

June 12, 2023



1H FY2023 Presentation Material

November 2022 to April 2023

The path to a good future
Good Com Asset

Good Com Asset



I. Characteristics of Business Activities	P. 3
II. FY10/23 Earnings Forecast	P. 16
III. Investment Performance Indicators	P. 19
IV. 1H FY10/23 Financial Summary	P. 26
V. Become A Leading Real Estate Company of the 21st Century	P. 30
	P. 34

Appendix

* Figures are on a consolidated basis unless otherwise stated.

I. Characteristics of Business Activities

Company name	Good Com Asset Co.,Ltd.
Founded	November 28, 2005
Capital	¥1,595 million (As of April 30, 2023)
Capital reserve	¥1,504 million (As of April 30, 2023)
Representative	Yoshikazu Nagashima, President and CEO
Head office	Sumitomo Fudosan Nishi-shinjuku Building, 7-20-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
Business	Planning, development, sale and management of newly constructed condominiums for investment using Good Com Asset's Genovia brand mainly in Tokyo's 23 wards to also include all of Tokyo and three neighboring prefectures
Consolidated subsidiaries	Good Com Co., Ltd. (Property management business) Room Bank Insure Co., Ltd. (Apartment rent guarantees) Capital Support Consulting Co., Ltd. (IPO/investor relations consulting) Taiwan Good Com., Ltd. (Taiwan subsidiary) Good Com Asset Investment Advisers Co., Ltd. (Asset management) Good Com Navi Co., Ltd. (Leasing brokerage)
Segments	Wholesale (Corporate sales of buildings) Retail sales (Sales to individual investors) Real estate management (Management of condominium buildings and tenant-occupied units and Guarantee for payment of rent) Other (IPO/Investor relations consulting/sales of small amount investment units)
Listed stock market	Prime Market of the Tokyo Stock Exchange (Stock code: 3475)
Shareholders	14,170 (As of April 30, 2023)
Fiscal year end	October

1H Purchases Equivalent to Sales of ¥100 Billion

Property purchases increased while preserving financial soundness

Carrying value (Billions of yen)		Assumes 2% deposit 50 times advance payments	Contribution to future results of operations (Billions of yen)	
1H FY10/23			1H FY10/23	
Advance payments to suppliers	1.23		Advance payments to suppliers	61.58
Real estate for sale	19.39		Real estate for sale	19.39
Real estate for sale in process	2.07		Real estate for sale in process	2.07
Total	22.70		Total	83.05
Interest-bearing debt	21.76		Interest-bearing debt	83.34

Property holdings are about four times interest-bearing debt

If all properties are used for real estate developments, interest-bearing debt will need to be the same as the value of these holdings.

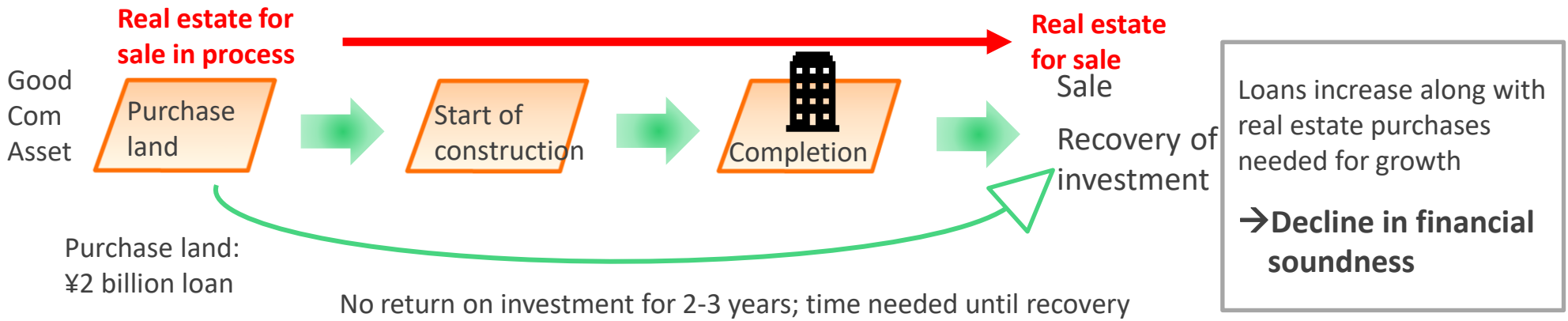
Property holdings of ¥83 billion are equivalent to sales of ¥102.4 billion.

*Sales estimate assumes a gross profit margin of 19.0% as in FY10/22.

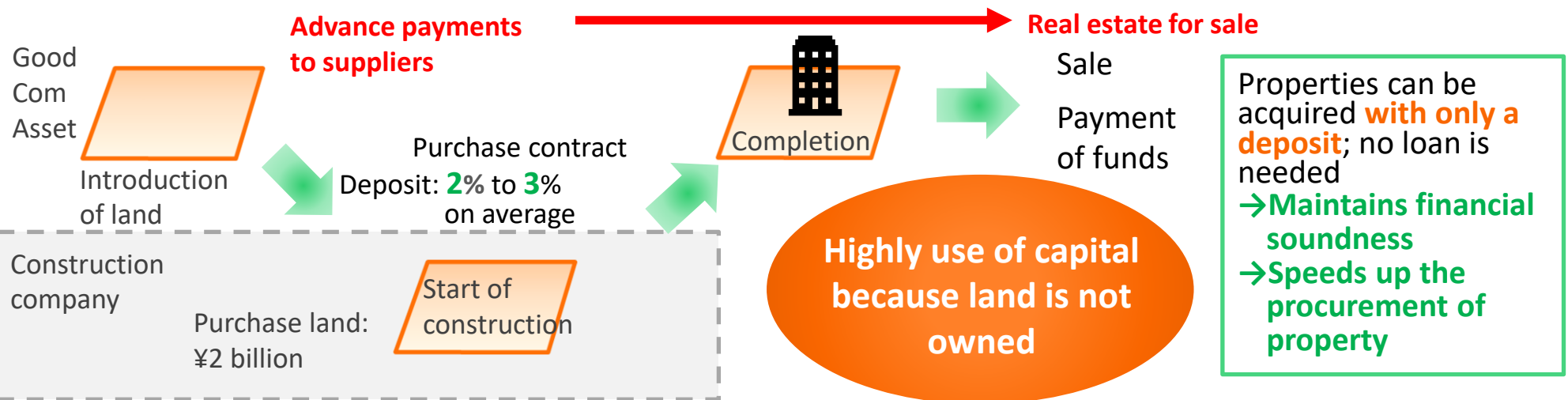
Purchases Off-balance Sheet (OBS) Scheme for Purchases

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

Example for an ordinary condominium development project



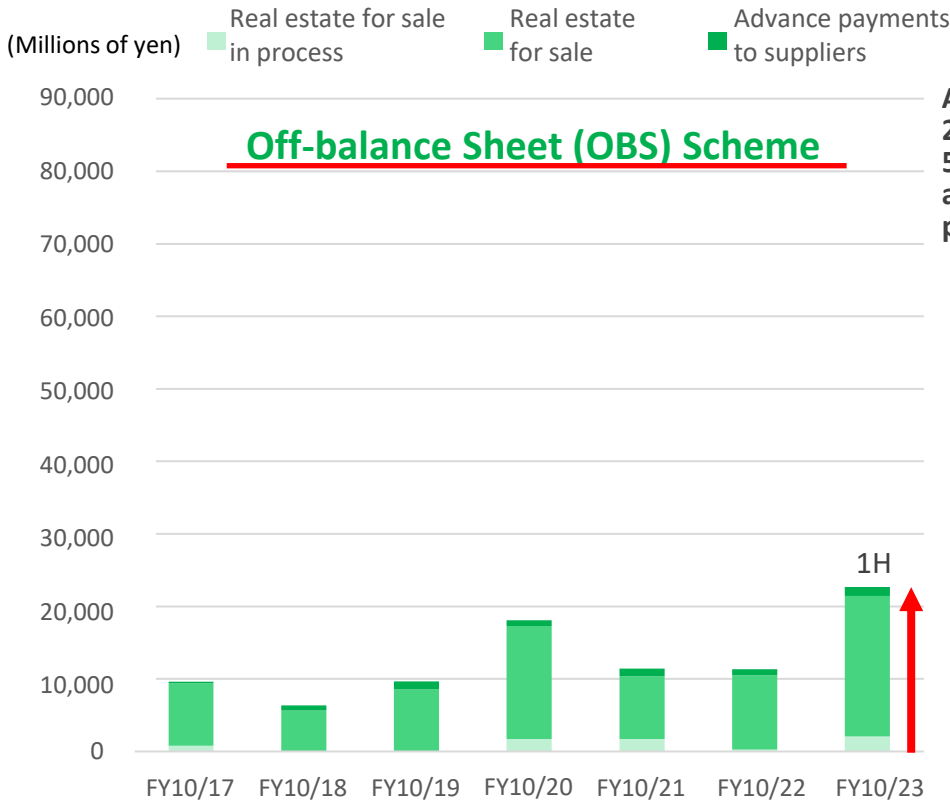
Example of OBS Scheme



Real Estate Purchases (Advance Payments to Suppliers/Inventories)

Growth of real estate for sale due to large volume of purchases

Carrying value



Contribution to future results of operations

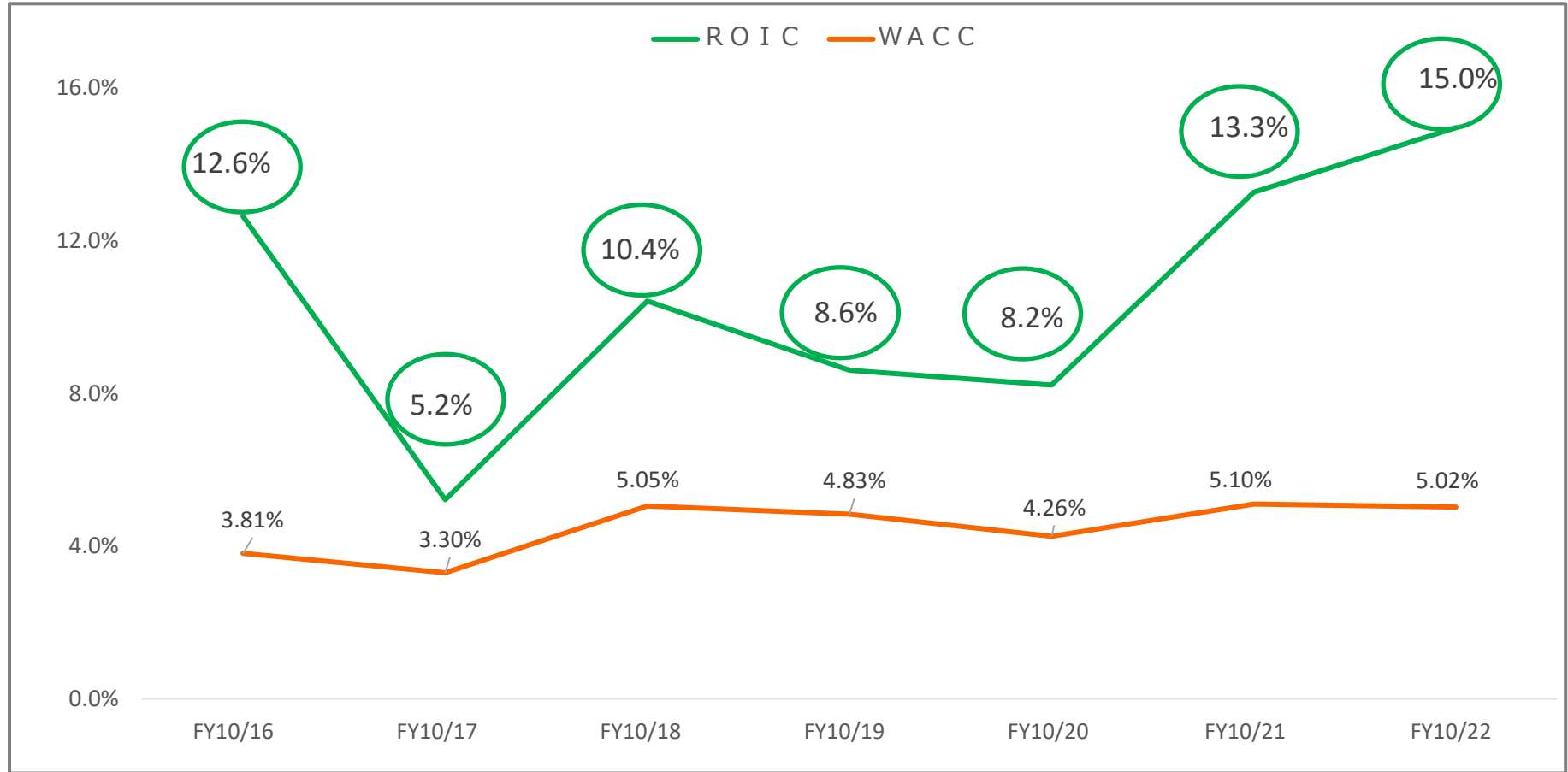


Estimated property holdings of 50 times of advance payments to suppliers based on a 2% deposit

A big increase in 1H FY10/23, **more growth of property purchases**

Return on Capital is Higher Than the Cost of Capital

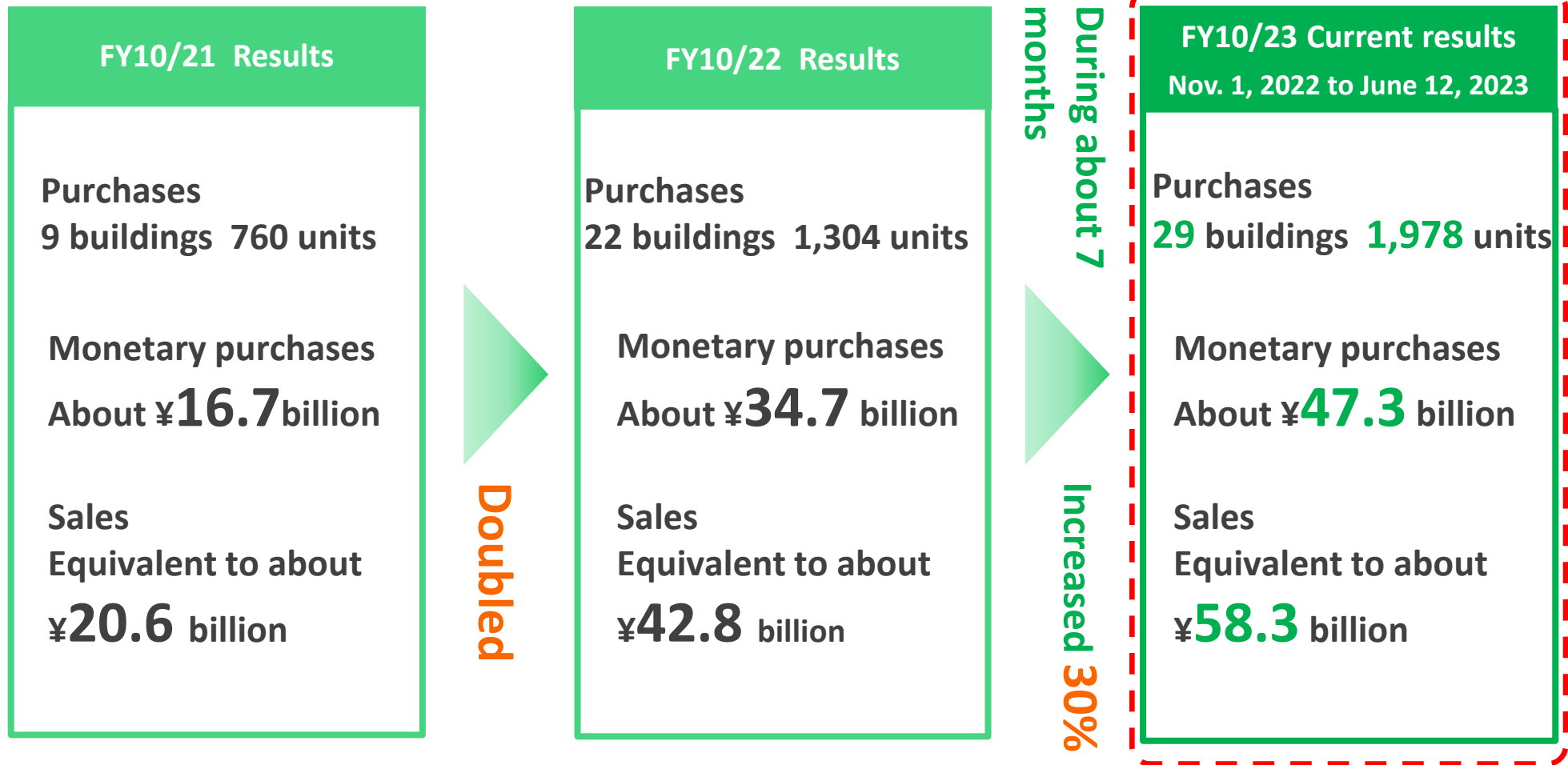
Use of OBS creates a short cycle for the recovery of capital, making possible business projects that use capital efficiently



*Return on invested capital = Pretax operating profit / (Interest-bearing debt + Shareholders' equity)

*Weighted average cost of capital = Cost of procuring capital. Cost of equity (CAPM) estimated to be 6.9%

More growth of holdings due to large volume of purchases



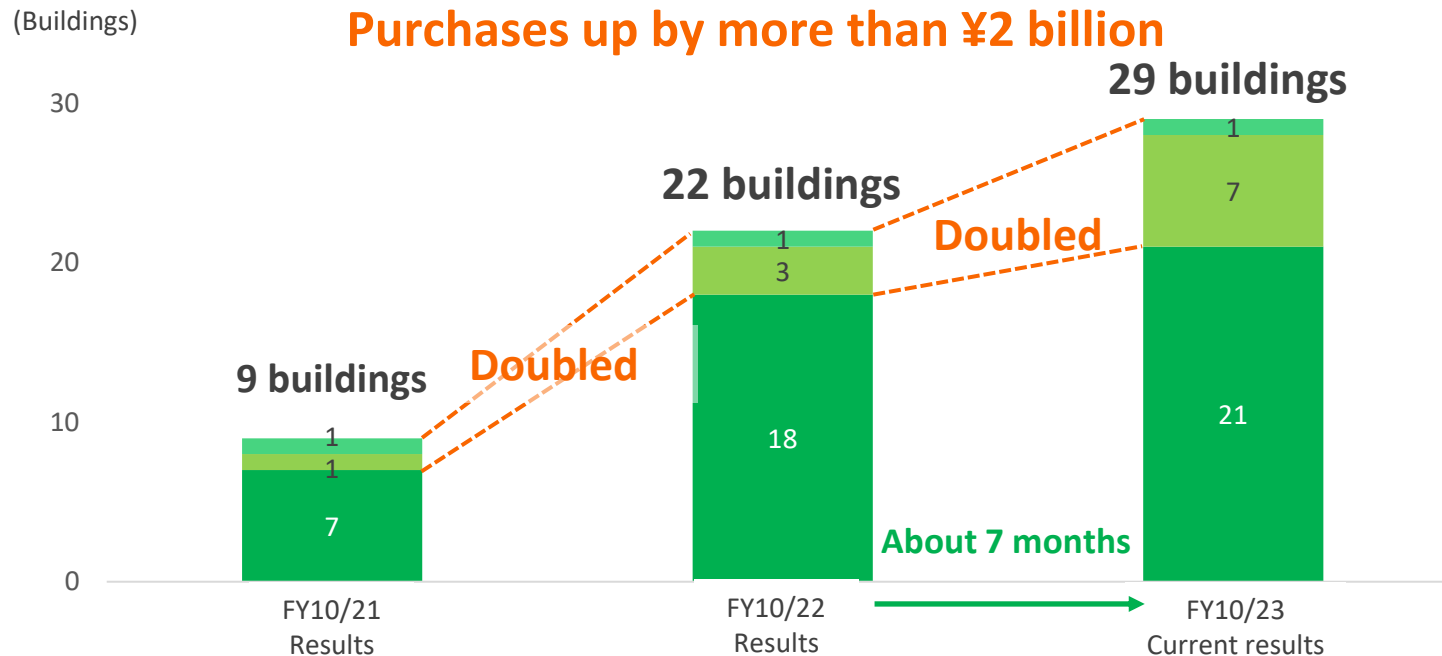
*Sales estimate assumes a gross profit margin of 19.0% as in FY10/22.

Increasing Size of Properties Purchased

Economies of scale of large properties help offset the high cost of building materials.

Buildings purchased divided into three price categories

■ ¥500 to 1,999 million ■ ¥2,000 to 3,999 million ■ ¥4,000 million or more

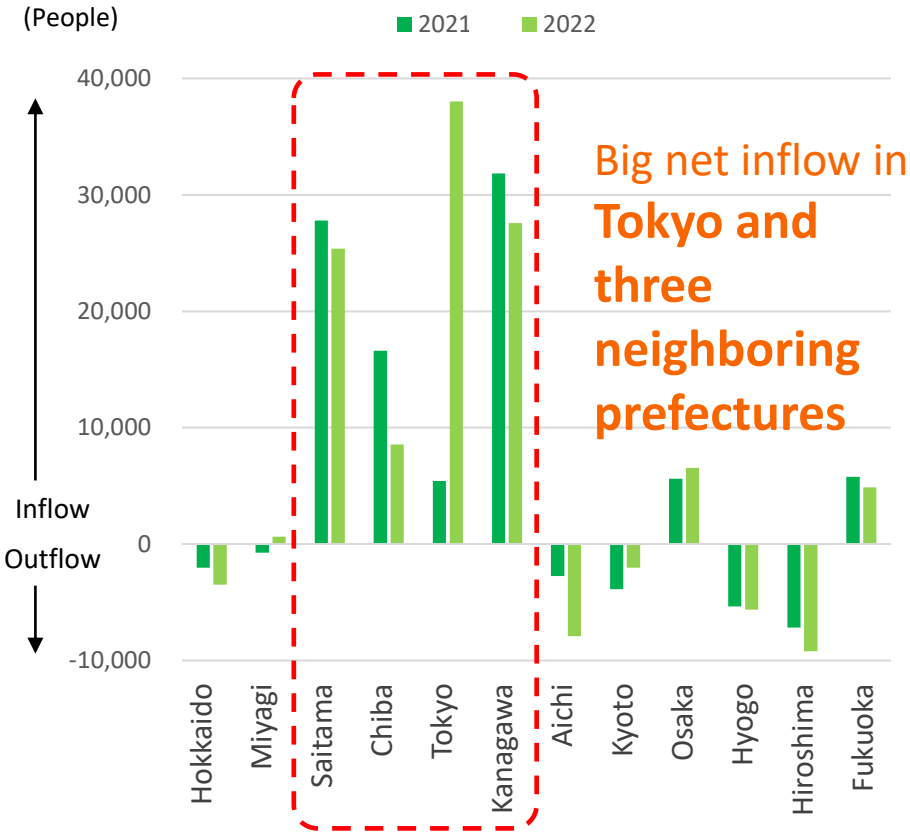


Although one 100-unit building and five 20-unit buildings have the same number of units, a single building development reduces construction supervision and other personnel expenses and lowers expenses by making large purchases of bathroom fixtures and other materials and supplies.

A Larger Area For Acquiring Properties

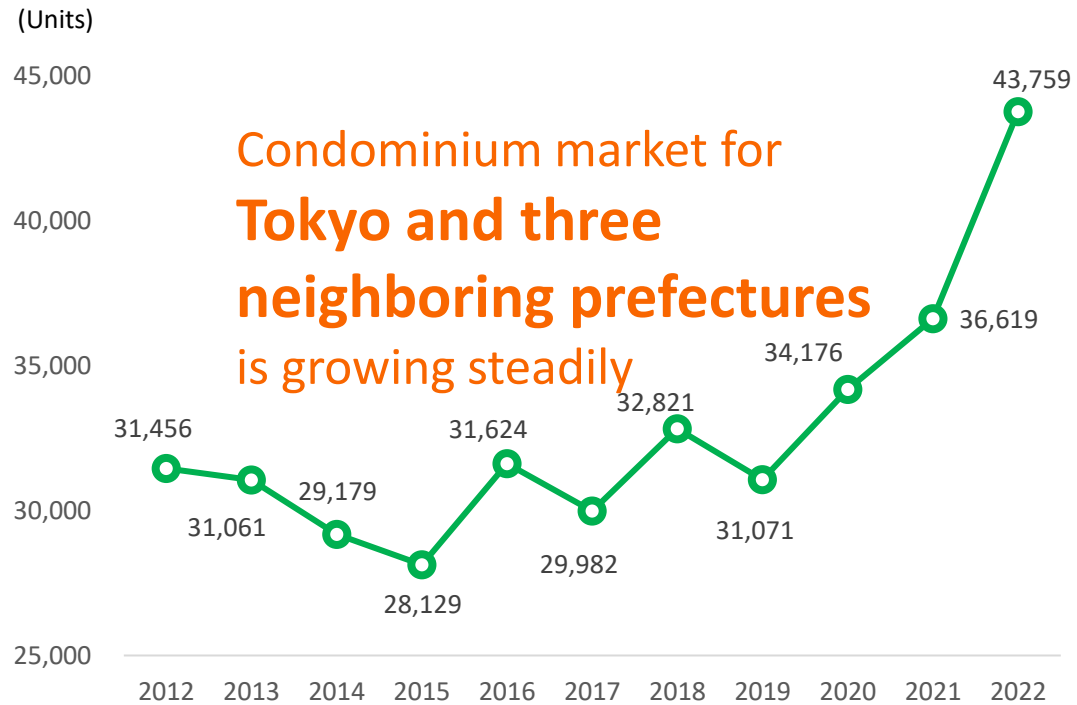
Expanding purchasing from mainly Tokyo's 23 wards to Tokyo and three neighboring prefectures

Big city population inflows/outflows



Source: Good Com Asset based on "Report on Internal Migration in Japan" of the Ministry of Internal Affairs and Communications Statistics Bureau

Rental condominium construction starts in Tokyo and three neighboring prefectures

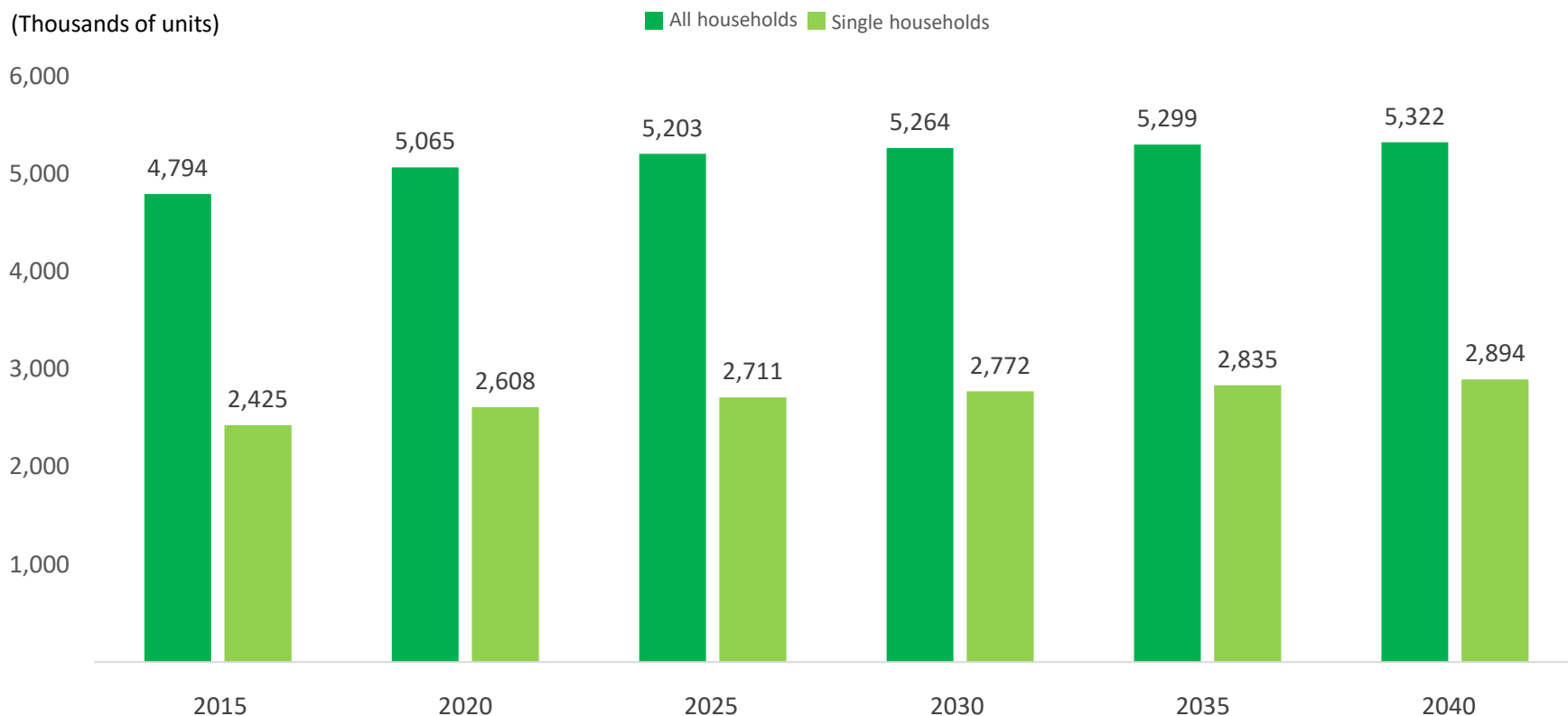


*Reinforced steel concrete buildings, reinforced steel buildings and apartment buildings, rented houses

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



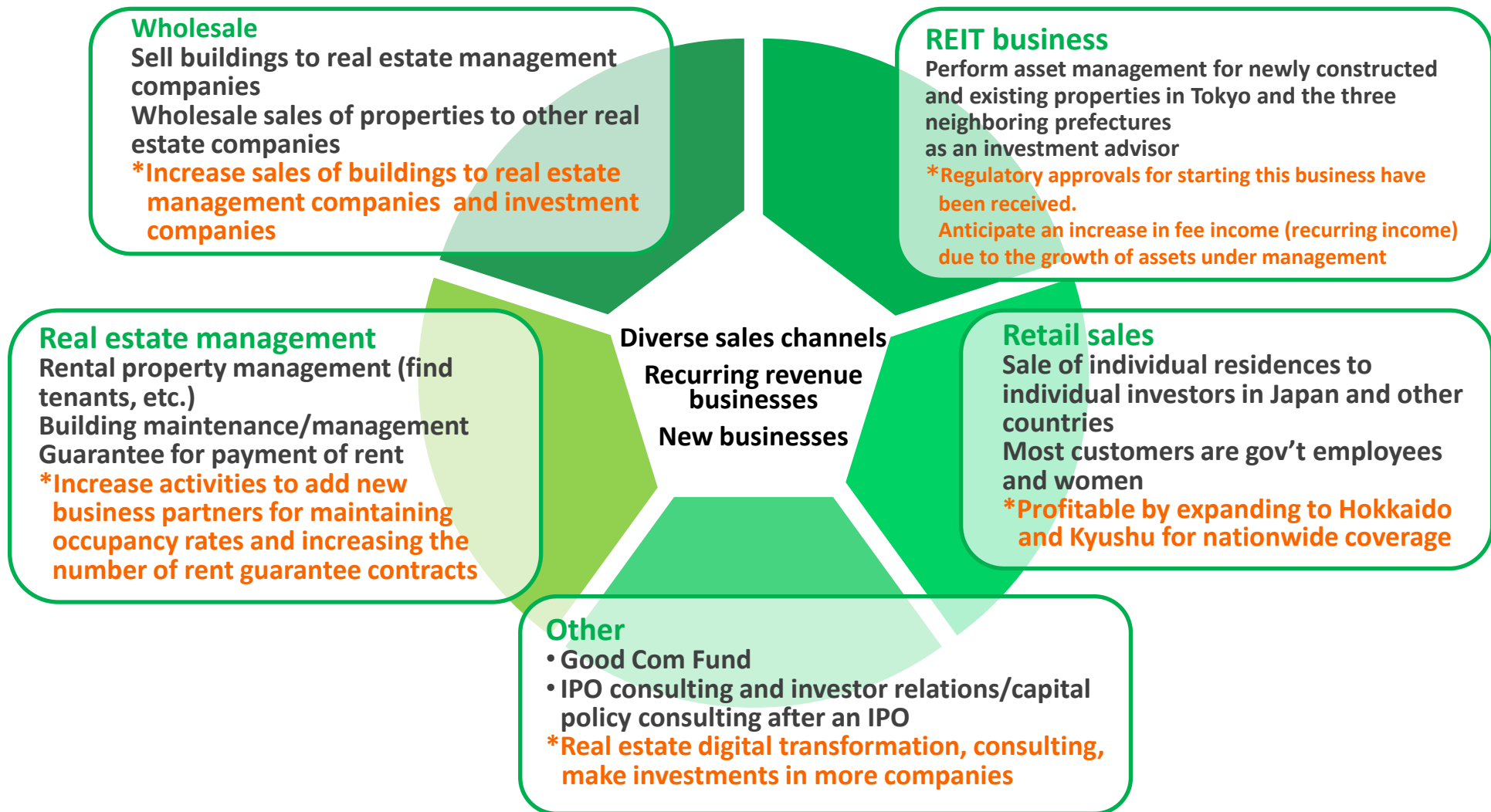
Number of households in Tokyo’s 23 wards (Good Com Asset’s primary market)



Source: Prepared by Good Com Asset based on data of Statistics Division of the Tokyo Metropolitan Government Bureau of General Affairs

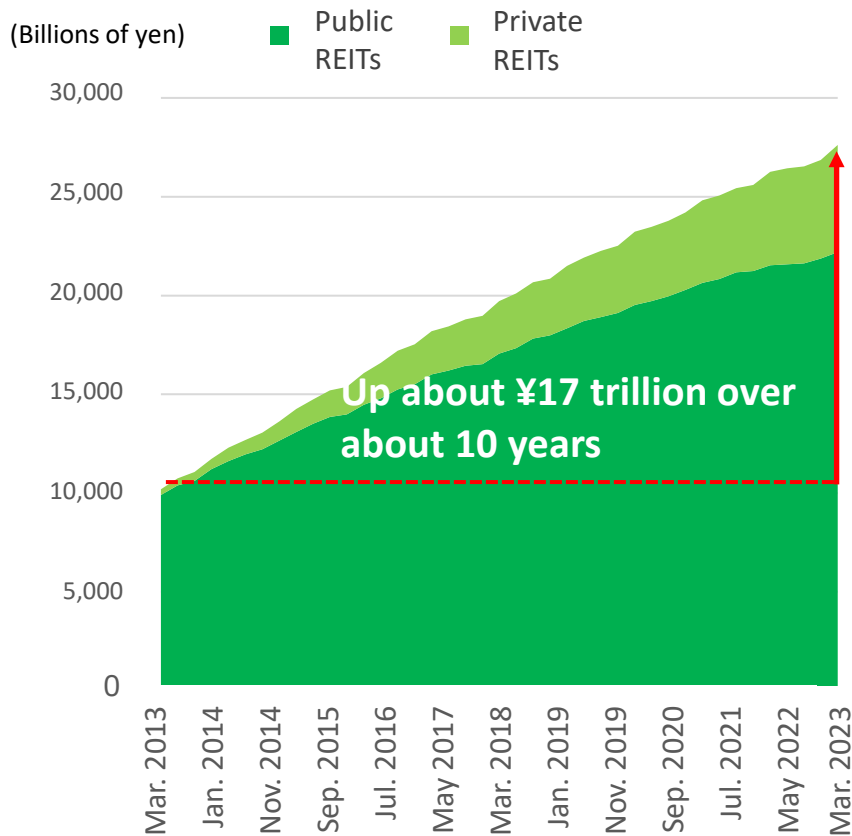
Although the total number of households in Japan will decrease, single households in Tokyo’s 23 wards are forecast to increase from 2.42 million in 2015 to about 2.83 million in 2035, a difference of 410,000. This is expected to create more demand for investment condominiums, the Good Com Asset’s primary business.

Transparency and distinctive well-balanced operations

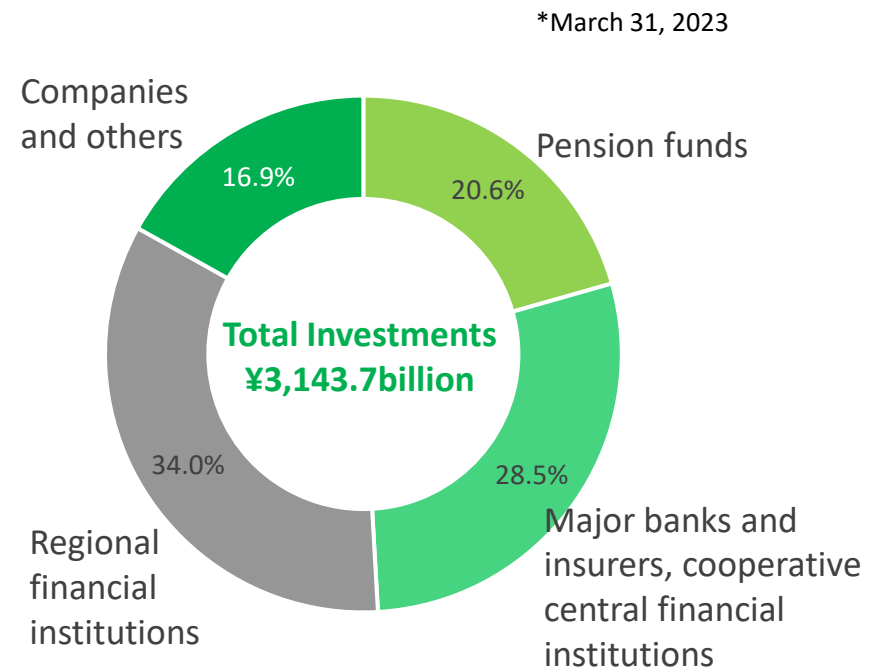


The assets of REITs are increasing year after year

Growth of REIT assets



Investments in private REITs and investor categories



Investments are steadily climbing as investors make private REITs part of their portfolios due to the stability of these REITs.

Source: Good Com Asset using ARES Monthly Report and Private REIT Quarterly of The Association for Real Estate Securitization

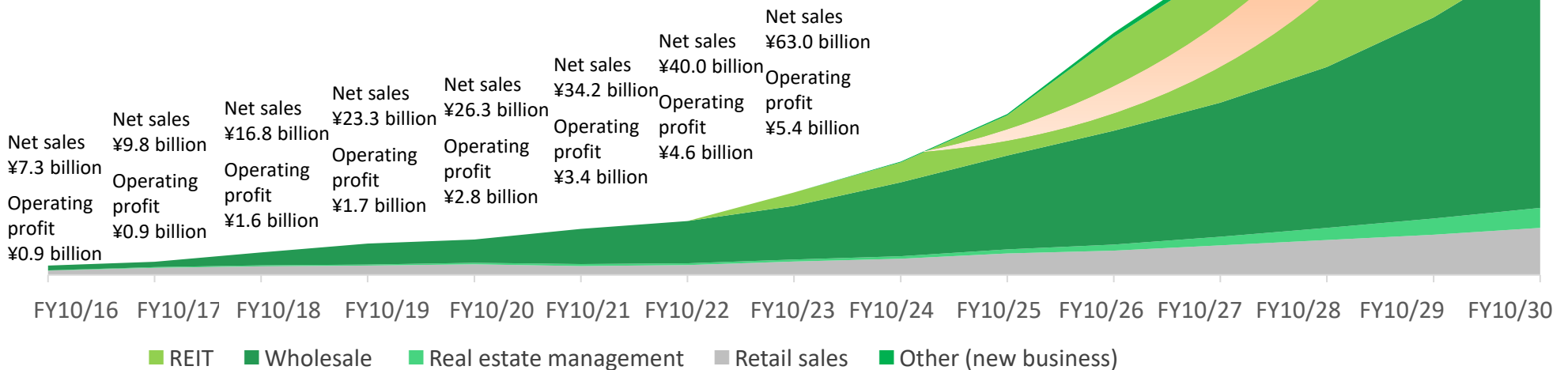
Goal for medium to long-term growth of the Good Com Asset Group

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%**

- The primary source of growth is an increase in assets due to the supply of properties to REITs.

Net sales
¥600 billion
Operating profit
¥60 billion



II. FY10/23 Earnings Forecast

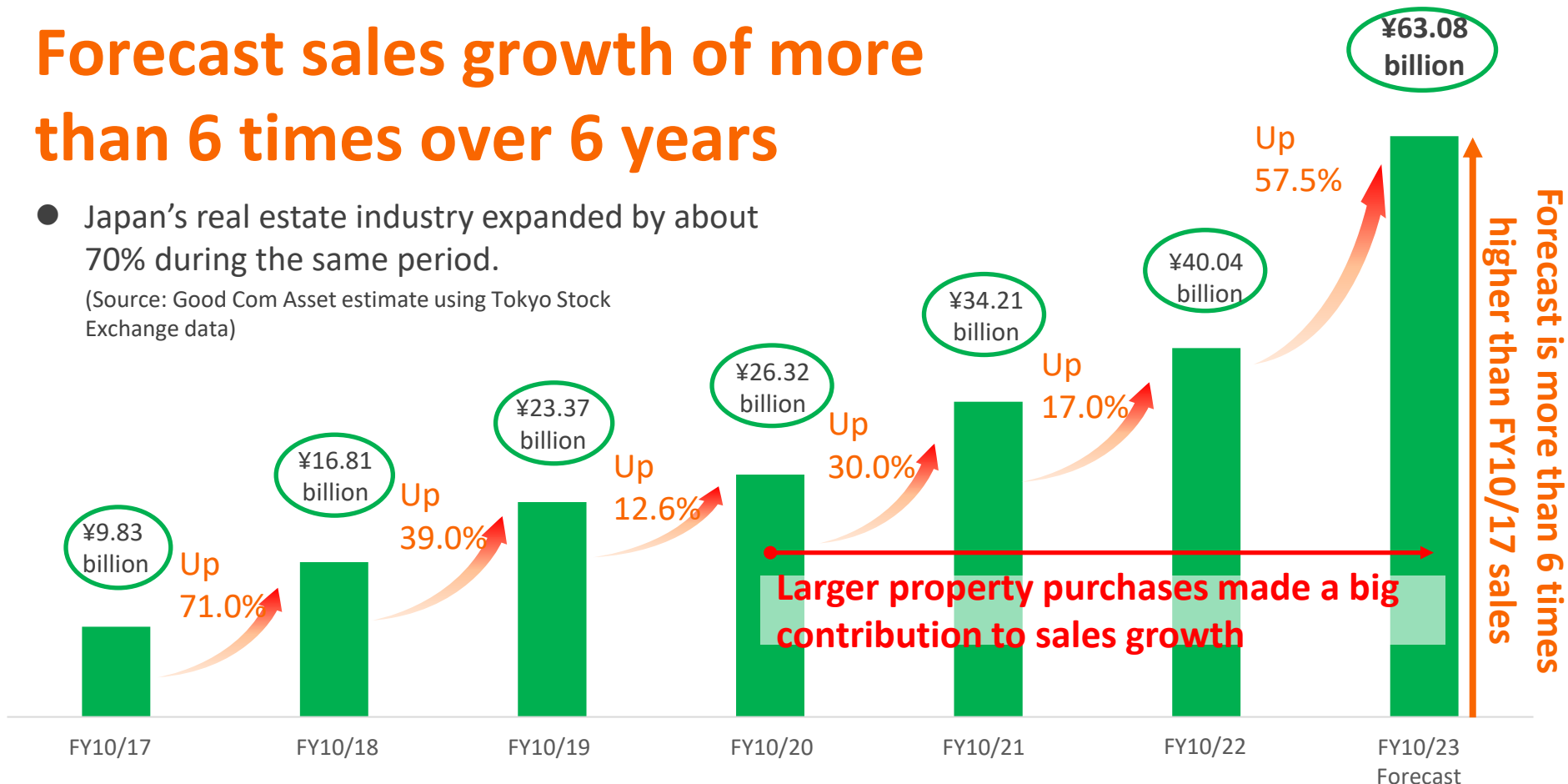
Compound annual growth rate of 36.3%

Net sales

Forecast sales growth of more than 6 times over 6 years

- Japan's real estate industry expanded by about 70% during the same period.

(Source: Good Com Asset estimate using Tokyo Stock Exchange data)



* The CAGR covers the period from FY10/17 to FY10/23 (forecast).

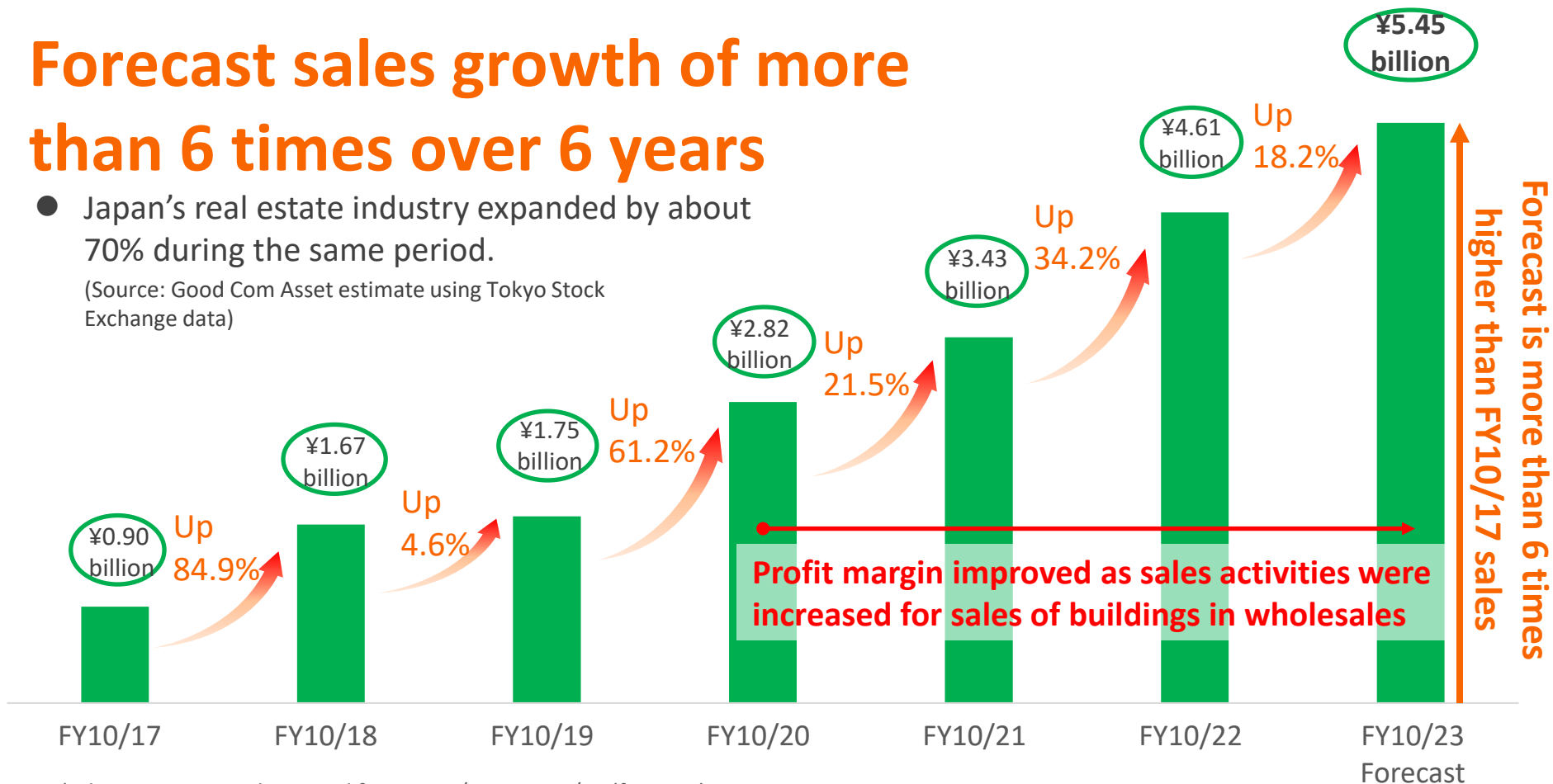
Compound annual growth rate of **34.8%**

Operating profit

Forecast sales growth of more than 6 times over 6 years

- Japan's real estate industry expanded by about 70% during the same period.

(Source: Good Com Asset estimate using Tokyo Stock Exchange data)

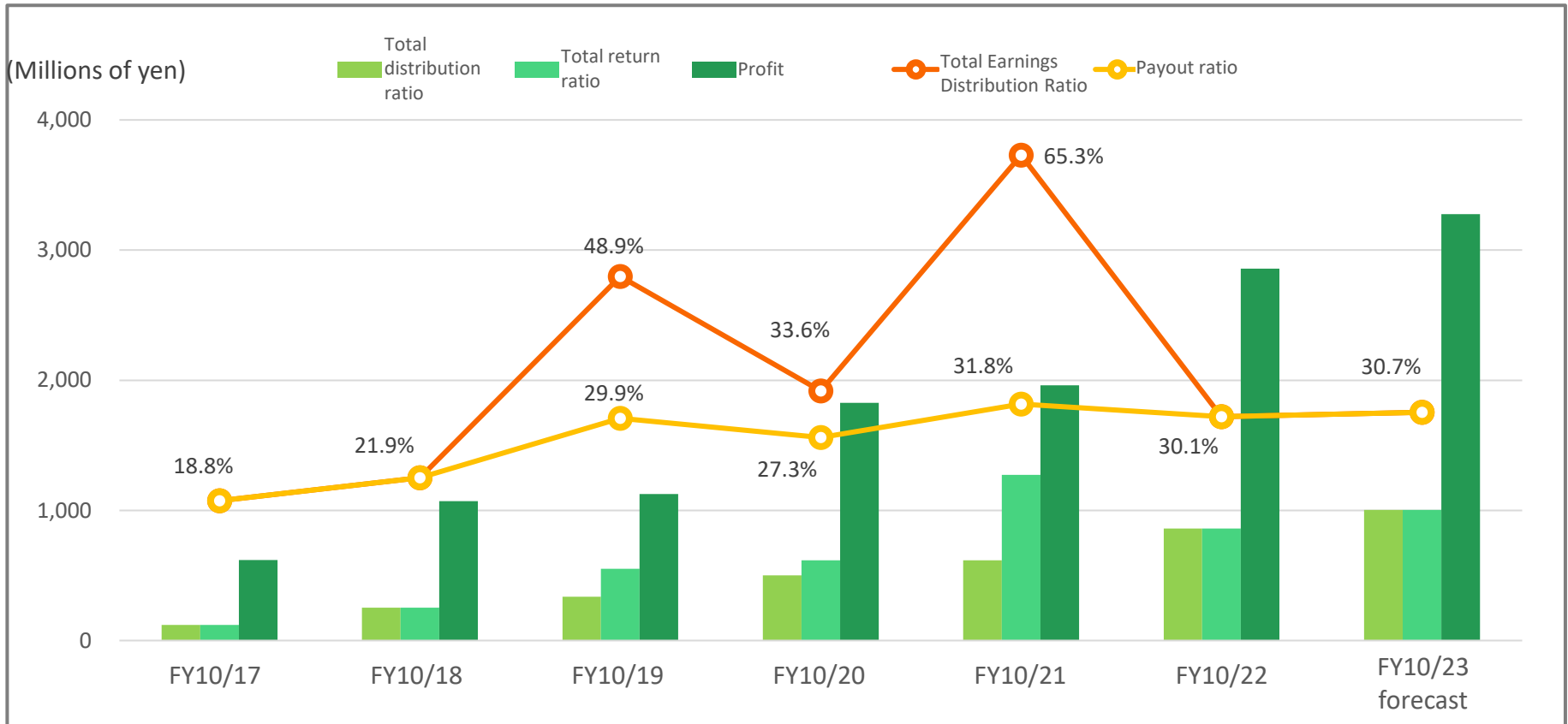


* The CAGR covers the period from FY10/17 to FY10/23 (forecast).

III. Investment Performance Indicators

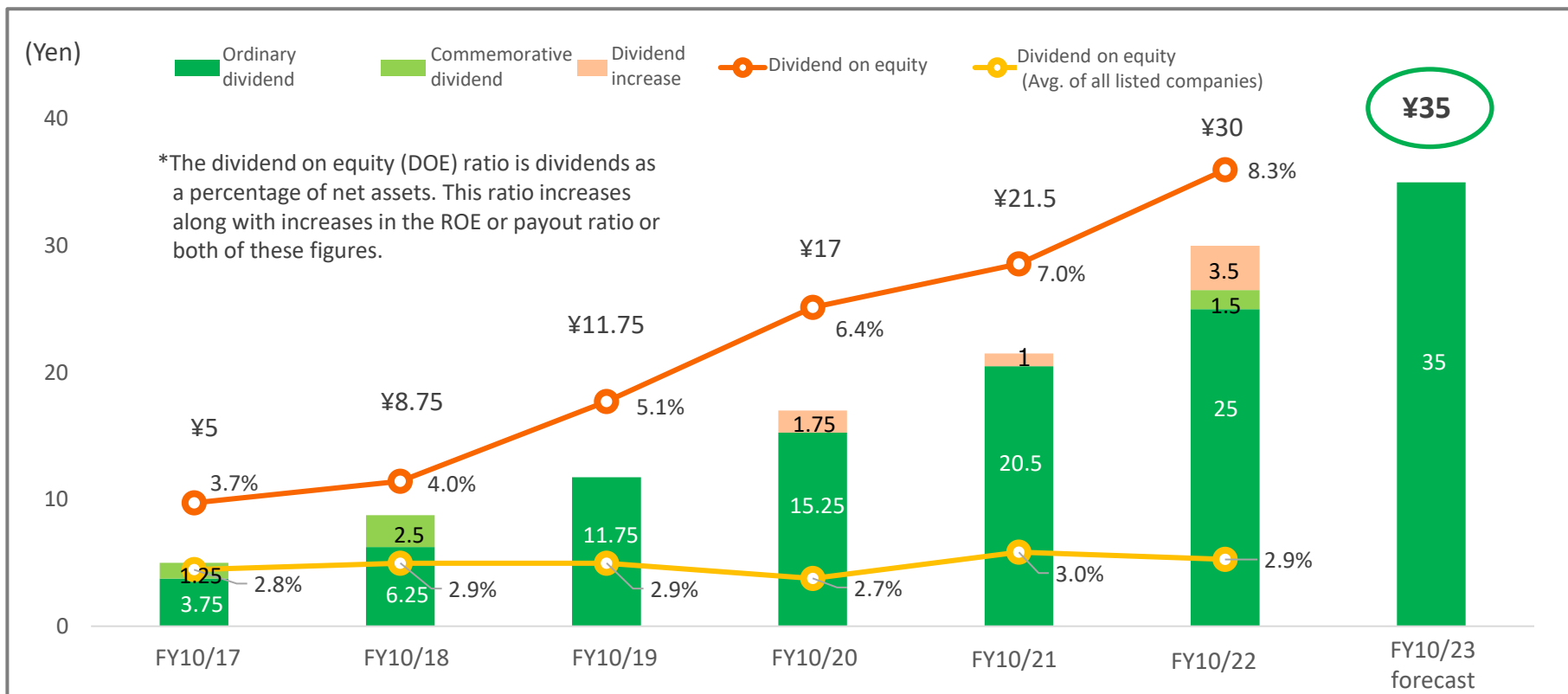
High shareholder distributions as high growth continues

Policy is a dividend payout ratio of about 30%; stock repurchases too



***Stock was repurchased** in FY10/19, FY10/20 and FY10/21, contributing to a high ratio of total earnings distribution ratio.

Dividend up seven times over six years due to **increases every year** since the IPO. The DOE ratio is far above the average of all listed companies in Japan.



* Good Com Asset conducted a 2-for-1 common stock split on November 1, 2020 and 2022. Dividends in prior years have been adjusted to reflect this stock split.

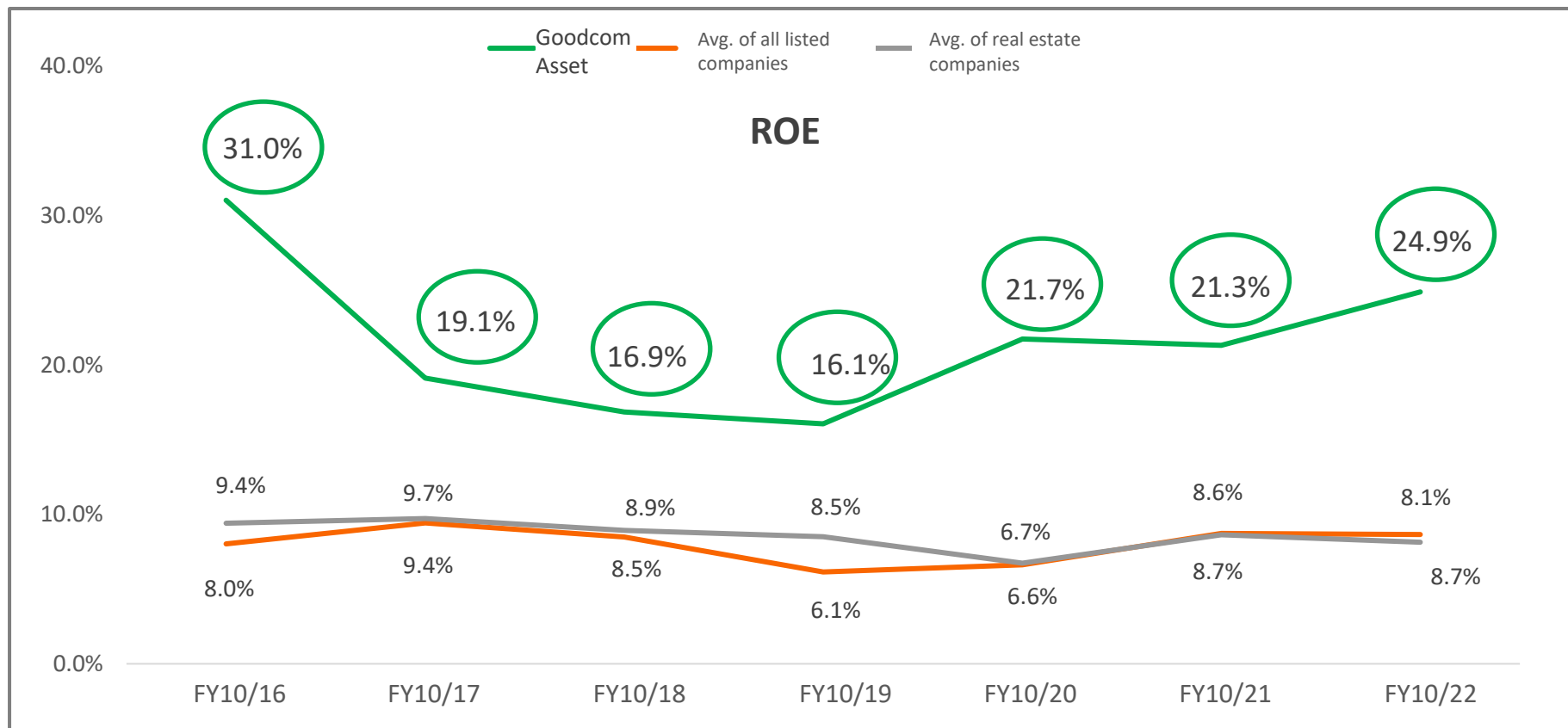
*Source for average of all listed companies: Good Com Asset based on Tokyo Stock Exchange Data

*Annual averages are used and only companies with a March fiscal year end are used in FY10/22.

Capital efficiency is consistently high

(13rd highest ROE among 143 companies in the real estate industry)

(188th highest ROE among 3,868 listed companies in Japan)



*Source for averages of all listed/real estate companies : Good Com Asset based on Tokyo Stock Exchange Data

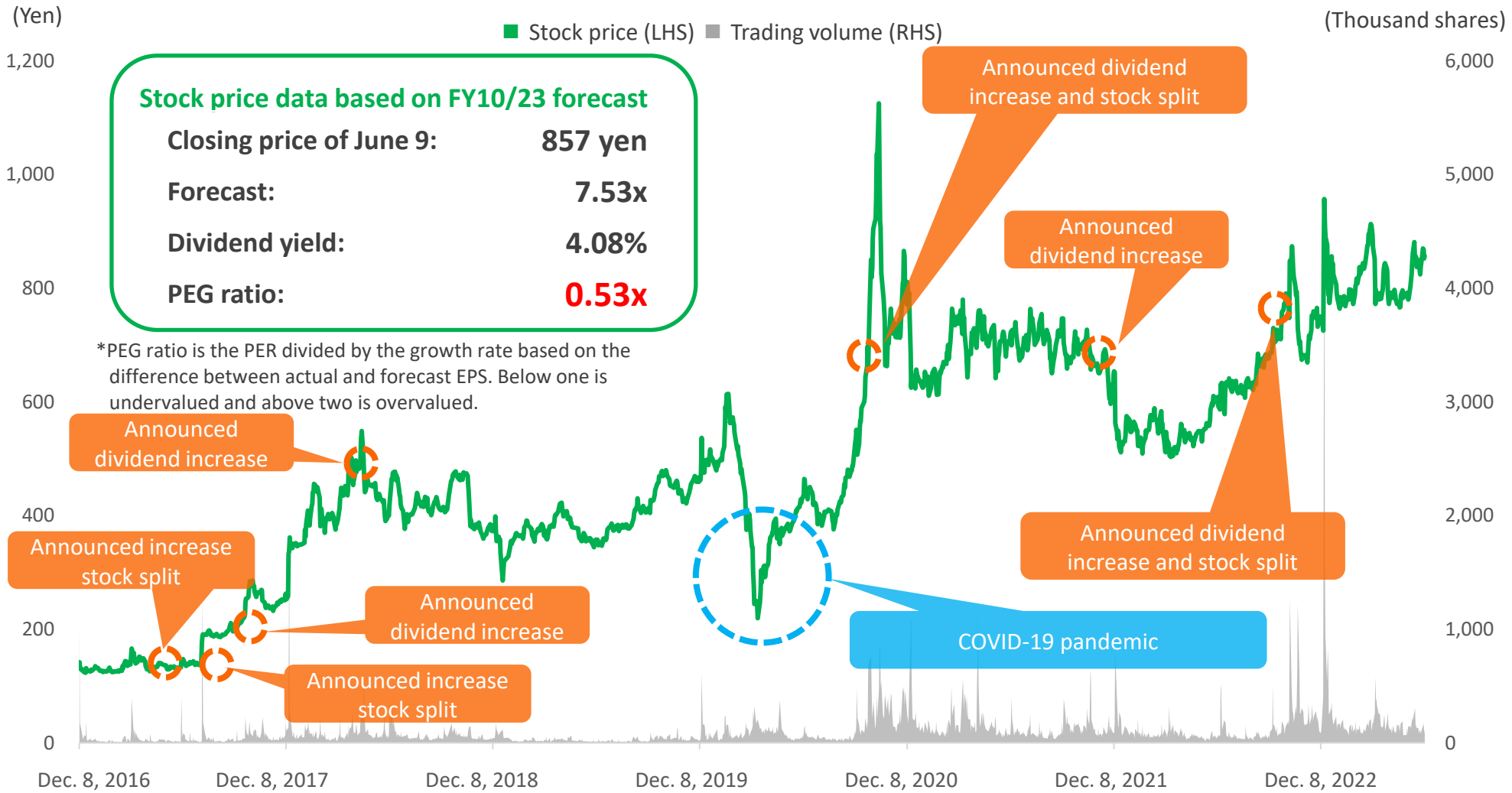
*Annual averages are used and only companies with a March fiscal year end are used in FY10/22.

*Source for ROE ranking: MINKABU

*As of June 9, 2023



Stock price since the listing



*Stock price has been adjusted for stock splits.

Goals and Activities for More Growth

Current status

- Profitable because ROE and ROIC are above the cost of capital
- Forecast growth of more than 6 times vs. real industry growth of about 70% during the same period
- High growth rate and shareholder distributions, but investors do not fully recognize these strengths due to a PEG ratio of only 0.53.



Policy/ Goals

- **Maintain a CAGR of 35%**
- **Raise the PEG ratio to at least one**
- The goal is an ROE of no less than 10%
- A stock price with a PBR and PER that accurately reflects Good Com Asset's cost of capital and growth rate



Initiatives

- **Use OBS for purchasing properties while maximizing capital efficiency**
- More shareholder dialogues about business operations and growth and the disclosure of more information to shareholders
- Raise awareness of Good Com Asset among investors
- Continue making substantial distributions of earnings to shareholders
- Quickly announce medium to long-term strategic objectives

Performance indicators and upcoming actions

Indicators	Today	Actions
Growth rate	6x (About 70% higher than the real estate industry average)	Increase market capitalization by continuing to grow and earning the understanding of shareholders and other investors.
PEG ratio	0.53x (Under one is a sign of undervaluation)	
PER	7.53x (Near the real estate industry average)	
ROIC	15.0% (Far above the cost of capital)	Continue to use OBS for highly efficient use of capital
ROE	24.9% (13th in the RE industry of 143 companies)	
Payout ratio	30.7% (Forecast)	Maintain a payout ratio of 30%
Total distribution ratio	30.7% (Forecast)	High distribution ratio by repurchasing stock from time to time

*Growth rate is for 2017 to 2023 (forecast).

*PEG ratio is the PER divided by the growth rate based on the difference between actual and forecast EPS.

*PER: Stock price/EPS

*ROIC: Pretax operating profit / (Interest-bearing debt + Shareholders' equity)

*ROE: Profit/Shareholders' equity x 100

*Payout ratio: Dividend per share/ Earnings per share x 100

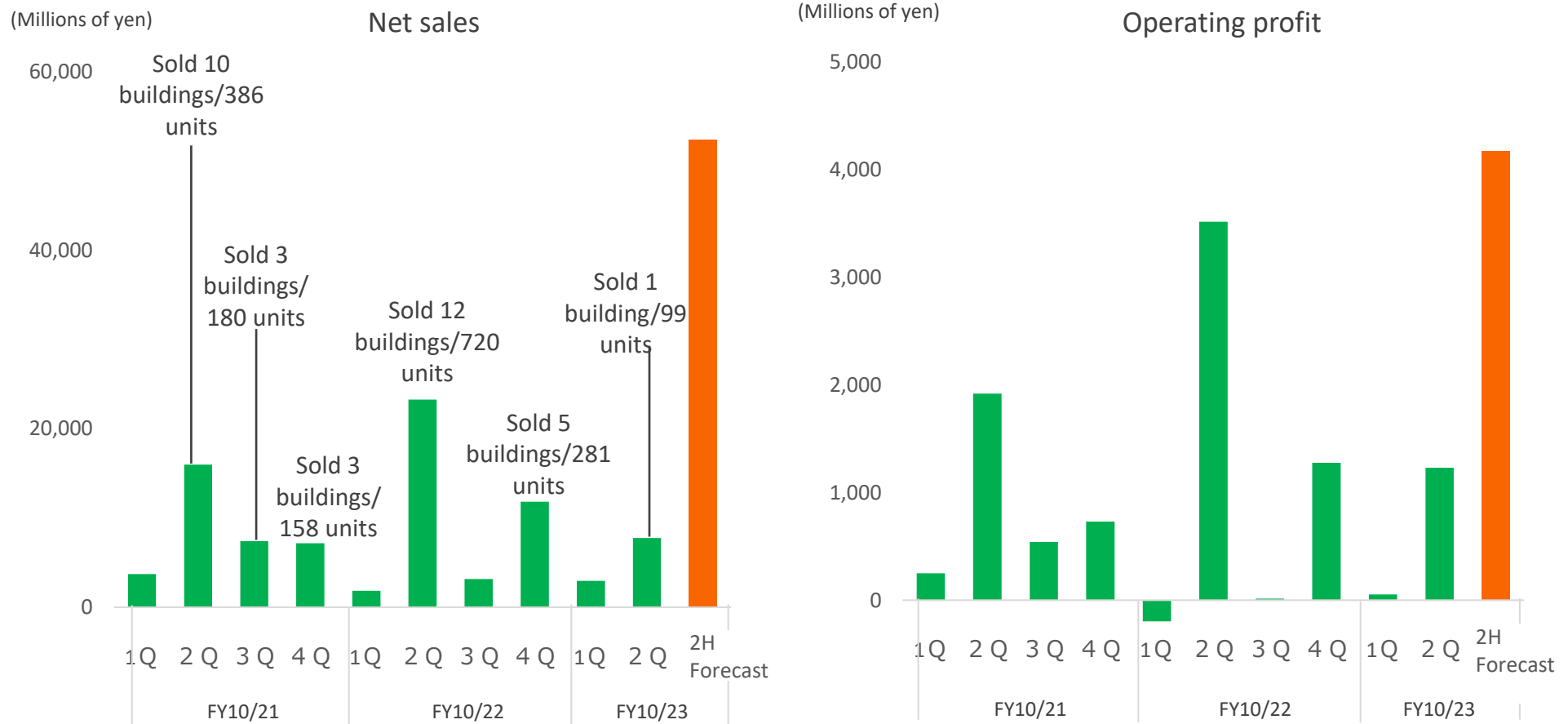
*Total distribution ratio: (Dividend payments + Stock repurchased)/net income x 100

IV. 1H FY10/23 Financial Summary

Consolidated Net Sales/Operating Profit

Quarterly performance differs greatly depending on the timing of wholesale (sales of buildings) sales, which make a big contribution to earnings.

In 2H FY10/23, wholesales sales timing will have a larger than usual impact on sales and earnings.

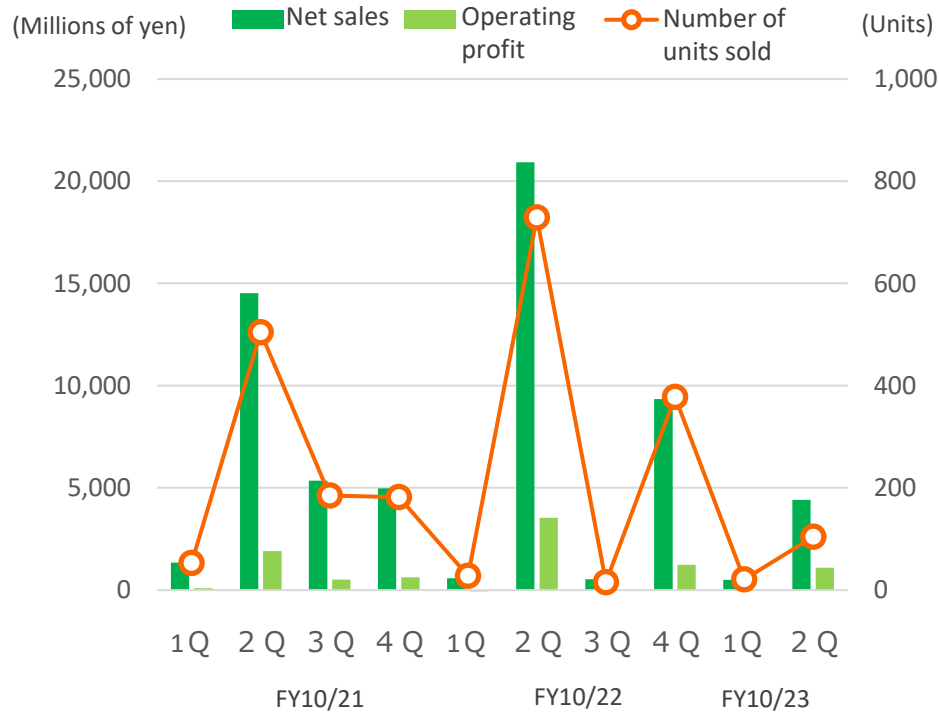


Retail and Wholesale Sales

Sold 10 buildings and a total of 331 units

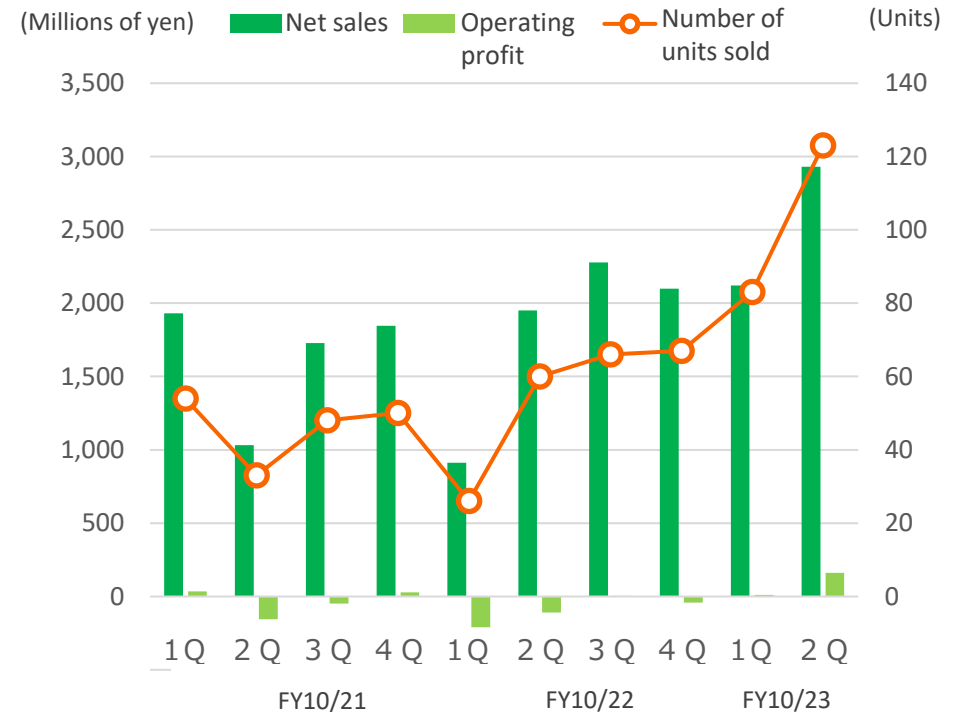
Wholesale Sales

Sold buildings at relatively high prices and negotiations are under way for the sale of a large building in 2H FY10/23



Retail

Sold 206 units during the first half, almost as many as the 219 units sold in FY10/22, and expect to achieve fiscal year profitability



REIT Business

Regulatory approvals for the REIT business

License as an entrustment-based agent for transactions (Ministry of Land, Infrastructure, Transport and Tourism)

Investment Management Business and Investment Advisory and Agency Business Registration (Financial Services Agency, Kanto Local Finance Bureau)

Application for registration as an investment company

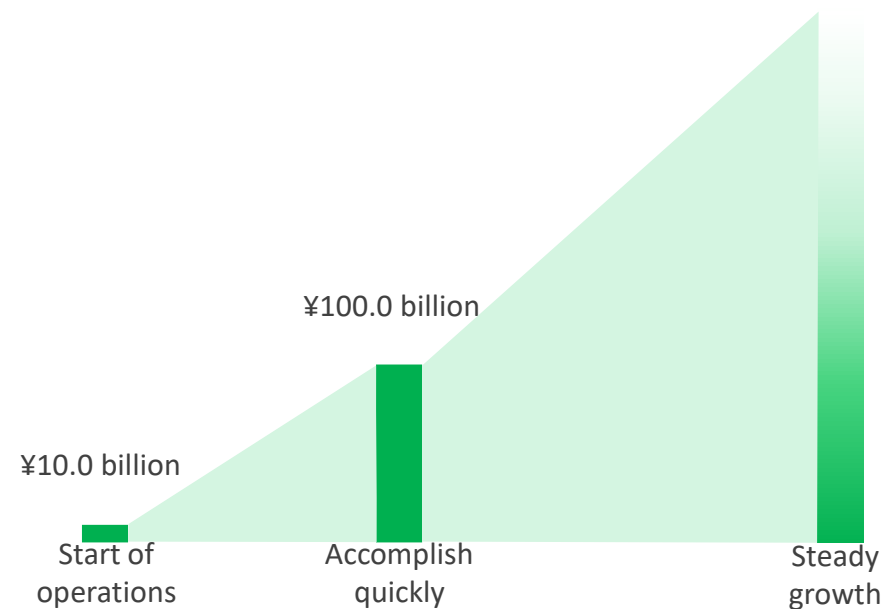
Current stage

Start of operations

Goal for growth of REIT assets

Operations will begin with about ¥10 billion of assets under management and the goal is to raise assets to ¥100 billion.

The steady growth of these assets will make the REIT sector one of the core businesses of the Good Com Asset Group.



V. Become A Leading Real Estate Company of the 21st Century

Purpose & Vision

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

Our commitment to sustainability

The Good Com Asset sustainability policy

Our vision is to become a leading real estate company of the 21st century. We will use the creation of real estate value for activities that help solve environmental and social problems and use sustained growth and contributions to society to increase our corporate value.

◎ Examples of activities

Environment

Use of greenery on walls and roofs and environmentally responsible facilities at GENOVIA brand condominium buildings
CO2 measurements involving use of greenery and use of paperless business processes

Social

Raised salaries by ¥10,000 for everyone (about 4%), various programs for time off and other benefits to create a pleasant and productive workplace environment
Management with priority on people, programs for diversity and the advancement of women

Governance

Three of six directors are outside directors; all three corporate auditors are independent of the Good Com Asset Group. Two of the nine directors and corporate auditors are women.
Rigorous compliance programs



Management with priority on people

Measures for diversity and more employee engagement

	FY10/20	FY10/21	FY10/22
Number of employees	129	146	172
Pct. of women	34.9%	34.2%	35.5%
Pct. of mid-career hires	48.8%	45.9%	45.3%
Pct. of female managers	12.9%	9.4%	17.4%
Pct. of managers hired mid-career	67.7%	59.4%	69.6%
Pct. of vacation days used	66.0%	62.2%	67.2%
Pct. of female officers	11.1%	12.5%	22.2%

Appendix

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
- 75.0% of projects used a construction company for at least the second time and 41.3% of buyers had purchased a Good Com condominium before

* Performance in 1H FY10/23

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

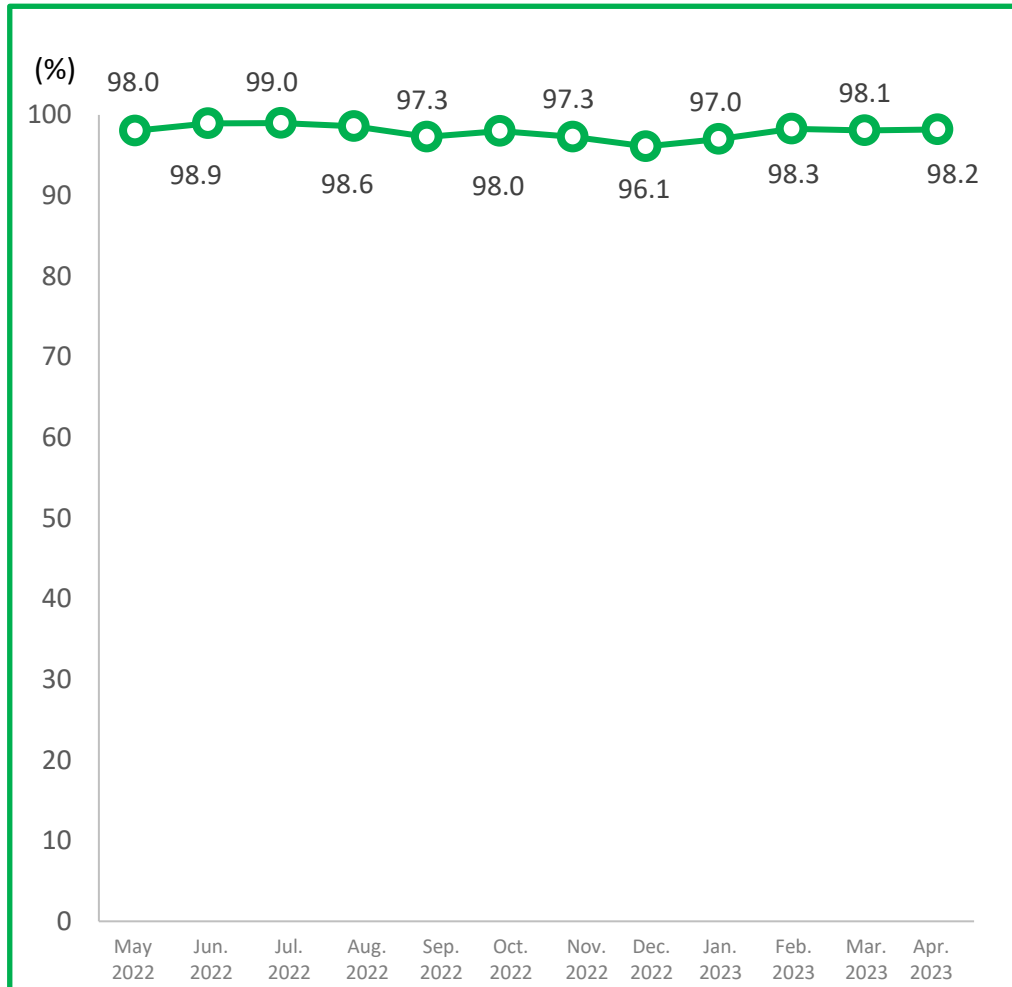
- Buildings have 1K, 1LDK and 2LDK configurations
- Leased area is 20m² to 60m²
- Prices are between about ¥20 million and ¥59 million

* Good Com can create proposals that match the characteristics of assets and other requirements

All Genovia series condominium units are sold as investments

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

- Good Com Navi, an apartment broker, is helping maintain high occupancy rates.

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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