

# Results of Operations

for the Third Quarter of the Fiscal Year  
Ending September 30, 2017 (3Q FY9/2017)



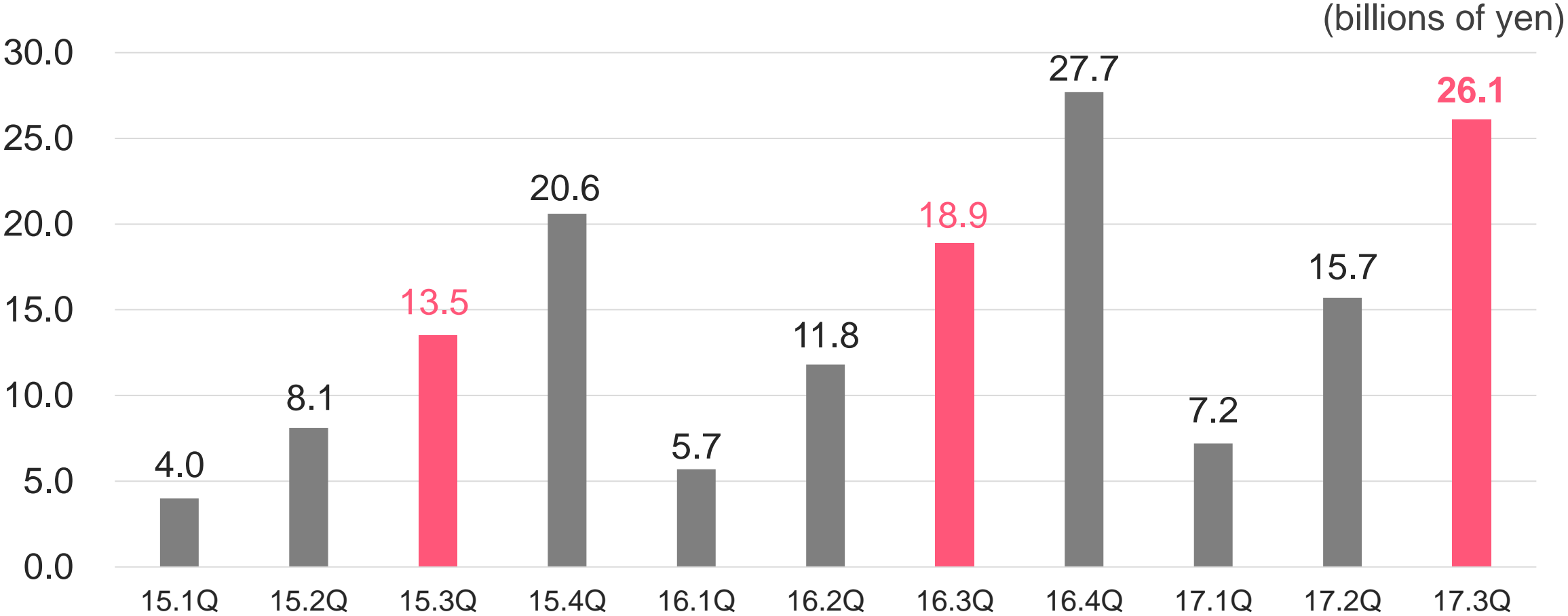
**EVOLABLE ASIA**

Evolable Asia Corp.  
TSE 1<sup>st</sup> section: 6191

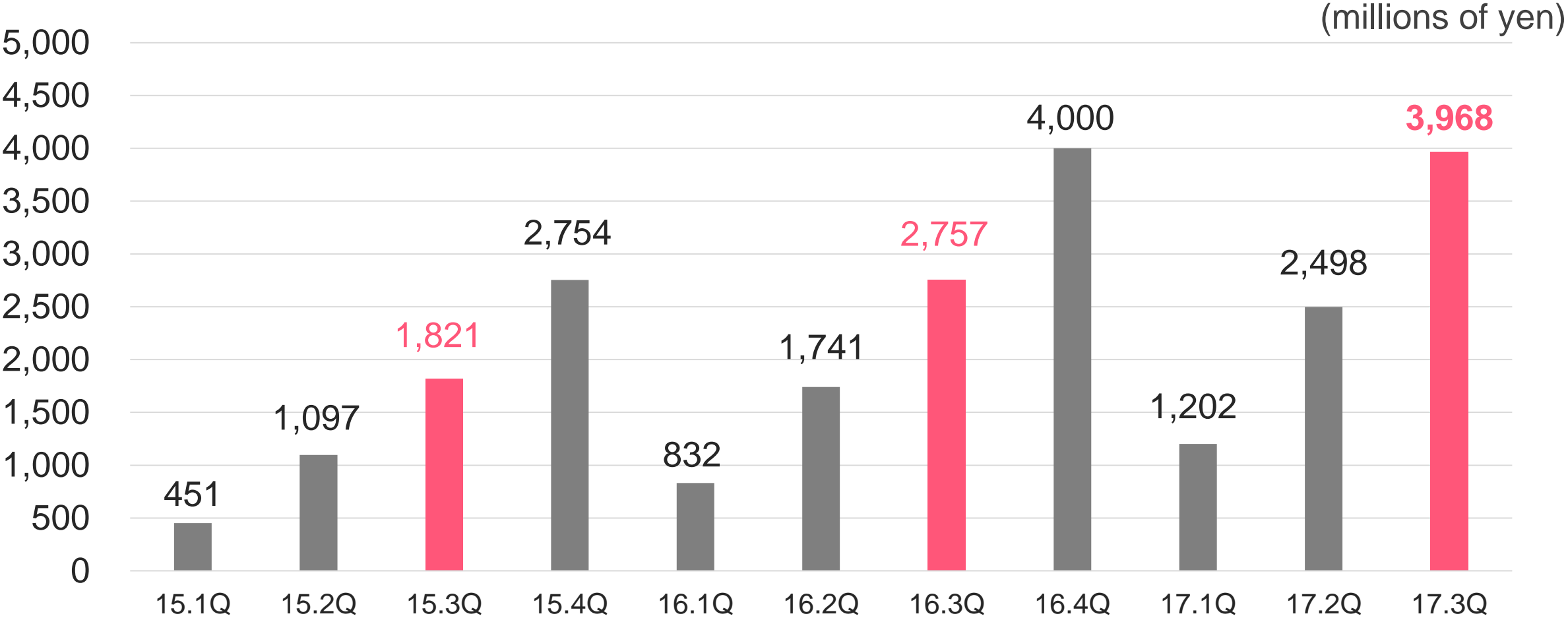
- Handling volume, net sales, and operating income all reached new record highs in the 3rd quarter under review.
- Operating results were consistent with the full-year plan, leaving only the 4th quarter, which is the busy season.
- Latest IR releases  
Advertising personalities, dividend forecast, sales shares in Kanxashi Corporation and WeChat Pay

# Third Quarter FY9/2017 Financial Summary

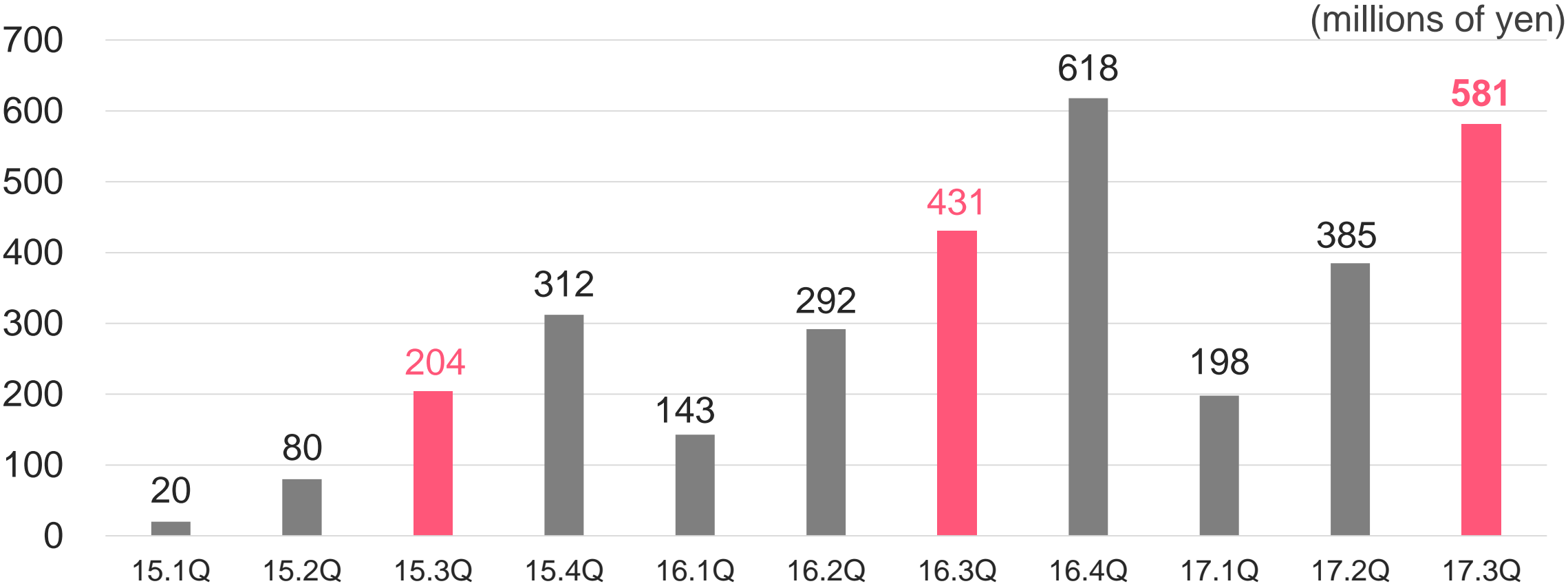
Record high third quarter consolidated handling volume,  
up 37% year on year



Record high third quarter consolidated net sales, up 43% year on year



Record high third quarter consolidated operating income,  
up 34% year on year

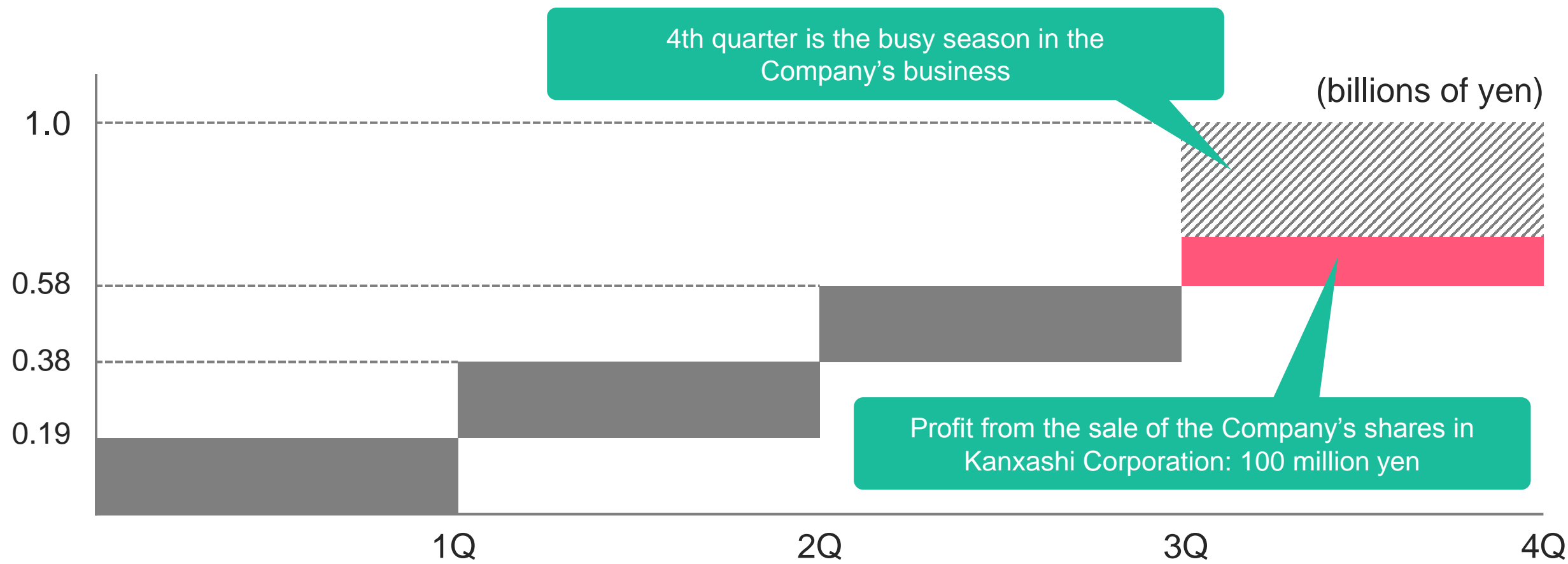


Handling volume, net sales, and operating profit  
all **reached record highs for a third quarter.**

(millions of yen)

	16.3Q		17.3Q		YoY Change
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	18,968	—	26,114	—	137.7%
Net Sales	2,757	100.0%	3,968	100.0%	143.9%
Gross Profit	2,268	82.2%	3,332	83.9%	146.9%
Operating Income	431	15.6%	581	14.6%	134.6%
Ordinary Income	395	14.3%	553	13.9%	140.1%
Profit	238	8.6%	354	8.9%	148.3%

Operating results, including the results of the sale of shares in Kanxashi Corporation, have been consistent with the full-year plan.





# Strong Financial Base Built with Equity Ratio of 46.3%

(millions of yen)

	End of FY2016	17.3Q	YoY Change
Current Assets	4,024	4,247	+223
Cash and Deposits	2,356	1,490	-866
Non-current Assets	817	1,504	+687
Total Assets	4,841	5,751	+910
Liabilities	2,470	2,898	+428
Interest-bearing Debts	331	473	+142
Net Assets	2,371	2,852	+481
Shareholders' Equity	2,276	2,664	+388
Equity Ratio	47.0%	46.3%	-0.7

Decrease due to investment

Increase due to profit

# Growth Strategies and Topics

Evolable Asia contracted comedy duo **Oriental Radio** to advertise AirTrip.

The screenshot displays the AirTrip website's flight search interface. At the top, a blue banner reads "国内格安航空券のご予約はAirTrip! 業界内No.1のお得な航空券予約". Below this is the AirTrip logo and navigation links: "予約確認", "ログイン", "会員登録", and "メニュー". The main content area features a search form with tabs for "国内航空券", "海外航空券", "国内宿泊", and "民泊". The "国内航空券" tab is active, showing a "特典" (Special Offer) banner for AirTrip points. The search form includes fields for "往復" (Round Trip) or "片道" (One Way), "出発" (Departure) location, "到着" (Arrival) location, "行き" (Outbound) date (2017/8/7), and "帰り" (Return) date (2017/8/8). A "検索する" (Search) button is prominently displayed. The background of the website features a large image of the comedy duo Oriental Radio, with one member in a pilot's uniform and the other in a suit, both pointing towards the search form.

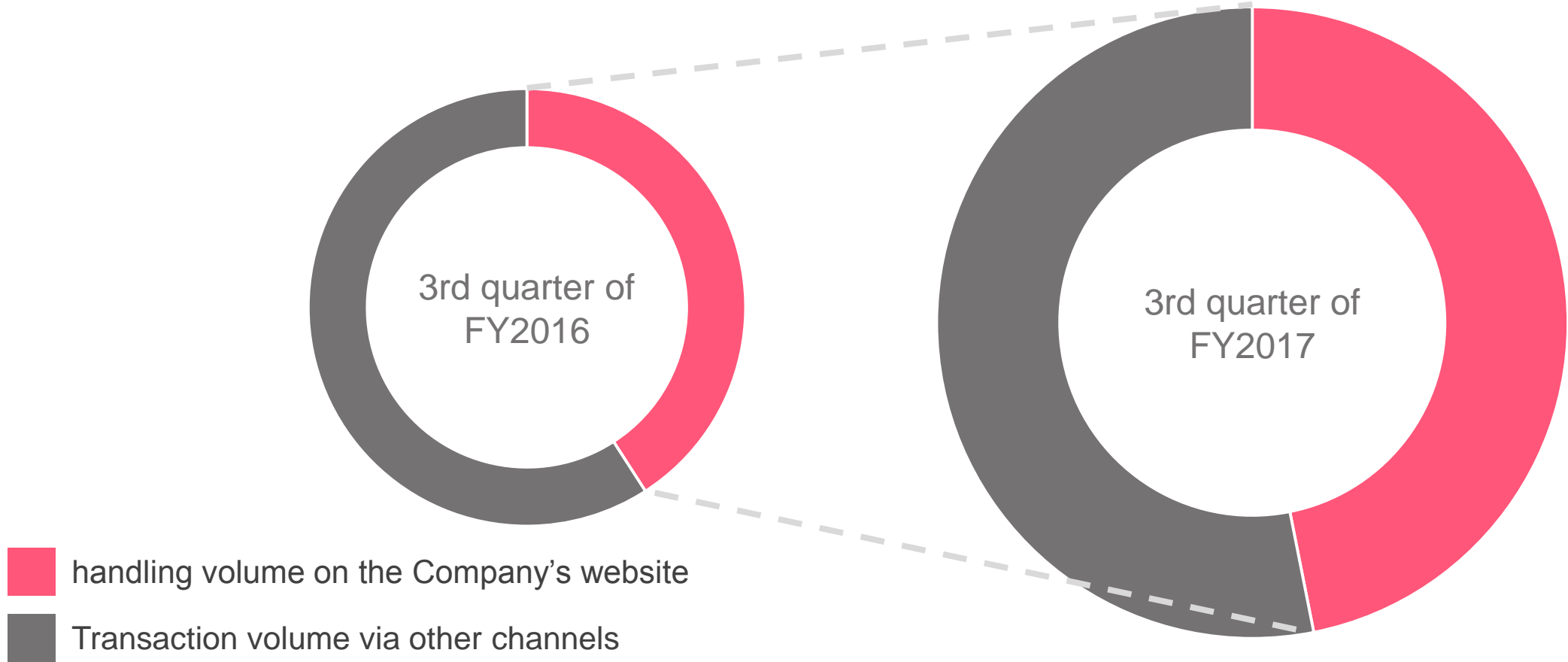
### Appearance in TV ads

The Company has decided to hire Oriental Radio to appear in TV ads for AirTrip, scheduled to start in the period under review, on the AirTrip website for promoting the Company's corporate website.


\* The above image may differ from the actual website design.



The Company’s website led growth and the handling volume increased **55%** year on year.



# Appointment of Mr. Akiyama as advisor and entry into the package tour industry

	Airline Tickets	Accommodations	Tours
In Japan			
Overseas			

Enter the package tour industry

## Profile of Mr. Akiyama

- 1962: Born in Okayama, Okayama Prefecture
- 1989: Chief of Okayama office of Okinawa Tourist Service Inc. Subsequently, chief of Okayama branch, chief of Hiroshima branch, and chief of Osaka branch
- 2005: Director of Western Japan management and chief of Osaka office, Okinawa Tourist Service Inc.
- 2008: Managing director of Hokkaido Tours Inc.
- 2009: Director and manager of Okinawa Tourist Service
- 2010: Managing director and manager of Okinawa Tourist Service
- 2012: Senior managing director and manager of Okinawa Tourist Service
- 2014: President of mainland company of Okinawa Tourist Service
- 2014: Manager of medium- and long-term strategies, Okinawa Tourist Holdings
- 2014: Founded and took office as president of Mark by A K.K. Had operational agreement with Okinawa Tourist Holdings until December 2016



# Expansion of partnership with major travel websites for the sale of domestic airline tickets

More than 500 companies



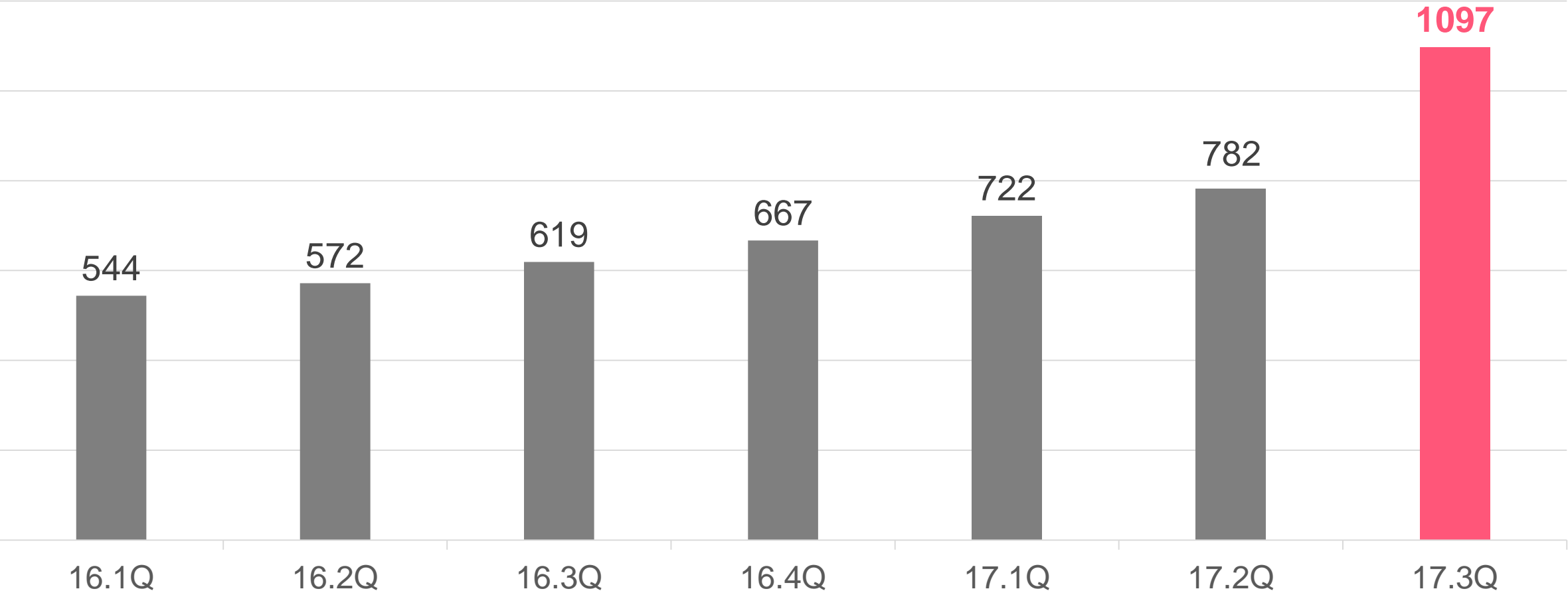
Domestic Airline Tickets



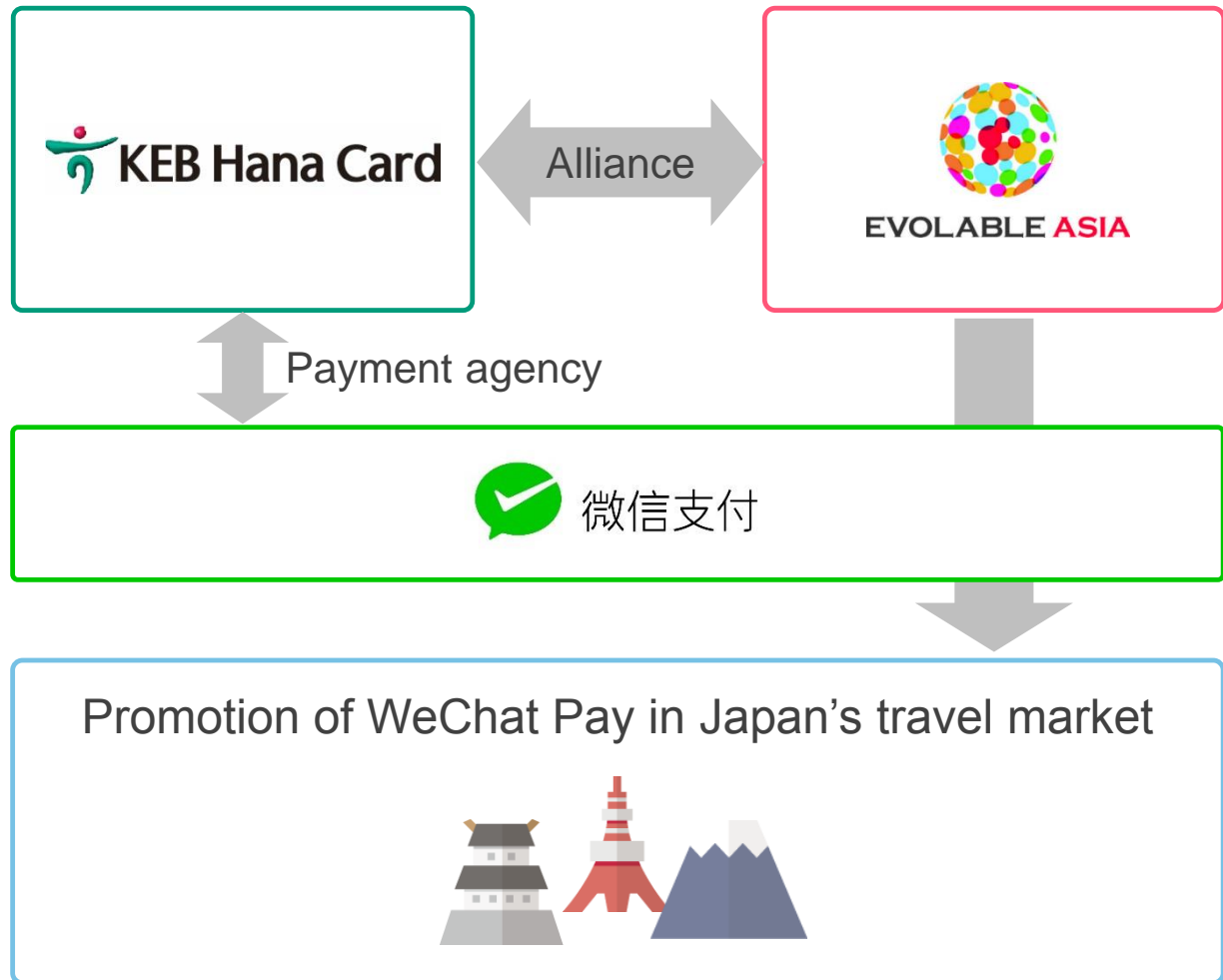
EVOLABLE ASIA



Number of clients exceeded 1,000 companies, including Tokyo Masters



## Alliance with KEB Hana Card for promotion of WeChat Pay



### Aims of alliance

The availability of WeChat Pay remains low in Japan and not many hotels or other lodging facilities have adopted it. As the top partner of the Japanese travel industry, Evolvable Asia aims to **increase the availability of payment through WeChat Pay.**

### Overview of WeChat Pay

Mobile payment service using the platform of WeChat, **the world's largest mobile messenger service**, with more than 900 million users.

Allows payment at stores using QR codes and individual fund transfers between apps.



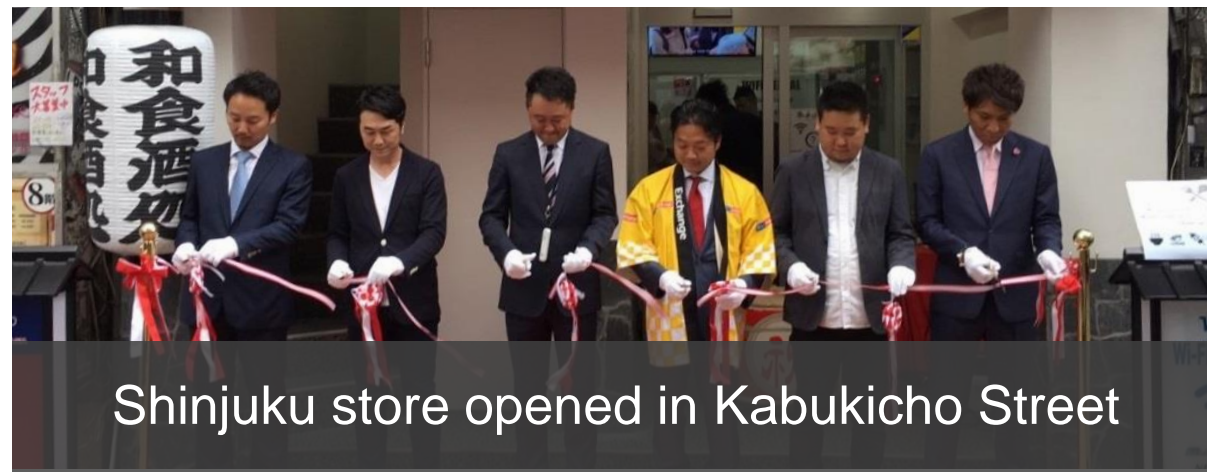
## Opening Shibuya and Shinjuku stores. Expanding business using capital increase through third-party allotment.



### Issuance of new shares through third-party allotment

AirTrip Exchange, which was Evolvable Asia's wholly-owned subsidiary, issued new shares through third-party allotment. Mr. Yoshida, president of Star Capital Inc., which purchased the shares, continuously grew his money exchange business since the company establishment in 2010. It has strengths in its services for companies and customer base and developed a wide-ranging business, including a foreign-currency direct-delivery service, etc. through websites.

AirTrip Exchange will further expand its business while receiving advice from Mr. Yoshida, who has broad knowledge and expertise in the money-exchange business.



## Launched camper rental business in Japan



### Prepared 15 new campers

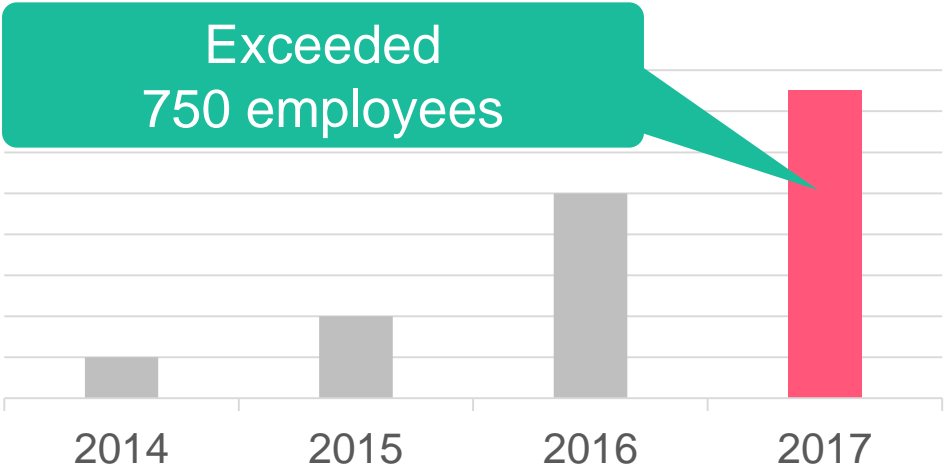
Evolable Asia has been operating the camper rental business of El Monte RV, one of the largest camper companies in the U.S. In June 2017, it launched a camper rental business in Japan.

It has 15 new campers, including pet-friendly vehicles.

### Promotional campaigns

To celebrate the achievement of camper rental to 3,000 groups in the U.S., El Monte RV gives away camper rental coupons worth 60,000 yen that can be used in Japan to customers who have reserved camper rentals in the U.S. This promotional campaign is made possible only by El Monte RV, which has its own campers, operates a rental business in the U.S., and is expected to encourage a further increase in customers.

# Steady progress, including new group companies



## Exceeded 750 laboratory employees



The number of lab employees exceeded 750 during the third quarter under review, due to an increase in engineers through the acquisition of Punch Entertainment, a DeNA subsidiary, opening of a new lab, etc.

## Operation of 13 titles at Grevo Co., Ltd.



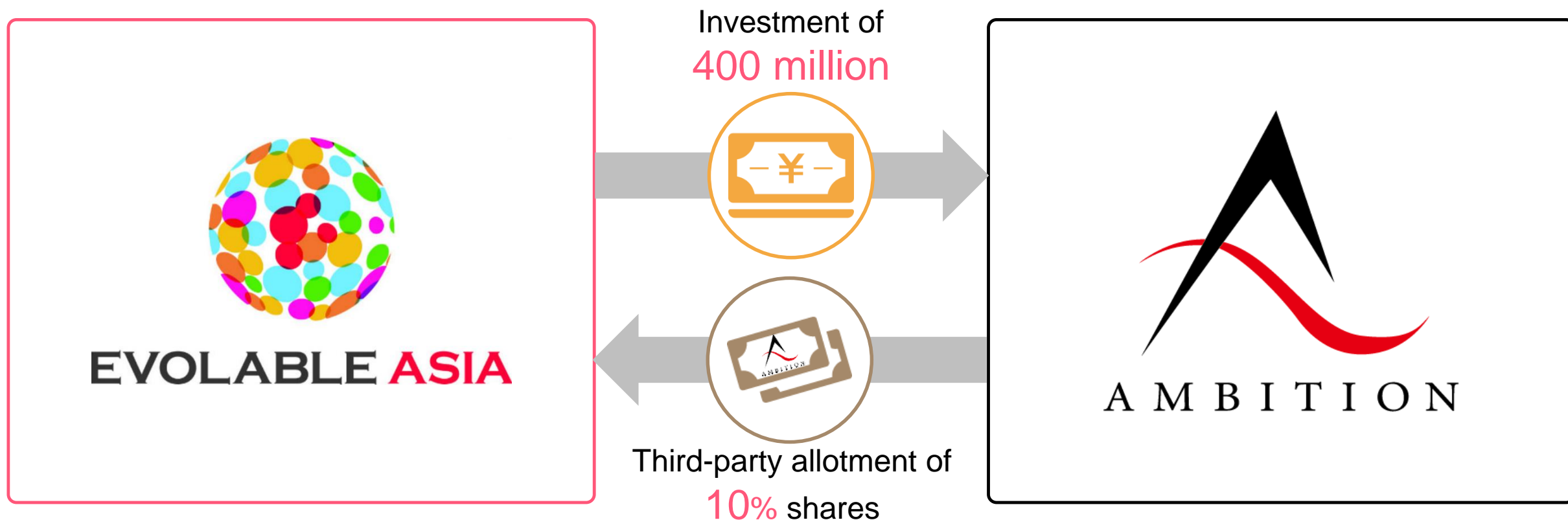
Grevo, a joint venture founded in April by Evolvable Asia’s Vietnamese subsidiary and GREE, operates 13 titles.

## New openings



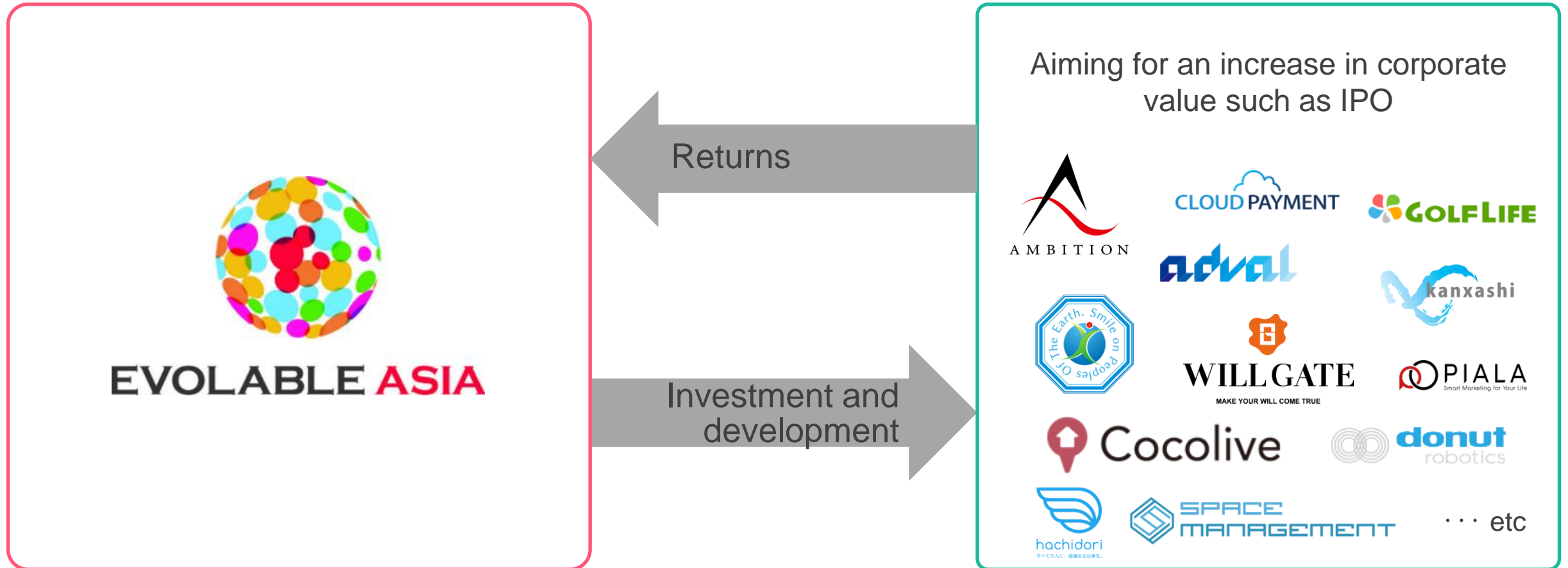
Opened three other companies

## Acquisition of 10% of shares of Ambition Corporation listed on Mothers





# Strengthening investment and development: Total investment in 14 companies of 940 million yen



## Profit of approx. 100 million yen from sale of part of shares in Kanxashi Corporation



Selling price	100,000,000 yen
Selling book value	1,000,000 yen
Selling equity ratio	10%
Date of sale	August 10, 2017
Equity ratio after sale	30%

### First exit from investment business

This marks the first exit from the investment business, which started on October 1, 2016, with the purpose of creating synergy through cooperation, etc. with the invested company and raising returns on investments in the growth of the invested company.

### Background

The business has grown steadily since its joint foundation in August 2016. Kanxashi Corporation started full-scale preparations for its IPO.

# Up to approx. 10 billion yen provided through the issuance of Stock Acquisition Rights with exercise conditions

	9th stock acquisition rights	10th stock acquisition rights	11th stock acquisition rights
Method of issuance of stock acquisition rights	Third-party allotment to Credit Suisse Securities (Japan) Limited		
Net rough estimates	10,122 million yen		
Planned financing amount	2,030 million yen	3,044 million yen	5,053 million yen
Number of shares to be issued	572,200 shares	673,200 shares	841,500 shares
Exercise period	24 months		
Total issue price	10,129 million yen		
Exercise price	3,500 yen	4,500 yen	6,000 yen
Surplus rate <sup>*1</sup>	20%	28%	33%
Ratio of shares to be issued to issued shares	3.4%	4.0%	5.0%
Total rate of potential dilution	12.4%		
Major characteristics of these share options	Higher surplus rate setting to reduce dilution		
	Gradual setting of exercise price for gradual issue of new shares		
	Terms for amendment of exercise price to meet any flexible needs for funds		
	System for approval of exercise to control time of financing		
	Higher equity ratio to increase financial strength		

\*1: The surplus rate is calculated according to the following calculation formula:

9th stock acquisition rights:  $(\text{exercise price/closing price on the day preceding the date of resolution for issue thereof} - 1) \times 100$

10th and 11th stock acquisition rights:  $(\text{exercise price/exercise price for the previous stock acquisition rights} - 1) \times 100$

Stock price increase is the condition for dilution<sup>\*1</sup>  
 ~ Surplus rate<sup>\*2</sup> of any share options > rate of dilution ~

	Surplus rate		Rate of dilution
9th stock acquisition rights	+20%	>	3.4%
10th stock acquisition rights	+28%	>	4.0%
11th stock acquisition rights	+33%	>	5.0%

\*1: The exercise price may be amended by resolution of the board of directors; however, the amended exercise price shall not fall below the lower limit of the exercise price, 2,918 yen (the level equivalent to 100% of the closing price for the common shares of the Company in a regular manner on the Tokyo Stock Exchange on the trading day preceding the date of resolution for issue).

\*2: The surplus rate is calculated according to the following calculation formula:

9th stock acquisition rights:

(exercise price/closing price on the day preceding the date of resolution for issuance thereof - 1) x 100

10th and 11th stock acquisition rights:

(exercise price/exercise price for the previous stock acquisition rights - 1) x 100



Use of net funds	Estimated amount	Scheduled timing for expenditure
(1) Implementation of strategic large-scale M&A	8,122 million yen	July 2017 - June 2020
(2) Branding cost for recognition increase and customer acquisition focusing on new brands	2,000 million yen	July 2017 - June 2020

### (1) Implementation of strategic large-scale M&A

Our group will expand its business scale through active investment and M&A in addition to the growth of the existing business to achieve the trading volume of 100 billion yen according to the medium-term management plan toward 2020.

In the selection of the entities for investment and M&A, synergy with the existing business is emphasized in the fields related to it. In addition to the companies that will bring direct business synergy with the existing business, we will select the entities to invest in and acquire broadly in the travel, tourism and IT industries in which the Company operates for strategic investment and M&A.

### (2) Branding cost

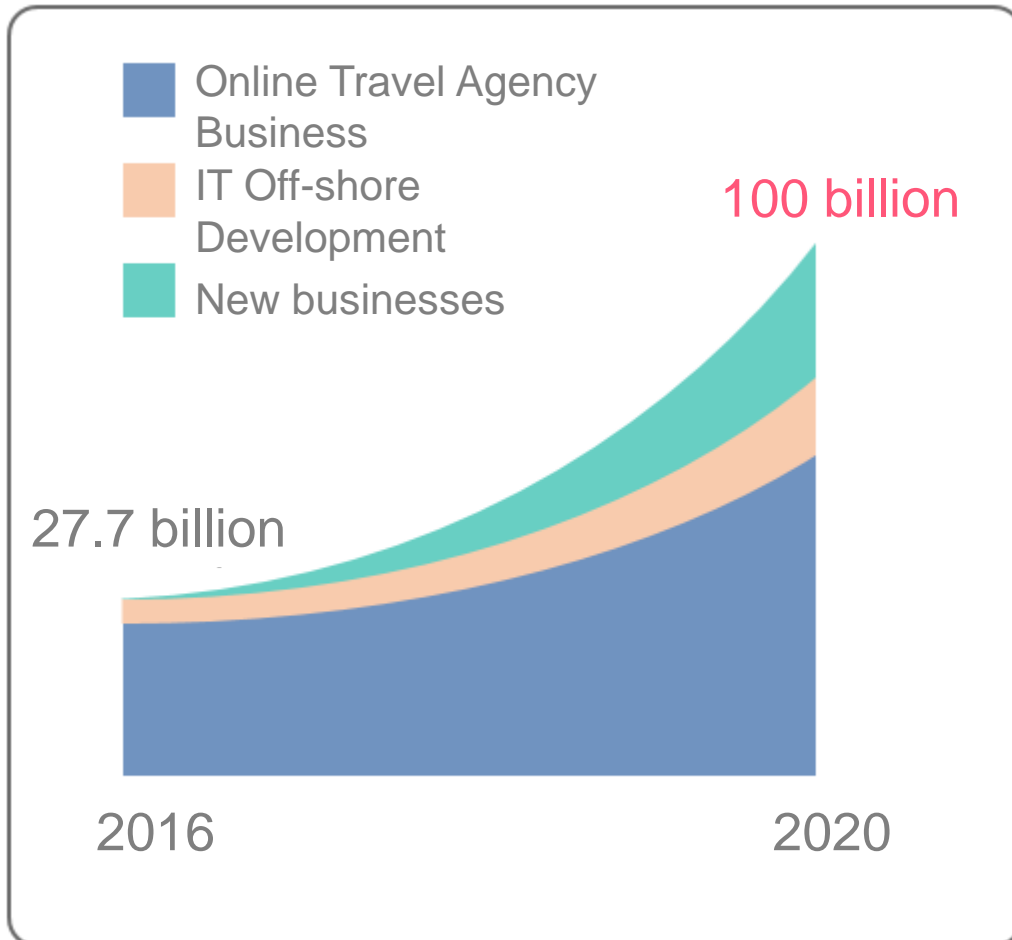
The Company aims to expand the new brand, AirTrip, as the platform for general travel services. The funds raised will be appropriated to branding to further increase the number of users and members of our platforms and to sales measures and marketing activities for increasing brand recognition.

Planned specific measures include mass advertising with the use of TV commercials and other means and branding campaigns using persons who have an influence on a wide range of age groups for broader brand recognition.

Decision to pay a dividend of **7 yen** per share  
with a dividend payout ratio of approx. 20%

	Amount decided	Recent dividend forecast (Announced May 16, 2017)	Dividends paid in FY2016 (FY ended Sep. 2016)
Record date	September 30, 2017	September 30, 2017	—
Dividend per share	7 yen	TBA	—
Total dividends paid	117 million yen	—	—
Effective date	September 30, 2017	—	—
Source of dividends	Earned surplus	—	—

2020: Achieve a business volume of **100 billion yen** and secure the top position in all segments



### Established as the **top brand** in domestic flights

Establish AirTrip as a brand that comes to everyone's mind for domestic flights.

### Inbound Travel Business

- **Top made-in-Japan** platform for private home accommodations
- **Largest** domestic **sales** in camper rentals

### **Top** Japanese company in IT off-shore development

By 2020, achieve 3,000 lab employees and the top position in development quality, sales, and development scale in the IT offshore development business.

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.



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