

# FY2020 Financial Results

February 15, 2021

Vision Inc.

TSE 1st Section : 9416



# FY2020 Financial Results (Consolidated)



(JPYmn, %)

Item	FY2019 Results		Change	FY2020 Results	
	Amount	Composition ratio		Amount	Composition ratio
Sales	27,318	100.0	-10,663	16,654	100.0
Gross profit	15,690	57.4	-6,896	8,793	52.8
EBITDA	4,304	15.8	-5,187	-883	-5.3
Operating profit	3,325	12.2	-3,221	103	0.6
Recurring profit	3,358	12.3	-3,130	227	1.4
Profit or loss (-) attributable to owners of parent	2,226	8.1	-3,410	-1,183	-7.1

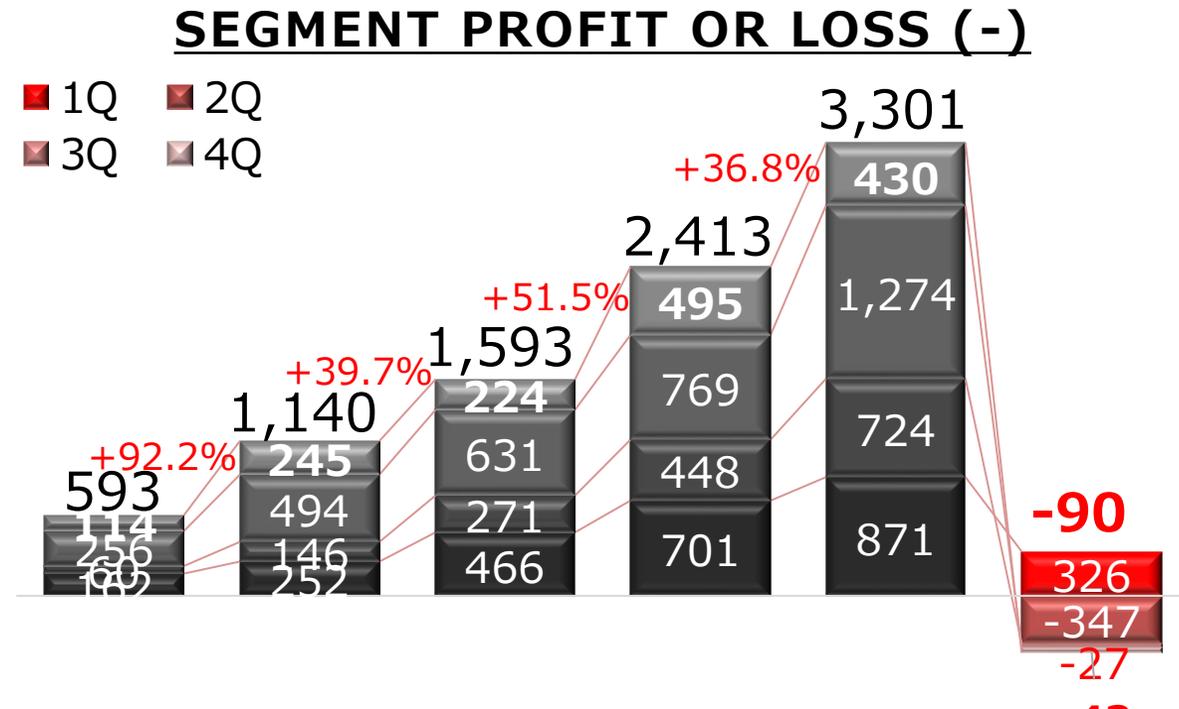
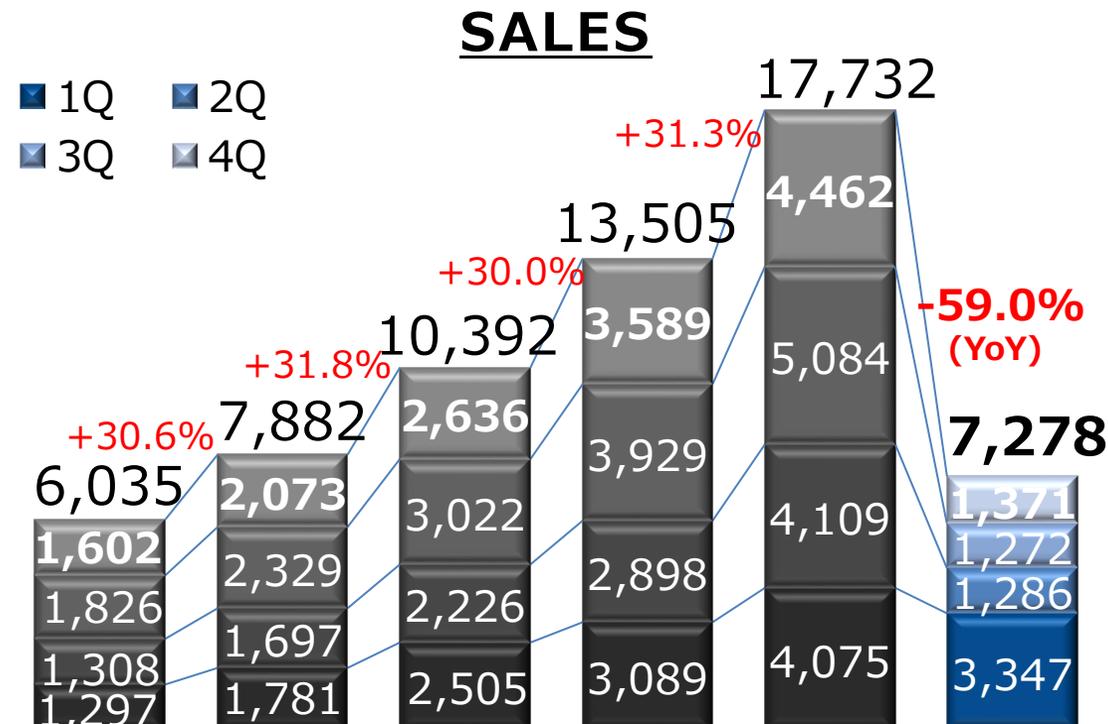
# Performance Change “GLOBAL WiFi” Business



**Turn profitable in a single month in 4Q consolidated accounting period by continuing low-cost operation and capturing various needs.**

Sales of standby type “GLOBAL WiFi for Biz” for corporate customers are strong. Actively capture the needs for teleworking, online classes, and local governments (the Board of Education, etc.) for the GIGA School Concept. 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.).

(JPYmn)



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

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.) are 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.

Decrease sales due to changes in business structure and strengthened sales of in-house services (monthly).

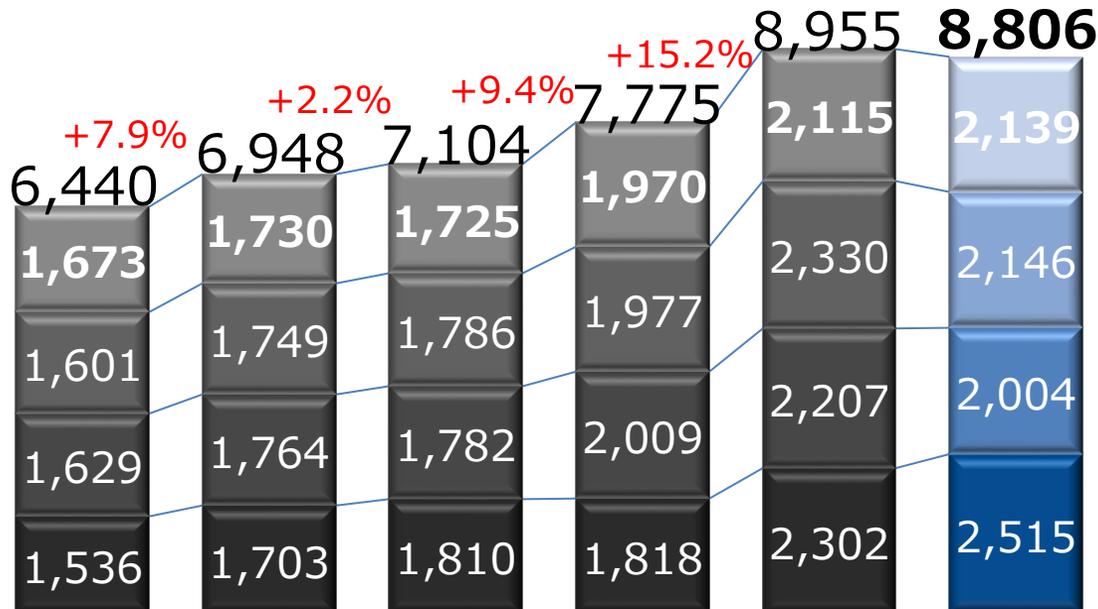
Orders received of monthly website production service "Vision Crafts!" is strong.

Increase stock earnings and in-house services (monthly), which will be the revenue base (recurring revenues) for the next fiscal year and beyond.

■ 1Q ■ 2Q  
■ 3Q ■ 4Q

### SALES

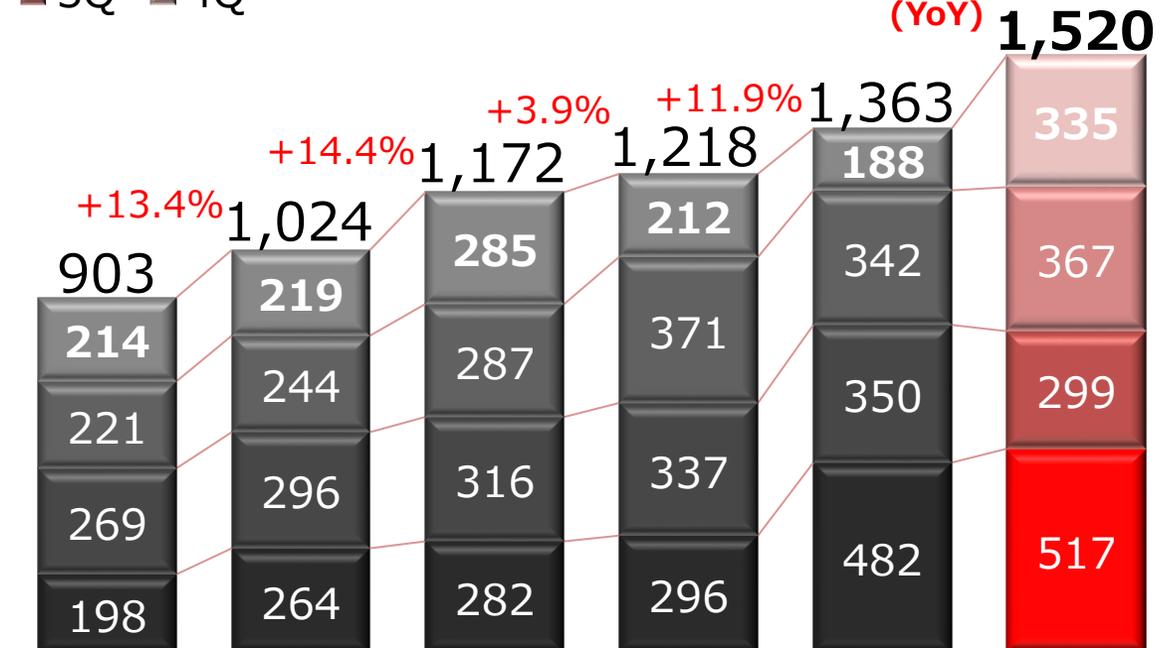
-1.7%  
(YoY)



■ 1Q ■ 2Q  
■ 3Q ■ 4Q

### SEGMENT PROFIT

+11.5%  
(YoY)



(JPYmn)

FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

# FY2021 Forecast of Financial Results

(JPYmn, %)

Items	FY2021 Forecast	FY2020 Result	Change	YoY
Sales	15,163	16,654	-1,491	-9.0
Cost of sales	6,486	7,860	-1,374	-17.5
Gross profit	8,676	8,793	-117	-1.3
Gross profit margin	57.2	52.8	+4.4	-
SG&A expenses	8,268	8,689	-421	-4.8
SG&A-to-sales ratio	54.5	52.2	+2.4	-
Operating profit	407	103	+303	+292.4
Operating profit margin	2.7	0.6	+2.1	-
Recurring profit	397	227	+169	+74.4
Profit or loss (-) attributable to owners of parent	245	-1,183	+1,429	-

# Assumption of FY2021 Forecast

"GLOBAL WiFi"	Premise
<b>Common</b>	<p>Monetize our domestic business and build new businesses and services making the most of the customer base (corporate customers working with overseas companies, individual customers who like traveling, etc.).</p> <p>Continue to improve profitability and competitive advantage by continuing the low-cost operation system that even when overseas demand gradually recovers.</p> <p>Correspond to next-generation communication standards and technologies (5G and eSIM, etc.).</p>
<b>Domestic</b>	<p>Calculate based on the growth rate in the previous fiscal year, taking into account the seasonal index in each sales channel.</p> <p>Expect to make a budget to orders received through the "GIGA School Concept" by March 2021 when subsidies to each local government will end.</p> <p>Forecast the demand for teleworking conservatively, because the impact of COVID-19 on corporate activities is uncertain.</p> <p>Inbound (foreign visitors to Japan): After October 2021, it is expected to recover by about 25% compared to that in 2019.</p>
<b>Overseas</b>	<p>Outbound (travelers from Japan to overseas): Expect to remain sluggish in FY2021, same as that after March 2020. After October 2021, it is expected to recover by about 25% compared to that in 2019.</p> <p>Make a budget to the increased number of contracts of the standby type "GLOBAL WiFi for Biz" for corporate customers.</p>

# Assumption of FY2021 Forecast

Information and Communications Service	Premise
<b>Common</b>	<p>Grow the business centered on monthly in-house services (recurring revenue) while slightly increasing and maintaining the revenue from subscription agency contracts and equipment sales (one-time revenue).</p> <p>Under the circumstances of COVID-19, the impact on visiting sales is minor by utilizing online sales.</p> <p>Flexibly respond to changes in the external environment, taking advantage of strength to have multiple businesses (products/services) and sales channels.</p>
<b>Office automation equipment, Internet media</b>	<p>Expect to increase due to demand recovery, although affected by the decline in domestic leasing transaction volume.</p> <p>Actively sell monthly website production service "Vision Crafts!".</p>
<b>Fixed-line communication, Mobile communication, Broadband</b>	<p>Acquire needs for mobile communication equipment due to teleworking demand, increase demand for corporate smartphones, and actively capture needs for monthly services (VWS, JANDI, compensation services, etc.).</p> <p>Conservatively expect the number of starting business.</p>
<b>Eco solution</b>	<p>Actively accept orders of electricity discount services, targeting store-based operators.</p>

# Policy on Growth Strategy

	Existing business		New business / Service building	
Policy	<p><b>Increase productivity.</b> Adapt to an online environment, so-called the New Normal. Strengthen up-selling and cross-selling (including online negotiations).</p>		<p><b>Develop a new business as a third pillar.</b> Three-pillar business structure that responds to changes in the times.</p>	
Key phrase	<ul style="list-style-type: none"> <li>✓ Provide products and services meeting the needs of customers and the times.</li> <li>✓ Build and strengthen sales system (online).</li> <li>✓ Strengthen up-selling and cross-selling (including online negotiations).</li> <li>✓ Brush up the revenue structure.</li> <li>✓ Strengthen and expand in-house services.</li> </ul>		<ul style="list-style-type: none"> <li>✓ Adapt to With COVID-19 environment, so-called New Normal.</li> <li>✓ Utilize sales channels and business structure.</li> <li>✓ Utilize the customer base.</li> <li>✓ Service that responds to customer feedback.</li> <li>✓ Regional revitalization.</li> </ul>	
Sales channel Business structure	<p><b>WEB marketing</b></p>		<p><b>CLT</b> Customer Loyalty Team</p>	
	<p><b>Shops</b> Airport counters etc.</p>		<p><b>Shipping center</b></p>	
Customer base	Startups, growing corporate customers	Corporate customers working with overseas companies	Governments / local governments, Schools, etc.	Individual customers who like traveling

# Actively Expand Sales of "GLOBAL WiFi for Biz"

- Competitive Advantage When Recovering Travel -



## Actively expand sales of standby type domestic plan option "Global WiFi for Biz" for corporate customers.

Available for teleworking with options.

Contracts from corporate customers are favorably obtained because the convenience of the plan is permeating through its domestic use.

Income from basic monthly charges (recurring revenue) increases.

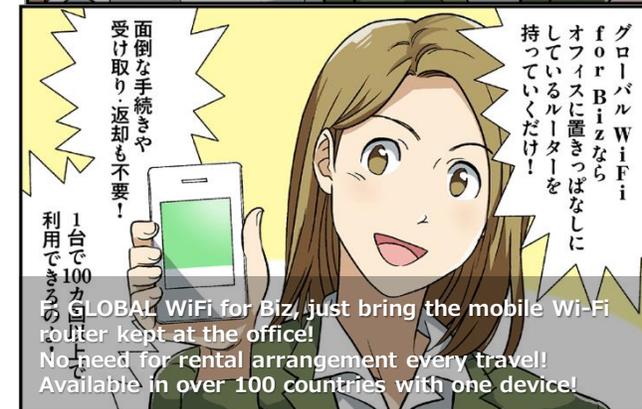
Connect Internet anywhere with one digital device  
**"Global WiFi for Biz"**

Users has exceeded **15mn!** \*1

Companies introducing Wi-Fi rental for overseas use **41,000** \*2

**"No need"** to apply, receive, return

Just bring your device kept at the office!



\*1 Number of customers using Wi-Fi router rental service (as of August 2020, our research)

\*2 Number of companies using our Wi-Fi router rental service

# Vision WiMAX

- New Service Making the Most of Our Customer Base -



## New service that responds to customer feedback.

In our survey, many customers use a Wi-Fi router for “trial before purchasing”.

A Wi-Fi router sales service for customers who are considering purchasing.

Customers can use it as a trial with rental (with special discount). After checking the communication environment, customers can purchase a Wi-Fi router that meets customers’ needs. Trade in the device when canceling (Vision WiMAX original service).

Vision WiMAX is a service that meets all of the above.

### Reasons to choose Vision WiMAX

- No initial cost
- Arrive quickly.
- 365 days available
- Trial rental
- Trade-in when cancel
- 15mn rental records

Vision WiMAX powered by LIQ WiMAX

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For corporate customers

Apply

Price Device How to use Campaign Areas Usage example Q & A

Safe for beginners

Internet environment can be solved with a Vision WiMAX!

At home or outside

For teleworking, online classes

## Speed Wi-Fi NEXT WX06



## WiMAX HOME 02



# Changes in Monthly Cost and Segment Profit

## “GLOBAL WiFi” Business



**Return to the black in a single month by continuing low-cost operation and acquiring various needs.**

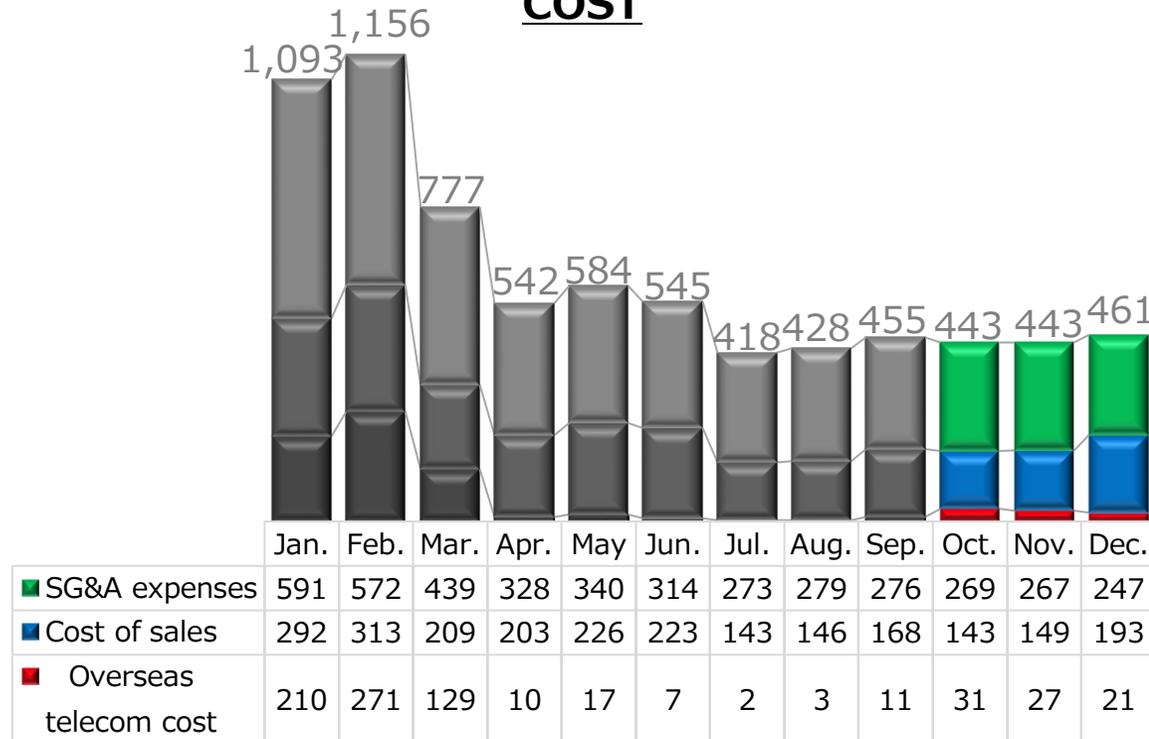
Actively acquire various needs for using mobile Wi-Fi router (“GLOBAL WiFi for Biz” etc.).

Overseas communication costs are significantly reduced due to a pay-as-you-go communication purchase contract (a contract without a monthly basic charge) that charges based on the use of communication.

Depreciation costs have significantly decreased since FY2020/3Q due to the impairment loss (approx. JPY1.2bn) of related assets such as rental assets in FY2020/2Q (Wi-Fi router devices).

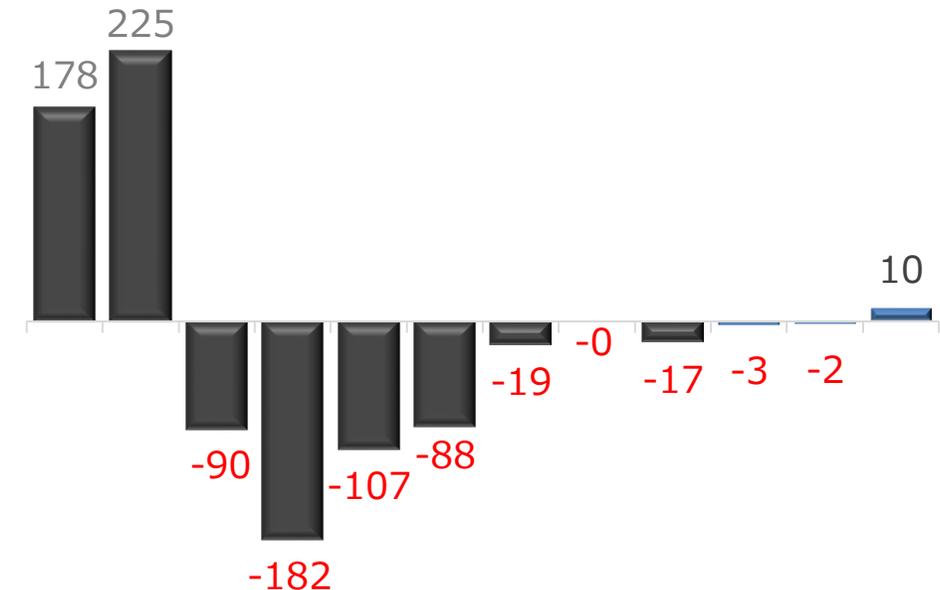
(JPYmn)

### COST



(JPYmn)

### SEGMENT PROFIT OR LOSS (-)



Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec.

(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

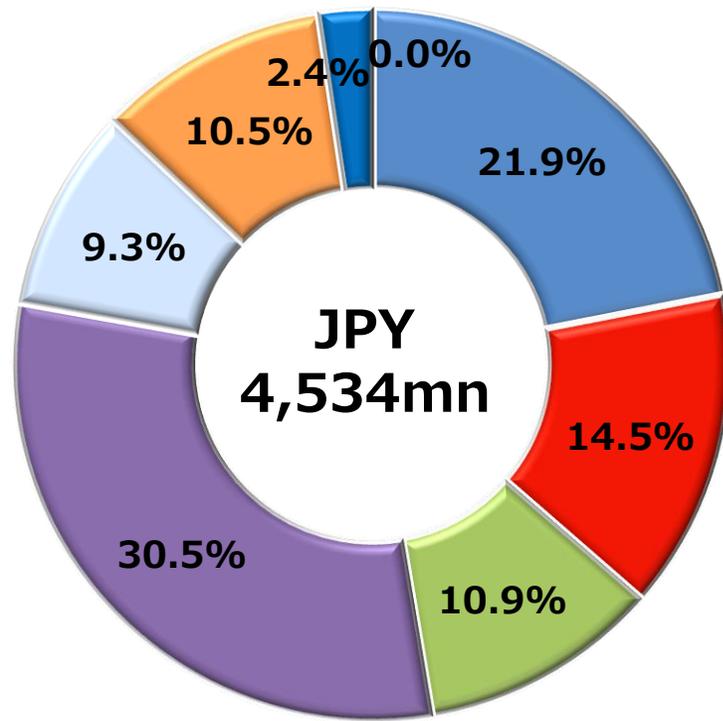
Sales of mobile communication equipment are strong (the number of companies introducing teleworking increases).

Orders received for "Vision Crafts!", a monthly website production service, are steadily growing.

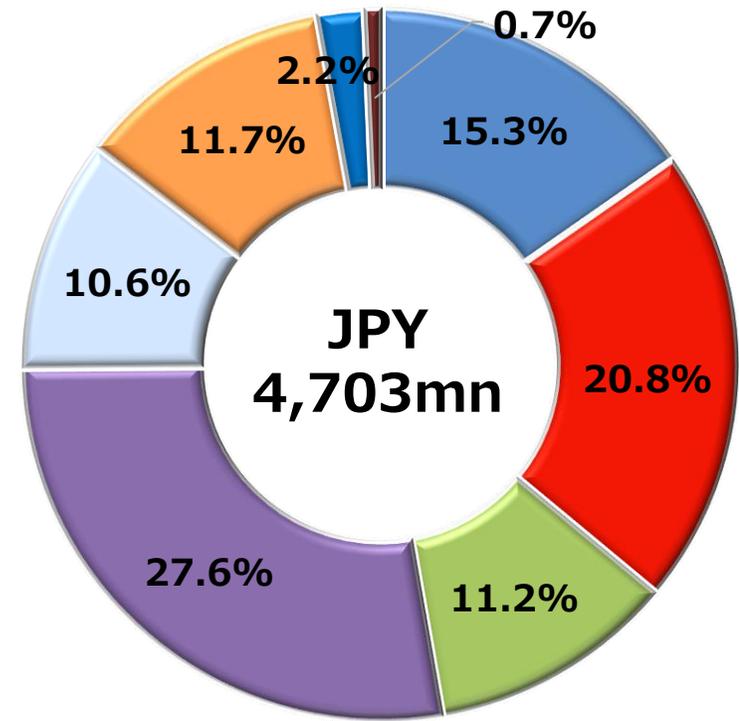
The composition ratio of the office automation equipment sales business under lease contracts declines, partly due to the decline in domestic leasing transaction volume.

\* Refer to the materials released by the Japan Leasing Association.

### FY2019 Cumulative values



### FY2020 Cumulative values



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

# Stock Earnings and In-house Services (Monthly)

## Gross Profit Change

Information and Communications Service Business

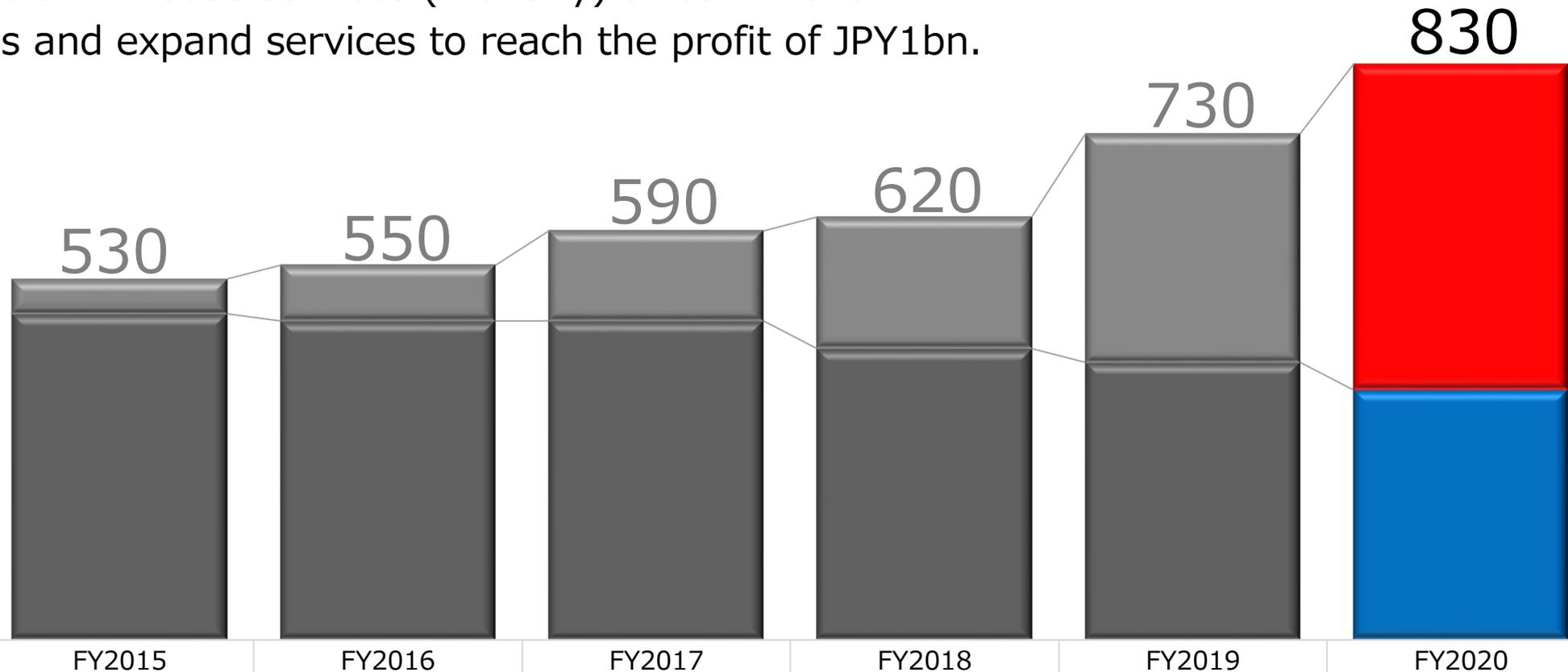


**Strengthen stock earnings and in-house services (monthly), which will provide a stable earnings base over the long term.**

Strengthen sales of in-house services (monthly) since FY2019.

Strengthen sales and expand services to reach the profit of JPY1bn.

(JPYmn)



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
<b>■ In-house services (monthly)</b>	50	80	130	190	330	470
<b>■ Stock earnings</b>	470	460	460	420	400	360

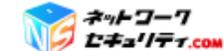
Stock earnings: Revenue from continuation fee associated with subscription agency contract in communication service business and manufacturer maintenance fee in OA equipment sales business

**25** years    **400,000** companies\*1    **15**mn people\*2

\*1 Number of companies using since 2004 (as of May 31, 2020)

\*2 Number of customers using Wi-Fi router rental service (as of August 2020)

To solve the problems for customers  
who challenge the “now” with our gratitude so far



To Contribute to the Global Information and Communications Revolution