

December 11, 2019



# Results of Operations for the Fiscal Year Ended October 31, 2019

**Good Com Asset Co., Ltd.**

Code: 3475 (Listed on TSE First Section)



# Good Com Asset Co., Ltd.

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\* Figures are on a consolidated basis unless otherwise stated.

## Both sales and earnings increased to a record high

- Net sales: ¥23,376 million (up 39.0% YoY), Operating profit: ¥1,755 million (up 4.6% YoY), Ordinary profit: ¥1,650 million (up 5.3% YoY), Profit: ¥1,127 million (up 5.2% YoY)
- Total of sales to individuals and sales to real estate companies were 850 units
  - For sales to individuals, sales activities were increased for residences for families
- 25 buildings (total of 1,011 units) were purchased as real estate for sale
  - Purchases were backed by even better access to credit resulting from progress with improving financial soundness and increasing sales
- Forecast sales and earnings growth of more than 30% in FY10/20 (sales of 1,003 units)
  - Anticipate growth along with workforce growth, the start of new businesses and purchases of properties in Tokyo's 23 wards

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# I. FY10/19 Financial Summary

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## Big increase in sales as in the forecast

Millions of yen	FY10/18	FY10/19		
	Results	Forecast	Results	YoY change
Net sales	16,817	23,166	23,376	Up 39.0%
Cost of sales	13,640	-	19,883	-
SG&A expenses	1,498	-	1,737	-
Operating profit	1,678	1,701	1,755	Up 4.6%
Ordinary profit	1,567	1,627	1,650	Up 5.3%
Profit	1,071	1,113	1,127	Up 5.2%

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

### Factors impacting higher sales

- Sales to individuals: 205 units vs. 207 units one year earlier  
Includes an increase in family unit sales from 37 to 90 units
- Sales to real estate companies: 645 units vs. 419 units one year earlier

### Factors impacting higher cost of sales ratio

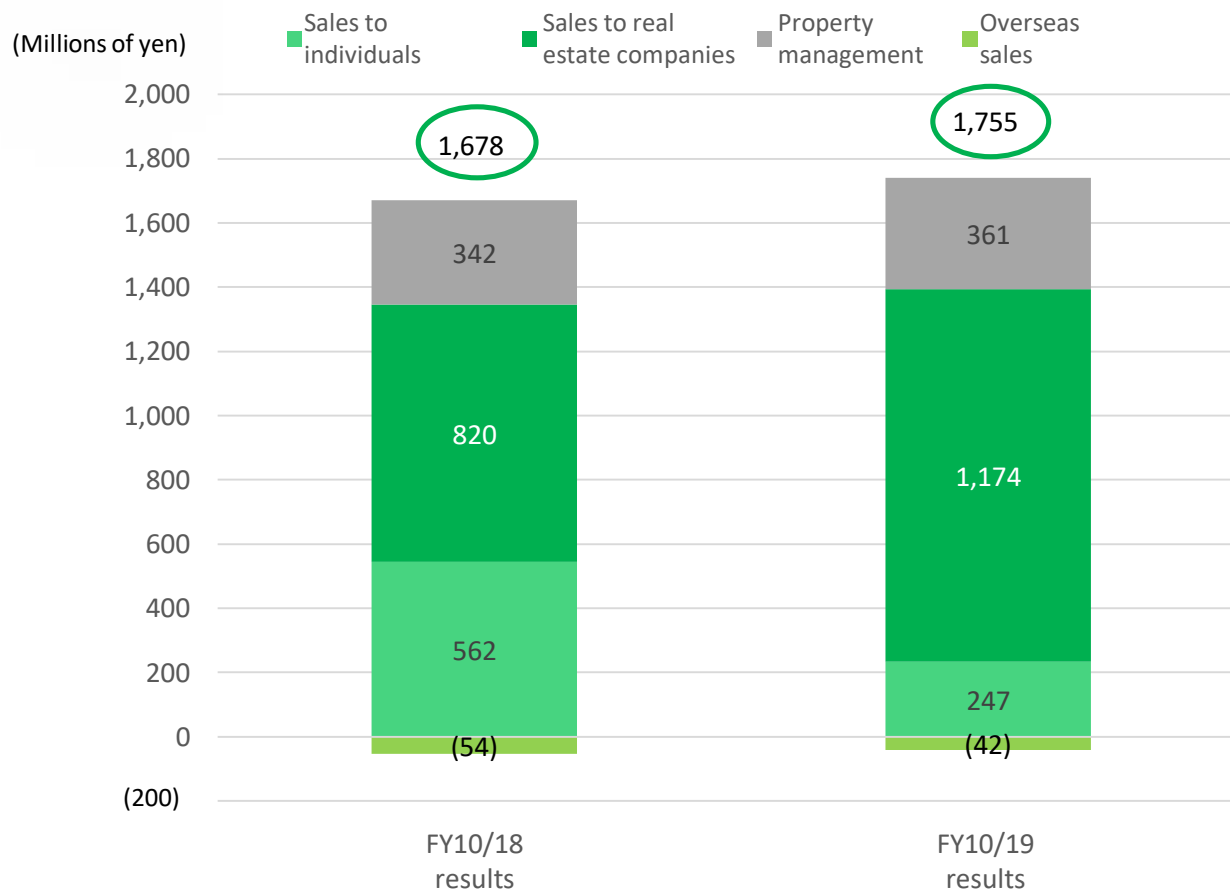
- The percentage of properties sold to real estate companies increased because of strong demand for properties at these companies.

# Analysis of Sales vs. Prior Year



Usually, most condominium units for families are sold at cost to real estate companies because the prices of these units are higher than for one-room condominiums. However, Good Com instead places priority on **sales of these family residences** to individuals because of the high profit per unit and **the high efficiency of sales activities** for these units. Good Com plans to continue to **make residences for families the primary component** of sales to individuals.

# Analysis of Operating Profit vs. Prior Year



Although the higher pct. of sales to real estate companies brought by strong interest among prospective companies negatively affected profitability, **operating profit increased** because of sales growth.

## Focusing on purchasing properties for future sales growth

Millions of yen	As of Oct. 31, 2018	As of Oct. 31, 2019	YoY change
<b>Current assets</b>	12,284	14,900	2,615
Cash and deposits	5,834	4,979	(854)
Inventories	5,644	8,577	2,932
<b>Non-current assets</b>	150	291	141
<b>Total assets</b>	12,434	15,191	2,756
<b>Liabilities</b>	6,078	8,174	2,096
Interest-bearing debt	4,997	7,309	2,312
<b>Net assets</b>	6,356	7,017	660
<b>Total liabilities and net assets</b>	12,434	15,191	2,756
<b>Equity ratio</b>	51.1%	46.2%	(4.9)pt
<b>Dependence on interest-bearing debt</b>	40.2%	48.1%	7.9pt

### Factors impacting a decrease in cash and deposits

Payments of purchase deposits increased due to the growth of property acquisitions

### Factors impacting an increase in inventories

Along with the growth of property acquisitions

Purchased 1,011 condominium units

### Factors impacting an increase in interest-bearing debt

Additional loans to fund the larger volume of property acquisitions

### Factors impacting lower equity ratio

Additional loans to fund the larger volume of property acquisitions



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## II. Characteristics of Business Activities

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# The Good Com Genova Series of Condominiums



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

## Consistent design themes for high asset value

GENOVIA Nerima  
Takanodai skyrun



GENOVIA Higashi  
Mukojima skygarden



GENOVIA Saginomiya  
skygarden



- All properties have similar exteriors, entrances, entrance halls and other features
- The consistency of Genovaia building designs makes it easier to attract repeat buyers and use the same construction companies
- 64.0% of projects used a construction company for at least the second time and 30.7% of buyers had purchased a Good Com condominium before

## Environmentally responsible “green” designs

GENOVIA Shinjuku  
Waseda green veil



GENOVIA Komagome Eki II  
green veil



- A wall of vegetation on the first floor (“green veil” brand)
- Rooftop greenery (“skygarden” brand)
- A dog run on the roof (“skyrun” brand)

## Condominium unit configurations, price range and location

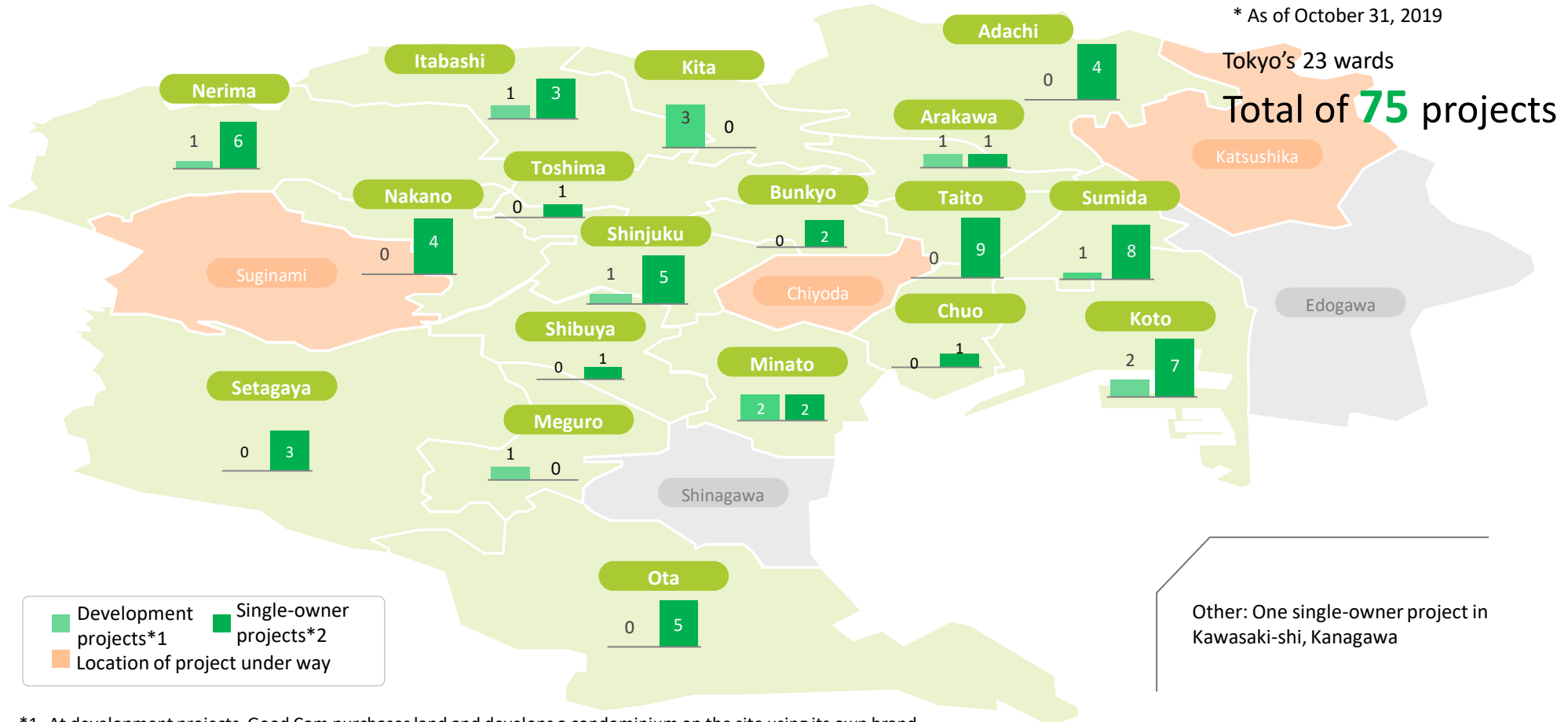
- A large selection of properties: Buildings have 1K, 1LDK and 2LDK configurations; Leased area is 20m<sup>2</sup> to 60m<sup>2</sup>; Prices are between about ¥20 million and ¥50 million
- Location: Mainly in Tokyo’s 23 wards and on sites within a 10-minute walk of a train station (Good Com does not purchase existing condominium buildings)
- All Genovaia series condominium units are sold as investments

\*Performance in 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



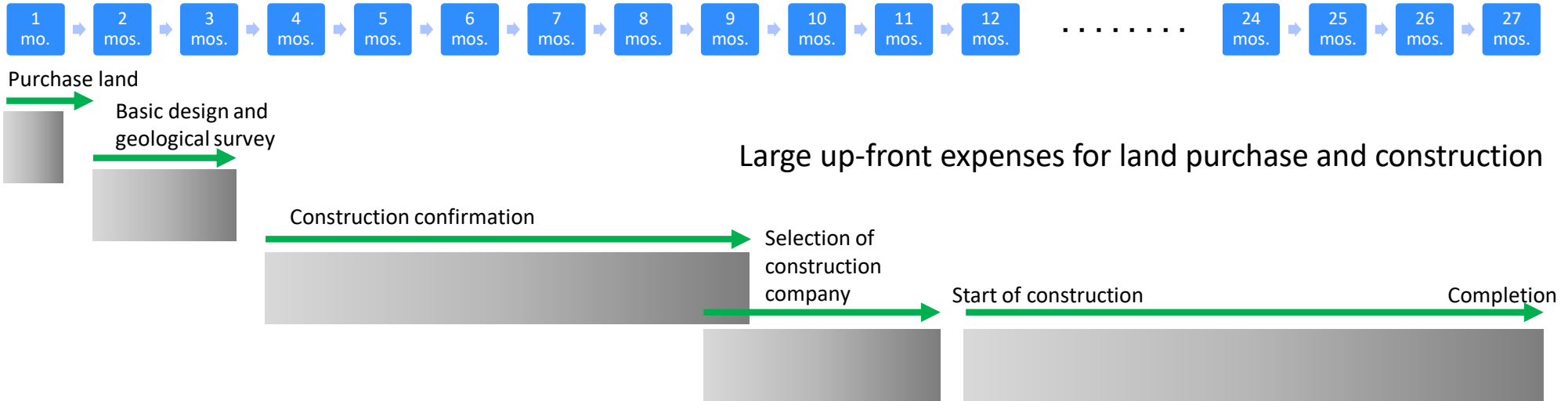
\*1 At development projects, Good Com purchases land and develops a condominium on the site using its own brand.

\*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.

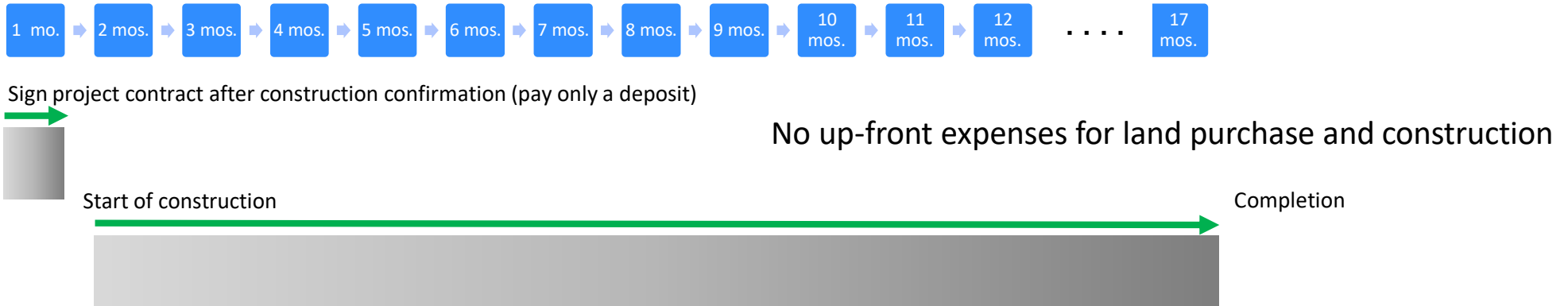
# Scheme for Using Single-owner Projects for More Efficient Use of Capital

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

## Timetable of a typical development project



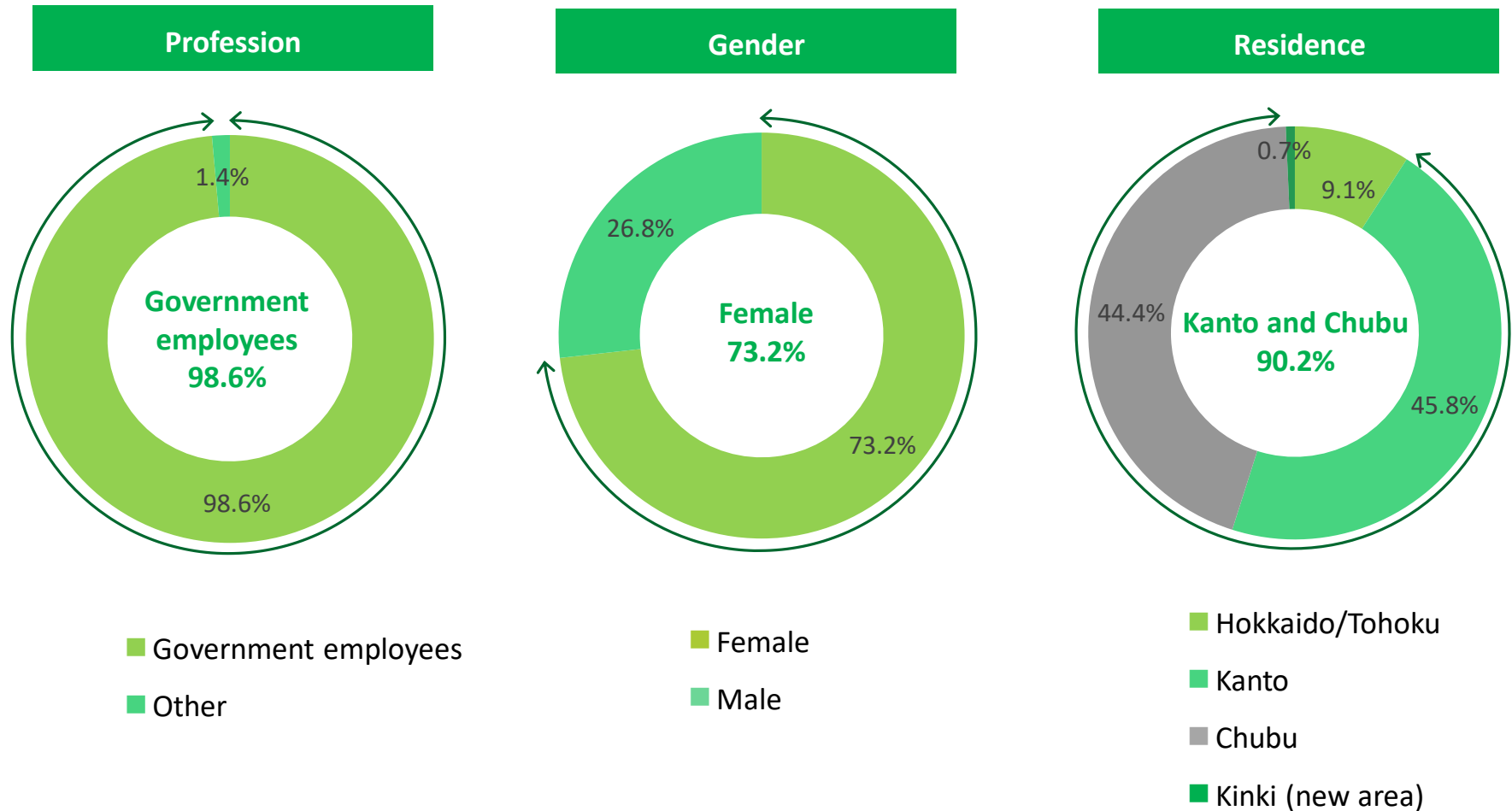
## Timetable of a single-owner project



# Customer Attributes (1)



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

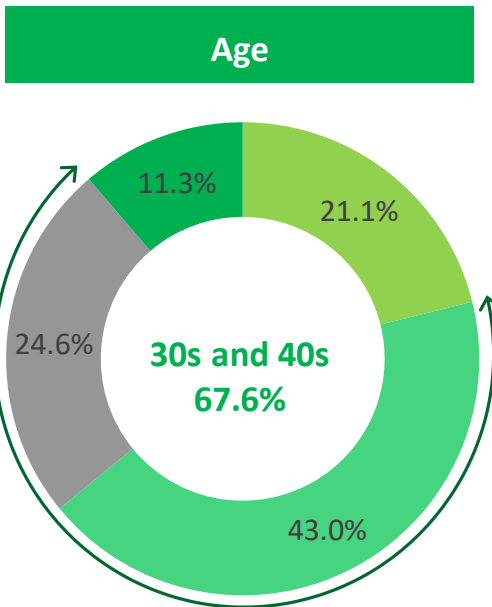


\* FY10/19 sales to individuals in Japan

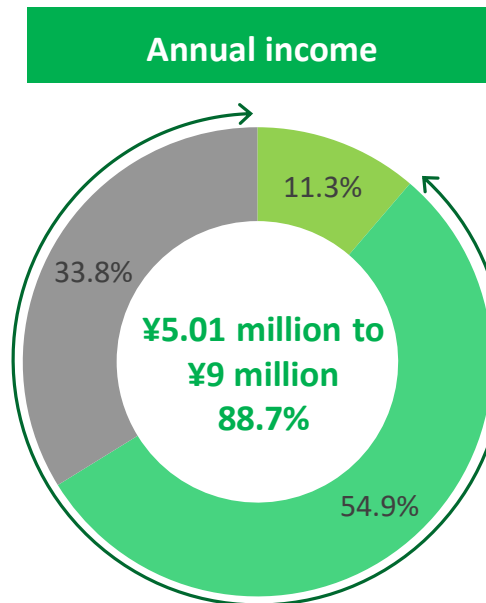
# Customer Attributes (2)



Major customers are people **age 30-49** with a steady income



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



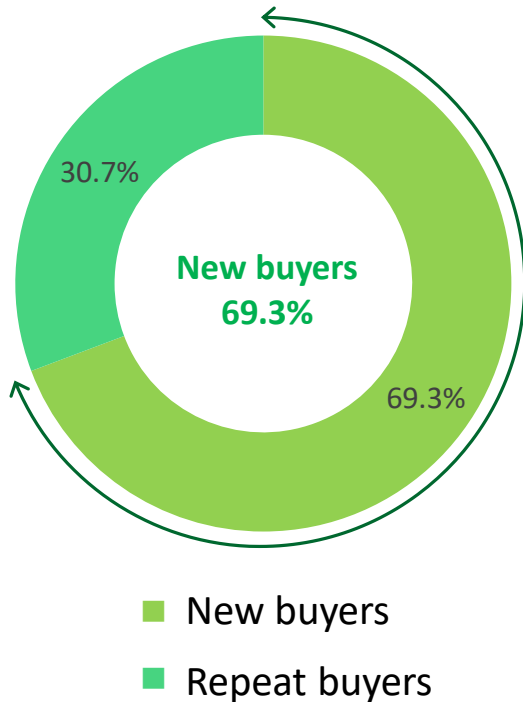
- Up to ¥5 million
- ¥5.01 million to ¥7 million
- ¥7.01 million to ¥9 million

\* FY10/19 sales to individuals in Japan

# Repeat Buyers and Occupancy Rate

Increase in **new buyers** due to sales channel expansion

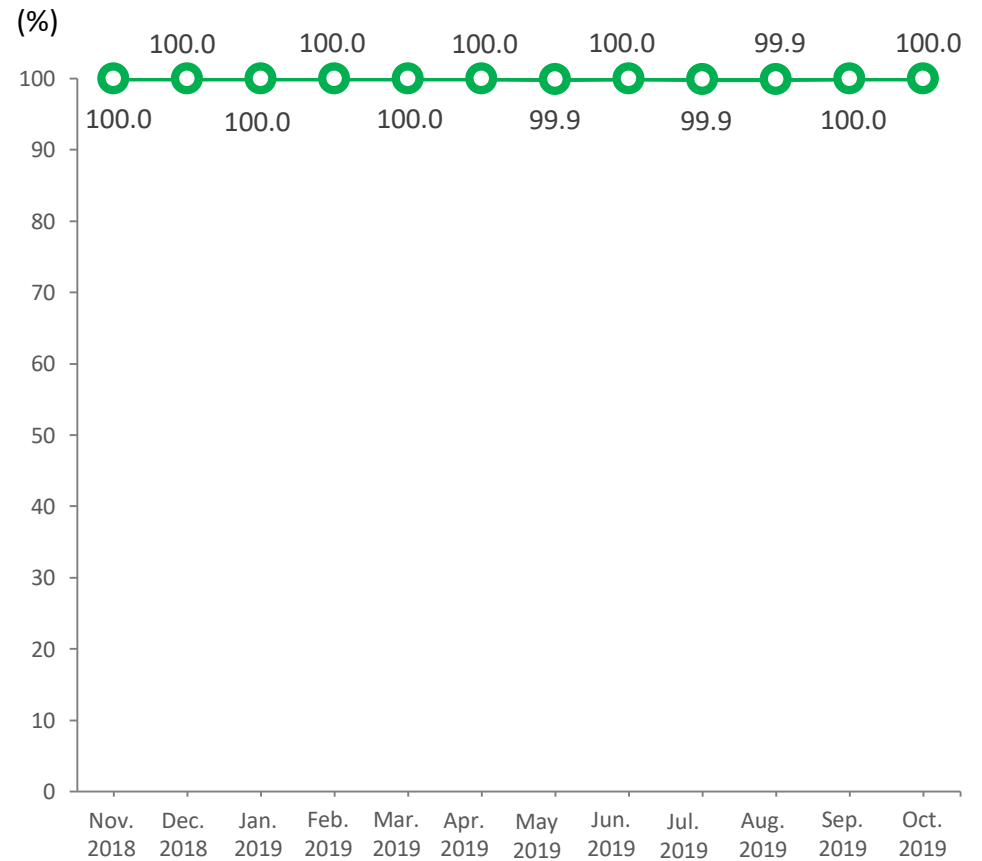
Share of new and repeat buyers



\* FY10/19 sales to individuals in Japan

Consistently high occupancy because of **demand from companies for employee housing and other reasons**

Occupancy rate



\* 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)






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



**Keidanren**  
Policy & Action

**Selected as a stock eligible for margin  
trading, which is expected to increase  
the liquidity of Good Com stock**



2019年10月30日

各 位

会 社 名 株式会社グッドコムアセット  
代 表 者 名 代表取締役社長 長嶋 義和  
(コード：3475 東証第一部)  
問 い 合 わ せ 先 上席執行役員経営企画部長 河合 能洋  
(TEL：03-5338-0170)

**当社株式の貸借銘柄選定に関するお知らせ**

当社株式は、東京証券取引所市場第一部の制度信用銘柄に選定されておりますが、この度、新たに貸借銘柄に選定されましたので、お知らせいたします。

選定日は、2019年10月31日（木）であり、同日の売買分から実施されます。

今回の貸借銘柄への選定は、当社株式の流動性及び需給関係の向上を促進し、売買活性化と公正な価格形成に資するものと考えております。

今後とも株主の皆様の一層のご支援を賜りますようお願い申し上げます。

以上

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## III. FY10/20 Earnings Forecast

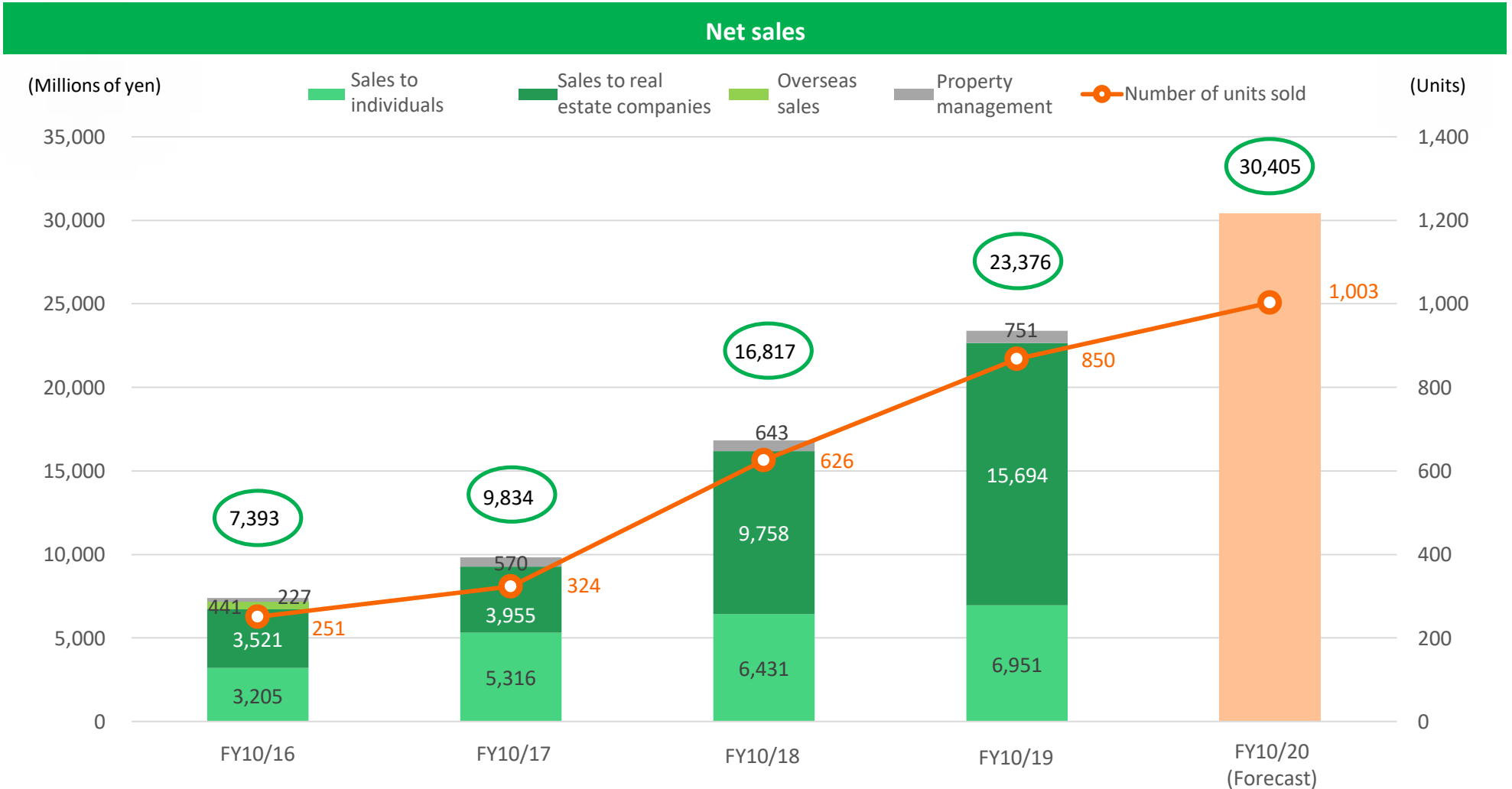
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# Consolidated Statement of Income

Forecast sales and earnings growth of more than **30%** and sales of more than **1,000** condominium units

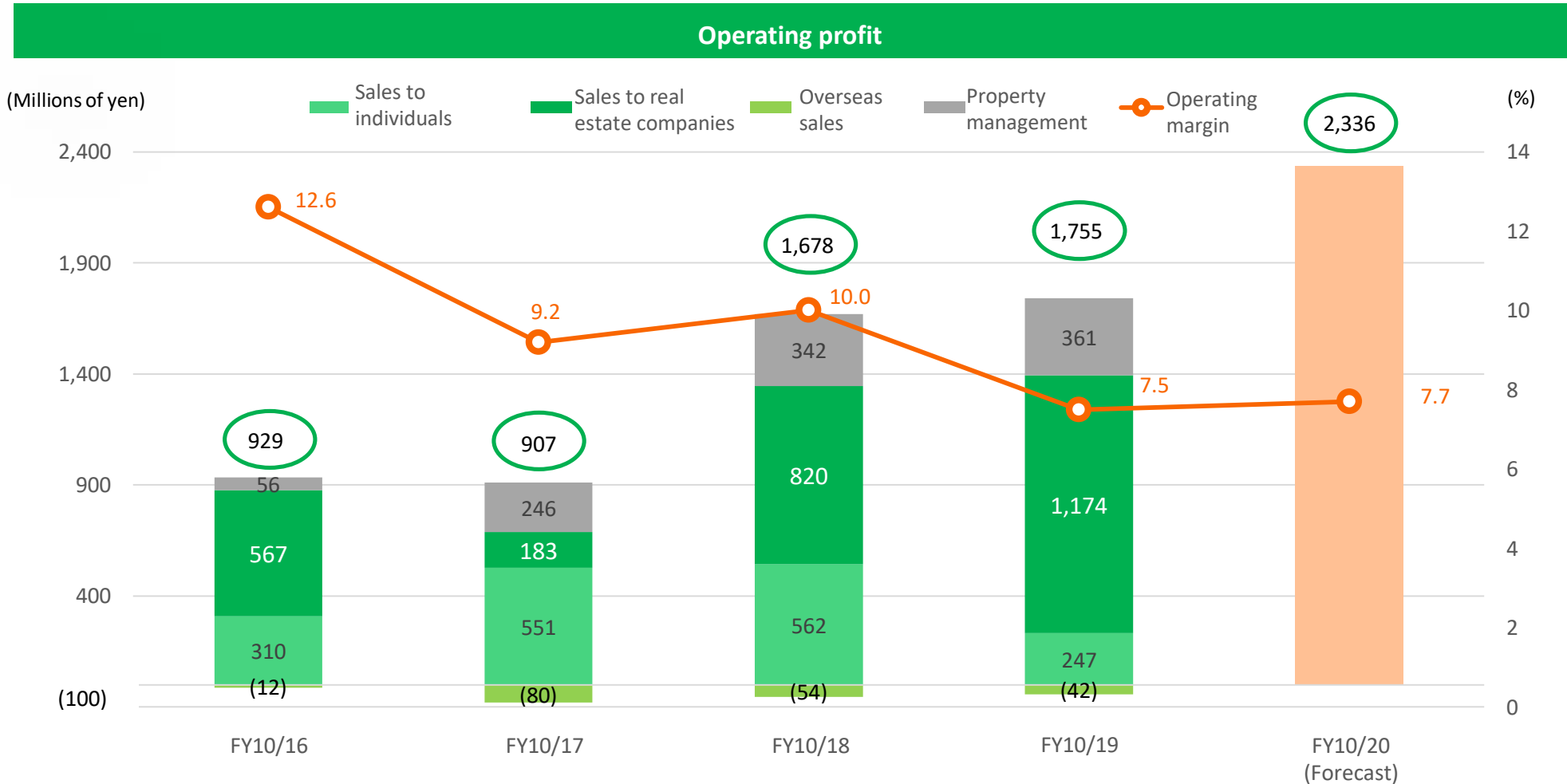
Millions of yen	FY10/19		FY10/20		
	Results	Comp.	Forecast	Comp.	YoY change
<b>Net sales</b>	23,376	100.0%	30,405	100.0%	Up 30.1%
<b>Operating profit</b>	1,755	7.5%	2,336	7.7%	Up 33.1%
<b>Ordinary profit</b>	1,650	7.1%	2,188	7.2%	Up 32.6%
<b>Profit</b>	1,127	4.8%	1,482	4.9%	Up 31.5%
<b>Net income per share (yen)</b>	157.01	-	205.99	-	Up 31.2%
<b>Number of units sold (units)</b>	850	-	1,003	-	Increased 153 units

## 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.

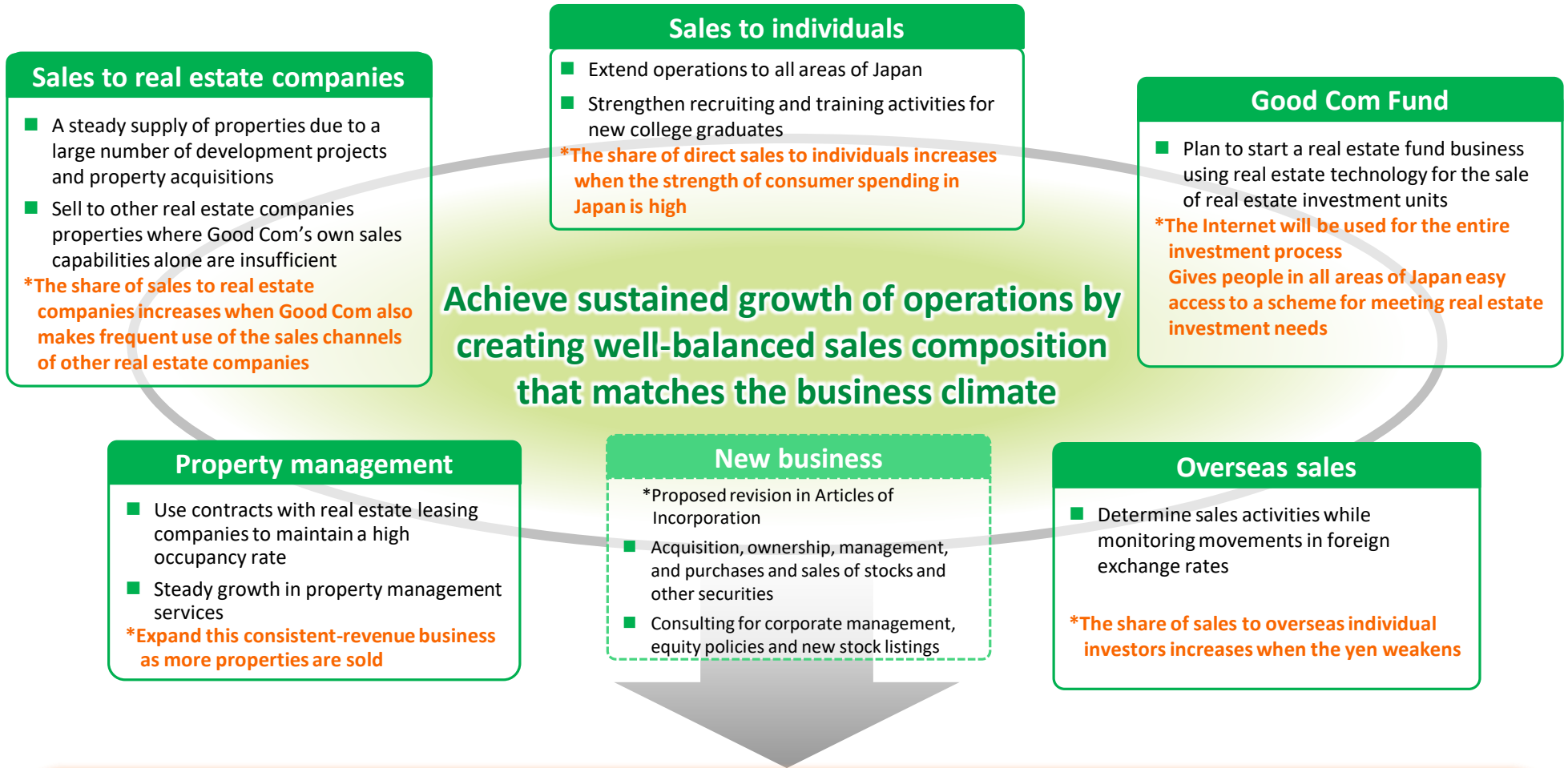
## A consistently large volume of property acquisitions

### Properties for sale and properties acquired

Property name	Location	Number of units	Completion (plan)	Property name	Location	Number of units	Completion (plan)	Property name	Location	Number of units	Completion (plan)
Shinjuku	Shinjuku-ku	47	-	Ojikamiya	Adachi-ku	81	-	(Tentative name) Ryogoku V	Sumida-ku	32	May 2020
Higashi-Nihombashi Ekimae	Chuo-ku	80	-	Ueno II	Taito-ku	29	-	(Tentative name) Yotsuya 3-chome	Shinjuku-ku	73	Jun. 2020
Koenji	Nakano-ku	20	-	Saginomiya	Nakano-ku	57	-	(Tentative name) Kiba	Koto-ku	24	Jul. 2020
Asakusa II	Taito-ku	63	-	Sumidagawa east	Adachi-ku	59	-	(Tentative name) Minami-Senju	Taito-ku	30	Aug. 2020
Todaimae	Bunkyo-ku	39	-	Okachimachi	Taito-ku	27	-	(Tentative name) Minowa II	Taito-ku	68	Aug. 2020
Megurominami	Meguro-ku	39	-	Kinshicho	Sumida-ku	27	-	(Tentative name) Ryogoku IV	Sumida-ku	19	Sep. 2020
Kameidosuijin	Sumida-ku	57	-	(Tentative name) Tabata III	Kita-ku	38	-	(Tentative name) Asakusa V	Taito-ku	49	Sep. 2020
Komagome Eki	Kita-ku	48	-	(Tentative name) Tsurumi Ichiba	Yokohama-shi	65	Jan. 2020	(Tentative name) Ogikubo	Suginami-ku	19	Oct. 2020
Sangenjaya	Setagaya-ku	50	-	(Tentative name) Sasazuka	Shibuya-ku	43	Jan. 2020	(Tentative name) Minami-Senju II	Taito-ku	30	Dec. 2020
Komagome Eki II	Bunkyo-ku	39	-	(Tentative name) Asakusa IV	Taito-ku	49	Feb. 2020	(Tentative name) Ogikubo II	Suginami-ku	24	Dec. 2020
Kameidosuijin II	Sumida-ku	42	-	(Tentative name) Sakurajosui	Suginami-ku	40	Feb. 2020	(Tentative name) Higashi-Asakusa	Taito-ku	78	Dec. 2020
Shinjuku Waseda	Shinjuku-ku	65	-	(Tentative name) Kinshicho II	Sumida-ku	40	Feb. 2020	(Tentative name) Monzennakacho	Koto-ku	80	Feb. 2021
Asakusa Kuramae	Taito-ku	44	-	(Tentative name) Ueno III	Taito-ku	36	Mar. 2020	(Tentative name) Kamata	Ota-ku	30	Feb. 2021
Akihabara	Taito-ku	29	-	(Tentative name) Tateishi	Katsushika-ku	56	Mar. 2020	(Tentative name) Asakusabashi II	Taito-ku	49	Apr. 2021
Higashi-Mukojima	Sumida-ku	90	-	(Tentative name) Shibaura	Minato-ku	29	Mar. 2020	(Tentative name) Minami-Sunamachi	Koto-ku	52	Apr. 2021
Shin-Okachimachi	Taito-ku	24	-	(Tentative name) Minowa	Taito-ku	60	Apr. 2020				
Ueno	Taito-ku	24	-	(Tentative name) Kannai	Yokohama-shi	38	Apr. 2020				
Shinjuku Nakaochiai	Shinjuku-ku	34	-	(Tentative name) Kannai II	Yokohama-shi	38	Apr. 2020				
Honhaneda	Ota-ku	94	-	(Tentative name) Higashi-Kanda	Chiyoda-ku	130	May 2020				

\*As of December 6, 2019

## Transparency and distinctive well-balanced operations



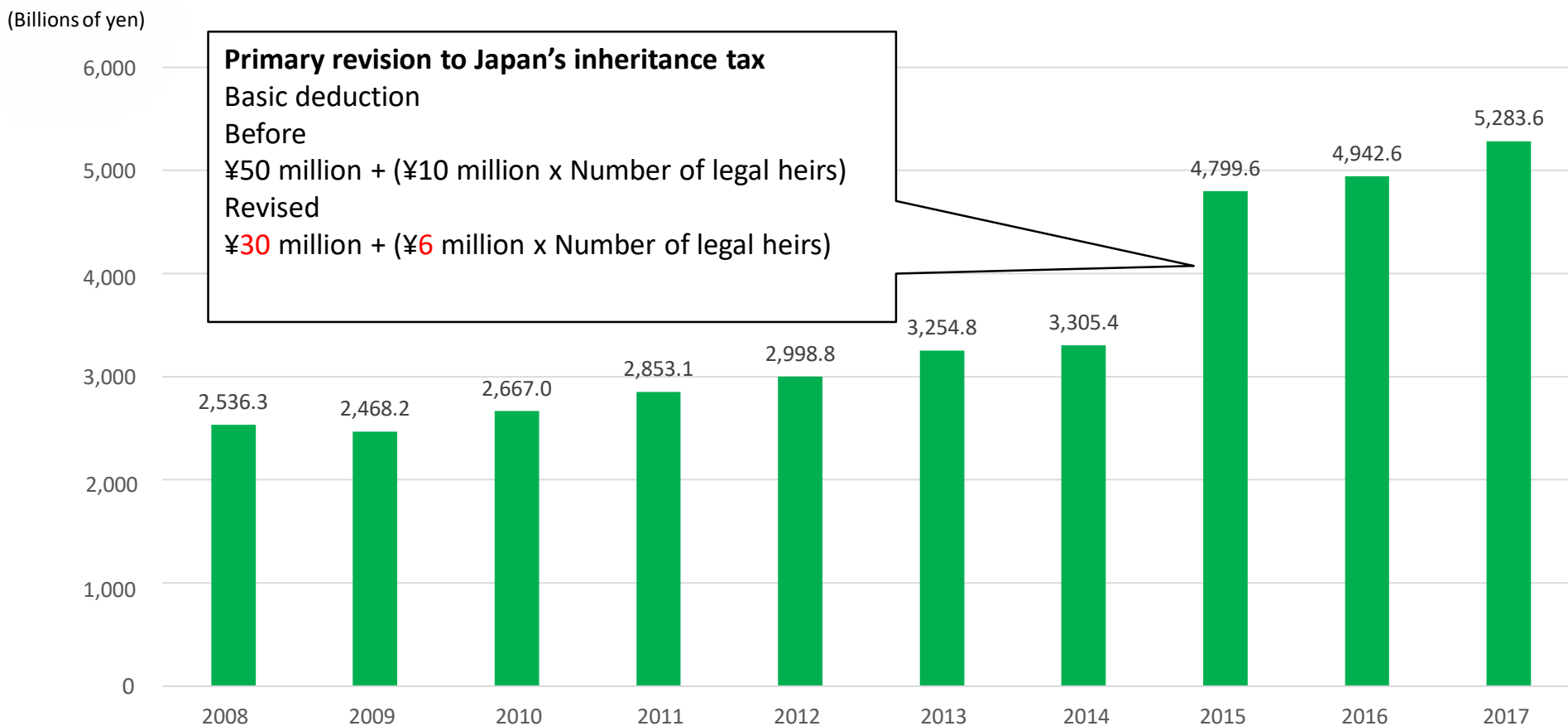
The goal is market capitalization of ¥100 billion by FY10/26



Everything from finalizing contracts to payments on **the Internet**

- For **people unable to buy life insurance** due to a chronic medical condition or **unable to purchase real estate** due to a high price
  - An easy real estate investment that does not require a mortgage loan
  
- Includes **property ownership** that can be **passed on to an heir**
  - Appraised value is less than the equivalent amount of cash, which reduces inheritance and gift taxes
  
- An **easily accessible real estate investment** for people anywhere in Japan
  - Investment units will be sold to people in the Kanto region, Good Com's main business area, as well as in all other regions of Japan

## Growth of Cash and Other Inheritances in Japan

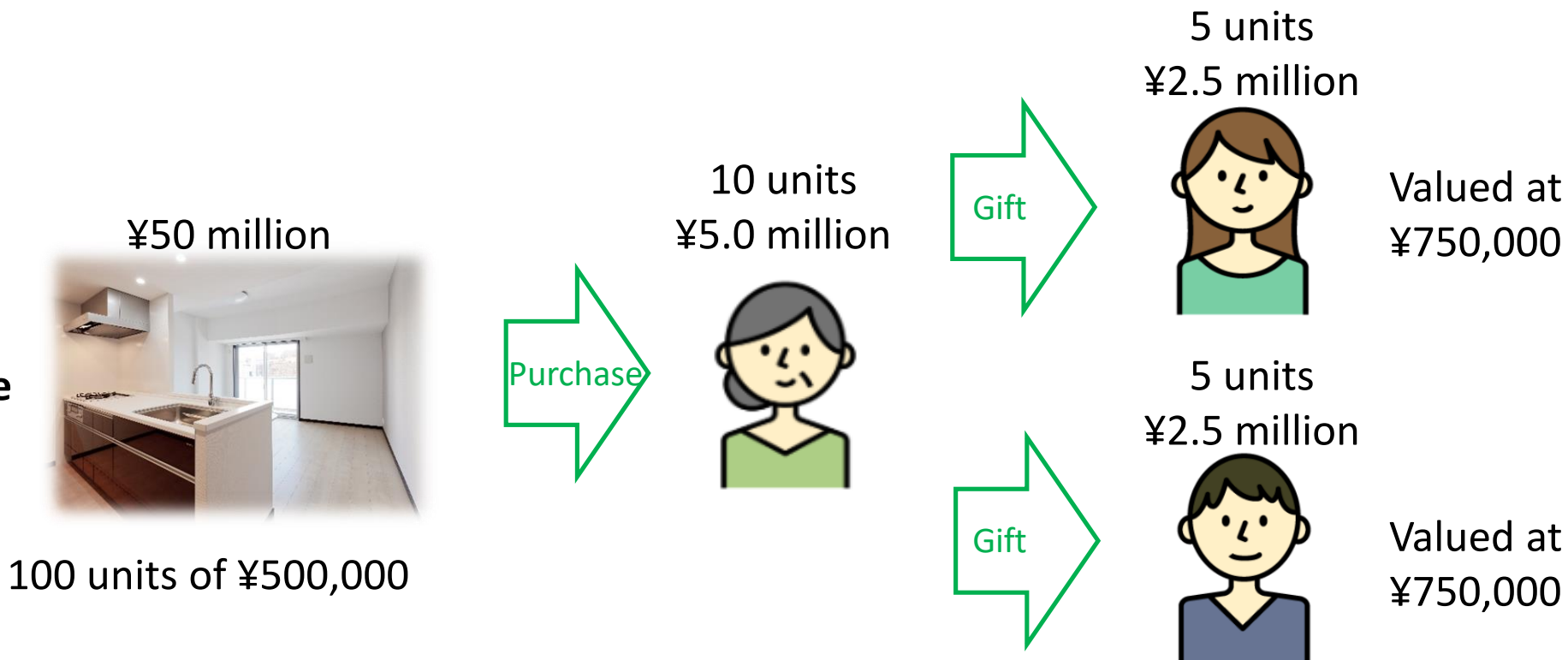


Source: Prepared by Good Com based on data of National Tax Agency

**The inheritance tax basic deduction resulted in a big increase in the value of assets passed on to heirs beginning in 2015. Inheritance assets surpassed ¥5 trillion in 2017. Shifting assets from cash to investment real estate, which allows a reduction in value for the calculation of inheritance taxes, is expected to continue to increase.**

## Asset value for inheritance tax determination is reduced by shifting assets from cash to real estate

### Example



Investment units in small amounts make it easy to give money to people as a gift and can reduce the likelihood of family disputes regarding inheritances.

\*These figures are provided solely for reference. Each individual should consult a tax accountant or other professional for estate planning.

## The First Good Com Fund Seminar

**A thorough explanation of real estate fund investing with small investment units by using crowdfunding**

**- An opportunity for everyone that is easily accessible at any time and place -**

**Date and Time: 14:00-16:00 Saturday, January 25, 2020**

**Place: 5F, Sumitomo Fudosan Shinjuku Grand Tower, 8-17-1,  
Nishi-shinjuku, Shinjuku-ku, Tokyo  
BELLESALLE Shinjuku Grand Conference Center**

**The featured speaker is expected to be **Hideo Higashikokubaru**,  
a well-known entertainer who became a politician**

(URL <https://goodcom.fund/>)



**← Scan here for seminar information**

## Dividend Policy

Good Com determines the dividend based on results of operations and financial soundness as well as the need to retain earnings for strengthening business operations and making expenditures for growth in the future. The basic policy is to pay a dividend every fiscal year with **a payout ratio of 30%** as the guideline.

		FY10/18 Results	FY10/19 Forecasts	FY10/20 Forecasts
Dividend per share (Yen) *Only a year-end dividend	Ordinary dividend	25	47	61
	Commemorative dividend	10	-	-
	<b>Total</b>	35	47	61
<b>Total amount of dividends (Million yen)</b>		254	338	438
<b>Net income per share (Yen)</b>		159.99	157.01	205.99
<b>Payout ratio (%)</b>		21.9	29.9	29.6

\*The FY10/18 commemorative dividend is for the Tokyo Stock Exchange First Section listing.

\*The FY10/19 dividend requires approval at the shareholders meeting that will be held in January 2020.

## Special Benefits for Shareholders

Good Com has switched to a **point system** for shareholder benefits in order to make Good Com stock even more attractive and increase the number of investors who hold this stock for many years. Shareholders can exchange these points for a variety of items, which results in greater convenience and flexibility.

Number of shares held	Points granted (twice each year)		Distribution of points
	October	April	
100-499 shares	2,000 points	2,000 points	End of May and end of November each year
500-999 shares	15,000 points	15,000 points	
1,000 shares and more	30,000 points	30,000 points	

\*Points are valid for three years and can be carried forward over a maximum of five six-month periods. Carrying points over to the next period requires holding at least 100 shares in the same registered shareholder number. Points are canceled when the registration of stock is changed to a different shareholder number.

\*Good Com stock must be held continuously for more than six months. As a result, stock must be registered using the same shareholder number for at least two consecutive six-month periods in order to receive points.

## Examples of Shareholder Gift Items

- 60,000 points - (two distributions for holding at least 1,000 shares)



Truffle/caviar/balsamic vinegar gourmet set



Hokkaido shabu-shabu/sushi set



Juicer cube



Set of three pots

- 15,000 points - (one distribution for holding 500-999 shares)



Car cleaning kit



Ham, sausage and roast beef



Fugu (puffer fish) sashimi



Chateau Giscours Margaux

\* Actual gift items may differ from the items in these photos.

## Total return

**Closing price of December 6: 1,837 yen**

**Dividends per share: 61 yen (FY10/20 forecast)**

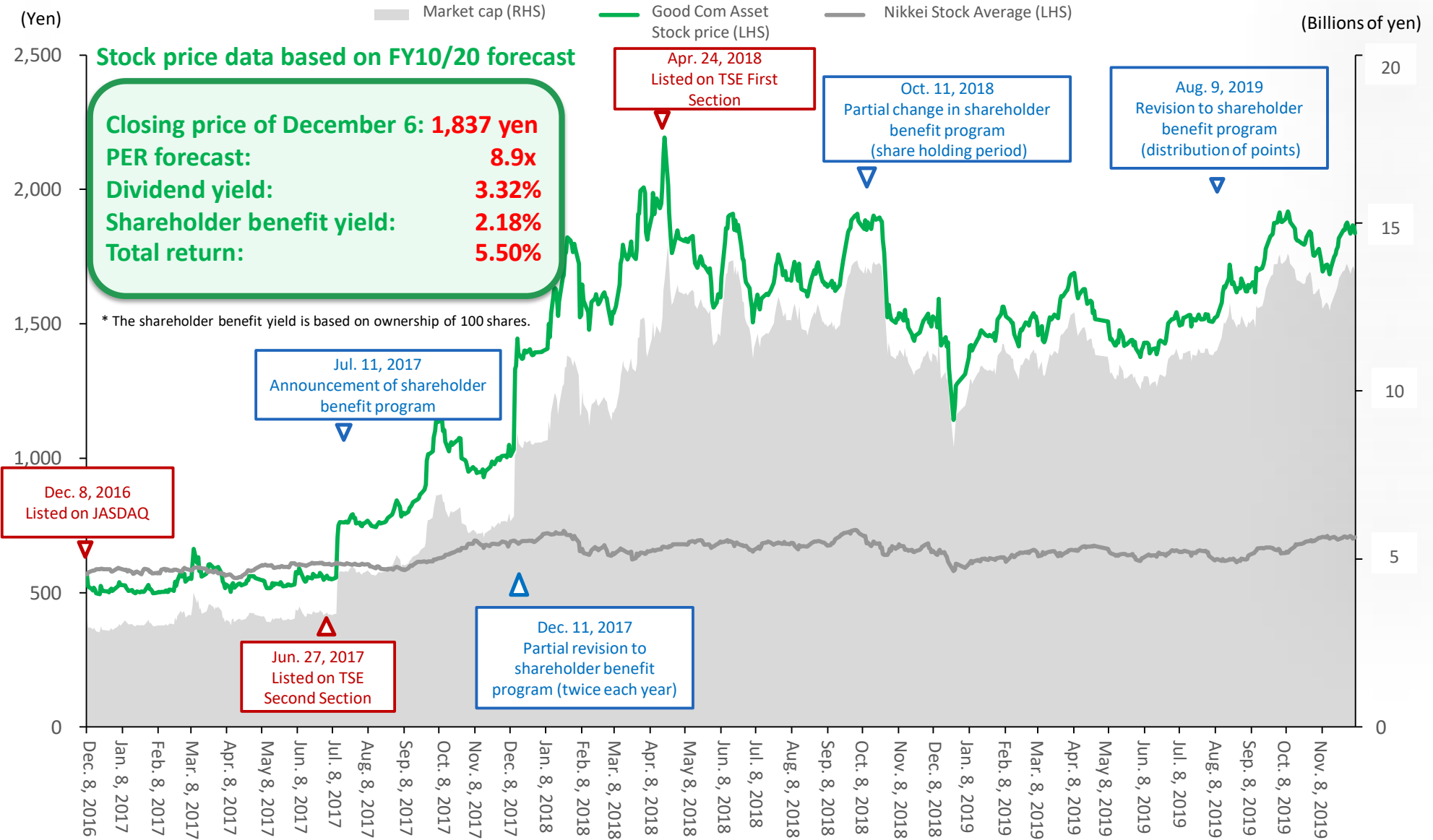
Number of shares held	Dividend	Annual points	Dividend yield	Shareholder benefit yield	Total return
100 shares	6,100 yen	4,000pt	3.32%	2.18%	5.50%
500 shares	30,500 yen	30,000pt	3.32%	3.27%	6.59%
1,000 shares	61,000 yen	60,000pt	3.32%	3.27%	6.59%

\*To be eligible for points, Good Com stock must be registered using the same shareholder number for at least two consecutive six-month periods because a continuous holding period of more than six months is required.

\*The conversion rate used is one yen for one point.



# Stock Chart



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

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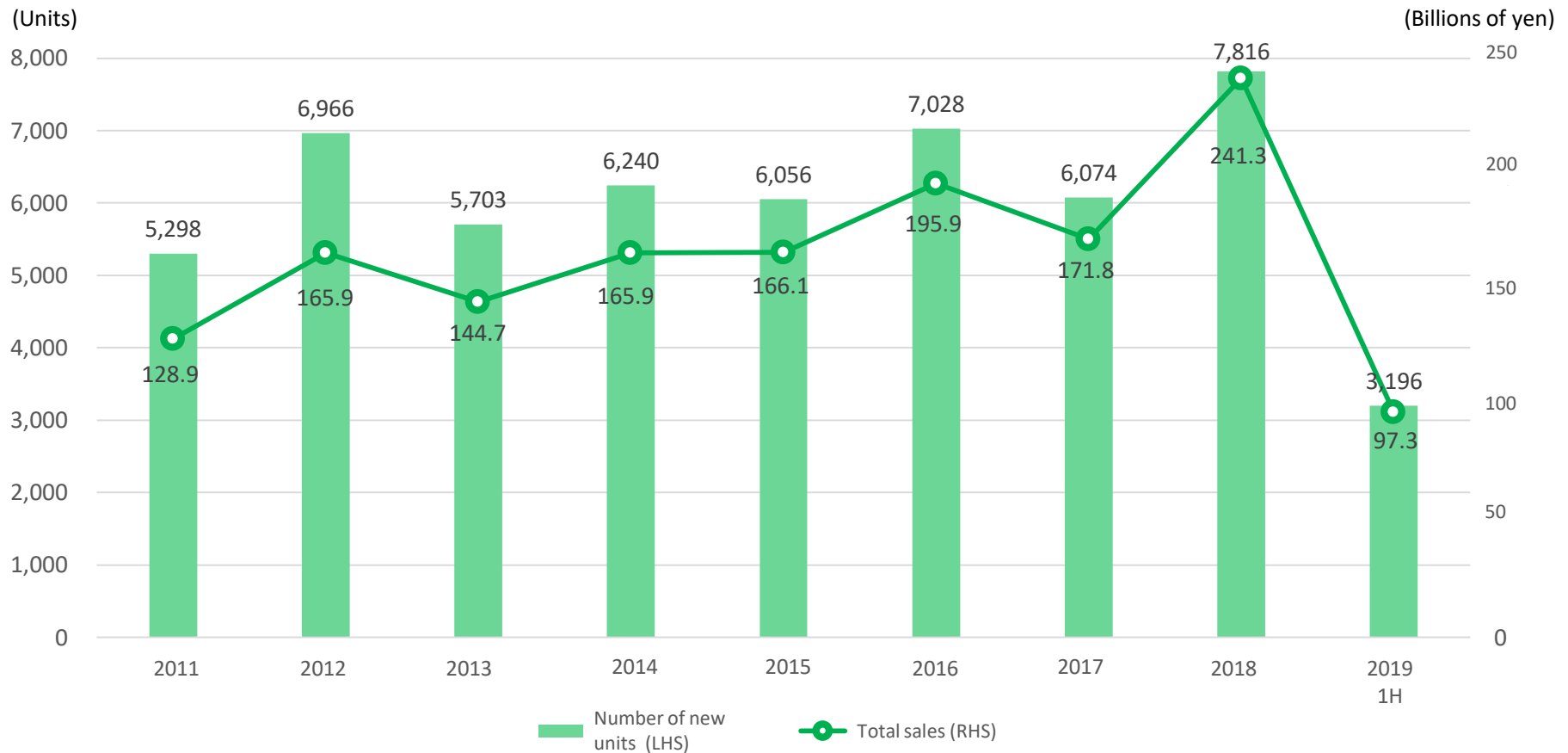
# Appendix

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<b>Company name</b>	Good Com Asset Co.,Ltd.
<b>Founded</b>	November 28, 2005
<b>Capital</b>	¥1,589.51 million (As of October 31, 2019)
<b>Representative</b>	Yoshikazu Nagashima, President and CEO
<b>Head office</b>	Sumitomo Fudosan Nishi-shinjuku Building, 7-20-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
<b>Employees</b>	99 (As of October 31, 2019) *Consolidated
<b>Business</b>	Planning, development, sale and management of newly constructed condominiums using Good Com's Genovia brand
<b>Consolidated subsidiaries</b>	Good Com Co., Ltd. (Property management business) Taiwan Good Com., Ltd. (Taiwan subsidiary) Shanghai Good Com Business Consulting Co.,Ltd. (China subsidiary)
<b>Listed stock market</b>	First Section of the Tokyo Stock Exchange (Stock code: 3475)
<b>Shareholders</b>	19,510 (As of October 31, 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
- Jul. 2019 Received a Real Estate Specified Joint Enterprise Act business license
- Nov. 2019 Joined the Association for Real Estate Securitization

### The Tokyo area investment condominium market



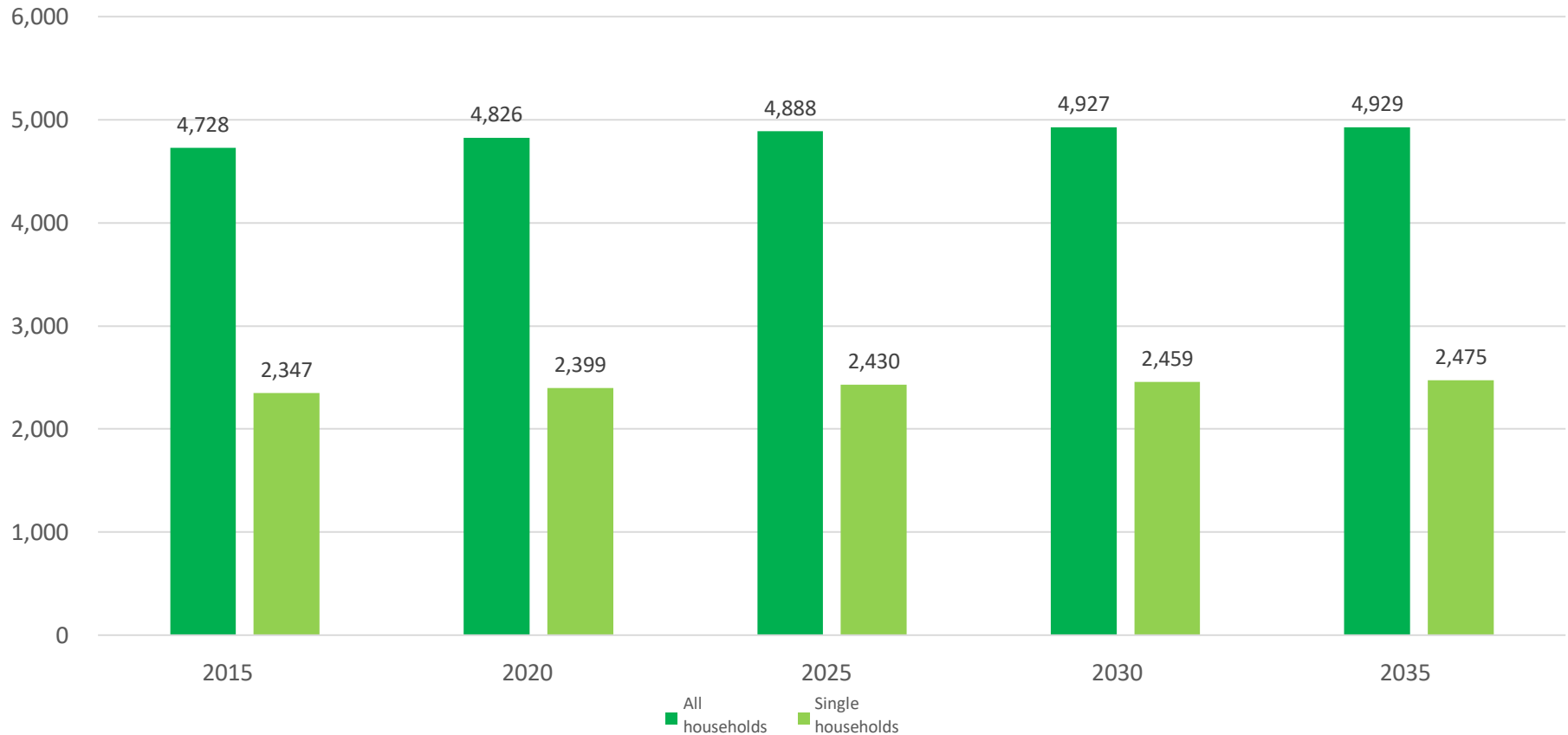
Source: Prepared by Good Com based on data of Real Estate Economic Institute Co., Ltd., The trend of the Tokyo area investment condominium market

**In 2017, the number of new units and sales decreased. In 2018, number of units sold and total sales were higher than one year earlier.**

**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)

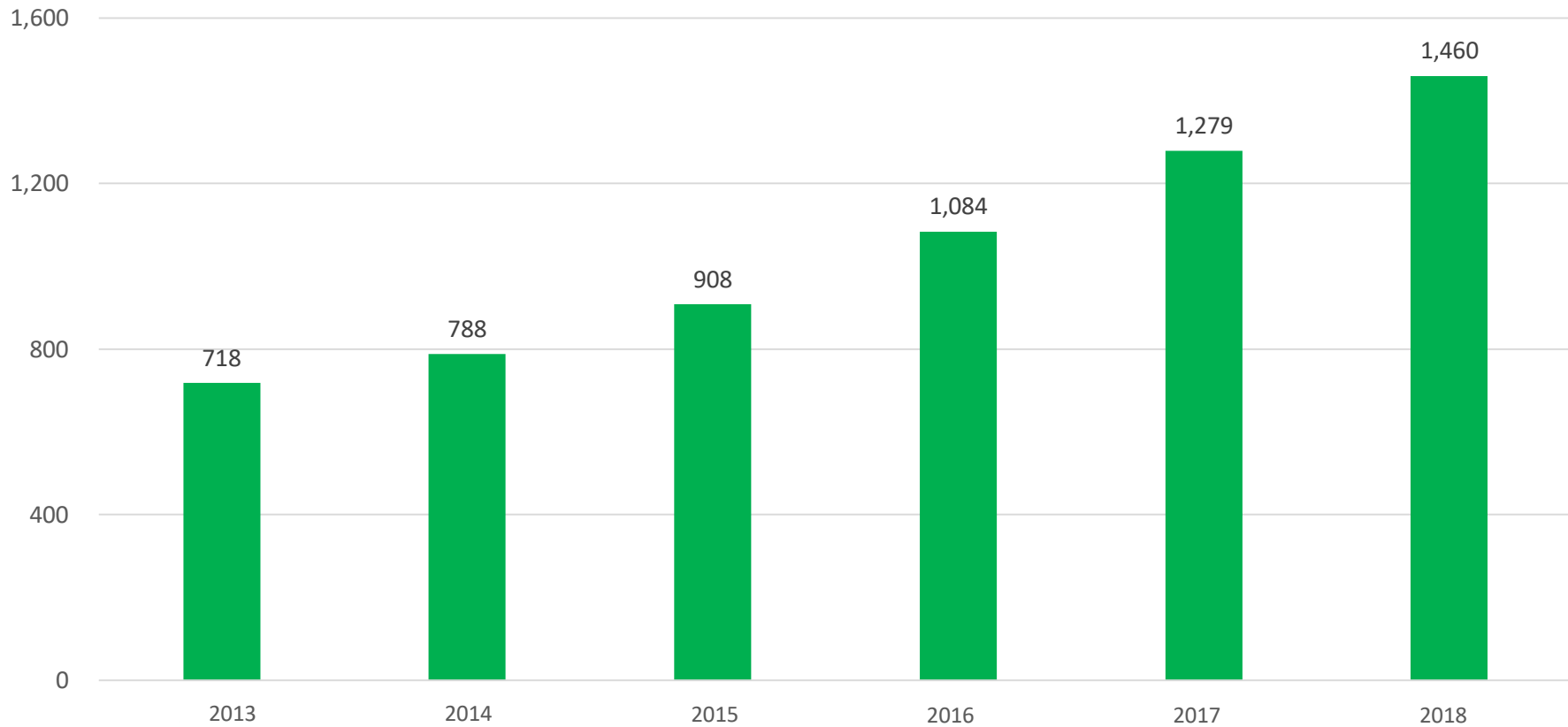


Source: Prepared by Good Com based on data of Statistics Division of the Tokyo Metropolitan Government Bureau of General Affairs

**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)



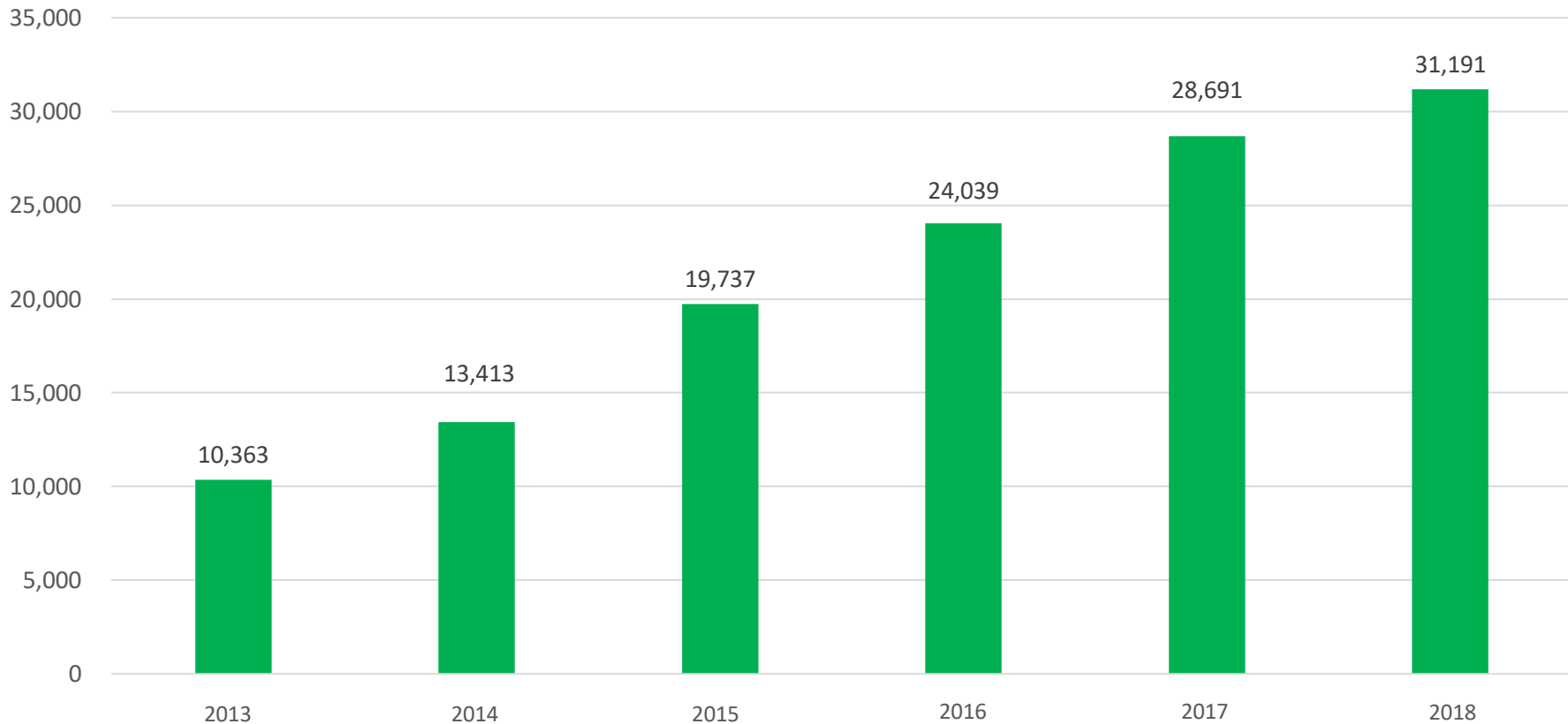
Source: Prepared by Good Com based on data of Ministry of Health, Labour and Welfare

**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.**

### Number of Foreign Visitors to Japan

(Thousands of people)



Source: Prepared by Good Com based on immigration statistics of the Ministry of

**The number of foreign visitors is increasing every year and the Japanese government wants this number to continue to climb.**

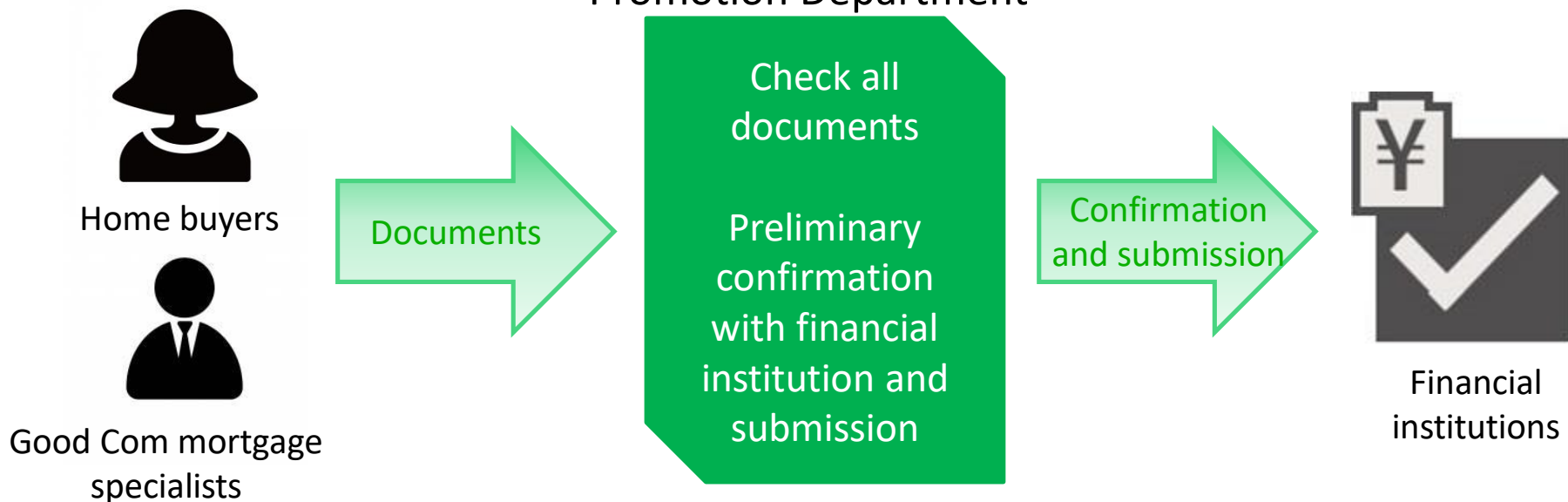
**Growth in the number of foreigners coming to Japan is contributing to the increasing cost of land.**

**Good Com expects that demand for investment real estate in Japan will remain strong.**



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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