

**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending October 31, 2019
(Nine months Ended July 31, 2019)**

[Japanese GAAP]

September 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: September 13, 2019
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for individual investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter (November 1, 2018 - July 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	%
Nine months ended Jul. 31, 2019	16,287	16.4	1,145	(20.0)	1,053	(21.7)	718	(22.2)
Nine months ended Jul. 31, 2018	13,995	88.5	1,432	108.3	1,345	108.6	923	105.8

Note: Comprehensive income (million yen) Nine months ended Jul. 31, 2019: 718 (down 22.1%)
 Nine months ended Jul. 31, 2018: 921 (up 105.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jul. 31, 2019	100.16	95.75
Nine months ended Jul. 31, 2018	142.01	134.78

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jul. 31, 2019	13,909	6,607	47.5
As of Oct. 31, 2018	12,434	6,356	51.1

Reference: Shareholders' equity (million yen) As of Jul. 31, 2019: 6,607 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	-	0.00	-		
Fiscal year ending Oct. 31, 2019 (forecasts)				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
Full year	23,166	37.7	1,701	1.4	1,627	3.9	1,113	3.9	155.05

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

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 Jul. 31, 2019:	7,342,200 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 Jul. 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

Nine months ended Jul. 31, 2019:	7,174,665 shares	Nine months ended Jul. 31, 2018:	6,500,744 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 individual investors on Friday, September 13, 2019.

Supplementary materials for this meeting will be disclosed at the Timely Disclosure network (TDnet) with third quarter financial results, and will be available on the Company's website immediately thereafter.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first nine months of the fiscal year ending October 31, 2019, the outlook for the Japanese economy remained unclear due to heightened uncertainty in overseas economies as a result of the US-China trade friction and other factors, but the labor market and personal income continued to improve. Consequently, due to growth in consumer spending, the economy maintained a gradual recovery trend.

Moreover, regarding the impact of the consumption tax hike scheduled for October 2019, any large decline similar to that seen at the time of the previous consumption tax increase is likely to be avoided due to the introduction of a reduced tax rate.

Japan's market for newly constructed condominiums is the primary business domain of the Good Com Asset Group. During the fiscal year's first nine months, sales of new condominiums in the Tokyo metropolitan area, where the Group operates, remained weak. In the nine-month period ended in July 2019, the percentage of new condominiums in the Tokyo metropolitan area sold within one month of going on sale was 60.1%. At present, the current rate continues to remain below the 70% level that is generally regarded as a sign of a strong condominium market. (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, Genovia skygarden and Genovia skyrun brands. We also reinforced the customer support framework and strengthened the Genovia brand.

To support continued growth of our operations, we are conducting extensive recruiting activities for new college graduates and other people. We have also enlarged the head office and taken other actions to create a more pleasant and productive workplace environment.

During the first nine months, 614 condominium units in 21 buildings were sold. The buildings are Koenji (Nakano-ku, Tokyo), 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), Higashi Mukojima (Sumida-ku, Tokyo), Nerima Takanodai (Nerima-ku, Tokyo), Musashiseki Koen (Nerima-ku, Tokyo), Honhaneda (Ota-ku, Tokyo), Shinokachimachi (Taito-ku, Tokyo), Ueno (Taito-ku, Tokyo), Ikegami (Ota-ku, Tokyo), Suitengumae (Koto-ku, Tokyo), Shinjuku Nakaochiai (Shinjuku-ku, Tokyo), Kameido IV (Koto-ku, Tokyo), Ojikamiya (Adachi-ku, Tokyo) and Shumida Yahiro (Sumida-ku, Tokyo).

Net sales increased 16.4% year on year to 16,287 million yen. Operating profit decreased 20.0% to 1,145 million yen, ordinary profit decreased 21.7% to 1,053 million yen and profit attributable to owners of parent was down 22.2% to 718 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 nine months, 142 condominium units were sold.

As a result, sales were 4,709 million yen, down 2.5% from one year earlier, and segment profit decreased 79.0% to 96 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 nine months, 472 condominium units were sold.

As a result, sales were 11,044 million yen, up 27.2% from one year earlier, and segment profit increased 8.9% to 802 million yen.

(c) Property management

Property management includes the management of Genovia series buildings and tenant-occupied condominium units.

Due to the demand from companies for employee housing and the launch of the new “skyrun” brand featuring “dog run” rooftop dog parks, the occupancy rate remained at almost 100%.

As a result, sales were 548 million yen, up 11.6% from one year earlier, and segment profit increased 0.8% to 271 million yen.

(d) Overseas sales

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

As a result, there was a segment loss of 36 million yen, compared with a loss of 40 million yen one year earlier.

(2) Explanation of Financial Position

Assets

Total assets increased 1,475 million yen, or 11.9%, from the end of the previous fiscal year to 13,909 million yen at the end of the third quarter of the current fiscal year.

This was mainly due to increases in real estate for sale of 2,474 million yen and advance payments-trade of 386 million yen while there was a decrease in cash and deposits of 1,702 million yen.

Liabilities

Total liabilities increased 1,224 million yen, or 20.1%, from the end of the previous fiscal year to 7,302 million yen.

This was mainly due to decreases in income taxes payable of 271 million yen and accrued consumption taxes included in other current liabilities of 288 million yen, while there were increases in short-term loans payable of 392 million yen, current portion of long-term loans payable of 326 million yen and long-term loans payable of 963 million yen.

Net assets

Total net assets increased 250 million yen, or 3.9%, from the end of the previous fiscal year to 6,607 million yen.

The main factors include a 718 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 was 47.5% at the end of the third quarter of the current fiscal year.

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

The Company maintains its full-year consolidated forecast that was 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)	Third quarter of FY10/19 (As of Jul. 31, 2019)
Assets		
Current assets		
Cash and deposits	5,834,194	4,131,387
Real estate for sale	5,619,682	8,094,018
Real estate for sale in process	24,848	44,567
Advance payments-trade	729,715	1,116,659
Other	76,369	258,716
Total current assets	12,284,809	13,645,349
Non-current assets		
Property, plant and equipment	7,031	44,447
Intangible assets	1,433	1,118
Investments and other assets	141,573	218,958
Total non-current assets	150,038	264,524
Total assets	12,434,847	13,909,873
Liabilities		
Current liabilities		
Accounts payable for construction contracts	42,022	102,792
Short-term loans payable	292,230	685,136
Current portion of bonds	10,000	-
Current portion of long-term loans payable	3,460,649	3,786,925
Income taxes payable	435,385	163,802
Provision for bonuses	16,637	8,148
Provision for vacancy warranties	20,609	28,497
Other	549,165	310,922
Total current liabilities	4,826,699	5,086,224
Non-current liabilities		
Long-term loans payable	1,234,424	2,198,294
Other	17,027	18,290
Total non-current liabilities	1,251,451	2,216,584
Total liabilities	6,078,150	7,302,809
Net assets		
Shareholders' equity		
Capital stock	1,588,123	1,588,977
Capital surplus	1,496,623	1,497,477
Retained earnings	3,273,293	3,736,934
Treasury shares	(130)	(214,857)
Total shareholders' equity	6,357,910	6,608,532
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	869	1,054
Foreign currency translation adjustment	(2,081)	(2,522)
Total accumulated other comprehensive income	(1,212)	(1,468)
Total net assets	6,356,697	6,607,064
Total liabilities and net assets	12,434,847	13,909,873

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

(Thousands of yen)

	First nine months of FY10/18 (Nov. 1, 2017 – Jul. 31, 2018)	First nine months of FY10/19 (Nov. 1, 2018 – Jul. 31, 2019)
Net sales	13,995,369	16,287,934
Cost of sales	11,462,562	13,853,192
Gross profit	2,532,806	2,434,741
Selling, general and administrative expenses	1,100,763	1,289,639
Operating profit	1,432,043	1,145,101
Non-operating income		
Interest income	33	36
Dividend income	287	316
Commission fee	1,784	2,189
Penalty income	2,122	4,777
Other	2,076	894
Total non-operating income	6,304	8,213
Non-operating expenses		
Interest expenses	72,304	77,325
Commission fee	860	21,566
Share issuance cost	19,186	262
Other	514	269
Total non-operating expenses	92,864	99,425
Ordinary profit	1,345,482	1,053,890
Profit before income taxes	1,345,482	1,053,890
Income taxes	422,326	335,267
Profit	923,156	718,622
Profit attributable to owners of parent	923,156	718,622

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

	(Thousands of yen)	
	First nine months of FY10/18 (Nov. 1, 2017 – Jul. 31, 2018)	First nine months of FY10/19 (Nov. 1, 2018 – Jul. 31, 2019)
Profit	923,156	718,622
Other comprehensive income		
Valuation difference on available-for-sale securities	(971)	184
Foreign currency translation adjustment	(336)	(440)
Total other comprehensive income	(1,308)	(255)
Comprehensive income	921,848	718,366
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	921,848	718,366
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 nine months 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 nine months of FY10/18 (Nov. 1, 2017 – Jul. 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	4,830,708	8,684,659	480,000	-	13,995,369
Inter-segment sales and transfers	-	-	11,910	-	11,910
Total	4,830,708	8,684,659	491,911	-	14,007,279
Segment profit (loss)	460,392	737,234	269,370	(40,207)	1,426,789

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	1,426,789
Elimination of inter-segment transactions	5,254
Operating profit on the quarterly consolidated statement of income	1,432,043

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 nine months of FY10/19 (Nov. 1, 2018 – Jul. 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	4,709,649	11,044,862	533,421	-	16,287,934
Inter-segment sales and transfers	-	-	15,533	-	15,533
Total	4,709,649	11,044,862	548,955	-	16,303,467
Segment profit (loss)	96,789	802,613	271,609	(36,537)	1,134,475

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	1,134,475
Elimination of inter-segment transactions	10,625
Operating profit on the quarterly consolidated statement of income	1,145,101

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.