

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending October 31, 2018  
(Three Months Ended January 31, 2018)**

[Japanese GAAP]  
March 12, 2018

Company name: Good Com Asset Co.,Ltd. Stock Exchange Listing: TSE (2nd Section)  
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Scheduled date of filing of Quarterly Report: March 15, 2018

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

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

**1. Consolidated Financial Results for the First Quarter (November 1, 2017 - January 31, 2018) of the Fiscal Year Ending October 31, 2018**

(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, 2018	3,467	37.7	427	190.9	396	208.1	277	236.0
Three months ended Jan. 31, 2017	2,518	-	146	-	128	-	82	-

Note: Comprehensive income (million yen) Three months ended Jan. 31, 2018: 277 (up 231.7%)  
 Three months ended Jan. 31, 2017: 83 (-%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
Three months ended Jan. 31, 2018	45.65		43.18	
Three months ended Jan. 31, 2017	15.85		14.83	

Notes: 1. Year-on-year changes for the three months ended January 31, 2017 are not presented because the quarterly consolidated financial statements were not prepared in the same period of the preceding fiscal year.

2. Good Com Asset Co.,Ltd. (the "Company") conducted a 2-for-1 common stock split effective on May 1, 2017 and October 1, 2017. Net income per share and diluted net income per share are calculated as if these stock splits had taken place at the beginning of the previous fiscal year.

3. Although there were subscription rights to shares, diluted net income per share for the three months ended Jan. 31, 2017 was calculated by using an average stock price during the period between the time of listing and the end of January 2017 because the stock of the Company was listed in the JASDAQ (standard) market of the Tokyo Stock Exchange on December 8, 2016. The Company moved up its stock market listing to the Second Section of the Tokyo Stock Exchange on June 27, 2017.

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of Jan. 31, 2018	10,732		3,397		31.7		559.59	
As of Oct. 31, 2017	12,613		3,241		25.7		533.93	

Reference: Shareholders' equity (million yen) As of Jan. 31, 2018: 3,397 As of Oct. 31, 2017: 3,241

Note: The Company conducted a 2-for-1 common stock split effective on May 1, 2017 and October 1, 2017. Net assets per share is calculated as if these stock splits had taken place at the beginning of the previous fiscal year.

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Oct. 31, 2017	Yen -	Yen 0.00	Yen -	Yen 20.00	Yen 20.00
Fiscal year ending Oct. 31, 2018	-				
Fiscal year ending Oct. 31, 2018 (forecasts)		0.00	-	25.00	25.00

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

**3. Consolidated Forecast for the Fiscal Year Ending October 31, 2018 (November 1, 2017 - October 31, 2018)**

(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	4,851	(9.0)	588	29.7	520	20.3	365	21.6	60.26
Full year	10,284	4.6	1,175	29.5	1,030	25.6	723	16.6	119.15

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, 2018:	6,071,200 shares	As of Oct. 31, 2017:	6,071,200 shares
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2) Number of treasury shares at the end of the period

As of Jan. 31, 2018:	220 shares	As of Oct. 31, 2017:	220 shares
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3) Average number of shares outstanding during the period

Three months ended Jan. 31, 2018:	6,070,980 shares	Three months ended Jan. 31, 2017:	5,203,513 shares
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Note: The Company conducted a 2-for-1 common stock split effective on May 1, 2017 and October 1, 2017. The number of outstanding shares is calculated as if these stock splits had taken place at the beginning of the previous fiscal year.

The current quarterly financial report is not subject to quarterly review procedures.

## 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 materials for quarterly financial results

Supplementary materials for quarterly financial results will be available on the Company's website on Monday, March 12, 2018.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

The Japanese economy recovered slowly during the first quarter of the fiscal year ending October 31, 2018. In January 2018, the Nikkei Stock Average at the Tokyo Stock Exchange climbed to the highest level in 26 years and two months. One reason is the expansion of the global economy, backed particularly by U.S. economic growth, and expectations for a continuation of the worldwide economic recovery. Demand within Japan is also supporting the economic recovery. Corporate earnings are increasing, the job market is improving and demand from foreign tourists in Japan is consistently strong.

In Japan's market for newly constructed condominiums, the primary business domain of the Good Com Asset Group (the "Group"), the percentage of new condominium units sold in the Tokyo area during the first quarter decreased 1.3 percentage points year on year. However, this percentage remained above 70%, the level generally regarded as the dividing line between strong and weak sales. According to a survey by Real Estate Economic Institute Co., Ltd., the percentage of new condominium units sold in Tokyo's 23 wards, which is where the Group primarily operates, was consistently above 70%. In some other areas, this percentage fell to the 50% level at times during the first quarter. In 2018, Real Estate Economic Institute forecasts an increase in the number of new condominium units in Tokyo's 23 wards. As a result, the need for newly constructed condominium units is expected to remain stable in the 23 wards.

The Group continued to expand planning, development and sales activities for new Genovia series condominiums using the Genovia green veil and Genovia skygarden brands primarily in Tokyo's 23 wards. We also reinforced the customer support framework and took actions aimed at strengthening the Genovia brand.

During the first quarter, 139 condominium units in seven buildings were sold. The buildings are Asakusa II (Taito-ku, Tokyo), Asakusa III (Taito-ku, Tokyo), Kawasaki Eki (Kawasaki, Kanagawa), Kameidosuijin (Sumida-ku, Tokyo), Itabashi west (Itabashi-ku, Tokyo), Setagaya Kinuta (Setagaya-ku, Tokyo), and Tabata II (Kita-ku, Tokyo).

Net sales increased 37.7% year on year to 3,467 million yen. Operating profit increased 190.9% to 427 million yen, ordinary profit increased 208.1% to 396 million yen and profit attributable to owners of parent was up 236.0% to 277 million yen.

Results by business segment are as follows:

#### (a) Sales to individuals

This segment consists of sales of our Genovia series one-room and family condominiums to individual investors in Japan. During the first quarter, 48 condominium units were sold.

As a result, sales were 1,515 million yen, up 35.1% from one year earlier and segment profit increased 95.7% to 178 million yen.

#### (b) Sales to real estate companies

This segment consists of sales of our Genovia series one-room condominiums to real estate sales companies in Japan. Thanks to aggressive activities to sell properties to these companies, 91 condominium units were sold during the first quarter.

As a result, sales were 1,794 million yen, up 40.5% from one year earlier and segment profit increased 324.1% to 169 million yen.

#### (c) Property management

Rental income and other income steadily increased along with strong growth in the number of managed condominium buildings and tenant-occupied condominium units.

As a result, sales were 162 million yen, up 35.3% from one year earlier and segment profit increased 118.9% to 88 million yen.

(d) Overseas sales

There were no sales to individual investors in other countries during the first quarter.

As a result, there were no sales and a segment loss of 11 million yen, compared with a loss of 26 million yen one year earlier.

**(2) Explanation of Financial Position**

**Assets**

Total assets decreased 1,881 million yen, or 14.9%, from the end of the previous fiscal year to 10,732 million yen at the end of the first quarter of the current fiscal year. This was mainly due to decreases in real estate for sale of 1,182 million yen and real estate for sale in process of 736 million yen.

**Liabilities**

Total liabilities decreased 2,037 million yen, or 21.7%, from the end of the previous fiscal year to 7,334 million yen. This was mainly due to decreases in current portion of long-term loans payable of 2,172 million yen and long-term loans payable of 1,193 million yen while there were increases in accounts payable for construction contracts of 667 million yen and short-term loans payable of 564 million yen.

**Net assets**

Total net assets increased 155 million yen, or 4.8%, from the end of the previous fiscal year to 3,397 million yen. The main factors include a 277 million yen increase in retained earnings due to the booking of profit attributable to owners of parent, which was partially offset by a 121 million yen decrease in retained earnings due to dividend payments.

Consequently, the equity ratio increased 6.0 percentage points from the end of the previous fiscal year to 31.7% 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 first-half and full-year consolidated forecasts that were announced in the “Consolidated Financial Results for the Fiscal Year Ended October 31, 2017” on December 11, 2017.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY10/17 (As of Oct. 31, 2017)	First quarter of FY10/18 (As of Jan. 31, 2018)
Assets		
Current assets		
Cash and deposits	2,539,069	2,558,546
Real estate for sale	8,628,125	7,445,129
Real estate for sale in process	793,069	56,294
Advance payments-trade	227,360	241,940
Other	351,497	355,704
Total current assets	12,539,121	10,657,614
Non-current assets		
Property, plant and equipment	9,183	8,645
Intangible assets	1,852	1,747
Investments and other assets	63,575	64,067
Total non-current assets	74,612	74,461
Total assets	12,613,733	10,732,075
Liabilities		
Current liabilities		
Accounts payable for construction contracts	116,786	784,320
Short-term loans payable	386,300	950,400
Current portion of bonds	10,000	10,000
Current portion of long-term loans payable	6,021,765	3,849,227
Income taxes payable	115,424	126,660
Provision for bonuses	15,729	8,400
Provision for vacancy warranties	28,325	26,632
Other	211,163	310,640
Total current liabilities	6,905,494	6,066,280
Non-current liabilities		
Bonds payable	10,000	5,000
Long-term loans payable	2,439,821	1,246,532
Other	16,965	17,005
Total non-current liabilities	2,466,787	1,268,538
Total liabilities	9,372,281	7,334,818
Net assets		
Shareholders' equity		
Capital stock	504,440	504,440
Capital surplus	412,940	412,940
Retained earnings	2,323,288	2,479,011
Treasury shares	(130)	(130)
Total shareholders' equity	3,240,539	3,396,262
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,663	2,637
Foreign currency translation adjustment	(1,751)	(1,643)
Total accumulated other comprehensive income	912	994
Total net assets	3,241,451	3,397,256
Total liabilities and net assets	12,613,733	10,732,075

**(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 FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)	First three months of FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)
Net sales	2,518,088	3,467,899
Cost of sales	2,078,098	2,699,951
Gross profit	439,989	767,947
Selling, general and administrative expenses	292,992	340,361
Operating profit	146,997	427,585
Non-operating income		
Interest income	13	9
Dividend income	122	138
Commission fee	491	573
Gain on sales of securities	355	-
Foreign exchange gains	1,174	-
Other	1,794	296
Total non-operating income	3,951	1,018
Non-operating expenses		
Interest expenses	8,790	31,640
Share issuance cost	9,163	-
Other	4,335	587
Total non-operating expenses	22,288	32,228
Ordinary profit	128,659	396,375
Profit before income taxes	128,659	396,375
Income taxes	46,169	119,232
Profit	82,490	277,142
Profit attributable to owners of parent	82,490	277,142

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

(Thousands of yen)

	First three months of FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)	First three months of FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)
Profit	82,490	277,142
Other comprehensive income		
Valuation difference on available-for-sale securities	921	(25)
Foreign currency translation adjustment	176	107
Total other comprehensive income	1,097	82
Comprehensive income	83,588	277,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	83,588	277,225
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.

**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 before income taxes during the current fiscal year, and multiplying that rate by the quarterly profit before income taxes.

**Segment and Other Information**

Segment Information

I. First three months of FY10/17 (Nov. 1, 2016 – Jan. 31, 2017)

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

(Thousands of yen)

	Reportable segment				Total
	Sales to individuals	Sales to real estate companies	Property management	Overseas sales	
Net sales					
External sales	1,121,377	1,276,956	119,754	-	2,518,088
Inter-segment sales and transfers	-	-	351	-	351
Total	1,121,377	1,276,956	120,106	-	2,518,439
Segment profit (loss)	91,371	40,015	40,559	(26,653)	145,293

2. Reconciliation of reported quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	145,293
Elimination of inter-segment transactions	1,704
Operating profit on the quarterly consolidated statement of income	146,997

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 FY10/18 (Nov. 1, 2017 – Jan. 31, 2018)

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

(Thousands of yen)

	Reportable segment				Total
	Sales to individuals	Sales to real estate companies	Property management	Overseas sales	
Net sales					
External sales	1,515,307	1,794,053	158,537	-	3,467,899
Inter-segment sales and transfers	-	-	3,959	-	3,959
Total	1,515,307	1,794,053	162,497	-	3,471,859
Segment profit (loss)	178,837	169,699	88,774	(11,476)	425,836

## 2. Reconciliation of reported quarterly consolidated statement of income with total profit or loss for reportable segments

(Thousands of yen)

Profit	Amounts
Total for reportable segments	425,836
Elimination of inter-segment transactions	1,749
Operating profit on the quarterly consolidated statement of income	427,585

## 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.*