

FY2020 Financial Results

**February 15, 2021
Vision Inc.
TSE 1st Section : 9416**



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Performance Highlights and FY2020 Results



Consolidated Profit and Loss Statement



(JPYmn, %)

Items	FY2020 Result	FY2019 Result	Change	YoY
Sales	16,654	27,318	-10,663	-39.0
Cost of sales	7,860	11,627	-3,766	-32.4
Gross profit	8,793	15,690	-6,896	-44.0
Gross profit margin	52.8	57.4	-4.6	-
SG&A expenses	8,689	12,365	-3,675	-29.7
SG&A-to-sales ratio	52.2	45.3	+6.9	-
EBITDA	-883	4,304	-5,187	-
Operating profit	103	3,325	-3,221	-96.9
Operating profit margin	0.6	12.2	-11.5	-
Recurring profit	227	3,358	-3,130	-93.2
Profit or loss (-) attributable to owners of parent	-1,183	2,226	-3,410	-

(Note) EBITDA = Earnings before Interest, Taxes, Depreciation and Amortization

Factors for Change in Operating Profit

Sales

“GLOBAL WiFi” Business: Actively acquire various consumer needs for using mobile Wi-Fi router. The number of rental contracts by outbound and inbound travelers have continued to be almost zero since March 2020.

Information and Communications Service Business: Decrease sales due to changes in business structure (see p.28) and strengthened sales of in-house services (monthly). 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 based on 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 following the expiry of term of contract such as shipping center staff and airport counter staff due to a significant decrease in the number of rental contract.

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

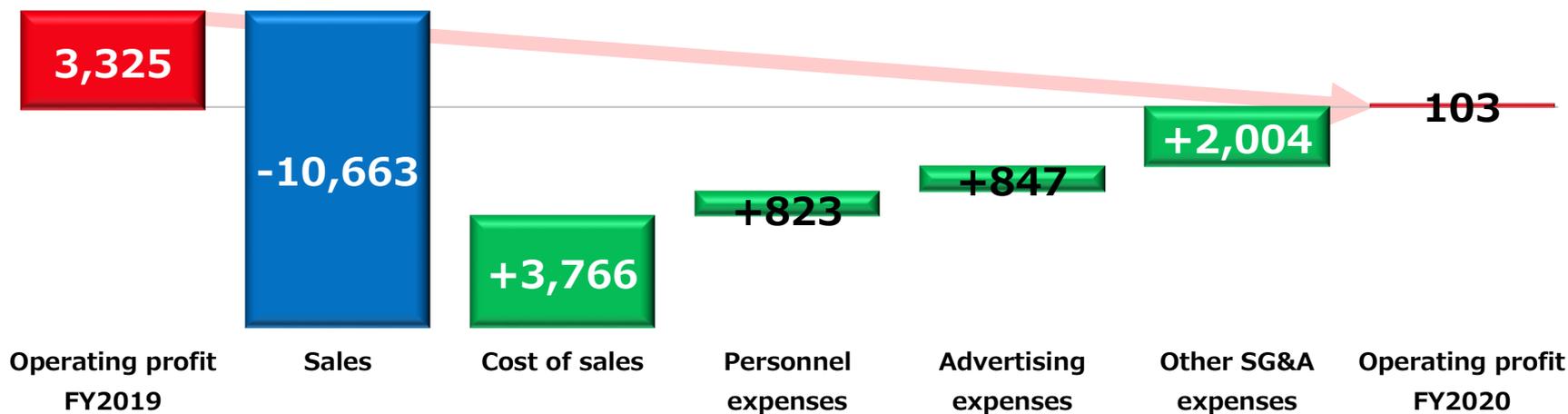
Other SG&A expenses: Review and reduce various costs. Decrease expenses linked to decrease in sales (shipping expenses, travel expenses, supplies expenses, payment fees, etc.).

Operating profit

Continue to be in the black since July 2020, when became profitable in a single month.

Operating profit margin is 0.6% (approx. -11.5 percentage points YoY).

(JPYmn)



Segment Result



(JPYmn, %)

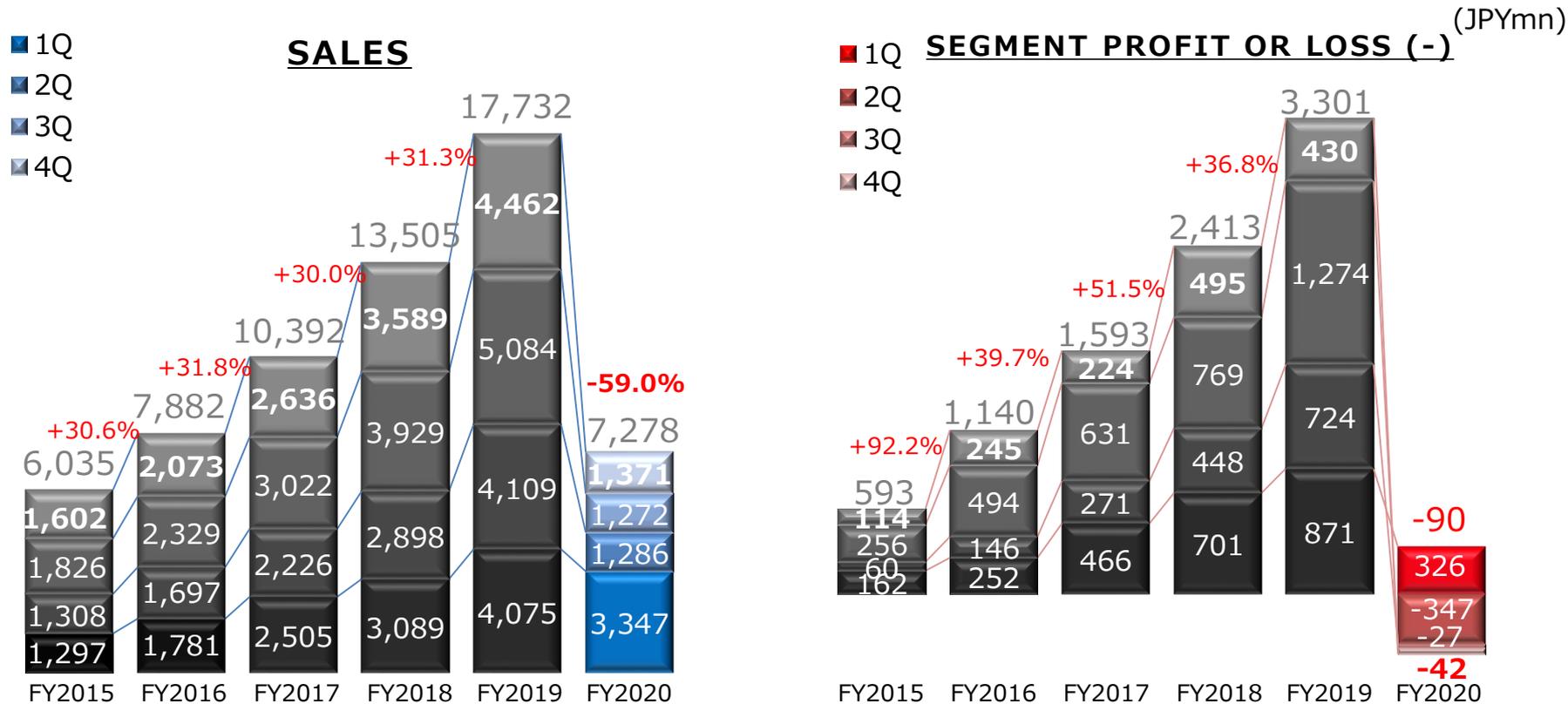
Segment result	FY2020 Result	FY2019 Result	Change	YoY
Sales	16,654	27,318	-10,663	-39.0
"GLOBAL WiFi"	7,278	17,732	-10,454	-59.0
Information and Communications Service	8,806	8,955	-149	-1.7
Subtotal	16,084	26,688	-10,603	-39.7
Others	580	637	-56	-8.9
Adjustments	-10	-7	-3	-
Segment profit or loss (-)	103	3,325	-3,221	-96.9
"GLOBAL WiFi"	-90	3,301	-3,392	-
Segment profit margin	-1.2	18.6	-19.9	-
Information and Communications Service	1,520	1,363	+157	+11.5
Segment profit margin	17.3	15.2	+2.0	-
Subtotal	1,429	4,665	-3,235	-69.4
Others	-392	-266	-125	-
Adjustments	-933	-1,073	+140	-

"GLOBAL WiFi" Business Performance Change



Turn profitable in a single month in 4Q consolidated accounting period by continuing low-cost operation and capturing various needs.

Sales of standby type "GLOBAL WiFi for Biz" for corporate customers are strong. Actively capture the needs for teleworking, online classes, and local governments (the Board of Education, etc.) for the GIGA School Concept. 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.).



(Note) Figures of the quarterly results in FY2015 are referenced values because the quarterly financial statements have not been prepared.

Information and Communications Service Business Performance Change



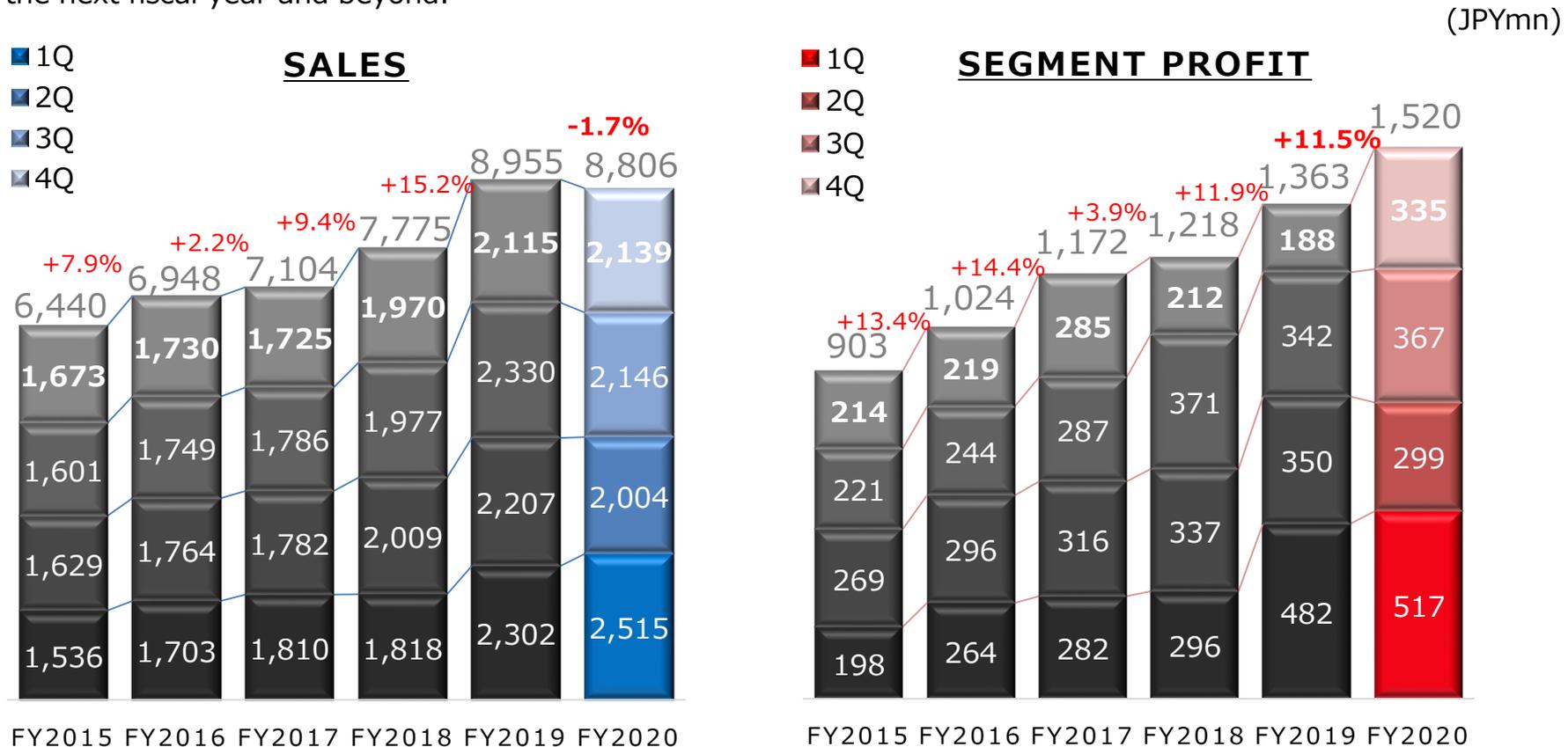
Sales of cost reduction products and mobile communication equipment (for teleworking, etc.) are strong.

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.

Decrease sales due to changes in business structure and strengthened sales of in-house services (monthly).

Orders received of monthly website production service "Vision Crafts!" is strong.

Increase stock earnings and in-house services (monthly), which will be the revenue base (recurring revenues) for the next fiscal year and beyond.



FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

FY2015 FY2016 FY2017 FY2018 FY2019 FY2020

(Note) Figures of the quarterly results in FY2015 are referenced values because the quarterly financial statements have not been prepared.

Consolidated Balance Sheet



Equity ratio: **77.3%** (approx. **-1.4% points** from the previous quarter)

Cash and deposits: JPY571mn increase.

Cash out in FY2020: Corporate tax payments JPY668mn, treasury stock acquisition JPY986mn

* No borrowing of commitment line (set in May 2020) and other overdrafts.

(JPYmn, %)

	As of Dec. 31, 2020	As of Sep. 30, 2020	Change	Rate of change	As of Dec. 31, 2019	Change	Rate of change
Total assets	11,313	11,046	+266	+2.4	15,173	-3,860	-25.4
Current assets	8,872	8,689	+183	+2.1	11,792	-2,919	-24.8
Cash and deposits	6,650	6,079	+571	+9.4	8,485	-1,835	-21.6
Non-current assets	2,440	2,357	+82	+3.5	3,381	-940	-27.8
Total liabilities	2,543	2,330	+213	+9.1	4,268	-1,724	-40.4
Current liabilities	2,507	2,271	+235	+10.4	4,222	-1,714	-40.6
Non-current liabilities	36	58	-22	-38.7	46	-9	-21.6
Total net assets	8,769	8,716	+52	+0.6	10,905	-2,136	-19.6
Total liabilities and net assets	11,313	11,046	+266	+2.4	15,173	-3,860	-25.4
Equity ratio	77.3	78.7	-1.4	-	71.7	+5.6	-

FY2021 Forecast of Financial Results



"GLOBAL WiFi"	Premise
Common	<p>Monetize our domestic business and build new businesses and services making the most of the customer base (corporate customers working with overseas companies, individual customers who like traveling, etc.). Continue to improve profitability and competitive advantage by continuing the low-cost operation system that even when overseas demand gradually recovers.</p> <p>Correspond to next-generation communication standards and technologies (5G and eSIM, etc.).</p>
Domestic	<p>Calculate based on the growth rate in the previous fiscal year, taking into account the seasonal index in each sales channel.</p> <p>Expect to make a budget to orders received through the "GIGA School Concept" by March 2021 when subsidies to each local government will end.</p> <p>Forecast the demand for teleworking conservatively, because the impact of COVID-19 on corporate activities is uncertain.</p> <p>Inbound (foreign visitors to Japan): After October 2021, it is expected to recover by about 25% compared to that in 2019.</p>
Overseas	<p>Outbound (travelers from Japan to overseas): Expect to remain sluggish in FY2021, same as that after March 2020. After October 2021, it is expected to recover by about 25% compared to that in 2019.</p> <p>Make a budget to the increased number of contracts of the standby type "GLOBAL WiFi for Biz" for corporate customers.</p>

Assumption of FY2021 Forecast



Information and Communications Service	Premise
Common	<p>Grow the business centered on monthly in-house services (recurring revenue) while slightly increasing and maintaining the revenue from subscription agency contracts and equipment sales (one-time revenue). Under the circumstances of COVID-19, the impact on visiting sales is minor by utilizing online sales.</p> <p>Flexibly respond to changes in the external environment, taking advantage of strength to have multiple businesses (products/services) and sales channels.</p>
Office automation equipment, Internet media	<p>Expect to increase due to demand recovery, although affected by the decline in domestic leasing transaction volume.</p> <p>Actively sell monthly website production service "Vision Crafts!".</p>
Fixed-line communication, Mobile communication, Broadband	<p>Acquire needs for mobile communication equipment due to teleworking demand, increase demand for corporate smartphones, and actively capture needs for monthly services (VWS, JANDI, compensation services, etc.).</p> <p>Conservatively expect the number of starting business.</p>
Eco solution	<p>Actively accept orders of electricity discount services, targeting store-based operators.</p>

FY2021 Forecast of Financial Results



(JPYmn, %)

Items	FY2021 Forecast	FY2020 Result	Change	YoY
Sales	15,163	16,654	-1,491	-9.0
Cost of sales	6,486	7,860	-1,374	-17.5
Gross profit	8,676	8,793	-117	-1.3
Gross profit margin	57.2	52.8	+4.4	-
SG&A expenses	8,268	8,689	-421	-4.8
SG&A-to-sales ratio	54.5	52.2	+2.4	-
Operating profit	407	103	+303	+292.4
Operating profit margin	2.7	0.6	+2.1	-
Recurring profit	397	227	+169	+74.4
Profit or loss (-) attributable to owners of parent	245	-1,183	+1,429	-

Segment Forecast



(JPYmn, %)

Segment Forecast	FY2021 Forecast	FY2020 Result	Change	YoY
Sales	15,163	16,654	-1,491	-9.0
"GLOBAL WiFi"	5,816	7,278	-1,461	-20.1
Information and Communications Service	8,927	8,806	+120	+1.4
Subtotal	14,743	16,084	-1,341	-8.3
Others	419	580	-161	-27.8
Adjustments	0	-10	+10	-
Segment profit or loss (-)	407	103	+303	+292.4
"GLOBAL WiFi"	77	-90	+168	-
Segment profit margin	1.3	-1.2	+2.6	-
Information and Communications Service	1,397	1,520	-123	-8.1
Segment profit margin	15.7	17.3	-1.6	-
Subtotal	1,474	1,429	+45	+3.2
Others	-11	-392	+381	-
Adjustments	-1,055	-933	-122	-

Forecast for the Full Year (Quarterly Change)

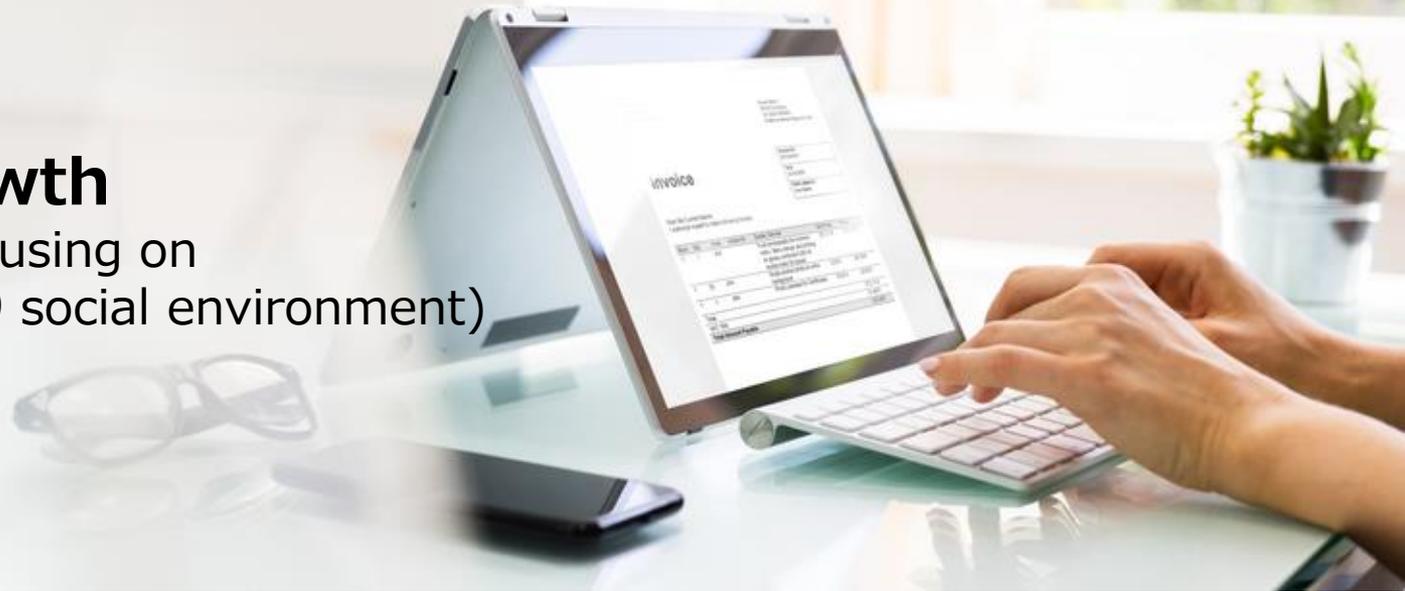


(JPYmn, %)

		1Q	2Q	3Q	4Q	FY
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	3,546	16,654
	Composition ratio (vs. FY)	36.0	21.9	20.9	21.3	—
	Operating profit or loss (-)	488	-503	73	45	103
	Composition ratio (vs. FY)	—	—	—	—	—
	Operating profit margin	8.1	-13.8	2.1	1.3	0.6
FY2021 (Forecast)	Sales		7,274		7,888	15,163
	Composition ratio (vs. FY)		48.0		52.0	—
	Operating profit		126		281	407
	Composition ratio (vs. FY)		31.0		69.0	—
	Operating profit margin		1.7		3.6	2.7

Efforts for Growth

(Growth Strategy Focusing on
with / post COVID-19 social environment)



	Existing business		New business / Service building	
Policy	<p>Increase productivity. Adapt to an online environment, so-called the New Normal. Strengthen up-selling and cross-selling (including online negotiations).</p>		<p>Develop a 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 and services meeting the needs of customers and the times. ✓ Build and strengthen sales system (online). ✓ Strengthen up-selling and cross-selling (including online negotiations). ✓ Brush up the revenue structure. ✓ Strengthen and expand in-house services. 		<ul style="list-style-type: none"> ✓ Adapt to With COVID-19 environment, so-called New Normal. ✓ Utilize sales channels and business structure. ✓ Utilize the customer base. ✓ Service that responds to customer feedback. ✓ Regional revitalization. 	
Sales channel Business structure	<p>WEB marketing</p>		<p>CLT Customer Loyalty Team</p>	
	<p>Shops Airport counters etc.</p>		<p>Shipping center</p>	
Customer base	Startups, growing corporate customers	Corporate customers working with overseas companies	Governments / local governments, Schools, etc.	Individual customers who like traveling

Actively Expand Sales of "GLOBAL WiFi for Biz"

- Competitive Advantage When Recovering Travel -



Actively expand sales of standby type domestic plan option "Global WiFi for Biz" for corporate customers.

Available for teleworking with options.

Contracts from corporate customers are favorably obtained because the convenience of the plan is permeating through its domestic use.

Income from basic monthly charges (recurring revenue) increases.

Connect Internet anywhere with one digital device
"Global WiFi for Biz"

Users has exceeded **15mn!** *1

Companies introducing Wi-Fi rental for overseas use **41,000** *2

"No need" to apply, receive, return

Just bring your device kept at the office!

*1 Number of customers using Wi-Fi router rental service (as of August 2020, our research)

*2 Number of companies using our Wi-Fi router rental service

Panel 1: A woman asks, "Your company has not introduced 'Wi-Fi kept at the office' yet?" and the other replies, "Wi-Fi kept at the office!"

Panel 2: The woman explains, "GLOBAL WiFi for Biz, just bring the mobile Wi-Fi router kept at the office! No need for rental arrangement every travel! Available in over 100 countries with one device!"

Panel 3: The woman states, "And the basic charge is JPY1,970/month!"

Efforts to Generalize Online Learning “GIGA School Concept”

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

- One digital device per person as a standard in the Reiwa era -

Contribute to promote online learning raising the “GIGA School Concept” by increasing the choices which local governments can choose Wi-Fi routers rental contract or Wi-Fi routers purchase and data communication contracts.

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



Online classes

GIGA School Concept

Dedicated dial is available for local governments and educational organizations

Our 4 strengths utilizing unique cloud technology



Many other benefits...

Strengthen Domestic Wi-Fi Sales

“GLOBAL WiFi” Business



Capture usage needs by leveraging the price, rich lineup, product inventory, various communication plans that meet customers' needs, remote support in the event of disasters, marketing power and brand strength (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. Because it is convenient to be rented on a daily basis (based on the number of days used), receive a favorable reputation as an alternative when moving, hospitalization, etc.

* No annual contract required, available only when needed and for the required period.

Available for over 100 terminals

Zero handling fee

Corporate plan available

Very popular rental!

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

[Click here for details](#)

Recommended for teleworking!

Can be used immediately without any installation 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 results: 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

“Tsuyaku-fukikae.com”

- New Service Making the Most of Our Customer Base -



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

Simultaneous/consecutive interpretation of business negotiations, conferences, and IR meetings with overseas companies and investors at web meetings and conference calls (Japanese ⇄ foreign language).

Simultaneous/consecutive interpretation in online classes and seminars (Japanese ⇄ foreign language).

Create a 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.).

Translate proposal materials, contracts, manuals, WEB pages, IR materials, etc. (Japanese ⇄ foreign language).

“Overcoming 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.



HOME For use Price Usage example

Apply >

Overcoming the language barrier,
make your business more global.



Vision WiMAX

- New Service Making the Most of Our Customer Base -



New service that responds to customer feedback.

In our survey, many customers use a Wi-Fi router for “trial before purchasing”.

A Wi-Fi router sales service for customers who are considering purchasing.

Customers can use it as a trial with rental (with special discount). After checking the communication environment, customers can purchase a Wi-Fi router that meets customers’ needs. Trade in the device when canceling (Vision WiMAX original service).

Vision WiMAX is a service that meets all of the above.

Reasons to choose Vision WiMAX

No initial cost	Arrive quickly.	365 days available
Trial rental	Trade-in when cancel	15mn rental records

Vision WiMAX powered by UQ WiMAX

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Vision Inc. TSE 1st Section:9416

For corporate customers

Apply

Price Device How to use Campaign Areas Usage example Q & A

Safe for beginners

Internet environment can be solved with a Vision WiMAX!

At home or outside

For teleworking, online classes

Speed Wi-Fi NEXT WX06

WiMAX HOME 02

Changes in Monthly Cost and Segment Profit

“GLOBAL WiFi” Business



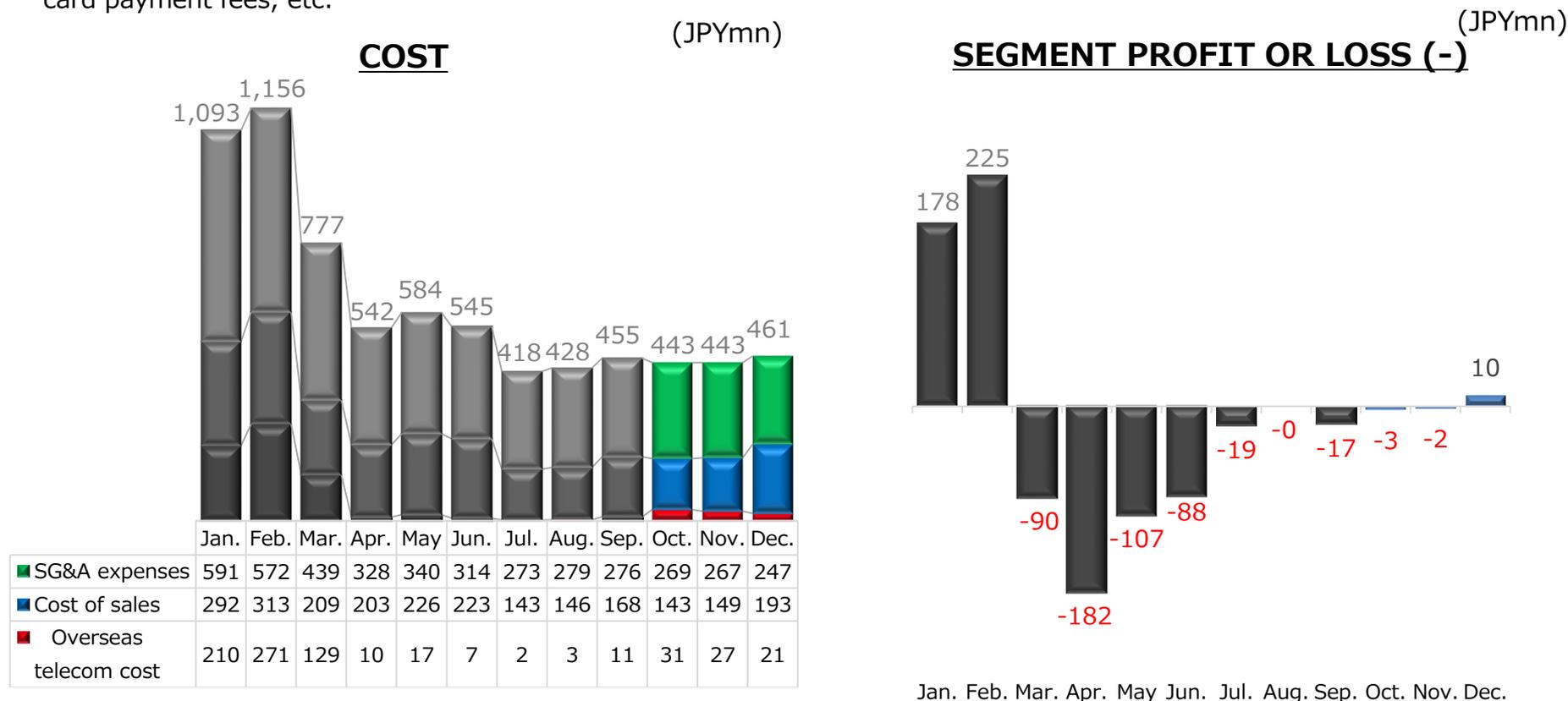
Return to the black in a single month by continuing low-cost operation and acquiring various needs.

Actively acquire various needs for using mobile Wi-Fi router (“GLOBAL WiFi for Biz” etc.).

Overseas communication costs are significantly reduced due to a pay-as-you-go communication purchase contract (a contract without a monthly basic charge) that charges based on the use of communication.

Depreciation costs have significantly decreased since FY2020/3Q due to the impairment loss (approx. JPY1.2bn) of related assets such as rental assets in FY2020/2Q (Wi-Fi router devices).

Cost structure that changes depending on the number of rentals: communication costs, shipping and 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 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).



Pick-up at Convenience Store

- Competitive Advantage When Recovering Travel -



Based on user's convenience, add a choice 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.

Provide a choice 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.

Expand Unmanned Shops

- Competitive Advantage When Recovering Travel -

Expand unmanned shops with vending machines.

Where are they installed? (As of Dec. 2020)

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).



Items	Summary
Sales	<p>Overseas Regular rental : Rental price per day × number of days used Average: JPY1,000/day, Average number of days used: 7 days Options such as insurance, mobile battery, etc.</p> <p>GLOBAL WiFi for Biz : Monthly charge (JPY1,970) + data communication fee (plan) × number of days used</p> <p>Domestic Rental price 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 2-year depreciation)</p> <p>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>

Gross Profit Composition

Information and Communications Service Business

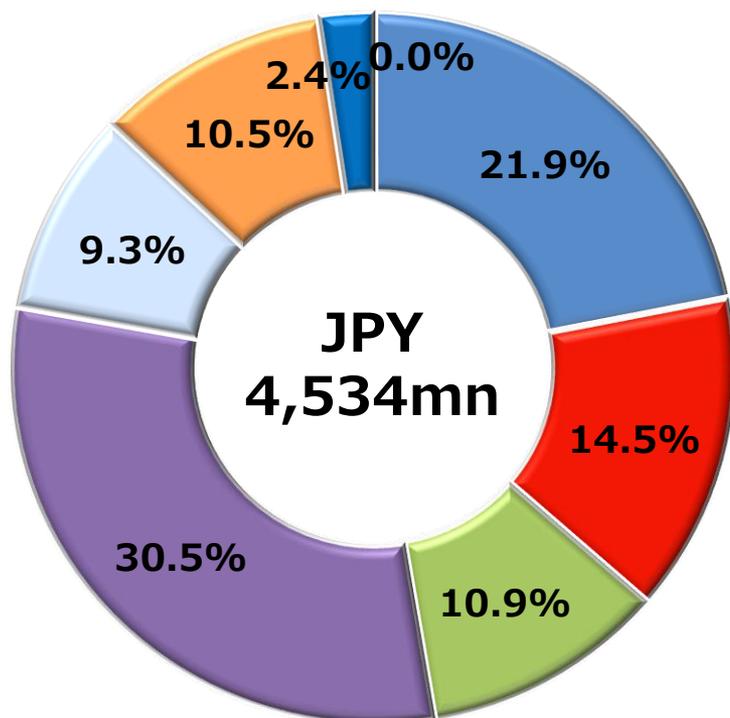


Sales of mobile communication equipment are strong (the number of companies introducing teleworking increases).

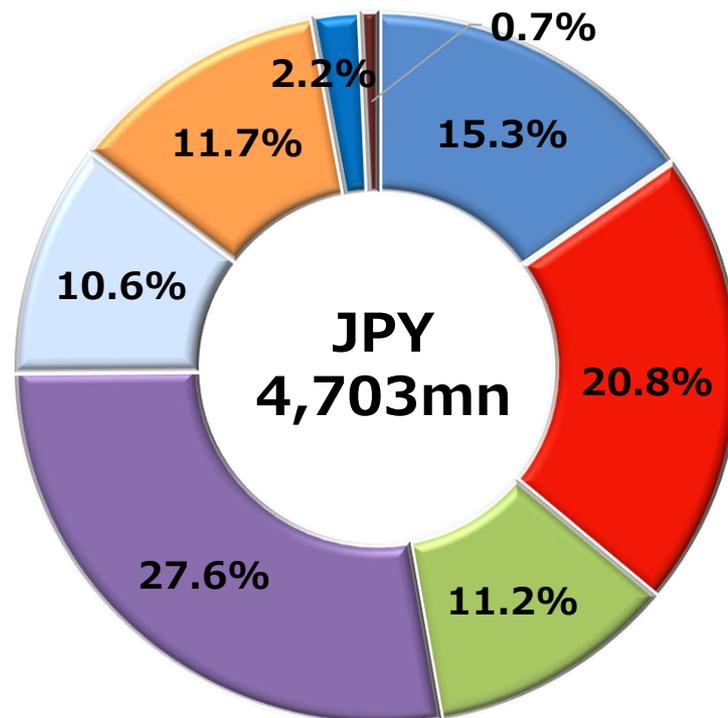
Orders received for “Vision Crafts!”, a monthly website production service, are steadily growing. The composition ratio of the office automation equipment sales business under lease contracts declines, partly due to the decline in domestic leasing transaction volume.

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

FY2019 Cumulative values



FY2020 Cumulative values



(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.

Stock Earnings and In-house Services (Monthly)



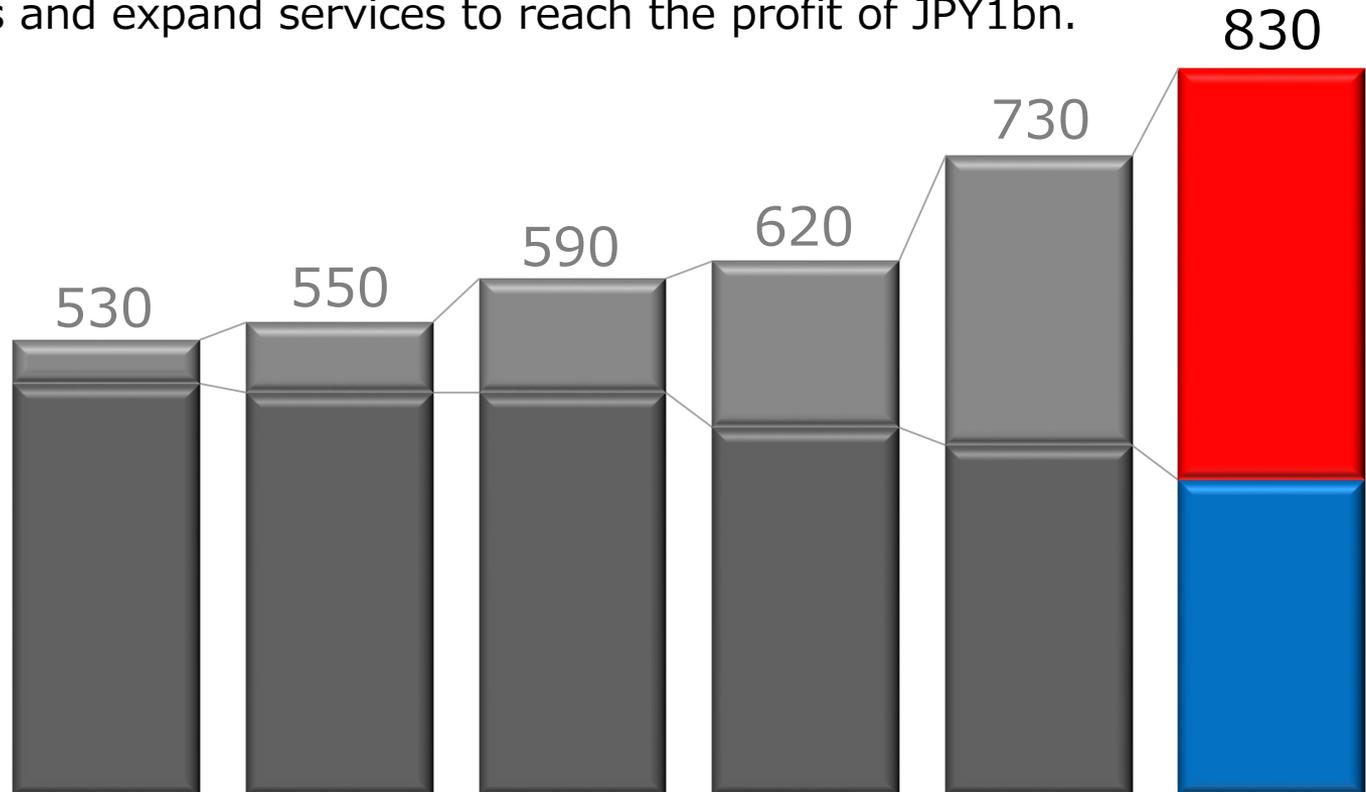
Gross Profit Change Information and Communications Service Business

Strengthen stock earnings and in-house services (monthly), which will provide a stable earnings base over the long term.

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

Strengthen sales and expand services to reach the profit of JPY1bn.

(JPYmn)



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
■ In-house services (monthly)	50	80	130	190	330	470
■ Stock earnings	470	460	460	420	400	360

Stock earnings: Revenue from continuation fee associated with subscription agency contract in communication service business and manufacturer maintenance fee in OA equipment sales business

Sales of In-house Services (Monthly) are Strong

- Provide Products/Services Meeting the Customers' Needs and the Times -

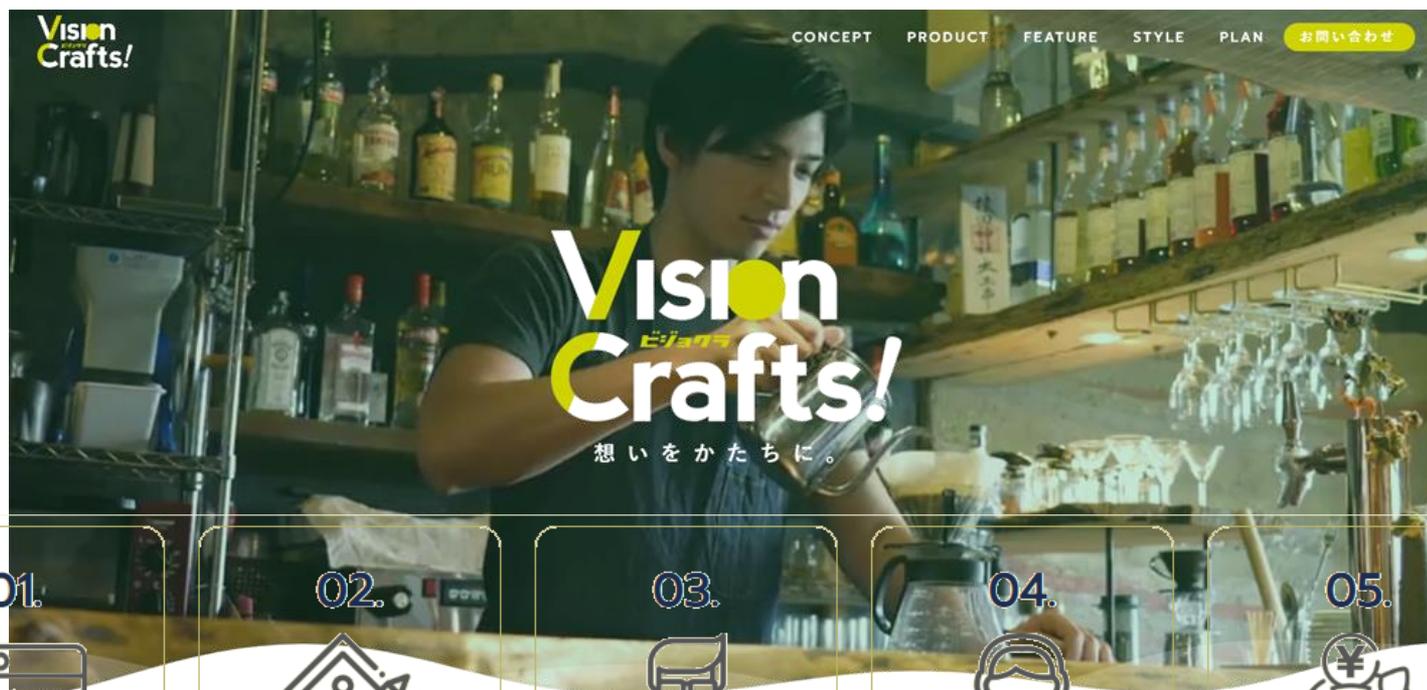


Sales of monthly website production service “Vision Crafts!” are strong.

Utilizing our experience of more than 100 website production per month, provide website production service enabling customers create easily their websites and “visually convey!” with it at a low price (from JPY3,980/month).

Popular with customers in various industries, including restaurants and retail shops, thanks to the low initial cost.

* Also popular with customers who have difficulty passing credit screening, because they have just established and opened.



01.



Simple!
Website update

02.



Rich design
materials

03.



Reliable staff
before opening

04.



How to use!
Support desk

05.



All together from
3,980 yen/month

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)

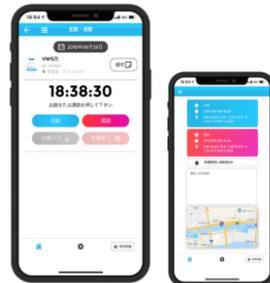
SNS for business (JANDI)

<月額利用料金>

VWS勤怠
低価格で安心!
導入しやすい
クラウド勤怠システム

初期費用 & 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!

- ストレージ 5GB
- トークチャット 展開可能
- メッセージ検索 15,000通まで検索可
- チームメンバー 最大500名
- 管理者 1名
- 準会員加入数 10名まで
- To-Doリスト 100件まで
- 外部連携 Googleなど可能

VWS クラウド

申請 承認 承認 保管

社内稟議・経費計算システム

ビジネス向けSNSの「決定版」

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% DOWN **82% DOWN**

業務の生産性

56% UP

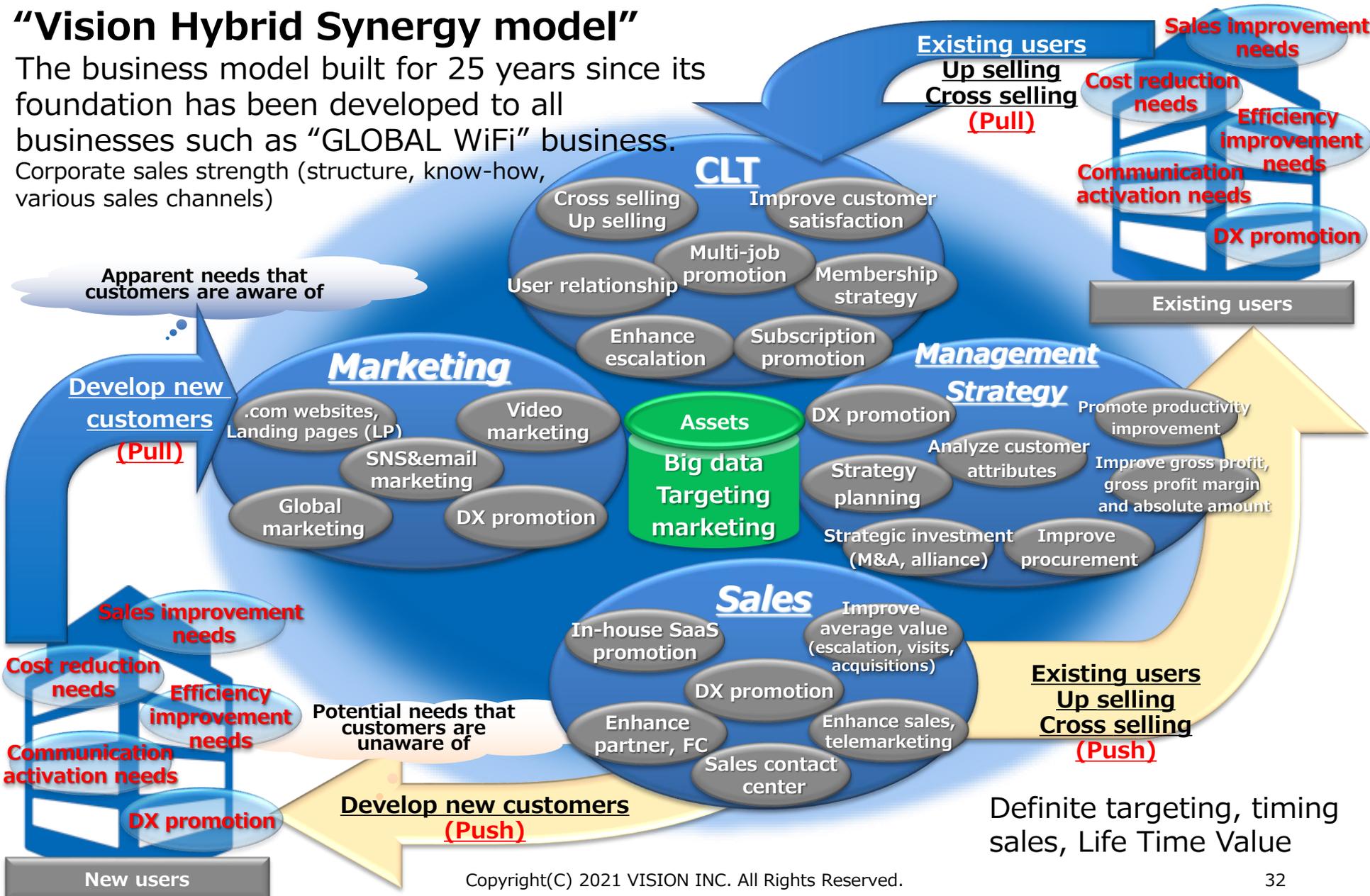


Information and Communications Service Business Business Model



“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)



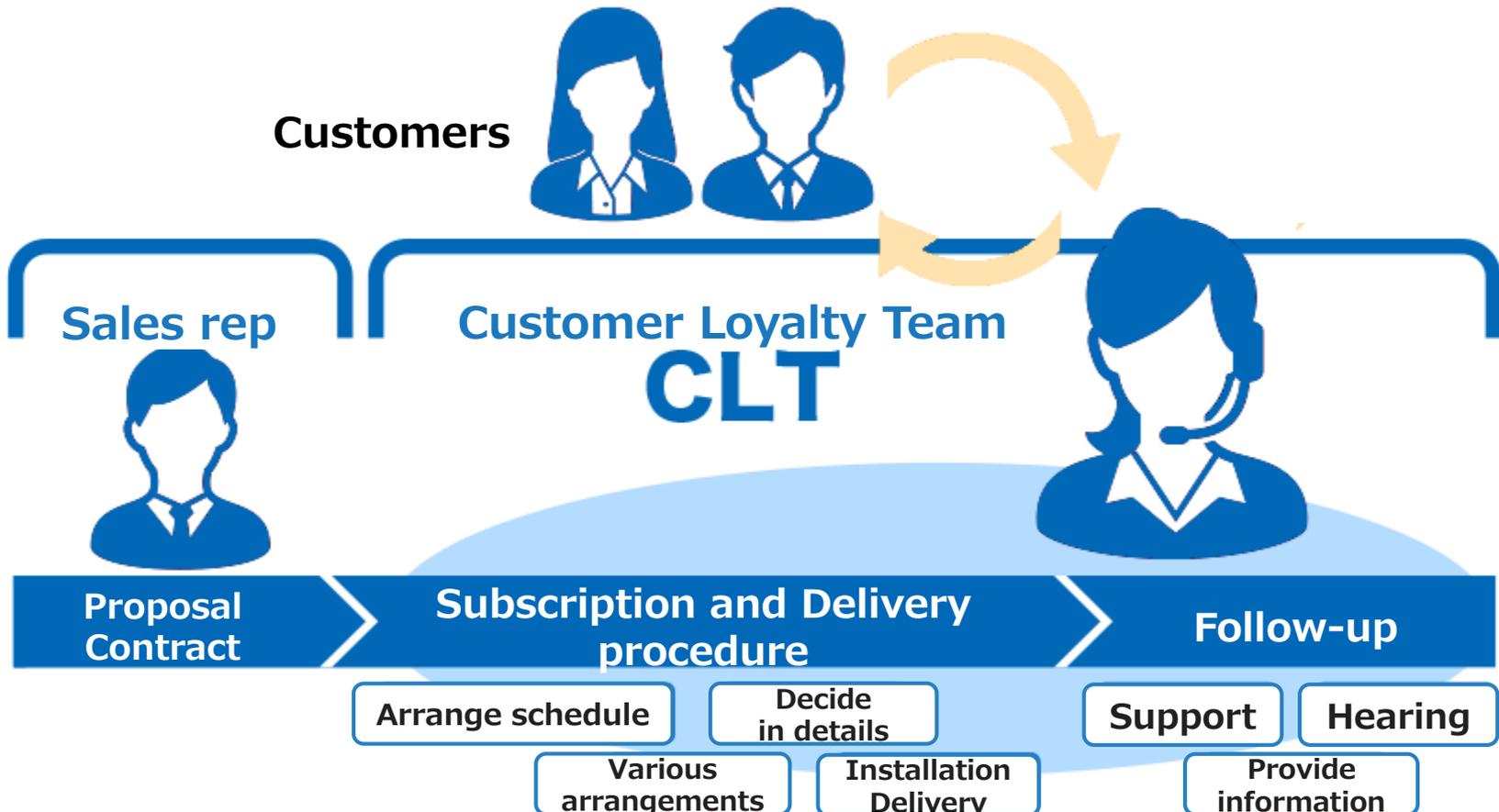
Definite targeting, timing sales, Life Time Value

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



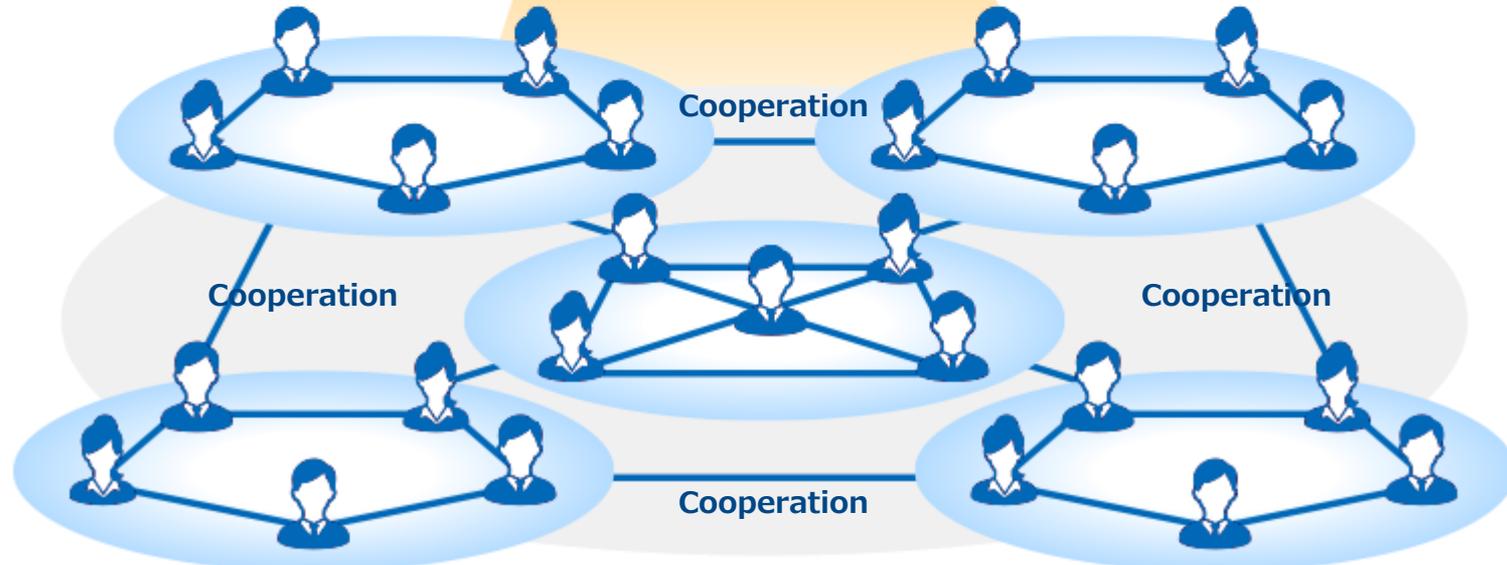
Escalation

(Cooperation among Divisions, Customer Referral)

Organization culture that creates continuous evolution
High productivity created by escalation system (cooperation among divisions and customer referral)



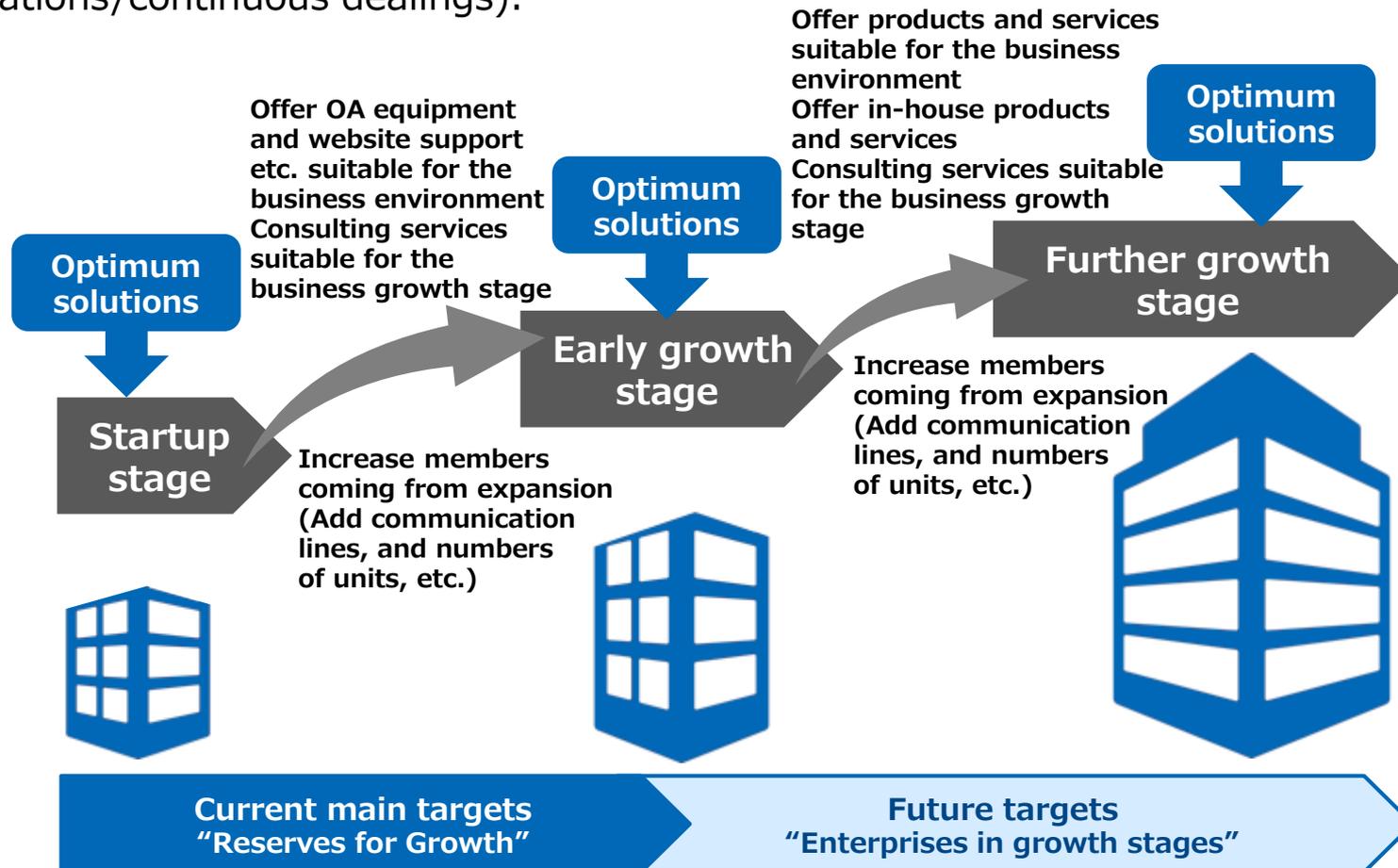
**Improve productivity through flat and open culture,
and the “escalation system” promoting cooperation among divisions**



Subscription-based Business Model

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

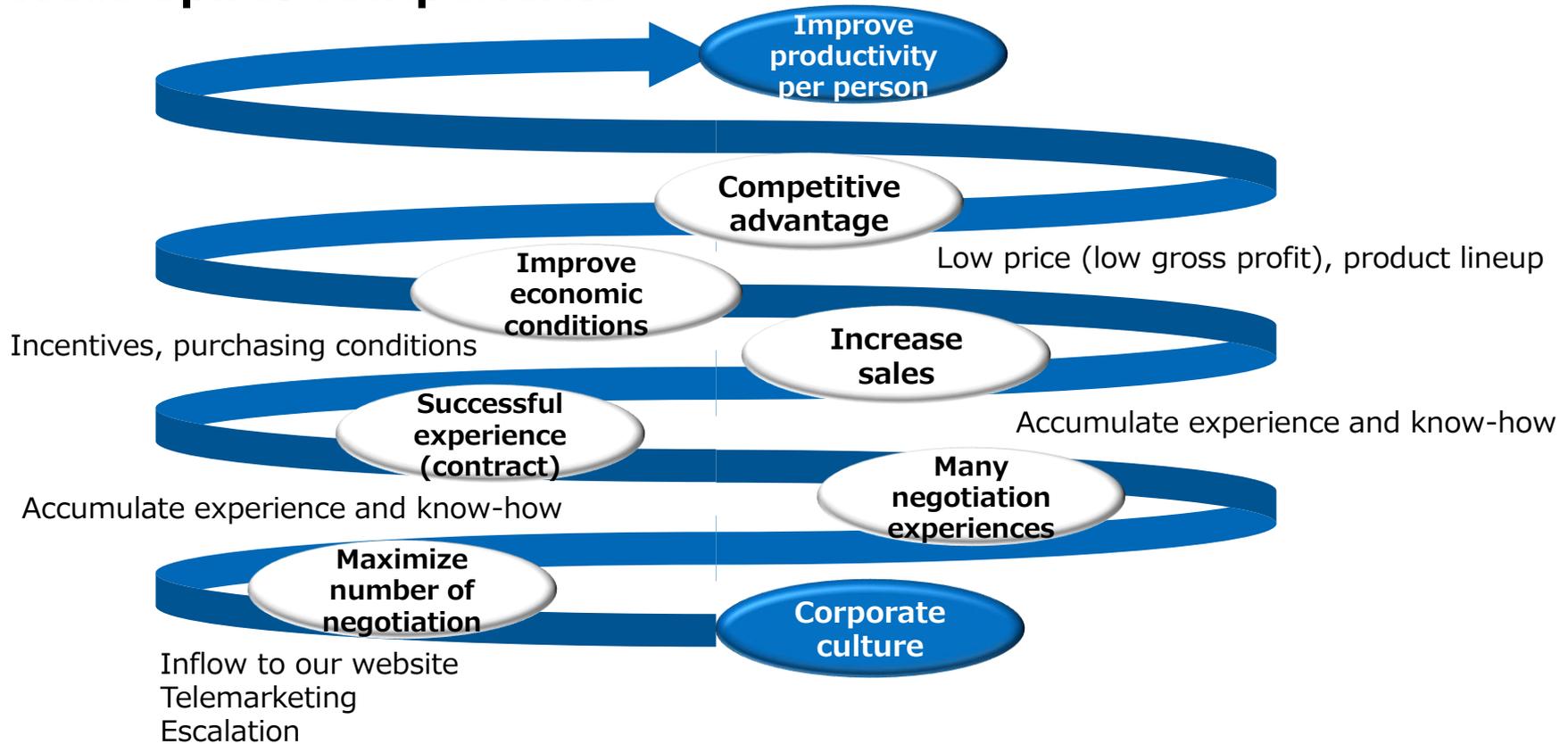
Structure that accumulates profits by our original know-how CRM (customer relations/continuous dealings).



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





**Sustainable Growth
and Corporate Value
Improvement
- ESG Activities -**

Sustainable Growth and Corporate Value Improvement - ESG Activities

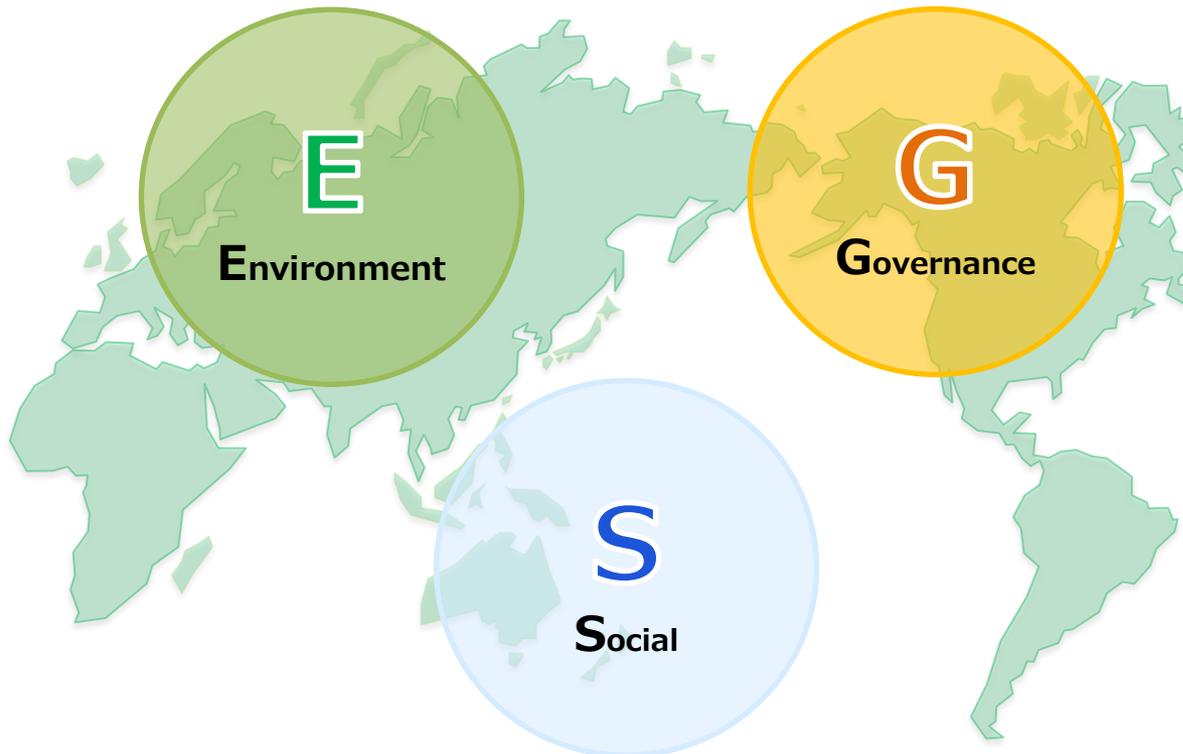
Environment

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



Recruitment/Employment

Various recruitment channels
Recruitment advantages

Work-style Reform

Personnel system suitable for the times
Unique benefits

Activities for Environment



Environment

環境



GSLを通じて環境貢献に取り組んでいます。



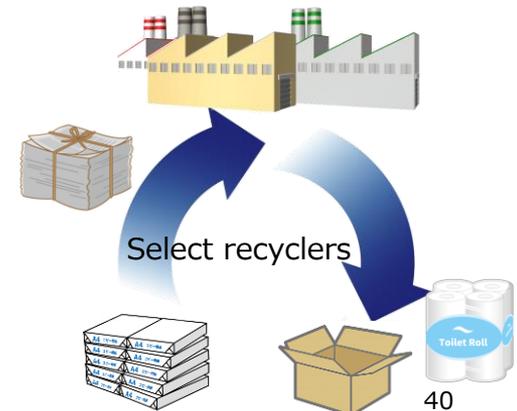
Provide iPad



Video (web) conference



Electronic forms (workflow)
Utilize internal SNS



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

* **Provide an environmental support with “Green Electricity”** for our website’s CO2 reduction.

Support and cooperate with the organizations which provide information, support activities in disaster areas, and provide assistance to various activities to “realize a society where people can support each other at the times of earthquake.”

Operate the business **with the minimum required tangible fixed assets. Tangible fixed assets account for 3% of total assets**, at the end of FY2020.

* Adapt to various changes in the environment.

Provide rental service of LED lights at a moderate price.

Paperless efforts

Provide iPad to sales staff, etc.

Utilize video (web) conference (reduce unnecessary traveling).

Utilize electronic forms and internal SNS actively.

Select recyclers.



Social
社会

Various recruitment channels

Fair recruiting, referral recruiting, and active recruiting of women (Female employee ratio: 33%).

Hire multinational people (Foreign nationals: 16.5% (full-time)).

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

How to develop human resources (training system/evaluation system)

Training for new graduates

Business etiquette, PC, knowledge, external, sales, follow-up, etc.

OJT after assignment

Product knowledge training, sales appointment calls, business accompaniment, role-playing.

Sales experience

WEB marketing, telemarketing, escalation.

A lot of business deals generated from sales appointment calls (Experience ⇒ Growth).

Four opportunities a year for salary increases and promotions based on evaluations every three months.

33% of the annual salary is variable salary (incentives such as commission, achievement, and profit dividend).

* Average of all sales reps in 2019



Introduced personnel system suitable to the times and unique benefits plan

Shorter working hours, shift and flextime systems.

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

Drink allowance (for summer season), influenza vaccination subsidy, teleworking allowance.

Additional work-related accident insurance (compensation for the excess), insurance to cover illness/injury other than working hours (take out corresponding insurance).

Real-time internal communication

Share information and communicate each other in real time, using SNS (JANDI).

Realize immediate communication and decision-making by utilizing communities with limited participants (board member community, approval community, etc.).

* Utilize JANDI internally at first and provide the improved service to our customers.



Share management and business policies, using videos, etc.

Create videos about business policies and post on the intranet. Communicate throughout the group.

* Create dubbed videos for employees of overseas subsidiaries.



In-house booklet "Vision Tsushin"

Publish the in-house booklet "Vision Tsushin" quarterly (booklet, posted on the intranet).

Messages from executives.

Share new efforts, etc.

Comments from the top sales person.

Introduce our Divisions.

Share various information on the labor, and compliance, etc.

Published since 2012.



Social Activities



ビジョンキッズ保育園
VISION KIDS NURSERY

VISION
More vision, More success.

“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

Provide free Global WiFi rentals to Japan Heart volunteers who are active around the world and the secretariat.
Donate a portion of company sales to the secretariat.

Through this support, we hope to be able to assist in delivering medical care to as many children as possible.





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)

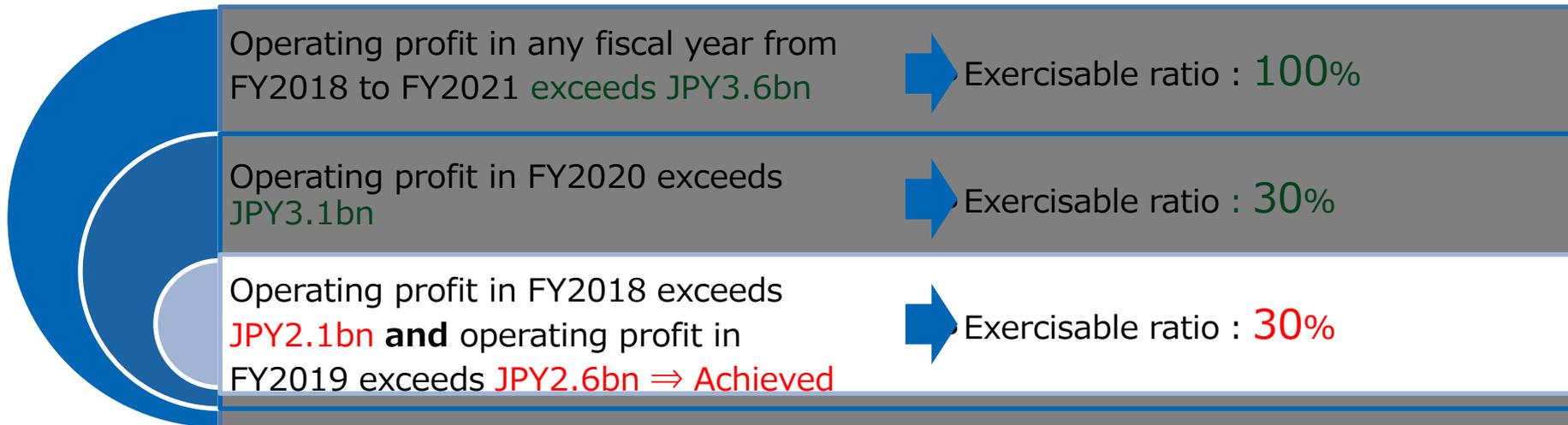


* Excerpt from "Determination of Details of Issuance of Stock Acquisition Rights" on Nov. 30, 2017

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.



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.

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