

Translation

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**Consolidated Financial Results for the Fiscal Year Ended October 31, 2023  
(Based on IFRS)**

December 11, 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 for next ordinary general meeting of shareholders: January 25, 2024  
 Scheduled date to commence dividend payments: -  
 Scheduled date to file Securities Report: January 26, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of 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 fiscal year ended October 31, 2023 (November 1, 2022 to October 31, 2023)**

(1) Consolidated operating results (Percentage figures represent year-on-year changes)

|                                    | 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                | %     |
| Fiscal year ended October 31, 2023 | 146,647     | 29.1 | 7,431       | 30.2 | 2,173             | 113.0 | 1,585             | 232.0 | 1,018       | 164.6 | 1,010                                   | 162.7 | 1,142                      | 153.1 |
| October 31, 2022                   | 113,569     | 51.7 | 5,706       | 79.9 | 1,020             | -     | 477               | -     | 384         | -     | 384                                     | -     | 451                        | -     |

\*1 EBITDA = Business profit + Depreciation (Operating expenses)

\*2 Business profit = Revenue - Cost of sales - Selling, general and administrative expenses

|                                    | Basic earnings per share | Diluted earnings per share | Return on equity attributable to owners of parent | Ratio of profit before tax to total assets | Ratio of operating profit to revenue |
|------------------------------------|--------------------------|----------------------------|---|--|--------------------------------------|
|                                    | Yen                      | Yen                        | %   | %  | %                                    |
| Fiscal year ended October 31, 2023 | 27.53                    | 26.99                      | 5.1   | 2.7  | 1.5                                  |
| October 31, 2022                   | 10.69                    | 10.41                      | 2.1   | 0.9  | 0.9                                  |

Reference: Share of profit (loss) of investments accounted for using equity method For the fiscal year ended October 31, 2023 - Million yen  
 For the fiscal year ended October 31, 2022 - Million yen

(Note) In the fiscal year ended October 31, 2023, GA technologies Co., Ltd. ("the Company") has finalized provisional accounting treatment for business combination. The figures for the fiscal year ended October 31, 2022, reflect the finalization of the above treatment.

(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 | Equity attributable to owners of parent per share |
|------------------------|--------------|--------------|---|--|---|
|                        | Million yen  | Million yen  | Million yen                             | %  | Yen   |
| As of October 31, 2023 | 61,352       | 20,584       | 20,559                                  | 33.5   | 559.43  |
| October 31, 2022       | 55,211       | 19,305       | 19,302                                  | 35.0   | 527.08  |

(Note) In the fiscal year ended October 31, 2023, the Company has finalized provisional accounting treatment for business combination. The figures for the fiscal year ended October 31, 2022, reflect the finalization of the above treatment.

(3) Consolidated cash flows

|                                    | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                                    | Million yen                          | Million yen                          | Million yen                          | Million yen                                |
| Fiscal year ended October 31, 2023 | 6,798                                | (2,052)                              | 808                                  | 17,452                                     |
| October 31, 2022                   | 2,238                                | (3,012)                              | (2,686)                              | 11,842                                     |

## 2. Cash dividends

|  | Annual dividends per share |                 |                 |                 |       | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to equity attributable to owners of parent (Consolidated) |
|--|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|-----------------------------|--|
|  | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |                              |                             |  |
|  | Yen                        | Yen             | Yen             | Yen             | Yen   | Million yen                  | %                           | %  |
| Fiscal year ended October 31, 2022             | -                          | 0.00            | -               | 0.00            | 0.00  | -                            | -                           | -  |
| Fiscal year ended October 31, 2023             | -                          | 0.00            | -               | 0.00            | 0.00  | -                            | -                           | -  |
| Fiscal year ending October 31, 2024 (Forecast) | -                          | 0.00            | -               | 0.00            | 0.00  |                              | -                           |  |

## 3. Forecast of consolidated financial results for the fiscal year ending October 31, 2024 (November 1, 2023 to October 31, 2024)

(Percentage figures represent year-on-year changes)

|           | Revenue     |      | Business profit* |      | Profit attributable to owners of parent |      | Basic earnings per share |  |
|-----------|-------------|------|------------------|------|---|------|--------------------------|--|
|           | Million yen | %    | Million yen      | %    | Million yen                             | %    | Yen                      |  |
| Full year | 176,300     | 20.2 | 3,300            | 51.8 | 1,690                                   | 67.2 | 45.90                    |  |

\* 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

(Note) For details, please refer to “3. Consolidated Financial Statements and Significant Notes Thereto: (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” on page 11 of the Attachment.

(3) Number of issued shares (common stock)

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

|                        |                   |                        |                   |
|------------------------|-------------------|------------------------|-------------------|
| As of October 31, 2023 | 36,751,215 shares | As of October 31, 2022 | 36,622,795 shares |
|------------------------|-------------------|------------------------|-------------------|

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

|                        |            |                        |            |
|------------------------|------------|------------------------|------------|
| As of October 31, 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):

|                                    |                   |                                    |                   |
|------------------------------------|-------------------|------------------------------------|-------------------|
| Fiscal year ended October 31, 2023 | 36,715,153 shares | Fiscal year ended October 31, 2022 | 35,999,587 shares |
|------------------------------------|-------------------|------------------------------------|-------------------|

\* This summary of financial results is not audit procedures by a public accountant or audit corporation.

\* Explanation regarding appropriate use of financial results forecasts, and other specific information

(Notes on forward-looking statements)

The financial performance outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving results by the Company. Please note that actual financial performance and the like may differ materially due to various factors. For conditions, etc. underlying the earnings forecasts, please refer to 1. Summary of Operating Results, (4) Future Outlook on page 4 of the Attachment.

(How to obtain supplementary materials on financial results and financial results briefing materials)

The Company will hold a briefing session for institutional investors and analysts on December 11, 2023 (Monday).

The scenes from the session and content of the briefing will be, along with the financial results briefing materials to be used on the day, posted on the Company's website promptly after the session is held.

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## 1. Summary of Operating Results

In the fiscal year ended October 31, 2023, the Company has finalized provisional accounting treatment for business combination. The figures for the fiscal year ended October 31, 2022, reflect the finalization of the above treatment.

### (1) Summary of Operating Results for the Fiscal Year under Review

During the fiscal year ended October 31, 2023 (November 1, 2022 to October 31, 2023), normalization of economic and social activities has progressed as COVID-19 was reclassified to Class V, and the Japanese economy saw a gradual improvement trend in corporate earnings in general. On the other hand, uncertainty continues to prevail with soaring global resource and energy prices due to the prolonged Ukraine situation, price hikes in Japan brought about by the progressing depreciation of the Japanese yen due to global monetary tightening, geopolitical risks caused by armed conflict between Israel and Hamas, and other factors.

Looking at the real estate market to which the Company and its group companies (“the Group”) belong, we presume that the market for investment real estate, which is our mainstay area, is on an expanding trend for the moment. We also understand that investment real estate has high potential, given its role as a recipient for the shift in the national strategy as expressed in the catchphrase “From Savings to Investment” and the “Doubling Asset-based Income Plan,” as well as the upward trends seen in Japan in the ratio of rental housing (2020 Annual Report on Health, Labour and Welfare by the Ministry of Health, Labour and Welfare) and the ratio of existing housing in the secondary market (“Estimated trading volume of existing houses in the market – a brief summary by region” (February 2023) by The Association of Real Estate Agents of Japan).

In such an environment, the Group concentrated resources on the RENOSY Marketplace Business<sup>\*1</sup> and the ITANDI Business and continued to make growth investments to maximize future profits by expanding its market share. At the same time, it implemented profit structure reforms, including withdrawal from unprofitable businesses, reduction of personnel cost by allocation (transferring) human resources based on personnel portfolio optimization and streamlining operations through DX, and reduction of operation cost by consolidating corporate functions through relocation of group companies and such.

As a result, the Company posted revenue of 146,647 million yen (up 29.1% year-on-year), EBITDA<sup>\*2</sup> of 7,431 million yen (up 30.2% year-on-year), business profit of 2,173 million yen (up 113.0% year-on-year), operating profit of 2,211 million yen (up 117.9% year-on-year), and profit attributable to owners of parent of 1,010 million yen (up 162.7% year-on-year) for the fiscal year under review.

Operating results by segment are as follows.

#### (i) RENOSY Marketplace Business

The Company implemented measures to improve commission rates through direct procurement from owners and expansion of product lineups, including newly-built compact condominiums, and, in the subscription business, worked towards greater operational efficiency through the use of DX to take full advantage of economies of scale. In addition, with the efficient customer attraction using digital marketing, the number of RENOSY members also increased. As a result of these, the main KPIs showed a year-on-year increase, with the number of RENOSY members<sup>\*3</sup> of 398,000 people (up approximately 23%), ARPA<sup>\*4</sup> of 1,061 million yen (up approximately 20%), the number of purchase DX contracts<sup>\*5</sup> of 5,621 deals (up approximately 25%), the number of seller DX contracts<sup>\*6</sup> of 2,165 deals (up approximately 61%), and the number of subscription contracts<sup>\*7</sup> of 17,879 units (up approximately 33%). Record highs were achieved in revenue, gross profit, and segment profit. As a result, the operating results of RENOSY Marketplace Business amounted to revenue of 143,048 million yen (up 29.1% year-on-year) and segment profit of 6,564 million yen (up 32.7% year-on-year).

#### (ii) ITANDI Business

Amid heightened market needs due to the enactment of the revised Real Estate Brokerage Act, the Company has made highly cost-effective investments in SaaS businesses. The Company has garnered high praise from brokers for such achievements as acquiring the largest market share in the industry for online tenant applications and electronic contracts. Furthermore, leveraged by the strengths of Vertical SaaS, the number of products introduced through cross-selling has increased in line with the increase in the number of companies using the service. As a result of these, the Company achieved a high growth rate while securing profitability, with the main KPIs achieving ARR<sup>\*8</sup> of 2.52 billion yen (up approximately 32% year on year), the accumulated number of customers of 2,681 companies (up approximately 42% year on year), the number of companies using the products of 8,487 products (up approximately 56% year on year), churn rate<sup>\*9</sup> of 0.59% (0.47% a year earlier), unit economics<sup>\*10</sup> of 26.2 times (25.5 times a year earlier), and the number of ITANDI BB page views of 9,560,000 views (up approximately 32% year-on-year). As a result, the operating results of ITANDI Business amounted to revenue of 3,202 million yen (up 56.5% year-on-year) and segment profit of 702 million yen (up 149.5% year-on-year).

\*1 The RENOSY Marketplace Business mainly conducts the purchase and reselling of investment property, and brokerage of sales and leasing as well as management of real estate.

\*2 EBITDA = Business profit + Depreciation (Operating expenses)

\*3 The number of RENOSY members refers to the total stock number of RENOSY members at the end of October 2023 (accumulated numbers of member registration).

\*4 ARPA is calculated by dividing full-year revenue of pre-owned compact condominiums by the average number of sales personnel at the end of each month of the relevant fiscal year.

\*5 The number of Purchase DX contracts refers to the accumulated number of contracts for investment and home within RENOSY Marketplace through Purchase DX for the fiscal year ended October 2023.

\*6 The number of Seller DX contracts refers to the accumulated number of contracts within RENOSY Marketplace through Seller DX for the fiscal year ended October 2023.

\*7 The number was tallied based on the number of contracts concluded for the first quarter of the fiscal year ended October 2020 or before and on the number of units managed thereafter.

\*8 Annual Recurring Revenue. Calculated by multiplying end-of-month MRR from ITANDI BB+ monthly usage fee, pay-as-you-go fee, and lifeline services as of the end of October 2023 by 12.

\*9 Average monthly churn rate of ITANDI BB+ for the last 12 months as of the end of October 2023

\*10 Per-customer economics. Multiple of Customer Lifetime Value (CLV) divided by Customer Acquisition Cost (CAC) for the last 12 months as of the end of October 2023.

## **(2) Summary of Consolidated Financial Position at the end of the Fiscal Year under Review**

### **(Assets)**

Current assets at the end of the fiscal year under review increased by 8,277 million yen from the end of the previous fiscal year to 31,141 million yen. This is mainly due to an increase in cash and cash equivalents by 5,610 million yen to 17,452 million yen and inventories by 2,127 million yen to 10,183 million yen. Non-current assets decreased by 2,137 million yen from the end of the previous fiscal year to 30,210 million yen. This is mainly due to a decrease in investment property by 3,303 million yen to 11,303 million yen, an increase in goodwill by 488 million yen to 7,773 million yen, an increase in intangible assets by 462 million yen to 4,464 million yen, a decrease in right-of-use assets by 563 million yen to 1,862 million, and an increase in deferred tax assets by 467 million yen to 1,463 million yen.

As a result, total assets increased by 6,140 million yen from the end of the previous fiscal year to 61,352 million yen.

### **(Liabilities)**

Current liabilities at the end of the fiscal year under review increased by 7,568 million yen from the end of the previous fiscal year to 23,820 million yen. This is mainly due to an increase in trade and other payables by 1,442 million yen to 3,516 million yen, an increase in bonds and borrowings by 4,528 million yen to 10,447 million yen, and an increase in other financial liabilities by 655 million yen to 2,550 million yen. Non-current liabilities decreased by 2,707 million yen from the end of the previous fiscal year to 16,947 million yen. This is mainly due to an increase in bonds and borrowings by 1,559 million yen to 4,496 million yen and a decrease in lease liabilities by 4,261 million yen to 10,819 million yen.

As a result, total liabilities increased by 4,861 million yen from the end of the previous fiscal year to 40,767 million yen.

### **(Equity)**

Total equity at the end of the fiscal year under review increased by 1,279 million yen from the end of the previous fiscal year to 20,584 million yen. This is mainly due to an increase in retained earnings by 1,022 million yen to 989 million yen.

## **(3) Summary of Cash Flows for the Fiscal Year under Review**

Cash and cash equivalents (“net cash”) at the end of the fiscal year under review increased by 5,610 million yen from the end of the previous fiscal year to 17,452 million yen. The status of cash flows in the fiscal year under review and their contributing factors are as follows.

### **(Cash flows from operating activities)**

Net cash provided by operating activities amounted to 6,798 million yen (2,238 million yen provided in the previous fiscal year). This is mainly due to 5,257 million yen of depreciation and amortization, 2,127 million yen of increase in inventories, 1,585 million yen of profit before tax, and 1,376 million of increase in trade and other payables.

### **(Cash flows from investing activities)**

Net cash used in investing activities amounted to 2,052 million yen (3,012 million yen used in the previous fiscal year). This is mainly due to 1,335 million yen of purchase of intangible assets, 449 million yen of payments for business combination, and 322 million yen of purchase of property, plant and equipment.

### **(Cash flows from financing activities)**

Net cash provided by financing activities amounted to 808 million yen (2,686 million yen used in the previous fiscal year). This is mainly due to 4,882 million yen of repayments of lease liabilities, 4,197 million yen of proceeds from long-term borrowings, and 3,041 million yen of net increase in short-term borrowings.

#### **(4) Future Outlook**

Looking ahead, we anticipate relatively stable demand for residential properties, which are closely related to the Group's main businesses, although continued attention should be paid to the economic trends in and outside Japan, as stated above.

Under such a business environment, we will aim to increase revenue and market share in both existing and new businesses. As for costs, meanwhile, we will continue to avoid incurring redundant costs through selection and concentration and by making the most effective use of the Group's management resources, in parallel with working to expand revenue, investing in existing and new businesses, and increasing personnel to strengthen our M&A strategy.

Based on the above, our consolidated earnings forecast for the next fiscal year ending October 31, 2024 projects revenue of 176,300 million yen (up 20.2%), business profit\* of 3,300 million yen (up 51.8%), and profit attributable to owners of parent of 1,690 million yen (up 67.2%), all on a year-on-year basis.

The outlook for each segment is as follows.

##### **(i) RENOSY Marketplace Business**

For online transactions, we will work to maintain and increase commissions as revenue by conducting direct procurement from property owners using Seller DX and expanding product lineups, etc. On the cost side, we will strive to maintain profit margins by improving efficiency through DX and other measures in each operation and by raising the contract rate, although a certain amount of cost is factored in for expanding our market share, including an increase in sales personnel.

As for subscriptions, revenue is expected to increase in proportion to the number of concluded contracts for online transactions. In addition, while we expect cost incurring for reinforcing personnel in line with the increase in revenue and for promoting DX, we will continue to seek improvement in profitability by promoting DX as a standalone business in itself.

Based on the above, our consolidated earnings forecast for the next fiscal year ending October 31, 2024 projects revenue of 171,800 million yen (up 20.1% year-on-year) and segment profit of 8,150 million yen (up 24.2% year-on-year).

##### **(ii) ITANDI Business**

In SaaS businesses for rental management companies, we intend to place priority on expanding our market share rather than gaining short-term profit, as we remain in an investment phase. To achieve this goal, we plan to increase personnel mainly in sales and customer service departments as an up-front investment. At the same time, we expect the up-front investments we made in the previous fiscal year or before will contribute to profits to a certain degree.

Concerning SaaS businesses for rental brokerage and transaction brokerage companies, solid revenue is expected to continue for SaaS for rental brokerage companies, while efforts will be made to expand revenue from SaaS for transaction brokerage companies by leveraging synergy with other products. On the cost side, we will strive to maintain high profit margins while securing the necessary personnel for sales, customer service, and other departments.

Based on the above, our consolidated earnings forecast for the next fiscal year ending October 31, 2024 projects revenue of 4,170 million yen (up 30.2% year-on-year) and segment profit of 890 million yen (up 26.8% year-on-year).

Note that the above earnings forecasts are based on information available as of the date of announcement of this document. Actual results may differ from the forecast figures due to various factors in the future.

\* Business profit = Revenue - Cost of sales - Selling, general and administrative expenses

## **2. Basic Principle on the Choice of Accounting Standards**

In order to improve international comparability and convenience of financial information in the capital markets, the Group has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended October 31, 2022.

### 3. Consolidated Financial Statements and Significant Notes Thereto

#### (1) Consolidated Statement of Financial Position

|                               | (Million yen)          |                        |
|-------------------------------|------------------------|------------------------|
|                               | As of October 31, 2022 | As of October 31, 2023 |
| Assets                        |                        |                        |
| Current assets                |                        |                        |
| Cash and cash equivalents     | 11,842                 | 17,452                 |
| Trade and other receivables   | 667                    | 867                    |
| Inventories                   | 8,056                  | 10,183                 |
| Other financial assets        | 982                    | 970                    |
| Other current assets          | 1,314                  | 1,666                  |
| Total current assets          | <u>22,863</u>          | <u>31,141</u>          |
| Non-current assets            |                        |                        |
| Property, plant and equipment | 1,285                  | 1,405                  |
| Investment property           | 14,607                 | 11,303                 |
| Goodwill                      | 7,284                  | 7,773                  |
| Intangible assets             | 4,001                  | 4,464                  |
| Right-of-use assets           | 2,426                  | 1,862                  |
| Other financial assets        | 1,711                  | 1,917                  |
| Deferred tax assets           | 995                    | 1,463                  |
| Other non-current assets      | 36                     | 20                     |
| Total non-current assets      | <u>32,348</u>          | <u>30,210</u>          |
| Total assets                  | <u>55,211</u>          | <u>61,352</u>          |

|   | (Million yen)          |                        |
|---|------------------------|------------------------|
|   | As of October 31, 2022 | As of October 31, 2023 |
| Liabilities and equity                        |                        |                        |
| Liabilities                                   |                        |                        |
| Current liabilities                           |                        |                        |
| Trade and other payables                      | 2,073                  | 3,516                  |
| Contract liabilities                          | 507                    | 640                    |
| Bonds and borrowings                          | 5,918                  | 10,447                 |
| Lease liabilities                             | 4,794                  | 4,579                  |
| Other financial liabilities                   | 1,894                  | 2,550                  |
| Income taxes payable                          | 336                    | 740                    |
| Other current liabilities                     | 726                    | 1,345                  |
| Total current liabilities                     | 16,251                 | 23,820                 |
| Non-current liabilities                       |                        |                        |
| Bonds and borrowings                          | 2,937                  | 4,496                  |
| Lease liabilities                             | 15,080                 | 10,819                 |
| Provisions                                    | 467                    | 498                    |
| Other financial liabilities                   | 936                    | 926                    |
| Deferred tax liabilities                      | 199                    | 175                    |
| Other non-current liabilities                 | 33                     | 30                     |
| Total non-current liabilities                 | 19,654                 | 16,947                 |
| Total liabilities                             | 35,906                 | 40,767                 |
| Equity  |                        |                        |
| Share capital                                 | 7,238                  | 7,262                  |
| Capital surplus                               | 12,023                 | 12,122                 |
| Retained earnings                             | (33)                   | 989                    |
| Treasury shares                               | (1)                    | (1)                    |
| Other components of equity                    | 74                     | 186                    |
| Total equity attributable to owners of parent | 19,302                 | 20,559                 |
| Non-controlling interests                     | 2                      | 25                     |
| Total equity                                  | 19,305                 | 20,584                 |
| Total liabilities and equity                  | 55,211                 | 61,352                 |



**(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income**  
**(Consolidated Statement of Profit or Loss)**

(Million yen)

|  | Fiscal year ended October 31, 2022 | Fiscal year ended October 31, 2023 |
|--|------------------------------------|------------------------------------|
| Revenue                                      | 113,569                            | 146,647                            |
| Cost of sales                                | 97,050                             | 124,025                            |
| Gross profit                                 | 16,519                             | 22,622                             |
| Selling, general and administrative expenses | 15,498                             | 20,448                             |
| Business profit                              | 1,020                              | 2,173                              |
| Other income                                 | 73                                 | 98                                 |
| Other expenses                               | 78                                 | 60                                 |
| Operating profit                             | 1,014                              | 2,211                              |
| Finance income                               | 4                                  | 11                                 |
| Finance costs                                | 542                                | 637                                |
| Profit before tax                            | 477                                | 1,585                              |
| Income tax expense                           | 92                                 | 566                                |
| Profit                                       | 384                                | 1,018                              |
| Profit attributable to                       |                                    |                                    |
| Owners of parent                             | 384                                | 1,010                              |
| Non-controlling interests                    | 0                                  | 7                                  |
| Profit                                       | 384                                | 1,018                              |
| Earnings per share                           |                                    |                                    |
| Basic earnings per share (yen)               | 10.69                              | 27.53                              |
| Diluted earnings per share (yen)             | 10.41                              | 26.99                              |

(Consolidated Statement of Comprehensive Income)

(Million yen)

|  | <u>Fiscal year ended October 31, 2022</u> | <u>Fiscal year ended October 31, 2023</u> |
|--|---|---|
| Profit   | 384                                       | 1,018                                     |
| 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 | 38  | 68  |
| Total of items that will not be reclassified to profit or loss   | <u>38</u>                                 | <u>68</u>                                 |
| Items that may be reclassified to profit or loss   |   |   |
| Exchange differences on translation of foreign operations  | 28  | 56  |
| Total of items that may be reclassified to profit or loss  | <u>28</u>                                 | <u>56</u>                                 |
| Other comprehensive income, net of tax   | 66  | 124                                       |
| Comprehensive income   | <u>451</u>                                | <u>1,142</u>                              |
| Comprehensive income attributable to   |   |   |
| Owners of parent   | 451                                       | 1,135                                     |
| Non-controlling interests  | <u>0</u>                                  | <u>7</u>                                  |
| Comprehensive income   | <u>451</u>                                | <u>1,142</u>                              |

**(3) Consolidated Statement of Changes in Equity**  
**(From November 1, 2021 to October 31, 2022)**

(Million yen)

|  | Equity attributable to owners of parent |                 |                   |                 |  |   | Total | Total  | Non-controlling interests | Total equity |
|--|---|-----------------|-------------------|-----------------|--|---|-------|--------|---------------------------|--------------|
|  | Share capital                           | Capital surplus | Retained earnings | Treasury shares | Other components of 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 |       |        |                           |              |
| Balance at beginning of period         | 7,219                                   | 10,865          | (419)             | (0)             | 7  | 0   | 7     | 17,672 | -                         | 17,672       |
| Profit                                 | -                                       | -               | 384               | -               | -  | -   | -     | 384    | 0                         | 384          |
| Other comprehensive income             | -                                       | -               | -                 | -               | 38   | 28  | 66    | 66     | -                         | 66           |
| Comprehensive income                   | -                                       | -               | 384               | -               | 38   | 28  | 66    | 451    | 0                         | 451          |
| Exercise of share acquisition rights   | 19                                      | 7               | -                 | -               | -  | -   | -     | 26     | -                         | 26           |
| Increase (decrease) of treasury shares | -                                       | -               | -                 | (0)             | -  | -   | -     | (0)    | -                         | (0)          |
| Increase by share exchanges            | -                                       | 1,044           | -                 | -               | -  | -   | -     | 1,044  | -                         | 1,044        |
| Share-based payment transactions       | -                                       | 86              | -                 | -               | -  | -   | -     | 86     | -                         | 86           |
| Other                                  | -                                       | 21              | 0                 | -               | -  | -   | -     | 22     | 2                         | 24           |
| Total                                  | 19                                      | 1,158           | 0                 | (0)             | -  | -   | -     | 1,178  | 2                         | 1,180        |
| Balance at end of period               | 7,238                                   | 12,023          | (33)              | (1)             | 45   | 28  | 74    | 19,302 | 2                         | 19,305       |

**(From November 1, 2022 to October 31, 2023)**

(Million yen)

|   | Equity attributable to owners of parent |                 |                   |                 |  |   | Total | Total  | Non-controlling interests | Total equity |
|---|---|-----------------|-------------------|-----------------|--|---|-------|--------|---------------------------|--------------|
|   | Share capital                           | Capital surplus | Retained earnings | Treasury shares | Other components of 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 |       |        |                           |              |
| Balance at beginning of period                                | 7,238                                   | 12,023          | (33)              | (1)             | 45   | 28  | 74    | 19,302 | 2                         | 19,305       |
| Profit  | -                                       | -               | 1,010             | -               | -  | -   | -     | 1,010  | 7                         | 1,018        |
| Other comprehensive income                                    | -                                       | -               | -                 | -               | 68   | 56  | 124   | 124    | -                         | 124          |
| Comprehensive income  | -                                       | -               | 1,010             | -               | 68   | 56  | 124   | 1,135  | 7                         | 1,142        |
| Exercise of share acquisition rights                          | 23                                      | (7)             | -                 | -               | -  | -   | -     | 15     | -                         | 15           |
| Share-based payment transactions                              | -                                       | 236             | -                 | -               | -  | -   | -     | 236    | -                         | 236          |
| Increase (decrease) by business combination                   | -                                       | -               | -                 | -               | -  | -   | -     | -      | 17                        | 17           |
| 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   | 23                                      | 98              | 11                | -               | (12)   | -   | (12)  | 121    | 15                        | 136          |
| Balance at end of period                                      | 7,262                                   | 12,122          | 989               | (1)             | 101  | 84  | 186   | 20,559 | 25                        | 20,584       |

**(4) Consolidated Statement of Cash Flows**

(Million yen)

|  | Fiscal year ended October 31, 2022 | Fiscal year ended October 31, 2023 |
|--|------------------------------------|------------------------------------|
| Cash flows from operating activities   |                                    |                                    |
| Profit before tax  | 477                                | 1,585                              |
| Depreciation and amortization  | 4,685                              | 5,257                              |
| Impairment losses  | 33                                 | 9                                  |
| Loss on sale and retirement of fixed assets  | 14                                 | 9                                  |
| Decrease (increase) in inventories   | (4,484)                            | (2,127)                            |
| Increase (decrease) in deposits received   | 155                                | 382                                |
| Finance income   | (4)                                | (11)                               |
| Finance costs  | 542                                | 637                                |
| Decrease (increase) in trade and other receivables                                   | (206)                              | (208)                              |
| Increase (decrease) in trade and other payables                                      | 455                                | 1,376                              |
| Other  | 580                                | 833                                |
| Subtotal   | 2,247                              | 7,746                              |
| Interest and dividends received  | 20                                 | 5                                  |
| Interest paid  | (288)                              | (308)                              |
| Income taxes refund (paid)   | 257                                | (644)                              |
| Net cash provided by (used in) operating activities                                  | 2,238                              | 6,798                              |
| Cash flows from investing activities   |                                    |                                    |
| Purchase of property, plant and equipment  | (259)                              | (322)                              |
| Purchase of intangible assets  | (852)                              | (1,335)                            |
| Payments of leasehold and guarantee deposits   | (38)                               | (291)                              |
| Proceeds from sale of investment securities  | 1                                  | 119                                |
| Payments for business combination  | (1,212)                            | (449)                              |
| Other  | (651)                              | 226                                |
| Net cash provided by (used in) investing activities                                  | (3,012)                            | (2,052)                            |
| Cash flows from financing activities   |                                    |                                    |
| Net increase (decrease) in short-term borrowings                                     | 4,213                              | 3,041                              |
| Proceeds from long-term borrowings   | 609                                | 4,197                              |
| Repayments of long-term borrowings   | (1,625)                            | (1,296)                            |
| Redemption of bonds  | (2,050)                            | (50)                               |
| Repayments of lease liabilities  | (4,226)                            | (4,882)                            |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | -                                  | (133)                              |
| Other  | 392                                | (67)                               |
| Net cash provided by (used in) financing activities                                  | (2,686)                            | 808                                |
| Effect of exchange rate changes on cash and cash equivalents                         | 28                                 | 55                                 |
| Net increase (decrease) in cash and cash equivalents                                 | (3,432)                            | 5,610                              |
| Cash and cash equivalents at beginning of period                                     | 15,275                             | 11,842                             |
| Cash and cash equivalents at end of period   | 11,842                             | 17,452                             |

**(5) Notes to Consolidated Financial Statements**

**(Notes on Going Concern Assumption)**

Not applicable.

**(Changes in Accounting Policies)**

(Amendment of IAS 12 “Income Taxes”)

The Group has applied the “International Tax Reform—Pillar Two Model Rules” (amendment of IAS 12 “Income Taxes”) from the current fiscal year. The amendment clarified the application of IAS 12 to income taxes arising from tax law enacted or substantively enacted to implement Base Erosion and Profit Shifting (BEPS) Pillar Two model, Global Anti-Base Erosion (GloBE) Rules of the Organization for Economic Co-operation and Development (OECD). However, it stipulates a temporary exception that requires an entity not to recognize or disclose deferred tax assets and liabilities related to income taxes arising from GloBE Rules. The Group has applied the exception stipulated in IAS 12 and does not recognize and does not disclose information about deferred tax assets and liabilities related to income taxes arising from GloBE Rules.

**(Per Share Information)**

|  | Fiscal year ended October 31, 2022<br>(November 1, 2021 to<br>October 31, 2022) | Fiscal year ended October 31, 2023<br>(November 1, 2022 to<br>October 31, 2023) |
|--|---|---|
| Profit attributable to owners of parent (Million yen)  | 384   | 1,010   |
| Profit used for the calculation of diluted earnings per share (Million yen)                              | 384   | 1,010   |
| Weighted average number of common shares issued (shares)   | 35,999,587  | 36,715,153  |
| Increase in the number of common shares used for the calculation of diluted earnings per share (shares)  | 965,433   | 729,374   |
| Weighted average number of common shares used for the calculation of diluted earnings per share (shares) | 36,965,020  | 37,444,527  |
| Basic earnings per share (yen)   | 10.69   | 27.53   |
| Diluted earnings per share (yen)   | 10.41   | 26.99   |

- (Note) 1. Basic earnings per share is calculated by dividing profit attributable to owners of parent by weighted average number of common shares issued after adjusted for treasury shares.
2. The number of stock options and other potential ordinary shares that were not included in the calculation of diluted earnings per share as it had no dilutive effect was 2,139 thousand shares and 2,097 thousand shares for previous fiscal year and current fiscal year, respectively.
3. In the fiscal year ended October 31, 2023, the Company has finalized provisional accounting treatment for business combination. The figures for the fiscal year ended October 31, 2022, reflect the finalization of the above treatment.

**(Segment Information)**

## (1) Overview of reportable segments

The business segments of the Group are those components of the Company for which separate financial information is available and which 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.”

In addition, the company has finalized provisional accounting treatment for business combination. The figures for the fiscal year ended October 31, 2022, reflect the finalization of the above treatment.

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 real estate Seller DX services 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 expatriates in Thailand</li> </ul> |
| ITANDI Business             | <ul style="list-style-type: none"> <li>• Development and operation of “ITANDI BB+,” the SaaS series for rental companies, and “ITANDI BB,” an inter-agency website</li> <li>• Provision of BtoC online real estate rental service “OHEYAGO”</li> <li>• Development and operation of “Rental Meijin,” 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 October 31, 2022)

(Million yen)

|  | Reportable segment |        |         | Other* <sup>1</sup> | Total   | Reconciling items* <sup>2</sup> | Consolidated* <sup>3</sup> |
|--|--------------------|--------|---------|---------------------|---------|---------------------------------|----------------------------|
|  | RENOSY Marketplace | ITANDI | Total   |                     |         |                                 |                            |
| Revenue                                    |                    |        |         |                     |         |                                 |                            |
| Revenue from external customers            | 110,843            | 2,032  | 112,876 | 693                 | 113,569 | -                               | 113,569                    |
| Intersegment revenue                       | 0                  | 13     | 13      | 14                  | 28      | (28)                            | -                          |
| Total                                      | 110,843            | 2,046  | 112,890 | 707                 | 113,597 | (28)                            | 113,569                    |
| Segment profit (loss)<br>(Business profit) | 4,947              | 281    | 5,229   | (234)               | 4,994   | (3,973)                         | 1,020                      |
| Other income                               | -                  | -      | -       | -                   | -       | -                               | 73                         |
| Other expenses                             | -                  | -      | -       | -                   | -       | -                               | 78                         |
| Finance income                             | -                  | -      | -       | -                   | -       | -                               | 4                          |
| Finance costs                              | -                  | -      | -       | -                   | -       | -                               | 542                        |
| Profit before tax                          | -                  | -      | -       | -                   | -       | -                               | 477                        |
| Other items                                |                    |        |         |                     |         |                                 |                            |
| Impairment losses on non-financial assets  | 33                 | -      | 33      | -                   | 33      | -                               | 33                         |

- (Note) 1. The "Other" 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. Reconciling items to segment profit or loss (business profit) of (3,973) 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 (188) million yen, and corporate expenses of (3,785) 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 in the consolidated statement of profit or loss.
4. Business profit is a step profit after deducting cost of sales and selling, general and administrative expenses from revenue, excluding other income and other expenses.

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

(Million yen)

|  | Reportable segment |        |         | Other* <sup>1</sup> | Total   | Reconciling items* <sup>2</sup> | Consolidated* <sup>3</sup> |
|--|--------------------|--------|---------|---------------------|---------|---------------------------------|----------------------------|
|  | RENOSY Marketplace | ITANDI | Total   |                     |         |                                 |                            |
| Revenue                                    |                    |        |         |                     |         |                                 |                            |
| Revenue from external customers            | 143,009            | 3,188  | 146,198 | 449                 | 146,647 | -                               | 146,647                    |
| Intersegment revenue                       | 38                 | 13     | 52      | 138                 | 191     | (191)                           | -                          |
| Total                                      | 143,048            | 3,202  | 146,251 | 588                 | 146,839 | (191)                           | 146,647                    |
| Segment profit (loss)<br>(Business profit) | 6,564              | 702    | 7,266   | (84)                | 7,181   | (5,007)                         | 2,173                      |
| Other income                               | -                  | -      | -       | -                   | -       | -                               | 98                         |
| Other expenses                             | -                  | -      | -       | -                   | -       | -                               | 60                         |
| Finance income                             | -                  | -      | -       | -                   | -       | -                               | 11                         |
| Finance costs                              | -                  | -      | -       | -                   | -       | -                               | 637                        |
| Profit before tax                          | -                  | -      | -       | -                   | -       | -                               | 1,585                      |
| Other items                                |                    |        |         |                     |         |                                 |                            |
| Impairment losses on non-financial assets  | 9                  | -      | 9       | 0                   | 9       | -                               | 9                          |

- (Note) 1. The "Other" category is a business segment not included in the reportable segments, which includes the real estate platform business for investors in Greater China, M&A brokerage business, consulting business and other businesses.
2. Reconciling items to segment profit or loss (business profit) of (5,007) million yen include elimination of inter-segment transactions of 2 million yen, amortization of intangible assets identified as a result of business combinations and acquisition-related costs of (163) million yen, and corporate expenses of (4,846) 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 in the consolidated statement of profit or loss.
4. Business profit is a step profit after deducting cost of sales and selling, general and administrative expenses from revenue, excluding other income and other expenses.

**(Significant Subsequent Events)****(Acquisition of Shares of Core Asset Management Co., Ltd.)**

The Company resolved at the Board of Directors held on November 8, 2023, to acquire all of the issued shares of Core Asset Management Co., Ltd. (hereinafter “Core Asset Management”), which conducts real estate transaction brokerage and sales business and real estate rental and management business, to make it a subsidiary, and concluded a share transfer agreement.

The share acquisition process was completed on December 1, 2023, and Core Asset Management has become a wholly owned subsidiary of the Company.

**(1) Overview of business combination****(i) Name of the acquired company and its business**

|                              |  |
|------------------------------|--|
| Name of the acquired company | Core Asset Management Co., Ltd.  |
| Business description         | Real estate transaction brokerage and sales business, real estate rental and management business |

**(ii) Main reason for the business combination**

Through collaboration with Core Asset Management, whose main business is rental management business, participating in the Group, the Group aims to enhance the stability of its business by raising the proportion of its recurring-revenue operations through an increase in the number of units for rental management. In addition, the business combination will allow us to expect various synergy effects, including: operational improvement of management tasks by utilizing the technology of ITANDI, Inc., a subsidiary of the Company; reduced construction costs and lower vacancy rates achieved by economy of scale; reduced back-office work through integration of corporate functions; higher efficiency of owner support by utilizing the OWNR app; and enhanced customer experience. Furthermore, securing a large number of potential customers who are willing to sell their houses will enable the Company to purchase properties more efficiently and inexpensively, thereby improving gross margins and the cost of sales.

**(iii) Date of business combination**

December 1, 2023

**(iv) Method of obtaining control of the acquired company**

Share acquisition using cash as consideration

**(v) Ratio of voting rights acquired**

|  |      |
|--|------|
| Ratio of voting rights owned before the business combination   | -%   |
| Ratio of voting rights acquired by using cash as consideration | 100% |
| Ratio of voting rights after the acquisition                   | 100% |

(Note) Number of acquired shares are 200.

**(2) Fair value of consideration paid and its breakdown**

(Million yen)

| Item                               | Amount |
|------------------------------------|--------|
| Cash                               | 750    |
| Total amount of consideration paid | 750    |

(Note) 1. Acquisition-related costs regarding the business combination is currently being calculated and have not been finalized.

2. The consideration paid were appropriated from own funds.

**(3) Fair value of assets acquired and liabilities assumed as of the acquisition date**

It is currently being calculated and has not been finalized.



(Acquisition of Shares of Housmart Inc.)

ITANDI, Inc. (hereinafter “ITANDI”), the Company’s subsidiary, resolved at the Board of Directors held on December 11, 2023, to acquire all of the issued shares of Housmart Inc. (Head office: Minato-ku, Tokyo; hereinafter “Housmart”), which develops and operates SaaS to support real estate sales activities for real estate transaction brokerage companies, etc., to make it a subsidiary (the Company’s sub-subsidiary), and concluded a share transfer agreement.

(1) Overview of business combination

(i) Name of the acquired company and its business

|                              |   |
|------------------------------|---|
| Name of the acquired company | Housmart Inc.   |
| Business description         | Development and operation of “PropoCloud,” SaaS to support real estate sales activities for real estate transaction brokerage companies |

(ii) Main reason for the business combination

ITANDI, the Company’s subsidiary, has made real estate transactions seamless by building platforms including business streamlining systems in the fields of real estate rental management and rental brokerage, and using technologies. On the other hand, Housmart develops and operates “PropoCloud,” which is SaaS specialized in supporting real estate transaction brokerage sales activities, to promote real estate brokerage sales DX.

ITANDI will provide further added value to customers by building a SaaS platform covering both rental brokerage and transaction brokerage areas through the collaboration with Housmart participating in the Group. We also believe that we will be able to realize faster expansion of market share through cross-selling utilizing customer bases of both companies in addition to the establishment of the platform leveraging the strengths of both companies.

With the M&A with Housmart this time around, the Group will expand its market share by establishing an integrated platform that encompasses the value chain of real estate transaction, rental, and management businesses to provide one-stop service, and will contribute to solving industry issues by also taking advantage of group synergy to provide further added value to 110,000 real estate companies\*1 in Japan.

\*1 “Fiscal 2021 survey results on status of enforcement of the Real Estate Brokerage Act” by the Ministry of Land, Infrastructure, Transport and Tourism  
Based on the number of companies indicated under status of real estate brokers  
<https://www.mlit.go.jp/report/press/content/001514596.pdf>

(iii) Date of business combination

January 4, 2024 (plan)

(iv) Method of obtaining control of the acquired company

Share acquisition using cash as consideration

(v) Ratio of voting rights to be acquired

|  |      |
|--|------|
| Ratio of voting rights owned before the business combination         | -%   |
| Ratio of voting rights to be acquired by using cash as consideration | 100% |
| Ratio of voting rights after the acquisition                         | 100% |

(2) Fair value of consideration paid and its breakdown

(Million yen)

| Item                               | Amount |
|------------------------------------|--------|
| Cash                               | 2,496  |
| Total amount of consideration paid | 2,496  |

(Note) Acquisition-related costs regarding the business combination is currently being calculated and have not been finalized.

(3) Fair value of assets acquired and liabilities assumed as of the acquisition date

It is currently being calculated and has not been finalized.