

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended April 30, 2023 (Based on IFRS)

June 12, 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:	June 14, 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 six months ended April 30, 2023 (November 1, 2022 to April 30, 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	%
Six months ended														
April 30, 2023	63,411	29.7	3,458	43.2	910	277.1	664	-	377	-	377	-	450	-
April 30, 2022	48,901	53.4	2,415	80.8	241	-	(44)	-	(61)	-	(61)	-	(66)	-

※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
Six months ended	Yen	Yen
April 30, 2023	10.27	10.06
April 30, 2022	(1.71)	(1.71)

(NOTE) Exercise of share acquisition rights will reduce basic loss per share and accordingly there was no dilutive effect from potential shares for the six months ended April 30, 2022.

(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	%
April 30, 2023	58,693	19,773	19,773	33.7
October 31, 2022	55,172	19,306	19,304	35.0

(NOTE) In the six months ended April 30, 2023, the company has finalized provisional accounting treatment for business combination. The figures for the fiscal year ending October 31, 2022 reflect the finalization of the above treatment.

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	-	0.00			
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:

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, 2023	36,746,535 shares	As of October 31, 2022	36,622,795 shares
----------------------	-------------------	------------------------	-------------------

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

As of April 30, 2023	730 shares	As of October 31, 2022	730 shares
----------------------	------------	------------------------	------------

(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Six months ended April 30, 2023	36,681,785 shares	Six months ended April 30, 2022	35,488,478 shares
---------------------------------	-------------------	---------------------------------	-------------------

Condensed Quarterly Consolidated Financial Statements
Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of October 31, 2022	As of April 30, 2023
Assets		
Current assets		
Cash and cash equivalents	11,842	12,820
Trade and other receivables	667	855
Inventories	8,056	10,267
Other financial assets	982	2,319
Other current assets	1,314	1,556
Total current assets	22,863	27,819
Non-current assets		
Property, plant and equipment	1,285	1,355
Investment property	14,607	12,986
Goodwill	7,464	7,465
Intangible assets	3,727	3,997
Right-of-use assets	2,426	2,146
Other financial assets	1,711	1,703
Deferred tax assets	1,049	1,154
Other non-current assets	36	67
Total non-current assets	32,309	30,874
Total assets	55,172	58,693

	(Million yen)	
	As of October 31, 2022	As of April 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,073	1,826
Contract liabilities	507	607
Bonds and borrowings	5,918	7,938
Lease liabilities	4,794	4,765
Other financial liabilities	1,894	3,678
Income taxes payable	336	453
Other current liabilities	726	873
Total current liabilities	16,251	20,142
Non-current liabilities		
Bonds and borrowings	2,937	4,316
Lease liabilities	15,080	12,894
Provisions	467	469
Other financial liabilities	936	926
Deferred tax liabilities	158	136
Other non-current liabilities	33	34
Total non-current liabilities	19,613	18,777
Total liabilities	35,865	38,920
Equity		
Share capital	7,238	7,261
Capital surplus	12,023	12,020
Retained earnings	(32)	356
Treasury shares	(1)	(1)
Other components of equity	74	135
Total equity attributable to owners of parent	19,304	19,773
Non-controlling interests	2	-
Total equity	19,306	19,773
Total liabilities and equity	55,172	58,693

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

	(Million yen)	
	Six months ended April 30, 2022	Six months ended April 30, 2023
Revenue	48,901	63,411
Cost of sales	41,996	53,382
Gross profit	6,905	10,028
Selling, general and administrative expenses	6,663	9,117
Business profit	241	910
Other income	35	52
Other expenses	50	15
Operating profit	227	947
Finance income	13	1
Finance costs	285	284
Profit (loss) before tax	(44)	664
Income tax expense	16	287
Profit (loss)	(61)	377
Profit (loss) attributable to		
Owners of parent	(61)	377
Profit (loss)	(61)	377
Earnings per share		
Basic earnings (loss) per share	(1.71)	10.27
Diluted earnings (loss) per share	(1.71)	10.06

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

	(Million yen)	
	Six months ended April 30, 2022	Six months ended April 30, 2023
Profit (loss)	(61)	377
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)	58
Total of items that will not be reclassified to profit or loss	(1)	58
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(3)	15
Total of items that may be reclassified to profit or loss	(3)	15
Other comprehensive income, net of tax	(5)	73
Comprehensive income	(66)	450
Comprehensive income attributable to		
Owners of parent	(66)	450
Comprehensive income	(66)	450

Condensed Quarterly Consolidated Statement of Changes in Equity
(From November 1, 2021 to April 30, 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
Profit (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
Share-based payment transactions	-	8	-	-	-	-	-	8	-	8
Changes in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-	-	-	-
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

(From November 1, 2022 to April 30, 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	(32)	(1)	45	28	74	19,304	2	19,306
Profit (loss)	-	-	377	-	-	-	-	377	-	377
Other comprehensive income	-	-	-	-	58	15	73	73	-	73
Comprehensive income	-	-	377	-	58	15	73	450	-	450
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Exercise of share acquisition rights	22	(8)	-	-	-	-	-	14	-	14
Share-based payment transactions	-	135	-	-	-	-	-	135	-	135
Changes in ownership interest in subsidiaries	-	(130)	-	-	-	-	-	(130)	(2)	(133)
Transfer from other components of equity to retained earnings	-	-	12	-	(12)	-	(12)	-	-	-
Other	-	-	(0)	-	-	-	-	(0)	-	(0)
Total	22	(3)	11	-	(12)	-	(12)	18	(2)	15
Balance at end of period	7,261	12,020	356	(1)	91	44	135	19,773	-	19,773

Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Six months ended April 30, 2022	Six months ended April 30, 2023
Cash flows from operating activities		
Profit (loss) before tax	(44)	664
Depreciation and amortization	2,174	2,548
Impairment losses	24	7
Loss on retirement of fixed assets	7	2
Decrease (increase) in inventories	(30)	(2,211)
Increase (decrease) in deposits received	65	217
Finance income	(13)	(1)
Finance costs	285	284
Decrease (increase) in trade and other receivables	30	(188)
Increase (decrease) in trade and other payables	(18)	(56)
Other	(42)	314
Subtotal	2,437	1,582
Interest and dividends received	18	2
Interest paid	(119)	(150)
Income taxes refund (paid)	348	(292)
Net cash provided by (used in) operating activities	2,685	1,140
Cash flows from investing activities		
Purchase of property, plant and equipment	(150)	(182)
Purchase of intangible assets	(394)	(674)
Payments of leasehold and guarantee deposits	(26)	(104)
Payments for acquisition of subsidiaries	(445)	-
Proceeds from sale of investment securities	-	119
Other	(945)	2
Net cash provided by (used in) investing activities	(1,963)	(839)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,960	1,407
Proceeds from long-term borrowings	417	2,376
Repayments of long-term borrowings	(955)	(547)
Redemption of bonds	(2,025)	(25)
Repayments of lease liabilities	(1,771)	(2,378)
Payments for acquisition of interests in subsidiaries from non-controlling interests	-	(133)
Other	475	(37)
Net cash provided by (used in) financing activities	(898)	661
Effect of exchange rate changes on cash and cash equivalents	(3)	15
Net increase (decrease) in cash and cash equivalents	(180)	978
Cash and cash equivalents at beginning of period	15,275	11,842
Cash and cash equivalents at end of period	15,095	12,820

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

(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 April 30, 2022)

(Million yen)

	Reportable segments			Other	Total	Reconciling items	Consolidated
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	47,782	905	48,688	213	48,901	-	48,901
Intersegment revenue	-	6	6	8	15	(15)	-
Total	47,782	912	48,695	221	48,916	(15)	48,901
Segment profit (loss)(Business profit(loss))	1,897	161	2,059	(110)	1,949	(1,707)	241
Other income	-	-	-	-	-	-	35
Other expenses	-	-	-	-	-	-	50
Finance income	-	-	-	-	-	-	13
Finance costs	-	-	-	-	-	-	285
Loss before tax	-	-	-	-	-	-	(44)

(Note) 1. The "Others" category is a business segment not included in the reportable segments, which includes the real estate platform business for investors in Greater China and other businesses.

2. Adjustments to segment profit or loss (business profit or loss) of (1,707) 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 (128) million yen, and corporate expenses of

(1,579) million yen 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 April 30, 2023)

(Million yen)

	Reportable segments			Other	Total	Reconciling items	Consolidated
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	61,735	1,562	63,298	112	63,411	-	63,411
Intersegment revenue	1	7	8	55	63	(63)	-
Total	61,736	1,569	63,306	168	63,474	(63)	63,411
Segment profit (loss)(Business profit(loss))	2,816	445	3,262	(117)	3,144	(2,234)	910
Other income	-	-	-	-	-	-	52
Other expenses	-	-	-	-	-	-	15
Finance income	-	-	-	-	-	-	1
Finance costs	-	-	-	-	-	-	284
Profit before tax	-	-	-	-	-	-	664

- (Note) 1. The “Others” category is a business segment not included in the reportable segments, which includes the real estate platform business for investors in Greater China and other businesses.
2. Adjustments to segment profit or loss (business profit or loss) of (2,234) million yen include elimination of inter-segment transactions of 0 million yen, amortization of intangible assets identified as a result of business combinations of (52) million yen, and corporate expenses of (2,181) million yen 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.