

Q3 FY 2022 Financial Results

November 10, 2022

Vision Inc.

Stock Code : 9416



Q3 FY 2022 Financial Results (Consolidated)



(JPYmn, %)

| Item | Q3 FY 2021 Result | | | Q3 FY 2022 Result | |
|--|-------------------|-------------------|---------------|-------------------|-------------------|
| | Amount | Composition ratio | | Amount | Composition ratio |
| Sales | 13,392 | 100.0 | +38.0% | 18,478 | 100.0 |
| Gross profit | 6,818 | 50.9 | +31.7% | 8,979 | 48.6 |
| Operating profit | 1,013 | 7.6 | +92.4% | 1,949 | 10.6 |
| Recurring profit | 1,042 | 7.8 | +87.5% | 1,954 | 10.6 |
| Profit attributable to owners of parent | 702 | 5.2 | +81.0% | 1,270 | 6.9 |

Factors for Increase in Operating Profit



Sales

“GLOBAL WiFi” Business: : There has been steady increase of outbound travel (from Japan to overseas) due to worldwide relaxation or ending of entry restrictions which has lead to the gradual recovery of outbound usage. 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 third 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

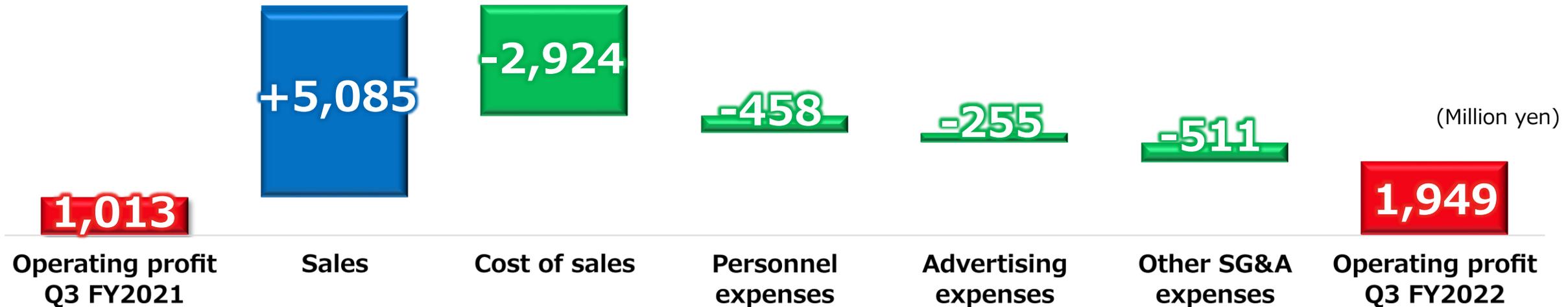
“GLOBAL WiFi” Business: Cost of sales increased because of increase in overseas telecommunication costs and labor costs associated with the entrusted verification COVID-19 related app service.

SG&A expenses

Personnel expenses: Increased personnel due to the acquisition of Adval Corp. and Koshikano Onsen. Provisions for performance-based and special losing bonuses.

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

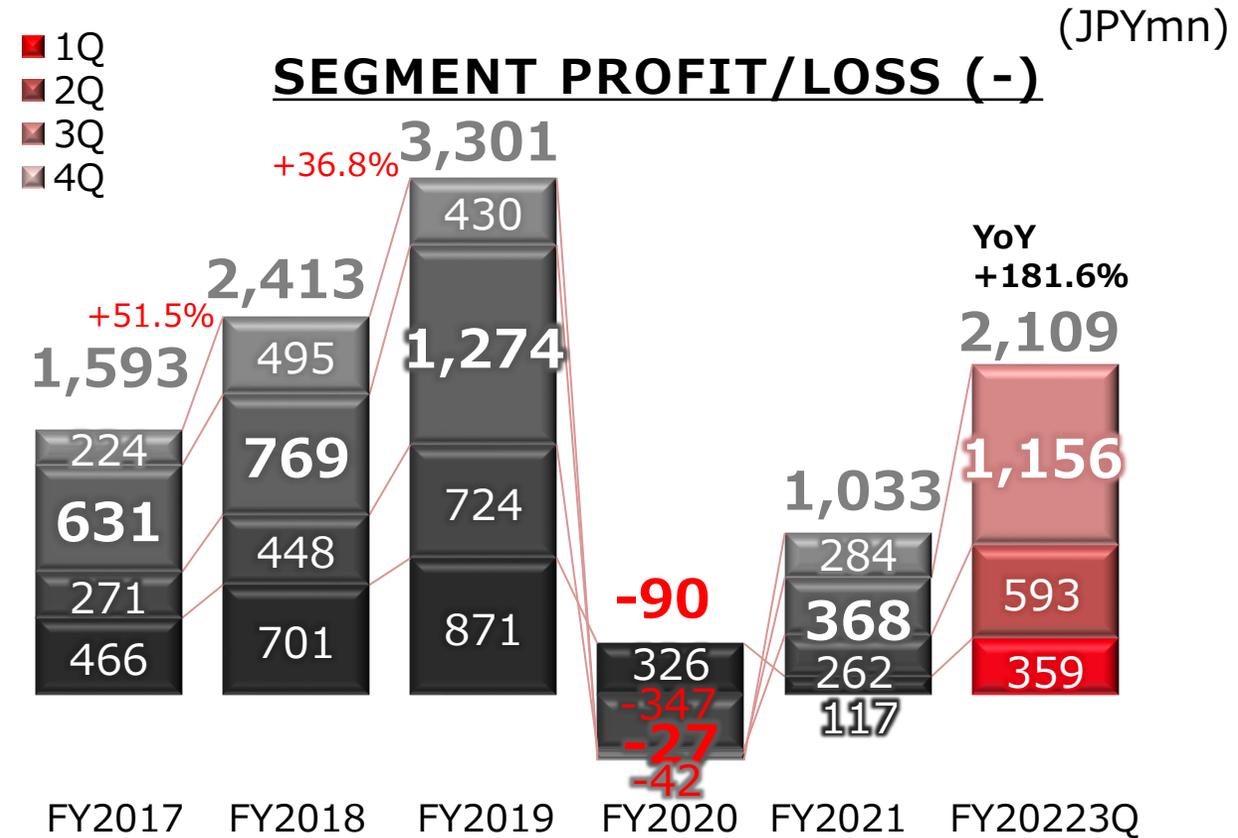
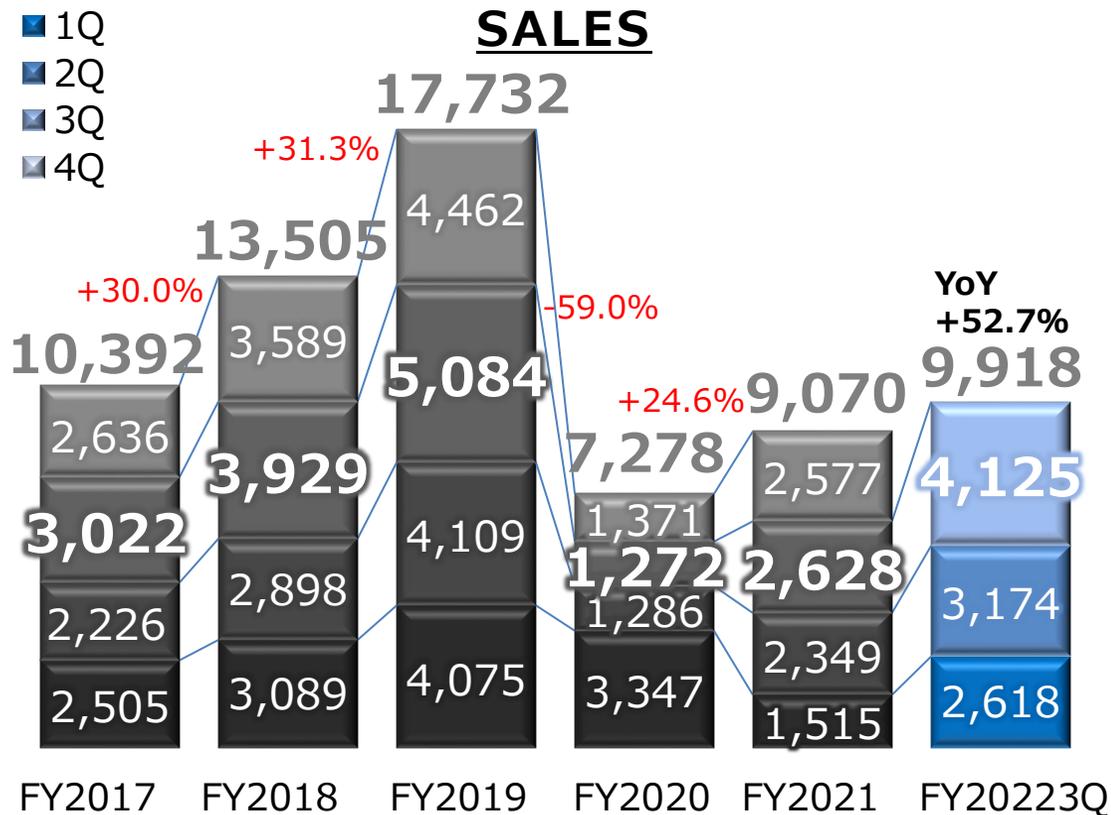


With a 17.8% recovery in the number of people traveling from Japan to other countries compared to July-September 2019 (before COVID-19), outbound rentals and sales recovered by approximately 15.3% and 30.9%, respectively.

ARPU (average revenue per user) increased due to an increase in the ratio of corporate clients, destinations other than Asia, and the average number of rental time.

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 (temporary return to home country, hospitalization, moving, telework, travel/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 various events and travel to one's hometown.

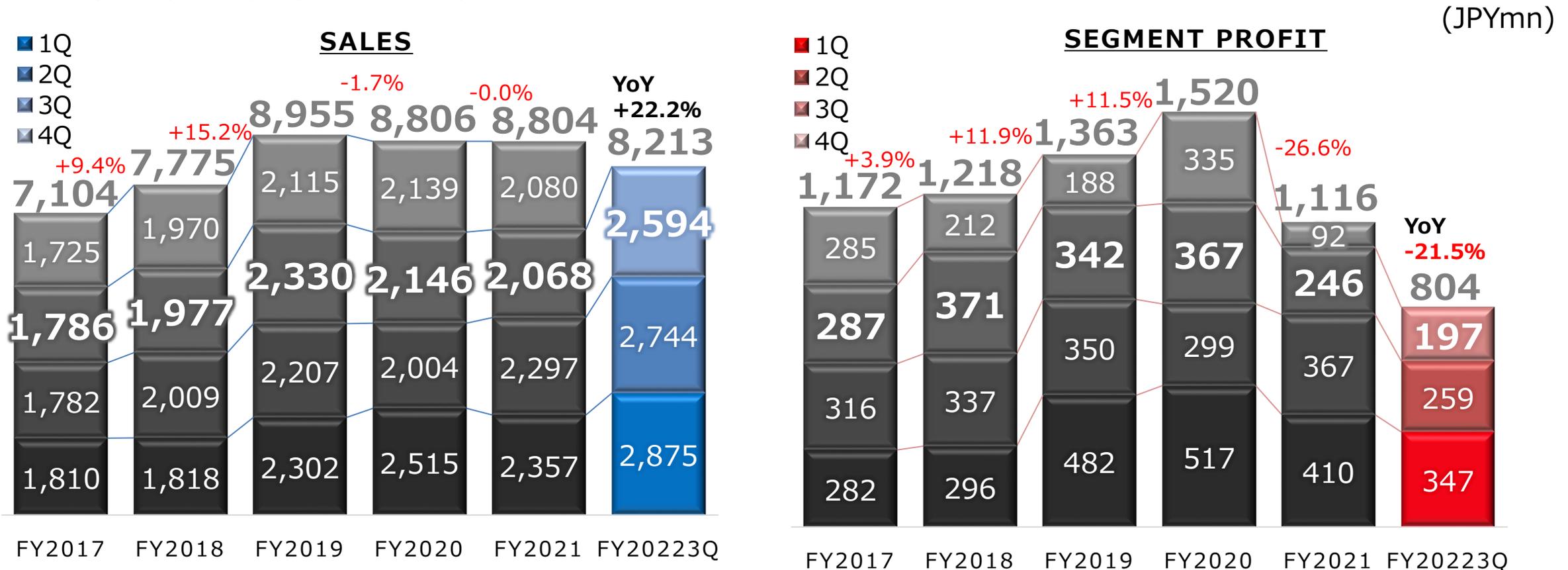


Performance Change

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), and investment period for new businesses.

In light of soaring electricity prices, the "Vision Denki" service will be suspended (electricity supply will be stopped) at the end of December 2022. 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 |
|---|-------------------------|--------------------------|--------|-----------------|---------------|
| Sales | 24,556 | 23,794 | +761 | +3.2 | 18,100 |
| Cost of sales | 12,694 | 12,486 | +137 | +1.1 | 9,092 |
| Gross profit | 11,932 | 11,307 | +624 | +5.5 | 9,008 |
| Gross profit margin | 48.6 | 47.5 | +1.1 | - | 49.8 |
| SG&A expenses | 9,613 | 9,398 | +215 | +2.3 | 7,903 |
| SG&A-to-sales ratio | 39.1 | 39.5 | -0.3 | - | 43.7 |
| Operating profit | 2,318 | 1,909 | +408 | +21.4 | 1,105 |
| Operating profit margin | 9.4 | 8.0 | +1.4 | - | 6.1 |
| Recurring profit | 2,324 | 1,909 | +414 | +21.7 | 1,143 |
| Profit attributable to owners of parent | 1,525 | 1,245 | +280 | +22.5 | 729 |

External environment and business policies (overall)

There is a great deal of uncertainty about the impact of simultaneous seasonal flu and COVID-19 infections, and it is difficult to foresee the future.

Revised full-year forecasts upward considering cumulative 3Q 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.

October-December: 25% recovery compared to the same period in 2019.

Contracted application verification work, which is part of the countermeasures conducted by airports, will continue through December.

Domestic and "Global WiFi for Biz" demand continued to be strong.

Information and Communications Service Business

Although the impact on the business activities of corporations and stores, etc. 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.

Active Sales Expansion of “GLOBAL WiFi for Biz”

- Gaining Competitive Advantage When Travel Recovers -



Sales of standby type “GLOBAL WiFi for Biz” for corporate customers are favorable by continuing to be used for teleworking (increase in the number of contracts and the communication usage).

Contracts have increased 130% and sales have increased about 30% (about 65% increase in basic charge) when compared with December 31, 2019.

Overseas communication increases (long-term use by local expatriates, etc.).

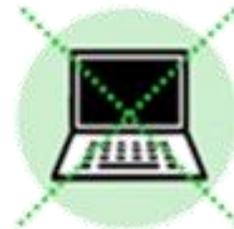
⇒ Used in China, the United States, Thailand, Vietnam, Germany and Indonesia.



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!

Glamping Business

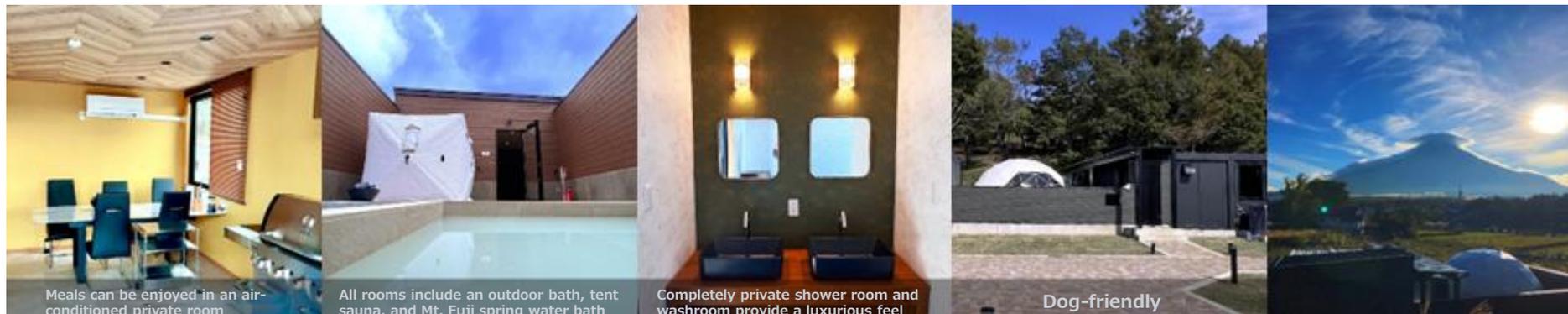
-VISION GLAMPING Resort & Spa Koshikano Onsen-



“VISION GLAMPING Resort & Spa Yamanakako”

Reservations will start being accepted on December 1, 2022

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. We will offer an extraordinary experience of staying at Yamanakako, surrounded by nature and Mt. Fuji. A new glamping space where anyone can experience comfort.





To Contribute to the Global Information
and Communications Revolution