

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2021 (Based on Japanese GAAP)

September 14, 2021

Company name:	GA technologies Co., Ltd.	Stock exchange listing:	Tokyo Stock Exchange
Stock code:	3491	URL:	https://www.ga-tech.co.jp/
Representative:	RYO HIGUCHI, President and Chief Executive Officer		
Contact person:	SATOSHI MATSUKAWA, Executive Officer and Chief Accounting Officer		TEL : 03-6230-9180
Scheduled date to file Quarterly Securities Report:	September 14, 2021		
Scheduled date to commence dividend payments:	-		
Preparation of supplementary material on quarterly financial results:	Yes		
Holding of quarterly financial results meeting:	Yes (for institutional investors and analysts, in Japanese)		

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended July 31, 2021 (November 1, 2020 to July 31, 2021)

(1) Consolidated operating results(cumulative) (Percentage figures are the changes from the same period prior year)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended July 31, 2021	55,008	38.2	805	(41.2)	(284)	-	(581)	-	(604)	-
Nine months ended July 31, 2020	39,790	53.8	1,368	70.9	684	50.9	522	73.0	142	30.3

※EBITDA = Operating profits + Depreciation (Operating expenses) + Amortization of Goodwill

(NOTE) Comprehensive income: Nine months ended July 31, 2021 (590) million yen [-%]
 Nine months ended July 31, 2020 132 million yen [25.0%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended July 31, 2021	(18.28)	-
Nine months ended July 31, 2020	4.95	4.66

(NOTE) 1. Despite the existence of diluted shares, Diluted earnings per share for the nine months ended July 31, 2021 are not stated since negative Earnings per share are recorded.
 2. The Company conducted a 1:3 stock split for common stock with an effective date of November 1, 2020. Earnings per share and Diluted earnings per share have been calculated on the assumption that this stock split was conducted at the beginning of the previous year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2021	29,369	19,364	65.9
As of October 31, 2020	18,505	7,137	38.6

(REFERENCE) Equity capital: As of July 31, 2021 19,357 million yen
 As of October 31, 2020 7,137 million yen

2. Cash dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended October 31, 2020	-	0.00	-	0.00	0.00
Year ended October 31, 2021	-	0.00	-	-	-
Year ending October 31, 2021 (Forecast)	-	-	-	-	-

(NOTE) Revision of dividend forecast from recently announced figures: Not applicable
 The dividend forecast for the year ending October 31, 2021 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2021 (November 1, 2020 to October 31, 2021)

(Percentage figures are the changes from the same period prior year)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	85,000	34.8	986	(65.5)	(490)	-	(970)	-	(1,340)	-	(39.93)

※EBITDA = Operating profits + Depreciation (Operating expenses) + Amortization of Goodwill

(NOTE) Revisions to the forecast of financial results from recently announced figures: Applicable

Please refer to "Notice of Revision of Earnings Forecasts" released on September 14, 2021 for the revision of consolidated performance forecast.

4. Notes

(1) Changes in significant subsidiaries during the Nine months ended July 31, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): Not applicable

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: Applicable

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Not applicable

Changes in accounting policies due to other reasons: Not applicable

Changes in accounting estimates: Not applicable

Restatement of prior period financial statements: Not applicable

(4) Number of issued shares (common stock)

Total number of issued shares at the end of the period (including treasury shares):

As of July 31, 2021	34,855,615 shares	As of October 31, 2020	29,393,115 shares
---------------------	-------------------	------------------------	-------------------

Total number of treasury shares at the end of the period:

As of July 31, 2021	682 shares	As of October 31, 2020	621 shares
---------------------	------------	------------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year):

Nine months ended July 31, 2021	33,059,277 shares	Nine months ended July 31, 2020	28,812,408 shares
---------------------------------	-------------------	---------------------------------	-------------------

(NOTE) The Company conducted a 1:3 stock split for common stock with an effective date of November 1, 2020. The total number of issued shares at the end of the period, Total number of treasury shares at the end of the period and Average number of shares during the period have been calculated on the assumption that this stock split was conducted at the beginning of the previous year.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of October 31, 2020	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	6,386	10,292
Accounts receivable - trade	147	163
Real estate for sale	1,386	6,108
Costs on uncompleted construction contracts	8	33
Supplies	48	37
Advance payments - trade	137	354
Prepaid expenses	270	288
Other	149	721
Allowance for doubtful accounts	(81)	(109)
Total current assets	8,453	17,890
Non-current assets		
Property, plant and equipment	1,230	1,277
Intangible assets		
Goodwill	3,911	4,850
Software	2,542	2,752
Software in progress	57	207
Other	858	761
Total intangible assets	7,370	8,572
Investments and other assets	1,450	1,629
Total non-current assets	10,051	11,478
Total assets	18,505	29,369

(Million yen)

	As of October 31, 2020	As of July 31, 2021
Liabilities		
Current liabilities		
Short-term loans payable	1,503	322
Current portion of long-term loans payable	949	968
Current portion of bonds	40	2,050
Accounts payable – other	988	1,053
Income taxes payable	661	76
Accrued consumption taxes	210	84
Provision	23	15
Deposits received	1,074	1,309
Other	271	310
Total current liabilities	5,723	6,190
Non-current liabilities		
Bonds payable	2,110	420
Long-term loans payable	2,383	2,092
Deferred tax liabilities	258	225
Provision	77	57
Asset retirement obligations	407	417
Other	405	601
Total non-current liabilities	5,643	3,814
Total liabilities	11,367	10,005
Net assets		
Shareholders' equity		
Capital stock	1,182	7,208
Capital surplus	3,931	10,715
Retained earnings	2,039	1,434
Treasury shares	(0)	(0)
Total shareholders' equity	7,152	19,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(0)
Foreign currency translation adjustment	-	0
Total accumulated other comprehensive income	(14)	0
Share acquisition rights	0	6
Total net assets	7,137	19,364
Total liabilities and net assets	18,505	29,369

Quarterly Consolidated Statements of Income (cumulative) and Comprehensive Income (cumulative)
Quarterly Consolidated Statements of Income (cumulative)

(Million yen)

	Nine months ended July 31, 2020	Nine months ended July 31, 2021
Net sales	39,790	55,008
Cost of sales	33,360	47,239
Gross profit	6,429	7,768
Selling, general and administrative expenses	5,745	8,053
Operating profit (loss)	684	(284)
Non-operating income		
Interest income	0	0
Other	10	10
Total non-operating income	11	11
Non-operating expenses		
Interest expenses	48	51
Commission fee	88	171
Bond issue expenses	21	6
Share issue expenses	-	62
Other	15	14
Total non-operating expenses	173	307
Ordinary profit (loss)	522	(581)
Extraordinary losses		
Impairment loss	53	-
Loss on sales and retirement of non-current assets	0	1
Total extraordinary losses	53	1
Profit (loss) before income taxes	468	(582)
Income taxes	325	22
Profit (loss)	142	(604)
Profit (loss) attributable to owners of parent	142	(604)

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Million yen)

	Nine months ended July 31, 2020	Nine months ended July 31, 2021
Profit (loss)	142	(604)
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	14
Foreign currency translation adjustment	-	0
Total other comprehensive income	(10)	14
Comprehensive income	132	(590)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	132	(590)