

Consolidated Financial Results
for the Fiscal Year Ended September 30, 2016(FY9/16)

[Japanese GAAP]

November 14, 2016

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Stock Exchange Listing: TSE

Scheduled date of holding of ordinary shareholders' meeting: December 21, 2016
Scheduled date of payment of dividend: -
Scheduled date of submission of financial reports: December 22, 2016
Preparation of supplementary documents for financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2016 (October 1, 2015 to September 30, 2016)

(1) Consolidated results of operations (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 2016	4,000	45.2	618	97.7	571	87.0	340	97.3
Year ended September 2015	2,754	89.8	312	215.2	305	227.2	172	283.3

Note: Comprehensive income(millions of yen) Year ended September 2016 :364 (66.4%)
Year ended September 2015 :195 (165.9%)

	Net income per share	Fully diluted net income per share	Return on equity	Ordinary income/Total assets	Operating income/Net sales
	Yen	Yen	%	%	%
Year ended September 2016	22.17	21.12	26.0	16.5	15.5
Year ended September 2015	12.56	-	67.5	18.3	11.4

Reference: Equity in earnings of affiliates (millions of yen) As of September 2016: - As of September 2015: -

Notes: 1. The Company conducted 300-for-1 and 3-for-1 stock splits on December 18, 2015 and August 1, 2016, respectively. Net income per share and fully diluted net income per share were calculated based on the assumption that these stock splits were conducted at the beginning of the previous consolidated fiscal year.

2. The Company was listed on the Mothers Section of the Tokyo Stock Exchange on March 31, 2016. Accordingly, fully diluted net income per share for the fiscal year under review was calculated based on the assumption that the average share price during the period from the date of the new listing until the end of the fiscal year under review was the average share price during the period.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended September 2016	4,841	2,371	47.0	136.44
Year ended September 2015	2,064	397	16.5	24.88

Reference: Shareholders' equity (millions of yen) As of Sept 2016: 2,276 As of Sept 2015: 341

Note: The Company conducted 300-for-1 and 3-for-1 stock splits on December 18, 2015 and August 1, 2016, respectively. Net assets per share were calculated based on the assumption that these stock splits were conducted at the beginning of the previous consolidated fiscal year.

(3) Consolidated cash flow position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 2016	604	(456)	1,476	2,225
Year ended September 2015	331	(167)	216	608

2. Dividends

	Dividend per share					Total Dividends (Annual)	Dividend payout ratio (Consolidated)	Dividends/Net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended Sep. 30, 2015	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended Sep. 30, 2016	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending Sep. 30, 2017 (Estimated)	-	-	-	-	-	-	-	-

3. Forecasts for consolidated financial results for the fiscal year ending September 2017 (October 1, 2016 – September 30, 2017)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,147	53.7	1,001	61.9	961	68.2	594	74.8	35.66

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in : None changes in scope of consolidation)

Newly included: — companies Excluded: — companies

(2) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revision in : Yes
accounting standards, others

2) Changes in accounting policies other than (i) above : None

3) Changes in accounting-based estimates : None

4) Restatement : None

(3) Numbers of outstanding shares (common stock)

1) Number of shares outstanding as of the end of the period (including treasury shares)

Year ended September 2016: 16,682,400 shares Year ended September 2015: 13,725,000 shares

2) Number of treasury shares as of the end of the period

Year ended September 2016: - shares Year ended September 2015: - shares

3) Average number of shares issued during the period

Year ended September 2016: 15,349,286 shares Year ended September 2015: 13,725,000 shares

Note: The Company conducted 300-for-1 and 3-for-1 stock splits on December 18, 2015 and August 1, 2016, respectively. The number of outstanding shares was calculated based on the assumption that these stock splits were conducted at the beginning of the previous consolidated fiscal year.

Reference: Summary of non-consolidated business results

1. Non-consolidated financial results for the fiscal year ended September 30, 2016 (October 1, 2015 - September 30, 2016)

(1) Non-consolidated results of operations (Figures in percentages denote the year-on-year change.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 2016	3,002	52.7	507	89.0	453	71.6	281	84.2
Year ended September 2015	1,966	76.3	268	463.4	264	513.4	153	677.7

	Net income per share	Fully diluted net income per share
	Yen	Yen
Year ended September 2016	18.36	17.49
Year ended September 2015	11.14	—

Note: 1. The Company conducted 300-for-1 and 3-for-1 stock splits on December 18, 2015 and August 1, 2016, respectively. Net income per share and fully diluted net income per share were calculated based on the assumption that these stock splits were conducted at the beginning of the previous consolidated fiscal year.

2. The Company was listed on the Mothers Section of the Tokyo Stock Exchange on March 31, 2016. Accordingly, fully diluted net income per share for the fiscal year under review was calculated based on the assumption that the average share price during the period from the date of the new listing until the end of the fiscal year under review was the average share price during the period.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended September 2016	4,522	2,187	48.4	131.10
Year ended September 2015	1,934	297	15.4	21.65

Reference: Shareholders' equity: (millions of yen) Year ended September 2016 :2,187 Year ended September 2015 :297

Note: The Company conducted 300-for-1 and 3-for-1 stock splits on December 18, 2015 and August 1, 2016, respectively. Net assets per share were calculated based on the assumption that these stock splits were conducted at the beginning of the previous consolidated fiscal year.

* Presentation regarding the status of audit procedures

This financial summary is not subject to audit procedures under the Financial Instruments and Exchange Act. As at the time of the disclosure of this financial summary, the audit procedures for consolidated financial statements under the Financial Instruments and Exchange Act were being undertaken.

* Explanation of appropriate use of earnings forecasts, and other special items

The forward-looking statements discussed in this material, including financial forecasts, are based on information available to the Company at the time of the announcement of this material. Please note that the actual results may differ depending on future uncertain factors.

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1. Analysis of Operating Results and Financial Position

(1) Qualitative Information Related to Consolidated Results of Operations and Consolidated Financial Standing.

During the fiscal year under review, brakes were applied to the slowdown of the global economy as a whole, allowing the economy to recover moderately. In the United States, a business slowdown that had begun in the summer of 2015 came to a lull. In the euro zone, modest business expansion continued. In China and emerging countries, the wave of deceleration appears to have calmed down after the deceleration had intensified temporarily.

In the meantime, the Japanese economy expanded at a relatively steady pace, supported by increased domestic demand and inbound tourist demand against the background of the upcoming Tokyo Olympics in 2020, in addition to improvements in employment and corporate profits.

In the travel industry, the number of Japanese citizens who left Japan in the period from January 2016 to September 2016 totaled 12,710,900, up 4.9% from the same period of the previous fiscal year. Their number grew by about 600,000 people compared with the first nine months of 2015, according to statistics released by the Japan National Tourism Organization (JNTO). In addition, the number of foreigners who visited Japan surpassed 20 million for the first time. Their number rose steadily toward 40 million, the target for 2020 set in the Vision for Tourism That Supports Future Japan, which the Japanese government adopted in March 2016.

Under these conditions, Evolvable Asia Corp. (hereinafter the “Company”) continued expanding its operations with a focus on sales of domestic airline tickets as an online travel agency. The Company continued to enhance its services for foreign visitors, making the most of its online travel business expertise.

In the IT Offshore Development Business, which was launched in 2012, the Company steadily won customers in numerous business categories and increased the number of engineers employed, focusing on the development of lab-type facilities in Vietnam. The number of hired engineers grew to about 550 as of September 2016.

In this business environment, the Company and its consolidated subsidiaries (hereinafter the “Group”) achieved consolidated net sales of 4,000,643,000 yen, consolidated operating income of 618,402,000 yen, consolidated ordinary income of 571,396,000 yen, consolidated profit before income taxes of 572,036,000 yen and consolidated profit attributable to owners of parent of 340,321,000 yen in the fiscal year under review.

Operating results by segment are as follows.

(1) Online Travel Agency Business

The Group offers the following four services in the Online Travel Agency Business segment.

- BtoC services (operation of PC and smartphone websites for selling travel commodities directly to general consumers)

The number of service users grew favorably, chiefly reflecting contributions made by search engine marketing (SEM) buildups for winning new customers and user interface (UI) improvements for increasing repeaters.

- BtoBtoC services (travel content provision under brands owned by business partners)

Service use increased thanks to contributions made by providing services meeting the requirements of major customers and enhancing communication with customers to increase the frequency of their service use.

- BtoB services (wholesale to other travel agencies)

Trends in the airline industry and policies enforced by business partners affect these services to a certain extent. The online travel agency business for operators handling domestic airline tickets grew dynamically as a whole, with an increase in the number of domestic air routes in service. As a result, net sales for these services increased strongly.

- BTM services (centralized management of internal approval procedures and arrangements associated with corporate business trips)

These services basically adopt a business model under which net sales expand in a manner that is linked with an increase in the number of corporate customers and a rise in their usage rate. The services achieved growth attributable to initiatives taken by the Group, including the addition of salespeople and the identification of existing customers who used the services at a relatively low rate.

As a result of the factors stated above, net sales for the Online Travel Agency Business segment amounted to 2,897,302,000 yen and segment income came to 943,782,000 yen in the fiscal year under review.

(2) IT Offshore Development Business

In the IT Offshore Development Business segment, the Group offers lab-type facility development services to customers consisting mainly of e-commerce operators, web solution providers, and game and system developers in Ho Chi Minh, Hanoi and Da Nang in Vietnam.

The Company's lab-type facility development model is distinctive in that a team is formed with new dedicated staff members hired for each customer. The model also enables customers to confirm the state of lab-type facility development on demand. The Company assumes the assignment of dedicated staff members to each team on a medium- to long-term basis. For that reason, the success or failure of development depends on employing workers suited to customer demands and motivating the respective engineers more.

In addition, these services basically adopt a business model under which customers are billed on the basis of man-months and the number of workers. The number of engineers supplied to clients and the man-months affect net sales for them significantly. An increase in the number of engineers and a rise in the unit cost due to development streamlining contributed to sales growth in the fiscal year under review.

As a result of the factors stated above, net sales for the IT Offshore Development Business segment reached 1,220,494,000 yen, and segment income totaled 82,891,000 yen.

(3) Other Businesses

In the Other Businesses segment, the Group mainly engages in outsourced system development by directly applying the development resources of Evolvable Asia Co., Ltd., its subsidiary.

The estimated payment per engineer man-hour is about 700,000 yen to 1,200,000 yen at software companies in Japan. However, the Group achieved an average payment per engineer man-hour of about 450,000 yen to 500,000 yen with offshore bases as its strength by assigning upstream processes to Japanese engineers and downstream processes, including coding, mounting and the test phase, to their offshore counterparts.

As a result of the steps described above, net sales for the Other Businesses segment amounted to 3,899,000 yen, and segment loss came to 33,000 yen.

Looking at the operating conditions for the Group, for the Online Travel Agency Business, the frequency of Internet use by travelers increased against the background of developments such as the spread of smartphones and tablet terminals. The markets for the Group also expanded in size in step with the frequency increase.

Internet sales accounted for only 0.64% of total transactions in the travel industry in 2000. Their ratio reached 9.46% in 2013, according to the Survey of Travel Market Trends 2015 published by the Japan Association of Travel Agents. The ratio is increasing exponentially. Furthermore, the number of foreign visitors finally exceeded 20 million, backed by recent invitations to visit Japan based on state policy and economic development in Asia. Their number is expected keep growing toward 40 million, the target set for 2020.

The offshore IT development market in Vietnam is continuing to grow in size against the background of a plan to increase the number of IT engineers and the policy of strengthening the software industry adopted by the Vietnamese government. At present, offshore development by Japanese companies amounts to only about 100 billion yen, according to Trends in Software Industry and Offshore Development in Japan released by the Center of the International Cooperation for Computerization. Significant room for market expansion appears to remain in Vietnam, considering that the Japanese market for developing outsourced software is estimated at about 10 trillion yen, according to the Present State of Information Service Industry, a survey conducted by the Ministry of Economy, Trade and Industry.

Under these conditions, the Group will continue improving the usability of its direct sales websites and optimizing SEM in the key online travel agency business. At the same time, the Group aims to launch "Air trip" as a new brand and establish it firmly. In the field of travel from abroad to Japan, the Group will advance initiatives for building a private lodging platform ahead of the passage of the new private lodging act, and work to expand its share of the market for domestic airline tickets sold to foreigners visiting Japan.

In the IT Offshore Development Business, the Group will seek to improve its profitability as a stock business in a sustained manner, continuing to develop clients and promote efforts to secure system engineers.

The Group forecasts consolidated net sales of 6,147,928,000 yen (up 53.7% from the fiscal year ended September 30, 2016), consolidated operating income of 1,001,297,000 yen (up 61.9% year on year), consolidated ordinary income of 961,307,000 yen (up

68.2% year on year) and consolidated profit attributable to owners of parent of 594,899,000 yen (up 74.8% year on year) for the fiscal year ending September 30, 2017.

(2) Qualitative Information on Consolidated Financial Position

(1) State of assets, liabilities and net assets

Assets

Total assets grew 2,777,458,000 yen from the end of the previous fiscal year, to 4,841,644,000 yen at the end of the fiscal year under review. This result was mainly due to increases of 1,717,448,000 yen in cash and deposits, 494,682,000 yen in accounts receivable – trade, 88,761,000 yen in software and 105,416,000 yen in guarantee deposits.

Liabilities

Liabilities increased 803,331,000 yen from the end of the previous fiscal year, to 2,470,283,000 yen at the end of the fiscal year under review. This result primarily reflected a growth of 624,476,000 yen in notes and accounts payable – trade and a decrease of 99,969,000 yen in short-term loans payable.

Net Assets

Net assets rose 1,974,126,000 yen from the end of the previous fiscal year, to 2,371,360,000 yen at the end of the fiscal year under review. This result was mainly attributable to an increase of 1,609,854,000 yen in capital stock and other items caused by capital increase.

(2) State of cash flows

Cash and cash equivalents (hereinafter “funds”) increased 1,616,267,000 yen from the end of the previous fiscal year, to 2,225,252,000 yen at the end of the fiscal year under review. The state of the respective cash flows and the major causes are as follows.

Cash Flows from Operating Activities

Funds provided by operating activities increased 273,383,000 yen from the end of the previous fiscal year, to 604,836,000 yen at the end of the fiscal year under review. Major causes of the result were posted profit before income taxes of 572,036,000 yen, an increase of 488,726,000 yen in notes and accounts receivable – trade and growth of 621,190,000 yen in notes and accounts payable – trade.

Cash Flows from Investing Activities

Funds used for investing activities grew 289,073,000 yen from the end of the previous fiscal year, to 456,112,000 yen at the end of the fiscal year under review. Major causes of the result were payments into time deposits of 111,022,000 yen, purchases of investment securities of 39,100,000 yen, purchases of intangible assets of 120,466,000 yen and payments for lease deposits of 95,913,000 yen.

Cash Flows from Financing Activities

Funds provided by financing activities rose 1,260,831,000 yen from the end of the previous fiscal year, to 1,476,856,000 yen at the end of the fiscal year under review. Major causes of the result were repayments of short-term loans payable of 95,828,000 yen and proceeds from issuance of common shares of 1,604,566,000 yen.

Reference: Changes in Indexes Related to Cash Flows

	Fiscal year ended September 30, 2015	Fiscal year ended September 30, 2016
Equity ratio (%)	16.5	47.0
Equity ratio on a market value basis (%)	—	534.1
Ratio of cash flows to interest-bearing liabilities (annual ratio)	1.34	0.55
Interest coverage ratio (times)	33.3	58.2

(Note) 1. The respective indexes are calculated as follows.

Equity ratio = shareholders' equity / total assets

Equity ratio on a market value basis = total market capitalization / total assets

*Total market capitalization = closing share price at the end of the period x number of outstanding shares at the end of the period (excluding treasury stock)

Ratio of cash flows to interest-bearing liabilities = interest-bearing liabilities / operating cash flows

Interest coverage ratio = operating cash flows / interest payments

2. The equity ratio on a market value basis for the fiscal year ended September 30, 2015 is not stated because the Company's shares are not listed.

3. Interest-bearing liabilities include all liabilities stated in the consolidated balance sheet for which interest has been paid. Cash flows from operating activities and the amount of interest paid in the consolidated statement of cash flows are used as operating cash flows and interest payments, respectively.

(3) Fundamental Policy on Distribution of Profits and Dividends for This Period and Next Period

The Company views the accumulation of internal reserves as an essential requirement for bolstering its financial standing and expanding and developing its operations in a sustained manner toward the goal of stabilizing its business foundations on a long-term basis. Based on this view, the Company has refrained from paying dividends since its establishment. The Company continues this practice in the fiscal year under review. However, the Company recognizes the maximization of shareholder profits as one of its important management targets. The Company plans to study surplus distribution to shareholders in the future, comprehensively considering factors including changes in

operating results, financial conditions and future business and investment plans, and keeping surplus for distribution in balance with internal reserves. However, the details of dividend payments, including their feasibility and execution periods, remain undecided at the time of this report.

The Company intends to make the most of its internal reserves as funds available for strengthening its financial standing and realizing the sustained expansion and development of its operations toward the goal of stabilizing its business foundations on a long-term basis.

If the dividend of surplus is decided to be paid, the Company is considering the payment of dividends of surplus once per fiscal year, at its end, and the deciding body is the General Meeting of Shareholders. The Articles of Incorporation of the Company also state that the Company can pay interim dividends on the basis of a resolution by the Board of Directors.

(4) Business Risks

The Group considers the following matters to be business risks. Forward-looking statements in the paragraphs are presented based on judgments made by the Company on the submission date of this document.

1. Online Travel Agency Business

(1) Competition

The Company recognizes that it garners high evaluations from the industry for online sales of travel-related products and services that it has engaged in since its foundation. However, it is navigating through an environment in which competition is intensifying. The main reason is that the travel business is relatively easy to enter due to its essentially low barriers to entry, and sales via the Internet are promoted by conventional travel agencies.

The Company, while strengthening its relationships with airline companies, will enhance the name recognition of its Internet websites, facilitate an OEM-based supply of travel content to Internet website operators with large memberships, and enhance services that centrally manage the internal approval procedures and the arrangement of corporate business trips as well as travel-related products. In addition, it will work proactively to strengthen competitiveness by forming capital and business alliances with companies in the same trade.

Despite such efforts, the Company's financial results may be affected by factors such as a decrease in sales due to competition or an increase in costs associated with service enhancements.

(2) Legal regulations

The Company conducts its business under the restrictions of the Travel Agency Act, the Antique Dealings Act and other laws and regulations. With compliance with these laws and regulations as well as the relevant rules in mind, it has been making every effort to provide notifications on the respective websites and explanations to customers, and to establish appropriate systems and rules internally. It has also been proactively gathering information and taking appropriate measures, primarily through the exchange of information with corporate lawyers and outside experts. Despite this, its businesses and financial results may be affected if these laws and regulations are violated by any conduct or not complied with for any unavoidable reason, or if any regulation is abolished or newly imposed by administrative organizations pursuant to the relevant laws and regulations.

(Status of approvals)

Name of approval	Registration number of approval	Effective period	Related law and regulation	Reason for cancellation of approval
Registration for 1 st category travel business	Travel business No.1872 (registered) authorized by the Director General of the Japan Tourism Agency	October 16 2013 to January 19, 2018	Travel Agency Act	Article 19 of the Act
Approval of antique dealings	No. 301091207963 approved by Tokyo Metropolitan Public Safety Commission	August 8, 2012 to [validity not specified]	Antique Dealings Act	Article 6 of the Act

(3) High dependency on specific business partners

The Company depends on the following specific business partners for the purchase of domestic airline tickets, one of its mainstay products. Accordingly, any unexpected situation at any of these specific partners or any change in policies regarding sales methods or handling charges of air tickets may have a material impact on the Company's financial results and business development.

	Previous consolidated fiscal year (from Oct 1, 2014 to Sep 30, 2015)		Current consolidated fiscal year (from Oct 1, 2015 to Sep 30, 2016)	
	Amount (thousand yen)	Ratio (%)	Amount (thousand yen)	Ratio (%)
Naniwa Tourist Co., Ltd.	9,323,106	51.2	9,717,876	42.9
JAL Sales Co., Ltd.	4,562,500	25.0	5,495,971	24.3

(4) Risk due to the impact of natural disasters and international situations

The Company's Online Travel Agency Business is significantly affected by external factors such as natural disasters that may occur

in many areas around the world, including acts of God or bad weather, uncertain political situations overseas, international disputes, large-scale terrorism, the occurrence and spread of epidemics such as infectious diseases, or a deterioration in the diplomatic relationship with any country in which its business is being developed. The occurrence of such incidents may affect the Company's financial results due to a decline in travel demand.

The Company is developing its inbound travel business mainly for visitors from China or other Asian countries for the time being. Going forward, if any of the incidents described in the preceding paragraph occur in the relevant areas, the Company's financial results may be affected due to a decrease in the number of foreign tourists visiting Japan, among other factors.

(5) Effectiveness of Internet searches

How efficient Internet websites operated by the Company are in terms of attracting customers depends greatly on factors such as the indicated results of search engines and the use conditions of applications incorporated in smart devices. Going forward, if any changes in search algorithms are made by search engine operators, or depending on the specifications of applications, modifications thereof, or measures taken by competitors, the search results displayed may not work in favor of the Company, affecting its financial results.

(6) Dissemination of electronic commercial transactions (hereinafter "e-commerce")

The Company believes that the BtoC market size of e-commerce will continue to expand going forward. However, if e-commerce does not expand as the Company expects due to the enforcement of regulations such as a new legal system in conjunction with e-commerce or other unexpected factors, the Company's financial results may be affected.

2. IT Offshore Development Business

(1) Competition

The IT Offshore Development Business, in which the number of employed engineers grew to approximately 500 in 2016, has remained steady since the commencement of business. On the other hand, with the industry characterized by a tendency towards price competition, competition is intensifying against the backdrop of activities such as scouting for engineers.

The Company, while leveraging economies of scale, will seek to strengthen its competitiveness by building on and improving its unique strengths such as its personnel recruitment capability, operation expertise and solid networks.

That said, the Company's financial results may be affected due to competitors' emulation of the laboratory-type offshore development model.

(2) Risk related to overseas businesses

Overseas businesses are playing an increasingly important role in the Group as the Company, as part of its business strategies, moves forward with business expansion in overseas markets with a focus on the business of IT offshore development. The Group's overseas businesses are subject to the influence of a variety of factors such as the trend of the global economy and foreign exchange rates, legal restrictions pertaining to investment and competition, differences in commercial practices, relationships between labor and management, and international politics. Accordingly, if these risk become real, the Group's operating results and financial conditions may be affected.

3. Other Matters Pertaining to the Company Overall

(1) Risks of natural disasters and accidents

The Company's main operation base is in Tokyo, the location of its headquarters. If any unexpected event such as the suspension of operation, the disruption of facilities or the restriction of power supply occurs in the relevant area due to natural disasters such as serious earthquakes and typhoons, accidents or fire, the Company's business activities may be hindered. This may affect its financial results.

(2) Technological innovation

The Company plans to facilitate initiatives such as the accumulation of advanced knowledge and expertise and the recruitment of excellent engineers with high-level skills in order to conduct business in the Internet industry, which features an extremely rapid cycle of technological innovation and changing customer needs. However, if any difficulties occur with regard to the plans, and if the appropriate countermeasures are not taken for technological innovation in a timely fashion, the Company's financial results may be affected as a result of an increase in investments in systems and personnel expenses and a decline in technological advantages and competitiveness in the industry.

(3) Risk related to a company organization

(i) Dependency on founders

Hideki Yoshimura, President and Representative Director, has been CEO of the Company since its foundation and exerts a key role in promoting businesses, including determining management policies and strategies. Likewise, Munenori Oishi has played an important role since the foundation in determining management policies and strategies, among other assignments. The Company adopts a two-leader management system under which efforts to complement each other and keep the other in check work.

The Company has Directors, Executive Officers and General Managers and moves forward with efforts such as actively gathering opinions and sharing information by holding meetings that they attend. It also works to establish a management system to avoid excessive dependence on the two leaders by delegating authority in a proper fashion. That said, if any unexpected incident occurs to them for any reason, or if any situation arises that causes them both to retire, the Company's financial results and business development may be affected.

(ii) Management of personal information

The Company utilizes a large amount of personal or confidential information of customers or other parties concerned in conducting its business. Paying careful attention to the handling and management of personal information, it works to ensure that rules are adopted and relevant procedures are clarified and thoroughly implemented. By obtaining the privacy mark issued by JIPDEC, an extra-government organization of Ministry of Economy, Trade and Industry, we have been strictly manage the personal information.

Going forward, however, the occurrence of incidents such as the infringement of security by any third party, hacking, or the leak or illegitimate use of personal or confidential information held by the Company may cause the Company to bear the responsibility for compensating for any losses and damage incurred by customers or other parties and to be subject to an order for operational improvements from authorities. This may have a negative impact on the Company's financial results, businesses and social credibility.

(4) Dividend policy

The Company has not paid dividends in consideration of the importance of reinforcing its financial base. It considers the return of profits to shareholders to be one of its major important management challenges, and intends to examine the payment of profits and surpluses while securing internal reserves that are necessary for business development and the strengthening of management conditions. Even so, the matter including the possibility of such payments or the timing thereof has not been decided at this point in time.

(5) Use of funds

The Company will use funds that it plans to procure through the next public offering for operations such as system development for business expansion, advertisements for enhancing the recognition of the Company's brand as well as working capital for the recruitment of personnel. That said, it may allocate them for purposes other than the current capital plans to respond flexibly to the rapidly changing management and industry environments. In addition, the investment of capital pursuant to the initial plans may not produce the expected results.

(6) Dilution of stock value due to the exercise of stock options

The Company has been adopting a stock option system to provide incentives for Directors, Executive Officers and its employees. It is considering a continued application of the stock option system going forward. Any act of exercising stock acquisition rights to be granted in the future, in addition to those already granted, may result in the dilution of the value of stock owned by shareholders. The number of dilutive stock attributable to stock acquisition rights is 1,495,800 shares as of the date of the submission of this document, which accounts for 8.9% of 16,682,400 shares, the total amount of outstanding stock.

(7) System risks

For avoiding sever stoppage due to excessive access, troubles of network devices, and system failures caused by natural disaster, accident and fire etc., the company has been working on the prevention and avoidance of system failures by taking measures including diversifying loads on servers, regular monitoring of operations and periodical backups. That said, if any problems occurs in the servers used for the management of customers and content, or in the browsing/booking systems, the Company may have difficulties providing information to customers or operating booking services. Such difficulties may affect the Company's financial

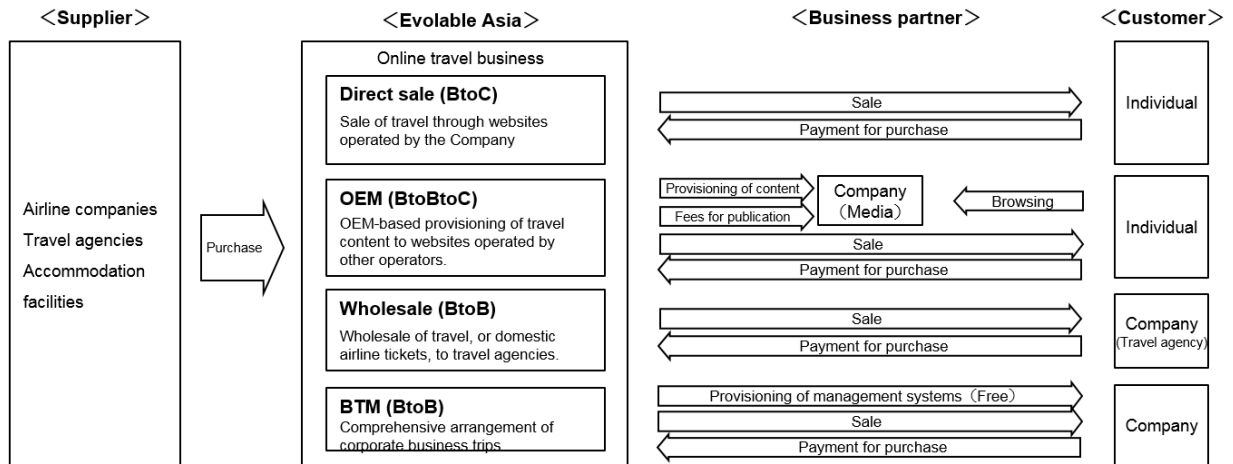
results.

(5) Important Events Concerning the Assumption of Going Concern

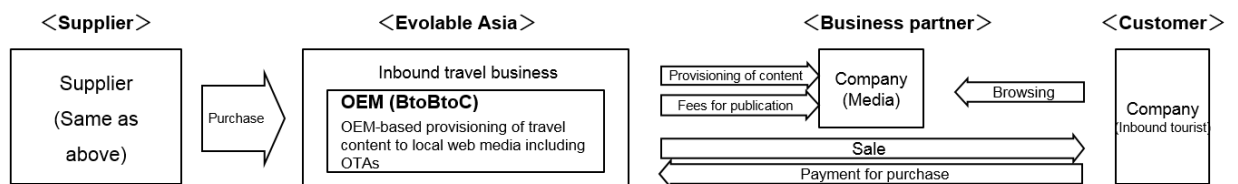
Not applicable.

2. Group Overview

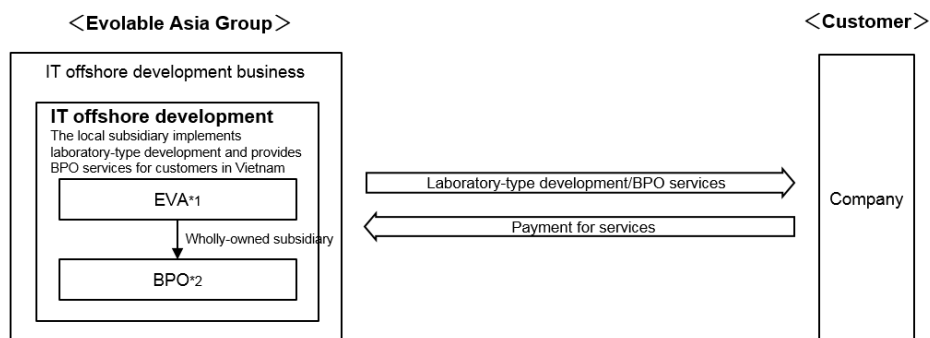
● Online Travel Business



● Inbound Travel Business



● Offshore Development Business



(*1) EVOLABLE ASIA CO., LTD.
 (*2) EVOLABLE ASIA SOLUTION & BUSINESS CONSULTANCY COMPANY LIMITED

3. Management Policy

(1) Basic Management Policy

The Group consists of five companies in total, comprising the Company and four consolidated subsidiaries. It engages in business development under the corporate mission of “Harnessing the power of IT for the movement of people and collaboration in Asia” which is based on the vision of “One Asia,” namely, the concept of “Asia becomes one and leads the world.” The Group’s businesses depend on sales channels comprising direct sales (BtoC) through comparison websites for travel-related products and services, the OEM-based provision of the Company’s search/booking engines to other companies’ media (BtoBtoC), wholesale (BtoB), and the arrangement of corporate business trips (BTM – Business Travel Management). It proceeds with the development of businesses through these channels with a focus on its mainstay operations, or three pillars: the Online Travel Business for selling travel-related products and services, chiefly domestic air tickets, the IT Offshore Development Business for undertaking laboratory-type system development in Vietnam, and the Inbound Travel Business for supplying travel-related products and services to inbound tourists that are rapidly increasing in number (inbound demand).

(2) Target Management Indicators

The Company considers important management indicators to be the rates of increase in transactions and repeat rate of customers compared with those one year ago in BtoC (in the Online Travel Business), the rate of retention of business partners in BtoB and BtoBtoC (in the Online Travel Business), the increase in the number of business partners due to the addition of new partners in (the Online Travel Business) BTM, the number of Vietnamese employees in the IT Offshore Development Business, and the increase in the number of business partners due to the addition of new partners in the Inbound Travel Business.

It also attaches importance to sales and operating income as financial indicators from the perspective of corporate value enhancement.

(3) Mid- to Long-term Management Strategies

In the Online Travel Business, the Company currently engages in online sales mainly based on direct sales (BtoC) through comparison websites of travel-related products and services, centered on domestic air tickets, using smartphones and PCs. It assumes that there is no established brand recognized by consumers in the domestic air ticket market. Against this background, the Company will launch “AirTrip,” a new brand, in September 2017 under the concept of the most cost-effective and convenient service. Consequently, in addition to an increase in the number of repeat customers, the Company aims to achieve more frequent organic inflows of traffic on the back of stronger brand awareness, which is expected to improve profitability. Going forward, it will work to expand operations by promoting sales of new travel-related products and services, as well as domestic air tickets.

In the area of inbound travel, the Company is working on the establishment of platforms for vacation rentals in light of the introduction of new laws and gearing up for the Camping Car Rental Business for foreign tourist visiting Japan in addition to the current initiatives, namely the OEM-based provisioning of the cross search and booking/sales systems for Japanese domestic air tickets to overseas travel agencies and online media in multiple languages. Through these efforts, it aims to further expand operations.

In the IT Offshore Development Business, the Company will take further measures to optimize the roles of the three operation bases in Ho Chi Minh City, Hanoi and Da Nang so that they are in more line with projects, while at the same time seeking to increase the number of operation bases and expand operations to other countries. It also aims to expand the scope of projects for which it expects to receive orders by facilitating offshore system development of the upstream process thereof (requirement definition, etc.), which has been often carried out in Japan conventionally.

(4) Challenges to be Addressed by the Company

The Group considers the following matters as challenges to be addressed, and will take measures accordingly.

1. Online Travel Business

(1) Expansion of business scope (products and services handled)

The Group’s sales come primarily from revenue related to sales of domestic air tickets. While continuing to have good relationships with domestic airline companies, it will work to diversify the products and services handled by the Group, such as overseas air tickets, the reservation of accommodation in Japan and abroad, and package tours, from the perspective of stable management and business growth on a mid- to long-term basis.

(2) Expansion of affiliate websites

The Group sells travel-related products through its online media centered on soratabi.com, an online booking site operated by the Company under its own brand. In addition, it also focuses efforts on sales on an OEM basis (operation under other companies' brands). Concretely, it seeks to supply search/booking engines for the Company's travel content, mainly to Internet websites that attract a large number of members, and provide TabiPro-BTM, a cloud-type business trip arrangement service, to companies that have a wealth of business needs. Through these efforts, it aims to increase sales of travel-related products and services. Going forward, to expand operations continuously, it will work aggressively to form tie-ups with Internet websites that attract a large number of members and companies that have extensive business needs.

(3) Strengthening of system technologies and infrastructure

The success of online sales of travel-related products conducted by the Company essentially depends on how large the amount of information is, how fast the responses are, how reasonable the prices are, and how convenient the products are, among other factors, from the perspectives of both purchasers and clients. Users search and browse various websites in terms of all these elements when they decide to purchase travel-related products via the Internet. The Company will continue to polish its system technologies and establish infrastructure to empower the relevant functions and provide more client-oriented systems going forward.

2. IT Offshore Development Business

• Understanding foreign cultures and customs

Understanding the cultures and customs of different countries is important for the Company to conduct the IT Offshore Development Business. Offshore development projects may not always be implemented as planned due to the working conditions and customs of a foreign country entrusted with development work. The Company seeks to improve development environments and strengthen the promotion systems of projects, while at the same time sparing no efforts to properly understand and respect the culture and customs of Vietnam, in particular.

3. Other Matters Pertaining to the Company Overall

(1) Securing capable human resources

The Company conducts operations with a relatively small number of employees. Any employee who plays a central role is expected to demonstrate a high degree of specialization and a professional attitude. Securing human resources with such capabilities is imperative as operations expand. The Company will continue to work on the securing and development of human resources going forward.

(2) Cost reductions

The Company has been emphasizing system-controlled automation in conjunction with assignments that can be carried out without the need for manual operation. It continues to proactively facilitate the transfer of operations to overseas companies in which it has equity, to control personnel expenses and develop human resources globally. Such transfers will be implemented in sync with efforts to improve the convenience of services for customers from the perspective of competition with other companies.

(5) Other Important Management Issues

Not applicable.

4. Basic Policy for the Selection of Accounting Standards

The Group intends to compile consolidated financial statements according to the Japanese accounting standards, taking into account the comparability of those financial statements over time and intercompany comparability of consolidated financial statements. Meanwhile, it will consider the adoption of the International Financial Reporting Standards (IFRS) as appropriate, factoring in the situations in Japan and abroad.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	FY9/15 (as of Sep. 30, 2015)	FY9/16 (as of Sep. 30, 2016)
Assets		
Current assets		
Cash and deposits	638,984	2,356,432
Notes and accounts receivable - trade	609,909	1,104,591
Merchandise and finished goods	75,460	274,325
Deferred tax assets	16,558	19,046
Accounts receivable - other	100,290	129,823
Others	80,084	140,830
Allowance for doubtful accounts	(329)	(450)
Total current assets	1,520,957	4,024,599
Non-current assets		
Property, plant and equipment		
Buildings, net	33,347	18,662
Vehicles, net	382	223
Tools, furniture and fixtures, net	26,954	19,115
Construction in progress	—	2,500
Total property, plant and equipment	60,684	40,501
Intangible assets		
Goodwill	40,619	102,976
Software	113,981	202,742
Total intangible assets	154,600	305,719
Investments and other assets		
Investment securities	3,900	43,000
Shares of subsidiaries and associates	10,000	—
Deferred tax assets	5,021	6,273
Guarantee deposits	303,777	409,193
Claims provable in bankruptcy, claims provable in rehabilitation and other	41,882	37,313
Others	5,245	12,358
Allowance for doubtful accounts	(41,882)	(37,313)
Total investments and other assets	327,943	470,824
Total non-current assets	543,229	817,044
Total assets	2,064,186	4,841,644

(Thousands of yen)

	FY9/15 (as of Sep. 30, 2015)	FY9/16 (as of Sep. 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	668,841	1,293,317
Short-term loans payable	325,108	225,139
Accounts payable - other	215,062	311,670
Accrued expenses	68,110	87,287
Income taxes payable	72,372	134,102
Provision for bonuses	43,428	46,447
Provision for point card certificates	763	3,868
Provision for shareholder benefit program	—	15,000
Current portion of long-term loans payable	18,204	19,572
Forward exchange contracts	1,596	4,123
Other	73,298	140,089
Total current liabilities	1,486,786	2,280,618
Non-current liabilities		
Long-term loans payable	99,778	87,288
Long-term guarantee deposited	80,387	102,376
Total non-current liabilities	180,165	189,664
Total liabilities	1,666,952	2,470,283

(Thousands of yen)

	FY9/15 (as of Sep. 30, 2015)	FY9/16 (as of Sep. 30, 2016)
Net assets		
Shareholders' equity		
Capital stock	215,000	1,019,927
Capital surplus	20,000	824,927
Retained earnings	104,548	444,870
Total shareholders' equity	339,548	2,289,724
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(1,075)	(2,850)
Foreign currency translation adjustment	3,093	(10,629)
Total accumulated other comprehensive income	2,018	(13,480)
Subscription rights to shares	—	206
Non-controlling interests	55,668	94,910
Total net assets	397,234	2,371,360
Total liabilities and net assets	2,064,186	4,841,644

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	FY9/15 (from Oct 1, 2014 to Sep 30, 2015)	FY9/16 (from Oct 1, 2015 to Sep 30, 2016)
Net sales	2,754,912	4,000,643
Cost of sales	729,776	679,014
Gross profit	2,025,135	3,321,628
Selling, general and administrative expenses	1,712,260	2,703,226
Operating income	312,875	618,402
Non-operating income		
Interest income	254	2,082
Dividend income	40	40
Foreign exchange gains	1,977	—
Subsidy income	566	—
Reversal of allowance for doubtful accounts	—	3,369
Other	1,791	1,612
Total non-operating income	4,629	7,104
Non-operating expenses		
Provision of allowance for doubtful accounts	1,971	—
Interest expenses	9,741	9,875
Foreign exchange losses	—	15,000
Listing expenses	—	18,965
Other	200	10,268
Total non-operating expenses	11,913	54,110
Ordinary income	305,591	571,396
Extraordinary income		
Gain on sales of non-current assets	1,052	1,403
Total extraordinary income	1,052	1,403
Extraordinary losses		
Loss on sales of non-current assets	318	763
Litigation expenses	2,466	—
Total extraordinary losses	2,784	763
Profit before income taxes	303,858	572,036
Income taxes - current	90,680	182,277
Income taxes - deferred	18,289	(2,989)
Total income taxes	108,969	179,287
Profit	194,888	392,748
Profit attributable to non-controlling interests	22,405	52,426
Profit attributable to owners of parent	172,482	340,321

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY9/15 (from Oct 1, 2014 to Sep 30, 2015)	FY9/16 (from Oct 1, 2015 to Sep 30, 2016)
Profit	194,888	392,748
Other comprehensive income		
Deferred gains or losses on hedges	(1,075)	(1,775)
Foreign currency translation adjustment	1,576	(26,907)
Total other comprehensive income	501	(28,682)
Comprehensive income	195,390	364,065
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	172,013	324,823
Comprehensive income attributable to non-controlling interests	23,377	39,241

(3) Consolidated Statements of Changes in Equity

FY9/15 (from Oct 1, 2014 to Sep 30, 2015)

(Thousands of yen)

	Shareholders' equity				Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Deferred gains or losses on hedges	Foreign currency translation adjustment	Accumulated other comprehensive income			
Balance at beginning of period	215,000	20,000	(67,934)	167,065	—	2,289	2,289	-	32,489	201,843
Changes of items during period										
Issuance of new shares										
Profit attributable to owners of parent			172,482	172,482						172,482
Net changes of items other than shareholders' equity					(1,075)	804	(271)	-	23,179	22,907
Total changes of items during period	—	—	172,482	172,482	(1,075)	804	(271)	-	23,179	195,390
Balance at end of period	215,000	20,000	104,548	339,548	(1,075)	3,093	2,018	-	55,668	397,234

FY9/16 (from Oct 1, 2015 to Sep 30, 2016)

(Thousands of yen)

	Shareholders' equity				Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Deferred gains or losses on hedges	Foreign currency translation adjustment	Accumulated other comprehensive income			
Balance at beginning of period	215,000	20,000	104,548	339,548	(1,075)	3,093	2,018	-	55,668	397,234
Changes of items during period										
Issuance of new shares	804,927	804,927		1,609,854						1,609,854
Profit attributable to owners of parent			340,321	340,321						340,321
Net changes of items other than shareholders' equity					(1,775)	(13,722)	(15,498)	206	39,241	23,950
Total changes of items during period	804,927	804,927	340,321	1,950,175	(1,775)	(13,722)	(15,498)	206	39,241	1,974,126
Balance at end of period	1,019,927	824,927	444,870	2,289,724	(2,850)	(10,629)	(13,480)	206	94,910	2,371,360

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY9/15 (from Oct 1, 2014 to Sep 30, 2015)	FY9/16 (from Oct 1, 2015 to Sep 30, 2016)
Cash flows from operating activities		
Profit before income taxes	303,858	572,036
Depreciation	63,843	89,061
Increase (decrease) in allowance for doubtful accounts	(69,197)	21,736
Interest and dividend income	(294)	(2,122)
Interest expenses	9,741	9,875
Listing-related expenses	—	18,965
Loss (gain) on sales of property, plant and equipment	(733)	(639)
Decrease (increase) in notes and accounts receivable - trade	(239,936)	(488,726)
Decrease (increase) in inventories	83,285	(198,865)
Increase (decrease) in notes and accounts payable - trade	154,723	621,190
Decrease (increase) in guarantee deposits	(78,510)	(9,437)
Increase (decrease) in long-term guarantee deposits received	30,931	21,989
Decrease (increase) in other assets	(24,127)	(91,135)
Increase (decrease) in other liabilities	143,265	177,093
Subtotal	376,847	741,021
Interest and dividend income received	294	2,122
Interest expenses paid	(9,946)	(10,387)
Income taxes paid	(35,743)	(127,920)
Net cash provided by (used in) operating activities	331,453	604,836
Cash flows from investing activities		
Payments into time deposits	—	(111,022)
Purchase of shares of subsidiaries and associates	(10,000)	—
Purchase of investment securities	—	(39,100)
Purchase of property, plant and equipment	(36,481)	(29,080)
Proceeds from sales of property, plant and equipment	1,080	1,593
Purchase of intangible assets	(82,537)	(120,466)
Payments of loans receivable	—	(50,000)
Payments for lease deposits	(9,101)	(95,913)
Purchase of golf club memberships	—	(7,048)
Payments into collateral deposits	(30,000)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(5,074)
Net cash provided by (used in) investing activities	(167,039)	(456,112)

(Thousands of yen)

	FY9/15 (from Oct 1, 2014 to Sep 30, 2015)	FY9/16 (from Oct 1, 2015 to Sep 30, 2016)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	98,043	(95,828)
Proceeds from long-term loans payable	130,000	—
Repayments of long-term loans payable	(12,018)	(18,204)
Proceeds from issuance of common shares	—	1,604,566
Payments of listing-related expenses	—	(18,965)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	—	5,287
Net cash provided by (used in) financing activities	216,025	1,476,856
Effect of exchange rate change on cash and cash equivalents	(310)	(9,312)
Net increase (decrease) in cash and cash equivalents	380,128	1,616,267
Cash and cash equivalents at beginning of period	228,856	608,984
Cash and cash equivalents at end of period	608,984	2,225,252

(5) Explanatory Notes to Consolidated Financial Statements

(Notes on going concern assumptions)

Not applicable.

(Changes in accounting policies)

(Adoption of the Accounting Standards for Business Combinations and other related pronouncements)

Effective from the consolidated fiscal year under review, the Company adopted the Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013) and other related pronouncements. As a result, changes were made to the presentation of net income and other related items, and “minority interests” were renamed to “non-controlling interests.” To reflect these changes in presentation, reclassifications were made to the consolidated financial statements for the year ended September 30, 2015.

(Adoption of the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Following the revision of the Corporation Tax Act, the Company applied the Practical Solution on a Change in Depreciation Method due to Tax Reform 2016 (ASBJ PITF No. 32 issued June 17, 2016) to the consolidated fiscal year under review. The straight-line method is used for the depreciation of the facilities attached to buildings and the accompanying facilities and structures that were acquired on or after April 1, 2016, instead of the declining-balance method.

There is no impact on the Company’s profit and loss situation for the consolidated fiscal year as a result of this change.

(Segment information, etc.)

(Segment information)

1. Summary of reportable segments

(1) Decision on reportable segments

The Company’s reportable segments are its business units that have separate financial information available and that are subject to periodical examinations by the Board of Directors for the purpose of determining the allocation of management resources and evaluating performance.

The Company has divisions and subsidiaries based on services, and they conduct business activities to enhance services and increase sales and profits both in Japan and abroad.

The Company therefore consists of the segments of service operations attributable to divisions and subsidiaries, and the Online Travel Agency Business, the IT Offshore Development Business and other businesses are presented as reportable segments.

(2) Types of products and services belonging to the respective reportable segments

Reportable segment	Description of relevant services
Online Travel Agency Business	Online general travel agency service
IT Offshore Development Business	Laboratory-type offshore development service
Other businesses	System development service

2. Calculation method of sales and profits (or losses) by reportable segment

The accounting process for the reported business segments is the same as that used for the preparation of consolidated financial statements.

Profits in reportable segments are presented on an operating income basis.

Intersegment sales and transfers are based on actual market prices.

3. Information related to net sales and profits (losses) for the respective reportable segments

(Thousands of yen)

	Reportable segments				Adjustments (Note)	Amounts posted in consolidated financial statements
	Online Travel Agency Business	IT Offshore Development Business	Other businesses	Total		
Net sales						
Sales to external customers	2,897,302	1,099,441	3,899	4,000,643	—	4,000,643
Intersegment sales and transfers	—	121,052	—	121,052	(121,052)	—
Total	2,897,302	1,220,494	3,899	4,121,695	(121,052)	4,000,643
Segment profits (losses)	943,782	82,891	(33)	1,026,640	(408,238)	618,402

(Note) 1. The adjustment of -408,238 thousand yen to the segment profits (losses) includes corporate expenses, which mainly consist of general administrative expenses that are not attributable to the reportable segments.

2. The segment assets are not presented because they are not subject to evaluations by the Chief Executive Officer in terms of financial results.

3. The segment profits (losses) are adjusted to be consistent with operating income in the consolidated financial statements.

4. Transaction prices in intersegment transactions are determined by factoring in transaction prices among independent third parties.

(Relevant information)

1. Information by product and service

Not applicable because similar information is disclosed in the Segment Information.

2. Information by region

(1) Net sales

(Thousands of yen)

Japan	Asia	Total
2,901,201	1,099,441	4,000,643

(Note) The above net sales by country or region were compiled based on the locations of the operation facilities covering the respective areas.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Asia	Total
8,316	32,184	40,501

(Note) The above property, plant and equipment by country or region were compiled based on the locations of the operation facilities covering the respective areas.

3. Information by key customer

Not applicable because none of the sales to external customers accounted for 10% or more of the net sales presented in the consolidated income statement.

(Per share information)

	FY9/16 under review (From Oct. 1, 2015 to Sep. 30, 2016)
Net assets per share	136.44 yen
Net income per share	22.17 yen
Fully diluted net income per share	21.12 yen

- (Note) 1. The Company conducted 300-for-1 and 3-for-1 stock splits on December 18, 2015 and August 1, 2016, respectively. Net income per share and fully diluted net income per share were calculated based on the assumption that these stock splits were conducted at the beginning of the previous consolidated fiscal year.
2. The Company was listed on the Mothers Section of the Tokyo Stock Exchange on March 31, 2016. Accordingly, fully diluted net income per share for the fiscal year under review was calculated based on the assumption that the average share price during the period from the date of the new listing until the end of the fiscal year under review was the average share price during the period.
3. Net income per share and fully diluted net income per share were calculated based on the following factors.

	FY9/16 under review (From Oct. 1, 2015 to Sep. 30, 2016)
Net income per share	
Net income attributable to owners of parent (thousand yen)	340,321
Amount not attributable to common shareholders (thousand yen)	—
Net income attributable to owners of parent pertaining to common stock (thousand yen)	340,321
Average number of outstanding common shares during the period (shares)	15,349,286
Fully diluted net income per share	
Adjusted net income attributable to owners of parent (thousand yen)	—
Number of common shares increased (shares)	758,488
An overview of diluted shares not included in the calculation of fully diluted net income per share due to the absence of the dilutive effect.	Acquisition rights resolved at the Board of Directors' meeting on July 25, 2016 < Acquisition rights in the 7th term > 498,600 shares of common stock (1,662 acquisition rights) < Acquisition rights in the 8th term > 121,500 shares of common stock (405 acquisition rights)

(Important subsequent events)

Not applicable.