

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending October 31, 2019  
(Three Months Ended January 31, 2019)**

[Japanese GAAP]  
March 11, 2019

Company name: Good Com Asset Co.,Ltd. Stock Exchange Listing: TSE (1st Section)  
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Scheduled date of filing of Quarterly Report: March 14, 2019  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes (Japanese version only)  
 Holding of quarterly financial results meeting: Yes (for securities analysts)  
*(All amounts are rounded down to the nearest million yen)*

**1. Consolidated Financial Results for the First Quarter (November 1, 2018 - January 31, 2019) of the  
Fiscal Year Ending October 31, 2019**

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jan. 31, 2019	3,446	(0.6)	292	(31.6)	276	(30.3)	187	(32.2)
Three months ended Jan. 31, 2018	3,467	37.7	427	190.9	396	208.1	277	236.0

Note: Comprehensive income (million yen) Three months ended Jan. 31, 2019: 187 (down 32.5%)  
 Three months ended Jan. 31, 2018: 277 (up 231.7%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2019	26.01	24.85
Three months ended Jan. 31, 2018	45.65	43.18

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jan. 31, 2019	11,350	6,074	53.5
As of Oct. 31, 2018	12,434	6,356	51.1

Reference: Shareholders' equity (million yen) As of Jan. 31, 2019: 6,074 As of Oct. 31, 2018: 6,356

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2018	-	0.00	-	35.00	35.00
Fiscal year ending Oct. 31, 2019	-	-	-	-	-
Fiscal year ending Oct. 31, 2019 (forecasts)	-	0.00	-	47.00	47.00

Note: Revision to the most recently announced dividend forecast: None

**3. Consolidated Forecast for the Fiscal Year Ending October 31, 2019 (November 1, 2018 - October 31, 2019)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	7,309	(23.1)	701	(29.3)	665	(28.0)	455	(28.4)	63.35
Full year	23,166	37.7	1,701	1.4	1,627	3.9	1,113	3.9	155.43

Note: Revision to the most recently announced consolidated forecast: None

Good Com Asset Co.,Ltd. (the "Company") has repurchased its own shares following the resolution approved by the Board of Directors on November 12, 2018. Net income per share forecast has been adjusted to reflect the stock repurchase.

## Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jan. 31, 2019:	7,289,800 shares	As of Oct. 31, 2018:	7,285,400 shares
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2) Number of treasury shares at the end of the period

As of Jan. 31, 2019:	150,220 shares	As of Oct. 31, 2018:	220 shares
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3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2019:	7,225,554 shares	Three months ended Jan. 31, 2018:	6,070,980 shares
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The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forward-looking statements

Outlook and other forward-looking statements in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

How to view supplementary information at the quarterly financial results meeting

The Company plans to hold financial results meeting for securities analysts on Monday, March 11, 2019.

Supplementary materials for the financial results meeting will be available on the Company's website immediately thereafter. Summary of the financial results meeting will be available on the Company's website at a later date. (Japanese versions only)

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

In the first quarter of the fiscal year ending October 31, 2019, the labor market and personal income continued to improve due to Japan's labor shortage and other reasons and consumer spending recovered slowly. As a result, corporate earnings were generally strong.

Japan's market for newly constructed condominiums is the primary business domain of the Good Com Asset Group. In the first quarter, the number of new condominiums in the Tokyo metropolitan area increased and the percentage of new condominiums sold in this area within one month of going on sale was 53.3%. This is well below the 70% level generally regarded as a sign of a strong condominium market. In the Tokyo metropolitan area, Tokyo accounted for a smaller share of new condominiums that went on sale and the number of these condominiums increased in other parts of this area. Furthermore, the percentage of condominiums sold within one month was high in Tokyo metropolitan area locations other than Tokyo. These figures are probably the result of the difficulty of purchasing land in Tokyo and the growth of land purchases for condominium developments in other locations. (Source: Real Estate Economic Institute Co., Ltd.)

The Good Com Asset Group continued to purchase properties as planned. In the Genovia series of condominiums, which are located mainly in Tokyo's 23 wards, planning, development and sales activities were expanded for the Genovia green veil and Genovia skygarden brands. We also reinforced the customer support framework and strengthened the Genovia brand.

During the first quarter, 122 condominium units in 9 buildings were sold. The buildings are Asakusa II (Taito-ku, Tokyo), Komagome Eki II (Bunkyo-ku, Tokyo), Shinjuku Waseda (Shinjuku-ku, Tokyo), Sumidagawa west (Arakawa-ku, Tokyo), Sumidabunka (Sumida-ku, Tokyo), Setagaya Sakuragaoka (Setagaya-ku, Tokyo), Asakusa Kuramae (Taito-ku, Tokyo), Akihabara (Taito-ku, Tokyo) and Higashi Mukojima (Sumida-ku, Tokyo).

Net sales decreased 0.6% year on year to 3,446 million yen. Operating profit decreased 31.6% to 292 million yen, ordinary profit decreased 30.3% to 276 million yen and profit attributable to owners of parent was down 32.2% to 187 million yen.

Results by business segment are as follows:

#### (a) Sales to individuals

This segment consists of sales of our Genovia series one-room and family condominiums to individual investors in Japan. During the first quarter, 51 condominium units were sold.

As a result, sales were 1,680 million yen, up 10.9% from one year earlier and segment profit decreased 35.2% to 115 million yen.

#### (b) Sales to real estate companies

This segment consists of sales of our Genovia series one-room condominiums to real estate sales companies in Japan. During the first quarter, 71 condominium units were sold.

As a result, sales were 1,610 million yen, down 10.2% from one year earlier, and segment profit decreased 35.6% to 109 million yen.

#### (c) Property management

Property management includes the management of Genovia series buildings and tenant-occupied condominium units. The occupancy rate was 100% at the end of all three months of the first quarter.

As a result, sales were 158 million yen, down 2.6% from one year earlier, and segment profit decreased 9.5% to 80 million yen.

(d) Overseas sales

There were no sales to individual investors in other countries during the first quarter.

As a result, there were no sales and a segment loss of 15 million yen, compared with a loss of 11 million yen one year earlier.

**(2) Explanation of Financial Position**

**Assets**

Total assets decreased 1,084 million yen, or 8.7%, from the end of the previous fiscal year to 11,350 million yen at the end of the first quarter of the current fiscal year. This was mainly due to a decrease in cash and deposits of 2,080 million yen while there were increases in advance payments-trade of 728 million yen, real estate for sale of 112 million yen, and long-term prepaid expenses included in the investments and other assets of 77 million yen.

**Liabilities**

Total liabilities decreased 802 million yen, or 13.2%, from the end of the previous fiscal year to 5,275 million yen. This was mainly due to decreases in current portion of long-term loans payable of 499 million yen, income taxes payable of 337 million yen, accrued consumption taxes included in other current liabilities of 276 million yen, and long-term loans payable of 40 million yen, while there were increases in short-term loans payable of 290 million yen and accounts payable-other included in other current liabilities of 58 million yen.

**Net assets**

Total net assets decreased 282 million yen, or 4.4%, from the end of the previous fiscal year to 6,074 million yen. The main factors include a 187 million yen increase in retained earnings due to the booking of profit attributable to owners of parent, which was partially offset by a 254 million yen decrease in retained earnings due to dividend payments and a 214 million yen increase in treasury shares.

Consequently, the equity ratio increased 2.4 percentage points from the end of the previous fiscal year to 53.5% at the end of the first quarter of the current fiscal year.

**(3) Explanation of Consolidated Forecast and Other Forward-looking Statements**

The Company maintains its first-half and full-year consolidated forecasts that were announced in the “Consolidated Financial Results for the Fiscal Year Ended October 31, 2018” on December 12, 2018.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	FY10/18 (As of Oct. 31, 2018)	First quarter of FY10/19 (As of Jan. 31, 2019)
<b>Assets</b>		
Current assets		
Cash and deposits	5,834,194	3,753,591
Real estate for sale	5,619,682	5,731,825
Real estate for sale in process	24,848	73,127
Advance payments-trade	729,715	1,458,669
Other	76,369	87,380
Total current assets	12,284,809	11,104,593
Non-current assets		
Property, plant and equipment	7,031	6,685
Intangible assets	1,433	1,328
Investments and other assets	141,573	237,423
Total non-current assets	150,038	245,437
Total assets	12,434,847	11,350,031
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	42,022	40,602
Short-term loans payable	292,230	582,387
Current portion of bonds	10,000	5,000
Current portion of long-term loans payable	3,460,649	2,961,529
Income taxes payable	435,385	97,637
Provision for bonuses	16,637	8,735
Provision for vacancy warranties	20,609	19,440
Other	549,165	350,062
Total current liabilities	4,826,699	4,065,394
Non-current liabilities		
Long-term loans payable	1,234,424	1,193,747
Other	17,027	16,593
Total non-current liabilities	1,251,451	1,210,340
Total liabilities	6,078,150	5,275,735
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,588,123	1,588,250
Capital surplus	1,496,623	1,496,750
Retained earnings	3,273,293	3,206,241
Treasury shares	(130)	(214,857)
Total shareholders' equity	6,357,910	6,076,385
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	869	192
Foreign currency translation adjustment	(2,081)	(2,281)
Total accumulated other comprehensive income	(1,212)	(2,089)
Total net assets	6,356,697	6,074,295
Total liabilities and net assets	12,434,847	11,350,031

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income****(Quarterly Consolidated Statement of Income)****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)	First three months of FY10/19 (Nov. 1, 2018 – Jan. 31, 2019)
Net sales	3,467,899	3,446,289
Cost of sales	2,699,951	2,773,950
Gross profit	767,947	672,339
Selling, general and administrative expenses	340,361	379,813
Operating profit	427,585	292,525
Non-operating income		
Interest income	9	7
Dividend income	138	151
Commission fee	573	686
Penalty income	198	835
Other	98	408
Total non-operating income	1,018	2,089
Non-operating expenses		
Interest expenses	31,640	17,725
Other	587	699
Total non-operating expenses	32,228	18,424
Ordinary profit	396,375	276,191
Profit before income taxes	396,375	276,191
Income taxes	119,232	88,261
Profit	277,142	187,929
Profit attributable to owners of parent	277,142	187,929

**(Quarterly Consolidated Statement of Comprehensive Income)**  
**(For the Three-month Period)**

	(Thousands of yen)	
	First three months of FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)	First three months of FY10/19 (Nov. 1, 2018 – Jan. 31, 2019)
Profit	277,142	187,929
Other comprehensive income		
Valuation difference on available-for-sale securities	(25)	(677)
Foreign currency translation adjustment	107	(200)
Total other comprehensive income	82	(877)
Comprehensive income	277,225	187,052
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	277,225	187,052
Comprehensive income attributable to non-controlling interests	-	-

**(3) Notes to Quarterly Consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Significant Changes in Shareholders' Equity**

Stock repurchase

The Company repurchased its own shares during the first quarter following the resolution approved at the Board of Directors meeting held on November 12, 2018. These purchases were completed on January 8, 2019.

- (1) Type of shares repurchased: Common shares of the Company  
 (2) Total number of shares repurchased: 150,000 shares  
 (3) Total value of shares repurchased: 214,726,700 yen  
 (4) Repurchase period: From December 13, 2018 to January 8, 2019  
 (5) Method of repurchase: Purchase on the Tokyo Stock Exchange

**Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

Calculation of tax expense

The tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the current fiscal year, and multiplying that rate by the quarterly profit before income taxes.

**Segment and Other Information**

Segment Information

I. First three months of FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)

1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total
	Sales to individuals	Sales to real estate companies	Property management	Overseas sales	
Net sales					
External sales	1,515,307	1,794,053	158,537	-	3,467,899
Inter-segment sales and transfers	-	-	3,959	-	3,959
Total	1,515,307	1,794,053	162,497	-	3,471,859
Segment profit (loss)	178,837	169,699	88,774	(11,476)	425,836

2. Reconciliation of reported quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	425,836
Elimination of inter-segment transactions	1,749
Operating profit on the quarterly consolidated statement of income	427,585

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

## II. First three months of FY10/19 (Nov. 1, 2018 – Jan. 31, 2019)

### 1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total
	Sales to individuals	Sales to real estate companies	Property management	Overseas sales	
Net sales					
External sales	1,680,744	1,610,951	154,593	-	3,446,289
Inter-segment sales and transfers	-	-	3,754	-	3,754
Total	1,680,744	1,610,951	158,348	-	3,450,044
Segment profit (loss)	115,839	109,251	80,379	(15,154)	290,315

### 2. Reconciliation of the amount shown in the quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	290,315
Elimination of inter-segment transactions	2,209
Operating profit on the quarterly consolidated statement of income	292,525

### 3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*