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June 28, 2024

Company Name: GA technologies Co., Ltd.
Representative: Ryo Higuchi, President and Chief Executive Officer
(Code Number: 3491 Tokyo Stock Exchange-Growth)
Contact: Satoshi Matsukawa
Executive Officer and Chief Accounting Officer
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**Notice Regarding Issuance of New Shares Through Third-Party Allotment and
Conclusion of Share Subscription Agreement**

GA technologies Co., Ltd. (hereinafter, the “Company”) announces that it resolved a written resolution of its Board of Directors dated as of June 28, 2024 (hereinafter, the “Board of Directors' resolution”) to conclude a share subscription agreement (hereinafter, the “Agreement”) with ORIX Bank Corporation (hereinafter, “ORIX Bank”) and to issue new shares to ORIX Bank through third-party allotment (hereinafter the “Third-Party Allotment”). Details are as follows.

1. Overview of offering

Issuance date	July 17, 2024
Number of new shares to be issued	Common stock 140,800 shares
Issue price	1,420 yen per share
Total issue value	199,936,000 yen
Amount booked as share capital	710 yen per share
Total amount booked as share capital	99,968,000 yen
Offering or allotment method	140,800 shares will be allocated to ORIX Bank by way of a Third-Party Allotment.
Other	The Company has submitted a securities notice regarding the foregoing.

2. Background

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Since its founding in 2013, the Company has been promoting the digital transformation (hereinafter, “DX”) of the reputedly analog real estate sector, in line with its management philosophy of “Building a world leading company that inspires and impresses people with the power of technology and innovation.” As part of such efforts to promote DX, the Company has been striving to raise the quality of operations in the real estate industry by combining technologies in real estate transaction practice, such as increasing operation efficiency using AI, RPA, and other technologies and improving the customer experience through replacement with online operations and data use and by accelerating PDCA cycles.

As a result, the Company's revenue exceeded 100 billion yen in the 10 years since the Company's founding. It is the only company selected as a digital transformation stock (DX stock) (Note) in the TSE Growth market for three consecutive years and is highly recognized for its promotion of digital transformation in the reputedly analog real estate sector.

The Company is positioning non-organic business expansion through M&A as one of its important growth strategies to strengthen the ecosystem of online real estate at an even earlier stage both in Japan and overseas, centering on two businesses, “RENOSY Marketplace” and “ITANDI.” It is in the process of building a business base through acquisitions and its network has now expanded to 53 locations across 6 countries and regions. Going forward, the Company aims not only to establish an overwhelming position in the online real estate market in Japan but to also strengthen its position as a global player. To this end, it will focus on speedily developing products and improving its online system services and actively working to strongly impress customers and solve the issues faced by the real estate industry.

ORIX Bank offers real estate investment loans as its main business and has many strengths including the knowhow it has built up over many years. The bank has played a role in supporting real estate investment demand among individual investors through financial services and has driven market expansion especially the market for single-room condominiums. In addition, the bank conducts management based on sustainability, puts effort into financial services for industries laying the foundations for a new society, and aims to achieve further growth as a bank that is useful to society.

Given the above, the two companies formed an alliance for real estate investment loans in April 2017 and have been working together in the asset management space through property investment to expand the market and have also built a good partnership in terms of loans to fund the Company's real estate procurements. The two companies then started to further discuss strengthening cooperation from the spring of 2024, and decided to harness each other's experience and knowhow, including ORIX Bank's strength in having handled real estate investment loans as its main business and the Company's digital marketing capabilities, product lineup strength and global network, to make the customer experience even more worthwhile, driving further expansion in both companies' transactions for the asset management of customers in Japan.

Moreover, the Company decided to conclude the Agreement and implement the Third-Party Allotment, with

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the aim of further strengthening its existing partnership with ORIX Bank and establishing a longer-term relationship.

In addition, through the Third-Party Allotment, the Company will apply investment funds to its growth businesses, which will lead to an increase in the Company's revenue and improvement in its profit margins, which in turn is expected to enhance the Company's enterprise value.

(Note) Selected as a “Digital Transformation Stock (DX Stock),” a joint program of the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, in three consecutive years: <https://ssl4.eir-parts.net/doc/3491/tdnet/2140180/00.pdf>

3. Purposes of and reason for issuance

(1) Purpose and background of the Third-Party Allotment

The Company decided to implement the Third-Party Allotment based on the judgment that it will strengthen the relationship between the two companies and establish a framework for collaboration, which will lead to the Group's medium-and-long-term development and growth and will be in the interests of existing shareholders.

As stated in “4. Total amount to be procured, use of proceeds, and planned disbursement timing (2) Specific uses and planned disbursement timing,” the Company aims to procure funds to accelerate expansion of products handled and improvement of recognition in the RENOSY Marketplace business.

(2) Reason for selecting the Third-Party Allotment

For the reasons outlined below, the Company judged that the receipt of a capital contribution through the issuance of shares of common stock by way of Third-Party Allotment to the scheduled allottee will help enhance its enterprise value in the medium to long term and that it is the best option for the Company.

Also, in terms of strengthening the Company's finances and ensuring more efficient management, the Company judged that equity financing through the issuance of shares which does not lower the shareholders' equity ratio is better than debt financing, i.e. raising funds by borrowing from financial institutions, etc. When considering equity financing, the Company judged that neither a capital increase through a public offering nor a commitment type rights offering is a reasonable financing method at present given that both require a long period of preparation prior to the issuance of shares and that, compared with the method of Third-Party Allotment, the ratio of costs to the amount raised is higher. Moreover, the Company judged that neither a shareholder allocation nor a non-commitment-type rights offering was a reasonable financing method at present given that the feasibility of raising the required amount is unclear. The Company further judged from the viewpoint of the purpose of strengthening its relationship with ORIX Bank that, rather than capital increase by way of public offering, etc., capital increase by way of Third-Party Allotment was the most suitable equity financing method.

On the other hand, the dilution of shares that arises from the Third-Party Allotment amounts to 0.38%. Furthermore, given that ORIX Bank plans to hold 140,800 shares of the Company's common stock (hereinafter, the “Company's common stock.” 0.38% of the Company's issued stocks (Rounded to the second decimal place.

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Also applicable for shareholders ratio.)) allotted through the Third-Party Allotment on an ongoing basis, the Company believes that the dilution of shares and the impact on the Company's shareholder structure will be insignificant.

4. Total amount to be procured, use of proceeds, and planned disbursement timing

(1) Amount of funds to be procured

Total amount to be paid in (Yen)	Estimated amount of issuance expenses (Yen)	Estimated amount of net proceeds (Yen)
199,936,000	3,631,235	196,304,765

(2) Specific use of proceeds and planned disbursement timing

Specific use of funds	Amount (Thousand yen)	Schedule for disbursement
i) Development of structure for promoting new product lineup and strengthening of structure for promoting existing products	98,152	From July 2024 to October 2025
ii) Promotion expenses	98,152	From July 2024 to October 2025

(Note) Pending their actual disbursement, the proceeds will be managed in the Company's bank account, etc.

The above estimated amount of proceeds i) of 98,152 thousand yen will be applied to the expenses related to the acquisition of new human resources to develop the structure for promoting the Company's new product lineup and to the expenses related to the acquisition of new human resources to maintain the internal infrastructure for developing a strong sales promotion structure linked with the existing product framework, in the fiscal year ending in October 31, 2025. More specifically, the Company intends to expand its collaboration with ORIX Bank over real estate investment loans for compact condominiums to include new business areas such as apartments and premium properties, aiming for product expansion, new customer base development, and the development of affiliated loans as a result. In addition, with regards to the above estimated amount of proceeds ii) of 98,152 thousand yen, with the aim of accelerating improvement in recognition of the RENOSY Marketplace business, the Company will invest in advertising expenses in relation to web and other forms of advertising through various media for the implementation of measures to promote new products to new target customers in Japan and overseas and for further enhancement of its brand power, in the fiscal year ending in October 31, 2025. The planned disbursement timing is not shown for each fiscal year; rather the timing when disbursement can be expected with some degree of certainty is shown. Any change in the planned disbursement timing will be disclosed promptly.

5. Rationale for the use of proceeds

The Company expects that application of the proceeds to the uses stated in "4. Total amount to be procured,

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use of proceeds, and planned disbursement timing (2) Specific uses and planned disbursement timing” will help stabilize the financial base for the Company's growth investments and will also help improve its enterprise value. The use of funds from the Third-Party Allotment is, therefore, deemed to be reasonable. Accordingly, the Company believes that this financing is also in the interests of existing shareholders as it will enhance enterprise value in the medium and long term.

6. Rationale of terms of issuance

(1) Calculation basis of payment amounts and relevant details

Based on comprehensive consideration of the Japan Securities Dealers Association's Guidelines on Handling of Capital Increases through Third-party Allotment (April 1, 2010), the Company's business performance trend, financial position and share price trend and its collaboration with ORIX Bank, the Company decided to set the issue price in the Third-Party Allotment at 1,420 yen, which is the closing price of the Company's common shares in the growth market of Tokyo Stock Exchange Inc. on June 27, 2024, which is the business day immediately preceding the date of the Board of Directors' resolution on the Third-Party Allotment. The issue price of 1,420 yen represents a discount of 1.05% (rounded to the second decimal place) to the simple average closing price of 1,435 yen (rounded to the nearest yen; the same applies hereinafter with respect to the calculation of the simple average closing price) for the one-month period ended June 27, 2024, a discount of 3.27% (rounded to the second decimal place) to the simple average closing price of 1,468 yen for the three-month period ended June 27, 2024, and a discount of 1.73% (rounded to the second decimal place) to the simple average closing price of 1,445 yen for the six-month period ended June 27, 2024.

The Company selected the closing price of its shares on the business day immediately preceding the date of the Board of Directors' resolution, based on the judgment that the most recent share price fairly reflects the Company's objective enterprise value at present.

In the Company's judgment, the amount to be paid in does not constitute a particularly favorable amount because it is based on comprehensive consideration of a wide range of factors including the Company's operating environment, the importance and necessity of the Third-Party Allotment, and negotiations with the planned allottee, and because it is also in line with the Japan Securities Dealers Association's “Guidelines Concerning the Handling of the Third-Party Allotment.”

The Company has also obtained an opinion from its Audit and Supervisory Committee to the effect that the amount to be paid in is based on market prices, which are an objective indicator of the value of the Company's shares, and does not constitute a particularly favorable amount for the planned allottee and is lawful because the most recent share price is deemed to be a fair reflection of the Company's objective enterprise value at present and negotiations with the planned allottee were held on the basis of the closing value on the business date immediately preceding the date of the Board of Directors' resolution and also because the Japan Securities Dealers Association's Guidelines were also taken into consideration when determining the amount.

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(2) Rational for concluding that volume of shares to be issued and scale of dilution of shares are reasonable

The number of the Company's common stock that will be allotted to ORIX Bank through the Third-Party Allotment is 140,800 shares (1,408 voting rights), the dilution rate with the number of the Company's issued shares of 36,775,735 shares and 367,639 voting rights at the current April 30, 2024 as the denominator, amounts to 0.38% (rounded to the second decimal place) (the dilution rate based on the number of voting rights amounts to 0.38% (rounded to the second decimal place)).

However, the dilution rate is minor at less than 1%, and on the other hand, the Company plans to allocate the capital procured through the Third-Party Allotment to each of the above capital purposes. Therefore, the scale of the dilution of the Third-Party Allotment is not one that will excessively influence the market and is rational from the viewpoint of increasing shareholder value.

7. Rationale for selecting the planned allottee, etc.

(1) Outline of the party subscribing to the shares

(As of June 28, 2024)

Name	ORIX Bank Corporation		
Location of head office	ORIX Inui Building, 3-22-8 Shiba, Minato-ku, Tokyo		
Representative	Yuichi Nishigori, Representative Director and President		
Share capital	45,000 million yen		
Established	August 23, 1993		
Number of issued shares	1,200,000 shares		
Last day of the fiscal year	March 31		
Number of employees	857		
Major clients	—		
Main banks	—		
Business description	Banking business		
Main investors and their investment ratios	ORIX Corporation 100%		
Operating results and financial position for the last three years (Million yen)			
Fiscal year-end	Fiscal Year ended March 31, 2022	Fiscal Year ended March 31, 2023	Fiscal Year ended March 31, 2024
Net assets	245,195	263,916	253,370
Total assets	2,713,775	2,723,243	2,780,150
Net assets per share (Yen)	204,329	219,930	211,142

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Ordinary revenues	62,910	63,339	64,384
Ordinary profit	29,240	28,199	28,266
Profit	20,219	19,503	19,721
Profit per share (Yen)	16,850	16,253	16,434
Dividend per share (Yen)	—	—	25,000
Relationship between the Company and the party subscribing to the shares			
Personnel relationship	Not applicable.		
Capital relationship	Not applicable.		
Technology relationship	Not applicable.		
Business relationship	The Company and the planned allottee formed an alliance over real estate investment loans in 2017 and have had a relationship based on a commitment line agreement since 2018, with the Company borrowing a total of 3 billion yen from the planned allottee, as of the end of May 2024.		

(Note) ORIX Bank represents and warrants that neither it nor any of its officers or major shareholders are antisocial forces, nor do they have any relations with antisocial forces. The Company has also carried out screening based on WEB and newspaper articles and found no information indicating that ORIX Bank or any of its officers or major shareholders might be antisocial forces.

Based on the above, the Company judges that neither ORIX Bank nor any of its officers or major shareholders have any relations with antisocial forces and has submitted a confirmation letter to this effect to the Tokyo Stock Exchange.

(2) Reasons for selecting the planned allottee

The reasons are as stated in “2. Background” and “3. Purpose and background of the Third-Party Allotment”

(3) Holding policy of the planned allottee

The Company has confirmed with ORIX Bank that ORIX Bank intends to hold the Company's common stock acquired through the Third-Party Allotment in the medium and long term. The Company also plans to obtain a written oath from ORIX Bank to the effect that if ORIX Bank transfers all or any part of the allotted shares within two years of the payment date, ORIX Bank will immediately report to the Company in writing the name and address of the transferee, the number of transferred shares, the transfer date, the transfer price, the reason for transfer and the transfer method, and that the Company will report the content of such report to Tokyo Stock Exchange, Inc. and that the content of such report will be made available for public inspection.

(4) Confirmation of assets required for payment by the planned allottee

The Company has confirmed that the status of the amount of cash and deposits, etc. and the status of the amount of net assets recorded in the financial statements for the fiscal year ended March 31, 2024, with the audit report of the accounting auditors of ORIX Bank, which is the planned allottee, attached thereto. The Company

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has also received a report in writing from ORIX Bank to the effect that the funds required for payment of the total amount to be paid in (the issue price) have been secured.

8. Major shareholders and their shareholding ratios after the offering

Name	Address	Number of shares held (Shares)	Ratio of the number of voting rights held to the total number of voting rights (%)	Number of shares held after the allotment (Shares)	Ratio of the number of voting rights held to the total number of voting rights after the allotment (%)
Ryo Higuchi	Minato-ku, Tokyo	10,724,200	29.16	10,724,200	29.05
GGA LLC	5-14-14 Oi, Shinagawa-ku, Tokyo	4,831,734	13.14	4,831,734	13.09
THE BANK OF NEW YORK 133612	BOULEVARD ANSPACH1,1000 BRUSSELS, BELGIUM	1,935,400	5.26	1,935,400	5.24
THE BANK OF NEW YORK 133652	BOULEVARD ANSPACH1,1000 BRUSSELS, BELGIUM	1,508,100	4.10	1,508,100	4.09
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	1,262,900	3.43	1,262,900	3.42
Nomura Securities Co., Ltd.	1-13-1 Nihonbashi, Chuo-ku, Tokyo	973,004	2.65	973,004	2.64
SBI SECURITIES Co., Ltd.	1-6-1 Roppongi, Minato-ku, Tokyo	926,975	2.52	926,975	2.51
The Tokyo Tanshi Co., Ltd.	4-4-10 Muromachi, Nihonbashi, Chuo-ku, Tokyo	900,000	2.45	900,000	2.44
Toshitaka Fukuda	Setagaya-ku, Tokyo	862,900	2.35	862,900	2.34

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Dai Higuchi	Minato-ku, Tokyo	775,100	2.11	775,100	2.10
Total	—	24,700,313	67.17	24,700,313	66.91

(Notes) 1 Unless otherwise specified, “Number of shares held” and “Ratio of the number of voting rights held to the total number of voting rights” are as of April 30, 2024.

- 2 “Number of shares held after the allotment” and “Ratio of the number of voting rights held to the total number of voting rights after the allotment” reflect changes due to the Third-Party Allotment.
- 3 “Ratio of the number of voting rights held to the total number of voting rights” and “Ratio of the number of voting rights held to the total number of voting rights after the allotment” are rounded to the second decimal place.
- 4 “Ratio of the number of voting rights held to the total number of voting rights after the allotment” is based on 369,047 voting rights, which is the total number of voting rights after voting rights pertaining to the Company's common stock to be allotted through the Third-Party Allotment (1,408 voting rights) are added to 367,639 voting rights, which is the total number of voting rights as of April 30, 2024.
- 5 The Company holds 751 shares of treasury stock as of April 30; however, the Company is excluded from the above major shareholders.

9. Outlook

The immediate impact of the Third-Party Allotment on the Company's business results will be insignificant; however, the Company believes that the Third-Party Allotment will help improve its profitability in the medium and long term. The Company shall make prompt disclosure should it become clear that there will be a significant impact that needs to be disclosed.

10. Matters related to procedures under the Code of Corporate Conduct

With i) the dilution rate being less than 25% and ii) no change taking place in controlling shareholders regarding the Third-Party Allotment, the Company is not required to implement procedures for obtaining opinions from any independent third-party, or confirming shareholders' intention, as provided by Rule 432 of the Tokyo Stock Exchange's Securities Listing Regulations.

11. Performance and equity finance over the past three years

(1) Performance over the past three years (Consolidated)

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Revenue	74,867 million yen	113,569 million yen	146,647 million yen
Operating profit	-1,114 million yen	1,014 million yen	2,211 million yen
Profit before tax	-1,543 million yen	477 million yen	1,585 million yen

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Profit attributable to owners of parent	-854 million yen	384 million yen	1,010 million yen
Earnings per share	-25.44 yen	10.69 yen	27.53 yen
Dividends per share	—	—	—
Equity attributable to owners of the parent	502.75 yen	527.08 yen	559.43yen

(Note) The above indicators are prepared under the International Financial Reporting Standards (“IFRS”).

(2) The number of shares outstanding and potentially dilutive shares as of now (As of June 28, 2024)

Type	Number of shares	Proportion to the number of shares outstanding
Number of issued shares (Including treasury shares)	36,775,735 shares	100%
Number of potential shares	2,097,800 shares	5.70%

(3) Recent changes in share prices

1) Change over the last three years

	Fiscal year ended October 31, 2021	Fiscal year ended October 31, 2022	Fiscal year ended October 31, 2023
Opening price	1,034 yen	1,664 yen	1,218 yen
Highest price	1,236 yen	1,776 yen	1,228 yen
Lowest price	988 yen	1,295 yen	1,034 yen
Closing price	1,179 yen	1,437 yen	1,125 yen

2) Change over the last six months

	January 2024	February	March	April	May	June
Opening price	1,253 yen	1,403 yen	1,526 yen	1,767 yen	1,315 yen	1,446 yen
Highest price	1,430 yen	1,534 yen	1,783 yen	1,896 yen	1,542 yen	1,456 yen
Lowest price	1,156 yen	1,357 yen	1,419 yen	1,263 yen	1,283 yen	1,402 yen
Closing price	1,430 yen	1,514 yen	1,739 yen	1,340 yen	1,389 yen	1,420 yen

(Note) Figures as of June 27, 2024

3) Share price on the day before the resolution of issuance

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	As of June 27, 2024
Opening price	1,446 yen
Highest price	1,456 yen
Lowest price	1,402 yen
Closing price	1,420 yen

(4) Conditions of equity financing in the last three years

Not applicable.

12. Outline of issuance

- | | |
|--|---|
| (1) Class and number of shares for subscription | Common stock 140,800 shares |
| (2) Method of allocation | Conclusion of agreement to subscribe to all shares issued by way of Third-Party Allotment |
| (3) Paid-in amount | 1,420 yen per share |
| (4) Total amount paid in | 199,936,000 yen |
| (5) Increases in the share capital and legal capital surplus | |
| Increase in the share capital | 710 yen per share |
| Increase in the legal capital surplus | 710 yen per share |
| (6) Subscription date | July 16, 2024 |
| (7) Payment date | July 17, 2024 |
| (8) Allottees | ORIX Bank Corporation |
| (9) Number of shares to be allotted | 140,800 shares |
| (10) Bank handling payment | Mizuho Bank Shibuya Branch |