

**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending October 31, 2018  
(Nine Months Ended July 31, 2018)**

[Japanese GAAP]

September 12, 2018

Company name: Good Com Asset Co.,Ltd. Stock Exchange Listing: TSE (1st Section)  
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Scheduled date of filing of Quarterly Report: September 13, 2018  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for individual investors)

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

**1. Consolidated Financial Results for the Third Quarter (November 1, 2017 - July 31, 2018) of the Fiscal Year Ending October 31, 2018**

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Jul. 31, 2018	13,995	88.5	1,432	108.3	1,345	108.6	923	105.8
Nine months ended Jul. 31, 2017	7,423	37.5	687	(5.0)	645	(4.4)	448	7.0

Note: Comprehensive income (million yen) Nine months ended Jul. 31, 2018: 921 (up 105.0%)  
 Nine months ended Jul. 31, 2017: 449 (up 7.4%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended Jul. 31, 2018	142.01		134.78	
Nine months ended Jul. 31, 2017	77.75		73.33	

Notes: 1. Good Com Asset Co.,Ltd. (the "Company") conducted a 2-for-1 common stock split effective on May 1, 2017 and October 1, 2017. Net income per share and diluted net income per share are calculated as if these stock splits had taken place at the beginning of the previous fiscal year.

2. Although there were share acquisition rights, 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 because the stock of the Company was listed in the JASDAQ (standard) market of the Tokyo Stock Exchange on December 8, 2016. The Company moved up its stock market listing to the Second Section of the Tokyo Stock Exchange on June 27, 2017, then the stock was listed on the First Section of the Tokyo Stock Exchange on April 24, 2018.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of Jul. 31, 2018	11,802		6,206		52.6	
As of Oct. 31, 2017	12,613		3,241		25.7	

Reference: Shareholders' equity (million yen) As of Jul. 31, 2018: 6,206 As of Oct. 31, 2017: 3,241

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2017	-	0.00	-	20.00	20.00
Fiscal year ending Oct. 31, 2018	-	0.00	-		
Fiscal year ending Oct. 31, 2018 (forecasts)				35.00	35.00

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

The year-end dividend per share forecast for the fiscal year ending October 31, 2018 comprises an ordinary dividend of 25.00 yen and a commemorative dividend of 10.00 yen.

**3. Consolidated Forecast for the Fiscal Year Ending October 31, 2018 (November 1, 2017 - October 31, 2018)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	16,188	64.6	1,620	78.5	1,510	84.1	1,035	66.9	154.60

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

## Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jul. 31, 2018:	7,277,000 shares	As of Oct. 31, 2017:	6,071,200 shares
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2) Number of treasury shares at the end of the period

As of Jul. 31, 2018:	220 shares	As of Oct. 31, 2017:	220 shares
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3) Average number of shares outstanding during the period

Nine months ended Jul. 31, 2018:	6,500,744 shares	Nine months ended Jul. 31, 2017:	5,768,730 shares
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Note: The Company conducted a 2-for-1 common stock split effective on May 1, 2017 and October 1, 2017. The number of outstanding shares is calculated as if these stock splits 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. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

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

The Company plans to hold financial results meetings for individual investors on Thursday, September 13, 2018 and Friday, September 14, 2018. Supplementary materials for the financial results meetings will be available on the Company's website immediately thereafter.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

The Japanese economy continued to recover at a moderate pace during the first nine months of the fiscal year ending October 31, 2018 as corporate earnings remained strong and the job market and personal income improved in response to fiscal and monetary easing policies by the government and the Bank of Japan.

In Japan's market for newly constructed condominiums, the primary business domain of the Good Com Asset Group (the "Group"), the percentage of new condominium units in the Tokyo metropolitan area sold during the nine-month period that ended in July 2018 was 68.3%. This is below the 70% level generally regarded as a sign of strength in the condominium market, but in Tokyo's 23 wards, the Group's main business area, it was above 70% at 71.2%. The number of units sold in Tokyo's 23 wards accounts for about half of the number of units sold in the Tokyo metropolitan area and the outlook is for buy-side condominium demand in Tokyo's 23 wards to remain steady, according to the Real Estate Economic Institute.

The Group continued to expand planning, development and sales activities for new Genovia series condominiums using the Genovia green veil and Genovia skygarden brands primarily in Tokyo's 23 wards. We also reinforced the customer support framework and took actions aimed at strengthening the Genovia brand.

During the first nine months, 535 condominium units in 14 buildings were sold. The buildings are Asakusa II (Taito-ku, Tokyo), Asakusa III (Taito-ku, Tokyo), Kawasaki Eki (Kawasaki, Kanagawa), Kameidosuijin (Sumida-ku, Tokyo), Itabashi west (Itabashi-ku, Tokyo), Setagaya Kinuta (Setagaya-ku, Tokyo), Tabata II (Kita-ku, Tokyo), Kameidosuijin II (Sumida-ku, Tokyo), Komagome Eki (Kita-ku, Tokyo), Sangenjaya (Setagaya-ku, Tokyo), Komagome Eki II (Bunkyo-ku, Tokyo), Shinjuku Waseda (Shinjuku-ku, Tokyo), Nishi Sugamo (Kita-ku, Tokyo) and Sumidagawa west (Arakawa-ku, Tokyo).

Net sales increased 88.5% year on year to 13,995 million yen. Operating profit increased 108.3% to 1,432 million yen, ordinary profit increased 108.6% to 1,345 million yen and profit attributable to owners of parent was up 105.8% to 923 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, 156 condominium units were sold.

As a result, sales were 4,830 million yen, up 21.1% from one year earlier and segment profit increased 1.8% to 460 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. Thanks to aggressive activities to sell properties to these companies, 379 condominium units were sold during the first nine months.

As a result, sales were 8,684 million yen, up 187.1% from one year earlier and segment profit increased 479.4% to 737 million yen.

#### (c) Property management

This segment performed well due to strong growth in the number of managed condominium buildings and tenant-occupied condominium units.

As a result, sales were 491 million yen, up 18.8% from one year earlier and segment profit increased 62.1% to 269 million yen.

(d) Overseas sales

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

As a result, there were no sales and a segment loss of 40 million yen, compared with a loss of 63 million yen one year earlier.

**(2) Explanation of Financial Position**

**Assets**

Total assets decreased 811 million yen, or 6.4%, from the end of the previous fiscal year to 11,802 million yen at the end of the third quarter of the current fiscal year. This was mainly due to decreases in real estate for sale of 3,123 million yen and real estate for sale in process of 772 million yen while there was an increase in cash and deposits of 3,088 million yen.

**Liabilities**

Total liabilities decreased 3,775 million yen, or 40.3%, from the end of the previous fiscal year to 5,596 million yen. This was mainly due to decreases in current portion of long-term loans payable of 2,496 million yen and long-term loans payable of 1,638 million yen while there was an increase in income taxes payable of 209 million yen.

**Net assets**

Total net assets increased 2,964 million yen, or 91.5%, from the end of the previous fiscal year to 6,206 million yen. The main factors include 1,082 million yen increases in each of capital stock and capital surplus due to issuance of new shares, and a 923 million yen increase in retained earnings due to the booking of profit attributable to owners of parent, which was partially offset by a 121 million yen decrease in retained earnings due to dividend payments.

Consequently, the equity ratio increased 26.9 percentage points from the end of the previous fiscal year to 52.6% at the end of the third quarter of the current fiscal year.

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

The Company maintains its full-year consolidated forecast that was announced in the “Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending October 31, 2018” on June 12, 2018.

## 2. Quarterly Consolidated Financial Statements and Notes

## (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY10/17 (As of Oct. 31, 2017)	Third quarter of FY10/18 (As of Jul. 31, 2018)
Assets		
Current assets		
Cash and deposits	2,539,069	5,627,552
Real estate for sale	8,628,125	5,505,117
Real estate for sale in process	793,069	20,070
Advance payments-trade	227,360	450,646
Other	351,497	126,295
Total current assets	12,539,121	11,729,681
Non-current assets		
Property, plant and equipment	9,183	7,569
Intangible assets	1,852	1,538
Investments and other assets	63,575	63,868
Total non-current assets	74,612	72,976
Total assets	12,613,733	11,802,658
Liabilities		
Current liabilities		
Accounts payable for construction contracts	116,786	46,479
Short-term loans payable	386,300	343,600
Current portion of bonds	10,000	10,000
Current portion of long-term loans payable	6,021,765	3,524,848
Income taxes payable	115,424	325,123
Provision for bonuses	15,729	9,215
Provision for vacancy warranties	28,325	21,765
Other	211,163	496,559
Total current liabilities	6,905,494	4,777,590
Non-current liabilities		
Bonds payable	10,000	-
Long-term loans payable	2,439,821	801,653
Other	16,965	17,402
Total non-current liabilities	2,466,787	819,055
Total liabilities	9,372,281	5,596,646
Net assets		
Shareholders' equity		
Capital stock	504,440	1,586,506
Capital surplus	412,940	1,495,006
Retained earnings	2,323,288	3,125,025
Treasury shares	(130)	(130)
Total shareholders' equity	3,240,539	6,206,408
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,663	1,691
Foreign currency translation adjustment	(1,751)	(2,087)
Total accumulated other comprehensive income	912	(395)
Total net assets	3,241,451	6,206,012
Total liabilities and net assets	12,613,733	11,802,658

**(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 FY10/17 (Nov. 1, 2016 – Jul. 31, 2017)	First nine months of FY10/18 (Nov. 1, 2017 – Jul. 31, 2018)
Net sales	7,423,129	13,995,369
Cost of sales	5,801,533	11,462,562
Gross profit	1,621,596	2,532,806
Selling, general and administrative expenses	934,183	1,100,763
Operating profit	687,412	1,432,043
Non-operating income		
Interest income	54	33
Dividend income	250	287
Commission fee	1,524	1,784
Gain on sales of securities	355	-
Insurance premiums refunded cancellation	20,588	-
Penalty income	1,631	2,122
Other	2,634	2,076
Total non-operating income	27,039	6,304
Non-operating expenses		
Interest expenses	46,102	72,304
Share issuance cost	10,294	19,186
Other	13,053	1,374
Total non-operating expenses	69,450	92,864
Ordinary profit	645,001	1,345,482
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	645,185	1,345,482
Income taxes	196,640	422,326
Profit	448,544	923,156
Profit attributable to owners of parent	448,544	923,156

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

(Thousands of yen)

	First nine months of FY10/17 (Nov. 1, 2016 – Jul. 31, 2017)	First nine months of FY10/18 (Nov. 1, 2017 – Jul. 31, 2018)
Profit	448,544	923,156
Other comprehensive income		
Valuation difference on available-for-sale securities	992	(971)
Foreign currency translation adjustment	196	(336)
Total other comprehensive income	1,188	(1,308)
Comprehensive income	449,733	921,848
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	449,733	921,848
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 941,931 thousand yen each due to issuance of new shares resulting from the public offering with a payment date of April 23, 2018. Capital stock and capital surplus increased 139,671 thousand yen each due to issuance of new shares resulting from the third-party allotment with a payment date of May 15, 2018. Furthermore, these two equity components increased 462 thousand yen each resulting from exercise of stock options.

As a result, capital stock and capital surplus increased 1,082,065 thousand yen each during the first nine months, to 1,586,506 thousand yen and 1,495,006 thousand yen, respectively, at the end of the first nine months of FY10/18.

**Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements**

Calculation of tax expense

The tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes during the current fiscal year, and multiplying that rate by the quarterly profit before income taxes.

**Segment and Other Information**

Segment Information

I. First nine months of FY10/17 (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 the amount shown in the quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	682,290
Elimination of inter-segment transactions	5,122
Operating profit 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.

## II. First nine months of FY10/18 (Nov. 1, 2017 – Jul. 31, 2018)

## 1. Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Total
	Sales to individuals	Sales to real estate companies	Property management	Overseas sales	
Net sales					
External sales	4,830,708	8,684,659	480,000	-	13,995,369
Inter-segment sales and transfers	-	-	11,910	-	11,910
Total	4,830,708	8,684,659	491,911	-	14,007,279
Segment profit (loss)	460,392	737,234	269,370	(40,207)	1,426,789

## 2. Reconciliation of the amount shown in the quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	1,426,789
Elimination of inter-segment transactions	5,254
Operating profit on the quarterly consolidated statement of income	1,432,043

## 3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

*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.*