

For the Fiscal Year Ended
September 30, 2018

Results of Operations

Evolable Asia Corp.
TSE 1st Section: 6191
November 13, 2018



EVOLABLE ASIA

- 1 FY ended Sep. 2018: Sales increased significantly and profit growth was secured.

- 2 FY ending Sep. 2019: Aim for substantial sales growth and handling volume of above 150 billion yen and maintain profit growth.

- 3 Large-scale promotion using TV ads and other media:
Already the leading air ticket seller, but aim for a dominant position

- 4 Implemented a subsidiary stock listing project

- 5 Successful post-merger integration of acquired companies: Launched an investment renewal business

Financial Summary

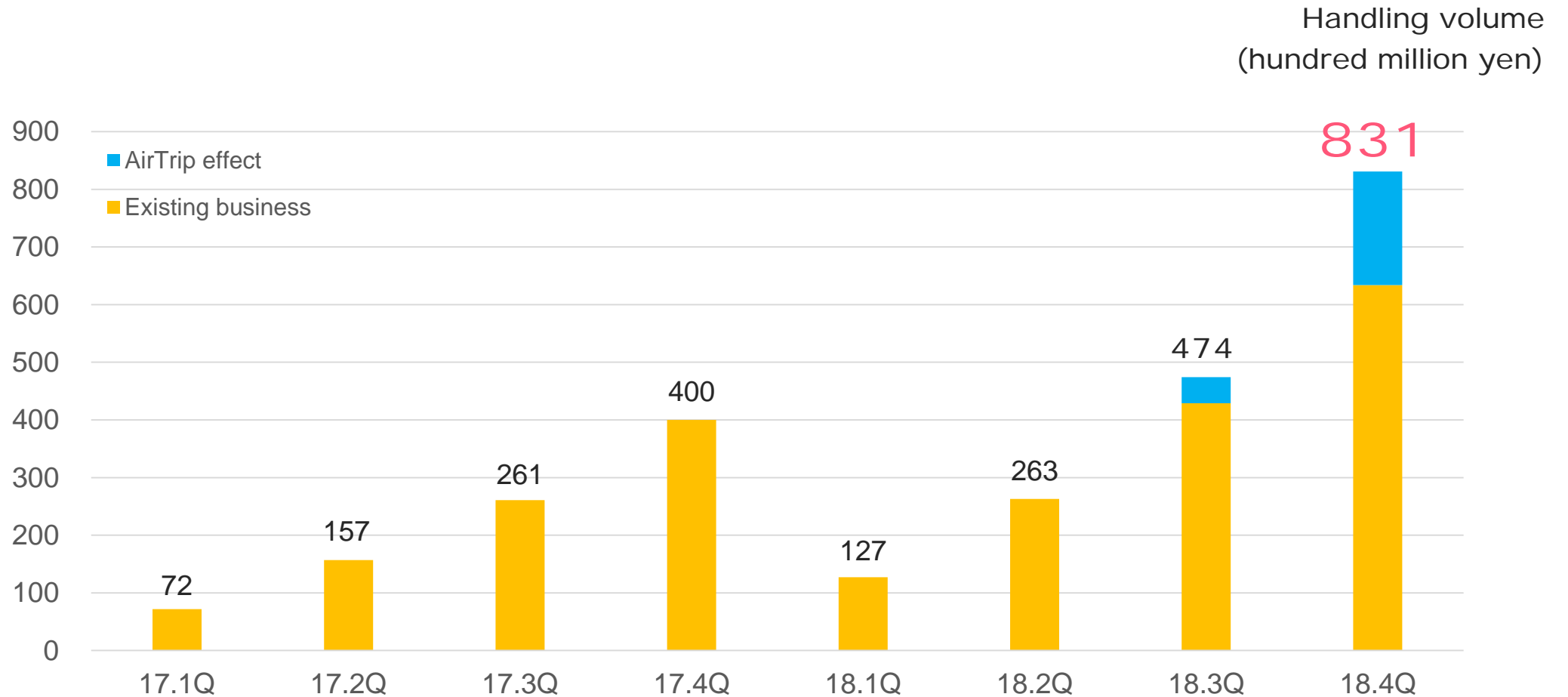
- Significant sales growth thanks to the contribution of AirTrip promotion and M&A effect
- Upward revision of full-year net sales forecast: 225%
- Profit growth led by post-merger integration and investment business: Secured profit growth while making active investment in promotion

Upward revision of consolidated net sales forecast: Reached the net profit target

(million yen)

	Initial Business Forecast for Fiscal Year Ending September 2018		Upward Revision 1 Aug. 9		Upward Revision 2 Nov. 12		Change from Initial Forecast
	Amount	% to Sales	Amount	% to Sales	Amount	% to Sales	
Handling Volume	70,000	-	85,000	-	83,166	-	+13,166
Net Sales	7,050	100.0%	11,000	100.0%	12,447	100.0%	+5,397
Operating Income	1,500	21.2%	1,500	13.6%	1,210	9.7%	-290
Profit	881	12.5%	881	8.0%	915	7.3%	+34

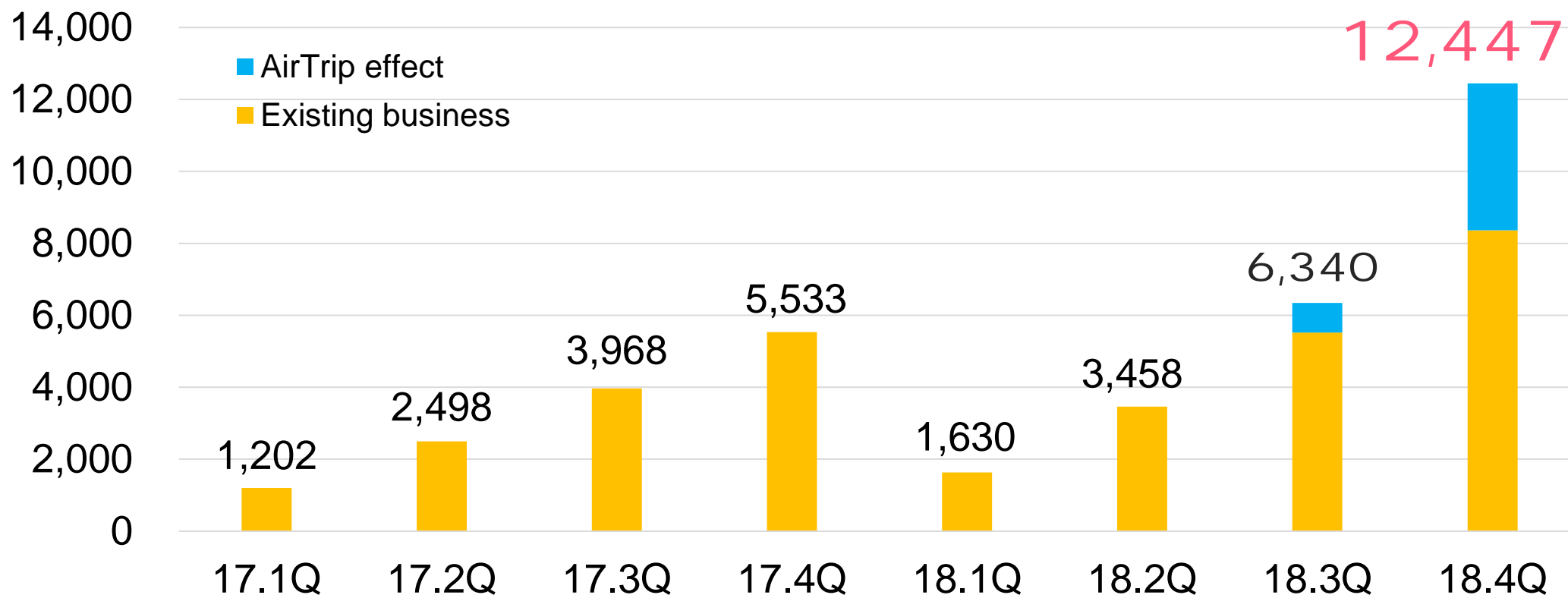
Handling volume: **207%** Full-year handling volume forecast was raised to 83.1 billion yen



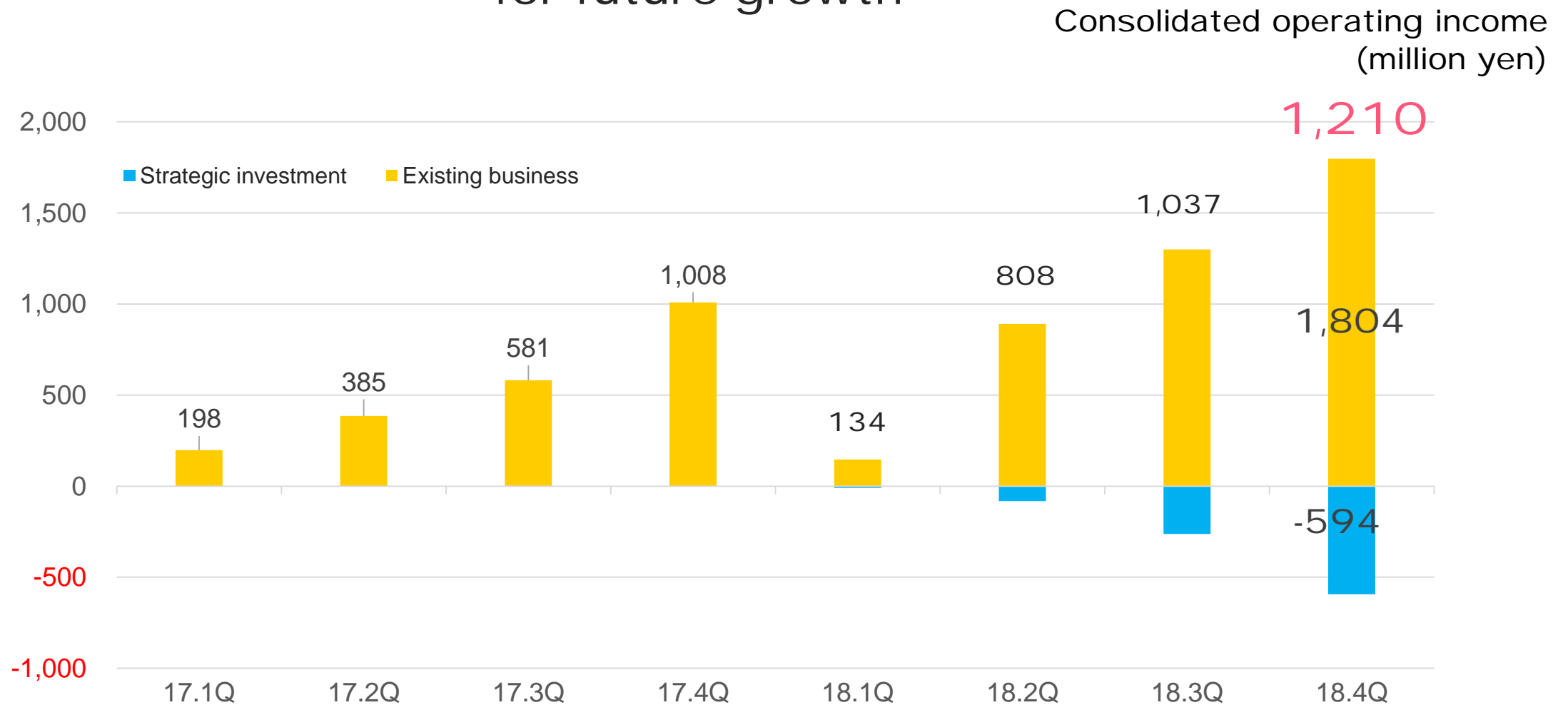
Upward revision of full-year net sales forecast **224%**

Full-year net sales forecast was raised to 12,447 million yen

Consolidated net sales (million yen)



Secured profit growth while making active investment for future growth



Achieved significant sales growth through active investment and secured profit growth

(million yen)

	FY9/2017		FY9/2018		YoY Change
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	40,016	-	83,166	-	207.8%
Net Sales	5,533	100.0%	12,447	100.0%	224.9%
Gross Profit	4,596	83.0%	6,811	54.7%	148.1%
Operating Income	1,088	19.6%	1,210	9.7%	111.2%
Profit	708	12.7%	915	7.3%	129.2%

Both assets and liabilities increased due to the acquisition of DeNA Travel

(million yen)

	End of FY2017	End of FY2018	YoY Change
Current Assets	5,396	15,228	+9,832
Cash and Deposits	2,054	5,370	+3,316
Operational investment securities	1,520	3,869	+2,349
Non-current Assets	2,491	9,695	+7,204
Total Assets	7,888	24,923	+17,035
Liabilities	4,488	19,407	+14,919
Interest-bearing Debts	1,405	10,770	+9,365
Net Assets	3,400	5,515	+2,115
Equity attributable to equity holders of the parent	3,002	5,134	+2,132
Ratio of equity attributable to equity holders of the parent	37.9%	20.6%	-17.3

Topics

Hired **Robert Akiyama** as the new face of AirTrip
The new TV ad will start airing in late November.



Website integration of AirTrip and former DeNA travel Services became mutually available to existing members.

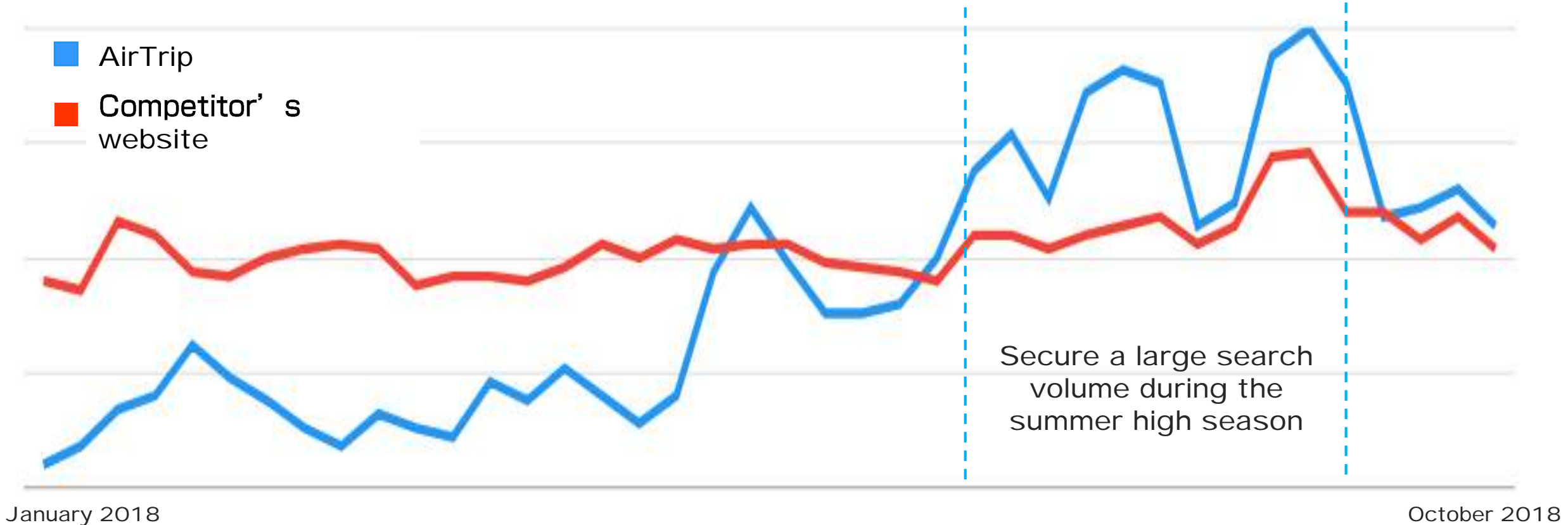


On a mobile phone

人気の出発地から格安航空券・LCC(国内線)を探す			
福岡 ⇒ 東京(羽田) ¥8,890~	東京(羽田) ⇒ 福岡 ¥8,890~	札幌(千歳) ⇒ 東京(羽田) ¥8,960~	東京(羽田) ⇒ 札幌(千歳) ¥6,960~
那覇 ⇒ 東京(羽田) ¥8,790~	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) ¥5,030~	東京(成田) ⇒ 札幌(千歳) ¥5,030~	東京(羽田) ⇒ 熊本 ¥10,790~	熊本 ⇒ 東京(羽田) ¥9,690~

On a PC

Search trend ranking rose as a result of promotion such as TV ads



January 2018

October 2018

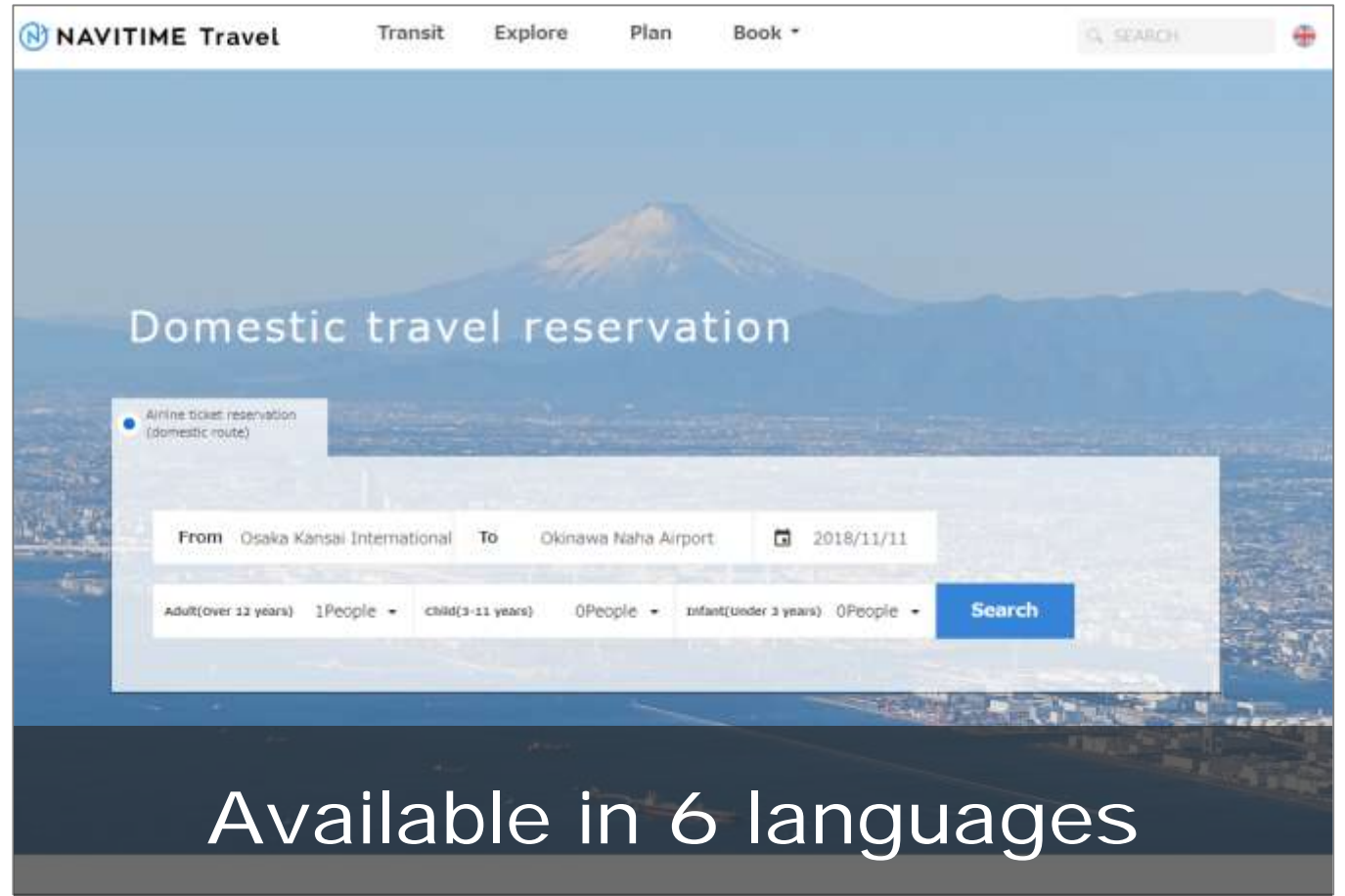
Secure a large search volume during the summer high season

Started providing **LINE Travel.jp** with domestic airline tickets



Started providing NAVITIME Travel with international airline tickets

Further market expansion in addition to domestic airline tickets already provided



Providing **TRAVEL Now** with domestic air tickets
Further market expansion in addition to package tours



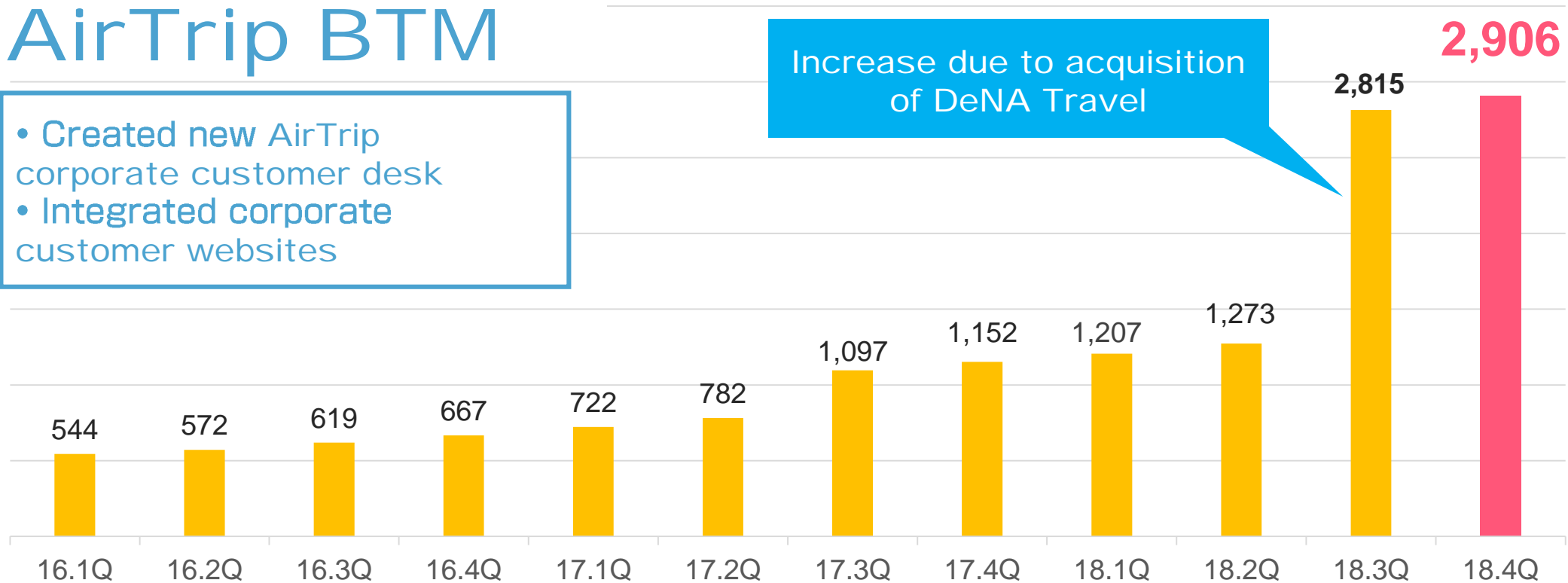
Increase in customers accelerated after the acquisition of DeNA Travel

(No. of corporate customers)

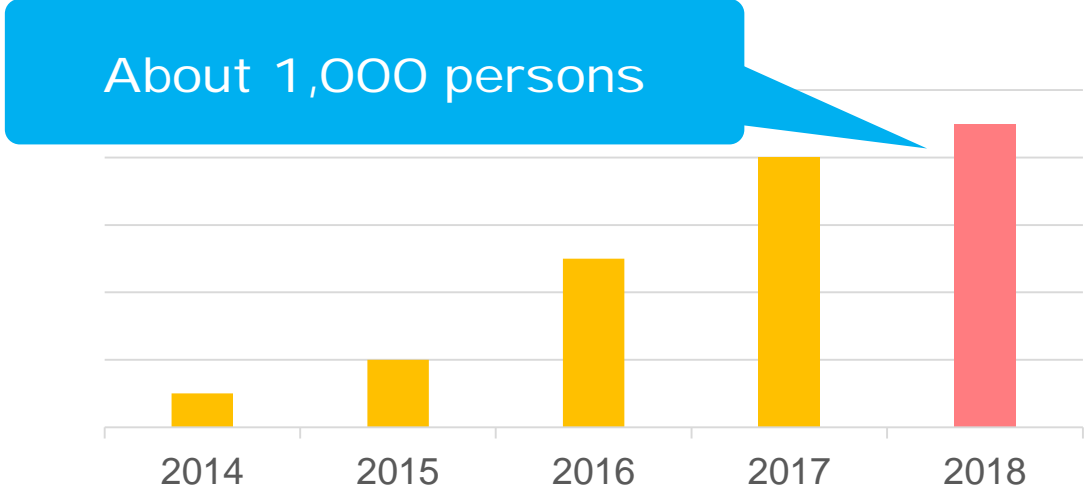
AirTrip BTM

- Created new AirTrip corporate customer desk
- Integrated corporate customer websites

Increase due to acquisition of DeNA Travel



Steady progress, including the group companies



Number of engineers: about 1,000 persons



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

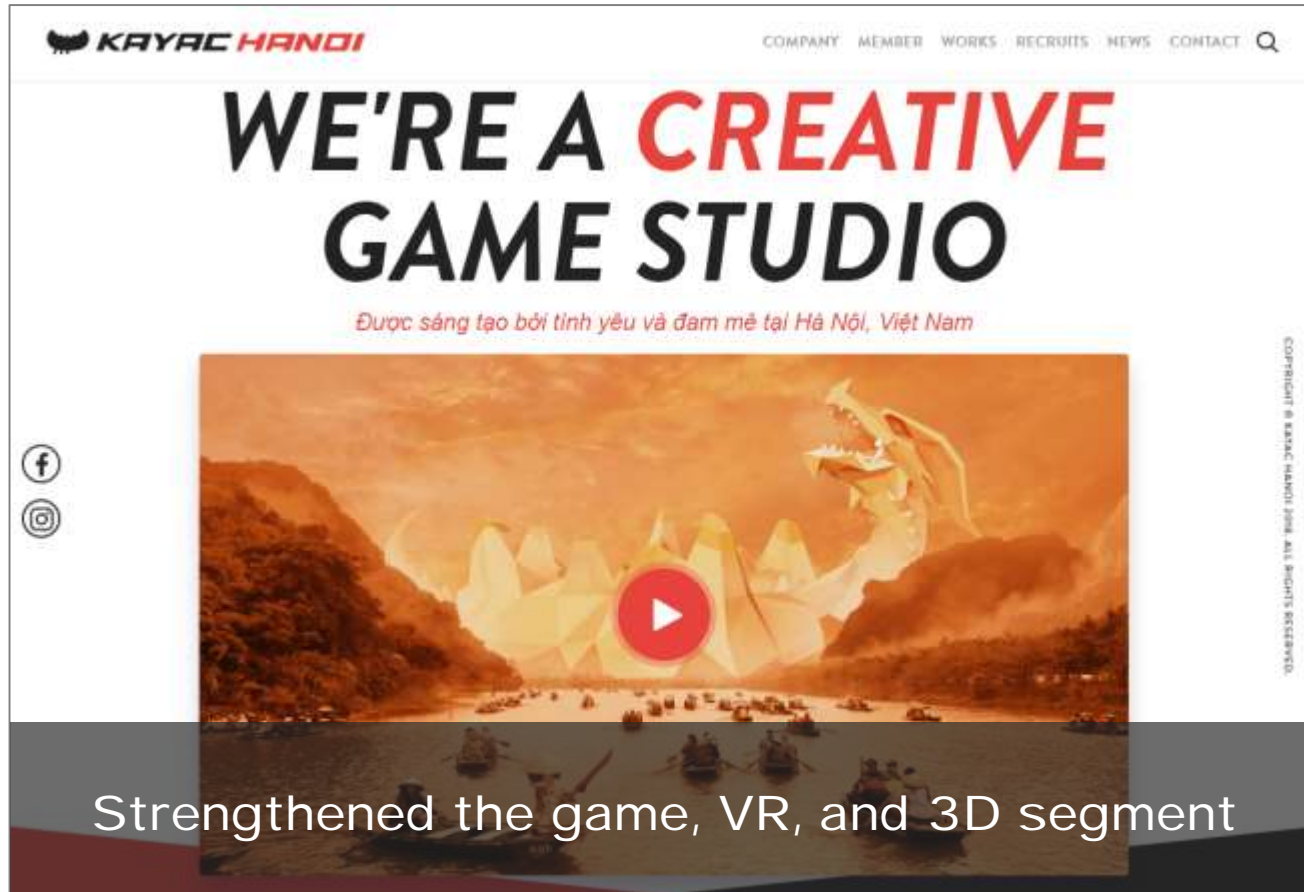
New orders received: 8 companies

All About

UPSELL
TECHNOLOGIES

and 6 other companies

Made Kayac Hanoi a subsidiary



Strengthened the game, VR, and 3D segment

ORIGINAL GAME DEVELOP

Street Fighterなどに代るカジュアル・ソーシャルゲームの企画、開発、運用を行っております。マネタイズやプロモーション周りの実績も豊富でございます。


CREATIVE VIRTUAL YOUTUBER


ゲーム、VRを中心にしたCG制作ノウハウを活かし、バーチャルYouTuberモデルを制作いたします。イラストを3D化し声を吹き込むキャラクターは、バーチャルYouTuber制作、お気軽にご相談ください。


CREATIVE CLIENT WORK

ゲームアプリ企画～開発～運用、3D/2D素材制作、VRをお受けいたします。VR向けCG素材なら経験豊富なキャラクターレイアウトに任せ！その他ご要望ございましたら、まずはご相談下さい。


Approval for the listing of **PIALA** shares as the 2nd IPO



Listing


wagokoro


PIALA
Smart Marketing for Your Life

* Listing is scheduled for
December 11, 2018.


Sale


hachidori
すべての人に、価値ある仕事を。

+ 1 companies


Increase in value


Maple
Systems
enjoy with us!


Cocolive

+ 10 companies

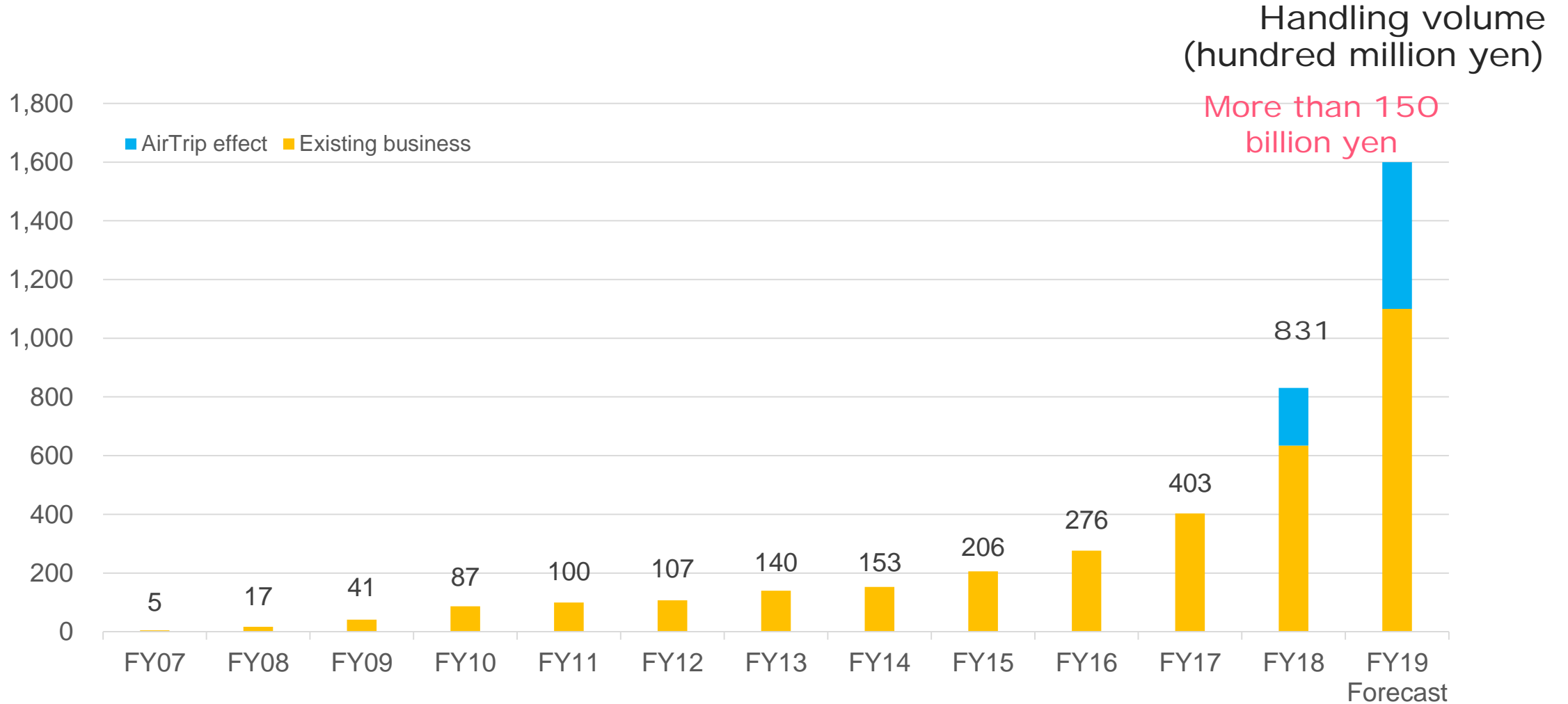
Financial Forecasts and Management Strategies

Achieve high sales growth through active investment and secure profit growth while making investments

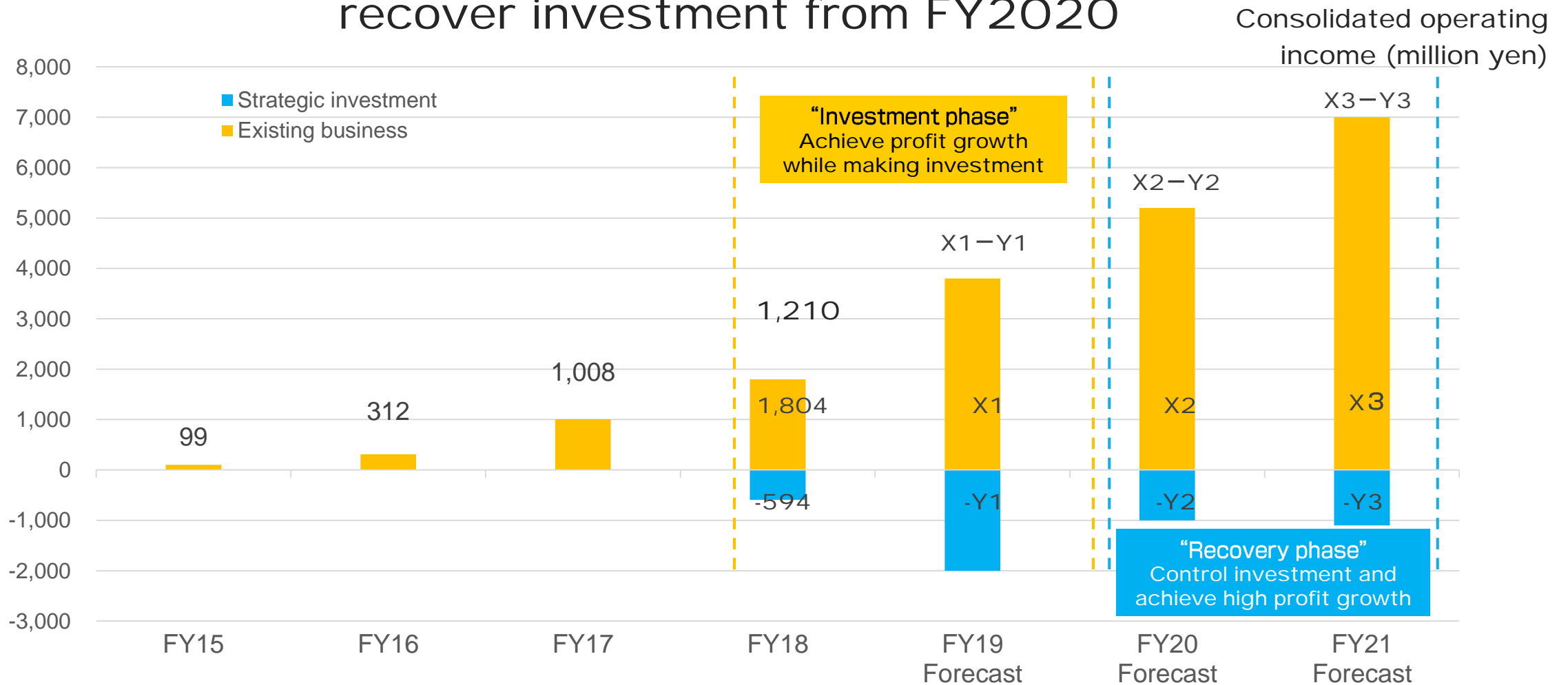
(million yen)

	FY17	FY18	FY19 Forecast	Supplement
Handling Volume	40,001	83,166	Not disclosed	Achieve high sales growth through active investment
Net Sales	5,533	12,447	Not disclosed	
Operating Income	1,088	1,210	Not disclosed	Secure profit growth while making investment
Profit	708	915	Not disclosed	
Dividend	7 yen	10 yen	Not disclosed	Keep the dividend payout ratio at the 20% level

Handling volume of more than 150 billion yen: substantial increase



Continue strategic investment in FY2019: recover investment from FY2020



Large-scale promotion using TV ads and other media
From the leading air ticket seller to the **dominantly top** seller



TVCM



SNS



OOH

Currently implementing IPO of 3 subsidiaries

Inbound Platform Corp.

Inbound Platform Corp.

Operating a business targeting foreign visitors to Japan, including camper car rental, money exchange, and Wi-Fi device rental



Magmag

Operating an established e-mail magazine service, “Magmag!” and media businesses such as MAG2NEWS and TRiP EDITOR



Evolable Asia Solutions

All-Vietnamese staff operating an IT development solution business
Providing upstream process such as planning and design to one-stop, high quality services including upstream process such as planning and design

Performance of acquired companies improved through post-merger integration



Large increase of 221% in operating income*

- Launch of TRiP EDiTOR
- Cooperation of e-mail magazine authors and advertising in sales activities
- Management rationalization
- System development support

* Comparison between 12 months before and after the merger

Large increase of 273% in operating income*

- System and UI modification
- Improvement of SEO and SEM
- Increased operation efficiency
- Merger with El Monte and Exchange to aim for IPO

* Comparison between 12 months before and after the merger

Successfully turned a profit 4 months after the merger

- Integration as AirTrip brand
- Service integration
- Member integration
- Management rationalization

Launched **investment renewal business**:
will operate two core businesses, CVC and renewal



Dividend payout ratio of **approx. 20%** will continue to be applied for FY9/2019.

	FY9/2017	FY9/2018	Dividend forecast for FY9/2019
Record date	September 30, 2017	September 30, 2018	September 30, 2019
Dividend per share	7 yen	10 yen	Maintain the dividend payout ratio of FY ended September 2018
Total dividends paid	117 million yen	177 million yen	
Effective date	September 30, 2017	September 30, 2018	September 30, 2019
Source of dividends	Earned surplus	Earned surplus	Earned surplus

Maintain the shareholder benefit program based on a point system

10,000 points earn Evolvable Asia's original air ticket

Number of shares held		Number of points awarded in the first year	Number of points awarded after holding shares for one year or more (note)
More than	Less than		
500	600	8,000 points	8,800 points
600	700	11,000 points	12,100 points
700	900	13,000 points	14,300 points
900	1000	16,000 points	17,600 points
1000	2000	18,000 points	19,800 points
2000	5000	20,000 points	22,000 points
5000		25,000 points	27,500 points

Note: Shareholding of one year or more: listed in the share register as of September 30 or March 31 two consecutive times or more under the same shareholder number

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Appendix



Online Travel Agency



IT Offshore Development

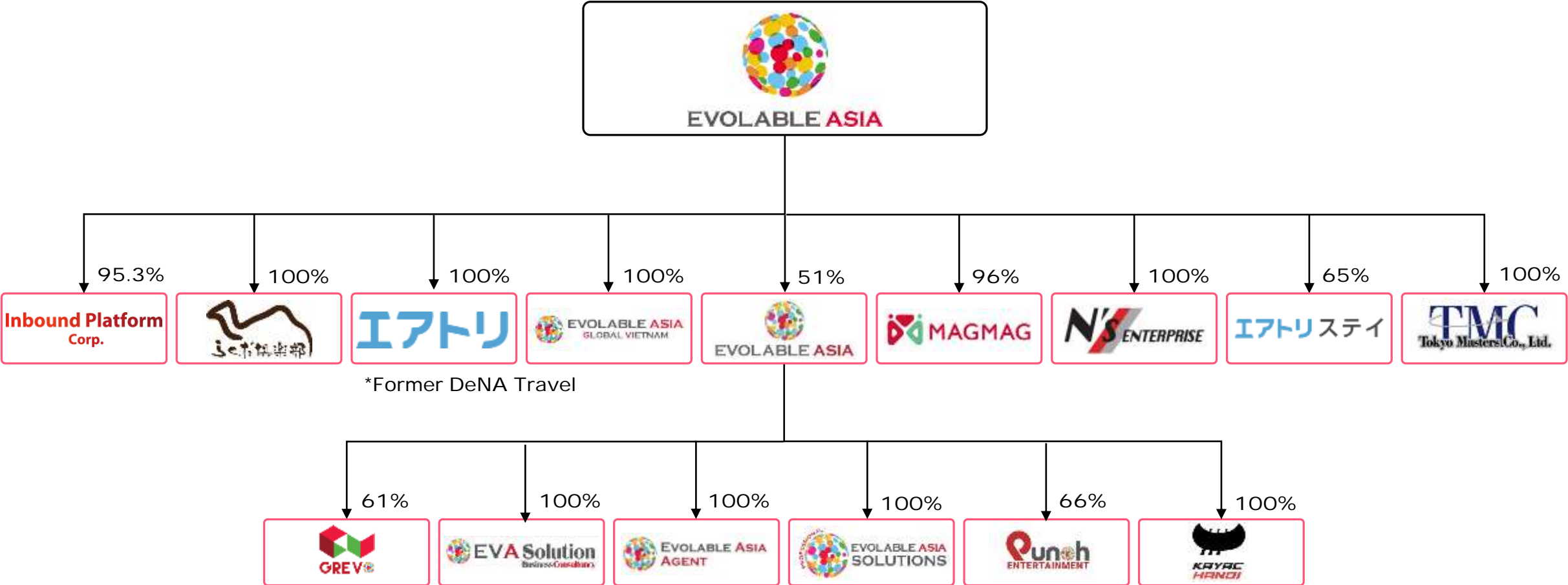


Inbound Travel



Investment

Overview of EVOLABLE ASIA Group



(millions of yen)

	FY9/2018 Japanese standards (Ref.)		FY9/2018 IFRS		Difference
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	83,152	—	83,166	—	+14
Sales Revenue	12,437	100.0%	12,447	100.0%	+10
Gross Profit	6,900	55.4%	6,811	54.7%	-89
Operating Income	-587	—	1,210	9.7%	+1,797
Profit	-463	—	915	7.3%	+1,378

As described in “Announcement on Adoption of International Financial Reporting Standards (IFRS)” released on November 14, 2017, Evolvable Asia Corp. has been applying the IFRS in lieu of the conventional Japanese accounting standards to its consolidated financial statements beginning with the full-year results for the fiscal year ended September 2018 announced on November 13, 2018.

The report of financial results released on November 13, 2018, is not subject to audits performed by an audit corporation. Evolvable Asia Corp. plans to release consolidated financial statements with an audit opinion attached in the consolidated financial report or securities report scheduled to be released in December 2018.



EVOLABLE ASIA

- These materials contain forward-looking statements related to industry trends and the Company's business development based on the Company's current expectations, estimates, and forecasts.
- A variety of risks and uncertainties are inherent in the assertions made in these forward-looking statements. Known and unknown risks, uncertainties, and other factors may result in differences from the statements included in assertions related to forward-looking statements.
- The Company's actual future business and operating performance may differ from the forward-looking statements contained in these materials.
- The assertions related to forward-looking statements made in these materials are based on the best information currently available to the Company and will not update or revise any forward-looking statements to reflect future events or conditions.