

1st Quarter FY2017 Financial Results

May 10, 2017
Vision Inc.

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

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

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

- Executive Summary
- 1Q FY2017 Overview of Financial Results
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- Progress of Growth Strategies 1Q FY2017 Topics
- VISION INC. Business Summary
- Segment Overview, Growth Strategy: “GLOBAL WiFi” Business
- Segment Overview, Growth Strategy: Information and Communications Service Business

Executive Summary

- Both sales and each profit are **the highest ever** in 1Q (the same accounting period).
 - Sales **JPY4,326mn** (+**24.1%** YoY)
 - Operating profit **JPY513mn** (+**64.0%** YoY)
- Progress on consolidated forecast for FY2017 :
 - Against sales **JPY16,713mn**, **JPY4,326mn** (Progress ratio **25.9%**)
 - Against operating profit **JPY1,606mn**, **JPY513mn** (Progress ratio **32.0%**)
 - Against recurring profit **JPY1,608mn**, **JPY504mn** (Progress ratio **31.4%**)
 - Against net income **JPY1,045mn**, **JPY341mn** (Progress ratio **32.7%**)
- “GLOBAL WiFi” Business : Successfully capture demand during the busy season.
- Information and Communications Service : Continue to perform well due to acquiring newly established companies and accumulating continuous dealings by CRM.
- Promote efforts to solve problems during traveling overseas and to expand **travel related service platform** that will make customers “happy”.

1Q FY2017 Overview of Financial Results

1Q FY2017 Overview of Financial Results (Cons.)



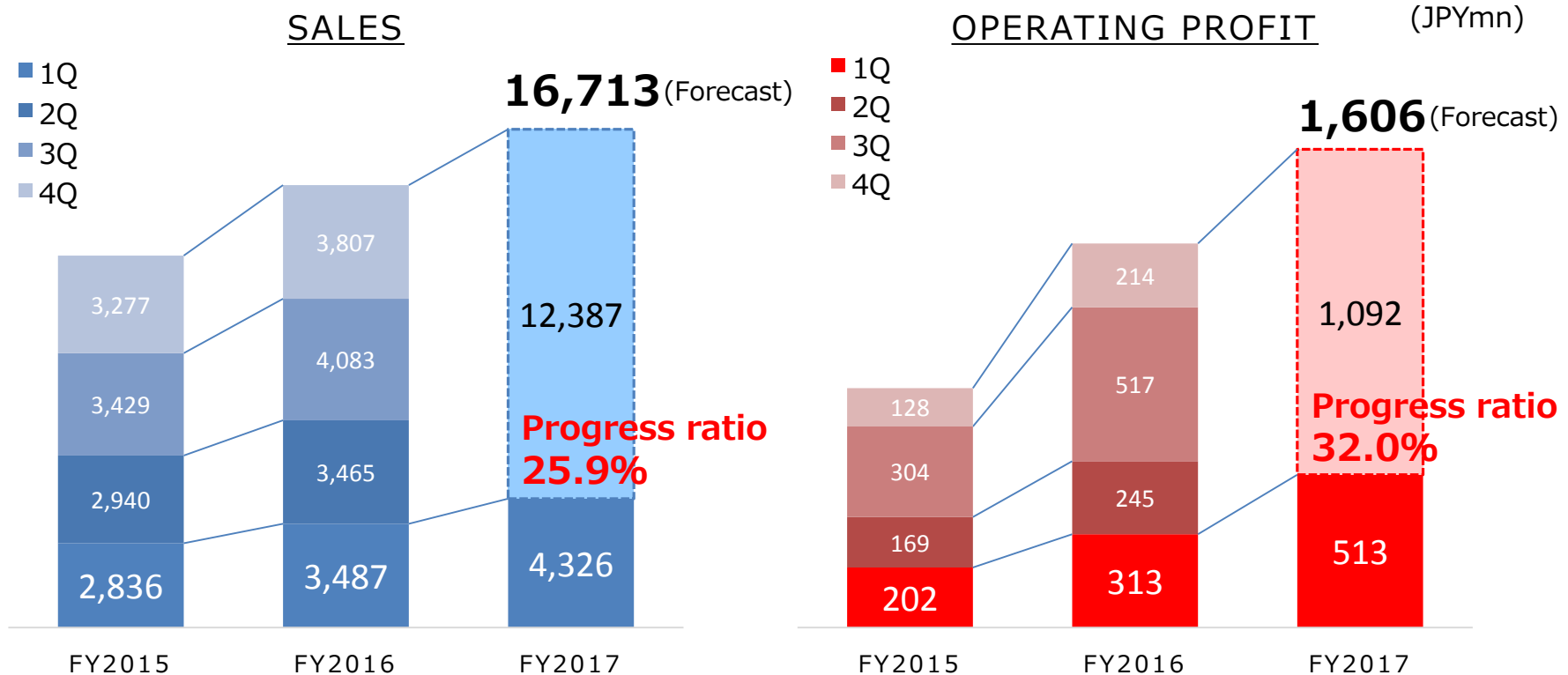
Record high. Sales: **+24.1%** YoY, and Operating profit: **+64.0%** YoY.

(JPYmn, %)

Account title	FY2017/1Q Actual result		Increase or decrease	
	Amount	Composition ratio	Amount	Increase or decrease ratio
Sales	4,326	100.0	+838	+24.1
FY2016/1Q Actual result	3,487	100.0	+650	+22.9
Gross profit	2,521	58.3	+519	+25.9
FY2016/1Q Actual result	2,001	57.4	+397	+24.8
Operating profit	513	11.9	+200	+64.0
FY2016/1Q Actual result	313	9.0	+110	+54.7
Recurring profit	504	11.7	+179	+55.1
FY2016/F1Q Actual result	325	9.3	+83	+34.6
Net income attributable to parent company shareholders	341	7.9	+129	+61.0
FY2016/1Q Actual result	212	6.1	+9	+4.9

Transition of Performance

Steady progress against the full-year forecast.

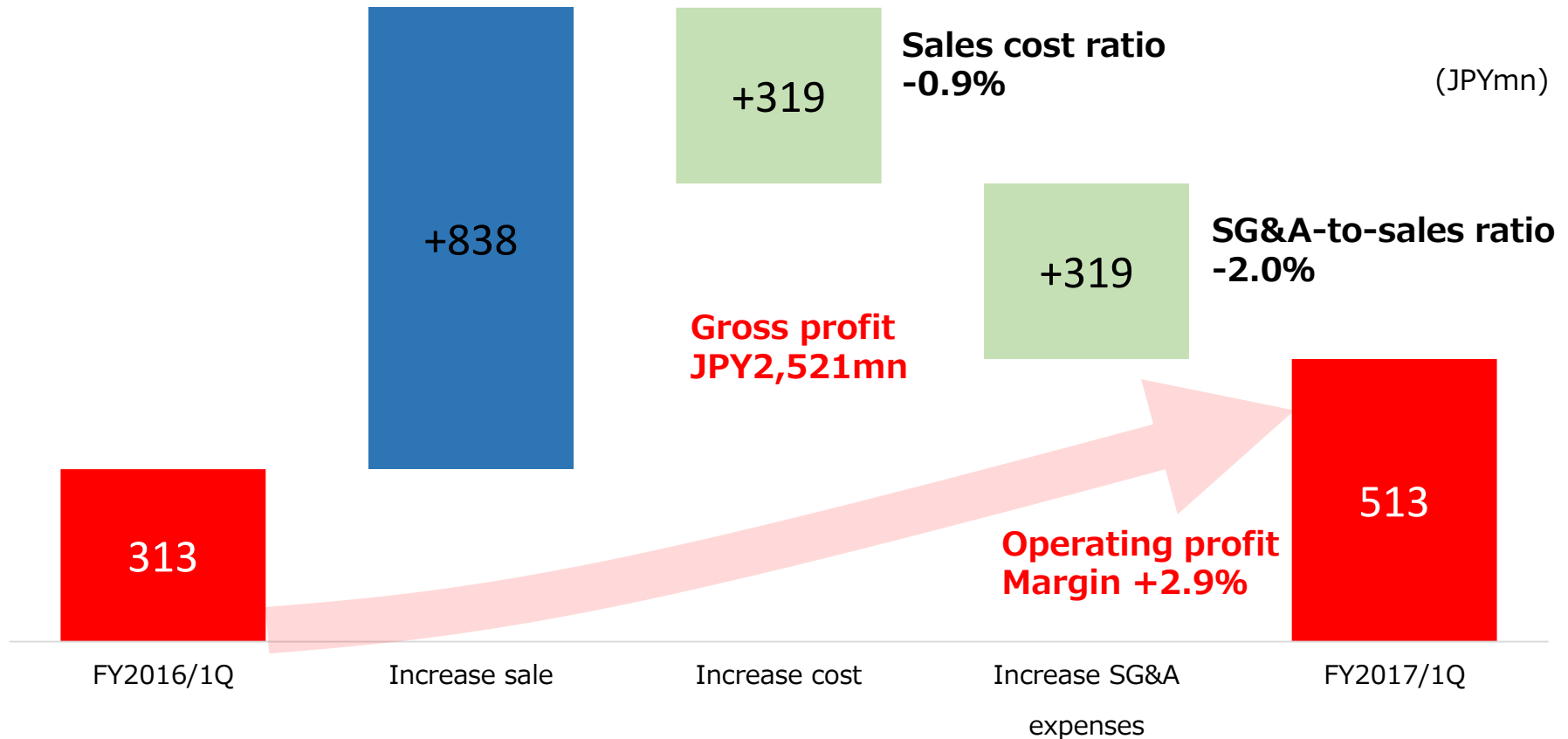


(Attention) Regarding the quarterly results in FY2015, year-on-year ratio is for reference, because we do not prepare for the quarterly financial statements.

Operating Profit Increase Factor

Continue to improve cost efficiency and operating efficiency.

Sales cost ratio **-0.9%** YoY, SG&A-to-sales ratio **-2.0%** YoY,
and Operating profit margin **+2.9%** YoY.

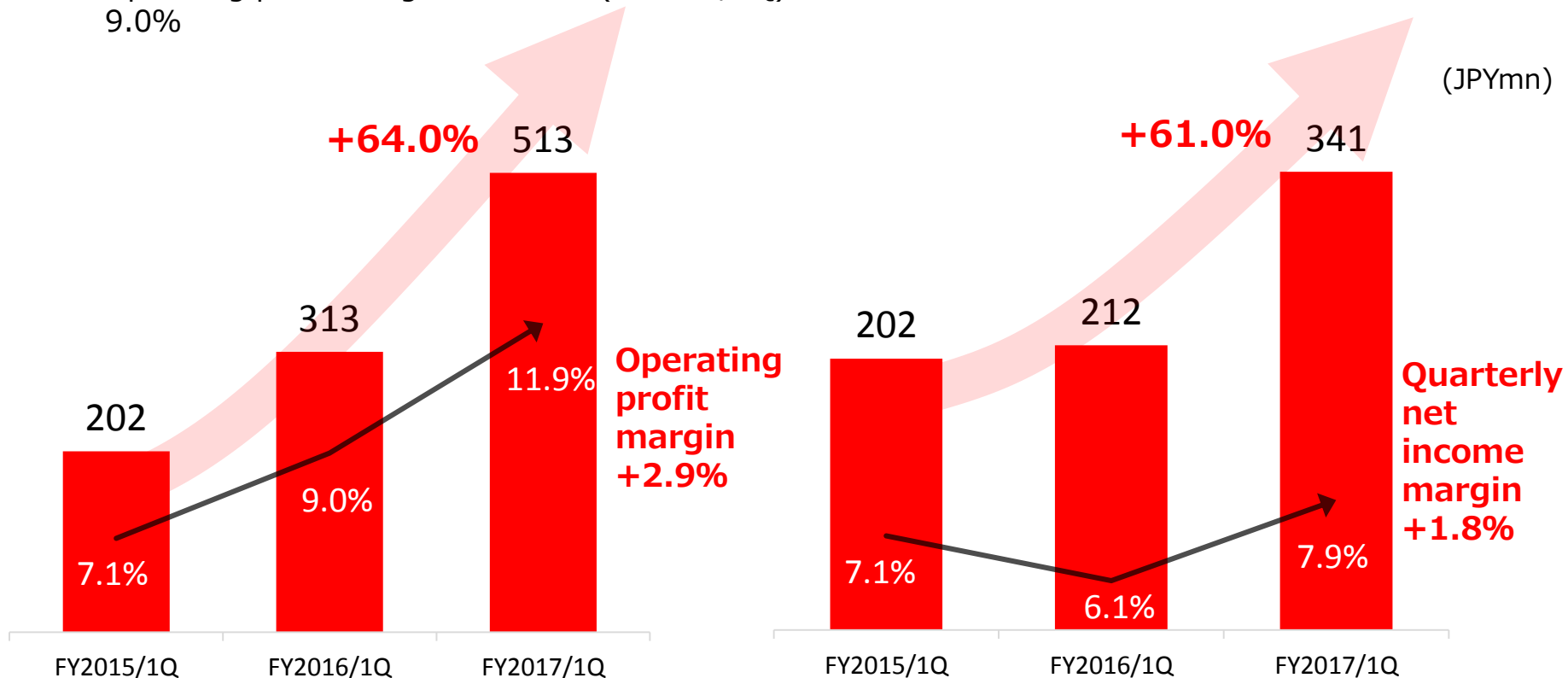


Profit Comparison

○ Operating profit

- Both amount and margin significantly increased.
- Total sales growth is driven.
 - YoY +JPY838mn (+24.1%)
- Sales cost ratio and SG&A-to-sales ratio improved.
 - Operating profit margin 11.9% ← (FY2016/1Q) 9.0%

○ Quarterly net income attributable to parent company shareholders



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

Consolidated Balance Sheet



(JPYmn, %)

	FY2017/1Q	FY2016	Compared to the previous consolidated fiscal year end	
	Amount	Amount	Increase or decrease	Increase or decrease ratio
Assets				
Current assets	8,351	8,129	+221	+2.7
Cash and deposits	5,758	6,241	△483	△7.7
Fixed assets	1,842	1,805	+36	+2.0
Tangible fixed assets	485	480	+4	+0.9
Intangible fixed assets	447	423	+24	+5.7
【Total assets】	10,193	9,935	+258	+2.6
Liabilities				
Current liabilities	2,525	2,600	△74	△2.9
Fixed liabilities	14	22	△8	△38.0
【Total liabilities】	2,539	2,623	△83	△3.2
Net assets				
【Total net assets】	7,654	7,312	+342	+4.7
Equity ratio	75.1	73.6	+1.5	—

Segment Actual Result and Overview



(JPNmn, %)

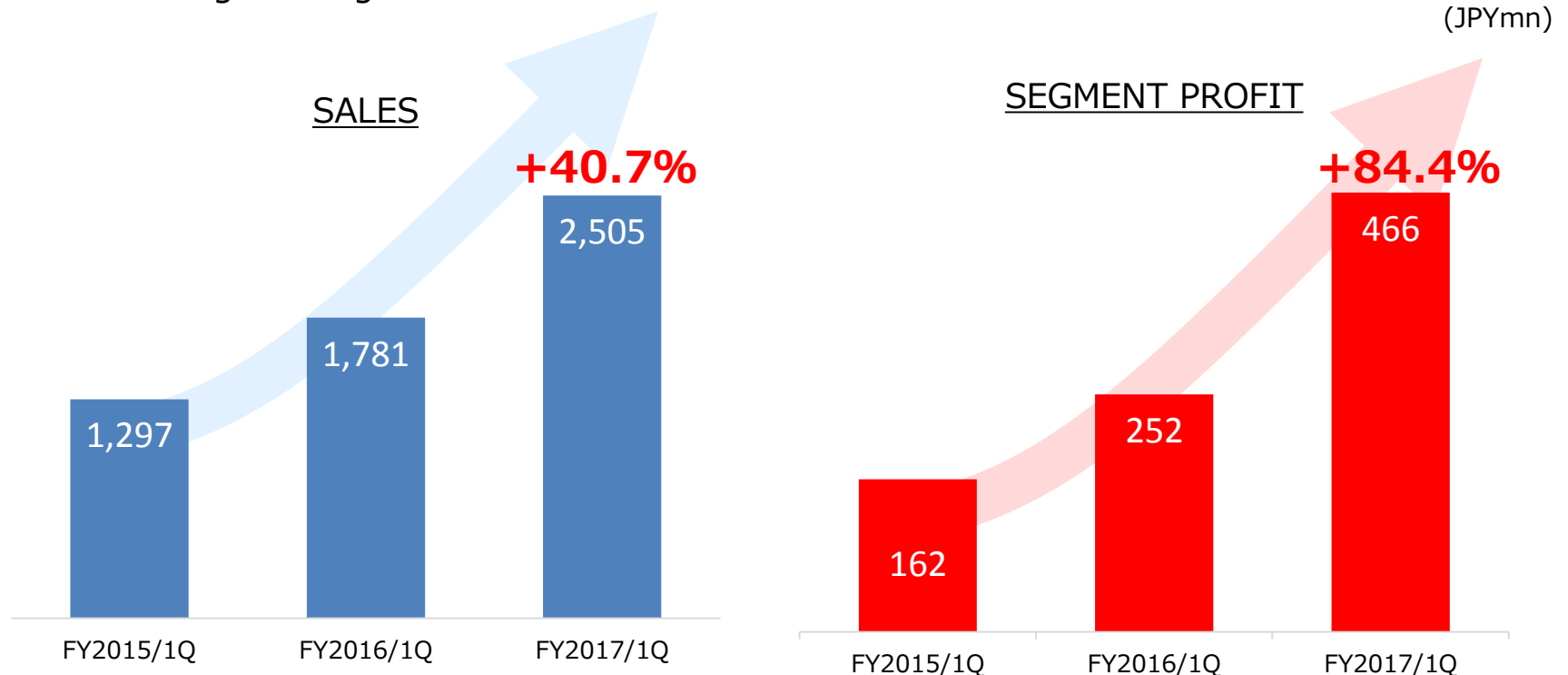
	FY2017/1Q Actual result	FY2016/1Q Actual result	Increase or decrease		
	Amount	Amount	Amount	Increase or decrease ratio	
Sales	"GLOBAL WiFi" Business	2,505	1,781	+724	+40.7
	Information and Communication Service	1,810	1,703	+106	+6.3
	Subtotal	4,316	3,485	+830	+23.8
	Others	10	2	+7	+327.3
	Adjustment amount	–	–	–	–
	Total (Cons.)	4,326	3,487	+838	+24.1
Segment profit	"GLOBAL WiFi" Business	466	252	+213	+84.4
	Information and Communication Service	282	264	+17	+6.8
	Subtotal	748	517	+231	+44.7
	Others	△23	△12	△11	△91.5
	Adjustment amount	△211	△191	△19	△10.2
	Total (Cons.)	513	313	+200	+64.0

“GLOBAL WiFi” Business Performance



Significant sales and profit growth, contributed by steady customer acquisition during the busy season, accumulation of repeat users, and ongoing efforts to improve costs.

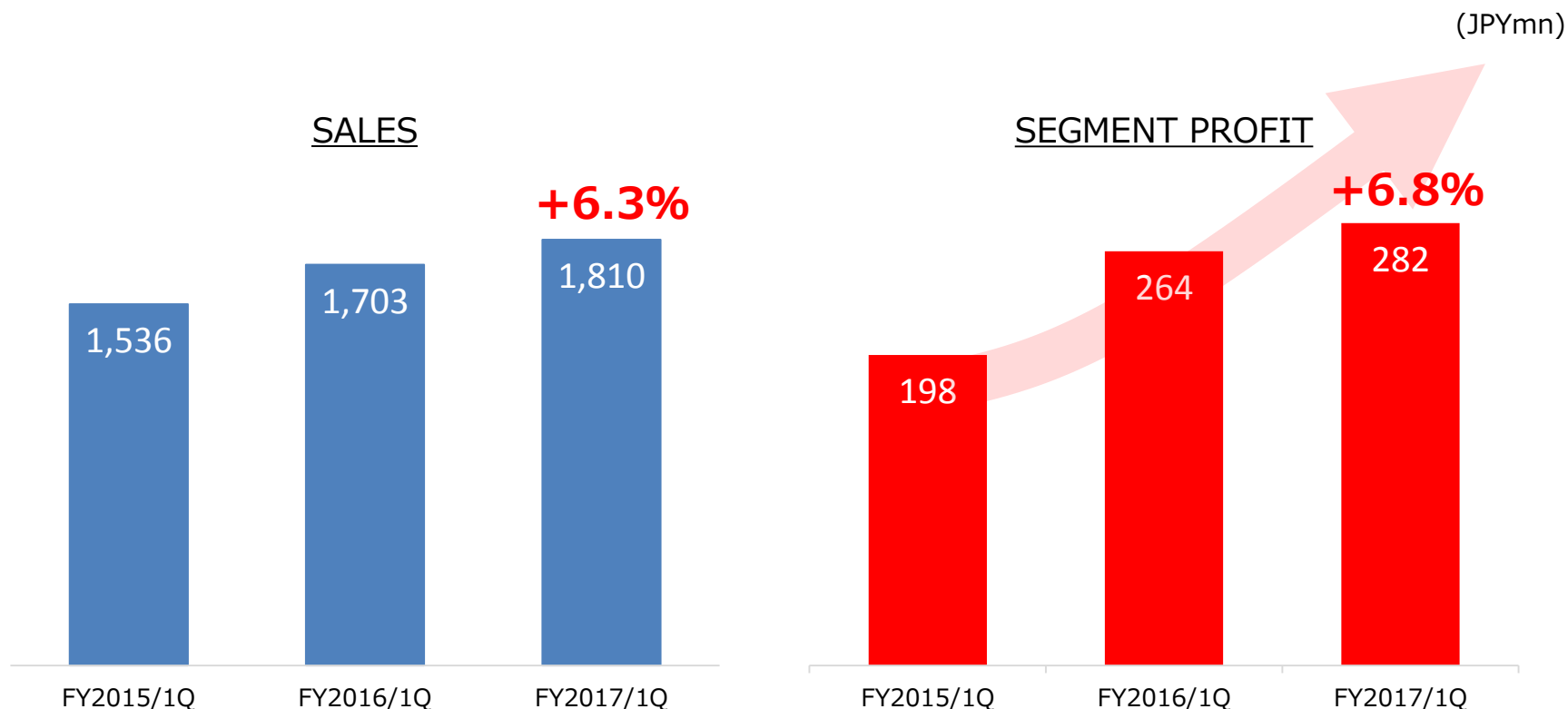
- Outbound (Travelers from Japan to overseas) : Customer increase for personal use such as graduation trips, smooth acquisition of corporate use such as business trips.
* FY2017/1Q corporate use ratio: Rental number 41.1%, amount 48.4%
- Inbound (Foreign travelers to Japan) : Market expansion, customer increase due to the sightseeing season.



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

Continue to increase sales and profit.

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



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

FY2017 Outlook of Financial Results

FY2017 Forecast of Financial Results

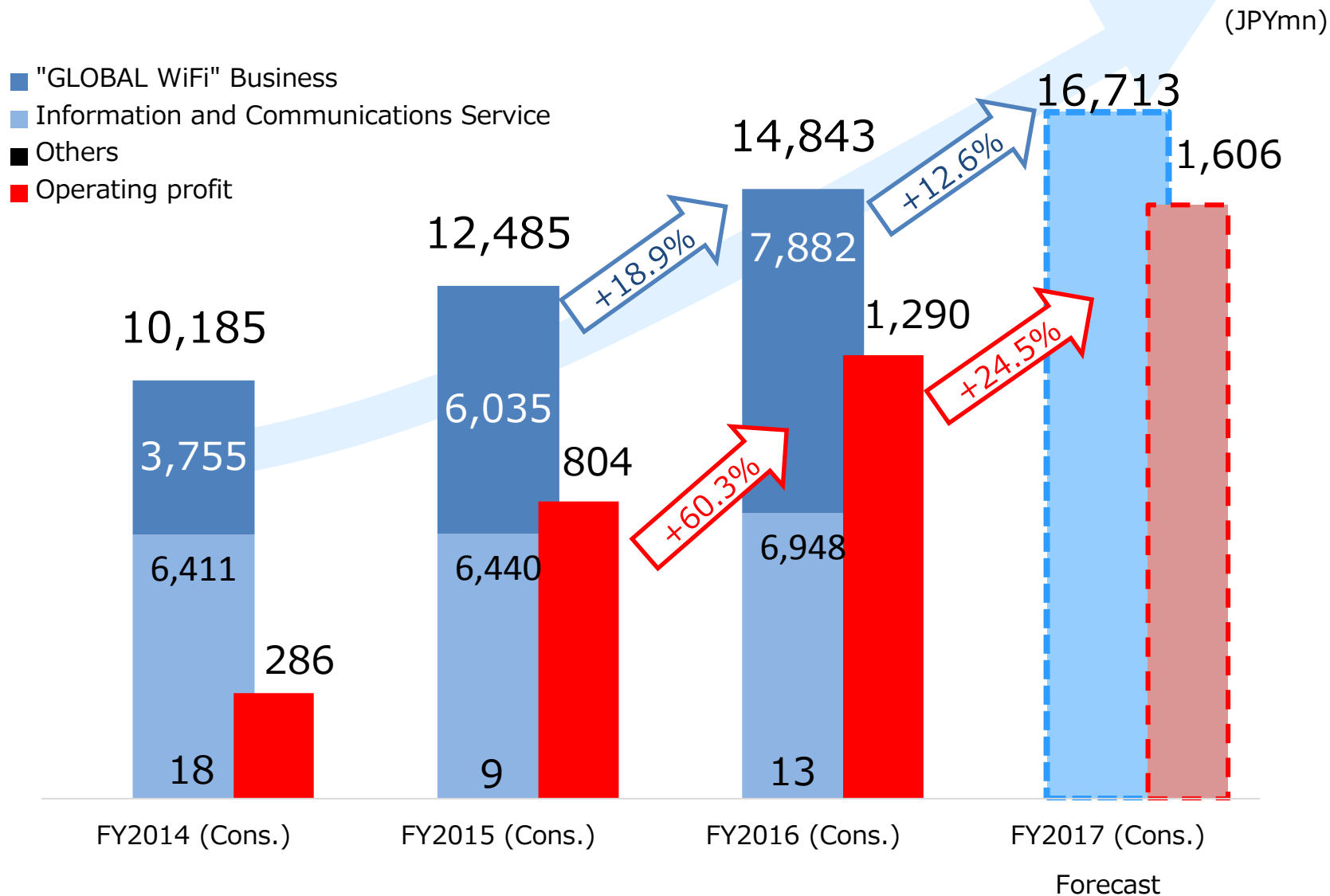


Anticipate Sales +12.6%, and Operating profit **JPY1.6bn (+24.5%)**.

(JPNmn, %)

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

Sales and Operating Profit (Full-Year)

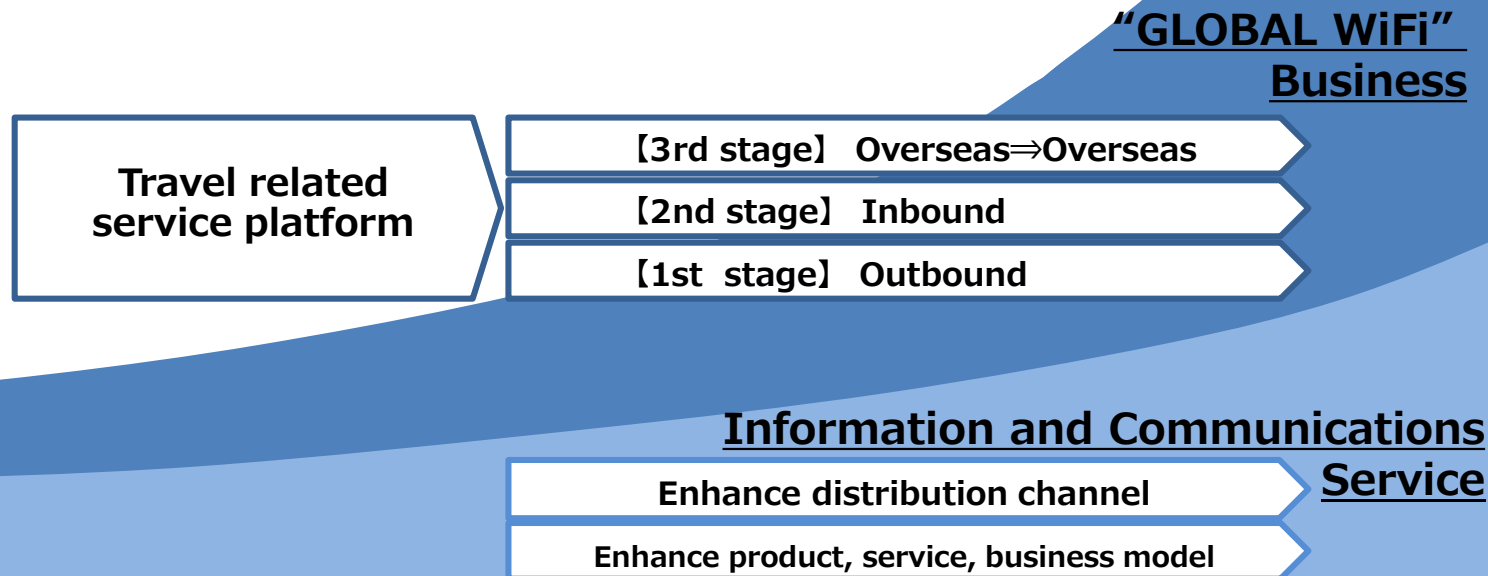


Progress of Growth Strategies 1Q FY2017 Topics

Medium-Term Profit Growth Image

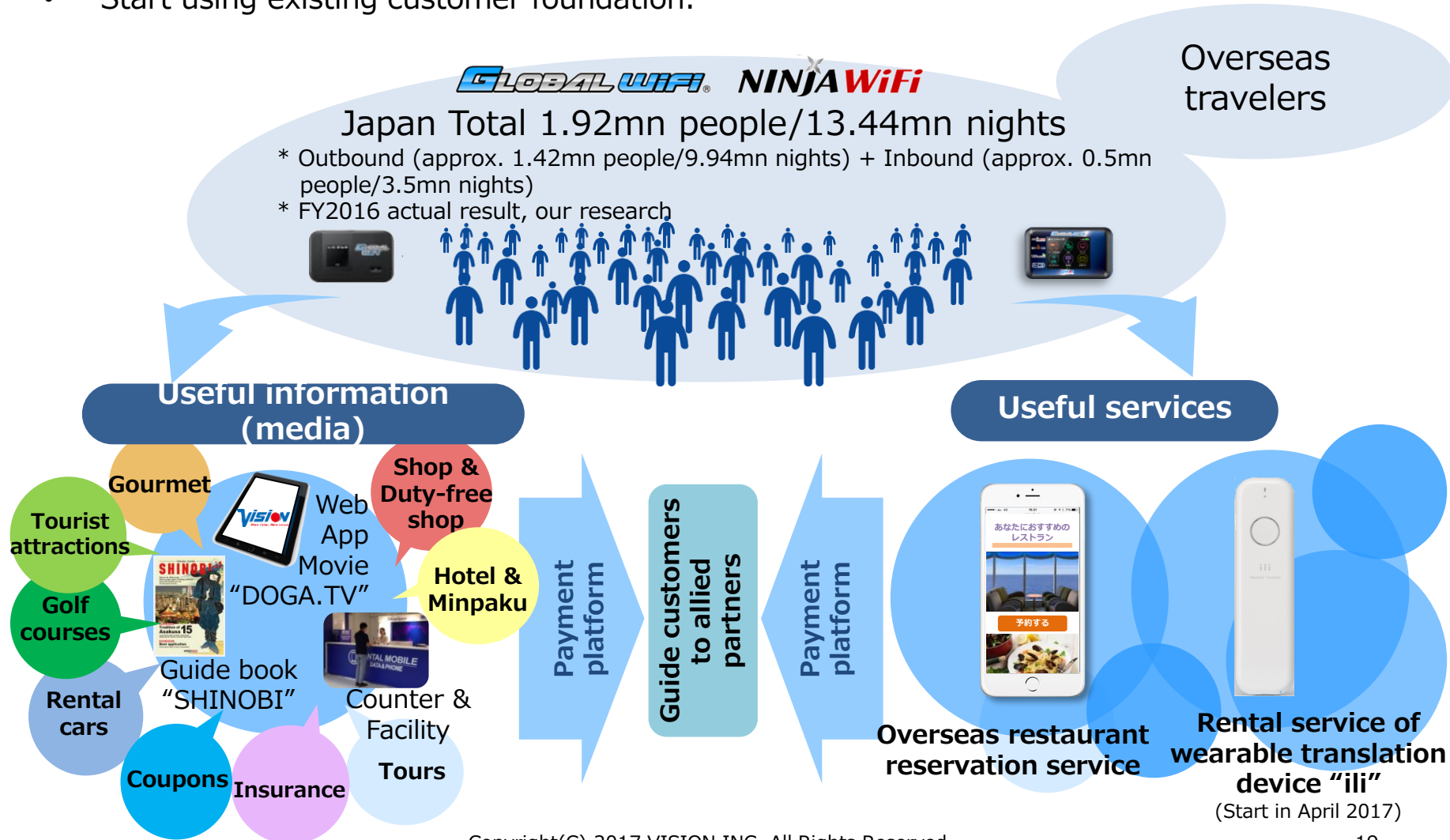
Steadily promote the growth strategies of the two main business segments.

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



○ Travel related service platform

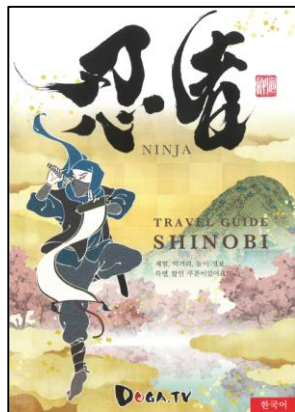
- Offer useful information (media)/service to solve problems during overseas travel.
- Start using existing customer foundation.



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

○Benefits of posted companies and facilities :

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

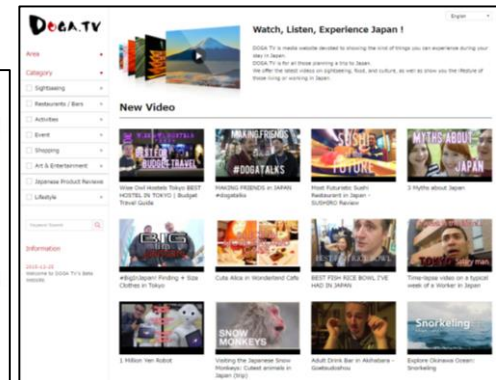


- Video media 「DOGA.TV」
<https://do-ga.tv/>

- Video specialty website for foreign tourists.
- Advertising model.

○Benefits of posted companies and facilities :

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



- Rental service of wearable translation device “ili” (Start on April 30, 2017)
 - Capital and business alliance with Logbar Inc., the developing company.
 - Initially, available in Japanese, English, Chinese (Korean and Spanish being prepared).
 - Suggest usage scenes for overseas travelers and foreign travelers visiting Japan.

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



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

- Overseas restaurant reservation service
 - The service that allows you to book overseas restaurants easily with your language in PC or smartphone.
 - Start informing “GLOBAL WiFi” users.
 - Trial service in progress.
 - Preparing to start offering for travel related service providers (travel agencies etc.).



- Inbound tower, tourist facility for foreign travelers visiting Japan
 - Located along Shinjuku Kabuki-cho Godzilla Rd.
 - The sightseeing spot where the largest class foreign travelers to Japan visit.
 - Various information, services and products for foreign visitors to Japan are exhibited and sold. Events are carried out.
 - Tourist information.
 - Offer products and services, collaborating with “DOGA.TV” and “SHINOBI”.
 - Rental service of “NINJA WiFi” and wearable translation device “ili”.
 - Offer services for visitors to Japan by cooperation with business partners.
 - Exchange counter (Evolable Asia Corp.), guide matching “TOMODACHI GUIDE” (Huber. Inc.), Exchange of electronic money and points in foreign currency (Pocket Change Inc.) etc.
 - Tie up with those who work on inbound business.



* Image



* Image



Contributing to the Information and Communications Revolution

Business Summary

Incorporated	December 4, 2001 (Founded June 1, 1995)
Management Philosophy	Contributing to the Information and Communications Revolution
Head Office	5F Shinjuku i-Land Tower, 6-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-1305
Employees	Domestic: 523 Global: 74 (As of March 31, 2017)
Affiliated Companies	Domestic: 2 Global: 12 (As of March 31, 2017)
Business	GLOBAL WiFi Mobile Wi-Fi router rental service



高速データカードレンタルサイト



Information and Communications Service

Information and communications-related distributor



行列の出来る格安ビジネスフォンサイト



ビジフォン.comは株式会社ビジョンの商標登録です



ポスター・図面の印刷コストダウン



PC・スマホ対応ホームページ制作サービス



行列の出来る格安コピー機サイト

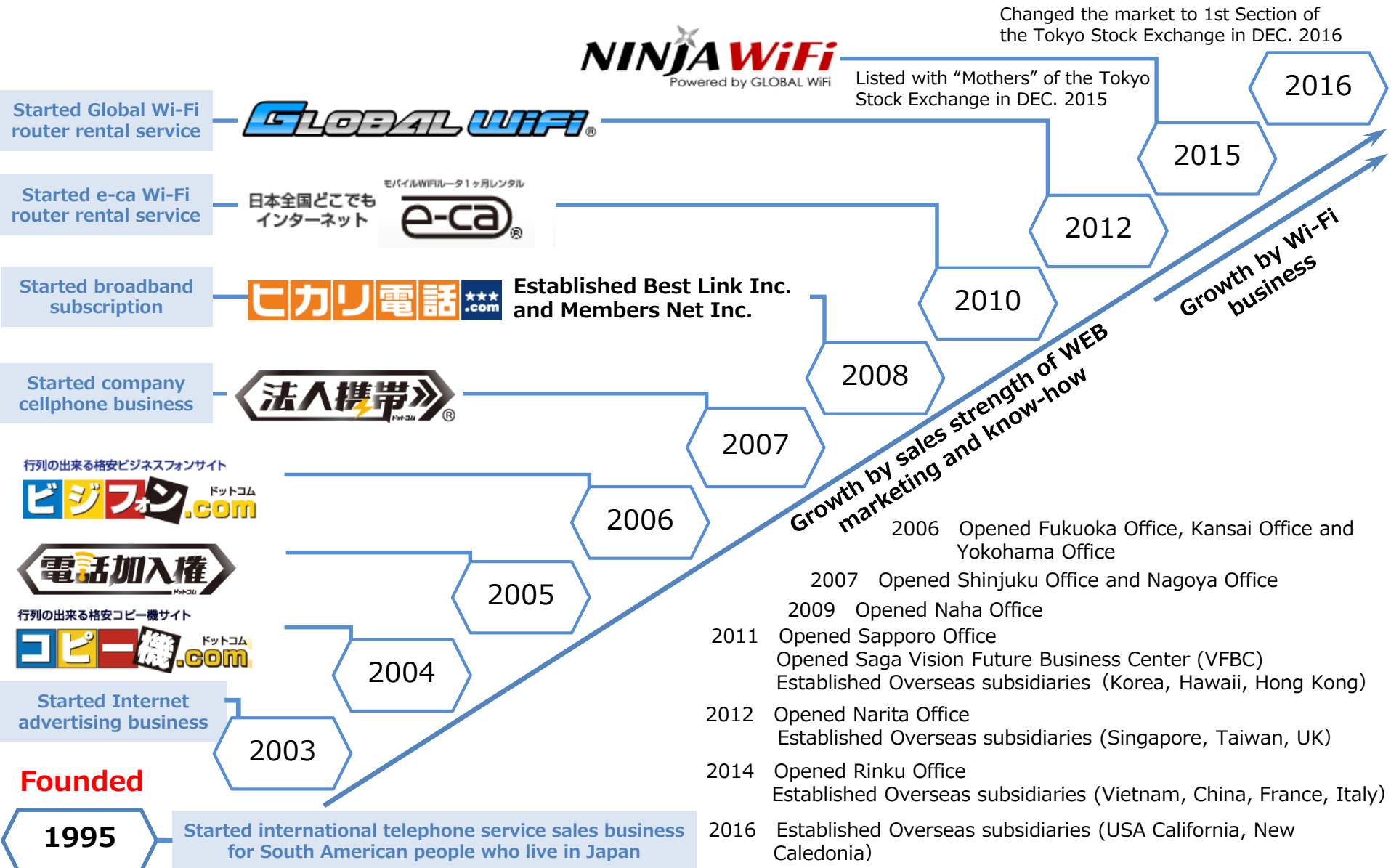


Profile of Vision Group

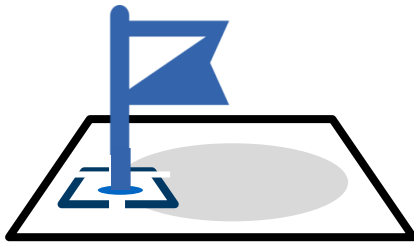
- Domestic Affiliated Companies : 2
- Domestic Operation Bases : 10
- Domestic Airport Counter : 14
- Global Affiliated Companies : 12
 - October, 2011 Korea
 - USA, Hawaii
 - December, 2011 Hong Kong
 - January, 2012 Singapore
 - February, 2012 Taiwan
 - April, 2012 The United Kingdom
 - March, 2014 Vietnam
 - April, 2014 China, Shanghai
 - November, 2014 France
 - December, 2014 Italy
 - July, 2016 USA, California
 - August, 2016 New Caledonia



Growth by Internet Media Strategy, Know-How and Wi-Fi Business



Niche & Focus strategy



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

- ✓ Overseas travelers
- ✓ Startup companies

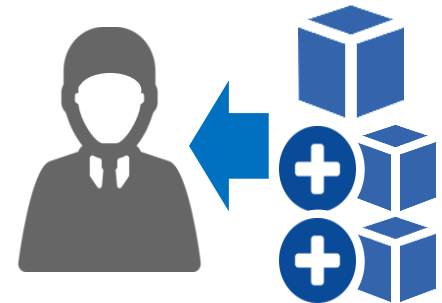
Price & Quality leadership strategy



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

- ✓ Productivity, price advantage
- ✓ Service quality evaluation

Up/Cross selling strategy



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

- ✓ Original CRM
- ✓ Stock business

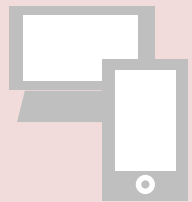
Segment Summary & Growth Strategy

"GLOBAL WiFi" Business

“GLOBAL WiFi” “NINJA WiFi”

- Offer anytime, anywhere, safe, secure and comfortable mobile Internet environment all over the world.
- Rental service, costs only when traveling.
- Several devices (smartphone, PC, etc.) can be connected at the same time.

<Haneda Airport Counter>



Reserve via
Web or CS



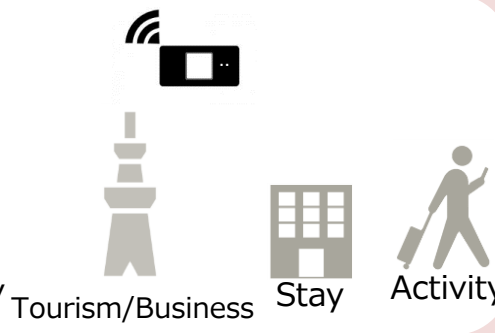
Pick Up at
the counter



Departure



Activity



Tourism/Business



Stay



Activity



Activity



Return at
the counter

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



Less Expensive
Fixed-rate

Maximum cost benefits ▲ 89.9%

• 300 yen/day~

* Japanese cellphone companies' fixed-rate discount ratio

Areas

Available in over 200 countries and regions worldwide, leading the industry in the number

Comfortable

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

Safe
Secure

Secure, and 42 support bases available 24 hours a day, 365 days a year, around the world

Counter

Number of airport counter is the industry's largest class

Corporate
Sales

Uptake ability of corporate needs

Customer

Number of users is the industry's largest class



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

"GLOBAL WiFi" Business Business Model

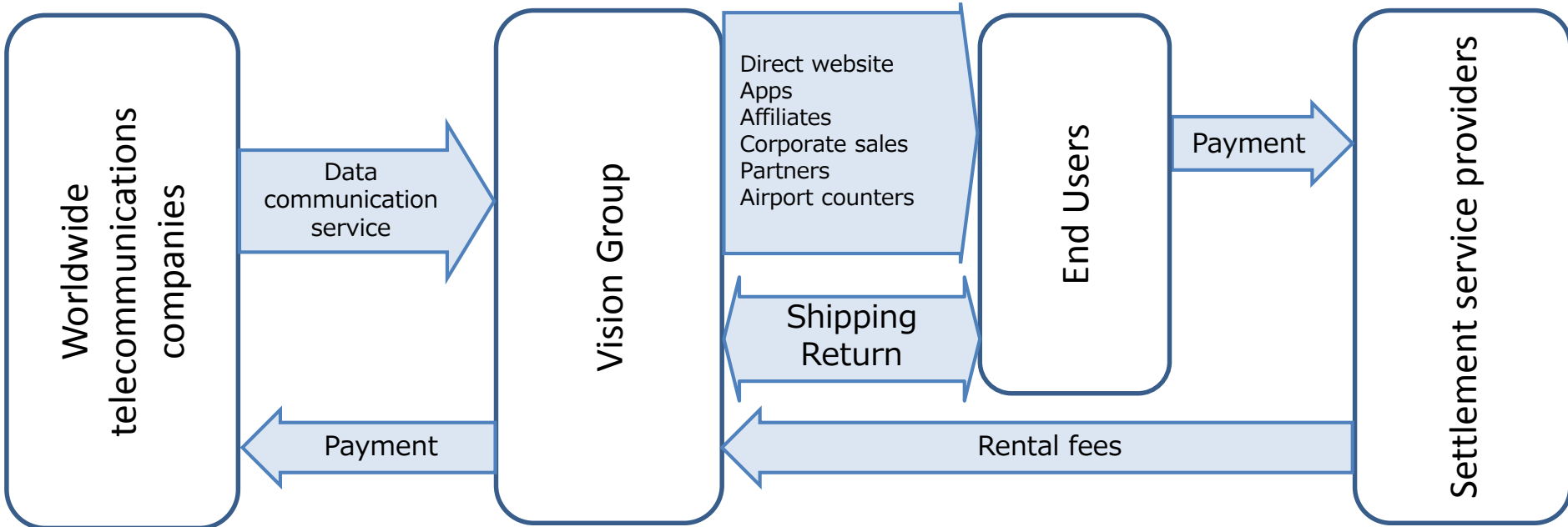


Available in over 200 countries and regions worldwide

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

Maximum cost benefits ▲89.9%

* Flat-rate roaming service ratio by Japanese cellphone companies



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



Number of airport counter is the industry's largest class

Uptake ability of corporate needs

Number of users is the industry's largest class

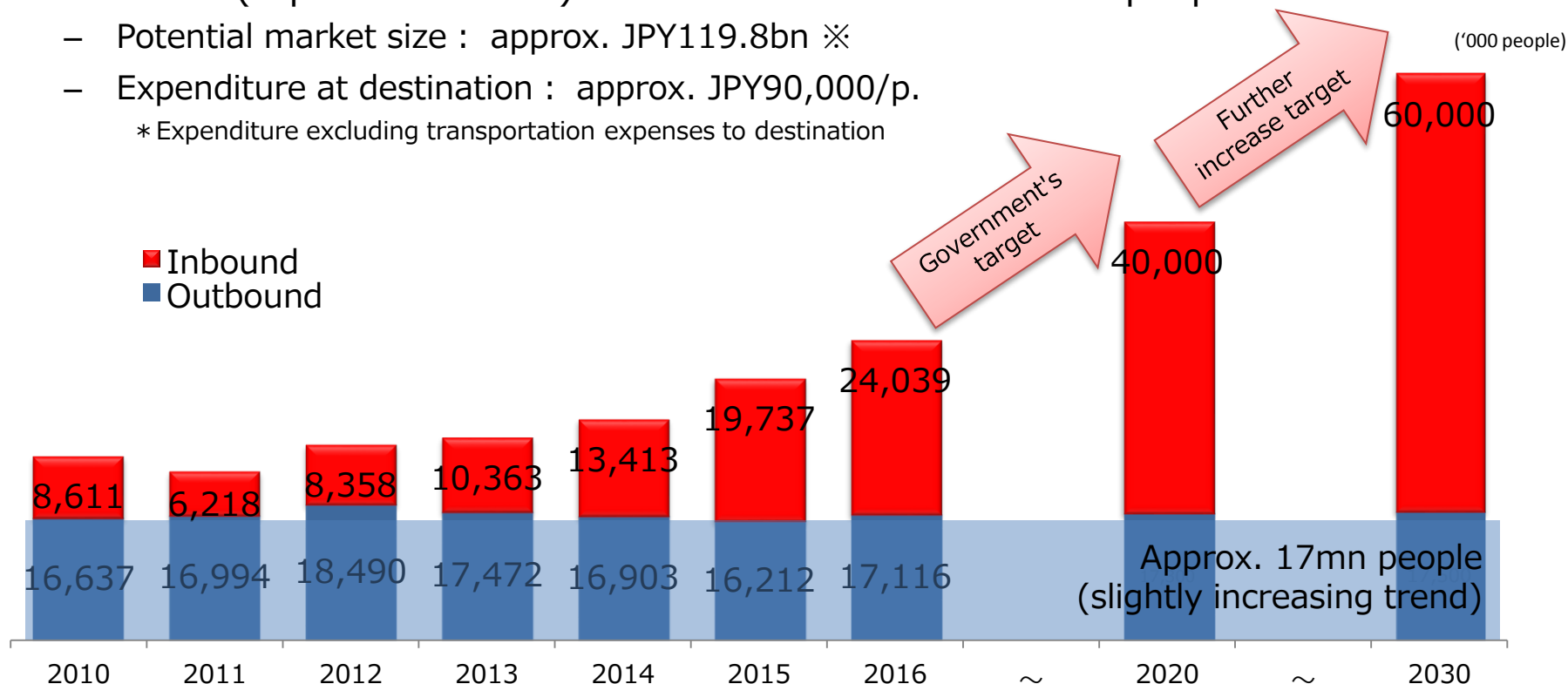
Internet Connection * Created by our research and standard

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

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

Market Size of "GLOBAL WiFi" Business (Japan)

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



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

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

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



Created from Japan Tourism Agency materials, Heisei28 edition tourism white paper, and the materials released on Oct. 2015 by UNWTO * Estimate from Average Revenue Per User of our customer

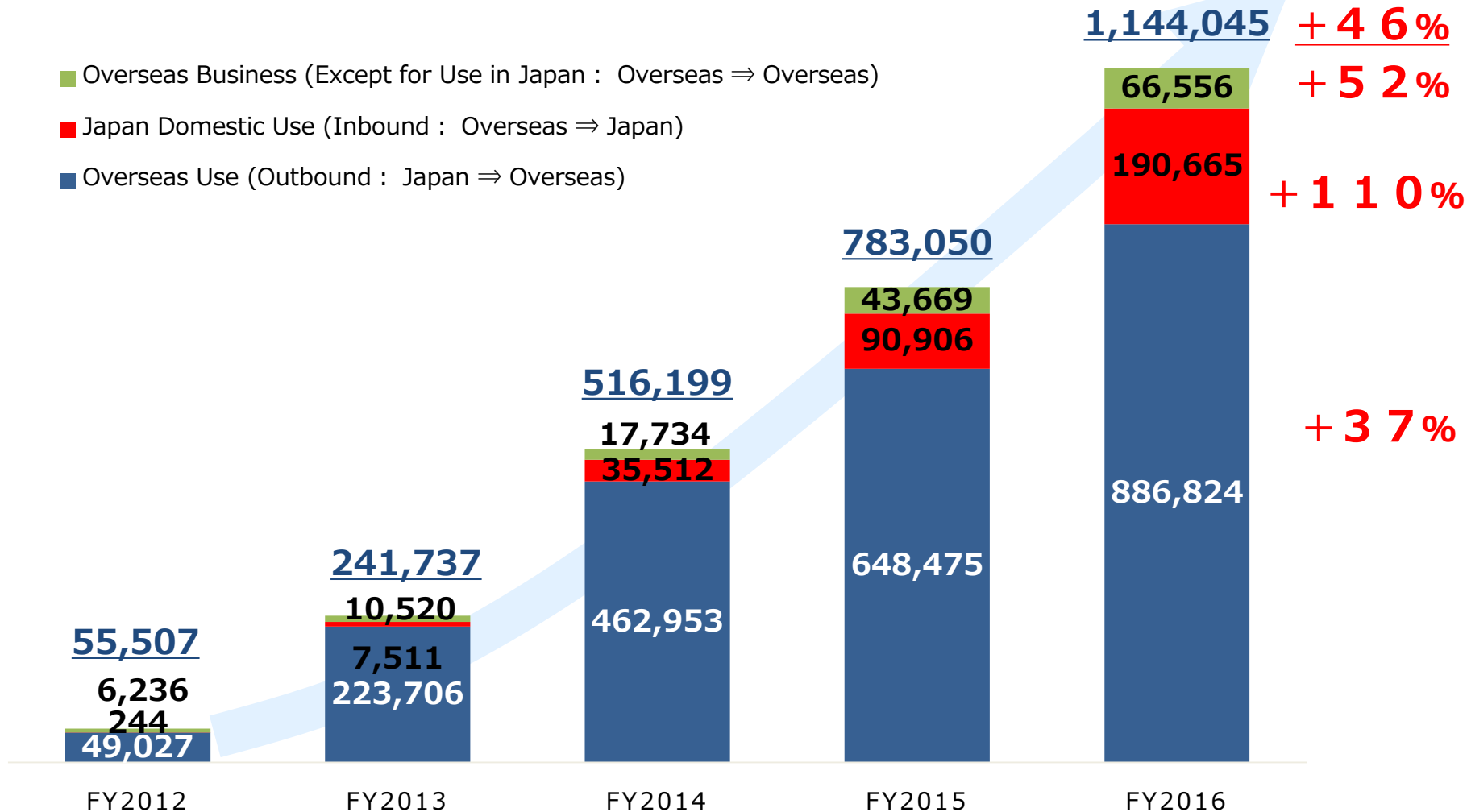
"GLOBAL WiFi" Business Transition of the Rental Number



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

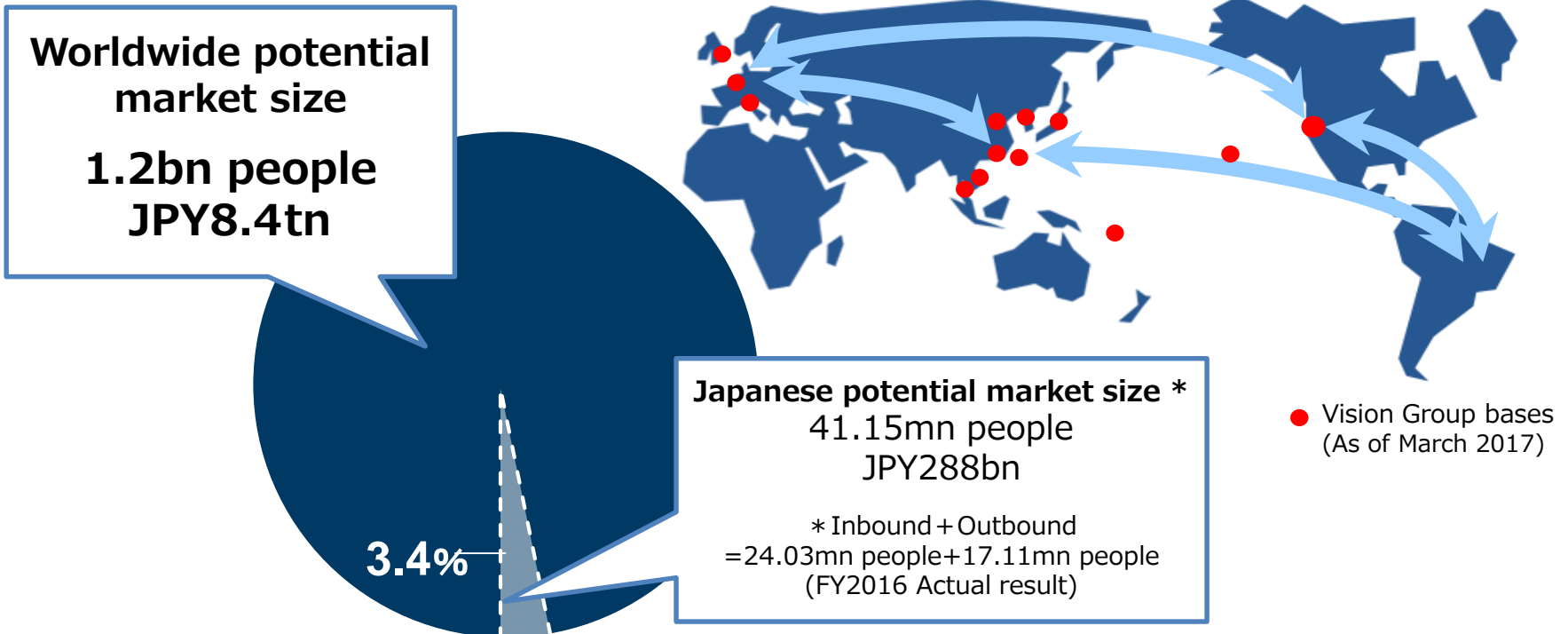
(Rental Number)

- Overseas Business (Except for Use in Japan : Overseas ⇒ Overseas)
- Japan Domestic Use (Inbound : Overseas ⇒ Japan)
- Overseas Use (Outbound : Japan ⇒ Overseas)



○Global expansion

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



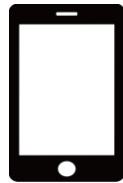
* Referring to materials by Tourism Authority and United Nations World Tourism Organization (UNWTO), estimate from Average Revenue Per User of our customer

Segment Summary & Growth Strategy Information and Communications Service

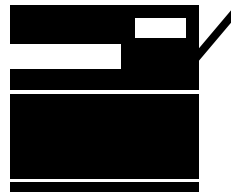
- Offer the most suitable information and communications-related products and services tailored to the stage and needs of the company.



Telephone Line
Arrangements



Cellphone
Support



Office
Automation



Website Support



Security





行列の出来る格安コピー機サイト



行列の出来る格安ビジネスフォンサイト



PC・スマホ対応ホームページ制作サービス



Start-up Companies

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

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

Source : Ministry of Justice

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

WEB Strategy

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

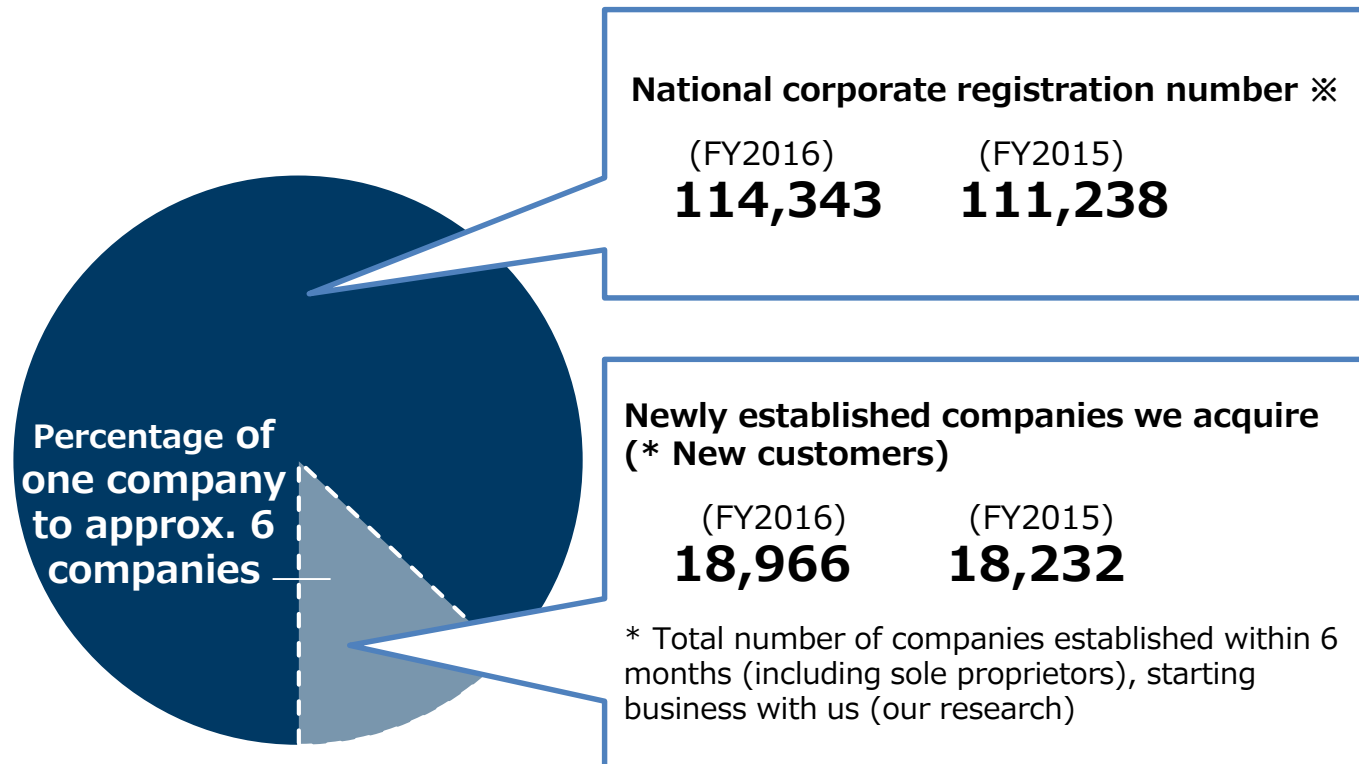
Customer Loyalty

CRM strategy, our own know-how

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

○ Newly established companies (Startup companies)

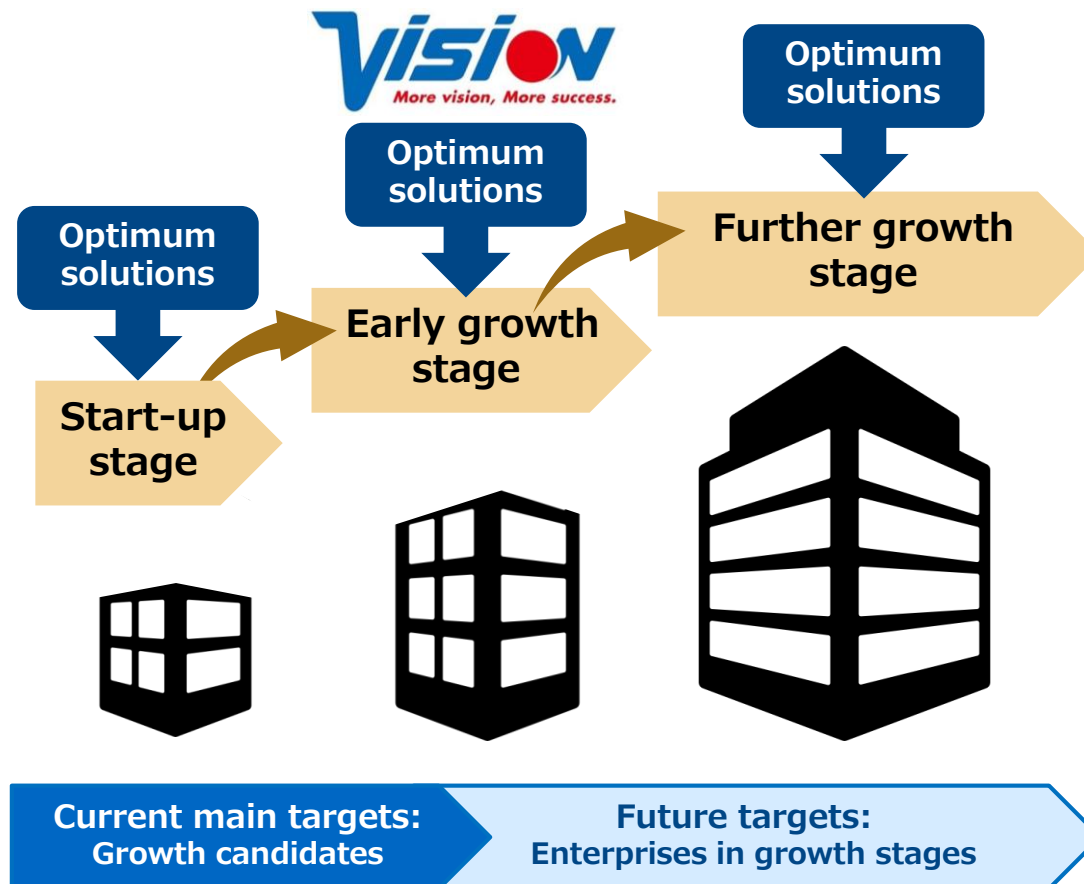
- The main target is newly established companies with high growth potential.
- Thanks to the policy, the number of foundations in Japan has increased.
- We will take advantage of our strengths to acquire customers and continue the relations.



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

○ Continuous stock model

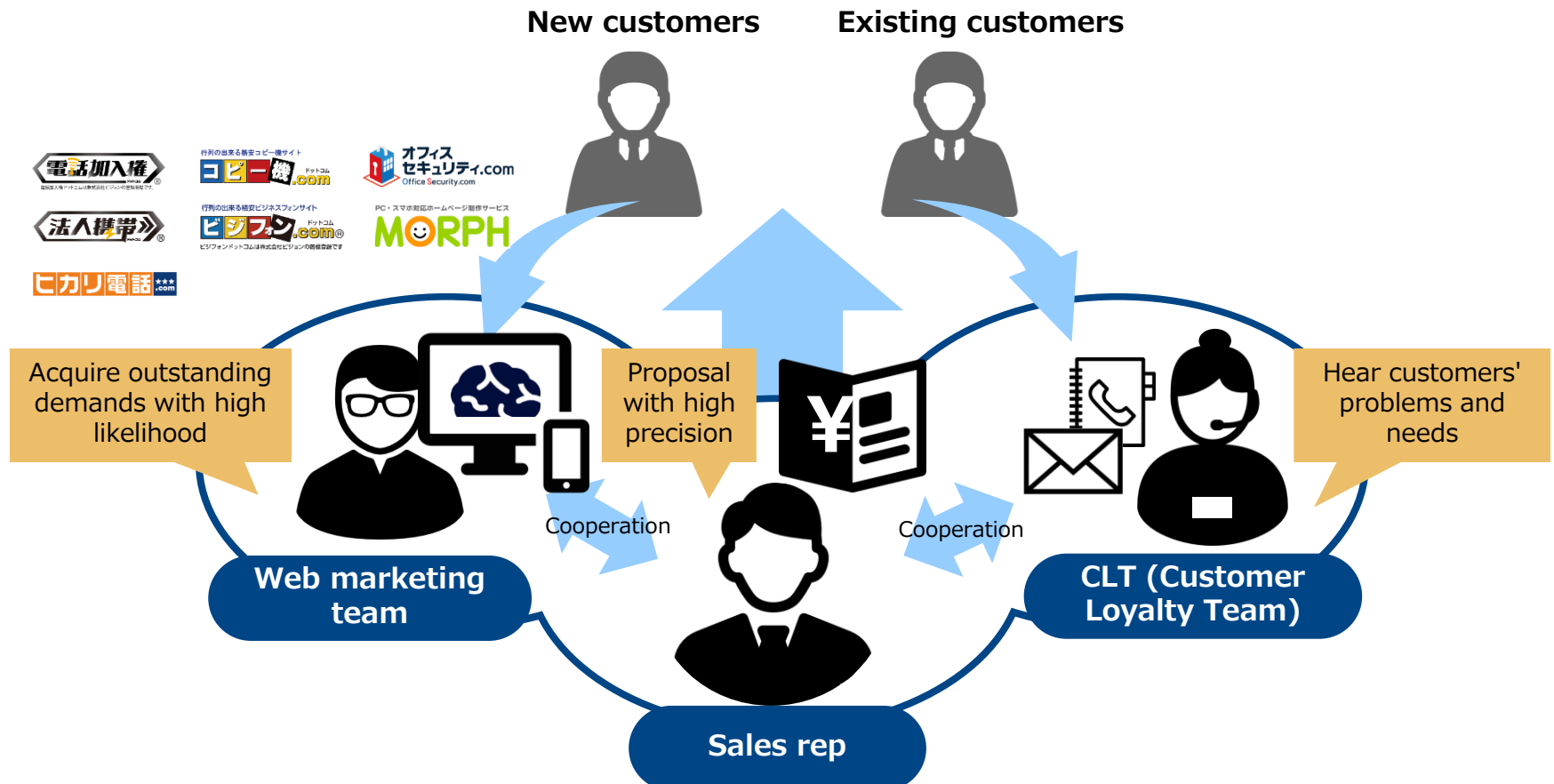
- Keeping closer to the growth of client companies, offer optimum solutions according to the growth stage.
- Structure that profits are accumulated by our original know-how CRM (customer relations / continuous dealings).



○ High productivity model

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

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



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

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

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

In the future, even if there is new information or future events etc., we does not undertake any obligation to update and modification of the “forward-looking statements” included in this announcement.

Vision Inc.

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



Contributing to the Information and Communications Revolution