

June 13, 2022

**1H FY2022 Presentation**

November 2021 to April 2022



The first choice for condominiums in Tokyo



JPX-NIKKEI Mid Small

*Good Com Asset*

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\* Figures are on a consolidated basis unless otherwise stated.

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# I. Purpose & Vision

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## Purpose

**Contributing to society through the global provision of real estate that can be owned with confidence as a valuable asset**

## Vision

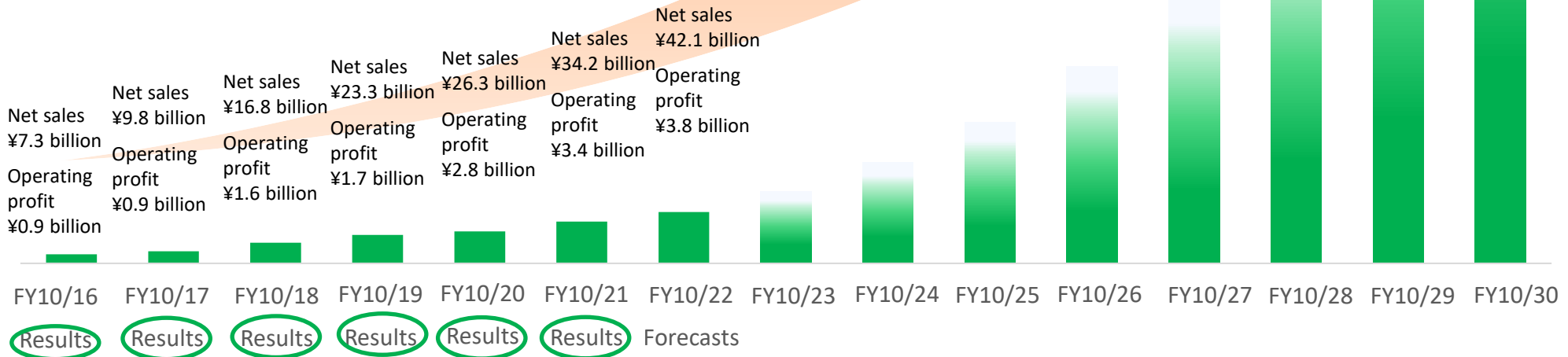
**Become a leading real estate company of the 21st century**

# Become a leading real estate company of the 21st century

Our goal is to become one of the highest ranking real estate companies based on market cap by the FY10/30 financial results announcement.

Compound annual growth rate of more than **40%**

Net sales  
¥600 billion  
Operating profit  
¥60 billion

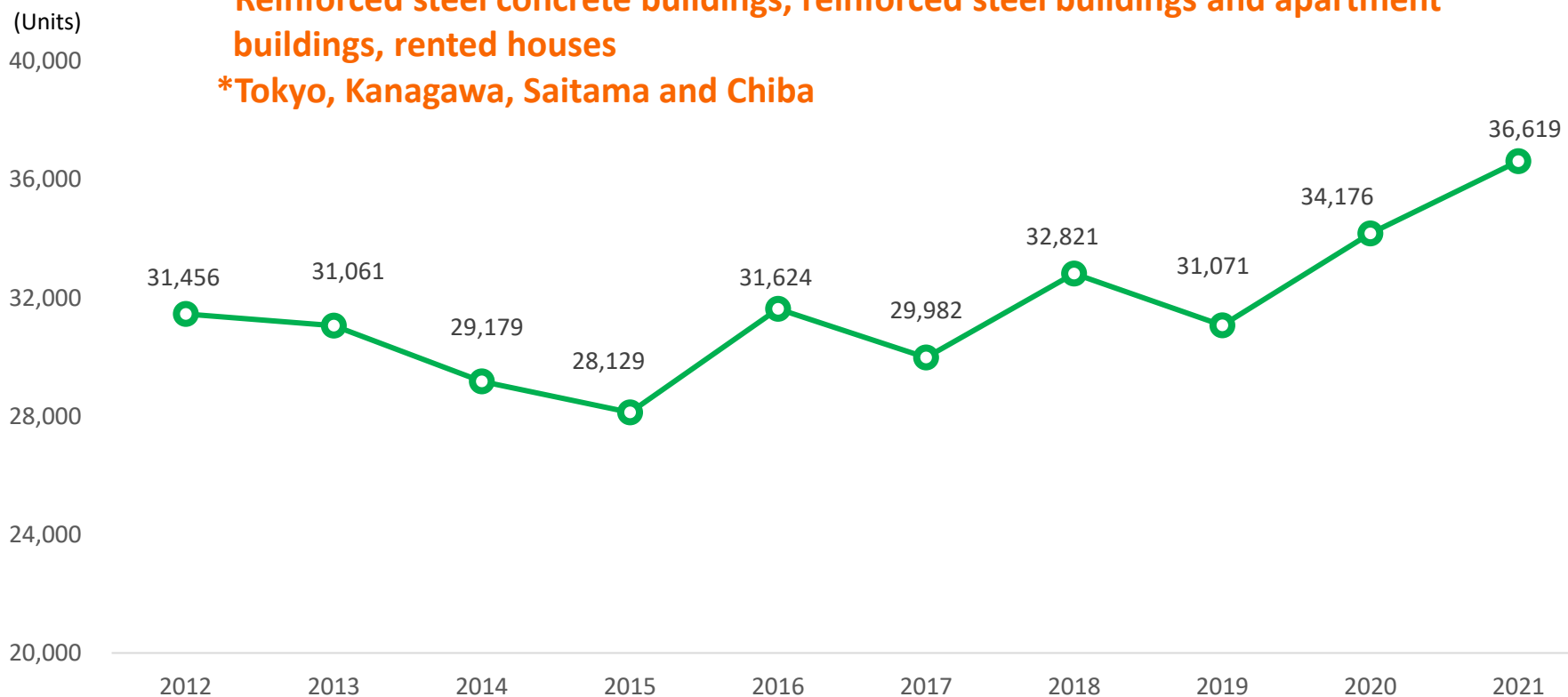


## The Tokyo area rental condominium market is growing

**Rental condominium construction starts in Tokyo and three neighboring prefectures**

**\*Reinforced steel concrete buildings, reinforced steel buildings and apartment buildings, rented houses**

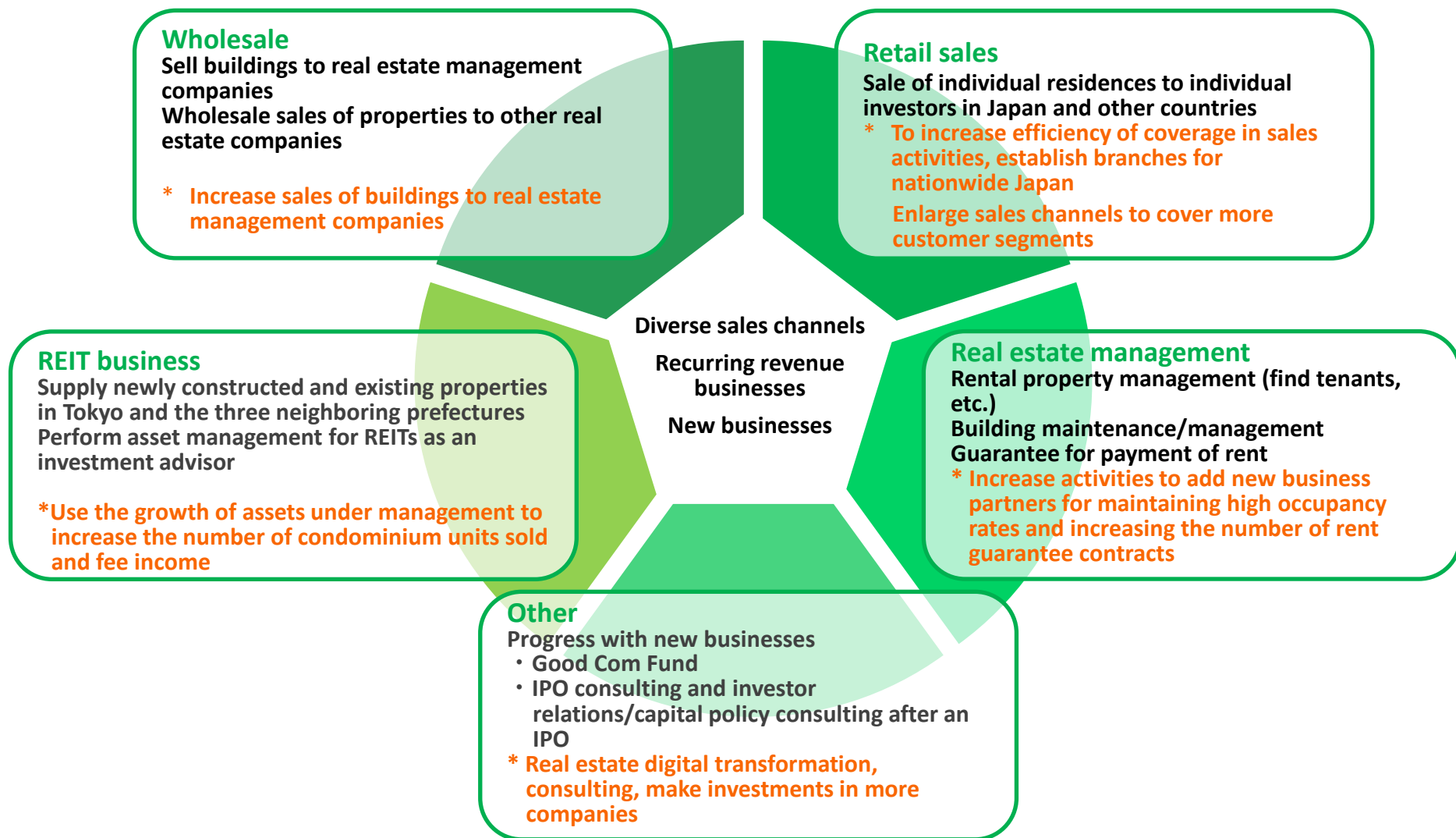
**\*Tokyo, Kanagawa, Saitama and Chiba**



Source: Prepared by Good Com Asset based on data of "Construction Start Statistics Survey Report," Ministry of Land, Infrastructure, Transport and Tourism

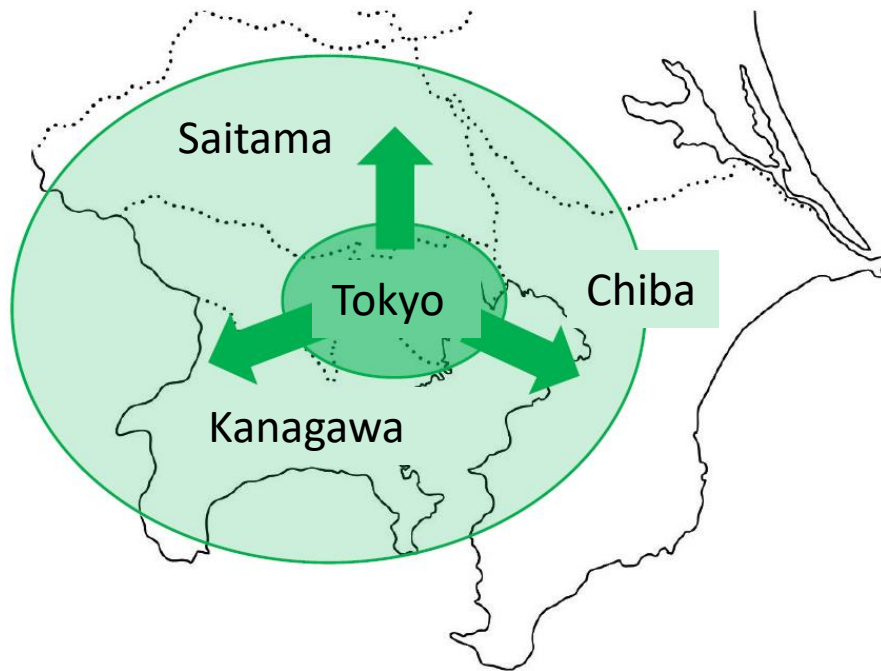


## Steady growth backed by balanced sales that reflect the business climate



## New businesses: REIT business and real estate fund business

Established **Good Com Asset Investment Advisors Co., Ltd.** on May 20, 2022



In the REIT business, operations have been expanded from mainly Tokyo's 23 wards to also include all of **Tokyo and three neighboring prefectures**. In addition, operations also include purchases of existing properties.

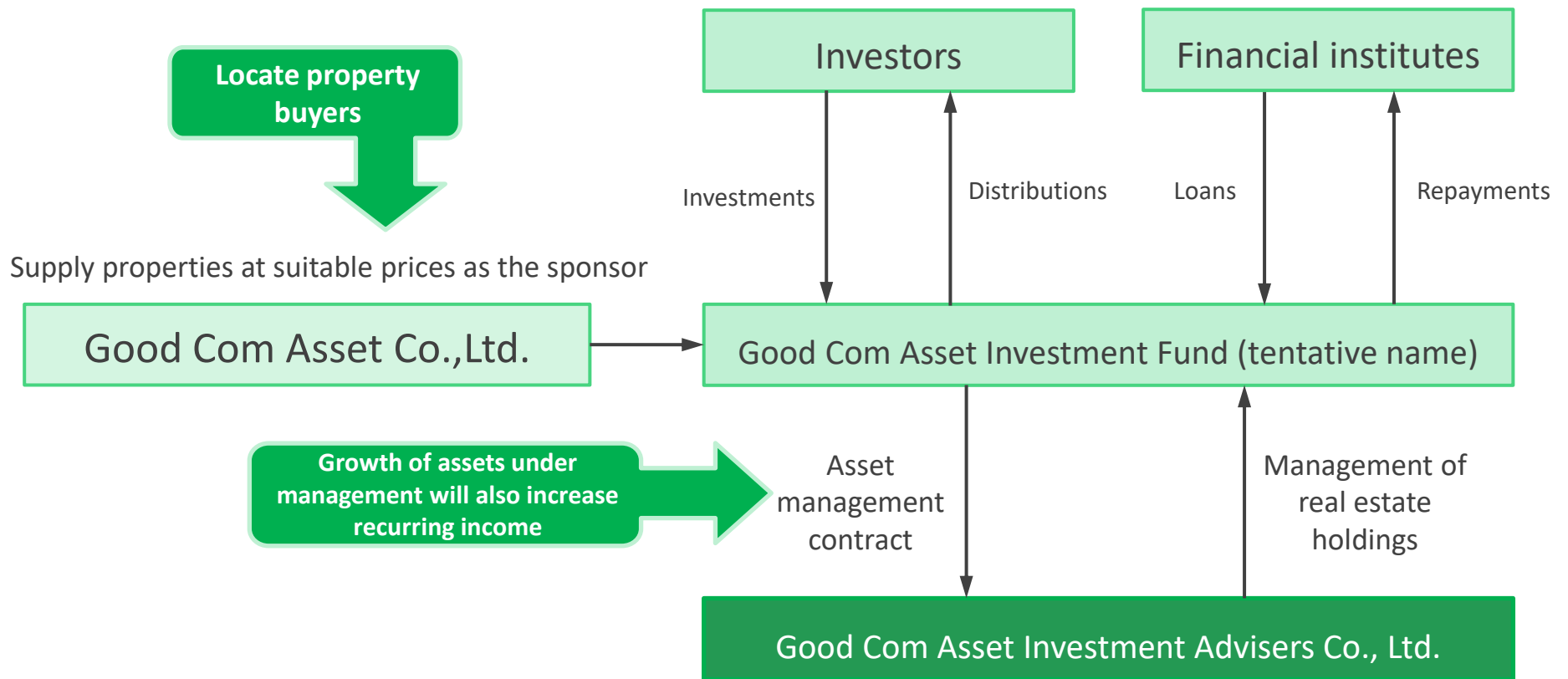
An attractive lineup of assets for investors that includes new and **existing properties** and urban and **suburban** properties

⇒ **Growth in the scale of operations**

In existing operations, Good Com Asset will continue to develop and sell Genovia series condominiums primarily in Tokyo's 23 wards.



## Basic structure of the REIT business and real estate fund business



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## II. 1H FY10/22 Financial Summary

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# Consolidated Statement of Income

**Big YoY increase** in sales due to sales of 843 condominium units in 27 buildings  
**Earnings up more than 50%** because of an improvement in profitability

Millions of yen	1H FY 10/21	1H FY 10/22	YoY
Net sales	19,660	25,080	-
SG&A expenses	1,280	1,470	-
Operating profit	2,160	3,310	Up 53.2%
Ordinary profit	2,020	3,100	Up 52.9%
Profit	1,380	2,130	UP 54.5%

**Sales of 843 units in 27 buildings**

(Sales of 644 units in 24 buildings in 1H FY10/21)

\*Beginning with 1Q FY10/22, Good Com Asset is applying Accounting Standard for Revenue Recognition.

As a result, no YoY pct. changes are shown in relation to sales and SG&A expenses in 1H FY10/21, which was prior to the application of the new standard.

Pct. changes are shown for operating profit, ordinary profit and profit because the new standard did not affect these figures.

# Consolidated Balance Sheet

## Cash and deposits and net assets increased because of higher earnings

Millions of yen	As of Oct. 31, 2021	As of Apr. 30, 2022	YoY change
<b>Current assets</b>	19,650	19,540	(100)
Cash and deposits	7,970	10,000	2,030
Advance payments to suppliers	1,070	690	(380)
Inventories	10,360	8,500	(1,850)
<b>Non-current assets</b>	790	750	(30)
<b>Total assets</b>	20,440	20,300	(130)
<b>Liabilities</b>	11,230	9,560	(1,670)
Interest-bearing debt	9,000	7,520	(1,470)
<b>Net assets</b>	9,200	10,740	1,530
<b>Total liabilities and net assets</b>	20,440	20,300	(130)
<b>Equity ratio</b>	45.0%	52.9%	7.9pt
<b>Dependence on interest-bearing debt</b>	44.0%	37.1%	(7.0)pt



**Reason for increase in cash and deposits**  
Increase in retained earnings



**Reason for decrease in advance payments to suppliers and inventories**  
Down because of the larger number of condominium units sold  
Used proceeds from sales growth to step up property acquisitions



**Reason for decrease in interest-bearing debt**  
Decrease in loans because of the larger number of units sold



**Reason for increase in net assets**  
Increase in retained earnings



**Reason for changes in the equity ratio and debt dependence**  
Decrease in real estate for sale and loans because of an increase in the number of units sold

# Properties for Sale and Properties Acquired

Started buying new/existing properties in Tokyo and three neighboring prefectures and increased purchases of large properties

Property name	Location	Number of units	Completion (plan)
Higashi-Nihombashi Ekimae	Chuo-ku	80	-
Koenji	Nakano-ku	20	-
Asakusa II	Taito-ku	63	-
Todaimae	Bunkyo-ku	39	-
Megurominami	Meguro-ku	39	-
Kameidosuijin	Sumida-ku	57	-
Kameidosuijin II	Sumida-ku	42	-
Sangenjaya	Setagaya-ku	50	-
Komagome Eki	Kita-ku	48	-
Komagome Eki II	Bunkyo-ku	39	-
Shinjuku Waseda	Shinjuku-ku	65	-
Higashi-Mukojima	Sumida-ku	90	-
Akihabara	Taito-ku	29	-
Shinjuku Nakaochiai	Shinjuku-ku	34	-
Ueno II	Taito-ku	29	-
Tabata III	Kita-ku	38	-
Ueno III	Taito-ku	36	-
Asakusa IV	Taito-ku	49	-

Property name	Location	Number of units	Completion (plan)
Sakurajosui	Suginami-ku	40	-
Itabashi Higashiyamacho	Itabashi-ku	47	-
Keisei Tateishi III	Katsushika-ku	59	-
Shin-Takashimadaira	Itabashi-ku	42	-
Minami-Senju IV	Taito-ku	45	-
Keisei Tateishi IV	Katsushika-ku	53	-
Shin-Okubo	Shinjuku-ku	37	Jun. 2022
Morishita	Sumida-ku	21	Jun. 2022
Bandobashi	Yokohama-shi	120	Jul. 2022
Aoto	Katsushika-ku	198	Aug. 2022
Ryogoku VI	Sumida-ku	99	Sep. 2022
(Tentative name) Honjoazumabashi III	Sumida-ku	25	Nov. 2022
(Tentative name) Kawasaki III	Kawasaki-shi	48	Feb. 2023
(Tentative name) Ohanajaya II	Katsushika-ku	236	Mar. 2023
(Tentative name) Minami-Senju V	Taito-ku	44	May 2023
(Tentative name) Kawasakidaishi	Kawasaki-shi	151	Jun. 2023

\* As of June 10, 2022

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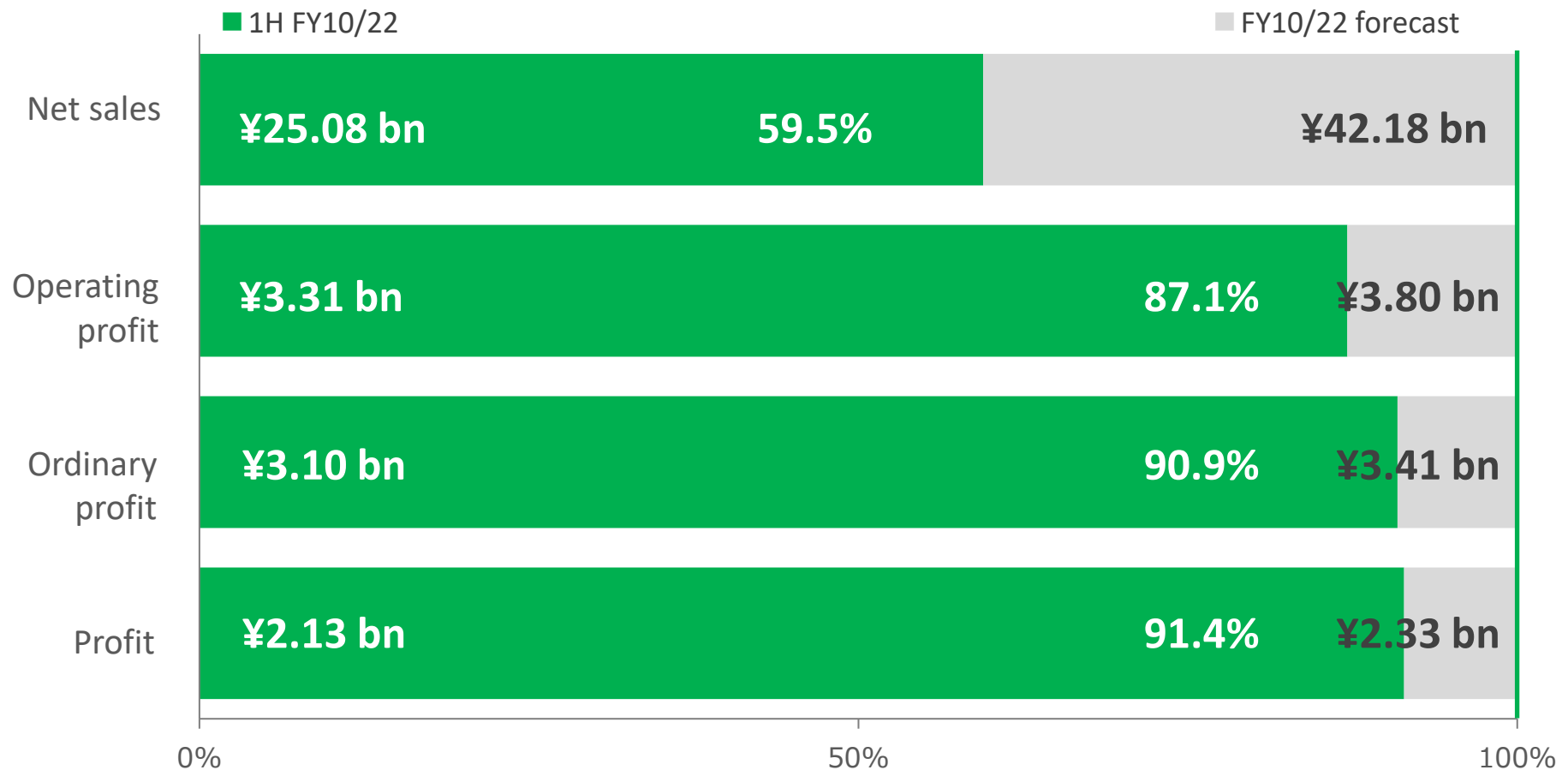
## III. FY10/22 Earnings Forecast

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# Progress vs. FY10/22 Forecasts

**First half earnings were about 90% of the FY10/22 forecast**

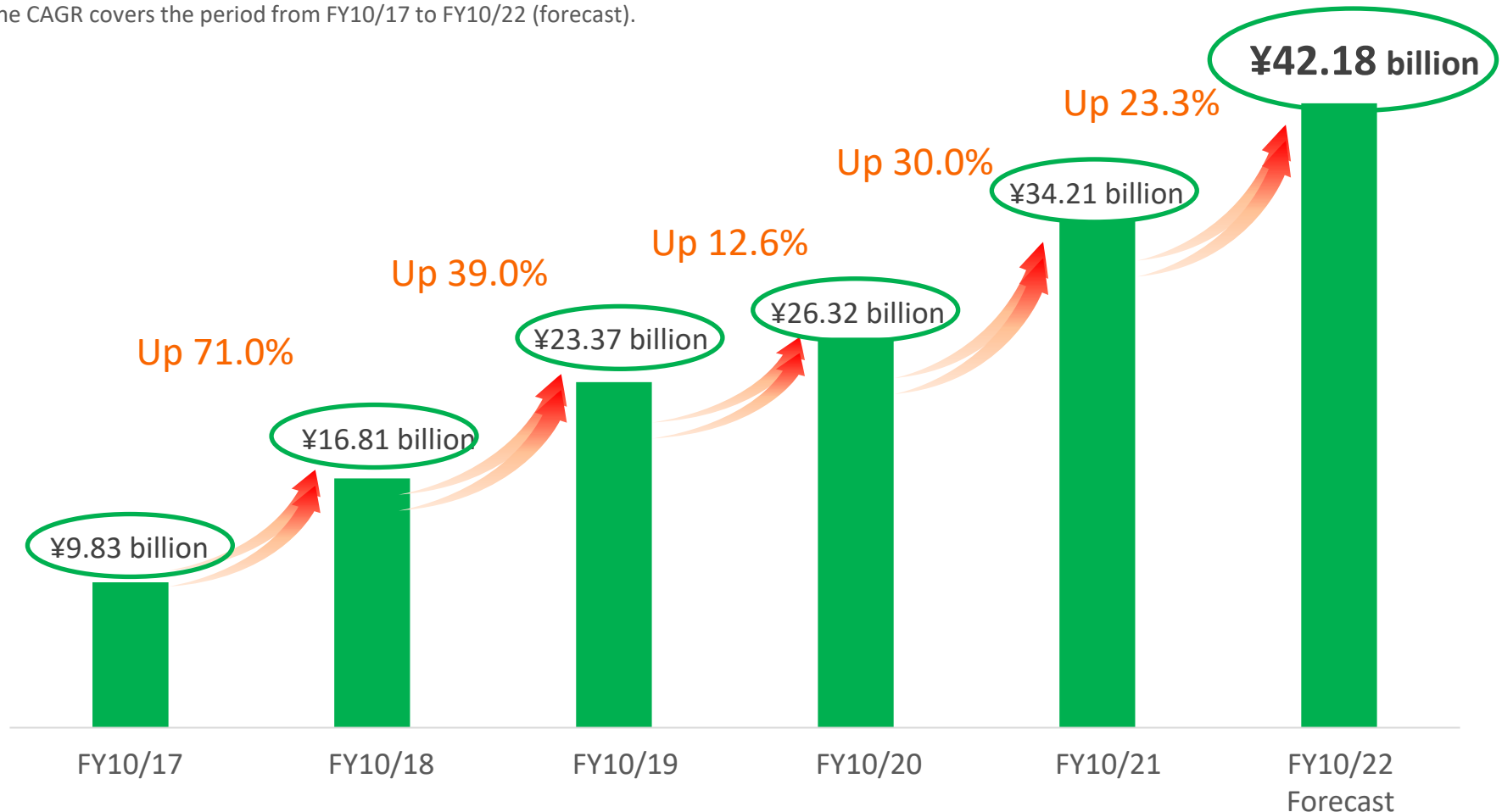
**Plan to sell 318 condominium units in 6 buildings in the 4Q  
(contract have been signed)**



## Compound annual growth rate of **33.8%**

### Net sales

\* The CAGR covers the period from FY10/17 to FY10/22 (forecast).



\* Due to the application of the Accounting Standard for Revenue Recognition, the sales figures for FY10/22 are after the application of this accounting standard.

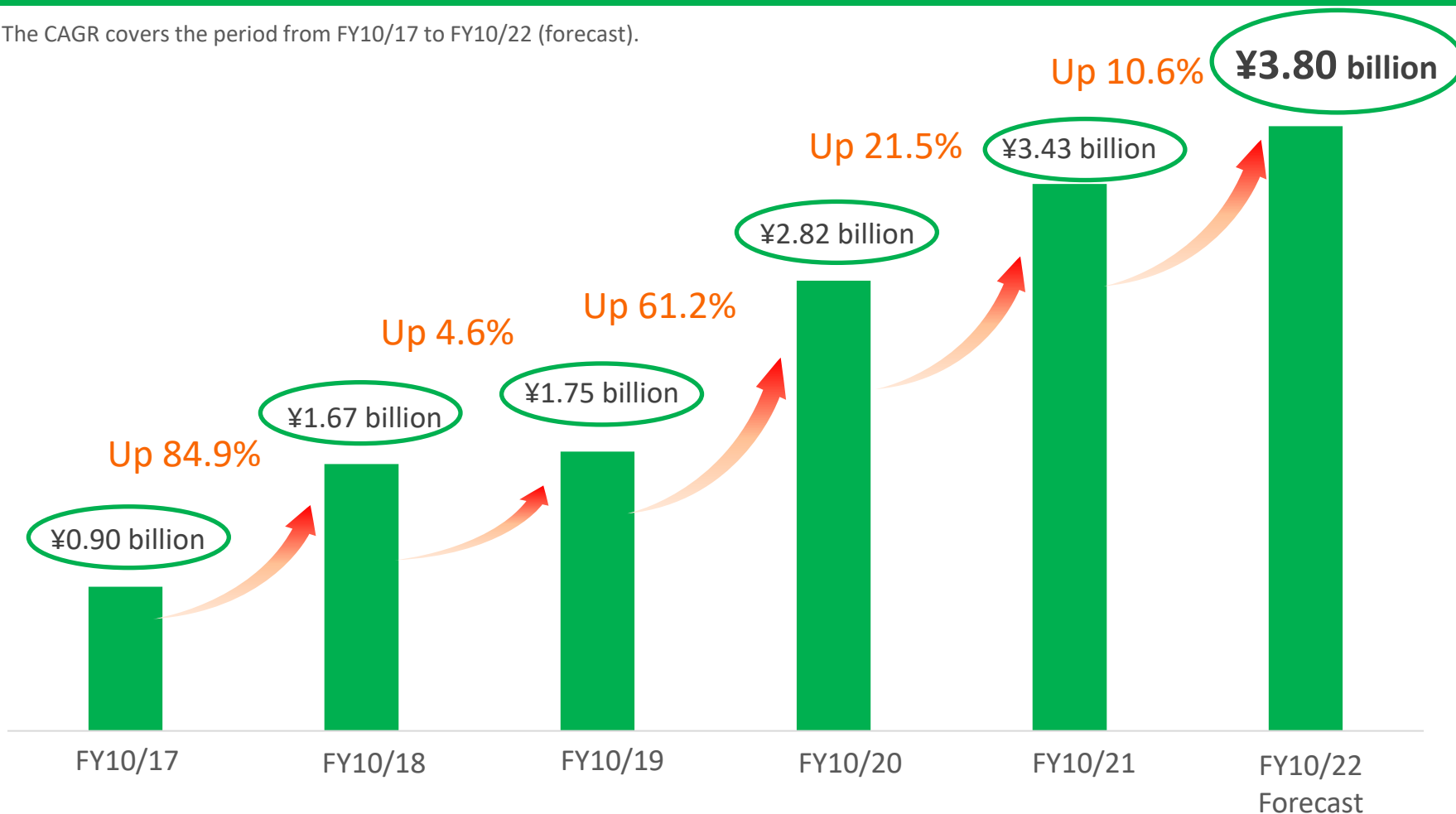




## Compound annual growth rate of 33.2%

### Operating profit

\* The CAGR covers the period from FY10/17 to FY10/22 (forecast).



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## **IV. Characteristics of Business Activities**

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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.

### Consistent design themes for high asset value

GENOVIA Nerima Takanodai skyrun



GENOVIA Shinjuku Waseda green veil



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
- 100.0% of projects used a construction company for at least the second time and 37% of buyers had purchased a Good Com condominium before

\* Performance in 1H FY10/22

### 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

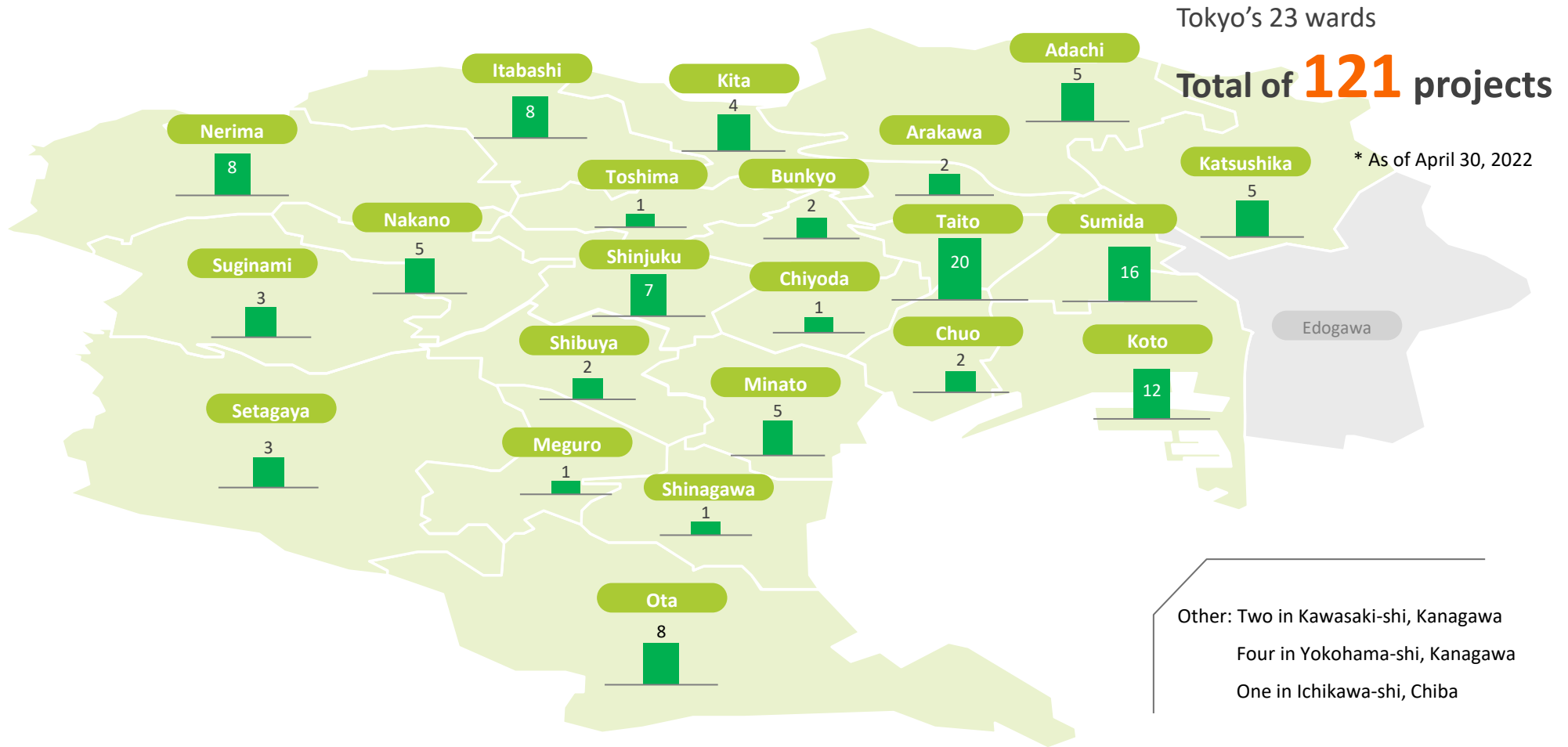
- Buildings have 1K, 1LDK and 2LDK configurations
  - Leased area is 20m<sup>2</sup> to 60m<sup>2</sup>
  - Prices are between about ¥20 million and ¥50 million
- \* Good Com can create proposals that match the characteristics of assets and other requirements

**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

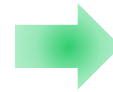
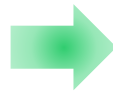
Purchasing properties using our distinctive off-balance sheet scheme **reduces** up-front expenses and **increases** capital efficiency

## Typical development project

Real estate for sale in process

Real estate for sale

Good Com Asset



Sale  
Recovery of investment

Purchase land:  
¥2 billion loan

No return on investment for 2-3 years; time needed until recovery

Loans increase along with real estate purchases needed for growth  
→ Decline in financial soundness

## Single-owner project

Advance payments to suppliers

Real estate for sale

Good Com Asset



Purchase contract

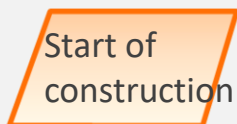
Deposit: about 5% of total cost  
2% to 3% on average



Sale  
Payment of funds

Construction company

Purchase land:  
¥2 billion



More than 90% of properties are purchased from a single owner

Properties can be acquired **with only a deposit**; no loan is needed  
→ Maintains financial soundness  
→ Speeds up the procurement of property

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## V. Topics for 1H FY10/22

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## The first Good Com Asset TV commercials



Good Com Asset's first TV commercials feature actress **Nanao**.

Sponsored programs in the Tokyo area (Apr. 1 to Sep. 30)

TV station	Program	Day
TV Asahi	Hodo Station	Wednesday
TV Asahi	Super J Channel	Saturday

The commercials are shown on giant video displays in the Shinjuku, Shibuya, Ikebukuro, Roppongi and Shimbashi districts of Tokyo.

The commercials can be viewed on Good Com Asset's official YouTube channel.

## Establishment of an apartment broker company and start of operations

Good Com Navi will help maintain high occupancy rates at Good Com Asset properties and locate tenants for rental properties of other companies.

Name	Good Com Navi Co., Ltd.
Established	March 2022
Start of operations	Late June 2022 (tentative)
Capital	40 million yen
Major shareholders and shareholding ratios	Wholly owned by Good Com Co., Ltd. (subsidiary of Good Com Asset)
Representative	Ken Kurihara, President and CEO
Head office	17F Sumitomo Fudosan Nishi-shinjuku Building, 7-20-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
Store location	2F Metro Plaza 6 Building, 1-24-2 Kabukicho, Shinjuku-ku, Tokyo
Business	Rental and brokerage services for apartments, sales activities to attract tenants, and other activities





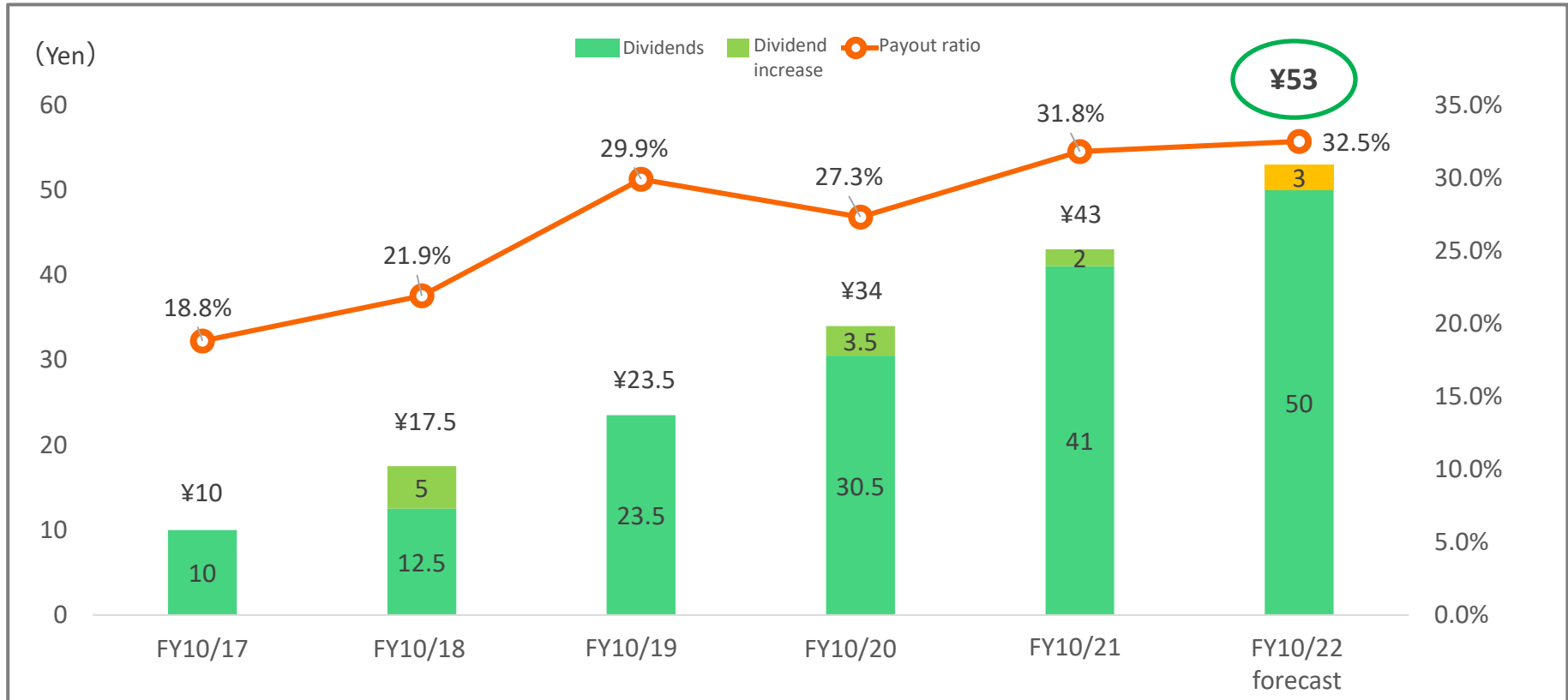
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## VI. Investment Performance Indicators

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# Forecast a Dividend Increase for the Fifth Consecutive Year

**¥50** ordinary dividend + **¥3** commemorative dividend  
(5th anniversary of stock listing) (FY10/22)



\* 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.

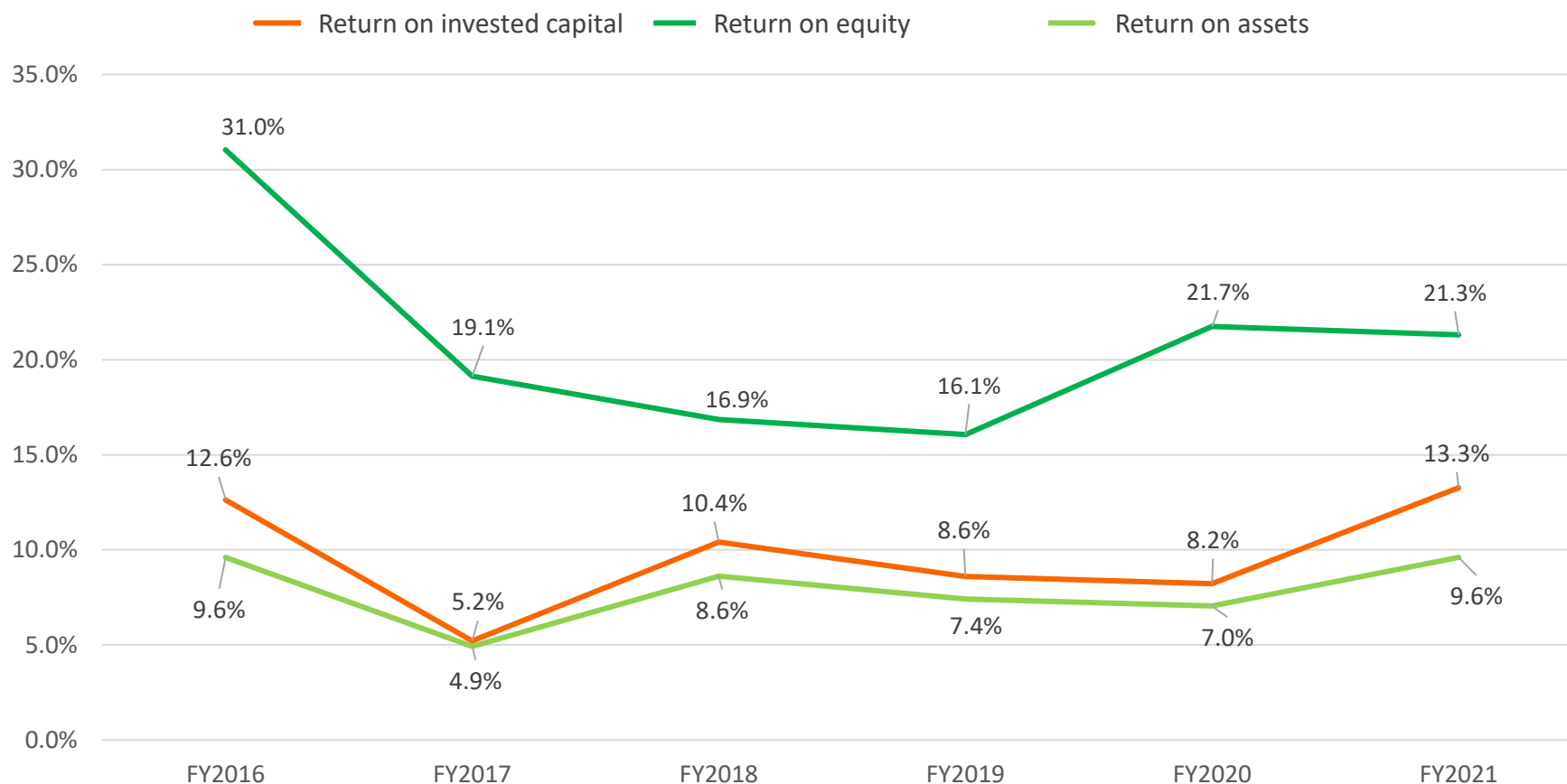
\* The FY10/22 dividend requires approval at the shareholders meeting that will be held in January 2023.

# Capital efficiency is consistently high

(15th highest ROE in the real estate industry (June 10, 2022))

(336th highest ROE among all listed companies in Japan (June 10, 2022))

\*Source: MINKABU



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## VII. Sustainability

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# Organizational Structure for Sustainability Initiatives



Good Com Asset has a sound infrastructure for sustainability activities that contribute to the group's ability to continue to grow.

The Sustainability Operations Committee submits reports to the Sustainability Committee and passes on proposals for decisions by this committee. The operations committee members are all department managers and CEOs of subsidiaries.

Committee members hear about problems and receive suggestions from individuals involved with business operations. This information is then used for conducting highly effective sustainability activities.

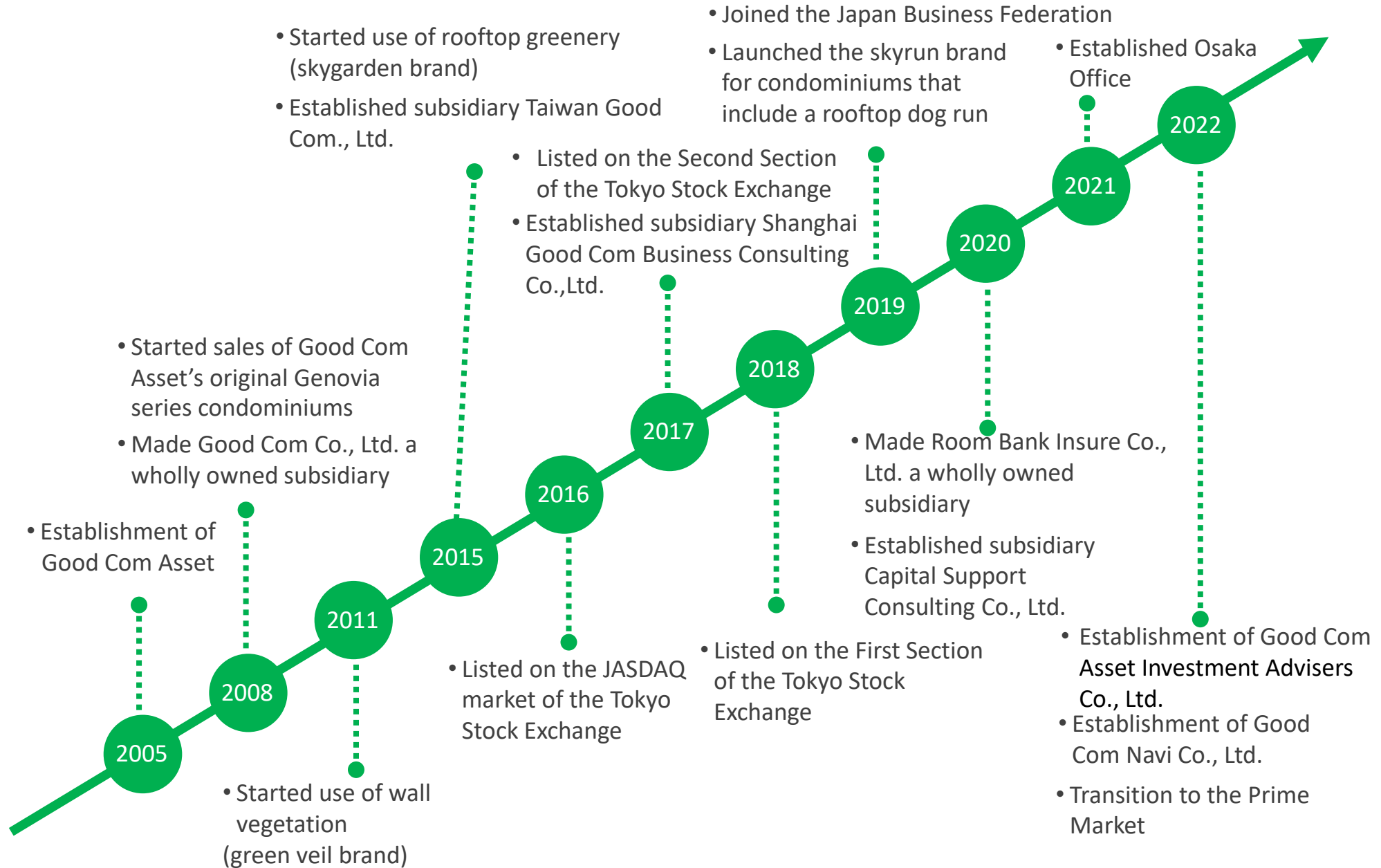
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# Appendix

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<b>Company name</b>	Good Com Asset Co.,Ltd.
<b>Founded</b>	November 28, 2005
<b>Capital</b>	¥1,595 million (As of April 30, 2022)
<b>Capital reserve</b>	¥1,503 million (As of April 30, 2022)
<b>Representative</b>	Yoshikazu Nagashima, President and CEO
<b>Head office</b>	Sumitomo Fudosan Nishi-shinjuku Building, 7-20-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
<b>Business</b>	Planning, development, sale and management of newly constructed condominiums using Good Com Asset's Genovia brand
<b>Consolidated subsidiaries</b>	Good Com Co., Ltd. (Property management business) Room Bank Insure Co., Ltd. (Apartment rent guarantees) Capital Support Consulting Co., Ltd. (IPO consulting and investor relations) Taiwan Good Com., Ltd. (Taiwan subsidiary) Shanghai Good Com Business Consulting Co.,Ltd. (China subsidiary) Good Com Asset Investment Advisers Co., Ltd. (Asset management ) Good Com Navi Co., Ltd. (Brokerage store)
<b>Listed stock market</b>	Prime Market of the Tokyo Stock Exchange (Stock code: 3475)
<b>Shareholders</b>	12,482 (As of April 30, 2022)
<b>Fiscal year end</b>	October

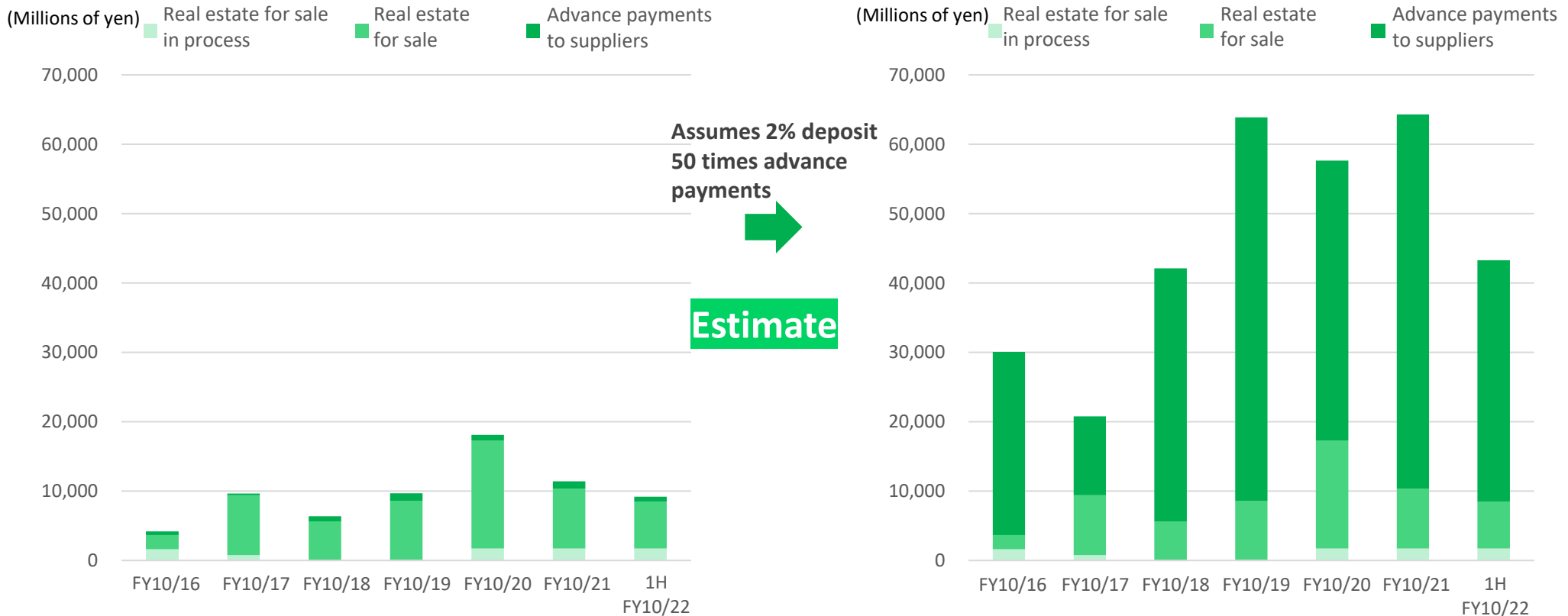
# History of the Good Com Asset Group





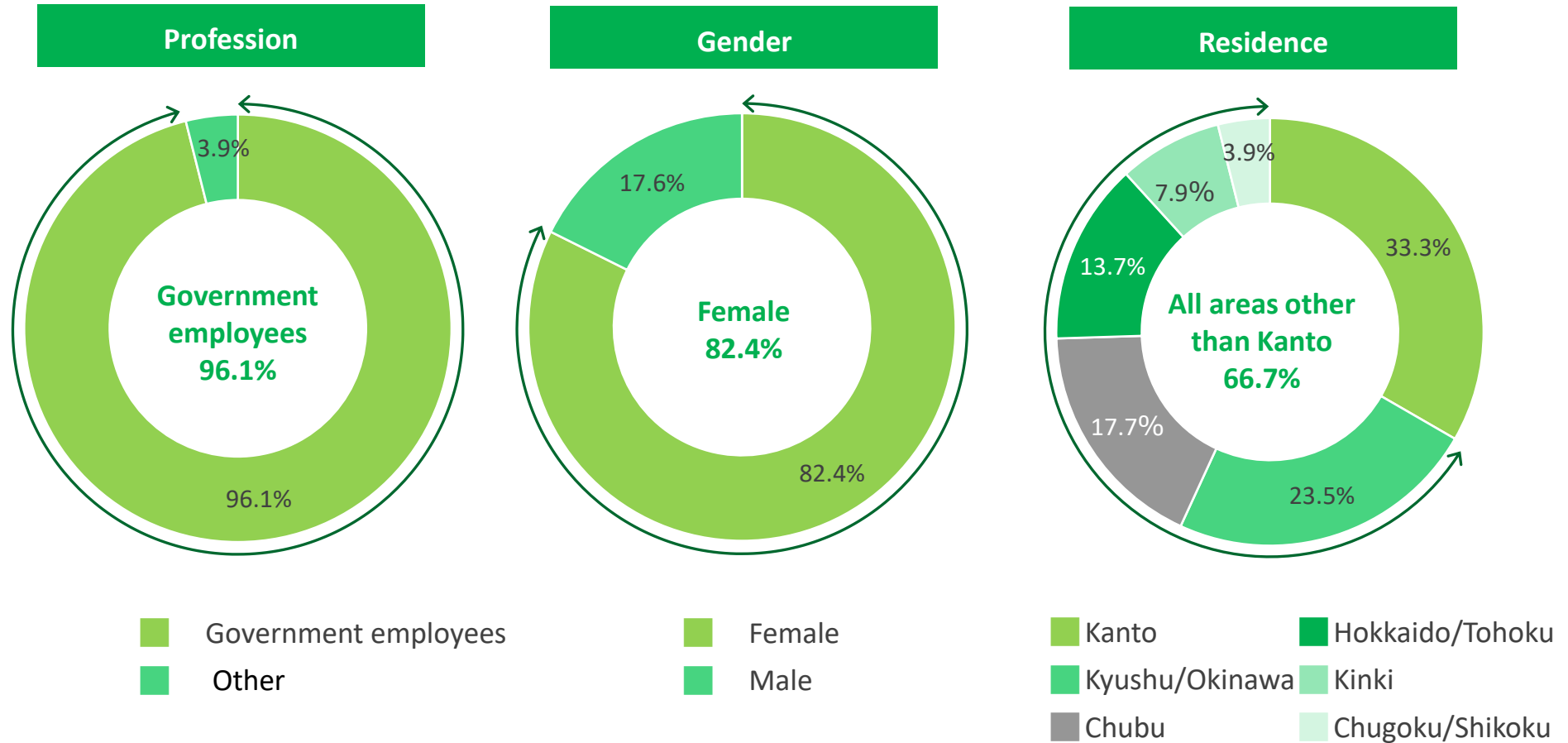
## Used the growth of internal liquidity to increase purchases

### Real Estate Purchase Data

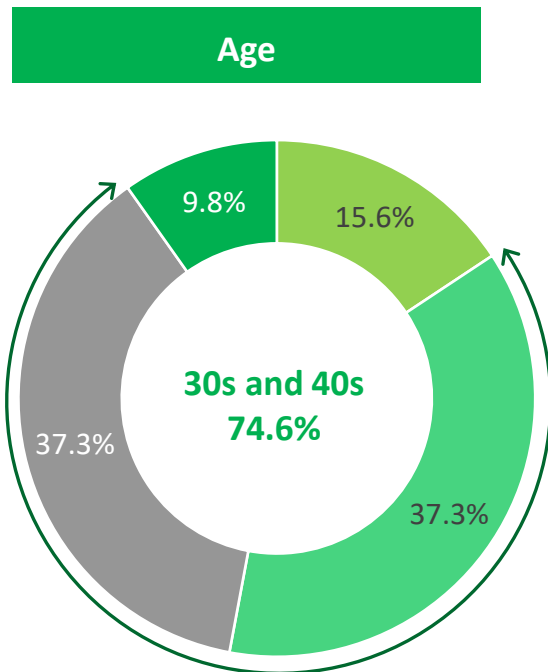


An average of 2% to 3% of the total purchase price is paid as a deposit. As a result, these deposits are classified as advance payments to suppliers made prior to completion of a building rather than as real estate for sale in process. Assuming a deposit of 2%, an estimate of 50 times the advance payments to suppliers.

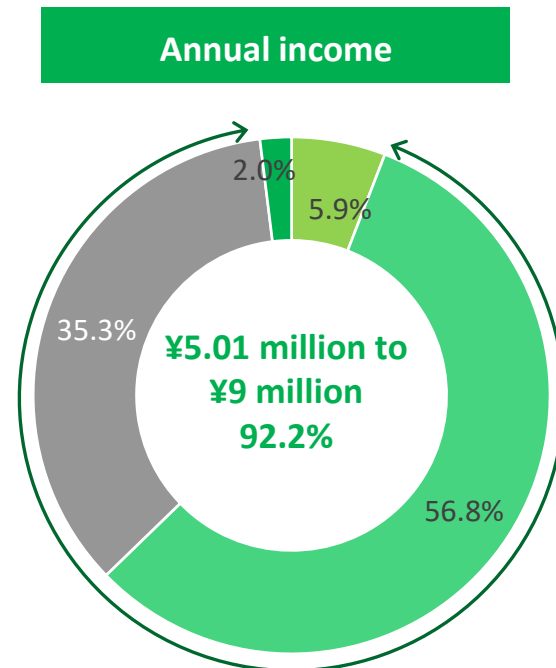
**More customers in areas far from Tokyo (Kyushu, Okinawa, Hokkaido, Tohoku and other areas) are increasing sales and earnings**



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

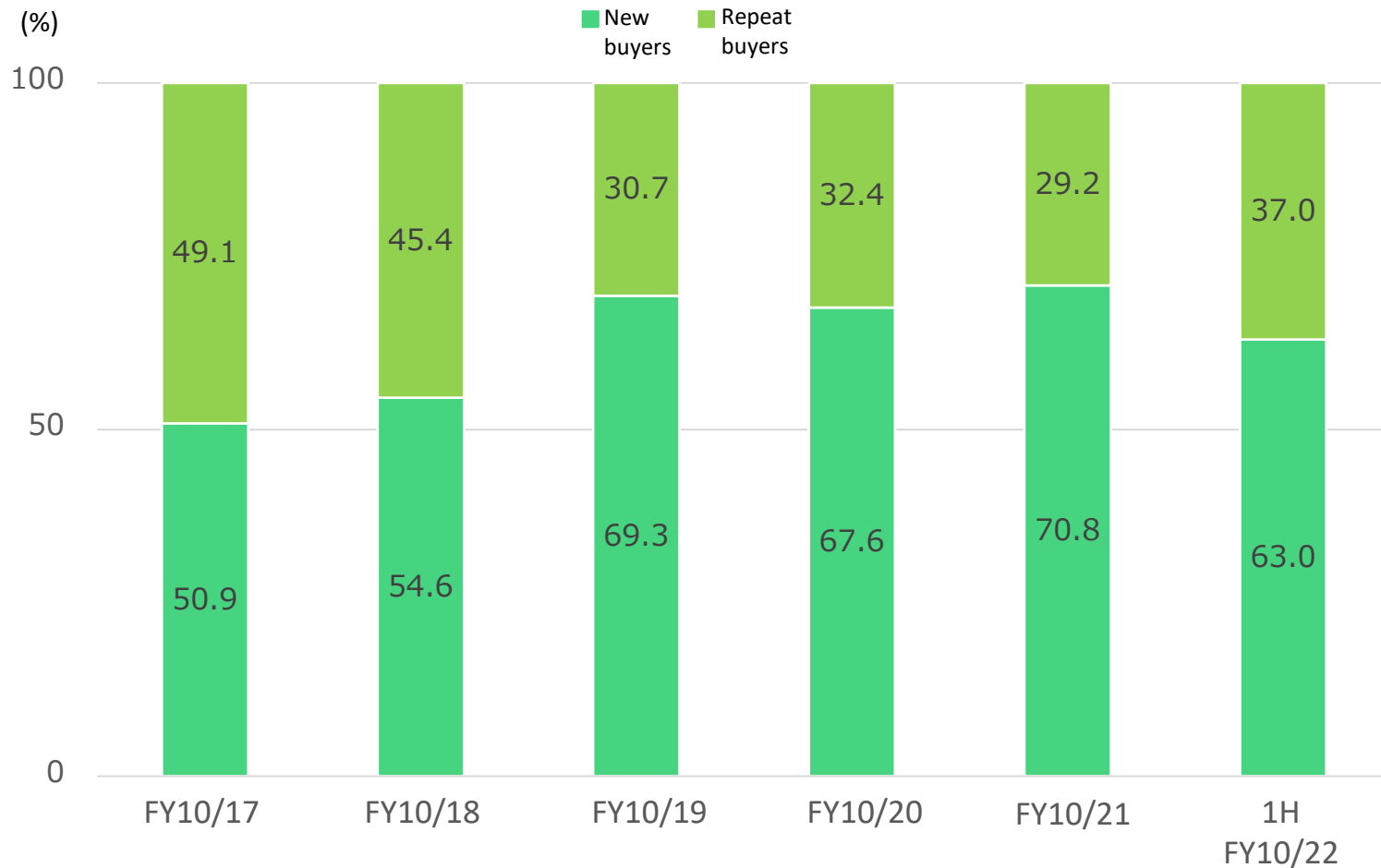


- Age 29 and younger
- 30s
- 40s
- 50s and older

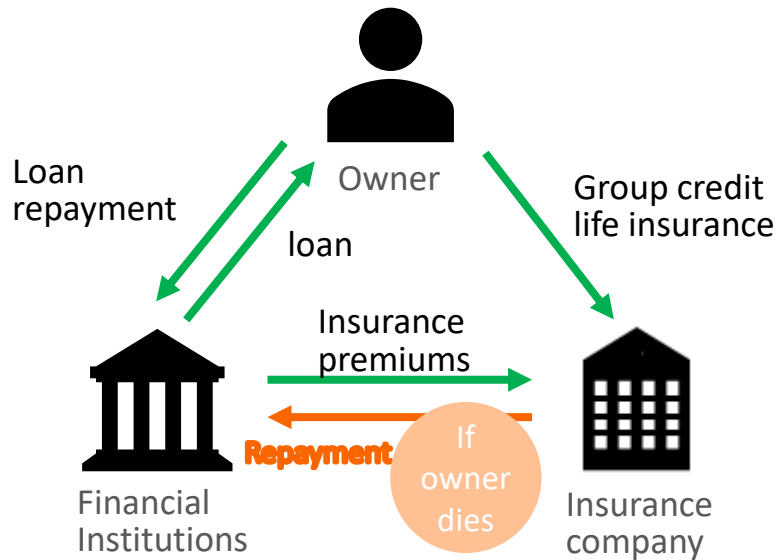


- Up to ¥5 million
- ¥5.01 million to ¥7 million
- ¥7.01 million to ¥9 million
- ¥9.01 million or more

The number of new buyers is increasing and there are activities to raise the number of repeat buyers too



## 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

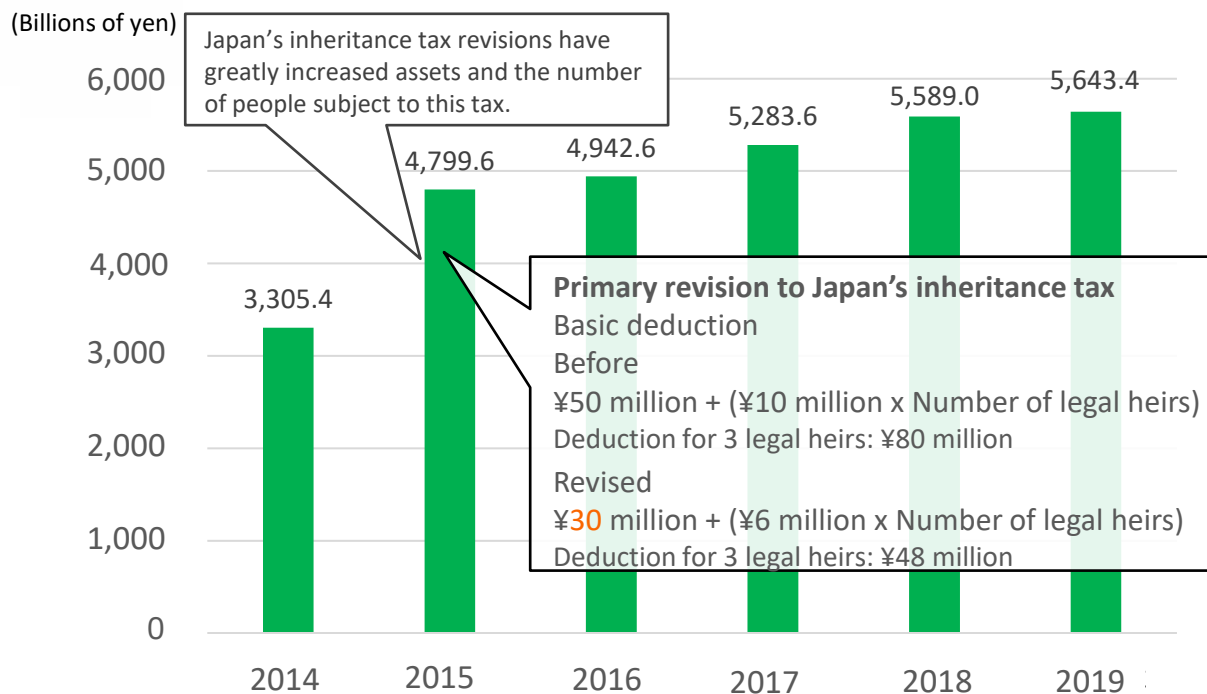
Borrower is designated as requiring at least level 3 nursing care or the borrower requires the specified **nursing care level** for 180 consecutive days

#### Example 3

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

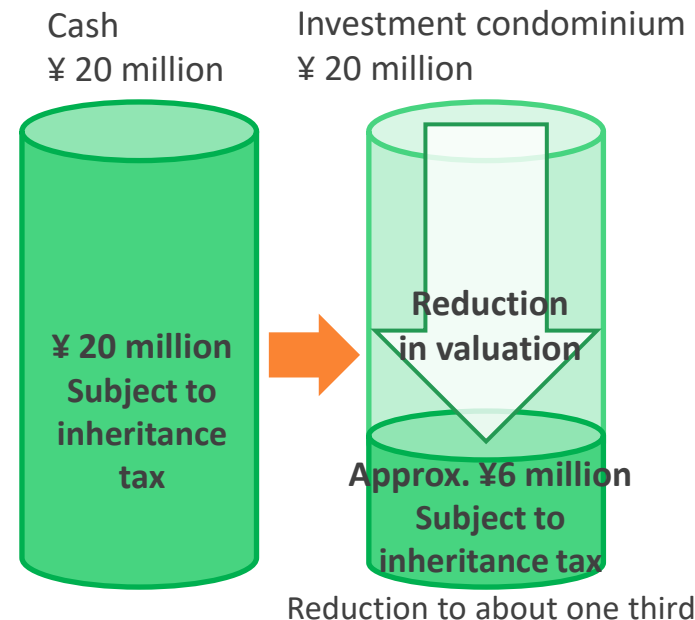
## Purchases to lower valuations for inheritance tax

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



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

Example of asset valuation for inheritance tax

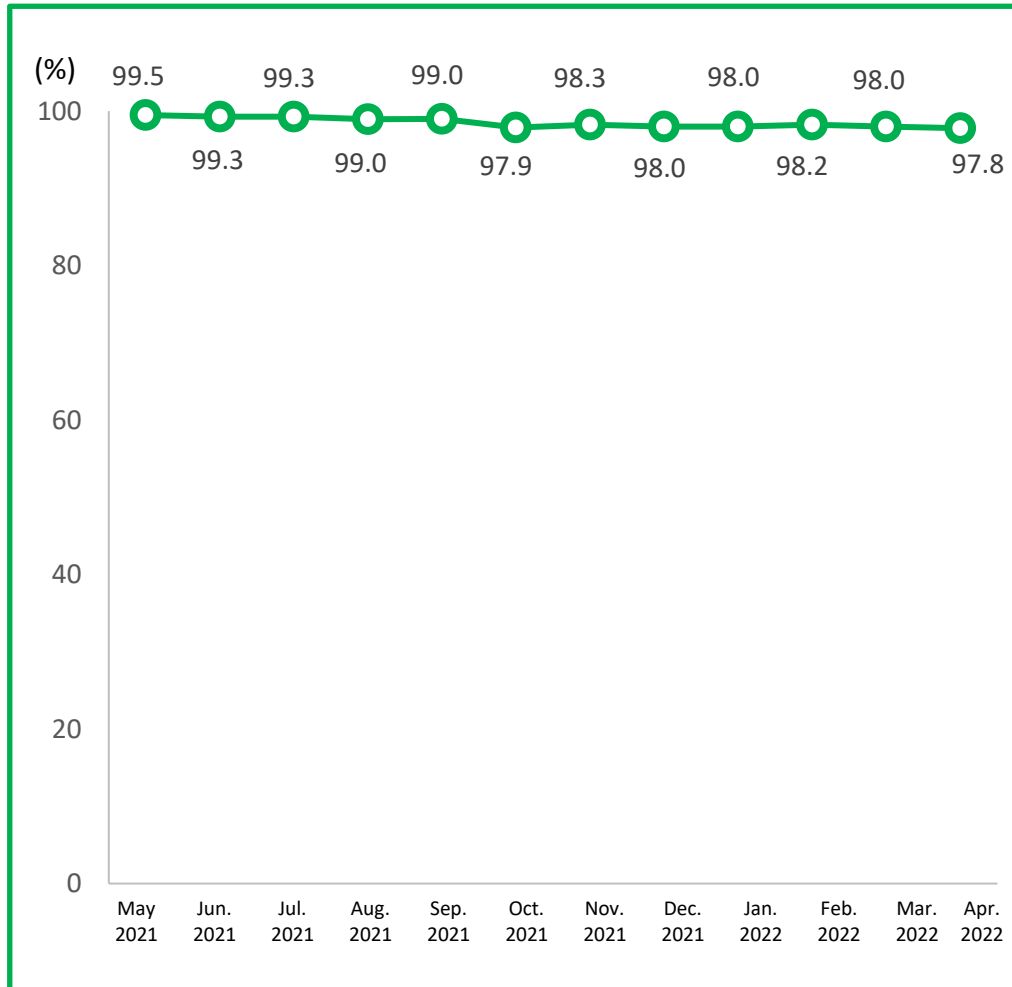


\*The valuation reduction differs depending on the characteristics of individual properties.

**Revision of the inheritance tax basic deduction resulted in a big increase in the value of assets passed on to heirs beginning in 2015. These assets surpassed ¥5 trillion in 2017. Shifting cash to investment condominiums can reduce by about 70% to 80% the valuation of assets subject to the inheritance tax. The shift of assets to investment condominiums to reduce inheritance taxes is expected to continue to increase.**

# Occupancy Rate

## Consistently high occupancy despite the COVID-19 crisis



\*Occupancy rate at the end of each month

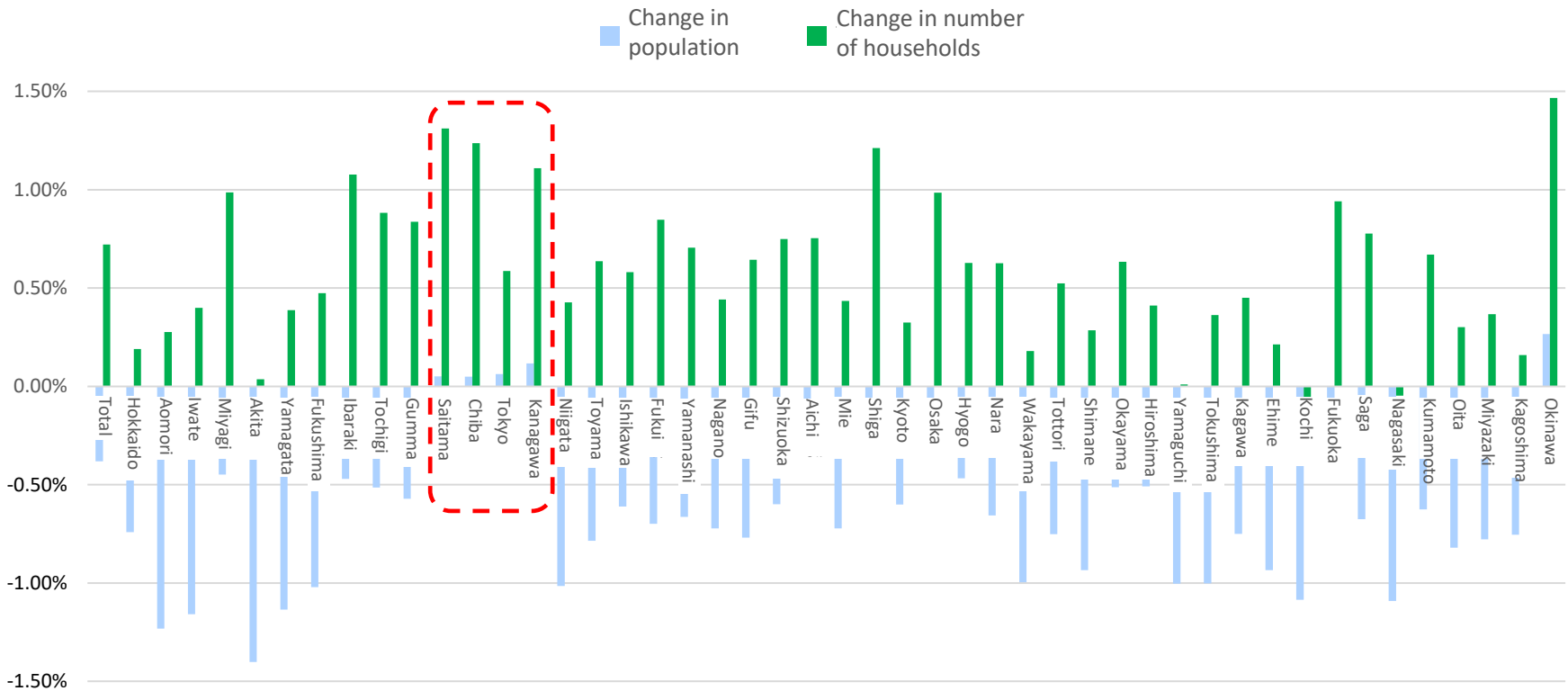
- The occupancy rate is consistently high because Good Com Asset supplies condominiums in areas where the demand for rental properties is strong.
- The use of e-transactions for the apartment rent guarantees of a subsidiary significantly reduces the time needed for the approval of guarantee applications.



**Growth in the number of applications and the pct. of applications approved**

- Increase the volume of business with real estate rental companies in the Nagoya and Osaka areas.

### Population of Japan and Number of Households from 2020 to 2021



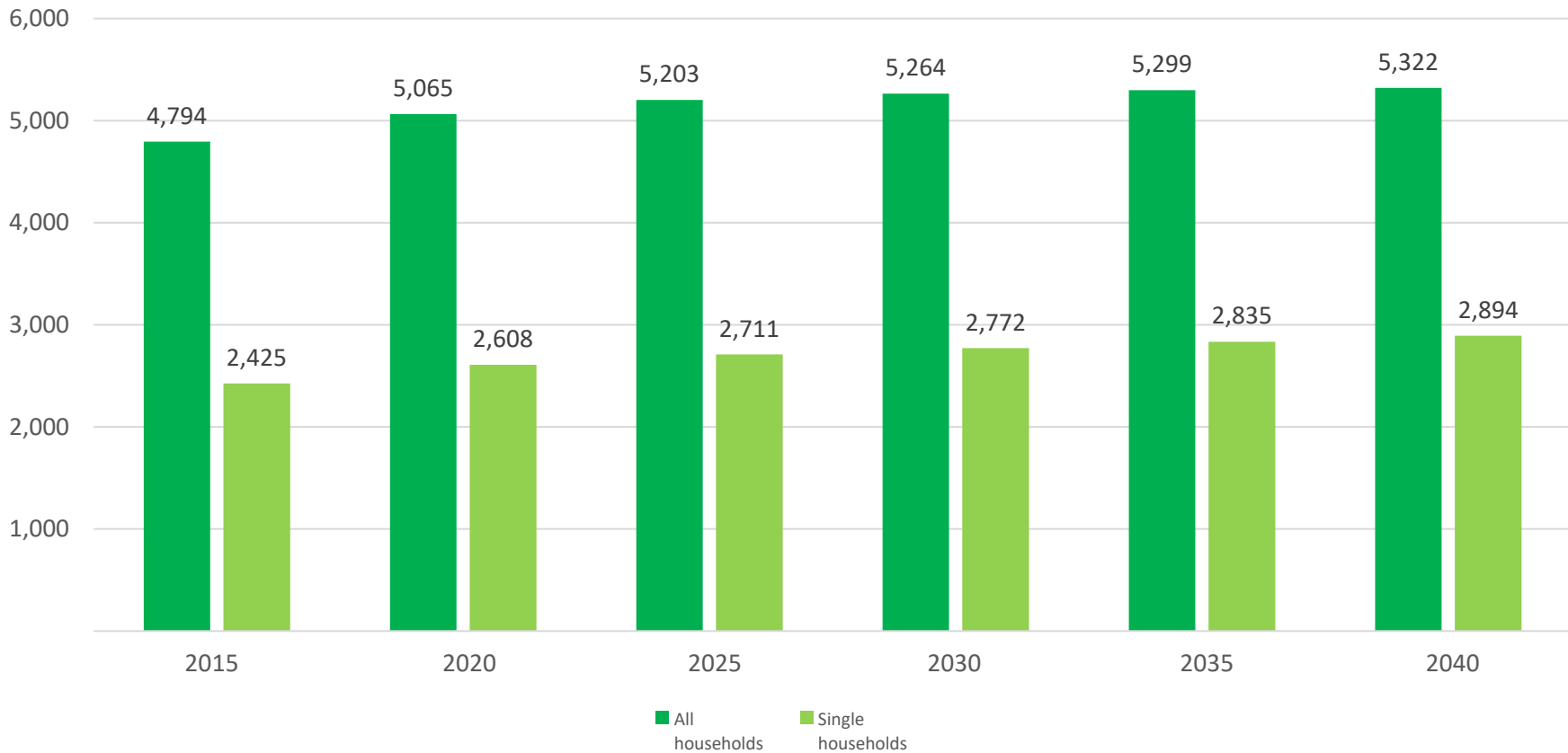
Source: Prepared by Good Com Asset based on data of the Local Administration Bureau of the Ministry of Internal Affairs and Communications

Japan’s population is falling everywhere except the Tokyo area but **the number of households is increasing nationwide**. The reason is probably the rising number of single households. **Demand for rental condominiums is therefore expected to remain strong.**



### 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.**

## 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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