



## **Loadstar Capital K.K.**

Presentation Materials for Earnings Briefing FY2025Q2

August 8, 2025

The graphic features a light blue background with a series of blue 3D rectangular blocks of varying heights arranged in a stepped fashion. Yellow location pin icons are placed on top of several blocks. Stylized human figures in business attire are shown interacting with the blocks, some standing on them and others using devices. Icons for a Wi-Fi signal, a gear, and a drone are also present. The Loadstar Capital logo is in the top right corner.

Mission \_\_\_\_\_

**Real Estate X Tech  
to Open Up  
a New Market**

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## Highlights of the Q2 FY2025



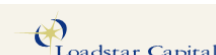
- Following the strong Q1, Q2 also progressed smoothly. Sales and profit at each level significantly exceeded the same period of previous year, and the progress rate towards the current fiscal year's plan is also progressing steadily.
- Property acquisitions, mainly focused on offices, are also performing well, leading to an increase in real estate inventory.

	(Billion of yen)	% Y-o-Y	% of Forecast
Net Sales	20.7	+36.7%	+43.4%
Operating profit	7.5	+54.9%	+57.1%
Profit before Tax	6.6	+52.8%	+59.1%
Profit	4.5	+53.2%	+59.3%
Real estate as inventory	95.0	Change (%) from year end of prev. fiscal year +16.5%	

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Here are the financial highlights for the second quarter. Net sales were JPY20.7 billion, operating profit was JPY7.5 billion, profit before tax was JPY 6.6 billion, net profit was JPY 4.5 billion, and real estate as inventory was JPY95 billion. Following the strong first quarter, the second quarter also progressed smoothly. Compared to the same period last year, sales and profits at each stage significantly exceeded, and the progress rate towards this fiscal year's plan is also proceeding steadily. Property acquisition is also going well, with the balance of real estate as inventory increasing steadily, mainly in offices.

## Topics of Q2 FY2025



### 1 Sale of CIRCLES Shinbashi

An office property in Minato Ward, which was newly built and of high grade, acquired from Mitsubishi Estate last year, was sold to a business corporation after achieving full occupancy during the holding period.

Despite the short holding period, we were able to achieve solid results by reading market trends as the office rental market recovered.

### 2 Acquisition of office buildings in Higashi-Shinagawa and Shin-Yokohama

Believing that the recovery trend in the office rental market will also spread to the bay area and Shin-Yokohama area, we actively purchased two properties that had vacancies. Although the bay area has had high vacancy rates in recent years, we determined that it has great potential as the market recovery has progressed significantly.

KDX Higashi Shinagawa Bldg.



tanosio Shin-yokohama




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Next is topics. The first is the sale of CIRCLES Shinbashi. This property is a relatively new, high-grade office building located in Minato Ward, which we acquired from MITSUBISHI ESTATE CO., LTD.. After achieving full occupancy during our ownership period, we sold it to a domestic corporation.

The second is the acquisition of office buildings in Higashi-Shinagawa and Shin-Yokohama. Due to the trend of recovery in the office rental market, we are actively purchasing properties with high vacancy rates in the waterfront area and Shin-Yokohama area.

## Real Estate Market Outlook



Overall Outlook

- Office vacancy rates and rents are performing steadily, and the re-evaluation of offices is progressing. We believe that the real estate market conditions will continue to remain stable.
- Global real estate investment in Q1 2025 increased by 34% year-on-year to \$185 billion, while Japanese real estate investment rose by 23% year-on-year to 2.0952 trillion yen, exceeding 2 trillion yen for the first time since 2007. Additionally, in the ranking of investment amounts by global cities, Tokyo remained its top position from the same period last year.

(Reference: JLL, "Investment Market Dynamics Q1 2025", June 12, 2025, [https://issuu.com/jll-japan-research/docs/investment\\_market\\_dynamics\\_q1\\_2025](https://issuu.com/jll-japan-research/docs/investment_market_dynamics_q1_2025))

Interest rate

- As the timing of the additional interest rate hike has been postponed, its impact on the Company's current fiscal year's business performance has become limited.
- 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, rent and property price increases are expected due to inflation. This has already become apparent in some cases and is having a positive impact on our business.

Future actions

- While actively acquiring office properties, we will pay close attention to the impact on the real estate market from factors such as the Bank of Japan's interest rate hike trends and U.S. trade policies.
- In the Asset Management business, we will focus on building up AUM by responding to diverse investor demands.

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Next, regarding the outlook for the real estate market. Overall, it is booming, and even in the office market, which had been somewhat sluggish until now, vacancy rates are decreasing and rents are rising, leading to a reassessment of the value of office properties.

Regarding interest rate trends, although there was uncertainty due to tariff negotiations by Trump, agreements with various countries are progressing, and there is a growing expectation of future increases. On the other hand, we believe that medium to long-term inflation will be positive for our business. As for our future policy, we aim to actively acquire properties, mainly focusing on offices.

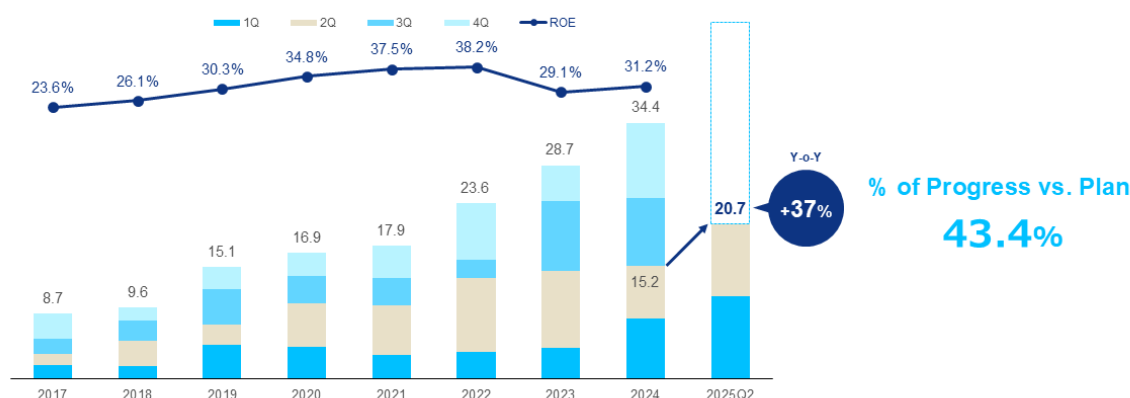
In the asset management business, as there is demand from a diverse range of investors, we intend to focus on building up our AUM by meeting those expectations effectively.

## Consolidated Sales and ROE



- Consolidated sales increased 37% year on year to 20.7 billion yen.
- The real estate market continues to be active, with particularly high demands from domestic companies including real estate companies.
- Asian investors are becoming more active, and in addition to the previously popular residential sector, investments in offices are also gaining prominence.

Consolidated Sales and ROE (Billion of yen)



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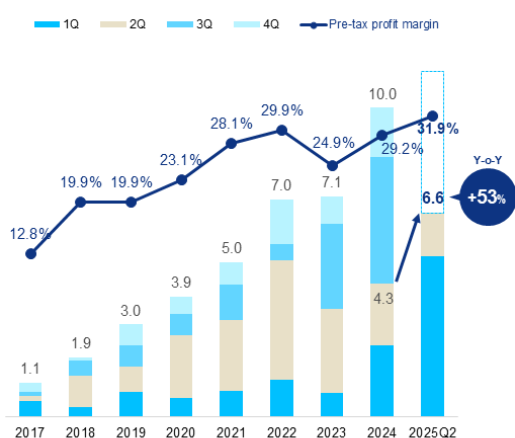
Now, I will move on to the financial summary. Consolidated net sales and ROE: All businesses are progressing well, with consolidated net sales reaching JPY20.7 billion, a 37% increase compared to the same period last year. The real estate market continues to be active, with particularly high demand from domestic corporations and real estate companies. Additionally, Asian investors are becoming more prominent.

## Consolidated Profit before Income Taxes and Cost Controls

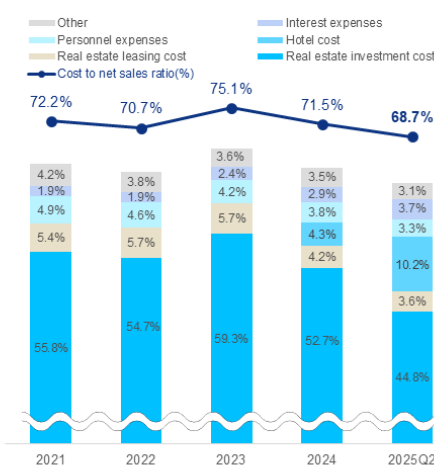


- The consolidated profit before tax increased by 53% year-on-year to 6.6 billion yen.
- The progress rate to the annual forecast is approx. 60%.

Consolidated Profit before Income Taxes (Billion of yen)



Cost Structure



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Next, consolidated profit before tax and cost control. Consolidated profit before tax has been progressing steadily, reaching JPY6.6 billion, up 53% year-on-year. Additionally, we have achieved approximately 60% of our annual target.

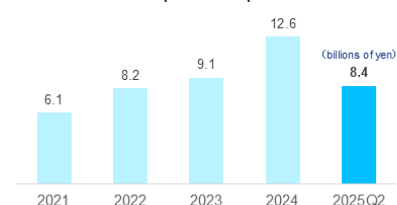
## Consolidated Statements of Income



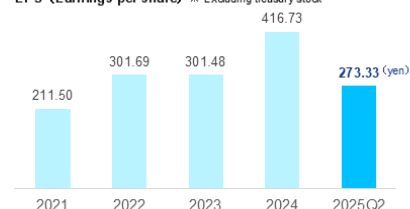
In addition to each level of profit, depreciation for real estate as inventory was 0.7 billion yen (semi-annual). As a result, EBITDA is also steadily increasing.

(Billions of yen)	FY2025Q2 Results				FY2025 (Forecasts)		
	Amount	% of Net sales	% Y-o-Y	Progress Vs. Original Forecast	Amount	% of Net sales	% of the Previous Fiscal year
<b>Net Sales</b>	<b>20.7</b>	100.0%	136.7%	43.4%	<b>47.9</b>	100.0%	139.2%
<b>Gross Profit</b>	<b>8.6</b>	41.4%	150.8%	55.8%	<b>15.4</b>	32.2%	115.5%
<b>SG&amp;A expenses</b>	<b>1.0</b>	5.1%	127.1%	48.6%	<b>2.2</b>	4.6%	115.8%
<b>Operating Profit</b>	<b>7.5</b>	36.3%	154.9%	57.1%	<b>13.2</b>	27.6%	115.5%
<b>Profit before income taxes</b>	<b>6.6</b>	31.9%	152.8%	59.1%	<b>11.2</b>	23.4%	111.5%
<b>Profit</b>	<b>4.5</b>	21.8%	153.2%	59.3%	<b>7.6</b>	15.9%	111.2%

EBITDA = Operating profit + Depreciation + Share-based compensation expense



EPS (Earnings per share) ※ Excluding treasury stock



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Next is the Consolidated Statements of Income. In addition to each stage of profit, depreciation expenses for real estate as inventory amounted to approximately JPY700 million for the half-year period, and EBITDA reached JPY8.4 billion for the half-year period.

## Consolidated Balance Sheet



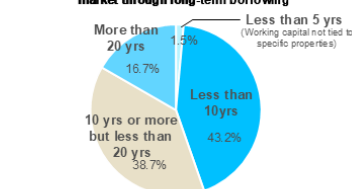
- Balance of real estate as inventory reached a record high of 95.0 billion yen. Cash on hand is also sufficiently secured.
- In the crowdfunding business, cash and deposits have decreased due to the trust of money deposited by investors.

(Billions of yen)	As of Q2, FY2025		
	Amount	% of total	% vs. Dec 31, 2024
Current assets	121.5	98.7%	114.8%
Cash and deposits	12.0	9.8%	95.2%
Operating loans	12.5	10.2%	128.5%
<b>Real estate as inventory</b>	<b>95.0</b>	<b>77.1%</b>	<b>116.5%</b>
Liabilities	94.0	76.3%	115.0%
Interest-bearing debt	74.1	60.2%	118.1%
<b>Deposits from tokumei kumiai (silent partnerships)</b>	<b>12.8</b>	<b>10.4%</b>	<b>111.9%</b>
Net assets	29.1	23.7%	113.7%
Total liabilities and net assets	123.1	100.0%	114.7%

- 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

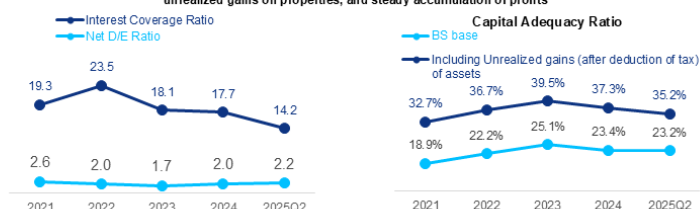
→ Avoidance of short-term fluctuation risks in the real estate market through long-term borrowing



\*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



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This is the consolidated balance sheet. While the real estate balance has reached a record high of JPY95 billion, we have secured sufficient cash and deposits of JPY12 billion. Due to legal changes from this fiscal year, we have placed a portion of the funds received from investors in trust for our crowdfunding business.

## Consolidated Statements of Cash Flows



- CF from operating activities was negative due to the increasing balance of real estate as inventory. However, financial institutions are showing proactive lending attitude, and as a result of appropriate cash management, cash flow remains stable.
- In the crowdfunding business, cash and deposits have been moved to deposits paid as the money deposited by investors was moved to trust.

(Billions of yen)	FY2025 Q2	FY2024 Q2
<b>CF from operating activities</b>	<b>△10.6</b>	<b>△5.6</b>
Profit before income taxes	6.6	4.3
Decrease (increase) in operating loans receivable	△2.7	△2.4
Decrease (increase) in Real estate as inventory	△14.1	△8.1
Increase (decrease) in deposits received from Tokumei Kumiai investors	1.3	1.8
Increase (decrease) in deposits received	0	△0
Decrease (increase) in deposit paid	△1.3	0
<b>CF from investing activities</b>	<b>△0</b>	<b>△0</b>
<b>CF from financing activities</b>	<b>10.0</b>	<b>5.2</b>
Net increase (decrease) in borrowings	11.3	6.1
Net increase (decrease) in cash and cash equivalents	△0	△0
Cash and cash equivalents at beginning of period	12.6	11.9
<b>Cash and cash equivalents at end of period</b>	<b>12.0</b>	<b>11.4</b>

- Our strategy is to accumulate real estate for sale, which will serve as our business foundation. The more we accumulate, the larger our cash outflows will be.
- This cash outflow is covered by profits and financing, which is a normal CF found in real estate companies

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Next is the consolidated cash flow statement. Although operating cash flow is negative due to the increase in real estate inventory, financial institutions are showing a positive lending attitude, and

cash flow remains stable. Additionally, as mentioned earlier, approximately JPY1.3 billion has been transferred from cash and deposits to deposits paid due to money trusts in the crowdfunding business.

## Return to Shareholders



### Basic Policy

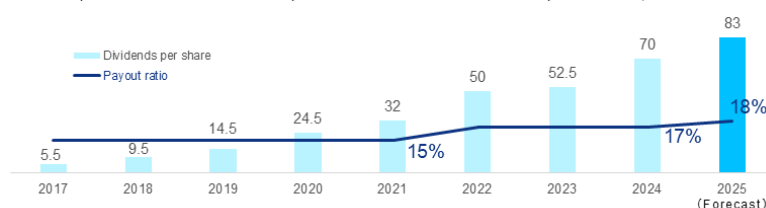
Loadstar strives to improve corporate value and shareholder profit by expanding business performance.

### Dividend Policy

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

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 Program

Loadstar now offers a special OwnersBook investment allotment and no refund fees to our shareholders who have held at least 1,000 of the Company's shares for at least six months.

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Regarding shareholder returns, for the current fiscal year, we plan to pay a dividend of JPY 83 per share. This will be achieved by increasing the payout ratio from 17% in the previous fiscal year to 18%, in addition to the increase in earnings per share. As before, we continue to provide stable and consistent dividends in line with the company's growth.



## Real Estate Investments



### Mission

## Real Estate X Tech to Open Up a New Market



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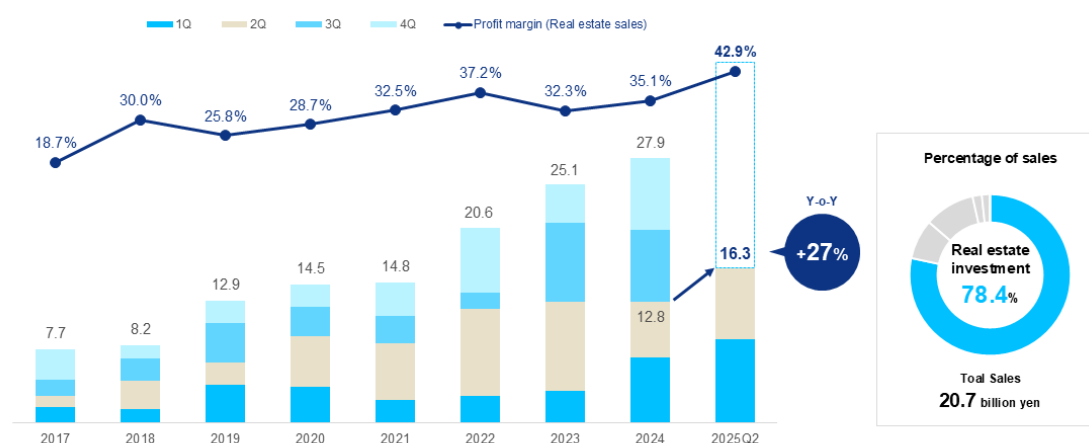
Next, I would like to explain our performance by business segment. First, let's look at the real estate investments area.

## Corporate Funding Business Results [Real Estate Investment Sales]



- Loadstar sold two properties, resulting in net sales of 16.3 billion yen, a 27% increase year on year.
- We acquired five office properties, and the accumulation of real estate that will serve as our future management foundation is progressing smoothly.
- In Q3, a contract was made to sell one property. The completion of the sale is expected in early September.

### Net Sales (Real Estate Investment) (Billion of yen)



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Regarding the real estate investment business in the Corporate Funding segment, we sold hotels and offices in Tokyo, resulting in sales of JPY16.3 billion, a 27% increase compared to the same period last year. Additionally, we acquired 5 new office properties, steadily progressing in accumulating real estate that will serve as the foundation for future management. In the third



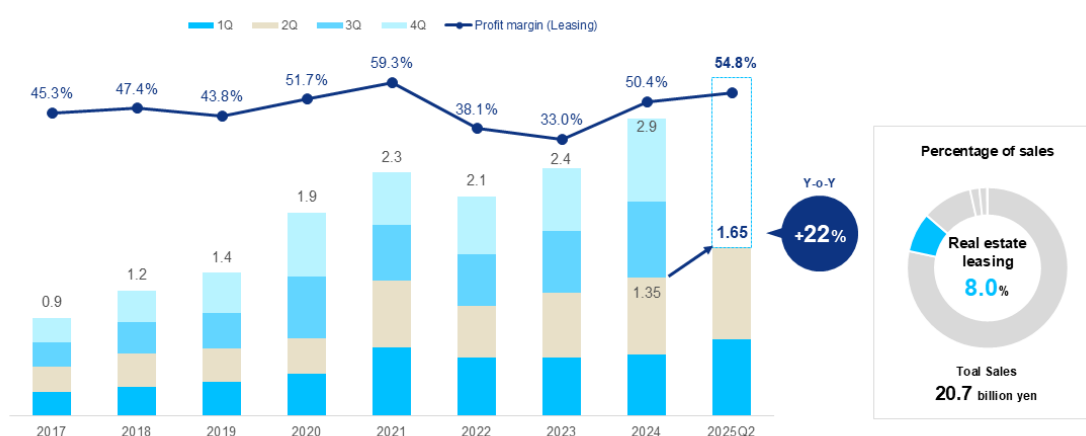
quarter as well, we have already signed a contract for property sales, with settlement expected to be completed in early September.

## Corporate Funding Business Results [Real Estate Leasing Sales]



- Due to the return to office work and demands from travelers to Japan, the rental business performed steadily, with net sales reaching 1.6 billion yen, up 22% year on year.
- The rental profit margin also maintained a high level.

Net Sales(Real Estate Leasing) (Billion of yen)



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Next, regarding the real estate leasing business in the corporate funding segment. With the return to office work and demand from travelers to Japan, the leasing business is performing well, with sales revenue up 22% year-on-year to JPY1.6 billion. In addition, the rental profit margin remains high at 54%.

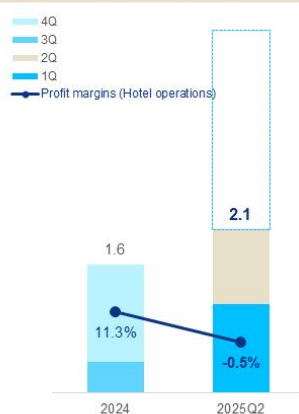
## Corporate Funding Business Results 【Hotel Operations】



- Hotel operating revenue was 2.1 billion yen, and operating costs were 2.1 billion yen (of which depreciation was approximately 300 million yen).
- Net sales from hotel operations progressed largely as planned. Although personnel expenses and utility costs slightly exceeded the budget, there is no significant deviation from the initial

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

### Net Sales (Hotel Operation) (Billion of yen)



THE HIRAMATSU HOTELS & RESORTS GINOZA



THE HIRAMATSU KYOTO



THE HIRAMATSU HOTELS & RESORTS KASHIOKAJIMA

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Next, regarding the hotel operation business. This includes the operating revenue from six resort hotels operated by Hiramatsu Inc. Hotel operating revenue was JPY2.1 billion, and hotel operating costs were also JPY2.1 billion. Although personnel expenses and utility costs slightly exceeded the budget, there is no significant deviation from the initial budget due to seasonal factors.

## Corporate Funding Business Results



- Both the number of properties and the real estate balance reached record highs.
- This year, we have been acquiring properties, mainly focusing on reasonably priced offices. We will continue to acquire properties with potential for value enhancement.

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



CORNES HOUSE II



GRACE KOJIMACHI



THE HIRAMATSU KARUZAWA MIYOTA

	Office	Hotel	Retail	Residence
Five wards in central Tokyo	11	2	-	-
Other wards	3	2	1	1
Outside of Tokyo	-	8	1	-

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

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Regarding the properties held in the Corporate Funding business, both the number of properties and the real estate balance have reached record highs. This year, we have been acquiring

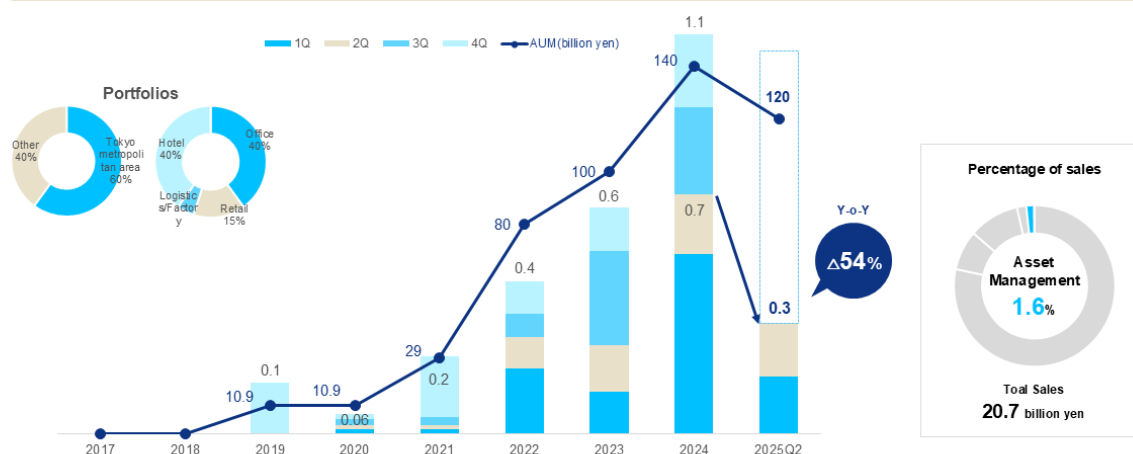
properties with a focus on reasonably priced offices, and we plan to continue purchasing properties with potential for value enhancement.

## Asset Management Business Results



- Due to a large sales associated with the sale of assets in the previous year, net sales decreased to 0.3 billion yen, a 54% decrease year on year compared to the same period of the previous year.
- Competition for large-scale properties is intensifying, making new acquisitions somewhat challenging. We will continue to focus on sourcing efforts to find properties that meet investors' demands.

Net Sales and AUM (Billion of yen)



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Next is the Asset Management business. Due to large fees associated with the sale of managed assets in the previous period, net sales decreased by 54% year-on-year to JPY300 million. Competition for large properties has intensified, making new acquisitions somewhat challenging. However, We will continue to focus on finding properties that meet the needs of investors.

## Real Estate Tech



### Mission

## Real Estate X Tech to Open Up a New Market

### 1. Real Estate Investments

#### Corporate Funding Business



#### Asset Management Business



### 2. Real Estate Tech

#### Crowdfunding Business



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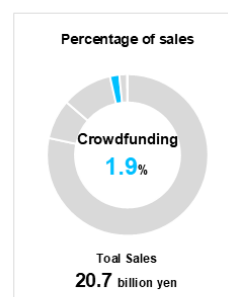
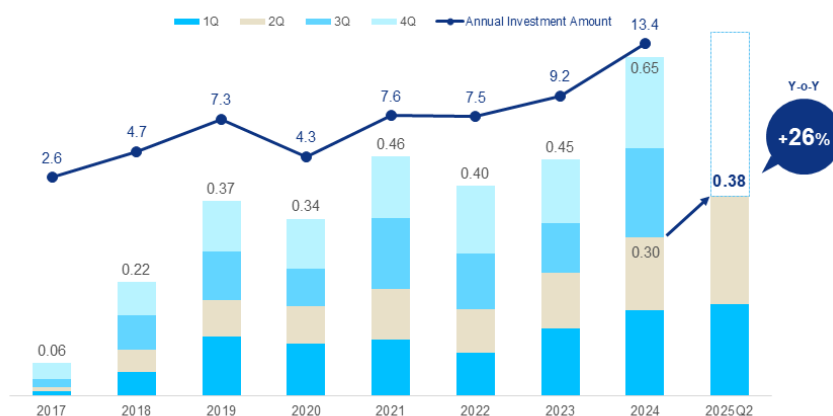
Next, I will explain about our crowdfunding business in the Fintech domain.

## Crowdfunding Business Results



- With favorable real estate market condition, the business is progressing smoothly, with net sales of 0.38 billion yen, up 26% year-on-year, and operating loans reaching a record high of 12.3 billion yen (up 27% from the end of the previous fiscal year.)
- Waiving the withdrawal fee for investors when they withdraw funds from OwnersBook has been newly added as a shareholder benefit program.

### Net Sales and Operating Loans (Billion of yen)



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Against the backdrop of favorable real estate market conditions, net sales increased by 26% year-on-year to JPY387 million, and operating loans reached a record high of JPY12.3 billion. In addition, we have newly added to our shareholder benefits the waiver of withdrawal fees for investors when they withdraw funds from OwnersBook.

This concludes today's explanation. To summarize, the first half of the year has progressed smoothly, and all officers and employees are working hard to achieve increased revenue and profits for the full year, aiming for record-high profits. Thank you very much for your time today.

## Question & Answer

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**Participant [Q]** : Please tell us about the overall real estate market conditions in the second half of 2025.

**Tatsushi Iwano (President, Representative Director) [A]** :

To be honest, we believe the market is likely to be better in the second half compared to the first half. Particularly for offices, the decrease in vacancy rates and the upward trend in rents are clearly reflected in the numbers. Therefore, we expect that the second half will become quite active, including foreign investors who have been somewhat hesitant until now.

Furthermore, regarding hotels, there continues to be a strong demand for new investments, particularly from overseas investors. We believe that, especially as supply becomes more limited, there is an increasing demand for higher-quality properties.

**Participant [Q]** : Please tell us about the property acquisition status for the second half of 2025.

**Tatsushi Iwano (President, Representative Director) [A]** :

We believe that property acquisitions in the first half of the year were relatively smooth. Regarding the second half, as I mentioned earlier, the market has become quite active. As a result, there is increasing competition for the type of offices we specialize in those with value-up potential. We are facing some challenges in bidding and other acquisition processes.

On the other hand, through our own unique channels or various information gathered by our sales team's on-the-ground efforts, we are diligently negotiating off-market properties. Currently, we have secured priority negotiation rights for multiple properties and are conducting due diligence. Therefore, we believe we can steadily proceed with acquisitions in the second half of the fiscal year to achieve our annual plan.

[END]

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**Contact:**

Loadstar Capital K.K.

(Kanto Local Finance Bureau (FIBO) No.2660)

E-mail: [ir@loadstarcapital.com](mailto:ir@loadstarcapital.com)