



Q1 FY 2023 Financial Results

Vision Inc.
Stock Code: 9416
May 12, 2023

Q1 FY 2023 Financial Results



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Performance Highlights and Q1 FY 2023 Financial Results

Consolidated Profit and Loss Statement



- ◆ Sales increased by **48.8%** and operating income by **242.3%**.
- ◆ The progress rate for FY2023 is steady at **31.4%** of sales and **46.1%** of operating income.

(JPYmn, %)	1Q FY2022		1Q FY2023		YoY		FY2023 Forecast	Progress rate
	Result	Ratio	Result	Ratio	Change	Ratio of change		
Sales	5,609	100.0%	8,347	100.0%	2,738	48.8%	26,553	31.4%
Cost of sales	3,064	-	4,094	-	1,030	33.6%	-	-
Gross profit	2,544	45.4%	4,252	50.9%	1,708	67.1%	14,135	30.1%
SG&A expenses	2,140	38.2%	2,870	34.4%	729	34.1%	11,134	25.8%
Operating profit	403	7.2%	1,382	16.6%	978	242.3%	3,000	46.1%
Recurring profit	406	7.2%	1,423	17.0%	1,016	250.4%	2,998	47.5%
Profit attributable to owners of parent	245	4.4%	940	11.3%	694	282.4%	1,990	47.2%

Segment Result



◆GLOBAL WiFi business increased by **95.1%** and the Information and Communications Service business held steady.

◆Glamping/Tourism business saw the start of full-scale operations at Yamanakako glamping facility.

(JPYmn, %)	1Q FY2022		1Q FY2023		YoY		FY2023 Forecast	Progress rate
	Result	Ratio	Result	Ratio	Change	Ratio of change		
Sales	5,609	100.0%	8,347	100.0%	2,738	48.8%	26,553	31.4%
“GLOBAL WiFi”	2,618	46.7%	5,108	61.2%	2,489	95.1%	13,741	37.2%
Information and Communications Service	2,875	51.3%	2,984	35.8%	109	3.8%	11,623	25.7%
Glamping/Tourism	67	1.2%	215	2.6%	147	218.5%	885	24.3%
Subtotal	5,561	99.2%	8,308	99.5%	2,746	49.4%	26,250	31.6%
Others	53	0.9%	48	0.6%	-5	-9.6%	302	15.9%
Adjustments	-5	-	-8	-	-3	-	-	-

Segment Result



◆ GLOBAL WiFi business increased by **1,083 million yen** and operating profit margin reached a record high of **28.3%**.

◆ Information and Communications service and Glamping/Tourism businesses held steady.

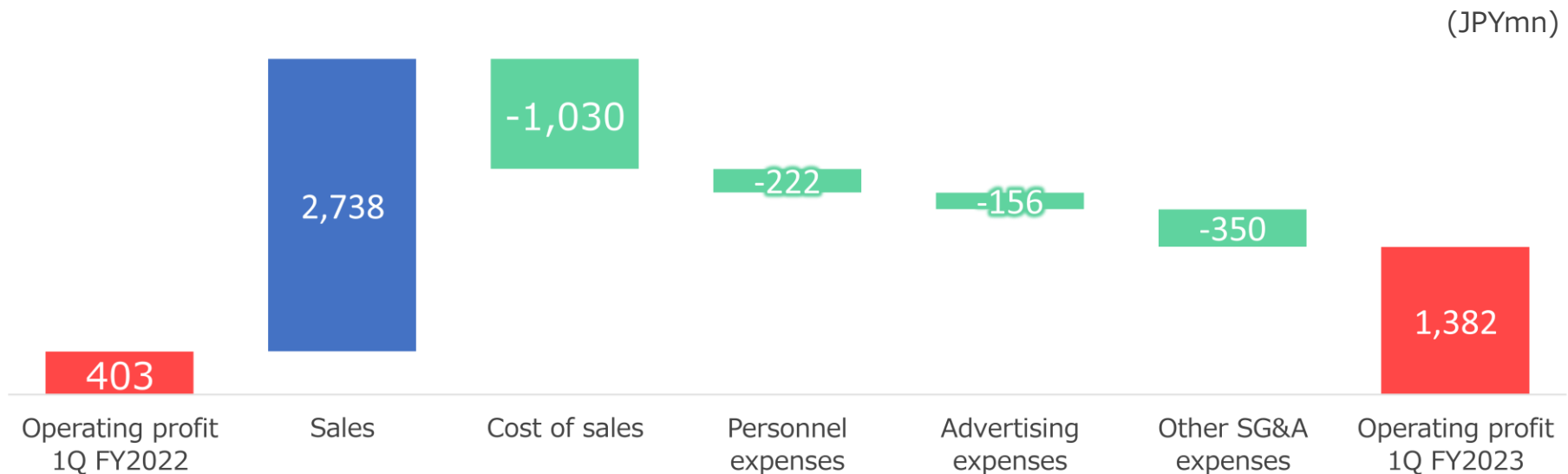
	1Q FY2022		1Q FY2023		YoY		FY2023 Forecast	Progress rate
	Result	Ratio	Result	Ratio	Change	Ratio of change		
Segment Profit	403	7.2%	1,382	16.6%	978	242.3%	3,000	46.1%
“GLOBAL WiFi”	359	13.7%	1,443	28.3%	1,083	301.5%	2,502	57.7%
Information and Communications Service	347	12.1%	302	10.1%	-45	-13.0%	1,708	17.7%
Glamping/Tourism	2	3.3%	6	3.0%	4	192.2%	45	14.4%
Subtotal	709	12.7%	1,752	21.1%	1,043	147.1%	4,256	41.2%
Others	-36	-	-29	-	6	-	53	-
Adjustments	-268	-	-340	-	-71	-	-1,309	-

Factors for Changes in Operating Profit



GLOBAL WiFi sales increased by **48.5%** thanks to an increase in the number of users due to a recovery in travel demand and steady growth in sales of products (mobile communication devices, office automation equipment, etc.). Gross profit rose sharply by **66.9%** due to improvement in overseas telecommunication costs.

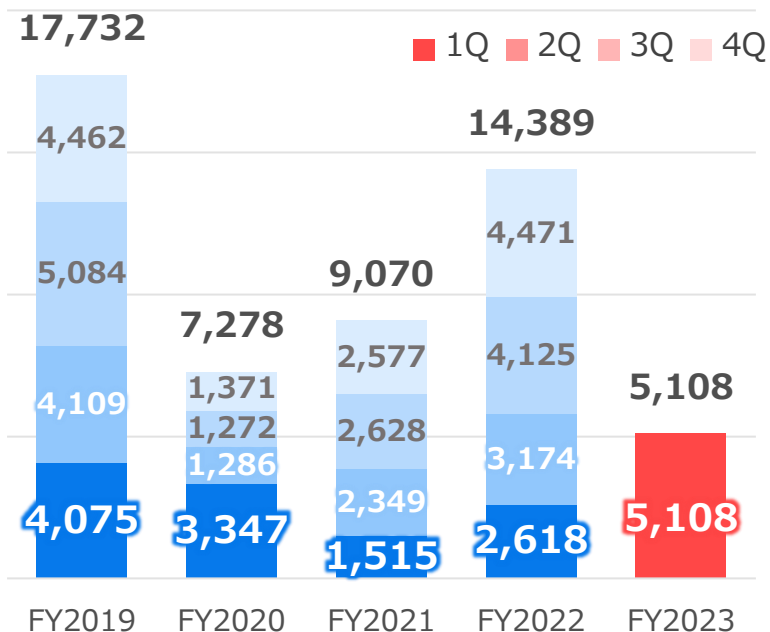
Operating income improved significantly from **7.2%** in 2022 to **16.5%** in 2023 as a result of a significant increase in gross profit while SG&A expenses increased slightly, including performance-linked expenses.



GLOBAL WiFi Business Performance Change

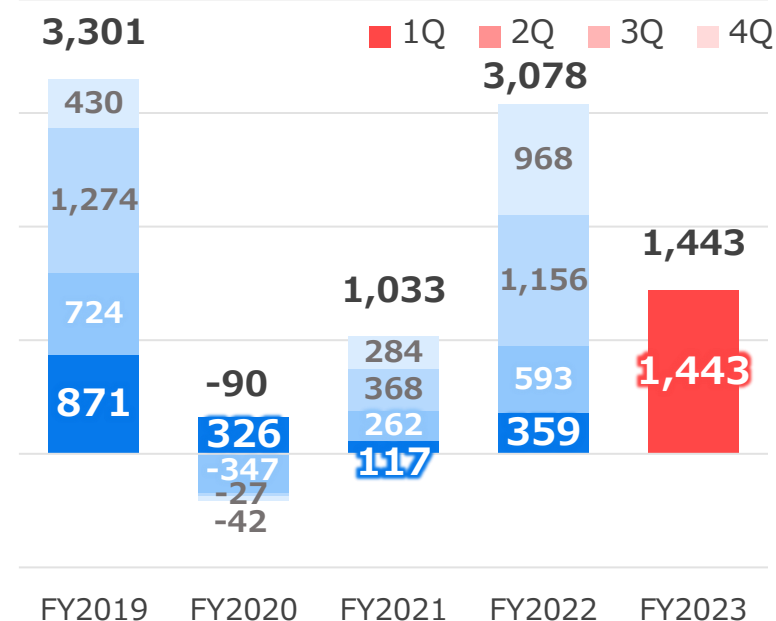
- The average number of outbound travelers and foreign visitors to Japan from January to March 2023 recovered to **34.1%** and **59.5%** respectively compared to the same period in 2019. Reference : Japan National Tourism Organization (JNTO)
- Outbound rentals and sales during January to March 2023 recovered to **44.2%** and **75.2%**, respectively, compared to January to March 2019. (*Including GLOBAL WiFi for Biz) Inbound rentals and sales increased by **105.1%** and **124.1%**, respectively.
- Airport border control operations and PCR inspections continue in 1Q FY2023.

Sales



Segment profit/loss (-)

(JPYmn)



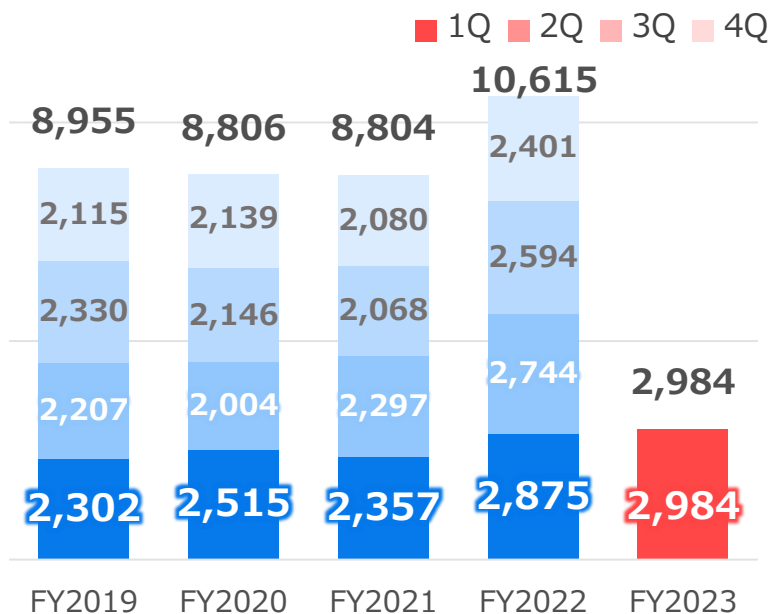
Information and Communications Service Business **VISION** Performance Change

More vision. More success.

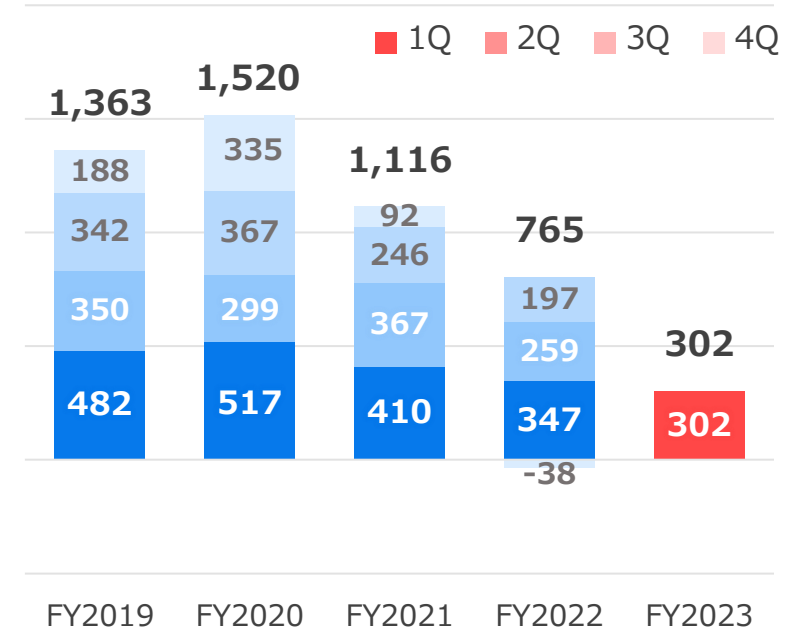
- Sales of products (office automation, mobile communication equipment) remained strong.
- Aggressive sales expansion of monthly subscription based in house-services.
- Implemented mid-career hiring to strengthen sales activities.

(JPYmn)

Sales



Segment profit/loss (-)



| FY 2023 Financial Forecast

FY2023 Forecast



(JPYmn, %)	FY2022		FY2023		YoY	
	Result	Ratio	Forecast	Ratio	Change	Rate of change
Sales	25,487	100.0%	26,553	100.0%	1,065	4.2%
Cost of sales	13,157	51.6%	12,417	46.8%	-739	-5.6%
Gross profit	12,330	48.3%	14,135	53.2%	1,804	14.6%
SG&A expenses	9,916	38.9%	11,134	41.9%	1,218	12.3%
Operating profit	2,414	9.5%	3,000	11.3%	585	24.3%
Recurring profit	2,422	9.5%	2,998	11.3%	575	23.8%
Profit attributable to owners of parent	1,548	6.1%	1,990	7.5%	442	28.6%

Forecast of Results by Segment (Sales)



(JPYmn, %)	FY2022		FY2023		YoY	
	Result	Ratio	Forecast	Ratio	Change	Rate of change
“GLOBAL WiFi”	14,389	56.5%	13,741	51.8%	-648	-4.5%
Information and Communications Service	10,615	41.6%	11,623	43.8%	1,008	9.5%
Glamping/Tourism	340	1.3%	885	3.3%	545	160.3%
Subtotal	25,345	99.4%	26,250	98.9%	905	3.6%
Others	197	0.8%	302	1.1%	104	53.0%
Adjustments	-55	-	0	-	55	-

Forecast of Results by Segment (Profit)



(JPYmn, %)	FY2022		FY2023		YoY	
	Result	Ratio	Forecast	Ratio	Change	Rate of change
“GLOBAL WiFi”	3,078	21.4%	2,502	18.2%	-575	-18.7%
Information and Communications Service	765	7.2%	1,708	14.7%	943	123.2%
Glamping/Tourism	-122	-	45	5.1%	168	-
Subtotal	3,721	14.7%	4,256	16.2%	535	14.4%
Others	-119	-	53	17.8%	173	-
Adjustments	-1,186	-	-1,309	-	-123	-

Full Year Performance Change (Quarterly)



		1 Q	2 Q	3 Q	4 Q	FY
FY2020	Sales	5,989	3,641	3,477	3,546	16,654
	Composition ratio (vs. FY)	36.0	21.9	20.9	21.3	–
	Operating profit (-)	488	-503	73	45	103
	Composition ratio (vs. FY)	–	–	–	–	–
	Operating profit margin	8.1	–	2.1	1.3	0.6
FY2021	Sales	3,938	4,706	4,747	4,708	18,100
	Composition ratio (vs. FY)	21.8	26.0	26.2	26.0	–
	Operating profit or loss (-)	285	368	359	91	1,105
	Composition ratio (vs. FY)	25.9	33.3	32.5	8.3	–
	Operating profit margin	7.3	7.8	7.6	1.9	6.1
FY2022	Sales	5,609	6,019	6,849	7,009	25,487
	Composition ratio (vs. FY)	22.0	23.6	26.9	27.5	–
	Operating profit	403	517	1,027	464	2,414
	Composition ratio (vs. FY)	16.7	21.5	42.6	19.2	–
	Operating profit margin	7.2	8.6	15.0	6.6	9.5
FY2023	Sales	8,347				
	Composition ratio (vs. FY)	–				
	Operating profit	1,382				
	Composition ratio (vs. FY)	–				
	Operating profit margin	16.6				

External environment and business policies (overall)

While the economy has been recovering moderately led by domestic demand due the recovery of personal consumption and capital investment, international travel has increase to a certain degree due to the easing of border control in various countries.

We will continue business activities while improving revenues and profitability of existing businesses and expanding new businesses and services.

“GLOBAL WiFi” Business

The easing or elimination entry restrictions implemented due to the spread of COVID-19 led to the termination of airport quarantine contract services and PCR testing, as well as a decrease in domestic WiFi sales.

GLOBAL WiFi and NINJA WiFi are on a steady recovery trend. There is a possibility of faster recovery in the future than what was estimated at the time this budget plan was prepared.

Information and Communications Service Business

Although equipment procurement is expected to continue to be affected due to the shortage of semiconductors, we can flexibly respond to changes in the external environment by leveraging its strengths in multiple businesses (products and services) and sales channels that are not dependent on a single business or sales channel, and business will remain strong.

We plan to strengthen sales of in-house services (monthly subscription) and continue to build a stable revenue base over the long term.

Toward Growth and Improvement of Corporate Value



We will focus on improving productivity in our existing businesses and developing our new Glamping/Tourism business, and work towards building a strong revenue base to **achieve early fulfillment of the exercise conditions (performance conditions)** for the fourth round of stock acquisition rights, which was issued on March 1, 2022, aiming to **improve our corporate value**.

Name	Vision Inc. Fourth round of stock acquisition rights
Issued amount	7,200 rights 100 shares per stock acquisition right Common stock 720,000 shares
Issued price	800 yen per stock acquisition right
Applicable	Company directors, Company employees, and directors of subsidiaries of the Company 32 people
Conditions of exercise (Performance conditions)	If operating income exceeds 4 billion yen in any fiscal year from FY2023 to FY2025 Exercisable ratio: 50%. If operating income exceeds 5 billion yen in any fiscal year from FY2023 to FY2027 Exercisable ratio: 100%

| Efforts for Growth

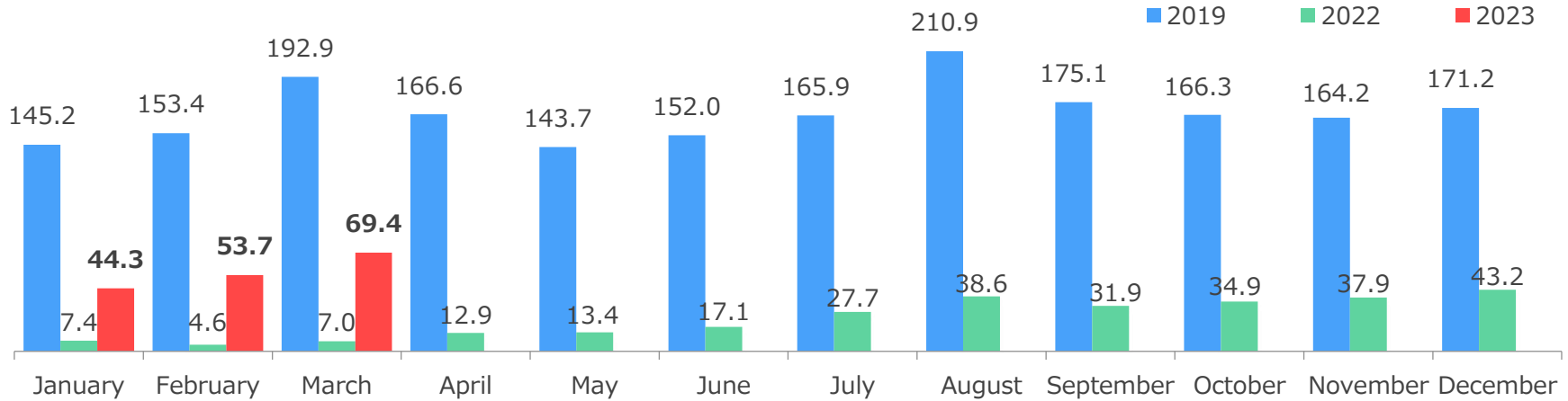
GLOBAL WiFi Business

Trends in Number of Overseas Travelers



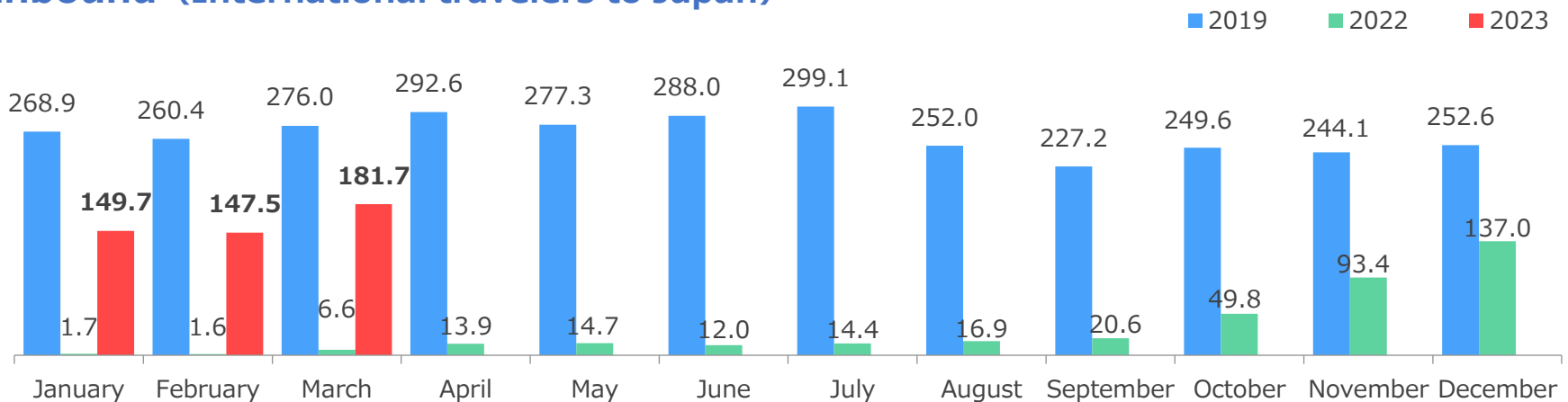
Outbound (Japanese overseas travelers)

(ten thousand people)



Inbound (International travelers to Japan)

(ten thousand people)



Based on data from the Japan National Tourism Organization (JNTO), compiled by the Company.

International

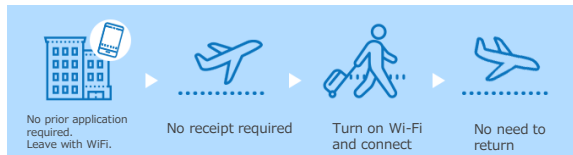
GLOBAL WiFi for Biz Aggressive Sales Strategy

Sales of “Global WiFi for Biz”, an in-house Wi-Fi router for corporate customers, continued to be strong due use for telework (number of subscriptions and telecommunication usage increased).

No need to apply for, receive, or return

Connect Internet anywhere in the world with one digital device

“Global WiFi for Biz”



Order

Departure

Overseas

Return home



One “GLOBAL WiFi for Biz” device is all you need for telework or sudden overseas business trips. You can use it immediately without the need to order one.

Next generation overseas communication



- ✓ You can use your smartphone in over 120 countries!
- ✓ You can choose the price plan that suits you!
- ✓ No increase in luggage, no need to pick up or return!

A first in the global Wi-Fi router rental industry!

Ultra-High-Speed 5G Plan



Currently available in 10 areas. There are plans to expand availability in the future.

Domestic

Increase sales of NINJA WiFi for foreign visitors to Japan

The average number of international travelers to Japan in January to March 2023 recovered to 59.5% of the number in January to March 2019.
Reference: Japan National Tourism Organization (JNTO)

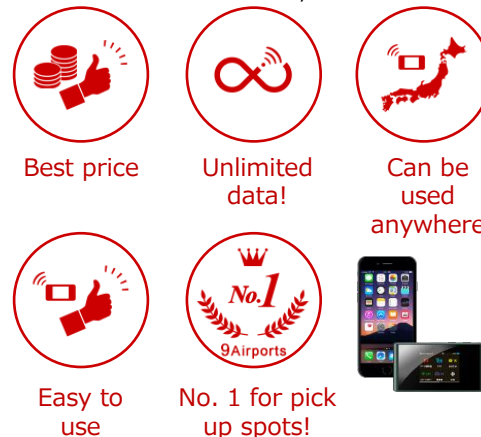
Responding to customer needs as there are few free Wi-Fi spots in Japan.

Can be used as soon as it arrives



Business (telework, online training and meetings), hospital stays, moving, combined use with home line, etc.
Increased use during hospitalization and moving (temporary use until fixed-line service is available) due to aggressive promotion.

Wi-Fi router rental service aimed at international travelers to Japan



New service in response to customer feedback



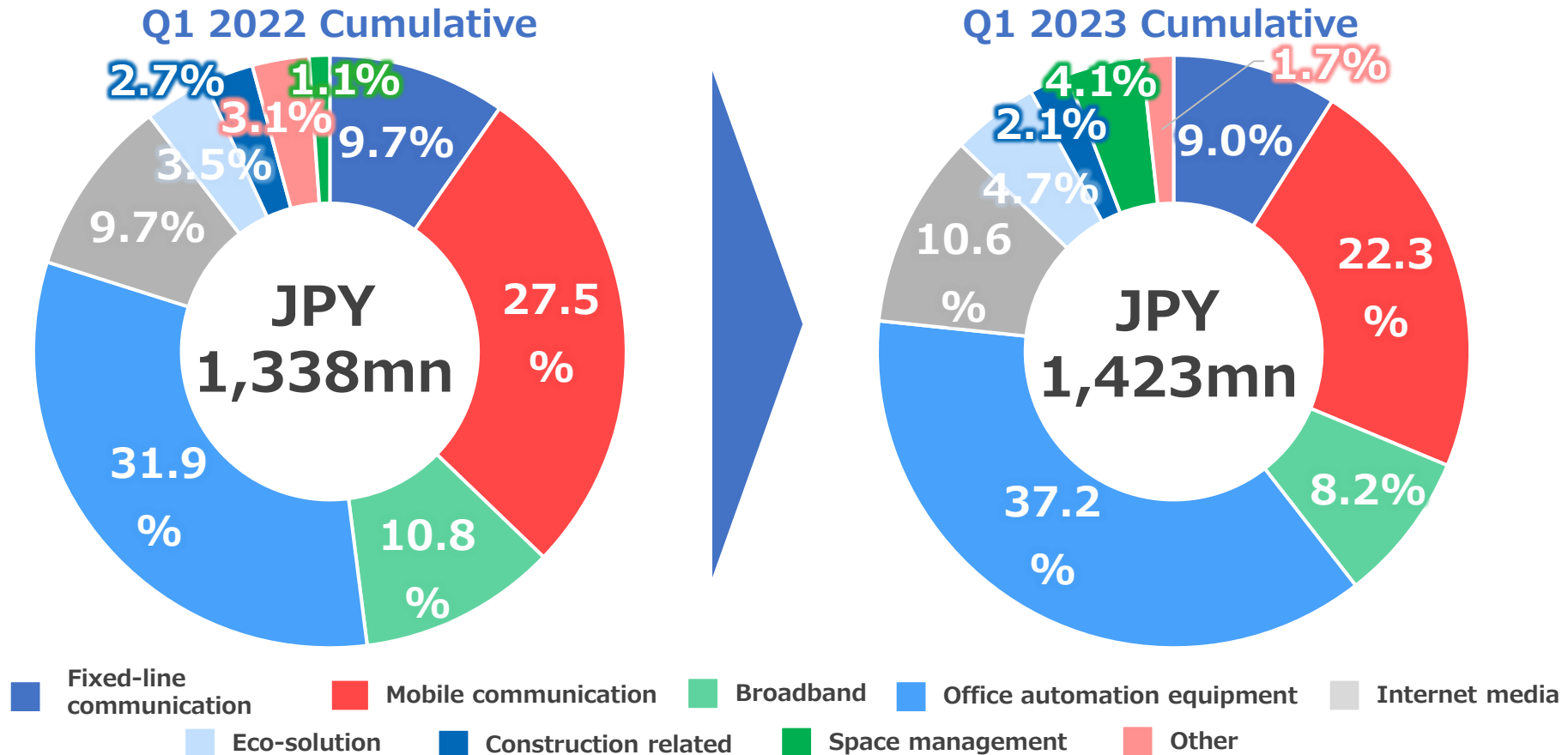
Wi-Fi router sales service for customers who are considering purchasing.
Customers can use it as a trial for rent. After checking the communication environment of their home, customers can purchase the one that meets their needs.
We will take it as a trade-in when customers terminate their contracts. (Vision WiMAX original service)

Information and Communications Service Business **VISION** Gross Profit Composition



Sales remained strong by flexibly responding to changes in the external environment by leveraging the strength of multiple businesses (products and services) and sales channels.

Steady sales of office automation equipment sales business, mobile communication equipment (teleworking applications, switching to smartphones, etc.), and other sales products.



In-house Services (Monthly Subscriptions)

- Provide Products/Services Responding to Customer Needs and the Times -



Sales of in-house services (monthly fee) "VWS series" are strong.

Services developed and used in-house are expanded to users (DX promotion).

Provide users who need essential features of our services in a cloud environment on a monthly fee basis.



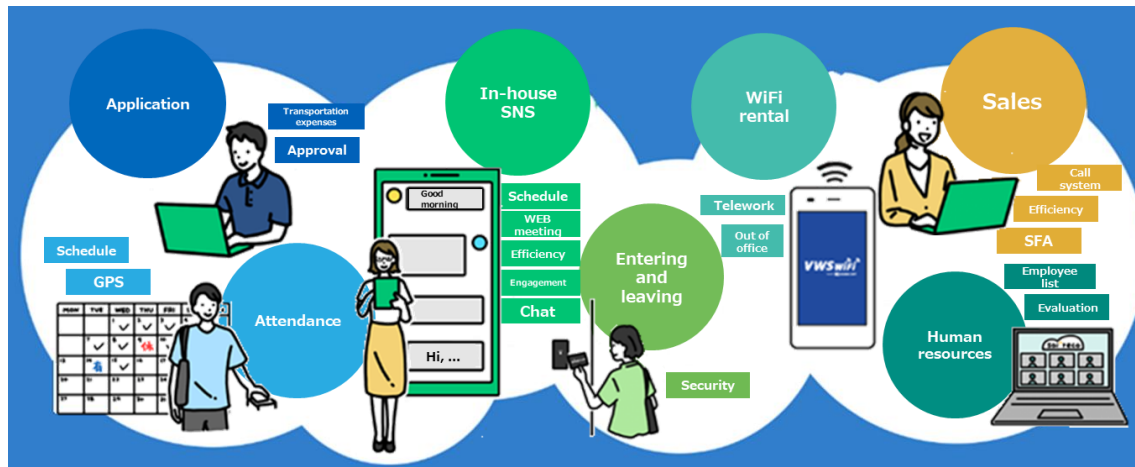
Providing a more comfortable working environment for all companies

"Cloud migration" with "VWS"

Streamline daily operations with cloud tools and support various working styles such as teleworking.

New!

Started service of IP cameras installable for 550 yen.



Small, reassuring, fun
Edge AI netcam



18 yen/day
IP camera



Reassurance at a low cost.
Monthly rate of **550**
yen/device (tax included)

*Devices available from 550 yen per month

This IP camera is recommended for those who use simple offices or do not have security measures in their restaurants.

Stock Earnings and In-house Services Gross Profit Change

Information and Communications Service Business



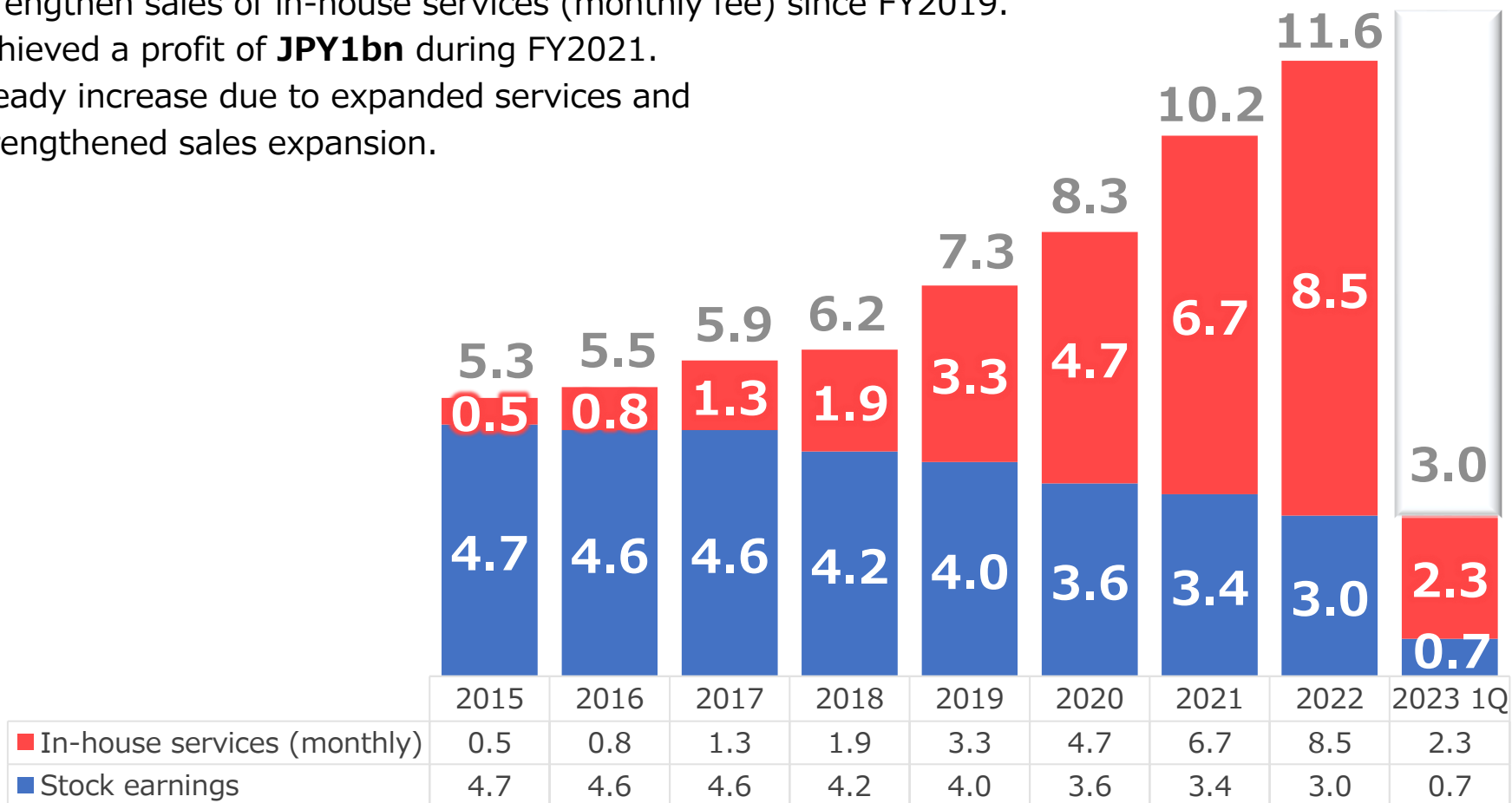
Strengthen stock earnings and in-house services (monthly fee), which will become a stable earnings base in the long run.

(JPY100mn)

Strengthen sales of in-house services (monthly fee) since FY2019.

Achieved a profit of **JPY1bn** during FY2021.

Steady increase due to expanded services and strengthened sales expansion.



Stock earnings: Revenue from continuation fee associated with subscription agency contract in Information and Communication Services Business and maintenance fee in OA equipment sales business, etc.

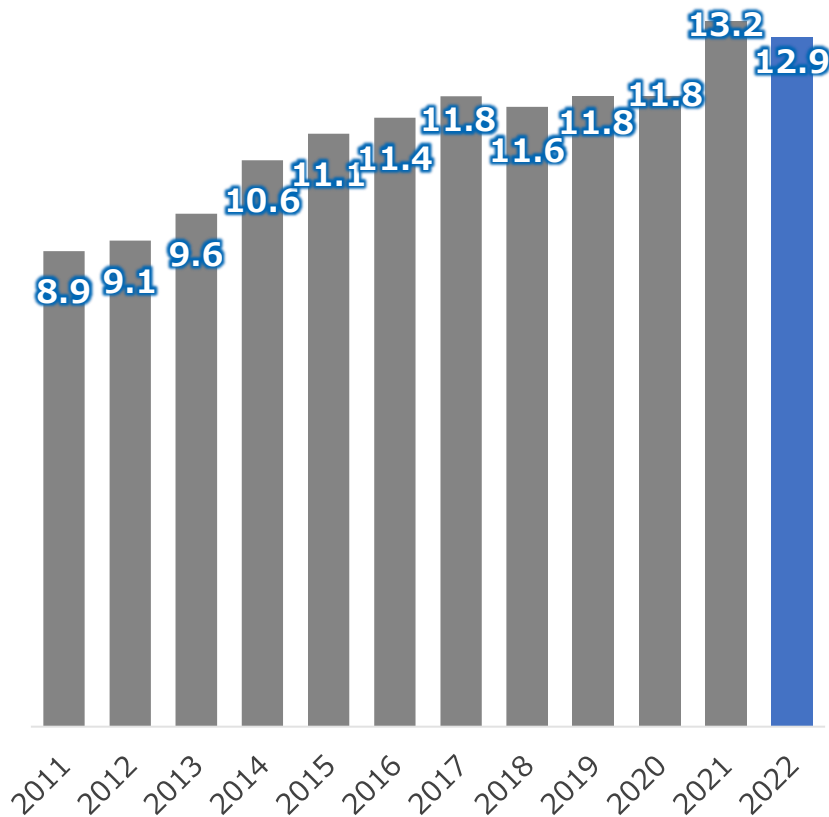
Information and Communications Service Business **VISION** Startup Support



Number of registration of incorporations (total):
129,548

Approximately 130,000 companies per year.
(Continuously increasing due to the government's aggressive support for business startups and companies)
Attracting customers by utilizing our web marketing know-how with a track record of about 15 years. Upstream marketing strategy.

(unit: 10k cases)



Have dealings with

one in ten companies*
that are newly established within the year in Japan

* Total number of companies established within 6 months (including sole proprietors), starting business with us (our research)
The number of acquisitions will depend on the fluctuations in handling services and products.

J-Startup Supporter Company Certification

J-Startup

In addition to providing information and communications services, we have been collaborating and providing support through company incorporation applications and grant and subsidy guidance on behalf of our clients.

- ① Sales agent for products and services
- ② Introduction of clients, related companies
- ③ Preferential rates for conference room rentals
- ④ Preferential rates for "GLOBAL WiFi for Biz", a Wi-Fi router able which can be used domestically and overseas.

Information and Communications Service Business **VISION** Subscription-based Business Model



Subscription-based Business Model

Provide optimum solutions according to the growth stage, continuing to stay close to the growth of customer companies.

Structure that accumulates profits by our original know-how CRM (customer relations/continuous dealings).

Offer OA equipment and website support, etc. suitable for the business environment
Consulting services suitable for the business growth stage

Offer products and services suitable for the business environment
Offer in-house products and services
Consulting services suitable for the business growth stage



Optimum solutions

Startup stage



Increase employees coming from business expansion
(Add communication lines, and numbers of units, etc.)



Optimum solutions

Early growth stage



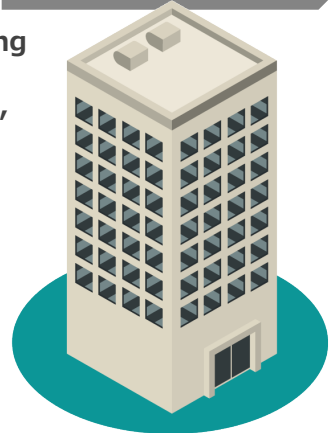
Increase employees coming from business expansion
(Add communication lines, and numbers of units, etc.)



Cloud App Service (SaaS)

Optimum solutions

Further growth stage



Current main targets
"Reserves for Growth"

Future targets
"Companies in growth stages"

Policy on Growth Strategy



	Existing business	New business / Service building		
Policy	<p>Increase productivity. Adapt to online environment, so-called the New Normal. Strengthen up-selling and cross-selling (including online negotiations).</p>	<p>Develop the new business as a third pillar. Three-pillar business structure that responds to changes in the times.</p>		
Key phrase	<ul style="list-style-type: none"> ✓ Provide products/services responding to customer needs and the times. ✓ Build and strengthen sales system (online). ✓ Strengthen up-selling and cross-selling. ✓ Brush up the revenue structure. ✓ Strengthen and expand in-house services. ✓ Global expansion and inbound 	<ul style="list-style-type: none"> ✓ Adapt to environment with COVID-19, so-called New Normal. ✓ Inbound ✓ Utilize sales channels and business structure. ✓ Utilize the customer base. ✓ Service that responds to customer feedback. ✓ Regional revitalization. 		
Sales channel Business structure				
Customer base	Startups, growing corporate customers	Corporate customers working with overseas companies	Governments / local governments, schools, etc.	Individual customers who like traveling *including inbound
	Individual users by corporate customers			

Glamping Business

- VISION GLAMPING Resort & Spa -



VISION GLAMPING Resort & Spa Koshikano Onsen

Koshikano Onsen, Japan's first hot spring resort with an open-air hot spring bath in every private room, has been renovated and reopened in a grand opening to be a larger scale glamping facility.

A highly functional living space that provides a privacy-secured space, a dedicated bus, toilet, and washroom, as well as a private dining area.

Excellent access, only about a 15-minute drive from the airport. We offer a comfortable space in the nature-rich Kirishima area, where you can enjoy activities such as bonfires, camping, hot springs, and saunas.



VISION GLAMPING Resort & Spa 山中湖

VISION GLAMPING Resort & Spa Yamanakako

Grand opening in December 2022

A location known not just for Mt. Fuji, a World Heritage Site, popular worldwide for its nature and scenery, but also for its tourist attractions such as the Gotemba Premium Outlets and Fujikyū Highland, making it easy to make travel plans.

We will offer an extraordinary experience of staying at Yamanakako, surrounded by nature and Mt. Fuji.

A new glamping space where anyone can experience comfort.



| Sustainability - ESG + SDGs -

Changes in Management Structure

Accelerate management decision-making

Announced change in management structure on March 30, 2023.

Chairman and CEO
Kenichi Sano

Born in Kagoshima Prefecture in 1969. After graduating high school, Sano joined Hikari Tsushin, Inc. and quickly became a top salesman. Later served as general manager of various business divisions before starting his own business in 1995 in Fuji City, Shizuoka Prefecture. Vision's two pillars are the Information and Communications Service Business aimed at startups and GLOBAL WiFi Business that operates in more than 200 countries and regions around the world. The glamping business started in 2022.

President, Representative Director & COO
Kenji Ota

Born in Hyogo Prefecture in 1971. After graduating college and then exploring various countries in Asia for over a year, Ota joined Vision Inc. as a part-time employee. He contributed to the growth of the Information and Communications Service and GLOBAL WiFi Businesses. He started as a salesman, and after serving as Director, Managing Executive Officer, COO and General Manager of the Sales Division, he was appointed President and COO on March 30, 2023.

	Previous title
Kenichi Sano	Representative Director
Kenji Ota	Director and Managing Executive Officer



New title
Chairman and CEO
President, Representative Director & COO

Materiality (Fundamental Initiative)

Vision for the future, created with the diverse societies as a member of the planet

Promising sustainable growth to our stakeholders, engaging in various business activities, whilst working towards a sustainable global environment and society. The slogan “Symbiotic Growth” is the highest priority of the materiality and the guideline for all business-related activities.

Fundamental Activities

— Social Demands —

Negative Impact of Business Activities

must

ESG	Topic	Materiality
E	Environmental Conservation	Commitment to a decarbonized society and environmental protection
G	Workstyle Reform	Becoming a company in which, all employees can work in a secure and diverse environment

Value Creation

— Social Expectations —

Positive Impact of Business Activities

should

ESG	Topic	Materiality
S	Regional Revitalization	Contributing to local economies by regional revitalization and creating employment
S	Creating a Future	Contributing to society by supporting families and medical care for future generations

Consistent with our ideals to “provide the future of information and communication is for the future of all people,” Vision aims for continuous growth and improvement of corporate value through adherence to the areas of ESG in our management and business strategies. In addition, through commitment to social issues outlined by the SDGs, we will contribute to the harmonious and sustainable development of society and the planet.



Environmental
環境



GSLを通じて環境貢献に
取り組んでいます。

IT Global warming prevention “Green Site License”



Specified Nonprofit Organization Shinsai Regain



General Incorporated Association Ecology Cafe



Social
社会



Certified “Eruboshi (Level 2)”



2023
健康経営優良法人
Health and productivity

Recognized “health and productivity management 2023”



International Medical Volunteers Japan Heart



Vision Kids Nursery School



Governance
コーポレート・ガバナンス



Compliance and Internal Control



IS 650094 / ISO
27001 :2013

PCR testing

Providing PCR testing services, essential social infrastructure during and after the COVID-19 pandemic.

Participation in the Tokyo Metropolitan Government's Free PCR and Other Testing Programs

*Authorized as a free testing service provider for COVID-19 by our partner (Ido Medical Co., Ltd.).

Shinjuku Branch: Shinjuku PCR Center East Exit Branch

Shibuya Branch: Shibuya PCR Center Shibuya Center-gai Branch (closed end of April 2023)

In addition to the centers, we also provide convenient home delivery and on-site testing services (limited to the 23 wards of Tokyo).



Quarantine measures

Border measures to prevent the spread of COVID-19 (Plan to end at the end of May 2023)

Implementation of Quarantine Measures upon Entry into Japan

All visitors to Japan are required to pre-register for quarantine procedures on "Visit Japan Web."

Pre-registration on "Visit Japan Web" ensures smooth entry into Japan.

Our Measures

We were entrusted with part of the airport quarantine station's border control operations.

- Checking the registration status of visitors who have completed pre-registration procedures on Visit Japan Web.
- Assisting in creating QR codes for those who have not pre-registered.



Reference: Digital Agency
<https://vjw-lp.digital.go.jp/en/>

Materials and information provided in this announcement include so-called “forward-looking statements.”

They are estimated at the present and based on the assumption that involves forecasts and risks, and substantially they include uncertainties which could cause different results from these statements.

These risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions, such as interest rates and currency exchange fluctuations.

In the future, even if there is new information or future events etc., we shall not be obligated to update and revise the “forward-looking statements” included in this announcement.

Vision Inc.

Contact : Investor Relations Dept.
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