

GA technologies steps its foot into the Southeast Asian market by the acquisition of Dear Life's business in Thailand

GA technologies Co., Ltd.(Headquarters: Minato District, Tokyo /CEO: Ryo Higuchi / Securities code: 3491/ Hereinafter referred to as "the Company") announced an M&A decision on Nov. 18th, 2021. Along with this decision, a share exchange was agreed upon between GA technologies Co., Ltd. and DL-holdings, Inc. (Headquarters: Chiyoda District, Tokyo; hereafter referred to as "DLH"). GA technologies will be acquiring the full ownership of the rental & lease business operated by Dear Life Corporation Ltd (parent company: DL-holdings, Inc. / Headquarters: Bangkok, Thailand / CEO: Koichiro Ando /Hereinafter referred to as "DLC"). Dear Life operates one of the biggest house-hunting platforms in Thailand that targets Japanese residents working and living locally. GA technologies is looking forward to creating a cross-border sales cycle between Japan, Thailand, and China with Dear Life through the synergy this time.

This M&A is the Company's first step in expanding its business into the Southeast Asian region. Through the connection and the client basis Dear Life holds, the Company would be able to expand the RENOSY marketplace business as well as the DX business run by ITANDI in Japan at this stage to the Thai market.

Besides, the Company is looking forward to introducing real estate in Thailand to potential buyers in the Greater China area through the RENOSY marketplace business and Shenjumiausuan platform service*1. Furthermore, the Company will be providing Dear Life's customers with the Company's other services currently available in Japan (GA technologies product lines) through cross-sales.


GA TECHNOLOGIES

【Key Highlights】

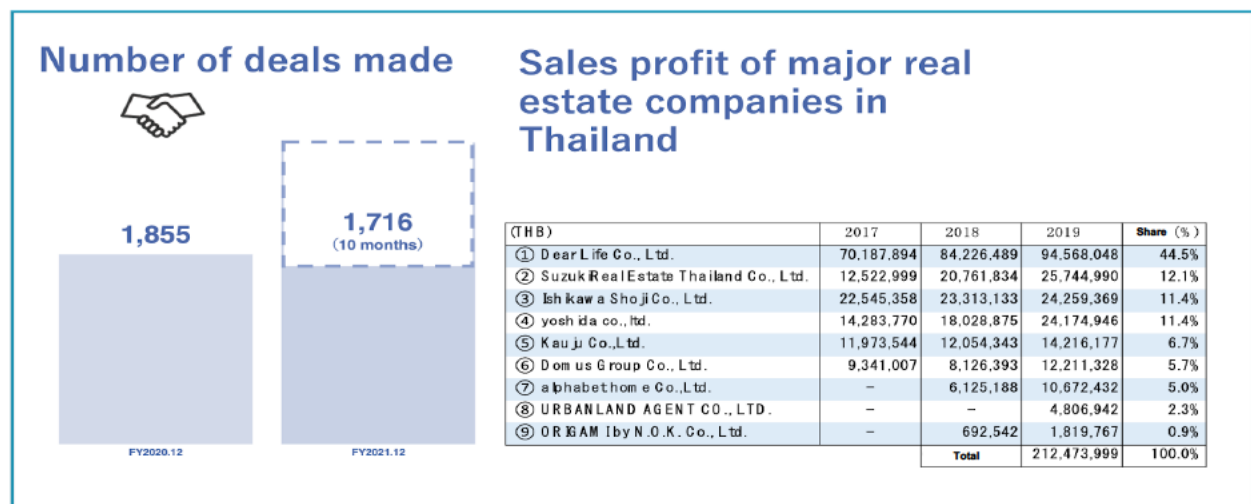
- GA technologies acquisition of Dear Life's rental & lease business targets Japanese residents in Thailand which top the market locally with accumulated users of 12,000 people.
- Expanding the RENOSY marketplace business and ITANDI's DX business originated in Japan to Thailand through cross-sales.
- Potentials regarding the real estate market in Thailand:
The increase of GDP*2 and the stock of housing*3 and the industry still have many aspects to be polished with huge potential.

◆The intention of this particular business merge

Both GA technologies and Dear Life, Inc. have significant market shares in the real estate industries (Japan, Thailand independently). “Create a world-leading company that inspires people through the power of technology X innovation”, with such a business vision upheld GA technologies operates a comprehensive one-stop real estate service platform, RENOSY, covering all aspects of the industry ranging from rent, buy, sell, lease, and invest. The service is especially popular among customers interested in properties for investment purposes after the feature updates and the upgrade of our follow-up service. With such support from our users, we have gained a No.1 position in both the sales share and the total number of properties sold about the properties for investment purposes sector *4.

Furthermore, ITANDI is a group company that provides a SaaS service to real estate companies in Japan, with the aim of accelerating the process of DX of the industry. The “online application” service is especially popular among real estate agencies which top the market share when it comes to actual installation rate in Japan *4.

On the other hand, DLH runs a local rental & lease platform service called “Dear Life” that targets foreigners (Japanese mainly) residing in Thailand. DLC focuses on providing real estate services and related daily life support services to Japanese residents (mainly workers dispatched by parent companies in Japan to Thailand) using the service. It also provides services to local property owners to help them manage their properties. The company builds up strong relationships with both property owners and Japanese customers which have also reflected in its sales with accumulated users of 12,000 and annual requests of more than 1,800 which tops the market share in Thailand*5.



GA technologies group is looking forward to expanding its RENOSY marketplace business and the DX business to the market of Thailand through the connections Dear Life group maintained locally. The Company is planning to introduce real estate in Thailand to investors from the Greater China region too through both the RENOSY marketplace business and the Shenjumiausuan service. Moreover, the Company is looking for expanding this business model to other countries in the Southeast Asian region.

With the joining of Dear Life to GA technologies group, the CEO of DLC, Mr. Koichiro Ando, is due to be appointed as the comprehensive manager of the business of the Southeast Asian region for the future.

◆ **Background:**

Thailand is one of the newly industrialized nations with an average monthly salary that is the second-highest after Mainland China in Asia. The monthly rent in major metropolitans is also on the rise due to the economic growth over the recent years*3. Also, the number of foreign residents living in Thailand, as well as the Japanese workers, dispatched are both increasing even with the hit of the Covid-19 pandemic in 2020 *6. However, one thing that needs to be aware of is that the real estate industry of the nation is still immature and has the potential to grow into a scale and sophistication that is equal to a developed nation in the future*7.

◆ **Positive impacts we expected from the business synergy this time**

We expect to achieve the following 4 goals with the business synergy with DL-holdings this time.
 The expansion of the overseas market
 To introduce the RENOSY marketplace business to the customers of Dear Life through cross-sales.
 Improving the business efficiency of Dear Life through the implementation of technology
 Saving costs through the synergy of business*8 and the improvement of the overall business efficiency



◆ **Messages from the CEOs**

From Koichiro Ando / CEO of Dear Life

“ There are many things that happened in my career in Thailand. I have a lot of hope regarding the market potential here along with the increase in population and average salary. The Thai government is also taking an active strategy in attracting affluent foreigners. However, there are still many things that need to be fixed regarding the structure of the nation's real estate industry including the procedures of property management and the administration process; even online transactions, things that are common in Japan are not the case here. It is obvious that the number of foreign residents moving into Thailand and the growth of the economy will continue. It is important that we bring the technology into the play to cope with the changes and to provide more sophisticated services with high additional business values.

I am grateful to join the GA technologies group this time which is also the 10th year of the start of my business. I am excited about the start of a new chapter of our joint business in the Southeast Asian region, and a huge expectation regarding the future.”

From Ryo Higuchi / CEO of GA technologies

“We have been cultivating in the digital transformation area since the founding of our business. Creating a world-leading company through the power of technology and innovation has always been the business vision we uphold as always. To expand our business into Southeast Asia, a region with huge potential for growth is a strategy that is necessary for the growth of our business“

“I truly admire the courage of Mr. Ando who has to start his business from zero by himself in another country. I believe he has what it takes to be a true serial entrepreneur to keep up with the trend and to adapt to the change of an environment *9. With the join of Dear Life and Mr. Ando, I feel very excited and positive about the future of our company and our business.”

◆ Schedule & details summary about the synergy

- The decision of M&A of the two parties has been agreed and passed in the board meeting of GA technologies Co., Ltd. and the general shareholders meeting of DL-holdings, Inc. (Nov. 18th, 2021)
- MOU regarding the business synergy this time has been signed officially between the two parties (Nov. 18th, 2021)
- Further details regarding the M&A including the actual assignment of the business, the exchange of the shares, etc. have been scheduled to take place in 2022 accordingly.
- In order to realize a smooth and legal transfer of business, GA technologies Co., Ltd. will establish a new local company: GAT corporation A with the co-funding of YC Capital Co., Ltd., SBCS Co., Ltd. And GAT corporation B with the co-funding of DL-holdings, Inc.
- The business transfer shall be carried out under a mutual agreement between the two parties to ensure an equal right of consideration.
- A third-party allocation of shares has been performed between DL-holdings, Inc. and Dear Life Corporation Ltd. with DLH being the recipient of shares to DLC.
- GA technologies will become the wholly-owned parent company of DLH, and DLH becomes the wholly-owned subsidiary after the completion of a share exchange process.

※The schedule mentioned above is subject to changes.

※The share exchange of this particular synergy will be carried out without the consent of a general shareholders meeting based on item 2 of clause 796 of the Company's rules & regulations

◆ About GA technologies

Company: GA technologies Co., Ltd.

Representative: Ryo Higuchi

URL: <https://www.ga-tech.co.jp/en/>

Head office: 40F of Sumitomo Fudosan Roppongi Grand Tower, Roppongi 3-2-1, Minato District, Tokyo

Year of founding: March 2013

Capital fund: 72,19,146,516JPY (by October 2021)

What we do:

- The operation of the PropTech (Property technology) one-stop service site “RENOSY” (Real estate information portal site, real estate trading, real estate interior design & renovation, real estate property management)
 - SaaS type of BtoB PropTech product development
 - Real estate industry research using AI technology
 - Overseas PropTech portal site “Shenjumiiausuan”’s operation, targets customers in the Greater China
- Sub companies: ITANDI Co., Ltd, Modern Standard Co., Ltd, Shenjumiausuan Co., Ltd, and 6 other companies

◆ **About DL-holdings, Inc.**

Company: DL-holdings, Inc.

Representative: Koichiro Ando

URL : <https://dlhd.co.jp/>

Head office: 2F of Asahi Seimei Otemachi Building, Otemachi 2-6-1, Chiyoda district, Tokyo, Japan

Year of founding: July 2017

Capital fund: 2,000,0000 JPY (by Oct. 2021)

Service: The operation & management of the subsidiary companies

◆ **About Dear Life Corporation**

Company: Dear Life Corporation Ltd.

Representative: Koichiro Ando

Head office: 19thFloor, BhiraJTowerat EmQuartier 689 SukhumvitRoad, KlongtonNua, Vadhana, Bangkok 10110 THAILAND

Year of founding: April, 2012

Capital fund: 23,000,000(Baht)

Service: Local rental & lease businesses target foreign residents (Japanese mainly)

Reference:

*1: Shenjumiakuan is the top house-hunting site target at customers from the Greater China region introducing real estate in Japan.

*2 : Reference: The market reality research of Japanese corporations in Asian, Oceania regions done by JETRO (Japan External Trade Organization) in 2019

*3 : Reference: Bank of Thailand. Along with the increase in the volume of real estates stocks in Thailand, the interest in local condominiums from foreign investors is also increasing.

*4: Reference: Tokyo Shoko Research (Feb. 2020) / Owned press release released by GA technologies: <https://www.ga-tech.co.jp/news/8531/>

*5 : Reference : TPC Marketing Research Corporation (2021) / Owned press release released by ITANDI (https://www.itandi.co.jp/press_releases/34)

*6 : Reference: Statistics of number of Japanese residents living overseas researched by the Ministry of Foreign Affairs of Japan(2020)

*7 : The current structure of the real estate industry of Thailand is said to be immature compared to other developed nations.

*8 : GA technologies has launched a research lab in Thailand for the purpose of doing research about the Southeast Asian region starting from 2020

*9 : It refers to a person who starts out several businesses several times as an entrepreneur

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