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Disclosure Documents for Surviving Company of Absorption Type Merger

(Documents in Accordance with Article 801, Paragraph 1 of the Companies Act and Article 200 of the Regulations for Enforcement of the Companies Act)

February 1, 2023

Vision Inc.

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February 1, 2023
6-27-30 Shinjuku
Shinjuku-ku, Tokyo
Vision Inc.
Representative Director: Kenichi Sano

Disclosure Documents for Surviving Company of Absorption Type Merger

On November 24, 2022, Vision Inc. entered into an agreement with Promotion Plus Inc. (hereinafter referred to as “Promotion Plus”) to conduct an absorption-type merger (hereinafter referred to as “the absorption-type merger”), effective February 1, 2023, with the Company as the surviving company and Promotion Plus Co., Ltd. as the absorbed company. Matters concerning this absorption-type merger pursuant to Article 801, Paragraph 1 of the Companies Act are as follows.

1. Date on which the absorption-type merger becomes effective (Article 200, Paragraph 1 of the Regulations for Enforcement of the Companies Act)
February 1, 2023

2. Progress of procedures concerning the demand pursuant to the provisions of Article 784-2 of the Companies Act; the progress of procedures pursuant to the provisions of Article 785 and Article 787 of the Companies Act and Article 789 of the Companies Act (Article 200, Section 2 of the Companies Act)
 - (1) Dissenting shareholders demanding cessation (Article 784-2 of the Companies Act)
Since the Company owns all shares issued by Promotion Plus, there are no applicable matters regarding dissenting shareholders demanding cessation.
 - (2) Dissenting shareholders’ appraisal rights (Article 785 of the Companies Act)
Since the Company owns all shares issued by Promotion Plus, there are no applicable matters regarding dissenting shareholder’s appraisal rights.
 - (3) Exercise of appraisal rights on share options (Article 787 of the Companies Act)
Because Promotion Plus has not issued any appraisal rights on share options, there are no applicable matters.
 - (4) Objections of creditors (Article 789 of the Companies Act)
In accordance with Article 789, Paragraphs 2 and 3 of the Companies Act, Promotion Plus issued a public notice in the Public Gazette dated December 28, 2022, as well as an electronic public notice dated the same day, but no creditors filed objections by the deadline.

3. Progress of procedures concerning the demand pursuant to the provisions of Article 796-2 of the Companies

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Act; the progress of procedures pursuant to the provisions of Article 797 and Article 799 of the Companies Act (Article 200, Section 3 of the Regulations for the Enforcement of the Companies Act)

(1) Dissenting shareholders demanding cessation (Article 796-2 of the Companies Act)

Not applicable, as this absorption-type merger is a simplified merger in accordance with Article 796-2 of the Companies Act.

(2) Dissenting shareholders' appraisal rights (Article 797 of the Companies Act)

Not applicable, as this absorption-type merger is a simplified merger in accordance with Article 796-2 of the Companies Act.

(3) Objections of creditors (Article 799 of the Companies Act)

In accordance with Article 799, Paragraphs 2 and 3 of the Companies Act, Promotion Plus issued a public notice in the Public Gazette dated December 28, 2022, as well as an electronic public notice dated the same day, but no creditors filed objections by the deadline.

4. Related to important rights and obligations succeeded to by the stock company surviving the absorption-type merger from the company disappearing in the absorption-type merger due to the absorption-type merger (Article 200, Section 4 of the Regulations for Enforcement of the Companies Act)

As of the effective date of the absorption-type merge, the Company assumed all of the assets, liabilities, and other rights and obligations of Promotion Plus.

5. Particulars stated or recorded in documents, or electronic or magnetic records kept by the stock company disappearing in the absorption-type merger pursuant to the provisions of Article 782-1 of the Companies Act (Article 200, Section 5 of the Regulations for Enforcement of the Companies Act)

Refer to Attachment.

6. Date of registration of the changes (due to absorption-type merger) of Article 921 of the Companies Act (Article 200, Section 6 of the Regulations for Enforcement of the Companies Act)

February 13, 2023 (tentative)

7. Beyond what is set forth in the preceding items, important particulars related to absorption-type merge (Article 200, Section 7 of the Regulations for Enforcement of the Companies Act)

In accordance with Article 796-2 of the Companies Act, the Company conducted the absorption-type merger without obtaining approval of the merger agreement at the General Shareholders' Meeting as stipulated in Article 795-1 of the Companies Act. In accordance with Article 796-3 of the Companies Act, no shareholder of the Company notified the Company of their opposition to the merger.

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Attachment

Prior Disclosure Documents for Absorption-Type Merger

November 24, 2022

**Vision Inc.
Promotion Plus Co., Ltd.**

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November 24, 2022

6-chome-5-1 Nishishinjuku
Shinjuku-ku, Tokyo
Vision Inc.
Representative Director: Kenichi Sano

Yotsubashi Shinkosan Bldg. 1-chome-5-2
Kitahorie, Nishi-ku, Osaka
Promotion Plus, Co., Ltd
Representative Director: Yuki Kataoka

Prior Disclosure Documents for Absorption-Type Merger

(Surviving company: documents to be prepared in advance in accordance with Article 794, Paragraph 1 of the Companies Act and Article 191 of the Ordinance for Enforcement of the Companies Act)

(Absorbed company: documents to be prepared in advance in accordance with Article 782, Paragraph 1 of the Companies Act and Article 182 of the Ordinance for Enforcement of the Companies Act)

Vision Inc. and Promotion Plus, Co., Ltd have decided to conduct an absorption-type merger, effective February 1, 2023, based on the “Absorption-Type Merger Agreement” dated November 24, 2022, with Vision Inc. as the surviving company and Promotion Plus Co., Ltd. as the absorbed company. Matters concerning this absorption-type merger stipulated in Article 794, Paragraph 1 of the Companies Act and Article 191 of the Enforcement Regulations of the Companies Act, as well as Article 782, Paragraph 1 of the Companies Act and Article 182 of the Enforcement Regulations of the Companies Act are as follows.

1. Merger Agreement

As shown in Attachment 1, the Company entered into an absorption-type merger agreement as of November 24, 2022.

2. Matters Concerning the Reasonableness of the Merger Consideration

Since the surviving company owns all outstanding shares of the absorbed company, no shares will be issued and no money will be delivered upon the merger.

3. Matters Concerning the Appropriateness of the Provisions for Stock Acquisition Rights

The company dissolving in the merger has not issued any stock acquisition rights.

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4. Matters Concerning Financial Statements for the Last Fiscal Year of the Company Dissolving in the Merger

Refer to Attachment 2.

5. Matters Concerning Significant Subsequent Events of the Company Dissolved in the Merger

There were no events that occurred after the last day of the last fiscal year of the dissolving company that had a material impact on the status of the company's assets, such as the disposal of significant assets or the incurrence of significant liabilities.

6. Significant Subsequent Events of the Surviving Company

There are no events that occurred after the last day of the last fiscal year of the surviving company of the merger that would materially affect the status of the company's assets, such as the disposition of significant assets or the incurrence of significant liabilities.

7. Prospects for Fulfillment of Obligations

The amount of assets of the surviving company after the effective date of the absorption-type merger is expected to sufficiently exceed the amount of its liabilities. In addition, with respect to the status of earnings and cash flow of the surviving company after the merger, no events that would hinder the fulfillment of obligations by the surviving company are currently anticipated. Therefore, the Company has determined that the performance of the obligations of the surviving company after the merger is expected to be satisfactory.

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Attachment

Absorption-Type Merger Agreement

Vision Inc. (hereinafter referred to as “Party A”) and Promotion Plus Co., Ltd. (hereinafter referred to as “Party B”) enter into a merger agreement (hereinafter referred to as the “Agreement”) as follows.

Article 1 (Merger Method)

Party A and Party B shall merge (hereinafter referred to as the “Merger”) in accordance with this Agreement, with Party A as the surviving company and Party B as the absorbed company.

Article 2 (Name and Address of the Companies to be Merged)

Party A and Party B confirm that their respective names and addresses are as follows

(1) Party A (Surviving company in absorption-type merger)

Name: Vision Inc.

Address: 5-1, Nishi-Shinjuku 6-chome Shinjuku-ku, Tokyo

(2) Party B (Dissolving company in absorption-type merger)

Name: Promotion Plus Co., Ltd

Address: Yotsubashi Shinkosan Bldg. 1-chome-5-2 Kitahorie, Nishi-ku, Osaka

Article 3 (Matters Concerning Cash to be Delivered and Allocated upon the Merger)

Upon the Merger, Party A shall not deliver to the shareholders of Party B any consideration such as shares of Party A’s stock or money in lieu thereof.

Article 4 (Amount of Capital and Reserves of Party A)

Upon the Merger, capital stock, capital reserve, and legal reserve of Party A shall not be increased.

Article 5 (Effective Date of Merger)

The effective date of the Merger (hereinafter referred to as the “Effective Date”) shall be February 1, 2022.

However, this date may be changed upon consultation between the Party A and the Party B due to the necessary merger procedures or other reasons.

Article 6 (Merger Approval)

Pursuant to the provisions of Article 796, Paragraph 2, and Article 784, Paragraph 1, of the Companies Act, the Merger shall be approved by the Board of Directors of the Surviving Company and the Dissolving Company. The Merger shall be effected without obtaining the approval of the general meeting of

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shareholders of either the surviving company or the dissolving company of the Merger with respect to this Agreement.

Article 7 (Succession to Company Assets)

Party A shall succeed to all assets and liabilities, and all rights and obligations of Party B as of the day immediately preceding the effective date.

Article 8 (Management of Company Property)

After the conclusion of this Agreement, Party A and Party B will exercise due care as a good manager in executing their respective duties and managing and operating all assets until the effective date. In addition, unless otherwise stipulated in this Agreement, Party A and Party B will consult and agree in advance regarding acts that have a significant impact on their property or rights and obligations.

Article 9 (Succession of Employee Status)

Party A shall succeed to the employees of Party B as of the effective date. The details thereof shall be determined upon mutual consultation between the Party A and Party B.

Article 10 (Matters to be Discussed)

In addition to the matters set forth in this Agreement, any other matters not set forth in this Agreement and any other matters necessary for the Merger shall be decided upon consultation between Party A and Party B in accordance with the purpose of this Agreement.

As a proof of the conclusion of this contract, one copy of this document will be created, and after the names and seals of Party A and Party B, Party A will retain the original and Party B will retain a copy thereof.

November 24, 2022

Party A: 6-chome-5-1 Nishishinjuku
Shinjuku-ku, Tokyo
Vision Inc.
Representative Director: Kenichi Sano

Party B: Yotsubashi Shinkosan Bldg. 1-chome-5-2
Kitahorie, Nishi-ku, Osaka
Promotion Plus, Co., Ltd
Representative Director: Yuki Kataoka

(Attachment)

Business Report

(From January 1, 2021 until
December 31, 2021)

1. Matters Relating to the Current State of the Corporate Group

(1) Business Programs and Results

For the current consolidated fiscal year, the economic environment improved and showed signs of recovery as measures against COVID-19 such as vaccination reduced the number of cases and the emergency stay-at-home order was ended in October 2021. However, the outbreak and spread of the new mutated strain, Omicron, has led to renewed uncertainty about the future.

Within this economic environment, the Group has been working hard to promote the GLOBAL WiFi and the information and communication services businesses domestically.

Therefore, net sales for the current consolidated fiscal year are 18,100 million yen (increased 8.7% YoY), operating income is 1,105 million yen (increased 963.6% YoY), and ordinary profits are 1,143 million yen (increased 401.8% YoY), and profit attributable to owners of parent is 729 million yen (loss attributable to owners of parent in the same period of the previous year is 1,183 million yen), meaning all exceeded the results of the previous fiscal year.

Status by Segment

The Corporate Group's two reported categories are "GLOBAL WiFi Business" and "Information and Communications Service Business". The situation of each category is as follows.

"GLOBAL WiFi Business"

During the consolidated fiscal year, we catered to the telecommunication needs of various situations such as moving, hospitalization, business trips, the addition of home internet lines, 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.

Additionally, 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, net sales for the consolidated fiscal year were 9,070 million yen (increased 24.6% YoY) and segment profit was 1,033 million yen (declined by 90 million yen YoY). Both results exceeded the previous fiscal year results.

“Information and Communications Service Business”

In this business segment, services are being developed that can reduce costs, improve operational productivity, and support remote work during and after the pandemic and demand for services that can contribute to cost reduction, operational efficiency improvement, and remote work support, can be expected regardless of the economy.

With a strategy of targeting newly established companies/startups and supporting their growth stage with up/cross selling, we are working to improve stability and profitability by increasing stock and promoting highly effective sales activities.

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 (expected annual profits of 10 million yen).

As a result, net sales were 8,804 million yen (declined 0.0% YoY) and segment profit was 1,116 million yen (declined 26.6% YoY).

Sales by Segment

Segment	FY20 12/2020 (Previous consolidated fiscal year)		FY21 12/2021 (Current consolidated fiscal year)		Increase or decrease from the previous consolidated fiscal year	
	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	Ratio (%)	Amount (millions of yen)	YoY (%)
GLOBAL WiFi	7,278	43.7	9,070	50.1	1,792	24.6
Information and Communications Service	8,806	52.9	8,804	48.6	-1	-0.0
Other	580	3.5	235	1.3	-345	-59.5
Adjustments	-10	-0.1	-10	-0.1	0	
Total	16,654	100.0	18,100	100.0	1,446	8.7

(2) Status of Capital Investment

The total amount of capital investment made in the current consolidated fiscal year is 298 million yen. The main investment sources are the acquisition of mobile Wi-Fi routers for rental use and the development of database software for the GLOBAL WiFi business.

(3) Matters to be Resolved

The issues that should be prioritized for the GLOBAL WiFi business are as follows.

- ① Expand sales channels and respond to demand
Develop sales partners and strengthen cooperation
Respond to demand for telework, online classes, moving, hospitalization, business trips, combined use with home line, various events, and other communication needs
- ② Expansion of reliable profit sources
Corporate contracts, long term rental plans "Global WiFi for Biz", "Vision WiMAX"
- ③ Maximization of profit when international travel recovers
Expand service lineup, improve convenience (more delivery methods and location availability)

The issues that should be prioritized for the Information and Communications Service business are as follows.

- ① Enhance online sales structure
Reduce number of in person business visits, expand sales area, and reduce business transportation costs.
- ② Increase productivity of existing business
Improve upselling and cross selling for both in person and online sales.
- ③ Expand sales of in-house services
Internal workflow, monthly subscription-based homepage creation, and various maintenance services, other new services

We would like to ask our shareholders for their continued support.

(4) Changes in Property and Profit or Loss Status

① Status of corporate group properties and profit or loss

Segment		FY18 (12/2018)	FY19 (12/2019)	FY20 (12/2020)	FY21 (12/2021)
Sales	(Thousands of yen)	21,503,668	27,318,168	16,654,475	18,100,837
Ordinary profit	(Thousands of yen)	2,499,685	3,358,939	227,947	1,143,772
Net income or loss (-) attributable to owners of parent	(Thousands of yen)	1,529,476	2,226,322	-1,183,960	729,129
Net income or loss (-) per share	(Yen)	31.40	46.05	-25.07	15.47
Total assets	(Thousands of yen)	13,552,015	15,173,575	11,313,034	14,932,162
Net assets	(Thousands of yen)	9,803,086	10,905,176	8,769,171	10,122,215
Net assets per share	(Yen)	200.95	226.80	185.79	212.52

(Note) On October 1, 2019 at a ratio of 3 shares per common share. Therefore, net income per share and net assets per share are calculated on the assumption that a stock split was done at the beginning of the 18th fiscal period.

② Status of Company Profits, Loss, and Assets

Segment		FY18 (12/2018)	FY19 (12/2019)	FY20 (12/2020)	FY21 (12/2021)
Net sales	(Thousands of yen)	20,373,195	25,442,235	15,350,845	16,964,191
Ordinary profit	(Thousands of yen)	2,244,943	3,046,185	40,822	864,499
Net income or loss (-)	(Thousands of yen)	1,403,903	2,041,905	-1,465,119	548,171
Net income or loss (-) per share	(Yen)	28.82	42.24	-31.03	11.63
Total assets	(Thousands of yen)	12,775,279	14,214,274	10,227,597	12,254,973
Net assets	(Thousands of yen)	9,120,377	10,058,682	7,644,334	8,771,289
Net assets per share	(Yen)	186.92	209.16	161.92	184.18

(Note) On October 1, 2019 at a ratio of 3 shares per common share. Therefore, net income per share and net assets per share are calculated on the assumption that a stock split was done at the beginning of the 18th fiscal period.

(5) Status of Important Subsidiaries

Company	Capital Stock		Company's investment ratio	Segment
Members Net Inc.	10,000	Thousands of JPY	100 %	Information and Communications Service
Best Link Inc.	10,000		100	GLOBAL WiFi Information and Communications Service
Alpha Techno Inc.	10,000		100	Information and Communications Service
BOS Inc.	10,000		100	Information and Communications Service
Vision Ad Inc.	10,000		60	Other (Media)
Vision Digital Marketing Inc.	10,000		80	Other (Media)
Adval Corp.	10,000		50	Other (Space Management)
Vision Mobile Korea Inc.	300,000,000	KRW	100	GLOBAL WiFi
Vision Mobile Hawaii Inc.	150,000	USD	100	GLOBAL WiFi
Vision Mobile Hong Kong Limited	300,000	HKD	100	GLOBAL WiFi
Vision Mobile Taiwan Inc.	5,000,000	NTD	100	GLOBAL WiFi
GLOBAL WIFI. COM PTE.LTD.	160,000	SGD	100	GLOBAL WiFi
GLOBAL WIFI. UK LTD	40,000	GBP	100	GLOBAL WiFi
VISION VIETNAM ONE MEMBER LIMITED LIABILITY COMPANY	2,100,000,000	VND	100	IT (System Development Center)
上海高效通信科技有限公司	1,700,000	USD	100	GLOBAL WiFi
Global WiFi France SAS	220,000	EUR	100	GLOBAL WiFi
Vision Mobile Italia S.r.l.	220,000	EUR	100	GLOBAL WiFi
VISION MOBILE USA CORP.	470,000	USD	100	GLOBAL WiFi
Vision Mobile New Caledonia SAS	1,000,000	CFP	100	GLOBAL WiFi

(Note) There are no wholly owned subsidiaries at the end of the current fiscal year.

(6) Important Business Information

Segment	Description
GLOBAL WiFi	We purchase networks (data communication services) used by the local residents from carriers around the world, rent out mobile Wi-Fi routers to global travelers, and earn profits through providing services.
Information and Communications Service	We offer subscription services for various communication needs, sales of mobile communication equipment, sales of office automation equipment, and homepage creation all for start-ups, venture companies, and other general companies.

(7) Major Locations of the Corporate Group (as of December 31, 2021)

① Vision Group



② Domestic Office Locations

Headquarters

6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Sales Offices

Sapporo, Narita, Shinjuku, Yokohama, Nagoya, Kansai (Osaka), Vision Future Business Center (Saga), Naha

Airport Counters (including pick-up lockers)

Narita International Airport, Haneda Airport, Chubu Airport, Kansai International Airport, Osaka International Airport, Asahikawa Airport, New Chitose Airport, Sendai Airport, Niigata Airport, Komatsu Airport, Fukuoka Airport, Kitakyushu Airport, Oita Airport, Miyazaki Airport, Kagoshima Airport, Naha Airport, Miyako Shimojishima Airport

(8) Status of Employees (as of December 31, 2021)

①Number of Employees in the Group

	Number of employees	Change compared to previous consolidated fiscal year	Average age	Average length of employment
Men	400	10 less	35.5 years	7.7 years
Women	207	1 more	31.0 years	4.4 years
Total	607	9 less	34.0 years	6.6 years

(Note) The number of employees listed does not include directors who also serve as employees and temporary employees (such as part time or temporary workers).

②Number of Employees in the Company

	Number of employees	Change compared to previous consolidated fiscal year	Average age	Average length of employment
Men	330	32 less	35.7 years	8.4 years
Women	155	18 less	30.6 years	4.7 years
Total	485	50 less	34.0 years	7.2 years

(Note) The number of employees listed does not include directors who also serve as employees and temporary employees (such as part time or temporary workers).

(9) Other Important Matters Regarding the Current Status of the Corporate Group

Not applicable.

2. Matters Concerning the Company's Stocks (December 31, 2021)

(1) Total number of issuable shares 123,000,000 shares

(2) Total number of issued shares 49,091,100 shares

(3) Number of shareholders 7,814

(4) Major shareholder

Shareholder	Number of shares held	Percentage of shares held
Kenichi Sano	12,460,900 shares	26.18 %
The Master Trust Bank of Japan, Ltd. (Investment Trust)	6,252,000	13.14
Custody Bank of Japan, Ltd. (Investment Trust)	5,003,100	10.51
GOLDMAN SACHS INTERNATIONAL	2,798,008	5.88
STATE STREET BANK AND TRUST COMPANY 505001	2,372,342	4.99
INTERACTIVE BROKERS LLC	1,579,500	3.32
GOVERNMENT OF NORWAY	1,223,300	2.57
The Nomura Trust and Banking Co., Ltd. (Investment Trust)	850,100	1.79
MSCO CUSTOMER SECURITIES	824,844	1.73
Credit Saison Co., Ltd	542,400	1.14

(Note) 1. The Company held 1,501,590 shares of treasury stock at the end of the fiscal year.

2. The shareholding ratio is calculated after deducting treasury stock.

3. The shareholding ratio is rounded to the second decimal place.

3. Matters Concerning Stock Acquisition Rights of the Company

(1) Stock acquisition rights issued to the officers as consideration for their execution of duties

	First stock acquisition rights	Second stock acquisition rights
Date issued	May 1, 2012	February 1, 2013
Amount of stock acquisition rights	1,711	2
Type and number of shares subject to stock acquisition rights	Ordinary stock: 1,026,600 shares 600 shares per stock acquisition right	Ordinary stock: 1,200 shares 600 shares per stock acquisition right
Payment amount for stock acquisition rights	No payment required in exchange for stock acquisition rights	
Amount of property to be invested when exercising stock acquisition rights	102,000 yen per stock acquisition right 170 yen per share	102,000 yen per stock acquisition right 170 yen per share
Stock acquisition rights usage period	May 2, 2014 - May 1, 2022	February 4, 2015 - February 3, 2023
Conditions of use	See note 1	See note 2
Directors (Excluding outside directors)	Number of holders: 1 Target number of shares: 1,026,600 shares Number of stock acquisition rights: 1,711	Number of holders: 1 Target number of shares: 1,200 shares Number of stock acquisition rights: 2
Auditors	Number of holders: — Target number of shares: — Number of stock acquisition rights: —	Number of holders: — Target number of shares: — Number of stock acquisition rights: —

(Note 1)

Conditions of use

1. The person to whom the stock acquisition rights have been allotted must be in the position of a director, corporate auditor, or employee of the Company when exercising the rights. However, this shall not apply if the approval of the Board of Directors of the Company is obtained for the exercise of rights.
2. If the holder of the stock acquisition rights dies, the inheritance of the stock acquisition rights shall not be permitted. However, it may be permitted if the Board of Directors approves.
3. The rights can be exercised from May 2, 2014 or one year from the date when the shares are listed on the financial instruments exchange, whichever is later.
4. Other conditions for exercising shall be as stipulated in the "Stock Acquisition Rights Allocation Agreement" concluded between the Company and the person to whom the stock acquisition rights have been allotted.

(Note 2)

Conditions of use

1. The person to whom the stock acquisition rights have been allotted must be in the position of a director, corporate auditor, or employee of the Company when exercising the rights. However, this shall not apply if the approval of the Board of Directors of the Company is obtained for the exercise of rights.
2. If the holder of the stock acquisition rights dies, the inheritance of the stock acquisition rights shall not be permitted. However, it may be permitted if the Board of Directors approves.
3. The rights can be exercised from February 4, 2015 or one year from the date when the shares are

- listed on the financial instruments exchange, whichever is later.
4. Other conditions for exercising shall be as stipulated in the "Stock Acquisition Rights Allocation Agreement" concluded between the Company and the person to whom the stock acquisition rights have been allotted.

(2) Status of stock acquisition rights issued to Company employees as consideration for the execution of duties during the current fiscal year
Not applicable.

(3) Important matters regarding other stock acquisition rights, etc. (as of December 31, 2021)

	Third stock acquisition rights
Date issued	November 13, 2017
Amount of stock acquisition rights	13,340
Type and number of shares subject to stock acquisition rights	Ordinary stock: 4,002,000 shares 300 shares per stock acquisition right
Stock acquisition rights payment amount	1,600 yen each
Amount of property to be invested when exercising stock acquisition rights	258,900 yen per stock acquisition right 863 yen per share
Stock acquisition rights usage period	From April 1, 2019 until March 31, 2025
Conditions of use	Written separately
Number of allocations	159 people

(Written separately)

Conditions of use

1. If the operating income of the Company meets the conditions listed below, stock acquisition rights holders will be required to pay the percentage of the rights assigned according to the conditions (listed for each item). The stock acquisition rights multiplied by the "exercisable ratio" can be exercised from the first of the month following the submission date of the securities report for the period in which the operating income level is met.
 - (1) When operating income for the fiscal year ending December 2018 exceeds 2.1 billion yen and operating income for the fiscal year ending December 2019 exceeds 2.6 billion yen, the exercisable ratio is 30%
 - (2) When operating income for the fiscal year ending December 2020 exceeds 3.1 billion yen, the exercisable ratio is 30%. Note that when both conditions (1) and (2) are met, the exercisable rate is 60%.
 - (3) Notwithstanding any of the above, if operating profit in any of the fiscal years from the fiscal year ending December 2018 to the fiscal year ending December 2021 exceeds 3.6 billion yen, the exercisable ratio is 100%
2. Stock acquisition rights, except for rights that have already been exercised, cannot be exercised if operating profit falls below 1.6 billion yen in any year between the fiscal year ending December 2018 and the fiscal year ending December 2021.
3. The holder of stock acquisition rights must be a director (excluding outside directors) or an employee of the Company or an employee of a subsidiary of the Company when exercising the stock acquisition rights. However, this shall not apply if the Board of Directors of the Company recognizes that there is an exception due to the expiration of the term of office, retirement age, or other justifiable reasons.
4. If the holder of the stock acquisition rights dies, inheritance of the stock acquisition rights shall

not be permitted. However, if the Board of Directors of the Company approves the exercise of the stock acquisition rights by the heir in writing in consideration of various circumstances, the heir will be able to exercise the stock acquisition rights if the stock acquisition rights holder is alive.

5. Inheritance of stock acquisition rights by heirs is not permitted.
6. If the total number of issued shares of the Company exceeds the total number of issuable shares at that time due to the exercise of stock acquisition rights, the stock acquisition rights cannot be exercised.
7. The exercise of less than one stock acquisition right is not permitted.
8. Other conditions for exercising stock rights shall be as set forth in the “Stock Acquisition Rights Allotment Agreement”, made between the Company and the person to whom the stock acquisition rights are allotted.

4. Matters Concerning Company Officers

(1) Names and Positions of Officers and Auditors (as of December 31, 2021)

Company Position	Name	Roles and Important Concurrent Positions
President and CEO	Kenichi Sano	<p>Vision Mobile Hawaii Inc. Representative director and president</p> <p>Vision Mobile Hong Kong Limited Chairman of the Board</p> <p>GLOBAL WIFI.COM PTE.LTD. Representative Director</p> <p>Vision Mobile Taiwan Co. Ltd. Chairman of the Board</p> <p>上海高效通信科技有限公司, China</p> <p>Global WiFi France SAS président</p> <p>Vision Mobile Italia S.r.l. Presidente del CdA</p> <p>VISION MOBILE USA CORP. Director and President</p> <p>Vision Mobile New Caledonia SAS President</p>
Director and Managing Executive Officer	Shinichi Nakamoto	<p>Managing Director</p> <p>Vision Mobile Korea Inc. Director</p> <p>Vision Mobile Hawaii Inc. director and vice-president</p> <p>Vision Mobile Taiwan Co. Ltd. Chairman of the Board</p> <p>上海高效通信科技有限公司, China</p> <p>VISION MOBILE USA CORP. Director Vice-President</p>
Director and Managing Executive Officer	Kenji Ota	<p>Sales Division Manager</p> <p>Vision Mobile Korea Inc. Director</p> <p>Vision Mobile Hawaii Inc. director and vice-president</p> <p>Vision Mobile Taiwan Co. Ltd. Chairman of the Board</p> <p>Best Link Inc. Representative Director</p> <p>上海高效通信科技有限公司, China</p> <p>Global WiFi France SAS directeur général</p> <p>Vision Mobile Italia S.r.l. Consigliere</p> <p>VISION MOBILE USA CORP. Director Vice-President</p> <p>Vision Mobile New Caledonia SAS directeur général</p> <p>Alpha Techno Inc. Representative Director</p> <p>BOS Inc. Director</p> <p>Vision Ad Inc. Director</p> <p>Vision Digital Marketing Inc. Representative Director</p>

Company Position	Name	Roles and Important Concurrent Positions
Director	Shinichiro Naito	Findstar GROUP Representative Director TEMONA Inc. Director
Director	Shiori Harada	LandReam Inc. Representative Director
Director	Michimasa Naka	Boardwalk Capital Inc. Representative Director istyle, Inc. Director Geniee, Inc. Director VECTOR Inc. Director
Full-time Auditor	Kazuhiko Umehara	—
Auditor	Junichi Motai	Certified Public Accountant Accounting Assist Co., Ltd. Representative Director ZOZO, Inc. Auditor CARTA HOLDINGS, Inc. Auditor Ficha Inc. Director
Auditor	Jun Houzumi	Certified Public Accountants STREAM Co., Ltd. Representative Director and Vice President FirstLogic, Inc. Auditor
Auditor	Yoshinori Nakajima	Lawyer Head of Yoshinori Nakajima Law Office

- (Note) 1. Directors Shinichiro Naito, Shiori Harada, and Michimasa Naka are outside directors.
2. Audit & Supervisory Board Members Kazuhiko Umehara, Junichi Motai, Jun Houzumi, and Yoshinori Nakajima are external auditors.
3. The Company has designated Shinichiro Naito, Shiori Harada, Michimasa Naka, Kazuhiko Umehara, Junichi Motai, Jun Houzumi, and Yoshinori Nakajima, as independent officers based on the provisions of the Tokyo Stock Exchange. We have notified the exchange.
4. Audit & Supervisory Board Members Junichi Motai and Jun Houzumi are certified public accountants and have considerable knowledge of finance and accounting.
5. The Company has introduced an executive officer system in order to separate the functions of decision-making, improve the efficiency and speed of role, and strengthen the management system.

(2) Outline of the Contents of the Limitation of Liability Contract

The Company has a contract with outside directors and corporate auditors to limit liability for damages under Article 423, Paragraph 1, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages based on the contract is the amount stipulated by law. The limitation of liability is permitted only when the outside director or corporate auditor is in good faith and has no gross negligence in performing his/her duties.

(3) Matters Relating to the Company's Liability Insurance for Directors and Corporate Auditors

The Company has a liability insurance contract with an insurance company for directors and corporate auditors as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event that a claim for damages is made against an insured person, including directors and corporate auditors of the Company

and its subsidiaries, due to the insured person's actions (including omissions) based on their position as an officer of the Company or its subsidiaries, the insured person will be compensated for the damages and legal costs incurred. The insurance policy is scheduled to be renewed with the same policy.

(4) Remuneration of Directors and Corporate Auditors for the Fiscal Year Under Review

① Matters related to the decision policy concerning the details of remuneration for each director

The Company's Board of Directors resolved and decided on the decision policy concerning remuneration, for each individual director at a meeting held on January 15, 2021. In accordance with the basic policy of ensuring objectivity and transparency by obtaining the opinions of the Board of Directors, of which the majority are outside directors, the amount of remuneration, for directors for the fiscal year under review was determined by the representative director based on the delegation by resolution of the Board of Directors, within the limit of the total amount of remuneration resolved at the General Meeting of Shareholders, taking into consideration the Company's business performance and the individual level of contribution.

The Board of Directors has confirmed that the remuneration of each Director is consistent with the decision policy, and the Company believes that it is in line with such policy.

② Matters related to the Resolution of the General Meeting of Shareholders regarding Remuneration for Directors and Corporate Auditors

At the Extraordinary General Meeting of Shareholders held on September 15, 2004, it was resolved that the maximum amount of remuneration for Directors shall be 200 million yen per year (excluding employee salaries for Directors who also serve as employees), and the maximum amount of remuneration for Corporate Auditors shall be 20 million yen per year. The number of Directors and Corporate Auditors as of the close of this Extraordinary General Meeting of Shareholders is 3 and 1, respectively.

③ Matters related to the determination of individual remuneration for directors

The person who has the authority to determine the amount of remuneration, etc., for directors of the Company or the policy for determining the method of calculation thereof is Kenichi Sano, President and Representative Director, who has been delegated by the Board of Directors. The Board of Directors has the authority to determine the amount to be paid, taking into consideration the overall situation. The reason for delegating the authority to make these decisions is that the Company believes that he is most knowledgeable about the Company's business conditions and can make comprehensive decisions on executive compensation, given his valuable experience and expertise in consistently leading the Company's management since its establishment.

④ Matters related to performance-linked compensation

Not applicable.

⑤ Details of non-monetary remuneration, etc.

Not applicable.

(5) Amount of Remuneration for Directors and Corporate Auditors for the Current Fiscal Year

Segment	People	Remuneration
Officers (Outside directors)	6 (3)	30,396 thousand yen (13,200 thousand yen)
Auditors (External auditors)	4 (4)	16,200 thousand yen (16,200 thousand yen)
Total (Outside officers)	10 (7)	46,596 thousand yen (29,400 thousand yen)

(Note) The amount of remuneration for directors does not include salaries for those who also work as employees.

(6) Matters Relating to Outside Officers

① Relationships with other Corporations that are Important Concurrent Positions

There are no special relationships between the Company and the important concurrent positions of the Company's outside officers.

② Activity Status of Outside Officers during the Current Fiscal Year

The activities of outside directors and external auditors for the current fiscal year are as follows.

	Main Activities
Director Shinichiro Naito	Has attended all meetings of the Board of Directors and meetings of the Board of Corporate Auditors held in the current fiscal year, and made appropriate remarks based mainly on abundant experience in online marketing as well as experience and broad insight as a business owner of many years
Director Shiori Harada	Has attended all meetings of the Board of Directors and meetings of the Board of Corporate Auditors held in the current fiscal year, and made appropriate remarks based mainly on abundant experience in the inbound travel business, many years of corporate management, and her vast insight.
Director Michimasa Naka	Has attended 18 of the 19 meetings of the Board of Directors and meetings of the Board of Corporate Auditors held in the current fiscal year, and made appropriate remarks based mainly on abundant experience in the financial industry and in global business, many years of corporate management, and his vast insight.
Auditor Kazuhiko Umehara	Has attended all meetings of the Board of Directors and 14 meetings of the Board of Corporate Auditors held in the current fiscal year, and made appropriate remarks based on abundant experience at financial institutions, many years of corporate management, and his vast insight. He participates in other important meetings and audits the business execution of directors as a full-time corporate auditor.
Auditor Junichi Motai	Has attended all meetings of the Board of Directors and 13 of the 14 meetings of the Board of Corporate Auditors held in the current fiscal year, and made appropriate remarks based on abundant experience and knowledge mainly cultivated as a certified accountant.

Auditor	Jun Houzumi	Has attended all meetings of the Board of Directors and 14 meetings of the Board of Corporate Auditors held in the current fiscal year, and made appropriate remarks based on abundant experience and knowledge mainly cultivated as a certified accountant.
Auditor	Yoshinori Nakajima	Has attended all meetings of the Board of Directors and 14 meetings of the Board of Corporate Auditors held in the current fiscal year, and made appropriate remarks based on abundant experience and knowledge mainly cultivated as a certified accountant.

(Note) Board meetings by written resolution are excluded from the count.

5. Status of Accounting Auditor

(1) Name of auditing company: KPMG AZSA

(2) Amount of remuneration for the accounting auditor of the current fiscal year

	Bonus amount
Amount of remuneration for the accounting auditor of the current fiscal year	33,000 thousand yen
Total amount of monetary and other property benefits payable by the Company and its subsidiaries to the auditor	39,678 thousand yen

(Note) 1. In the audit contract between the Company and the Accounting Auditor, the amount of audit fees for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act is not clearly classified and cannot be substantially classified. The total amount of fees is stated in the amount of compensation for the business year.

2. The Board of Auditors conducts necessary verifications on whether the contents of the accounting auditor's audit plan, the status of performance of accounting audit duties, and the basis for calculating the compensation estimate are appropriate, and then the accounting auditor's compensation, which we have decided to agree on the amount of.

(3) Details of non-auditing services

The Company pays the Accounting Auditor for financial due diligence work, which is a non-auditing service according to Article 2, Paragraph 1 of the Certified Public Accountants Act.

(4) Policy for determining the dismissal or non-reappointment of the accounting auditor

If the Accounting Auditor is experiencing serious hindrance to the audit work and is finding it difficult to properly fulfill their duties, and a different auditor is deemed necessary, then the Board of Corporate Auditors submits them to the General Assembly of Shareholders who will decide the content of the agenda regarding the dismissal or non-reappointment of the Accounting Auditor.

Additionally, the Board of Corporate Auditors will dismiss the Accounting Auditor based on the consent of all Audit & Supervisory Board Members if the Accounting Auditor is deemed to fall under any of the items stipulated in each item of Article 340, Paragraph 1 of the Corporate Law. The Audit & Supervisory Board Members selected by the Board of Corporate Auditors will report the dismissal and the reason for the dismissal at the first general meeting of shareholders convened afterwards.

6. Company Structure and Policy

The Board of Directors has established and resolved the "Basic Policy for Maintaining an Internal Control System" to ensure the appropriateness of business operations. The policy outline is as follows.

(1) System to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, and other systems to ensure the appropriateness of operations

① System to ensure that the execution of duties by directors and employees complies with laws, regulations, and the Articles of Incorporation

- a. Compliance with laws and regulations, the Articles of Incorporation, and the Company's management philosophy is regarded as the highest priority in corporate management for the execution of business by directors and employees, and there are established "Compliance Regulations".
- b. In order to thoroughly implement compliance activities, we will establish a compliance committee with the president as the officer in charge and carry out company-wide efforts.
- c. An internal audit office will be set up to conduct internal audits on all activities of the business execution department based on the audit plan approved by the representative director and report the audit results to the representative director and corporate auditors.
- d. We have secure means for officers and employees to directly report violations or suspicious acts, one of which is an established and operate a reporting hotline that allows officers and employees to report to external authorities. We affirm that the identity of the whistleblower will not be disclosed without their consent (condition of anonymity) and there are no negative repercussions to the whistleblower.
- e. The Board of Directors recognizes that preparing an appropriate financial report is extremely important for maintaining and improving social credibility and has established effective internal checks so that false statements and errors are not in the prepared report.

② System for storing and managing information related to execution of duties by directors

- a. Based on the document management rules, the directors will save all documents (including electronic records) specified in the following list of materials.
 - (a) Minutes of the General Meeting of Shareholders and related materials
 - (b) Minutes of board meetings and related materials
 - (c) Minutes of the management meeting and related materials
 - (d) Minutes and related materials of other important meetings hosted by the directors
 - (e) Other important documents regarding the execution of duties by directors
- b. In addition to the previous issue, the storage and management of documents related to company operations will be properly stored and managed based on "Document Management Regulations" and "Document Retention Period".
- c. For electronic records stored or managed by the Company, security is ensured based on the "Information Security Regulations", "Information Security Use Regulations" and "Information Security Management Regulations" to prevent information from leaking.

- d. Directors and corporate auditors can always directly view or copy the information stored and managed by each department.
- ③ Regulations and other systems for managing risk
- a. Regarding risk management, we have established "Risk Management Regulations" and made the president be the chief risk management officer. At the same time, we have established a risk management committee to implement risk management properly and efficiently.
 - b. The policy for dealing with serious management risks and other important risk management matters will be fully deliberated at the Management Committee and particularly important matters will be reported to the Board of Directors.
- ④ System for ensuring the efficient execution of duties by directors
- a. In principle, the Board of Directors regularly meets once a month and also holds extraordinary general meetings as necessary to make emergency decisions.
 - b. The status of execution of duties by directors are reported to the Board of Directors as necessary.
 - c. The authority of directors and employees is exercised appropriately and efficiently based on the "Official Regulations of Administrative Authority".
- ⑤ A system for ensuring the appropriateness of operations in the Group consisting of the Company and its subsidiaries
- a. Regarding the management of Group Companies, we request that they comply with the "Affiliated Company Management Regulations" established by the Company while we respect the independence of each company.
 - b. Internal audits are conducted by the Internal Audit Office and Group companies are monitored as necessary for the execution of proper business.
- ⑥ Matters concerning the independence from directors of an employee requested by Audit & Supervisory Board Members for assisting in duties and matters
- a. The number of employees appointed to assist the Audit & Supervisory Board Members will be decided after the Audit & Supervisory Board Members and the Board of Directors deliberate.
 - b. When the employee assists in the duties of the Audit & Supervisory Board Members, he/she shall not receive the instructions and orders of the directors.
- ⑦ Systems for directors and employees to report to the Audit & Supervisory Board Members
- a. Directors and employees shall report on the status of execution of their duties and other matters from time to time at the request of Audit & Supervisory Board Members.
 - b. The general manager of the accounting department shall regularly report to the Audit & Supervisory Board Members about the content of their duties.
 - c. In addition to attending Board of Directors meetings, Audit & Supervisory Board Members appointed by the Board attend important meetings such as the Management Council.

- ⑧ Other systems to ensure that audits by Audit & Supervisory Board Members are conducted effectively

In addition to holding a regular meeting of the Audit & Supervisory Board Members once a month, the Audit & Supervisory Board Members hold an extraordinary meeting whenever necessary in order to exchange information and discuss the status of audit implementation and regularly receive reports from the Internal Audit Office and the Accounting Auditor.

- ⑨ Basic framework for eliminating involvement with anti-social forces

- a. We have established a compliance policy that we have no relationship with anti-social forces and will respond with a resolute stance.
- b. If an unfair demand comes from anti-social forces, the legal department will be the responding department and cooperate with related organizations such as the police.
- c. When finalizing business contracts, we must confirm that the business partner is not an anti-social force or related individual or corporation.
- d. When finalizing business contracts, we must confirm that neither side is an antisocial force and if a violation is discovered later, we will cancel the contract and claim damages. We will use the "regulations for exclusion of antisocial forces" clause in the contract.

- (2) Overview of the system to ensure the appropriateness of business

We have established the above internal control system, and in addition to the Board of Directors, we have a risk management committee to regularly consider management risks. As a result, we are reviewing various regulations and operations as necessary to improve the effectiveness of the internal control system.

In addition to auditing, our full-time Audit & Supervisory Board Member has an established system that is able to monitor the status of business execution and risks related to compliance through interviews with managers and attendance at important internal meetings such as management meetings. The Internal Audit Office also conducts internal audits on a regular basis to verify that daily operations do not violate laws, regulations, articles of incorporation, internal regulations, etc.

- (3) Basic policy relating to corporate control

The Company has not stipulated a basic policy regarding the ideal type of person to control decisions about finance and business policies.

- (4) Policy on determining surplus dividends

The Group has not paid dividends in the past because we believe that prioritizing investments to strengthen our financial position, expand the business, and further increase corporate value will lead to the maximum return of profits to shareholders. We recognize that returning profits to shareholders is an important management issue as well.

In the future, we will secure stable internal reserves necessary for strengthening our financial position and expanding our business, while taking into consideration the business environment surrounding the

Group and implementing a stable and continuous return of profits to our shareholders. However, at this time, the possibility and timing of paying dividends is undecided.

If paying surplus dividends, the basic policy is to pay a dividend once a year which is decided by the general meeting of shareholders. In addition, the Articles of Incorporation stipulate that based on the resolution of the Board of Directors, the Company may pay an interim dividend.

Consolidated Financial Statement

(As of December 31, 2021)

(Unit: thousands of yen)

Item	Cost	Item	Cost
(Assets)		(Liabilities)	
Current assets	10,748,958	Current liabilities	3,880,038
Cash and deposits	7,602,426	Notes and accounts payable- trade	914,551
Notes and accounts receivable- trade	2,183,816	Short-term loans payable	50,000
Lease investment assets	15,088	Current portion of long-term loans payable	89,002
Products	202,581	Lease obligation	15,088
Supplies	5,801	Accounts payable - other	1,425,023
Other	816,422	Income taxes	179,245
Allowance for doubtful accounts	-77,177	Provision for bonuses	306,321
Fixed assets	4,183,203	Short-term surrender fees reserve	53,504
Tangible fixed assets	534,664	Other	847,301
Buildings and other structures	345,362	Fixed liabilities	929,908
Machinery and delivery equipment	10,338	Long-term loans payable	733,904
Tools, equipment, and fixtures	42,622	Lease obligations	14,294
Rental assets	66,590	Deferred tax liabilities	6,822
Land	35,289	Other	174,887
Leased assets	3,306	Total liabilities	4,809,946
Construction in process	31,155	(Net assets)	
Intangible fixed assets	1,482,527	Shareholder's equity	10,067,549
Software	150,080	Share capital	2,387,915
Goodwill	1,332,425	Capital surplus	2,454,031
Other	21	Retained earnings	7,088,507
Investments and other assets	2,166,011	Treasury stock	-1,862,904
Investment securities	252,428	Other accumulated comprehensive income	46,101
Long-term loan	319,006	Valuation difference on available-for-sale securities	5,109
Guarantee deposits	759,881	Foreign currency translation adjustment	40,991
Deferred tax asset	621,201	Subscription rights to shares	6,116
Lease investment assets	14,294	Non-controlling interests	2,447
Other	270,708		
Allowance for doubtful accounts	-71,508	Total net assets	10,122,215
Total assets	14,932,162	Total liabilities and net assets	14,932,162

Consolidated Profit and Loss Statement

From January 1, 2021 until December 31, 2021

(Unit: thousands of yen)

Item	Amount	
Net sales		18,100,837
Cost of sales		9,092,592
Gross profit		9,008,244
Selling, general, and administrative expenses		7,903,207
Operating profit		1,105,037
Non-operating income		
Interest income	761	
Dividends income	4,615	
Foreign exchange profit	26,130	
Subsidy income	3,954	
Other	12,357	47,819
Non-operating expenses		
Interest expenses	5	
Payment fee	5,953	
Other	3,125	9,083
Ordinary profit		1,143,772
Extraordinary income		
Gain on sale of fixed assets	649	
Gain on sale of investments in securities	14,940	
Gain on sale of subsidiary shares	9,197	24,787
Extraordinary losses		
Losses on retirement of fixed assets	9,334	
Losses on evaluation of investments in securities	27,977	37,311
Net profit before income tax adjustment		1,131,249
Corporate, resident, and business taxes	180,526	
Deferred income tax	220,004	400,530
Net income		730,718
Net income attributable to non-controlling interests		1,588
Net income attributable to owners of parent		729,129

Statement of Changes in Shareholders' Consolidated Equity

(From January 1, 2021 until December 31, 2021)

(Unit: thousands of 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 attributed to owners of parent company			729,129		729,129
Acquisition of treasury stock				-57	-57
Increase by share delivery		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

(Unit: thousands of yen)

	Accumulated Other Comprehensive Income				Accumulated Other Comprehensive Income	Subscription Rights to Shares	Non-Controlling Interests
	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 delivery							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 period	5,109	—	40,991	46,101	6,116	2,447	10,122,215

Balance Sheet

As of December 31, 2021

(Unit: thousands of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	8,818,733	Current liabilities	3,464,153
Cash and deposits	6,101,981	Accounts payable - trade	854,509
Accounts receivable - trade	1,944,223	Lease obligation	15,088
Leased investment assets	15,088	Accounts payable	1,320,199
Products	196,531	Accrued expenses	80,513
Supplies	5,324	Accrued corporate tax	128,221
Advance payment	217,259	Advance payment	174,926
Prepaid expenses	119,054	Deposit	337,562
Others	272,884	Bonus reserve	251,409
Allowance for doubtful accounts	-53,614	Short-term surrender and refund reserve	43,484
Fixed assets	3,436,239	Other	258,240
Tangible fixed assets	344,331	Fixed assets	19,530
Buildings	209,562	Lease obligation	14,294
Structures	6,731	Other	5,235
Machinery and equipment	10,338		
Vehicles and transport equipment	0		
Tools, furniture, and fixtures	24,973	Total liabilities	3,483,683
Rental assets	26,280	(Net assets)	
Land	35,289	Shareholders' equity	8,760,063
Construction in progress	31,155	Capital	2,387,915
Intangible fixed assets	132,464	Capital surplus	2,454,031
Software	132,464	Capital reserve	2,205,914
Investments and other assets	2,959,443	Other capital surplus	248,116
Investment securities	213,137	Accumulated earnings	5,781,020
Affiliated company stock	863,584	Other accumulated earnings	5,781,020
Capital	3,412	Fixed asset compression reserve	40,020
Long-term loan	19,006	Surplus carried forward	5,741,000
Long-term loans payable to subsidiaries and affiliates	635,450	Treasury stock	-1,862,904
Leased investment assets	14,294	Evaluation/conversion difference	5,109
Bankruptcy reorganization claim	17,106	Valuation difference on other securities	5,109
Long-term prepaid expenses	3,780	Stock acquisition right	6,116
Deferred tax asset	558,826		-
Other	709,696	Total net assets	8,771,289
Allowance for doubtful accounts	-78,853		
Total assets	12,254,973	Total liabilities and net assets	12,254,973

Profit and Loss Statement

From January 1, 2021
(until December 31, 2021)

(Unit: thousands of yen)

Item	Amount	
Sales		16,964,191
Cost of sales		8,842,208
Gross profit		8,121,983
Selling, general, and administrative expenses		7,334,484
Operating profit		787,499
Non-operating income		
Interest income	5,336	
Dividend income	4,615	
Foreign exchange profit	25,132	
Commission fee	45,363	
Other	8,408	88,857
Non-operating expenses		
Interest expense	5	
Payment fees	5,953	
Provision of allowance for doubtful accounts	3,342	
Other	2,556	11,857
Ordinary profit		864,499
Extraordinary income		
Gain on sale of fixed assets	623	
Gain on reversal of subscription rights to shares	14,940	15,563
Extraordinary losses		
Losses on retirement of fixed assets	8,309	
Losses on revaluation of investment securities	27,977	36,287
Net profit before income tax adjustment		843,776
Corporate, resident, and business taxes	84,318	
Deferred income tax	211,286	295,604
Net income		548,171

Statement of Changes in Shareholders' Equity

(January 1, 2021 -
December 31, 2021)

(Unit: thousands of yen)

	Shareholders' Equity			
	Capital	Capital surplus		
		Capital reserve	Other capital surplus	Total capital surplus
Balance at the beginning of the period	2,363,785	2,181,783	214,460	2,396,243
Variation for the current period				
Issuance of new shares (Exercise of subscription rights to shares)	24,130	24,130		24,130
Reversal of fixed asset compression reserve fund				
Net income				
Acquisition of treasury stock				
Increase from share delivery			33,656	33,656
Current variation (net) for items other than shareholders' equity				
Total variation during the period	24,130	24,130	33,656	57,787
Balance at the end of the current period	2,387,915	2,205,914	248,116	2,454,031

(Unit: thousands of yen)

	Shareholders' equity				
	Retained earnings			Treasury stock	Total shareholders' equity
	Other retained earnings		Total retained earnings		
	Fixed asset compression reserve	Retained earnings brought forward			
Balance at the beginning of the period	42,303	5,190,546	5,232,849	-2,416,784	7,576,093
Variation for the current period					
Issuance of new shares (Exercise of stock acquisition rights)					48,261
Reversal of fixed asset compression reserve fund	-2,282	2,282	—		—
Net income		548,171	548,171		548,171
Acquisition of treasury stock				-57	-57
Increase from share delivery				553,937	587,594
Current variation (net) for items other than shareholders' equity					
Total variation during the period	-2,282	550,453	548,171	553,880	1,183,970
Balance at the end of the current period	40,020	5,741,000	5,781,020	-1,862,904	8,760,063

(Unit: thousands of yen)

	Difference in evaluation or conversion			Stock acquisition right	Total net assets
	Valuation difference on other securities	Deferred hedge gain or loss	Total difference in evaluation or conversion		
Balance at the beginning of the period	47,618	-721	46,897	21,344	7,644,334
Variation for the current period					
Issuance of new shares (Exercise of stock acquisition rights)					48,261
Reversal of fixed asset compression reserve fund					—
Net income					548,171
Acquisition of treasury stock					-57
Increase from share delivery					587,594
Current variation (net) for items other than shareholders' equity	-42,508	721	-41,787	-15,227	-57,014
Total variation during the period	-42,508	721	-41,787	-15,227	1,126,955
Balance at the end of the current period	5,109	—	5,109	6,116	8,771,289

Audit Report of Accounting Auditor Related to Financial Statements Transcript

Independent Auditor Review Report

February 18, 2022

Vision Inc.

Board of Directors

KPMG AZSA LLC

Tokyo Office

Designated limited

liability employee

Business executives

Certified
accountant

Naoki Ueno

Designated limited

liability employee

Business executives

Certified
accountant

Masato Nagai

Auditor Conclusion

We have audited the consolidated financial statements, namely, the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements, and the related supplementary schedules of Vision Inc. from January 1, 2021 to December 31, 2021 in accordance with Article 444, Paragraph 4 of the Companies Act.

In our opinion, the financial statements referred to above fairly represent the financial position and results of operations of the Company for the period in conformity with accounting principles generally accepted in Japan.

Basis of Conclusion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is to express an opinion on these financial statements based on our audit. We are independent of the Company in accordance with the provisions of professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Responsibilities of Management, Corporate Auditors, and Board of Corporate Auditors for Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements based on the going concern assumption, and for disclosing, if necessary, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The corporate auditors and the board of corporate auditors are responsible for monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Review of Condensed Consolidated Financial Statements

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our report on review of the financial statements. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decisions of users of the financial statements.

As part of our review in accordance with review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Identify and assess the risks of material misstatement due to fraud or error. Also, design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the auditor's discretion. In addition, obtain sufficient appropriate audit evidence to provide a basis for expressing an opinion.
- The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control; however, in making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of the accounting estimates made by management and the adequacy of the related notes.
- Conclude whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not present fairly in accordance with the generally accepted criteria for preparing financial statements and based on the obtained evidence, when a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated financial statements or if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed consolidated financial statements are not in accordance with auditing standards generally accepted in Japan, the overall presentation, structure and content of the condensed consolidated financial statements, including the disclosures, and whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the condensed consolidated financial statements. We are responsible for the direction, supervision, and performance of the group review. We remain solely responsible for our review conclusion.

We communicate with corporate auditors and the board of corporate auditors regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interests

There are no special interests between the company and the audit corporation or audit corporation executives that need to be stated according to the provisions of the Certified Public Accountants Act of Japan.

Audit Report of Accounting Auditor Related to Financial Statements

Independent Auditor Review Report

February 18, 2022

Vision Inc.

Board of Directors

KPMG AZSA LLC

Tokyo Office

Designated limited

liability employee

Business executives

Certified
accountant

Naoki Ueno

Designated limited

liability employee

Business executives

Certified
accountant

Masato Nagai

Auditor Conclusion

We have audited the financial statements, namely, the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements, and the related supplementary schedules of Vision Inc. for the 21st fiscal year from January 1, 2021 to December 31, 2021 (the "Financial Statements") in accordance with Article 436, Paragraph 2, Item 1 of the Companies Act.

In our opinion, the financial statements referred to above fairly represent the financial position and results of operations of the Company for the period in conformity with accounting principles generally accepted in Japan.

Basis of Conclusion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility is to express an opinion on these financial statements based on our audit. We are independent of the Company in accordance with the provisions of professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Responsibilities of Management, Corporate Auditors, and Board of Corporate Auditors for Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing whether it is appropriate to prepare the financial statements based on the going concern assumption, and for disclosing, if necessary, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The corporate auditors and the board of corporate auditors are responsible for monitoring the directors' performance of their duties in the development and operation of the financial reporting process.

Auditor's Responsibilities for the Review of Condensed Consolidated Financial Statements

Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our report on review of the financial statements. A misstatement is considered to be material if it could have been caused by fraud or error and, individually or in the aggregate, could reasonably be expected to affect the decisions of users of the

financial statements.

As part of our review in accordance with review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Identify and assess the risks of material misstatement due to fraud or error. Also, design and perform audit procedures that address the risks of material misstatement. The selection and application of audit procedures shall be at the auditor's discretion. In addition, obtain sufficient appropriate audit evidence to provide a basis for expressing an opinion.
- The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control; however, in making those risk assessments, the auditor considers internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of the accounting policies and methods of application thereof adopted by management and the reasonableness of the accounting estimates made by management and the adequacy of the related notes.
- Conclude whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not present fairly in accordance with the generally accepted criteria for preparing financial statements and based on the obtained evidence, when a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated financial statements or if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed consolidated financial statements are not in accordance with auditing standards generally accepted in Japan, the overall presentation, structure and content of the condensed consolidated financial statements, including the disclosures, and whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with corporate auditors and the board of corporate auditors regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interests

There are no special interests between the company and the audit corporation or audit corporation executives that need to be stated according to the provisions of the Certified Public Accountants Act of Japan.

Audit Report

The Board of Statutory Auditors has prepared this Audit Report based on the audit reports prepared by each Statutory Auditor with respect to the performance of duties by the Directors for the 21st fiscal year from January 1, 2021 to December 31, 2021, after deliberations, and hereby submits the following report.

1. Method and details of audits by Corporate Auditors and the Board of Corporate Auditors

(1) The Board of Corporate Auditors established the audit policy and allocation of duties, received reports from each Corporate Auditor on the status of implementation and results of audits, received reports from Directors, and the Accounting Auditor on the status of execution of their duties, and requested explanations as necessary.

(2) In accordance with the auditing standards for Corporate Auditors established by the Board of Corporate Auditors, and in accordance with the auditing policy, allocation of duties, each Corporate Auditor endeavored to communicate with Directors, the Internal Audit Office and other employees, etc., to collect information and improve the auditing environment, and conducted audits in the following manner

① We attended the meetings of the Board of Directors and other important meetings, received reports from the Directors and employees on the status of execution of their duties, requested explanations as necessary, perused important approval documents and investigated the status of operations and assets at the head office and major business offices. In addition, with respect to subsidiaries, we communicated and exchanged information with the directors and corporate auditors of the subsidiaries and received reports on business from the subsidiaries as necessary.

② With respect to the details of the resolutions of the Board of Directors regarding the establishment of the systems stipulated in Article 100, Paragraph 1 and Paragraph 3 of the Enforcement Regulations of the Companies Act, which are necessary to ensure that the execution of business is in compliance with laws and regulations and the Articles of Incorporation of the Company, and the systems (internal control systems) established based on such resolutions, we have received regular reports from Directors and employees on the status of establishment and operation of such systems, requested explanations as necessary, and expressed our opinions.

③ We have received regular reports from directors and employees on the status of the establishment and operation of the system (internal control system), requested explanations as necessary, and expressed our opinions.

We also received reports from the Accounting Auditor on the status of the execution of its duties and requested explanations as necessary. In addition, we received notice from the accounting auditor that "systems to ensure the proper execution of duties" (matters set forth in each item of Article 131 of the Corporate Accounting Rules) are being developed in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report, supplementary schedules, and financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements) as well as consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the fiscal year under review.

2. Results of Audit

(1) Results of Audit of Business Reports

① In our opinion, the Business Report and the supplementary schedules fairly present the condition of the Company in conformity with laws and regulations and the Articles of Incorporation.

② In our opinion, we have found no misconduct or material fact of violation of laws and regulations or the Articles of Incorporation in connection with the Directors' performance of their duties

③ The content of the resolution of the Board of Directors regarding the internal control system is appropriate, and the content of the business report regarding the operation of the internal control system is appropriate and we have found no matters to be pointed out regarding the execution of duties by the Directors regarding the establishment and operation of the internal control system.

(2) Results of audit of financial statements and supplementary schedules

In our opinion, the auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Results of audit of consolidated financial statements

In our opinion, the auditing methods and results of the Accounting Auditor, KPMG AZSA LLC, are appropriate.

February 21, 2022

Vision Inc. Board of Corporate Auditors

Full-time Auditor (External Auditor)

Outside Audit & Supervisory Board Member

Outside Audit & Supervisory Board Member

Outside Audit & Supervisory Board Member

Kazuhiko Umehara

Junichi Motai

Jun Houzumi

Yoshinori Nakajima

Matters Disclosed on the Internet in Accordance with Laws and Regulations and the Articles of Incorporation

21st Fiscal Year (January 1, 2021-December 31, 2021)

- ① **Notes to Consolidated Financial Statements...1**
- ② **Notes to Non-consolidated Financial Statements...15**

Vision Inc.

In accordance with laws and regulations as well as Article 16 of the Company's Articles of Incorporation, the Company provides this information to shareholders by posting it on the Company's website (<https://www.vision-net.co.jp/>).

Notes on Consolidated Financial Statements

(Notes to Basis of Presenting Consolidated Financial Statements, etc.)

1. Scope of Consolidation

Number of consolidated subsidiaries: 19

Names of consolidated subsidiaries

Members Net Inc.

Best Link Inc.

Alpha Techno Inc.

BOS Inc.

Vision Ad Inc.

Vision Digital Marketing Inc.

Adval Corp.

Vision Mobile Korea Inc.

Vision Mobile Hawaii Inc.

Vision Mobile Hong Kong Limited

無限全球通移動通信股份有限公司

GLOBAL WIFI.COM PTE.LTD.

GLOBAL WIFI.UK LTD

VISION VIETNAM ONE MEMBER LIMITED LIABILITY COMPANY

上海高效通信科技有限公司

Global WiFi France SAS

Vision Mobile Italia S.r.l.

VISION MOBILE USA CORP.

Vision Mobile New Caledonia SAS

Adval Corp. became a consolidated subsidiary in the current fiscal year following the share delivery on December 1, 2021.

2. Application of Equity Method

Number of companies accounted for by the equity method: 1 company

Affiliated company to which the equity method is applied:

eeats Inc.

eeats Inc. became an affiliate accounted for by the equity method from the current consolidated fiscal year due to the acquisition of its equity interest.

3. Fiscal Year of Consolidated Subsidiaries and Equity Method Affiliates

Among the consolidated subsidiaries, Adval Corp. has a fiscal year ending May 31. In preparing the financial statements, a provisional settlement of accounts was made as of November 30, and adjustments necessary for consolidation were made for significant transactions that occurred during the period up to the consolidated fiscal year end. Additionally, Vision Mobile Hong Kong Limited and six other subsidiary companies have a fiscal year ending September 30, and in preparing the consolidated financial statements, the financial statements of the consolidated subsidiaries as of their fiscal year end are used, and necessary adjustments are made for important transactions that occurred during the period up to the consolidated fiscal year end.

Although the fiscal year end of equity-method affiliates differs from the consolidated fiscal year end, the financial statements of the fiscal year of the equity-method affiliates are used.

4. Matters Relating to Accounting Policies

(1) Valuation standards and methods for important assets

① Marketable securities

Available-for-sale securities

Securities with ... Market value method based on market prices, etc. as of the end of market quotations ... the fiscal year (Unrealized gains and losses are included directly in net assets and cost of sales is calculated using the moving-average method.)

Securities without ... Cost method based on moving average cost method market quotations

② Derivatives

Market value method

③ Inventories

Merchandise ... Stated at cost determined by the first-in, first-out method (Method of devaluation of book value based on decline in profitability)

Supplies ... Stated at cost, cost being determined by the first-in, first-out method. (Method of devaluation of book value based on decline in profitability)

(2) Depreciation and amortization methods for fixed assets

① Tangible fixed assets

(a) Property, plants, and equipment other than leased assets

The declining-balance method is used. However, the straight-line method is used for buildings (excluding building fixtures), rental assets, and building fixtures and structures acquired on or after April 1, 2016.

The durable lives of major assets are as follows.

Buildings and structures	2-50 years
Machinery, equipment, and vehicles	2-17 years
Tools, furniture, and fixtures	2-16 years
Rental assets	2 years

(b) Leased assets

Leased assets related to finance leases that do not transfer ownership

The straight-line method, where the lease period is deemed as the durable life and the residual value is set as zero, is used.

② Intangible fixed assets

The straight-line method is used.

Software for internal use is amortized over the estimated durable life (5 years).

(3) Basis for significant reserves

① Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible losses on receivables based on the historical write-off ratio for general receivables and on the estimated amount of uncollectible receivables based on a case-by-case determination of collectability for specific doubtful receivables.

② Allowance for bonuses

To provide for bonuses payable to employees, an allowance is provided based on the estimated amount of payment.

③ Allowance for short-term cancellation refunds

Estimated fee refunds related to short-term cancellations by infrastructure service subscribers and cell phone subscribers are recorded as an allowance for short-term cancellation refunds.

(4) Conversion of significant assets and liabilities denominated in foreign currencies into Japanese currency

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the spot exchange rates prevailing on the consolidated balance sheet date, with translation differences recognized as gains or losses. Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate on

the balance sheet date, and revenues and expenses are translated into yen at the average exchange rate during the period.

(5) Significant hedge accounting methods

① Hedge accounting method

Deferred hedge accounting is adopted. Forward exchange contracts that meet the requirements for the allocation method are accounted for using the allocation method.

② Hedging instruments and hedged items

Hedging instruments: Forward exchange contracts

Hedged items: Receivables and payables denominated in foreign currencies and forecasted transactions denominated in foreign currencies

③ Hedging policy

The Company enters forward foreign exchange contracts to hedge risks arising from fluctuations in foreign exchange rates.

④ Method of evaluating hedge effectiveness

The Company compares the cumulative cash flow fluctuations of the hedged item or market fluctuations with the cumulative cash flow fluctuations of the hedging instrument or market fluctuations and evaluates the effectiveness of the hedge based on the amount of fluctuation in both cases. However, the assessment of effectiveness is omitted for forward exchange contracts accounted for using the allocation method.

(6) Amortization method and period of goodwill

Goodwill is amortized by the straight-line method over a reasonable amortization period not exceeding 20 years.

(7) Other important matters for the preparation of consolidated financial statements

Accounting method for consumption taxes

Consumption tax and local consumption tax are accounted for by the tax exclusion method.

(Notes on Changes in Presentation Method)

Consolidated Balance Sheet

“Guarantee deposits” (514,765 thousand yen in the previous fiscal year), which was included in “Other” under “Investments and other assets” in the previous fiscal year, has become significant in terms of amount and is therefore presented separately in the current fiscal year.

Consolidated Statements of Income

“Exchange gains” (6,878 thousand yen in the previous consolidated fiscal year), which was included in “Other” under “Non-operating income” in the previous consolidated fiscal year, is stated separately from the current consolidated fiscal year due to its increased importance in terms of amount.

Application of “Accounting Standard for Disclosures about Accounting Estimates”

The “Accounting Standard for Disclosures about Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) is applied from the consolidated financial statements for the fiscal year ending March 31, 2020, and Notes Regarding Accounting Estimates are presented in the Notes to the Consolidated Financial Statements.

(Notes on Accounting Estimates)

The following is a list of items for which an accounting estimate has been recorded in the consolidated financial statements for the current fiscal year and which may have a material effect on the consolidated financial statements for the following fiscal year.

1. Valuation of goodwill recognized at the time of the acquisition of shares of Adval Corp.

(1) Amount recorded in the consolidated financial statements for the current fiscal year

(Unit : thousand yen)

	Current fiscal year
Goodwill	1,332,425

(2) Information on significant accounting estimates related to identified items

As a result of the conversion of Adval Corp. into a subsidiary in the current fiscal year, the Group recorded an unamortized balance of 1,234,494 thousand yen of goodwill identified as excess earning capacity on the consolidated balance sheet. The Group determines whether there is any indication of impairment of the asset group, including the recognized goodwill, mainly by monitoring the business plan achievement. When an indication of impairment of goodwill is detected, an impairment loss is recognized for the asset group if the total undiscounted future cash flows from the asset group including goodwill are less than the carrying amount of the asset group.

Future cash flows are estimated based on business plans, which are based on key

assumptions of various indicators, and these key assumptions are subject to uncertainty.

If the key assumptions used in these estimates need to be revised due to changes in the economic environment or other factors, the amount of goodwill may be materially affected in the next consolidated fiscal year.

2. Recoverability of deferred tax assets

(1) Amount recorded in the consolidated financial statements for the current fiscal year

(Unit: thousand yen)

	Current fiscal year
Deferred tax assets	621,201

(2) Information on significant accounting estimates related to identified items

Deferred tax assets are recognized to the extent that the tax loss carryforwards and deductible temporary differences are expected to reduce the future tax burden. In determining the likelihood that taxable income will be earned, the Company makes a reasonable estimate of the timing and amount of taxable income that may be earned in the future based on its plans.

Estimates of future taxable income are based on the Group's plans, which incorporate key assumptions such as the timing of the cessation of new coronavirus infection.

If the major assumptions used in the estimation need to be revised due to changes in the economic environment or other factors, a reversal of deferred tax assets may occur in the next consolidated fiscal year, which may affect the financial position and operating results of our group.

(Notes to Consolidated Balance Sheets)

Accumulated depreciation directly deducted from assets

Tangible fixed assets	1,844,404	thousand yen
Buildings and structures	142,665	"
Machinery, equipment, and vehicles	6,220	"
Tools, furniture, and fixtures	203,819	"
Rental assets	1,449,182	"
Leased assets	42,515	"

(Notes to Consolidated Statement of Changes in Net Assets)

1. Class and total number of shares issued and outstanding as of the end of the current fiscal year

Ordinary stock 49,091,100 shares

2. Class and total number of shares to be issued or transferred upon exercise of stock acquisition rights (excluding those for which the first day of the exercise period has not yet arrived) as of the end of the current fiscal year.

Ordinary stock 2,385,300 shares

(Notes on Financial Instruments)

1. Matters Concerning the Status of Financial Instruments

(1) Policy on financial instruments

The Group's policy is to limit fund management to deposits and to procure funds mainly through bank loans. Derivative transactions are used to avoid foreign exchange fluctuation risks, and the Group's policy is not to engage in speculative transactions.

(2) Description of financial instruments and their risks

Trade notes and accounts receivable and lease investment assets are exposed to customer credit risk.

Investment securities are stocks of companies with which the Company has business relationships and are exposed to the risk of fluctuations in the market prices and financial conditions of the counterparty companies.

Long-term loans receivable are loans to companies with which the Company has business relationships and are exposed to the credit risk of the counterparty companies. The department in charge is responsible for monitoring the credit status of the counterparties as necessary.

Most of trade payables, such as trade notes and accounts payable and accounts payable-other, are due within three months. Lease obligations are for the purpose of procuring funds necessary for capital investment.

Short-term loans payable and long-term loans payable are intended to procure funds necessary for working capital and capital investment and are exposed to interest rate risk and liquidity risk related to fund procurement.

(3) Risk Management System for Financial Instruments

① Credit risk management (risk related to nonperformance of contract by counterparties)

The Company has established a dedicated credit management department for operating receivables to manage due dates and outstanding balances for each counterparty and to early identify and mitigate concerns about collection due to deterioration of financial conditions and other factors. Consolidated subsidiaries also

manage their receivables in the same manner.

② Management of market risk (market value fluctuation risk)

Regarding investment securities, the Company periodically monitors the market prices and financial conditions of the counterparty companies and continuously reviews its holdings, taking into consideration market conditions and the relationship with the counterparty companies.

③ Liquidity risk management (risk of not being able to make payments on due dates) related to fundraising

The Company manages liquidity risk by preparing and updating cash management plans in a timely manner based on reports from each department and maintaining liquidity on hand. Consolidated subsidiaries also manage liquidity risk in the same manner.

(4) Supplementary Explanation on Fair Value of Financial Instruments

The fair value of financial instruments includes prices based on market prices and, in the absence of market prices, reasonably calculated values. Since variable factors are incorporated in the calculation of such values, such values may vary due to the adoption of different assumptions, etc.

2. Matters related to the fair value of financial instruments

Carrying amount on the consolidated balance sheet as of December 31, 2021 (consolidated closing date for the current fiscal year), market value, and the difference between the two are as follows. Items for which it is extremely difficult to determine the fair value are not included in the following table (please refer to Note 2.) The following table does not include items for which fair value is extremely difficult to determine.

	Consolidated Balance Sheet Recorded Amount (thousand yen)	Market Value (thousand yen)	Difference (thousand yen)
(1) Cash and deposits	7,602,426	7,602,426	—
(2) Notes and accounts receivable-trade	2,183,816	2,183,816	—
(3) Investment securities	136,757	136,757	—
(4) Long-term loans receivable (*1)	324,945	324,100	-845
(5) Lease investment assets (*1)	29,382	28,775	-607
Total Assets	10,277,328	10,275,875	-1,453
(6) Notes and accounts payable trade	914,551	914,551	—
(7) Short-term loans payable	50,000	50,000	—
(8) Accounts payable-other	1,425,023	1,425,023	—
(9) Long-term debt (*1)	822,906	808,849	-14,056
(10) Lease obligations (*1)	29,382	28,775	-607
Total Liabilities	3,241,864	3,227,200	-14,663

*1. Long-term loans receivable, lease investment assets, long-term debt and lease obligations include current portion of long-term loans receivable, lease investment assets, current portion of long-term debt, and current portion of lease obligations.

(Notes) 1. Calculation method of fair value of financial instruments

Assets

(1) Cash and deposits, (2) Notes and accounts receivable - trade

Since these items are settled in a short period of time, their fair value approximates their book value.

(3) Investment securities

The fair value of investment securities is based on the price on the stock exchange.

(4) Long-term loans receivable

The fair value of long-term loans receivable is calculated by discounting the total amount of principal and interest at an interest rate that would be applicable to a similar new loan.

(5) Lease investment assets

The fair value of lease investment assets is calculated based on the present value of the total principal and interest discounted at an interest rate that would be applicable to a new similar lease transaction.

Liabilities

(6) Notes and accounts payable-trade, (7) Short-term loans payable, (8) Accounts payable-other
Since these items are settled in a short period of time, their fair value approximates their book value.

(9) Long-term loans payable

The fair value of long-term loans payable is calculated by discounting the total amount of principal and interest by the interest rate that would be applicable to a similar new loan.

(10) Lease obligations

The fair value of lease obligations is calculated based on the present value of the total principal and interest discounted at the interest rate that would be applicable to a new similar lease transaction.

2. Carrying amount on consolidated balance sheets of financial instruments whose fair value is extremely difficult to determine

(Unit: thousand yen)

Segment	December 31, 2021
Unlisted stocks (*1)	115,670
Guarantee deposits (*2)	759,881

*1. Unlisted stocks are not subject to fair value disclosure because they do not have market prices and it is extremely difficult to determine their fair value.

*2. Guarantee deposits are not stated at fair value because there is no market price, the timing of repayment cannot be reasonably estimated, and it is extremely difficult to determine the fair value.

(Business Combinations, etc.)

(Business combination through share delivery)

At a meeting of the Board of Directors held on October 18, 2021, the Board of Directors of the Company resolved that the Company would become the parent company of the share issue and Adval Corp. (hereinafter referred to as "Adval") as the share delivery subsidiary, and the share delivery became effective on December 1, 2021.

1. Outline of the Share Delivery

(1) Name and Business of the Subsidiary to Which Shares will be Issued

Name of the subsidiary to which shares will be issued: Adval

Business description: Space management business

(2) Purpose of the Share Issuance

We have decided to make Adval a subsidiary because we believe that the issuance of shares will lead to medium- and long-term improvements in the corporate value of both companies, including an expansion of our group's information and telecommunications services business and Adval's customer base, higher sales using its know-how, more efficient procurement, and lower costs.

(3) Effective date of the Share Delivery

December 1, 2021

(4) Method of the Share Delivery

Share delivery with the Company as the share-delivering parent company and Adval as the share-delivering subsidiary

(5) Name of company after combination

There is no change.

(6) Percentage of voting rights acquired

Percentage of voting rights held immediately before the share issuance: 0.78%

Percentage of voting rights additionally acquired on the date of business combination:
49.32%

Ratio of voting rights after acquisition: 50.10%

(7) Main basis for determining the acquiring company

Adval became a consolidated subsidiary of the Company based on the acquisition of 50.1% of its voting rights through the additional acquisition of its shares.

2. Period of performance of the acquired company included in the consolidated financial statements

Since the deemed acquisition date is November 30, 2021, and the difference with the consolidated closing date has not exceeded three months, only the balance sheet is consolidated in the current fiscal year and the results of the acquired company are not included.

3. Matters related to the acquisition of additional shares of a subsidiary

(1) Acquisition cost of acquired company and its breakdown

Market value on the date of business combination of the acquired company held immediately before the delivery of shares	9,277	Thousand yen
Shares delivered upon additional acquisition	587,594	〃
Acquisition cost	596,871	Thousand yen

(2) Details of allotments of shares

	Vision (Share delivery parent company)	Adval (Subsidiary company to which shares will be issued)
Allotment Ratio for the Share Issuance	1	4.7
Number of shares to be delivered because of the Share Delivery	Company common stock: 446,500 shares	

(Note) 1. To ensure the fairness and appropriateness of the calculation of the share delivery ratio for this share delivery, the Company has requested a third party independent of the Company and Adval to calculate the share delivery ratio.

(Note) 2. Number of shares to be delivered upon share delivery

Upon the share delivery, 446,500 shares of common stock of the Company were allocated to the shareholders of Adval who applied for the Share Delivery as of the time immediately preceding the time when the Company acquired the outstanding shares of Adval, and the shares of common stock held by the Company were used for the share delivery.

(3) Description and amount of major acquisition-related expenses

Advisory fees: 6,500 thousand yen

(4) Difference between the acquisition cost of the acquired company and the total acquisition

cost for each transaction that led to the acquisition

A marginal gain of 9,197 thousand yen related to acquisitions has been generated.

(5) Amount of incurred goodwill, reason for incurrence, amortization method and period

① Amount of incurred goodwill

1,234,494 thousand yen

② Reason for incurrence

It was generated from the excess earning power expected in the future.

③ Amortization method and period

Equal amortization over 8 years

(6) Amount of assets acquired and liabilities assumed on the business combination date and their breakdown

Current assets	198,084	thousand yen
Fixed assets	529,861	”
Total assets	727,946	”
Current liabilities	409,666	”
Long-term liabilities	915,177	”
Total liabilities	1,324,844	”

(Notes to Per Share Information)

Net assets per share	212.52 yen
Net income per share	15.47 yen

(Notes on Significant Subsequent Events)

(Business combination through acquisition)

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

(1) Outline of Business Combination

① Name of acquired company and description of its business

Name of acquired company: Koshikano Onsen

Business description: Glamping lodging, hot spring lodging business

② Main reason for business combination

We are preparing for the "glamping business" as a new core business of our group. Koshikano Onsen is a glamping company in Kirishima City, Kagoshima Prefecture that operates a glamping business with stand-alone tents that emphasize privacy, and by acquiring its shares, the Company plans to grow this business.

③ Date of business combination

January 1, 2022

④ Legal form of business combination

Share acquisition

⑤ Name of company after combination

There is no name change.

⑥ Percentage of acquired voting rights

100%

⑦ Main basis for deciding the acquisition company

This is due to the acquisition of shares in consideration of cash by the Company.

(2) Acquisition cost of acquired company and breakdown by type of consideration
Not determined at this time.

(3) Details and Amounts of Major Acquisition-Related Expenses
Advisory fees, etc. 3 million yen

(4) Amount of goodwill incurred, reasons for incurring goodwill, amortization method and amortization period
Not determined at this time.

(5) Amount of assets acquired, and liabilities assumed on the date of business combination and their major breakdown
Not determined at this time.

(Note) Amounts shown in the consolidated financial statements are rounded down to the indicated unit.

Notes to Non-Consolidated Financial Statements

(Notes on Matters Related to Significant Accounting Policies)

1. Valuation Standards and Methods for Assets

(1) Valuation standards and methods for assets

① Stocks of subsidiaries and affiliates

Moving average cost method

② Available-for-sale securities

Securities with ... Market value method based on market prices, etc. as of
market quotations the end of the fiscal year (Unrealized gains and losses are
included directly in net assets and cost of sales is
calculated using the moving-average method)

Securities without ... Moving average cost method
market quotations

(2) Valuation standards and methods for derivatives

Market value method

(3) Valuation standards and methods for inventories

Merchandise: Stated at cost determined by the first-in, first-out method

(Method of devaluation of book value based on decline in profitability)

Supplies: Stated at cost, cost being determined by the first-in, first-out method.

(Method of devaluation of book value based on decline in profitability)

2. Depreciation and Amortization Methods for Fixed Assets

(1) Tangible fixed assets

① Property, plants, and equipment other than leased assets

The declining-balance method is used. However, the straight-line method is used for buildings (excluding building fixtures), rental assets, and building fixtures and structures acquired on or after April 1, 2016.

The durable lives of major assets are as follows.

Buildings	3 – 50 years
Buildings and structures	10 – 20 years
Machinery and equipment	17 years
Vehicles	2 years
Tools, furniture, and fixtures	2 – 16 years
Rental assets	2 years

② Leased assets

Leased assets related to finance leases that do not transfer ownership

The straight-line method, where the lease period is deemed as the useful life and the residual value is set as zero, is used.

(2) Intangible assets

The straight-line method is used.

Software for internal use is amortized over the estimated durable life (5 years).

3. Accounting for Allowances and Reserves

(1) Allowance for doubtful accounts

To provide for losses due to bad debt, an allowance is provided for general receivables based on historical bad debt ratios, and for specific doubtful receivables based on the estimated uncollectible amounts determined by examining the collectability of individual receivables.

(2) Reserve for bonuses

To provide for bonuses payable to employees, an allowance is provided based on the estimated amount of payment.

(3) Allowance for short-term cancellation refunds

The estimated amount of fees to be returned for short-term cancellations of infrastructure service subscribers and cell phone subscribers is recorded as an allowance for short-term cancellation refunds.

4. Other Basis of Presenting Financial Statements

(1) Standards for translating assets and liabilities denominated in foreign currencies into Japanese currency

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rates prevailing on the balance sheet date, with translation differences recognized as gains or losses.

(2) Hedge accounting methods

① Hedge accounting methods

Deferred hedge accounting is adopted. Forward exchange contracts that meet the requirements of the allocation method are accounted for as if they were forward exchange contracts.

② Hedging instruments and hedged items

Hedging instruments: Forward exchange contracts

Hedged items: Monetary receivables and payables denominated in foreign currencies

and forecasted transactions denominated in foreign currencies

③Hedging policy

The Company enters forward foreign exchange contracts to hedge risks arising from fluctuations in foreign exchange rates.

④Method of evaluating hedge effectiveness

The Company compares the cumulative cash flow fluctuations of the hedged item or market fluctuations with the cumulative cash flow fluctuations of the hedging instrument or market fluctuations and evaluates the effectiveness of the hedge based on the amount of fluctuation in both cases. However, the assessment of effectiveness is omitted for forward exchange contracts accounted for using the allocation method.

(3) Accounting for consumption taxes

Consumption tax and local consumption tax are accounted for by the tax exclusion method.

(Notes on Changes in Presentation Methods)

Income Statement

“Exchange gains” (5,486 thousand yen in the previous fiscal year), which was included in “Other” under “Non-operating income” in the previous fiscal year, is independently presented in the current fiscal year due to its increased importance in terms of amount.

(Application of “Accounting Standard for Disclosures about Accounting Estimates”)

The “Accounting Standard for Disclosures about Accounting Estimates” (ASBJ Statement No. 31, March 31, 2020) is applied from the financial statements for the current fiscal year end, and notes regarding accounting estimates are included.

(Notes on Accounting Estimates)

The following is a list of items for which an accounting estimate has been made and the amount recorded in the financial statements for the current fiscal year that may have a material effect on the financial statements for the following fiscal year.

1. Valuation of stocks of subsidiaries and affiliates (Adval Corp.)

(1) Amount recorded in the financial statements for the current fiscal year

(Unit: thousand yen)

	Current fiscal year
Shares of subsidiaries and affiliates	863,584

(2) Information on significant accounting estimates related to identified items

The Company acquired shares of Adval Corp. in the current fiscal year and recorded 594,174 thousand yen of stocks of affiliated companies on the balance sheet, and the acquisition price includes the portion of excess earning capacity evaluated.

The necessity of impairment of stocks of subsidiaries and affiliates is determined by comparing the acquisition cost with the actual value, and in the event of a significant decline in the actual value, impairment is recognized unless the possibility of recovery can be supported by sufficient evidence.

Significant estimates in the valuation of stocks of subsidiaries and affiliates include excess earning capacity based on the issuing company's business plan, etc. The key assumptions are described in the consolidated financial statements under "(Notes to Accounting Estimates) 1. Valuation of Goodwill Recognized upon the Acquisition of Shares of Adval Corp."

If the major assumptions used in the estimates need to be revised due to changes in the economic environment or other factors, it may have a significant impact on the number of shares of affiliated companies in the next fiscal year.

2. Recoverability of deferred tax assets

(1) Amount recorded in the financial statements for the current fiscal year

(Unit: thousand yen)

	Current Fiscal Year
Deferred tax assets	558,826

(2) Information on significant accounting estimates related to identified items

Notes to Consolidated Financial Statements "(Notes to Accounting Estimates)

2. Recoverability of Deferred Tax Assets"

(Notes to Balance Sheet)

1. Accumulated depreciation directly deducted from assets

Tangible fixed assets	1,735,366	thousand yen
Buildings	100,440	"
Buildings and structures	2,160	"
Machinery and equipment	4,241	"
Vehicles	1,391	"
Tools, furniture, and fixtures	188,575	"
Rental assets	1,438,555	"

2. Receivables and payables to subsidiaries and affiliates

Monetary receivables and monetary payables from and payable to such affiliates other than those shown separately are as follows.

Short-term monetary claims	336,261	thousand yen
Long-term monetary claims	4,800	"
Short-term monetary liabilities	352,985	"

(Notes to Statements of Income)

Transactions with subsidiaries and affiliates

Transactions by operating
transactions

Net sales	3,250,837	thousand yen
Purchases	546,090	"
Other operating transactions	225,188	"
Non-operating transactions	51,370	"

(Notes to Non-consolidated Statement of Changes in Net Assets)

Number of treasury stock at the end of the fiscal year

Ordinary stock 1,501,590 shares

(Notes on Tax Effect Accounting)

Significant components of deferred tax assets and liabilities

Deferred tax assets	
Allowance for bonuses	76,981 thousand yen
Accrued enterprise taxes	15,809 "
Accrued social insurance premiums	9,580 "
Loss on valuation of investment securities	134,856 "
Loss on valuation of stocks of subsidiaries and affiliates	17,605 "
Allowance for doubtful accounts	40,564 "
Allowance for short-term cancellation refunds	13,314 "
Accrued salaries and wages	19,406 "
Asset retirement obligations	11,779 "
Excess depreciation	3,709 "
Excess amortization of deferred assets	6,397 "
Net operating loss carried forward	286,839 "
Loss on valuation of goods	3,894 "
Impairment loss	145,847 "
Other	11,349 "
Subtotal deferred tax assets	<u>797,936 thousand yen</u>
Valuation allowance	<u>-217,709 "</u>
Total deferred tax assets	<u>580,227 thousand yen</u>
Deferred tax liabilities	
Valuation difference on available-for-sale securities	-3,738 thousand yen
Reserve for advanced depreciation of fixed assets	-17,662 "
Total deferred tax liabilities	<u>-21,400 thousand yen</u>
Net deferred tax assets	<u>558,826 thousand yen</u>

(Business Combinations, etc.)

Notes are omitted because the same information is presented in (Business Combinations) of the consolidated financial statements.

(Notes on Transactions with Related Parties)

Subsidiaries and affiliates, etc.

Type	Company name	Location	Capital or funds (thousand yen)	Business description or occupation	Voting Rights Held Percentage (%)	Relationship with related parties	Transaction details	Transaction amount (Thousand yen)	Account	End of year balance (thousand yen)
Subsidiary	Best Link Inc.	Shinjuku, Tokyo	10,000	GLOBAL WiFi Business, Information and Communication Services Business	Direct Ownership 100.0	Outsourcing of operations in the GLOBAL WiFi Business, fixed line telecommunications business, several concurrent directives, etc.	Wholesale of telecommunication lines, charging of service fees	3,248,118	Accounts receivable	270,256
									Deposits received	266,119
Subsidiary	Vision Ad Inc.	Shinjuku, Tokyo	10,000	Advertising Business	Direct Ownership 60.0	Loan of funds	Receipt of interest	1,874	Long-term loans receivable from subsidiaries and affiliates (Note 3)	125,000
Subsidiary	Adval Corp.	Shibuya, Tokyo	10,000	Information and Communication Services Business	Direct Ownership 50.1	Loan of funds	Loan of funds Interest income	150,000 189	Long-term loans receivable from subsidiaries and affiliates	150,000
Unconsolidated Subsidiary	Koshikano Onsen	Kirishima City, Kagoshima	53,880	Glamping Business	None	Loan of funds	Loan of funds Interest income	300,000 552	Long-term loans receivable from subsidiaries and affiliates	300,000

(Note) 1. The transaction amounts in the above table do not include consumption taxes, while the ending balances include consumption taxes.

2. Transaction terms and policies for determining transaction terms

Transaction terms such as prices and applicable interest rates for loans are determined through negotiations on a case-by-case basis, referring to prevailing market prices and market interest rates.

3. Allowance for doubtful accounts of 54,376 thousand yen is provided for loans to Vision Ad Inc. In addition, a provision for allowance for doubtful accounts of 3,342 thousand yen was recorded in the current fiscal year.

(Notes to Per Share Information)

Net assets per share	184.18 yen
Net income per share	11.63 yen

(Notes to Significant Subsequent Events)

(Business combination through acquisition)

The same information is provided in (Notes to Significant Subsequent Events) of the Notes to Consolidated Financial Statements and has therefore been omitted.

(Note) Amounts shown in the financial statements are rounded down to the indicated unit.