

**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending October 31, 2017  
(Nine Months Ended July 31, 2017)**

[Japanese GAAP]  
September 11, 2017

Company name: Good Com Asset Co.,Ltd. Stock Exchange Listing: TSE (2nd Section)  
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 Scheduled date of filing of Quarterly Report: September 13, 2017  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: None  
 Holding of quarterly financial results meeting: None

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

**1. Consolidated Financial Results for the Third Quarter (November 1, 2016 - July 31, 2017) of the Fiscal Year Ending October 31, 2017**

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Jul. 31, 2017	7,423	37.5	687	(5.0)	645	(4.4)	448	7.0
Nine months ended Jul. 31, 2016	5,398	-	723	-	674	-	419	-

Note: Comprehensive income (million yen) Nine months ended Jul. 31, 2017: 449 (up 7.4%)  
 Nine months ended Jul. 31, 2016: 418 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jul. 31, 2017	155.51	147.21
Nine months ended Jul. 31, 2016	199.97	-

- Notes: 1. Year-on-year changes for the nine months ended July 31, 2016 are not presented because the quarterly consolidated financial statements were not prepared in the same period of the preceding fiscal year.  
 2. Diluted net income per share for the nine months ended July 31, 2016 is not shown. Although there were subscription rights to shares, it is not possible to determine an average stock price because the stock of Good Com Asset Co.,Ltd. (the "Company") was not listed. The Company's stock was listed in the JASDAQ (standard) market of the Tokyo Stock Exchange on December 8, 2016. Diluted net income per share for the nine months ended July 31, 2017 was calculated by using an average stock price during the period between the time of listing and the end of July 2017. The Company moved up its stock market listing to the Second Section of the Tokyo Stock Exchange on June 27, 2017.  
 3. The Company conducted a 2-for-1 common stock split effective on May 1, 2017. Net income per share and diluted net income per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jul. 31, 2017	9,458	3,069	32.4
As of Oct. 31, 2016	5,862	1,814	31.0

Reference: Shareholders' equity (million yen) As of Jul. 31, 2017: 3,069 As of Oct. 31, 2016: 1,814

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2016	-	0.00	-	20.00	20.00
Fiscal year ending Oct. 31, 2017	-	0.00	-		
Fiscal year ending Oct. 31, 2017 (forecasts)				20.00	20.00

Note: Revision to the most recently announced dividend forecast: Yes

Regarding revisions to the dividend forecast, please refer to the press release "Revisions to Dividend Forecast" (Japanese version only) that was announced today (September 11, 2017).

The Company conducted a 2-for-1 common stock split effective on May 1, 2017, and plans to conduct a 2-for-1 common stock split effective on October 1, 2017. Dividend per share forecasts for the fiscal year ending October 31, 2017 are adjusted to reflect the stock split. Prior to this adjustment, the forecast was a dividend of 80 yen per share.

**3. Consolidated Forecast for the Fiscal Year Ending October 31, 2017 (November 1, 2016 - October 31, 2017)**

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	8,879	20.1	991	6.7	898	3.5	570	1.3	97.67

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

The Company conducted a 2-for-1 common stock split effective on May 1, 2017, and plans to conduct a 2-for-1 common stock split effective on October 1, 2017. Net income per share is calculated as if this stock split had taken place at the beginning of the current fiscal year.

## 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, 2017:	3,035,600 shares	As of Oct. 31, 2016:	2,096,000 shares
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2) Number of treasury shares at the end of the period

As of Jul. 31, 2017:	110 shares	As of Oct. 31, 2016:	- shares
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3) Average number of shares outstanding during the period

Nine months ended Jul. 31, 2017:	2,884,365 shares	Nine months ended Jul. 31, 2016:	2,096,000 shares
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Note: The Company conducted a 2-for-1 common stock split effective on May 1, 2017. The number of outstanding shares are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

The current quarterly financial report is not subject to quarterly review procedures.

## 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.

### How to view supplementary materials for quarterly financial results

The Company plans to hold financial results meetings for individual investors on Monday, September 11, 2017 (over the internet), Wednesday, September 13, Thursday, September 14 and Tuesday, September 26, 2017. Materials distributed and video recorded at these events will be available on the Company's website immediately thereafter.

### Stock split

The Company plans to conduct a 2-for-1 common stock split effective on October 1, 2017.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

The Japanese economy remained on a recovery trend in the first nine months of the fiscal year ending October 31, 2017 as exports rebounded and stock prices rose. However, there are still unstable conditions in the economy because of uncertainties about the policies of the new U.S. administration and other factors affecting the overseas political and economic outlook.

In Japan's market for newly constructed condominiums, the primary business domain of the Good Com Asset Group, the percentage of new condominiums sold is below 70% in the Tokyo area. Nevertheless, the number of new condominiums in Tokyo's 23 wards is still climbing. In addition, the percentage of these condominiums sold is consistently high and demand is expected to remain steady.

Group companies continued to expand planning, development and sales activities for new Genovia series condominiums Genovia green veil and Genovia skygarden primarily in Tokyo's 23 wards while taking steps to secure rental income for condominium units prior to their sale to customers. We also reinforced the customer support framework and took actions aimed at strengthening the Genovia brand.

During the first nine months, 234 condominium units in 13 buildings were sold. The buildings are Asakusabashi (Taito-ku, Tokyo), Higashi-Nihombashi Ekimae (Chuo-ku, Tokyo), Ryogoku II (Sumida-ku, Tokyo), Higashi Nippori (Arakawa-ku, Tokyo), Asakusa II (Taito-ku, Tokyo), Asakusa III (Taito-ku, Tokyo), Azabujuban (Minato-ku, Tokyo), Todaimae (Bunkyo-ku, Tokyo), Megurominami (Meguro-ku, Tokyo), Ojima Eki (Koto-ku, Tokyo), Kawasaki Eki (Kawasaki, Kanagawa), Kameidosuijin (Sumida-ku, Tokyo), and Itabashi west (Itabashi-ku, Tokyo).

Net sales increased 37.5% year on year to 7,423 million yen. Operating income decreased 5.0% to 687 million yen, ordinary income decreased 4.4% to 645 million yen and profit attributable to owners of parent was up 7.0% to 448 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, sales totaled 118 condominium units. A continuing focus on condominiums for families is contributing to sales growth.

As a result, sales were 3,988 million yen, up 80.3% from one year earlier and segment profits increased 143.8% to 452 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. There were 116 condominium units sold to these companies during the first nine months.

As a result, sales were 3,024 million yen, up 16.0% from one year earlier and segment profits decreased 73.8% to 127 million yen.

#### (c) Property management

This segment performed well due to the growth of services to secure rental income prior to the sale and delivery of condominiums to clients and of management services for condominium buildings and tenant-occupied condominium units.

As a result, sales were 414 million yen, up 151.3% from one year earlier and segment profits increased 322.3% to 166 million yen.

(d) Overseas sales

This segment consists of sales of our Genovia series one-room and family condominiums to individual investors in other countries. There were no sales during the first nine months in part because the yen appreciated. Preparations are under way to establish a company in China to strengthen sales activities targeting individual investors in China. As a result, there was a segment loss of 63 million yen, compare with a segment profit of 7 million yen one year earlier.

## **(2) Explanation of Financial Position**

### **Assets**

Total assets increased 3,596 million yen, or 61.3%, from the end of the previous fiscal year to 9,458 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 3,576 million yen and cash and deposits of 762 million yen, while there was a decrease in real estate for sale in process of 862 million yen.

### **Liabilities**

Total liabilities increased 2,341 million yen, or 57.9%, from the end of the previous fiscal year to 6,389 million yen. This was mainly due to increases in current portion of long-term loans payable of 2,215 million yen and long-term loans payable of 447 million yen, while there was a decrease in short-term loans payable of 474 million yen.

### **Net Assets**

Total net assets increased 1,254 million yen, or 69.1%, from the end of the previous fiscal year to 3,069 million yen. The main factors include 412 million yen increases in each of capital stock and capital surplus due to issuance of new shares resulting from the public offering and third-party allotment (third-party allotment for a secondary offering using over-allotment), and a 20 million yen decrease due to dividend payments while retained earnings increased 448 million yen because of the booking of profit attributable to owners of parent.

Consequently, the equity ratio increased 1.4 percentage point from the end of the previous fiscal year to 32.4% 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 forecasts that was announced in the “Consolidated Financial Results for the Fiscal Year Ended October 31, 2016” on December 12, 2016.

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY10/16 (As of Oct. 31, 2016)	Third quarter of FY10/17 (As of Jul. 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	1,443,264	2,205,527
Real estate for sale	2,039,341	5,615,568
Real estate for sale in process	1,633,365	771,127
Advance payments-trade	528,476	530,320
Other	90,440	241,260
Total current assets	5,734,887	9,363,803
Non-current assets		
Property, plant and equipment	13,288	9,893
Intangible assets	1,569	1,957
Investments and other assets	112,874	83,292
Total non-current assets	127,732	95,144
Total assets	5,862,620	9,458,947
<b>Liabilities</b>		
Current liabilities		
Accounts payable for construction contracts	385,035	717,210
Short-term loans payable	745,830	271,670
Current portion of bonds	10,000	10,000
Current portion of long-term loans payable	981,572	3,196,743
Income taxes payable	175,753	65,113
Provision for bonuses	15,713	8,261
Provision for vacancy warranties	46,348	30,957
Other	204,113	170,654
Total current liabilities	2,564,365	4,470,611
Non-current liabilities		
Bonds payable	20,000	10,000
Long-term loans payable	1,369,186	1,816,252
Provision for directors' retirement benefits	73,596	75,886
Other	20,726	16,927
Total non-current liabilities	1,483,509	1,919,066
Total liabilities	4,047,875	6,389,677
<b>Net assets</b>		
Shareholders' equity		
Capital stock	91,500	504,440
Capital surplus	-	412,940
Retained earnings	1,724,066	2,151,651
Treasury shares	-	(130)
Total shareholders' equity	1,815,566	3,068,902
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,098	2,091
Foreign currency translation adjustment	(1,920)	(1,724)
Total accumulated other comprehensive income	(821)	367
Total net assets	1,814,745	3,069,269
Total liabilities and net assets	5,862,620	9,458,947

**(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 FY10/16 (Nov. 1, 2015 – Jul. 31, 2016)	First nine months of FY10/17 (Nov. 1, 2016 – Jul. 31, 2017)
Net sales	5,398,366	7,423,129
Cost of sales	3,886,005	5,801,533
Gross profit	1,512,361	1,621,596
Selling, general and administrative expenses	788,406	934,183
Operating income	723,954	687,412
Non-operating income		
Interest income	203	54
Dividend income	213	250
Commission fee	1,608	1,524
Gain on sales of securities	-	355
Insurance premiums refunded cancellation	-	20,588
Other	2,195	4,265
Total non-operating income	4,221	27,039
Non-operating expenses		
Interest expenses	41,679	46,102
Other	11,835	23,348
Total non-operating expenses	53,515	69,450
Ordinary income	674,660	645,001
Extraordinary income		
Gain on sales of non-current assets	-	2,784
Total extraordinary income	-	2,784
Extraordinary losses		
Loss on valuation of membership	-	2,600
Total extraordinary losses	-	2,600
Profit before income taxes	674,660	645,185
Income taxes	255,521	196,640
Profit	419,139	448,544
Profit attributable to owners of parent	419,139	448,544

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

(Thousands of yen)

	First nine months of FY10/16 (Nov. 1, 2015 – Jul. 31, 2016)	First nine months of FY10/17 (Nov. 1, 2016 – Jul. 31, 2017)
Profit	419,139	448,544
Other comprehensive income		
Valuation difference on available-for-sale securities	(276)	992
Foreign currency translation adjustment	(259)	196
Total other comprehensive income	(536)	1,188
Comprehensive income	418,602	449,733
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	418,602	449,733
Comprehensive income attributable to non-controlling interests	-	-



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

Not applicable.

**Significant Changes in Shareholders' Equity**

Capital stock and capital surplus increased 338 million yen each due to issuance of new shares resulting from the public offering with a payment date of December 7, 2016, Furthermore, these two equity components increased 74 million yen each through a third-party allotment (third-party allotment for a secondary offering using over-allotment) with a payment date of January 6, 2017, and 500 thousand yen each resulting from exercise of stock options.

As a result, capital stock and capital surplus increased 412 million yen each during the first nine months, to 504 million yen and 412 million yen, respectively, at the end of the third quarter of FY10/17.

**Changes in Significant Subsidiaries during the Period**

Not applicable.

**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.

**Additional Information**

Application of Implementation Guidance on Recoverability of Deferred Tax Assets

The Company has applied the "Implementation Guidance on Recoverability of Deferred Tax Assets" (Accounting Standards Board of Japan (ASBJ) Guidance No. 26, March 28, 2016) from the first quarter of FY10/17.

**Segment and Other Information**

Segment Information

I. First nine months of FY10/16 (Nov. 1, 2015 – Jul. 31, 2016)

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	2,212,069	2,607,448	163,840	415,008	5,398,366
Inter-segment sales and transfers	-	-	955	-	955
Total	2,212,069	2,607,448	164,796	415,008	5,399,322
Segment profit	185,406	486,581	39,342	7,564	718,894

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

(Thousands of yen)

Profit	Amounts
Total for reportable segments	718,894
Elimination of inter-segment transactions	5,060
Operating income on the quarterly consolidated statement of income	723,954

## 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 FY10/17 (Nov. 1, 2016 – Jul. 31, 2017)

## 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	3,988,313	3,024,901	409,914	-	7,423,129
Inter-segment sales and transfers	-	-	4,249	-	4,249
Total	3,988,313	3,024,901	414,163	-	7,427,378
Segment profit (loss)	452,041	127,249	166,146	(63,146)	682,290

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

(Thousands of yen)

Profit	Amounts
Total for reportable segments	682,290
Elimination of inter-segment transactions	5,122
Operating income on the quarterly consolidated statement of income	687,412

## 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.*