

**Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2018  
(FY9/18) (Six Months Ended March 31, 2018) [IFRS]**

May 15, 2018

Company name: Evolvable Asia Corp. Stock Exchange Listing: TSE  
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Scheduled date of filing of Quarterly Report: May 15, 2018  
 Scheduled date of payment of dividend: –  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors and securities analysts)

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Second Quarter (October 1, 2017 to March 31, 2018) of FY9/18**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Profit before income taxes		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Mar. 31, 2018	3,458	38.4	808	150.6	811	149.4	599	140.0	522	145.5	571	111.7
Six months ended Mar. 31, 2017	2,498	–	322	–	325	–	249	–	212	–	269	–

	Profit per share		Fully diluted profit per share	
	Yen		Yen	
Six months ended Mar. 31, 2018	30.25		29.13	
Six months ended Mar. 31, 2017	12.74		12.06	

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Millions of yen
As of Mar. 31, 2018	12,750	4,631	4,278	33.5	246.72
As of Sep. 30, 2017	7,913	3,523	3,123	39.4	152.98

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen				
Fiscal year ended Sep. 30, 2017	–	0.00	–	7.00	7.00
Fiscal year ending Sep. 30, 2018	–	0.00	–	–	–
Fiscal year ending Sep. 30, 2018 (Estimated)	–	–	–	10.00	10.00

Note: Revision to the most recently announced dividend forecast: None

**3. Consolidated Forecast for FY9/18 (October 1, 2017 to September 30, 2018)**

(Percentages represent year-on-year changes)

	Net sales		Operating income		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	7,050	–	1,500	–	881	–	52.09

Note: Revision to the most recently announced consolidated forecast: None

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: – companies Excluded: – companies

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Change of the accounting policy required under IFRS: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

(3) Number of outstanding shares (common stock)

1) Number of shares outstanding as of the end of the period (including treasury shares)

As of Mar. 31, 2018:	17,341,800 shares	As of Sep. 30, 2017:	16,919,100 shares
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2) Number of treasury shares as of the end of the period

As of Mar. 31, 2018:	– shares	As of Sep. 30, 2017:	– shares
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3) Average number of shares issued during the period

Six months ended March 31, 2018:	17,263,134 shares	Six months ended March 31, 2017:	16,683,562 shares
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\* The quarterly financial report is exempt from the quarterly review procedures undertaken by the audit corporation.

\* Explanation of appropriate use of earnings forecasts, and other special items

The outlook for operating results and other forward-looking statements stated in this report are based on the information currently available to the Company and certain assumptions judged to be reasonable. The actual operating results, etc. may differ significantly from those statements, etc. due to various factors.

The Company will begin to apply IFRS in the settlement of accounts for the full-year consolidated financial results for the fiscal year ending September 30, 2018. This report is disclosed for reference purposes only, and thus the XBRL data are not attached.

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**1. Summary Consolidated Financial Statements****(1) Summary Consolidated Statements of Financial Position**

	(Millions of yen)		
	Date of change of accounting standards (October 1, 2016)	FY9/17 (As of Sep. 30, 2017)	Second Quarter of FY9/18 (March 31, 2018)
<b>Assets</b>			
Current assets			
Cash and cash equivalents	2,356	1,953	3,051
Notes and accounts receivable - trade and other receivables	1,104	1,631	2,053
Other financial assets	-	1,588	2,947
Inventories	274	45	39
Income taxes receivable	-	-	110
Other current assets	225	260	533
Total current assets	3,959	5,478	8,735
Non-current assets			
Property, plant and equipment	40	366	394
Intangible assets	202	609	879
Goodwill	102	757	1,977
Other financial assets	463	585	667
Other non-current assets	5	24	31
Deferred tax assets	35	89	65
Total non-current assets	850	2,434	4,014
Total assets	4,810	7,913	12,750
<b>Liabilities and equity</b>			
Liabilities			
Current liabilities			
Operating payable and other operating payable	1,604	2,045	2,580
Interest-bearing debt	240	777	2,449
Other financial liabilities	0	156	228
Accrued income taxes	134	195	25
Other current liabilities	275	373	384
Total current liabilities	2,255	3,548	5,668
Non-current liabilities			
Interest-bearing debt	87	622	2,086
Other financial liabilities	102	81	17
Provisions	3	3	3
Deferred tax liabilities	-	113	323
Other non-current liabilities	-	19	19
Total non-current liabilities	193	841	2,450
Total liabilities	2,448	4,389	8,119
Equity			
Capital stock	1,019	1,031	1,040
Share premium	824	845	1,663
Retained earnings	360	1,047	1,387
Other items of equity	61	199	187
Total equity attributable to owners of parent	2,266	3,123	4,278
Non-controlling interests	94	400	352
Total equity	2,361	3,523	4,631
Total liabilities and equity	4,810	7,913	12,750

(2) Summary Consolidated Statement of Income  
For the Six-month Period

	(Millions of yen)	
	Six months ended March 31, 2017 (Oct. 1, 2016 – Mar. 31, 2017)	Six months ended March 31, 2018 (Oct. 1, 2017 – Mar. 31, 2018)
Net sales	2,498	3,458
Cost of sales	396	1,220
Gross profit	2,101	2,238
Selling, general and administrative expense	1,743	2,393
Share of loss (profit) of entities	–	968
Other income	1	1
Other expenses	36	5
Operating income	322	808
Finance income	14	14
Finance costs	12	12
Profit before income taxes	325	811
Corporate income tax expenses	75	211
Profit	249	599
Profit attributable to		
owners of parent	212	522
Non-controlling interests	37	77
Profit	249	599
Profit per share		
Profit per share	12.74	30.25
Fully diluted profit per share	12.06	29.13

(3) Summary Consolidated Statement of Comprehensive Income  
For the Six-month Period

	(Millions of yen)	
	Six months ended March 31, 2017 (Oct. 1, 2016 – Mar. 31, 2017)	Six months ended March 31, 2018 (Oct. 1, 2017 – Mar. 31, 2018)
Profit	249	599
Other comprehensive income		
Items that may be reclassified as profit or loss		
Translation adjustments of foreign operations	4	(26)
Cash flow hedge	16	(1)
Total other comprehensive income	20	(28)
Comprehensive income	269	571
Comprehensive income attributable to		
Owners of parent	224	507
Non-controlling interests	44	64
Comprehensive income	269	571

## (4) [Summary Consolidated Statement of Cash Flows]

(Millions of yen)

	Six months ended March 31, 2017 (Oct. 1, 2016 – Mar. 31, 2017)	Six months ended March 31, 2018 (Oct. 1, 2017 – Mar. 31, 2018)
<b>Cash flows from operating activities</b>		
Profit before income taxes	325	811
Depreciation and amortisation expense	44	114
Interest and dividend income	(3)	(2)
Interest expenses	5	12
Listing expenses	21	–
Decrease (increase) in notes and accounts receivable-trade and other receivables	227	(538)
Decrease (increase) in inventories	210	5
Decrease (increase) in investment securities for sale	(74)	(1,259)
Increase (decrease) in notes and accounts payable-trade	(118)	275
Decrease (increase) in other assets	(99)	(111)
Increase (decrease) in other liabilities	50	(20)
Other	47	(11)
Subtotal	636	(725)
Interest income received	3	2
Interest expenses paid	(5)	(14)
Income taxes paid	(71)	(175)
Net cash provided by (used in) operating activities	564	(912)
<b>Cash flows from investing activities</b>		
Purchase of investment securities	(49)	–
Purchase of property, plant and equipment	(131)	(57)
Proceeds from sales of property, plant and equipment	–	46
Purchase of intangible assets	(180)	(318)
Payments for lease deposits	(75)	(48)
Collection of lease deposits	13	21
Proceeds from withdrawal of time deposits	110	–
Payments into time deposits	–	(29)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(355)
Other	(2)	1
Net cash provided by (used in) investing activities	(315)	(740)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	7	906
Proceeds from long-term loans payable	–	2,100
Repayments of long-term loans payable	(9)	(96)
Proceeds from issuing shares	–	18
Cash dividends paid	–	(117)
Other	1	(4)
Net cash provided by (used in) financing activities	(0)	2,807
Effect of exchange rate change on cash and cash equivalents	4	(14)
Net increase (decrease) in cash and cash equivalents	252	1,139
Cash and cash equivalents at beginning of period	2,225	2,078
Cash and cash equivalents at end of period	2,477	3,218

## 2. Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Notes on going concern assumptions

(Segment information, etc.)

(1) Information related to segment revenues and financial results

Six months ended March 31, 2017 (Oct. 1, 2016 – Mar. 31, 2017)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Total on a consolidated basis
	Online Travel Agency Business	IT Offshore Develop- ment Business	Total				
Net sales	1,871	695	2,566	0	2,567	(49)	2,517
Segment profits (losses)	524	59	583	(0)	583	(260)	322

Notes: 1. The category “Other” includes advertising revenue and other business.

2. The category “Adjustment” mainly includes the corporate expenses and intersegment transactions that are not attributable to the reportable segments.

3. The segment profit or loss has been adjusted to the operating income stated in the quarterly consolidated statement of income.

Six months ended March 31, 2018 (Oct. 1, 2017 – Mar. 31, 2018)

(Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Total on a consolidated basis
	Online Travel Agency Business	IT Offshore Develop- ment Business	Investment Business	Total				
Net sales	2,303	1,133	101	3,538	0	3,538	(80)	3,458
Segment profits (losses)	15	91	951	1,058	34	1,093	(284)	808

Notes: 1. The category “Other” includes advertising revenue and other business.

2. The category “Adjustment” mainly includes the corporate expenses and intersegment transactions that are not attributable to the reportable segments.

3. The segment profit or loss has been adjusted to the operating income stated in the quarterly consolidated statement of income.

(2) Matters regarding change of reportable segments

The Company launched the Investment business in the previous consolidated fiscal year, and the reportable segments were changed from the Online Travel Agency Business, the IT Offshore Development Business, and Other Businesses to the Online Travel Agency Business, the IT Offshore Development Business, and the Investment Business.

Because of the lack of importance of the Investment Business in the first six months of the previous fiscal year, no reclassification was carried out.