

Tender offer for MERCURY REALTECH INNOVATOR Inc.

July 16, 2024 (Securities Code: 3491)

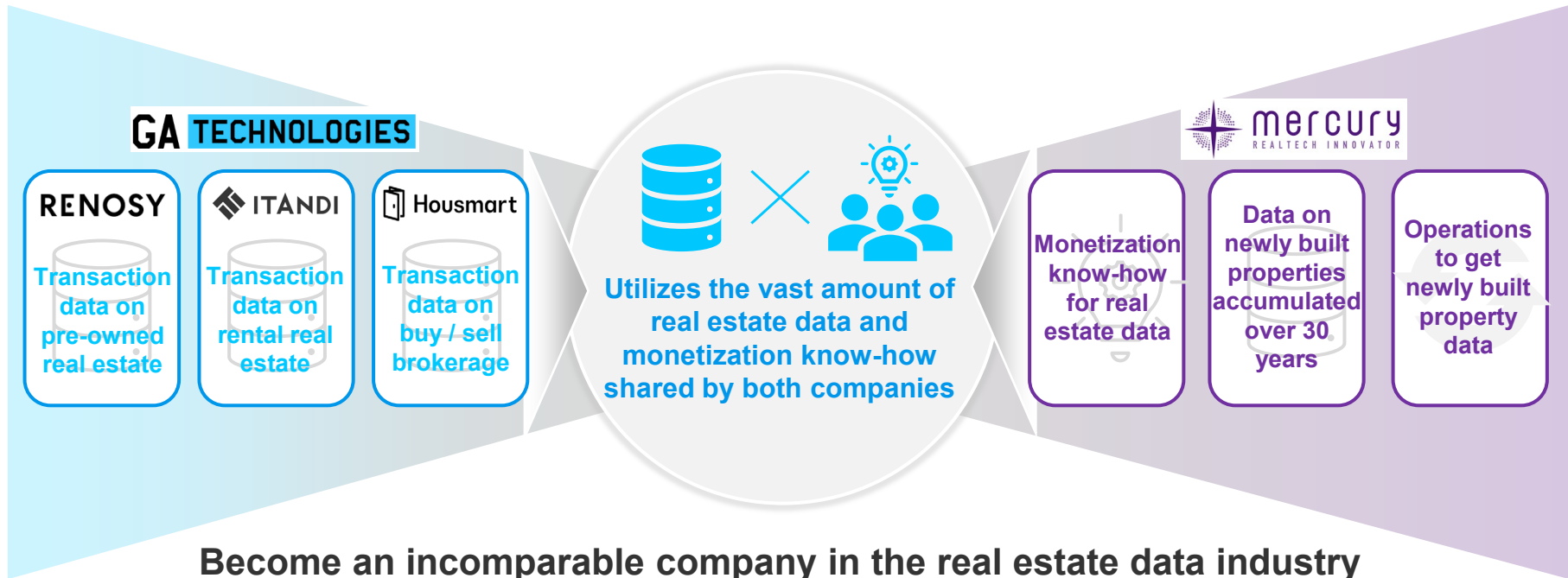


Becoming an incomparable company in the real estate data industry

GA TECHNOLOGIES

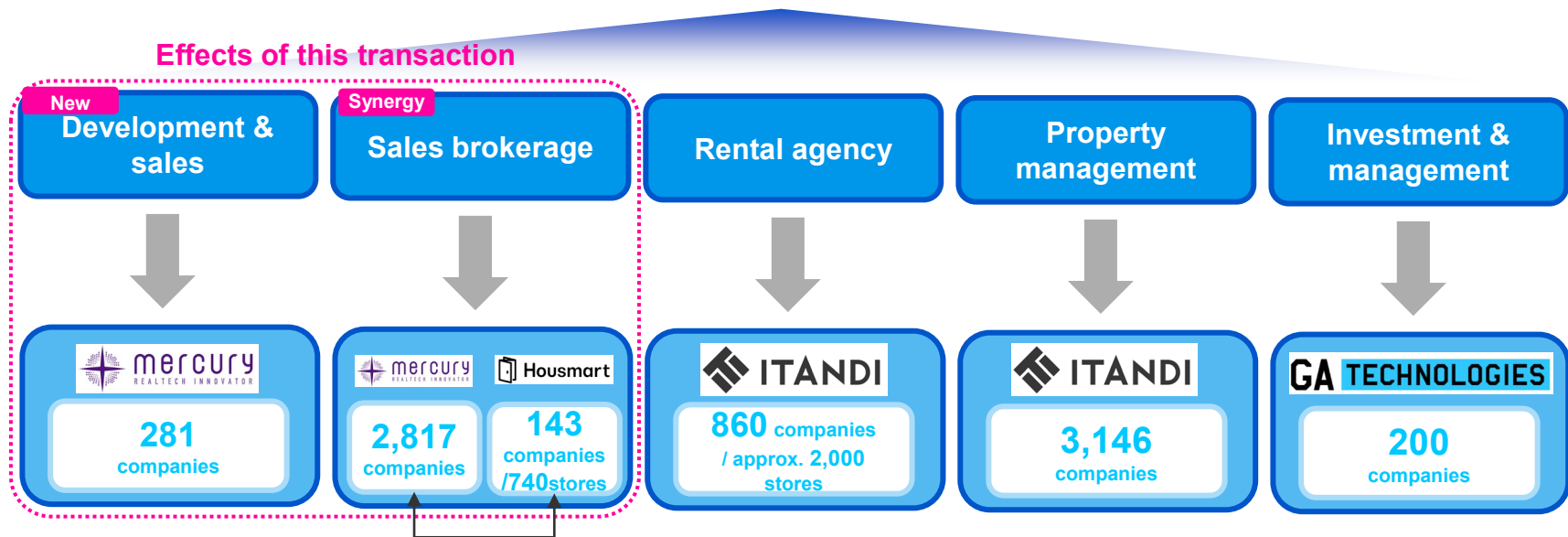
Transaction highlights

Expand the real estate data business as the third pillar of profit by acquiring a new revenue source by combining the real estate data owned by the two companies



Expands the scope of business support SaaS services provided by GA Group

GA Group provides business support SaaS services to broad real estate domains



Expected to increase at an accelerating rate due to the cross-selling potential of this transaction

Already provides SaaS services to approx. 7,400 customers^{*1)} out of approx. 120,000 real estate companies in Japan^{*2)}

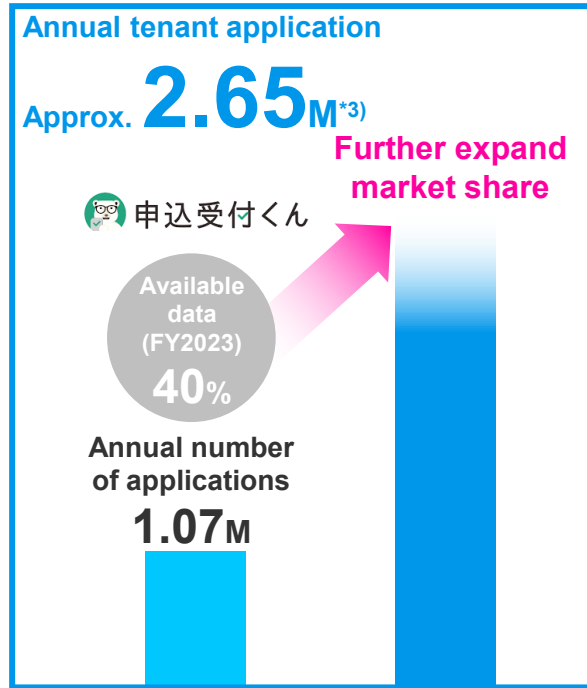
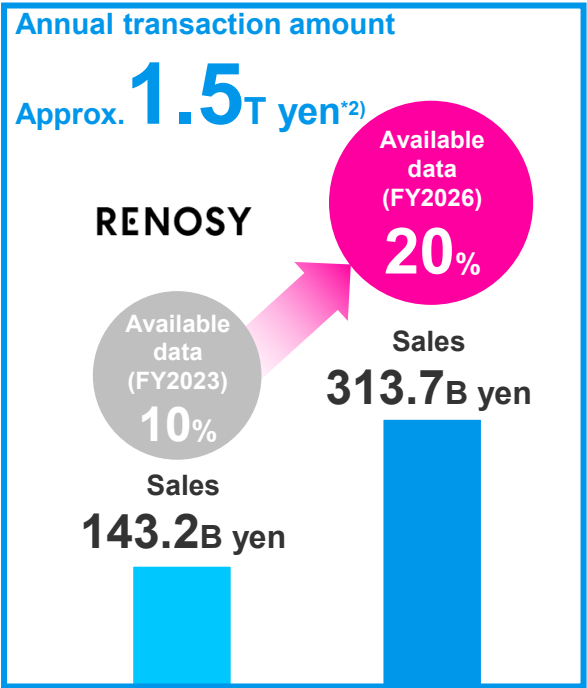
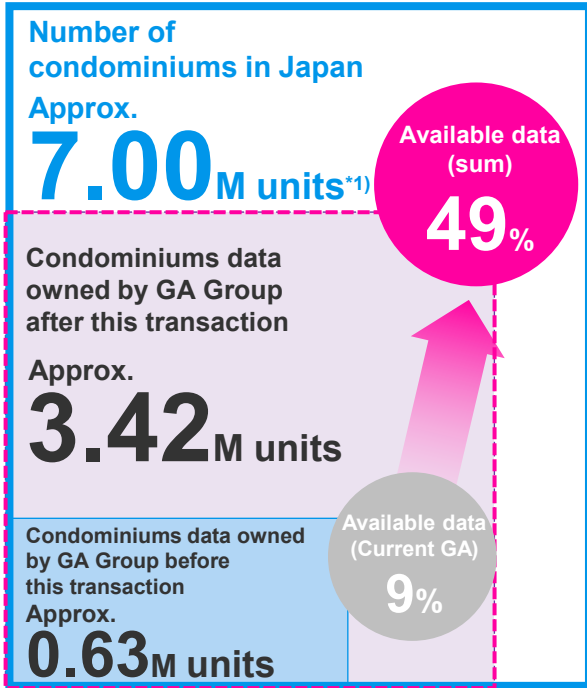
*1) The total service provision figures are simply calculated using simple cumulative figures. *2) The number of real estate companies nationwide is quoted from the results of the Ministry of Land, Infrastructure, Transport and Tourism's FY2020 Enforcement Status Survey of the Real Estate Transaction Business Act.

Expands the amount of data owned by GA Group through this transaction

Real estate data

Real estate investment data

Rental brokerage data



*1) Figures as of the end of 2022 from the Ministry of Land, Infrastructure, Transport and Tourism's "Trends in the Number of Condominiums for Sale

*2) The annual transaction value is estimated at 1.5 trillion yen, based on Tokyo Kantei Corporation's "Metropolitan Area New and Used Condominium Market Size (January 2021)" and "Metropolitan Area New and Used Condominium Status Flow (May 2021)", property data registered with the Real Estate Information Network for East Japan, and the results of the top 10 investment property companies

*3) Calculated and estimated reference to the FY2022 cancellation rate for those who ITANDI's "Moushikomi uketsuke-kun" service based on the number of the contract

Target company and its business overview

Target company's profile

Target	MERCURY REALTECH INNOVATOR Inc. (referred to as “Mercury”)
Representative	Representative Director, President Takahiro Jin
Founded	May 1991
Capital	243 million yen (as of March 2024)
Location	2-6-1 Nishishinjuku, Shinjuku-ku, Tokyo ✳Branch office locations: Osaka, Nagoya
Employees	78 employees (as of February 2024)
Business	Technology-driven data platform business for the real estate industry
Securities code	5025 (TSE Growth Market)

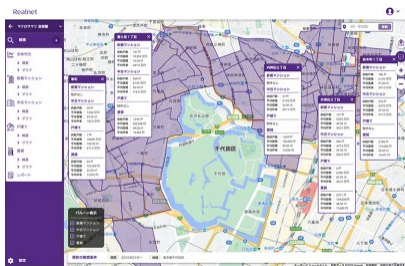
Business overview

“Real estate marketing platformer”
sustained by big data on real estate and technology

Realnet マンションサマリ

Market analysis system for newly
built condominium

- ✓ One-stop solution for time-consuming and labor-intensive research, analysis, and reporting



(Aggregate display by section)

Realnet マクロサマリ

Real estate market trend
research and analysis system

- ✓ Equipped with various categories of data
- ✓ Enables of understanding the real estate market over a wide area and over a long period



(Overall market conditions across various housing categories)

Issues that Mercury is resolving

Resolving customer issues

Issues that real estate companies have

Hard to analyze data and prepare documents

Want to improve effects of web advertisement

Hard to find necessary information



Developer

Broker

Supporting the real estate industry by making practical use of overwhelming “real estate big data” in each situation

Database supporting to the provide solution

Built a database with high barriers to entry collected over 30 years



Number of condominiums
60,000 buildings



Number of units
2.79M units

About 140,000 buildings in Japan^{*1)}

43%

About 7M units in Japan^{*1)}

40%



Number of flyer
40,000 copies



Number of floor plans
670,000 rooms



Number of pictures of properties
20,000 photos

*1) The number of housing units nationwide is quoted from the Ministry of Land, Infrastructure, Transport and Tourism's trends in the number of condominiums in stock. For the number of condominium buildings nationwide, we use values calculated from the number of residential units nationwide, assuming an average of 50 units per building.

Overview of business model

Supporting the real estate industry through the use of big data and technology accumulated over 30 years



Platform business



For developers



- To streamline condominium site acquisition and product planning

Summary series



Real estate data browsing, providing aggregate graphs, market research and analysis systems



For brokers



- To improve the quality of property documents
- To have the documents of the new building when it was sold

Data download service



Sales support services using real estate big data

Digital marketing business



For developers



- To increase the effectiveness of our web marketing
- Renewal of the website

Support for internet marketing

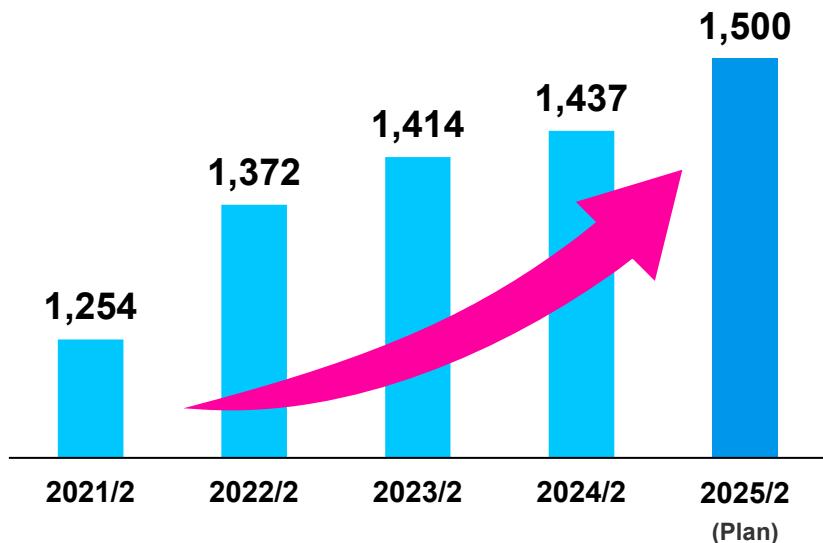
Customer attraction support by using real estate big data and marketing know-how

Industry standard growth business

Establishing a position as the industry standard with a strong customer base and steady growth in sales

Stable and growing sales

(Million yen)



*1) "New Condominium Market Trend 2023", Real Estate Economic Institute Co., Ltd.

Customer base to support growth

Introduced to all of the top 20 companies
in terms of condominium units supplied *1)

Rank	Company	Rank	Company
1	Mitsui Fudosan Residential	11	DAIWA HOUSE INDUSTRY
2	Pressance Corporation	12	NIPPON STEEL KOWA REAL ESTATE
3	Nomura Real Estate Development	13	Kanden Realty & Development
4	Sumitomo Realty & Development	14	Tokyo Tatemono
5	MITSUBISHI ESTATE RESIDENCE	15	ES-CON JAPAN
6	Takara Leben	16	NISSHO ESTEM
7	Anabuki Kosan	17	DAIWA LAND RESIDENCE
8	Open House Development	18	MARIMO
9	ESLEAD CORPORATION	19	TOKYU LAND CORPORATION
10	Hankyu Hanshin Properties	20	SHINNIHON CORPORATION

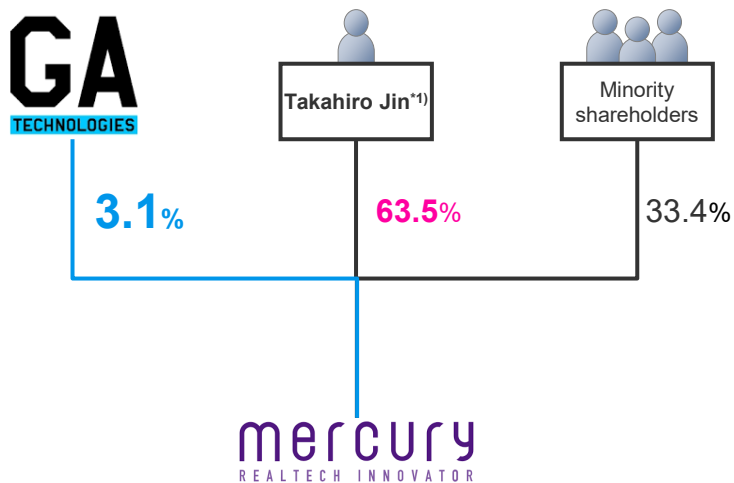
Overview of the transaction

Target company	MERCURY REALTECH INNOVATOR Inc. (Securities Code: 5025 / referred to as “Mercury”)
Transaction structure	Tender offer for Mercury <ul style="list-style-type: none"> The aim is to acquire a majority interest on a fully diluted basis. It is assumed that Mercury will remain listed even after this transaction
Tender offer period	From Wednesday, July 17, 2024 to Wednesday, August 14, 2024 (20 business days)
Settlement commencement date	Wednesday, August 21, 2024
Tender offer price	509 yen per share of common stock (-10% compared to closing price of July 12)
Total purchase amount	Approx. 684 million yen
Tender agreement shareholders	Tender agreement with Takahiro Jin and JINX Inc. (JINX Inc. is Jin Takahiro’s asset management company)
Number of shares to be purchased	Planned: 1,344,000 shares (The maximum and minimum numbers are the same as the number to be purchased because GA Group intends to acquire Mercury’s shares at a discount price on the assumption that it will remain listed)
Funding method	Cash on hand (planned)

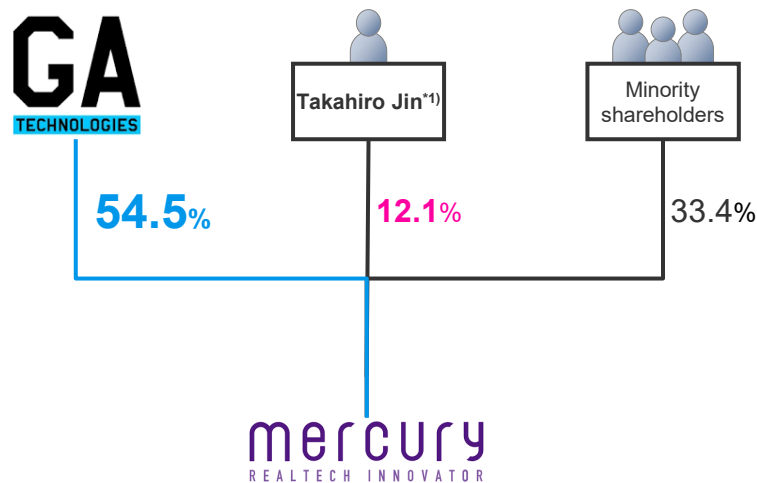
Transaction structure

By purchasing the shares held by Takahiro Jin through the tender offer, GA acquire a majority interest on a fully diluted basis in Mercury and made it a consolidated subsidiary. Mercury will remain listed even after this transaction

Pre - transaction ^{*2)}



Post - transaction ^{*2)}



*1) The share of JINX Inc. is included in Takahiro Jin's equity interest

*2) Calculated using the denominator of 2,613,100 shares, which is the total number of shares outstanding as of May 31, 2024 (2,744,000 shares minus 130,900 shares of treasury)

Strategic significance of the transaction

Strategic significance of the transaction



1

Establishes a leading position in the real estate data business

- ✓ Establishment of an absolute position in the volume of real estate data, surpassing all other companies

GA TECHNOLOGIES



2

Expands real estate data and acquires and maximizes monetization know-how

- ✓ Acquisition of new compact condominium data that GA Group does not have
- ✓ Establishment of the business model to monetize transaction data



3

Becomes an infrastructure company of the real estate data

- ✓ Creation of an integrated database and use for advanced analysis and insight discovery such as AI analysis
- ✓ Provision of a variety of services around real estate data as an infrastructure company

Establishes a leading position in the real estate data business

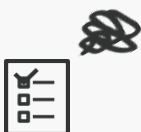
The potential of GA Group to solve problems in the real estate industry

The biggest issue in the real estate industry

Failure to provide a transparent and seamless customer experience



Asymmetry of information



Analog and low productivity



Poor user experience

The potential of GA Group

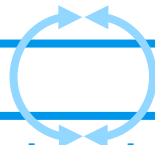
There is potential to resolve issues in the real estate industry through the real estate data business



AI and digitization capabilities



Comprehensiveness and quantity of data held



Establishes a leading position in the real estate data business

Utilizes the last mile data through AI in GA Group

Creates value through the strength of the last mile's data retention and the use of AI in those data

High-speed input of large volumes of analog data

- Our strength is the data retention of the last mile
- Acquire large amounts of analog information down to the deepest data

Automation through AI

- Compiling various data into a database
- Analysis through AI

Value creation through AI

- Increased productivity and operation streamlining
- Creation of new value

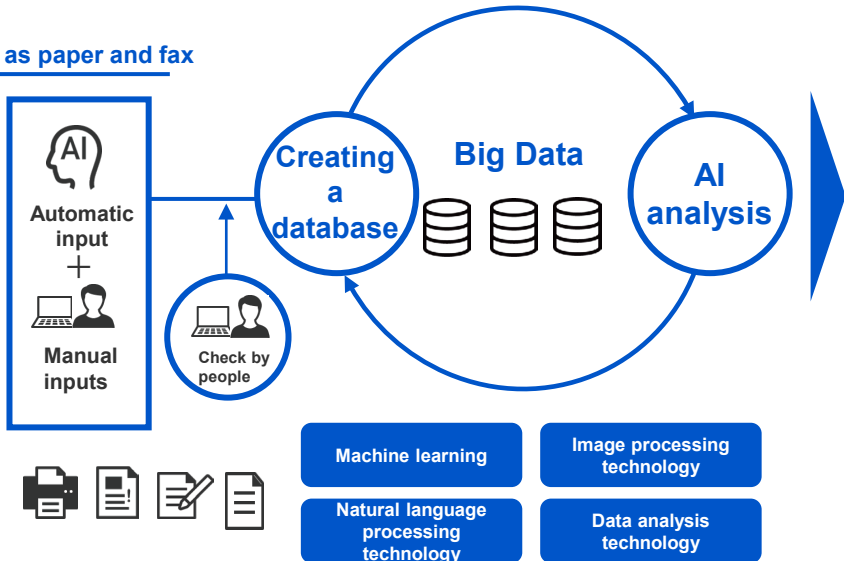
Analog information input such as paper and fax

① Buy/sell data

- Sales data
- Surrounding data
- Building data
- Investment real estate distribution data ,etc.

② Rental data

- Surrounding area data
- Building data
- Vacancy data
- Application requirement data
- Tenant background data ,etc.



Increased productivity, operation streamlining

AI assessment

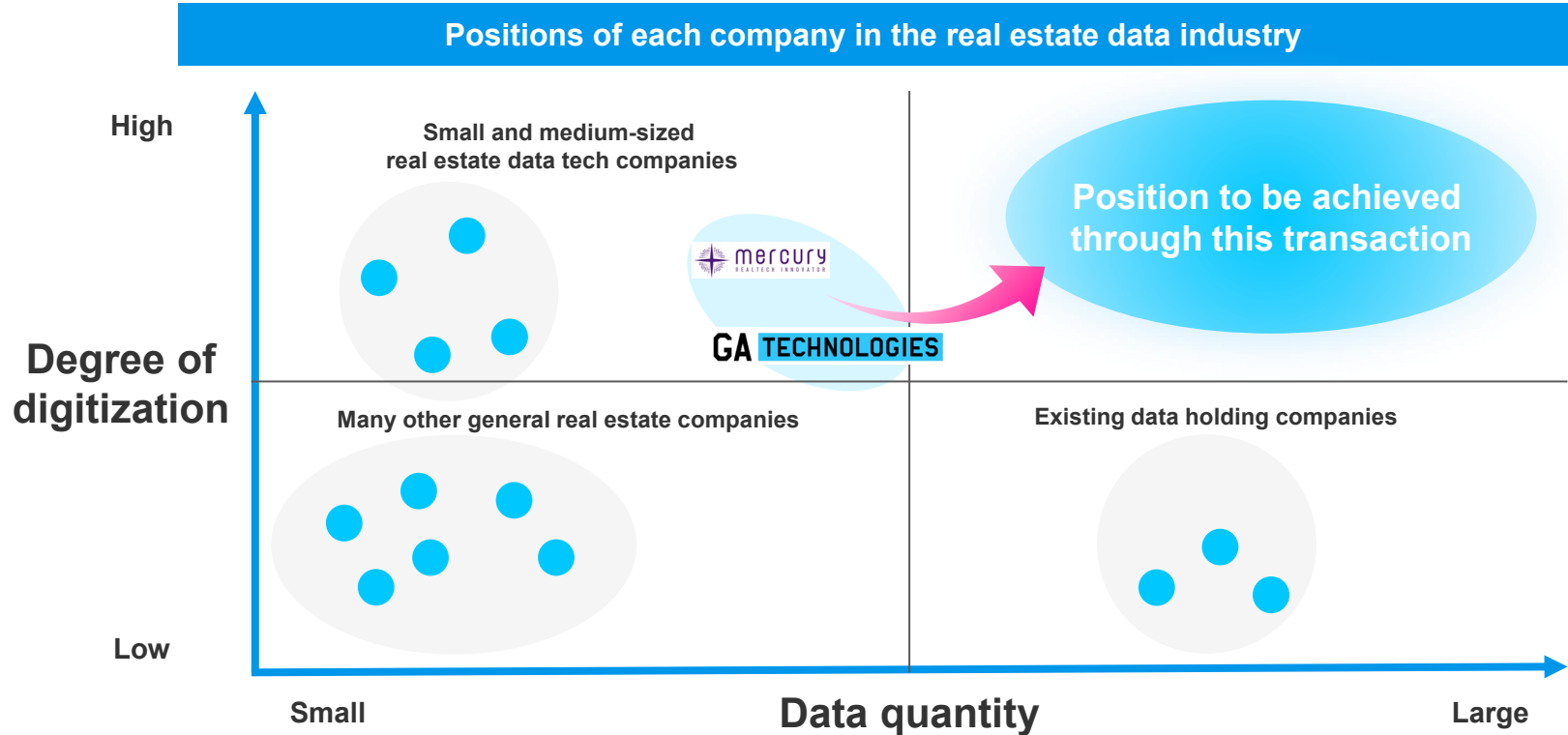
Vacancy period projection according to conditions

Provision of new services with the use of data

Establishes a leading position in the real estate data business

Leading position in the real estate data business that GA Group aims

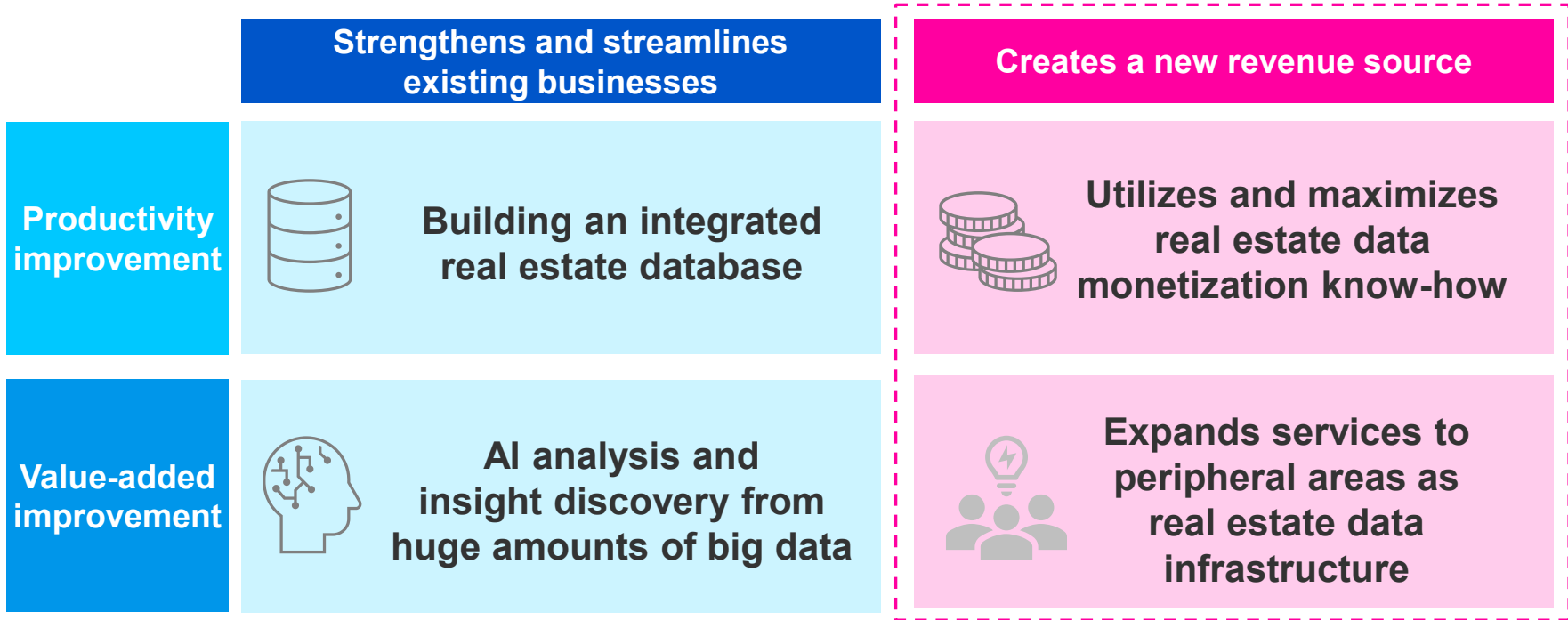
Through this transaction, GA Group will be in a unique position in the industry with data volume and sophisticated digitalization



Expands real estate data and Acquires and Maximizes monetization know-how

Overview of data strategy and positioning of this transaction

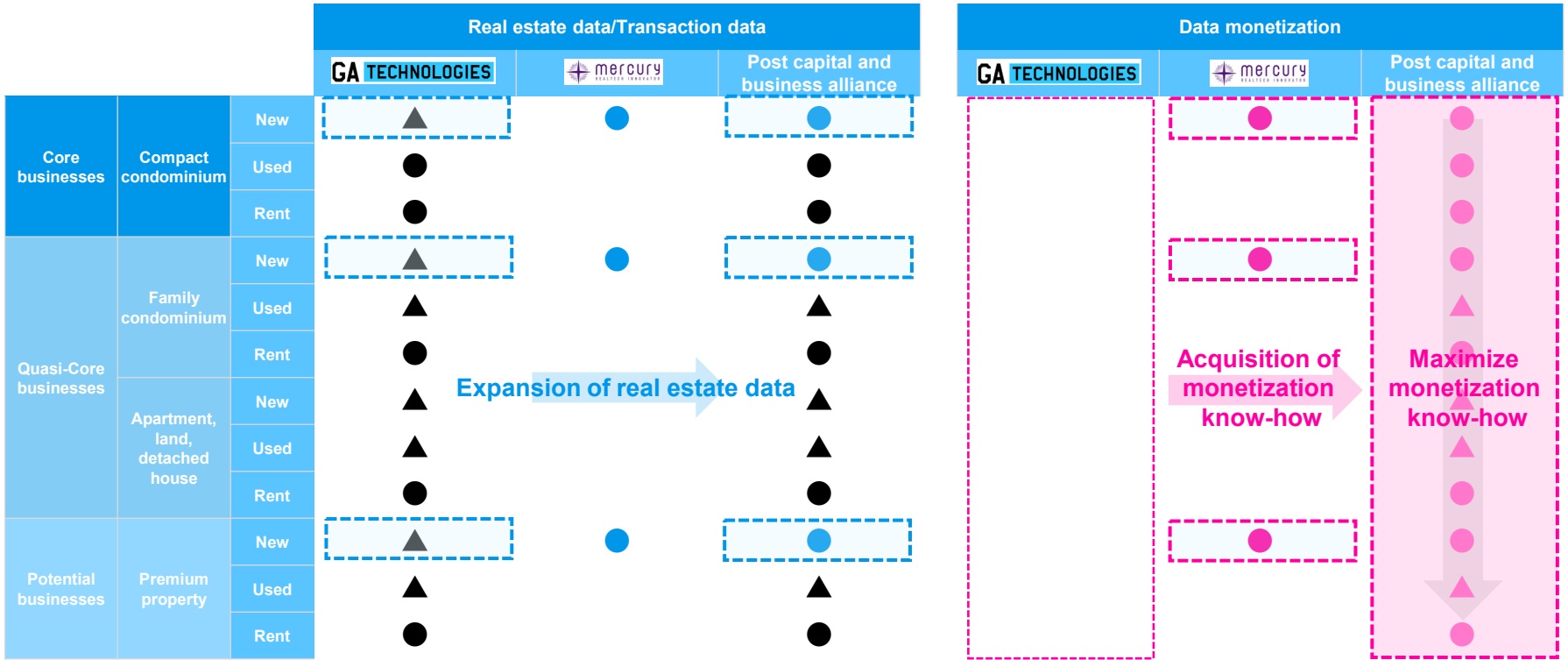
The aim of this transaction is to create a third pillar of profit by acquiring a new revenue source in addition to strengthening and streamlining existing businesses



Expands real estate data and Acquires and Maximizes monetization know-how

Expands real estate data and acquires and maximizes monetization know-how

Foundation for future real estate data business by expanding real estate data that GA Group currently does not have and utilizing Mercury's data monetization know-how



Making great strides to become a real estate data infrastructure company

Positioning of this transaction in the real estate data infrastructure strategy

The utilization of real estate and transaction data accumulated by GA Group and Mercury and building the foundation for future expansion of services into peripheral areas

GA TECHNOLOGIES



Data solutions

Market analysis/forecasts

Real estate development

Investment decisions

Real estate valuation

Real estate finance

Risk assessments

Data business

Real estate data

Transaction data



Monetization know-how

Real estate SaaS/Marketplace

Transaction data

Real estate investment data

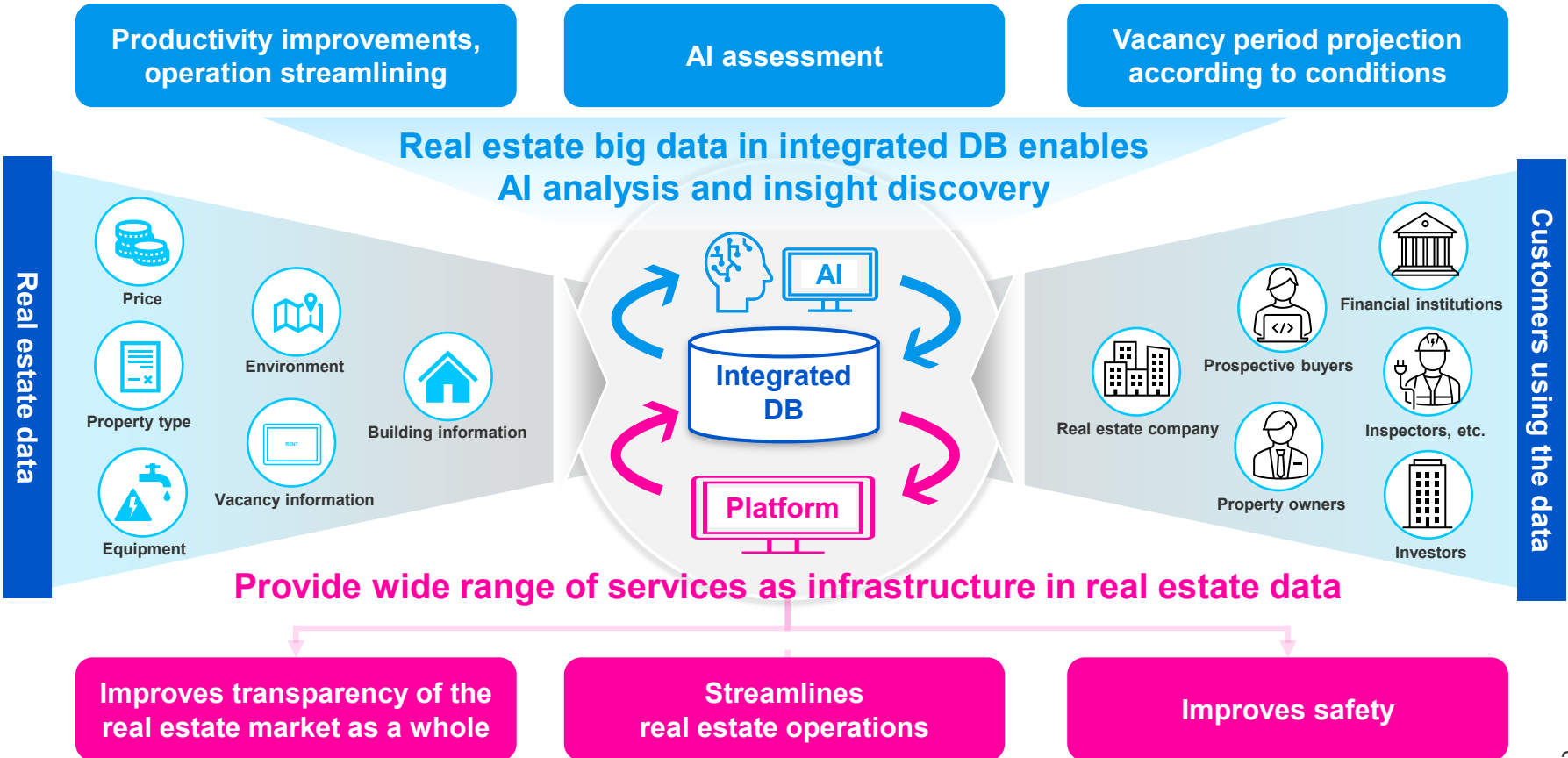
Property management data

Rental data

Buy / Sell data

Making great strides to become a real estate data infrastructure company

The goal as a real estate data infrastructure company



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