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Securities Code: 3486  
(Date of dispatch) March 9, 2023  
(Start date of measures for electronic provision) March 3, 2023

To our shareholders:

CEO Daejoong Kim  
**Global Link Management Inc.**  
1-12-1 Dogenzaka, Shibuya-ku, Tokyo, Japan

## **Notice of the 18th Annual General Meeting of Shareholders**

We are pleased to inform you that the 18th Annual General Meeting of Shareholders of Global Link Management Inc. (the “Company”) will be held as follows.

We plan to hold the General Meeting of Shareholders with preventive measures taken against COVID-19. **We kindly ask that when you are considering whether to attend the meeting, please take into account the prevalence of COVID-19 and your own health condition at the time the meeting is held.**

In preparation to convene the General Meeting of Shareholders, we are taking measures for the electronic provision of information that consists of reference materials, etc. for the General Meeting of Shareholders (matters subject to measures for electronic provision). The documents are posted on the following websites, so please access one of the websites and check the details.

[Company’s website]

<https://www.global-link-m.com/ir/library/enterprise/> (in Japanese only)

[Website for General Meeting of Shareholder materials]

<https://d.sokai.jp/3486/teiji/> (in Japanese only)

[Tokyo Stock Exchange’s website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

(Access the TSE website above, search for “Global Link Management” in “Issue name (company name)” or enter our securities code “3486” in “Code.” Open “Basic information” then “Documents for public inspection/PR information,” and check the documents from “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting” in “Filed information available for public inspection.”

The Company will accept questions from shareholders at some point before the meeting and will address items of particular interest to shareholders on the Company’s website at a later date.

Further, you may exercise your voting rights in writing or online, etc. in lieu of attending the meeting in person. After reviewing the Reference Documents for the General Meeting of Shareholders, please exercise voting rights by Tuesday, March 28, 2023, at 6:00 p.m. (JST), using the voting form sent out with this notice or the internet, etc.

**1. Date and Time:** Wednesday, March 29, 2023 at 10:00 a.m. (JST)

**2. Venue:**  
Shibuya Excel Hotel Tokyu, 6F, Planets Room  
Shibuya Mark City Building, 1-12-2 Dogenzaka, Shibuya-ku, Tokyo, Japan

### **3. Objectives**

#### **Items to be reported:**

1. Details concerning the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements for the 18th fiscal year (January 1, 2022 to December 31, 2022)
2. Report on the audit results of Consolidated Financial Statements for the 18th fiscal year (from January 1, 2022 to December 31, 2022) by the Accounting Auditor and Audit and Supervisory Committee

#### **Items to be resolved:**

**Proposal**      Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

### **4. Matters Decided in Connection with this Convocation (Information on the Exercise of Voting Rights)**

- (1) If you exercise your voting rights in writing (by postal mail) and there is no indication of approval or disapproval of a proposal on the voting right exercise form, this will be treated as an indication of approval.
- (2) If you exercise your voting rights more than once via the internet, etc., we will treat the last exercise of your voting rights as valid.
- (3) If you exercise your voting rights both via the internet, etc. and in writing (by postal mail), your voting rights as exercised via the internet, etc. will be treated as valid regardless of the date and time of arrival.
- (4) If you wish to exercise your voting rights by proxy, you may appoint one other shareholder with voting rights in the Company to attend as your proxy; in such a case, however, please note that you will be required to submit a document certifying the right of proxy.
- (5) If you wish to exercise your voting rights in a non-uniform manner, please notify us in writing of the fact that you will exercise your voting rights in a non-uniform manner and the reason for doing so at least three days prior to the date of the General Meeting of Shareholders. For guidance on exercising voting rights, please refer to the "Information on the Exercise of Voting Rights."

If any amendments are made to the matters subject to measures for electronic provision, a notice of the amendments and the original and revised versions of the matters will be posted on each of the aforementioned websites.

Please refer to the document sent out with this notice for information on how to submit questions in advance.

The Company will also send a document stating the matters subject to measures for electronic provision to shareholders who have made a request for delivery of these documents in written form. This document excludes the following matters based on the provisions of laws and regulations and Article 14, paragraph (2) of the Company's Articles of Incorporation.

- (i) "Notes to Consolidated Financial Statements" in Consolidated Financial Statements
- (ii) "Notes to Non-consolidated Financial Statements" in Non-consolidated Financial Statements

Therefore, the matters stated in the document are part of the documents audited when the Audit and Supervisory Committee prepares their Audit Report and when the Accounting Auditor prepares their Audit Report.

## Information on the Exercise of Voting Rights

Voting rights to be exercised at the General Meeting of Shareholders are extremely important.

Please exercise your voting rights after reviewing the Reference Documents for the General Meeting of Shareholders. There are three ways to exercise your voting rights.

### In writing (by postal mail)



Please indicate your approval or disapproval for the proposals on the enclosed voting form and return it to us by mail.

#### Voting Deadline

Tuesday, March 28, 2023, at 6:00 p.m. (JST)

### Via the internet, etc.



Please register your approval or disapproval for the proposals by following the instructions on the next page.

#### Voting Deadline

Tuesday, March 28, 2023, at 6:00 p.m. (JST)

### In the General Meeting of Shareholders

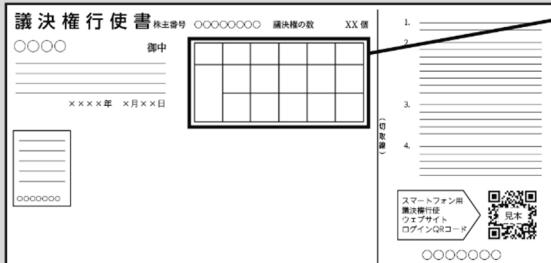


Please submit the enclosed voting form to the reception desk at the venue.

#### Date and Time:

Wednesday, March 29, 2023, at 10:00 a.m. (Reception starts at 9:00 a.m.) (JST)

### How to Fill Out the Voting Form



Please indicate your approval or disapproval of the proposals here.

#### Proposal

- If you are in favor of all candidates: Mark “○” in the “賛” column.
- If you are opposed to all candidates: Mark “○” in the “否” column.
- If you are opposed to some of the candidates: Mark a “○” in the “賛” column and write the number of the candidate you are opposed to.

- The voting form is for illustration purposes.
- If you exercise your voting rights both in writing (by postal mail) and via the internet, etc., your exercise of voting rights via the internet, etc. will be treated as the valid exercise of your voting rights. Also, if you exercise your voting rights more than once via the internet, etc., your last exercise of voting rights will be treated as the valid exercise of your voting rights.

## How to Exercise Your Voting Rights via the Internet, Etc.

### “Smart Voting” with a QR code

This lets you log in to the Voting Website without having to enter a voting code and password.

1. Please read the QR code\* indicated on the bottom right corner of the voting form.

\*QR Code is a registered trademark of Denso Wave Incorporated.

2. Follow the instructions on the screen to enter your approval or disapproval.

### Voting by entering your voting code and password

Voting Website

<https://www.web54.net> (in Japanese only)

1. Access the Voting Website.
2. Enter the voting code indicated on the voting form.
3. Enter the password indicated on the voting form.
4. Follow the instructions on the screen to enter your approval or disapproval.

**You may exercise your voting rights only once using “Smart Voting.”**

If you wish to change the details of your vote after you have exercised your voting rights, please access the PC website, log in with the voting code and password indicated on the voting form, and exercise your voting rights again.

- If you scan the QR code again, you can go to the PC website.

If you have any issues using your computer, smartphone or a cellular phone to exercise your voting rights via the internet, please contact us at the number below

Sumitomo Mitsui Trust Bank, Limited: Exclusive number for Stock Transfer Agency Web Support  
Telephone: 0120-652-031 (available only in Japan) (Hours: 9:00 to 21:00)

Institutional investors can use the electronic voting platform for institutional investors operated by ICJ, Inc.

**Business Report**  
(January 1, 2022 to December 31, 2022)

## **I Current status of the corporate group**

### (1) Status of business for the fiscal year ended December 31, 2022

#### (i) Progress and results

##### General business

The Japanese economy showed signs of movement toward the normalization of economic activities in the fiscal year under review, particularly personal consumption, due to the easing of activity restrictions taken as a result of the COVID-19 pandemic. However, the situation is still highly unpredictable due to such factors as a sharp increase in prices and exchange-rate fluctuations.

In the Japanese real estate investment market, foreign institutional investors are still willing to invest due to relatively low funding costs.

Under these economic conditions, the Group has been working to develop its business by focusing on the development and sales of residential products, including condominiums. The bulk sales of new apartment buildings progressed steadily for the fiscal year under review. Property sales prices rose due to increased value added by promoting the bulk sales, or “Matomete Hanbai.” Gross profit increased as a result of higher selling prices. We were also able to curb expenses by streamlining through bulk sales. In addition, we have made steady progress in developing environmentally friendly properties. Looking at the two-year cumulative total for sales scheduled for the fiscal year ending December 31, 2023 and for the fiscal year ending December 31, 2024, we have already achieved and exceeded the target figures.

As a result, the Company reported net sales of ¥35,673,388 thousand, operating income of ¥2,610,686 thousand, ordinary income of ¥2,278,850 thousand, and profit attributable to owners of the parent of ¥1,458,850 thousand for the fiscal year under review. Since the Group has been preparing the Consolidated Financial Statements since the current fiscal year, no comparative analysis with the previous fiscal year has been made.

In addition, the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others were applied from the beginning of the current fiscal year. For details, please refer to “Notes to Consolidated Financial Statements (Notes to Changes in Accounting Policies).”

##### Overview by segment

Results by business segment are as follows. Net sales figures indicate net sales to external customers.

##### (Real estate solutions business)

For the fiscal year under review, the Company focused on bulk sales of apartment buildings. In terms of bulk sales of apartment buildings, we sold 797 units in 23 apartment buildings, and we also sold 182 units of newly built and second-hand properties.

As a result, this segment’s net sales for the fiscal year under review were ¥32,817,343 thousand and segment income was ¥3,463,230 thousand.

##### (Property management business)

As of the end of the fiscal year under review, there were 2,727 units under management.

As a result, this segment’s net sales for the fiscal year under review were ¥2,856,044 thousand and segment income was ¥206,424 thousand.

Net sales by segment

Segment	18th Fiscal Year (the fiscal year under review) (the fiscal year ended December 31, 2022)	
	Amount (Thousands of yen)	Percentage (%)
Real estate solutions business	32,817,343	92.0
Property management business	2,856,044	8.0
Total	35,673,388	100.0

(ii) Capital investment

There are no matters to report.

(iii) Funding

In the fiscal year under review, the Company raised funds in total of ¥25,050,222 thousand, by borrowing and funding ¥23,582,890 thousand from financial institutions, etc. to purchase properties and land for development, borrowing ¥1,367,332 thousand to pay taxes and use as working capital, and issued bonds as described below.

Company name	Issue name	Issue date	Total issue amount	Redemption date
Global Link Management Inc.	2nd Unsecured Bonds	September 20, 2022	¥100,000 thousand	September 20, 2027

(2) Assets as well as profits and losses

(i) Assets as well as profits and losses as pertains to the corporate group

Category	15th Fiscal Year (the fiscal year ended December 31, 2019)	16th Fiscal Year (the fiscal year ended December 31, 2020)	17th Fiscal Year (the fiscal year ended December 31, 2021)	18th Fiscal Year (the fiscal year under review) (the fiscal year ended December 31, 2022)
Net sales (Thousands of yen)	25,086,370	26,840,602	—	35,673,388
Profit attributable to owners of the parent (Thousands of yen)	867,177	686,346	—	1,458,850
Net income per share (Yen)	114.78	90.24	—	183.56
Total assets (Thousands of yen)	16,158,133	19,029,136	—	32,319,788
Net assets (Thousands of yen)	3,853,427	4,478,741	—	6,446,485
Net assets per share (Yen)	509.40	579.01	—	808.76

Notes:

1. The 17th fiscal year is not shown due to the transition to non-consolidated financial statements, and since we have again transitioned to consolidated financial statements from the current fiscal year, the status of assets as well as profits and losses are shown in the consolidated financial statements.
2. The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others were applied from the beginning of the current fiscal year, and each figure for the current fiscal

year is the figure after applying the accounting standard and others.

(ii) Assets as well as profits and losses as pertains to the Company

Category	15th Fiscal Year (the fiscal year ended December 31, 2019)	16th Fiscal Year (the fiscal year ended December 31, 2020)	17th Fiscal Year (the fiscal year ended December 31, 2021)	18th Fiscal Year (the fiscal year under review) (the fiscal year ended December 31, 2022)
Net sales (Thousands of yen)	22,671,445	24,313,146	30,675,279	35,545,819
Net income (Thousands of yen)	753,573	558,405	1,423,767	1,453,590
Net income per share (Yen)	99.74	73.41	182.11	182.90
Total assets (Thousands of yen)	15,526,793	18,232,384	21,767,202	32,299,475
Net assets (Thousands of yen)	3,540,841	4,038,214	5,235,725	6,440,813
Net assets per share (Yen)	468.08	522.06	660.85	809.01

Note: The “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others were applied from the beginning of the current fiscal year, and each figure for the current fiscal year is the figure after applying the accounting standard and others.

### (3) Important status items regarding subsidiaries

Name	Share capital	Shareholding ratio of the Company	Key business activities
G&G Community, Ltd.	¥10,000 thousand	60.0%	Comprehensive management of condominiums for sale business

### (4) Issues to be addressed

The Company will work on the following management issues based on our management policy, management environmental awareness, and medium-term management plan.

#### (i) Environmentally friendly properties

In order to coexist with the global environment and realize a better society, the Company in February 2022 completed its registration as a “ZEH developer” under a policy of actively engaging in efforts for sustainable development. We will promote environmentally friendly measures for development properties and plan to implement these measures for 100% of the properties developed in-house by the fiscal year ending December 31, 2024. As such, we are working to acquire environmental certifications such as BELS 4 stars or higher, or ZEH-M Oriented. As of the end of December 2022, we had obtained environmental certification for 11 buildings, making steady progress toward our plan. In addition, we plan for 50% of the properties we handle, other than those developed in-house, to be environmentally friendly in the fiscal year ending December 31, 2024. In order to achieve this goal, we will proceed with establishing a system that enables us to obtain the cooperation of related companies, including business partners. By engaging in deeper cooperation with partners on properties other than those developed in-house and promoting an increase in the ratio of environmentally friendly properties, in the future, we believe that we will be able to respond quickly to an expected tightening of regulations by the national and local governments on new properties.

#### (ii) Expanding purchasing routes and development areas

The 23 wards of Tokyo form the main foundation of the Company’s business. We anticipate that securing business sites and properties for purchase will become increasingly difficult due to rising land prices and competition with other companies. The Company will expand purchases by increasing the number of personnel in the Residential Land Purchasing Department and accelerate purchases through off-balance development, as we actively work toward bulk sales of new apartment buildings. In addition, in order to continuously and stably secure land for development, we will expand our purchasing area to Tokyo and the surrounding three prefectures (Kanagawa, Saitama, and Chiba). At the same time, we will launch a business division (the Land Purchasing Business Group) that will purchase land for business use from fiscal 2023 to increase new purchasing channels and create business opportunities.

#### (iii) Developing new business areas

The Company aims to create a stable revenue base and accelerate growth over the medium to long term. To that end, we recognize that it is necessary to expand our product lineup in the medium to long term beyond the residences we are currently focused on. In addition to launching a business division (the Building Business Group) that handles office buildings from fiscal 2023, we will continue to consider the development of logistics (distribution facilities).

In addition, we recognize the need to enter into other new businesses for medium to long-term growth, and we will conduct research and surveys for the future.

#### (iv) Reinforcing financial standing

The funds for purchasing real estate for sale in the Company’s real estate solutions business are primarily financed by borrowing from financial institutions. In addition to maintaining good relationships with financial institutions and working to diversify our funding methods, we will strategically reinforce our financial standing in order to enable implementation of sustainable growth strategies.

(v) Promoting sustainability

The Company's corporate philosophy is to realize a prosperous society through real estate. Real estate has a role to play as an asset for people and companies and as a form of social infrastructure to support their activities. We believe that our mission is to link to the happiness of people around the world, and we will pursue new possibilities for real estate by addressing global environmental, social, and economic issues. Based on this philosophy, we aim to become the No. 1 sustainable real estate operator in the Tokyo metropolitan area through the development of environmentally friendly properties and the building of infrastructure such as residences and logistics. We will also progressively disclose ESG information, which is required in the Prime Market.

(vi) Securing and training talented human resources

We recognize that securing and training human resources who can earn the trust of stakeholders is the source of our corporate value. The Company considers this a crucial management issue, and will work to secure such talent through properly timed and executed recruitment activities. We will enhance our system to support employees in acquiring qualifications, including support for all employees to acquire real estate notary certification, and promote improvements in the skills of employees.

In addition, in the general employer action plan established by the Company, we have included initiatives to develop the next generation through career development training for non-management employees and create an environment for increasing the percentage of women among managers. While promoting the achievement of this plan, we will also implement human resources development through a training plan and Management by Objectives systems for each department.

(vii) Compliance initiatives and the enhancing of corporate governance

We understand the importance of enhancing corporate governance and thorough compliance in order to establish a foundation that ensures sustainable growth. Therefore, the Risk Management and Compliance Committee convenes regularly to work to prevent the occurrence of compliance violations and reduce the loss in the event of a compliance violation. In addition, while ensuring thorough compliance with laws related to day-to-day operations, we will carry out compliance training and retention activities on an ongoing basis for raising awareness among employees and will continue to develop a system that prevents the occurrence of compliance violations.

We will also strive to further strengthen our corporate governance by strengthening diversity in management through the appointment of officers based on a skills matrix, and by building an executive system that takes into account gender, diversity, work history, age, and other factors.

(viii) Promotion of efforts to meet listing maintenance criteria

We believe that maintaining our listing on the Prime Market is necessary for achieving sustainable growth and increasing corporate value over the medium to long term.

As stated in the "Plan for Meeting the Listing Maintenance Criteria for the Prime Market,"\* which we disclosed in a timely manner on December 20, 2021, in order to meet the criteria for "tradable share market cap" by the end of the fiscal year ending December 31, 2025, we will promote various measures, including the achievement of "GLM VISION 2030" and the "2022 Medium-term Management Plan" formulated based on our corporate philosophy "to realize a prosperous society through real estate."

\* "Plan for selection application for Prime Market Selection in the new market segment and compliance with listing maintenance criteria"

<https://ssl4.eir-parts.net/doc/3486/tdnet/2061710/00.pdf> (in Japanese only)

(5) Key business activities (as of December 31, 2022)

Business	Business contents
Real estate solutions business	Development of condominiums, purchase of newly completed and existing condominiums, and sales of condominiums developed and purchased
Property management business	Property management services for condominiums

(6) Main business office (as of December 31, 2022)

(i) Global Link Management Inc.

Name	Location
Company headquarters	1-12-1 Dogenzaka, Shibuya-ku, Tokyo, Japan

(ii) Subsidiary

Name	Location
G&G Community, Ltd.	4-1-5 Nihonbashi Muromachi, Chuo-ku, Tokyo, Japan

(7) About our employees (as of December 31, 2022)

(i) Information about the corporate group's situation regarding employees

Segment	Number of employees	Change from the end of the previous fiscal year
Real estate solutions business	104 [3]	–
Property management business	23 [3]	–
Total	127 [6]	–

Notes: 1. Employees refer to the number of full-time staff. The average number of temporary employees during the most recent year, including part-timers, temporary workers dispatched from personnel agencies, and seasonal workers, is shown in the square bracket.  
 2. Since the Group has been preparing the Consolidated Financial Statements since the current fiscal year, no comparative analysis with the end of the previous fiscal year has been made.

(ii) Information about the Company's situation regarding employees

Number of employees	Change from the end of the previous fiscal year	Average age	Average length of service
127 [6]	+8 [+2]	33.7	5.2 years

Note: Employees refer to the number of full-time staff. The average number of temporary employees during the most recent year, including part-timers, temporary workers dispatched from personnel agencies, and seasonal workers, is shown in the square bracket.

(8) Major lenders (as of December 31, 2022)

Lenders	Amount borrowed (Thousands of yen)
Shinhan Bank Japan	2,082,494
DIAMOND ASSET FINANCE COMPANY LIMITED	1,610,000
Kiraboshi Bank, Ltd.	1,357,971
ORIX Corporation	1,190,000
THE KAGAWA BANK, Ltd.	1,117,000

(9) Other important matters concerning the current status of the corporate group

Not applicable.

## II Stock information, information on corporate officers, etc.

### (1) Stock information (as of December 31, 2022)

(i) Total number of shares authorized to be issued 25,600,000 shares

(ii) Total number of shares issued 7,961,444 shares

Note: The total number of shares issued has increased by 38,692 due to issuance of new shares accompanying the exercise of share acquisition rights and restricted stock remuneration.

(iii) Number of shareholders 12,264

(-81 from end of the previous fiscal year)

(iv) Major shareholder

Shareholders	Number of shares held	Shareholding ratio
G2A Co., Ltd.	2,701,500	33.93
Daejoong Kim	1,739,000	21.84
Yasumasa Tominaga	329,000	4.13
The Master Trust Bank of Japan, Ltd. (trust account)	180,800	2.27
Toyo Suzuki	107,900	1.35
Naoki Tomita	104,400	1.31
Taniguchi Construction Company	71,100	0.89
Masao Yamamori	47,800	0.60
SBI SECURITIES Co., Ltd.	35,277	0.44
Mion Nakayama	35,000	0.43

Note: Shareholding ratio is calculated excluding treasury shares.

(v) Status of shares delivered to corporate officers as compensation for the execution of duties during the fiscal year under review

The details of stock-based remuneration granted during the fiscal year under review are as follows.

Total number of shares issued to Directors and other officers by category

Officer category	Number of shares	Number of recipients
Director (excluding outside Directors and Directors who are Audit and Supervisory Committee Members)	32,900 shares	4

Note: The details of the Company's stock-based remuneration, etc. are described in Business Report, (3) Information on corporate officers, (v) Matters relating to policies for determining the amount of remuneration, etc. for officers and the calculation method.

(2) Information on share acquisition rights

(i) Information on share acquisition rights issued to the Company's officers as compensation for executive duties as of the end of the fiscal year under review

		2nd share acquisition rights
Date of resolution to issue		August 10, 2016
Number of share acquisition rights		10
Class and number of shares to be issued upon exercise of share acquisition rights (Note 1)		160 shares of common stock (16 shares per share acquisition right)
Payment amount of share acquisition rights		No payment is required in exchange for share acquisition rights
Value of assets to be contributed upon exercise of share acquisition rights (Note 1)		¥2,140 per share acquisition right (¥134 per share)
Exercise period		August 23, 2018 to August 10, 2026
Categories and number of persons subject to grants		Director who is an Audit and Supervisory Committee Member: 1
Conditions for exercise		(Note: 2)
Information on officer holdings	Directors (excluding Directors who are Audit and Supervisory Committee Members)	Number of share acquisition rights: – Target number of shares: – shares Number of holders: –
	Director who is an Audit and Supervisory Committee Member	Number of share acquisition rights: 2 Target number of shares: 32 shares Number of holders: 1

Notes: 1. The Company conducted stock splits as follows: a 100-for-1 common stock split on August 26, 2016, a 4-for-1 common stock split on October 5, 2017, a 2-for-1 common stock split on June 9, 2018, and a 2-for-1 common stock split on October 19, 2018. The number of shares subject to the above share acquisition rights and the value of assets to be contributed upon exercise of share acquisition rights are the figures after the share split.

2. Conditions of exercise are as follows.

- (1) Any person who has been allotted share acquisition rights must be a Director or employee of the Company or its subsidiaries at the time of exercising the rights. However, this shall not apply when approved by the Company's Board of Directors in cases where a Director of the Company or its subsidiaries has resigned at the expiration of the term of office, or retired upon reaching the age limit or for other justifiable reasons.
- (2) The heirs of a person to whom the share acquisition rights have been allotted are not allowed to exercise the share acquisition rights.

(ii) Information on share acquisition rights issued to employees as compensation for the execution of duties during the fiscal year under review

Not applicable.

(3) Information on corporate officers

(i) Information on Directors (as of December 31, 2022)

Position in the Company	Name	Responsibilities and significant concurrent positions outside the Company
CEO	Daejoong Kim	Representative Director of G2A Co., Ltd.
Director	Yasumasa Tominaga	
Director	Toyo Suzuki	Representative Director of G&G Community, Ltd. Director of SAGL Advisors K.K.
Director	Naoki Tomita	
Director (full-time Audit and Supervisory Committee Member)	Junichi Kamo	
Director (Audit and Supervisory Committee Member)	Motohiro Koto	Director of Koto Tax Consultant Office Representative Director of Global Business Consultant Co., Ltd.
Director (Audit and Supervisory Committee Member)	Kazuyuki Nakanishi	Partner of Tanabe & Partners

(ii) Changes in positions, responsibilities, and significant concurrent positions of Directors during the fiscal year under review

Name	Before change	After change	Date of change
Toyo Suzuki	Director Representative Director of G&G Community, Ltd.	Director Representative Director of G&G Community, Ltd. Director of SAGL Advisors K.K.	October 1, 2022

Notes:

1. The following are outside Directors: Junichi Kamo (full-time Audit and Supervisory Committee Member), Motohiro Koto (Audit and Supervisory Committee Member), and Kazuyuki Nakanishi (Audit and Supervisory Committee Member). In order to help strengthen corporate governance and auditing functions, Junichi Kamo has been appointed as a full-time Director (Audit and Supervisory Committee Member).
2. Motohiro Koto, Director (Audit and Supervisory Committee Member), is a licensed tax accountant with considerable knowledge of finance and accounting.
3. Kazuyuki Nakanishi, Director (Audit and Supervisory Committee Member), has a wealth of experience and broad insight as an attorney at law, as well as familiarity with corporate law.
4. As of January 1, 2023, Director Yasumasa Tominaga has assumed the position of Executive Officer and Head of Building Business Group.
5. As of January 1, 2023, Director Naoki Tomita has assumed the position of Executive Officer and Head of Land Purchasing Business Group.
6. The Company has registered three outside Directors, Junichi Kamo, Motohiro Koto and Kazuyuki Nakanishi, as independent officers with the Tokyo Stock Exchange.

(iii) Summary of details of limited liability agreement

The Company has entered into liability limitation agreements with Junichi Kamo, Motohiro Koto, and Kazuyuki Nakanishi, Directors who are Audit and Supervisory Committee Members, in relation to the limitation of liability specified in Article 423, paragraph (1) of the Companies Act. Maximum amounts on liability for damages under these agreements are set at the minimum liability amounts stipulated by laws and regulations.

(iv) Outline of the contents of a directors and officers liability insurance policy, etc.

The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The insured parties of the insurance policy are Directors (including Directors who are Audit and Supervisory Committee Members), executive officers, and the Accounting Auditor, and the insured parties do not bear insurance premiums. The policy covers liability incurred during the performance of duties by insured officers, etc., or damages arising from claims pertaining to the pursuit of such liability.

(v) Matters relating to policies for determining the amount of remuneration, etc. for officers and the calculation method

A) Remuneration, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members)

At the Board of Directors' meeting held on February 21, 2022, the Company approved a partial revision of the policy for determining the details of remuneration, etc. for each individual Director. The Company consulted with the Nomination and Compensation Advisory Committee in advance regarding the details of the resolution at the Board of Directors' meeting and received its report.

The Board of Directors has determined that the method of determining the details of remuneration, etc. and the details of remuneration, etc. determined are consistent with the decision policy resolved at the Board of Directors' meeting with respect to the individual remuneration, etc. of Directors for the fiscal year under review.

A summary of the decision policy regarding the details of remuneration, etc. for each individual Director is as follows.

a. Policy on individual remuneration, etc. of Directors (excluding performance-linked remuneration and non-monetary remuneration, etc.)

The amount of fixed remuneration for each individual Director (excluding Directors who are Audit and Supervisory Committee Members; the same applies below) of the Company shall be determined by resolution of the Board of Directors, based on the report of the Nomination and Compensation Advisory Committee, taking into comprehensive consideration the level of other companies, the business performance of the Company, the level of employee salaries, etc., in accordance with the position, responsibilities, years of service, and other factors.

The maximum amount of remuneration for Directors of the Company was resolved at the 15th Annual General Meeting of Shareholders held on March 25, 2020 to be no more than ¥300 million per year. This amount does not include employee salaries for Directors who also serve as employees.

b. Policy on performance-linked remuneration, etc.

The performance-linked remuneration (bonus) for Directors of the Company was newly introduced by a resolution of the Board of Directors' meeting held on February 21, 2020, and the Company will pay the total amount of fixed remuneration of no more than ¥300 million per year based on the resolution of the Company's 15th Annual General Meeting of Shareholders held on March 25, 2020.

The indicator for this is ordinary income, which is one of the numerical targets of the medium-term management plan, and the remuneration is paid only if targets for the fiscal year are achieved. Regarding the amount paid to each Director, the amount of bonus funds is calculated based on the actual result for ordinary income (before recording bonuses), and is determined within that range by resolution of the Board of Directors, based on the report of the Nomination and Compensation Advisory Committee.

c. Policy on non-monetary remuneration, etc.

At the Company's 15th Annual General Meeting of Shareholders held on March 25, 2020, a resolution was passed to introduce a restricted stock remuneration plan for the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members, hereinafter "Eligible Directors), and the total amount of monetary remuneration claims to be paid to the Eligible Directors as remuneration, etc. related to the restricted stock, separate from the above amount of remuneration, etc. for Directors (excluding Directors who are Audit and Supervisory Committee Members), was resolved to be no more than ¥100 million per year.

The allotment of restricted stock is as follows.

1. Allotment and payment of restricted stock

The Company shall, based on a resolution of the Board of Directors of the Company, pay monetary remuneration claims to the Eligible Directors within the annual amount stated above as remuneration for restricted stock, and each Eligible Director shall receive an allotment of restricted stock by delivering all of such monetary remuneration claims by way of contribution in kind.

The amount to be paid in for the restricted stock shall be determined by the Board of Directors of the Company based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Board of Directors of the Company regarding the issuance or disposal of such shares (or the closing price of the immediately preceding business day if no trading is conducted on the same day), to the extent that the amount is not particularly advantageous to the Eligible Directors who subscribe to such restricted stock.

In addition, the above monetary remuneration claims shall be paid on the condition that the Eligible Directors have consented to the above-mentioned contribution in kind and have entered into an allotment agreement for restricted stock that includes the details set forth in 3. below.

2. Total number of shares of restricted stock

The total number of shares with restricted transfer to be allotted to the Eligible Directors shall be 200,000 shares, which shall be the maximum number of shares of restricted stock to be allotted in each fiscal year.

However, in the event of a stock split (including gratis allotment of shares of common stock of the Company) or a reverse stock split of the Company's common stock after the date of resolution of this proposal, or in the event that the total number of shares of restricted stock to be allotted needs to be adjusted in accordance with such cases, the total number of shares of restricted stock may be reasonably adjusted in accordance with such split ratio or reverse split ratio.

3. Contents of agreement on allotment of restricted stock

Upon the allotment of restricted stock, an agreement on allotment of restricted stock to be concluded between the Company and the Eligible Director to the allotment of restricted stock in accordance with a resolution of the Board of Directors of the Company shall include the following details.

(i) Details of transfer restrictions

Eligible Directors who have received an allotment of restricted stock (hereinafter "allotted shares") may not transfer, pledge, grant a security interest in, make a living donation to, or bequeath, or engage in any other act of disposition to a third party (hereinafter "Transfer Restriction") with respect to the restricted stock allotted to them from the date of delivery of the restricted stock until the date of retirement or resignation from any position as a Director, executive officer, or employee of the Company (hereinafter "Transfer Restriction Period").

(ii) Acquisition of restricted stock without compensation

If an Eligible Director who has received an allotment of restricted stock resigns or retires from any position as a Director, executive officer, or employee of the Company on or after the commencement date of the Transfer Restriction Period until the day before the date of the first Annual General Meeting of Shareholders of the Company, the Company shall naturally acquire the allotted shares without compensation, unless there is a reason that the Board of Directors of the Company deems justifiable.

In addition, if there are any of the allotted shares for which the Transfer Restrictions have not been lifted in accordance with the provisions of the reasons for the lifting of the Transfer Restriction in (iii) below at the time the Transfer Restriction Period in (i) above expires, the Company shall naturally acquire them without compensation.

(iii) Lifting of the Transfer Restrictions

The Company shall lift the Transfer Restrictions on all of the allotted shares upon expiration of the Transfer Restriction Period, provided that the Eligible Director who has been allotted the restricted stock has continuously held any position as a Director, executive officer, or employee of the Company from the commencement date of the Transfer Restriction Period until the date of the first Annual General Meeting of Shareholders of the Company.

However, if such Eligible Director resigns or retires from any position as a Director, executive officer, or employee of the Company prior to the expiration of the Transfer Restriction Period for reasons that the Board of Directors of the Company deems justifiable, the number of the allotted shares for which the Transfer Restriction is cancelled and the time of cancellation of the Transfer Restriction shall be reasonably adjusted as necessary.

(iv) Treatment of organizational restructuring, etc.

If, during the Transfer Restriction Period, a merger agreement in which the Company becomes an extinct company, a share exchange agreement in which the Company becomes a wholly owned subsidiary, a share transfer plan, or any other proposal concerning organizational restructuring, etc. is approved at a General Meeting of Shareholders of the Company (however, in cases where approval by the Company's General Meeting of Shareholders is not required for the organizational restructuring, etc., the Board of Directors of the Company), and the Eligible Director resigns or retires from any position as a Director, executive officer, or employee of the Company, the Company may, by a resolution of the Board of Directors of the Company, cancel the Transfer Restriction of the number of shares of the allotted shares that is reasonably determined based on the period from the commencement date of the Transfer Restriction Period to the date of approval of such organizational restructuring, etc. prior to the effective date of such organizational restructuring, etc.

In this case, the Company shall naturally acquire the allotted shares for which the Transfer Restrictions have not yet been lifted without compensation at the time immediately after the Transfer Restrictions are lifted in accordance with the above provisions.

d. Policy regarding the ratio of remuneration, etc.

Remuneration, etc. of the Company's Directors (excluding Directors who are Audit and Supervisory Committee Members), as stated above is comprised of fixed remuneration, performance-linked remuneration, and non-monetary remuneration, and the ratio for each type of remuneration is determined based on the level of achievement of the performance targets, among other factors.

e. Policy on timing and conditions for granting remuneration, etc.

- Fixed remuneration: Will be paid on a monthly basis from April after a resolution is passed at the Board of Directors' meeting following the Annual General Meeting of Shareholders, based on the report of the Nomination and Compensation Advisory Committee.

- Performance-linked remuneration The amount of bonus funds is calculated based on the results of the fiscal year, and is paid in April upon resolution by the Board of Directors based on the report of the Nomination and Compensation Advisory Committee.
- Non-monetary remuneration: A resolution will be passed at the Board of Directors' meeting in April regarding the issuance of new shares as restricted stock remuneration based on the report of the Nomination and Compensation Advisory Committee, and the allocation will be carried out in May.

#### B) Remuneration, etc., for Directors who are Audit and Supervisory Committee Members

The maximum amount of remuneration for Directors who are Audit and Supervisory Committee Members was resolved at the 17th Annual General Meeting of Shareholders held on March 29, 2022 to be no more than ¥50 million per year. As of the date of submission of this document, there are three Directors who are Audit and Supervisory Committee Members and are eligible for remuneration based on this limit. The amount of fixed remuneration for each Director who is an Audit and Supervisory Committee Member is determined through discussions among the Directors who are Audit and Supervisory Committee Members, taking into consideration the time and responsibilities involved in the Company's business.

#### C) Total amount of remuneration, etc., by officer category, total amount of remuneration, etc., by type of remuneration, etc., and number of target officers

Officer category	Total amount of remuneration, etc. (Thousands of yen)	Total amount of remuneration, etc. by type (Thousands of yen)			Number of target officers
		Basic remuneration	Performance-linked remuneration	Restricted stock remuneration	
Directors (excluding Audit and Supervisory Committee Members)	184,893	114,562	44,000	26,331	4
[Of which, outside Directors]	[–]	[–]	[–]	[–]	[–]
Directors (Audit and Supervisory Committee Members)	29,400	29,400	–	–	3
[Of which, outside Directors]	[29,400]	[29,400]	[–]	[–]	[3]
Total	214,293	143,962	44,000	26,331	7
[Of which, outside Directors]	[29,400]	[29,400]	[–]	[–]	[3]

Notes:

1. The amount of remuneration, etc. of Directors does not include the employee portion of their salary for Directors who concurrently serve as employees.
2. The maximum amount of remuneration for Directors (excluding Audit and Supervisory Committee Members) was resolved at the 15th Annual General Meeting of Shareholders held on March 25, 2020 to be no more than ¥300 million per year. This amount does not include employee salaries for Directors who also serve as employees. The number of Directors (excluding Audit and Supervisory Committee Members) at the conclusion of said Annual General Meeting of Shareholders was five.
3. In addition to the above maximum amount of remuneration for Directors (excluding Audit and Supervisory Committee Members), a resolution was passed at the 15th Annual General Meeting of Shareholders held on March 25, 2020 setting the total amount of monetary remuneration claims to be paid to executive Directors (excluding outside Directors and Directors who are Audit and Supervisory Committee Members) regarding claims to be paid as restricted stock at ¥100 million or less per year. The number of Directors (excluding Audit and Supervisory Committee Members) at the conclusion of said Annual General Meeting of Shareholders was five.
4. The maximum amount of remuneration for Directors (Audit and Supervisory Committee Members) was resolved at the 17th Annual General Meeting of Shareholders held on March 29, 2022 to be no more than ¥50 million per year. The number of Directors (Audit and Supervisory Committee Members) at the conclusion of said Annual General Meeting of Shareholders was three.
5. The performance indicator for performance-linked remuneration is ordinary income (before recording

bonuses), which was selected because it is a target of the medium-term management plan, and the actual result is ¥2,322,850 thousand. The calculation method for the amount of performance-linked remuneration is as described in “A) Remuneration, etc. of Directors (excluding Directors who are Audit and Supervisory Committee Members), b. Policy on performance-linked remuneration, etc.”

- The amount of remuneration shown above includes ¥26,331 thousand of expenses recorded as restricted stock remuneration to four Directors in the fiscal year under review.

(vi) Matters concerning outside officers

A) Significant concurrent positions outside the Company and the relationship between the Company and such other entities

- Junichi Kamo is a Director who is an Audit and Supervisory Committee Member. He is also a registered management consultant for small and medium-sized enterprises.
- Motohiro Koto is a Director who is an Audit and Supervisory Committee Member. He is a certified tax accountant, the Director of Koto Tax Consultant Office, and the Representative Director of Global Business Consultants Co., Ltd. There is no special interest between these entities and the Company.
- Kazuyuki Nakanishi is a Director who is an Audit and Supervisory Committee Member. He is an attorney at law and a partner in the Tanabe & Partners. There is no special interest between these entities and the Company.

B) Information on major activities in the fiscal year under review

Officer category	Name	Attendance, statements contribution and overview of the duties carried out in the expected roles
Director who is an Audit and Supervisory Committee Member	Junichi Kamo	Attended all 17 meetings of the Board of Directors, 12 meetings of Audit and Supervisory Committee, and 13 meetings of Nomination and Compensation Advisory Committee held during the fiscal year under review. As a full-time Audit and Supervisory Committee Member, he attends meetings of the Board of Directors, Audit and Supervisory Committee, and other important internal meetings, and actively expresses his opinions, provides supervision and advice from his professional perspective as a registered management consultant for small and medium-sized enterprises, and otherwise plays an appropriate role in ensuring the adequacy and appropriateness of decision-making. In addition, as a member of the voluntary Nomination and Compensation Advisory Committee, which was newly established on December 20, 2021, he is responsible for supervising the process of selecting candidates for the Company's officers and determining officer remuneration, etc., from an objective and neutral standpoint.
Director who is an Audit and Supervisory Committee Member	Motohiro Koto	Attended all 17 meetings of the Board of Directors, 12 meetings of Audit and Supervisory Committee, and 13 meetings of Nomination and Compensation Advisory Committee held during the fiscal year under review. He attends meetings of the Board of Directors and Audit and Supervisory Committee, and actively expresses his opinions, provides supervision and advice from his professional perspective as a licensed tax accountant, and otherwise plays an appropriate role in ensuring the adequacy and appropriateness of decision-making. In addition, as a member of the voluntary Nomination and Compensation Advisory Committee, which was newly established on December 20, 2021, he is responsible for supervising the process of selecting candidates for the Company's officers and determining officer remuneration, etc., from an objective and neutral standpoint.
Director who is an Audit and Supervisory Committee Member	Kazuyuki Nakanishi	Attended all 17 meetings of the Board of Directors, 12 meetings of Audit and Supervisory Committee, and 13 meetings of Nomination and Compensation Advisory Committee held during the fiscal year under review. He attends meetings of the Board of Directors and Audit and Supervisory Committee, and actively expresses his opinions, provides supervision and advice from his professional perspective as an attorney at law, and otherwise plays an appropriate role in ensuring the adequacy and appropriateness of decision-making. In addition, as Chair of the voluntary Nomination and Compensation Advisory Committee, which was newly established on December 20, 2021, he is responsible for supervising the process of selecting candidates for the Company's officers and determining officer remuneration, etc., from an objective and neutral standpoint.

Note: In addition to the meeting of the Board of Directors mentioned above, there were four written resolutions adopted by the Board of Directors pursuant to the provisions of Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation.

(4) Accounting Auditor

(i) Name                   Ernst & Young ShinNihon LLC

(ii) Remuneration, etc.

(Thousands of yen)

	Remuneration
Amount of remuneration paid to Accounting Auditor in the fiscal year under review	36,000
Sum of monetary compensation and other financial benefits paid by the Company and its subsidiaries to Accounting Auditor	36,000

Notes: 1. Because the amount of remuneration for audit services under the Companies Act and the Financial Instruments and Exchange Act of Japan are not clearly distinguished in the audit engagement contract between the Company and the Accounting Auditor, and since it is not practical to distinguish between these two types of remuneration, the sum of these amounts is recorded as amount of remuneration paid to Accounting Auditor for the fiscal year under review.

2. The Audit and Supervisory Committee obtained the necessary materials from the Accounting Auditor, and on receiving the relevant reports, confirmed the Accounting Auditor' prior activities and remuneration. The Committee confirmed the Accounting Auditor' activity plan for the fiscal year under review and ascertained the appropriateness of their remuneration. As a result of the Committee's deliberations, we have determined that these matters are appropriate, and therefore, have consented to remuneration for Accounting Auditor as stipulated in Article 399, paragraph (1) of the Companies Act.

(iii) Policy on dismissal or non-reappointment of the Accounting Auditor

If an Accounting Auditor is found to fall under any of the items set forth in the Article 340, paragraph (1) of the Companies Act, the Audit and Supervisory Committee shall dismiss the Accounting Auditor based on the consent of all Directors who are Audit and Supervisory Committee Members. In such a case, an Audit and Supervisory Committee Member selected by the Audit and Supervisory Committee will report the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

Further, the Audit and Supervisory Committee may determine the details of the proposal for dismissal or non-reappointment of the Accounting Auditor, which will be submitted to the General Meeting of Shareholders, if it deems this necessary, taking into consideration the Accounting Auditor's performance and the Company's audit system.

(iv) Summary of details of limited liability agreement

Not applicable.

(v) Outline of the contents of a directors and officers liability insurance policy, etc.

The Company has entered into a directors and officers liability insurance policy with an insurance company as stipulated in Article 430-3, paragraph (1) of the Companies Act. The insured parties of the insurance policy are Directors (including Directors who are Audit and Supervisory Committee Members), executive officers, and the Accounting Auditor, and the insured parties do not bear insurance premiums. The policy covers liability incurred during the performance of duties by insured officers, etc., or damages arising from claims pertaining to the pursuit of such liability.

### **III Overview of the system for ensuring the appropriateness of business operations and the proper application of said system**

#### **(1) Summary of decisions regarding the system for ensuring the appropriateness of business operations**

The following is a summary of decisions regarding the system to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation, as well as the system to ensure the appropriateness of other Company's business operations.

(Basic philosophy on corporate governance)

We believe that boosting corporate value by improving the efficiency of its management, responding flexibly to changes in the business environment, and making swift decisions while maintaining sound managerial practices will lead to improved cooperation with stakeholders. To that end, we recognize the importance of thorough compliance and the enhancement of corporate governance.

#### **Internal control system**

- A. Matters concerning Directors and employees who are to assist the Audit and Supervisory Committee in its duties
  - (i) When requested by the Audit and Supervisory Committee, the Company shall assign employees to assist the Audit and Supervisory Committee in its duties. However, Directors shall not be assigned to assist the Audit and Supervisory Committee in its duties.
  - (ii) When appointing an employee to assist the Audit and Supervisory Committee, the transfer and evaluation of such employee shall be conducted in respect of the opinions of the Audit and Supervisory Committee. The independence of such employee from Directors shall be ensured.
- B. System for Directors and employees to report to Audit and Supervisory Committee Members and other systems for reporting to Audit and Supervisory Committee Members
  - (i) The Audit and Supervisory Committee Members may attend meetings of the Board of Directors and other important meetings deemed necessary, express their opinions, receive copies of the minutes of such meetings and approval documents, and request information from Directors and employees regarding important decisions on business activities and the execution of duties.
  - (ii) Directors and employees shall immediately report to the Audit and Supervisory Committee Members if they discover material facts in connection with the execution of their duties that violate laws and regulations or the Articles of Incorporation, or that may cause significant damage to the Company or the Group.
  - (iii) Directors and employees shall promptly report to the Audit and Supervisory Committee Members on matters related to the execution of business when requested to do so by the Audit and Supervisory Committee Members.
  - (iv) The Company shall establish and maintain a system to prevent unfavorable treatment of Directors and employees who report to the Audit and Supervisory Committee Members as described in items (ii) or (iii) above.
- C. Other systems to ensure that Audit and Supervisory Committee Members perform audits effectively
  - (i) The Audit and Supervisory Committee Members shall periodically have opportunities to communicate with the CEO, the Internal Audit Division and the Accounting Auditor.
  - (ii) The Company will establish a fixed budget for expenses associated with the execution of duties by Audit and Supervisory Committee Members in consultation with the Audit and Supervisory Committee. When an Audit and Supervisory Committee Member requests that the Company make advance payment of the relevant expenses, the division in charge shall deliberate concerning the request. Unless it is determined that the cost or liability related to the claim is not necessary for the execution of the duties of the Audit and Supervisory Committee Member, the cost or liability shall be handled promptly.

- D. System to ensure that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation
  - (i) Compliance is the Company's basic management policy. Directors and employees shall endeavor not only to comply with laws and regulations and the Articles of Incorporation, but also with corporate ethics and social norms.
  - (ii) A Risk Management and Compliance Committee shall be established in accordance with the Compliance Management Rules to examine and deliberate on compliance-related initiatives.
  - (iii) The Company will establish an Internal Audit Division independent from the divisions executing business. It will conduct audits on the status of the development and operation of internal control systems in the various divisions, and report the results to the Board of Directors and the Audit and Supervisory Committee as appropriate.
  - (iv) The Company will establish a consultation desk based on an internal reporting system. We will make sure that Directors and employees know about it, and strive to detect or prevent potential compliance issues. If an issue does occur, we will work to resolve it and prevent its recurrence.
  - (v) The Company will have nothing to do with antisocial forces that may threaten the safety and order of civil society. Further, we will take a resolute position against them by working closely with the police and other specialized agencies if necessary.
- E. System for the storage and management of information pertaining to the execution of duties by Directors  
Information regarding the execution of duties by Directors is recorded in the form of documents or electronic media in accordance with laws and regulations, as well as internal rules. The information is appropriately stored and managed, and the status of its storage and management is verified as necessary.
- F. Rules and other systems for risk management  
The Company shall establish the Risk Management and Compliance Committee in accordance with the Risk Management Rules to evaluate risks and consider countermeasures.
- G. System to ensure that Directors execute their duties efficiently
  - (i) Regular meetings of the Board of Directors are held once a month in principle, and extraordinary meetings are held as necessary, in accordance with the Rules of the Board of Directors, to discuss and make decisions concerning important matters, and to oversee and manage the execution of duties by Directors.
  - (ii) In accordance with the Rules of the Management Meetings, the Management Meetings shall convene to deliberate on matters to be discussed by the Board of Directors and matters to be decided by the CEO, as well as to deliberate and report on important management matters.
- H. System to ensure the appropriateness of Group operations, consisting of the Company and its subsidiaries
  - (i) The Group shares its management philosophy, thoroughly communicates its basic compliance policy, and strives to raise awareness of compliance among Directors and employees.
  - (ii) The Company shall appropriately manage the business of subsidiaries in accordance with the Management Rules for Subsidiaries and Associates.

(2) Overview of the status of the operation of the system for ensuring the appropriateness of business operations

(i) General internal control system

In accordance with the Company's Basic Policy for the Establishment of an Internal Control System, we shall establish and apply a system to ensure the appropriateness of operations for the Company and the entire Group.

(ii) Compliance

The Risk Management and Compliance Committee convenes to share information about and discuss important compliance issues. In addition to training and educational activities related to compliance conducted by the Legal Department, regular training is conducted by external instructors and company-wide information dissemination is done by top management. We also make sure that all employees are aware of the existence of the consultation desk based on an internal reporting system. In addition to the above, harassment prevention activities are systematically promoted.

(iii) Risk management

The Risk Management and Compliance Committee convenes to identify and manage risks. The Company centrally manages serious risks through an effective and efficient risk management system. In addition, a "risk event report" is to be made promptly when a risk event occurs. We have developed and are operating a management system that includes the formulation of plans to prevent recurrence of such events and the implementation of monitoring for a certain period of time.

(iv) Business management of subsidiaries

The Company receives reports on important matters from subsidiaries as appropriate in accordance with the Management Rules for Subsidiaries and Associates.

(v) Execution of duties by Directors

The Board of Directors met 17 times during the fiscal year under review and held engaging discussions as the Company's management decision-making and supervisory body. In addition to the Board of Directors meetings described above, there were four resolutions in writing deemed to have been resolved by the Board of Directors in accordance with Article 370 of the Companies Act and Article 24 of the Company's Articles of Incorporation.

(vi) Audit and Supervisory Committee

During the fiscal year under review, the Audit and Supervisory Committee met 12 times to audit and supervise the execution of duties by the executive Directors. A Director who is a full-time Audit and Supervisory Committee Member supervises the decision-making process and its content through his attendance at Management Meetings and other important meetings. In addition, they regularly exchange information with the Accounting Auditor and the internal auditor, and they promote mutual cooperation by also exchanging information as necessary.

## **IV Basic policy regarding control of the company**

As of the last day of the fiscal year under review, the Company has not stipulated a Basic Policy Regarding Control of the Company or Takeover Defense Measures. However, as part of our responsibility as managers entrusted by our shareholders, we will constantly monitor the trading status of the Company's shares and any changes in shareholder composition.

## **V Policy regarding determination of dividends of surplus**

Unless otherwise provided for by laws and regulations, the Company shall, as stipulated in the Articles of Incorporation, determine dividends of surplus and other matters set forth in the items of Article 459, paragraph (1) of the Companies Act by resolution of the Board of Directors without obtaining a resolution at a General Meeting of Shareholders. This is intended to provide a prompt return of profits to shareholders by making dividends of surplus the prerogative of the Board of Directors.

For the fiscal year under review, the Company set the year-end dividend at ¥52.50 per share.

We will keep the base dividend unchanged, considering the possibility of investment in the non-residential area and other equity investments such as M&As. However, if we cannot find an investment destination for the SPC investment target amount, we will use it for dividends and other returns. If we are unable to invest, we will continue to target a dividend payout ratio of 30%.

## Consolidated Balance Sheet

(As of December 31, 2022)

(Thousands of yen)

<b>Assets</b>		<b>Liabilities</b>	
Account name	Amount	Account name	Amount
<b>Current assets</b>	<b>30,551,738</b>	<b>Current liabilities</b>	<b>14,565,764</b>
Cash and deposits	3,531,535	Short-term borrowings	4,923,932
Real estate for sale	5,947,600	Current portion of bonds payable	48,000
Real estate for sale in process	19,805,594	Current portion of long-term borrowings	6,557,944
Production supplies	2,599	Accounts payable - other	1,807,336
Advance payments to suppliers	884,689	Income taxes payable	728,457
Other	384,019	Provision for loss on subleasing business	7,804
Allowance for doubtful accounts	(4,301)	Other	492,289
		<b>Non-current liabilities</b>	<b>11,307,537</b>
<b>Non-current assets</b>	<b>1,768,049</b>	Bonds payable	182,000
<b>Property, plant and equipment</b>	<b>1,307,818</b>	Long-term borrowings	11,020,336
Buildings	606,004	Provision for loss on subleasing business	5,602
Land	670,486	Other	99,598
Other	31,326		
		<b>Total liabilities</b>	<b>25,873,302</b>
<b>Intangible assets</b>	<b>109,821</b>		
<b>Investments and other assets</b>	<b>350,410</b>		
Investment securities	14,400	<b>Net assets</b>	
Shares of subsidiaries and associates	41,489	<b>Shareholders' equity</b>	<b>6,438,812</b>
Investments in capital	350	<b>Share capital</b>	553,533
Deferred tax assets	278,325	<b>Capital surplus</b>	353,533
Other	17,944	<b>Retained earnings</b>	5,531,824
Allowance for doubtful accounts	(2,100)	<b>Treasury shares</b>	(78)
		<b>Non-controlling interests</b>	7,673
<b>Total assets</b>	<b>32,319,788</b>	<b>Total net assets</b>	<b>6,446,485</b>
		<b>Total liabilities and net assets</b>	<b>32,319,788</b>

## **Consolidated Statement of Income**

(January 1, 2022 to December 31, 2022)

(Thousands of yen)

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

## **Consolidated Statement of Changes in Shareholders' Equity**

(January 1, 2022 to December 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current 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 the 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 the end of current period	553,533	353,533	5,531,824	(78)	6,438,812

	Non-controlling interests	Total net assets
Balance at the beginning of current 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 the 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 the end of current period	7,673	6,446,485

## **Non-consolidated Balance Sheet**

(As of December 31, 2022)

(Thousands of yen)

<b>Assets</b>		<b>Liabilities</b>	
Account name	Amount	Account name	Amount
<b>Current assets</b>	<b>30,517,915</b>	<b>Current liabilities</b>	<b>14,551,124</b>
Cash and deposits	3,497,722	Short-term borrowings	4,923,932
Real estate for sale	5,947,600	Current portion of bonds payable	48,000
Real estate for sale in process	19,805,594	Current portion of long-term borrowings	6,557,944
Production supplies	2,599	Accounts payable - other	1,795,043
Advance payments to suppliers	884,689	Income taxes payable	726,958
Other	384,009	Provision for loss on subleasing business	7,804
Allowance for doubtful accounts	(4,301)	Other	491,440
<b>Non-current assets</b>	<b>1,781,560</b>	<b>Non-current liabilities</b>	<b>11,307,537</b>
<b>Property, plant and equipment</b>	<b>1,307,818</b>	Bonds payable	182,000
Buildings	606,004	Long-term borrowings	11,020,336
Land	670,486	Provision for loss on subleasing business	5,602
Other	31,326	Other	99,598
<b>Intangible assets</b>	<b>109,821</b>	<b>Total liabilities</b>	<b>25,858,661</b>
<b>Investments and other assets</b>	<b>363,920</b>	<b>Net assets</b>	
Investment securities	14,400	<b>Shareholders' equity</b>	<b>6,440,813</b>
Shares of subsidiaries and associates	55,000	<b>Share capital</b>	<b>553,533</b>
Investments in capital	350	<b>Capital surplus</b>	<b>353,533</b>
Deferred tax assets	278,325	Legal capital surplus	353,533
Other	17,944	<b>Retained earnings</b>	<b>5,533,825</b>
Allowance for doubtful accounts	(2,100)	Other retained earnings	5,533,825
		Retained earnings brought forward	5,533,825
		<b>Treasury shares</b>	<b>(78)</b>
<b>Total assets</b>	<b>32,299,475</b>	<b>Total net assets</b>	<b>6,440,813</b>
		<b>Total liabilities and net assets</b>	<b>32,299,475</b>

## **Non-consolidated Statement of Income**

(January 1, 2022 to December 31, 2022)

(Thousands of yen)

Account name	Amount	
<b>Net sales</b>		<b>35,545,819</b>
<b>Cost of sales</b>		<b>29,683,819</b>
<b>Gross profit</b>		<b>5,862,000</b>
<b>Selling, general and administrative expenses</b>		<b>3,259,669</b>
<b>Operating income</b>		<b>2,602,331</b>
<b>Non-operating income</b>		
Dividend income	1,987	
Miscellaneous income	3,421	
Other	32	5,440
<b>Non-operating expenses</b>		
Interest expenses	319,461	
Loss on investments in investment partnerships	16,199	
Other	3,055	338,716
<b>Ordinary income</b>		<b>2,269,055</b>
<b>Extraordinary income</b>		
Gain on sale of non-current assets	1,700	1,700
<b>Income before income taxes</b>		<b>2,270,755</b>
Income taxes - current	972,799	
Income taxes - deferred	(155,634)	817,165
<b>Net income</b>		<b>1,453,590</b>

## **Non-consolidated Statement of Changes in Shareholders' Equity**

(January 1, 2022 to December 31, 2022)

(Thousands of yen)

	Shareholders' equity						Total net assets	
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Retained earnings brought forward			
Balance at the beginning of current period	539,096	339,096	339,096	4,357,531	4,357,531	—	5,235,725	5,235,725
Changes during period								
Issuance of new shares	14,436	14,436	14,436				28,872	28,872
Dividends of surplus				(277,296)	(277,296)		(277,296)	(277,296)
Net income				1,453,590	1,453,590		1,453,590	1,453,590
Purchase of treasury shares						(78)	(78)	(78)
Total changes during period	14,436	14,436	14,436	1,176,294	1,176,294	(78)	1,205,088	1,205,088
Balance at the end of current period	553,533	353,533	353,533	5,533,825	5,533,825	(78)	6,440,813	6,440,813

**Report of Independent Auditor**

February 21, 2023

The Board of Directors  
Global Link Management Inc.

Ernst & Young ShinNihon LLC  
Tokyo Office

Koichiro Haraga  
Designated Engagement Partner  
Certified Public Accountant

Teruyo Okubo  
Designated Engagement Partner  
Certified Public Accountant

**Audit Opinion**

Pursuant to Article 444, paragraph (4) of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in shareholders' equity, the notes to the consolidated financial statements of Global Link Management Inc. (the "Company") applicable to the fiscal year from January 1, 2022 through December 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the corporate group consisting of Global Link Management Inc. and its consolidated subsidiaries applicable to the 18th business year ended December 31, 2022 in conformity with accounting standards generally accepted in Japan.

**Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and have fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process of the other information.

The other information does not fall under the scope of our opinion on the consolidated financial statements, and we express no opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information and, in the course of reading, consider whether there are any material differences between the other information and the consolidated financial statements or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

### **Responsibilities of Management and Audit and Supervisory Committee for the Consolidated Financial Statements.**

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with accounting standards generally accepted in Japan. It is also responsible for designing and operating such internal controls as management determines to be necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements on the assumption of a going concern, and for disclosing, in accordance with accounting standards generally accepted in Japan, as necessary, matters related to a going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design and implementation of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit while performing the following tasks.

- We identify and assess the risks of material misstatement of the financial statements and the supplementary statements, whether due to fraud or error. We also design and perform audit procedures responsive to those risks. The procedures are selected and applied at the discretion of the auditor. Furthermore, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, the auditor considers internal controls relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal controls.
- We assess the appropriateness of accounting policies and the method of application adopted by management, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes thereto.
- We determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a material uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a material uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the material uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to

the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- We assess whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, as well as assess the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- We obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to enable us to express our opinion on the consolidated financial statements. We are responsible for directing, supervising, and performing the audit of the consolidated financial statements. We hold sole responsibility for the audit opinion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and any other matters required by the auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the regulations on professional ethics in Japan regarding independence, and communicate to them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards to eliminate or mitigate factors that may hinder our independence.

### **Interest**

Our firm and engagement partners have no interests in the Company and its subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

**Report of Independent Auditor**

February 21, 2023

The Board of Directors  
Global Link Management Inc.

Ernst & Young ShinNihon LLC  
Tokyo Office

Koichiro Haraga  
Designated Engagement Partner  
Certified Public Accountant

Teruyo Okubo  
Designated Engagement Partner  
Certified Public Accountant

**Audit Opinion**

Pursuant to Article 436, paragraph (2), Item (i) of the Companies Act, we have audited the non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in shareholders' equity, the notes to the non-consolidated financial statements and the related detailed statement (hereinafter the "non-consolidated financial statements, etc.") of Global Link Management Inc. (the "Company") applicable to the 18th business year from January 1, 2022 through December 31, 2022.

In our opinion, the non-consolidated financial statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the 18th business year ended December 31, 2022 in conformity with accounting standards generally accepted in Japan.

**Basis for Audit Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc. section of our report. We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and have fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The other information consists of the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. The Audit and Supervisory Committee is responsible for overseeing the execution of duties by the Directors in designing and operating the financial reporting process of the other information.

The other information does not fall under the scope of our opinion on the non-consolidated financial statements, and we express no opinion on the other information.

Our responsibility in auditing the non-consolidated financial statements is to read through the other information and, in the course of reading, consider whether there are any material differences between

the other information and the non-consolidated financial statements or our knowledge obtained in the course of our audit, and to pay attention to whether there are any other signs of material errors in the other information in addition to such material differences.

If, based on the work we have performed, we determine that there are material errors in the other information, we are required to report that fact.

We have nothing to report with respect to the other information.

### **Responsibilities of Management and Audit and Supervisory Committee for the Non-consolidated Financial Statements, etc.**

Management is responsible for the preparation and fair presentation of non-consolidated financial statements, etc. in accordance with accounting standards generally accepted in Japan. It is also responsible for designing and operating such internal controls as management determines to be necessary to enable the preparation and fair presentation of non-consolidated financial statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements, etc. on the assumption of a going concern, and for disclosing, in accordance with accounting standards generally accepted in Japan, as necessary, matters related to a going concern.

The Audit and Supervisory Committee is responsible for overseeing the Directors' performance of their duties with regard to the design and implementation of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements, etc.**

Our responsibility is to obtain reasonable assurance as to whether the non-consolidated financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the non-consolidated financial statements, etc. from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the non-consolidated financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit while performing the following tasks.

- We identify and assess the risks of material misstatement of the financial statements and the supplementary statements, whether due to fraud or error. We also design and perform audit procedures responsive to those risks. The procedures are selected and applied at the discretion of the auditor. Furthermore, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, the auditor considers internal controls relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the non-consolidated financial statements, etc. is not to express an opinion on the effectiveness of the entity's internal controls.
- We assess the appropriateness of accounting policies and the method of application adopted by management, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes thereto.
- We determine whether it is appropriate for management to prepare the non-consolidated financial statements, etc. on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a material uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a material

uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the non-consolidated financial statements, etc. in the audit report, or if the notes to the non-consolidated financial statements, etc. pertaining to the material uncertainty are inappropriate, issue a modified opinion on the non-consolidated financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

- We assess whether the presentation of the non-consolidated financial statements, etc. and notes to the non-consolidated financial statements, etc. are in accordance with accounting standards generally accepted in Japan, as well as assess the presentation, structure, and content of the non-consolidated financial statements, etc., including the related notes thereto, and whether the non-consolidated financial statements, etc. fairly present the underlying transactions and accounting events.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the audit, significant audit findings including any significant deficiencies in internal control that we identify during our audit, and any other matters required by the auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the regulations on professional ethics in Japan regarding independence, and communicate to them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards to eliminate or mitigate factors that may hinder our independence.

#### **Interest**

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## **Audit Report**

The Audit and Supervisory Committee has conducted an audit of the performance of Directors' duties for the 18th business year from January 1, 2022 to December 31, 2022. The procedures used in the audit, and the results of the audit, are as follows.

### **1. Audit procedures and content**

With regard to the resolution of the Board of Directors concerning the matters set out in Article 399-13, paragraph (1), item (i), (b) and (c) of the Companies Act, as well as the system (the internal control system) developed based on this resolution, the Audit and Supervisory Committee received regular reports, and requested explanations as necessary, from Directors and employees, etc. on the construction and operation of this system, expressed its opinions, and conducted an audit using the following procedures.

- (i) In accordance with the auditing policies and allocation of duties established by the Audit and Supervisory Committee, we cooperated with the internal control division of the Company; attended important meetings; obtained reports on matters related to the performance of duties from Directors and employees, etc.; requested explanations as necessary; reviewed documents recording approval of material matters; and conducted investigations into the status of business operations and assets. In addition, we communicated and exchanged information with the directors, etc. of subsidiaries and received business reports from the subsidiaries as necessary.
- (ii) The Audit and Supervisory Committee has monitored the Accounting Auditor to verify that it has maintained a position of independence and performed the audit appropriately, received reports on the performance of duties from the Accounting Auditor, and requested explanations as necessary. The Accounting Auditor has reported to us that the systems for ensuring that the performance of the duties of Accounting Auditor is being carried out correctly (listed in the items of Article 131 of the Regulation on Corporate Accounting) have been developed in accordance with the "Quality Control Standard for Audit" (Business Accounting Council, October 28, 2005) and other applicable regulations, and we have asked the Accounting Auditor for explanations as necessary.

Based on the procedures described above, the Audit and Supervisory Committee has examined the business report and supplementary statements, the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity and the notes to the non-consolidated financial statements) and its supplementary statements, as well as the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in shareholders' equity and the notes to the consolidated financial statements) for the business year under review.

### **2. Results of audit**

- (1) Results of the audit of the business report and other documents
  - (i) We confirm that the business report and the related supplementary statements give a fair view of the state of affairs of the Company in accordance with the laws and regulations, and Articles of Incorporation.
  - (ii) We have not detected any misconduct or material violation of relevant laws and regulations or of the Articles of Incorporation in connection with Directors' performance of their duties.
  - (iii) We confirm that the content of the resolution of the Board of Directors concerning the internal control system is fair and reasonable. Furthermore, we have not found any matters that should be raised with respect to the content of the business report and Directors' performance of duties in relation to the internal control system.
- (2) Audit results of the non-consolidated financial statements and supplementary statements

We confirm that the auditing procedures and results of the audit performed by Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

(3) Audit results of the consolidated financial statements

We confirm that the auditing procedures and results of the audit performed by Accounting Auditor Ernst & Young ShinNihon LLC are appropriate.

February 22, 2023

Audit and Supervisory Committee  
Global Link Management Inc.

Full-time Audit and Supervisory Committee Member	Junichi Kamo
Audit and Supervisory Committee Member	Motohiro Koto
Audit and Supervisory Committee Member	Kazuyuki Nakanishi

Note: Audit and Supervisory Committee Members Junichi Kamo, Motohiro Koto, and Kazuyuki Nakanishi are outside Directors as defined in Article 2, item (xv) and Article 331, paragraph (6) of the Companies Act.

## Reference Documents for the General Meeting of Shareholders

<b>Proposal</b>	Election of Four Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
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The terms of service of all four Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) expire at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of four Directors. The Audit and Supervisory Committee has considered this proposal, but did not express an opinion.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career history, positions and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Daejoong Kim (June 2, 1974)	<p>Apr. 1997 Joined Shoko Fund Co., Ltd.</p> <p>Oct. 1997 Joined Teiman Co., Ltd.</p> <p>Dec. 2003 Joined Devex, Ltd.</p> <p>Mar. 2005 Founded the Company, Representative Director</p> <p>Nov. 2007 Representative Director of Global Link Partners, Inc.</p> <p>Oct. 2015 CEO of the Company (current position)</p> <p>Nov. 2015 Representative Director of G2A Co., Ltd. (current position)</p> <p>Aug. 2016 Director of Global Link Partners, Inc. (Significant concurrent positions outside the Company)</p> <p>Representative Director of G2A Co., Ltd.</p>	1,739,000 shares
2	Yasumasa Tominaga (April 26, 1980)	<p>Apr. 2003 Joined Devex, Ltd.</p> <p>Apr. 2005 Joined the Company</p> <p>May 2005 Senior Managing Director</p> <p>Jan. 2015 Senior Managing Director, General Manager of Sales Division</p> <p>July 2015 Representative Director of Global Link Partners, Inc.</p> <p>Jan. 2018 Senior Managing Director of the Company</p> <p>Jan. 2019 Senior Managing Director, General Manager of Sales Division</p> <p>Jan. 2020 Senior Managing Director, General Manager of Consumer Sales Division</p> <p>Jan. 2021 Senior Managing Director</p> <p>Mar. 2021 Director</p> <p>Jan. 2023 Director and Executive Officer, Head of Building Business Group (current position)</p>	329,000 shares
3	Toyo Suzuki (September 24, 1976)	<p>Apr. 1995 Joined Yanagida Transportation Co., Ltd.</p> <p>Dec. 2002 Joined Devex, Ltd.</p> <p>Apr. 2005 Joined the Company</p> <p>May 2005 Director, Manager of Administration Division</p> <p>Sept. 2009 Outside Director, AMBITION Co., Ltd.</p> <p>Jan. 2015 Director, General Manager of Administration Division of the Company</p> <p>Jan. 2021 Director (current position)</p> <p>Feb. 2021 Representative Director of G&amp;G Community, Ltd. (current position)</p> <p>Oct. 2022 Director of SAGL Advisors K.K. (current position)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director of G&amp;G Community, Ltd.</p> <p>Director of SAGL Advisors K.K.</p>	107,900 shares

Candidate No.	Name (Date of birth)	Career history, positions and responsibilities in the Company (Significant concurrent positions outside the Company)		Number of the Company's shares owned
4	Naoki Tomita (December 26, 1979)	Apr. 2003 July 2005 Aug. 2006 Jan. 2015 Jan. 2018 Jan. 2019 Jan. 2022 Jan. 2023	Joined Devex, Ltd. Joined the Company Director, Manager of Sales Division Director in Charge of Sales Division, Deputy General Manager of Sales Division Director, General Manager of Sales Division Director, General Manager of Overseas Sales Division Director Director and Executive Officer, Head of Land Purchasing Business Group (current position)	104,400 shares

Notes:

1. Daejoong Kim is equivalent to the parent company, etc. of the Company. There is no special interest between any other candidates and the Company.
2. The Company has entered into a directors and officers liability insurance policy with an insurance company that provides coverage for Directors (including Directors who are Audit and Supervisory Committee Members), executive officers, and the Accounting Auditor, as stipulated in Article 430-3, paragraph (1) of the Companies Act, and intends to renew this agreement at the end of March 2023 with the same terms and conditions.

In the event that the proposal to elect these individuals is approved and adopted, each of them will remain covered by this agreement.

- (i) Outline of insurance accidents to be covered  
The policy covers liability incurred during the performance of duties by insured officers, etc., or damages arising from claims pertaining to the pursuit of such liability.
- (ii) Insurance premiums  
Insurance premiums are paid in their entirety by the Company.

■ (Reference) Skills Matrix

Based on our corporate philosophy “to realize a prosperous society through real estate,” we will respond to various changes in the environment, prevail over the competition, and achieve sustainable growth and medium to long-term improvement in corporate value.

In addition, we have been “linked” to people’s happiness and a prosperous society, and are working to enhance our governance system and manage our business with an emphasis on sustainability.

We announced “GLM VISION 2030” in February 2022. Directors of the Company have the necessary qualities to realize these goals. The details are as follows.

Global Link Management's Skills Matrix									
Name	Positions in the Company	Corporate Management	Real Estate Business	ESG	IT and DX	Finance and Accounting	Human Resources and Organization	Legal Affairs and Risk Management	Governance
Daejoong Kim	CEO	•	•	•	•		•		
Yasumasa Tominaga	Director and Executive Officer		•	•				•	
Toyo Suzuki	Director		•			•		•	•
Naoki Tomita	Director and Executive Officer		•					•	
Junichi Kamo	Audit and Supervisory Committee Member (Full-time)				•		•		•
Motohiro Koto	Audit and Supervisory Committee Member	•				•			
Kazuyuki Nakanishi	Audit and Supervisory Committee Member		•	•				•	•

Notes:

1. This table does not represent all the skills possessed by each Director.
2. “Corporate management” skill holders are experienced representatives (excluding those from subsidiaries and affiliated companies).

Skill details and reason for selection

Item	Skill details and reason for selection
Corporate management	The main job of Directors is to make decisions, so we believe that it is effective for a Director who acts as a coordinator of the Board of Directors to have experience and skills related to corporate management. The Company defines those who have representative experience (excluding those from subsidiaries and affiliated companies) as those who possess corporate management skills.
Real estate business	When expanding existing businesses and entering new businesses, we believe that it is necessary to have experience and skills earned by having extensive industry experience in the real estate business.
ESG	We believe that in order to fulfill our corporate social responsibility and develop our business activities over the medium to long term, it is necessary to have experience and skills related to ESG and sustainability that allow one to look at social and environmental issues from a broad perspective.
IT and DX	It is an essential issue for us to build an IT system and implement digital transformation (DX), as these steps are key to improving operational efficiency. We therefore believe it is effective to appoint a specialist with information-related experience and skills as a Director.
Finance and accounting	Directors who have financial skills play an important role as the key players of financing. Directors who have accounting skills are also expected to play a role in preventing fraudulent accounting such as window dressing and ensuring corporate accounting compliance.
Human resources and organization	In order to hire human resources who will be company assets and have them contribute to the development of the Company in a comfortable environment, we believe that it is effective to appoint Directors who have experience and skills in human resources, labor management, and human resource development.
Legal affairs and risk management	Risk management in line with the law and compliance is an essential issue for companies to continue to grow sustainably. We will realize sound and stable management by appointing Directors who have legal and risk management experience and skills.
Governance	Companies need to strengthen their governance systems in order to establish systems to monitor for fraud, disclose management strategies and financial conditions, and make corporate management transparent. We believe that appointing Directors with experience and skills related to governance is effective for sound management.

## Achieving the GLM VISION

### GLM VISION 2030:

To become No. 1 in sustainable real estate development and management through a combination of real estate, environment, and DX

Working toward expansion of existing businesses and entry into new businesses

Not only for expanding existing businesses, but for entering new businesses as well, we believe that it is necessary for Directors to have experience and skills earned by having extensive industry experience in the real estate business.

Real Estate Business

It is an essential issue for us to build an IT system and implement DX, as these steps are key to improving operational efficiency in modern times. We therefore believe it is effective to appoint a specialist with information-related experience and skills as a Director.

IT and DX

Strengthening the governance system and avoiding risks

Risk management in line with the law and compliance is an essential issue for companies to continue to grow sustainably.

Legal Affairs and Risk Management

Governance

It is necessary to establish a system to monitor fraud and promote transparency in corporate management by strengthening our governance system.

We believe that appointing Directors who have experience and skills related to legal affairs, risk management, and governance is effective for sound management.

Strengthening human resources and organizations and ensuring financial and accounting transparency

Human Resources and Organization

We believe it is effective to appoint Directors who have experience and skills in human resources, labor management, and human resource development so that they can hire people, a company's most important management resource, and have them contribute to the Company's development in a comfortable environment.

Finance and Accounting

Directors who have financial skills should act as the key players in the financing necessary for investments in business activities. Directors with accounting skills should prevent fraudulent accounting. We believe that together they play important roles in ensuring corporate accounting compliance.

Aiming for sustainable corporate management

In order to fulfill our corporate social responsibility and develop our business activities over the medium to long term, we believe that it is necessary for Directors to have experience and skills related to ESG and sustainability, so they can consider social and environmental issues from a broad perspective.

ESG

Corporate Management

We aim to conduct corporate management as the No. 1 sustainable real estate operator in the Tokyo metropolitan area, through the development of environmentally friendly properties, and through the building of infrastructure such as residences and logistics for society and the economy.