



Chairman and CEO Kenichi Sano

Vision Inc. (9416)



Company Information

Market	TSE Prime Market
Industry	Information and telecommunications
Chairman and CEO	Kenichi Sano
President, Representative Director and COO	Kenji Ota
HQ Address	SHINJUKU EASTSIDE SQUARE 8F, 6-27-30 Shinjuku, Shinjuku-ku, Tokyo 160-0022, Japan
Year-end	December
HP	https://www.vision-net.co.jp/en

Stock Information

Share Price	Number of Shares Issued (End of the term)		Total Market Cap	ROE(Act.)	Trading Unit
¥1,345	50,152,300 shares		¥67,454 million	22.9%	100 shares
DPS (Est.)	Dividend Yield (Est.)	EPS (Est.)	PER (Est.)	BPS (Act.)	PBR (Act.)
¥27.00	2.0%	¥78.51	17.1 x	¥297.72	4.5 x

* Stock price as of the close on September 4, 2024. The number of outstanding shares, DPS and EPS have been taken from the summary of financial results for the second quarter of the fiscal year ending December 2024. ROE and BPS are the figures as of the end of the previous fiscal year.

Consolidated Earnings Trends

Fiscal Year	Net Sales	Operating Income	Ordinary Income	Net Income	EPS (¥)	DPS (¥)
Dec. 2020 (Actual)	16,654	103	227	-1,183	-25.07	0.00
Dec. 2021 (Actual)	18,100	1,105	1,143	729	15.47	0.00
Dec. 2022 (Actual)	25,487	2,414	2,422	1,548	31.96	0.00
Dec. 2023 (Actual)	31,807	4,280	4,337	3,025	61.87	0.00
Dec. 2024 (Forecast)	36,145	5,707	5,738	3,797	78.51	27.00

* The forecasted values were provided by the company. Unit: Million yen or yen.

This Bridge Report outlines Vision's results for the first half of the fiscal year ending December 2024.

Table of Contents

[Key Points](#)

[1. Company Overview](#)

[2. First Half of the Fiscal Year Ending December 2024 Earnings Results](#)

[3. The Fiscal Year Ending December 2024 Earnings Forecasts](#)

[4. Details of Growth Initiatives](#)

[5. Conclusions](#)

[<Reference1: Initiatives for ESG+SDGs>](#)

[<Reference2: Regarding corporate governance>](#)

Key Points

- The sales in the first half of the fiscal year ending December 2024 were 17,021 million yen, up 9.0% year on year. The real growth rate of sales, excluding support services, etc., was 23.3%. The real sales of the GLOBAL WiFi Business increased 27.7%, while the sales of the Information and Communications Service Business rose 19.4%. The sales of the Glamping and Tourism Business grew 18.1%. Operating income rose 12.1% year on year to 2,720 million yen. The real growth rate of operating income, excluding support services, etc., was 44.5%. Gross profit margin rose year on year from 54.3% to 57.5%, while operating income margin improved from 15.5% in the previous fiscal year to 16.0%, leading to a growth in profit. Although the initial company's forecast called for a decline in profit, profit ended up achieving a double-digit growth and sales and all kinds of profits hit a record high owing to the steady growth of all businesses. The company will pay dividends for the first time since its listing, paying 13.00 yen/share at the end of the first half of the fiscal year. The dividend amount 11.00 yen/share in the initial forecast was upwardly revised in June.
- Both sales and profit grew in the GLOBAL WiFi Business. With regard to sales to inbound travelers, applications for "NINJA WiFi," a Japanese Wi-Fi rental for foreign visitors to Japan, and the SIM card sales via vending machines at airport counters remained steady. Regarding sales to outbound travelers, demand from corporations remained steady with a high demand for the "Unlimited Data Plan (4G/5G)," maintaining the average spending per customer at a high level. Real growth rate, excluding support services, etc., was 27.7% for sales and 33.1% for profit.
- Both sales and profit increased in the Information and Communications Service Business. As they honed the marketing capability while proactively hiring mid-career personnel, the sale of OA equipment and intermediation business for electricity (eco-solution business) remained favorable. Furthermore, they promoted the sale of recurring-revenue services, to maximize the lifetime value of customers by upselling or cross-selling services, reducing long-term cancellation rates, and offering recurring services.
- For the fiscal year ending December 2024, it is expected that sales will rise 13.6% year on year to 36,145 million yen and operating income will increase 33.3% year on year to 5,707 million yen. Both sales and operating income are projected to hit a record high for consecutive years. Moreover, an upward revision was made in June to the initial forecast for all kinds of profits, owing to the improvement of gross profit margin, etc. In the GLOBAL WiFi Business, the annual recovery rate for overseas travel is projected to be 71.2%. The company will work toward elevating recognition by enhancing promotion and boost global sales of GLOBAL WiFi and World eSIM. Regarding the Information and Communications Service Business, the company's policy lies in strengthening their recurring-revenue services, such as Vision Hikari, security cameras, websites, cloud services and rental of various business devices. They will also work toward the maximization of business synergy through proactive M&A. The forecast is based on the exchange rate: 1 US dollar = 150 yen. The company will proactively reach out to mid-career personnel, to hire 50 workers. The sales and profits of the GLOBAL WiFi Business, the Information and Communications Service Business, and the Glamping and Tourism Business are expected to lead to the year-on-year increases. They plan to pay a

year-end dividend of 14.00 yen/share, with the annual dividend being 27.00 yen/share.

- **It is likely that the fiscal year ending December 2024 will be a year of heading toward growth after the recovery observed in the fiscal year ended December 2023. In fact, both sales and profit hit a record high in the first half of the fiscal year. Regarding the mainstay GLOBAL WiFi Business, sales and operating income hit an all-time high, exceeding the sales and profit in 2019 before the COVID-19 pandemic, although the number of overseas travelers has not returned to the pre-pandemic level. Furthermore, it can be said that achieving a significant increase in sales and profit in the Information and Communications Service Business proves that the company is on a growth track. Both businesses produce new services in rapid succession, which are bearing fruit. Although the company is now on a growth track, share price remains low. It feels extremely strange that the P/E ratio is significantly below 20.0 despite the high growth potential. This is possibly influenced by the fact that the growth potential of the company is not widely known on the market yet. Once the stock market has recognized that the company is heading “from recovery to growth,” share price will probably rise.**

1. Company Overview

Under the management philosophy of “To Contribute to the Global 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 22 consolidated subsidiaries, both inside and outside Japan. Of those, the 9 based in Japan include 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). There are 13 overseas subsidiaries that operate as overseas hubs for the GLOBAL WiFi service in South Korea, US (Hawaii), Hong Kong, Singapore, Taiwan, UK, China (Shanghai), France, Italy, US (California, New York), and New Caledonia; there is also a local subsidiary in Vietnam, which is an offshore hub for database construction and system development. (At the end of June 2024)

[Vision Group’s management philosophy – To Contribute to the Global Information and Communications Revolution]

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 an 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

① GLOBALWiFi 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 and Taiwan, California).

The number of leased Wi-Fi routers that are equipped with the next-generation telecommunication technology (Cloud Wi-Fi) 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)

In addition, “GLOBAL WiFi for Biz,” a domestic plan of “GLOBAL WiFi,” which is installed in corporations for regular use, was promoted aggressively and performed well. The sale of “GLOBAL WiFi for Biz” was promoted by capturing the increasing telework demand during the spread of the new COVID-19 infection, and it also demonstrated its competitive advantage during the recovery of traveling. With one “GLOBAL WiFi for Biz” in the company, customers can use it for telework and sudden overseas business trips without making arrangements, eliminating the need to use overseas roaming services when Wi-Fi rentals are not available. The number of subscriptions and actual usage have continued to increase as a result of its proposal as a dual-use service (telework and travel).

Advantages (1) Affordable fixed-rate system, (2) the most comprehensive area coverage, (3) comfort, (4) safety/security, (5) counter, (6) corporate sales capabilities, and (7) number of customers

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) covers over 200 countries and regions, the largest in the industry, (3) high-speed telecommunications services through partnerships with telecommunication operators all over the world, (4) available and support 24 hours a day, 365 days a year, (5) the industry’s largest number of available spots at airport counters, and (6) capability to capitalize on the demand from corporations. Owing to these strengths, (7) the number of the Wi-Fi rental service users throughout the corporate group exceeded 20,000,000.

-Competitive advantage when the demand for travel recovers

① Proactive sales promotion of GLOBAL WiFi for Biz

The sale of “GLOBAL WiFi for Biz,” which is installed in corporations for permanent use, remains favorable owing to proposals for a dual-use system for telework (the subscriptions and instances of actual usage have increased).

Having one GLOBAL WiFi for Biz at the company allows for both usage for telework and immediate usage during sudden business trips overseas without any need for making arrangements. There will be no need to resort to using international roaming because there was not enough time to rent a Wi-Fi.

② Ultrahigh-speed telecommunication 5G plan World eSIM

The first in the industry of rental of Wi-Fi routers for overseas travel. They are expanding the service area of the ultrahigh-speed telecommunication 5G plan. They offer 5G services in the United States mainland, Hawaii, South Korea, Taiwan, Thailand, UK, Italy, France, Germany, Spain, China, Hong Kong, Iceland, Ireland, UAE, India, Australia, Austria (Europe), the Netherlands, Greece, Croatia, Singapore, Sweden, Slovenia, Czechia, New Zealand, Hungary, the Philippines, Finland, Bulgaria, Portugal, Malta, Malaysia, Romania and Luxembourg.

*Regarding China (special lines): Plan for enabling customers to use apps, social media, and Internet services that are partially restricted in China. They adopted a different telecommunication technology from the conventional VPN, so the plan can be used without connection setup. This is an advantage.

They started offering “World eSIM,” an eSIM service that is available in over 180 countries or regions. They plan to actively sell their services to foreign travelers from Europe and the U.S. (including foreign visitors to Japan and foreign people traveling to other countries), who often purchase SIM cards at their destinations, after the recovery of demand for travel.



(From the reference material of the company)

③ Expansion of the service area of the unlimited plan

A large volume of data is transmitted, due to the diversification of smartphone apps, the transmission of heavy images and videos, the posting in social media, etc.

This plan is increasingly shared by customers and their friends or family members, or increasingly used for multiple devices, including smartphones, tablets, and laptop PCs, in business scenes. This is a plan in which users do not need to worry about the limit of transmittable data volume. They have expanded its service area and features to meet the demand for long-term use.

The ratio of customers who choose the unlimited plan increased. ⇒ Rise in average revenue per user (ARPU)

④ Customers can receive the device at a convenience store.

Customers now can select an option in which they can receive the device at any convenience store of Seven-Eleven around Japan,

excluding Okinawa, which is close to their workplace or home for convenience.

Customers can receive the device in advance, without lining up in front of a counter on the date of departure. Customers can receive the device even late at night, as long as the convenience store is open.

⑤ Operation of unmanned shops

Locations (as of the end of July 2024)

Sendai Airport, Mt. Fuji Shizuoka Airport, Kumamoto Airport, Kitakyushu Airport, Miyako Shimojishima Airport, and Granduo Kamata *More shops to be built.

Installed equipment

- Smart Pickup (for receiving the device)
- Return box (for returning the device)
- Vending machine for SIM cards

Features, etc.

- Customers can receive the device in a non-face-to-face manner without lining up in front of an airport counter even during a busy season (for repeat customers who do not require explanations, and this is effective for coping with infectious diseases).
- It is possible to offer services 24 hours a day, including early morning and midnight hours in which it is difficult to secure staff even if there are needs.
- Vending machines of prepaid SIM cards for use by foreign travelers to Japan and those who temporarily return to Japan
- It is possible to increase touch points at low cost without occupying much space (for improving convenience and increasing revenues).

⑥ Wi-Fi for use in Japan

- Wi-Fi router rental service for foreigners visiting Japan

The Internet available on your own smartphone anywhere in Japan! Unlimited availability of high-speed 4G-LTE!

- Wi-Fi router rental service for use in Japan

Can be used right after the delivery! The convenience of rentals for any period (measured in days) and any place allows for use in various scenarios, garnering favorable reviews.

- Wi-Fi router sale

Purchase a Wi-Fi router matching your needs after checking the telecommunication environment of your home, etc. by renting it first for a trial period.

⇒ Router traded in when the contract is cancelled (Vision WiMAX original service).

-Airport counters and Smart Pickup

Receipt and return possible via return boxes at 19 airports, 36 counters and 48 Smart Pickup points in Japan. Lockers for automatic hand-over have been installed at 17 airports out of the aforementioned airports.

The service level is optimized for each client. Clients who do not require an explanation (repeat users, etc.) can get rid of waiting time (by using Smart Pickups). Clients who require an explanation are attended to by airport staff (by using airport counters).

-The store digitalization strategy (smart counters)

Evolved into a shop that can deal with the increases of the number of rental transactions (the number of cases of handover) and optional services (compensation services, accessory items, etc.) and meet the needs of respective customers so that Japanese people traveling abroad and foreign visitors to Japan can use more convenient, comfortable, and worry-free services.

-System for receiving online orders “just before departure” (smart counters × CLOUD WiFi × database)

It will be possible to provide services to customers on the day of departure, leading to an increase in the number of users. Linking the system to the database will enable the immediate processing of online applications in front of airport counters as well. Link all imports from the smart counters, CLOUD WiFi and database to further elevate the convenience.



(From the reference material of the company)

-Expansion of services during travel

Respond to requests from customers to expand services during travel (including options).
Support safe, secure and comfortable travel.



(From the reference material of the company)

- “Tsuyaku-Fukikae.com,” a service utilizing the client base

Service for the interpreting of online and offline negotiations and business meetings, translation and voice-over of videos and text translation.

“To overcome language barriers to make business more global.”

Provide interpreting, translation and voice-over services for usage in various business scenarios at a reasonable price.

Support the enrichment of information disclosure in English, placing importance on dialogue with overseas investors.

Also provide voice-over and subtitling of videos explaining financial results and translation of summaries of financial results, documents for explaining financial results, notices of convocations for general meetings of shareholders, etc.

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

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



(From the reference material of the company)

BRIDGE REPORT



- GLOBAL WiFi Business: Market scale

Inbound (Foreign visitors to Japan)

Approx. 31.88mn people for a year.

*Results in FY2019

Approx. 25.06mn people for a year.

*Results in FY2023

Government's target: 60mn people in 2030

Outbound (Travelers from Japan to overseas)

Approx. 20.08mn people for a year.

*Results in FY2019

Approx. 9.62mn people for a year.

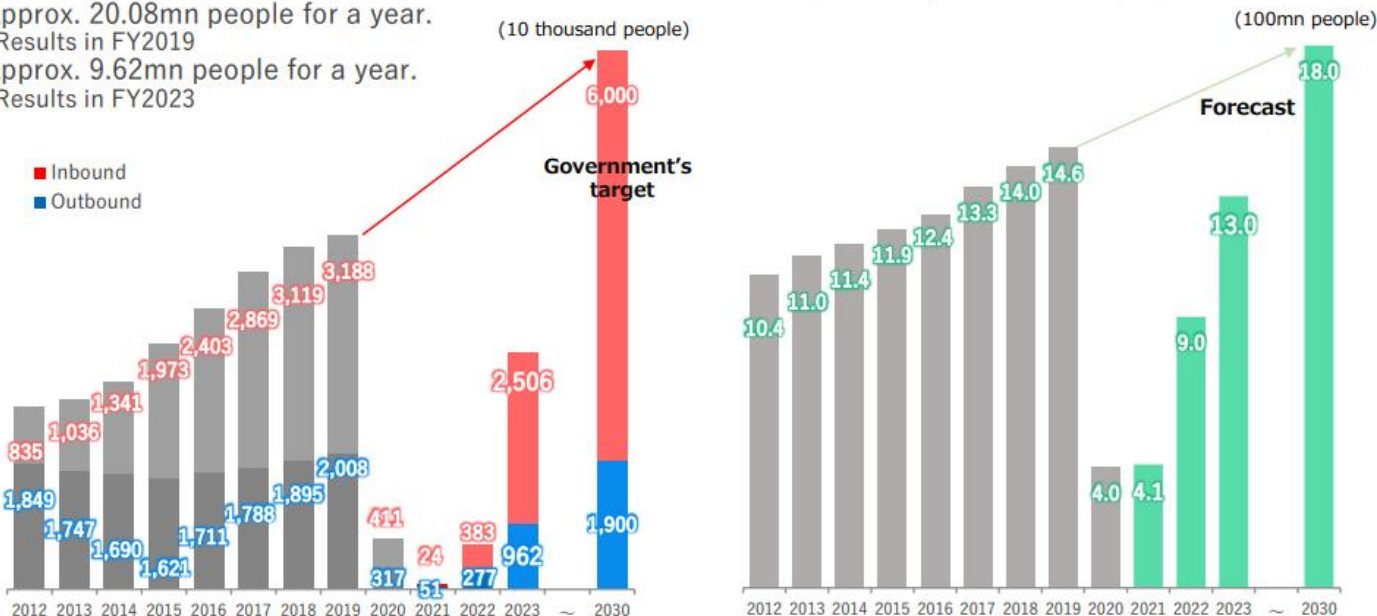
*Results in FY2023

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

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

The number of international tourist arrivals in 2023 is estimated at 1.3bn, 88% of the pre-pandemic level.

Announced by UNWTO Japan Office on January 19, 2024.



(Produced by the company based on the reference material of Japan National Tourism Organization (JNTO), White Paper on Tourism in Japan, 2019 and materials published by the World Tourism Organization (UNWTO))

② 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 14 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, 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 Internal Affairs and Communications (the number of newly registered companies was 141,452 in Japan in 2023), that the company has conducted transactions with around one in every 10 corporations newly founded in Japan. The company attract customers through its unique online marketing (Internet media strategy). The company has unique know-how in Customer Relationship Management (CRM; customer relationship and ongoing transactions) strategy. This paves the way for the maximization of continuous revenues (establishment of recurring-revenue business) and highly productive additional sale (upselling and cross-selling). The company's products and services are not easily affected by the economic situation as they lead to "improving the sales," "reducing costs," "streamlining business operations," "stimulating communication" and "promoting DX" for clients. Moreover, the company has set up a business structure which enables flexible adaptations owing to multiple business segments, which allow for changes in the business composition to match the situation (economic situation, trends, economic conditions, etc.)

For example, the company can receive a commission from operators for telephone line arrangements unless contracts for the service are canceled, and it can earn maintenance fees for MFPs 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.

- Information and Communications Service Business: Market scale

Establishment registrations (in total): 141,452

About 140,000 companies per year. (Continuous increasing trend due to the proactive support for business establishment and enterprises by the government)

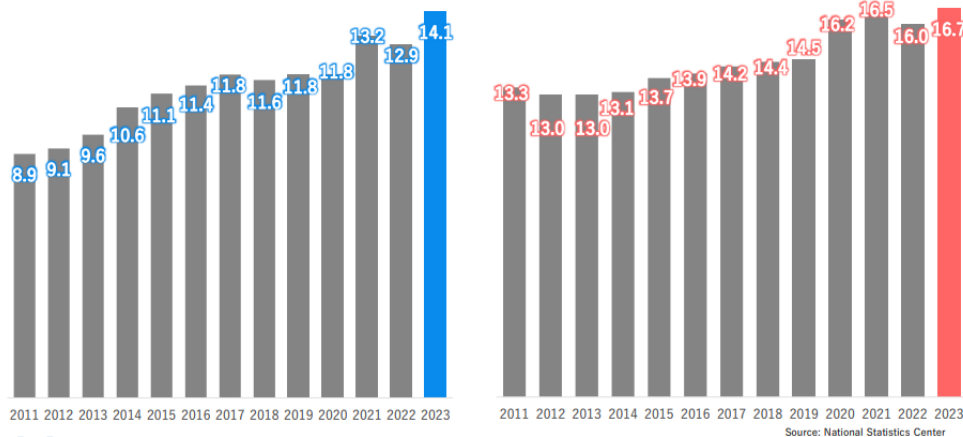
Utilize online marketing know-how based on about 20 years' worth of achievements to attract customers. Upstream strategy.

Registration of headquarters/branch office relocations (in total): 167,032

About 160,000 companies per year. (Excluding relocations of offices, etc., which are not required to register the relocation)

Cover procedures for additions, changes in step with the relocation, etc. Upselling and cross-selling based on an advanced operation of the Customer Royalty Team (CLT).

(Unit: 10k cases)



(From the reference material of the company)

③ Glamping and Tourism Business

The glamping business was launched as a business that will grow to become the third pillar of the company's business. Currently, the company operates two facilities, "VISION GLAMPING Resort & Spa Koshikano Onsen" (Kirishima City, Kagoshima Prefecture) and "VISION GLAMPING Resort & Spa Yamanaka Ko" (Yamanakako Village, Minamitsuru-gun, Yamanashi Prefecture).

This business has a major advantage in that Chairman Sano's family already has experience and expertise in the management of this business.

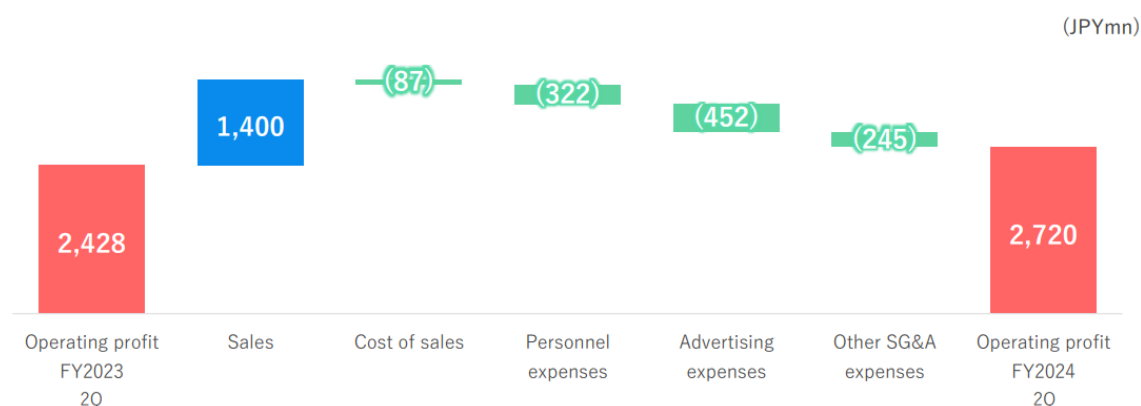
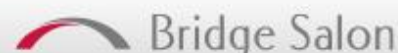
2. First Half of the Fiscal Year Ending December 2024 Earnings Results

2-1 Consolidated Business Results

	1H of FY 12/23	Ratio to sales	1H of FY 12/24	Ratio to sales	YoY	Initial forecast	Ratio to forecast
Sales	15,620	100.0%	17,021	100.0%	+9.0%	17,028	-0.0%
Gross profit	8,476	54.3%	9,789	57.5%	+15.5%	-	-
SG&A expenses	6,048	38.7%	7,068	41.5%	+16.9%	-	-
Operating income	2,428	15.5%	2,720	16.0%	+12.1%	2,256	+20.6%
Ordinary income	2,462	15.8%	2,756	16.2%	+12.0%	2,257	+22.1%
Net income	1,614	10.3%	1,785	10.5%	+10.6%	1,503	+18.8%

*Unit: million yen. Net income is net income attributable to owners of parent.

BRIDGE REPORT



(From the reference material of the company)

Significant increase in sales and profit driven by the GLOBAL WiFi Business

Sales increased 9.0% year on year to 17,021 million yen. In the same period of the previous fiscal year, the company was entrusted with work for supporting measures against COVID-19 at Tokyo Quarantine Station branches, etc., by the Ministry of Health, Labour and Welfare, and also cooperated with medical institutions to offer PCR examination services in the GLOBAL WiFi Business. The real growth rate of sales, excluding these support services, etc., was 23.3%. The sales of the GLOBAL WiFi Business increased 1.9%. The real growth rate excluding support services, etc. was 27.7%. The sales of the Information and Communications Service Business rose 19.4%. Sales of the Glamping and Tourism Business grew 18.1%. Operating income increased 12.1% year on year to 2,720 million yen. The real growth rate of operating income, excluding support services, etc., was 44.5% year on year. Gross profit margin rose from 54.3% in the same period of the previous fiscal year to 57.5%, while operating income margin improved from 15.5% in the previous fiscal year to 16.0%, leading to a growth in profit, despite a rise in the SGA-to-sales ratio. Ordinary income increased 12.0% year on year to 2,756 million yen, while net income grew 10.6% year on year to 1,785 million yen owing to an increase in loss on disposal of fixed assets. While the initial company's forecast called for a decline in profit, profit ended up achieving a double-digit growth. Furthermore, sales and all kinds of profits hit a record high owing to the steady growth of all businesses.

The company will pay dividends for the first time since its listing, paying 13.00 yen/share at the end of the first half of the fiscal year. The dividend amount 11.00 yen/share in the initial forecast was upwardly revised in June.

Quarterly Business Results

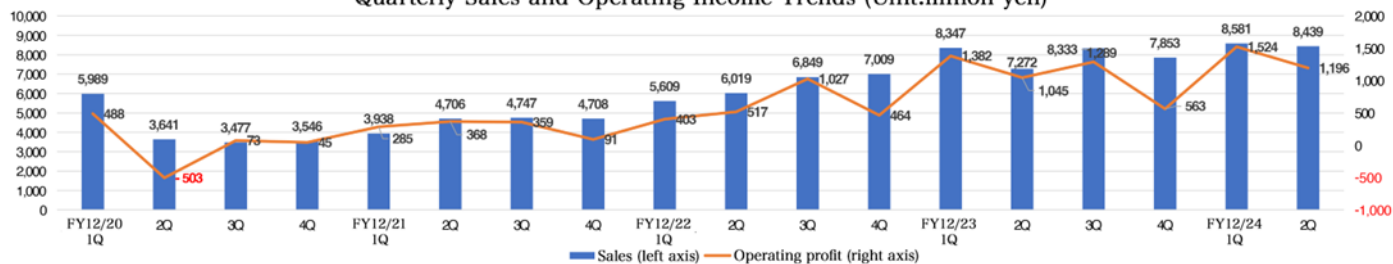
	12/22- 1Q	2Q	3Q	4Q	12/23- 1Q	2Q	3Q	4Q	12/24- 1Q	2Q	3Q	4Q
Sales	5,609	6,019	6,849	7,009	8,347	7,272	8,333	7,853	8,581	8,439		
Gross profit	2,544	2,910	3,525	3,350	4,252	4,223	4,867	4,458	4,948	4,841		
SG&A expenses	2,140	2,392	2,497	2,885	2,870	3,178	3,577	3,895	3,423	3,645		
Operating income	403	517	1,027	464	1,382	1,045	1,289	563	1,524	1,196		
Ordinary income	406	516	1,031	468	1,423	1,039	1,302	573	1,553	1,203		
Quarterly net income	245	320	704	278	940	673	900	511	1,019	766		
Gross Profit Margin	45.4%	48.3%	51.5%	47.8%	50.9%	58.1%	58.4%	56.8%	57.7%	57.4%		
SG&A ratio	38.2%	39.7%	36.5%	41.2%	34.4%	43.7%	42.9%	49.6%	39.9%	43.2%		
Operating income ratio	7.2%	8.6%	15.0%	6.6%	16.6%	14.4%	15.5%	7.2%	17.8%	14.2%		

*Unit: million yen

BRIDGE REPORT



Quarterly Sales and Operating Income Trends (Unit:million yen)



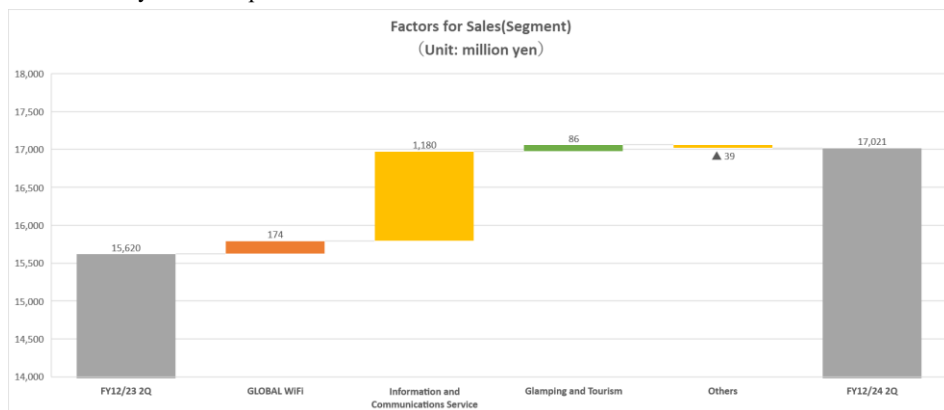
2-2 Trends by Segment

	1H of FY 12/23	Composition Ratio • Profit Ratio	1H of FY 12/24	Composition Ratio • Profit Ratio	YoY
GLOBAL WiFi	9,012	57.7%	9,186	54.0%	+1.9%
Information and Communications Service	6,124	39.2%	7,304	42.9%	+19.3%
Glamping and Tourism	418	2.7%	504	3.0%	+20.6%
Others	63	0.4%	24	0.1%	-61.7%
Consolidated Sales	15,620	100.0%	17,021	100.0%	+9.0%
GLOBAL WiFi	2,613	29.0%	2,753	30.0%	+5.4%
Information and Communications Service	655	10.7%	916	12.5%	+39.9%
Glamping and Tourism	21	5.1%	37	7.5%	+77.1%
Others	-71	-	-106	-	-
Adjustments	-789	-	-881	-	-
Consolidated Operating Income	2,428	15.5%	2,720	16.0%	+12.1%

*Unit: million yen. Sales represents sales to external customers.

	12/22-1Q	2Q	3Q	4Q	12/23-1Q	2Q	3Q	4Q	12/24-1Q	2Q	3Q	4Q
Sales												
GLOBAL WiFi	2,618	3,174	4,125	4,471	5,108	3,904	4,921	4,794	4,647	4,539		
Information and Communications Service	2,875	2,744	2,594	2,401	2,984	3,147	3,145	2,829	3,681	3,640		
Operating profit												
GLOBAL WiFi	359	593	1,156	968	1,443	1,169	1,443	975	1,431	1,322		
Information and Communications Service	347	259	197	-38	302	352	274	111	534	381		

*Unit: million yen. Sales represents sales to external customers.



*Investment Bridge Co., Ltd. prepared this based on disclosed material.

GLOBAL WiFi Business

Sales and profit increased.

With regard to sales to inbound travelers, applications for “NINJA WiFi,” a Japanese Wi-Fi rental for foreign visitors to Japan, and the SIM card sales via vending machines at airport counters remained steady. Regarding sales to outbound travelers, demand from corporations remained steady with a high demand for the “Unlimited Data Plan (4G/5G),” maintaining the average spending per customer at a high level. Real growth rate, excluding support services, etc., was 27.7% for sales and 33.1% for profit.

Information and Communications Service Business

Sales and profit increased.

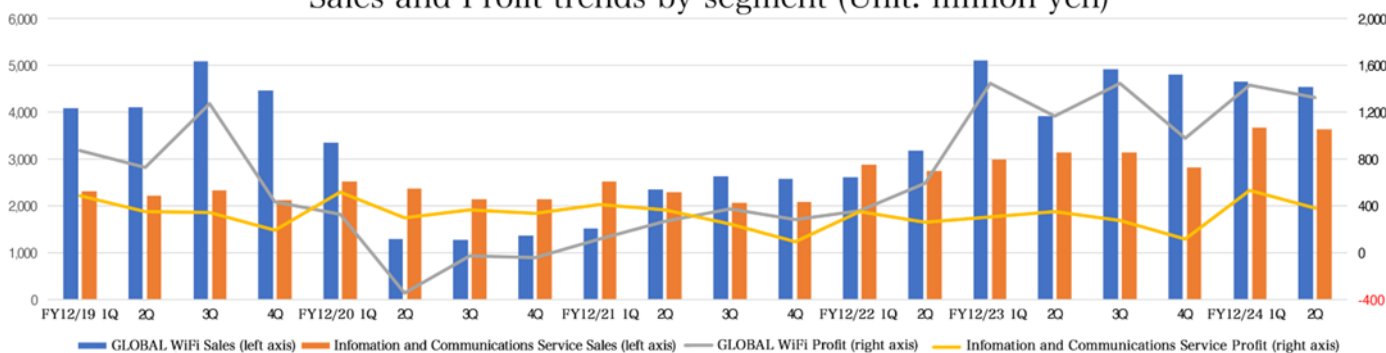
As they honed the marketing capability while proactively hiring mid-career personnel, the sale of OA equipment and intermediation business for electricity (eco-solution business) remained favorable. In addition, they promoted the sale of recurring-revenue services, to maximize the lifetime value of customers by upselling or cross-selling services, reducing long-term cancellation rates, and offering recurring services.

Glamping and Tourism Business

Sales and profit increased.

Utilization rate has improved from the same period in the previous fiscal year for both “VISION GLAMPING Resort & Spa Yamanakako” (Yamanakako Village, Yamanashi Prefecture), opened in December 2022, and “VISION GLAMPING Resort & Spa Koshikano Onsen” (Kirishima City, Kagoshima Prefecture), which was expanded with “hot springs inn glamping” in September 2023, mixing elements from customer experiences at both hot springs inn and glamping. Moreover, the number of foreigners staying overnight has been increasing, leading to an elevation of the average spending per customer.

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



BRIDGE REPORT



2-3 Financial Condition and Cash Flow

◎Financial Condition

	Dec. 2023	June 2024	Increase/ decrease		Dec. 2023	June 2024	Increase/ decrease
Current assets	15,446	16,983	+1,536	Current liabilities	5,973	5,536	-436
Cash and deposits	10,221	10,670	+449	Trade payables	1,229	1,334	+104
Trade receivables	3,713	5,010	+1,296	Noncurrent liabilities	785	722	-62
Non-current assets	5,920	5,884	-35	Total liabilities	6,758	6,258	-499
Property, plant and equipment	3,188	3,326	+138	Net assets	14,607	16,608	+2,001
Intangible fixed assets	1,353	1,238	-115	Net retained earnings	11,663	13,186	+1,523
Investments and other	1,377	1,319	-58	Total liabilities Equity	21,366	22,867	+1,501
Total assets	21,366	22,867	+1,501	Total long- and short-term debt	722	657	-64

*Unit: million yen



*Investment Bridge Co., Ltd. prepared this based on disclosed material.

Total assets increased 1.5 billion yen from the end of the previous period to 22.8 billion yen, mainly due to an increase in trade receivables and cash & deposits.

Total liabilities decreased 0.49 billion yen year on year to 6.2 billion yen due to decreases in income taxes payable.

Net assets increased 2 billion yen from the end of the previous term to 16.6 billion yen due to increases in retained earnings.

Equity ratio increased by 3.9 points from the end of the previous term to 71.2%.

3. The Fiscal Year Ending December 2024 Earnings Forecasts

3-1 Full-year Earnings Forecasts

	FY 12/23	Ratio to sales	FY 12/24 (forecast)	Ratio to sales	YoY	Initial forecast
Sales	31,807	100.00%	36,145	100.00%	+13.6%	36,145
Gross Profit	17,802	56.0%	20,656	57.1%	+16.0%	20,577
SG&A	13,521	42.5%	14,949	41.4%	+10.6%	15,322
Operating income	4,280	13.5%	5,707	15.8%	+33.3%	5,254
Ordinary income	4,337	13.6%	5,738	15.9%	+32.3%	5,256
Net income	3,025	9.5%	3,797	10.5%	+25.5%	3,500

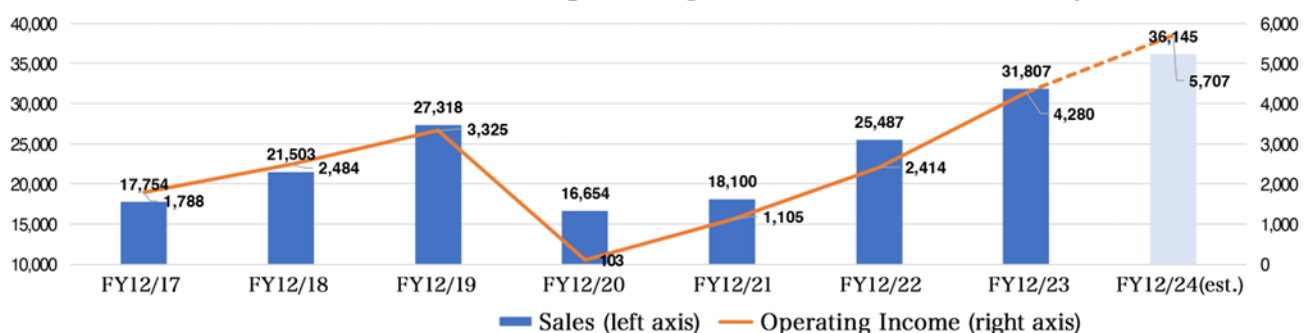
* Unit: million yen

Sales and operating income are expected to grow by double digits in the fiscal year ending December 2024.

For the fiscal year ending December 2024, it is expected that sales will rise 13.6% year on year to 36,145 million yen and operating income will increase 33.3% year on year to 5,707 million yen. Both sales and operating income are projected to hit a record high for consecutive years. Moreover, an upward revision was made in June to the initial forecast for all kinds of profits, owing to the improvement of gross profit margin, etc. In the GLOBAL WiFi Business, the annual recovery rate for overseas travel is projected to be 71.2%. The company will work toward elevating recognition by enhancing promotion and boost global sales of GLOBAL WiFi and World eSIM. Regarding the Information and Communications Service Business, the company's policy lies in strengthening their recurring-revenue services, such as Vision Hikari, security cameras, websites, cloud services and rental of various business devices. They will also work toward the maximization of business synergy through proactive M&A. The forecast is based on the exchange rate: 1 US dollar = 150 yen. The company will proactively reach out to mid-career personnel, to hire 50 workers.

The sales and profits of GLOBAL WiFi Business, the Information and Communications Service Business, and the Glamping and Tourism Business are expected to lead to the year-on-year increases.

Trends of Sales and Operating Income (Unit: million yen)



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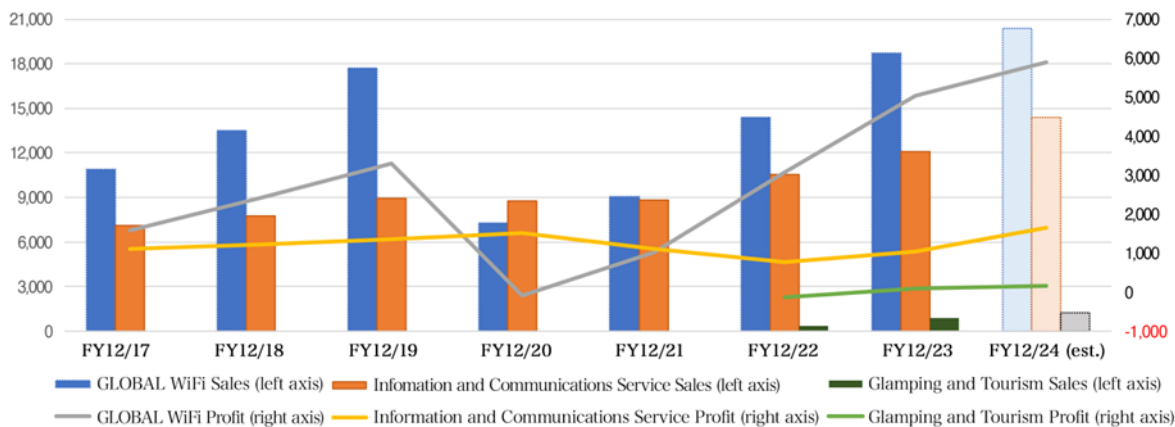


3-2 Forecast by Segment

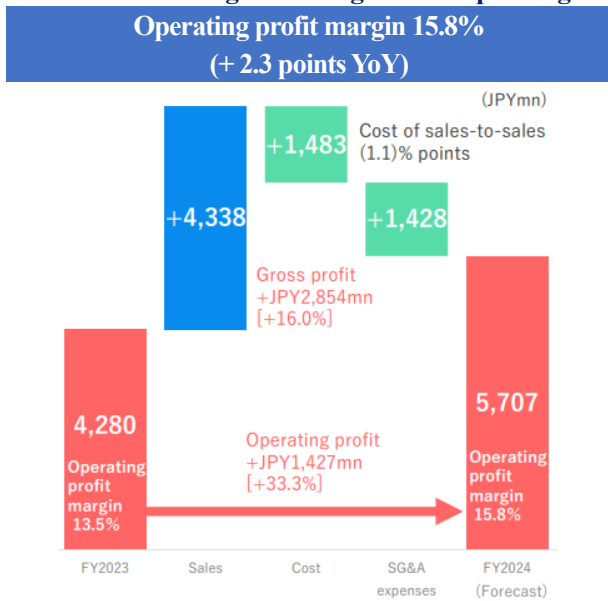
	FY 12/23	Composition Ratio•Profit Ratio	FY 12/24 (forecast)	Composition Ratio•Profit Ratio	YoY	Initial forecast
GLOBAL WiFi Business	18,728	58.9%	20,391	56.4%	+8.9%	20,620
Information and Communications Service Business	12,108	38.1%	14,418	39.9%	+19.1%	14,136
Glamping and Tourism Business	913	2.9%	1,223	3.4%	+34.0%	1,260
Others	94	0.3%	112	0.3%	+19.1%	128
Consolidated net sales	31,807	100.0%	36,145	100.0%	+13.6%	36,145
GLOBAL WiFi Business	5,032	26.9%	5,890	28.9%	+17.1%	5,511
Information and Communications Service Business	1,040	8.6%	1,658	11.5%	+59.4%	1,635
Glamping and Tourism Business	88	9.7%	161	13.2%	+83.0%	164
Others	-176	-	-147	-	-	-96
Adjustments	-1,705	-	-1,855	-	-	-1,961
Consolidated operating income	4,280	13.5%	5,707	15.8%	+33.3%	5,254

* Unit: million yen

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



Factors in increasing/decreasing forecast operating income



Assumption

Operating income is forecast while taking into account active investment.

GLOBAL WiFi Business

- Assumed exchange rate: 1 US dollar = 150 yen
- Recovery rate of overseas travel: 71.2% (in 2024)
- Improvement in recognition level through the enhancement of promotion
- Sale of GLOBAL WiFi and World eSIM around the world

Information and Communications Service Business

- Improvement of recurring-revenue services
- *Vision Hikari, security cameras, websites, cloud services, rental of business devices, etc.
- No. of mid-career workers hired: 50 (active recruitment)

Other than the assumption

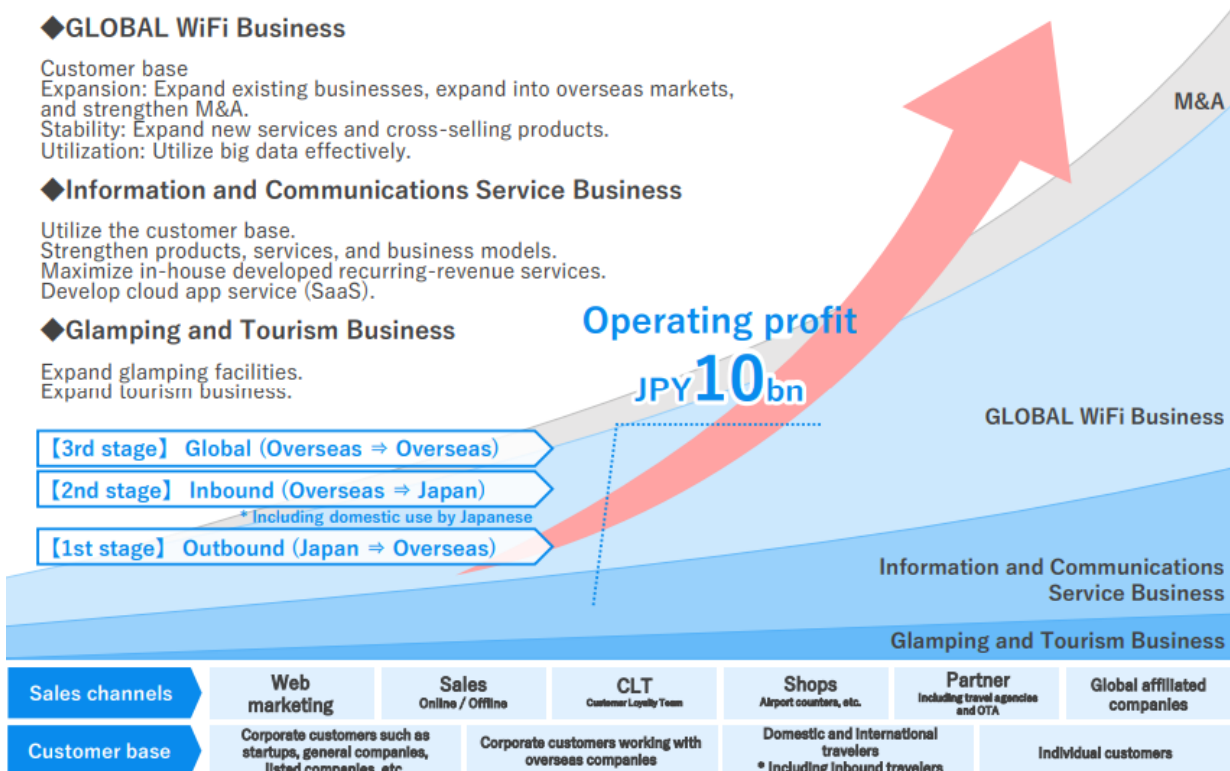
Maximization of business synergy through active M&A

(From the reference material of the company)

4. Details of Growth Initiatives

4-1 Envisioned Medium-term Growth

An operating income of 10 billion yen is a mere milestone. They aim to grow further.



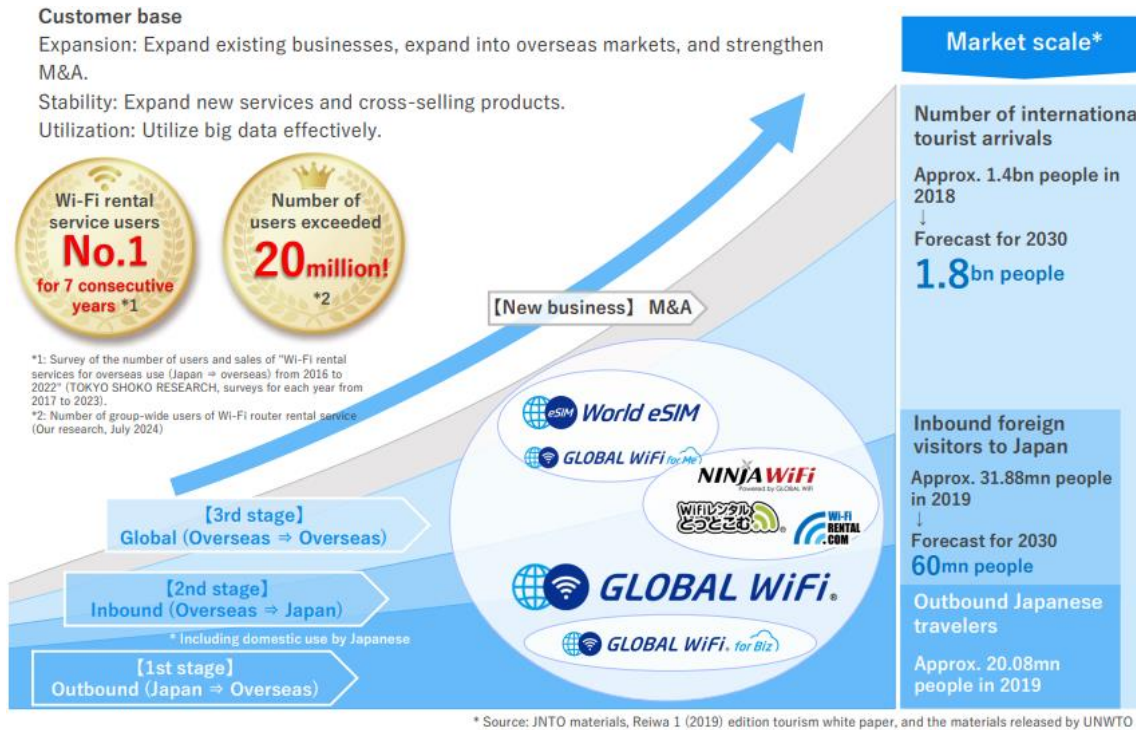
(From the reference material of the company)

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4-2 GLOBAL WiFi Business

The market size is large, they will not only aim to expand their market share, but will also think of entering new fields and conducting M&A, etc.



(From the reference material of the company)

They can meet various needs for inbound, outbound, and domestic travels.

No need to apply for, receive, or return

You can use it immediately for telework and sudden overseas business trips.

Next generation overseas communication

Built-in eSIM ✓ You can use your smartphone in over 180 countries and regions!

Rewrite information remotely ✓ You can choose the price plan that suits you!

Career ✓ No more luggage, no need to pick up or return!

A first in the industry!

Ultra-High-Speed 5G Plan

Expanding coverage area!

Wi-Fi router rental service aimed at international travelers to Japan

A must have item when traveling in Japan
 Finding a free Wi-Fi spot is not easy in Japan, as free Wi-Fi spots are not widely available. NINJA WiFi is a completely flat-rate service that allows you to access the Internet anywhere in Japan with your smartphone!

Can be used as soon as it arrives

They are used for domestic travel, temporary return to Japan, business (business trips and event use), hospitalization, moving, and use with home lines.

New service in response to customer feedback

Vision WiMAX
 powered by UQ WiMAX

Wi-Fi router sales service for customers who are considering purchasing. Customers can use it as a trial for rent. After checking the communication environment of their home, customers can purchase the one that meets their needs.

(From the reference material of the company)

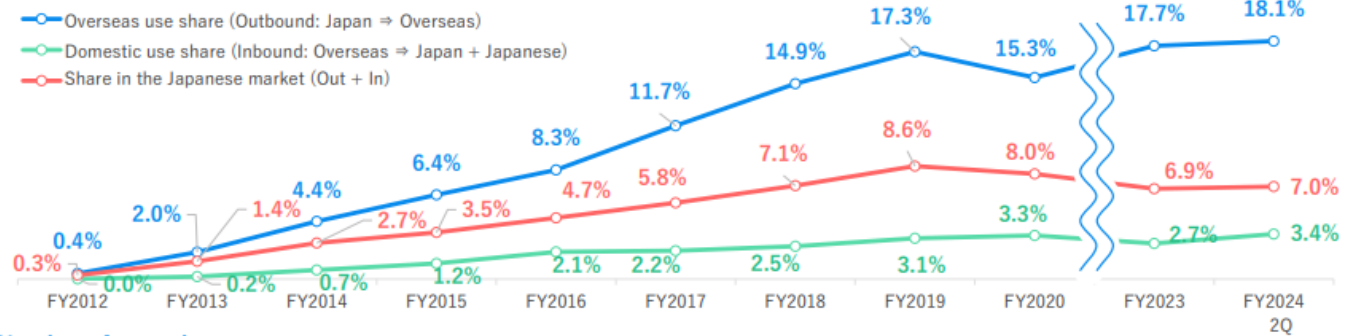
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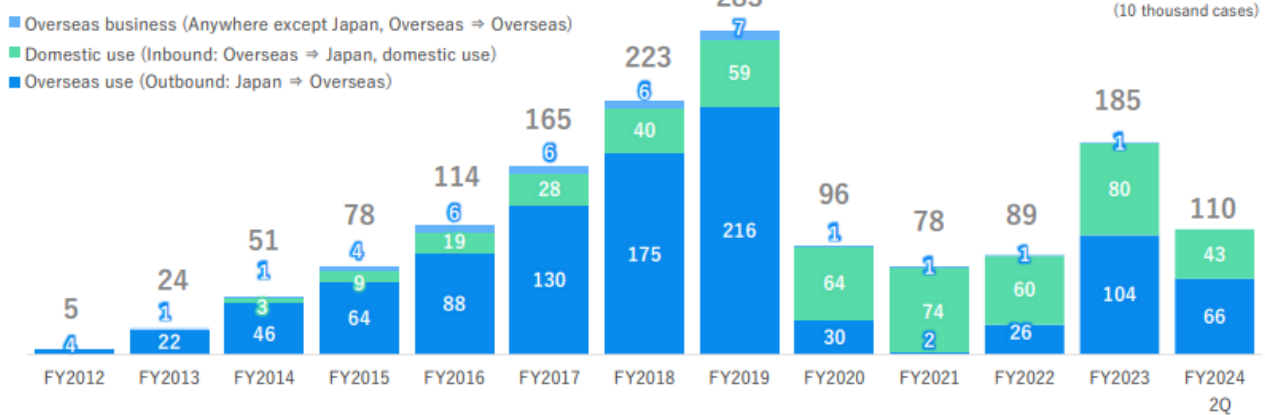
Variation in the number of transactions for use

Our Wi-Fi rental service penetration ratio (Japan)

* FY 2021 - FY 2022: As the number of domestic and foreign travelers was very small and rentals were mostly for domestic use, information is not shown in the table above.



Number of annual usage



(From the reference material of the company)

No. of overseas travelers

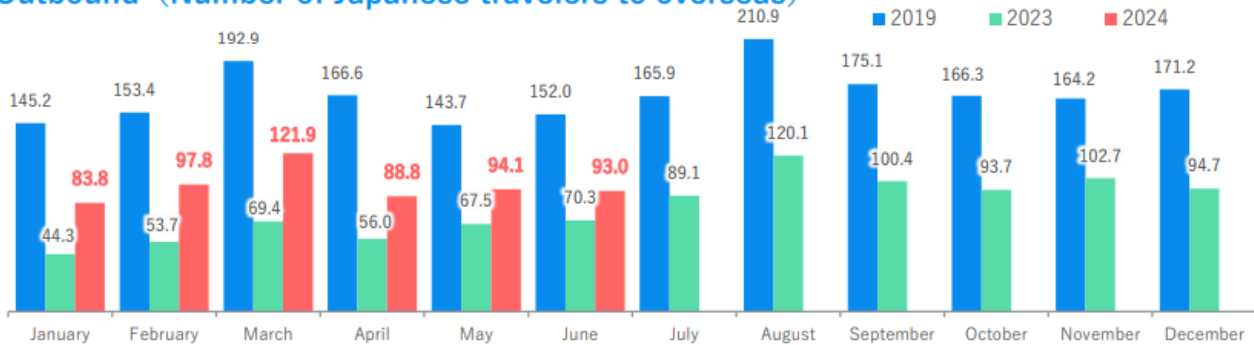
The number of inbound travelers (foreigners visiting Japan) exceeded the number in 2019 already, and the number of outbound travelers (Japanese people traveling overseas) is recovering gradually.

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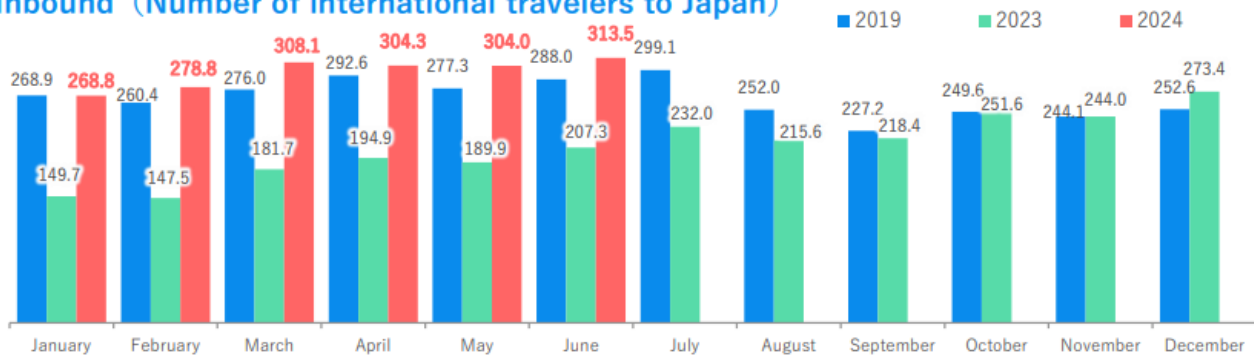


Outbound (Number of Japanese travelers to overseas)

(10 thousand people)



Inbound (Number of international travelers to Japan)



*Produced by the company with reference to the material of Japan National Tourism Organization [JNTO]

4-3 Information and Communications Service Business

They aim to grow while increasing recurring revenues.

Startup support and acquisition of in-house developed services

J-Startup Supporter Company Certification

J-Startup

In addition to providing information and communications services, we have been providing necessary information, collaboration and support for each stage of startups and venture companies.

- Sales agent for products and services
- Introduction of clients, related companies
- Preferential rates for conference room rentals
- Preferential rates for "GLOBAL WiFi for Biz," a Wi-Fi router which can be used domestically and overseas.

Have dealings with **one in ten companies*** that are newly established within the year in Japan

* 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.

Market scale

Number of registration of incorporations (total) : 141,452

Continuously increasing due to the government's aggressive support for business startups and companies. Attracting customers by utilizing our web marketing know-how with a track record of about 20 years. Upstream marketing strategy.

[New business] M&A

Stock (Subscription) earnings

Flow (One-shot) earnings

- Fixed-line communication
- Mobile communication
- Office automation equipment
- Internet media
- Eco-solution
- Construction related
- Space management
- etc.

Produced by the company with reference to the reference material of National Statistics Center.

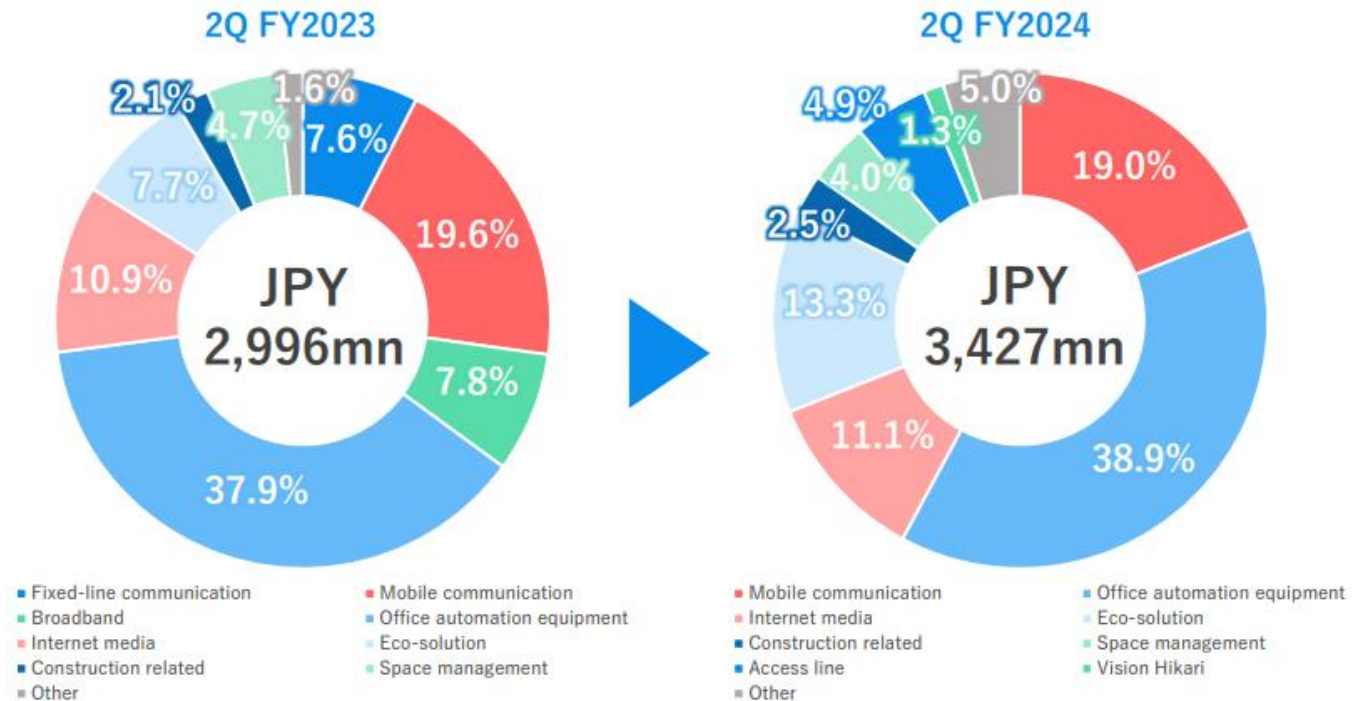
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Gross profit composition

By leveraging its strengths of having multiple businesses (products and services) and sales channels, the company has responded flexibly to changes in the external environment and achieved steady growth.

The sale of OA equipment and intermediation business for electricity (eco-solution business) remained favorable.



*This is the ratio of monthly profit/loss, excluding accounting processes, and differs from segment performance.
(From the reference material of the company)

Recurring revenues

Variation in gross profit

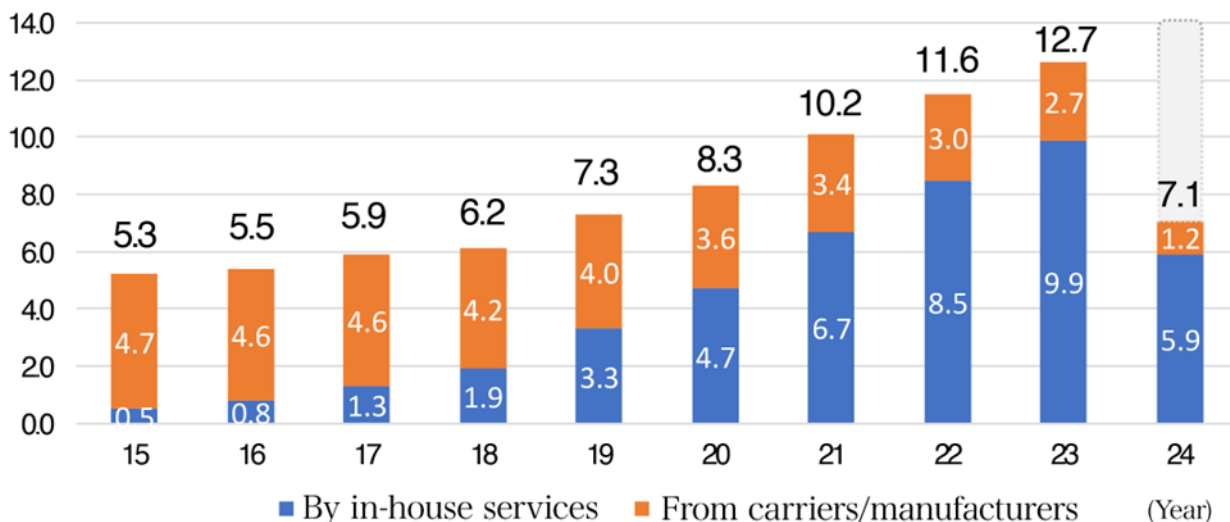
Strengthen the stock revenue, which will provide a stable revenue base over the long term.

Strengthen acquisition of in-house services from the fiscal year ended December 2019.

Reached 1 billion yen in the fiscal year ended December 2021.

Launched the service Vision Hikari in September 2023.

Stock Earnings Gross Profit Change (Unit: 100 million yen)



(Investment Bridge Co., Ltd. prepared this based on disclosed material.)

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The company’s own services—Provision of products and services to meet the needs of customers and the times

Adopted by
400,000
companies

Work style reform is promoted due to the spread of COVID-19. Accurately capture the needs of customers, markets, and times, acquire new customers, and up/cross selling according to the growth stage of the company to grow business while increasing continuous earnings.

Digital Transformation Certification
Certified as a “Digital Transformation Certified Company”
Based on the Digital Transformation certification system established by the Ministry of Economy, Trade and Industry, we have been certified as a “Digital Transformation Certified Company.”



Our own fiber optic line service “Vision Hikari”
Provide a one-stop service even when two contracts, a line contract and a provider contract, are required. The quality of the line remains the same, but the usage fee is lower.



Website production and operation
We have produced over 2,000 companies’ websites a year and created reasonable websites for smartphones. Operational services. It has strong visual appeal and conveys the appeal of products and services with simple operations.



Bookkeeping and journalizing service “Kicho-Daiko.com”
We handle all the bookkeeping work required for tax returns and closing on your behalf.



Compensation and repair services for corporate mobile phones
Contract number from 30,000 devices. Corporate mobile phone compensation service with no need to visit a shop for easy replacement and no out-of-pocket.



LED lighting
Reduce installation costs and save energy by renting.

(From the reference material of the company)

Sales of the “VWS series” are strong

The company is developing and operating services used by the company to users (DX promotion). The company will provide necessary functions in the cloud as needed on a monthly basis.

Providing a more comfortable working environment for all companies

“Cloud migration” with “VWS”

Streamline daily operations with cloud tools and support various working styles such as teleworking.

Started service of IP cameras.



Small, reassuring, fun Edge AI netcam

18 yen/day IP camera

Reassurance at a low cost. Monthly rate of **550 yen/device (tax included)**
*Devices available from 550 yen per month

This IP camera is recommended for those who use simple offices or do not have security measures in their restaurants.

(From the reference material of the company)

4-4 Glamping and Tourism Business

New Glamping Proposed by Vision



VISION GLAMPING Resort & Spa Koshikano Onsen



VISION GLAMPING Koshikano Onsen is the first glamping facility in Japan to offer all rooms with private space and an open-air hot spring bath.

Enjoy not only the advantages of camping in the rich natural environment of Kirishima, but also the comforts of a hotel-like setting.



VISION GLAMPING Resort & Spa 山中湖



We offer an extraordinary experience of staying at Yamanakako, surrounded by nature and Mt. Fuji, a World Heritage Site.

Completely private glamping with all rooms equipped with everything, including open-air baths and saunas.

(From the reference material of the company)

5. Conclusions

It is likely that the fiscal year ending December 2024 will be a year of heading toward growth after the recovery observed in the fiscal year ended December 2023. In fact, both sales and profit hit a record high in the first half of the fiscal year. All kinds of profits significantly exceeded the company's initial forecasts. While the ratio of growth in sales in the first half seems to have reached only a single-digit value, being 9.0%, we would like to draw attention once more to the fact that sales have achieved a real growth of 23.3%, excluding support services, etc. conducted in the previous fiscal year. Regarding the mainstay GLOBAL WiFi Business, sales and operating income hit an all-time high, exceeding the sales and profit in 2019 before the COVID-19 pandemic, although the number of overseas travelers has not returned to the pre-pandemic level. Furthermore, it can be said that achieving a significant increase in sales and profit in the Information and Communications Service Business proves that the company is on a growth track. Both businesses produce new services in rapid succession, which are bearing fruit. The company intends to keep investing and we would like to look forward and pay attention to how they are going to develop their business.

Although the company is now on a growth track, share price remains low. It feels extremely strange that the P/E ratio is significantly below 20.0 despite the high growth potential. This is possibly influenced by the fact that the growth potential of the company is not widely known on the market yet. Once the stock market has recognized that the company is heading "from recovery to growth," share price will probably rise.

<Reference 1: Initiatives for ESG・SDGs>

[1] Materiality (Fundamental Initiative)



(From the reference material of the company)

The company will promise sustainable growth to their shareholders, engaging in various business activities, whilst working towards a sustainable global environment and society. To be able to achieve this symbiotic growth agenda, a materiality of fundamental activities and a materiality of value creation were created.

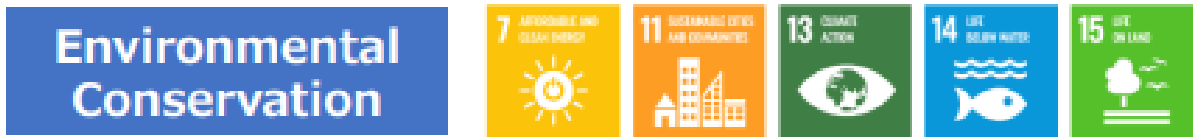
Problems with basic activities (negative impact and problems that should be curtailed)

—Social Demands—

Negative effects of business activities

must

Initiatives for realizing a decarbonized society, contributing to the prevention of global warming and environment protection (E)



(From the reference material of the company)

Actions - Current Initiatives -

1. VWS Attendance Management / Legal Signature to be paperless contracts
2. Promotion of CO2 reduction through proposals to reduce electricity costs (LED, air conditioning, renewable energy)
3. CO2 reduction efforts using carbon offset products such as MFPs
4. Information disclosure through CDP and SBT certification
5. Installation of EV stations at glamping facilities

Actions - Future Initiatives -

1. Private power generators at glamping facilities (Solar energy, etc.)
2. Shifting from cans and bottles to “My Bottle” (Removal of vending machines)
3. In-house power generation and storage/development

Company allowing for diverse workstyles and working at ease for all employees (G)



(From the reference material of the company)

Actions - Current Initiatives -

1. Establishment of rules for shorter and more flexible working hours
2. Proactive efforts to promote women in the workforce (Eruboshi Certification 2-star approval)
3. Active promotion of maternity leave and implementation of paternity leave
4. Establishment of the Career Design Office and career support for employees

Actions - Future Initiatives -

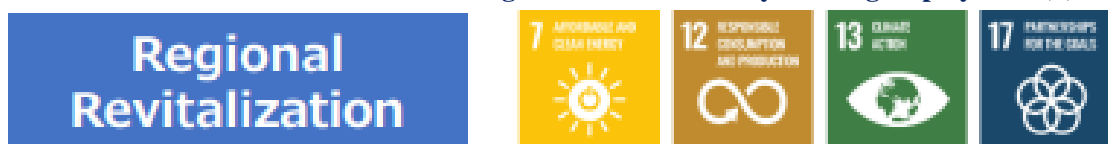
1. Establishment of employment support for families in need of nursing care, single-mother, and single-father families
2. Establishment of sales departments and products that enable women to play more active roles
3. Skill improvement by supporting the acquisition of qualifications
4. Introducing and operating a company-wide unified personnel evaluation system

Problems with value creation (positive impact and issues for value provision)

—Social Expectations—

Positive effects of business activities

should

Contribution to economic activities throughout local societies by creating employment (S)


(From the reference material of the company)

Actions - Current Initiatives -

1. Regional recruitment being possible through telework
2. Reducing food waste at glamping business
3. Promoting local products and tourism resources through glamping business
4. Actively employing people with disabilities, both in the Tokyo metropolitan area and rural areas

Actions - Future Initiatives -

1. Expand local employment by introducing workcations and enforcing local hiring
2. Actively utilize local governments to attract new companies
3. Support the growth of local companies by strengthening cooperation and alliance
4. One-stop service to train local entrepreneurs

Contribution to society through the elimination of disparities in education and medical care for children who will lead our future, educational support and medical care support (S)


(From the reference material of the company)

Actions - Current Initiatives -

1. Creating a stable working environment for parents by providing Vision Kids nursery school
2. Providing GLOBAL WiFi to local governments (GIGA school program)
Promoting the establishment of online classes through rental services “GLOBAL WiFi®”
3. Supporting Japan Heart (Japan-originated medical NGO) with “GLOBAL WiFi®” devices and donating a portion of sales

4. Supporting the activities of the Peace Piece Project

Actions - Future Initiatives -

1. Support students and young people by expanding the free use of “GLOBAL WiFi®”
2. Operation/support of childcare and child welfare facilities
3. Operation of facilities for children with developmental disabilities, cooperation with local facilities
4. Support for customer-integrated NGOs

[2] ESG+SDGs

Consistent with the ideals to “provide the future of information and communication is for the future of all people,” the company aims for continuous growth and improvement of corporate value through adherence to the areas of ESG (E=Environment, S=Society, G=Governance) in the management and business strategies. In addition, through commitment to social issues outlined by the SDGs (established by the United Nations), the company will contribute to the development of a sustainable society and revolutionize the world’s information and communications industry.

(From the reference material of the company)

[3] Got “A” in MSCI ESG Rating

Got “A” in MSCI ESG rating as of July 2024 like in 2023.



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(From the reference material of the company)

Got “A” in MSCI ESG rating by MSCI (Morgan Stanley Capital International). In MSCI ESG rating, they analyze corporate initiatives related to ESG (Environment, Social, and Governance), and rate them with 7 ranks ranging from the highest “AAA” to the lowest “CCC.” The company upheld the slogan “Vision of creating a future together with a diverse society as a member of the earth,” and will engage in many business activities.

[4] Got “B-” in “Climate Change Report 2023” of CDP

Got the management level “B-” score in “Climate Change Report 2023” of CDP.

CDP is a non-governmental organization (NGO) managed by a British charity group established in 2000. It operates a global information disclosure system for allowing investors, enterprises, national governments, regions, and cities to control their environmental impact.



The Vision Group upholds “Vision of creating a future together with a diverse society as a member of the earth” as a slogan for co-existence and co-growth, and engages in “Environmental Protection: Decarbonized Society and Environmental Protection Initiatives” as one of material issues.

(From the reference material of the company)

<Reference2: Regarding corporate governance>

◎ Organization type, and the composition of directors and auditors

Organization type	Company with an audit and supervisory board
Directors	7 directors, including 4 outside ones
Auditors	4 auditors, including 3 outside ones

All outside directors and outside corporate auditors are independent directors and corporate auditors.

◎ Corporate Governance Report: Updated on May 29, 2024

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) (Supervision of planning for successors to the CEO or the like.)]
Although our company has not formulated a specific succession plan for the Chief Executive Officer, the Nomination and Remuneration Committee, a voluntary advisory body to the Board of Directors, will discuss the implementation of the succession plan.

[Supplementary Principle 4-3-3 Roles and responsibilities of the Board of Directors]

Because the CEO’s tenure is one year, our company does not intend to remove him from office during that time. In the event that the dismissal of the CEO is objectively deemed appropriate, for example, in the case that he or she has violated laws and regulations, the Articles of Incorporation, or has significantly damaged the corporate value of the company, the dismissal shall be resolved after a thorough deliberation by the Board of Directors, following consultation with the Nomination and Remuneration Committee.

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

[Principle 1-4 Cross-shareholdings]

Our basic policy is not to hold any strategic stock holdings in principle, except in cases where it is recognized that such holdings will contribute to medium to long term improvement in corporate value. In cases where listed shares are held as policy stockholdings, the Board of Directors will review all shares on a quarterly basis and sell shares of companies that the Board of Directors determines cannot be expected to increase corporate value over the medium to long term, taking into consideration factors such as share price and market trends. With respect to the exercise of voting rights, we will make decisions on a case-by-case basis, taking into consideration whether the exercise of voting rights will contribute to the enhancement of our corporate value over the medium to long term.

We do not disclose the results of verifying the purpose of holding shares held by policy holdings, as it is related to our business strategy and disclosure may damage the interests of the company and its shareholders.

[Principle 2-4-1: Ensuring Diversity]

The company actively employs a diverse range of personnel, regardless of educational background, work experience, gender, nationality, or disability. We believe that by utilizing individual personalities, we can create a diverse range of products and services that will contribute to the growth of the company. We are also working to create a fulfilling working environment where all people working for our corporate group can grow.

As of the end of December 2023, 92.5% of managers of our corporate group were mid-career employees, 9.2% were female managers, and 5.0% were non-Japanese managers. Our goal is to increase the percentage of female managers to 12% or higher by 2026. Although we have not set numerical targets for mid-career recruits and non-Japanese nationals, we intend to maintain the current status for mid-career recruits and increase the number of non-Japanese nationals. For policies on the development of human resources and the internal environment, see the Securities Report (URL: <https://www.vision-net.co.jp/ir/library/securities.html>), “2. Business Situation; (2) Sustainability Policy and Initiatives,” and “Policy on the Promotion of Diversity” on our company’s website (URL: <https://www.vision-net.co.jp/company/diversity.html>).”

[Principle 3-1 Enrichment of information disclosure]

(1) Our management philosophy and strategy are disclosed on our website.

(2) The basic concepts and policies on corporate governance are disclosed in “I. 1. Basic Policy” and other sections of this report.

(3) The amount of remuneration for each director shall be determined within the remuneration limit approved at a General Meeting of Shareholders and shall be determined by the Board of Directors based on the content of the report after consulting with the Nomination and Remuneration Committee.

(4) The company’s basic policy is that the Board of Directors shall be composed of the necessary and appropriate number of members to ensure constructive discussions while giving consideration to the balance of knowledge, experience, ability, etc. of each member. When determining candidates for Directors, the Board of Directors consults with the Nomination and Remuneration Committee and appoints them based on the recommendations of the Committee. With regard to Audit and Supervisory Board Member candidates proposed by Directors, the Board of Directors also adopts a resolution on the Audit and Supervisory Board Member candidates after deliberation and agreement by the Board of Audit and Supervisory Board Members, of which more than half are Outside Audit and Supervisory Board Members, and submits the proposal to a General Meeting of Shareholders for consideration. In addition, the company selects Outside Directors based on the requirements for Outside Directors under the Companies Act, as well as the qualifications for Independent Directors stipulated by the Tokyo Stock Exchange, while they are deemed not to pose a risk of conflicts of interest with general shareholders. In the case of dismissing a Director, if there is a violation of laws and regulations, the Articles of Incorporation, or if there are circumstances that make it difficult for the Director to perform his/her duties, the Board of Directors will make a decision based on the deliberations, advice, and recommendations of the Nomination and Remuneration Committee in order to enhance objectivity and transparency.

(5) The reasons for the appointment of each candidate for an Outside Director are disclosed in the Notice of the Annual General Meeting of Shareholders and this report.

[Supplementary Principle 3-1-3 Sustainability Initiatives]

<Sustainability Initiatives>

We, the Vision Group, have adopted “to contribute to the revolution of the information and communications industry in the world” as its management philosophy. Under this philosophy, we position sustainability initiatives as important management issues and conduct management that emphasizes sustainability.

Specifically, we aim to contribute to the global environment, realize a sustainable society and economic growth, and contribute to the universal human philosophy of “sustainable growth” through our business.

<Investment in human capital and intellectual property>

With regard to investment in human capital, the Vision Group will make necessary investments, as it is essential to increase the number of employees in order to realize sustainable growth in corporate value. For more details, see “2. Business Situation; 2. Sustainability Policy and Initiatives” of the Securities Report (URL: <https://www.vision-net.co.jp/ir/library/securities.html>).

<Disclosure of impacts on climate change>

Due to the nature of our corporate group’s business, we believe that it is relatively less susceptible to risks and opportunities related to

climate change. However, risks and opportunities related to climate change are discussed at the Board of Directors and the Management Committee in discussions on medium/long-term management strategies. Furthermore, as a member of society, we are working to reduce the environmental impact of our operations. Specifically, we are continuing to reduce paper consumption, control air conditioning in our offices, and wear more casual clothing.

Based on the framework of the TCFD recommendations, the Vision Group will respond to initiatives related to sustainability, including the impact of climate change-related risks and profit opportunities on its business activities and profits. For more details, see the Securities Report (URL: <https://www.vision-net.co.jp/ir/library/securities.html>).

We will continue our efforts to enhance information disclosure based on the TCFD framework.

[Supplementary Principle 4-1-1 Roles and responsibilities of the Board of Directors (1) (Scope of delegation to management)]

The Board of Directors makes decisions on the execution of duties stipulated as matters to be determined by the Board of Directors in laws and regulations, the Articles of Incorporation, and the Rules for the Board of Directors. Regarding delegation to the management team, the Board of Directors approves matters that may have a significant impact on the company's corporate governance and consolidated business results, such as projects for investment of a certain amount or more and key personnel matters. Other proposals are approved by the Management Committee, which is a decision-making body at the executive level.

[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 the Board of Corporate Auditors (policies and procedures for the composition and selection of the board of directors)]

Our Board of Directors is composed of a diverse group of directors with different backgrounds in terms of gender, expertise, and experience. Majority of our company's board of directors consists of outside directors, who provide their opinions from an independent and objective standpoint at meetings of the Board of Directors, thereby ensuring a management oversight system. The skill matrix of our directors is disclosed in the notice of convocation of each ordinary general meeting of shareholders.

[Supplementary principle 4-11-2 Preconditions for ensuring the effectiveness of the Board of Directors and the 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.

[Supplementary Principle 4-11-3 Preconditions for ensuring the effectiveness of the Board of Directors and the Board of Audit and Supervisory Board Members (analysis and evaluation related to the effectiveness of the Board of Directors)]

The Board of Directors of the company conducted a questionnaire survey targeted at all of Directors and Audit and Supervisory Board Members in March 2024. Based on these results, it was confirmed that the Board of Directors of our company generally functions appropriately and that the effectiveness of the Board of Directors is ensured. We will continue to enhance the effectiveness of the Board of Directors and strive to further increase corporate value.

[Supplemental Principle 4-14-2 Training of Directors and Audit and Supervisory Board Members (Training policy for Directors and Audit and Supervisory Board Members)]

Directors and Audit and Supervisory Board Members continuously acquire the knowledge necessary for their respective businesses, operations, and positions by participating in seminars, study groups, and social gatherings of their affiliated organizations, at their own discretion, and we provide financial support when necessary.

[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 four 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.

[Measures to realize management conscious of cost of capital and share price (under review)] [English version available]

Although the company does not disclose our policies or targets regarding “measures to realize management conscious of cost of capital and share price,” we recognize it as an important management issue.

As of the end of the fiscal year ended December 2023, the company’s return on equity (ROE) was approximately 23%, which is significantly higher than the cost of equity (COE) of approximately 9%, and the return on invested capital (ROIC) was approximately 21%, which is significantly higher than the weighted average cost of capital (WACC) of approximately 8%.

We will continue to maintain a sound management status and focus on improving capital efficiency (ROE, ROIC, etc.).

This report is intended solely for information purposes and is not intended as a solicitation for investment. The information and opinions contained within this report are made by our company based on data made publicly available, and the information within this report comes from sources that we judge to be reliable. However, we cannot wholly guarantee the accuracy or completeness of the data. This report is not a guarantee of the accuracy, completeness or validity of said information and opinions, nor do we bear any responsibility for the same. All rights pertaining to this report belong to Investment Bridge Co., Ltd., which may change the contents thereof at any time without prior notice. All investment decisions are the responsibility of the individual and should be made only after proper consideration.

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