

Translation

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Summary of Consolidated Financial Results for the Year Ended December 31, 2022 (Based on Japanese GAAP)

February 14, 2023

Company name: GLOBAL LINK MANAGEMENT INC.
 Stock exchange listing: Tokyo
 Stock code: 3486 URL <https://www.global-link-m.com/>
 Representative: CEO Daejoong Kim
 General Manager of Business Administration
 Inquiries: Division and General Manager of Accounting Tomohiro Mizuno TEL 03(6415)6525
 Department
 Scheduled date of ordinary general meeting of shareholders: March 29, 2023
 Scheduled date to file Securities Report: March 30, 2023
 Scheduled date to commence dividend payments: March 30, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts and investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2022	35,673	—	2,610	—	2,278	—	1,458	—
Year ended December 31, 2021	—	—	—	—	—	—	—	—

Note: Comprehensive income Year ended December 31, 2022 ¥1,461 million [-%]
 Year ended December 31, 2021 ¥— million [-%]

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2022	183.56	183.28	22.7	7.1	7.3
Year ended December 31, 2021	—	—	—	—	—

Reference: Share of profit (loss) of entities accounted for using equity method

Year ended December 31, 2022 ¥1 million
 Year ended December 31, 2021 ¥— million

Note: As the Company disclosed the consolidated financial statements from the fiscal year ended December 31, 2022, the financial figures and the percentage of year-on-year change for the fiscal year ended December 31, 2021, as well as the percentage of year-on-year change for the fiscal year ended December 31, 2022 are not shown. As the fiscal year ended December 31, 2022 is the first year for disclosing consolidated financial statements, the return on equity and the ratio of ordinary profit to total assets have been calculated based on the equity at the end of the period, and total assets at the end of the period, respectively.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	32,319	6,446	19.9	808.76
As of December 31, 2021	—	—	—	—

Reference: Equity As of December 31, 2022 ¥6,438 million
 As of December 31, 2021 ¥— million

Note: As the Company disclosed the consolidated financial statements from the fiscal year ended December 31, 2022, the financial figures as of December 31, 2021 are not shown.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2022	(8,290)	4	9,306	3,451
Year ended December 31, 2021	–	–	–	–

Note: As the Company disclosed the consolidated financial statements from the fiscal year ended December 31, 2022, the financial figures for the fiscal year ended December 31, 2021 are not shown.

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2021	–	0.00	–	35.00	35.00	277	–	–
Year ended December 31, 2022	–	0.00	–	52.50	52.50	417	28.6	6.5
Year ending December 31, 2023 (Forecast)	–	0.00	–	52.50	52.50		19.9	

Note: As the Company disclosed the consolidated financial statements from the fiscal year ended December 31, 2022, the payout ratio (consolidated) and the ratio of dividends to net assets for the fiscal year ended December 31, 2021 are not shown. As the fiscal year ended December 31, 2022 is the first year for disclosing consolidated financial statements, the ratio of dividends to net assets for that fiscal year have been calculated based on consolidated net assets per share at the end of the period.

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	40,000	12.1	3,750	43.6	3,300	44.8	2,100	43.9	263.77

Note: The Company has not prepared the consolidated financial results forecast for the first half of the fiscal year ending December 31, 2023.

4. Notes

(1) Changes in significant subsidiaries during the year ended December 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	7,961,444 shares	As of December 31, 2021	7,922,752 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	91 shares	As of December 31, 2021	– shares
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Average number of shares during the period

Year ended December 31, 2022	7,947,393 shares	Year ended December 31, 2021	7,818,179 shares
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(Reference) Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended December 31, 2022 (from January 1, 2022 to December 31, 2022)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net Sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2022	35,545	15.9	2,602	55.1	2,269	52.5	1,453	2.1
Year ended December 31, 2021	30,675	26.2	1,677	45.4	1,487	82.3	1,423	155.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Year ended December 31, 2022	182.90		182.62	
Year ended December 31, 2021	182.11		179.72	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of December 31, 2022	32,299		6,440		19.9		809.01	
As of December 31, 2021	21,767		5,235		24.1		660.85	

Reference: Equity As of December 31, 2022 ¥6,440 million
 As of December 31, 2021 ¥5,235 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

Caution regarding forward-looking statements and others

The above forecasts of financial results shown in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Consequently, actual business and other results may differ substantially due to various factors.

How to obtain supplementary materials on financial results

The Company is holding a financial results meeting for analysts and institutional investors on Tuesday, February 14, 2023. The explanatory materials for the meeting will be posted on the TDnet and the Company's website.

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of December 31, 2022

Assets	
Current assets	
Cash and deposits	3,531,535
Real estate for sale	5,947,600
Real estate for sale in process	19,805,594
Supplies	2,599
Advance payments to suppliers	884,689
Other	384,019
Allowance for doubtful accounts	(4,301)
Total current assets	30,551,738
Non-current assets	
Property, plant and equipment	
Buildings, net	606,004
Land	670,486
Other, net	31,326
Total property, plant and equipment	1,307,818
Intangible assets	109,821
Investments and other assets	
Investment securities	14,400
Shares of subsidiaries and associates	41,489
Investments in capital	350
Deferred tax assets	278,325
Other	17,944
Allowance for doubtful accounts	(2,100)
Total investments and other assets	350,410
Total non-current assets	1,768,049
Total assets	32,319,788

(Thousands of yen)

As of December 31, 2022

Liabilities	
Current liabilities	
Short-term borrowings	4,923,932
Current portion of bonds payable	48,000
Current portion of long-term borrowings	6,557,944
Accounts payable - other	1,807,336
Income taxes payable	728,457
Provision for loss on subleasing business	7,804
Other	492,289
Total current liabilities	<u>14,565,764</u>
Non-current liabilities	
Bonds payable	182,000
Long-term borrowings	11,020,336
Provision for loss on subleasing business	5,602
Other	99,598
Total non-current liabilities	<u>11,307,537</u>
Total liabilities	<u>25,873,302</u>
Net assets	
Shareholders' equity	
Share capital	553,533
Capital surplus	353,533
Retained earnings	5,531,824
Treasury shares	(78)
Total shareholders' equity	<u>6,438,812</u>
Non-controlling interests	<u>7,673</u>
Total net assets	<u>6,446,485</u>
Total liabilities and net assets	<u>32,319,788</u>

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended December 31, 2022
Net sales	35,673,388
Cost of sales	29,810,201
Gross profit	5,863,186
Selling, general and administrative expenses	3,252,500
Operating profit	2,610,686
Non-operating income	
Dividend income	1,987
Share of profit of entities accounted for using equity method	1,440
Miscellaneous income	3,421
Other	32
Total non-operating income	6,880
Non-operating expenses	
Interest expenses	319,461
Loss on investments in investment partnerships	16,199
Other	3,055
Total non-operating expenses	338,716
Ordinary profit	2,278,850
Extraordinary income	
Gain on sale of non-current assets	1,700
Total extraordinary income	1,700
Profit before income taxes	2,280,550
Income taxes - current	974,788
Income taxes - deferred	(155,634)
Total income taxes	819,153
Profit	1,461,397
Profit attributable to non-controlling interests	2,546
Profit attributable to owners of parent	1,458,850

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2022
Profit	1,461,397
Comprehensive income	1,461,397
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,458,850
Comprehensive income attributable to non-controlling interests	2,546

Consolidated statements of changes in equity

Fiscal year ended December 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	539,096	339,096	4,350,270	–	5,228,464
Changes during period					
Issuance of new shares	14,436	14,436			28,872
Dividends of surplus			(277,296)		(277,296)
Profit attributable to owners of parent			1,458,850		1,458,850
Purchase of treasury shares				(78)	(78)
Net changes in items other than shareholders' equity					–
Total changes during period	14,436	14,436	1,181,554	(78)	1,210,348
Balance at end of period	553,533	353,533	5,531,824	(78)	6,438,812

	Non-controlling interests	Total net assets
Balance at beginning of period	5,126	5,233,590
Changes during period		
Issuance of new shares		28,872
Dividends of surplus		(277,296)
Profit attributable to owners of parent		1,458,850
Purchase of treasury shares		(78)
Net changes in items other than shareholders' equity	2,546	2,546
Total changes during period	2,546	1,212,895
Balance at end of period	7,673	6,446,485

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2022
Cash flows from operating activities	
Profit before income taxes	2,280,550
Gain on sale of non-current assets	(1,700)
Share of loss (profit) of entities accounted for using equity method	(1,440)
Loss (gain) on investments in investment partnerships	16,199
Depreciation	90,541
Share-based payment expenses	26,331
Increase (decrease) in allowance for doubtful accounts	1,667
Increase(decrease) Sublease loss Business loss allowance	(2,610)
Interest and dividend income	(2,019)
Interest expenses	319,461
Decrease (increase) in inventories	(9,142,211)
Decrease (increase) in advance payments to suppliers	(310,541)
Increase (decrease) in accounts payable - other	(425,270)
Other, net	(171,846)
Subtotal	<u>(7,322,888)</u>
Interest and dividends received	2,019
Interest paid	(303,851)
Income taxes paid	(665,485)
Net cash provided by (used in) operating activities	<u>(8,290,205)</u>
Cash flows from investing activities	
Decrease (increase) in time deposits	(5,200)
Proceeds from divestments	63,830
Purchase of property, plant and equipment	(12,862)
Purchase of intangible assets	(39,925)
Payments of leasehold and guarantee deposits	(1,000)
Other, net	78
Net cash provided by (used in) investing activities	<u>4,921</u>
Cash flows from financing activities	
Proceeds from short-term borrowings	13,968,132
Repayments of short-term borrowings	(12,240,000)
Proceeds from long-term borrowings	10,982,090
Repayments of long-term borrowings	(3,370,699)
liquidation of receivables	171,801
Proceeds from issuance of bonds	100,000
Redemption of bonds	(28,000)
Dividends paid	(277,236)
Other, net	84
Net cash provided by (used in) financing activities	<u>9,306,171</u>
Net increase (decrease) in cash and cash equivalents	<u>1,020,887</u>
Cash and cash equivalents at beginning of period	<u>2,430,847</u>
Cash and cash equivalents at end of period	<u>3,451,734</u>