

September 14, 2021

To whom it may concern:

Company Name: GA technologies Co., Ltd.
 Representative: RYO HIGUCHI, President and Chief Executive Officer
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Notice of Revision of Earnings Forecasts

GA technologies Co., Ltd. (“the Company”) has revised its forecasts for consolidated earnings (based on Japanese GAAP) for the fiscal year ending October 31, 2021 announced on December 15, 2020.

Notes

1. Revision of consolidated earnings forecasts (based on Japanese GAAP): From November 1, 2020 to October 31, 2021

(Millions of yen)

	Net sales	EBITDA	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
Previous forecasts (A)	85,000	3,878	2,455	2,060	1,000	29.80
Revised forecasts (B)	85,000	986	△490	△970	△1,340	△39.93
Amount of change (B-A)	0	△2,892	△2,945	△3,030	△2,340	—
Percentage change (%)	0.0%	△74.6%	—	—	—	—
(Reference) Results for the previous fiscal year (FY2020.10)	63,070	2,861	1,888	1,654	903	31.25

2. Reasons for revision

With the enactment of the Digital Reform Law in May 2021, the risk of changes in the competitive environment in our business domain has increased. Consequently, we have been forced to take a strategy to bring real estate transactions online, further promote DX, and gain market share, significantly ahead of the originally planned

schedule, regarding the RENOSY Marketplace and DX business.

Since our establishment, we have been running our business with the vision to "Create a world-leading company" based on the philosophy of "Technology x Innovation to inspire the world." For this reason, we have continued to aim to foster businesses that will serve to become large infrastructures by smoothing out real estate transactions domestically and globally, rather than aiming to acquire small markets.

To take this opportunity to accelerate the expansion of the business accompanied with this rapid change in the business environment, we have increased the transaction volume in order to increase the RENOSY Marketplace business's market share in a short period of time. With the expansion of the transaction volume, the amount of products procured at a higher procurement cost has increased, and as a result, transactions with low gross profit margin have increased compared to our original plan and led to the revision of our gross profit forecast from JPY14.2 billion to JPY11.3 billion. Mainly due to this reason, we now expect EBITDA, operating profit, net profit and profit attributable to owners of parent to be below our forecast made at the start of the financial year.

Moreover, we aim to continuously work to improve our gross profit margin by promoting DX.

3. Others

The above forecast of financial results is based on certain information available to the Company at the time of announcement, and actual operating results may differ from the forecast due to various factors.