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## Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 [Japanese GAAP]

February 14, 2022

Stock Listing TSE

**Company** Vision Inc.  
**Stock Code** 9416 URL <https://www.vision-net.co.jp/en>  
**Representative** President, Founder & CEO Kenichi Sano  
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 Scheduled date of general shareholders' meeting : March 30, 2023  
 Scheduled starting date of dividend payment : —  
 Scheduled date of submission of financial reports : March 31, 2023  
 Supplementary financial documents : Yes  
 Financial results briefing : Yes (for institutional investors and analysts)

(Round down to million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2022

(January 1, 2022 through December 31, 2022)

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

	Sales		Operating profit		Ordinary profit		Net profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2022	25,487	40.8	2,414	118.5	2,422	111.8	1,548	112.4
FY2021	18,100	8.7	1,105	963.6	1,143	401.8	729	—

(Note) Comprehensive profit; FY2022 : 1,616 million yen (120.7%)  
 FY2021 : 732 million yen (—%)

	Net profit per share	Diluted net income per share	Return on equity	Recurring profit/Total assets	Operating profit/Sales
	Yen	Yen	%	%	%
FY2022	31.96	31.51	14.0	14.7	9.5
FY2021	15.47	15.03	7.7	8.7	6.1

(Reference) Equity in net profit (losses) of affiliates ; FY2022: -0 million yen  
 FY2021: — million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	17,951	12,039	67.0	245.75
FY2021	14,932	10,122	67.7	212.52

(Reference) Shareholders' equity ; FY2022: 12,022 million yen  
 FY2021: 10,113 million yen

(3) Consolidated Cash Flow Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2022	1,539	-1,200	137	8,185
FY2021	1,412	-554	30	7,631

### 2. Dividends

	Annual dividend					Total dividends (Annual)	Dividend payout ratio (Consolidated)	Dividends/Net assets (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2022	—	0.00	—	0.00	0.00	—	—	—
FY2021	—	0.00	—	0.00	0.00	—	—	—
FY2023 (Forecast)	—	0.00	—	0.00	0.00	—	—	—

**3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 2023  
(January 1, 2023 through December 31, 2023)**

(% change from the previous corresponding period)

	Sales		Operating profit		Recurring profit		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q FY2023	13,279	14.2	1,512	64.0	1,510	63.7	1,002	77.1	20.50
FY2023	26,553	4.2	3,000	24.3	2,998	23.8	1,990	28.6	40.69

**\* Notes**

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

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

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

(3) Shares issued (common stock)

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

FY2022	50,422,200	FY2021	49,091,100
FY2022	1,501,642	FY2021	1,501,590
FY2022	48,461,177	FY2021	47,138,222

**(Reference) Overview of Non-consolidated Financial Results**

**Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2022**

**(January 1, 2022 through December 31, 2022)**

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

	Sales		Operating profit		Recurring profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2022	22,782	34.3	2,165	175.0	2,229	157.9	1,520	177.5
FY2021	16,964	10.5	787	—	864	—	548	—
	Net income per share		Diluted net income per share					
	Yen		Yen					
FY2022	31.39		30.95					
FY2021	11.63		11.30					

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2022	14,814	10,574	71.3	215.92
FY2021	12,254	8,771	71.5	184.18

(Reference) Shareholders' equity ; FY2022: 10,562 million yen  
FY2021: 8,765 million yen

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

**\* Explanation for appropriate use of forecasts and other notes**

The forward-looking statements such as operational forecasts contained in this statement summary are based in information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons. Please refer to "1. Summary of Business Results, (4) Future Outlook" on page 4 for the assumptions used in forecasting business results and precautions regarding the use of business results forecasts.

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## 1. Summary of Business Results

### (1) Explanation of Consolidated Operating Results

For the consolidated fiscal year, Japan's economy has been gradually recovering, including travel demand, although real gross employment income has been weakening and consumer confidence has been weak. In the future, the economy is expected to pick up during this post-pandemic period.

However, amid ongoing global monetary tightening and other factors, a downturn in global economies poses a downside risk to the economy. In addition to the effects of rising prices, supply-side constraints, and fluctuations in financial and capital markets, we also need to pay close attention to the spread of COVID-19.

Within this economic environment, the Company has focused on its core businesses, the GLOBAL WiFi and the Information and Communication services businesses, and strived to respond flexibly to consumer needs.

In addition, we have been developing the glamping tourism business as a new segment since the current consolidated fiscal year.

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

	Current Consolidated Fiscal Year (million yen)	Previous Consolidated Fiscal Year (million yen)	Change (million yen)	YoY (%)
Sales	25,487	18,100	7,386	40.8
Operating profit	2,414	1,105	1,309	118.5
Ordinary profit	2,422	1,143	1,278	111.8
Profit attributable to owners of parent	1,548	729	819	112.4

Business results by segment are as follows.

#### (GLOBAL WiFi Business)

The trend for many companies around the world is to reduce or end entry restrictions that had been in place in response to the global spread of COVID-19.

In Japan, the resumption of entry for visitors in guided tours and the gradual relaxation of border control measures were implemented in June 2022, and the resumption of individual travel and visa exemption measures were implemented in October.

As a result, the number of foreign visitors to Japan in December 2022 will reach 1.37 million, or 3.83 million for the year, although it is still in the process of recovery compared to the rates before the COVID-19 pandemic.

The number of outbound Japanese travelers is also increasing steadily, reaching 100,000 in April 2022, 300,000 in August 2022, and 430,000 in December 2022.

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

In addition, the Company continued to provide services related to quarantine procedures at airport quarantine stations upon entry to Japan.

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

GLOBAL WiFi Business	Current Consolidated Fiscal Year (million yen)	Previous Consolidated Fiscal Year (million yen)	Change (million yen)	YoY (%)
Sales	14,389	9,070	5,319	58.6
Segment profit or loss (-)	3,078	1,033	2,044	197.9

(Information Communication Services Business)

For the consolidated fiscal year, sales of mobile communication devices and office automation equipment were strong. Furthermore, the Company strived to maximize lifetime value (customer lifetime value) through future up-selling and cross-selling, reduction of long-term churn rates, and continuous income from stock products, and despite a temporary increase in operating costs, the Company strove to expand sales of its monthly subscription-based in-house services.

In addition, the Company has been offering new services such as meeting room rental services since the current consolidated fiscal year.

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

Information Communication Services Business	Current Consolidated Fiscal Year (million yen)	Previous Consolidated Fiscal Year (million yen)	Change (million yen)	YoY (%)
Sales	10,615	8,804	1,810	20.6
Segment profit or loss	765	1,116	-350	-31.4

(Glamping/Tourism Business)

Since the current consolidated fiscal year, the Company has newly developed the glamping and tourism business as its third segment following the GLOBAL WiFi and the Information and Communication services businesses to achieve sustainable growth and increase corporate value over the medium to long term. We provide our customers with extraordinary spaces and services by establishing stand-alone dome tents that emphasize privacy and a sense of oneness with nature, which is the appeal of glamping.

In April 2022, we reopened “Koshikano Onsen” in Kirishima City, Kagoshima Prefecture, as “VISION GLAMPING Resort & Spa Koshikano Onsen,” followed in December by the opening of “VISION GLAMPING Resort & Spa Yamanakako” on the shore of Lake Yamanakako at the foot of Mt. Fuji.

For the current consolidated fiscal year, the number of reservations increased steadily, resulting in net sales of 340 million yen and segment loss of 122 million yen due to prior investment for the next consolidated fiscal year and beyond.

## (2) Explanation of Consolidated Financial Position

### (Assets)

Total assets were 17,951 million yen (3,019 million yen more than the end of the previous consolidated fiscal year).

Current assets are 12,852 million yen (2,103 million yen more than the end of the previous consolidated fiscal year). The main reasons for this are that cash and deposits increased by 554 million yen and notes and accounts receivable increased by 1,474 million yen.

Fixed assets are 5,098 million yen (915 million yen more than the end of the previous consolidated fiscal year). The main factors were increases of 1,031 million yen in buildings and structures, 100 million yen in machinery, equipment, and vehicles, and 299 million yen in land due to the construction of new facilities to be used in the newly launched glamping tourism business, while goodwill decreased by 173 million yen, long-term loans receivable decreased by 315 million yen, and deferred tax assets decreased by 257 million yen.

### (Liabilities)

Total liabilities are 5,911 million yen (1,101 million more than the end of the previous consolidated fiscal year).

Current liabilities are 4,872 million yen (992 million yen more than the end of the previous consolidated fiscal year). The main reasons for this are due to increases in accounts payable-other by 755 million yen and income taxes payable by 319 million yen.

Fixed liabilities are 1,038 million yen (108 million yen more than the end of the previous fiscal year), mainly due to an increase of 113 million yen in long-term loans payable.

### (Net assets)

Total net assets are 12,039 million yen (1,917 million yen more than the end of the previous consolidated fiscal year).

The main factors were increases of 148 million yen in capital stock and 148 million yen in capital surplus due to the exercise of stock options, and an increase of 1,548 million yen in retained earnings due to the posting of net income attributable

to owners of the parent company.

### (3) Explanation of Cash Flow Position

Cash and cash equivalents (hereinafter referred to as "capital") at the end of the current consolidated fiscal year was 8,185 million yen which is 544 million yen more than the end of the previous consolidated fiscal year.

#### (Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to 1,539 million yen (increase of 1,412 million yen compared to the previous fiscal year). This was mainly due to the recording of 2,357 million yen in income before income taxes and minority interests and an increase of 559 million yen in accounts payable-other, while there was an increase of 1,433 million yen in notes and accounts receivable-trade.

#### (Cash Flows from Investing Activities)

Net cash used in investing activities totaled 1,200 million yen (a decrease of 554 million yen compared to the previous fiscal year). This was mainly due to outflows of 1,217 million yen for the acquisition of tangible fixed assets.

#### (Cash Flows from Financing Activities)

Net cash provided by financing activities amounted to 137 million yen (30 million yen increase in net cash provided in the previous fiscal year). This was mainly due to proceeds of 295 million yen from the exercise of stock options, while 98 million yen was used for the repayment of long-term loans payable, and 50 million yen was used for the repayment of short-term loans payable.

#### (Reference) Trends in cash flow-related indicators

	FY2018	FY2019	FY2020	FY2021	FY2022
Shareholder's equity ratio (%)	72.2	71.7	77.3	67.7	67.0
Shareholder's equity ratio based on the market value (%)	458.5	585.5	406.2	381.4	394.1
Interest-bearing debt to cash flow ratio (year)	0.0	0.0	—	0.6	0.6
Interest coverage ratio (times)	8,568.7	271.8	—	275,281.9	127.0

Shareholder's equity ratio : Net assets/Total assets

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

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

Interest coverage ratio : Cash flow/interest payment

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

2. Operating cash flow is used as Cash flow

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

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

### (4) Future Outlook

Looking forward, gradual economic recovery led by domestic demand is expected to continue due to a recovery in personal consumption and capital investment by companies and international travel is also expected to increase to a certain degree due to the easing of border control measures in several countries.

In this environment, we expect a gradual recovery in demand in the GLOBAL WiFi business, and for the next fiscal year, we forecast net sales of 26,553 million yen (up 4.2% year-on-year), operating income of 3,000 million yen (up 24.3% year-on-year), and net income attributable to owners of the parent of 1,990 million yen (up 28.6% year-on-year).

However, there is a high degree of uncertainty regarding the state of the COVID-19 pandemic, heightened geopolitical risks, rising prices, and fluctuations in financial and capital markets, and the consolidated earnings forecast may be revised if there is concern that the Group's business environment may deteriorate due to these effects.

## 2. Basic Policy on Selection of Accounting Standards

The Group's policy for the time being is to prepare consolidated financial statements in accordance with Japanese GAAP, taking

into consideration the comparability of consolidated financial statements from period to period and from company to company. Regarding the adoption of IFRS, the Group intends to respond appropriately in consideration of various domestic and international situations.

### 3. Consolidated Financial Statements and Major Notes

#### (1) Consolidated Balance Sheet

(unit: thousand yen)

	Previous Consolidated Fiscal Year (December 31, 2021)	Current Consolidated Fiscal Year (December 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	7,602,426	8,156,512
Notes and accounts receivable - trade	2,183,816	3,658,679
Lease investment assets	15,088	12,977
Products	202,581	224,171
Supplies	5,801	15,939
Other	816,422	903,594
Allowance for doubtful accounts	-77,177	-119,196
Total current assets	10,748,958	12,852,677
Fixed assets		
Tangible fixed assets		
Buildings and structures	488,028	1,564,322
Accumulated depreciation	-142,665	-187,473
Buildings and structures (net)	345,362	1,376,849
Machinery and delivery equipment	16,558	130,826
Accumulated depreciation	-6,220	-17,740
Machinery and delivery equipment (net)	10,338	113,086
Tools, equipment, and fixtures	246,442	333,911
Accumulated depreciation	-203,819	-213,769
Tools, equipment, and fixtures (net)	42,622	120,141
Rental assets	1,515,772	1,579,160
Accumulated depreciation	-1,449,182	-1,405,463
Rental assets (net)	66,590	173,697
Leased assets	45,821	12,782
Accumulated depreciation	-42,515	-11,002
Leased assets (net)	3,306	1,780
Land	35,289	335,007
Construction in progress	31,155	63,439
Other	—	3,343
Accumulated depreciation	—	-2,079
Other (net)	—	1,264
Total tangible fixed assets	534,664	2,185,266
Intangible fixed assets		
Software	150,080	172,754
Goodwill	1,332,425	1,159,147
Others	21	21
Total intangible fixed assets	1,482,527	1,331,922
Investments and other assets		
Investment securities	252,428	199,492
Long-term loan	319,006	3,915
Deferred tax asset	621,201	363,985
Lease investment assets	14,294	1,317
Other	1,030,589	1,080,269
Allowance for doubtful accounts	-71,508	-67,295
Total investments and other assets	2,166,011	1,581,684
Total fixed assets	4,183,203	5,098,873



(unit: thousand yen)

	Previous Consolidated Fiscal Year (December 31, 2021)	Current Consolidated Fiscal Year (December 31, 2022)
Total assets	14,932,162	17,951,550

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (December 31, 2021)	Current Consolidated Fiscal Year (December 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	914,551	820,701
Short-term loans payable	50,000	—
Current portion of long-term loans payable	89,002	120,097
Lease obligations	15,088	12,977
Accounts payable - other	1,425,023	2,180,363
Income taxes payable	179,245	499,182
Provision for bonuses	306,321	366,769
Short-term surrender fees reserve	53,504	—
Other	847,301	872,847
Total current liabilities	3,880,038	4,872,939
Fixed liabilities		
Long term loans payable	733,904	847,078
Lease obligations	14,294	1,317
Deferred tax liabilities	6,822	7,749
Other	174,887	182,469
Total fixed liabilities	929,908	1,038,615
Total liabilities	4,809,946	5,911,554
Net assets		
Shareholders' equity		
Share capital	2,387,915	2,535,941
Capital surplus	2,454,031	2,602,056
Retained earnings	7,088,507	8,637,117
Treasury stock	-1,862,904	-1,862,967
Total shareholders' equity	10,067,549	11,912,147
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	5,109	-14,198
Foreign currency translation adjustment	40,991	124,419
Total other accumulated comprehensive income	46,101	110,220
Subscription rights to shares	6,116	11,344
Non-controlling interests	2,447	6,284
Total net assets	10,122,215	12,039,996
Total liabilities and net assets	14,932,162	17,951,550

## (2) Consolidated Income Statement and Consolidated Comprehensive Income Statement

## Consolidated Income Statement

(Unit: thousands of yen)

	Previous Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)	Current Consolidated Fiscal Year (January 1, 2022 – December 31, 2022)
Sales	18,100,837	25,487,727
Cost of sales	9,092,592	13,157,134
Gross profit	9,008,244	12,330,593
Selling, general, and administrative expenses	7,903,207	9,916,027
Operating profit	1,105,037	2,414,565
Non-operating income		
Interest income	761	2,058
Dividend income	4,615	4,615
Foreign exchange profit	26,130	1,908
Other	16,311	13,796
Total non-operating income	47,819	22,378
Non-operating expenses		
Interest expenses	5	11,632
Other	9,078	2,811
Total non-operating expenses	9,083	14,444
Ordinary profit	1,143,772	2,422,500
Extraordinary income		
Gain on sale of fixed assets	649	274
Gain on sale of investments in securities	—	1,230
Gain on reversal of subscription rights to shares	14,940	—
Gain on step acquisitions	9,197	—
Total extraordinary income	24,787	1,504
Extraordinary losses		
Losses on retirement of fixed assets	9,334	19,812
Losses on revaluation of investments in securities	27,977	17,405
Head office relocation costs	—	19,718
Losses on lease cancellations	—	9,753
Total extraordinary losses	37,311	66,689
Net profit or loss (-) before income tax adjustment	1,131,249	2,357,315
Corporate, resident, and business taxes	180,526	537,940
Deferred income tax	220,004	266,927
Total income taxes	400,530	804,867
Net income or net loss (-)	730,718	1,552,447
Net income or net loss (-) attributable to non-controlling interests	1,588	3,836
Net income or net loss (-) attributable to owners of parent	729,129	1,548,610

Consolidated Comprehensive Income Statement

(Unit: thousand yen)

	Previous Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)	Current Consolidated Fiscal Year (January 1, 2022 – December 31, 2022)
Comprehensive net income or net loss (-)	730,718	1,552,447
Other comprehensive income		
Valuation difference on available-for-sale securities	-42,508	-19,308
Deferred gains or losses on hedges	721	—
Foreign currency translation reserve	43,541	83,427
Total other comprehensive income	1,753	64,119
Comprehensive income	732,472	1,616,566
(Breakdown)		
Comprehensive income related to owners of the parent	730,883	1,612,729
Comprehensive income related to non-controlling interests	1,588	3,836

## (3) Statement of Changes in Consolidated Shareholders' Equity

Previous Consolidated Financial Year (January 1, 2021 - December 31, 2021)

(Unit: Thousand yen)

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

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

Current Consolidated Fiscal Year (January 1, 2022 - December 31, 2022)

(Unit: thousand yen)

	Shareholders' Equity				
	Capital	Capital Surplus	Capital Reserve	Treasury Stock	Total Shareholders' Equity
Balance at the beginning of the period	2,387,915	2,454,031	7,088,507	-1,862,904	10,067,549
Variation for the current period					
Issuance of new shares (exercise of subscription rights to shares)	148,025	148,025			296,050
Net income attributable to owners of the parent company			1,548,610		1,548,610
Acquisition of treasury stock				-63	-63
Increase by share swap					-
Current variation (net) for items other than shareholders' equity					
Total variation during the period	148,025	148,025	1,548,610	-63	1,844,597
Balance at the end of the current period	2,535,941	2,602,056	8,637,117	-1,862,967	11,912,147

	Accumulated Other Comprehensive Income				Subscription Rights to Shares	Non-Controlling Interests	Total Net Assets
	Valuation Differences on Other Securities	Deferred Hedge Gains/Losses	Foreign Exchange Translation Adjustment Account	Total Accumulated Other Comprehensive Income			
Balance at the beginning of the period	5,109	-	40,991	46,101	6,116	2,447	10,122,215
Variation for the current period							
Issuance of new shares (exercise of subscription rights to shares)							296,050
Net income attributable to owners of the parent company							1,548,610
Acquisition of treasury stock							-63
Increase by share swap							-
Current variation (net) for items other than shareholders' equity	-19,308	-	83,427	64,119	5,227	3,836	73,183
Total variation during the period	-19,308	-	83,427	64,119	5,227	3,836	1,917,781
Balance at the end of the current period	-14,198	-	124,419	110,220	11,344	6,284	12,039,996

## (4) Consolidated Cash Flow Statement

(Unit: Thousand yen)

	Previous Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)	Current Consolidated Fiscal Year (January 1, 2022 – December 31, 2022)
<b>Cash Flow from Operating Activities</b>		
Net income or loss (-) before income tax adjustment	1,131,249	2,357,315
Depreciation	117,538	241,790
Goodwill amortization	19,869	184,160
Increase of allowance for doubtful accounts (- is a decrease)	14,931	37,789
Increase of allowance for bonuses (- is a decrease)	146,587	57,724
Interest and dividend income	-5,377	-6,674
Grant income	-3,954	-1,458
Interest expense	5	11,632
Equity in (earnings) losses of affiliated companies	—	57
Gain/loss on sale of fixed assets (- is profit)	-649	-274
Loss on retirement of fixed assets	9,334	19,812
Gain/loss on sale of investment securities (- is profit)	—	-1,230
Gain/loss on valuation of investment securities (- is profit)	27,977	17,405
Gain on reversal of subscription rights to shares	-14,940	—
Gain/loss on sale of subsidiary shares (- is profit)	-9,197	—
Increase/decrease in trade receivables (- is an increase)	-706,118	-1,433,942
Increase/decrease in inventories (- is an increase)	-78,286	-28,706
Increase/decrease in trade payables (- is a decrease)	196,371	-105,443
Increase/decrease in accounts payable (- in a decrease)	491,481	559,956
Other	132,214	-141,853
Subtotal	1,469,035	1,768,061
Received interest and dividends	5,312	6,609
Received grant	14,153	1,458
Interest payment	-5	-12,120
Corporate tax payment	-75,750	-224,363
Cash flow from operating activities	1,412,746	1,539,646
<b>Cash flow from investing activities</b>		
Payments for purchase of property, plant, and equipment	-187,656	-1,217,562
Payments for acquisition of intangible fixed assets	-40,191	-67,637
Income from sale of fixed assets	719	4,858
Income from sales of investment securities	—	8,610
Proceeds from acquisition of shares of subsidiaries resulting in change in scope of consolidation	—	96,753
Payments for lease and guarantee deposits	-45,672	-94,008
Proceeds from collection of lease and guarantee deposits	31,154	35,309
Payments for loans receivable	—	-500,000
Proceeds from collection of loans receivable	—	500,000
Expenses for long-term loans receivable	-300,000	—
Other	-12,631	32,701
Cash flow from investing activities	-554,277	-1,200,976
<b>Cash flow from financing activities</b>		
Repayment of short-term loans payable	—	-50,000
Repayment of long-term loans payable	—	-98,798
Income from exercising stock options	47,975	295,517
Expenditure on the acquisition of treasury stock	—	5,760
Income from issuance of stock acquisition rights	-57	-63
Expenditure for repayment of lease obligations	-17,110	-15,368
Cash flow from financing activities	30,807	137,047
Conversion difference for cash and cash equivalents	40,350	78,368

(Unit: Thousand yen)

	Previous Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)	Current Consolidated Fiscal Year (January 1, 2022 – December 31, 2022)
Increase/decrease in cash and cash equivalents (- is a decrease)	929,627	554,085
Initial balance of cash and cash equivalents	6,679,580	7,631,688
Increase in cash and cash equivalents resulting from share swap	22,480	—
Term-end balance of cash and cash equivalents	7,631,688	8,185,773

## (5) Notes on Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Revenue Recognition") was adopted. The Company adopted the Accounting Standard for Revenue Recognition from the beginning of the first quarter of the current fiscal year, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services is transferred to the customer. The Company has followed the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, and recognized revenue in the amount expected to be received in exchange for the promised goods or services at the beginning of the period. The cumulative effect of the retrospective application of the new accounting policies prior to the beginning of the first quarter of the current fiscal year has been added to or deducted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting policies have been applied from the beginning balance of the current fiscal year. As a result, the Company has applied the new accounting policy from the balance at the beginning of the period, and there is no effect on the balance of retained earnings at the beginning of the first quarter of the current fiscal year. The application of the new accounting standard had no impact on the balance of retained earnings at the beginning of the period. In addition, the application of the new accounting standard did not have a material impact on the quarterly consolidated financial statements.

Due to the application of the accounting standard for revenue recognition, "Allowance for short-term cancellation refunds," which was presented in "Current liabilities" in the consolidated balance sheet for the previous fiscal year, is included in "Other" from the first quarter of the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to reflect the new presentation for the previous consolidated fiscal year and the second third quarter of the previous consolidated cumulative period.

(Application of Accounting Standard for Measurement of Fair Value)

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



(Segment Information, etc.)

Segment Information

Previous Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)

(Unit: Thousand yen)

	Reporting Segments			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	GLOBAL WiFi Business	Information and Communications Service Business	Total				
Sales							
Net sales to external customers	9,070,846	8,803,751	17,874,597	226,239	18,100,837	—	18,100,837
Intersegment net sales and transfers between segments	—	895	895	9,105	10,000	-10,000	—
Total	9,070,846	8,804,646	17,875,492	235,345	18,110,837	-10,000	18,100,837
Segment Profit or Loss (-)	1,033,511	1,116,461	2,149,973	-94,146	2,055,826	-950,789	1,105,037
Segment Assets	2,275,503	4,251,406	6,526,910	412,534	6,939,445	7,992,716	14,932,162
Other items							
Depreciation and amortization	40,978	47,257	88,235	4,906	93,142	24,396	117,538
Amortization of goodwill	—	19,869	19,869	—	19,869	—	19,869
Increase in tangible and intangible assets	96,004	158,928	254,933	42,075	297,008	1,862	298,871

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

2. The details of adjustments are as follows.

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

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

	Reporting Segments				Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated financial statements (Note 3)
	GLOBAL WiFi Business	Information and Communications Service Business	Glamping/ Tourism Business	Total				
Sales								
Net sales to external customers	14,389,950	10,572,729	338,295	25,300,976	186,750	25,487,727	—	25,487,727
Intersegment net sales and transfers between segments	—	42,343	1,885	44,228	10,902	55,131	-55,131	—
Total	14,389,950	10,615,073	340,181	25,345,205	197,652	25,542,858	-55,131	25,487,727
Segment Profit or Loss (-)	3,078,378	765,747	-122,953	3,721,172	-119,844	3,601,327	-1,186,761	2,414,565
Segment Assets	3,538,859	4,645,863	1,627,283	9,812,007	403,012	10,215,019	7,736,531	17,951,550
Other items								
Depreciation and amortization	117,169	63,598	38,291	219,060	3,695	222,755	19,034	241,790
Amortization of goodwill	4,542	179,617	—	184,160	—	184,160	—	184,160
Increase in tangible and intangible assets	221,819	66,146	1,086,647	1,374,614	—	1,374,614	85,775	1,460,390

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

2. The details of adjustments are as follows.

- (1) The adjustment of segment income of -1,186,761 thousand yen is corporate expenses that are not allocated to each reportable segment and mainly general administrative expenses that do not belong to any reportable segment.
- (2) The adjustment of segment assets of 7,736,531 thousand yen is corporate assets that are not allocated to each reportable segment, and mainly consist of cash and deposits that do not belong to any reportable segment.

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

## (Information per Share)

	Previous Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)	Current Consolidated Fiscal Year (January 1, 2022 – December 31, 2022)
Net assets per share	212.52 yen	245.75 yen
Net income or loss (-) per share	15.47 yen	31.96 yen
Diluted net income per share	15.03 yen	31.51 yen

(Note) 1. The basis for calculating net income or loss per share and diluted net income per share is as follows.

	Previous Consolidated Fiscal Year (January 1, 2021 – December 31, 2021)	Current Consolidated Fiscal Year (January 1, 2022 – December 31, 2022)
Net income or loss (-) per share		
Net income or loss (-) attributable to owners of the parent (thousand yen)	729,129	1,548,610
Amount not attributable to common shareholders (thousand yen)	—	—
Net income or loss (-) attributable to shareholders of the parent company related to common stock	729,129	1,548,610
Average number of shares of common stock during the period	47,138,222	48,461,177
Net income per share (diluted)		
Adjustment of net income attributable to shareholders of the parent company (thousand yen)	—	—
Increase in number of ordinary shares	1,389,372	681,047
Subscription rights to shares (shares)	(1,389,372)	(681,047)
Summary of potential stock not included in the calculation of diluted net income per share due to lack of dilutive effect	All of the subscription rights to shares (2,801,400 shares of common stock) pursuant to the resolution of the Board of Directors on November 13, 2017, were extinguished as of March 29, 2021, as it was determined that the conditions for exercise were not met.	Stock acquisition rights (720,000 shares of common stock) pursuant to a resolution of the Board of Directors on March 1, 2022