

June 11, 2019



Results of Operations for the First Half of the Fiscal Year Ending October 31, 2019

Good Com Asset Co., Ltd.

Code: 3475 (Listed on TSE First Section)



Good Com Asset Co., Ltd.

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* All forecasts are the figures in the forecast announced on December 12, 2018 unless otherwise stated.

* Figures are on a consolidated basis unless otherwise stated.

I. 1H FY10/19 Financial Summary

Executive Summary

First half sales exceeded the forecast – No change in fiscal year forecast for higher sales and earnings

- First half sales down 10.6% from one year earlier and operating profit down 35.8%

- Sales down because of a lower inventory at the beginning of FY10/19 following very strong sales during FY10/18

- Sales were 16.4% higher than the first half forecast and operating profit was 9.2% lower

- The first half sales forecast reflected the insufficient inventory at the beginning of FY10/19, but sales surpassed the forecast due to the acquisition of properties for sale earlier than planned

- Higher pct. of sales to real estate companies and higher SG&A expenses, including the head office expansion, held down earnings

- No change in fiscal year forecast for higher sales and earnings

- Due to the increasing volume of properties for sale, there is no change in the fiscal year forecast based on the outlook for higher second half sales

Consolidated Statement of Income

Sales were higher than the first half forecast

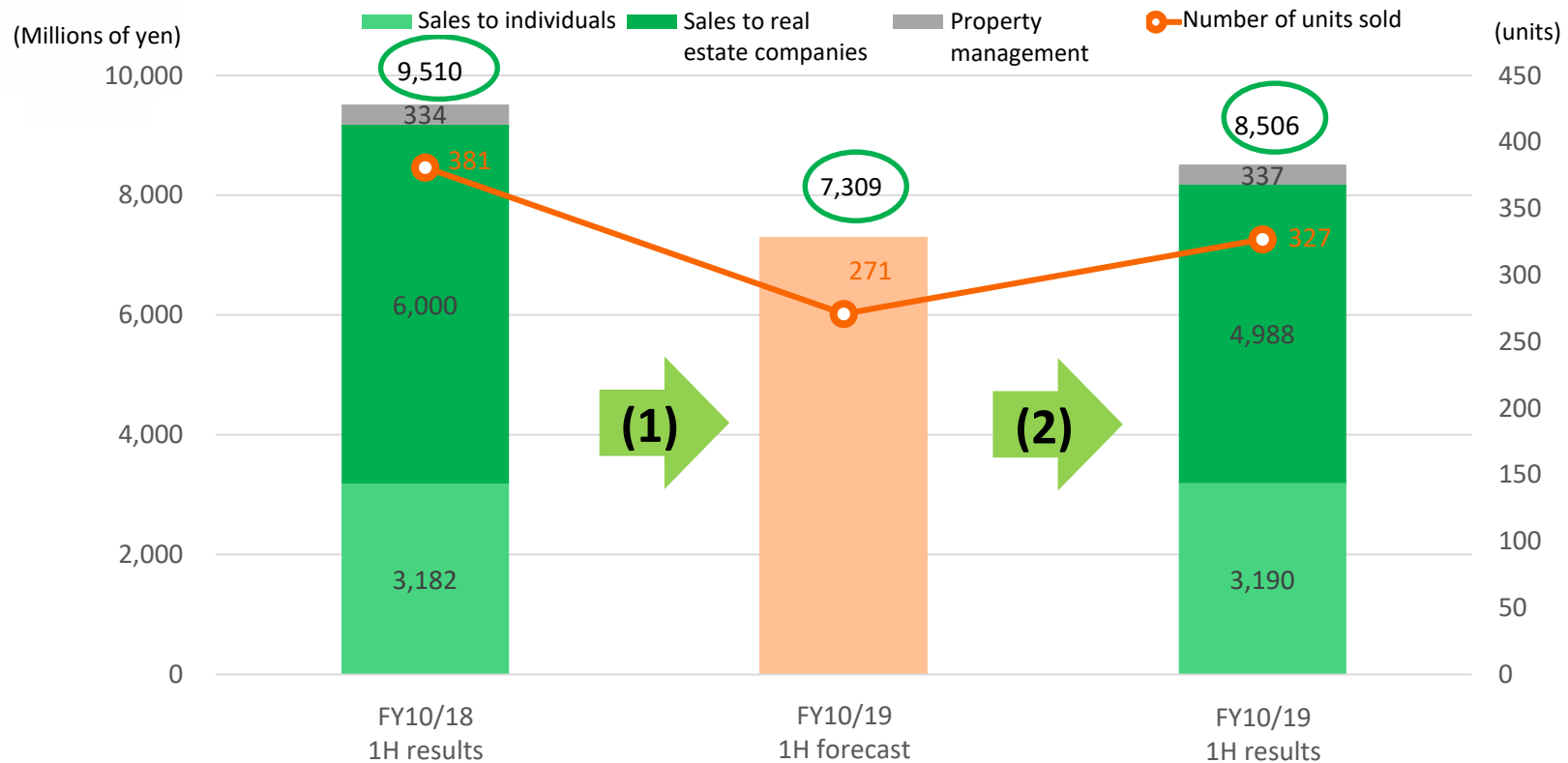
Millions of yen	FY10/18	FY10/19			
	1H results	1H forecast	1H results	YoY change	Vs. forecast
Net sales	9,510	7,309	8,506	Down 10.6%	Up 16.4%
Cost of sales	7,781	-	7,017	Down 9.8%	-
SG&A expenses	737	-	852	Up 15.7%	-
Operating profit	991	701	636	Down 35.8%	Down 9.2%
Ordinary profit	924	665	580	Down 37.2%	Down 12.8%
Profit	635	455	395	Down 37.8%	Down 13.1%

See the next two pages for an analysis of sales and operating profit

SG&A expenses increased due to

- More office space and employees (increase of about 30 people compared with one year earlier)
- Higher expenses associated with loans to fund the growth of real estate acquisitions
- Higher shareholder administrative fees and shareholder benefit expenses caused by the larger number of shareholders

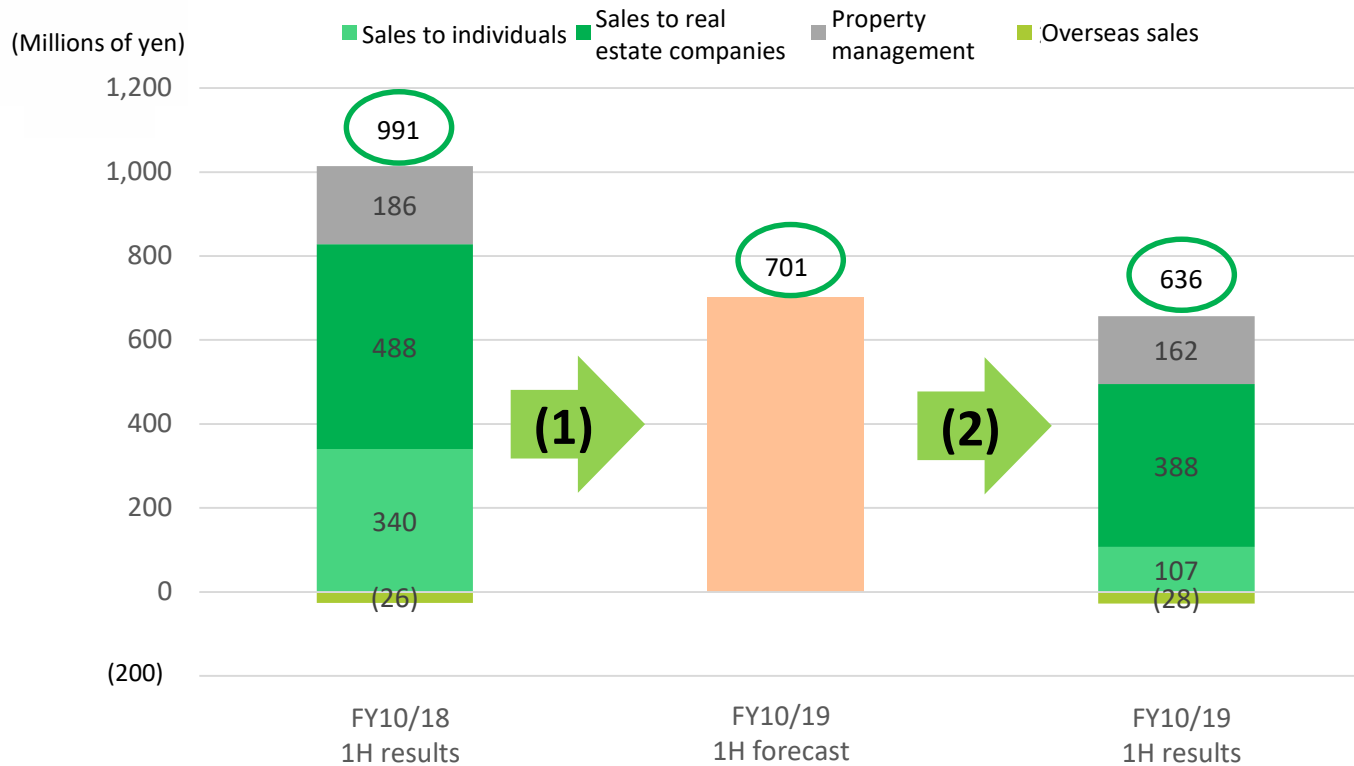
Analysis of Sales vs. Prior Year and Forecast



- (1) The first half **forecast was for lower sales** as strong demand for condominiums in FY10/18 reduced the volume of properties for sale at the beginning of FY10/19
- (2) **Sales surpassed the forecast** because of activities aimed at increasing the volume of properties for sale earlier than planned in order to meet the very strong demand for condominiums

*Good Com does not announce business segment forecasts.

Analysis of Operating Profit vs. Prior Year and Forecast



- (1) As with sales, the first half **forecast was for lower earnings** as strong demand for condominiums in FY10/18 reduced the volume of properties for sale at the beginning of FY10/19
- (2) Although sales surpassed the forecast because of activities aimed at increasing the volume of properties for sale earlier than planned in order to meet strong demand, a higher pct. of sales to real estate companies and an increase in SG&A expenses caused by up-front investments for future growth resulted in a **small decrease in operating profit**

*Good Com does not announce business segment forecasts.

Consolidated Balance Sheet



Focusing on purchasing properties for future sales growth

Millions of yen	As of Oct. 31, 2017	As of Apr. 30, 2018	As of Oct. 31, 2018	As of Apr. 30, 2019	Vs. Oct. 31, 2018
Current assets	12,539	10,942	12,338	16,384	4,045
Cash and deposits	2,539	5,329	5,834	3,982	(1,851)
Inventories	9,421	5,120	5,644	10,831	5,186
Non-current assets	74	73	95	274	179
Total assets	12,613	11,015	12,434	16,659	4,224
Liabilities	9,372	5,375	6,078	10,376	4,298
Interest-bearing debt	8,867	4,392	4,997	9,706	4,709
Net assets	3,241	5,639	6,356	6,282	(74)
Total liabilities and net assets	12,613	11,015	12,434	16,659	4,224
Equity ratio	25.7%	51.2%	51.1%	37.7%	(13.4)pt
Dependence on interest-bearing debt	70.3%	39.9%	40.2%	58.3%	18.1pt

Cash and deposits decreased because cash was used for deposits and other payments associated with the growth of property acquisitions

Inventories increased along with the growth of property acquisitions

Purchased 890 condominium units during 1H FY10/19 compared with 262 units in 1H FY10/18

Interest-bearing debt increased because of additional loans to fund the larger volume of property acquisitions

Equity ratio decreased because additional loans to fund the larger volume of property acquisitions

Consolidated Statement of Cash Flows

Steady progress with property acquisitions for future sales growth

Millions of yen	1H FY10/18	1H FY10/19	YoY change
Cash flows from operating activities	5,503	(6,032)	(11,535)
Cash flows from investing activities	(1)	(59)	(58)
Cash flows from financing activities	(2,711)	4,240	6,951
Cash and cash equivalents	5,309	3,962	(1,347)

Main factors

Cash flows from operating activities

Operating cash flows became negative because of the increase in real estate for sale resulting from the growth of property acquisitions

Cash flows from financing activities

Financing cash flows became positive because of proceeds from loans to fund the growth of property acquisitions

Cash and cash equivalents

Decreased due mainly to the payment of deposits associated with the larger volume of property acquisitions

(1)

Started a minpaku business using a Good Com condominium building

Added a second building to this business due to strong demand



(2)

Launched the new skyrun brand for condominiums that include a rooftop dog run



(3)

**Joined the Japan Business Federation
in order to strengthen corporate
social responsibility programs**

Keidanren
Policy & Action

(4)

**Applied for a Real Estate Specified
Joint Enterprise Act business license in
order to start selling investment units
of a real estate fund by using
crowdfunding**



**Note: Shown above is a provisional design for a real estate
crowdfunding advertisement being created jointly with Crypton
Future Media, Inc.**

II. Characteristics of Business Activities

The Good Com Genovia Series of Condominiums



Branding defined by **consistency** and **greenery** along with a large selection of properties

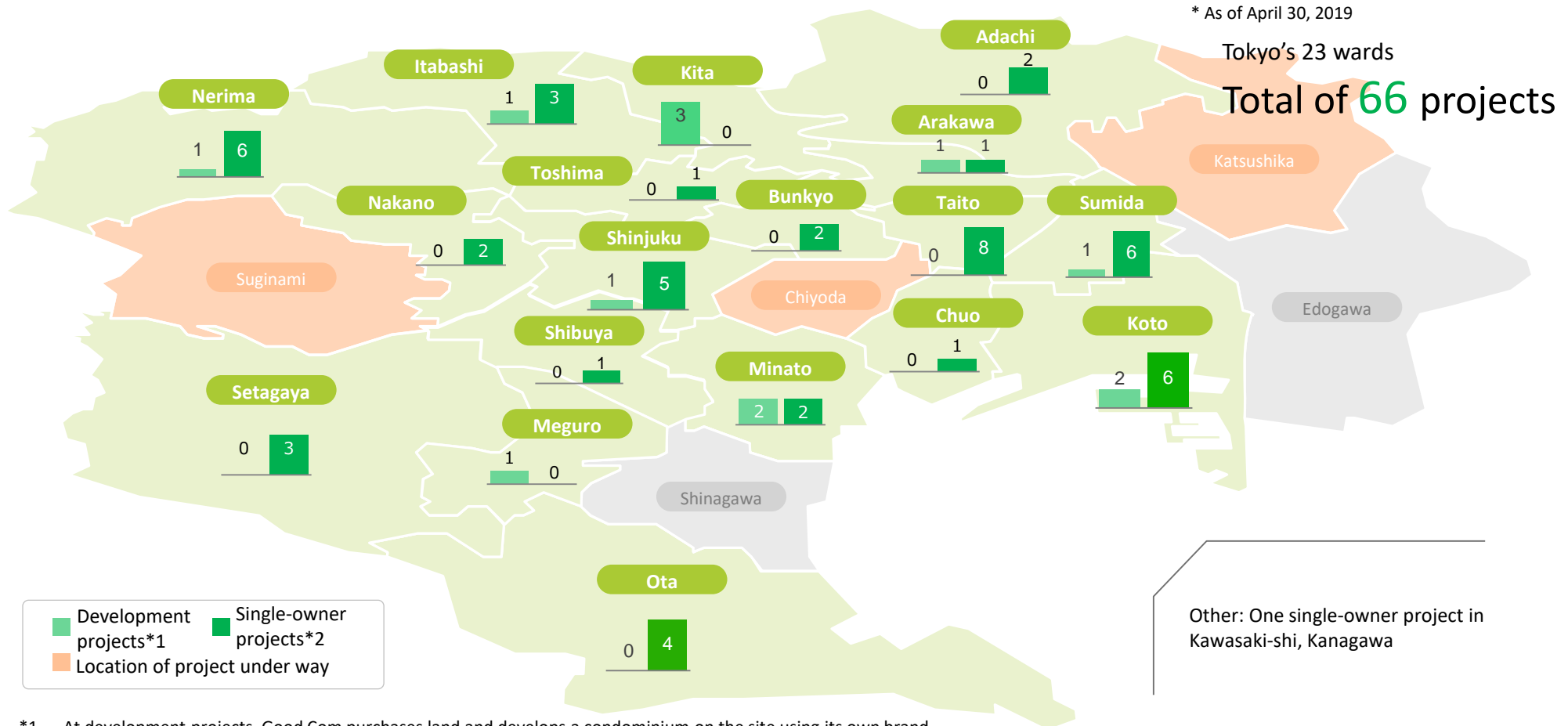


*Performance in 1H FY10/19

Locations of Genovaia Projects

Good Com will continue its strategy of concentrating on **the 23 wards of Tokyo**

Locations and number of Genovaia development and single-owner projects



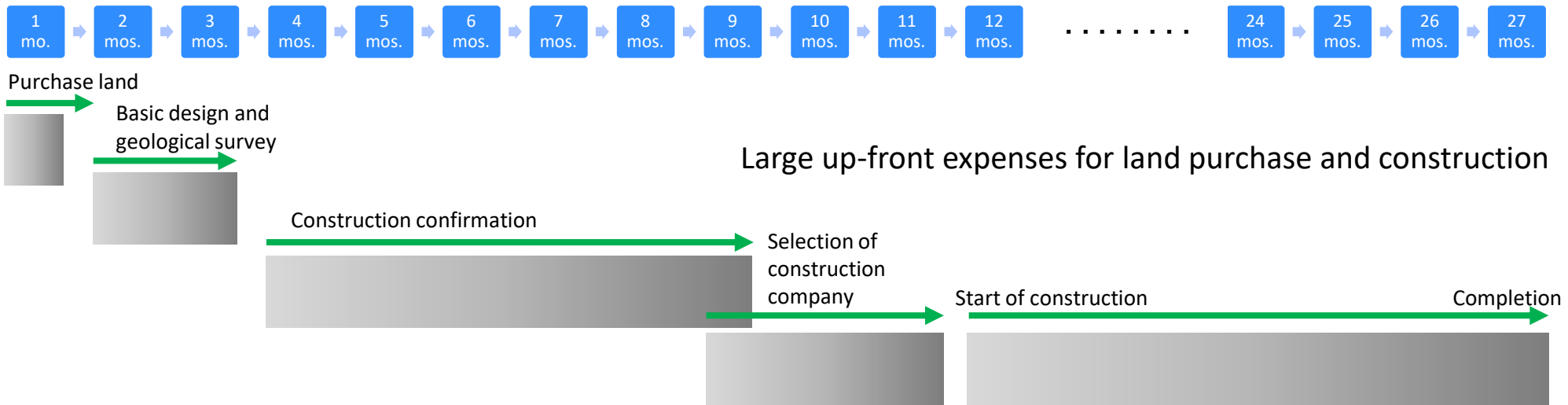
*1 At development projects, Good Com purchases land and develops a condominium on the site using its own brand.

*2 At single-owner projects, Good Com pays a deposit for land, constructs a condominium building using the same design as for its own condominium brand, then purchases the entire building from a condominium company.

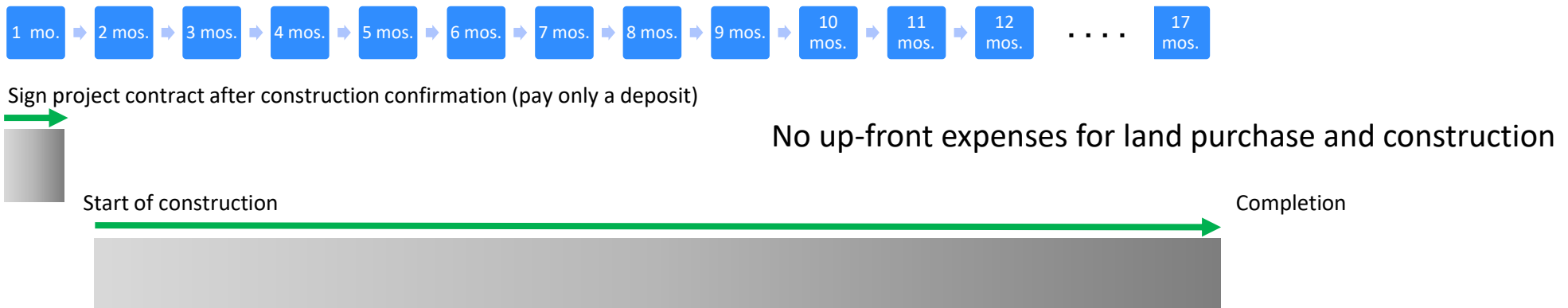
Scheme for Using Single-owner Projects for More Efficient Use of Capital

Purchasing properties as single-owner projects **reduces** personnel and other up-front expenses and **increase** capital efficiency

Timetable of a typical development project



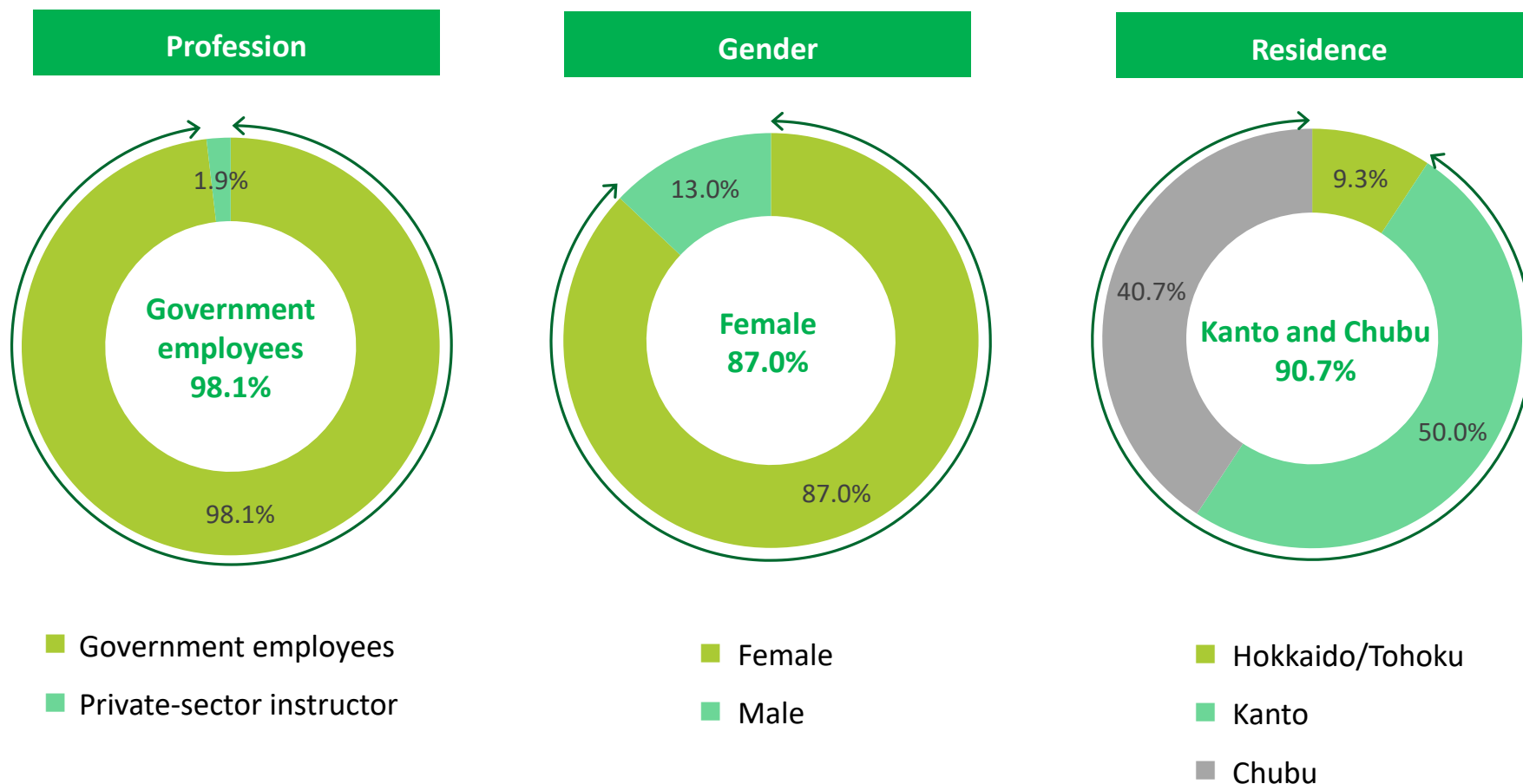
Timetable of a single-owner project



Customer Attributes (1)



Major customers are **female government employees** in the **Kanto and Chubu** regions

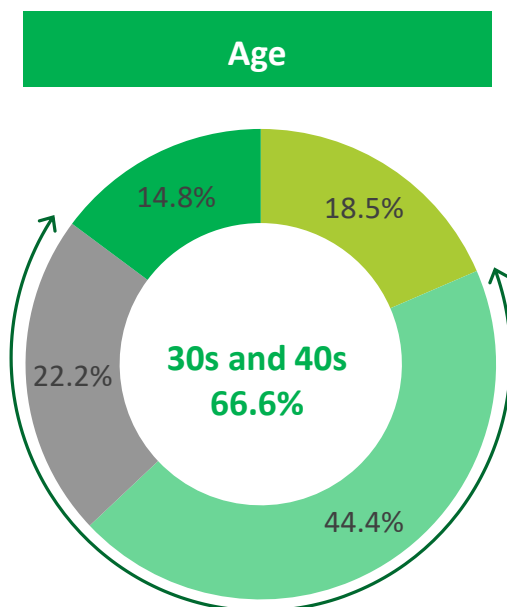


* 1H FY10/19 sales to individuals in Japan

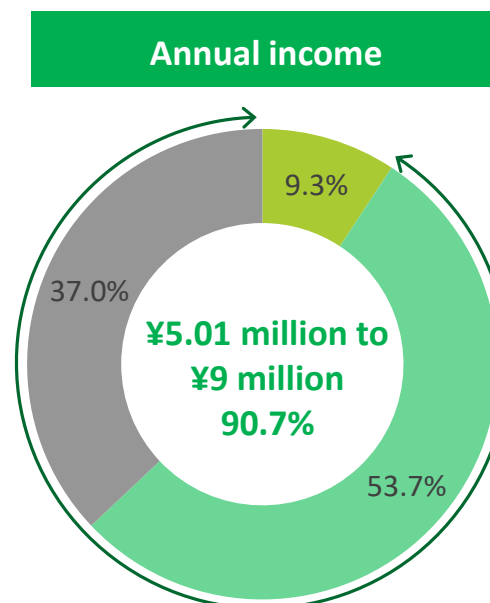
Customer Attributes (2)



Major customers are in their 30s and 40s



- Age 29 and younger
- 30s
- 40s
- 50s and older



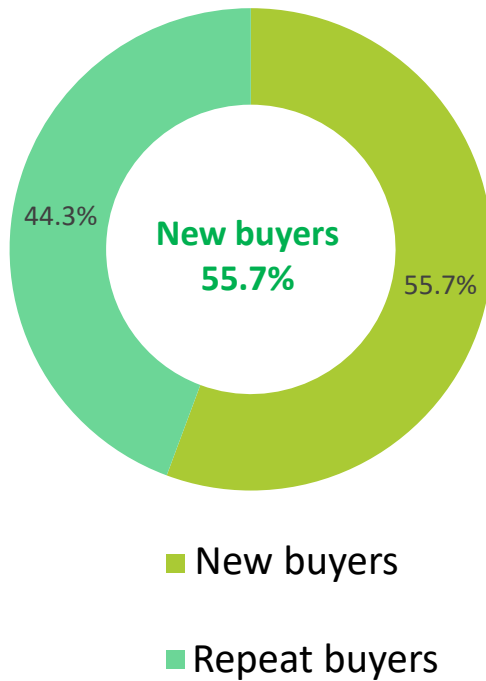
- Up to ¥5 million
- ¥5.01 million to ¥7 million
- ¥7.01 million to ¥9 million

* 1H FY10/19 sales to individuals in Japan

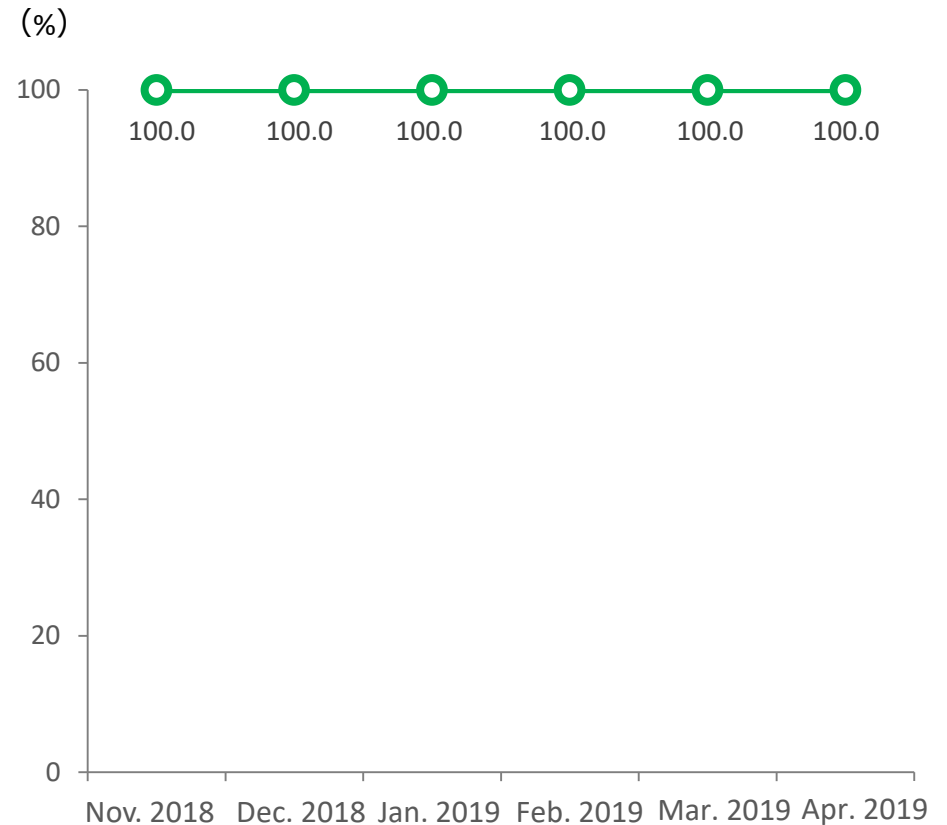
Repeat Buyers and Occupancy Rate

Occupancy was **100%** at the end of **every month of 1H FY10/19**
 Strong corporate **demand as employee housing** and demand created by the new **skyrun** brand and other innovations

Share of new and repeat buyers



Occupancy rate



* 1H FY10/19 sales to individuals in Japan

* Occupancy rate at the end of each month

Reasons to Purchase Properties

Purchase scheme **using a life insurance policy**

- A buyer obtains a housing loan from a financial institution that includes group credit life insurance coverage.
- **This life insurance policy pays the remainder of the loan** if the borrower **dies** or **is severely disabled**.
- Family members inherit the property and receive a steady income stream.

Events for the payment of group credit life insurance benefits by financial institutions

Example 1

Borrower is unable to work for at least one year due to **cancer, stroke, acute myocardial infarction, hypertension, diabetes, chronic renal failure, hepatic cirrhosis or chronic pancreatitis (eight serious medical condition)**

Example 2

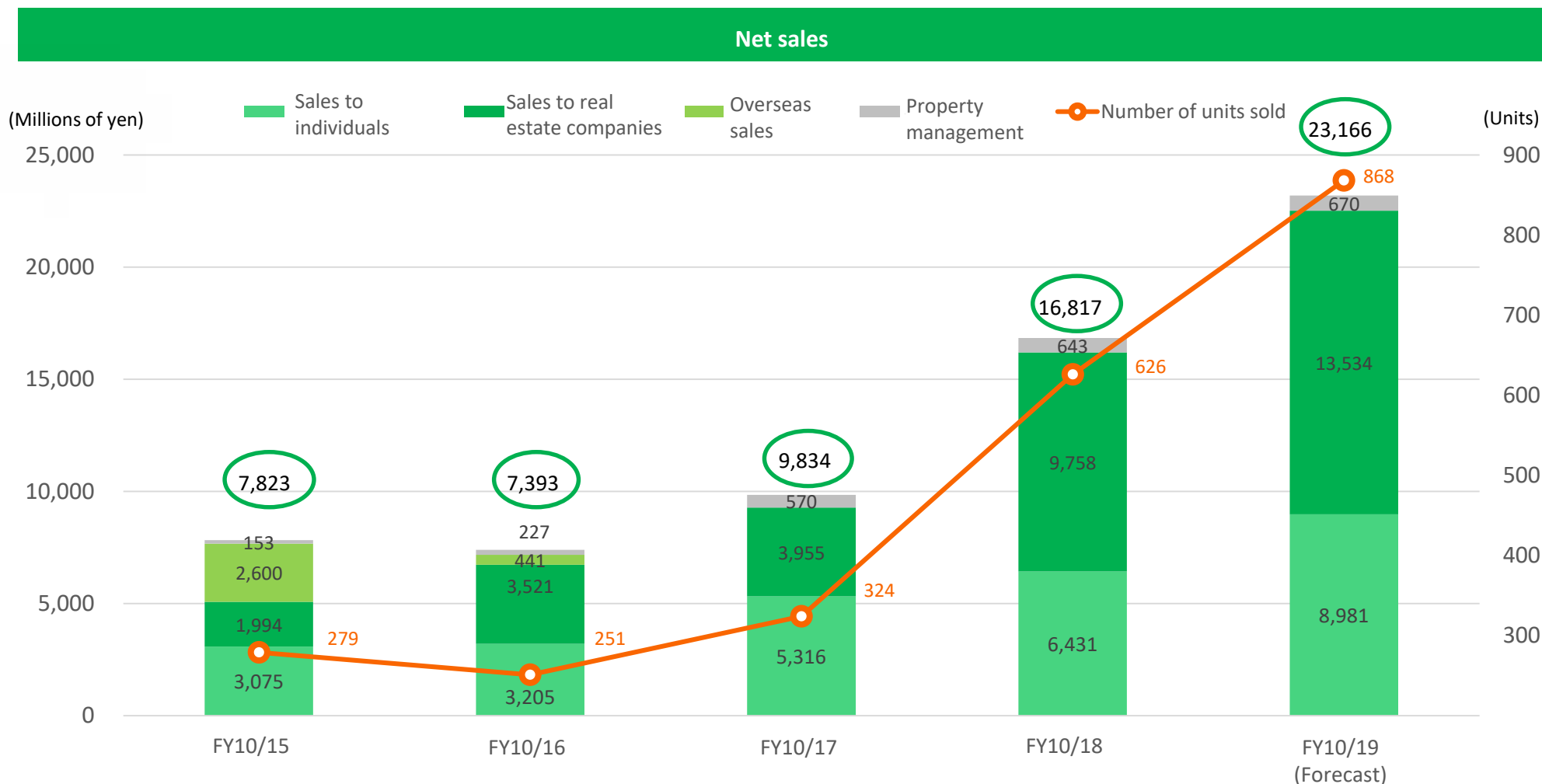
Borrower is designated as requiring at least level 3 nursing care or the borrower requires the specified **nursing care level** for 180 consecutive days

Example 3

Borrower is given a **definitive diagnosis** of **cancer** (specified malignant neoplasm)

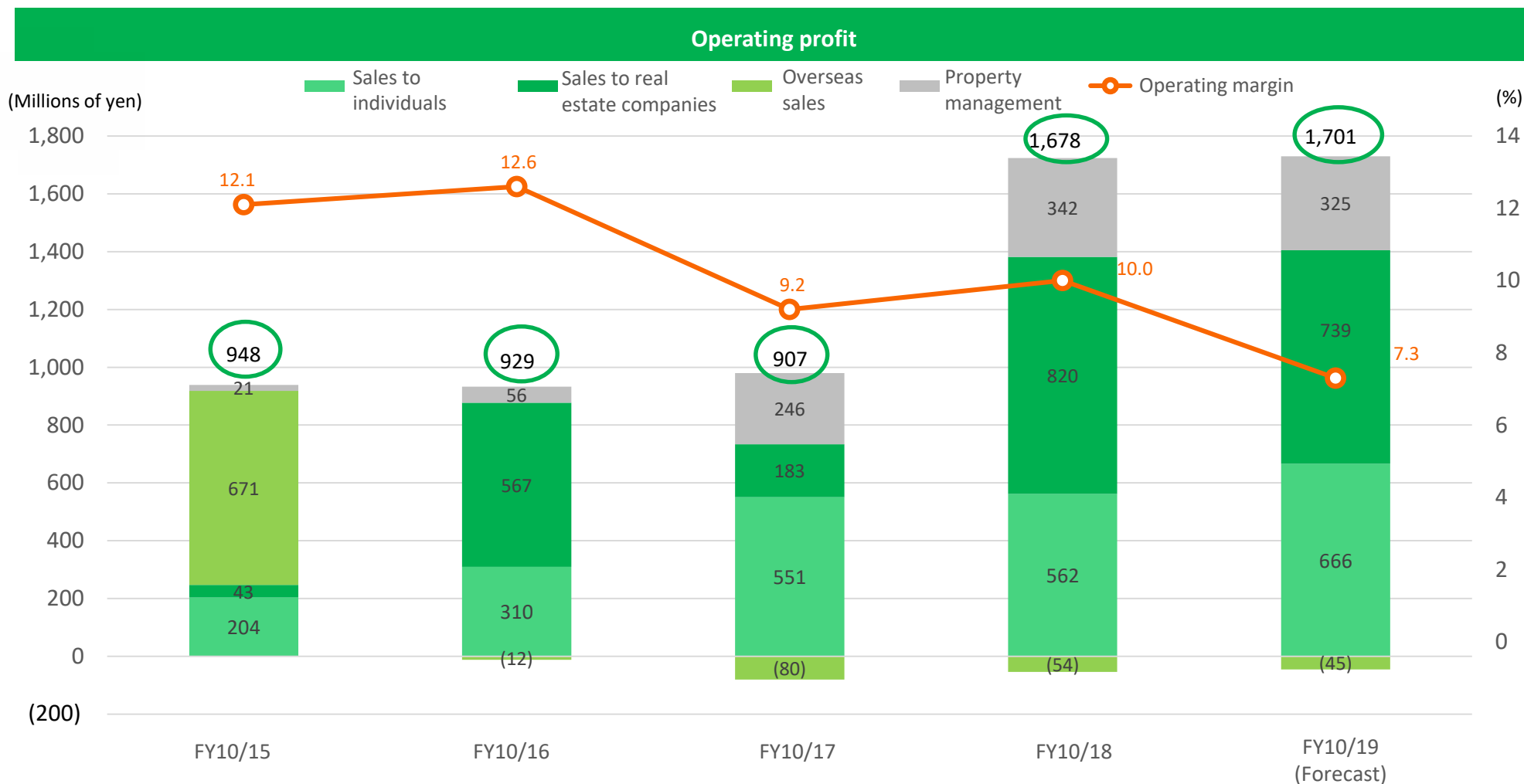
III. FY10/19 Earnings Forecast

Forecast **record-high** monetary sales and condominium unit sales



*Total may not match the sum of individual items due to inter-segment transactions.

Forecast **record-high** operating profit



*Total may not match the sum of individual items due to inter-segment transactions.

No change in the FY10/19 forecast

Millions of yen	FY10/18			FY10/19			
	1H results	2H results	Full year results	1H results	2H forecast	Full year forecast	YoY
Net sales	9,510	7,307	16,817	8,506	14,659	23,166	137.7%
Operating profit	991	686	1,678	636	1,064	1,701	101.4%
Ordinary profit	924	642	1,567	580	1,046	1,627	103.9%
Profit	635	436	1,071	395	717	1,113	103.9%
Number of units sold (units)	381	245	626	327	541	868	138.7%

Reference

Condominium sales contracts signed in May and June (as of June 10, 2019): 248 units

156 contracts were signed during the same period of FY10/18

Steady progress regarding properties for sale in FY10/19 and afterward

Property name	Location	Number of units
Shinjuku green veil	Shinjuku-ku	47
Higashi-Nihombashi Ekimae green veil	Chuo-ku	80
Koenji skygarden	Nakano-ku	20
Asakusa II skygarden	Taito-ku	63
Todaimae green veil	Bunkyo-ku	39
Megurominami green veil	Meguro-ku	39
Kameidosuijin skygarden	Sumida-ku	57
Komagome Eki green veil	Kita-ku	48
Sangenjaya green veil	Setagaya-ku	50
Komagome Eki II green veil	Bunkyo-ku	39
Kameidosuijin II skygarden	Sumida-ku	42
Sumidagawa west skygarden	Arakawa-ku	64
Shinjuku Waseda green veil	Shinjuku-ku	65
Sumida Bunka skygarden	Sumida-ku	33
Setagaya Sakuragaoka skygarden	Setagaya-ku	36
Asakusa Kuramae skygarden	Taito-ku	44
Akihabara skygarden	Taito-ku	29
Higashi Mukojima skygarden	Sumida-ku	90
Nerima Takanodai skyrun	Nerima-ku	116
Shinokachimachi skygarden	Taito-ku	24
Musashiseki Koen skygarden	Nerima-ku	75

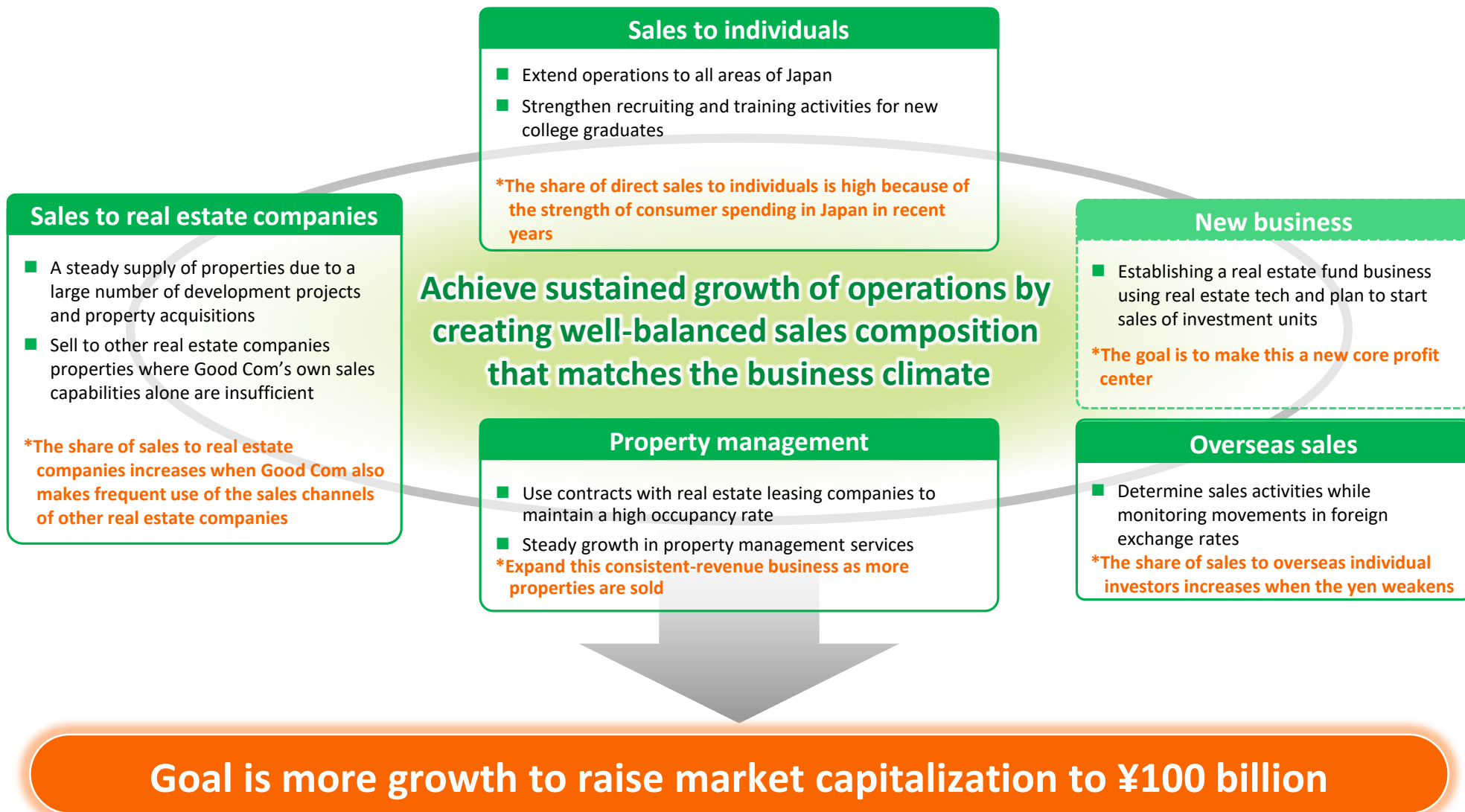
Property name	Location	Number of units
Ueno skygarden	Taito-ku	24
Ikegami skygarden	Ota-ku	26
Kameido IV skygarden	Koto-ku	38
Shinjuku Nakaochiai skygarden	Shinjuku-ku	34
Suitengumae skygarden	Koto-ku	40
Honhaneda skygarden	Ota-ku	94
Ojikamiya skygarden	Adachi-ku	81
(Tentative name) Ueno II	Taito-ku	29
(Tentative name) Yahiro	Sumida-ku	93
(Tentative name) Saginomiya	Nakano-ku	57
(Tentative name) Shinnakano	Nakano-ku	37
(Tentative name) Senjuohashi	Adachi-ku	59
(Tentative name) Ryogoku IV	Sumida-ku	26
(Tentative name) Kinshicho	Sumida-ku	27
(Tentative name) Tabata III	Kita-ku	38
(Tentative name) Tsurumi Ichiba	Yokohama-shi	65
(Tentative name) Asakusa IV	Taito-ku	49
(Tentative name) Sakurajosui	Suginami-ku	40
(Tentative name) Okachimachi	Taito-ku	27
(Tentative name) Kinshicho II	Sumida-ku	40

Property name	Location	Number of units
(Tentative name) Sasazuka	Shibuya-ku	43
(Tentative name) Higashikanda	Chiyoda-ku	130
(Tentative name) Kannai	Yokohama-shi	38
(Tentative name) Kannai II	Yokohama-shi	38
(Tentative name) Shibaura	Minato-ku	29
(Tentative name) Ueno III	Taito-ku	36
(Tentative name) Tateishi	Katsushika-ku	56
(Tentative name) Minowa	Taito-ku	60
(Tentative name) Ryogoku III	Sumida-ku	19
(Tentative name) Yotsuya 3-chome	Shinjuku-ku	73
(Tentative name) Kiba	Koto-ku	24
(Tentative name) Minami Senju	Taito-ku	30
(Tentative name) Minowa II	Taito-ku	68
(Tentative name) Minami Senju II	Taito-ku	30
(Tentative name) Ogikubo	Suginami-ku	19
(Tentative name) Ogikubo II	Suginami-ku	24
(Tentative name) Higashi Asakusa	Taito-ku	78
(Tentative name) Monzennakacho	Koto-ku	80
(Tentative name) Asakusabashi II	Taito-ku	49
(Tentative name) Minamisunamachi	Koto-ku	52

*Properties where sales will begin in FY10/19.

*Properties in red are locations to be purchased and sold in FY10/19.

Transparency and distinctive well-balanced operations



Dividend

FY10/19: We plan to pay a year-end dividend of **¥47 per share.**

(FY10/18: Ordinary dividend of ¥25 per share + commemorative dividend of ¥10 per share)

Special Benefits for Shareholders

Shareholders as of the end of April and October 2019 who own at least 100 shares for at least 6 months will receive our original QUO card worth ¥2,000 **twice each year (total of **¥4,000**).**

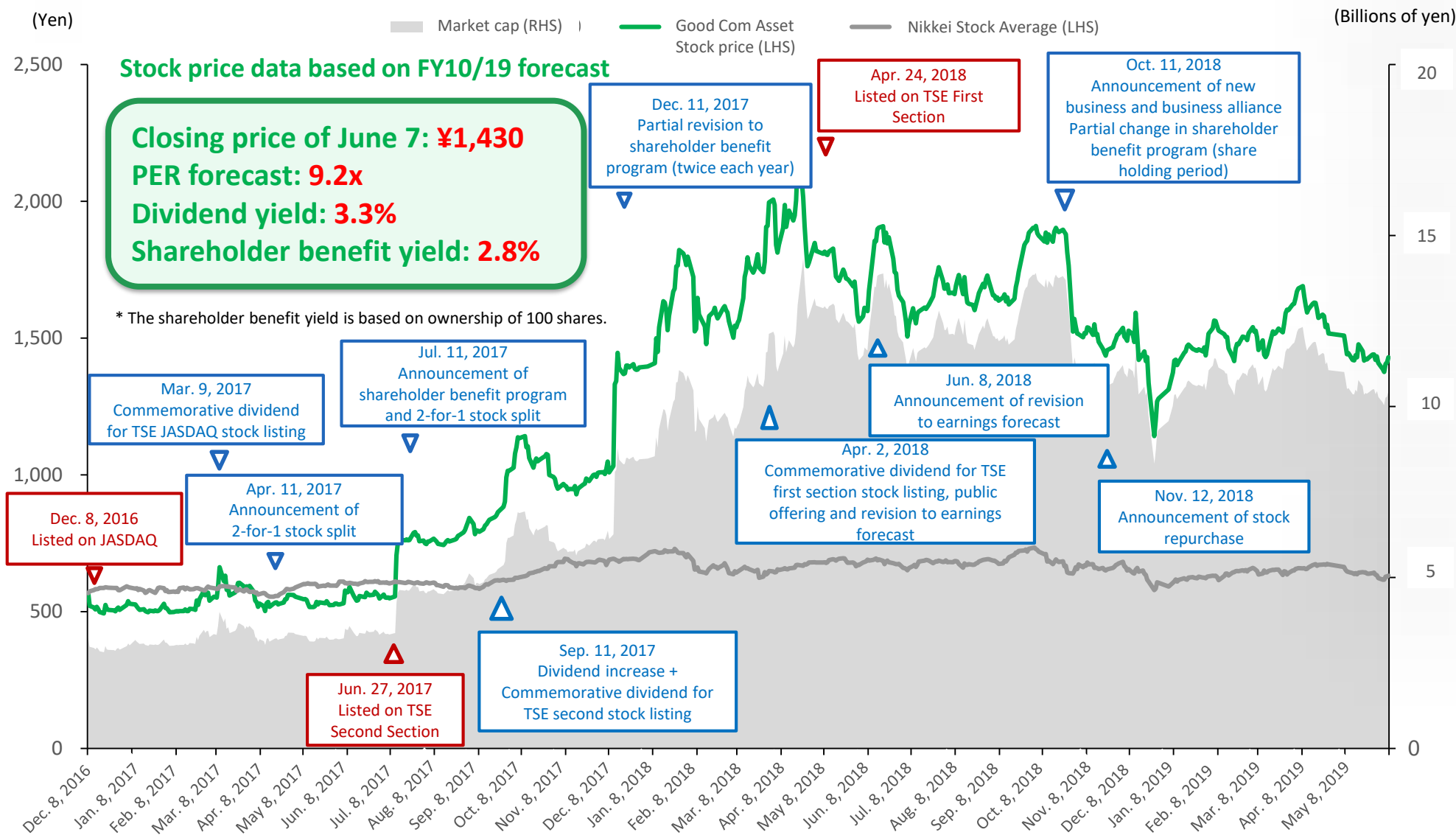
* Holding period of 6 months is defined as being listed or recorded in the shareholder register as of April 30 and October 31 for at least two consecutive periods with the same shareholder number.



* The design may be changed without prior notice.

Stock repurchase

Purchased 150,000 shares of Good Com Asset stock during the period between December 13, 2018 and January 8, 2019



* The Nikkei Stock Average is an index based on the Good Com stock price on Dec. 8, 2016.

Appendix

Company name	Good Com Asset Co.,Ltd.
Founded	November 28, 2005
Capital	¥1,588.35 million (As of April 30, 2019)
Representative	Yoshikazu Nagashima, President and CEO
Head office	Sumitomo Fudosan Nishi-shinjuku Building, 7-20-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
Employees	113 (As of April 30, 2019) *Consolidated
Business	Planning, development, sale and management of newly constructed condominiums using Good Com's Genovia brand
Consolidated subsidiaries	Good Com Co., Ltd. (Property management business) Taiwan Good Com., Ltd. (Taiwan subsidiary) Shanghai Good Com Business Consulting Co.,Ltd. (China subsidiary)
Listed stock market	First Section of the Tokyo Stock Exchange (Stock code: 3475)
Shareholders	22,272 (As of April 30, 2019)

- Nov. 2005 Established Goodcom Asset Inc. with capital of ¥3 million
- Jan. 2006 Obtained a license for real estate transaction business
- Jan. 2008 Started sales of Good Com's original **Genovia** series condominiums
- Mar. 2008 Made Good Com Co., Ltd. a wholly owned subsidiary to operate the property management business (leasing and management services)
→Obtained licenses for real estate transaction and condominium management businesses
- Jul. 2011 Started use of wall vegetation (current **green veil** brand)
- Mar. 2015 Started use of rooftop greenery (**skygarden** brand)
- Mar. 2015 Established subsidiary Taiwan Good Com., Ltd. in Taipei, Taiwan
- Dec. 2016 **Listed in the JASDAQ (standard) market of the Tokyo Stock Exchange**
- May 2017 Established subsidiary Shanghai Good Com Business Consulting Co.,Ltd. in Shanghai, China
- Jun. 2017 **Listing moved to the Second Section of the Tokyo Stock Exchange**
- Apr. 2018 **Listed on the First Section of the Tokyo Stock Exchange**
- Feb. 2019 Launched the new **skyrun** brand for condominiums that include a rooftop dog run
- May 2019 Joined the Japan Business Federation

The Tokyo area investment condominium market



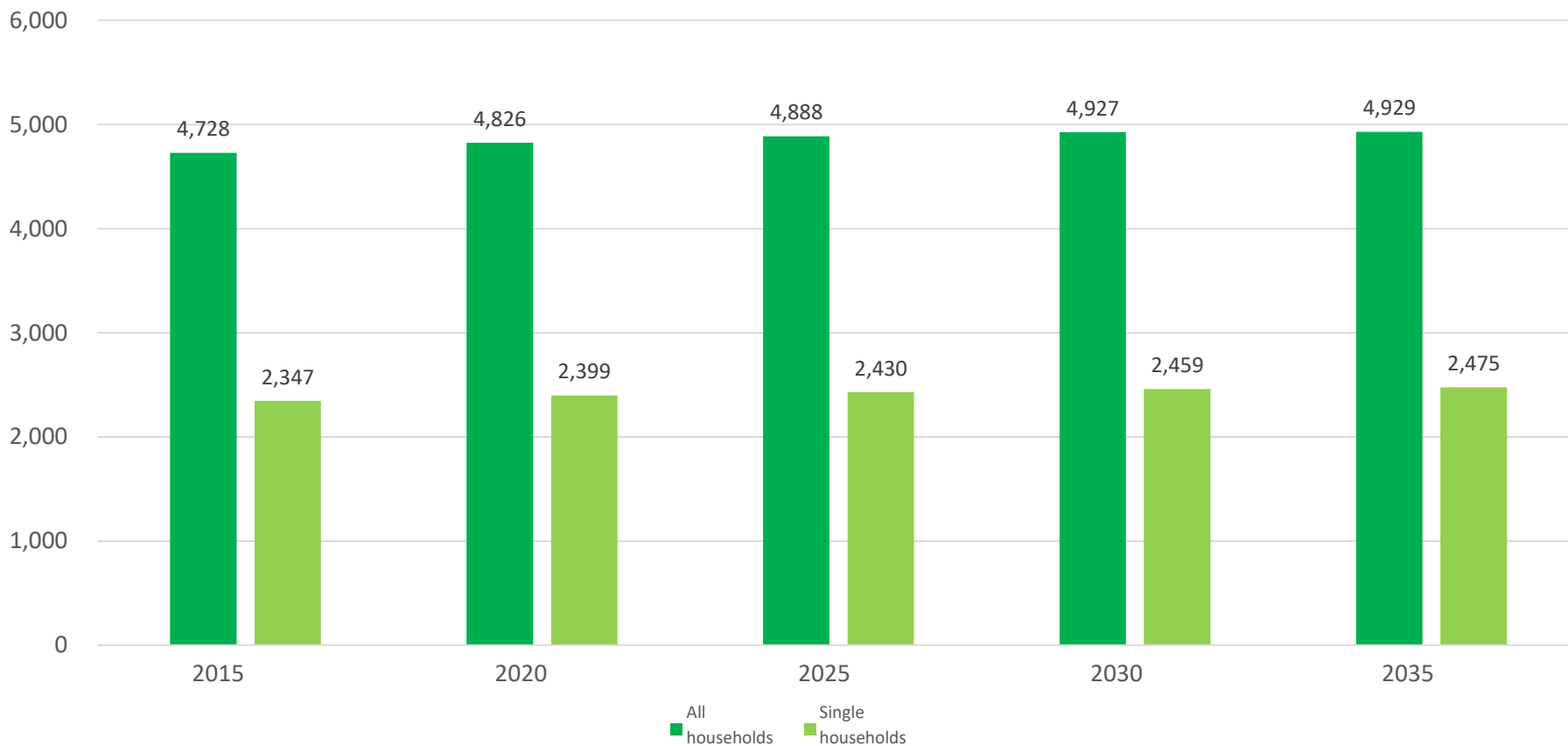
Source: Real Estate Economic Institute Co., Ltd., The trend of the Tokyo area investment condominium market

In 2017, the number of new units and sales decreased. In the first half of 2018, number of units sold and sales are more than 70% of those in 2017 and have been steadily increasing.

An increasing volume of land is being converted from agriculture to housing because of an amendment to Japan's Productive Green Land Act that will take effect in 2022. The Tokyo area investment condominium market is expected to further expand.

Number of Households in Tokyo's 23 Wards (Good Com's primary market)

(Thousands of units)

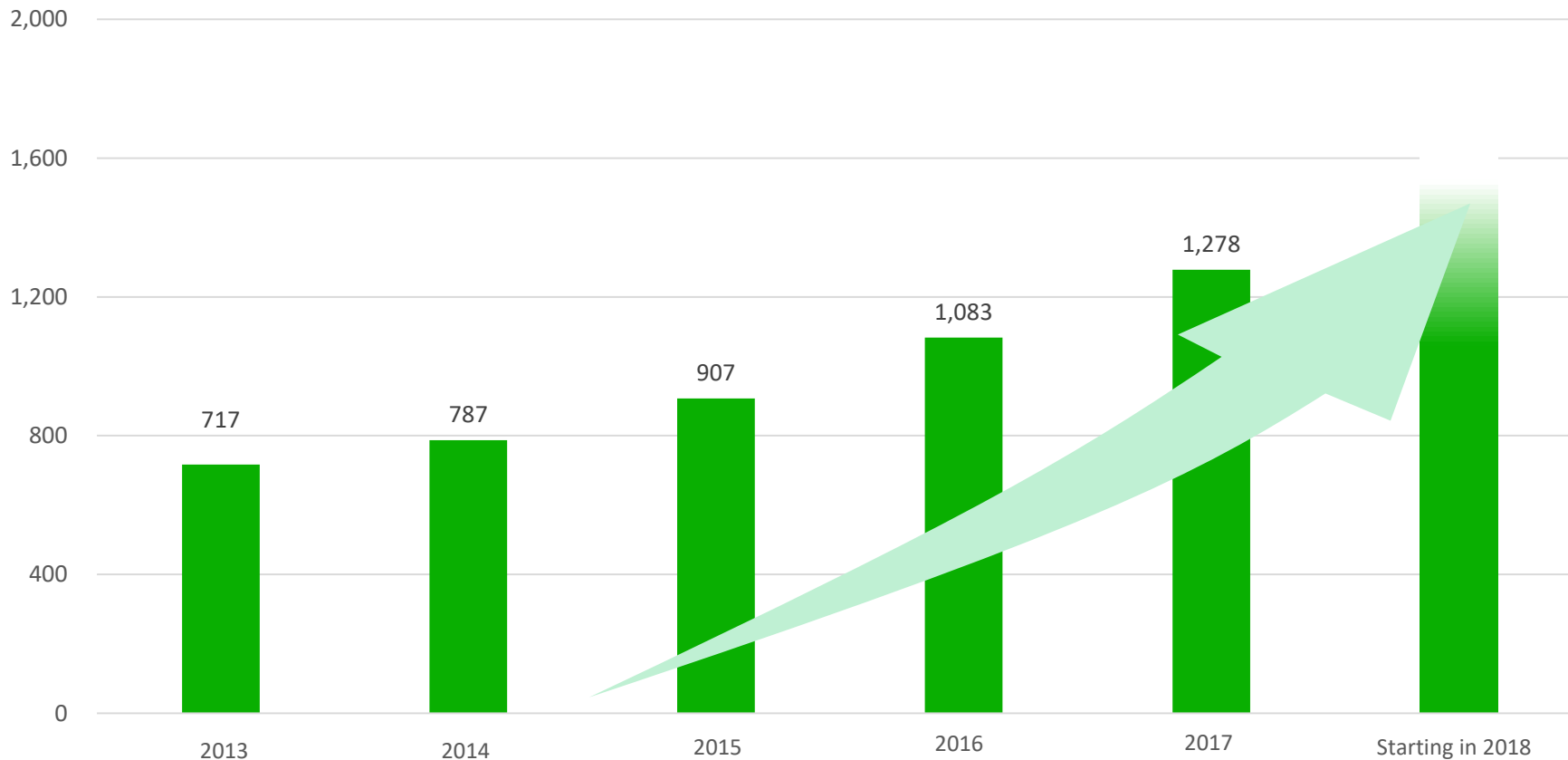


Source: Statistics Division of the Tokyo Metropolitan Government Bureau of General Affairs

Although the total number of households in Japan will decrease, single households in Tokyo's 23 wards are forecast to increase from 2.34 million in 2015 to about 2.47 million in 2035, a difference of 130,000. This is expected to create more demand for one room condominiums.

The Increasing Number of Foreign Workers in Japan

(Thousands of people)



Source: Statistics Division of the Tokyo Metropolitan Government Bureau of General Affairs

The number of foreign workers in Japan is climbing rapidly and the Japanese government plans to support more growth of the foreign workforce.

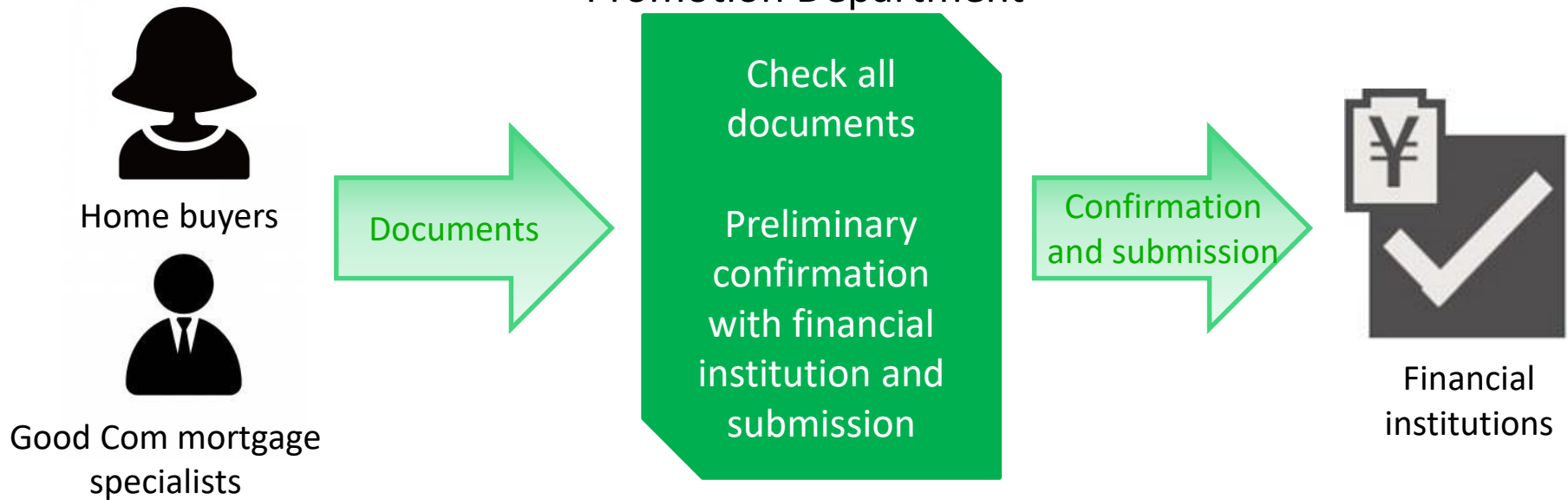
As more Japanese companies hire foreign workers, demand for one-room condominiums is expected to continue to increase.

Reference: A single channel for obtaining a mortgage from a financial institution



A checking system by using the Mortgage Loan and Business Promotion Department **for all mortgage procedures with financial institutions**

Mortgage Loan and Business
Promotion Department



No direct contact with financial institutions

Precautions

This presentation includes forward-looking statements that are based on the judgments of Good Com Asset by using information that is currently available. The outlook may become different due to changes in the economy, industries associated with Good Com Asset's business operations, the performance of Good Com Asset or other items. As a result, there are risks and uncertainties concerning these forward-looking statements and actual results of operations may differ from these statements.

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