

Translation

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Summary of Consolidated Financial Results for the Six Months Ended April 30, 2022 (Based on IFRS)

June 14, 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: June 14, 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 Six months ended April 30, 2022 (November 1, 2021 to April 30, 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	%
Six months ended April 30, 2022	48,901	53.4	2,415	80.8	227	-	(44)	-	(61)	-	(61)	-	(66)	-
Six months ended April 30, 2021	31,869	-	1,335	-	(212)	-	(413)	-	(351)	-	(351)	-	(332)	-

※EBITDA = Business profits + Depreciation (Operating expenses)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2022	(1.71)	-
Six months ended April 30, 2021	(10.92)	-

(NOTE) Despite the existence of diluted shares, Diluted earnings per share for the Six months ended April 30, 2021 and the Six months ended April 30, 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 April 30, 2022	55,225	18,977	18,974	34.4
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	-	0.00	-	-	-
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	-	4,700	-	500	-	(350)	-	(9.75)

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

(i) Changes in accounting policies required by IFRS: Not applicable

(ii) Changes in accounting policies due to other reasons: Not applicable

(iii) Changes in accounting estimates: Not applicable

(3) Number of issued shares (common stock)

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

As of April 30, 2022	36,149,375 shares	As of October 31, 2021	35,152,375 shares
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(ii) Total number of treasury shares at the end of the period:

As of April 30, 2022	682 shares	As of October 31, 2021	682 shares
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(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Six months ended April 30, 2022	35,488,478 shares	Six months ended April 30, 2021	32,217,736 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 April 30, 2022
Assets			
Current assets			
Cash and cash equivalents	6,318	15,275	15,095
Trade and other receivables	180	284	264
Inventories	1,450	2,891	3,602
Other financial assets	92	173	634
Other current assets	375	829	1,944
Total current assets	8,416	19,453	21,540
Non-current assets			
Property, plant and equipment	1,271	1,400	1,257
Investment property	7,676	15,222	16,153
Goodwill	3,762	5,082	7,346
Intangible assets	3,686	3,451	3,515
Right-of-use assets	956	1,773	2,832
Other financial assets	1,621	1,527	1,612
Deferred tax assets	0	647	918
Other non-current assets	41	36	49
Total non-current assets	19,016	29,140	33,685
Total assets	27,433	48,594	55,225

	IFRS transition date As of November 1, 2020	As of October 31, 2021	(Million yen) As of April 30, 2022
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	1,011	1,531	1,437
Contract liabilities	216	269	328
Bonds and borrowings	2,493	3,497	4,635
Lease liabilities	1,972	3,979	4,690
Other financial liabilities	1,107	1,410	1,958
Income taxes payable	661	1	193
Other current liabilities	329	447	751
Total current liabilities	<u>7,793</u>	<u>11,137</u>	<u>13,994</u>
Non-current liabilities			
Bonds and borrowings	4,438	3,043	3,280
Lease liabilities	8,166	15,579	17,383
Provisions	411	432	461
Other financial liabilities	256	461	932
Deferred tax liabilities	394	207	159
Other non-current liabilities	41	60	34
Total non-current liabilities	<u>13,709</u>	<u>19,783</u>	<u>22,252</u>
Total liabilities	<u>21,502</u>	<u>30,921</u>	<u>36,247</u>
Equity			
Share capital	1,182	7,219	7,224
Capital surplus	4,124	10,865	12,227
Retained earnings	434	(419)	(480)
Treasury shares	(0)	(0)	(0)
Other components of equity	190	7	2
Total equity attributable to owners of parent	<u>5,931</u>	<u>17,672</u>	<u>18,974</u>
Non-controlling interests	-	-	3
Total equity	<u>5,931</u>	<u>17,672</u>	<u>18,977</u>
Total liabilities and equity	<u><u>27,433</u></u>	<u><u>48,594</u></u>	<u><u>55,225</u></u>

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

	(Million yen)	
	Six months ended April 30, 2021	Six months ended April 30, 2022
Revenue	31,869	48,901
Cost of sales	27,348	41,996
Gross profit	4,520	6,905
Selling, general and administrative expenses	4,719	6,663
Business profit (loss)	(198)	241
Other income	30	35
Other expenses	44	50
Operating profit (loss)	(212)	227
Finance income	0	13
Finance costs	201	285
Loss before tax	(413)	(44)
Income tax expense	(61)	16
Loss	(351)	(61)
Loss attributable to		
Owners of parent	(351)	(61)
Loss	(351)	(61)
Earnings per share		
Basic loss per share	(10.92)	(1.71)
Diluted earnings per share	-	-

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

	(Million yen)	
	Six months ended April 30, 2021	Six months ended April 30, 2022
Loss	(351)	(61)
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	19	(1)
Total of items that will not be reclassified to profit or loss	19	(1)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	0	(3)
Total of items that may be reclassified to profit or loss	0	(3)
Other comprehensive income, net of tax	19	(5)
Comprehensive income	(332)	(66)
Comprehensive income attributable to		
Owners of parent	(332)	(66)
Comprehensive income	(332)	(66)

Condensed Quarterly Consolidated Statement of Changes in Equity
(From November 1, 2020 to April 30, 2021)

(Million yen)

	Equity attributable to owners of parent							Total	Non-controlling interests	Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		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				
Balance at beginning of period	1,182	4,124	434	(0)	190	-	190	5,931	-	5,931
Loss	-	-	(351)	-	-	-	-	(351)	-	(351)
Other comprehensive income	-	-	-	-	19	0	19	19	-	19
Comprehensive income	-	-	(351)	-	19	0	19	(332)	-	(332)
Issuance of new shares	6,019	5,976	-	-	-	-	-	11,997	-	11,997
Exercise of share acquisition rights	6	6	-	-	-	-	-	12	-	12
Purchase and disposal of treasury shares	-	-	-	(0)	-	-	-	(0)	-	(0)
Share-based payment transactions	-	19	-	-	-	-	-	19	-	19
Other	-	-	-	-	-	-	-	-	-	-
Total	<u>6,026</u>	<u>6,001</u>	<u>-</u>	<u>(0)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,027</u>	<u>-</u>	<u>12,027</u>
Balance at end of period	<u>7,208</u>	<u>10,126</u>	<u>82</u>	<u>(0)</u>	<u>209</u>	<u>0</u>	<u>210</u>	<u>17,627</u>	<u>-</u>	<u>17,627</u>

(From November 1, 2021 to April 30, 2022)

(Million yen)

	Equity attributable to owners of parent									
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total	Non-controlling interests	Total 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	7,219	10,865	(419)	(0)	7	0	7	17,672	-	17,672
Loss	-	-	(61)	-	-	-	-	(61)	-	(61)
Other comprehensive income	-	-	-	-	(1)	(3)	(5)	(5)	-	(5)
Comprehensive income	-	-	(61)	-	(1)	(3)	(5)	(66)	-	(66)
Issuance of new shares	-	1,349	-	-	-	-	-	1,349	-	1,349
Exercise of share acquisition rights	5	5	-	-	-	-	-	10	-	10
Purchase and disposal of treasury shares	-	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	8	-	-	-	-	-	8	-	8
Other	-	(0)	-	-	-	-	-	(0)	3	3
Total	5	1,362	-	-	-	-	-	1,367	3	1,371
Balance at end of period	7,224	12,227	(480)	(0)	6	(3)	2	18,974	3	18,977

Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Six months ended April 30, 2021	Six months ended April 30, 2022
Cash flows from operating activities		
Loss before tax	(413)	(44)
Depreciation and amortization	1,534	2,174
Impairment losses	38	24
Loss on retirement of fixed assets	0	7
Decrease (increase) in inventories	(1,805)	(30)
Increase (decrease) in deposits received	108	65
Finance income	(0)	(13)
Finance costs	201	285
Decrease (increase) in trade and other receivables	(1)	30
Increase (decrease) in trade and other payables	(58)	(18)
Other	528	(42)
Subtotal	132	2,437
Interest and dividends received	0	18
Interest paid	(85)	(119)
Income taxes refund (paid)	(598)	348
Net cash provided by (used in) operating activities	(551)	2,685
Cash flows from investing activities		
Purchase of property, plant and equipment	(176)	(150)
Purchase of intangible assets	(546)	(394)
Payments of leasehold and guarantee deposits	(14)	(26)
Purchase of investment securities	(10)	-
Payments for acquisition of subsidiaries	-	(445)
Other	28	(945)
Net cash provided by (used in) investing activities	(718)	(1,963)

	(Million yen)	
	Six months ended April 30, 2021	Six months ended April 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,080)	2,960
Proceeds from long-term borrowings	1,140	417
Repayments of long-term borrowings	(1,356)	(955)
Proceeds from issuance of bonds	343	-
Redemption of bonds	(20)	(2,025)
Proceeds from issuance of shares	11,976	-
Repayments of lease liabilities	(1,316)	(1,771)
Other	83	475
Net cash provided by (used in) financing activities	9,770	(898)
Effect of exchange rate changes on cash and cash equivalents	0	(3)
Net increase (decrease) in cash and cash equivalents	8,501	(180)
Cash and cash equivalents at beginning of period	6,318	15,275
Cash and cash equivalents at end of period	14,819	15,095