

For the First Half of the Fiscal Year
Ending September 30, 2018

Results of Operations

Evolable Asia Corp.
TSE 1st Section : 6191
May 15, 2018



EVOLABLE ASIA

- **DeNA Travel**, the largest Japanese OTA in overseas air tickets and foreign travel, was made a subsidiary.
- Operating income: strong growth of 209% YoY, satisfactory progress over the full-year forecast
- Successful results of AirTrip promotion campaign

DeNA Travel was made a subsidiary

- 1 **DeNA Travel, the largest Japanese OTA in overseas air tickets and foreign travel^(*1), was acquired**
- 2 **Upon the above acquisition, the Company became the **second-ranked general OTA in the industry^(*2)****
- 3 **Aim for a handling volume of **200 billion yen****
- 4 **Holding of a **dynamic package system** for domestic travel and foreign travel**

*1 According to a survey undertaken by the Company

*2 According to a survey undertaken by the Company; in the Japanese general OTA industry

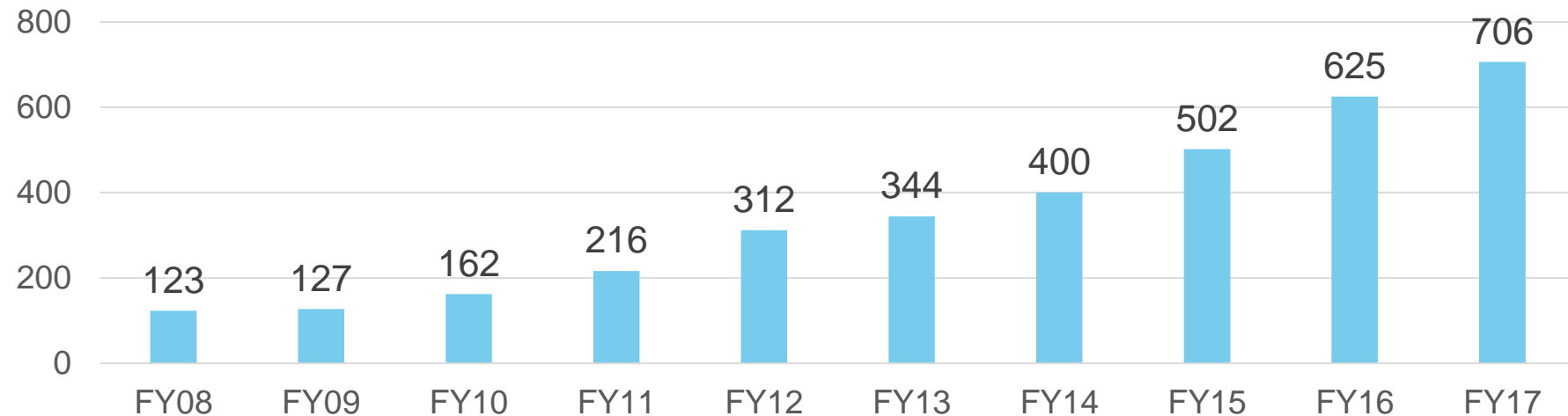
Summary of the Terms and Conditions of the Acquisition

Ratio of equity acquired	100%
Method of acquisition	Share transfer
Consideration for acquisition	Cash
Transfer price	1,200 million yen
Date of basic agreement	May 14, 2018
Scheduled date of transfer	May 31, 2018 (scheduled)



Trade name	DeNA Travel Co., Ltd.
Foundation	July 1979
Representative	Shuhei Omi
Shareholders	DeNA Co., Ltd.
Address	Shinjuku-ku, Tokyo
Capital	100 million yen
Number of employees	260 persons (as of March 31, 2017)
Business description	Provision of travel products and services, among others

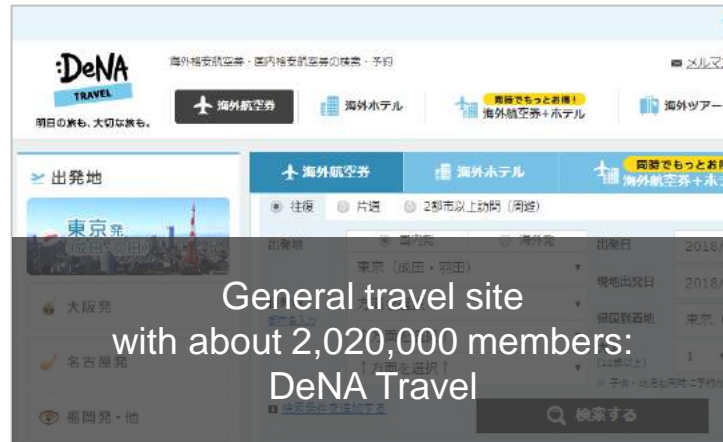
Change in transaction volume
(hundred million yen)



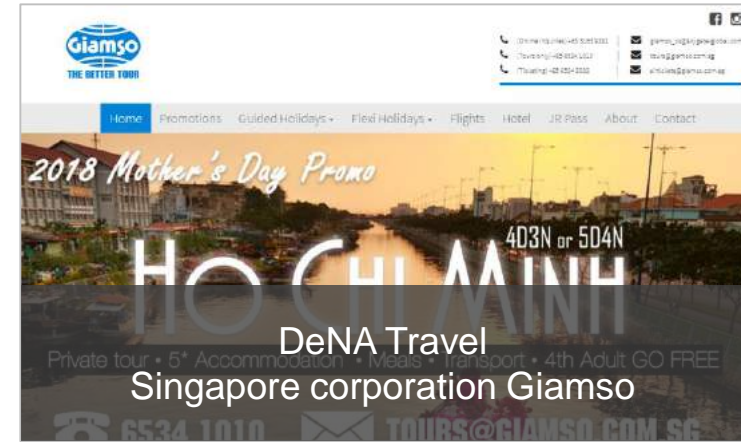
Business of DeNA Travel



DeNA Travel apps for smartphones



General travel site with about 2,020,000 members: DeNA Travel



DeNA Travel Singapore corporation Giamso



Number of companies entering the contract: 1,388 Business trip for corporate customers

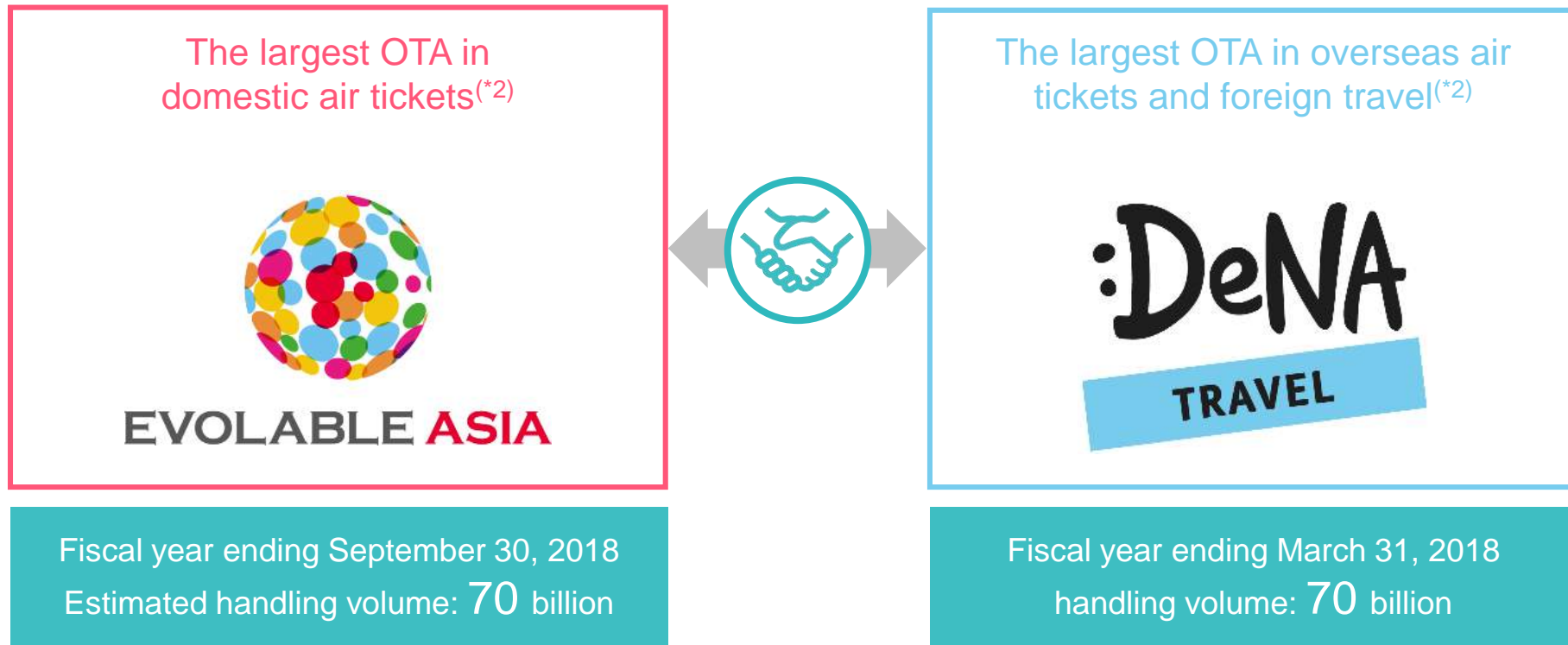


General insurance centre



arukikata.com

To become the second-ranked general OTA in the industry^(*1)
with a handling volume of 140 billion yen in total
Aim for a handling volume of **200 billion yen**



*1 According to a survey undertaken by the Company

*2 According to a survey undertaken by the Company; in the Japanese general OTA industry



■ Contracts with all domestic-line carrier groups

The only OTA with a certified agent contract with Japan Airlines,* ALL NIPPON AIRWAYS, SKYMARK, Peach, Jetstar, Vanilla Air, SPRING AIRLINES, AirAsia, and Fuji Dream Airlines



* N's Enterprise Co., Ltd., a group company, has the certified agent contract.



■ Contracts directly with 37 international-line full-service carriers

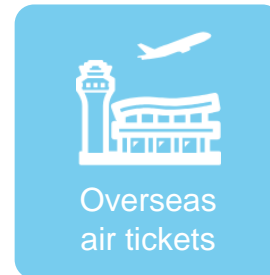
Jeju Air/ American Airlines/ Air Canada/ Air France/ Finnair/ EVA Air/ Air Busan/ Air China/ China Airlines/ Cathay Pacific Airways/ China Southern Airlines/ Delta Air Lines/ Etihad Airways/ Hawaiian Airlines/ Juneyao Airlines/ Hong Kong Airlines/ Korean Air Lines/ KLM Royal Dutch Airlines/ Lufthansa/ Jin Air/ Swissair/ Malaysia Airlines/ ANA (All Nippon Airways)/ Air Macau/ Air New Zealand/ Asiana Airlines/ Philippine Airlines/ Qatar Airways/ Air Seoul/ Scandinavian Airlines System/ Thai Airways International/ Turkish Airlines/ Scoot/ T'Way Airlines/ United Airlines/ Vietnam Airlines/ Easter Jet

■ API link with 15 international-line LCC carriers

Jetstar Group/ AirAsia Group/ SPRING AIRLINES/ Tigerair Taiwan/ Vanilla Air/ Scoot/ T'Way Airlines/ HK Express/ Peach

1 Expansion of sales channels and merchandise

- Further increase and improvement of merchandise of the general OTA by mutually complementing the products of Evolvable Asia with strengths in domestic air tickets and the products of DeNA Travel with strengths in overseas air tickets, foreign hotels and domestic/foreign tours
- Cross-selling aimed at the customers of both companies
Members: 2,540,000 persons in total (520,000 members of AirTrip and 2,020,000 members of DeNA Travel);
corporate customers for business trips: 2,661 companies in total (1,273 companies of Evolvable Asia and 1,388 companies of DeNA Travel)
- Increase and improvement of brand strength through the expansion of the share



2 Cost reduction

- Reduction of the costs for purchases through volume discounts
- Reduction of the costs for development through greater efficiency in and sharing of development
- Mutual complement of human resources

1 Acquisition with the funds on hand

The consideration for the acquisition of the shares was covered by the funds held by Evolvable Asia, without financing by loans or equity capital, and thus there was no impact of dilution.

2 Contribution of DeNA Travel being made a subsidiary to the business results of the Company

Estimated contribution to the operating results for the fiscal year ending March 31, 2019

	(billion yen)
Transaction volume	73.5
Net sales	5.6
EBITDA	0.5

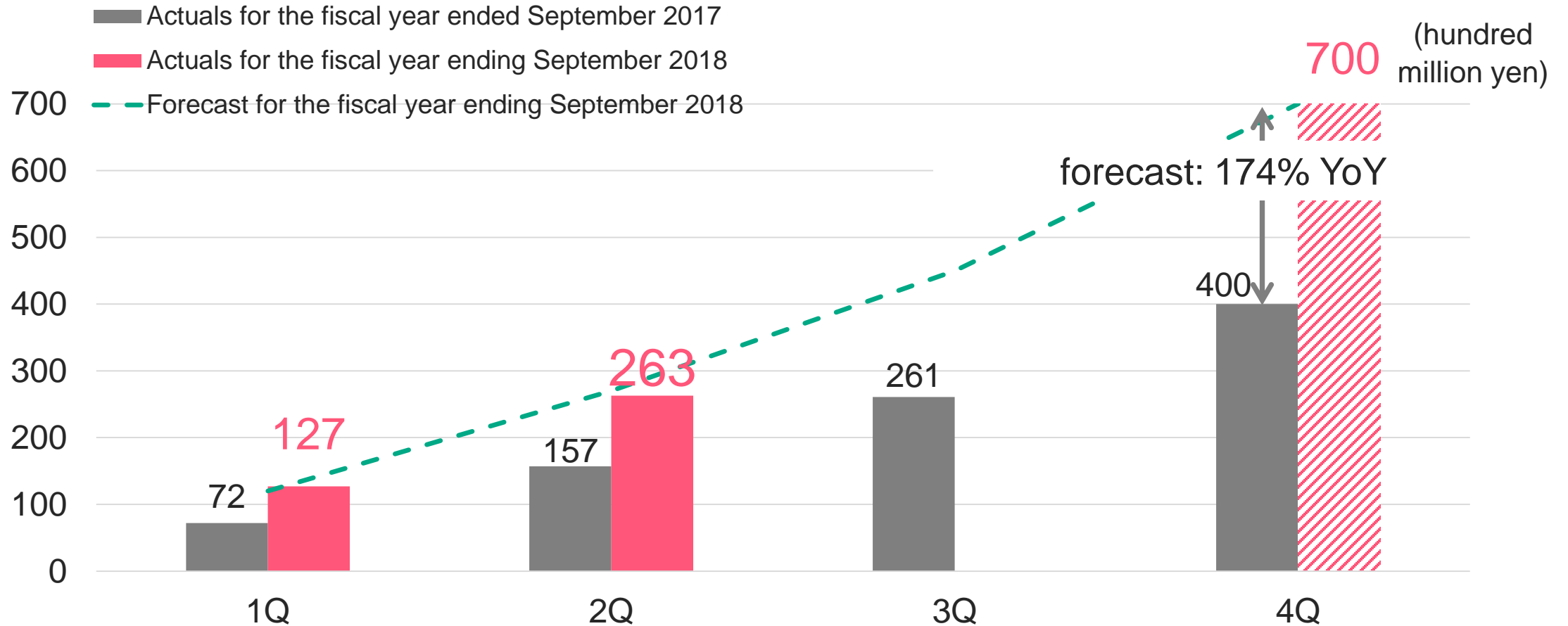
The estimates described on the left are made tentatively at the present time by the Company based on the information obtained from DeNA Travel and may be changed upon future close examination.

3 Impact on the operating results of the Company on a consolidated basis

The impact of the acquisition on the consolidated operating results is currently being closely examined and will be disclosed as soon as it is ascertained.

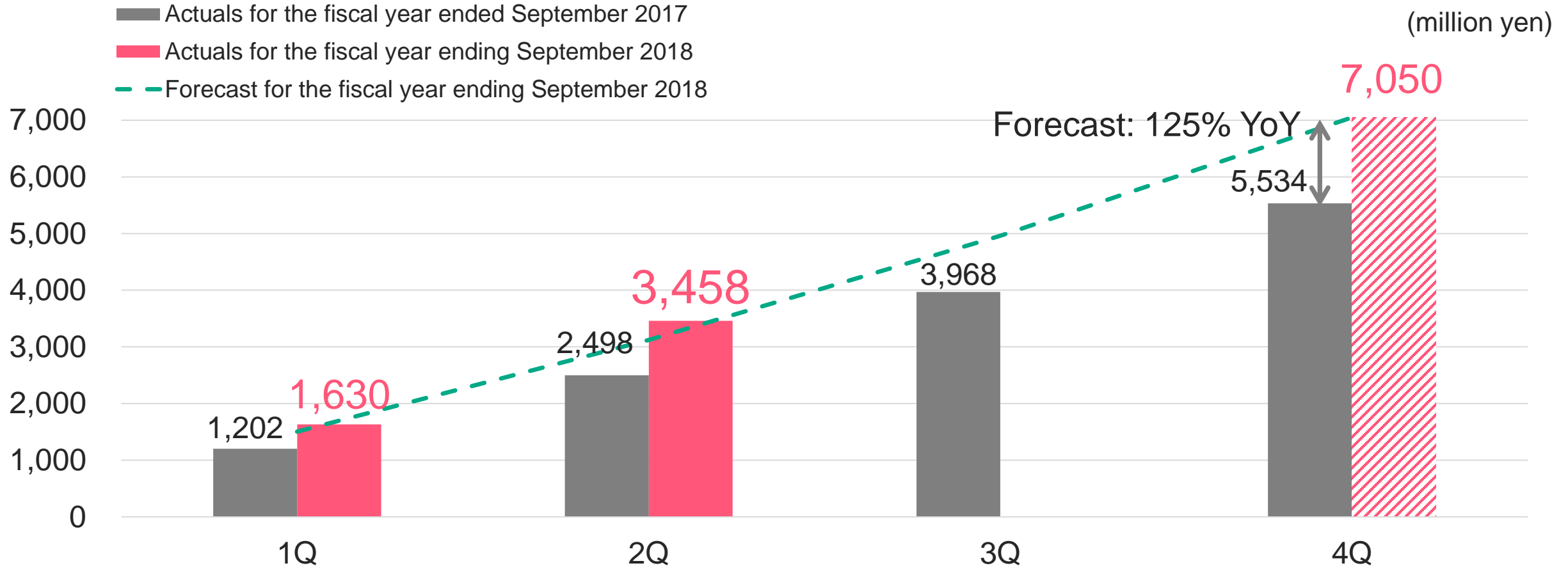
Financial Summary

Handling volume: 166% year on year - sufficient pace to achieve the forecast



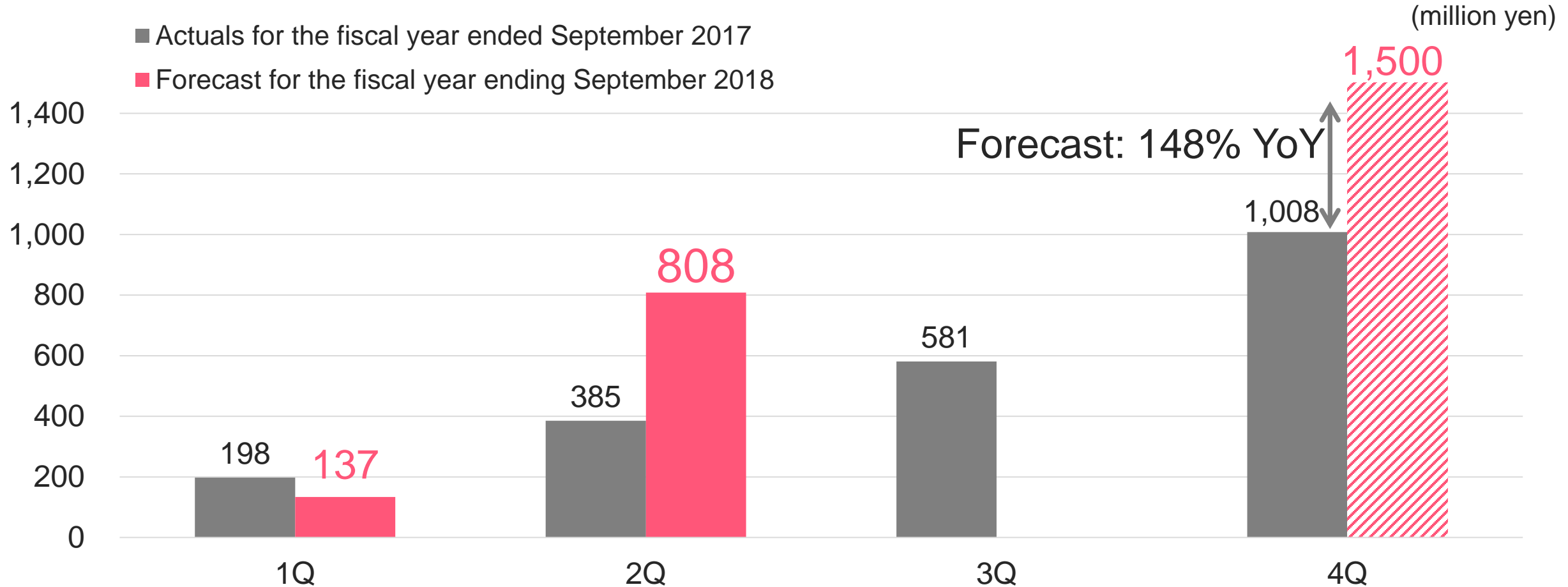
* According to IFRS (non-audited)

Net sales: 138% year on year - sufficient pace to achieve the Forecast



* According to IFRS (non-audited)

Operating income: **209%** year on year
- satisfactory progress over the full-year forecast



* According to IFRS (non-audited)

Both operating income and profit showed strong growth of over 200%

(million yen)

	17.2Q		18.2Q*		YoY Change
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	15,794	—	26,363	—	166.9%
Net Sales	2,498	100.0%	3,458	100.0%	138.4%
Gross Profit	2,101	84.1%	2,238	64.7%	106.5%
Operating Income	385	15.4%	808	23.3%	209.8%
Profit	248	9.9%	599	17.3%	241.5%

* According to IFRS (non-audited)

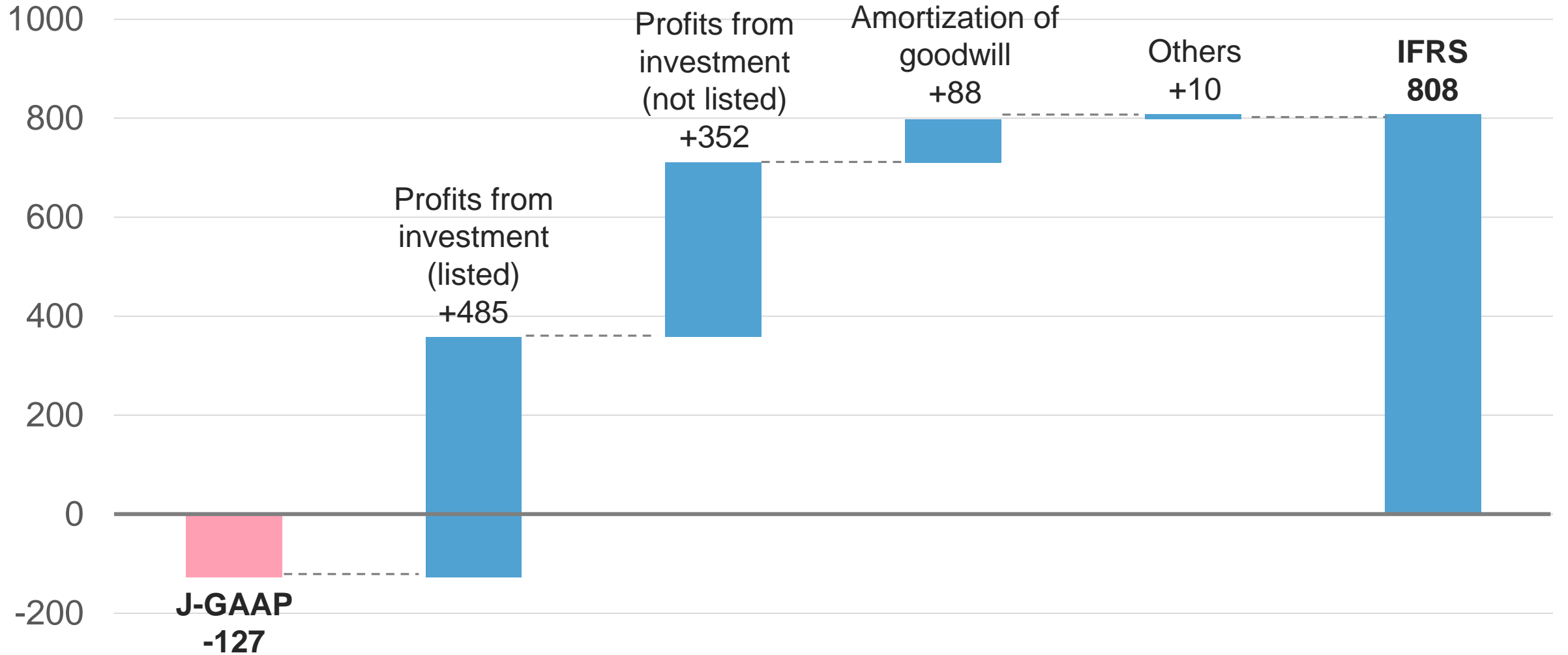
Overall profit grew while promoting investment in the online travel agency business

	17.2Q Japanese GAAP	18.2Q IFRS*	YoY Change
Online Travel Agency Business	587	15	-572
IT Offshore Development Business	59	91	+32
Investment Business	—	951	+951
Expenses of all the business of the Company	-261	-249	+12
Operating Income	385	808	+423

Profits gained by the investment business were appropriated to growth investment for AirTrip

Difference from GAAP

Operating Income (million yen)



Promotion of investment for growth; specifically M&A for investment and promotional campaigns for AirTrip

(million yen)

	End of FY2017	18.2Q	YoY Change
Current Assets	5,158	8,075	+2,917
Cash and Deposits	2,139	3,307	+1,168
Operational investment securities	1,100	2,007	+907
Non-current Assets	2,320	3,862	+1,542
Total Assets	7,547	11,937	+4,390
Liabilities	4,252	7,878	+3,626
Interest-bearing Debts	1,400	4,535	+3,135
Net Assets	3,294	4,059	+765
Shareholders' Equity	2,841	3,657	+816
Equity ratio	37.6%	30.6%	-7.0

The impact of the acquisition of DeNA Travel is currently being closely examined

[Information provided before] announced on November 14, 2017;
forecasts of the operating results for FY2018

(million yen)

	End of FY2017 IFRS		End of FY2018 IFRS		YoY Change
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	40,116	—	70,000	—	174.4%
Net Sales	5,633	100.0%	7,050	100.0%	125.1%
Operating Income	1,008	17.9%	1,500	21.2%	148.8%
Profit	652	11.5%	881	12.5%	135.1%

Topics

Addition of menus of Shinkansen (bullet trains) and menus of hotels



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那覇 ⇒ 東京 (羽田) ¥7,190~	東京 (羽田) ⇒ 那覇 ¥8,890~	鹿児島 ⇒ 東京 (羽田) ¥8,890~	東京 (羽田) ⇒ 鹿児島 ¥8,890~
札幌 (千歳) ⇒ 東京 (成田) ¥4,760~	東京 (成田) ⇒ 札幌 (千歳) ¥4,760~	東京 (羽田) ⇒ 熊本 ¥11,190~	熊本 ⇒ 東京 (羽田) ¥5,690~
大阪 (伊丹) ⇒ 東京 (羽田) ¥7,790~	宮崎 ⇒ 東京 (羽田) ¥8,890~	東京 (羽田) ⇒ 宮崎 ¥8,890~	東京 (羽田) ⇒ 大阪 (伊丹) ¥7,790~

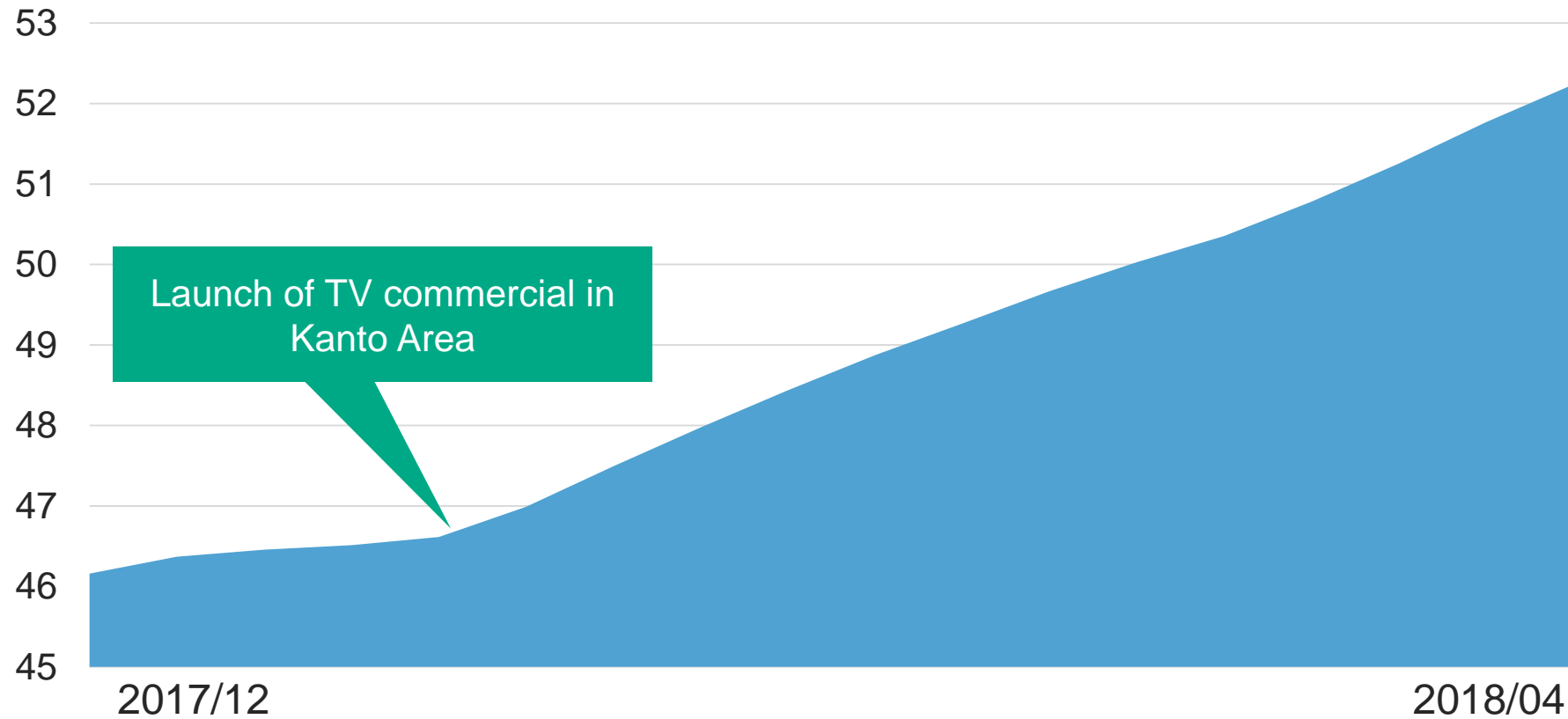
Increase the recognition of the brand **AirTrip** through television commercials and other media



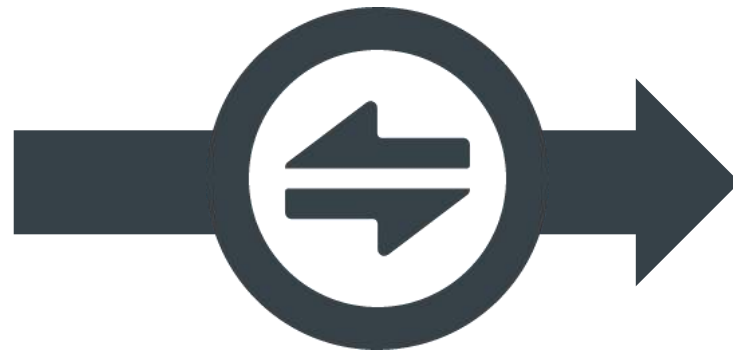
Source: Google Trends

As a result of promotional campaigns,
the number of AirTrip members increased sharply

Number of AirTrip members (ten thousand persons)



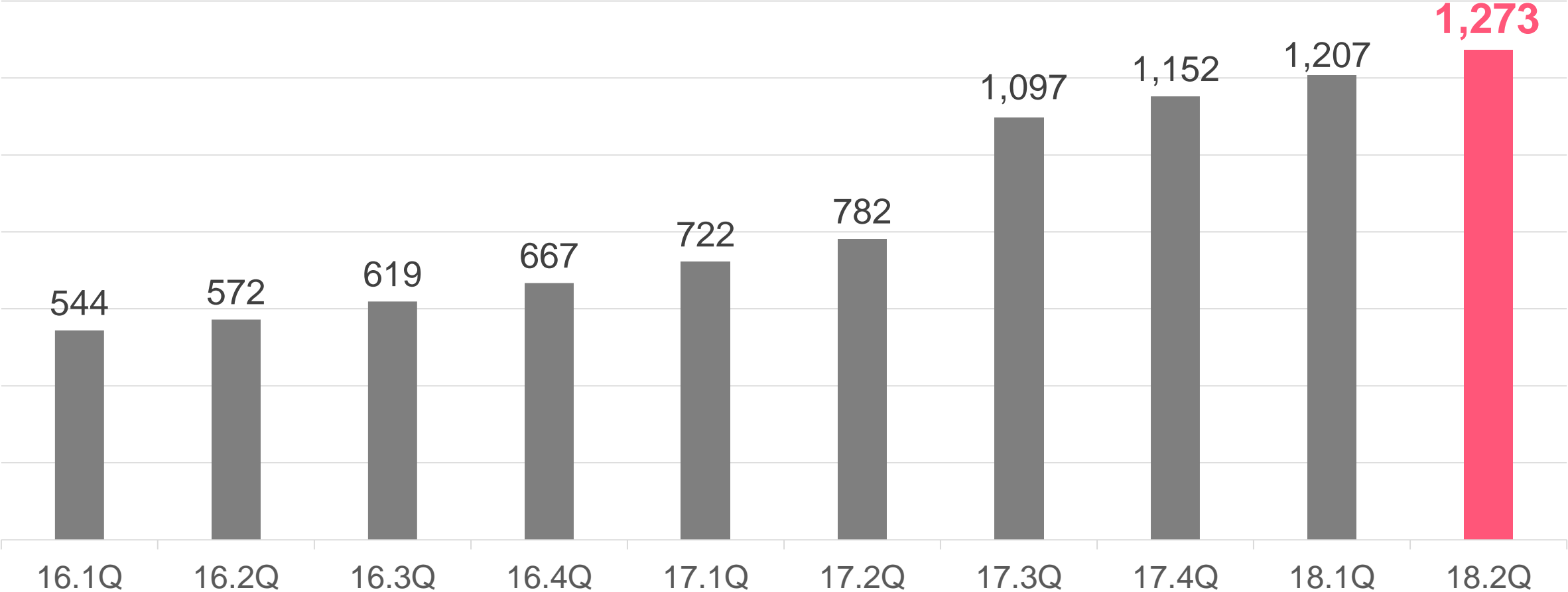
Start of system link between LCC AirAsia Japan and AirTrip



API link

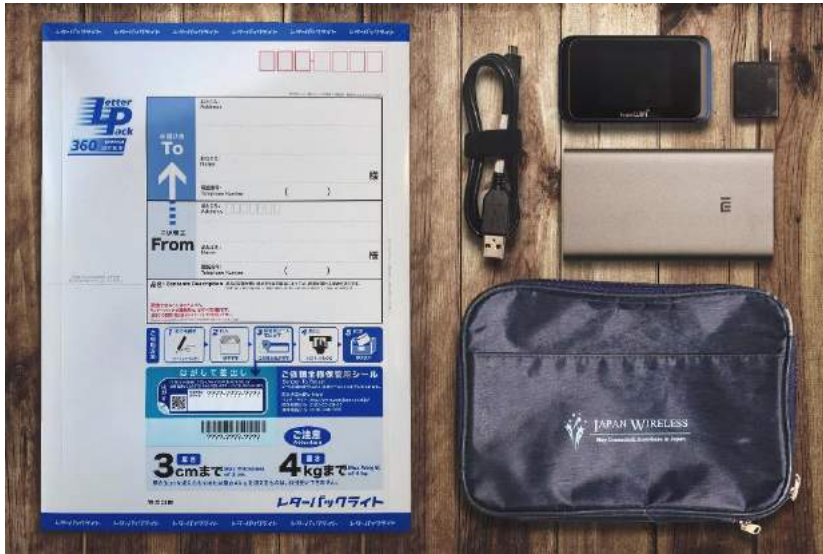


The number of BTM clients increased steadily



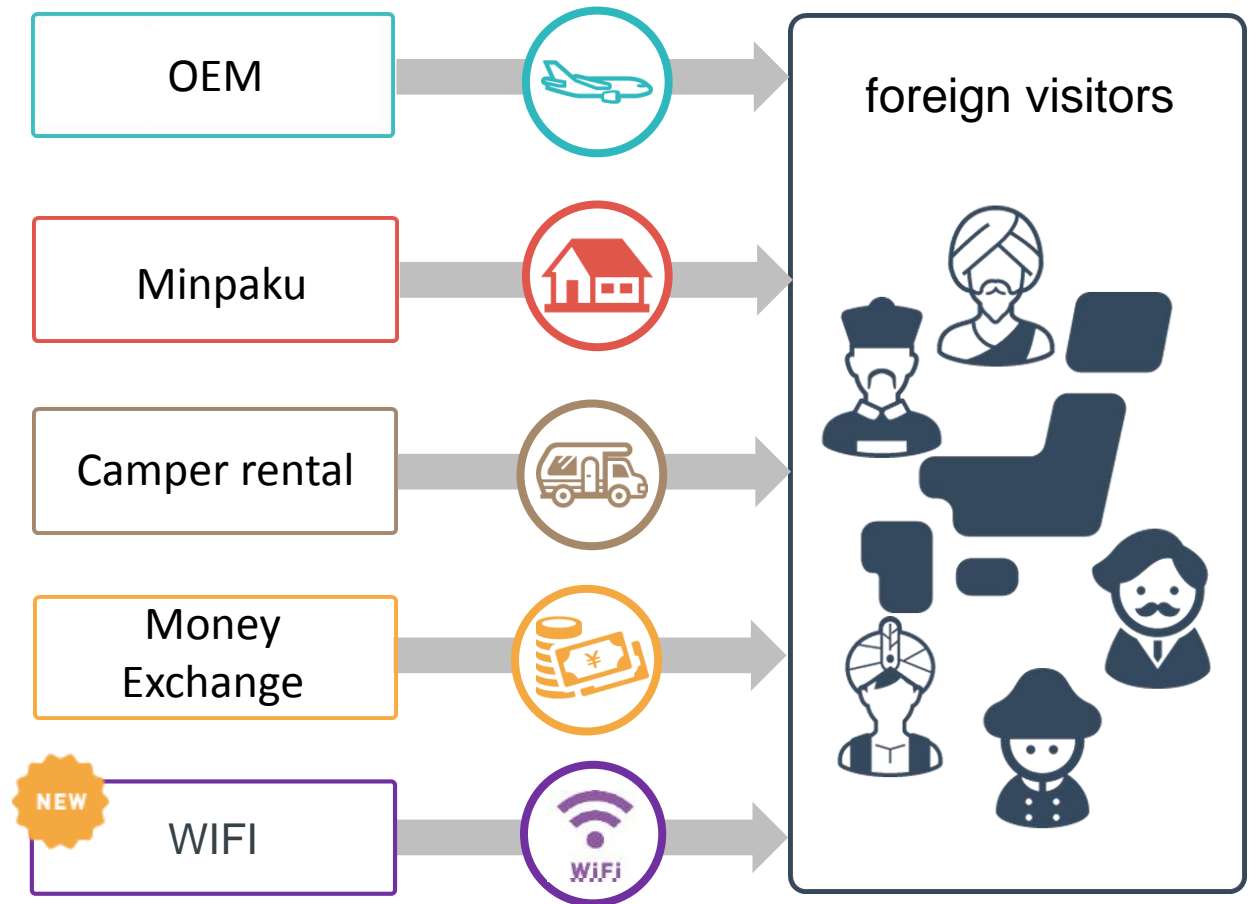
Destination Japan Inc. was made a subsidiary

~ Wi-Fi rental business for foreign visitors ~



Outline of Destination Japan Inc.

One of the leading providers of the Wi-Fi rental service for foreign tourists to Japan, especially for Europeans and Americans. The company is among the pioneers that commenced the Wi-Fi rental service for foreign visitors to Japan in 2013. Its brand has been established with long-time trust and its good reputation has spread by word of mouth.

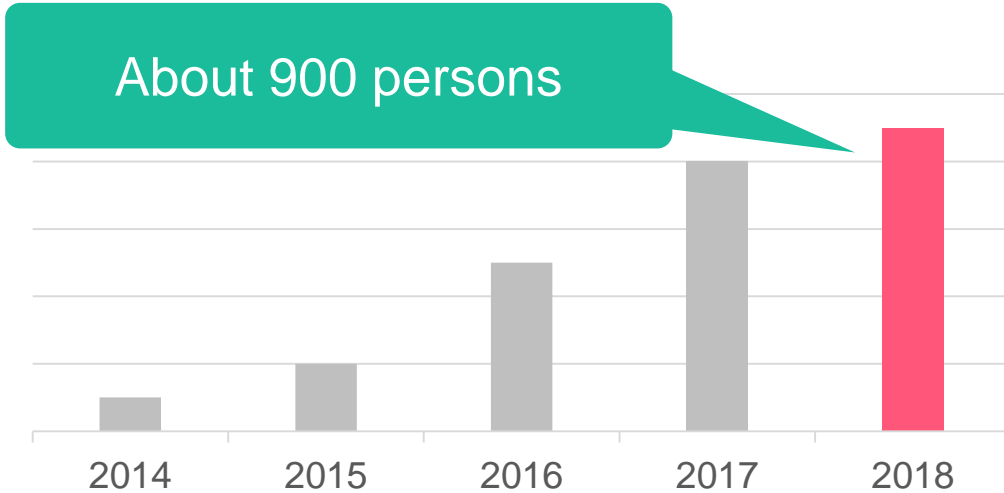


Steady progress, including the group companies

New orders received: 9 companies



and six other companies



Number of engineers: about 900 persons

Stable growth due to the needs for engineers in the upstream process of “Evolable Asia Solutions,” which continued from the previous fiscal year



Wagokoro Co., Ltd. the company in which Evolvable Asia made an investment,
was listed



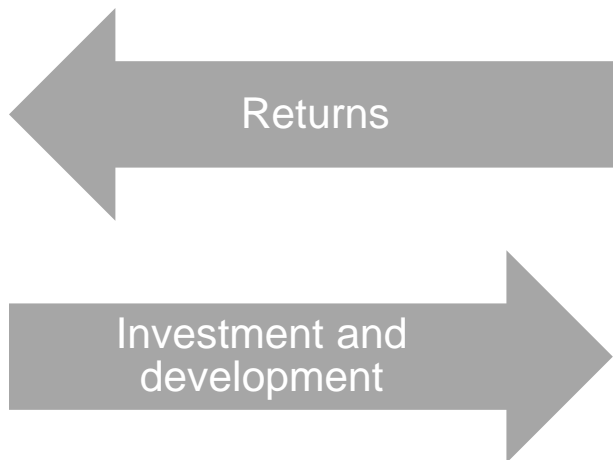
The 1st listed company in the investment business

Wagokoro is a company that provides products and services filled with Japanese traditions, culture and arts, mainly targeting foreign visitors to Japan, under the management philosophy of “spreading Japanese culture to the world.” Its main business is retail with physical stores that sell kanzashi, Japanese ornamental hairpins, and Japanese-style umbrellas, among other items. It also provides services for dressing up in the kimono, the Japanese traditional dress, and kimono rental by delivery.

* Evolvable Asia’s first listed company in the investment business

Strengthening of investment development:
32 companies; total investment amount: **1.4 billion yen**

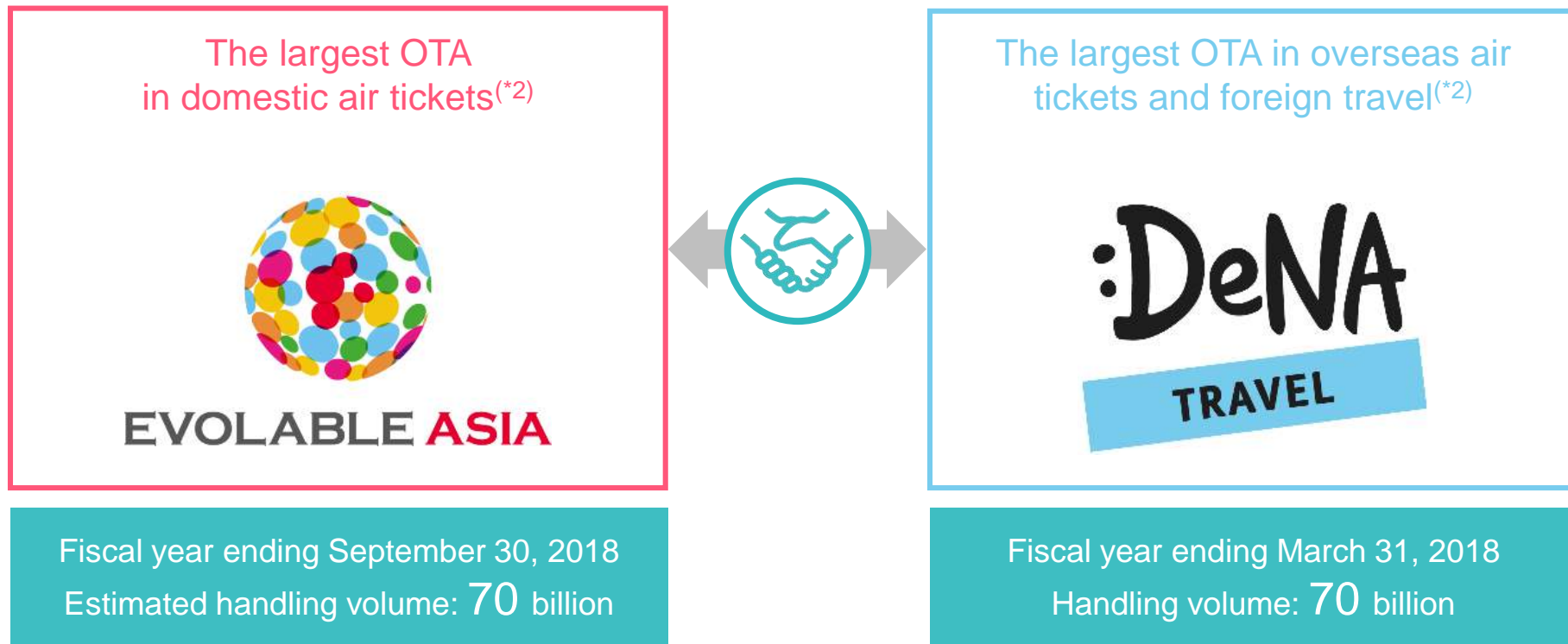
* As of March 31, 2018



Aiming for an increase in corporate value such as IPO

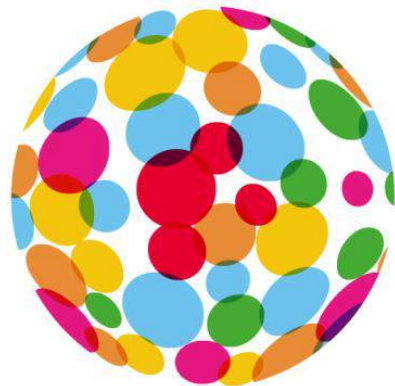
A grid of 32 company logos, arranged in five rows. The logos include: Row 1: AMBITION, ROBOT PAYMENT, GOLFLIFE, AOS, CSC CYBER SECURITY CLOUD; Row 2: People of The Earth, Smiling People, adval, kanxashi, Extech, WILLGATE, TE; Row 3: Cocolive, PIALA Smart Marketing for Your Life, CINDSMILE, BIKE STARTUP & CO. 株式会社自転車創業; Row 4: 3F3F3F, CONVERSION TECHNOLOGY, Fan's, donut robotics, tabiko, hachidori; Row 5: SPACE MANAGEMENT, wagokoro, Headwaters, SWITCH★SMILE, ...etc.

To become the second-ranked general OTA in the industry^(*1)
with a handling volume of 140 billion yen in total
Aim for a handling volume of **200 billion yen**



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EVOLABLE ASIA

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