

June 9, 2020

**Results of Operations for the
First Half of the Fiscal Year
Ending October 31, 2020**

Genovia

higas

Good Com Asset Co., Ltd.

veil

Code: 3475 (Listed on TSE First Section)



I. 1H FY10/20 Financial Summary	P. 3
II. Characteristics of Business Activities	P. 9
III. FY10/20 Earnings Forecast	P. 18
IV. Return to Shareholders	P. 25
Appendix	P. 31

* Figures are on a consolidated basis unless otherwise stated.

I. 1H FY10/20 Financial Summary

Expect substantial sales and earnings in the third quarter

1H FY10/20 Results

- Net sales: ¥**7,994** million, Operating profit ¥**652** million, Ordinary profit ¥**576** million, Profit ¥**388** million
- Total: **244** condominium units in **19** buildings



- Expected third quarter sales ⇒ **313** units in **14** buildings (As of June 8)
- Purchased **805** units in **13** buildings in the first half
- **50 people hired** in April 2020 are already making contributions to business operations

Expect to reach the FY10/20 forecast due to big third quarter sales growth

	1H results	1Q-3Q forecast	Full-year forecast
Net sales (Billions of yen)	7.9	<u>20.4</u>	30.4
Number of units sold (Units)	244	<u>557</u>	1,003

**Taking another look at many job categories
because of the coronavirus crisis**

Focusing attention on public-sector employees



Not vulnerable to economic downturns, consistent income, long-term job stability, high credit score with financial institutions



Good Com wants Japan's 3.32 million public-sector employees nationwide to be fans of Good Com's condominiums

*Based on 2018 statistics and data of the National Personnel Authority

Consolidated Statement of Income

Sales and earnings were about the same level as one year earlier

Millions of yen	1H FY10/19	1H FY10/20	
	Results	Results	YoY change
Net sales	8,506	7,994	Down 6.0%
Operating profit	636	652	Up 2.4%
Ordinary profit	580	576	Down 0.8%
Profit	395	388	Down 1.8%

Reason for a decrease in sales

- Sales to individuals: 99 units vs. 97 units one year earlier
Includes an increase in family unit sales from 30 to 51 units
- Sales to real estate companies: 144 units vs. 230 units one year earlier
- Overseas sales: 1 units vs. 0 unit one year earlier

Reason for higher non-operating expenses

- Higher interest expenses due to loans used to fund purchases of real estate for sale

Consolidated Balance Sheet

Increase in property sales that will contribute to sales in the 2H and afterward

Millions of yen	As of Oct. 31, 2019	As of Apr. 30, 2020	YoY change
Current assets	14,900	18,663	3,763
Cash and deposits	4,979	4,719	(260)
Inventories	8,577	12,474	3,896
Non-current assets	291	334	43
Total assets	15,191	18,998	3,806
Liabilities	8,174	11,926	3,752
Interest-bearing debt	7,309	10,827	3,518
Net assets	7,017	7,071	54
Total liabilities and net assets	15,191	18,998	3,806
Equity ratio	46.2%	37.2%	(9.0)pt
Dependence on interest-bearing debt	48.1%	57.0%	8.9pt

Cash and deposits decreased mainly because of dividend payments and deposits for real estate purchases

Inventories increased along with the growth of real estate for sale

Purchased 805 condominium units in 13 buildings

Reason for increase in interest-bearing debt
Additional loans to fund the larger volume of real estate for sale

Reason for the lower equity ratio
Additional loans to fund the larger volume of real estate for sale

II. Characteristics of Business Activities

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

Consistent design themes for high asset value

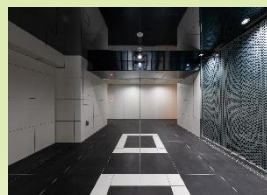
GENOVIA Nerima
Takanodai skyrun



GENOVIA Sakurajosui
skygarden



GENOVIA Kinshicho II
skygarden



- All properties have similar exteriors, entrances, entrance halls and other features
- The consistency of Genova building designs makes it easier to attract repeat buyers and use the same construction companies
- 76.9% of projects used a construction company for at least the second time and 39.4% of buyers had purchased a Good Com condominium before

Environmentally responsible “green” designs

GENOVIA Higashi-Nihombashi
Ekimae 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 ⇒ All Genova series condominium units are sold as investments

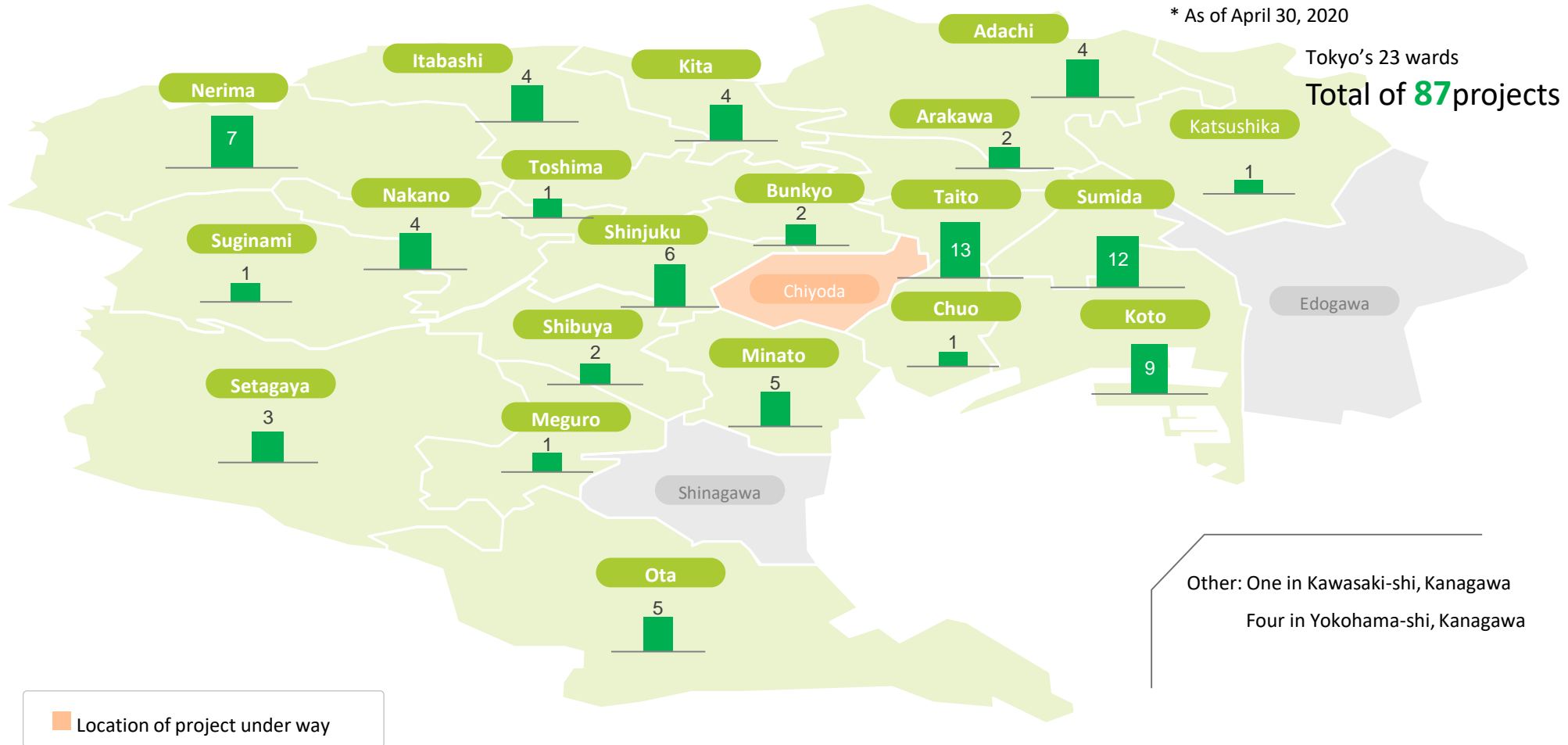
- A large selection of properties: Buildings have 1K, 1LDK and 2LDK configurations; Leased area is 20m² to 60m²; Prices are between about ¥20 million and ¥50 million
- Location: Mainly in Tokyo’s 23 wards and on sites within a 10-minute walk of a train station (Good Com does not purchase existing condominium buildings)

*Performance in 1H FY10/20

Locations of Genovia Projects

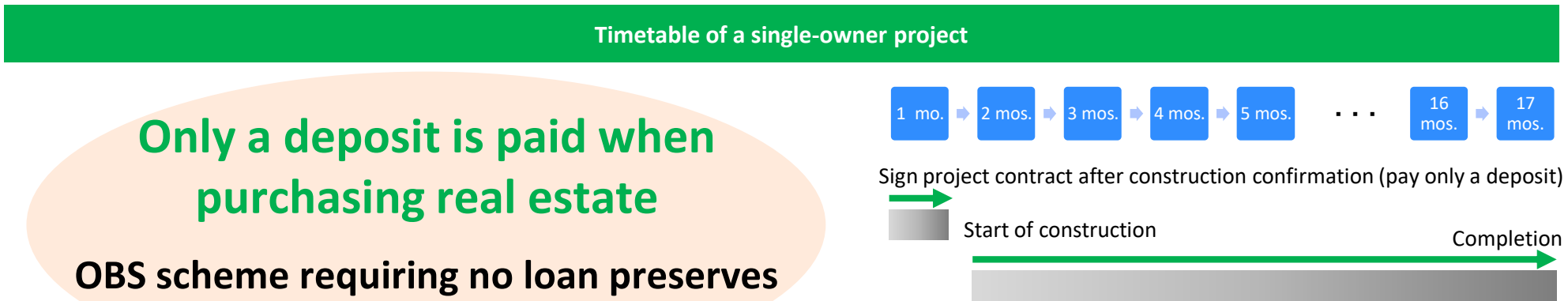
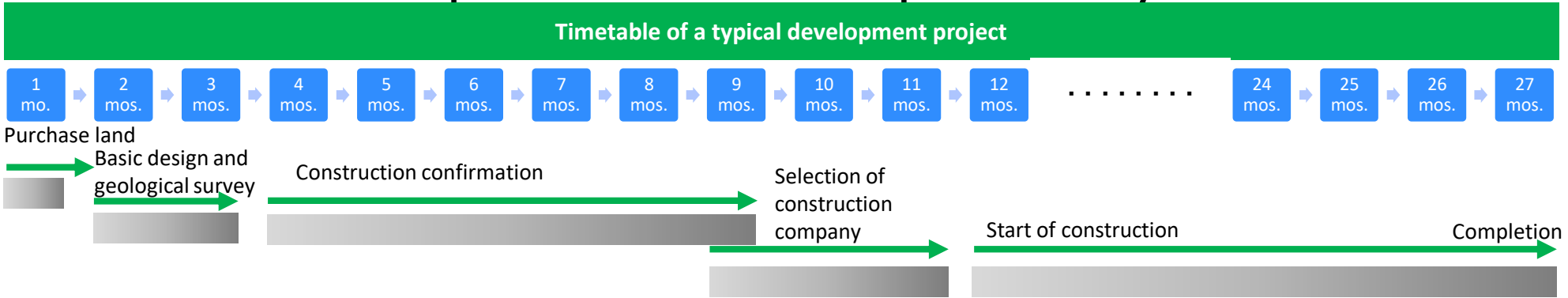
Tokyo 23-ward property purchases and sales, mainly within a 10-minute walk of a train station

Locations of Genovia projects



Purchases Off-balance Sheet (OBS) Scheme for Purchases

Repurchasing properties using our distinctive off-balance sheet scheme **reduces** up-front expenses and **increases** capital efficiency



Only a deposit is paid when purchasing real estate

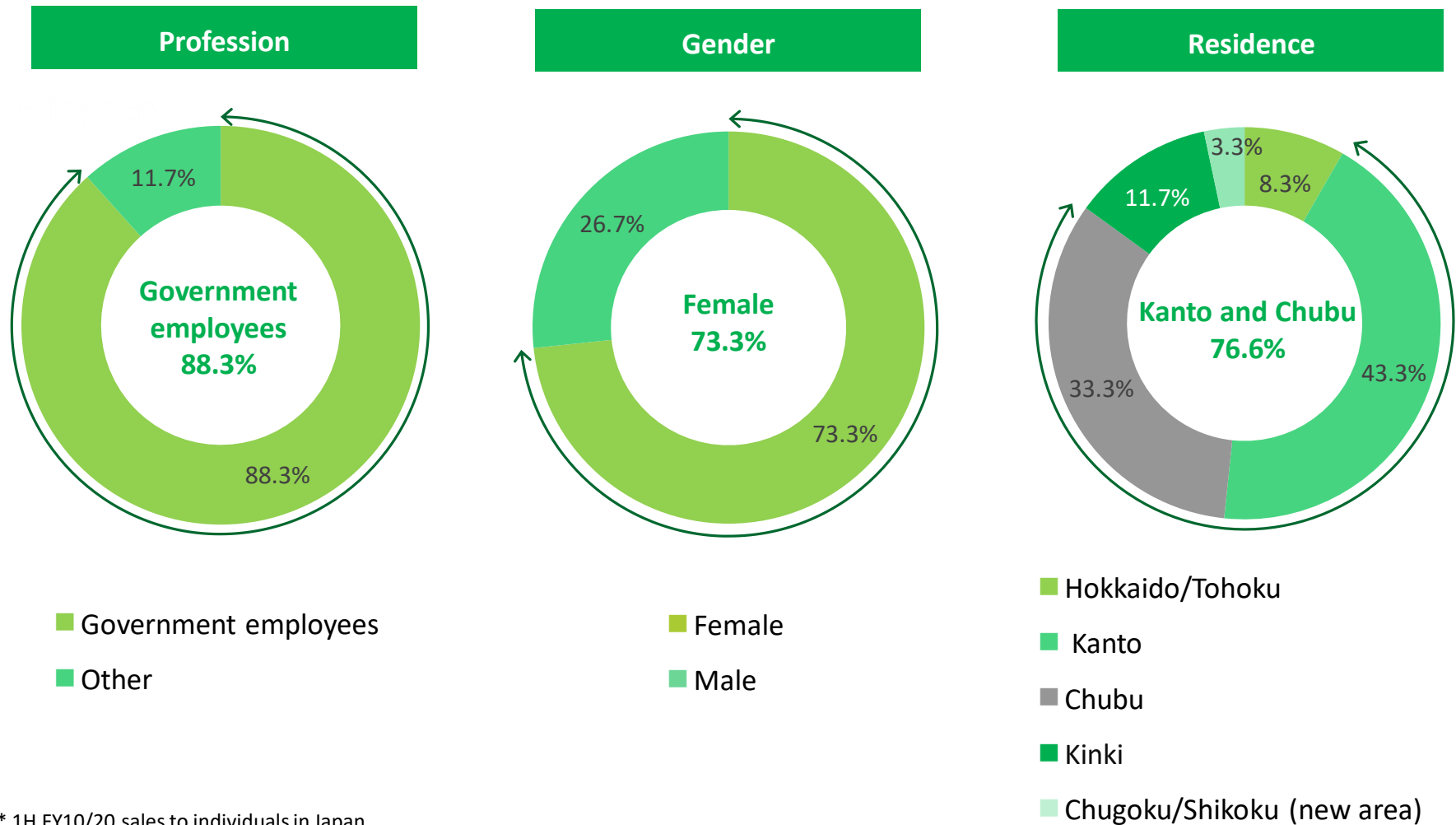
OBS scheme requiring no loan preserves financial soundness

No need for loans (and interest expenses) to fund property purchases and no need for expenses associated with construction

Customer Attributes (1)



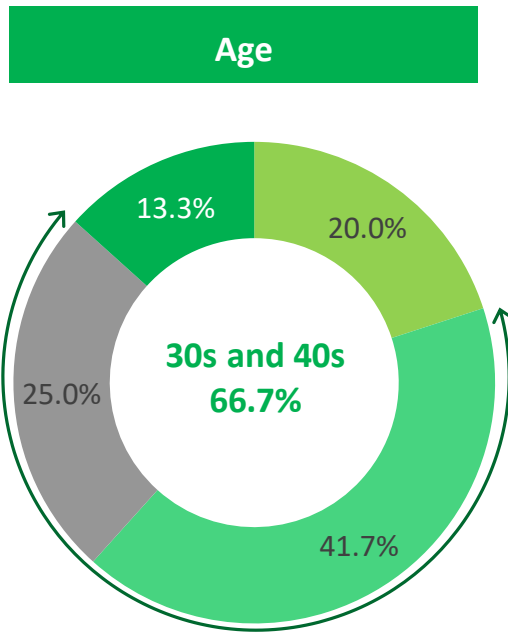
Female gov't employees are the main customer segment, **male customers** are increasing, **expanding operations** to include western Japan



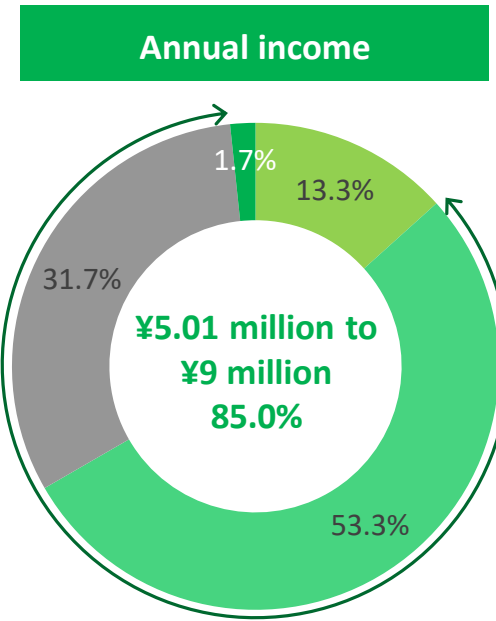
* 1H FY10/20 sales to individuals in Japan

Customer Attributes (2)

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



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



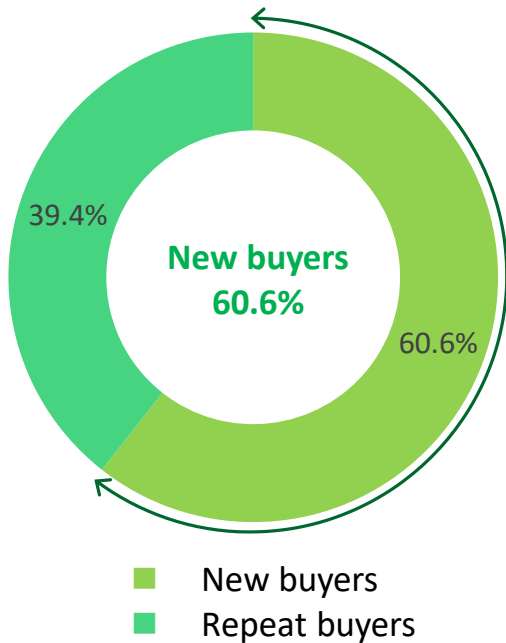
- Up to ¥5 million
- ¥5.01 million to ¥7 million
- ¥7.01 million to ¥9 million
- ¥9.01 million to ¥10 million

* 1H FY10/20 sales to individuals in Japan

Buyers and Occupancy Rate

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

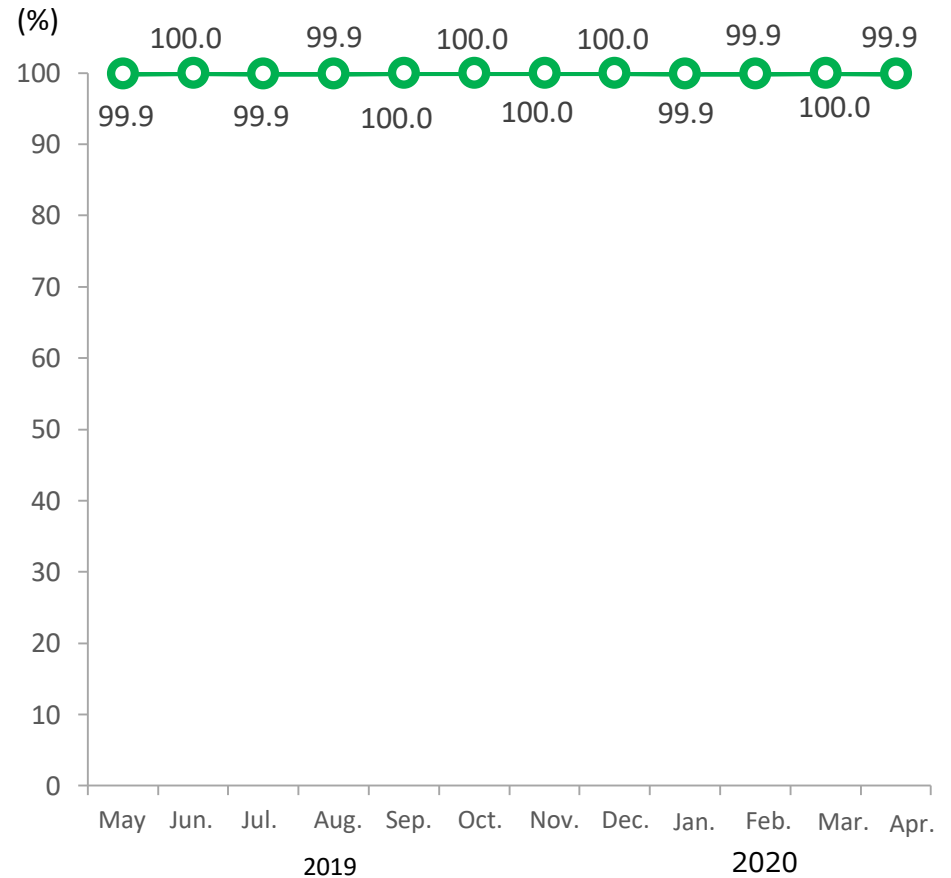
Share of new and repeat buyers



* 1H FY10/20 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

FY10/20

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)

Distributions to Shareholders

As of April 27

Resolution to authorize stock repurchase

Number of shares: Up to 340,000 shares

Total value: Up to ¥510 million

Repurchase period: May 1, 2020 to April 30, 2021

Note: Please see page 29 for other information.

Growth of the Business Operations

As of April 27

Basic agreement for acquisition of stock

Company: Room bank Insure Co., Ltd.

Business: Apartment rent guarantees

Synergy: Forecast increasing use of rent guarantee companies due to amendments to Japan's Civil Code. Adding Room Bank Insure to the Good Com Group is expected to facilitate more effective and efficient measures by the property management business to attract new customers and to contribute to earnings growth.

III. FY10/20 Earnings Forecast

Consolidated Statement of Income (forecasts)

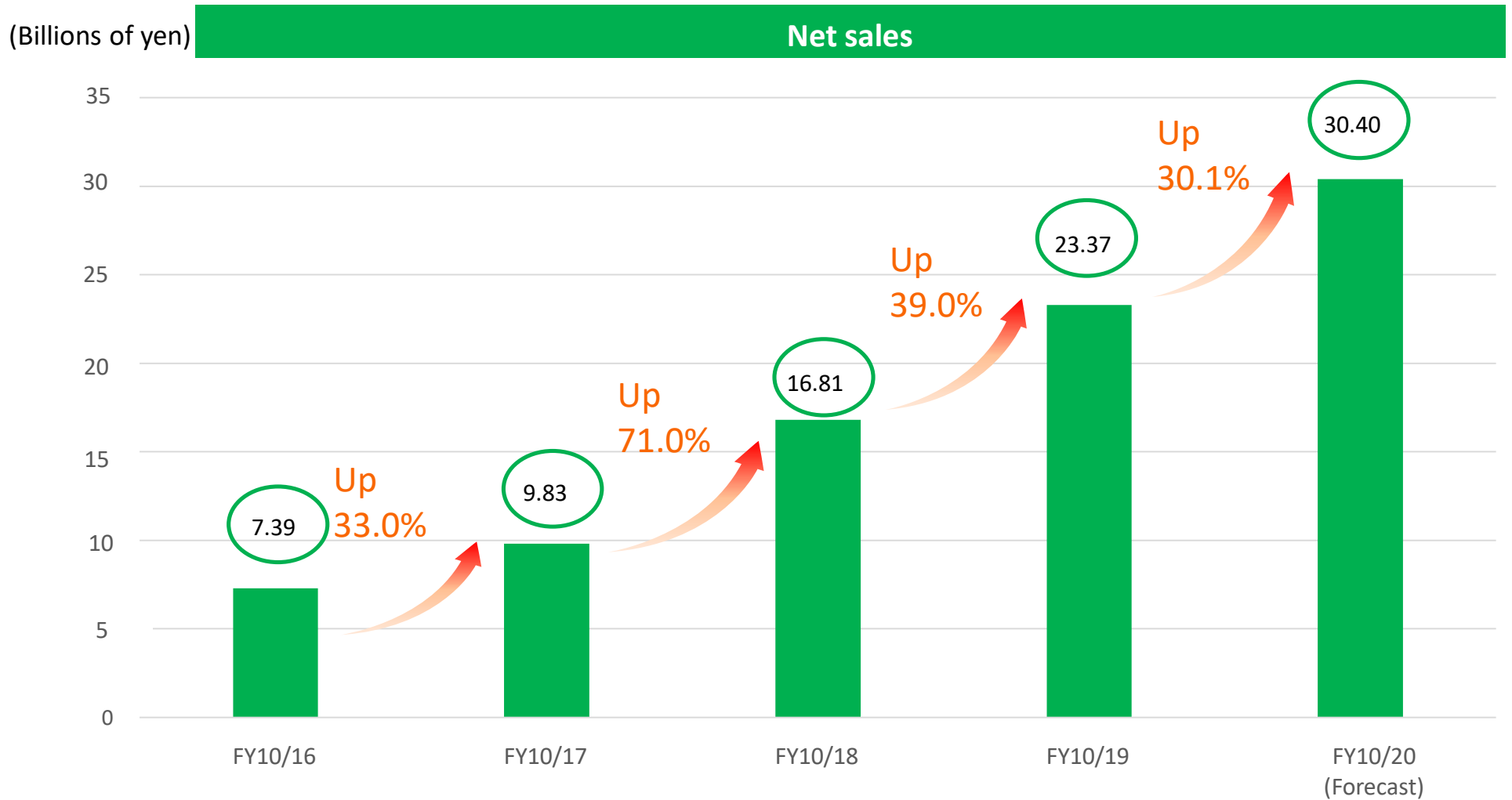
Forecast sales of more than **1,000** condominium units and sales and earnings growth of more than **30%**

As in FY10/19, expect the **majority** of sales and earnings **in the second half**

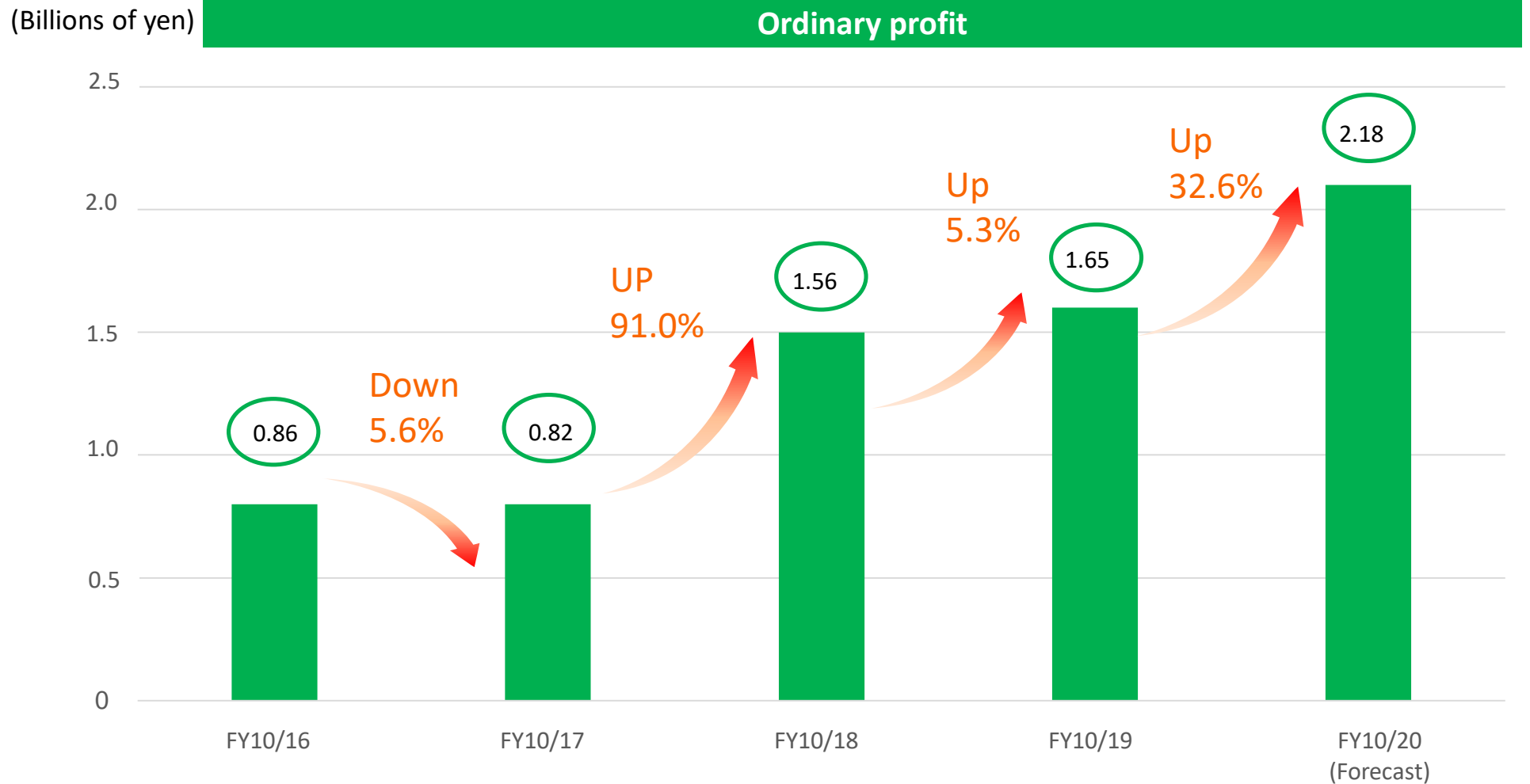
Billions of yen	1H		2H		Full year		YoY change
	FY10/19 Results	FY10/20 Results	FY10/19 Results	FY10/20 Forecast	FY10/19 Results	FY10/20 Forecast	
Net sales	8.50	7.99	14.86	22.41	23.37	30.40	30.1%
Operating profit	0.63	0.65	1.11	1.68	1.75	2.33	33.1%
Ordinary profit	0.58	0.57	1.06	1.61	1.65	2.18	32.6%
Profit	0.39	0.38	0.73	1.09	1.12	1.48	31.5%

*Second half forecasts are the fiscal year forecasts minus first half performance.

Forecast sales growth of more than 30% for the fourth consecutive year



Forecast 3rd consecutive year of higher ordinary profit



A consistently large volume of property acquisitions

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	-	Okachimachi	Taito-ku	27	-	(Tentative name) Ogikubo	Suginami-ku	20	Oct. 2020
Higashi-Nihombashi Ekimae	Chuo-ku	80	-	Tabata III	Kita-ku	38	-	(Tentative name) Suitengumae II	Chuo-ku	22	Nov. 2020
Koenji	Nakano-ku	20	-	Kinshicho	Sumida-ku	27	-	(Tentative name) Minami-Senju II	Taito-ku	30	Dec. 2020
Asakusa II	Taito-ku	63	-	Yokohama Tsurumi Ichiba	Yokohama-shi	65	-	(Tentative name) Ogikubo II	Suginami-ku	24	Dec. 2020
Todaimae	Bunkyo-ku	39	-	Shibuya Sasazuka	Shibuya-ku	43	-	(Tentative name) Monzennakacho	Koto-ku	82	Jan. 2021
Megurominami	Meguro-ku	39	-	Ueno III	Taito-ku	36	-	(Tentative name) Kamata	Ota-ku	30	Feb. 2021
Kameidosuijin	Sumida-ku	57	-	Asakusa IV	Taito-ku	49	-	(Tentative name) Asakusabashi II	Taito-ku	36	Apr. 2021
Komagome Eki	Kita-ku	48	-	Sakurajosui	Suginami-ku	40	-	(Tentative name) Minami-Sunamachi	Koto-ku	52	Apr. 2021
Sangenjaya	Setagaya-ku	50	-	Shin-yokohama	Yokohama-shi	65	-	(Tentative name) Oshiage	Koto-ku	73	Jul. 2021
Kameidosuijin II	Sumida-ku	42	-	Kinshicho II	Sumida-ku	40	-	(Tentative name) Asakusa V	Taito-ku	49	Aug. 2021
Komagome Eki II	Bunkyo-ku	39	-	Keisei Tateishi	Katsushika-ku	56	-	(Tentative name) Nishi-Takashimadaira	Itabashi-ku	57	Aug. 2021
Shinjuku Waseda	Shinjuku-ku	65	-	Tamachi	Minato-ku	29	-	(Tentative name) Tokiwadai	Itabashi-ku	47	Aug. 2021
Asakusa Kuramae	Taito-ku	44	-	Yokohama Kannai	Yokohama-shi	38	-	(Tentative name) Nakano Sakaue	Nakano-ku	48	Aug. 2021
Akihabara	Taito-ku	29	-	Yokohama Kannai II	Yokohama-shi	38	-	(Tentative name) Ohanajaya	Katsushika-ku	107	Sep. 2021
Higashi-Mukojima	Sumida-ku	90	-	Minowa	Taito-ku	60	-	(Tentative name) Kawasaki	Kawasaki-shi	54	Oct. 2021
Shin-Okachimachi	Taito-ku	24	-	Ryogoku IV	Sumida-ku	32	-	(Tentative name) Minami-Senju III	Taito-ku	45	Feb. 2022
Ueno	Taito-ku	24	-	Higashi-Kanda	Chiyoda-ku	130	-	(Tentative name) Honjozumabashi	Sumida-ku	71	Feb. 2022
Shinjuku Nakaochiai	Shinjuku-ku	34	-	Yotsuya 3-chome	Shinjuku-ku	73	-	(Tentative name) Honjozumabashi II	Sumida-ku	54	Feb. 2022
Ojikamiya	Adachi-ku	81	-	Minowa II	Taito-ku	68	Aug. 2020	(Tentative name) Minami-Gyotoku	Ichikawa-shi	88	Mar. 2022
Ueno II	Taito-ku	29	-	Kiba	Koto-ku	24	Sep. 2020	(Tentative name) Ryogoku VI	Sumida-ku	99	Jul. 2022
Saginomiya	Nakano-ku	57	-	Ryogoku V	Sumida-ku	19	Sep. 2020				
Sumidagawa east	Adachi-ku	59	-	(Tentative name) Minami-Senju	Taito-ku	30	Sep. 2020				

* As of June 8, 2020

Transparency and distinctive well-balanced operations

Sales to real estate companies

- A steady supply of properties due to a large number of development projects and property acquisitions
 - Sell to other real estate companies properties where Good Com's own sales capabilities alone are insufficient
- *The share of sales to real estate companies increases when Good Com also makes frequent use of the sales channels of other real estate companies**

Sales to individuals

- Extend operations to all areas of Japan
 - Strengthen recruiting and training activities for new college graduates
- *The share of direct sales to individuals increases when the strength of consumer spending in Japan is high**

Good Com Fund

- Plan to start a real estate fund business using real estate technology for the sale of real estate investment units
- *The Internet will be used for the entire investment process**
Gives people in all areas of Japan easy access to a scheme for meeting real estate investment needs

Achieve sustained growth of operations by creating well-balanced sales composition that matches the business climate

Property management

- Use contracts with real estate leasing companies to maintain a high occupancy rate
 - Steady growth in property management services
- *Expand this consistent-revenue business as more properties are sold**

IPO consulting, venture capital

- IPO consulting for companies preparing for an exchange listing
 - Investor relations and capital policy consulting for listed companies
 - Investments in companies with excellent prospects for an IPO
- *Anticipate growth in IPO support services due to the increasing number of companies making preparations for an IPO**

Overseas sales

- Determine sales activities while monitoring movements in foreign exchange rates
- *The share of sales to overseas individual investors increases when the yen weakens**

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

A Road Map for Market Capitalization of ¥100 Billion



Sales and earnings growth of **more than 30%** every year

×

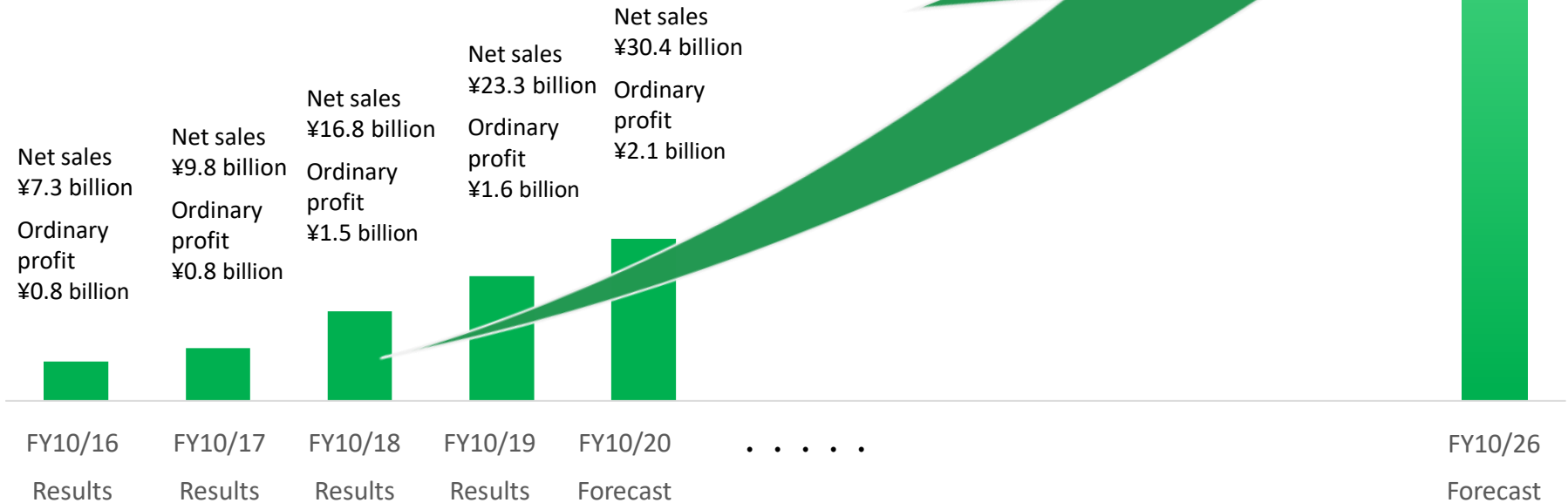
Increasing **PER**

||

¥100 billion market capitalization

¥100 billion market capitalization

10 years after the IPO



IV. Return to Shareholders

Dividend Policy

The basic policy is to pay a dividend every fiscal year with **a payout ratio of 30%** as the guideline based on results of operations and financial soundness.

		FY10/18 Results	FY10/19 Results	FY10/20 Forecasts
Dividend per share (Yen) *Only a year-end dividend	Ordinary dividend	25	47	61
	Commemorative dividend	10	-	-
	Total	35	47	61
Total amount of dividends (Millions of yen)		254	338	453
Net income per share (Yen)		159.99	157.01	201.52
Payout ratio (%)		21.9	29.9	30.3

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

*The FY10/20 dividend requires approval at the shareholders meeting that will be held in January 2021.

Special benefits for shareholders

Points are granted according to the number of shares held by shareholders. Shareholders can exchange these points for a variety of items.

Number of shares held	Points granted (twice each year)		Distribution of points
	April	October	
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. Only shareholders who are continuously listed in the shareholder register using the same shareholder number and who own at least one trading unit (100 shares) are allowed to carry points forward. Points are canceled when the registration of stock is changed to a different shareholder number.

*To be eligible for special benefits, 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.

Total return

Closing price of June 8:

1,744 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	3.5%	2.3%	5.8%
500 shares	30,500 yen	30,000pt	3.5%	3.4%	6.9%
1,000 shares	61,000 yen	60,000pt	3.5%	3.4%	6.9%

*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 repurchase

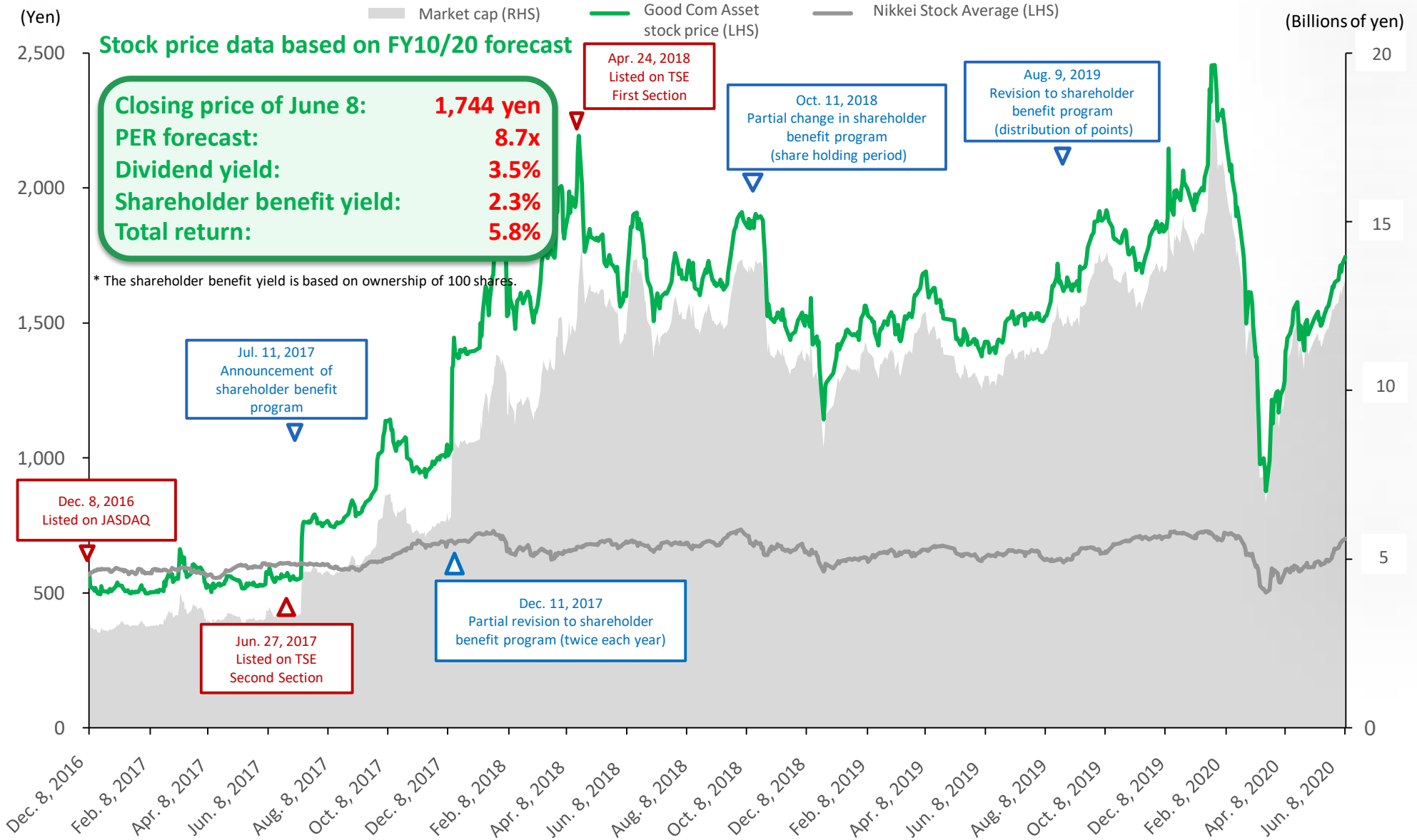
Details of the resolution of the Board of Directors' meeting held on April 27, 2020

(1) Type of shares to be repurchased:	Common shares of Good Com Asset Co.,Ltd.
(2) Total number of shares to be repurchased:	Up to 340,000 shares (4.57% of total shares outstanding, excluding treasury shares)
(3) Total value of shares to be repurchased:	Up to ¥510 million
(4) Repurchase schedule:	From May 1, 2020 to April 30, 2021
(5) Method of repurchase:	Purchase on the Tokyo Stock Exchange

(Reference) Treasury shares as of March 31, 2020

Total shares outstanding, excluding treasury shares:	7,586,200 shares
Number of treasury shares:	150,256 shares

Stock Chart



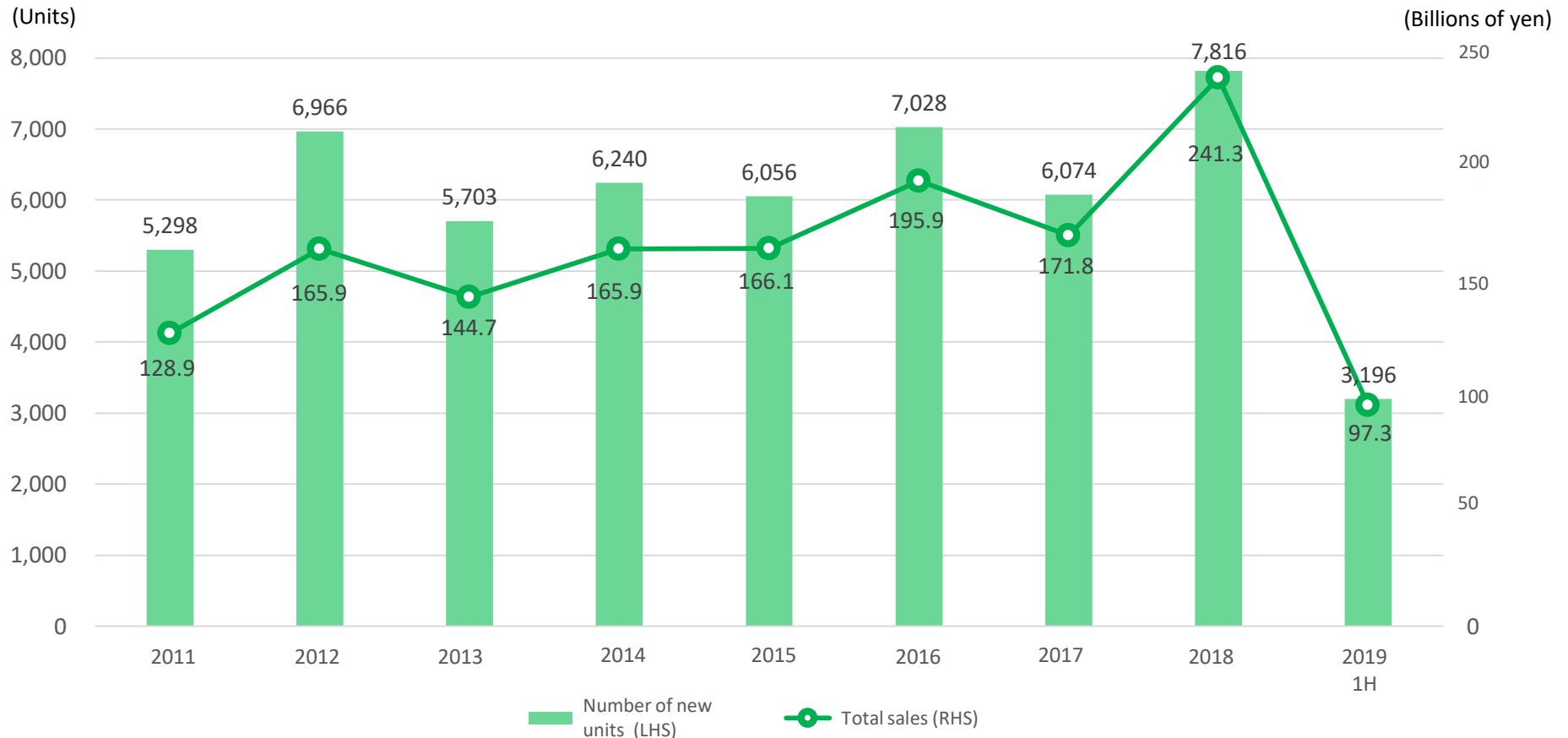
* The Nikkei Stock Average is an index based on the Good Com stock price on Dec. 8, 2016.

Appendix

Company name	Good Com Asset Co.,Ltd.
Founded	November 28, 2005
Capital	¥1,592.74 million (As of April 30, 2020)
Capital reserve	¥1,501.24 million (As of April 30, 2020)
Representative	Yoshikazu Nagashima, President and CEO
Head office	Sumitomo Fudosan Nishi-shinjuku Building, 7-20-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
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) Capital Support Consulting Co., Ltd. (IPO consulting, etc.)
Listed stock market	First Section of the Tokyo Stock Exchange (Stock code: 3475)
Shareholders	16,816 (As of April 30, 2020)

- 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
- Feb. 2020 Established subsidiary Capital Support Consulting Co., Ltd. to provide IPO consulting and other services

The Tokyo area investment condominium market



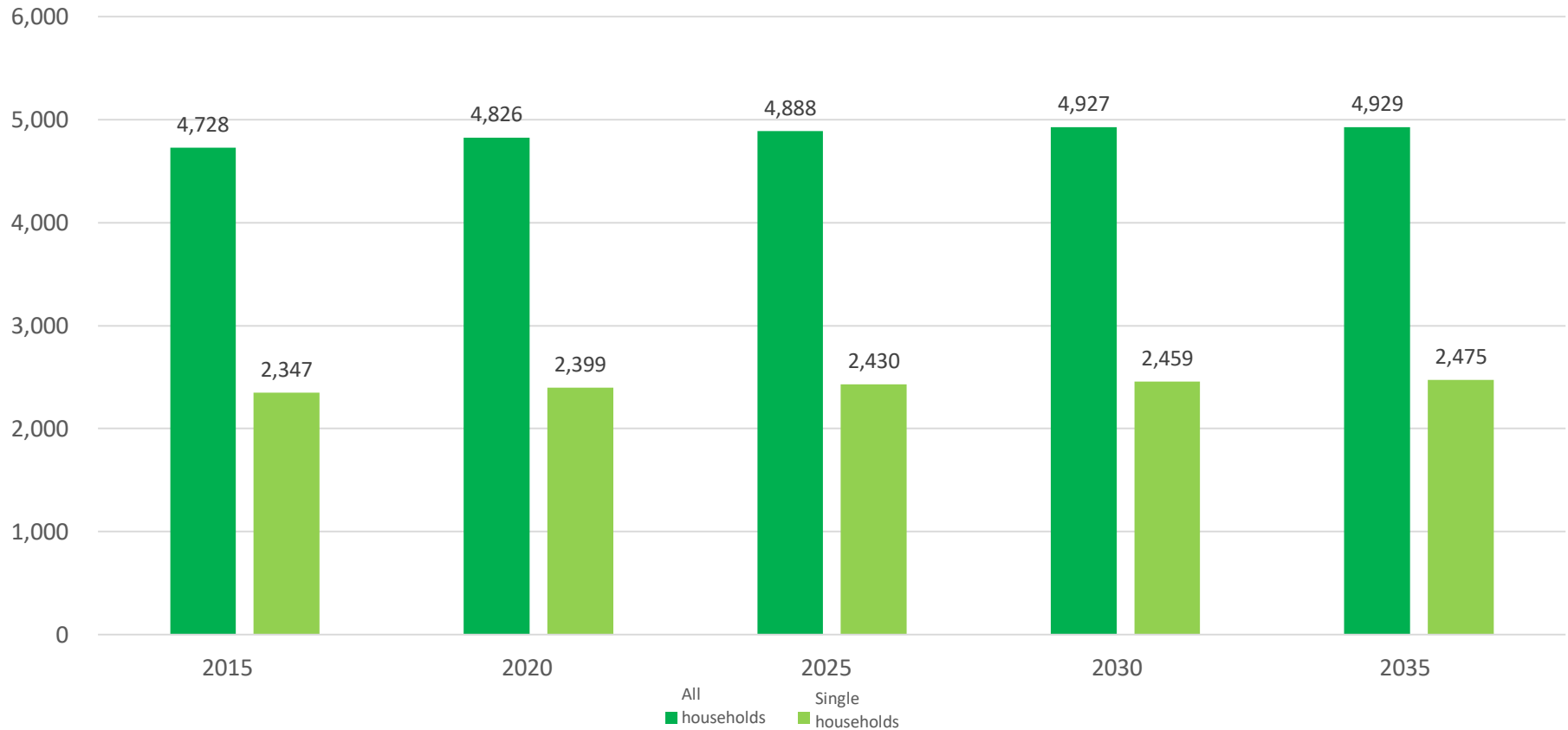
Source: Prepared by Good Com based on data of Real Estate Economic Institute Co., Ltd., The trend of the Tokyo area investment condominium market

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)

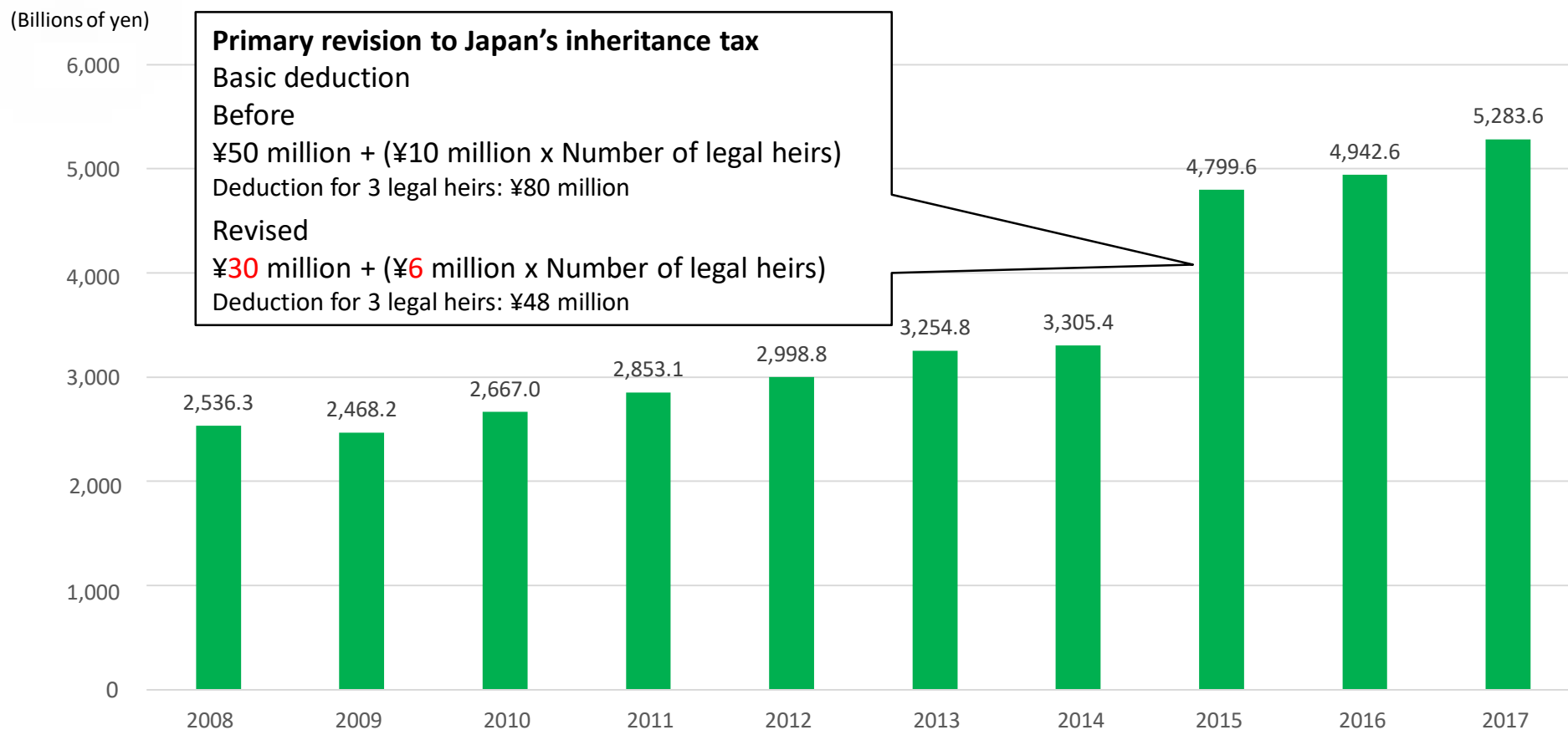
(Thousands of units)



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.

Growth of cash, deposits, savings and other inheritances in Japan



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

Revision of the inheritance tax basic deduction resulted in a big increase in the value of assets passed on to heirs beginning in 2015. Cash, deposits, savings and other 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.

Q1. Government employees are your primary customer segment. Is COVID-19 affecting sales to these customers?

A1. The state of emergency has ended and government employees have returned to work, so there is currently no effect on sales.

Q2. Have financial institutions changed their policies for loans because of COVID-19?

A2. The state of emergency has ended and the loan operations and policies of financial institutions have returned to normal.

Q3. What is the status of your Good Com Fund crowdfunding operations?

A3. We were unable to hold seminars during the state of emergency. We plan to use a new approach for crowdfunding sales activities.

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.

IR Contact:

Good Com Asset Co.,Ltd. Corporate Planning Division Investors Relations
Tel: +81-(0)3-5338-0170 E-mail: ir@goodcomasset.co.jp

