Translation

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Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2019 (Based on Japanese GAAP)

September 11, 2019

Company name: GA technologies Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
Stock code: 3491 URL: http://www.ga-tech.co.jp/
Representative: RYO HIGUCHI, President and Chief Executive Officer
Contact person: TAKEO HASHIMOTO, Executive Officer, Corporate Management Division General Manager TEL：03-6230-9180
Scheduled date to file Quarterly Securities Report: September 11, 2019
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended July 31, 2019 (November 1, 2018 to July 31, 2019)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended July 31, 2019	25,878	-	453	-	301	-	109	-
Nine months ended July 31, 2018	-	-	-	-	-	-	-	-

(NOTE) Comprehensive income: Nine months ended July 31, 2019 105 million yen [-%]
Nine months ended July 31, 2018 - million yen [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended July 31, 2019	12.45	11.29
Nine months ended July 31, 2018	-	-

(NOTE) There is no description of the amount and the change of rate and compared with the previous fiscal year since we are drafting our quarterly consolidated financial statements from the 1Q of the FY 2019.10.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2019	11,343	5,353	47.2
As of October 31, 2018	-	-	-

(REFERENCE) Shareholders' equity: As of October 31, 2019 5,351million yen
As of October 31, 2018 - million yen

(NOTE) There is no description of the amount compared with the previous fiscal year since we are drafting our quarterly consolidated financial statements from the 1Q of the FY 2019.10.

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
Year ended October 31, 2018	-	0.00	-	0.00	0.00
Year ending October 31, 2019	-	0.00	-		
Year ending October 31, 2019 (Forecast)				-	-

(NOTE) There is no modification from the latest published cash dividends projection.

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2019 (November 1, 2018 to October 31, 2019)

IFRS basis

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

	Revenue		Operating profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	yen
Full year	36,605	-	1,201	-	815	-	93.65

(NOTE) 1. There is no modification from the latest published earnings projection.

2. There is no description of the change of rate compared with the previous fiscal year since we are drafting our quarterly consolidated financial statements from the 1Q of the FY 2019.10. More, we are in the process of preparing internal manuals and guidelines for the application of IFRS in the future.

Japanese GAAP basis

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	36,605	-	1,041	-	979	-	654	-	75.61

(NOTE) 1. There is no modification from the latest published earnings projection

2. There is no description of the change of rate compared with the previous fiscal year since we are drafting our quarterly consolidated financial statements from the 1Q of the FY 2019.10.

4. Notes

(1) Changes in significant subsidiaries during the nine months ended July 31, 2019 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:	No
Changes in accounting policies due to other reasons:	No
Changes in accounting estimates:	No
Restatement of prior period financial statements:	No

(4) Number of issued shares (common shares)

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

As of July 31, 2019	9,417,655 shares	As of October 31, 2018	8,502,760 shares

Number of treasury shares at the end of the period

As of July 31, 2019	99 shares	As of October 31, 2018	84,520 shares

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

Nine months ended July 31, 2019	8,799,541 shares	Nine months ended July 31, 2018	- shares

Quarterly consolidated financial statements
Quarterly consolidated balance sheets

(Thousand yen)

	As of July 31, 2019
Assets	
Current assets	
Cash and deposits	3,022,684
Accounts receivable - trade	29,926
Real estate for sale	1,750,801
Costs on uncompleted construction contracts	41,718
Supplies	28,243
Advance payments - trade	244,371
Prepaid expenses	156,772
Other	110,302
Allowance for doubtful accounts	(29,175)
Total current assets	5,355,644
Non-current assets	
Property, plant and equipment	1,080,147
Intangible assets	
Goodwill	1,704,936
Software in progress	1,390,705
Customer Relationship	747,000
Other	217,525
Total intangible assets	4,060,168
Investments and other assets	847,629
Total non-current assets	5,987,945
Total assets	11,343,590
Liabilities	
Current liabilities	
Short-term loans payable	170,000
Current portion of long-term loans payable	683,600
Current portion of bonds	40,000
Accounts payable - other	587,722
Provision	17,057
Income taxes payable	50,663
Other	629,148
Total current liabilities	2,178,193
Non-current liabilities	
Long-term loans payable	2,625,849
Bonds payable	160,000
Provision	46,990
Deferred tax liabilities	258,132
Asset retirement obligations	301,420
Other	419,274
Total non-current liabilities	3,811,665
Total liabilities	5,989,858

(Thousand yen)

	As of July 31, 2019
Net assets	
Shareholders' equity	
Capital stock	1,155,449
Capital surplus	3,465,557
Retained earnings	734,612
Treasury shares	(347)
Total shareholders' equity	5,355,271
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	(3,957)
Total accumulated other comprehensive income	(3,957)
Share acquisition rights	2,418
Total net assets	5,353,731
Total liabilities and net assets	11,343,590

Quarterly consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Quarterly consolidated statements of income (cumulative)

(Thousand yen)

	Nine months ended July 31, 2019
Net sales	25,878,768
Cost of sales	21,194,791
Gross profit	4,683,976
Selling, general and administrative expenses	4,230,360
Operating profit	453,616
Non-operating income	
Interest income	168
Other	7,062
Total non-operating income	7,230
Non-operating expenses	
Interest expenses	43,719
Commission fee	104,066
Other	11,380
Total non-operating expenses	159,167
Ordinary profit	301,679
Extraordinary losses	
Impairment loss	67,748
Loss on sales and retirement of non-current assets	3,842
Loss on cancellation of rental contracts	42,436
Other	7,603
Total extraordinary losses	121,629
Profit before income taxes	180,049
Income taxes	70,412
Profit	109,637
Profit attributable to owners of parent	109,637

Quarterly consolidated statements of comprehensive income (cumulative)

(Thousand yen)

	Nine months ended July 31, 2019
Profit	109,637
Other comprehensive income	
Valuation difference on available-for-sale securities	(3,957)
Total other comprehensive income	(3,957)
Comprehensive income	105,679
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	105,679