

# 3rd Quarter FY2020 Financial Results

November 9, 2020

Vision Inc.

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

# 3Q FY2020 Financial Results (Consolidated)



(JPYmn, %)

Item	FY2019/3Q Result		Change	FY2020/3Q Result	
	Amount	Composition ratio		Amount	Composition ratio
Sales	20,547	100.0	-7,439	13,108	100.0
Gross profit	11,970	58.3	-5,146	6,824	52.1
EBITDA	3,746	18.2	-4,594	-847	-6.5
Operating profit	2,970	14.5	-2,912	58	0.4
Recurring profit	3,011	14.7	-2,844	167	1.3
Profit or loss (-) attributable to owners of parent	1,986	9.7	-3,213	-1,226	-9.4

# Performance Change “GLOBAL WiFi” Business

**Sales were mostly for domestic Wi-Fi rentals during the 3Q consolidated fiscal period (July to September).**

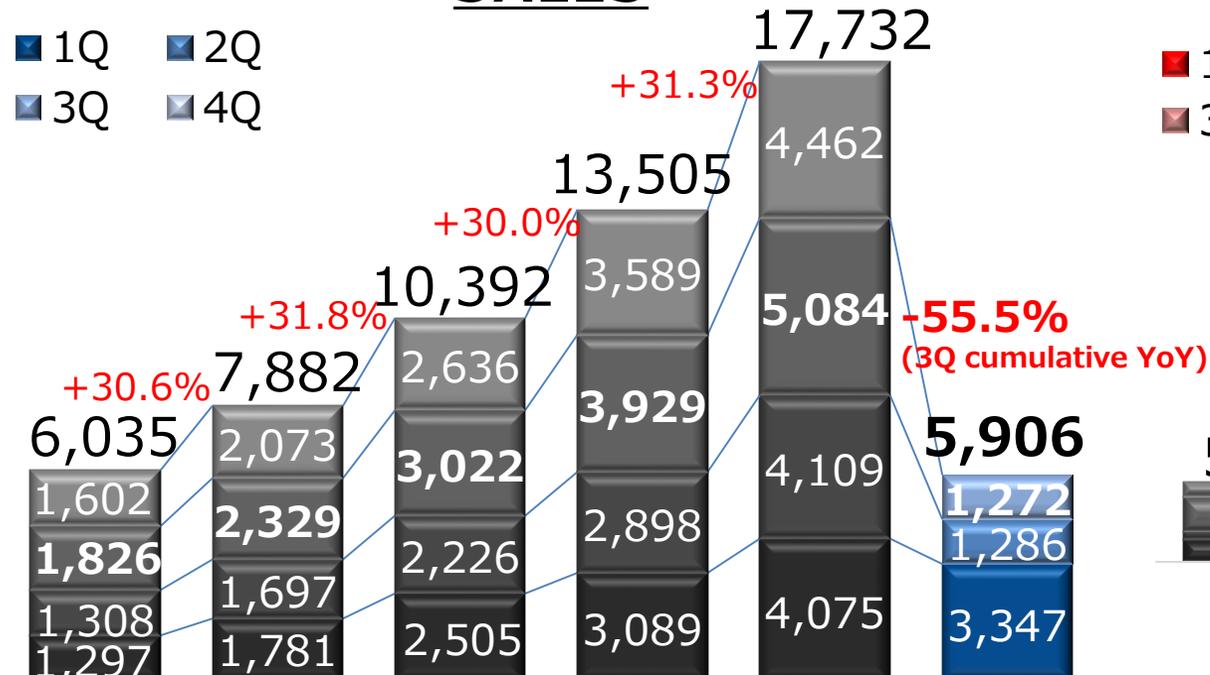
The highest sales ever in the Wi-Fi rental business in Japan.

Actively acquire the needs for teleworking and online classes. Making the most of the performance and know-how of the domestic Wi-Fi router rental business since 2010, acquire various usage needs (substitution when moving, hospitalization, business trip, combined use with home internet, various events, etc.).

Acquire orders with our high-quality and rich lineup, product inventory, and communication plans that meet customers' needs.

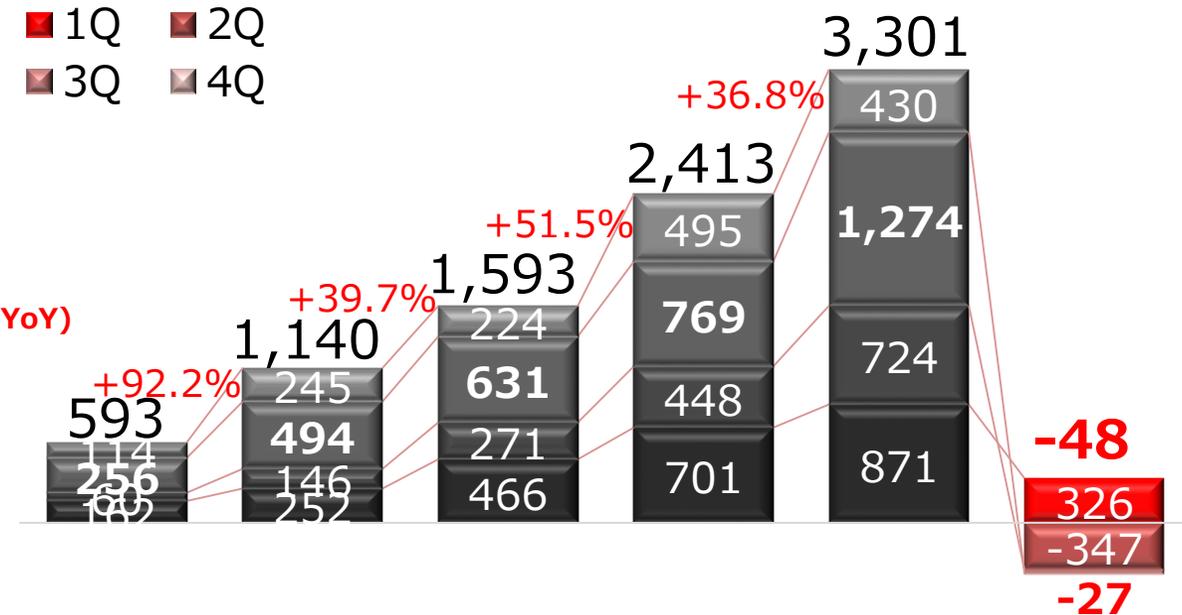
The urgent business travels by corporations (corporations and government agencies, etc.) have recovered slightly. (JPYmn)

## SALES



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

## SEGMENT PROFIT OR LOSS (-)



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 growing companies' needs to reduce costs (communication charges, electricity charges, etc.) and support teleworking due to the spread of COVID-19.

The acquisition of monthly website production service "Vision Crafts!" is strong.

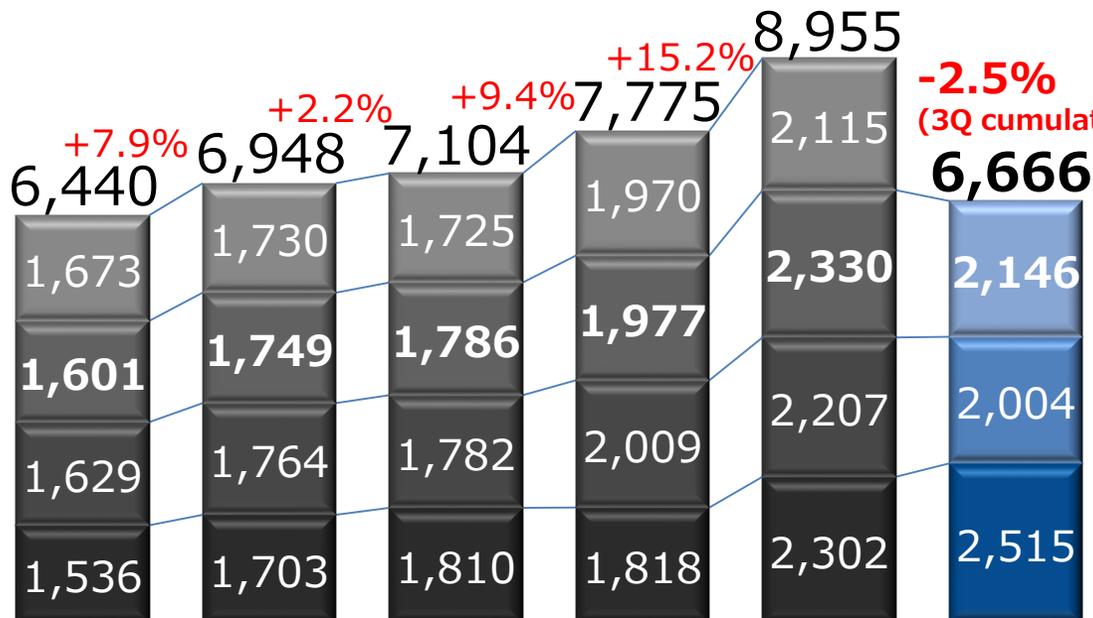
Efforts to increase stock earnings (recurring revenues), which will be the earnings base for the next fiscal year and beyond.

Develop SaaS model services that reduce initial installation costs.

(JPYmn)

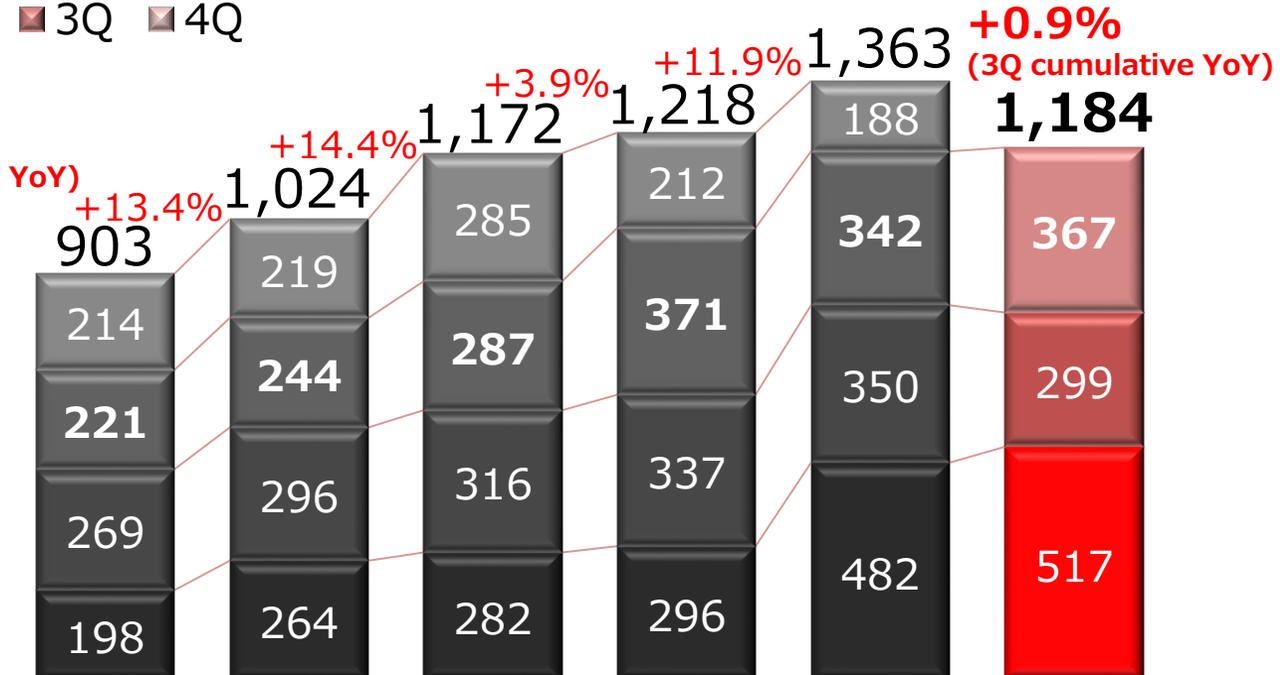
■ 1Q ■ 2Q  
■ 3Q ■ 4Q

### SALES



■ 1Q ■ 2Q  
■ 3Q ■ 4Q

### SEGMENT PROFIT



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

# Financial Forecast Revision

(JPYmn, %)

Items	FY2020 Forecast after revision	FY2020 Forecast before revision	Change	Ratio of change	FY2019 Result
<b>Sales</b>	<b>16,700</b>	<b>16,700</b>	—	—	<b>27,318</b>
Cost of sales	7,811	7,816	-4	-0.1	11,627
Gross profit	8,888	8,883	+4	+0.1	15,690
Gross profit margin	53.2	53.2	+0.0	—	57.4
SG&A expenses	8,830	9,203	-373	-4.1	12,365
SG&A-to-sales ratio	52.9	55.1	-2.2	—	45.3
<b>Operating profit or loss (-)</b>	<b>58</b>	<b>-320</b>	<b>+378</b>	—	<b>3,325</b>
<b>Operating profit margin</b>	<b>0.3</b>	<b>-1.9</b>	<b>+2.3</b>	—	<b>12.2</b>
<b>Recurring profit</b>	<b>167</b>	<b>-213</b>	<b>+381</b>	—	<b>3,358</b>
<b>Profit or loss (-) attributable to owners of parent</b>	<b>-1,226</b>	<b>-1,601</b>	<b>+375</b>	—	<b>2,226</b>

## Current situation

### **“GLOBAL WiFi” Business**

The monthly loss has improved to approx. -JPY10mn.

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

Products and services related to reduce costs and improve operational efficiency are strong due to the growing companies' needs under the spread of COVID-19.

## Policy

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

Actively sell domestic Wi-Fi.

Build a low-cost operation system when overseas travel demand gradually recovers.

Correspond to next-generation communication standards and technologies (5G and eSIM, etc.).

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

Develop businesses and services that leverage our strength of capturing newly established companies.

Strengthen sales of SaaS model products, which will be the earnings base for the next fiscal year and beyond.

### **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.

**Return to profitability by deep diving into existing businesses and growing.  
Build a business and organizational structure that earns more profits and profit margins than previous years by new business (service) profits and building low-cost operation systems.**

# Strengthen Domestic Wi-Fi Sales

**Acquire usage needs by leveraging the price, rich lineup, product inventory, various communication plans that meet customers' needs, remote support, marketing, brand (GLOBAL WiFi), and customer base.**

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

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



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

- Over 100 units available
- Zero office fee
- Corporate plan available



**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



**Recommend for teleworking!**

Can be used immediately without any construction work!

**Start teleworking immediately without an internet environment!**

**Introduction record: Used by many schools for online class.**

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

# Efforts to Popularize Online Learning “GIGA School Concept”

To realize an educational ICT environment that is individually optimized for each child and fosters creativity

- One device for each person as a standard in the Reiwa era -

Contribute to promote online learning in the “GIGA School Concept” by expanding the options which local governments can choose data communication costs, Wi-Fi routers and data communication contracts this year and beyond.

Local governments purchase “cloud-type Wi-Fi routers” and distribute them to homes that require a communication environment.

Each home makes a data communication contract and can use a data communication service.



**Online class**

## GIGA School Concept

**Dedicated dial for local governments and educational organizations**

### Our 4 strengths utilizing our unique cloud technology



# New Service “tsuyaku-fukikae.com”

## Launch the service of online/offline business negotiations and conference interpretation, video translation/dubbing.

Business negotiations, conferences, and IR meetings (Japanese ⇄ foreign language) with overseas companies and investors at web meetings such as ZOOM and conference calls.

Create an English dubbed video for overseas investors (Japanese ⇄ foreign language).

Create dubbed videos in foreign languages such as English and Chinese (foreign language ⇄ Japanese).

Dubbed videos in any foreign language into Japanese such as AI, 5G, autonomous driving, IoT, finance (for in-house training videos, etc.).

Meetings and social gatherings with employees of global affiliated companies, etc.

“Beyond the language barrier, make your business more global.”

Provide interpretation, translation, and dubbing services that can be used in various business situations at reasonable prices.



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## Beyond the language barrier Make your business more global.



Strengthen Domestic Wi-Fi Sales

VISION 25th Anniversary

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 institutions and local governments.

Make the most of the know-how and resources we have provided the internet environment, which has been an issue for inbound measures, in partnership with local governments.

\*Obtain introduction 3,300 units, and we also negotiate with the Board of Education etc. in other regions.

“GLOBAL WiFi for Biz” for corporate customers

Actively expand sales of domestic plan options.

GLOBAL WIFI

Wi-Fi rental for educational institutions & local governments

Online class

GIGA School Concept

Established deal for local governments and educational organizations

For school and educators

Wi-Fi rental for online class

- Estimate soon, next day delivery
- Laptops, tablet available
- Easy to set up

Introduction record: Used by many schools for online class.

Tsuyaku University, Waseda University, Hokkaido University of Education, Aichi University of Education, Shizuoka University, Mie University, Teikyo University, Oeiza University of Economics, Sango Prefectural University, Oeiza Prefectural University, Mie Prefectural University, Sango Health and Health Sciences College, Teikyo Design Technology Center

IR TV



# Changes in Monthly Cost and Segment Profit

## “GLOBAL WiFi” Business

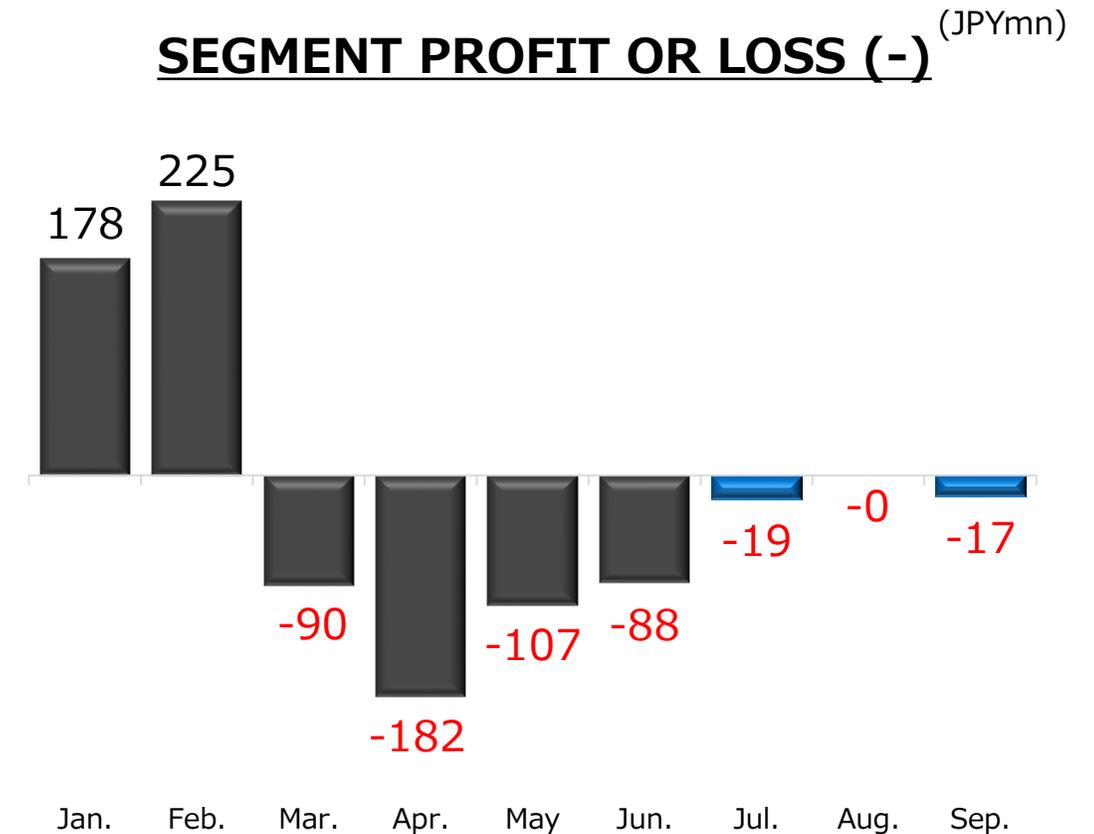
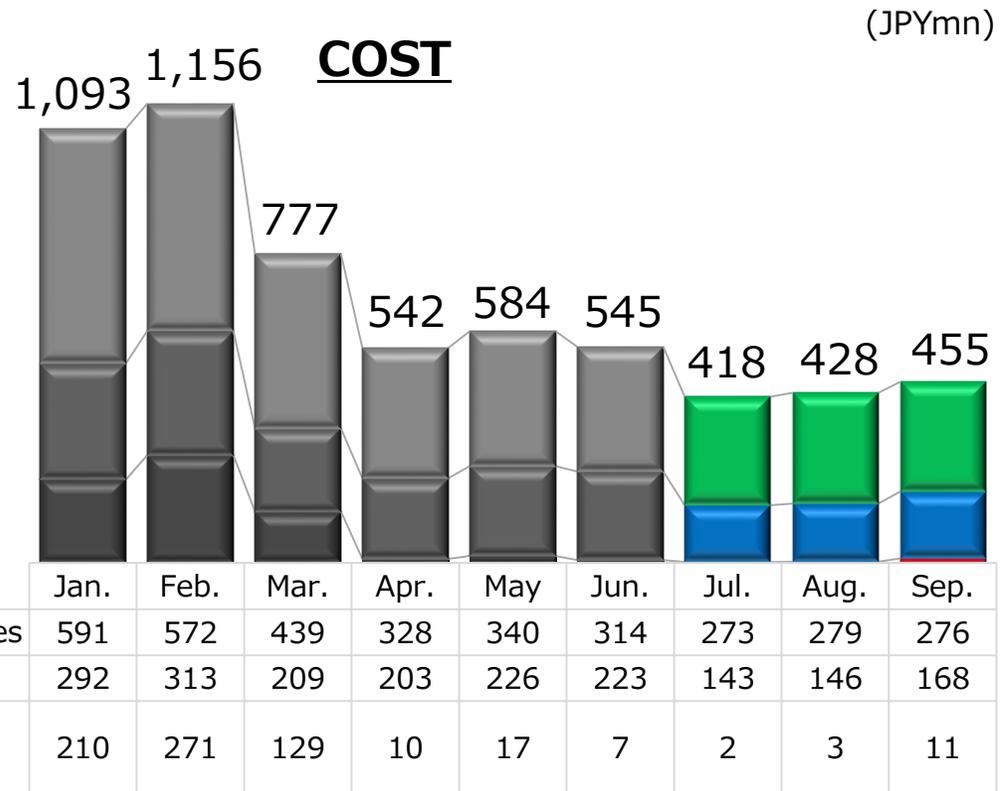


### Recover to profitability due to domestic Wi-Fi rental revenue.

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

Depreciation costs decreased significantly due to the impairment loss of fixed assets in the business (approx. JPY1.2bn), recorded in FY2020/2Q.

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



(Note) The figures are different from those of the segment results because they are monthly changes in profit and loss which do not include closing.

# Gross Profit Composition

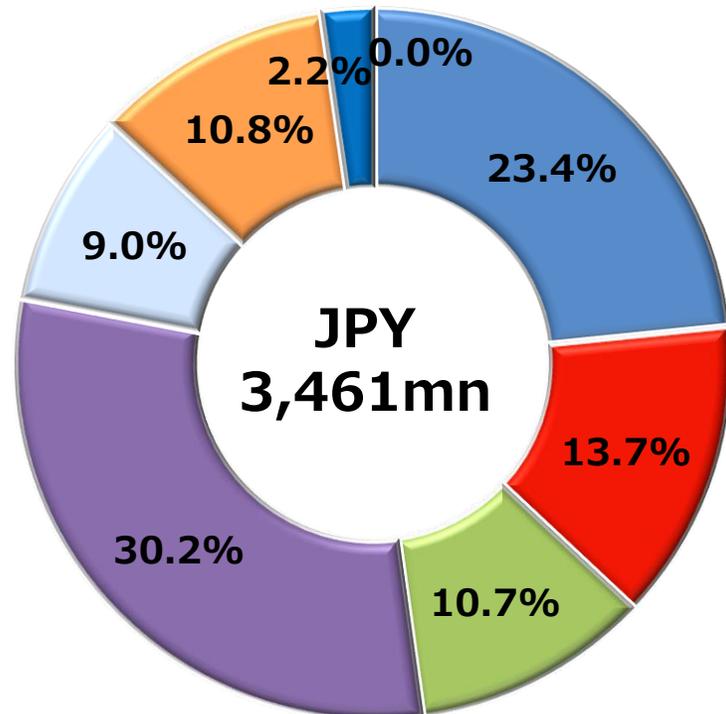
## Information and Communications Service Business

Sales of mobile communication equipment are strong (increase number of companies introducing teleworking).

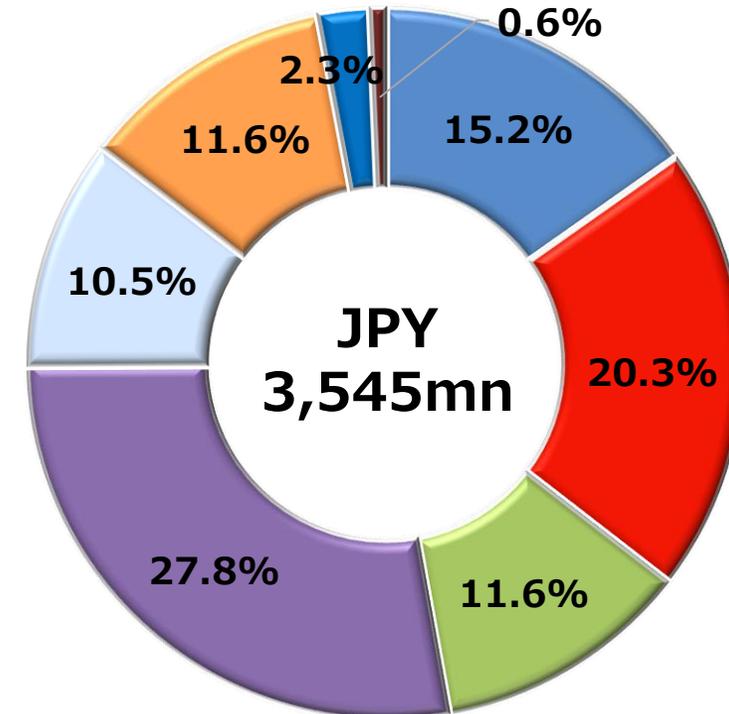
Orders for “Vision Crafts!”, a monthly website production service that can reduce initial installation costs, are steadily growing.

Decrease orders for OA equipment sales under lease contracts, partly due to the decline in domestic leasing transaction volume. \* Refer to the materials released by Japan Leasing Association.

3Q FY2019 Cumulative



3Q FY2020 Cumulative



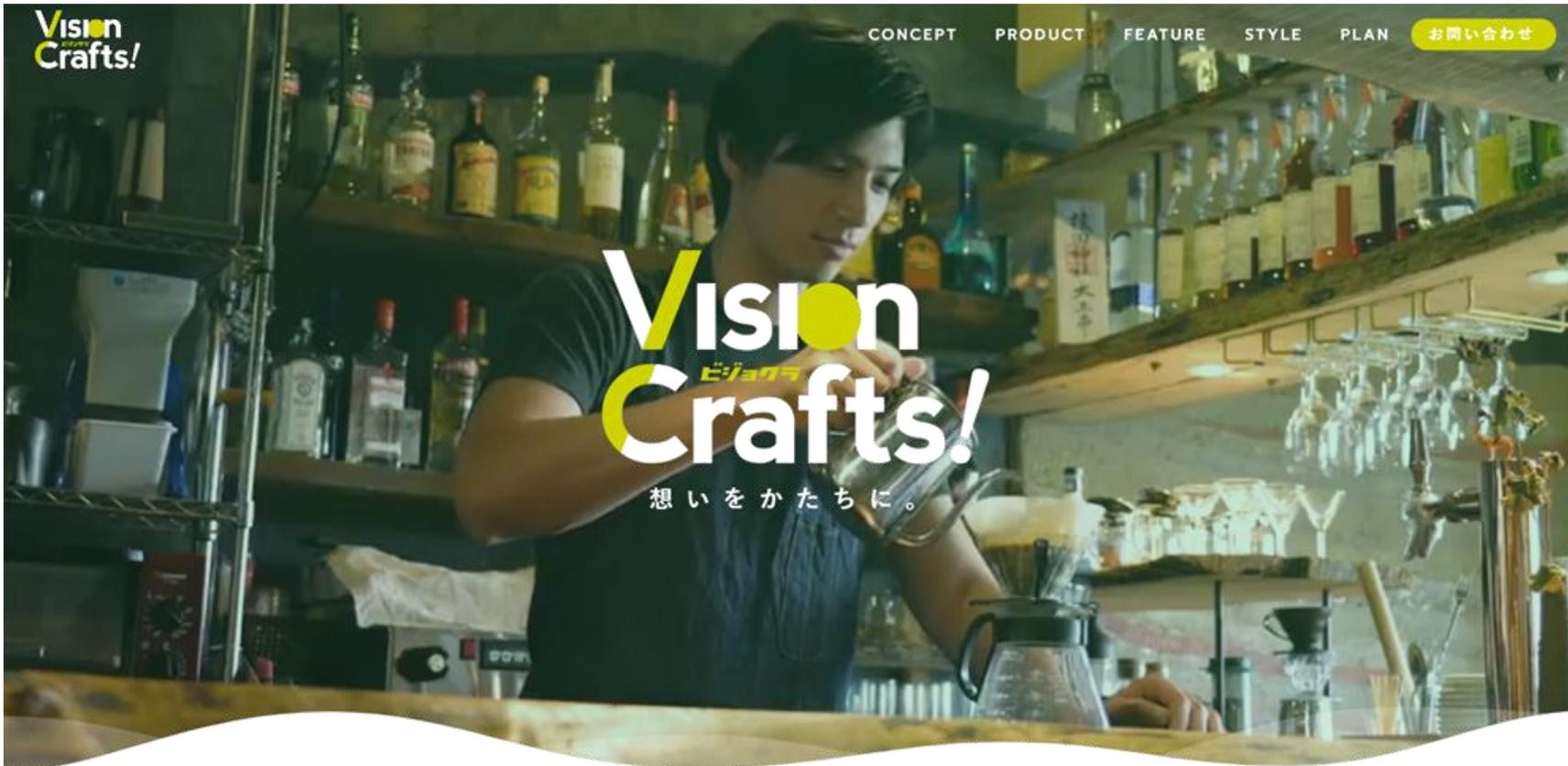
- Fixed-line communications
- Mobile communications
- Broadband
- Office automation equipment
- Internet media
- Eco solution
- Construction related
- Other

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- Construction related
- Other

# Provide a New Service that Meets Customers' Needs

## Sales of monthly website production service “Vision Crafts!” are strong.

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