



Q1 FY2023

Supplementary Materials

Vision Inc.

Stock Code: 9416

May 12, 2023

| Company Overview

Code 9416
(Tokyo Stock Exchange Prime Market)

Incorporated December 4, 2001
(Founded June 1, 1995)

Management Philosophy To Contribute to the Global Information and Communications Revolution

Head Office 8F Shinjuku Eastside Square, 6-27-30
Shinjuku, Shinjuku-ku, Tokyo 160-0022

Number of Consolidated Employees 812 (155)
Domestic: 737 (152)
Global: 75 (3)
(As of March 31, 2023)
(Average temporary employees)

Affiliated Companies Domestic: 8
Global: 12
(As of March 31, 2023)

Business GLOBAL WiFi
Information and Communications Service
Glamping/Tourism

Operation Bases and Affiliates

Domestic Affiliated Companies : 8

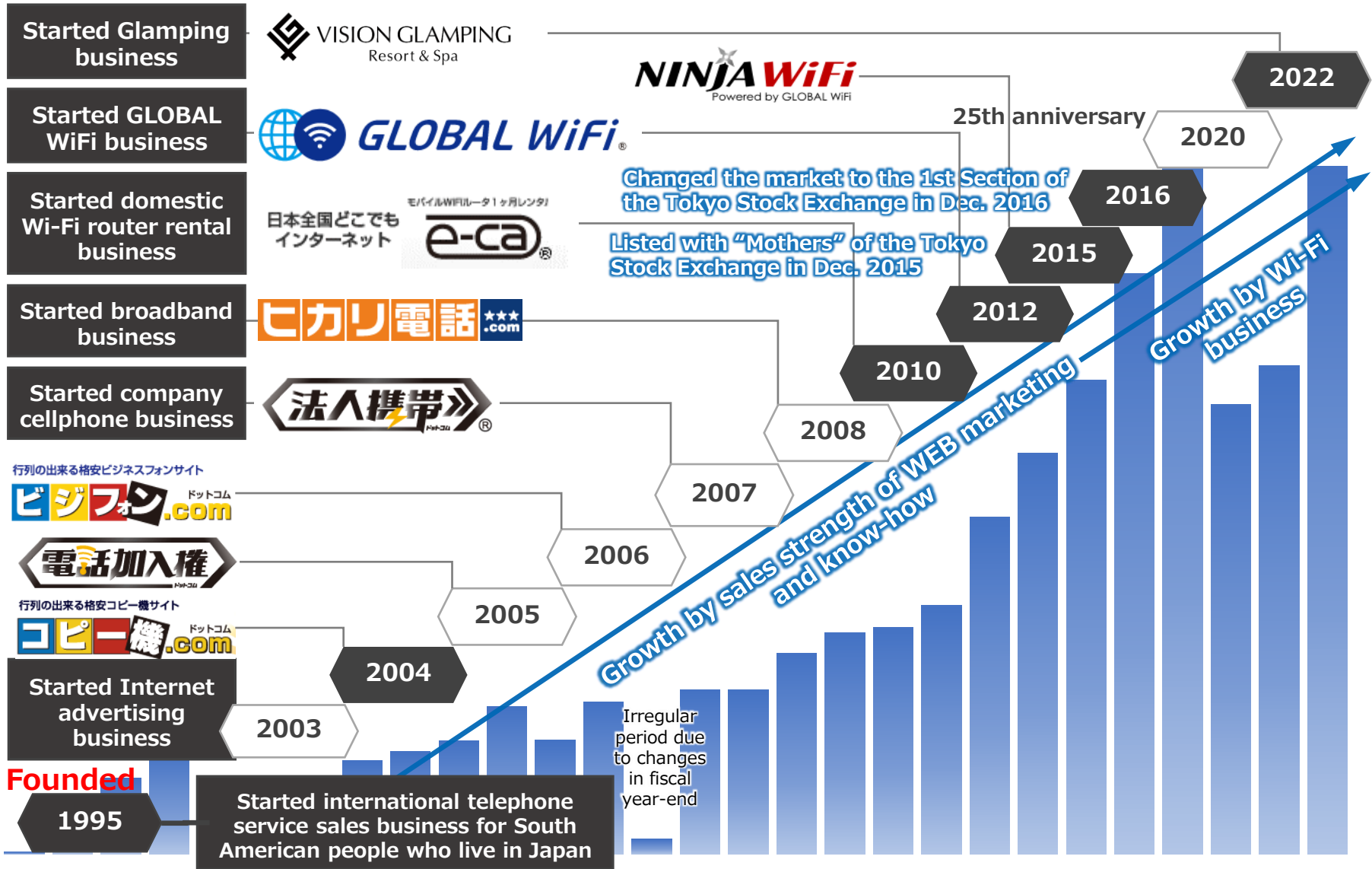
Domestic Operation Bases : 14

Global Affiliated Companies : 12

Korea, USA (Hawaii), Hong Kong, Singapore, Taiwan, UK, Vietnam, China (Shanghai), France, Italy, USA (California), New Caledonia



History and Sales Change



Offer just the right value to realize sustainable growth

Niche & Focus strategy



Discover the challenges create in the niches of the evolution in information and communications and **develop new markets.** **Focus management resources on carefully selected targets and refine our services.**

- ✓ Overseas travelers
- ✓ Startup companies
- ✓ Teleworking

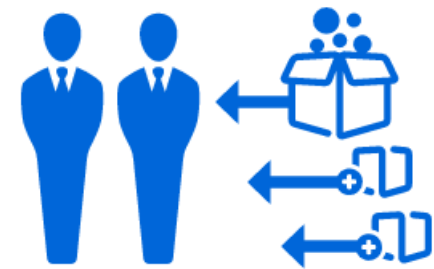
Price & Quality leadership strategy



Production efficiency is thoroughly pursued. **Realize by improving organizational structure and business speed.** While maintaining **high quality of service**, demonstrate **price competitiveness surpassing competitors.**

- ✓ Productivity, price advantage
- ✓ Service quality evaluation

Up/Cross selling strategy



Pick up new needs for information and communications services and **continuously offer services at reasonable prices at the right time.** Build a **long-term relationship with customers.**

- ✓ Original CRM
- ✓ Subscription-based business

| Business Summary

Two Business Segments

“GLOBAL WiFi” Business

Provide anytime, anywhere, safe, secure and comfortable mobile internet environment all over the world.

Wi-Fi router rental service.
Connectable with multiple users and multiple devices (companion, smartphone, laptop, etc.).



Information and Communications Service Business

Provide the most suitable information and communications-related products and services tailored to the stage and needs of the company since starting business.

Our own sales structure, CRM.

Web marketing × Sales rep × CLT

(Customer Loyalty Team)



行列の出来る格安ビジネスフォンサイト



行列の出来る格安コピー機サイト



"GLOBAL WiFi" Business Business Model/Competitive Advantage

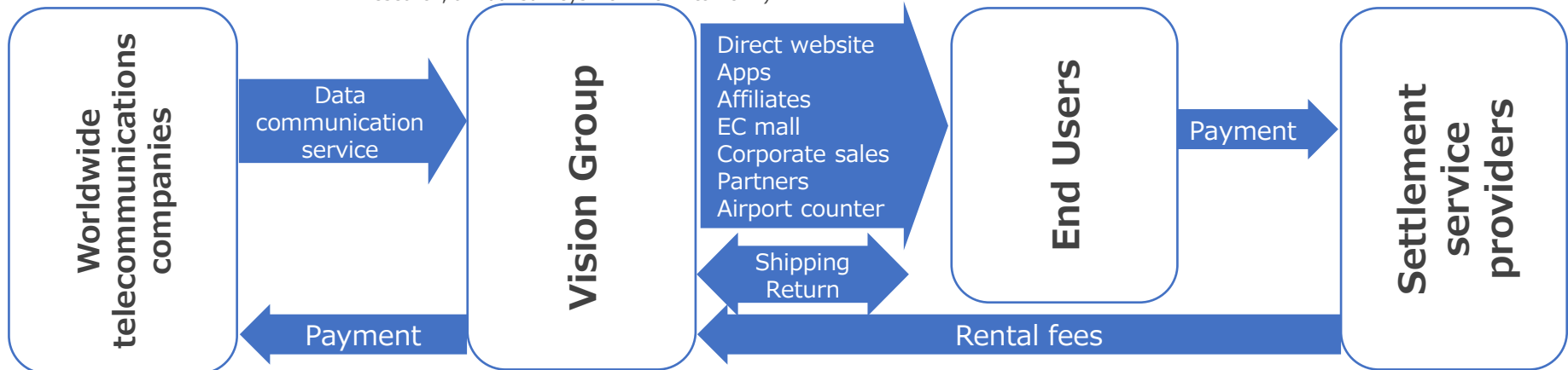


GLOBAL WiFi



Less Expensive Fixed-rate	Maximum cost benefits -89.9% From JPY300/day Japanese cellphone companies' fixed-rate discount comparison
Areas	Available in over 200 countries and regions worldwide, leading the industry in the number
Comfortable	High-speed communications in partnership with telecom carriers around the world
Safe / Secure	Secure; 47 support bases available 24 hours a day, 365 days a year, around the world
Counter	Number of airport counter is the industry's largest class
Corporate Sales	Uptake ability of corporate needs
Customers	Number of users is the largest in the industry *

* Number of users and sales revenue survey for "2016-2021 Overseas Wi-Fi rental service (domestic → overseas)" (Tokyo Shoko Research, annual surveys from 2017 to 2022)



Comparison of Overseas Internet Connection Means ①

“Global WiFi” “NINJA WiFi” are competitive in safety, security, comfortability, and price.

Users are unwilling to share their own data traffic with others, but they are less reluctant to share a rented Wi-Fi router with others (They tend to share it with two or three people in case of independent travel).

* Based on our research and standard.

Means	Price	Area	Speed	Management	Security
 	○	○	○	○	○
Partnering with overseas high-quality ISP - to offer the fastest connection speed in the area, reasonable price, security and usability.					
Roaming (Telecom carriers' fixed-rate)	✕	△	△	○	○
There are problems with price and quality. (It costs from about JPY980 to JPY2,980/day, and it may cost more expensive.)					
Prepaid SIM (Purchased overseas)	△	△	○	✕	○
Need knowledge to manage. (Local purchase, issues with data capacity, and periodical charge is required, etc.)					
Free Wi-Fi Spot (Hotel, Café, etc.)	○	✕	△	○	✕
Problem with coverage (with limited communication area), speed (depending on the user's communication environment and traffic conditions), and security.					

Comparison of Overseas Internet Connection Means ②



Wi-Fi router rental	Com-parison	Roaming (Telecom carriers' fixed-rate)	Free Wi-Fi Spot / Hotel Wi-Fi
<p>JPY300-2,170/day * Round-the-world plan JPY2,980/day Apply for rental on the website.</p>	<p>Fee</p>	<p>JPY980-2,980/day Need to check in advance the contract details, compatible models, and settings, etc. according to the plan. * Depending on your mobile carrier</p>	<p>Free Wi-Fi spot Free Accommodation fee (Hotel Wi-Fi included) or JPY500-3,000 Hotel Wi-Fi + accommodation fee</p>
<p>Fixed fee and stable speed Full security and compensation You can use it comfortably thanks to the fixed fee. Choose the communication capacity according to your situation.</p>	<p>Advan-tage</p>	<p>Easy to connect * Tethering is also available.</p>	<p>Easy to use Area is limited, but it is provided free of charge in many places, and it is easy to connect.</p>
<p>More luggage Need to carry a Wi-Fi router in addition to your smartphone.</p>	<p>Dis-advan-tage</p>	<p>Expensive Fee is more expensive than those for Wi-Fi rental. If the setting is wrong for data roaming, the fee can be more expensive.</p>	<p>Be careful about unauthorized access It is easy to use, but it has some risks of virus infection and personal information being stolen by unauthorized access.</p>
<p>If you connect the Internet at a stable speed without worrying about additional charges (You can use it with several people at a lower fee by splitting the bill) Available anywhere. No worry about busy access and difficulty to connect.</p>	<p>Reco-mmend</p>	<p>If you want to connect the internet easily with your own device</p>	<p>Communication area is limited, but you want to save money. It is for users who only need to connect the overseas Internet in a limited amount of time.</p>

“GLOBAL WiFi” Business Profit Structure



Items	Summary
Sales	<p>Overseas Regular rental : Rental fee per day × number of days used Average: JPY1,000/day, Average number of days used: 7 days Options available such as insurance, mobile battery, etc.</p> <p>GLOBAL WiFi for Biz : Monthly basic charge (JPY2,167) + data communication fee (plan) × number of days used Use service in Japan (Domestic option for teleworking)</p> <p>Domestic (in Japan) Rental fee per month (available for rental from 1 day) Average: Approx. JPY5,000/month, Average days used: 1.5 months (45 days)</p>
Cost of sales	<p>Data communication (telecom carriers in the world) Terminal price (mobile Wi-Fi routers) Recorded as rental asset (recorded by depreciation over 2 years) Outsourcing (commission paid to sales agents), etc.</p>
SG&A expenses	<p>Personnel, advertising, shipping delivery, business consignment, credit card payment, etc. Operation and rent of shipping centers, airport counters, customer centers, etc. Other SG&A expenses, etc.</p>

Utilize "CLOUD Wi-Fi Router"

- Maximize Convenience and Cost Efficiency -

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

No need to insert/change SIM physically.

Communication lines of the world are available with only one device.

The device settings can be adjusted remotely in the case of communication failure.

The plan (data capacity) can be changed during the rental term.

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).



Expand Service Areas for Unlimited Plan

- Gaining Competitive Advantage When Travel Recovers -



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 and plans, responding to requests for the plan that can be used without worrying about data capacity and long-term use (extended overseas business trip period due to COVID-19).

Increase choice ratio of unlimited plan ⇒ Improve ARPU.

Unlimited Plan

Introducing a plan with unlimited usage capacity



Popular

You can use a lot of data without worry with the 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.

Airport Counter and Smart Pickup

Receive and return at 19 domestic airports, 35 counters, 37 Smart Pickup units, and return BOX. Installed automatic pick-up lockers at 15 airports.

The service level is optimized according to customer.



Smart Pickup

You can receive in 10 seconds.

Automatic pick-up locker

Available at Haneda, Narita, Kansai, and other airports!

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



At the airport



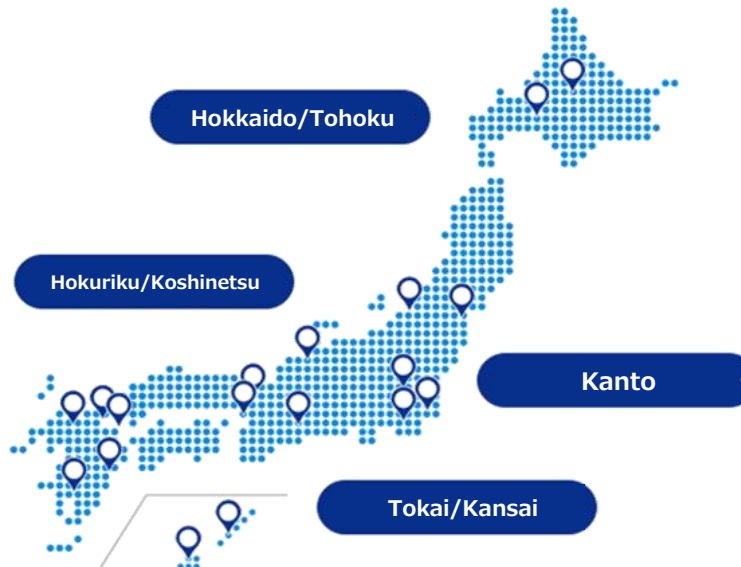
By delivery



At a convenience store



Overseas destination



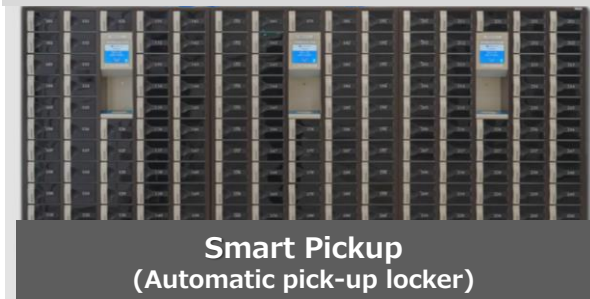
Airport and other places to receive/return in Japan

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★
Kumamoto Airport★	Haneda Airport★
Oita Airport	SHIBUYA“CHIKAMICHI”
Miyazaki Airport	Tokai/Kansai
JR Miyazaki Sta.	Kansai Airport★
Kagoshima Airport★	Chubu Airport★
Naha Airport	Itami Airport★
Miyako Shimojishima Airport★	Mt. Fuji Shizuoka Airport★

★Available for automatic pick-up lockers

Automatic pick-up locker

You can receive in 10 seconds without waiting.



Smart Pickup

Immediate customer identification counter (QR code reception counter)



Reception

Standby



SmartCheck

Shorten waiting time

No congestion

Improve convenience

Improve CS

Increase sales

Evolve to more convenient, comfortable, relieved counters that meet each customer's needs, responding to the increase in the number of rental (delivery) and optional services (compensation service, accessory etc.), for Japanese traveling overseas and foreign visitors to Japan.

Online Order System just before Departure

(Smart Strategy × CLOUD WiFi × Database)



Acquire departing passengers on the day.

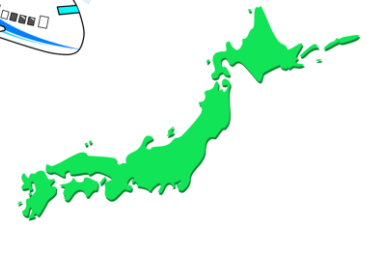
⇒ **Increase number of users.**

* Respond to WEB application in front of the airport counter instantly in collaboration with the database.

Expand Tabi-naka Services (Services during Travel)

Expand Tabi-naka services (including options), responding to customer requests.

Support safe, secure, and comfortable travel.



Travel Related Service Platform

Use existing customer base and provide useful information/services to solve problems during overseas travel.



《Reference》
 FY2018 results:
 approx. 3.6mn people/25.22mn nights
 ・Outbound... approx. 2.82mn people /19.76mn nights
 ・Inbound... approx. 0.78mn people /5.45mn nights

Pick up at Convenience Store

- Gaining Competitive Advantage When Travel Recovers -

Based on your convenience, another option is added: you can pick-up a Wi-Fi router at 7-Elevens throughout Japan (excluding Okinawa) near your workplace or home.

Provide an option to avoid crowded places such as airport counters. You can pick it up even at midnight if the store is open.



**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.

Expand Unmanned Stores

- Gaining Competitive Advantage When Travel Recovers -



Increase unmanned stores with vending machines.

Where are they set up? (As of March 31, 2023)

Sendai Airport, Komatsu Airport, Mt. Fuji Shizuoka Airport,
Kumamoto Airport

*Plan to add more in the future.

What type of machines are set up?

Smart Pickup + Return BOX (Available for pick-up and return)

Features

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

Available 24 hours a day including early in the morning and late at night, when there are needs, but it is difficult to secure personnel.

Also set up vending machines for pre-paid SIM for domestic use mainly for foreign travelers visiting Japan and those who are temporarily back to Japan.

Possible to add touch points in a small space and at low cost (convenience improved and profits increased).



“Tsuyaku-fukikae.com”

- New Service Making the Most of Our Customer Base -



The service for online/offline business negotiations and conference interpretation, video translation/dubbing, and translation.

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

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

Emphasize communication with overseas investors and support the enhancement of the English-language disclosure.

Also support dubbing and subtitles of financial summary video, translation and other services of financial statements, financial results presentation materials, and convocation notices of general shareholders' meeting.

Video translation/dubbing (Japanese → English)
Financial summary video (Vision Inc.)



Example of interpretation (English ⇄ Japanese)
Special talk with Mr. Audrey Tang, Digital Minister of Taiwan



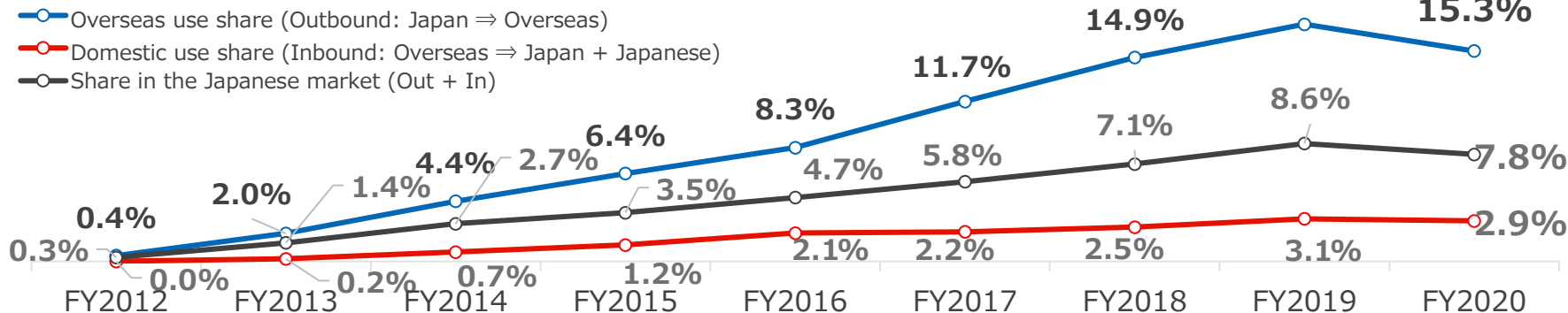
Overcoming the language barrier,
make your business more global.



"GLOBAL WiFi" Business

Rental Number Change

Our Wi-Fi rental service penetration ratio (Japan) *

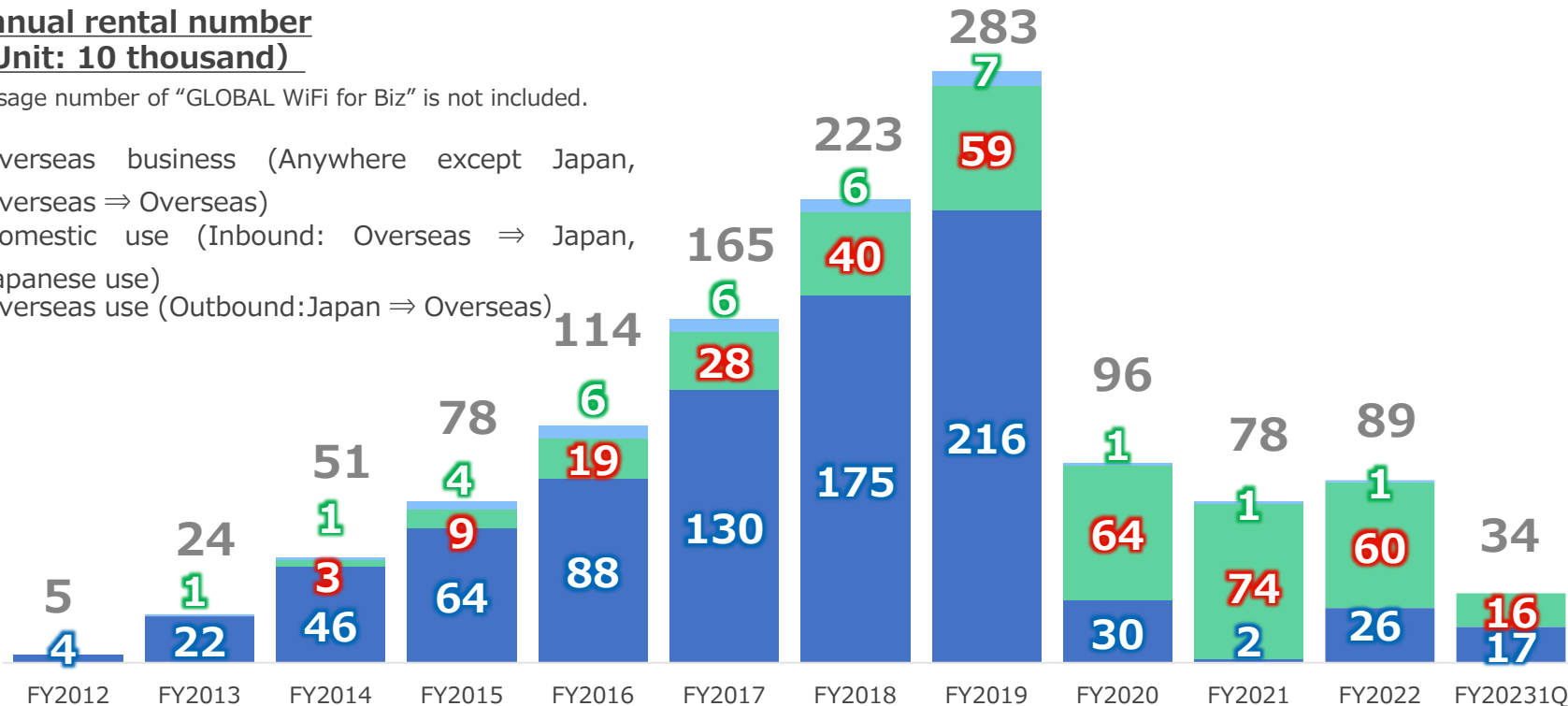


* FY 2021~FY 2022: The number of domestic and foreign travelers is very small, and it is not shown because it is a rental for domestic use.

Annual rental number (Unit: 10 thousand)

* Usage number of "GLOBAL WiFi for Biz" is not included.

- Overseas business (Anywhere except Japan, Overseas ⇒ Overseas)
- Domestic use (Inbound: Overseas ⇒ Japan, Japanese use)
- Overseas use (Outbound: Japan ⇒ Overseas)



"GLOBAL WiFi" Business Market Size

Inbound (Foreign visitors to Japan)

Approx. 31.88mn people for a year. * Results in FY2019

Approx. 3.83mn people for a year. * Results in FY2022 (due to COVID-19)

Government's target: 60mn people in 2030

Outbound (Japan → Overseas)

Approx. 20.08mn people for a year. * Results in FY2019

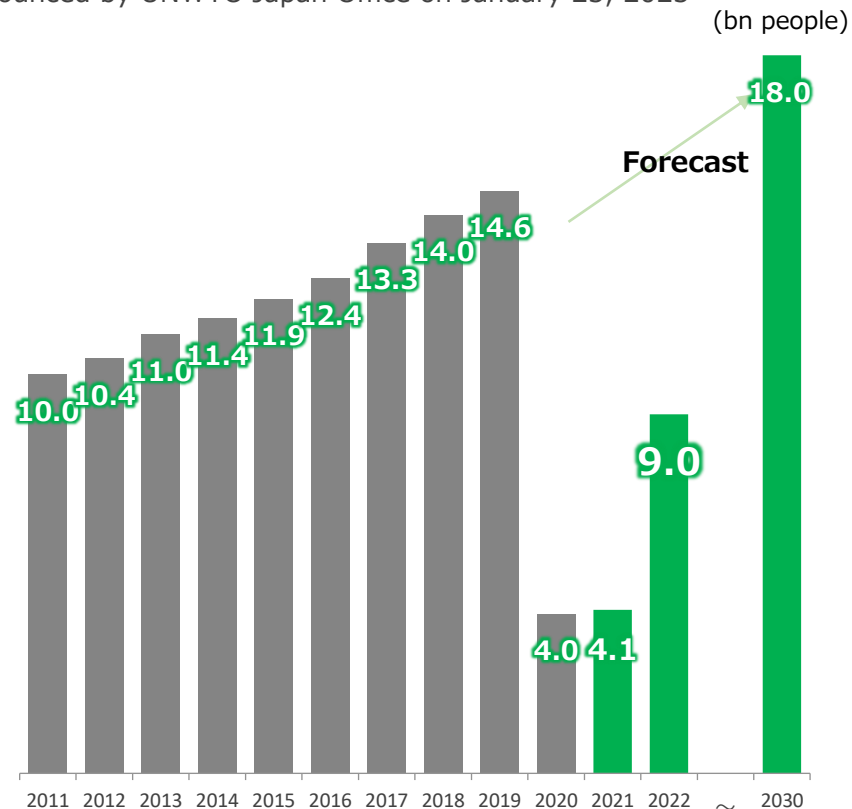
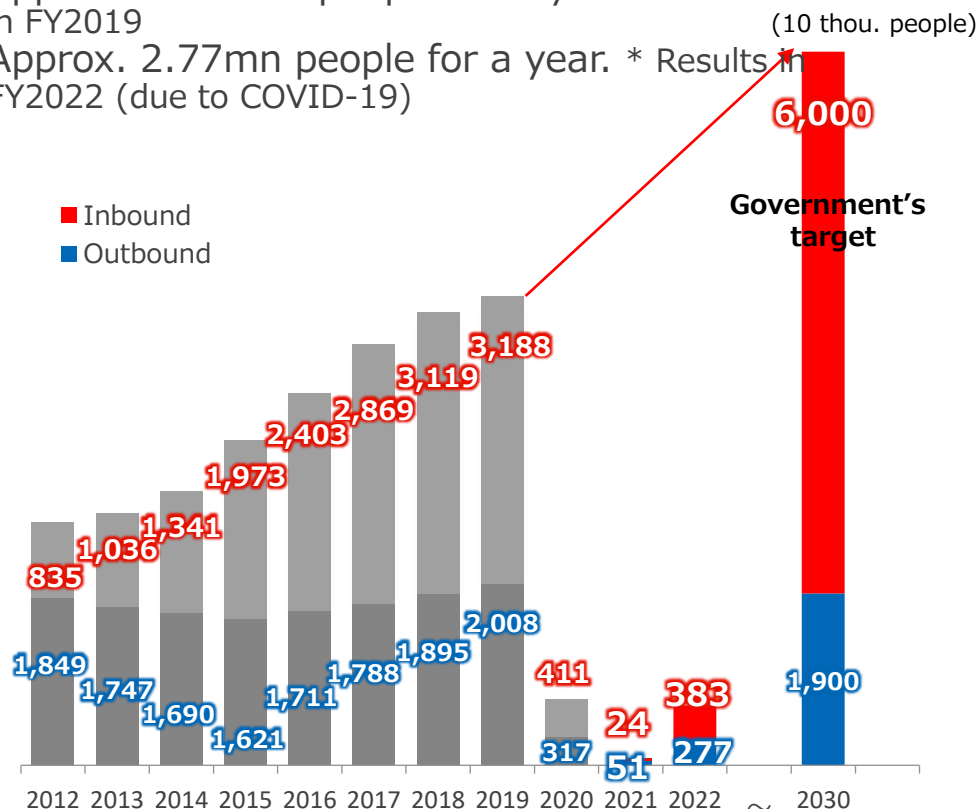
Approx. 2.77mn people for a year. * Results in FY2022 (due to COVID-19)

Overseas travelers in the world (Number of international tourist arrivals)

A huge market of 1.46bn people. * Results in FY2019

The number of international tourists in 2022 exceeds 900 million, 63% of the pre-pandemic level.

Announced by UNWTO Japan Office on January 23, 2023



Created from JNTO materials, Reiwa 1 (2019) edition tourism white paper, and the materials released by UNWTO

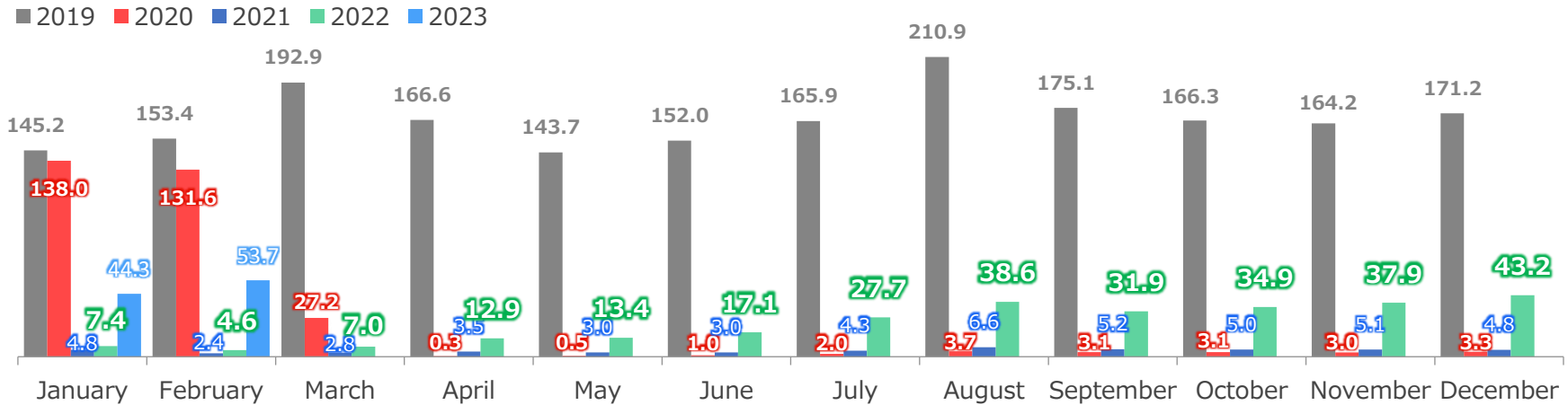
"GLOBAL WiFi" Business

Number of overseas travelers (Monthly change)

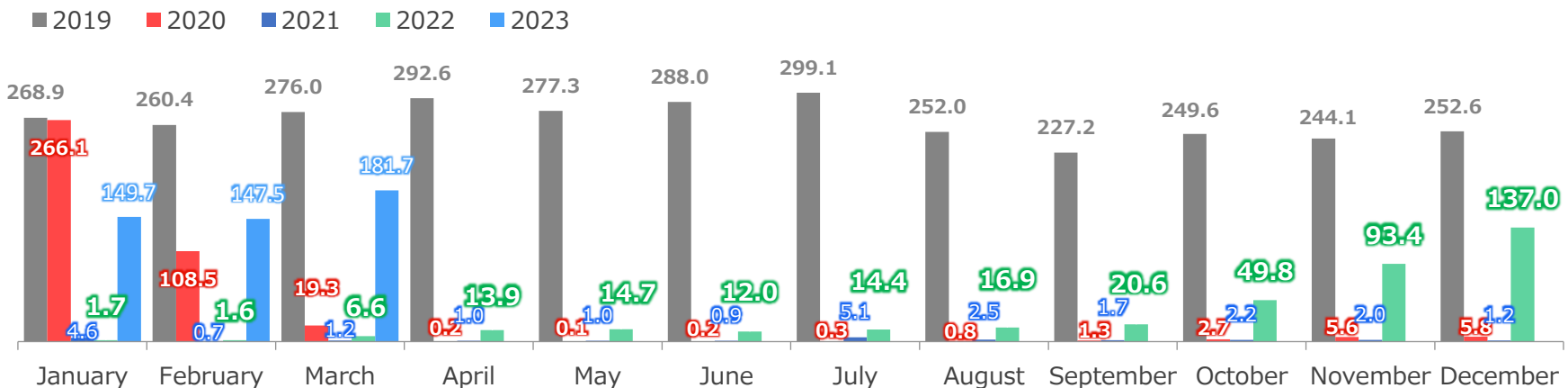


Outbound (Japan → Overseas)

(10 thou. people)



Inbound (Foreign visitors to Japan)



Created from JNTO materials, Reiwa1 edition tourism white paper, and the materials released by UNWTO

Information and Communications Service Business Growth Strategy (Competitive Advantage)



<h2>Startup Companies</h2>	<p>Have new dealings with one company in ten companies* that are newly established within the year in Japan Number of incorporations being registered in Japan: 129,548 (2022) Source: Ministry of Justice</p>
<h2>WEB Strategy</h2>	<p>Ability to attract customers due to our own WEB marketing (Internet media strategy)</p>
<h2>Customer Loyalty</h2>	<p>CRM (customer relations/continuous dealings) strategy, our own know-how Maximization of continued revenue = Stock business Additional sales with high productivity (up/cross selling)</p>
<h2>Products and services</h2>	<p>Products and services that lead to customers' "sales improvement", "cost reduction", "efficiency improvement", "communication activation", and "DX promotion" (Products that are less affected by the economy) We have multiple business segments (each product), and the business structure can be changed according to the situation (economic conditions, trends, etc.) (a flexible business structure).</p>



Telephone Line Arrangements



Cellphone Support



Office Automation



Website Support



Security



Electric Power



Cloud App Service (SaaS)

* 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.

Information and Communications Service Business Profit Structure

More vision. More success.

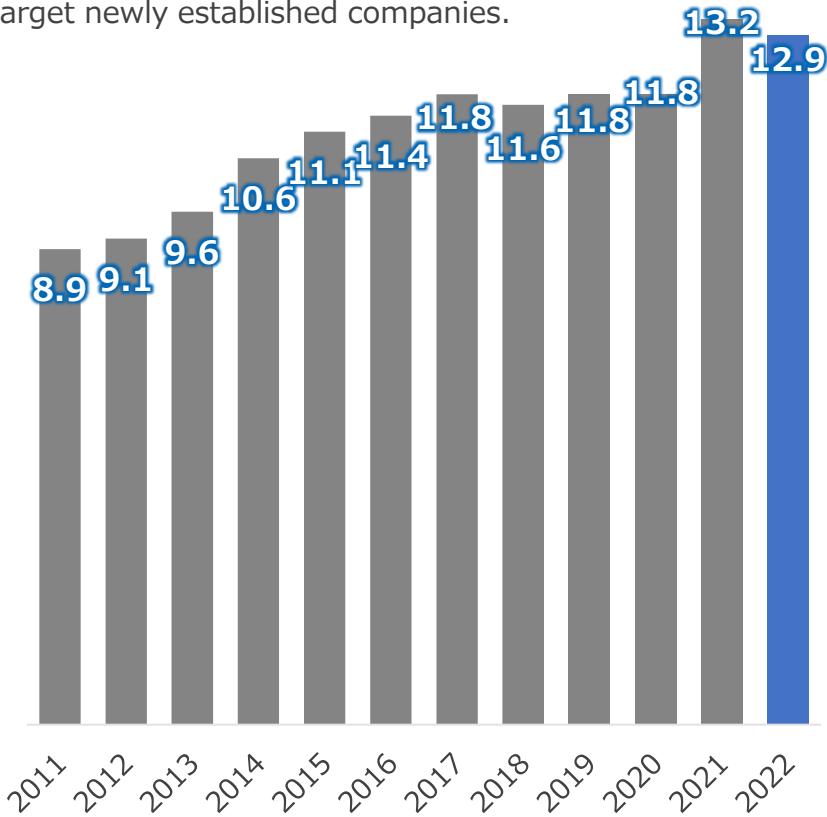
Items	Summary	
		Fixed-line phones, cellphones, electric power, etc.
Sales	Business brokerage fee (Brokerage commission) Renewal commission (according to customers' usage situation) Paid by telecom carriers and primary sales agents	Sales price Paid by leasing and credit companies Maintenance fee Paid by the manufacturers and factoring
Cost of sales	Terminal prices (cellphones) No cost of sales for fixed-line phones arrangements and electric power Paid to telecom carriers and primary distributors Outsourcing (commission paid to sales agents), etc.	Equipment (OA equipment, and security) Paid to the manufacturers Outsourcing (commission paid to sales agents), etc.
SG&A expenses	Personnel expense Advertising expense (website, etc.) Rent for call centers, etc. Other SG&A expenses, etc.	

Information and Communications Service Business **VISION** Market Size

More vision, More success.

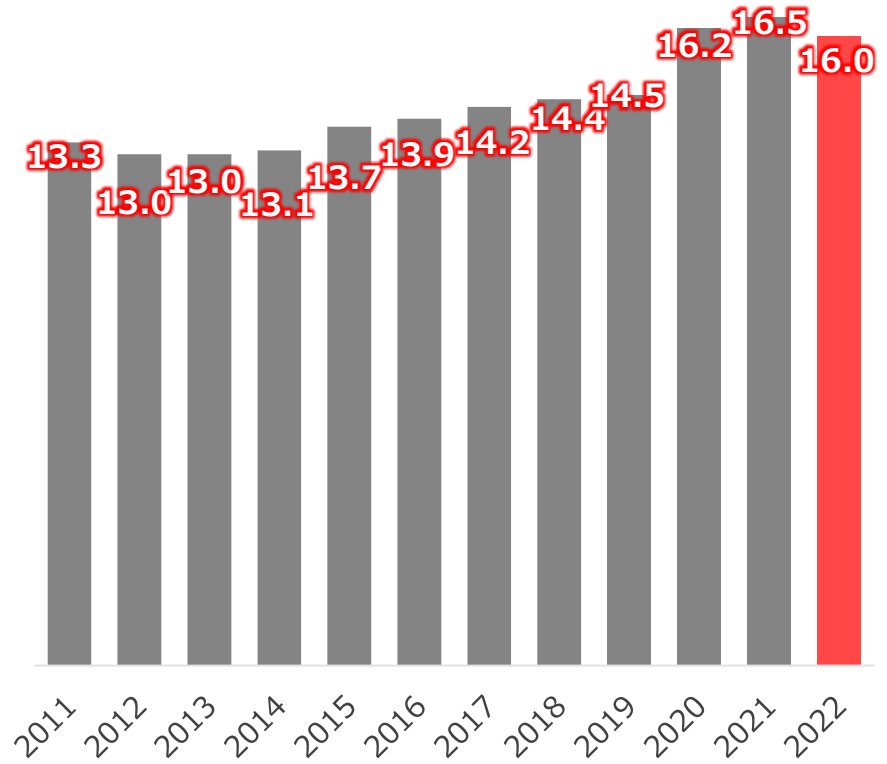
Number of incorporation registrations (total) : 129,548

Approx. 130 thousand companies annually.
 (Continued increase trend due to aggressive establishment and corporate support by the government)
 Attract customers utilizing the know-how of web marketing with approx. 15 years experience.
 Target newly established companies.



Number of registration of transfer of head office and branch (total) : 160,825

Approx. 160 thousand companies annually.
 (Excluding the number of offices transferred that are not obliged to apply for registration)
 Cover change procedures, etc. on addition and relocation.
 Up/cross selling by advanced operations of Customer Loyalty Team (CLT).
 (10 thousand)

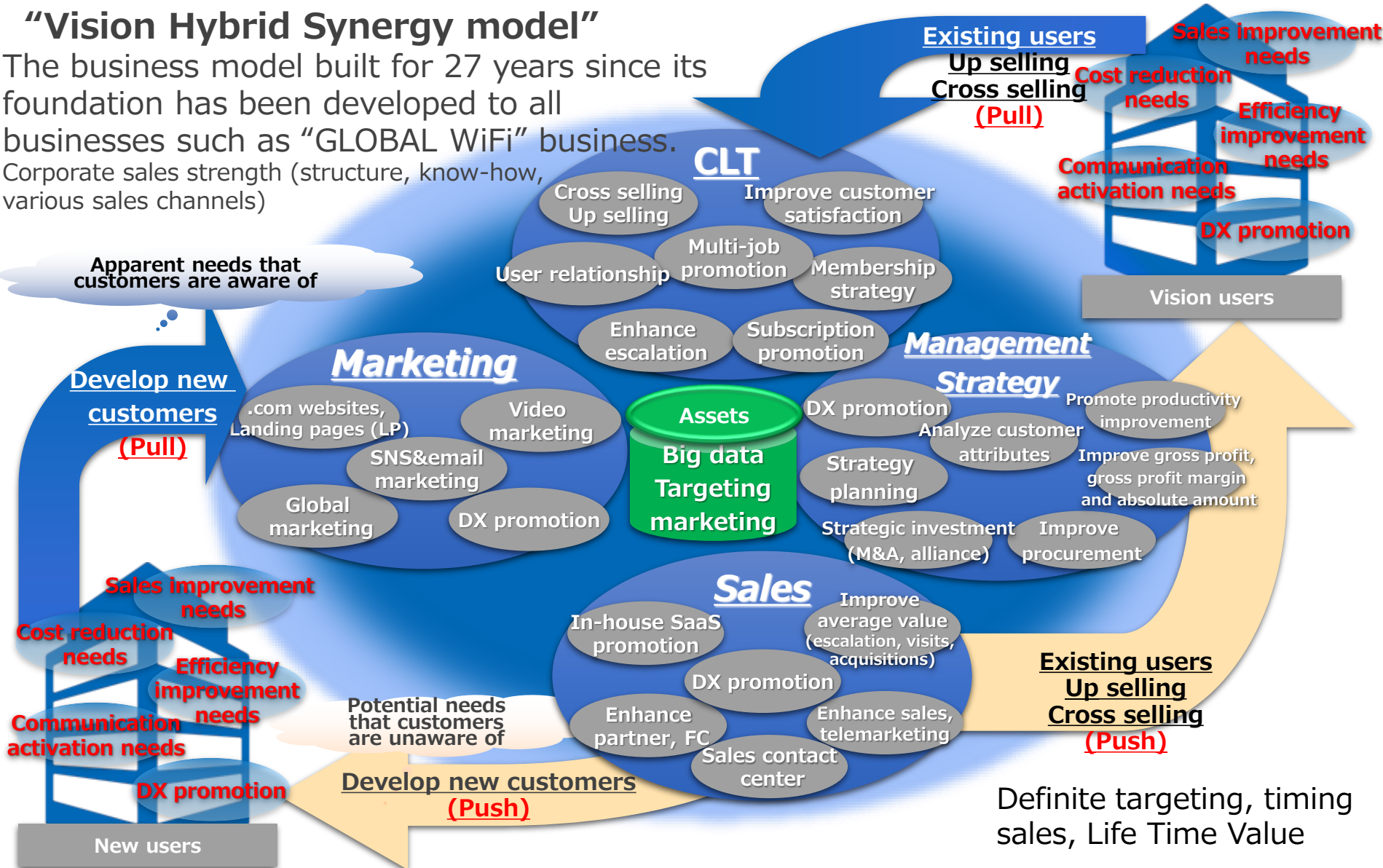


Information and Communications Service Business **VISION** Business Model

More vision, More success.

“Vision Hybrid Synergy model”

The business model built for 27 years since its foundation has been developed to all businesses such as “GLOBAL WiFi” business. Corporate sales strength (structure, know-how, various sales channels)



Information and Communications Service Business Customer Service

Create values with advanced operations
Customer Loyalty Team (CLT)



Information and Communications Service Business “High Efficiency” Marketing

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

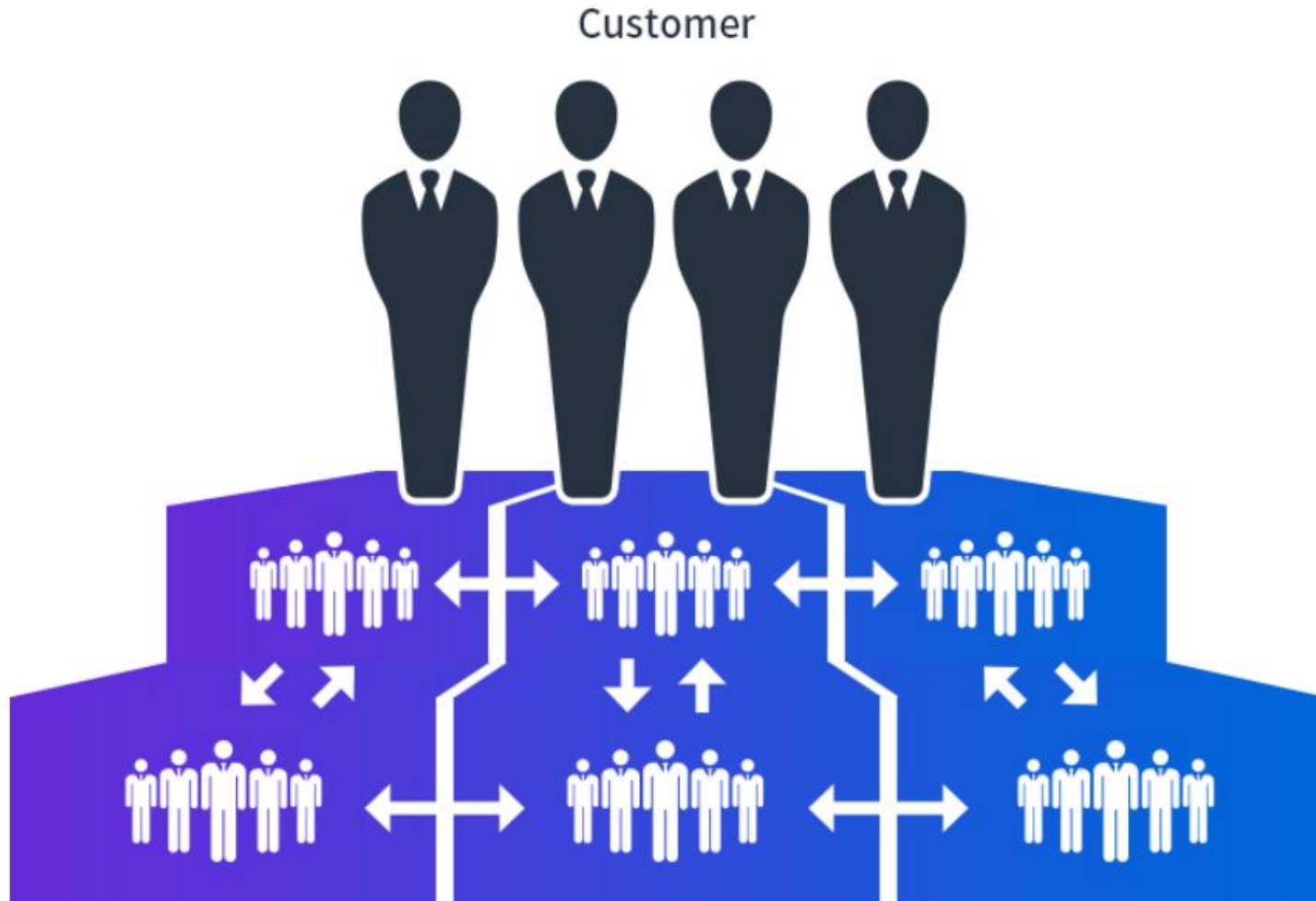


Information and Communications Service Business Escalation (Cooperation among Divisions, Customer Referral)



Organization culture that creates continuous evolution

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



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



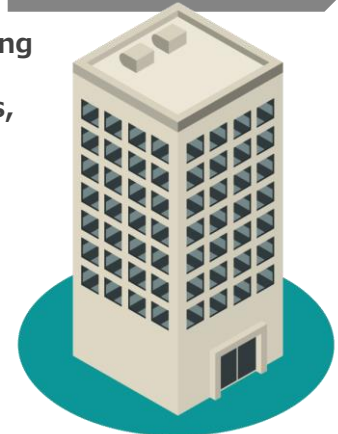
Increase employees coming from business expansion
(Add communication lines, and numbers of units, etc.)



Cloud App Service (SaaS)

Optimum solutions

Further growth stage



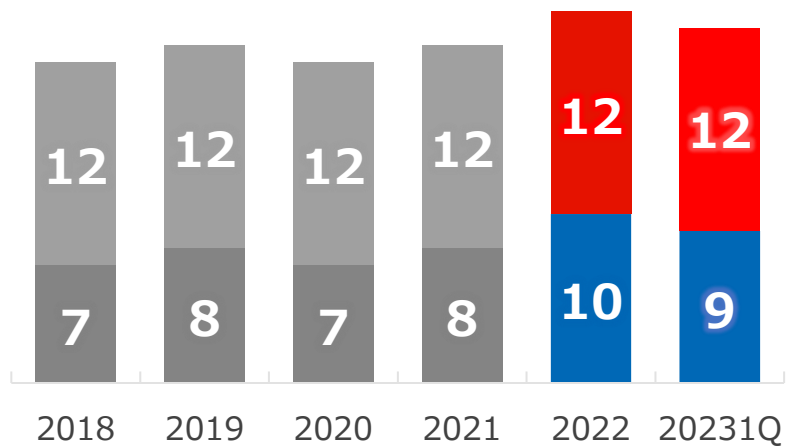
Current main targets
"Reserves for Growth"

Future targets
"Companies in growth stages"

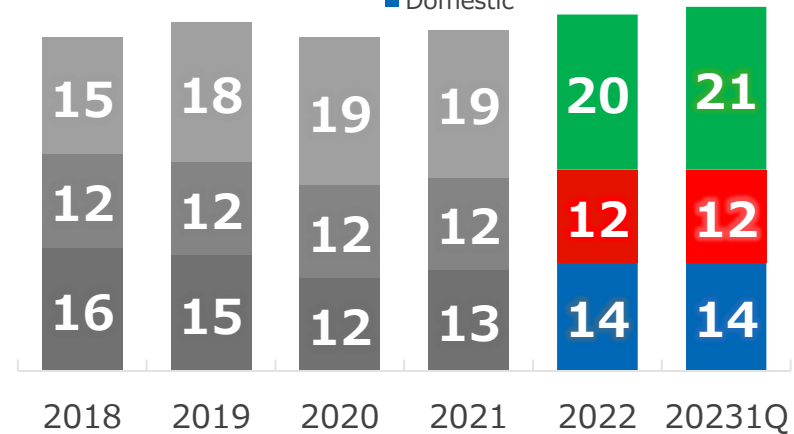
| APPENDIX

Group Structure

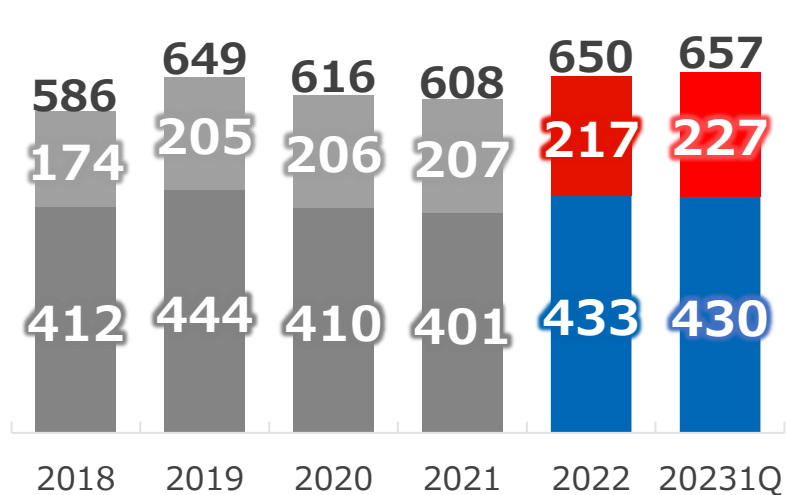
Number of affiliated companies ■ Overseas ■ Domestic



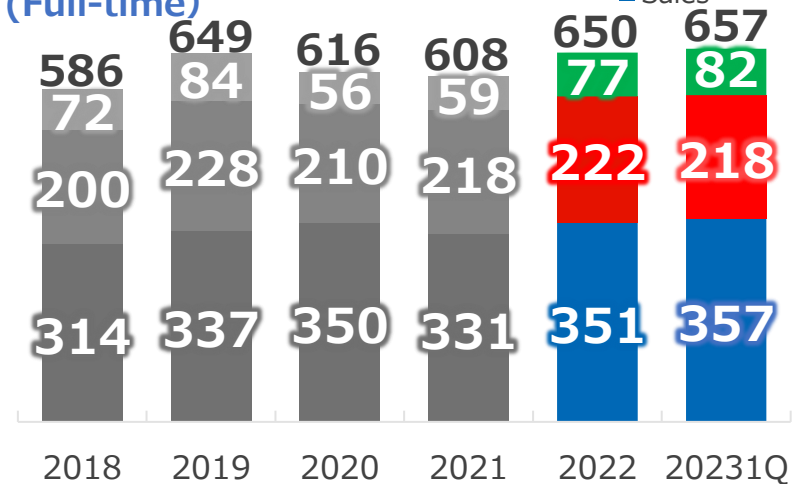
Number of operation bases ■ Airport counter (directly operated) ■ Overseas ■ Domestic



Number of employees (Full-time) ■ Female ■ Male

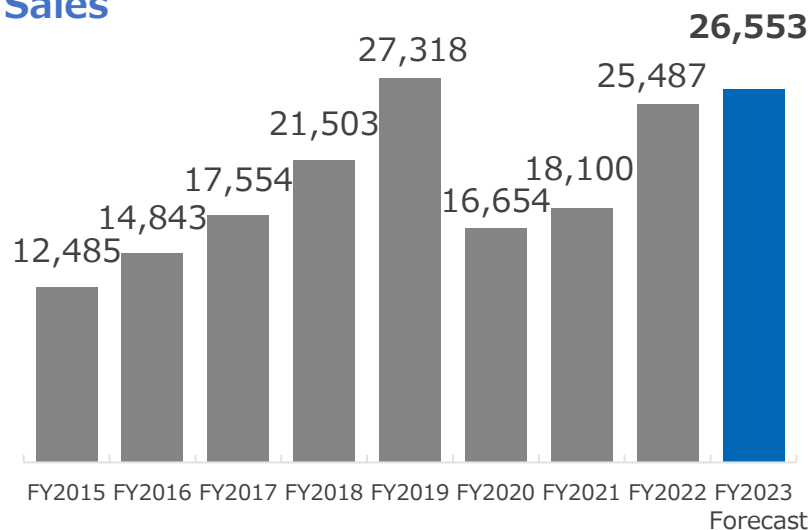


Personnel classification (Full-time) ■ Profession ■ Clerical ■ Sales



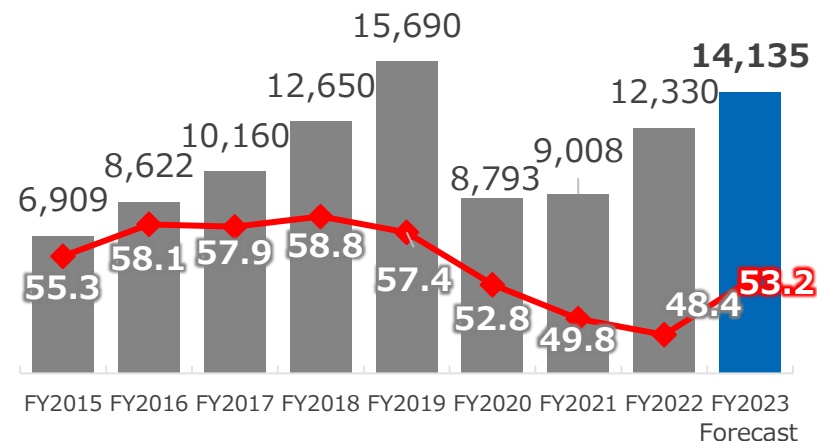
Performance Data

Sales

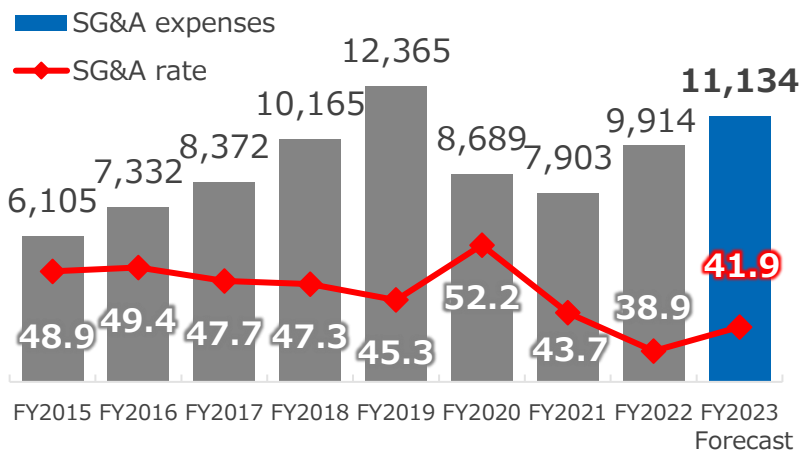


Gross profit

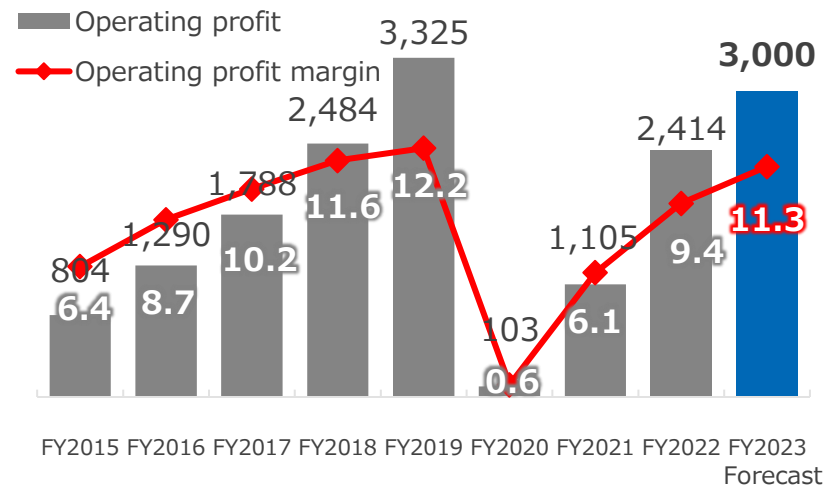
(JPYmn, %)



SG&A expenses



Operating profit

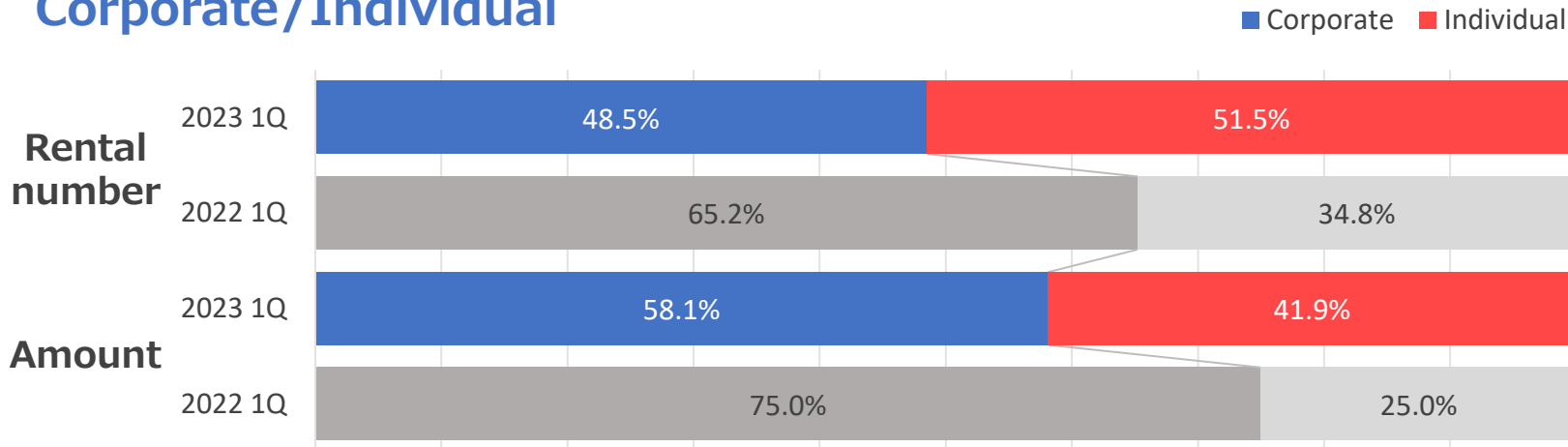


Customer Attributes

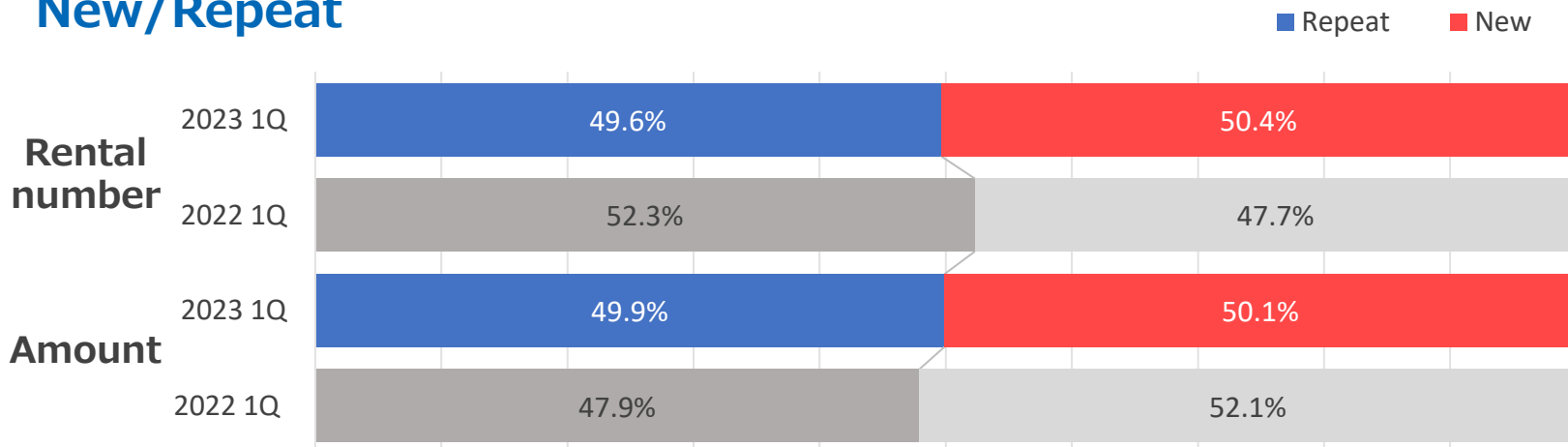
"GLOBAL WiFi" Business Overseas Use (Outbound)



Corporate/Individual



New/Repeat

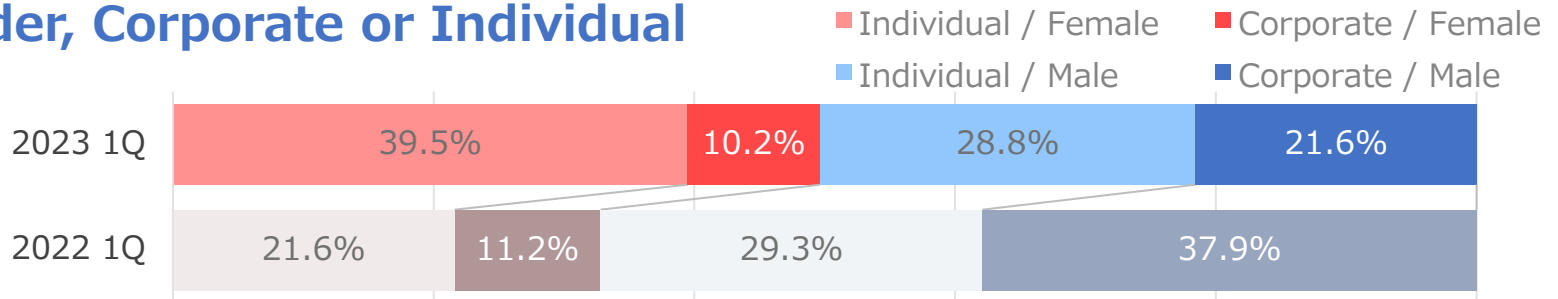


Customer Attributes

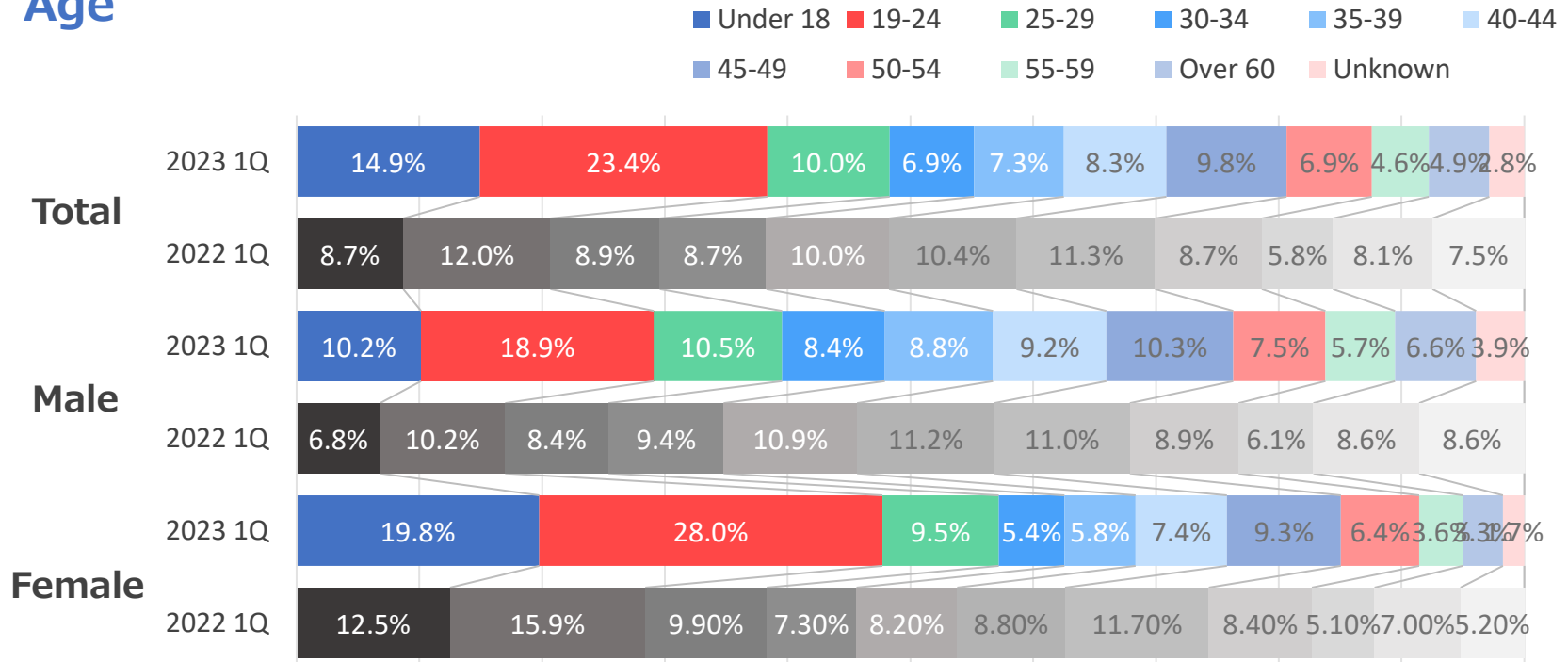
"GLOBAL WiFi" Business Overseas Use (Outbound)



Gender, Corporate or Individual



Age

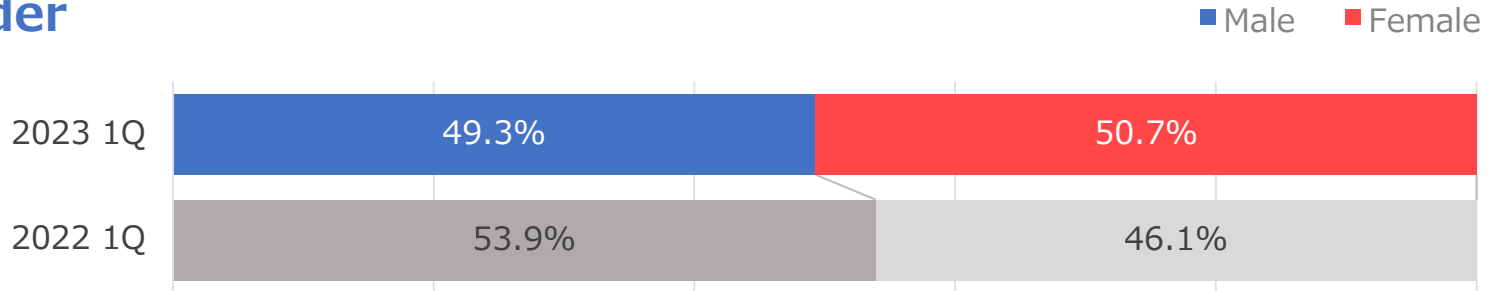


Customer Attributes

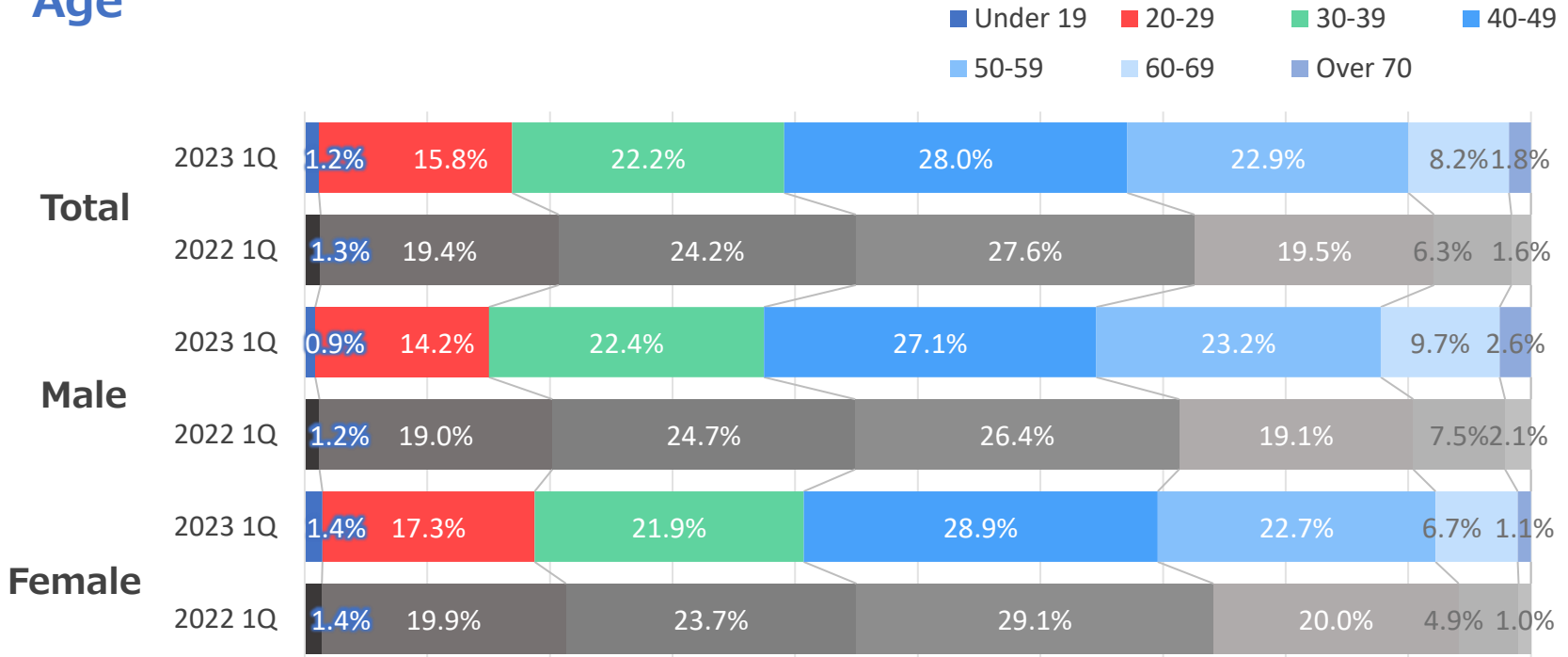
“GLOBAL WiFi” Business Domestic Use (Except for Global WiFi for Biz)



Gender



Age





To Contribute to the Global Information and
Communications Revolution

Notes on the Future Outlook



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.

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