

# 3rd Quarter FY2020 Financial Results

**November 9, 2020**  
**Vision Inc.**  
**(1st Section of the Tokyo Stock Exchange, code : 9416)**

# 3Q FY2020 Financial Results

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# Performance Highlights and 3Q FY2020 Results



# Consolidated Profit and Loss Statement



(JPYmn, %)

Items	FY2020/3Q Result	FY2019/3Q Result	Change	YoY
Sales	13,108	20,547	-7,439	-36.2
Cost of sales	6,284	8,576	-2,292	-26.7
Gross profit	6,824	11,970	-5,146	-43.0
Gross profit margin	52.1	58.3	-6.2	—
SG&A expenses	6,765	9,000	-2,234	-24.8
SG&A-to-sales ratio	51.6	43.8	+7.8	—
EBITDA	-847	3,746	-4,594	—
Operating profit	58	2,970	-2,912	-98.0
Operating profit margin	0.4	14.5	-14.0	—
Recurring profit	167	3,011	-2,844	-94.4
Profit or loss (-) attributable to owners of parent	-1,226	1,986	-3,213	—

# Factors for Change in Operating Profit

## Sales

**"GLOBAL WiFi" Business:** Actively acquire the needs for using mobile Wi-Fi in Japan. Recover until just before turning profitable in a single month. Outbound and inbound rentals continue to be almost zero (July to September).

**Information and Communications Service Business:** Recover to the same level of profitability as the previous fiscal year by utilizing online business negotiations, etc. Sales of cost reduction products and mobile communication equipment (for teleworking, etc.) are strong.

## Cost of sales

**"GLOBAL WiFi" Business:** Overseas communication costs are significantly reduced due to pay-as-you-go contracts in which charges are incurred according to communication usage.

**Information and Communications Service Business:** Increase cost of sales-to-sales ratio due to increased sales of mobile communication equipment (by increasing the ratio of products that are purchased).

## SG&A expenses

**Personnel expenses:** Decrease performance-linked allowance. Terminate temporary staff contracts (expire contracts) due to a significant decrease in the number of rentals (shipping center staffs and airport counter staffs, etc.).

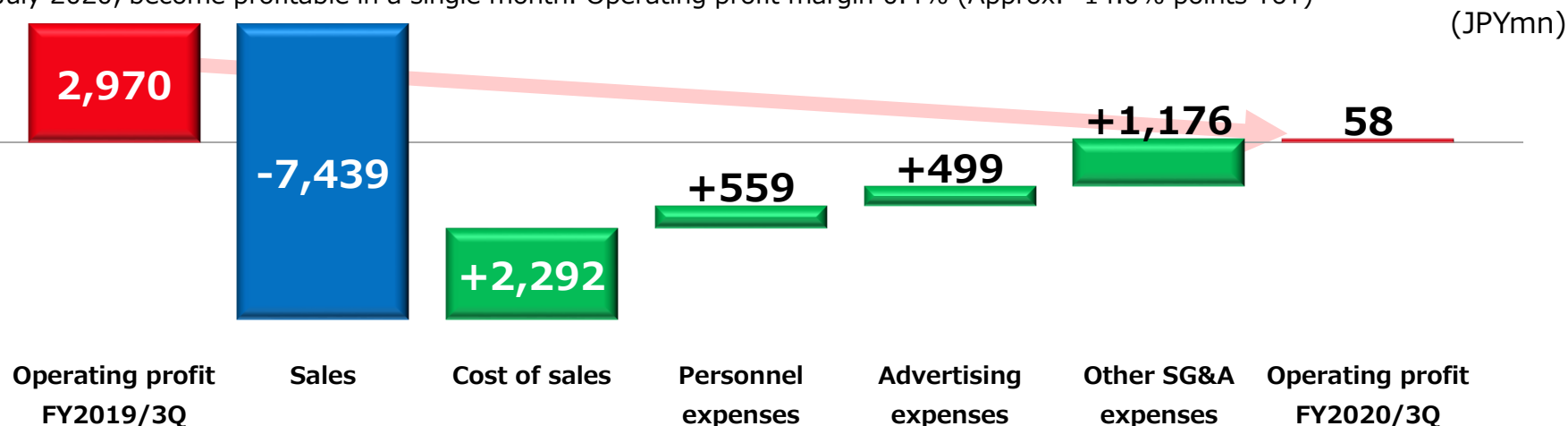
**Advertising expenses:** Reduce advertising expenses for websites to meet demand (listing, etc.).

**Other SG&A expenses:** Review and reduce various costs. Decrease expenses linked to decrease in sales (shipping expenses, travel expenses, supplies expenses, payment fees, etc.).

**Others:** Decrease corporate and business maintenance costs, because all shares of ProDrivers Inc. have been transferred in August 2020.

## Operating profit

From July 2020, become profitable in a single month. Operating profit margin 0.4% (Approx. -14.0% points YoY)



# Segment Result



(JPYmn, %)

Segment result		FY2020/3Q Result	FY2019/3Q Result	Change	YoY
Sales		13,108	20,547	-7,439	-36.2
	"GLOBAL WiFi"	5,906	13,269	-7,363	-55.5
	Information and Communications Service	6,666	6,840	-173	-2.5
	Subtotal	12,573	20,109	-7,536	-37.5
	Others	538	443	+95	+21.5
	Adjustments	-3	-5	+2	-
Segment profit or loss (-)		58	2,970	-2,912	-98.0
	"GLOBAL WiFi"	-48	2,870	-2,919	-
	Segment profit margin	-0.8	21.6	-22.5	-
	Information and Communications Service	1,184	1,174	+10	+0.9
	Segment profit margin	17.8	17.2	+0.6	-
	Subtotal	1,136	4,045	-2,909	-71.9
	Others	-355	-219	-136	-
	Adjustments	-722	-855	+133	-

# "GLOBAL WiFi" Business Performance Change



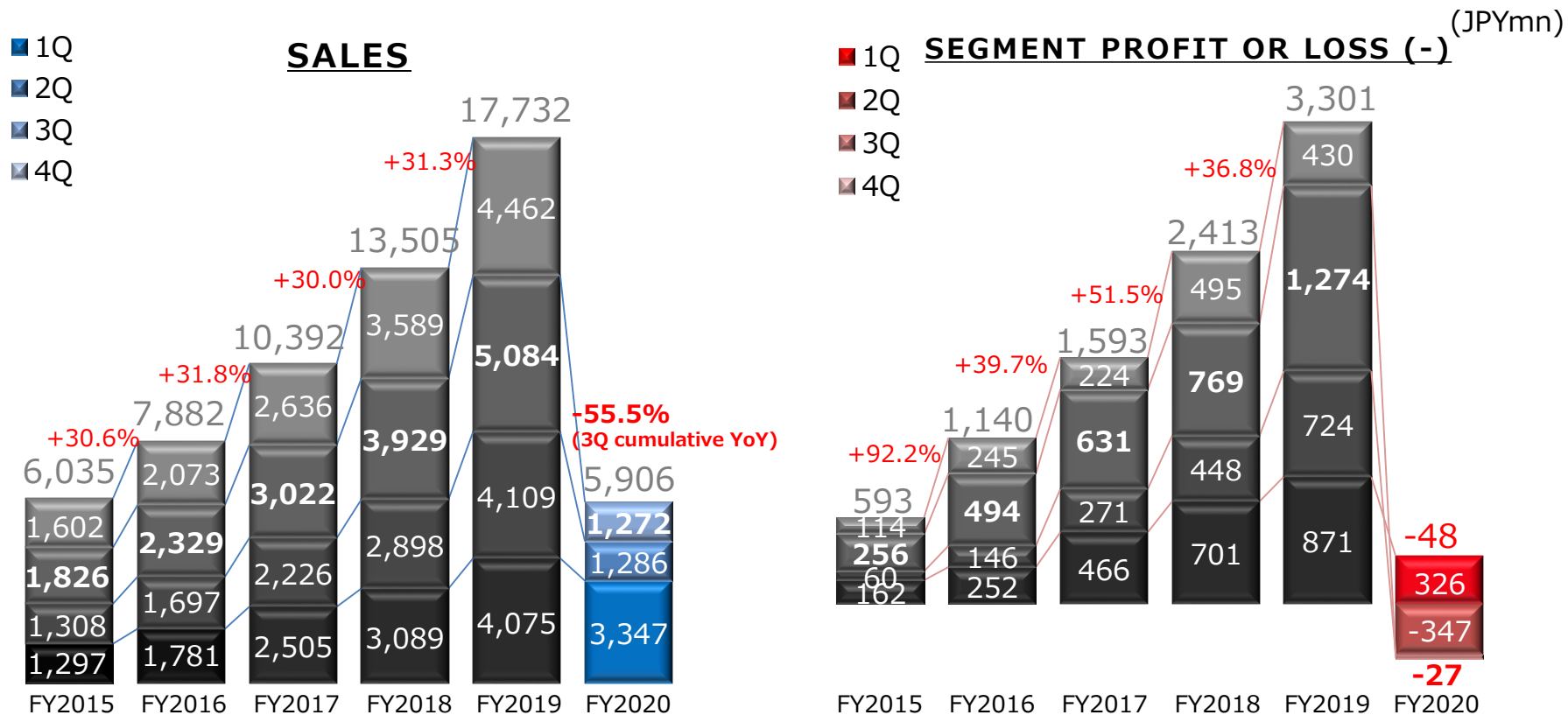
**Sales were mostly for domestic Wi-Fi rentals during the 3Q consolidated fiscal period (July to September).**

The highest sales ever in the Wi-Fi rental business in Japan.

Actively acquire the needs for teleworking and online classes. Making the most of the performance and know-how of the domestic Wi-Fi router rental business since 2010, acquire various usage needs (substitution when moving, hospitalization, business trip, combined use with home internet, various events, etc.).

Acquire orders with our high-quality and rich lineup, product inventory, and communication plans that meet customers' needs.

The urgent business travels by corporations (corporations and government agencies, etc.) have recovered slightly.



(Note) Regarding the quarterly results in FY2015, the year-on-year ratio is for reference, because the quarterly financial statements have not been prepared.



# Information and Communications Service Business Performance Change



## Sales of cost reduction products and mobile communication equipment (for teleworking, etc.) were strong.

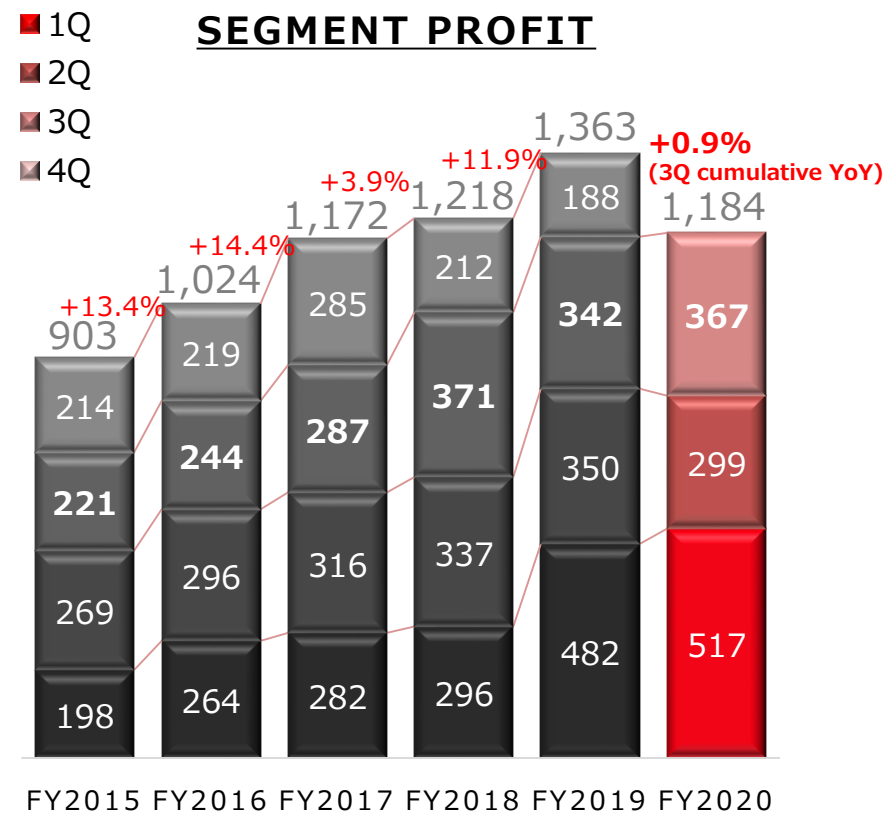
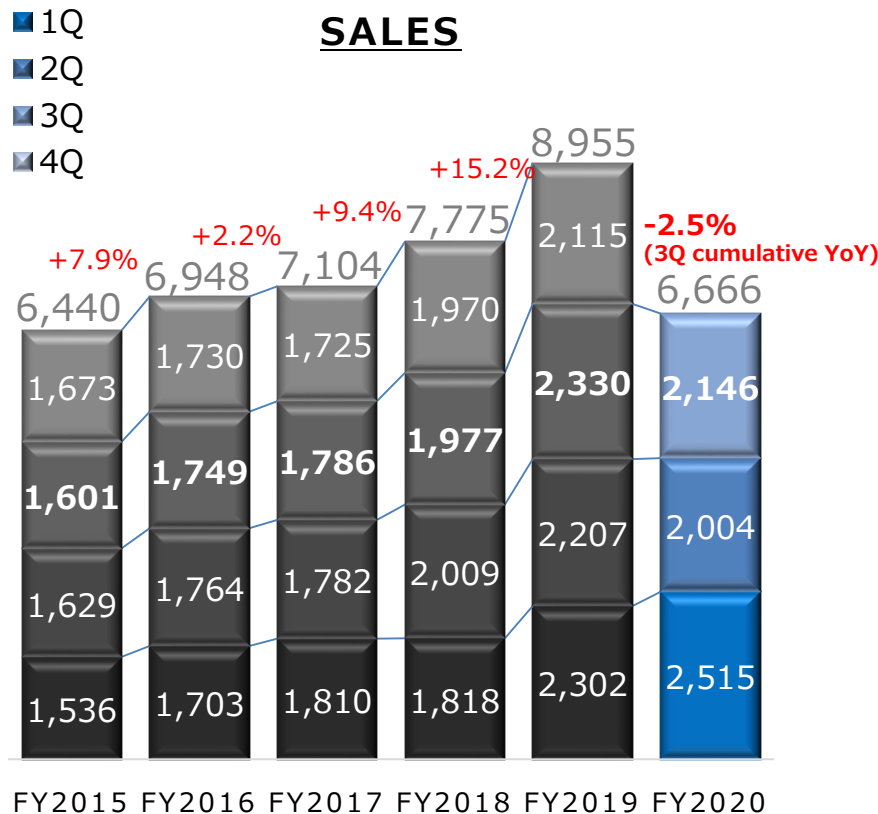
Develop sales activities that accurately capture the growing companies' needs to reduce costs (communication charges, electricity charges, etc.) and support teleworking due to the spread of COVID-19.

The acquisition of monthly website production service "Vision Crafts!" is strong.

Efforts to increase stock earnings (recurring revenues), which will be the earnings base for the next fiscal year and beyond.

Develop SaaS model services that reduce initial installation costs.

(JPYmn)



(Note) Regarding the quarterly results in FY2015, the year-on-year ratio is for reference, because the quarterly financial statements have not been prepared.



# Consolidated Balance Sheet



Equity ratio: **78.7%** (Approx. **+0.3% points** from the previous quarter)

Cash and deposits: Increase by JPY340mn due to profitability.

\* Commitment line (set in May 2020) and other overdraft lines are not executed.

(JPYmn, %)

	As of Sep. 30, 2020	As of Jun. 30, 2020	Change	Ratio of change	As of Dec. 31, 2019	Change	Ratio of change
<b>Total assets</b>	<b>11,046</b>	<b>10,894</b>	<b>+151</b>	<b>+1.4</b>	<b>15,173</b>	<b>-4,126</b>	<b>-27.2</b>
Current assets	8,689	8,580	+108	+1.3	11,792	-3,103	-26.3
Cash and deposits	6,079	5,738	+340	+5.9	8,485	-2,406	-28.4
Non-current assets	2,357	2,313	+43	+1.9	3,381	-1,023	-30.3
<b>Total liabilities</b>	<b>2,330</b>	<b>2,329</b>	<b>+1</b>	<b>+0.1</b>	<b>4,268</b>	<b>-1,937</b>	<b>-45.4</b>
Current liabilities	2,271	2,304	-32	-1.4	4,222	-1,950	-46.2
Non-current liabilities	58	24	+34	+137.3	46	+12	+27.8
<b>Total net assets</b>	<b>8,716</b>	<b>8,565</b>	<b>+150</b>	<b>+1.8</b>	<b>10,905</b>	<b>-2,188</b>	<b>-20.1</b>
<b>Total liabilities and net assets</b>	<b>11,046</b>	<b>10,894</b>	<b>+151</b>	<b>+1.4</b>	<b>15,173</b>	<b>-4,126</b>	<b>-27.2</b>
<b>Equity ratio</b>	<b>78.7</b>	<b>78.4</b>	<b>+0.3</b>	<b>-</b>	<b>71.7</b>	<b>+7.0</b>	<b>-</b>

# FY2020 Forecast of Financial Results



# Financial Forecast Revision



(JPYmn, %)

Items	FY2020 Forecast after revision	FY2020 Forecast before revision	Change	Ratio of change	FY2019 Result
<b>Sales</b>	<b>16,700</b>	<b>16,700</b>	—	—	<b>27,318</b>
Cost of sales	7,811	7,816	-4	-0.1	11,627
Gross profit	8,888	8,883	+4	+0.1	15,690
Gross profit margin	53.2	53.2	+0.0	—	57.4
SG&A expenses	8,830	9,203	-373	-4.1	12,365
SG&A-to-sales ratio	52.9	55.1	-2.2	—	45.3
<b>Operating profit or loss (-)</b>	<b>58</b>	<b>-320</b>	<b>+378</b>	—	<b>3,325</b>
<b>Operating profit margin</b>	<b>0.3</b>	<b>-1.9</b>	<b>+2.3</b>	—	<b>12.2</b>
<b>Recurring profit</b>	<b>167</b>	<b>-213</b>	<b>+381</b>	—	<b>3,358</b>
<b>Profit or loss (-) attributable to owners of parent</b>	<b>-1,226</b>	<b>-1,601</b>	<b>+375</b>	—	<b>2,226</b>

# Segment Forecast Revision



(JPYmn, %)

Segment Forecast		Forecast after revision	Forecast before revision	Change	YoY
Sales		16,700	16,700	—	—
	“GLOBAL WiFi”	7,293	6,971	+322	+4.6
	Information and Communications Service	8,812	9,079	-266	-2.9
	Subtotal	16,105	16,050	+55	+0.3
	Others	598	661	-62	-9.5
	Adjustments	-4	-11	+6	—
Segment profit or loss (-)		58	-320	+378	—
	“GLOBAL WiFi”	-54	-234	+180	—
	Segment profit margin	-0.7	-3.4	+2.6	—
	Information and Communications Service	1,511	1,400	+111	+7.9
	Segment profit margin	17.2	15.4	+1.7	—
	Subtotal	1,457	1,165	+291	+25.0
	Others	-405	-413	+8	—
	Adjustments	-994	-1,072	+77	—

# Performance for the Full Year (Quarterly Change)



(JPYmn, %)

		1Q	2Q	3Q	4Q	FY
FY2017	Sales	4,326	4,024	4,827	4,377	17,554
	Composition ratio (vs. FY)	24.6	22.9	27.5	24.9	—
	Operating profit	513	336	688	249	1,788
	Composition ratio (vs. FY)	28.7	18.8	38.5	13.9	—
	Operating profit margin	11.9	8.4	14.3	5.7	10.2
FY2018	Sales	4,922	4,933	5,961	5,686	21,503
	Composition ratio (vs. FY)	22.9	22.9	27.7	26.4	—
	Operating profit	736	499	900	348	2,484
	Composition ratio (vs. FY)	29.6	20.1	36.2	14.0	—
	Operating profit margin	15.0	10.1	15.1	6.1	11.6
FY2019	Sales	6,470	6,467	7,610	6,770	27,318
	Composition ratio (vs. FY)	23.7	23.7	27.9	24.8	—
	Operating profit	980	710	1,280	354	3,325
	Composition ratio (vs. FY)	29.5	21.4	38.5	10.7	—
	Operating profit margin	15.1	11.0	16.8	5.2	12.2
FY2020	Sales	5,989	3,641	3,477		16,700
	Composition ratio (vs. FY)	—	—	—		—
	Operating profit or loss (-)	488	-503	73		58
	Composition ratio (vs. FY)	—	—	—		—
	Operating profit margin	8.1	-13.8	2.1		0.3

# Efforts to Make in FY2020

(Growth Strategy Focusing on with COVID-19 and after COVID-19)



# Policy on Growth Strategy (for Entire Group)



## Current situation

### **“GLOBAL WiFi” Business**

The monthly loss has improved to approx. -JPY10mn.

### **Information and Communications Service Business**

Products and services related to reduce costs and improve operational efficiency are strong due to the growing companies' needs under the spread of COVID-19.

## Policy

### **Turn “GLOBAL WiFi” Business into a profitable on a monthly basis.**

Actively sell domestic Wi-Fi.

Build a low-cost operation system when overseas travel demand gradually recovers.

Correspond to next-generation communication standards and technologies (5G and eSIM, etc.).

### **Accelerate the growth of Information and Communications Service Business.**

Develop businesses and services that leverage our strength of capturing newly established companies.

Strengthen sales of SaaS model products, which will be the earnings base for the next fiscal year and beyond.

### **Actively engage in new businesses, new products and services.**

Make the most of corporate culture, organizational structure, business partners, and customer assets.

Provide products and services that meet the high needs of existing customers in “GLOBAL WiFi” Business and Information and Communications Service Business through cross selling.

**Return to profitability by deep diving into existing businesses and growing.**

**Build a business and organizational structure that earns more profits and profit margins than previous years by new business (service) profits and building low-cost operation systems.**



# "GLOBAL WiFi" Business

## Current Situation and Future Policy



### Current situation

**Due to the spread of COVID-19, travel demand has stagnated worldwide due to measures such as restrictions on overseas travel and going out in many countries including Japan.** Number of overseas travelers from January to September\*: Both outbound and inbound decreased by approx. 80% YoY. \*Refer to the materials released by Japan National Tourism Organization (JNTO). **The urgent business travels by corporations (corporations and government agencies, etc.) have recovered slightly.**

### Policy

**Continue to turn profitable by operating the business at the lowest cost, assuming that overseas travel will not recover even within 2020 or 2021.** After the recovery of overseas travel, aim to maximize profit margin and increase market share by organizing to operate with the minimum personnel, improving operational efficiency, and improving convenience.

#### Strengthen Domestic Wi-Fi Sales

Strengthen sales expansion of a mobile Wi-Fi for teleworking.  
Strengthen sales expansion for local governments & educational institutions.  
Start providing "Special plan for data contracts" for online classes.  
Install a dedicated dial for local governments & educational institutions.  
Actively expand domestic plan options of "Global WiFi for Biz" for corporate customers.

#### Personnel

Focus on expanding domestic Wi-Fi sales.  
Employees other than those who engage in the development of new technology will be transferred to Information and Communications Service Business etc.  
Use employment adjustment subsidy (for businesses affected by the COVID-19 pandemic), and employment adjustment (leave) for some personnel.

#### Shipping center

Utilize as a shipping center for other businesses such as Information and Communications Service Business (reduce outsourcing costs for the entire group).

#### Airport counter

Close some counters and shorten business hours.  
Advance Smart Strategy (Expand unmanned shops, Smart Pickup + SIM vending machine, etc.).  
Add new delivery method (convenience store).  
Significantly streamline the system (reduce fixed cost).

#### Cost reduction

Suspend and cancel SIMs with fixed costs. \*No fixed cost for a pay-as-you-go SIM.  
Reduce advertising expenses.  
Reduce travel expenses and travel time by switching to business negotiation with Zoom.

#### New services

Launch the service "Interpretation and Dubbing.com."  
Plan and develop new services for corporate and individual customers traveling overseas.  
Business tie-ups with domestic and overseas business partners other than "GLOBAL WiFi" Business.

# Strengthen Domestic Wi-Fi Sales



**Acquire usage needs by leveraging the price, rich lineup, product inventory, various communication plans that meet customers' needs, remote support, marketing, brand (GLOBAL WiFi), and customer base.**

Strengthen sales expansion of a mobile Wi-Fi for teleworking.

Strengthen sales expansion of a mobile Wi-Fi for educational institutions and local governments.

\*Osaka introduced 3,300 units, and we are also currently in negotiation with the Board of Education etc. in other regions.

**“GLOBAL WiFi for Biz” for corporate customers**

Actively expand sales of domestic plan options.



**Available in Japan / For online classes**  
**Wi-Fi rental for teleworking**

- Over 100 units available
- Zero office fee
- Corporate plan available

**Recommend for teleworking!**

**Can be used immediately without any construction work!**

**Start teleworking immediately without an internet environment!**



**For school and educators**  
**Wi-Fi rental for online classes**

- Provides quotes the same day, and delivers the next day at the earliest
- Laptop, tablet available
- Easy to set up

**Introduction record: Used by many schools for online class.**

Tokyo University, Waseda University, Seijo University, Hokkaido University of Education, Aichi Shukutoku University, Shizuoka Sangyo University, Shizuoka Prefectural University, Osaka University of Economics, Hyogo Prefectural University, Okayama Prefectural University, Nagoya Medical and Health Sports College, Tokyo Design Technology Center

# Efforts to Popularize Online Learning “GIGA School Concept”



**To realize an educational ICT environment that is individually optimized for each child and fosters creativity**

**- One device for each person as a standard in the Reiwa era -**

Contribute to promote online learning in the “GIGA School Concept” by expanding the options which local governments can choose data communication costs, Wi-Fi routers and data communication contracts this year and beyond.

Local governments purchase “cloud-type Wi-Fi routers” and distribute them to homes that require a communication environment.

Each home makes a data communication contract and can use a data communication service.



Online class

**GIGA**  
**School Concept**



**Dedicated dial for  
local governments  
and educational  
organizations**

**Our 4 strengths  
utilizing our unique cloud technology**



Many other benefits...



# New Service “Interpretation and Dubbing.com”

## Launch the service of online/offline business negotiations and conference interpretation, video translation/dubbing.

Business negotiations, conferences, and IR meetings (Japanese ⇄ foreign language) with overseas companies and investors at web meetings such as ZOOM and conference calls.

Create an English dubbed video for overseas investors (Japanese ⇄ foreign language).

Create dubbed videos in foreign languages such as English and Chinese (foreign language ⇄ Japanese).

Dubbed videos in any foreign language into Japanese such as AI, 5G, autonomous driving, IoT, finance (for in-house training videos, etc.).

Meetings and social gatherings with employees of global affiliated companies, etc.

“Beyond the language barrier, make your business more global.”

Provide interpretation, translation, and dubbing services that can be used in various business situations at reasonable prices.



# "GLOBAL WiFi" Business Profit Structure



Items	Summary
<b>Sales</b>	<p><b>Overseas</b>  <b>Regular rental :</b>  <b>Rental price per day × number of days used</b>  Average: JPY1,000/day, Average number of days used: 7 days  Options such as insurance, mobile battery, etc.  <b>GLOBAL WiFi for Biz :</b>  Monthly charge (JPY1,970) + data communication fee (plan) × number of days used</p> <p><b>Domestic</b>  <b>Rental price per month (available for rental from 1 day)</b>  Average: Approx. JPY5,000/month, Average days used: 1.5 months (45 days)</p>
<b>Cost of sales</b>	<p><b>Data communication (telecom carriers in the world)</b>  <b>Terminal price (mobile Wi-Fi routers)</b>  Recorded as rental asset (recorded by 2-year depreciation)  <b>Outsourcing (commission paid to sales agents), etc.</b></p>
<b>SG&amp;A expenses</b>	<p><b>Personnel, advertising, shipping delivery, business consignment, credit card payment, etc.</b>  <b>Operation and rent of shipping centers, airport counters, customer centers, etc.</b>  <b>Other SG&amp;A expenses, etc.</b></p>

# Changes in Monthly Cost and Segment Profit

"GLOBAL WiFi" Business

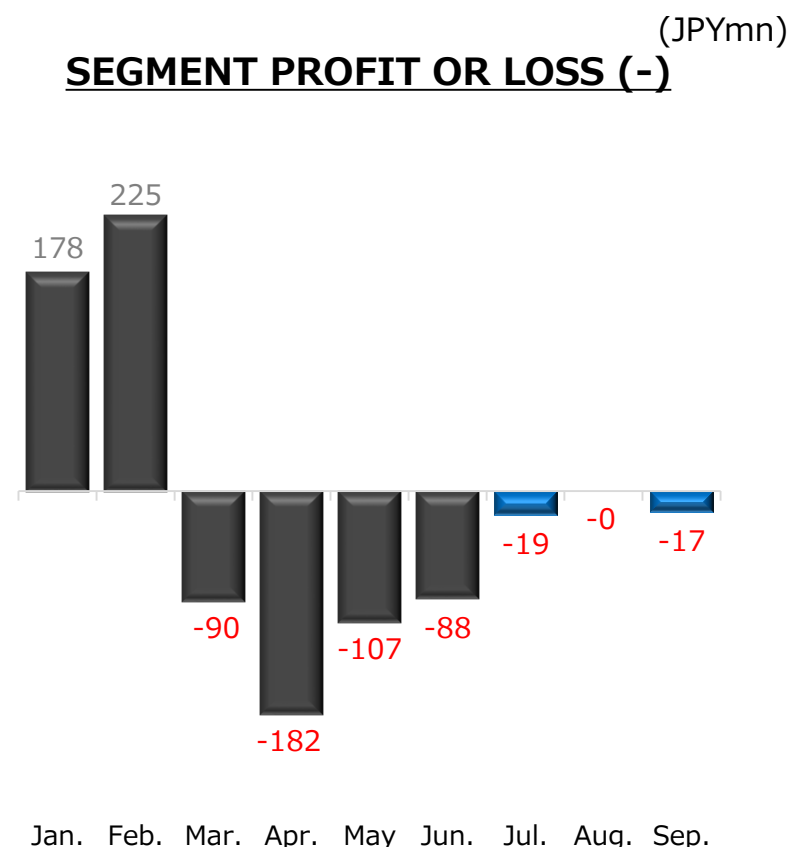
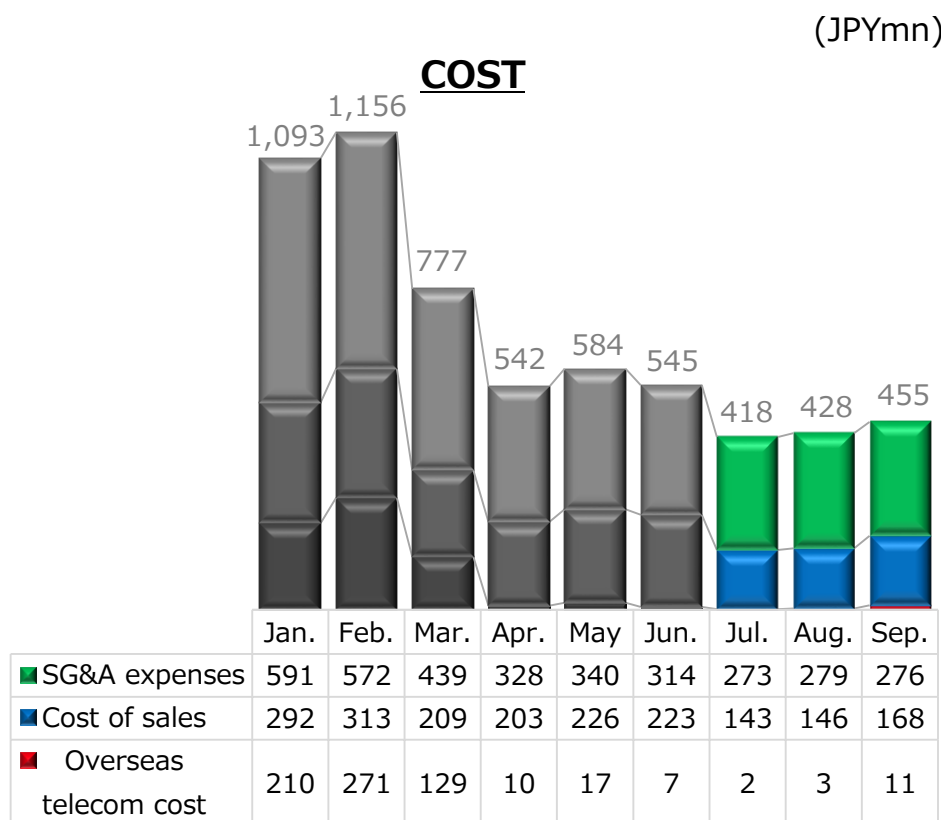


## Recover to profitability due to domestic Wi-Fi rental revenue.

Reduce costs by pay-as-you-go purchase contract with no communication costs unless communication occurs.

Depreciation costs decreased significantly due to the impairment loss of fixed assets in the business (approx. JPY1.2bn), recorded in FY2020/2Q.

Cost structure that changes depending on the number of rentals: communication costs, shipping delivery costs, credit card payment fees, etc.



(Note) The figures are different from those of the segment results because they are monthly changes in profit and loss which do not include closing.

# Utilize "CLOUD Wi-Fi Router"

## A Wi-Fi router with next-generation communication technology that manages SIM on the cloud

No need to insert/change SIM physically.

Communication lines all over the world can be used with only one device.

The device settings can be adjusted remotely in case of a communication problem.

Can change the plan (data capacity) during the rental.

## Make the most of the characteristics of the CLOUD Wi-Fi router.

Convert the Cloud Wi-Fi router used for overseas communication service to the domestic Wi-Fi router.

Since a physical SIM card is not inserted in the router, it can be assigned to other routers depending on the communication status.

\* It can be operated even in the case that the number of rentals is more than the number of SIMs (efficient operation of communication costs).





# Pick-up at Convenience Store Started

**Based on user's convenience, start a service you can pick-up a Wi-Fi router at Seven-Eleven throughout Japan (excluding Okinawa) near your workplace or home.**

You can pick it up at midnight if the store is open.

Offer options to avoid crowded places where people gather, such as airport counters.



You can pick-up  
at **Seven-Eleven** near  
you.



**At Seven-Eleven  
near you**



You can pick it up at  
Seven-Eleven near you.

**At anytime**



You can pick it up even at  
midnight if the store is open.

**Ready-to-go  
in advance**



You don't need to wait at the  
airport counter.

# Pick-up at Airport Counter and Smart Pickup



**Receive and return at domestic 18 airports, 39 counters, 36 Smart Pickup units, and return BOX.**

Installed automatic pick-up lockers at 11 airports.

**Newly opened counter: 1 counter** \*FY2020/3Q cumulative period

Haneda Airport Terminal 2

**Newly installed Smart Pickup: 5 units** \*FY2020/3Q cumulative period

Komatsu Airport, Narita Airport Terminal 3, Kita-kyushu Airport, Chubu Centrair International Airport Terminal 2, Kagoshima Airport

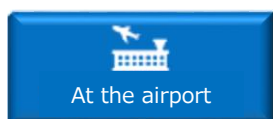
**The service level is optimized according to customer.**

Eliminate waiting time for customers who do not need explanation such as repeaters (Utilize Smart Pickups).

Airport staffs respond to customers who need explanation (Utilize airport counters).

**The highest number of airport counters in the industry**

**Receive and Return according to customers' needs**



## Airport and other places to receive/return in Japan

Hokuriku/Koshinetsu	Hokkaido/Tohoku
Niigata Airport	New Chitose Airport★
Komatsu Airport★	Asahikawa Airport
Kyushu/Okinawa	Sendai Airport
Fukuoka Airport★	Kanto
Kita-kyushu Airport★	Narita Airport★
Oita Airport	Haneda Airport★
Miyazaki Airport	SHIBUYA"CHIKAMICHI"
JR Miyazaki Sta.	Tokai/Kansai
Kagoshima Airport★	Kansai Airport★
Naha Airport	Chubu Airport★
Miyako Shimojishima Airport★	Shizuoka Airport
	Itami Airport★

# Accelerate to Expand Unmanned Shops

## Accelerate to expand unmanned shops with vending machines.

### Target airports

Kita-kyushu airport, Miyako Shimojishima Airport

\* Plan to add more in the future.

### What units are installed?

Smart Pickup + Return BOX

(Available for pick-up and return)

### Features

Non-face-to-face receipt even during busy seasons without waiting at the airport counter (for repeaters who do not need explanation, effective against COVID-19).

Respond to customers early in the morning and late at night, when there are needs, but it is difficult to secure human resources.

Also install vending machines for pre-paid SIM for domestic use mainly for foreign travelers visiting Japan and those who are temporarily back to Japan. Available to add touch points with space-saving and low-cost (improve convenience and increase profits).



# Expand Service Areas for Unlimited Plan

Recently we tend to consume large amounts of data communication capacity, such as diversified smartphone apps, transmission and reception of large-volume images and videos, and SNS posting.

Popular to share with multiple people such as friends and family members, and to use multiple devices (smartphones, tablets, laptops, etc.) for business.

⇒ Expand the service areas responding to a request for the plan that can be used without worrying about data capacity.

Choice ratio of unlimited plan increased in both corporate and individual users (over 40%). ⇒ Improve ARPU.



Data  
capacity

**Start offering an unlimited plan**

**Further expanded  
the coverage area.**

Available in **91 countries**

## What's an unlimited plan?

"Unlimited plan" with unlimited data capacity was born from the voice of customers who want to use without worrying about the data capacity.

### Changes in the number of service countries

Feb. 2019	4
Jun. 2019	71
Sep. 2019	72
Dec. 2019	73
Mar. 2020	74
Jun. 2020	91



# Information and Communications Service Business

## Current Situation and Future Policy



### Current situation

**Support a sudden change in work style associated with the spread of COVID-19.**

Acquire needs to reduce costs (various communication charges) and improve operational efficiency.

Respond to teleworking (mobile communication equipment such as cell phones and improvement of infrastructure environment).

### Policy

**Provide products and services responding to changes in work styles (Plan and sell teleworking support products).**

**Establish a sales style that is not tied to working place. Maximize productivity per person.**

**Increase stock revenue, which underpins stable growth.**

#### Plan and sell teleworking support products

Vision Web Service: VWS series  
SNS for business: JANDI  
Web meeting and online business negotiation system: meet in  
Telephone agency service: te-le-re  
Plan and sell in-house operated and renovated services at any time.

#### Sales style that is not tied to working place

Promote teleworking actively.  
Strengthen online sales.  
Strengthen inside sales.  
Minimize visiting sales.  
Expand sales area.  
Reduce operating costs (travel expenses, overtime pay, etc.)

#### Maximize productivity per person

Maximize number of negotiations (no travel time).  
Acquire negotiation appointments using Web marketing know-how with over 15 years experience.  
Improve productivity through uniform training.  
Thoroughly analyze customer attributes.  
Strengthen retention CRM.

#### Expand sales of cost reduction products

Provide various telecommunication discount services (fixed-line, mobile, internet).  
Monthly website production service "Vision Crafts!"  
Provide products and services with less initial installation costs.

#### Hybrid Synergy model

Web marketing + CLT (customer center) + sales  
Cross-function organizational structure.  
Make the most of our customers' assets.  
Escalation (cooperation between divisions, customer introduction)

#### Increase stock revenue

In addition to existing stock revenue, expand profits by developing in-house services including online services, corporate mobile maintenance service "Garasapo," website maintenance service, strengthen sales such as LED sales, etc.  
Increase customers by business alliance.

# Gross Profit Composition

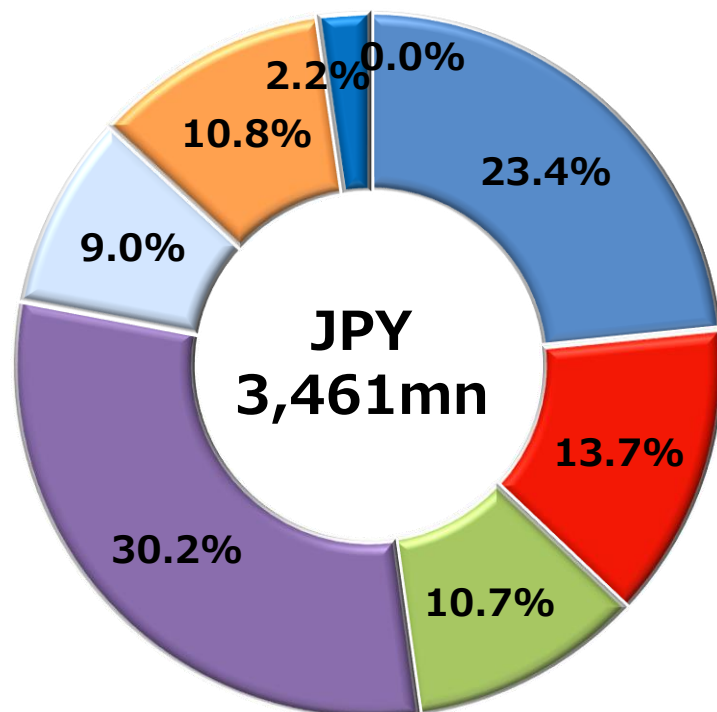
Sales of mobile communication equipment are strong (increase number of companies introducing teleworking).

Orders for "Vision Crafts!", a monthly website production service that can reduce initial installation costs, are steadily growing.

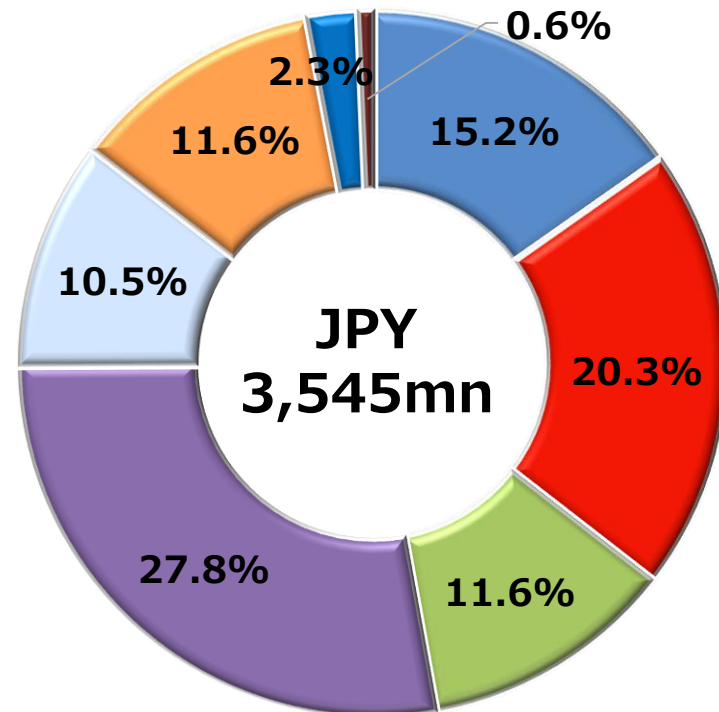
Decrease orders for OA equipment sales under lease contracts, partly due to the decline in domestic leasing transaction volume.

\* Refer to the materials released by Japan Leasing Association.

**3Q FY2019 Cumulative**



**3Q FY2020 Cumulative**



■ Fixed-line communications
■ Mobile communications  
■ Broadband
■ Office automation equipment  
■ Internet media
■ Eco solution  
■ Construction related
■ Other

■ Fixed-line communications
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■ Other

(Note) The figures are different from those of the segment results because they are monthly changes in profit and loss which do not include closing.

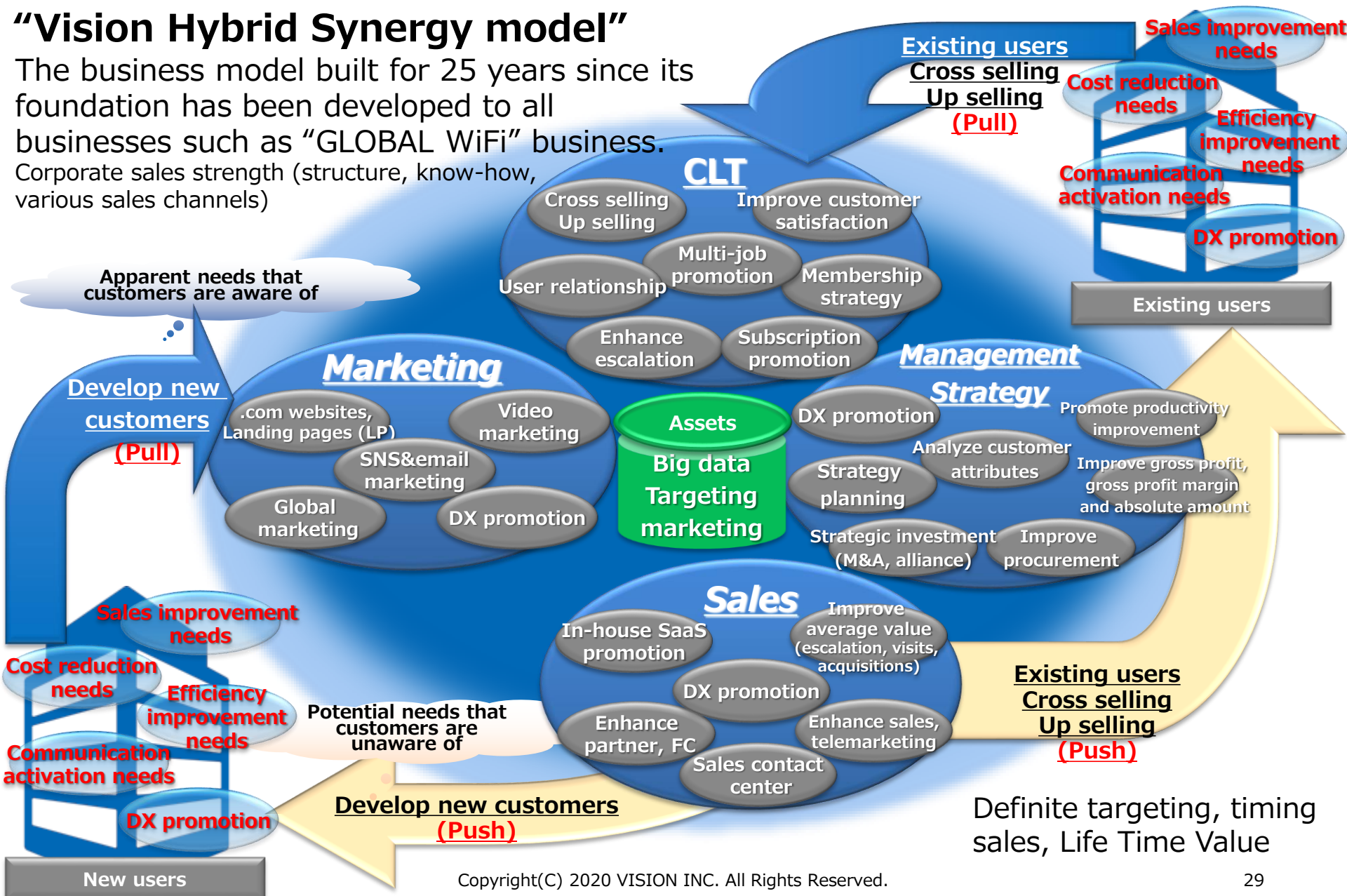
# Information and Communications Service Business Business Model



## “Vision Hybrid Synergy model”

The business model built for 25 years since its foundation has been developed to all businesses such as “GLOBAL WiFi” business.

Corporate sales strength (structure, know-how, various sales channels)



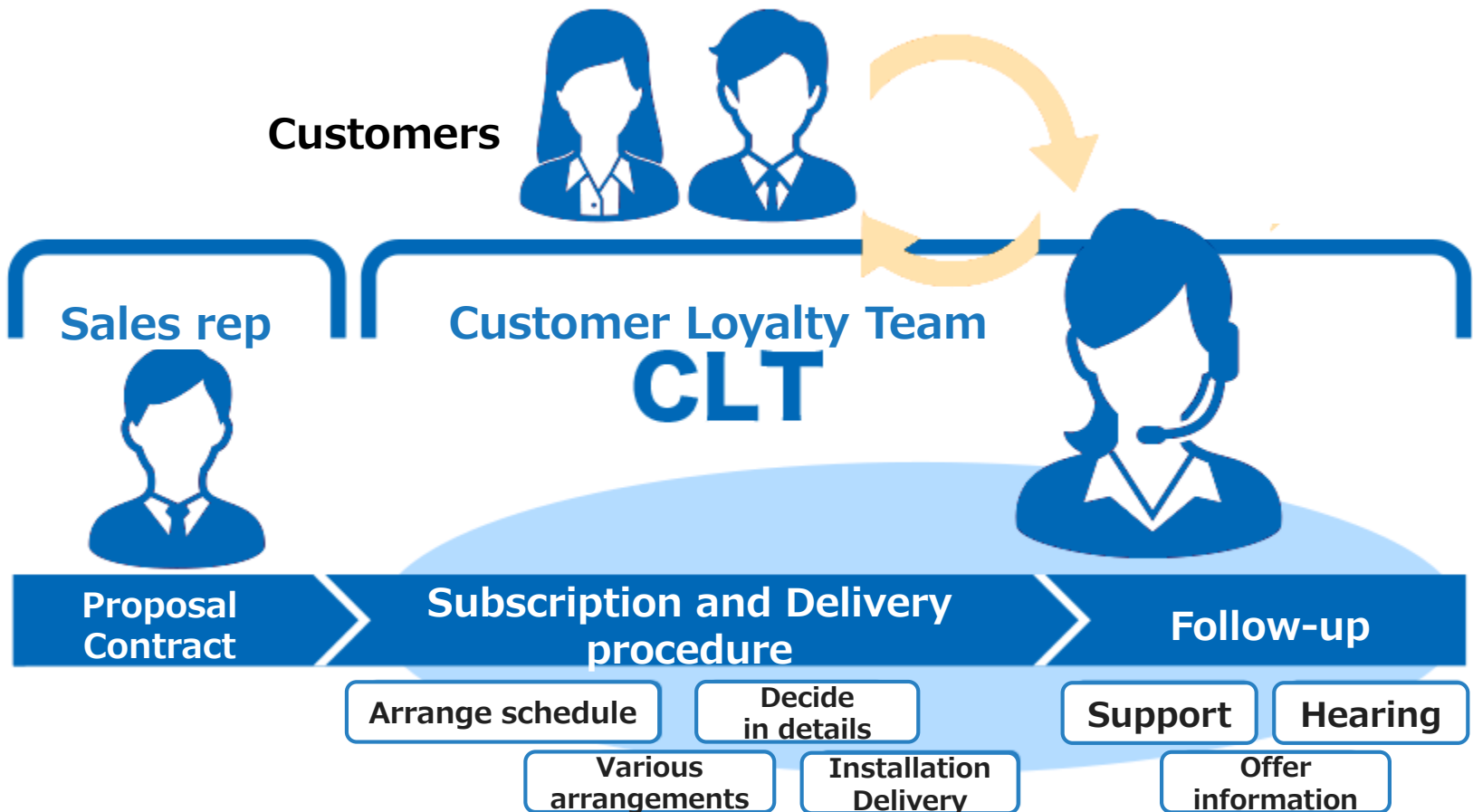


Create values with advanced operations

## Customer Loyalty Team (CLT)

From delivery procedure to follow-up

Covers a wide range of operations



# “High Efficiency” Marketing

“High efficiency” marketing with combined three factors:  
web marketing × sales rep × CLT



# Escalation

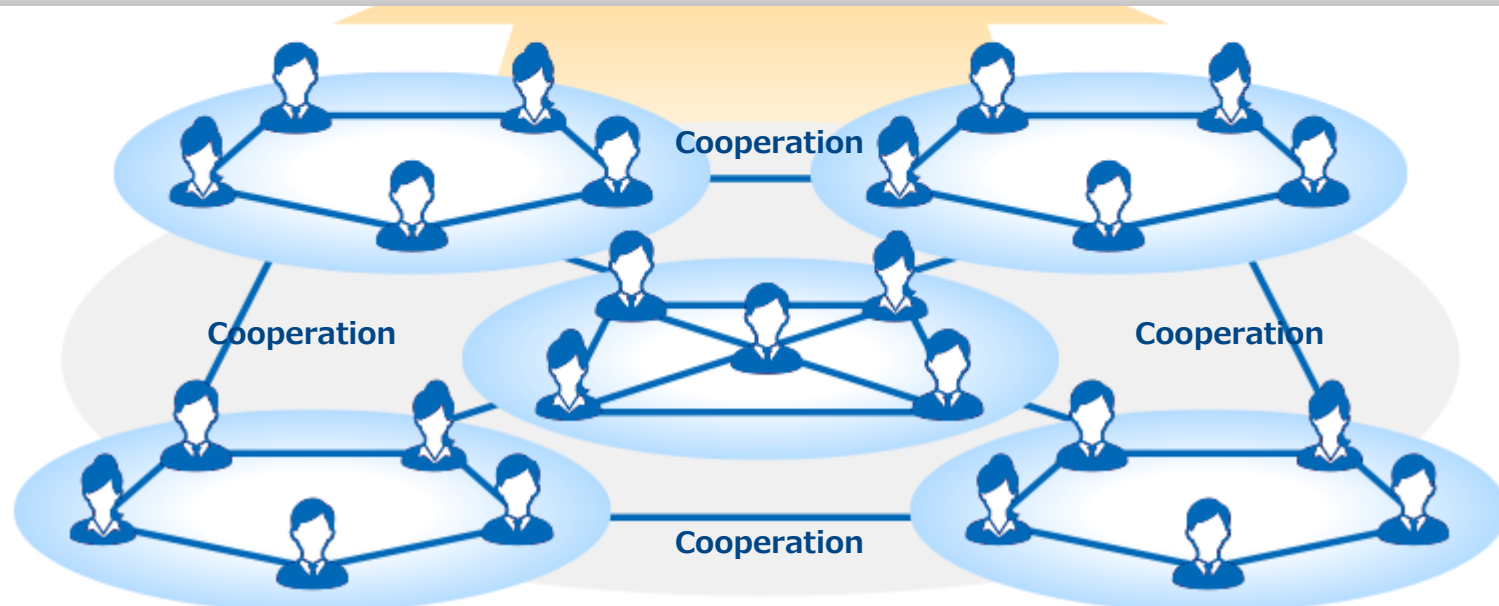
(Cooperation among Divisions, Customer Referral)

**Organization culture that creates continuous evolution**

**High productivity created by escalation system (cooperation among divisions and customer referral)**



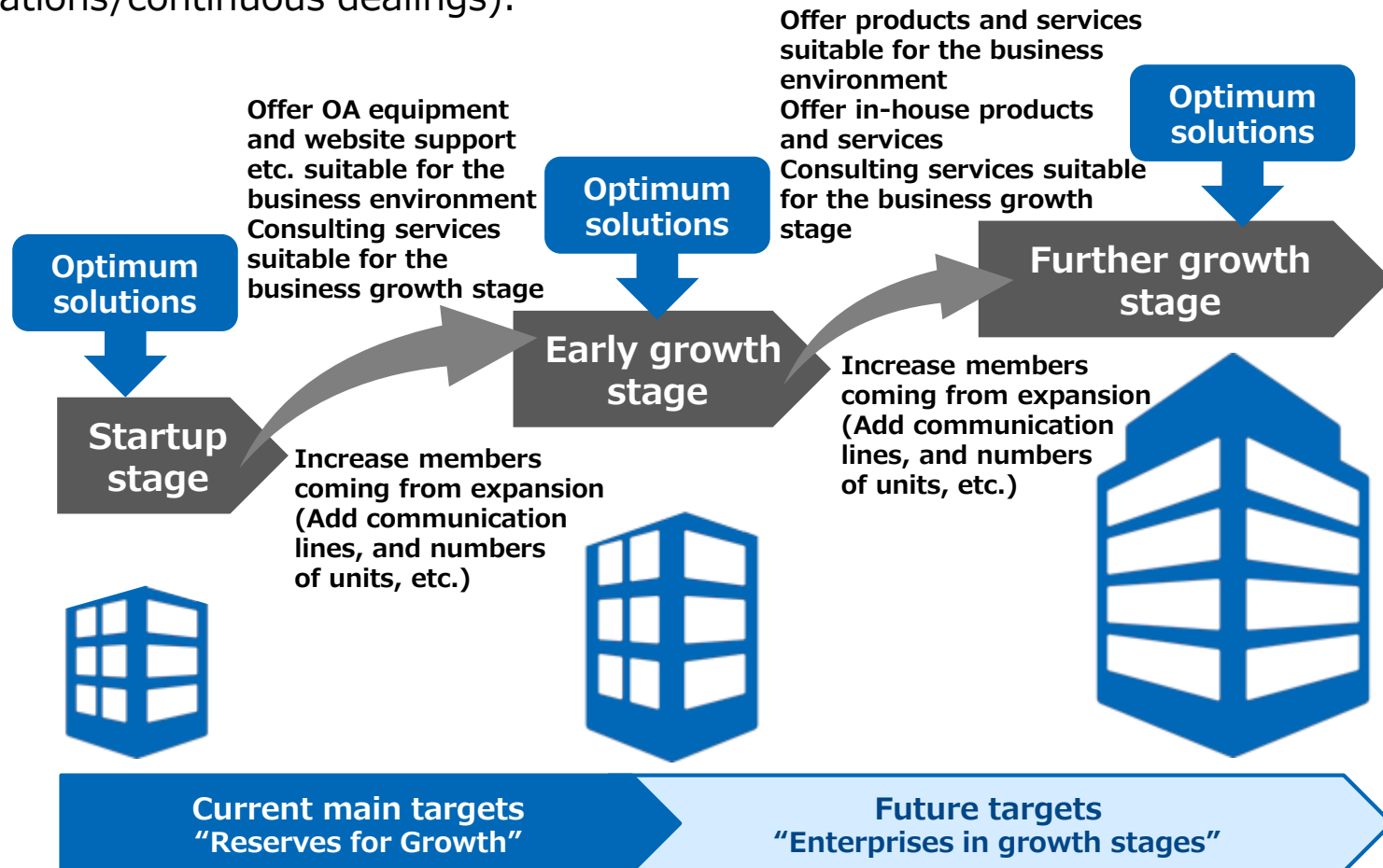
**Improve productivity through flat and open culture,  
and the “escalation system” promoting cooperation among divisions**



## Stock-type Business Model

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

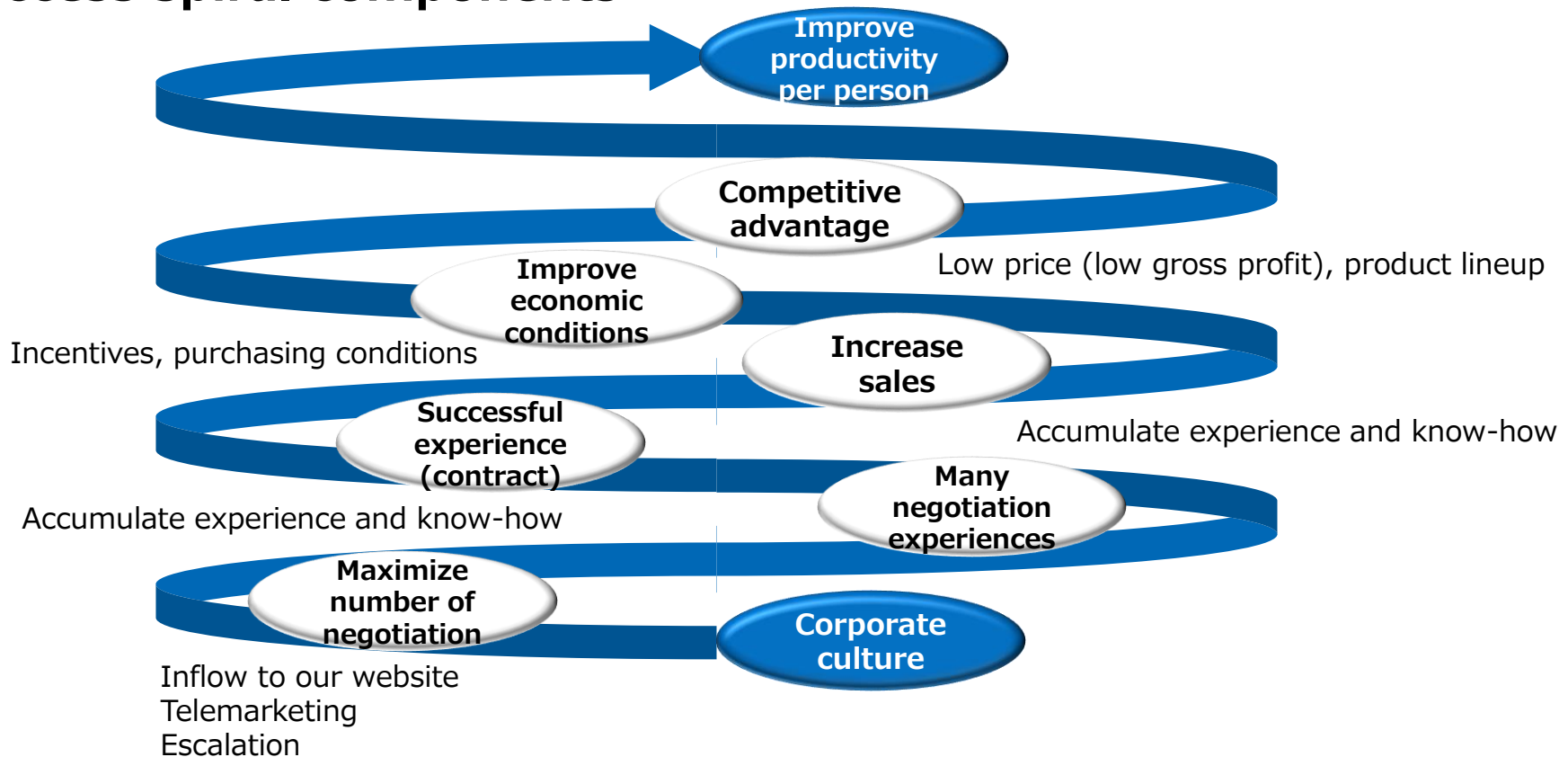
Structure that accumulates profits by our original know-how CRM (customer relations/continuous dealings).



# Maximize Productivity per Person

Maximize productivity per person by creating a success spiral of corporate culture (escalation culture, cross-function organizational structure), business model, and sales structure.

## Success spiral components



# Provide Products and Services Responding to Changes in Work Styles



In-house developed or used services are expanded to users.

Provide the required functionality in the cloud as needed.

Reduce users' costs (installation and running).

Expand the VWS (Vision Web Service) series.



## VWS series (Attendance, workflow)

<月額利用料金>

**VWS勤怠**

初期費用とサポート費用  
**0円**

200円/人

最低5AC ~ (1,000円~)



しかも、VWS勤怠は、  
無料のチャット機能付き！

- クラウド
- トークチャット
- メッセージ履歴
- チームメンバー
- 出勤率
- 出勤遅刻入力
- カレンダー
- データ連携

**VWSフロー**

申請 承認 承認 保管

社内承認・経費計算システム

## SNS for business (JANDI)

**JANDI**

クラウドコミュニケーションによる、  
意思決定の加速。

**FREE!**  
¥0

新規登録無料!!

詳しくはこちら>



不要なミーティング 社内メールコミュニケーション

29%↓ 82%↓

業務の生産性

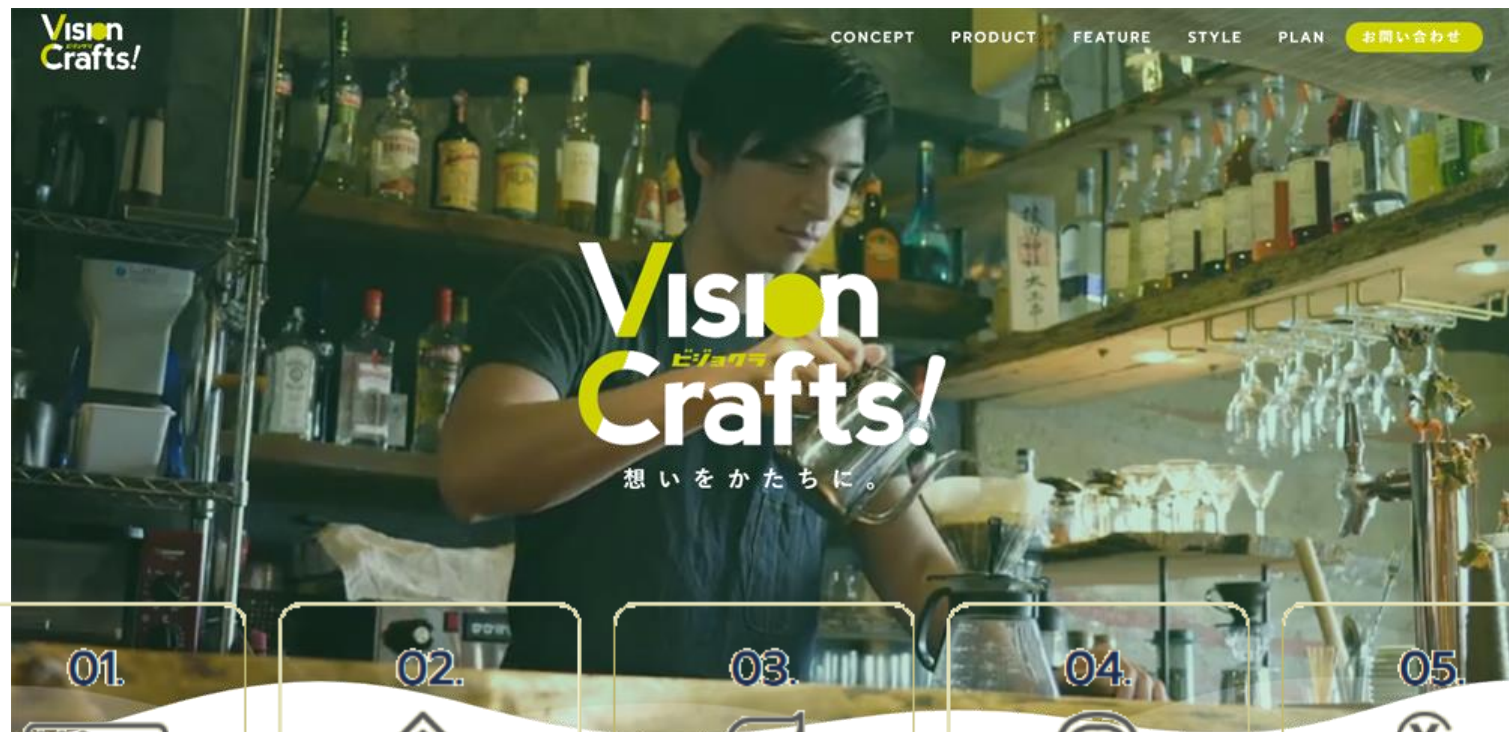
**56%↑**





## Sales of monthly website production service “Vision Crafts!” are strong.

Utilizing over 100 website production experiences per month, we provide production service of website that customers can easily create and “visually convey!” at a low price (from JPY3,980/month).



01.



Simple!  
Website update

02.



Abundant  
design materials

03.



Reliable staff  
before opening

04.



How to use!  
Support desk

05.



All from 3,980  
yen/month



# **Sustainable Growth and Corporate Value Improvement**

## **- ESG Activities -**



# Sustainable Growth and Corporate Value Improvement - ESG Activities

## Environment

Measures against global warming  
Promote ECO and recycling  
Activities to support disaster areas

## Corporate Governance

Strengthen corporate governance  
Promote risk management  
Strengthen compliance

## Related main SDG items

**E**

**Environment**

**G**

**Governance**

**S**

**Social**

## Recruitment/Employment

Various recruitment channels  
Recruitment advantages

## Work-style Reform

Personnel system suitable for the times  
Unique benefits



# Environmental Activities



Environmental

環境



GSLを通じて環境貢献に取り組んでいます。

震災リゲイン



Provide iPad



Video conference



Electronic form (workflow)  
Utilize internal SNS



Acquire a "Green Site License" to offset the carbon footprint of our website.

\* **Support the environment with "Green Electricity"** for our website's CO2 reduction.

**Support and cooperate with the organization which provides information, supports activities in disaster areas, and provides assistance to various activities** to "realize a society where people can support each other in times of earthquake disasters."

**Offer reasonable LED by rental.**

## Paperless efforts

Provide iPad to sales staff, etc.

Utilize video conference (reduce unnecessary traveling).

Utilize electronic forms and internal SNS actively.

Select recyclable suppliers.



Social  
社会

## Various recruitment channels

Fair recruitment, referral recruitment, active female recruitment (Female employee ratio: 33%).

Hire multinational employees (Foreign nationals: 16.2% (full-time)).

Hire disabled people ("Meiro-juku," local group to support disabled people; continuously awarded since 2015).



## Introduced personnel system suitable to the times and unique benefits.

Shorter working hours, shift and flextime systems

Half-day leave/hour leave (paid leave) applied, spouse birthday leave (special leave)

Drink benefit (for summer season), influenza vaccination subsidy



## Average annual income continues to increase.

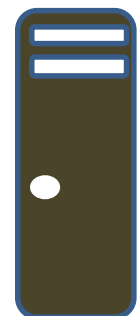
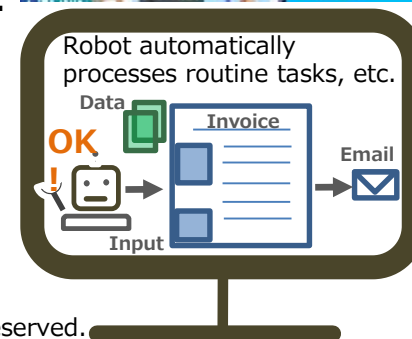
Improve work efficiency.

\* Utilize AI chatbot, RPA, etc., actively.

Improve productivity.

Shift to high-value-added works.

Make payments of commission, achievement allowance, and performance-linked bonus.





## “Vision Kids Nursery” run as company-led childcare business

For childbirth and childcare, which are both big events in employees' lives, implement measures to make rules of employment more flexible, expand leave systems, and promote taking leave (current status)

⇒ Provide a more comfortable work environment (a sense of security that children are nearby) than ever before.

\* Establish a childcare facility within a site of CLT, where female employees account for more than 90%.

It is easy to return to work, so hire employees who are motivated to work in a parenting generation

⇒ **One of sources of sustainable growth**





## **Support Japan Heart's activities -"to deliver healthcare to medically-isolated areas."**

Japan Heart is an International medical NGO originated in Japan, which was established by the founder Hideto Yoshioka (pediatrician) in order to improve the quality of medical support activities, based on his many years of medical experience in foreign countries.

Many medical workers and volunteers from Japan have supported the organization, more than 4,500 volunteers have participated in the activities, and more than 200,000 treatments have been conducted in developing countries.

### **Japan Heart's activities**

There are four areas where medical care is difficult to deliver.

One is developing countries suffering from poverty and shortage of doctors.

One is remote areas and isolated islands in Japan.

One is inside children's heart who fight diseases. One is the large-scale disaster-stricken areas.

Japan Heart is working to deliver medical care to these four areas.

### **Our support for Japan Heart**

Agreeing with the activities of Mr. Yoshioka and Japan Heart, our Company supports them



**by offering GLOBAL  
WiFi for free,  
and by donating a part  
of our sales.**



## Governance

コーポレート・ガバナンス

### Independent officer system

Total number of Directors: 6

(including independent outside directors: 3 / Male: 5, Female: 1)

⇒ Business owners with rich experiences in web marketing, inbound business, and the financial industry/global business.

Total number of Audit & Supervisory Board Members: 4

(Independent outside auditors: 4)

⇒ CPAs, prosecutors/lawyers, and business owners.



### Strengthen information security

ISMS (Information Security Management System) certification

Certified under the international standard "ISO/IES 27001."

Established and has operated the Information Security Committee.



### Compliance, risk management, and internal control activities

Conduct training sessions regularly.

# Treasury Share Acquisition

(Resolved by the Board of Directors' Meeting on February 21, 2020)



\* Excerpt from "Notice Regarding Decision to Acquire Treasury Shares" on Feb. 21, 2020, and "Notice regarding the status and completion of treasury share acquisition"

## Purpose

Taking into cash on hand, share price, and other factors comprehensively, conduct acquisition of treasury shares flexibly to improve capital efficiency.

Items	Details
Class of shares acquired	Common stock of the Company
Total number of shares acquired	909,000 shares Percentage of issued shares (excluding treasury shares): 1.89%
Total acquisition price of shares	JPY985,974,100
Acquisition period	February 25, 2020 to February 28, 2020

Ownership status	Number of shares
Total number of issued shares	49,027,800 shares
Number of treasury shares held	1,948,044 shares

# Overview of Stock Options with Charge Issuance

(Resolved by the Board of Directors' Meeting on November 13, 2017)



\* Excerpt from "Determination of Details of Issuance of Stock Acquisition Rights" on Nov. 30, 2017

Items	Details
Name	Vision Inc. Third Series Stock Acquisition Rights
Number of issues	13,560 units (100 shares per stock acquisition right, 1,356,000 shares of common stock)
Issue price	JPY1,600 per stock acquisition right
Total issue price	JPY3,510,684,000
Target	Directors (excluding outside directors), employees, and employees of the subsidiaries: 163 people, 13,560 units
Conditions for exercising stock acquisition rights ※ See the table below	If the operating profit for any fiscal year from FY2018 to FY2021 falls below JPY1.6bn, the subsequent stock acquisition rights cannot be exercised, except for these rights that have been already exercisable.

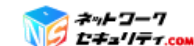
Operating profit in any fiscal year from FY2018 to FY2021 exceeds <b>JPY3.6bn</b>	➡ Exercisable ratio : <b>100%</b>
Operating profit in FY2020 exceeds <b>JPY3.1bn</b>	➡ Exercisable ratio : <b>30%</b>
Operating profit in FY2018 exceeds <b>JPY2.1bn</b> <b>and</b> operating profit in FY2019 exceeds <b>JPY2.6bn</b> ⇒ <b>Achieved</b>	➡ Exercisable ratio : <b>30%</b>

**25**years    **400,000**companies\*1    **15**mn people\*2

\*1 Number of companies using since 2004 (as of May 31, 2020)

\*2 Number of customers using Wi-Fi router rental service (as of August 2020)

To solve the problems for customers who challenge  
the “now” with our gratitude so far



To Contribute to the Global Information and  
Communications Revolution



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

They are estimated at the present and are 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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