

Consolidated Financial Results for the Fiscal Year Ended October 31, 2022

[Japanese GAAP]

December 12, 2022

Company name: Good Com Asset Co.,Ltd.

Stock Exchange Listing: Tokyo Stock Exchange

Stock code: 3475

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Scheduled date of Annual General Meeting of Shareholders: January 26, 2023

Scheduled date of payment of dividend: January 27, 2023

Scheduled date of filing of Annual Securities Report: January 26, 2023

Preparation of supplementary materials for financial results: Yes

Holding of 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 Fiscal Year Ended October 31, 2022

(November 1, 2021 - October 31, 2022)

(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	%
Fiscal year ended Oct. 31, 2022	40,048	-	4,612	34.2	4,342	37.2	2,858	45.7
Fiscal year ended Oct. 31, 2021	34,216	30.0	3,437	21.5	3,164	19.7	1,962	7.4

Note: Comprehensive income (million yen) Fiscal year ended Oct. 31, 2022: 2,860 (up 45.5%)

Fiscal year ended Oct. 31, 2021: 1,966 (up 7.8%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Oct. 31, 2022	99.58	99.34	27.6	19.3	11.5
Fiscal year ended Oct. 31, 2021	67.52	67.24	22.3	13.7	10.0

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Oct. 31, 2022: - Fiscal year ended Oct. 31, 2021: -

Notes: 1. Beginning with the fiscal year ended on October 31, 2022, the Company is applying Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020). Accordingly, the year-on-year percentage change in net sales before the application of this accounting standard is not shown, but year-on-year percentage changes in operating profit and other profits are shown since the application of this accounting standard has no effect on the figures.

2. The Company conducted a 2-for-1 common stock split effective on November 1, 2022. 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	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2022	24,452	11,471	46.9	399.13
As of Oct. 31, 2021	20,446	9,208	45.0	321.21

Reference: Shareholders' equity (million yen) As of Oct. 31, 2022: 11,471 As of Oct. 31, 2021: 9,208

Note: The Company conducted a 2-for-1 common stock split effective on November 1, 2022. Net assets per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Oct. 31, 2022	3,482	(255)	455	11,656
Fiscal year ended Oct. 31, 2021	9,700	(90)	(8,234)	7,953

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Oct. 31, 2021	-	0.00	-	43.00	43.00	616	31.8	7.0
Fiscal year ended Oct. 31, 2022	-	0.00	-	60.00	60.00	862	30.1	8.3
Fiscal year ending Oct. 31, 2023 (forecasts)	-	0.00	-	35.00	35.00		30.7	

Notes: 1. The Company conducted a 2-for-1 common stock split effective on November 1, 2022. Dividends per share for the fiscal years ended October 31, 2021 and 2022 are the actual amounts before the stock split.

2. Breakdown of year-end dividend per share (forecast) for the fiscal year ended October 31, 2022:

Ordinary dividend: 57.00 yen; Commemorative dividend to mark 5th anniversary of listing: 3.00 yen

3. Consolidated Forecast for the Fiscal Year Ending October 31, 2023 (November 1, 2022 - October 31, 2023)

(Percentages represent year-on-year changes)

Full year	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
	63,087	57.5	5,453	18.2	4,753	9.5	3,276	14.6	113.99

- Notes: 1. The Company conducted a 2-for-1 common stock split effective on November 1, 2022. Net income per share forecast is calculated based on the number of outstanding shares (excluding treasury shares) after the stock split.
2. The Company has established Good Com Asset Investment Advisors Co., Ltd. on May 20, 2022 and is preparing to launch a REIT business as its new business. The timing of obtaining permits and approvals for the start of the business is yet to be determined, and the results of operations may vary depending on the timing; therefore, no consolidated forecast is provided for the first half.

Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None
- (2) Changes in accounting policies and accounting-based estimates, and restatements
- 1) Changes in accounting policies due to revisions in accounting standards, others: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting-based estimates: None
 - 4) Restatements: None
- (3) Number of outstanding shares (common shares)
- 1) Number of shares outstanding at the end of the period (including treasury shares)

As of Oct. 31, 2022:	30,498,400 shares	As of Oct. 31, 2021:	30,458,400 shares
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 - 2) Number of treasury shares at the end of the period

As of Oct. 31, 2022:	1,756,238 shares	As of Oct. 31, 2021:	1,788,852 shares
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 - 3) Average number of shares outstanding during the period

Fiscal year ended Oct. 31, 2022:	28,702,611 shares	Fiscal year ended Oct. 31, 2021:	29,060,656 shares
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- Note: The Company conducted a 2-for-1 common stock split effective on November 1, 2022. The number of outstanding shares (common shares) is calculated as if this stock split had taken place at the beginning of the previous fiscal year.

Reference: Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended October 31, 2022 (November 1, 2021 - October 31, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Oct. 31, 2022	39,132	-	4,602	33.1	4,322	36.6	2,669	22.3
Fiscal year ended Oct. 31, 2021	33,503	29.3	3,456	23.3	3,164	21.4	2,182	21.1

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Oct. 31, 2022	93.00	92.77
Fiscal year ended Oct. 31, 2021	75.11	74.80

- Notes: 1. Beginning with the fiscal year ended on October 31, 2022, the Company is applying Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Accordingly, the year-on-year percentage change in net sales before the application of this accounting standard is not shown, but year-on-year percentage changes in operating profit and other profits are shown since the application of this accounting standard has no effect on the figures.
2. The Company conducted a 2-for-1 common stock split effective on November 1, 2022. 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) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Oct. 31, 2022	23,950	11,388	47.5	396.23
As of Oct. 31, 2021	20,204	9,314	46.1	324.91

Reference: Shareholders' equity (million yen) As of Oct. 31, 2022: 11,388 As of Oct. 31, 2021: 9,314

Note: The Company conducted a 2-for-1 common stock split effective on November 1, 2022. Net assets per share are calculated as if this stock split had taken place at the beginning of the previous fiscal year.

The current financial report is not subject to audit 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. Actual results may differ significantly from these forecasts for a number of factors.

Please refer to "1. Overview of Results of Operations, (4) Outlook" on page 4 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

The Company plans to hold an online financial results meeting on Tuesday, December 13, 2022. Materials distributed 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.

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1. Overview of Results of Operations

(1) Results of Operations

In the current fiscal year ended October 2022, there was a slow return to normal economic activity in Japan despite the continuing impact of the pandemic because of vaccinations and other measures to prevent infections. The outlook for the Japanese economy remains uncertain. The main reasons are the rising cost of resources due to the Ukraine crisis, inflation as countries worldwide raise interest rates, and the yen's rapid depreciation.

In the Japanese real estate industry, the price of land in city centers and the cost of construction is climbing rapidly. However, interest among foreign institutional investors in Japanese real estate continues to be very strong because of the ability of these properties to generate stable income as interest rates in Japan remain low.

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. The occupancy rate of hotels and offices has been declining amid the spread of the COVID-19 pandemic. On the other hand, wholesale sales of condominium buildings have increased significantly because condominiums are safe assets that investors can buy with confidence. As a result of these initiatives, net sales and profits reached a new record high. In May 2022, Good Com Asset Investment Advisers Co., Ltd. was established, and preparations are progressing for the launch of an REIT business. To build a base for this business, we have expanded real estate purchasing activities to include categories other than new condominiums mainly in Tokyo's 23 wards, which was our main activity since our inception. For more growth, we are now acquiring properties in Tokyo as well as three neighboring prefectures and are also buying existing properties. Our goal is to use a portfolio consisting of many properties to maximize earnings and maintain the stability of distributions to investors.

During the current fiscal year, 1,369 condominium units in 41 buildings were sold. Properties acquired were 1,304 units in 22 buildings.

Net sales were 40,048 million yen compared with 34,216 million yen one year earlier. The operating profit increased 34.2% to 4,612 million yen from year earlier, the ordinary profit increased 37.2% to 4,342 million yen, and the profit attributable to owners of parent increased 45.7% to 2,858 million yen.

Beginning with the current fiscal year, the Company has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020). Due to the application of this standard, sales in the current fiscal year decreased 363 million yen. Furthermore, there are no comparisons of sales between the current and prior fiscal years in terms of amounts and percentages of changes. For more information, please see the section "3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)."

Results by business segment are as follows:

Beginning with the current fiscal year, the Good Com Fund segment has been renamed Others due to the inclusion in this segment of the new consolidated subsidiary Capital Support Consulting Co., Ltd. This subsidiary provides consulting services for initial public offerings and for investor relations and capital policies for listed companies.

(a) Wholesale

This segment consists of sales of the Genovia series of one-room and family condominiums to companies and others. During current fiscal year, 1,150 condominium units in 22 buildings were sold. Specifically, sales of condominium buildings are increasing.

Sales were 31,380 million yen compared with net sales of 26,185 million yen one year earlier, and segment profit increased 49.4% to 4,654 million yen from one year earlier.

(b) Retail sales

This segment consists of sales of the Genovia series of one-room and family condominiums to individual investors in Japan and other countries. During the current fiscal year, 219 condominium units in 22 buildings were sold.

Sales were 7,240 million yen compared with net sales of 6,534 million yen one year earlier, and the segment loss was 358 million yen compared with a loss of 141 million yen one year earlier.

(c) Real estate management

The occupancy rate at managed condominium buildings and units was consistently above 90% at the end of every month during the current fiscal year. However, rental income decreased because strong sales of these properties reduced the number of unsold condominium units.

Sales were 1,442 million yen compared with net sales of 1,545 million yen one year earlier, and segment profit decreased 32.9% to 346 million yen.

(d) Others

This segment consists of two new businesses. One is consulting for companies planning an initial public offering and for the investor relations and capital policy activities of listed companies. The other business is the Good Com Fund, which sells small amount investment units of a real estate.

Sales were 35 million yen compared with no sales one year earlier, and the segment loss was 58 million yen compared with a 77 million yen loss one year earlier.

(2) Financial Position

Total assets increased 19.6% from the end of the previous fiscal year to 24,452 million yen at the end of the current fiscal year, total liabilities increased 15.5% to 12,980 million yen and total net assets increased 24.6% to 11,471 million yen. The equity ratio was 46.9%.

(a) Current assets

Current assets increased 3,981 million yen from the end of the previous fiscal year to 23,633 million yen at the end of the current fiscal year. This was mainly due to increases in cash and deposits of 3,703 million yen and real estate for sale of 1,609 million yen, while there was a decrease in real estate for sale in process of 1,477 million yen.

(b) Non-current assets

Non-current assets increased 24 million yen from the end of the previous fiscal year to 818 million yen. This was mainly due to an increase in shares of subsidiaries and associates of 220 million yen, while there was a decrease in goodwill of 144 million yen.

(c) Current liabilities

Current liabilities increased 808 million yen from the end of the previous fiscal year to 8,045 million yen. This was mainly due to an increase in accounts payable for construction contracts of 1,157 million yen.

(d) Non-current liabilities

Non-current liabilities increased 934 million yen from the end of the previous fiscal year to 4,935 million yen mainly due to a 1,023 million yen increase in long-term borrowings.

(e) Net assets

Total net assets increased 2,262 million yen from the end of the previous fiscal year to 11,471 million yen. The main factors include a 616 million yen decrease in retained earnings due to dividend payments, which were partially offset by a 2,858 million yen increase in retained earnings due to the booking of profit attributable to owners of parent.

(3) Cash Flows

Cash and cash equivalents (hereinafter, "net cash") at the end of the current fiscal year increased 3,703 million yen, or 46.6%, from the end of the previous fiscal year to 11,656 million yen.

Cash flows by category during the fiscal year is as follows.

Cash flows from operating activities

Net cash provided by operating activities was 3,482 million yen (9,700 million yen provided in the previous fiscal year). This was mainly due to profit before income taxes of 4,247 million yen, while there were income taxes paid of 1,163 million yen.

Cash flows from investing activities

Net cash used in investing activities was 255 million yen (90 million yen used in the previous fiscal year). The main factors include purchase of shares of subsidiaries and associates of 240 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 455 million yen (8,234 million yen used in the previous fiscal year). The main factors include proceeds from long-term borrowings of 7,993 million yen, while there were repayments of long-term borrowings of 7,100 million yen.

(4) Outlook

Consumer spending in Japan is expected to recover during the fiscal year ending in October 2023 as economic activity continues to return to normal despite the pandemic and the number of foreign tourists increases. Despite these positive trends, the outlook is still unclear because of the Ukraine crisis, increasing cost of resources, rising interest rates worldwide, the yen's depreciation and inflation.

The Japanese real estate sector, where the Good Com Asset Group operates, will be affected by the rising cost of condominium building materials and land. But we believe that demand for condominiums and other real estate will remain strong because the Japanese government is keeping interest rates low.

The Good Com Group will continue to use the procurement of materials in large volumes, made possible by the acquisition of larger properties, to hold down the cost of building materials.

As we continue to sell condominium buildings in the wholesale business, we plan to increase recurring revenue as we supply properties to our new REIT business. In the retail sales business, our goal is to increase the number of properties sold as we continue activities to expand operations to all areas of Japan. In the real estate management business, we expect an increase in recurring revenue as the number of properties under management climbs due to the start of the REIT business. Overall, we anticipate a strong performance in all business operations.

The Group forecasts big increases in sales and earnings to all-time highs in the fiscal year ending in October 2023, with net sales of 63,087 million yen, (up 57.5% year on year), operating profit of 5,453 million yen (up 18.2%), ordinary profit of 4,753 million yen (up 9.5%), and profit attributable to owners of parent of 3,276 million yen (up 14.6%).

The Group will continue to take actions for the growth of current business activities while using M&A, promoting new business and other measures for the diversification of business operations. Our goal is to use these actions for the growth of corporate value.

(5) Important Information about Going Concern Assumption

Not applicable.

2. Basic Approach for the Selection of Accounting Standards

The Group will continue to use generally accepted accounting principles in Japan for the consolidated financial statements for the time being to permit comparisons with prior years and with the financial reports of other companies.

We will consider the use of International Financial Reporting Standards (IFRS) while monitoring upcoming changes in our foreign investor ownership ratio and the use of IFRS by other real estate companies in Japan.

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

	(Thousands of yen)	
	FY10/21 (As of Oct. 31, 2021)	FY10/22 (As of Oct. 31, 2022)
Assets		
Current assets		
Cash and deposits	7,973,539	11,676,778
Accounts receivable-trade	-	3,619
Real estate for sale	8,629,314	10,239,116
Real estate for sale in process	1,730,842	253,418
Advance payments to suppliers	1,078,522	873,058
Other	277,453	667,294
Allowance for doubtful accounts	(36,758)	(79,342)
Total current assets	19,652,914	23,633,943
Non-current assets		
Property, plant and equipment		
Buildings and structures	86,099	86,419
Accumulated depreciation	(24,572)	(29,765)
Buildings and structures, net	61,527	56,654
Other	36,672	36,944
Accumulated depreciation	(17,351)	(22,482)
Other, net	19,321	14,461
Total property, plant and equipment	80,848	71,115
Intangible assets		
Goodwill	249,805	105,750
Software	31,467	10,896
Total intangible assets	281,272	116,646
Investments and other assets		
Investment securities	20,600	25,053
Deferred tax assets	199,249	177,354
Other	211,419	428,141
Total investments and other assets	431,268	630,550
Total non-current assets	793,389	818,312
Total assets	20,446,304	24,452,256

	(Thousands of yen)	
	FY10/21	FY10/22
	(As of Oct. 31, 2021)	(As of Oct. 31, 2022)
Liabilities		
Current liabilities		
Accounts payable for construction contracts	165,121	1,322,328
Short-term borrowings	1,935,730	2,047,500
Current portion of bonds payable	82,000	82,000
Current portion of long-term borrowings	3,016,834	3,036,476
Contract liabilities	-	133,814
Income taxes payable	666,380	879,337
Provision for bonuses	19,379	21,065
Provision for vacancy warranties	163,014	-
Provision for loss on guarantees	27,533	40,283
Other	1,160,312	482,373
Total current liabilities	7,236,306	8,045,178
Non-current liabilities		
Bonds payable	335,000	253,000
Long-term borrowings	3,625,140	4,648,849
Provision for shareholder benefit program	7,101	3,072
Other	33,797	30,207
Total non-current liabilities	4,001,038	4,935,129
Total liabilities	11,237,345	12,980,307
Net assets		
Shareholders' equity		
Share capital	1,595,342	1,595,832
Capital surplus	1,503,842	1,504,332
Retained earnings	7,094,234	9,335,789
Treasury shares	(986,622)	(968,634)
Total shareholders' equity	9,206,796	11,467,319
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,114	6,294
Foreign currency translation adjustment	(1,951)	(1,665)
Total accumulated other comprehensive income	2,162	4,629
Total net assets	9,208,959	11,471,948
Total liabilities and net assets	20,446,304	24,452,256

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statement of Income)

(Thousands of yen)

	FY10/21 (Nov. 1, 2020 - Oct. 31, 2021)	FY10/22 (Nov. 1, 2021 - Oct. 31, 2022)
Net sales	34,216,619	40,048,824
Cost of sales	28,107,119	32,443,260
Gross profit	6,109,499	7,605,564
Selling, general and administrative expenses	2,672,374	2,993,521
Operating profit	3,437,125	4,612,042
Non-operating income		
Interest income	79	86
Dividend income	510	846
Commission income	12,094	4,025
Penalty income	32,928	40,224
Recoveries of written off receivables	3,385	2,830
Other	5,183	10,996
Total non-operating income	54,181	59,010
Non-operating expenses		
Interest expenses	182,489	141,085
Commission expenses	136,434	180,775
Other	7,427	7,130
Total non-operating expenses	326,351	328,991
Ordinary profit	3,164,955	4,342,062
Extraordinary losses		
Impairment losses	182,148	94,455
Total extraordinary losses	182,148	94,455
Profit before income taxes	2,982,806	4,247,606
Income taxes - current	1,064,986	1,367,992
Income taxes - deferred	(44,230)	21,299
Total income taxes	1,020,755	1,389,291
Profit	1,962,050	2,858,315
Profit attributable to owners of parent	1,962,050	2,858,315

(Consolidated Statement of Comprehensive Income)

	(Thousands of yen)	
	FY10/21	FY10/22
	(Nov. 1, 2020 - Oct. 31, 2021)	(Nov. 1, 2021 - Oct. 31, 2022)
Profit	1,962,050	2,858,315
Other comprehensive income		
Valuation difference on available-for-sale securities	4,188	2,180
Foreign currency translation adjustment	483	286
Total other comprehensive income	4,671	2,466
Comprehensive income	1,966,722	2,860,782
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,966,722	2,860,782
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

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

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,593,771	1,502,271	5,633,805	(329,689)	8,400,159
Cumulative effects of changes in accounting policies					-
Restated balance	1,593,771	1,502,271	5,633,805	(329,689)	8,400,159
Changes during period					
Issuance of new shares-exercise of share acquisition rights	1,570	1,570			3,141
Dividends of surplus			(501,621)		(501,621)
Profit attributable to owners of parent			1,962,050		1,962,050
Purchase of treasury shares				(656,933)	(656,933)
Net changes in items other than shareholders' equity					-
Total changes during period	1,570	1,570	1,460,429	(656,933)	806,637
Balance at end of period	1,595,342	1,503,842	7,094,234	(986,622)	9,206,796

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(74)	(2,434)	(2,508)	8,397,650
Cumulative effects of changes in accounting policies			-	-
Restated balance	(74)	(2,434)	(2,508)	8,397,650
Changes during period				
Issuance of new shares-exercise of share acquisition rights			-	3,141
Dividends of surplus			-	(501,621)
Profit attributable to owners of parent			-	1,962,050
Purchase of treasury shares			-	(656,933)
Net changes in items other than shareholders' equity	4,188	483	4,671	4,671
Total changes during period	4,188	483	4,671	811,309
Balance at end of period	4,114	(1,951)	2,162	9,208,959

FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,595,342	1,503,842	7,094,234	(986,622)	9,206,796
Cumulative effects of changes in accounting policies					-
Restated balance	1,595,342	1,503,842	7,094,234	(986,622)	9,206,796
Changes during period					
Issuance of new shares-exercise of share acquisition rights	490	490			980
Dividends of surplus			(616,395)		(616,395)
Profit attributable to owners of parent			2,858,315		2,858,315
Disposal of treasury shares		(637)		17,987	17,350
Transfer of loss on disposal of treasury shares		637	(637)		-
Change in scope of consolidation			271		271
Net changes in items other than shareholders' equity					-
Total changes during period	490	490	2,241,554	17,987	2,260,522
Balance at end of period	1,595,832	1,504,332	9,335,789	(968,634)	11,467,319

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	4,114	(1,951)	2,162	9,208,959
Cumulative effects of changes in accounting policies			-	-
Restated balance	4,114	(1,951)	2,162	9,208,959
Changes during period				
Issuance of new shares-exercise of share acquisition rights			-	980
Dividends of surplus			-	(616,395)
Profit attributable to owners of parent			-	2,858,315
Disposal of treasury shares			-	17,350
Transfer of loss on disposal of treasury shares			-	-
Change in scope of consolidation			-	271
Net changes in items other than shareholders' equity	2,180	286	2,466	2,466
Total changes during period	2,180	286	2,466	2,262,989
Balance at end of period	6,294	(1,665)	4,629	11,471,948

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY10/21 (Nov. 1, 2020 - Oct. 31, 2021)	FY10/22 (Nov. 1, 2021 - Oct. 31, 2022)
Cash flows from operating activities		
Profit before income taxes	2,982,806	4,247,606
Depreciation	137,543	101,816
Impairment losses	182,148	94,455
Amortization of goodwill	107,988	62,451
Increase (decrease) in allowance for doubtful accounts	6,105	42,583
Increase (decrease) in provision for bonuses	1,358	1,685
Increase (decrease) in provision for vacancy warranties	128,206	-
Increase (decrease) in provision for shareholder benefit program	(18,713)	(4,028)
Increase (decrease) in provision for loss on guarantees	2,345	12,749
Increase (decrease) in provision for reserve for sublease losses	(28,222)	-
Interest and dividend income	(589)	(932)
Interest expenses	182,489	141,085
Decrease (increase) in advance payments to suppliers	(271,211)	205,463
Decrease (increase) in inventories	6,844,707	(201,206)
Increase (decrease) in trade payables	54,002	1,157,207
Increase (decrease) in accrued consumption taxes	727,774	(730,626)
Increase (decrease) in contract liabilities	-	(29,199)
Other, net	(2,262)	(295,901)
Subtotal	11,036,477	4,805,208
Interest and dividends received	160	222
Interest paid	(200,317)	(159,459)
Income taxes paid	(1,136,008)	(1,163,048)
Net cash provided by (used in) operating activities	9,700,312	3,482,922
Cash flows from investing activities		
Purchase of property, plant and equipment	(37,916)	(592)
Purchase of investment securities	(599)	(599)
Purchase of intangible assets	(2,555)	(3,770)
Purchase of membership	-	(11,000)
Payments into time deposits	(20,023)	(20,024)
Proceeds from withdrawal of time deposits	20,021	20,023
Purchase of shares of subsidiaries and associates	-	(240,000)
Other, net	(49,721)	84
Net cash provided by (used in) investing activities	(90,794)	(255,879)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,395,800)	262,370
Proceeds from long-term borrowings	9,235,200	7,993,200
Repayments of long-term borrowings	(15,049,813)	(7,100,449)
Proceeds from issuance of bonds	200,000	-
Redemption of bonds	(62,000)	(82,000)
Proceeds from issuance of shares	2,508	980
Purchase of treasury shares	(656,933)	-
Dividends paid	(501,621)	(616,395)
Other, net	(6,270)	(1,895)
Net cash provided by (used in) financing activities	(8,234,730)	455,810
Effect of exchange rate change on cash and cash equivalents	402	255
Net increase (decrease) in cash and cash equivalents	1,375,190	3,683,109
Cash and cash equivalents at beginning of period	6,578,325	7,953,516
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	20,127
Cash and cash equivalents at end of period	7,953,516	11,656,753

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in the Scope of Consolidation or Application of the Equity Method

Beginning with the current fiscal year, Capital Support Consulting Co., Ltd. is included in the scope of consolidation because of the importance of this company with regard to the consolidated financial statements.

Shanghai Good Com Business Consulting Co.,Ltd., which was a consolidated subsidiary, is excluded from the scope of consolidation because its liquidation process was completed on July 29, 2022.

Changes in Accounting Policies**Application of the Accounting Standards for Revenue Recognition**

The Company is applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and other standards from the beginning of the current fiscal year. Based on these standards, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers.

Due to the application of the Accounting Standard for Revenue Recognition, some payments to customers that were previously included in selling, general and administrative expenses, such as additions to the allowance for vacancy warranties and sales promotion expenses, are instead deducted from sales.

For the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional measures in the proviso to Paragraph 84 of this standard, the cumulative effect of the retrospective application of the new accounting standard, if it is applied prior to the current fiscal year, is added to or subtracted from retained earnings at the beginning of the current fiscal year. The new standard is then applied beginning with this amount of retained earnings.

As a result, net sales decreased 363 million yen and selling, general and administrative expenses decreased 363 million yen but there is no effect on operating profit, ordinary profit and profit before income taxes. In addition, there is no impact on the balance of retained earnings at the beginning of the current fiscal year.

In accordance with the transitional measures prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the prior year's consolidated financial statements to conform to the new presentation.

Application of the Accounting Standards for Measurement of Fair Value

The Company has applied the Accounting Standard for Measurement of Fair Value (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the current fiscal year, and has applied the new accounting policies set forth by the Accounting Standard for Measurement of Fair Value, etc. prospectively in accordance with the transitional measures prescribed in Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the consolidated financial statements.

Segment and Other Information

Segment Information

1. Overview of reportable segment

The Group's segments used for financial reporting are the constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

The operations of the Group are divided into the following four reportable business segments: wholesale, retail sales, real estate management, and others.

The sale of newly constructed condominiums using the Company's own brand is the primary activity of the wholesale and retail sales segments. Activities of real estate management include the management of tenant-occupied condominium units as well as entire condominium buildings sold by the Company, the rental of these units until ownership is transferred to buyers, and provision of apartment rent guarantee services. The primary activity of others includes consulting services for initial public offerings and for investor relations and capital policies for listed companies and sales of small amount investment units of a real estate fund.

The Good Com Fund segment has been renamed "others" due to the inclusion in this segment of the new consolidated subsidiary Capital Support Consulting Co., Ltd. This subsidiary provides consulting services for initial public offerings and for investor relations and capital policies for listed companies.

The segment information for FY10/21 is presented based on the classification of reportable segments after the change.

As described in Changes in Accounting Policies, the Company has applied the Accounting Standard for Revenue Recognition from the beginning of FY10/22 and changed the accounting method for revenue recognition. Accordingly, the method for calculating net sales, profit or loss for each reportable segment has been changed as well.

Compared with the previous method, sales in wholesale and retail sales of FY10/22 decreased by 286 million yen and 77 million yen respectively, but there is no impact on segment profit or loss.

Shanghai Good Com Business Consulting Co.,Ltd., a local subsidiary in Shanghai included in retail sales, a reportable segment, was liquidated on July 29, 2022. Only the income statement of the company up to the date of completion of procedures for the liquidation is consolidated.

2. Calculation method for net sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting methods for reportable segments are generally the same as those described in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are operating profit figures.

Inter-segment sales and transfers are based on market prices.

The Group does not allocate assets to specific business segments, but depreciation associated with these assets is allocated to specific business segments using reasonable standards.

3. Information related to net sales and profit or loss, assets, liabilities, and other items for each reportable segment

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

(Thousands of yen)

	Reportable segment				Total
	Wholesale	Retail sales	Real estate management	Good Com Fund	
Net sales					
External sales	26,185,685	6,534,863	1,496,070	-	34,216,619
Inter-segment sales and transfers	-	-	49,627	-	49,627
Total	26,185,685	6,534,863	1,545,697	-	34,266,246
Segment profit (loss)	3,115,820	(141,418)	517,205	(77,350)	3,414,257
Other items					
Depreciation	1,993	8,019	4,830	6,138	20,981

Notes: 1. Total depreciation in this table is consistent with the amount shown in the consolidated financial statements.

2. The Group does not allocate assets to specific business segments.

FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)

(Thousands of yen)

	Reportable segment				Total
	Wholesale	Retail sales	Real estate management	Good Com Fund	
Net sales					
External sales	31,380,478	7,240,979	1,393,186	34,180	40,048,824
Inter-segment sales and transfers	-	-	49,502	1,700	51,202
Total	31,380,478	7,240,979	1,442,689	35,880	40,100,026
Segment profit (loss)	4,654,136	(358,559)	346,840	(58,852)	4,583,564
Other items					
Depreciation	2,388	7,724	5,573	6,127	21,814

Notes: 1. Total depreciation in this table is consistent with the amount shown in the consolidated financial statements.

2. The Group does not allocate assets to specific business segments.

4. Reconciliation of amounts shown in the consolidated financial statements with total for reportable segments

(Thousands of yen)

Net sales	FY10/21	FY10/22
Total for reportable segments	34,266,246	40,100,026
Elimination of inter-segment transactions	(49,627)	(51,202)
Net sales in consolidated financial statements	34,216,619	40,048,824

(Thousands of yen)

Profit	FY10/21	FY10/22
Total for reportable segments	3,414,257	4,583,564
Elimination of inter-segment transactions	22,868	28,477
Operating profit in consolidated financial statements	3,437,125	4,612,042

Related Information

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

1. Information by product and service

Omitted since sales to external customers in the category of a single product or service exceeded 90% of net sales on the consolidated statement of income.

2. Information by region

(1) Net sales

Omitted since sales to external customers in the Japan exceeded 90% of net sales on the consolidated statement of income.

(2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

3. Information by major customer

Not applicable.

FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)

1. Information by product and service

Omitted since sales to external customers in the category of a single product or service exceeded 90% of net sales on the consolidated statement of income.

2. Information by region

(1) Net sales

Omitted since sales to external customers in the Japan exceeded 90% of net sales on the consolidated statement of

income.

(2) Property, plant and equipment

Not applicable because there are no property, plant and equipment outside Japan.

3. Information by major customer

Not applicable.

Information Related to Impairment Loss of Non-current Assets for Each Reportable Segment

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

Not applicable.

FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)

(Thousands of yen)

	Wholesale	Retail sales	Real estate management	Others	Total
Impairment loss	-	-	-	12,851	12,851

Note: In the Others segment, investments in software are not expected to be recovered because of a reexamination of the business plan involving this software. As a result, the net sales price and utilization value of this software have been written off and the impairment of the entire book value of this software that was not yet depreciated has been recognized as an extraordinary loss.

Information Related to Amortization of Goodwill and Unamortized Balance for Each Reportable Segment

Reportable segment categories are revised beginning from FY10/22. The information for FY10/21 is presented based on the classification of reportable segments after the revision.

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

(Thousands of yen)

	Wholesale	Retail sales	Real estate management	Others	Total
Amortization for the period	-	-	107,988	-	107,988
Balance at end of period	-	-	249,805	-	249,805

Note: An impairment loss of 182,148 thousand yen has been recorded for goodwill attributable to real estate management.

FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)

(Thousands of yen)

	Wholesale	Retail sales	Real estate management	Others	Total
Amortization for the period	-	-	62,451	-	62,451
Balance at end of period	-	-	105,750	-	105,750

Note: An impairment loss of 81,603 thousand yen has been recorded for goodwill attributable to real estate management.

Information Related to Gain on Bargain Purchase for Each Reportable Segment

Not applicable.

Per-share Information

(Yen)

Item	FY10/21 (Nov. 1, 2020 – Oct. 31, 2021)	FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)
Net assets per share	321.21	399.13
Net income per share	67.52	99.58
Diluted net income per share	67.24	99.34

Notes: 1. The Company conducted a 2-for-1 common stock split effective on November 1, 2022. Net assets per share, net income per share and diluted net income per share are calculated as if this stock split had taken place at the beginning of FY10/21.

2. Basis for calculation of net income per share and diluted net income per share is as follows.

(Thousands of yen)

Item	FY10/21 (Nov. 1, 2020 – Oct. 31, 2021)	FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)
Net income per share		
Profit attributable to owners of parent	1,962,050	2,858,315
Amounts not available to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	1,962,050	2,858,315
Average number of common shares outstanding during the period (shares)	29,060,656	28,702,611
Diluted net income per share		
Adjusted profit attributable to owners of parent	-	-
Increase in the number of common shares (shares)	119,994	70,115
[of which share acquisition rights (shares)]	[119,994]	[70,115]

3. Basis for calculation of net assets per share is as follows.

(Thousands of yen)

Item	FY10/21 (As of Oct. 31, 2021)	FY10/22 (As of Oct. 31, 2022)
Total net assets	9,208,959	11,471,948
Deduction on total net assets	-	-
Net assets applicable to common shares at end of period	9,208,959	11,471,948
Number of common shares at end of period used in calculation of net assets per share (shares)	28,669,548	28,742,162

Material Subsequent Events

Stock Split and Associated Revisions to the Articles of Incorporation

In accordance with the resolution approved by the Board of Directors on October 13, 2022, the Company implemented a stock split on November 1, 2022 and has made an associated revision to the Articles of Incorporation.

1. Purpose of the stock split

This split lowered the cost of an investment unit of Good Com Asset stock, which makes this stock accessible to a broader range of investors. This is expected to increase the stock's liquidity and expand stock ownership to more investor segments.

2. Overview of stock split

(1) Method

Shareholders listed in the final shareholder register on the record date of Monday, October 31, 2022 will receive one additional share of common stock for each share held on the record date.

(2) Increase in number of shares due to the stock split

1) Total number of shares outstanding prior to the stock split:	15,249,200 shares
2) Increase in number of shares due to the stock split:	15,249,200 shares
3) Total number of shares outstanding following the stock split:	30,498,400 shares
4) Total number of authorized shares following the stock split:	91,200,000 shares

(3) Schedule of stock split

1) Public notice of record date:	Friday, October 14, 2022
2) Record date:	Monday, October 31, 2022
3) Effective date:	Tuesday, November 1, 2022

3. Partial revision to the Articles of Incorporation

(1) Reason for the revision

In association with this stock split, Article 6 of the Good Com Asset Articles of Incorporation was revised on November 1, 2022 to increase the total number of shares authorized in accordance with Article 184, Paragraph 2 of the Companies Act.

(2) Details of the revision (Underlined parts are revised)

Before revision	After revision
Total Number of Shares Authorized Article 6: The total number of shares authorized to be issued by the Company shall be <u>45,600,000</u> shares.	Total Number of Shares Authorized Article 6: The total number of shares authorized to be issued by the Company shall be <u>91,200,000</u> shares.

(3) Schedule

Effective date: Tuesday, November 1, 2022

4. Share acquisition right exercise price adjustments

The exercise prices of share acquisition rights were adjusted as follows on November 1, 2022 because of the stock split.

	(Yen)	
	Exercise price before adjustment	Exercise price after adjustment
Share acquisition rights No. 2	13	7
Share acquisition rights No. 3	193	97

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.