GAtechnologies Co., Ltd.

Synergies from the acquisition of “Shenjumiaosuan” business (real estate business) from NeoX Group

June 11, 2020

Securities code: 3491

GA TECHNOLOGIES

GA technologies M&A strategy

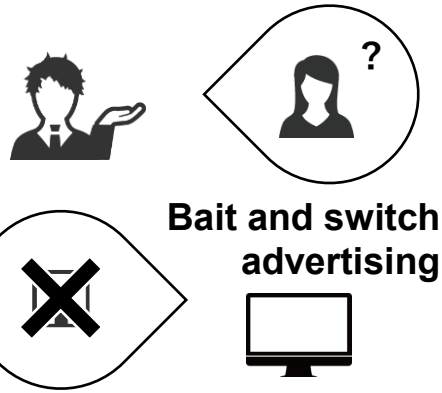
GA TECHNOLOGIES

Three Themes GA Considers Issues in Real Estate Industry

GA technologies believes DX[*1] is necessary for whole real estate industry

Asymmetry of information

Customer lock-in



Bait and switch advertising

Slow adoption of technology

FAX-based information sharing

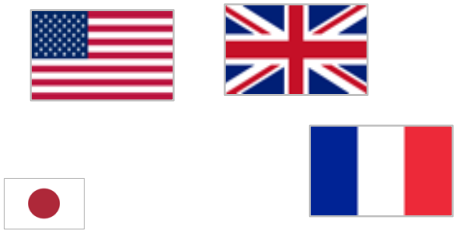


Paper contracts



Low trading volume of existing real estate

Trading shares of existing houses (vs. newly built houses) in Japan is 1/6 - 1/5 of Western countries



*1) The transformation of business activities through digitalization

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For industry-wide DX

Becoming the Amazon of the real estate industry

In-house customer attraction, purchasing, sales, and after-sales follow-up



Providing in-house products to the industry

RENOSY X

RENOSY

Business



Best customer acquisition







Development of real estate x technology

Expand service coverage

Releasing property listing rights to RENOSY to other real estate companies

RENOSY



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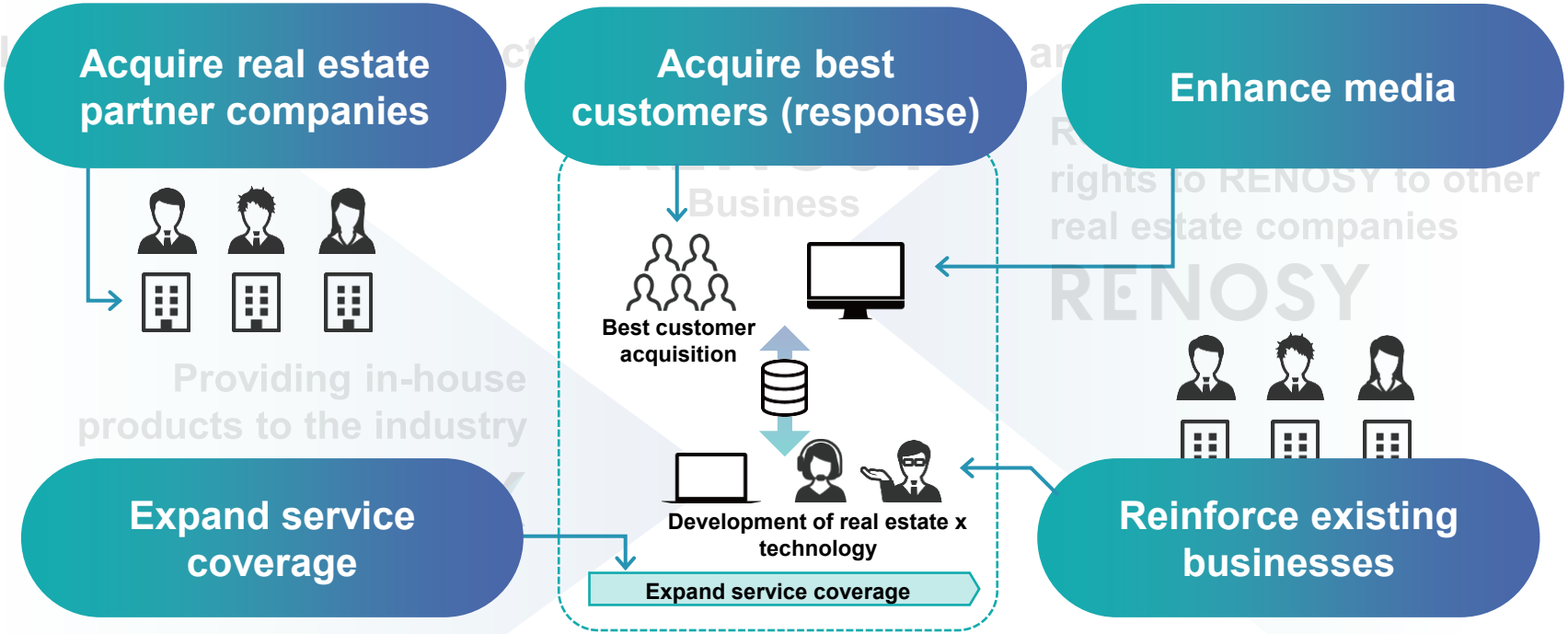
M&A strategy

Reinforcing existing business based on points below for overall BtoC and BtoB DX



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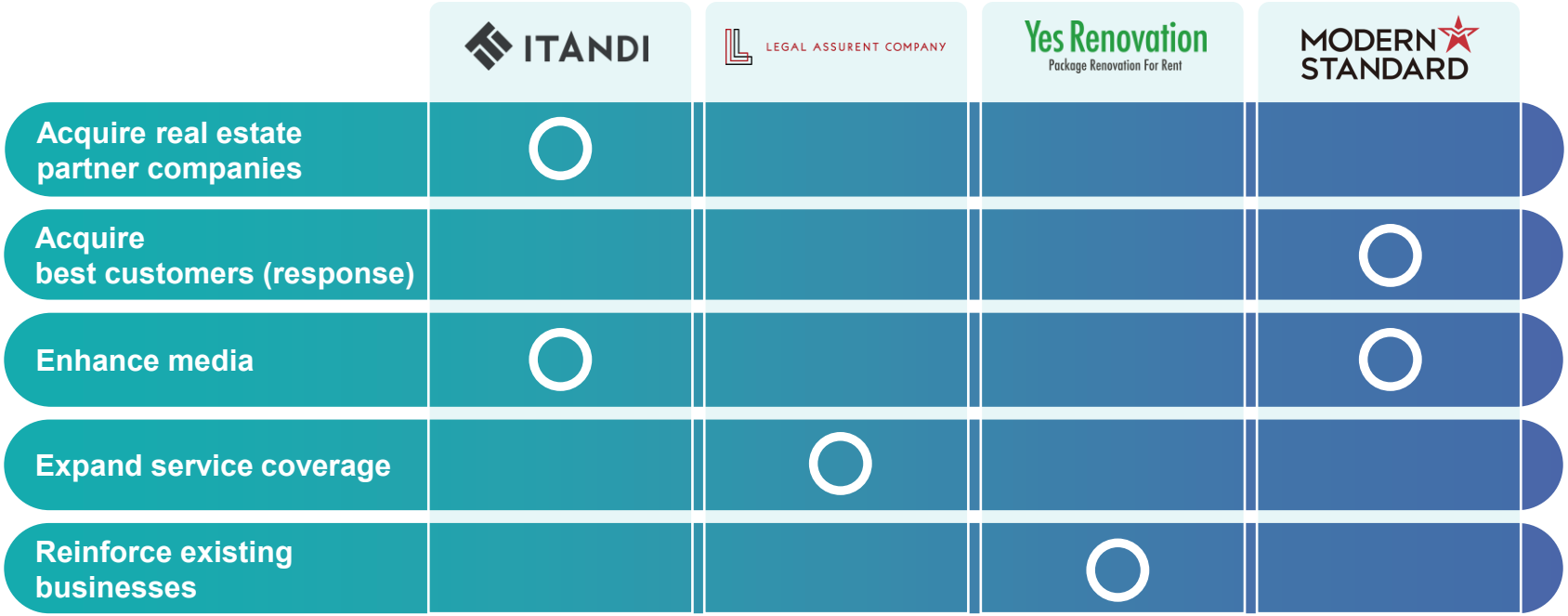
M&A strategy

Reinforcing existing business based on points below for overall BtoC and BtoB DX



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June 11, 2020, GA technologies enters into a Basic Agreement with NeoX Group to acquire “Shenjumiaosuan” business, one of the largest Japanese real estate platforms in Greater China [*1]



*1) Source: NeoX Japan Number of properties listed on the inbound real estate investment portal site (as of the end of April 2020)

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NeoX Group and Real Estate Business

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Overview of NeoX Group [*1]

NeoX Group operates a platform (“Shenjumiaosuan”) for introducing Japanese real estate primarily to investors in Greater China as well as AI business

Japan
NeoX, Inc. (“NeoX Japan”)

Head office	1-3-9 Shibuya, Shibuya-ku, Tokyo
Established	December 21, 2016
Capital	5,000,000 yen
President	He Shumian
Corporate site	https://corp.neox-inc.com/

China
NeoX Information Technology (Shanghai) Co., Ltd. (“NeoX China”)

Head office	Debao Road No. 38, Building No. 2, Shanghai Free Trade Zone Area, P.R. China
Sales office	28E, Block B, Global Harbor, 3300 Zhongshan North Road, Putuo District, Shanghai
Established	January 17, 2017
Capital	Approx. 20,000,000 yen (1,242,111 yuan)
President	He Shumian

*1) NeoX, Inc. and NeoX Information Technology (Shanghai) Co., Ltd. are collectively referred to as the “NeoX Group.”

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Leading Japanese Real Estate Platform for Greater China

神居秒算



NeoX

Number of property listings

Approx. **12,000**

Number of monthly inquiries

Approx. **1,000** per month

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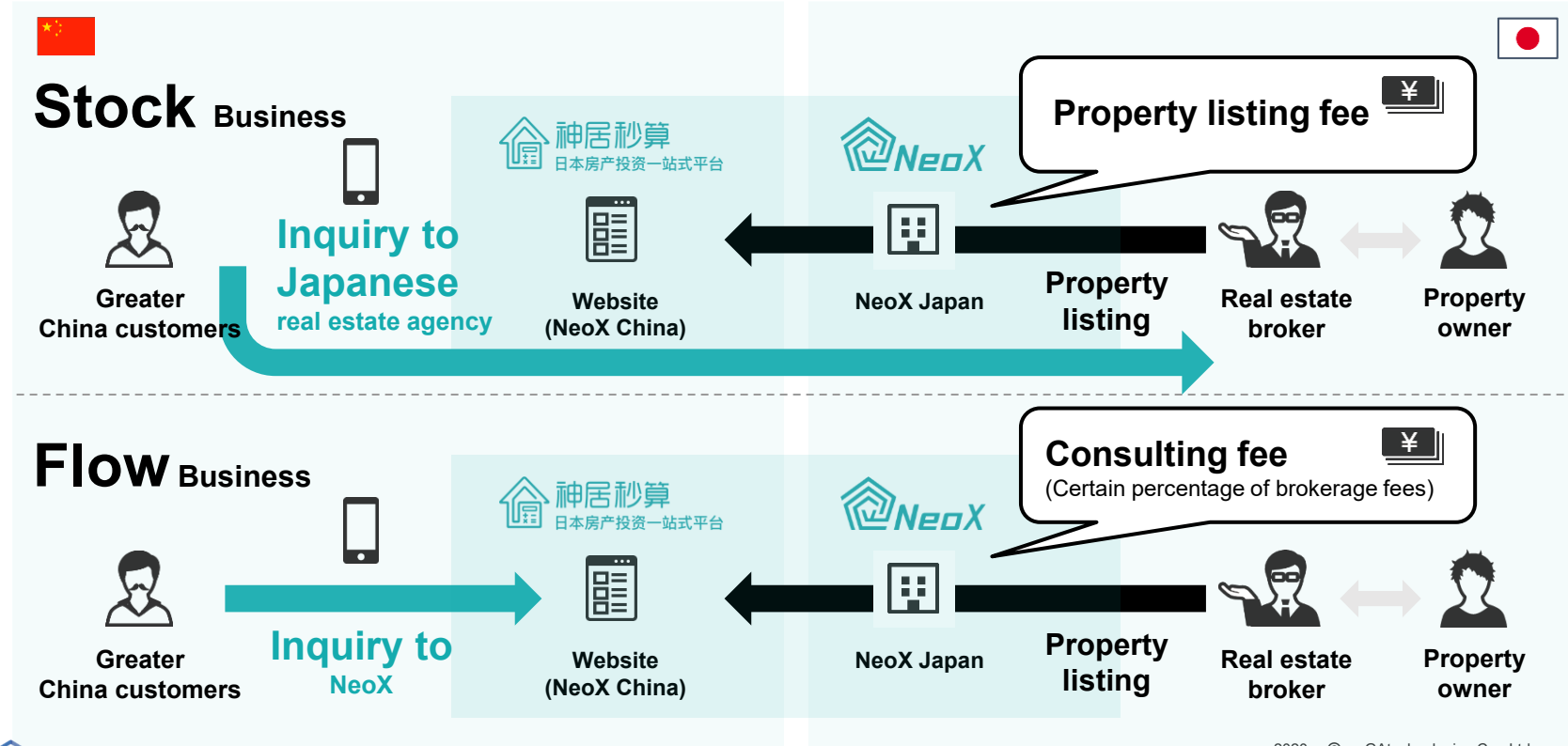
Shenjumiaosuan Business Model



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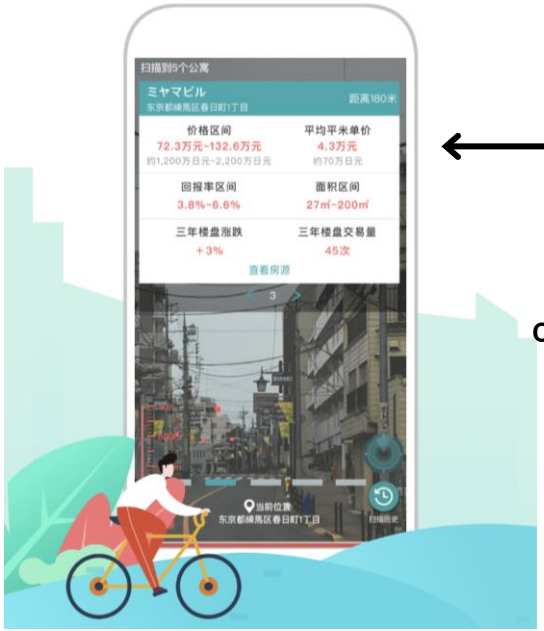
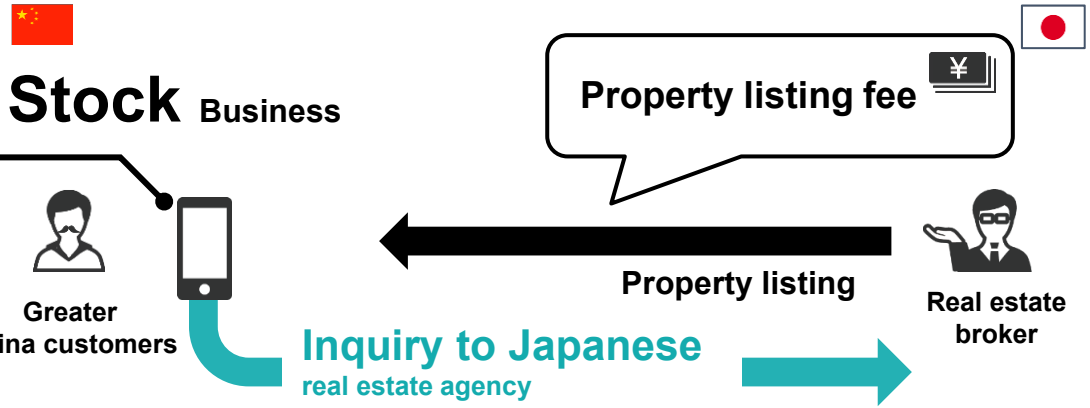
Strength of Shenjumiaosuan

Further accelerating business with proprietary AR app





Accurate real estate information via AR while being in China, and directly inquire to Japan

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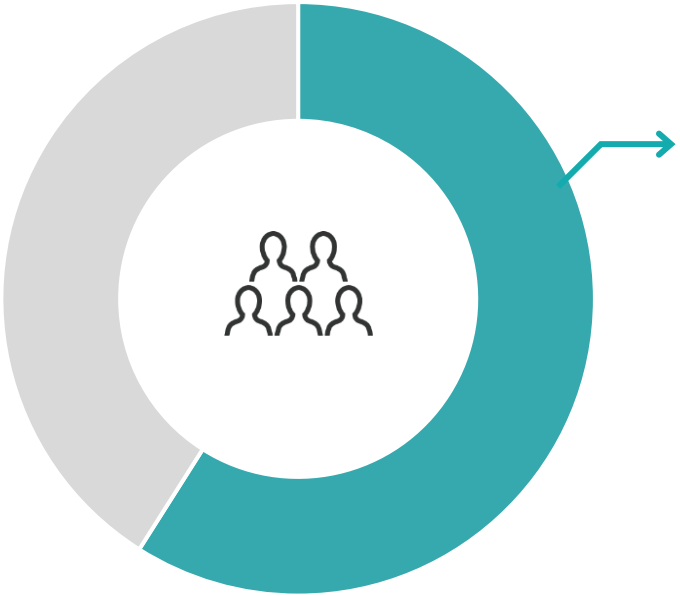
Attributes of Shenjumiaosuan Customers

59% of Shenjumiaosuan customers have 50 million yen or more in assets



Assets

50 million

yen or more

59%

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Synergy from Acquisition of Shenjumiaosuan Business

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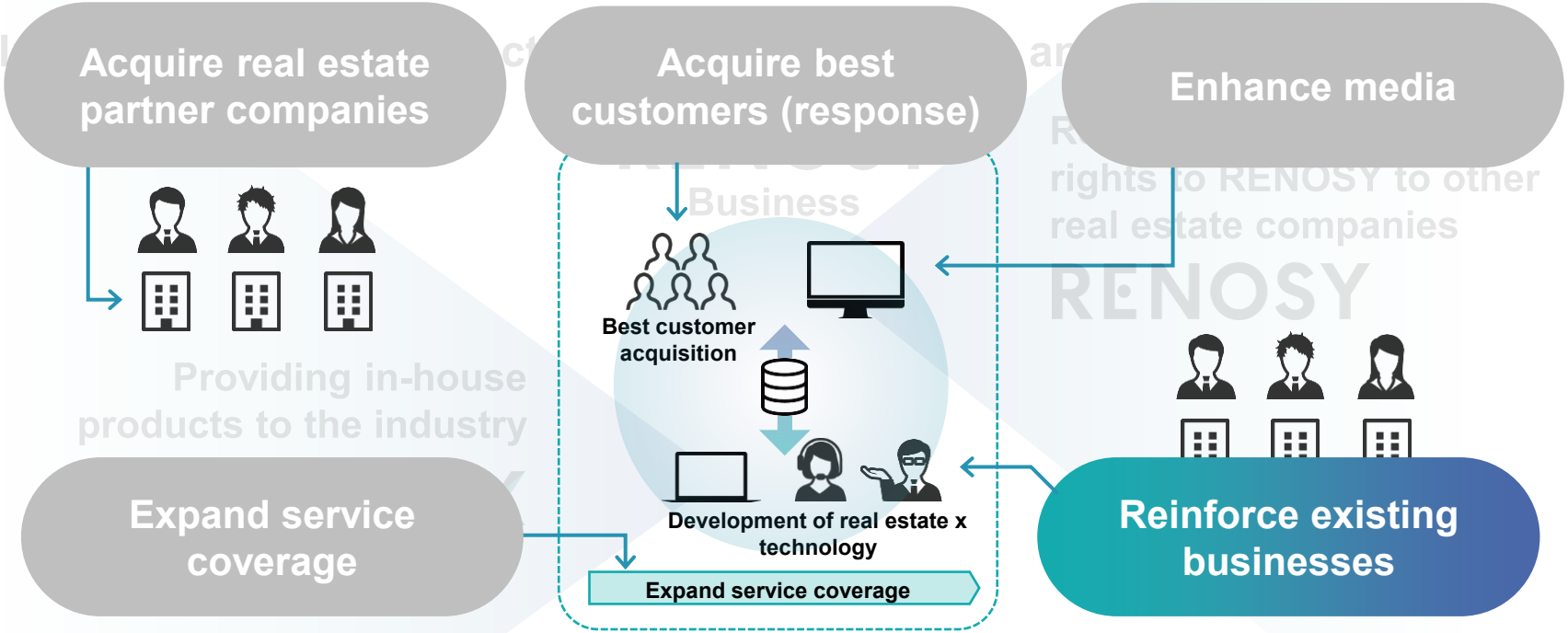
Reinforcing Existing Businesses



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Basic Strategy for RENOSY Business

Expand market while improving contract rate for RENOSY members, which are best customer candidates

Market expansion



Increase in number of RENOSY members

(Response + referral + existing owner)

×



Improvement in contract rate

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Market expansion

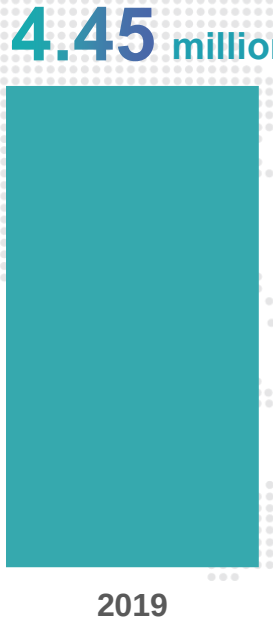
Over the 10-year period from 2010 to 2019, the number of Chinese millionaires (total assets of $1 million or more) increased sharply *1



In 10 years, number of Chinese millionaires grew by more than

100x

40,000



Potential also significant

Chinese millionaires

4.45 million



1.393 billion people

American millionaires

18.61 million



328.2 million people

*1) “The Global Wealth Report 2019” by CREDIT SUISSE

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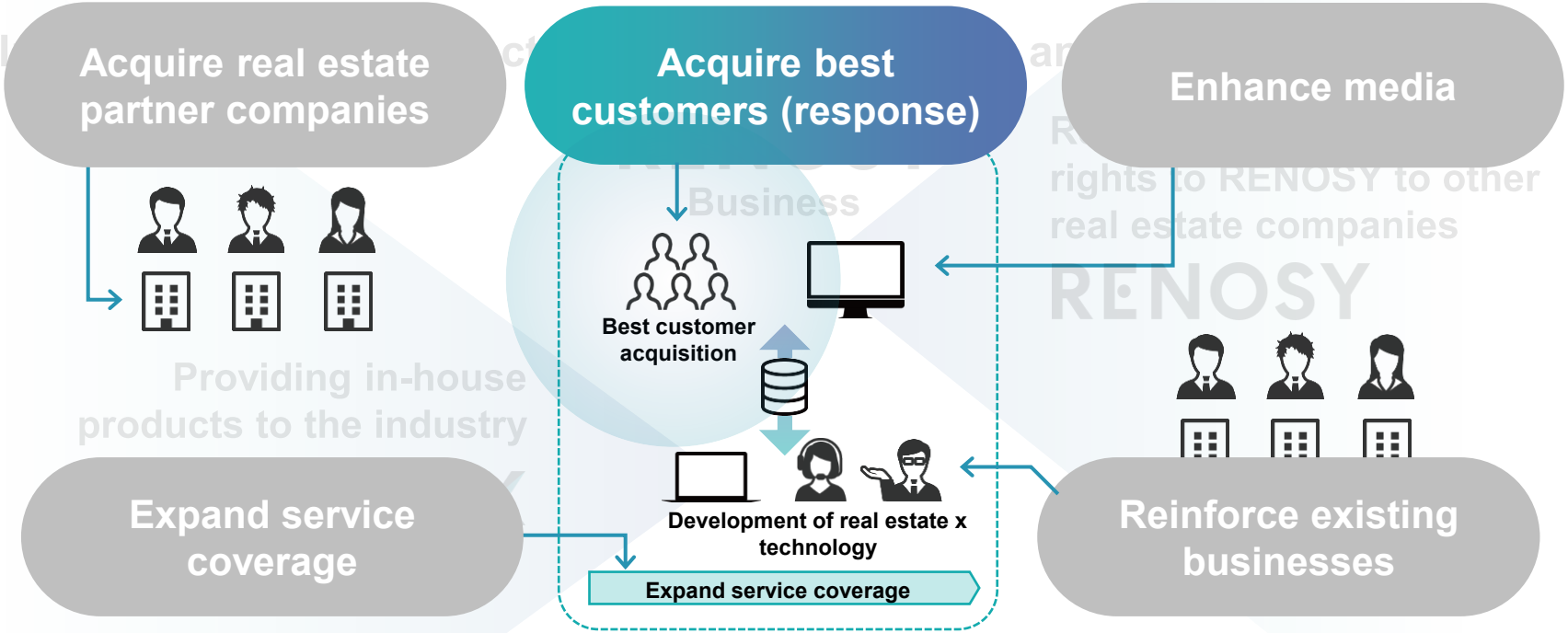
Acquiring good customers



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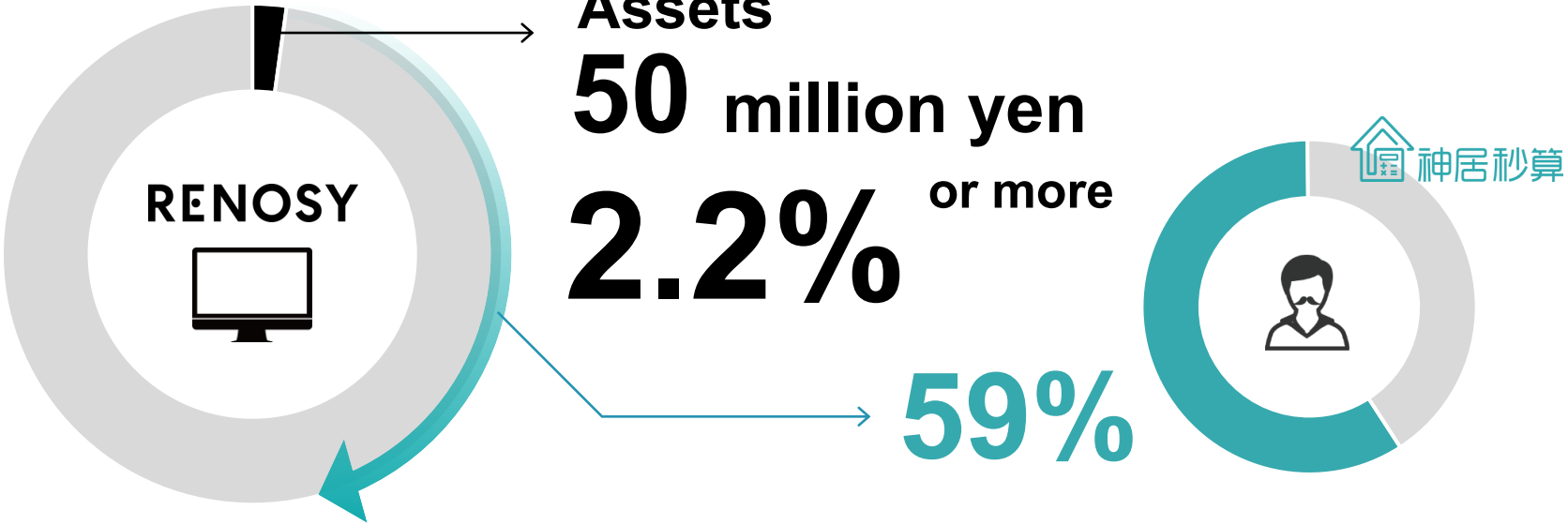
Improvement in Attributes of RENOSY Customers

Making RENOSY a media with high customer attributes by acquiring Shenjumiaosuan customers with more than 50 million yen in assets



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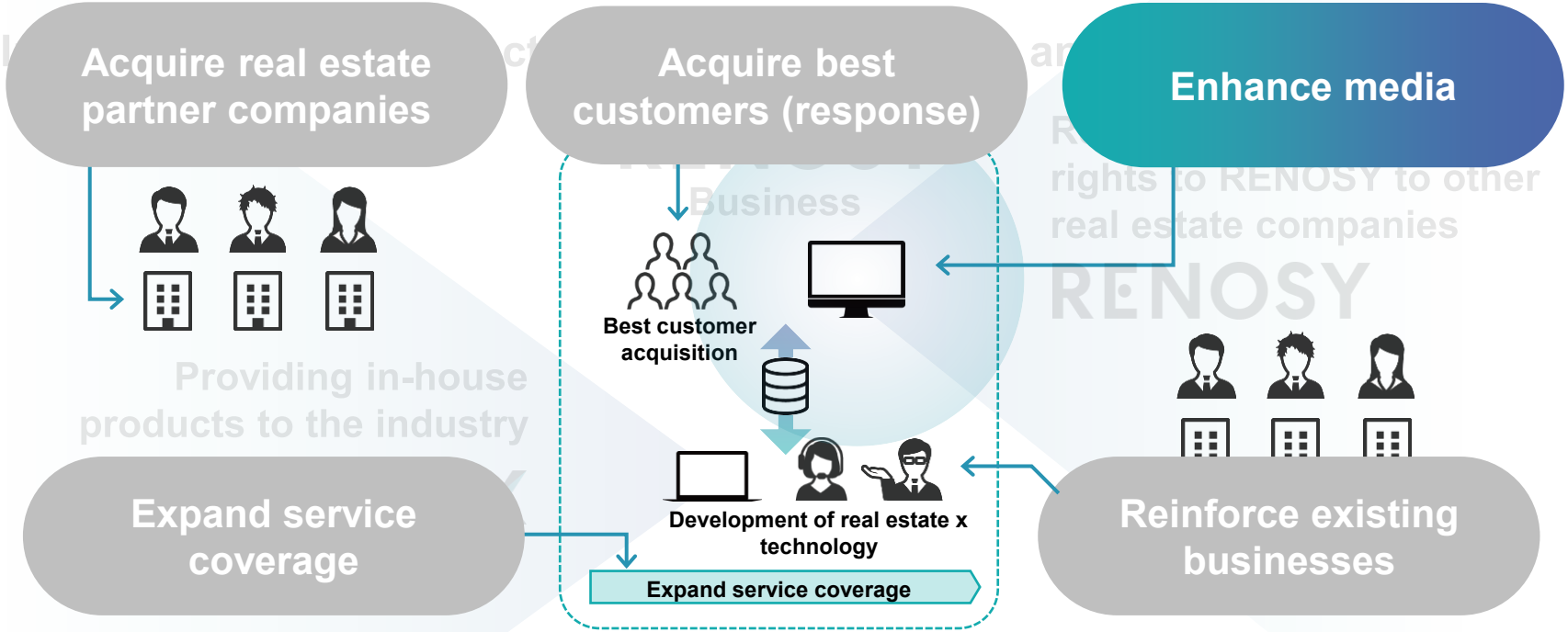
Enhancement of media



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Media Enhancement Through Integration

Future media integration to result in 2,000 responses per month for investments (iBuyer), 1,000 for rent (Modern Standard), 500 for demand for private use (Living), and 1,000 for inbound (Shenjumiaosuan)

Approx. 4,500 responses / month

Approx. 2,500 responses / month

RENOSY+

Approx. 1,000 responses / month

MODERN STANDARD

Approx. 1,000 responses / month

神居秒算

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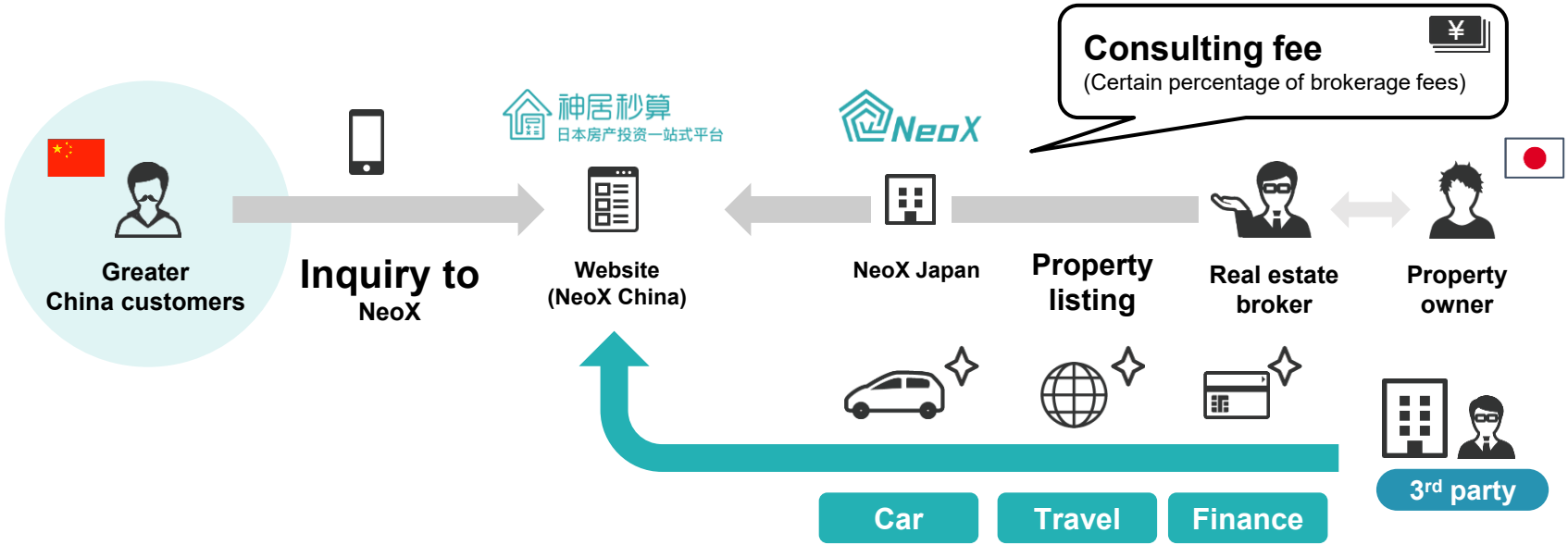
Providing a variety of services to the wealthy in Greater China

Increasing profits by providing Japanese goods and services other than real estate to the wealthy people in Greater China through Shenjumiaosuan



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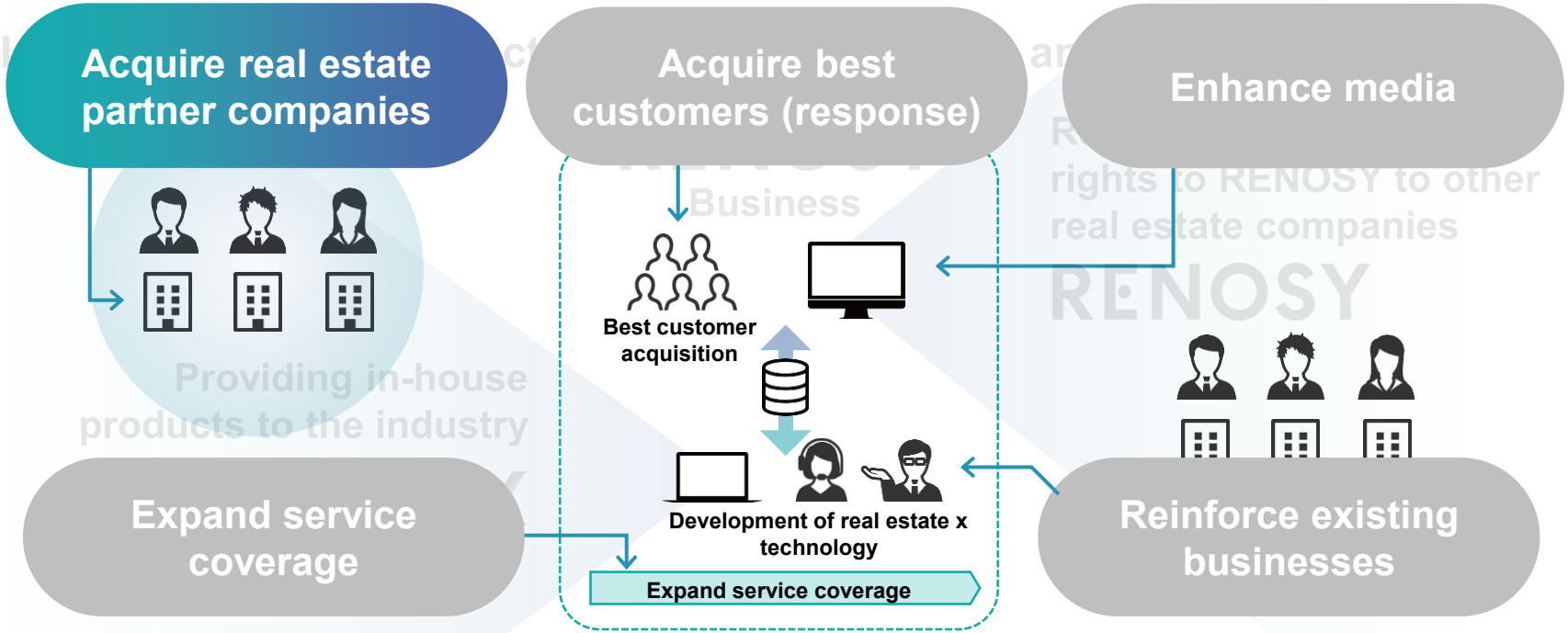
Acquisition of real estate partners companies



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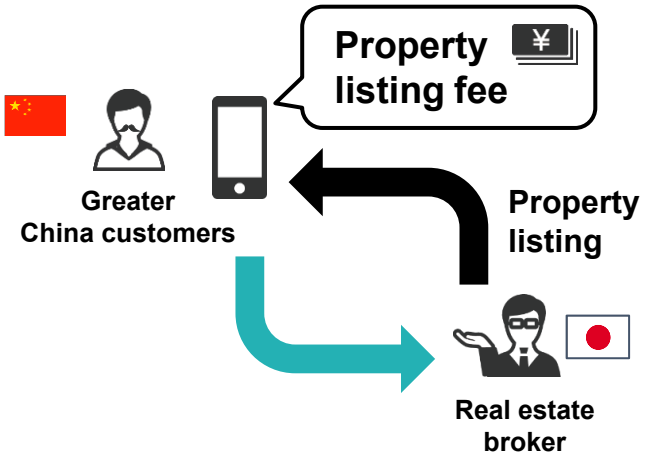
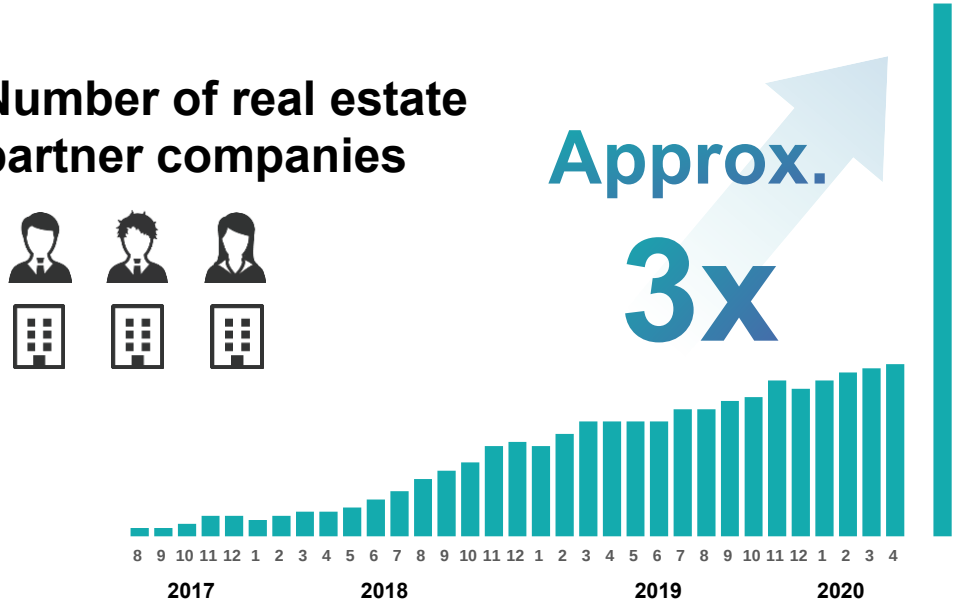
Strengthen of Stock Business

Plan to increase number of Real estate broker/management companies which uses the system by approx. 3x after M&A in order to increase stock revenue through listing fees

Stock Business



Number of real estate partner companies



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Expansion of BtoB System Sales (Synergy with RENOSY X)

Obtain real estate brokers that installs the Shenjumiaosuan system. GA technologies plans to sell B to B system through RENOSY X



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Technology × Innovation to Inspire the World







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