

GA Technologies Co., Ltd.

FY2021.10 3Q

Financial Results

May 1, 2021 – July 31, 2021

September 14, 2021

Securities code: 3491



GA TECHNOLOGIES

PHILOSOPHY

**Technology × Innovation to
Inspire the world**

VISION

Create a world-leading company

Revision of Full-Year Earnings Forecasts



GA TECHNOLOGIES

FY10/21 Revisions to Full-Year Earnings

With the expansion of the transaction volume of the RENOSY Marketplace business, the amount of products procured at a higher procurement cost has increased, and this has led to the increase in transactions with low gross profit margin than initially planned, and has resulted in the downward adjustment of EBITDA and operating profit.

Net Sales (Million yen)

85,000 85,000



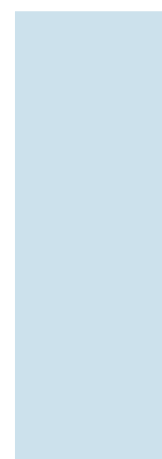
FY10/21
(Initial projection)

FY21/10
(Revised)

EBITDA (Million yen)

3,878

986



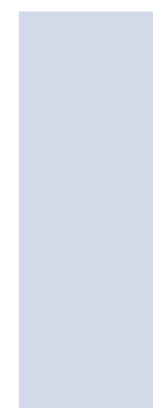
FY21/10
(Initial projection)

FY21/10
(Revised)

Operating Profit (Million yen)

2,455

△490



FY21/10
(Initial projection)

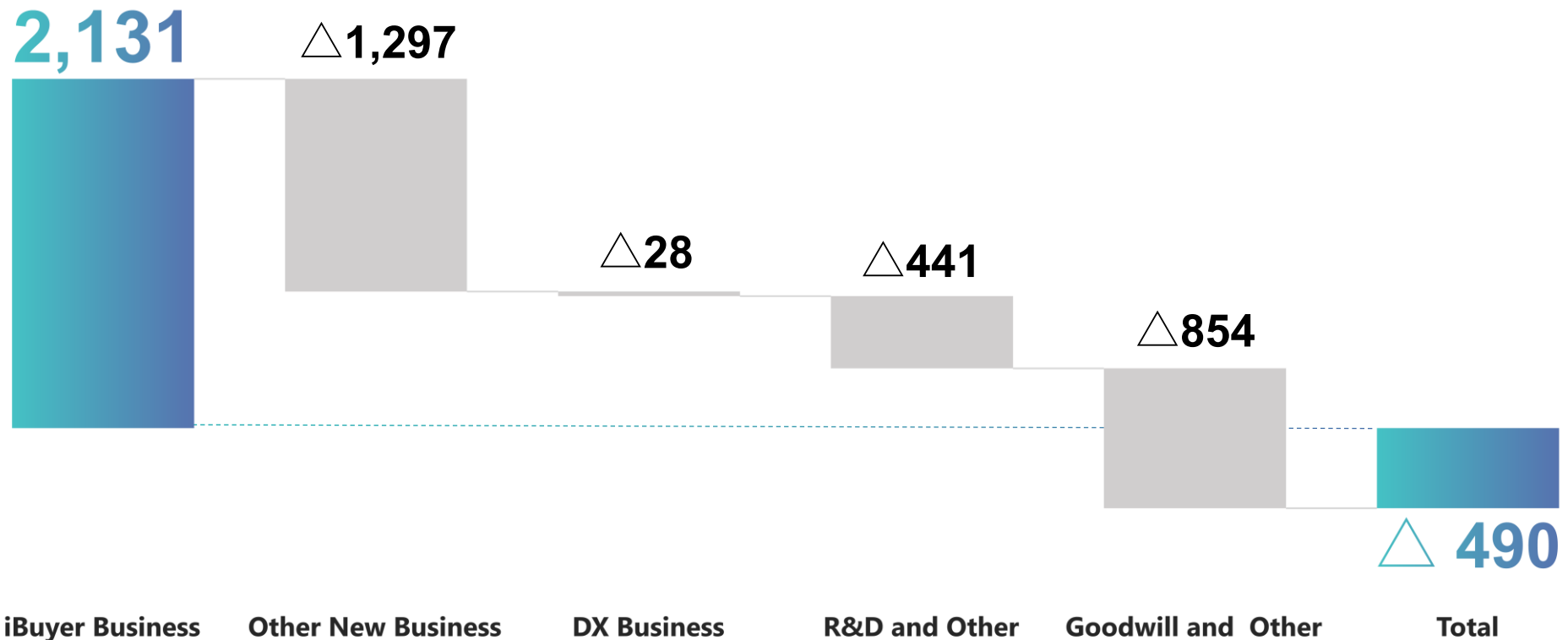
FY21/10
(Revised)

Breakdown of Operating Profit (after earnings revision)

We have been actively investing in new businesses and in R&D while securing profits at our mainstay iBuyer business.

FY10/21

Operating Profit Breakdown (Million yen)



Greater Investment in All Businesses

Made online real estate transactions in the RENOSY marketplace business to expand market share. Have also continued to actively invest for growth in new and DX business.

Major Investments for Growth

RENOSY Marketplace Business

Marketing activities to increase awareness and attract customers
System development to improve business efficiency
Investment in recruitment and labor to strengthen sales personnel

New Business

Investment in recruitment and labor for new business growth
(after core business)
System investment in RENOSY X
Costs take precedence due to effects of pandemic on
Shenjiaosuan (GA technologies real estate portal site in China)

DX Business

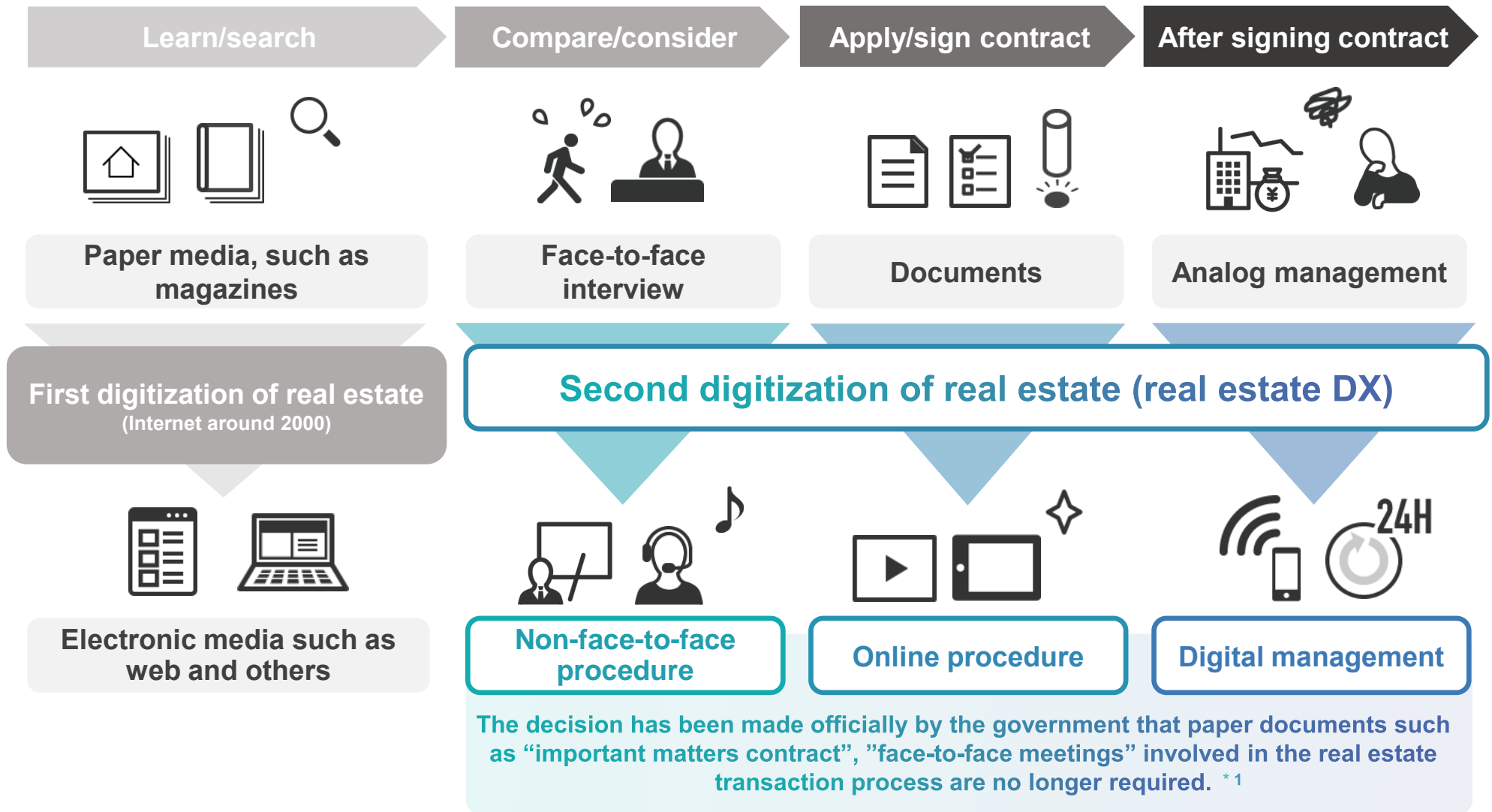
Active system development to promote DX
Investment in recruitment and labor to increase
personnel in sales and customer services

Making Online Real Estate Transactions a Reality



GA TECHNOLOGIES

Paradigm Shift in the Real Estate Industry for the First Time in 20 Years



*1) “Government plans to eliminate requirement of on-site pharmacists, tax documents and face-to-face procedures” in Nihon Keizai Shimbun dated October 9, 2020

Trends in government's attitude towards real estate transactions becoming online

Under the current Act, a written explanation of important matters (Article 35 documentation) and a written agreement (Article 37 documentation) are required to be issued for rentals and sales transactions of real estate. With regard to the scope of rentals, Acts related to digital reform are expected to come into effect by May 2022.



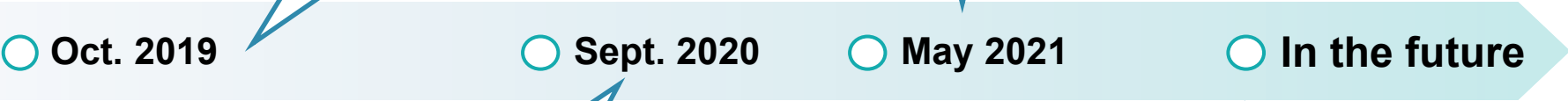
Explanation of important matters (Article 35 documentation)

A social experiment of electronic delivery has been underway. However, a written document (paper) is also required.



Bills of Acts related to digital reform are passed.

Scope of lease



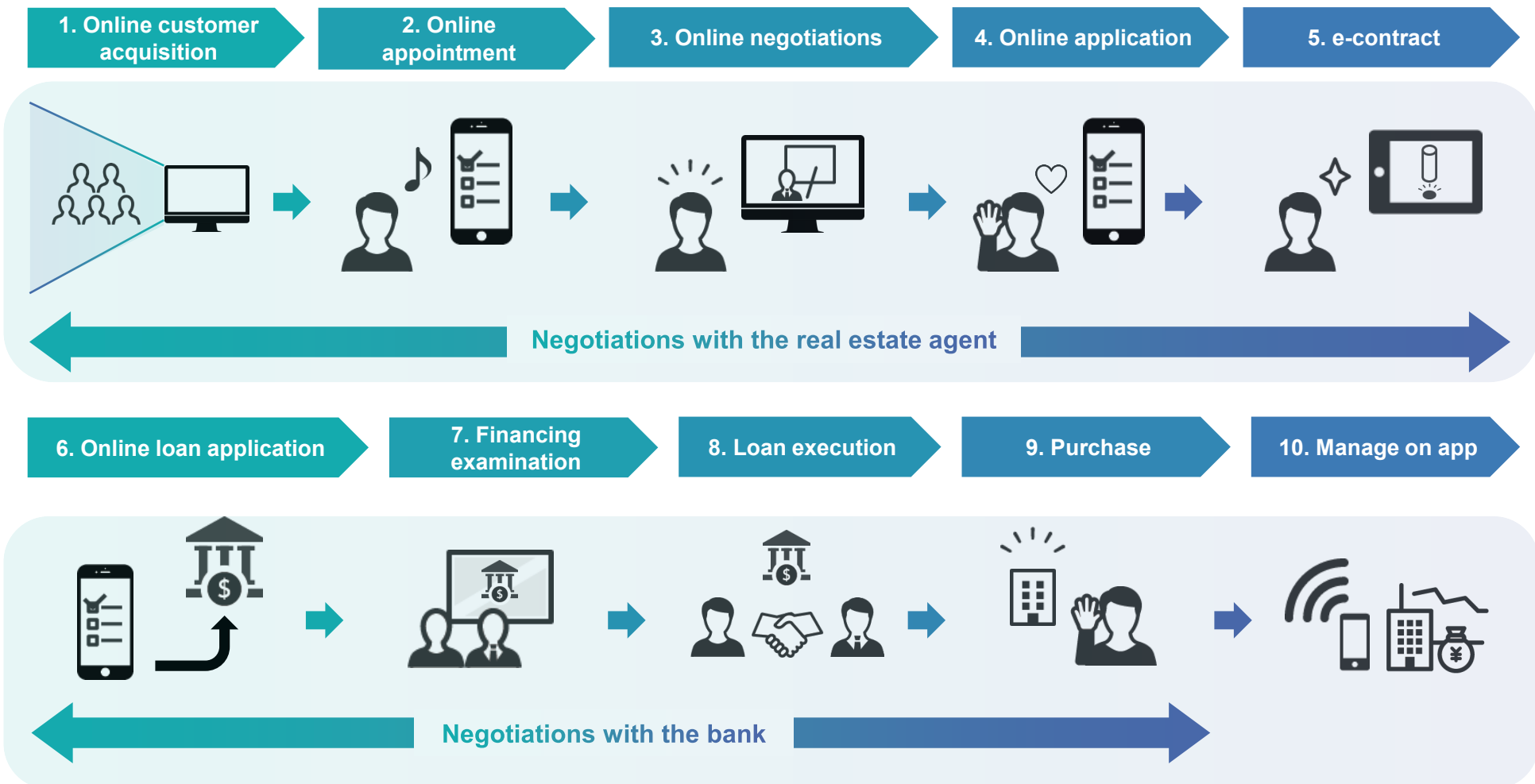
A social experiment of electronic delivery has been underway. However, a written document (paper) is also required.

Lease agreement (Article 37 documentation)

Acts related to digital reform are expected to come into effect by May 2022.

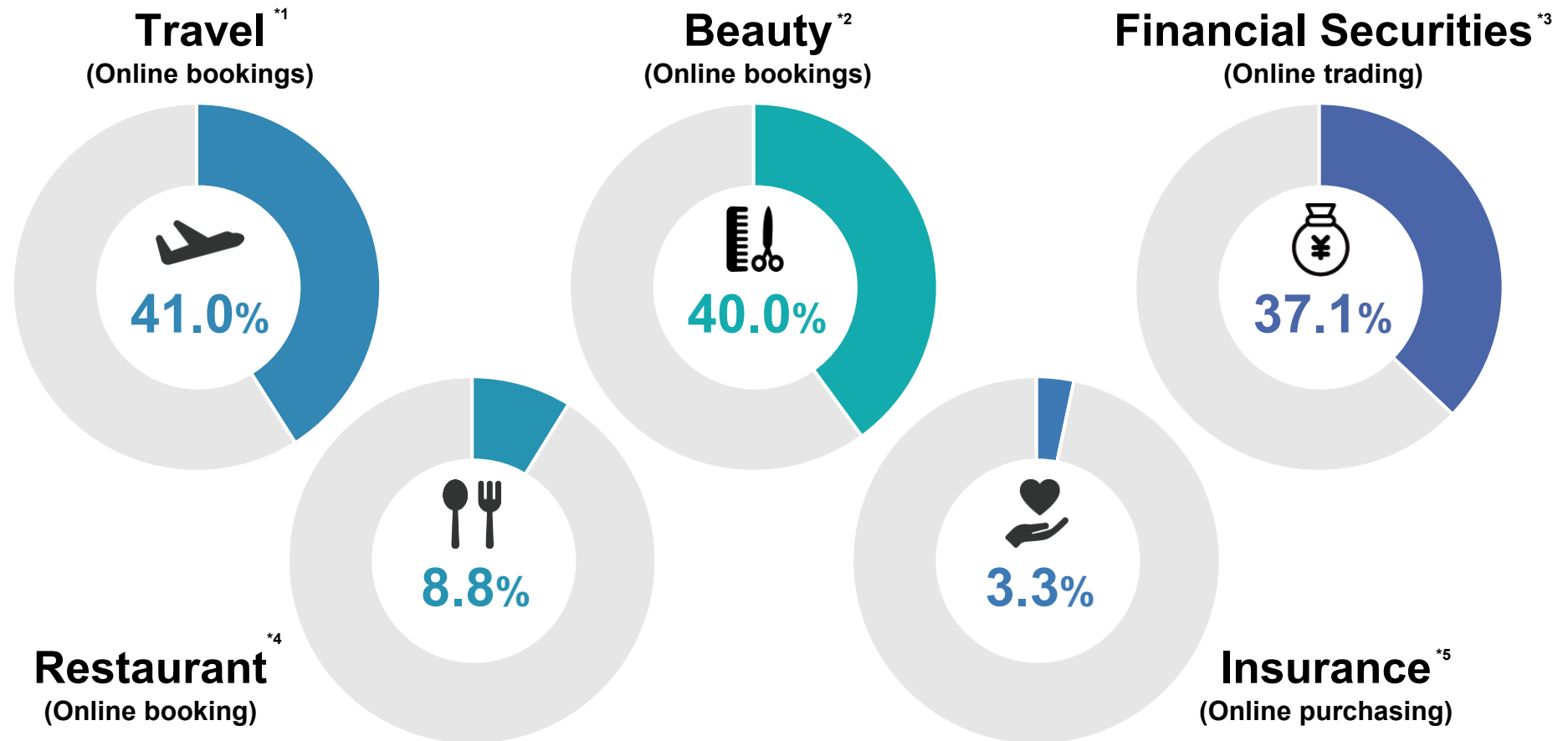
Overview of Online Real Estate Transactions

Online real estate transactions refer to the fact that all processes (1) to (5) below can be performed online, and by taking this a step further with banking transactions, real estate can be purchased in just one click.



Online Transactions in Other Industries

The proportion of online transactions in other industries sees travel come first followed by beauty and then financial securities. Online sales are still relatively low in insurance industry where complicated procedures are involved, as with real estate.



*1) Source: 2018 figures from *Japan Online Travel Overview 2019*, Phocuswright, March 2019

*2) Source: 2018 figures from *Beauty Census 2020 H1, Material Edition (Detailed Version)*, Recruit Lifestyle Co., Ltd., June 2020

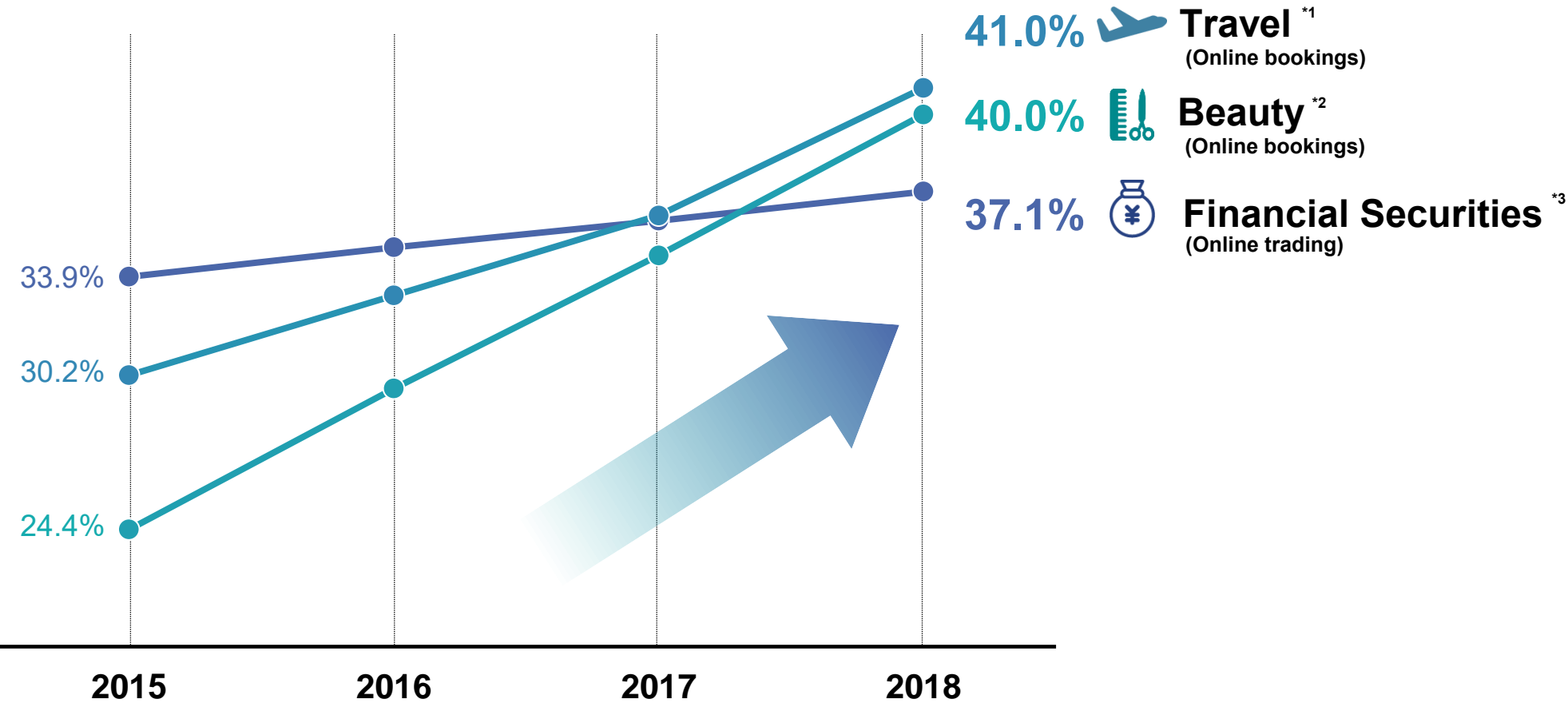
*3) Source: 2018 figures from *National Survey on Securities Investment (Summary of Survey Results)*, Japan Securities Dealers Association, 2018

*4) Source: 2018 figures from *2019 Dining Out & Ready-made Meal Trends*, Recruit Lifestyle Co., Ltd., September 2020

*5) Source: 2018 figures from *2018 National Fact-finding Survey on Life Insurance*, Japan Institute of Life Insurance, September 2018

Historical Evolution of Online Transactions in Other Industries

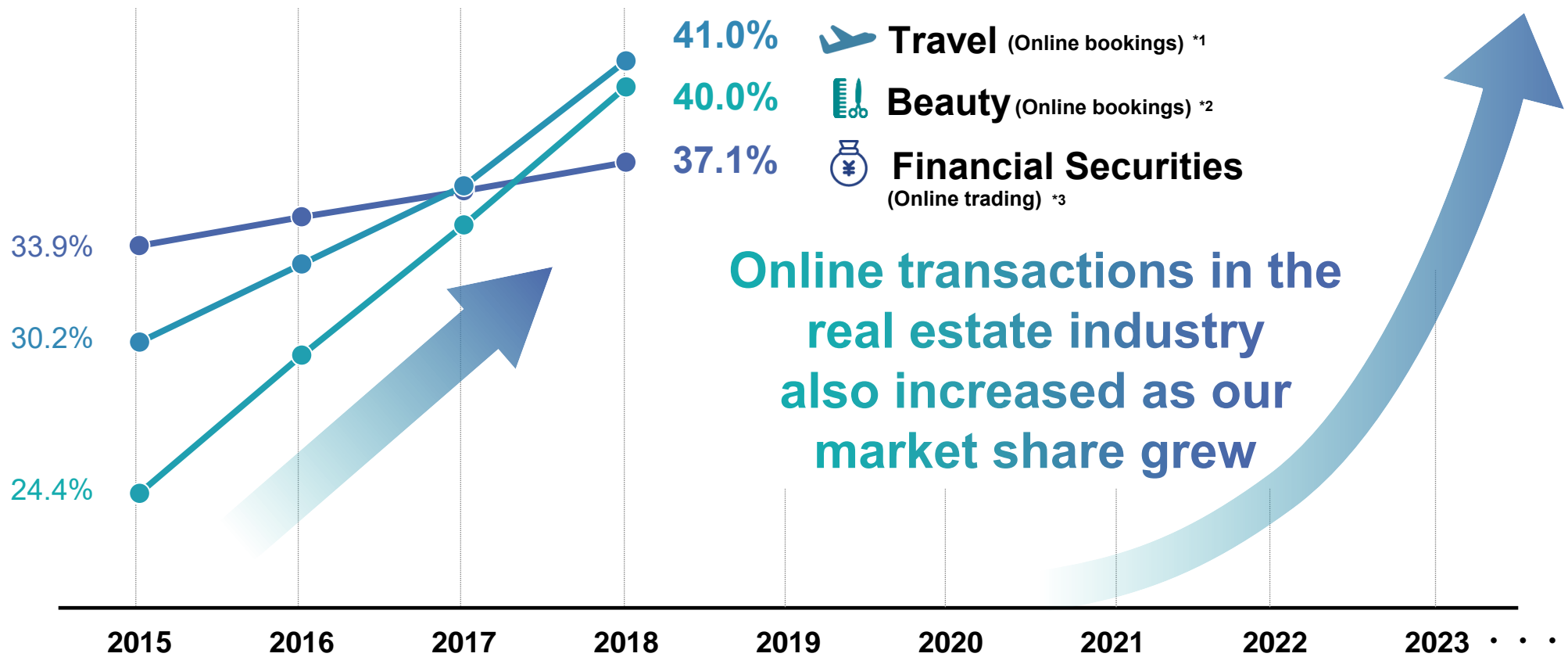
In recent years, other industries have increased their online transaction by 10 points or more.



*1) *Travel Industry in Numbers 2019*, Japan Association of Travel Agents, June 2019, and *Japan Online Travel Overview 2019*, Phocuswright, March 2019
 *2) *Beauty Census 2020 H1, Material Edition (Detailed Version)*, Recruit Lifestyle Co., Ltd., June 2020
 *3) *National Survey on Securities Investment (Summary of Survey Results)*, Japan Securities Dealers Association, 2018

Future Growth in Online Real Estate Transactions

Only GA Technologies, which has been promoting DX since its establishment, has been able to make online real estate transactions a reality. We expect to see a further business growth as we expand our market share along the way.



*1) *Travel Industry in Numbers 2019*, Japan Association of Travel Agents, June 2019, and *Japan Online Travel Overview 2019*, Phocuswright, March 2019

*2) *Beauty Census 2020 H1, Material Edition (Detailed Version)*, Recruit Lifestyle Co., Ltd., June 2020

*3) *National Survey on Securities Investment (Summary of Survey Results)*, Japan Securities Dealers Association, 2018

FY2021.10 3Q Results (Consolidated)

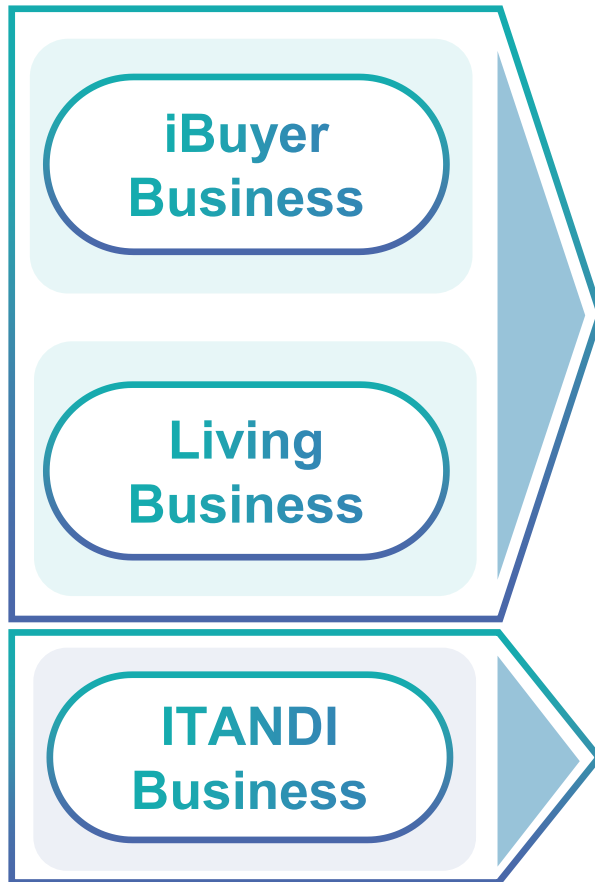


GA TECHNOLOGIES

Business Overview of the GA technologies Group

We have changed our business classification from the past. Our business is classified into three main categories; RENOSY marketplace business – business expanded mainly through the web-based real estate service, RENOSY new business – new businesses related to RENOSY, and the DX business led by ITANDI.

Up to FY2021.10 1Q



From FY2021.10 2Q

RENOSY Marketplace Business

- iBuyer Business  
- Living (Rent, Lease, Sell, and Buy) Business  

RENOSY New Business

- RENOSY X (SaaS Business)
- RENOSY ASSET MANAGEMENT (Asset Management Business)
- Shenjumiaosuan (Inbound Platform Business)
- Advertising Business 

DX Business

- ITANDI (SaaS Business , additional service businesses and Self-Tour Rental Platform Business)

Slowdown Factors of RENOSY Marketplace Business

Factors that causing the slowdown of the RENOSY marketplace business (iBuyer business)

【Seasonal: Decrease in number of sales working days in 3Q】

15 days, a drop of about 20% QoQ, in the number of sales working days due to Golden Week (four national holidays) and the Olympics.

【Temporary: Strategic shift to strengthen stock business】

To strengthen the stock business, we have changed the package plan in asset management business. Although customer merit will increase, customers are refraining from the new package plan due to the rising fees. For now, contract pace is delayed during the transition period, it is considered temporary during stock business strengthening phase.

【Temporary: implementation of online reservation system】

In order to realize online real estate transactions, we have developed and introduced an online reservation system that automates appointments with customers, which was previously handled by inside sales. The contract rate temporarily dropped as it is under initial stage of system introduction. Productivity is expected to be improved since it doesn't require human intervention.

3Q FY10/21 Financial Highlights (Consolidated)

Net sales

18,125 Million
yen

YoY **+ 19** %

Gross profit

2,595 Million
yen

YoY **+ 15** %

Operating profit

△383 Million
yen

[Net sales]

By the decrease of working days, net sales of RENOSY marketplace business (iBuyer business) slowed down, grew +19% YoY.

[Gross profit]

Gross profit in line with net sales, grew +15% YoY.

[Operating profit]

Operating profit declined as a result of upfront investment in new business, etc.

3Q FY10/21

Sales Performance Summary of Individual Business Sector

RENOSY Marketplace Business

Sales of the iBuyer business slowed caused by the decrease in working days. The number of memberships continues to grow in both quality and quantity resulted from the implementation of RENOSY's digital marketing approach, etc.

RENOSY New Business

Asset management business grew in line with growth of iBuyer business. The number of contracts stagnates for Shenjumiaosuan due to pandemic.

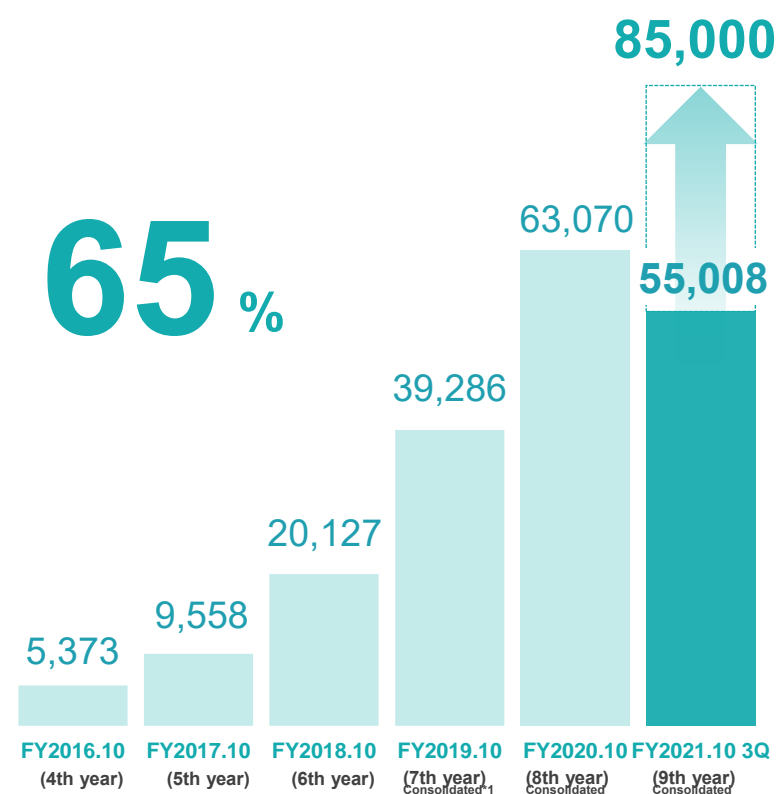
DX Business

The number of SaaS contracted companies, including both management and intermediary companies, increased steadily, leading to greater sales. Additional service business also grew as the number of online tenant applications increased.

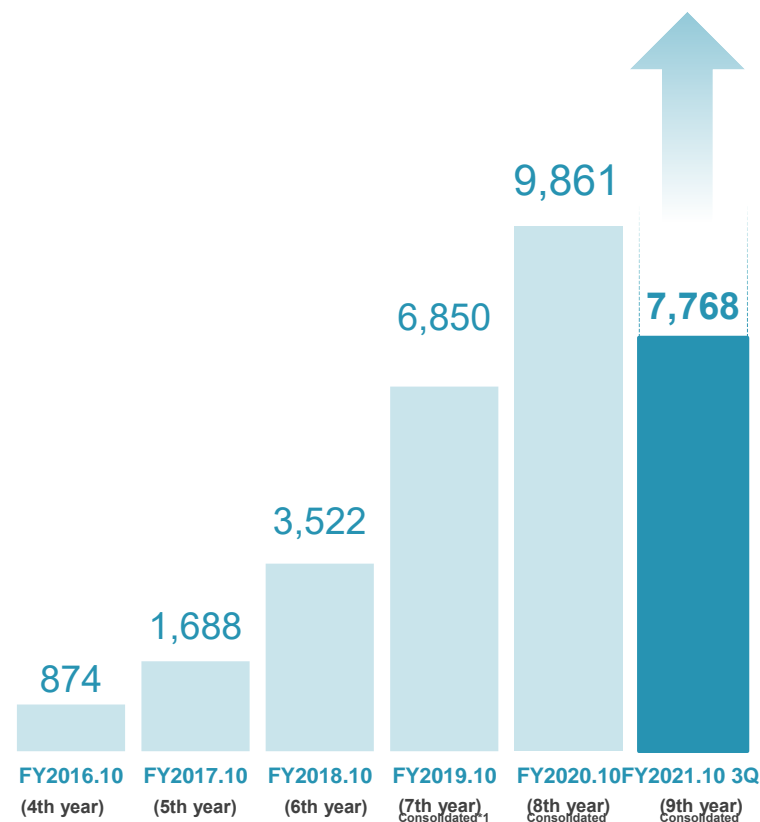
Summary of Performance Progress for 3Q FY10/21 (after earnings revision)

65% rise in net sales. Gross profit remained solid and steadily accumulated.

Net sales progress (Million yen)



Gross profit (Million yen)

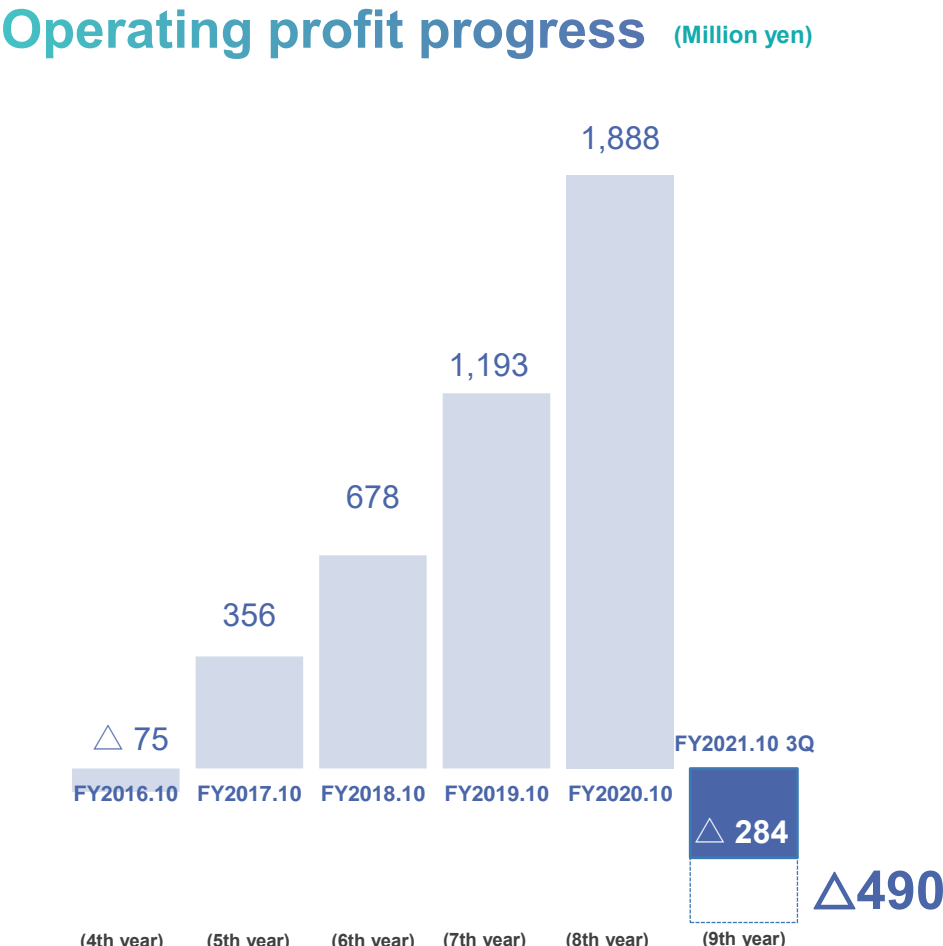
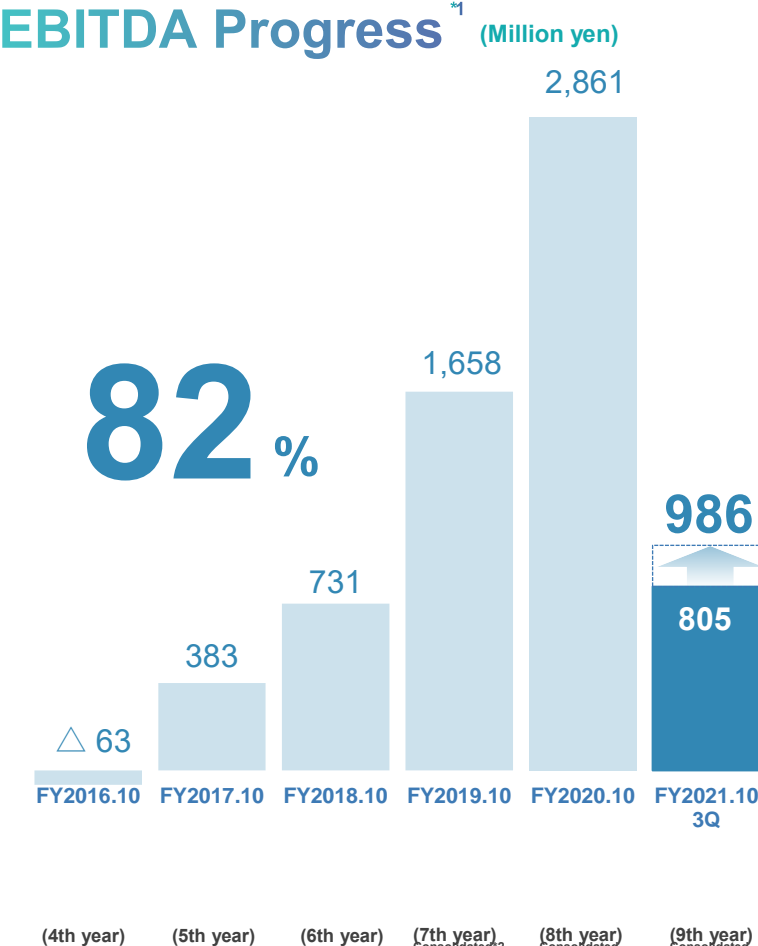


*1) EBITDA which represents cash flow generating capacity (operating profit + depreciation) Note 2) EBITDA has been made in consolidated financial statements since FY10/19 (7th period).

Summary of Performance Progress for 3Q FY10/21

(after earnings revision)

EBITDA and Operating profit is negatively impacted by performance in 1Q and 3Q.

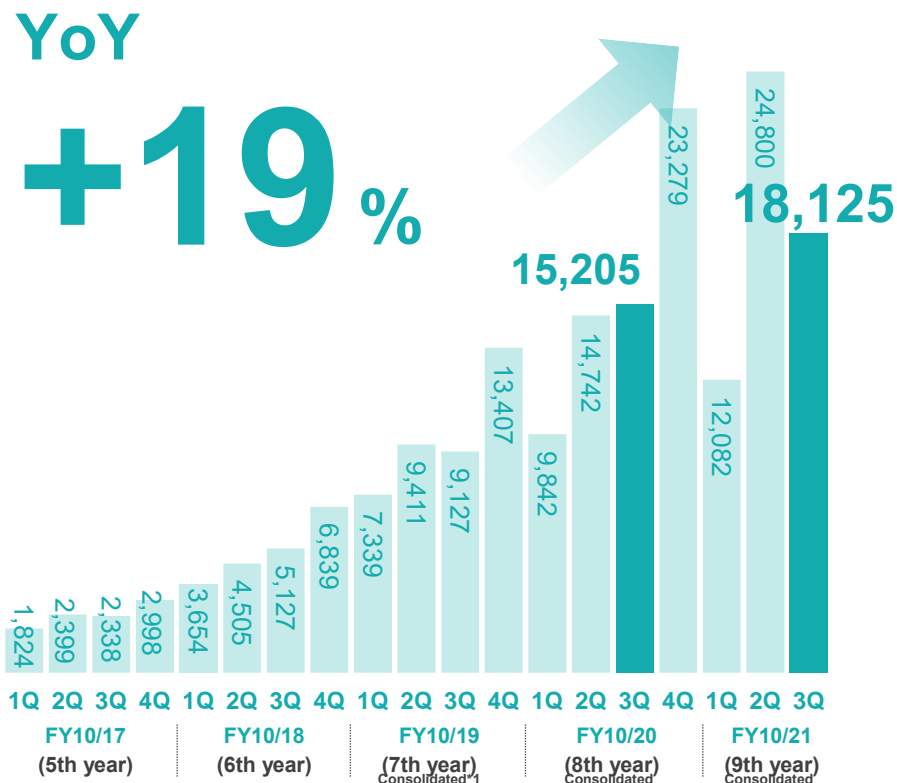


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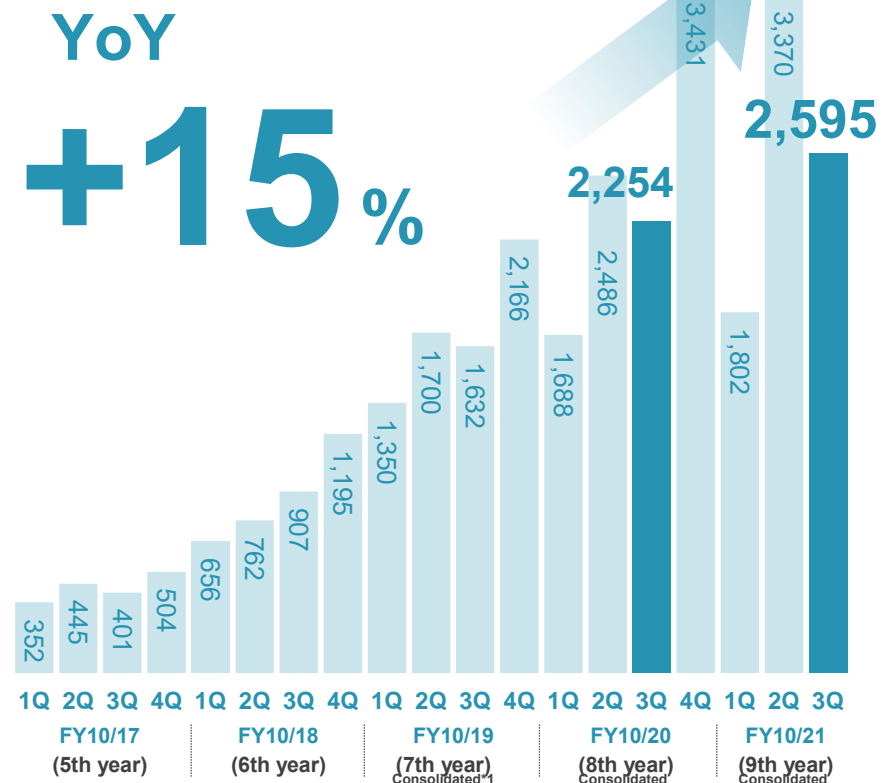
Trends in 3Q FY10/21

Net sales were +19% YoY, due to slowdown of RENOSY marketplace business (iBuyer business). Gross profit were 15%, in line with net sales.

Trends in net sales (Million yen)



Trends in gross profit (Million yen)

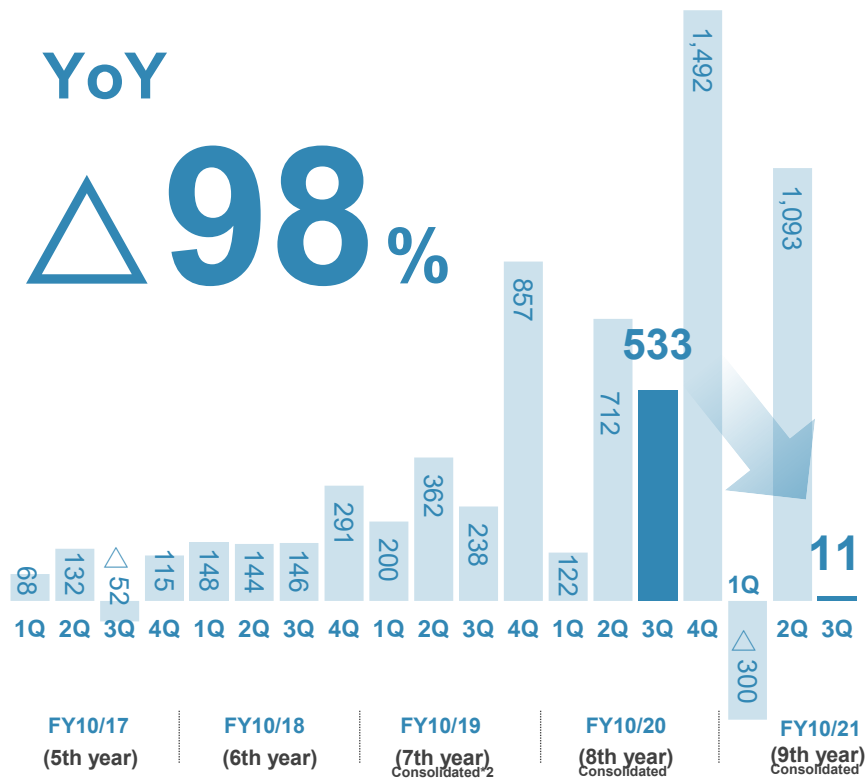


*1) From FY10/19 (7th year) onward, figures are based on consolidated financial statements.

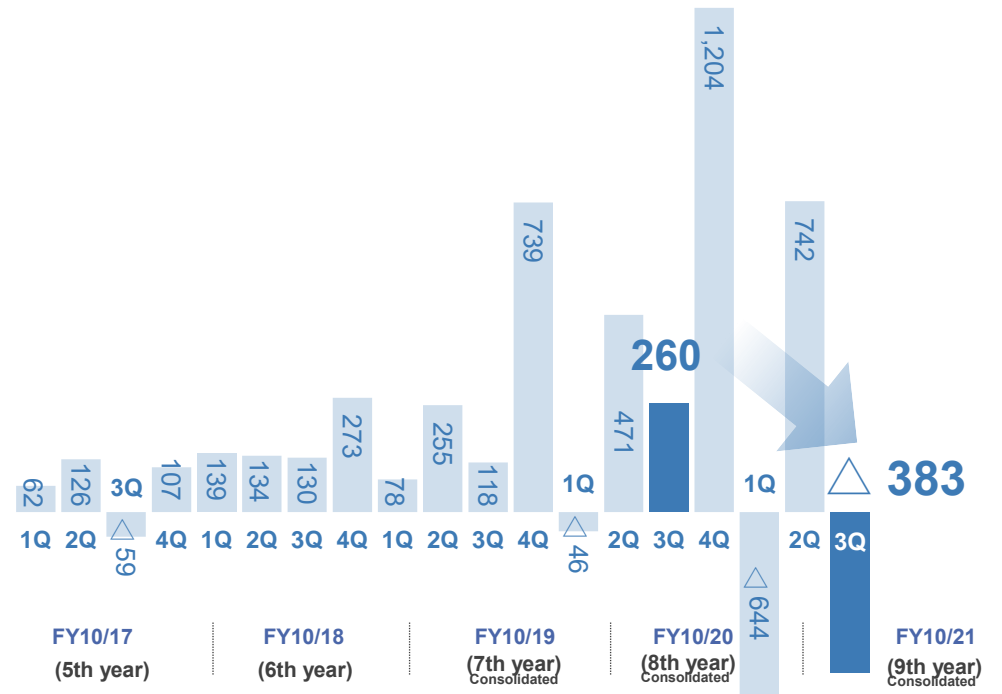
Trends in 3Q FY10/21

EBITDA and operating profit are negative due to slowdown of sales and upfront investment in new business.

Trends in EBITDA*1 (Million yen)



Trends in operating profit (Million yen)



*1) EBITDA which represents cash flow generating capacity (operating profit + depreciation)

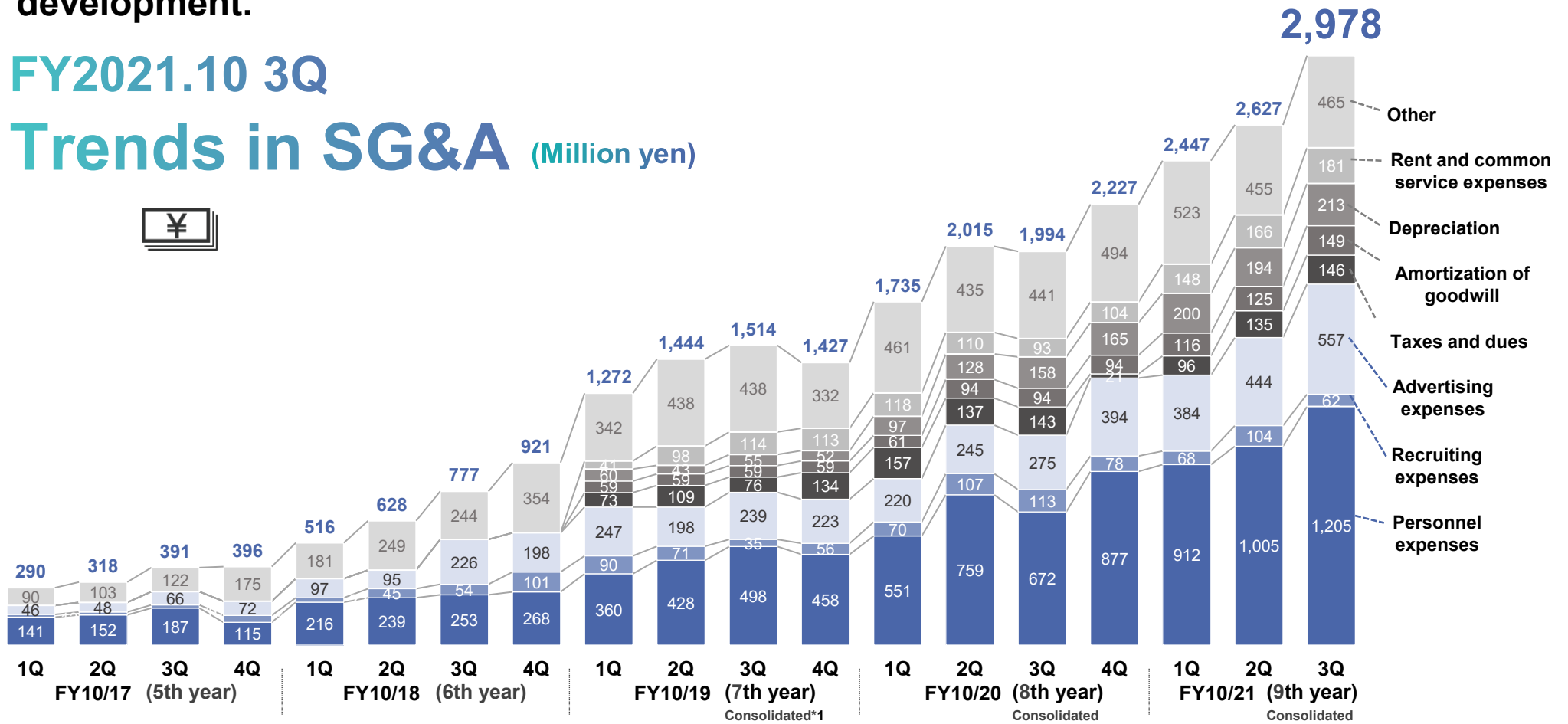
*2) EBITDA has been made in consolidated financial statements since FY10/19 (7th period).

3Q FY10/21 Trend in SG&A

Increased personnel and advertising costs due to active investment to expand market share. Depreciation costs has also increased due to increase expense on software development.

FY2021.10 3Q

Trends in SG&A (Million yen)

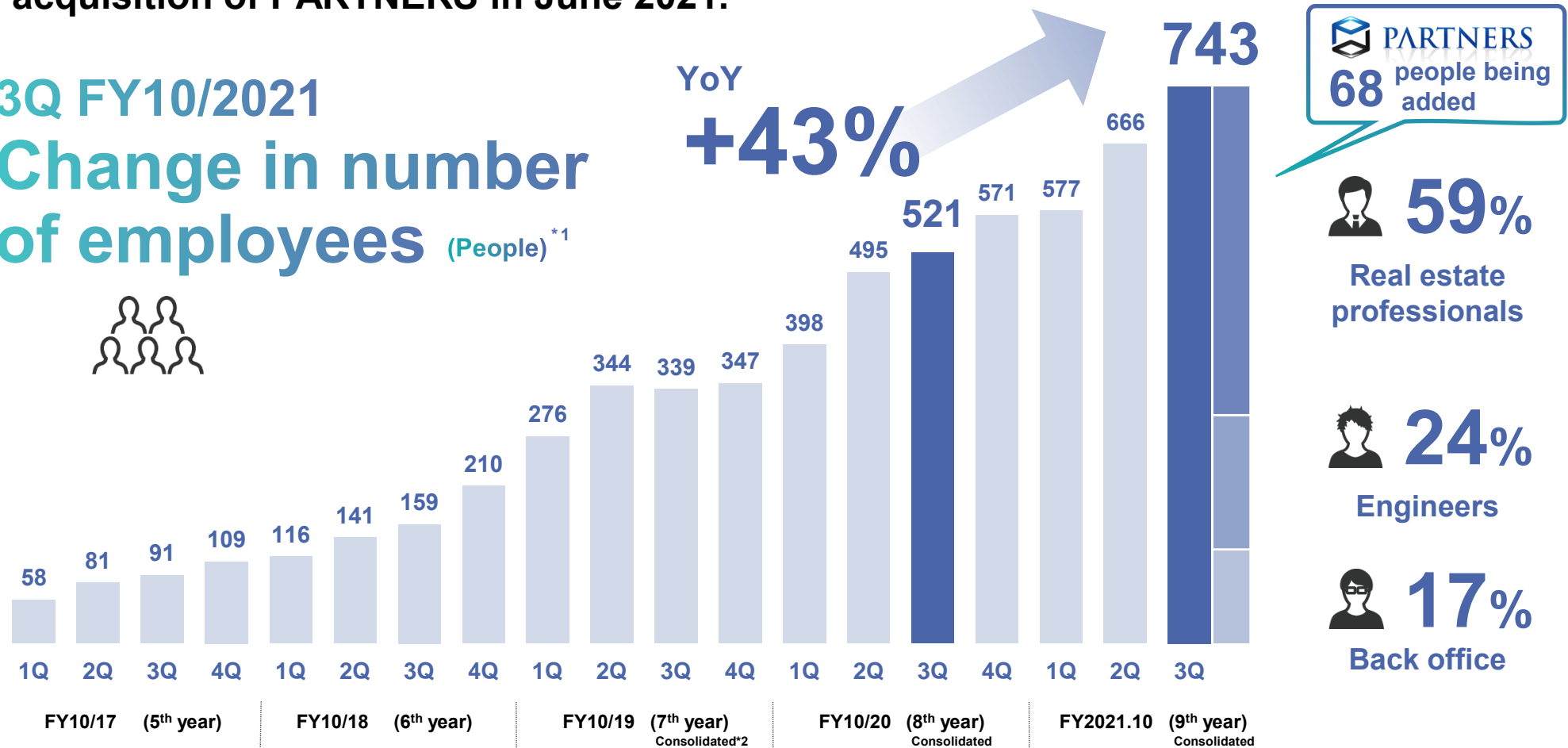


*1) From FY10/19 (7th year) onward, figures are based on consolidated financial statements.

3Q FY10/21 Trend in Number of Employees

Referral system has been highly effective in securing talents and reducing recruitment costs. The QoQ increase of employee number is mainly due to the acquisition of PARTNERS in June 2021.

3Q FY10/2021 Change in number of employees (People)^{*1}



*1) As of July 31, 2021; excluding officers, contract employees, part-time workers, and interns at consolidated subsidiaries.

*2) From FY10/19 (7th year) onward, figures are based on consolidated financial statements.

Summary of Income Statement (after earnings revision)

Summary of income statement is as follows:

	YoY comparison				Progress on forecast		
	FY2021.10 3Q (1)	FY2020.10 3Q (2)	Amount of change ((1)-(2))	Percentage of change ((1)/(2))	Cumulative total for 3Q FY10/21 (4)	Results Forecast for FY10/21 (3)	Achievement rate ((4)/(3))
Net sales	18,125	15,205	2,919	+19%	55,008	85,000	65%
Gross profit	2,595	2,254	340	+15%	7,768	---	---
EBITDA	11	533	△521	△98%	805	986	82%
Operating profit	△383	260	△643	---	△284	△490	---
Ordinary profit	△439	198	△638	---	△581	△970	---
Net profit attributable to owners of parent	△356	27	△384	---	△604	△1,340	---

Summary of Balance Sheet (Consolidated)

Assets : Cash and deposits balance increased due to public offering and third-party allotment, and increased inventory to prevent loss of sales opportunities in 4Q, resulting in approximately 30 billion yen.

Liabilities : Mainly due to decrease in interest-bearing debt.

Net assets : Significant increase of 12.2 billion yen mainly due to public offering and capital increase through third-party allotment.

(Million yen)

	FY2021.10 3Q ①	FY2020.10 4Q ②	Amount of change (③=①-②)	Percentage of change (③/②)
Total Assets	29,369	18,505	10,864	+59%
Current assets (Cash and cash equivalents) (Real estate for sale)	17,890 (10,292) (6,108)	8,453 (6,386) (1,386)	9,437 (3,906) (4,722)	+112% (+61%) (+341%)
Fixed assets (Property, plant and equipment) (Software(including software in progress)) (Goodwill)	11,478 (1,277) (2,959) (4,850)	10,051 (1,230) (2,600) (3,911)	1,427 (47) (359) (939)	+14% (+4%) (+14%) (+24%)
Liabilities (interest-bearing debt)	10,005 (6,100)	11,367 (7,194)	△1,361 (△1,094)	△12% (△15%)
Net assets	19,364	7,137	12,226	+171%
Total liabilities and net assets	29,369	18,505	10,864	+59%

RENOSY Marketplace Business



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Overview of RENOSY Marketplace Business (1)

We offer a comprehensive real estate service lineup based on the concept of "Easier to find a place to live and manage your assets" for our customers.



RENOSY

Number of members added per month

Approx. **5,000**

Total number of members

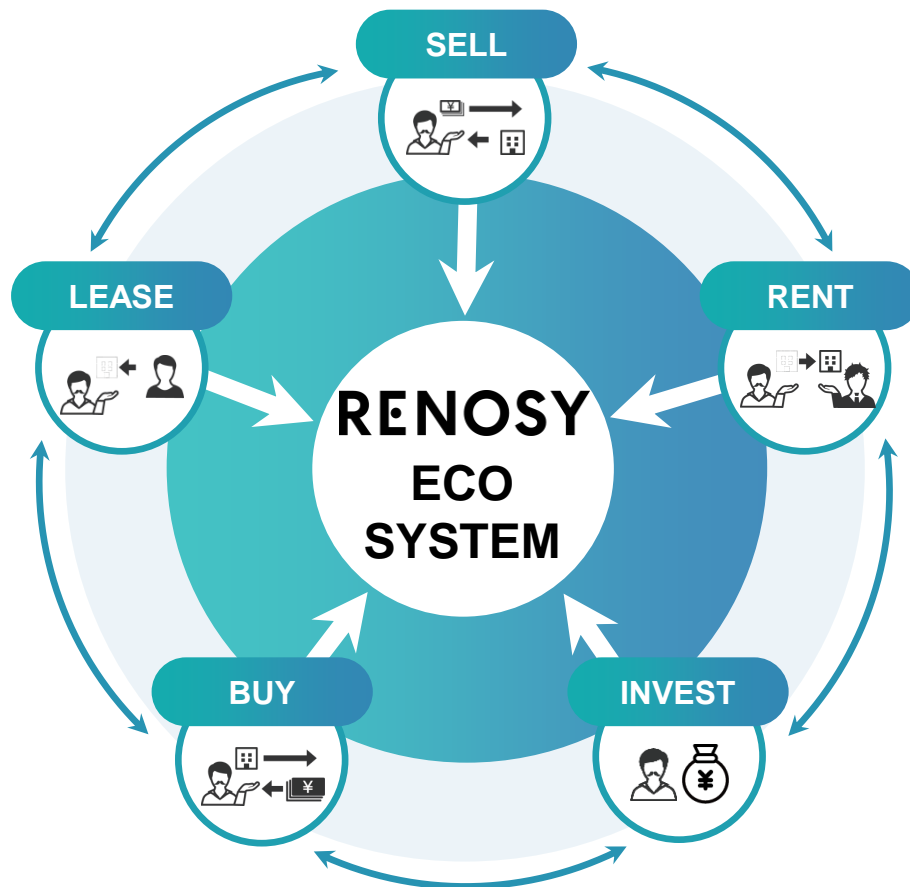
Approx. **220** thousand



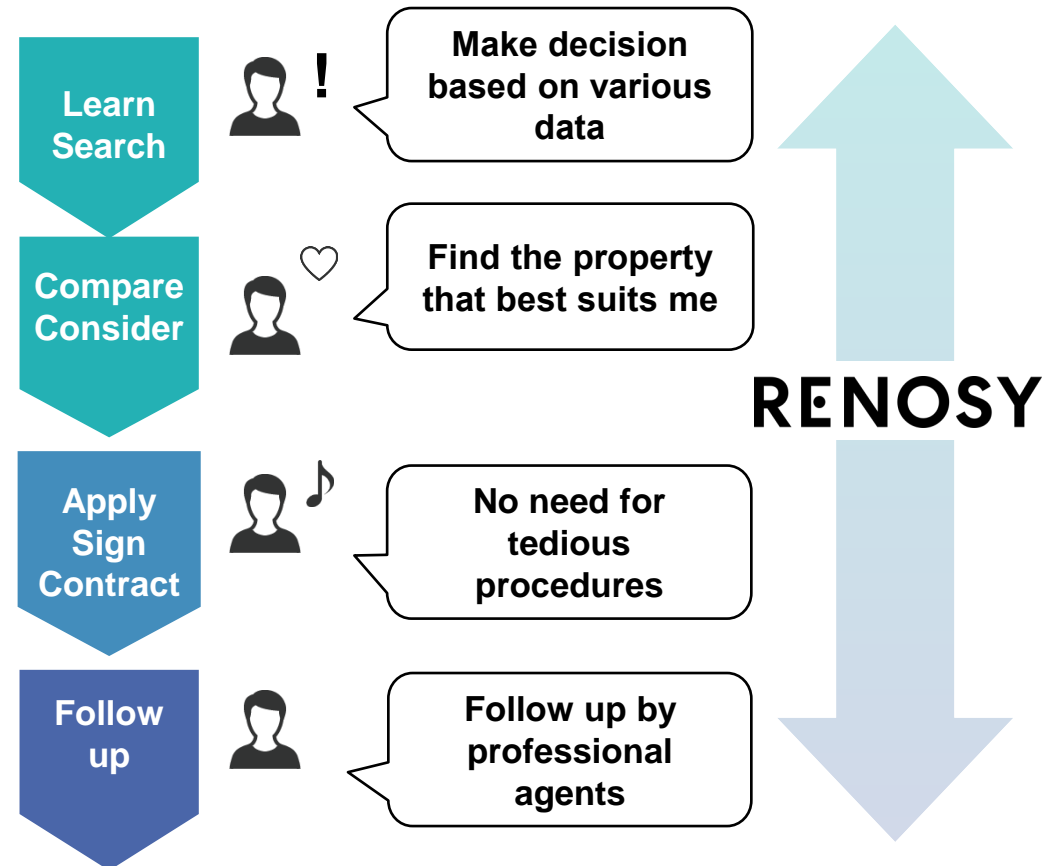
Overview of RENOSY Marketplace Business (2)

Integrated user portal to make the RENOSY ecosystem smoother
GA Group has realized one-stop service and customer experience.

A one-stop ecosystem



Elaborate service lineup



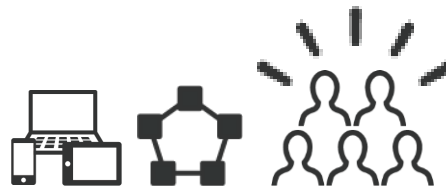
Strengths of RENOSY Marketplace Business

Real estate business processes are innovated with technology. We have streamlined paperwork of real estate transactions and achieved high productivity, providing a completely new marketplace strategy = transaction experience.

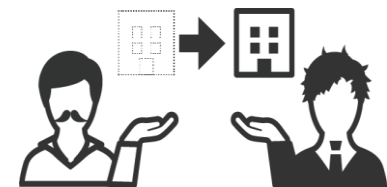
Improve productivity by the utilization of technology



Utilization of data and resources based on our marketplace strategy

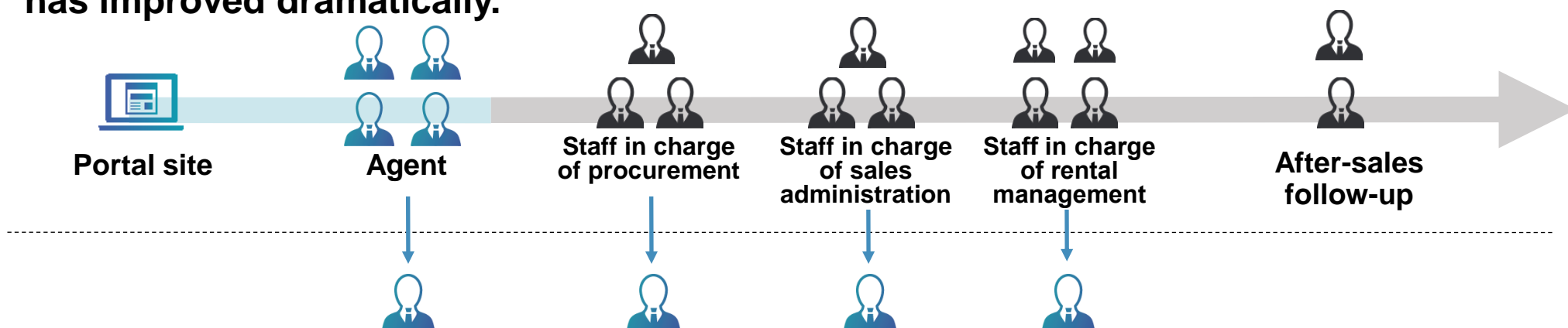


Short-term matching of supply and demand

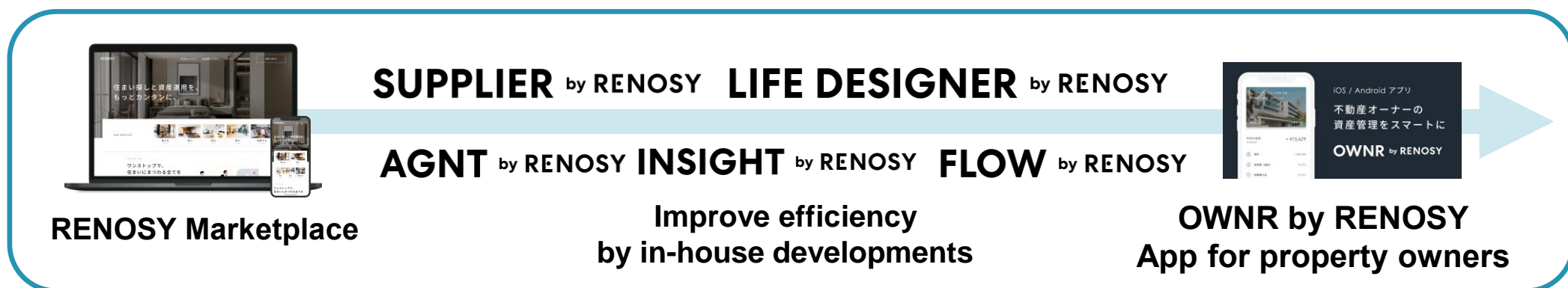


(1) Improve Labor Productivity through the Utilization of Technology

We provide everything from the portal site to after-sales follow-up. And by bringing the entire real estate transaction process online, per capita productivity has improved dramatically.

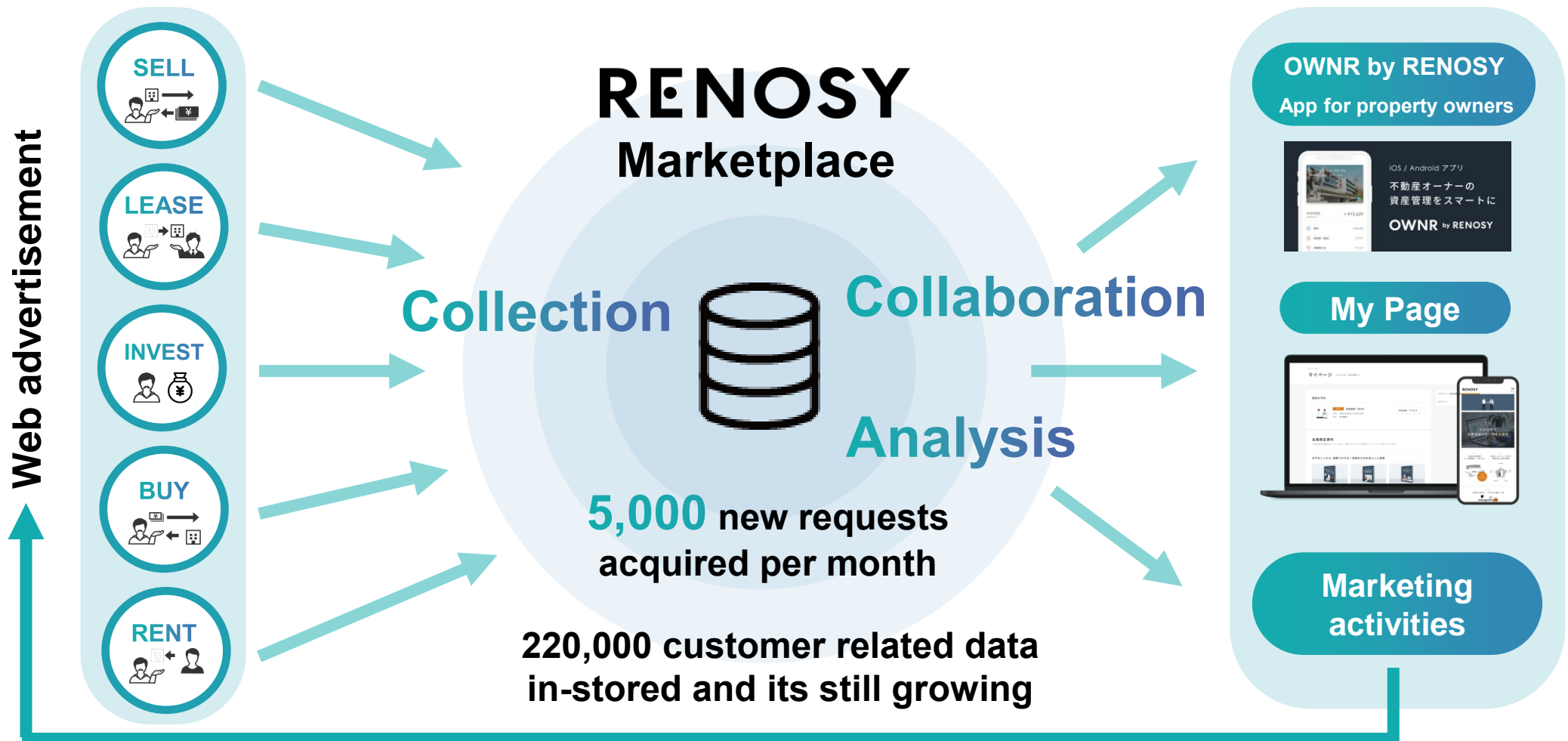


Labor-intensive savings and high productivity achieved by going online



(2) Centralized Marketplace

With the RENOSY marketplace, in addition to improving LTV through up-selling and cross-selling of existing customers, efficient marketing activities that utilize the strength of having data analysis and contract data for about 220,000 people are used to improve the efficiency of inquiries and contract rate.

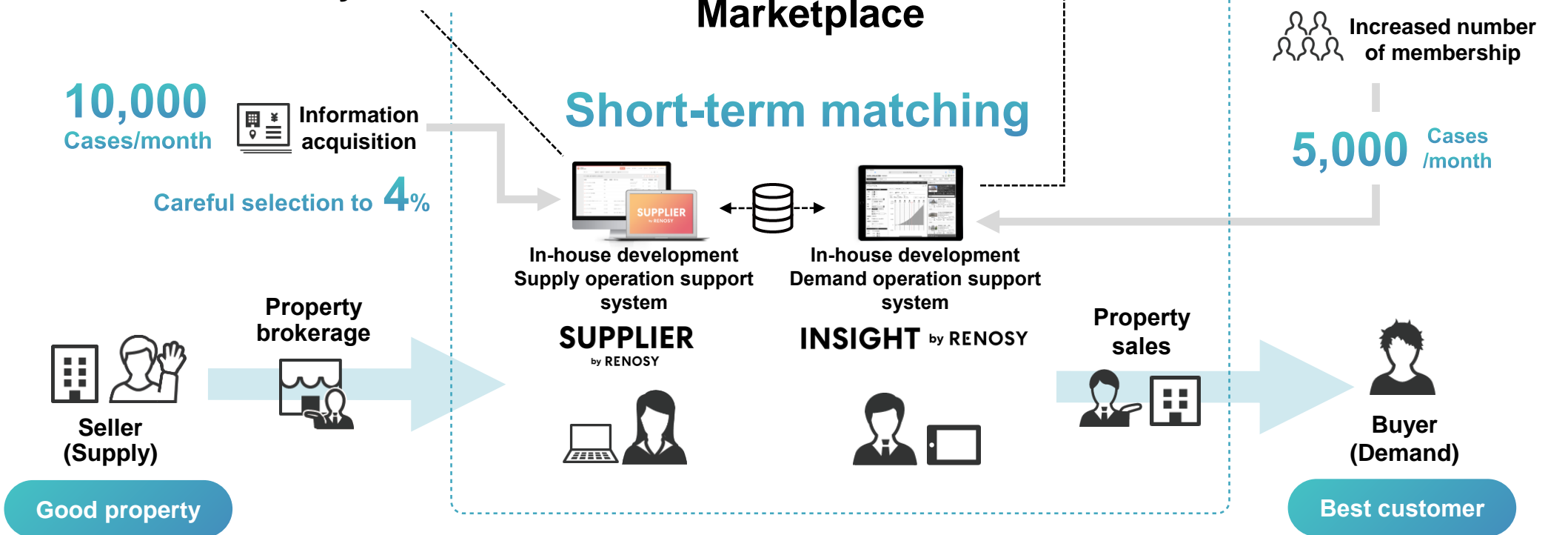


(3) Short-term Matching of Supply and Demand with the Utilization of Technology

We have innovated real estate business processes and realized a labor-saving workflow while achieving high productivity. Business model using technology to minimize the inventory.

Easy-to-purchase price range
Procurement of properties with low vacancy risk

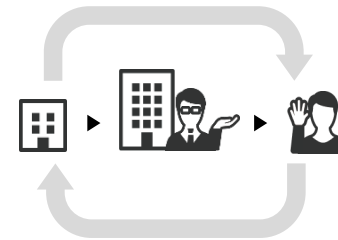
Efficient customer attraction
Pitching easy-to-invest properties



Competitive Advantages of RENOSY Marketplace Business

Efficient matching using technology has shortened the period from purchase to sale.
 Low-inventory business model ensures minimal damage to the company even in a recession.

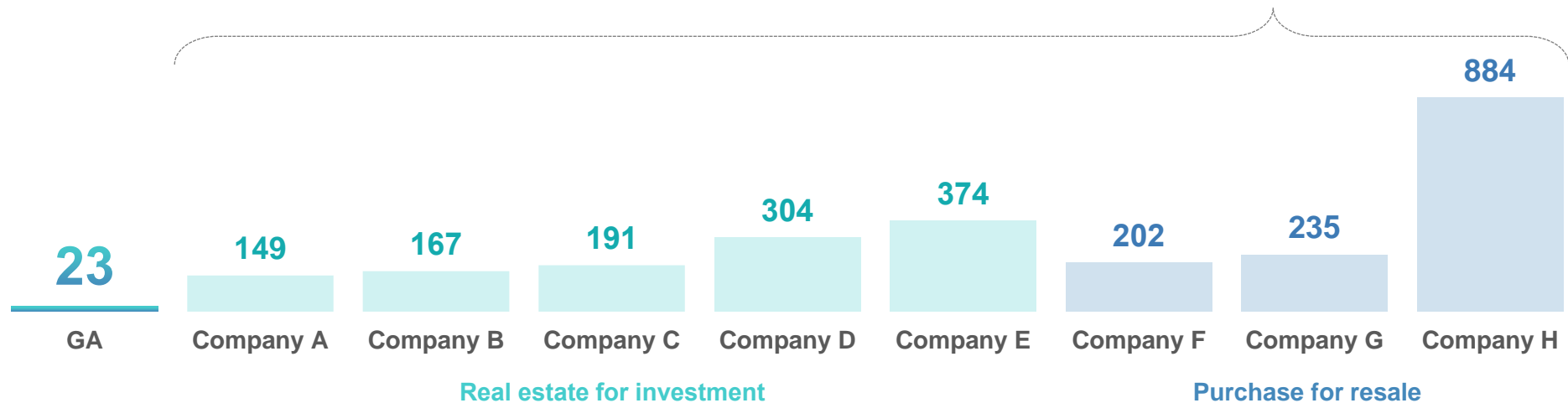
Overwhelmingly short-term inventory turnover ^{*1} (iBuyer Business)



Approx. **23** days

Average of 8 real estate companies other than GA

Approx. **313.3** days



*1) Calculated based on formula of inventory turnover period = Average inventory amount/(cost of sales/365). Refers to period from purchase to sale. GA figure represents monthly average for FY2020. Generally speaking, the lower this value, the higher the number of inventory sales and the healthier the cash flow.

Product Advantages

We are doing in house developments for each of our services actively, and by going on-line regarding our business, we ensure to keep our advantages against our competitors.

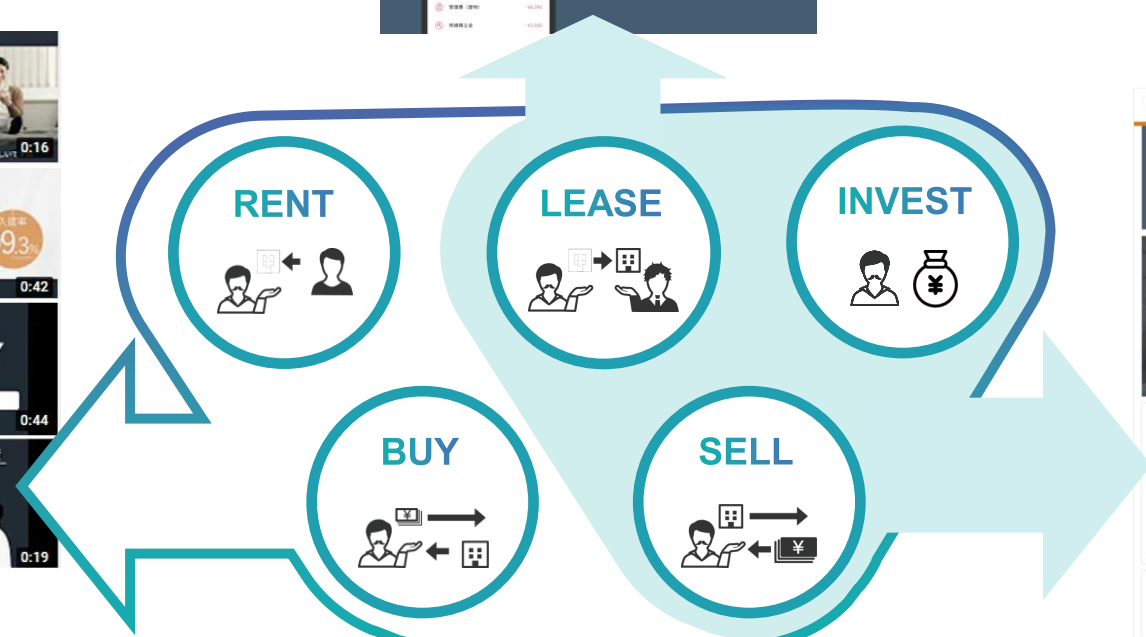
Digital marketing



OWNER by RENOSY App for property owners



My Page

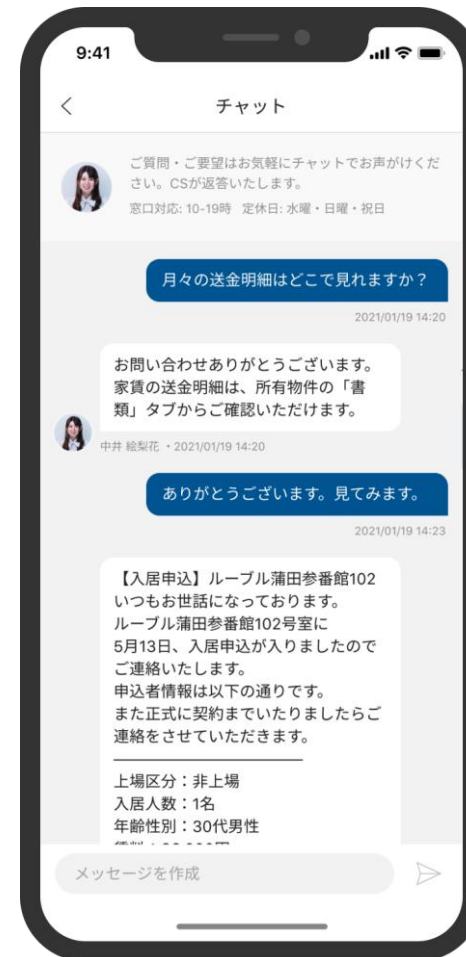
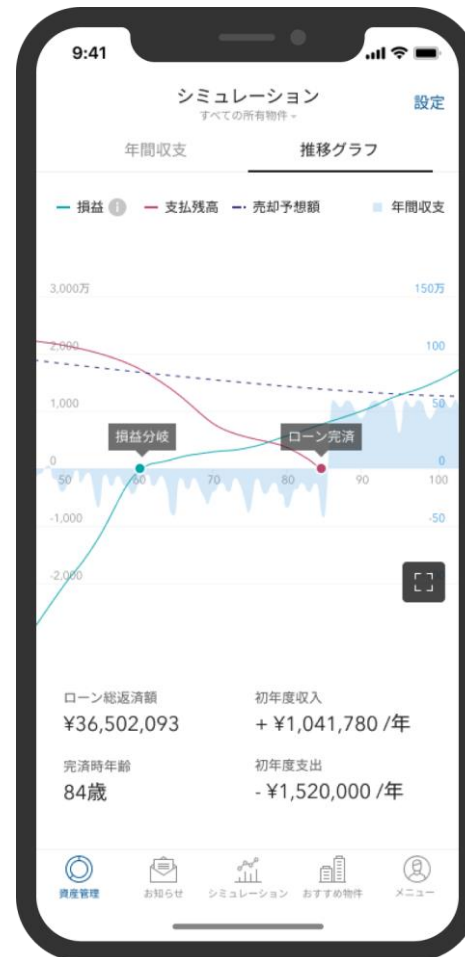
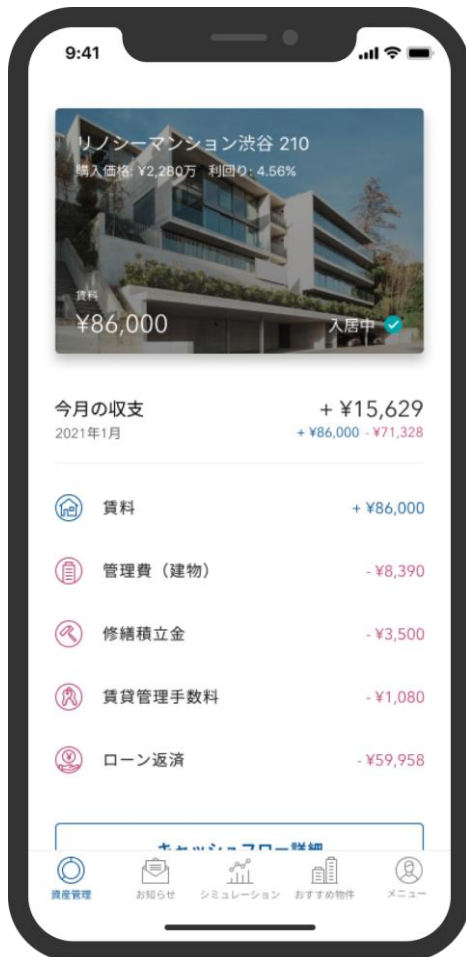


OWNER by RENOSY

Product Advantages (1) App for property owners



We support the entire asset management process for the owners by the power of technology. Owners can check and manage their properties just by using their smartphones. A smart way of managing your asset.



Product Advantages (2) My Page



By registering your property on My Page, you can assess both the selling price and estimated rent by AI. The estimated property price is updated once a month, and you can decide when to sell, move-in, lease out etc. with the related information provided based on your own schedule.



RENOSY 5,000



Increased number of membership

Members /month





Product Advantages (3) Digital Marketing

We realized cost-effective digital marketing by having our in-house marketing team. We analyze the impact of the approaches taken to our target customers.



3Q FY10/21

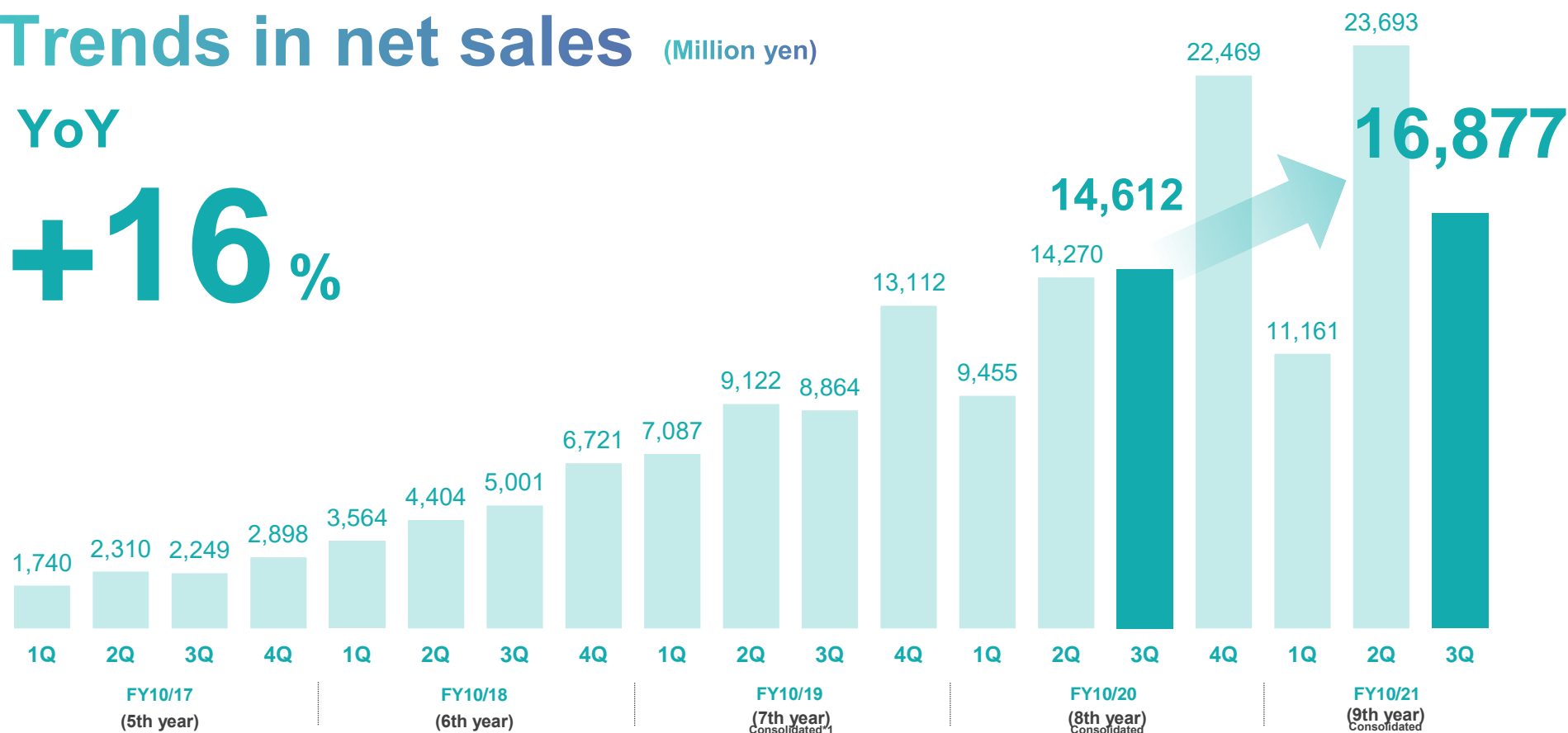
RENOSY Marketplace Business Trends

Slow growth + 16% YoY of iBuyer business due to the decrease of working days.

Trends in net sales (Million yen)

YoY

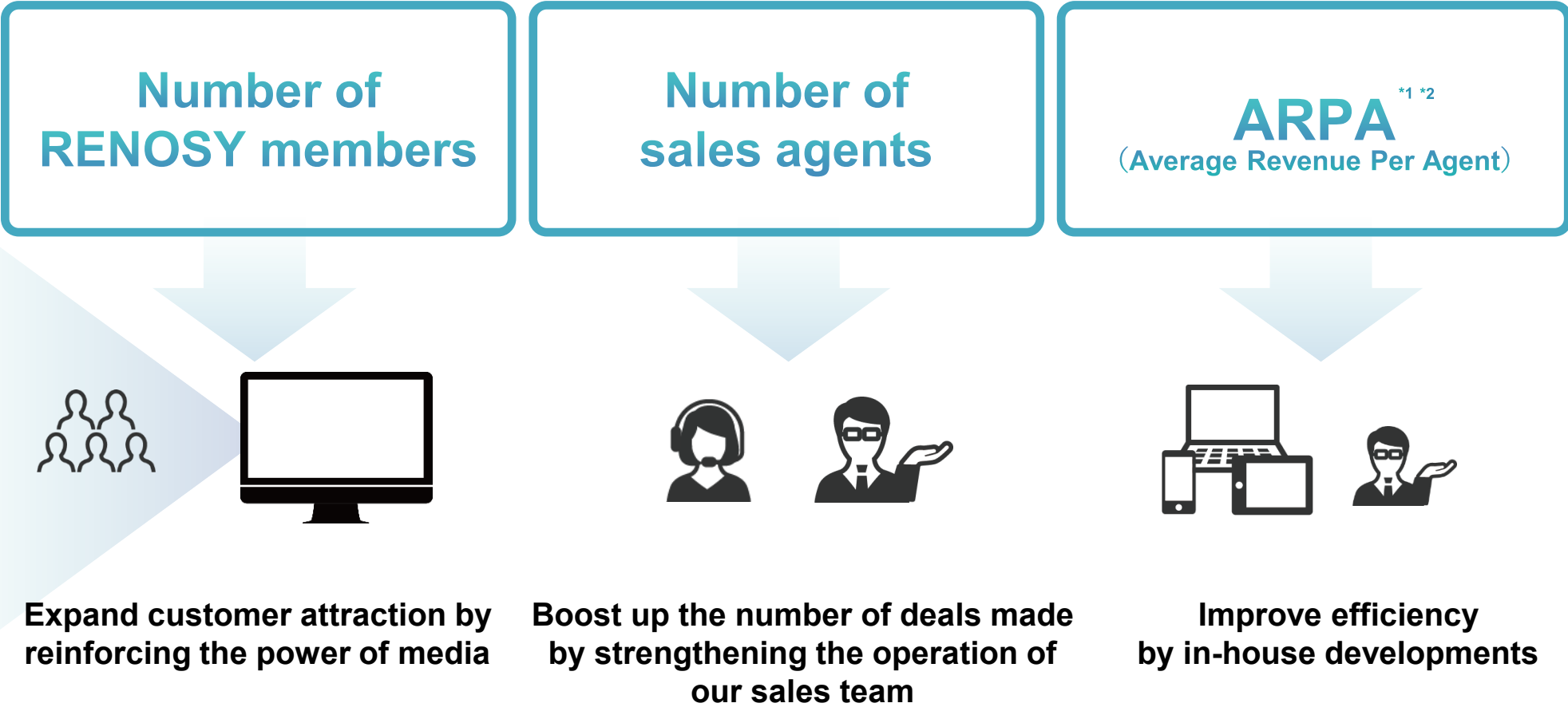
+16%



*1) From FY10/19 (7th year) onward, figures are based on consolidated financial statements.

Major Indicators of RENOSY Marketplace Business

Expand the following indicators.

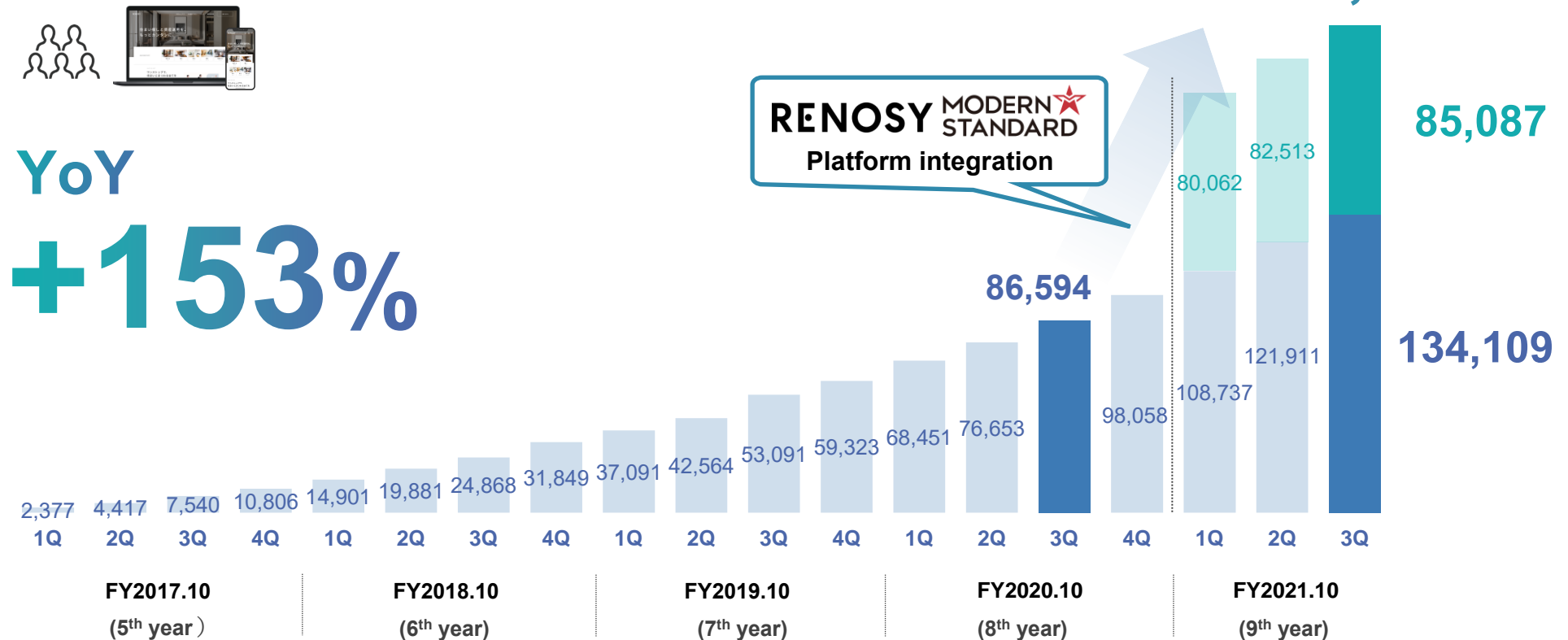


*1) ARPA = Average Revenue Per Agent *2) Net sales of RENOSY iBuyer business/Number of sales reps of RENOSY iBuyer business at the end of the previous quarter

Trend in RENOSY Membership Stock Numbers^{*1}

With increasing brand awareness of RENOSY, membership stock numbers have also increased. +153% YoY, and 14,772 members up QoQ.

Trend in RENOSY memberships (people)



*1) RENOSY membership stock numbers means the aggregated number of people who have registered as RENOSY Member.

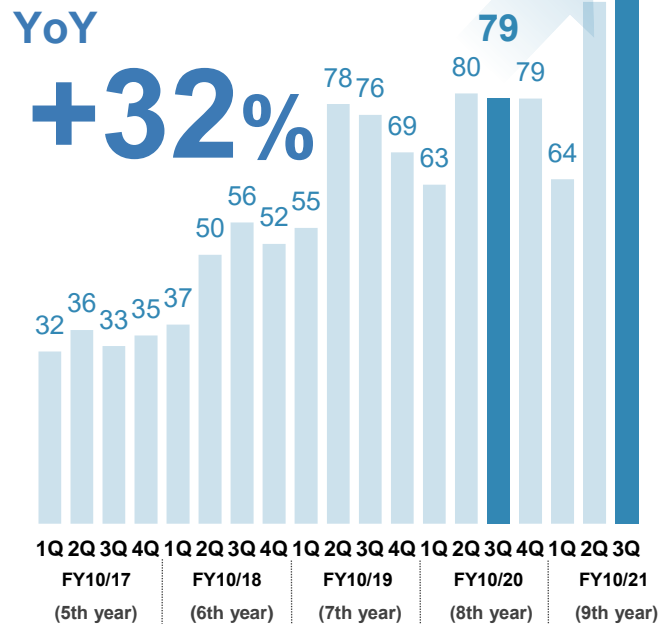
KPI Trends in RENOSY iBuyer Business

Despite of the increase of sales team, affected by iBuyer's traditional seasonality, strategic shift to strengthen the stock business, as well as the temporary declining contract rate triggered by the introduction of new online reservation system, ARPA dropped.

Trends in the number of sales reps ^{*1}



(People)

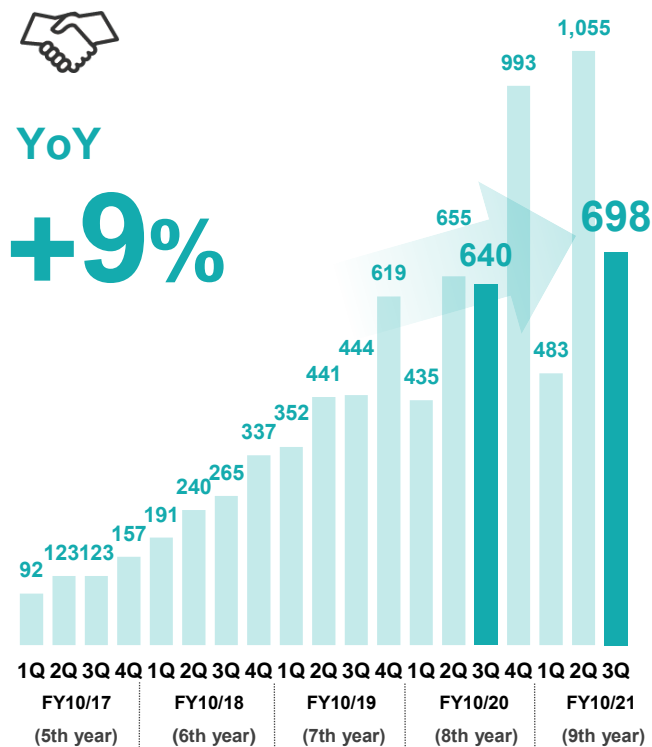


Trends in the number of deals made



(Contracts)

YoY **+9%**

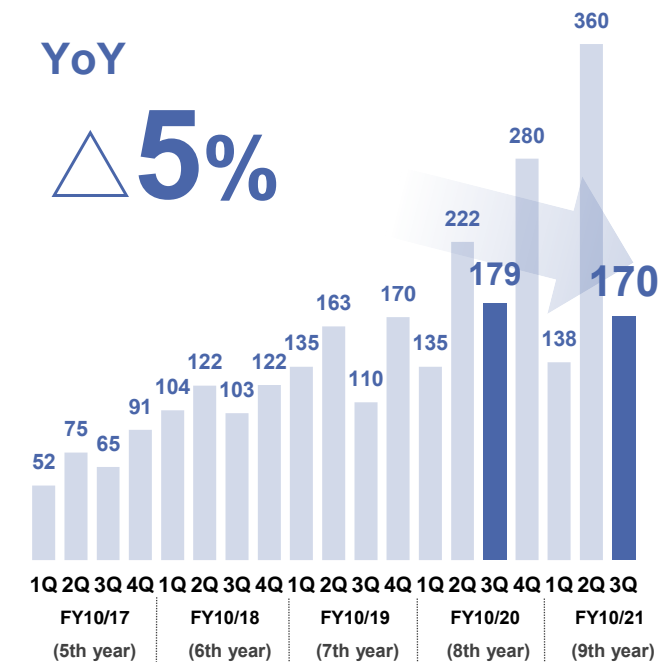


Trends in ARPA ^{*2 *3}



(Million yen)

YoY **5%**



*1) Number of full-time sales employees at the end of the period

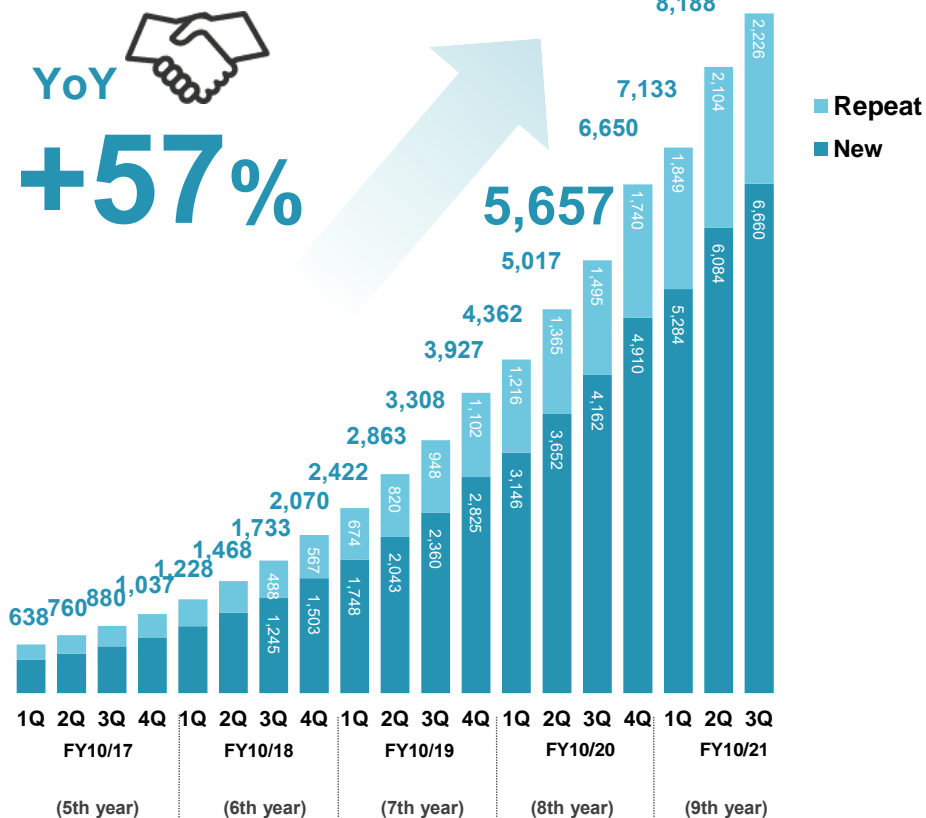
*2) ARPA = Average Revenue Per Agent

*3) Net sales of RENOSY iBuyer business/Number of sales reps of RENOSY iBuyer business at the end of the previous quarter

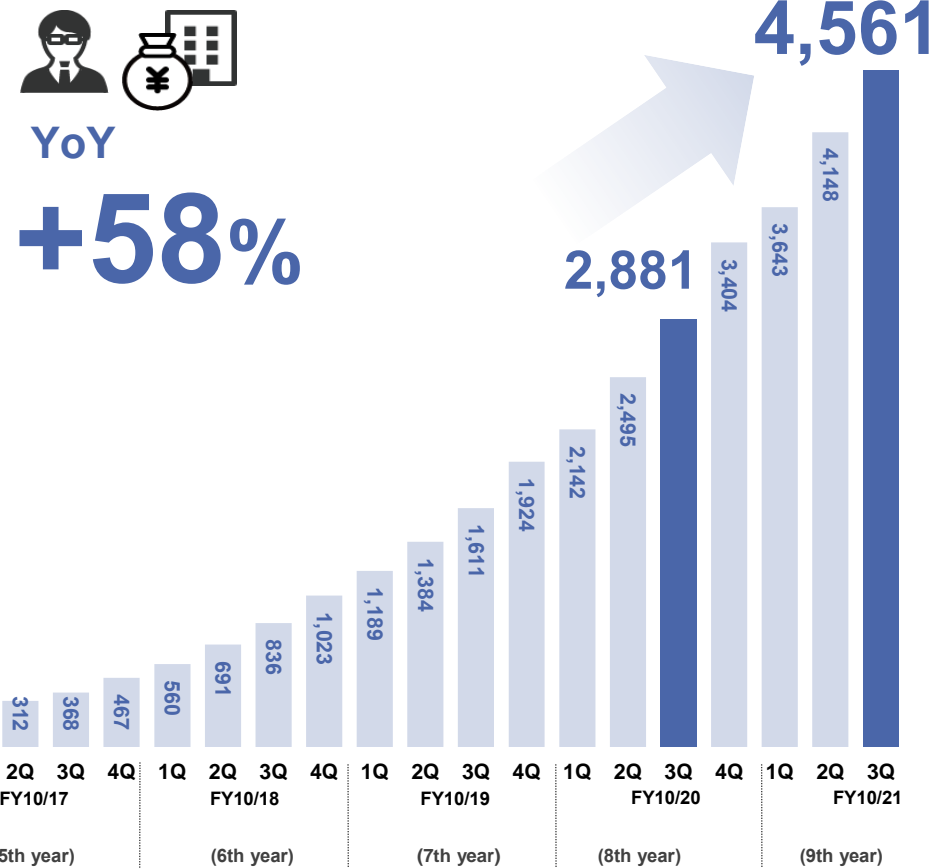
KPI Trends in RENOSY iBuyer Business

Total number of contracts concluded was about 9,000, +57% YoY, with about 25% being repeat purchases. The number of people owning real estate (via the OWNR app) also grew +58% YoY with the cumulative user base growing steadily to over 4,500.

Total number of contracts concluded (Contracts)



OWNR Numbers (people)



Market Scale of RENOSY Marketplace Business

The real estate market of the Tokyo metropolitan area is enormous, with TAM of 137 trillion yen. We have only taken up about 4% of the market share (apartment size under 50m²), implying huge potential for growth. From now on, we will also expand our business with size of 50m² plus.



*1) The forecast is based on data released by Tokyo Kantei: "Press release: Apartment stockings ranking"(Jan. 2021)and Real Estate Information Network for East Japan : Real estate logistics forecast of Tokyo metropolitan area (Jan. 2021)
 *2) Based on data released by Tokyo Kantei: Press release Newly built / existing apartments market size of Tokyo metropolitan area (Jan. 2021)Tokyo Kantei: Press release Newly built / existing apartment logistics change of Tokyo metropolitan area(May 2021), Data of registered properties released by Real Estate Information Network for East Japan, Data from top 10 companies in the investing property industry
 *3) TAM...Total Addressable Market(The maximum potential market size that the RENOSY marketplace business can take over)
 *4) SAM...Serviceable Available Market(Market share size that the RENOSY marketplace business is targeting at)
 *5) The figure is calculated by the net sales of the RENOSY marketplace business targets at apartments of 50m² in size divided by SAM

New Business

New Business Outline and Synergies

We started businesses with high affinity with RENOSY. We aim to strengthen the RENOSY marketplace and increase the value of all services through synergies.

RENOSY

Business description

Synergy effects

RENOSY X SaaS Business

Promoting DX in the real estate industry by deploying SaaS focusing on the main product: Mortgage Gateway

As iBuyer grows, so does the use of related systems. With competitive advantages through increasing use of the system, more and more financial institutions and real estate companies have introduced the system.



神居秒算 Inbound Platform Business

In addition to the Japanese real estate platform for investors in Greater China, it also provides total support for real estate transactions.

Bringing customers to properties worth 15 million yen or less, and functions as iBuyer customers' exit channel, when selling their investment.

RENOSY ASSET MANAGEMENT Asset Management Business

As a comprehensive asset management solution company, we provide various services for real estate owners and tenants.

In proportion to an increasing number of customers of RENOSY Marketplace Business, the total numbers of customers and managed properties also increases.










Advertising Business

Advertising business by bringing customers to insurance and other lifeline products

As the number of RENOSY membership increases, the number of customers we are sending to various other services also increases.

New Businesses & Synergies

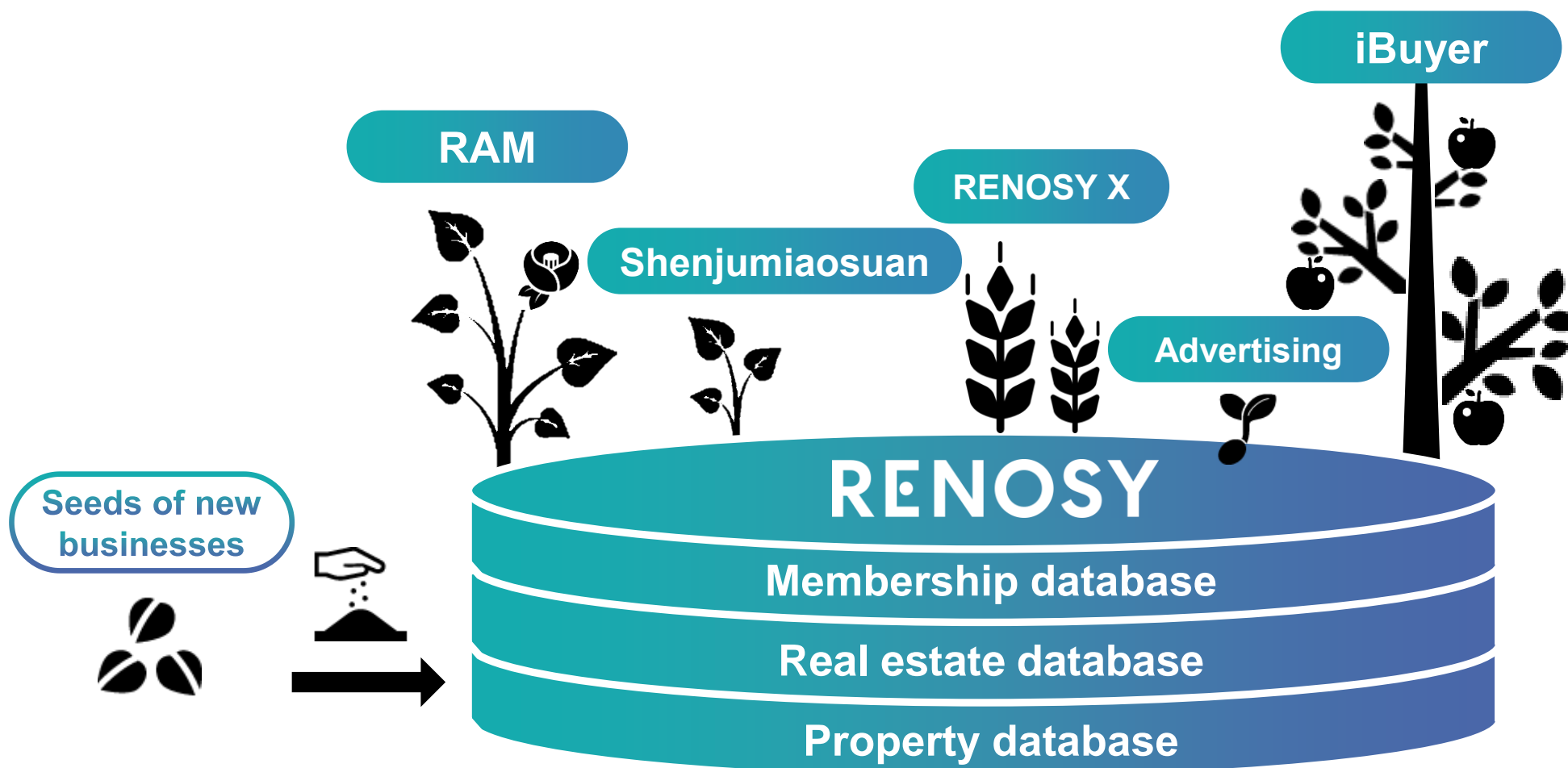
Aiming to reach profitability quickly, the operation of our various businesses are underway.

RENOSY	Number of people	Year round net sales		
		5 hundred million plus	1 hundred million plus	Under 1 hundred million
RENOSY X SaaS Business	 11			
 神居秒算 Inbound Platform Business	 8			
RENOSY ASSET MANAGEMENT Asset Management Business	 31			
Advertising Business	 3 (Part time)			

*1) As of July 31, 2021; excluding officers, contract employees, part-time workers, and interns at consolidated subsidiaries.

Growth of New Businesses

With accumulation of various data on RENOSY Marketplace, it will become a more fertile soil (marketplace) where seeds (new businesses) are planted to grow, developing second and third businesses on a par with iBuyer.



DX Business

Overview of DX Business

A stable growth in SaaS development business, leading to a further growth of ITANDI BB and BtoC businesses.

Profiting phase stable growth

- (1) SaaS for management companies
- (2) SaaS for real estate agencies

ITANDI BB +



Investing phase further growth

- (3) Database for real estate people
- (4) Self-tour house hunting site
- (5) Incidental services business
- (6) SaaS targeting brokerage area

ITANDI BB

OHEYA GO
オヘヤゴー



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ブッケンSCAN!



Target

Management company



Real estate agency



Real estate agency



Tenant



Tenant



Real estate agency



Revenue model

Number of accounts x Monthly fee

Number of accounts x Monthly fee

Provided free of charge

Number of deals closed x Commission

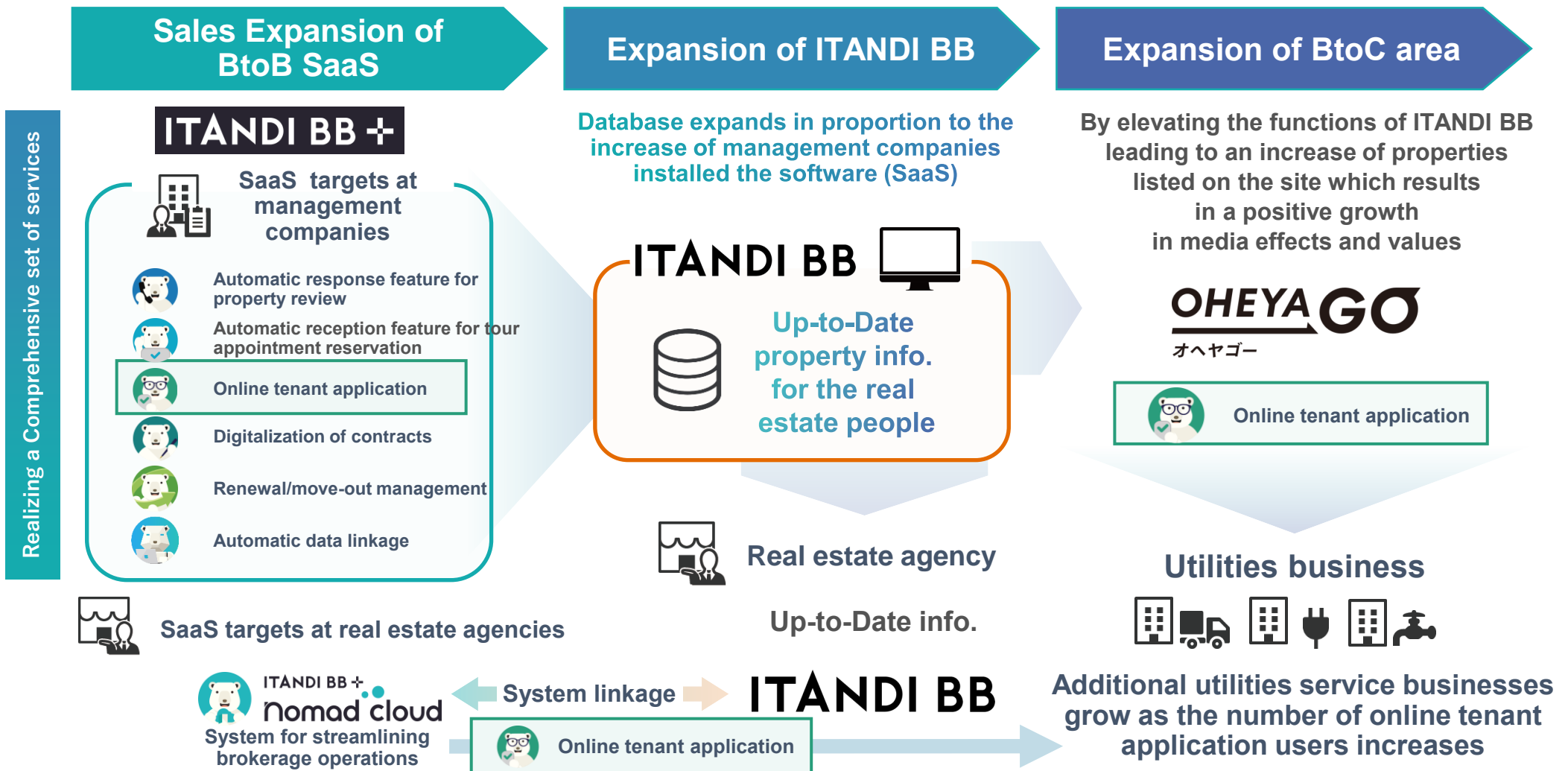
Number of customers sent x Customer handling fee

Number of accounts x Monthly fee

DX business growth strategy

(Achieving growth by boosting up the momentum of our online tenant application system)

The key to our DX business' growth lies in the increase of our software installations, number of users, and finally the growth of our ITANDI BB database.

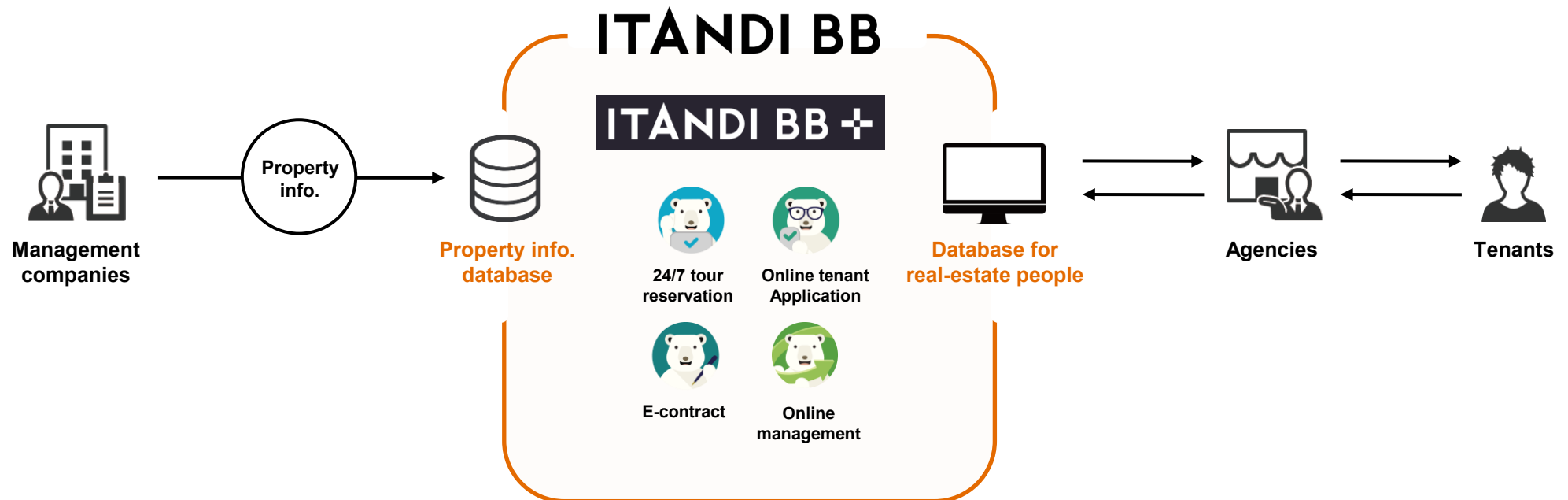


About ITANDI BB

“ITANDI BB” is a real time updated property database for real-estate industry professionals.

1. Up-to-Date information all in our database

2. Everything in one-click All online, one stop service



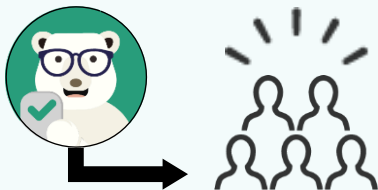
Strengths of our DX Business

Solving issues in the real estate industry through the power of DX, aiming to smooth out real estate transaction processes



Low cancellation rate^{*1}

We designed our products based on our deep understanding of the industry, in which it has a high proportion of customer satisfaction with a cancellation rate of only 0.43%



No.1^{*2} in number of online tenant application by corporations for 2 consecutive years

As we launched the online application system ahead of competitors, we have been successfully in becoming the No.1 in taking over the online tenant application field. This also will prepare us for the complete digitization of real estate transactions ahead.



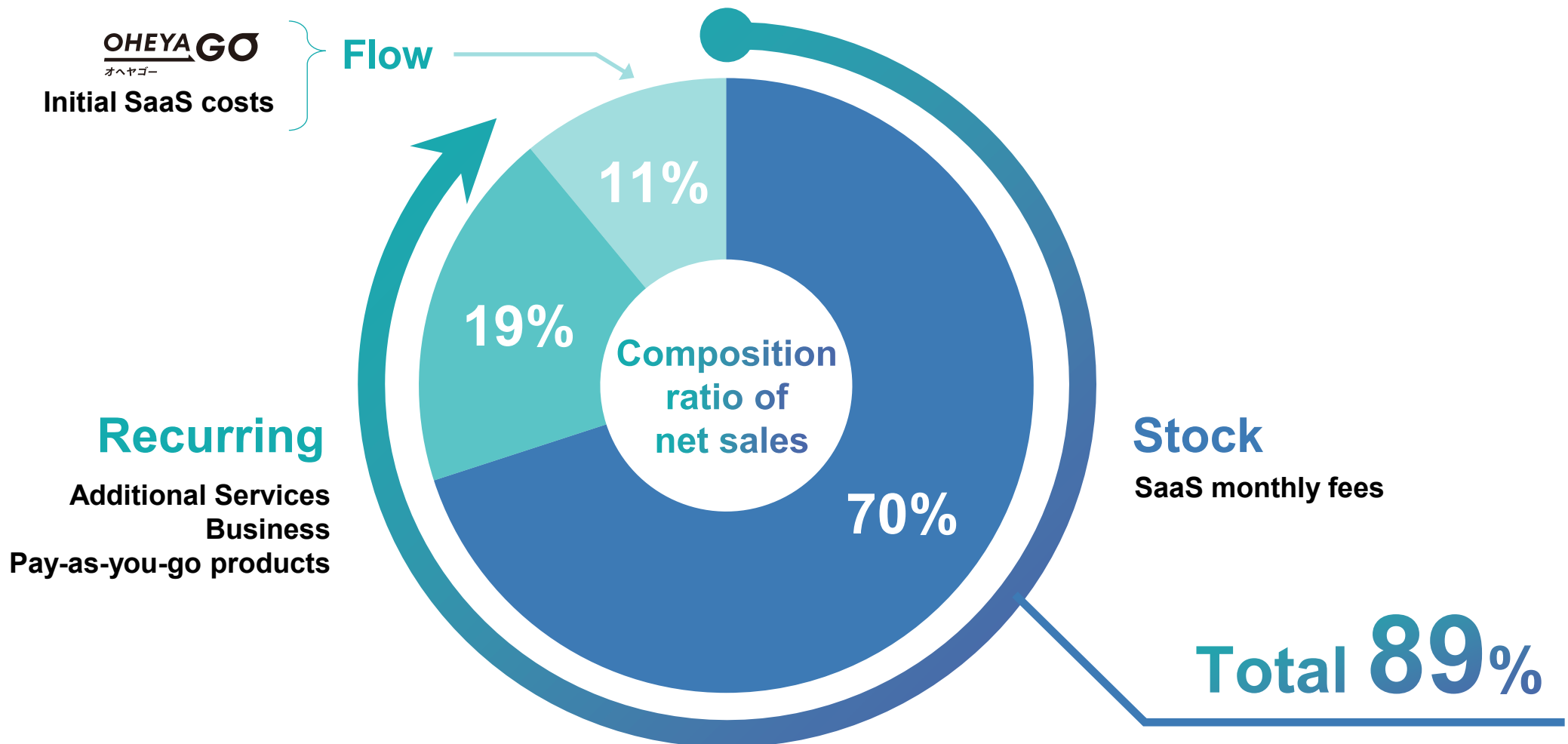
High recurring revenue business ratio

Building a stable revenue source through the establishment of a high portion of recurring revenue business ratio. Invest for further growth whilst continuing to secure profits.

*1) Average cancellation rate of ITANDI BB Plus and Nomad Cloud (July 2021) *2) Survey by Tokyo Shoko Research

Net Sales Ratios of Stock and Flow

Stock sales and recurring sales^{*1} make up approximately 90% of net sales, building a stable revenue base



*1) Here refers to the business model with the purpose of acquiring "recurring revenue".

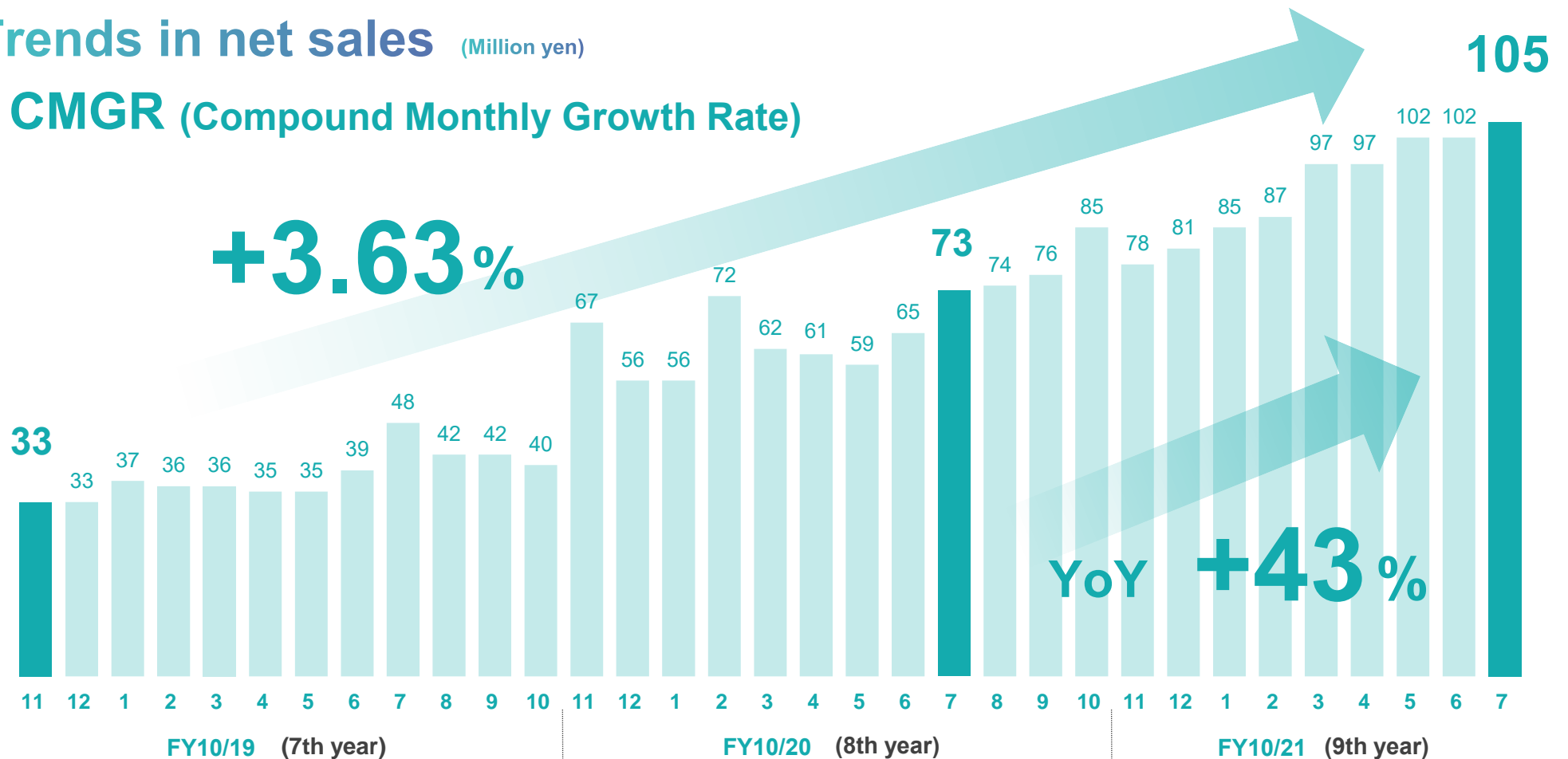
3Q FY10/21

Monthly Trends in DX Business

Both the SaaS and the additional service businesses performed well. In May, monthly recurring revenue (MRR) exceeded 100 million yen, +43% YoY. Average monthly net sales growth was +3.63%.

Trends in net sales (Million yen)

CMGR (Compound Monthly Growth Rate)



Essential indicators of DX Business

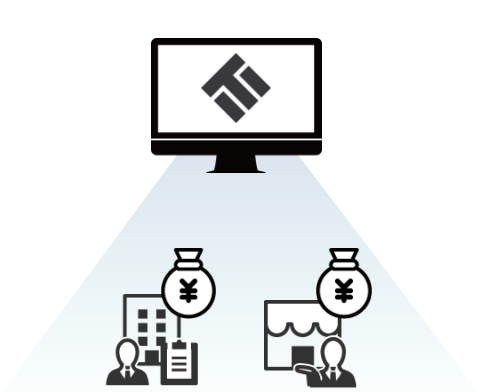
Further growth of the following elements:

MRR of SaaS
for management companies and real estate agencies

Number of online tenant applications
(Moshikomiuketsuke-kun)
Application Receiver

PV/ month of ITANDI BB
(page view per month)

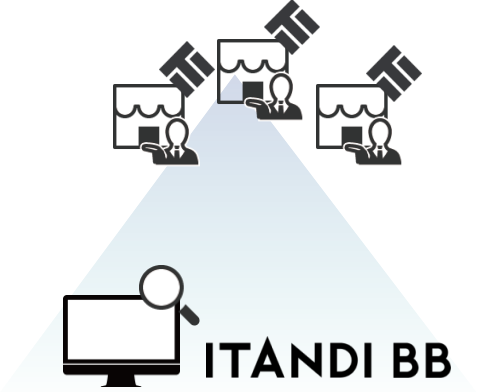
Number of properties listed on OHEYAGO



Expansion of ITANDI BB through network effects



Increase in the number of customers transferred for additional services in proportion to the number of online tenant applications



By increasing the number of our clients, we are looking for a proportionally increase of the # of pv/ month of our service as well



Increase in proportion to SaaS adoption targets at management companies

Trend in KPI of SaaS targets at Management Companies

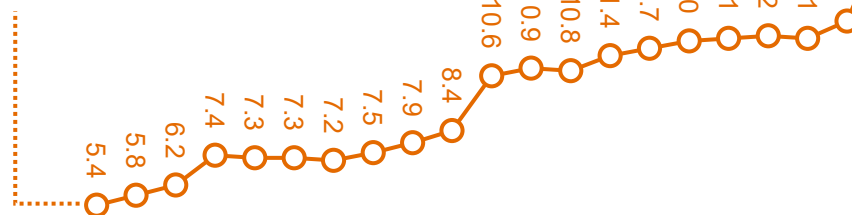
The number of subscribing companies exceeded 1,100 with almost double, +94% YoY growth. Given the general rule that online tenant applications are provided free of charge on condition that the additional services are used, MRR has risen +31% YoY, further contributed in additional income generation.

ITANDI BB +



- Property confirmation call automatic response
- 24/7 tour reservations
- Online tenant application
- Digital contracts
- Online management of renewals/ move outs
- Automatic data linkage

Trends in MRR (Million)

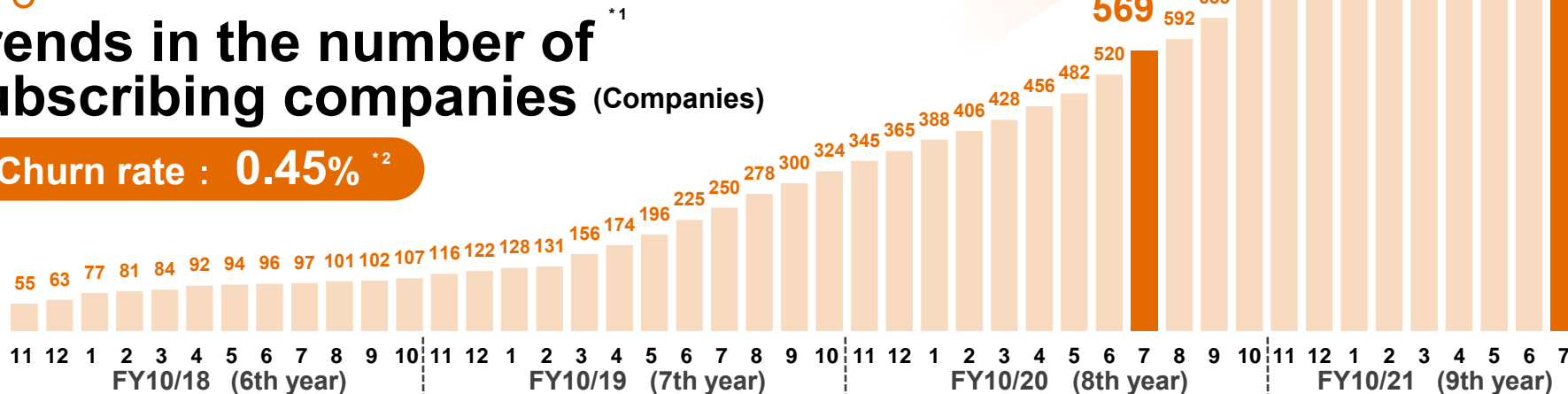


YoY +94%

17.4 YoY +31%

Trends in the number of subscribing companies (Companies)

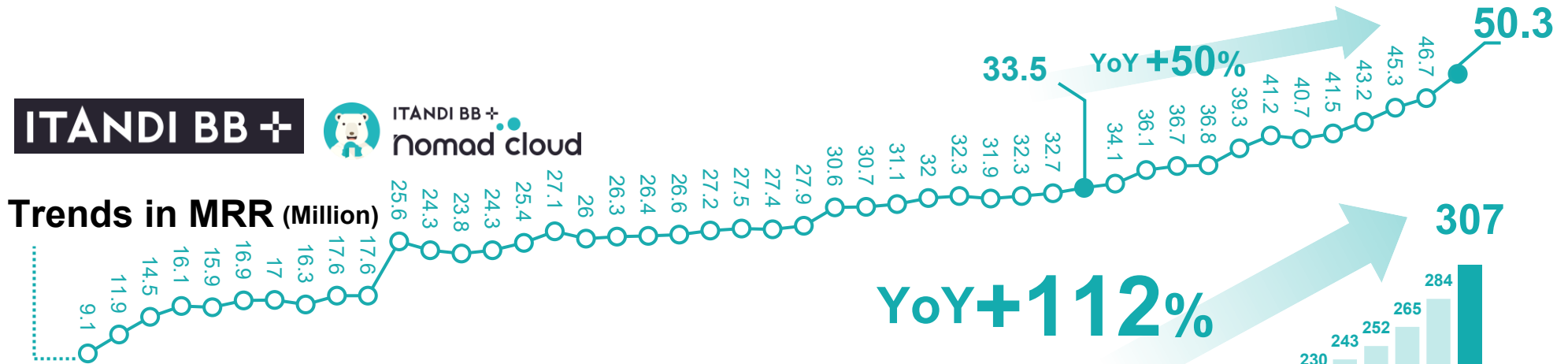
Churn rate : 0.45% *2



*1) Number of management companies that have contracted for the system *2) Average monthly churn rate for the year from August 2020 to July 2021

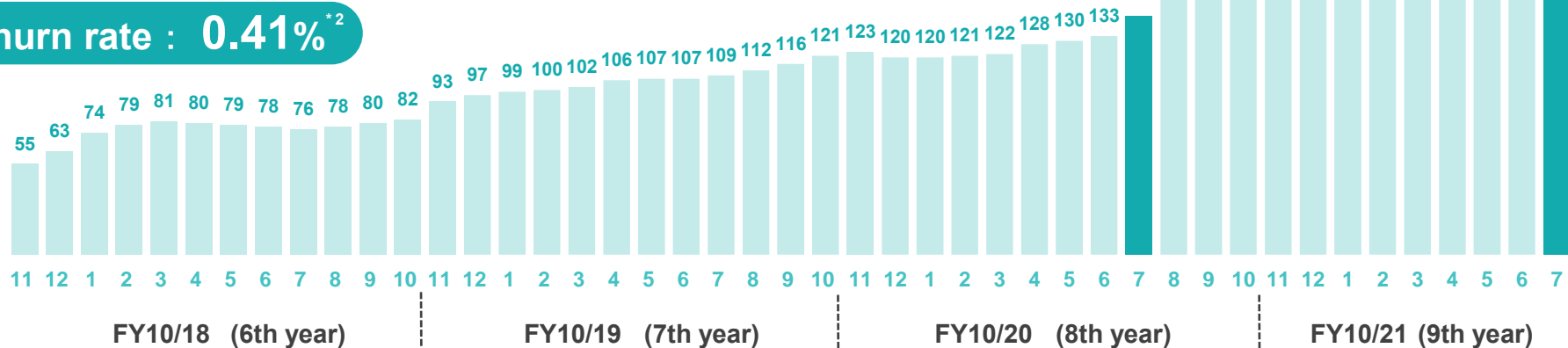
Trend in KPI of SaaS targets at Real Estate Agencies

Significant +112% YoY growth (more than double) due to the number of subscribing companies pushing through 300 and strengthened sales personnel base. MRR exceeds 50 million yen, expanding to +50% YoY.



Trends in the number of subscribing companies (Companies)

Churn rate : **0.41%**^{*2}



*1) Number of real estate agencies that have contracted for the system

*2) Average monthly churn rate for the year from August 2020 to July 2021

Trend in KPI of additional service^{*1} businesses

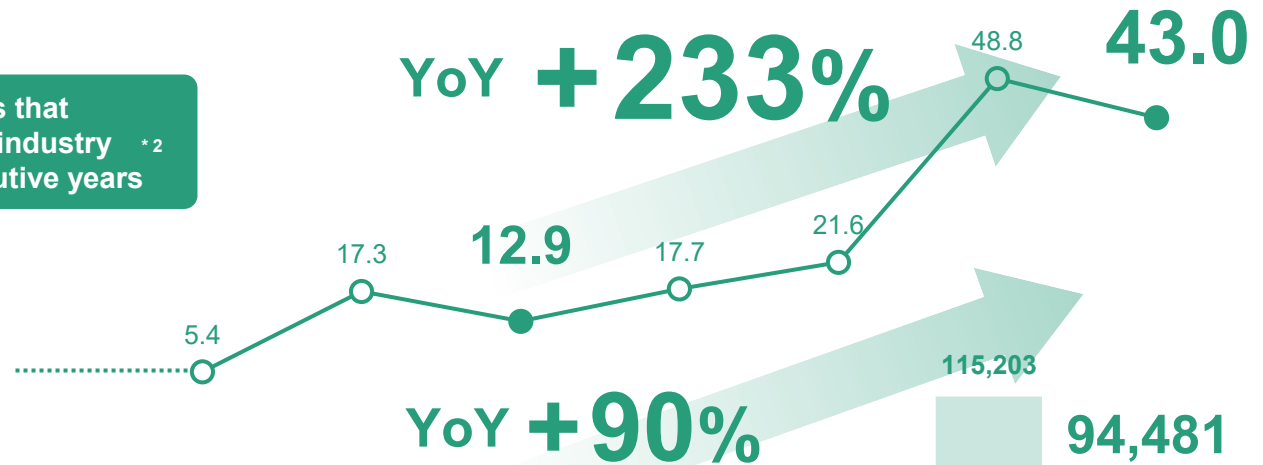
Additional services (referring customers to partner companies, such as electric, gas, and moving companies, when making online tenant applications) generated net sales grew 233% YoY, more than tripled. The number of online tenant applications also grew 90% YoY owing to increasing contactless demand during pandemic.



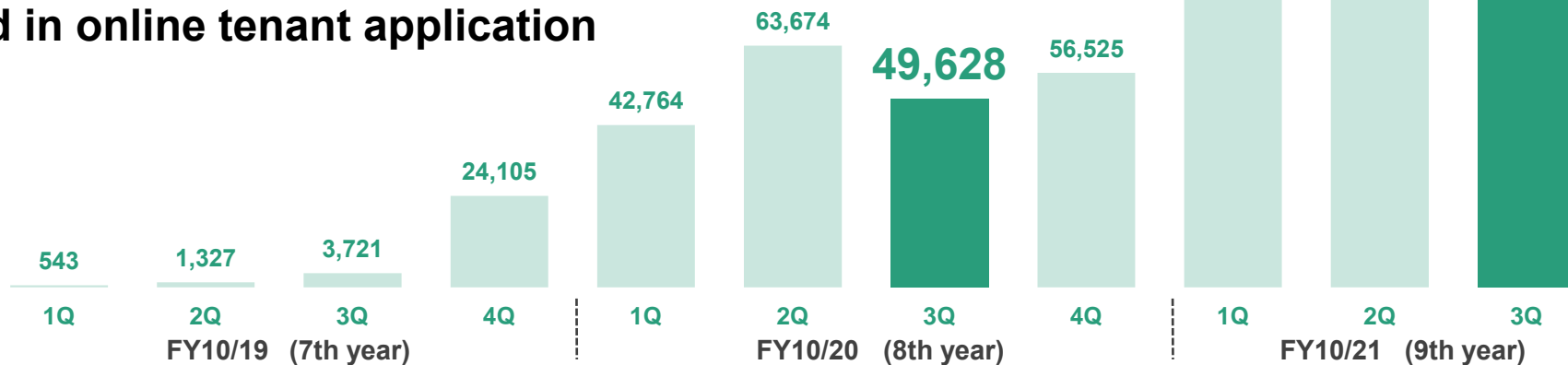
The number of companies that introduced the system in industry^{*2} was No. 1 for two consecutive years

Online tenant application

Trend in net sales of additional service businesses (Million yen)



Trend in online tenant application



^{*1}) referring customers to partner companies, such as electric, gas, and moving companies, when making online tenant applications ^{*2}) Survey by Tokyo Shoko Research.

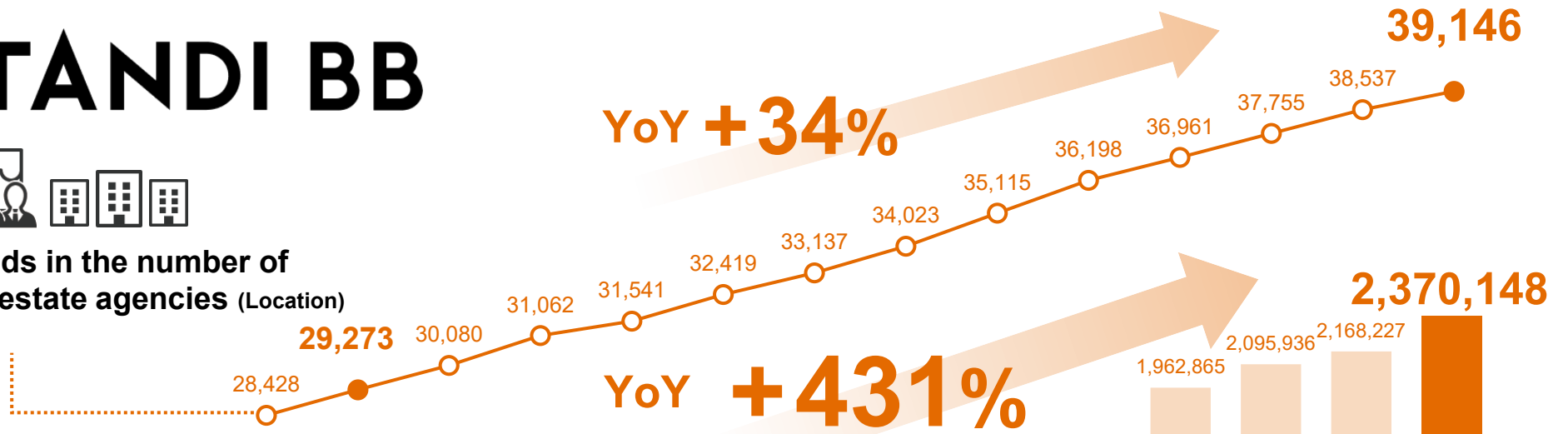
Trend in ITANDI BB KPI

The number of real estate agencies using ITANDI BB (real-time real estate agent site) is about to reach to 40,000. Monthly page views increased significantly (+431% YoY) along with the increase of real estate agencies' user base.

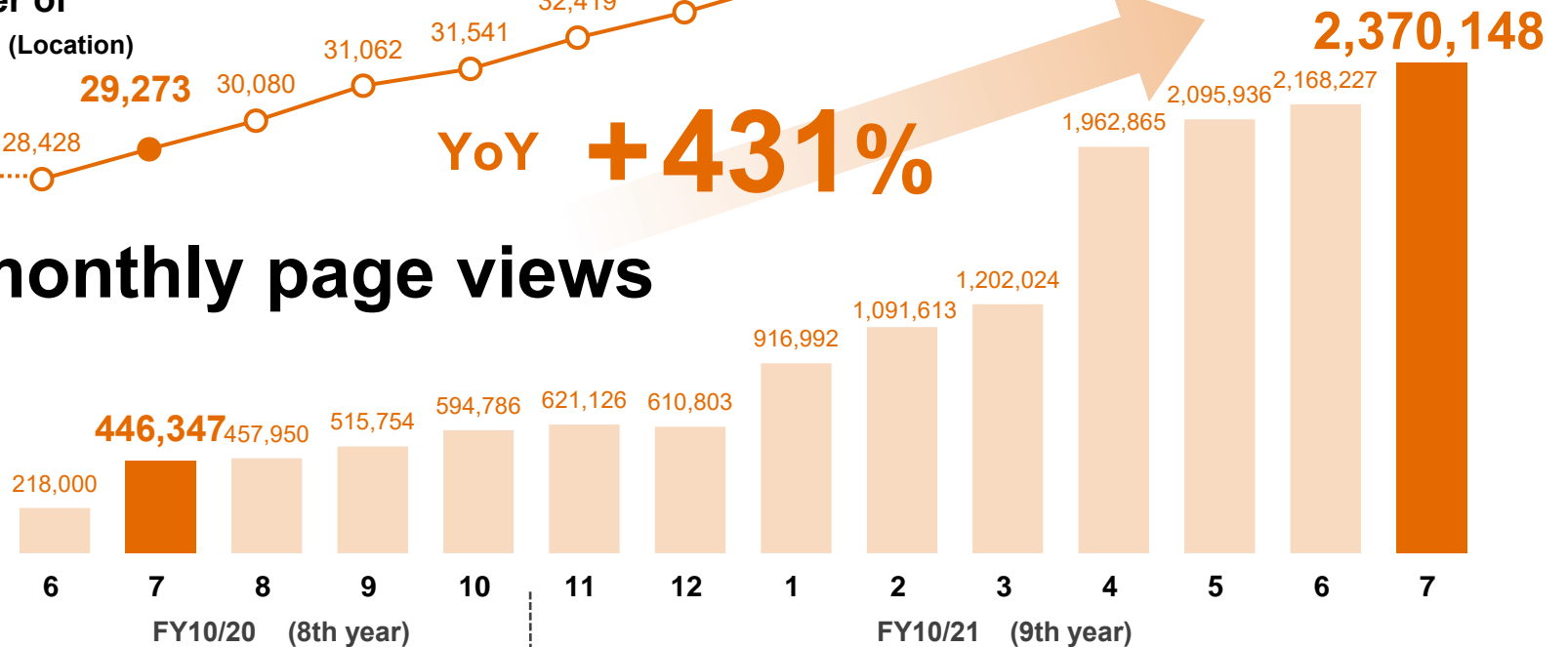
ITANDI BB



Trends in the number of real estate agencies (Location)



Trend in monthly page views



Trend in OHEYAGO KPI

Boosted by the enlarging ITANDI BB's database, OHEYAGO (self-viewing rental site) made a significant progress with the number of properties listed on the website exceeded 50,000, recording an astonishing growth of 813% YoY.

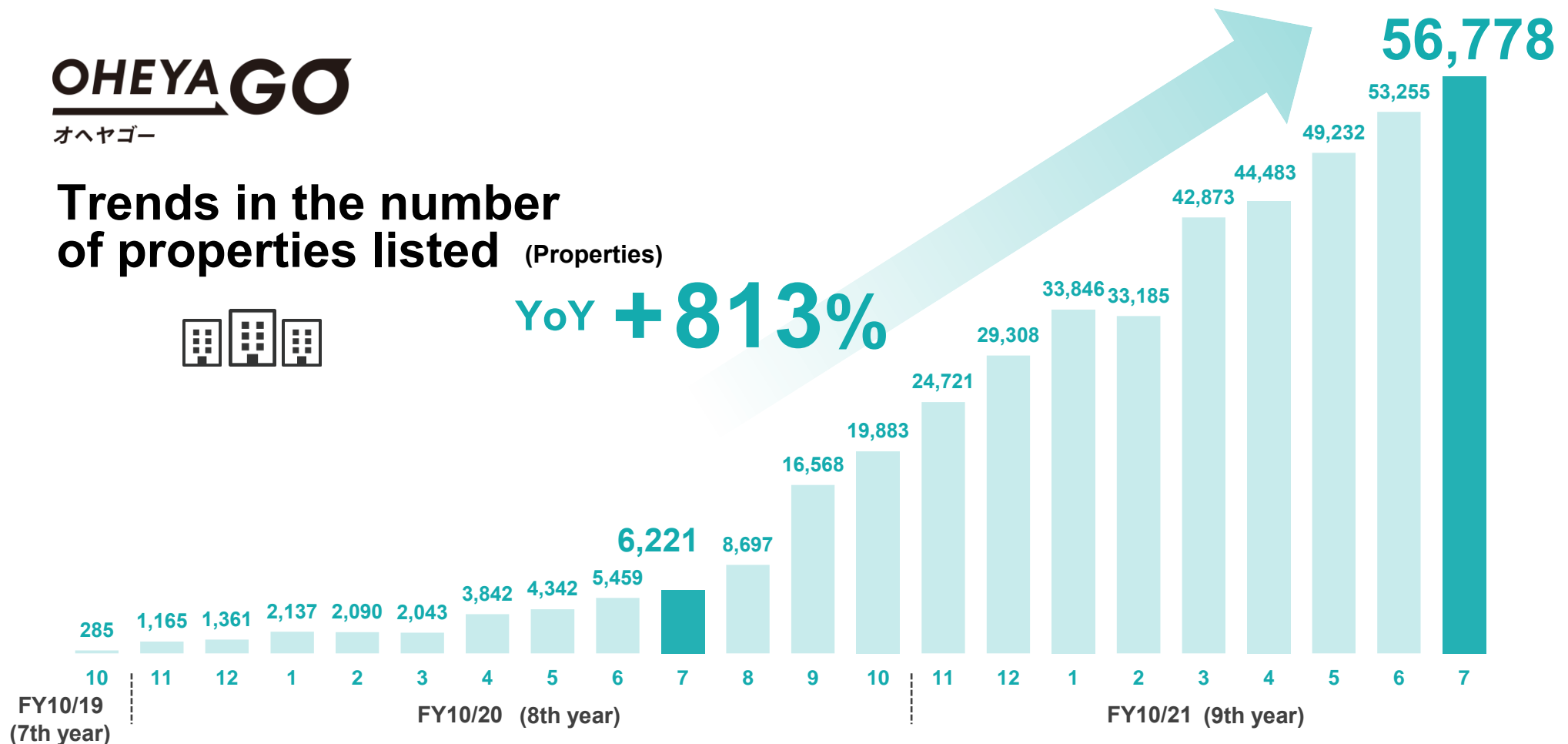
OHEYAGO

オヘヤゴー

Trends in the number of properties listed (Properties)



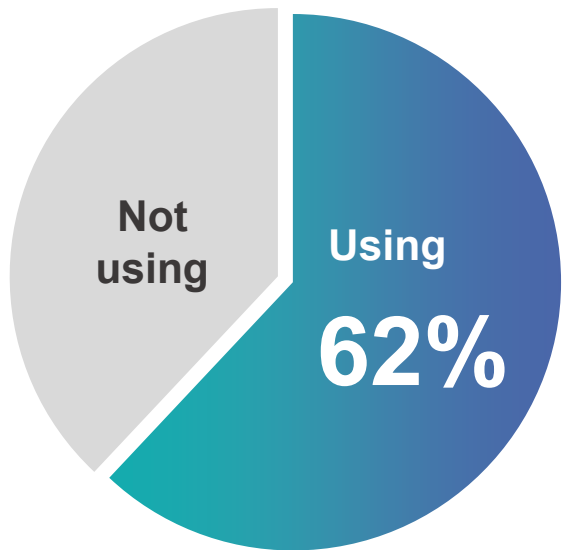
YoY + 813%



Contracting Company (Excerpt)

A high implementation rate* of ITANDI SaaS in major companies in the real estate industry with 31 of the top 50 management companies, or more than 60%, contracting to use the service.

Percentage of companies using ITANDI SaaS



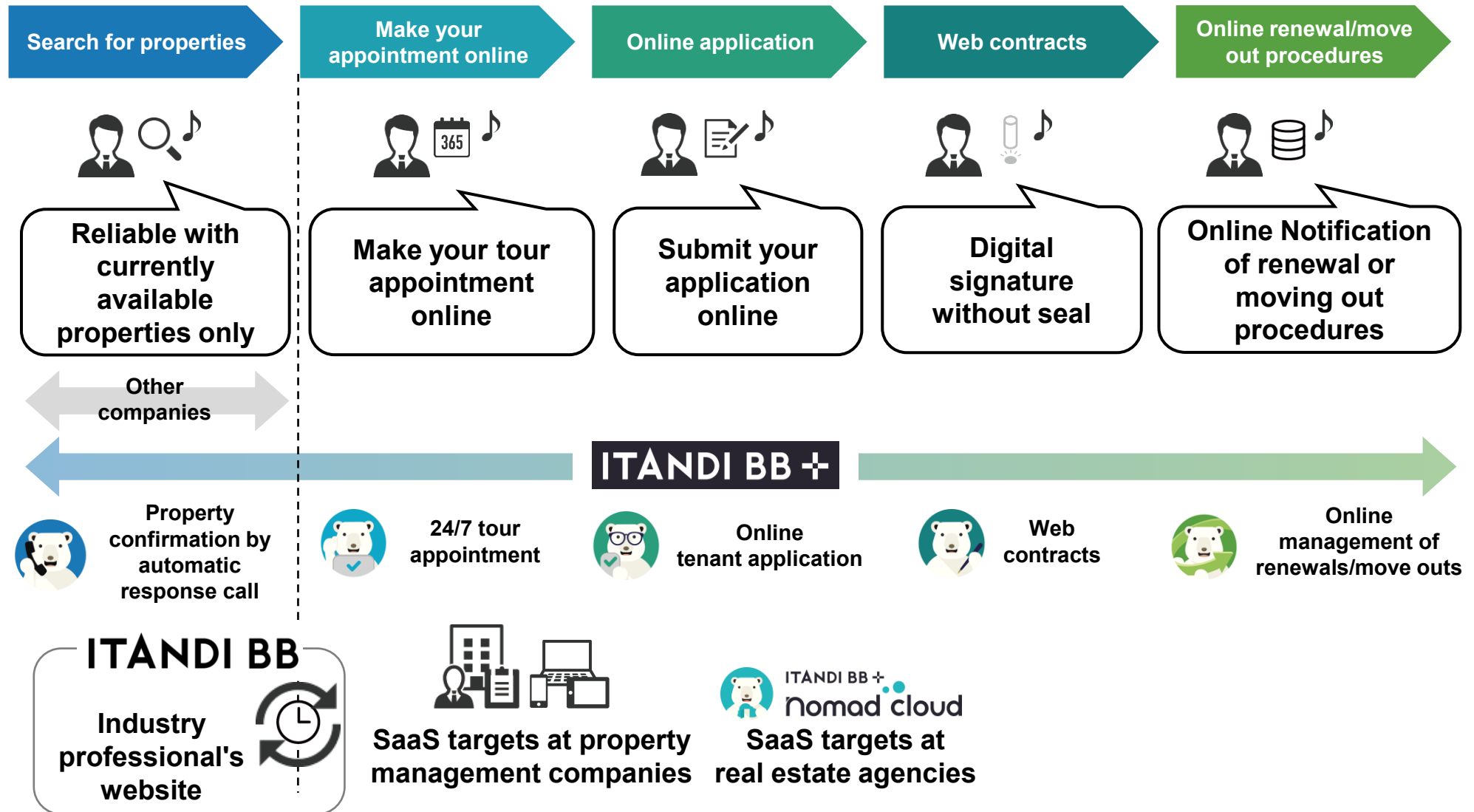
Implementation rate of the top 50 companies in the property management rankings *1

ITANDI BB + SaaS targets at management company

ITANDI BB + Nomad cloud SaaS targets at real estate agency

*1) Calculated by the number of companies that began using the real estate rental business support system provided by ITANDI with reference to the number of managed properties 2020 ranking in the National Rental Housing Newspaper.

One-stop & Online Real Estate Leasing Business



Trends in government's attitude towards real estate transactions becoming online

Under the current Act, a written explanation of important matters (Article 35 documentation) and a written agreement (Article 37 documentation) are required to be issued for rentals and sales transactions of real estate. With regard to the scope of rentals, Acts related to digital reform are expected to come into effect by May 2022.



Explanation of important matters (Article 35 documentation)

A social experiment of electronic delivery has been underway. However, a written document (paper) is also required.



Bills of Acts related to digital reform are passed.

Scope of lease

○ Oct. 2019

○ Sept. 2020

○ May 2021

○ In the future



A social experiment of electronic delivery has been underway. However, a written document (paper) is also required.

Lease agreement (Article 37 documentation)

Acts related to digital reform are expected to come into effect by May 2022.

Summary of DX's Business's Growth

Expansion of each service based on data stored in our real-time property database, also approaching into the brokerage business has started.

ITANDI BB +



SaaS for management companies

Putting more efforts in investment to gain No. 1 share in online lease agreement application and contracting sectors.

ITANDI BB +



SaaS for management companies

Strengthening the operation of the sales and marketing to boost up the revenue

ITANDI BB

Leverage the real-time transactional features to expand the industry professionals' website



OHEYA GO
オヘヤゴー

Increase the number of properties listed on the website while improving the overall quality of the service

2秒でブッカク! ブッケンSCAN!

New businesses

(Overall services related to real estate industry)

Approaching into the brokerage transaction area while expanding our business into other, additional service fields

Market Size of the DX Business

Leveraging the brand of e-subscription system, which has the largest market share for two consecutive years, GA shall gain a significant share in the digital contracting system market all at once after enactment of the Acts related to digital reform.



The number of companies in the industry that introduced our system was No. 1 for two years in a row.^{*1}

The online tenant application system has already acquired ^{*5} a share of approximately 15% out of the 2.3 million lease agreements.

The DX business expands its service areas to the following, including rentals, management, brokerage and promotes digitalization through the SaaS business.

^{*1} Survey by Tokyo Shoko Research
^{*2} The forecast is based on data released by Yano Research Institute Ltd.: "Press release: Conducted a survey on the real estate brokerage market for individuals"(Aug. 2019) and Stock Research Center: "Holistic Corporate Report SUNNEXTA GROUP INC.:8945" (Jun. 2011)
^{*3} The forecast is based on data released by Ministry of Land, Infrastructure, Transport and Tourism.: "Press release : Real estate price index released : " real estate transactions and area"(May 2021)
^{*4} Based on data released by Ministry of Land, Infrastructure, Transport and Tourism.: "Press release : About the enforcement status survey result of the residential land and building transaction business law in the first year of Reiwa"(Oct. 2020)
^{*5} Calculated from the number of online tenant application per year using ITANDI's system

Huge Market for the DX Business

This market is huge, covering every service that is related to the real estate industry besides SaaS, rental & leasing business.

OHEYA GO
オヘヤゴー

190.0 billion yen ^{*1)}

ITANDI BB +
SaaS for management companies

ITANDI BB

ITANDI BB + ITANDI BB + nomad cloud
SaaS for management companies

2秒でブッカク! ブッケンSCAN!
SaaS targeting brokerage area

1.8 trillion yen

626.7 billion yen ^{*2)}

New businesses
(Overall services related to real estate industry)

963.3 billion yen ^{*3)}

^{*1)} The forecast is based on data released by Yano Research Institute Ltd. : "Press release: Conducted a survey on the real estate brokerage market for individuals"(Aug. 2019) and National Rent Management Business Association : "Rent trends"(Sep. 2019)

^{*2)} Based on data released by Yano Research Institute Ltd. : "Survey on the real estate tech market"(Nov. 2018)

^{*3)} Total market size of rent guarantee, moving, restoration work, living support

Based on 2.33 million of annual rental contracts calculated by Yano Research Institute Ltd. : "Press release: Conducted a survey on the real estate brokerage market for individuals"(Aug. 2019) and Stock Research Center: "Holistic Corporate Report SUNNEXTA GROUP INC. :8945" (Jun. 2011)

"Rent Guarantee" based on Ministry of Economy, Trade and Industry "Currents of rent debt guarantee" and national Rent Management Business Association "Rent trends

"Moving" The forecast is based on data released by "Apple Moving Center"

"Restoration work" The forecast is based on data released by Shared Research : "Japan Rescue System Report"

Our growth strategy



GA TECHNOLOGIES

Growth Curve of individual Business in the Future ^{*1}

The RENOSY marketplace business is to lead the growth, whilst the subscription-based business with high gross profit margins expand in the medium to long term.

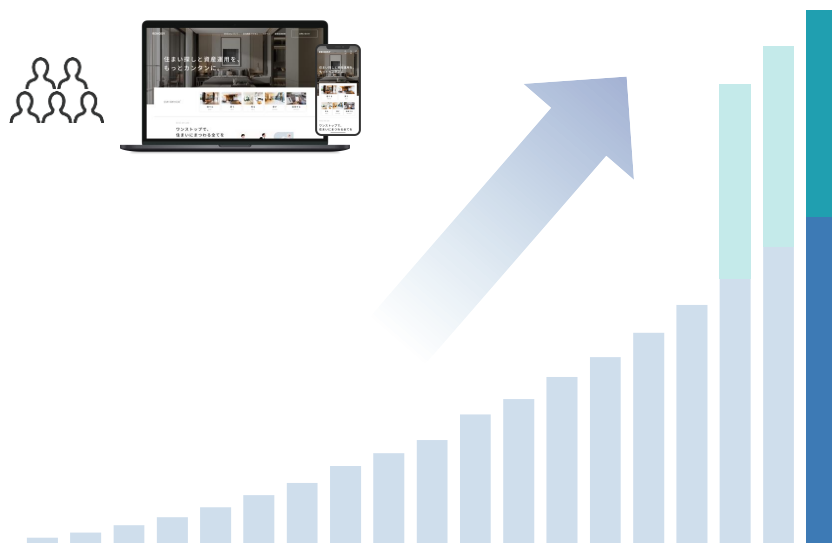


*1) This is a conceptual diagram of the business structure and does not indicate future earnings forecasts.

Developing the Quality and Quantity of RENOSY Members

The number of RENOSY members has been increased to approximately 220,000. We strengthened the branding strategy by targeting the affluent class with an annual income of 10 million yen or more, aiming to further expand the quality and quantity of RENOSY members.

Trend of the number of RENOSY members



RENOSY Members in 2021
Approx. 220,000

Population with an annual income of 10 million yen or more

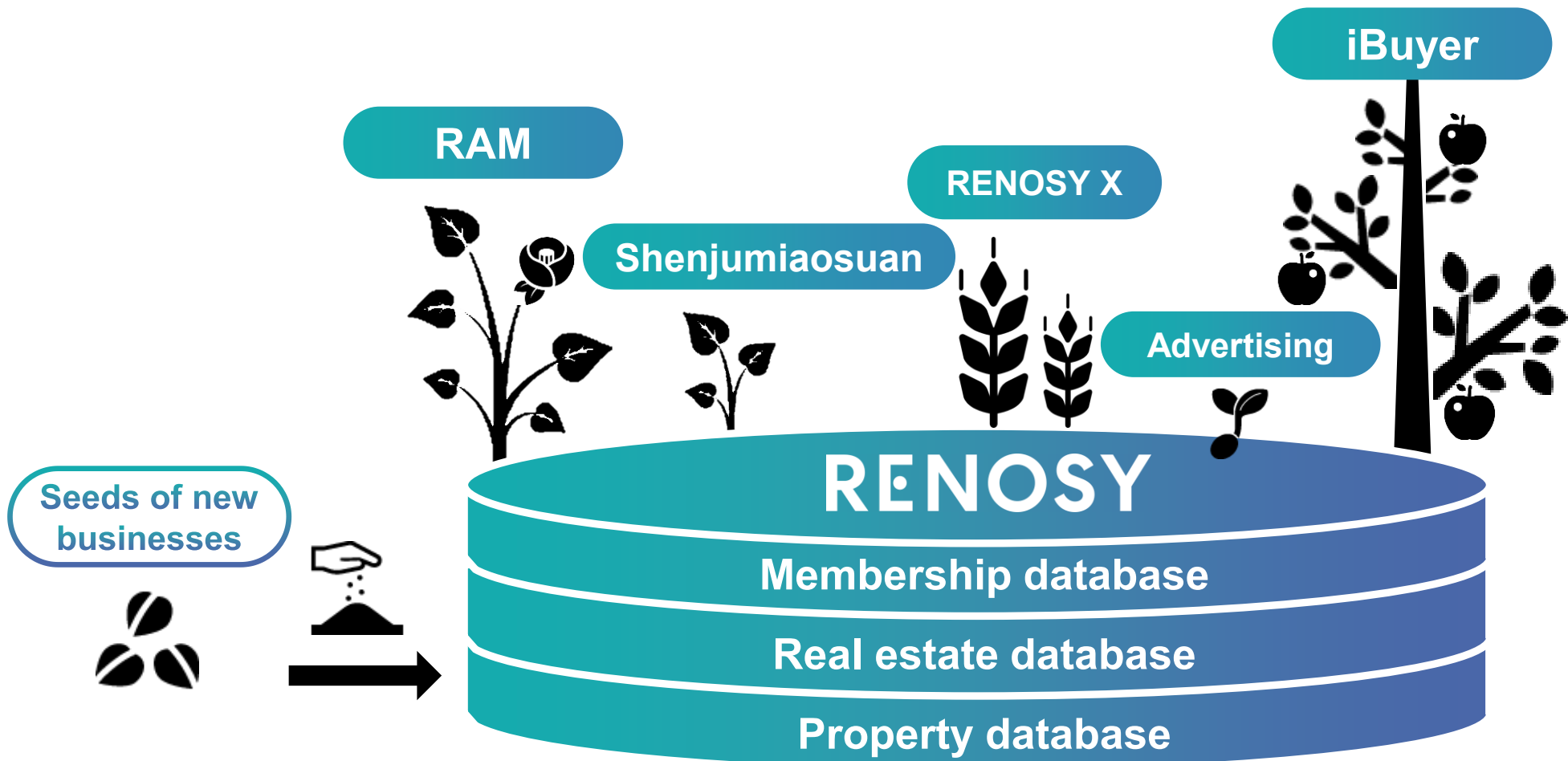


Aim to acquire 1 million members among the targeted high net worth in several years

*1) Sample Survey of Declared Income Taxes, National Tax Agency *2) As of May 31, 2021

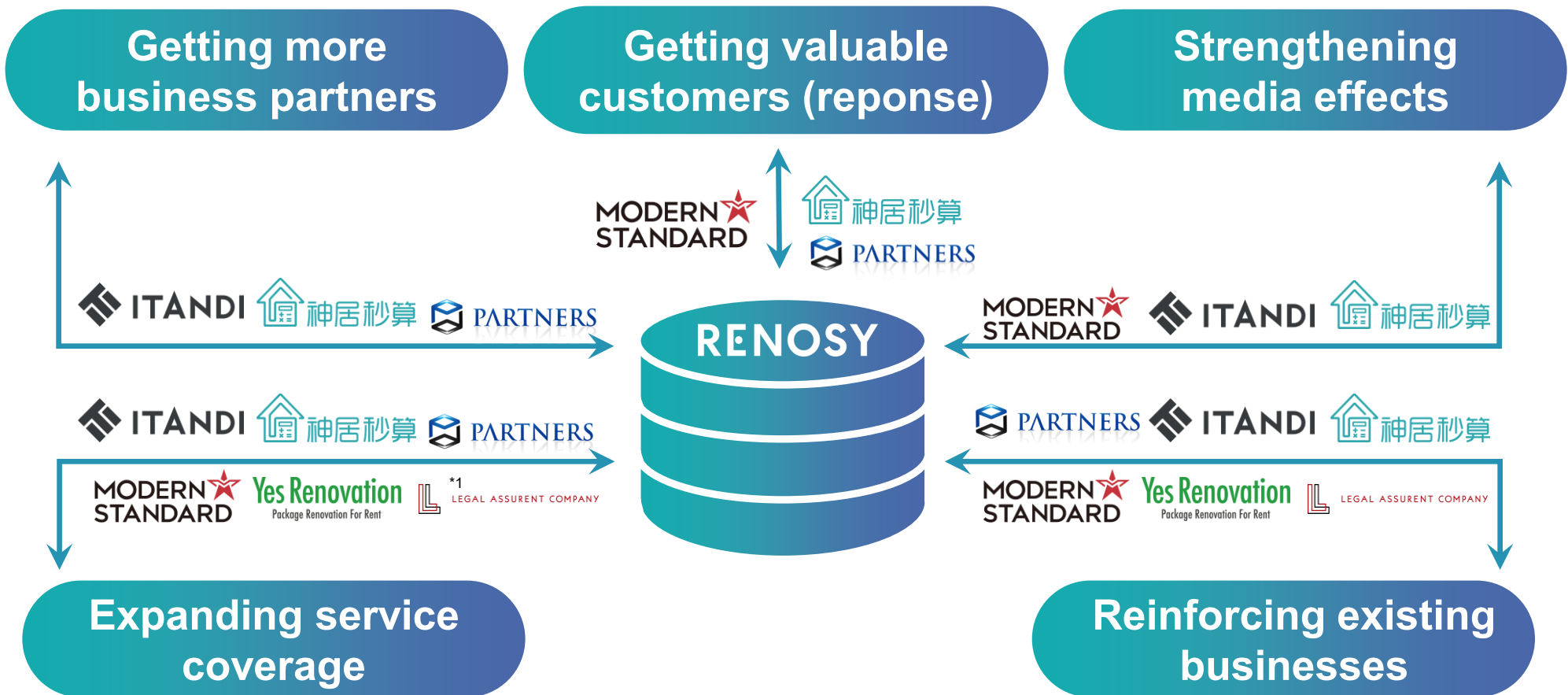
Growth of New Businesses

With accumulation of various data on RENOSY Marketplace, it will become a more fertile soil (marketplace) where seeds (new businesses) are planted to grow, developing second and third businesses on a par with iBuyer.



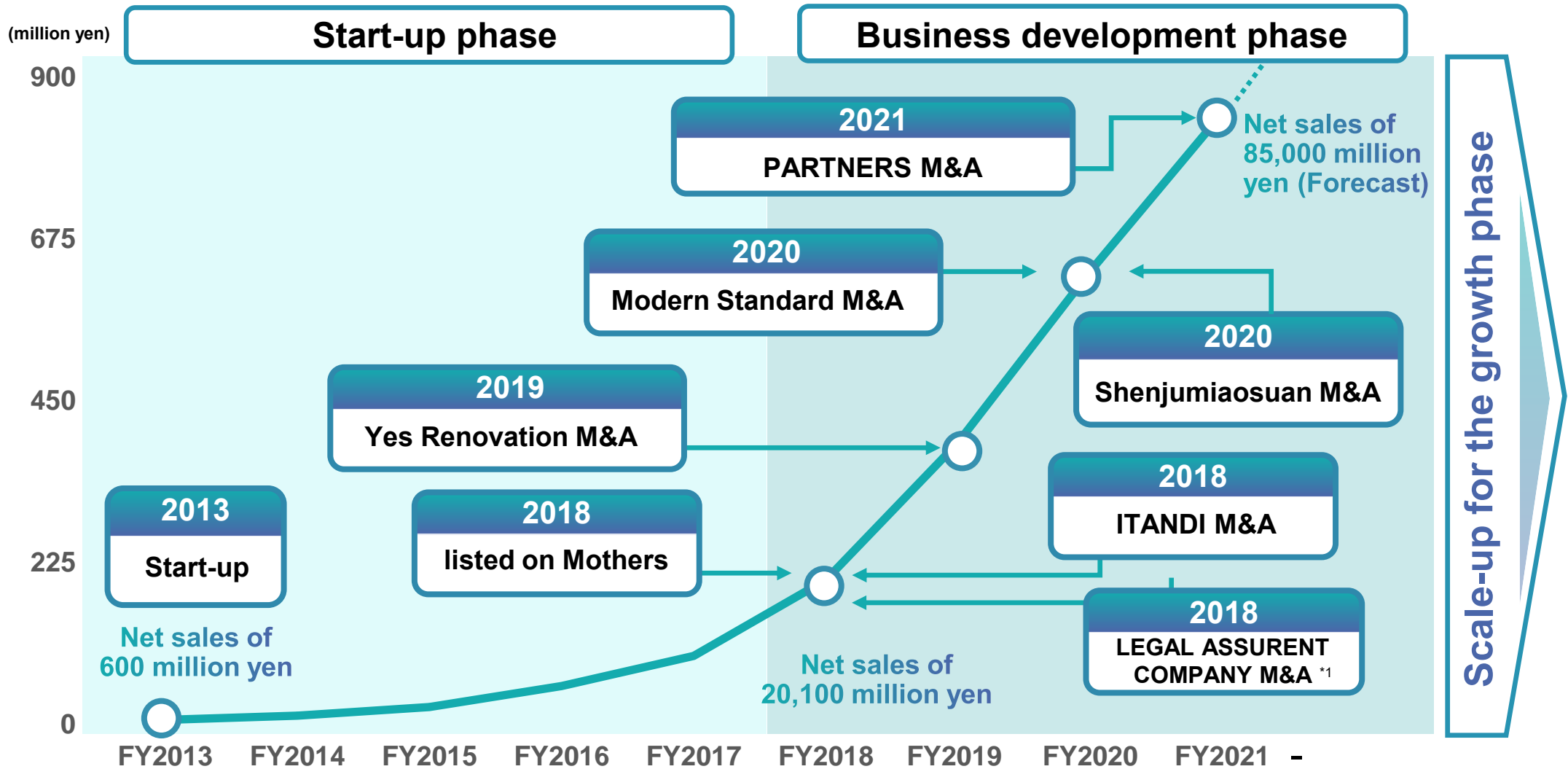
M&A Strategy

Through our M&A strategy by gathering more business partners on board with us, we are able to amplify the strengths of each service and ultimately create a positive effect for our business as a whole. As we gather more data for our database, we could then elevate the value of our RENOSY marketplace business.



*1) Changed company name to RENOSY ASSET MANAGEMENT inc. in May 2020

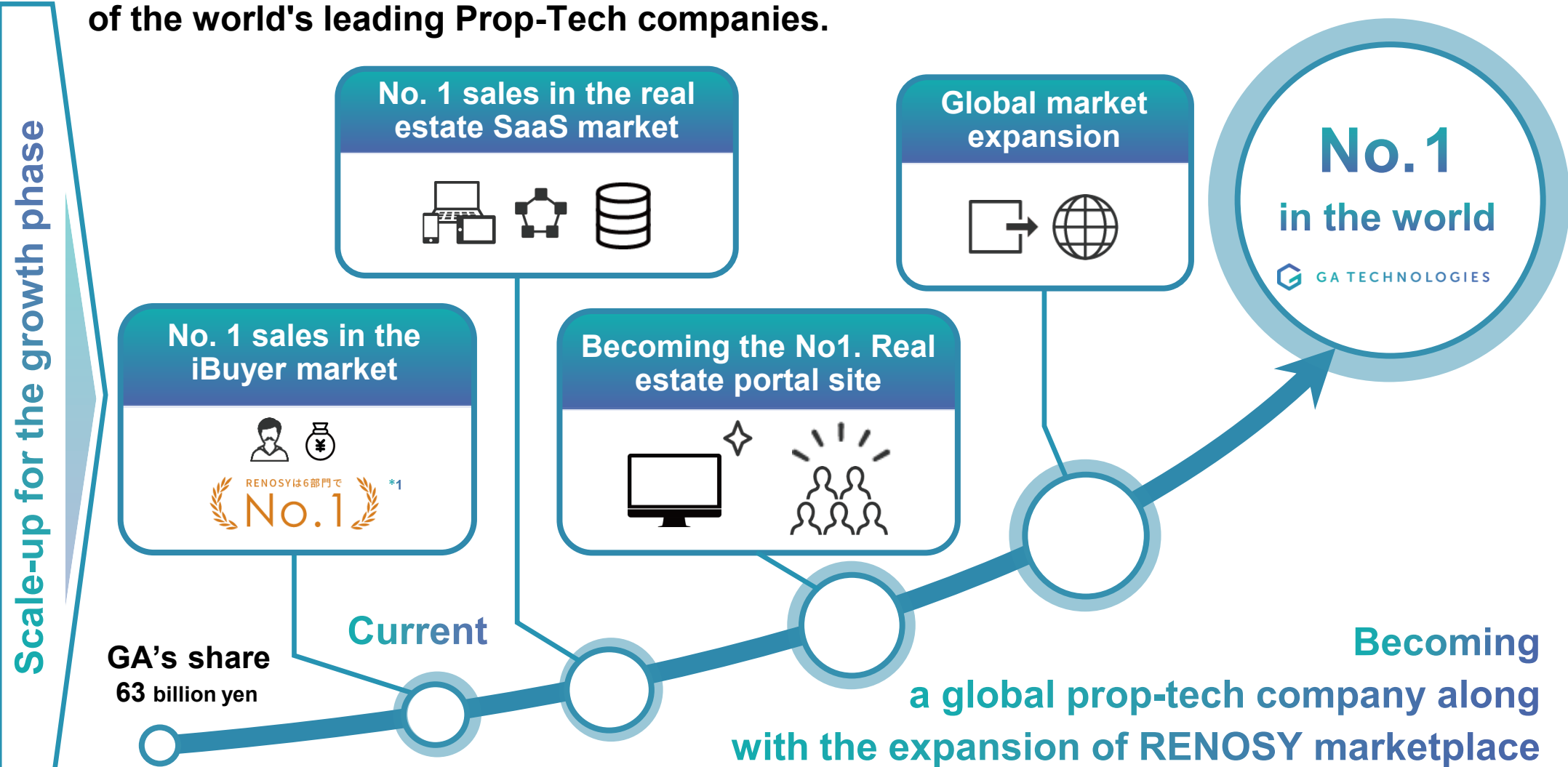
Growth path of the GA group



*1) Changed company name to RENOSY ASSET MANAGEMENT inc. in May 2020

Becoming One of the World's Leading Prop-Tech Companies

Using RENOSY Marketplace to accelerate the growth, our goal is to become one of the world's leading Prop-Tech companies.



*1) Sales statistics for secondhand apartment investment market by Tokyo Shoko Research, Ltd. (February 2021)

Appendix

3Q FY10/21 Revision of FY Earnings Forecasts

With the enactment of the Digital Reform Law in May 2021, we have taken a strategy to bring real estate transactions online, further promote DX, and gain market share at an earlier stage. Increased transaction volume to increase the RENOSY Marketplace business's market share in a short period of time resulted in the increase of the amount of products procured at a higher procurement cost which 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.

(million yen)

	Net Sales	EBITDA	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	EPS (yen)
Previous forecasts (Announced in 15th December 2020) (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 fiscal year (FY2020.10)	63,070	2,861	1,888	1,654	903	31.25

Business Principle of the GA technologies Group

Solve issues in the real estate industry through DX to provide a smooth transaction experience for customers.



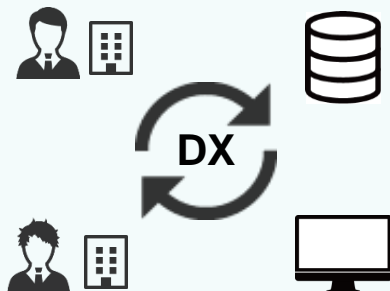
Integration of “real transactions” and “technology”

We provide stable, high-quality services as well as a smooth customer experience in a one stop service manner ranging from media operation to real estate transactions.



One-stop and fair resolution of customer concerns

We provide customer-oriented services covering all areas of renting, leasing, selling, buying, investing and renovating.



Promoting DX for the entire real estate industry

We provide products to other real estate companies (BtoB) and indirectly support their customer services through DX, pursuing a smooth transaction experience for customers across the real estate market.

GA technologies Group Services

DX service line-up, to provide a smooth real estate transaction experience.

Comprehensive real estate service platform

RENOSY



Make your property hunting & investing more simple and easy

Real-time Database (for real estate people)

ITANDI BB



We offer up-to-date property information to people who work in the industry on our database

Real estate portal site (for Mainland China)



The No.1 real estate portal site in China, offering property information of Japan

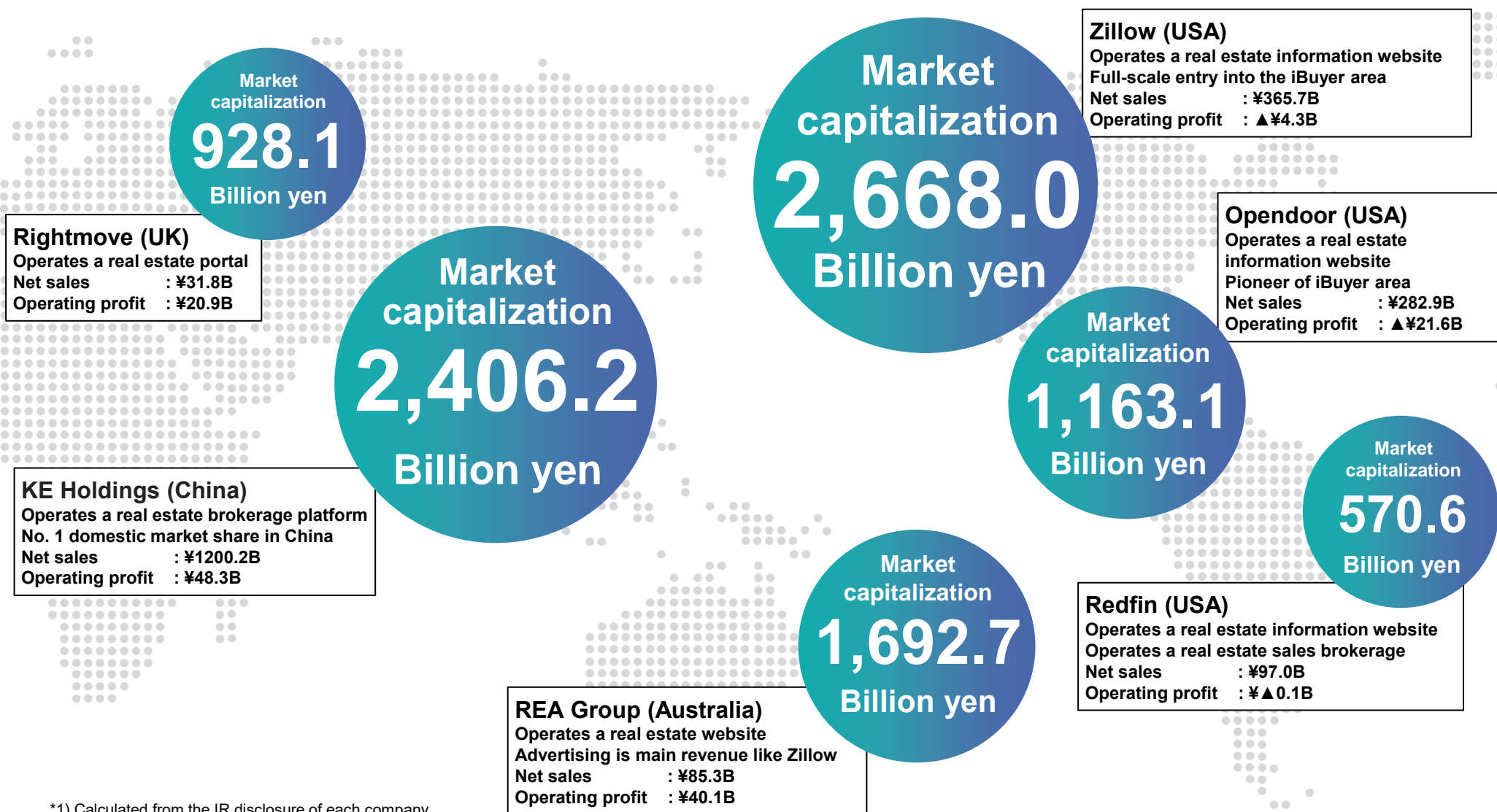
House-hunting site (self-tour)

OHEYA GO



Find the property that best suits your needs, all on your smartphone

Market Scale of Prop Tech



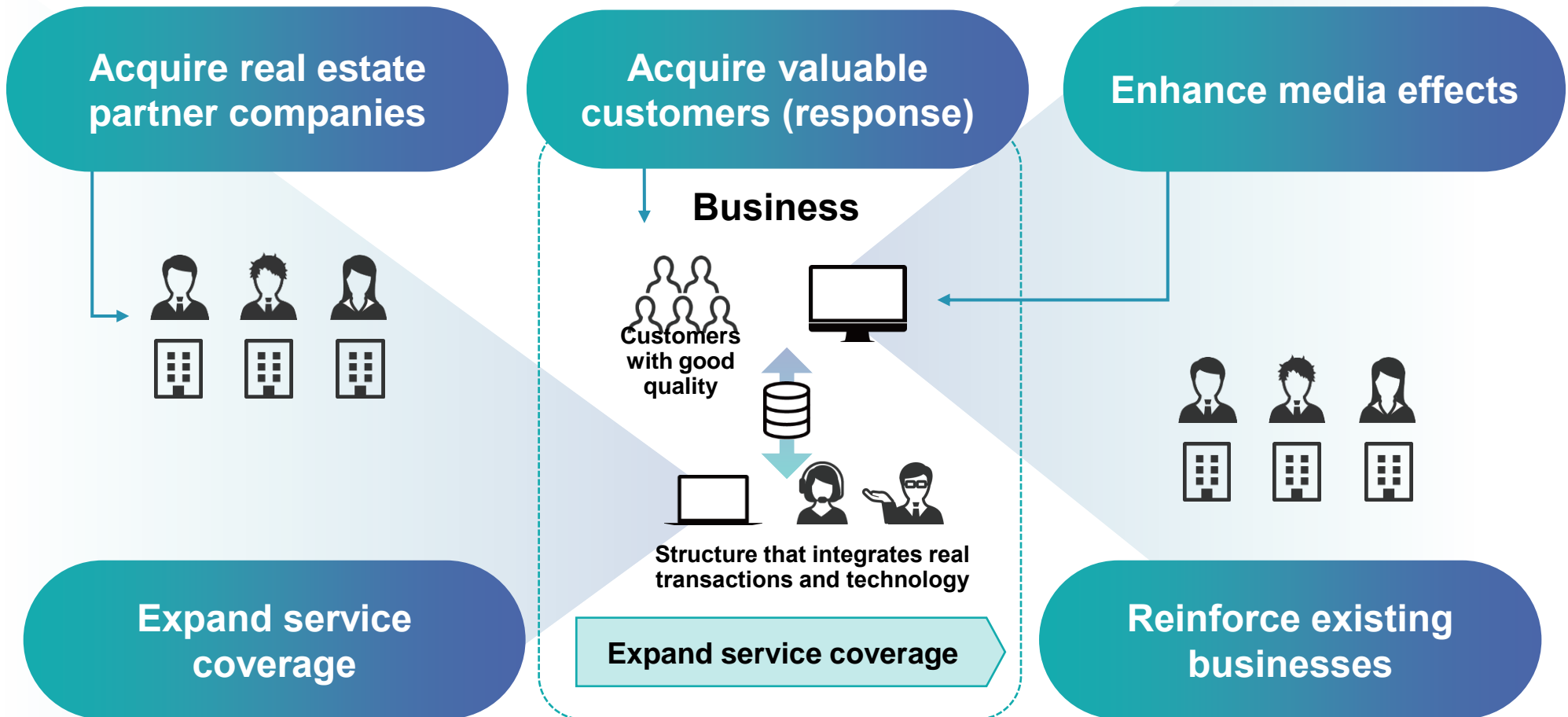
*1) Calculated from the IR disclosure of each company

*2) Share price as of August 31, 2021

*3) FX rate of USD=JPY 109.5245, GBP=JPY154.952, AUS=JPY84.934 (As of August 31, 2021)







M&A Strategy

Reinforcing existing business based on the points below, for the digital transformation for all BtoC and BtoB businesses



Progress & results through M&A

We amplify the strengths of each subsidiary company by business synergy (M&A)

	 Nov.2018	 ^{*1} Nov.2018	 Sept.2019	 Jan.2020	 Sept.2020	 Jun.2021
Acquire real estate company partners	○				○	○
Acquire valuable customers (response)				○	○	○
Enhance media effects	○			○	○	
Expand service coverage	○	○	○	○	○	○
Reinforce existing businesses	○	○	○	○	○	○

*1) Changed company name to RENOSY ASSET MANAGEMENT inc. in May 2020

Our board members with 4 outside directors

8 Directors

Directors



Ryo Higuchi



Masashi Shimizu



Dai Higuchi



Yoshihisa Fujihara

4 Outside Directors



Ken Kutaragi



Kazuto Nakajima



Tomohisa Matsuba

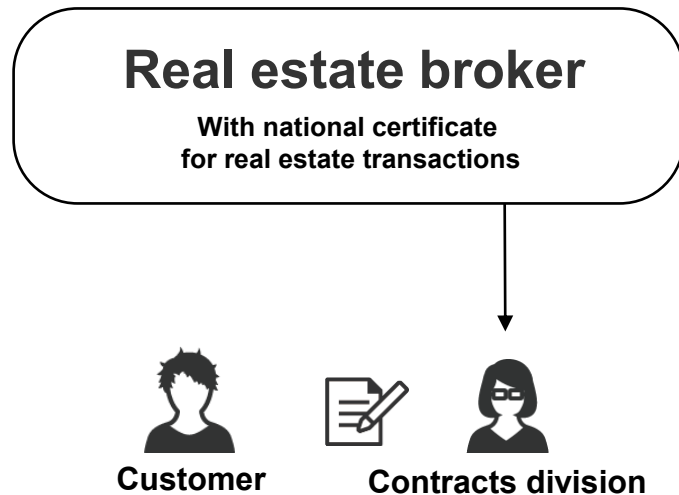


Yuko Saruwatari

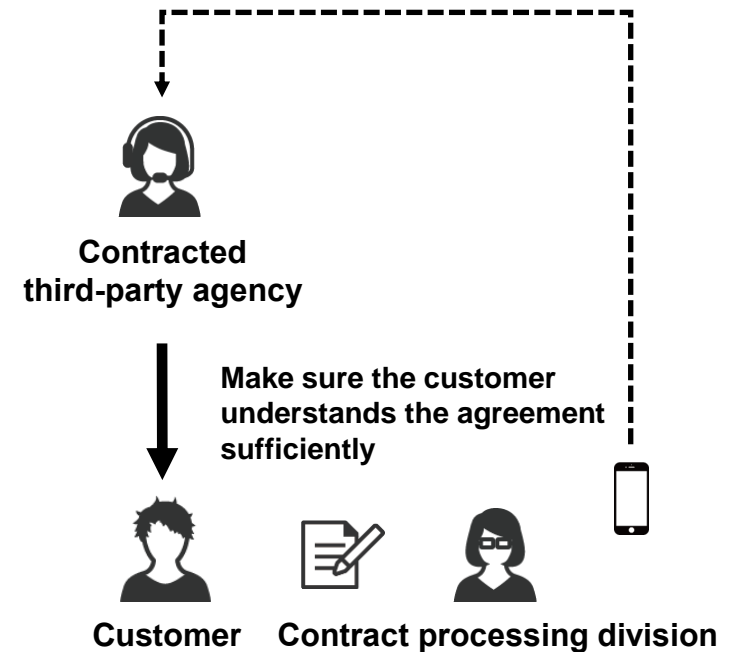
3 Audit and Supervisory Committee Member

Governance Reinforcement and Compliance Measures

Your property agreement will be processed by specialist with national recognized real estate brokerage license



Explanation and confirmation of understanding will be carried out by a third-party agency at time of contract signing



Executive Officers Promoting the Company's Development Structure



COO
Shinpei Noguchi

A graduate of Waseda University, he won a business contest organized by the university and gained work experience while still attending university. After graduating, he established his second company, a web media company, and later sold it to a listed company.

- 2014 Joined ITANDI as executive officer
- 2018 Appointed as representative director of ITANDI
Appointed as executive officer of the Company
- 2019 Appointed as Chief Product Officer (CPO)
- 2021 Appointed as Chief Operating Officer (COO)



CTO
Akira Endo

After graduating from Gakushuin University, he joined a leading securities system development company. He served as the chief technology officer of a venture company specializing in reunion services. Later, he joined GungHo Online Entertainment and worked in system development.

- 2018 Joined the Company
Responsible for new graduate engineer training team
- 2020 Appointed as executive officer (CDO)
- 2021 Appointed as Chief Technology Officer (CTO)



CAIO
Hirohisa Inamoto

Joined Ricoh after completing graduate school at Osaka University. Engaged in R&D on image processing and recognition technology. In charge of launch of "theta360.biz" virtual reality service for real estate.

- 2017 Joined the Company
Developed real estate service automation system utilizing AI/RPA.
- 2019 Appointed as Chief AI Officer (CAIO)
Appointed as Head of AI Strategy Center



CMO
Hiroshi Tabuki

Joined Imagineer after graduating from Meiji University. Worked in planning and marketing. Engaged in business development and management at Kakaku.com. Served as marketing executive at an IT startup company.

- 2018 Joined the Company
Responsible for Product Planning and Marketing Division
- 2020 Appointed as Chief Marketing Officer (CMO)

Active engagement in SDGs/ESG

Consideration for global environmental resources through paperless operations



For systems to be used within the GA Group and systems to be provided to other companies as SaaS, GA will develop products that facilitate paperless operations promoting paperless movement throughout the industry.

<Our products (examples)>



MORTGAGE GATEWAY by RENOSY
INSIGHT by RENOSY **SUPPLIER** by RENOSY

Promoting the distribution of existing real estates to contribute to the development of sustainable communities



GA Group will promote the distribution of existing real estates through our business. The Group will also participate in the development of sustainable communities through the renovation businesses of existing real estates.

RENOSY



Support for sports activities and athletes

<Official sponsor of Kawasaki Frontale>



*Meiji Yasuda Life Insurance J1 League [2020 season champions]

<Employment of para-athletes>
 <Partner of Japan Blind Football Association>



*Our employees
 Teranishi Hajime (Blind Soccer)/Fujimoto Yoshinobu (Wheelchair Tennis)

<Support for student sports/career support for athletes>



Sponsorship of Aoyama Gakuin University, Soccer Club



Sponsorship of Football Assist

Company Overview

Established	March 12, 2013
Head Office	40F Sumitomo Fudosan Roppongi Grand Tower, 3-2-1 Roppongi, Minato-ku, Tokyo
Capital	7,208,599,831 yen (Jul. 31, 2021)
Number of employees*1	743 (Jul. 31, 2021)
Business Description	<ul style="list-style-type: none">-Operation of the comprehensive Prop-Tech service platform “RENOSY” (Real estate media, real estate brokerage, real estate sales, design and construction, property management)-Development of BtoB Prop-Tech SaaS products-Research of real estate big data using AI technology-Management of overseas Prop-tech businesses, such as the Chinese real estate investment platform “神居秒算 - Shenhumiaosuan”
Directors	<p>President, CEO and Representative Director: Ryo Higuchi Senior Managing Director and Executive Officer: Masafumi Shimizu Director and Executive Officer: Dai Higuchi and Yoshihisa Fujiwara Outside Director: Ken Kutaragi Director, Audit & Supervisory Committee Member: Kazuto Nakashima (full-time), Tomohisa Matsuba (outside), Yuko Sawatari (outside)</p>

*1. Excluding officers, contract employee, part-time workers, and interns at consolidated subsidiaries.

Disclaimer

This material contains forward-looking statements, which are based on current expectations, forecasts and assumptions that involve risks.

These forward-looking statements contain uncertainties, and actual results may differ substantially from these statements.

These risks and uncertainties include general industry and market conditions as well as Japanese and international economic conditions such as changes in interest rates and exchange rates.

GA Technologies has no obligation to update or correct the forward-looking statements contained in this material, regardless of any new information, future events, etc.

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