

For the Third Quarter of the Fiscal  
Year Ending September 30, 2018

# Results of Operations

Evolable Asia Corp.  
TSE 1st Section: 6191  
August 14, 2018



**EVOLABLE ASIA**

- Full-year consolidated handling volume and net sales forecasts were revised upward
- Consolidated operating income: strong growth of 178% YoY, satisfactory progress over the full-year forecast
- Post-merger integration of AirTrip (previously DeNA Travel) progressed well
- Major news releases were issued recently.

# Consolidated net sales forecast was revised upward from 7 billion yen to 11 billion yen (+56%)

(million yen)

	Initial Business Forecast for Fiscal Year Ending September 2018 IFRS		Revised Business Forecast for Fiscal Year Ending September 2018 IFRS		YoY Change
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	70,000	—	85,000	—	+15,000
Net Sales	7,050	100.0%	11,000	100.0%	+3,950
Operating Income	1,500	21.2%	1,500	13.6%	—
Profit	881	12.5%	881	8.0%	—

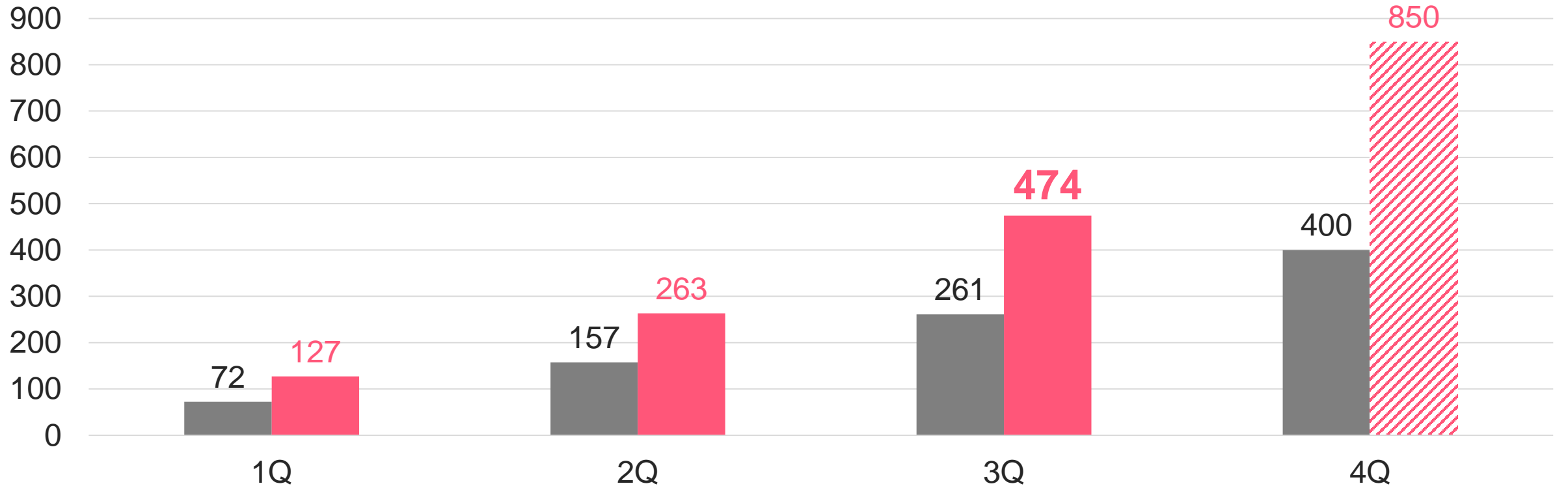
# Financial Summary

Handling volume: **181%** year on year

Full-year handling volume forecast was raised to 85 billion yen

- Actuals for the fiscal year ended September 2017
- Actuals for the fiscal year ending September 2018

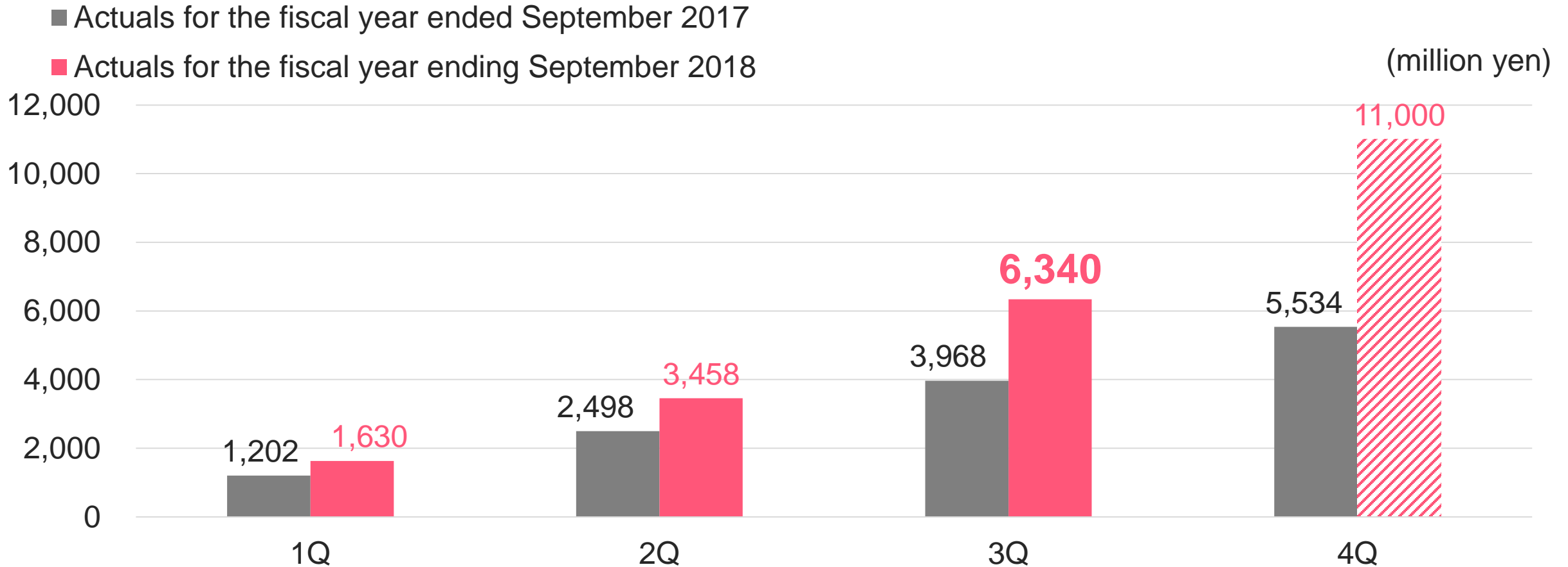
(hundred million yen)



\* According to IFRS (non-audited)

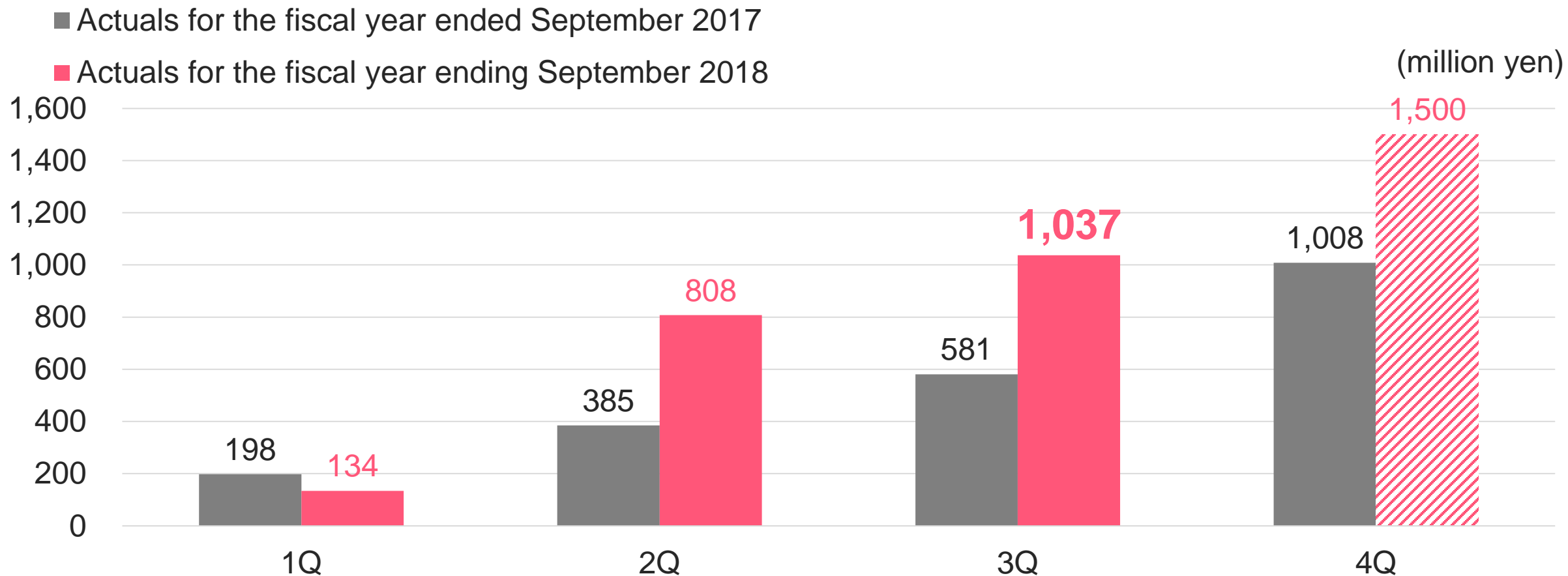
Net sales: **159%** year on year

Full-year net sales forecast was raised to 11 billion yen



\* According to IFRS (non-audited)

# Operating income: **178%** year on year satisfactory progress over the full-year forecast



\* According to IFRS (non-audited)

# Both sales and profits grew steadily

(million yen)

	17.3Q		18.3Q*		YoY Change
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	26,114	—	47,406	—	181.5%
Net Sales	3,968	100.0%	6,340	100.0%	159.7%
Gross Profit	3,332	83.9%	3,980	62.7%	119.4%
Operating Income	581	14.6%	1,037	16.3%	178.4%
Profit	553	13.9%	716	11.3%	129.4%

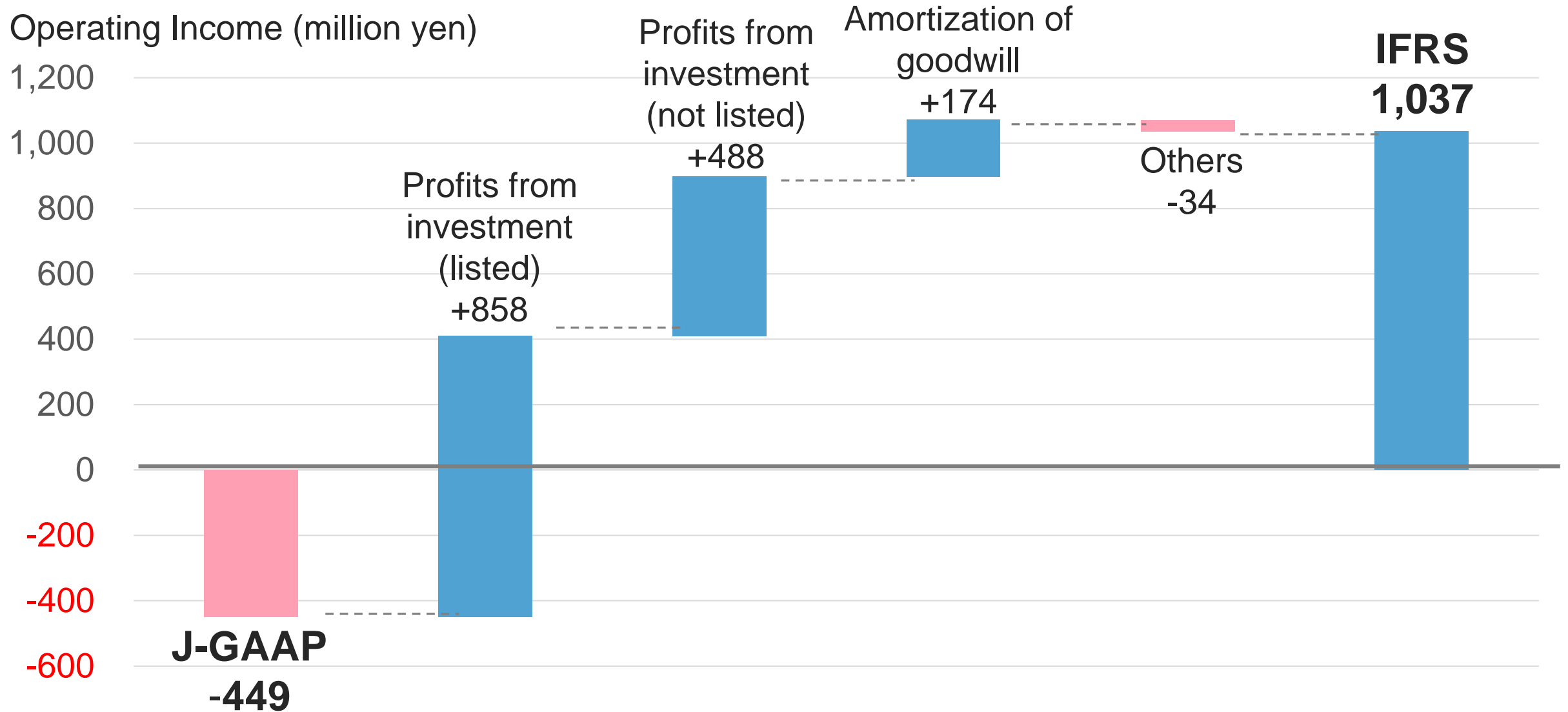
\* According to IFRS (non-audited)



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

	FY17.3Q Japanese GAAP	FY18.3Q IFRS	YoY Change
Online Travel Agency Business	838	-178	-1,016
IT Offshore Development Business	124	135	+11
Investment Business	—	1,422	<b>+1,422</b>
Expenses of all the business of the Company	-382	-342	+40
Operating Income	581	1,037	+456

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



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

(million yen)

	End of FY2017	18.3Q	YoY Change
Current Assets	5,158	14,481	+9,323
Cash and Deposits	2,139	4,641	+2,502
Operational investment securities	1,100	2,632	+1,532
Non-current Assets	2,320	8,420	+6,100
Total Assets	7,547	22,901	+15,354
Liabilities	4,252	18,450	+14,198
Interest-bearing Debts	1,400	9,775	+8,375
Net Assets	3,294	4,450	+1,156
Shareholders' Equity	2,841	4,078	+1,237
Equity ratio	37.2%	17.8%	-19.4

# Topics

# New product categories were added to create an integrated traveling service platform

The screenshot shows the AirTrip website interface. At the top, there are navigation links for domestic and international flights, LCC, and other services. The main navigation bar includes icons for domestic flights, international flights, Shinkansen, car rental, hotels, luxury ryokan, activities, domestic tours, and international flight tickets with hotels. A search form is prominently displayed with fields for departure/return, origin/destination, and dates. A promotional banner for a 83% discount on flight tickets is also visible. Below the search form, there are several cards showing flight routes and prices, such as Fukuoka to Tokyo (¥8,890~) and Tokyo to Fukuoka (¥8,890~).

 Shinkansen

 Car Hire

 Hotel

 Luxury Ryokan

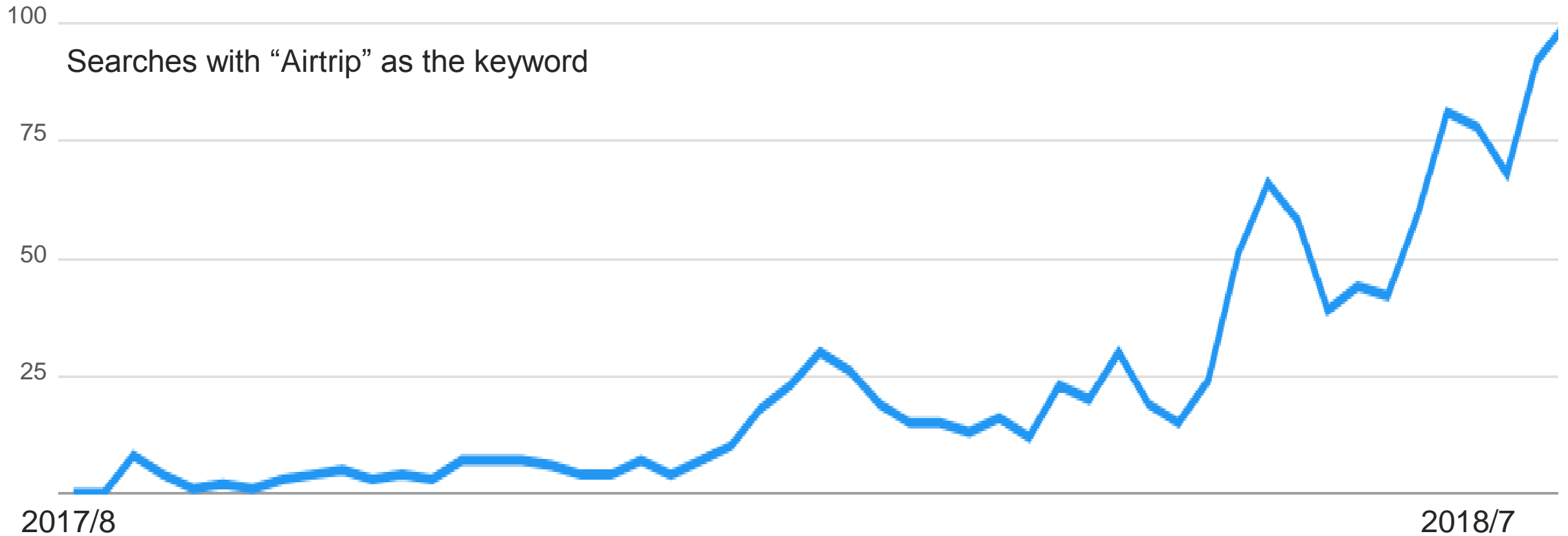
 Activity

 Domestic Tour

 International Flight Ticket + Hotel

## Seven new product categories were added

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



Source: Google Trends

# Start of partnership with **Expedia Japan** for the sale of domestic airline tickets



Domestic  
Airline Tickets



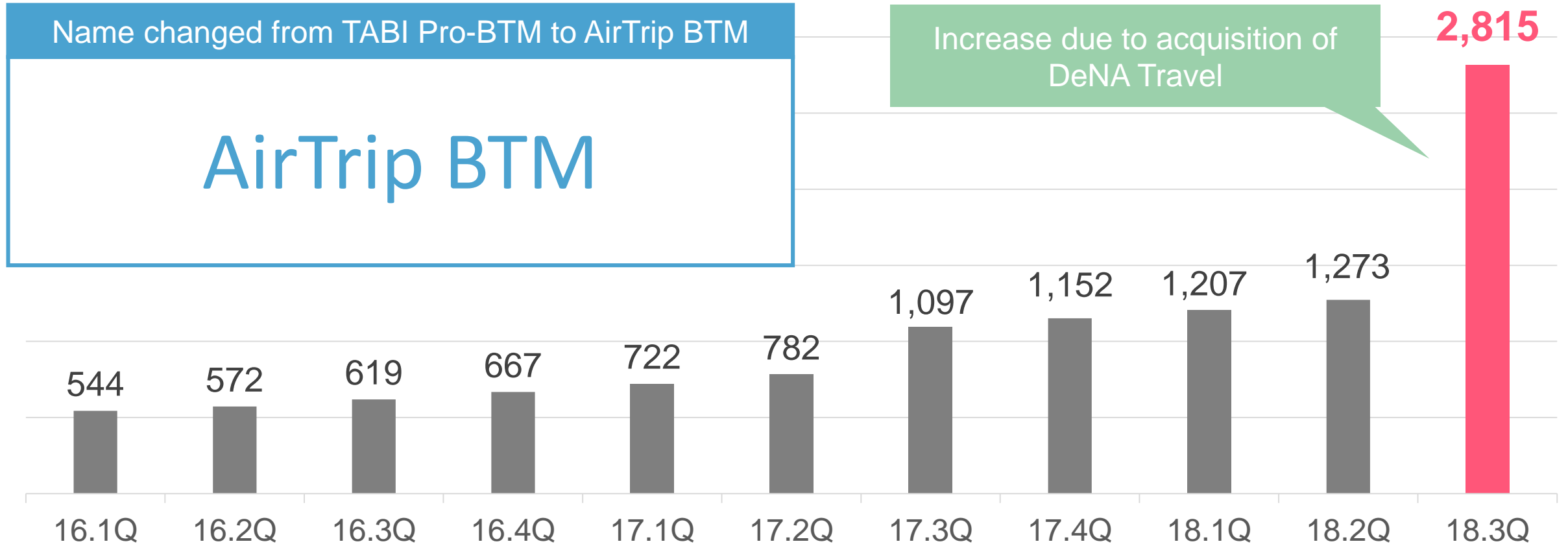
# Provision of travel products to “TRAVEL Now” ～Planning in collaboration with Bank, Inc., which operates “CASH”～





# The number of BTM clients increased sharply due to acquisition of DeNA Travel

(No. of corporate customers)



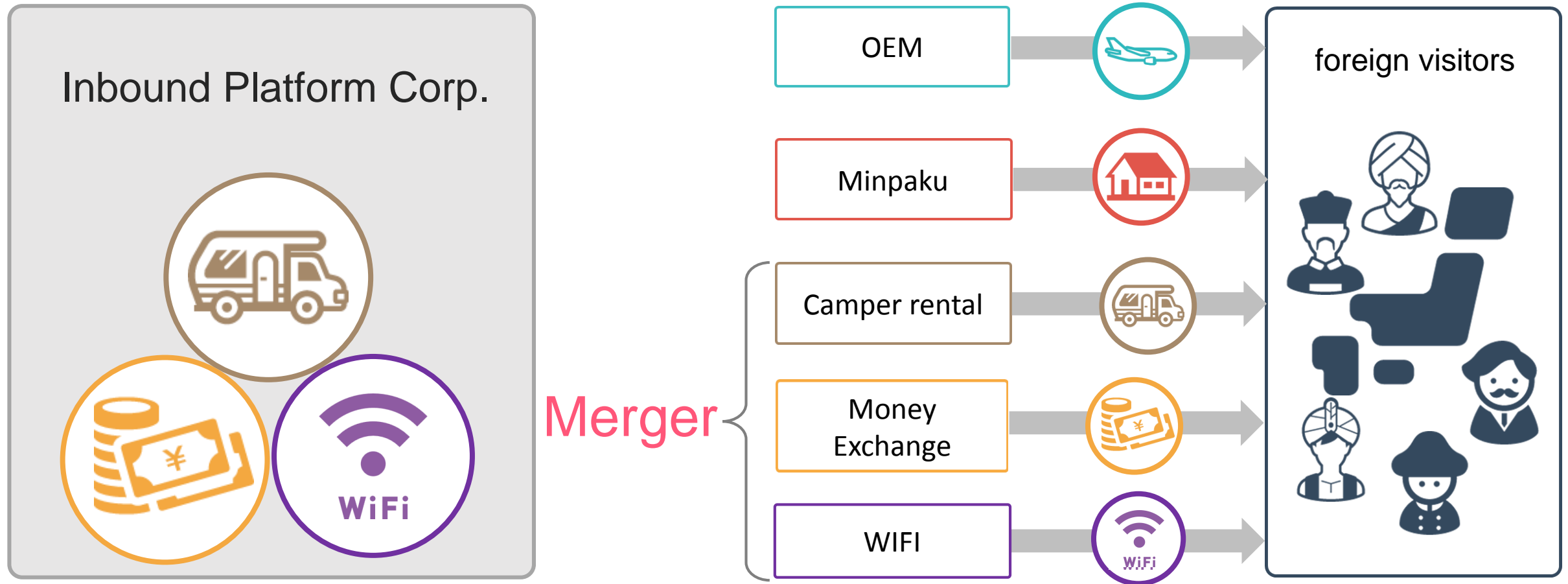
# Business partnership with Concur, the **world's leading** provider of travel, expense and invoice management solutions

~To increase recognition of **AirTrip BTM** and acquire new customers~



# Merger of subsidiaries engaged in inbound-related business

~ Aim to list newly formed subsidiary which was renamed **Inbound Platform Corp.** ~

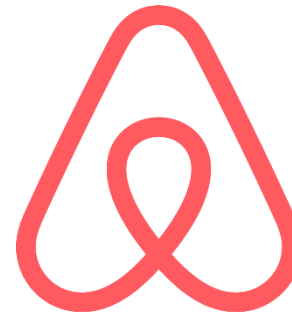


# Capital participation in subsidiary **AirTrip Stay** by **Airbnb**, the world's largest private accommodation provider



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Subsidiary



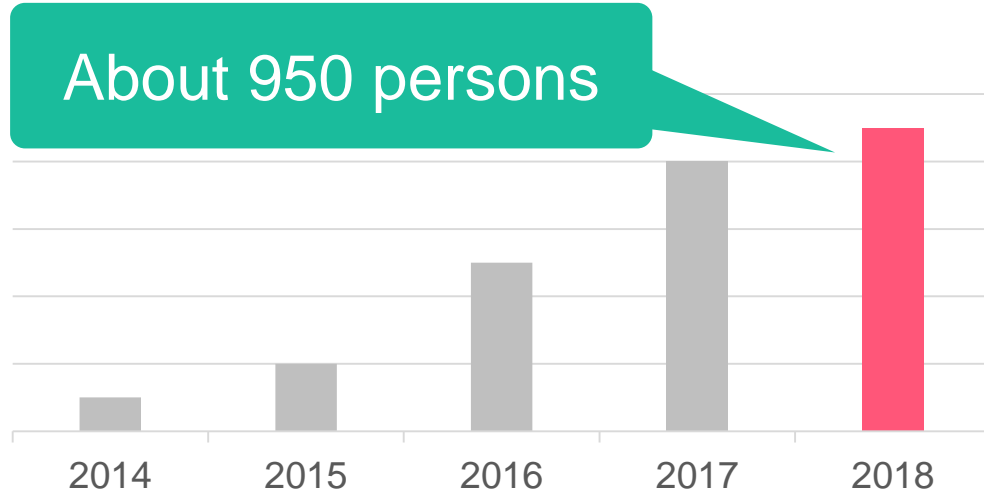
**airbnb**

Commitment through capital participation



**AirTrip Stay**

# Steady progress, including the group companies



**New orders received: 10 companies**

# SKYDISC



and eight other companies

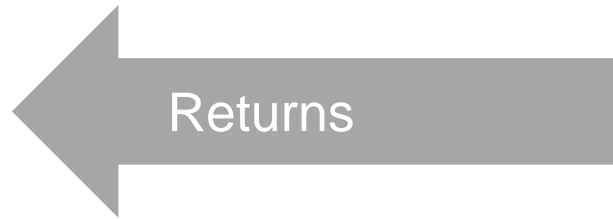
**Number of engineers: about 950 persons**



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

# Strengthening of investment development: 41 companies; total investment amount: 1.7 billion yen


\* As of August 2018




## Aiming for an increase in corporate value such as IPO

A collection of logos for 41 companies, arranged in several rows. The logos include: AMBITION, ROBOT PAYMENT, GOLF LIFE, CROSS, CSC CYBER SECURITY CLOUD, Extech, TE, The Earth, Smile on 110 sayings, adval, kanxashi, WILLGATE, BIKE STARTUP & CO. 株式会社自転車創業, Cocolive, PIALA Smart Marketing for Your Life, CINOSMILE, SWITCH★SMILE, AOSDATA, con:course, CONVERSION TECHNOLOGY, Fan's, donut robotics, tabiko, hachidori, Maple Systems enjoy with us!, wagokoro, N I C Network Information Center, Headwaters, CMN, 趣味なび shuminavi, FINANCIAL AGENCY, ThousandCrane, gz create with great zeal!, 前払いできるくん, and Freesale 思いに応える、ソリューション. ...etc

# Partial exit through sale of hachidori shares

  
Listing

  
wagokoro

  
Sale

  
hachidori  
すべての人に、価値ある仕事を。

  
kanjashi

  
Increase in value

  
Maple Systems  
enjoy with us!

+ 5 companies

# Both revenue and costs improved as a result of integration

## 1 Brand integration



- Unification of company and services under “AirTrip” name
- Integration of marketing including TV commercials
- Referral of customers between the services of both companies

## 2 Integration of operations



- Consolidation of operations
- Optimization of allocation of human resources and organizations

## 3 Cost reductions

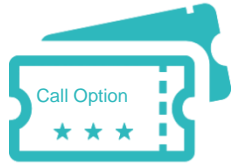


- Review of transaction terms and conditions including various types of commission
- Withdrawal from unprofitable business



# Conditions of stock acquisition rights were changed to increase fundraising flexibility

## Cancellation of 9<sup>th</sup> stock acquisition rights

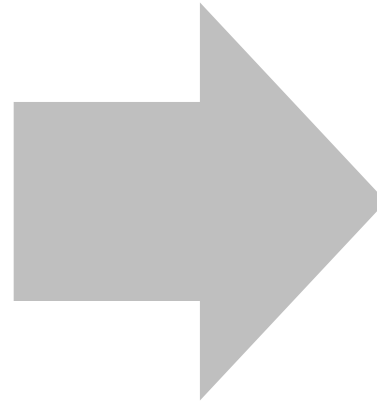


Exercise price	3,500 yen
Planned financing amount	2 billion yen

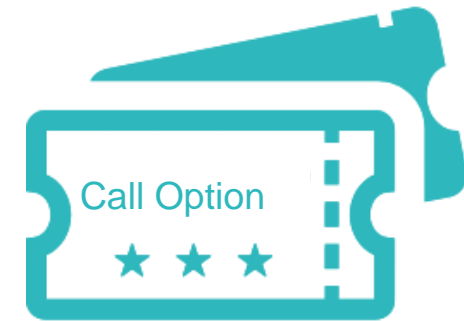
## Cancellation of 10<sup>th</sup> stock acquisition rights



Exercise price	4,500 yen
Planned financing amount	3 billion yen

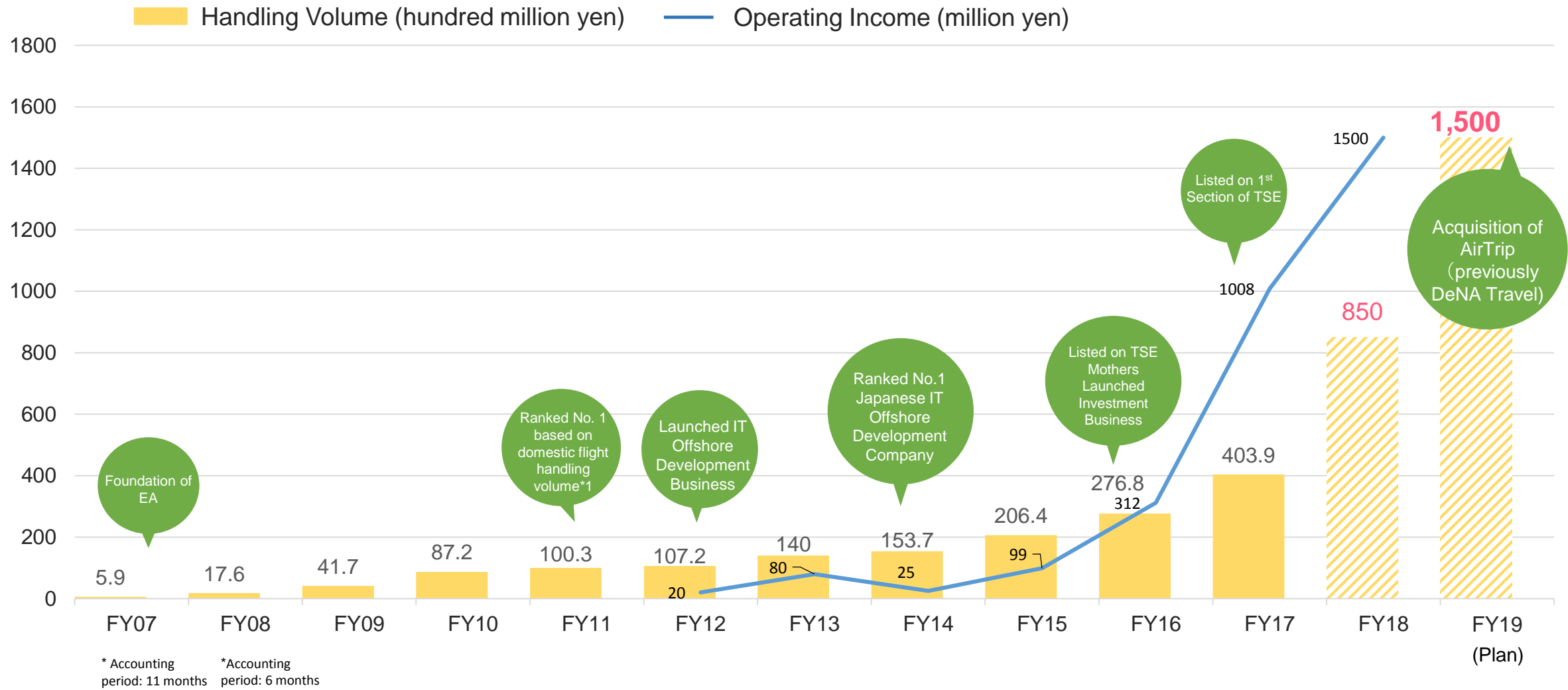


## New issuance of 13<sup>th</sup> stock acquisition rights



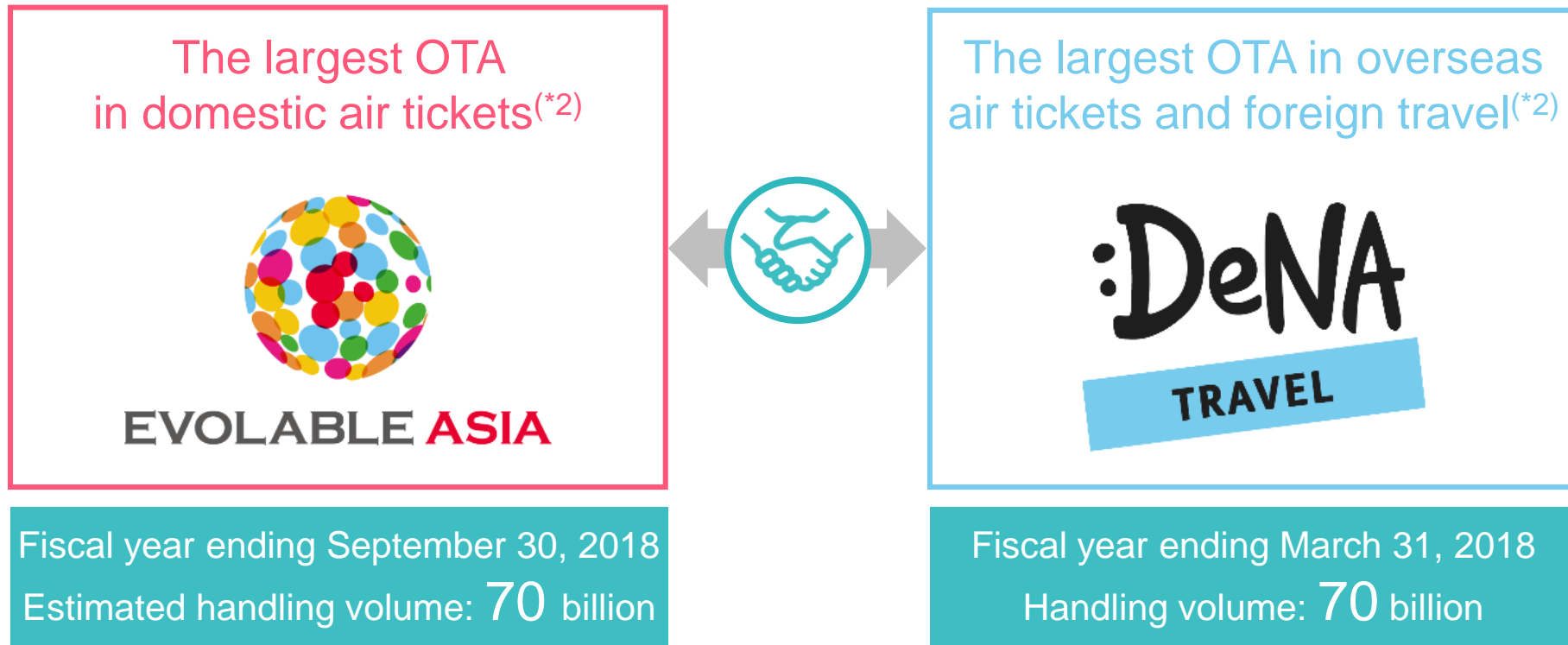
- Plan to raise around 5 billion yen
- Aimed at increasing fundraising flexibility
- Allotment: Merrill Lynch Japan Securities Company, Limited

# Trend of Business Results (Handling Volume, Operating Income)



(\*1) No. 1 OTA (According to a survey undertaken by the Company) (\*2) As of September 2014 (Nikkei Sangyo Shimbun, August 26, 2014)

To become the second-ranked general OTA in the industry<sup>(\*1)</sup>  
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; in the Japanese general OTA industry

\*2 According to a survey undertaken by the Company



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- 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.