

# 2nd Quarter FY2017 Financial Results

**August 9, 2017**  
**Vision Inc.**

**(1st Section of the Tokyo Stock Exchange, code : 9416)**

The opinions and forecasts provided in this document are our decision in time of writing, they do not guarantee the accuracy of the information.

Due to changes in various factors, please note there is a possibility that is different from the actual results.

- Performance Highlights and 2Q FY2017 Actual Results
- FY2017 Outlook of Financial Results
- Progress of Growth Strategies 2Q FY2017 Topics
- APPENDIX
- VISION INC. Business Summary
- Segment Overview, Growth Strategy: “GLOBAL WiFi” Business
- Segment Overview, Growth Strategy: Information and Communications Service Business

# Performance Highlights and 2Q FY2017 Actual Results

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- Both sales and each profit are the highest ever in the same cumulative period.
  - Sales **JPY8350mn** (+20.1% YoY)
  - Operating profit **JPY850mn** (+52.3% YoY)
  - Net income **JPY571mn** (+67.2% YoY)
- “GLOBAL WiFi” Business :  
Successfully capture corporate demand despite the low season.
  - Segment profit **JPY737mn** (+84.5% YoY)
- Information and Communications Service Business :  
Continue to perform well due to acquiring newly established companies and accumulating continuous dealings by CRM.
  - Segment profit **JPY599mn** (+6.9% YoY)

# 2Q FY2017 Overview of Financial Results (Cons.)



Record high. Sales: **+20.1%** YoY, and Operating profit: **+52.3%** YoY.

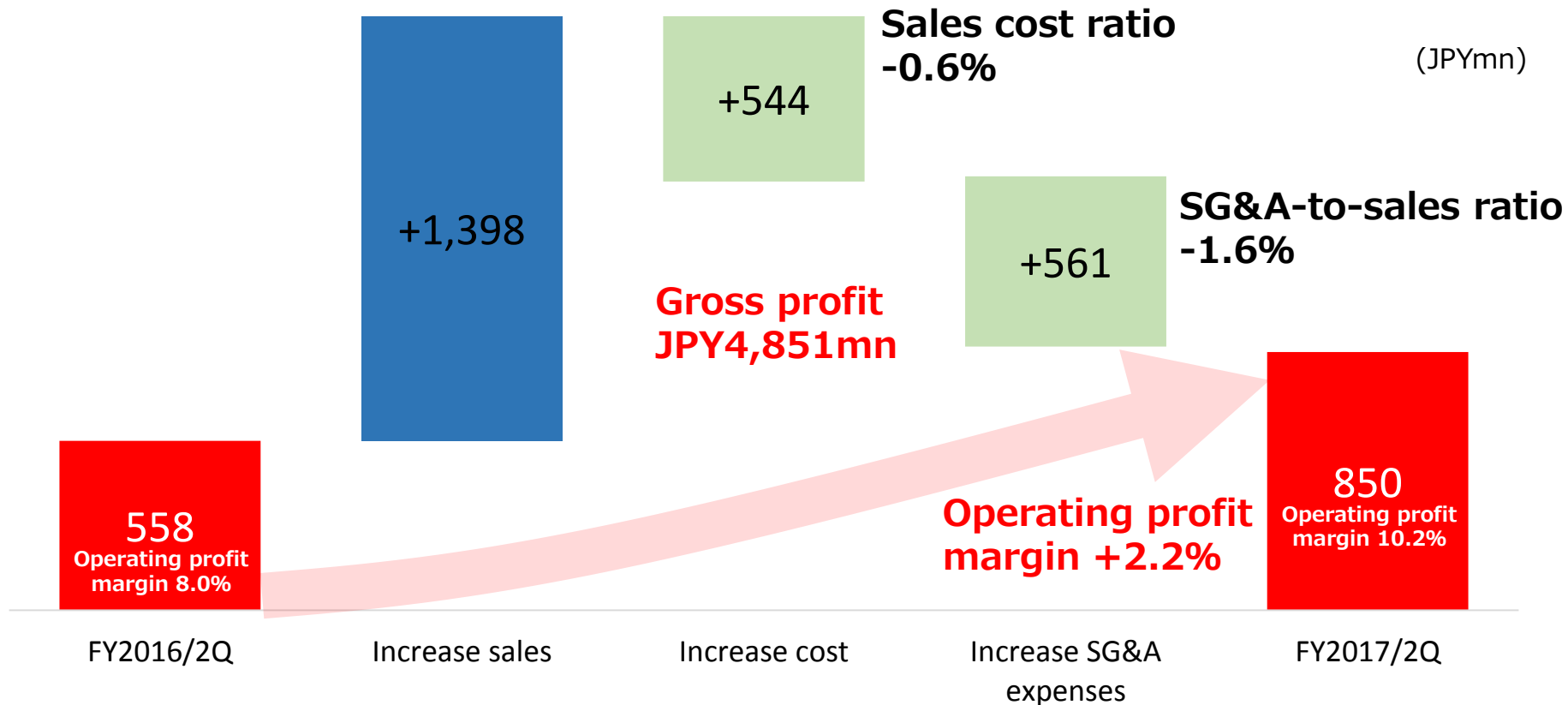
(JPYmn, %)

Account title	FY2017/2Q Actual result		Increase or decrease	
	Amount	Composition ratio	Amount	Increase or decrease ratio
<b>Sales</b>	<b>8,350</b>	<b>100.0</b>	<b>+1,398</b>	<b>+20.1</b>
FY2016/2Q Actual result	6,952	100.0	+1,174	+20.3
<b>Gross profit</b>	<b>4,851</b>	<b>58.1</b>	<b>+853</b>	<b>+21.4</b>
FY2016/2Q Actual result	3,997	57.5	+733	+22.5
<b>Operating profit</b>	<b>850</b>	<b>10.2</b>	<b>+200</b>	<b>+52.3</b>
FY2016/2Q Actual result	558	8.0	+186	+50.2
<b>Recurring profit</b>	<b>850</b>	<b>10.2</b>	<b>+319</b>	<b>+60.1</b>
FY2016/2Q Actual result	531	7.6	+103	+24.3
<b>Net income attributable to parent company shareholders</b>	<b>571</b>	<b>6.8</b>	<b>+229</b>	<b>+67.2</b>
FY2016/2Q Actual result	341	4.9	+9	+2.8

# Operating Profit Increase Factor

Improve cost efficiency and operating efficiency by improving shipping operation efficiency, utilizing CLOUD WiFi.

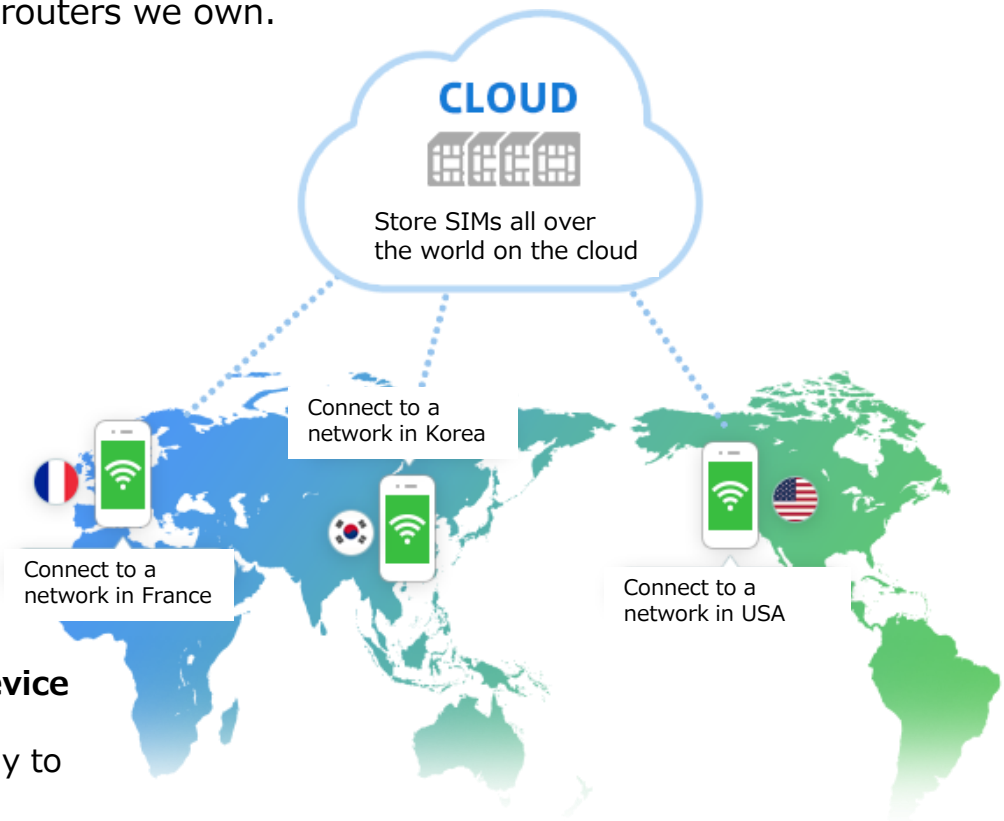
Sales cost ratio **-0.6%** YoY, SG&A-to-sales ratio **-1.6%** YoY, and Operating profit margin **+2.2%** YoY.



# Utilizing CLOUD WiFi

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

- No need to order and receive a router for each use (keep it in the customer's company), start "GLOBAL WiFi for Biz" which is inexpensive and highly convenient corporate limited plan.
- Labor saving of shipping operation.
- Introduce to approx. 20% of Wi-Fi routers we own.



## Internet anywhere in the world with one device CLOUD WiFi technology

With next-generation communication technology to manage SIM on the cloud, telecommunication carriers all over the world can be allocated without physically inserting SIM.

# Segment Actual Result and Overview



(JPNmn, %)

		FY2017/2Q Actual result	FY2016/2Q Actual result	Increase or decrease	
		Amount	Amount	Amount	Increase or decrease ratio
Sales	“GLOBAL WiFi”	4,732	3,478	+1,254	+36.1
	Information and Communications Service	3,592	3,467	+124	+3.6
	<b>Subtotal</b>	<b>8,324</b>	<b>6,496</b>	<b>+1,378</b>	<b>+19.8</b>
	Others	25	6	+19	+312.7
	Adjustment amount	–	–	–	–
	<b>Total (Cons.)</b>	<b>8,350</b>	<b>6,952</b>	<b>+1,398</b>	<b>+20.1</b>
Segment profit	“GLOBAL WiFi”	737	399	+337	+84.5
	Information and Communications Service	599	560	+38	+6.9
	<b>Subtotal</b>	<b>1,336</b>	<b>960</b>	<b>+376</b>	<b>+39.2</b>
	Others	△47	△24	△23	△97.6
	Adjustment amount	△438	△378	△60	△16.1
	<b>Total (Cons.)</b>	<b>850</b>	<b>558</b>	<b>+292</b>	<b>+52.3</b>

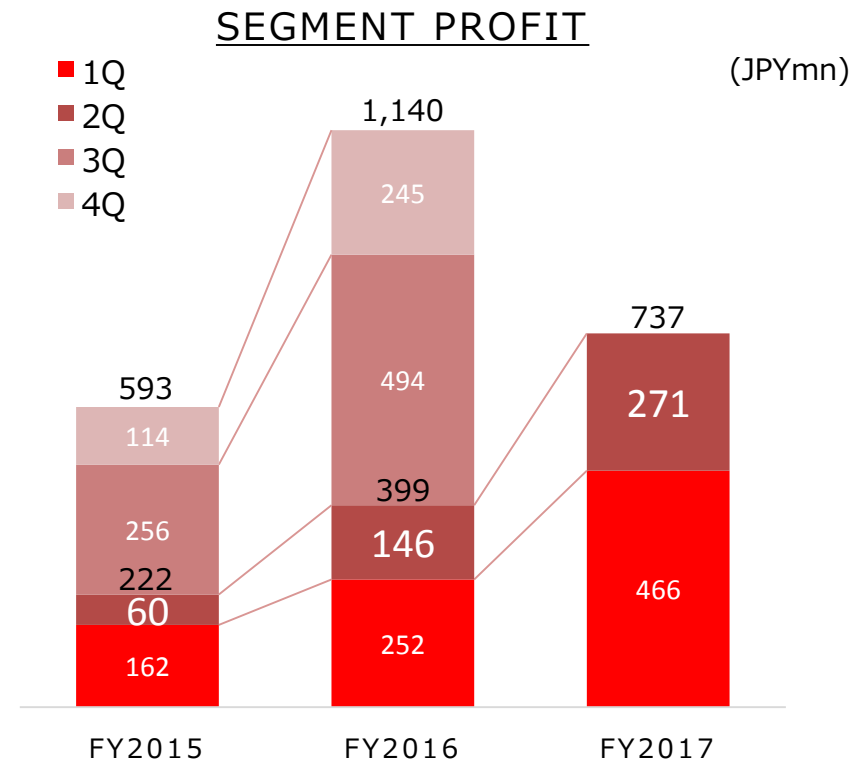
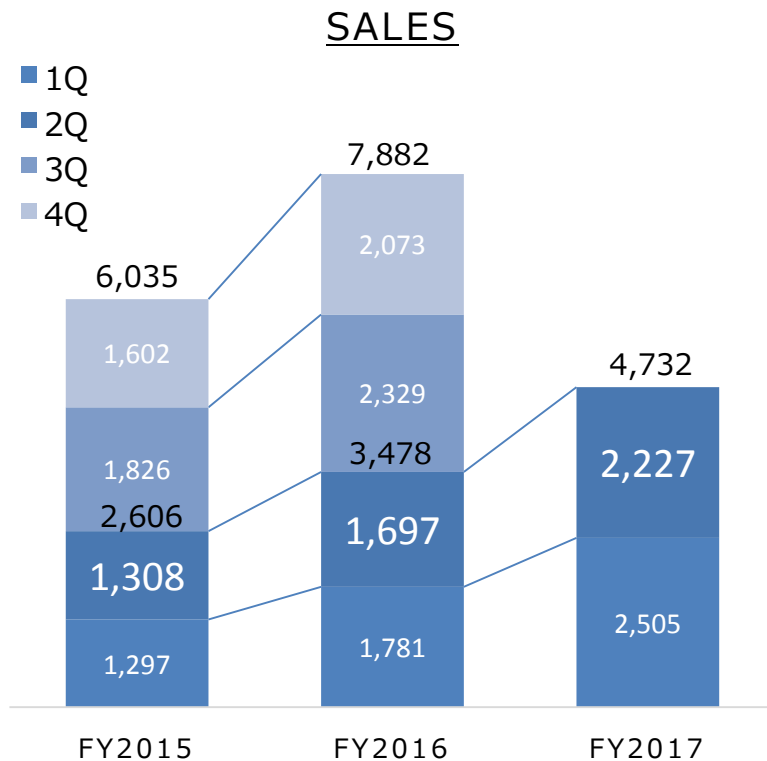


# “GLOBAL WiFi” Business Transition of Performance



While 2Q is in a low season, significant increases in sales and profit.

- Increase in users.
  - Capture corporate demand such as business trips with little seasonal fluctuation, accumulate repeat users etc. (refer to corporate utilization ratio etc. on page 27)
- Continue to improve costs.



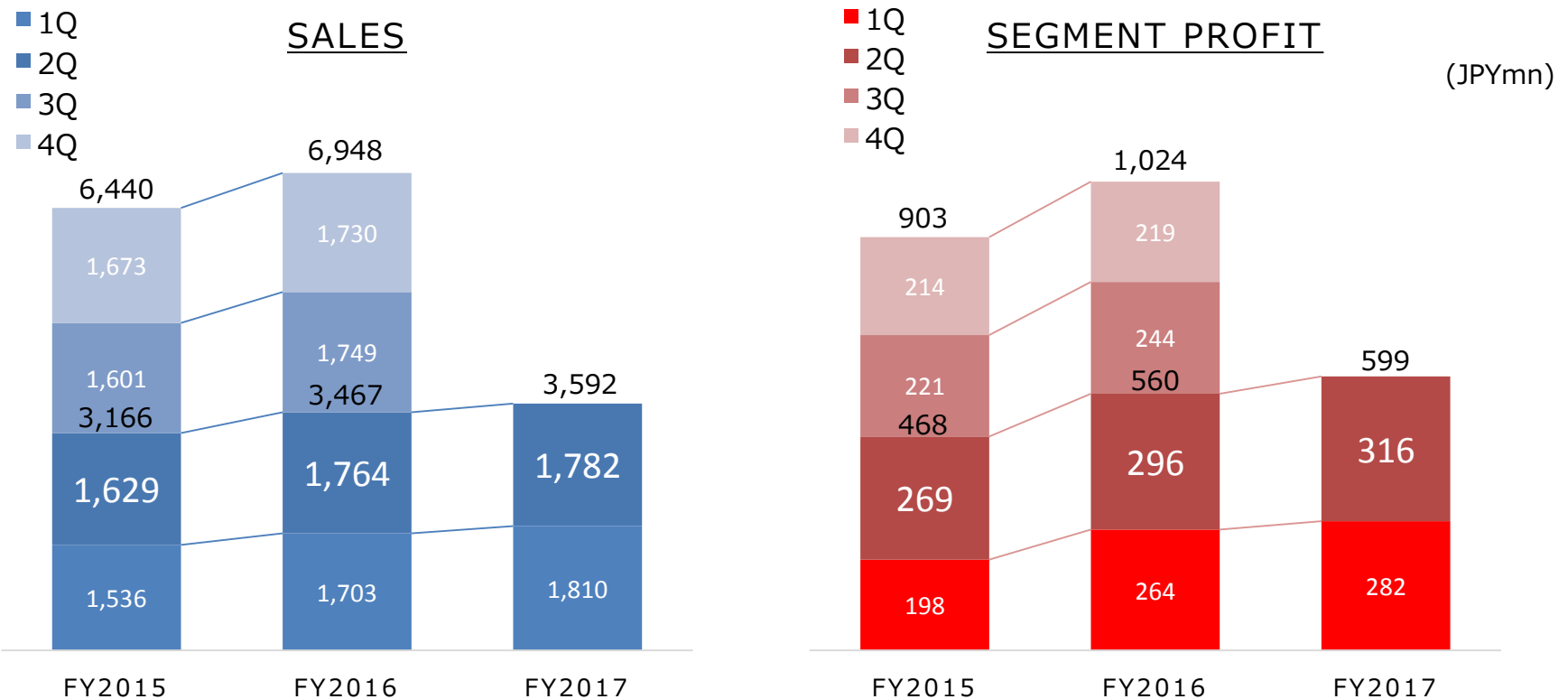
(Attention) Regarding the quarterly results in FY2015, year-on-year ratio is for reference, because we do not prepare for the quarterly financial statements.

# Information and Communications Service Business Transition of Performance



Continue to increase sales and profit.

- Continuous enhancement of the channel.
  - Web marketing, CLT (Customer Loyalty Team), sales department
- Structure of continuous stock model (CRM measures etc.) .
- Further sales increase by up/cross-sell strategy.



(Attention) Regarding the quarterly results in FY2015, year-on-year ratio is for reference, because we do not prepare for the quarterly financial statements.

# Consolidated Balance Sheet



(JPYmn, %)

	FY2017/2Q	FY2016	Compared to the previous consolidated fiscal year end	
	Amount	Amount	Increase or decrease	Increase or decrease ratio
<b>Assets</b>				
Current assets	8,413	8,129	+283	+3.5
Cash and deposits	6,304	6,241	+62	+1.0
Fixed assets	2,072	1,805	+267	+14.8
Tangible fixed assets	583	480	+102	+21.2
Intangible fixed assets	511	423	+88	+21.0
<b>【Total assets】</b>	<b>10,485</b>	<b>9,935</b>	<b>+592</b>	<b>+8.1</b>
<b>Liabilities</b>				
Current liabilities	2,573	2,600	△27	△1.0
Fixed liabilities	7	22	△15	△65.7
<b>【Total liabilities】</b>	<b>2,580</b>	<b>2,623</b>	<b>△42</b>	<b>△1.6</b>
<b>Net assets</b>				
<b>【Total net assets】</b>	<b>7,904</b>	<b>7,312</b>	<b>+592</b>	<b>+8.1</b>
Equity ratio	75.4	73.6	+1.8	—

# FY2017 Outlook of Financial Results

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# FY2017 Forecast of Financial Results



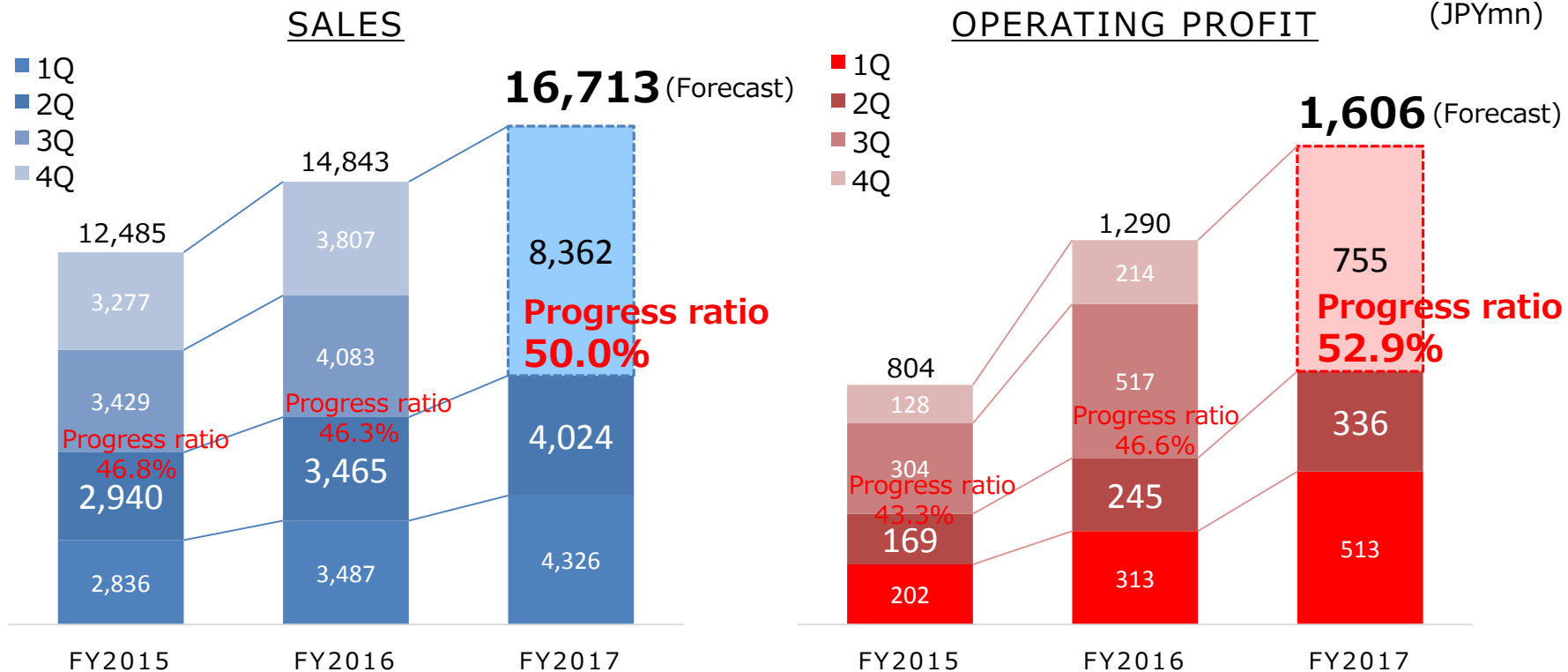
Anticipate Sales +12.6%, and Operating profit **JPY1.6bn (+24.5%)**.

(JPNmn, %)

Account title	FY2017 Forecast		Increase or decrease	
	Amount	Composition ratio	Amount	Increase or decrease ratio
<b>Sales</b>	<b>16,713</b>	<b>100.0</b>	<b>+1,869</b>	<b>+12.6</b>
FY2016 Actual result	14,843	100.0	+2,358	+18.9
<b>Gross profit</b>	<b>9,825</b>	<b>58.8</b>	<b>+1,203</b>	<b>+14.0</b>
FY2016 Actual result	8,622	58.1	+1,712	+24.8
<b>Operating profit</b>	<b>1,606</b>	<b>9.6</b>	<b>+315</b>	<b>+24.5</b>
FY2016 Actual result	1,290	8.7	+485	+60.3
<b>Recurring profit</b>	<b>1,608</b>	<b>9.6</b>	<b>+310</b>	<b>+23.9</b>
FY2016 Actual result	1,298	8.7	+490	+60.8
<b>Net income attributable to parent company shareholders</b>	<b>1,045</b>	<b>6.3</b>	<b>+231</b>	<b>+28.5</b>
FY2016 Actual result	813	5.5	+228	+39.0

# Transition of Performance

Steady progress against the full-year forecast.



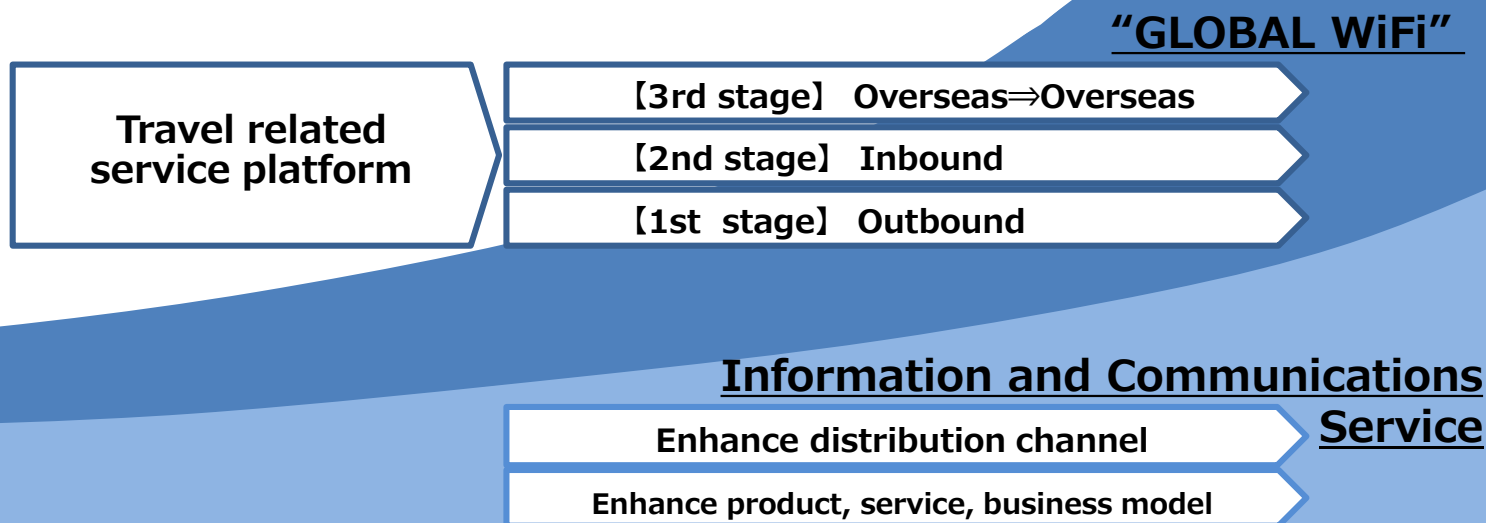
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# Progress of Growth Strategies 2Q FY2017 Topics

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Steadily promote the growth strategies of the two main business segments.

- “GLOBAL WiFi” Business
  - Accelerate business expansion at each stage.
  - Add travel related service platform (information media / service).
- Information and Communications Service Business
  - Enhance distribution channel.
    - Web marketing • Sales / Partners • CLT (Customer Loyalty Team)
  - Enhance products, services, and business models.





## ○ Travel related service platform

- Offer useful information (media)/service to solve problems during overseas travel.
- Start using existing customer foundation.

**GLOBAL WiFi** **NINJA WiFi**

**FY2017 Cumulative total (Jan.-Jun.) actual results**  
**Japan Total 1.25mn people/8.77mn nights**

- \* FY2016 actual results: approx. 1.92mn people/13.44mn nights (annual)
- \* Our research



Overseas travelers

**Useful information (media)**

**Useful services**



Guide customers to allied partners



- Business support service for visiting Japan, Inbound comprehensive advertisement “NINJA MEDIA”
  - Marketing and advertisement for foreign tourists.
  - Utilize customer foundation (foreign tourists visiting Japan).
  - Approach with all "timing" when traveling in Japan.

Before traveling: Collect information, prepare for travel

While traveling: Airport, moving, sightseeing, lodging

After traveling: After returning home

- Translation device “ili” ~for corporate~  
“ili for Guest”



\* Website images of Inbound media

貴社関係者すべての「言語の壁」をストレスフリーに

瞬間翻訳機 ili ~法人用~

「あさちゃん」「ZIP」でも話題!

メーカーによる実証実験動画を公開中!

Taiwanese Tourists Try ili for the First...

日本語 ↔ 中国語  
日本語 ↔ 英語に対応

自分で専門用語・固有名詞の追加ができる!

※2017年3月イオンモール内11店舗の協力のもと実施



お客さまはどんな時にあなたを選びますか?

外国人観光客に届くプロモーション

「欲しい」と思った時が一番のタイミング!

情報収集 | 旅行準備中 | 移動中 | 観光中

動画でアプローチ | メルマガでアプローチ | クーポンでアプローチ | ガイドブックでアプローチ



- Capital and business alliance with UROAMEDIA (August 2017)
  - Collaborating with Japanese, Chinese, and Korean No. 1 class Wi-Fi router rental service operators, possible to reach overwhelming number of overseas travelers.
  - Aim to improve the media value and sell comprehensive advertisements.



Guidebook 	Promotional materials 	Video  	Facility  	SNS  	Email 	etc.
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# Travel Related Service Platform



- Media 「NINJA WiFi Travel Guide “SHINOBI”」
  - Guide book delivered directly to overseas travelers to Japan who use “NINJA WiFi.”
  - Advertising model.
  - Collaborate with digital media.

## ○Benefits of posted companies and facilities :

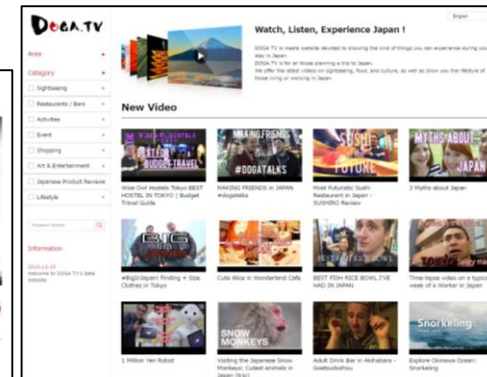
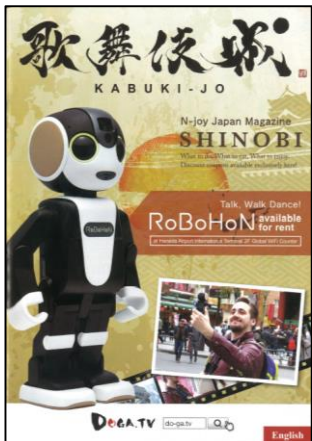
- Rare advertisement for FIT (Foreign Independent Tour) customers.
- Deliver directly = Reach surely.
- “NINJA WiFi” users = internet available = action (coming to a shop, reservation, application, etc.) rate is high.

- Video media 「DOGA.TV」  
https://do-ga.tv/

- Video specialty website for foreign tourists.
- Advertising model.
- Produced by Youtuber employees.

## ○Benefits of posted companies and facilities :

- Offer all elements related to posting from video production (planning, production, casting, translation, and marketing).
- Watched by “NINJA WiFi” users = Probability of attracting is high.
- Possible to collaborate with “SHINOBI”.



# Travel Related Service Platform

- Offer a rental service of wearable translation device “ili”.
- Sell licenses for corporate customers who develop business for foreign travelers visiting Japan.
  - Have **multilingual support**, **eliminate opportunity losses**, and **provide satisfaction**.
  - Available in Japanese, English, and Chinese. (Korean, Spanish, and Thai being prepared)
  - Suggest usage scenes for overseas travelers and foreign travelers visiting Japan.

“ili for Guest”

“Communication with staffs of facilities etc. during the stay” Trouble... 32.9% [\*1]

## Wearable Translator

The world's first wearable translator - breaking the language barrier and making communication happen.



Want to ask how to pay!



カードで払えますか?

別々に払いたいです。

Want to tell my preferences!



辛いものが好きです。

トマトは嫌いです。

Want to get on the bus!



このバスは空港まで行きますか?

運賃はどう払えば良いですか?

Want to find different colors!



色違いはありますか?

Mサイズはありますか?

[\*1] Japan Tourism Agency “Questionnaire on Improvement of Accepting Environment in Japan by Foreign Travelers Visiting Japan” (February 2017)

# Travel Related Service Platform

- Inbound sightseeing building

「歌舞伎城」 (Open in June 2017)  
KABUKI-JO

< 1st floor >

Inbound service information center 「KABUKI-JO」

\* Our service and affiliated inbound services

- Tourist attractions information of various parts of Tokyo, gourmet guide
- "NINJA WiFi" and "ili" rental service
- 「NINJA WiFi Travel Guide "SHINOBI"」 distribution, 「DOGA.TV」 information
- Introduction and sales of tourist place's local specialty etc.
- Guide matching service for foreign travelers visiting Japan "TOMODACHI GUIDE"
- Foreign currency exchange, Pocket Change (services that can convert foreign currency into electronic money) installation
- Activity space to try a variety of different traditional culture



< 2nd floor, 3rd floor, rooftop >

Japanese pub with the theme of "Japan" called 「Washoku Sakedokoro Kabuki-jo」, offer Japanese sake directly sent from a sake brewery.

「Activity space」  
daily activity plan



< 1st basement >

Coworking space  
「Terakoya」





Contributing to the Information and Communications Revolution

# APPENDIX

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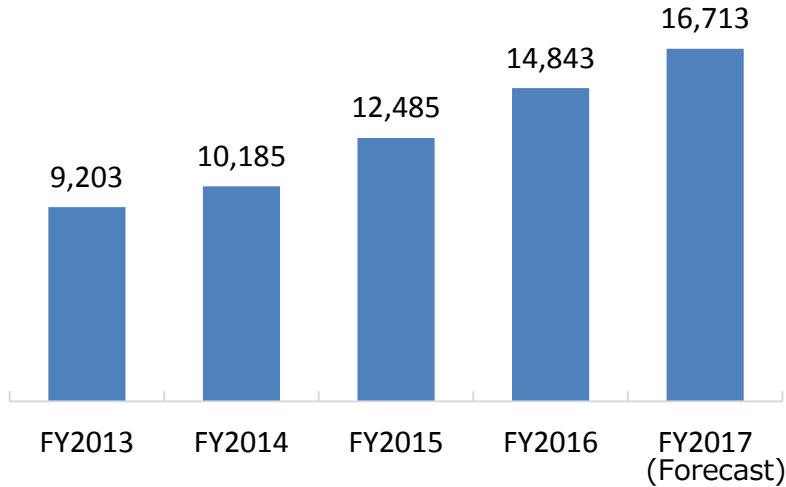


# Performance Data

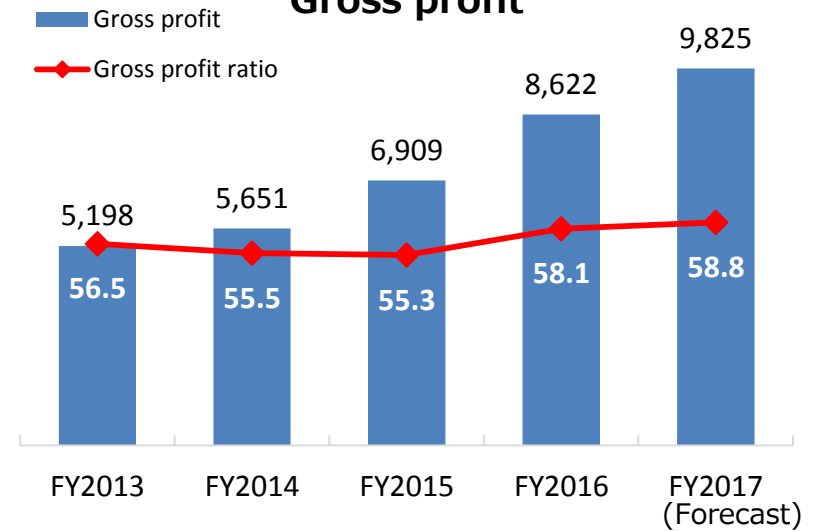


(JPYmn, %)

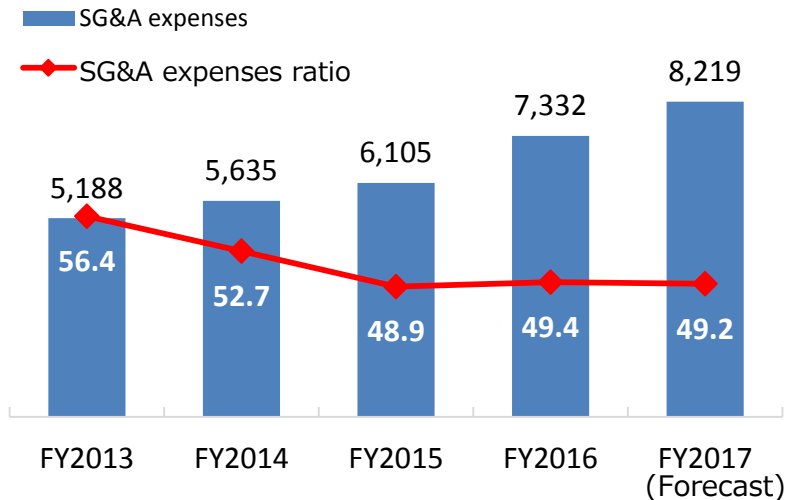
## Sales



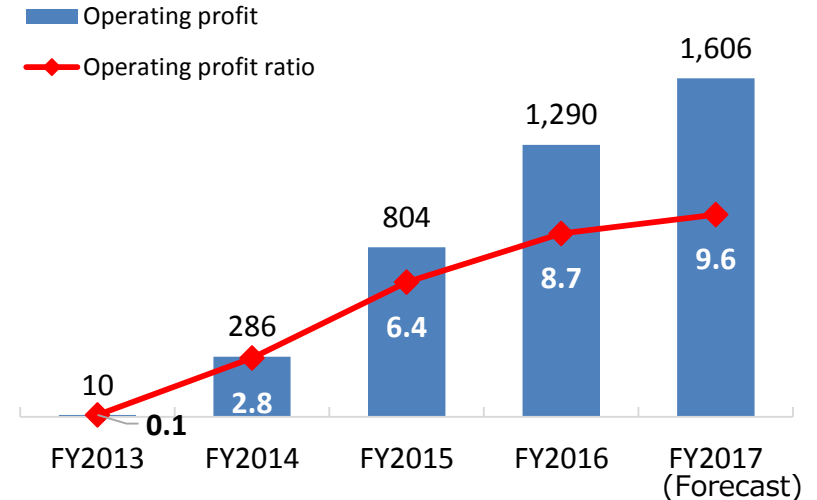
## Gross profit



## SG&A expenses



## Operating profit



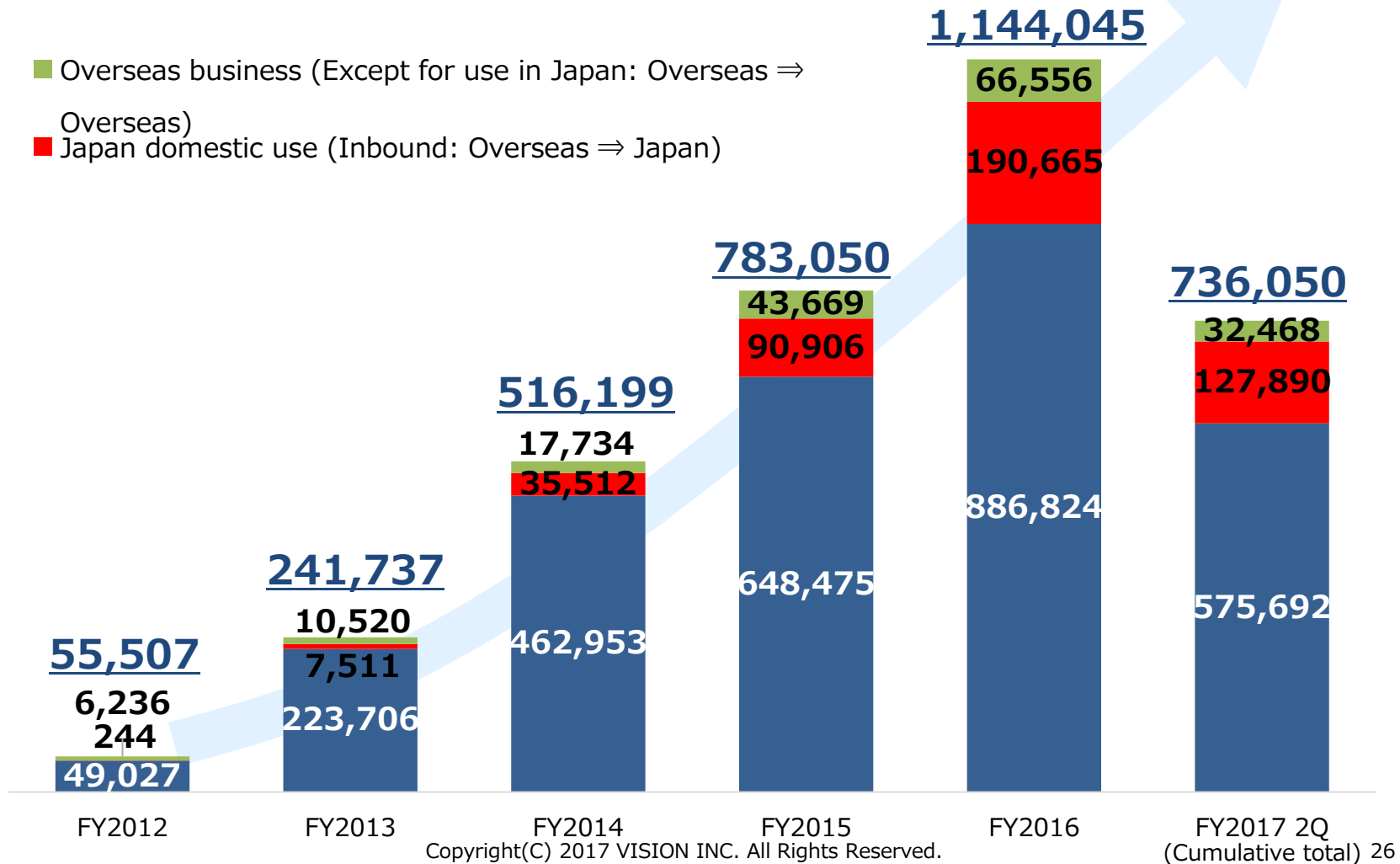
# "GLOBAL WiFi" Business Transition of the Rental Number



Steady growth in overseas use, Japan domestic use, and overseas business.  
Potential market size is large, and room of development is extremely large.

(Rental number)

- Overseas business (Except for use in Japan: Overseas ⇒ Overseas)
- Japan domestic use (Inbound: Overseas ⇒ Japan)

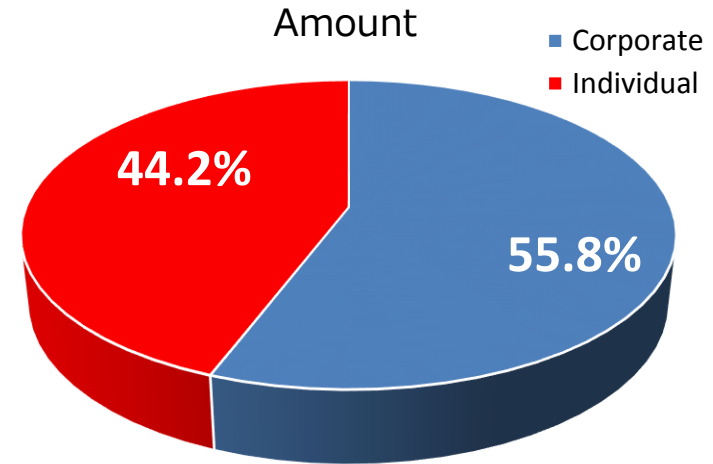
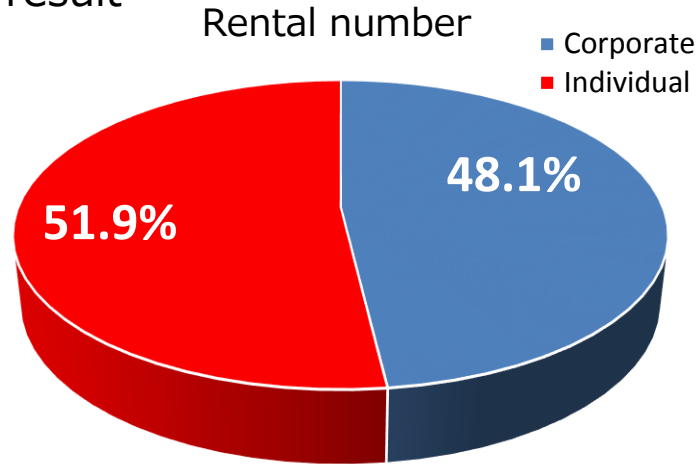


# "GLOBAL WiFi" Business Corporate / Individual Utilization Ratio

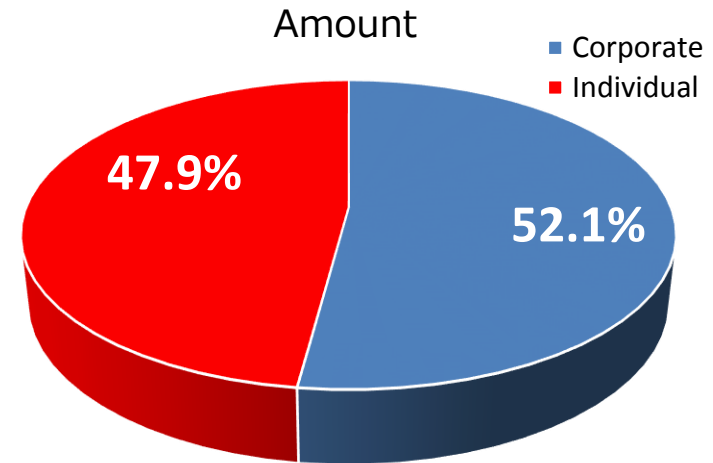
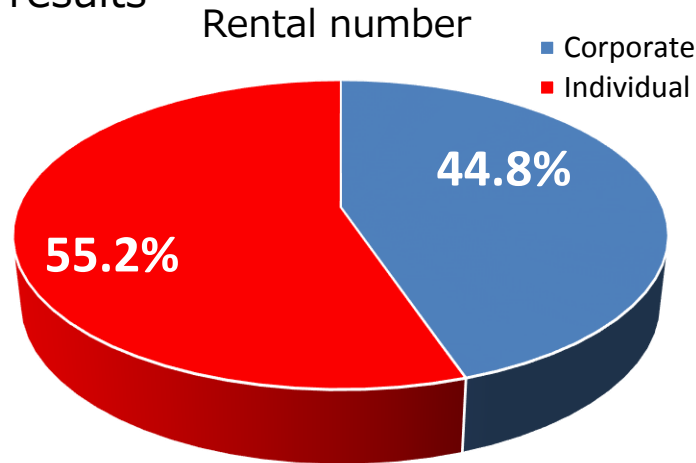


2Q FY2017

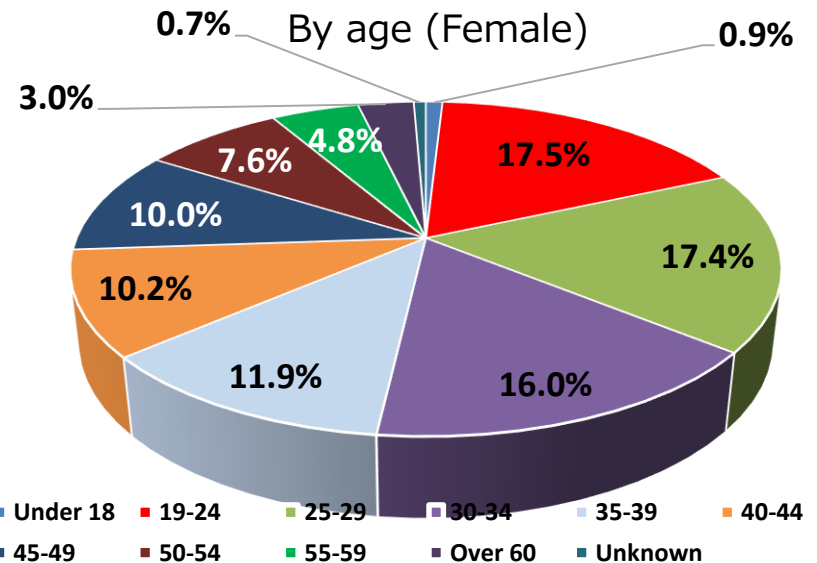
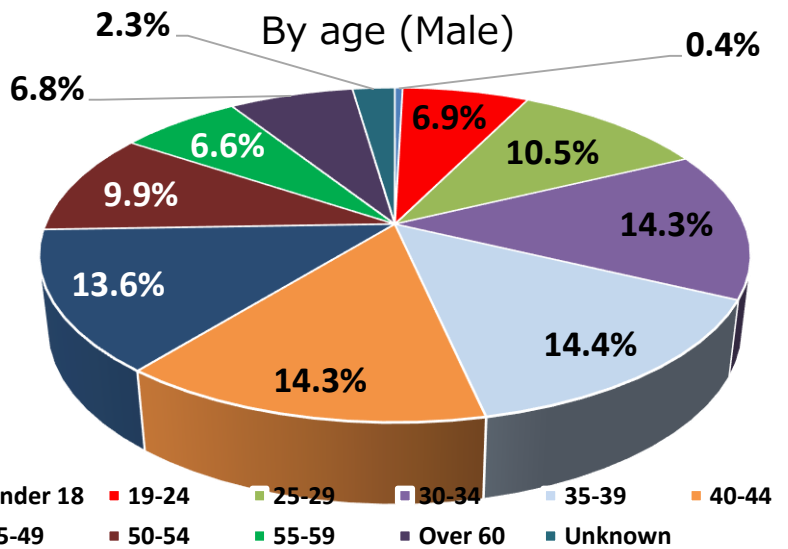
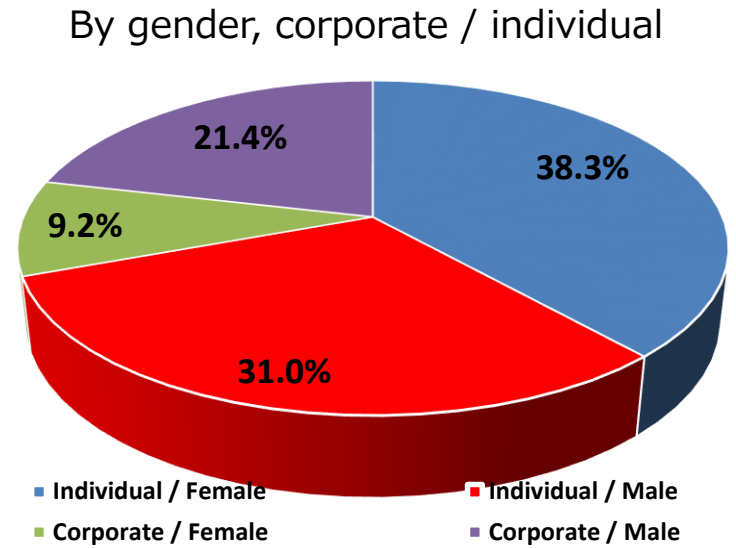
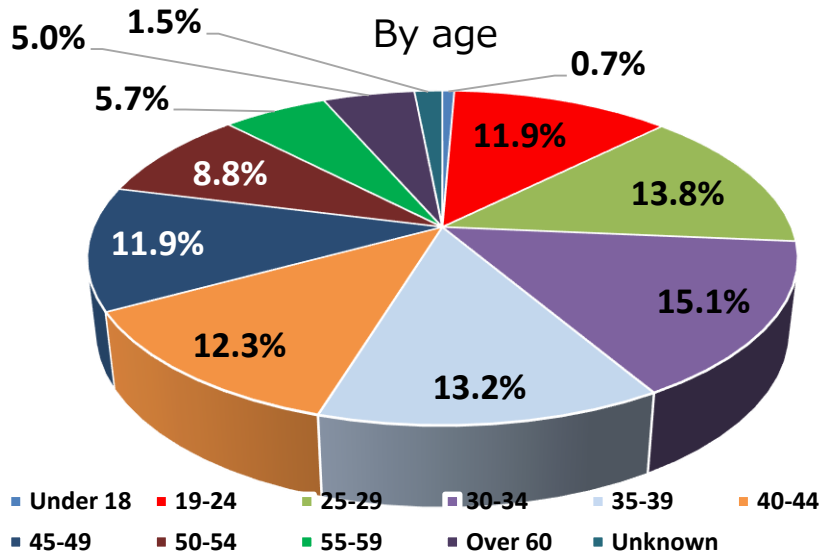
(Apr.-Jun.) Actual result



FY2017 Cumulative total  
(Jan.-Jun.) Actual results



# "GLOBAL WiFi" Business Customer Attributes (Past Cumulative Total)



# Business Summary

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Incorporated	December 4, 2001 (Founded June 1, 1995)
Management Philosophy	Contributing to the Information and Communications Revolution
Head Office	5F Shinjuku i-Land Tower, 6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1305
Employees	Domestic: 555 Global: 77 (As of June 30, 2017)
Affiliated Companies	Domestic: 2 Global: 12 (As of June 30, 2017)
Business	<b>GLOBAL WiFi</b> Mobile Wi-Fi router rental service



高速データカードレンタルサイト



## Information and Communications Service

Information and communications-related distributor



行列の出来る格安ビジネスフォンサイト



ビジフォン.comは株式会社ビジョンの商標登録です



ポスター・図面の印刷コストダウン



PC・スマホ対応ホームページ制作サービス



行列の出来る格安コピー機サイト



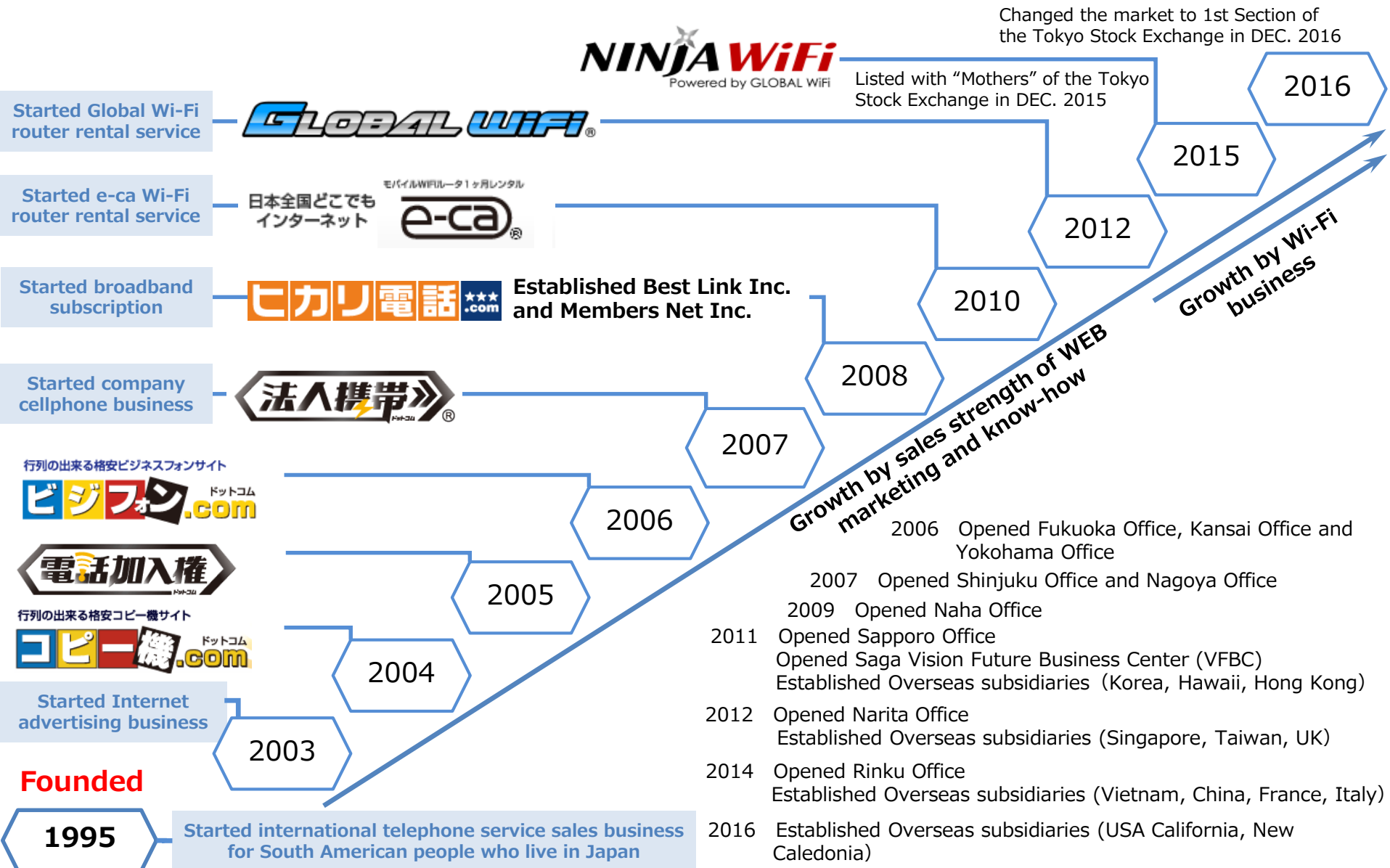
# Profile of Vision Group

- Domestic Affiliated Companies : 2
- Domestic Operation Bases : 10
- Domestic Airport Counter : 14
- Global Affiliated Companies : 12

- October, 2011 Korea
- USA, Hawaii
- December, 2011 Hong Kong
- January, 2012 Singapore
- February, 2012 Taiwan
- April, 2012 The United Kingdom
- March, 2014 Vietnam
- April, 2014 China, Shanghai
- November, 2014 France
- December, 2014 Italy
- July, 2016 USA, California
- August, 2016 New Caledonia

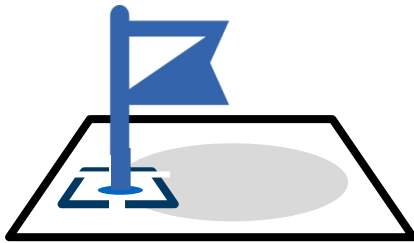


# History





## Niche & Focus strategy



- **Discover the challenges** born 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

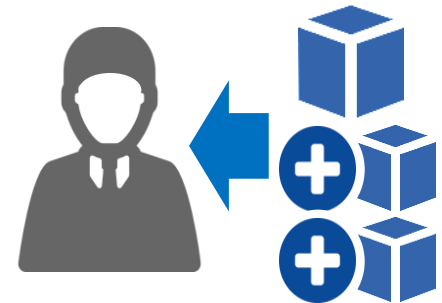
## Price & Quality leadership strategy



- **Production efficiency is thoroughly pursued.**
- **Realized 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
- ✓ Stock business

# Segment Summary & Growth Strategy

## "GLOBAL WiFi" Business

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# “GLOBAL WiFi” “NINJA WiFi”

- Offer anytime, anywhere, safe, secure and comfortable mobile Internet environment all over the world.
- Rental service, costs only when traveling.
- Can connect with multiple users and multiple devices (smartphone, PC, etc.).

<Haneda Airport Counter>



## Step 1 Order and payment

Order through the web.  
Payment is made by credit card at the time of order.



## Step 2 Receive router

Collect the router at an airport in Japan or receive it by delivery, or in your destination country.



## Step 3 Use overseas

Enjoy the Internet while you are overseas. The Wi-Fi settings are easy to configure.



## Step 4 Return router

Return the router at an airport in Japan or by delivery, or in your destination country.

Before traveling

While traveling

After traveling

# "GLOBAL WiFi" "NINJA WiFi" Service and Competitive Advantage



Less Expensive  
Fixed-rate

Maximum cost benefits ▲ 89.9%

• 300 yen/day~

\* Japanese cellphone companies' fixed-rate discount ratio

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, and 51 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

Customer

Number of users is the industry's largest class



Travelers' Choice 2014/2016  
1st place in the mobile  
Wi-Fi router category

# "GLOBAL WiFi" Business Business Model

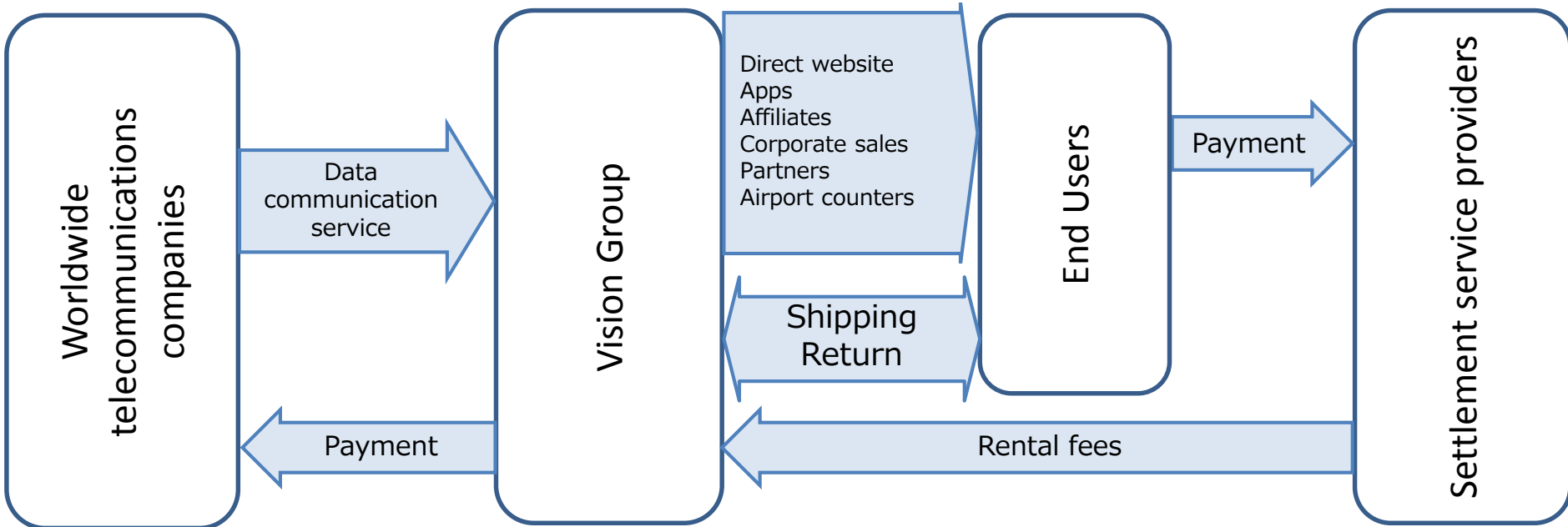


Available in over 200 countries and regions worldwide

High-speed communications in partnership with telecom carriers around the world

Maximum cost benefits ▲89.9%

\* Flat-rate roaming service ratio by Japanese cellphone companies



Secure  
51 support bases available 24 hours a day, 365 days a year, around the world

Number of airport counter is the industry's largest class

Uptake ability of corporate needs



Number of users is the industry's largest class

# Internet Connection

\* Created by our research and standard



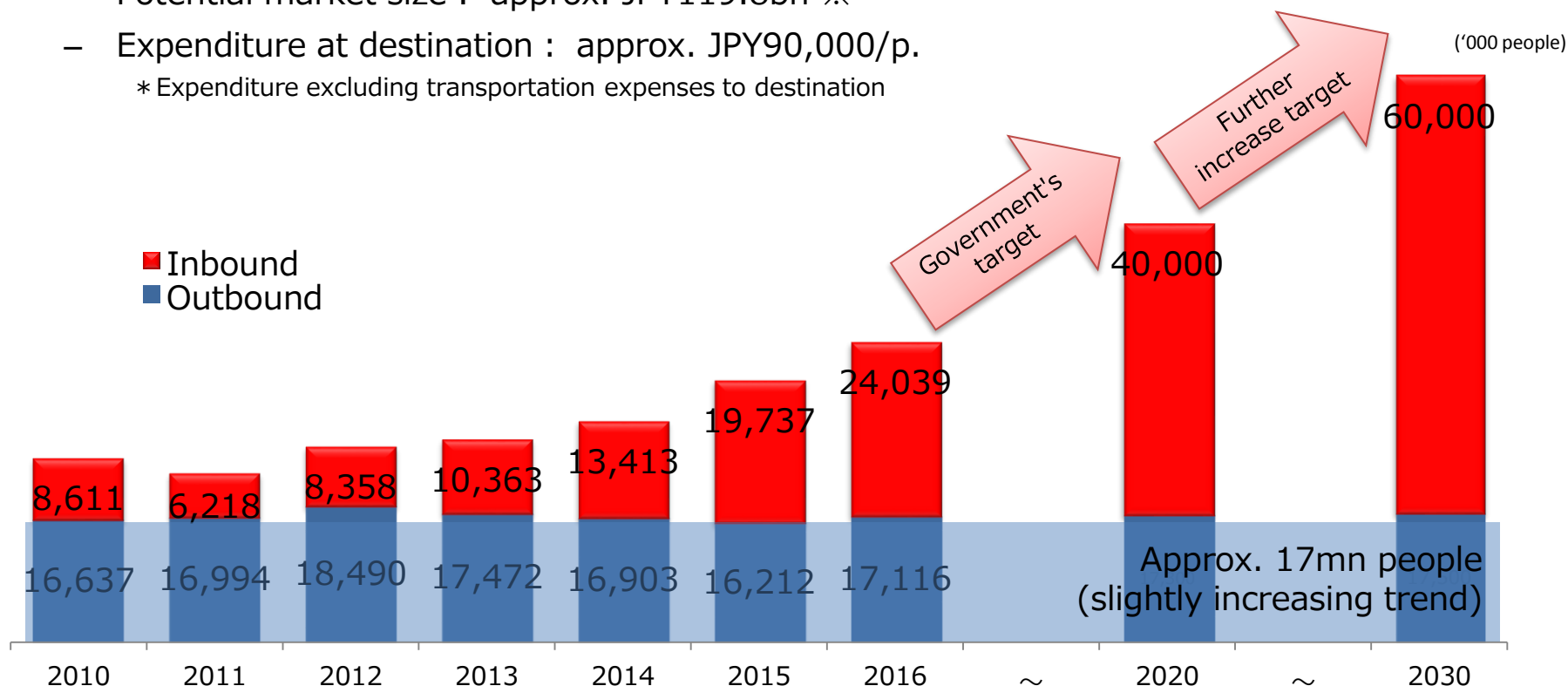
“Global WiFi” “NINJA WiFi” is the best way to use internet for everyone.

Internet connection	Price	Area to connect	Speed	Management	Security
Wi-Fi Spot (Hotel, Cafe, etc.)	○	×	△	○	×
	Problem with Security (Hacking), Coverage (Not available during the move).				
Roaming	×	△	△	○	○
	Problem with Pricing. (From JPY1,980 to JPY2,980/day. Maybe charged even more.)				
Prepaid SIM	△	△	○	×	○
	Need to know how to manage (set-up, activation, recharge...), cannot use own TEL number when swap SIM.				
 	○	○	○	○	○
	<b>Best quality subscriber in each local area.</b> <b>Low Price, Secure, Safe, Available to connect anywhere.</b> <b>Easy to set-up, Easy to manage.</b>				

# Market Size of "GLOBAL WiFi" Business (Japan)



- Inbound (Overseas travelers to Japan) : Over 24mn people for a year
  - Potential market size : approx. JPY168.2bn ※
  - The government's target is 40mn people in 2020.
  - Expenditure on visit to Japan : approx. JPY140,000/p.
    - \* Expenditure in Japan excluding transportation expenses to come and return
- Outbound (Japan→Overseas) : Remained at around 17mn people.
  - Potential market size : approx. JPY119.8bn ※
  - Expenditure at destination : approx. JPY90,000/p.
    - \* Expenditure excluding transportation expenses to destination



Created from March 2016 Japan Tourism Agency materials "Advisory Council on Tourism Nation Promotion", and January 2017 JNTO press release materials ※Estimate from Average Revenue Per User of our customer

# Market Size of "GLOBAL WiFi" Business (Overseas Travelers in the World)

- Global travelers from overseas to overseas are the huge market of 1.2bn people scale.
- Potential market size : approx. JPY8tn and more ※



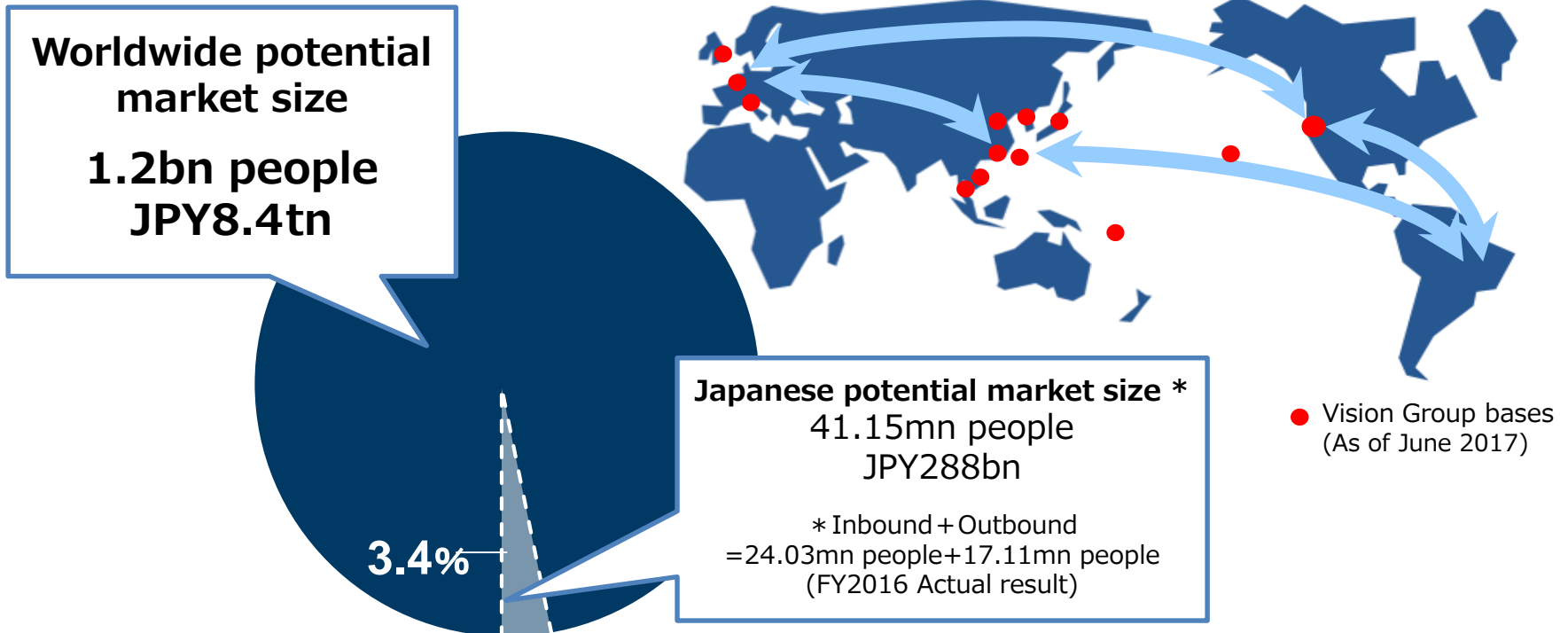
Created from Japan Tourism Agency materials, Heisei29 edition tourism white paper, and the materials released by UNWTO

\* Estimate from Average Revenue Per User of our customer



## ○Global expansion

- Targeting all overseas travelers across the border, try to capture the needs of the huge market.
- Accelerate business development at each stage.
  - Steadily capture (1) “outbound” and (2) “inbound” in Japan.
  - Through overseas base opening and growth, capture the needs of the largest market (3) “overseas to overseas”.
    - In addition to demand countries such as Korea and Taiwan, service started in Los Angeles (November 2016).



\* Referring to materials by Tourism Authority and United Nations World Tourism Organization (UNWTO), estimate from Average Revenue Per User of our customer

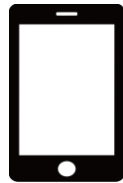
# Segment Summary & Growth Strategy Information and Communications Service Business

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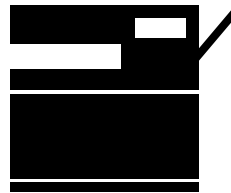
- Offer the most suitable information and communications-related products and services tailored to the stage and needs of the company.



Telephone Line  
Arrangements



Cellphone  
Support



Office  
Automation



Website Support



Security





行列の出来る格安コピー機サイト



行列の出来る格安ビジネスフォンサイト



PC・スマホ対応ホームページ制作サービス



## Start-up Companies

Have new dealings with annual total 18,000 or more newly established companies \*

※National corporate registration number ... 114,343 (2016)

Source : Ministry of Justice

\*Total number of companies established within 6 months (including sole proprietors), starting business with us (our research)

## WEB Strategy

Ability to attract customers due to our own WEB marketing (media strategy)

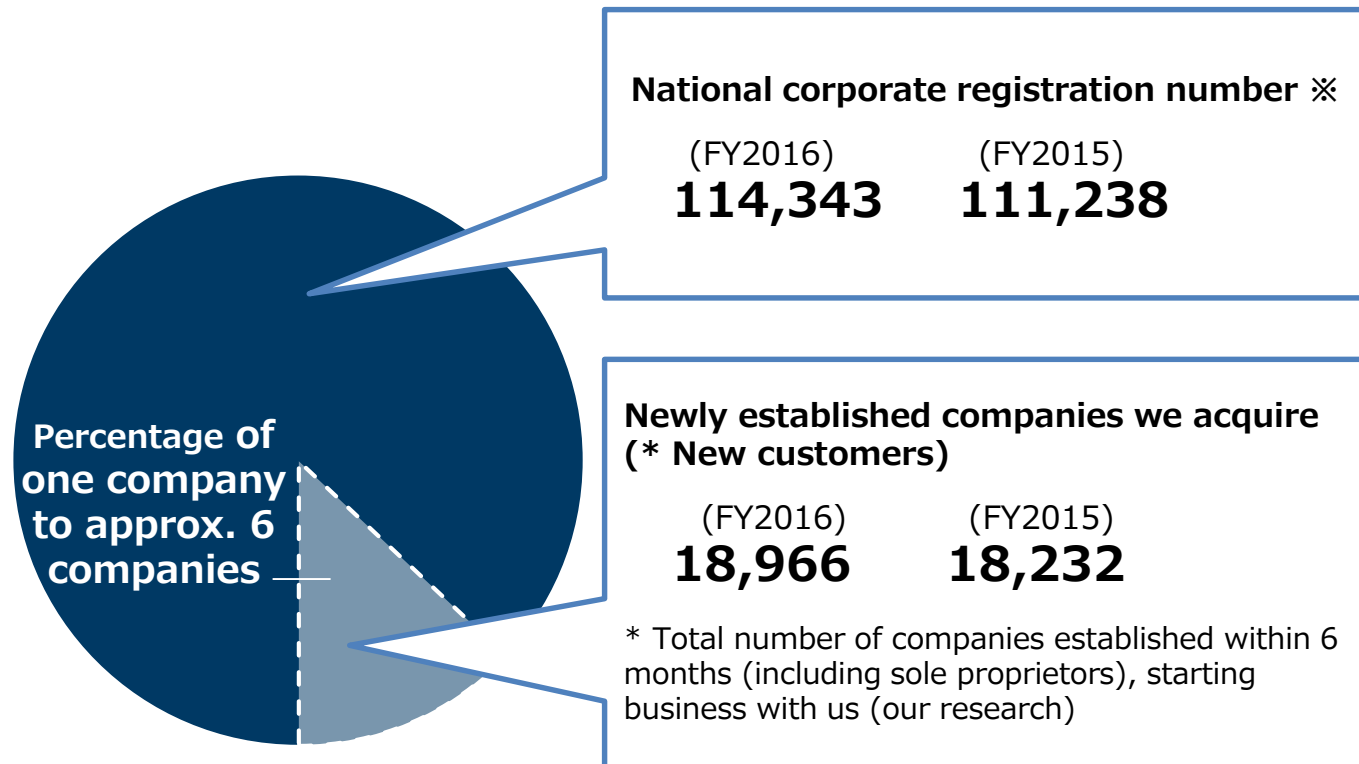
## Customer Loyalty

CRM strategy, our own know-how

- Maximization of continued revenue = Stock business
- Up/Cross Selling which is high productivity

## ○ Newly established companies (Startup companies)

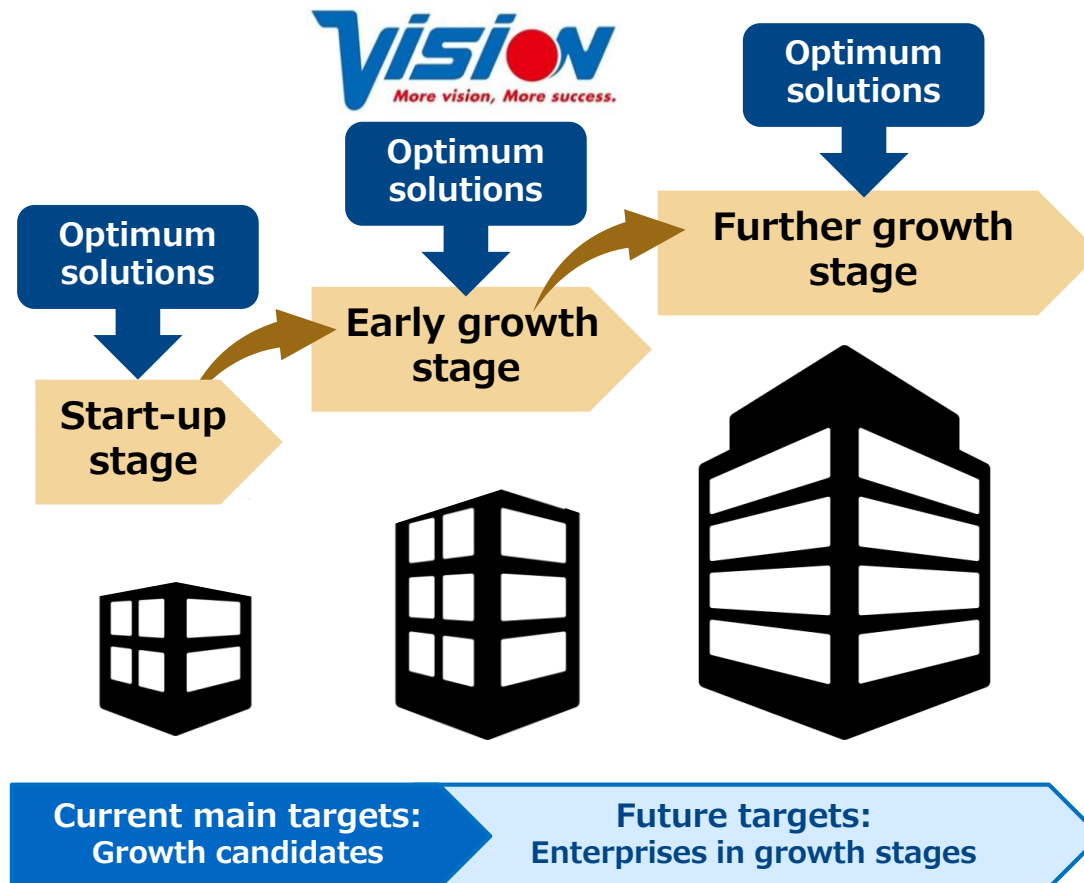
- The main target is newly established companies with high growth potential.
- Thanks to the policy, the number of foundations in Japan has increased.
- We will take advantage of our strengths to acquire customers and continue the relations.



※ Create from the number of incorporated company statistics by Ministry of Justice

## ○ Continuous stock model

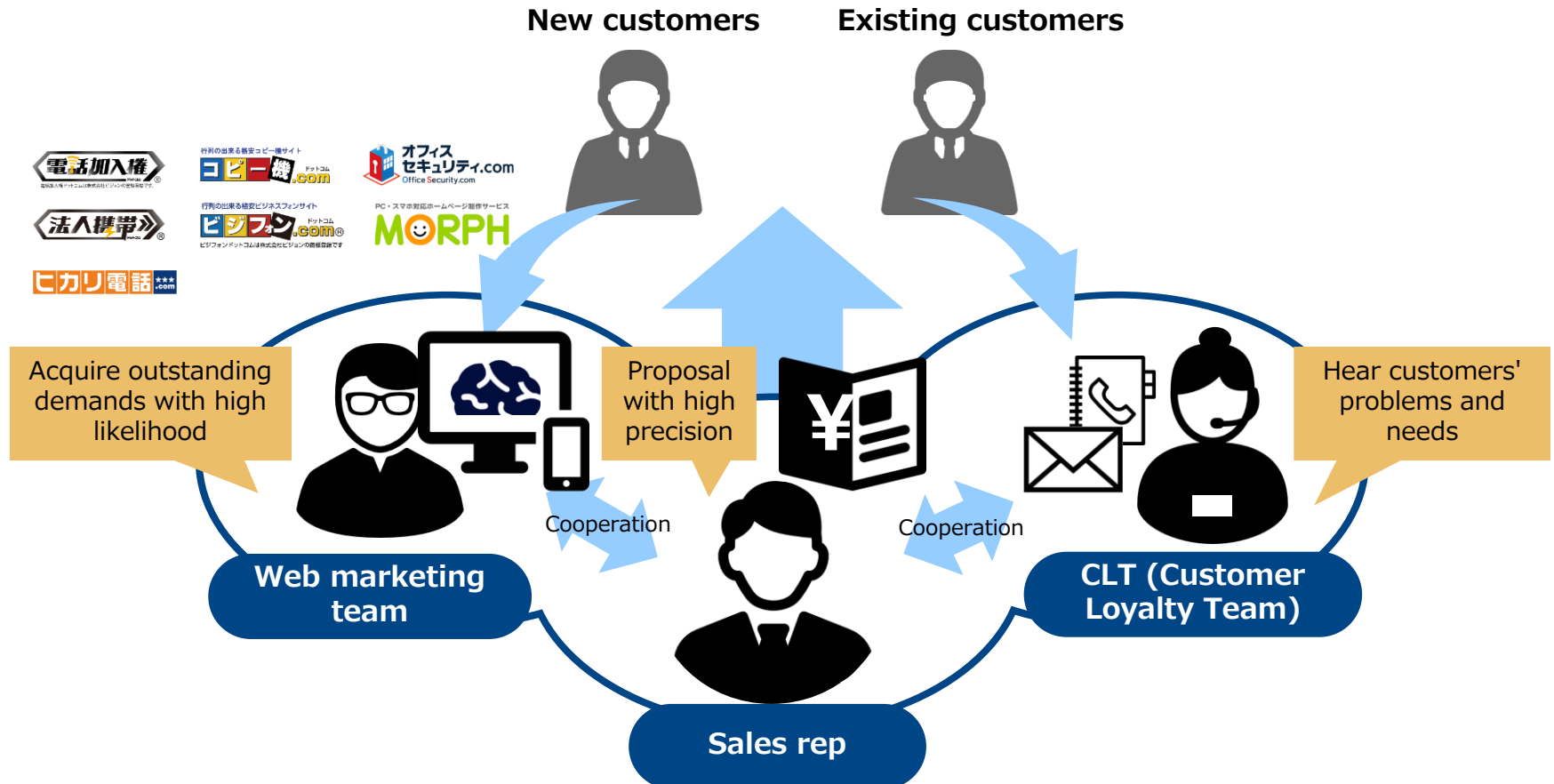
- Keeping closer to the growth of client companies, offer optimum solutions according to the growth stage.
- Structure that profits are accumulated by our original know-how CRM (customer relations / continuous dealings).



## ○ High productivity model

### Web marketing × Sales rep × CLT (Customer Loyalty Team)

- Web marketing : Attract customers' outstanding demands by our original know-how.
- Sales rep : Professional group to acquire efficiently + escalation of additional needs.
- CLT : Continue dealings and collect additional needs by customer follow-up.



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 does not undertake any obligation to update and modification of the “forward-looking statements” included in this announcement.

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Contributing to the Information and Communications Revolution