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To whom it may concern:

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**Notice of Difference between Full-Year Earnings Forecast and Actual Results,
Difference Between Individual Earnings Results and Previous Results, and
Impairment Loss Allocation**

GA technologies Co., Ltd. ("the Company") hereby to inform that the actual results for FY2021/10 (November 1, 2020 – October 31, 2021) announced today is different from the revision of earnings forecast that was released on September 14, 2021 ("Notice of Revision of Earnings Forecasts"). The Company also announces that it has decided to record an impairment loss.

1. Difference between full-year earnings forecasts and actual results

(1) FY2021/10 (November 1, 2020 - October 31, 2021)

(Unit: millions of yen)

	Net sales	EBITDA	Operating profit	Ordinary profit	Current net profit attributable to owners of parents	Current net profit per share (yen)
Previously forecast (A)	85,000	986	-490	-970	-1,340	-39.93
Actual results (B)	85,388	1,466	-39	-431	-1,269	-37.81
Change (B-A)	388	480	451	539	71	—
% change	0.5%	48.7%	—	—	—	—
Ref: prior fiscal year results (FY2020/10)	63,070	2,861	1,888	1,654	903	31.25

(2) Reason for the difference

During Q4 of the current fiscal year (August 1, 2021 to October 31, 2021), compared to the assumption at the time of the previous forecast revision, the number of RENOSY members grew steadily due to increased awareness of RENOSY, thus increasing sales in the RENOSY Marketplace, which was stronger than expected.

In addition, EBITDA, operating income, ordinary income, and net income attributable to shareholders of the parent company exceeded the previous forecast due to lower-than-expected hiring and personnel expenses as a result of reallocation of human resources and other factors, and lower-than-expected SG&A expenses due to reduced advertising expenses given the strong in-house marketing activities.

Net income attributable to shareholders of the parent company approximated the previous forecast due to the impact of impairment loss as described below.

2. Difference between individual earnings results and previous results

(1) FY2021/10 (November 1, 2020 - October 31, 2021)

(Unit: millions of yen)

	Net sales	Operating profit	Ordinary profit	Net profit	Net profit per share (yen)
Prior fiscal year results(A) (FY2020/10)	60,957	2,452	2,229	1,510	52.24
Current fiscal year results(B) (FY2021/10)	78,370	894	512	- 268	- 8.01
Change (B-A)	17,413	- 1,558	- 1,717	- 1,778	-
% change	28.56%	-63.53%	-77.03%	-117.74%	-

(2) Reason for the difference

Sales increased in the RENOSY Marketplace was mainly due to the steady growth in the number of RENOSY members owing to increased awareness of RENOSY.

On the other hand, with the enactment of the Digital Reform Act in May 2021, the potential threat of competition in the Company's domain increased, forcing the Company to pursue a strategy to gain market share in the RENOSY Marketplace that is significantly ahead of its previous plans for the period of time for further promotion of online real estate transactions and DX.

In response to such rapid changes in the business environment, the Company seized the opportunity to accelerate the expansion and increased transaction volumes in order to increase its market share in the RENOSY Marketplace and other businesses in a short period of time, which, in turn, has increased in the number of products for which procurement prices rose, resulting in a number of transactions with low margins (gross profit).

As a result of these factors, operating profit, ordinary profit and net profit still decreased despite of the increase in sales compared to the previous year.

In addition, net profit for the year was significantly affected by the impairment losses described below in section 3, "Impairment losses (consolidated and non-consolidated)".

3. Reason for Impairment Loss (consolidated and non-consolidated)

In Q4, due primarily to changes to usage policy and development policy for some software and temporary software accounts in the RENOSY Marketplace, software and temporary software accounts that were found not to be provided for business purposes were recorded as impairment. In addition, software and temporary software accounts with reduced profitability in other businesses were treated as impairment, which resulted in the allocation of impairment loss totaling 621 million yen during Q4.

(Unit: millions of yen)

	Non-consolidated	Consolidated
Impairment loss	536	621