Translation

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Consolidated Financial Results for the Fiscal Year Ended October 31, 2024 (Based on IFRS)

December 11, 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, Representative Director, Executive Officer, and CEO
Contact person: SATOSHI MATSUKAWA, Executive Officer and Chief Accounting Officer
TEL: 03-6230-9180
Scheduled date for next ordinary general meeting of shareholders: January 29, 2025
Scheduled date to commence dividend payments: -
Scheduled date to file Securities Report: January 30, 2025
Preparation of supplementary material on financial results: Yes
Holding of 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 fiscal year ended October 31, 2024 (November 1, 2023 to October 31, 2024)

(1) Consolidated operating results

(Percentage figures represent year-on-year changes)

	Revenue		Business profit*		Profit before taxes		Profit		Profit attributable to owners of the parent		Total comprehensive income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2024	189,883	29.5	4,056	86.6	3,143	98.3	1,854	82.2	1,841	82.2	2,068	81.0
October 31, 2023	146,647	29.1	2,173	113.0	1,585	232.0	1,018	164.6	1,010	162.7	1,142	153.1

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

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2024	50.04	49.64	8.5	4.5	2.0
October 31, 2023	27.53	26.99	5.1	2.7	1.5

Reference: Share of profit (loss) of investments accounted for using equity method
For the fiscal year ended October 31, 2024 - million yen
For the fiscal year ended October 31, 2023 - million yen

(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	Equity attributable to owners of parent per share
As of	Million yen	Million yen	Million yen	%	Yen
October 31, 2024	77,130	23,251	22,843	29.6	618.80
October 31, 2023	61,352	20,584	20,559	33.5	559.43

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
October 31, 2024	3,635	(4,793)	2,965	19,325
October 31, 2023	6,798	(2,052)	808	17,452

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended October 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended October 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending October 31, 2025 (Forecast)	-	0.00	-	0.00	0.00		-	

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2025 (November 1, 2024 to October 31, 2025)

(Percentage figures represent year-on-year changes)

	Revenue		Business profit*		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	248,000	30.6	6,000	47.9	3,000	62.9	81.24

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

4. Notes

(1) Significant changes in the scope of consolidation during the period: Applicable
New: 4 companies (company name) Core Asset Management Inc., Housmart Inc., RW OpCo, LLC, Mercury Inc.

(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 "3. Consolidated Financial Statements and Significant Notes Thereto: (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 14 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 October 31, 2024	36,916,535 shares	As of October 31, 2023	36,751,215 shares

(ii) Total number of treasury shares at the end of the period:

As of October 31, 2024	751 shares	As of October 31, 2023	730 shares

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

Fiscal year ended October 31, 2024	36,810,201 shares	Fiscal year ended October 31, 2023	36,715,153 shares

* This summary of financial results is not subject to audit procedures by a public accountant or 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 may differ materially due to various factors. For conditions, etc. underlying the earnings forecasts, please refer to 1. Summary of Operating Results, (4) Future Outlook on page 7 of the Attachment.

(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 December 11, 2024 (Wednesday).
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.

Contents of Attachment

1. Summary of Operating Results 4
(1) Summary of Operating Results for the Current Fiscal Year 4
(2) Summary of Consolidated Financial Position at the end of the Current Fiscal Year 6
(3) Summary of Cash Flows for the Current Fiscal Year 6
(4) Future Outlook 7
2. Basic Principle on the Choice of Accounting Standards 7
3. Consolidated Financial Statements and Significant Notes Thereto 8
(1) Consolidated Statement of Financial Position 8
(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income 10
(3) Consolidated Statement of Changes in Equity 12
(4) Consolidated Statement of Cash Flows 13
(5) Notes to Consolidated Financial Statements 14
(Notes on Going Concern Assumption) 14
(Changes in Accounting Policies) 14
(Per Share Information) 14
(Segment Information) 14
(Significant Subsequent Events) 15

1. Summary of Operating Results

(1) Summary of Operating Results for the Current Fiscal Year

During the fiscal year ended October 31, 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 situation, 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 in which the Company and its group companies ("the Group") operate, the number of contracts concluded for pre-owned condominiums in the Tokyo metropolitan area was favorable. 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, strengthening the 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 this environment, the Group announced its Medium-term Business Plan in June 2024. In its non-recurring revenue business, the Group worked to expand operations by improving fees and broadening its product offerings. At the same time, the Group aimed to transition to a more robust revenue model by developing its recurring revenue business, which provides consistent income.

As a result, the Company posted revenue of 189,883 million yen (up 29.5% year on year), gross profit of 30,734 million yen (up 35.9% year on year), business profit of 4,056 million yen (up 86.6% year on year), operating profit of 3,878 million yen (up 75.4% year on year), and profit attributable to owners of parent of 1,841 million yen (up 82.2% year on year) for the current fiscal year.

Furthermore, key KPIs other than those mentioned above are net revenue*1 of 31,846 million yen (up 36.6% year on year), stock business gross profit*2 of 7,808 million yen (up 85.2% year on year), core business profit margin*3 of 12.7% (9.4% for the same period a year earlier) and non-organic ratio*4 of 42.6% (41.1% 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 beginning of the fiscal year ended October 31, 2024. Accordingly, year-on-year figures in the operating results by segment are calculated based on the figures for the previous period prepared in accordance with the revised method.

(i) RENOSY Marketplace Business*5

Bolstered by measures to increase recognition and individual investors' appetite for active and continuous investment in real estate as they shift their focus from savings to investment, 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, in the property management business, Purchase DX, which leads to subscriptions, performed strongly, and the Company also executed M&A transactions, acquiring Core Asset Management Inc. and RW OpCo, LLC, both of which are engaged in the property management business, in December 2023 and March 2024 respectively. As a result, the number of subscription owners and the number of contracts both remained in an upward trend. As a result of such initiatives, good progress was made on key KPIs, with the number of RENOSY members*7 reaching 519,000 (up approximately 30% year on year), the number of purchase DX contracts*8 amounting to 1,862 (up approximately 2% year on year), the number of seller DX contracts*9 totaling 846 (up approximately 16% year on year), the number of subscription contracts*10 reaching 32,452 (up approximately 82% year on year), the number of asset planners (pre-owned compact condominiums)*11 rising to 126 (up approximately 18% year on year) and ARPA (pre-owned compact condominiums)*12 reaching 1,130 million yen (up approximately 69 million yen year on year). As a result, the operating results of RENOSY Marketplace Business were revenue of 184,784 million yen (up 29.1% year on year), gross profit of 26,747 million yen (up34.8% year on year), and segment profit of 8,885 million yen (up 34.5% year on year).

(ii) ITANDI Business

The Group expanded its financial performance steadily by leveraging the network effects of its vertical SaaS, as well as mergers with Housmart Inc. in January 2024 and with Mercury Inc. in August. ARR*13 (Annual Recurring Revenue) reached 4,513 million yen (up approximately 72% year on year). The churn rate*14 improved to 0.37% (0.49% in the previous fiscal year). The cumulative number of customers stood at 4,503 (up about 55%). Unit economics*15 was 40.8 (up from 26.2 in the previous year). A total of 13,144 products have been implemented (up approximately 55% year on year). ITANDI BB recorded 11.01 million page views (up around 22% year on year). As a result, the operating results of ITANDI Business amounted to revenue of 4,513 million yen (up 40.9% year on year), gross profit of 3,645 million yen (up 35.3% year on year) and segment profit of 1,316 million yen (up 87.6% year on year).

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

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

*3 Core business profit margin is calculated by consolidated business profit ÷ net revenue.

*4 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.

*5 The RENOSY Marketplace Business primarily buys and sells real estate on the RENOSY online real estate marketplace, leveraging digital transformation, offers flat-rate subscription property management to real estate owners, and provides services related to newly-built compact condominiums.

*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 October 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 fourth quarter of the current fiscal year.

*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 fourth quarter of the current fiscal year.

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

*11 The number of asset planners (pre-owned compact condominiums) is the number of people as of the end of October 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 2024 by the average number of asset planners at the end of each month of the relevant fiscal year.

*13 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 fiscal year ended in October 2024, the calculation now includes all SaaS services by ITANDI, PropoCloud by Housmart, and SaaS services by RENOSY X and Mercury, in addition to the main products and services included in the previous calculation.

*14 Average monthly churn rate for the last 12 months as of the end of October 2024.

*15 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 October 2024.

(2) Summary of Consolidated Financial Position at the end of the Current Fiscal Year

(Assets)

Current assets at the end of the current fiscal year increased by 7,561 million yen from the end of the previous fiscal year to 38,702 million yen. This is mainly due to an increase in inventories by 3,766 million yen to 13,950 million yen, an increase in cash and cash equivalents by 1,873 million yen to 19,325 million yen, and an increase in other financial assets by 1,349 million yen to 3,016 million yen. Non-current assets increased by 8,216 million yen from the end of the previous fiscal year to 38,427million yen. This is mainly due to an increase in goodwill of 7,026 million yen to 14,799 million yen, a decrease in investment property of 614 million yen to 10,689 million yen, an increase in right-of-use assets of 597 million yen to 2,459 million yen, and an increase in deferred tax assets of 556 million yen to 2,020 million yen.

As a result, total assets increased by 15,778 million yen from the end of the previous fiscal year to 77,130 million yen.

(Liabilities)

Current liabilities at the end of the current fiscal year increased by 10,388 million yen from the end of the previous fiscal year to 34,209 million yen. This is mainly due to an increase in other financial liabilities of 4,597 million yen to 7,148 million yen, an increase in bonds and borrowings of 3,642 million yen to 14,089 million yen, and an increase in lease liabilities of 898 million yen to 5,478 million yen. Non-current liabilities increased by 2,722 million yen from the end of the previous fiscal year to 19,669 million yen. This is mainly due to an increase in bonds and borrowings of 4,786 million yen to 9,283 million yen, a decrease in lease liabilities of 1,568 million yen to 9,250 million yen, and a decrease in other financial liabilities of 752 million yen to 174 million yen.

As a result, total liabilities increased by 13,111 million yen from the end of the previous fiscal year to 53,879 million yen.

(Equity)

Total equity at the end of the current fiscal year increased by 2,667 million yen from the end of the previous fiscal year to 23,251 million yen. This is mainly due to an increase in retained earnings by 1,841 million yen to 2,831 million yen.

(3) Summary of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (“net cash”) at the end of the current fiscal year increased by 1,873 million yen from the end of the previous fiscal year to 19,325 million yen. The status of cash flows in the current fiscal year and their contributing factors are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 3,635 million yen (6,798 million yen used for the same period a year earlier). This is mainly due to depreciation and amortization of 5,600 million yen, an increase in inventories of 3,759 million yen, a profit before tax of 3,143 million yen, and income taxes paid of 1,310 million yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 4,793 million yen (2,052 million yen used for the same period a year earlier). This is mainly due to payments for business combinations of 2,902 million yen and the purchase of intangible assets totaling 1,585 million yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 2,965 million yen (808 million yen used for the same period a year earlier). This is mainly due to proceeds from long-term borrowings of 10,113 million yen and repayments of lease liabilities of 5,065 million yen.

(4) Future Outlook

We expect that although we need to closely monitor domestic and international economic trends, individual investors, who are closely linked to the Group's main businesses, will continue to invest actively in real estate.

In this business environment, in June 2024, the Company announced its Medium-term Business Plan for the period leading up to the fiscal year ending October 2026. We will implement the strategies outlined in the business plan to enhance our financial performance. Additionally, we aim to improve profitability and expand profit margins through productivity enhancements and structural reforms.

Based on the above, our consolidated earnings forecast for the next fiscal year ending October 31, 2025 projects revenue of 248,000 million yen (up 30.6%), gross profit of 41,000 million yen (up 33.4%), business profit* of 6,000 million yen (up 47.9%), and profit attributable to owners of parent of 3,000 million yen (up 62.9%), all on a year-on-year basis.

The outlook for each segment is as follows.

(i) RENOSY Marketplace Business

We will expand the Lifetime Value by improving CX and expanding the product lineup for RENOSY owners and approaching existing customers We aim to improve the success rate of contracts and attract new customers by leveraging our industry-leading data and assigning suitable asset planners to better match buyers with sellers and by building an efficient sales promotion system.

We will implement structural reforms and other initiatives based on our growth strategy to achieve profitability for our U.S. business, which is currently operating in the red, in a single month. Our goal is for the business to break even in the fiscal year ending October 2026.

We forecast a consolidated revenue of 241,400 million yen (up 30.6% year on year), a gross profit of 35,700 million yen (up 33.5%), and a segment profit of 12,100 million yen (up 36.2%) for the fiscal year ending October 2026.

(ii) ITANDI Business

In the rental area, we aim to further expand market share by strengthening customer and area strategies. In the transactions area, we intend to expand share by strengthening sales, particularly to small and medium businesses, and enhancing the functionality of core products. Additionally, we aim to develop the data business with Mercury Inc., which we acquired in the current fiscal year, and expand opportunities to monetize the business.

We forecast consolidated revenue of 5,900 million yen (up 30.7% year on year), gross profit of 4,830 million yen (up 32.5%), and segment profit of 1,120 million yen (down 14.9%) for the fiscal year ending October 2025.

In both of the businesses mentioned, we aim to advance technology. We also aim to transform each individual's business expertise into explicit knowledge and improve our operation's efficiency through automation and other methods. By doing so, we will enhance productivity.

The financial performance forecast above has been prepared based on information available as of the date of this document's release. Actual results may differ from the forecast due to various factors that may occur in the future.

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

2. Basic Principle on the Choice of Accounting Standards

In order to improve international comparability and convenience of financial information in the capital markets, the Group has adopted International Financial Reporting Standards (IFRS) from the fiscal year ended October 31, 2022.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated Statement of Financial Position

(Million yen)

	As of October 31, 2023	As of October 31, 2024
Assets		
Current assets		
Cash and cash equivalents	17,452	19,325
Trade and other receivables	867	1,253
Inventories	10,183	13,950
Other financial assets	970	1,157
Other current assets	1,666	3,016
Total current assets	31,141	38,702
Non-current assets		
Property, plant and equipment	1,405	1,560
Investment property	11,303	10,689
Goodwill	7,773	14,799
Intangible assets	4,464	4,741
Right-of-use assets	1,862	2,459
Other financial assets	1,917	2,009
Deferred tax assets	1,463	2,020
Other non-current assets	20	147
Total non-current assets	30,210	38,427
Total assets	61,352	77,130

(Million yen)

	As of October 31, 2023	As of October 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	3,516	4,102
Contract liabilities	640	909
Bonds and borrowings	10,447	14,089
Lease liabilities	4,579	5,478
Other financial liabilities	2,550	7,148
Income taxes payable	740	780
Other current liabilities	1,345	1,700
Total current liabilities	23,820	34,209
Non-current liabilities		
Bonds and borrowings	4,496	9,283
Lease liabilities	10,819	9,250
Provisions	498	521
Other financial liabilities	926	174
Deferred tax liabilities	175	395
Other non-current liabilities	30	44
Total non-current liabilities	16,947	19,669
Total liabilities	40,767	53,879
Equity		
Share capital	7,262	7,372
Capital surplus	12,122	12,240
Retained earnings	989	2,831
Treasury shares	(1)	(1)
Other components of equity	186	399
Total equity attributable to owners of the parent	20,559	22,843
Non-controlling interests	25	408
Total equity	20,584	23,251
Total liabilities and equity	61,352	77,130

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

(Consolidated Statement of Profit or Loss)

(Million yen)

	For the year ended October 31, 2023	For the year ended October 31, 2024
Revenue	146,647	189,883
Cost of sales	124,025	159,148
Gross profit	22,622	30,734
Selling, general and administrative expenses	20,448	26,678
Business profit	2,173	4,056
Other income	98	122
Other expenses	60	299
Operating profit	2,211	3,878
Finance income	11	11
Finance costs	637	746
Profit before tax	1,585	3,143
Income tax expense	566	1,288
Profit	1,018	1,854
Profit attributable to		
Owners of parent	1,010	1,841
Non-controlling interests	7	12
Profit	1,018	1,854
Earnings per share		
Basic earnings per share (yen)	27.53	50.04
Diluted earnings per share (yen)	26.99	49.64

(Consolidated Statement of Comprehensive Income)

(Million yen)

	For the year ended October 31, 2023	For the year ended October 31, 2024
Profit	1,018	1,854
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	68	(12)
Total of items that will not be reclassified to profit or loss	68	(12)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	56	225
Total of items that may be reclassified to profit or loss	56	225
Other comprehensive income, net of tax	124	213
Comprehensive income	1,142	2,068
Comprehensive income attributable to		
Owners of parent	1,135	2,055
Non-controlling interests	7	12
Comprehensive income	1,142	2,068

(3) Consolidated Statement of Changes in Equity

(For the year ended October 31, 2023)

(Million yen)

	Equity attributable to owners of the parent									
					Other components of equity					
	Share capital	Capital surplus	Retained earnings	Treasury shares	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	Total	Non-controlling interests	Total equity
Balance at beginning of period	7,238	12,023	(33)	(1)	45	28	74	19,302	2	19,305
Profit	-	-	1,010	-	-	-	-	1,010	7	1,018
Other comprehensive income	-	-	-	-	68	56	124	124	-	124
Comprehensive income	-	-	1,010	-	68	56	124	1,135	7	1,142
Issuance of new shares (Exercise of stock option rights)	23	(7)	-	-	-	-	-	15	-	15
Share-based payment transactions	-	236	-	-	-	-	-	236	-	236
Increase (decrease) by business combination	-	-	-	-	-	-	-	-	17	17
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 transactions with owners	23	98	11	-	(12)	-	(12)	121	15	136
Balance at end of period	7,262	12,122	989	(1)	101	84	186	20,559	25	20,584

(For the year ended October 31, 2024)

(Million yen)

	Equity attributable to owners of the parent									
					Other components of equity					
	Share capital	Capital surplus	Retained earnings	Treasury shares	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	Total	Non-controlling interests	Total equity
Balance at beginning of period	7,262	12,122	989	(1)	101	84	186	20,559	25	20,584
Profit	-	-	1,841	-	-	-	-	1,841	12	1,854
Other comprehensive income	-	-	-	-	(12)	225	213	213	-	213
Comprehensive income	-	-	1,841	-	(12)	225	213	2,055	12	2,068
Issuance of new shares	99	99	-	-	-	-	-	199	-	199
Issuance of new shares (Exercise of stock option rights)	10	(5)	-	-	-	-	-	4	-	4
Purchase of treasury shares	-	-	-	(0)	-	-	-	(0)	-	(0)
Share-based payment transactions	-	25	-	-	-	-	-	25	1	26
Increase (decrease) by business combination	-	-	-	-	-	-	-	-	364	364
Other	-	-	-	-	-	-	-	-	4	4
Total transactions with owners	110	118	-	(0)	-	-	-	228	370	598
Balance at end of period	7,372	12,240	2,831	(1)	89	310	399	22,843	408	23,251

(4) Consolidated Statement of Cash Flows

(Million yen)

	For the year ended October 31, 2023	For the year ended October 31, 2024
Cash flows from operating activities		
Profit before tax	1,585	3,143
Depreciation and amortization	5,257	5,600
Impairment losses	9	117
Loss (gain) on sale or disposal of fixed assets	9	13
Decrease (increase) in inventories	(2,127)	(3,759)
Increase (decrease) in deposits received	382	326
Finance income	(11)	(11)
Finance costs	637	746
Decrease (increase) in trade and other receivables	(208)	2
Increase (decrease) in trade and other payables	1,376	(177)
Other	833	(588)
Subtotal	7,746	5,414
Interest and dividends received	5	8
Interest paid	(308)	(476)
Income taxes paid	(644)	(1,310)
Net cash provided by (used in) operating activities	6,798	3,635
Cash flows from investing activities		
Purchase of property, plant and equipment	(322)	(405)
Purchase of intangible assets	(1,335)	(1,585)
Payments of leasehold and guarantee deposits	(291)	(147)
Proceeds from sale of investment securities	119	-
Payments for business combinations	(449)	(2,902)
Proceeds from business combinations	-	1,669
Other	226	(1,422)
Net cash provided by (used in) investing activities	(2,052)	(4,793)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,041	2,434
Proceeds from long-term borrowings	4,197	10,113
Repayments of long-term borrowings	(1,296)	(5,065)
Proceeds from issuance of bonds	-	196
Redemption of bonds	(50)	(40)
Repayments of lease liabilities	(4,882)	(4,880)
Proceeds from issuance of shares	-	198
Payments for acquisition of interests in subsidiaries from non-controlling interests	(133)	-
Other	(67)	8
Net cash provided by (used in) financing activities	808	2,965
Effect of exchange rate changes on cash and cash equivalents	55	65
Net increase (decrease) in cash and cash equivalents	5,610	1,873
Cash and cash equivalents at beginning of the period	11,842	17,452
Cash and cash equivalents at end of the period	17,452	19,325

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Changes in Accounting Policies)

(Amendment to IAS 12 "*Income Taxes*")

The Group has applied the IAS 12 "*Income Taxes*" (amended May 2021) from the beginning of the fiscal year ended October 31, 2024. 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 has no significant impacts on the consolidated financial statements.

(Per Share Information)

	For the year ended October 31, 2023	For the year ended October 31, 2024
Profit attributable to owners of parent (Million yen)	1,010	1,841
Profit used for the calculation of diluted earnings per share (Million yen)	1,010	1,841
Weighted average number of common shares issued (shares)	36,715,153	36,810,201
Increase in the number of common shares used for the calculation of diluted earnings per share (shares)	729,374	296,365
Weighted average number of common shares used for the calculation of diluted earnings per share (shares)	37,444,527	37,106,566
Basic earnings per share (yen)	27.53	50.04
Diluted earnings per share (yen)	26.99	49.64

(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. Potential ordinary shares such as stock options not included in the calculation of diluted earnings per share due to the absence of dilutive effect was 2,097 thousand shares in the previous fiscal year and 1,604 thousand shares in the current fiscal year.

(Segment Information)

(1) Overview of reportable segments

The operating 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. Operating segments have not been aggregated when determining reportable segments.

Based on the characteristics of the 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, 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 beginning of the fiscal year ended October 31, 2024.

In accordance with the segment change mentioned above, segment information for the fiscal year ended October 31, 2023, reflects such change in reporting segments.

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

Reportable segments	Details of main business
RENOSY Marketplace Business	・ Real estate Purchase DX services on the online real estate marketplace RENOSY ・ Real estate Seller DX services on the online real estate marketplace RENOSY ・ High-end rental services on the online real estate marketplace RENOSY ・ Various management plans by subscription (flat-rate usage) for real estate owners ・ 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	・ Development and operation of ITANDI BB+, the SaaS series for rental companies, and ITANDI BB, an inter-agency website ・ BtoC online real estate rental service OHEYAGO ・ Development and operation of "Chintai Meijin," core software for rental management business ・ Development and operation of PropoCloud, real estate sales support SaaS ・ Data platform businesses for the real estate industry leveraging advanced technology

(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.

(For the year ended October 31, 2023) (Million yen)

	Reportable segments			Other (Note 1)	Total	Reconciling items (Note 2)	Consolidated (Note 3)
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	143,167	3,188	146,356	291	146,647	-	146,647
Intersegment revenue	2	13	16	0	16	(16)	-
Total	143,169	3,202	146,372	292	146,664	(16)	146,647
Segment profit (loss) (Business profit)	6,606	702	7,308	(127)	7,181	(5,007)	2,173
Other income	-	-	-	-	-	-	98
Other expenses	-	-	-	-	-	-	60
Finance income	-	-	-	-	-	-	11
Finance costs	-	-	-	-	-	-	637
Profit before tax	-	-	-	-	-	-	1,585
Other items							
Impairment losses on non-financial assets	9	-	9	0	9	-	9

(Notes) 1. The "Other" segment comprises businesses not included in the reportable segments, including the completely industry-specific M&A intermediary service business.

2. Reconciling items to segment profit or loss (business profit) of (5,007) million yen include elimination of inter-segment transactions of 2 million yen, amortization of intangible assets identified as a result of business combinations and acquisition-related costs of (163) million yen, and corporate expenses of (4,846) million yen not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses not allocated to any reportable segment.

3. Segment profit or loss is adjusted to equal business profit in the consolidated statement of profit or loss.

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

(For the year ended October 31, 2024) (Million yen)

	Reportable segments			Other (Note 1)	Total	Reconciling items (Note 2)	Consolidated (Note 3)
	RENOSY Marketplace	ITANDI	Total				
Revenue							
Revenue from external customers	184,784	4,489	189,273	609	189,883	-	189,883
Intersegment revenue	-	24	24	15	39	(39)	-
Total	184,784	4,513	189,298	625	189,923	(39)	189,883
Segment profit (Business profit)	8,885	1,316	10,202	26	10,229	(6,173)	4,056
Other income	-	-	-	-	-	-	122
Other expenses	-	-	-	-	-	-	299
Finance income	-	-	-	-	-	-	11
Finance costs	-	-	-	-	-	-	746
Profit before tax	-	-	-	-	-	-	3,143
Other items							
Impairment losses on non-financial assets	60	57	117	-	117	-	117

(Notes) 1. The "Other" segment comprises businesses not included in the reportable segments, including the completely industry-specific M&A intermediary service business exclusively specializing in the real estate industry.

2. Reconciling items to segment profit (business profit) of (6,173) million yen include elimination of inter-segment transactions of 0 million yen, amortization of intangible assets identified as a result of business combinations and acquisition-related costs of (771) million yen, and corporate expenses of (5,402) million yen not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses not allocated to any reportable segment.

3. Segment profit is adjusted to equal business profit in the consolidated statement of profit or loss.

4. Business profit is an indicator of 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.