

**Notice of the 18th Annual General Meeting of Shareholders
Other Matters Subject to Measures for Electronic Provision
(Matters Excluded From Delivered Paper-based Documents)**

Notes to Consolidated Financial Statements
Notes to Non-consolidated Financial Statements
(January 1, 2022 to December 31, 2022)

Global Link Management Inc.

The contents of other matters subject to measures for electronic provision are the matters that, in accordance with laws and regulations and Article 14, paragraph (2) of the Company's Articles of Incorporation, are excluded from the paper-based documents (documents stating matters subject to measures for electronic provision) delivered to shareholders who have made a request for delivery of documents.

However, for the General Meeting of Shareholders, paper-based documents stating matters subject to measures for electronic provision, excluding the above matters, will be delivered to all shareholders regardless of whether they have made a request for delivery of documents.

Notes to Consolidated Financial Statements

Notes to Significant Matters for Basis of Preparation of Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries

- Number of consolidated subsidiaries: 1
- Names of consolidated subsidiaries: G&G Community, Ltd.

(2) Changes in the scope of consolidation

G&G Community, Ltd. was included in the scope of consolidation in the current fiscal year, due to its increasing importance.

2. Application of equity method

(1) Associates accounted for using equity method

- Number of associates accounted for using equity method: 1
- Names of associates: SAGL Advisors K.K.

(2) Changes in the scope of application of equity method

SAGL Advisors K.K. was included in the scope of application of equity method in the current fiscal year, due to its increasing importance.

3. Fiscal year of consolidated subsidiaries

All consolidated subsidiaries' fiscal year-end is the same as the consolidated balance sheet date.

4. Accounting policies

(1) Valuation basis and methods for significant assets

(i) Inventories

Real estate for sale and real estate for sale in process

Real estate for sale and real estate for sale in process are measured at cost by the specific identification method (the carrying value on the balance sheet is written down based on the decline in profitability).

Production supplies

Production supplies are measured using the last purchase cost method (the carrying value on the balance sheet is written down based on the decline in profitability).

(ii) Securities

Available-for-sale securities

Shares, etc. without market prices

Stated at cost determined by the moving average method.

(2) Depreciation methods for non-current assets

(i) Property, plant and equipment

The declining balance method is applied.

However, the straight-line method is applied for buildings (excluding facilities attached to buildings) and facilities attached to buildings acquired on or after April 1, 2016.

Major useful life-spans are as follows:

Buildings: 6 to 47 years

(ii) Intangible assets

The straight-line method is applied.

Internal-use software is amortized based on the estimated period of internal use (5 years).

(3) Accounting policy for significant provisions

(i) Allowance for doubtful accounts

To prepare for credit losses on receivables, an estimated uncollectable amount is provided at the amount estimated by either using the historical rate of credit loss for general receivables,

- or based on individual consideration of collectability for specific receivables such as highly doubtful receivables.
- (ii) Provision for loss on subleasing business
Provision for loss on subleasing business is recorded at the amount of the estimated losses for the subsequent fiscal years that arise from subleased properties whose probability of incurring sublease losses in the future is high in the property management business.
- (4) Accounting policy for significant revenue and expenses
- (i) Real estate sales
Real estate sales is the business of selling properties whose construction has been completed to businesses or the general consumer, and the Company assumes the obligation to deliver the said property based on the real estate sales contract concluded with the customer.
In real estate sales, given that performance obligations are satisfied when control is transferred to the customer upon the delivery of the property, the Company recognizes revenue at the point in time of the delivery.
Consideration for the transaction is received primarily within one month from the satisfaction of the performance obligations and does not contain any significant financial component.
 - (ii) Real estate management
In real estate management, the Company assumes the performance obligation to provide maintenance and management services primarily of condominiums. Given that the customer enjoys the benefits according to the progress of the provision of services, revenue is recognized over a certain period of time. Progress is directly measured as the value of the services to be transferred to the customers based on the passage of time throughout the contract period.
Consideration for the transaction is received primarily within one month from the satisfaction of the performance obligations and does not contain any significant financial component.
- (5) Other significant matters for basis of preparation of consolidated financial statements
- Accounting for consumption taxes
Non-deductible consumption taxes associated with real estate for sale are included in the acquisition cost.

Notes to Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, etc.)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Standard”), etc., has been applied from the beginning of the current fiscal year, and revenue is recognized at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer.

In the application of the Revenue Recognition Standard, etc., the Company followed the transitional treatment prescribed in the proviso to Paragraph 84 of the Revenue Recognition Standard, and the cumulative effect of retroactively applying the new accounting policies prior to the beginning of the current fiscal year has been added to or deducted from retained earnings at the beginning of the current fiscal year, and the new accounting policies have been applied from the balance at the beginning of the same period. However, the Company has applied the method prescribed in Paragraph 86 of the Revenue Recognition Standard and has not applied the new accounting policies retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year.

As a result, retained earnings at the beginning of the current fiscal year have not been impacted and the effect of this application on the consolidated financial statements for the current fiscal year is immaterial.

Notes to Changes in Method of Presentation

(Application of Accounting Standard for Fair Value Measurement, etc.)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Fair Value Measurement Accounting Standard”), etc., has been applied from the beginning of the current fiscal year, and the new accounting policies prescribed by the Fair Value Measurement Accounting Standard, etc., will be prospectively applied in accordance with the

transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). As the Group does not hold financial instruments whose fair value is recorded as the carrying value on the consolidated balance sheet, there is no impact of this application on the consolidated financial statements for the current fiscal year.

Notes to Changes in Accounting Estimates

Valuation of real estate for sale, etc.

(1) Amount in the consolidated financial statements for the current fiscal year

(Thousands of yen)

Account name	Fiscal year ended December 31, 2022
Real estate for sale	5,947,600
Real estate for sale in process	19,805,594

(2) Information on the details of significant accounting estimates related to identified items

For real estate for sale, etc., the Group records the acquisition cost as the carrying value on the consolidated balance sheet and if the net sale value at the year-end has fallen below the acquisition cost, the Group deems that a decline in profitability has taken place and records such net sale value to be the carrying value on the consolidated balance sheet, while at the same time accounting for the difference between the acquisition cost and such net sale value as expenses for the current fiscal year.

The calculation of net sale value is based on the business plan, which takes into account such factors as estimated sale price and trends in construction costs. As key assumptions for the estimated sale price, market rents or current rents of the surrounding area, as well as the capitalization rates were used.

The net sale value will vary as the above key assumptions vary, and when it becomes necessary to record a loss on valuation of inventories, it may have an impact on the next fiscal year’s consolidated financial statements.

Additional Information

Accounting estimates associated with the impact of the novel coronavirus disease (COVID-19)

For the fiscal year under review, the Group made accounting estimates for the valuation of inventories and the recoverability of deferred tax assets, assuming that the novel coronavirus disease would not be prolonged and would be contained and that the impact on real estate sales for investment and the real estate leasing market would be limited, although it is difficult to accurately predict the impact of the spread of COVID-19 and the timing of its containment.

Change in the purpose of holding

In the current fiscal year, the Group reclassified ¥723,922 thousand of real estate for sale as property, plant and equipment due to a change in the purpose of holding some real estate for sale.

Notes to Consolidated Balance Sheet

1. Assets and liabilities accounted for as financial transactions

	(Thousands of yen)
Real estate for sale in process	2,607,572
Current portion of long-term borrowings	427,666
Long-term borrowings	2,228,352

2. Assets pledged as collateral and secured liabilities

	(Thousands of yen)
(1) Assets pledged as collateral	
Real estate for sale	4,506,136
Real estate for sale in process	19,189,507
Buildings	493,612
Land	653,813
<hr/> Total	<hr/> 24,843,069
(2) Secured liabilities	
Short-term borrowings	4,078,000
Current portion of long-term borrowings	5,985,461
Long-term borrowings	8,337,705
<hr/> Total	<hr/> 18,401,167

3. Accumulated depreciation of property, plant and equipment ¥140,608 thousand

4. Contingent liabilities

The Company has concluded deposit agreements between lessors and financial institutions for lease deposits pertaining to the Company's rental properties. Based on these agreements, financial institutions deposit lease deposits to the lessors, and the Company guarantees repayment obligations for these deposits, which the lessors bear for financial institutions.

	(Thousands of yen)
Guaranteed amount of liabilities	171,801

Notes to Consolidated Statement of Changes in Shareholders' Equity

1. Class of shares outstanding and total number of shares issued as of the end of the fiscal year

Common stock 7,961,444 shares

2. Dividends of surplus

(1) Dividends paid, etc.

Resolution	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on February 21, 2022	Common stock	Retained earnings	277	35	December 31, 2021	March 30, 2022

(2) Dividends whose effective date falls in the fiscal year following the fiscal year of the record date

Resolution	Class of shares	Source of dividends	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date
Board of Directors meeting held on February 22, 2023	Common stock	Retained earnings	417	52.5	December 31, 2022	March 30, 2023

3. Class and number of shares underlying share acquisition rights (excluding those for which the first day of the exercise period has not yet arrived) as of the end of the fiscal year

Common stock 11,824 shares

Notes to Financial Instruments

1. Status of financial instruments

(1) Policy on financial instruments

The Group procures necessary funds mainly through short-term and long-term borrowings from financial institutions and the issuance of bonds in light of its development plans mainly for investment-type condominiums. Short-term working capital is procured from financial institutions, and temporary surplus of funds are invested in highly secure financial assets (bank deposits). Derivatives transactions are not currently used; however, when they are used, they are used to hedge against the risk of interest rate fluctuations on borrowings and are not used for speculative purposes.

(2) Description of financial instruments and their risks

Investment securities and investments in capital are mainly equity securities and investments in companies with which the Group has business relationships and are exposed to the credit risks of the issuers. Most of the accounts payable - other, which are trade payables, are due within one year. Borrowings are mainly for the purpose of procuring funds necessary for the development of investment-type condominiums and are due primarily within two years.

(3) Risk management system for financial instruments

(i) Management of credit risks (risks related to default of contract by counterparties)

The Accounting Department at the Group periodically monitors the status of major counterparties with respect to trade receivables and manages due dates and outstanding balances for each counterparty, and also promptly identifies and mitigates concerns about the collection of trade receivables that arise from the deterioration of financial conditions and other factors. The same management is put in place at subsidiaries.

(ii) Management of market risks (risks of fluctuations in interest rates, etc.)

For investment securities and investments in capital, the Group periodically assesses the market value and financial condition of the issuing entity (counterparty company) and continuously reviews its holdings with consideration for the relationship with the counterparty company. The Group fully understands interest rate trends when procuring borrowings.

(iii) Management of liquidity risk related to funding

The Group manages liquidity risk by having the Finance Department prepare and update cash management plans in a timely manner based on reports from each department and by maintaining liquidity on hand.

(iv) Supplemental information on fair values of financial instruments

The calculation of the fair values of financial instruments includes variable factors. Therefore, the values may vary if different assumptions, etc. are used.

2. Fair values of financial instruments

Carrying amounts in the consolidated balance sheet, fair values and the differences between them as of December 31, 2022 were as follows. As cash and deposits, accounts payable - other, and short-term borrowings are settled in a short period of time and their fair values are nearly equal to the carrying amounts, notes are omitted.

	(Thousands of yen)		
	Carrying amount	Fair value	Difference
(1) Bonds payable (*1)	230,000	219,142	(10,857)
(2) Long-term borrowings (*2)	17,578,281	17,588,657	10,376

(*1) Bonds payable include amounts due within one year.

(*2) Long-term borrowings include amounts due within one year.

Carrying amounts in the consolidated balance sheet of investments in capital including shares, etc., without market value is as follows.

(Thousands of yen)	
Category	As of December 31, 2022
Unlisted shares	14,400
Shares of subsidiaries and associates	41,489
Investments in capital	350

3. Matters regarding the breakdown of the fair value of financial instruments by appropriate categories and others

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of the inputs used to calculate fair value.

Level 1 fair value: The fair value calculated based on observable inputs, such as quoted prices in active markets for identical assets or liabilities

Level 2 fair value: The fair value calculated based on observable inputs other than Level 1 inputs

Level 3 fair value: The fair value calculated based on unobservable inputs

If multiple inputs with a significant impact are used for the calculation of fair value, the financial instrument is classified into the lowest priority level of fair value to which each input belongs.

(1) Financial liabilities not recorded at fair value on the consolidated balance sheet

Category	(Thousands of yen)			
	Fair value			
	Level 1	Level 2	Level 3	Total
Bonds payable	-	219,142	-	219,142
Long-term borrowings	-	17,588,657	-	17,588,657

Note: 1. Methods for calculating fair values of financial instruments

(1) Bonds payable

The fair value of bonds issued by the Company is calculated based on the discounted present value which is obtained by discounting the total of the scheduled redemption amount and interest by an interest rate that takes into account the remaining period of the bond and the Company's credit risk, and has been classified as Level 2.

(2) Long-term borrowings

The fair value of long-term borrowings is calculated based on the discounted present value which is obtained by discounting the total of principal and interest by an interest rate expected to be applied for a similar new loan, and has been classified as Level 2.

Notes to Revenue Recognition

1. Disaggregation of revenue from contracts with customers

(Thousands of yen)

	Reportable segment			Adjustment (Note 1)	Total (Note 2)
	Real estate solutions business	Property management business	Total		
Net sales					
Property sales	4,704,329	–	4,704,329	–	4,704,329
Property management	–	368,800	368,800	–	368,800
Other	3,635	–	3,635	–	3,635
Revenue from contracts with customers	4,707,965	368,800	5,076,766	–	5,076,766
Revenue from other sources (Note 3)	28,109,378	2,487,243	30,596,621	–	30,596,621
Sales to external customers	32,817,343	2,856,044	35,673,388	–	35,673,388
Intersegment sales and transfers	–	78,167	78,167	–	78,167
Total	32,817,343	2,934,212	35,751,555	–	35,751,555
Segment profit	3,463,230	206,424	3,669,655	(1,058,969)	2,610,686

- (Notes) 1. Segment profit adjustment of a negative ¥1,058,969 thousand consists of corporate expenses that are not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses, which are not attributable to the reportable segments.
2. Segment profit is operating income in the consolidated statement of income.
3. Revenue from other sources includes rental income under “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and proceeds from sales, etc., of real estate properties (including beneficial interests in real estate trust) under “Practical Guidelines on Accounting by Transferors for Securitization of Real Property by Using Special Purpose Companies” (JICPA Accounting Practice Committee Statement No. 15).

2. Basic information for understanding revenue from contracts with customers

Basic information for understanding revenue from contracts with customers is as described in “Notes to Significant Matters for Basis of Preparation of Consolidated Financial Statements, 4. Accounting policies, (4) Accounting policy for significant revenue and expenses” in the notes to consolidated financial statements.

3. Information regarding the relationship between the fulfillment of obligations based on contracts with customers and cash flows resulting from such contracts, as well as amounts and timing of revenue from contracts with customers that existed at the end of the fiscal year under review, which is expected to be recognized in and after the next fiscal year

(1) Balance of contract liabilities

(Thousands of yen)

	Fiscal year ended December 31, 2022
Contract liabilities (balance at the beginning of the fiscal year)	–
Contract liabilities (balance at the end of the fiscal year)	30,200

Contract liabilities primarily pertain to deposits received as advances received relating to contracts for property sales, and contract liabilities are reversed upon the recognition of revenue.

Additionally, there were no significant changes in the balance of contract liabilities. In the fiscal year under review, there was no revenue recognized from the performance of obligations that have been fulfilled or partially fulfilled in previous fiscal years.

(2) Transaction price allocated to remaining obligations

Information on remaining obligations has been omitted, as the Group does not have any significant transactions whose estimated contract period exceeds one year. There are no significant amounts that have not been included in the transaction price in the consideration from contracts with customers.

Notes to Per Share Information

Net assets per share	¥808.76
Net income per share	¥183.56

Notes to Non-consolidated Financial Statements

Notes to Significant Accounting Policies

1. Valuation basis and methods for assets

(1) Inventories

Real estate for sale and real estate for sale in process

Real estate for sale and real estate for sale in process are measured at cost by the specific identification method (the carrying value on the balance sheet is written down based on the decline in profitability).

Production supplies

Production supplies are measured using the last purchase cost method (the carrying value on the balance sheet is written down based on the decline in profitability).

(2) Securities

Shares of subsidiaries and associates

Stated at cost determined by the moving average method.

Available-for-sale securities

Shares, etc. without market prices

Stated at cost determined by the moving average method.

2. Depreciation methods for non-current assets

(1) Property, plant and equipment

The declining balance method is applied.

However, the straight-line method is applied for buildings (excluding facilities attached to buildings) and facilities attached to buildings acquired on or after April 1, 2016.

Major useful life-spans are as follows:

Buildings 6 to 47 years

(2) Intangible assets

The straight-line method is applied.

Internal-use software is amortized based on the estimated period of internal use (5 years).

3. Accounting policy for provisions

(1) Allowance for doubtful accounts

To prepare for credit losses on receivables, an estimated uncollectable amount is provided at the amount estimated by either using the historical rate of credit loss for general receivables, or based on individual consideration of collectability for specific receivables such as highly doubtful receivables.

(2) Provision for loss on subleasing business

Provision for loss on subleasing business is recorded at the amount of the estimated losses for the subsequent fiscal years that arise from subleased properties whose probability of incurring sublease losses in the future is high in the property management business.

4. Accounting policy for revenue and expenses

(1) Real estate sales

Real estate sales is the business of selling properties whose construction has been completed to businesses or the general consumer, and the Company assumes the obligation to deliver the said property based on the real estate sales contract concluded with the customer.

In real estate sales, given that performance obligations are satisfied when control is transferred to the customer upon the delivery of the property, the Company recognizes revenue at the point in time of the delivery.

Consideration for the transaction is received primarily within one month from the satisfaction of the performance obligations and does not contain any significant financial component.

(2) Real estate management

In real estate management, the Company assumes the performance obligation to provide maintenance and management services primarily of condominiums. Given that the customer enjoys the benefits according to the progress of the provision of services, revenue is recognized over a certain period of time. Progress is directly measured as the value of the services to be transferred to the customers based on the passage of time throughout the contract period.

Consideration for the transaction is received primarily within one month from the satisfaction of the performance obligations and does not contain any significant financial component.

5. Other significant matters for basis of preparation of non-consolidated financial statements

Accounting for consumption taxes

Non-deductible consumption taxes associated with real estate for sale are included in the acquisition cost.

Notes to Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, etc.)

The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Standard”), etc., has been applied from the beginning of the current fiscal year, and revenue is recognized at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer. In the application of the Revenue Recognition Standard, etc., the Company followed the transitional treatment prescribed in the proviso to Paragraph 84 of the Revenue Recognition Standard, and the cumulative effect of retroactively applying the new accounting policies prior to the beginning of the current fiscal year has been added to or deducted from retained earnings at the beginning of the current fiscal year, and the new accounting policies have been applied from the balance at the beginning of the same period. However, the Company has applied the method prescribed in Paragraph 86 of the Revenue Recognition Standard and has not applied the new accounting policies retrospectively to contracts for which almost all revenue amounts were recognized in accordance with the previous treatment prior to the beginning of the current fiscal year.

As a result, retained earnings at the beginning of the current fiscal year have not been impacted and the effect of this application on the non-consolidated financial statements for the current fiscal year is immaterial.

Notes to Changes in Method of Presentation

(Application of Accounting Standard for Fair Value Measurement, etc.)

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter the “Fair Value Measurement Accounting Standard”), etc., has been applied from the beginning of the current fiscal year, and the new accounting policies prescribed by the Fair Value Measurement Accounting Standard, etc., will be prospectively applied in accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). As the Company does not hold financial instruments whose fair value is recorded as the carrying value on the non-consolidated balance sheet, there is no impact of this application on the non-consolidated financial statements for the current fiscal year.

Notes to Changes in Accounting Estimates

Valuation of real estate for sale, etc.

(1) Amount in the non-consolidated financial statements for the current fiscal year

(Thousands of yen)

Account name	Current fiscal year
Real estate for sale	5,947,600
Real estate for sale in process	19,805,594

(2) Information on the details of significant accounting estimates related to identified items

Statement is omitted as the same details are provided in the Notes to the Consolidated Financial Statements.

Notes to Deferred Tax Accounting

1. Major components of deferred tax assets and liabilities

Deferred tax assets

	(Thousands of yen)
Accrued enterprise tax	33,408
Accounts payable denied	62,362
Provision for loss on subleasing	4,105
Allowance for doubtful accounts	1,960
Leasehold deposit (Asset retirement obligations)	2,156
Lump-sum depreciable assets	2,578
Excess amount of depreciation	15,819
Net sales recognized for tax purposes	962,419
Deferred consumption taxes	153,858
Other	57,497
Subtotal	<u>1,296,166</u>
Valuation allowance	—
Total	<u>1,296,166</u>
Deferred tax liabilities	
Inventories denied	<u>1,017,840</u>
Total	<u>1,017,840</u>
Net deferred tax assets	<u>278,325</u>

2. Reconciliation of significant differences between the statutory effective tax rate and the actual effective rate of income taxes after application of deferred tax accounting

Statutory effective tax rate	30.6%
(Adjustments)	
Expenses not deductible permanently, such as entertainment expenses	1.1
Accumulated earnings tax	4.1
Other	0.1
Effective rate of income taxes after application of deferred tax accounting	<u>35.9</u>

Notes to Transactions with Related Parties

1. Officers and major shareholders, etc.

(Thousands of yen)

Category	Name	Voting rights	Relationship with related party	Description of transaction (Note)	Amount of transaction	Account name	Balance at the end of period
Officer	Daejoong Kim	(Ratio of voting rights held) Direct: 21.8% Indirect: 33.9%	CEO of the Company	Contribution in kind of monetary remuneration claims	10,162	—	—

Note: Transaction conditions and policies to decide transaction conditions, etc.

The contribution in kind of monetary remuneration claims is based on the restricted stock remuneration system.

Notes to Revenue Recognition

Basic information for understanding revenue from contracts with customers has been omitted as it is the same as “Notes to Revenue Recognition of Notes to the Consolidated Financial Statements.”

Notes to Per Share Information

Net assets per share	¥809.01
Net income per share	¥182.90