

3rd Quarter FY2021 Financial Results

November 9, 2021

Vision Inc.

TSE 1st Section : 9416



3Q FY2021 Financial Results (Consolidated)



(JPYmn, %)

Item	FY2020/3Q Results		Change	FY2021/3Q Results	
	Amount	Composition ratio		Amount	Composition ratio
Sales	13,108	100.0	+283	13,392	100.0
Gross profit	6,824	52.1	-5	6,818	50.9
Operating profit	58	0.4	+955	1,013	7.6
Recurring profit	167	1.3	+874	1,042	7.8
Profit or loss (-) attributable to owners of parent	-1,226	-9.4	+1,928	702	5.2

"GLOBAL WiFi" Business

Performance Change "GLOBAL WiFi" Business



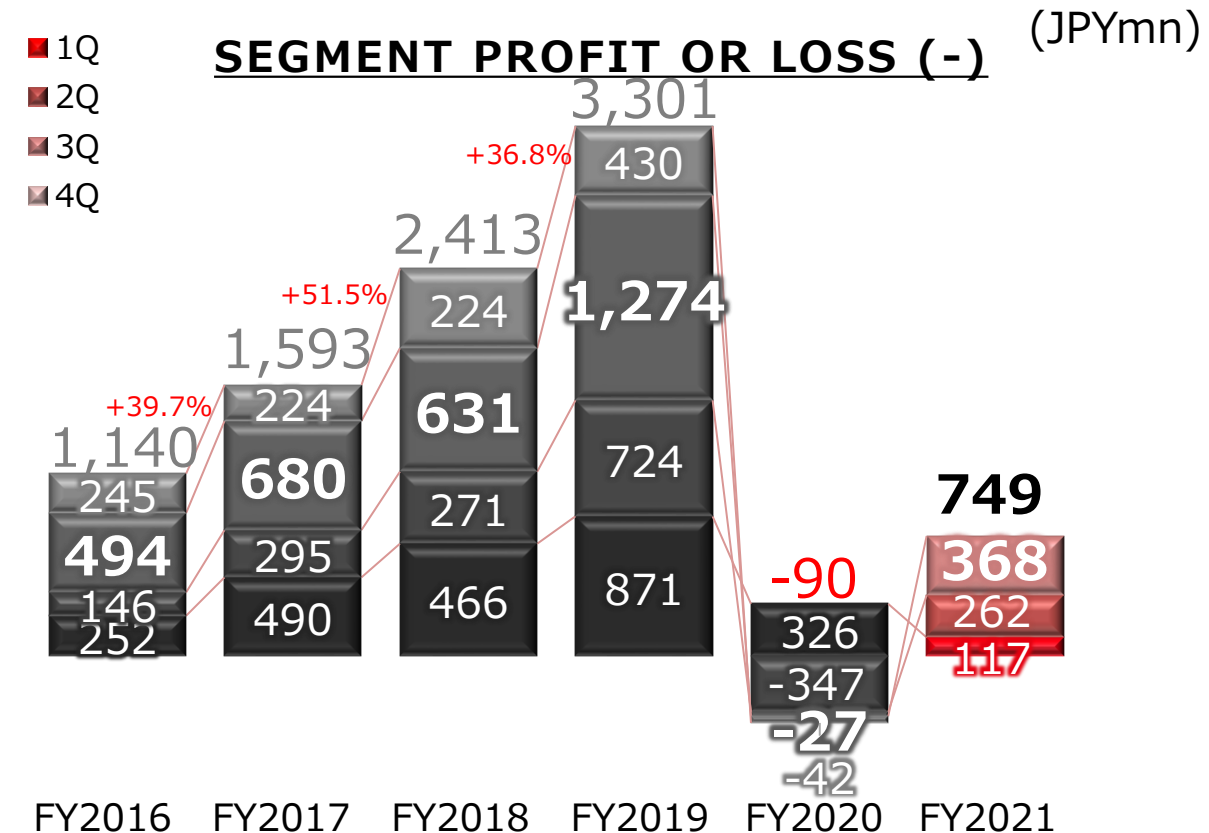
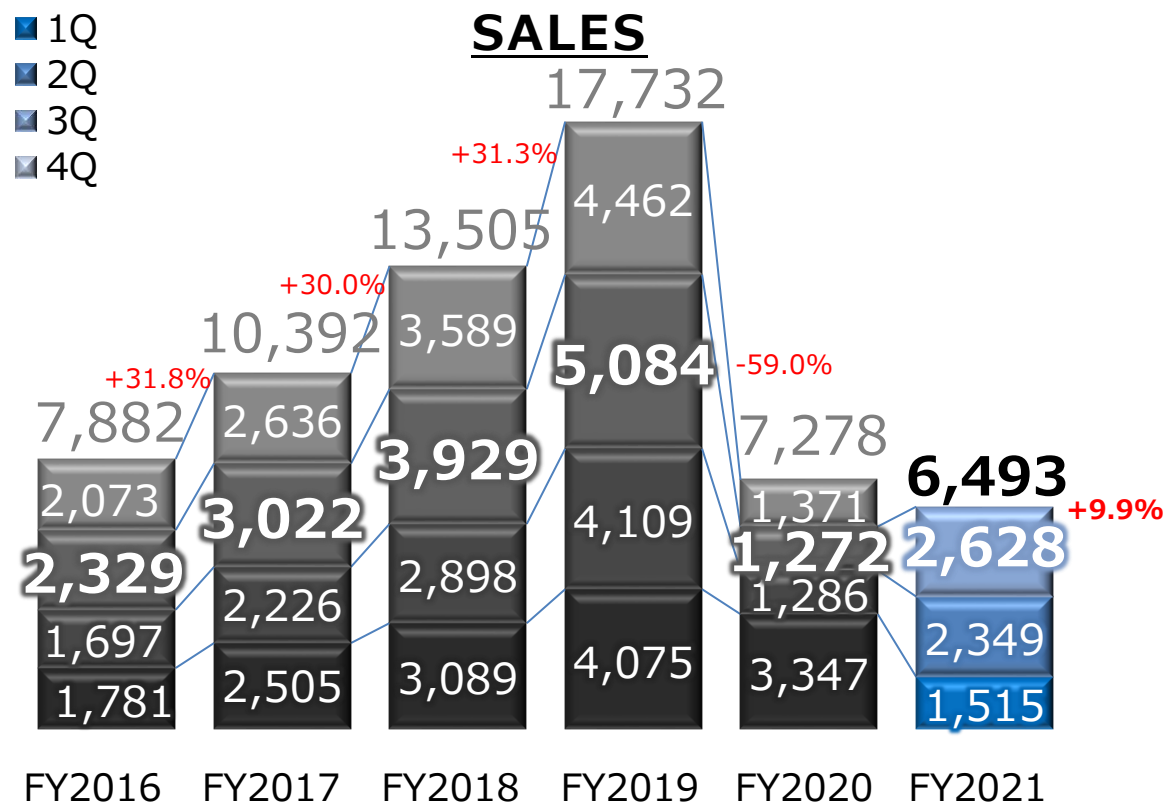
Various domestic usage needs steadily acquired. Making efforts to focus on social environment with COVID-19 and post-corona world.

Teleworking (The number of extension of the rental period is increasing because the state of emergency is newly declared, etc.).

Sales of standby type "GLOBAL WiFi for Biz" for corporate customers are favorable by making a proposal for teleworking (The number of contracts and communication usage increases).

Acquire various usage needs (teleworking, moving, hospitalization, business trip, combined use with home internet, various events, etc.).

Sales and segment profit increases by entrusting the app confirmation work, which is part of quarantine measures work carried out by the airport quarantine station.



Information and Communications Service Business



Performance Change

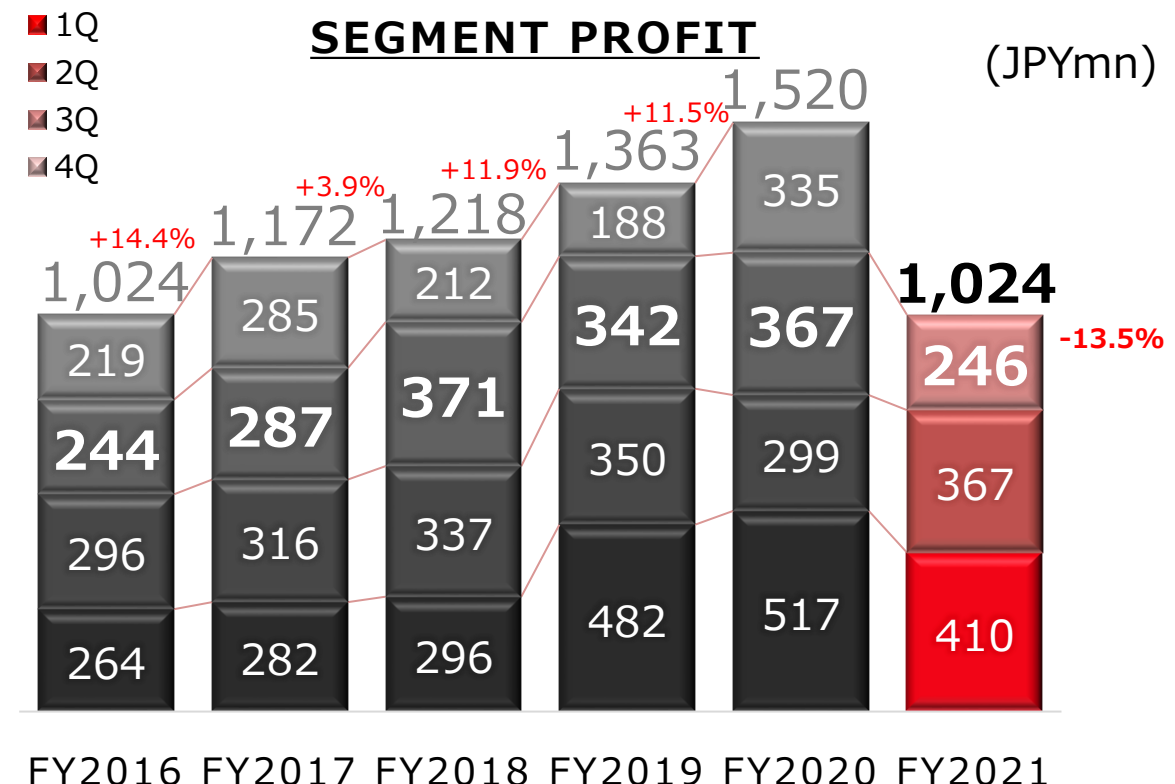
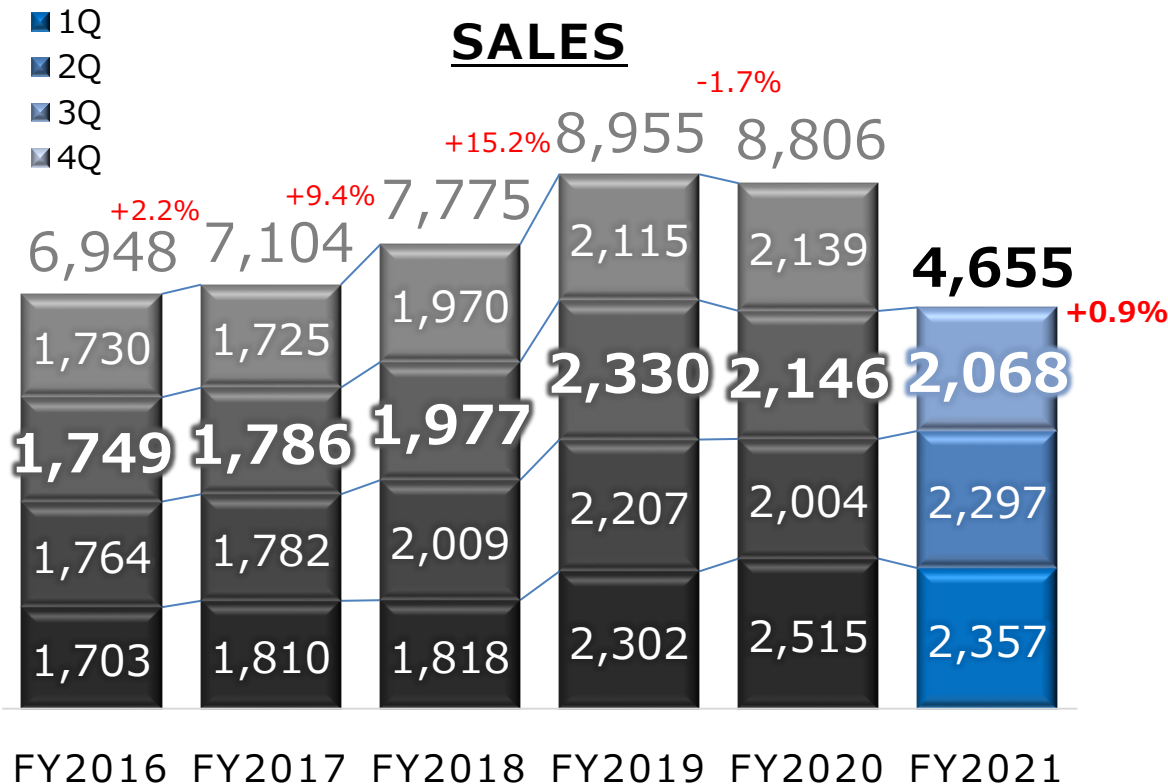
Utilizing the strength of having multiple businesses (products/services) and sales channels, strong sales have been recorded by responding flexibly to changes in the external environment.

Sales increase due to changes in business composition (products for product sales business: mobile communication equipment, OA equipment, etc.).

While the semi-conductor chip shortage has affected the stock of OA equipment, we have purchased chips from multiple manufacturers (the increase in unit price covers the decrease in units sold).

Segment profit is on the decrease due to a decrease in the unit price of business consignment fee (agency fee) associated with the rise in electricity retail prices, strengthened sales of in-house services (monthly fee), and launch of Vision Denki.

Stock earnings and in-house services (monthly fee) as the revenue base (recurring revenues) are on the increase.



FY2021 Full-Year Financial Forecast



Assumptions of FY2021 forecast, progress, and business policies

External environment and business policies (overall)

The spread of COVID-19 (including its variants) in each country, vaccination and its effects, the impact on business activities of companies and shops, and overseas travel with a vaccination certificate, and other uncertainties are expected to be continued.

While aiming to improve profitability and profit margin through flexible business operations co-existing with COVID-19, we will aggressively develop new businesses and new services (including those for improved convenience) in the post-corona world, and carry out business activities to achieve growth that exceeds the growth potential before the spread of COVID-19.

Explanation for future forecast information

We achieved operating profit and other profits in the full-year consolidated earnings forecast for the fiscal year in FY2021/3Q (announced on August 10, 2021). For FY2021/4Q, due to the uncertain impact of COVID-19 (including its variants) on the Group's business activities as well as aggressive investments for business growth in the next fiscal year and beyond (new businesses, new services, promotion expenses for the rebuilding of the "Global WiFi" business, purchase of various equipment, etc.), the Company plans to leave its full-year forecast for 2021 unchanged.


"GLOBAL WiFi" Business

Reflecting steady domestic demand "GLOBAL WiFi for Biz." ⇒ **New contracts and communication service usage are on the increase.** The increase reflects the assumption of FY2021 forecast as announced on February 15, 2021, "After October 2021, overseas travelers (outbound, inbound) are expected to recover by about 25% compared to that in 2019." On the other hand, the continuation of temporary contract work during the COVID-19 pandemic is still uncertain and thus has been excluded from the 4Q forecast. ⇒ **The number of overseas travelers in September 2021 is expected to decrease by 97.0% for outbound and 99.2% for inbound compared to in 2019 (estimate based on published data by JNTO).** As of the time of publication of this report, temporarily contracted work relating to COVID-19 efforts are still ongoing.

Information and Communications Service Business

Reflecting the current strong situation and the increase in in-house service contracts (earn monthly fee). ⇒ **Recurring revenue (stock revenue and in-house services) increases steadily.** The FY2021 business performance is impacted by the launch of "Vision Denki" service (sales: -JPY26mn, operating profit: -JPY166mn). ⇒ **The number of Vision Denki contracts is steadily increasing. The business is expanding while preparing for a sharp rise in electricity prices (procurement costs).**

Policy on Growth Strategy

	Existing business	New business / Service building		
Policy	Increase productivity. Adapt to online environment, so-called the New Normal. Strengthen up-selling and cross-selling (including online negotiations).	Develop a new business as a third pillar. Three-pillar business structure that responds to changes in the times.		
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				
Customer base	Startups, growing corporate customers		Governments / local governments, Schools, etc.	
	Corporate customers working with overseas companies		Individual customers who like traveling *including inbound	
	Individual users by corporate customers			

Glamping Business

- Develop a New Business as a Third Pillar -



Launch a “Glamping Business” as a business that will grow into the third pillar next to the Information and Communications Service Business and the “GLOBAL WiFi” Business.

Launch the business in the first half of 2022 (planned).

Costs and expenses for acquisition of land for business use (including leasing) and the acquisition and installation of equipment such as dome-shaped tents:

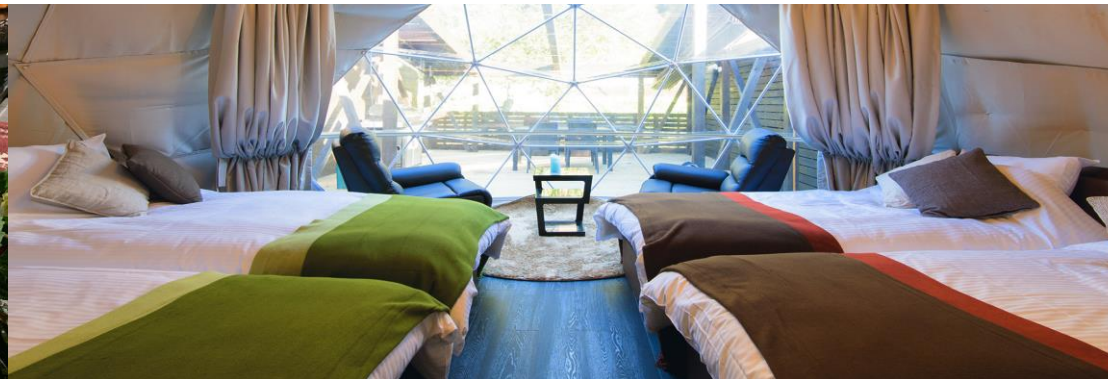
approx. JPY1,200mn

Selection of land, equipment, and service, etc. is progressing smoothly toward the launch of the business.

Release of teaser site (<https://www.vision-net.co.jp/glamping/>)

Completely private space glamping fully equipped with air-conditioning, private toilet, and open-air bath for all weather.

Images of glamping facilities, etc.



Launch of “World eSIM”

– Gaining Competitive Advantage When Travel Recovers –



Launch of an eSIM service, “World eSIM”, that can be used in over 120 countries around the world.

You don’t have to carry your bulky Wi-Fi router device.

Like for rental Wi-Fi routers, there is no need to stop at an airport counter to return or pick up.

Application for “World eSim” is available online, so you can do it both from home and abroad.

Can be used for an assortment of needs.

When multiple users are using multiple kinds of devices (smartphones, tablets, laptops, etc.): Mobile Wi-Fi Router Rental

When a single user is using their smartphone: World eSIM

Since SIM-free mobile phones have long been in Europe and the United States, we plan to actively acquire customers from these areas, as they have a strong tendency to purchase SIM cards on the spot while traveling due to phone SIM cards being unlocked which has only been the case in Japan in the recent past.

Provided by GLOBAL WiFi, number of overseas Wi-Fi rental users is the largest




Next-generation communication overseas



World eSIM

- You can use your smartphone in more than 120 countries!
- You can choose the price plan that suits you!
- No more luggage, no pick-up or return!



World eSIM	Wi-Fi rental	Overseas SIM
 <p>Built-in eSIM</p> <p>Rewrite information remotely</p> <p>No need to replace SIM. Since it is written directly in your smartphone, your luggage does not increase. You can also apply from overseas. * If you apply from overseas, it will take about 3 days.</p>	 <p>You need to pick up and return the Wi-Fi device. Since you connect to the internet through a Wi-Fi device, you need to carry your Wi-Fi with you.</p>	 <p>After purchasing an overseas SIM, you need to replace the SIM card and set it yourself. When you return to Japan, you will need to replace the SIM card again.</p>

Acquisition of adval Corp. to Make It a Subsidiary

- Provide Products/Services Responding to Customer Needs and the Times -



Acquire adval Corp., a company that offers its rental space (for conference room/teleworking space) for BtoB use at more than 200 locations throughout the country on a monthly flat-rate basis, as a subsidiary through simple share delivery.

Scheduled date of share delivery (effective date): December 1, 2021

For BtoB use, sales strength (our Group) x planning strength (adval) “Promotion of rental conference rooms/teleworking space subscriptions”

By maximizing the combined customer base, products and services, business partners, know-how, and more of both companies, we can expect sales improvement, input efficiency, and reduced costs, judging that they will lead to medium- to long-term improvement of corporate values. This is why we decided to make adval a subsidiary.



Changes in Monthly Cost and Segment Profit

"GLOBAL WiFi" Business

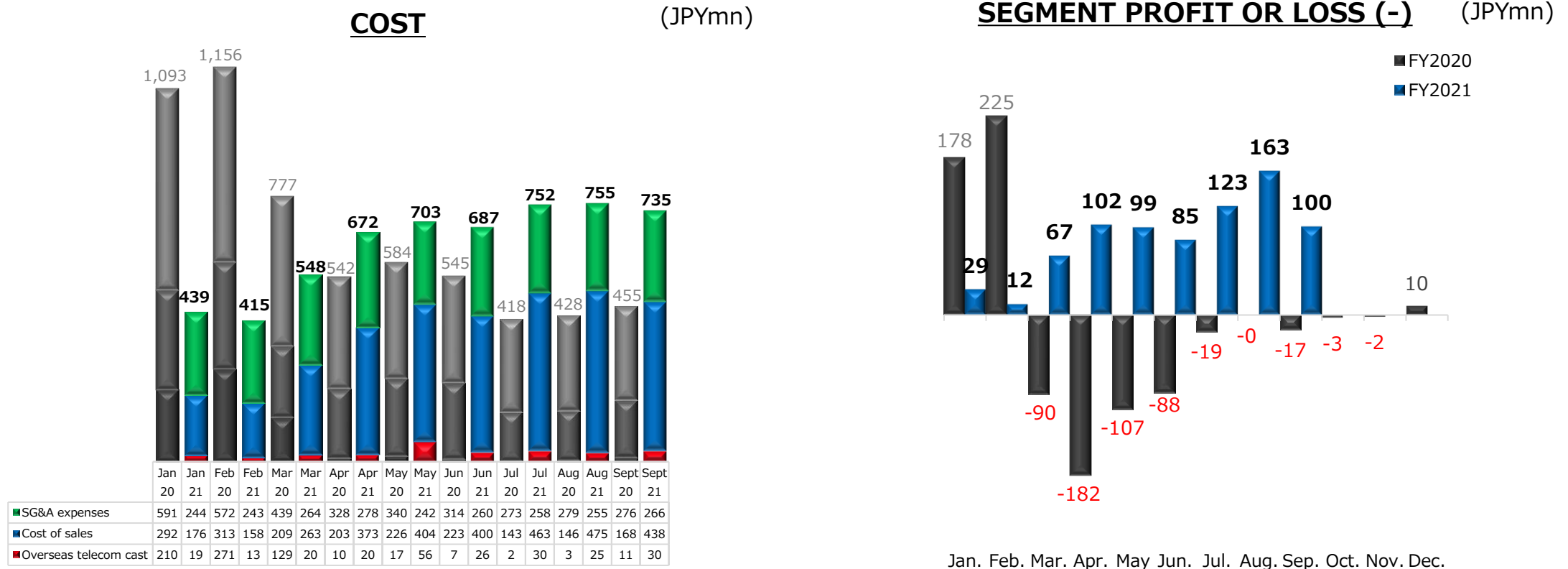


Profits are gradually recovered by continuing low-cost operation and acquiring various usage needs.

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

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.

Although various domestic usage needs are expected to decrease in the post-corona world, a certain number of needs seems to remain thanks to the work style reform such as the introduction of teleworking, etc. (by combining office work and teleworking, etc.). It will be a factor for increasing profits compared to those in the period before the spread of COVID-19.



(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

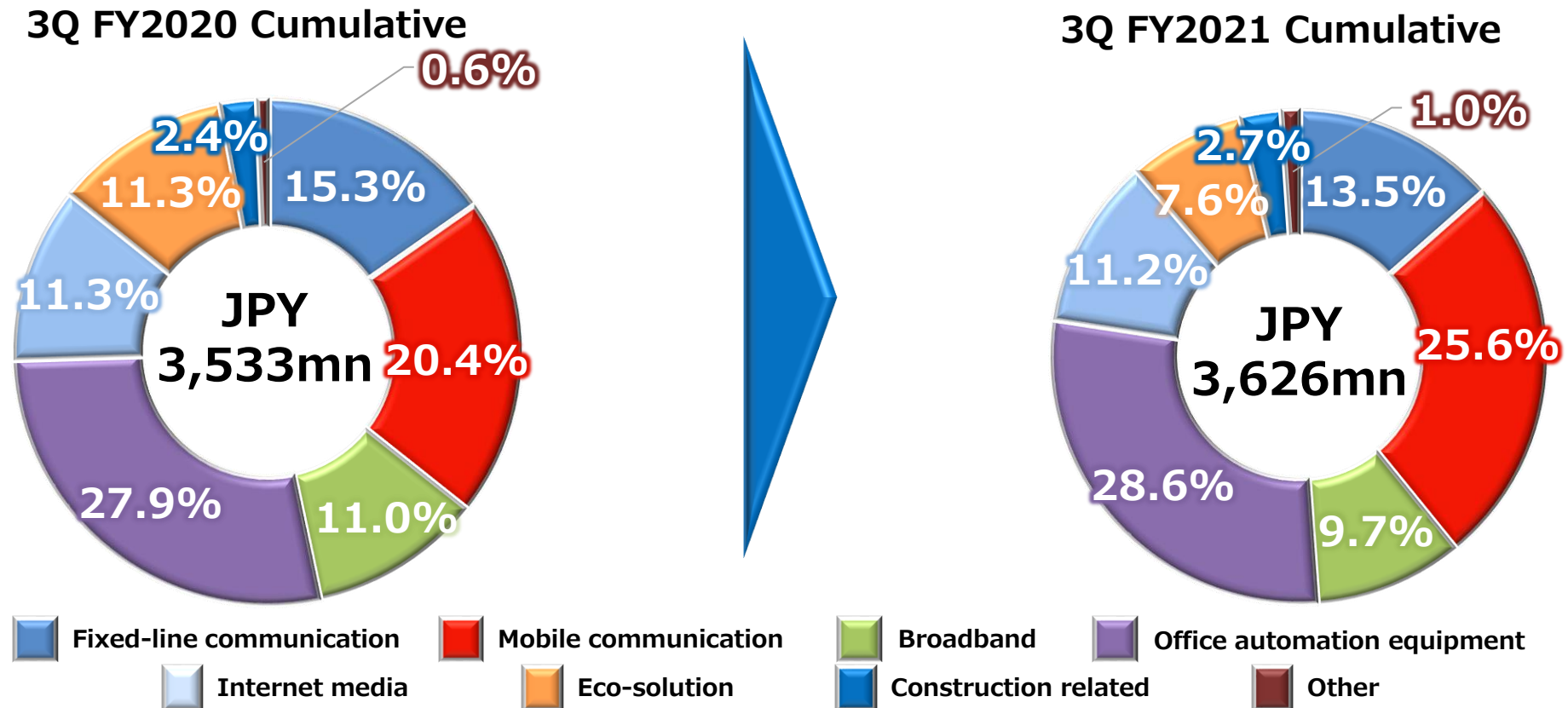
Information and Communications Service Business



Utilizing the strength of having multiple businesses (products/services) and sales channels, we have responded flexibly to changes in the external environment to record strong sales.

Sales of mobile communication devices (for telework or switching over to smartphones, etc.) are strong.

The composition ratio of eco-solution business decreased because the unit consignment fees (agency fee) went down following the temporary rise in electricity prices and the launch of our electricity service “Vision Denki” (stock earnings).



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Stock Earnings and In-house Services (Monthly)

Gross Profit Change

Information and Communications Service Business



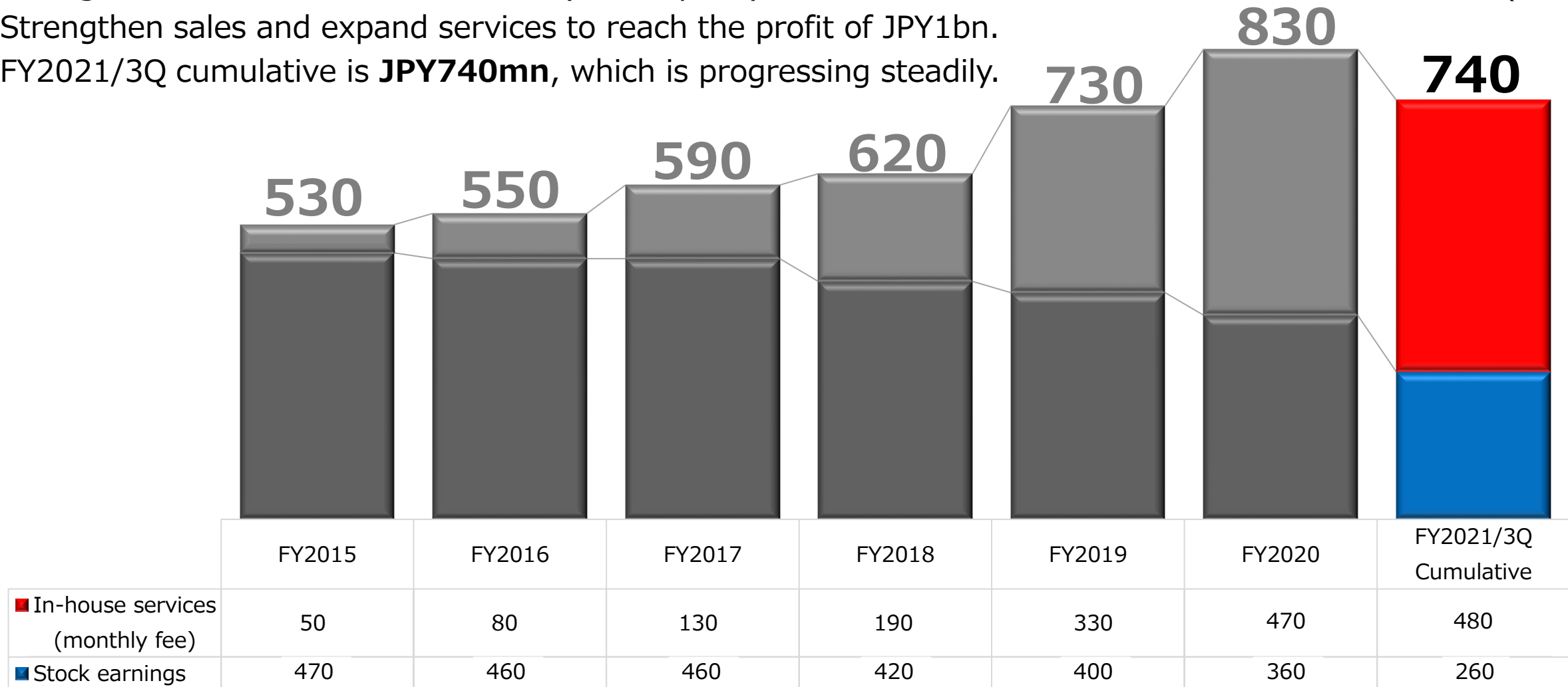
Strengthen stock earnings and in-house services (monthly fee), which will become a stable earnings base in the long run.

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

(JPYmn)

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

FY2021/3Q cumulative is **JPY740mn**, which is progressing steadily.



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



To Contribute to the Global Information
and Communications Revolution