Translation

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# Summary of Consolidated Financial Results for the Nine Months Ended July 31, 2020 (Based on Japanese GAAP)

September 14, 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: September 14, 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 nine months ended July 31, 2020 (November 1, 2019 to July 31, 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 | % |
| Nine months ended July 31, 2020 | 39,790 | 53.8 | 684 | 50.9 | 522 | 73.0 | 142 | 30.3 |
| Nine months ended July 31, 2019 | 25,878 | - | 453 | - | 301 | - | 109 | - |

(NOTE) Comprehensive income: Nine months ended July 31, 2020 132 million yen (25.0 %)
Nine months ended July 31, 2019 105 million yen (-%)

| | Earnings per share | Diluted earnings per share |
|---|---|---|
| | Yen | Yen |
| Nine months ended July 31, 2020 | 14.87 | 13.99 |
| Nine months ended July 31, 2019 | 12.45 | 11.29 |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|---|---|---|---|
| | Million yen | Million yen | % |
| As of July 31, 2020 | 15,625 | 6,350 | 40.6 |
| As of October 31, 2019 | 11,839 | 5,757 | 48.6 |

(REFERENCE) Shareholders' equity: As of July 31, 2020 6,350 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 to the forecast of financial results from recently announced figures: Not applicable

**4. Notes**

(1) Changes in significant subsidiaries during the nine months ended July 31, 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 July 31, 2020 | 9,690,225 shares | As of October 31, 2019 | 9,432,855 shares |

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

| | | | |
|---|---|---|---|
| As of July 31, 2020 | 207 shares | As of October 31, 2019 | 99 shares |

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

| | | | |
|---|---|---|---|
| Nine months ended July 31, 2020 | 9,604,136 shares | Nine months ended July 31, 2019 | 8,799,541 shares |

## Quarterly Consolidated Financial Statements
### Quarterly Consolidated Balance Sheets

(Million yen)

| | As of October 31, 2019 | As of July 31, 2020 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,279 | 3,911 |
| Accounts receivable - trade | 37 | 115 |
| Real estate for sale | 682 | 2,369 |
| Costs on uncompleted construction contracts | 3 | 9 |
| Supplies | 22 | 27 |
| Advance payments - trade | 203 | 240 |
| Prepaid expenses | 198 | 242 |
| Other | 127 | 154 |
| Allowance for doubtful accounts | (42) | (88) |
| Total current assets | 5,512 | 6,982 |
| Non-current assets | | |
| Property, plant and equipment | 1,072 | 1,029 |
| Intangible assets | | |
| Goodwill | 1,707 | 2,802 |
| Software | 241 | 2,395 |
| Software in progress | 1,648 | 120 |
| Customer Relationship | 724 | 881 |
| Other | 8 | 6 |
| Total intangible assets | 4,330 | 6,207 |
| Investments and other assets | 923 | 1,405 |
| Total non-current assets | 6,327 | 8,642 |
| Total assets | 11,839 | 15,625 |
| Liabilities | | |
| Current liabilities | | |
| Short-term loans payable | 100 | 300 |
| Current portion of long-term loans payable | 734 | 967 |
| Current portion of bonds | 40 | 40 |
| Accounts payable - other | 640 | 710 |
| Income taxes payable | 378 | 186 |
| Accrued consumption taxes | 134 | 180 |
| Provision | 27 | 26 |
| Other | 668 | 1,195 |
| Total current liabilities | 2,724 | 3,607 |
| Non-current liabilities | | |
| Bonds payable | 150 | 2,120 |
| Long-term loans payable | 2,179 | 2,505 |
| Deferred tax liabilities | 239 | 295 |
| Provision | 63 | 60 |
| Asset retirement obligations | 301 | 301 |
| Other | 424 | 384 |
| Total non-current liabilities | 3,358 | 5,666 |
| Total liabilities | 6,082 | 9,274 |

(Million yen)

| | As of October 31, 2019 | As of July 31, 2020 |
|---|---|---|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,156 | 1,168 |
| Capital surplus | 3,466 | 3,918 |
| Retained earnings | 1,135 | 1,278 |
| Treasury shares | (0) | (0) |
| Total shareholders' equity | 5,758 | 6,364 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | (3) | (14) |
| Total accumulated other comprehensive income | (3) | (14) |
| Share acquisition rights | 2 | 0 |
| Total net assets | 5,757 | 6,350 |
| Total liabilities and net assets | 11,839 | 15,625 |

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

(Million yen)

| | Nine months ended July 31, 2019 | Nine months ended July 31, 2020 |
|---|---|---|
| Net sales | 25,878 | 39,790 |
| Cost of sales | 21,194 | 33,360 |
| Gross profit | 4,683 | 6,429 |
| Selling, general and administrative expenses | 4,230 | 5,745 |
| Operating profit | 453 | 684 |
| Non-operating income | | |
| Interest income | 0 | 0 |
| Other | 7 | 10 |
| Total non-operating income | 7 | 11 |
| Non-operating expenses | | |
| Interest expenses | 43 | 48 |
| Commission fee | 104 | 88 |
| Bond issue expenses | 4 | 21 |
| Other | 6 | 15 |
| Total non-operating expenses | 159 | 173 |
| Ordinary profit | 301 | 522 |
| Extraordinary losses | | |
| Impairment loss | 67 | 53 |
| Loss on sales and retirement of non-current assets | 3 | 0 |
| Loss on cancellation of rental contracts | 42 | - |
| Other | 7 | - |
| Total extraordinary losses | 121 | 53 |
| Profit before income taxes | 180 | 468 |
| Income taxes | 70 | 325 |
| Profit | 109 | 142 |
| Profit attributable to owners of parent | 109 | 142 |

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

(Million yen)

| | Nine months ended July 31, 2019 | Nine months ended July 31, 2020 |
|---|---|---|
| Profit | 109 | 142 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (3) | (10) |
| Total other comprehensive income | (3) | (10) |
| Comprehensive income | 105 | 132 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 105 | 132 |