

Results of Operations

for the Fiscal Year ended September 30, 2016
(4Q FY9/2016)



EVOLABLE ASIA

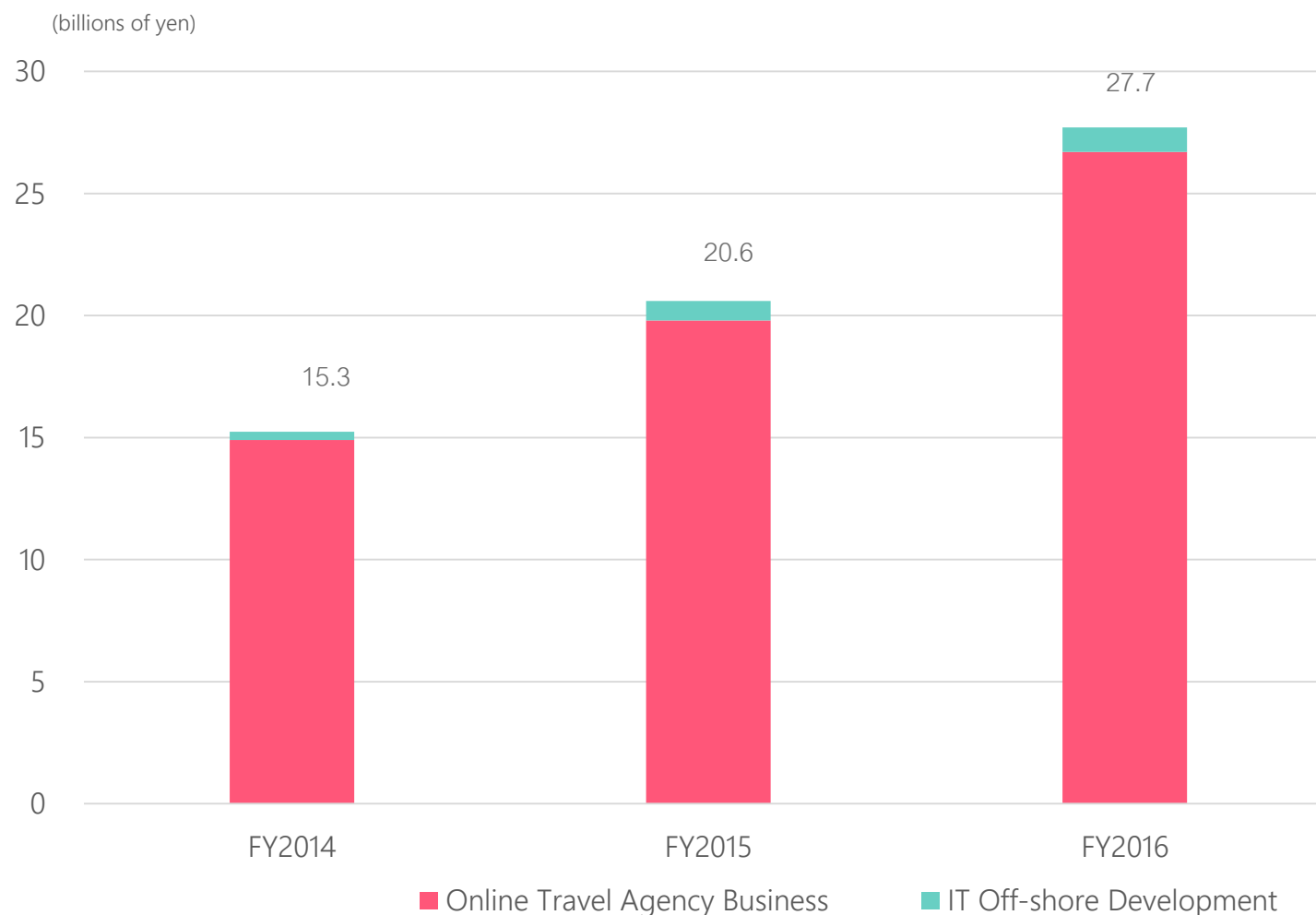
Evolable Asia Corp.
TSE Mothers: 6191

Highlights of the Fiscal Year Ended September 30, 2016	p. 2
Financial Forecasts	p. 10
Growth Strategies	p. 12
Appendix	p. 40

- Both sales and operating income reached new record highs of ¥ 4 billion (+45% YoY) and ¥ 610 million (+98% YoY), respectively.
- Operating income for the FY under review is expected to be ¥ 1 billion (+61% YoY).
- New brand AirTrip

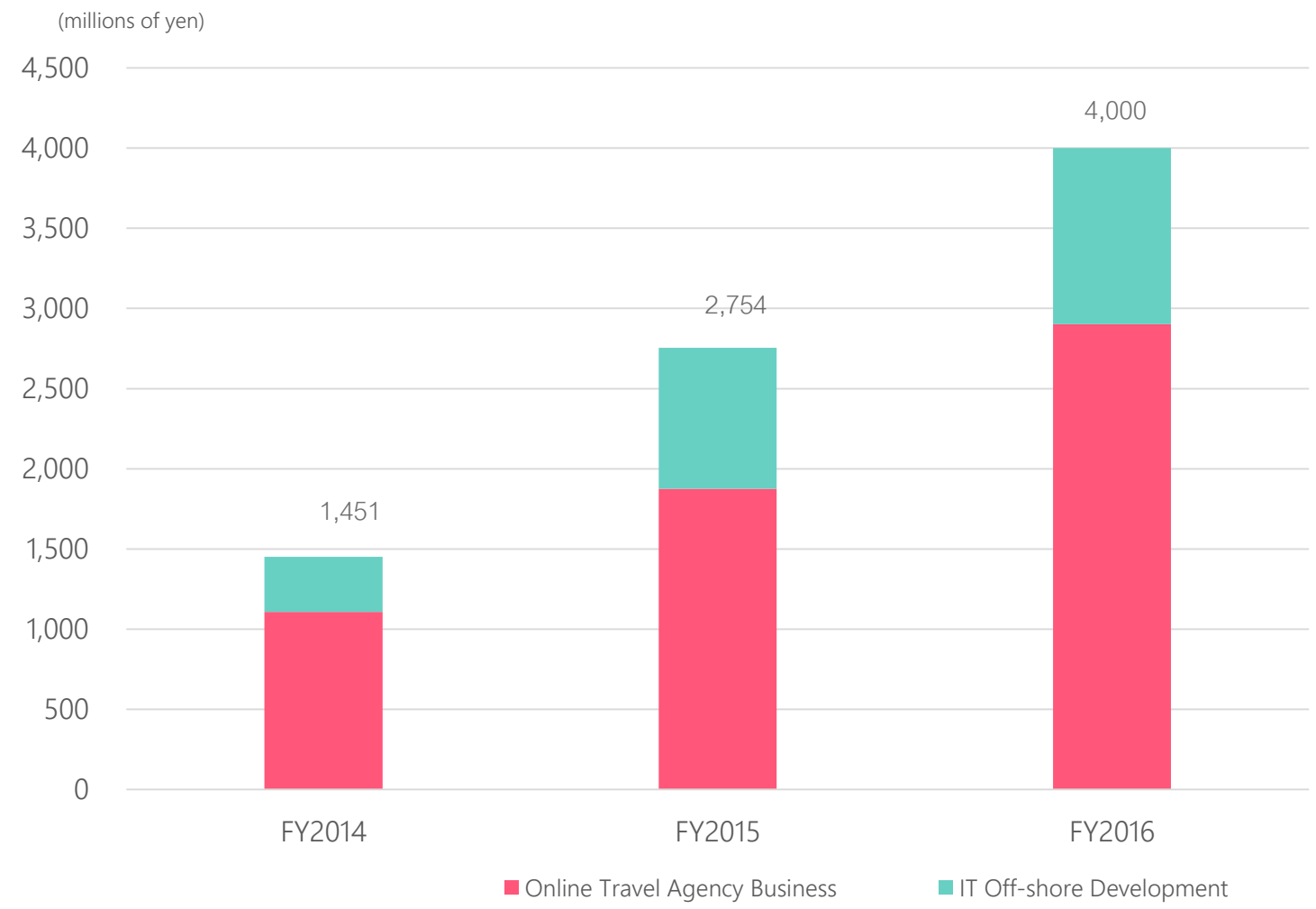
Financial Summary for the Fiscal Year Ended September 30, 2016

Consolidated handling volume ^(*1) up 34% YoY

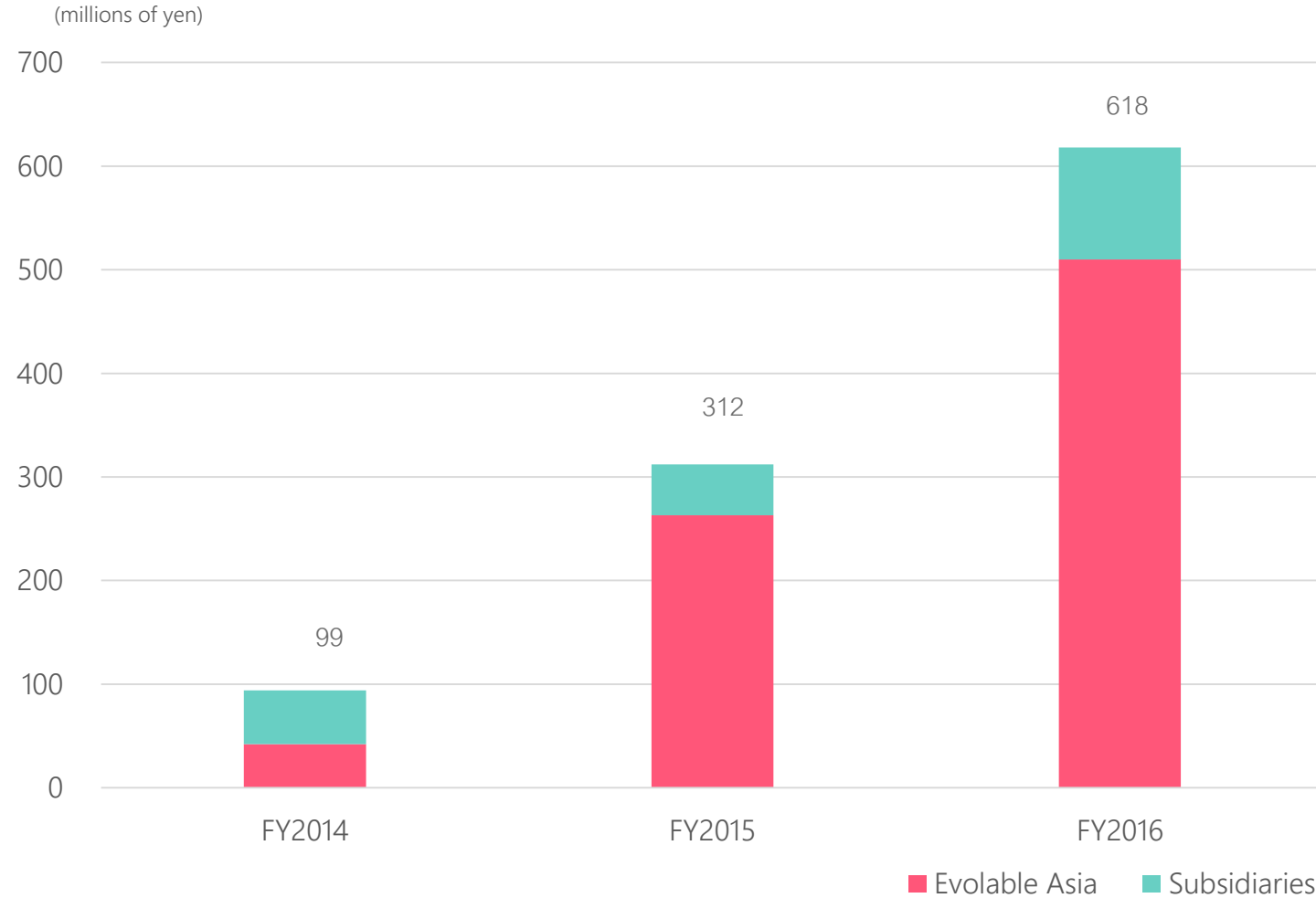


(*1) Consolidated handling volume refers to the total amount of sales in the Online Travel Agency Business, the IT Offshore Development Business and other businesses.

Consolidated sales up 45% YoY



Consolidated Operating Income up 98% YoY



Expansion of Business Scale Contributing to Increasingly Higher Operating Income

(millions of yen)

	FY2015		FY2016		YoY Change
	Amount	% to Sales	Amount	% to Sales	
Handling Volume	20,655	—	27,782	—	134.5%
Net Sales	2,754	100.0%	4,000	100.0%	145.2%
Gross Profit	2,025	73.5%	3,321	83.0%	164.0%
Operating Income	312	11.3%	618	15.4%	197.6%
Ordinary Income	305	11.0%	571	14.2%	186.9%
Profit Attributable to Owners of Parent	172	6.2%	340	8.5%	197.3%

1 Reduced Procurement Cost

The cost of procuring airline tickets was reduced by growing buying power due to the increased business scale.

2 Reduced Customer Acquisition Cost per Customer

Advertising optimization resulted in an increase in customer drawing power per unit price, website improvement resulted in an increase in conversion rate, and the repeated use of services helped reduce advertising expenses, which resulted in a lower cost of acquiring customers.

3 Reduced Operational Cost

The nature of the operating cost is a quasi-fixed cost rather than increasing in proportion to handling volume growth, which helped reduce the operational cost per unit of airline tickets.

Strong Financial Base Built with Equity Ratio of 47%

(millions of yen)

	FY2015	FY2016	YoY Change
Current Assets	1,520	4,024	+2,504
Cash and Deposits	638	2,356	+1,718
Non-current Assets	543	817	+274
Total Assets	2,064	4,841	+2,777
Liabilities	1,666	2,470	+804
Interest-bearing Debts	443	331	-112
Net Assets	397	2,371	+1,974
Shareholders' Equity	341	2,276	+1,935
Equity ratio	16.5%	47.0%	+30.5%

Shareholder Returns Provided through Shareholder Special Benefit Plan



Increased investment incentives

A 50% discount is given off Evolvable Asia's original airline tickets for flights at all domestic airports, which increases its appeal to investors.

Creation of long-term, stable shareholders

Shareholders of more than one year's standing are given additional points as an incentive for holding shares in Evolvable Asia for a long time.

Financial Forecasts

54% increase in net sales and operating income of **¥1 billion** (up 62%) are expected.

(millions of yen)

	FY16	FY17	YoY change
Handling Volume	27,782	35,366	127%
Net Sales	4,000	6,147	154%
Operating Income	618	1,001	162%
Profit Attributable to Owners of Parent	340	594	175%

Growth Strategies

1 New Brand

2 Growth Strategies for Three Existing Businesses

- Online Travel Agency Business: Led by a B-to-C business with an 80% growth rate, improves UIUX and continues marketing optimization.
- Inbound Travel Business: No.1 Japanese-made platform for private home accommodation; increase in market share in domestic flight sales for foreigners.
- IT Offshore Development Business: Accumulates clients and engineers as a stock business.

3 Promotion of Investment and M&As

- Investment business commences as a new business.
- Synergy of group companies is pursued through M&As.

Announcement of New Brand



Highest **Customer Returns** in the Industry

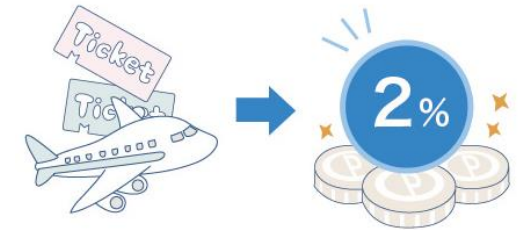
From advertising expenses to **customer returns**

All returns to customers are provided with points rather than the search-linked listing advertisement operated in the existing services.

Reduced cost of attracting customers using online advertising



2% of the money paid to purchase airline tickets is returned to customers



4%

as opening special

Exchangeable with other types of points

AirTrip points can be used to purchase airline tickets or can be exchanged for mileage points, gift certificates, electronic money, points provided by electronic money companies, etc. through the G Point multi-store point service.

Buy airline tickets with accumulated points



Exchange for other types of points

Can be used for more than 120 services, including mileage points, gift certificates, and points provided by electronic money companies through the G Point multi-store point service

Pursuing Total Customer **Convenience**

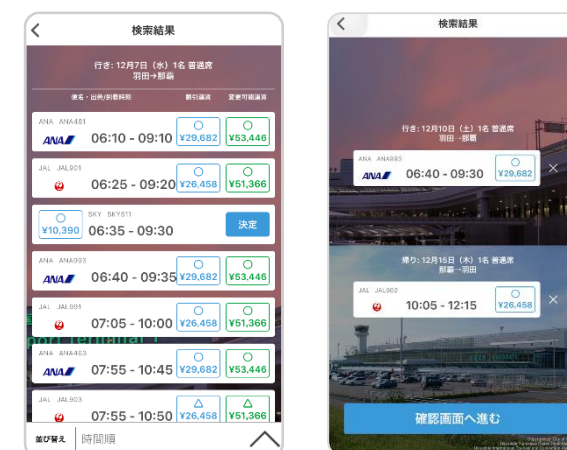
Live chat support

In addition to conventional online, telephone, and e-mail support, live chat support for inquiries provides user-friendly service. **AI automated responses**, etc. help achieve prompt, stress-free customer service.



Overwhelmingly **user-friendly** interfaces

User convenience is pursued through price comparisons, a search engine that helps in finding convenient flights, and smooth and intuitive operability.



Note: The images show the soon-to-be-released smartphone app.

Available through All Devices and Services



PCs and mobile devices

Airline tickets can be purchased using a PC or mobile device via website services, just like the existing services.

[Launched on Nov. 14, 2016]

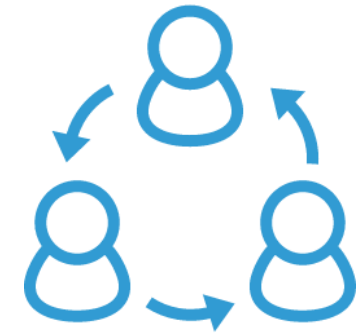


iOS/Android app

Available on a smartphone or tablet PC through the iOS or Android app

Securing customers through native applications

[To be released soon]



Accessible through various SNS

Accessible through various SNS

SNS helps expand customer reach

[To be released soon]

AirTrip Platform

AirTrip is a comprehensive travel service platform.

It will be launched for domestic flight tickets in the first phase and will gradually increase the number of services provided, including private home accommodation.

Strengths of AirTrip



No.1 domestic flight business in the OTA industry

Top performance in the industry's online airline ticket business, which is an existing business



Comprehensive **customer returns**

Extensive customer returns provided for products/services other than domestic flight tickets



Guiding customers from **existing services**

空旅.com

Guide customers from existing services with customer drawing power to AirTrip, offering a high rate of customer return

Mass media advertising such as **TV ads**



Mass media advertising such as TV ads to establish the AirTrip brand

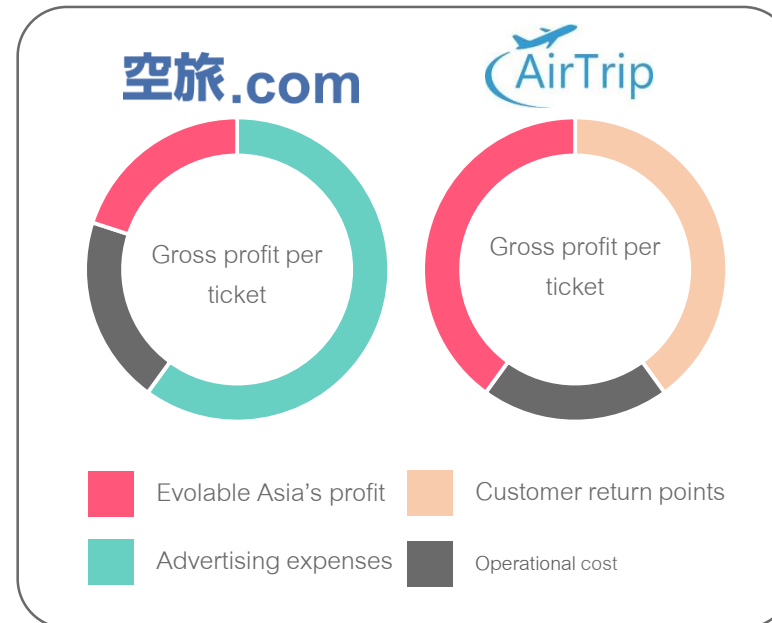
Word of mouth through high rate of customer return



Attract customers through users' word of mouth by providing the highest customer return in the industry



Repeat



High profitability achieved by repeat customers

Advertising expenses are not needed for repeat customers, and the percentage of points given to customers is smaller than that of advertising expenses per airline ticket, which therefore increases profitability.

Growth Strategy for Three Existing Businesses

The market has growth potential, and Evolvable Asia is in an advantageous position.

Growing **demand for comparison searches** due to an increase in airline companies

The number of airline companies providing domestic flights has increased due to the growth of LCCs.

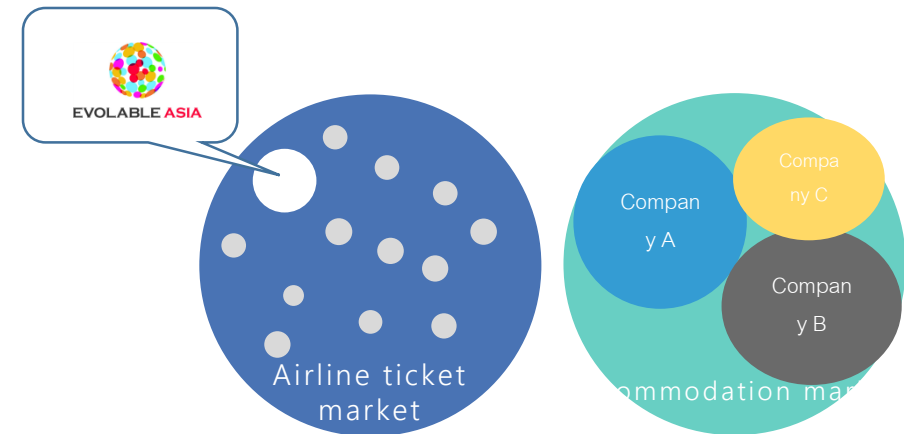
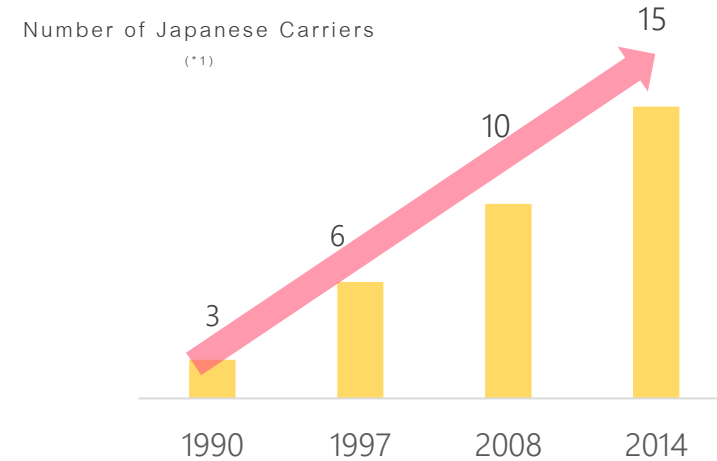
This has resulted in an increase in OTA users due to growing demand for comparison searches.

Advantages in the domestic flight OTA market

Unlike reservations for accommodation, companies and services conceivable to everyone do not exist in the market.

Evolable Asia is the leader in domestic flight OTA, however its market share is only about 2%.

There are brands with a 20% share in lodging OTA, etc.



Domestic flights: **1.5 trillion** yen market

The leader in handling volume of domestic airline ticket business in the industry ^(*1): Building high barriers to entry through competitive purchasing routes

1 | The only company in the OTA industry with agreements with all Japanese airline company groups



Evolable Asia is the only company in the OTA industry with signed agreements with all Japanese airline company groups and agencies. Established strong purchasing routes.

Began system (API) collaboration with



Spring Airlines in January,



Vanilla Air in May, and



Jetstar Japan in August 2016. Automated

airline ticket reservations and arrangements.



Authorized agency agreement with ANA

ANAスカイホリデー

ANAハローツアー

Signed an authorized agency agreement with ANA in November 2016 as the first independent OTA to do so. This further increases our selling capacity.

(1) Discuss arrangements for cooperation in sales to foreign visitors to Japan.

(2) Discuss the creation of a new travel selling model that uses the C-to-C private home lodging platform scheduled for release by Evolvable Asia.

(3) Cooperation in the sale of ANA Sky Holiday (domestic package tours) and ANA Hello Tour (international package tour).

(*1) As of February 2016 surveyed by Evolvable Asia

Improved Services Based on Responses to Diverse Demands and High Development Skills

2

Diverse sales routes



- Direct sales on our website
- Selling by providing systems and products/services to other companies' media
- Airline ticket wholesale
- Arrangement of companies' business trips

Responding to various needs for airline tickets through such diverse sales routes

3

Development capabilities at our own offshore offices



Owns Evolvable Asia Co., Ltd., a subsidiary carrying out IT offshore development in Vietnam, with fast, flexible development resources.

Demand for development in the online airline ticket sales business is very strong, and services can always be improved for more convenience.

空旅.com

Focus on acquiring new customers



AirTrip

Focus on increasing repeat customers

1

Optimizing advertising strategy

- Continuing to optimize and maximize search-linked ads to achieve cost effectiveness and a larger scale
- Strengthening display advertising and expanding retargeting advertising
- Optimizing the methods of attracting customers based on domestic travel websites and metasearch engines

2

Developing new advertising channels

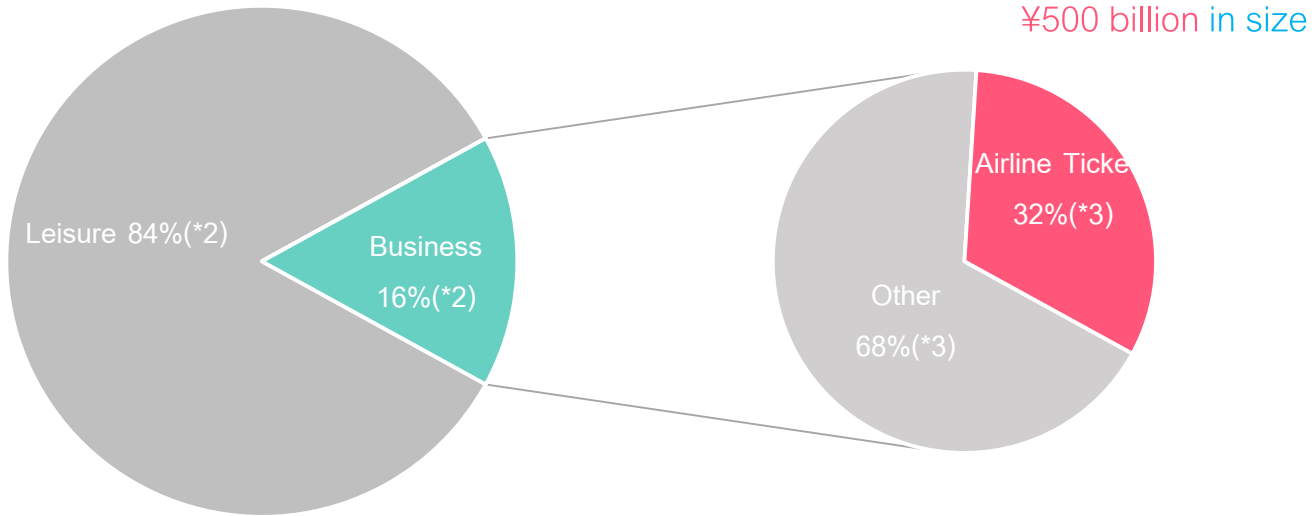
- Adding and using advertising methods such as SNS ads while considering cost effectiveness
- Increasing ads submitted to various global metasearch engines

3

Increasing website convenience

- Accelerating search result displays
- Improving conversion rates by increasing A/B test frequency for online services from searches to reservations
- Strengthening SEO by improving website content
- Further accelerating responses to arrangements
- Using AI chat to accelerate responses to customers' questions

Domestic Travel Market: ¥10 trillion (*1)



Room to increase market share

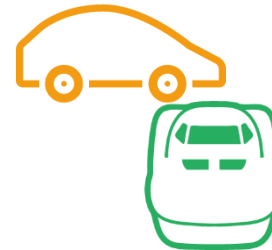
Our share is 0.2% of the domestic flight market for business trips of ¥500 billion, leaving room for substantial growth.

Expanding sales partnership



Accelerating the establishment of contracts through optical communication and advisory contracts, OEM services for agencies and Tabi Pro-BTM, business alliances, etc.

Increasing products/services



Responding to business trip demand by increasing products/services other than airline tickets

(*1) Travel trend forecast by JTB (*2) Field Survey of overseas travel by JTB Tourism Research & Consulting Barometer" by American Express

(*3) Japan Business Travel

Aiming to build the **No.1 Japanese-made** CtoC platform for private home accommodation

Listing only **legal** accommodation

We will first list private home accommodation in the special districts and simple accommodation in line with legal development. We are aiming to build a No.1, reliable platform for private home accommodation in line with the expansion of laws.



Made-in-Japan usability

We will first offer private home accommodation built for Japanese by Japanese. We are aiming to develop a Japanese-made, No.1 platform for private home accommodation, which will be available in multiple languages to serve foreign visitors.



Maximizing the Use of Evolvable Asia's Expertise

Equipped with a function to search airline tickets

The homepage provides an airline ticket search engine added to the private home accommodation category.



Linked with a point system

Points will be shared with AirTrip, which will increase the total benefit of using our services.

アカウント変更	2016/10/20 16:55:15	プロモーションポイント	+1,100
パスワード変更	2016/10/20 16:55:15	プロモーションポイント	+2,000
アカウント削除	2016/10/21 18:21:02	予約時使用	-900
	2016/10/21 18:21:02	予約時使用	-1,100
	2016/10/24 10:26:21	予約時使用	-500
	2016/10/24 10:27:49	予約時使用	-500
	2016/10/24 13:45:28	予約時使用	-100
	2016/10/27 08:46:01	予約時使用	-9
	2016/10/27 10:25:12	お友達紹介ポイント	+500
	2016/10/27 10:28:56	お友達紹介ポイント	+500
	2016/10/27 12:01:10	予約時使用	-1,290
			有効ポイント残高 0 P
ポイントサマリー			
取得日	名目	有効期限	ポイント
2016/10/20 16:55:15	鑑定ポイント	2016/12/31	0 P

Advance credit card settlement

Credit card settlement is used to avoid the no-show problem and the risk of uncollectible payments, and to prove guest identity.

System of flexibly accepting guests

The system allows flexible settings for each room provided by the hosts. It can be used to increase credit in addition to credit card settlement.

Strategy for Promotion

Friend referral

A strategy to increase the number of users has been implemented. Our original point-delivery logic was developed to avoid the wasteful distribution of referral points.

Off-line promotion

We developed a function for active promotion such as paper publications, broadcasting, and other media.

Availability for Business Use

Online receipts

Receipts for lodging after a checkout or canceled reservation can be issued online.

Automatic PDF issuance system

The receipts issued are PDF files, which are available on many devices.

Our Sales Engine Made Available to Participating Hosts

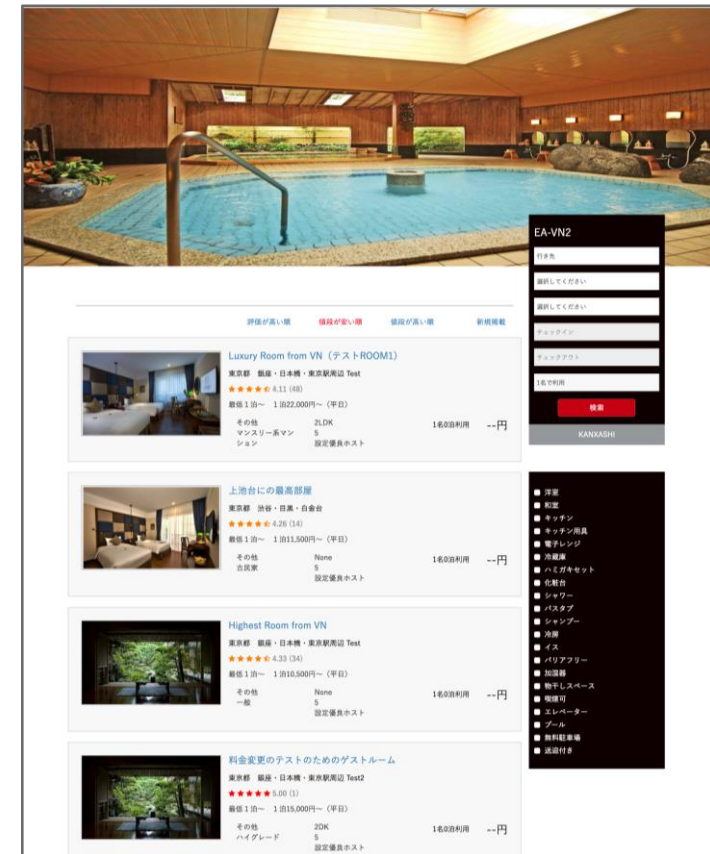
MySITE system

The sales engine is available only by linking to it from our website.

The hosts' customer attraction skills can also be used effectively.

Hosts such as real estate companies, condominium owners, agents, etc. who own multiple pieces of property can operate the system as their own private home accommodation portals.

Accommodation listed on AirTrip Private Home Accommodation is loaded automatically, and management is straightforward.



Aiming to be No.1 in Domestic Sales in Camper Rental Businesses

Outbound

Arrange camper rentals for travelers to the U.S. and Canada.

Send the largest number of travelers (number of nights stayed) to North America in Japan as the general agent for El Monte RV, which has the second largest share in the U.S. market.

Focus on all customer communication over the phone through online sales liaison and maintaining a CV rate of more than 25%.

Expand sales channels through alliances with large travel agencies in Japan.

Inbound

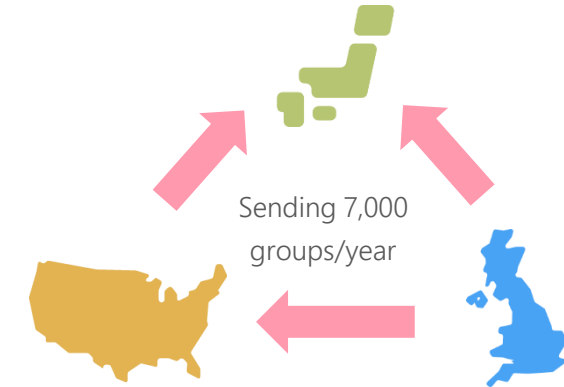
Rental campers as a means of traveling and lodging for foreign visitors to Japan and domestic tourists.

Grow demand by increasing the recognition of campers (up 30% year on year) and promoting the use of campers as an alternative to short-supply lodging facilities.

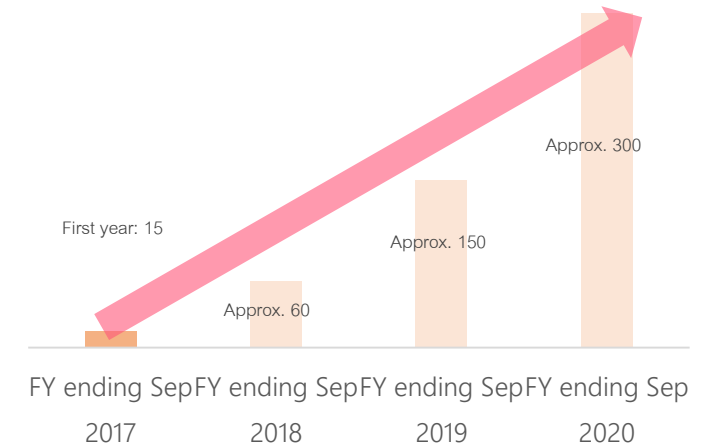
Accept foreign visitors to Japan sent by all El Monte RV agencies around the world as the first rental camper business other than North America (travelers from agencies outside North America to North America amount to 7,000 groups/year).

Promote sales alliances with large travel agencies in Japan to acquire domestic customers.

Cooperation in sending customers from agencies around the world



Target number of mobile campers



Increasing Market Share of Domestic Flights Sold to Foreigners

Providing OEM to media for foreign visitors to Japan

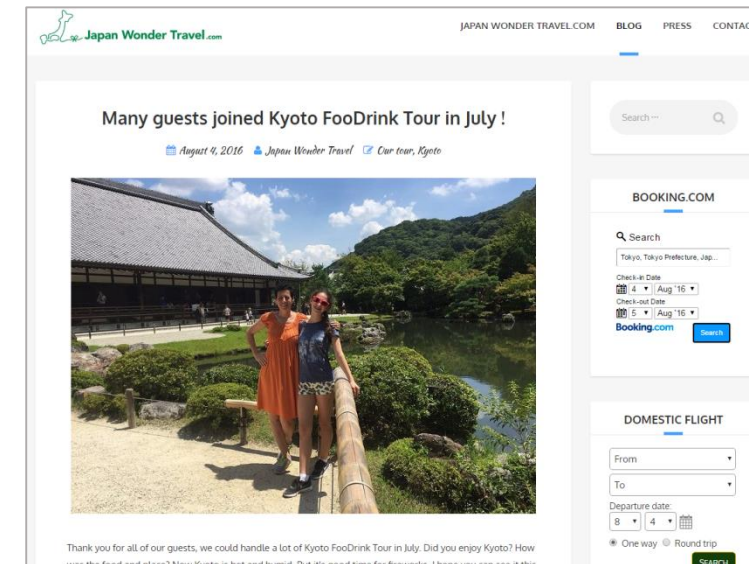
Increase sales channels as required by providing travel websites with OEM services.

Increase sales channels using expertise in providing OEM for conventional Japanese websites.



Establish alliances with overseas OTA providers

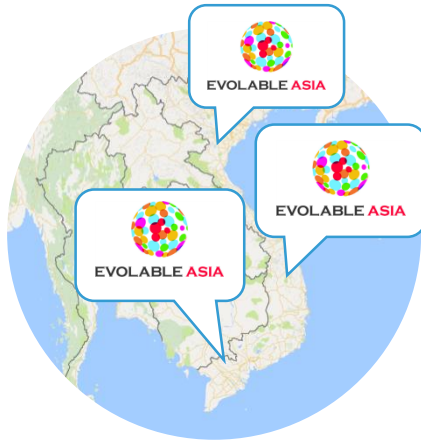
Target foreign visitors traveling in Japan through overseas OTA alliances.





Increase lab personnel to **3,000** by 2020

Aim to increase the number of lab personnel from 550 in 2016 to 3,000 by 2020.



1 | Developing multiple offices

Optimize three offices including Ho Chi Minh City, Hanoi, and Da Nang for project implementation. Reduce expenses and improve performance. Promote development in other locations in Vietnam and other countries.



2 | Acquiring projects in the U.S. and Europe

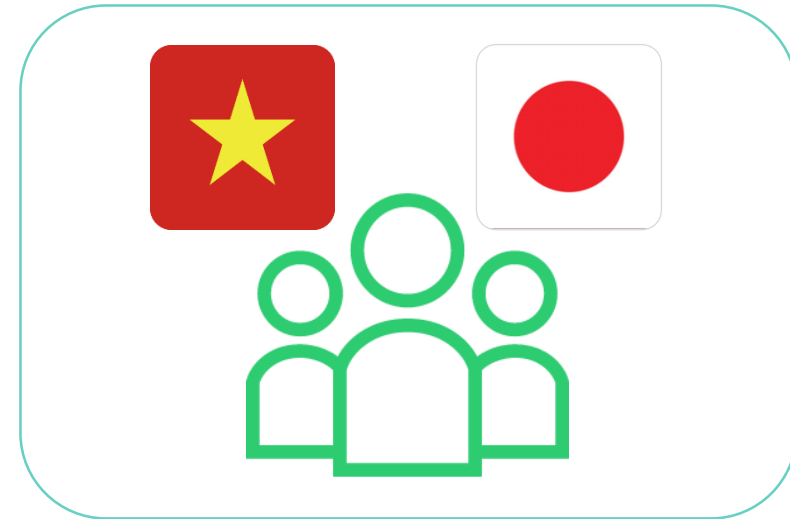
Aim to acquire projects in the U.S. and Europe from the Silicon Valley office.

Silicon Valley and other West Coast areas are facing serious shortages of engineers and sharp increases in salaries, and the ratio of IT offshore development in the U.S. is ten times larger than that of Japan, which is expected to increase from now on.



3 Improving the capacity of the upstream development process

Strengthen alliances with partners capable of handling the upstream development process. This will allow the overseas transfer of development projects needing requirement definitions in Japan and comprehensive proposals of a development team to companies with no internal system division.



4 Developing Japanese-speaking human resources (BSE)

Improve Japanese language education provided to employees by creating a Japanese language school within the company.

Promote the referral of Japanese-speaking engineers to Japanese companies in cooperation with partners.

Investments and M&As

Promoting Active Investments and M&As



EL MONTE RV®



Acquire travel-related companies

During the fiscal year ended September 2016, Evolvable Asia acquired El Monte RV Japan, an operator of the camper rental business of Rakuda Club, as its subsidiary.

We will continue to acquire companies that have synergy with our businesses into the Evolvable Asia Group.

Investing in companies with synergy

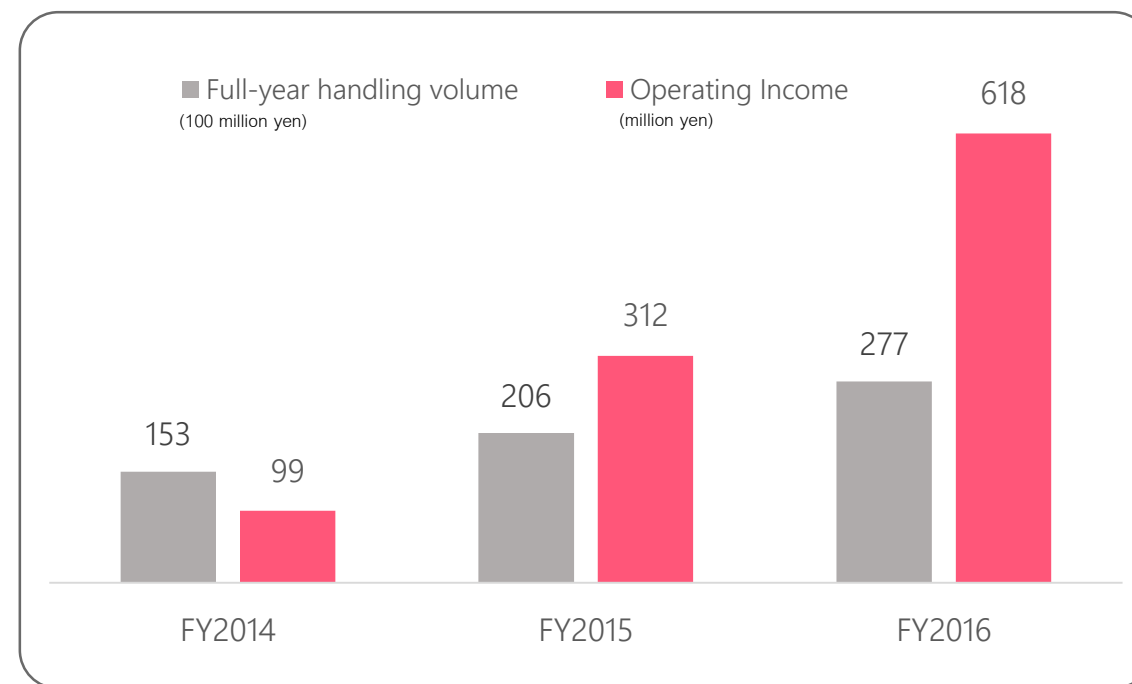
Aim to increase the corporate value of the entire Evolvable Asia Group by gaining returns from pursuing synergy through cooperation, etc. with invested companies or contributing to the growth of invested companies.

Mid - Long Term Strategy

Significant increase in profitability achieved through larger business scale

Handling volume grew 34% and operating income increased 99% from FY ended September 2015 to FY ended September 2016.

Operating margin increased significantly due to the larger business scale.



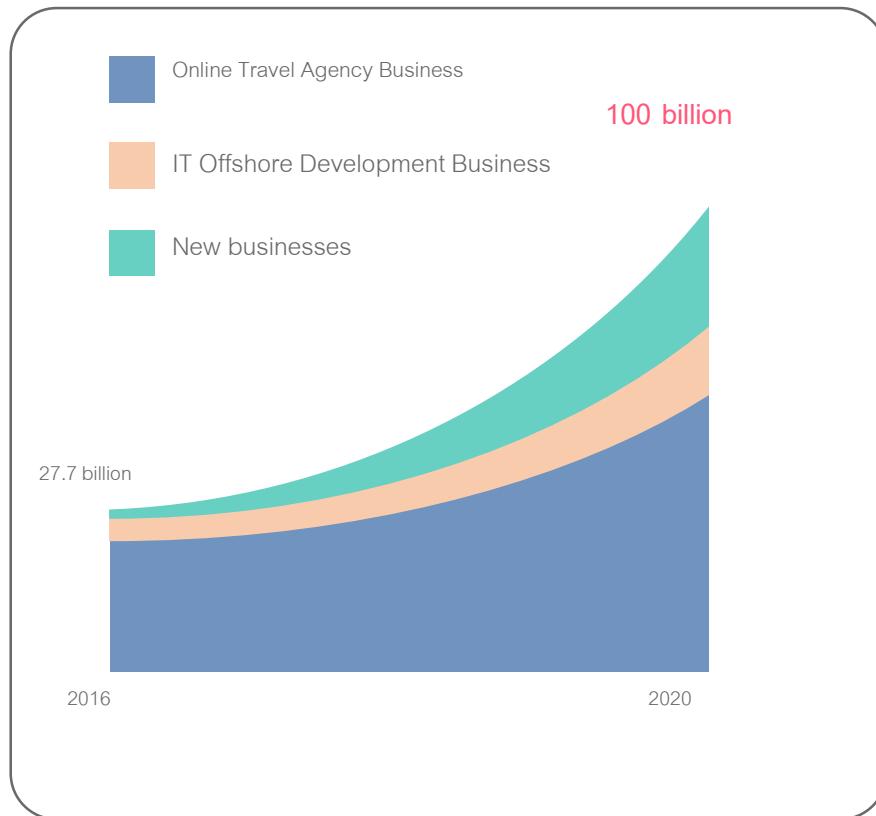
Online Travel Agency Business

Brand cognition shifted from attracting customers through advertising to inflow from brand searches. Profitability increased due to the reduced cost of attracting customers.

IT Offshore Development Business

An increased operating margin was achieved by reducing the percentage of SG&A expenses based on larger sizes of labs developed.

Year 2020: Handling volume ¥100 Billion; 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 when it comes to domestic flights.



Inbound Travel Business



■ **Top made-in-Japan** platform for private home accommodation

■ **Largest** domestic **sales** in camper rentals



EVOLABLE ASIA

Top Japanese company in IT offshore development

By 2020, increase lab personnel to 3,000 and become the top company in terms of development quality, sales, and development scale.

Appendix

Company Name	Evolable Asia Corp.
Established	May 11, 2007
Capital	¥1,019 million (paid-in capital: ¥1,844 million) (as of November 2016)
Stock Market	Mothers Section of the Tokyo Stock Exchange
Securities Code	6191
Fiscal Year-end	September
Representative	Hideki Yoshimura
Head Office	Minato-ku, Tokyo
Employees	629 (consolidated)
Consolidated Subsidiaries	Evolable Asia Co., Ltd. Evolable Asia Solution & Business Consultancy Co., Ltd. Rakuda Inc. El Monte RV Japan Co., Ltd.
Business Activities	Online Travel Agency Business, Inbound Travel Business, and IT Offshore Development Business
Contracts with Airline Companies	All Nippon Airways Co., Ltd., ANA Sales Co., Ltd., JAL Sales Co., Ltd., Skymark Airlines Inc., Peach Aviation Ltd., Jetstar Japan Co., Ltd., Vanilla Air Inc., Spring Airlines Japan Co., Ltd., and Fuji Dream Airlines Co., Ltd.

One Asia

Asia will come together and be a leader in the world.

Through the movement of people and work,
EVOLABLE ASIA will serve as the bridge linking Asia,
which is emerging as a single burgeoning economic zone.
EVOLABLE ASIA links Asia, and Asia becomes connected.

Mission

Harnessing the power of IT for the movement of people and collaboration in Asia



Code of Conduct

- Always put customers first!
- Conscientiousness, peace of mind and trust are more important than anything!
- Continue to improve as professionals!
- Swift response, fast implementation, speed!



Hideki Yoshimura, CEO

Born in 1982; graduate of the University of Tokyo

Founded Valcom Co., Ltd. (merged in October 2009 with Tabi Capital Corp. (now Evolvable Asia)) while attending university. Co-founded Tabi Capital Corp. in 2007 and was appointed Representative Director and CEO.



Munenori Oishi, Director and Chairman

Born in 1972; Meiji University

Founded I.V.T. Inc. (merged in October 2011 with Tabi Capital Corp. (now Evolvable Asia)) while attending university. Co-founded Tabi Capital Corp. in 2007 and was appointed Director and Chairman.



Yusuke Shibata, Director and CFO

Born in 1982; graduate of the University of Tokyo

In charge of administration. Certified public accountant.

Former Manager at Deloitte Touche Tohmatsu. On temporary transfer to the Underwriting Examination Division of Nomura Securities Co., Ltd.



Toru Matsunami, Director and CMO

Born in 1972; graduate of Tokyo Metropolitan University

In charge of the Marketing Solutions Office.

Formerly responsible for the Yahoo! Travel business at Yahoo Japan Corporation and General Manager of the Travel Business of the Google Advertising Division.



Takao Kobayashi, External Director

Graduate of the University of Tokyo

Ph.D. from the Stanford Graduate School of Business

Professor emeritus of the University of Tokyo. Formerly, President of the Asian Finance Association, President the Nippon Finance Association, Chairman of the Securities Analysts Association of Japan, etc.

Online Travel Agency Business



One of the **leading issuers** of online airline tickets in Japan

- The **only** company in the OTA **industry** (*1) with direct agreements with all domestic airlines
- **Various sales channels** such as providing OEM services and corporate business trip contracts

Inbound Travel Business



Services provided in **seven different languages**

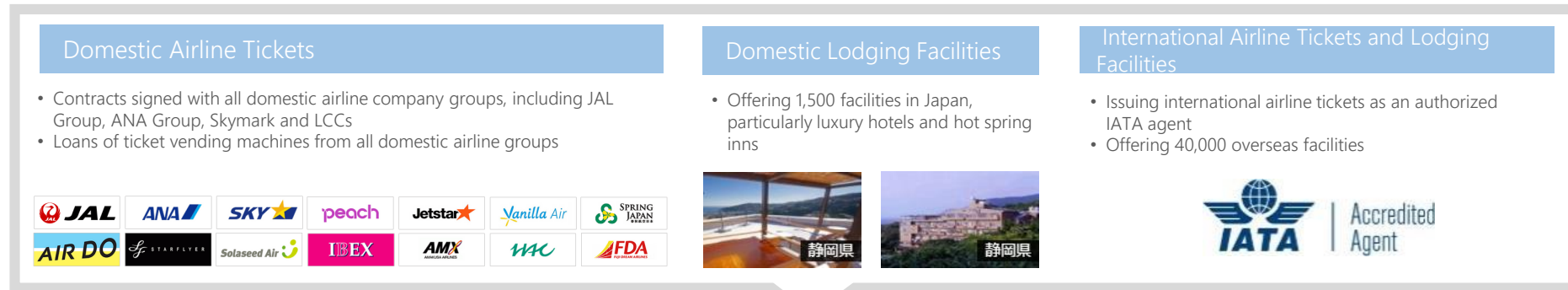
- OEM travel content provided to media for foreign visitors to Japan
- Multilingual direct sales website operated for foreign visitors to Japan

IT Offshore Development Business



Largest Japanese company in Southeast Asia

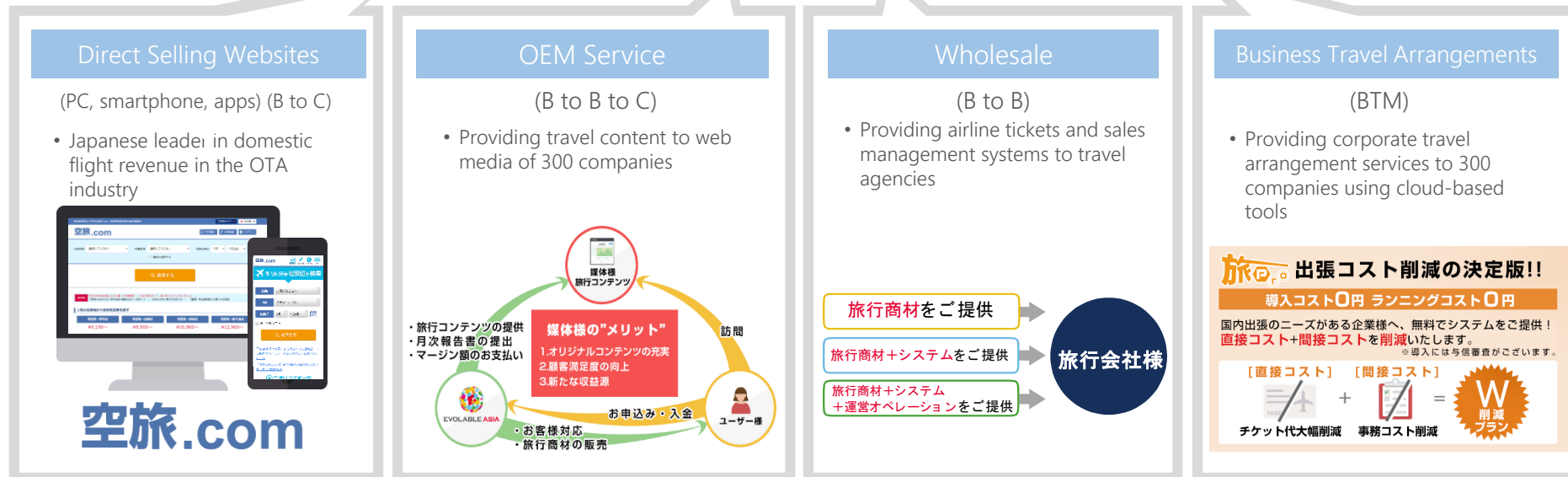
- **Lab-style development** service and BPO service provided using system engineers in Vietnam
- **More than 500** engineers in **three offices** in Ho Chi Minh City, Hanoi, and Da Nang



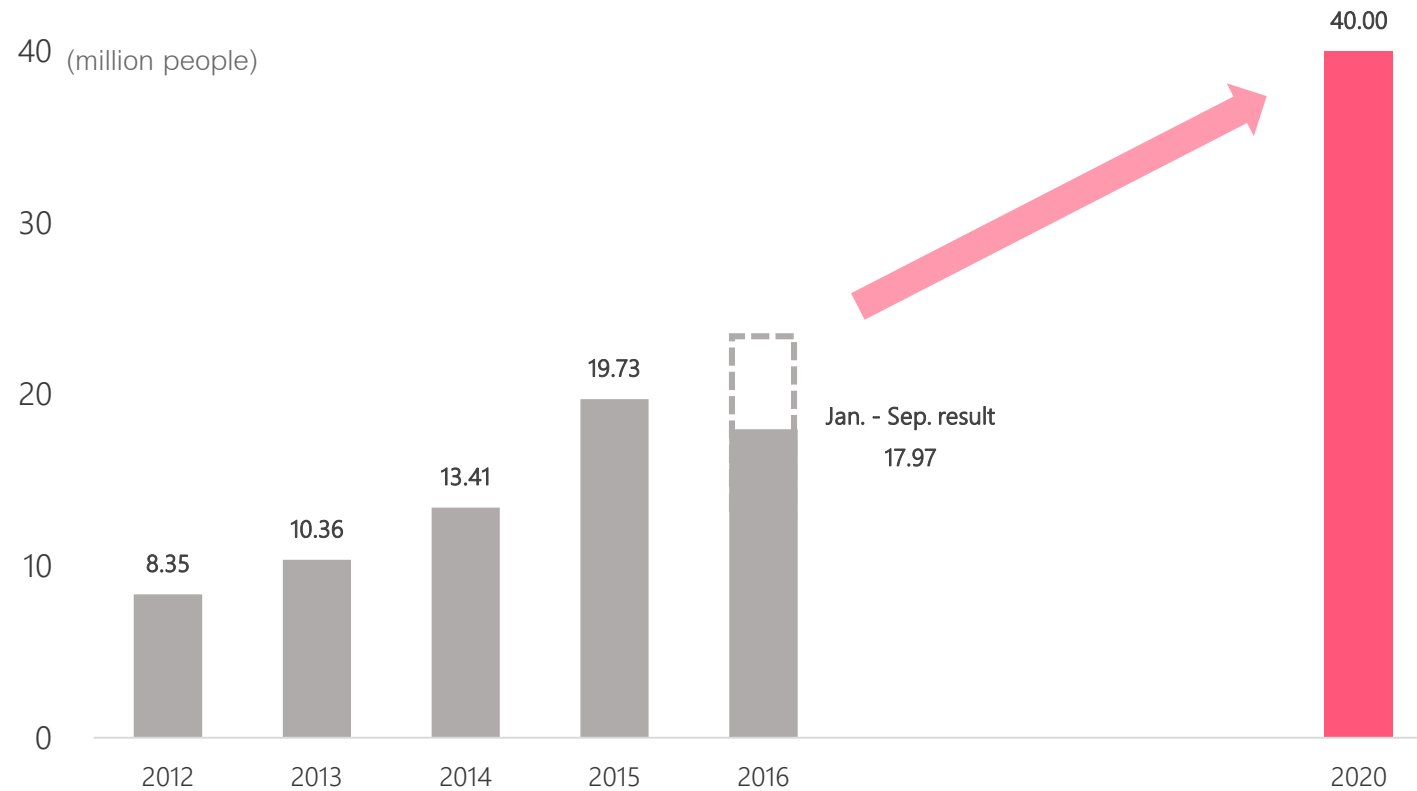
IT x Travel

Diverse sales routes

Cross-selling of products/services



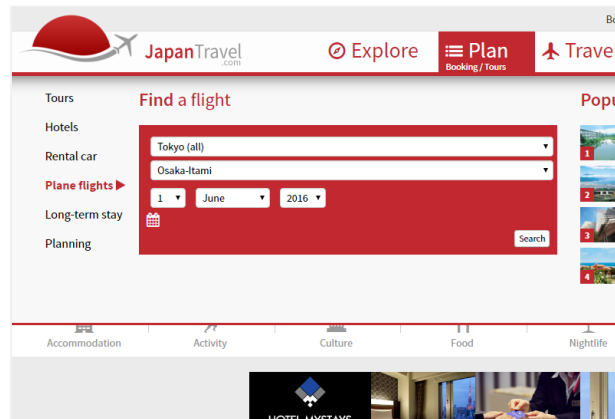
Government target for inbound foreign travelers in 2020: 40 million people ^(*2)



Changes in the number of inbound travelers ^(*1)

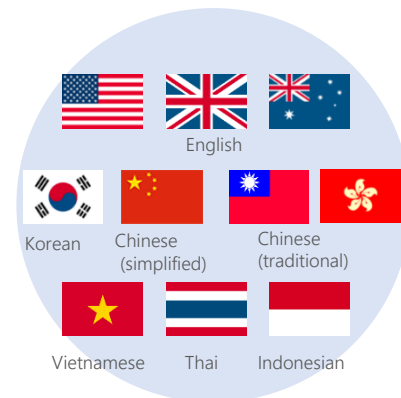
^(*1) Tourist statistics (study by the Japan Tourism Agency, Ministry of Land, Infrastructure, Transport and Tourism)

^(*2) 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)



Website designs customized to fit in with affiliated brands

OEM sale to suit the brands of affiliated inbound travel websites based on our expertise in the OEM sale of domestic airline tickets and the use of development resources



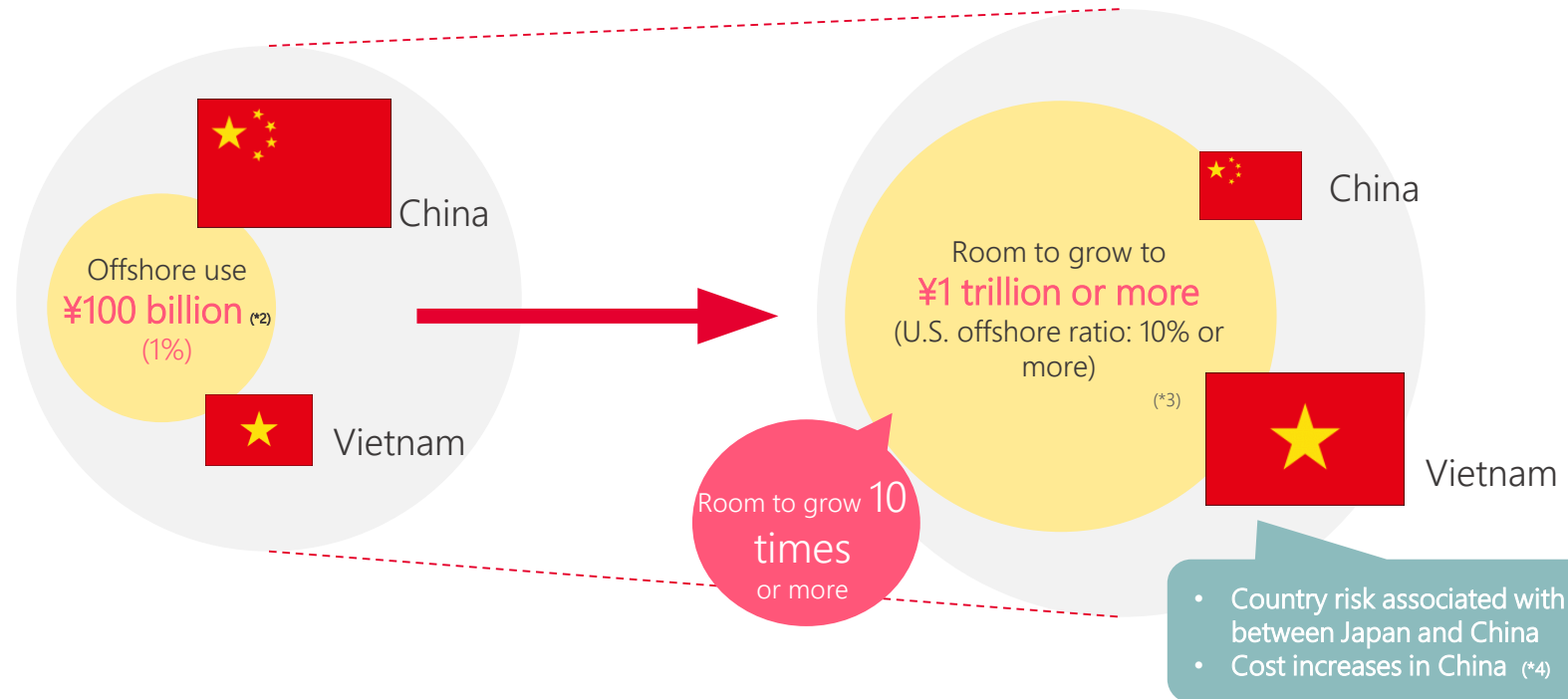
Services provided in seven different languages

Covering all languages frequently used in inbound travel, differentiating ourselves from other companies

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

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

Future: Japan's Development Market



(*1) "Current State of the Information Services Industry," Center of 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 rather than accepting development contracts



1 Development model with 100% utilization

Unlike conventional contract development, a dedicated team is organized for each client in lab-style development. All engineers employed work on client projects.



2 No risk of deficits or a large amount of complaints

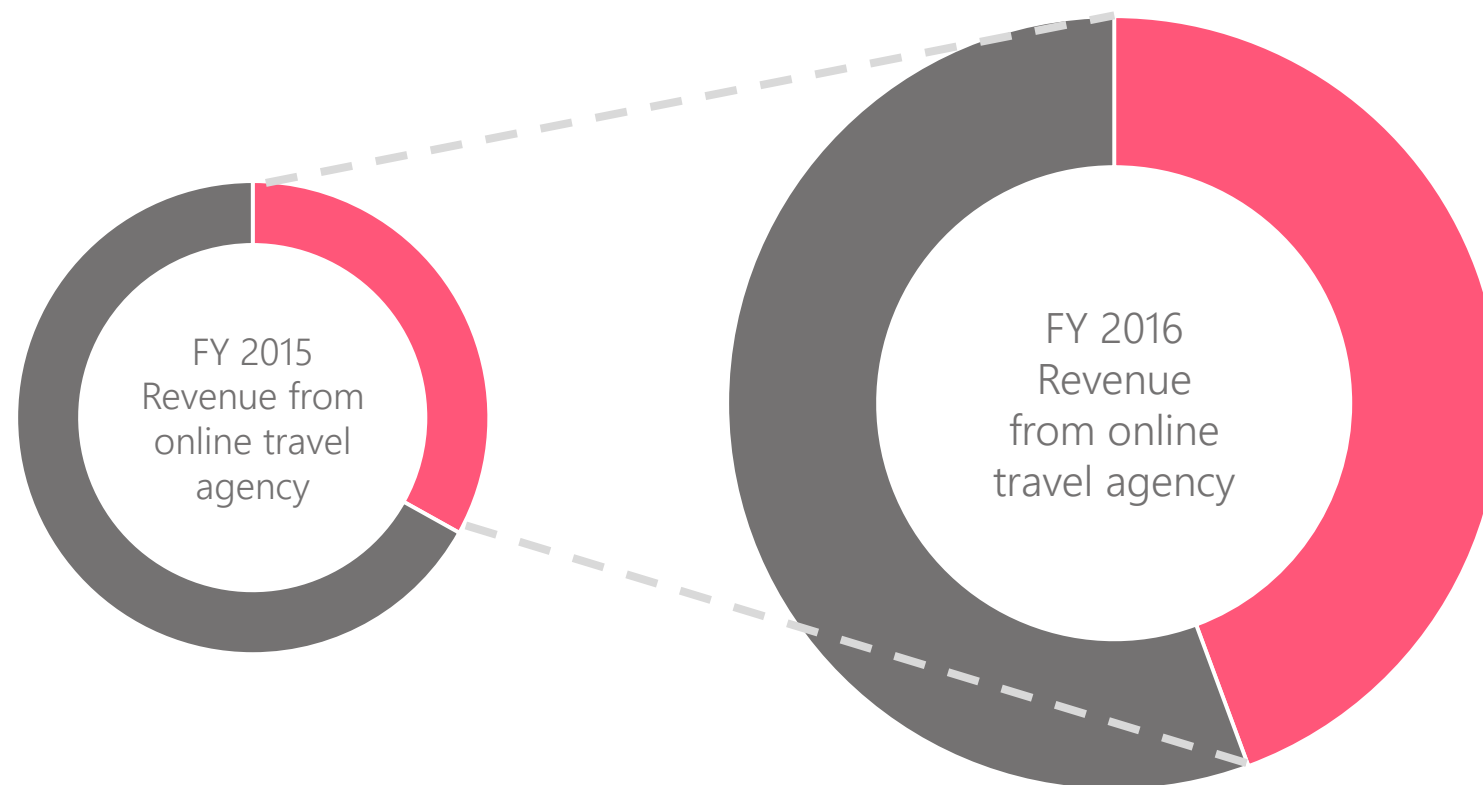
There is no risk of receiving a large amount of complaints or deficits caused by delays in development, as the total cost of engineers is charged to clients when they are hired.



3 A stock business model

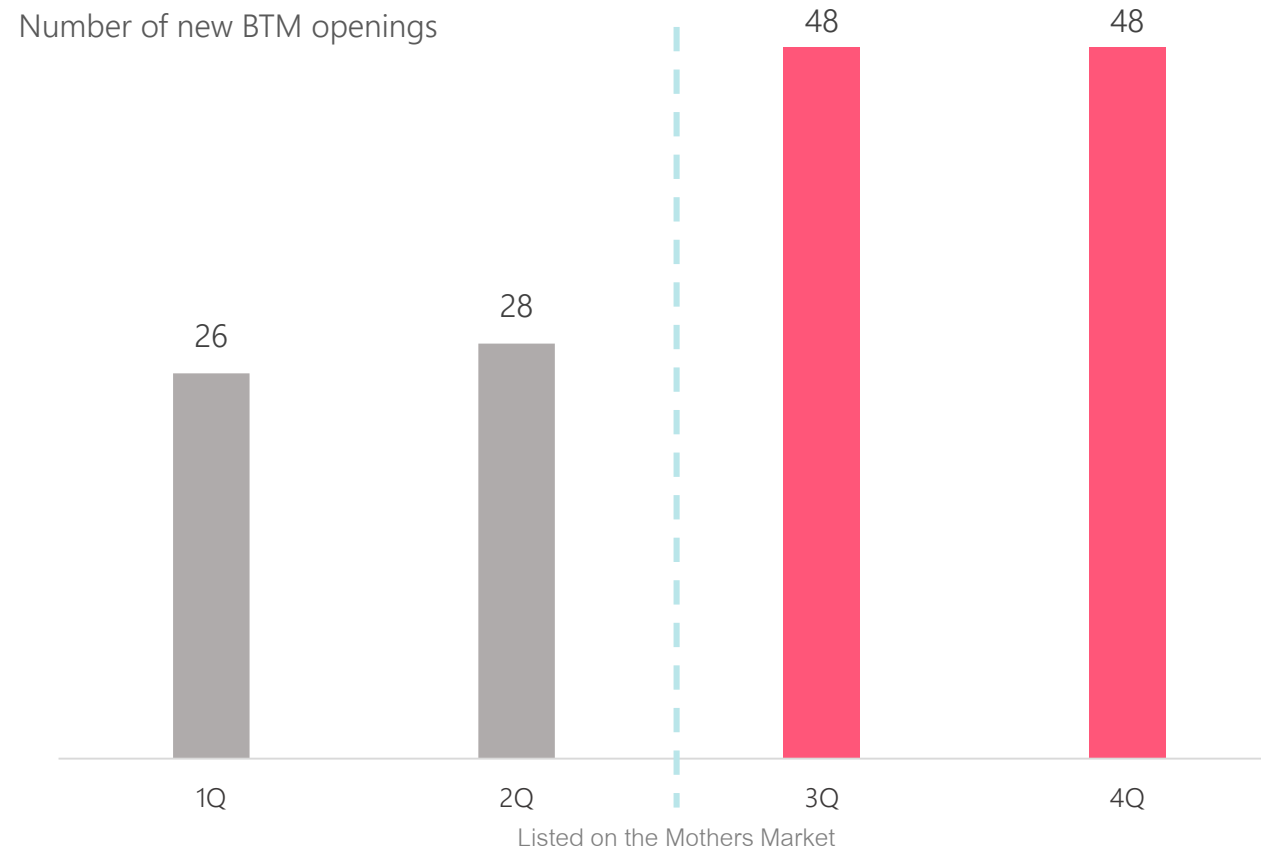
Most clients are game or website-related companies. Development continues as long as services continue to be provided, resulting in a very high percentage of lab continuation. It is a typical stock business in which earnings are accumulated by opening a lab.

82% increase in handling volume ^(*1) from direct sales as a result of marketing strategy

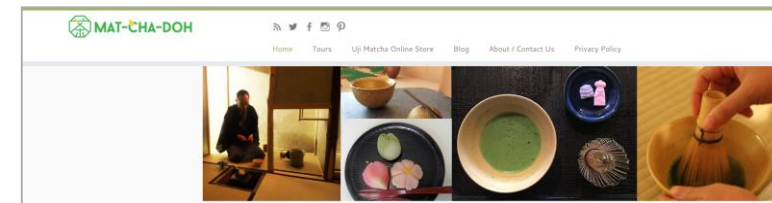
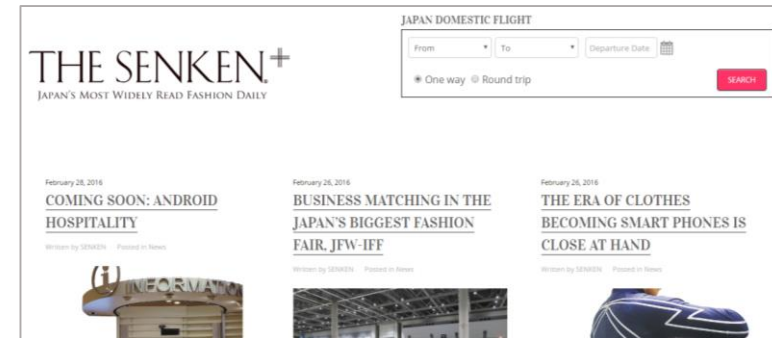


(*1) Year-on-year change in total revenue->handling volume

Growth in the number of companies introducing BTM contributed to continuous profit as a **stock business**



New OEM service partners: **67** companies in FY ended Sep. 2016



Steady growth in the number of new lab openings, to **23** companies



etc.

System alliance with Jetstar



System (API) alliance with airline companies



- Exact **real-time** display of unoccupied seats and airfares
- **Automated** airline ticket reservations and arrangements

This further increases our selling capacity.

New Executive Officer hired to be at the core of management



Strengthening the sales force

Strengthen sales force and sales team capacity using sales experience and extensive management experience.

New Executive Officer Profile



Tetsuo
Miyajima

Graduate of School of Economics at Kwansei Gakuin University

Joined **Recruit Co., Ltd.** in 1991
Excelled in sales of Recruit's media and received numerous awards, including Manager of the Year.

Joined **Tsuji Cooking School** in 2006.
Formally, Communication Manager, PR and Production Manager, Vice Principal of three schools, and a trustee of a school corporation.

Appointed to the position of Executive Officer of Evolvable Asia in September 2016.



Disclaimer

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 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.



EVOLABLE ASIA

Evolable Asia Corp.

19th Fl. Atago Green Hills Mori Tower, 2-5-1 Atago, Minato-ku,
Tokyo 105-6219

Phone. +81-3-3431-6191

<http://www.evolableasia.com>