

Translation

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Summary of Consolidated Financial Results for the Three Months Ended January 31, 2020 (Based on Japanese GAAP)

March 12, 2020

Company name: GA technologies Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Stock code: 3491 URL: <http://www.ga-tech.co.jp/>
 Representative: RYO HIGUCHI, President and Chief Executive Officer
 Contact person: TAKEO HASHIMOTO, Executive Officer and Chief Accounting Officer TEL : 03-6230-9180
 Scheduled date to file Quarterly Securities Report: March 16, 2020
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts, in Japanese)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended January 31, 2020 (November 1, 2019 to January 31, 2020)

(1) Consolidated operating results (cumulative)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended January 31, 2020	9,842	34.1	△46	-	△70	-	△84	-
Three months ended January 31, 2019	7,339	-	78	-	55	-	△24	-

(NOTE) Comprehensive income: Three months ended January 31, 2020 △87 million yen [-%]
 Three months ended January 31, 2019 △24 million yen [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended January 31, 2020	△8.89	-
Three months ended January 31, 2019	△2.80	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of January 31, 2020	13,377	6,120	45.7
As of October 31, 2019	11,839	5,757	48.6

(REFERENCE) Shareholders' equity: As of January 31, 2020 6,118 million yen
 As of October 31, 2019 5,754 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended October 31, 2019	-	0.00	-	0.00	0.00
Year ending October 31, 2020	-	-	-	-	-
Year ending October 31, 2020 (Forecast)	-	-	-	-	-

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

The dividend forecast for the year ending October 31, 2020 has not yet been determined.

3. Forecast of consolidated financial results for the fiscal year ending October 31, 2020 (November 1, 2019 to October 31, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	61,000	55.3	1,800	50.9	1,530	50.0	770	50.9	80.41

(NOTE) Revisions of forecast of financial results from recently announced figures: Applicable

Please refer to “Notification concerning Revision of Performance Forecast” released on March 12, 2020 for the revision of consolidated performance forecast.

4. Notes

(1) Changes in significant subsidiaries during the three months ended January 31, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): Not applicable

(2) Application of special accounting methods for the preparation of quarterly consolidated financial statements: Applicable

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Not applicable

Changes in accounting policies due to other reasons: Applicable

Changes in accounting estimates: Applicable

Restatement of prior period financial statements: Not applicable

(4) Number of issued shares (common stock)

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

As of January 31, 2020	9,602,785 shares	As of October 31, 2019	9,432,855 shares
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Total number of treasury shares at the end of the period:

As of January 31, 2020	99 shares	As of October 31, 2019	99 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended January 31, 2020	9,495,252 shares	Three months ended January 31, 2019	8,660,821 shares
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Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of October 31, 2019	As of January 31, 2020
Assets		
Current assets		
Cash and deposits	4,279	2,556
Accounts receivable - trade	37	54
Real estate for sale	682	1,837
Costs on uncompleted construction contracts	3	-
Supplies	22	26
Advance payments - trade	203	190
Prepaid expenses	198	217
Other	127	168
Allowance for doubtful accounts	△42	△60
Total current assets	5,512	4,990
Non-current assets		
Property, plant and equipment	1,072	1,177
Intangible assets		
Goodwill	1,707	2,991
Software	241	1,613
Software in progress	1,648	504
Customer Relationship	724	937
Other	8	163
Total intangible assets	4,330	6,210
Investments and other assets	923	997
Total non-current assets	6,327	8,386
Total assets	11,839	13,377
Liabilities		
Current liabilities		
Short-term loans payable	100	1,317
Current portion of long-term loans payable	734	796
Current portion of bonds	40	40
Accounts payable - other	640	663
Income taxes payable	378	34
Accrued consumption taxes	134	70
Provision	27	42
Other	668	754
Total current liabilities	2,724	3,718
Non-current liabilities		
Bonds payable	150	140
Long-term loans payable	2,179	2,344
Provision	63	21
Deferred tax liabilities	239	312
Asset retirement obligations	301	301
Other	424	417
Total non-current liabilities	3,358	3,538
Total liabilities	6,082	7,256

	(Millions of yen)	
	As of October 31, 2019	As of January 31, 2020
Net assets		
Shareholders' equity		
Capital stock	1,156	1,161
Capital surplus	3,466	3,910
Retained earnings	1,135	1,051
Treasury shares	△0	△0
Total shareholders' equity	5,758	6,122
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△3	△3
Total accumulated other comprehensive income	△3	△3
Share acquisition rights	2	2
Total net assets	5,757	6,120
Total liabilities and net assets	11,839	13,377

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

(Millions of yen)

	Three months ended January 31, 2019	Three months ended January 31, 2020
Net sales	7,339	9,842
Cost of sales	5,988	8,153
Gross profit	1,350	1,688
Selling, general and administrative expenses	1,272	1,735
Operating profit (loss(△))	78	△46
Non-operating income		
Interest income	0	0
Other	1	3
Total non-operating income	1	3
Non-operating expenses		
Interest expenses	9	13
Commission fee	16	11
Other	-	1
Total non-operating expenses	25	26
Ordinary profit (loss(△))	55	△70
Extraordinary losses		
Impairment loss	67	-
Loss on sales and retirement of non-current assets	2	-
Other	3	-
Total extraordinary losses	73	-
Loss before income taxes	△18	△70
Income taxes	6	14
Loss	△24	△84
Loss attributable to owners of parent	△24	△84

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended January 31, 2019	Three months ended January 31, 2020
Loss	△24	△84
Other comprehensive income		
Valuation difference on available-for-sale securities	-	△3
Total other comprehensive income	-	
Comprehensive income	△24	△87
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△24	△87