

## Consolidated Financial Results for the Fiscal Year Ended October 31, 2023

[Japanese GAAP]

December 13, 2023

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 30, 2024

Scheduled date of payment of dividend: January 31, 2024

Scheduled date of filing of Annual Securities Report: January 30, 2024

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, 2023

(November 1, 2022 - October 31, 2023)

(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, 2023	22,190	(44.6)	2,141	(53.6)	1,788	(58.8)	1,030	(64.0)
Fiscal year ended Oct. 31, 2022	40,048	-	4,612	34.2	4,342	37.2	2,858	45.7

Note: Comprehensive income (million yen) Fiscal year ended Oct. 31, 2023: 1,023 (down 64.2%)

Fiscal year ended Oct. 31, 2022: 2,860 (up 45.5%)

	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, 2023	35.79	35.77	8.9	4.6	9.6
Fiscal year ended Oct. 31, 2022	99.58	99.34	27.6	19.3	11.5

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Oct. 31, 2023: - Fiscal year ended Oct. 31, 2022: -

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). Net sales for the fiscal year ended on October 31, 2022 incorporate this accounting standard and year-on-year percentage change is not shown.

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, 2023	53,496	11,608	21.7	403.17
As of Oct. 31, 2022	24,452	11,471	46.9	399.13

Reference: Shareholders' equity (million yen) As of Oct. 31, 2023: 11,608 As of Oct. 31, 2022: 11,471

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, 2023	(33,170)	(53)	29,446	8,040
Fiscal year ended Oct. 31, 2022	3,482	(255)	455	11,656

### 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, 2022	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Oct. 31, 2022	-	0.00	-	60.00	60.00	862	30.1	8.3
Fiscal year ended Oct. 31, 2023	-	0.00	-	35.00	35.00	1,007	97.8	8.7
Fiscal year ending Oct. 31, 2024 (forecasts)	-	0.00	-	36.00	36.00		31.9	

Notes: 1. The Company conducted a 2-for-1 common stock split effective on November 1, 2022. Dividend per share for the fiscal year ended October 31, 2022 is the actual amount before the stock split.

2. Breakdown of year-end dividend per share 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, 2024 (November 1, 2023 - October 31, 2024)

(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
First half	19,496	82.0	1,261	(1.6)	984	(17.5)	669	(14.3)	23.26
Full year	71,326	221.4	5,342	149.5	4,673	161.4	3,245	215.1	112.72

#### 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: None

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, 2023: 30,530,400 shares As of Oct. 31, 2022: 30,498,400 shares

2) Number of treasury shares at the end of the period

As of Oct. 31, 2023: 1,737,513 shares As of Oct. 31, 2022: 1,756,238 shares

3) Average number of shares outstanding during the period

Fiscal year ended Oct. 31, 2023: 28,781,396 shares Fiscal year ended Oct. 31, 2022: 28,702,611 shares

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, 2023

(November 1, 2022 - October 31, 2023)

(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, 2023	21,134	(46.0)	2,370	(48.5)	2,005	(53.6)	1,112	(58.3)
Fiscal year ended Oct. 31, 2022	39,132	-	4,602	33.1	4,322	36.6	2,669	22.3

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Oct. 31, 2023	38.66	38.63
Fiscal year ended Oct. 31, 2022	93.00	92.77

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). Net sales for the fiscal year ended on October 31, 2022 incorporate this accounting standard and year-on-year percentage change is not shown.

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, 2023	52,880	11,647	22.0	404.52
As of Oct. 31, 2022	23,950	11,388	47.5	396.23

Reference: Shareholders' equity (million yen) As of Oct. 31, 2023: 11,647 As of Oct. 31, 2022: 11,388

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 Thursday, December 14, 2023. 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

During the current fiscal year ended October 31, 2023, economic activity in Japan returned to normal and consumer spending rebounded as pandemic restrictions ended following the downgrade of the classification of COVID-19. The outlook for the economy remains uncertain due to the high cost of resources and other problems caused by geopolitical risk involving the prolonged Ukraine conflict and hostilities in the Middle East.

In the real estate sector, where the Good Com Asset Group operates, the business climate will continue to require caution due to the high cost of construction because of rising building material prices and wages for construction workers and other reasons. Demand for housing is expected to remain strong, primarily in Japan's major metropolitan areas.

The Good Com Asset Group continued to expand planning, development and sales activities, mainly in Tokyo's 23 wards, for the newly constructed condominiums using the Company's own brand, which consists of the Genovia green veil, Genovia skygarden and Genovia skyrun brands. We also reinforced the customer support framework and increased advertising activities. There were activities with government agencies and others throughout the fiscal year with the goal of establishing by the end of the fiscal year a private fund with assets of about 40 billion yen (1,190 condominium units in 23 buildings). This is one step for growth of recurring revenue from the new asset management business. However, we were unable to launch this fund by October 2023 because of the large size of the fund and a decline in the environment for investments caused by rising interest rates and other reasons. Furthermore, in the wholesale segment, although there were negotiations with several companies for the sale of a building that was to be in this fund to an institutional investor, proceeds from the sale of the building could not be recognized by October 2023.

During the fiscal year, 715 condominium units in 14 buildings were sold and 3,408 units in 46 buildings were acquired.

Net sales decreased 44.6% from one year earlier to 22,190 million yen. Operating profit decreased 53.6% to 2,141 million yen, ordinary profit decreased 58.8% to 1,788 million yen, and profit attributable to owners of parent decreased 64.0% to 1,030 million yen.

Business segment performance was as follows:

#### (a) Wholesale

This segment consists of sales of the Genovia series of one-room and family condominiums to companies. During the fiscal year, 247 condominium units in six buildings were sold.

Sales decreased 72.4% to 8,673 million yen from one year earlier and the segment profit was down 73.2% to 1,248 million yen.

#### (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 fiscal year, 468 condominium units in 11 buildings were sold.

Sales increased 60.9% to 11,649 million yen from one year earlier and the segment profit was 584 million yen compared with a loss of 358 million yen in the previous fiscal year.

#### (c) Real estate management

This segment performed well as growth in the number of managed condominium buildings and tenant-occupied condominium units was strong and the occupancy rate at managed condominium buildings and units was consistently above 90% at the end of every month during the fiscal year.

Sales increased 33.5% to 1,926 million yen from one year earlier, and segment profit increased 26.0% to 436 million yen.

**(d) Others**

This segment consists of the consulting business for companies planning an initial public offering and for the investor relations and capital policy activities of listed companies and the Good Com Fund, which sells real estate investment units in small amounts. Segment sales increased but earnings were lower because of higher selling, general and administrative expenses caused by the inclusion in this segment of newly consolidated subsidiary Good Com Asset Investment Advisers Co., Ltd. in the current fiscal year.

Sales increased 5.8% to 37 million yen from one year earlier and the segment loss was 187 million yen compared with a 58 million yen loss in the previous fiscal year.

**(2) Financial Position**

Total assets increased 118.8% from the end of the previous fiscal year to 53,496 million yen, total liabilities increased 222.7% to 41,888 million yen and net assets increased 1.2% to 11,608 million yen. The equity ratio was 21.7%.

**(a) Current assets**

Current assets increased 29,368 million yen from the end of the previous fiscal year to 53,002 million yen at the end of the current fiscal year. This was mainly due to increases in real estate for sale of 26,166 million yen and real estate for sale in process of 4,915 million yen. Cash and deposits decreased 3,615 million yen.

**(b) Non-current assets**

Non-current assets decreased 323 million yen from the end of the previous fiscal year to 494 million yen. This was mainly due to decreases in shares of subsidiaries and associates of 239 million yen and goodwill of 105 million yen.

**(c) Current liabilities**

Current liabilities increased 22,519 million yen from the end of the previous fiscal year to 30,564 million yen. This was mainly due to increases in short-term borrowings of 12,638 million yen and current portion of long-term borrowings of 11,343 million yen because of the delay in the sale of 1,190 condominium units in 23 buildings to the following fiscal year.

**(d) Non-current liabilities**

Non-current liabilities increased 6,388 million yen from the end of the previous fiscal year to 11,324 million yen mainly due to a 6,412 million yen increase in long-term borrowings that was mainly used for acquisitions of land for development.

**(e) Net assets**

Net assets increased 136 million yen from the end of the previous fiscal year to 11,608 million yen. The main factors were an 862 million yen decrease in retained earnings due to dividend payments and a 1,030 million yen increase in retained earnings due to profit attributable to owners of parent.

**(3) Cash Flows**

Cash and cash equivalents (hereinafter, "net cash") at the end of the fiscal year were 8,040 million yen, down 3,615 million yen, or 31.0%, from the end of the previous fiscal year.

Cash flows and the main reasons for changes are as follows.

**Cash flows from operating activities**

Net cash used in operating activities was 33,170 million yen (3,482 million yen provided in the previous fiscal year). This was mainly due to a 31,191 million yen increase in inventories.

**Cash flows from investing activities**

Net cash used in investing activities was 53 million yen (255 million yen used in the previous fiscal year). Payments of leasehold deposits of 38 million yen were a major use of cash.

**Cash flows from financing activities**

Net cash provided by financing activities was 29,446 million yen (455 million yen provided in the previous fiscal year). The main factors include proceeds from long-term borrowings of 20,887 million yen and a net increase in short-term borrowings of 12,638 million yen. Cash was used for repayments of long-term borrowings of 3,131 million yen.

**(4) Outlook**

In the fiscal year ending in October 2024, consumer spending in Japan is expected to continue to increase with support that includes the growing number of foreign tourists. However, we believe the outlook for the economy will remain uncertain because of the high cost of resources, high interest rates worldwide, concerns about inflation and other reasons.

In the Japanese real estate sector, where the Good Com Asset Group operates, we anticipate negative effects from high prices of building materials and land but expect that demand for condominiums and other types of residential properties will remain strong.

In this challenging business climate, we will continue to use numerous measures to hold down expenses. Activities include acquiring large properties, using Good Com Asset personnel at construction sites efficiently, and purchasing building materials in large quantities for economies of scale.

We had planned to sell 1,190 condominium units in 23 buildings during the fiscal year that ended in October 2023 but this sale was delayed to the following fiscal year. We plan to sell these properties during the fiscal year ending in October 2024 by selling properties in the retail market mainly to individual investors in Japan and other countries and increasing activities to sell buildings in the wholesale market, including to other real estate development companies. In addition, we plan to sell properties of ours as they are completed by using our diverse sales channels for the determination of the best prospective buyers. We have shifted from bulk sales to placing emphasis on retail and wholesale sales of buildings. As a result, we expect the majority of sales to take place in the fiscal year's second half because negotiations with investors for sales of buildings are beginning from the initial stages. Our goal is to sell these properties quickly.

In the new real estate fund business, which will be another channel for sales of our properties, we will monitor the needs of investors in order to reexamine the proper structure of assets under management to use with the goal of launching a fund during the fiscal year ending in October 2024. We are moving forward with preparations for the establishment of a private fund with assets in the range of 5 to 10 billion yen.

The Good Com Asset Group forecasts big increases in sales and earnings to all-time highs in the fiscal year ending in October 2024, with net sales of 71,326 million yen, (up 221.4% year on year), operating profit of 5,342 million yen (up 149.5%), ordinary profit of 4,673 million yen (up 161.4%), and profit attributable to owners of parent of 3,245 million yen (up 215.1%). For these forecasts, we assume that all 1,190 condominium units in 23 buildings will be sold during the fiscal year.

The Good Com Asset Group will continue to take actions for the growth of current business activities while using M&A, new business development 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 Good Com Asset 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)	
	FY10/22	FY10/23
	(As of Oct. 31, 2022)	(As of Oct. 31, 2023)
Assets		
Current assets		
Cash and deposits	11,676,778	8,060,980
Accounts receivable-trade	3,619	3,025
Real estate for sale	10,239,116	36,405,893
Real estate for sale in process	253,418	5,168,434
Advance payments to suppliers	873,058	1,234,760
Current portion of long-term loans receivable from subsidiaries and associates	-	3,600
Other	667,294	2,350,675
Allowance for doubtful accounts	(79,342)	(225,307)
Total current assets	23,633,943	53,002,060
Non-current assets		
Property, plant and equipment		
Buildings and structures	86,419	92,384
Accumulated depreciation and impairment	(29,765)	(39,833)
Buildings and structures, net	56,654	52,551
Other	36,944	40,300
Accumulated depreciation and impairment	(22,482)	(23,082)
Other, net	14,461	17,217
Total property, plant and equipment	71,115	69,769
Intangible assets		
Goodwill	105,750	-
Software	10,896	6,644
Total intangible assets	116,646	6,644
Investments and other assets		
Investment securities	25,053	5,454
Deferred tax assets	177,354	196,148
Other	428,141	216,800
Total investments and other assets	630,550	418,402
Total non-current assets	818,312	494,815
Total assets	24,452,256	53,496,876

	(Thousands of yen)	
	FY10/22	FY10/23
	(As of Oct. 31, 2022)	(As of Oct. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable for construction contracts	1,322,328	488,218
Short-term borrowings	2,047,500	14,686,221
Current portion of bonds payable	82,000	82,000
Current portion of long-term borrowings	3,036,476	14,380,169
Refund liabilities	133,814	100,340
Income taxes payable	879,337	38,565
Provision for bonuses	21,065	28,866
Provision for loss on guarantees	40,283	44,437
Other	482,373	715,662
<b>Total current liabilities</b>	<b>8,045,178</b>	<b>30,564,480</b>
<b>Non-current liabilities</b>		
Bonds payable	253,000	171,000
Long-term borrowings	4,648,849	11,061,516
Provision for shareholder benefit program	3,072	-
Other	30,207	91,531
<b>Total non-current liabilities</b>	<b>4,935,129</b>	<b>11,324,047</b>
<b>Total liabilities</b>	<b>12,980,307</b>	<b>41,888,528</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,595,832	1,595,944
Capital surplus	1,504,332	1,508,786
Retained earnings	9,335,789	9,463,469
Treasury shares	(968,634)	(958,321)
<b>Total shareholders' equity</b>	<b>11,467,319</b>	<b>11,609,879</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	6,294	169
Foreign currency translation adjustment	(1,665)	(1,700)
<b>Total accumulated other comprehensive income</b>	<b>4,629</b>	<b>(1,531)</b>
<b>Total net assets</b>	<b>11,471,948</b>	<b>11,608,348</b>
<b>Total liabilities and net assets</b>	<b>24,452,256</b>	<b>53,496,876</b>



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

(Thousands of yen)

	FY10/22 (Nov. 1, 2021 - Oct. 31, 2022)	FY10/23 (Nov. 1, 2022 - Oct. 31, 2023)
Net sales	40,048,824	22,190,489
Cost of sales	32,443,260	16,622,346
Gross profit	7,605,564	5,568,143
Selling, general and administrative expenses	2,993,521	3,427,107
Operating profit	4,612,042	2,141,035
Non-operating income		
Interest income	86	110
Dividend income	846	1,079
Commission income	4,025	6,717
Penalty income	40,224	84,492
Recoveries of written off receivables	2,830	5,350
Other	10,996	10,959
Total non-operating income	59,010	108,710
Non-operating expenses		
Interest expenses	141,085	305,027
Commission expenses	180,775	148,026
Other	7,130	8,336
Total non-operating expenses	328,991	461,391
Ordinary profit	4,342,062	1,788,354
Extraordinary income		
Gain on sale of investment securities	-	17,383
Total extraordinary income	-	17,383
Extraordinary losses		
Loss on retirement of non-current assets	-	7,923
Impairment losses	94,455	85,500
Loss on valuation of shares of subsidiaries and associates	-	39,999
Total extraordinary losses	94,455	133,424
Profit before income taxes	4,247,606	1,672,313
Income taxes-current	1,367,992	640,900
Income taxes-deferred	21,299	1,275
Total income taxes	1,389,291	642,175
Profit	2,858,315	1,030,138
Profit attributable to owners of parent	2,858,315	1,030,138

**(Consolidated Statement of Comprehensive Income)**

	(Thousands of yen)	
	FY10/22	FY10/23
	(Nov. 1, 2021 - Oct. 31, 2022)	(Nov. 1, 2022 - Oct. 31, 2023)
Profit	2,858,315	1,030,138
Other comprehensive income		
Valuation difference on available-for-sale securities	2,180	(6,125)
Foreign currency translation adjustment	286	(35)
Total other comprehensive income	2,466	(6,160)
Comprehensive income	2,860,782	1,023,977
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,860,782	1,023,977
Comprehensive income attributable to non-controlling interests	-	-

**(3) Consolidated Statement of Changes in Equity**

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
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
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

FY10/23 (Nov. 1, 2022 – Oct. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,595,832	1,504,332	9,335,789	(968,634)	11,467,319
Changes during period					
Issuance of new shares-exercise of share acquisition rights	112	112			224
Dividends of surplus			(862,264)		(862,264)
Profit attributable to owners of parent			1,030,138		1,030,138
Purchase of treasury shares				(34)	(34)
Disposal of treasury shares		4,342		10,347	14,689
Change in scope of consolidation			(40,192)		(40,192)
Net changes in items other than shareholders' equity					-
Total changes during period	112	4,454	127,680	10,312	142,559
Balance at end of period	1,595,944	1,508,786	9,463,469	(958,321)	11,609,879

	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	6,294	(1,665)	4,629	11,471,948
Changes during period				
Issuance of new shares-exercise of share acquisition rights			-	224
Dividends of surplus			-	(862,264)
Profit attributable to owners of parent			-	1,030,138
Purchase of treasury shares			-	(34)
Disposal of treasury shares			-	14,689
Change in scope of consolidation			-	(40,192)
Net changes in items other than shareholders' equity	(6,125)	(35)	(6,160)	(6,160)
Total changes during period	(6,125)	(35)	(6,160)	136,399
Balance at end of period	169	(1,700)	(1,531)	11,608,348

**(4) Consolidated Statement of Cash Flows**

(Thousands of yen)

	FY10/22 (Nov. 1, 2021 - Oct. 31, 2022)	FY10/23 (Nov. 1, 2022 - Oct. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	4,247,606	1,672,313
Depreciation	101,816	110,082
Impairment losses	94,455	85,500
Amortization of goodwill	62,451	35,250
Increase (decrease) in allowance for doubtful accounts	42,583	145,965
Increase (decrease) in provision for bonuses	1,685	7,801
Increase (decrease) in provision for shareholder benefit program	(4,028)	(3,072)
Increase (decrease) in provision for loss on guarantees	12,749	4,154
Loss (gain) on sale of investment securities	-	(17,383)
Loss on valuation of shares of subsidiaries and associates	-	39,999
Loss on retirement of non-current assets	-	7,923
Interest and dividend income	(932)	(1,189)
Interest expenses	141,085	305,027
Decrease (increase) in advance payments to suppliers	205,463	(361,701)
Decrease (increase) in inventories	(201,206)	(31,191,670)
Increase (decrease) in trade payables	1,157,207	(834,109)
Increase (decrease) in accrued consumption taxes	(730,626)	4,072
Increase (decrease) in repayment liabilities	(29,199)	(33,474)
Other, net	(295,901)	(1,349,235)
Subtotal	4,805,208	(31,373,745)
Interest and dividends received	222	282
Interest paid	(159,459)	(344,352)
Income taxes paid	(1,163,048)	(1,453,184)
Net cash provided by (used in) operating activities	3,482,922	(33,170,999)
Cash flows from investing activities		
Purchase of property, plant and equipment	(592)	(22,880)
Loan advances to subsidiaries and associates	-	(5,000)
Collection of loans receivable from subsidiaries and associates	-	1,400
Purchase of investment securities	(599)	(599)
Proceeds from sale of investment securities	-	29,661
Purchase of intangible assets	(3,770)	(8,693)
Purchase of membership	(11,000)	(9,000)
Payments into time deposits	(20,024)	(20,026)
Proceeds from withdrawal of time deposits	20,023	20,024
Purchase of shares of subsidiaries and associates	(240,000)	-
Payments of leasehold deposits	-	(38,447)
Other, net	84	(100)
Net cash provided by (used in) investing activities	(255,879)	(53,660)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	262,370	12,638,721
Proceeds from long-term borrowings	7,993,200	20,887,680
Repayments of long-term borrowings	(7,100,449)	(3,131,320)
Redemption of bonds	(82,000)	(82,000)
Proceeds from issuance of shares	980	224
Purchase of treasury shares	-	(34)
Dividends paid	(616,395)	(862,264)
Other, net	(1,895)	(4,970)
Net cash provided by (used in) financing activities	455,810	29,446,035
Effect of exchange rate change on cash and cash equivalents	255	(31)
Net increase (decrease) in cash and cash equivalents	3,683,109	(3,778,656)
Cash and cash equivalents at beginning of period	7,953,516	11,656,753
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	20,127	162,856
Cash and cash equivalents at end of period	11,656,753	8,040,953

## **(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, Good Com Asset Investment Advisers Co., Ltd., which was a non-consolidated subsidiary, is included in the scope of consolidation because of the importance of this company with regard to the consolidated financial statements.

### **Changes in Accounting Policies**

Not applicable.

### **Segment and Other Information**

#### Segment Information

#### 1. Overview of reportable segment

The Good Com Asset 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 Good Com Asset 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.

In the current fiscal year, the real estate fund business of Good Com Asset Investment Advisers Co., Ltd. was included in the "others" segment as this company became our consolidated subsidiary.

#### 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 Good Com Asset 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

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

(Thousands of yen)

	Reportable segment				Total
	Wholesale	Retail sales	Real estate management	Others	
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 Good Com Asset Group does not allocate assets to specific business segments.

FY10/23 (Nov. 1, 2022 – Oct. 31, 2023)

(Thousands of yen)

	Reportable segment				Total
	Wholesale	Retail sales	Real estate management	Others	
Net sales					
External sales	8,673,190	11,649,151	1,831,397	36,750	22,190,489
Inter-segment sales and transfers	-	-	94,815	1,200	96,015
Total	8,673,190	11,649,151	1,926,213	37,950	22,286,504
Segment profit (loss)	1,248,832	584,426	436,924	(187,829)	2,082,353
Other items					
Depreciation	2,299	7,062	5,609	1,552	16,524

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

2. The Good Com Asset 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	FY10/22	FY10/23
Total for reportable segments	40,100,026	22,286,504
Elimination of inter-segment transactions	(51,202)	(96,015)
Net sales in consolidated financial statements	40,048,824	22,190,489

(Thousands of yen)

Profit	FY10/22	FY10/23
Total for reportable segments	4,583,564	2,082,353
Elimination of inter-segment transactions	28,477	58,681
Operating profit in consolidated financial statements	4,612,042	2,141,035

## Related Information

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.

FY10/23 (Nov. 1, 2022 – Oct. 31, 2023)

## 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

(Thousands of yen)

Customer name	Net sales	Relevant segment
Oedo GK	4,318,639	Wholesale
BRI Co., Ltd.	3,201,984	Wholesale

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

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

(Thousands of yen)

	Wholesale	Retail sales	Real estate management	Others	Total
Impairment loss	-	-	81,603	12,851	94,455

Notes: 1. In the Real Estate Management segment, an impairment loss of 81,603 thousand yen was recognized as an extraordinary loss due to the reduction of goodwill to the amount that can be recovered because earnings are not expected to be as high as in the initial business plan.

2. 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.

FY10/23 (Nov. 1, 2022 – Oct. 31, 2023)

(Thousands of yen)

	Wholesale	Retail sales	Real estate management	Others	Total
Impairment loss	-	-	85,500	-	85,500

Notes: 1. In the Real Estate Management segment, an impairment loss for the remaining goodwill of 70,500 thousand yen was recognized as an extraordinary loss because earnings are not expected to be as high as in the initial business plan.

2. In the Real Estate Management segment, investments in buildings and structures of 5,949 thousand yen, tools, furniture and fixture of 970 thousand yen and software of 8,080 thousand yen are not expected to be recovered because of a reexamination of the business plan involving these non-current assets. As a result, the net sales price and utilization value of these non-current assets have been written off and the impairment of the entire book value of these non-current assets that were not yet depreciated has been recognized as an extraordinary loss.



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

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

FY10/23 (Nov. 1, 2022 – Oct. 31, 2023)

(Thousands of yen)

	Wholesale	Retail sales	Real estate management	Others	Total
Amortization for the period	-	-	35,250	-	35,250
Balance at end of period	-	-	-	-	-

## Information Related to Gain on Bargain Purchase for Each Reportable Segment

Not applicable.

## Per-share Information

(Yen)

Item	FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)	FY10/23 (Nov. 1, 2022 – Oct. 31, 2023)
Net assets per share	399.13	403.17
Net income per share	99.58	35.79
Diluted net income per share	99.34	35.77

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 FY10/22.  
2. Basis for calculation of net income per share and diluted net income per share is as follows.

(Thousands of yen)

Item	FY10/22 (Nov. 1, 2021 – Oct. 31, 2022)	FY10/23 (Nov. 1, 2022 – Oct. 31, 2023)
Net income per share		
Profit attributable to owners of parent	2,858,315	1,030,138
Amounts not available to common shareholders	-	-
Profit attributable to owners of parent applicable to common shares	2,858,315	1,030,138
Average number of common shares outstanding during the period (shares)	28,702,611	28,781,396
Diluted net income per share		
Adjusted profit attributable to owners of parent	-	-
Increase in the number of common shares (shares)	70,115	16,883
[of which share acquisition rights (shares)]	[70,115]	[16,883]

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

(Thousands of yen)

Item	FY10/22 (As of Oct. 31, 2022)	FY10/23 (As of Oct. 31, 2023)
Total net assets	11,471,948	11,608,348
Deduction on total net assets	-	-
Net assets applicable to common shares at end of period	11,471,948	11,608,348
Number of common shares at end of period used in calculation of net assets per share (shares)	28,742,162	28,792,887

## Material Subsequent Events

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.*