



President Kenichi Sano

Vision Inc. (9416)



Company Information

Market	TSE 1st Section
Industry	Information and telecommunications
CEO	Kenichi Sano
HQ Address	Shinjuku i-Land Tower, 6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Year-end	December
HP	https://www.vision-net.co.jp/en/ir_information.html

Stock Information

Share Price	Number of Shares Issued (Treasury stock excluded)		Total Market Cap	ROE (Act)	Trading Unit
¥1,200	47,079,756 shares		¥56,495 million	-	100 shares
DPS (Est.)	Dividend Yield (Est.)	EPS (Est.)	PER (Est.)	BPS (Actual)	PBR
-	-	¥5.21	230.3x	¥185.79	6.5x

* Stock price as of the close on March 3, 2021. Number of shares issued at the end of the most recent quarter excluding treasury shares. All figures are from the financial results for December 2020.

Consolidated Earnings Trends

Fiscal Year	Net Sales	Operating Income	Ordinary Income	Net Income	EPS (¥)	DPS (¥)
Dec. 2017 (Actual)	17,554	1,788	1,795	1,208	24.76	-
Dec. 2018 (Actual)	21,503	2,484	2,499	1,529	31.40	-
Dec. 2019 (Actual)	27,318	3,325	3,358	2,226	46.05	-
Dec. 2020 (Actual)	16,654	103	227	-1,183	-	-
Dec. 2021 (Forecast)	15,163	407	397	245	5.21	-

* The forecasted values were provided by the company. Unit: Million yen or yen. In October 2019, the company split one share into three shares (EPS retroactively adjusted).

This Bridge Report outlines Vision's results for the fiscal year ended December 2020 and the forecast for the fiscal year ending December 2021.

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Key Points

- In the fiscal year ended Dec. 2020, sales fell 39.0% year on year to 16,654 million yen. Although the company actively met demand for various types of mobile Wi-Fi routers, sales fell across all segments due partly to the near-zero demand from both foreign visitors to Japan (inbound travelers) and Japanese tourists traveling overseas (outbound travelers) from March 2020 due to the novel coronavirus pandemic, coupled with changes in the business structure and the promotion of sales of in-house services (monthly charged). Meanwhile, operating income slumped 96.9% year on year to 103 million yen. Amid a decrease in sales, the company successfully reduced SG&A expenses by revising/curbing various expenses, such as advertisement costs (for listing ads, etc.), provisions for earnings-linked bonuses, packing and freight expenses, travel expenses, and costs for office supplies. However, these were insufficient to make up for the sales decline. The Global WiFi business reported a net loss of 1,183 million yen due to the booking of 1.8 billion yen in extraordinary losses, including impairment losses on assets in connection with the novel coronavirus pandemic. Although the company witnessed major declines in sales and profits, profits topped its revised estimates.
- For the fiscal year ending Dec. 2021, sales are estimated to fall 9.0% year on year to 15,163 million yen, while operating income is projected to soar 292.4% year on year to 407 million yen. In the Global WiFi business, the company estimates that the number of foreign visitors to Japan and the number of Japanese people traveling overseas from January 2021 will be largely in line with those seen since March 2020, expecting demand to recover 25% vs. 2019 levels from the fourth quarter (from October 2021). Also, as it is unclear how the novel coronavirus pandemic will impact corporate activities, the company has formulated conservative projections for remote work demand. As for the Information and Communications Service business, the number of newly established corporations is anticipated to either remain flat year on year or decrease slightly, with the pandemic only expected to have a minor impact on the number of sales transactions thanks to online sales activities. The company plans to expand its business operations, centered on in-house monthly subscription services (recurring revenue), while slightly increasing/maintaining revenue levels for subscription agency operations and telecommunication device sales (one-off revenue). It does not expect to book any impairment losses.
- Although sales and profits plummeted, in the fourth quarter the Global WiFi business moved into the black on a monthly basis and company-wide profit topped Vision's projections. It seems that the firm's swift and unique response to changes in the environment proved successful. Also, in the Information and Communications Service business, sales dropped slightly, but profits rose thanks to the steady capture of demand stemming from the novel coronavirus pandemic, with its business portfolio also providing a boost. However, the company is under the impression that the harsh, unclear operating environment will continue in the current fiscal year, and has thus positioned this term as a year to make preparations to leverage its competitive edge when cross-border travel does recover. In other words, it is building a foundation to prepare for its leap to the next stage. With a top-line recovery looking unlikely, our focus will be on the extent to which Vision can boost profits by improving the productivity of existing businesses.

1. Company Overview

Under the management philosophy of “Contributing to the Information and Communications Revolution,” Vision conducts the Global WiFi business, which leases the personal Wi-Fi (wireless LAN) routers which can be used in over 200 countries and regions on a flat-rate basis, and as an Information and Communications Service distributor, it also provides Information and Communications Service business of arranging telecommunications infrastructure and office equipment necessary for business activities, such as fixed-line telecommunications, mobile telecommunications, broadband etc.

The company forms a group with its 18 consolidated subsidiaries, both inside and outside Japan. Of those, the 6 based in Japan are Members Net Inc. (which conducts the business of charging agency, fixed-line telephone service subscription agency, etc.) and Best Link Inc. (which carries out the business of broadband service subscription agency), etc. There are 12 overseas subsidiaries that operate as overseas hubs for the Global WiFi service in South Korea, Singapore, UK, Hong Kong, Hawaii, Taiwan, China (Shanghai), France, Italy, California and New Caledonia; there is also a local subsidiary in Vietnam, which is an offshore hub for database construction and system development.

【Vision Group’s management philosophy – Contributing to the Information and Communications Revolution in the world】

We will actively promote the Information and Communications Revolution in the world, bring innovations to an individual’s lifestyle and the company’s business style, and contribute to the advancement of humanity and society by continuing to be a distributor that effectively and efficiently connects the client companies with end users and makes sure that its employee’s unlimited ambition, dreams and thoughts are contributing to the stakeholders, without compromising nor ever forgetting the venture spirit and add to the progress of the human race and the society.

1-1 Business Description

Global WiFi business

The company offers services including “Global WiFi” (a Wi-Fi router rental service that allows people traveling overseas to use local internet services at a competitive rate through its partnerships with the overseas operators) and “NINJA WiFi” (a Wi-Fi router rental service for overseas visitors to Japan, etc.), while also engaging in services for the travelers between foreign countries in overseas bases (South Korea, Taiwan and California).

The term-end number of leased Wi-Fi routers that are equipped with the next-generation telecommunication technology (Cloud WiFi) capable of managing Subscriber Identity Modules (SIMs) on the cloud accounts for over 90% of all leased devices (Depending on telecommunication carriers, some countries are not supported, thus the company has almost reached the upper limit).



(From the reference material of the company)

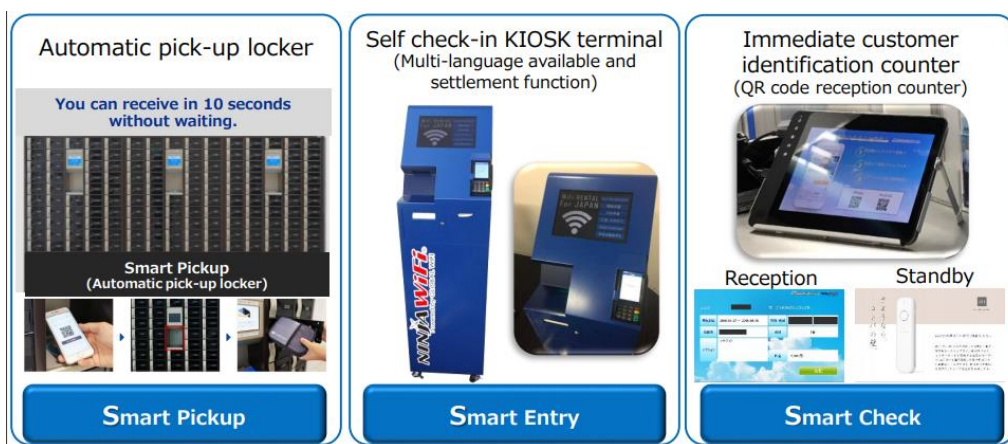
Advantages (1) Affordable fixed-rate system, (2) the most comprehensive area coverage, (3) comfort, (4) safety/security, and (5) substantial support bases and corporate sales capabilities ⇒ One of the largest customer bases in the industry

The advantages of “Global WiFi” and “NINJA WiFi” include the following: (1) cost benefits of up to 89.9% (the rental fee per day is 300 yen at the minimum, depending on the travel destination) compared to the overseas fixed-rate packet plans offered by other Japanese mobile carriers, (2) the industry’s most comprehensive coverage of over 200 countries and regions, (3) high-speed telecommunications services through partnerships with telecommunication operators all over the world, (4) available at 24 hours a day, 365 days a year, at 47 bases worldwide, and (5) the industry’s largest number of available spots at airport counters.

Furthermore, from the business perspective, another advantageous point is the fact that use by corporations, through which stable demand can be expected, has accounted for about 30%~40% in this business segment. As a result, the company has secured a great number of users, which is one of the largest market shares in the industry.

The store digitalization strategy and establishment of the super last-minute online order receipt system

The company is proceeding with the strategy of making stores digitalized by (1) installing automatic delivery lockers (Smart Pickup), (2) adopting self-registration KIOSK terminals with multilingual support and payment settlement functions (Smart Entry), and (3) the QR code-based reception counter that features immediate customer identification (Smart Check), while expanding the number of manned counters in Japan. The company aims to evolve its stores to ones that can be used by Japanese tourists travelling abroad and foreign tourists visiting Japan, more conveniently, more comfortably, and with greater peace of mind, as well as strengthen its efforts toward the increase of routers on lease (number of routers delivered) and increase of optional services (such as insurance services and accessories).

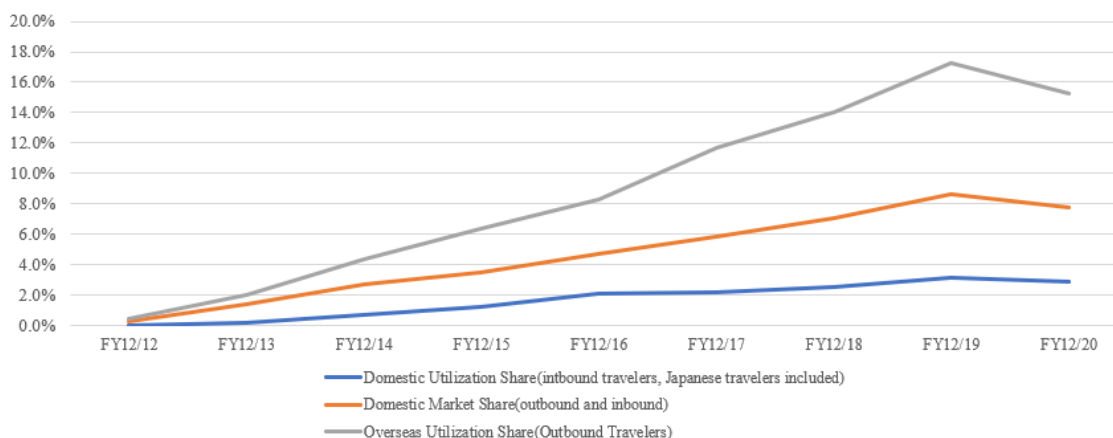


(From the reference material of the company)

In addition to strengthening the contact point with users, the store digitalization will make it possible to optimize the level of services according to user needs (reducing the waiting time for repeat users who do not require explanations while making airport staff deal with users who need it). As it is difficult to expand and install more airport counters, the company is planning to increase Smart Pickup lockers, which will save labor, and improve throughput and reduce costs by utilizing the limited space effectively.

Furthermore, the combination of the store digitalization strategy, Cloud WiFi, and the customer database has established a “super last-minute online order receipt system,” enabling the company to provide services for customers who are about to depart (the system has made it possible for the company to cope expeditiously with online application submitted right in front of airport counters by linking it with the database).

The Utilization rate of the Company's WIFI rental service (Japan)



Information and Communications Service business

With Best Link Inc., a consolidated subsidiary, at its core, the group offers services aimed mainly at newly established corporations, venture businesses and multi-store development enterprises such as food-service chains, from its 15 offices nationwide and in cooperation with its partner companies. The services include subscription agency operations for various telecommunications services such as business phones, agency operations of arranging lines for landline telephones, subscriber telephones, and NTT Hikari telephones, corporate mobile phones, broadband lines, sales and maintenance of mobile telecommunication devices, OA equipment and security products (UTM), etc., designing websites, and agency operations for new power services targeting enterprises.

The company has advantages in prospecting for corporations newly established (within 6 months), one of its major targets, and it is estimated, according to the data by the Ministry of Justice (the number of newly registered companies was 118,532 in Japan in 2019), that the company has conducted transactions with around one in every 10 corporations newly founded in Japan. These advantageous points are backed by the company's strong power to attract customers through its unique online marketing (Internet media strategy), through which the company maximizes running yield (recurring revenue-type business) and conducts additional sales with high productivity (up/cross selling) through the Customer Relationship Management (CRM; customer relationship and ongoing transactions) strategy.

For example, the company receives commission from operators for telephone line arrangements unless contracts for the service are cancelled, and it can earn maintenance fees for multifunction photocopiers on a continuous basis. Moreover, the follow-up service by its customer loyalty team has enabled the company to establish a recurring revenue-type business model, in which earnings are accumulated by taking in demand for lines and equipment that increases with customers' business growth, and providing optimal services according to customers' growth stage (additional sales with high productivity through up/cross selling). The company will evolve its recurring revenue-type business model while expanding the target customer from enterprises with growth potential to ones in the growth stage.

2. Fiscal Year December 2020 Earnings Results

2-1 Consolidated Business Results

	FY 12/19	Ratio to Sales	FY 12/20	Ratio to Sales	YoY	Revised forecast	Compared with the forecast
Sales	27,318	100.0%	16,654	100.0%	-39.0%	16,700	-0.3%
Gross profit	15,690	57.4%	8,793	52.8%	-44.0%	8,888	-1.1%
SG&A expenses	12,365	45.3%	8,689	52.2%	-29.7%	8,830	-1.6%
Operating income	3,325	12.2%	103	0.6%	-96.9%	58	+78.6%
Ordinary income	3,358	12.3%	227	1.4%	-93.2%	167	+35.8%
Net income	2,226	8.1%	-1,183	-	-	-1,226	-

*Unit: ¥mm The revised forecasts represent those announced by the company on November 9, 2020.

Sales and operating income decreased 39.0% and 96.9% year on year, respectively. Profits exceeded the revised estimates.

Sales fell 39.0% year on year to 16,654 million yen.

Although the company actively met demand for various types of mobile Wi-Fi routers, sales fell across all segments due partly to the near-zero demand from both foreign visitors to Japan (inbound travelers) and Japanese tourists traveling overseas (outbound travelers) from March 2020 due to the novel coronavirus pandemic, coupled with changes in the business structure and the promotion of sales of in-house services (monthly charged).

Operating income plummeted 96.9% year on year to 103 million yen.

Amid a decrease in sales, the company successfully reduced SG&A expenses by revising/curbing various expenses, such as advertisement costs (for listing ads, etc.), provisions for earnings-linked bonuses, packing and freight expenses, travel expenses, and costs for office supplies. However, these were insufficient to make up for the sales decline.

While the company secured an ordinary income of 227 million yen through improvements in non-operating income/loss from subsidies, The Global WiFi business reported a net loss of 1,183 million yen due to the booking of 1.8 billion yen in extraordinary losses, including

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impairment losses on assets in connection with the novel coronavirus pandemic.

In the Global WiFi business, assuming overseas travel (outbound and inbound) will not recover even after the end of the current term, the company reduced the book value of assets (Wi-Fi routers, options, software, equipment, fixtures, etc.) that have become unprofitable and are unlikely to recoup their investments, and recorded an impairment loss of approx. 1,395million yen as an extraordinary loss.

Quarterly business results

	18/12-1Q	2Q	3Q	4Q	19/12-1Q	2Q	3Q	4Q	20/12-1Q	2Q	3Q	4Q
Sales	4,922	4,933	5,961	5,686	6,470	6,467	7,610	6,770	5,989	3,641	3,477	3,546
Gross profit	2,930	2,888	3,579	3,251	3,797	3,698	4,474	3,719	3,252	1,569	2,001	1,969
SG&A expenses	2,194	2,388	2,679	2,903	2,817	2,988	3,194	3,364	2,764	2,072	1,928	1,923
Operating income	736	499	900	348	980	710	1,280	354	488	-503	73	45
Ordinary income	745	499	900	353	980	692	1,338	346	496	-429	101	60
Net income	514	295	623	96	669	406	911	239	116	-1,468	124	42
Gross Profit Margin	59.5%	58.6%	60.0%	57.2%	58.7%	57.2%	58.8%	54.9%	54.3%	43.1%	57.6%	55.5%
SG&A ratio	44.6%	48.4%	44.9%	51.1%	43.6%	46.2%	42.0%	49.7%	46.2%	56.9%	55.4%	54.2%

*Unit: ¥mn

On a quarterly basis, sales remained flat at low levels, but in the third and fourth quarters, black was reported for operating income and below.

2-2 Trends by segment

	FY 19/12	Composition Ratio	FY 20/12	Composition Ratio	YOY
Global WiFi	17,732	64.9%	7,278	43.7%	-59.0%
Information and Communications Service	8,954	32.8%	8,796	52.8%	-1.8%
Others	630	2.3%	579	3.5%	-8.1%
Consolidated Sales	27,318	100.0%	16,654	100.0%	-39.0%
Global WiFi	3,301	18.6%	-90	-	-
Information and Communications Service	1,363	15.2%	1,520	17.3%	+11.5%
Others	-266	-	-392	-	-
Adjustments	-1,073	-	-933	-	-
Consolidated Operating Income	3,325	12.2%	103	0.6%	-96.9%

*Unit: ¥mn. Sales represents sales to external customers.

	18/12-1Q	2Q	3Q	4Q	19/12-1Q	2Q	3Q	4Q	20/12-1Q	2Q	3Q	4Q
Global WiFi	3,089	2,898	3,929	3,589	4,075	4,109	5,084	4,462	3,347	1,286	1,272	1,371
Information and Communications Service	1,818	2,009	1,975	1,970	2,302	2,206	2,330	2,115	2,514	2,003	2,145	2,133
Others	14	26	56	126	92	151	194	192	126	351	59	41
Consolidated Sales	4,922	4,933	5,961	5,686	6,470	6,467	7,610	6,770	5,989	3,641	3,477	3,546
Global WiFi	701	448	769	495	871	724	1,274	430	326	-347	-27	-42

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Information and Communications Service	296	337	371	212	482	350	342	188	517	299	367	335
Others	-28	-38	-29	-97	-86	-70	-61	-47	-91	-214	-49	-36
Adjustments	-232	-247	-211	-262	-286	-293	-275	-217	-264	-240	-217	-210
Consolidated Operating Income	736	499	900	348	980	710	1,280	354	488	-503	73	45

*Unit: ¥mn. Sales represents sales to external customers.

Global WiFi business

For the full year, the company reported a decrease in sales and an operating loss.

The demand from both outbound and inbound travelers shrank sharply due to the impact from the novel coronavirus pandemic. Meanwhile, sales of Global WiFi for Biz, which is installed in each corporation for regular use, were solid, and the company successfully captured demand stemming from remote work, online lessons, and local governments (Board of Education, etc.) in connection with the government’s GIGA (Global and Innovation Gateway for All) School Concept, as well as various usage needs such as substitute device when moving, during hospitalization, business trips, combined use with home lines, events.

In addition, the company successfully reduced costs, including personnel costs (job rotation, etc.), land rent, sales promotion expenses, advertising costs, and by closure and temporary closure of some stores. By doing so, operations moved back into the black on a monthly basis in the fourth quarter (October-December).

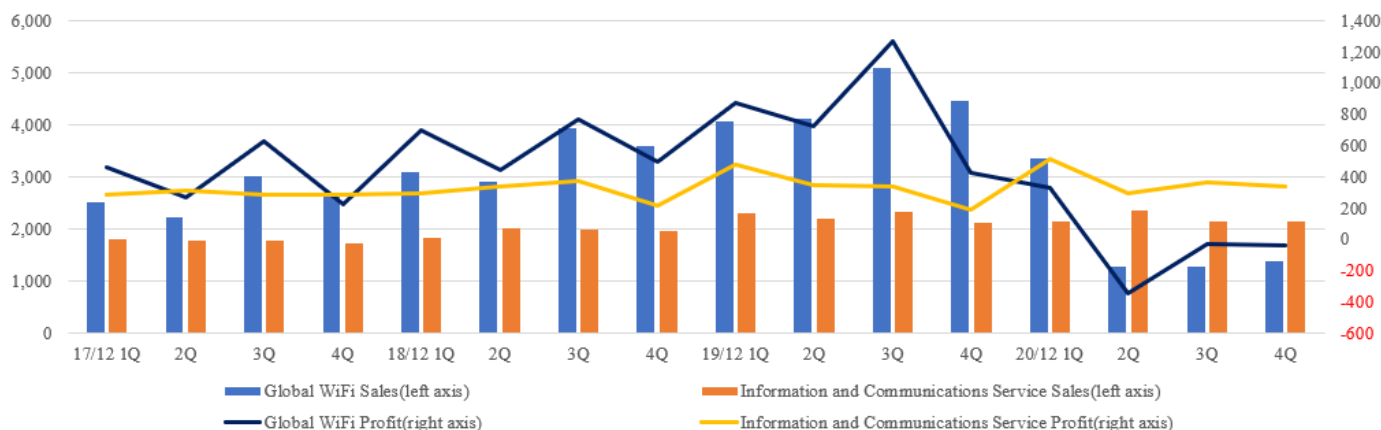
Information and Communications Service business

Over the full fiscal year, sales fell, while profits increased.

Sales dropped slightly due partly to changes in the business structure and the promotion of sales of in-house services (monthly fees). Meanwhile, the company developed sales activities that accurately captured the needs of companies to reduce costs (communication, electricity fees, etc.) due to the impact from the novel coronavirus pandemic, as well as the growing need for solutions for remote work. It also delivered strong levels of client acquisition for monthly subscription website production service, “Vision Crafts!”, and successfully boosted sales for one-off revenue and in-house services (monthly fees) that will serve as the income base (recurring revenue) in the next fiscal year onward. Also, due to changes in working styles amid the pandemic, by carrying out sales activities via online meetings instead of making sales visits in person, the company was able to prevent the loss of sales opportunities while also reducing operating costs. As a result, operating income increased 11.5% year on year.

Vision is working to improve the stability and profitability of its operations by increasing stock and carrying out highly efficient sales activities, centered on upstream strategies targeting newly established corporations and up/cross-selling based on the growth stage of the client corporation.

Sales and Profit trends by segment(unit: million yen)



2-3 Financial Condition and Cash Flow

◎Financial Condition

	December 2019	December 2020		December 2019	December 2020
Cash and deposits	8,485	6,650	Trade payables	1,203	716
Trade receivables	2,218	1,428	Income taxes payable	634	55
Current assets	11,792	8,872	Provision for bonuses	280	159
Property, plant and equipment	1,200	342	Current liabilities	4,222	2,507
Intangible fixed assets	666	196	Noncurrent liabilities	46	36
Investments and Other	1,514	1,900	Net assets	10,905	8,769
Noncurrent assets	3,381	2,440	Total liabilities Equity	15,173	11,313

*Unit: ¥mn

Total assets came to 11,313 million yen, down 3,860 million yen from the end of the previous term. On the debit side, cash and deposits, notes receivable and accounts receivable decreased, and property, plant and equipment and intangible fixed assets decreased due to the recording of impairment losses. On the credit side, net assets decreased due to a drop in retained earnings and an increase in treasury stock. Capital-to-asset ratio stood at 77.3% (71.7% at the end of the previous term).

Although it established a commitment line of 3 billion yen in May 2020, the company has not borrowed any money from other overdraft facilities or the like.

◎Cash Flow

	FY 12/19	FY 12/20	YOY
Operating Cash Flow (A)	3,549	-395	-3,945
Investing Cash Flow (B)	-1,435	-375	+1,060
Free Cash Flow (A+B)	2,114	-770	-2,885
Financing Cash Flow	-1,164	-1,035	+129
Balance of cash and cash equivalents at end of period	8,485	6,679	-1,805

*Unit: ¥mn

Operating CF and free CF turned negative due to the booking of losses.

The company's cash position declined.

3. Fiscal Year December 2021 Earnings Estimates

3-1 Consolidated Earnings

	FY 12/20 (actual)	Ratio to sales	FY 12/21 (forecast)	Ratio to sales	YOY
Sales	16,654	100.0%	15,163	100.0%	-9.0%
Gross Profit	8,793	52.8%	8,676	57.2%	-1.3%
SG&A	8,689	52.2%	8,268	54.5%	-4.8%
Operating income	103	0.6%	407	2.7%	+292.4%
Ordinary income	227	1.4%	397	2.6%	+74.4%
Net income	-1,183	-	245	1.6%	-

* Unit: ¥mn

Sales forecast to fall 9.0% year on year, while operating income expected to soar 292.4% year on year.

For the fiscal year ending Dec. 2021, sales are estimated to fall 9.0% year on year to 15,163 million yen, while operating income is projected to soar 292.4% year on year to 407 million yen.

In the Global WiFi business, the company estimates that the number of foreign visitors to Japan and the number of Japanese people traveling overseas from January 2021 onward will be largely in line with those seen since March 2020, expecting demand to recover

25% vs. 2019 levels from the fourth quarter (from October 2021). Also, as it is unclear how the novel coronavirus pandemic will impact corporate activities, the company has formulated conservative projections for remote work demand.

For the Information and Communications Service business, the number of newly established corporations is anticipated to either remain flat year on year or decrease slightly, with the pandemic only expected to have a minor impact on the number of business transactions thanks to online sales activities. The company plans to expand its business operations, centered on in-house monthly subscription services (recurring revenue), while slightly increasing/maintaining revenue levels for subscription agency operations and telecommunication device sales (one-off revenue).

It does not expect to book any impairment losses.

Forecast by Segment

	FY 12/20 (actual)	Composition Ratio	FY 12/21 (forecast)	Composition Ratio	YOY
Global WiFi	7,278	43.7%	5,816	38.4%	-20.1%
Information and Communications Service	8,806	52.9%	8,927	58.9%	+1.4%
Others	580	3.5%	419	2.8%	-27.8%
Adjustments	-10	-	0	-	-
Consolidated net sales	16,654	100.0%	15,163	100.0%	-9.0%
Global WiFi	-90	-	77	1.3%	-
Information and Communications Service	1,520	17.3%	1,397	15.6%	-8.1%
Others	-392	-	-11	-	-
Adjustments	-933	-	-1,055	-	-
Consolidated operating income	103	0.6%	407	2.7%	+292.4%

*Unit: ¥mn

The outlook, assumptions, and policies for each segment other than those outlined above are as follows.

Global WiFi business

Sales are estimated to decrease, and operating income to move back into the black.

The company plans to make its domestic operations more profitable and create new businesses and services that make full use of its customer base (corporate customers that carry out business with overseas companies, individual customers that like traveling, etc.)

The company aims to improve profitability and maintain its competitive edge by continuing the low-cost operation system established when overseas demand was gradually recovering.

It will move forward with efforts to support next-generation communication standards and technologies (5G, e-sim, etc.).

In addition, the company's budget factors in the acquisition of orders for the government's GIGA School Concept at the end of March 2021, when the subsidies to local governments will come to an end.

Information and Communications Service business

Sales are estimated to increase, and operating income to decrease.

The company plans to make upfront investments.

It plans to expand its business operations, centered on in-house monthly subscription services (recurring revenue), while slightly increasing/maintaining revenue levels for subscription agency operations and telecommunication device sales (one-off revenue).

Amid the novel coronavirus pandemic, the company expects only minor impact on sales calls through the utilization of online business negotiations.

It will flexibly respond to changes in the external environment by leveraging its strength of having multiple businesses (products/services) and sales channels.

It will aggressively push sales of its monthly subscription website production service "Vision Crafts!"

The company will actively acquire electric power (discount) services centered on store-based businesses.

4. Growth strategy considering the post-pandemic world where people will lead their daily lives while coping with the novel coronavirus

4-1 Growth strategy

For existing businesses, the company will focus on improving productivity by adapting to an online environment, so-called the New Normal.

It has set the following key topics: (1) providing products and services that meet the needs of customers and the times, (2) building and strengthening online sales systems, (3) strengthening up/cross-selling via online business negotiations, etc., (4) brushing up the revenue structure, and (5) enhancing and expanding in-house services.

As for the creation of new businesses and services, Vision aims to foster businesses that will become a third pillar that utilizes its customer base that includes corporate customers in the startup growth phase, corporate customers that undergo business with overseas companies, government offices, local governments and schools, and individual customers that like traveling.

4-2 Specific initiatives

The main initiatives are outlined below.

To actively expand sales of Global WiFi for Biz	To actively expand sales of domestic plan options for Global WiFi for Biz, which is installed in each corporation for regular use. It can be used for remote work, and acquisitions are solid due to the increased convenience through domestic use. Although corporate overseas travel is currently stagnant, in order to demonstrate its competitive edge when travel does recover, the company plans to strengthen its relationships with corporate customers.
Online learning through the GIGA School Concept	To contribute to the promotion of online learning as outlined in the GIGA School Concept by providing a wider range of options, such as Wi-Fi router rental, telecommunication device sales & data communication contracts. Local governments purchase Wi-Fi routers and distribute them to homes that do not have a Wi-Fi connection.
To strengthen domestic Wi-Fi sales	In addition to strengthening sales expansion of Wi-Fi services for remote work, the company will also focus on expanding sales of Wi-Fi services for educational institutions and local governments. Due to the convenience of being able to rent on a daily basis, the use of a substitute device when moving and spending time in a hospital is increasing.
Tsuyaku-fukikae.com	Under the slogan “Going beyond the language barrier to make business more global,” the company started offering interpreting services for online/offline business negotiations and conferences and video translation/dubbing services. It provides interpreting, translation, and dubbing services that can be used in various business situations at reasonable prices. The company provides simultaneous and consecutive interpretation of business negotiations/meetings with overseas companies and investors at online meetings and conference calls, and also creates dubbed videos.
Vision WiMAX	A sales model service geared toward customers considering the purchase of a Wi-Fi router, created to meet the needs of people that want to be able to try using a Wi-Fi router before buying it (the most common answer in a questionnaire targeted at customers after renting a Wi-Fi router). Customers will first try out the router by renting it (with a special limited discount), check the communication environment, and then purchase the Wi-Fi router that meets their needs. Vision trades in the device when the contract is canceled.

In addition, in order to demonstrate its competitive edge when travel does recover, Vision is also moving forward with its convenience store collection service, where Wi-Fi routers can be collected at Seven-Eleven stores nationwide (except Okinawa), as well as the development of unmanned shops.

As of the end of Dec. 2020, the company has established unmanned stores at Kitakyushu Airport and Miyako Shimojishima Airport. It plans to expand the number of such shops going forward.

5. Conclusions

Although sales and profits plummeted, in the fourth quarter the Global WiFi business moved into the black on a monthly basis and company-wide profit topped Vision’s projections. It seems that the firm’s swift and unique response to changes in the environment proved successful. Also, in the Information and Communications Service business, sales dropped slightly, but profits rose thanks to the steady capture of demand stemming from the novel coronavirus pandemic, with its business portfolio also providing a boost. However, the company is under the impression that the harsh, unclear operating environment will continue in the current fiscal year, and has thus positioned this term as a year to make preparations to leverage its competitive edge when cross-border travel does recover. In other words, it is building a foundation to prepare for its leap to the next stage. With a top-line recovery looking unlikely, our focus will be on the extent to which Vision can boost profits by improving the productivity of existing businesses.

<For reference: Initiatives for ESG・SDGs>

In a desire to contribute to “the future of telecommunication will be for the betterment of everyone’s future,” the company aims to increase its corporate value and for continuous growth through management and business strategies giving consideration to ESG (“Environment, Social, and Governance.”) Further, it will contribute to the revolution in telecommunications technology and sustainable development of the society by taking measure to solve major social issues included in the SDGs provided by the United Nations. The SDGs are global goals intended to be achieved between 2016 and 2030, specified in the “2030 Agenda for Sustainable Development” adopted in the United Nations Summit held in September 2015.

Environmental



The company has acquired “Green Site License” that offsets carbon emissions via websites and an environmental certification for prevention of global warming by “Green Power” as part of CO₂ reduction activities of website. The company carries out information transmission, support activities in affected areas, and cooperates with and provides support for “Shinsai Regain,” a specified NPO supporting various activities, to achieve “realize a society where people can support each other in times of earthquake disasters.” Furthermore, the company is promoting affordable rental of energy-saving LED lighting and paperless operation within the company. The company is also operating its business with the minimum necessary amount of property, plant and equipment necessary. At the end of the fiscal year ended December 2020, property, plant and equipment accounted for 3% of total assets, with the company adapting to various changes in the environment.

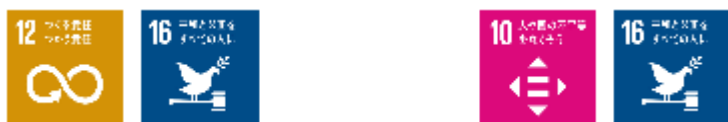
Social



With health and well-being, the balance between job satisfaction and economic growth, and equality in mind, the company is promoting measures such as the use of various recruitment channels (fair hiring, referral hiring, employment of female workers (33%), multinational workers (16.5%), and disabled people), the introduction of a personnel system and its own benefit system in line with the environment of the times (shorter working hours, shift-work system, flextime system, hydration allowance in summer, flu shots subsidy, etc.). Also, the company is making efforts to ensure an environment where employees can focus on their work by running “Vision Kinds Nursery,” a company-led nursery and hire human resources with childcare responsibilities and motivation to work, in addition to making work

rules flexible and enhancing the leave system for employees at the time of childbirth or with small children, in order to support their child care and create a working environment with comfort. (established a childcare facility on CLT’s premises, where more than 90% of the employees are women.) In addition to the above, the company supports the activities of Japan Heart, which works based on the idea of “delivering medical care to where it does not reach” to realize a society where everyone can receive medical care equally regardless of their countries, regions, race, politics, religion or circumstances and feel “grateful to have been born,” as one of the corporate members.

Governance



The company has obtained “ISO/IEC 27001,” the ISMS international standard, and is taking measures for information assets’ correct and safe handling, operation, monitoring, revision, maintenance, and continuous improvement, in order to protect them within the applicable range from the threats related to information security.

Furthermore, the company promotes risk management in business activities and thorough compliance to strengthen governance considering the importance to win continuous trust from the stakeholders, and also appoints 3 out of 6 directors from outside (including one woman) who are enterprise managers, and all 4 auditors too from outside who are accountants or lawyers to ensure transparency and soundness in management.

<Reference: Regarding corporate governance>

◎ **Organization type, and the composition of directors and auditors**

Organization type	Company with an audit and supervisory board
Directors	6 directors, including 3 outside one
Auditors	4 auditors, including 4 outside ones

◎ **Corporate Governance Report : Updated on September 7, 2020**

Basic policy

Our corporate group improves ourselves to change clients’ expectations into impression, pursues innovation without hesitation to actualize the ideal, always feels grateful about the support of many people (stakeholders), and operates its business activities with a humble mindset. Under this code of conduct, Vision observes laws, in-company regulations, and policies, carries out business in good faith, and strives to realize optimal corporate governance.

<Main Reasons for Non-compliance with the Principles of the Corporate Governance Code (Excerpts) >

【Principle 4-1-3 Roles and responsibilities of the board of directors (1) (To oversee the planning by a successor to the chief executive officer and others)】

Under a business environment that will change from time to time, our company will have thorough discussion before appointing top executives. For instance, in our company the board of directors will designate top executives from candidates who are considered appropriate for the position in terms of their personality, knowledge, business performance, and other factors, in accordance with our management philosophy and business strategies. We will hold discussion on supervision of succession planning.

<Disclosure Based on the Principles of the Corporate Governance Code (Excerpts)>

【Principle 4-8 Effective utilization of independent outside directors】

In the company, three of the six directors are independent outside directors. We believe that the three independent outside directors will contribute to strengthening our corporate governance by utilizing their extensive experience in web marketing, inbound business, the financial industry, global business, and other areas, as well as their experience as corporate managers, to monitor the company’s management and provide advice on the company’s overall management.

【Principle 4-9 Criteria for judging the independence of independent outside directors and their qualifications】

The company selects its directors with reference to the Companies Act and the standards established by the Tokyo Stock Exchange. In addition, the company has selected individuals who can provide advice on all aspects of the company's management based on their extensive experience and knowledge.

【Supplementary Principle 4-11-1 Preconditions for ensuring the effectiveness of the board of directors and board of corporate auditors (policies and procedures for the composition and selection of the board of directors)】

The company's board of directors consists of internal directors who are well versed in the company's business and operations, and external directors who have a wealth of experience and a broad range of knowledge to ensure a balance and diversity of knowledge, experience, and abilities across the board.

【Supplementary principle 4-11-2 Preconditions for ensuring the effectiveness of the board of directors and board of corporate auditors (concurrent positions of directors and corporate auditors)】

Directors and corporate auditors allocate the time and efforts necessary to properly perform their roles and responsibilities to their duties as directors and corporate auditors, and their concurrent positions are within a reasonable range. The status of their concurrent positions is disclosed in the reference document of the notice of the general meeting of shareholders, the business report, and the annual securities report.

【Supplementary Principle 4-11-3 Preconditions for ensuring the effectiveness of the board of directors and board of corporate auditors (analysis and evaluation related to the effectiveness of the board of directors)】

Based on the current status of comments and discussions on the board including the outside directors and outside corporate auditors, we believe that the effectiveness of the company's board of directors is maintained. In addition, each director is asked to complete a self-evaluation questionnaire, the results of which are confirmed by the external auditors, in an effort to further improve the effectiveness and functions of the system.

【Principle 5-1 Policy for constructive dialogue with shareholders】

If shareholders or others want to have a dialogue with Vision, the company will respond positively within a reasonable range, to contribute to the sustainable growth of the company and the medium to long-term improvement in corporate value. As of now, Vision holds a briefing session attended by the president or a director in charge of IR two or more times per year, meetings with institutional investors domestic and foreign, briefing sessions for individual investors several times a year, and so on. The information on their results is properly shared through meetings of the board of directors, etc. In addition, Vision takes thoroughgoing measures for preventing the leakage of insider information.

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