

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended January 31, 2022 (Based on IFRS)

March 17, 2022

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: March 17, 2022  
 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 three months ended January 31, 2022 (November 1, 2021 to January 31, 2022)

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

	Revenue		EBITDA※		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended January 31, 2022	17,339	67.9	417	861.9	(669)	-	(780)	-	(561)	-	(561)	-	(524)	-
Three months ended January 31, 2021	10,329	-	43	-	(722)	-	(821)	-	(587)	-	(587)	-	(585)	-

※EBITDA = Business profits + Depreciation (Operating expenses)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2022	(15.96)	-
Three months ended January 31, 2021	(19.54)	-

(NOTE) Despite the existence of diluted shares, Diluted earnings per share for the three months ended January 31, 2021 and the three months ended January 31, 2022 are not stated since they are antidilutive.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of January 31, 2022	48,292	17,154	17,154	35.5
As of October 31, 2021	48,594	17,672	17,672	36.4

### 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, 2021	-	0.00	-	0.00	0.00
Year ended October 31, 2022	-	-	-	-	-
Year ending October 31, 2022 (Forecast)	-	-	-	-	-

(NOTE) Revision of dividend forecast from recently announced figures: Not applicable  
 Dividend forecast of the fiscal year ending October 31, 2022 is yet to be determined.

### 3. Forecast of consolidated financial results for the fiscal year ending October 31, 2022 (November 1, 2021 to October 31, 2022)

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

	Revenue		EBITDA※		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	110,000	-	4,000	-	57	-	(700)	-	(19.77)

(NOTE) Revisions to the forecast of financial results from recently announced figures: Not applicable

※EBITDA = Business profits + Depreciation (Operating expenses)

### 4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Not applicable

(2) Changes in accounting policies and changes in accounting estimates

Changes in accounting policies required by IFRS:

Not applicable

Changes in accounting policies due to other reasons:

Not applicable

Changes in accounting estimates:

Not applicable

(3) Number of issued shares (common stock)

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

As of January 31, 2022	35,161,015 shares	As of October 31, 2021	35,152,375 shares
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Total number of treasury shares at the end of the period:

As of January 31, 2022	682 shares	As of October 31, 2021	682 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended January 31, 2022	35,156,880 shares	Three months ended January 31, 2021	30,068,565 shares
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**Condensed Quarterly Consolidated Financial Statements**  
**Condensed Quarterly Consolidated Statement of Financial Position**

(Million yen)

	IFRS transition date As of November 1, 2020	As of October 31, 2021	As of January 31, 2022
Assets			
Current assets			
Cash and cash equivalents	6,318	15,275	13,024
Trade and other receivables	180	284	258
Inventories	1,450	2,891	3,912
Other financial assets	92	173	303
Other current assets	375	829	979
Total current assets	8,416	19,453	18,478
Non-current assets			
Property, plant and equipment	1,271	1,400	1,369
Investment property	7,676	15,222	14,748
Goodwill	3,762	5,082	5,082
Intangible assets	3,686	3,451	3,485
Right-of-use assets	956	1,773	2,644
Other financial assets	1,621	1,527	1,593
Deferred tax assets	0	647	835
Other non-current assets	41	36	55
Total non-current assets	19,016	29,140	29,814
Total assets	27,433	48,594	48,292

	IFRS transition date As of November 1, 2020	As of October 31, 2021	(Million yen) As of January 31, 2022
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	1,011	1,531	1,370
Contract liabilities	216	269	267
Bonds and borrowings	2,493	3,497	3,433
Lease liabilities	1,972	3,979	3,924
Other financial liabilities	1,107	1,410	1,252
Income taxes payable	661	1	19
Other current liabilities	329	447	485
Total current liabilities	<u>7,793</u>	<u>11,137</u>	<u>10,753</u>
Non-current liabilities			
Bonds and borrowings	4,438	3,043	3,062
Lease liabilities	8,166	15,579	16,183
Provisions	411	432	432
Other financial liabilities	256	461	475
Deferred tax liabilities	394	207	168
Contract liabilities	41	60	63
Total non-current liabilities	<u>13,709</u>	<u>19,783</u>	<u>20,384</u>
Total liabilities	<u>21,502</u>	<u>30,921</u>	<u>31,138</u>
Equity			
Share capital	1,182	7,219	7,220
Capital surplus	4,124	10,865	10,870
Retained earnings	434	(419)	(980)
Treasury shares	(0)	(0)	(0)
Other components of equity	190	7	45
Total equity attributable to owners of parent	<u>5,931</u>	<u>17,672</u>	<u>17,154</u>
Total equity	<u>5,931</u>	<u>17,672</u>	<u>17,154</u>
Total liabilities and equity	<u><u>27,433</u></u>	<u><u>48,594</u></u>	<u><u>48,292</u></u>

**Condensed Quarterly Consolidated Statement of Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income**  
**(Condensed Quarterly Consolidated Statement of Loss)**

(Million yen)

	Three months ended January 31, 2021	Three months ended January 31, 2022
Revenue	10,329	17,339
Cost of sales	8,750	14,877
Gross profit	1,579	2,461
Selling, general and administrative expenses	2,272	3,100
Business loss	(693)	(639)
Other income	7	7
Other expenses	36	37
Operating loss	(722)	(669)
Finance income	0	0
Finance costs	99	111
Loss before tax	(821)	(780)
Income tax expense	(233)	(219)
Loss	(587)	(561)
Loss attributable to		
Owners of parent	(587)	(561)
Loss	(587)	(561)
Earnings per share		
Basic loss per share	(19.54)	(15.96)
Diluted earnings per share	-	-

**(Condensed Quarterly Consolidated Statement of Comprehensive Income)**

(Million yen)

	Three months ended January 31, 2021	Three months ended January 31, 2022
Loss	(587)	(561)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	1	36
Total of items that will not be reclassified to profit or loss	1	36
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	0	0
Total of items that may be reclassified to profit or loss	0	0
Other comprehensive income, net of tax	1	37
Comprehensive income	(585)	(524)
Comprehensive income attributable to		
Owners of parent	(585)	(524)
Comprehensive income	(585)	(524)

**Condensed Quarterly Consolidated Statement of Changes in Equity**  
**(From November 1, 2020 to January 31, 2021)**

(Millions of yen)

	Equity attributable to owners of parent							Total	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity				
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income					Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	1,182	4,124	434	(0)	190	-	190	5,931	5,931
Loss	-	-	(587)	-	-	-	-	(587)	(587)
Other comprehensive income	-	-	-	-	1	0	1	1	1
Comprehensive income	-	-	(587)	-	1	0	1	(585)	(585)
Exercise of share acquisition rights	6	6	-	-	-	-	-	12	12
Issuance of new shares	6,019	5,977	-	-	-	-	-	11,997	11,997
Purchase and disposal of treasury shares	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	11	-	-	-	-	-	11	11
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	6,026	5,994	-	-	-	-	-	12,020	12,020
Balance at end of period	7,208	10,119	(152)	(0)	191	0	192	17,366	17,366

(From November 1, 2021 to January 31, 2022)

(Millions of yen)

	Equity attributable to owners of parent								
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total	Total
					Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total		
Balance at beginning of period	7,219	10,865	(419)	(0)	7	0	7	17,672	17,672
Loss	-	-	(561)	-	-	-	-	(561)	(561)
Other comprehensive income	-	-	-	-	36	0	37	37	37
Comprehensive income	-	-	(561)	-	36	0	37	(524)	(524)
Exercise of share acquisition rights	0	0	-	-	-	-	-	1	1
Issuance of new shares	-	-	-	-	-	-	-	-	-
Purchase and disposal of treasury shares	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	4	-	-	-	-	-	4	4
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	0	5	-	-	-	-	-	5	5
Balance at end of period	7,220	10,870	(980)	(0)	44	0	45	17,154	17,154



## Condensed Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	Three months ended January 31, 2021	Three months ended January 31, 2022
Cash flows from operating activities		
Loss before tax	(821)	(780)
Depreciation and amortization	736	1,057
Impairment losses	30	11
Loss on retirement of fixed assets	-	7
Decrease (increase) in inventories	(1,569)	(1,021)
Increase (decrease) in deposits received	(7)	(120)
Finance income	(0)	(0)
Finance costs	99	111
Decrease (increase) in trade and other receivables	(16)	8
Increase (decrease) in trade and other payables	(63)	(150)
Other	50	(70)
Subtotal	(1,561)	(947)
Interest and dividends received	0	17
Interest paid	(53)	(56)
Income taxes paid	(607)	-
Net cash provided by (used in) operating activities	(2,222)	(987)
Cash flows from investing activities		
Purchase of property, plant and equipment	(141)	(129)
Purchase of intangible assets	(295)	(205)
Payments of leasehold and guarantee deposits	(7)	(13)
Other	25	(21)
Net cash provided by (used in) investing activities	(419)	(370)

(Millions of yen)

	Three months ended January 31, 2021	Three months ended January 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(498)	-
Proceeds from long-term borrowings	53	271
Repayments of long-term borrowings	(962)	(315)
Proceeds from issuance of bonds	297	-
Redemption of bonds	(10)	(10)
Proceeds from issuance of shares	11,978	-
Repayments of lease liabilities	(637)	(808)
Other	(25)	(31)
Net cash provided by (used in) financing activities	<u>10,195</u>	<u>(893)</u>
Effect of exchange rate changes on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	7,553	(2,250)
Cash and cash equivalents at beginning of period	<u>6,318</u>	<u>15,275</u>
Cash and cash equivalents at end of period	<u><u>13,872</u></u>	<u><u>13,024</u></u>