

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending October 31, 2024
(Three Months Ended January 31, 2024)**

[Japanese GAAP]
March 14, 2024

Company name: Good Com Asset Co.,Ltd.

Stock Exchange Listing: Tokyo Stock Exchange

Stock code: 3475

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Scheduled date of filing of Quarterly Report:

March 15, 2024

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting:

Yes (for analysts and individual investors)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Quarter (November 1, 2023 - January 31, 2024) of the Fiscal Year Ending October 31, 2024

(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	%
Three months ended Jan. 31, 2024	3,102	5.0	158	196.6	32	110.0	(6)	-
Three months ended Jan. 31, 2023	2,955	61.4	53	-	15	-	3	-

Note: Comprehensive income (million yen) Three months ended Jan. 31, 2024: (6) (-%)

Three months ended Jan. 31, 2023: 6 (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jan. 31, 2024	(0.22)	-
Three months ended Jan. 31, 2023	0.14	0.14

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jan. 31, 2024	52,728	10,594	20.1
As of Oct. 31, 2023	53,496	11,608	21.7

Reference: Shareholders' equity (million yen) As of Jan. 31, 2024: 10,594

As of Oct. 31, 2023: 11,608

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Oct. 31, 2023	-	0.00	-	35.00	35.00
Fiscal year ending Oct. 31, 2024	-				
Fiscal year ending Oct. 31, 2024 (forecasts)		0.00	-	36.00	36.00

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

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

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

Notes

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

As of Jan. 31, 2024:	30,530,400 shares	As of Oct. 31, 2023:	30,530,400 shares
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 - 2) Number of treasury shares at the end of the period

As of Jan. 31, 2024:	1,737,513 shares	As of Oct. 31, 2023:	1,737,513 shares
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 - 3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2024:	28,792,887 shares	Three months ended Jan. 31, 2023:	28,751,901 shares
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The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forward-looking statements

Outlook and other forward-looking statements in these materials are based on assumption judged to be valid and information available to the Company's management at the time the materials were prepared, but are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

How to view supplementary information at the quarterly financial results meeting

The Company plans to hold an online financial results meeting on Friday, March 15, 2024. 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. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first quarter of the fiscal year ending October 31, 2024, the Japanese economy continued to recover slowly, buoyed by a rebound in personal consumption amidst improvements in the employment and income environment. Nevertheless, the risk of downward pressure on the Japanese economy remains a concern, attributable to factors such as rising prices due to escalating geopolitical tensions, tightening monetary policies worldwide, and other variables.

In the real estate sector, where the Good Com Asset Group operates, the upward trend in construction costs continues, and there are concerns about prolonged construction periods. Nevertheless, the real estate investment climate in the capital area is likely to remain firm, supported by a continuing low-interest-rate environment and an influx of population into metropolitan Tokyo and its three surrounding prefectures.

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 advertising activities. During the first quarter, 99 condominium units in five buildings were sold. Properties acquired were 202 units in three buildings.

Net sales increased 5.0% to 3,102 million yen from one year earlier. The operating profit increased 196.6% to 158 million yen, the ordinary profit increased 110.0% to 32 million yen, and the loss attributable to owners of parent was 6 million yen compared with a profit of 3 million yen one year earlier.

Furthermore, from the 1,190 units across 23 buildings whose sales were carried over from the previous fiscal year, sales were recorded for 34 units, amounting to 853 million yen.

Results by business segment are as follows:

(a) Wholesale

This segment consists of sales of the Genovia series of one-room and family condominiums to companies. During the first quarter, nine condominium units in three buildings were sold.

Sales decreased 48.2% to 254 million yen from one year earlier, and the segment loss was 101 million yen compared with a loss of 8 million yen one year earlier.

(b) Retail sales

This segment consists of sales of the Genovia series of one-room and family condominiums to individual investors. During the first quarter, 90 condominium units in five buildings were sold.

Sales increased 5.0% to 2,227 million yen from one year earlier, and the segment profit increased 21.5% to 11 million yen.

(c) Real estate management

During the first quarter, this segment performed well as the number of managed condominium buildings and tenant-occupied units increased and the occupancy rate for managed condominium buildings and units consistently remained above 90% at the end of every month. Rental income from properties with carried-over sales also saw an increase.

Sales increased 87.1% to 634 million yen from one year earlier, and segment profit increased 441.2% to 264 million yen.

(d) Others

This segment consists of three new businesses: consulting for companies planning an initial public offering and for the investor relations and capital policy activities of listed companies, the Good Com Fund, which sells small amount investment units of a real estate, and the real estate fund business. Sales decreased 16.3% to 9 million yen from one year earlier, and the segment loss was 35 million yen compared with a 3 million yen loss one year earlier.

(2) Explanation of Financial Position

Assets

Total assets decreased 768 million yen, or 1.4%, from the end of the previous fiscal year to 52,728 million yen at the end of the first quarter of the current fiscal year. This was mainly due to a decrease in cash and deposits of 3,705 million yen, while there were increases in real estate for sale of 2,249 million yen, real estate for sale in process of 326 million yen and advance payments to suppliers of 240 million yen.

Liabilities

Total liabilities increased 245 million yen, or 0.6%, from the end of the previous fiscal year to 42,134 million yen. This was mainly due to an increase in current portion of long-term borrowings of 4,566 million yen, while there were decreases in long-term borrowings of 2,539 million yen, short-term borrowings of 1,738 million yen, and accounts payable for construction contracts of 226 million yen.

Net assets

Total net assets decreased 1,014 million yen, or 8.7%, from the end of the previous fiscal year to 10,594 million yen. The main factors include a 1,007 million yen decrease in retained earnings due to dividend payments.

Consequently, the equity ratio was 20.1% at the end of the first quarter of the current fiscal year.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

The Company maintains its full-year consolidated forecasts that were announced in the “Consolidated Financial Results for the Fiscal Year Ended October 31, 2023” on December 13, 2023.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY10/23 (As of Oct. 31, 2023)	First quarter of FY10/24 (As of Jan. 31, 2024)
Assets		
Current assets		
Cash and deposits	8,060,980	4,355,175
Accounts receivable-trade	3,025	3,269
Real estate for sale	36,405,893	38,655,232
Real estate for sale in process	5,168,434	5,495,349
Advance payments to suppliers	1,234,760	1,474,870
Current portion of long-term loans receivable from subsidiaries and associates	3,600	-
Other	2,350,675	2,499,839
Allowance for doubtful accounts	(225,307)	(241,284)
Total current assets	53,002,060	52,242,451
Non-current assets		
Property, plant and equipment	69,769	67,097
Intangible assets	6,644	6,542
Investments and other assets	418,402	412,691
Total non-current assets	494,815	486,332
Total assets	53,496,876	52,728,783
Liabilities		
Current liabilities		
Accounts payable for construction contracts	488,218	262,084
Short-term borrowings	14,686,221	12,947,539
Current portion of bonds payable	82,000	82,000
Current portion of long-term borrowings	14,380,169	18,946,186
Refund liabilities	100,340	61,617
Income taxes payable	38,565	47,424
Provision for bonuses	28,866	10,364
Provision for loss on guarantees	44,437	46,777
Other	715,662	958,205
Total current liabilities	30,564,480	33,362,198
Non-current liabilities		
Bonds payable	171,000	150,000
Long-term borrowings	11,061,516	8,522,430
Other	91,531	99,838
Total non-current liabilities	11,324,047	8,772,268
Total liabilities	41,888,528	42,134,467
Net assets		
Shareholders' equity		
Share capital	1,595,944	1,595,944
Capital surplus	1,508,786	1,508,786
Retained earnings	9,463,469	8,449,446
Treasury shares	(958,321)	(958,321)
Total shareholders' equity	11,609,879	10,595,855
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	169	224
Foreign currency translation adjustment	(1,700)	(1,764)
Total accumulated other comprehensive income	(1,531)	(1,539)
Total net assets	11,608,348	10,594,316
Total liabilities and net assets	53,496,876	52,728,783

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(For the Three-month Period)

	(Thousands of yen)	
	First three months of FY10/23 (Nov. 1, 2022 – Jan. 31, 2023)	First three months of FY10/24 (Nov. 1, 2023 – Jan. 31, 2024)
Net sales	2,955,123	3,102,412
Cost of sales	2,203,891	2,199,288
Gross profit	751,231	903,123
Selling, general and administrative expenses	697,838	744,741
Operating profit	53,393	158,381
Non-operating income		
Interest income	12	12
Dividend income	529	591
Commission income	480	964
Penalty income	10,612	49,392
Other	4,140	7,552
Total non-operating income	15,776	58,513
Non-operating expenses		
Interest expenses	41,986	152,215
Commission expenses	10,562	29,590
Other	957	2,203
Total non-operating expenses	53,506	184,009
Ordinary profit	15,662	32,886
Extraordinary losses		
Loss on extinguishment of tie-in shares	-	1,762
Total extraordinary losses	-	1,762
Profit before income taxes	15,662	31,123
Income taxes	11,763	37,395
Profit (loss)	3,899	(6,272)
Profit (loss) attributable to owners of parent	3,899	(6,272)

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

	(Thousands of yen)	
	First three months of FY10/23 (Nov. 1, 2022 – Jan. 31, 2023)	First three months of FY10/24 (Nov. 1, 2023 – Jan. 31, 2024)
Profit (loss)	3,899	(6,272)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,219	55
Foreign currency translation adjustment	108	(63)
Total other comprehensive income	2,327	(8)
Comprehensive income	6,226	(6,280)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,226	(6,280)
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly 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

Not applicable.

Changes in Accounting Policies

Not applicable.

Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Calculation of tax expense

The tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit (loss) before income taxes during the current fiscal year, and multiplying that rate by the quarterly profit (loss) before income taxes. However, the Company uses legally stipulated effective tax rates to calculate tax expenses when the use of estimated tax rates produces a clearly irrational result.

Segment and Other Information

Segment Information

I. First three months of FY10/23 (Nov. 1, 2022 – Jan. 31, 2023)

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

(Thousands of yen)

	Reportable segment				Total
	Wholesale	Retail sales	Real estate management	Others	
Net sales					
External sales	491,365	2,120,848	332,299	10,610	2,955,123
Inter-segment sales and transfers	-	-	6,932	300	7,232
Total	491,365	2,120,848	339,232	10,910	2,962,355
Segment profit (loss)	(8,934)	9,701	48,840	(3,219)	46,387

2. Reconciliation of the amount shown in the quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	46,387
Elimination of inter-segment transactions	7,005
Operating profit on the quarterly consolidated statement of income	53,393

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

II. First three months of FY10/24 (Nov. 1, 2023 – Jan. 31, 2024)

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

(Thousands of yen)

	Reportable segment				Total
	Wholesale	Retail sales	Real estate management	Others	
Net sales					
External sales	254,312	2,227,318	611,951	8,830	3,102,412
Inter-segment sales and transfers	-	-	22,818	300	23,118
Total	254,312	2,227,318	634,769	9,130	3,125,530
Segment profit (loss)	(101,430)	11,783	264,347	(35,497)	139,202

2. Reconciliation of the amount shown in the quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	139,202
Elimination of inter-segment transactions	19,178
Operating profit on the quarterly consolidated statement of income	158,381

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

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.