

## Cover

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Applicable Law	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
File to	Director, Kanto Local Finance Bureau
Filing Date	November 10, 2021
Fiscal Year	The Third Quarter of the 21st Business Term (From July 1, 2021 to September 30, 2021)
Company Name	Vision Inc.
Title and Name of Representative	Kenichi Sano, President, Founder & CEO
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Contact Person	Shinichi Nakamoto, Director, Managing Executive Officer, CFO, and General Manager of Administrative Dept.
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Phone No.	+81 3 (5325) 0344
Contact Person	Shinichi Nakamoto, Director, Managing Executive Officer, CFO, and General Manager of Administrative Dept.
Place Where Available for Public Inspection	Tokyo Stock Exchange (2-1 Nihombashi Kabuto-cho, Chuo-ku, Tokyo)

## Part 1: Company Information

### Item 1: Company Overview

#### 1. Changes in Major Management Indicators

	FY2020/3Q Cumulative period	FY2021/3Q Cumulative period	FY2020
Reporting period	January 1, 2020 - September 30, 2020	January 1, 2021 - September 30, 2021	January 1, 2020 - December 31, 2020
Net sales (Thousands of yen)	13,108,091	13,392,003	16,654,475
Ordinary profit (Thousands of yen)	167,813	1,042,134	227,947
Profit or loss (-) attributable to owners of parent (Thousands of yen)	-1,226,334	702,010	-1,183,960
Comprehensive income (Thousands of yen)	-1,205,368	728,885	-1,152,432
Net assets (Thousands of yen)	8,716,235	9,502,312	8,769,171
Total assets (Thousands of yen)	11,046,902	12,632,294	11,313,034
Basic earnings per share (Yen)	-25.94	14.91	-25.07
Diluted earnings per share (Yen)	—	14.50	—
Equity-to-asset ratio (%)	78.7	75.2	77.3

	FY2020/3Q Fiscal period	FY2021/3Q Fiscal period
Reporting period	July 1, 2020 - September 30, 2020	July 1, 2021 - September 30, 2021
Basic earnings per share (Yen)	2.67	5.22

(Note) 1. Since the Company prepares quarterly consolidated financial statements, changes in non-consolidated financial data, among others, are not provided.

2. Sales do not include consumption tax.

3. Diluted earnings per share for FY2020/3Q consolidated cumulative period and FY2020 are not shown in the above table because there was a net loss per share, although there are dilutive shares.

#### 2. Description of Business

During the third quarter of the current consolidated cumulative period, there have been no significant changes in the content of businesses operated by the Group (the Company and its affiliated companies).

In addition, there are no changes to major affiliated companies.

## Item 2: Business Overview

### 1. Business Risks

During the first three quarters of the current fiscal year, there were no significant changes relating to business or accounting that may impact on the decisions of investors or cause major changes from the “Business Risks” described in the securities report for the previous fiscal year.

We will continue to closely monitor the situation regarding the spread of COVID-19, as it may have an impact on our Group’s business results.

### 2. Management’s Analysis of Consolidated Financial Condition, Results of Operations, and Cash Flow Conditions

This report contains certain forward-looking statements that are based on the management’s judgments as of the last day of the consolidated fiscal period for the third quarter.

#### (1) Financial position and operating results

For the current consolidated cumulative period, Japan’s economy had been starting to show signs of recovery amidst a harsh economic environment due to the COVID-19 pandemic, but the pace is now slowing down.

Looking ahead, the economy is expected to pick up, partly due to the effects of various policies and improvements in overseas economies and as various countermeasures against infection are taken and vaccination rates increase. However, we need to closely monitor risks due to the effects through the supply chain, trends in infection rates in Japan and overseas, and fluctuations in financial and capital markets.

While still in a severe economic environment where measures are being taken to restrict travel both internationally as well as domestically, the Group has continued to focus on the “GLOBAL WiFi” and Information and Communications Service businesses for the domestic market.

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

	FY2021/3Q Cumulative period (million yen)	FY2020/3Q Cumulative period (million yen)	Change (million yen)	YoY (%)
Net sales	13,392	13,108	283	2.2
Operating profit	1,013	58	955	1,641.8
Ordinary profit	1,042	167	874	521.0
Profit or loss (-) attributable owners of parent	702	-1,226	1,928	—

Business results by segment are as follows.

#### (“GLOBAL WiFi” Business)

During the third quarter of the consolidated cumulative period, there was domestic demand for Wi-Fi router rentals to be used in various situations such as moving, business trips, various events, etc. as the pandemic necessitates working from home and doing sales online. We have endeavored to increase sales of our services, “Global WiFi for Biz,” monthly charge mobile Wi-Fi router for the office, “Vision WiMAX,” an ultra-high-speed Wi-Fi router, and “World eSim,” our newly released eSim service that can be

used in 120 countries around the world.

Also, those entering Japan must install certain apps on their phone as part of border measures at the airport quarantine station when entering Japan and we have temporarily been given the registration and confirmation work for the app since April 2021.

As a result of these efforts, both sales and segment profit for the third quarter of the current consolidated cumulative period exceeded the results for the same period of the previous year and these are the highest quarterly results since the previous third quarter consolidated accounting period when the effects of COVID-19 became apparent.

	FY2021/3Q Cumulative period (millions of yen)	FY2020/3Q Cumulative period (millions of yen)	Change (millions of yen)	YoY (%)
Net sales	6,493	5,906	586	9.9
Segment profit or loss (-)	749	-48	797	—

(Information and Communications Service Business)

For this segment, we are developing services that can contribute to cost reduction, operational efficiency improvement, and remote work support, which are able to be operational during and after the pandemic and where demand can be expected regardless of the economy.

We are also working on improving stability and profitability by increasing stock and promoting efficient sales activities, using the strategies of targeting new corporations and venture companies and upselling or cross-selling according to the growth stage of the company.

During the third quarter of the current consolidated cumulative period, there was large demand for mobile telecommunications equipment that support remote environments and we focused on sales. Additionally, in the future, operating costs will temporarily increase however continuous monthly profits can be expected with our new power service “Vision Denki” mainly aimed at small and medium-sized enterprises and start-up companies.

As a result, sales were higher than in the same period of the previous year, but segment profit was lower than in the same period of the previous year.

	FY2021/3Q Cumulative period (millions of yen)	FY2020/3Q Cumulative period (millions of yen)	Change (millions of yen)	YoY (%)
Net sales	6,724	6,666	57	0.9
Segment profit	1,024	1,184	-160	-13.5

#### Analysis of financial position

(Assets)

Total assets at the end of the third quarter consolidated accounting period are 12,632 million yen (1,319 million yen more than the end of the previous consolidated fiscal term).

Current assets are 10,384 million yen (1,511 million yen more than the end of the previous consolidated fiscal term). The main reasons for this are that cash and deposits increased by 957 million yen and notes and accounts receivable increased by 673 million yen.

Fixed assets are 2,247 million yen (192 million yen less than the end of the previous consolidated fiscal term) because investment and other assets decreased by 231 million yen.

(Liabilities)

Total liabilities at the end of the third quarter consolidated accounting period are 3,129 million yen (586 million more than the end of the previous consolidated fiscal term).

Current liabilities are 3,105 million yen (597 million yen more than the end of the previous consolidated fiscal term). This was due to the increase of bills and accounts payable by 103 million yen, payable income taxes and the like by 60 million yen, and reserve for bonuses by 95 million yen.

Fixed liabilities are 24 million yen (11 million yen less than the end of the previous consolidated fiscal term).

(Net assets)

Total net assets at the end of the third quarter consolidated accounting period are 9,502 million yen (733 million yen more than the end of the previous consolidated fiscal term).

The main reason for this was the recording of a net income of 702 million yen attributable to owners of the parent.

(2) Business and financial challenges that should be prioritized and addressed

During the third quarter of the current consolidated cumulative period, there were no changes in priority business or financial issues that need to be addressed by the Group.

(3) Research and development activities

Not applicable.

3. Important Material Contracts, etc.

During the third quarter of the current consolidated cumulative period, there were no business contracts decided or signed.

### Item 3: Information Related to Vision

#### 1. Information Related to Vision's Shares

##### (1) Total number of shares

###### ① Shares

Class	Total number of shares authorized to be issued (shares)
Common stock	123,000,000
Total	123,000,000

###### ② Issued shares

Class	Number of shares issued as of the end of period (September 30, 2021)	Number of shares issues as of the filing date (November 10, 2021)	Stock exchange on which Vision is listed or authorized financial instruments firms association	Description
Common stock	49,053,000	49,063,500	Tokyo Stock Exchange (The First Section)	The number of shares per one unit of shares is 100 shares.
Total	49,053,000	49,063,500	—	—

(Note) Number of shares issues as of the filing date does not include the number of shares issued by exercising stock acquisition rights from November 1, 2021 to the filing date of this quarterly securities report.

##### (2) Status of stock acquisition rights

###### ① Information on stock option limits

Not applicable.

###### ② Status of other stock acquisition rights

Not applicable.

##### (3) Exercise status of corporate bonds with stock acquisition rights with exercise price adjustment clause

Not applicable.

##### (4) Changes in the total number of issued shares, capital, etc.

Date	Changes in the total number of issued shares (shares)	Balance of the total number of issued shares (shares)	Changes in capital (thousands of yen)	Balance of capital (thousands of yen)	Changes in capital reserve (thousands of yen)	Balance of capital reserve (thousands of yen)
July 1, 2021 - September 30, 2021 (Note)	5,400	49,053,000	2,344	2,373,469	2,344	2,191,467

(Note) This is an increase due to the exercise of stock acquisition rights.

##### (5) Status of major shareholders

Not applicable for the third quarter ended December 31, 2021.

## (6) Voting status

## ① Issued shares

As of September 30, 2021

Classification	Number of stock shares	Number of voting rights	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury stock, etc.)	—	—	—
Shares with restricted voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 1,948,000	—	—
Shares with full voting rights (others)	Common stock 47,098,300	470,983	—
Shares representing less than one unit	Common stock 6,700	—	—
Number of issued shares	49,053,000	—	—
Total number of voting rights	—	470,983	—

(Note) “Shares representing less than one unit” includes 90 shares of company treasury stock.

## ② Treasury stock

As of September 30, 2021

Owner's name	Owner's address	Number of shares held under own name (shares)	Number of shares held under the name of others (shares)	Total number of shares held (shares)	Ownership percentage of total number of shares outstanding (%)
(Treasury stock) Vision Inc.	6-5-1 Nishi-Shinjuku, Shinjuku, Tokyo	1,948,000	—	1,948,000	3.97
Total	—	1,948,000	—	1,948,000	3.97

## 2. Changes in Directors and Company Auditors

Not applicable.

## Item 4: Financial Information

### 1. Preparation method of the condensed consolidated financial statements

The condensed consolidated financial statements of Vision have been prepared in accordance with the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, etc.” (Cabinet Office Ordinance No. 64 of 2007).

### 2. Independent auditor’s report on quarterly review

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, the condensed consolidated financial statements for the third quarter ended December 31, 2021 (from July 1, 2021 to September 30, 2021) and the nine months ended December 31, 2021 (from January 1, 2021 to September 30, 2021) have been reviewed by KPMG AZSA LLC.

# 1. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2020	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	6,650,318	7,608,099
Notes and accounts receivable - trade	1,428,842	2,102,102
Products	125,303	166,970
Supplies	4,748	9,154
Other	724,808	572,132
Allowance for doubtful accounts	-61,666	-74,132
Total current assets	8,872,354	10,384,327
Fixed assets		
Tangible fixed assets	342,989	382,164
Intangible fixed assets	196,721	195,852
Investments and other assets		
Other	1,949,361	1,724,294
Allowance for doubtful accounts	-48,393	-54,344
Total investments and other assets	1,900,967	1,669,949
Total fixed assets	2,440,679	2,247,966
Total assets	11,313,034	12,632,294
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable – trade	716,837	820,478
Income taxes payable	55,918	116,644
Provision for bonuses	159,001	254,999
Short-term surrender fees reserve	49,271	51,563
Other	1,526,752	1,862,088
Total current liabilities	2,507,781	3,105,773
Fixed liabilities		
Other	36,080	24,207
Total fixed liabilities	36,080	24,207
Total liabilities	2,543,862	3,129,981
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,363,785	2,373,469
Capital surplus	2,396,243	2,405,927
Retained earnings	6,359,377	7,061,387
Treasury stock	-2,416,784	-2,416,841
Total shareholders' equity	8,702,621	9,423,942
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	47,618	39,315
Deferred gains or losses on hedges	-721	—
Foreign currency translation adjustment	-2,549	30,227
Total other accumulated comprehensive income	44,347	69,542
Subscription rights to shares	21,344	6,288
Non-controlling interests	859	2,538
Total net assets	8,769,171	9,502,312
Total liabilities and net assets	11,313,034	12,632,294

(2) Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income  
Quarterly Consolidated Statement of Profit or Loss  
Consolidated Cumulative Third Quarter

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Net sales	13,108,091	13,392,003
Cost of sales	6,284,066	6,573,667
Gross profit	6,824,025	6,818,335
Selling, general, and administrative expenses	6,765,844	5,804,960
Operating profit	58,180	1,013,375
Non-operating income		
Interest income	732	607
Dividends earned	1,500	1,500
Currency exchange gain	8,320	24,206
Subsidy income	106,456	3,804
Other	7,674	6,397
Total non-operating income	124,684	36,516
Non-operating expenses		
Interest expenses	5,249	5
Payment fees	8,643	4,151
Other	1,158	3,600
Total non-operating expenses	15,051	7,756
Ordinary profit	167,813	1,042,134
Extraordinary income		
Gain on reversal of stock acquisition rights	—	14,940
Gain on sale of fixed assets	4,793	649
Gain on sale of investments in securities	3,402	—
Gain on sale of shares of subsidiary	62,867	—
Total extraordinary income	71,063	15,590
Extraordinary losses		
Losses on retirement of fixed assets	1,176	2,039
Losses on lease cancellations	6,469	—
Losses on revaluation of investments in securities	187,658	17,335
Office relocation costs	7,070	—
Impairment losses	* 1,395,072	—
Total extraordinary losses	1,597,447	19,375
Profit or loss (-) before tax adjustment	-1,358,570	1,038,349
Corporate, resident, and business taxes	113,945	138,190
Deferred income tax	-244,616	196,469
Total income taxes	-130,671	334,659
Quarterly profit or loss (-)	-1,227,898	703,690
Quarterly profit or loss (-) attributable to non-controlling interests	-1,564	1,679
Quarterly profit or loss (-) attributable to owners of parent	-1,226,334	702,010

Quarterly Consolidated Statement of Comprehensive Income  
Consolidated Cumulative Third Quarter

(Thousands of yen)

	Nine months ended September 30, 2020	Nine months ended September 30, 2021
Quarterly comprehensive income or loss (-)	-1,227,898	703,690
Other comprehensive income		
Other valuation difference on hedges	47,040	-8,302
Deferred gains or losses on hedges	-19,251	721
Foreign currency translation reserve	-5,258	32,777
Total other comprehensive income	22,530	25,195
Quarterly comprehensive income	-1,205,368	728,885
(Breakdown)		
Quarterly comprehensive income related to owners of the parent	-1,203,803	727,205
Quarterly comprehensive income related to non-controlling interests	-1,564	1,679

Notes:

(Additional information)

(Accounting estimate for the effects of the COVID-19 pandemic)

Although there is great uncertainty about the economic impact of COVID-19 and predicting the future is difficult, the recoverability of deferred tax assets and fixed assets will be based on the assumptions of changes in the business environment as follows and we will make accounting estimates for impairment losses.

Regarding assumptions and accounting estimates, including the time when the effects of pandemic will converge, as stated in the report for the previous consolidated fiscal year, demand for the “GLOBAL WiFi” business will partially recover from the fourth quarter. However, we have revised the forecast so there will be a delay by about six months. On the other hand, by continuing to capture the domestic demand for Wi-Fi devices, we are maintaining business performance that exceeds expectations. We have comprehensively evaluated these circumstances and determined that future estimates will not change.

In addition, there are no significant changes in the Information and Communications Services business and we continue to forecast that the impact will be minor.

(Quarterly Consolidated Statement of Profit or Loss)

\* Impairment loss

FY2020/3Q Cumulative period (January 1, 2020 - September 30, 2020)

Impairment losses for the following asset groups were recorded during the third quarter of the current consolidated cumulative period.

(1) Overview of impairment loss according to asset group

Place	User	Category	Amount of impairment loss (Thousands of yen)
Vision Inc. (Shinjuku City, Tokyo)	“GLOBAL WiFi”	Rental assets	577,254
		Software	378,128
		Tools, utensils, and equipment	173,183
		Other	80,577
	ProDrivers	Software	18,408
		Other	22,940
ProDrivers (Nerima City, Tokyo)	ProDrivers	Goodwill	119,924
		Leased assets	24,493
		Other	161

(2) Background to recording impairment loss

As a result of promptly reviewing the business plan because of the impact of the COVID-19 pandemic and considering future profit outlook and recoverability, the rental assets, software, tools, and equipment related to the Vision GLOBAL WiFi as well as software, equipment, goodwill, and leased assets relating to the chauffeur driven car sharing service, ProDrivers were decided to have recoverable value of zero and impairment loss was recorded.

(3) Method of grouping assets

In calculating impairment losses, the Group organizes assets by the smallest unit that generates cash flow and is largely independent of other assets or asset groups.

(4) Calculation method of recoverable amount

The recoverable value of “GLOBAL WiFi”, is measured by the value in use which is calculated assuming that the recoverable amount is zero because no future cash flow is expected.

The recoverable value of assets related to the chauffeur driven car sharing service, ProDrivers, is measured by the net selling price and the leased assets are based on the disposal price.

Since it is difficult to sell or divert other assets to others, the net selling price is calculated to be zero.

FY2021/3Q Cumulative period (January 1, 2021 - September 30, 2021)

Not applicable.

(Quarterly consolidated cash flow statement)

We have not prepared a quarterly consolidated cash flow statement for the third quarter consolidated cumulative period. The depreciation costs (including depreciation costs for intangible fixed assets excluding goodwill) and goodwill depreciation for the third quarter consolidated cumulative period are as follows.

	FY2020/3Q Cumulative period (January 1, 2020 - September 30, 2020)	FY2021/3Q Cumulative period (January 1, 2021 - September 30, 2021)
Depreciation	483,424 thousand yen	84,985 thousand yen
Goodwill depreciation	19,555 thousand yen	14,870 thousand yen

(Shareholders' equity)

FY2020/3Q Cumulative period (January 1, 2020 - September 30, 2020)

1. Dividend paid.  
Not applicable.
2. Of the dividends whose recorded date are in the third quarter consolidated cumulative period, the effective date of the dividend is after the last day of the third quarter consolidated accounting period.  
Not applicable.
3. Significant fluctuations in shareholders' equity  
Based on the resolution of the Board of Directors held on February 21, 2020, the Company has acquired 909,000 shares of treasury stock by market purchase method. As a result, treasury stock increased by 985,674 thousand yen during the third quarter consolidated cumulative period and increased by 2,416,784 thousand yen at the end of the third quarter consolidated accounting period.

FY2021/3Q Cumulative period (January 1, 2021 - September 30, 2021)

1. Dividend payment amount  
Not applicable.
2. Of the dividends whose recorded date are in the third quarter consolidated cumulative period, the effective date of the dividend is after the last day of the third quarter consolidated accounting period.  
Not applicable.
3. Significant fluctuations in shareholders' equity  
Not applicable.

(Segment Information, etc.)

Segment Information

I. FY2020/3Q Cumulative period (January 1, 2020 - September 30, 2020)

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	Total				
Net sales							
Sales to external customers	5,906,654	6,663,529	12,570,183	537,908	13,108,091	—	13,108,091
Intersegment sales and transfers	—	2,999	2,999	555	3,555	-3,555	—
Total	5,906,654	6,666,528	12,573,183	538,463	13,111,646	-3,555	13,108,091
Segment profit or loss (-)	-48,462	1,184,885	1,136,422	-355,926	780,496	-722,316	58,180

(Note) 1. The “Other” category is for businesses that are not included in the reporting segment such as ProDrivers, media, and catalog sales businesses.

2. The segment loss adjustment of -722,316 thousand yen is a company-wide expense that is not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.
3. Segment profit is adjusted to the operating profit of the quarterly consolidated income statement.

2. Information on impairment loss of fixed assets by reporting segment as it relates to matters such as goodwill.

(Major impairment losses that relate to fixed assets)

The profitability of the “GLOBAL WiFi” and ProDrivers businesses included in the “Other” category have declined and recovery of the investment amount is no longer expected, therefore the book value of assets (including goodwill) has been reduced to the recoverable amount.

The amount of impairment losses for the consolidated cumulative third quarter is 1,395,072 thousand yen. The recorded segment losses are 1,209,144 thousand yen for “GLOBAL WiFi” and 185,928 thousand yen for ProDrivers.

(Significant fluctuations in the financial value of goodwill)

The ProDrivers business included in the “Other” category had its goodwill value decrease by 119,924 thousand yen in the third quarter of the current fiscal year due to the recording of a goodwill impairment loss.

II. FY2021/3Q Cumulative period (January 1, 2021 - September 30, 2021)

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	Total				
Net sales							
Sales to external customers	6,493,547	6,723,650	13,217,198	174,805	13,392,003	—	13,392,003
Intersegment sales and transfers	—	478	478	6,915	7,393	-7,393	—
Total	6,493,547	6,724,128	13,217,676	181,720	13,399,397	-7,393	13,392,003
Segment profit or loss (-)	749,348	1,024,461	1,773,809	-62,307	1,711,501	-698,126	1,013,375

(Note) 1. The “Other” category is for businesses that are not included in the reporting segment such as ProDrivers, media, and catalog sales businesses.

2. The segment loss adjustment of -698,126 thousand yen is a company-wide expense that is not allocated to each reporting segment. These are mainly general and administrative expenses that do not belong to the reporting segment.

3. Segment profit is adjusted to the operating profit of the quarterly consolidated income statement.

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

Not applicable.

(Information on per share)

Basic earnings per share and calculation basis and diluted earnings per share and calculation basis are as follows.

Item	FY2020/3Q Cumulative period January 1, 2020 - September 30, 2020	FY2021/3Q Cumulative period January 1, 2021 - September 30, 2021
(1) Basic earnings per share	-25.94 yen	14.91 yen
(Calculation basis)		
Profit attributable to owners of parent (thousands of yen)	-1,226,334	702,010
Amount not attributable to ordinary shareholders (thousands of yen)	—	—
Profit attributable to owners of parent for common stock (thousands of yen)	-1,226,334	702,010
Average number of shares of common stock	47,270,324	47,090,561
(2) Diluted earnings per share	—	14.50 yen
(Calculation basis)		
Profit adjustment attributable to owners of the parent (thousands of yen)	—	—
Increase in common stock	—	1,325,778
Summary of potential shares that were not included in the calculation of diluted earnings per share because they don't have a diluting effect and changed significantly since the end of the previous consolidated fiscal year	—	Stock acquisition rights (2,801,400 shares of common stock) resolved by the Board of Directors on November 13, 2017 have been determined to not meet exercise conditions and were all extinguished on March 29, 2021.

(Note) Diluted earnings per share for the third quarter of the previous fiscal year are not stated because there is a net loss per share, although there are residual shares.

(Important subsequent events)

(About the share delivery)

The Company resolved at a Board of Directors meeting held on October 18, 2021 to execute a share delivery referred through which we will become the parent company and adval Corp. (hereinafter referred to as “adval”) will become a subsidiary.

#### 1. Summary of the share delivery

##### (1) Name and business summary of share delivery subsidiary

Share delivery subsidiary	adval Corp.
Business summary	Space management business

##### (2) Purpose of the share delivery

With this stock issuance, both the Company’s Information and Communications Service business and adval’s customer base can be expanded, sales can be improved by utilizing the know-how of both companies, purchasing efficiency can be improved, and costs can be reduced. Judging that it will lead to an increase in corporate value for both companies over the medium to long term, the Company decided to make adval a subsidiary.

##### (3) Schedule of the share delivery

Resolution of Board of Directors about the share delivery	October 18, 2021
Deadline for applications of the transfer of shares by the subsidiary	November 12, 2021 (planned)
Scheduled date of share issuance (effective date)	December 1, 2021 (planned)

##### (4) Share delivery method

This is a share delivery with the Company as the parent company and adval as the subsidiary.

##### (5) Name of the company after the merger

Not applicable.

##### (6) Ratio of acquired voting rights

50.1% (planned)

##### (7) Allotment details related to the share delivery

	Vision (parent company)	adval (subsidiary)
Allocation ratio of the share delivery	1	4.7
Number of shares to be delivered in the share delivery	Vision’s common stock: 446,500 shares (planned)	

(Note) 1. In order to ensure fairness and validity in calculating the share delivery ratio of the share delivery, a third-party organization independent of the Company and adval has been used to calculate the share grant ratio.

(Note) 2. Number of shares to be delivered through the share delivery

During the share delivery, the Company will allot 446,500 shares of common stock of the Company to the shareholders who applied for delivery of adval shares immediately prior to when the Company acquired adval issued stock.

#### 2. Other

Not applicable.

**Part 2: Information about Guarantors of the Company**

Not applicable.

# Independent Auditor’s Report on Review of Condensed Quarterly Consolidated Financial Statements

November 10, 2021

The Board of Directors  
Vision Inc.

KPMG AZSA LLC  
Tokyo Office

Designated Limited Liability Partner      Certified accountant      Naoki Ueno  
Engagement Partner

Designated Limited Liability Partner      Certified accountant      Masato Nagai  
Engagement Partner

## **Conclusion**

In accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Law, the audit corporation used the consolidated quarterly report for the third quarter (July 1, 2021 to September 30, 2021) of the consolidated fiscal year (January 1, 2021 to September 30, 2021) of Vision Inc., which is listed in “Accounting Status.” A quarterly review was conducted based on the financial statements, namely the quarterly consolidated balance sheet, quarterly consolidated statement of profit and loss, quarterly consolidated statement of comprehensive income, and additional notes.

For the quarterly review that we conducted, nothing has come to our attention that causes us to believe that the above quarterly consolidated financial statements do not present fairly, in all material respects, the financial position of Vision Inc. and its subsidiaries as of September 30, 2021, and the consolidated results of their operations for the six months in accordance with accounting principles for quarterly financial statements generally accepted in Japan.

## **Basis for Conclusion**

We conducted our review in accordance with quarterly review standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Auditors Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the condensed quarterly consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## **Responsibilities of Management, Corporate Auditors and the Board of Corporate Auditors for the Condensed Quarterly Consolidated Financial Statements**

The responsibility of management is to prepare and properly present the quarterly financial statements in accordance with the standards for preparing quarterly consolidated financial statements that are generally accepted in Japan. This includes establishing and operating internal controls that management deems necessary to prepare and properly present quarterly consolidated financial statements without material misstatement due to fraud or error.

In preparing the quarterly consolidated financial statements, the management evaluates whether it is appropriate to prepare quarterly consolidated financial statements based on the premise of going concern, and if it is necessary to disclose matters concerning going concern in accordance with the standards for preparing quarterly consolidated financial statements generally accepted in Japan.

The responsibility of the corporate auditors and the board of corporate auditors is to monitor the execution of duties by the directors in the development and operation of the financial reporting process.

## **Auditor’s Responsibilities for the Review of the Condensed Quarterly Consolidated Financial Statements**

Our responsibility is to express a conclusion on these condensed quarterly consolidated financial statements based on our review in our report on review of condensed quarterly consolidated financial statements. As part of our review in accordance with quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters and apply analytical and other review procedures. A quarterly review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not present fairly in accordance with the generally accepted criteria for preparing financial statements and based on obtained evidence, when a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to

continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether nothing has come to our attention that causes us to believe that the presentation and disclosures in the condensed consolidated financial statements are not in accordance with auditing standards generally accepted in Japan, the overall presentation, structure and content of the condensed consolidated financial statements, including the disclosures, and whether nothing has come to our attention that causes us to believe that the condensed consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the condensed quarterly consolidated financial statements. We are responsible for the direction, supervision and performance of the group review. We remain solely responsible for our review conclusion.

We communicate with corporate auditors and the board of corporate auditors regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interests**

There are no special interests between the company and the audit corporation or audit corporation executives that need to be stated according to the provisions of the Certified Public Accountants Act of Japan.

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- (Note) 1. The above is an electronic version of the items described in the original quarterly review report and the original is stored separately by the Company (the company that submits the quarterly report).
2. XBRL data is not included in the quarterly review.