

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended January 31, 2024 (Based on IFRS)

March 11, 2024

Company name: GA technologies Co., Ltd. Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 3491 URL: <https://www.ga-tech.co.jp/>  
 Representative: RYO HIGUCHI, President and Chief Executive Officer  
 Contact person: SATOSHI MATSUKAWA, Executive Officer and Chief Accounting Officer TEL: 03-6230-9180  
 Scheduled date to file Quarterly Securities Report: March 15, 2024  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts, in Japanese)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended January 31, 2024 (November 1, 2023 to January 31, 2024)

#### (1) Consolidated operating results(cumulative)

(Percentage figures represent year-on-year changes)

	Revenue		Business profit*		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	%
Three months ended												
January 31, 2024	34,339	42.6	400	-	285	-	124	-	84	-	201	-
January 31, 2023	24,075	38.9	(551)	-	(656)	-	(506)	-	(506)	-	(537)	-

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

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
January 31, 2024	2.28	2.24
January 31, 2023	(13.82)	(13.82)

(Note) 1. Exercise of share acquisition rights will reduce basic loss per share and accordingly there was no dilutive effect from potential shares for the three months ended January 31, 2023.  
 2. In the six months ended April 30, 2023 and 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 three months ended January 31, 2023, 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
As of	Million yen	Million yen	Million yen	%
January 31, 2024	65,910	20,808	20,742	31.5
October 31, 2023	61,352	20,584	20,559	33.5

### 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, 2023	-	0.00	-	0.00	0.00
Fiscal year ending October 31, 2024	-	-	-	-	-
Fiscal year ending October 31, 2024 (Forecast)	-	0.00	-	0.00	0.00

(Note) Revision of dividend forecast from recently announced figures: Not applicable

### 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

(Note) Revision to the forecast of financial results from recently announced figures: Not applicable

\*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 “2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto: (4) Notes to Condensed Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 9 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 January 31, 2024	36,762,735 shares	As of October 31, 2023	36,751,215 shares
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(ii) Total number of treasury shares at the end of the period:

As of January 31, 2024	730 shares	As of October 31, 2023	730 shares
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(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended January 31, 2024	36,757,029 shares	Three months ended January 31, 2023	36,648,858 shares
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\* This quarterly 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.

(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 March 11, 2024 (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. Qualitative Information on the Financial Results for the Period under Review

In the second and fourth quarters of the fiscal year ended October 31, 2023, GA technologies Co., Ltd. (“the Company”) finalized the provisional accounting treatment for the business combination, and each figure for the first three months of the fiscal year ended October 31, 2023 (first three months ended January 31, 2023), reflects the details of the finalization of the provisional accounting treatment.

### (1) Explanation of Operating Results

During the first three months of the fiscal year ending October 31, 2024 (November 1, 2023 to January 31, 2024), Japanese economy saw a gradual recovery with improved employment and income environments, etc. On the other hand, uncertainty still continues to prevail with concerns on the impact that trends in the international situation, soaring prices of raw materials and resources, commodity price hikes, large fluctuations in foreign exchange rates, and other factors will have on both domestic and intranational economic activities.

Looking at the real estate market to which the Company and its group companies (“the Group”) belong, the number of contracts concluded for pre-owned condominiums in the Tokyo metropolitan area between October 2023 and January 2024 continues to increase compared to the previous year (statistical information by Real Estate Information Network for East Japan), and the Company assumes that pre-owned compact condominium investment market, which is the main focus of the Group, is also on an expanding trend. In such an environment, the Group concentrated resources on the RENOSY Marketplace Business<sup>\*1</sup> and the ITANDI Business and made growth investments to maximize future profits by expanding its market share. At the same time, it implemented equalization measures for the purpose of reducing volatility of quarterly financial performances, which is the issue the Group faces from before.

As a result, the Company posted revenue of 34,339 million yen (up 42.6% year-on-year), gross profit of 5,720 million yen (up 49.7% year-on-year), business profit of 400 million yen (in contrast to business loss of 551 million yen for the year-earlier period), operating profit of 414 million yen (operating loss of 548 million yen for the year-earlier period), and profit attributable to owners of parent of 84 million yen (loss attributable to owners of parent of 506 million yen for the year-earlier period) for the three months ended January 31, 2024 and has achieved profitability.

Furthermore, key KPIs other than mentioned above are net revenue<sup>\*2</sup> of 5,914 million yen (up 48.3% year-on-year), stock business gross profit<sup>\*3</sup> of 1,332 million yen (up 50.0% year-on-year), adjusted business profit margin<sup>\*4</sup> of 6.8% (adjusted business loss margin of 13.8% for the year-earlier period) and non-organic ratio<sup>\*5</sup> of 39.0% (41.0% for the year-earlier period).

Operating results by segment are as follows.

Furthermore, in accordance with a review of its business management classification, the Group has changed its method of reporting the real estate platform business for investors in Greater China, which was included in the “Other” segment, to include it in the “RENOSY Marketplace” segment starting from the first quarter of the fiscal year. Accordingly, year-on-year figures in the operating results by segment are calculated based on the figures for the year-earlier periods prepared in accordance with the revised method.

#### (i) RENOSY Marketplace Business

As a market leader, the Company has continued to invest with discipline and aimed to maximize gross profit through promoting Seller DX and expanding product lineup. Furthermore, it implemented equalization measures in an aim to reduce volatility of quarterly financial performances, which is the issue the Group faces from before. In addition, it conducted M&A of Core Asset Management Co., Ltd., which is engaged in lease management business, in December 2023. As a result of these, the main KPIs have performed favorably with the number of RENOSY members<sup>\*6</sup> of 422,000 people (up approximately 25% year-on-year), the number of purchase DX contracts<sup>\*7</sup> of 1,350 deals (up approximately 44% year-on-year), the number of seller DX contracts<sup>\*8</sup> of 525 deals (up approximately 65% year-on-year), the number of subscription contracts<sup>\*9</sup> of 22,827 units (up approximately 58% year-on-year), the number of consultants (pre-owned compact condominiums)<sup>\*10</sup> of 100 people (up approximately 5% year-on-year) and ARPA (pre-owned compact condominiums)<sup>\*11</sup> of 1,061 million yen (up approximately 0.18 billion yen year-on-year). As a result, the operating results of RENOSY Marketplace Business amounted to revenue of 33,211 million yen (up 42.5% year-on-year), gross profit of 4,786 million yen (up 48.8% year-on-year), and segment profit of 1,390 million yen (up 255.8% year-on-year).

#### (ii) ITANDI Business

Due to the network effects of vertical SaaS and M&A of Housmart Inc. in January 2024, the Company solidly expanded its performance, such as achieving ARR<sup>\*12</sup> of 3.34 billion yen (up approximately 44% year-on-year), churn rate<sup>\*13</sup> of 0.47% (0.41% for the year-earlier period), the accumulated number of customers of 3,368 companies (up approximately 54% year-on-year), unit economics<sup>\*14</sup> of 29.9 times (24.5 times for the year-earlier period), the number of products introduced of 9,810 products (up approximately 58% year on year), and the number of ITANDI BB page views of 11,900,000 views (up approximately 28% year-on-year) As a result, the operating results of ITANDI Business amounted to revenue of 936 million yen (up 29.0% year-on-year), gross profit of 772 million yen (up 26.9% year-on-year) and segment profit of 276 million yen (up 64.3% year-on-year).

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

\*2 Net revenue is calculated by “RENOSY Marketplace Business’s gross profit + (consolidated revenue – RENOSY Marketplace Business’s revenue).”

\*3 Stock business gross profit is the total of gross profit from RENOSY Marketplace Business’s subscription business and that from ITANDI Business.

\*4 Adjusted business profit margin is calculated by “consolidated business profit ÷ net revenue.”

\*5 Defining total gross profit from businesses other than pre-owned compact condominiums and subscriptions as non-organic gross profit, non-organic ratio is calculated by ratio to entire gross profit.

\*6 The number of RENOSY members refers to the total stock number of RENOSY members at the end of January 2024 (accumulated numbers of member registration).

- \*7 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 three months of the first quarter under review.
- \*8 The number of Seller DX contracts refers to the accumulated number of contracts for investment and home within RENOSY Marketplace through Seller DX for the three months of the first quarter under review.
- \*9 The number of subscription contract is the number of units managed as of the end of January 2024.
- \*10 The number of consultants (pre-owned compact condominiums) is the number of people as of the end of January 2024.
- \*11 ARPA (Average Revenue per Agent) (pre-owned compact condominium) is calculated by dividing full-year revenue of pre-owned compact condominiums for the fiscal year ended October 2023 by the average number of sales personnel at the end of each month of the relevant fiscal year.
- \*12 Annual Recurring Revenue is calculated by multiplying the MRR(Monthly Recurring Revenue) at the end of each quarter by 12. MRR includes monthly usage fee, pay-as-you-go fee, revenue from lifeline referral services. Note that starting from the first quarter of the fiscal year ending in October 2024, the calculation now includes all SaaS services by ITANDI, "PropoCloud" by Housmart, and SaaS services by RENOSY X, In addition to the main products and services included in the previous calculation.
- \*13 Average monthly churn rate for the last 12 months as of the end of January 2024.
- \*14 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 January 2024.

## **(2) Explanation of Financial Position**

### **(Assets)**

Current assets at the end of the first quarter of the fiscal year under review increased by 1,692 million yen from the end of the previous fiscal year to 32,834 million yen. This is mainly due to an increase in other financial assets by 3,707 million yen to 4,678 million yen, a decrease in cash and cash equivalents by 2,799 million yen to 14,653 million yen and an increase in inventories by 371 million yen to 10,555 million yen. Non-current assets increased by 2,865 million yen from the end of the previous fiscal year to 33,076 million yen. This is mainly due to an increase in goodwill by 2,750 million yen to 10,523 million yen.

As a result, total assets increased by 4,558 million yen from the end of the previous fiscal year to 65,910 million yen.

### **(Liabilities)**

Current liabilities at the end of the first quarter of the fiscal year under review increased by 2,959 million yen from the end of the previous fiscal year to 26,779 million yen. This is mainly due to an increase in other financial liabilities by 3,516 million yen to 6,067 million yen. Non-current liabilities increased by 1,375 million yen from the end of the previous fiscal year to 18,322 million yen. This is mainly due to an increase in bonds and borrowings by 1,905 million yen to 6,402 million yen and a decrease in lease liabilities by 732 million yen to 10,086 million yen.

As a result, total liabilities increased by 4,334 million yen from the end of the previous fiscal year to 45,102 million yen.

### **(Equity)**

Total equity at the end of the first quarter of the fiscal year under review increased by 224 million yen from the end of the previous fiscal year to 20,808 million yen. This is mainly due to an increase in retained earnings by 84 million yen to 1,073 million yen.

## **(3) Explanation of Consolidated Financial Results Forecast and Other Forecast Information**

Regarding the consolidated financial results forecast for the fiscal year ending October 31, 2024, no change has been made to the forecast announced on December 11, 2023, in the "Consolidated Financial Results for the Fiscal Year Ended October 31, 2023 (Based on IFRS)."

## 2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto

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

(Million yen)

	As of October 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and cash equivalents	17,452	14,653
Trade and other receivables	867	920
Inventories	10,183	10,555
Other financial assets	970	4,678
Other current assets	1,666	2,025
Total current assets	31,141	32,834
Non-current assets		
Property, plant and equipment	1,405	1,457
Investment property	11,303	10,943
Goodwill	7,773	10,523
Intangible assets	4,464	4,546
Right-of-use assets	1,862	1,879
Other financial assets	1,917	1,872
Deferred tax assets	1,463	1,782
Other non-current assets	20	70
Total non-current assets	30,210	33,076
Total assets	61,352	65,910

	(Million yen)	
	As of October 31, 2023	As of January 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	3,516	2,392
Contract liabilities	640	683
Bonds and borrowings	10,447	11,506
Lease liabilities	4,579	4,763
Other financial liabilities	2,550	6,067
Income taxes payable	740	308
Other current liabilities	1,345	1,057
Total current liabilities	23,820	26,779
Non-current liabilities		
Bonds and borrowings	4,496	6,402
Lease liabilities	10,819	10,086
Provisions	498	510
Other financial liabilities	926	1,133
Deferred tax liabilities	175	144
Other non-current liabilities	30	45
Total non-current liabilities	16,947	18,322
Total liabilities	40,767	45,102
Equity		
Share capital	7,262	7,264
Capital surplus	12,122	12,142
Retained earnings	989	1,073
Treasury shares	(1)	(1)
Other components of equity	186	263
Total equity attributable to owners of parent	20,559	20,742
Non-controlling interests	25	65
Total equity	20,584	20,808
Total liabilities and equity	61,352	65,910

**(2) 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)

	Three months ended January 31, 2023	Three months ended January 31, 2024
Revenue	24,075	34,339
Cost of sales	20,255	28,619
Gross profit	3,820	5,720
Selling, general and administrative expenses	4,371	5,320
Business profit (loss)	(551)	400
Other income	16	27
Other expenses	12	13
Operating profit (loss)	(548)	414
Finance income	10	35
Finance costs	119	164
Profit (loss) before tax	(656)	285
Income tax expense	(149)	160
Profit (loss)	(506)	124
Profit (loss) attributable to		
Owners of parent	(506)	84
Non-controlling interests	-	40
Profit (loss)	(506)	124
Earnings per share		
Basic earnings (loss) per share (yen)	(13.82)	2.28
Diluted earnings (loss) per share (yen)	(13.82)	2.24



(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Million yen)

	Three months ended January 31, 2023	Three months ended January 31, 2024
Profit (loss)	(506)	124
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	(40)	6
Total of items that will not be reclassified to profit or loss	(40)	6
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	10	70
Total of items that may be reclassified to profit or loss	10	70
Other comprehensive income, net of tax	(30)	77
Comprehensive income	(537)	201
Comprehensive income attributable to		
Owners of parent	(537)	161
Non-controlling interests	-	40
Comprehensive income	(537)	201

**(3) Condensed Quarterly Consolidated Statement of Changes in Equity**  
**(From November 1, 2022 to January 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
Loss	-	-	(506)	-	-	-	-	(506)	-	(506)
Other comprehensive income	-	-	-	-	(40)	10	(30)	(30)	-	(30)
Comprehensive income	-	-	(506)	-	(40)	10	(30)	(537)	-	(537)
Exercise of share acquisition rights	5	5	-	-	-	-	-	10	-	10
Share-based payment transactions	-	81	-	-	-	-	-	81	-	81
Changes in ownership interest in subsidiaries	-	(130)	-	-	-	-	-	(130)	(2)	(133)
Other	-	-	(0)	-	-	-	-	(0)	-	(0)
Total	5	(44)	(0)	-	-	-	-	(39)	(2)	(42)
Balance at end of period	7,243	11,979	(541)	(1)	5	38	43	18,725	-	18,725

**(From November 1, 2023 to January 31, 2024)**

(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	7,262	12,122	989	(1)	101	84	186	20,559	25	20,584
Profit	-	-	84	-	-	-	-	84	40	124
Other comprehensive income	-	-	-	-	6	70	77	77	-	77
Comprehensive income	-	-	84	-	6	70	77	161	40	201
Exercise of share acquisition rights	1	1	-	-	-	-	-	3	-	3
Share-based payment transactions	-	18	-	-	-	-	-	18	-	18
Total	1	20	-	-	-	-	-	22	-	22
Balance at end of period	7,264	12,142	1,073	(1)	107	155	263	20,742	65	20,808

**(4) Notes to Condensed Quarterly 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 IAS 12 “Income Taxes” (amended May 2021) from the first quarter of the fiscal year under review. The amendment clarified that, as in leases and decommissioning obligations, when an equal taxable and deductible temporary differences arise at the time of a transaction, a company shall recognize the deferred tax liabilities and deferred tax assets arising therefrom.

The application of the standard mentioned above will have no significant impacts on the condensed quarterly consolidated financial statement.

**(Per Share Information)**

	Three months ended January 31, 2023 (November 1, 2022 to January 31, 2023)	Three months ended January 31, 2024 (November 1, 2023 to January 31, 2024)
Profit (loss) attributable to owners of parent (Million yen)	(506)	84
Profit (loss) used for the calculation of diluted earnings per share (Million yen)	(506)	84
Weighted average number of common shares issued (shares)	36,648,858	36,757,029
Increase in the number of common shares used for the calculation of diluted earnings per share (shares)	-	678,782
Weighted average number of common shares used for the calculation of diluted earnings per share (shares)	36,648,858	37,435,811
Basic earnings (loss) per share (yen)	(13.82)	2.28
Diluted earnings (loss) per share (yen)	(13.82)	2.24

- (Note) 1. Basic earnings (loss) per share is calculated by dividing profit (loss) attributable to owners of parent by weighted average number of common shares issued after adjusted for treasury shares.
2. There was no dilutive effect from potential shares for the three months ended January 31, 2023 as the exercise of share acquisition rights reduces basic loss per share.
3. In the second and fourth quarters of the fiscal year ended October 31, 2023 the Company has finalized provisional accounting treatment for business combination. The figures for the three months ended January 31, 2023, 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, the Company has two reportable segments: the “RENOSY Marketplace Business” and the “ITANDI Business.”

Furthermore, in accordance with a review of its business management classification, the Group has changed its method of reporting the real estate platform business for investors in Greater China, which was included in the “Other” segment, to include it in the “RENOSY Marketplace” segment starting from the first quarter of the fiscal year.

In accordance with the segment change mentioned above, segment information for the first three months ended January 31, 2023, are indicated after reclassified to reporting segment after the change.

In addition, in accordance with the finalization of the provisional accounting treatment for business combination, the figures for the first three months ended January 31, 2023, 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><li>• Operation and related business of “Shenjumasuan,” real estate platform website for investors in Greater China</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><li>• Development and operation of “PropoCloud,” real estate sales support SaaS</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, 2022 to January 31, 2023)

(Million yen)

	Reportable segment			Other*1	Total	Reconciling items*2	Consolidated*3
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	23,304	723	24,027	48	24,075	-	24,075
Intersegment revenue	1	3	4	0	4	(4)	-
Total	23,305	726	24,031	48	24,080	(4)	24,075
Segment profit (loss) (Business loss)	390	168	558	(57)	501	(1,053)	(551)
Other income	-	-	-	-	-	-	16
Other expenses	-	-	-	-	-	-	12
Finance income	-	-	-	-	-	-	10
Finance costs	-	-	-	-	-	-	119
Loss before tax	-	-	-	-	-	-	(656)

(Note) 1. The "Other" category is a business segment not included in the reportable segments, which mainly includes the housing and office renovation businesses.

2. Reconciling items to segment profit or loss (business loss) of (1,053) million yen include elimination of inter-segment transactions of 0 million yen, amortization of intangible assets identified as a result of business combinations of (27) million yen, and corporate expenses of (1,025) 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 loss in the condensed quarterly consolidated statement of profit or loss.
4. Business loss is a step profit or loss after deducting cost of sales and selling, general and administrative expenses from revenue, excluding other income and other expenses.

(From November 1, 2023 to January 31, 2024)

(Million yen)

	Reportable segment			Other*1	Total	Reconciling items*2	Consolidated*3
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	33,211	932	34,143	196	34,339	-	34,339
Intersegment revenue	-	4	4	3	8	(8)	-
Total	33,211	936	34,147	200	34,347	(8)	34,339
Segment profit (Business profit)	1,390	276	1,666	113	1,780	(1,380)	400
Other income	-	-	-	-	-	-	27
Other expenses	-	-	-	-	-	-	13
Finance income	-	-	-	-	-	-	35
Finance costs	-	-	-	-	-	-	164
Profit before tax	-	-	-	-	-	-	285

(Note) 1. The "Other" category is a business segment not included in the reportable segments, which mainly includes the M&A brokerage business and consulting business.

2. Reconciling items to segment profit (business profit) of (1,380) million yen include elimination of inter-segment transactions of 1 million yen, amortization of intangible assets identified as a result of business combinations and acquisition-related costs of (141) million yen, and corporate expenses of (1,240) 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 is adjusted with business profit in the condensed quarterly 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 Interest in RW OpCo, LLC)**

GA technologies USA Inc. (established in December 2023), a subsidiary of the Company, resolved at its Board of Directors held on January 19, 2024, to acquire all of the interest in RW OpCo, LLC (hereinafter “RW OpCo”), which conducts property management business and investment real estate marketplace business from the U.S., to make it a subsidiary (hereinafter the “acquisition”), and concluded an agreement concerning the acquisition with St. Cloud Capital Partners III SBIC, L.P., the senior secured creditor of RW OpCo, and completed the interest acquisition process on March 1, 2024.

**(1) Overview of business combination**

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

Name of the acquired company	RW OpCo, LLC and 28 companies including its subsidiary Renters Warehouse, LLC
Business description	Property management business and investment real estate marketplace business

**(ii) Main reason for the acquisition**

The Company has positioned non-organic business expansion through M&A as one of its key growth strategies in order to consolidate the online real estate ecosystem with a focus on RENOSY Marketplace and ITANDI businesses more quickly both in Japan and overseas. In 2020, the Company acquired the “Shenjumi-aosuan” business, a Japanese real estate platform for real estate investors in Greater China (mainland China, Hong Kong, Taiwan), and in November 2021, the Company acquired Dear Life Corporation Ltd., engaged in the real estate brokerage business for foreign expats in the Kingdom of Thailand.

Renters Warehouse, part of RW OpCo, a platform which was founded in 2007 and is now a leading U.S. investment real estate marketplace business and rental management, primarily for retail and institutional investors. With the second largest single-family rental (SFR) online marketplace in the United States, Renters Warehouse uses technology to provide a unified service to all stakeholders involved in real estate transactions, including investors, residents, and management companies, in the United States, where real estate transactions are not as online as they are in Japan, achieving efficient unit economics while improving service quality and expanding the number of properties and customers handled.

The Company has been exploring various growth investment opportunities around the world to expand our business in the real estate transaction market, which is expected to go online globally. In addition to our existing business bases in Japan and Southeast Asia, the Company believes that the acquisition of Renters Warehouse’s U.S.-centric business base will expand our network to 52 locations in 6 countries and enable the Company to consolidate its position as a global player in the online real estate market.

Based on the above, the Acquisition is in line with our group’s strategy to accelerate global expansion and strengthen the internet real estate ecosystem, and ultimately contribute to the enhancement of corporate value.

**(iii) Date of business combination**

March 1, 2024

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

The Acquisition was conducted by (1) St. Cloud Capital Partners III SBIC, L.P., a senior secured creditor of RW National Holdings, LLC and RW OpCo, foreclosing on its loan and exercising its collateral rights in the equity of RW OpCo, which is a subsidiary and asset of RW National Holdings, LLC, under U.S. state law, and (2) GA technologies USA, a consolidated subsidiary of the Company, acquiring the equity of RW OpCo.

**(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%

(2) Fair value of consideration paid and its breakdown

Item	Amount
Cash	8 million U.S. dollar (approx. 1,162 million yen)
Total amount of consideration paid	8 million U.S. dollar

- (Note) 1. Exchange rate between the U.S. dollar and Japanese yen are converted at 1 U.S. dollar = 145.24 yen for the matter of convenience.
2. Acquisition-related costs regarding the business combination is currently being calculated and have not been finalized.
3. In relation to the Acquisition, the Group provided a cash loan of 11 million U.S. dollars to the acquired company. The acquired company is using the money to pay its liabilities.

(3) Fair value of assets acquired and liabilities assumed as of the acquisition date  
It is currently being calculated and has not been finalized.