

**Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending October 31, 2021
(Nine Months Ended July 31, 2021)**

[Japanese GAAP]
September 9, 2021

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, 2021
Scheduled date of payment of dividend: -
Preparation of supplementary materials for quarterly financial results: Yes
Holding of quarterly financial results meeting: Yes (for analysts and individual investors)
(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter (November 1, 2020 - July 31, 2021) of the Fiscal Year Ending October 31, 2021

(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, 2021	27,069	29.2	2,707	9.0	2,495	5.6	1,692	5.8
Nine months ended Jul. 31, 2020	20,955	28.7	2,483	116.9	2,362	124.1	1,599	122.6

Note: Comprehensive income (million yen) Nine months ended Jul. 31, 2021: 1,695 (up 6.2%)
Nine months ended Jul. 31, 2020: 1,596 (up 122.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Jul. 31, 2021	115.91	115.42
Nine months ended Jul. 31, 2020	109.19	106.96

Note: The Company conducted a 2-for-1 common stock split effective on November 1, 2020. 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, 2021	19,292	8,935	46.3
As of Oct. 31, 2020	25,915	8,397	32.4

Reference: Shareholders' equity (million yen) As of Jul. 31, 2021: 8,935 As of Oct. 31, 2020: 8,397

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2020	-	0.00	-	68.00	68.00
Fiscal year ending Oct. 31, 2021	-	0.00	-	-	-
Fiscal year ending Oct. 31, 2021 (forecasts)	-	-	-	41.00	41.00

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

The Company conducted a 2-for-1 common stock split effective on November 1, 2020. Dividends per share for the fiscal year ended October 31, 2020 are the actual amounts before the stock split.

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2021 (November 1, 2020 - October 31, 2021)

(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	38,000-	44.4-	3,500-	23.7-	3,300-	24.8-	2,251-	23.2-	154.94-
	41,876	59.1	3,800	34.3	3,600	36.1	2,455	34.4	168.98

Notes: 1. Revision to the most recently announced consolidated forecast: None

2. Ranges for the consolidated forecast for the fiscal year ending October 31, 2021 have been announced.

3. The Company's Board of Directors approved a resolution on April 9, 2021 to repurchase its own shares. Net income per share forecast has been adjusted to reflect the stock repurchase.

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, 2021:	15,210,800 shares	As of Oct. 31, 2020:	15,198,000 shares
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2) Number of treasury shares at the end of the period

As of Jul. 31, 2021:	894,426 shares	As of Oct. 31, 2020:	444,426 shares
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3) Average number of shares outstanding during the period

Nine months ended Jul. 31, 2021:	14,599,815 shares	Nine months ended Jul. 31, 2020:	14,649,062 shares
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Note: The Company conducted a 2-for-1 common stock split effective on November 1, 2020. The number of shares outstanding at the end of the period, the number of treasury shares at the end of the period and the average number of shares outstanding during the period 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 by certified public accountants or auditing firms.

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 information at the quarterly financial results meetings

The Company plans to hold an online financial results meeting on Friday, September 10, 2021. Materials to be used at this event will be disclosed at the Timely Disclosure network (TDnet) with this financial report and also be available on the Company's website.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	5
Quarterly Consolidated Statement of Income	
For the Nine-month Period	5
Quarterly Consolidated Statement of Comprehensive Income	
For the Nine-month Period	6
(3) Notes to Quarterly Consolidated Financial Statements	7
Going Concern Assumption	7
Significant Changes in Shareholders' Equity	7
Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	7
Segment and Other Information	7

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first nine months of the fiscal year ending October 31, 2021, stagnated economic activities in Japan started to recover due to progress in COVID-19 vaccinations and many governmental policies. However, the prospect of bringing the pandemic under control is unclear due to the impact of the repeated declarations of a state of emergency in response to the recurring resurgence of COVID-19 infections all over Japan. As a result, the outlook for the Japanese economy remains uncertain.

Japan's market for newly constructed condominiums is the primary business domain of the Good Com Asset Group. During the first nine months ended July 2021, the percentage of new condominiums sold in the Tokyo metropolitan area within one month of going on sale was 67.7%, according to the Real Estate Economic Institute. However, this percentage was 70.4% in Tokyo's 23 wards, the Group's main business area. This is above the 70% level generally regarded as a sign of a strong condominium market. The percentage sold within one month in Tokyo's 23 wards was 9.9% higher than one year earlier mainly because of increasing demand for residences resulting from changes in life styles caused by the COVID-19 crisis.

The Good Com Asset Group continued to expand planning, development and sales activities, mainly in Tokyo's 23 wards, for the Genovia series of condominiums, which consists of the Genovia green veil, Genovia skygarden and Genovia skyrun brands. We also reinforced the customer support framework and strengthened the Genovia brand. During the nine months, 877 condominium units in 28 buildings were sold. Properties acquired were 499 units in seven buildings.

Net sales increased 29.2% year on year to 27,069 million yen. Operating profit increased 9.0% to 2,707 million yen, ordinary profit increased 5.6% to 2,495 million yen and profit attributable to owners of parent was up 5.8% to 1,692 million yen.

Results by business segment are as follows:

Reportable segment categories are revised from the first quarter of the current fiscal year. For more information, please see the section "2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Segment and Other Information)."

Prior-year figures reflect the new segment categories for comparison purposes.

(a) Retail sales

This segment consists of sales of the Genovia series of one-room and family condominiums to individual investors. During the first nine months, 135 condominium units were sold.

Sales were 4,689 million yen, down 22.5% from one year earlier, and segment loss was 170 million yen, compared with profit of 203 million yen one year earlier.

(b) Wholesale

This segment consists of sales of the Genovia series of one-room and family condominiums to real estate management companies. During the first nine months, 742 condominium units were sold.

Sales were 21,210 million yen, up 50.5% from one year earlier, and segment profit increased 32.3% to 2,498 million yen.

(c) Real estate management

Segment sales were higher as growth in the number of managed condominium buildings and tenant-occupied condominium units was strong and the occupancy rate exceeded 99% at the end of every month. However, earnings were lower as selling, general and administrative expenses increased due to amortization of goodwill and other costs.

Sales were 1,208 million yen, up 44.0% from one year earlier, and segment profit decreased 5.6% to 427 million yen.

(d) Good Com Fund

There were no sales of small amount investment units of a real estate fund during the first nine months of the current fiscal year.

Sales were not recorded and segment loss was 64 million yen, compared with a 75 million yen loss one year earlier.

The year-on-year change in sales is not shown because there were no sales.

(2) Explanation of Financial Position

Assets

Total assets decreased 6,622 million yen, or 25.6%, from the end of the previous fiscal year to 19,292 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 6,453 million yen and cash and deposits of 499 million yen, while there was an increase in advance payments-trade of 291 million yen.

Liabilities

Total liabilities decreased 7,160 million yen, or 40.9%, from the end of the previous fiscal year to 10,357 million yen.

This was mainly due to decreases in current portion of long-term borrowings of 6,009 million yen, short-term borrowings of 939 million yen and long-term borrowings of 745 million yen, while there was an increase of 642 million yen in accrued consumption taxes included in other current liabilities.

Net assets

Total net assets increased 537 million yen, or 6.4%, from the end of the previous fiscal year to 8,935 million yen.

The main factors include a 501 million yen decrease in retained earnings due to dividend payments and a 656 million yen increase in treasury shares, which were partially offset by a 1,692 million yen increase in retained earnings due to the booking of profit attributable to owners of parent.

Consequently, the equity ratio increased 13.9 percentage points from the end of the previous fiscal year to 46.3% 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 were announced in the “Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending October 31, 2021” on June 9, 2021.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY10/20 (As of Oct. 31, 2020)	Third quarter of FY10/21 (As of Jul. 31, 2021)
Assets		
Current assets		
Cash and deposits	6,598,347	6,098,768
Real estate for sale	15,552,624	9,099,529
Real estate for sale in process	1,743,114	1,767,522
Advance payments-trade	807,310	1,099,217
Other	265,800	303,018
Allowance for doubtful accounts	(30,652)	(39,382)
Total current assets	24,936,544	18,328,674
Non-current assets		
Property, plant and equipment	52,909	83,525
Intangible assets		
Goodwill	539,942	458,951
Other	39,916	34,245
Total intangible assets	579,859	493,196
Investments and other assets	346,370	387,474
Total non-current assets	979,139	964,196
Total assets	25,915,684	19,292,871
Liabilities		
Current liabilities		
Accounts payable for construction contracts	111,118	107,438
Short-term borrowings	3,490,330	2,551,270
Current portion of bonds payable	42,000	82,000
Current portion of long-term borrowings	8,005,312	1,995,578
Income taxes payable	740,316	388,798
Provision for bonuses	18,021	14,290
Provision for vacancy warranties	34,808	154,253
Provision for loss on guarantees	25,187	27,251
Reserve for sublease losses	28,222	-
Other	430,232	1,093,475
Total current liabilities	12,925,549	6,414,355
Non-current liabilities		
Bonds payable	237,000	355,000
Long-term borrowings	4,292,475	3,546,594
Provision for shareholder benefit program	25,814	7,685
Other	37,195	33,929
Total non-current liabilities	4,592,485	3,943,209
Total liabilities	17,518,034	10,357,565
Net assets		
Shareholders' equity		
Share capital	1,593,771	1,594,286
Capital surplus	1,502,271	1,502,786
Retained earnings	5,633,805	6,824,518
Treasury shares	(329,689)	(986,622)
Total shareholders' equity	8,400,159	8,934,969
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(74)	2,381
Foreign currency translation adjustment	(2,434)	(2,045)
Total accumulated other comprehensive income	(2,508)	336
Total net assets	8,397,650	8,935,306
Total liabilities and net assets	25,915,684	19,292,871

(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 FY10/20 (Nov. 1, 2019 – Jul. 31, 2020)	First nine months of FY10/21 (Nov. 1, 2020 – Jul. 31, 2021)
Net sales	20,955,364	27,069,983
Cost of sales	17,029,972	22,354,224
Gross profit	3,925,392	4,715,758
Selling, general and administrative expenses	1,441,853	2,008,230
Operating profit	2,483,538	2,707,527
Non-operating income		
Interest income	54	50
Dividend income	414	510
Commission income	1,902	8,440
Penalty income	18,998	22,939
Other	3,675	6,558
Total non-operating income	25,045	38,499
Non-operating expenses		
Interest expenses	107,620	153,527
Commission expenses	26,347	90,613
Other	12,438	6,819
Total non-operating expenses	146,405	250,961
Ordinary profit	2,362,178	2,495,066
Profit before income taxes	2,362,178	2,495,066
Income taxes	762,657	802,731
Profit	1,599,520	1,692,334
Profit attributable to owners of parent	1,599,520	1,692,334

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

(Thousands of yen)

	First nine months of FY10/20 (Nov. 1, 2019 – Jul. 31, 2020)	First nine months of FY10/21 (Nov. 1, 2020 – Jul. 31, 2021)
Profit	1,599,520	1,692,334
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,652)	2,455
Foreign currency translation adjustment	(123)	389
Total other comprehensive income	(2,776)	2,845
Comprehensive income	1,596,744	1,695,180
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,596,744	1,695,180
Comprehensive income attributable to non-controlling interests	-	-

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

Not applicable.

Significant Changes in Shareholders' Equity

Stock repurchase

Pursuant to the resolution by the Board of Directors on April 9, 2021, the Company purchased 450,000 shares of its own shares. As a result, treasury shares increased 656,933 thousand yen during the first nine months of the current fiscal year to 986,622 thousand yen at the end of the third quarter.

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 FY10/20 (Nov. 1, 2019 – Jul. 31, 2020)

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

(Thousands of yen)

	Reportable segment				Total
	Retail sales	Wholesale	Real estate management	Good Com Fund	
Net sales					
External sales	6,047,911	14,092,028	815,424	-	20,955,364
Inter-segment sales and transfers	-	-	23,559	-	23,559
Total	6,047,911	14,092,028	838,984	-	20,978,924
Segment profit (loss)	203,691	1,888,664	453,291	(75,171)	2,470,476

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	2,470,476
Elimination of inter-segment transactions	13,062
Operating profit on the quarterly consolidated statement of income	2,483,538

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 FY10/21 (Nov. 1, 2020 – Jul. 31, 2021)

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

(Thousands of yen)

	Reportable segment				Total
	Retail sales	Wholesale	Real estate management	Good Com Fund	
Net sales					
External sales	4,689,791	21,210,997	1,169,194	-	27,069,983
Inter-segment sales and transfers	-	-	39,283	-	39,283
Total	4,689,791	21,210,997	1,208,478	-	27,109,266
Segment profit (loss)	(170,012)	2,498,058	427,811	(64,673)	2,691,183

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	2,691,183
Elimination of inter-segment transactions	16,343
Operating profit on the quarterly consolidated statement of income	2,707,527

3. Information related to changes in reportable segments, etc.

Beginning from the first quarter of FY10/21, one of the previous reportable segments, “Sales to real estate companies” has been renamed “Wholesale.” The new name of this segment reflects business operations that are not limited to real estate sales companies. The “Sales to individuals” and “Overseas sales” segments have been combined to create the new “Retail sales” segment because both segments sell properties to individual investors. Furthermore, another “Property management, etc.” reportable segment was renamed “Real estate management” segment.

The segment information for the first nine months of FY10/20 is presented based on the classification of reportable segments after the change.

4. 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.