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GA TECHNOLOGIES



December 11, 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

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Notice of Acquisition of Shares by Consolidated Subsidiary **(Establishment of Second-Tier Subsidiary)**

GA Technologies Co., Ltd. (the “Company”) hereby announces that at a meeting of its Board of Directors held today, it resolved that ITANDI, Inc. (“ITANDI”), a consolidated subsidiary of the Company, will acquire all the outstanding shares of Housmart, Inc. (headquartered in Minato-ku, Tokyo; “Housmart”) that engages in the business of developing and managing SaaS (Software as a Service) for real estate sales support, among other things, and make Housmart a subsidiary (the Company’s second-tier subsidiary), as follows.

1. Purpose and Background of the Acquisition of Shares

With a mission of “using technology to facilitate real estate transactions,” ITANDI, a consolidated subsidiary of the Company, has worked to enable smooth real estate transactions since its founding in 2012, using technology by building platforms and systems that streamline business processes in the areas of real estate rental management and brokerage. As a result, it has become the No.1 in usage by real estate agencies in four real estate rental support services (*1) with sales revenue exceeding 3.0 billion yen. The number of companies that use its services is approximately 2,700 (*2) and the number of online tenant applications is approximately 970,000 per annum (*3), representing a market share of approximately 30% in lease applications nationwide (*4). In this way, ITANDI has been promoting the digital transformation of the entire real estate leasing industry.

Meanwhile, Housmart engages in the development and management of SaaS “PropoCloud,” which focuses on buying and selling support for real estate brokerage and promotes the digital transformation of buying and selling and brokerage operations, with the mission, “freedom for living.” Housmart contributes to winning more appointments and customer viewings, as it encompasses the entirety of cumbersome operational flow of real estate buy and sell brokerage and offers products that achieve efficient operations through automatic property proposals, visualization for customers, an optimal approach according to each customer’s situation and continuous follow-up. Moreover, Housmart has strength in the enterprise domain and has won many successful customer deployments,

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especially concerning industry leaders.

After Housmart joins the GA technologies Group (the “Group”), ITANDI will further expand its business field and offer further value-added services to customers in cooperation with Housmart by building a SaaS platform that covers both rental brokerage and buy and sell brokerage. With the management integration of ITANDI and Housmart, the Group’s potential market will grow from 230 billion (*5) to 760 billion+ (*6). Moreover, the Company believes that, in addition to building a platform that leverages both parties’ expertise, ITANDI will be able to achieve an accelerated expansion of both parties’ market share through synergy by carrying out cross-sell that uses both parties’ customer bases. With the realization of this, the Company believes it will be possible to acquire No.1 in the real estate buying and selling domain within a short time span, as a continuation of achieving No.1 in rental support service DX. (*1, 4)

Through the management integration with Housmart, the Group will expand its market share by building a comprehensive platform that incorporates value chains in real estate buying and selling, leasing and management and offering one-stop services, and will contribute to solving issues in the industry by leveraging synergies among the group companies and offering further added value to 110,000 real estate companies in Japan (*7).

(*1) According to results of “Survey of Impact of COVID-19 Pandemic on Rental Real Estate Market in 2023 Moving Season (January-March)” by LMC, Inc. https://lmc-c.co.jp/wp/wp-content/uploads/2023/07/lmc_release_20230726.pdf

(*2) As of October 31, 2023

(*3) Cumulative number of online tenant applications from November 1, 2022 to October 31, 2023

(*4) The ratio was estimated using the First Edition_2020_1224 ~REAN JAPAN Market Report. According to the report, the number of lease brokerage agreements was 2.28 million. The said estimated ratio was obtained using the number of lease applications submitted to ITANDI, which was calculated to be 3.25 million based on the report, the rate of cancellation (30%) faced by ITANDI between lease application and contract, and the number of online rental applications (November 2022 – October 2023) submitted to ITANDI.
https://rean-japan.jp/images/REAN-JAPAN-Market-Report%E7%AC%AC1%E7%89%88_2020_1224.pdf?20201223

(*5) Referenced the residential rental brokerage market size (value) from the First Edition_2020_1224 ~REAN JAPAN Market Report Summary of Residential Rental Brokerage Market Size
https://rean-japan.jp/images/REAN-JAPAN-Market-Report%E7%AC%AC1%E7%89%88_2020_1224.pdf?20201223

(*6) Total commission income from real estate sales transactions for the 39 companies listed in the Real Estate Information Network Center's "2023 Real Estate Industry Statistics (Revised September 30) 3 Real Estate Distribution" is calculated based on the total transaction volume of the major real estate distribution companies and this has been added up with *5
https://www.retpe.jp/wp-content/uploads/toukei/202309/202309_3ryutsu.pdf

(*7) From the number of corporations in the Ministry of Land, Infrastructure, Transport and Tourism Survey Results of the Enforcement Status of the Building Lots and Buildings Transaction Business Law in 2021 The Situation of Registered Real-Estate Brokerages
<https://www.mlit.go.jp/report/press/content/001514596.pdf>

2. Schedule for the Share Acquisition

Date of resolution by the Board of Directors	December 11, 2023
Date of the share transfer agreement	December 11, 2023
Stock transfer implementation date (plan)	Until January 4, 2024

*The above schedule may be changed by agreement of the parties, if necessary, depending on the progress of the

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procedures for the share acquisition.

3. Outline of Subsidiary that will Acquire Shares

(1) Company name	ITANDI, Inc.
(2) Title and name of representative	Akihiro Nagashima, Member of the Board & CEO
(3) Head office	Sumitomo Fudosan Roppongi Grand Tower 42F, 3-2-1 Roppongi, Minato-ku, Tokyo 106-6290
(4) Established	June 2012
(5) Share capital	36 million yen
(6) Business description	Providing real estate service to general consumers Providing systems to real estate companies IT utilization consulting in real estate business

4. Overview of the Second-tier Subsidiary Subject to Transfer

(1) Name	Housmart, Inc.	
(2) Location	5-35-8 Shinbashi, Minato-ku, Tokyo	
(3) Title and name of representative	Chief Executive Officer Masayuki Hariyama	
(4) Business	Development and operation of SaaS “PropoCloud” for real estate brokers	
(5) Share capital	976,458,382 yen (including capital reserve) (As of July 31, 2021)	
(6) Established	October 2014	
(7) Number of issued shares	4,189,737 shares (As of November 30, 2021)	
(8) Fiscal Year-End	End of September	
(9) Major shareholders and shareholding ratios	Masayuki Hariyama	35.09%
	JIC Venture Growth Fund No.1 Investment Limited Partnership	18.15%
	BIG No. 1 Investment Limited Partnership	9.06%
	Accord Ventures No.2 Investment Limited Partnership	8.59%
	JAPAN POST CAPITAL	7.89%

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	Co., Ltd.		
	SXC Investment Limited Partnership		4.64%
	BEENEXT1 Pte.Ltd.		4.38%
	Daiwa Venture No.1 Investment Limited Partnership		4.27%
	Sapphire No.1 Investment Limited Partnership		3.03%
	ZFP No.1 Investment Limited Partnership		2.12%
	CAC CAPITAL Investment Limited Partnership		1.39%
	FreeBit Co., Ltd.		1.39%
	(As of November 30, 2023)		
(10) Relationship between the companies	Capital relationship	Not applicable.	
	Personal relationship	Not applicable.	
	Business relationship	Not applicable.	
(11) Employees	28 (as of November 30, 2023)		
(12) Major clients	Please refer to the “Companies Introduced” page on the homepage below. https://propo.co.jp/		
(13) The relevant company’s financial results and financial position for the last three years	Housmart, Inc.		
	FY ended Sep. 2021	FY ended Sep. 2022	FY ended Sep. 2023
Net assets	276,458	294,475	132,331
Total assets	433,805	455,159	319,555
Net assets per share (yen)	(233.72)	(607.40)	(691.48)
Net sales	197,389	238,906	283,178
Operating profit	(104,644)	(396,181)	(161,632)
Ordinary profit	(102,378)	(396,089)	(161,881)
Profit	(103,950)	(681,983)	(162,164)
Profit per share (Yen)	(72.48)	(392.02)	(121.28)

(Unless otherwise specified, the table is shown in units of 1000 yen.)

5. Outline of the Party from Whom the Shares are Acquired

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(1) Name	<p>Masayuki Hariyama</p> <p>JIC Venture Growth Fund No.1 Investment Limited Partnership</p> <p>BIG No.1 Investment Limited Partnership</p> <p>Accord Ventures No.2 Investment Limited Partnership</p> <p>JAPAN POST CAPITAL Co., Ltd.</p> <p>SXC Investment Limited Partnership</p> <p>BEENEXT1 Pte.Ltd.</p> <p>Daiwa Venture No.1 Investment Limited Partnership</p> <p>Sapphire No.1 Investment Limited Partnership</p> <p>ZFP No.1 Investment Limited Partnership</p> <p>CAC CAPITAL Investment Limited Partnership</p> <p>FreeBit Co., Ltd.</p>
(2) Address	<p>Meguro-ku, Tokyo</p> <p>7F, Tokyo Toranomon Global Square, 1-3-1 Toranomon, Minato-ku, Tokyo</p> <p>3-3-32-302, Sendagaya, Shibuya-ku, Tokyo</p> <p>Hanzomon PREX South WeWork, 2-5-1 Kojimachi, Chiyoda-ku, Tokyo</p> <p>2-3-1 Otemachi, Chiyoda-ku, Tokyo, Japan</p> <p>Toranomon Towers Office, 4-1-28 Toranomon, Minato-ku, Tokyo</p> <p>1 George Street #10-01 Singapore 049145</p> <p>GranTokyo North Tower, 1-9-1 Marunouchi, Chiyoda-ku, Tokyo</p> <p>Nittetsu Nihombashi Bldg. 3F, 1-13-1 Nihonbashi, Chuo-ku, Tokyo</p> <p>3rd floor, Office 21 Building, 1-1-1 Nishi-Kanda, Chiyoda-ku, Tokyo</p> <p>1-5-1 Otemachi, Chiyoda-ku, Tokyo, Japan</p> <p>E Space Tower, 3-6 Maruyamacho, Shibuya-ku, Tokyo</p>
(3) Relationship between the Company and the individual and companies	<p>There is no capital, personnel or business relationship between the Company and the individual and companies.</p>

6. Number of Shares Acquired, Acquisition Price, and Status of Shares Held Before and After Acquisition

(1) Number of shares held before transfer	<p>0 shares (Number of voting rights: 0) (Ownership ratio of voting rights: 0%)</p>
(2) Number of shares acquired	<p>4,189,737 shares (Number of voting rights: 4,189,737) (Ownership ratio of voting rights: 100%)</p> <p>[Breakdown]</p>

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	<p>Common stock 1,920,000 (Number of voting rights: 1,920,000)</p> <p>Class A preferred share 303,030 (Number of voting rights: 303,030)</p> <p>Class B preferred share 583,640 (Number of voting rights: 583,640)</p> <p>Class C preferred share 495,868 (Number of voting rights: 495,868)</p> <p>Class D preferred share 887,199 (Number of voting rights: 887,199)</p>
(3) Acquisition price	2,496 million yen
(4) Number of shares held after transfer	<p>4,189,737 shares (Number of voting rights: 4,189,737) (Ownership ratio of voting rights: 100%)</p> <p>[Breakdown]</p> <p>Common stock 1,920,000 (Number of voting rights: 1,920,000)</p> <p>Class A preferred share 303,030 (Number of voting rights: 303,030)</p> <p>Class B preferred share 583,640 (Number of voting rights: 583,640)</p> <p>Class C preferred share 495,868 (Number of voting rights: 495,868)</p> <p>Class D preferred share 887,199 (Number of voting rights: 887,199)</p>

*The acquisition price is not disclosed due to contractual confidentiality obligations.

4. Outlook

The Company believes that the impact of this matter on its consolidated financial results is negligible at this stage, but will promptly disclose the details of the impact if the need arises in the future.

For more detailed information, please refer to the separate announcement “Management Integration with Housmart Inc.”