

Translation

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**Summary of Consolidated Financial Results for the Six Months Ended April 30, 2024
(Based on IFRS)**

June 13, 2024

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: SATOSHI MATSUKAWA, Executive Officer and Chief Accounting Officer TEL: 03-6230-9180
 Scheduled date to file Quarterly Securities Report: June 13, 2024
 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, 2024 (November 1, 2023 to April 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentage figures represent year-on-year changes)

	Revenue		Business profit*		Profit before taxes		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
April 30, 2024	85,921	35.5	2,223	146.1	1,804	174.6	948	154.8
April 30, 2023	63,411	29.7	903	274.0	657	-	372	-

* Business profit = Revenue - Cost of sales - Selling, general and administrative expenses

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Million yen	%	Million yen	%	Yen	Yen
Six months ended						
April 30, 2024	927	149.2	1,215	172.5	25.23	24.77
April 30, 2023	372	-	446	-	10.14	9.94

(Note) In the fourth quarter of the fiscal year ended October 31, 2023, GA technologies Co., Ltd. ("the Company") has finalized provisional accounting treatment for business combination. The figures for the six months ended April 30, 2023, reflect the finalization of the above treatment.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of parent to total assets
	Million yen	Million yen	Million yen	%
As of				
April 30, 2024	75,562	21,842	21,796	28.8
October 31, 2023	61,352	20,584	20,559	33.5

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
Fiscal year ended October 31, 2023	-	0.00	-	0.00	0.00
Fiscal year ending October 31, 2024	-	0.00			
Fiscal year ending October 31, 2024 (Forecast)			-	0.00	0.00

(Note) Revision of dividend forecast from recently announced figures: Not applicable

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2024 (November 1, 2023 to October 31, 2024)

(Percentage figures represent year-on-year changes)

	Revenue		Business profit*		Profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	185,000	26.1	3,700	70.2	1,690	67.2	45.90

(Note) Revision to the forecast of financial results from recently announced figures: Applicable

* Business profit = Revenue - Cost of sales - Selling, general and administrative expenses

4. Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Applicable
New: 1 (company name) RW OpCo, LLC

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: Applicable
- (ii) Changes in accounting policies due to other reasons: Not applicable
- (iii) Changes in accounting estimates: Not applicable

(Note) For details, please refer to “2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto: (5) Notes to Condensed Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 11 of the Attachment.

(3) Number of issued shares (common stock)

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

As of April 30, 2024	36,775,735 shares	As of October 31, 2023	36,751,215 shares
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(ii) Total number of treasury shares at the end of the period:

As of April 30, 2024	751 shares	As of October 31, 2023	730 shares
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(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Six months ended April 30, 2024	36,763,028 shares	Six months ended April 30, 2023	36,681,785 shares
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* This quarterly summary of financial results falls outside the scope of quarterly review procedures to be performed by certified public accountants or an audit firm.

* Explanation regarding appropriate use of financial results forecasts, and other specific information

(Notes on forward-looking statements)

The financial performance outlook and other forward-looking statements contained in this document are based on information currently available to and certain assumptions that are thought to be reasonable by the Company. Accordingly, such statements should not be construed as a guarantee of achieving results by the Company. Please note that actual financial performance and the like may differ materially due to various factors.

(How to obtain supplementary materials on financial results and financial results briefing materials)

The Company will hold a briefing session for institutional investors and analysts on June 13, 2024 (Thursday).

The scenes from the session and content of the briefing will be, along with the financial results briefing materials to be used on the day, posted on the Company’s website promptly after the session is held.

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1. Qualitative Information on the Financial Results for the Period under Review

In the fourth quarter of the fiscal year ended October 31, 2023, GA technologies Co., Ltd. (“the Company”) finalized the provisional accounting treatment for the business combination, and each figure for the first six months of the fiscal year ended October 31, 2023 (first six months ended April 30, 2023) reflects the details of the finalization of the provisional accounting treatment.

(1) Explanation of Operating Results

During the first six months of the fiscal year ending October 31, 2024 (November 1, 2023 to April 30, 2024), the Japanese economy saw a gradual recovery, along with improvement in the employment and income situation. However, the outlook remained uncertain, amid concern over the impact that factors such as international developments, soaring raw material and resource prices, inflation and exchange rate volatility will have on Japanese and global economic activity.

Looking at the real estate market to which the Company and its group companies (“the Group”) belong, the number of contracts concluded for pre-owned condominiums in the Tokyo metropolitan area between October 2023 and April 2024 continues to increase compared to the previous year (statistical information by Real Estate Information Network for East Japan), and the Company assumes that pre-owned compact condominium investment market, which is the main focus of the Group, is also on an expanding trend. In addition, tax breaks for the new NISA and other measures under the government's Doubling Asset-based Incomes Plan are currently spurring individuals to shift from savings to investments. Against this backdrop, property investment is also attracting attention as part of diversified investment. Property is perceived as an asset that promises relatively stable returns compared with stocks, for instance, and is, therefore, now garnering attention as a means of hedging against inflation in particular. Accordingly, individual investors are expected to remain favorably disposed towards active and continuous investment in real estate going forward.

In such an environment, the Group concentrated resources on the RENOSY Marketplace Business*1 and the ITANDI Business and made growth investments to maximize future profits by expanding its market share. At the same time, restructuring measures initiated previously also steadily paid off.

As a result, the Company posted revenue of 85,921 million yen (up 35.5% year on year), gross profit of 14,051 million yen (up 40.1% year on year), business profit of 2,223 million yen (up 146.1% year on year), operating profit of 2,130 million yen (up 126.5% year on year), and profit attributable to owners of parent of 927 million yen (up 149.2% year on year) for the six months ended April 30, 2024, setting new records for all of these KPIs.

Furthermore, key KPIs other than those mentioned above are net revenue*2 of 14,470 million yen (up 39.7% year on year), stock business gross profit*3 of 3,435 million yen (up 72.8 % year on year), adjusted business profit margin*4 of 15.4 % (8.7% for the same period a year earlier) and non-organic ratio*5 of 40.4 % (41.5% for the same period a year earlier).

Operating results by segment are as follows.

Furthermore, in accordance with a review of its business management classification, the Group has changed its method of reporting the real estate platform business for investors in Greater China, which was included in the Other segment, to include it in the RENOSY Marketplace segment starting from the first quarter of the fiscal year. Accordingly, year-on-year figures in the operating results by segment are calculated based on the figures for the year-earlier periods prepared in accordance with the revised method.

(i) RENOSY Marketplace Business

Bolstered by measures to increase recognition and individual investors' appetite for active and continuous investment in real estate, the Company briskly expanded its market share, retaining the largest share of the preowned condominium investment market for a fifth consecutive year*6. The Company also sought to maximize gross profit through the promotion of Seller DX, expansion of the product lineup, and other measures to improve various types of commission. In addition, the Company implemented M&A transactions, acquiring Core Asset Management Co., Ltd. in December 2023, and RW OpCo, LLC in March 2024 which are engaged in the property management business. Furthermore, in the subscription business where the Company provides property management services, the Company focused on maintaining high occupancy through the use of AI, taking advantage of economies of scale to reduce equipment costs, and renovating properties from the occupants' perspective to increase rents. As a result of such initiatives, good progress was made on key KPIs, with the number of RENOSY members*7 reaching 456,000 (up approximately 29% year on year), the number of purchase DX contracts*8 amounting to 1,919 (up approximately 26% year on year), the number of seller DX contracts*9 totaling 738 (up approximately 37% year on year), the number of subscription contracts*10 increasing to 30,384 (up approximately 98% year on year), the number of consultants (pre-owned compact condominiums)*11 rising to 123 (up approximately 24% year on year) and ARPA (pre-owned compact condominiums)*12 reaching 1,061 million yen (up approximately 180 million yen year on year). As a result, the operating results of RENOSY Marketplace Business were revenue of 83,586 million yen (up 35.3% year on year), gross profit of 12,135 million yen (up 39.4% year on year), and segment profit of 4,458 million yen

(up 58.9% year on year).

(ii) ITANDI Business

ITANDI's Moshikomiuketsuke-kun exceeded 1 million applications per year, with one in three of all rental applications in Japan made via the system and, as in the RENOSY Marketplace Business, the Company gained a large market share exceeding 30%*13. Due to the network effects of vertical SaaS and M&A of Housmart Inc. in January 2024, the Company solidly expanded its performance, such as achieving ARR*14 of 3.98 billion yen (up approximately 36% year on year), churn rate*15 of 0.47% (0.43% for the year-earlier period), the accumulated number of customers of 3,795 companies (up approximately 58% year on year), unit economics*16 of 32.8 times (34.3 times for the year-earlier period), the number of products introduced of 11,051 products (up approximately 60% year on year), and the number of ITANDI BB page views of 12,550,000 views (up approximately 28% year-on-year). As a result, the operating results of ITANDI Business amounted to revenue of 2,104 million yen (up 34.1% year on year), gross profit of 1,757 million yen (up 31.9% year on year) and segment profit of 706 million yen (up 58.4% year on year).

*1 The RENOSY Marketplace Business mainly conducts the purchase and reselling of investment real estate, and brokerage of sales and leasing as well as management of real estate.

*2 Net revenue is calculated by RENOSY Marketplace Business's gross profit + (consolidated revenue – RENOSY Marketplace Business's revenue).

*3 Stock business gross profit is the total of gross profit from RENOSY Marketplace Business's subscription business and that from ITANDI Business.

*4 Adjusted business profit margin is calculated by consolidated business profit ÷ net revenue.

*5 Defining total gross profit from businesses other than pre-owned compact condominiums and subscriptions as non-organic gross profit, non-organic ratio is calculated by ratio to entire gross profit.

*6 Online Real estate investment RENOSY, online sales of new and used condominium investment, and number of matches are ranked No. 1 in Japan

<https://ssl4.eir-parts.net/doc/3491/tdnet/2437813/00.pdf>

*7 The number of RENOSY members refers to the total stock number of RENOSY members at the end of April 2024 (accumulated numbers of member registration).

*8 The number of Purchase DX contracts refers to the accumulated number of contracts for investment and home within RENOSY Marketplace through Purchase DX for the three months of the second quarter under review.

*9 The number of Seller DX contracts refers to the accumulated number of contracts for investment and home within RENOSY Marketplace through Seller DX for the three months of the second quarter under review.

*10 The number of subscription contract is the number of units managed as of the end of April 2024.

*11 The number of consultants (pre-owned compact condominiums) is the number of people as of the end of April 2024.

*12 ARPA (Average Revenue per Agent) (pre-owned compact condominium) is calculated by dividing full-year revenue of pre-owned compact condominiums for the fiscal year ended October 2023 by the average number of sales personnel at the end of each month of the relevant fiscal year.

*13 ITANDI's Moshikomiuketsuke-kun exceeds 1 million applications per year! 1 in 3 of all rental applications in Japan are made using the system

<https://ssl4.eir-parts.net/doc/3491/tdnet/2421482/00.pdf>

*14 Annual Recurring Revenue is calculated by multiplying the MRR (Monthly Recurring Revenue) at the end of each quarter by 12. MRR includes monthly usage fee, pay-as-you-go fee, revenue from lifeline referral services. Note that starting from the first quarter of the fiscal year ending in October 2024, the calculation now includes all SaaS services by ITANDI, PropoCloud by Housmart, and SaaS services by RENOSY X, In addition to the main products and services included in the previous calculation.

*15 Average monthly churn rate for the last 12 months as of the end of April 2024.

*16 Per-customer economics Multiple of Customer Lifetime Value (CLV) divided by Customer Acquisition Cost (CAC) for the last 12 months as of the end of April 2024.

(2) Explanation of Financial Position

(Assets)

Current assets at the end of the second quarter of the fiscal year under review increased by 7,914 million yen from the end of the previous fiscal year to 39,055 million yen. This is mainly due to an increase in cash and cash equivalents by 2,763 million yen to 20,216 million yen, an increase in other financial assets by 2,470 million yen to 3,441 million yen, and an increase in other current assets by 1,233 million yen to 2,900 million yen. Non-current assets increased by 6,295 million yen from the end of the previous fiscal year to 36,506 million yen. This is mainly due to an increase in goodwill by 6,699 million yen to 14,472 million yen, and a decrease in investment property by 946 million yen to 10,357 million yen.

As a result, total assets increased by 14,210 million yen from the end of the previous fiscal year to 75,562 million yen.

(Liabilities)

Current liabilities at the end of the second quarter of the fiscal year under review increased by 12,061 million yen from the end of the previous fiscal year to 35,881 million yen. This is mainly due to an increase in bonds and borrowing by 5,240 million yen to 15,687 million yen, and an increase in other financial liabilities by 6,886 million yen to 9,436 million yen. Non-current liabilities increased by 891 million yen from the end of the previous fiscal year to 17,838 million yen. This is mainly due to an increase in bonds and borrowings by 2,531 million yen to 7,027 million yen, a decrease in lease liabilities by 948 million yen to 9,870 million yen, and a decrease in other financial liabilities by 685 million yen to 241 million yen.

As a result, total liabilities increased by 12,952 million yen from the end of the previous fiscal year to 53,720 million yen.

(Equity)

Total equity at the end of the second quarter of the fiscal year under review increased by 1,257 million yen from the end of the previous fiscal year to 21,842 million yen. This is mainly due to an increase in retained earnings by 927 million yen to 1,917 million yen.

(3) Explanation of Cash Flows

Cash and cash equivalents ("net cash") at the end of the second quarter of the fiscal year under review increased by 2,763 million yen from the end of the previous fiscal year to 20,216 million yen. The status of cash flows during the second quarter of the fiscal year and their contributing factors are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 1,302 million yen (1,140 million yen provided for the same period a year earlier). This is mainly due to 2,722 million yen of depreciation and amortization, 1,804 million yen of profit before tax, 1,086 million yen of increase in inventories, and 694 million yen of decrease in trade and other payables, offset by 850 million yen of income tax paid.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 3,257 million yen (839 million yen used for the same period a year earlier). This is mainly due to 2,611 million yen of payments for business combinations, offset by 1,669 million yen of proceeds from business combinations, and 694 million yen of purchase of intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 4,730 million yen (661 million yen provided for the same period a year earlier). This is mainly due to 4,710 million yen of proceeds from long-term borrowings.

(4) Explanation of Consolidated Financial Results Forecast and Other Forecast Information

The Company decided to revise its consolidated financial results forecast for the fiscal year ending October 31, 2024 because revenue and business profit are expected to exceed the previous forecasts made on December 11, 2023. Please refer to the Notice of a Revision to Financial Results Forecasts published on June 13, 2024 for further details of the financial results forecasts. Furthermore, at a meeting held today, the Board of Directors passed a resolution on Medium-term Management Plan 2026, a three-year management plan that runs from the fiscal year ending October 31, 2024 to the fiscal year ending October 31, 2026, with the fiscal year ending October 31, 2024 as the first fiscal year. For more details, refer to the "Notice of Formulation of Medium-Term Management Plan" announced today.

2. Condensed Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Million yen)

	As of October 31, 2023	As of April 30, 2024
Assets		
Current assets		
Cash and cash equivalents	17,452	20,216
Trade and other receivables	867	1,219
Inventories	10,183	11,277
Other financial assets	970	3,441
Other current assets	1,666	2,900
Total current assets	31,141	39,055
Non-current assets		
Property, plant and equipment, net	1,405	1,466
Investment property	11,303	10,357
Goodwill	7,773	14,472
Intangible assets	4,464	4,599
Right-of-use assets	1,862	1,859
Other financial assets	1,917	1,937
Deferred tax assets	1,463	1,711
Other non-current assets	20	101
Total non-current assets	30,210	36,506
Total assets	61,352	75,562

	(Million yen)	
	As of October 31, 2023	As of April 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	3,516	3,431
Contract liabilities	640	855
Bonds and borrowings	10,447	15,687
Lease liabilities	4,579	4,231
Other financial liabilities	2,550	9,436
Income taxes payable	740	835
Other current liabilities	1,345	1,402
Total current liabilities	23,820	35,881
Non-current liabilities		
Bonds and borrowings	4,496	7,027
Lease liabilities	10,819	9,870
Provisions	498	509
Other financial liabilities	926	241
Deferred tax liabilities	175	133
Other non-current liabilities	30	55
Total non-current liabilities	16,947	17,838
Total liabilities	40,767	53,720
Equity		
Share capital	7,262	7,272
Capital surplus	12,122	12,153
Retained earnings	989	1,917
Treasury shares	(1)	(1)
Other components of equity	186	453
Total equity attributable to owners of the parent	20,559	21,796
Non-controlling interests	25	45
Total equity	20,584	21,842
Total liabilities and equity	61,352	75,562

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

(Condensed Quarterly Consolidated Statement of Profit or Loss)

	(Million yen)	
	Six months ended April 30, 2023	Six months ended April 30, 2024
Revenue	63,411	85,921
Cost of sales	53,382	71,869
Gross profit	10,028	14,051
Selling, general and administrative expenses	9,125	11,828
Business profit	903	2,223
Other income	52	32
Other expenses	15	125
Operating profit	940	2,130
Finance income	1	11
Finance costs	284	337
Profit before tax	657	1,804
Income tax expense	284	856
Profit	372	948
Profit attributable to		
Owners of parent	372	927
Non-controlling interests	-	20
Profit	372	948
Earnings per share		
Basic earnings per share (yen)	10.14	25.23
Diluted earnings per share (yen)	9.94	24.77

(Condensed Quarterly Consolidated Statement of Comprehensive Income)

(Million yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024
Profit	372	948
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	58	5
Total of items that will not be reclassified to profit or loss	58	5
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	15	261
Total of items that may be reclassified to profit or loss	15	261
Other comprehensive income, net of tax	73	267
Comprehensive income	446	1,215
Comprehensive income attributable to		
Owners of parent	446	1,194
Non-controlling interests	-	20
Comprehensive income	446	1,215

(3) Condensed Quarterly Consolidated Statement of Changes in Equity**(From November 1, 2022 to April 30, 2023)**

(Million yen)

	Equity attributable to owners of the parent										
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total	Total	Non-controlling interests	Total equity
					Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total				
Balance at beginning of period	7,238	12,023	(33)	(1)	45	28	74	19,302	2	19,305	
Profit	-	-	372	-	-	-	-	372	-	372	
Other comprehensive income	-	-	-	-	58	15	73	73	-	73	
Comprehensive income	-	-	372	-	58	15	73	446	-	446	
Exercise of share acquisition rights	22	(8)	-	-	-	-	-	14	-	14	
Share-based payment transactions	-	135	-	-	-	-	-	135	-	135	
Changes in ownership interest in subsidiaries	-	(130)	-	-	-	-	-	(130)	(2)	(133)	
Transfer from other components of equity to retained earnings	-	-	12	-	(12)	-	(12)	-	-	-	
Other	-	-	(0)	-	-	-	-	(0)	-	(0)	
Total	22	(3)	11	-	(12)	-	(12)	18	(2)	15	
Balance at end of period	7,261	12,020	350	(1)	91	44	135	19,767	-	19,767	

(From November 1, 2023 to April 30, 2024)

(Million yen)

	Equity attributable to owners of the parent										
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Total	Total	Non-controlling interests	Total equity
					Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total				
Balance at beginning of period	7,262	12,122	989	(1)	101	84	186	20,559	25	20,584	
Profit	-	-	927	-	-	-	-	927	20	948	
Other comprehensive income	-	-	-	-	5	261	267	267	-	267	
Comprehensive income	-	-	927	-	5	261	267	1,194	20	1,215	
Exercise of share acquisition rights	10	(5)	-	-	-	-	-	4	-	4	
Purchase of treasury shares	-	-	-	(0)	-	-	-	(0)	-	(0)	
Share-based payment transactions	-	37	-	-	-	-	-	37	-	37	
Other	-	-	-	-	-	-	-	-	(0)	(0)	
Total	10	31	-	(0)	-	-	-	42	(0)	42	
Balance at end of period	7,272	12,153	1,917	(1)	106	346	453	21,796	45	21,842	

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Million yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024
Cash flows from operating activities		
Profit before tax	657	1,804
Depreciation and amortization	2,555	2,722
Impairment losses	7	5
Loss (gain) on sale and retirement of fixed assets	2	8
Decrease (increase) in inventories	(2,211)	(1,086)
Increase (decrease) in deposits received	217	477
Finance income	(1)	(11)
Finance costs	284	337
Decrease (increase) in trade and other receivables	(188)	(250)
Increase (decrease) in trade and other payables	(56)	(694)
Other	314	(961)
Subtotal	1,582	2,350
Interest and dividends received	2	5
Interest paid	(150)	(202)
Income taxes paid	(292)	(850)
Net cash provided by (used in) operating activities	1,140	1,302
Cash flows from investing activities		
Purchase of property, plant and equipment	(182)	(157)
Purchase of intangible assets	(674)	(694)
Payments of leasehold and guarantee deposits	(104)	(29)
Proceeds from refund of leasehold and guarantee deposits	24	50
Payments for business combination	-	(2,611)
Proceeds from business combination	-	1,669
Proceeds from sale of investment securities	119	-
Other	(21)	(1,485)
Net cash provided by (used in) investing activities	(839)	(3,257)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,407	4,568
Proceeds from long-term borrowings	2,376	4,710
Repayments of long-term borrowings	(547)	(2,104)
Redemption of bonds	(25)	(25)
Repayments of lease liabilities	(2,378)	(2,409)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(133)	-
Other	(37)	(8)
Net cash provided by (used in) financing activities	661	4,730
Effect of exchange rate changes on cash and cash equivalents	15	(11)
Net increase (decrease) in cash and cash equivalents	978	2,763
Cash and cash equivalents at beginning of period	11,842	17,452
Cash and cash equivalents at end of period	12,820	20,216

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Amendment of IAS 12 “Income Taxes”)

The Group has applied the IAS 12 “Income Taxes” (amended May 2021) from the first quarter of the fiscal year under review. The amendment clarified that, as in leases and decommissioning obligations, when an equal taxable and deductible temporary differences arise at the time of a transaction, a company shall recognize the deferred tax liabilities and deferred tax assets arising therefrom.

The application of the standard mentioned above will have no significant impacts on the condensed quarterly consolidated financial statement.

(Per Share Information)

	Six months ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Six months ended April 30, 2024 (November 1, 2023 to April 30, 2024)
Profit attributable to owners of parent (Million yen)	372	927
Profit used for the calculation of diluted earnings per share (Million yen)	372	927
Weighted average number of common shares issued (shares)	36,681,785	36,763,028
Increase in the number of common shares used for the calculation of diluted earnings per share (shares)	764,506	694,259
Weighted average number of common shares used for the calculation of diluted earnings per share (shares)	37,446,291	37,457,287
Basic earnings per share (yen)	10.14	25.23
Diluted earnings per share (yen)	9.94	24.77

(Notes) 1. Basic earnings per share is calculated by dividing profit attributable to owners of parent by weighted average number of common shares issued after adjusted for treasury shares.

2. In the fourth quarters of the fiscal year ended October 31, 2023 the Company has finalized provisional accounting treatment for business combination. The figures for the six months ended April 30, 2023, reflect the finalization of the above treatment.

(Segment Information)

(1) Overview of reportable segments

The business segments of the Group are those components of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of determining the allocation of management resources and evaluating business performance. Business segments are not aggregated when determining reportable segments.

Based on the commonality of our businesses, the Company has two reportable segments: the RENOSY Marketplace Business and the ITANDI Business.

Furthermore, in accordance with a review of its business management classification, the Group has changed its method of reporting the real estate platform business for investors in Greater China, which was included in the Other segment, to include it in the RENOSY Marketplace segment starting from the first quarter of the fiscal year.

In accordance with the segment change mentioned above, segment information for the first six months ended April 30, 2023, are indicated after reclassified to reporting segment after the change.

In addition, in accordance with the finalization of the provisional accounting treatment for business combination, the figures for the first six months ended April 30, 2023, reflect the finalization of the above treatment.

The main businesses to which each reportable segment belongs are as follows.

Reportable segment	Details of main business
RENOSY Marketplace Business	<ul style="list-style-type: none"> - Provision of real estate Purchase DX services on the online real estate marketplace RENOSY - Provision of real estate Seller DX services on the online real estate marketplace RENOSY - Provision of high-end rental services on the online real estate marketplace RENOSY - Provision of various management plans by subscription (flat-rate usage) for real estate owners - Provision of services utilizing newly built compact condominiums - Operation of rental platform dearlife for expatriates in Thailand - Operation and related business of Shenjumiasosuan, real estate platform website for investors in Greater China
ITANDI Business	<ul style="list-style-type: none"> - Development and operation of ITANDI BB+, the SaaS series for rental companies, and ITANDI BB, an inter-agency website - Provision of BtoC online real estate rental service OHEYAGO - Development and operation of Rental Meijin, core software for rental management business - Development and operation of PropoCloud, real estate sales support SaaS

(2) Information on reportable segments

The revenues and performance of the Group's reportable segments are as follows.

Please note that inter-segment revenue is based on prevailing market prices.

(From November 1, 2022 to April 30, 2023)

(Million yen)

	Reportable segments			Other*1	Total	Reconciling items*2	Consolidated*3
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	61,755	1,562	63,318	92	63,411	-	63,411
Intersegment revenue	1	7	8	0	9	(9)	-
Total	61,757	1,569	63,326	93	63,420	(9)	63,411
Segment profit (loss) (Business profit)	2,805	445	3,251	(106)	3,144	(2,241)	903
Other income	-	-	-	-	-	-	52
Other expenses	-	-	-	-	-	-	15
Finance income	-	-	-	-	-	-	1
Finance costs	-	-	-	-	-	-	284
Profit before tax	-	-	-	-	-	-	657

(Notes) 1. The Other category is a business segment not included in the reportable segments, which mainly includes the housing and office renovation businesses.

2. Reconciling items to segment profit or loss (business profit) of (2,241) million yen include elimination of inter-segment transactions of 0 million yen, amortization of intangible assets identified as a result of business combinations of (59) million yen, and corporate expenses of (2,181) million yen not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment

3. Segment profit or loss is adjusted with business profit in the condensed quarterly consolidated statement of profit or loss.

4. Business profit is a step profit after deducting cost of sales and selling, general and administrative expenses from revenue, excluding other income and other expenses.

(From November 1, 2023 to April 30, 2024)

(Million yen)

	Reportable segments			Other* ¹	Total	Reconciling items* ²	Consolidated* ³
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	83,586	2,096	85,682	238	85,921	-	85,921
Intersegment revenue	-	8	8	7	16	(16)	-
Total	83,586	2,104	85,691	246	85,937	(16)	85,921
Segment profit (Business profit)	4,458	706	5,164	63	5,227	(3,004)	2,223
Other income	-	-	-	-	-	-	32
Other expenses	-	-	-	-	-	-	125
Finance income	-	-	-	-	-	-	11
Finance costs	-	-	-	-	-	-	337
Profit before tax	-	-	-	-	-	-	1,804

(Notes) 1. The “Other” category is a business segment not included in the reportable segments, which mainly includes the M&A brokerage business and consulting business.

2. Reconciling items to segment profit (business profit) of (3,004) million yen include elimination of inter-segment transactions of 1 million yen, amortization of intangible assets identified as a result of business combinations and acquisition-related costs of (526) million yen, and corporate expenses of (2,480) million yen not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that do not belong to any reportable segment.
3. Segment profit is adjusted with business profit in the condensed quarterly consolidated statement of profit.
4. Business profit is a step profit after deducting cost of sales and selling, general and administrative expenses from revenue, excluding other income and other expenses.

(Significant Subsequent Events)

Not applicable.