



Loadstar Capital

Q1 FY2025 Financial Results

(Three-month period ended March 31, 2025)

Loadstar Capital K.K.

Securities Code: 3482
April, 2025

Mission

Real Estate X Tech to Open Up a New Market

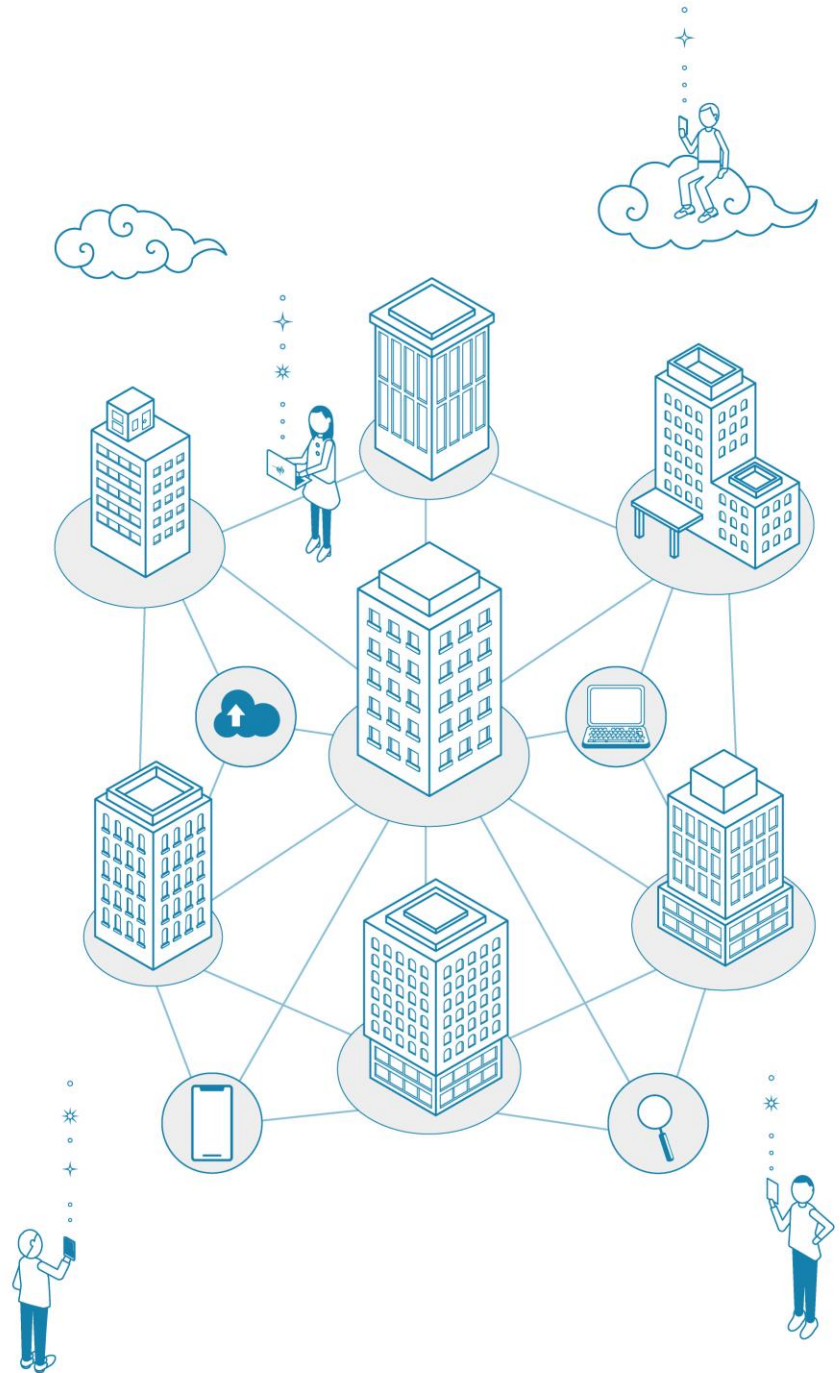


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“**Loadstar**” means Loadstar Capital K.K.

“**Loadstar Group**” means Loadstar Capital K.K. and its subsidiaries.

“**Loadstar Subsidiary**” means Loadstar Capital K.K.’s subsidiary only.

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Highlights of the Q1 FY2025

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- The sale of a hotel in Corporate Funding business contributed to significant progress in each level of sales and profit compared to the forecast.
- Property acquisition was also strong, and the balance of real estate as inventory has increased significantly.

	(Billions of yen)	% Y-o-Y	% of Forecast
Net Sales	11.0	+35.3%	23.1%
Operating profit	5.5	+110.1%	42.0%
Profit before Tax	5.2	+123.2%	46.6%
Profit	3.5	+125.7%	46.9%
Real estate as inventory	91.9	Change (%) from same period end of prev. fiscal year +12.8%	

1. Sale of a business hotel

Successfully sold “Nest Hotel Tokyo Hanzomon”, which was acquired during the COVID-19 pandemic in 2022. Loadstar managed to significantly increase its value. The sale greatly contributed to Q1 earnings. The decision to acquire the property was made under a difficult market conditions at the time. Loadstar also made a solid operational improvements after acquisition.

2. Acquisition of three office buildings in Tokyo

Acquired 3 office buildings located in prime areas of Tokyo: Chiyoda, Toshima, and Shibuya wards. We will enhance their value as a foundation for Loadstar’s growth.

Kojimachi Place



Higashi Ikebukuro Center Bldg.



Shibuya S-6 Bldg.



3. Crowdfunding service "OwnersBook" surpassed a major milestone in total investment amount of 60 billion yen

Overall Outlook

- The global real estate investment volume for the full year 2024 increased by 14% year-on-year to 703 billion dollars, while Japan's real estate investment volume rose by 63% year-on-year to 5,487.5 billion yen, surpassing 5 trillion yen for the first time in 9 years.

(Reference: JLL, "Investment Market Dynamics Q4 2024", March 13, 2025, https://issuu.com/jll-japan-research/docs/jll_japan_investment_market_dynamics_q4_2024_env2i)

- Office vacancy rates and rents are performing steadily, and as the re-evaluation of offices progresses, there is a high possibility that the office market may become overheated.
- We will pay attention to the impact on the real estate market from factors such as the Bank of Japan's interest rate policy trends and U.S. trade policy developments.

Interest rate

- While it is difficult to determine the possibility of interest rate hikes at this stage, a certain degree of increase has already been factored into our plans.
- We have entered into interest rate swap contracts in past fiscal years, hedging a certain percentage of the risk of interest rate increases.
- In the medium to long term, we expect rent and property prices to rise due to inflation, which we believe will have a positive impact on our business.

Future actions

- While actively acquiring office properties, we are also seeking investment opportunities in hotels and logistics facilities.
- In the Asset Management business, we will focus on building up AUM by responding to diverse investor demands.

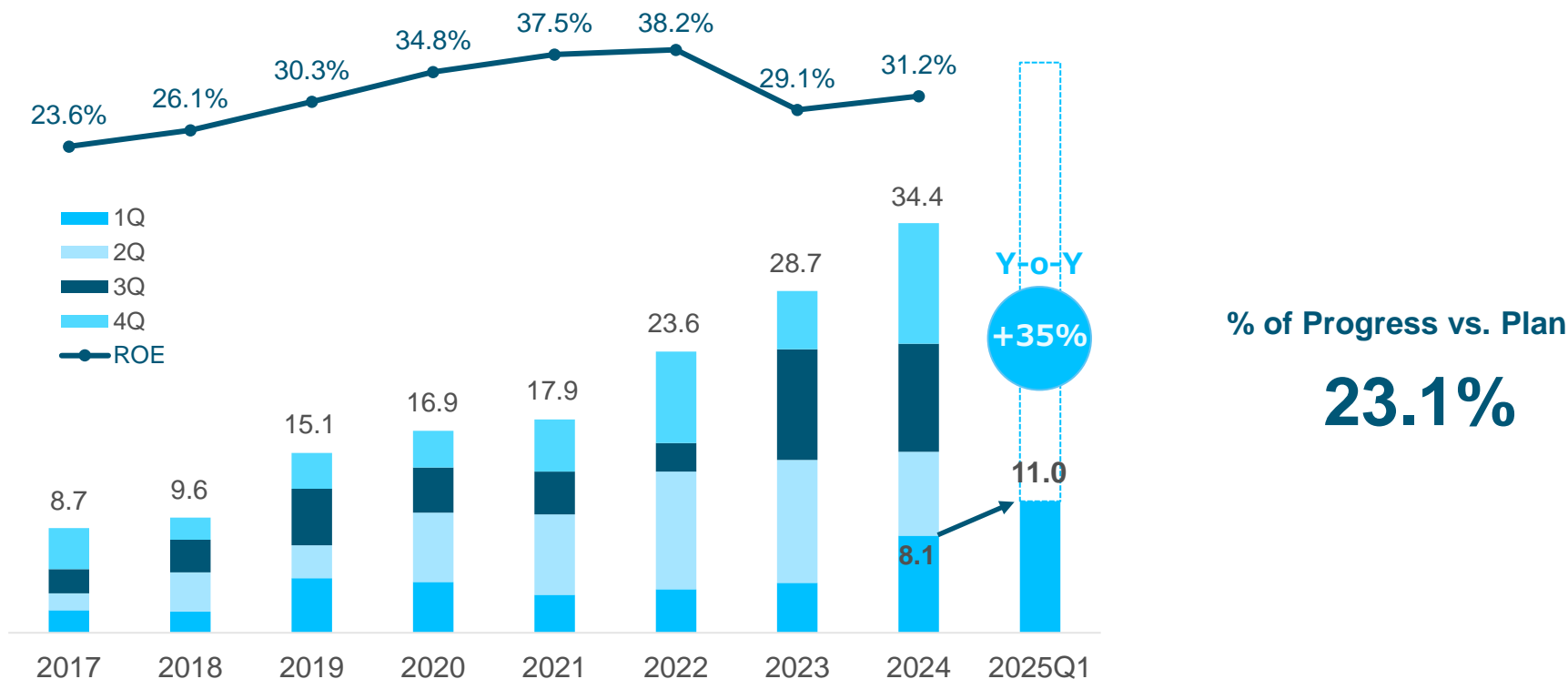
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Overview of Q1 FY2025 Financial Results

Consolidated Sales and ROE

- Consolidated sales increased 35% year on year to 11 billion yen.
- The real estate market continues to be active, with particularly high demand from domestic companies including real estate companies.
- European and U.S. real estate funds have resumed acquisition of properties, and further active acquisition is expected.

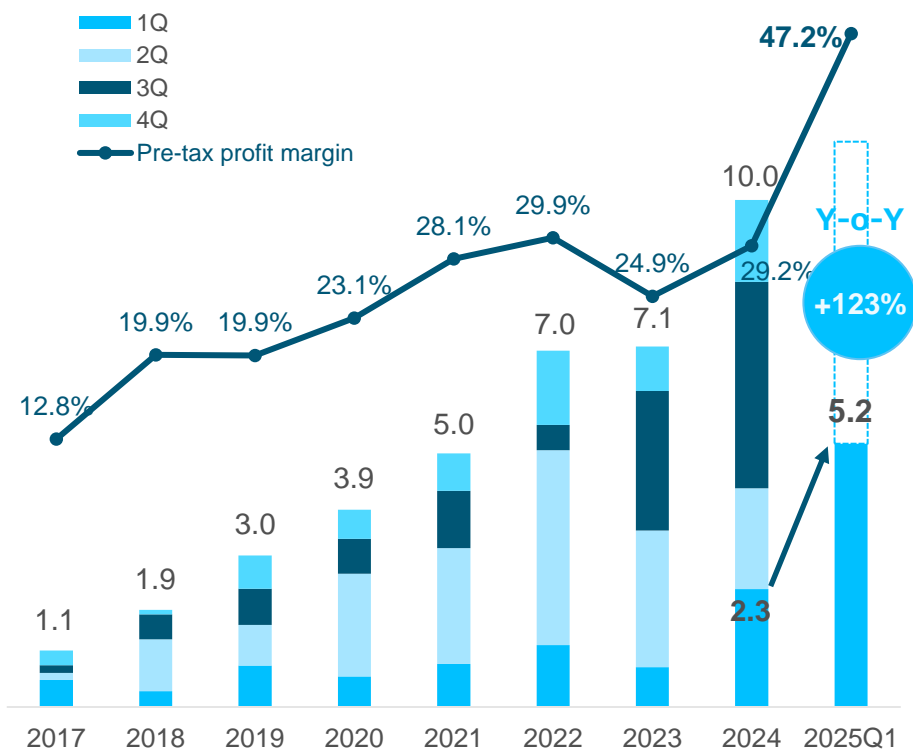
Consolidated Sales and ROE (Billions of yen)



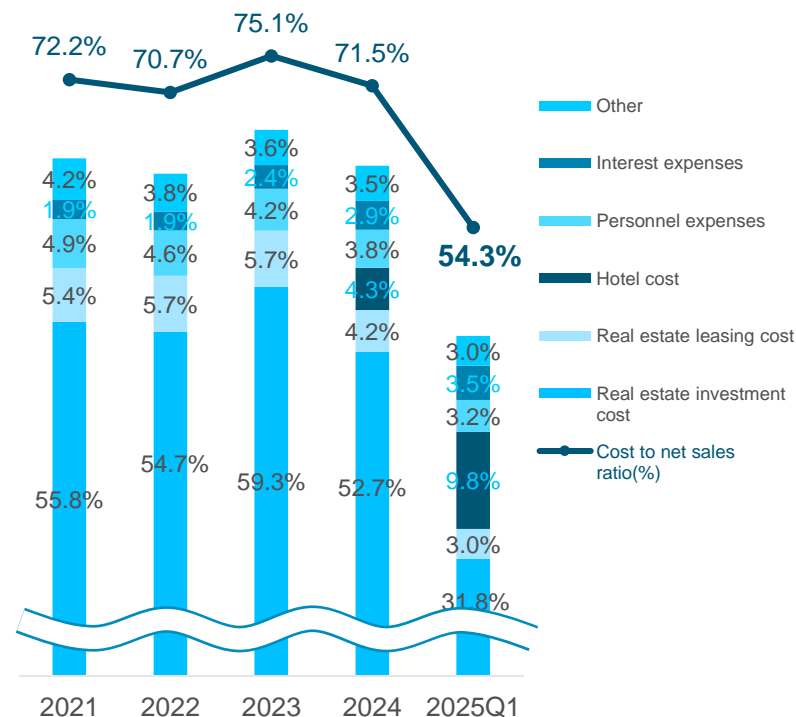
Consolidated Profit before income taxes and Cost Controls

- The consolidated profit before tax increased by 123% year-on-year to 5.2 billion yen, partly due to 170 million yen in derivative valuation gains related to interest rate swap contracts that were executed in preparation for interest rate hikes.
- The sale of high-profit properties resulted in a significant increase in the pre-tax profit margin.
- From Q2 onwards, the profit margin is expected to settle to levels close to previous years.

Consolidated Profit before income taxes (Billions of yen)



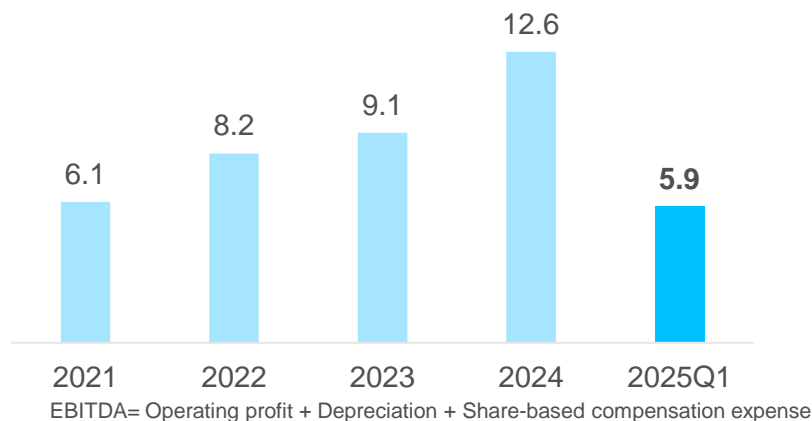
Cost structure



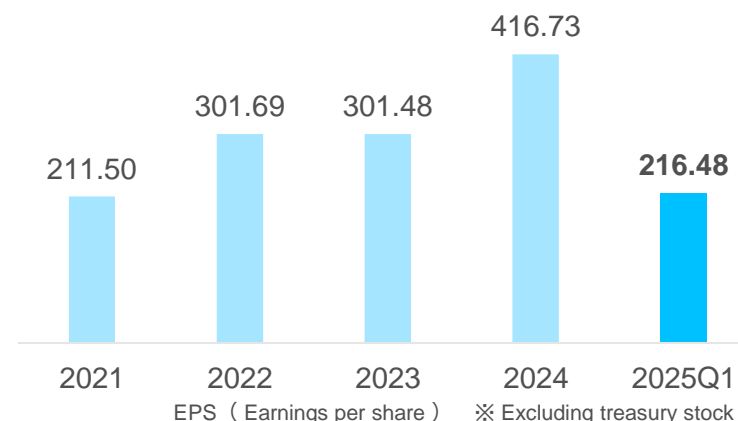
Consolidated Statements of Income

(Billions of yen)	FY2025Q1 Results				FY2025 (Forecasts)		
	Amount	% of Net sales	% Y-o-Y	Progress vs. original forecast	Amount	% of Net sales	% of the previous fiscal year
Net sales	11.0	100.0%	135.3%	23.1%	47.9	100.0%	139.2%
Gross Profit	6.1	55.4%	202.0%	39.7%	15.4	32.2%	115.5%
SG&A expenses	0.5	5.1%	146.6%	25.8%	2.2	4.6%	115.8%
Operating Profit	5.5	50.2%	210.1%	42.0%	13.2	27.6%	115.5%
Profit before income taxes	5.2	47.2%	223.2%	46.6%	11.2	23.4%	111.5%
Profit	3.5	32.4%	225.7%	46.9%	7.6	15.9%	111.2%

EBITDA (billions of yen)



EPS (yen)



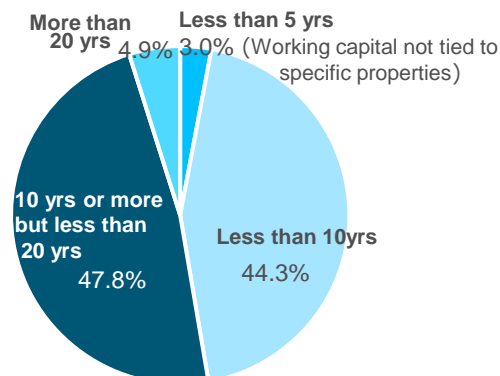
Consolidated Balance Sheet

- balance of real estate as inventory reached a record high of 91.9 billion yen as a result of the acquisition of 3 properties and the sale of 1 property.
- As a result of strong crowdfunding business, operating loans exceeded 10 billion yen for the first time.

(Billions of yen)	As of Q1, FY2025		
	Amount	% of total	% vs. Dec. 31, 2024
Current assets	117.3	98.7%	110.8%
Cash and deposits	14.0	11.8%	111.0%
Operating loans	10.7	9.0%	109.4%
Real estate as inventory	91.9	77.3%	112.8%
Liabilities	90.8	76.4%	111.1%
Interest-bearing debt	72.4	60.9%	115.5%
Deposits from tokumei kumiai (silent partnerships)	11.4	9.7%	100.0%
Net assets	28.1	23.6%	109.6%
Total liabilities and net assets	118.9	100.0%	110.7%

- Operating loans
 - Primarily external lending in the crowdfunding business.
- Real estate as inventory
 - Although there is a substantial amount of unrealized gains on properties, this is not reflected on the balance sheet.
 - There is no development project, and the impact of high construction costs is likely to be minimal.
 - Following the guidance of the accounting auditor, the property is recorded as real estate as inventory regardless of the purpose of holding.
- deposits from tokumei kumiai (silent partnerships)
 - Funds raised from investors in the crowdfunding business.

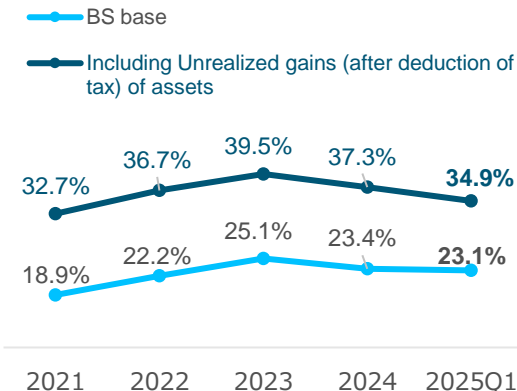
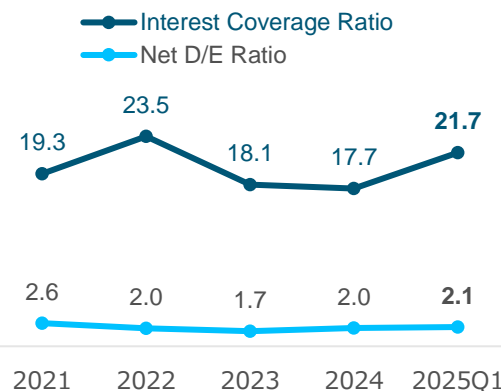
Borrowing period of interest-bearing debt
⇒ Avoidance of short-term fluctuation risks in the real estate market through long-term borrowing



* The proportion of loans with terms less than 10 years has increased due to the Hiramatsu Hotels project financed by non-recourse loans

Safety Indicators

⇒ Building a strong financial foundation through high profitability, unrealized gains on properties, and steady accumulation of profits



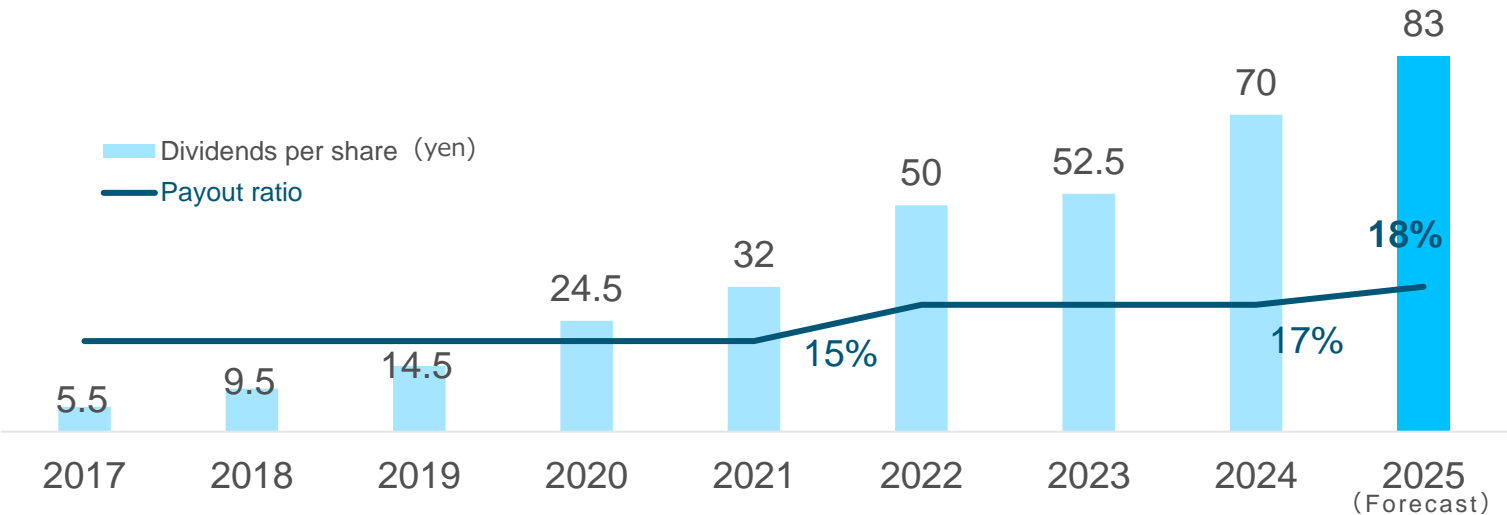
Basic Policy

- Loadstar strives to improve corporate value and shareholder profit by expanding business performance.

Devidend Policy

- Loadstar aims to provide stable and continuous returns to shareholders, with a target dividend payout ratio of 18% or higher.
- The dividend per share for the current fiscal year is planned to be 83 yen, an increase of 19% compared to the previous fiscal year.

(Share buybacks will be implemented based on a comprehensive assessment of stock price trends, economic conditions, and other factors.)



Shareholder Benefits

- Loadstar now offer a special OwnersBook investment allotment to our shareholders who have held at least 1,000 of the Company’s shares for at least six months.

3

Business Overview by Segment

Mission

Real Estate X Tech to Open Up a New Market

Real Estate Investments

CORPORATE FUNDING



Investment in real estate using internal funds, and property management.

ASSET MANAGEMENT



Management of investment real estate on behalf of property owners and investors.



Real Estate Tech

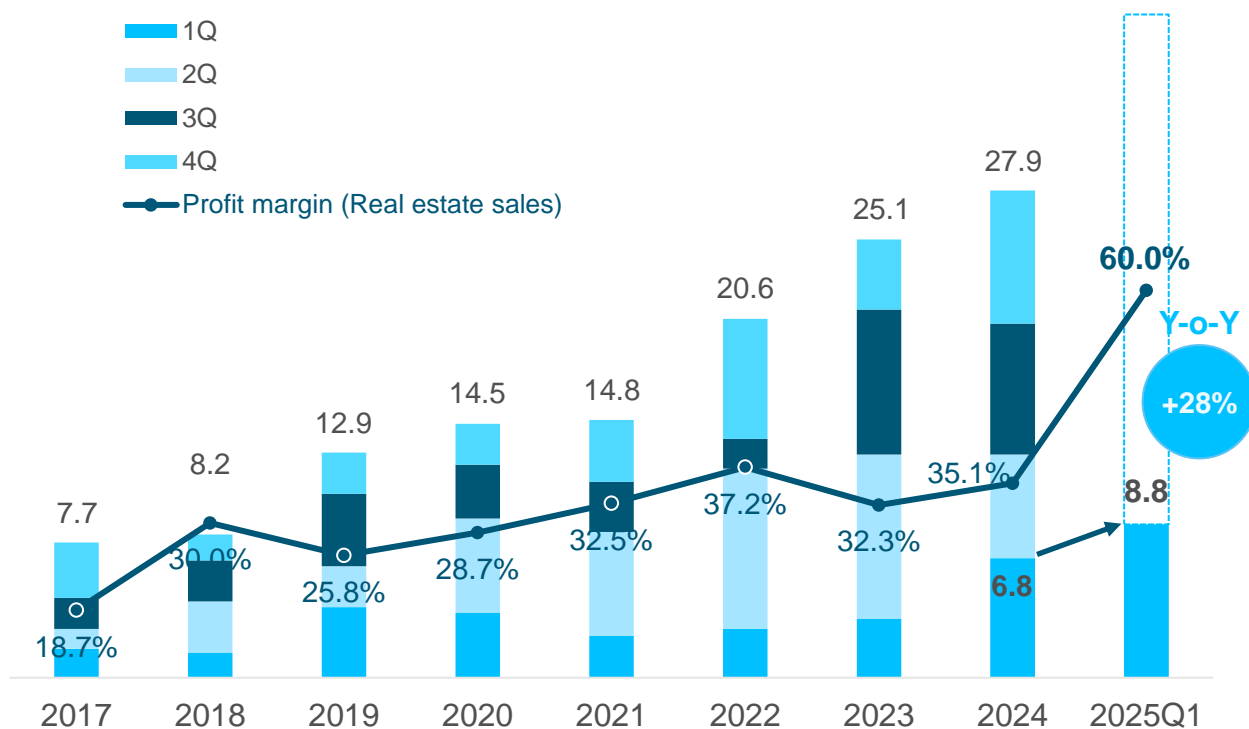
CROWDFUNDING



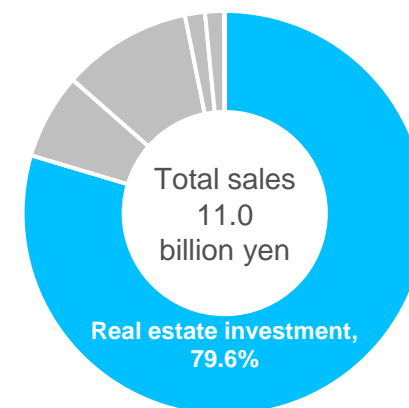
Japan's first real estate crowdfunding business.

- Net sales was 8.8 billion yen, a 28% increase year-on-year, as a result of a sale of a hotel property.
- We acquired three office properties, and the accumulation of real estate that will serve as our future management foundation is progressing smoothly. We will continue to actively acquire properties this fiscal year as well.
- One property has already been sold in Q2. From Q2 onwards, the profit margin is expected to settle to levels close to previous years.

Net Sales (Real estate investment) (Billions of yen)

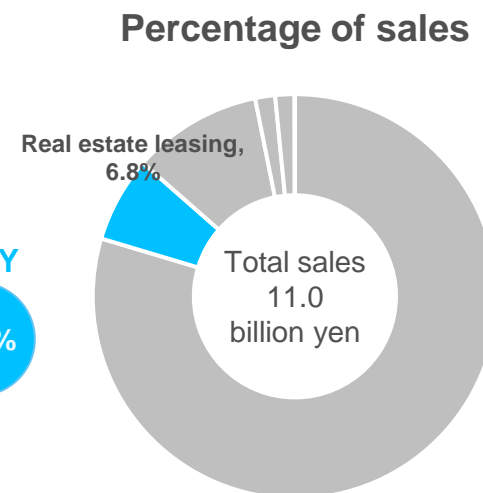
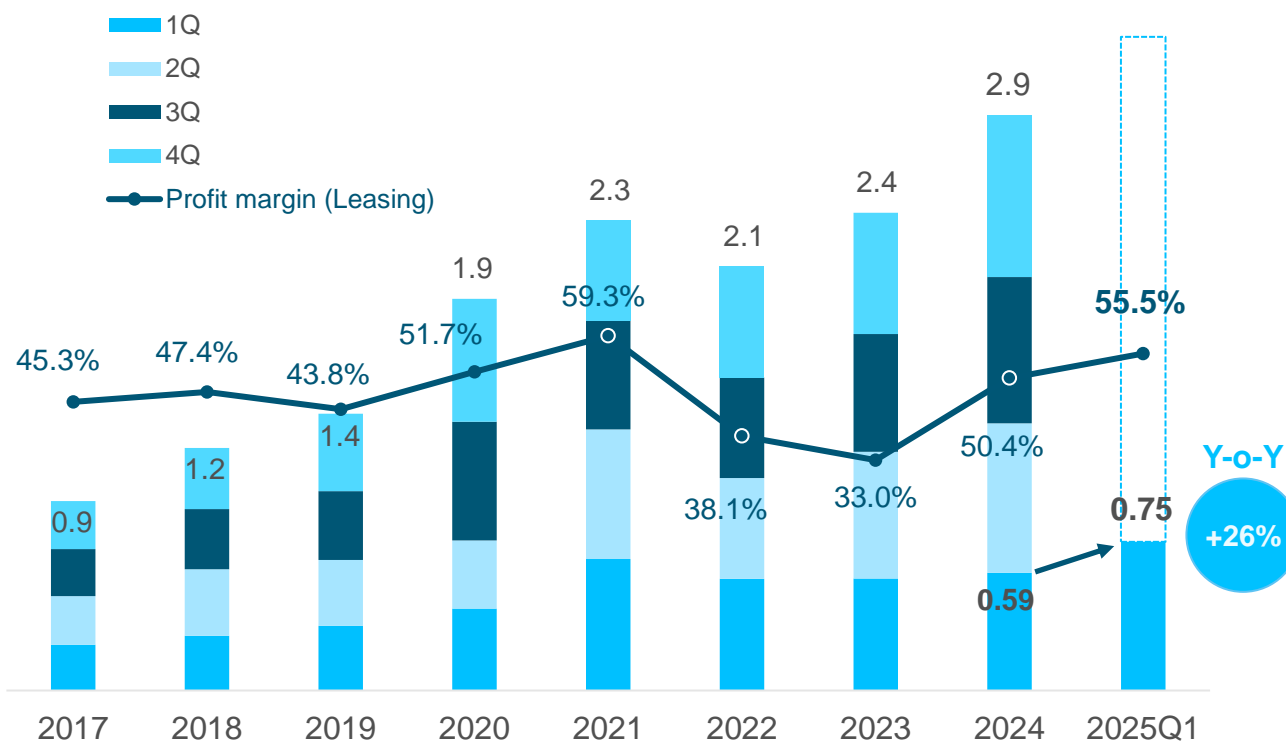


Percentage of sales



- Both hotels and offices performed steadily, resulting in net sales of 0.75 billion yen, a 26% increase year-on-year.
- The rental profit margin also maintained a high level.

Net Sales (Real estate leasing) (Billions of yen)



- While hotel operation revenue progressed almost as planned, the profit margin declined due to factors such as increased personnel costs. As a result, hotel operation revenue was 1.14 billion yen, and hotel operation costs were 1.08 billion yen (of which depreciation costs were approximately 0.17 billion yen).

(The Corporate Funding Business (Hotel Operations) records operating revenues from six luxury resort hotels acquired from Hiramatsu.)

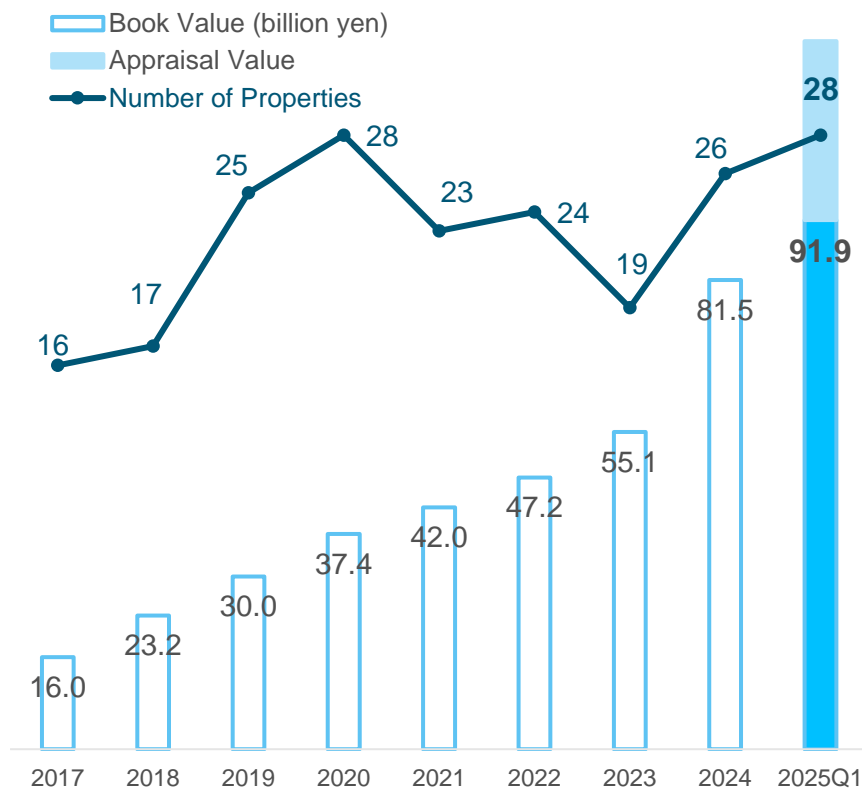
Net Sales (Hotel Operation) (Billions of yen)



Corporate Funding Business Results

- As offices are showing reasonable value we have been investing primarily in office properties, and the balance of real estate as inventory reached the highest ever.
- Regarding hotels, we may consider disposition if needed, taking into account inbound demand and Foreign exchange rate trends.

Changes in the Book Value of Real Estate as Inventory and the Number of Properties



CORNES HOUSE II



GRACE KOJIMACHI



THE HIRAMATSU Karuizawa Miyota



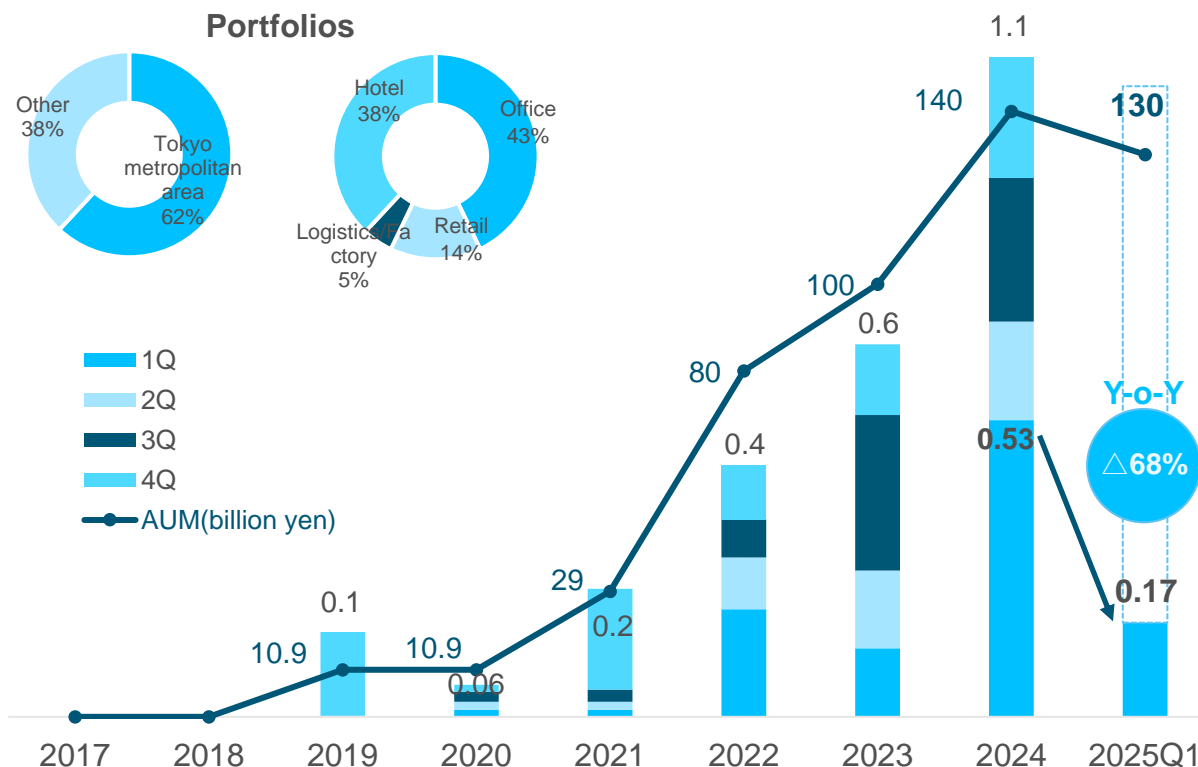
Main Purpose	Office	Hotel	Retail	Residence
Five wards in central Tokyo	12	2	-	-
Other wards	2	2	1	1
Outside of Tokyo	-	8	-	-

* Five wards in central Tokyo : Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku, Shinjuku-ku

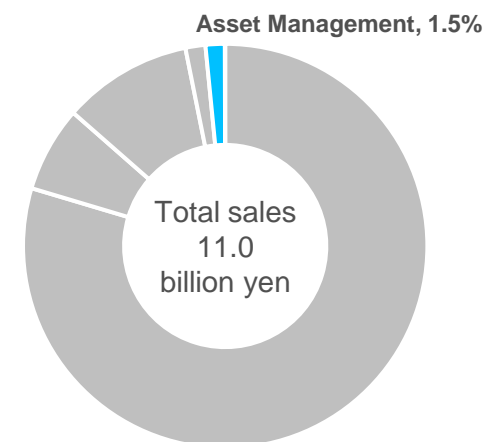
Asset Management Business Results

- Due to a large sales associated with the sale of assets in the previous period, net sales decreased to 0.17 billion yen compared to the same period of the previous year.
- Although AUM (Assets Under Management) decreased compared to the end of the previous year due to disposition, investor demand remains strong and inquiries are increasing.

Net Sales and AUM (Billions of yen)



Percentage of sales

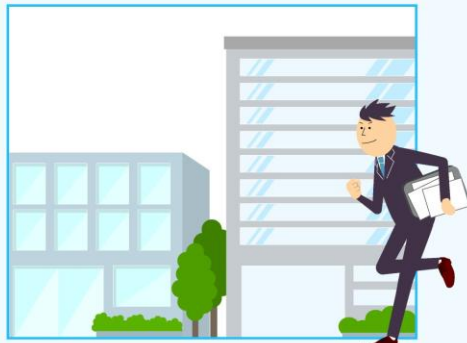


Mission

Real Estate X Tech to Open Up a New Market

Real Estate Investments

CORPORATE FUNDING



Investment in real estate using internal funds, and property management.

ASSET MANAGEMENT

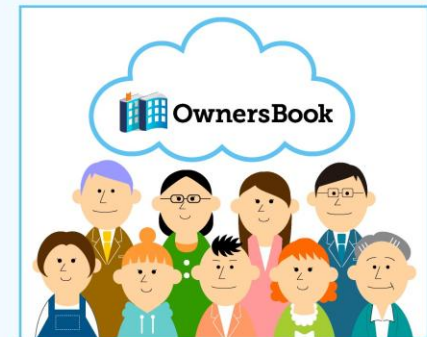


Management of investment real estate on behalf of property owners and investors.



Real Estate Tech

CROWDFUNDING

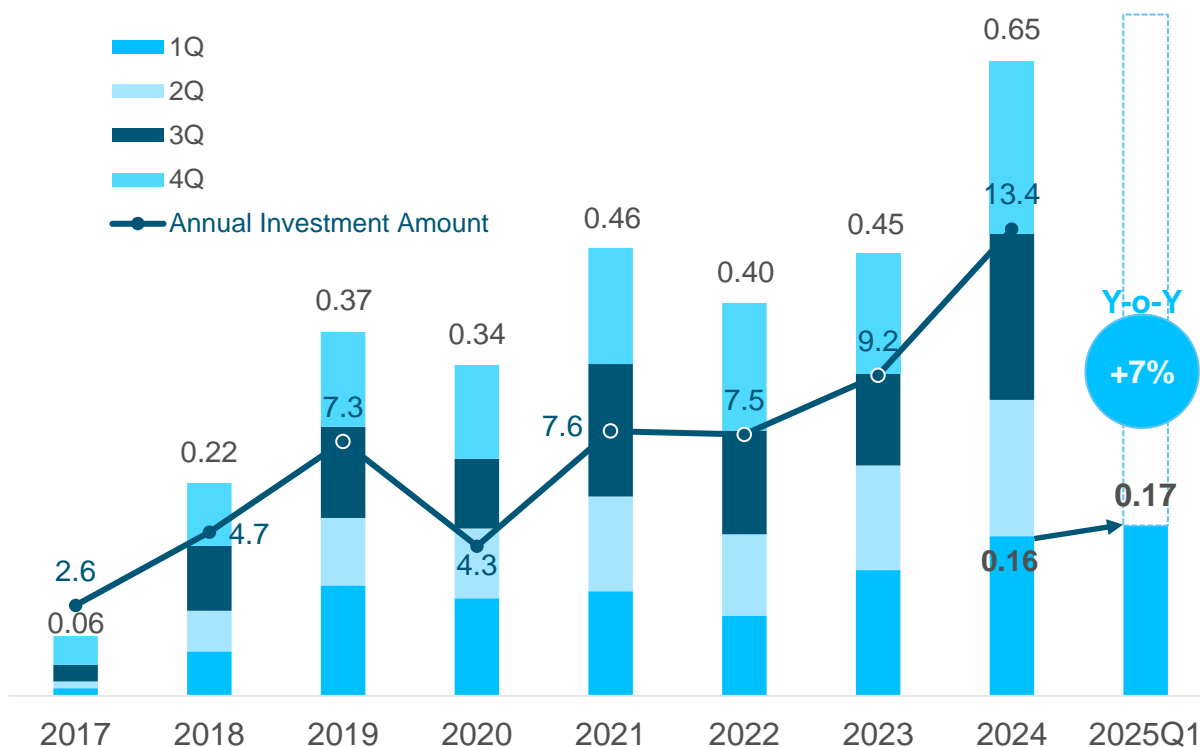


Japan's first real estate crowdfunding business.

Crowdfunding Business Results

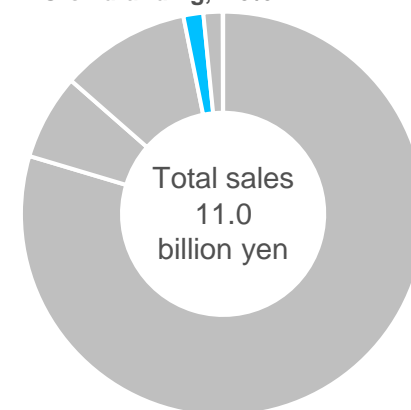
- The business is progressing smoothly, with net sales of 0.17 billion yen, up 7% year-on-year, and operating loans reaching a record high of 10.7 billion yen (up 9% from the end of the previous fiscal year).
- The cumulative investment amount since the service launch has exceeded 60 billion yen.

Net Sales and Operating Loans (Billions of yen)



Percentage of sales

Crowdfunding, 1.6%



4

Medium-Term Management Plan (FY2025-2027)

Basic Policy

Lead real estate investment through the fusion of advanced expertise and IT, and become one-of-a-kind independent company.



Environmental Awareness

Population decline and urban areas
Concentration in urban area

Inflationary society

Financial Market Risk

Growing interest in climate change risks

Response Policy

Concentrated investment in Tokyo

Aggressive real estate investment

Appropriate
Risk Control

Promoting the use of renewable energy

Business Strategy

Accumulation of real estate balance and AUM in the Asset Management business

- Investment focused on offices
- Exploring investment opportunities in hotels, logistics facilities, and commercial buildings

Promoting Sustainability Management

Thorough risk management and utilization of crowdfunding

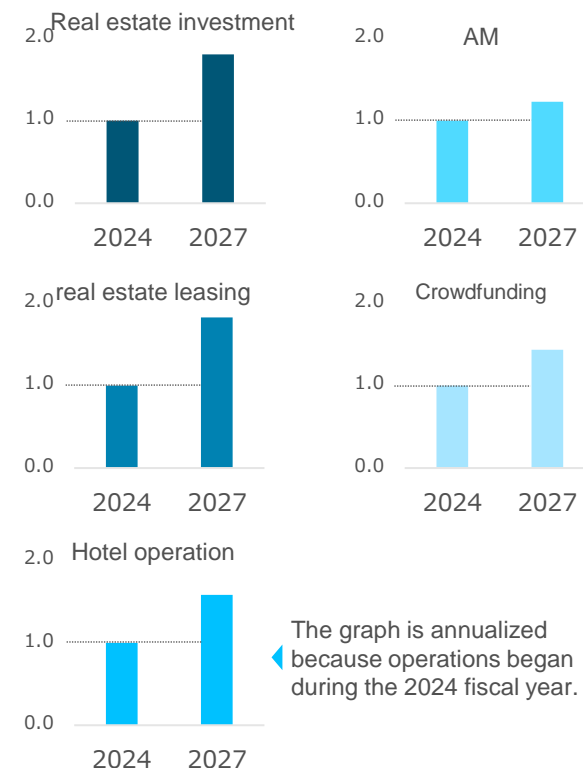
Management Indicators

- We aim for a 74% increase in net sales and a 67% increase in profit before income taxes (with a CAGR of approximately 20% over 3 years).
- Although the cost of property sales and HIRAMATSU HOTELS will increase slightly, the profit margin before tax is expected to remain between 25-30%.
- We aim for an ROE of 25% or higher. Although it may decrease due to an increase in equity capital, it still significantly exceeds the cost of capital.

(billions of yen)	2024 Results	2027 Target	Compared to 2024
Net Sales	34.4	60.0	174.3%
Profit Before Tax	10.0	16.7	167.0%
ROE	31.2%	≥25%	(6) percentage points
Dividend Payout Ratio	17%	≥18%	105.9%
Owned Assets	81.5	150.0	184.0%
AUM	140.0	300.0	214.3%
OwnersBook Investment Amount	13.4	20.0	148.1%

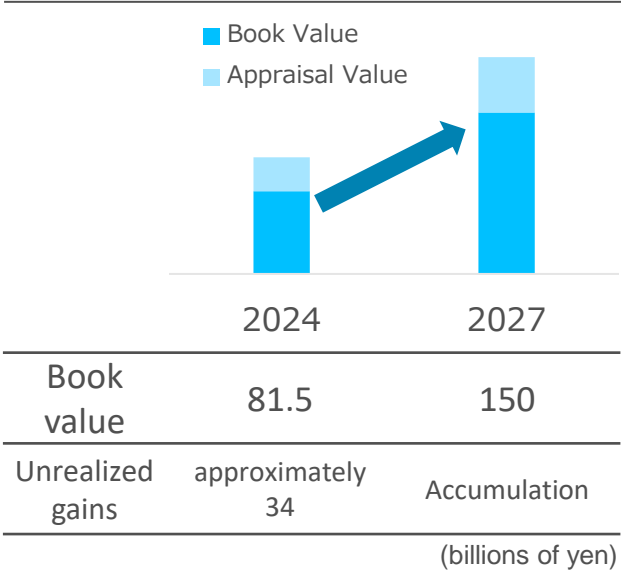
Growth of each business

The sales composition ratio is not expected to change significantly



Corporate Funding Business (Real Estate Investment/Leasing)

Expansion of Real Estate Stock



■ Business Development ■

- While expanding investment in offices, which are attracting renewed attention due to rapidly improving vacancy rates and rents, Loadstar is also looking for investment opportunities in hotels, logistics facilities, and commercial buildings.
- In a market with limited information and intense competition, we aim to achieve high profitability and growth rates through the execution capabilities of our specialized team focused on real estate investment, leveraging data accumulated over many years.
- We aim to expand our real estate stock with the purpose of establishing a future revenue base and stably covering fixed costs with rental income and expenses.
- We aim to stabilize revenue by strengthening synergies with the Asset Management business.
- By concentrating investments in central Tokyo areas, liquidity risk is reduced. Additionally, by investing in existing buildings, development risks and resource price inflation risks are avoided.

Corporate Funding Business (Hotel Operations)

■ Business Development ■

With the management by Hiramatsu Co., Ltd., HIRAMATSU HOTELS aims to increase room occupancy rates and unit prices to expand revenue.

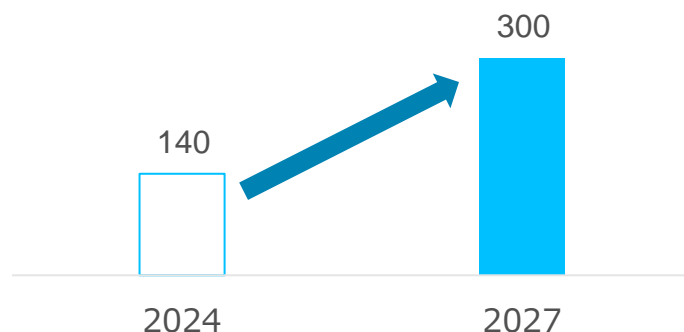
THE HIRAMATSU
KARUIZAWA MIYOTA



Asset Management Business

Establishing a position as an independent mid-sized asset management company

Accumulation of AUM (billions of yen)



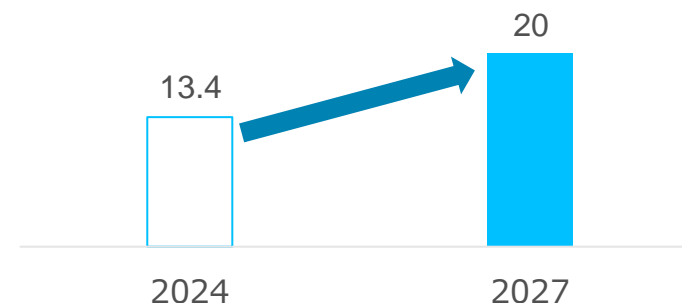
■ Business Development ■

- Steady accumulation of achievements and trust, increasing brand recognition
- Proactive approach to domestic and international investors, further strengthening of information gathering capabilities, and demonstrating swift and accurate analytical skills
- Leveraging the know-how gained from areas, property types, and investor negotiations not handled by the Corporate Funding business across the entire Group

Crowdfunding Business

Opening up real estate investment opportunities to individuals

OwnersBook Investment Amount (billions of yen)

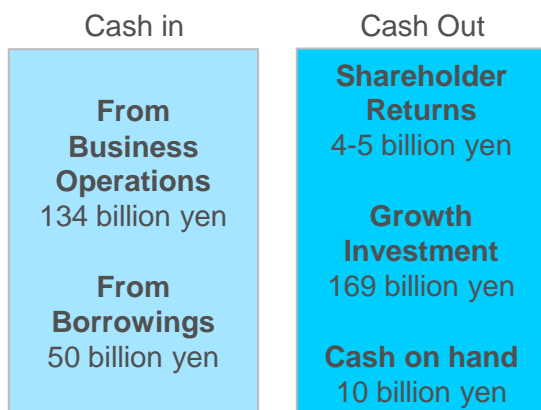


■ Business Development ■

- With further expansion of loan-type projects, we aim to challenge again for an annual investment amount of 20 billion yen
- Resumption of equity-type products
- Launch of STO products

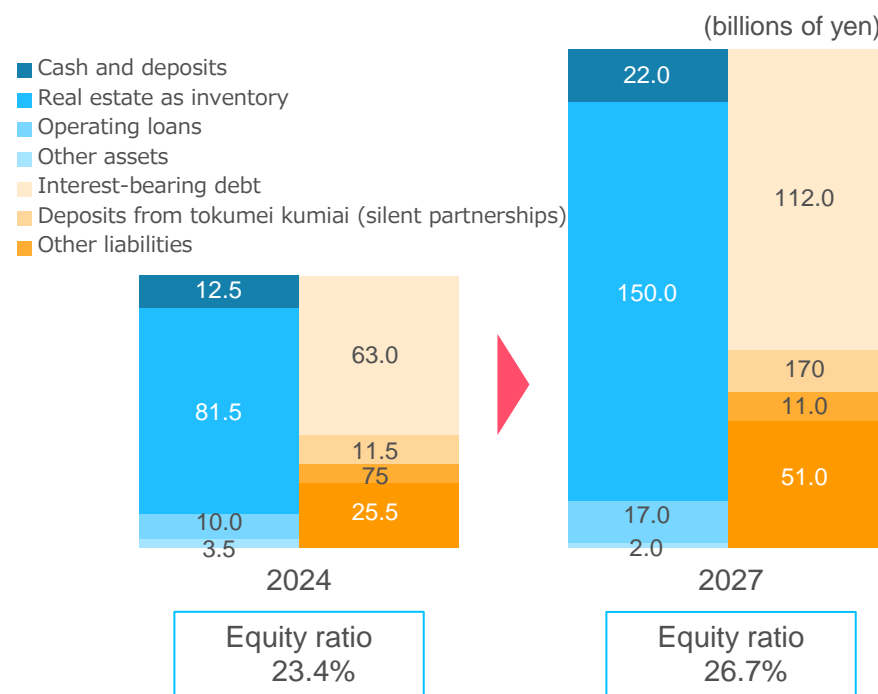
- The majority of cash inflow from operations will be used for growth investments.
- We will accumulate real estate holdings as a future revenue base and expand our balance sheet while maintaining financial discipline.

Capital Allocation



Shareholder Returns	Continue stable dividend payments with a target payout ratio of 18% or higher Share buybacks are not included as they are conducted flexibly.	
Growth Investment	Real Estate Investment	165 billion yen
	Human Capital Investment	2.5 billion yen
	Others	1.5 billion yen
Cash on hand	Prepare for business opportunities (such as acquisition of large-scale properties and M&A) and market fluctuation risks	

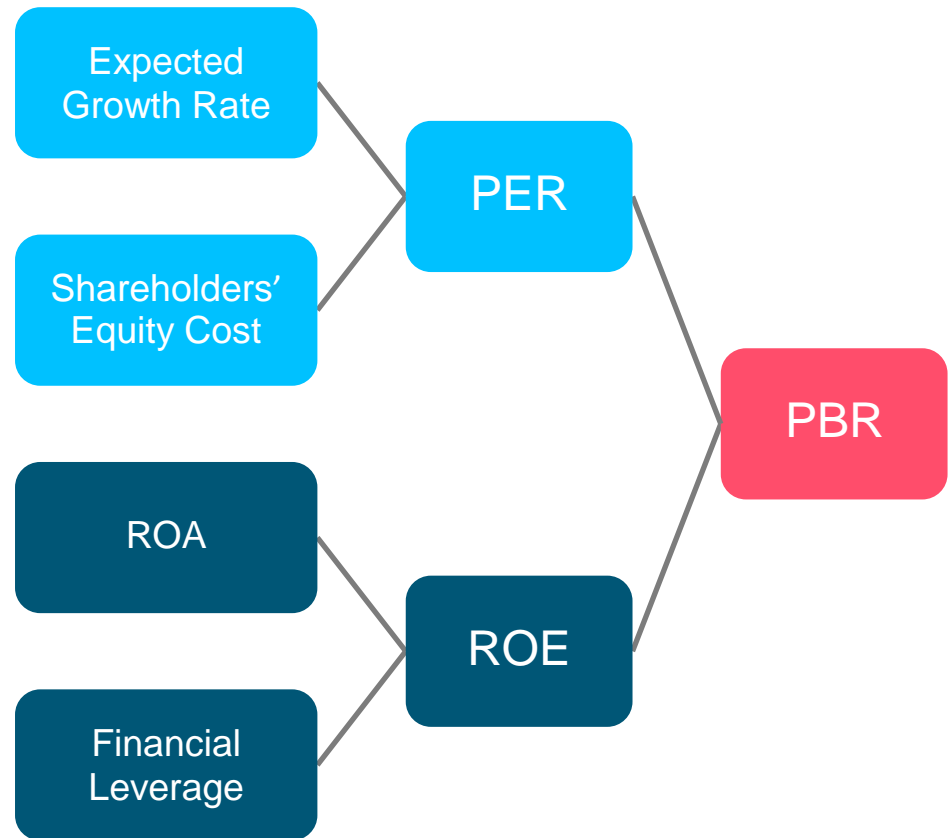
BS Growth



From the perspective of safety and efficiency,
We aim for equity ratio of 25% - 30%.

We aim to improve ROE/PER through various measures.

- Enhancement of IR activities
- Strengthening information dissemination
- Reduction of performance volatility
- Strengthening governance
- Discovery of properties with prices deviating from market value
- Growth of Asset Management/Crowdfunding Business
- Human capital investment / incentive design
- Ensuring financial soundness
- Leverage control
- Shareholder returns



Fostering Expectations for Profit Growth

Current Situation Assessment

While investors have given a certain level of recognition for our high profitability, it is difficult to say that there are high expectations for future growth.

• Formulation and execution of growth strategies

- We aim to achieve this Medium-Term Management Plan with the execution capability that enabled us to accomplish the previous plan.
- For growth investment policy, please refer to p7 "Capital Allocation".

• Proactive IR activities

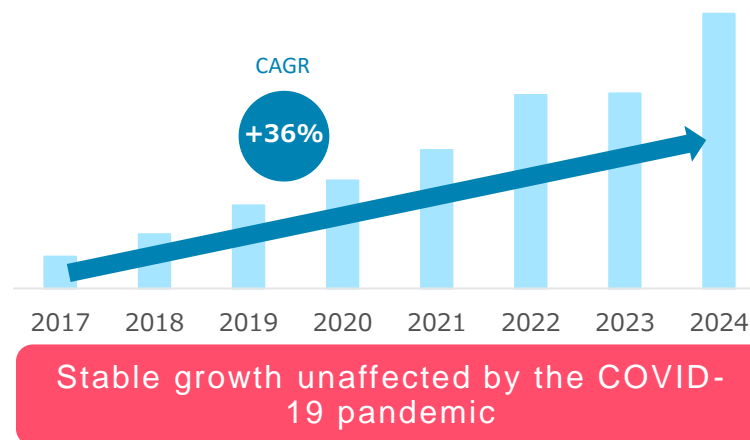
- Strengthening relationships with institutional investors (meetings with outside directors can be arranged if requested by investors)
- Participation in briefing sessions for individual investors
- Monitoring of IR activities by the board of directors

Reduction of performance volatility

There are concerns that the real estate sector's high volatility and susceptibility to market conditions negatively impact the cost of shareholders' equity and expected growth rates. However, our company aims for stable growth and has been able to maintain stable performance even during the COVID-19 pandemic.

We aim to increase our real estate holdings and pursue business operations with lower volatility in the future.

Trend in Net Income

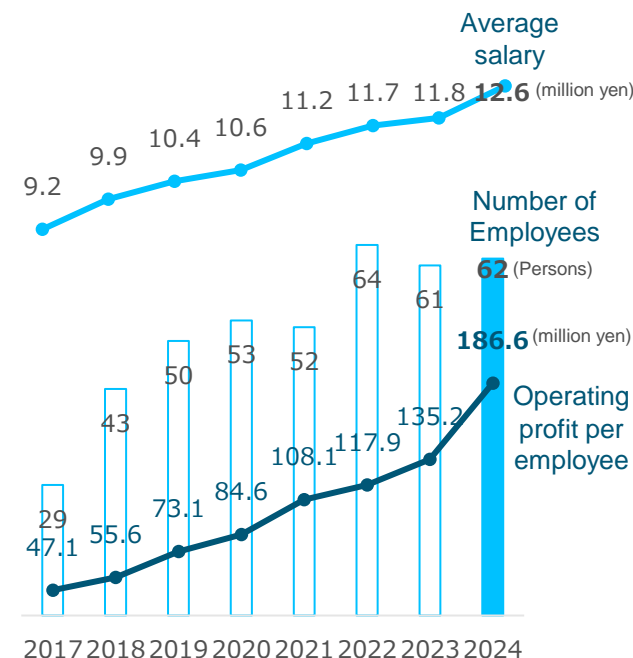


Directors' compensation system

Fixed Compensation	Based on the deliberations and recommendations of the Nomination and Compensation Committee, which consists of a majority of independent outside directors, the determination is made considering the contributions to the company, expectations for future contributions, and the company's performance.
Restricted Stock Compensation	This has been introduced not only for short-term performance but also with the aim of providing incentives for long-term corporate value enhancement and further promoting value sharing with shareholders.
Paid-in Stock Option	Even though paid-in stock options are not compensation, they were granted with conditions including mandatory exercise in case of a certain stock price decline.

Incentive design for employees

Salary and Bonuses	As shown in the figure on the right, we are actively engaging in human capital investment, which has led to an increase in operating profit per employee.
Restricted Stock Compensation	A compensation system aligned with shareholder perspectives is planned to be introduced for executive officers, with the aim of improving engagement and fostering a sense of participation in the management.
Tax-Qualified Stock Option	Regularly granted with the aim of encouraging employees to approach their work with awareness of improving stock prices.
Employee Stock Ownership Plan	Established to foster awareness of stock prices and contribute to individual employee wealth accumulation. 15% incentive has been set.



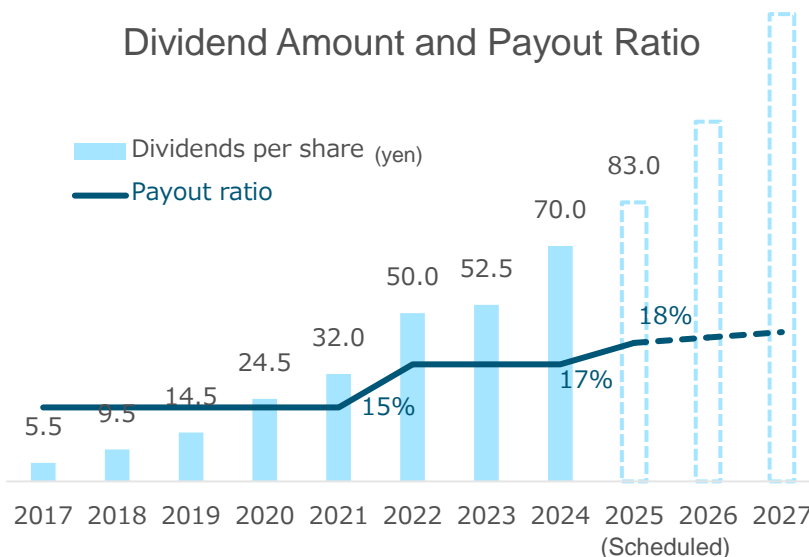
Basic Policy

Loadstar strives to improve corporate value and shareholder profit by expanding business performance.

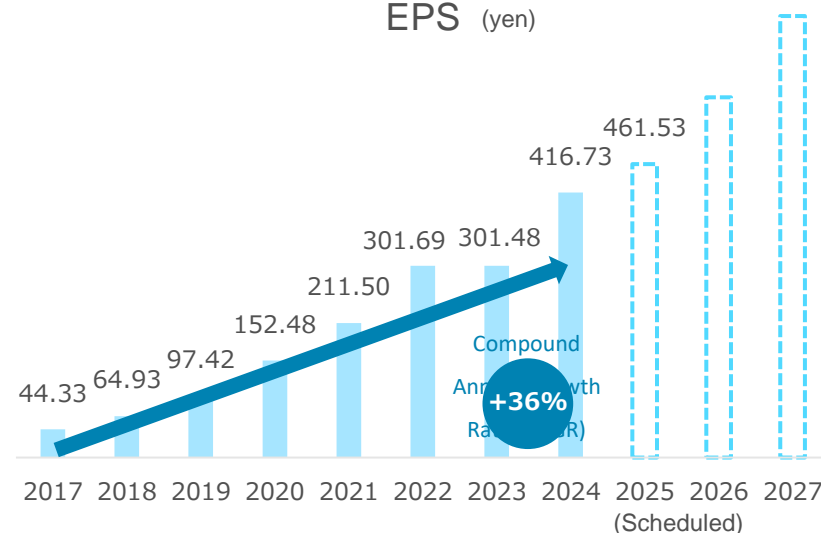
Dividend Policy

Loadstar aims to provide stable and continuous returns to shareholders, with a target dividend payout ratio of 18% or higher.

Dividend Amount and Payout Ratio



EPS (yen)



- We have increased dividends for 7 consecutive fiscal years since our listing. We aim to increase dividends for 10 consecutive fiscal years.
- EPS has also been growing steadily upward in line with the company's growth.
- Share buybacks will be implemented based on a comprehensive assessment of stock price trends, economic conditions, and other factors.

1. Strengthening Governance

Initiatives to Date

Outside Officers Ratio of 50%	Percentage of Female Officers: 20%
Establishment of the Nomination and Compensation Committee	Conducting Board Evaluation
Introduction of Stock Compensation System	Introduction of Skills Matrix
English Disclosure	English Website



Strengthening of Corporate Governance Structure

Items	KPIs (by 2030)
Ratio of Female Officers	30% or more
Ratio of Independent Outside Directors	Majority
Directors' Term	1 year

2. Promoting Sustainability Management

Initiatives

KPIs

E (Environment)	<ul style="list-style-type: none"> • Response to climate change risk (CO₂ reduction) 	Maintain 100% renewable energy power for self-owned properties (Excluding properties where changes were not initiated by the Company, such as due to tenant circumstances)
S (Society)	<ul style="list-style-type: none"> • Promoting health and productivity management • Human capital investment 	<ul style="list-style-type: none"> ✓ Acquisition of certification as a Certified Health & Productivity Management Outstanding Organization ✓ Implementation of human capital investment ✓ Implementation of disaster relief donations
G (Governance)	<ul style="list-style-type: none"> • Promoting diversity • Strengthening governance 	<ul style="list-style-type: none"> ✓ Female officer ratio of 30% or more (target for 2030) ✓ Outside officers being majority in the board of directors (Target for 2030) ✓ Directors' term: 1 year

- Sustainable loan performance: 3 banks, approximately 6 billion yen
- We will also strengthen information dissemination on our corporate website, aiming for inclusion in various ESG-related indices. Selected for inclusion in the S&P/JPX Carbon Efficient Index in August 2024.

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- Loadstar Capital K.K. prepared its financial statements based on J-GAAP.
- Loadstar Capital K.K. will not necessarily revise any future announcements, etc. regarding future prospects, regardless of future events, unless otherwise required by the disclosure rules.
- Information about companies other than our company is based on publicly known information.
- The contents of this document, including summary notes, quotes, data and other information, are provided solely for informational purposes and not intended for soliciting investment in, or as a recommendation to purchase or sell, any specific products.

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