



## Summary of Financial Results For the Third Quarter of Fiscal Year Ended June 30,2019 (Based on Japanese GAAP)

August 13,2019

Company name: GOOD SPEED Inc. Stock exchange listing: Tokyo  
 Stock code: 7676 URL: <http://goodspeed-group.co.jp/>  
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 Scheduled date to file Quarterly Securities Report: August 13,2019  
 Scheduled date to commence divined payments: -  
 Preparation of supplementary material on quarterly Financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Financial results for the third quarter of fiscal year ended June 30,2019(from October 1,2018 to June 30,2019)

#### (1) Operating results(cumulative) (Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The third quarter of fiscal year ended June 30,2019	22,517	-	262	-	193	-	125	-
The third quarter of fiscal year ended June 30,2018	-	-	-	-	-	-	-	-

  

	Earnings per share	Diluted earnings per share
	Yen	Yen
The third quarter of fiscal year ended June 30,2019	119.74	114.97
The third quarter of fiscal year ended June 30,2018	-	-

- Note: 1. Since the financial statements for the third quarter of fiscal year ended June 30, 2018 was not created, the results of this period and year-over-year changes as of the third quarter of fiscal year ended June 30, 2019 are not stated.  
 2. The company carried out a 150-for-1 stock split of its common share in December 28, 2018. Net sales per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.  
 3. Diluted net income per share for the third quarter of fiscal year ended June 30, 2018 was not stated because shares issued by the company were unlisted and the average of shares during the fiscal year could not be calculated although residual shares existed.  
 4. Since the company listed its shares on the Tokyo Stock Exchange Mothers market in April 25, 2019, diluted net income per share for the third year of fiscal year ended June 30, 2019 was calculated by taking the average of stock price from the date of the company's listing to the end of the nine months of fiscal year ended June 30, 2019.

#### (2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of the third quarter of fiscal year ended June 30, 2019	12,433	1,328	10.7
As of September 30, 2018	9,379	397	4.2

Reference: GOOD SPEED shareholders' equity  
 As of the third quarter of fiscal year ended June 30, 2019 1,328 Millions of yen  
 As of September 30, 2018 397 Millions of yen

### 2. Cash dividends

	Annual dividends per share				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2018	-	0.00	-	1,500.00	1,500.00
Fiscal year ended September 30, 2019	-	0.00	-		
Fiscal year ending September 30, 2019 (forecast)				10.00	10.00

Note: Revisions to the latest forecast of dividends: Yes

The company carried out a 150-for-1 stock split of its common stock in December 28, 2018. The dividend for the fiscal year

ended September 30, 2018 was presented in figures prior to the stock split.

The year-end dividend for Fiscal year ending September 30, 2019 is made up of ordinary dividend ¥10 and commemorative dividend ¥2.

3. Forecasts of financial results for the fiscal year ended September 30, 2019 (From October 1, 2018 to September 30, 2019)  
(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Fiscal year ending September 30, 2019	31,000	36.3	380	89.5	270	80.9	180	97.2	153.87

Note: Revisions to the latest forecast of dividends: Yes

The company carried out a 150-for-1 stock split of its common share in December 28, 2018. Net sales per share have been calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

Notes:

- (1) Application of accounting methods specific to preparation of quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
  - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatements of revisions: None

(3) Number of issued shares (common shares)

a. Total number of issued shares at the end of the period (including treasury shares)	
As of the third quarter of fiscal year ended June30, 2019	1,532,500 shares
As of September30, 2018	900,000 shares
b. Number of treasury shares at the end of the period	
As of the third quarter of fiscal year ended June30, 2019	-
As of September30, 2018	-
c. Average number of shares during the period (cumulative from the beginning of the fiscal year)	
For the third quarter of fiscal year ended June 30, 2019	1,047,573 shares
For the third quarter of fiscal year ended June 30, 2018	-

Note: The company carried out a 10-for-1 stock split in September 29, 2018 and 150-for-1 stock split in December 28, 2018 of its common share. The number of stocks issued at the end of the fiscal year, the number of treasury stocks at the end of the fiscal year, and the average number of stocks during the fiscal year were calculated assuming that the stock split was conducted at the beginning of the previous fiscal year.

\* This report is not subject to quarterly review by certified public accountants or audit firms.

\* Proper use of financial forecast, and other special matters

These materials contain various forward-looking statements and other forecasts regarding performance and other matters. Such statements are based on information available at the time of preparation as well as certain reasonable assumptions. Actual results may differ materially from those expressed or implied by forward-looking statements due to a range of factors. For notices concerning underlying assumptions of the earnings forecasts and the use of the earnings forecast, refer to page 2 of the attachment entitled "1. Qualitative Information on the Quarterly Financial Results (3) Explanation of Forward-looking Information including Earnings Forecast."



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## 1. Qualitative Information on the Quarterly Financial Results

### (1) Explanation of Operating results

During the third quarter of fiscal year ended June 30, 2019, the Japanese economy continued to see a moderate recovery. However, the future economic outlook remains cloudy due to the uncertainty of the outlook for the Chinese economy and the trend of the global economy, as well as the impact of the volatility in the financial and capital markets.

In this environment, in the Japanese used car sales industry, domestic used car registrations from October 2018 through June 2019 were 2,932,780 vehicles (on a par at 101.0% year on year). (Source: statistical data from the Japan Automobile Dealers Association)

In this business environment, the GOOD SPEED continues to open dealerships positively by adopting strategic dominance in Tokai area, Japan. The company opened "Obu-Arimatsu store" in Obu city, Aichi in December 2018, which is our first specialty store of vehicle purchasing. The company also opened "GOODSPEED MEGA Ogaki store" in Ogaki city, Gifu in February 2019. The company has established one-stop service system for the increasing customer's demands by expanding sales of vehicles and improving services of vehicle purchasing, inspections and maintenance, car rental and insurance agent.

As a result, as of the third quarter of fiscal year ended June 30, 2019, the company posted net sales of ¥22,517million, operating profit of ¥262million, ordinary profit of ¥193million, and profit of ¥125million.

As our business is a single segment, namely sales of vehicles and the incidental services, the performance of each segments was omitted. Since financial statements for the third quarter of fiscal year ended June 30, 2018 was not presented, analytical comparison to the previous period of fiscal year is not performed.

#### (Car dealership business)

The company extended dealerships to 18 stores at the end of June 30, 2019 due to the openings of 2 new stores, "GOOD SPEED Obu-Arimatsu store" in Obu city, Aichi and "GOOD SPEED MEGA Ogaki store" in Ogaki city, Gifu, also the sales volume of vehicles was 6,919.

In addition, by selecting and stocking vehicles that meet customer's needs, sales as of June 30, 2019 were ¥21,555million

#### (Incidental services)

Due to the increase in the sales volume of vehicles, sale as of the third quarter of fiscal year ended June 30, 2019 were 962 million.

### (2) Explanation of Financial Condition

#### (Total current assets)

Current assets at the end of third quarter totaled ¥8,825 million, increase of ¥2,092 million over the previous fiscal year end. This is mainly attributable to increases of ¥1,428 million in merchandise, ¥546 million in cash and deposits, and ¥169 million in accounts receivable.

#### (Total non-current assets)

Total non-current assets at the end of third quarter totaled ¥3,608 million, increase of ¥961 million over the previous fiscal year end. This is mainly attributable to increases of ¥269 million in buildings, ¥119 million in structures, ¥163 million in estates, ¥115 million in conveying tools, and ¥59 million in deposit, primarily in connection with the opening of new stores.

#### (Total current liabilities)

Total current liabilities at the end of third quarter totaled ¥8,573 million, increase of ¥2,154 million over the previous fiscal year end. This is mainly attributable to increases of ¥1,260 million in short-term loans payable, ¥351 million in accounts payable, ¥242 million in advance payable.

#### (Total non-current liabilities)

Total non-current liabilities at the end of third quarter totaled ¥2,531 million, decrease of ¥31 million compared to the previous fiscal year end. This is mainly attributable to an increase in long-term loan payable, while bonds payable fell ¥101 million.

#### (Total net assets)

Total net assets at the end of third quarter totaled ¥1,328 million, increase of ¥931 million over the previous fiscal year end. This is mainly attributable to increases of ¥407 million in capital stock, ¥407 million in capital surplus.

Since the company adopted "Partial revision of accounting standard for tax effect accounting" (Accounting Standards Board Statement No3) from the first quarter of fiscal year, the comparisons for the financial position was made with retroactive adjusted figures at the end of the previous fiscal year.

### (3) Explanation of Forward-Looking Information including Earning Forecast

The full-year earnings forecast revised mainly because the sales of vehicles were beyond the original expectation.

This forecast was based on currently available information and reasonable assumptions, and the actual performance may be different from the forecast due to various factors.

2. Quarterly Financial Statements and Primary Notes  
(1) Quarterly Balance Sheets

(Thousands of yen)

	As of September 30, 2018	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	1,568,655	2,114,672
Accounts receivable - trade	472,502	439,390
Merchandise	3,884,690	5,313,410
Supplies	1,475	1,427
Advance payments - other	531,282	700,735
Prepaid expenses	63,729	104,463
Income taxes receivable	47,972	-
Short-term loans receivable	12,551	3,635
Other	149,834	147,937
Total current assets	6,732,695	8,825,673
Non-current assets		
Property, plant and equipment		
Buildings, net	965,599	1,235,489
Structures, net	171,018	290,079
Machinery and equipment, net	16,094	44,053
Vehicles, net	158,840	274,779
Tools, furniture and fixtures, net	87,082	101,001
Land	430,532	594,061
Leased assets, net	132,937	165,017
Construction in progress	152,732	336,707
Total property, plant and equipment	2,114,838	3,041,190
Intangible assets		
Software	7,737	7,366
Leased assets	53,337	40,239
Other	28	28
Total intangible assets	61,104	47,634
Investments and other assets		
Investments in capital	180	190
Guarantee deposits	348,519	407,757
Long-term advance payments	22,947	26,331
Long-term prepaid expenses	5,727	2,678
Deferred tax assets	40,797	26,130
Other	52,997	56,359
Total investments and other assets	471,169	519,449
Total non-current assets	2,647,112	3,608,274
Total assets	9,379,807	12,433,947

(Thousands of yen)

	As of September 30, 2018	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	378,999	730,932
Short-term loans payable	3,975,745	5,235,838
Current portion of bonds	98,000	150,000
Current portion of long-term loans payable	755,114	916,581
Lease obligations	50,336	55,305
Accounts payable - other	63,257	56,531
Accrued expenses	119,799	146,600
Income taxes payable	-	73,913
Advances received	856,550	1,098,872
Deposits received	45,675	66,213
Provision for bonuses	43,598	21,600
Provision for directors' bonuses	2,200	-
Other	30,049	21,168
Total current liabilities	6,419,327	8,573,558
Non-current liabilities		
Bonds payable	281,000	180,000
Long-term loans payable	1,988,952	2,016,977
Lease obligations	160,355	177,951
Asset retirement obligations	6,392	6,459
Long-term advances received	126,375	150,505
Total non-current liabilities	2,563,075	2,531,892
Total liabilities	8,982,402	11,105,451
<b>Net assets</b>		
Shareholders' equity		
Capital stock	30,000	437,330
Capital surplus	-	407,330
Retained earnings	367,404	483,835
Total shareholders' equity	397,404	1,328,495
Total net assets	397,404	1,328,495
Total liabilities and net assets	9,379,807	12,433,947



(Thousands of yen)

Nine months ended  
June 30, 2019

Net sales	22,517,337
Cost of sales	19,545,802
Gross profit	2,971,535
Selling, general and administrative expenses	2,708,917
Operating profit	262,617
Non-operating income	
Interest income	550
Dividend income	1
Commission fee	8,077
Insurance premiums	8,236
Subsidy income	1,123
Co-sponsor fee	30
Other	7,253
Total non-operating income	25,274
Non-operating expenses	
Interest expenses	69,482
Commission fee	20,152
Other	4,558
Total non-operating expenses	94,193
Ordinary profit	193,698
Extraordinary income	
Gain on sales of non-current assets	691
Total extraordinary income	691
Extraordinary losses	
Loss on retirement of non-current assets	2,593
Total extraordinary losses	2,593
Profit before income taxes	191,795
Income taxes - current	51,697
Income taxes - deferred	14,666
Total income taxes	66,364
Profit	125,431

(3) Notes to the Quarterly Financial Statements

(Notes on the Going-Concern Assumption)

None

(Notes on Significant Changes in the Amount of Shareholders' Equity)

(Issuance of New Shares)

The company received payments for shares issued via public offering (offered by book-building method) on April 24, 2019, and third-party allotments from Tokai Tokyo Securities Co., Ltd on May 27, 2019. As a result, the capital stock at the end of the third quarter of fiscal year totaled ¥437,330 million, increase of ¥407,330 million and the capital surplus at the end of the period totaled ¥407,330 million, increase of ¥407,330.

(Additional Information)

(Application of "Partial revision of accounting standard for Tax Effect Accounting, etc.")

The company applied "Partial revision of accounting standard for Tax Effect Accounting, etc." (ASBJ Accounting Standard No.28; February 16, 2018) from the start of the first quarter. As a result, deferred tax assets are presented in investments and other assets and deferred tax liabilities are presented in noncurrent liabilities.