

# Aeria Inc.

**3758**

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FISCO Ltd.

<http://www.fisco.co.jp>

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## ■ Summary

### With communication as the keyword, Aeria looking make itself an indispensable part of a networked society

Making use of internet and mobile technologies, Aeria Inc. <3758> (hereafter, also “the Company”) has long worked to make itself as essential to a networked society as air is to life, with communication being its keyword. Aeria currently divides its businesses into three reportable segments, IT services, contents, and asset management, with the IT services segment accounting for 29% of sales, the contents segment 56%, and the asset management segment 15% of sales in FY12/17. The Company is currently enjoying rapid growth in sales and earnings but, not satisfied to rest on its laurels, is constantly in search of new business opportunities, looking for new markets to enter and new ways to add value through the application of its in-house technologies and find ways to generate synergies among its various businesses.

The IT services segment has two main companies that together provide a stable source of earnings, First Penguin Inc. and AIR Internet Service Co., Ltd. First Penguin’s operates an affiliate platform business consisting mainly of Infotop, an online shopping portal that specializes in informational products (educational materials, etc.). AIR Internet Service operates data service businesses, including a cloud-based solutions business. At the contents segment, the Company is engages in the development and sales of smartphone games targeting young women and also sells related character goods. One of the companies in the contents segment is Liber Entertainment Inc., which had a major hit game in 2017 with *A3!*, a *Handsome* young actor training game designed for young women in which the player assumes the role of the trainer of a stable of actors. The contents segment is currently growing at a rapid pace due to the success of one or more hit games over three years. The asset management segment is engaged in real estate sales, condominium renovation, and real estate-related consulting. Subsidiaries under the asset management segment include Twist Inc., a provider of *minpaku* management services whose primary business is serving as the operations manager for Airbnb in Japan. In short, this business has stable sources of revenues as well as businesses with future growth potential.

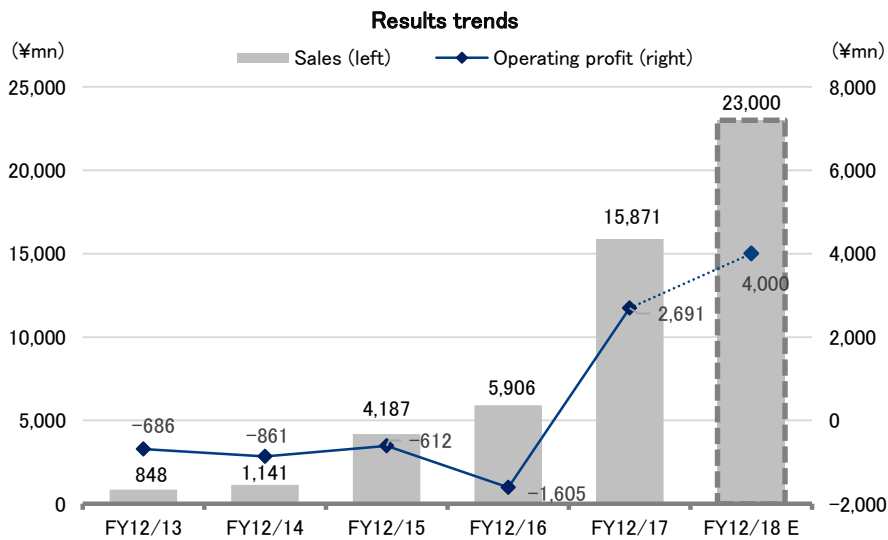
Going forward, Aeria is looking create new added-value by making full use of its existing technologies and expertise, acquire new technologies and move into new markets, and increase collaboration among group companies. An example of intra-group collaboration is the planned opening of *minpaku* units whose decor is based on the popular characters featured in one of its smartphone games. Scheduled for opening in August 2018, this will be the first collaborative venture between the group’s game business and its *minpaku* business. On other fronts, on July 18, 2018, Aeria started up Blockchain Trading Card, a digital trading card game service that uses blockchain technology. With blockchain technology making it almost impossible to create counterfeit cards, Aeria is looking to create a market for digital trading cards by allowing individual cards to be registered, issued, and traded. In the process, it aims to establish a clear value for its digital content assets, something could not really do on its own prior to this. Along this same line, Aeria has also taken an equity stake in DataGrid Inc., which employs deep learning AI technology, and together has undertaken a project that uses AI technology to create the appearance of the characters. The two have already created some new character images in this manner, though the images still suffer from imperfections, such as distortions in some facial lines. Going forward, the goal is to further improve the accuracy of the images and develop AI technology that can create images to suit the tastes of individual users. On a related front, on June 28, 2018, Aeria acquired CYBIRD Co., Ltd., making it a wholly owned subsidiary, and going forward plans to enhance its own game development capabilities by drawing upon CYBIRD’s experience and expertise in creating romance games that appeal to young women, and also make use of CYBIRD’s overseas distribution capabilities.

Summary

For FY12/18 1Q, Aeria reported consolidated sales of ¥6,720mn (+196.1% year on year (YoY)) and operating profit of ¥807mn (+84.9%). The strong results reflected solid gains at the IT services segment and sharp rise earnings at the contents segment on the back of the hit game *A3!* The recently established asset management segment also managed to finish in the black thanks to the strong demand for investment real estate, though restrictions on *minpaku* operations continued to pose problems. For the full year, Aeria is forecasting consolidated sales of ¥23,000mn (+44.9% YoY) and operating profit of ¥4,000mn (+48.6%). The current outlook sees continued strong gains at the IT services segment, a sharp jump in sales and earnings at the contents segment on the rollout of new titles and updates to existing titles, and, at the asset management segment, slow but steady gains from *minpaku* services adding to earnings from real estate sales. It should be noted, however, that the Company's initial forecast for FY12/18 did not assume that revenues from *A3!* would continue to grow this year or that the hit game would be released overseas, and also did not include sales from a steady stream of new title releases. It also did not include the addition of CYBIRD as a wholly owned consolidated subsidiary, which for the six months it is included in FY12/18 results is expected to add another ¥5,000mn to consolidated sales and ¥200mn to operating profit. All things considered, investors can fully expect to see Aeria exceed its current sales and earnings forecast for FY12/18.

Key Points

- Backed by stable revenue stream from IT services, Aeria looking to move further into game development and real estate sales. Sales and earnings rising rapidly
- Hit game *A3!* to continue contributing to operating profit in FY12/18; full-fledged contributions also expected from *minpaku* business
- Looking for new ways to create new value added by using in-house technology and expertise to develop new technologies and enter new fields



Source: Prepared by FISCO from the Company's financial results

## ■ Company profile

### Developing businesses in IT services, contents and asset management

#### 1. Company profile

Making use of internet and mobile technologies, Aeria has long worked to make itself as essential to a networked society as air is to life, with communication being its keyword. Aeria is a holding company and currently has a total of 26 consolidated subsidiaries and one equity-method affiliate. Aeria divides its businesses into three reporting segments, IT services, contents, and asset management. Under IT services, businesses include an affiliate platform business whose primary business is the operation of Infotop, an online shopping website that handles informational products, as well as a data service business and systems development business. At the contents segment, business lines include developing, distributing, and operating smartphone games, online games for tablet computers, and sales of related character goods, drama CDs, voice CDs, and other goods. The asset management segment is engaged in real estate leasing and sales, invests in domestic and overseas companies, and also operates a *minpaku* business.

### Expansion into other businesses using IT services as a base

#### 2. History

Takayuki Nagashima, the current Chairman of the Board, and Yusuke Kobayashi, the President and CEO, joined together in back in 1998 to form Communications Online Limited (the predecessor to Aeria). Located in Chiba Prefecture, Communications Online provided internet-related information services. In 2001, Communications Online entered the online game business with the addition of subsidiary Gamepot Inc. (now the GMO Group). This was followed in 2002 by the establishment of Aeria, which went on to a 2004 listing on the Osaka Stock Exchange's Hercules Market (now the Jasdak Market on the Tokyo Stock Exchange). Following its stock exchange listing, in 2005 Aeria acquired AIR Internet Service Co., Ltd. and its IT services business and, with this as the foundation, expanded into other areas including smartphone games and online shopping websites. Seeing growing demand in the *minpaku* market, Aeria started up an asset management business in 2017.

## Company profile

## History

Date	Event
May 1998	Established Communication Online Ltd.
September 1999	Established internetcom K.K. (merged with US-based Jupitermedia, capitalized at ¥20mn)
May 2001	Established Gamepot Inc. (merged with Gagamel.com (Korea); capitalized at ¥20mn)
October 2002	Established Aeria Inc. (through spin-off)
December 2004	Listed on Osaka Stock Exchange's Hercules Market (stock code: 3758)
November 2005	Acquired 100% of shares in AIR Internet Service Co., Ltd., making it a wholly owned subsidiary
December 2005	Listed Gamepot Inc. on Sapporo Stock Exchange's Ambitious Market
December 2005	Established Aeria Finance Inc. as wholly owned subsidiary to run investment business
April 2006	Acquired 20% stake in Yutaka Shoji Co., Ltd., making it an equity-method affiliate
August 2006	Acquired 50.1% stake in ACQUIRE Corp., making it a subsidiary
August 2006	Established Aeria Games & Entertainment, Inc.
October 2006	Established Aeria IPM, Inc. as wholly owned subsidiary to oversee copyrights
June 2007	Acquired 100% of shares in Kurezo Co., Ltd., making it a wholly owned subsidiary
June 2007	Acquired 41.3% stake in Taiko Holding Co., Ltd. (owner Akatsuki Securities), making it a subsidiary
January 2008	Began offering email delivery ASP services through AIR Internet Service
March 2008	Added vulnerability detection tool ( <i>Retina</i> ) as part of standard service through AIR Internet Service
April 2008	Transferred all shares in consolidated subsidiary Gamepot Inc. to So-net Entertainment Corp.
July 2008	Acquired Daito Me Co., Ltd. through share exchange, making it a wholly owned subsidiary
July 2008	Began offering carbon offset support program through AIR Internet Service
August 2008	Established European subsidiary as subsidiary of US-based Aeria Games & Entertainment, Inc.
September 2008	Began business partnership with aprecio Corporation
March 2009	Began offering groupware ASP for Cybozu Office 8 through AIR Internet Service
July 2010	Began offering cloud-based service to help prevent misdirected email through AIR Internet Service
December 2012	Removed Aeria Games & Entertainment, Inc. from subsidiaries by establishing AGGP Holdings, Inc. as an intermediary holding company
December 2014	Acquired Gamania Digital Entertainment Inc. through share exchange, making it a wholly owned subsidiary
April 2015	Acquired Infotop Capital Corp. through share exchange, making it a wholly owned subsidiary and making Infotop Corp. a second-tier subsidiary
June 2015	Acquired Liber Entertainment Inc. through share exchange, making it a wholly owned subsidiary
October 2015	Acquired ASGARD Co., Ltd. through share exchange, making it a wholly owned subsidiary
December 2015	Acquired GESI Co., Ltd. through share exchange, making it a wholly owned subsidiary
June 2017	Acquired GESI Co., Ltd. through simple share exchange, making it a wholly owned subsidiary
July 2017	Acquired GOODVISION CORPORATION through simple share exchange, making it a wholly owned subsidiary
July 2017	Acquired Twist Inc., making it a subsidiary
August 2017	Acquired Impression inc. through simple share exchange, making it a wholly owned subsidiary
August 2017	Acquired Sakuragate Inc. as wholly owned subsidiary through simple share exchange
September 2017	Acquire Xenoverse Inc. through simple share exchange, making it a wholly owned subsidiary
October 2017	Acquired GG7 Inc. through simple share exchange, making it a wholly owned subsidiary
October 2017	Acquired eitarosoft, inc. through simple share exchange, making it a wholly owned subsidiary
October 2017	Established joint venture with Edia Co., Ltd.
November 2017	Acquired Total Management Corporation, making it a subsidiary
January 2018	Entered into agreement to establish joint venture company with Wanin International Co., Ltd.
February 2018	Acquired shares of Seisyou Co., Ltd., making it a subsidiary
July 2017	Acquired Twist Inc., making it a subsidiary*
June 2018	Acquired CYBIRD Co., Ltd., making it a wholly owned subsidiary

\* Twist Inc. was a limited liability company at the time it was acquired but has since been converted to a corporation

Source: Prepared by FISCO from the Company's website

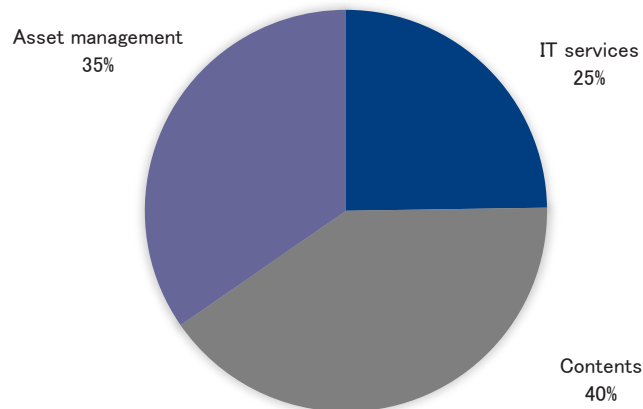
## ■ Business overview

### All three segments showing strong growth

#### 1. Business description

In FY12/18 1Q, the IT services segment accounted for 25% of sales, the contents segment 40%, and the asset management segment 35%. At the IT services segment, First Penguin and AIR Internet Service both continued to see steady growth in sales and earnings. The contents segment performed well with product sales and games aimed at women from Liber Entertainment and ASGARD, especially in 2017 with the smartphone game *A3!* becoming a big hit and gaining popularity into 2018. The asset management segment only began in 2017, however there is potential for the contributions of the *minpaku* business, while the investment property market remains robust.

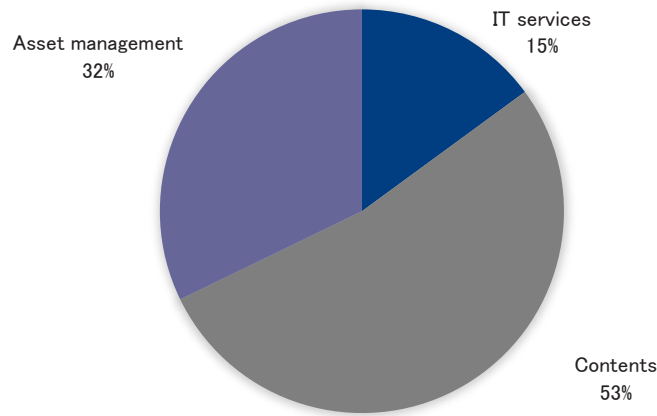
Sales breakdown by segment (FY12/18 1Q)



Source: Prepared by FISCO from the Company's financial results

Business overview

Operating profit breakdown by segment (FY12/18 1Q)



Source: Prepared by FISCO from the Company's financial results

## While still a cash cow, First Penguin starting to make aggressive moves

### 2. IT services

Under the IT services segment there are two main companies, AIR Internet Service and First Penguin. AIR Internet Service operates a data service business while First Penguin operates an affiliate platform business. Other subsidiaries under the IT services segment include Grey Cells, Inc., which offers system solutions and consulting services, and CyberZero Ltd., whose services include social app development and support services for companies uses social media.

#### (1) AIR Internet Service

AIR Internet Service provides various internet services for businesses, including its cloud-based email solutions service (All in One Mail) and a cloud-based reservations management system (Reserve Keeper) for restaurants. With the bulk of its business stemming from its data center operations, AIR Internet Service generates a steady stream of revenues and earnings. It divides its services lines broadly into three areas: business cloud services, managed hosting services, ISP services. Under business cloud services, in addition to All in One Mail and Reserve Keeper, AIR Internet Service offers the popular Cybozu Office (said to be the No. 1 groupware product in Japan). Under managed hosting services, AIR Internet Service offers its proprietary WEBooth hosting services which comes with its own online storage service. ISP services include domain registration and other website-related services.

#### (2) First Penguin

First Penguin operates diversified businesses, including the affiliate platform business, advertising, content creation/sales, media management, overseas trading, and overseas and domestic employment assistant businesses. The largest of these its affiliate platform business, which operates Infotop, a web portal for selling informational products (educational materials, etc.). Earnings from this area are both high and stable.

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Business overview

The affiliate platform business operated by First Penguin has a business model that is similar to that of Rakuten Market. Rakuten Market has an extremely large number of categories in its ecommerce mall but it captures only the information exchanged between the seller and the buyer while leaving the distribution and account settlement up to the individual merchants. In contrast, Infotop's ecommerce mall has a single category, called informational products\*1, but it encompasses every aspect of the dealings between buyers and sellers, not only the digit information but the distribution and account settlement as well. In other words, First Penguin serves as an intermediary for the seller, the buyer, and the introducing agent, managing the payments for sales and commissions between the seller and the introducing agent, and also managing the account settlement and the product delivery between the seller and the buyer. There is a big difference between Infotop and Rakuten Market when it comes to how distribution is handled, but the biggest difference between the two is there is the presence of introducing agents (affiliates, affiliate partners\*2) at Infotop whereas Rakuten Market has none. By putting introducing agents in the picture, First Penguin has increased the searchability of Infotop for even long-tail informational products. In this respect, Infotop provides the same kind of chaotic enjoyment that people previously obtained from looking for long-tail products on Rakuten Market. As a result, Infotop has a cumulative total of more than 2.0mn registered sellers, buyers, and introducing agents, and has logged more than 60,000 sales of information materials across a wide variety of popular topics that people find helpful in their everyday lives. Infotop also stands out from other websites in that forms of acceptable payment include not only bank transfers and credit cards, but also the various money transfer systems available at convenience stores, BitCash, and other forms of payment.

\*1 Informational products: Information that is primarily bought and sold over the internet. The information itself is the product, such as study guides for foreign language, guides on asset management, and self-improvement guides. While on rare occasions such guide books are said to be pyramid schemes or make fraudulent claims, Infotop's careful examination of the materials sold through its website leaves very little room for disreputable operators to sell their wares.  
 \*2 Affiliate: An advertising technique wherein a blogger or magazine receives compensation from the seller if the write-up of the product leads to a sale. Unlike the average affiliate, affiliate partners are involved in the business.

Infotop website (left) and business model (right)

Source: The Company's website

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## Business overview

In May 2018, First Penguin started full-scale operations of AquaGates, an account settlement service built to global standards. First Penguin has more than 12 long years of experience of providing different payment options to individuals and companies, and in the process developed its own credit assessment system to give it the flexibility to make determinations in case where it used to be difficult to assess, such as cross-border transactions, C2C transactions, and transactions involving services that do not yet exist. Making use of this experience, it decided to set up this payment system that would cover transactions (ranging from corporations to individuals running side-businesses) that existing payment services were unlikely to handle, especially people such as freelance operators or those running a side-business that would have trouble obtaining credit. During 2018 it plans to make this payment system available through 200 companies. First Penguin already offers a wide range of payment options, including credit cards, mobile payments, and digital currencies, but will soon be adding BitCash (prepaid digital cash), nahaopay (from Aurfy Japan), and SWIFT PASS (account settlement service that instantly generates a payment URL), and plans to add still more payment options in the future, including payment in virtual currencies and foreign currencies. Reflecting the value attached to the convenience provided by the addition of new payment options, AquaGates entered into contracts 50 contracts during its first month in operation, roughly three times more than it had initially expected.

In other areas, First Penguin has also been active recently at its overseas employment assistance business, whose mainstay service goes under the name CoCoCarat. CoCoCarat specializes in employment assistance services for people looking to work in Southeast Asia. It currently has partnerships with personnel placement agencies in the seven major countries in Southeast Asia and serves as the registration agent for the job application with the local placement agency. In February 2018, CoCoCarat started up an online English-language conversion service, CoCoCarat English Conversion, to serve the customers of its overseas employment assistance service. The course contents are the same as those used by the KONICA MINOLTA Online English Conversation service (owned by KONICA MINOLTA <4902>), which developed a series of practical English conversion lessons based on the experienced gained by KONICA MINOLTA in the field of global communications over many years.

## Big hit game A3! to be followed by more new titles

### 3. Contents segment

Over the years the contents business has brought various types of games to the market that were suited to the platforms available at the time. At this time the target market for the games it is developing has been narrowed down to young women, and sales of related goods are also doing well.

#### (1) ASGARD

ASGARD manufactures and sells CD/PC software for young women, doing studio recording and manufacturing and selling consumer game software under two labels (where there have been releases) using a single studio. At its mainstay *Honeybee* label, ASGARD produces CDs aimed at women, such as the *DYNAMIC CHORD* series, does some collaborative CD featuring well-known game titles from other companies targeting for women; in this manner, it has managed to consistently release two to three CDs a month. Other series include *Starry☆Sky*, *Shinigami Kareshi (Reaper Boyfriend)*, and *Blackish House* series. These and other products are sold through an online shopping website (honey shop) that ASGARD operates. The ASGARD studio has two rooms for recording, one large and one small; this setup allows it to do a wide variety of recording, from games, narration, and dramas, and to music. It has also turned *DYNAMIC CHORD* into an animated TV series. It has also turned *DYNAMIC CHORD* into an animated TV series and will also release a *DYNAMIC CHORD* game app during the summer of 2018. In this relation, we note that, as of July 24, pre-release registration for the game app had already topped 400,000—a good indication that many fans are anxiously awaiting the release of the new game app.

Business overview

Asgard hit series: DYNAMIC CHORD (left) and “Honeybee” brand site (right)



Source: The Company's results briefing materials

(2) Liber Entertainment

Liber Entertainment is involved in social game development and operation, consumer game development, and also has a consulting business that provides consulting services for other companies in the game business. By narrowing its smartphone game development efforts down to a *Handsome* young actor training game genre that targets young women, it has enjoyed success, bringing out two big hits in quick succession, *I★Chu* in 2015 and *A3!* in 2017. This resulted in a sharp jump in sales and earnings at Liber Entertainment in FY12/17 and, since the impact of major hits is generally expected to last about three years, it is quite likely that Liber Entertainment will see further growth in sales and earnings this year.

Liber Entertainment: sales and earnings trends (for reference)

	(fiscal year, ¥mn)				
	2013	2014	2015	2016	2017
Sales	250	824	277	837	6,848
Recurring profit	-74	158	-90	51	2,893
Net profit	-74	130	-92	31	1,982
Net assets	-69	60	-32	25	2,060
Total assets	129	261	206	301	3,777

Source: Prepared by FISCO from the Company's securities report

a) *I★Chu*

*I★Chu* is a romance rhythm adventure in which the player is a teacher-cum-producer and must train an idol wannabe to be a fully-fledged entertainer (*I★Chu*) into a full-fledged star. Service for *I★Chu* officially started in June 2015; free-to-play and charging for in-game items. In January 2017 *I★Chu* recorded more than 1.0mn downloads, making it a major hit. The popularity of *I★Chu* spurred sales of related real products, leading to the release of a total of nine music CDs (five singles, four albums), two comic anthologies, three novels, as well as fan books and other character goods. In addition to these spin-off products, *I★Chu* was also made into a 2.5D\* stage show (*I★Chu* The Stage) that ran a total of 12 performances between August and September 2017.

| \* 2.5D: Original works and concepts from “2D” anime and video games converted into “3D” live stage productions. |

Business overview

**b) A3!**

A3! is a Handsome young actor training game in which the player assumes the role of the general manager of run-down, collapsing theatrical company that has to train a new group of young, would-be actors to be successful stage performers. Because all episodes are done in “full voice,” mini-games have also been available to earn more money for the theatrical company. Service for the game was started in January 2017; free-to-play and charging for in-game items. Leveraging its experience with I★Chu, Liber Entertainment turned A3! into an even bigger hit with some 5.5mn downloads in July 2018. Sales of related real products include nine CDs (one single, eight mini albums), two comic anthologies, and a large number of other goods. In addition, A3! has been made into a live stage show entitled “MANKAI STAGE A3! — SPRING & SUMMER 2018” that will run between June and November 2018 in two cities, Tokyo and Osaka. Live streaming is also implemented for this show. Liber Entertainment has also decided to extend the live stage performances with “MANKAI STAGE A3! — AUTUMN & WINTER 2019” which will run between January and March 2019 in three cities, Tokyo, Osaka, and Yamaguchi. Liber Entertainment is also working with Bilibili on plans to start distribution in China during the summer of 2018. It is also moving quickly to distribute the game in other overseas markets outside of China. It is working with KOMOE Game Corporation, and since July has been running a closed beta test of a traditional Chinese character version for the Taiwan, Hong Kong, and Macau markets. It has also signed a licensing agreement with CYBIRD for an English-language version of the game for worldwide distribution. With the second season in A3! having only been introduced in February this year, it is unlikely that the popularity of A3! will fade anytime soon and it is quite likely that the game will become an even bigger hit than it already is.

Concept images for A3! (left) and I★Chu (right)



Source: The Company's results briefing materials

**c) Other products from Liber Entertainment**

Another game from Liber Entertainment is *Soen No Kantai*, a realistic naval battle game in which the player is the commander of a naval battle group that must fight a mysterious opponent. Service for the game was started in September 2017; free-to-play and charging for in-game items. Pre-registration for *Soen No Kantai* is said to have come around 100,000, and the game is expected to maintain popularity at its current pace. Other titles that Liber Entertainment has either developed under contract or development cooperated include *Kai-ri-Sei Million Arthur*, *Dairansoh Dasshu* or *Dasshu*, *One Piece ROMANCE DAWN Dawn of Adventure*.

### (3) Contents segment: other subsidiaries

Aeria has a large number of other subsidiaries that are also involved in developing social games. Aeria Games & Entertainment, Inc. plans, develops, and operates games for smartphones. Most of the titles are for *STARLY GIRLS – Hoshi musu* –, a next-generation training simulation game. AGE Inc. is in the process of moving from online games for PCs to games for smartphones, and has been able to make progress towards stabilizing its revenue and earnings stream by increasing its contract development work. Major titles from AGE include *Astral Stairways*, a classical role playing game, and two pet rearing simulation games, *Tenohira Puppy* and *Tenohira Kitty*. Subsidiary Arithmetic Inc. develops and operates social games, develops and operates game engines and platforms. Arithmetic titles include *90 Days to Fall In Love with You* (a romance simulation game with a YouTuber). In March 2018 Arithmetic released the romance game app *Wolf Toxic–Beware the Wolfman*, and also released an Ameba-version browser game based on the popular BL comic *10 Count*, which has already published a cumulative total of more than 1.5mn copies. Before the end of this year Arithmetic is also planning to come out with a *10 Count* game app for smartphones (with both Android and iPhone versions) as well as *Zodiac Boy: Why The Cat Was Not Included Among The 12 Animals In The Chinese Zodiac Calendar*. Subsidiary Team Zero inc. distributes two VR rhythm game series, *FuluBearVR* and *Symphony Line VR*, and in March 2018 came out with a new puzzle adventure game, *15 Boys on a Floating Island*. Going forward, plans call for working together with other group companies to make use of the technology and systems Team Zero developed for its virtual reality rhythm game series and its character IP in a *minpaku* setting (i.e., making 3-D imagines of the popular characters appear within the confines of the *minpaku* unit).

Aeria also acquired many new subsidiaries involved in game development during 2017. These include Sakuragate Inc., which designs and develops slot games for online/ land-based casinos, provides gaming-related consulting services, and designs, developments, and operates social games. It also acquired GOODVISION CORPORATION, which designs, develops, and operates social games. GOODVISION has a long track record in game development, including joint development of Hot-Dog PALACE with Kodansha. Another acquisition was eitarosoft, inc., which is distributing *Time Bokan 24 Bokan Meka Battle!* under a licensing agreement with Tatsunoko Production; eitarosoft is also known for Dance Trips, which it co-developed with Otomate and released in March 2018. In 2017 Aeria also acquired Xenoverse Inc., the game division of the MAJOR LTD. Group (primarily distributes mobile games in North America), as well as GG7 Inc., which has expertise in the creation and marketing of character contents. It was announced that the game Secret Inn, which GESI Co., Ltd. started service for in May 2017 (with free-to-play and charging for in-game items) would terminate service no earlier than March 2018. Since in most cases the service for a title is ended early when it fails to become a hit, the extension of the service this long might be considered as something that sets GESI apart from other companies.

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Business overview

Past major titles and future pipeline

Date	Producer/ Distributor	Description	Platform
May 2003	Gamepot	Began distributing game contents thru BREW mobile phone handset from KDDI	
August 2004	Gamepot	Began distributing online golf game, <i>Sukatto Golf Pang Ya</i>	PC
March 2006	Gamepot	Began distributing <i>Kunshu</i> MMORPG (Massively Multiplayer Online Role-Playing Game)	PC
December 2006	Gamepot	Began distributing <i>Fantasy Earth Zero</i> MMORPG	PC
February 2007	Aeria Games	Began distributing <i>Last Chaos</i> MMORPG in US and Canada	PC
April 2008	ACQUIRE	Public website opened for " <i>Sword, Magic, and School Story</i> "	PS/PSP/3DS
July 2008		<Japan debut on iPhone (SoftBank Mobile)>	
January 2009	Aeria Games	Began distributing " <i>Shin Megami Tensei IMAGINE</i> " MMORPG	PC
May 2009	Aeria Games	Officially started service for " <i>Shin Megami Tensei IMAGINE</i> " MMORPG in Germany	PC
May 2009	Aeria Games	Officially started service for " <i>Grand Fantasia: Spirit Legend</i> " MMORPG	PC
June 2009	Aeria Games	Officially started service for " <i>Shin Megami Tensei IMAGINE</i> " MMORPG	PC
July 2009		<Japan debut on Android OS smartphones (NTT DoCoMo)>	
September 2009	Aeria Games	Officially started service for " <i>Mystic Stone: Runes of Magic</i> " MMORPG	PC
November 2009	Aeria Games	Officially started service for " <i>Grand Fantasia: Spirit Legend</i> " MMORPG on Hangame	PC
January 2010	Aeria Games	Officially started service for " <i>Grand Fantasia: Spirit Legend</i> " MMORPG on GungHo games	PC
January 2010	Aeria Games	Officially started service for " <i>Mystic Stone: Runes of Magic</i> " MMORPG on hangame	PC
February 2010	Aeria Games	Started of sales of " <i>Grand Fantasia: Spirit Legend</i> " as packaged software product by CyberFront Corp.	PC
February 2010	Aeria Games	Started of sales of " <i>Mystic Stone: Runes of Magic</i> " as packaged software product by CyberFront Corp.	PC
February 2010	Aeria Games	Started channeling service for " <i>Mystic Stone: Runes of Magic</i> " on Hangame	PC
April 2010	Aeria Games	Officially started service for " <i>Shin Megami Tensei IMAGINE</i> " MMORPG by Ningbo Success Multimedia Communication Co., Ltd.	PC
June 2010	Aeria Games	Officially started service for " <i>Rappelz</i> " MMORPG by China's Ningbo Success Multimedia Communication Co., Ltd.	PC
September 2010	Aeria Games	Officially started service for self-developed title " <i>Guillotine House</i> "	browser
October 2010	Aeria Games	Officially started service for " <i>Nine Tail Online: Spirit Legend Side-story</i> "	PC
October 2010	Aeria Games	Began offering " <i>Let's Build Kitty Town II</i> " on GREE platform	
June 2013	Aeria Games	Officially started service for " <i>Dragon's Prophet</i> " MMORPG	PC
July 2013	Aeria Games	Officially started service for realistic war fighting game, " <i>Battle Rush!</i> "	iPhone/Android
November 2013	Aeria Games	Officially started service for " <i>Blacksmith and Dragons</i> " RPG	iPhone/Android
December 2013	Aeria Games	Officially started service for " <i>Various Monsters</i> ," an exciting new rhythm RPG	iPhone/Android
April 2014	Aeria Games	Officially started service for " <i>Klee: From the Town of Dancing Moon Drops</i> ," a classic online RPG	iPhone/Android
June 2015	Liber Entertainment	Officially started service for " <i>★Chu</i> " love rhythm and adventure game	iPhone/Android
December 2016	Aeria Games	Officially started service for " <i>STARLY GIRLS: -Hoshimusu-</i> " next-generation training simulation game	iPhone/Android
January 2017	Liber	Officially started service for <i>A3!</i> , <i>Handsome</i> actor training game	iPhone/Android
May 2017	GESI	Began distributing " <i>Secret Inn</i> ," a heart-warming RPG where players live with the hero	iPhone/Android
July 2017	Team-0	Released first game in " <i>Fulu Beat VR</i> " VR rhythm game series	iPhone/Android
September 2017	Liber	Officially started service for " <i>Soen No Kantai</i> " realistic navel battle game	iPhone/Android
December 2017	AGE	Officially started service for " <i>Everyone's Casino</i> " social casino game for everyone	iPhone/Android
January 2018	Team-0	Officially released second game in " <i>Symphony Line VR</i> " VR rhythm game series	iPhone/Android
Undecided	eitarosoft	" <i>Dance Trips</i> " had a booth at the Tokyo Game Show 2017 to accept advance registrations	
Undecided	eitarosoft	Exhibited " <i>Magical Days</i> " magic puzzle and adventure game at Tokyo Game Show 2017	
Undecided	Arithmetic	Started pre-release registration for " <i>10 count</i> " BL game	
Undecided	ASGARD	Started pre-release registration and promotional gift campaign for new title " <i>DYNAMIC CHORD JAM&amp;JOIN!!!!</i> "	
Undecided	eitarosoft	Notification of postponement of start of service for " <i>Dance Trips</i> "	
Undecided	ASGARD	Run second promotional gift campaign for new title " <i>DYNAMIC CHORD JAM&amp;JOIN!!!!</i> "	
Undecided	Arithmetic	Start pre-release registration campaign for " <i>Etokare: Why the Cat Was Left Out of the Chinese Zodiac Calendar</i> "	
Undecided	eitarosoft	Working together with Mobcast, co-develop new game based on characters from popular television anime series " <i>Yu☆Yu☆Hakusho</i> "	
Undecided	Liber	Beautiful girl training program (name undecided) under development, <i>A3!</i> for men	

Source: Prepared by FISCO from the Company's website

\* As of the end of February 2018

## Collaborative efforts begin soon after startup of asset management business in 2017

### 4. Asset management segment

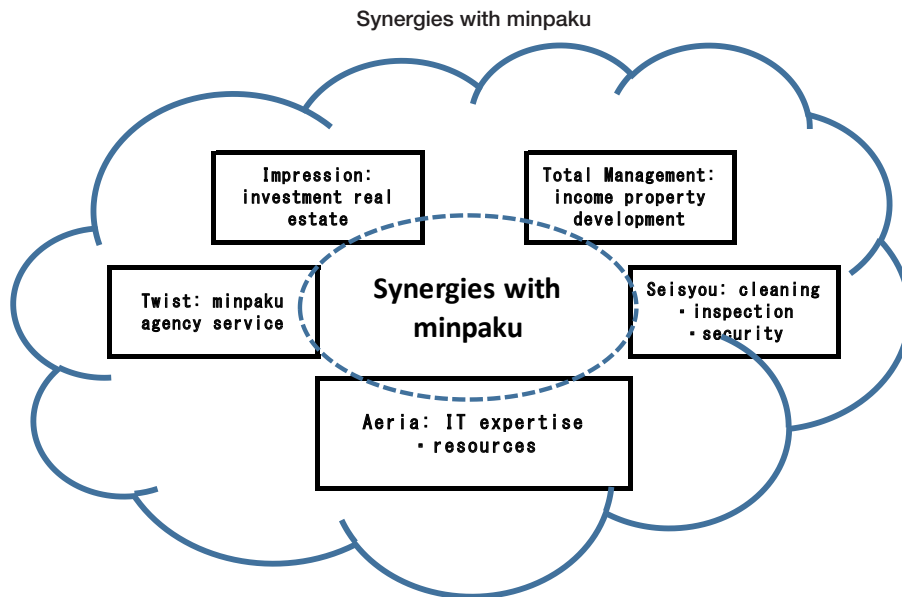
Aeria started building up its asset management business in the latter half of 2017, acquiring four real estate-related companies in quick succession, Twist Inc. in July, Impression inc. in August, Total Management Corporation in November, and Seisyou Co., Ltd. in February 2018. Impression's strength lies in its investment property sales capabilities, based on which it has branched out into investment condominium development, residential real estate sales, and residential property renovation. Total Management's strength lies in real estate development (both single-family homes and income properties), but it also involved in pre-owned condominium renovation, real estate sales, and consulting. Total Management is distinguished by its unusual focus of low-risk properties, many of which people have inherited. Seisyou Co., Ltd. started out in the cleaning business, specializing in cleaning pachinko parlors. Seisyou still has its cleaning business but has also branched out into facilities maintenance and inspection (including electrical systems and fire extinguishing systems), environmental hygiene management, and building security services. One of Seisyou's most rapidly growing businesses at this time is contract cleaning services for printing equipment; it also sees promising growth prospects in the manufacture and sale of custom-order cleaning equipment. Because most of the companies in the asset management segment already had a relatively solid revenue and earnings stream at the time they were acquired, Aeria's asset management business got off to a quick start and was able to contribute to earnings from the beginning in FY12/17.

Among the companies in the asset management segment, Twist is already engaged in the *minpaku* business, overseeing *minpaku* property operations in the capacity of an agent, serving both individual and companies. Twist primarily serves as the operations manager for Airbnb in Japan, but has also established itself as a one-stop shop for all *minpaku*-related services, with highly profitable properties primarily in Tokyo and Kyoto, offering a selection of properties promising good returns, interior makeovers by professional designers to create a property suitable for short-term rentals, 24-hour multi-lingual support services, and property cleaning and management. Twist has also started listing its *minpaku* properties on Agoda, Asia's largest online reservation website for lodging.

In 2017 Japan saw inbound tourist traffic jump 19.3% YoY to 28.69mn visitors. With help from government policies aimed at making Japan more tourist friendly, inbound tourism is expected to continue rising in the years ahead as we approach the 2020 Tokyo Olympic and Paralympic Games. At the same time, Japan still finds itself desperately short of lodging accommodations to handle all these tourists, leading to the rise of *minpaku* arrangements to fill the gap. The previous prohibition on *minpaku* lodging was effected lifted by the passage of the Private Residential Lodging Act (i.e., the new *minpaku* law) that went into effect in June 2018. While the new law is aimed fostering the growth of *minpaku* lodging facilities, at the same time it also established clear restrictions on *minpaku* operations, including limiting the number of days in operation to 180 days a year, and requiring the operator to register and verify the identity of all guests. In addition to the restrictions at the national level, a growing number of local governments are imposing their own restrictions to alleviate the concerns of people in the surrounding neighborhoods about excessive noise, trash disposal, ill-manner behavior, and use of *minpaku* for illicit purposes. As a result of this temporary surge in regulations, in the near term we expect to see the number of unauthorized *minpaku* operators decline sharply while the number of registered *minpaku* operators increases, leading to a change in the type of operator involved in the *minpaku* business. Still, we see this as an essential step towards establishing an environment that will allow the *minpaku* business as a whole to grow and prosper over the medium to long term.

Business overview

In this sense, Twist would seem to be well positioned for growth in the years ahead. That said, because the business of Twist has a lot in common with the businesses of the group as a whole, we are already seeing synergies emerging and expect to see more collaboration between Twist and other group companies going forward. By coordinating with Twist, other companies in the asset management segment will be able to let their property holdings be rented out as *minpaku*. Drawing on the technology of the group's IT service business, the asset management segment will also be able to offer more convenient real estate-related services (i.e., "real estate tech"). The Aeria group also has a lot of character IP under the contents segment that might be put to use in a real estate-related context (the first collaborative venture of this sort will be in August). In short, by leveraging the resources of Twist, Aeria should be able to increase value-added and foster growth across the group as a whole.



Source: Prepared by FISCO from the Company's website

## Business plan and M&A strategy

### How Aeria remains indispensable

#### 1. Business philosophy and management policies

Since its inception, Aeria's guiding philosophy has been to be as indispensable to a networked society as air is to life and, towards this end, as always strived to maintain its indispensability as a business by proactively moving into rapidly growing fields. In an effort to keep pace with the development of a networked society, Aeria has tried its hand at many businesses, acquiring many companies along the way. Right now it is looking at rapidly developing new technologies including AI, VR/AR, and blockchain, as well as at growing, low-tech markets.



#### Business plan and M&A strategy

Aeria is looking to establish collaborative venture among its existing businesses (IT services, contents, and asset management) and develop new businesses over the medium to long term that make use of new technologies such as AI, VR/AR, and blockchain, and tap into the growing market of foreign tourists visiting Japan. What Aeria is basically looking to do is acquire business assets that will generate a stable revenue stream (i.e., become “cash cows”), then use those funds to aggressively invest in growth markets, which will in turn strengthen its position in those growth markets. To keep this cycle going, Aeria depends on M&A. Because this kind of M&A has always been Aeria’s modus operandi, nothing much has changed over the years except for the target, which at this time happens to be blockchain and other new technologies.

## M&A to diversify risk and create synergies

### 2. Strategic goal of M&A

Aeria is active in M&A for a number of reasons. In addition to using M&A to help create synergies among group companies, it also uses M&A to reinforce its earnings structure by reducing risk and expand businesses both domestically and overseas. At existing IT businesses, Aeria is using M&A to strengthen ties to existing customers and help stabilize its revenue base, as well as to acquire new technology. At its contents business, Aeria is using M&A to strengthen its position its target market (young women) and to facilitate moves into overseas markets and also into new markets such as online gambling. At its asset management business, Aeria is looking to use M&A to grow existing businesses, expand *minpaku*-related services, and also to help establish ties with its IT services and content businesses.

Aeria’s M&A activity has two strategic goals, the first is to increase the size and motivation of the group’s management team. The second is to acquire the business assets that will lead to the creation of synergies among group companies. When Aeria is able to acquire business assets where synergies are likely to be generated, it can lead to the expansion of the revenue base of all segments and can also open up the door for the group to enter new growth markets. In the contents business, Aeria will work to mutually utilize each companies’ respective genres and technological strengths. At the asset management business, Aeria is able to use its expertise in IT to enhance its *minpaku* services, and also draw on its contents business to create new tourism experiences such as theater performances and live events and can also lead to the sale of related goods.

## Using M&A to promote stability and to promote growth

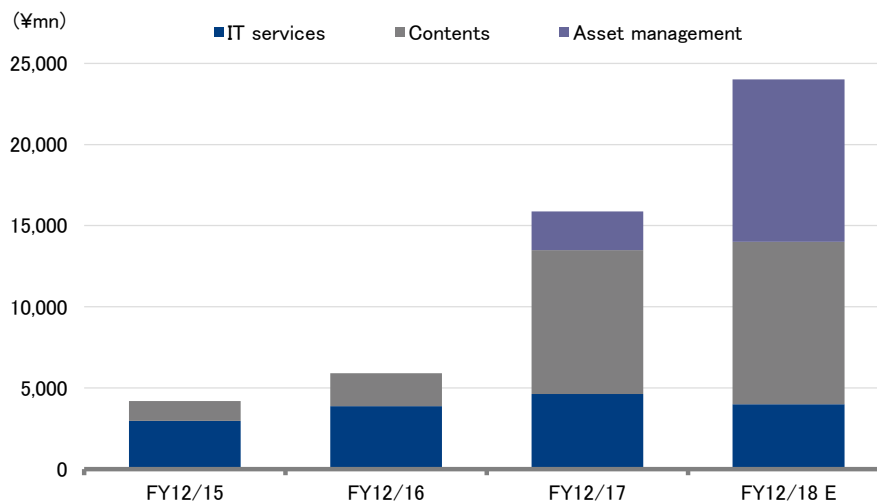
### 3. Historical trends in M&A

Aeria was consistently profitable in the years following its inception but fell deeply into the red in FY12/08 as the Lehman Shock rocked the financial industry, hurting its main client base. By FY12/10 Aeria was back in black as earnings recovered quickly following the shift in its orientation from the financial sector to online games for PCs. Unfortunately, in FY12/12 Aeria slipped back into the red again as competition intensified in the smartphone game market and, with development costs hard to recoup, stayed in the red as operating losses became the norm. As more and more competitors moved into the smartphone game market, including large, well-financed game makers with popular character IP, many good small- and medium-sized game makers either put themselves up for sale or went out of business. Thanks to the stable source of revenues and earnings provided by its IT services business, Aeria was not among the victims of the industry shakeout and was able to continue turning out quality games.

Business plan and M&A strategy

It was during this rough patch that in 2015 Aeria decided to take a calculated risk with the acquisition of four new companies: First Penguin, Liber Entertainment, ASGARD, and GESI. With First Penguin, Aeria was looking for another cash cow while with Liber Entertainment, ASGARD and GESI it was looking to increase its exposure to the growing smartphone game market. Unfortunately, the following year both ASGARD and GESI missed their initial sales target while Liber Entertainment hemorrhaged cash to support the development and promotion of new game titles. After having to write down goodwill and take other asset impairment charges, Aeria ended up booking an operating loss of ¥1,605mn in FY12/16 (though with EBITDA of ¥501mn, cash flow was still in the black). The picture brightened considerably in 2017 as Liber Entertainment launched A3! in January 2017 and it quickly became a major hit, taking Aeria out of the red and putting it firmly in the black with an operating profit of ¥2,691mn in FY12/17. With its fortunes rebounding in FY12/17, Aeria stepped up the pace of M&A and, having made no acquisitions during FY12/16 when it was running large operating losses (as one might expect), acquired a total of nine companies. The acquisitions have continued in FY12/18, with Aeria already acquiring two more companies as of July. The acquisitions at this time are aimed at acquiring new technologies like blockchain, AI, VR/AR, and also at increasing the group's exposure to the growing market of overseas tourists visiting Japan, both of which have the potential to bring about changes in social infrastructure and platforms.

Changes in sales by segment



Note: FY12/18 forecast based on Company sales projections for individual segments as compiled by FISCO  
 Source: Prepared by FISCO from the Company's securities report

Recent M&A activity

	FY12/15	FY12/16	FY12/17	FY12/18
Acquire business assets expected to generate stable revenues stream	First Penguin		impression TotalManagement TWIST	Seisyuu
Strengthen position in growth market			Arithmetic, GG7, SAKURAGATE, eitarosoft, GOODVISION, Xenoverse	CYBIRD
Move into new growth markets	Liber Entertainment ASGARD GESI			(Contents business, overseas expansion) (Minpaku business expansion) (Blockchain business expansion) (AI business expansion)

Source: Prepared by FISCO from the Company's securities report, etc.

## Move into rapidly advancing technology as well as growing, low-tech markets

### 4. Promising new growth markets

#### (1) Collaborative minpaku services

As discussed previously, one of the ways Aeria is looking to generate synergies among group companies is through collaborative efforts between its *minpaku* and game businesses. The first such effort will be the creation of *minpaku* units with decor based on game character IP. Created by Total Management, the character-themed units located in the Shimokitagawa area of Tokyo will only be available for rent during the month of August 2018. The bookings will be naturally be handled by Twist, which has plenty of experience in handling *minpaku* reservations. This first effort will be undertaken in collaboration with ASGARD; other plans include limited edition character goods from the ASGARD new band member support game, *DYNAMIC CHORD JAM&JOIN!!!!* (scheduled for release during the summer of 2018) as well as limited edition novelty goods (to be used as presents). Depending on the state of the live theatrical market, ASGARD may also consider running some live events. Near term, the goal is to increase user satisfaction as this should lead to higher occupancy rates and high room rates. It is also possible, though, that this collaborative effort could lead to new uses for real estate and more ways to promote content. In this relation, management noted that in addition to using character IP from Aeria group companies, it will also consider designing *minpaku* units based on character IP from other companies as well.

#### (2) Blockchain technology-based trading card service

On July 18, 2018, Aeria started selling Blockchain Trading Card, a digital trading card service that uses blockchain technology. (This follows proof-of-concept testing in June by Tech Bureau, Corp. under the name mijin). Instead of leaving trading cards under the control of the servers used by the companies that operate the games, this new service will make it possible for people to register, issue, and trade individual cards thanks to its use of blockchain technology, which makes it almost impossible to create counterfeit cards. This new service is aimed at creating and increasing the value of digital assets that until now had been difficult to value independently. Initially, the new service will target the fans of the characters whose images have been licensed from the IP owners, who can then use then the cards they purchase to play card battle games. Users who play the card games can also get “decorations” for their cards depending on the points scored when they win.

#### (3) Creative AI research and development

Aeria has also taken an equity stake in DataGrid Inc., which employs deep learning AI technology, and together with DataGrid is undertaking a project that will use AI technology that will allow users to customize games to suit their own tastes. The idea is allow AI to learn from individuals, then create images of characters, come up with different storyline scenarios, automatically create voices for characters, and use natural language processing, and through this process create a customized game that is truly one of a kind. For example, just through the automatic creation of characters that are already under development, it might get a core idea on which a game can be developed, that is not only interesting but can be taken in many applications. Outside of game-related applications, the Company is also looking at possible applications of AI technology at its *minpaku* business, in reservations, key transfers and exchanges of lodging rights, and also at possible uses in conjunction with blockchain.

#### (4) CYBIRD

Aeria acquired CYBIRD Co., Ltd. on June 28, 2018, making it a wholly owned subsidiary. Known for its long-running *Handsome* Series of romance games designed to appeal to girls and young women, CYBIRD games have a strong following in mobile game market among young women. While fellow group member Liber Entertainment can boast of more 5.5mn downloads of its hit game *A3!* in a single title, CYBIRD also has a very respectable track record with a cumulative total more than 17mn downloads of its *Handsome* Series of mobile game. The addition of CYBIRD to the Aeria group will not only make the women's game market a huge source of earnings for the group, CYBIRD's well-established track record in the marketing of its games and character IP overseas means Aeria can also expect synergies in the area of game and character marketing overseas as well as in content promotion. CYBIRD reported solid results for FY3/18 with sales coming in at ¥9,500mn and EBITDA coming in around ¥600mn.

It will also be interesting to see what steps Aeria takes to move into new growth areas or apply new technologies to existing business, such as virtual currencies and augmented reality, or deals with a revival browser games if mobile game apps become too unwieldy.

## Results trends

### FY12/18 1Q results in line with plan

#### 1. FY12/18 1Q results trends

For FY12/18 1Q, Aeria reported consolidated sales of ¥6,720mn (+196.1% YoY), operating profit of ¥807mn (+84.9%), recurring profit of ¥692mn (+61.8%), and net profit attributable to parent company shareholders of ¥548mn (+138.8%). EBITDA (operating profit + depreciation + goodwill amortization) came to ¥1,076mn and net profit before goodwill amortization ¥696mn. With the synergies among group companies coming in much as expected, 1Q results were generally in line with plan.

#### FY12/18 1Q results

	FY12/17 1Q	Ratio to sales	FY12/18 1Q	Ratio to sales	Change (%)
Sales	2,269	100.0%	6,720	100.0%	196.1%
Gross profit	1,304	57.5%	2,744	40.8%	110.4%
SG&A expenses	868	38.3%	1,937	28.8%	123.2%
Operating profit	436	19.2%	807	12.0%	84.9%
Recurring profit	427	18.8%	692	10.3%	61.8%
Net profit attributable to parent company shareholders	229	10.1%	548	8.2%	138.8%

Source: Prepared by FISCO from the Company's financial results

The IT services segment reported sales of ¥1,667mn (+77.3% YoY) and operating profit of ¥122mn (+20.3%), with growth underpinned by the steady growth in revenues and earnings at First Penguin and AIR Internet Services. The contents segment continued to grow at a rapid pace thanks to the ongoing popularity of *A3!* (the hit smartphone game for young women), reporting 1Q sales of ¥2,738mn (+102.1% YoY) and operating profit of ¥432mn (+26.5%). The newly created asset management segment just got its minipaku business up to speed but, thanks strong demand for investment properties, was able to book 1Q sales of ¥2,327mn and an operating profit of ¥263mn.

## Results trends

## FY12/18 1Q results by segment

						(¥mn)
Segment sales	FY12/17 1Q	Ratio to sales	FY12/18 1Q	Ratio to sales	Change (%)	
IT services	931	41.0%	1,667	24.8%	77.3%	
Contents	1,337	59.0%	2,728	40.6%	102.1%	
Asset management	-	-	2,327	34.6%	-	
Operating profit before adjustment	FY12/17 1Q	Margin (%)	FY12/18 1Q	Margin (%)	Change (%)	
IT services	101	10.9%	122	7.3%	20.3%	
Contents	341	25.5%	432	15.8%	26.5%	
Asset management	-	-	263	11.3%	-	

Source: Prepared by FISCO from the Company's financial results

## Bullish forecast for FY12/18 still looks a bit conservative

### 2. FY12/18 outlook

For FY12/18, the Company is forecasting sales of ¥23,000mn (+44.9% YoY), an operating profit of ¥4,000mn (+48.6%), recurring profit of ¥4,000mn (+44.9%), and net profit attributable to parent company shareholders of ¥3,000mn (+44.2%). At the IT service segment, the Company is looking to expand dealings with existing clients and add new clients. At the contents segment, the Company is looking to adapt games so they can be played on different platforms, upgrade existing titles, and also develop new titles and content. At the asset management business, the Company plans to make a full-scale push into real estate leasing, sales, and *minpaku* services.

### FY12/18 outlook

						(¥mn)
	FY12/17	Ratio to sales	FY12/18 E	Ratio to sales	Change	
Sales	15,871	100.0%	23,000	100.0%	44.9%	
Gross profit	8,155	51.4%	-	-	-	
SG&A expenses	5,463	34.4%	-	-	-	
Operating profit	2,691	17.0%	4,000	17.4%	48.6%	
Recurring profit	2,760	17.4%	4,000	17.4%	44.9%	
Net profit	2,080	13.1%	3,000	13.0%	44.2%	

Source: Prepared by FISCO from the Company's financial results

#### Results trends

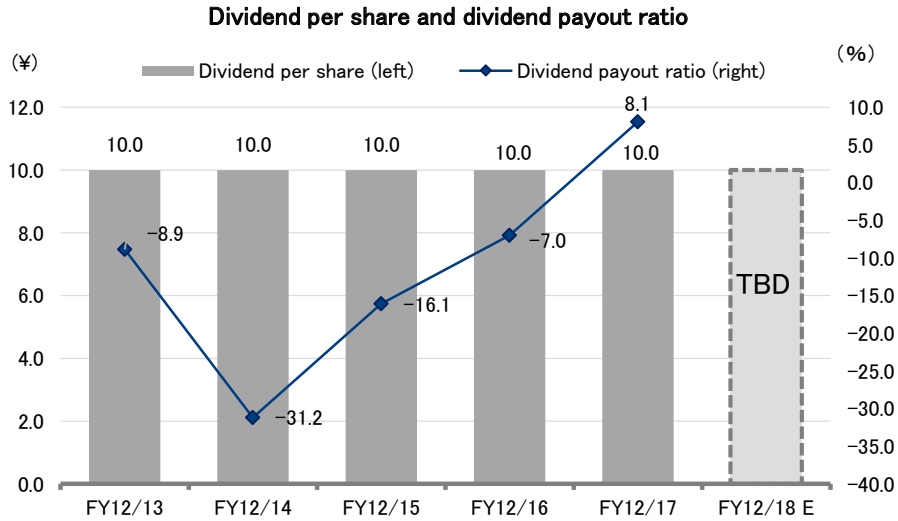
There are an increasing number of new business areas (such as *minpaku*, and AI and blockchain technology) that look promising over the medium term, but the Company is still looking to its contents business as the main growth driver in FY12/18. As before, Aeria is looking to be the top game maker both domestically and overseas in the niche market of smartphone games for young women, but also sees sales of *A3!* related products as well as earnings contributions from other sources (such as 2.5D productions) gaining momentum. Furthermore, hit smartphone games are expected to remain popular for the next three years, and profits are expected to move from the second year onward due to sales from associated products, and real-life stage performances and events. We also note that bilibili, which is scheduled to begin distributing *A3!* in China this year, is well-versed in the operation of games from Japan, as it is already operating the Chinese-language version of a large number of other hit titles (including *I★Chu*) from Japanese game makers. This, together with the fact that romance simulation games are becoming increasingly popular in China, makes it likely that *A3!* will be a hit in the Chinese market as well. In addition to the growing number of titles on the market from Aeria group subsidiaries, consolidated results in FY12/18 will also get a boost from the addition of CYBIRD and other companies that its has recently acquired. The acquisition of CYBIRD was not anticipated when Aeria put together its initial forecast for FY12/18, and the Company expects the addition of CYBIRD to consolidated results at the start of 3Q to add another ¥5,000mn to full-year sales and ¥200mn to operating profit. Taking into further consideration the strong trends at the contents business, and we believe the Company's forecast for FY12/18 is still overly conservative.

## ■ Shareholder return policy

### Company has been paying stable annual dividend of ¥10 per share, but has not yet set dividend for FY12/18

The Company recognizes that returning profits to shareholders is an important management concern but is also looking to build up internal capital reserves to help fund future growth initiatives and further strengthen its business position. The Company also plans to draw on internal reserves to help fund M&A and other capital alliances, R&D spending, and investment spending (especially on new businesses). With regard to dividends paid out of retained earnings, based on its policy of maintaining a stable dividend, in FY12/17 the Company paid an annual dividend of ¥10 per share (with no interim dividend) and as an additional reward to shareholders sent QUO Cards (gift cards) for the popular ASGARD title *DYNAMIC CHORD JAM&JOIN!!!!* (the number of cards being based on the size of individual shareholdings). With regard to the dividend in FY12/18, although the strong earnings trends bode well for a dividend this year, the Company has not yet set the dividend for this year.

Shareholder return policy



Note: The Company made a 2-for-1 share split on July 1, 2017.  
 Source: Prepared by FISCO from the Company's financial results

## Information security

In the course of business, some Aeria Group companies require that individual users registering for online services provide personal information, including their name, address, telephone number, and email address. Personal information may also be collected and held temporarily by client companies with the consent of the provider of that personnel information. Such personal data is treated as confidential by the Group, with internal access subject to restrictions and additional measures in place to prevent unauthorized external access. Aeria does not store any personal information stemming from sales made through App Store or Google Play.



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