for a pay-as-you-go SIM (approx. 80% of all SIMs).  
Reduce advertising expenses.  
Reduce travel expenses and travel time by switching to business negotiation with Zoom.

#### New services

Plan and develop new services for corporate and individual customers traveling overseas.  
Business tie-ups with domestic and overseas business partners other than "GLOBAL WiFi" Business.

# Strengthen Domestic Wi-Fi Sales

## Set up special pages on each sales website to maximize domestic Wi-Fi rental demand.

Strengthen sales expansion of a mobile Wi-Fi for teleworking.

Strengthen sales expansion of a mobile Wi-Fi for educational institutions and local governments.

Make the most of the know-how and resources provided by our company for the internet communication environment, which has been an issue for inbound measures, through the partnership with local governments.

\*Osaka introduced 3,300 units, and we are also currently in negotiation with the Board of Education etc. in other regions.

“GLOBAL WiFi for Biz” for corporate customers

Actively expand sales of domestic plan options.

### < Wi-Fi rental for corporate teleworking >



Over 100 units available

Zero office fee

Corporate plan available

Very popular!

Available in Japan / For online classes  
**Wi-Fi rental for teleworking**

For details



### < Wi-Fi rental for educational institutions & local governments >



Online class

**GIGA School Concept**

Dedicated dial for local governments and educational organizations

### For school and educators **Wi-Fi rental for online classes**

- Provides quotes the same day, and delivers the next day at the earliest
- Laptop, tablet available
- Easy to set up

Introduction record: Used by many schools for online classes.

Tokyo University, Waseda University, Seijo University, Hokkaido University of Education, Aichi Shukutoku University, Shizuoka Sangyo University, Shizuoka Prefectural University, Osaka University of Economics, Hyogo Prefectural University, Okayama Prefectural University, Nagoya Medical and Health Sports College, Tokyo Design Technology Center

# Changes in Monthly Cost and Segment Profit

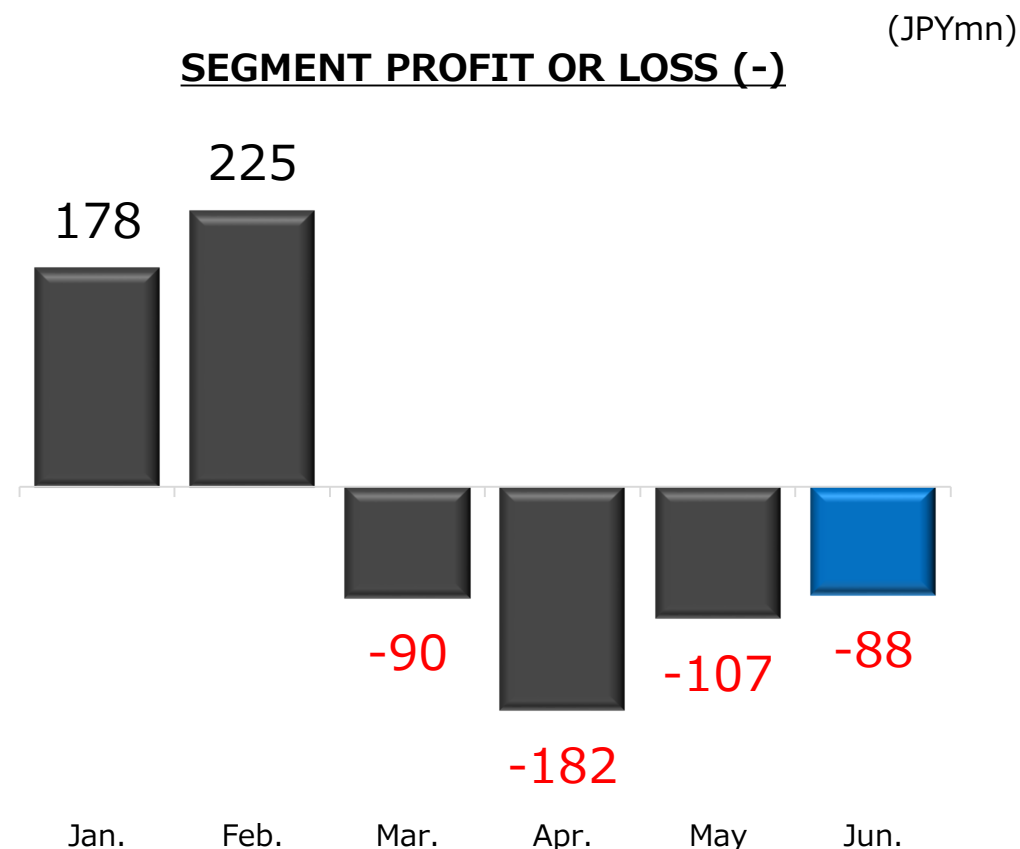
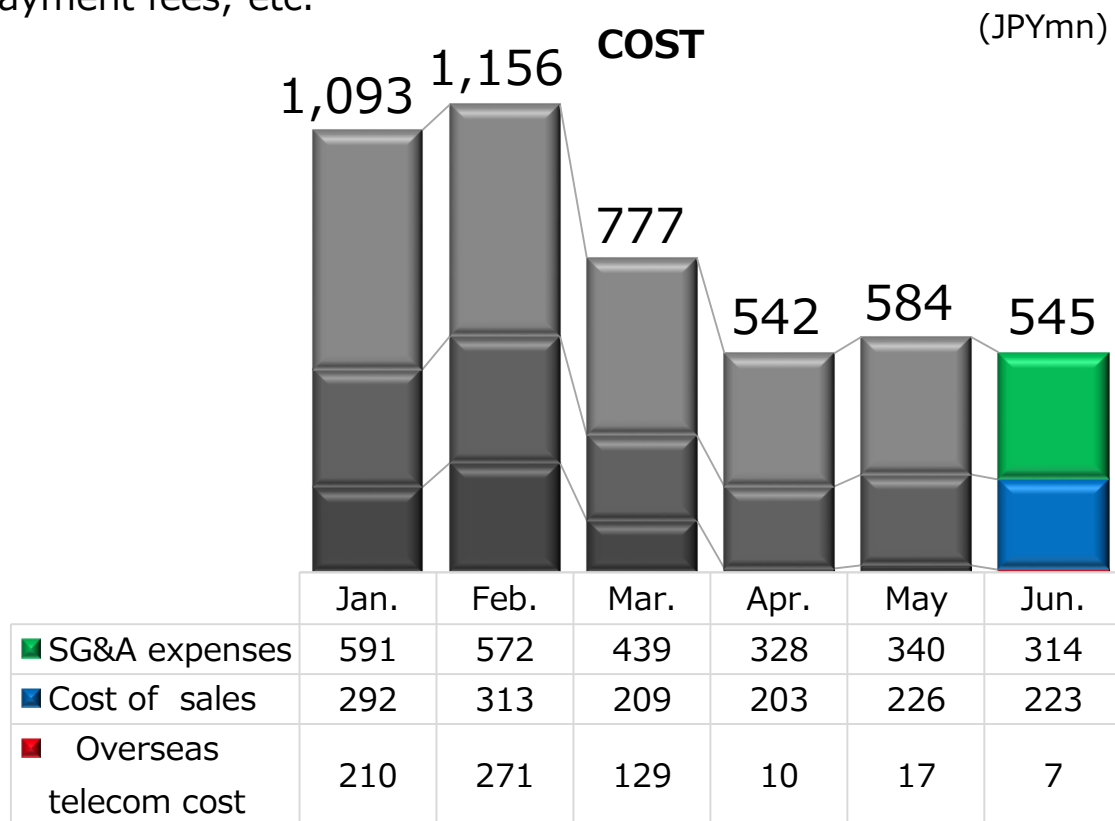
("GLOBAL WiFi" Business)

## Make costs variable (efforts from before) and further reduce costs.

Reduce costs by pay-as-you-go purchase contract with no communication costs unless communication occurs.

For most of the SIMs for overseas use with some fixed charge, no communication cost is incurred because of suspension, and for those with fixed charge, communication cost has been reduced to around 4 million yen per month.

Cost structure that changes depending on the number of rentals: communication costs, shipping delivery costs, credit card payment fees, etc.



# Current Situation and Future Policy

## (Information and Communications Service Business)

### Current situation

#### **A sudden change in work style associated with the spread of COVID-19.**

Respond to teleworking (improve infrastructure environment), improve operational efficiency, reduce costs, etc. In this consolidated fiscal period, there was an impact (delay) due to the suspension of leasing examinations coming from the spread of COVID-19, however the situation became normal after the state of emergency was lifted.

### Policy

**Provide products and services responding to changes in work styles (Plan and sell teleworking support products).**

**Establish a sales style that is not tied to working place. Maximize productivity per person. Increase stock revenue, which underpins stable growth.**

#### **Plan and sell teleworking support products**

Vision Web Service: VWS series  
SNS for business: JANDI  
Web meeting and online business negotiation system: meet in  
Telephone agency service: te-le-re  
Plan and sell in-house operated and renovated services at any time.

#### **Sales style that is not tied to working place**

Promote teleworking actively.  
Strengthen online sales.  
Strengthen inside sales.  
Minimize visiting sales.  
Expand sales area.  
Reduce operating costs (travel expenses, overtime pay, etc.)

#### **Maximize productivity per person**

Maximize number of negotiations (no travel time).  
Acquire negotiation appointments using Web marketing know-how with over 15 years experience.  
Improve productivity through uniform training.  
Thoroughly analyze customer attributes.  
Strengthen retention CRM.

#### **Expand sales of cost reduction products**

Provide various telecommunication discount services.  
Website low price production and maintenance service.  
Provide products and services with less initial installation costs.

#### **Hybrid Synergy model**

Web marketing + CLT (customer center) + sales  
Cross-function organizational structure.  
Make the most of our customers' assets.  
Escalation (cooperation between divisions, customer introduction)

#### **Increase stock revenue**

In addition to existing stock revenue, expand profits by developing in-house services including online services, corporate mobile maintenance service "Garasapo," website maintenance service, strengthen sales such as LED sales, etc.  
Increase customers by business alliance.



# Provide Products and Services Responding to Changes in Work Styles

**In-house developed or used services are expanded to users.**

**Provide the required functionality in the cloud as needed.**

Reduce users' costs (installation and running).

Expand the VWS (Vision Web Service) series.



## VWS series (Attendance, workflow)

＜月額利用料金＞

**VWS勤怠**

低価格で安心！  
導入しやすい  
クラウド勤怠システム

初期費用 & サポート費用  
**0円**

**200円 / 人**

最低5AC～(1,000円～)

しかも、VWS勤怠は、  
無料のチャット機能付き！

- ストレージ 3GB
- トークチャット 既読可能
- メッセージ機能 15,000通まで送信可能
- チームメンバー 最大100名
- 管理者 1名
- 準会員加入数 10名まで
- To-Doリスト 100件まで
- 内部連携 Googleなど可能

**VWS フラグ**

申請 承認 承認 保管

精算 申請

社内稟議・経費計算システム

## SNS for business (JANDI)

ビジネス向けの「決定版」

**JANDI**

クラウドコミュニケーションによる、  
意思決定の加速。

**FREE! ¥0**

新規登録無料!!

詳しくはこちら >



不要な  
ミーティング

**29% DOWN**

社内メール  
コミュニケーション

**82% DOWN**

業務の  
生産性

**56% UP**



# Provide a New Service that Meet Customers' Needs

## Start providing in earnest a new website production service, "Vision Crafts!"

Utilizing over 100 website production experiences per month, we provide production service of website that customers can easily create and "visually convey!" at a low price (from JPY3,980/month).



01.



Simple!  
Website update

02.



Abundant  
design materials

03.



Reliable staff  
before opening

04.



How to use!  
Support desk

05.



All from 3,980  
yen/month





To Contribute to the Global Information and  
Communications Revolution