

June 9, 2021

Results of Operations for the First Half of the Fiscal Year Ending October 31, 2021

Good Com Asset Co.,Ltd.

Code: 3475 (Listed on TSE First Section)

Genovia
komagome-shi-green-veil



JPX-NIKKEI Mid Small

Corporate philisophy

We provide reliable and high-quality real estate to customers worldwide. We are dedicated to ensuring that every customer is completely satisfied with our products and services. Bringing happiness to our customers is our mission.

Origin of company name

Good Company Asset → Good Com Asset

- Our name expresses our desire to being an outstanding company in the real estate industry that has a strong commitment to contributing to society and supporting charitable activities.
The use of “com” instead of “company” expresses our awareness that our organization and operations are still incomplete and that we must constantly strive for perfection.

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* Figures are on a consolidated basis unless otherwise stated.

I. 1H FY10/21 Financial Summary

Executive Summary

Raised the first half and full year forecasts

1H FY10/21 results

■ Net sales:	¥ 19,669 million	(Up 146.0% YoY)
Ordinary profit:	¥ 2,029 million	(Up 252.2% YoY)

FY10/21 full year forecast

■ Net sales:	¥ 38,000 million to ¥ 41,876 million	(Up 44.4% to 59.1% YoY)
Ordinary profit:	¥ 3,300 million to ¥ 3,600 million	(Up 24.8% to 36.1% YoY)



Progress vs. FY10/21 forecast

■ Condominium unit sales and contracts as of June 8, 2021: 1,028
Pct. of the FY10/21 forecast: about 74% (1,028 units/1,384 units)

Consolidated Statement of Income

Significant increase in sales and earnings

Millions of yen	1H FY10/20	1H FY10/21	
	Results	Results	YoY change
Net sales	7,990	19,660	Up 146.0%
SG&A expenses	880	1,280	Up 45.0%
Operating profit	650	2,160	Up 232.3%
Ordinary profit	570	2,020	Up 252.2%
Profit	380	1,380	Up 255.7%

Reason for the increase in sales

Sales of

644 units in **24** buildings

(Sales of 244 units in 19 buildings in 1H FY10/20)

Consolidated Balance Sheet

Higher condominium unit sales reduced debt and raised the equity ratio to more than 40%




Millions of yen	As of Oct. 31, 2020	As of Apr. 30, 2021	YoY change	
Current assets	24,936	19,754	(5,182)	
Cash and deposits	6,598	5,826	(771)	➔ Reason for decrease in cash and deposits Stock repurchase
Inventories	17,295	12,358	(4,937)	➔ Reason for decrease in inventories Decrease in real estate for sale due to larger number of units sold
Non-current assets	979	997	18	
Total assets	25,915	20,751	(5,164)	
Liabilities	17,518	11,897	(5,620)	
Interest-bearing debt	16,075	10,086	(5,989)	➔ Reason for decrease in interest-bearing debt The repayment of loans increased because of the larger number of units sold
Net assets	8,397	8,853	456	
Total liabilities and net assets	25,915	20,751	(5,164)	
Equity ratio	32.4%	42.7%	10.3pt	➔ Reason for the higher equity ratio Loans decreased because of an increase in the number of units sold
Dependence on interest-bearing debt	62.0%	48.6%	(13.4)pt	

Topics (1)

Established an **Osaka** office as one step to **nationwide coverage**

The new branch office in Osaka is expected to make sales activities more efficient, contribute to recruiting people in the Osaka area, and speed up the growth of business operations.

We plan to add offices in more large cities in other areas of Japan.

-  Tokyo head office
-  Osaka office
-  Potential new offices

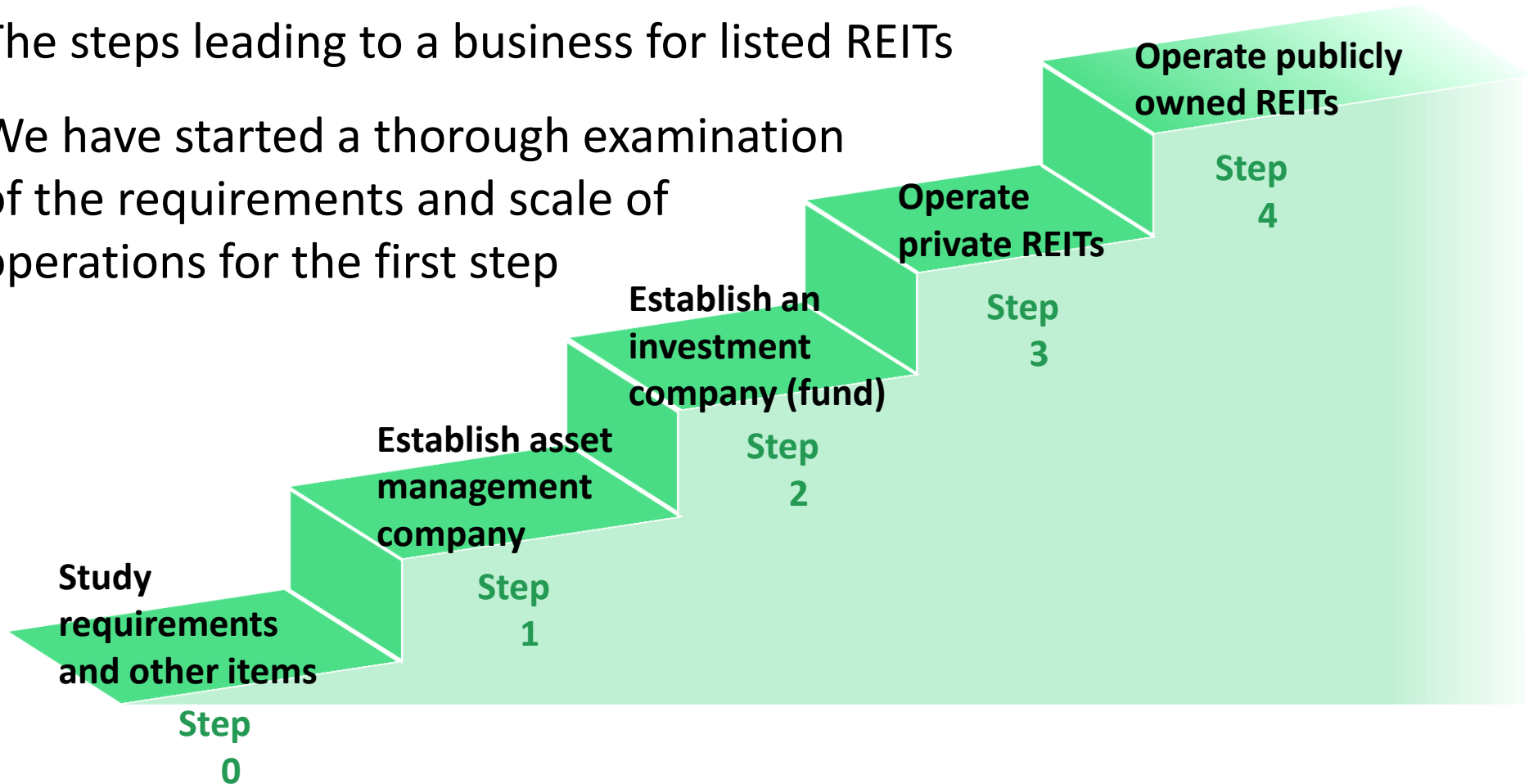


Topics (2)

Starting studies about a **listed REIT business**

The steps leading to a business for listed REITs

We have started a thorough examination of the requirements and scale of operations for the first step



Topics (3)

Completed **stock repurchase** authorization of **450,000 shares**

Repurchase of stock

(1) Repurchase period	April 12, 2021 to May 11, 2021
(2) Total number of shares repurchased	450,000 shares
(3) Total value of shares repurchased	656 million yen

(Reference) Treasury shares as of June 8, 2021

Total shares outstanding, excluding treasury shares	14,315,574 shares
Number of treasury shares	894,426 shares

II. Characteristics of Business Activities

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

Areas with high occupancy rates

- Most properties are in Tokyo's 23 wards in locations within a 10-minute walk to a train station, which are areas where demand for rental housing is high.
(Good Com Asset does not purchase existing condominium buildings)

Consistent design themes for high asset value

GENOVIA Nerima Takanodai skyrun



GENOVIA Kinshicho II skygarden



GENOVIA Tabata III skygarden



- All properties have similar exteriors, entrances, entrance halls and other features
- The consistency of Genovia building designs makes it easier to attract repeat buyers and use the same construction companies
- 80.0% of projects used a construction company for at least the second time and 32.2% of buyers had purchased a Good Com condominium before

* Performance in 1H FY10/21

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)



A large selection of properties

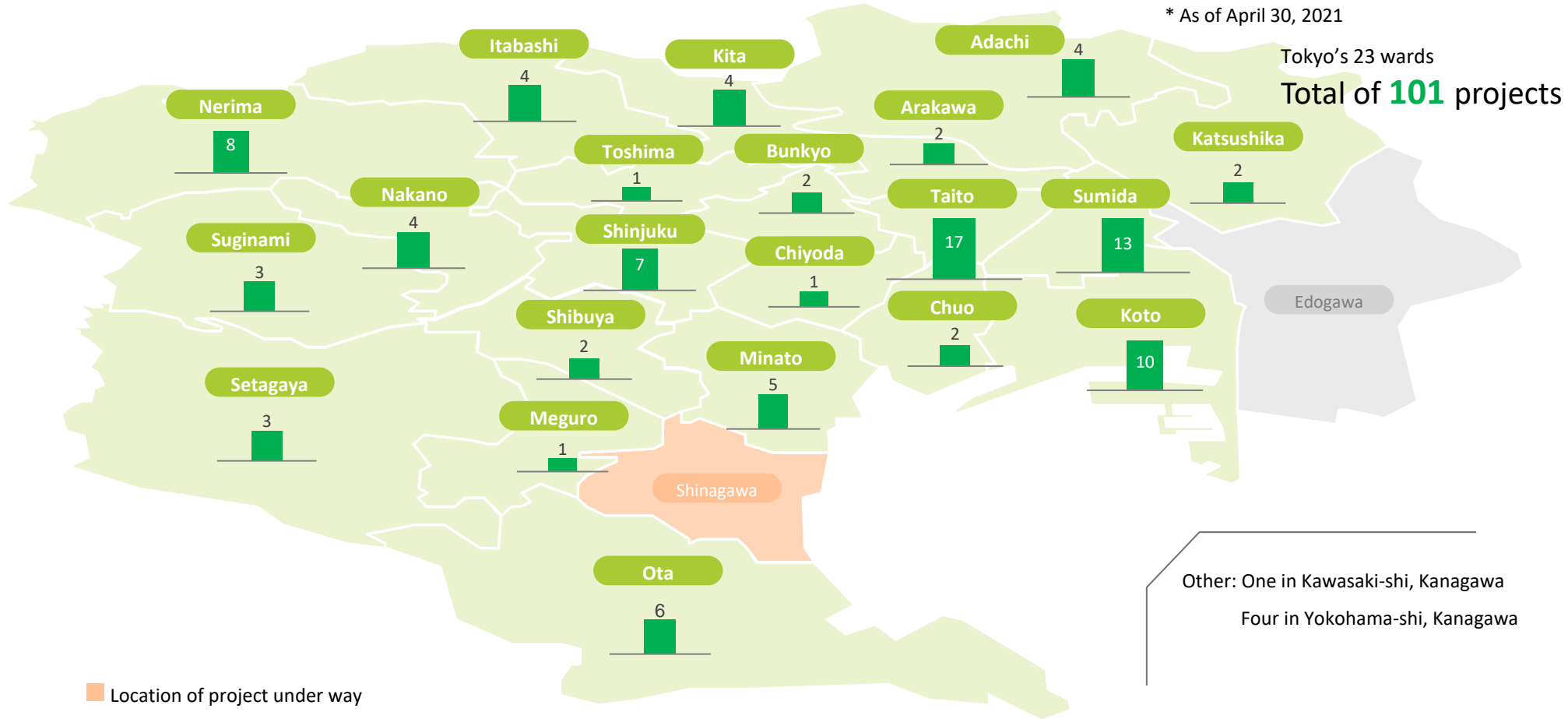
- Buildings have 1K, 1LDK and 2LDK configurations
 - Leased area is 20m² to 60m²
 - Prices are between about ¥20 million and ¥50 million
- * Good Com can create proposals that match the characteristics of assets and other requirements

All Genovia series condominium units are sold as investments

Locations of Genovia Projects

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

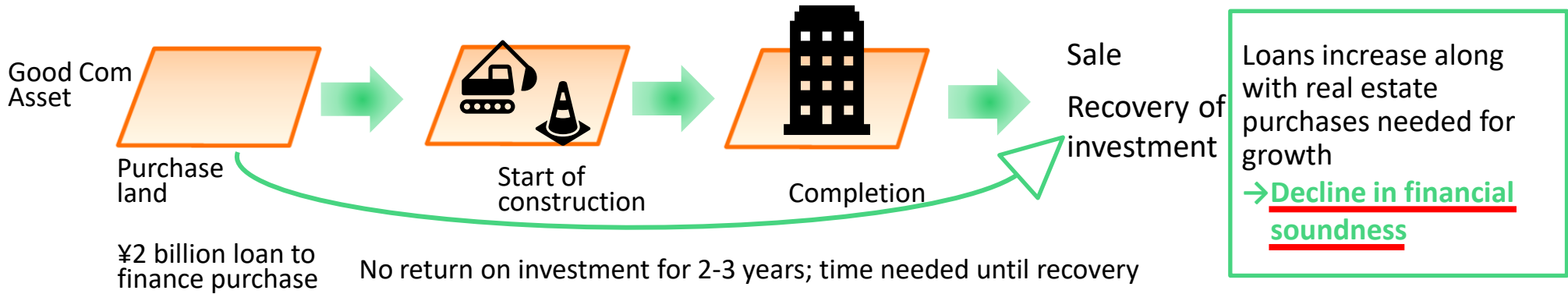
Locations of Genovia projects



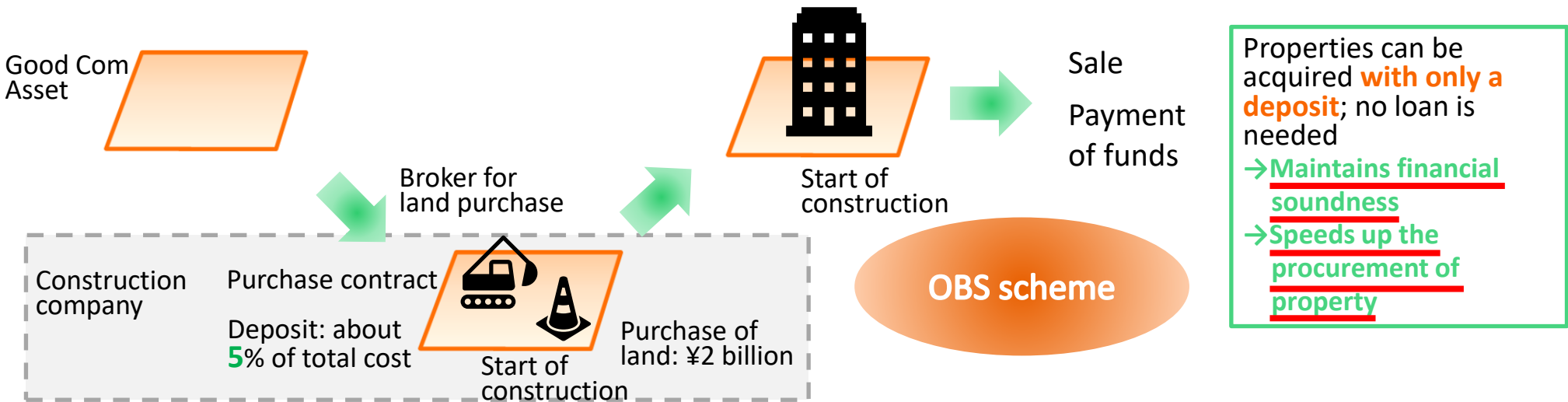
Purchases Off-balance Sheet (OBS) Scheme for Purchases

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

Typical development project

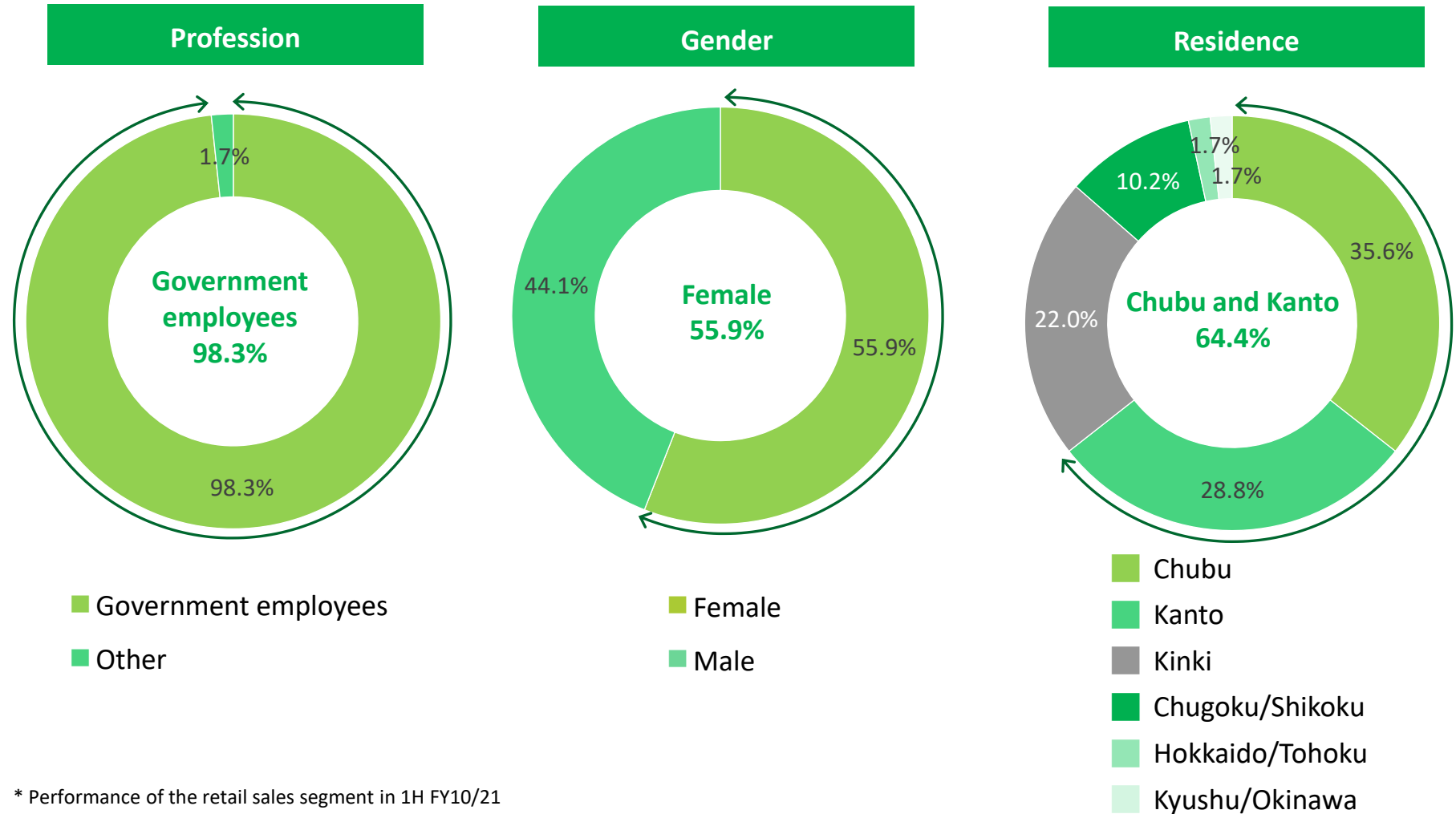


Single-owner project



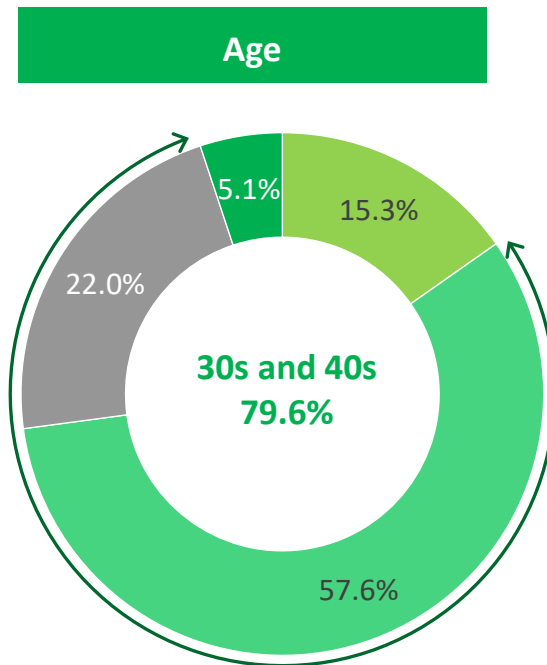
Customer Attributes (1)

Government employees are the main customer segment, **male customers** are increasing, **expanding operations** to include western Japan

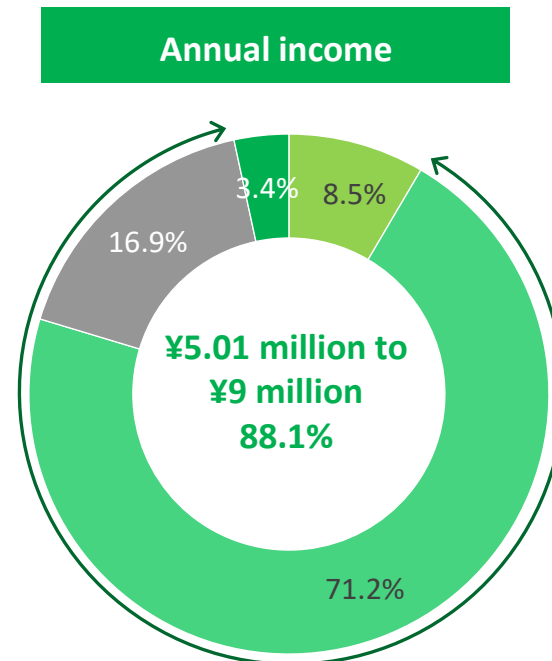


* Performance of the retail sales segment in 1H FY10/21

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



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



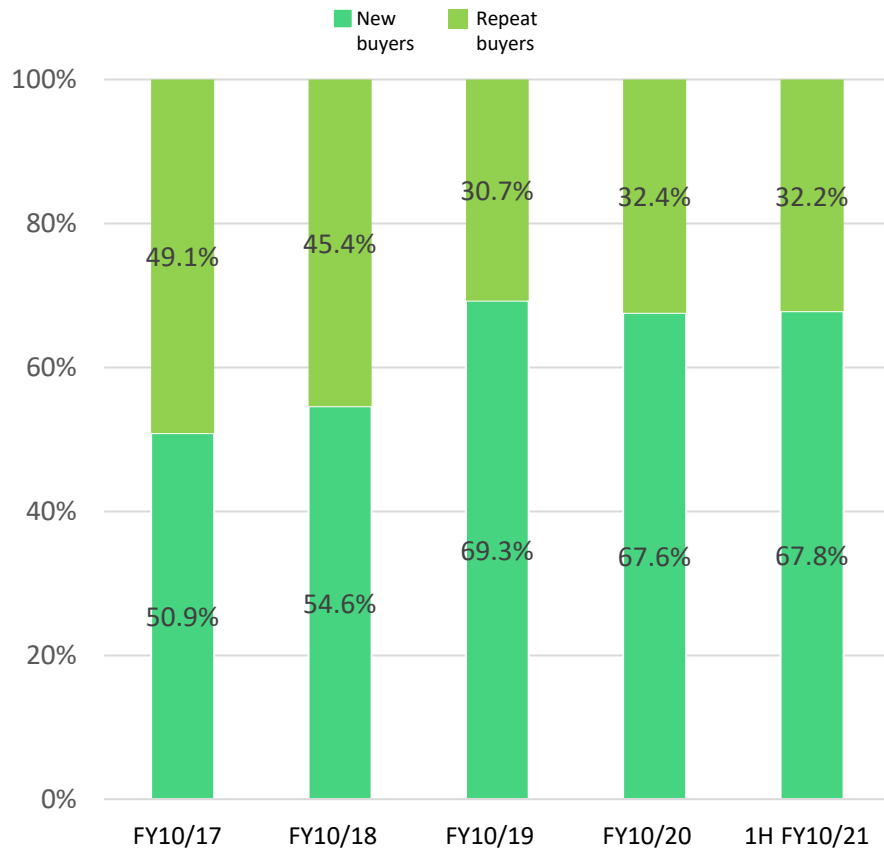
- Up to ¥5 million
- ¥5.01 million to ¥7 million
- ¥7.01 million to ¥9 million
- ¥9.01 million to ¥10 million

* Performance of the retail sales segment in 1H FY10/21

Buyers and Occupancy Rate

Attract new buyers
 – Sales channel expansion and more male customers

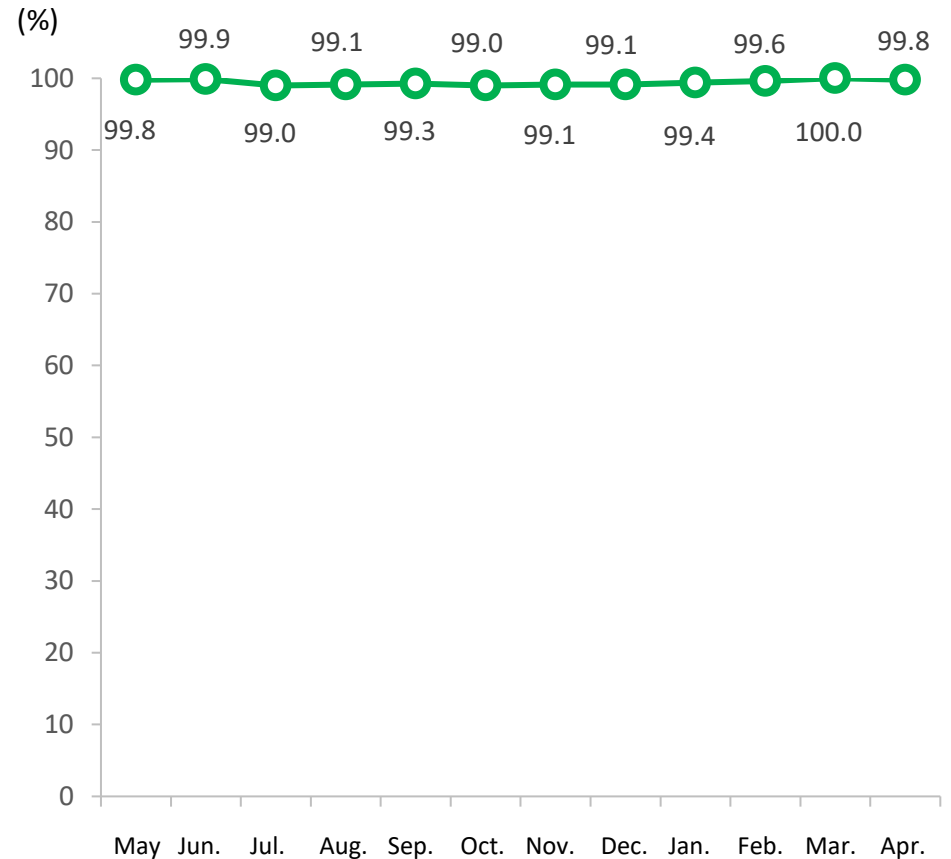
Share of new and repeat buyers



* Performance of the retail sales segment

Consistently high occupancy backed by prime locations and outstanding Genovia designs and amenities

Occupancy rate

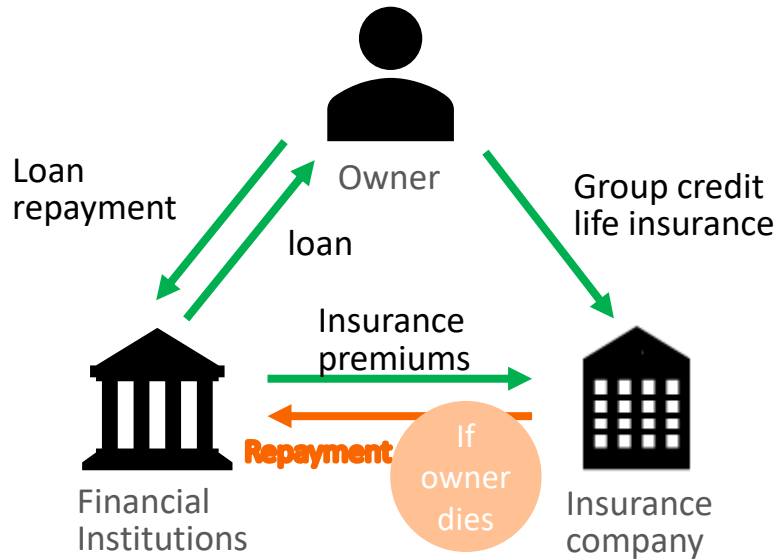


* Occupancy rate at the end of each month

1H FY10/21

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**.
- If the owner dies, the heirs continue to receive steady income from the property or can receive some of the proceeds from the sale of the property.

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

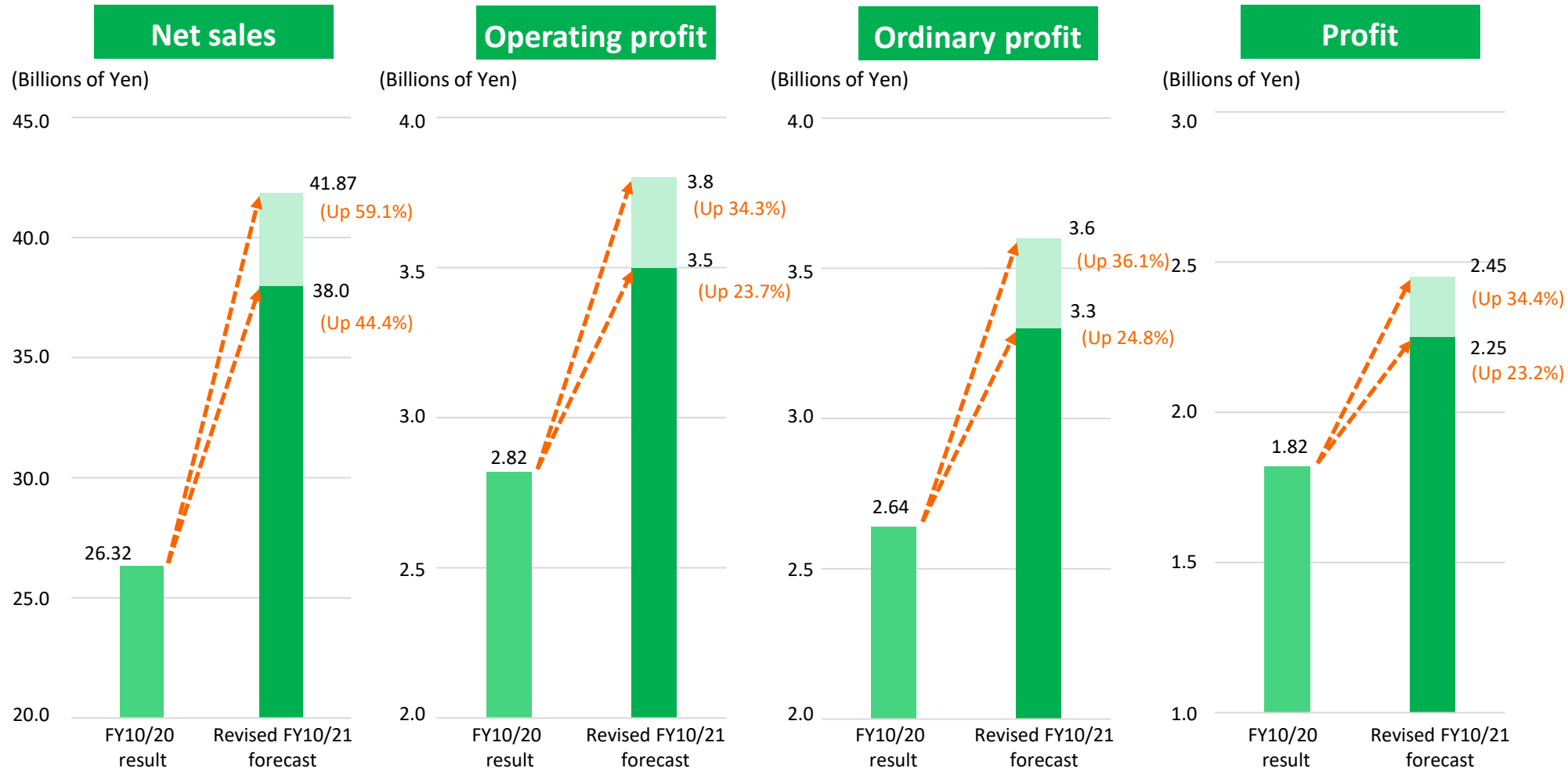
Example 3

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

III. FY10/21 Earnings Forecast

FY10/20 Results and Revised FY10/21 Forecast

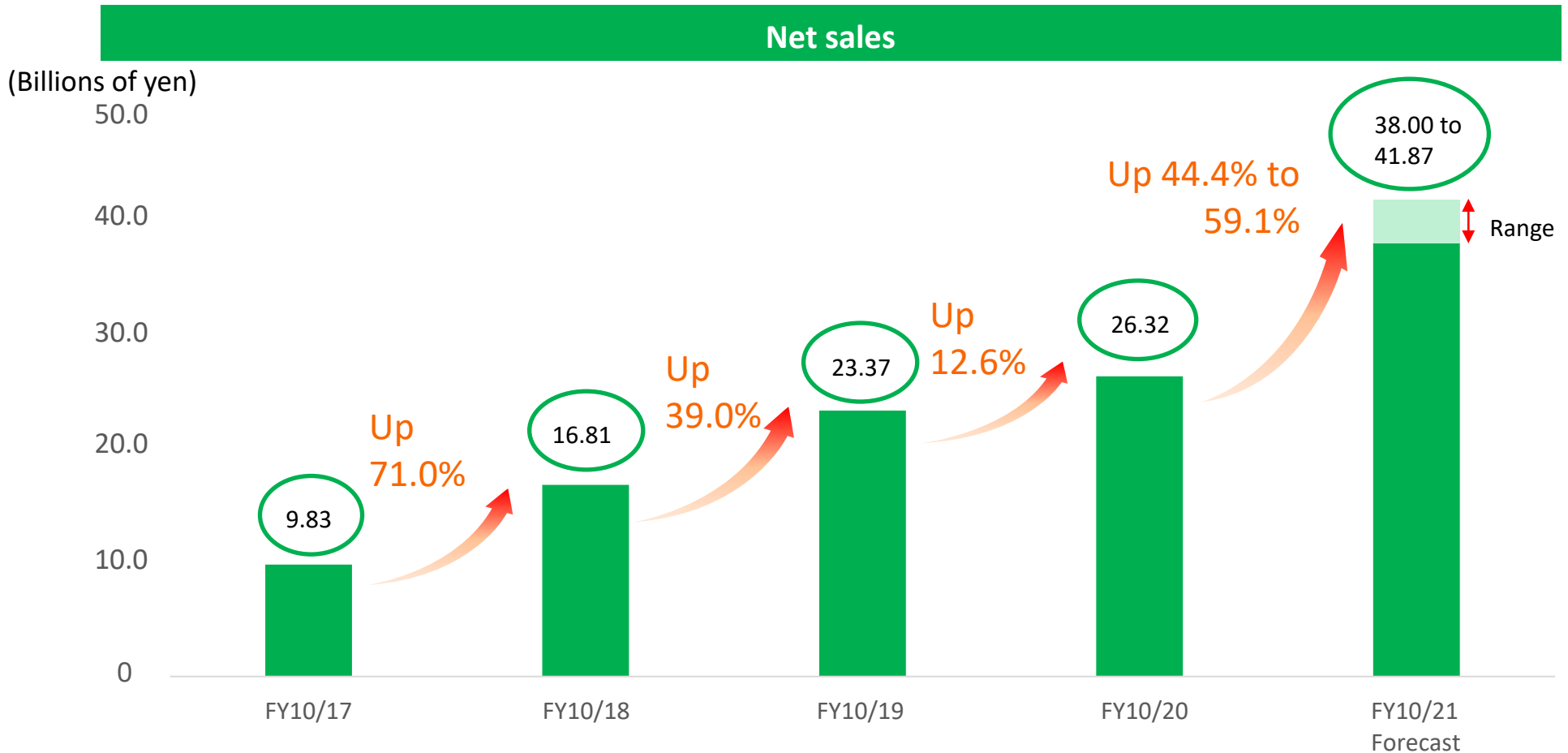
Forecast sales and earnings growth of more than 20% in FY10/21



* A range is used for the FY10/21 forecast because many uncertainties make it difficult to determine a highly reliable specific forecast.

Forecast Fifth Consecutive Year of Sales Growth

Compound annual growth rate of **40.2% to 43.7%**

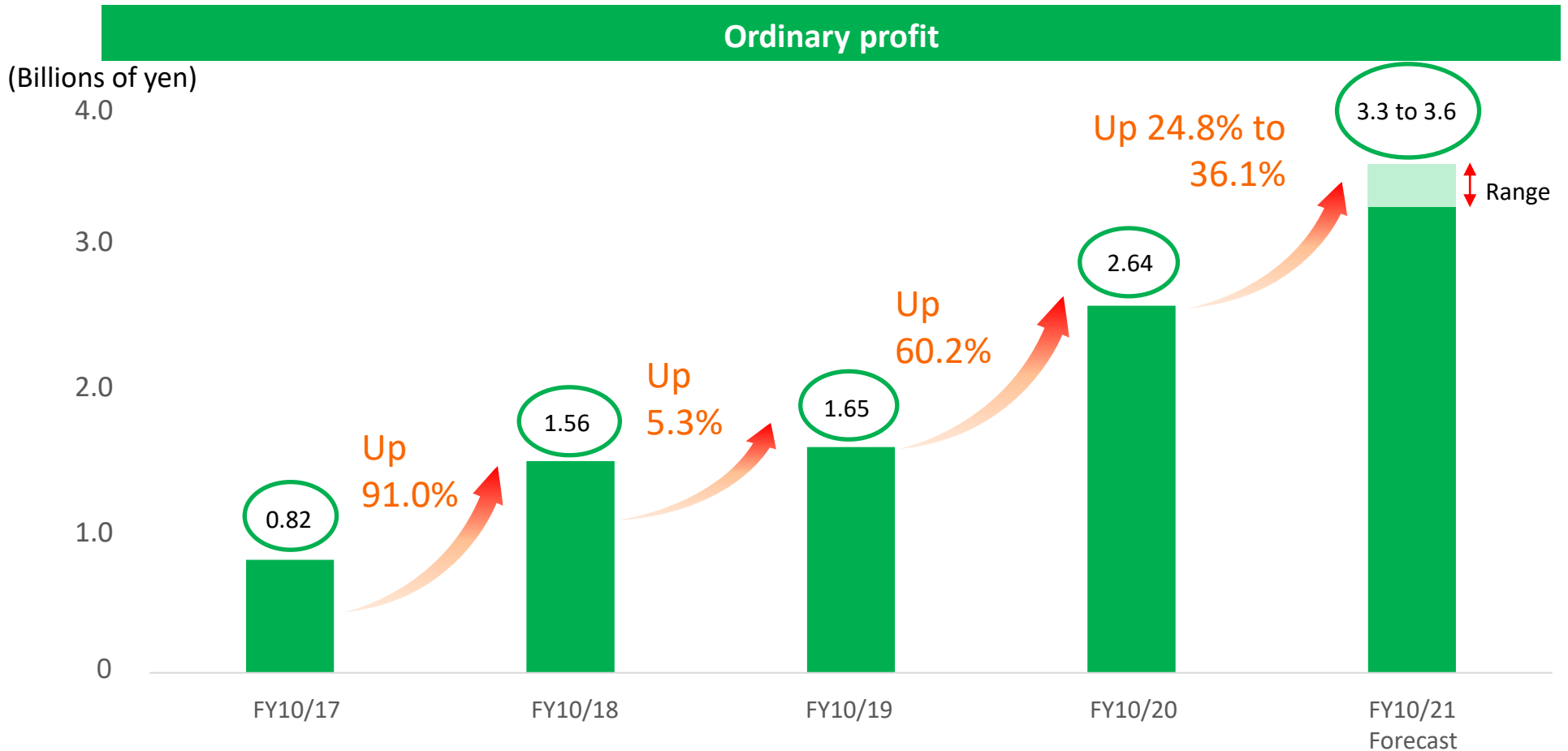


* A range is used for the FY10/21 forecast because many uncertainties make it difficult to determine a highly reliable specific forecast.

* The CAGR covers the period from FY10/17 to FY10/21 (forecast).

Forecast Fourth Consecutive Year of Earnings Growth

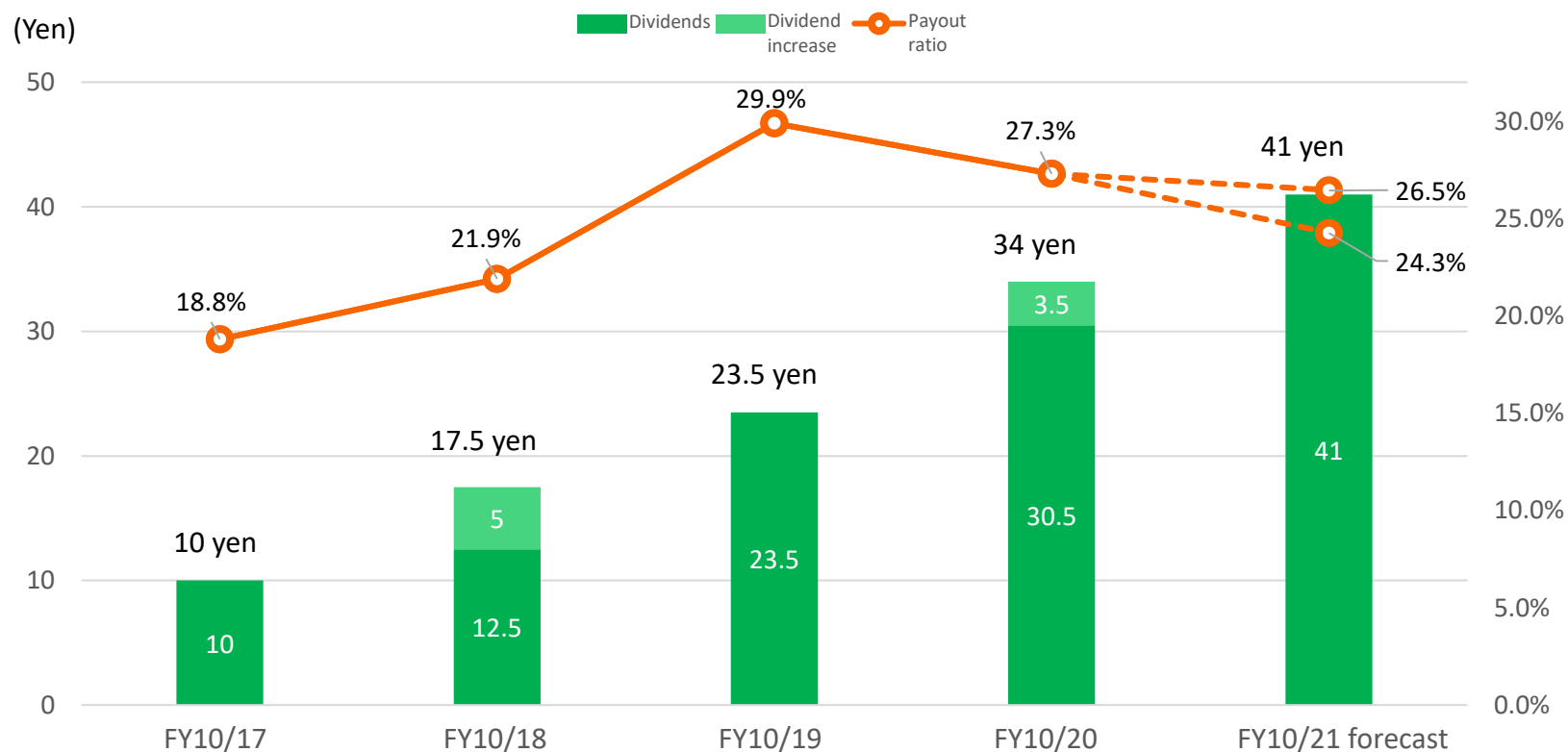
Compound annual growth rate of **41.6% to 44.8%**



* A range is used for the FY10/21 forecast because many uncertainties make it difficult to determine a highly reliable specific forecast.

* The CAGR covers the period from FY10/17 to FY10/21 (forecast).

Forecast fourth consecutive year of dividend increase



* Good Com Asset conducted a 2-for-1 common stock split on November 1, 2020. Dividends in prior years have been adjusted to reflect this stock split.

* The FY10/21 dividend requires approval at the shareholders meeting that will be held in January 2022.

Properties for Sale and Properties Acquired

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)
Higashi-Nihombashi Ekimae	Chuo-ku	80	-	Saginomiya	Nakano-ku	57	-	Ohanajaya	Katsushika-ku	107	Sep. 2021
Koenji	Nakano-ku	20	-	Sumidagawa east	Adachi-ku	59	-	Minami-Gyotoku	Ichikawa-shi	88	Sep. 2021
Asakusa II	Taito-ku	63	-	Okachimachi	Taito-ku	27	-	Oshiage	Koto-ku	73	Sold
Todaimae	Bunkyo-ku	39	-	Tabata III	Kita-ku	38	-	Itabashihoncho III	Itabashi-ku	56	Oct. 2021
Megurominami	Meguro-ku	39	-	Kinshicho	Sumida-ku	27	-	Kawasaki II	Kawasaki-shi	54	Oct. 2021
Kameidosuijin	Sumida-ku	57	-	Ueno III	Taito-ku	36	-	Gotanno	Adachi-ku	45	Oct. 2021
Kameidosuijin II	Sumida-ku	42	-	Asakusa IV	Taito-ku	49	-	Honjoazumabashi	Sumida-ku	71	Oct. 2021
Sangenjaya	Setagaya-ku	50	-	Sakurajosui	Suginami-ku	40	-	Asakusa V	Taito-ku	49	Dec. 2021
Komagome Eki	Kita-ku	48	-	Shin-Yokohama	Yokohama-shi	65	-	(Tentative name) Keisei Tateishi III	Katsushika-ku	59	Jan. 2022
Komagome Eki II	Bunkyo-ku	39	-	Nerimakasugacho	Nerima-ku	91	Sold	(Tentative name) Honjoazumabashi II	Sumida-ku	56	Feb. 2022
Shinjuku Waseda	Shinjuku-ku	65	-	Kamata II	Ota-ku	34	Sold	(Tentative name) Keisei Tateishi IV	Katsushika-ku	53	Feb. 2022
Asakusa Kuramae	Taito-ku	44	-	Kamata III	Ota-ku	55	Sold	(Tentative name) Shin-Takashimadaira	Itabashi-ku	42	Feb. 2022
Higashi-Mukojima	Sumida-ku	90	-	Itabashi Higashiyamacho	Itabashi-ku	47	Jun. 2021	(Tentative name) Minami-Senju III	Taito-ku	45	May 2022
Akihabara	Taito-ku	29	-	Higashi-Mukojima II	Sumida-ku	33	Sold	(Tentative name) Kawasaki III	Kawasaki-shi	48	Jun. 2022
Shin-Okachimachi	Taito-ku	24	-	Nishi-Takashimadaira	Itabashi-ku	57	Aug. 2021	(Tentative name) Aoto	Katsushika-ku	198	Aug. 2022
Ueno	Taito-ku	24	-	Higashi-Nakano	Nakano-ku	48	Aug. 2021	(Tentative name) Bandobashi	Yokohama-shi	120	Aug. 2022
Shinjuku Nakaochiai	Shinjuku-ku	34	-	Keisei Tateishi II	Katsuchika-ku	55	Aug. 2021	(Tentative name) Morishita	Sumida-ku	21	Aug. 2022
Ojikamiya	Adachi-ku	81	-	Osaki	Shinagawa-ku	47	Aug. 2021	(Tentative name) Ryogoku VI	Sumida-ku	99	Oct. 2022
Ueno II	Taito-ku	29	-	Minami-Sunamachi	Koto-ku	52	Sold				

* As of June 8, 2021

IV. Roadmap for Achieving a Market Cap of ¥100 Billion

A Road Map for FY10/26



Compound annual growth rate of more than **30%**

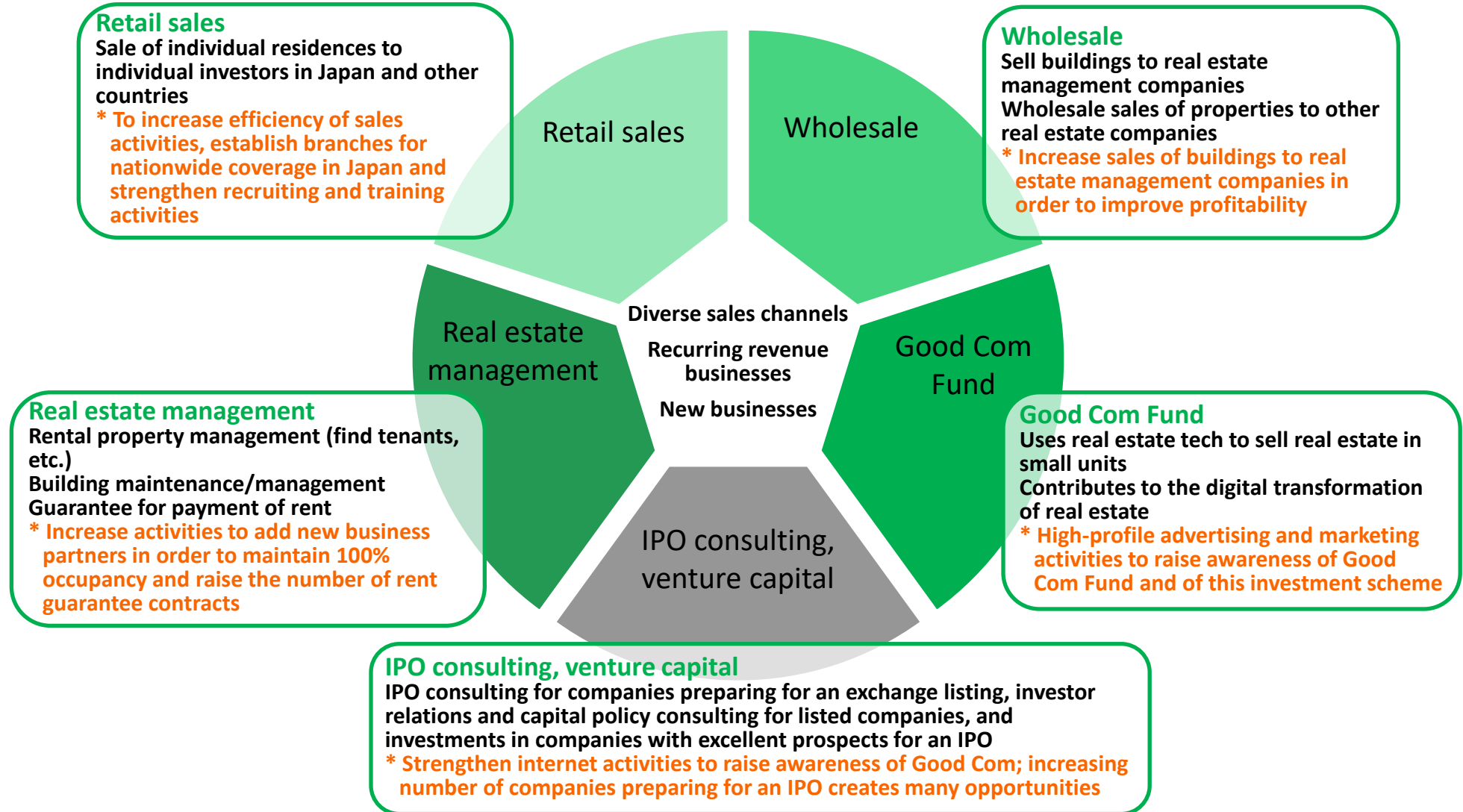
= **¥100 billion market capitalization**



* Figures beginning with FY10/22 are calculated by using an annual growth rate of 30% and are not projections or goals for a medium-term business plan.

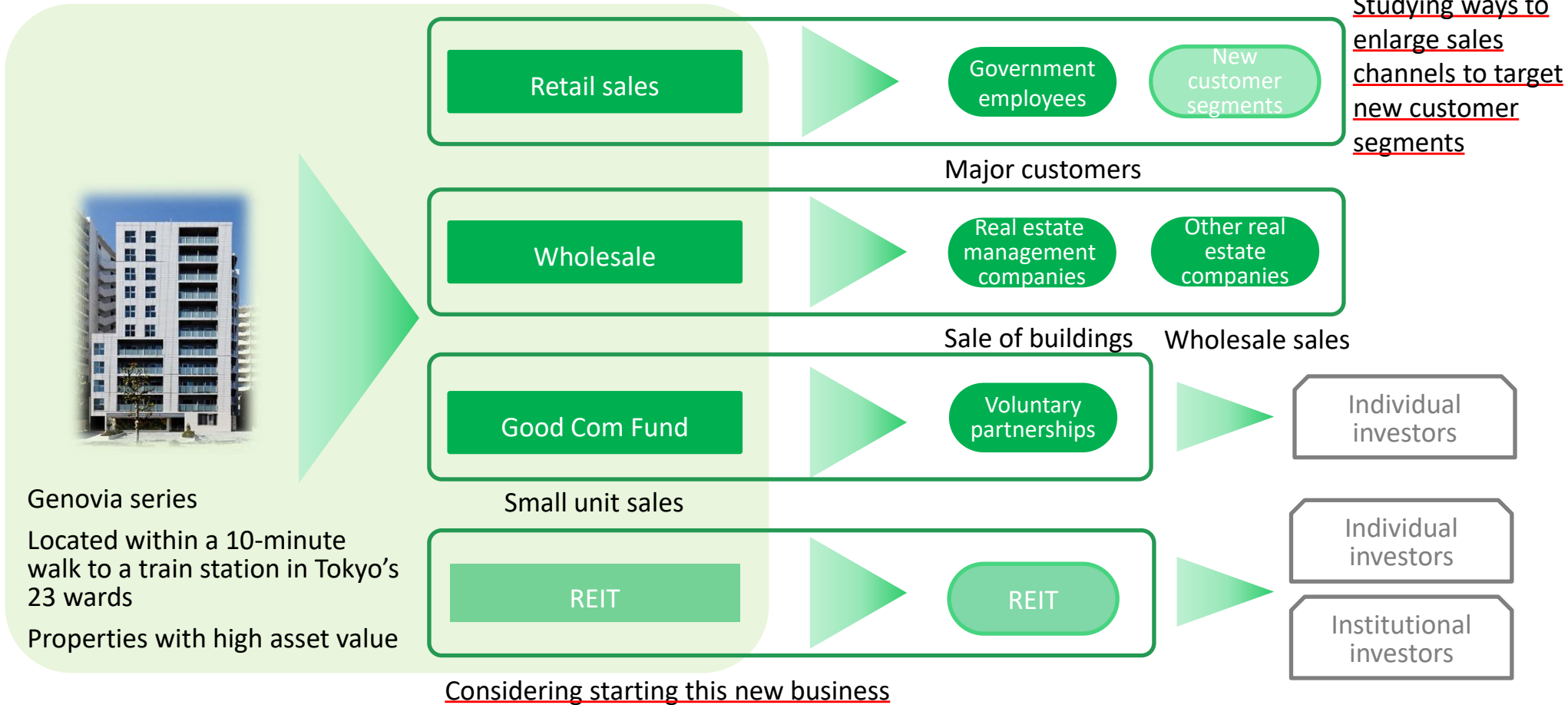
Strategic Goals and Portfolio Management

Transparency and distinctive well-balanced operations



Diverse Sales Channels

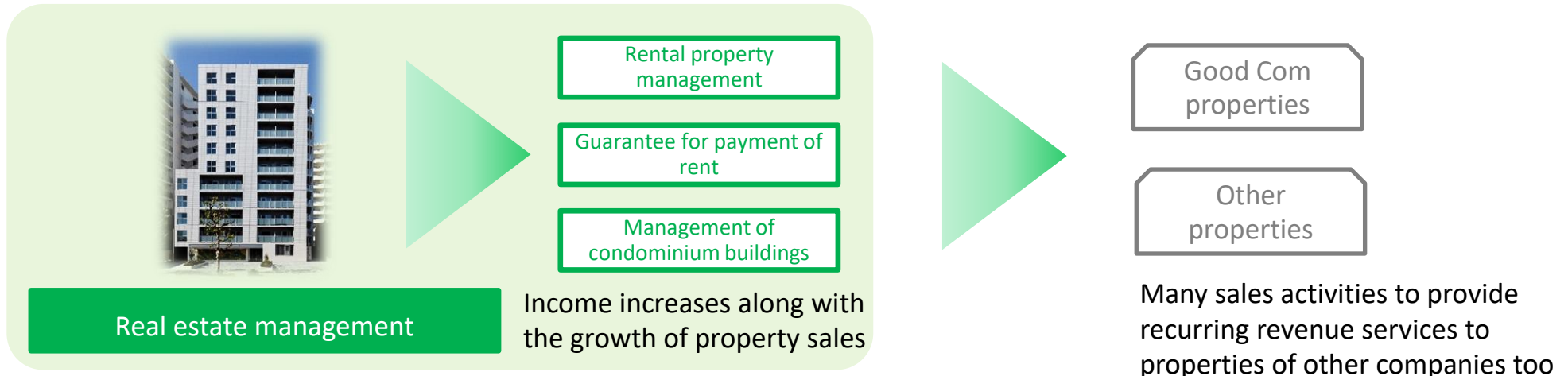
Core Business: Sale of New Condominiums to Investors



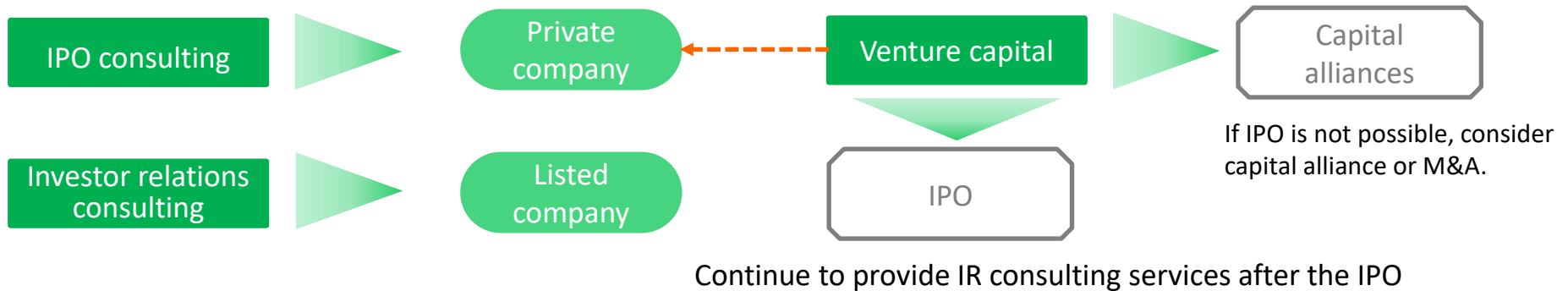
Genovia series
 Located within a 10-minute walk to a train station in Tokyo's 23 wards
 Properties with high asset value

Diverse sales channels will enable consistent sales in any business climate

Businesses generating recurring revenue













IPO consulting and venture capital







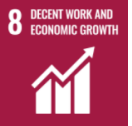


Aim for growth of recurring revenue and of IPO and venture capital activities

Environment



Activities	SDGs
<p>Wall vegetation and rooftop greenery</p> <p>Genovia brand condominiums have wall vegetation and rooftop greenery. By lowering the surface temperature of buildings, this vegetation helps reduce the urban heat island effect caused by the large amount of asphalt and concrete surfaces in urban areas. Furthermore, greenery reduces energy consumption as well as CO2 emissions, thereby playing a role in fighting global warming.</p>	  
<p>LED lights</p> <p>Genovia brand condominiums have LED lights, which require less electricity than other types of lights and have a longer life. These advantages reduce the volume of waste materials and CO2 emissions.</p>	 
<p>Simple designs</p> <p>Genovia brand condominiums have simple yet sophisticated designs that have no excessive decorations. This simplicity helps lower the electricity used by Genovia buildings.</p>	 
<p>Contributions to an environmental organization</p> <p>Good Com makes donations to the Keidanren Nature Conservation Fund to support projects that protect the environment.</p>	  

ESG and SDG Initiatives (2)

Society

Activities	SDGs
<p>Properties designed for good health</p> <p>Some Genovia brand condominiums have photocatalytic disinfection and odor removal units. Photocatalysts have been shown to reduce the risk of COVID-19 infections too.</p>	 
<p>Work-life balance</p> <p>To enable employees to maintain the proper balance between jobs and their private lives, Good Com Asset has three job formats with different numbers of working days and times. Employees can select the format that best matches their life styles and preferences.</p>	
<p>Training programs and job creation</p> <p>Good Com Asset provides a variety of educational programs, including seminars led by external instructors, support for earning professional qualifications and other activities. In addition, our goal of 30% annual sales and earnings growth is expected to create many jobs and contribute to the growth of Japan's economy.</p>	 
<p>Diversity</p> <p>Everyone at Good Com Asset, regardless of nationality, gender, age and other characteristics, is evaluated and compensated based solely on capabilities and performance.</p> <p>We are committed to recruiting women and provide time off for pregnancies and child care so that women can continue their careers at Good Com Asset while raising a family. Overall, we have many programs and benefits that allow employees to advance their careers at Good Com Asset in a manner that matches their life styles.</p>	 

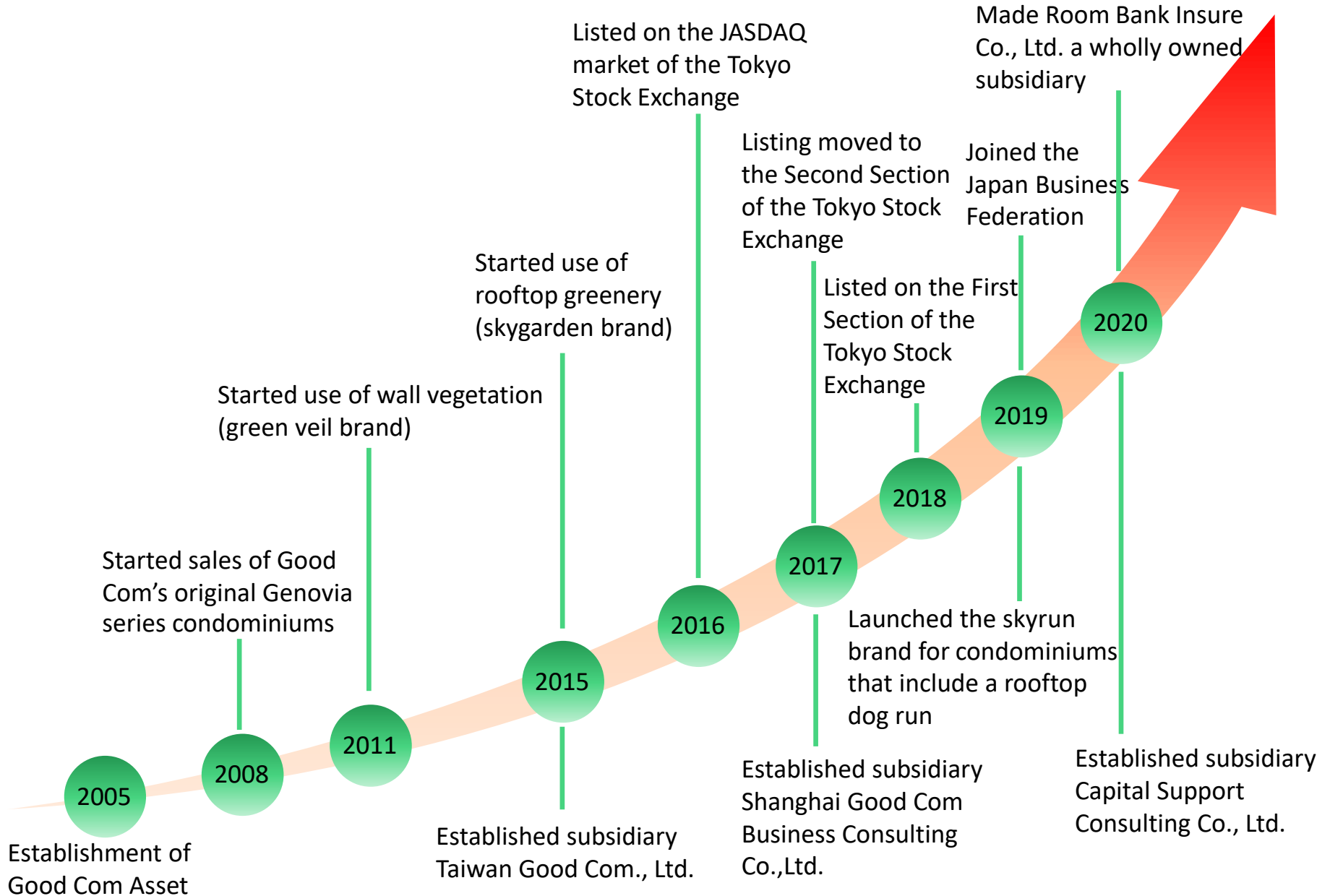
Governance

Activities	SDGs
<p>Corporate governance</p> <p>Our basic policy for corporate governance is to maintain the strong framework for conducting business operations that is needed for sound growth while conducting operations efficiently and in compliance with laws and regulations. We are committed to the Good Com Asset Group's corporate philosophy of providing reliable and high-quality real estate to customers worldwide, ensuring that every customer is completely satisfied with our products and services, and bringing happiness to our customers. We also recognize the importance of managing operations while maintaining and reinforcing a fair and neutral stance concerning shareholders, customers and all other stakeholders.</p>	
<p>Compliance</p> <p>Everyone at the Good Com Asset Group strictly complies with the Building Lots and Buildings Transaction Business Act and all other laws and regulations associated with the group's business operations.</p>	

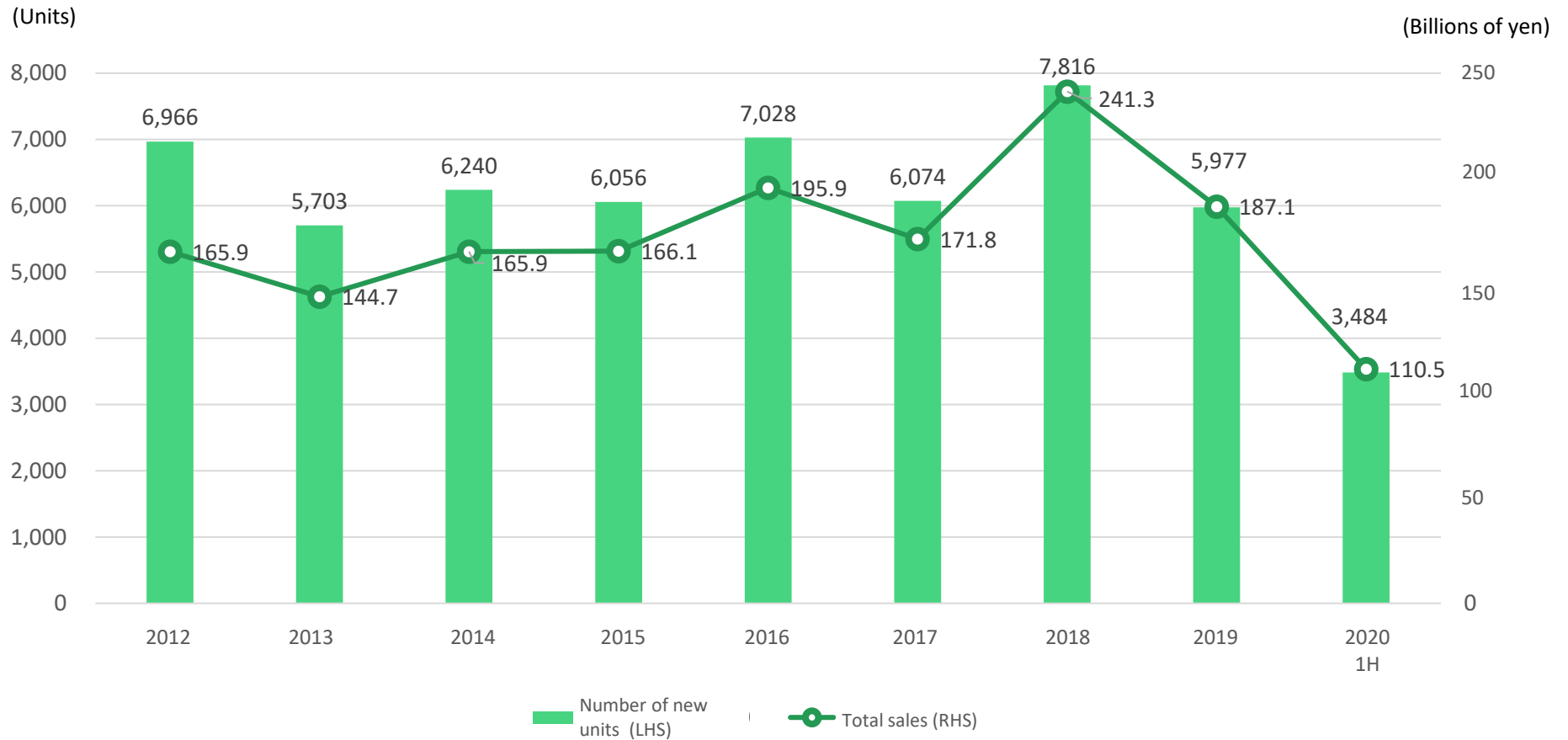
Appendix

Company name	Good Com Asset Co.,Ltd.
Founded	November 28, 2005
Capital	¥1,594 million (As of April 30, 2021)
Capital reserve	¥1,502 million (As of April 30, 2021)
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) Room Bank Insure Co., Ltd. (Apartment rent guarantees) 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	11,502 (As of April 30, 2021)
Fiscal year end	October

History of the Good Com Asset Group



The Newly Constructed Investment Condominium Market in the Tokyo Area

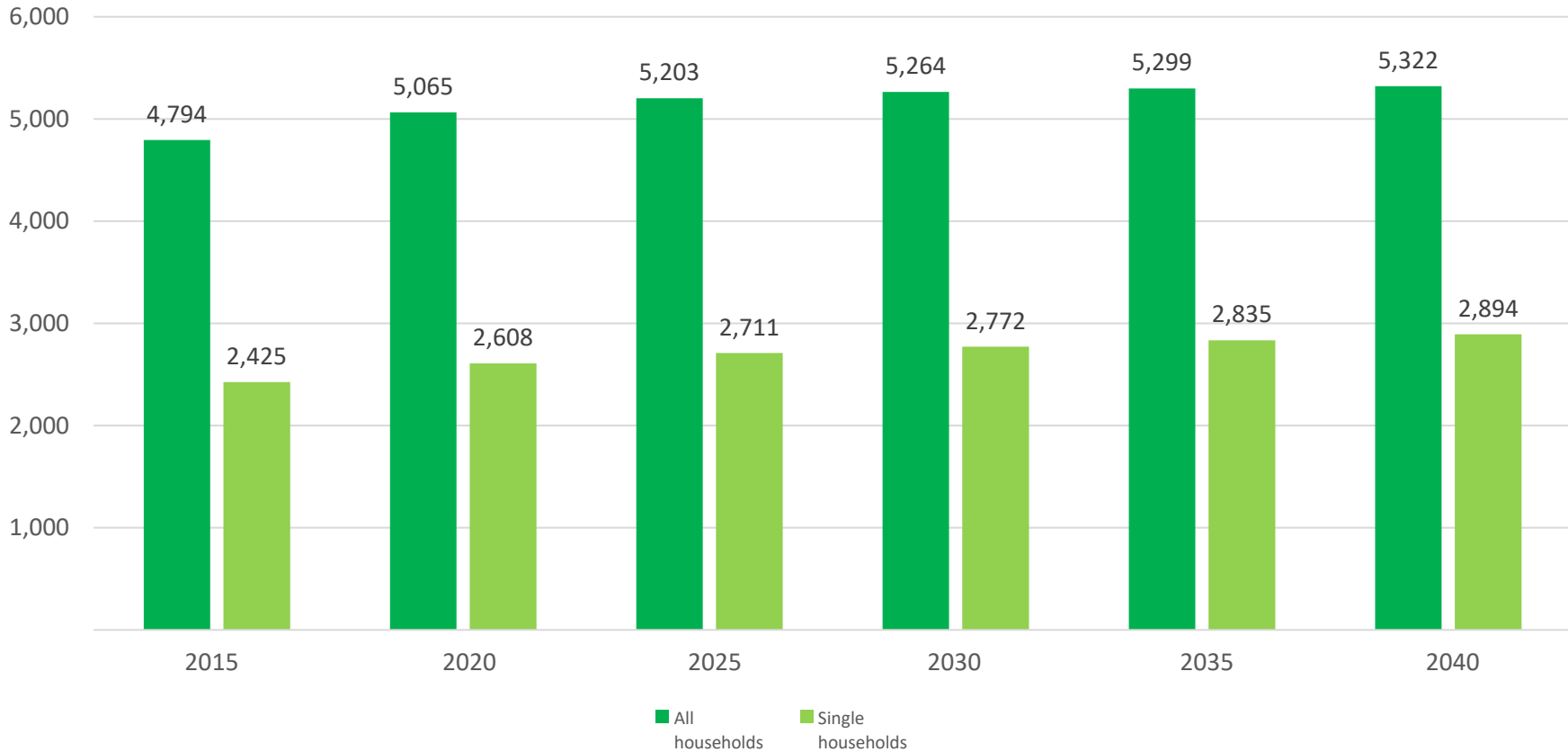


Source: Prepared by Good Com Asset based on data of Real Estate Economic Institute Co., Ltd., The trend of the Tokyo area investment condominium market

The number of newly constructed investment condominiums has moved up and down over the years. In the first half of 2020, the number of units completed was higher than one year earlier despite the COVID-19 crisis. The business climate for these condominiums is expected to remain firm.

Number of households in Tokyo's 23 wards (Good Com Asset's primary market)

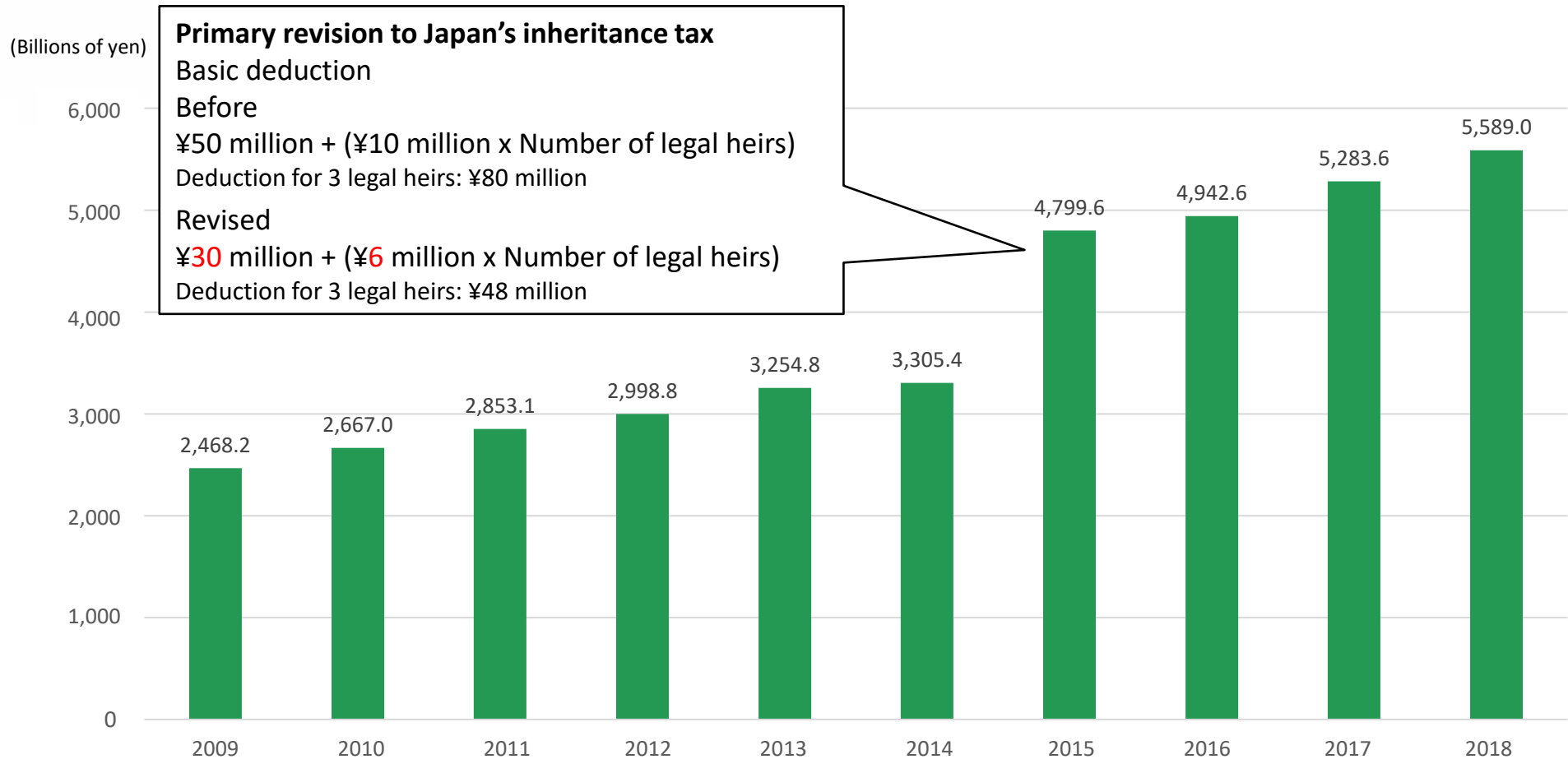
(Thousands of units)



Source: Prepared by Good Com Asset 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 Asset 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.

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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