

3rd Quarter FY2020 Supplementary Materials

November 9, 2020
Vision Inc.
(1st Section of the Tokyo Stock Exchange, code : 9416)

Company Overview



Code	9416 (1st Section of the Tokyo Stock Exchange)
Incorporated	December 4, 2001 (Founded June 1, 1995)
Management Philosophy	To Contribute to the Global Information and Communications Revolution
Head Office	5F Shinjuku i-Land Tower, 6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1305
Number of Consolidated Employees (Average temporary employees)	759 (129) Domestic: 689 (124) Global: 70 (5) (As of September 30, 2020)
Affiliated Companies	Domestic: 6 Global: 12 (As of September 30, 2020)
Business	GLOBAL WiFi Information and Communications Service

Operation Bases and Affiliates

Domestic Affiliated Companies : 6

Domestic Operation Bases : 12

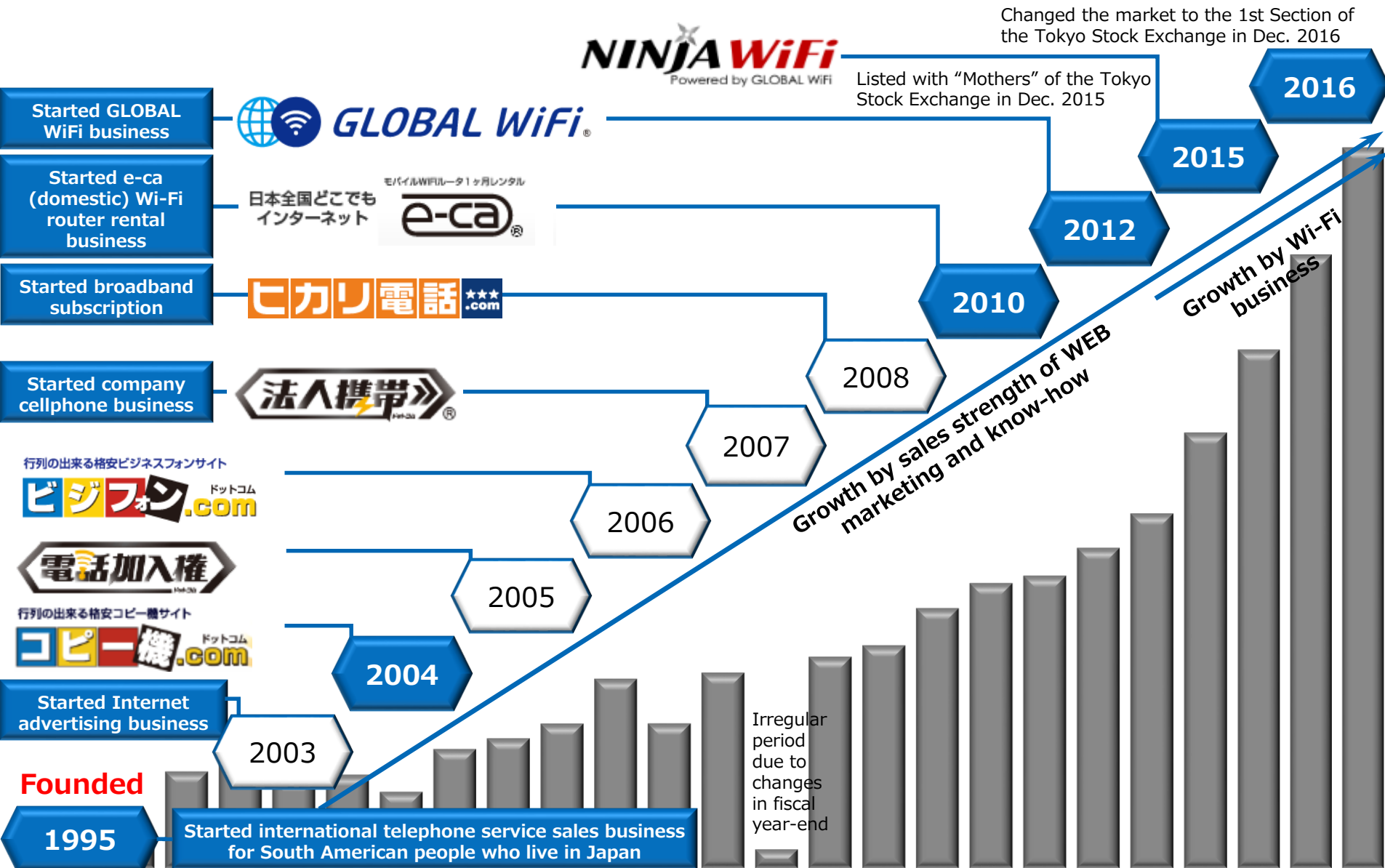
Domestic Airport Counter : 19

Global Affiliated Companies : 12

Korea, USA (Hawaii), Hong Kong, Singapore, Taiwan, UK, Vietnam, China (Shanghai), France, Italy, USA (California), New Caledonia



History and Evolution of Sales



Niche & Focus strategy



Discover the challenges born in the niches of the evolution in information and communications, and **develop new markets.** **Focus management resources on carefully selected targets, and refine our services.**

- ✓ Overseas travelers
- ✓ Startup companies

Price & Quality leadership strategy



Production efficiency is thoroughly pursued. **Realized by improving organizational structure and business speed.** While maintaining **high quality of service,** demonstrate **price competitiveness surpassing competitors.**

- ✓ Productivity, price advantage
- ✓ Service quality evaluation

Up/Cross selling strategy



Pick up new needs for information and communications services and **continuously offer services at reasonable prices at the right time.** Build a **long-term relationship with customers.**

- ✓ Original CRM
- ✓ Stock business

Business Summary



Two Business Segments

“GLOBAL WiFi” Business

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

Rental service.

Connectable with multiple users and multiple devices (companion, smartphone, laptop, etc.).



Information and Communications Service Business

Provide the most suitable information and communications-related products and services tailored to the stage and needs of the company since starting business.

Our own sales structure, CRM.

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



"GLOBAL WiFi" Business Business Model/Competitive Advantage



GLOBAL WiFi®

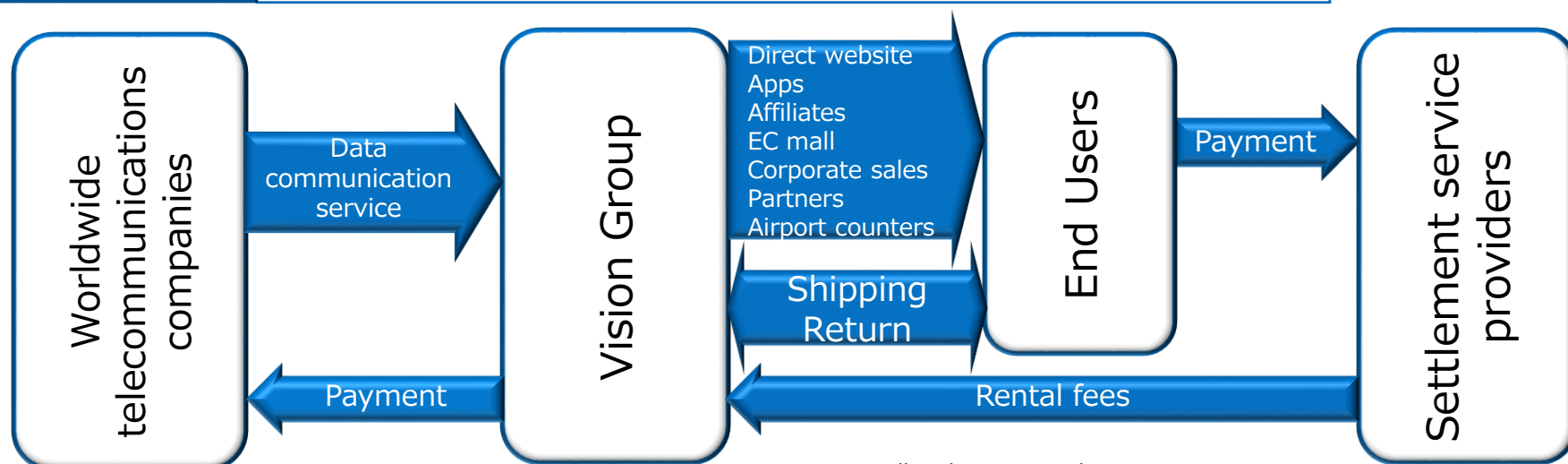
NINJA WiFi
Powered by GLOBAL WiFi

Less Expensive Fixed-rate	Maximum cost benefits -89.9% From JPY300/day Japanese cellphone companies' fixed-rate discount comparison
Areas	Available in over 200 countries and regions worldwide, leading the industry in the number
Comfortable	High-speed communications in partnership with telecom carriers around the world
Safe / Secure	Secure; 47 support bases available 24 hours a day, 365 days a year, around the world
Counter	Number of airport counter is the industry's largest class
Corporate Sales	Uptake ability of corporate needs
Customers	Number of users is the largest in the industry



Associate
Member

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





Compare How to Connect the Internet Abroad ①

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

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

* Created by our research and standard

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

Compare How to Connect the Internet Abroad ②



Wi-Fi router rental	Table	Roaming (Telecom carriers' fixed-rate)	Free Wi-Fi Spot / Hotel Wi-Fi
<p>JPY300-2,170/day * World tour plan JPY2,980/day Apply through the website.</p>	Price	<p>JPY980-2,980/day Contract according to the plan Need to check in advance the compatible models and settings. * Depend on your mobile carrier</p>	<p>Free Wi-Fi spot free Hotel Wi-Fi including accommodation fee or JPY500-3,000</p>
<p>Fixed-rate and high-speed Substantial security and compensation Use without worry due to the fixed-rate. Choose the data-volume according to the situation.</p>	Merit	<p>Easy to connect * Tethering is also available.</p>	<p>Easy to use Limited use area, but many places are provided for free, and connection is easy.</p>
<p>More luggage Need to carry a Wi-Fi router in addition to your smartphone.</p>	Demerit	<p>Expensive Price setting is more expensive than Wi-Fi rental. Misconfiguration of data-roaming may result in expensive charges.</p>	<p>Be careful about unauthorized access Easy to use, but there is a risk of virus infection and personal information may be stolen by unauthorized access.</p>
<p>If you use the internet at a high-speed without worrying about additional charges (Available to use by multiple people, even cheaper by the split) Internet availability anywhere. No worry about busy access and difficulty to connect.</p>	Recommend	<p>If you want to use the internet easily with your own device</p>	<p>Want to save money, although the coverage area is limited. If it is enough for you to use the internet abroad within a limited time</p>

"GLOBAL WiFi" Business Profit Structure



Items	Summary
Sales	<p>Overseas Regular rental : Rental price per day × number of days used Average: JPY1,000/day, Average number of days used: 7 days Options such as insurance, mobile battery, etc. GLOBAL WiFi for Biz : Monthly charge (JPY1,970) + data communication fee (plan) × number of days used</p> <p>Domestic Rental price per month (available for rental from 1 day) Average: Approx. JPY5,000/month, Average days used: 1.5 months (45 days)</p>
Cost of sales	<p>Data communication (telecom carriers in the world) Terminal price (mobile Wi-Fi routers) Recorded as rental asset (recorded by 2-year depreciation) Outsourcing (commission paid to sales agents), etc.</p>
SG&A expenses	<p>Personnel, advertising, shipping delivery, business consignment, credit card payment, etc. Operation and rent of shipping centers, airport counters, customer centers, etc. Other SG&A expenses, etc.</p>

Automatic pick-up locker

You can receive in 10 seconds
without waiting.



Smart Pickup
(Automatic pick-up locker)



Smart Pickup

Self check-in KIOSK terminal (Multi-language available and settlement function)



Smart Entry

Immediate customer identification counter (QR code reception counter)



Reception



Standby



Smart Check

Shorten waiting time

No congestion

Improve convenience

Improve CS

Increase sales

Evolve to more convenient, comfortable, relieved counters that meet each customer's needs, responding to the increase in the number of rental (delivery) and optional services (compensation service, accessory etc.), for Japanese traveling overseas and foreign visitors to Japan.

Online Order System just before Departure

(Smart Strategy × CLOUD WiFi × Database)



Acquire departing passengers on the day.

⇒ Increase number of users.

* Respond to WEB application in front of the airport counter instantly in collaboration with the database.

Expand Tabi-naka Services (Services during Travel)

Expand Tabi-naka services (including options), responding to customer requests.

Support safe, secure, and comfortable travel.



Travel Related Service Platform

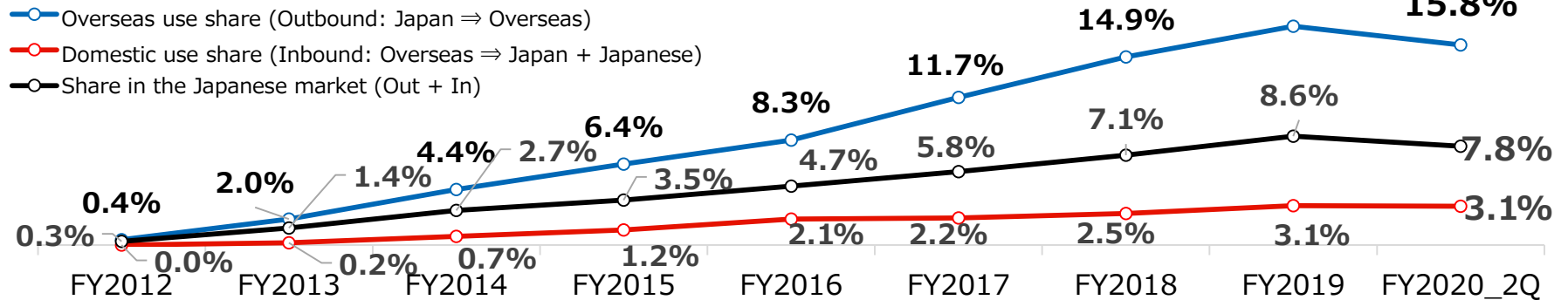
Use existing customer base and provide useful information/services to solve problems during overseas travel.



"GLOBAL WiFi" Business Growth Story



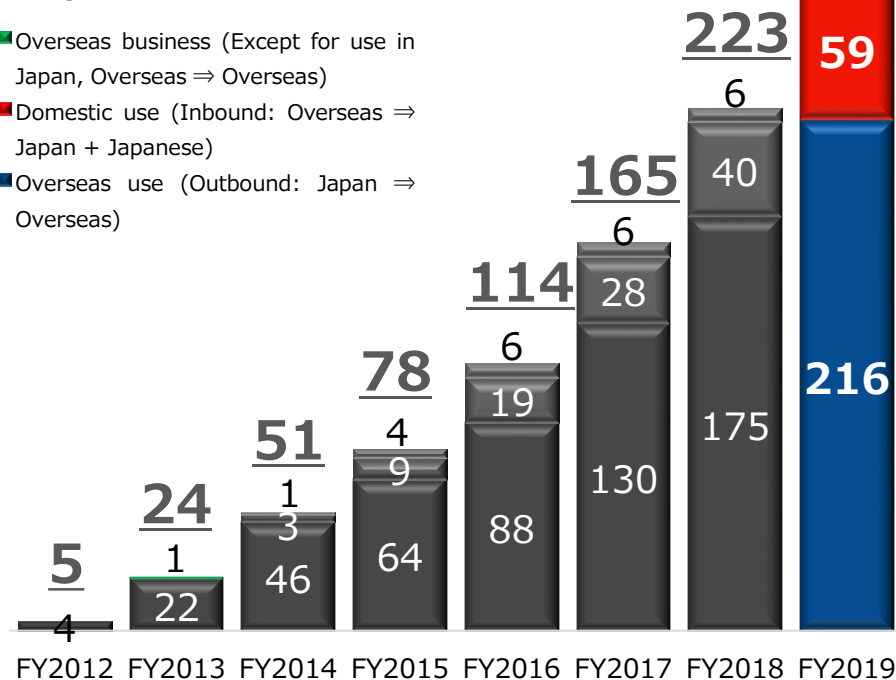
Our Wi-Fi rental service penetration ratio (Japan) *



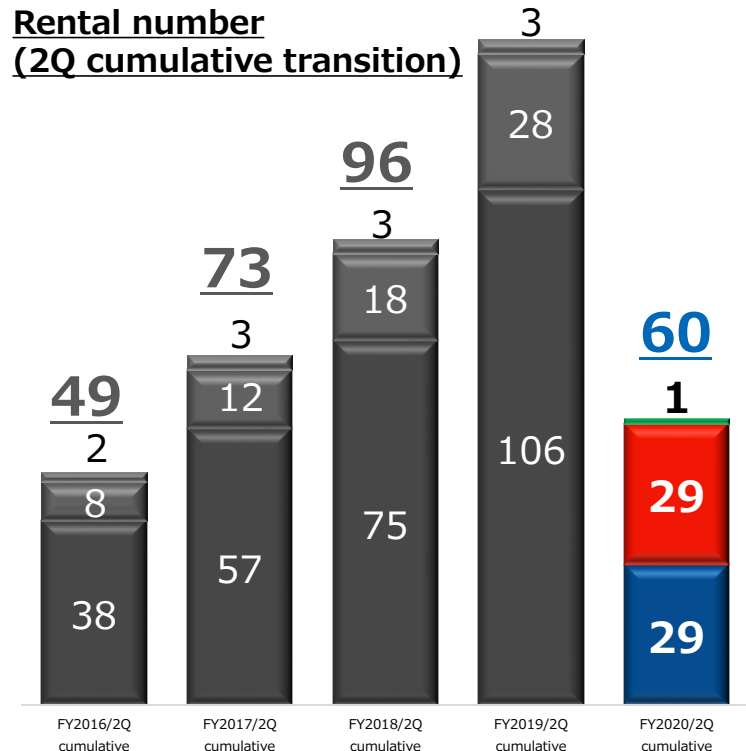
Annual rental number (Unit: 10 thousand)

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

- Overseas business (Except for use in Japan, Overseas ⇒ Overseas)
- Domestic use (Inbound: Overseas ⇒ Japan + Japanese)
- Overseas use (Outbound: Japan ⇒ Overseas)



Rental number (2Q cumulative transition)



"GLOBAL WiFi" Business Market Size



Inbound (Foreign visitors to Japan)

Over 31.88mn people for a year.

* Results in FY2019

Government's target

60mn people in 2030

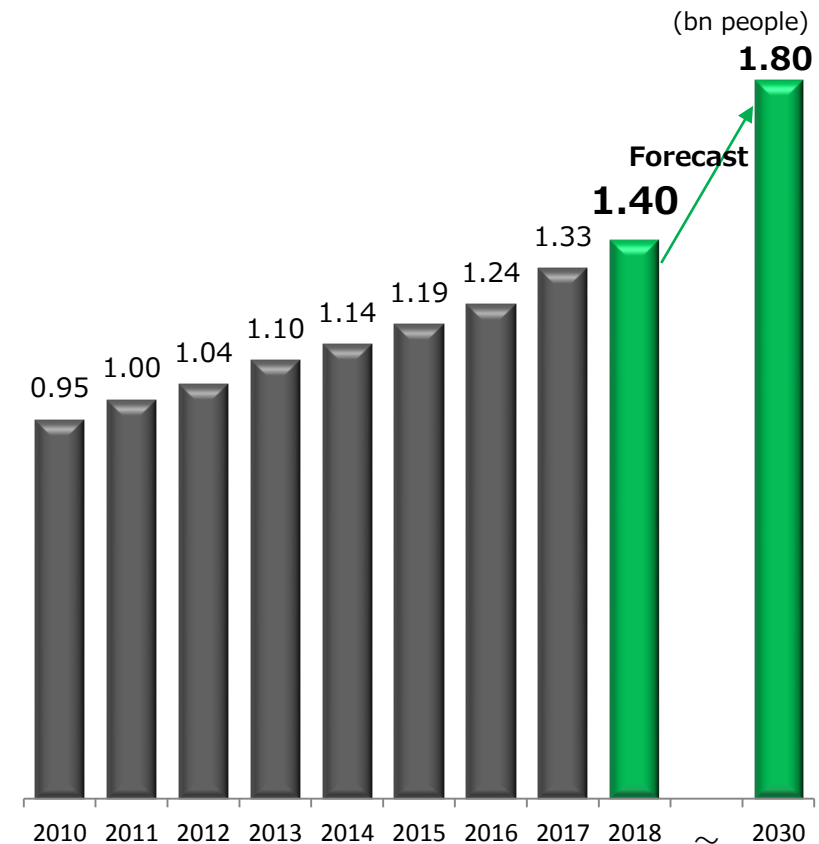
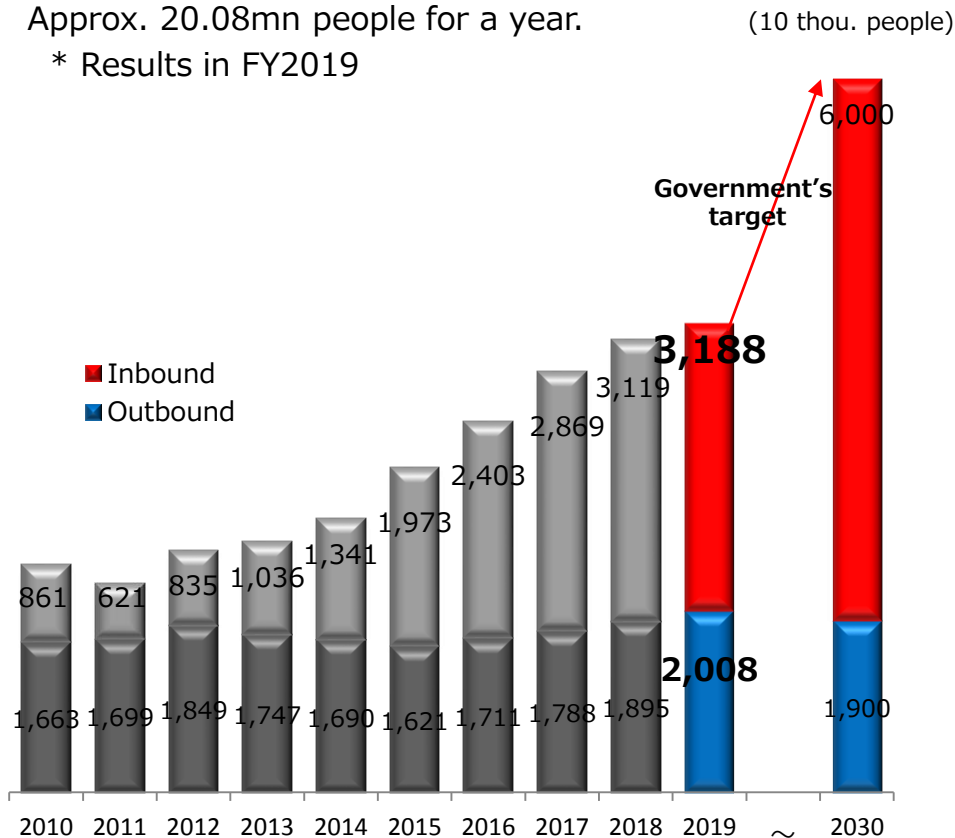
Overseas travelers in the world (Number of international tourist arrivals)

A huge market of 1.4bn people.

Outbound (Japan → Overseas)

Approx. 20.08mn people for a year.

* Results in FY2019



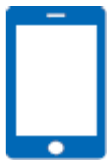
Information and Communications Service Business Growth Strategy (Competitive Advantage)



Startup Companies	Have new dealings with one company in ten companies* that are newly established within the year in Japan The number of national corporate registration ... 118,532 (2019) Source: Ministry of Justice
WEB Strategy	Ability to attract customers due to our own WEB marketing (Internet media strategy)
Customer Loyalty	CRM (customer relations/continuous dealings) strategy , our own know-how Maximization of continued revenue = Stock business Additional sales with high productivity (up/cross selling)
Products and services	Products and services that lead to customers' "sales improvement", "cost reduction", "efficiency improvement", "communication activation", and "DX promotion" (Products that are less affected by the economy) We have multiple business segments (each product), and the business structure can be changed according to the situation (economic conditions, trends, etc.) (a flexible business structure).



Telephone Line Arrangements



Cellphone Support



Office Automation



Website Support



Security



Electric Power



Cloud App Service (SaaS)

* Total number of companies established within 6 months (including sole proprietors), starting business with us (our research)
The number of acquisitions will depend on the fluctuations in handling services and products.

Information and Communications Service Business Profit Structure



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

Information and Communications Service Business Market Size

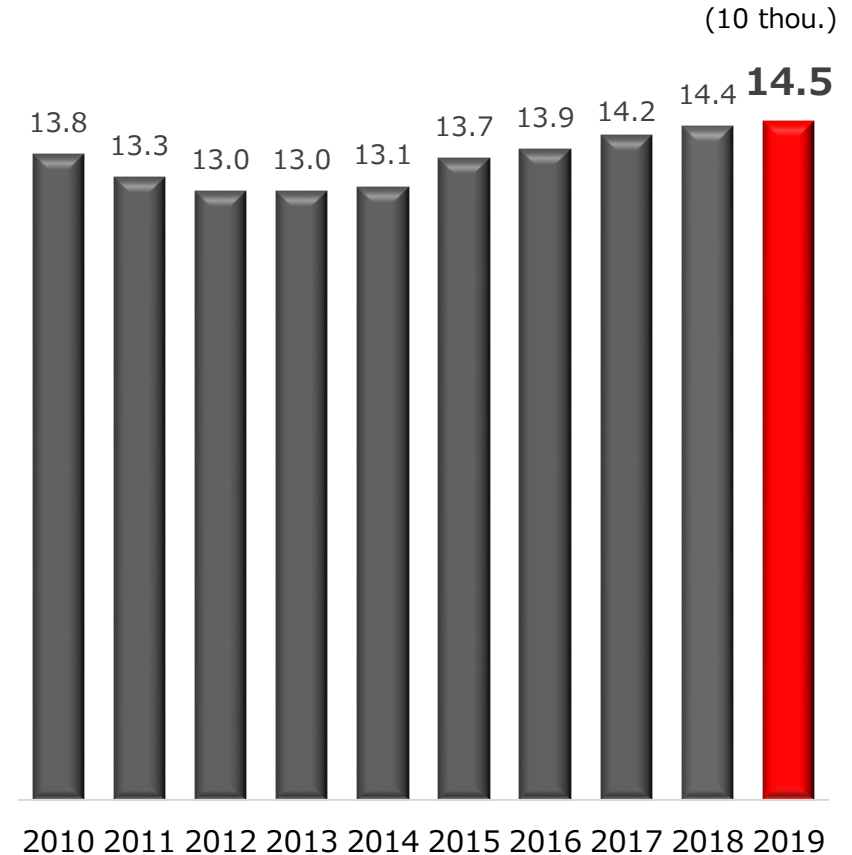
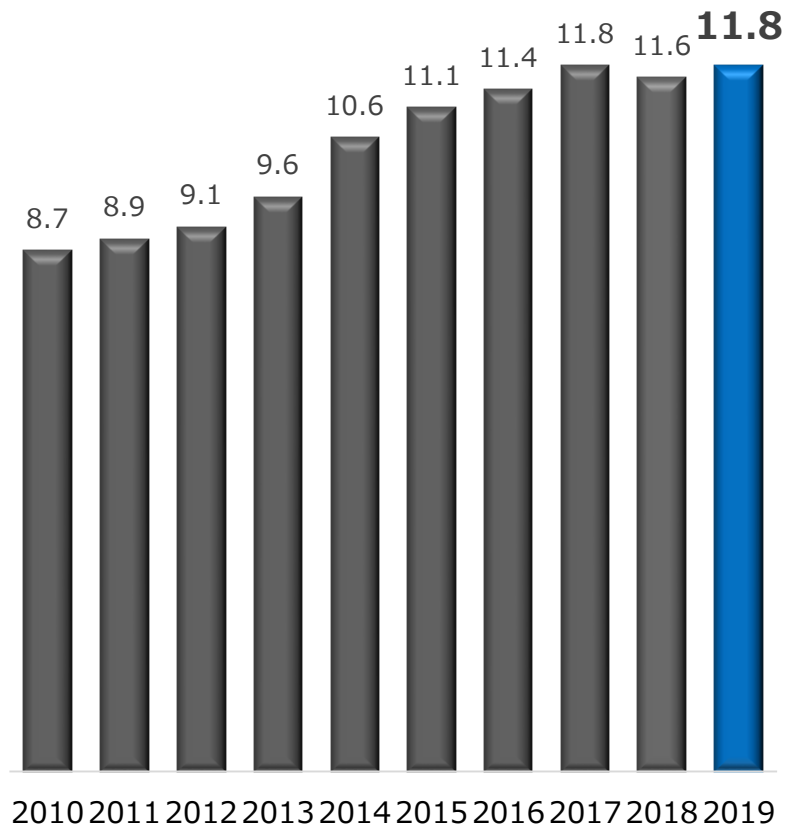


Number of incorporation registrations (total) :
118,532

Approx. 120 thousand companies annually.
(Continued increase trend due to aggressive establishment
and corporate support by the government)
Attract customers utilizing the know-how of web
marketing with over 15 years experience.
Target newly established companies.

Number of registration of transfer of head office
and branch (total) : 145,900

Approx. 150 thousand companies annually.
(Excluding the number of offices transferred that are not
obliged to apply for registration)
Cover change procedures, etc. on addition and relocation.
Cross/Up Selling by advanced operations of Customer
Loyalty Team (CLT).



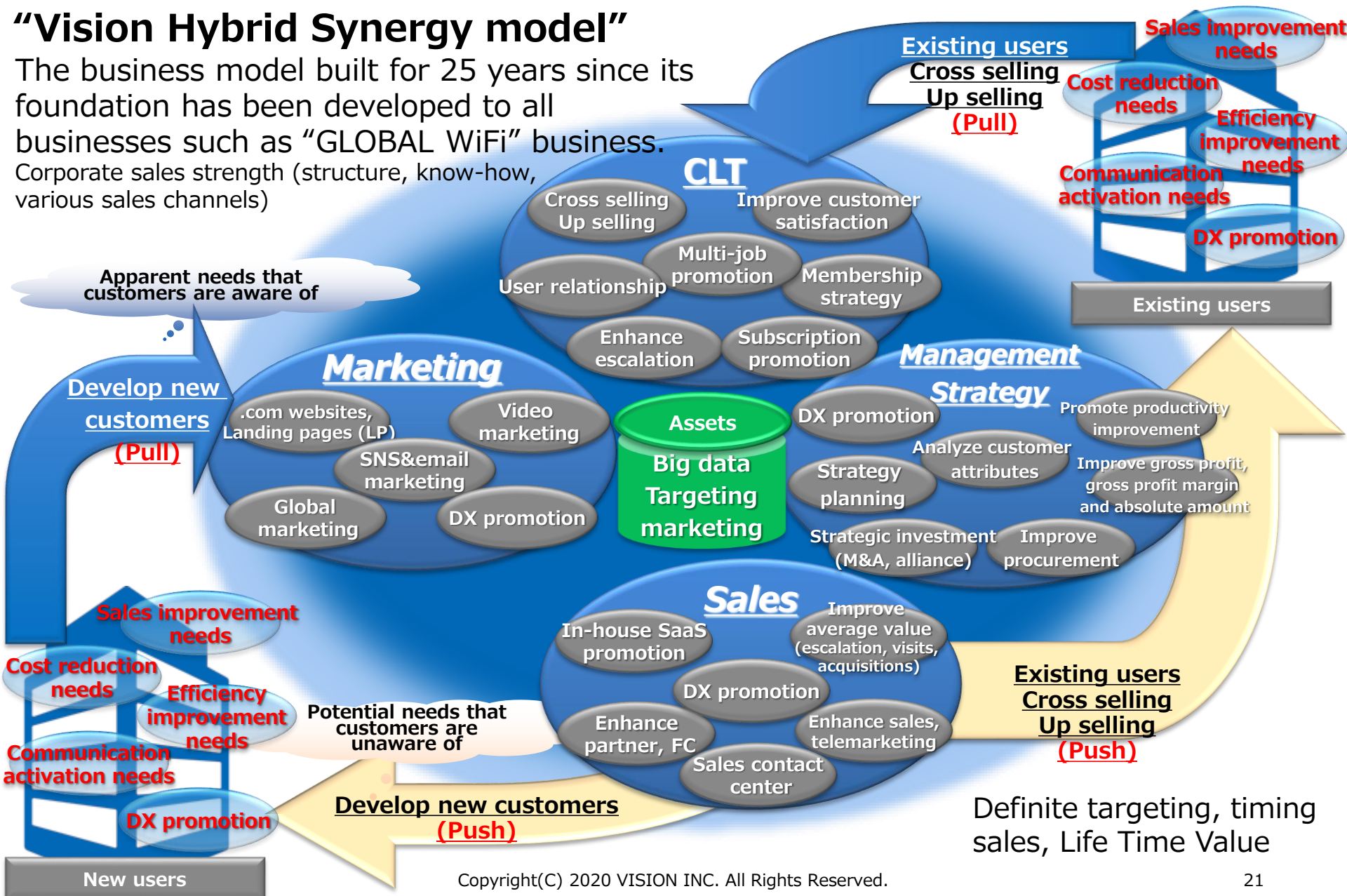
Information and Communications Service Business Business Model



“Vision Hybrid Synergy model”

The business model built for 25 years since its foundation has been developed to all businesses such as “GLOBAL WiFi” business.

Corporate sales strength (structure, know-how, various sales channels)



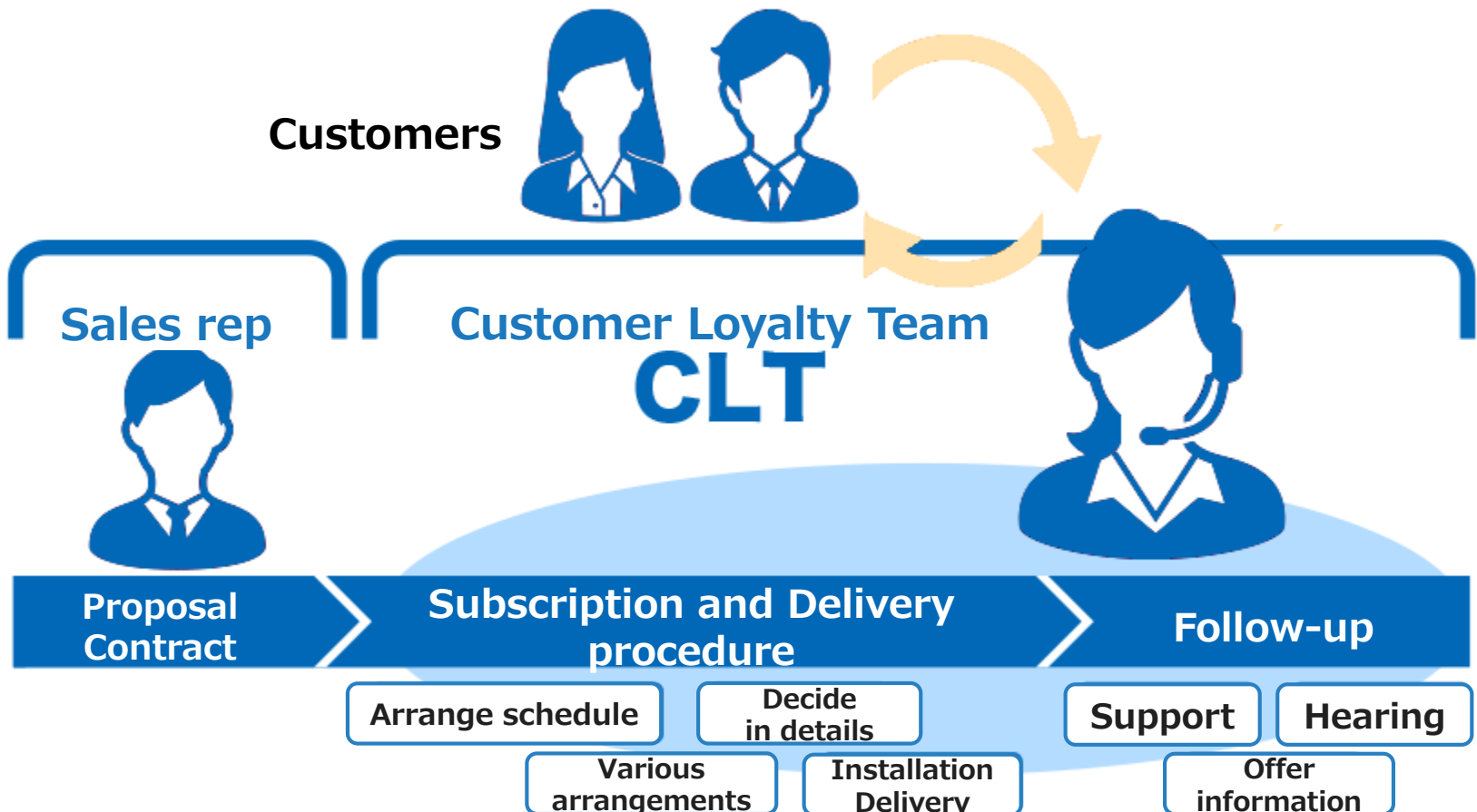
Definite targeting, timing sales, Life Time Value

Create values with advanced operations

Customer Loyalty Team (CLT)

From delivery procedure to follow-up

Covers a wide range of operations



Information and Communications Service Business “High Efficiency” Marketing



**“High efficiency” marketing with combined three factors:
web marketing × sales rep × CLT**



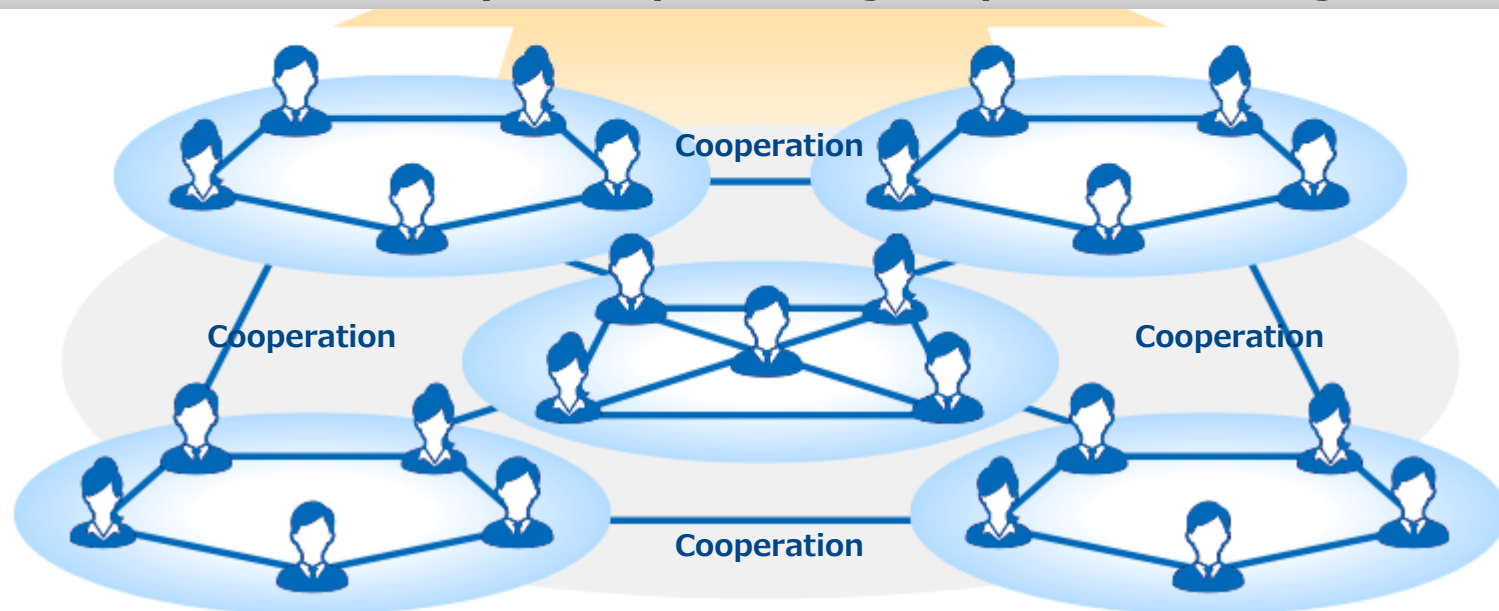
Information and Communications Service Business Escalation (Cooperation among Divisions, Customer Referral)



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



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



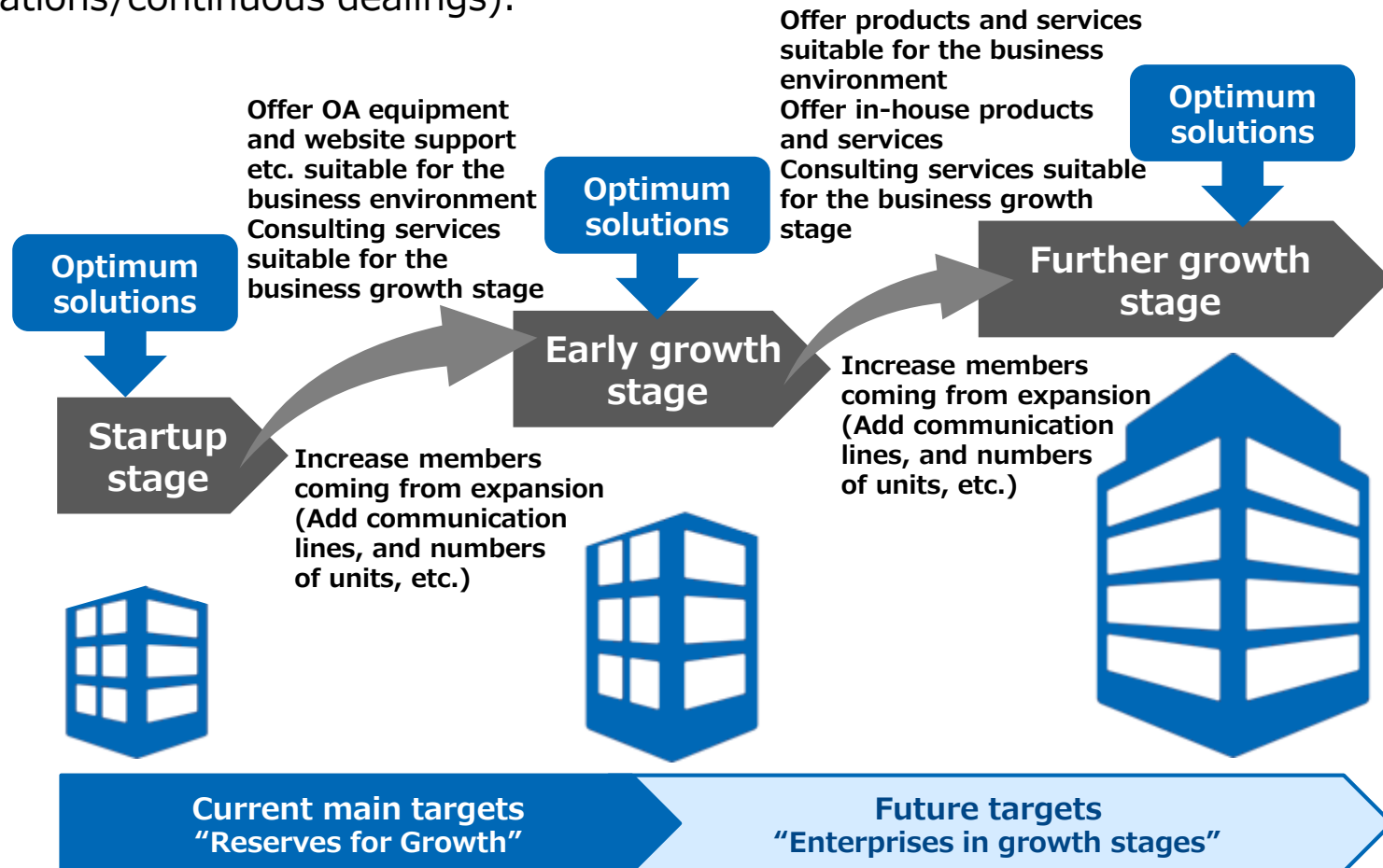
Information and Communications Service Business Stock-type Business Model



Stock-type Business Model

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

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

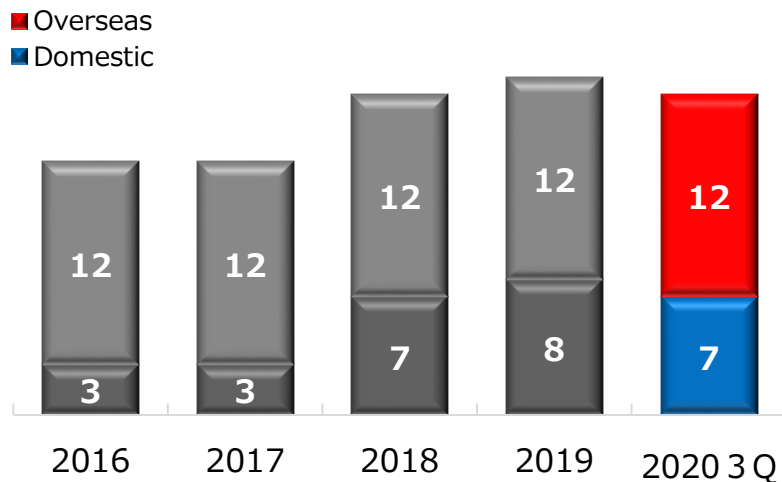


APPENDIX

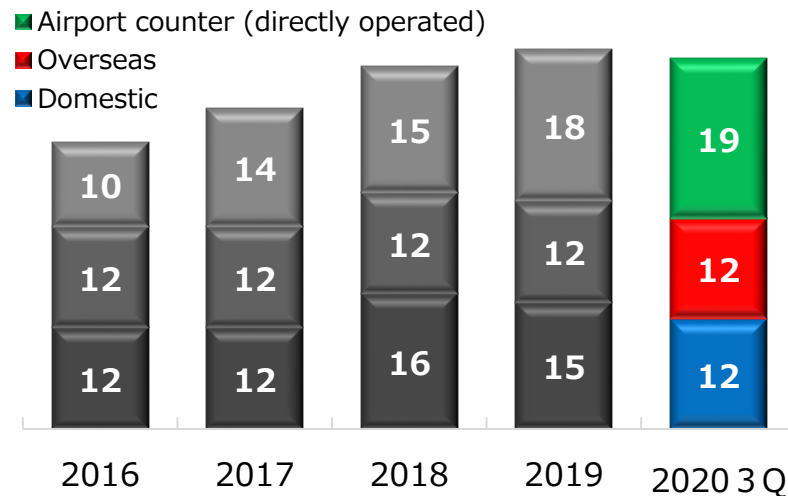


Group Structure

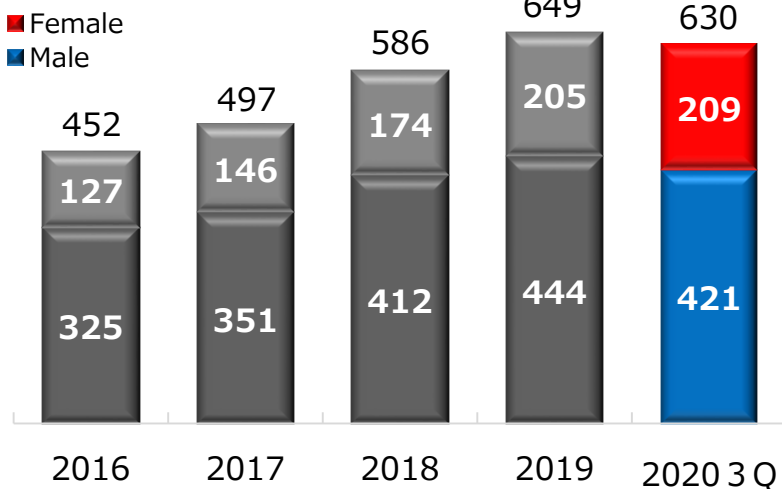
Number of affiliated companies



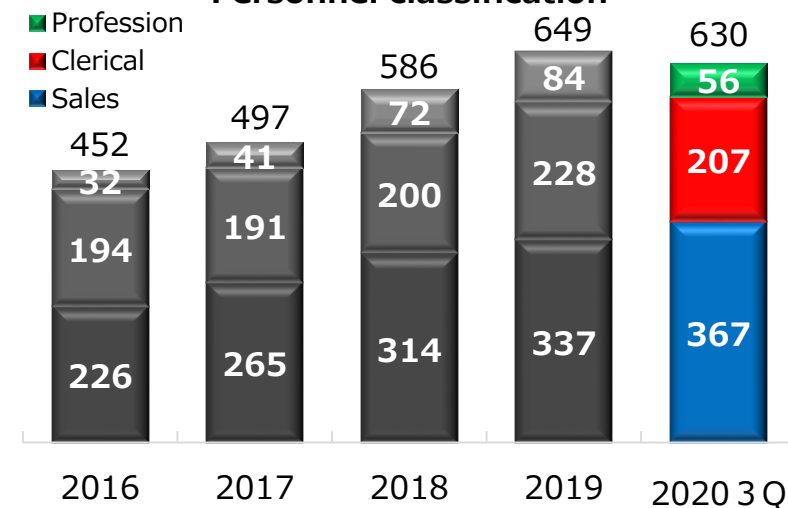
Number of operation bases



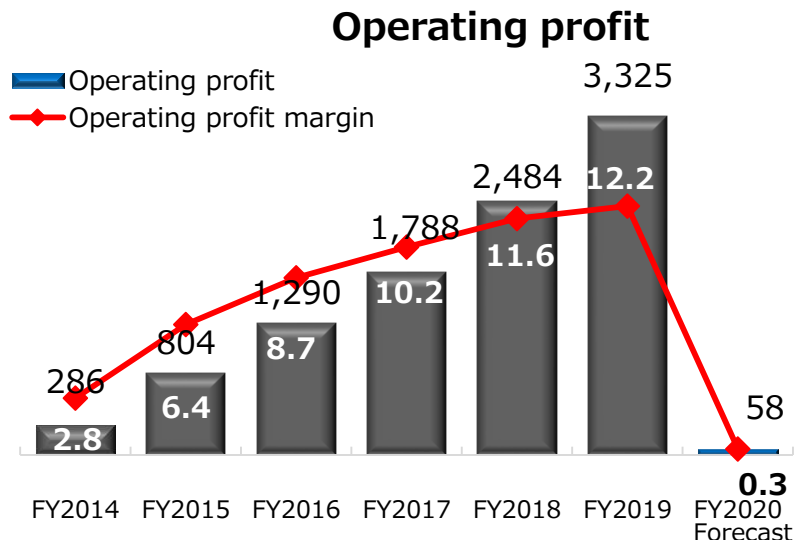
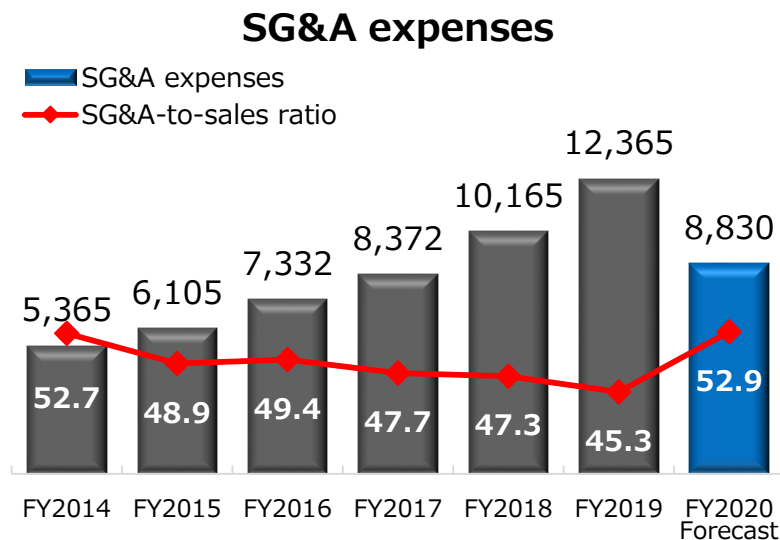
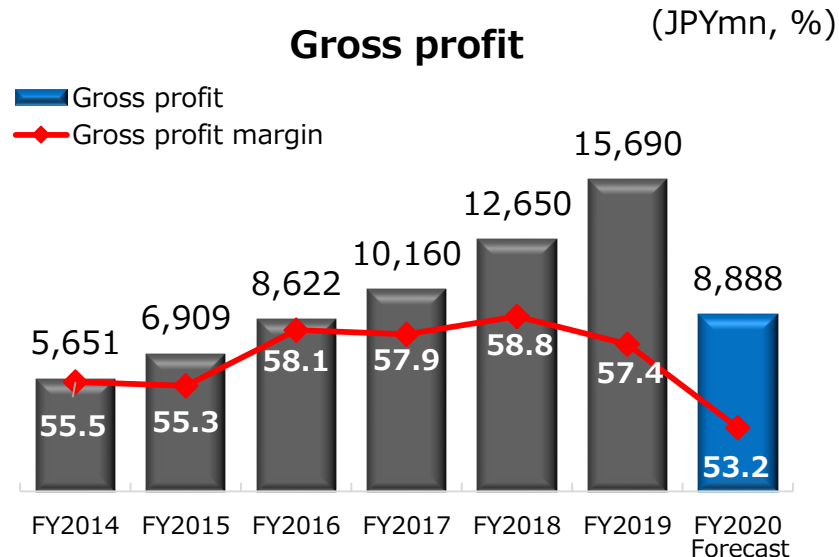
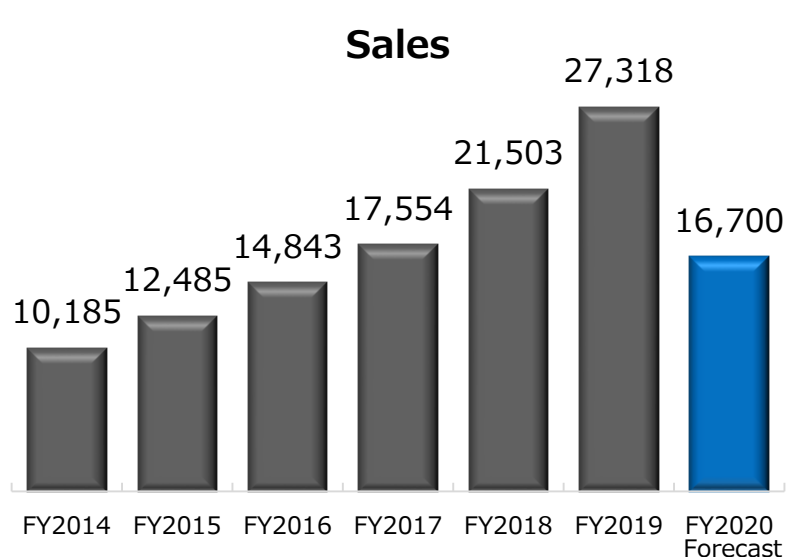
Number of employees (Full-time)



Personnel classification



Performance Data



Customer Attributes (Corporate/Individual)

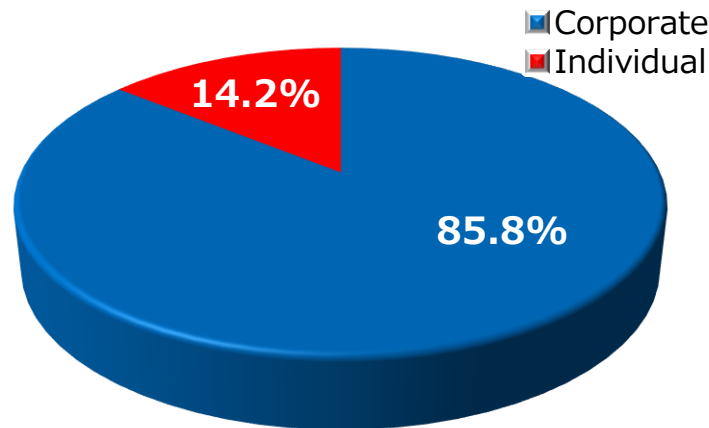
"GLOBAL WiFi" Business Overseas Use (Outbound)



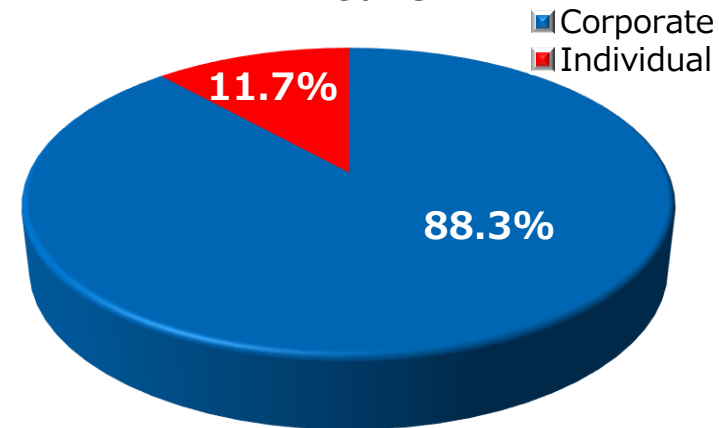
3Q FY2020 *Fiscal period

(Jul.-Sep.) Result

Rental number



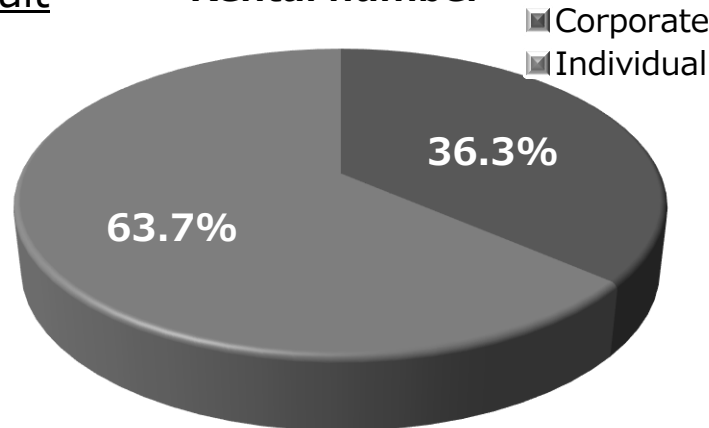
Amount



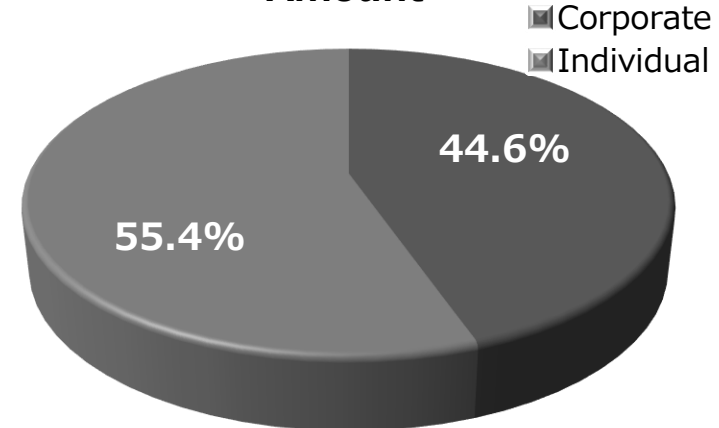
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Rental number



Amount



Customer Attributes (Corporate/Individual)

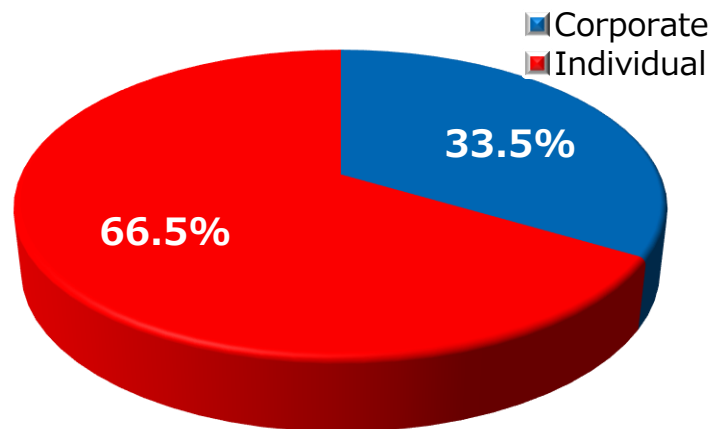
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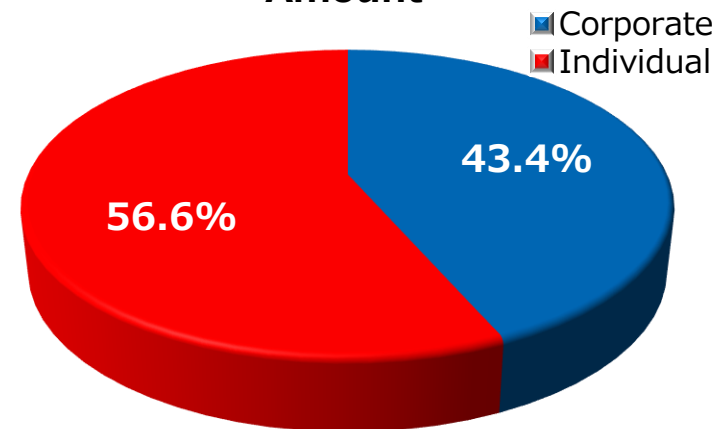
3Q FY2020 *Cumulative period

(Jan.-Sep.) Result

Rental number



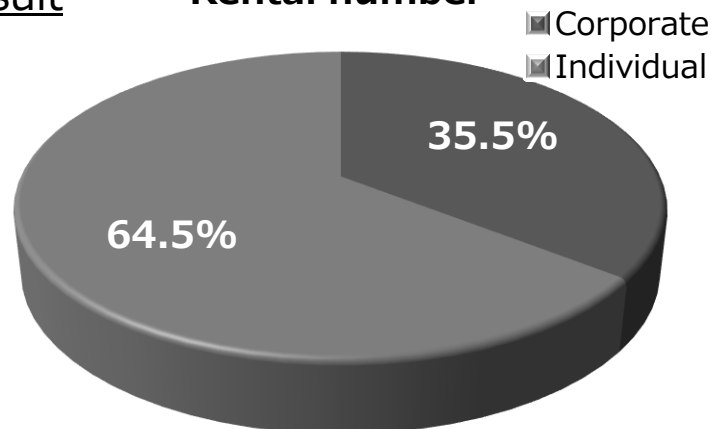
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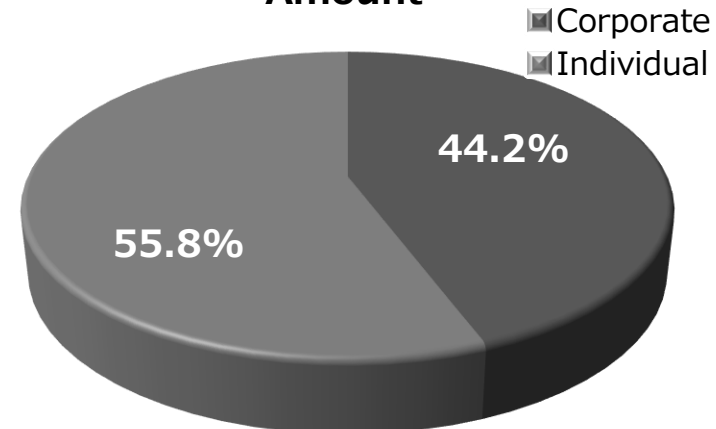
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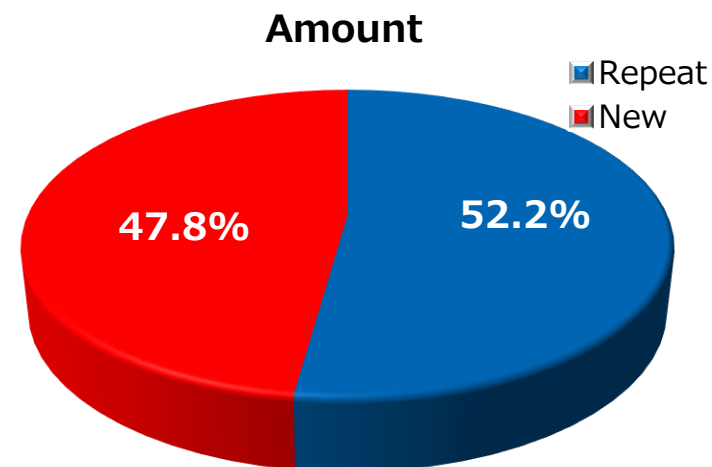
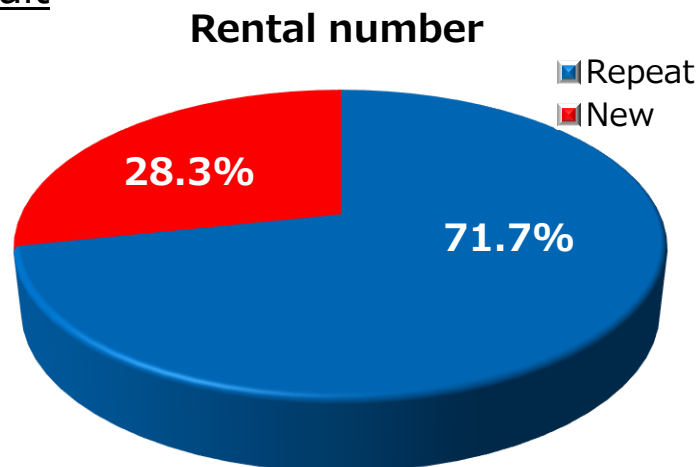


Customer Attributes (New/Repeat)

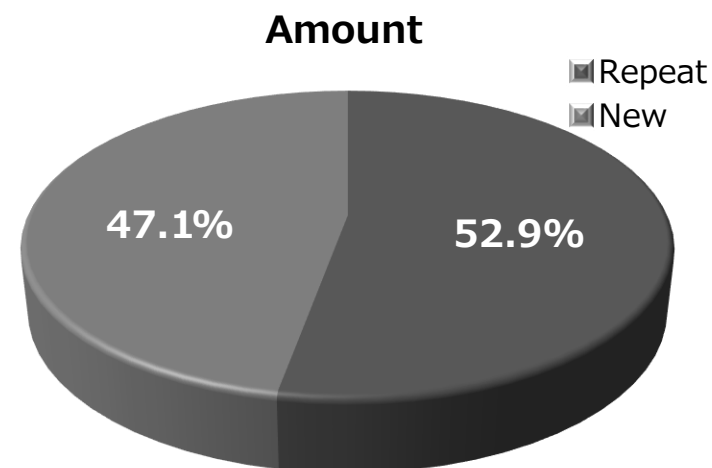
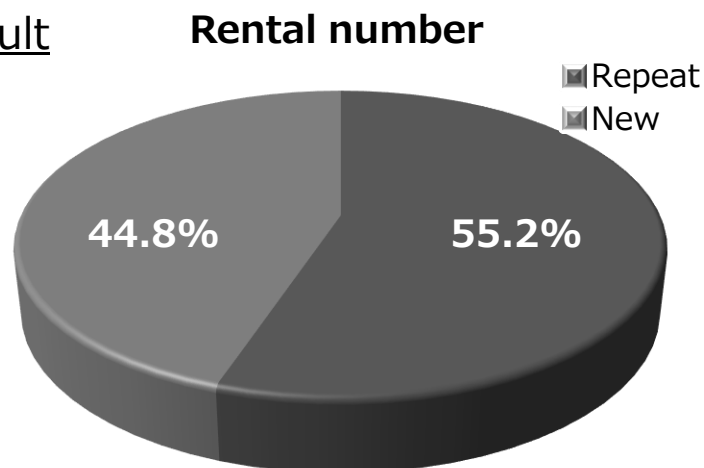
"GLOBAL WiFi" Business Overseas Use (Outbound)



3Q FY2020 *Fiscal period
(Jul.-Sep.) Result



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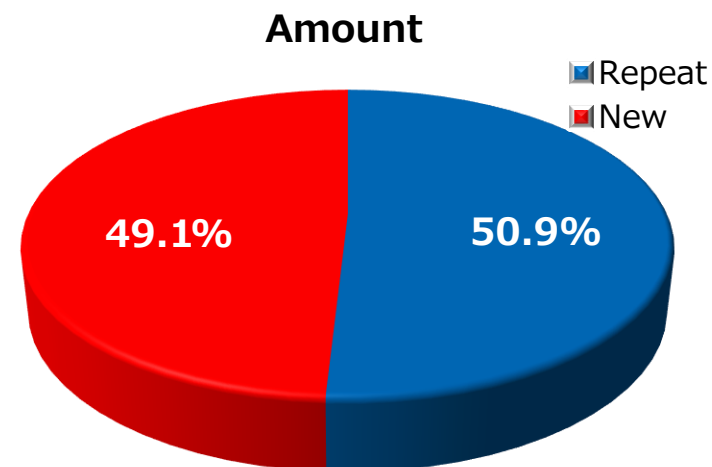
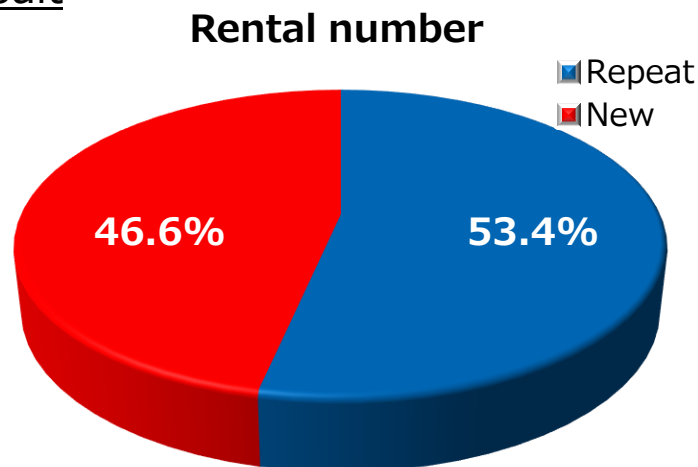


Customer Attributes (New/Repeat)

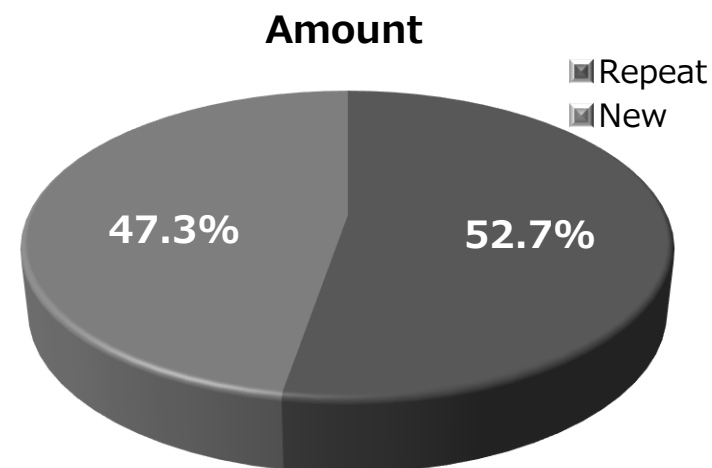
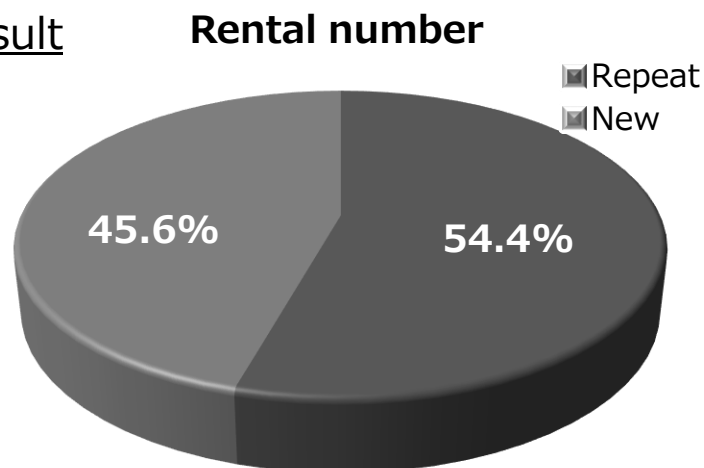
"GLOBAL WiFi" Business Overseas Use (Outbound)



3Q FY2020 *Cumulative period
(Jan.-Sep.) Result



3Q FY2019 *Cumulative period
(Jan.-Sep.) Result



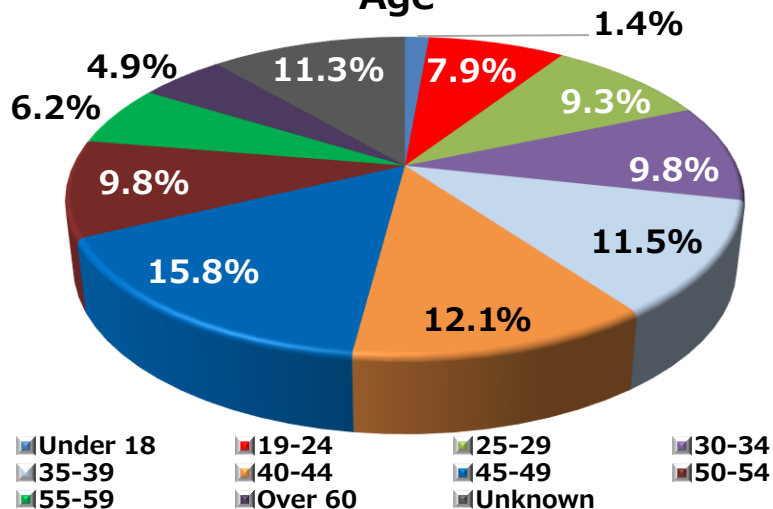
Customer Attributes (Age/Gender, Corporate or Individual)

"GLOBAL WiFi" Business Overseas Use (Outbound)

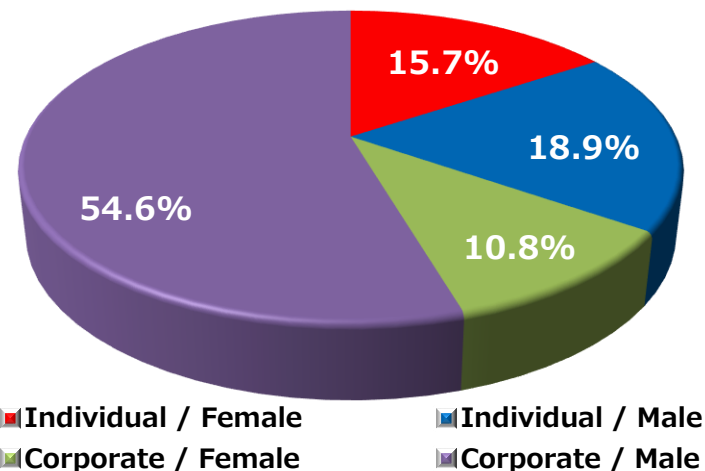


3Q FY2020 (Jul.-Sep.) Result

Age

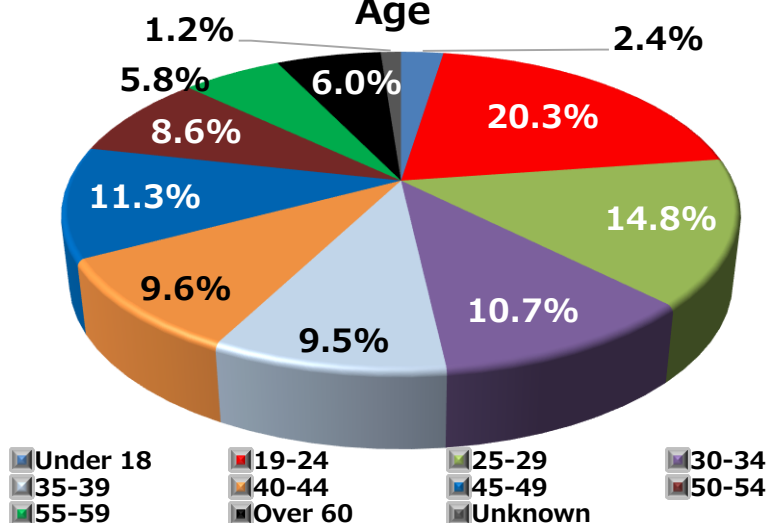


Gender, Corporate or individual

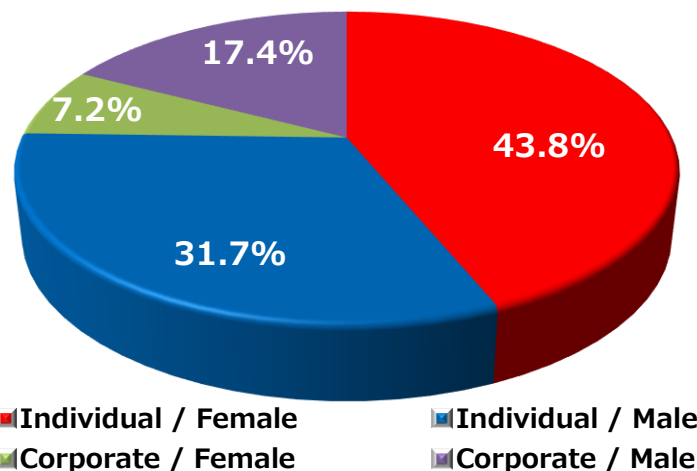


3Q FY2019 (Jul.-Sep.) Result

Age



Gender, Corporate or individual

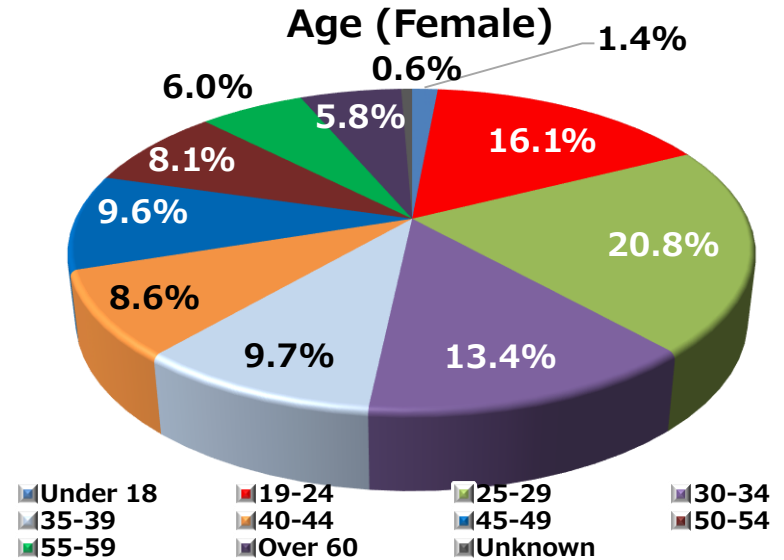
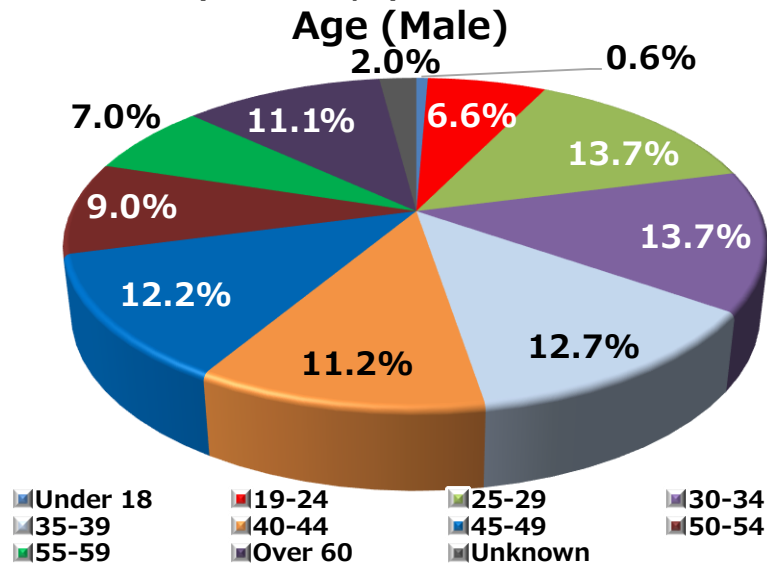


Customer Attributes (Age/Gender)

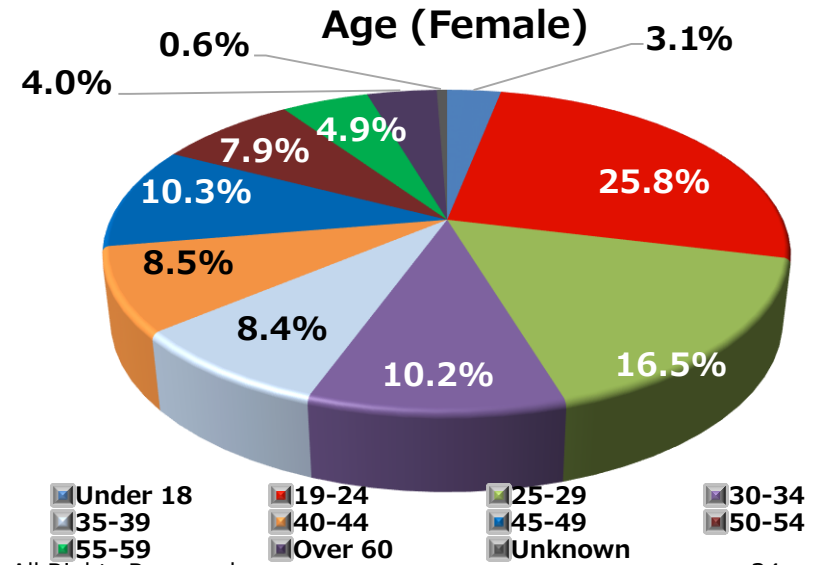
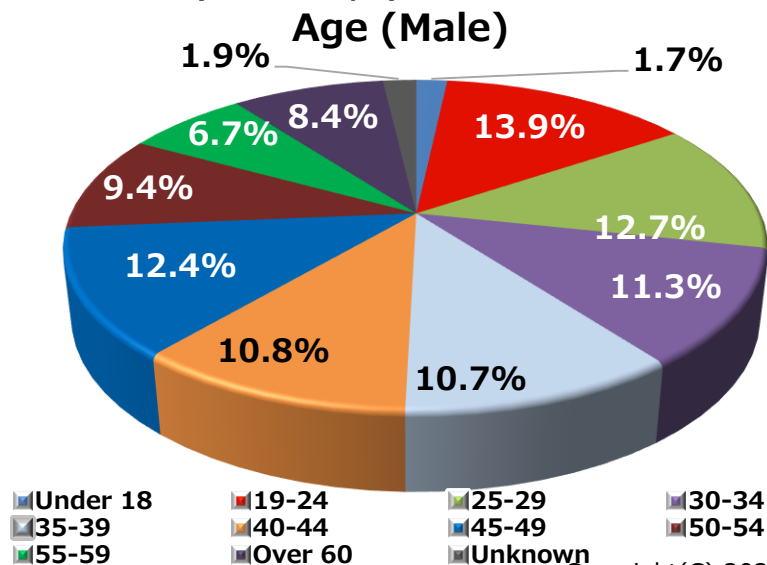
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3Q FY2019 (Jul.-Sep.) Result



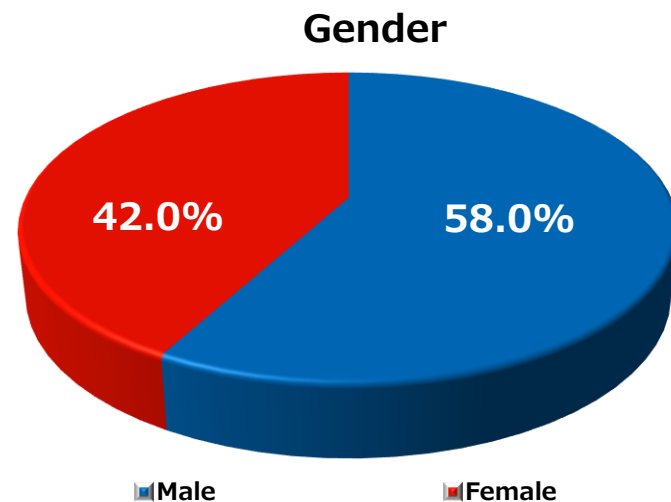
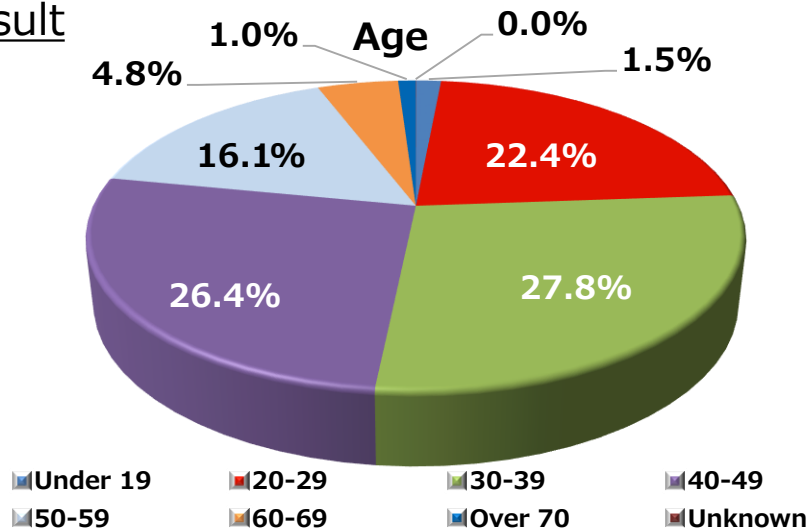
Customer Attributes (Age/Gender)

"GLOBAL WiFi" Business Domestic Use (Except for teleworking, etc.)



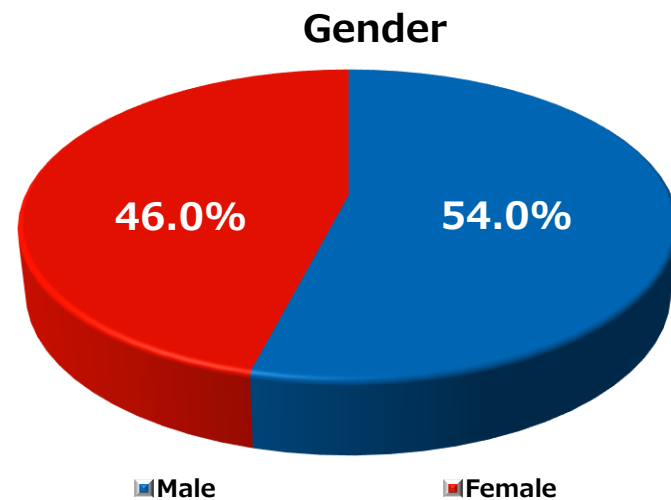
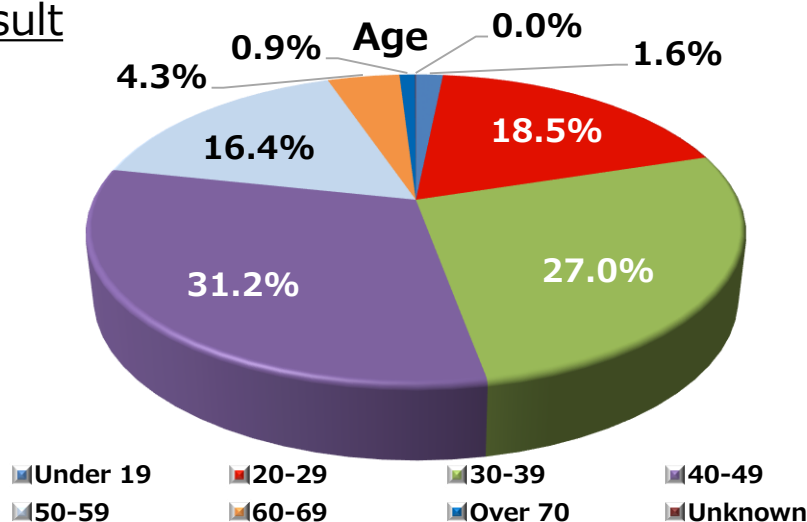
3Q FY2020 *Fiscal period

(Jul.-Sep.) Result



3Q FY2019 *Fiscal period

(Jul.-Sep.) Result



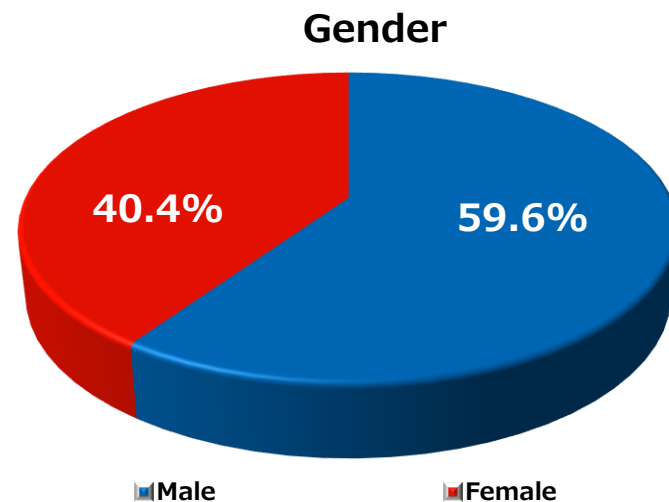
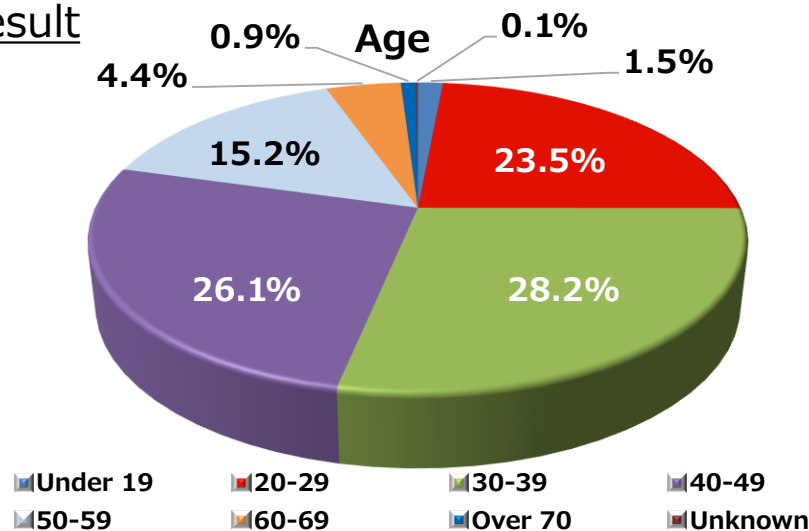
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"GLOBAL WiFi" Business Domestic Use (Except for teleworking, etc.)



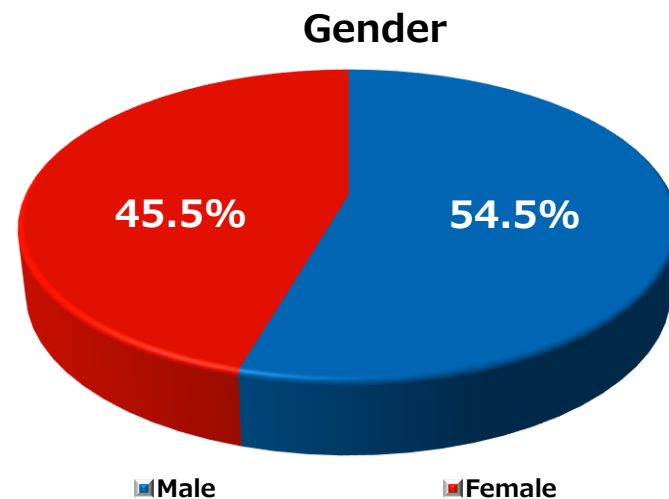
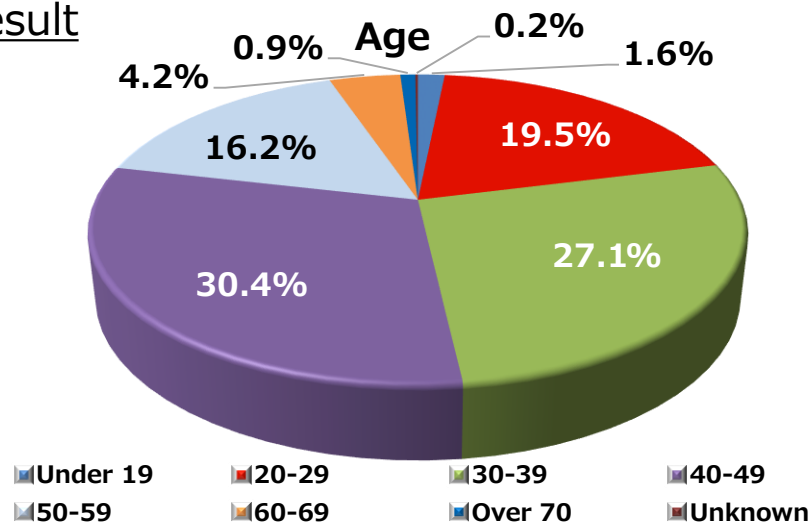
3Q FY2020 *Cumulative period

(Jan.-Sep.) Result



3Q FY2019 *Cumulative period

(Jan.-Sep.) Result



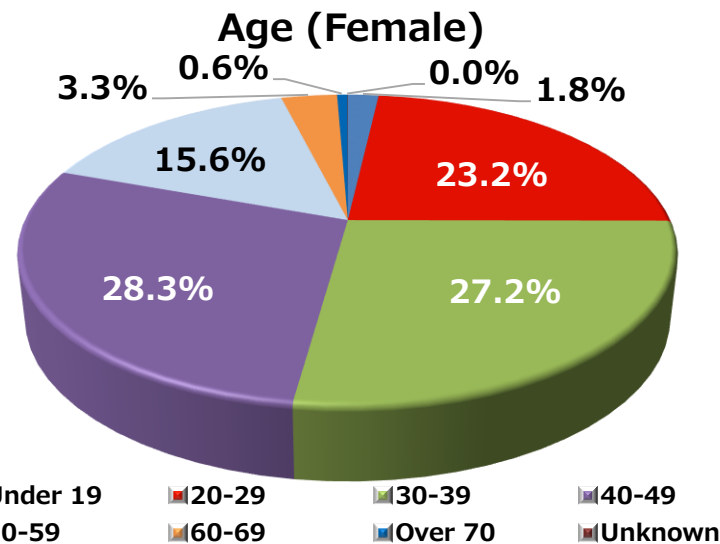
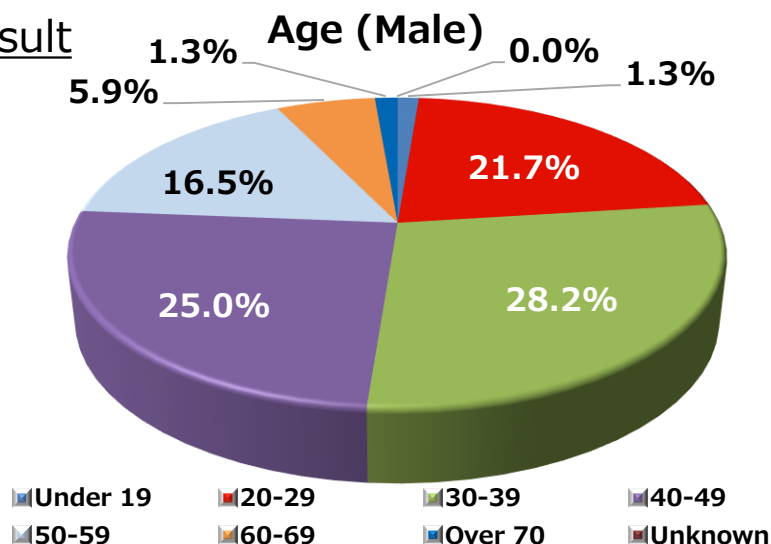
Customer Attributes (Age/Gender)

"GLOBAL WiFi" Business Domestic Use (Except for teleworking, etc.)



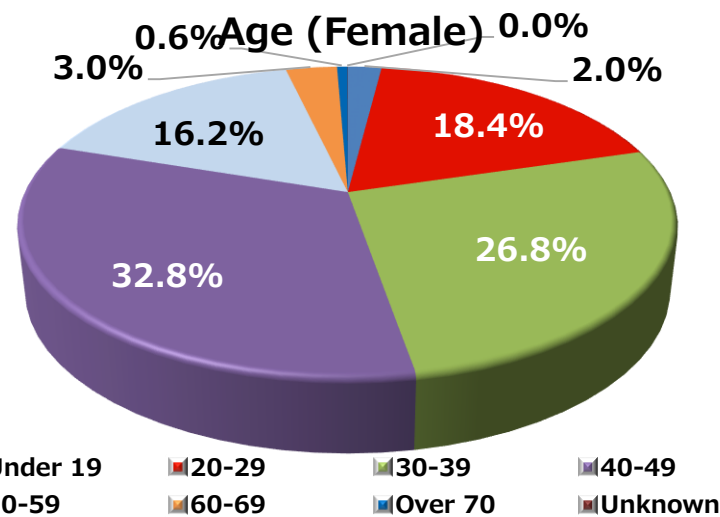
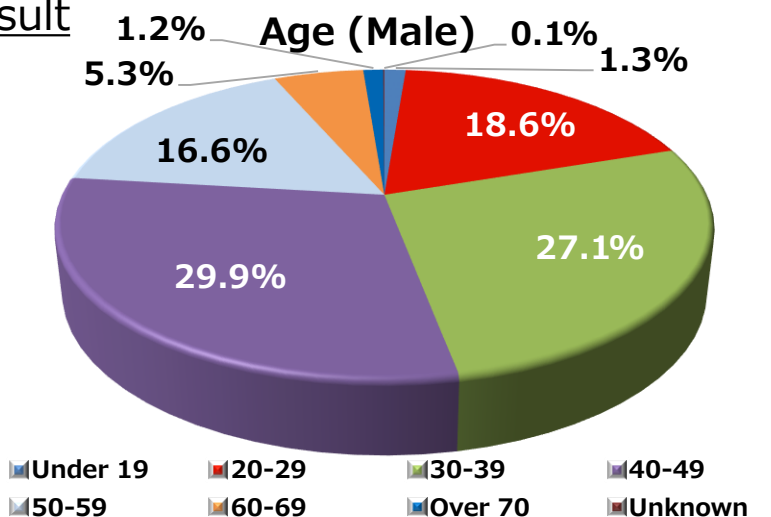
3Q FY2020 *Fiscal period

(Jul.-Sep.) Result



3Q FY2019 *Fiscal period

(Jul.-Sep.) Result



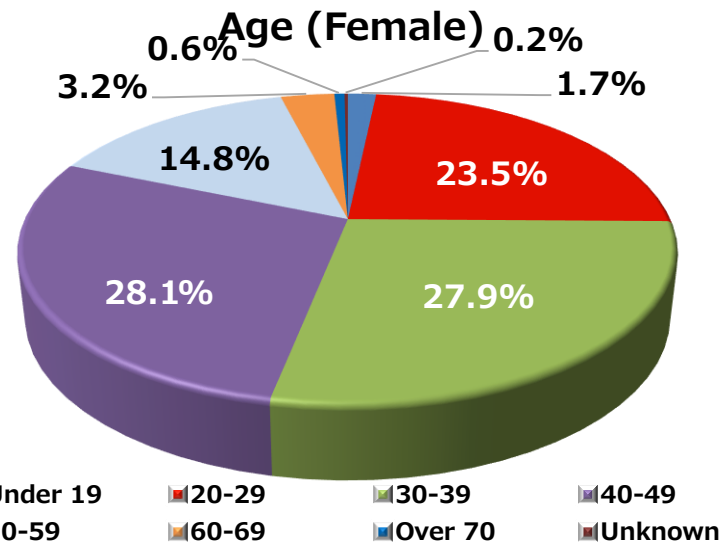
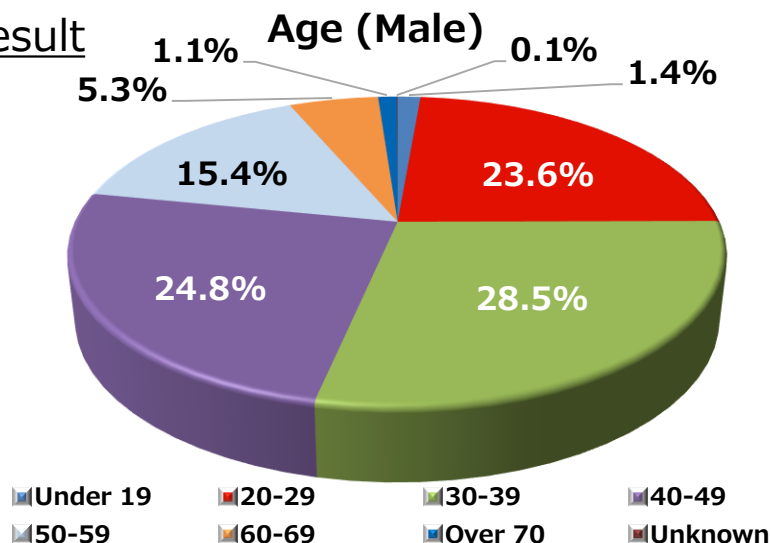
Customer Attributes (Age/Gender)

"GLOBAL WiFi" Business Domestic Use (Except for teleworking, etc.)



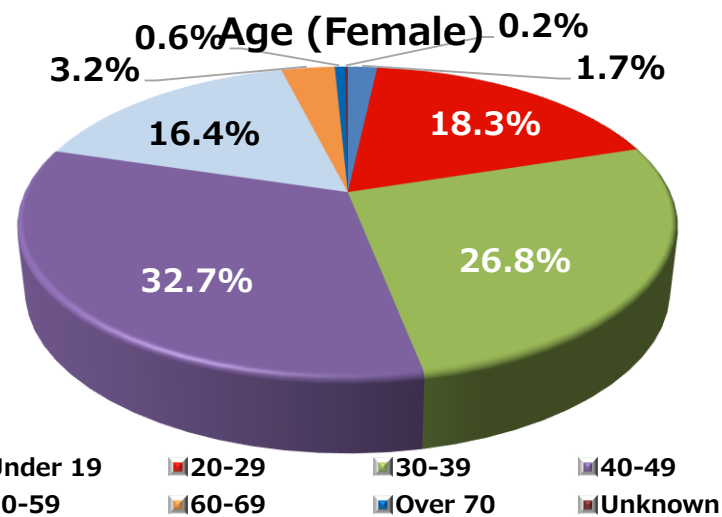
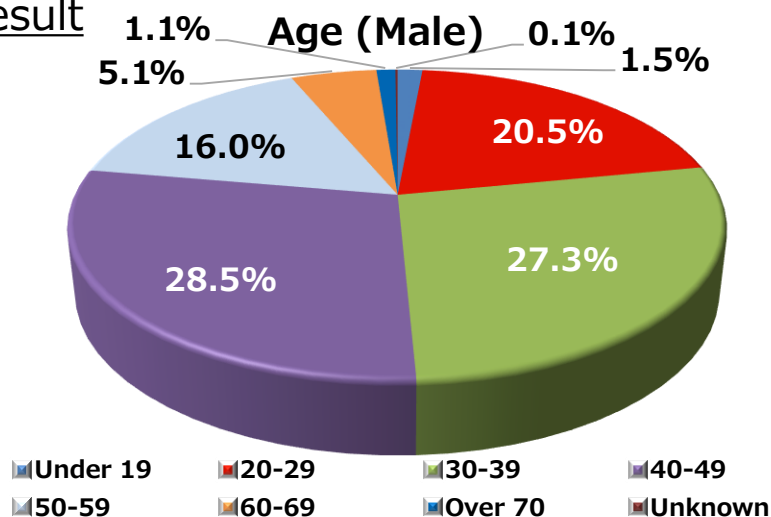
3Q FY2020 *Cumulative period

(Jan.-Sep.) Result



3Q FY2019 *Cumulative period

(Jan.-Sep.) Result





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

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

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

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

Vision Inc.

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