

Company Report

May 25, 2026

Strategy Advisors Co., Ltd.
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Expectations for Exceeding Initial Forecasts This Fiscal Year

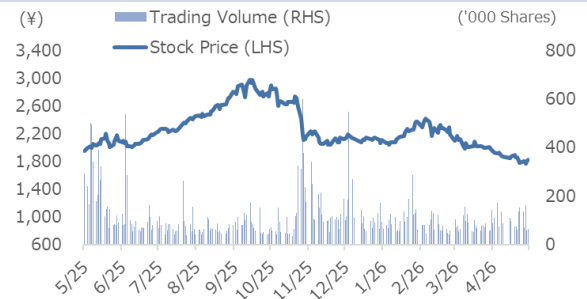
Global Link Management reported its results for FY12/2026 Q1, net sales were ¥15.29 billion (-7.2% YoY) and operating profit was ¥2.05 billion (+13% YoY), marking solid performance with double-digit profit growth. Net sales declined due to the delayed recognition of revenue from the revitalization business, but the development business drove growth. In terms of profits, the company got off to a solid start relative to its initial plan. The Q1 operating profit progress rate was 24.1%. Considering that the company's performance is typically weighed toward Q4, this progress suggests that, as in the previous year, the company is expected to exceed its initial plan for the current fiscal year.

The strong profit progress can be attributed to favorable profitability. Despite the minimal contribution to net sales from the land planning business and revitalization business, which are more profitable than the development business, the gross profit margin remained at a high level of 20.9%. Given that the assumption for this fiscal year's gross profit margin is 19.3%, this represents a promising start.

Notably, key topics in Q1 included rising material prices and supply concerns stemming from the escalating tensions in the Middle East. Fortunately, sales contracts have already been signed for approximately 80% of the projects scheduled for sale on FY12/2026, and at this stage, no projects have had their completion dates definitively postponed due to these circumstances. Furthermore, if the supply of new residential properties continues to decline after 2026, the company expects it will become easier to negotiate price increases to secure appropriate margins. There appears to be ample room for negotiation to pass on the impact of soaring material costs and other factors in prices.

The company is expanding its business in accordance with its medium-term management plan (GLM100), which ends in FY12/2027. The target for ordinary profit for FY12/2027 is ¥10 billion. However, considering that as of FY12/2026 Q1, the number of units scheduled for sale in the development business for FY12/2027 stands at 1,362; and, that the gross profit margins for each business segment are conservative, we believe the likelihood of achieving this target is high.

Stock Price & Trading Volume (1 Year)



Source: Strategy Advisors.

Key Ratios

Stock Price (5/22/26)	1,824
52-Week High (10/8/25)	2,973
52-Week Low (5/20/26)	1,766
All-Time High (10/8/25)	2,973
All-Time Low (3/19/20)	220
Shares on Issue (mn)	16.0
Market Cap. (¥bn)	29.3
EV (¥bn)	44.3
Equity Ratio (12/25 Actual, %)	31.3
ROE (12/25 Actual, %)	34.8
PER (12/26 CoE, x)	5.7
PBR (12/25 Actual, x)	1.9
Dividend Yield (12/26 CoE, %)	5.5

Source: Strategy Advisors.

Strategy Advisors believes that capital market interest is shifting from GLM100 to GLM200, which ends in FY12/2030. The key point to watch going forward is whether the company can double its ordinary profit to ¥20 billion during the next medium-term management plan period, which ends in FY12/2030. Based on these factors, the company's equity story can be summarized as improved profitability through an optimized business mix driven by the expansion of the land planning business and revitalization business, as well as further improvements in turnover rates and diversification of cash flow sources using SPCs.

Japanese GAAP - Consolidated

FY	Net Sales (¥mn)	YoY (%)	Operating Profit (¥mn)	YoY (%)	Ordinary Profit (¥mn)	YoY (%)	Net Profit (¥mn)	YoY (%)	EPS (¥)	DPS (¥)
12/23	41,258	15.7	4,586	65.2	4,260	87	2,878	97.3	91.8	26.3
12/24	64,482	56.3	5,732	25	5,138	20.6	3,413	18.6	180.4	50
12/25	69,262	7.4	7,436	29.7	6,739	31.2	4,611	35.1	213.3	80.5
12/26 CoE	75,000	8.3	8,500	14.3	7,500	11.3	5,130	11.2	320.4	100

Note: EPS and DPS figures are adjusted for the impact of stock splits.

Source: Company Data. Compiled by Strategy Advisors.

Table of Contents

1. The Company Got Off to a Strong Start in Q1. Progress so Far Suggests an Upward Revision Can Be Expected During the Current Fiscal Year	3
2. FY12/2026, Development Business & Profitability of the Land Planning Business is Being Focused on.....	5
3. The Capital Markets Are Recognizing the Company's Turnover-Focused Management Approach Through Off-Balance-Sheet Development	7
4. Achievement of the Mid-Term Management Plan is Within Reach. Focus on GLM200 Through the Use of SPCs.....	10
5. Valuation is Expected to Rise Following the Shift in Business Model	12

1. The Company Got Off to a Strong Start in Q1. Progress so Far Suggests an Upward Revision Can Be Expected During the Current Fiscal Year

The Company Got Off to a Strong Start with Double-Digit Profit Growth

For FY12/2026 Q1, net sales were ¥15.29 billion (-7.2% YoY) and operating profit was ¥2.05 billion (+13% YoY), marking a solid performance with double-digit profit growth. Net sales declined due to the delayed recognition of revenue from the revitalization business; but the development business drove growth, and in terms of profits, the company got off to a solid start relative to its initial plan. The Q1 operating profit progress rate was 24.1%. Considering that the company's performance is typically weighted toward Q4, this represents a promising start, and the results suggest that an upward revision is expected for this fiscal year, just as it was last year.

Strong profitability was a key factor behind the robust profit performance. Despite the minimal contribution to net sales from the land planning business and revitalization business, which are more profitable than the development business, the gross profit margin remained at a high level of 20.9%. The assumption for this fiscal year's gross profit margin is 19.3%, indicating that profitability has exceeded expectations. Furthermore, selling, general, and administrative expenses (SG&A) for Q1 totaled ¥1.15 billion (+¥80 million YoY). While personnel and recruitment costs rose by ¥100 million, decreases in advertising and promotional expenses as well as commission payments led to an improvement in the operating profit margin. Despite a decline in net sales, the operating profit margin improved to 13.4% (+2.4ppt YoY).

Real estate held for sale amounted to ¥43.76 billion (+¥19.74 billion from the end of December). Of this total, approximately 50% was attributed to land acquisitions, with the remainder resulting from the impact of valuation adjustments related to the revitalization business (5 buildings) and other ongoing construction work. Procurement progressed at a pace exceeding internal plans, indicating extremely solid progress. The company reported that it was able to procure properties efficiently, largely due to projects brought in by nearly 100 business partners based on long-standing relationships of trust, as well as repeat clients.

Figure 1. GLOBAL LINK MANAGEMENT: FY12/2026 Q1 Results Summary

(¥bn)	12/26 Q1 (A)	YoY	Progress Rate (A)/(B)	12/26 CoE (B)
Net Sales	15.3	-7.2%	20.4%	75
Development Business	14.0	-	35.9%	39
Land Planning Business	0.9	-	4.8%	20
Revitalization Business	0.1	-	0.9%	16
Operating Profit	2.1	13.0%	24.1%	9
Ordinary Profit	1.8	10.1%	23.9%	8
Profit Attributable to Owners of the Parent	1.2	22.5%	23.8%	5

Source: Company Data. Compiled by Strategy Advisors.

Furthermore, the company has many off-balance-sheet development projects and holds many pipeline projects that are not recorded on its balance sheet. Off-balance-sheet development refers to cases where the company introduces land to partners such as general contractors, who then develop the property on their own balance sheets; after completion, the company purchases the property and sells it to investors within a few months. Strategy Advisors highly commend the company for establishing a development framework that minimizes balance sheet burden, noting that while most net sales came from off-balance-sheet development projects, the gross profit margin remained at a high level of 20.9% compared to previous fiscal years.

Projects Scheduled for Acquisition in FY12/2025 Postponed to FY12/2026 & Beyond

Furthermore, one factor contributing to the high likelihood of strong performance this fiscal year is the postponement of projects originally scheduled for acquisition from FY12/2025 to FY12/2026 or later. Although net sales from the development business and revitalization business in FY12/2025 fell short of initial plans, the gross profit margin exceeded expectations, resulting in record-high profits. Considering this robust profit performance, the company postponed the acquisition timing of certain projects to FY12/26 or later, thereby reducing its financial burden. Given the strong performance of acquisitions in Q1 FY12/2026, it appears the company is operating with a margin of flexibility to achieve its medium-term management plan.

Figure 2. Quarterly Performance Trends (¥mn)

FY	12/25				12/25				12/26
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
[P/L]									
Net Sales	5,450	12,530	15,492	31,008	16,472	19,199	16,251	17,338	15,287
Cost of Sales	4,471	10,670	13,641	25,903	13,591	15,261	13,668	14,331	12,084
Gross Profit	978	1,859	1,851	5,105	2,880	3,938	2,583	3,006	3,202
Gross Profit Margin	17.9%	14.8%	11.9%	16.5%	17.5%	20.5%	15.9%	17.3%	20.9%
SG&A Expenses	815	842	989	1,414	1,065	1,222	965	1,718	1,152
SG&A Margin	15.0%	6.7%	6.4%	4.6%	6.5%	6.4%	5.9%	9.9%	7.5%
Operating Profit	163	1,017	861	3,690	1,814	2,715	1,618	1,287	2,050
OP Margin	3.0%	8.1%	5.6%	11.9%	11.0%	14.1%	10.0%	7.4%	13.4%
[B/S]									
Real Estate for Sale In-Progress	18,861	19,682	16,215	15,924	22,325	26,927	32,118	24,022	43,768
YoY	-4.9%	11.8%	-5%	7.6%	18.4%	36.8%	98.1%	50.9%	96.0%
Total Interest-Bearing Debt	26,836	26,972	31,863	21,299	34,891	33,525	33,869	29,627	46,960
Short-Term Interest-Bearing Debt	18,410	18,759	18,829	10,621	17,455	12,923	9,865	11,014	17,158
Long-Term Interest-Bearing Debt	8,426	8,213	13,034	10,678	17,436	20,602	24,004	18,613	29,802
Net D/E Ratio	2.5	2.4	2.9	0.9	2.1	1.8	1.6	1.0	2.5

Source: Company Data. Compiled by Strategy Advisors.

2. FY12/2026, Development Business & Profitability of the Land Planning Business is Being Focused on

Development Business's Sales & Procurement Are on Track to Be achieved Ahead of Schedule

By business segment, Q1 net sales for the development business reached ¥14 billion, representing 35.9% of the initial annual plan (¥39 billion). The target for residential unit sales this fiscal year is 758 units, but 265 units were sold in Q1. Furthermore, the number of units for which sales contracts have been signed reached 636 and it is already becoming clear from Q1 that the fiscal year plan will be achieved.

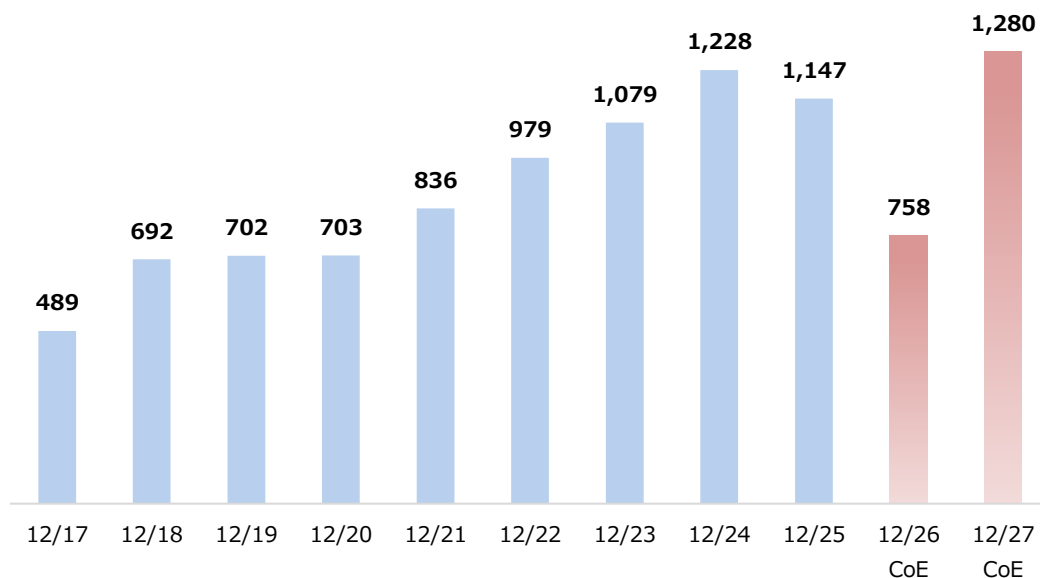
Furthermore, the company disclosed 10 new additional projects in its procurement and sales status report, resulting in the procurement of a total of 359 units. Given that the sales target for the current fiscal year is 758 units, this means that just under 50% of the units planned for the current fiscal year were procured in Q1, representing extremely strong progress.

As of the end of Q1, the number of units scheduled for sale in FY12/2027 (already under contract) stands at 1,362. Although there is a possibility that some sales may be converted to land sales or that the timing of sales may be delayed due to customer circumstances, the company has already secured the number of units necessary to demonstrate profit growth in line with its medium-term management plan (which calls for 1,280 units to be sold in FY12/2027). Consequently, expectations are high that the company will achieve its performance target (ordinary profit of ¥10 billion).

Concerns include rising material prices and supply issues stemming from the escalating tensions in the Middle East. Fortunately, sales contracts have already been signed for approximately 80% of the projects scheduled for sale in FY12/2026. While it is necessary to remain vigilant regarding the possibility of additional construction costs or delays in completion, the company reports that, at this stage, no projects have had their completion dates definitively postponed due to these circumstances.

Furthermore, the company notes that if the supply of new residential properties continues to decline after 2026, it will become easier to negotiate price increases to secure appropriate margins. The company's clients are not individual investors but institutional investors such as real estate funds. Given the trust-based relationships the company has built with its clients over many years; and the fact that these clients possess the expertise to adjust rents in line with market conditions, there is ample room for negotiation to pass on the impact of rising material costs, and so there is likely no need for excessive concern.

Figure 3. Trends in the Number of Residential Units Sold (Units)



Source: Company Data. Compiled by Strategy Advisors.

Q1 net sales for the land planning business totaled ¥900 million, with a progress rate of 4.8% against the initial plan, marking a slow start. On the other hand, 3 sales were completed as planned, and business progress remains within the expected range. Starting in Q2, business progress is expected to align with the sales schedule for the current fiscal year (Q2: 6 units, Q3: 5 units, Q4: 11 units).

Furthermore, the land planning business is a venture that enables the achievement of high gross profit margins by adding value through labor-intensive processes such as rights adjustments and demolition before sale. While the company's plan (net sales of ¥20 billion, gross profit of ¥4 billion) projects a gross profit margin of 20%, the company appears confident in securing profitability exceeding these targets. Since the company can flexibly determine sales timing based on soaring construction costs and the progress of procurement, growth is expected for the current fiscal year and beyond while mitigating risks.

**Business
Revitalization:
Strong Procurement
Performance**

In the revitalization business, the company had planned to sell one building, but since the timing of net sales recognition was shifted to Q2, the contribution to earnings was minimal. The target for this fiscal year is to sell 9 buildings, but since the postponed project has already been contracted for sale, there is no cause for concern. Furthermore, procurement is progressing well, with 5 buildings being procured in Q1. Considering the full-year plan (procurement of 12 buildings), this can be considered a good start.

Continuing to Secure Profits by Prioritizing Turnover

The gross profit margin for this fiscal year's performance plan for the revitalization business (net sales of ¥16 billion, gross profit of ¥3.5 billion) is 22%. In FY12/2025, there were many highly profitable projects, resulting in a high gross profit margin of 30.5%. For FY12/2026, while margins are expected to decline as disclosed at the beginning of the fiscal year, they are projected to exceed the assumptions of the medium-term management plan. While many competitors in this sector often spend one to two years implementing value-enhancement measures to achieve gross profit margins of 30–40%, the company adheres to a management policy that prioritizes turnover rates. In FY12/2025, rent increases at the time of sale reached 31.2%. This fiscal year, the company is expected to leverage its expertise to maintain turnover rates while securing margins.

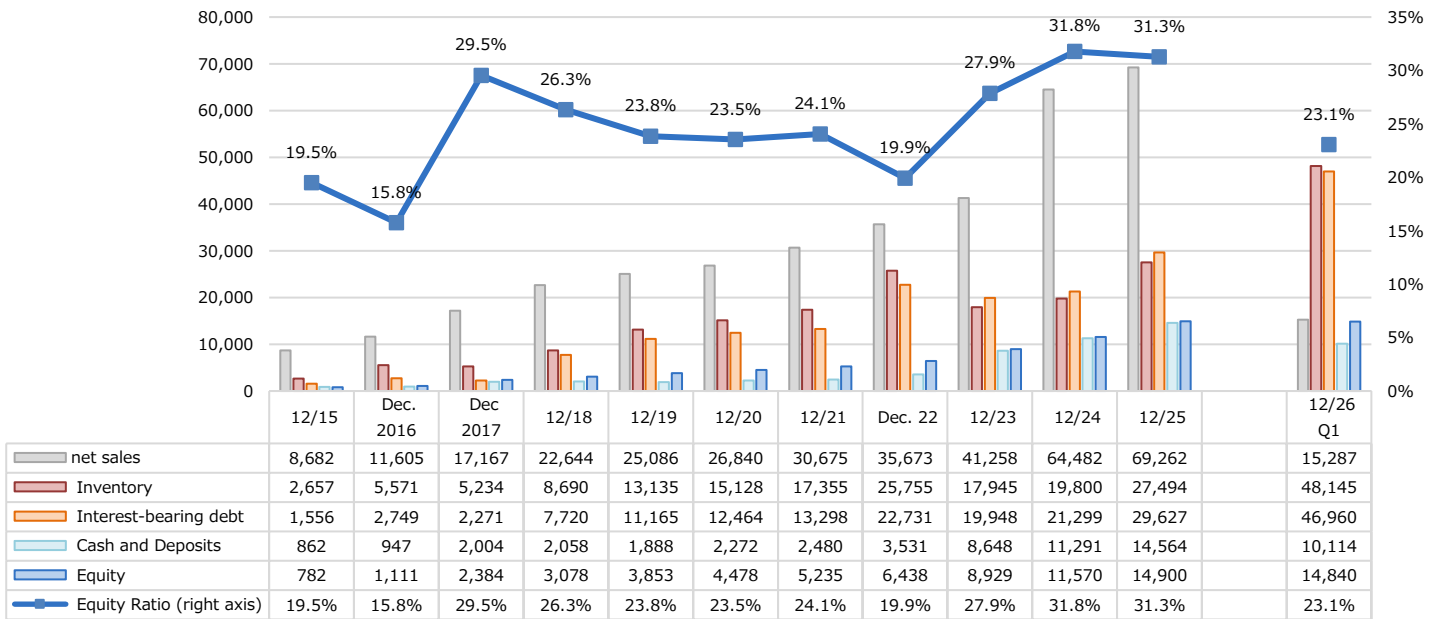
3. The Capital Markets Are Recognizing the Company's Turnover-Focused Management Approach Through Off-Balance-Sheet Development

Achieving Sales Growth While Enhancing Asset Efficiency

A key feature of the company is its use of off-balance sheet development to expand net sales while keeping inventory growth in check. Off-balance-sheet development is a model in which partners, such as general contractors, acquire and develop land identified by the company, after which the company purchases the developed properties and sells them to institutional investors within a few months.

Traditional on-balance sheet development places a significant burden on the balance sheet due to land acquisition costs, reducing financial flexibility. As a result, the scope for additional development becomes limited. By utilizing off-balance-sheet development, the company can reduce financial burdens and ensure scalability. A key factor enabling this approach is the company's strong network with institutional investors, such as funds, who serve as buyers, allowing bulk sales. This model is viable because the company aggregates projects developed by multiple partners and sells them in bulk to funds. The company has been actively pursuing off-balance-sheet development since 2022, and its stock price has risen significantly since 2023, indicating that the market values the company's business model, which features an extremely high inventory turnover rate.

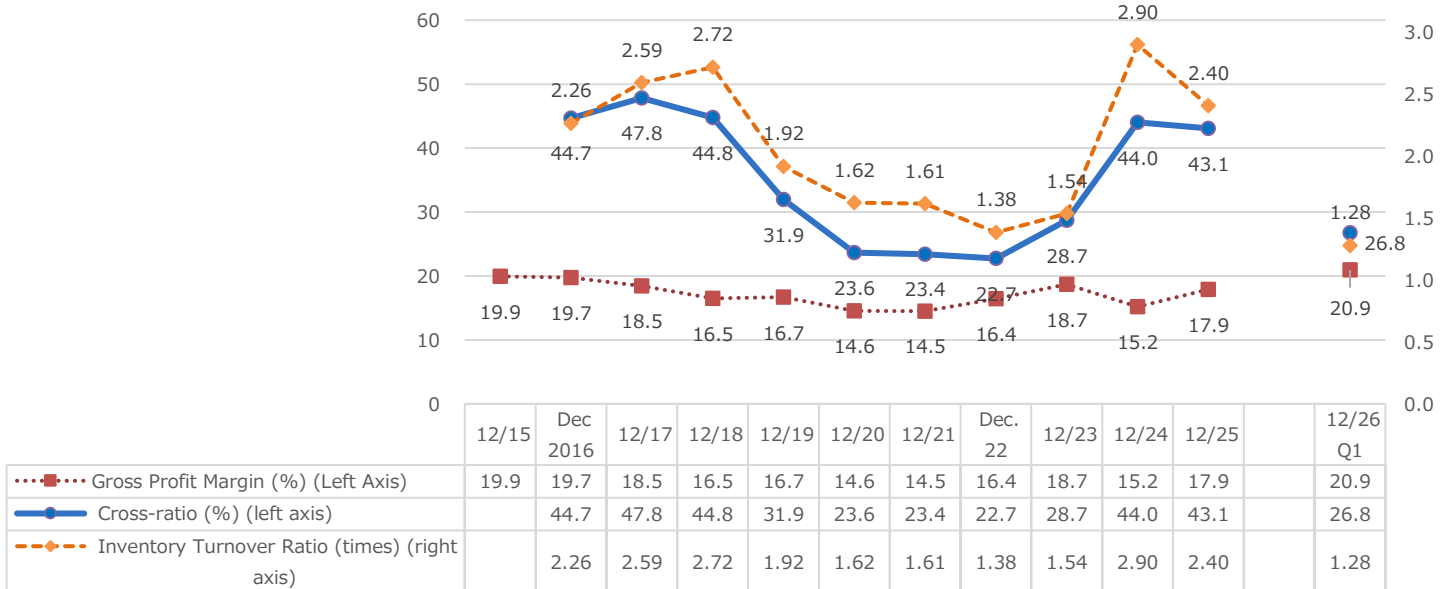
Figure 4. Changes in the Financial Status of GLOBAL LINK MANAGEMENT



Note: Only non-consolidated results are disclosed for FY12/2021.

Source: Company Data. Compiled by Strategy Advisors.

Figure 5. Trends in the Crossover Ratio of GLOBAL LINK MANAGEMENT



Note: Only non-consolidated results are disclosed for FY12/2021.

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.

Figure 6. Financial Comparison with Peers: Comparison of CCC (Cash Conversion Cycle) & Crossover Ratio (Based on Most Recent Full-Year Results)

Company Name	Code	FY	Accounts Receivable Turnover Period (Day)	Inventory Turnover Period (Day)	Payables Turnover Period (Day)	CCC (Day)	Gross Profit Margin (%)	Inventory Turnover (x)	Crossover Ratio (%)
[Developer]									
GLOBAL LINK MANAGEMENT	3486	12/25	0.2	151.8	0.2	151.9	17.9	2.4	43.1
FJ NEXT HOLDINGS	8935	3/26	16	196.8	9.6	203.2	18.9	1.9	35
ES-CON JAPAN	8892	3/26	3.6	1,054.3	0.0	1,057.9	29.9	0.3	10.4
Hoosiers Holdings	3284	3/26	1.7	405.2	26.4	380.5	22	0.9	19.8
Meiwa Estate	8869	3/26	0.8	602.0	83.5	519.3	21.3	0.6	12.9
DEAR LIFE	3245	9/25	1.9	112.1	1.8	112.1	13.7	3.3	44.8
[Used/Renovated]									
INTELLEX HOLDINGS	463A	5/25	3.7	242.2	7.9	238.0	17.8	1.5	26.8
PROPERST	3236	5/25	0	362.9	1.6	361.3	18.3	1	18.4
MUGEN ESTATE	3299	12/25	0.4	511.1	6.2	505.3	28.3	0.7	20.2
[DX-Related]									
Gatechnologies	3491	10/25	1.7	22.6	7.1	17.2	16.9	16.1	273.3
TASUKI Holdings	166A	9/25	0	247.1	2.6	244.5	19.9	1.5	29.4
MIGALO HOLDINGS	5535	3/26	3.7	369.9	10.2	363.4	24.2	1	23.8
Property Technologies	5527	11/25	0.4	269.6	11.9	258.1	15	1.4	20.3
Average	—	—	2.6	349.8	13	339.4	20.3	2.5	44.5
Median	—	—	1.7	269.6	7.1	258.1	18.9	1.4	23.8

Company Name	Code	FY	Accounts Receivable Turnover Period (Day)	Inventory Turnover Period (Day)	Payables Turnover Period (Day)	CCC (Day)	Gross Profit Margin (%)	Inventory Turnover (x)	Crossover Ratio (%)
[Real Estate Finance]									
GLOBAL LINK MANAGEMENT	3486	12/25	0.2	151.8	0.2	151.9	17.9	2.4	43.1
Ichigo	2337	2/26	16.4	935.7	0	952.2	32.5	0.4	12.7
TOSEI	8923	11/25	36.2	1,056.5	61.5	1,031.2	42.1	0.3	14.6
Sun Frontier Fudousan	8934	3/26	9.3	730.9	20.7	719.4	32.8	0.5	16.4
Kasumigaseki Capital	3498	8/25	7.5	309.9	0	317.4	37.8	1.2	44.5
JINUSHI	3,252	12/25	2.4	439.4	1.9	439.9	18.4	0.8	15.3
Loadstar Capital	3,482	12/25	0	1,088.7	0	1,088.7	34.6	0.3	11.6
Average	—	—	10.3	673.3	12.0	671.5	30.9	0.9	22.6
Median	—	—	7.5	730.9	0.2	719.4	32.8	0.5	15.3

Note: CCC (Cash Conversion Cycle) is calculated as "Accounts Receivable Turnover + Inventory Turnover – Accounts Payable Turnover." INTELLEX HOLDINGS transitioned to a holding company on December 1, 2025. The figures above are for Intellix (8940).

Source: Strategy Advisors.

4. Achievement of the Mid-Term Management Plan is Within Reach. Focus on GLM200 Through the Use of SPCs

Based on Conservative Assumptions & a Robust Sales Pipeline, the Likelihood of Achieving the Mid-Term Plan is Increasing

The company is expanding its business in line with its medium-term management plan (GLM100), which ends in FY12/2027. The target for ordinary profit for FY12/2027 is ¥10 billion; however, as mentioned above, considering that the number of units scheduled for sale in the development business for FY12/2027 stood at 1,362 as of FY12/2026 Q1, and that the gross profit margin assumptions for each business are conservative, it can be said that the likelihood of achieving this plan is increasing.

Strategy Advisors believe that capital market interest is shifting from GLM100 to GLM200, which ends in FY12/2030. The key focus going forward is whether the company can double its ordinary profit to ¥20 billion during the next medium-term management plan period, which ends in FY12/2030. Based on these factors, the company's Equity Story can be summarized as follows: improved profitability through an enhanced business mix driven by the expansion of the land planning business and revitalization business, as well as further improvements in turnover rates and diversification of cash flow sources using SPCs.

Figure 7. Breakdown of the Mid-Term Management Plan (¥bn)

Items	FY12/25 (Actual)	FY12/26 (Company Plan)	FY12/27 (Mid-term Plan)	FY12/24 of CAGR
Net Sales	69.26	75.0	100.0	15.7%
Development Business	41.1	39.0	50.0	—
Land Planning Business	19.2	20.0	30.0	—
Revitalization Business	8.3	16.0	20.0	—
Gross Profit	12.41	14.5	17.0	20.2%
Development Business	6.0	7.0	7.0	—
Land Planning Business	3.8	4.0	6.0	—
Revitalization Business	2.5	3.5	4.0	—
Gross Profit Margin	17.9%	19.3%	17.0%	—
Development Business	14.7%	18.0%	14.0%	—
Land Planning Business	19.8%	20.0%	20.0%	—
Revitalization Business	30.5%	22.0%	20.0%	—
# of Purchase Workforce (Person)	—	—	50	—
Development Business	—	—	16	—
Land Planning Business	—	—	22	—
Revitalization Business	—	—	12	—
Development Business				
Unit Sales (Units)	1,147	758	1,280	1.4%
Non-Residential (Bldgs)	0	1	2	-20.6%
Land Planning Business				
Properties Sold (Properties)	22.0	25.0	32.0	19.0%
Revitalization Business				
Building Purchased (Bldgs)	5.0	12.0	14.0	—
Building Sold (Bldgs)	4.0	9.0	12.0	—

Source: Company Data. Compiled by Strategy Advisors.

Among these, Strategy Advisors is focusing on the shift toward business models utilizing SPCs. Like Kasumigaseki Capital (3498 TSE Prime), a mid-sized developer that has achieved significant growth in a short period, the company is expected to increase its revenue streams while transitioning to a business model with higher turnover rates by leveraging funds.

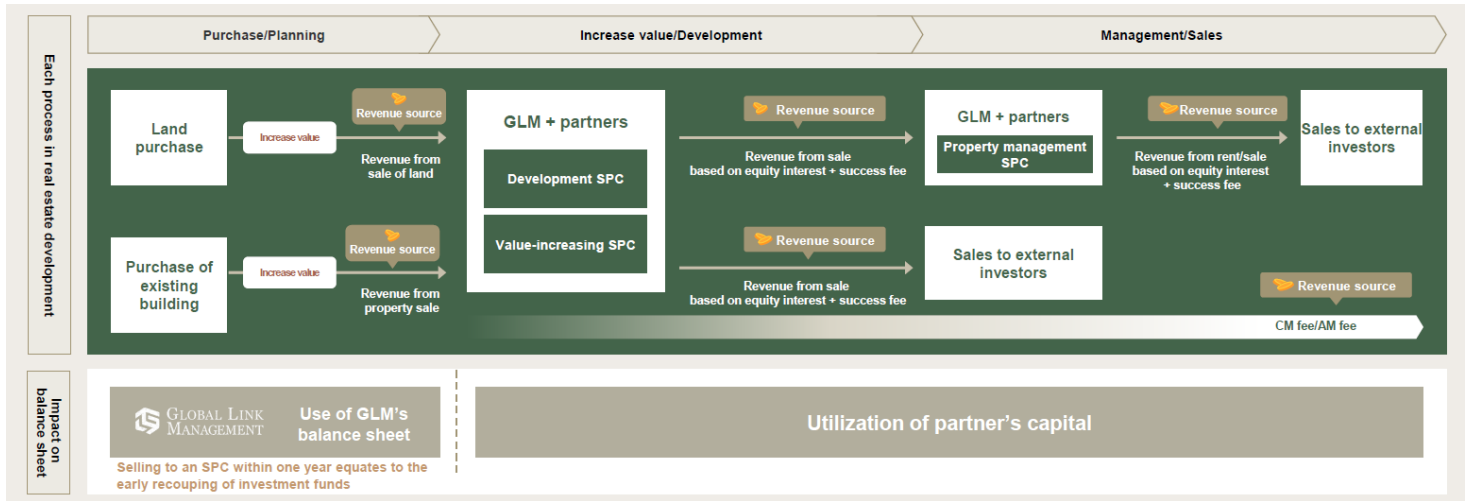
The company's clients, real estate funds, acquire properties developed by the company, manage them for a certain period, and then sell them to other investment funds or similar entities. A key factor in the company's sustained high growth to date is its ability to sell properties to its fund clients in bulk (multiple buildings simultaneously) while also taking into account the buyers' exit strategies.

Under the current business model, the company generates revenue only at the time of sale; however, it is expected to increase its revenue streams in the future by utilizing SPCs. Specifically, the company will first form development and operational SPCs in collaboration with partners and financial institutions, then sell the properties it has acquired to the development SPC, and proceed with development using the SPC's balance sheet. Subsequently, the company is expected to transition to a model where it sells the properties to an operating SPC and assumes responsibility for the asset management of the properties held by that SPC. By accumulating asset management fees - which constitute recurring revenue - the company aims to reduce business volatility more than before. At the same time, stable cash flow is expected to improve financial flexibility, creating a virtuous cycle that facilitates the securing of further development funds.

The company has already laid the groundwork for transitioning to a business model utilizing SPCs. In October 2020, it established SAGL Advisors, a joint venture with Star Asia Group (GLM holds a 49% stake, Star Asia 51%) and is cultivating the expertise necessary for fund management - ranging from property acquisition to asset management operations and the formulation of sales strategies.

As a real estate developer, the company has achieved high growth by acquiring land and developing properties that meet strong investor demand. Going forward, by transitioning to a fund model utilizing SPCs, the company is expected to shift from being primarily a real estate developer to one with a stronger focus on real estate finance. The reason for the low valuation of real estate developers has been that, even when operating profit expands, they are forced to increase land acquisitions to maintain that profit growth, resulting in weaker operating cash flow compared to other industries. Going forward, by shifting to an asset-light business model utilizing SPCs, the company is expected to see not only profit growth but also an increase in its valuation.

Figure 8. Schematic Diagram of the SPC-Based Business Model



Source: Company Data.

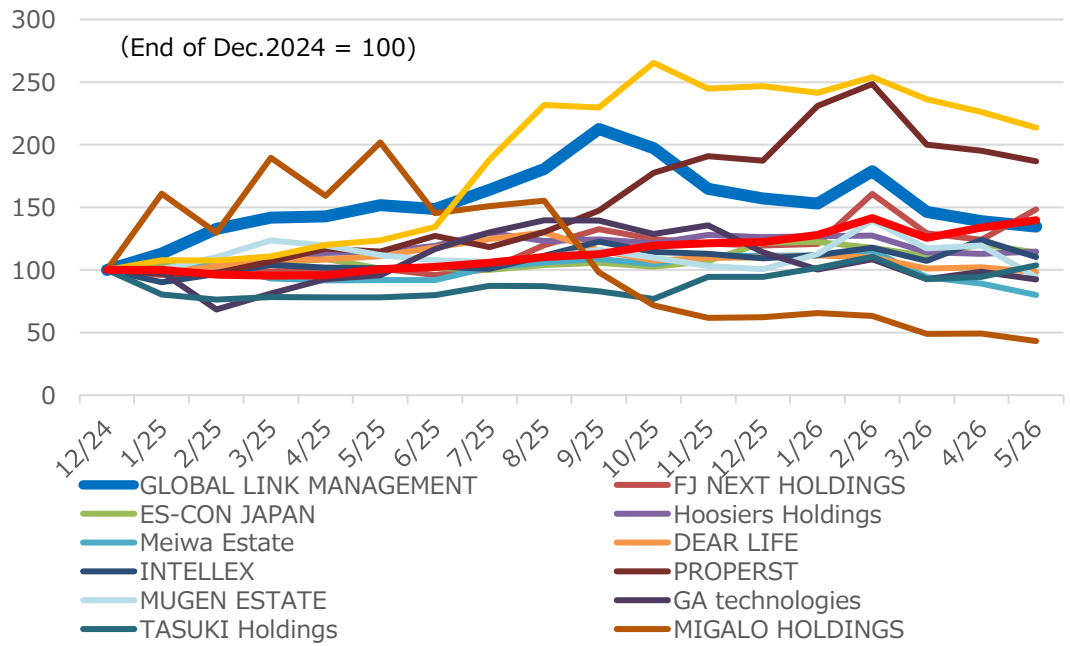
5. Valuation is Expected to Rise Following the Shift in Business Model

The company's stock price has continued to trend downward since peaking in September 2025. Following the rapid rise in 10-year bond yields from the mid 1% to 2.7% range, investors have reacted negatively to rising funding costs, causing the stock prices of real estate developers to trend downward; it can be said that the company's stock price is also being affected by overall industry trends.

Improving the PER Ratio is THE Focus Moving Forward

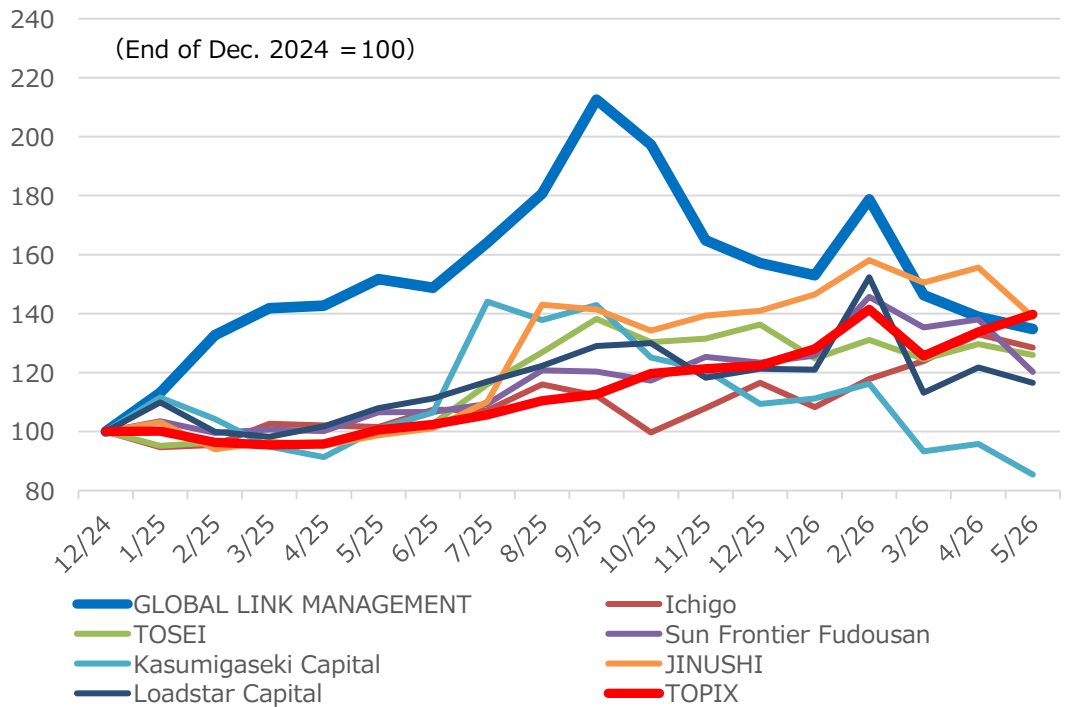
Despite solid earnings performance, the stock price has fallen, resulting in depressed valuations. PER, which was once around 10x, has recently dropped to around 6x. Given the high ROE, the PBR stands at 1.9x- a relatively high level - so the key going forward will be how to raise the PER.

Figure 9. Listed companies providing small condominiums (incl. used/renovation-focused companies and DX-focused companies) (Category 1) Stock Price Trends (2025 Onward)



Source: Strategy Advisors.

Figure 10. Stock Price Trends of Listed Real Estate Finance Companies (Category 2, 2024 Onwards)



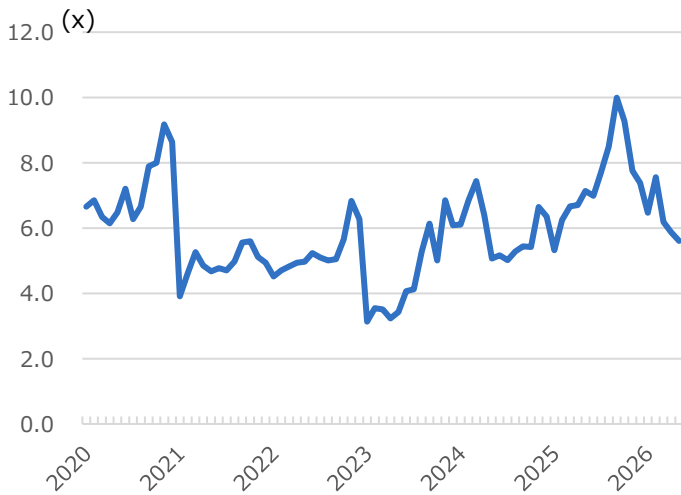
Source: Strategy Advisors.

Growth Potential Expands Through SPC Utilization & Asset Diversification

Strategy Advisors are monitoring whether the company will receive a valuation like that of Kasumigaseki Capital, which has a PBR exceeding 3x. While Kasumigaseki Capital operates a high-turnover business model utilizing funds, it specializes in developing asset classes with supply-demand gaps, such as hotels and logistics warehouses. Compared to Kasumigaseki Capital, the company has a higher gross profit margin and has driven business expansion through both turnover and profitability, which has led to high market recognition.

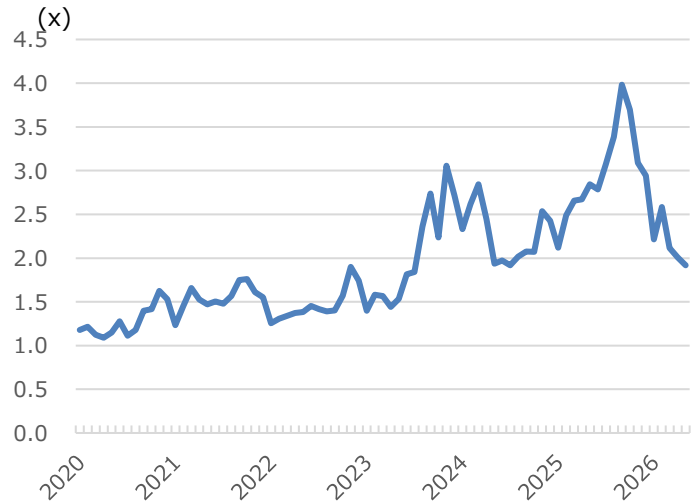
By shifting to a business model that utilizes SPCs, the company is also expected to improve its turnover rate and profitability. Furthermore, hotels have begun developing in addition to residences, making their diversification of asset classes a point of interest. Leveraging the trust-based relationships with real estate funds built over many years, the company is poised to achieve further scalability using SPCs.

Figure 11. Trends in PER



Source: Strategy Advisors.

Figure 12. Trends in PBR



Source: Strategy Advisors.

Figure 13. Valuation Comparison with Peers (Category 1: Listed Companies Offering Small Condominiums (Incl. Used/Renovation Companies and DX-Related Companies))

Company Name	Code	FY	Stock Price (5/22)	Market Cap. (¥mn)	PER CoE (x)	PBR Actual (x)	Dividend Yield CoE (%)	ROE Actual (%)
[Developer]								
GLOBAL LINK MANAGEMENT	3486	12/25	1,824	29,036	5.7	1.9	5.5	34.8
FJ NEXT HOLDINGS	8935	3/26	1,798	58,888	5.6	0.7	4.4	13
ES-CON JAPAN	8892	3/26	1,111	106,533	7.3	1.2	4.8	14.7
Hoosiers Holdings	3284	3/26	1,195	48,877	6.8	0.9	6.3	15
Meiwa Estate	8869	3/26	817	19,157	6.6	0.5	4.9	10.8
DEAR LIFE	3245	9/25	1,008	50,746	-	1.6	6.3	20.2
[Used/Renovated]								
INTELLEX HOLDINGS	463A	5/25	958	9,028	5.7	-	2.5	-
PROPERST	3236	5/25	308	10,193	4.8	0.9	1.9	17.3
MUGEN ESTATE	3299	12/25	1,745	40,998	5.4	1.1	7.4	19.6
[DX-Related]								
Gatechnologies	3491	10/25	1,435	58,910	10.8	1.9	0.9	14.5
TASUKI Holdings	166A	9/25	877	54,129	9.3	1.7	4.6	18.5
MIGALO HOLDINGS	5535	3/26	278	17,877	11.9	1.2	3.2	12.9
property technologies	5527	11/25	642	7,996	6.1	0.9	3.9	13.6

Note: INTELLEX HOLDINGS transitioned to a holding company on December 1st, so available indicators are limited.
Source: Strategy Advisors.

Figure 14. Valuation Comparison with Peers (Category 2: Listed Real Estate Finance Companies)

Company Name	Code	FY	Stock Price (5/22)	Market Cap. (¥mn)	PER CoE (x)	PBR Actual (x)	Dividend Yield CoE (%)	ROE Actual (%)
GLOBAL LINK MANAGEMENT	3486	12/25	1,824	29,036	5.7	1.9	5.5	1,824
Ichigo	2337	2/26	483	194,404	10.7	1.7	3.2	483
TOSEI	8923	11/25	1,586	153,794	10.1	1.5	3.5	1,586
Sun Frontier Fudousan	8934	3/26	2,339	133,755	7.7	1	3.4	2,339
Kasumigaseki Capital	3498	8/25	5,740	140,853	8.5	3.1	2.9	5,740
JINUSHI	3,252	12/25	3,000	62,039	7.8	1.2	4.3	3,000
Loadstar Capital	3482	12/25	2,897	48,881	5.3	1.5	3.4	2,897

Source: Strategy Advisors.

Figure 15. Consolidated Income Statement (Full Year, ¥mn)

(¥mn)	12/21 Non- Consolidated	12/22	12/23	12/24	12/25	12/26 CoE
Net Sales	30,675	35,673	41,258	64,482	69,262	75,000
Cost of Sales	26,227	29,810	33,552	54,687	56,853	—
Gross Profit	4,447	5,863	7,706	9,794	12,409	14,500
Gross Profit Margin	14.5%	16.4%	18.7%	15.2%	17.9%	19.3%
SG&A Expenses	2,769	3,086	3,119	4,062	4,972	—
Operating Profit	1,677	2,776	4,586	5,732	7,436	8,500
OP Margin	5.5%	7.8%	11.1%	8.9%	10.7%	11.3%
Non-Operating Income	-100	6	124	7	47	-
Non-Operating Expenses	289	504	451	602	745	—
Ordinary Profit	1,487	2,278	4,260	5,138	6,739	7,500
Ordinary Profit Margin	4.9%	6.4%	10.3%	8%	9.7%	10.0%
Extraordinary Losses	442	1	—	140	—	—
Extraordinary Income	—	—	1	5	—	—
Profit Before Income Taxes	1,930	2,280	4,259	5,273	6,739	—
Income Taxes - Current	555	974	1,454	1,935	2,192	—
Taxes Income - Deferred	-48	-155	-76	-77	-67	-
Total Income Taxes	506	819	1,378	1,857	2,124	—
(Corporate Tax Rate)	26.2%	35.9%	32.4%	35.2%	31.5%	—
Profit Attributable to Owners of Parent	1,423	1,458	2,878	3,413	4,611	5,130
Net Profit Margin	4.6%	4.1%	7%	5.3%	6.7%	6.8%
EPS (¥)	91.02	91.79	180.38	213.28	288.03	320.4
ROE	—	—	37.5%	33.3%	34.7%	—
ROIC (Invested Assets)	—	—	11.0%	12.5%	13.7%	—
ROIC (Business Assets)	—	—	12.7%	16.8%	19.4%	—
DPS (¥)	35.0	52.5	100	130	80.5	100
# of Shares Outstanding (mn)	7.8	7.9	8	8	16	—
# of Shares Outstanding at Year-end (mn)	7.9	8	8	8	15.9	—

Note:

Only non-consolidated results are disclosed for FY12/21. Therefore, there are no figures for ROE and ROIC for FY12/21 and FY12/22, which are calculated using the average for the period.

Starting in FY12/23, loan fees, which had previously been recorded under SG&A expenses, are now recorded under non-operating expenses, although the new accounting method was applied retroactively through FY12/22

Retrospective adjustments have been made accordingly, but no retrospective adjustments were made for periods prior to FY12/21.

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

Source: Company Data. Compiled by Strategy Advisors.

Figure 16. Consolidated Balance Sheet (Full Year, ¥mn)

(¥mn)	12/21 Non- Consolidated	12/22	12/23	12/24	12/25
Current Assets	20,605	30,551	28,232	34,043	44,942
Cash and Deposits	2,480	3,531	8,648	11,291	14,564
Accounts Receivable	—	—	—	12	80
Inventories	17,355	25,755	17,945	19,800	27,494
Others	770	1,265	1,639	2,952	2,884
Non-Current Assets	1,161	1,768	3,815	2,371	2,708
Tangible Assets	600	1,307	3,209	1,320	1,279
Land	270	670	1,950	665	665
Intangible Assets	105	109	86	50	65
Investments and Other Assets	454	350	519	1,000	1,362
Investment Securities	14	14	14	424	659
Deferred Tax Assets	122	278	355	432	500
Others	318	58	150	144	203
Total Assets	21,767	32,319	32,047	36,414	47,650
Current Liabilities	11,068	14,565	14,041	14,033	13,838
Accounts Payable	—	—	—	32	26
Accounts Payable - Other	2,222	1,807	1,628	1,366	740
Interest-Bearing Debt	7,933	11,529	10,973	10,621	11,014
Short-Term Borrowings	3,495	4,923	2,628	6,288	7,944
Current Portion of Long-Term Borrowings	4,409	6,557	8,230	4,218	2,956
Current Portion of Bonds Payable	28	48	114	114	114
Income Taxes Payable	386	728	1,053	1,290	1,280
Others	527	501	387	724	778
Non-Current Liabilities	5,463	11,307	9,066	10,762	18,825
Interest-Bearing Debt	5,365	11,202	8,975	10,678	18,613
Others	98	105	91	84	212
Net Assets	5,235	6,446	8,939	11,617	14,986
Shareholders' Equity	5,235	6,438	8,929	11,570	14,900
Share Capital/Capital Surplus	878	907	936	964	1,023
Retained Earnings	4,357	5,531	7,992	10,606	14,177
Share Acquisition Rights	—	—	—	34	70
Non-Controlling Interests	—	7	10	13	16
Total Liabilities and Net Assets	21,767	32,319	32,047	36,414	47,650
Interest-Bearing Debt	13,298	22,732	19,948	21,300	29,627
Equity Ratio	24.1%	19.9%	27.9%	31.8%	31.3%
D/E Ratio (x)	2.54	3.53	2.23	1.84	1.99

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

Source: Company Data. Compiled by Strategy Advisors.

Figure 17. Consolidated Cash Flow Statement (Full Year, ¥mn)

(¥mn)	12/21 Non- Consolidated	12/22	12/23	12/24	12/25
Cash Flows from Operating Activities					
Profit Before Income Taxes	1,930	2,280	4,259	5,273	6,739
Depreciation and Amortization	88	90	89	107	72
Working Capital	-2,619	-9,142	7,797	-1,860	-7,690
Other	5	-1,544	-1,813	-2,820	-2,407
Total	-574	-8,290	10,360	731	-3,201
Cash Flows from Investing Activities					
Income/Losses from Purchase and Sale of Tangible Assets	-2	-12	-1,944	1,962	-3
Income/Losses from Purchase and Sale of Intangible Assets	-23	-39	-13	-3	-41
Purchase of Investment Securities	—	—	—	-410	-253
Other	390	55	-29	10	-56
Total	365	4	-1,986	1,559	-353
Cash Flows from Financing Activities					
Net Increase (Decrease) in Short-Term Loans Payable	2,796	1,728	-2,295	3,836	1,586
Net Increase (Decrease) in Long-Term Debt	-1,933	7,611	-691	-2,527	6,682
Redemption of Bonds	-28	72	152	-114	-114
Issuance of Shares	19	—	—	—	—
Dividends Paid	-270	-277	-417	-799	-1,040
Other	-5	172	-2	27	-295
Total	579	9,306	-3,253	423	6,819
Net Increase (Decrease) in Cash	1,199	1,020	5,120	2,713	3,263
Cash Beginning Balance	2,035	2,406	3,451	8,571	11,285
Cash Ending Balance	2,406	3,451	8,571	11,285	14,549

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

Source: Company Data. Compiled by Strategy Advisors.

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