

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended January 31, 2023 (Based on IFRS)

March 16, 2023

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 16, 2023  
 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, 2023 (November 1, 2022 to January 31, 2023)

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

	Revenue		EBITDA※1		Business profit※2		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, 2023	24,075	38.9	734	76.1	(541)	-	(647)	-	(499)	-	(499)	-	(530)	-
January 31, 2022	17,339	67.9	417	861.9	(639)	-	(780)	-	(561)	-	(561)	-	(524)	-

※1.EBITDA = Business profits + Depreciation (Operating expenses)

2. Business profit = Revenue – Cost of sales – Selling, general and administrative expenses

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2023	(13.63)	(13.63)
January 31, 2022	(15.96)	(15.96)

(NOTE) Exercise of share acquisition rights will reduce basic loss per share and accordingly there was no dilutive effect from potential shares for the three months ended January 31, 2022 and the three months ended January 31, 2023.

### (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
As of	Million yen	Million yen	Million yen	%
January 31, 2023	56,152	18,743	18,743	33.4
October 31, 2022	55,152	19,316	19,313	35.0

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended October 31, 2022	-	0.00	-	0.00	0.00
Fiscal year ended October 31, 2023	-	-	-	-	-
Fiscal year ending October 31, 2023 (Forecast)	-	-	-	-	-

(NOTE) Revision of dividend forecast from recently announced figures: Not applicable  
 Dividend forecast of the fiscal year ending October 31, 2023 is yet to be determined.

### 3. Forecast of consolidated financial results for the fiscal year ending October 31, 2023 (November 1, 2022 to October 31, 2023)

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

	Revenue		EBITDA※1		Business profit※2		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	145,500	28.1	6,800	19.2	1,600	54.8	430	8.8	11.68

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

※1. EBITDA = Business profits + Depreciation (Operating expenses)

2. Business profit = Revenue – Cost of sales – Selling, general and administrative 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 January 31, 2023	36,657,475 shares	As of October 31, 2022	36,622,795 shares
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(ii) Total number of treasury shares at the end of the period:

As of January 31, 2023	730 shares	As of October 31, 2022	730 shares
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(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended January 31, 2023	36,648,858 shares	Three months ended January 31, 2022	35,156,880 shares
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**Condensed Quarterly Consolidated Financial Statements**  
**Condensed Quarterly Consolidated Statement of Financial Position**

(Million yen)

	As of October 31, 2022	As of January 31, 2023
Assets		
Current assets		
Cash and cash equivalents	11,842	10,320
Trade and other receivables	667	790
Inventories	8,056	9,069
Other financial assets	982	2,678
Other current assets	1,314	1,411
Total current assets	22,863	24,269
Non-current assets		
Property, plant and equipment	1,285	1,314
Investment property	14,607	13,778
Goodwill	7,590	7,595
Intangible assets	3,582	3,703
Right-of-use assets	2,426	2,440
Other financial assets	1,711	1,740
Deferred tax assets	1,049	1,275
Other non-current assets	36	34
Total non-current assets	32,289	31,882
Total assets	55,152	56,152

	(Million yen)	
	As of October 31, 2022	As of January 31, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,073	1,712
Contract liabilities	507	563
Bonds and borrowings	5,918	7,499
Lease liabilities	4,794	4,820
Other financial liabilities	1,894	3,743
Income taxes payable	336	141
Other current liabilities	726	703
Total current liabilities	16,251	19,183
Non-current liabilities		
Bonds and borrowings	2,937	2,584
Lease liabilities	15,080	14,086
Provisions	467	484
Other financial liabilities	936	918
Deferred tax liabilities	129	122
Other non-current liabilities	33	27
Total non-current liabilities	19,584	18,225
Total liabilities	35,836	37,409
Equity		
Share capital	7,238	7,243
Capital surplus	12,023	11,979
Retained earnings	(23)	(523)
Treasury shares	(1)	(1)
Other components of equity	74	44
Total equity attributable to owners of parent	19,313	18,743
Non-controlling interests	2	-
Total equity	19,316	18,743
Total liabilities and equity	55,152	56,152

**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, 2022	Three months ended January 31, 2023
Revenue	17,339	24,075
Cost of sales	14,877	20,255
Gross profit	2,461	3,820
Selling, general and administrative expenses	3,100	4,362
Business loss	(639)	(541)
Other income	7	16
Other expenses	37	12
Operating loss	(669)	(538)
Finance income	0	10
Finance costs	111	119
Loss before tax	(780)	(647)
Income tax expense	(219)	(147)
Loss	(561)	(499)
Loss attributable to		
Owners of parent	(561)	(499)
Loss	(561)	(499)
Earnings per share		
Basic loss per share	(15.96)	(13.63)
Diluted loss per share	(15.96)	(13.63)

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

	(Million yen)	
	Three months ended January 31, 2022	Three months ended January 31, 2023
Loss	(561)	(499)
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	36	(40)
Total of items that will not be reclassified to profit or loss	36	(40)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	0	10
Total of items that may be reclassified to profit or loss	0	10
Other comprehensive income, net of tax	37	(30)
Comprehensive income	(524)	(530)
Comprehensive income attributable to		
Owners of parent	(524)	(530)
Comprehensive income	(524)	(530)

**Condensed Quarterly Consolidated Statement of Changes in Equity**  
**(From November 1, 2021 to January 31, 2022)**

(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	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
Share-based payment transactions	-	4	-	-	-	-	-	4	-	4
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-
Total	0	5	-	-	-	-	-	5	-	5
Balance at end of period	7,220	10,870	(980)	(0)	44	0	45	17,154	-	17,154

(From November 1, 2022 to January 31, 2023)

(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	7,238	12,023	(23)	(1)	45	29	74	19,313	2	19,316
Loss	-	-	(499)	-	-	-	-	(499)	-	(499)
Other comprehensive income	-	-	-	-	(40)	10	(30)	(30)	-	(30)
Comprehensive income	-	-	(499)	-	(40)	10	(30)	(530)	-	(530)
Exercise of share acquisition rights	5	5	-	-	-	-	-	10	-	10
Share-based payment transactions	-	81	-	-	-	-	-	81	-	81
Changes in ownership interest in subsidiaries	-	(130)	-	-	-	-	-	(130)	(2)	(133)
Total	5	(44)	-	-	-	-	-	(38)	(2)	(41)
Balance at end of period	7,243	11,979	(523)	(1)	5	39	44	18,743	-	18,743



## Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Three months ended January 31, 2022	Three months ended January 31, 2023
Cash flows from operating activities		
Loss before tax	(780)	(647)
Depreciation and amortization	1,057	1,276
Impairment losses	11	7
Loss on retirement of fixed assets	7	2
Decrease (increase) in inventories	(1,021)	(1,012)
Increase (decrease) in deposits received	(120)	(39)
Finance income	(0)	(10)
Finance costs	111	119
Decrease (increase) in trade and other receivables	8	(129)
Increase (decrease) in trade and other payables	(150)	(382)
Other	(70)	7
Subtotal	(947)	(809)
Interest and dividends received	17	2
Interest paid	(56)	(73)
Income taxes paid	-	(258)
Net cash provided by (used in) operating activities	(987)	(1,139)
Cash flows from investing activities		
Purchase of property, plant and equipment	(129)	(65)
Purchase of intangible assets	(205)	(288)
Payments of leasehold and guarantee deposits	(13)	(87)
Other	(21)	198
Net cash provided by (used in) investing activities	(370)	(242)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	1,301
Proceeds from long-term borrowings	271	200
Repayments of long-term borrowings	(315)	(271)
Redemption of bonds	(10)	(10)
Repayments of lease liabilities	(808)	(1,216)
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(133)
Other	(31)	(21)
Net cash provided by (used in) financing activities	(893)	(149)
Effect of exchange rate changes on cash and cash equivalents	0	10
Net increase (decrease) in cash and cash equivalents	(2,250)	(1,521)
Cash and cash equivalents at beginning of period	15,275	11,842
Cash and cash equivalents at end of period	13,024	10,320

## Notes to Condensed Quarterly Consolidated Financial Statements

### Segment Information

#### (1) Overview of reportable segments

The business segments of the Group are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance. Business segments are not aggregated when determining reportable segments.

Based on the commonality of our businesses, we have two reportable segments: the "RENOSY Marketplace Business" and the "ITANDI Business".

The main businesses to which each reportable segment belongs are as follows.

Reportable segment	Details of main business
RENOSY Marketplace Business	<ul style="list-style-type: none"> <li>• Provision of real estate purchase DX services on the online real estate marketplace "RENOSY"</li> <li>• Provision of DX services for selling real estate on the online real estate marketplace "RENOSY"</li> <li>• Provision of high-end rental services on the online real estate marketplace "RENOSY"</li> <li>• Provision of various management plans by subscription (flat-rate usage) for real estate owners</li> <li>• Provision of services utilizing newly built compact condominiums</li> <li>• Operation of rental platform "dearlife" for Thai expatriates</li> </ul>
ITANDI Business	<ul style="list-style-type: none"> <li>• Development and operation of the SaaS series "ITANDI BB+" for real estate rental related companies and the site "ITANDI BB" between real estate agents</li> <li>• Provision of BtoC online real estate rental service "OHEYAGO"</li> <li>• Development and operation of "Rental Master", core software for rental management business</li> </ul>

#### (2) Information on reportable segments

The revenues and performance of the Group's reportable segments are as follows.

Please note that inter-segment revenue is based on prevailing market prices.

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

(Million yen)

	Reportable segments			Other	Total	Reconciling items	Consolidated
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	16,797	414	17,212	126	17,339	-	17,339
Intersegment revenue	-	2	2	6	8	(8)	-
Total	16,797	417	17,214	133	17,347	(8)	17,339
Segment profit (loss)(Business profit(loss))	133	58	191	(54)	137	(776)	(639)
Other income	-	-	-	-	-	-	7
Other expenses	-	-	-	-	-	-	37
Finance income	-	-	-	-	-	-	0
Finance costs	-	-	-	-	-	-	111
Loss before tax	-	-	-	-	-	-	(780)

(Note) 1. The "Others" category is a business segment not included in the reportable segments, including operation business of the home loan application platform service, the real estate platform business for investors in Greater China, and the housing and office renovation business.

2. Adjustments to segment profit or loss (business profit or loss) of (776) million yen include elimination of inter-segment transactions of (0) million yen, amortization of intangible assets identified as a result of business combinations and acquisition-related costs of (72) million yen, and corporate expenses of (703)

million not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.

3. Segment profit or loss is adjusted with business profit or loss in the condensed quarterly consolidated statements of income.
4. Business profit is a step profit after deducting cost of sales and selling, general and administrative expenses from sales revenue and excluding other income and other expenses.

(From November 1, 2022 to January 31, 2023)

(Million yen)

	Reportable segments			Other	Total	Reconciling items	Consolidated
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	23,296	723	24,019	56	24,075	-	24,075
Intersegment revenue	1	3	4	9	13	(13)	-
Total	23,297	726	24,023	66	24,089	(13)	24,075
Segment profit (loss)(Business profit(loss))	421	168	589	(82)	507	(1,049)	(541)
Other income	-	-	-	-	-	-	16
Other expenses	-	-	-	-	-	-	12
Finance income	-	-	-	-	-	-	10
Finance costs	-	-	-	-	-	-	119
Loss before tax	-	-	-	-	-	-	(647)

(Note) 1. The “Others” category is a business segment not included in the reportable segments, including the home loan application platform service operation business, the real estate platform business for investors in Greater China, and the housing and office renovation business.

2. Adjustments to segment profit or loss (business profit or loss) of (1,049) million yen include elimination of inter-segment transactions of 0 million yen, amortization of intangible assets identified as a result of business combinations of (24) million yen, and corporate expenses of (1,025) million not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.
3. Segment profit or loss is adjusted with business profit or loss in the condensed quarterly consolidated statements of income.
4. Business profit is a step profit after deducting cost of sales and selling, general and administrative expenses from sales revenue and excluding other income and other expenses.