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## Consolidated Financial Results for the Third Quarter Ended December 31, 2022 [Japanese GAAP]

November 10, 2022

Stock Listing TSE

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 Stock Code 9416 URL <https://www.vision-net.co.jp/>  
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 Scheduled date of filing of quarterly securities report : November 11, 2022  
 Scheduled starting date of dividend payment : —  
 Quarterly supplementary financial document : Yes  
 Quarterly financial results briefing : Yes (for institutional investors and analysts)

(Round down to million yen)

### 1. Consolidated Financial Results for the Third Quarter Ended December 31, 2022 (January 1, 2022 through September 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2022	18,478	38.0	1,949	92.4	1,954	87.5	1,270	81.0
3Q FY2021	13,392	2.2	1,013	—	1,042	521.0	702	—

(Note) Comprehensive income: 3Q FY2022 : 1,366 million yen (87.5%)

3Q FY2021 : 728 million yen (—%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
3Q FY2022	26.29	25.88
3Q FY2021	14.91	14.50

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
3Q FY2022	17,194	11,762	68.3
FY 2021	14,932	10,122	67.7

(Reference) Equity; 3Q FY2022 : 11,745 million yen

FY 2021 : 10,113 million yen

### 2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2021	—	0.00	—	0.00	0.00
FY 2022	—	0.00	—		
FY 2022 (Forecast)				0.00	0.00

(Note) Revisions to dividend forecast during the most recent quarter: None

### 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)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full fiscal year	24,556	35.7	2,318	109.8	2,324	103.2	1,525	109.3	31.23

(Note) Revisions to financial forecast during the most recent quarter: Yes

For details, please refer to “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements” on page 3 of the attached materials.

\* **Notes**

- (1) Changes in significant subsidiaries during the period : None
- (2) Application of accounting procedures specific to preparation of the quarterly financial statements : None
- (3) Changes in accounting policies, accounting estimates, and restatement
- ① Changes in accounting policies associated with revision of accounting standards : Yes
  - ② Changes in accounting policies other than ① : None
  - ③ Changes in accounting estimates : None
  - ④ Restatement : None

(4) Shares issued (common stock)

① Shares issued as of term-end (incl. Treasury stock)	3Q FY2022	50,364,300	FY 2021	49,091,100
② Treasury stock as of term-end	3Q FY2022	1,501,642	FY 2021	1,501,590
③ Average number of shares outstanding (quarterly total)	3Q FY2022	48,319,316	3Q FY2021	47,090,561

\* Quarterly financial summary is not subject to the quarterly review 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 statement's 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. For the assumptions on the earnings forecasts and notes on their use, please refer to "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward Looking Statements" on page 3 of the attached document.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the third quarter of the current fiscal year, the economy has been gradually recovering as restrictions placed on economic activities due to the COVID-19 pandemic have been gradually eased.

However, amid ongoing global monetary tightening and other factors, a downturn in overseas economies poses a downside risk to the economy, and we need to pay close attention to the effects of rising prices, supply-side constraints, and fluctuations in financial and capital markets.

In this economic environment, our group has focused on our core businesses: the GLOBAL WiFi business and the information and communication services business in Japan and strived to flexibly respond to the needs of society.

As a result, net sales, operating income, ordinary income, and net income attributable to owners of the parent for the third quarter of the current consolidated cumulative period all exceeded the results for the same period of the previous year.

	FY2022/3Q Result (million yen)	FY2021/3Q Result (million yen)	Change (million yen)	YoY (%)
Net sales	18,478	13,392	5,085	38.0
Operating profit	1,949	1,013	936	92.4
Ordinary profit	1,954	1,042	912	87.5
Profit attributable to owners of parent	1,270	702	568	81.0

Business results by segment are as follows.

#### “GLOBAL WiFi” Business

Many countries are easing or abolishing entry restrictions implemented in response to the global spread of COVID-19.

In Japan, new entries other than for tourism purposes resumed under certain conditions from March 2022, acceptance of foreign tourists on escorted package tours resumed from June, and acceptance of unescorted package tours resumed from September. The requirement to present a negative COVID test was abolished for people who have been vaccinated.

As a result, since April 2022, both the number of outbound Japanese and inbound visitors to Japan have exceeded 100,000 for six consecutive months, reaching 300,000 in August and 200,000 in September. (Source: Japan National Tourism Organization).

Against the backdrop of this environment, the Company has responded to various communication demands for outbound, inbound, and domestic use, and performed well in providing PCR inspection services.

We also continued to handle services related to quarantine procedures upon entry into Japan at airport quarantine stations, which we are temporarily contracted to provide.

As a result of these efforts, both net sales and segment income for the nine months ended December 31, 2022 exceeded those of the same period of the previous year.

GLOBAL WiFi Business	FY2022/3Q Result (million yen)	FY2021/3Q Result (million yen)	Change (million yen)	YoY (%)
Net sales	9,918	6,493	3,424	52.7
Segment profit	2,109	749	1,360	181.6

## Information and Communications Service Business

During the first nine months of the current fiscal year, sales of mobile communication devices and office automation equipment were strong.

Furthermore, the Company strived to maximize lifetime value (customer lifetime value) through future up-selling and cross-selling, reduction of long-term churn rates, and continuous income from stock products, and despite a temporary increase in operating costs, the Company strove to expand sales of its monthly subscription-based in-house services.

As a result, net sales increased year on year, but segment income decreased year on year.

Information and Communications Service	FY2022/3Q Result (million yen)	FY2021/3Q Result (million yen)	Change (million yen)	YoY (%)
Net sales	8,213	6,724	1,489	22.2
Segment profit	804	1,024	-220	-21.5

## (2) Explanation of Financial Position

### (Assets)

Total assets at the end of the third quarter consolidated accounting period are 17,194 million yen (2,262 million yen more than the end of the previous consolidated fiscal term).

Current assets amounted to 12,414 million yen (1,665 million yen more than the end of the previous consolidated fiscal term), mainly due to a 1,567 million yen increase in notes and accounts receivable-trade.

Fixed assets totaled 4,780 million yen (597 million yen more than the end of the previous consolidated fiscal year), mainly due to a 1,293 million yen increase in property, plant, and equipment and a 574 million yen decrease in investments and other assets.

### (Liabilities)

Total liabilities at the end of the third quarter consolidated accounting period are 5,432 million yen (622 million yen more than the end of the previous consolidated fiscal term).

Current liabilities are 4,359 million yen (479 million yen more than the end of the previous consolidated fiscal term), mainly due to an increase of 171 million yen in income taxes payable.

Fixed liabilities amounted to 1,072 million yen (142 million yen more than the end of the previous consolidated fiscal year), mainly due to a 143 million yen increase in long-term loans payable.

### (Net assets)

Total net assets at the end of the third quarter consolidated accounting period are 11,762 million yen (1,640 million yen more than the end of the previous consolidated fiscal term). This was mainly due to 1,270 million yen in net income attributable to owners of the parent company for the period.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements

We have revised our consolidated earnings forecast for the full year announced on August 10, 2022, considering the results for the first nine months of the fiscal year, the current situation, and our aggressive investment in each business to achieve record-high earnings as early as possible in the next fiscal year and beyond. For details, please refer to the “Notice of Revision of Full-year Consolidated Financial Forecast” released today (November 10, 2022).

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	7,602,426	7,700,381
Notes and accounts receivable - trade	2,183,816	3,751,572
Products	202,581	174,189
Supplies	5,801	5,730
Other	831,510	900,443
Allowance for doubtful accounts	-77,177	-118,244
Total current assets	10,748,958	12,414,073
Fixed assets		
Tangible fixed assets	534,664	1,827,756
Intangible fixed assets		
Goodwill	1,332,425	1,196,461
Other	150,101	165,152
Total intangible fixed assets	1,482,527	1,361,613
Investments and other assets		
Other	2,237,519	1,656,495
Allowance for doubtful accounts	-71,508	-64,948
Total investments and other assets	2,166,011	1,591,547
Total fixed assets	4,183,203	4,780,917
Total assets	14,932,162	17,194,990
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	914,551	964,244
Short-term loans payable	50,000	—
Current portion of long-term debt	89,002	119,433
Income taxes payable	179,245	350,894
Provision for bonuses	306,321	358,509
Short-term surrender fees reserve	53,504	—
Other	2,287,413	2,566,815
Total current liabilities	3,880,038	4,359,897
Fixed liabilities		
Long-term debt	733,904	877,117
Other	196,004	195,354
Total fixed liabilities	929,908	1,072,471
Total liabilities	4,809,946	5,432,369
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,387,915	2,522,115
Capital surplus	2,454,031	2,588,231
Retained earnings	7,088,507	8,359,050
Treasury stock	-1,862,904	-1,862,967
Total shareholders' equity	10,067,549	11,606,429
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	5,109	-9,098
Foreign currency translation adjustment	40,991	147,697
Total other accumulated comprehensive income	46,101	138,598
Subscription rights to shares	6,116	11,480
Non-controlling interests	2,447	6,112
Total net assets	10,122,215	11,762,620
Total liabilities and net assets	14,932,162	17,194,990

## (2) Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

### Quarterly Consolidated Statement of Profit or Loss

#### Consolidated Cumulative Third Quarter

(Thousands of yen)

	January 1, 2021 – September 30, 2021	January 1, 2022 – September 30, 2022
Net sales	13,392,003	18,478,002
Cost of sales	6,573,667	9,498,157
Gross profit	6,818,335	8,979,845
Selling, general, and administrative expenses	5,804,960	7,030,041
Operating profit	1,013,375	1,949,804
Non-operating income		
Interest income	607	1,890
Dividends earned	1,500	4,615
Currency exchange gain	24,206	—
Subsidy income	3,804	6,321
Other	6,397	11,725
Total non-operating income	36,516	24,554
Non-operating expenses		
Payment fees	5	7,958
Foreign exchange loss	—	7,196
Other	7,751	4,974
Total non-operating expenses	7,756	20,129
Ordinary profit	1,042,134	1,954,228
Extraordinary income		
Gain on reversal of subscription rights to shares	14,940	—
Gain on sales of fixed assets	649	81
Gain on sales of investment securities	—	1,230
Total extraordinary income	15,590	1,311
Extraordinary loss		
Loss on retirement of fixed assets	2,039	4,563
Loss on valuation of investment securities	17,335	—
Headquarters relocation cost	—	9,284
Total extraordinary loss	19,375	13,848
Income before tax adjustment	1,038,349	1,941,691
Corporate, resident, and business taxes	138,190	400,909
Deferred income tax	196,469	266,574
Total income taxes	334,659	667,483
Quarterly profit	703,690	1,274,208
Quarterly profit attributable to non-controlling interests	1,679	3,664
Quarterly profit attributable to owners of parent	702,010	1,270,543

Quarterly Consolidated Statement of Comprehensive Income  
 Consolidated Cumulative Third Quarter

(Thousands of yen)

	January 1, 2021 – September 30, 2021	January 1, 2022 – September 30, 2022
Quarterly profit	703,690	1,274,208
Other comprehensive income		
Net unrealized gains or loss on securities	-8,302	-14,208
Deferred gains or losses on hedges	721	—
Foreign currency translation reserve	32,777	106,705
Total other comprehensive income	25,195	92,497
Quarterly comprehensive income	728,885	1,366,705
(Breakdown)		
Quarterly comprehensive income related to owners of the parent	727,205	1,363,040
Quarterly comprehensive income related to non- controlling interests	1,679	3,664



### (3) Notes on Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition") was adopted. The Company adopted the Accounting Standard for Revenue Recognition from the beginning of the first quarter of the current fiscal year, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services is transferred to the customer.

The Company has followed the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application of the new accounting policies prior to the beginning of the first quarter of the current fiscal year has been added to or deducted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting policies have been applied from the beginning balance of the current fiscal year. As a result, there is no effect on the balance of retained earnings at the beginning of the first quarter of the current fiscal year. In addition, the application of the new accounting standard did not have a material impact on the quarterly consolidated financial statements.

Due to the application of the accounting standard for revenue recognition, "Allowance for short-term cancellation refunds," which was presented in "Current liabilities" in the consolidated balance sheet for the previous fiscal year, is included in "Other" from the first quarter of the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to reflect the new presentation for the previous consolidated fiscal year and the third quarter of the previous consolidated cumulative period. In addition, in accordance with paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information that breaks down revenue from contracts with customers for the previous consolidated cumulative period is not presented.

(Application of Accounting Standard for Measurement of Fair Value)

The "Accounting Standard for Calculation of Fair Value" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as "Accounting Standard for Calculation of Fair Value") are applied from the beginning of the first quarter of the current consolidated fiscal year, as stipulated in Paragraph 19 of the Accounting Standard for Calculation of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). In accordance with the transitional treatment, the new accounting policies prescribed by the Accounting Standard for Fair Value Calculation will be applied prospectively. This change has no impact on the quarterly consolidated financial statements.

(Segment Information, etc.)

Segment Information

FY2021/3Q Cumulative period (January 1, 2021 – September 30, 2021)

1. Information on net sales and profit or loss by reporting segment

(Thousands of yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Quarterly consolidated income statement (Note 3)
	“GLOBAL WiFi”	Information and Communications Service	Total				
Net sales							
Sales to external customers	6,493,547	6,723,650	13,217,198	174,805	13,392,003	—	13,392,003
Intersegment sales and transfers	—	478	478	6,915	7,393	-7,393	—
Total	6,493,547	6,724,128	13,217,676	181,720	13,399,397	-7,393	13,392,003
Segment profit or loss (-)	749,348	1,024,461	1,773,809	-62,307	1,711,501	-698,126	1,013,375

(Note) 1. The “Other” category is for businesses that are not included in the reporting segment such as media and catalog sales businesses.

2. The segment profit of -698,126 thousand yen is a company-wide expense that is not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.
3. Segment profit is adjusted to the operating profit of the quarterly consolidated income statement.

2. Information on impairment loss on fixed assets or goodwill by reporting segment

Not applicable.

FY2022/3Q Cumulative period (January 1, 2022 – September 30, 2022)

1. Information on net sales and profit or loss by reporting segment

(Thousands of yen)

	Reporting segment			Other (Note 1)	Total	Adjustments (Note 2)	Quarterly consolidated income statement (Note 3)
	“GLOBAL WiFi”	Information and Communications Service	Total				
Net sales							
Sales to external customers	9,918,084	8,201,877	18,119,962	358,040	18,478,002	—	18,478,002
Intersegment sales and transfers	—	11,684	11,684	4,671	16,356	-16,356	—
Total	9,918,084	8,213,561	18,131,646	362,712	18,494,359	-16,356	18,478,002
Segment profit or loss (-)	2,109,823	804,060	2,913,883	-111,976	2,801,906	-852,102	1,949,804

(Note) 1. The “Other” category is for businesses that are not included in the reporting segment such as the glamping, media, and catalog sales businesses.

2. The segment profit of -852,102 thousand yen is a company-wide expense that is not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.
3. Segment profit is adjusted to the operating profit of the quarterly consolidated income statement.

2. Information on impairment loss on fixed assets or goodwill by reporting segment

Not applicable.