

Note: This document is an English translation of the original Japanese language document and has been prepared solely for reference purposes. No warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this English translation and the original Japanese language document, the original Japanese language document shall prevail in all respects.

GA TECHNOLOGIES



March 1, 2023

To whom it may concern:

Company Name: GA technologies Co., Ltd.
Representative: Ryo Higuchi, President and Chief Executive Officer
(Code Number: 3491 Tokyo Stock Exchange-Growth)
Contact: Satoshi Matsukawa
Executive Officer and Chief Accounting Officer
(TEL: +81-3-6230-9180)

Notice Regarding The Launch of “MtechA”, an M&A intermediary DX service

GA technologies Co., Ltd.(the “Company”) hereby announces the launch of new business in our group, “MtechA”, an M&A intermediary DX service. This service follows the Group's online real estate marketplace “RENOSY” and real estate DX business “ITANDI”, and is the Group's first venture outside the field of real estate. MtechA Inc. was already established on August 1, 2022, and today, March 1, 2023, we are pleased to announce as a voluntary disclosure that we have decided to officially begin offering our services as follows.

1. Purpose and Background of Service Launch

Since our founding in 2013, we have promoted DX in the real estate industry, which has been considered analog, based on our corporate philosophy of "Building a world leading company that inspires and impresses people with the power of technology and innovation." We have strived to improve the quality of business operations in the real estate industry by accelerating the PDCA cycle and integrating technology with real estate transaction practices such as streamlining operations using technologies such as AI and RPA, shifting operations online, and improving the customer experience through the use of data. As a result, after 10 years since our founding, consolidated group sales have exceeded 100 billion yen, and we have earned a reputation for promoting DX in the analog industry, including being the only company in the growth market to be selected as a Digital Transformation Stock for three consecutive years (*1).

Meanwhile, approximately 2.45 million top management of small-and medium-sized businesses in Japan will be 70 years old or older by 2025, and of these, about 1.27 million face the problem of lack of successors (*2). In 2022, the number of business closures and dissolutions totaled 53,426, showing a downward trend for the third consecutive year following 2021. However, more than half of the companies were still profitable when they closed, and the loss of employment opportunities due to profitable business closures exceeded 80,000 people and the total lost sales amounted to 2.3677 trillion yen(*3). Since the lack of successors in these small and medium-sized businesses leads to a decline in Japan's GDP and loss of high-quality technology and employment opportunities that there have been revisions to the system and the establishment of guidelines in recent years to make M&A an option for business

succession. As a result of this trend, the number of domestic M&A transactions has been increasing, reaching a record high of 4,280 in 2021 (*4). The number of M&A intermediaries and platforms is also increasing, with the number of M&A support organizations totaling approximately 2,900 (*5) as of January 2023.

Given these circumstances, we have decided to enter the M&A intermediary business, an area in which we can horizontally expand the successful structure we have established in the real estate field, and where we can expect synergies.

2. Overview of Services

While the number of M&As has increased in recent years (*4) and is garnering attention as a means of solving social issues, many of their operations and processes are analog and dependent on individual skills. Based on our track record of promoting real estate DX, we will bring technology into the field of M&A intermediary services to improve the overall quality of the M&A experience by increasing the transparency of transactions and making all parties involved more comfortable.

I. Utilizing expertise accumulated in real estate DX, including the use of AI, in the field of M&A

We will provide services that leverage our planning and development capabilities, which have enabled the completion of all procedures necessary to lease, buy, and sell real estate online, and the research and development systems of our in-house AI research organization, which has reduced real estate procurement work to a third of what it used to be.

II. Customer-oriented services that combine technology and human skills

Members with proven track records in the industry have already joined MtechA, including consultants for major Japanese M&A intermediary firms and product managers for major Japanese M&A platforms. The combination of our development capabilities with personnel who are well versed in the M&A industry and practices, we provide the services and products that our clients, including business managers, truly seek.

III. Integrated support for asset management after business transfer

MtechA can provide asset management support for business owners after the transfer of their business, using RENOSY. RENOSY offers an extensive lineup of pre-owned compact condominiums and one-unit apartments in central Tokyo, as well as overseas real estate, and more which allows us to provide comprehensive support for issues related to home purchasing, leasing and land use.

3. Overview of MtechA

(1) Company name	MtechA Inc.
(2) Name and title of representative	Dai Higuchi, Representative Director
(3) Head office	Sumitomo Fudosan Roppongi Grand Tower 39F, 3-2-1 Roppongi, Minato-ku, Tokyo
(4) Established	August 1, 2022
(5) Capital	50 million yen

(6) Business description	M&A intermediary business, research and development of M&A products
--------------------------	---

(*1) Selected as "Digital Transformation Stock (DX Stock)" for the third consecutive year by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

<https://ssl4.eir-parts.net/doc/3491/tdnet/2140180/00.pdf>

(*2) Current Status and Issues of M&A in Small and Medium Enterprises and Small Businesses Operators, The Small and Medium Enterprise Agency

https://www.chusho.meti.go.jp/koukai/kenkyukai/hikitugig1/2019/191107hikitugig103_1.pdf

(*3) National Survey of Business Suspension and Dissolution Trends (2022), Teikoku Databank, Ltd.

<https://www.tdb.co.jp/report/watching/press/pdf/p230106.pdf>

(*4) 2022 Small and Medium Enterprise White Paper and Small Enterprise White Paper, Small and Medium Enterprise Agency

https://www.chusho.meti.go.jp/pamflet/hakusyo/2022/PDF/chusho/00Hakusyo_zentai.pdf

(*5) Registration System for M&A Support Agencies, Current Registration Status (as of January 16, 2023), Small and Medium Enterprise Agency

https://www.chusho.meti.go.jp/zaimu/shoukei/2023/230116m_and_a02.pdf

4. Future Outlook

This plan is expected to have only a limited impact on our consolidated performance for this fiscal year, but additional information will be disclosed as soon as such need arises.