GA Technologies Co., Ltd.

FY2020
Financial Results
Nov 1, 2019 – Oct 31, 2020

December 15, 2020

Securities code: 3491

GA TECHNOLOGIES

PHILOSOPHY

Technology × Innovation to Inspire the world

VISION

Create a world-leading company

Business Overview of the GA TECHNOLOGIES GROUP

Covering all real estate areas (rentals, sales, renovation, and investment), we provide SaaS products to all real estate companies.

Contacting housing for the first time — Creating the ideal lifestyle — Creating the ideal future lifestyle

Rent — Rent, buy, sell, or renovate — Invest

ITANDI Business | **Living Business** | **iBuyer Business**

BtoC:

Brokering rentals business

OHEYAGO オヘヤゴー Powered by RENOSY

Brokerage of luxury condominium for rent business

Sales brokerage business

Renovation business

RENOSY

One-stop service covering all areas

BtoB:

Rental BtoB business

ITANDI BB

nomad cloud

Sales BtoB business

RENOSY X (RENOSY cross)

MORTGAGE GATEWAY by RENOSY

Find your property in two seconds!

Bukken SCAN! (You can scan for properties!)

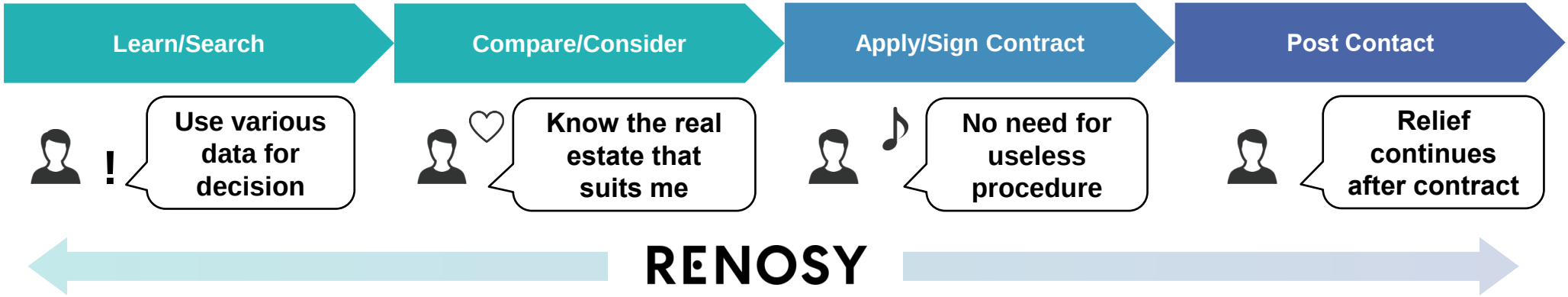
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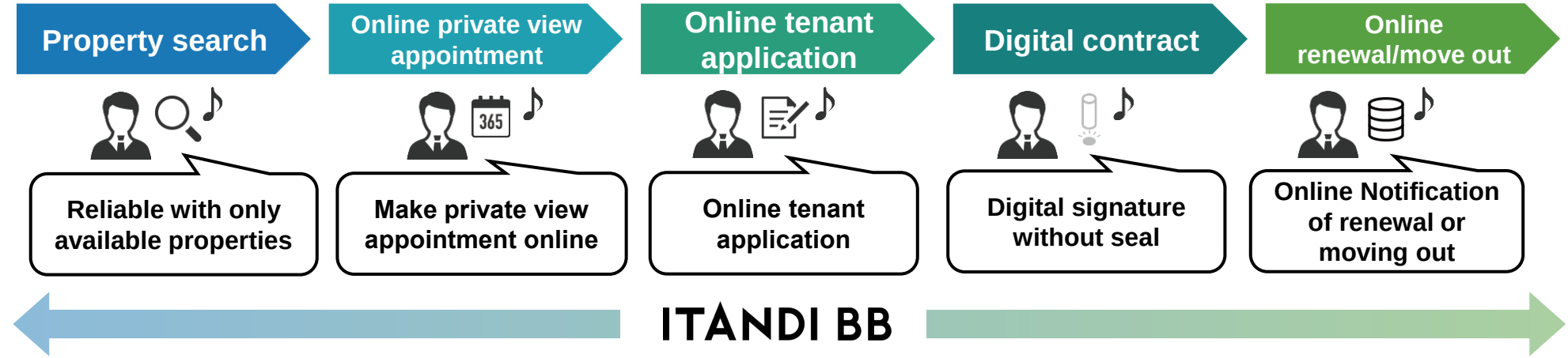
Business Overview of the GA TECHNOLOGIES GROUP

Providing comprehensive services and customer experiences by GA technologies Group

RENOSY



ITANDI BB



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Solves issues by DX in the real estate industry and provides a smooth customer experience



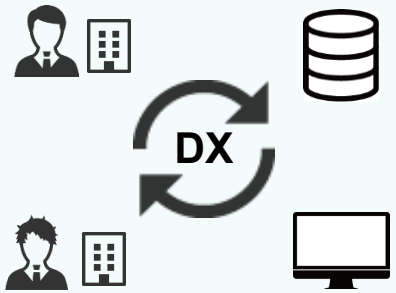
Integration of “real” and “technology”

We provide stable, high-quality services as well as a smooth customer experience in a comprehensive manner ranging from media to real estate transactions.



One-stop and fair resolution of customer concerns

We provide customer-oriented services covering all areas of renting, leasing, selling, buying, investing and renovating.



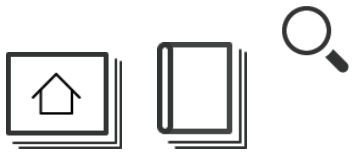
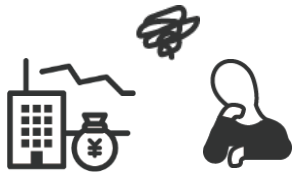
Promotion of DX for the entire real estate industry

We provide products to other real estate companies (BtoB) and indirectly support their customer services through DX, pursuing a smooth customer experience across the real estate market.

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Paradigm Shift in the Real Estate Industry for the First Time in 20 Years

Learn/search	Compare/consider	Apply/sign contract	After signing contract
			
Paper media, such as magazines	Face-to-face interview	Documents	Analog management
First digitization of real estate (Internet around 2000)	Second digitization of real estate (real estate DX)		
			
Electronic media such as web and others	Non-face-to-face procedure	Online procedure	Digital management

The government considers abolishing the requirement of provision by real estate agencies of documents and face-to-face explanations of important matters when trading real estate. * Note 1

Note 1) “Government plans to eliminate requirement of on-site pharmacists, tax documents and face-to-face procedures” in Nihon Keizai Shimbun dated October 9, 2020

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Trends in the Government on Online Real estate Transactions

With regard to real estate lease (rent) or trading (buy/sell) transactions, the current law requires delivery of a written document under Article 35 (explanation of important matters) and Article 37 (agreement).

Application

Agreement

Delivery

Lease area

Explanation of important matters (Document required by Article 35)

Non-face-to-face procedure	Document digitization
○ Full-scale operation	△ Under social experiment

A social experiment of electronic delivery has been underway since September 2020. However, a written document (paper) is also required.

Lease agreement (Document required by Article 37)

Non-face-to-face procedure	Document digitization
○ Permitted under the current law	△ Under social experiment

A social experiment of electronic delivery has been underway since September 2020. However, a written document (paper) is also required.

Trading area

Explanation of important matters (Document required by Article 35)

Non-face-to-face procedure	Document digitization
△ Under social experiment	× Possible social experiment

A social experiment of online provision of explanation of important matters (via video conference, etc.) has been underway since September 2019. It is the government's stance that it is necessary to consider implementing a social experiment of document digitization.

Sales agreement (Document required by Article 37)

Non-face-to-face procedure	Document digitization
○ Permitted under the current law	× Possible social experiment

It is the government's stance that it is necessary to consider implementing a social experiment of document digitization.

Kazuyoshi Akaba, Minister of Land, Infrastructure, Transport and Tourism said, "We discussed whether it was possible to digitize real estate transactions, which legally require written documents at the time of contracting. Although we need to revise the law, we decided to go ahead with it."*1

*1: "Plans to promote digitization of lease agreements and other documents," NHK NEWS WEB on October 22, 2020

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Investment Trends in the Technology Area

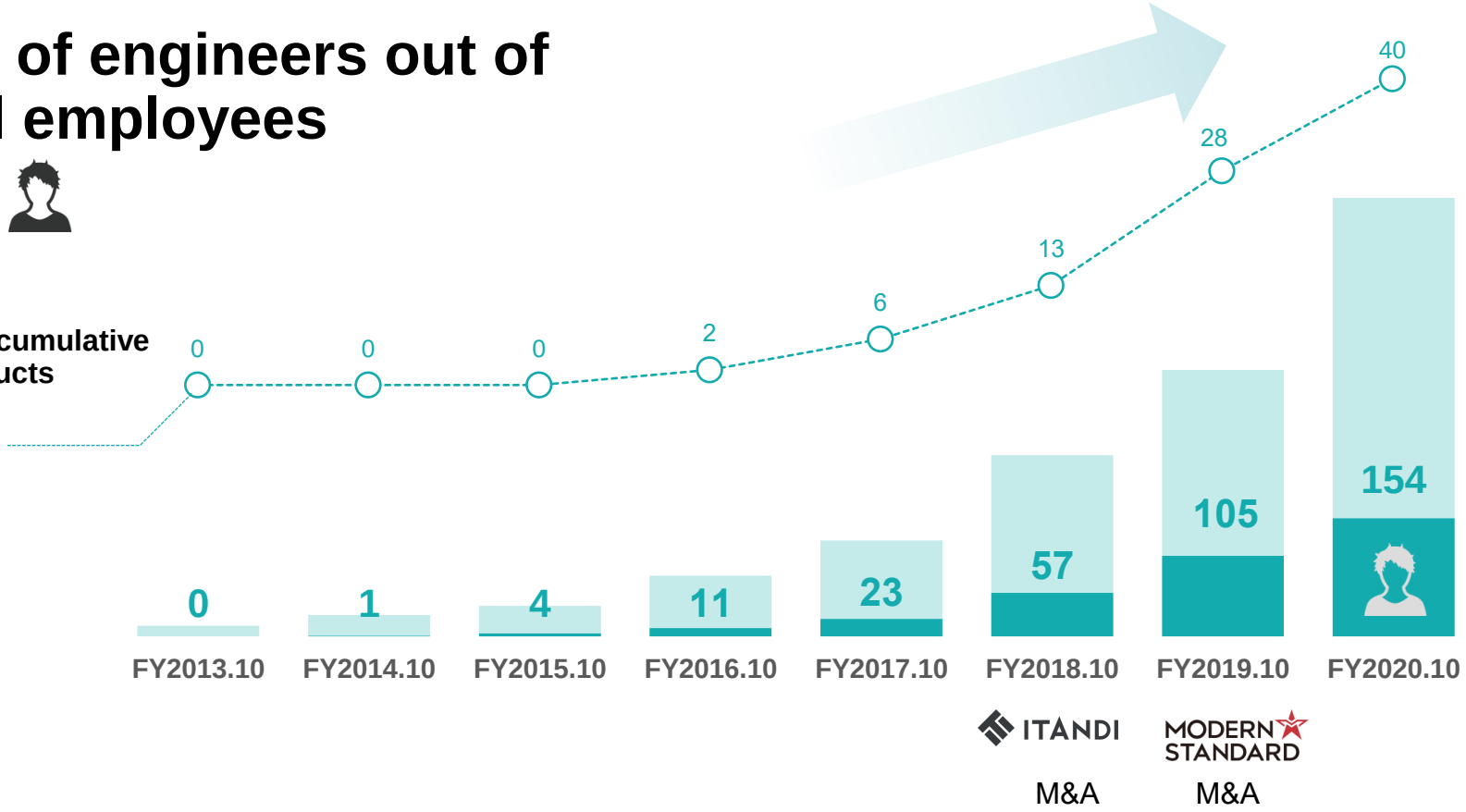
GA has proactively invested in technology to digitize its real estate business since our founding. Currently, GA has 154 engineers and 40 products, forming the company's foundation of real estate DX.

Number of engineers out of the total employees



Changes in the cumulative number of products





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GA's Efforts to Digitize Real Estate Transactions

GA has long been working on digitizing real estate transactions



Launch of "Mortgage Gateway" (Digitalization of loan applications)

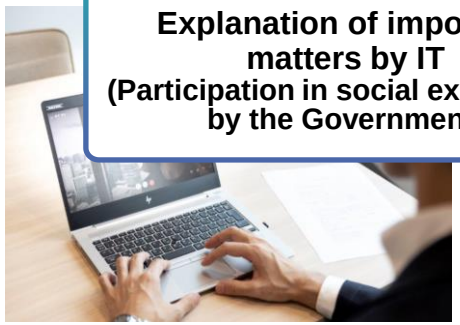


Digitalization of sales agreements



Shift to online negotiations

○ 2019



Explanation of important matters by IT (Participation in social experiment by the Government)

○ 2020

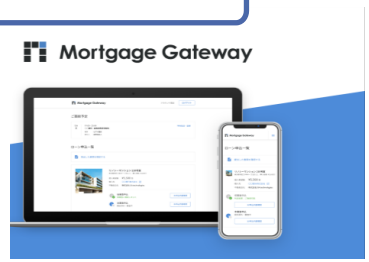
Shift to credit card payments for deposits

JACCS introduces Mortgage Gateway

JACCS

SBJ銀行 SHINHAN BANK JAPAN

(Introduced in April 2019)



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FY10/2020 Results (Consolidated)

GA TECHNOLOGIES

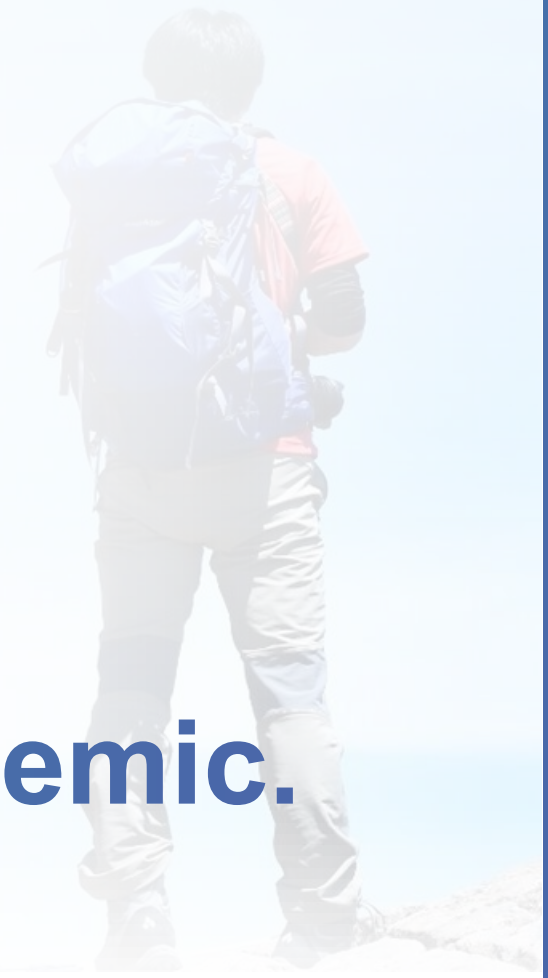
GA achieved

the target, which was

revised upward

during the fiscal year,

in spite of the COVID-19 pandemic.



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Comparison of Forecasts and Actual Results

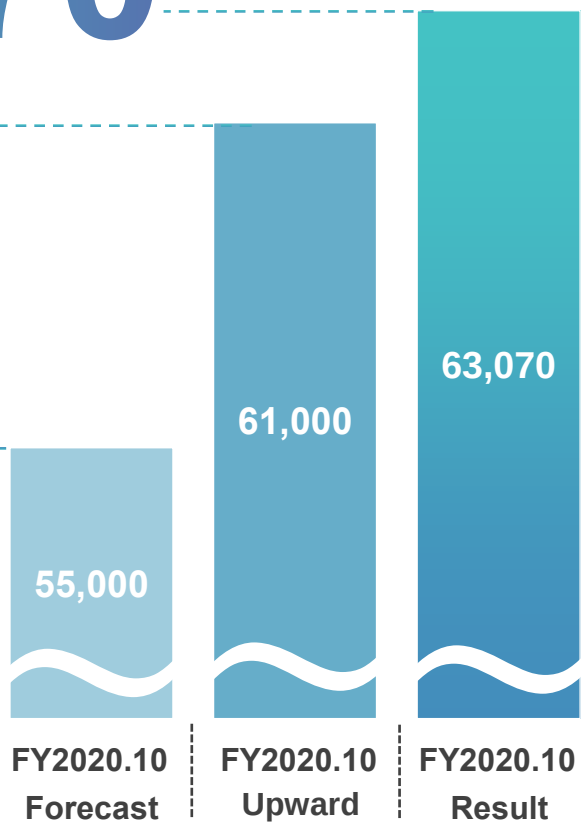
Net sales in FY10/20

(Million yen)

63,070

Upward revision ＊Note 2
61,000

Original forecast ＊Note 1
55,000

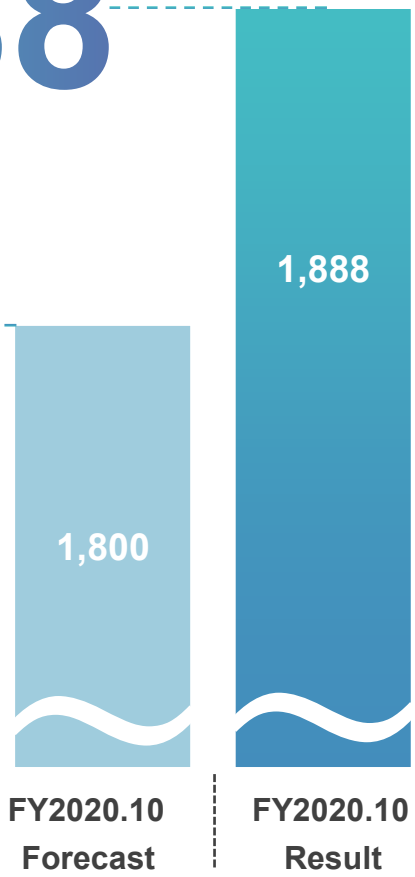


Operating income in FY10/20

(Million yen)

1,888

Forecast ＊Note 1
1,800



Note1) Forecast for FY2020.10 as of Dec. 9, 2019
Note2) Revised forecast for FY2020.10 as of Mar.12, 2020

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Full-Year FY10/2020 Financial Highlights (Consolidated)

GA technologies Group

Net sales

63,070 million yen

YoY **+ 61** %

Gross profit

9,861 million yen

YoY **+ 44** %

Operating income

1,888 million yen

YoY **+ 58** %

Although net sales decreased due to the reduction of operations of financial institutions caused by the COVID-19 pandemic, they recovered in the fourth quarter and business activities returned to normal. Net sales significantly increased by 61% YoY.

Gross profit increased by 44% YoY to a record high of approximately 9.9 billion yen, despite the increase in purchasing costs in the iBuyer business.

Operating income increased by 55% YoY with approximately 1.2 billion yen in the fourth quarter alone, which accounted for 60% of the total full-year operating income.

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FY 10/2020 Summary of Full-Year Results

RENOSY iBuyer

Business activities, which temporarily slowed down due to the reduction of operations of financial institutions during the state of emergency due to COVID-19, recovered in the fourth quarter.
GA posted a record-high net sales thanks to a steady increase in the number of RENOSY members, sales personnel, and ARPA.

RENOSY Living

The number of responses reached a high level and the number of sales personnel steadily increased owing to M&A synergies and enhanced marketing.
GA is developing the OMO system established in the iBuyer business into the Living business to achieve further growth.

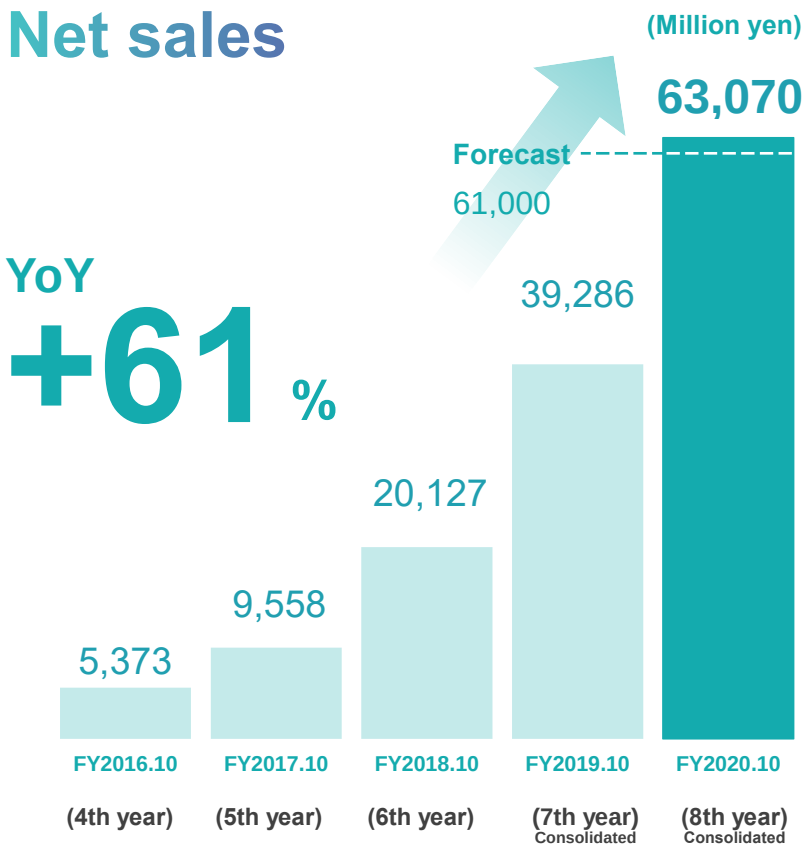
ITANDI

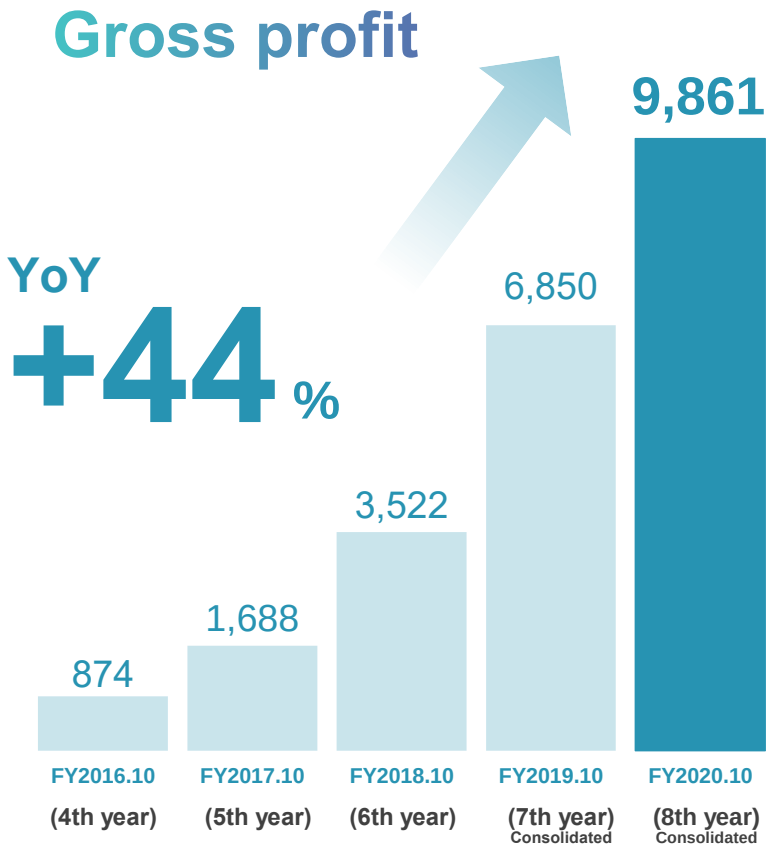
Inquiries increased due to demand for non-face-to-face sales activities in the rentals market to avoid the spread of COVID-19.
The SaaS business for management companies and real estate agencies steadily increased, as the number of subscribing companies increased resulting from the increased inquiries.
In line with an expanding use base of SaaS for management companies, the number of listing in OHEYAGO and online applications also increased.

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Summary of Full-Year Results for FY10/2020

Net sales were 63 billion yen, exceeding the full-year forecast of 61 billion yen, which was revised upward on March 12, 2020. Net sales increased by 61% YoY, and gross profit increased by 44% YoY despite the COVID-19 pandemic.



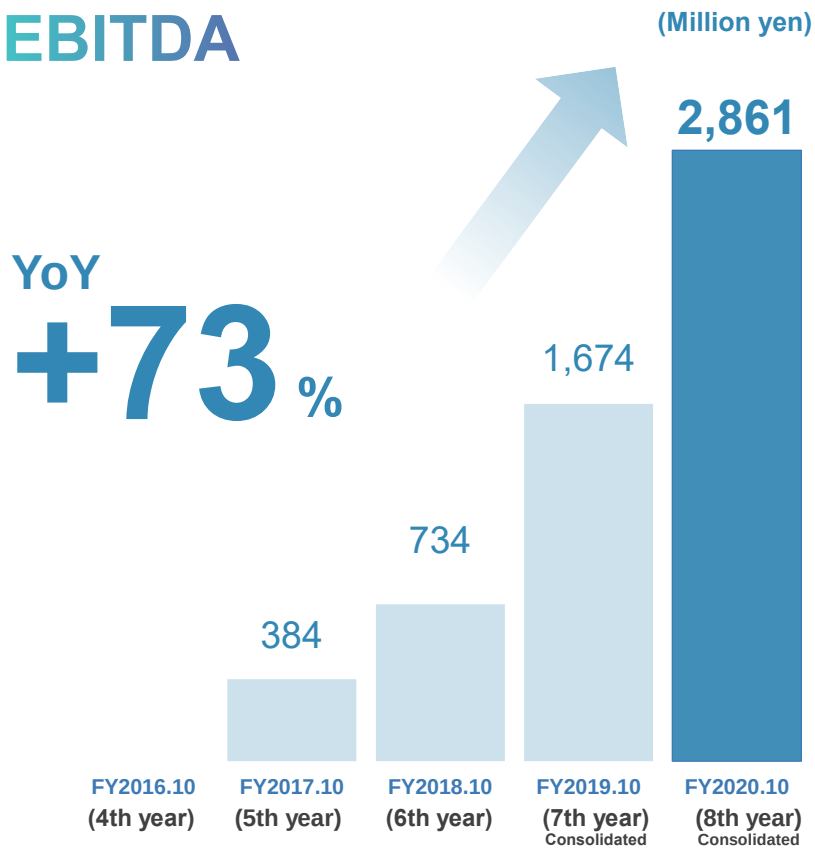


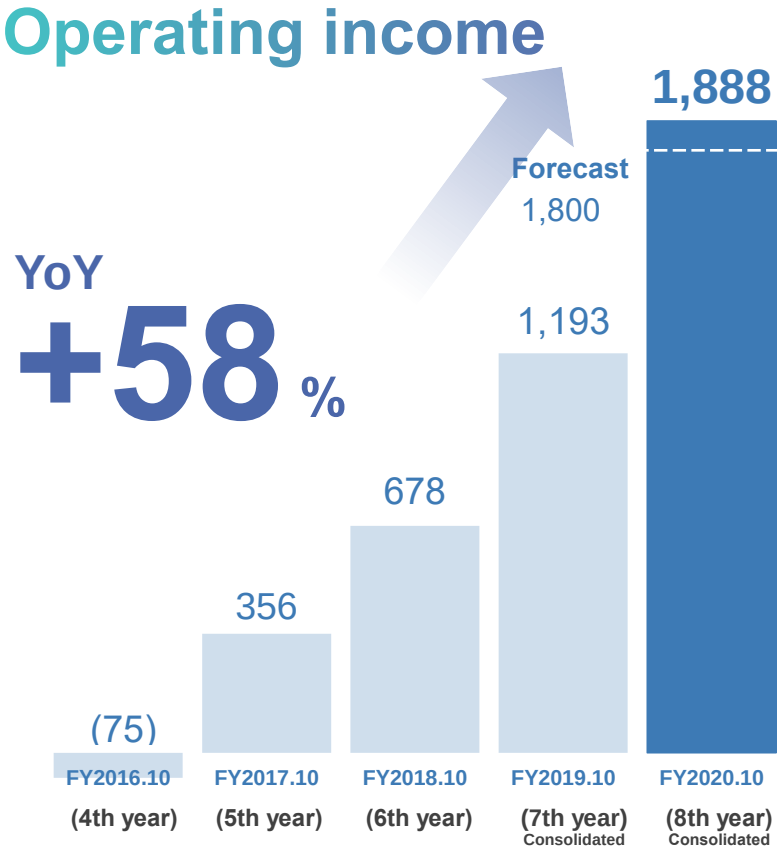
*1) From FY10/2019 (7th year) onward, figures are based on consolidated financial statements.

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Summary of Full-Year Results for FY10/2020

EBITDA (operating income + depreciation expenses), which generates cash flows, increased by 73% YoY to 2.8 billion yen. Operating income also substantially increased by 58% YoY, exceeding the results forecast of 1.8 billion yen.





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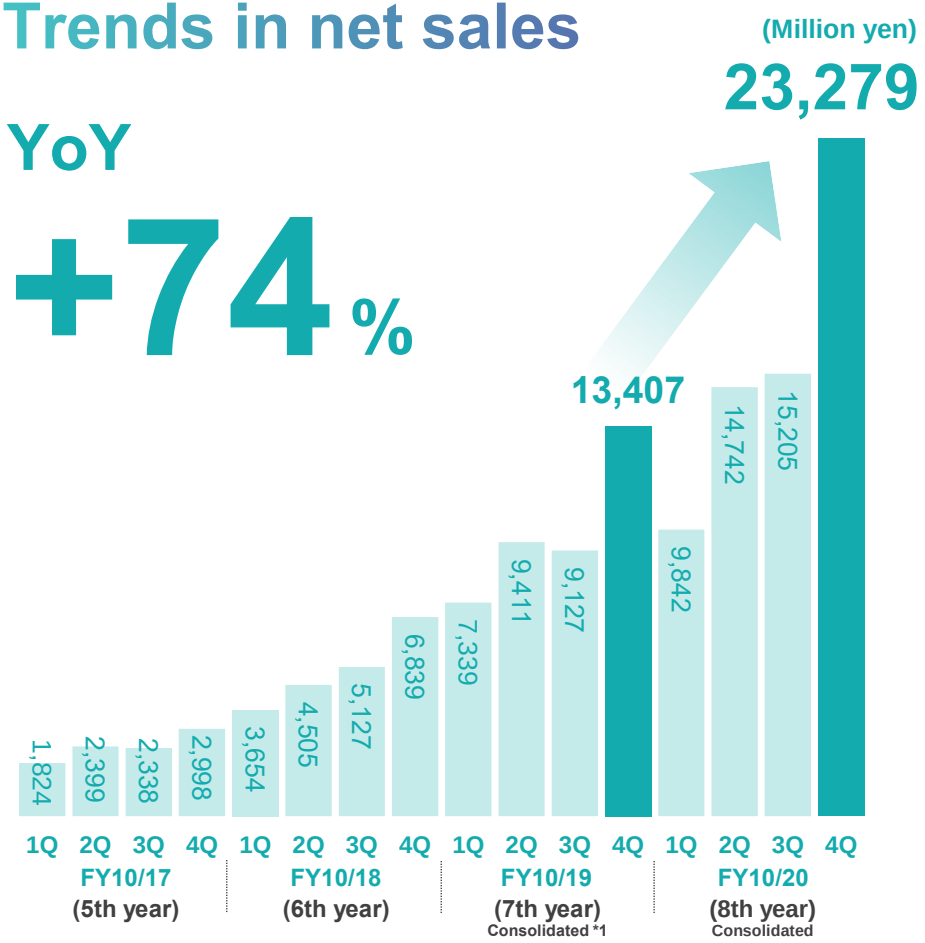
Trends in 4Q of FY10/2020

Net sales for the fourth quarter increased by about 10 billion yen or 74% YoY, maintaining a high sales growth. Gross profit also increased by about 1.3 billion yen or 59% YoY.

Trends in net sales

YoY

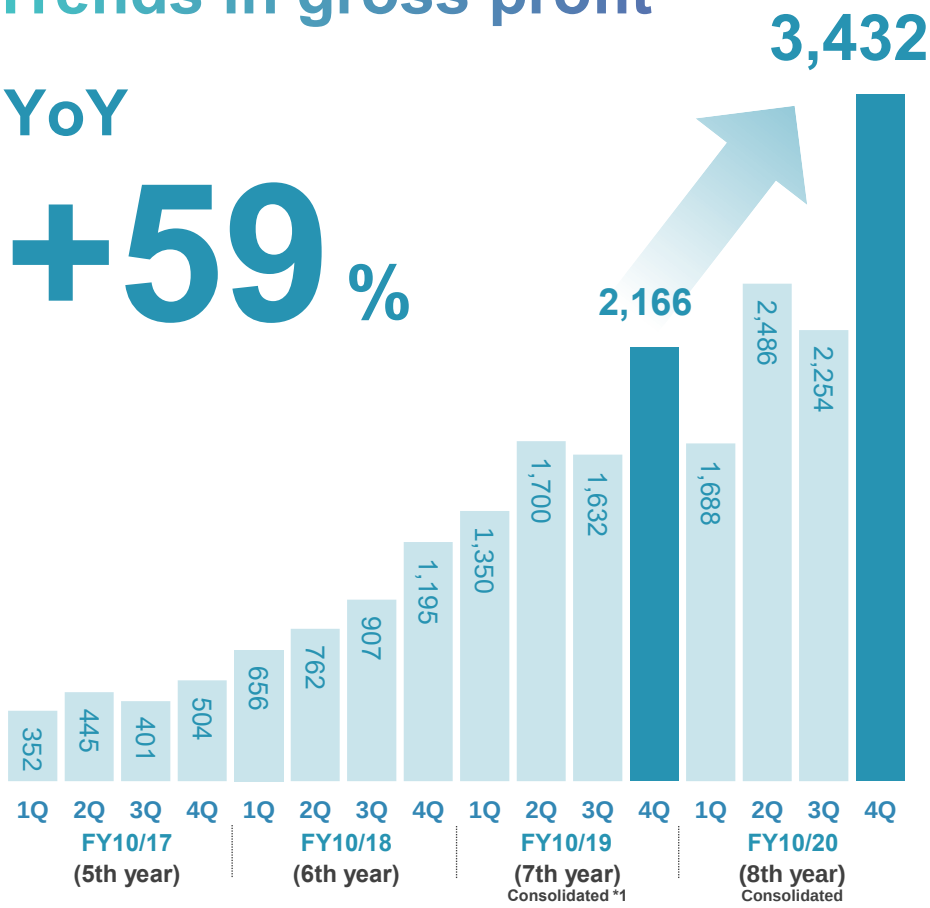
+74%



Trends in gross profit

YoY

+59%



*1) From FY10/2019 (7th year) onward, figures are based on consolidated financial statements.

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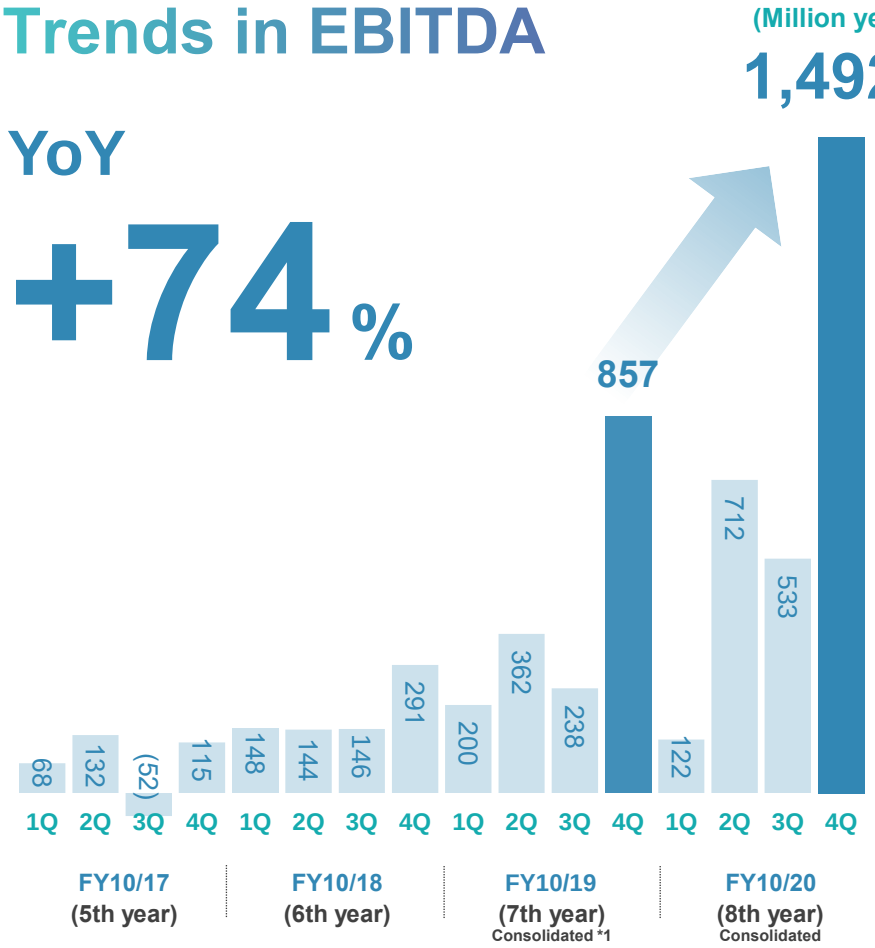
Trends in 4Q of FY10/2020

EBITDA expanded by 74% YoY owing to increased sales. Operating income also increased by 63% YoY, achieving a record-high profit while continuing active investment for future growth.

Trends in EBITDA

YoY

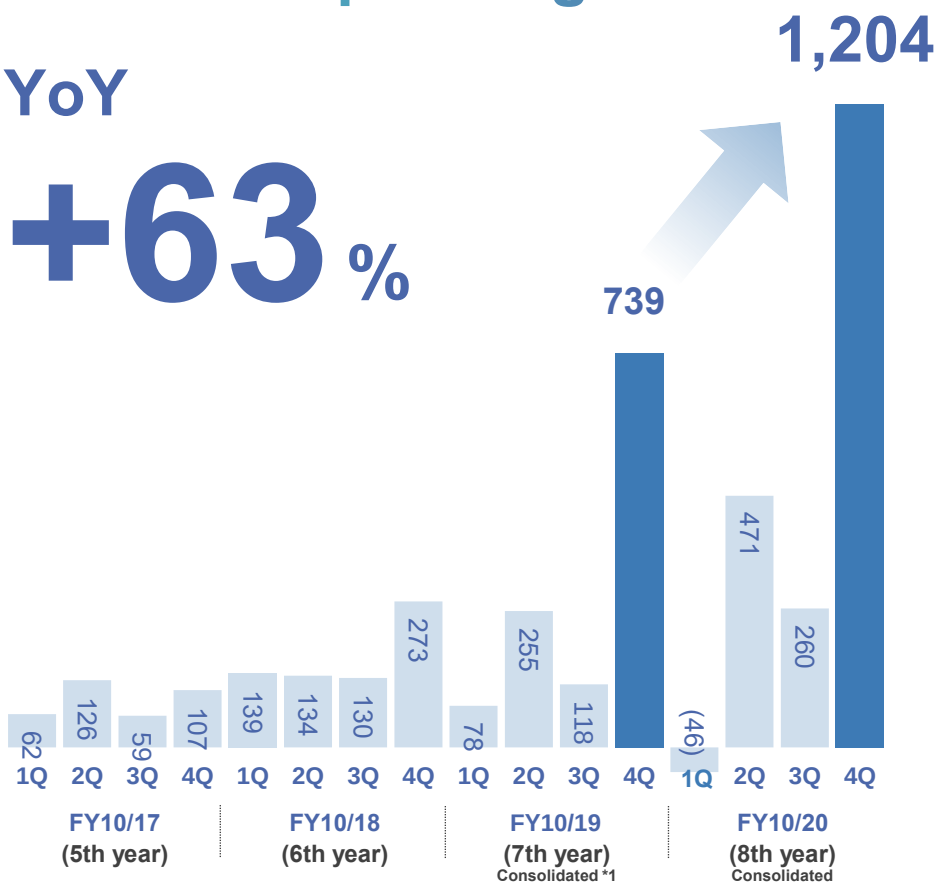
+74%



Trends in operating income

YoY

+63%



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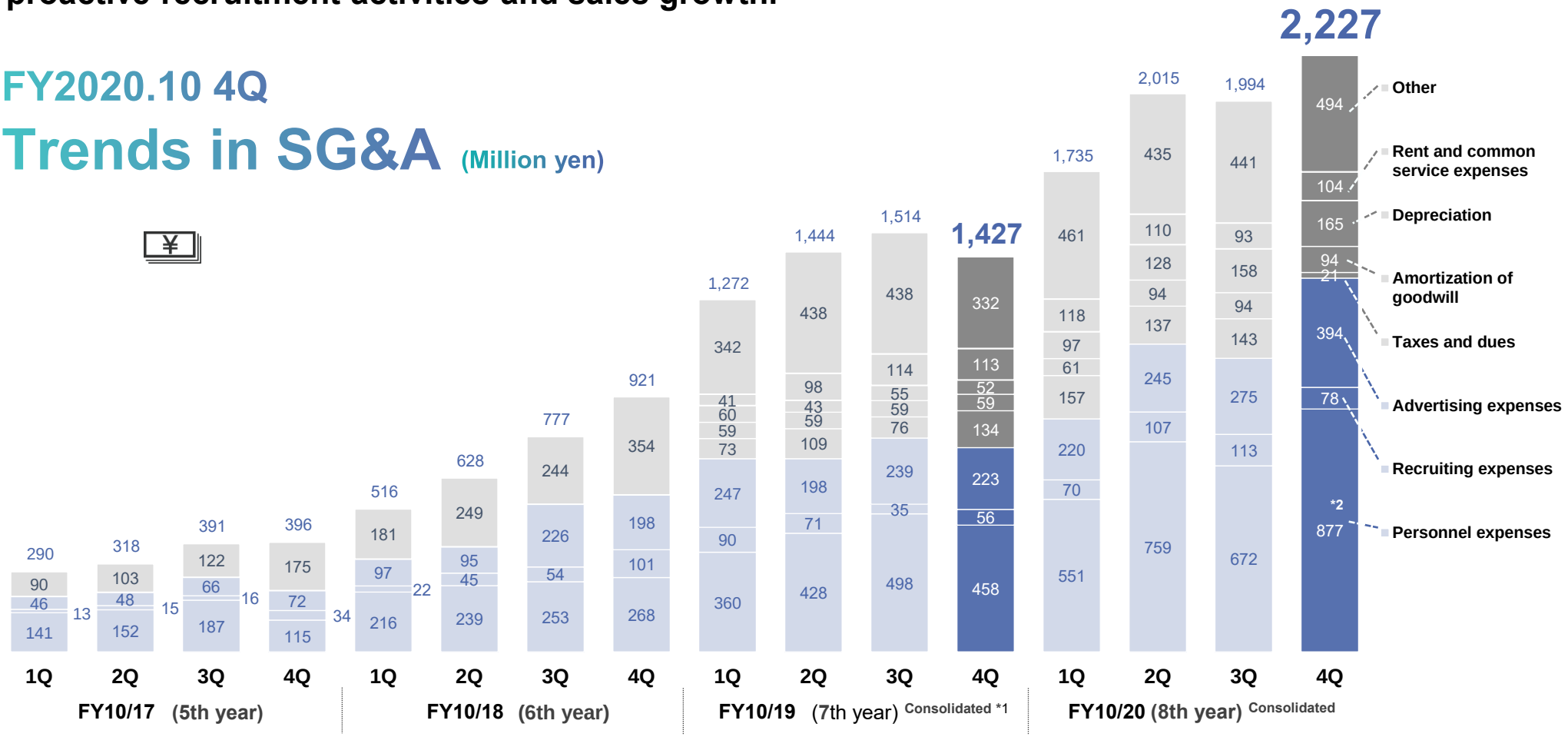
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Trends in SG&A in 4Q of FY10/2020

The ratio of SG&A expenses to net sales increased by the same level of around 10% YoY despite an expansion in advertising expenses due to an increase in personnel expenses resulting from proactive recruitment activities and sales growth.

FY2020.10 4Q

Trends in SG&A (Million yen)



*1) From FY10/2019 (7th year) onward, figures are based on consolidated financial statements.
*2) Sales personnel costs for brokerage fee sales were transferred to cost of sales in the third quarter, including such costs in the first and second quarters (146 million yen). If this effect is not taken into account, the personnel expenses for the third quarter will be 818 million yen. Those expenses in the fourth quarter were also included in cost of sales.

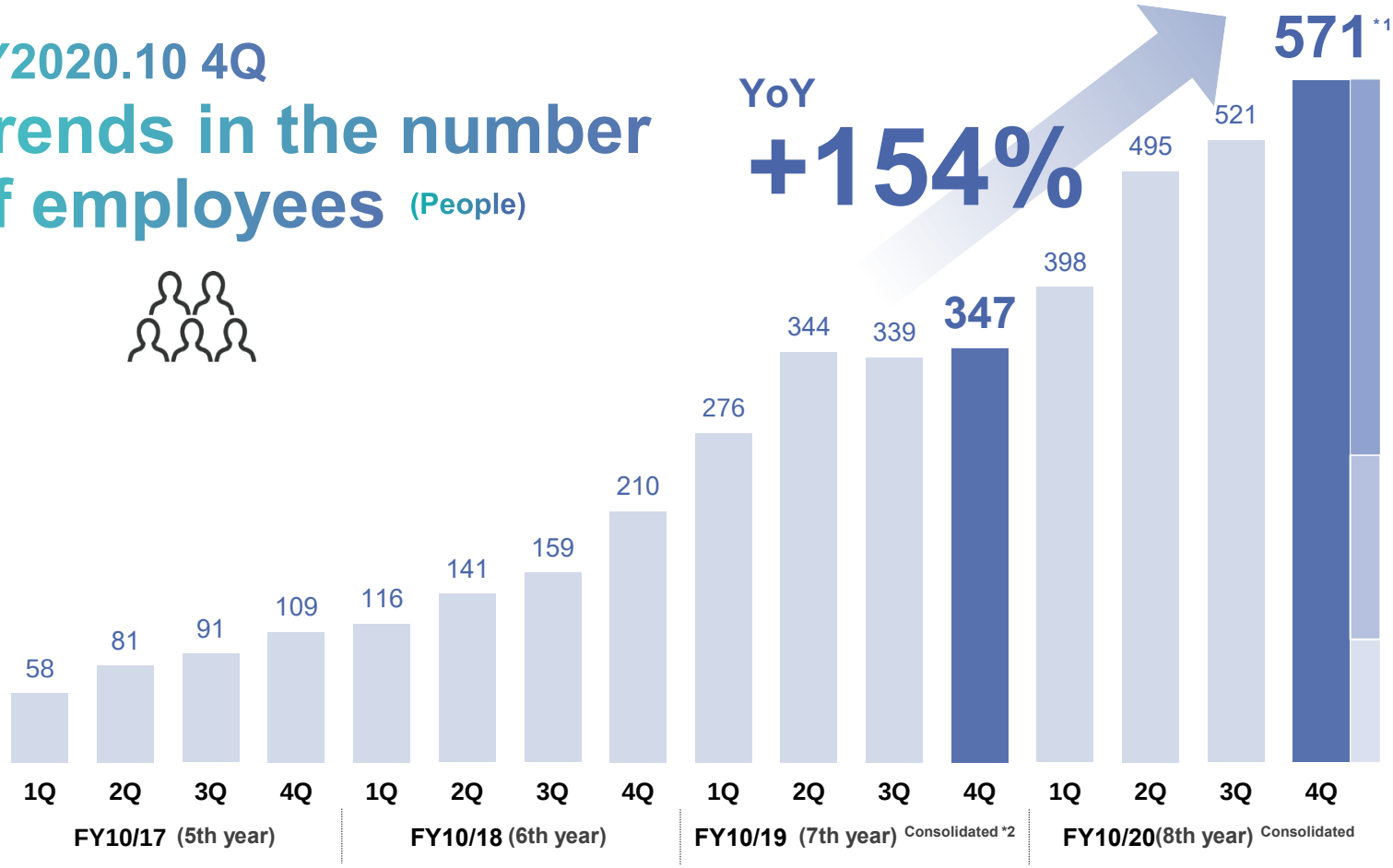
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Trends in the Number of Employees for 4Q of FY10/2020

We continued active recruitment despite the fact that many companies are refraining from recruitment activities due to the COVID-19 pandemic. Engineers accounted for about 30% of the total employees, supporting proactive DX promotion.

FY2020.10 4Q

Trends in the number of employees (People)



55% Real estate professionals

27% Engineers

18% Back office

*1) As of July 31, 2020; excluding officers, contract employees, part-time workers, and interns at consolidated subsidiaries.

*2) From FY10/2019 (7th year) onward, figures are based on consolidated financial statements.

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Summary of Income Statement (Consolidated)

Both net sales and profits significantly increased YoY, exceeding the full-year results forecast.

(Million yen)

	FY2020. 10 4Q (1)	YoY comparison: FY2019. 10 4Q (2)	YoY comparison: Amount of change ((1)-(2))	YoY comparison: Percentage of change ((1)/ (2))	Progress on forecast: FY10/20 Results forecast (3)	Progress on forecast: FY10/20 4Q Cumulative total (4)	Progress on forecast: Progress ((4)/ (3))
Net sales	**23,279**	13,407	9,872	**+74%**	61,000	63,070	**103%**
Gross profit	**3,432**	2,166	1,266	**+58%**	---	9,861	**---**
EBITDA	**1,492**	857	635	**+74%**	---	2,861	**---**
Operating income	**1,204**	739	465	**+63%**	1,800	1,888	**105%**
Ordinary income	**1,132**	718	414	**+58%**	1,530	1,654	**108%**
Net income attributable to owners of parent	**761**	400	361	**+90%**	770	903	**117%**

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Summary of Balance Sheet (Consolidated)

Assets : **Increase in cash and goodwill (M&A of Modern Standard and Shenjumiaosuan) to approximately 18 billion yen**
Liabilities : **Interest-bearing debt increased by 3,733 million yen due to increase in borrowings and corporate bonds**
Net assets : **Increased in conjunction with retained earnings and share exchange for Modern Standard**

(Million yen)

	FY2020.10 4Q ①	FY2019.10 4Q ②	Amount of change (③=①-②)	Percentage of change (③/②)
Total assets	**18,505**	11,839	6,665	**+56%**
Current assets	**8,453**	5,512	2,941	**+53%**
(Cash and cash equivalents)	**(6,386)**	(4,279)	(2,107)	**(+49%)**
(Real estate for sale)	**(1,386)**	(682)	(703)	**(+103%)**
Fixed assets	**10,051**	6,327	3,724	**+59%**
(Software(including software in progress))	**(2,600)**	(1,890)	(710)	**(+38%)**
(Goodwill)	**(3,911)**	(1,707)	(2,204)	**(+129%)**
(Customer-related assets)	**(853)**	(724)	(128)	**(+18%)**
Liabilities	**11,367**	6,082	5,284	**+87%**
(interest-bearing debt)	**(7,194)**	(3,461)	(3,733)	**(+108%)**
Net assets	**7,137**	5,757	1,380	**+24%**
Total liabilities and net assets	**18,505**	11,839	6,665	**+56%**

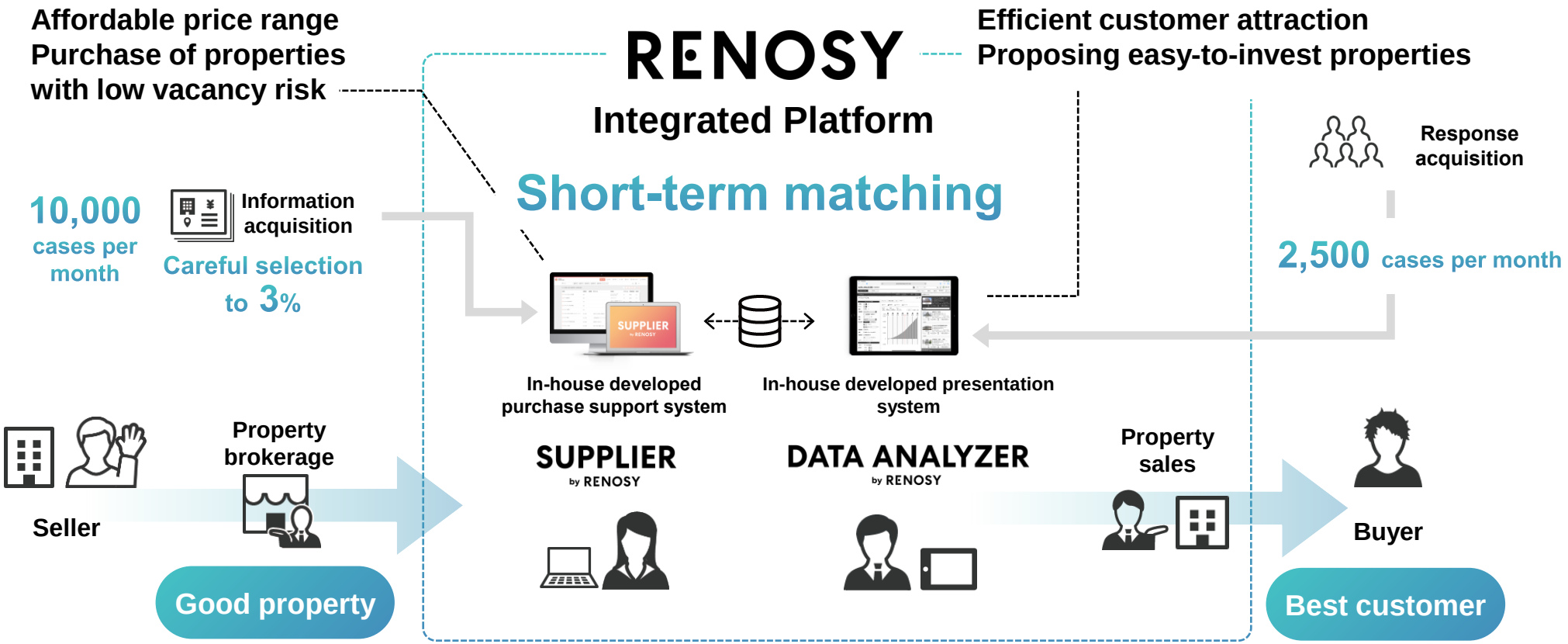
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RENOSY iBuyer Business

GA TECHNOLOGIES

Business Model

GA innovated real estate business processes and realized labor saving and high productivity.
Business model using technology to minimize the inventory



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Product Characteristics

Condominiums in major cities that can be purchased in relatively small quantities and where risk of vacancies and rent falling is low even in a recession

Existing condominium (about 10 years old or more)

Compact condominium (~50m²)

Major urban areas
(Tokyo Metropolitan Area, Osaka, Nagoya, Fukuoka)

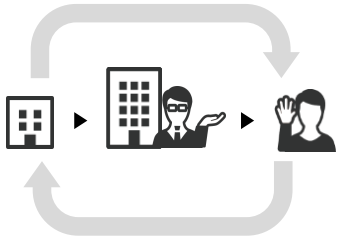
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Overwhelming Inventory Turnover Period[*1] Compared to Competitors

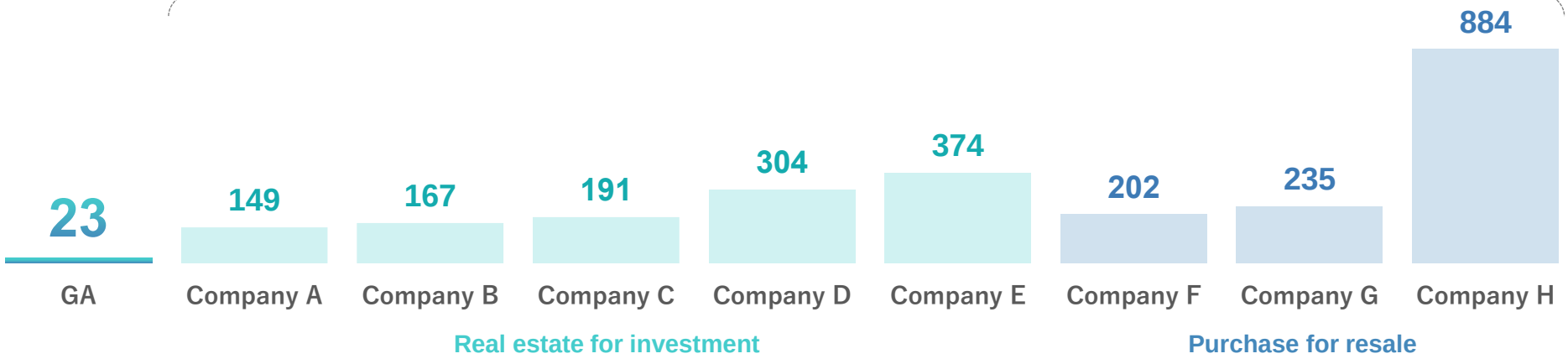
Efficient matching using technology has shortened the period from purchase to sale.
Low-inventory business model ensures minimal damage to the company even in recession.

Inventory turnover period



Approx. 23 days

Average of 8 real estate companies other than GA **Approx. 313.3 days**



*1. Calculated based on formula of inventory turnover period = Average inventory amount/(cost of sales/365). Refers to period from purchase to sale.GA figure represents monthly average for FY2020. Generally speaking, the lower this value, the higher the number of inventory sales and the healthier the cash flow.

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Major KPIs of RENOSY Living Business

Major KPIs for business growth

Number of RENOSY members



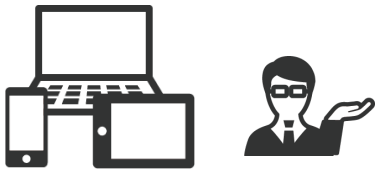
Expand customer attraction by enhancing media

Number of sales agents



Increase number of contracts by strengthen real operating organization

ARPA
（Average Revenue Per Agent）



Pursue operating efficiency by in-house developed system

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Quarterly Trends in the Number of RENOSY Members and Number of Contracts

The number of RENOSY members increased by about 40,000 YoY and 11,000 QoQ, and the total number of members is about to reach 100,000. The number of contracts increased by 374 YoY and the total number of contracts for the full-year was 2,723. The contract unit price has been increasing.

Trends in the number of RENOSY members (People)



YoY
+65%

Trends in the number of contracts (Contracts)



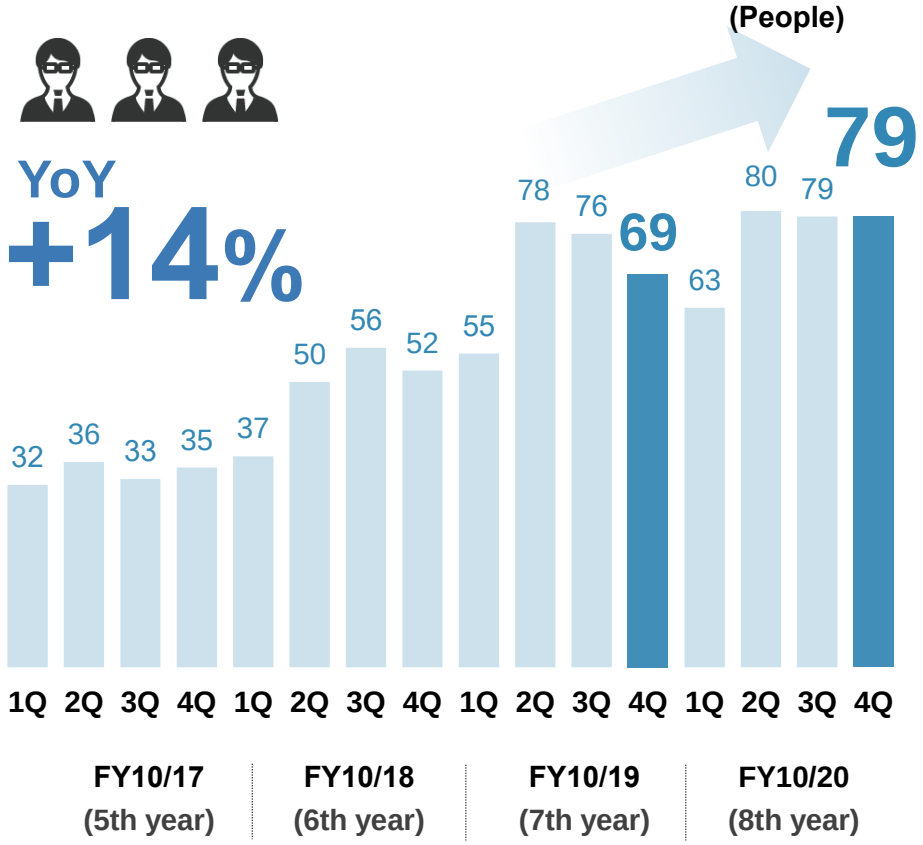
YoY
+60%

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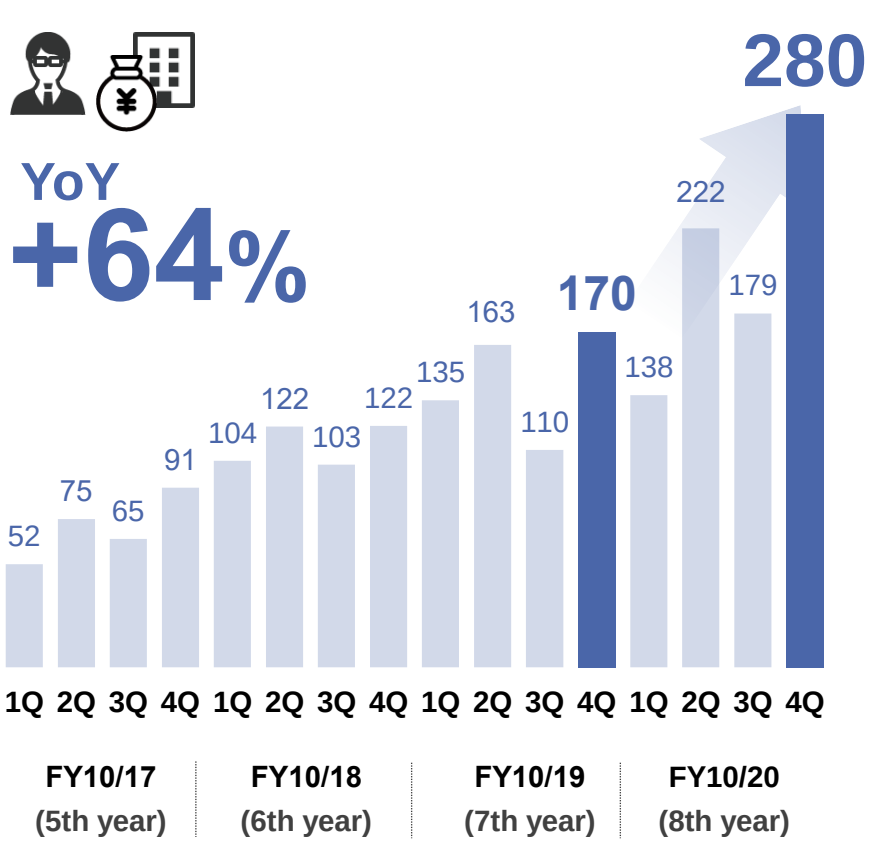
Trends in the Number of Sales Reps in iBuyer Business and Trends in ARPA

The number of sales reps on a QoQ basis remained the same but increased by 10, or 14%, YoY. ARPA, average revenue per agent, increased by 64% YoY, further improving productivity.

Trends in the number of sales reps *1



Trends in ARPA *2 *3 (Million yen)



*1) The number of regular sales employees at the year end *2) Calculated: Net sales in RENOSY iBuyer business divided by the number of RENOSY iBuyer business sales agents as of the end of the quarter.
*3) ARPA data on FY2019.10 is revised form 3Q FY2020.10.

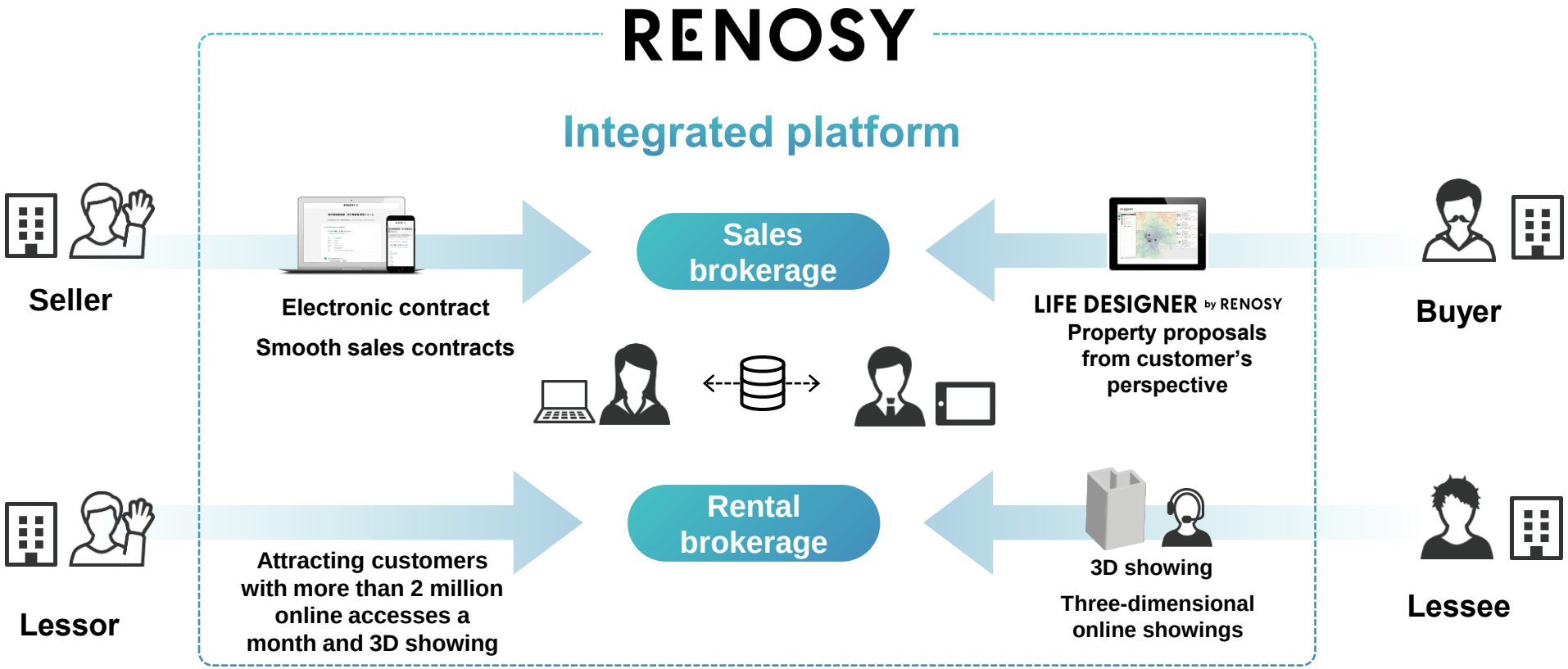
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RENOSY Living Business
(Rent-Lease-Sell-Buy)

GA TECHNOLOGIES

Business Model

To "rent," "lease," "buy," or "sell" a home is mediated by a team well versed in both real procedures and technology. GA provides services by using our own open and transparent mechanisms and AI.



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Product Characteristics

Housing help desk that places top priority on customer benefits (housing-related consulting)

Newly built condominiums, Newly built detached houses, Existing condominiums, Renovation for existing houses
(Newly built ~ 30 years old)

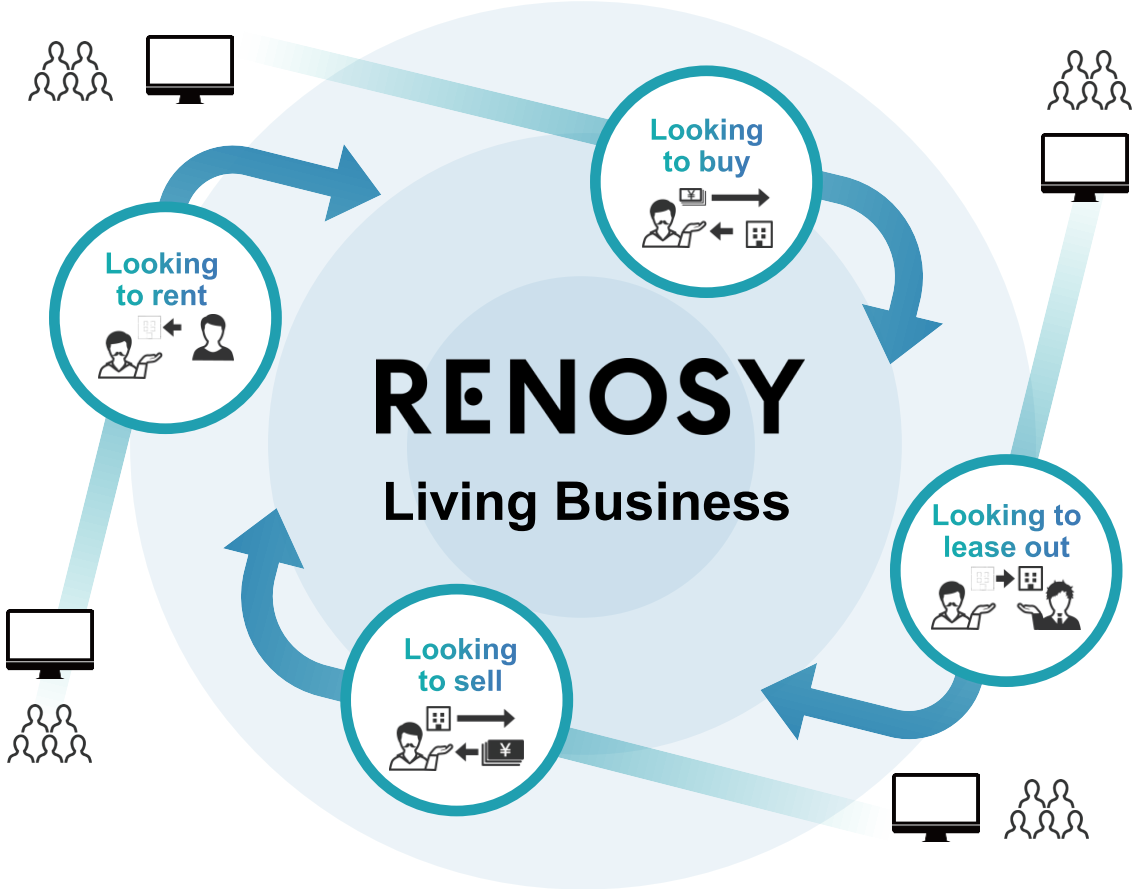
For families (50m²~)

Area: Tokyo 23 wards, Kanagawa, Chiba, Saitama

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Strength of RENOSY Living Business

The service site “RENOSY,” with the highest level of total membership in the industry, offers optimal solutions according to customer needs and life stages.



RENOSY

Monthly page views

Total About 2.8 million

UU

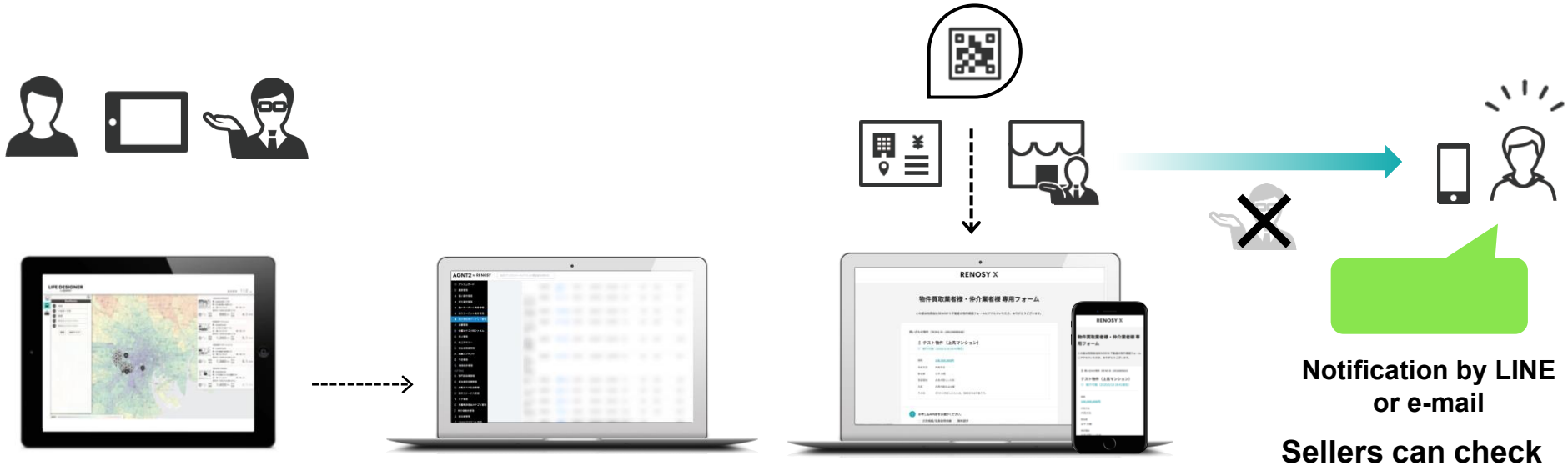
Total About 0.8 million

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Technology Portfolio for Operational Efficiency

GA aims to improve efficiency of our operations by using technology to solve various problems that come up in our operations.



Property proposals from customer's perspective

LIFE DESIGNER by RENOSY

Centralized management of customer information

AGNT2 by RENOSY

Check properties right away with QR codes

***Find your property* in two seconds!**

Notification by LINE or e-mail

Sellers can check response to properties directly.

Transparent system

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Major KPIs of RENOSY Living Business

Major KPIs for business growth

Number of RENOSY members



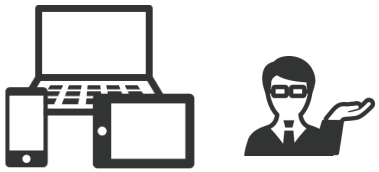
Expand customer attraction by enhancing media

Number of sales agents



Increase number of contracts by strengthen real operating organization

ARPA
(Average Revenue Per Agent)



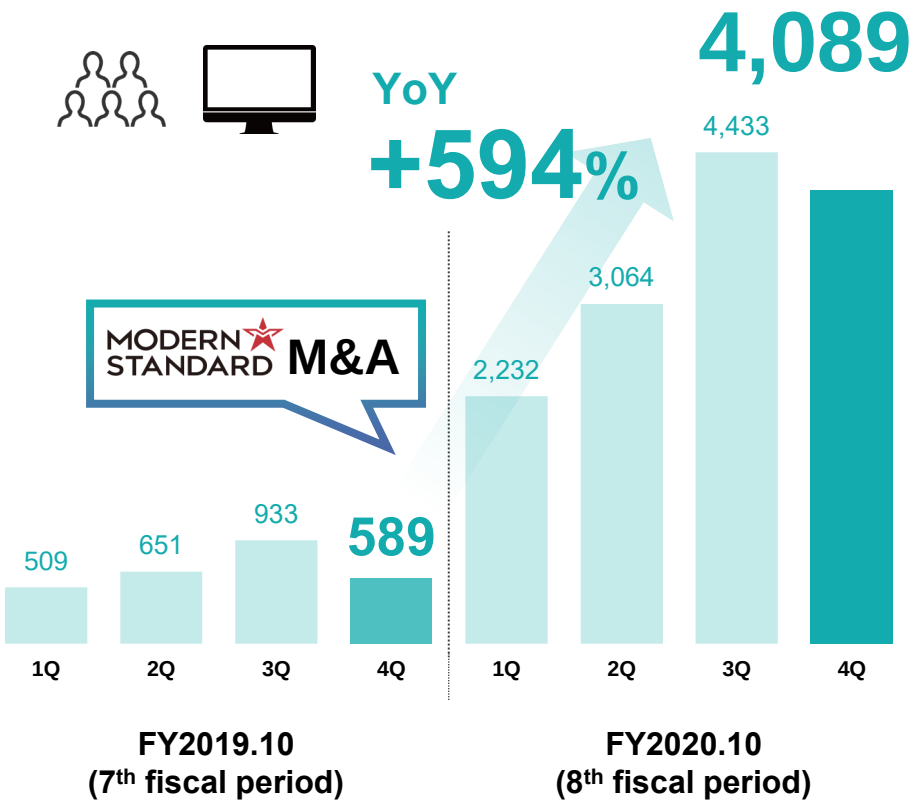
Pursue operating efficiency by in-house developed system

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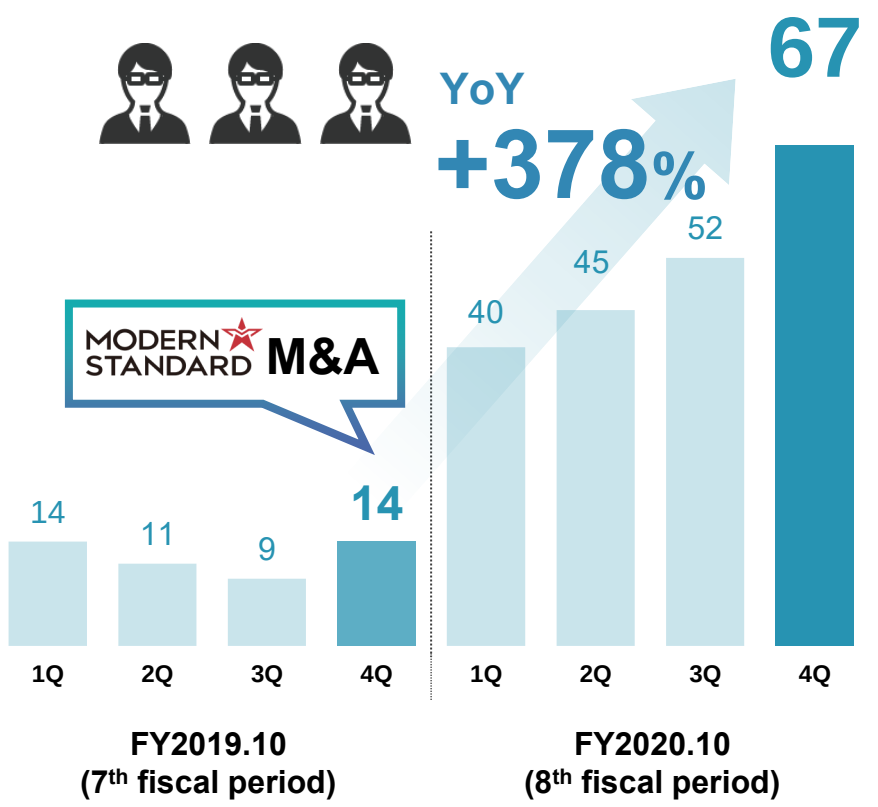
Trend in Number of Responses and Sales Reps in RENOSY Living Business

Due to synergies through M&A with Modern Standard, the number of responses since December 2019 has expanded rapidly. The number of sales reps has increased from 14 to 67 compared to the same month of the previous year, which is about five times.

Trend in number of responses



Trend in number of sales reps (People)



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ITANDI Business

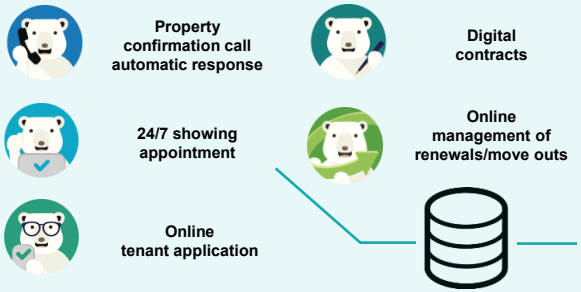
GA TECHNOLOGIES

Business Structure

Revenue Phase

(1) SaaS for management companies

ITANDI BB



(2) SaaS for real estate agencies

nomad cloud

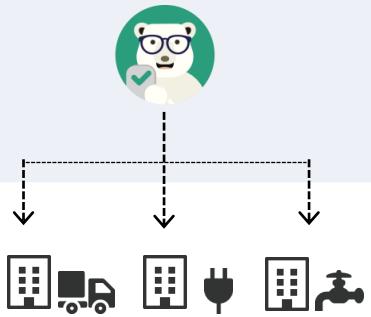
Real time property data

Investment Phase

(3) Self-showing type rental site

OHEYA GO
オヘヤゴー

(4) Incidental services business



Target	Management company	Real estate agency	Tenant / Tenant
Monetization	Account contract	Account contract	Brokered contract / Referral of customers
Main KPI	MRR *1 Monthly recurring revenue	MRR	Number of properties listed / Number of digital applications

*1. MRR = **M**onthly **R**ecurring **R**evenue. Represents the monthly recurring sales minus setup fees, metered charges, and other such non-recurring items.

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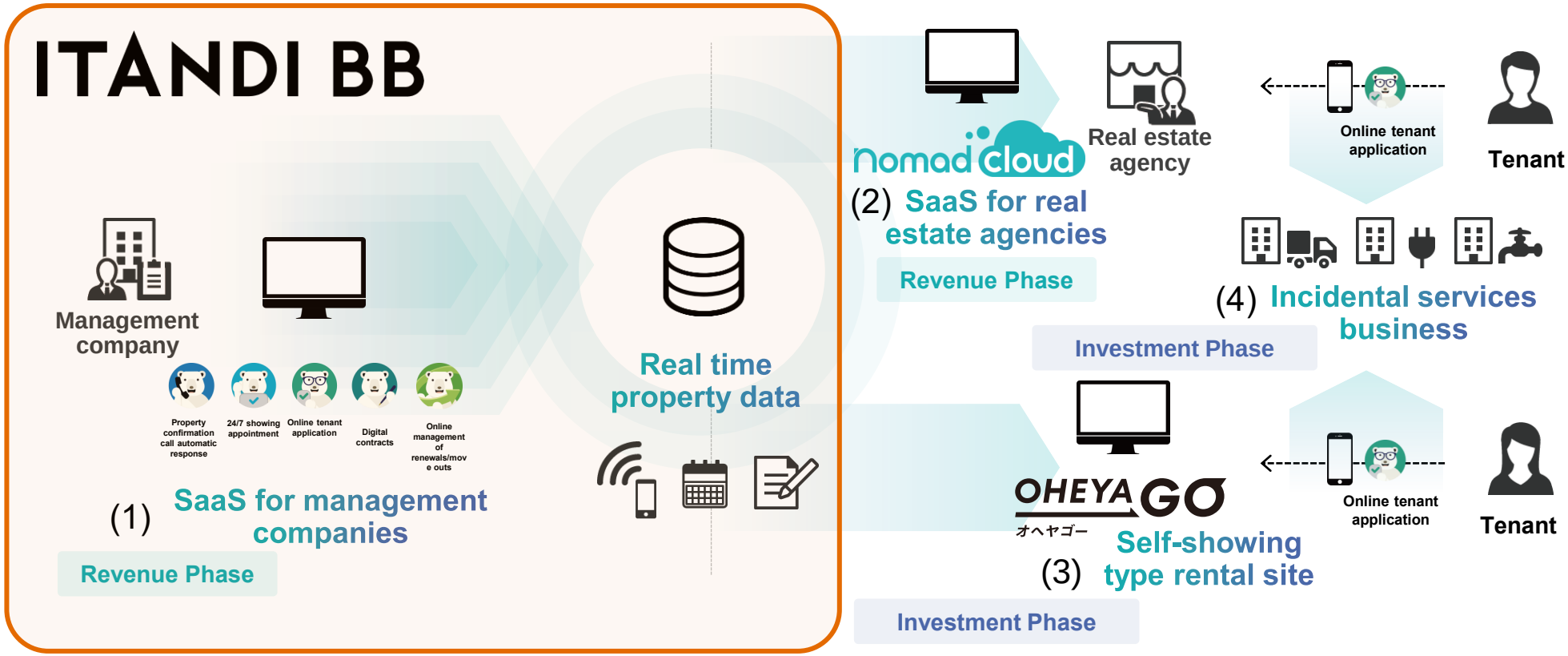
ITANDI Business Strategy

1 System sales in BtoB area

2 Expansion of ITANDI BB
(Inter-company real time property data base)

3 Value creation in- BtoC area

(1) SaaS for management companies
(2) SaaS for real estate agencies
(3) Self-showing type rental site
(4) Incidental services business



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ITANDI Strategy

Expansion of each service based on real-time property database

OHEYAGO
オヘヤゴー

Expanding the number of listed properties and improving services

ITANDI BB



SaaS for management company

Investment for the overwhelming No. 1 share in online tenant applications and contracts

nomad cloud

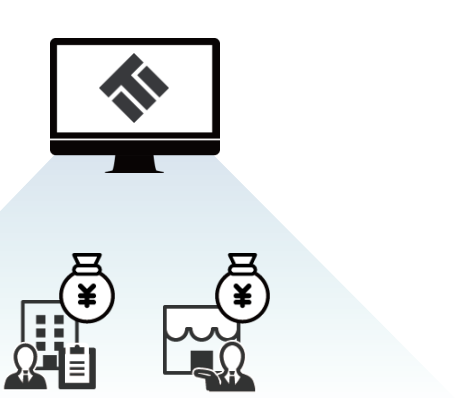
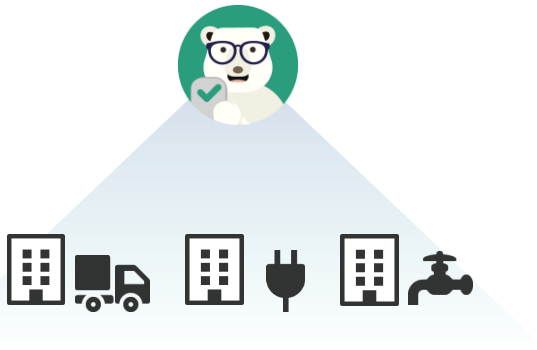
SaaS for real estate agencies

Expand profits by strengthening sales reps and collaborating with OHEYAGO

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Major Indicators for ITANDI Business

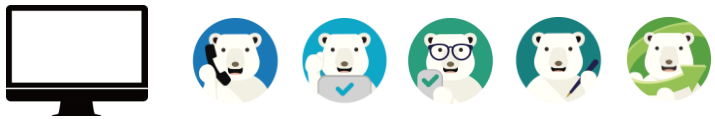
Expand the following indicators:

MRR of SaaS for management companies and real estate agencies	Number of properties listed in OHEYAGO	Number of online tenant applications (Moshikomiuketsuke-kun) Application Receiver
		
Expansion of ITANDI BB through network effects	Increase in proportion to SaaS adoption for management companies	Increase in the number of customers transferred for additional services in proportion to the number of online applications

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Trend in KPI of SaaS for Property Management Companies

As for SaaS for management companies, the number of subscribed companies increased to 700, and YoY increased by more than double to + 116%. As a general rule, online tenant applications are provided free of charge on the condition that management companies use incidental services, so MRR increased slightly and incidental revenues expanded.



*1. Number of management companies with contracts for systems *2. Monthly average churn rate in from Nov. 2019 to Oct. 2020.

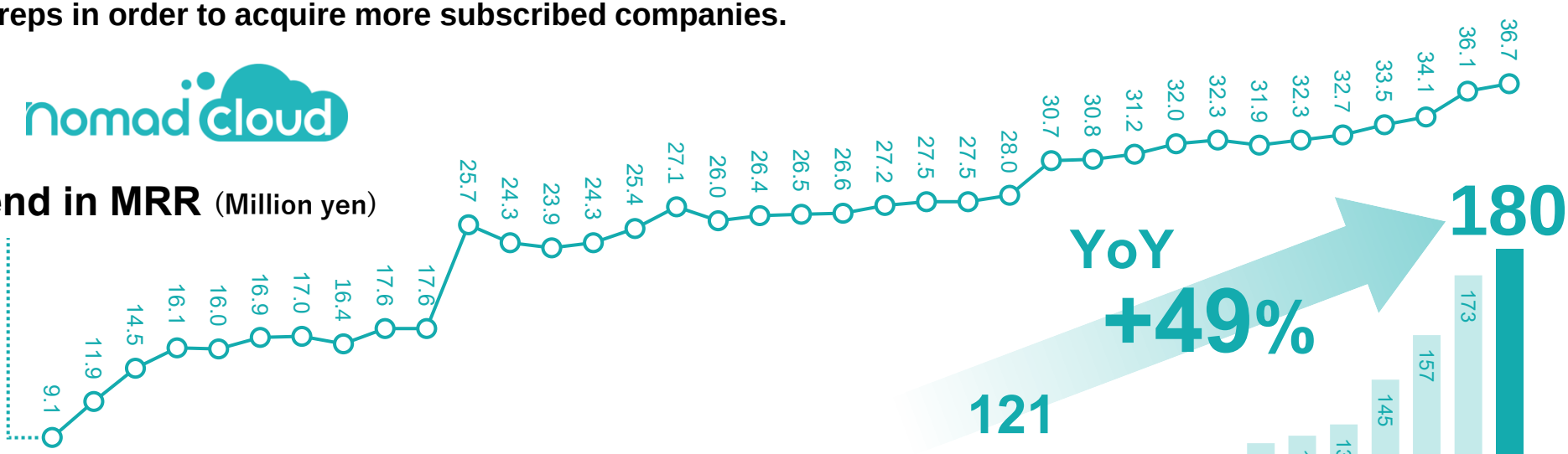
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Trend in KPI of SaaS for Real Estate Agencies

The number of subscribed companies increased by 49% YoY to 180 companies due to the expansion of inquiries because of the COVID-19 and the strengthening of sales reps. GA will continue to strengthen sales reps in order to acquire more subscribed companies.

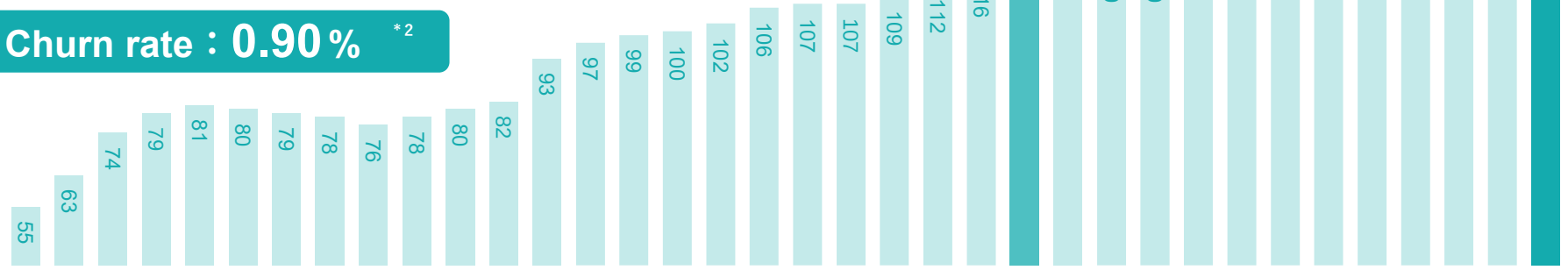
nomad cloud

Trend in MRR (Million yen)



Trend in number of subscribed companies *1

Churn rate：0.90％ *2



*1. Number of management companies with contracts for systems *2. Monthly average churn rate in from Nov. 2019 to Oct. 2020.

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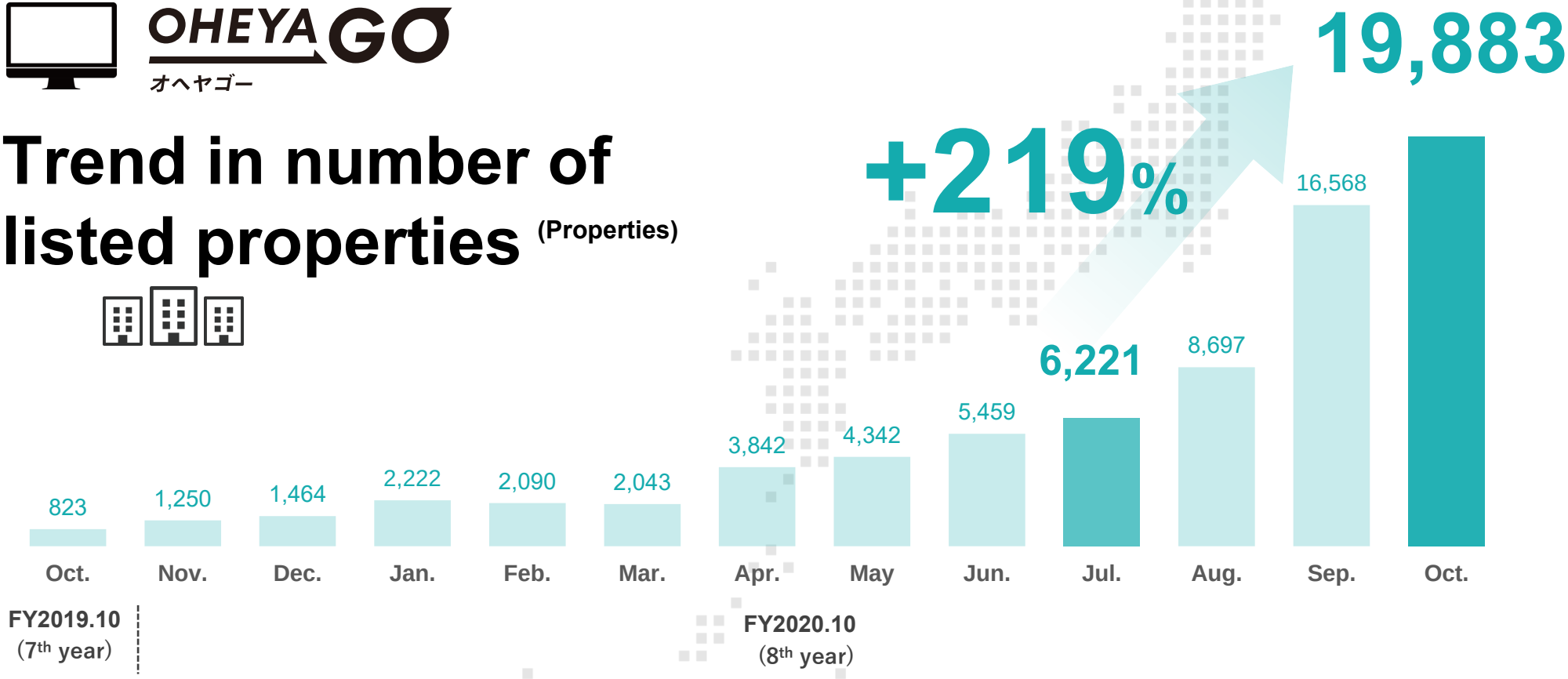
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Trend in KPI of OHEYAGO

Property listings on OHEYAGO are strong due to the increase in SaaS usage bases for management companies. The number of listed properties has increased to about 20,000 due to the introduction of the system to major management companies with a large number of managed units.

OHEYAGO
オヘヤゴー

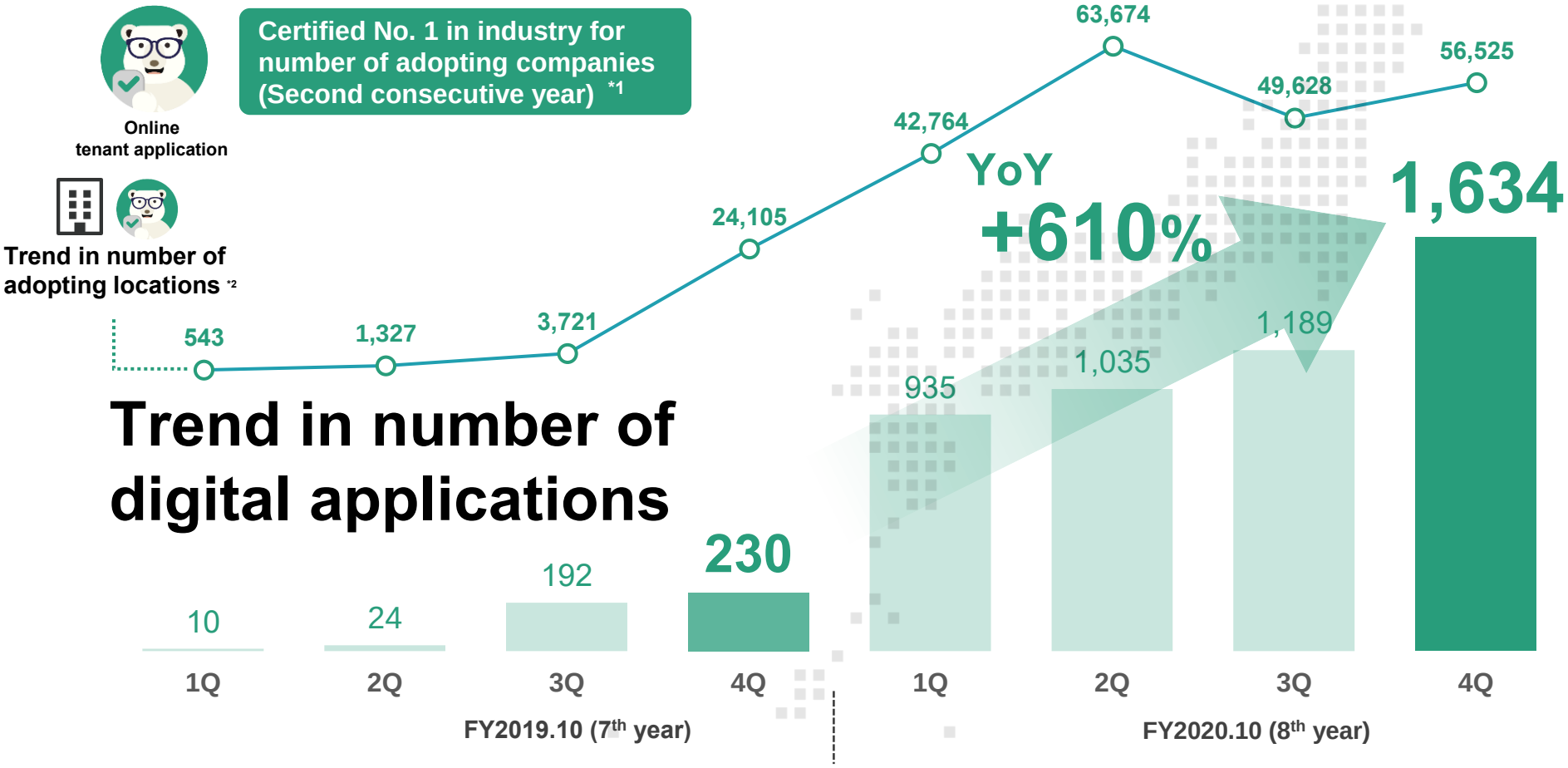
Trend in number of listed properties (Properties)



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Trend in KPI of Incidental Services Business

Ancillary services are monetized by sending customers to partners such as electricity, gas, and moving companies when tenant makes an online application. The number of online tenant application installation bases has been No. 1 for the second consecutive year, and growth is accelerating with YoY +610% of 1,634 locations, about 7 times.



*1. Survey by Tokyo Shoko Research *2. Number of facilities where Moshikomiuketsuke-kun has been introduced and is in use. Some companies have contracts for multiple facilities.

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ITANDI Product Contracting Company (Excerpt)

Industry leaders introducing ITANDI BB and Nomad Cloud (in alphabetical order)

ITANDI BB SaaS for management company

伊藤忠アーバンコミュニティ株式会社

CENTURY 21

株式会社 タイセイ・ハウジー

DAIKYO 大京穴吹不動産

大東建託パートナーズ株式会社

大東建託リーシング株式会社

ハウスコム

ミサワホーム不動産株式会社

三井ホームエステート

三井不動産レジデンシャルリース

nomad cloud SaaS for real estate agency

三好不動産

S-FIT

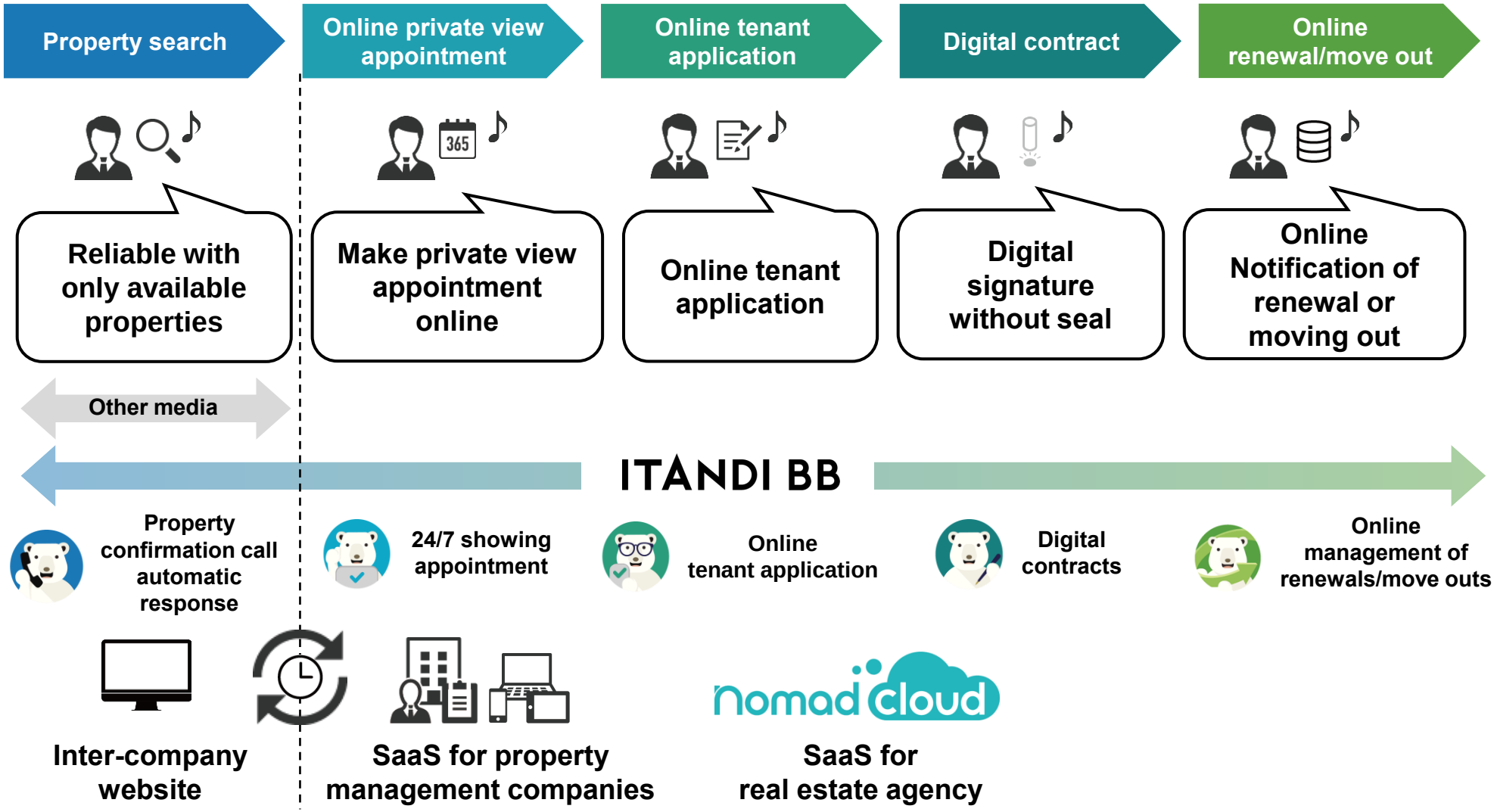
TAKUTO

タウンハウジング

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One-stop & Online Real Estate Leasing



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Financial Forecasts and Strategies for FY10/2021

GA TECHNOLOGIES

Summary of Financial Forecasts for FY2021.10

Commitment to growth for the FY2021.10 and aggressive investment including recruitment

Aiming for further profit expansion with YoY sales + 35%, EBITDA + 36%, operating income + 30%

FY2021.10 Net sales

(Million yen)

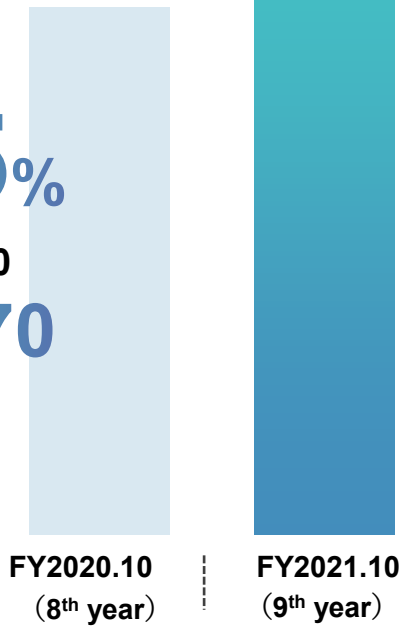
85,000

YoY

+35%

FY2020.10

63,070



FY2020.10 (8th year) | FY2021.10 (9th year)

FY2021.10 EBITDA

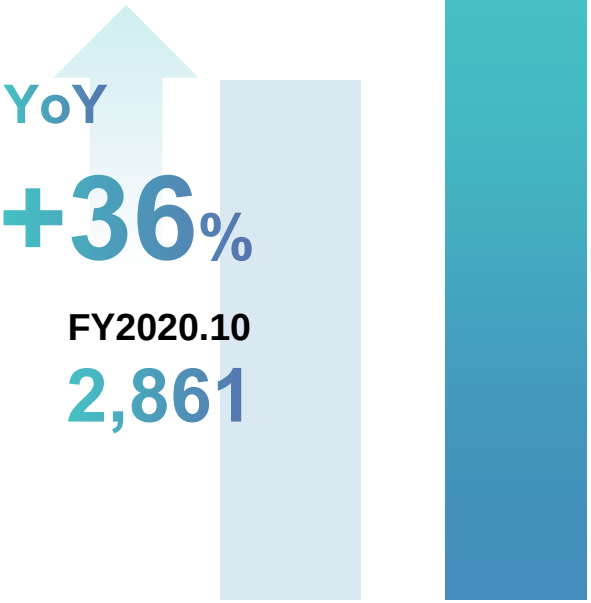
3,878

YoY

+36%

FY2020.10

2,861



FY2020.10 (8th year) | FY2021.10 (9th year)

FY2021.10 Operating profit

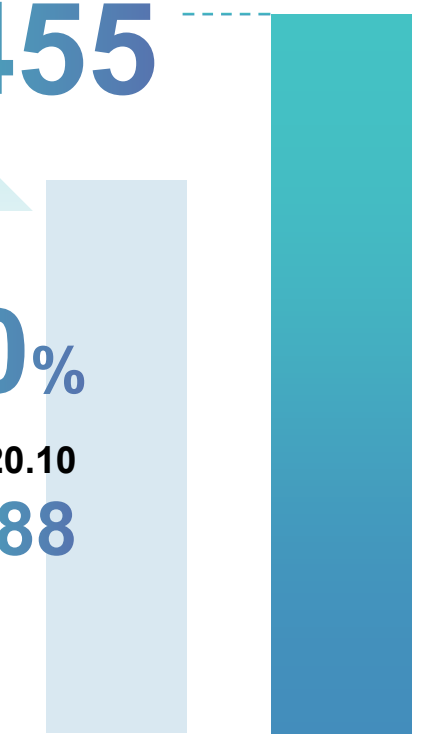
2,455

YoY

+30%

FY2020.10

1,888



FY2020.10 (8th year) | FY2021.10 (9th year)

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FY2021.10 Assumptions for the Financial Forecasts

RENOSY iBuyer

- Aim to increase the number of sales reps to 100 as of the end of October 2021
- Aim for further improvement of ARPA by promoting system investment and sales structure

RENOSY Living

- Aim to increase the number of sales reps to 80 as of the end of October 2021
- Aim to further improve ARPA by reproducing the successful model of business growth cultivated in the iBuyer business

ITANDI

- Aim to continuously increase the number of subscribed companies and further expand MRR by strengthening sales and CS
- Continue investing to commercialize OHEYAGO and gain market share in online contracts

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Financial Forecasts for FY2021.10

(Million yen)

	FY2021.10 Forecast ①	FY2020.10 Result ②	YoY (①/②)
Net sales	**85,000**	63,070	**+35%**
EBITDA	**3,878**	2,861	**+36%**
Operating profit	**2,455**	1,888	**+30%**
Ordinary profit	**2,060**	1,654	**+25%**
Profit attributable to owners of parent	**1,000**	903	**+11%**

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Paradigm Shift in the Real Estate Industry for the First Time in 20 Years

Learn/search	Compare/consider	Apply/sign contract	After signing contract
			
Paper media, such as magazines	Face-to-face interview	Documents	Analog management
First digitization of real estate (Internet around 2000)	Second digitization of real estate (real estate DX)		
			
Electronic media such as web and others	Non-face-to-face procedure	Online procedure	Digital management
Other medias			

Experience of RENOSY, a comprehensive PropTech service

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GA technologies Strategy (integration of “real” and “technology”)

GA provides stable, high-quality services as well as a smooth customer experience in a comprehensive manner ranging from media management to real estate transactions.

Learn/search	Compare/consider	Apply/sign contract	After signing contract
Electronic media such as web and others	Non-face-to-face procedure	Online procedure	Digital management

iBuyer Business



RENOSY



DATA ANALYZER by RENOSY



MORTGAGE GATEWAY by RENOSY



OWNR by RENOSY

Living Business



RENOSY



LIFE DESIGNER by RENOSY



Explanation of important matters by IT and digital contracts



My Page function (customized function)

Experience of RENOSY, a comprehensive PropTech service

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GA technologies Strategy (RENOSY Renewal)

Integrated various services, which previously spanned multiple websites, into “RENOSY.” Under the concept of “Make finding a house and asset management easier,” GA started full-scale service in December.

Industry-leading
service lineup has been integrated into RENOSY



RENOSY Housing Help Desk
RENOSY SMART SALE

RENOSY ASSET

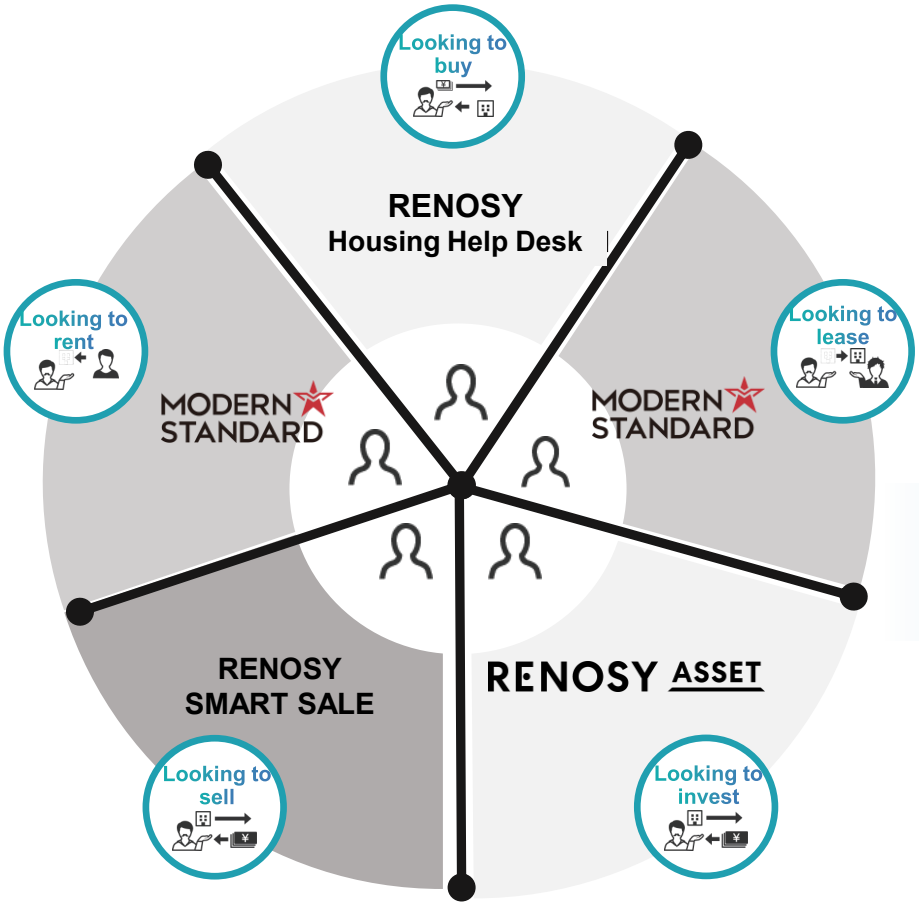


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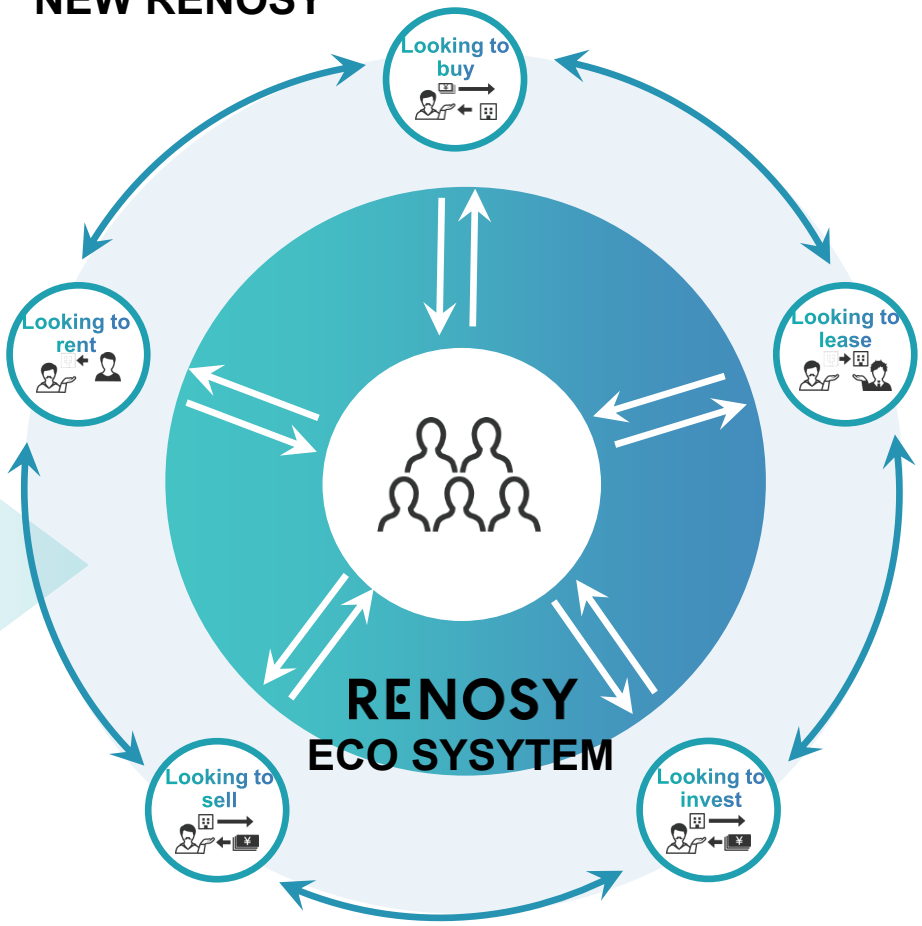
GA technologies Strategy (Pursuit of One-stop Services)

Integrating brands into RENOSY, GA unifies user access points to create a smoother RENOSY ecosystem.

Previous RENOSY



NEW RENOSY

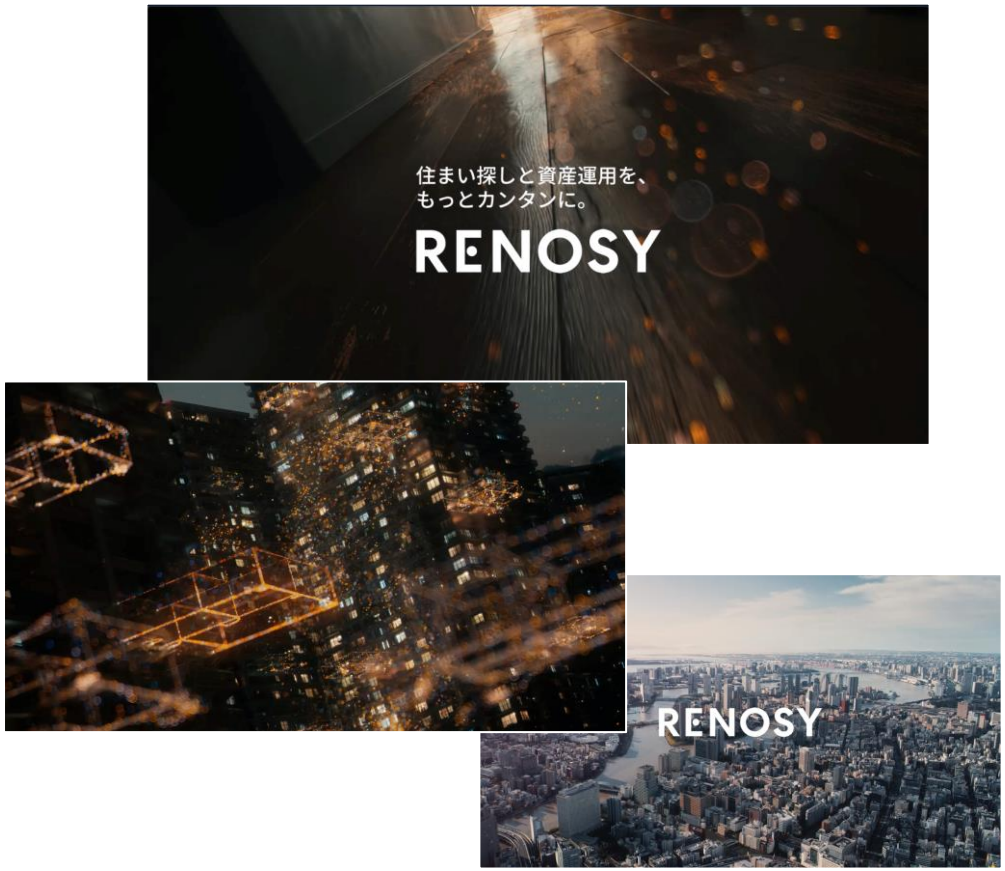


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GA Technologies Strategy (Expansion of Awareness & Strengthening of Brand)

Produced a brand movie to increase awareness of "RENOSY". Advertisements will be distributed to online media from December 17th. GA also have introduced uniforms for sales reps to strengthen brand appeal through real contact.

RENOSY brand movie



RENOSY sales reps uniform

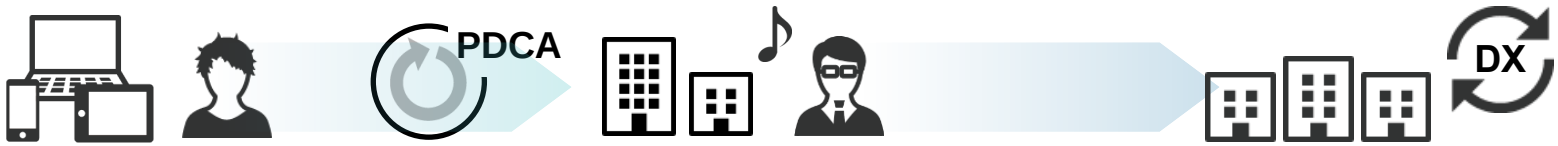


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GA technologies Strategy (DX Promotion for the Entire Real Estate Industry)

Through the use of products developed in-house for real estate transactions within the Group, the PDCA cycle of the products has been accelerated, allowing GA to sell value-added products to other real estate companies.

Products developed in-house ("Technology")	Internal use within the Group ("Real")	Value-added products/external sales (Industrial DX)



GA TECHNOLOGIES



GA TECHNOLOGIES

RENOSY X

Purchasing and reselling company for investment

Sales brokerage company

ITANDI



MODERN STANDARD

RENOSY ASSET MANAGEMENT

ITANDI

Rental brokerage company

Rental management company

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Promotion of DX for the Entire Industry ① (RENOSY X)

MORTGAGE GATEWAY by RENOSY

Accelerate introduction to financial institutions

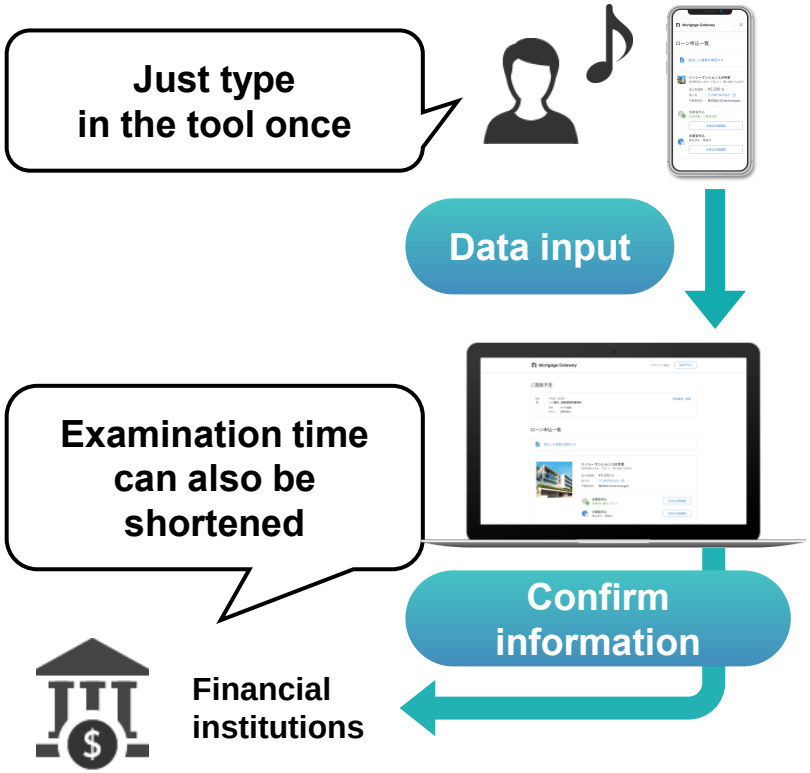


SBJ銀行
SHINHAN BANK JAPAN

JACCS

(Over 170 real estate partner companies)

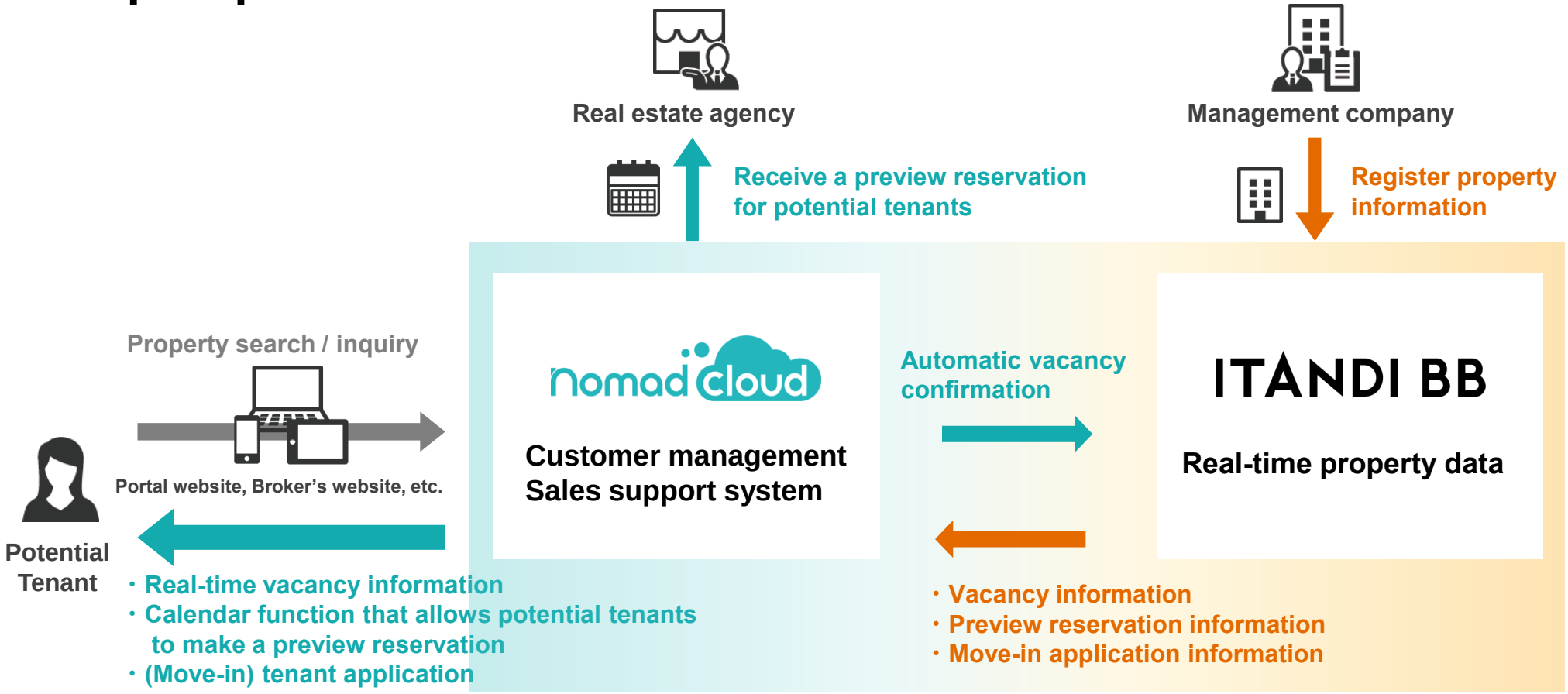
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Promotion of DX for the Entire Industry ② (ITANDI)

Automate from property inquiries to preview reservations by directly connecting real-time property information and prospective tenants



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M&A Strategy (Progress of Shenjumiaosuan)

As the first step in overseas expansion, GA acquired the largest Japanese real estate investment platform in Greater China, “Shenjumiaosuan” in September 2020. Positioning the fiscal year ending October 2021 as an investment period, we are strengthening the stock and flow business of “Shenjumiaosuan”.



神居秒算
(Shenjumiaosuan)

Stock Business

Greater China customers

Inquiry to Japanese real estate agency

神居秒算 日本房产投资一站式平台

Property listing

Real estate broker

Property listing fee ¥



Flow Business

Greater China customers

Inquiry to Shenjumiaosuan

神居秒算 日本房产投资一站式平台

Property listing

Real estate broker

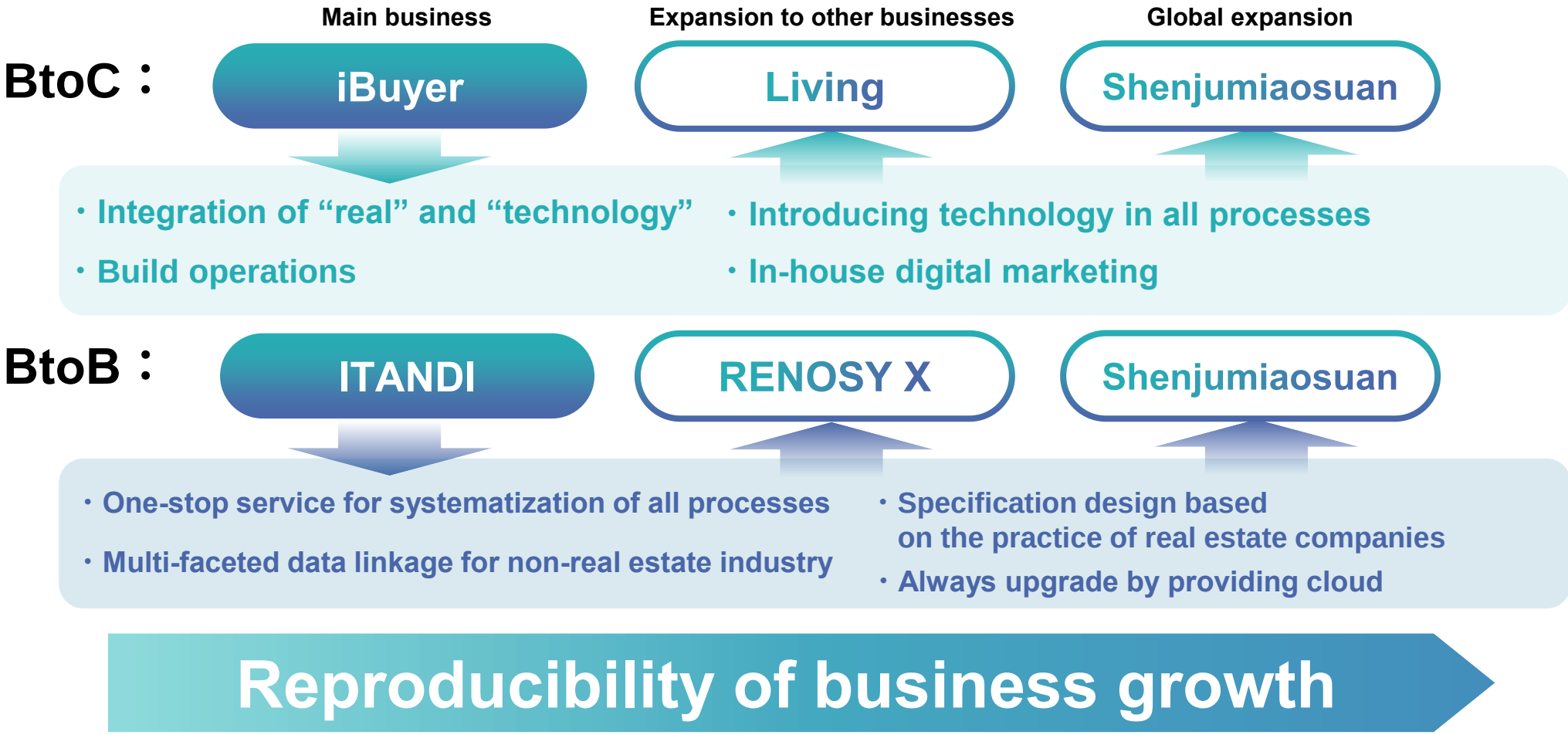
System Usage ¥

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Reproducibility of Business Growth Methods

GA will increase the probability of business success by reproducibly utilizing the business growth methods that have been successful in each of BtoC and BtoB for the business in the investment phase.

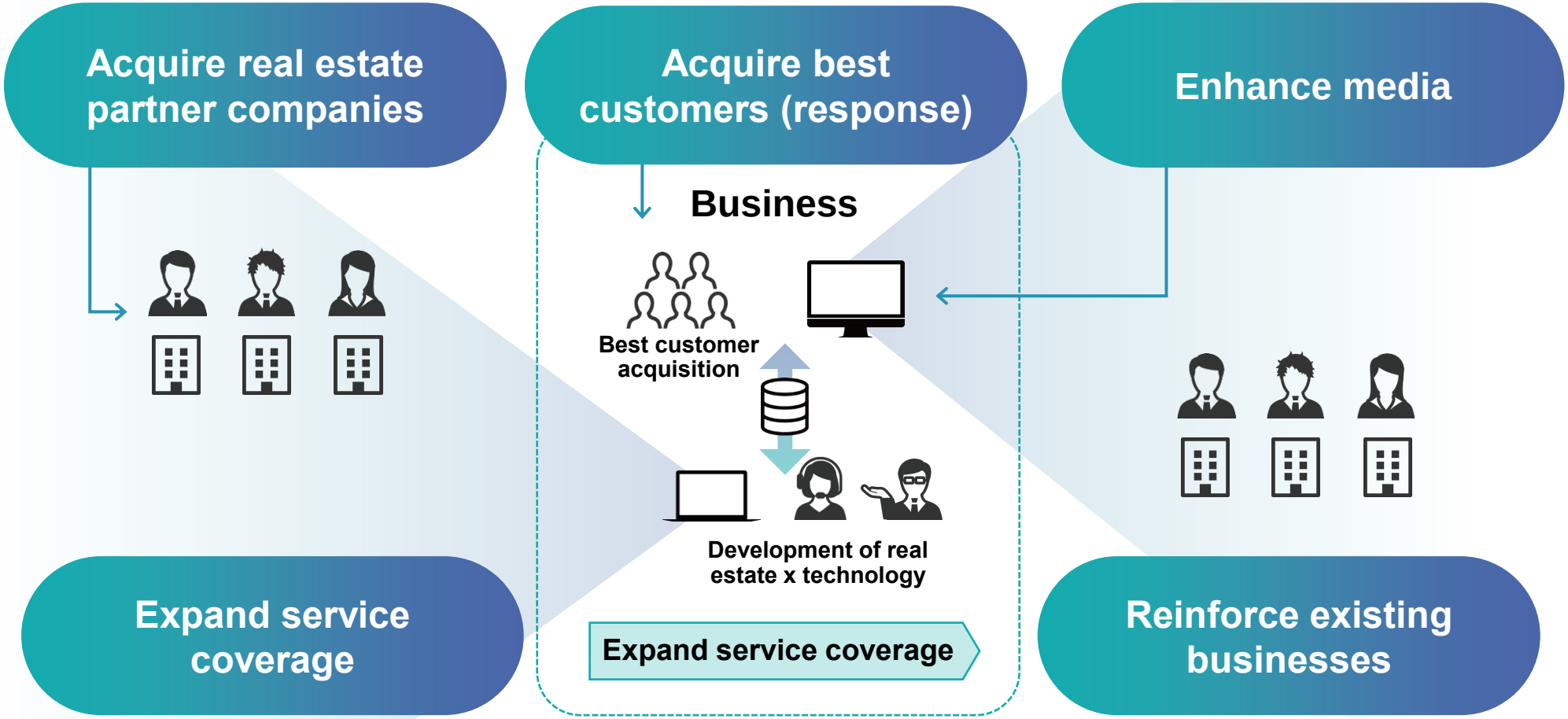


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Appendix

M&A Strategy

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



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Areas of Contribution through M&A

Business synergies of group companies

	ITANDI	LEGAL ASSURENT COMPANY Note 1)	Yes Renovation Package Renovation For Rent	MODERN STANDARD	神居秒算
	Nov.2018	Nov.2018	Sep.2019	Dec.2019	Sep.2020
Acquire partner real estate companies	○				○
Acquire best customers (response)				○	○
Enhance media	○			○	○
Expand service coverage	○	○	○	○	○
Reinforce existing businesses	○	○	○	○	○

Note 1) Changed company name to RENOSY ASSET MANAGEMENT inc. in May 2020

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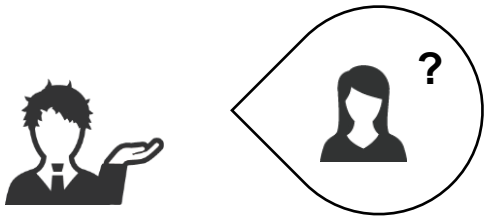
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Three Themes GA Considers Issues in Real Estate Industry

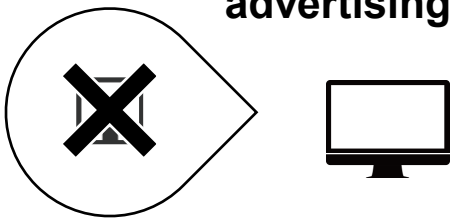
GA technologies believes DX is necessary for whole real estate industry

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









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Market Size of the GA TECHNOLOGIES GROUP

ITANDI Business

Real estate management
Real estate brokerage system market *1

Approx. 20 billion

Incidental service market size *1

Approx. 50 billion

OHEYAGO TAM *2
(Rental brokerage market)

Approx. 190 billion

Living Business

Transaction volume of second-handed housing in Tokyo *3

Approx. 4 trillion

Transaction volume of second-handed housing in the metropolitan area *3

Approx. 8 trillion

Transaction volume of second-handed housing all over Japan *3

Approx. 18 trillion

iBuyer Business

1 room apartment investment market *4

Approx. 1.5 trillion

GA'S TAM in the second-handed apartment investment market *5

Approx. 13 trillion

Total amount of *6 securitized real estate

Approx. 33 trillion

*1 Estimated based on industry survey by ITANDI.
*2. TAM=Total Addressable Market. Maximum size of market that could potentially be captured by OHEYAGO.
*3 Assumed by GA using research conducted by the Real Estate Information Network for East Japan.
*4 Ministry of Land, Infrastructure, Transport and Tourism "Current situation of Real estate investment market"
*5 TAM（Total Addressable Market）is calculated based on the number of apartment stocks in the metropolitan area and the average price of second handed investment apartment
*6 Assumed by GA based on the results of the top 10 real estate investment companies

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Our governance organization with 4 outside directors

8 Directors

Operating Directors



Ryo Higuchi



Masashi Shimizu



Dai Higuchi



Yoshihisa Fujihara

4 Outside Directors



Ken Kutaragi



Kazuto Nakajima



Tomohisa Matsuba

3 Audit and Supervisory Committee Member



Yuko Saruwatari

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Governance Reinforcement and Compliance Measures

- Company lawyers
- Legal Department
- Marketing

provide training
once every two weeks

Those who complete training receive RENOSY License



GA Compliance Book

Property agreement by specialist team with real estate brokerage license

Real estate broker

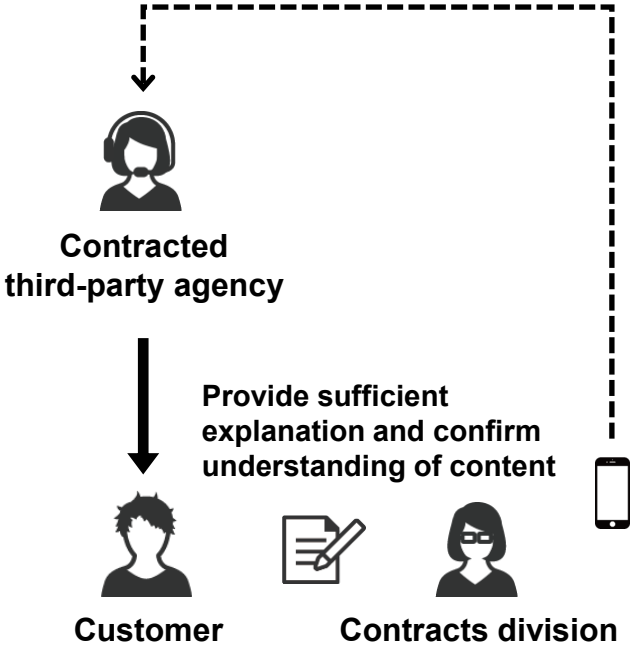
National certification
for real estate transactions



Customer

Contracts division

Explanation and confirmation of understanding by third-party agency at time of contract signing



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Executive Officers Promoting the Company's Development Structure



CPO
Shinpei Noguchi

A graduate of Waseda University, he won a business contest organized by the university and gained work experience while still attending university.

After graduating, he established his second company, a web media company, and later sold it to a listed company.

2014 Joined ITANDI as executive officer
2018 Appointed as representative director of ITANDI
Appointed as executive officer of the Company
2019 Appointed as Chief Product Officer (CPO)



CDO
Akira Endo

After graduating from Gakushuin University, he joined a leading securities system development company.

He served as the chief technology officer of a venture company specializing in reunion services.

Later, he joined GungHo Online Entertainment and worked in system development.

2018 Joined the Company
Responsible for new graduate engineer training team
2020 Appointed as executive officer



CAIO
Hirohisa Inamoto

Joined Ricoh after completing graduate school at Osaka University.
Engaged in R&D on image processing and recognition technology. In charge of launch of "theta360.biz" virtual reality service for real estate.

2017 Joined the Company
Developed real estate service automation system utilizing AI/RPA.

2019 Appointed as Chief AI Officer (CAIO)
Appointed as Head of AI Strategy Center



CMO
Hiroshi Tabuki

Joined Imagineer after graduating from Meiji University. Worked in planning and marketing.

Engaged in business development and management at Kakaku.com.
Served as marketing executive at an IT startup company.

2018 Joined the Company
Responsible for Product Planning and Marketing Division

2020 Appointed as executive officer

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Active engagement in SDGs/ESG

Consideration for global environmental resources through paperless operations

For systems to be used within the GA Group and systems to be provided to other companies as SaaS, GA will develop products that facilitate paperless operations. GA will promote paperless operations throughout the industry.

<Products to promote paperless operations (examples)>

Moshikomiuketsuke-kun (Application Receiver)

Denshikeiyaku-kun (Digital Contract Manager)

MORTGAGE GATEWAY by RENOSY

INSIGHT by RENOSY SUPPLIER by RENOSY

Promoting the distribution of existing real estates to contribute to the development of sustainable communities

The GA Group will promote the distribution of existing real estates through its business. The Group will also participate in the development of sustainable communities through the renovation businesses of existing real estates.

RENOSY



Support for sports and athletes

<Official sponsor of Kawasaki Frontale>



*Meiji Yasuda Life Insurance J1 League [2020 season champions]

<Employment of para-athletes>
<Partner of Japan Blind Football Association>



*Our employees
Teranishi Hajime (Blind Soccer)/Fujimoto Yoshinobu (Wheelchair Tennis)

<Support for student sports/career support for athletes>



Sponsorship of Aoyama Gakuin University, Soccer Club



Sponsorship of Rissho University, Soccer Club



Sponsorship of Football Assist

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Company Overview

Established	March 12, 2013
Head Office	40F Sumitomo Fudosan Roppongi Grand Tower, 3-2-1 Roppongi, Minato-ku, Tokyo
Capital	1,182,359,020 yen (Oct. 31, 2020)
Number of employees*1	571 (Oct. 31, 2020)
Business Description	・Management of RENOSY general real estate tech brand ・R&D utilizing AI and RPA such as BEST BASHO and BLUEPRINT by RENOSY ・Existing condominium renovation design and implementation
Directors	President, CEO and Representative Director: Ryo Higuchi Senior Managing Director and Executive Officer: Masafumi Shimizu Director and Executive Officer: Dai Higuchi and Yoshihisa Fujiwara Outside Director: Ken Kutaragi Director, Audit & Supervisory Committee Member: Kazuto Nakashima (full-time), Tomohisa Matsuba (outside), Yuko Sawatari (outside)

*1. Excluding officers, contract employee, part-time workers, and interns at consolidated subsidiaries.

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Disclaimer

This material contains forward-looking statements, which are based on current expectations, forecasts and assumptions that involve risks.

These forward-looking statements contain uncertainties, and actual results may differ substantially from these statements.

These risks and uncertainties include general industry and market conditions as well as Japanese and international economic conditions such as changes in interest rates and exchange rates.

GA Technologies has no obligation to update or correct the forward-looking statements contained in this material, regardless of any new information, future events, etc.

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