

1st Quarter FY2020 Supplementary Materials

The background of the lower half of the slide is a blue-toned image depicting a network of people and data. Silhouettes of business professionals are overlaid on a grid of white lines and glowing blue nodes, suggesting a global or digital network.

May 12, 2020
Vision Inc.
(1st Section of the Tokyo Stock Exchange, code : 9416)

Company Overview



Code 9416
(1st Section of the Tokyo Stock Exchange)

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

Operation Bases and Affiliates

Domestic Affiliated Companies : 8
Domestic Operation Bases : 15
Domestic Airport Counter : 19
Global Affiliated Companies : 12
Korea, USA (Hawaii), Hong Kong, Singapore, Taiwan, UK, Vietnam, China (Shanghai), France, Italy, USA (California), New Caledonia

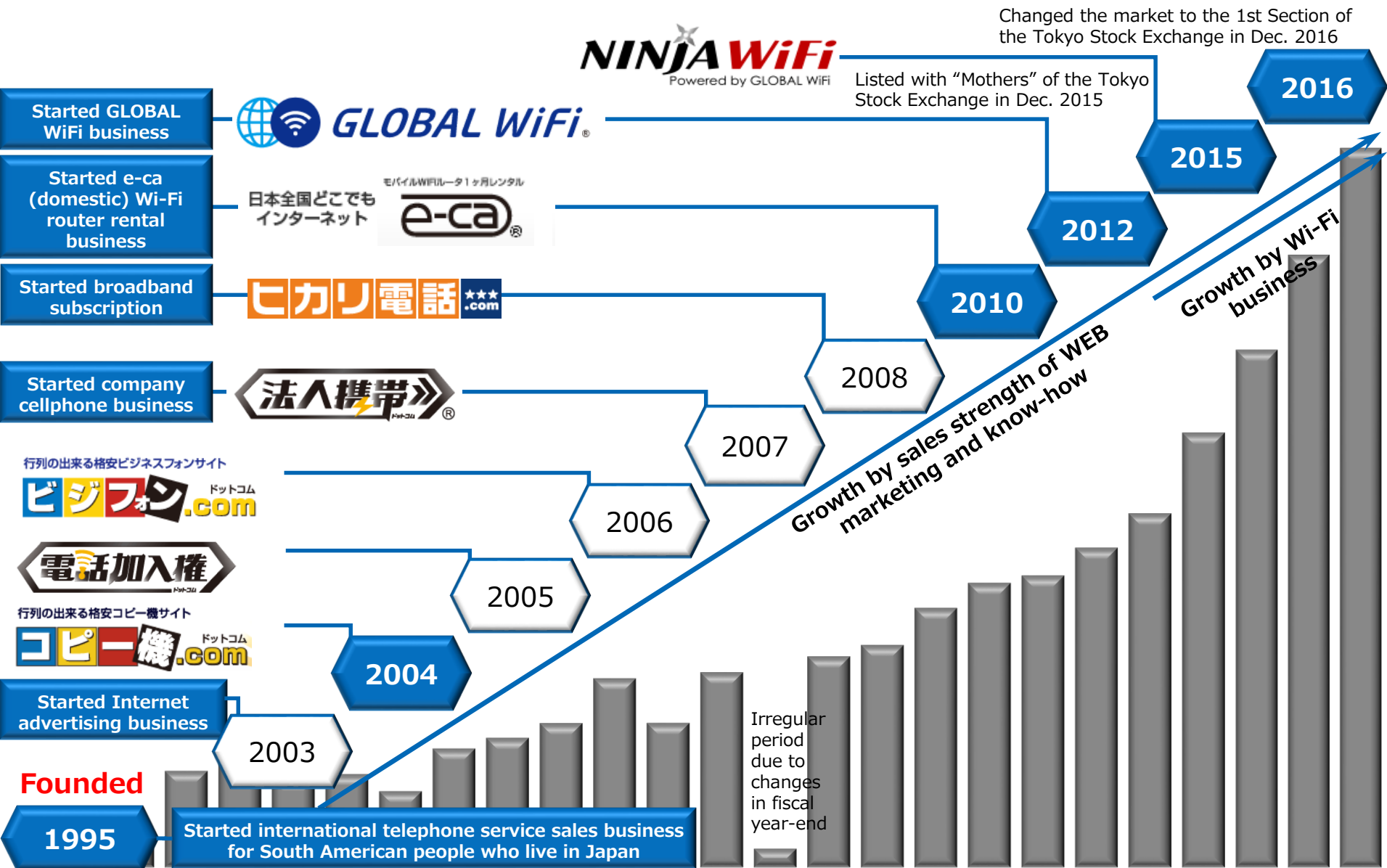
Number of Consolidated Employees 810 (146)
Domestic: 711 (134)
Global: 99 (12)
(Average temporary employees)
(As of March 31, 2020)

Affiliated Companies Domestic: 8
Global: 12
(As of March 31, 2020)

Business GLOBAL WiFi Information and Communications Service



History and Evolution of Sales



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

Business Summary



Two Business Segments

“GLOBAL WiFi” Business

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

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)



ポスター・図面の印刷コストダウン

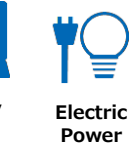


行列の出来る格安ビジネスフォンサイト



ビジフォンドットコムは株式会社ビジョンの商標登録です

行列の出来る格安コピー機サイト



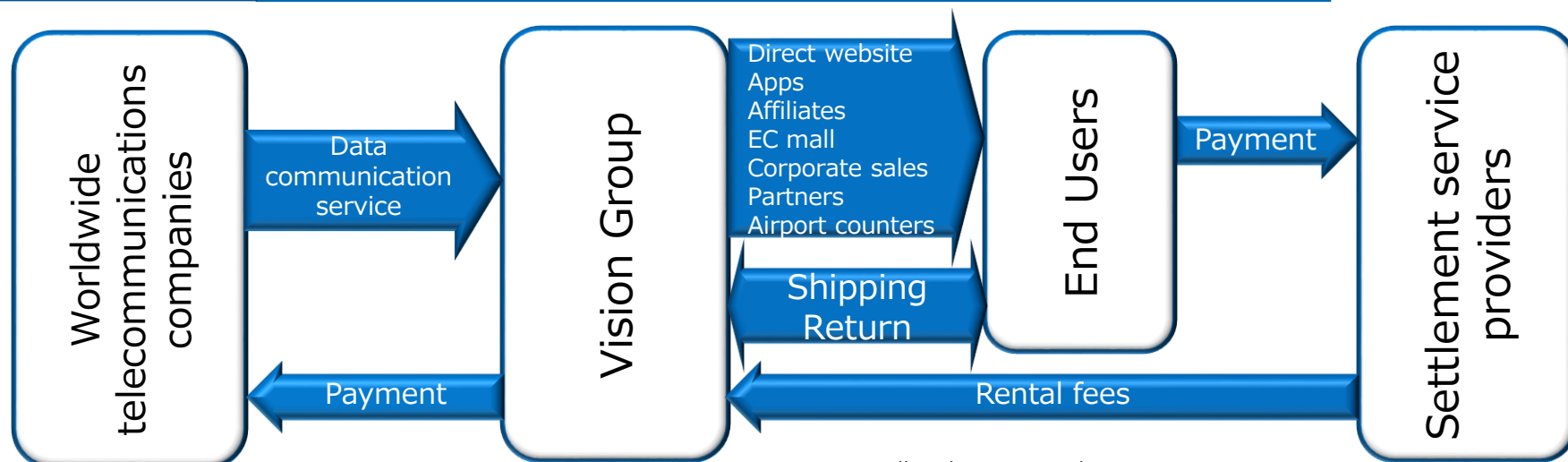
“GLOBAL WiFi” Business Business Model/Competitive Advantage



Associate
Member

Join from Sep. 2019.
One of the world's largest
mobile telecom business
associations that links
more than 750 mobile
telecom carriers and 400
related industrial
operators worldwide.

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





Compare How to Connect the Internet Abroad ①



“Global WiFi” “NINJA WiFi” is the best way due to safe, secure, comfortable, and less expensive.

It’s not a big deal to share with a rental Wi-Fi router, although people are reluctant to share their own data-volume with others. (Individual travel: tend to share with two or three people.)

* Created by our research and standard

How to Connect	Price	Area	Speed	Management	Security
 	○	○	○	○	○
Based on the best quality network in each local area. Low price, secure, safe, available to connect anywhere. Easy to set-up, easy to manage.					
Roaming (Telecom carriers' fixed-rate)	×	△	△	○	○
Problem with price and quality (From JPY980 to JPY2,980/day. It may be charged even more.)					
Prepaid SIM (Purchase overseas)	△	△	○	×	○
Need knowledge to manage (Set-up, activation, periodical charge, etc.)					
Free Wi-Fi Spot (Hotel, Café, etc.)	○	×	△	○	×
Problem with coverage (not available in everywhere), speed (depend on data-line of the facility and the number of connected people), security					

Wi-Fi router rental	Table	Roaming (Telecom carriers' fixed-rate)	Free Wi-Fi Spot / Hotel Wi-Fi
<p>JPY300-1,970/day Apply through the website.</p>	Price	<p>JPY980-2,980/day Contract according to the plan Need to check in advance the compatible models and settings. * Depend on your mobile carrier</p>	<p>Free Wi-Fi spot free Hotel Wi-Fi including accommodation fee or JPY500-3,000</p>
<p>Fixed-rate and high-speed Substantial security and compensation Use without worry due to the fixed-rate. Choose the data-volume according to the situation.</p>	Merit	<p>Easy to connect * Tethering is also available.</p>	<p>Easy to use Limited use area, but many places are provided for free, and connection is easy.</p>
<p>More luggage Need to carry a Wi-Fi router in addition to your smartphone.</p>	Demerit	<p>Expensive Price setting is more expensive than Wi-Fi rental. Misconfiguration of data-roaming may result in expensive charges.</p>	<p>Be careful about unauthorized access Easy to use, but there is a risk of virus infection and personal information may be stolen by unauthorized access.</p>
<p>If you use the internet at a high-speed without worrying about additional charges (Available to use by multiple people, even cheaper by the split) Internet availability anywhere. No worry about busy access and difficulty to connect.</p>	Recommend	<p>If you want to use the internet easily with your own device</p>	<p>Want to save money, although the coverage area is limited. If it is enough for you to use the internet abroad within a limited time</p>

"GLOBAL WiFi" Business Profit Structure

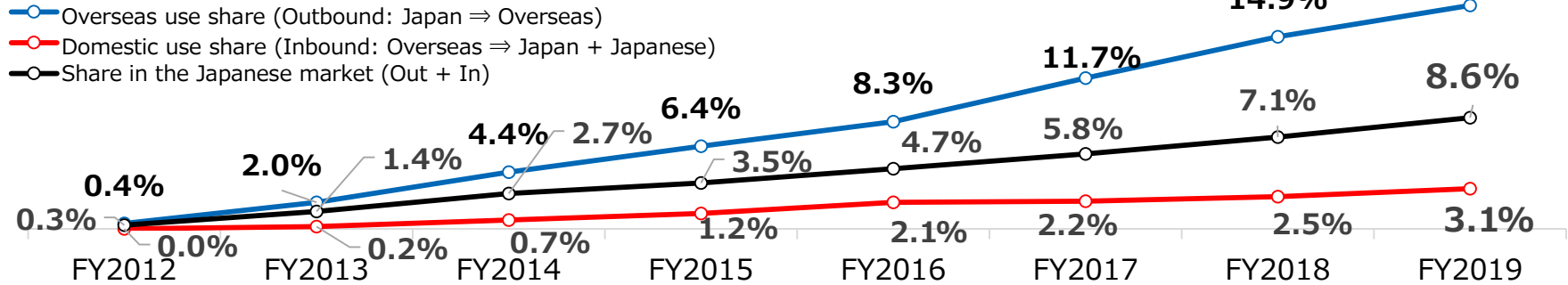


Items	Summary
Sales	<p>① Rental price per day × number of usage days Average : JPY1,000/day Average usage days : 7 days Options such as insurance, mobile battery etc.</p> <p>② Monthly charge (JPY1,970) + data telecommunication fee (plan) × number of usage days</p>
Cost of sales	<p>Usage of data telecommunication (telecom carriers all over the world) Devices (mobile Wi-Fi routers) Recorded as rental asset (recorded by depreciation for 2 years) Outsourcing (commission paid to sales agents), etc.</p>
SG&A expenses	<p>Personnel expenses Advertising expense Operation and rent of shipping center, airport counter, customer center, etc. Other SG&A expenses, etc.</p>

"GLOBAL WiFi" Business Penetration Ratio/Rental Number

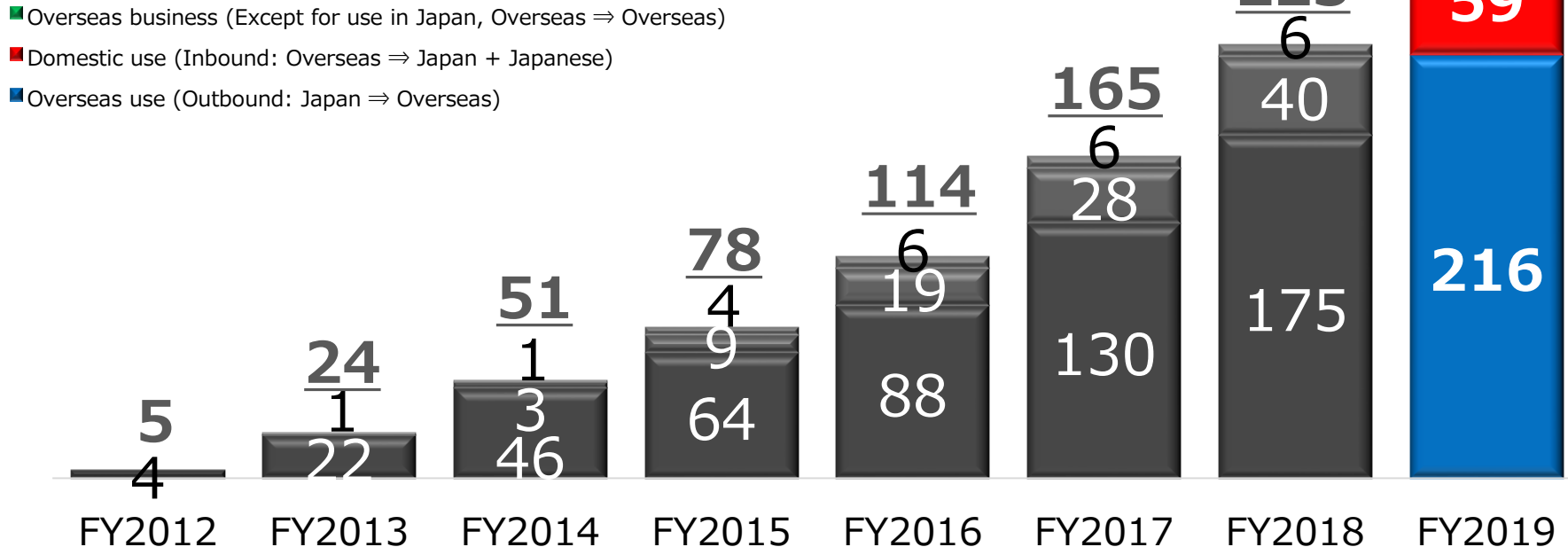
Our Wi-Fi rental service penetration ratio (Japan) *

(Usage ratio of our service among travelers)



Annual rental number (Unit: 10 thousand)

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



"GLOBAL WiFi" Business Market Size



Inbound (Foreign visitors to Japan)

Over 31.88mn people for a year.

* Results in FY2019

Government's target:

60mn people in 2030

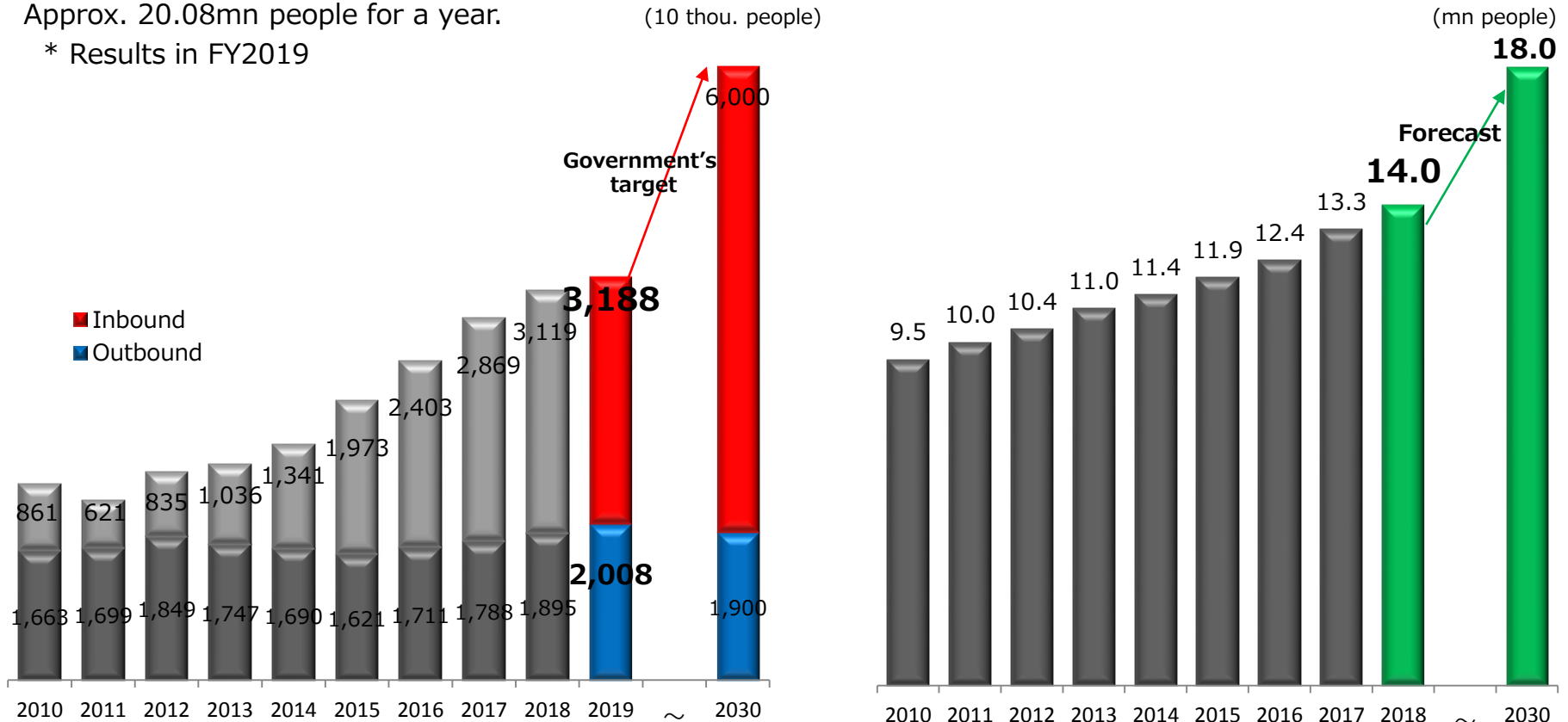
Overseas travelers in the world (Number of international tourist arrivals)

A huge market of 1.4bn people.

Outbound (Japan → Overseas)

Approx. 20.08mn people for a year.

* Results in FY2019



Information and Communications Service Business Growth Strategy (Competitive Advantage)



<p>Startup Companies</p>	<p>Have new dealings with one company in seven to eight companies* that are newly established within the year in Japan The number of national corporate registration ... 116,208 (2018) Source: Ministry of Justice</p>
<p>WEB Strategy</p>	<p>Ability to attract customers due to our own WEB marketing (Internet media strategy)</p>
<p>Customer Loyalty</p>	<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>
<p>Products and services</p>	<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



Summary		
Items	Telephone line arrangements, cellphone, electric power, etc.	Office automation (multifunction printer, business phone), website support, security
Sales	<p>Business brokerage fee (commission)</p> <p>Continuation fee (according to customers' usage situation)</p> <p>Fee from telecom carriers and primary agents</p>	<p>Sales price</p> <p>Fee from leasing company and credit company</p> <p>Maintenance fee</p> <p>Fee from the manufacturers and factoring</p>
Cost of sales	<p>Devices (cellphones)</p> <p>No cost of sales for telephone line arrangements and electric power</p> <p>Payment to telecom carriers and primary agents</p> <p>Outsourcing (commission paid to agents), etc.</p>	<p>Devices (office equipment, security)</p> <p>Payment to the manufacturers</p> <p>Outsourcing (commission paid to agents), etc.</p>
SG&A expenses	<p>Personnel expenses</p> <p>Advertising expense (website, etc.)</p> <p>Rent of call center etc.</p> <p>Other SG&A expenses, etc.</p>	

Information and Communications Service Business Market Size



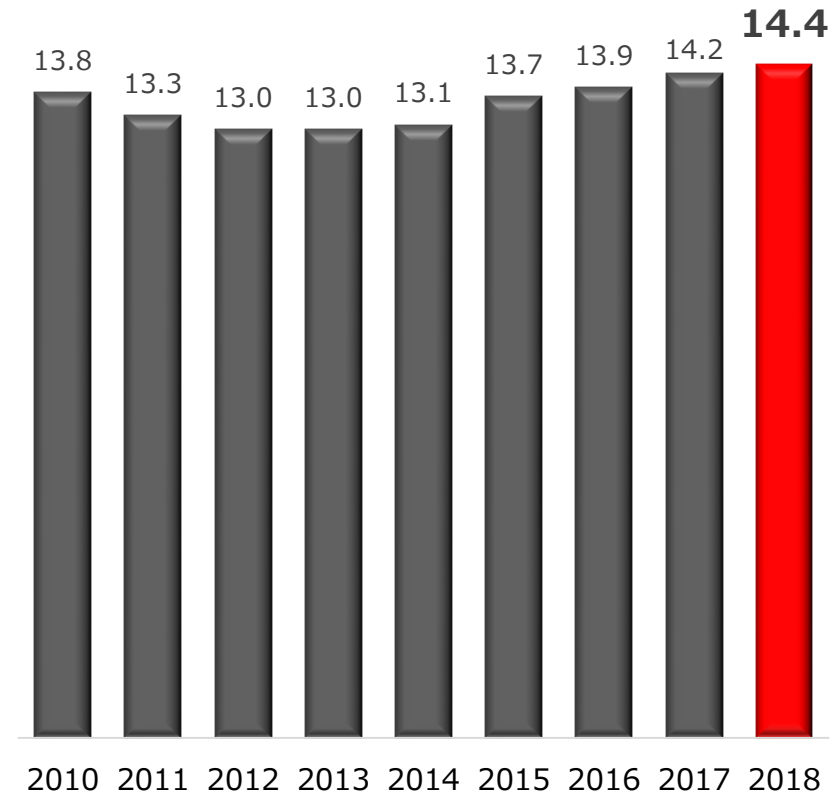
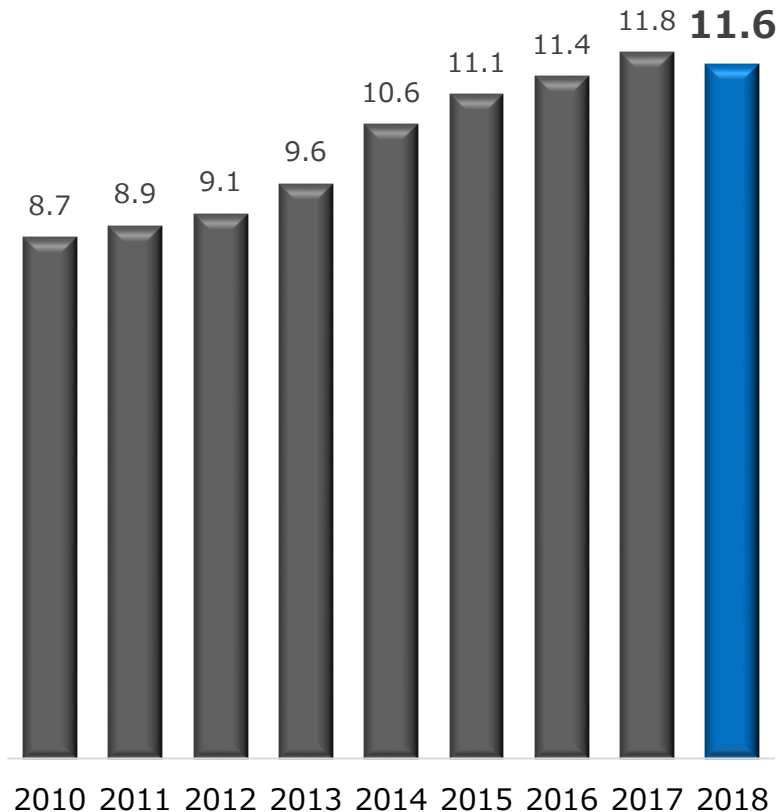
Number of incorporation registrations (total) : 116,208

Approx. 110 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 over 15 years experience.
 Target newly established companies.

Number of registration of transfer of head office and branch (total) : 144,597

Approx. 140 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.
 Cross/Up Selling by advanced operations of Customer Loyalty Team (CLT).

(Unit: 10 thousand)

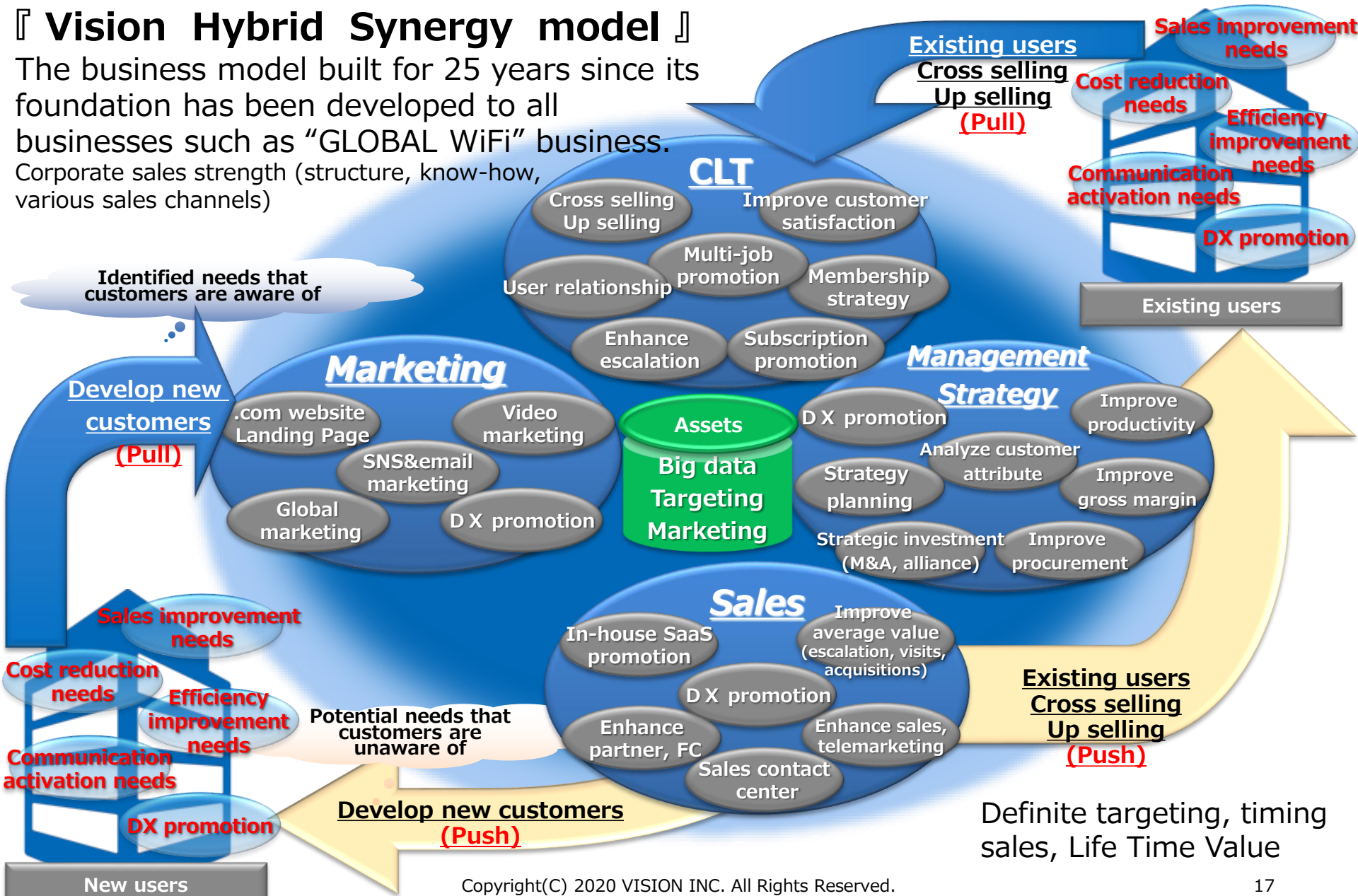


Information and Communications Service Business Business Model



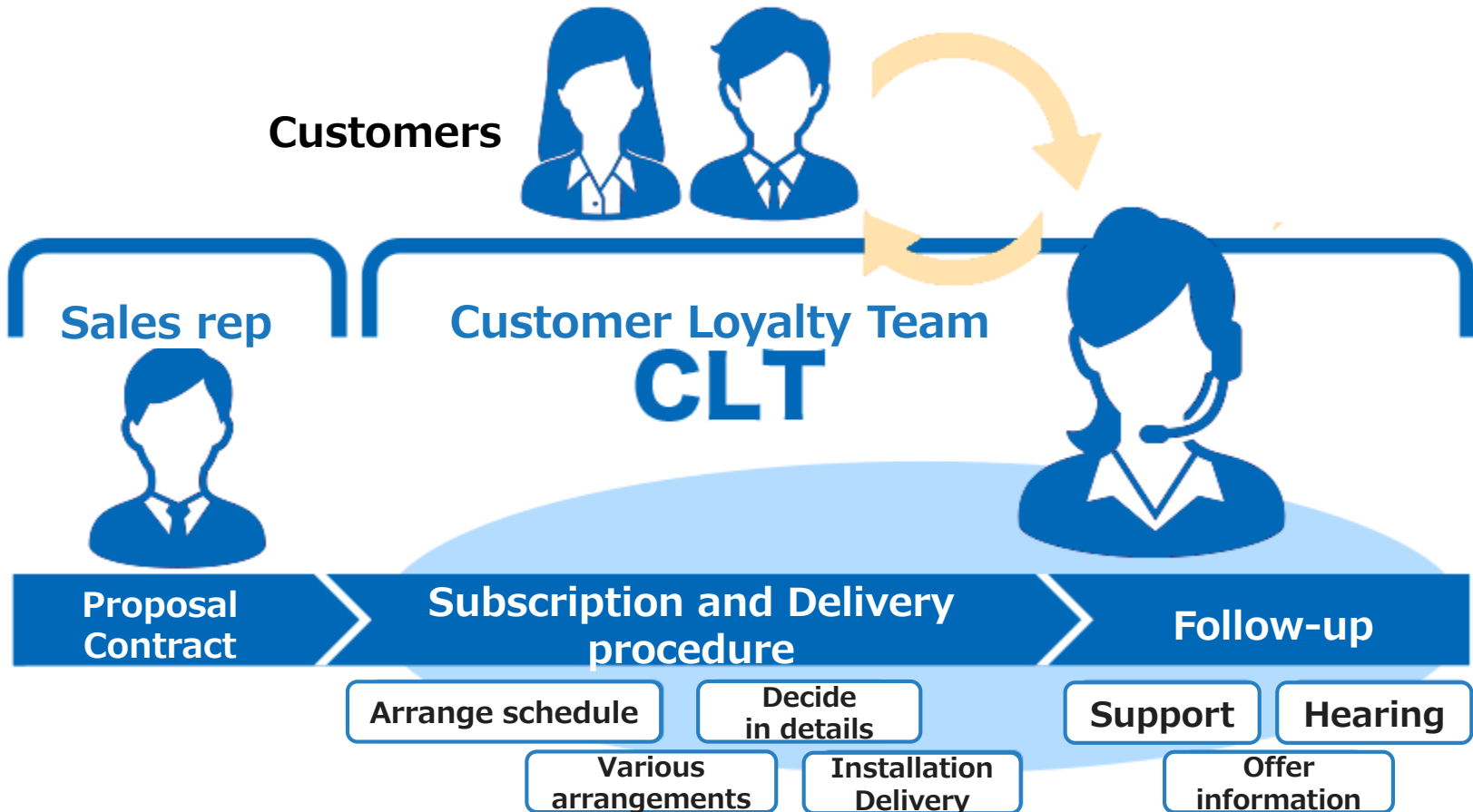
『 Vision Hybrid Synergy model 』

The business model built for 25 years since its foundation has been developed to all businesses such as "GLOBAL WiFi" business. Corporate sales strength (structure, know-how, various sales channels)

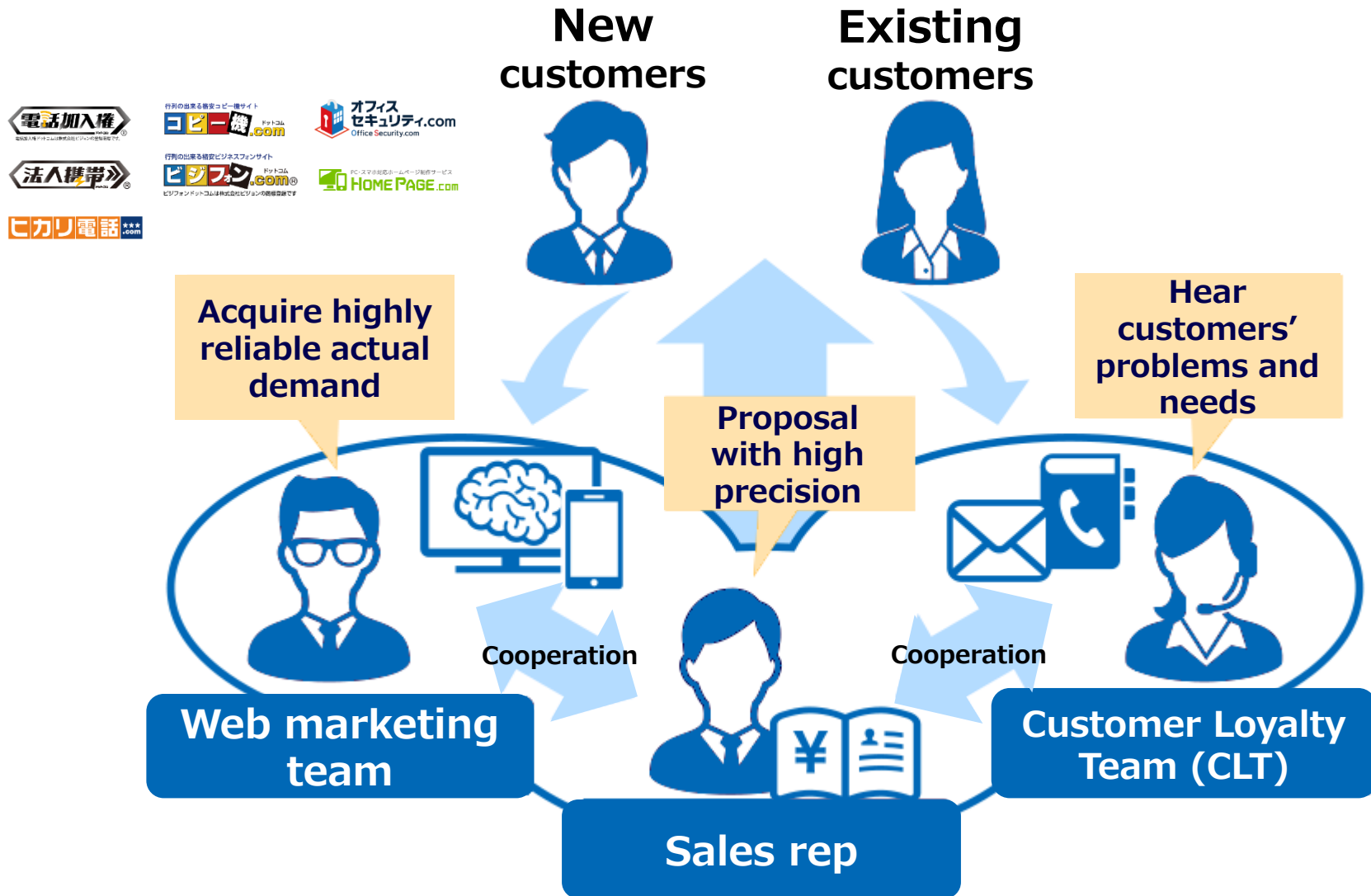


Create values with advanced operations Customer Loyalty Team (CLT)

From delivery procedure to follow-up
Covers a wide range of operations



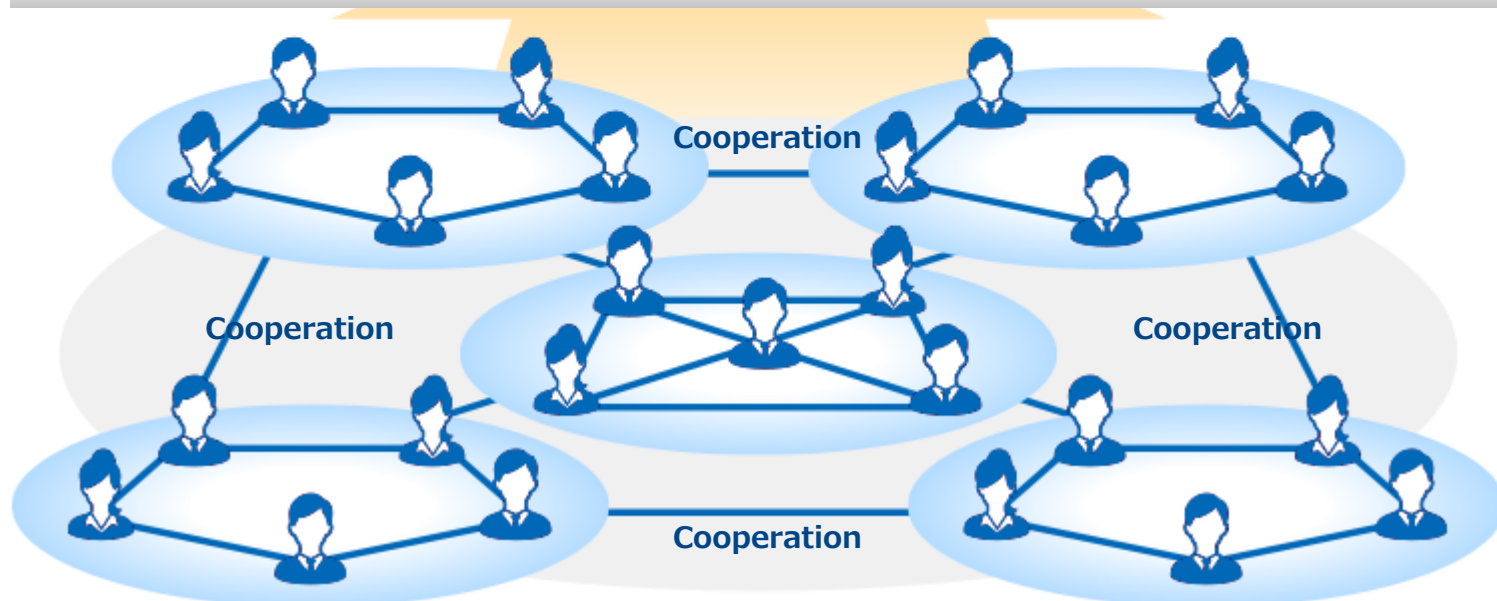
Web marketing × Sales rep × CLT Trinity “high efficiency” marketing



Organization culture that creates continuous evolution
High productivity created by cooperation between divisions (escalation)



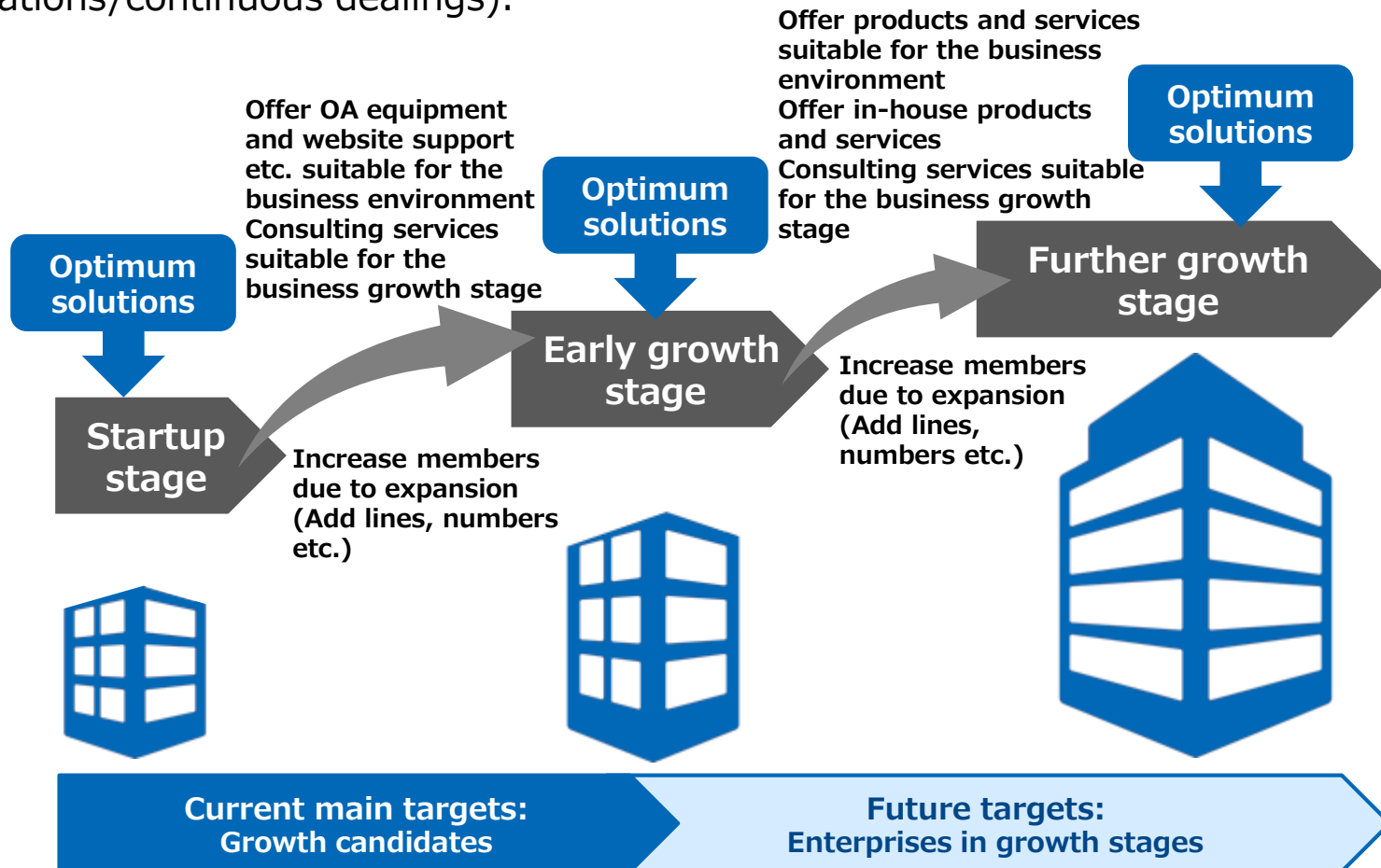
**Improve productivity due to flat and open culture,
promoting cooperation among divisions by “escalation system”**



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).

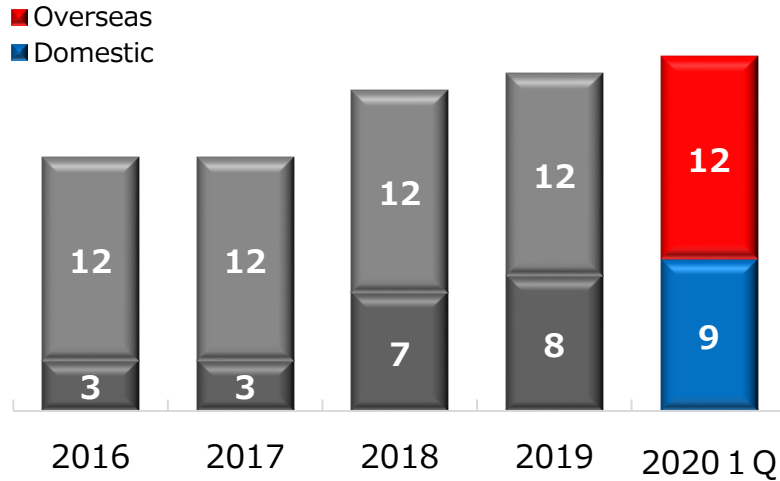


APPENDIX

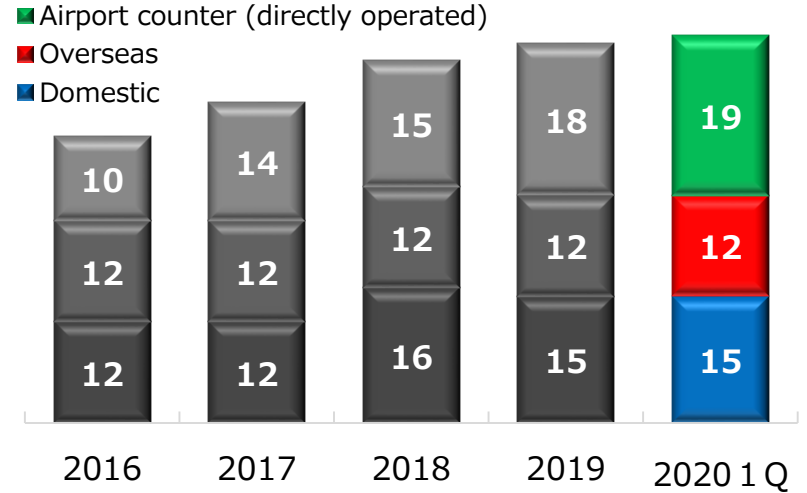


Group Structure

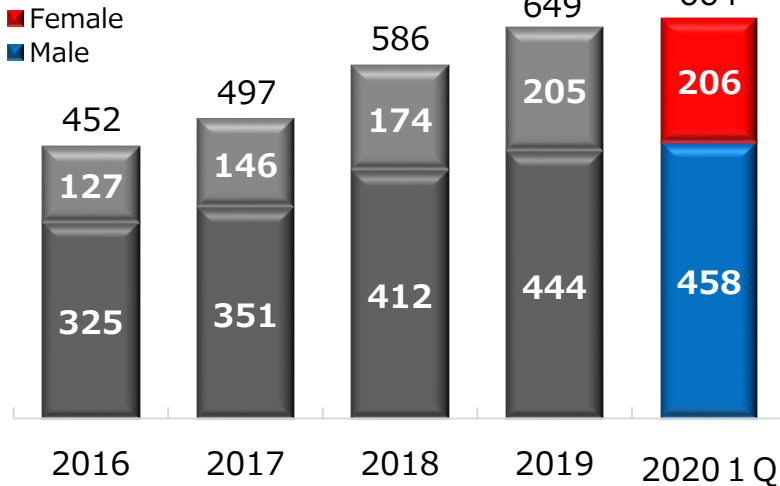
Number of affiliated companies



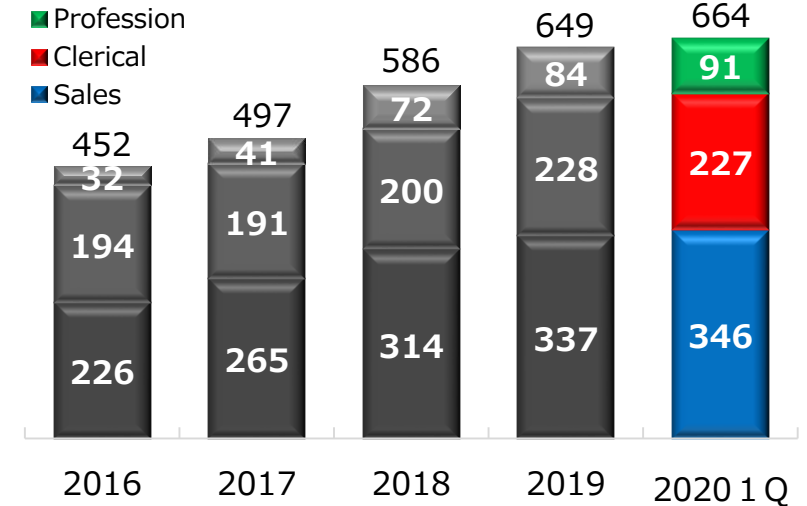
Number of operation bases



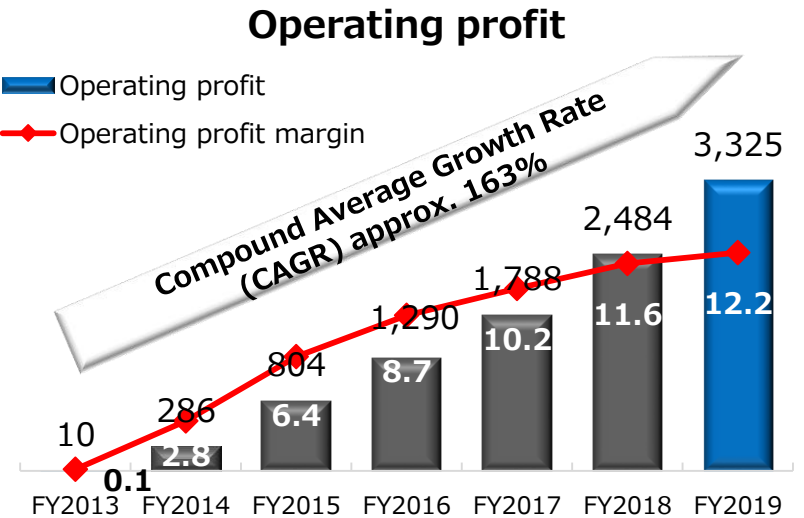
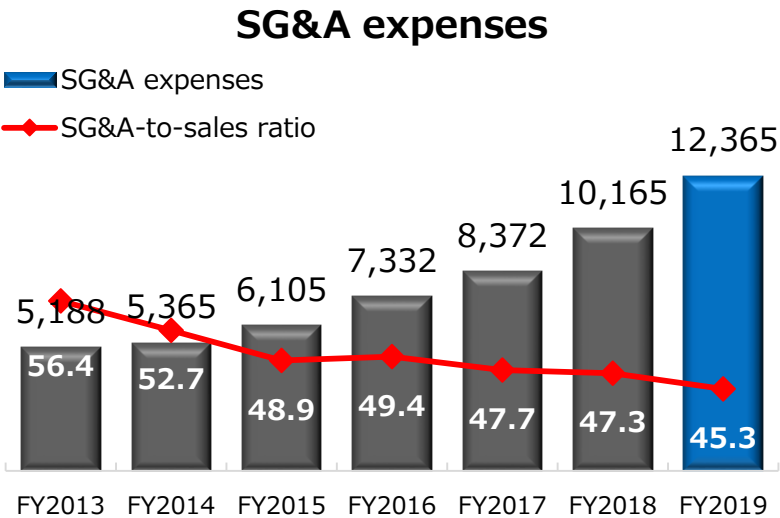
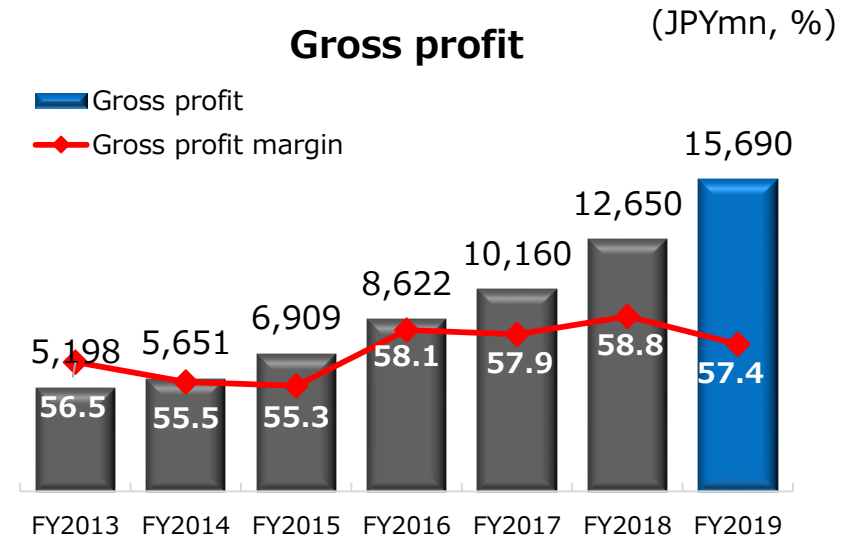
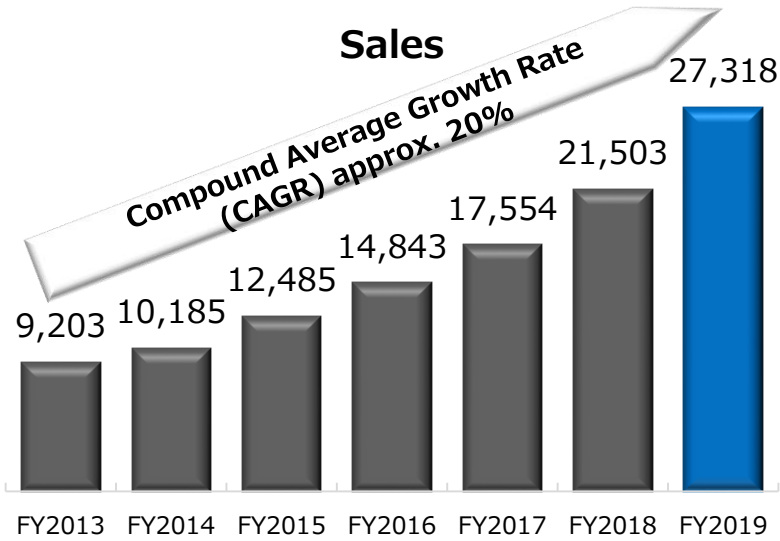
Number of employees (Full-time)



Personnel classification



Performance Data

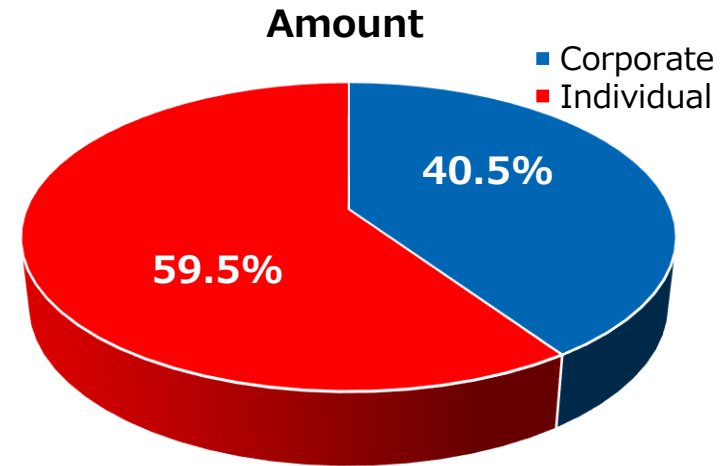
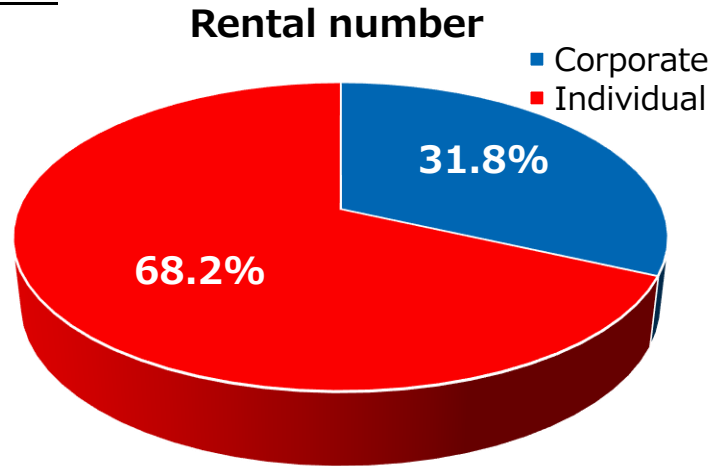


“GLOBAL WiFi” Business Customer Attributes (Corporate/Individual)



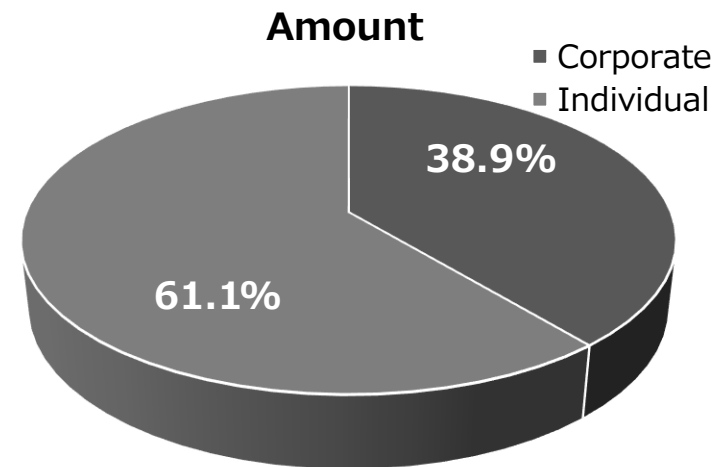
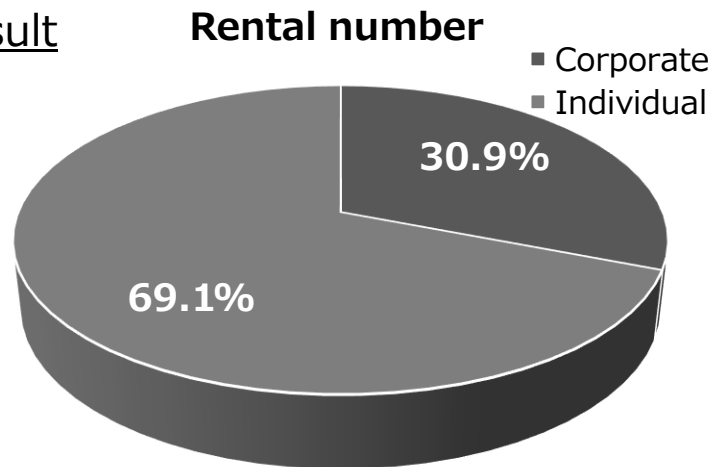
1Q FY2020

(Jan.-Mar.) Result



1Q FY2019

(Jan.-Mar.) Result

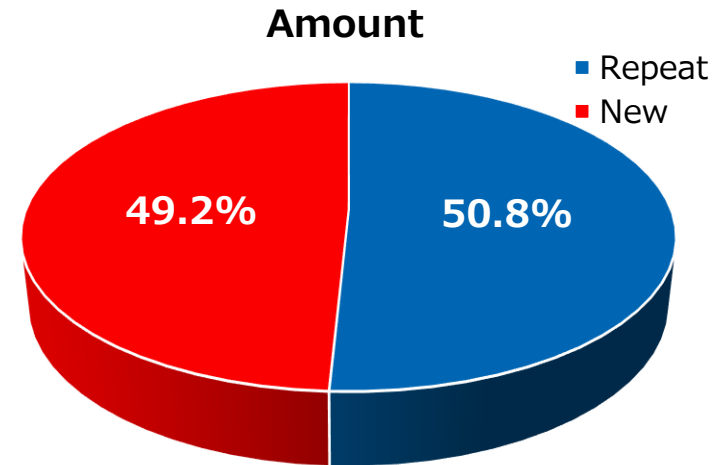
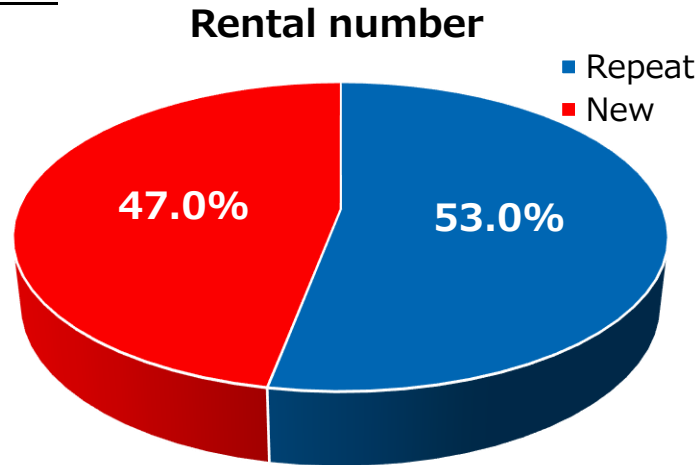


* It is the ratio of overseas use (outbound: Japan ⇒ overseas).

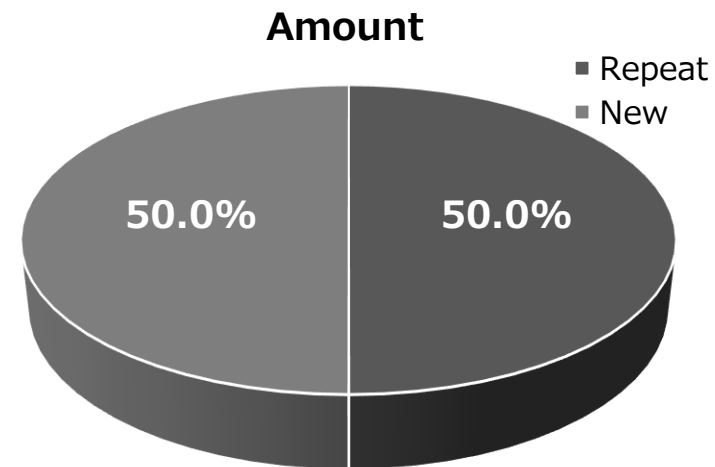
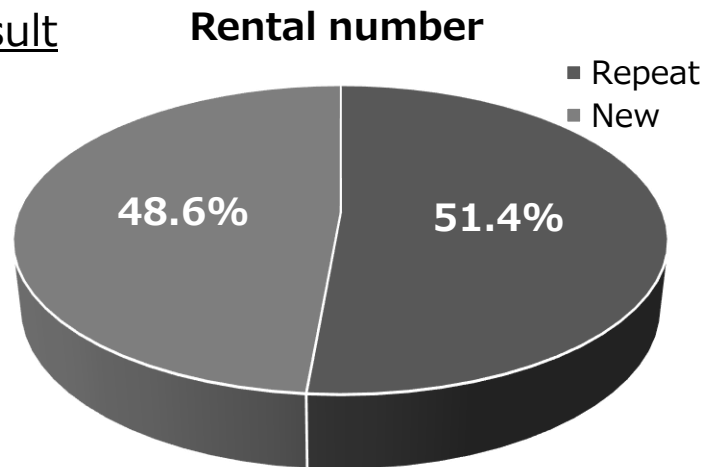
“GLOBAL WiFi” Business Customer Attributes (New/Repeat)



1Q FY2020
(Jan.-Mar.) Result



1Q FY2019
(Jan.-Mar.) Result

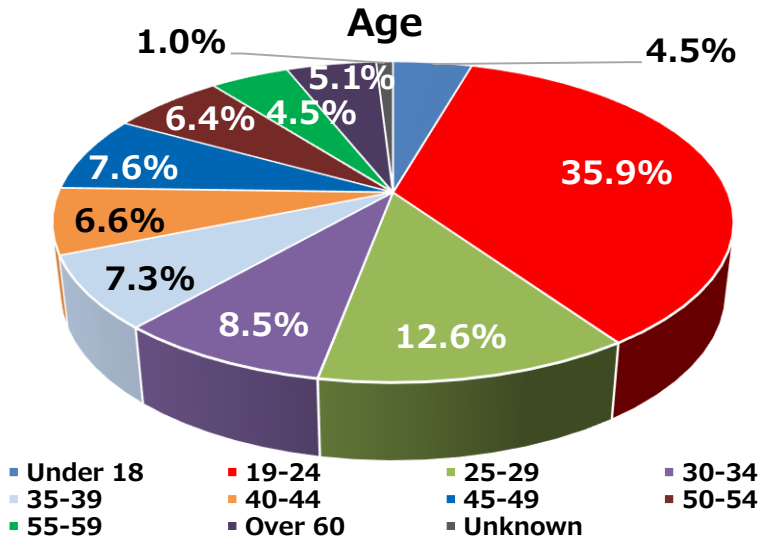


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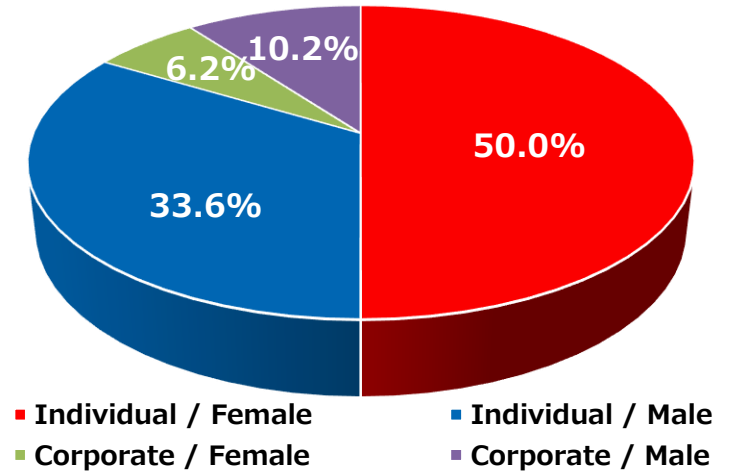
"GLOBAL WiFi" Business Customer Attributes (Age/Gender, Corporate or Individual)



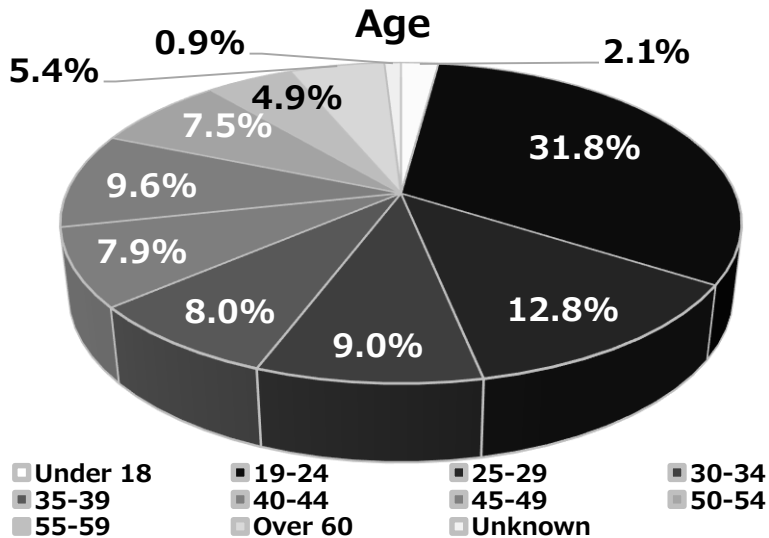
1Q FY2020 (Jan.-Mar.) Result



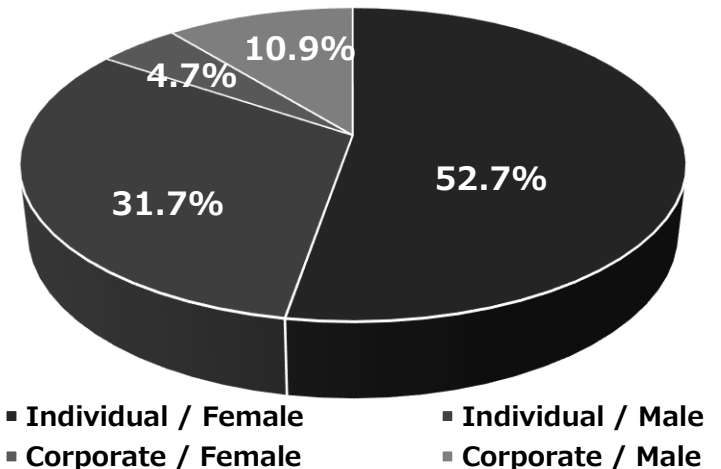
Gender, Corporate or individual



1Q FY2019 (Jan.-Mar.) Result



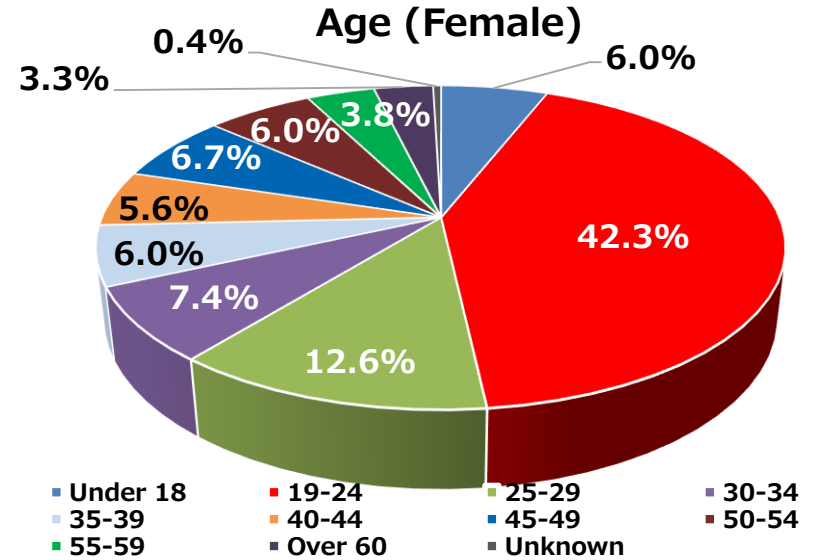
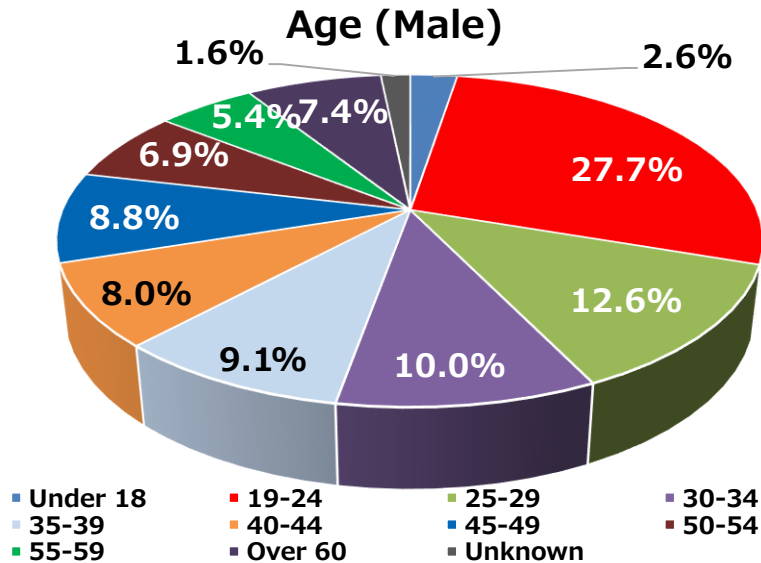
Gender, Corporate or individual



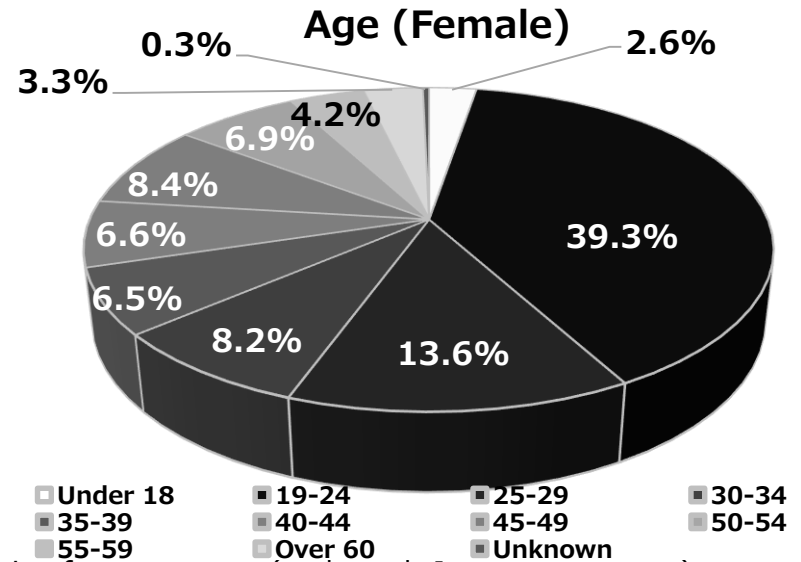
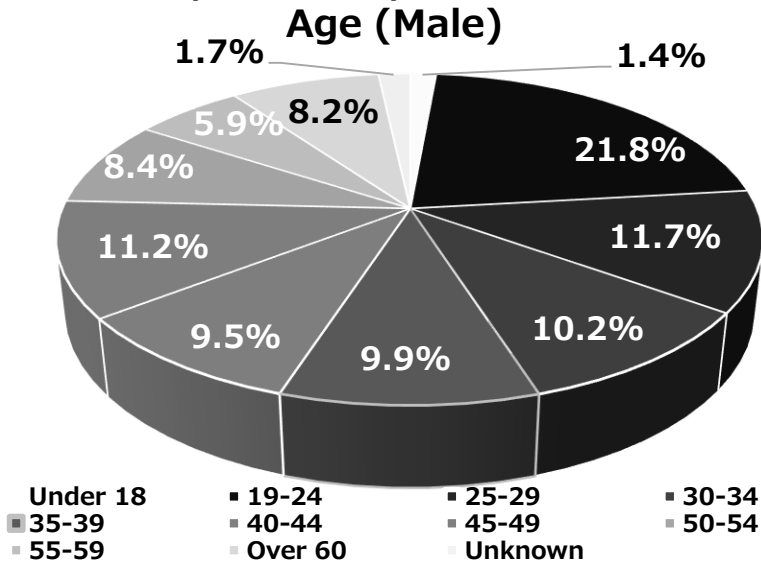
"GLOBAL WiFi" Business Customer Attributes (Age/Gender)



1Q FY2020 (Jan.-Mar.) Result



1Q FY2019 (Jan.-Mar.) Result





To Contribute to the Global Information and
Communications Revolution

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

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

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

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

Vision Inc.

- Contact : ir@vision-net.co.jp