

1st Quarter FY2021 Financial Results

May 13, 2021

Vision Inc.

TSE 1st Section : 9416



1Q FY2021 Financial Results (Consolidated)



(JPYmn, %)

Item	FY2020/1Q Results		Change	FY2021/1Q Results	
	Amount	Composition ratio		Amount	Composition ratio
Sales	5,989	100.0	-2,050	3,938	100.0
Gross profit	3,252	54.3	-1,076	2,176	55.3
Operating profit	488	8.1	-202	285	7.3
Recurring profit	496	8.3	-182	313	8.0
Profit attributable to owners of parent	116	1.9	+115	232	5.9

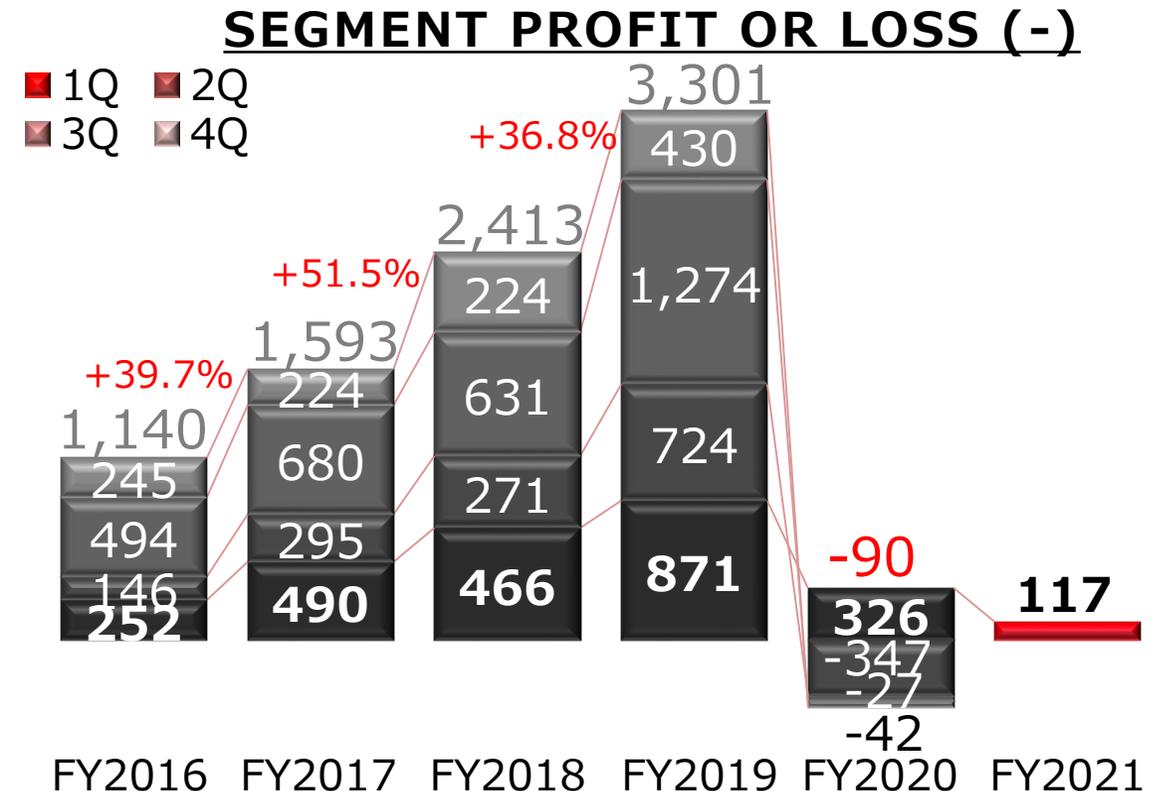
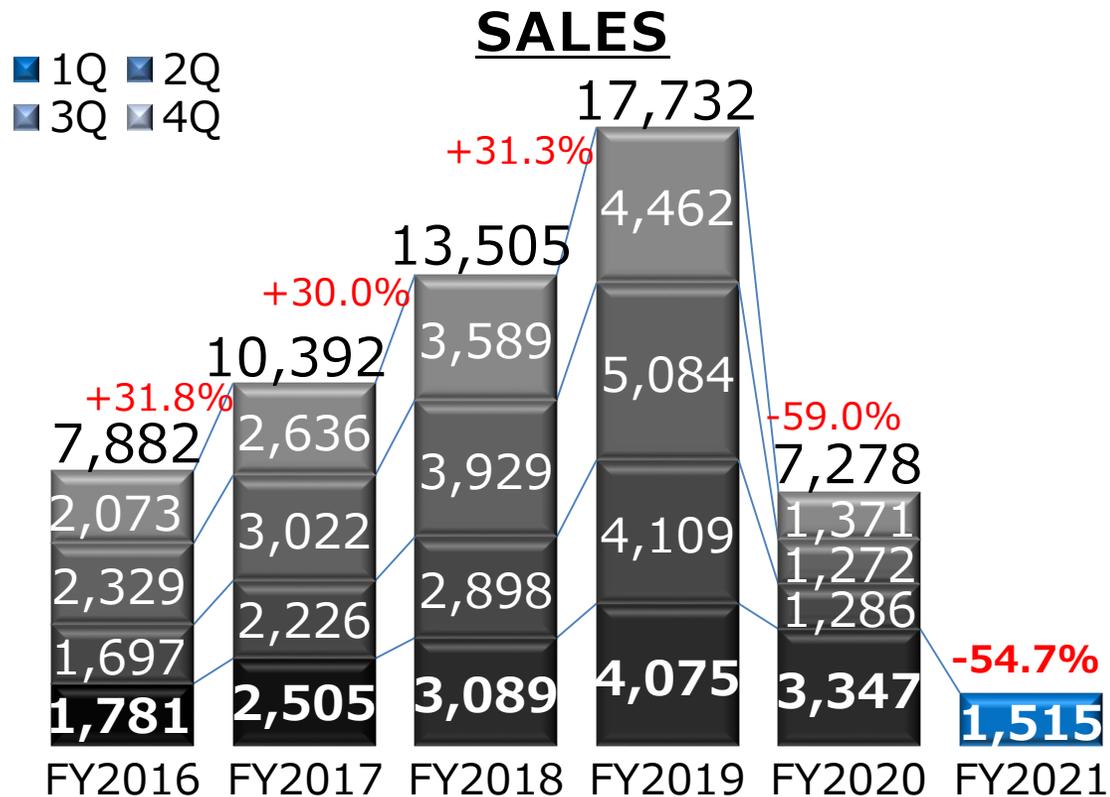
Performance Change “GLOBAL WiFi” Business

Steadily capture various domestic usage needs because the state of emergency is newly declared.

Capture the demand for teleworking (the number of extension of the rental period is increasing), online training for new employees, etc. Sales of standby type “GLOBAL WiFi for Biz” for corporate customers are favorable (the number of contracts and communication usage increased).

Needs for teleworking, online classes, and local governments (the Board of Education, etc.) for the GIGA School Concept are actively captured. Making the most of our performance and know-how of the domestic Wi-Fi router rental business since 2010, acquire various usage needs (moving, hospitalization, business trip, combined use with home internet, various events, etc.).

(JPYmn)



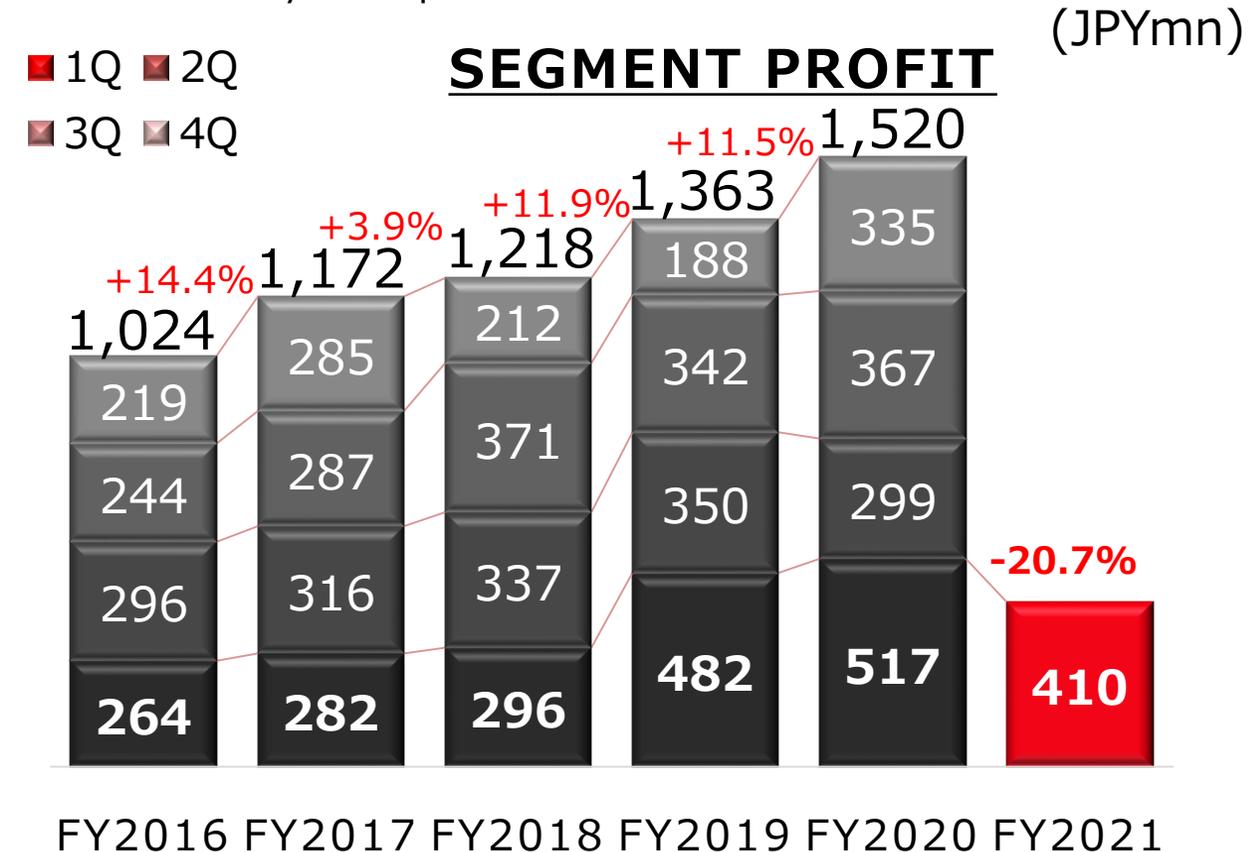
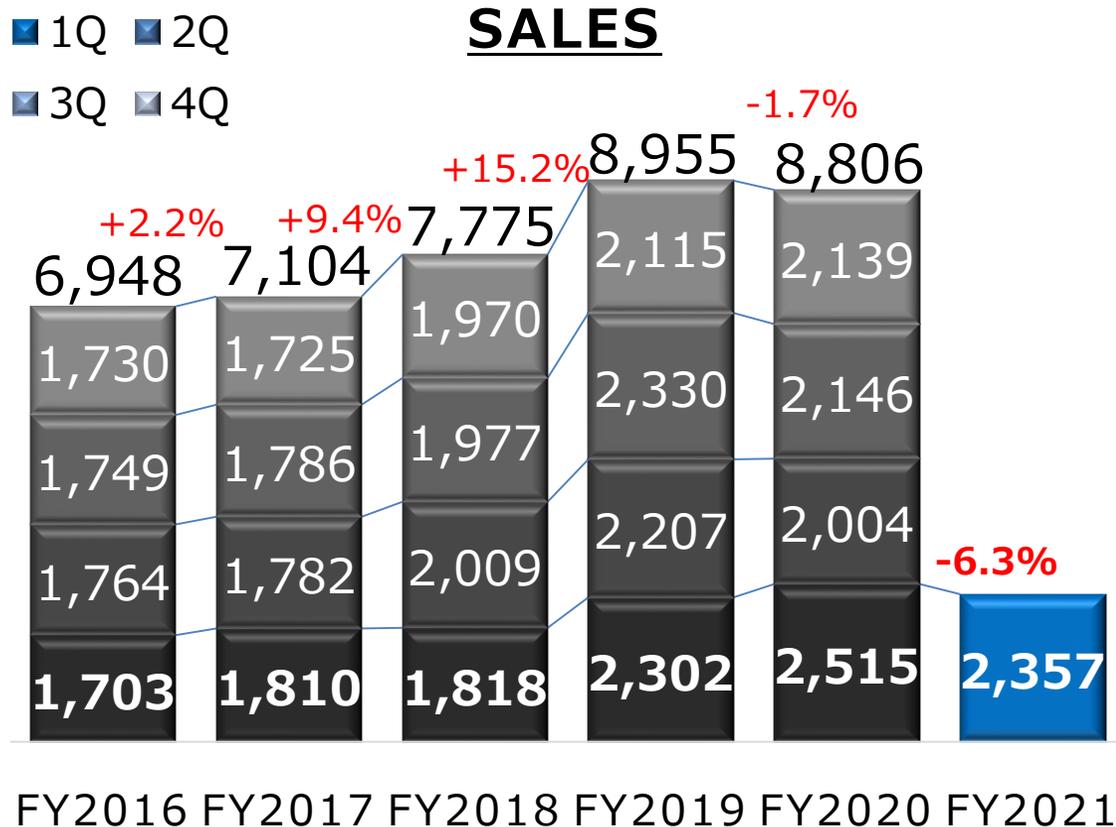
Performance Change

Information and Communications Service Business



Utilizing the strength of having multiple businesses (products/services) and sales channels, the business has been favorable by minimizing the impact of changes in external environment involving the newly declared state of emergency.

Sales and profit are on the decrease due to changes in business structure and strengthened sales of in-house services (monthly fee). Stock earnings and in-house services (monthly fee), as the revenue base (recurring revenues), are on the increase. Performance are recovered with the personnel shift to the Mobile communication business, etc. due to a decrease in the unit price of business consignment fee (agency fee) because of the temporary rise in electricity retail prices.



2Q FY2021 Financial Forecast Revision



(JPYmn, %)

Items	FY2021/2Q Forecast after revision	FY2021/2Q Forecast before revision	Change	Ratio of change	FY2020/2Q Result
Sales	8,148	7,274	+874	+12.0	9,630
Cost of sales	3,702	3,185	+517	+16.2	4,807
Gross profit	4,445	4,088	+357	+8.7	4,822
Gross profit margin	54.6	56.2	-1.6	-	50.1
SG&A expenses	3,938	3,962	-23	-0.6	4,837
SG&A-to-sales ratio	48.3	54.5	-6.1	-	50.2
Operating profit or loss (-)	507	126	+380	+301.3	-15
Operating profit margin	6.2	1.7	+4.5	-	-0.2
Recurring profit	532	121	+410	+336.2	66
Profit or loss (-) attributable to owners of parent	376	71	+305	+429.0	-1,352

Forecast for the Full Year (FY2021)



Revise the full-year financial forecast to undecided.

We will announce it as soon as rational calculation becomes possible after closely examining the impact on the business environment and the status of our various efforts, etc.

Factors affecting FY2021 results

COVID-19: Negative

Spread of COVID-19 (including variants).

Vaccination status and its effects.

Impact on corporate activities (the state of emergency is newly declared or extended).

The feasibility of FY2021 Forecast Assumption (announced on February 15); After October 2021, number of travelers (inbound and outbound) is expected to recover by about 25% compared to that in 2019.

Efforts for sustainable growth: Negative (impact on FY2021 results)

Efforts to change our revenue model to achieve sustainable growth.

Strengthen stock earnings and in-house services (monthly).

Current situation: Positive

Revise 2Q FY2021 financial forecast (upward revision).

The business has been favorable by minimizing the impact of changes in external environment involving the newly declared state of emergency.

Policy on Growth Strategy

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

Active Sales Expansion of "GLOBAL WiFi for Biz"

- Competitive Advantage When Travel Market Recovered -

Sales of standby type "GLOBAL WiFi for Biz" for corporate customers are favorable. The number of contracts and communication usage increases.

Demand for teleworking is on the increase because the state of emergency is newly declared.

Income from the basic monthly charge is on the increase (recurring revenue).

Domestic communication (for teleworking) increases, and overseas communication increases moderately (long-term use by local expatriates, etc.). ⇒ Communication charge (revenue) increases.



Connect Internet anywhere in the world with one digital device

"Global WiFi for Biz"

No need to



apply



receive



return

If you have one "GLOBAL WiFi for Biz" in your company, you can use it immediately for teleworking and sudden overseas business trips, and no application required. You will no longer use overseas roaming services because a rented Wi-Fi router is not delivered in time!

Strengthening of Domestic Wi-Fi Sales

"GLOBAL WiFi" Business

Capture usage needs by leveraging our marketing power, brand strength (GLOBAL WiFi), the pricing plans, various communication plans that meet customer needs, remote support in the event of disasters, and customer base.

Usage needs for:

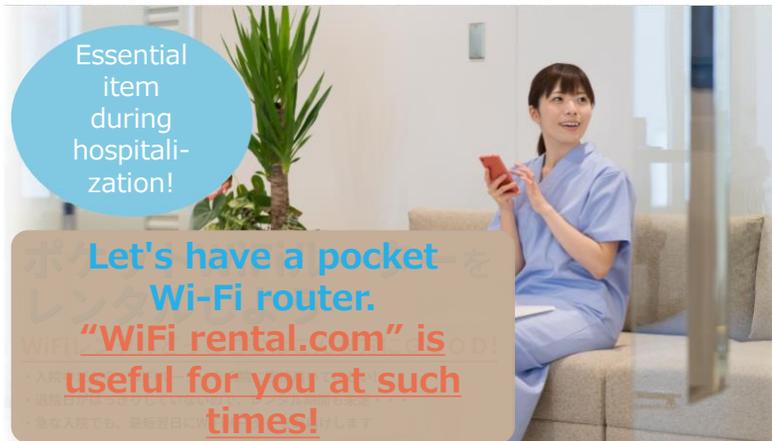
Business (teleworking, online training and meetings), online classes, hospitalization, moving, combined use with home internet, etc.

Convenience that you can rent it in various places for the required period (on a daily basis) not bound by your contract period is popular with the users in various scenes.



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

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



Sales of In-house Services (Monthly Fee) are Strong



- Provide Products/Services Meeting the Customers Needs and the Times -

Sales of in-house services (monthly fee) “VWS series” are strong.

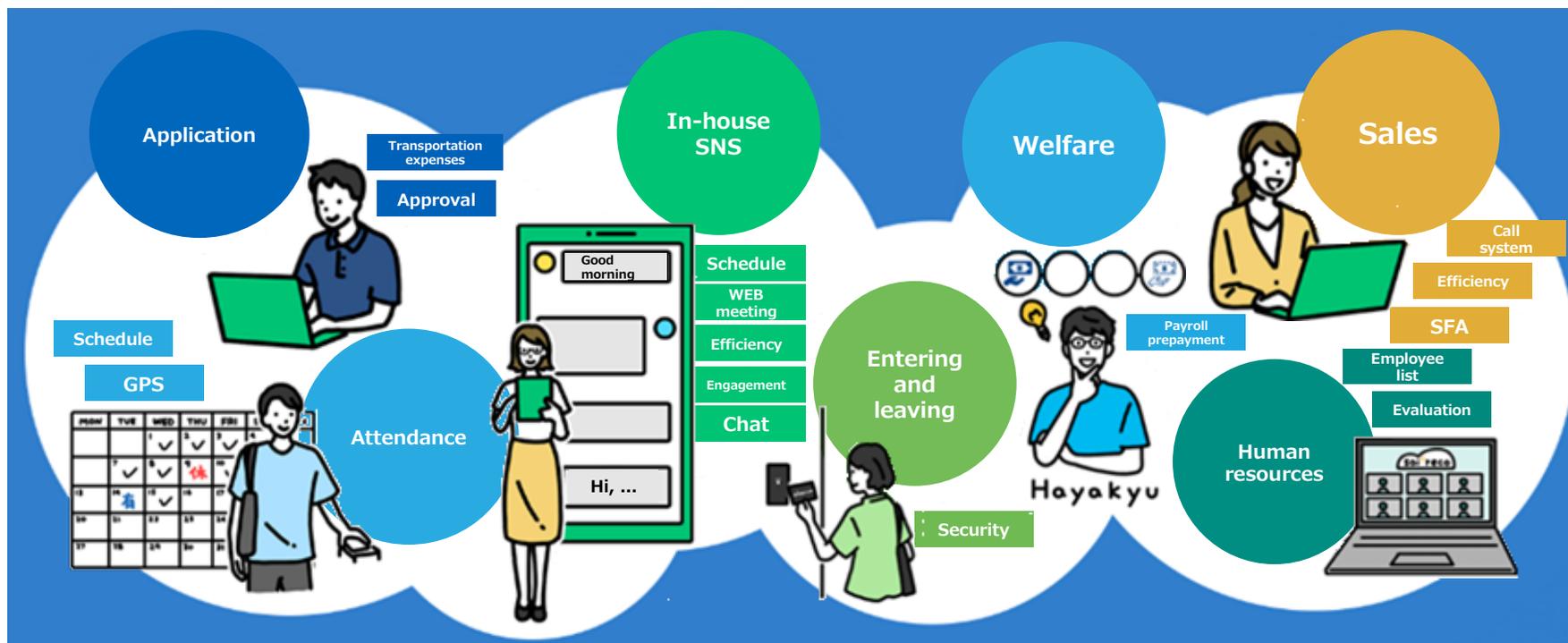
In-house developed and used services are expanded to users (DX promotion).
Provide users who need our services with required features of our service in a cloud environment on a monthly payment basis.

CONCEPT

Providing a more comfortable working environment for all companies

For a successful “Cloud migration” with “VWS”

Streamline daily operations with cloud tools and support various working styles such as teleworking.



Sales of In-house Services (Monthly Fee) are Strong

- Provide Products/Services Meeting the Customers Needs and the Times -



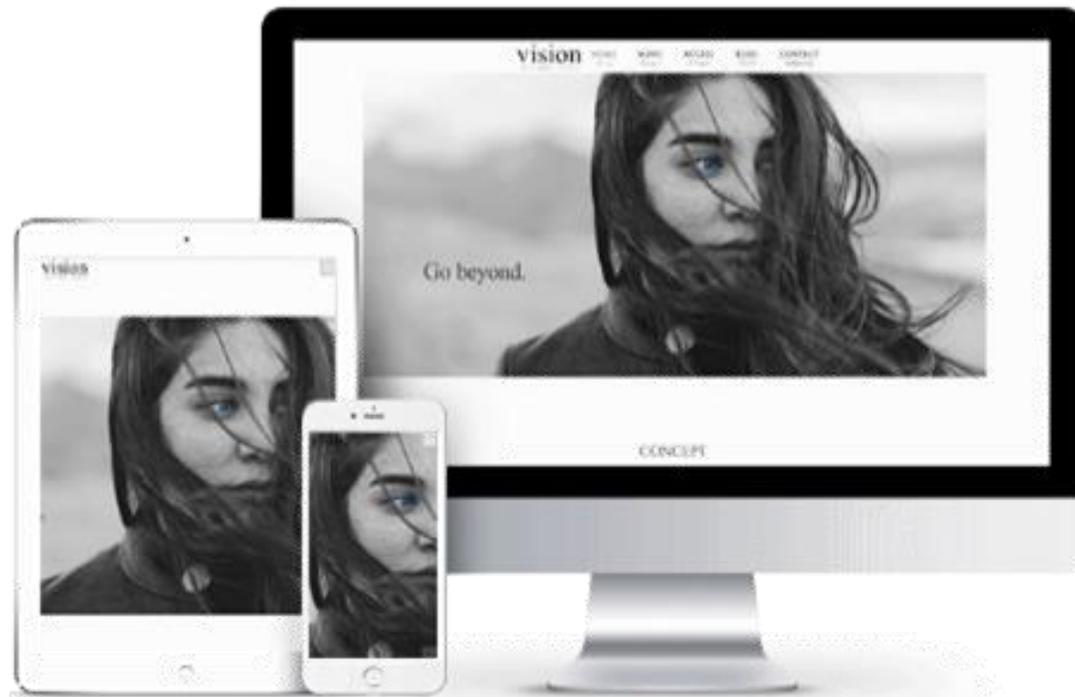
Sales of monthly website production service (monthly fee) “Vision Crafts!” are strong.

Website production service provided at a low price (from JPY4,048/month).

Respond to the growing appeal needs for online products and services (websites, etc.), looking at the social environment with COVID-19 as well as a post-COVID-19.

Popular with customers in various industries, including restaurants and retail shops, thanks to the low initial cost.

* Also popular with customers who have difficulty passing credit screening, because they have just established and opened.



CONCEPT

“Strong in visual appeal!”

We support website production.

Customers are confident in their products and services, but they don't know how to communicate the appeal of these products and services ...

They want to convey their thoughts more on their website!

Making use of our experience of producing more than 100 websites a month, we have developed a website production service that “communicate visually!” with simple operations.

This is “Vision Crafts!”.

Changes in Monthly Cost and Segment Profit

“GLOBAL WiFi” Business

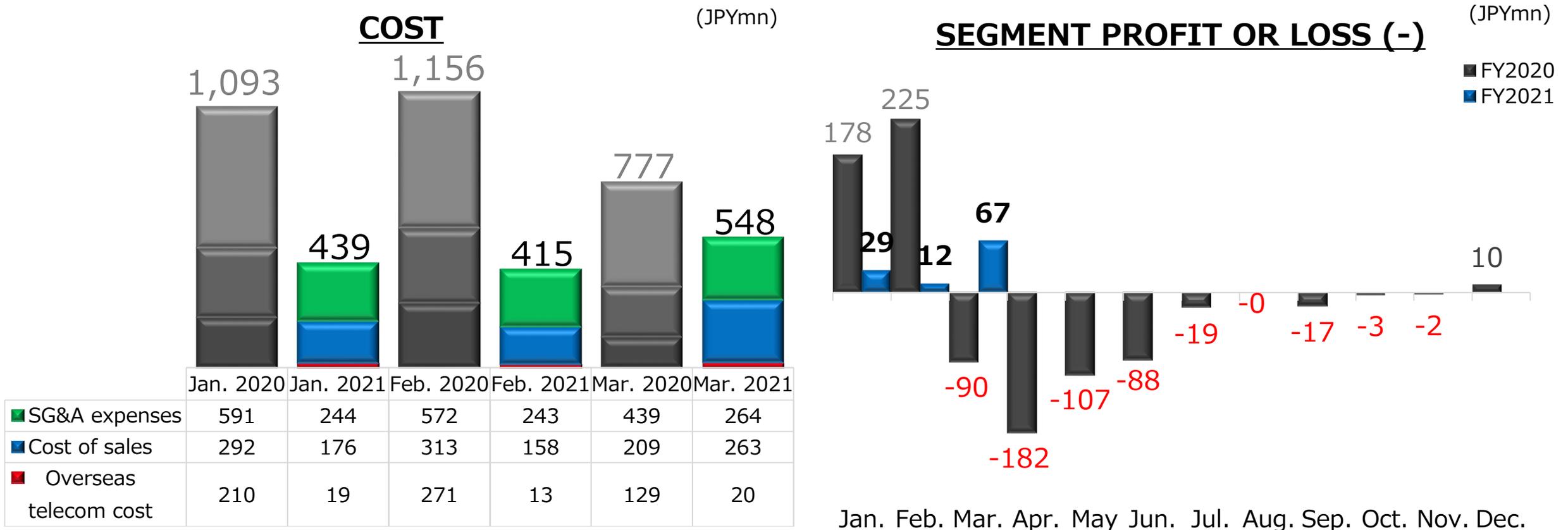


Profits are gradually recovered by continuing low-cost operation and capturing various usage needs.

Acquires actively various needs for using mobile Wi-Fi router (“GLOBAL WiFi for Biz”, etc.).

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

While securing our system that can respond immediately when overseas travel recovers, build a business structure that will generate higher profits and profit margins after overseas travel recovery than those before the spread of COVID-19 (FY2019) by reviewing various costs and expenses, and improving operational efficiency.



(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

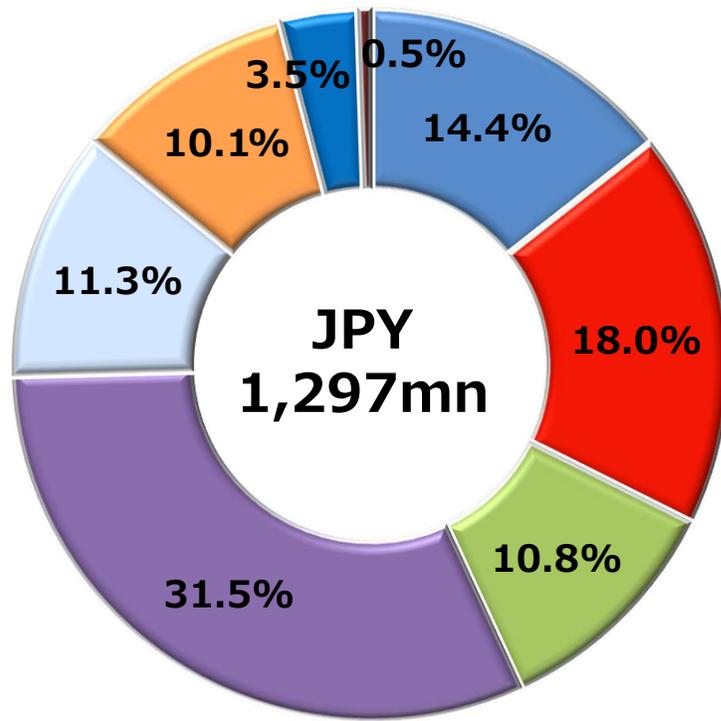
Information and Communications Service Business

Gross profit remains firm by flexibly changing the business structure according to customers needs and the external environment.

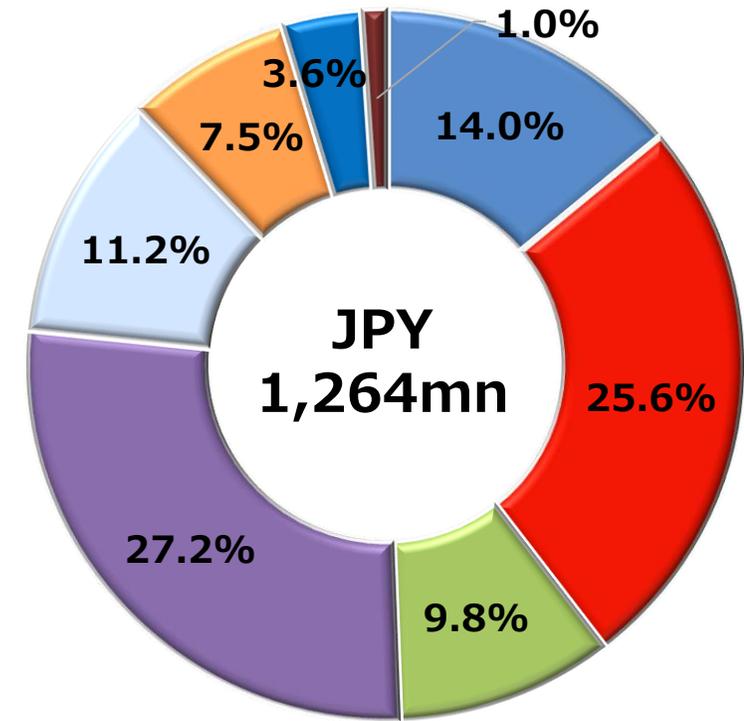
In the Eco solution business, recovers by shifting personnel to the Mobile communication business, etc. due to a decrease in the unit price of business consignment fee (agency fee) because of the temporary rise in electricity retail prices.

In the Internet media business, orders received for "Vision Crafts!", a website production service (monthly fee), are steadily growing.

1Q FY2020 Cumulative



1Q FY2021 Cumulative



- 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

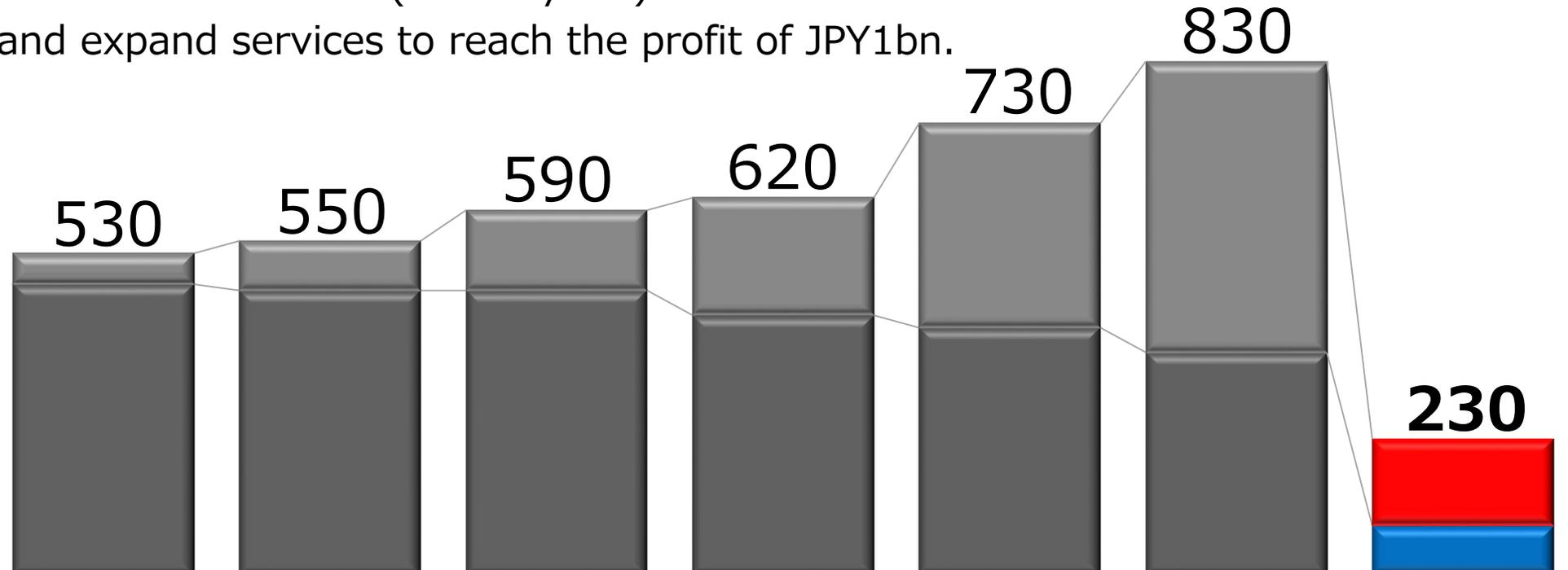


Strengthen stock earnings and in-house services (monthly fee), which will become a stable earnings base in the long run.

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

(JPYmn)

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



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	1Q FY2021 Cumulative
■ In-house services (monthly fee)	50	80	130	190	330	470	140
■ Stock earnings	470	460	460	420	400	360	80

Stock earnings: Revenue from continuation fee associated with subscription agency contract in Information and Communications Service Business and manufacturer maintenance fee in OA equipment sales business

25 years **400,000** companies*1 **15**mn individual customers *2

*1 Number of corporate customers since 2004 (as of May 31, 2020)

*2 Number of individual customers who make use of Wi-Fi router rental service (as of August 2020)

Toward the problem solving for customers who are challenging the issue of “Now” with all our gratitude so far



To Contribute to the Global Information and Communications Revolution