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Consolidated Financial Results for the First Quarter Ended December 31, 2024 〔Japanese GAAP〕

May 15, 2024

Company	Vision Inc.			Stock Listing	TSE
Stock Code	9416		**URL**	https://www.vision-net.co.jp/en	
Representative	Chairman and CEO		Kenichi Sano		
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Scheduled date of filing of quarterly securities report : May 15, 2024
Scheduled starting date of dividend payment : ―
Quarterly supplementary financial document : Yes
Quarterly financial results briefing : Yes (for institutional investors and analysts)

(Round down to million yen)

1. Consolidated Financial Results for the First Quarter Ended December 31, 2024 (January 1, 2024 through March 31, 2024)

(1) Consolidated Operating Results (Cumulative) (% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY2024	8,581	2.8	1,524	10.2	1,553	9.2	1,019	8.4
1Q FY2023	8,347	48.8	1,382	242.3	1,423	250.4	940	282.4

(Note) Comprehensive income: 1Q FY2024 : 1,037 million yen (11.1%)
1Q FY2023 : 933 million yen (248.5%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
1Q FY2024	21.09	20.98
1Q FY2023	19.22	19.04

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Million yen	Million yen	%
1Q FY2024	21,269	15,701	72.6
FY2023	21,366	14,607	67.3

(Reference) Equity: 1Q FY2024 : 15,432 million yen
FY2023 : 14,389 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	―	0.00	―	0.00	0.00
FY2024	―				
FY2024 (Forecast)		11.00	―	14.00	25.00

(Note) Revisions to dividend forecast during the most recent quarter: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 2024 (January 1, 2024 through December 31, 2024)

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q FY2024	17,028	9.0	2,256	(7.1)	2,257	(8.3)	1,503	(6.8)	31.11
FY2024	36,145	13.6	5,254	22.7	5,256	21.2	3,500	15.7	72.43

(Note) Revisions to financial forecast during the most recent quarter: None

* Notes

(1) Changes in significant subsidiaries during the period : None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
New: － (Company name) － Excluded: － (Company name) －

(2) Application of accounting procedures specific to preparation of the quarterly financial statements : Yes

(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes on Quarterly Consolidated Financial Statements (Special Accountment Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements)" on page 10 of the attached materials.

(3) Changes in accounting policies, accounting estimates, and restatement

① Changes in accounting policies associated with revision of accounting standards : None
② Changes in accounting policies other than ① : None
③ Changes in accounting estimates : None
④ Restatement : None

(4) Shares issued (common stock)

① Shares issued as of term-end (incl. Treasury stock)	1Q FY2024	50,510,700	FY2023	50,505,300
② Treasury stock as of term-end	1Q FY2024	2,171,711	FY2023	2,171,681
③ Average number of shares outstanding	1Q FY2024	48,337,976	1Q FY2023	48,932,561

*** Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or audit firm.**

*** Explanation for appropriate use of forecasts and other notes**

The forward-looking statements such as operational forecasts contained in this statement's summary are based in information currently available to the Company and certain assumptions which are regarded as legitimate. Actual results may differ from such forward-looking statements for a variety of reasons. For the assumptions on the earnings forecasts and notes on their use, please refer to "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements" on page 6 of the attached materials.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In the first quarter of the current fiscal year, the Japanese economy has been recovering moderately, although it has recently been slowing down.

However, the downturn in overseas economies, including the impact of global monetary tightening and concerns about the outlook of the Chinese economy, poses downward pressure risks to the economy. It is important that we pay close attention to the effects of rising prices, the situation in the Middle East, and fluctuations in financial and capital markets, etc.

Within this economic environment, the Group has focused on its core business, the GLOBAL WiFi business, the Information and Communications service business, and the Glamping and Tourism business, and strived to respond flexibly to consumer needs.

As a result, net sales, operating profit, ordinary profit, and profit attributable to owners of the parent company for the first quarter of the current fiscal year all exceeded the results for the same period of the previous fiscal year.

In GLOBAL WiFi business for the first quarter of the previous fiscal year, we received orders from the Ministry of Health, Labour and Welfare for the operations of the Tokyo Airport Quarantine Office, etc. (quarantine support operations, hereinafter referred to as the "support operations"), and recorded net sales of approximately 1.7 billion yen and operating profit of approximately 470 million yen. However, the positioning of COVID-19 has been lowered to five types of infectious diseases, and the support operations, etc. are not currently provided. Based on the above, actual results after deducting the amount of support operations, etc. provided were substantially higher than in the previous fiscal year, with net sales increasing approximately 1.9 billion yen (up 28.6% year on year) and operating profit increasing approximately 610 million yen (up 68.5% year on year).

	FY2024/1Q Result (Million yen)	FY2023/1Q Result (Million yen)	Change (Million yen)	YoY (%)
Net sales	8,581	8,347 [6,672]	233 [1,908]	2.8 [28.6]
Operating profit	1,524	1,382 [904]	141 [619]	10.2 [68.5]
Ordinary profit	1,553	1,423	130	9.2
Profit attributable to owners of parent	1,019	940	79	8.4

* The amount in [ ] is the amount of support operations, etc. performed in the previous fiscal year is deducted.

Operating results by segment are as follows.

(GLOBAL WiFi Business)

During the first quarter of the current fiscal year, the inbound travel market, which benefited from the weak yen, remained brisk. The number of foreign visitors to Japan in March reached 3,081,600, a record high for a single month, and surpassed 3 million for the first time. The number in the first quarter of the current fiscal year reached 8.55 million, a 106.3% increase compared to 2019.

As for the number of outbound Japanese travelers, it has been recovering since the end of the border measures last year due to accelerated return of international flights. However, it has recovered moderately to 3.03 million, 61.8% of the 2019 level, due to economic factors such as the weak yen, fuel price hike, and high local prices, as well as unstable international situations. (Source: Japan National Tourism Organization)

In this environment, the inbound demand for "NINJA WiFi," a mobile Wi-Fi router rental service for foreign visitors to Japan, together with the sales of SIM cards from vending machines at airport counters have been steadily increasing as well.

As for outbound sales, the demand for the "Unlimited Data Plan" was high, and the number of countries available for the "5G Plan" was increased from 12 to 35. Therefore, the Average Revenue Per Use remained high.

As a result, net sales and segment profit for the first quarter of the current fiscal year fell below the results for the same period of the previous fiscal year. However, the actual results after deducting the amount of support operations, etc. provided were substantially higher than the results for the same period of the previous fiscal year, with net sales increasing by approximately 1.21 billion yen (up 35.4% year on year) and segment profit increasing by approximately 460 million yen (up 48.3% year on year).

GLOBAL WiFi Business	FY2024/1Q Result (Million yen)	FY2023/1Q Result (Million yen)	Change (Million yen)	YoY (%)
Net sales	4,647	5,108 [3,433]	(461) [1,213]	(9.0) [35.4]
Segment profit	1,431	1,443 [965]	(12) [466]	(0.8) [48.3]

* The amount in [ ] is the amount of support operations, etc. performed in the previous fiscal year is deducted.

(Information and Communications Service Business)

According to the "175th Survey of Business Conditions of Small and Medium Enterprises," during the first quarter of the current fiscal year, the business conditions DI (Diffusion Index: Index of various estimations by companies on business conditions, facilities, excess or deficiency of employees, etc.) for all industries of small and medium-sized enterprises (SMEs), which are the main service sectors provided by our business, decreased by 3.5 points in the January-March 2024 period from the previous fiscal year, and the negative margin expanded for three consecutive fiscal years.

In this business environment, we strengthened our sales capabilities while actively promoting mid-career recruitment. As a result, sales of office automation equipment and the electricity agency business (Eco-solution business) were favorable.

In addition, we strived to expand sales of in-house developed recurring-revenue services by maximizing lifetime value (customer lifetime value), such as future up-selling and cross-selling, reducing long-term churn rates, and generating continuous income through stock products.

As a result, both net sales and segment profit for the first quarter of the current fiscal year exceeded those of the previous year and reached record highs.

Information and Communications Service Business	FY2024/1Q Result (Million yen)	FY2023/1Q Result (Million yen)	Change (Million yen)	YoY (%)
Net sales	3,681	2,984	696	23.3
Segment profit	534	302	232	76.8

(Glamping and Tourism Business)

According to the Japan Tourism Agency's "Survey on Consumption Trends of Foreigners Visiting Japan," during the first quarter of the current fiscal year, inbound foreign travel spending in the January-March 2024 period is estimated to be 1,750.5 billion yen (up 52.0% from the same period in 2019).

Looking at the composition of inbound travel spending by expense category, lodging spending accounted for the largest share at 32.1%, with the composition of lodging spending increased by 3.5% compared to the same period in 2019.

Glamping is a market with even higher expectations.

In this business environment, the occupancy rate improved from the same period of the previous fiscal year as "VISION GLAMPING Resort & Spa" (Yamanakako, Yamanashi Prefecture), which opened in December 2022, was fully operational, and "Onsen Ryokan Glamping" which combines customer experience elements of hot spring inn and glamping was opened on the site of "VISION GLAMPING Resort & Spa Koshikano Onsen" (Kirishima City, Kagoshima Prefecture) in September 2023.

Furthermore, the number of foreign guests through overseas OTA (Online Travel Agent) has been increasing, leading to an increase in the average spend per customer.

As a result, both net sales and segment profit for the first quarter of the current fiscal year exceeded those of the previous year.

Glamping and Tourism Business	FY2024/1Q Result (Million yen)	FY2023/1Q Result (Million yen)	Change (Million yen)	YoY (%)
Net sales	243	215	28	13.4
Segment profit	28	6	21	336.0

(2) Explanation of Financial Position

(Assets)

Total assets were 21,269 million yen (96 million yen less than the end of the previous fiscal year).

Current assets were 15,532 million yen (86 million yen more than the end of the previous fiscal year). The main reasons for this were a 1,030 million yen increase in accounts receivable, a 753 million yen decrease in cash and deposits, and a 69 million yen decrease in products.

Fixed assets were 5,736 million yen (183 million yen less than the end of the previous fiscal year). The main reason was a 57 million yen decrease in goodwill.

(Liabilities)

Total liabilities were 5,567 million yen (1,191 million yen less than the end of the previous fiscal year).

Current liabilities were 4,858 million yen (1,115 million yen less than the end of the previous fiscal year). The main reasons for this were a 90 million yen increase in accounts payable, an 824 million yen decrease in income taxes payable, and a 286 million yen decrease in provision for bonuses.

Fixed liabilities were 709 million yen (75 million yen less than the end of the previous fiscal year). The main reason was a 76 million yen decrease in long-term debt.

(Net assets)

Net assets were 15,701 million yen (1,094 million yen more than the end of the previous fiscal year). The main reasons were a 1,019 million yen increase in retained earnings due to the posting of profit attributable to owners of the parent company, and a 51 million yen increase in subscription rights to shares.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Statements

There is no change to the consolidated financial results forecast announced in the “Consolidated Financial Results for the Fiscal Year Ended December 31, 2023” on February 13, 2024.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	10,221,202	9,467,366
Notes and accounts receivable - trade	3,713,323	4,744,023
Products	305,559	235,765
Supplies	5,957	10,272
Other	1,377,591	1,280,862
Allowance for doubtful accounts	(177,158)	(205,699)
Total current assets	15,446,475	15,532,591
Fixed assets		
Tangible fixed assets	3,188,305	3,192,995
Intangible fixed assets		
Goodwill	1,248,924	1,191,653
Other	104,990	101,984
Total intangible fixed assets	1,353,914	1,293,638
Investments and other assets		
Other	1,468,162	1,346,700
Allowance for doubtful accounts	(90,351)	(96,389)
Total investments and other assets	1,377,810	1,250,311
Total fixed assets	5,920,030	5,736,944
Total assets	21,366,505	21,269,535
Liabilities		
Current liabilities		
Notes and accounts payable – trade	1,229,622	1,320,055
Current portion of long-term debt	120,665	121,347
Accounts payable - other	2,052,298	1,803,850
Income taxes payable	1,203,290	379,090
Provision for bonuses	439,572	152,795
Other	928,279	1,081,128
Total current liabilities	5,973,728	4,858,267
Fixed liabilities		
Long-term debt	601,451	524,995
Other	183,690	184,581
Total fixed liabilities	785,141	709,576
Total liabilities	6,758,870	5,567,844
Net assets		
Shareholders' equity		
Share capital	2,571,601	2,573,945
Capital surplus	2,637,682	2,640,026
Retained earnings	11,663,013	12,682,626
Treasury stock	(2,645,942)	(2,645,975)
Total shareholders' equity	14,226,354	15,250,623
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	(9,563)	(9,649)
Foreign currency translation adjustment	172,936	191,089
Total other accumulated comprehensive income	163,373	181,439
Subscription rights to shares	217,907	269,628
Total net assets	14,607,635	15,701,691
Total liabilities and net assets	21,366,505	21,269,535

(2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

Consolidated Cumulative First Quarter

(Thousands of yen)

	FY2023/1Q (January 1, 2023 – March 31, 2023)	FY2024/1Q (January 1, 2024 – March 31, 2024)
Net sales	8,347,500	8,581,300
Cost of sales	4,094,688	3,633,284
Gross profit	4,252,811	4,948,016
Selling, general, and administrative expenses	2,870,307	3,423,928
Operating profit	1,382,503	1,524,087
Non-operating income		
Interest income	191	134
Dividends earned	3,000	3,000
Equity in earnings of affiliates	—	4,134
Subsidy income	25,837	24,576
Insurance surrender value	12,233	—
Other	3,149	5,125
Total non-operating income	44,410	36,971
Non-operating expenses		
Interest expenses	2,684	2,692
Equity in losses of affiliates	918	—
Foreign exchange loss	—	4,006
Other	252	868
Total non-operating expense	3,855	7,567
Ordinary profit	1,423,059	1,553,491
Extraordinary income		
Gain on sales of investment securities	—	1,249
Total extraordinary income	—	1,249
Extraordinary loss		
Loss on disposal of fixed assets	7,596	25,217
Total extraordinary loss	7,596	25,217
Profit before tax adjustment	1,415,463	1,529,523
Corporate, resident, and business taxes	439,231	348,430
Deferred income tax	35,174	161,479
Total income taxes	474,405	509,910
Quarterly profit	941,057	1,019,613
Quarterly profit attributable to non-controlling interests	767	—
Quarterly profit attributable to owners of parent	940,290	1,019,613

Quarterly Consolidated Statements of Comprehensive Income
Consolidated Cumulative First Quarter

(Thousands of yen)

	FY2023/1Q (January 1, 2023 – March 31, 2023)	FY2024/1Q (January 1, 2024 – March 31, 2024)
Quarterly comprehensive income	941,057	1,019,613
Other comprehensive income		
Valuation difference on available-for-sale securities	4,312	(86)
Foreign currency translation adjustment	(11,779)	18,152
Total other comprehensive income	(7,467)	18,065
Quarterly comprehensive income	933,590	1,037,679
(Breakdown)		
Quarterly comprehensive income related to owners of the parent	932,823	1,037,679
Quarterly comprehensive income related to non-controlling interests	767	—

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Special Accountment Treatment Applied in the Preparation of Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses of certain consolidated subsidiaries are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the consolidated fiscal year, including the first quarter under review, and multiplying quarterly income before income taxes and minority interests by such estimated effective tax rate.

However, in cases where calculating tax expenses using such estimated effective tax rate would significantly lack rationality, tax expenses are calculated by multiplying the quarterly income before income taxes by the statutory effective tax rate, after adjusting significant differences that do not fall under temporary differences.

(Segment Information, etc.)

I. FY2023/1Q Cumulative period (January 1, 2023 – March 31, 2023)

1. Information on net sales and profit or loss by reporting segment

(Thousands of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Quarterly consolidated income statement (Note 3)
	GLOBAL WiFi	Information and Communications Service	Glamping and Tourism	Total				
Net sales								
Sales to external customers	5,108,488	2,981,325	212,144	8,301,958	45,541	8,347,500	—	8,347,500
Intersegment sales and transfers	—	3,274	3,002	6,277	2,532	8,809	(8,809)	—
Total	5,108,488	2,984,599	215,147	8,308,235	48,074	8,356,310	(8,809)	8,347,500
Segment profit (loss)	1,443,484	302,214	6,505	1,752,203	(29,611)	1,722,592	(340,088)	1,382,503

Note 1: The "Other" category is for businesses that are not included in the reporting segment such as media and catalog sales businesses.

Note 2: Adjustments in the segment profit (340,088) thousand yen are company-wide expenses that are not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.

Note 3: Segment profit is adjusted to the operating profit of the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets or goodwill by reporting segment

Not applicable.

II. FY2024/1Q Cumulative period (January 1, 2024 – March 31, 2024)

1. Information on net sales and profit or loss by reporting segment

(Thousands of yen)

	Reporting segment				Other (Note 1)	Total	Adjustments (Note 2)	Quarterly consolidated income statement (Note 3)
	GLOBAL WiFi	Information and Communications Service	Glamping and Tourism	Total				
Net sales								
Sales to external customers	4,647,250	3,673,134	243,963	8,564,349	16,950	8,581,300	—	8,581,300
Intersegment sales and transfers	—	8,228	—	8,228	52	8,281	(8,281)	—
Total	4,647,250	3,681,363	243,963	8,572,578	17,003	8,589,581	(8,281)	8,581,300
Segment profit (loss)	1,431,481	534,244	28,362	1,994,088	(52,057)	1,942,030	(417,943)	1,524,087

Note 1: The "Other" category is for businesses that are not included in the reporting segment such as media and catalog sales businesses.

Note 2: Adjustments in the segment profit (417,943) thousand yen are company-wide expenses that are not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.

Note 3: Segment profit is adjusted to the operating profit of the quarterly consolidated statements of income.

2. Information on impairment loss on fixed assets or goodwill by reporting segment

Not applicable.