Translation

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Summary of Consolidated Financial Results for the Three Months Ended January 31, 2021 (Based on Japanese GAAP)

March 15, 2021

Company name: GA technologies Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Stock code: 3491
URL: https://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: March 15, 2021
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 three months ended January 31, 2021 (November 1, 2020 to January 31, 2021)

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

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended January 31, 2021	12,082	22.8	(300)	−	(644)	-	(778)	-	(593)	-
Three months ended January 31, 2020	9,842	34.1	122	(38.8)	(46)	-	(70)	-	(84)	-

※EBITDA = Operating profits + Depreciation (Operating expenses) + Amortization of Goodwill

(NOTE) Comprehensive income: Three months ended January 31, 2021 (589) million yen (-%)
Three months ended January 31, 2020 (87) million yen (-%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2021	(19.74)	-
Three months ended January 31, 2020	(2.96)	-

(NOTE) 1. Despite the existence of diluted shares, Diluted earnings per share for the three months ended January 31, 2020 and the three months ended January 31, 2021 are not stated since negative Earnings per share are recorded.
2.The Company conducted a 1:3 stock split for common stock with an effective date of November 1, 2020. Earnings per share has been calculated on the assumption that this stock split was conducted at the beginning of the previous year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of January 31, 2021	27,936	18,600	66.6
As of October 31, 2020	18,505	7,137	38.6

(REFERENCE) Shareholders' equity: As of January 31, 2021 18,600 million yen
As of October 31, 2020 7,137 million yen

2. Cash dividends

	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, 2020	-	0.00	-	0.00	0.00
Year ended October 31, 2021	-				
Year ending October 31, 2021 (Forecast)		-	-	-	-

(NOTE) Revision of dividend forecast from recently announced figures: Not applicable
The dividend forecast for the year ending October 31, 2021 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2021 (November 1, 2020 to October 31, 2021)

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

	Net sales		EBITDA※		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	85,000	34.8	3,878	35.5	2,455	30.0	2,060	24.5	1,000	10.6	29.92

※EBITDA = Operating profits + Depreciation (Operating expenses) + Amortization of Goodwill

(NOTE) 1. Revisions to the forecast of financial results from recently announced figures: Not applicable

2. The Company conducted a 1:3 stock split for common stock with an effective date of November 1, 2020. In addition, the issuance of new shares (4,350,000 shares) by public offering with a payment date of January 19, 2021 and the capital increase through third-party allotment (652,500 shares) for the sale by over-allotment with a payment date of January 28, 2021 have been completed. Earnings per share in the forecast of consolidated financial results for the fiscal year ending October 2021 is calculated based on the average number of shares during the planned period, taking these factors into consideration.

4. Notes

(1) Changes in significant subsidiaries during the three months ended January 31, 2021 (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: Not applicable

Changes in accounting estimates: Not 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 January 31, 2021	34,439,655 shares	As of October 31, 2020	29,393,115 shares

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

As of January 31, 2021	621 shares	As of October 31, 2020	621 shares

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

Three months ended January 31, 2021	30,068,565 shares	Three months ended January 31, 2020	28,485,459 shares

(NOTE) The Company conducted a 1:3 stock split for common stock with an effective date of November 1, 2020. The total number of issued shares at the end of the period, Total number of treasury shares at the end of the period and Average number of shares during the period have been calculated on the assumption that this stock split was conducted at the beginning of the previous year.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of October 31, 2020	As of January 31, 2021
Assets		
Current assets		
Cash and deposits	6,386	13,942
Accounts receivable - trade	147	146
Real estate for sale	1,386	2,950
Costs on uncompleted construction contracts	8	22
Supplies	48	38
Advance payments - trade	137	162
Prepaid expenses	270	284
Other	149	337
Allowance for doubtful accounts	(81)	(89)
Total current assets	8,453	17,794
Non-current assets		
Property, plant and equipment	1,230	1,319
Intangible assets		
Goodwill	3,911	3,794
Software	2,542	2,561
Software in progress	57	204
Other	858	816
Total intangible assets	7,370	7,377
Investments and other assets	1,450	1,444
Total non-current assets	10,051	10,141
Total assets	18,505	27,936

(Million yen)

	As of October 31, 2020	As of January 31, 2021
Liabilities		
Current liabilities		
Short-term loans payable	1,503	1,005
Current portion of long-term loans payable	949	960
Current portion of bonds	40	40
Accounts payable – other	988	978
Income taxes payable	661	1
Accrued consumption taxes	210	23
Provision	23	17
Deposits received	1,074	1,039
Other	271	243
Total current liabilities	5,723	4,309
Non-current liabilities		
Bonds payable	2,110	2,400
Long-term loans payable	2,383	1,510
Deferred tax liabilities	258	244
Provision	77	67
Asset retirement obligations	407	407
Other	405	394
Total non-current liabilities	5,643	5,025
Total liabilities	11,367	9,335
Net assets		
Shareholders' equity		
Capital stock	1,182	7,208
Capital surplus	3,931	9,957
Retained earnings	2,039	1,445
Treasury shares	(0)	(0)
Total shareholders' equity	7,152	18,610
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(10)
Foreign currency translation adjustment	-	0
Total accumulated other comprehensive income	(14)	(10)
Share acquisition rights	0	0
Total net assets	7,137	18,600
Total liabilities and net assets	18,505	27,936

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

(Million yen)

	Three months ended January 31, 2020	Three months ended January 31, 2021
Net sales	9,842	12,082
Cost of sales	8,153	10,279
Gross profit	1,688	1,802
Selling, general and administrative expenses	1,735	2,447
Operating profit (loss)	(46)	(644)
Non-operating income		
Interest income	0	0
Other	3	3
Total non-operating income	3	3
Non-operating expenses		
Interest expenses	13	22
Commission fee	11	39
Bond issuance costs	-	5
Share issuance costs	-	61
Other	1	9
Total non-operating expenses	26	138
Ordinary profit(loss)	(70)	(778)
Extraordinary losses		
Loss on sales and retirement of non-current assets	-	0
Total extraordinary losses	-	0
Loss before income taxes	(70)	(778)
Income taxes	14	(184)
Loss	(84)	(593)
Loss attributable to owners of parent	(84)	(593)

Quarterly Consolidated Statements of Comprehensive Income (cumulative)

(Million yen)

	Three months ended January 31, 2020	Three months ended January 31, 2021
Loss	(84)	(593)
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	4
Foreign currency translation adjustment	-	0
Total other comprehensive income	(3)	4
Comprehensive income	(87)	(589)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(87)	(589)