

Q2 FY 2022 Financial Results

August 10, 2022

Vision Inc.

Stock Code : 9416



Q2 FY 2022 Financial Results (Consolidated)



(JPYmn, %)

Item	Q2 FY 2021 Result			Q2 FY 2022 Result	
	Amount	Composition ratio		Amount	Composition ratio
Sales	8,644	100.0	+34.5%	11,628	100.0
Gross profit	4,505	52.1	+21.1%	5,454	46.9
Operating profit	654	7.6	+40.9%	921	7.9
Recurring profit	680	7.9	+35.5%	922	7.9
Profit attributable to owners of parent	455	5.3	+24.2%	566	4.9

Factors for Changes in Operating Profit



Sales

“GLOBAL WiFi” Business: Steady growth due to the acquisition various domestic usage needs as well as sales of “Global WiFi for Biz”, a standby WiFi device service for corporate customers, which also remained steady due to telework.

Contract work of verifying COVID-19 contact tracing applications, part of infection prevention measures at airports carried out by the quarantine stations. Contracted from mid-March 2021 and continued in the second quarter of 2022.

Information and Communications Service Business: Sales are on the rise due to increased purchasing of products (mobile communication equipment, OA equipment, etc.). Increased due to the acquisition of Adval Corp., a subsidiary that operates a space management business (meeting room / telework space rental service).

Cost of sales

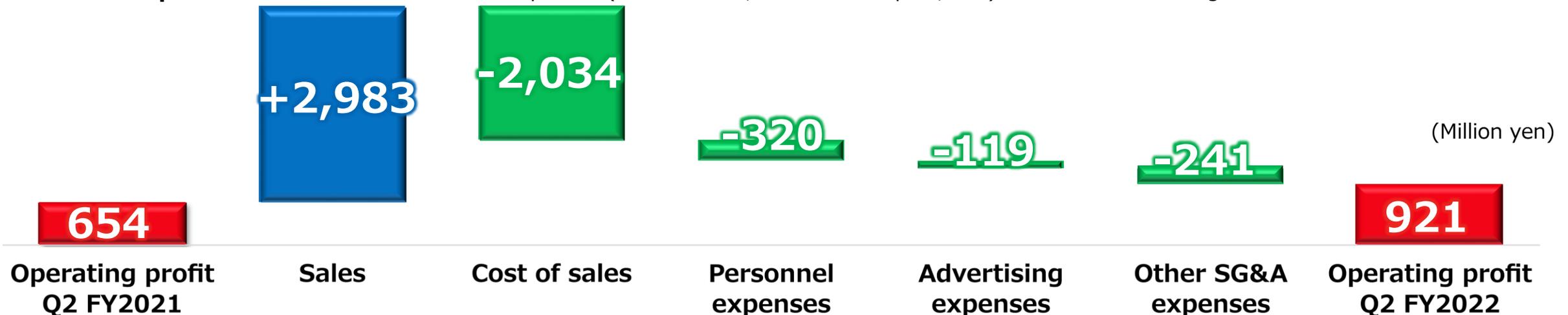
“GLOBAL WiFi” Business: Increased personnel due to the acquisition of Adval Corp. and Koshikano Onsen. Provisions for performance-based and special closing bonuses.

SG&A expenses

Personnel expenses: Increased personnel (permanent employees, part-time employees, temporary employees) and employee bonuses (bonuses and performance-linked bonus reserves).

Advertising costs: Increased due to website advertising development (listing costs, etc.) that meet demand.

Other SG&A expenses: Increase in sales-linked expenses (consumables, commissions paid, etc.) and amortization of goodwill.



“GLOBAL WiFi” Business

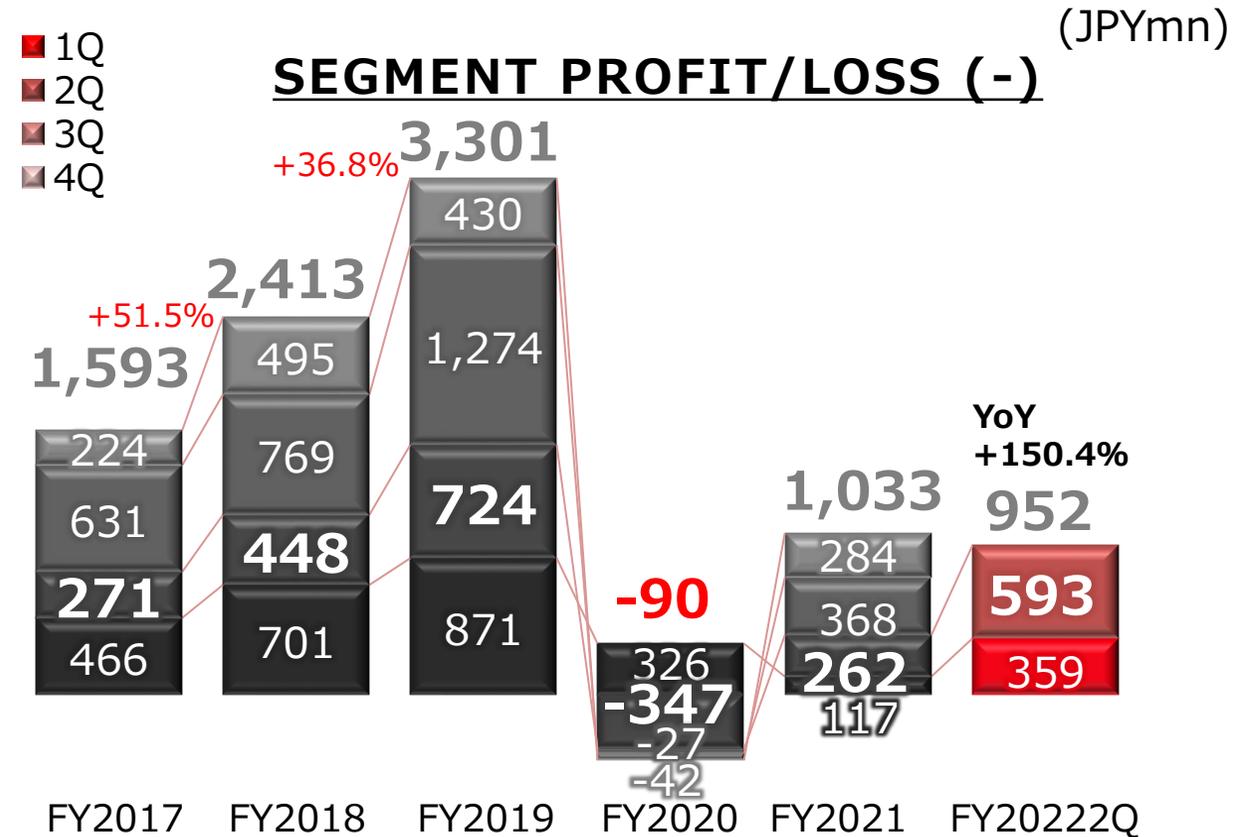
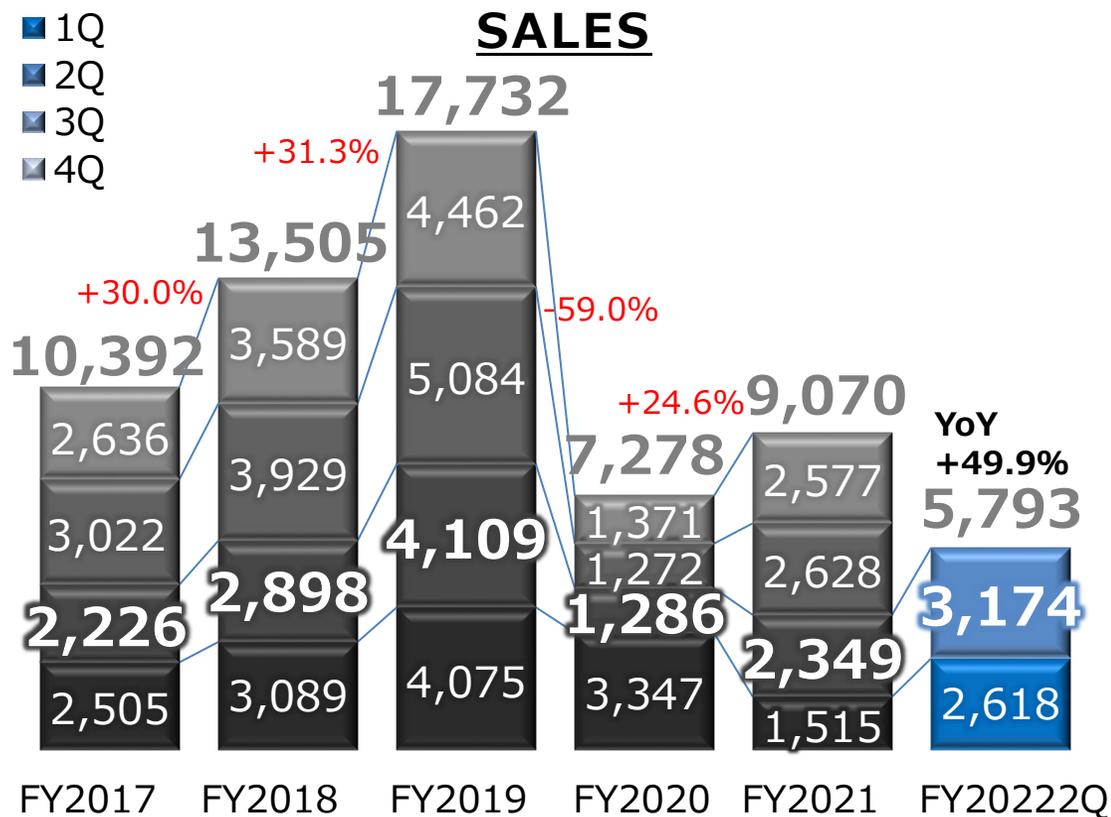
Performance Change “GLOBAL WiFi” Business



Acquired various usage needs during the pandemic and earned revenues through various initiatives. Implemented various initiatives to grow performance after the pandemic.

Signs of recovery in the number of international travelers (and gradual increase in the number of WiFi router rentals, mainly by corporations) following the easing of entry restrictions in countries around the world from April 2022. Increase in sales of "Global WiFi for Biz," a standby WiFi service aimed at corporate customers, and the number of subscriptions and telecommunication usage increased due to telework. Maintained various domestic usage needs (hospitalization, moving, telework, business trips, use during events, combined use with home line, etc.)

Sales and segment income increased due to contracted services at airports and use of PCR testing for various reasons such as school/company entrance ceremonies, domestic travel, and travel to one's hometown.

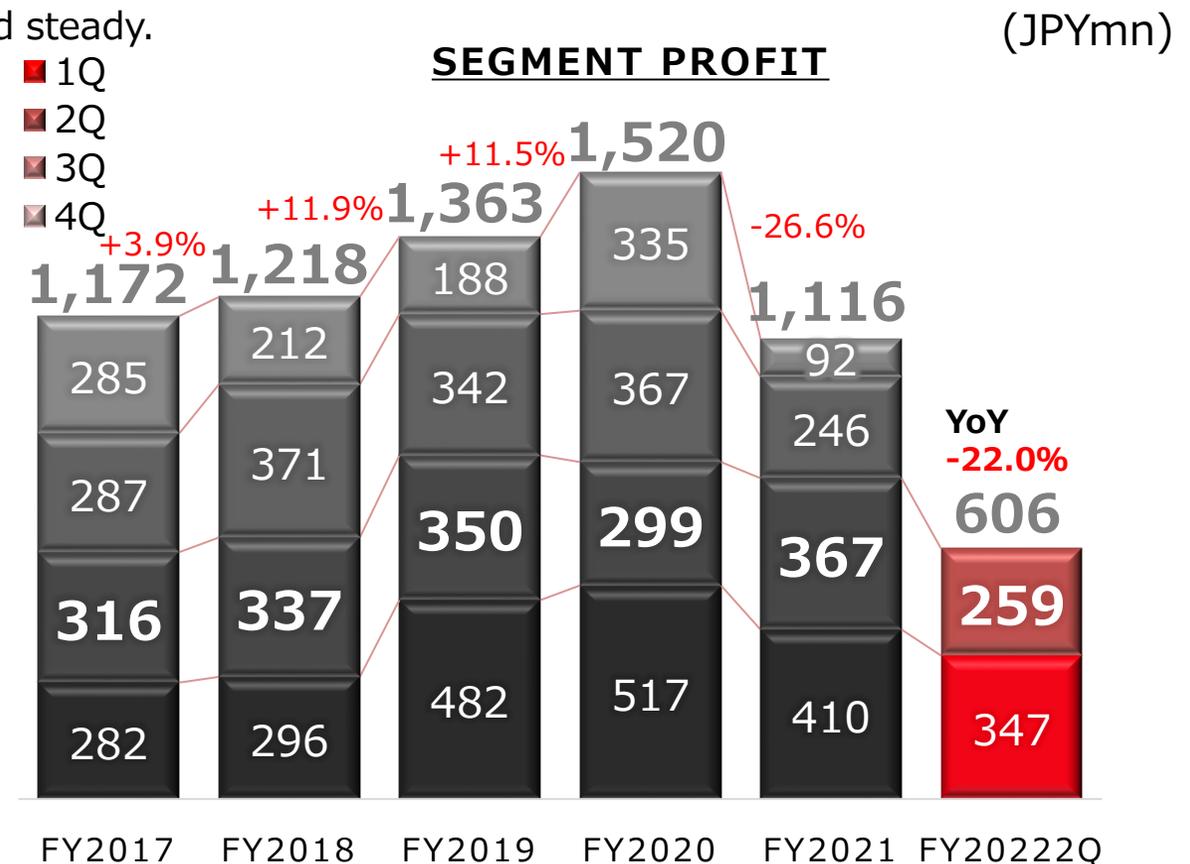
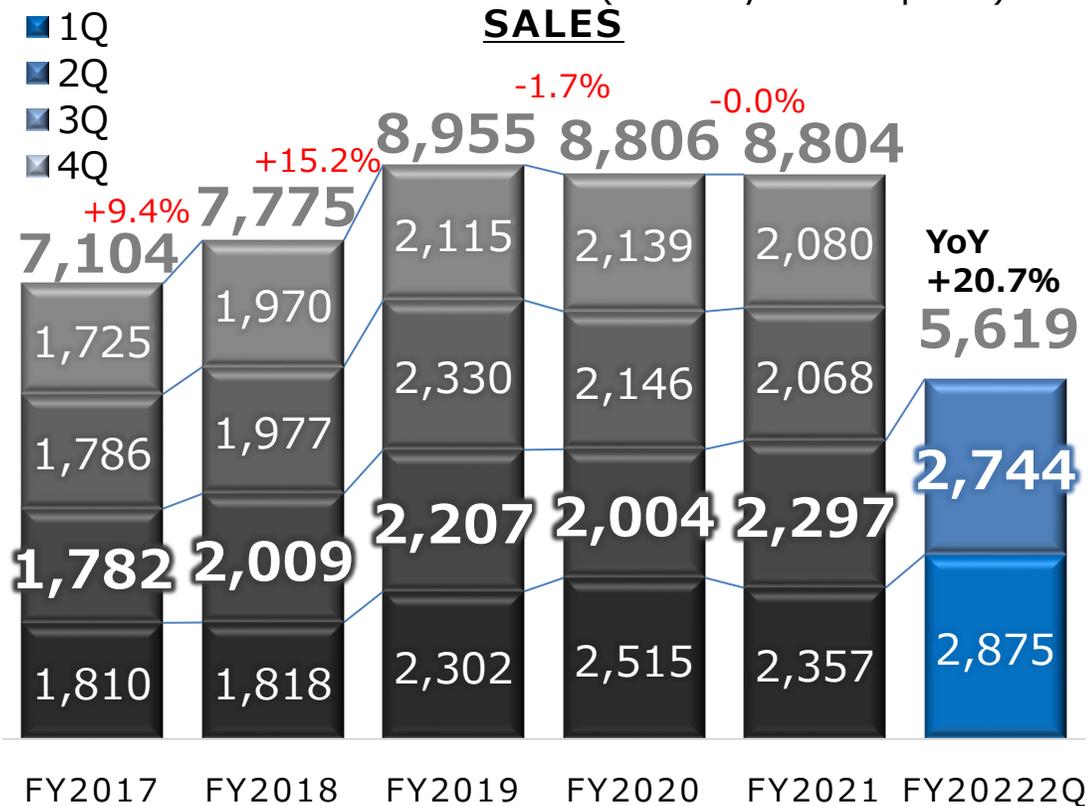


Performance Change

By leveraging our strengths in multiple businesses and sales channels, we provide products and services that meet the needs of the times which has enabled us to respond flexibly to changes in the external environment, resulting in steady growth.

Sales increased due to strengthened sales of products (mobile communication devices, office automation equipment, etc.) and new business (space management business). Segment income decreased due to aggressive sales expansion of monthly subscription-based in-house services, which temporarily increased operating costs, in order to build a strong revenue base and maximize lifetime value (customer lifetime value), investment period for new businesses, and the posting of a provision for special closing bonuses.

Stock revenue and in-house services (monthly subscription) remained steady.



FY2022 Revised Financial Forecast



科目	FY2022 Revised Forecast	FY2022 Previous Forecast	Change	Ratio of change	FY2021 Result	Change	Ratio of change
Sales	23,794	22,736	+1,057	+4.7	18,100	+5,693	+31.5
Cost of sales	12,486	12,033	+452	+3.8	9,092	+3,393	+37.3
Gross profit	11,307	10,703	+604	+5.6	9,008	+2,299	+25.5
Gross profit margin	47.5	47.1	+0.4	+1.0	49.8	-2.2	-
SG&A expenses	9,398	9,295	+102	+1.1	7,903	+1,494	+18.9
SG&A-to-sales ratio	39.5	40.9	-1.4	-3.4	43.7	-4.2	-
Operating profit	1,909	1,407	+501	+35.7	1,105	+804	+72.8
Operating profit margin	8.0	6.2	+1.8	+29.6	6.1	+1.9	-
Recurring profit	1,909	1,404	+505	+36.0	1,143	+765	+67.0
Profit attributable to owners of parent	1,245	921	+324	+35.2	729	+516	+70.8

External environment and business policies (overall)

There is a great deal of uncertainty about the impact of COVID-19, and it is difficult to foresee the future. **Assumptions for the full-year earnings forecast have been revised to be upward considering first-half results, current conditions, and aggressive investment in each business to achieve record-high profits as early as possible in the next fiscal year and beyond.**

“GLOBAL WiFi” Business

The following can be assumed for overseas travelers (outbound and inbound) and other matters.
July-September: Same level as each month in 2021; October-December: 25% recovery compared to the same period in 2019. Contracted application verification work, which is part of the countermeasures conducted by airport quarantine offices, will continue through December.
Domestic and "Global WiFi for Biz" demand continued to be strong.
Revised upward based on first-half results and current conditions.

Information and Communications Service Business

Although the impact on the purchase of goods-related products is expected to continue, we can flexibly respond to changes in the external environment by taking advantage of our strength in multiple businesses (products and services) and sales channels that do not depend on a single business or sales channel, and business will remain strong. We are strengthening sales of in-house services (monthly fee) and continue to build a stable revenue base over the long term.
Reflects first-half results (second-half forecast not revised).

Glamping Business

- Develop a New Business as a Third Pillar -



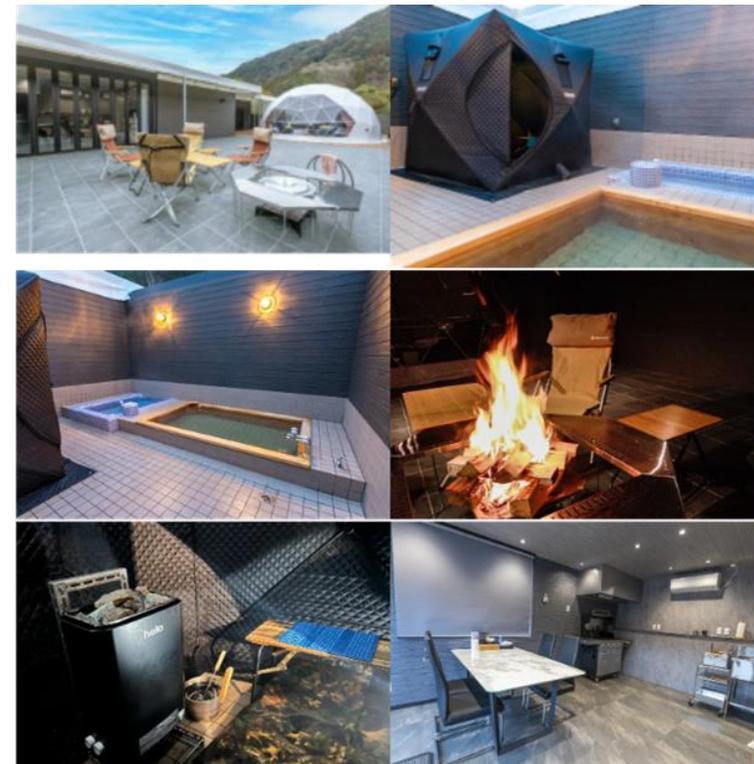
In addition to the GLOBAL WiFi and Information and Communications Services businesses, we will open the third pillar glamping business, "Vision Glamping Resort & SPA".

VISION GLAMPING Resort & Spa Koshikano Onsen

Grand opening as a major glamping facility.

VISION GLAMPING Resort & Spa Yamanakako

Currently under construction at a scenic location where Mt. Fuji is visible in Yamanakako Village, Yamanashi Prefecture.



Glamping Business

-VISION GLAMPING Resort & Spa Koshikano Onsen-



“VISION GLAMPING Resort & Spa Koshikano Onsen”

Koshikano Onsen, Japan's first hot spring resort with an open-air hot spring bath in every private room, has been renovated and reopened in a grand opening to be a larger scale glamping facility.

4 new glamping suite facilities. Dome tents + open-air bath with free-flowing spring water (with private tent sauna and private water bath)

The facility offers the privacy of more than 150 square meters of living space with private bath, toilet, and washroom, as well as a highly functional living space with private dining space. The large living space is fully equipped with a fire on the private deck space, high quality meals such as BBQ and breakfast, a wide variety and number of beverages, and a wide range of optional menus. Conveniently located approximately 15 minutes from the airport by car. In addition to glamping suites, we also offer glamping with pet friendly dome tents and outdoor hot spring baths.

Glamping
こしかの温泉 グランピング

Glamping suite floor plan

Glamping floor plan

美肌の湯
こしかの温泉

GLAMPING

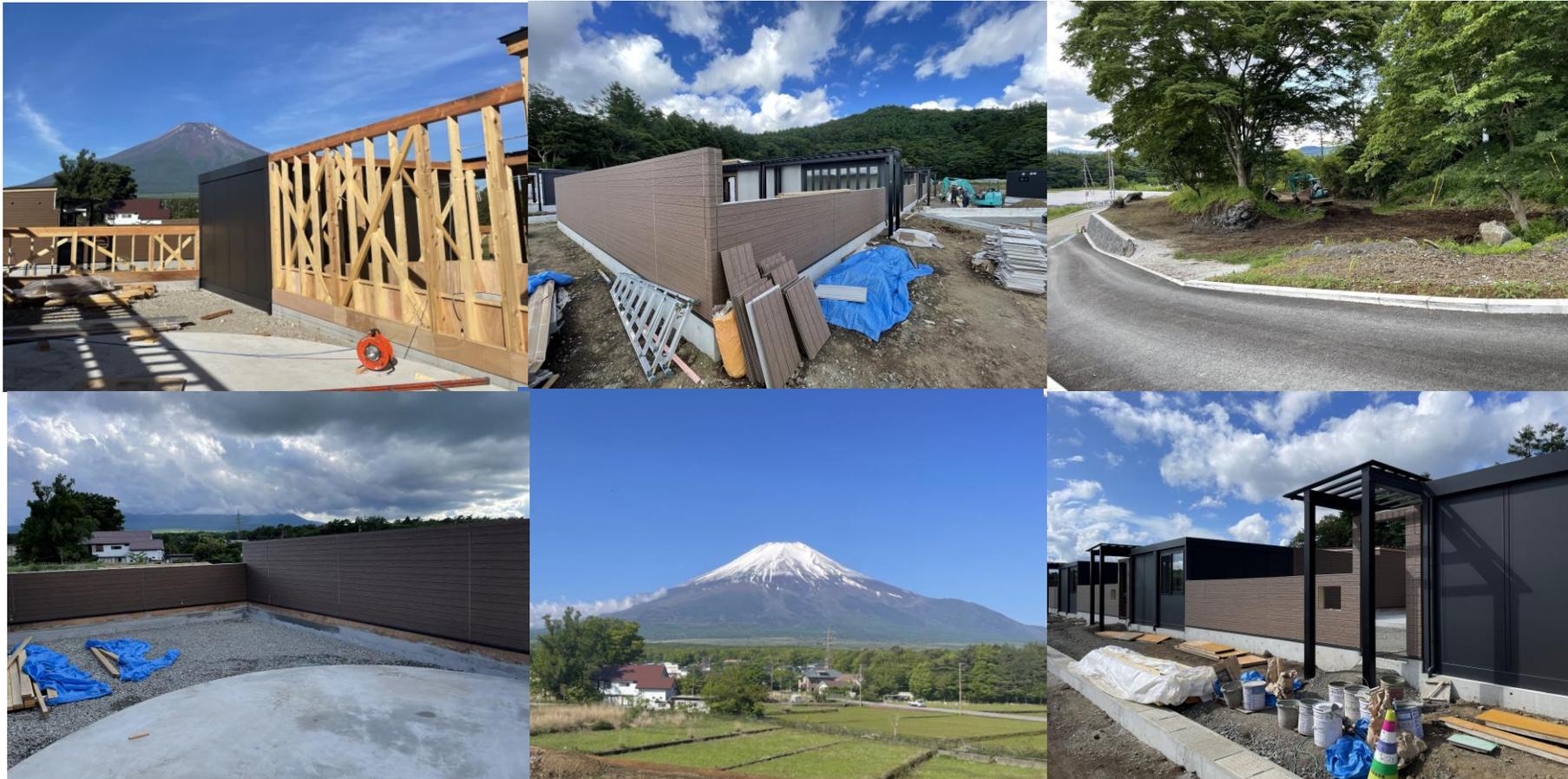
Glamping Business

-VISION GLAMPING Resort & Spa Koshikano Onsen-



“VISION GLAMPING Resort & Spa Yamanakako”

A location known not just for Mt. Fuji, a World Heritage Site, popular worldwide for its nature and scenery, but also for its tourist attractions such as the Gotemba Premium Outlets and Fujikyū Highland, making it easy to make travel plans. The opening is expected to be delayed from the original schedule due to delays in the delivery of machinery and equipment (boilers, pressurizers, etc.) as a result of the Shanghai lockdown and the negative impact on the supply chain caused by Russia's invasion of Ukraine.





To Contribute to the Global Information
and Communications Revolution