Translation

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Summary of Consolidated Financial Results for the Six Months Ended April 30, 2020 (Based on Japanese GAAP)

June 11, 2020

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 and Chief Accounting Officer		TEL：03-6230-9180

Scheduled date to file Quarterly Securities Report: June 15, 2020
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for institutional investors and analysts, in Japanese)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended April 30, 2020 (November 1, 2019 to April 30, 2020)

(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	%
Six months ended April 30, 2020	24,584	46.8	424	26.8	323	21.2	115	(22.1)
Six months ended April 30, 2019	16,751	-	334	-	266	-	147	-

(NOTE) Comprehensive income: Six months ended April 30, 2020 107 million yen [(26.9)%]
Six months ended April 30, 2019 146 million yen [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended April 30, 2020	12.03	11.31
Six months ended April 30, 2019	17.00	15.48

(NOTE) Year-on-year changes compared with the same period the prior year for the 2Q of the FY 2019. 10 are not disclosed since we started preparing 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 April 30, 2020	15,396	6,329	41.1
As of October 31, 2019	11,839	5,757	48.6

(REFERENCE) Shareholders' equity: As of April 30, 2020 6,328 million yen
As of October 31, 2019 5,754 million yen

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, 2019	-	0.00	-	0.00	0.00
Year ending October 31, 2020	-	0.00			
Year ending October 31, 2020 (Forecast)			-	-	-

(NOTE) Revision of dividend forecast from recently announced figures: Not applicable
The dividend forecast for the year ending October 31, 2020 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2020 (November 1, 2019 to October 31, 2020)

(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	61,000	55.3	1,800	50.9	1,530	50.0	770	50.9	80.41

(NOTE) Revisions of forecast of financial results from recently announced figures: Not applicable

4. Notes

(1) Changes in significant subsidiaries during the six months ended April 30, 2020 (changes in specified subsidiaries resulting in the change in scope of consolidation): Not applicable

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: Applicable

(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:	Not applicable
Changes in accounting policies due to other reasons:	Applicable
Changes in accounting estimates:	Applicable
Restatement of prior period financial statements:	Not applicable

(4) Number of issued shares (common stock)

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

As of April 30, 2020	9,686,905 shares	As of October 31, 2019	9,432,855 shares

Total number of treasury shares at the end of the period:

As of April 30, 2020	132 shares	As of October 31, 2019	99 shares

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

Six months ended April 30, 2020	9,561,742 shares	Six months ended April 30, 2019	8,684,052 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2019	As of April 30, 2020
Assets		
Current assets		
Cash and deposits	4,279	3,842
Accounts receivable - trade	37	52
Real estate for sale	682	2,313
Costs on uncompleted construction contracts	3	16
Supplies	22	27
Advance payments - trade	203	225
Prepaid expenses	198	274
Other	127	150
Allowance for doubtful accounts	(42)	(76)
Total current assets	5,512	6,826
Non-current assets		
Property, plant and equipment	1,072	1,179
Intangible assets		
Goodwill	1,707	2,897
Software	241	2,197
Software in progress	1,648	103
Customer Relationship	724	909
Other	8	162
Total intangible assets	4,330	6,270
Investments and other assets	923	1,120
Total non-current assets	6,327	8,569
Total assets	11,839	15,396
Liabilities		
Current liabilities		
Short-term loans payable	100	300
Current portion of long-term loans payable	734	1,034
Current portion of bonds	40	40
Accounts payable - other	640	702
Income taxes payable	378	254
Accrued consumption taxes	134	90
Provision	27	29
Other	668	779
Total current liabilities	2,724	3,231
Non-current liabilities		
Bonds payable	150	2,130
Long-term loans payable	2,179	2,708
Deferred tax liabilities	239	303
Provision	63	12
Asset retirement obligations	301	305
Other	424	376
Total non-current liabilities	3,358	5,836
Total liabilities	6,082	9,067

(Millions of yen)

	As of October 31, 2019	As of April 30, 2020
Net assets		
Shareholders' equity		
Capital stock	1,156	1,168
Capital surplus	3,466	3,917
Retained earnings	1,135	1,250
Treasury shares	(0)	(0)
Total shareholders' equity	5,758	6,336
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(3)	(7)
Total accumulated other comprehensive income	(3)	(7)
Share acquisition rights	2	0
Total net assets	5,757	6,329
Total liabilities and net assets	11,839	15,396

Quarterly Consolidated Statements of Income (cumulative) and Comprehensive Income (cumulative)
Quarterly Consolidated Statements of Income (cumulative)

(Millions of yen)

	Six months ended April 30, 2019	Six months ended April 30, 2020
Net sales	16,751	24,584
Cost of sales	13,700	20,409
Gross profit	3,050	4,175
Selling, general and administrative expenses	2,716	3,750
Operating profit	334	424
Non-operating income		
Interest income	0	0
Other	6	5
Total non-operating income	6	5
Non-operating expenses		
Interest expenses	24	28
Commission fee	40	53
Bond issue expenses	2	21
Other	6	3
Total non-operating expenses	74	106
Ordinary profit (loss(△))	266	323
Extraordinary losses		
Impairment loss	67	-
Loss on sales and retirement of non-current assets	2	0
Other	7	-
Total extraordinary losses	77	0
Loss before income taxes	189	322
Income taxes	41	207
Loss	147	115
Loss attributable to owners of parent	147	115

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended April 30, 2019	Six months ended April 30, 2020
Loss	147	115
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(7)
Total other comprehensive income	(1)	(7)
Comprehensive income	146	107
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	146	107

Consolidated statements of cash flows

(Millions of yen)

	Six months ended April 30, 2019	Six months ended April 30, 2020
Cash flows from operating activities		
Profit before income taxes	189	322
Depreciation	110	247
Impairment loss	67	-
Amortization of goodwill	117	155
Increase (decrease) in allowance for doubtful accounts	1	33
Interest and dividend income	(0)	(0)
Interest expenses	24	28
Bond issue expenses	2	21
Loss on retirement of non-current assets	2	0
Increase (decrease) in provision	15	(48)
Decrease (increase) in notes and accounts receivable - trade	(9)	(1)
Decrease (increase) in advance payments - trade	(34)	(22)
Decrease (increase) in inventories	(626)	(1,601)
Increase (decrease) in accounts payable-other	125	(2)
Increase (decrease) in deposits received	(62)	63
Other, net	(169)	(111)
Subtotal	(244)	(915)
Interest and dividend income received	0	0
Interest expenses paid	(26)	(30)
Income taxes paid	(178)	(326)
Net cash provided by (used in) operating activities	(449)	(1,271)
Cash flows from investing activities		
Purchase of property, plant and equipment	(345)	(63)
Purchase of intangible assets	(585)	(551)
Payments for lease and guarantee deposits	(33)	(46)
Purchase of investment securities	(101)	(231)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,530)	(920)
Other, net	14	67
Net cash provided by (used in) investing activities	(2,582)	(1,745)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,073	200
Proceeds from long-term loans payable	3,145	833
Repayments of long-term loans payable	(322)	(416)
Proceeds from issuance of bonds payable	97	1,978
Redemption of bonds payable	-	(20)
Repayments of lease obligations	(9)	(29)
Proceeds from issuance of share acquisition rights	6	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	23
Purchase of share acquisition rights	-	(1)
Purchase of treasury shares	(0)	(0)
Net cash provided by (used in) financing activities	3,991	2,567
Net increase (decrease) in cash and cash equivalents	959	(449)
Cash and cash equivalents at the beginning of period	2,018	4,226
Cash and cash equivalents at the end of period	2,978	3,777