

Results of Operations

for the First Half of the Fiscal Year
Ending September 30, 2016 (1H FY9/2016)



EVOLABLE ASIA

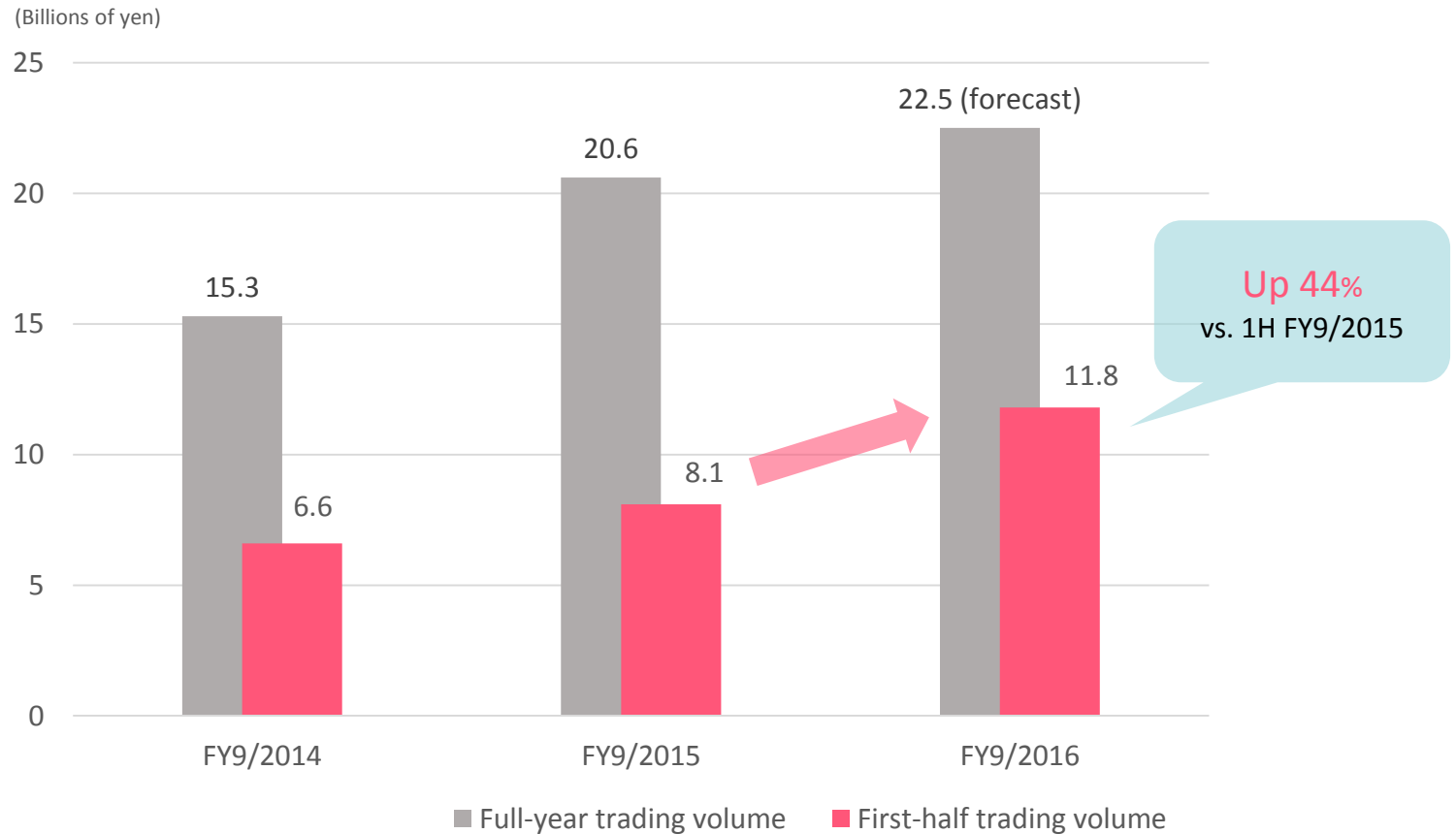
Evolable Asia Corp.
TSE Mothers: 6191

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- Listed on the Mothers Market of the Tokyo Stock Exchange on March 31, 2016
- Record-high 1H sales, at **¥1,741 million**, and operating income, at **¥292 million**
(+58% YoY) (+261% YoY)
- Significant YoY increase in operating margin, from 7.4% to 16.8%
(+127% YoY)

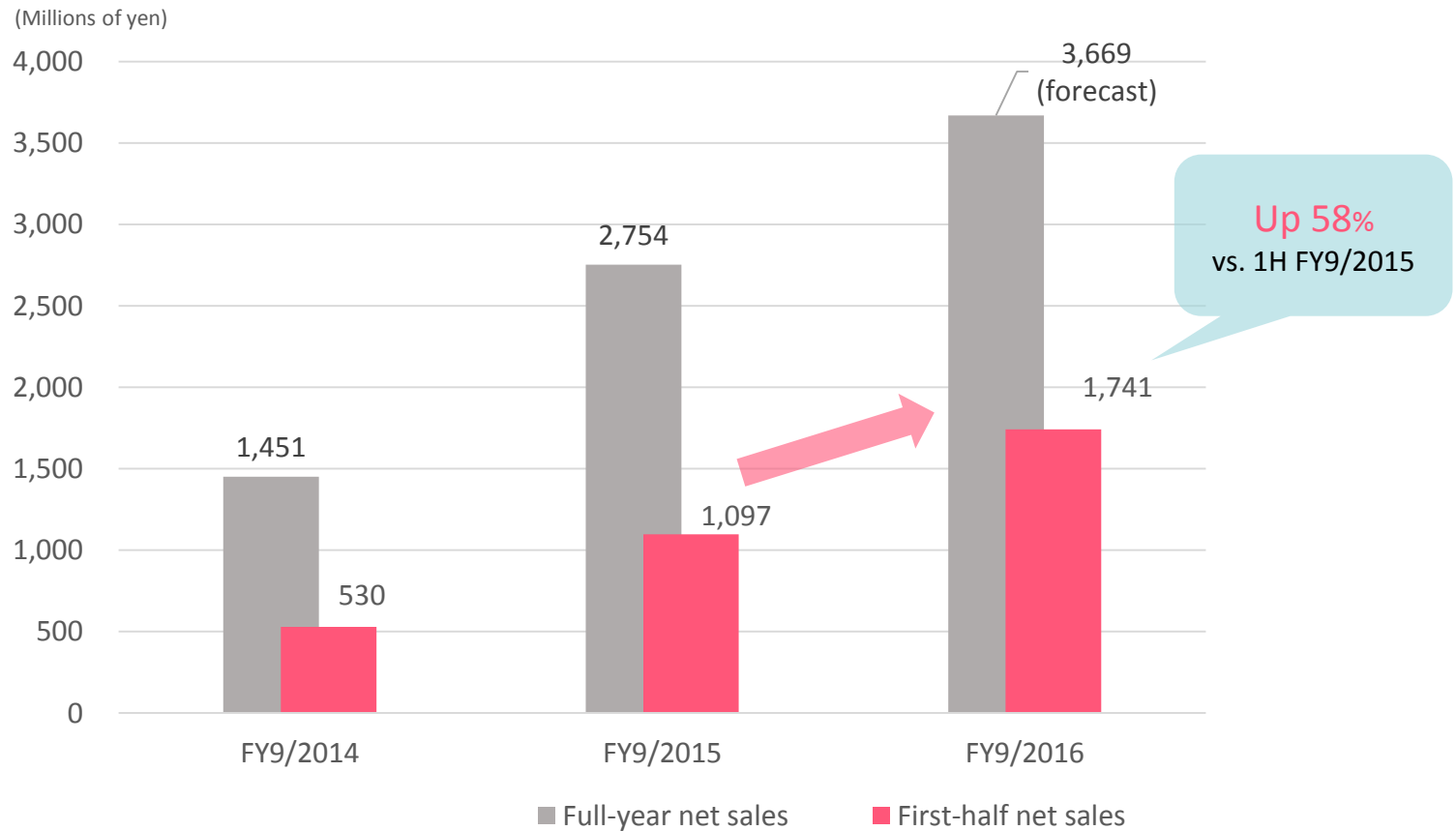
1H FY9/2016 Financial Summary

Consolidated handling volume^(*1) **up 44% YoY**

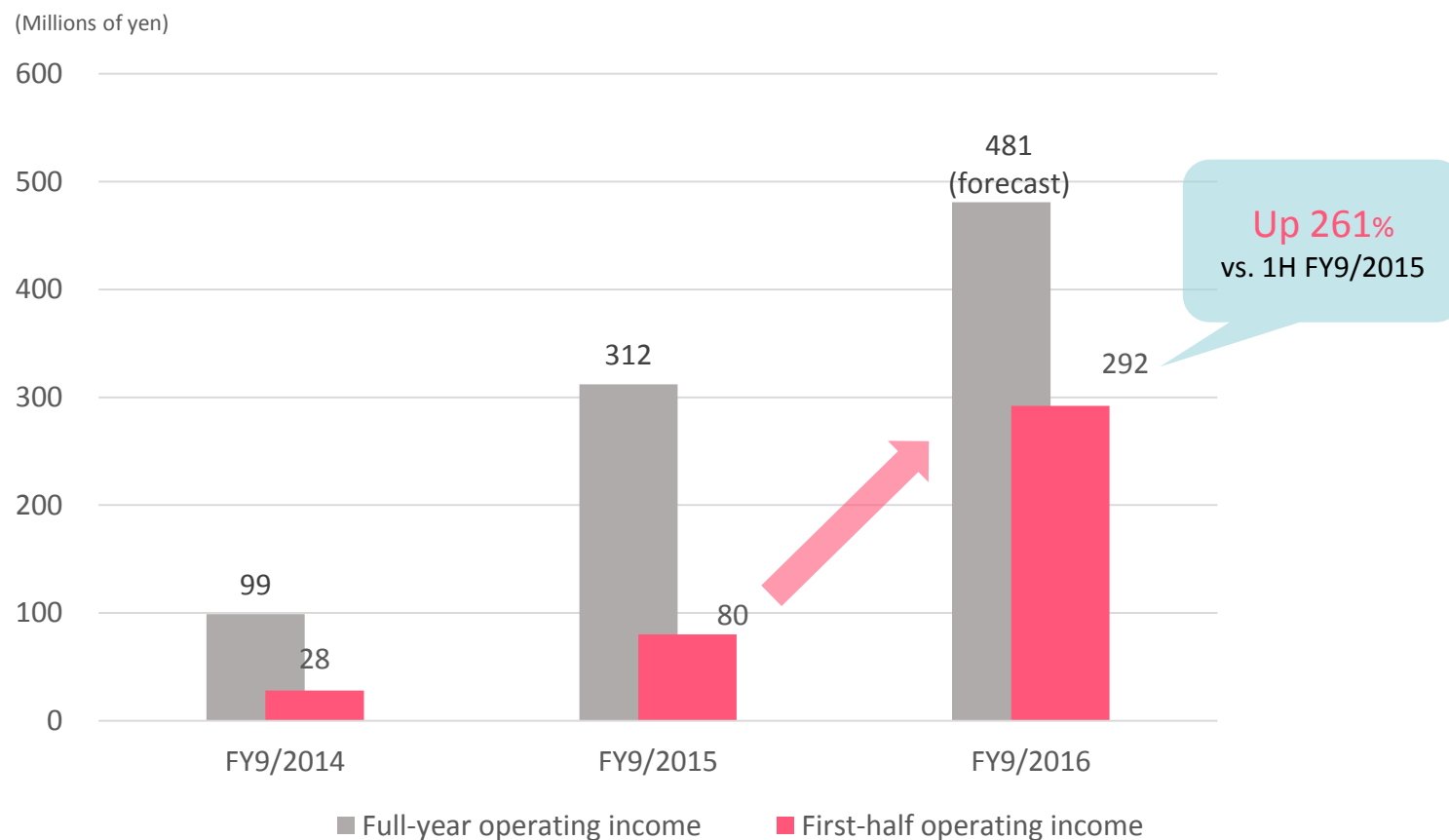


(*1) Consolidated handling volume refers to the total transaction volume of sales in the online travel agency business and sales in the IT off-shore development and other businesses.

Consolidated sales **up 58%** YoY



Consolidated operating income **up 261% YoY**



Expansion of business scale contributing to much higher operating margin

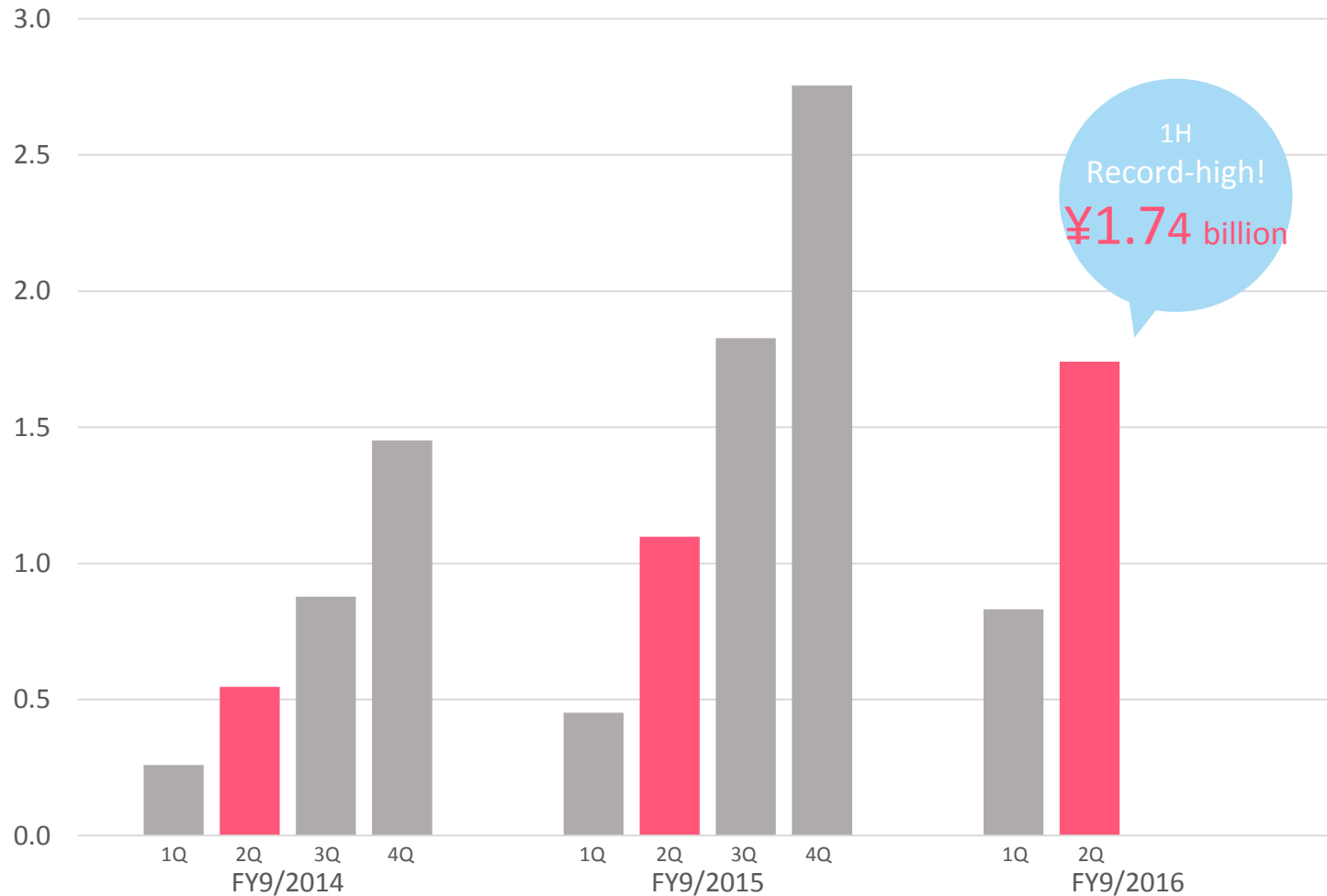
- Greater buying power leading to lower procurement costs
- Falling unit customer acquisition costs
- Falling unit operational costs

(Millions of yen)

	1H FY9/2015		1H FY9/2016		YoY change
	Amount	% to sales	Amount	% to sales	
Handling volume	8,199	-	11,845	-	144.5%
Net sales	1,097	100.0%	1,741	100.0%	158.6%
Gross profit	732	66.7%	1,412	81.1%	193.0%
Operating income	80	7.4%	292	16.8%	361.2%
Ordinary income	75	6.9%	265	15.3%	351.4%
Profit attributable to owners of parent	35	3.2%	159	9.2%	455.1%

Record-high net sales for the first half, which is the low season

(Billions of yen)



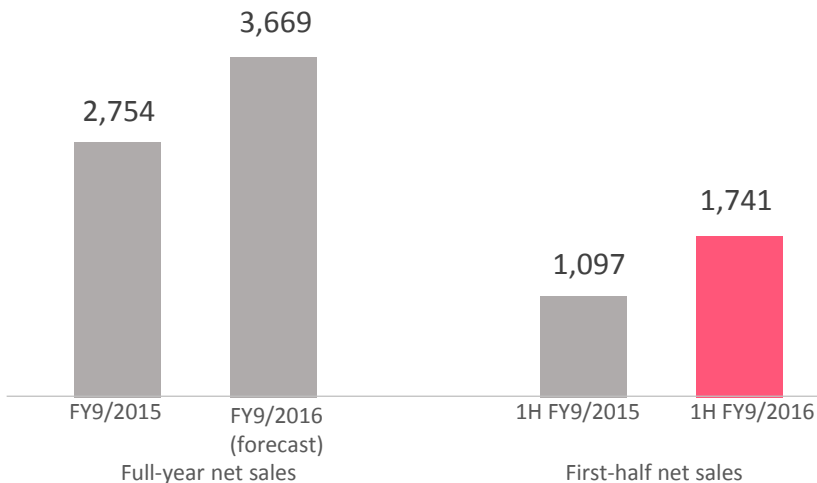
Strong performance in line with the full-year forecast compared with FY9/2015

Net Sales

Up 33%
YoY
Forecast



Up 58%
YoY
Results

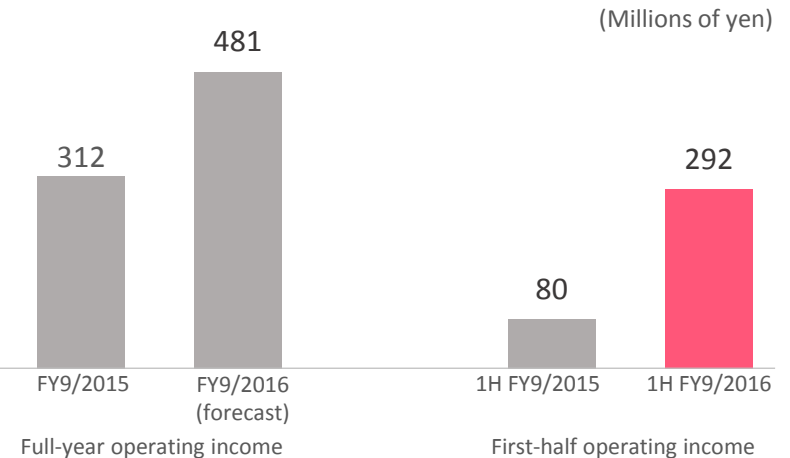


Operating Income

Up 54%
YoY
Forecast



Up 261%
YoY
Results

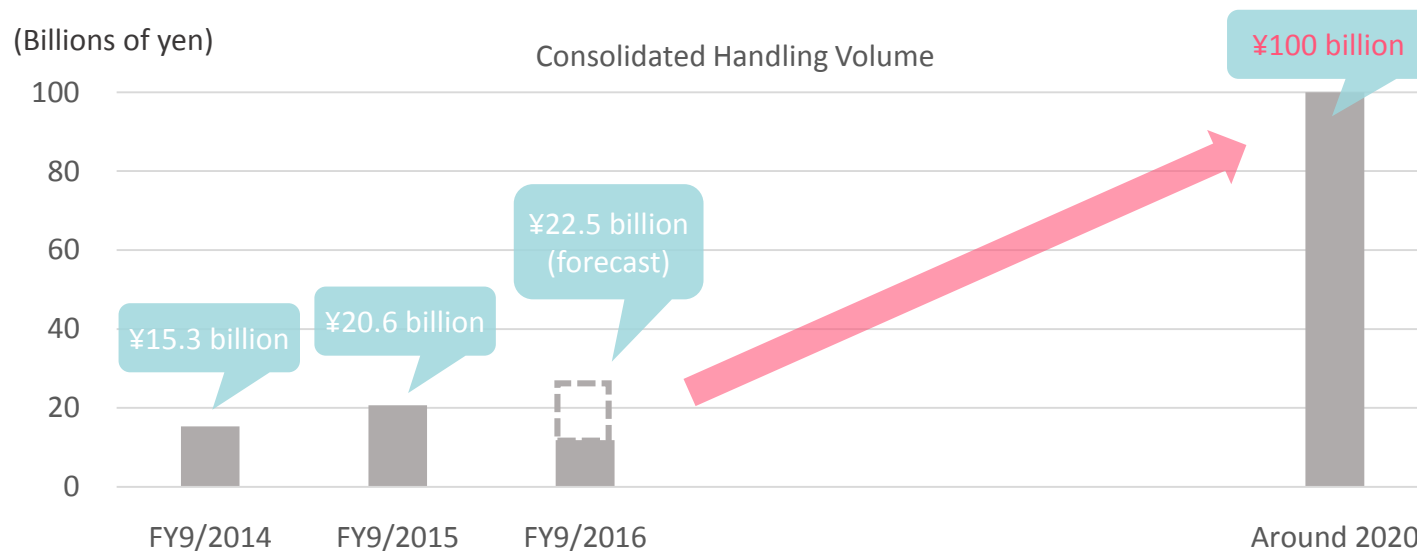


Equity ratio of **50.3%** to achieve strong financial balance

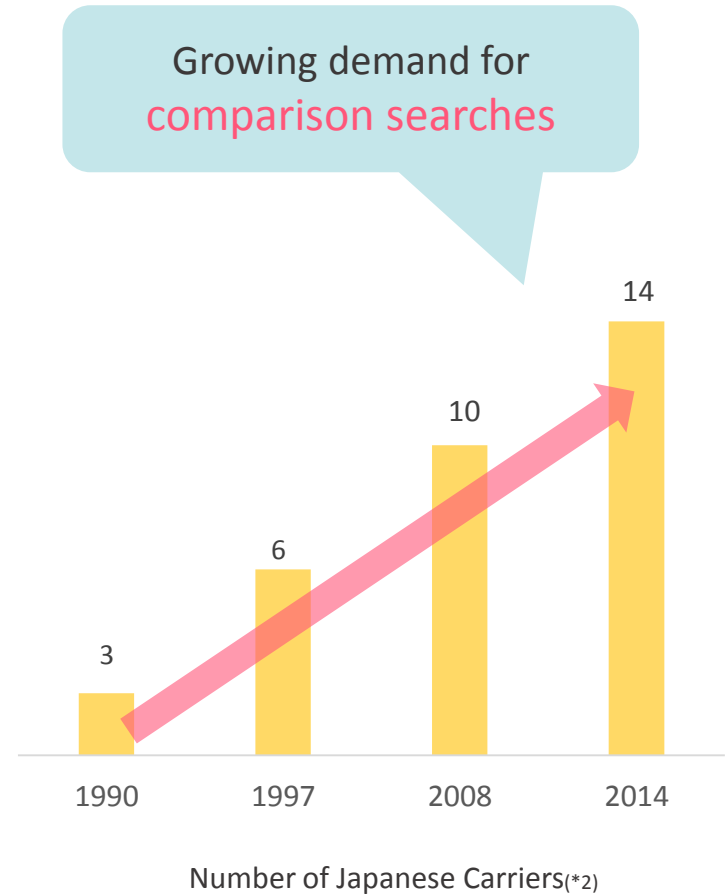
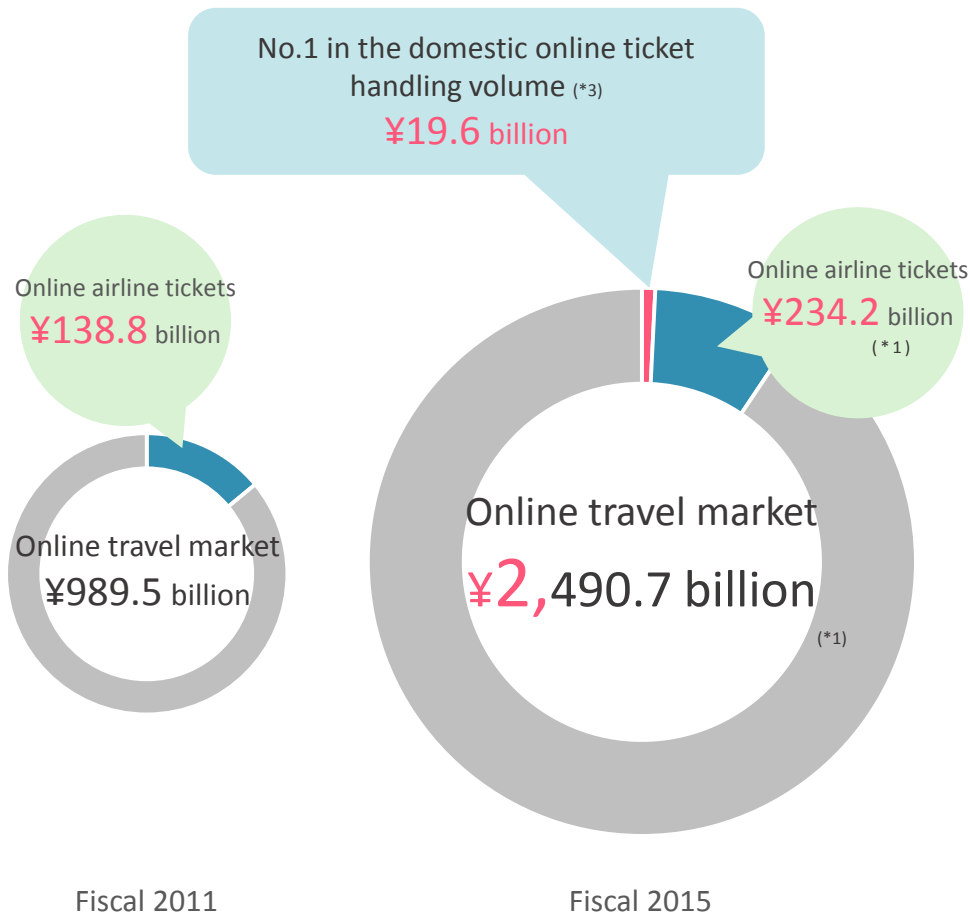
(Millions of yen)

	End of FY9/2015	End of 2Q FY9/2016	Change
Current assets	1,520	3,134	+1,613
Cash and deposits	638	2,052	+1,413
Non-current assets	543	544	+1
Net assets	2,064	3,678	+1,614
Liabilities	1,666	1,750	+83
Interest-bearing debt	443	334	-109
Net assets	397	1,928	+1,530
Shareholders' equity	341	1,849	+1,508
Equity ratio	16.5%	50.3%	+33.7%

Boosting total handling volume to **¥100 billion** in a growth market and with a robust business model



The domestic airline ticket business has become **the mainstream** in the online travel market



(*1) Calculated by Evolvable Asia from a study as of December 2014 by PhoCusWright Japan (calculated as annual growth of 26% for all travel commodities, annual growth of 14% for airline tickets) (*2) Research by Evolvable Asia (*3) As of February 2016, research by Evolvable Asia

The Leader^(*1) in Handling Volume in the Industry

Creation of high barriers to entry



We are the only company in the OTA industry having agreements in place with **all Japanese airline company groups**^(*1)



Diverse **sales routes**



Proprietary off-shore IT development capabilities

(*1) As of February 2016, research by Evolvable Asia

Boosted CVR 25.1% through UI improvements

Increased mobile ratio 28.3% through marketing enhancements

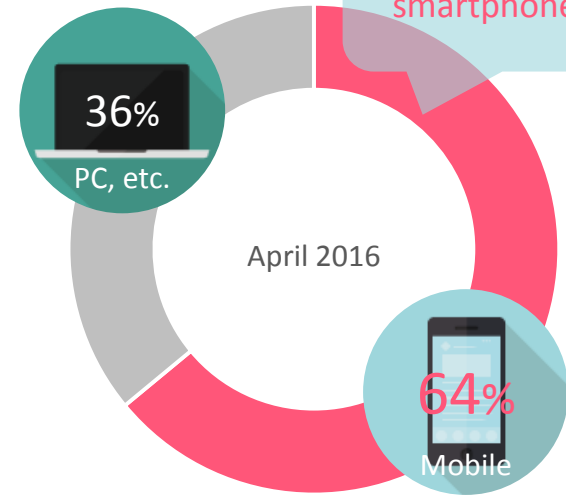
Before UI improvements

空席紹介						
往路 6月1日						
往路 便名	出発	到着	座席	割引運賃 (料金優先)	日時変更 可能運賃	
JAL 623	06:40 羽田	08:25 熊本	E	¥19,690	¥29,240	
ANA 3711	07:10 羽田	09:00 熊本	E	¥19,690	¥29,240	
SNA 011	07:10 羽田	09:00 熊本	E	¥19,990	¥34,790	
JAL 625	08:10 羽田	09:55 熊本	E	¥20,090	¥29,240	
ANA 641	08:30 羽田	10:15 熊本	E	¥20,090	¥29,240	
ANA 643	10:00 羽田	11:45 熊本	E	¥20,090	¥29,240	
JAL 627	10:05 羽田	11:50 熊本	E	¥20,090	¥29,240	
JAL 629	11:35 羽田	13:20 熊本	E	¥19,390	¥29,240	
ANA 3713	12:15 羽田	14:00 熊本	E	¥19,390	¥29,240	
SNA 013	12:15 羽田	14:00 熊本	E	¥19,990	¥34,790	
JAL 631	13:05 羽田	14:50 熊本	E	¥19,390	¥29,240	
ANA 3715	14:05 羽田	15:45 熊本	E	¥18,790	¥29,240	
SNA 015	14:05 羽田	15:45 熊本	E	¥19,990	¥34,790	
ANA 645	14:50 羽田	16:35 熊本	E	¥17,190	¥29,240	

After UI improvements

検索結果						
往路						
前日 ◀ 6/1 羽田 ~ 熊本 ▶ 翌日						
条件を変更して選び直す						
時間が早い順 時間が遅い順 価格が安い順						
▶ アップグレード席を含めて表示						
▶ 航空会社を絞り込む						
便名	出発	到着	割引運賃 (料金優先)	日時変更 可能運賃		
JAL 623 普通席	羽田 06:40	熊本 08:25	¥19,690	¥29,240		
ANA 3711 ANA 普通席	羽田 07:10	熊本 09:00	¥19,690	¥30,240		
SNA 011 普通席	羽田 07:10	熊本 09:00	¥19,990	¥34,790		

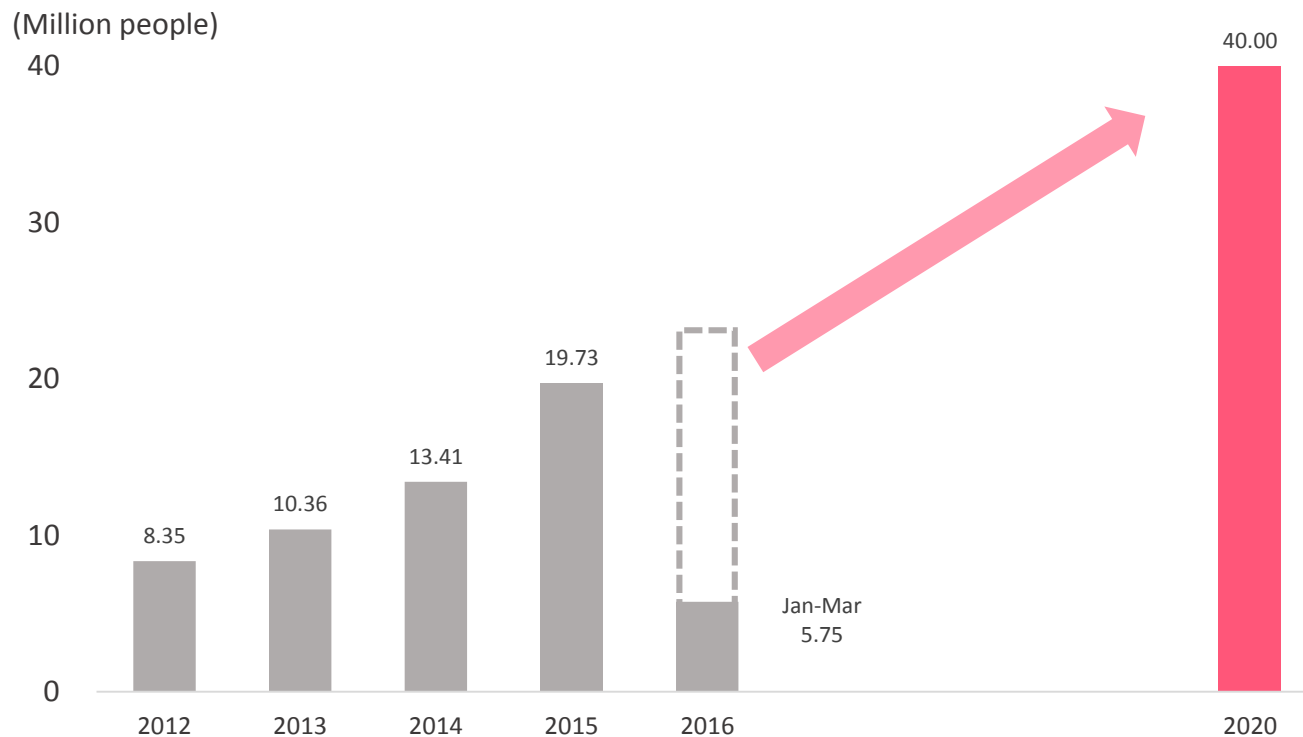
Response to
smartphone needs



We improved the smartphone-oriented user interface (UI) on **our proprietary direct selling website (BtoC)**, improving our conversion rate (CVR) on site visitors to 25.1% compared with before the improvement.

In line with increases in the smartphone CVR, we reinforced marketing to smartphones. As a result, the ratio of smartphones and other mobile devices to total devices rose 28.3% YoY.

Government target for inbound foreign travelers in 2020: 40 million people^(*)

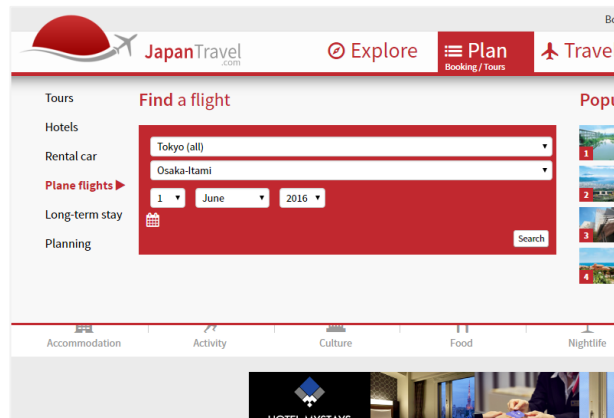


Number of Inbound Travelers^(*)

(*) Tourist statistics (study by the Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism)

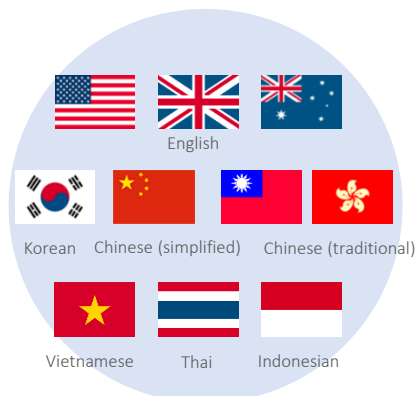
(*) Prime Minister's Office: Tourism as a Major Pillar of Tomorrows Japan (Approved by Tourism as a Major Pillar of Tomorrows Japan Council on March 30, 2016)

Track record and expertise of OEM provision to more than 500 companies



website designs customized to fit in with allied brands

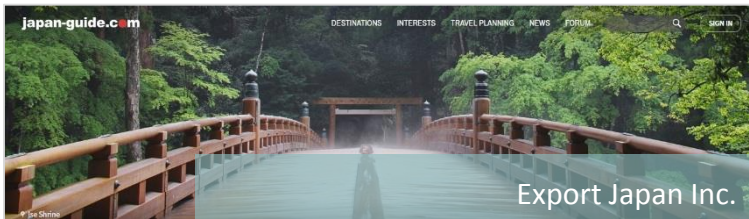
Expertise in the OEM provision of domestic airline tickets and the use of development resources for OEM provision that fits in with alliance partners' inbound travel websites



Responsive in seven languages

Handling all languages for which inbound travel needs are high, differentiating ourselves from other companies

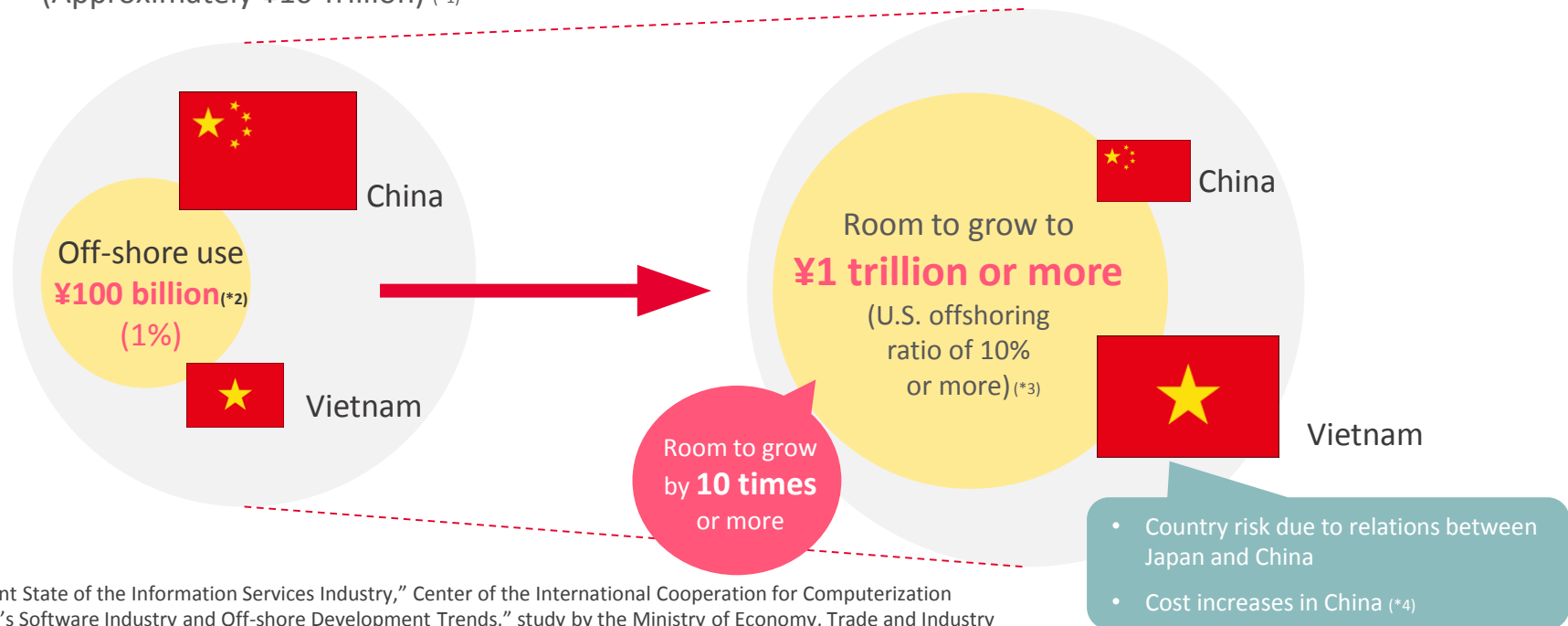
New OEM provision partners: 41 companies



The market has room to grow by **10 times** to more than **¥1 trillion**

Now: Japan's Development Market
(Approximately ¥10 Trillion) ^(*1)

Future: Japan's Development Market



Source

^(*1) "Current State of the Information Services Industry," Center of the International Cooperation for Computerization

^(*2) "Japan's Software Industry and Off-shore Development Trends," study by the Ministry of Economy, Trade and Industry

^(*3) According to the "Study on Measures to Support Globalization by Securing and Educating IT Personnel," \$13,677 million/\$132,867 million = 10.29%

^(*4) Based on studies by Resorz Co., Ltd., and Evolvable Asia (November 2015)

Specializing in lab-style development, without entrusted development

- Development model with 100% utilization
- Without the risk of overheating or going into the red
- A stock-type business model

Steady growth in the number of new lab openings, at **11** companies

Lab provision to forTravel, FUBIC, BUD International and other companies

forTravel

A/B test

Aimed at landing page optimization (LPO), commenced a mass-production service to create Web page design proposals for A/B tests

 FUBIC

Establishment
of sub-
subsidiary

Provision of a business consulting service and off-shore BPO service for Japanese-affiliated companies starting up new businesses in Vietnam

BUD
International

Specialist
teams

Provision of specialized growth hacker teams for “Kaizen Platform,” operated by Kaizen Platform, Inc., to simply achieve Web user interface improvement.

Topics

Inbound travelers in 2015:
20 million people

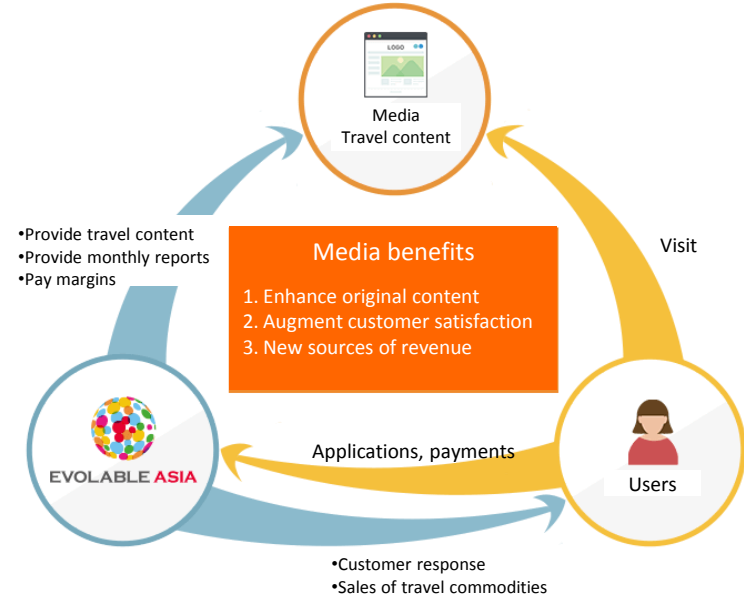
Government target for
inbound travelers in 2020:
40 million people



1 OEM provision to “Minpaku” homestay operators

The *Minpaku* market is expected to expand, due to *Minpaku* deregulation enacted in January 2016, leading to our OEM provision to *Minpaku* homestay operators. Drawing on our experience of providing services to more than 500 companies, including travel agencies, we supply homestay operators with airline, JR train and expressway bus tickets. We will customize designs to fit in with alliance partners’ brands and provide capabilities in seven languages, including English and Chinese.

* *Minpaku*: Private residence temporarily taking lodgers



Inbound travelers in 2015:
20 million people

1

2

Government target for
inbound travelers in 2020:
40 million people

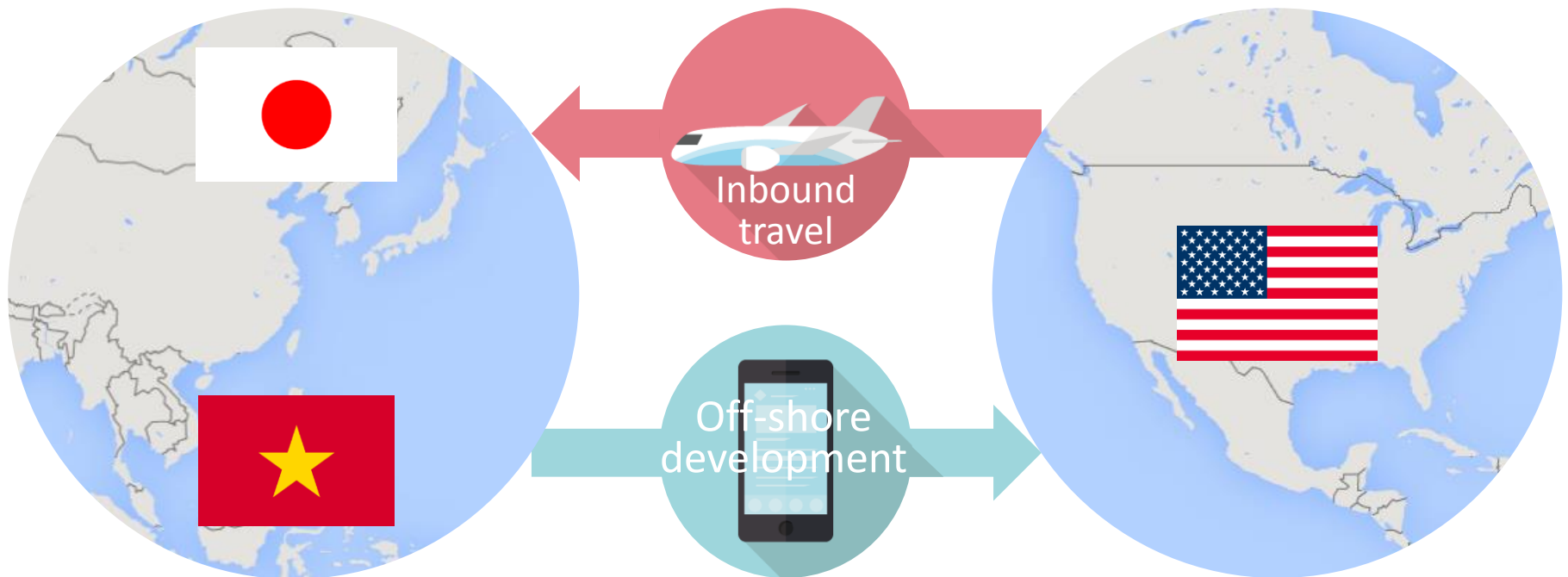
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Tokyo's first multilingual homestay property website

As the second phase of the *Minpaku* business, Tokyo's first **multilingual homestay property** reservation website operated by **AMBITION** began accepting reservations in May 2016. Tokyo's Ota-ku has been designated as a special ward for deregulation, so around 10% of AMBITION's 13,000 managed properties are located in Ota-ku.



Establishing a base in **Silicon Valley** as a launching point for inbound travel and off-shore development



Accelerating capital and business alliances

March 2016

Listing on the Mothers Market of the Tokyo Stock Exchange

April 2016

Capital and business alliance with **WILLGATE**

By combining our knowhow in the OTA business with WILLGATE's expertise in SEO and content marketing, we will jointly operate a curation site related to inbound travel and *Minpaku* homestays and reinforce marketing to homestay operators and other OEM service provision partner websites



May 2016

Capital and business alliance with AMBITION in the *Minpaku* homestay property business

Business alliance with DEAR LIFE

Employing core personnel with solid careers on the sales and administration fronts



Employing a **director** in charge of marketing



Through marketing experience gained through previous positions as being responsible for the Yahoo! Travel business and as General Manager of the **Google** Advertising Division, he is promoting the online travel agency and inbound travel businesses.



Employing two **accountants** to the administrative division



In line with expansion of our scope of business following the IPO, we are reinforcing our management structure, improving operations, putting in place an IR structure, responding to capital and business alliances, handling M&A activities, and strengthening global management, including of subsidiaries.

Expand operations to quickly reach market capitalization of ¥100 billion



- Accelerate **growth** in three core businesses
- Promote investment to **reinforce brand**
- Promote **capital and business alliances** and **overseas development**

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 could result in differences from the content included in assertions related to forward-looking statements.

The Company's actual future business content and operating performance may differ from the forward-looking statements contained in these materials.

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