



Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 [Japanese GAAP]

February 14, 2022

Company	Vision Inc.		Stock Listing	TSE
Stock Code	9416	URL	https://www.vision-net.co.jp/	
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Scheduled date of general shareholders' meeting	:	March 30, 2022		
Scheduled starting date of dividend payment	:	—		
Scheduled date of submission of financial reports	:	March 31, 2022		
Supplementary financial documents	:	Yes		
Financial results briefing	:	Yes (for institutional investors and analysts)		

(Round down to million yen)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2021

(January 1, 2021 through December 31, 2021)

(1) Consolidated Operating Results (% change from the previous corresponding period)

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	18,100	8.7	1,105	963.6	1,143	401.8	729	—
FY2020	16,654	-39.0	103	-96.9	227	-93.2	-1,183	—

(Note) Comprehensive profit; FY2021 : 732 million yen (—%)

FY2020 : -1,152 million yen (—%)

	Net profit per share	Diluted net income per share	Return on equity	Recurring profit/Total assets	Operating profit/Sales
	Yen	Yen	%	%	%
FY2021	15.47	15.03	7.7	8.7	6.1
FY2020	-25.07	—	-12.1	1.7	0.6

(Reference) Equity in net profit (losses) of affiliates ; FY2021: — million yen

FY2020: — million yen

(Note) Diluted net profit per share for the current consolidated fiscal year is not stated because there is a net loss per share, although there are dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	14,932	10,122	67.7	212.52
FY2020	11,313	8,769	77.3	185.79

(Reference) Shareholders' equity ; FY2021: 10,113 million yen

FY2020: 8,746 million yen

(3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2021	1,412	-554	30	7,631
FY2020	-395	-375	-1,035	6,679

2. Dividends

	Annual dividend					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividends/Net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2021	—	0.00	—	0.00	0.00	—	—	—
FY2020	—	0.00	—	0.00	0.00	—	—	—
FY2022 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 2022 (January 1, 2022 through December 31, 2022)

(% change from the previous corresponding period)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q FY2022	10,537	21.9	488	-25.3	486	-28.6	341	-25.1	7.18
FY2022	22,736	25.6	1,407	27.4	1,404	22.8	921	26.3	19.36

* Notes

(1) Changes in significant subsidiaries during the period : None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)

(2) Changes in accounting policies, accounting estimates and restatement

- ① Changes in accounting policies associated with revision of accounting standards : None
- ② Changes in accounting policies other than ① : None
- ③ Changes in accounting estimates : None
- ④ Restatement : None

(3) Shares issued (common stock)

- ① Shares issued as of term-end (incl. Treasury stock)
- ② Treasury stock as of term-end
- ③ Average number of shares outstanding

FY2021	49,091,100	FY2020	49,027,800
FY2021	1,501,590	FY2020	1,948,044
FY2021	47,138,222	FY2020	47,222,421

(Reference) Overview of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (January 1, 2021 through December 31, 2021)

(1) Non-consolidated Results of Operations (% change from the previous corresponding period)

	Sales		Operating profit		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2021	16,964	10.5	787	—	864	—	548	—
FY2020	15,350	-39.7	-83	—	40	-98.7	-1,465	—

	Net income per share	Diluted net income per share
	Yen	Yen
FY2021	11.63	11.30
FY2020	-31.03	—

(Note) Diluted net income per share for the current fiscal year is not stated because there is a net loss per share, although there are dilutive shares.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2021	12,254	8,771	71.5	184.18
FY2020	10,227	7,644	74.5	161.92

(Reference) Shareholders' equity ; FY2021: 8,765 million yen
FY2020: 7,622 million yen

* This report is not subject to audit procedures by certified public accountants or audit firm.

* Explanation for appropriate use of forecasts and other notes

The forward-looking statements such as operational forecasts contained in this statements summary are based in information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons.

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1. Summary of Business Results

(1) Explanation of Consolidated Operating Results

For the consolidated fiscal year, Japan's economy has been severely affected by the impact of COVID-19 which had been slowly easing until the emergence of the powerful Omicron mutation that still limits international movements of people.

Within this economic environment, the Company has been working hard to promote the WiFi business and the information and communication services business domestically.

As a result, net sales, operating profit, ordinary profit, and profit attributable owners of parent for the current fiscal year all exceeded the results of the previous fiscal year.

	Current Consolidated Fiscal Year (million yen)	Previous Consolidated Fiscal Year (million yen)	Change (million yen)	YoY (%)
Sales	18,100	16,654	1,446	8.7
Operating profit	1,105	103	1,001	963.6
Ordinary profit	1,143	227	915	401.8
Profit or loss (-) attributable to owners of parent	729	-1,183	1,913	—

Business results by segment are as follows.

(GLOBAL WiFi Business)

During the consolidated fiscal year, we catered to the telecommunication needs of various situations such as moving, business trips, and various events, amidst the continued demand due to increased telework as the COVID-19 pandemic continues.

At the same time, we worked to increase sales of "Global WiFi for Biz," an in-house mobile Wi-Fi router with the option of a domestic usage plan, and "Vision WiMAX," a high-speed Wi-Fi router, and launched "World eSIM," an eSIM service that can be used in 120 countries around the world.

In addition, as part of the border measures at airport quarantine stations for entry into Japan, the Company was temporarily entrusted with the registration and confirmation of designated applications, which has been implemented in earnest since April 2021.

Furthermore, as an essential infrastructure service during the pandemic, we opened the Shinjuku PCR Center East Exit Branch and started providing highly convenient PCR testing services.

As a result of these efforts, both net sales and segment income for the current fiscal year exceeded the previous year's results.

GLOBAL WiFi Business	Current Consolidated Fiscal Year (million yen)	Previous Consolidated Fiscal Year (million yen)	Change (million yen)	YoY (%)
Sales	9,070	7,278	1,792	24.6
Segment profit or loss (-)	1,033	-90	1,124	—

(Information Communication Services Business)

In this business, we are developing services that can reduce costs, improve business efficiency, and support remote work and are compatible both during and after the pandemic and for which demand is expected to remain unaffected by the economy.

We are working to improve stability and profitability by increasing our stock and promoting highly efficient sales activities based on a strategy of targeting newly established corporations and startup companies, and up-selling and cross-selling according to the growth stage of companies.

During the consolidated fiscal year, sales of mobile communication devices to support remote environments were strong with significant demand, but commission sales in the new electric power business declined due to the sharp rise in electricity retail prices.

Furthermore, in preparation for the future, we have worked to expand sales of our monthly in-house services, which are expected

to generate continuous revenue despite a temporary increase in operating costs.

As a result, both net sales and segment income fell below the previous year's results.

Information Communication Services Business	Current Consolidated Fiscal Year (million yen)	Previous Consolidated Fiscal Year (million yen)	Change (million yen)	YoY (%)
Sales	8,804	8,806	-1	-0.0
Segment profit or loss	1,116	1,520	-403	-26.6

(2) Explanation of Consolidated Financial Position

(Assets)

Total assets were 14,932 million yen (3,619 million yen more than the end of the previous consolidated fiscal year).

Current assets are 10,748 million yen (1,876 million yen more than the end of the previous consolidated fiscal year). The main reasons for this are that cash and deposits increased by 952 million yen and notes and accounts receivable increased by 754 million yen.

Fixed assets are 4,183 million yen (1,742 million yen more than the end of the previous consolidated fiscal year). The main reasons for this are due to increases of 1,297 million yen in goodwill, 245 million yen in guaranteed deposits, and 294 million yen in long-term loans receivable as a result of changes due to the acquisition Adval Corp shares.

(Liabilities)

Total liabilities are 4,809 million yen (2,266 million more than the end of the previous consolidated fiscal year).

Current liabilities are 3,880 million yen (1,372 million yen more than the end of the previous consolidated fiscal year). The main reasons for this are due to increases in notes and accounts payable-trade by 197 million yen, accounts payable-other by 590 million yen, income taxes payable by 123 million yen, and provision for bonuses by 147 million yen.

Fixed liabilities are 929 million yen (893 million yen more than the end of the previous fiscal year), mainly due to an increase of 733 million yen in long-term loans payable as a result of changes due to the acquisition Adval Corp shares.

(Net assets)

Total net assets are 10,122 million yen (1,353 million yen more than the end of the previous consolidated fiscal year).

The main reasons for this are due to an increase of 729 million yen in retained earnings due to the posting of net income attributable to shareholders of the parent company, and an increase of 553 million yen due to the disposal of treasury stock in connection with stock issuance.

(3) Explanation of Cash Flow Position

Cash and cash equivalents (hereinafter referred to as "capital") at the end of the current consolidated fiscal year was 7,631 million yen which is 952 million yen more than the end of the previous consolidated fiscal year.

(Cash Flow from Operating Activities)

Capital used in operating activities amounted to 1,412 million yen (a decrease of 395 million yen compared to the previous consolidated fiscal year). This was mainly due to an increase in notes and accounts receivable-trade of 706 million yen, while there were increases in income before income taxes and minority interests of 1,131 million yen, notes and accounts payable-trade of 196 million yen, and accounts payable-other of 491 million yen.

(Cash Flow from Investing Activities)

Capital used in investing activities was 554 million yen (a decrease of 375 million yen compared to the previous consolidated fiscal year). This was mainly due to outflows of 187 million yen for the acquisition of tangible fixed assets and 300 million yen for long-term loans receivable.

(Cash Flow from Financing Activities)

As a result of financial activities, funds amounted to 30 million yen (a decrease of 1,035 million yen compared to the previous consolidated fiscal year). This was mainly due to an inflow of 47 million yen from the exercise of stock options.

(Reference) Trends in cash flow-related indicators

	FY2017	FY2018	FY2019	FY2020	FY2021
Shareholder's equity ratio (%)	74.6	72.2	71.7	77.3	67.7
Shareholder's equity ratio based on the market value (%)	410.8	458.5	585.5	406.2	381.4
Interest-bearing debt to cash flow ratio (year)	0.0	0.0	0.0	—	0.6
Interest coverage ratio (times)	1,910.3	8,568.7	271.8	—	275,281.9

Shareholder's equity ratio : Net assets/Total assets

Shareholder's equity ratio based on the market value: Total market cap/Total assets

Interest-bearing debt to cash flow ratio : Interest-bearing debt/Cash flow

Interest coverage ratio : Cash flow/interest payment

(note) 1. All calculations are based on consolidated financial results.

2. Operating cash flow is used as Cash flow

3. Interest-bearing debts cover all debts recorded in the consolidated balance sheets on which interest is paid.

4. For the FY2020, the ratio of interest-bearing debt to cash flow and the interest coverage ratio are not listed because operating cash flow was negative.

(4) Future Outlook

There is a great deal of uncertainty regarding the impact of the COVID-19 pandemic, and it is difficult to foresee the future. However, based on the assumption that demand will partially recover in the GLOBAL WiFi business from the fourth quarter (October 2022 onward), we forecast net sales of 22,736 million yen (up 25.6% YoY), operating income of 1,407 million yen (up 27.4% YoY), and net income attributable to shareholders of the parent company of 921 million yen (up 26.3% year on year) for the next full year.

If the timing of the spread of COVID-19 and the impact on the business environment fluctuates significantly, there is a possibility that the consolidated financial forecast may be changed.

2. Basic Policy on Selection of Accounting Standards

The Group's policy for the time being is to prepare consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of consolidated financial statements from period to period and from company to company.

Regarding the adoption of IFRS, the Group intends to respond appropriately in consideration of various domestic and international situations.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(unit: thousand yen)

	Previous Consolidated Fiscal Year (December 31, 2020)	Current Consolidated Fiscal Year (December 31, 2021)
Assets		
Current assets		
Cash and deposits	6,650,318	7,602,426
Notes and accounts receivable - trade	1,428,842	2,183,816
Lease investment assets	15,648	15,088
Products	125,303	202,581
Supplies	4,748	5,801
Other	709,159	816,422
Allowance for doubtful accounts	-61,666	-77,177
Total current assets	8,872,354	10,748,958
Fixed assets		
Tangible fixed assets		
Buildings and structures	323,189	488,028
Accumulated depreciation	-91,759	-142,665
Buildings and structures (net)	231,430	345,362
Machinery and delivery equipment	16,558	16,558
Accumulated depreciation	-3,677	-6,220
Machinery and delivery equipment (net)	12,881	10,338
Tools, equipment, and fixtures	213,994	246,442
Accumulated depreciation	-187,382	-203,819
Tools, equipment, and fixtures (net)	26,612	42,622
Rental assets	2,052,725	1,515,772
Accumulated depreciation	-2,015,949	-1,449,182
Rental assets (net)	36,776	66,590
Land	35,289	35,289
Leased assets	—	45,821
Accumulated depreciation	—	-42,515
Leased assets (net)	—	3,306
Construction in progress	—	31,155
Total tangible fixed assets	342,989	534,664
Intangible fixed assets		
Software	161,669	150,080
Goodwill	35,031	1,332,425
Others	21	21
Total intangible fixed assets	196,721	1,482,527
Investments and other assets		
Investment securities	302,655	252,428
Long-term loan	24,945	319,006
Guarantee deposits	514,765	759,881
Deferred tax asset	822,572	621,201
Lease investment assets	30,844	14,294
Other	253,577	270,708
Allowance for doubtful accounts	-48,393	-71,508
Total investments and other assets	1,900,967	2,166,011
Total fixed assets	2,440,679	4,183,203
Total assets	11,313,034	14,932,162

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (December 31, 2020)	Current Consolidated Fiscal Year (December 31, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	716,837	914,551
Short-term loans payable	—	50,000
Current portion of long-term loans payable	—	89,002
Lease obligations	15,648	15,088
Accounts payable - other	834,831	1,425,023
Income taxes payable	55,918	179,245
Provision for bonuses	159,001	306,321
Short-term surrender fees reserve	49,271	53,504
Other	676,272	847,301
Total current liabilities	2,507,781	3,880,038
Fixed liabilities		
Long term loans payable	—	733,904
Lease obligations	30,844	14,294
Deferred tax liabilities	—	6,822
Other	5,235	174,887
Total fixed liabilities	36,080	929,908
Total liabilities	2,543,862	4,809,946
Net assets		
Shareholders' equity		
Share capital	2,363,785	2,387,915
Capital surplus	2,396,243	2,454,031
Retained earnings	6,359,377	7,088,507
Treasury stock	-2,416,784	-1,862,904
Total shareholders' equity	8,702,621	10,067,549
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	47,618	5,109
Deferred gains or losses on hedges	-721	—
Foreign currency translation adjustment	-2,549	40,991
Total other accumulated comprehensive income	44,347	46,101
Subscription rights to shares	21,344	6,116
Non-controlling interests	859	2,447
Total net assets	8,769,171	10,122,215
Total liabilities and net assets	11,313,034	14,932,162

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

Consolidated Income Statement

(Unit: thousands of yen)

	Previous Consolidated Fiscal Year (January 1, 2020 – December 31, 2020)	Current Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)
Sales	16,654,475	18,100,837
Cost of sales	7,860,936	9,092,592
Gross profit	8,793,539	9,008,244
Selling, general, and administrative expenses	8,689,641	7,903,207
Operating profit	103,897	1,105,037
Non-operating income		
Interest income	903	761
Dividends income	1,500	4,615
Foreign exchange profit	6,878	26,130
Subsidy income	124,158	3,954
Other	9,860	12,357
Total non-operating income	143,301	47,819
Non-operating expenses		
Interest expenses	5,306	5
Payment fees	9,853	5,953
Other	4,091	3,125
Total non-operating expenses	19,251	9,083
Ordinary profit	227,947	1,143,772
Extraordinary income		
Gain on sale of fixed assets	15,754	649
Gain on sale of investments in securities	76,346	—
Gain on sale of shares of subsidiary	62,867	—
Gain on reversal of subscription rights to shares	—	14,940
Gain on step acquisitions	—	9,197
Total extraordinary income	154,967	24,787
Extraordinary losses		
Losses on sales of fixed assets	466	—
Losses on retirement of fixed assets	1,176	9,334
Losses on revaluation of investments in securities	357,427	27,977
Office relocation costs	7,070	—
Impairment losses	1,395,072	—
Losses on lease cancellations	6,750	—
Loss on valuation of inventories	38,556	—
Total extraordinary losses	1,806,520	37,311
Net profit or loss (-) before income tax adjustment	-1,423,605	1,131,249
Corporate, resident, and business taxes	123,737	180,526
Deferred income tax	-362,241	220,004
Total income taxes	-238,504	400,530
Net income or net loss (-)	-1,185,101	730,718
Net income or net loss (-) attributable to non-controlling interests	-1,140	1,588
Net income or net loss (-) attributable to owners of parent	-1,183,960	729,129

Consolidated Comprehensive Income Statement

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (January 1, 2020 – December 31, 2020)	Current Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)
Comprehensive net income or net loss (-)	-1,185,101	730,718
Other comprehensive income		
Valuation difference on available-for-sale securities	55,856	-42,508
Deferred gains or losses on hedges	-19,512	721
Foreign currency translation reserve	-3,674	43,541
Total other comprehensive income	32,668	1,753
Comprehensive income	-1,152,432	732,472
(Breakdown)		
Comprehensive income related to owners of the parent	-1,151,291	730,883
Comprehensive income related to non-controlling interests	-1,140	1,588

(3) Statement of Changes in Consolidated Shareholders' Equity

Previous Consolidated Financial Year (January 1, 2020 - December 31, 2020)

(Unit: Thousand yen)

	Shareholders' Equity				
	Capital	Capital Surplus	Capital Reserve	Treasury Stock	Total Shareholders' Equity
Balance at the beginning of the period	2,363,734	2,396,192	7,543,337	-1,431,110	10,872,153
Variation amount for the current period					
Issuance of new shares (exercise of subscription rights to shares)	51	51			102
Net loss attributable to owners of the parent company			-1,183,960		-1,183,960
Acquisition of treasury stock				-985,674	-985,674
Increase by share swap					—
Current variation (net) for items other than shareholders' equity					
Total variation during the period	51	51	-1,183,960	-985,674	-2,169,532
Balance at the end of the current period	2,363,785	2,396,243	6,359,377	-2,416,784	8,702,621

	Accumulated Other Comprehensive Income				Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Other Securities	Deferred Hedge Gains/Losses	Foreign Exchange Translation Adjustment Account	Total Accumulated Other Comprehensive Income			
Balance at the beginning of the period	-8,238	18,791	1,124	11,678	21,344	—	10,905,176
Variation for the current period							
Issuance of new shares (exercise of subscription rights to shares)							102
Net loss attributable to owners of the parent company							-1,183,960
Acquisition of treasury stock							-985,674
Increase by share swap							—
Current variation (net) for items other than shareholders' equity	55,856	-19,512	-3,674	32,668	—	859	33,528
Total variation during the period	55,856	-19,512	-3,674	32,668	—	859	-2,136,004
Balance at the end of the current period	47,618	-721	-2,549	44,347	21,344	859	8,769,171

Current Consolidated Fiscal Year (January 1, 2021 - December 31, 2021)

(Unit: thousand yen)

	Shareholders' Equity				
	Capital	Capital Surplus	Capital Reserve	Treasury Stock	Total Shareholders' Equity
Balance at the beginning of the period	2,363,785	2,396,243	6,359,377	-2,416,784	8,702,621
Variation for the current period					
Issuance of new shares (exercise of subscription rights to shares)	24,130	24,130			48,261
Net income attributable to owners of the parent company			729,129		729,129
Acquisition of treasury stock				-57	-57
Increase by share swap		33,656		553,937	587,594
Current variation (net) for items other than shareholders' equity					
Total variation during the period	24,130	57,787	729,129	553,880	1,364,928
Balance at the end of the current period	2,387,915	2,454,031	7,088,507	-1,862,904	10,067,549

	Accumulated Other Comprehensive Income				Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Other Securities	Deferred Hedge Gains/Losses	Foreign Exchange Translation Adjustment Account	Total Accumulated Other Comprehensive Income			
Balance at the beginning of the period	47,618	-721	-2,549	44,347	21,344	859	8,769,171
Variation for the current period							
Issuance of new shares (exercise of subscription rights to shares)							48,261
Net income attributable to owners of the parent company							729,129
Acquisition of treasury stock							-57
Increase by share swap							587,594
Current variation (net) for items other than shareholders' equity	-42,508	721	43,541	1,753	-15,227	1,588	-11,884
Total variation during the period	-42,508	721	43,541	1,753	-15,227	1,588	1,353,043
Balance at the end of the current period	5,109	-	40,991	46,101	6,116	2,447	10,122,215

(4) Consolidated Cash Flow Statement

(Unit: Thousand yen)

	Previous Consolidated Fiscal Year (January 1, 2020 – December 31, 2020)	Current Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)
Cash Flow from Operating Activities		
Net Income or Loss (-) before Income Tax Adjustment	-1,423,605	1,131,249
Depreciation	508,673	117,538
Impairment Loss	1,395,072	—
Goodwill Amortization	23,508	19,869
Decrease of Allowance for Doubtful Accounts (-is a decrease)	10,386	14,931
Decrease of Bonus Reserve (- is a decrease)	-121,499	146,587
Decrease of Short-term Surrender and Repayment Allowance (- is a decrease)	9,733	4,233
Interest and Dividend Income	-2,403	-5,377
Grant Income	-124,158	-3,954
Interest Expense	5,306	5
Gain/Loss on Sale of Fixed Assets (- is profit)	-15,287	-649
Loss on Retirement of Fixed Assets	6,092	9,334
Gain/Loss on Sale of Investment Securities (- is profit)	-76,346	—
Gain/Loss on Valuation of Investment Securities (- is profit)	357,427	27,977
Gain on reversal of subscription rights to shares	—	-14,940
Gain/loss on step acquisitions (- is profit)	—	-9,197
Gain/Loss on Sale of Subsidiary Shares (- is profit)	-62,867	—
Increase/Decrease in Trade Receivables (- is an increase)	786,279	-706,118
Increase/Decrease in Inventories (- is an increase)	10,413	-78,286
Increase/Decrease in Trade Payables (- is a decrease)	-486,316	196,371
Increase/Decrease in Accounts Payable (- in a decrease)	-725,990	491,481
Other	93,871	127,981
Subtotal	168,290	1,469,035
Received Interest and Dividends	2,339	5,312
Received Grant	107,395	14,153
Interest Payment	-5,306	-5
Corporate Tax Payment	-668,442	-75,750
Cash Flow from Operating Activities	-395,722	1,412,746
Cash Flow from Investing Activities		
Expenditure on acquisition of tangible fixed assets	-201,980	-187,656
Expenditure on acquisition of intangible fixed assets	-187,902	-40,191
Income from the sale of fixed assets	13,396	719
Expenditure on acquisition of investment securities	-196,319	—
Income from the sale of investment securities	121,724	—
Income from the sale of shares of a subsidiary with a change in the scope of consolidation	56,725	—
Income from collection of security deposit	-89,254	-45,672
Expenditure on long-term loans	70,646	31,154
Income from the sale of shares of a subsidiary with a change in the scope of consolidation	—	-300,000
Other	37,842	-12,631
Cash Flow from Investing Activities	-375,121	-554,277
Cash Flow from Financing Activities		
Income from Exercising Stock Options	102	47,975
Expenditure on the Acquisition of Treasury Stock	-986,441	-57
Expenditure for Repayment of Lease Obligations	-49,214	-17,110
Cash Flow from Financing Activities	-1,035,553	30,807
Conversion Difference for Cash and Cash Equivalents	614	40,350
Increase/Decrease in Cash and Cash Equivalents (- is a decrease)	-1,805,783	929,627

(Unit: Thousand yen)

	Previous Consolidated Fiscal Year (January 1, 2020 – December 31, 2020)	Current Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)
Initial Balance of Cash and Cash Equivalents	8,485,363	6,679,580
Increase in cash and cash equivalents resulting from share swap	—	22,480
Term-end Balance of Cash and Cash Equivalents	6,679,580	7,631,688

(5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information, etc.)

Segment Information

Previous Consolidated Fiscal Year (January 1, 2020 – December 31, 2020)

(Unit: Thousand yen)

	Reporting Segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	GLOBAL WiFi Business	Information and Communications Service Business	Total				
Sales							
Net sales to external customers	7,278,352	8,796,632	16,074,984	579,491	16,654,475	—	16,654,475
Intersegment net sales and transfers between segments	—	9,650	9,650	1,191	10,842	-10,842	—
Total	7,278,352	8,806,282	16,084,635	580,682	16,665,317	-10,842	16,654,475
Segment Profit or Loss (-)	-90,673	1,520,424	1,429,751	-392,634	1,037,116	-933,219	103,897
Segment Assets	1,703,579	1,925,422	3,629,002	454,767	4,083,769	7,229,264	11,313,034
Other items							
Depreciation and amortization	420,991	38,690	459,682	19,935	479,617	29,055	508,673
Amortization of goodwill	—	15,811	15,811	7,696	23,508	—	23,508
Increase in tangible and intangible assets	607,302	36,057	643,359	5,302	648,661	577	649,239

(Note) 1. "Other" is a business segment that is not included in the reportable segments and includes the hire time sharing service business, media business, and catalog sales business.

2. The details of adjustments are as follows.

- (1) The adjustment of segment income of -933,219 thousand yen is corporate expenses that are not allocated to each reportable segment and is mainly general administrative expenses that do not belong to any reportable segment.
- (2) The adjustment of segment assets of 7,229,264 thousand yen is corporate assets that are not allocated to each reportable segment, and mainly consist of cash and deposits that do not belong to any reportable segment.

3. Segment income is adjusted with operating income in the consolidated financial statements.

	Reporting Segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	GLOBAL Wi-Fi Business	Information and Communications Service Business	Total				
Sales							
Net sales to external customers	9,070,846	8,803,751	17,874,597	226,239	18,100,837	—	18,100,837
Intersegment net sales and transfers between segments	—	895	895	9,105	10,000	-10,000	—
Total	9,070,846	8,804,646	17,875,492	235,345	18,110,837	-10,000	18,100,837
Segment Profit or Loss (-)	1,033,511	1,116,461	2,149,973	-94,146	2,055,826	-950,789	1,105,037
Segment Assets	2,275,503	4,251,406	6,526,910	412,534	6,939,445	7,992,716	14,932,162
Other items							
Depreciation and amortization	40,978	47,257	88,235	4,906	93,142	24,396	117,538
Amortization of goodwill	—	15,811	15,811	7,696	23,508	—	23,508
Increase in tangible and intangible assets	96,004	158,928	254,933	42,075	297,008	1,862	298,871

(Note) 1. "Other" is a business segment that is not included in the reportable segments and includes the hire time sharing service business, media business, and catalog sales business.

2. The details of adjustments are as follows.

- (1) The adjustment of segment income of -950,789 thousand yen is corporate expenses that are not allocated to each reportable segment and is mainly general administrative expenses that do not belong to any reportable segment.
- (2) The adjustment of segment assets of 7,992,716 thousand yen is corporate assets that are not allocated to each reportable segment, and mainly consist of cash and deposits that do not belong to any reportable segment.

3. Segment income is adjusted with operating income in the consolidated financial statements.

(Information per Share)

	Previous Consolidated Fiscal Year (January 1, 2020 – December 31, 2020)	Current Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)
Net assets per share	185.79 yen	212.52 yen
Net income or loss (-) per share	-25.07 yen	15.47 yen
Diluted net income per share	—	15.03 yen

(Note) 1. Diluted net income per share for the previous fiscal year is not shown because the Company posted a net loss per share, although there were residual shares.

2. The basis for calculating net income or loss per share and diluted net income per share is as follows.

	Previous Consolidated Fiscal Year (January 1, 2020 – December 31, 2020)	Current Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)
Net income or loss (-) per share		
Net income or loss (-) attributable to owners of the parent (thousand yen)	-1,183,960	729,129
Amount not attributable to common shareholders (thousand yen)	—	—
Net income or loss (-) attributable to shareholders of the parent company related to common stock	-1,183,960	729,129
Average number of shares of common stock during the period	47,222,421	47,138,222
Net income per share (diluted)		
Adjustment of net income attributable to shareholders of the parent company (thousand yen)	—	—
Increase in number of ordinary shares	—	1,389,372
Subscription rights to shares (shares)	—	(1,389,372)
Summary of potential stock not included in the calculation of diluted net income per share due to lack of dilutive effect	—	All of the subscription rights to shares (2,801,400 shares of common stock) pursuant to the resolution of the Board of Directors on November 13, 2017, were extinguished as of March 29, 2021, as it was determined that the conditions for exercise were not met.

(Important Subsequent Events)

(Business combination through acquisition)

At a meeting of the Board of Directors held on November 17, 2021, the Company passed a resolution to acquire 100% of the outstanding shares of Koshikano Onsen, making it a subsidiary, and acquired all shares on January 1, 2022.

(1) Outline of the business combination

(1) Name of the acquired company and business description

Company name: Koshikano Onsen

Description of business: Glamping and hot spring accommodation business

2) Main reason for the business combination

We have been preparing for the "glamping business" as a new core business of our group, and acquired shares to grow this business. Koshikano Onsen in Kirsihima City, Kagoshima Prefecture is equipped in all rooms with high quality hot spring water for beautiful skin and operates a glamping business in individual tents that emphasize privacy.

(2) Date of business combination

January 1, 2022

(4) Legal form of the business combination

Acquisition of shares

(5) Name of the company after the business combination

There is no change in the name.

(6) Percentage of voting rights acquired

100% of voting rights

(7) Main reason for determining the acquiring company

The Company acquired the shares for cash.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Not determined at this time.

(3) Details and amounts of major acquisition-related expenses

Advisory fees of 3 million yen

(4) Amount of goodwill generated, reasons for generation, amortization method and amortization period

Not determined at this time.

(5) Amount of assets and liabilities accepted and assumed on the date of business combination and their major breakdown

Not determined at this time.