

Company Report

October 17, 2025

Focusing on the Transition From Being a “Developer of Condominiums for Investors” to Becoming an “Asset Management Partner for Domestic and International Institutional Investors Investing in Japanese Real Estate”

GLOBAL LINK MANAGEMENT is an income-generating real estate developer that has grown by developing small condominiums for investment properties, specializing in the Tokyo area. Originally catering to individual investors, the company has now evolved into a company that provides comprehensive solutions to help people succeed in real estate investment in Japan, with domestic and international institutional investors and major domestic business companies becoming its main customers.

The company's "corporate DNA" is their "the ability to build winning logic to maximize the value of the income-generating real estate it offers to its investor clients, and the ability to execute with a sense of speed to steadily build up a track record based on that logic". This DNA is based on confidence in the company's target market, the Tokyo area, and a decision-making style based on clear goal setting, and is brought about by the leadership of founder and CEO, Mr. Kim. This DNA has also built and strengthened the company's inimitability, "a system consisting of multiple factors that tailors income-generating real estate to meet the needs of investors investing in the Tokyo area".

The company has announced its long-term group policy, "GLM1000" with a goal of achieving ordinary profit of over ¥100 billion by 2040. Furthermore, its medium-term management plan, "GLM100", which ends in FY12/27, calls for average annual growth rates of 15.7% in net sales and 24.9% in ordinary profit from FY12/24. The key to this will be the full-scale profit contribution of the land planning business and revitalization business, which began in FY12/23 and have relatively high profit margins.

In addition, as off-balance sheet assets become more widespread, expectations are high that capital turnover will accelerate and collaboration with external players will expand, leading to an increase in development projects and the accumulation of stable operating income, which will in turn accelerate the shift to a more predictable earnings structure. Furthermore, an increase in off-balance sheet assets could lead to a further increase in ROIC through improvements to the already high inventory turnover and total asset turnover. These factors will further differentiate the company from its competitors that rely on property sales, justifying its already high valuation and increasing the room for an additional premium.

Strategy Advisors Inc.
Keita Fujino



Stock Price and Trading Volume (Past 1 Year)



Source: Strategy Advisors

Key Indicators

Stock Price (10/17/25)	2,735
52-Week High (10/8/25)	2,973
52-Week Low (10/25/24)	1,075
All-Time High (10/8/25)	2,973
All-Time Low (3/19/20)	220
Shares on Issue (mn)	16.0
Market Capitalization (¥bn)	43.8
EV (¥bn)	53.8
Equity Ratio (12/24 Actual, %)	31.8
ROE (12/24 Actual, %)	33.3
PER (12/25 CoE, x)	10.7
PBR (12/24 Actual, x)	3.8
Dividend Yield (12/25 CoE, %)	2.8

Source: Strategy Advisors

With project revenue (property sales) as its core and off-balance sheet assets yet to be fully implemented, the company is only just entering its next growth stage.

The diversification of the business through the full-scale implementation of land planning and revitalization businesses, and the shift in earnings structure brought about by the full-scale implementation of off-balance sheet assets, will likely increase the likelihood that the company will move up from a "developer of condominiums for investors" to an "asset management partner that accompanies and supports domestic and international institutional investors investing in Japanese real estate over the long term". This move up to the next stage is an "exciting dream" and we believe that this, combined with a further rise in valuation, will be factored into the stock price, which will be the core of the medium-term equity story.

Japanese GAAP - Consolidated

FY	Net Sales (¥mn)	YoY (%)	Operating Profit (¥mn)	YoY (%)	Ordinary Profit (¥mn)	YoY (%)	Net profit (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
12/20	26,840	7.0	1,365	-12.7	1,028	-24.7	686	-20.9	45.1	17.5
12/21 Non-consolidated	30,675	14.3	1,677	22.8	1,487	44.7	1,423	107.4	91.0	17.5
12/22	35,673	16.3	2,776	65.5	2,278	53.2	1,458	2.5	91.8	26.3
12/23	41,258	15.7	4,586	65.2	4,260	87.0	2,878	97.3	180.4	50.0
12/24	64,482	56.3	5,732	25.0	5,138	20.6	3,413	18.6	213.3	65.0
12/25 CoE	72,000	11.7	6,700	16.9	6,000	16.8	4,100	20.1	256.1	77.5

Note: Only non-consolidated results are disclosed for FY12/21. YoY change for FY12/21 is a comparison with consolidated results for FY12/20. YoY change for FY12/22 is a comparison with non-consolidated results for FY12/21.

Starting from FY12/23, loan fees that had previously been recorded as selling, general and administrative expenses are now recorded as non-operating expenses. Retroactive adjustments were made as the new accounting method was applied up until FY12/22.

However, there has been no retroactive adjustment prior to FY12/21. EPS and DPS are amounts adjusted for the impact of the stock split.

Source: Company Data. Compiled by Strategy Advisors.

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Executive Summary

"Comprehensive Guide to Successful Real Estate Investment in Japan businesses That Provide Solutions"

GLOBAL LINK MANAGEMENT has grown by developing the "ARTESSIMO" series of small condominiums for investment properties, specializing in the Tokyo area. When the Company was first established, its clients were mainly domestic individual investors, but since around 2017, it has begun to include domestic and international institutional investors and major domestic business companies. The Company's current core clients are defined as "investors investing in real estate in Japan, particularly in the Tokyo area". As its clients change, it is more fundamental to view the Company not as a provider of "small condominiums for investment properties", but as a provider of "comprehensive solutions that lead to successful real estate investment in Japan".

CEO Daejoong Kim's Background and Company History

CEO Daejoong Kim, having overcome the threat of bankruptcy with his family's business, recognized the usefulness of income-generating real estate and saw the social significance of providing income-generating real estate, leading him to decide to start a business in this field. Shortly after founding the company in 2005, he launched his own brand, the "ARTESSIMO" series, and grew by focusing on small condominiums for investment properties in the Tokyo area. He overcame changes in the external environment such as the Lehman Shock and went public 12 years after founding. Even after going public, Mr. Kim has continued to expand the business with his agile management style.

GLOBAL LINK MANAGEMENT's "Corporate DNA"

The company's "corporate DNA" is "the ability to build winning logic to maximize the value of the income-generating real estate it offers to its investor clients, and the ability to execute with a sense of speed to steadily build up a track record based on that logic". This DNA is based on confidence in the company's target market, the Tokyo area, and a decision-making style based on clear goal setting. It has been brought about by Mr. Kim's leadership and cultivated as an organizational culture. This DNA, through its commitment to "continuing to be chosen by customers", has driven the company to elevate itself from a "real estate property sales company" to a "real estate investment partner for investor clients".

Inimitability Built on 3 Factors

In the company's business, inimitability is "a system consisting of multiple factors that tailors income-generating real estate to meet the needs of investors investing in the Tokyo area". Specifically, the multiple components are (1) a deep understanding of investor needs, (2) purchasing know-how and networks in the real estate market, primarily in the Tokyo area and (3) a consistent system of business processes for tailoring income-generating real estate. Looking at each individual factor alone, the company's inimitability is high, but it is believed that the fact that these factors are linked to each other further enhances the company's inimitability.

Performance Trends

Compared to its initial public offering in 2017, net sales increased 5.6x and ordinary profit grew 9.7x by FY12/24. The ordinary profit margin fell sharply in FY12/20 due to the impact of COVID-19, but has since recovered, exceeding 10% in FY12/23. In FY12/24, increased sales and contributions from the land planning business and revitalization business were added, but rising material prices in the development business also contributed to an increase in profits, resulting in a decline in the ordinary profit margin.

Long-Term Group Policy "GLM1000" and Medium-Term Management Plan "GLM100"

The company aims to achieve CAGR of 25% in ordinary profit until 2040, and to achieve ordinary profit of over ¥100 billion in 2040. To achieve this "GLM1000" goal, the medium-term management plan "GLM100", which ends in FY12/27, aims for net sales of ¥100 billion and ordinary profit of ¥10 billion in FY12/27, with CAGR of net sales increasing by 15.7% and ordinary profit increasing by 24.9% from FY12/24.

Stock Price Outlook and Equity Story

Since 2020, the company's relative stock price has generally exceeded that of TOPIX and comparable companies. Valuation is also higher than that of comparable companies. For the time being, stock price formation is likely to continue with an eye on the target figures for the final year of the medium-term management plan (net sales of ¥100 billion and ordinary profit of ¥10 billion).

The key to achieving this mid-term management plan is whether the land planning business and revitalization business, which began in FY12/23, will begin to make a full-scale contribution to earnings. Currently, the company's earnings are mainly from the development business, which generates property sales, but an increase in the sales composition ratio of the land planning business and revitalization business, which have relatively high profit margins, will lead to an increase in the gross profit margin, which is by no means high compared to competitors, and this could lead to an increase in the investment attractiveness of the company relative to competitors.

In addition, as off-balance sheet assets become more widespread, expectations are high that capital turnover will accelerate and collaboration with external players will expand, leading to an increase in development projects and the accumulation of stable operating income, which will in turn accelerate the shift to a more predictable earnings structure. Furthermore, an increase in off-balance sheet assets could lead to a further increase in ROIC through improvements to the already high inventory turnover and total asset turnover. This will further differentiate the company from its competitors that rely on property sales, justify its already high valuation, and increase the room for an additional premium valuation. With project revenue (property sales) as its core and off-balance sheet assets yet to be fully implemented, the company is currently in the early stages of its next growth phase.

The diversification of the company's business through the full-scale launch of its land planning and revitalization businesses and the shift in its earnings structure brought about by the full-scale implementation of off-balance sheet assets, will likely see the company move up from a "developer of condominiums for individual investors" to an "asset management partner that provides long-term support to domestic and international institutional investors and major business companies investing in Japanese real estate".

According to the company, demand from overseas institutional investors with a track record of investing in Japanese real estate alone is approximately 13x its current supply capacity. Moving up to the next level is the company's "exciting dream" and we believe that this, coupled with a further rise in valuation and penetration into the stock market, will be the core of its medium-term equity story.

1. Providing Comprehensive Solutions to Lead to Successful Real Estate Investment in the Tokyo Area

A Real Estate Developer Specializing in Small Condominiums for Investment Properties in the Tokyo Area

GLOBAL LINK MANAGEMENT is a real estate developer founded in 2005 by CEO Daejoong Kim. The company has grown by developing the "ARTESSIMO" series of small condominiums for investment properties in the Tokyo area. In the 5 years after its founding, the company has established a comprehensive service system, which is one of the sources of its current competitiveness. While most of its clients at the time of its founding were domestic individual investors, from around 2015 it began to attract wealthy individuals from overseas, and from around 2017 it began to attract both domestic and international institutional investors and major business companies.

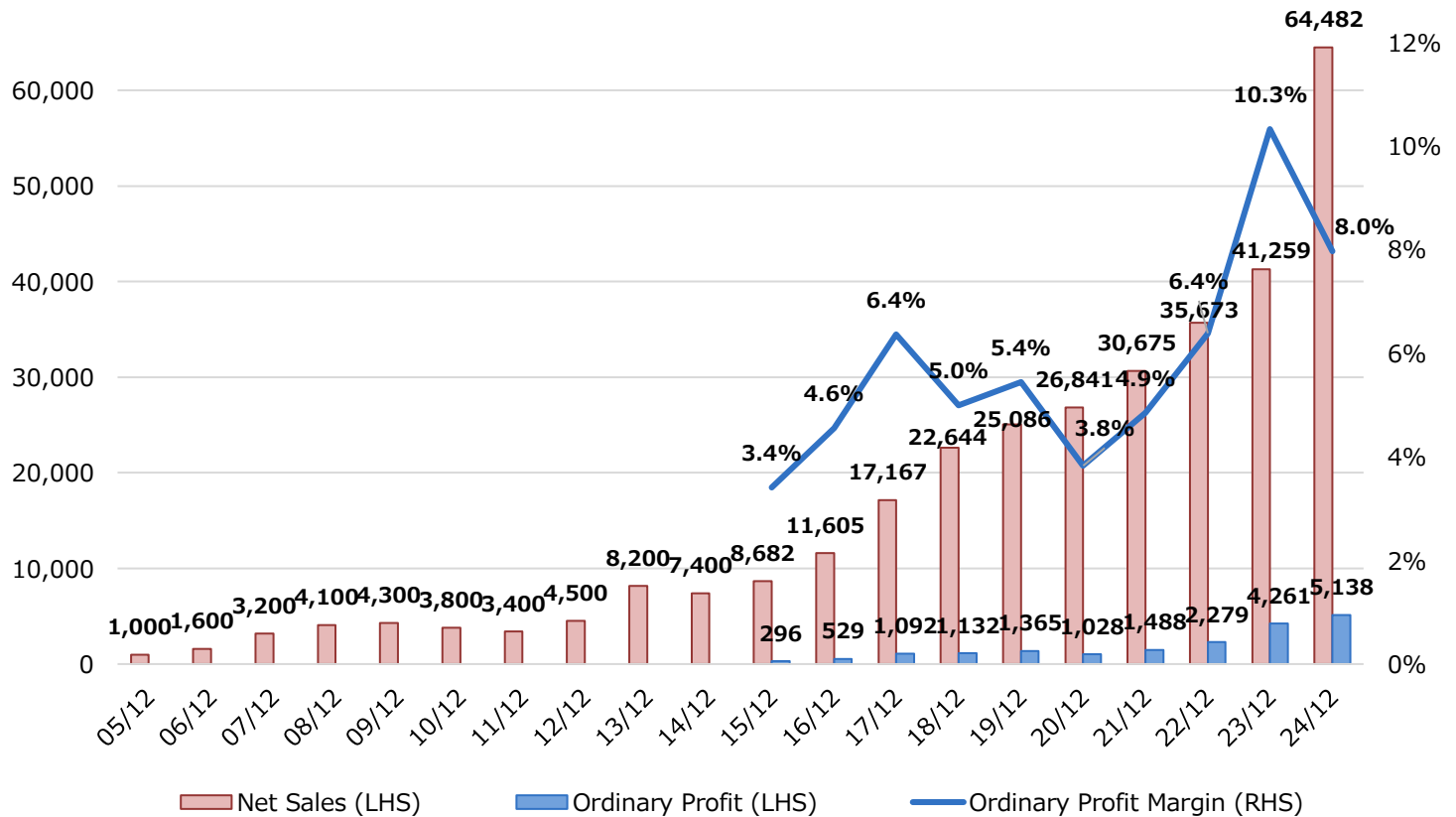
The Essence Is a Company That Provides" Comprehensive Solutions to Lead to Successful Real Estate Investment in Japan"

Considering this transition, the company can be seen not as a provider of "small condominiums for investment properties", but as a provider of "comprehensive solutions to lead to successful real estate investment in Japan". Furthermore, it is more essential to understand the company's customers as "investors of real estate in Japan, particularly in the Tokyo area", rather than "buyers of small condominiums for investment properties". In fact, the company itself has come to place emphasis on domestic and international institutional investors and major business corporations as customers, and in order to meet the demand of customers who are keen to invest in real estate in the Tokyo area; it is expanding into asset classes other than residential properties and diversifying its revenue models beyond development, such as land planning and revitalization businesses.

Since Listing in 2017, Net Sales Have Increased 5.6x and Ordinary Profits Have Increased 9.7x

The company was listed on the Tokyo Stock Exchange Mothers market in December 2017. At the time of listing, net sales were ¥11.605 billion and ordinary profit was ¥529 million (FY12/26 results). Since then, in the 8 years up to FY12/24, net sales have increased 5.6x and ordinary profit has increased 9.7x.

Figure 1. Trends in GLOBAL LINK MANAGEMENT's Net Sales and Ordinary Profits



Note: FY21/12 is non-consolidated financial results
 Source: Company Data. Compiled by Strategy Advisors.

In the Securities Report, the Real Estate Solutions Business is a Separate Segment

The company's business is divided into 2 segments: the Real Estate Solutions business, which develops, sells, and manages rental properties for investment purposes; and the IT/DX-related business, which was established through the establishment of consolidated subsidiary AtPeak in December 2023. As the IT/DX-related business accounts for only a small proportion of the overall business, detailed disclosure is omitted and it is listed as a separate segment in the securities report.

Until FY12/22, the company had a segment called the Property Management Business, which handled property rental management, but this was incorporated into the Real Estate Solutions Business in FY12/23. This was in line with organizational changes that allowed for integrated decision-making and performance evaluation for property sales and rental management.

Figure 2. Net Sales and Operating Profit by Segment (¥mn)

Net Sales		By Segment				
		Real Estate Solutions	Composition	Property Management	Composition	Adj.
12/20	26,840	24,212	90.2%	2,628	9.8%	-
12/21 Non-consolidated	30,675	28,093	91.6%	2,581	8.4%	-
12/22	35,673	32,817	92.0%	2,856	8.0%	-
12/23	41,258	41,258	100.0%	-	-	-
12/24	64,482	64,482	100.0%	-	-	-

Operating Profit		By Segment				
		Real Estate Solutions	OP Margin	Property Management	OP Margin	Adj.
12/20	1,365	1,153	4.8%	211	8.1%	-
12/21 Non-consolidated	1,677	1,505	5.4%	210	8.2%	-38
12/22	2,766	-	-	-	-	-
12/23	4,586	4,586	11.1%	-	-	-
12/24	5,732	5,732	8.9%	-	-	-

Note: Only non-consolidated results are disclosed for FY21/12. There will be no property management business from FY12/23 onwards.

Starting from FY12/23, loan fees that had previously been recorded as selling, general and administrative expenses are now recorded as non-operating expenses.

Operating profit has been retroactively adjusted based on the new accounting method, and has not been retroactively adjusted for FY12/21 and earlier. However, the breakdown of segment profits based on the new accounting method for FY12/22 has not been disclosed.

Source: Company Data. Compiled by Strategy Advisors.

Mission, Vision, Values

The company's group mission is "Creating value for the future through investment". Its group vision is "Become a sustainable corporate group leading the world" and its group values are being "No.1, Ambition and Co-Creation."

The company group is made up of several companies, but the company mission of the company involved in the real estate business field is to "realize a prosperous society through real estate", while AtPeak, which operates in the DX-related field, has the company mission of "innovating all businesses with technology".

The "No.1" in the group values refers to aiming to be "a top company in terms of employee pride (pride as professionals who maximize the value of real estate and services)", "No. 1 in customer excitement (pursuit of excitement and gratitude that goes beyond customer satisfaction)" and "No. 1 in business scale (commitment to business scale and recognition to create prosperity for people and society)".

"Challenge" specifically refers to "challenges to speedy management", "challenges to reform", "challenges to expand one-stop business" and "co-creation" refers to "co-creation of business that leads to a 'triple win' for the environment, society and our company".

Until FY12/24, the Founding President Held the Majority of the Shares

The company was listed on the Tokyo Stock Exchange Mothers in December 2017 and then on the First Section of the Tokyo Stock Exchange in December 2018 (subsequently, following a review of the Tokyo Stock Exchange's market classification, it moved to TSE Prime in April 2022). As of November 2017, just before the listing on the Tokyo Stock Exchange Mothers, founder and CEO Daejoong Kim held 82.80% of the shares (46.00% himself and the remainder from asset management company G2A). Mr. Daejoong Kim held 36.80% of the shares, with other investors being directors and several business companies. Since then, his ownership ratio has gradually decreased, and as of the end of December 2024, Mr. Daejoong Kim's ownership ratio had fallen to 55.61% (21.87% himself and 33.74% by the asset management company). In addition to Mr. Kim's holdings, several former directors are listed as major shareholders.

As of the end of FY12/24, the shareholding ratios by category (after taking into account treasury shares) were 55.77% for individuals and others, 35.30% for other corporations and 3.42 % for foreign corporations. Excluding Mr. Daejoong Kim's stake, other corporations account for 1.56% and individuals and others account for 33.90%, meaning that in fact the majority of shareholders are individuals and others.

Mr. Daejoong Kim's Stake Fell Below the Majority in the June 2025 Stock Offering

Furthermore, with the aim of improving stock liquidity, complying with the Prime Market listing maintenance standards, and eliminating the company from the list of corporations subject to retained earnings tax, Mr. Daejoong Kim sold 1,100,000 shares on June 4, 2025. As a result, Mr. Daejoong Kim's stake has decreased from 55.61% at the end of FY12/24 to 47.65% as of the end of June 2025 (13.98% himself, 33.67% by G2A (asset management company)).

Mr. Daejoong Kim's Offering Easily Cleared the Market Capitalization Standard

The company is listed on the TSE Prime market and must meet the criteria to maintain its Prime market listing. During the calculation period for FY12/24, the "market capitalization of outstanding shares", one of the items required to maintain the listing, was only ¥7.21 billion, falling short of the ¥10 billion benchmark.

However, as of the first quarter financial results disclosure date, the market capitalization of tradable shares, calculated by multiplying the market capitalization (approximately ¥31.2 billion) by the tradable share ratio (42.7%) as of the end of March 2025, was approximately ¥13.3 billion, clearing the criteria. Furthermore, as a result of the above-mentioned secondary offering, the tradable share ratio rose to 50.8%, and as of August 7, 2025, the market capitalization of tradable shares was ¥18.2 billion, thereby safely meeting the criteria.

Figure 3. Shareholder Composition of GLOBAL LINK MANAGEMENT

Classification	Ownership Ratio	
	FY12/24	(Excl. Treasury Stock)
Individuals and Others	55.77%	55.77%
Foreign Corporations, etc.	3.42%	3.42%
Financial Institutions	0.99%	0.99%
Other Corporations	35.30%	35.30%
Financial Instruments Traders	4.51%	4.51%
Of Which, Directors (Titles Omitted)		
Daejoong Kim	55.61%	55.61%
o/w Daejoong Kim	21.87%	21.87%
o/w G2A (Asset Management Company)	33.74%	33.74%
Ichiro Kasahara	–	–
Hitoshi Sugitani	0.00%	0.00%
Motohiro Koto	0.00%	0.00%
Kazuyuki Nakanishi	–	–
Maki Itakura	–	–

Note: The ownership ratio is calculated using the number of shares outstanding minus the number of treasury shares.

Source: Company Data.

Figure 4. Major Shareholders of GLOBAL LINK MANAGEMENT

(Titles Omitted)	Ownership Ratio	
	FY12/24 (Excl. Treasury Stock)	FY06/24 (Excl. Treasury Stock)
G2A Co., Ltd.	33.74%	33.67%
Daejoong Kim	21.87%	13.98%
Yasumasa Tominaga	4.20%	4.22%
Yosuke Yuki	1.87%	2.68%
BNYMSA/NVFORBNYMFORBNYMGCM	–	2.01%
CLIENTACCTSMILMFE	–	–
Mitsubishi UFJ Morgan Stanley Securities	2.24%	1.67%
Toyo Suzuki	1.44%	1.45%
BNYGCMCLIENTACCOUNTJPRDAC ISG (FE-AC)	–	1.44%
Naoki Tomita	1.37%	1.38%
Taniguchi Koumuten	1.26%	1.26%
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN(CASHPB)	1.00%	–
SBI Securities	0.80%	–

Note: The ownership ratio is calculated using the number of shares outstanding minus the number of treasury shares.

Source: Company Data.

2. Resume of President Daejoong Kim and GLOBAL LINK MANAGEMENT

1) The Background Leading to Decision to Start a Business in the Real Estate Industry

The CEO Was Born in Chinatown and Grew up in a Merchant Family

Mr. Daejoong Kim was born in 1974 in Chinatown, Yokohama, Kanagawa Prefecture, and grew up there until he graduated from high school. He is a third-generation Korean resident in Japan, whose grandparents immigrated to Chinatown from the Korean Peninsula. His grandmother worked in a variety of businesses and his grandfather made a living as a trader. They eventually purchased property in Chinatown and began operating a real estate business. A property management business was added to the Kim family business and this can be said to be the origin of Mr. Kim's involvement in the real estate industry.

Both of Mr. Kim's parents were devout Christians and his father was a man of such character that he became a church elder at a young age. His mother, on the other hand, worked diligently 365 days a year and remained cheerful even in difficult situations. Mr. Kim says he learned the "spirit of altruism" from his father and the "spirit of never giving up and persevering" from his mother.

He Is Aiming to Be a Lawyer...

Mr. Kim grew up being told by his father to become a doctor or a lawyer. Since his older brother went on to medical school, he went on to study at Kanagawa University Faculty of Law with the aim of becoming a lawyer.

Mr. Kim's father had worked for a company for many years, but in 1990, in his 40's, he quit his job and opened a restaurant. However, the bubble economy burst soon after the opening and the business suddenly fell into difficulties, leaving the family with huge debt. They were forced to lay off employees and the whole family had to run the restaurant, so Mr. Kim spent his university years helping out at the family restaurant. Due to these circumstances, Mr. Kim had no choice but to give up on his dream of becoming a lawyer.

The Seeds of Hardship in the Family Business

The reason Mr. Kim was able to graduate from university even when his family business was struggling was because it provided rental income from real estate. While experiencing the harshness of a flow business like the restaurant business, he also keenly recognized how the stable income from income-generating real estate can help and be useful to others. This experience, which made him keenly aware that in business, if you don't win, your family and everyone else will be unhappy, nurtured within Mr. Kim the mindset to become an entrepreneur, and he gradually began to envision himself starting his own company and expanding it into the future.

With the Goal of Starting a Business in Mind, He Joined a Financial Company as a New Graduate

Mr. Kim believed that the necessary skills to start a business were an understanding of the flow of money and a deep understanding of the real estate industry, so he joined Shoko Fund as a new graduate. He chose Shoko Fund because it is a financial institution with a strong track record of handling real estate-backed loans and he thought he would be able to gain know-how related to finance and real estate and learn the basics of sales.

Decided to Start a Real Estate Business

He quickly acquired the know-how he had aimed for when he joined the company, and then went on to work for a company run by a relative, working in the real estate industry. With the real estate finance know-how and sales skills that he had acquired, the business of his relative's company became stable, but having achieved his goal of stabilizing the business, Mr. Kim realized he felt unfulfilled because he had no next goal.

The turning point for him came when he bought his condominium home at the age of 27. Mr. Kim learned that the sales company for the condominiums he purchased from had started out with just one sales call over the phone and had gone public 5 years after it was founded. He was amazed that someone starting with no connections could go public in such a short time and he became convinced that introducing real estate and enriching the many people involved could be a great business.

Mr. Kim realized that what he lacked was an "environment" to grow, so he decided to spend a year learning in the investment real estate industry. He joined DEVEX, an investment real estate developer that was aiming for an IPO at the time. He chose DEVEX because it was a venture in an industry that could be listed and because it was a company that was completely merit-based.

He joined DEVEX with the intention of staying for just 1 year, and was put in charge of sales to real estate investors. From his past experience, Mr. Kim knew all about the appeal of income-generating real estate, so instead of selling properties, he adopted a style of providing solutions that utilized income-generating real estate and achieved the result of becoming the top salesperson within 6-months.

2) From Founding to Listing

Started a Business and Established GLOBAL LINK MANAGEMENT

As he had planned, he left DEVEX after 1 year and founded his own company in 2005. Mr. Kim was 30 years old at the time.

Mr. Kim's belief in business is that "if you can figure out the logic of a winning strategy, you will definitely succeed". He also believes that "once you have the logic of a winning strategy, all you have to do is follow through with a fighting spirit and you will succeed". And once you see the winning strategy, you want to act quickly. For this reason, speedy management has been the norm since the company was founded.

The Problem He Faced When He First Started His Business Was That He Couldn't Find What He Wanted to Sell.

Thanks to his experience at his previous job at DEVEX, he had no trouble finding real estate investors to serve as clients from the start of the company, and he also had no trouble getting loans from financial institutions for these investors. The problem was procuring properties. In his previous job, Mr. Kim was in charge of sales and marketing, so he didn't have the network or experience to procure properties. What's more, it was the booming period before the Lehman Shock and there was a shortage of properties across the industry. As a result, he found himself in a situation where he was constantly receiving purchase requests from real estate investors.

The Company's Own Brand "ARTESSIMO" Series Was Launched the Year

He overcame this situation by being approached by a real estate developer to sell the entire building, and from this experience, Mr. Kim decided to develop his own brand. With a private brand property, he would be free to create concepts and designs that would satisfy real estate investors and tenants and by creating a series, he could also brand it. This is how the "ARTESSIMO" series was born. In keeping with the company's

After the Company Was Founded

swift management style, the "ARTESSIMO" series was released to the world in 2006, the year after the company was founded.

Confident in the success of his company's brand, Mr. Kim began hiring new graduates from the very first year of the company's founding. In the investment real estate industry, where it was common for the companies that "create properties" and "sell properties" to be separate entities, Mr. Kim aimed from an early stage to provide a one-stop service, from land acquisition, planning and development, sales, building management, and rental management. Following the establishment of Global Link Partners, a property management company, in 2007, Mr. Kim established a one-stop business model within about 5 years of its founding (Global Link Partners was absorbed into the company in 2021).

The company also began expanding its lineup of affiliated loans early on, and the establishment of these systems became the foundation for the company's subsequent business expansion.

Starting Out in Property Sales, the Company Somehow Weathered the Lehman Shock

It should be noted that while the company was in the process of establishing this system, it experienced the Lehman Shock of 2008. Like other companies, the company fell into difficulties, but because it had started out by "selling properties" it had customers (places to sell), which helped it to make sales even though it took time and so the business did not come to a standstill.

Respond Quickly to Changes in the External Environment

The company has responded quickly and flexibly to changes in the environment, which has often strengthened its business model. For example, when the company was selling to individual investors, the 2011 amendment to the Real Estate Brokerage Business Act led to stricter regulations on telephone sales, and the company stopped using telephone sales and cold calling, which were the norm in the industry, and switched to attracting customers online using digital marketing in 2013, completely withdrawing from telephone sales in 2015.

Furthermore, by shifting from "push-style" sales, which persuades people who are not interested in investing, to "pull-style" sales, which makes proposals to those who are interested, the company was able to build healthy relationships of trust with investors, which subsequently led to the strengthening of its customer base.

3) Speedy Management Continues Even After Listing

Listed on the Stock Market 12 Years After its Founding

Having grown in this way, the company was listed on the Tokyo Stock Exchange Mothers in 2017 and the following year in 2018, it changed its market status to the First Section of the Tokyo Stock Exchange.

Speedy Management Remains Unchanged Even After Listing

Even after going public, the company's swift management style remained unchanged. For example, around the time the company went public, the Pumpkin Carriage scandal, which involved investments in shared houses for individual salaried investors, and the resulting Suruga Bank fraudulent loan scandal were becoming social issues in the investment real estate industry. At that time, the company decided that the risks of providing services to individual real estate investors had increased and began to consider shifting from retail sales, which were primarily aimed at individual investors, to sales to corporate investors.

The company also established an overseas business division in 2015, selling investment residences to individual investors overseas, primarily in Asia, and providing condominiums for international students. However, with the growing uncertainty caused by the spread of COVID-19 in 2020, the company quickly withdrew from these businesses. The company is quick to enter an area when it sees an opportunity and quickly to withdraw when it loses interest. This is truly speedy management.

There was also a time when the company was on the verge of a temporary funding shortfall, but it managed to get through it by selling entire buildings in bulk (all at once) to funds. It established SAGL Advisors, a joint venture with Star Asia Group, and gained experience in advising on investments to funds, which led to the creation of its current sales model for corporate investors. It can be said that the company is adept at turning crises into opportunities.

As the company's clientele shifted to corporate clients, it tapped into investor demand and focused on developing ESG residences. It then aimed to increase the asset value of its new residential properties by obtaining environmental certification for all of them. In 2021, the company launched several environmentally certified properties, and in February 2022, the company itself was registered and certified as a ZEH developer.

Furthermore, in 2024, the company established AtPeak and is now fully utilizing real estate digital transformation.

Mr. Kim decided to start his own business after his family's experience of facing bankruptcy, and he grew it into a listed company. He has said, "It is the crisis that creates the next opportunity and only those who take on the next opportunity will succeed". Mr. Kim, who values constant change through speedy management, has his sights set on making his company a company with ordinary profits of ¥100 billion by 2040.

4) Corporate DNA

Corporate DNA

Every company has its own DNA. A company's DNA is the unique values and management philosophy that are rooted in the organization and all employees, and it is often the source of a company's competitiveness. In many cases, the founder's vision evolves into the company's DNA as the company grows, but there are also cases where management succession, such as a change in management, occurs along the way, evolving the founding philosophy and instilling a new corporate culture. In any case, it is believed that creating a business strategy that makes use of the company's DNA and implementing it will increase the chances of success.

Core competence (a company's core capabilities) is brought about by highly inimitable resources, and the major factor that forms it is thought to be the company's DNA. Just as people can win by competing in their areas of expertise, the formula for success for companies is to expand their business in areas that are rooted in their DNA.

GLOBAL LINK MANAGEMENT'S DNA

Given the company's origins, the company believes its corporate DNA is "the ability to build winning logic to maximize the value of the income-generating real estate it offers to its investor clients and the ability to execute with a sense of speed to steadily build up a track record based on that logic". The key elements that make up this DNA are

(1) confidence in the Tokyo area, the market the company targets and (2) the company's decision-making style.

DNA Component (1): Confidence That Tokyo is the City of Choice

The company's operations are currently concentrated almost entirely in Tokyo, and "the value of income-generating real estate that the company aims to maximize" is essentially synonymous with "the value of income-generating real estate in Tokyo". Therefore, the company is convinced that Tokyo will continue to be the city chosen by investors, and believes that "specializing in the Tokyo area is the lowest risk and will enable it to provide stable value."

DNA Component (2): Decision-Making with Clear Goal Setting

A distinctive feature of the company's decision-making process is that it sets truly clear goals. What the company calls "winning logic" refers to goals that are set by taking into consideration such factors as whether profits can be generated, whether the investment and recovery of capital is clear and whether the target market will expand, as well as the path to achieving those goals.

This ability to build repeatable strategies based on quantitative and structural analysis, rather than intuition, is the result of Mr. Kim's strong leadership and has been demonstrated in responding to rapid changes in the external environment to date. Through this experience of turning crises into opportunities time and time again, this has become ingrained in the company's organization as part of its DNA.

The Company's DNA is The Source of its Commitment to "Continuing to Be Chosen by Customers"

Furthermore, the company's corporate DNA is the source of its deep commitment to "continuing to be chosen by customers. Contrary to commonly used phrases, for the company, "being chosen by customers" means "not ending with a single transaction, but building a relationship where customers reinvest or introduce you again and again".

This deep commitment, rooted in the company's DNA and the continued efforts to achieve their goals, are what drive the company to become not just a "real estate property sales company" but " a real estate investment partner for its investor clients".

3. GLOBAL LINK MANAGEMENT's Management Strategy from the Perspective of Business Strategy Theory

1) Michael Porter's Positioning Theory Approach

GLOBAL LINK MANAGEMENT is Developed by Combining Differentiation Strategy & Focus Strategy

Michael Porter argues that in order to succeed in a certain industry, it is necessary to take a clear position. In positioning theory, there are 3 basic strategies for taking a specific position and building a competitive advantage: 1) Cost leadership. It can be said that the company has developed its business by combining a differentiation strategy and a focus strategy.

A Differentiation Strategy to Provide Value as a "Partner in Real Estate Investment in the Tokyo Area"

A differentiation strategy is a strategy that aims at a wide range of targets, but gains an advantage over competitors by providing unique added value that customers recognize, rather than low cost. It can also be said to be a strategy that provides value that cannot be obtained from other companies and that customers are willing to pay for.

The company seems to be differentiating itself by taking the stance of "supporting customers' asset management" rather than simply "selling" properties. This is due to (1) the strong brand power of the "ARTESSIMO" series, which has been developed over many years, backed by its location and design, as well as the accumulation of value beyond the property itself, such as low vacancy risk and ease of future sale. It is also due to (2) an integrated system that covers everything from rental management to building management after property purchase.

As a result, the company provides properties that are likely to produce results in asset management and also accompanies the management of those properties, providing value as a "partner in real estate investment in the Tokyo area" that other companies do not offer.

Focused Strategy Based on Area of Development, Customer Segments & Product Types

A focus strategy is a strategy that concentrates management resources in a narrow, specific market (customer segment, region, specific product, etc.) to gain a competitive advantage. To gain a competitive advantage, it is essential to make choices that are different from competitors, in other words, to make trade-offs.

In the case of the company, it has expanded its business by concentrating on "central Tokyo" as its area of operation, "real estate investors" as its customer base and "small condominiums for investment properties" as its product type. The concrete results of this concentration strategy are evident in the fact that the "ARTESSIMO" series, which was launched in the second year after the company's founding, has become a long-selling real estate investment product (more on the "ARTESSIMO" series later).

Regarding product types, the company has decided to expand its asset types, but this will involve applying the "winning logic" established by the "ARTESSIMO" series to different asset types, which can also be said to be a horizontal expansion of the results of past focused strategies.

GLOBAL LINK MANAGEMENT's Core Competence is "The Ability to Clarify Investor Needs and Tailor the Best Real Estate Investment Products for Them"

2) Resource-Based View (RBV) Approach

In contrast to Porter's positioning theory, there is an approach called the "resource-based view (RBV)" that focuses on a company's management resources. Within the RBV approach, some emphasize core competence (a company's core ability that provides value

In the case of this company, its core competency is "the ability to clarify investor needs and tailor the best real estate investment products for them" and its capability is "the system and organizational culture that enables it to systematically and repeatedly provide the best real estate investment products for investors".

Jay Barney, a leading authority on RBV, discusses both core competencies and capabilities as resources in a broad sense and then proposes VRIO as a framework for checking the strength of a company's resources. Barney lists "Value", "Rarity", "Inimitability", and "Organization" as evaluation criteria for the effective utilization of a company's resources. VRIO is an acronym for these 4 evaluation criteria, and Barney believes that resources that have "Inimitability" and are backed by an "organization" in particular contribute to competitive advantage.

3) Inimitability of GLOBAL LINK MANAGEMENT

Inimitability is a System That Tailors Income-Generating Properties to Meet the Needs of Investors Investing in the Tokyo Area

Whether something is highly inimitable or not is assessed based on whether it is impossible to imitate in the first place or whether attempting to imitate it would require enormous costs.

The company's Inimitability is "a system consisting of multiple factors that tailors income-generating properties to meet the needs of investors investing in the Tokyo area". Strategy Advisors believes that this will be the source of the company's competitive advantage.

3 Factors That Make up Inimitability

The company's "system for tailoring income-generating properties to meet the needs of investors targeting the Tokyo area" can be broken down into the following 3 factors.

- (1) Deep understanding of investor needs
- (2) Purchasing know-how and networks in the real estate market, primarily in the Tokyo area
- (3) A consistent system of business processes for creating income-generating real estate

The company's inimitability is thought to be high for each of the 3 factors individually, but the fact that these factors are linked to each other also creates "ambiguity of causality (the characteristic of not being able to clearly see from the outside which activities are linked to which specific results)", further increasing the company's inimitability.

Inimitability is Based on the Growth Factors of the "ARTESSIMO" Brand

The individual factors that make up inimitability will be detailed in section "4. Current state of business - overall". Here, we will only mention the key points of each factor, but each factor is based on the factors that have led to the growth of the "ARTESSIMO" brand.

Inimitability Factor (1) "Deep Understanding of Investor Needs"

The 1st factor, "deep understanding of investor needs", is particularly important as the company's client base shifts to domestic and international institutional investors and major business corporations. This does not simply mean that the company has clients from domestic and international institutional investors and major business corporations, but rather that the company clearly understands the returns that clients seek from real estate investments. This is an area of know-how that is difficult to see from the outside, leading to high inimitability.

Inimitability Factor (2) "Purchasing Know-How & Network Mainly in the Tokyo Area"

The 2nd factor, "purchasing know-how and network, mainly in the Tokyo area", refers to the relationships the company has with local real estate agents and landowners. This has been built up over a long period of 18 years since the "ARTESSIMO" brand was launched in 2006. This is not simply a matter of having a well-established information network; it is also related to the fact that suppliers choose the company due to factors such as the company's negotiating ability, speed of decision-making and past track record, making it difficult for other companies to catch up.

Inimitability Factor (3) "A Consistent System of Business Processes for Creating Income-Generating Real Estate"

The 3rd factor, "A consistent system of business processes for creating income-generating real estate," is a system that allows all processes to be carried out in-house without outsourcing. This involves accumulating business know-how for each business process and building an organization suitable for operating the business. It is difficult to achieve both scalability and quality control and it would likely take a huge amount of time and capital for other companies to imitate it.

4. Current Status of Business – Overall

1) Customers and Value Proposition

The Primary Customers Are Investors in Real Estate in Japan, Especially in the Tokyo Area

At first glance, the company appears to be a provider of "small condominiums for investment properties", but in reality, it is a provider of "comprehensive solutions to lead to successful real estate investment in Japan". In this light, it would be more appropriate to describe the company's primary customers as "investors of real estate in Japan, particularly in the Tokyo area", rather than "buyers of small condominiums for investment properties".

Customer Transition

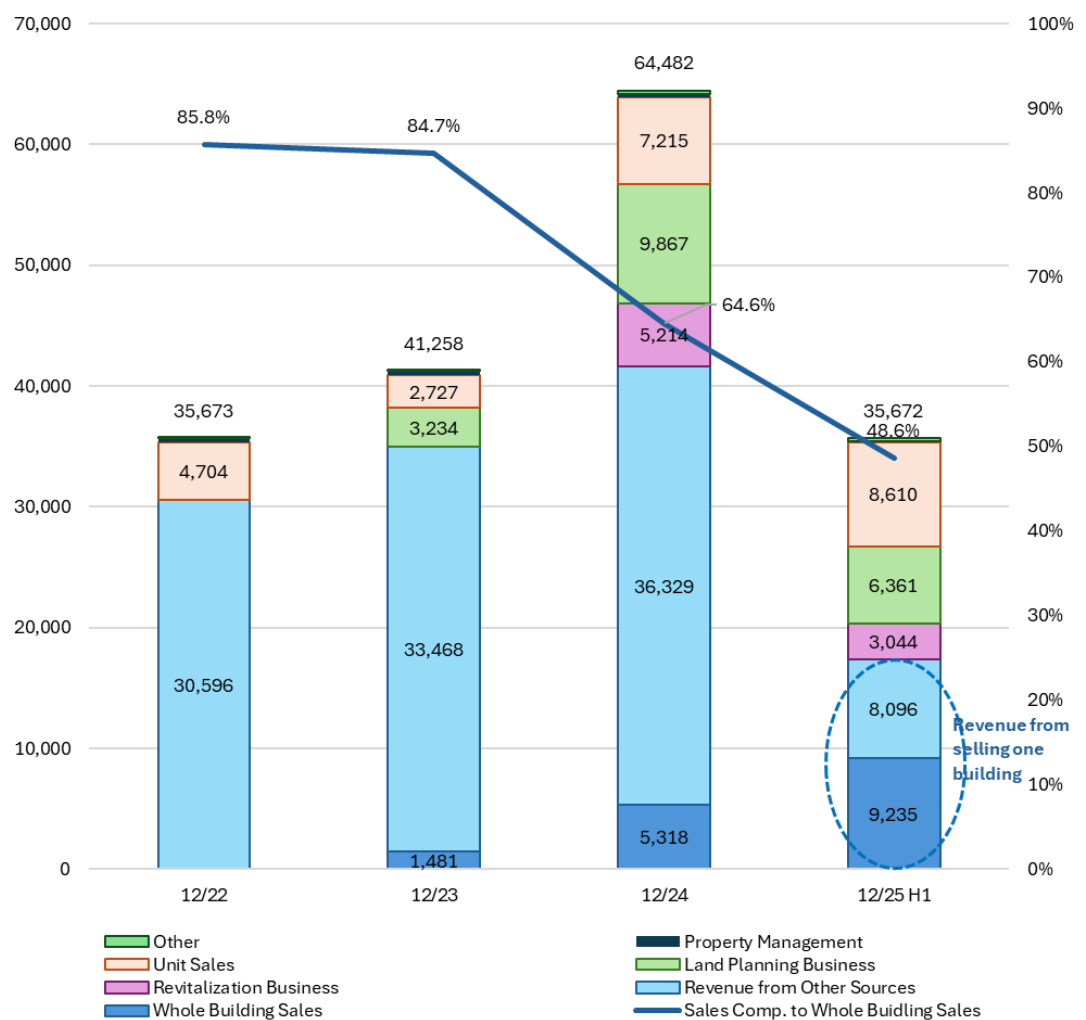
According to the company, when it was first established, most of its clients were domestic individual investors, but from around 2015, it began to attract wealthy individuals from overseas. Furthermore, from around 2017, it began to include domestic and international institutional investors and major domestic business companies as clients and currently sells exclusively to these corporate clients.

In fact, as shown in Figure 5, looking at the company's revenue breakdown, in FY12/24, unit sales, which are likely to be primarily for individual investors, accounted for only around 10% of the total. Furthermore, the majority of revenue comes from single-unit sales to domestic and international institutional investors and major domestic business companies (other revenue, which is mostly single-unit sales, is also considered single-unit sales). In order to shift its main customer base to domestic and international institutional investors and major domestic business companies, the company has already stopped new sales of condominium units to individual investors and redeployed personnel to other businesses. ("Unit sales" includes both direct sales

by the company and wholesale to sales companies that sell units; the most recent "unit sales" refers only to wholesale to sales companies.) As a result, one could say that the company's customer-centric business model has changed from a B2C model to a B2B model.

As will be explained in detail in "8. Medium to Long-Term Outlook 2) Demand Forecast by GLOBAL LINK MANAGEMENT", the investment budget for Japanese real estate over the next 3 years of overseas institutional investors with which the company has a track record of doing business is approximately 13x the company's current supply capacity. This is evidence that the company already has a customer base with the potential to expand its business scale in proportion to its increased supply capacity.

Figure 5. Trends in Revenue by Revenue Category (¥mn)



Note: "Other income" includes rental income related to lease transactions, but is subject to real estate liquidation using SPCs.

The revenue is mainly from the transfer of real estate, and is considered to be the sale of a single building. Therefore, "single building sales" in the "sales composition ratio of single building sales" also includes "other revenue." "Separate sales" includes direct sales by the company as well as wholesale to sales companies that sell by section.

Source: Company Data. Compiled by Strategy Advisors.

Value Provided to Customers

If the company's customers are domestic and international institutional investors and major domestic business companies, it can be said that these investors want to invest in real estate in Japan, especially in the Tokyo area, but have the following challenges: (1) they are unable to purchase actual properties, (2) they have a relatively small amount of detailed knowledge about Japanese real estate and (3) they are unsure whether their yield calculations are accurate.

The two things the company does to solve the problems these investors face are to "procure properties for investors and turn them into real estate products" and "handle the practical hassles of real estate investment on behalf of investors", which can be said to be the value it provides to customers.

2) A Customer-Centric, Integrated Value Delivery System

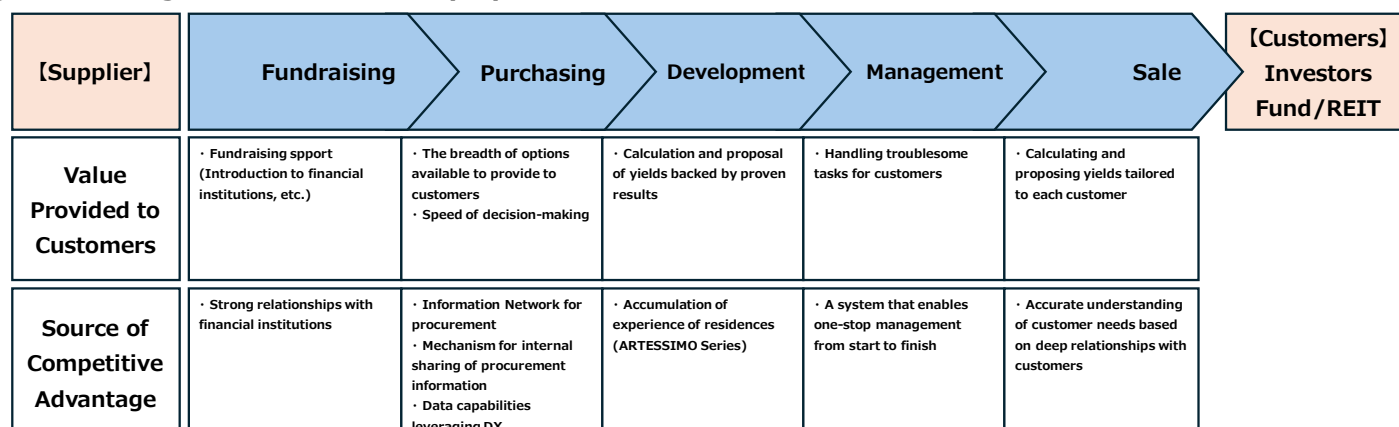
A Customer-Centric, Integrated Value Delivery System

To be able to provide this value, the company has integrated its business processes, and the integrated system it has built for this purpose is the source of its competitiveness that cannot be imitated by other companies. The features of the company's system are: (1) it is built from the customer's perspective, (2) information about customers and demand (especially information about the yield that customers are seeking) and purchasing information are quickly shared and (3) it is a system that does not end with the sale of income-generating real estate but maintains ongoing relationships with customers.

One of the most distinctive features, related to (3), is that for the "ARTESSIMO" series, the company handles rental management and building management, including tenant recruitment, rent collection, and move-ins and moves-outs, in-house. Because the property sales company and management company are the same, any issues can be resolved quickly and accurately by reporting them to the company. This makes it possible to maintain and improve the satisfaction of both owners (investors) and tenants. The company can also keep track of occupancy rates and market rents in real time, which helps speed up decision-making.

The company's end-to-end delivery system is shown in Figure 6. Each business process has its own source of competitive advantage, but by integrating these business processes, each source of competitive advantage is strengthened, which is thought to increase inimitability.

Figure 6. Integrated Value Delivery System



Source: Strategy Advisors.

3) Revenue Model

The Majority of Revenue is Flow Revenue from Property Sales

In both the real estate and digital transformation business areas, the company's revenue can be divided into flow revenue and stock revenue. Because revenue in the digital transformation business area is still minimal, if we focus on the real estate business area, while there are some services that generate stock revenue, the majority is flow revenue from property sales.

Figure 7. Revenue Sources by Business

	Business Item	Stock Revenue	Flow Revenue
Non-Consolidated	Development Business	Rent <Bridge> Fees <Project Management>	Whole Building Sales
Non-Consolidated	Land Planning Business	-	Purchase and Sale
Non-Consolidated	Revitalization Business	Rent	Whole Building Sales
Consolidated Subsidiaries	DX Business (AtPeak)	Maintenance and Support	Development and Installation/Sales of Equipment
Consolidated Subsidiaries	G&G Community	Fees <Building Management>	-
Equity-Method Affiliates	SAGL Advisors	Fees <Asset Management>	Success Fee at the Time of Sale

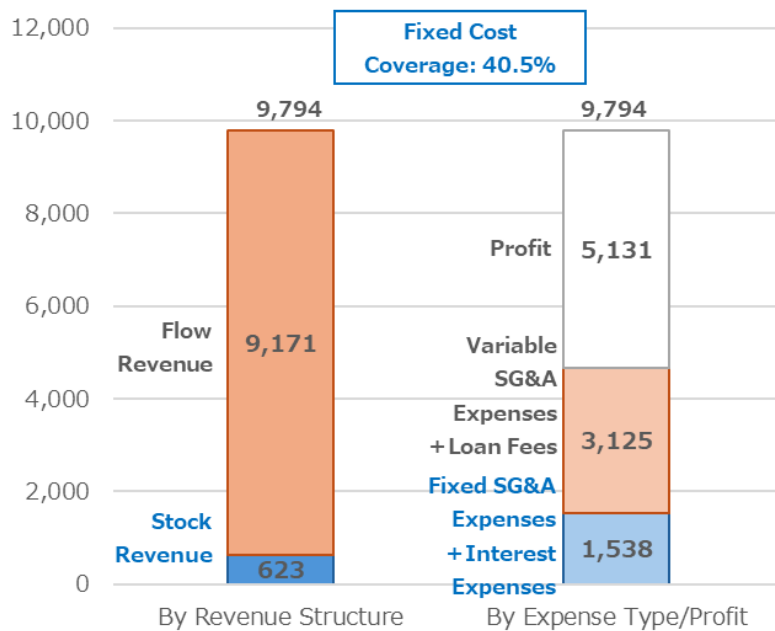
Note: Only non-consolidated results are disclosed for FY21/12. There will be no property management business from FY12/23 onwards. New sales of Retail 's sectional units have been suspended.

Source: Company Data. Compiled by Strategy Advisors.

The Mid to Long-Term Goal is to Cover Fixed Costs with Gross Profit from Stock Revenue

In the medium to long term, the company aims to cover its fixed costs (the sum of fixed SG&A expenses and interest expenses) with gross profit from stock revenue. As of FY12/24, the fixed cost coverage ratio (gross profit from stock revenue ÷ (fixed SG&A expenses + interest expenses)) was still only 40.5% and the company's policy is to increase the proportion of stock revenue while growing overall revenue.

Figure 8. Breakdown of Gross Profit for FY12/24 (¥mn)



Note: Profit does not match the operating profit on the financial statements because it includes interest expenses.

Source: Company Data. Compiled by Strategy Advisors.

4) Financial Trends

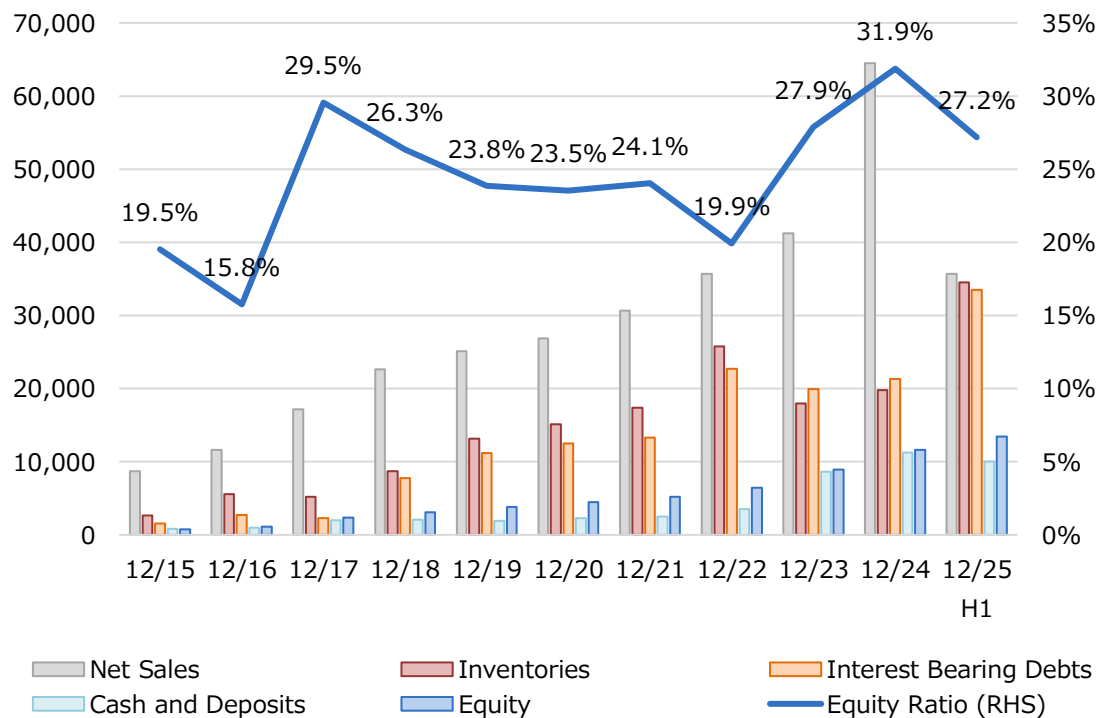
Maintaining a Relatively Stable Financial Position Despite Increasing Net Sales

Currently, the majority of the company's revenue comes from flow revenue from real estate sales. The company purchases land or existing real estate with its own funds, adds value to it and then sells it. Like other developers, the company faces financial burdens, and capital needs increase during growth phases when land purchases increase.

Even so, the company has maintained a relatively stable financial position even as net sales have increased. The company's equity ratio has temporarily declined due to growth investments, such as at the end of FY12/22, but has maintained a level of 20%. On a full-year basis, as of the end of FY12/24, the equity ratio rose to 31.9% (27.2% at the end of the first half of FY12/25) thanks to the company's strategic balance of growth and financial discipline.

Furthermore, the majority of the company's assets are current assets, and the way it holds inventory assets is key. Until the end of FY12/22, inventory assets had been increasing in line with the increase in net sales, but since the end of FY12/23, the company has promoted off-balance sheet development and diversified exits, and has been reducing inventory assets. As of the end of FY12/24, inventory assets were about twice the amount of net assets.

Figure 9. Changes in the Financial Status of GLOBAL LINK MANAGEMENT



Note: Only non-consolidated results are disclosed for FY12/21
 Source: Company Data. Compiled by Strategy Advisors.

Characterized by Fast Inventory Turnover

The balance sheet is not burdened too much even during periods of increased sales because of integrated business processes and fast inventory turnover.

The Existence of Off-Balance Sheet Development Projects is One of the Reasons for the Rapid Turnover of Inventory

The reason for the fast inventory turnover is not only the functioning of the integrated business process mentioned above. Another reason is that the company can bring projects to general contractors (whom the company calls partners), and then purchase and sell what the general contractors have developed, making it possible to carry out off-balance sheet development projects. As a result, the time from purchase to sale, which would normally take about two years, can be reduced to just half to 1 year.

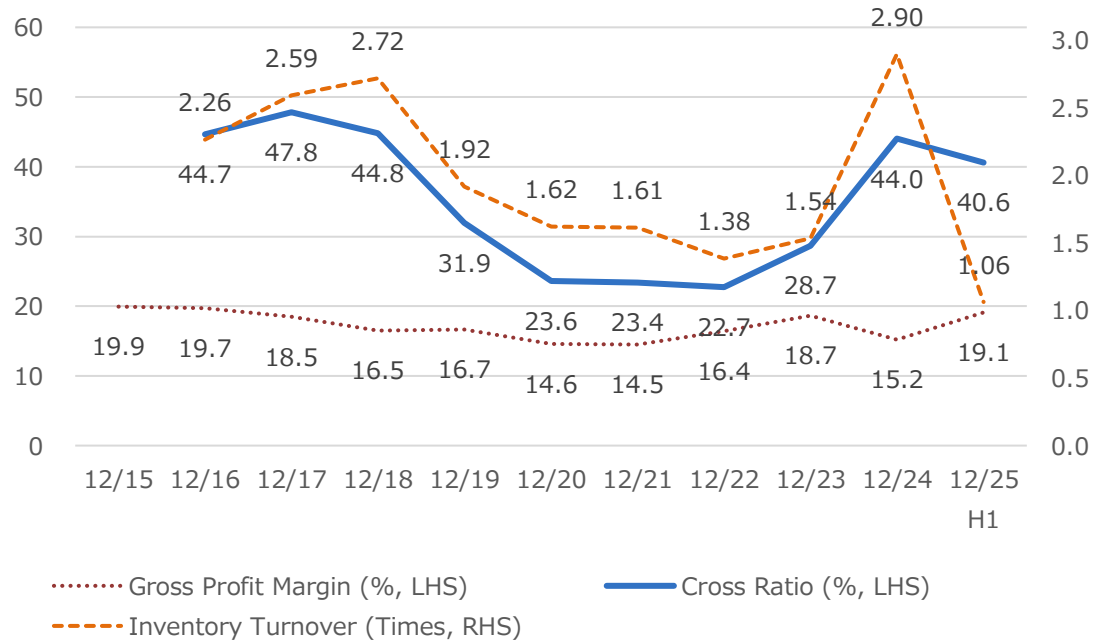
In addition, by consolidating sales into one building rather than selling in sections, and by selling multiple buildings together in bulk, the company is improving sales efficiency and speeding up inventory turnover. Furthermore, going forward, the company plans to utilize SPC to reduce the burden on its balance sheet and further speed up inventory turnover.

The High Crossover Ratio is Also Due to the Rapid Turnover of Inventory

This is reflected in the company's gross profit margin and inventory turnover ratio (the product of gross profit margin and inventory turnover ratio). The increase to 44.0% in the most recent FY12/24 was mainly due to an increase in inventory turnover to 2.90 times, reflecting the effect of the profit contribution from the land planning business and other businesses. Figure 19 compares the gross profit margin with other

companies and the fact that the inventory turnover ratio is the second highest suggests that this is leading to a high gross profit margin.

Figure 10. Trends in the Crossover Ratio of GLOBAL LINK MANAGEMENT



Note: Only non-consolidated results are disclosed for FY12/21

Crossover ratio = Gross profit margin x Inventory turnover ratio. When calculating the crossover ratio, the inventory turnover ratio is calculated based on the cost of sales.

Source: Company Data. Compiled by Strategy Advisors.

5. Current Status of the Business – Real Estate Business Area

The real estate business is further divided into development business, land planning business and revitalization business. Previously, the company only had development business, but in FY12/23 it launched land planning business and revitalization business.

1) Development Business

The company's development business has focused on residential properties. One of the factors that led to the company's growth has been its focused strategy of specializing in "small condominiums" in the Tokyo area. However, from FY12/23, the company began diversifying its asset types and expanding into areas other than residential properties.

Development Business Focuses on Residential Properties

"ARTESSIMO" Residence Series

The ARTESSIMO series, the company's own brand in the residential field, is a collection of small condominiums for investment properties that are primarily targeted at domestic and international investors seeking asset management and offer stable returns. This is a long-selling series that has been around since 2006 and although

individual investors were the primary target audience when it was first launched, the brand's versatility has made it accepted by a wide range of investors.

The brand concept is "provide modern and comfortable spaces" and the series offers rooms with floor space ranging from 20 to 50 m² (the most popular zone is around 25 m²).

Regarding location, the properties are selected based on the criteria of being located in 3Cs areas (within a 10-minute walk from the railway station, within 30 minutes of a terminal station, and with high land prices). The locations are primarily along major railway lines within Tokyo's 23 wards, within a 10-minute walk from the nearest station, and approximately 30 minutes from a terminal station. The development scale is ¥500 million to ¥2 billion per building and the development period (the period from purchasing the land to completing the building and selling) is two years.

Furthermore, starting in 2021, the company has been promoting "ESG Residences". Specifically, those that have obtained "ZEH-M Oriented" or "BELS (Level 4 or above)" certification are designated as "environmentally friendly condominiums" and "environmentally friendly condominiums" are made the standard specification. The company itself has also been certified under the ZEH Developer Registration System established by the Ministry of Economy, Trade and Industry. In this way, by putting "ESG Residences" at the forefront, the company is seeking to further differentiate itself.

Regarding building management, the company is entrusted with condominium management association operations and building management services by the condominium management associations of properties sold by the company. As part of its building management services, the company provides cleaning services such as daily cleaning and regular cleaning of common areas, as well as inspection and maintenance of various equipment installed in common areas.

Other Brands Besides Residences

In addition to residential properties, the company is building its own brand of urban hotels and commercial tenant buildings.

Urban Hotel "RESITEL"

The urban hotel "THE RESITEL" is based on the brand concept of "an urban residential hotel where guests can live like a local" and is a small to medium-sized condominium-style hotel that can accommodate large groups or long-term stays, targeting inbound tourists and business people. As such, the rooms are equipped with kitchens and laundry spaces. Locations are limited to the 10 central wards of Tokyo. The development scale is ¥1.5 to ¥3 billion per building and the development period is around two years.

Commercial Tenant Building "Frame"

The commercial tenant building "Frame" has the brand concept of "capture happy memories from everyday life in a frame". There are small commercial tenant buildings that can be developed on a site area of about 100m², as well as medium-sized commercial tenant buildings that emphasize design, such as the arrangement of shared spaces. Locations are limited to the 5 central wards of Tokyo, with development scales ranging from ¥500 million to ¥2 billion per building and the development period is 1.5 years.

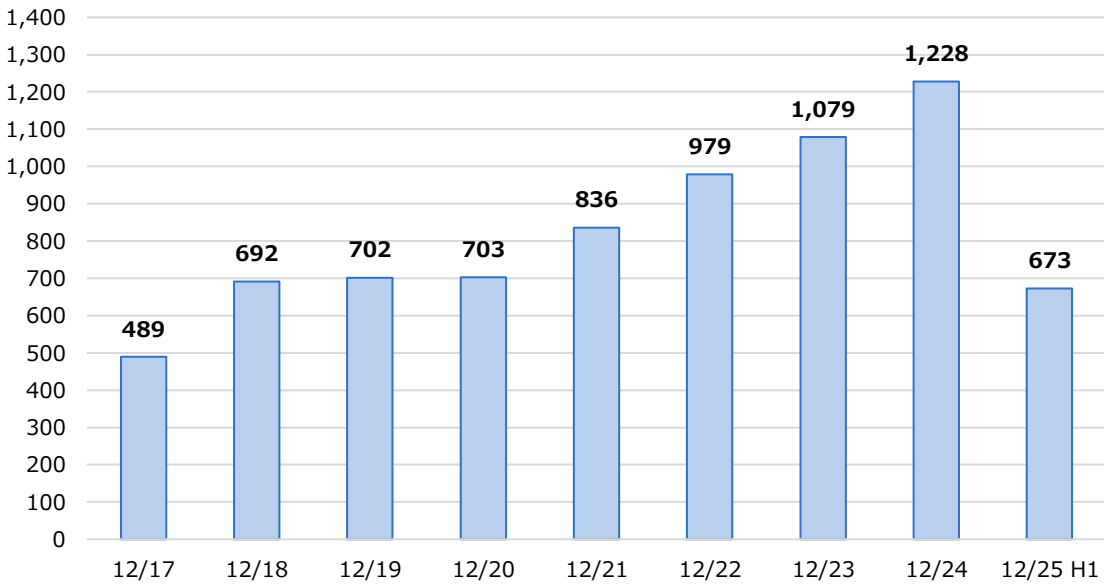
KPIs Include the # of Residential Units Sold

The number of residential units and buildings sold is disclosed as an important management indicator (KPI) for looking at the business performance of the company's development business (the number of buildings sold includes non-residential units).

The number of residential units sold increased slightly in FY12/19 and FY12/20 compared to the previous period, but has been steadily increasing every year since FY12/21.

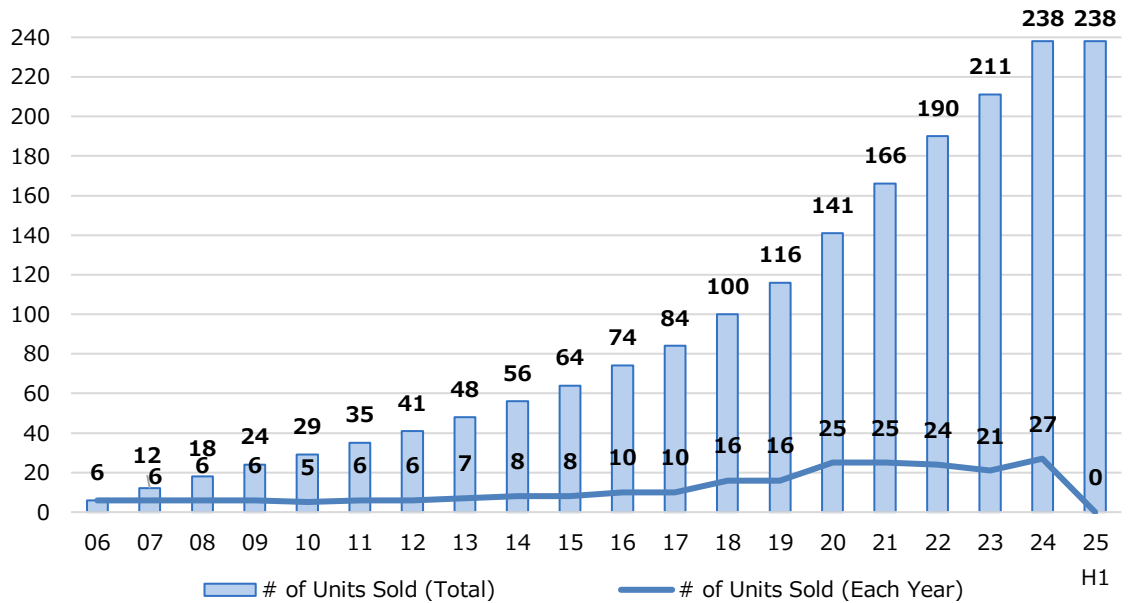
The number of units sold includes non-residential properties. Since FY12/20 the company has sold more than 20 units per year, bringing the cumulative total to 238 units as of the end of FY12/24. Breaking it down by region, 226 units were in Tokyo, 8 in Kanagawa and 4 in Saitama, with an obvious concentration in Tokyo.

Figure 11. Trends in the Number of Residential Units Sold (Units)



Source: Company Data. Compiled by Strategy Advisors.

Figure 12. Sales Performance (Cumulative Number of Units Sold and Number of Units Sold This Year) (Units)



Note: Includes products other than the "ARTESSIMO" series.
 Source: Company Data. Compiled by Strategy Advisors.

2) Land Planning Business

The Land Planning Business Adds Value to the Land

The land planning business, which was launched in 2023, is a business that increases the added value of land through rights adjustments and planning, etc., and then sells the land. In addition, the company sometimes sells land purchased for the construction of properties early, before the construction of the properties, thereby reducing the burden on the company's balance sheet.

The company is considering several business models for its land planning business. One is to acquire and sell multiple adjacent parcels of land as a single property after adjusting the rights to those parcels. The other is to sell land that the company is currently developing.

The company began this business in 2023, and in FY12/24 sold 19 properties to 15 companies, including developers and funds. Although there is some variation, this business has generated a gross profit margin of around 20% over a period of about one year.

3) Revitalization Business

The Revitalization Business: Acquiring Used Properties, Increasing Their Value & the Selling the Properties

The revitalization business, which began in 2023, involves acquiring existing used properties and selling them after increasing their value. The company acquires existing properties with potential value, strengthens security, design, and facilities and makes them environmentally friendly and as necessary, attracts tenants and negotiates rents to increase their value. After the value is increased, the properties are resold at a fair price.

The company will hold the property for a certain period of time to increase its value. The rent during this holding period will be the company's stock revenue. The sales revenue when the property is resold will be its flow revenue.

The project began in 2023, and four buildings were sold by FY12/24.

6. Current Status of Business – DX Business Area

AtPeak's Services in the DX Field

AtPeak is a consolidated subsidiary established in December 2023. AtPeak provides various IT-related services in the DX area.

Proprietary AI Platform Form "AP-AI"

AtPeak 's services are based on its proprietary AI platform, "AP-AI". "AP-AI" is characterized by its high-speed data access capabilities and complex query processing functions and is said to be strong in areas that require greater expertise and accuracy through a process different from that of regular generative AI.

A Business Model that Leads to Development & License Sales

AtPeak 's business model is to use "AP-AI" as a base, provide consulting and customization tailored to the client's industry, develop it into an application that promotes the client's digital transformation and sell the licenses. In fact, "AP-AI" is already being used in the company's own real estate business.

The company has built and operates a system that inputs real estate data, which consists of open data that anyone can access and closed data that is only available within the industry; as well as investor data, which is deep data accumulated only by the company, into "AP-AI" and obtains outputs such as property detection, plan formulation, ROI calculation and environmental impact calculation. This system contributes to business digitalization, which leads to improved efficiency and precision in proposals to investors, who are its clients.

Revenues from external sales of this system consist of (1) flow revenue obtained from consulting and customization and (2) stock revenue from license sales and application maintenance and operation.

AtPeak Formed Strategic Partnership with Teradata Japan

Furthermore, AtPeak entered into a strategic partnership with Teradata Japan and began offering jointly developed AI solutions specifically for Japanese companies. As a first step, AtPeak 's AI platform "AP-AI" and AI applications will be linked with Teradata Japan's hybrid cloud AI data platform "Teradata Vantage", to jointly develop strategic AI solutions and offer them as the "Teradata Vantage AI Offering." This is expected to accelerate the expansion of the range of apps available for sale.

7. Performance Trends

1) Past Performance (up to FY12/24)

CAGR for FY12/15 Onwards at 25%

As shown in Figure 1, the company has disclosed net sales and ordinary profit figures since FY12/15. Revenues increased continuously from FY12/15 to FY12/24, with an average annual growth rate of 25.0% during that period.

Profit Margins, Which Had Initially Declined Due to the COVID-19, Have Been Improving Since FY12/21

Meanwhile, the CAGR of ordinary profit during the same period was 37.3%. Although profits decreased in FY12/20 due to the disruption caused by COVID-19, Selling, General and Administrative expenses (SG&A Expenses) were kept under control while revenue increased based on an increase in the number of units sold. As a result, the ordinary profit margin fell to 3.8% in FY12/20 before rising to 8.0% in FY12/24 (the highest figure during the period was 10.3% in FY12/23).

FY12/24 - Record High Sales & Profit

Furthermore, net sales for FY12/24 increased 56.3% YoY to ¥64.48 billion, operating profit increased 25.0% to ¥5.73 billion, ordinary profit increased 20.6% to ¥5.13 billion and profit attributable to owners of parents increased 18.6% to ¥3.41 billion. This marks the 10th consecutive period of increased sales and the 4th consecutive period of increased profits, with FY12/24 seeing record highs in both sales and profits.

2) FY12/25 Interim Results

FY12/25 Interim Period Saw Record High Net Sales & Profits

Net sales for the interim period of FY12/25 increased 98.4% YoY to ¥35.67 billion, operating profit increased 3.8x to ¥4.53 billion, ordinary profit increased 4.5x to ¥4.18 billion, and interim net profit attributable to parent company shareholders increased 5.1x to ¥2.82 billion, resulting in the highest sales and profits ever recorded on an interim basis.

The Progress Rate of Profits Against the Company Plan is Particularly High

The progress rate against the FY12/25 company plan of net sales of ¥72 billion and ordinary profit of ¥6 billion was 49.5% for net sales, 69.7% for ordinary profit and 68.9% for profit attributable to owners of parent, with the profit progress rate being particularly high.

Sales by Business: Main Development Business is Making Good Progress

Net sales by business segment were ¥23.53 billion for the development business (54.0% progress against the full-year plan), ¥6.36 billion for the land planning business (38.5%) and ¥5.55 billion for the revitalization business (46.2%).

The number of residential units sold in the development business increased 54.0% YoY to 673 units, mainly through bulk sales of individual buildings and progress toward the initial sales plan of 1,100 units was 61.2%. As of August 7, 2025, sales contracts for all 1,147 units, exceeding the plan, have been concluded.

The land planning business, which began contributing to revenue from FY12/24, saw two projects postponed from the first quarter forecast to the second half of the year, so progress against the full-year plan is not high, but the company expects to make up for the lost revenue in the Q3.

The revitalization business, which also began contributing to earnings from FY12/24, completed payments for the sale of two buildings in Q2 and appears to have

progressed as planned. In the Q3, the company expects to sell two buildings and purchase three buildings.

OP Margins Increased Due to an Increase in Both Gross Profit Margin & Decrease in Net Sales SG&A Ratio

The gross profit margin rose 3.3ppt YoY to 19.1%. By quarter, it was 17.5% in the first quarter and 20.5% in the second quarter. The main factors behind the increase in gross profit margin are the stabilization of the business environment compared to FY12/24, when the gross profit margin of the development business fell due to rising construction costs; and an increase in the sales composition ratio of the land planning business and revitalization business, which have relatively higher profit margins than the development business.

SG&A expenses increased 38.0% YoY. In the Q2, there was an increase in labor costs due to an increase in commission pay on the back of strong performance and an increase in shareholder benefit-related expenses. Even so, the increase in sales was greater and the SG&A expense ratio to net sales for the first half of FY12/25 fell 2.8ppt YoY to 6.4%. As a result, the OP margin for the first half of FY12/25 increased by 6.1ppt YoY to 12.7%.

3) FY12/25 Company Plan

FY12/25 Company Plan Anticipates Continued Growth in Sales & Profits

The company's forecast for FY12/25 is net sales of ¥72.0 billion (+11.7 % YoY), operating profit of ¥6.7 billion (+16.9% YoY), ordinary profit of ¥6.0 billion (+16.8% YoY) and profit attributable to owners of parent of ¥4.1 billion (+20.1% YoY). At the time of the announcement of the interim financial results, the company's forecast, which was revised upward in May, remains unchanged.

At the beginning of the fiscal year, the company forecast net sales of ¥72.0 billion (+11.7 % YoY), operating profit of ¥6.7 billion (+16.9%), ordinary profit of ¥ 6.0 billion (+16.8%) and profit attributable to owners of parents of ¥3.8 billion (+ 11.3%). Following the stock offering announced on May 20, 2025, the company will no longer be classified as a specified family company under the Corporation Tax Act and will no longer be subject to retained earnings tax, so only net income forecasts have been revised upward.

Status by Business

By business segment, the company estimates development business at ¥43.5 billion, land planning business at ¥16.5 billion and revitalization business at ¥12 billion.

The development business will begin with the development of a hotel and commercial tenant building. The company also aims to sell 1,147 new residential units, but by the mid - term, 673 units had already been sold, with the remaining 474 units having already been contracted as of August 7, 2025, so progress appears to be going smoothly.

In the land planning business, the company plans to sell 18 properties, the same level as the previous fiscal year. In the revitalization business, the company plans to sell 7 properties and purchase 10 properties in FY12/25. As of the end of FY12/25, the company aims to have a pipeline of 6x properties in place to achieve the goals of its medium-term management plan.

Gross Profit Margin is Expected to Improve YoY

The company is targeting a gross profit margin of 15.8% for FY12/25, +0.6ppt YoY from 15.2% in the previous fiscal year. While it is taking a cautious approach to the development business, anticipating increases in material and labor costs, it expects the overall gross profit margin to rise due to an increase in the proportion of the land planning business and revitalization business, which have higher gross profit margins than the development business. Furthermore, since the gross profit margin rose more than expected in the first half of FY12/25, it is believed that the possibility of achieving this target is increasing.

Expect Dividends to Continue to Rise in FY12/25

The company plans to pay a forecast dividend per share for FY12/25 of ¥77.5 (year-end only), an increase of ¥12.5 from the previous year (after taking into account the 1:2 stock split effective April 1, 2025). The initial plan was for a dividend of ¥72.5 (year-end only), an increase of ¥7.5 from the previous year, but as mentioned above, profit attributable to owners of parent has been revised upward, and therefore the dividend has been increased by ¥5.0 from the initial plan in order to return a portion of that to shareholders.

The company is based on a progressive dividend policy and aims for a dividend payout ratio of 30% of net income per share, regardless of whether it makes investments. After the company's revised plan, the dividend payout ratio for FY12/25 is expected to be 30.3%, roughly the same level as FY12/24.

Figure 13. Net Sales and Profit Trends

(¥mn)	12/20	12/21	12/22	12/23	12/24	12/25 CoE (Revised)
		Non-consolidated				
Net Sales	26,840	30,675	35,673	41,258	64,482	72,000
YoY	7.0%	14.3%	16.3%	15.7%	56.3%	11.7%
Gross Profit	3,909	4,447	5,863	7,706	9,794	11,400
YoY	-6.6%	13.8%	31.8%	31.4%	27.1%	16.4%
Gross Profit Margin	14.6%	14.5%	16.4%	18.7%	15.2%	15.8%
Operating Profit	1,365	1,677	2,776	4,586	5,732	6,700
YoY	-12.7%	22.8%	65.6%	65.2%	25.0%	16.9%
OP Margin	5.1%	5.5%	7.8%	11.1%	8.9%	9.3%
Ordinary Profit	1,028	1,487	2,278	4,260	5,138	6,000
YoY	-24.7%	44.7%	53.2%	87.0%	20.6%	16.8%
Ordinary Profit Margin	3.8%	4.9%	6.4%	10.3%	8.0%	8.3%
Profit Attributable for Owners of Parent	686	1,423	1,458	2,878	3,413	4,100
YoY	-20.9%	107.6%	2.5%	97.3%	18.6%	20.1%
Net Profit Margin	2.6%	4.6%	4.1%	7.0%	5.3%	5.7%

Note: Only non-consolidated results are disclosed for FY12/21. YoY for FY12/21 are calculated with FY12/20 consolidated results. YoY for FY12/22 are calculated with FY12/21 non-consolidated results. Starting from FY12/23, loan fees that had previously been recorded as SG&A expenses are now recorded as non-operating expenses. Up until FY12/21, retroactive adjustments have been made based on the fact that the new accounting method was applied. However, no retroactive adjustments have been made prior to FY12/21.

Source: Company Data. Compiled by Strategy Advisors.

Figure 14. Half-Year/Quarterly Performance Trends

(¥mn)	12/23		12/24		12/25
	H1	H2	H1	H2	H1
Income Statement					
Net Sales	23,667	17,592	17,981	46,501	35,672
Cost Of Sales	19,179	14,373	15,143	39,544	28,853
Gross Profit	4,488	3,218	2,838	6,957	6,819
Gross Profit Margin	19.0%	18.3%	15.8%	15.0%	19.1%
SG&A Expenses	1,514	1,606	1,658	2,404	2,288
SG&A Margin	6.4%	9.1%	9.2%	5.2%	6.4%
Operating Profit	2,974	1,613	1,180	4,552	4,531
OP Margin	12.6%	9.2%	6.6%	9.8%	12.7%
Non-Operating Income/Losses	132	194	255	339	350
Ordinary Profit	2,842	1,419	925	4,213	4,181
Ordinary Profit Margin	12.0%	8.1%	5.1%	9.1%	11.7%
Extraordinary Income/Losses	0	1	2	-138	0
Profit Before Income Taxes	2,842	1,418	923	4,351	4,181
Total Income Taxes	1,055	323	373	1,484	1,355
(Corporate Tax Rate)	37.1%	22.8%	40.4%	34.1%	32.4%
Profit Attributable to Owners of Parent	1,786	1,093	549	2,865	2,824
Net Profit Margin	7.5%	6.2%	3.1%	6.2%	7.9%

(¥mn)	12/23				12/24				12/25	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Income Statement										
Net Sales	6,957	16,710	5,293	12,299	5,450	12,531	15,492	31,009	16,473	19,199
Cost Of Sales	5,748	13,431	4,219	10,154	4,472	10,671	13,641	25,903	13,592	15,261
Gross Profit	1,209	3,279	1,074	2,144	979	1,859	1,852	5,105	2,881	3,938
Gross Profit Margin	17.4%	19.6%	20.3%	17.4%	18.0%	14.8%	12.0%	16.5%	17.5%	20.5%
SG&A Expenses	759	755	612	994	816	842	990	1,414	1,066	1,222
SG&A Margin	10.9%	4.5%	11.6%	8.1%	15.0%	6.7%	6.4%	4.6%	6.5%	6.4%
Operating Profit	450	2,524	462	1,151	163	1,017	862	3,690	1,815	2,716
OP Margin	6.5%	15.1%	8.7%	9.4%	3.0%	8.1%	5.6%	11.9%	11.0%	14.1%
Non-Operating Income/Losses	106	26	56	138	124	131	160	179	188	162
Ordinary Profit	344	2,498	406	1,013	39	886	702	3,511	1,627	2,554
Ordinary Profit Margin	4.9%	14.9%	7.7%	8.2%	0.7%	7.1%	4.5%	11.3%	9.9%	13.3%
Extraordinary Income/Losses	0	0	0	-1	-2	0	0	-138	0	0
Profit Before Income Taxes	344	2,498	406	1,012	36	887	702	3,649	1,627	2,554
Total Income Taxes	95	960	129	194	21	352	289	1,195	630	725
(Corporate Tax Rate)	27.6%	38.4%	31.8%	19.2%	56.7%	39.7%	41.2%	32.7%	38.7%	28.4%
Profit Attributable to Owners of Parent	249	1,537	275	818	15	534	412	2,453	997	1,827
Net Profit Margin	3.6%	9.2%	5.2%	6.7%	0.3%	4.3%	2.7%	7.9%	6.1%	9.5%

Source: Company Data. Compiled by Strategy Advisors.

8. Medium to Long-Term Outlook

1) Tokyo is a Growing Market for Real Estate Investors

Since the company's main business is investment real estate in the Tokyo area, we would like to provide an overview of how its real estate investor clients view the Japanese or Tokyo real estate market.

According to JLL, Japan's Real Estate Market Transparency Rankings Are on the Rise

Jones Lang LaSalle Incorporated (JLL), one of the world's largest real estate brokerage services companies, publishes its own unique evaluation index, "The Global Real Estate Transparency Index", every two years to assess the transparency of real estate markets in each country and region around the world. This index is calculated based on quantitative market data from 151 cities in 89 countries and regions around the world, as well as qualitative information collected by JLL using its global network.

According to the Global Real Estate Transparency Index, Japan's ranking has generally improved from 26th in 2014 to 19th in 2016, 14th in 2018, 16th in 2020, 12th in 2022, and 11th in 2024. JLL also classifies transparency according to ranking and Japan was in the "medium to high" category until 2020, but will move to "high" from 2022 onwards, when it ranks 12th.

According to the latest 2024 edition, over the past two years, more than 80% of direct investment in global commercial real estate has been concentrated in real estate in countries and regions categorized as "high". Markets categorized as "high" tend to ensure liquidity in the real estate investment market due to low risk and high transparency in the relationship between demand and prices in growing real estate sectors and Japan's rising ranking in this index suggests that the attractiveness of the Japanese real estate market is increasing among global real estate investors.

CBRE Survey Finds Tokyo is Asia Pacific's Most Attractive Investment Destination for the 6th Consecutive Year

Additionally, according to CBRE's "2025 Asia Pacific Investor Intentions Survey: Japan Results", Tokyo was ranked the most attractive investment destination among major cities in the Asia Pacific region for the 6th consecutive year. The survey also showed that 40% of investors who responded intend to increase their real estate investment in Japan in 2025 compared to 2024, indicating that investment in Japan's real estate market is on the rise.

2) Demand Forecast by GLOBAL LINK MANAGEMENT

The Company's Existing Customers' Investment Budgets in Japan is 13x Larger Than its Current Supply Capacity

The company conducted a survey of investors with experience selling bulk properties with the company and analyzed the responses. The 12 companies that responded had a global asset under management (AUM) of ¥142 trillion, of which ¥4.6 trillion was in Japan (accounting for 3.2% of the total). The company estimated that these 12 companies had an investment budget of ¥3.3 trillion over the three-year period from 2025 to 2027. The ¥3.3 trillion was broken down into ¥1.2 trillion for residential properties, ¥1.1 trillion for offices, ¥0.47 trillion for logistics, ¥0.34 trillion for hotels and ¥0.26 trillion for commercial properties and other properties.

Even including land, the company's supply capacity over 3 years to meet this demand is only ¥0.25 trillion. The company believes that demand is approximately 13 times greater than its current supply capacity.

3) The Situation Surrounding the Investment Residential Property Market in Tokyo

The Supply of Investment Condominiums in Tokyo Has Bottomed Out Due During COVID-19 & is Showing Signs of Recovery

Since the company's main focus is on newly built investment residences in the Tokyo area, we would like to provide an overview of the situation surrounding investment condominiums in Tokyo.

According to a survey by the Real Estate Economic Institute, the trend in investment condominiums in Tokyo since 2010 was that the number of units supplied (newly built one-room apartments for investment, mainly in Tokyo's 23 wards) had been on the rise, peaked in 2016, then entered a correction phase, hitting bottom during COVID-19 in 2020 and since then has been on an upward trend from 2021.

Average Sales Prices Have Consistently Increased, While Gross Yields Have Consistently Decreased

Additionally, the average sales price (for properties of around 25 m² in central Tokyo) has been steadily rising from around ¥23 million in 2010 to around ¥36 million by 2023. The price per m² has risen from the ¥900,000 range to the ¥1.4 million range.

Due to rising sales prices, the average gross yield for studio apartments in Tokyo's 23 wards, which was nearly 6% in 2010, has steadily declined to the low 4% range by 2023.

Procurement of Land is Becoming More Difficult

During this time, we believe that land acquisition is becoming more difficult. From 2020 to 2021, when the impact of COVID-19 led to the sale and curtailment of development of hotels and stores, land acquisition became temporarily and locally easier; but since 2022, the trend has shifted to one of increasing difficulty due to factors such as a recovery in demand for condominiums, rising land prices and intensifying competition due to the entry of REITs and companies from other industries.

According to a survey on "sense of procurement competition" conducted by the Real Estate Economic Institute, the percentage of companies in the Tokyo area that felt that procurement was "tough" was 70% in 2019, but fell to 45% in 2020 when COVID-19 began and has since continued to rise to 58% in 2021, 73% in 2022 and 81% in 2023.

There is No Single Company with an Overwhelming Market Share in the Investment Condominium Market in the Tokyo Metropolitan Area

According to a survey by the Real Estate Economic Institute, 19 developers will supply 4,796 units in the Tokyo metropolitan area's investment condominium market in 2023, with the top 5 companies accounting for 49.7% of the total supply. Taking the top spot was FJ NEXT, which operates "GALA" brand studio condominiums for investment, but with only 699 units supplied, its market share was just 14.6%. This survey only covers properties aimed at individual real estate investors, so does not include properties aimed at institutional investors or business companies like FJ NEXT's.

Nevertheless, it can be said that there is no company with an overwhelming share of the market.

4) Long-Term Group Policy "GLM1000" & Medium-Term Management Plan "GLM100"

Long-Term Group Policy "GLM1000" Aims for Ordinary Profit of Over ¥100 Billion by 2040

The company's published long-term group policy called "GLM1000", aims to achieve an average annual growth rate of 25% in operating profit until 2040 and operating profit of over ¥100 billion in 2040.

Mid-Term Management Plan "GLM100" Aims For Net Sales of ¥100 Billion & Ordinary Profit of ¥10 Billion in FY12/27

To achieve this "GLM1000" goal, the mid-term management plan "GLM100" has also been announced, with FY12/27 as its final year. Compared to the company plan for FY12/25, which targets net sales of ¥72 billion and ordinary profit of ¥6 billion, the plan for FY12/27 aims for net sales of ¥100 billion and ordinary profit of ¥10 billion. CAGR from FY12/24 is projected to be 15.7% for net sales and 24.9% for ordinary profit.

Figure 15. Medium-Term Management Plan & Long-Term Targets (¥bn)

Items	FY12/24	FY12/25	FY12/26	FY12/27	3yr CAGR
	(Actual)	(Revised Company Estimates)	(Mid-Term Plan)	(Mid-Term Plan)	
Net Sales	64.5	72.0	85.0	100.0	15.7%
Gross Profit	9.8	11.4	13.6	17.0	20.2%
Ordinary Profit	5.1	6.0	7.5	10.0	24.9%
Profit Attributable to Owners of Parent	3.4	4.1	4.8	6.5	24.0%
Gross Profit Margin	15.2%	15.8%	16.0%	17.0%	-
Ordinary Profit Margin	8.0%	8.3%	8.8%	10.0%	-
Equity Ratio	31.8%	30% or More	30% or More	30% or More	-
ROE	33.3%	25% or More	25% or More	25% or More	-
Payout Ratio	30.5%	30.3%	30%	30%	-
Items	FY12/30	FY12/40			
	(Long-Term Target)	(Long-Term Target)			
Net Sales	-	-			
Gross Profit	-	-			
Ordinary Profit	20.0	1,00.0			
Gross Profit Margin	-	-			
Ordinary Profit Margin	-	-			
Equity Ratio	-	-			
ROE	-	-			
Payout Ratio	-	-			

Source: Company Data. Compiled by Strategy Advisors.

Figure 16. Breakdown of the Medium-Term Management Plan (¥bn)

Items	FY12/24 (Actual)	FY12/25 (CoE)	FY12/26 (Mid-Term Plan)	FY12/27 (Mid-Term Plan)	3yr CAGR
Net Sales	64.48	72.0	85.0	100.0	15.7%
Development Business	-	43.5	48.0	50.0	-
Land Planning Business	-	16.5	23.0	30.0	-
Revitalization Business	-	12.0	14.0	20.0	-
Gross Profit	9.79	11.4	13.6	17.0	20.2%
Development Business	-	5.7	6.2	7.0	-
Land Planning Business	-	3.3	4.6	6.0	-
Revitalization Business	-	2.4	2.8	4.0	-
Gross Profit Margin	15.2%	15.8%	16.0%	17.0%	-
Development Business	-	13.1%	12.9%	14.0%	-
Land Planning Business	-	20.0%	20.0%	20.0%	-
Revitalization Business	-	20.0%	20.0%	20.0%	-
# of Purchase Workforce (Person)	-	3.8	4.5	5.0	-
Development Business	-	1.3	1.6	1.6	-
Land Planning Business	-	1.8	2.1	2.2	-
Revitalization Business	-	0.7	0.8	1.2	-
Development Business Unit Sales (Units)	122.8	110.0	128.0	128.0	1.4%
Non-Residential (Bldgs.)	0.4	0.0	0.1	0.2	-20.6%
Land Planning Business Properties Sold (Properties)	1.9	1.7	2.5	3.2	19.0%
Revitalization Business Building Purchased (Bldgs)	-	1.0	1.1	1.4	-
Building Sold (Bldgs)	-	0.7	0.9	1.2	-

Source: Company Data. Compiled by Strategy Advisors.

Policy to Make Land Planning & Revitalization Businesses New Pillars

The entire ¥100 billion in net sales for FY12/27 was from the real estate business domain and the DX business domain is not expected to generate revenue in this medium-term management plan. The breakdown of the real estate business domain is as follows: development business ¥50 billion, land planning business ¥30 billion and revitalization business ¥20 billion. The company's policy is to accelerate growth by positioning the land planning business and revitalization business as new pillars while maintaining stable business in the development business.

In this medium-term management plan, the company has set out the following 4 growth strategies.

- Growth Strategy 1: Building a business model driven by investor needs
- Growth Strategy 2: Expansion of asset types and revenue models
- Growth Strategy 3: Expanding the use of DX
- Growth Strategy 4: Building and promoting a system for human capital management

Growth Strategy 1: Building a Business Model Driven by Investor Needs

As mentioned above, the investment needs for Japanese real estate over the next 3 years of the company's 12 existing clients with whom it has a track record of bulk sales of single buildings alone are said to be 13 times the company's supply over the next 3 years.

For this reason, the company plans to expand its supply capacity in order to achieve the GLM1000 target by creating a virtuous cycle of "Understanding investors' potential needs → Strengthening response capabilities to meet those needs → Strengthening trust and relationships with investors → Understanding investors' potential needs".

Furthermore, "Strengthening response capabilities to meet those needs" does not simply mean increasing supply, but also leads to an expansion of asset types and revenue models, which will be discussed later.

Growth Strategy 2: Expansion of Asset Types & Revenue Models

In terms of asset type and revenue model, the company has mainly focused on residential property (asset type) development business (revenue model). However, in terms of asset type, the company will expand into hotels and commercial buildings in addition to residential properties. In terms of revenue model, the company plans to add land planning and revitalization business revenue models to its traditional development business.

In the development business, the company will continue with the strategies of the previous medium-term management plan, which were to expand ESG-oriented real estate, utilize off-balance sheet assets and increase bulk sales. At the same time, the company will actively develop the brand not only in residential properties, which have been their core business until now, but also in hotels, commercial tenant buildings, and other properties, thereby expanding our lineup to meet the needs of investors.

At the same time, the company plans to increase profits without significantly increasing the number of purchasing workforce by promoting the use of AP-AI in development simulations and working to improve the efficiency of business operations. The number of purchasing workforce in the development business is expected to remain at 16 people by the end of FY12/27, compared to the planned 13 people by the end of FY12/25.

Meanwhile, the Land Planning Business and Revitalization Business will adopt a strategy of increasing the number of purchasing staff to increase the number of items handled. The purchasing workforce for the Land Planning Business is expected to increase from 18 people at the end of FY12/25 to 22 people at the end of FY12/27, while the Revitalization Business will increase from 7 people at the end of FY12/25 to 8 people at the end of FY26/12 and 12 people at the end of FY12/27.

Growth Strategy 3: Expanding the Use of DX

Regarding the expansion of DX utilization, the main focus for all businesses will be on promoting the use of "AP-AI". In the development business, the company focuses on streamlining business operations by conducting development simulations. In the land planning business, the company will improve the efficiency of its approach and expand its acquisitions by selecting land whose ownership has been transferred through inheritance and identifying areas that will have market value after rights adjustments. In the revitalization business, the company's policy is to efficiently select properties that are out of line with market rents and identify properties that will have market value if rents rise.

Growth Strategy 4: Building & Promote a System for Human Capital Management

Regarding human capital management, the details are given in "13. ESG Initiatives," but the company plans to reduce employee turnover (an employee retention rate above the industry average), review its evaluation system and incentive design to achieve its medium-term management plan and raise average salaries by increasing net sales/profits per employee. The company aims to be number one in the industry in terms of average salaries.

9. Comparison With Other Companies in the Same Industry

We divided our competitors into two categories and compared their financial performance against each.

First Comparison Category: Small Condominium Developers

The first category is primarily comprised of domestic developers offering small condominiums. This is because the company's current revenue is primarily derived from the sale of small condominiums for investment. Furthermore, the company also decided to add companies that handle the renovation of used properties, which the company plans to focus on in the future and real estate companies that are actively utilizing digital transformation, which the company places importance on, to its comparison targets.

Domestic developers offering small condominiums include FJ NEXT HOLDINGS (8935 TSE Prime), which develops the "GALA" series, primarily for investment purposes; ES-CON JAPAN (8892 TSE Prime), which develops the "Le JADE" series; Hoosiers Holdings (3284 TSE Prime), which develops "Duo Hills," primarily for family use; Meiwa Estate (8869 TSE Standard), which develops "CLIO," primarily for family use; and DEAR LIFE (3245 TSE Prime), which develops the "Dearest" brand, primarily for investment purposes.

Second Comparison Category: Companies That Renovate Used Properties & Are Proactive in Utilizing Digital Transformation Have Also Been Added to the First Category

Companies that handle the renovation of used properties include INTELLEX (8940 TSE Standard), which handles the regeneration and distribution of used condominiums, mainly in the Tokyo metropolitan area; PROPERST (3236 TSE Standard), which develops rental condominiums and also handles many value-add projects and MUGEN ESTATE (3299 TSE Standard), which purchases and resells used real estate such as condominiums for condominium ownership and investment properties .

Furthermore, companies that are characterized by actively utilizing DX in the real estate business include GA Technologies (3491 TSE Growth), which operates the used real estate distribution platform Renosy, TASUKI Holdings (166A TSE Growth), which utilizes DX at key points in its business processes, MIGALO HOLDINGS (5535 TSE Prime), the holding company of PROPERTY AGENT, which claims to utilize DX in the sales and management of small condominiums for investment properties and Property Technologies (5527 TSE Growth), which excels in purchasing used condominiums through the platform KAITRY, which utilizes a proprietary AI appraisal model.

ROE & ROIC Are Higher Than Those of Any Comparable Companies, Driven by High Efficiency

ROE for FY12/24 was 33.3%, higher than any other comparable company. The equity ratio is below average and ROIC, which excludes the impact of interest-bearing debt, is also higher than any other company, indicating extremely high efficiency. In fact, total asset turnover for FY12/24 was 1.9x, which is the second highest after GA Technologies.

Regarding profitability, which is one of the components of ROE, the company's net sales operating profit ratio was 8.9% in FY12/24, which is in line with the average of comparable companies and slightly below the median. In the first half of FY12/25, the net sales operating profit ratio rose to 12.7% due to an increase in gross profit margin, which will likely be a factor in increasing ROE going forward.

Capital Adequacy Ratio: There Are No Particular Issues with Safety

In terms of safety indicators, the company's equity ratio at the end of FY12/24 was 31.9%. This is slightly below average compared to other companies, but above the median. Although it had fallen to 27.2% at the end of the first half of FY12/25, there are no particular issues with the company's safety and it can be judged that it is under control.

Figure 17. Financial Comparison with Other Companies in the Industry: Financial Comparison with Developers Offering Small Condominiums (Category 1)

Company Name	Code	FY	Sales (¥mn)	Sales Growth Rate (%)	OP (¥mn)	OP Growth Rate (%)	OP Margin (%)	ROE (%)	ROIC (%)	Assets Turnover ratio (Times)	Equity Ratio (%)
[Developers]											
GLOBAL LINK MANAGEMENT	3486	12/2024	64,482	20.8	5,732	29.6	8.9	33.3	12.5	1.9	31.9
FJ NEXT HOLDINGS	8935	03/2025	112,429	5.8	9,488	-1.8	8.4	9.2	7.6	1.1	69.1
ES-CON JAPAN	8892	03/2025	113,603	9.0	21,311	10.0	18.8	-	-	0.3	17.2
Hoosiers Holdings	3284	03/2025	92,153	1.6	9,227	6.6	10.0	13.5	4.5	0.5	23.4
Meiwa Estate	8869	03/2025	79,902	14.5	5,240	26.2	6.6	8.8	3.9	0.6	22.3
DEAR LIFE	3245	09/2024	46,880	18.7	4,619	6.7	9.9	13.1	7.7	1.1	52.5
[Used/Renovated]											
INTELLEX	8940	05/2025	44,794	3.4	2,387	16.6	5.3	13.2	3.8	1.0	25.4
PROPERST	3236	05/2025	27,839	3.3	3,334	16.8	12.0	17.3	8.3	0.9	40.3
MUGEN ESTATE	3299	12/2024	62,187	9.4	9,623	25.0	15.5	20.3	8.8	0.7	36.7
[DX-related]											
GA Technologies	3491	10/2024	189,883	37.0	3,878	26.6	2.0	8.5	4.6	2.7	29.6
TASUKI Holdings	166A	09/2024	47,455	56.1	4,065	57.1	8.6			1.2	35.9
MIGALO HOLDINGS	5535	03/2025	51,709	17.9	2,713	7.3	5.2	12.9	3.9	1.0	20.5
Property Technologies	5527	11/2024	41,613	-	1,362	-	3.3	8.7	2.7	1.1	18.3
Average	-	-	-	16.5	-	18.9	8.8	14.4	6.2	1.1	32.5
Median	-	-	-	12.0	-	16.7	8.6	13.1	4.6	1.0	29.6

Company Name	Code	FY	Net D/E Ratio (x)	DCR (%)	Equity Ratio (%)
[Developers]					
GLOBAL LINK MANAGEMENT	3486	12/2024	0.86	163.4	31.9
FJ NEXT HOLDINGS	8935	03/2025	-0.09	51.0	69.1
ES-CON JAPAN	8892	03/2025	3.68	224.2	17.2
Hoosiers Holdings	3284	03/2025	1.61	209.1	23.4
Meiwa Estate	8869	03/2025	1.89	267.8	22.3
DEAR LIFE	3245	09/2024	0.01	94.7	52.5
[Used/Renovated]					
INTELLEX	8940	05/2025	2.17	165.6	25.4
PROPERST	3236	05/2025	0.81	240.0	40.3
MUGEN ESTATE	3299	12/2024	0.84	197.3	36.7
[DX-related]					
GA Technologies	3491	10/2024	0.79	159.7	29.6
TASUKI Holdings	166A	09/2024	0.86	197.5	35.9
MIGALO HOLDINGS	5535	03/2025	2.79	524.9	20.5
Property Technologies	5527	11/2024	3.03	348.8	18.3
Average	-	-	1.48	218.8	32.5
Median	-	-	0.86	197.5	29.6

Note: Growth rate is the average of the past five fiscal years. TASUKI Holdings' figures for the five fiscal years prior are Tasuki's performance. MIGALO HOLDINGS' figures for the 5 fiscal years prior are PROPERTY AGENT's performance.

Due to a change in the fiscal year ending, ES-CON JAPAN's fiscal year ending in March 2024 will be a 15-month fiscal year, so ROE and ROIC are not calculated.

Source: Strategy Advisors.

The Second Category of Comparison is Real Estate Finance Companies

The essence of the company's business is to provide "comprehensive solutions to lead to successful real estate investment in Japan", the second category is real estate finance companies, which are companies that structure income-generating real estate properties and sell them to investors. The comparison companies are Ichigo (2337 TSE Prime), TOSEI (8923 TSE Prime), Sun Frontier Fudosan (8934 TSE Prime), Kasumigaseki Capital (3498 TSE Prime), JINUSHI (3252 TSE Prime) and Loadstar Capital (3482 TSE Prime).

ROE is Also Higher Than Any Other Comparable Company, Driven by High Efficiency

In terms of profitability, the company's net sales operating profit ratio is lower than that of any other real estate finance company. Meanwhile, its ROE is higher than that of any comparable company. Its below-average equity ratio and the second-highest ROIC, excluding the impact of interest-bearing debt, suggest that it is highly efficient. In fact, as with comparisons with domestic developers offering small condominiums, the company's total asset turnover of 1.9x in FY12/24 is overwhelmingly higher than that of any other real estate finance company.

Figure 18. Financial Comparison with Peers: Financial Comparison with Real Estate Finance Companies (Category 2)

Company Name	Code	FY	Sales (¥mn)	Sales Growth Rate (%)	OP (¥mn)	OP Growth Rate (%)	OP Margin (%)	ROE (%)	ROIC (%)	Assets Turnove r ratio (Times)	Equity Ratio (%)
GLOBAL LINK MANAGEMENT	3486	12/2024	64,482	20.8	5,732	29.6	8.9	33.3	12.5	1.9	31.9
Ichigo	2337	02/2025	83,576	-0.9	16,309	-10.1	19.5	14.0	2.7	0.2	27.5
TOSEI	8923	11/2024	82,192	6.2	18,489	7.8	22.5	13.9	5.4	0.3	32.7
Sun Frontier Fudosan	8934	03/2025	103,174	7.1	18,933	2.7	18.4	14.7	8.0	0.5	46.8
Kasumigaseki Capital	3498	08/2025	96,501	64.5	8,537	92.0	8.8	32.5	14.9	1.0	29.7
JINUSHI	3252	12/2024	57,068	7.5	8,677	14.3	15.2	16.0	6.5	0.5	38.6
Loadstar Capital	3482	12/2024	34,421	28.9	11,447	36.8	33.3	30.6	11.0	0.4	23.9
Average	-	-	-	18.9	-	23.9	19.6	20.3	8.1	0.5	33.2
Median	-	-	-	7.3	-	11.1	18.9	15.4	7.2	0.4	31.2

Company Name	Code	FY	Net D/E Ratio (x)	DCR (%)	Equity Ratio (%)
GLOBAL LINK MANAGEMENT	3486	12/2024	0.86	163.4	31.9
Ichigo	2337	02/2025	1.79	108.5	27.5
TOSEI	8923	11/2024	1.44	247.7	32.7
Sun Frontier Fudosan	8934	03/2025	0.45	133.6	46.8
Kasumigaseki Capital	3498	08/2025	1.17	144.7	29.7
JINUSHI	3252	12/2024	0.87	149.6	38.6
Loadstar Capital	3482	12/2024	1.95	481.6	23.9
Average	-	-	1.3	211.0	33.2
Median	-	-	1.3	147.2	31.2

Note: Growth rate is the average of the past 5 periods.

Source: Strategy Advisors.

High Efficiency is Also Reflected in CCC & Crossover Ratios

The company's high efficiency is also reflected in its short cash conversion cycle (CCC), which is calculated as "days in accounts receivable turnover + days in inventory turnover - days in accounts payable turnover" (a shorter number indicates more efficient circulation of funds). The company's CCC for FY12/24 was 125.9 days, the second shortest after GA Technologies, indicating an extremely smooth circulation of funds.

In addition, the cross ratio, calculated by multiplying gross profit by inventory turnover, was 44.0% in FY12/24, which is also the third highest after GA Technologies and Kasumigaseki Capital.

Figure 18. Financial Comparison with Peers: Comparison of CCC (Cash Conversion Cycle) & Crossover Ratio

Company Name	Code	FY	Accounts Receivable Turnover Period (Day)	Inventory Turnover Period (Day)	Payables Turnover Period (Day)	CCC (Day)	Gross Profit Margin (%)	Inventory Turnover (Times)	Crossover Ratio (%)
[Developers]									
GLOBAL LINK MANAGEMENT	3486	12/2024	0.0	126.0	0.1	125.9	15.2	2.9	44.0
FJ NEXT HOLDINGS	8935	03/2025	15.7	199.7	9.3	206.2	18.4	1.8	33.6
ES-CON JAPAN	8892	03/2025	3.7	1,188.8	0.0	1,192.4	32.1	0.3	9.9
Hoosiers Holdings	3284	03/2025	3.6	544.7	47.8	500.5	23.6	0.7	15.8
Meiwa Estate	8869	03/2025	1.0	557.7	115.5	443.1	20.7	0.7	13.6
DEAR LIFE	3245	09/2024	3.1	188.7	4.4	187.4	15.1	1.9	29.3
[Used/Renovated]									
INTELLEX	8940	05/2025	3.7	242.2	7.9	238.0	17.8	1.5	26.8
PROPERST	3236	05/2025	0.0	362.9	1.6	361.3	18.3	1.0	18.4
MUGEN ESTATE	3299	12/2024	0.3	456.1	4.3	452.1	26.6	0.8	21.3
[DX-related]									
GA Technologies	3491	10/2024	1.6	27.7	8.2	21.1	16.2	13.2	213.5
TASUKI Holdings	166A	09/2024	0.0	206.2	2.8	203.4	16.8	1.8	29.7
MIGALO HOLDINGS	5535	03/2025	3.9	336.9	13.2	327.5	15.6	1.1	16.9
Property Technologies	5527	11/2024	0.5	298.0	16.0	282.5	16.0	1.2	19.5
Average	-	-	2.8	364.3	17.8	349.3	19.4	2.2	37.9
Median	-	-	1.6	298.0	7.9	282.5	17.8	1.2	21.3

Company Name	Code	FY	Accounts Receivable Turnover Period (Day)	Inventory Turnover Period (Day)	Payables Turnover Period (Day)	CCC (Day)	Gross Profit Margin (%)	Inventory Turnover (Times)	Crossover Ratio (%)
[Real Estate Finance]									
GLOBAL LINK MANAGEMENT	3486	12/2024	0.0	126.0	0.1	125.9	15.2	2.9	44.0
Ichigo	2337	02/2025	14.7	778.7	0.0	793.4	30.5	0.5	14.3
TOSEI	8923	11/2024	31.0	1,029.6	57.2	1,003.4	42.8	0.4	15.2
Sun Frontier Fudosan	8934	03/2025	7.5	618.8	16.3	610.1	31.2	0.6	18.4
Kasumigaseki Capital	3498	08/2025	7.5	309.9	0.0	317.4	37.8	1.2	44.5
JINUSHI	3252	12/2024	2.2	546.3	1.9	546.6	23.5	0.7	15.7
Loadstar Capital	3482	12/2024	0.0	1,183.6	0.0	1,183.6	38.8	0.3	12.0
Average	-	-	9.0	656.1	10.8	654.3	31.4	0.9	23.4
Median	-	-	7.5	618.8	0.1	610.1	31.2	0.6	15.7

Source: Strategy Advisors.

10. Stock Price Trends and Valuations

To see the company's stock price trends to date, we have created an index that compares the stock price trends of listed companies in the first category of domestic developers offering small condominiums (including used and renovation companies and DX companies) and listed companies in the second category of real estate finance companies. Figures 20 and 21 show the trends when the stock price at the end of 2019 is set to 100 and to confirm the most recent trends, Figures 22 and 23 show the trends when the stock price at the end of December 2023 is set to 100.

Post-2020, the Stock Price Performed Well, Especially from 2H 2022 to the End of 2023

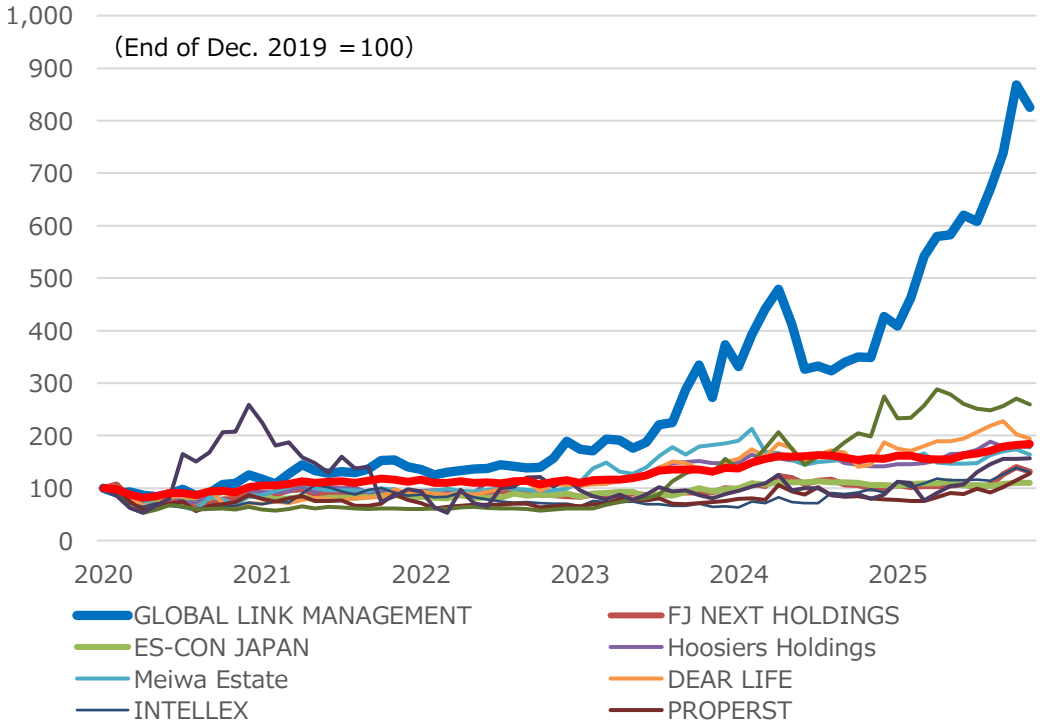
Figures 20 and 21, which show stock price trends since 2020, show that the company's stock price performance has significantly outperformed both TOPIX and comparable companies since 2020. Performance was particularly strong from the second half of 2022 to the end of 2023, due to the full recovery in overseas investors' appetite for investing in Tokyo real estate during the recovery phase from COVID-19 and the weak yen helping to boost this recovery in investment appetite. The company's relative stock price outperformed its peers, likely due to its high ROE within the industry and the high efficiency that contributed to it.

Stock Price Performance Was Lackluster in 1H 2024. But Will Again Exceed TOPIX in 2025

However, Figures 22 and 23, which show share price trends from January 2024 onwards, show that performance in the first half of 2024 was poor, with the Company's relative share price falling below that of TOPIX and many of the comparable companies. This was due to concerns about rising interest rates and the impact of soaring material and labor costs, but it is also thought to have been a backlash to the Company's stock price outperforming that of its comparable companies until 2023. Nevertheless, the Company recovered in the second half of 2024, with its relative share price returning to a level on par with TOPIX and from 2025 onwards it again exceeded TOPIX, with the rise in the Company's relative share price accelerating after the Company announced strong interim financial results for FY12/25 in August 2025.

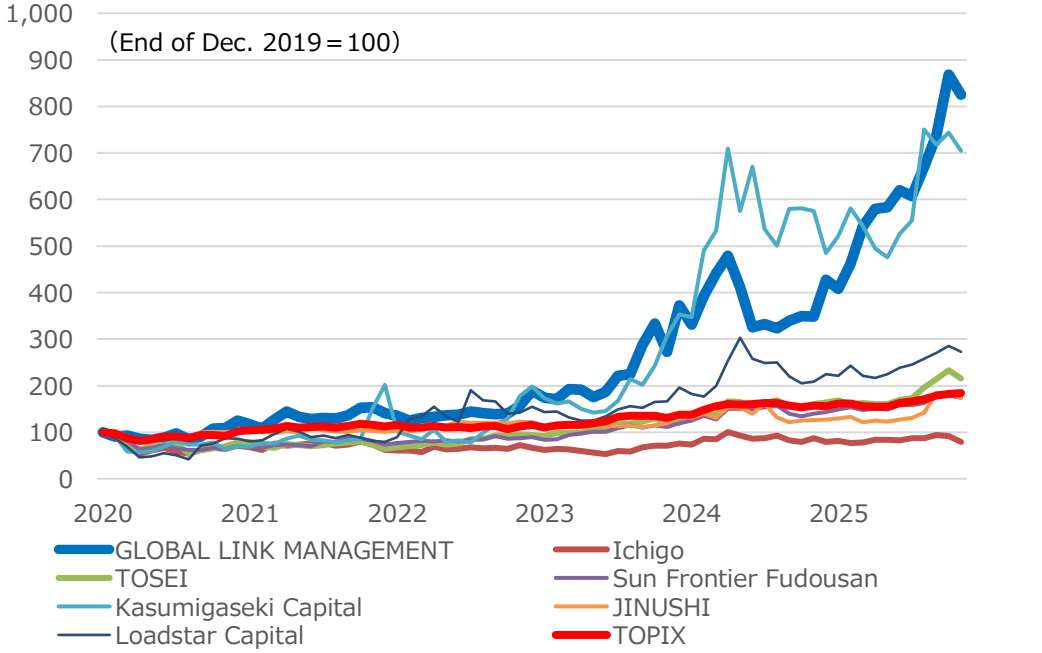
The reason why the stock price of MIGALO HOLDINGS, one of the companies used for comparison, has risen sharply since 2024 is thought to be due to the fact that it has shown high sales growth in its DX promotion business and that the CEO's plan to sell shares was withdrawn following feedback from shareholders, which has eased concerns about a worsening supply and demand situation.

Figure 20. Stock Price Trends of Listed Companies Offering Small Condominiums (Including Used/Renovation Companies and DX-Related Companies) (Category 1, Since 2020)



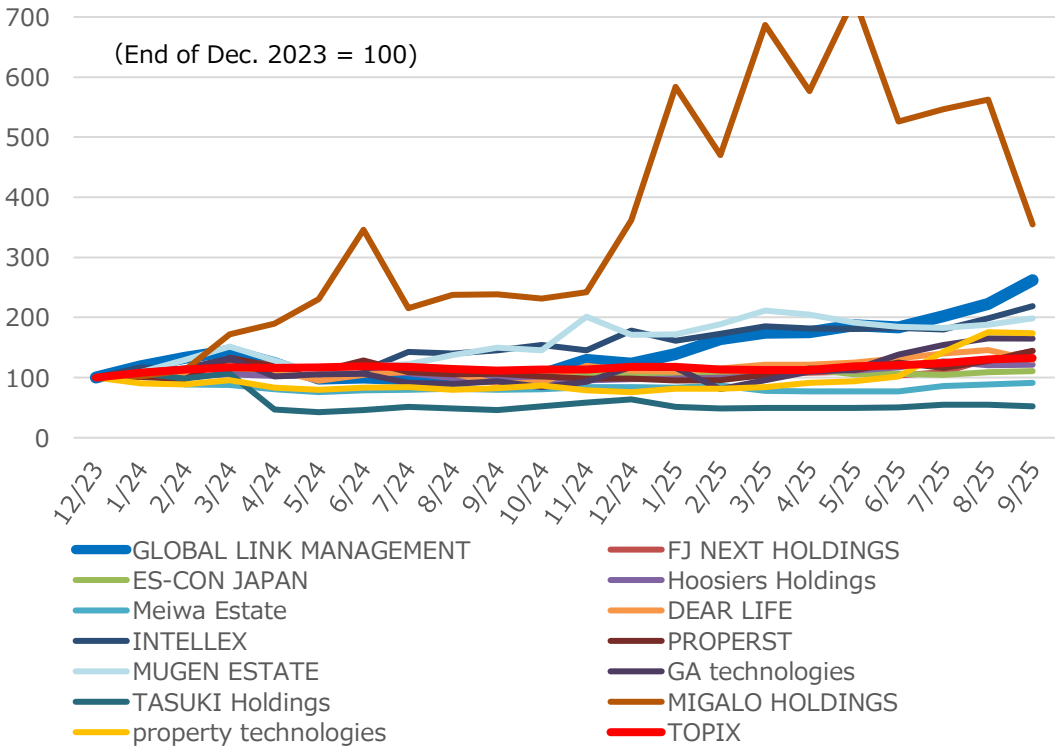
Source: Strategy Advisors.

Figure 21. Stock Price Trends of Listed Real Estate Finance Companies (Category 2, Since 2020)



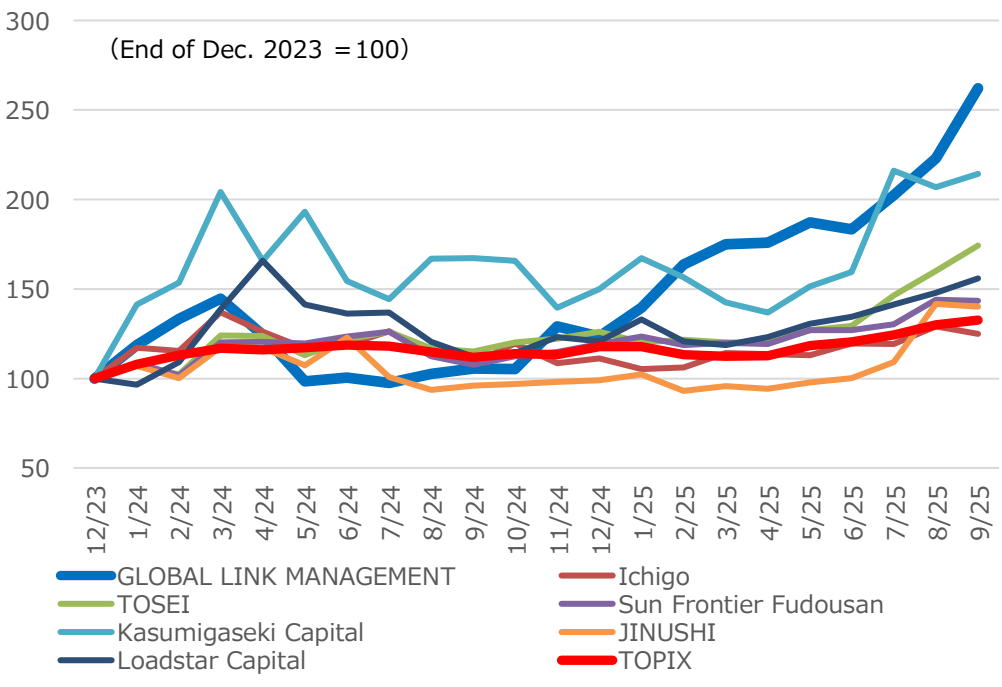
Source: Strategy Advisors.

Figure 22. Stock Price Trends of Listed Companies Offering Small Condominiums (Including Used/Renovation Companies and DX-Related Companies) (Category 1, 2024 Onwards)



Source: Strategy Advisors.

Figure 23. Stock Price Trends of Listed Real Estate Finance Companies (Category 2, 2024 Onwards)



Source: Strategy Advisors.

Mostly Single Digit PER, Whilst PBR is in the 3x Range

In terms of valuation, PER was in the 9x range in 2020 when EPS fell due to the impact of COVID-19, but has fluctuated between the 3x and 7x range since 2021. There was a period in 2024 when it fell temporarily, but in 2025 it was in the 8x range and with the recent rise in stock price sees it is now in the 10x range.

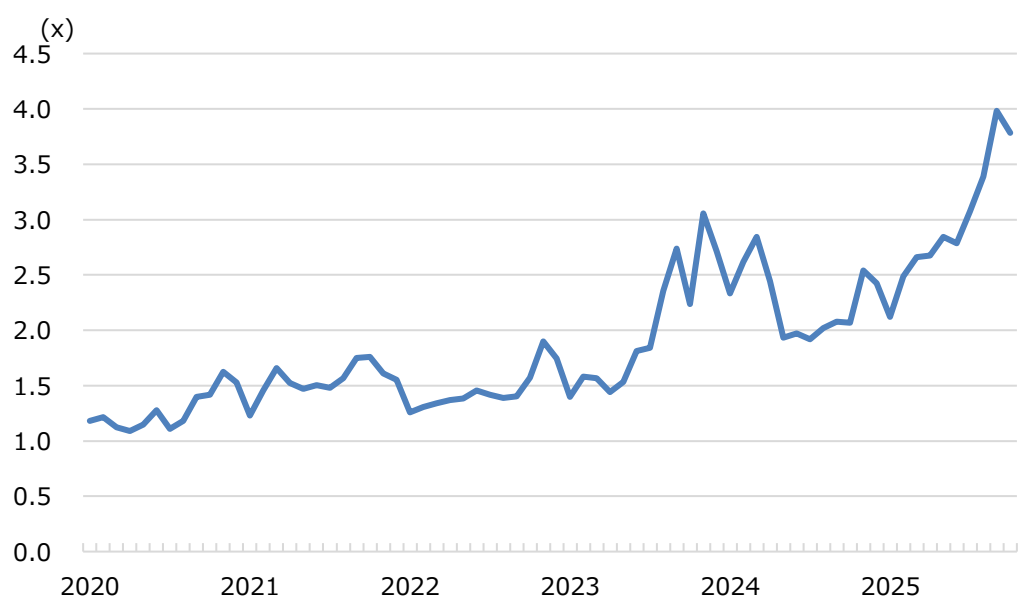
The PBR remained at around 1.5x until early 2023, but temporarily reached 3x due to the rise in stock prices in the latter half of 2023. It adjusted once in the first half of 2024, but by 2025 it was around 2.5x and has remained in the 3x range due to the recent rise in stock prices.

Figure 24. Trends in PER



Source: Strategy Advisors.

Figure 25. PBR Trends



Source: Strategy Advisors.

Figure 26. Valuation Comparison with Peers (Category 1)

Company Name	Code	FY	Stock Price (10/17)	Market Cap. (¥mn)	PER CoE (x)	PBR Actual (x)	Dividend Yield CoE (%)	ROE Actual (%)
[Developers]								
GLOBAL LINK MANAGEMENT	3486	12/2024	2,735	43,878	10.7	3.8	2.8	33.3
FJ NEXT HOLDINGS	8935	03/2025	1,509	49,392	7.5	0.7	3.7	9.2
ES-CON JAPAN	8892	03/2025	1,031	98,665	8.6	1.2	4.7	14.8
Hoosiers Holdings	3284	03/2025	1,282	45,577	7.0	1.1	5.8	13.5
Meiwa Estate	8869	03/2025	1,043	24,456	8.4	0.7	4.3	8.8
DEAR LIFE	3245	09/2024	1,136	49,446	-	2.0	0.0	13.1
[Used/Renovated]								
INTELLEX	8940	05/2025	1,002	8,113	6.0	0.6	4.6	13.2
PROPERST	3236	05/2025	271	9,054	8.1	0.7	2.2	17.3
MUGEN ESTATE	3299	12/2024	2,057	48,094	7.4	1.5	5.4	20.3
[DX-related]								
GA Technologies	3491	10/2024	2,182	89,504	27.1	3.5	0.4	8.5
TASUKI Holdings	166A	09/2024	665	36,523	7.5	1.6	5.3	-
MIGALO HOLDINGS	5535	03/2025	448	26,220	20.2	2.4	1.8	12.9
Property Technologies	5527	11/2024	829	10,243	10.2	1.4	3.0	8.7

Note: ROE is not applicable to ES-CON JAPAN due to a change in its fiscal year.

Source: Strategy Advisors.

Figure 27. Valuation Comparison with Peers (Category 2)

Company Name	Code	FY	Stock Price (10/17)	Market Cap. (¥mn)	PER CoE (x)	PBR Actual (x)	Dividend Yield CoE (%)	ROE Actual (%)
GLOBAL LINK MANAGEMENT	3486	12/2024	2,735	43,878	10.7	3.8	2.8	33.3
Ichigo	2337	02/2025	364	150,437	9.5	1.4	3.2	14.0
TOSEI	8923	11/2024	3,215	155,879	11.1	1.7	3.0	13.9
Sun Frontier Fudosan	8934	03/2025	2,286	110,848	7.2	1.1	3.3	14.7
Kasumigaseki Capital	3498	08/2025	9,090	179,653	10.9	5.0	1.8	32.5
JINUSHI	3252	12/2024	2,917	60,332	9.9	1.3	3.4	16.0
Loadstar Capital	3482	12/2024	3,075	51,088	6.7	2.0	2.7	30.6

Source: Strategy Advisors.

11. Equity Story

Based on the above discussion, we will summarize the Company's future equity story from a short-term and medium to long-term perspective.

Equity Story (1): Land Planning Business & Revitalization Business Begin to Contribute to Profits

In the short term, the company will monitor progress toward achieving its targets of ¥100 billion in net sales and ¥10 billion in ordinary profit by FY12/27, the final year of its medium-term management plan "GLM100".

To achieve this goal, the focus will be on improving profit margins and the gross profit margin needs to be raised to 17.0% (FY12/24 actual result: 15.2%) and the net sales ordinary profit margin to 10.0% (FY12/24 actual result: 8.0%). To achieve this, it will be important to confirm whether the land planning business and revitalization business, which have high gross profit margins, will begin to contribute to earnings as expected.

There is another significance to the increasing profit contribution of the land planning and revitalization businesses. As seen in "9. Comparison with Peers" the reason the company's stock price is valued relatively higher than comparable companies is due to its high ROE and ROIC, as well as the high efficiency seen in its cash conversion cycle (CCC) and crossover ratio. However, the company's gross profit margin is by no means high compared to peer and there remains room for improvement. Therefore, an increase in the sales composition ratio of the land planning and revitalization businesses, which are expected to have higher profit margins than the development business, will lead to an increase in the overall gross profit margin, which will in turn increase the company's investment attractiveness relative to peers and raise expectations for a further rise in valuation.

Equity Story (2): Off-Balance Sheet Moves Into High Gear

Another key factor is that off-balance sheet assets will become more widespread in the future.

The company's revenue sources are 1) planning revenue (revenue from the sale of purchased properties), 2) development revenue (revenue earned by adding value to purchased properties through development) and 3) operating revenue (revenue earned by undertaking the management of properties owned by others). Currently, the company's revenues are mainly planning revenues, but in the future, there will likely be an increase in projects that combine development revenues and operating revenues.

This, combined with the full-scale implementation of off-balance-sheet projects, is expected to accelerate capital turnover and collaboration with external players, accelerating the increase in development projects and the accumulation of stable operating income. This will further diversify the company's revenue base and improve capital efficiency, shifting the company's previous volatile revenue structure centered on project-based revenue to a more predictable and efficient one. Furthermore, the increase in off-balance-sheet projects could lead to a further increase in ROIC through improvements to its already high inventory turnover and total asset turnover.

Equity Story (3): Medium Term, GLM Will Become an "Asset Management Partner for Real Estate Investors Investing in Japan"

Compared to peers that are heavily reliant on property sales, this improvement in revenue quality and further increase in efficiency will be a clear differentiator, further justifying the company's already high valuation and potentially increasing the likelihood of an additional premium valuation. With revenue centered on project-based revenue and the upcoming full-scale implementation of off-balance-sheet projects, the company is currently in the early stages of its next growth phase.

The transformation of its revenue structure through business diversification and the full-scale implementation of off-balance-sheet operations will enhance the certainty of the company's progression from being a "developer of condominiums for individual investors" to becoming a "long-term asset management partner that accompanies and supports domestic and international institutional investors and major corporations investing in Japanese real estate." This stage-up represents the company's "exciting dream," and its permeation into the stock market accompanied by further valuation growth will form the core of its mid-term equity story. According to the company, demand from overseas institutional investors already invested in Japanese real estate alone is approximately 13x its current supply capacity.

As mentioned in "4. Current Business Status - Overall", the company's clients are shifting from individual real estate investors to domestic and international institutional investors and major domestic business companies. As a result, the value it provides to clients is also changing to two points: "procuring properties for investors and tailoring them into real estate products" and "handling the practical hassles of real estate investment on behalf of investors". The company's current efforts to diversify asset classes and expanding its lineup beyond development to include land planning and revitalization businesses are in line with this trend in terms of expanding the value it can provide to clients and demonstrate a change in the way it provides value to clients.

However, this has not yet been fully recognized in the stock market. As understanding of this issue spreads, the company's changing position as it provides more value to customers is likely to be reflected in its stock price, accompanied by an increase in valuation.

12. Risk Factors

Risks to Business Performance

At present, there do not appear to be any major risks requiring close attention in terms of business execution or performance, but the following points could be cited as risks that could prevent the company from achieving the expected results.

As the company's performance is largely derived from flow services derived from real estate sales, changes in sales plans can cause actual performance to deviate significantly from the company's plans. This can occur due to changes in the buyer's environment, or the company may postpone sales plans for its own reasons. The stock price may react in the short term depending on the results of its financial results.

Concerns about the external environment include the impact of material prices and construction costs. The company expects that rising material prices and construction

costs will continue to rise due to labor shortages caused by the 2024 problem. Rising construction costs could lead to a reduction in the development of new residential buildings, resulting in a tight supply of new residential buildings. Furthermore, if the company is unable to pass on these costs to customers in a timely manner, this could affect its profit margins.

As with any real estate business, interest rate risk is unavoidable. Rising interest rates could have a negative effect on fundraising. The company has a solid financial strategy and its financial indicators show no particular problems with safety, so slow movements in interest rates are not a major issue. However, caution is needed if interest rates fluctuate suddenly in a short period of time.

Regardless of whether they are positive or negative, it is important to pay attention to whether there will be any legal changes and the impact they will have on the supply and demand of real estate transactions.

13. ESG Initiatives

1) GLOBAL LINK MANAGEMENT's Corporate Governance System

Corporate Governance System

The company is comprised of 4 companies (as of the end of 2024): GLOBAL LINK MANAGEMENT, consolidated subsidiaries (G&G Community Inc., AtPeak Inc.), and an equity method affiliate (SAGL Advisors Inc.). The organizational structure is a company with an audit and supervisory committee. Of the 6 directors, 2 are internal directors and 4 are audit and supervisory committee members. There are 4 independent outside directors (outside director ratio 66.7%), and all 4 meet the independence criteria. There is 1 female director, making the female director ratio 16.7%.

According to the Corporate Governance Code (Principle 4-8), companies listed on the Prime Market are required to appoint at least one-third of their directors as independent outside directors. The company fulfills this requirement, with 4 of its 6 directors being independent outside directors. Starting this year, the company added a female director, reducing the number of internal directors from 4 to 2.

It is unusual for a company of this size to have two internal directors and four external directors. The company appears to be considering making all directors other than the CEO external, and this could be an interesting example of how the advantages of an owner-managed company, such as speedy decision-making, a long-term perspective and the ability to demonstrate the individuality of its leaders, can be combined with strengthened governance through objective and diverse supervision.

Founder Mr. Daejoong Kim owns 48.78% of the issued shares, including those held by the asset management company. The total market capitalization, one of the criteria for maintaining listing on the Prime Market, was ¥7.21 billion as of the end of December 2024, below the ¥10 billion benchmark.

However, as of the first quarter financial results disclosure date, it was approximately ¥13.3 billion, meeting the benchmark, and the company will continue efforts to

maintain stable compliance with the benchmark by the end of 2025. The outstanding share ratio was 42.7% as of the end of March 2025, meeting the 35% benchmark, and is expected to rise to approximately 50% following the stock offering by Mr. Daejoong Kim on June 4, 2025.

According to the Corporate Governance Report submitted in January 2025, discussions are underway regarding succession plans and successor development plans, but no specific plans have yet been formulated. The company plans to establish specific succession plans and successor development plans in the future. Furthermore, when selecting representative directors and directors, the Nomination and Compensation Advisory Committee, an advisory body to the Board of Directors, will carefully and fairly deliberate and the Board of Directors will then decide on the final candidates after receiving a report from the Nomination and Compensation Advisory Committee.

Figure 28. GLOBAL LINK MANAGEMENT: Director Skills Matrix

Name	Position	Corporate Management	Real Estate Business	IT/DX	Sustainability	Human Capital	IR/PR	Finance	Legal Risk	Governance
Daejoong Kim	CEO	●	●		●	●				
Ichiro Kasahara	Director			●		●			●	●
Hitoshi Sugitani	Outside Director, Audit & Supervisory Committee Member (full-time)						●	●	●	●
	Outside Director, Audit & Supervisory Committee Member	●						●		
Kazuyuki Nakanishi	Outside Director, Audit & Supervisory Committee Member		●		●				●	●
Maki Itakura	Outside Director, Audit & Supervisory Committee Member	●						●		●

Note: As of March 27, 2025, as of the submission of the securities report
 Source: Company Data. Compiled by Strategy Advisors.

Sustainability Structure

2) GLOBAL LINK MANAGEMENT's Sustainability System

The company's mission is "Creating value for the future through investment" and by actively investing in people and businesses, it aims to create sustainable value for the environment and society and realize a prosperous future. It was one of the first companies in the investment real estate industry to start working on environmentally friendly real estate. Furthermore, in its long-term vision "GLM VISION 2030", formulated in 2022, it has set the goal of "Becoming No. 1 in sustainable real estate development and management through real estate x environment x digital transformation", placing sustainability at the foundation of its management.

In November 2023, the Sustainability Policy was formulated and in January 2024, the Sustainability Promotion Department was established under the Management Committee. Regarding important sustainability matters, the Sustainability Promotion Department hears the opinions of each business division and administrative department, discusses and summarizes them at regular meetings attended by the Representative Director and President, the Executive Officer in charge of Sustainability Promotion, and the Sustainability Promotion Department, and then discusses and deliberates them at the Management Committee. The Board of Directors makes decisions and supervises sustainability initiatives discussed and deliberated at Management Committee meetings, etc.

To ensure the achievement of its long-term vision for 2030, "GLM VISION 2030" the company has identified 9 "materiality" issues to be addressed as priority issues. Furthermore, in 2024, the company formulated its group policy, "GLM1000" and its 2025 medium-term management plan, "GLM100" and is reviewing its materiality (Figure 28). Specific targets for sustainability indicators (KGI) are currently under consideration.

Figure 29. Materiality of GLOBAL LINK MANAGEMENT, Desired Outcomes & KGI's by 2030

Materiality	Vision and Goal for 2030	KGI's for 2030
Planning, development, and management of environmentally-friendly real estate	Development and ownership rate of environmentally friendly real estate: 100%	Ratio of GLM-owned properties with environmental certification
Promote human capital management	Become a diverse organization with the highest average salary in the industry by being chosen by people who share our values (No. 1, Challenge, Co-creation) and have a desire to grow.	1) Average Salary Industry Ranking 2) Skill Score 3) Engagement Score (Total Score) 4) Diversity Indicators (a) % of Female Managers (b) % of Female Employees
Provision of safe and secure real estate	Development and provision of our own properties with a safe and secure environment that is resistant to natural disasters and has high security performance	1) Legal compliance and conformity of rights of properties handled 2) Ratio of disaster- and crime-resistant properties developed in accordance with the company's own standards
Promote combination of real estate and DX	Contribute to solving social issues by improving business productivity in the real estate domain through the promotion of DX using AI	Productivity Indicators (a) Sales per Employee (b) Ordinary profit per capita
Honest and highly transparent corporate conduct	1) No. 1 in employee pride through sincere corporate activities 2) Recognized by society for its sincere corporate activities and highly transparent information disclosure	1) Engagement score (degree of entrenchment of corporate philosophy) 2) (a) # of dialogues with investors (b) Selection as a component of the GPIF index
Contribution to mitigation of climate change	Greenhouse gas emissions from the project meet international standards to achieve a carbon neutral society in 2050	Greenhouse gas emissions (Scope 1, 2, and 3) reduction rate
Optimization of revenue structure	Steady growth has been achieved through a stable business base in the development business and the best mix of growth businesses such as revitalization and land planning.	Composition of Gross Profit of Each Business
Balancing optimized capital efficiency and financial soundness	Optimized capital efficiency and financial soundness have both increased corporate value	1) ROE 2) Equity ratio 3) Dividend payout ratio
Strengthening of monitoring functions in corporate governance	The board of directors as a whole is diverse and possesses the necessary skills to fulfill its governance function to enhance corporate value over the medium to long term.	1) Ratio of Outside Directors 2) Effectiveness evaluation score (Average overall scores) 3) Ratio of female directors

Source: Company Data. Compiled by Strategy Advisors.

In 2024, the company will support the Task Force on Climate-related Financial Disclosures (TCFD), and in its securities report for FY12/24, it will disclose information in line with the TCFD recommendations. It has positioned risks related to climate change as a material risk and disclosed the risks, opportunities, and economic (financial) impacts associated with climate change.

The scenario analysis involves 2 types of analysis: one in which policy transitions will have a major impact, assuming the Paris Agreement's goal of "limiting the rise in temperature to 1.5°C above pre-industrial levels" (1.5°C to 2°C scenario), and the other in which environmental regulations are not strengthened and physical risks increase (4°C scenario).

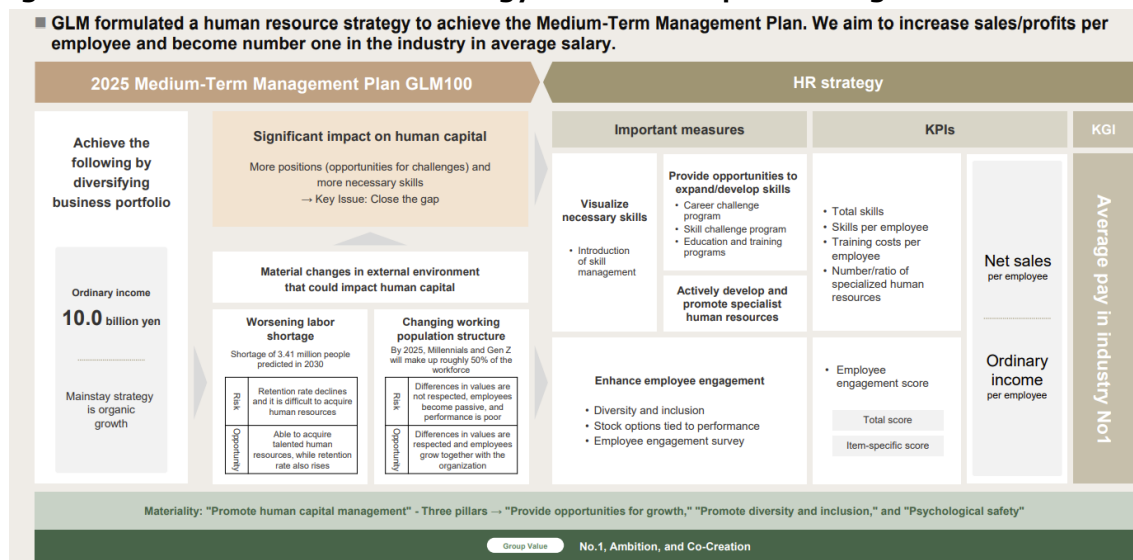
Based on these 2 scenarios, the company are identifying the risks and opportunities that climate change will pose to our business over the short term (1 year), medium term (3 years) and long term (more than 3 years) and are working to quantify their financial impact. The company are currently considering our greenhouse gas emissions reduction targets and plan to announce them on our website once they are decided.

Human Capital

The company has identified the promotion of a human capital strategy as one of its material issues and has formulated a "human resources strategy" based on its basic philosophy regarding the promotion of human capital management. The company considers that the worsening labor shortage and changes in the workforce composition are the most important strategic risks and opportunities for GLOBAL LINK MANAGEMENT.

Therefore, the company has set an "industry average salary ranking" as the KGI for its "human resources strategy" and aims to achieve a high ranking. It also positions skill management and employee engagement as key policy issues and will implement various measures. The company's mid-term management plan sets the following KPIs for FY12/27: net sales per employee of approximately ¥500 million, ordinary profit per employee of approximately ¥50 million and an average annual salary of over ¥10 million.

Figure 30. Human Resources Strategy in Human Capital Management



Source: Company Data. Compiled by Strategy Advisors.

In promoting human capital, the company has announced targets for the following three indicators up to FY12/27.

1. Ratio of female managers to 20% or more (as of the end of December 2027)
2. Female employee hiring rate of 40% or more (FY12/27)
3. Maintain a childcare leave utilization rate of over 75% for men (FY12/27)

The proportion of female managers is 11.1% (4 female managers, 36 managers in total) and the rate of male employees taking childcare leave is 100.0% (as of the end of 2024). Furthermore, by the start of 2025, there will be 1 female director and 2 female executive officers, further strengthening efforts to ensure diversity.

The wage gap between men and women is 54.4% for all workers and 54.4% for regular employees. According to the Japan Productivity Center, the wage gap is lower than the market and industry average (FY3/24) as the TSE Prime market as a whole is 71.4% and the finance, insurance and real estate industry is 64.0%.

Figure 31. Consolidated Income Statement (Full Year)

(¥mn)	12/20	12/21 Non- Consolidated	12/22	12/23	12/24	12/25 CoE
Net Sales	26,840	30,675	35,673	41,258	64,482	72,000
Cost Of Sales	22,931	26,227	29,810	33,552	54,687	
Gross Profit	3,909	4,447	5,863	7,706	9,794	11,400
Gross Profit Margin	14.6%	14.5%	16.4%	18.7%	15.2%	15.8%
SG&A Expenses	2,543	2,769	3,086	3,119	4,062	
Operating Profit	1,365	1,677	2,776	4,586	5,732	6,700
OP Margin	5.1%	5.5%	7.8%	11.1%	8.9%	9.3%
Non-Operating Income	4	100	6	124	7	
Non-Operating Expenses	342	289	504	451	602	
Ordinary Profit	1,028	1,487	2,278	4,260	5,138	6,000
Ordinary Profit Margin	3.8%	4.9%	6.4%	10.3%	8.0%	8.3%
Extraordinary Losses	-	442	1	-	140	
Extraordinary Income	-	-	-	1	5	
Profit Before Income Taxes	1,028	1,930	2,280	4,259	5,273	
Income Taxes - Current	357	555	974	1,454	1,935	
Income Taxes - Deferred	-15	-48	-155	-76	-77	
Total Income Taxes	341	506	819	1,378	1,857	
(Corporate Tax Rate)	33.3%	26.3%	35.9%	32.3%	35.2%	
Profit Attributable to Owners of Parent	686	1,423	1,458	2,878	3,414	4,100
Net Profit Margin	2.6%	4.6%	4.1%	7.0%	5.3%	5.7%
EPS (¥)	45.08	91.02	91.79	180.38	213.28	256.06
ROE	16.5%	-	-	37.5%	33.3%	
ROIC (Invested Assets)	6.4%	-	-	11.0%	12.5%	
ROIC (Business Assets)	6.9%	-	-	12.7%	16.8%	
DPS (¥)	35.00	35.00	52.50	100.00	130.00	77.50
# of Shares Outstanding (mn)	7.6	7.8	7.9	8.0	8.0	
# of Shares Outstanding at Year-end (mn)	7.7	7.9	8.0	8.0	8.0	

Note: Only non-consolidated results are disclosed for FY21/12. Therefore, there are no figures for ROE and ROIC for FY21/12 and FY12/22, which are calculated using the average for the period.

Starting from FY12/23, loan fees that were previously recorded as selling, general and administrative expenses are now recorded as non-operating expenses. The new accounting method was in place until FY12/22. However, there was no retroactive adjustment before FY12/21.

EPS and dividends have been retroactively adjusted to reflect the impact of the 2-for-1 stock split effective April 1, 2025.

Source: Company Data. Compiled by Strategy Advisors.

Figure 32. Consolidated Balance Sheet (Full Year)

(¥mn)	12/20	12/21 Non- Consolidated	12/22	12/23	12/24
Current Assets	18,101	20,605	30,551	28,232	34,043
Cash And Deposits	2,272	2,480	3,531	8,648	11,291
Accounts Receivable	-	-	-	-	12
Inventories	15,128	17,375	25,755	17,944	19,806
Others	701	769	1,264	1,637	2,933
Non-Current Assets	927	1,161	1,768	3,815	2,371
Tangible Assets	257	600	1,307	3,209	1,320
Land	81	270	670	1,950	665
Intangible Assets	117	105	109	86	50
Investments and Other Assets	552	454	350	519	1,000
Investment Securities	61	14	14	14	424
Deferred Tax Assets	74	122	278	355	432
Others	417	317	57	149	143
Total Assets	19,029	21,767	32,319	32,047	36,414
Current Liabilities	9,373	11,068	14,565	14,041	14,033
Accounts Payable	-	-	-	-	32
Accounts Payable - Other	1,162	2,222	1,807	1,628	1,366
Interest Bearing Debt	7,396	7,933	11,529	10,973	10,621
Short-Term Borrowings	699	3,495	4,923	2,628	6,288
Current Portion of Long-Term Borrowings	6,668	4,409	6,557	8,230	4,218
Current Portion of Bonds Payable	28	28	48	114	114
Income Taxes Payable	345	386	728	1,053	1,290
Others	468	526	500	385	723
Non-Current Liabilities	5,177	5,463	11,307	9,066	10,762
Interest Bearing Debt	5,068	5,365	11,202	8,975	10,678
Others	109	97	105	91	84
Net Assets	4,478	5,235	6,446	8,939	11,617
Shareholders' Equity	4,478	5,235	6,438	8,929	11,570
Share Capital/Capital Surplus	833	878	907	936	964
Retained Earnings	3,645	4,357	5,531	7,992	10,606
Share Acquisition Rights	-	-	-	-	34
Non-Controlling Interests	-	-	7	10	13
Total Liabilities And Net Assets	19,029	21,767	32,320	32,047	36,414
Interest Bearing Debt	12,464	13,298	22,732	19,948	21,300
Equity Ratio	23.5%	24.1%	19.9%	27.9%	31.9%
D/E Ratio (x)	2.78	2.54	3.53	2.23	1.84

Note: Only non-consolidated results are disclosed for FY12/21

Source: Company Data. Compiled by Strategy Advisors.

Figure 33. Consolidated Cash Flow Statement (Full Year)

(¥mn)	12/20	12/21 Non- Consolidated	12/22	12/23	12/24
Cash Flows from Operating Activities					
Profit Before Income Taxes	1,028	1,930	2,280	4,259	5,273
Depreciation and Amortization	70	88	90	89	107
Working Capital	-1,993	-2,619	-9,142	7,797	-1,860
Other	496	5	-1,544	-1,813	-2,820
Total	-394	-574	-8,290	10,360	731
Cash Flows from Investing Activities					
Income/Losses from Purchase and Sale of Tangible Assets	-136	-2	-12	-1,944	1,962
Income/Losses from Purchase and Sale of Intangible Assets	-76	-23	-39	-13	-3
Purchase of Investment Securities	-49	-	-	-	-410
Other	-325	390	55	-29	10
Total	-586	365	4	-1,986	1,559
Cash Flows from Financing Activities					
Net Increase (Decrease) in Short-Term Loans Payable	-719	2,796	1,728	-2,295	3,836
Net Increase (Decrease) in Long-Term Debt	1,824	-1,933	7,611	-691	-2,527
Redemption of Bonds	175	-28	72	152	-114
Issuance of Shares	0	19	0	0	0
Dividends Paid	-94	-270	-277	-417	-799
Other	10	-5	172	-2	27
Total	1,196	579	9,306	-3,253	423
Net Increase (Decrease) in Cash	215	1,199	1,020	5,120	2,713
Cash Beginning Balance	1,820	2,035	2,406	3,451	8,571
Cash Ending Balance	2,035	2,406	3,451	8,571	11,285

Note: Only non-consolidated results are disclosed for FY12/21

Source: Company Data. Compiled by Strategy Advisors.

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