

December 15, 2021

Press Release

Company Name: GA technologies Co., Ltd.

Representative: RYO HIGUCHI, President and Chief Executive Officer
(Code Number: 3491 Tokyo Stock Exchange-Mothers)

Contact: Yuya Fukutomi, Executive Officer
(TEL: +81-3-6230-9180)

Announcement: Acquisition of Ricordi Inc. Shares and Creation of Wholly Owned Subsidiary Through Simple Share Exchange

The Board of Directors of GA technologies Co., Ltd. ("the Company") decided today to obtain a portion of the outstanding stock of Ricordi Inc. (headquarters: Chiyoda-ku, Tokyo; "Ricordi") ("the share acquisition"), which operates a real estate and asset-building consulting business, and to thereafter perform a simple share exchange that will make the Company the wholly owning parent company resulting from a share exchange and make Ricordi a wholly owned subsidiary resulting from a share exchange ("the share exchange"). (The share acquisition and the share exchange are collectively referred to as "the integration") Agreements on the transfer of shares and the share exchange have been concluded. Details are provided below.

1. Purpose of the Integration

In line with our business philosophy of creating a world-class company that impresses people with technology and innovation, the Company has operated RENOSY, a comprehensive real estate tech service providing a complete suite of housing-related services in the existing real estate sector. We have been particularly successful at winning over users in the real estate investment sector by providing online transactions and thorough after-sales service for buyers. We have been particularly successful at winning over users in the real estate investment sector by providing online real estate transactions and objective data-driven real estate proposals. In terms of units sold and net sales for condominium investment, we have obtained the highest nationwide share.*¹ Furthermore, by providing real estate enterprises with SaaS tools through group company Itandi, Inc., we have implemented DX throughout the real estate industry. Our products have been the most widely used for electronic applications to rent properties.*² Recently, we have acquired a rental property agency business for Japanese residents in Thailand and we are planning to expand our RENOSY Marketplace in Southeast Asia.

Meanwhile, Ricordi operates a real estate and asset-building consulting business whose mission is to connect the value of people and assets. Ricordi goes beyond merely selling real estate by helping customers build ownership in their life plans. The Company has won a high level of trust from customers, over 90% of whom Ricordi gains through referrals by building a multifaceted support network that includes strong alliances with financial

institutions and with experts such as lawyers and tax attorneys.

By including Ricordi in the group's management, the Company seeks to cater to the need for asset management, which is of growing importance in a 100-year life society. The Company will do so by offering a replete product lineup through the RENOSY Marketplace, as well as through improved customer service that provides high value-added services that fits well into customers' life plans. Additionally, Ricordi will further improve customer convenience and increase productivity with the electronic real estate transactions in which the Company excels.

Japanese individuals have a balance of 1,992 trillion yen in individual financial assets in Japan, of which 1,072 trillion yen is in cash and deposits.^{*3} Ricordi's inclusion in the Company group's leadership will further implement our business philosophy of creating a world-class company that impresses people with technology and innovation, improve the customer experience, and enable one-click real estate purchases, thus helping customers build assets so they can lead lives of abundance.

(*1) According to a February 2021 study by Tokyo Shoko Research, Ltd. See the Company's press release, "RENOSY, No. 1 Nationwide in Compact Condominium Investment for First Time!" (in Japanese, <https://www.ga-tech.co.jp/news/8531/>).

(*2) From a 2021 survey by TPC Marketing Research Corp. Reference: Itandi press release, "Itandi's Moshikomi Uketsuku-kun Gains Most Users for New Tenant Applications!" (in Japanese, https://www.itandi.co.jp/press_releases/34).

(*3) "Flow of Funds for the Second Quarter of 2021" (<https://www.boj.or.jp/en/statistics/sj/sjexp.pdf>)

2. Schedule for the Integration

| | |
|--|-------------------|
| Meeting by the Company's board of directors and general meeting of Ricordi shareholders with regard to the integration | December 15, 2021 |
| Date to conclude the agreement on transfer of stock | December 15, 2021 |
| Date to conclude the agreement on share exchange | December 15, 2021 |
| Date for transfer of stock (scheduled) | By March 1, 2022 |
| Date for the share exchange to come into effect (scheduled) | By March 1, 2022 |

(*1) The above schedule may be subject to change by agreement among the involved companies in the event that such a change is necessary to proceed with the integration.

(*2) The share exchange shall be conducted according to the simple share exchange procedures that do not require approval by a general meeting of shareholders, pursuant to the provisions of Article 796, paragraph 2 of the Companies Act.

(*3) The schedule for the integration is tentative at the present time. As the procedures for the integration move forward, notifications to the Japan Fair Trade Commission may cause changes to the aforementioned schedule.

3. Overview of the Share Acquisition

(a) Form of the share acquisition

The Company will, on December 15, 2021, conclude the agreement on transfer of stock to receive 75 shares of Ricordi stock from Toshitaka Fukuda, and in accordance with the agreement, the Company

shall receive Ricordi shares in exchange for cash by (tentatively) March 1, 2022.

(b) Overview of the counterparty in the share acquisition

| | |
|--|--|
| (1) Name | Toshitaka Fukuda |
| (2) Address | Setagaya-ku, Tokyo |
| (3) Person's relationship with GA technologies | GA and Mr. Toshitaka Fukuda have entered into an advisory contract (free of charge) for guidance on real estate transactions since September 6, 2021. There are no other capital, personal, or business ties between GA technologies and the person or the person's close relatives. |

(c) State of the acquisition: number of acquired shares, value of acquisition, and ownership of stock before and after acquisition

| | |
|--|---|
| (1) Number of shares owned prior to transfer | 0 (voting shares: 0) (portion of voting shares owned: 0%) |
| (2) Acquired shares | 75 (voting shares: 75) |
| (3) Number of shares owned after transfer | 75 (voting shares: 75) (portion of voting shares owned: 35.71%) |

*The value of the acquisition will not be disclosed due to a non-disclosure obligation with Mr. Toshitaka Fukuda.

4. Overview of the Share Exchange

(a) Schedule for the share exchange

See "2. Schedule for the Integration" above.

(b) Form of the share exchange

The share exchange will be executed with the Company as the wholly owning parent company resulting from a share exchange and Ricordi a wholly owned subsidiary resulting from a share exchange. As consideration for the share exchange for Ricordi shareholders, they will be allocated common shares of stock in the Company.

The share exchange was approved at a general meeting of Ricordi shareholders convened on December 15, 2021. With regard to the Company, the share exchange will be conducted according to the simple share exchange procedures that do not require approval by a general meeting of shareholders, pursuant to the provisions of Article 796, paragraph 2 of the Companies Act.

(c) Allocation under the share exchange

At the time of the share exchange, the Company will issue 961,600 shares of new common stock, with no treasury shares, to Ricordi shareholders who are listed or recorded on the latest register of Ricordi shareholders other than the Company as of the day prior to the date on which the share exchange comes into effect. In the event that the number of the Company's shares to be issued to an eligible shareholder under the allocation is a fraction less than 1, the matter will be processed in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and regulations.

| | The Company (wholly owning parent company resulting from a share exchange) | Ricordi (wholly owned subsidiary resulting from a share exchange) |
|---|--|--|
| Allocation ratio under the share exchange | 1 | 7124.79 |
| Shares issued under the share exchange | Common shares of stock in the Company: 961,600 (tentative) | |

5. Handling of Subscription Rights to Shares and Bonds with Subscription Rights to Shares Accompanying the Share Exchange

There are no applicable matters, as Ricordi, the wholly owned subsidiary resulting from the share exchange, will not issue either subscription rights to shares or bonds with subscription rights to shares.

6. Basis for Allocation Under the Share Exchange

(a) Overview of valuation

Since the Company is a listed company with a stock market price, the valuations are based on the stock market price. As a result of negotiations between the parties, the price is 1403.55 yen, based on a valuation using the Company's stock price on trading days in the Tokyo Stock Exchange's Mothers section between and including the dates of November 14 and December 13, 2021. (Excluding dates on which there was no trading, the stock price used was the final average price per share of common stock in the Company, rounded down to the nearest whole number). With regard to the stock price of Ricordi, an unlisted company, to ensure fairness and impartiality, an independent third-party institution, WARC Inc. ("WARC" below), was asked to perform the valuation. Based on the range of the valuation in the valuation book (19.42 million - 29.54 million yen) and following deliberate discussion between the parties, a decision was taken to allot 7124.79 shares of stock in the Company to each share of Ricordi stock.

When valuing the stock price of Ricordi, WARC applied the discounted cash flow method ("DCF method" below) and comparable company analysis to reflect an appraisal of future business activity.

The business plan used when valuing Ricordi's stock price is presumed to produce synergies through the integration.

The appraisal range of common shares of Ricordi stock will be as follows in the event that the stock price is 1 per share of the Company's common stock according to the valuation.

| Valuation Method | | Resulting valuation of share exchange ratio |
|---------------------------|-----------------------------|---|
| The Company | Ricordi | |
| Stock market price method | DCF | 6588.73 - 10022.20 |
| | Comparable company analysis | 3684.53 - 8495.46 |

The future profit plan, which forms the foundation of DCF valuation and which was produced based on interviews the Company had with Ricordi, includes significant profit/revenue/income fluctuations in its forecasts for the fiscal year compared to the previous fiscal year. Through actions such as streamlining Ricordi's non-consolidated business, Ricordi's operating profit for the fiscal year ending June 2023 is forecasted to grow by 79 million yen compared to the fiscal year ending June 2022, and is forecasted to also grow at a fixed rate each business year thereafter.

(b) Relationship with valuation institution

WARC is a party with no ties to either the Company or Ricordi, and has no noteworthy interests in the share exchange.

(c) Reasons for forecasting a delisting

There are no applicable matters, as the Company will become a wholly owning parent company resulting from the share exchange and Ricordi, which will become the wholly owned subsidiary resulting from a share exchange, is a non-listed company.

(d) Steps to ensure fairness

To ensure fairness and impartiality when determining the cash, etc. to be issued at the time of the share exchange, the Company selected a third-party institution that is independent of the Company and requested said institution to appraise the stock price of Ricordi shares. It should be noted that the Company has not received a fairness opinion from the institution, WARC, on the fairness of the offsetting exchange in the share exchange.

(e) Steps to prevent conflict of interest

As of December 15, 2021, no special steps have been taken because there is no parent company-subsidiary relationship between the Company and Ricordi and there are no executives serving both companies simultaneously.

7. Overview of the Parties in the Integration

| | Wholly owning parent company resulting from a share exchange | Wholly owned subsidiary resulting from a share exchange | |
|--|---|--|--------------------------------|
| (1) Name | GA technologies Co., Ltd. | Ricordi Inc. | |
| (2) Location | 40th Floor, Sumitomo Fudosan Roppongi Grand Tower, 3-2-1 Roppongi, Minato-ku, Tokyo | 2nd Floor, Grand First Kanda-Konyacho, 15 Kanda-Konyacho, Chiyoda-ku, Tokyo | |
| (3) Representative's position and name | Managing Director & CEO Ryo Higuchi | Representative Director Toshitaka Fukuda *Will remain Representative Director after the integration | |
| (4) Business description | - Operate RENOSY, a comprehensive real estate tech service (real estate information media, real estate sales agency, real estate sales, design and construction, property management) - Develop SaaS real estate products - Utilize AI to research real estate big data - Operate overseas real estate tech businesses, such as Shenjumiaosuan, a platform for Chinese investors | - Sell and rent out condominiums for asset management; renovate and sell existing homes | |
| (5) Capital | 7,208,599,831 yen (as of the end of July 2021) | 50,000,000 yen (as of the end of June 2021) | |
| (6) Date established | March 12, 2013 | February 5, 2010 | |
| (7) Shares issued | 34,855,615 (as of the end of July 2021) | 210 (as of the end of November 2021) | |
| (8) Fiscal year-end | End of October | End of June | |
| (9) Large shareholders and stakes | Ryo Higuchi | 38.79% | Toshitaka Fukuda 94.29% |
| | GGA LLC | 18.98% | |
| | THE BANK OF NEW YORK MELLON | 4.31% | |
| | THE BANK OF NEW YORK | 3.15% | |
| | RBC IST 15 PCT LENDING ACCOUNT CLIENT ACCOUNT | 3.04% | |
| | (as of the end of April 2021) | | |

| | | | | | | |
|--|---|---|-----------|---------------------------------|------------|------------|
| (10) Relationship with involved companies | Capital | No noteworthy matters. | | | | |
| | Personal | No noteworthy matters. | | | | |
| | Business | The Company is acquiring real estate for sale from Ricordi. | | | | |
| (11) Employees | 743 (as of the end of July 2021, including group companies) | | | 58 (as of the end of June 2021) | | |
| (12) Primary customers | Omitted due to BtoC business | | | Omitted due to BtoC business | | |
| (13) Primary bank | Mizuho Bank | | | Mizuho Bank | | |
| (14) Business performance and financial conditions from the past three years | | | | | | |
| | GA technologies Co., Ltd. (consolidated) | | | Ricordi Inc. (non-consolidated) | | |
| | FY2018/10 | FY2019/10 | FY2020/10 | FY2019/6 | FY2020/6 | FY2021/6 |
| Net assets | 2,436 | 5,757 | 7,137 | 98 | 129 | 180 |
| Total assets | 4,412 | 11,839 | 18,505 | 575 | 975 | 840 |
| Net assets per share (yen) | 96.44 | 203.36 | 242.84 | 469,663.71 | 617,664.21 | 860,009.39 |
| Net sales | 20,126 | 39,286 | 63,070 | 4,895 | 5,930 | 6,976 |
| Operating profit | 678 | 1,193 | 1,888 | 122 | 60 | 117 |
| Ordinary profit | 641 | 1,019 | 1,654 | 118 | 49 | 109 |
| Current net profit | 399 | 510 | 903 | 69 | 31 | 50 |
| Current net profit per share (yen) | 17.66 | 18.98 | 31.25 | 333,317.20 | 148,000.50 | 242,345.17 |

(Unit: millions of yen. Excludes special mention.)

(*1) The Company began producing consolidated financial statements in the fiscal year ended October 2019, so each indicator from that time is a consolidated figure.

8. Conditions After the Share Exchange

The Company, which will become a wholly owning parent company resulting from a share exchange, will undergo no change to its trade name, head office address, representative, business description, capital, or fiscal year-end, and at present the resulting value of its net assets and total assets is undetermined.

9. Overview of Accounting Pertaining to the Share Exchange

The share exchange qualifies as an "acquisition" under the Accounting Standard for Business Combinations. Goodwill is expected to arise, and the amounts, amortization periods, and other matters are currently under

examination.

10. Outlook

Ricordi will become a consolidated subsidiary of the Company beginning in the second quarter of the fiscal year ending October 2022. The impact on the Company's consolidated performance is currently under examination. Any matters that arise which require announcement will be promptly disclosed.