



Loadstar Capital

Q3 FY2024 Financial Results

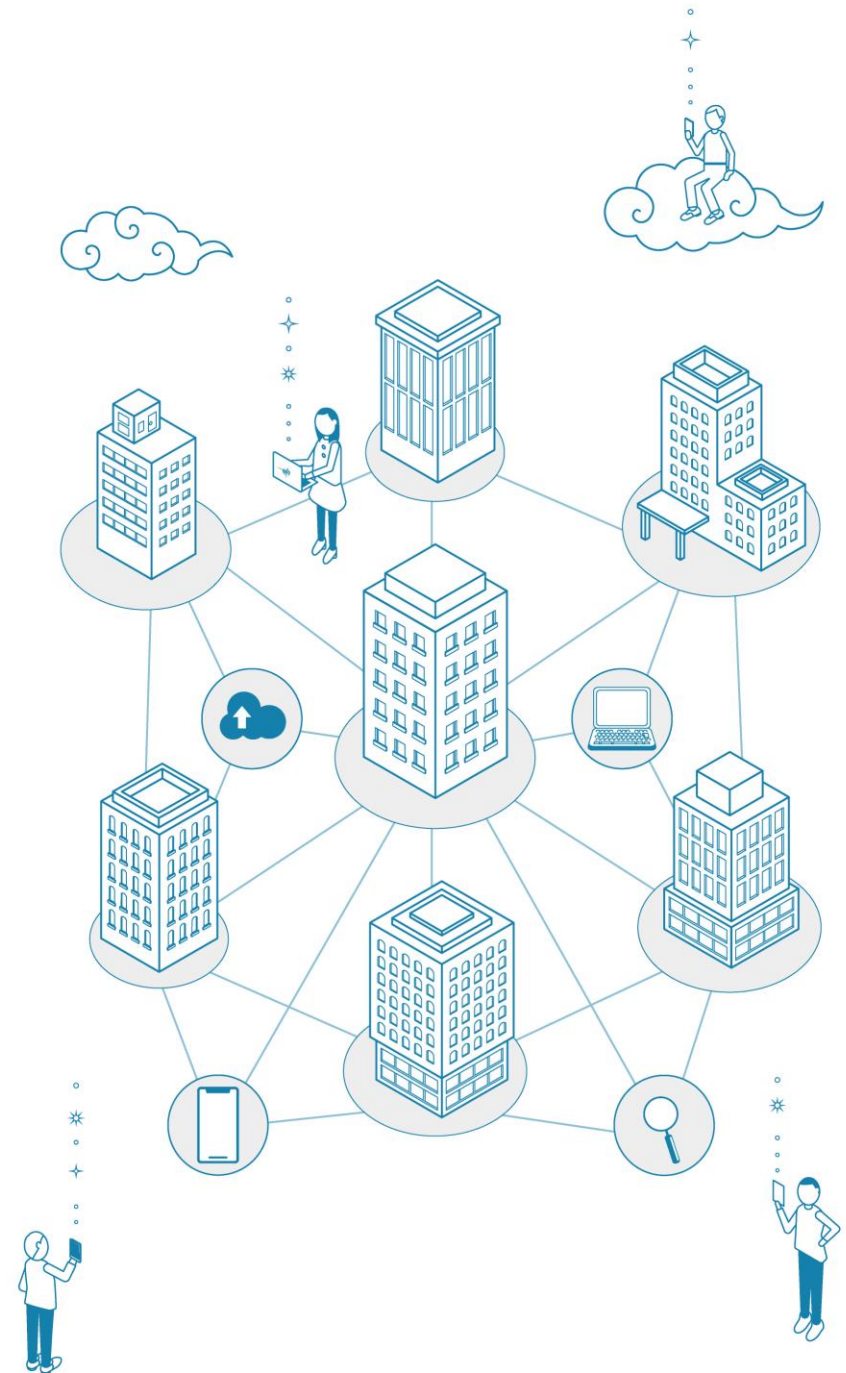
(Nine-month period ended September 30, 2024)

Loadstar Capital K.K.

Securities Code: 3482
November, 2024

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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Business Highlights & Topics of Q3 FY2024

FY2024 Q3 Financial Results

- In the Corporate Funding Business, Loadstar sold a large property, resulting in a significant increase in profits. The balance of real estate as inventory increased considerably. All businesses are making steady progress toward achieving the plan.

	(Billions of yen)	% Y-o-Y	% of Forecast
Net Sales	24.2	+1.9%	64.5%
Operating profit	9.5	+34.7%	82.1%
Profit before Tax	8.4	+34.5%	83.6%
Profit	5.7	+34.6%	83.5%
Real estate as inventory	80.5	Change (%) from end of prev. fiscal year +46.2%	
ROE	35.8%		

1. Acquired 6 Luxury Resort Hotels Operated by Hiramatsu.

Loadstar has increased hotel investments in response to inflation and strong demand from travelers to Japan. As part of this strategy, Loadstar acquired the hotels. Hiramatsu continues to operate the hotels.

2. Achieved the 12th consecutive fiscal year of profit growth as of the end of Q3.

As of the end of Q3, Loadstar achieved profit growth for 12 consecutive fiscal years due to the sale of an office building located in Chiyoda-ku, Tokyo, which was acquired in 2017. Loadstar carried out large-scale renovation work and tenant replacement at the building. Loadstar successfully achieved a significant value-up of the building.

3. “OwnersBook” has marked the 10th anniversary of its launch. Total investment amount topped 50 billion yen.

“OwnersBook,” Japan's first crowdfunding service specializing in real estate, has marked the 10th anniversary of its launch. The cumulative investment amount exceeded 50 billion yen.



 OwnersBook



4. Selected for JPX-Nikkei Mid and Small Cap Index.

Selected as a constituent of the JPX-Nikkei Mid and Small Cap Index for 5 consecutive years.

Overall Outlook

- Tokyo ranked first in the global city-by-city investment ranking for the first half of 2024, with investment volume up 21% from the first half of the previous fiscal year. (Source: JLL Investment Market Summary, Q2 2024)
- Demand for hotels has remained strong due to an increasing number of foreign travelers.
- Office vacancy rates are in a declining trend and rents are on the rise, clearly indicating a return to office space.

Interest rate

- There might be a possibility of an additional interest rate hike by the Bank of Japan. However, Loadstar does not believe it would affect its current fiscal year's business performance significantly.
- Loadstar has already made interest rate swap contracts in prior years, hedging against the risk of interest rate changes.
- In the medium to long term, Loadstar expects rents and property prices to rise in line with inflation. Loadstar believes that this will have a positive impact on its business.

Future actions

- Loadstar will continue to actively acquire properties, mainly offices and hotels.
- Loadstar continues to closely monitor the impact of the macro environment, such as interest rates and inflation, on the real estate market.

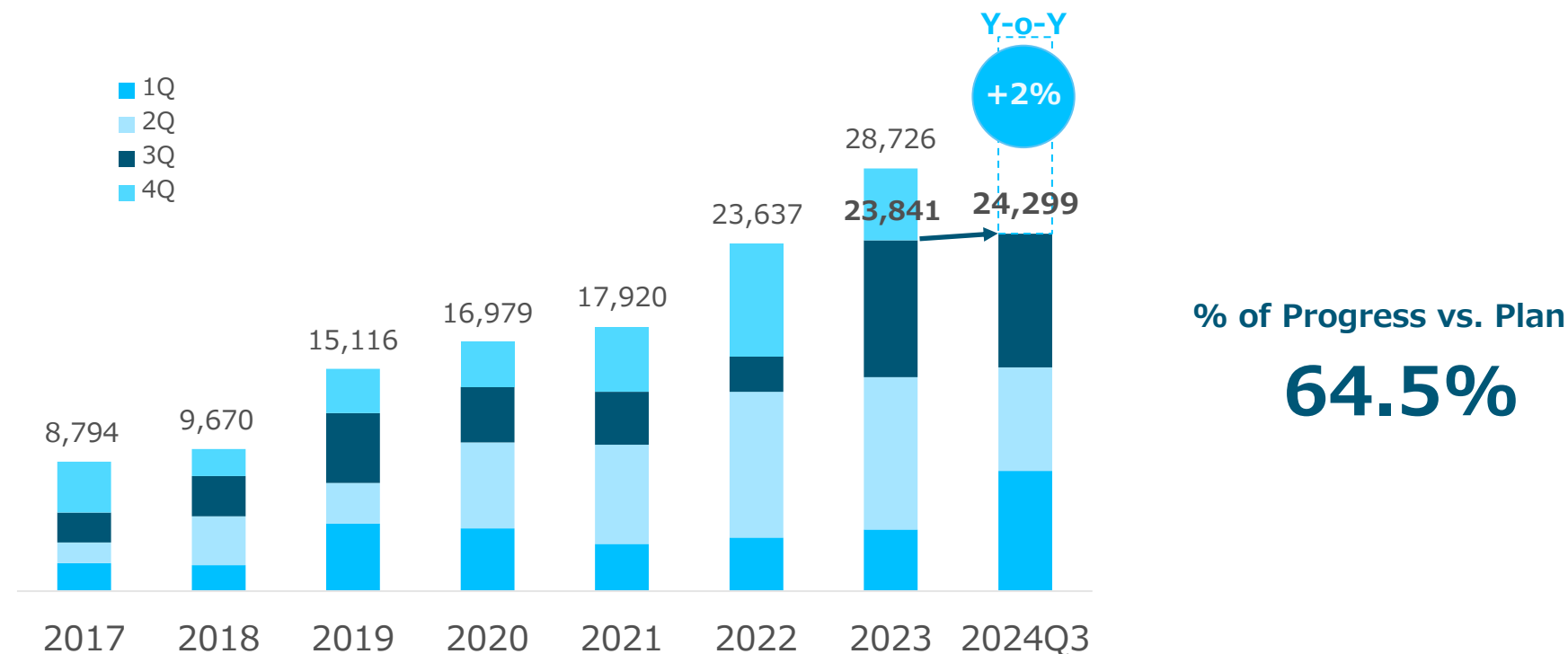
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Overview of Q3 FY2024 Financial Results

Consolidated Sales

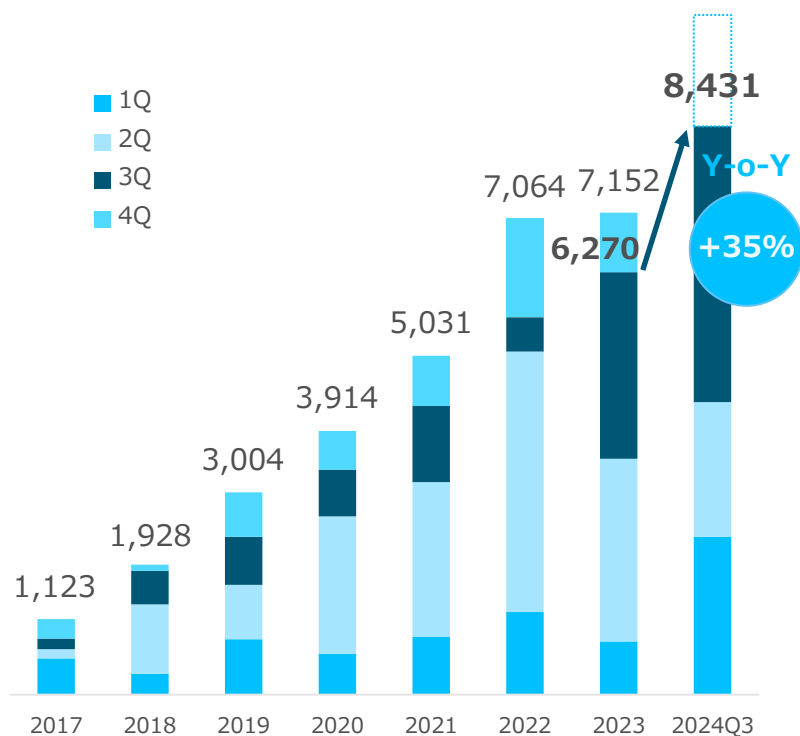
- Consolidated sales increased 2% year on year to 24.2 billion yen.
- The real estate market remains brisk, particularly with strong demand from domestic businesses and real estate companies.
- European and U.S. real estate funds have resumed acquisition of properties, and further active acquisition is expected.

Consolidated Sales (Millions of yen)

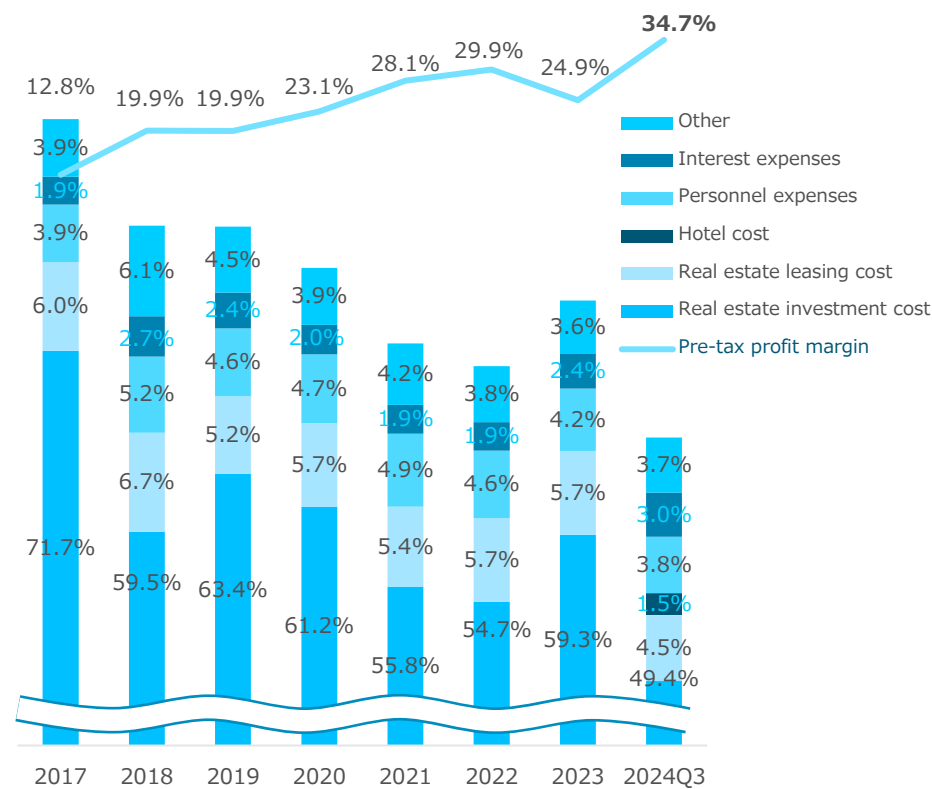


- Consolidated profit before income taxes totaled 8.4 billion yen, up 35% year on year.
- The pre-tax profit margin increased significantly due to the improved leasing profit margin and growth in the Asset Management and Crowdfunding Businesses, along with the sale of high-margin property.

Consolidated Profit before income taxes (Millions of yen)



Cost structure



Consolidated Statements of Income

- Operating profit, profit before income taxes, and profit significantly exceeded the previous year's results. Loadstar Group made over 80% progress for its original plan.

(Millions of yen)	FY2024Q3 Results				FY2024 (Forecasts)		
	Amount	% of Net sales	% Y-o-Y	Progress vs. original forecast	Amount	% of Net sales	% of the previous fiscal year
Net sales	24,299	100.0%	101.9%	64.5%	37,658	100.0%	131.1%
Gross Profit	10,860	44.7%	128.7%	80.0%	13,569	36.0%	134.7%
SG&A expenses	1,359	5.6%	98.3%	67.9%	2,001	5.3%	109.9%
Operating Profit	9,501	39.1%	134.7%	82.1%	11,567	30.7%	140.2%
Profit before income taxes	8,431	34.7%	134.5%	83.6%	10,083	26.8%	141.0%
Profit	5,759	23.7%	134.6%	83.5%	6,895	18.3%	141.2%

Consolidated Financial Position

- Loadstar acquired 11 properties and sold 5 properties. As a result, the real estate as inventory reached a record high of 80.5 billion yen.
- Although the net asset ratio has declined slightly, unrealized gains have accumulated considerably. Loadstar does not have any particular concerns about running its business, including financing and cash management.

(Millions of yen)	As of Q3 FY2024		
	Amount	% of total	% vs. Dec. 31, 2023
Current assets	103,933	98.7%	139.0%
Cash and deposits	12,227	11.6%	102.5%
Operating loans	9,160	8.7%	132.1%
Real estate as inventory	80,599	76.5%	146.2%
Liabilities	80,945	76.8%	144.1%
Interest-bearing debt	63,347	60.1%	151.3%
Deposits received from silent partnership investors	10,020	9.5%	121.9%
Net assets	24,409	23.2%	126.5%
Total liabilities and net assets	105,354	100.0%	139.6%

• This shows the amount of loans outstanding mainly in the Crowdfunding business.

- A considerable amount of unrealized gains have accrued on the properties, but they do not appear on the BS.
- Unlikely to get affected by high resource prices since we have no development projects.
- Under the guidance of the accounting auditor, real estate holdings reported as inventory irrespective of holding purposes.

• This shows the amount investors invested to OwnersBook projects.

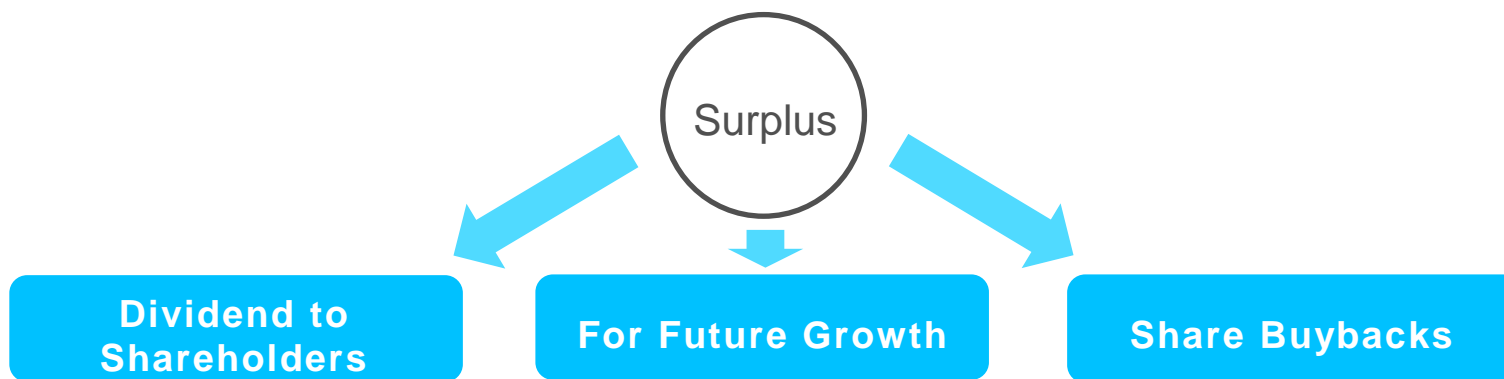
- Adjusted net asset ratio excluding deposits from tokumei kumiai (silent partnerships) that do not attribute to the Company is 25.6%.
- This would be even higher considering unrealized gains.

Basic Policy

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

Dividend Policy

- Loadstar shall perform stable and continuous profit returns with a payout ratio of 17%.



	2017	2018	2019	2020	2021	2022	2023	2024 (Forecast)
Dividends per share	5.5 yen	9.5 yen	14.5 yen	24.5 yen	32.0 yen	50.0 yen	52.5 yen	70.0 yen
Payout ratio	15%	15%	15%	15%	15%	17%	17%	17%

Shareholder Benefits

- Loadstar offers a special OwnersBook investment lot to our shareholders who have held at least 1,000 shares of the Company's stock for at least six months.

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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

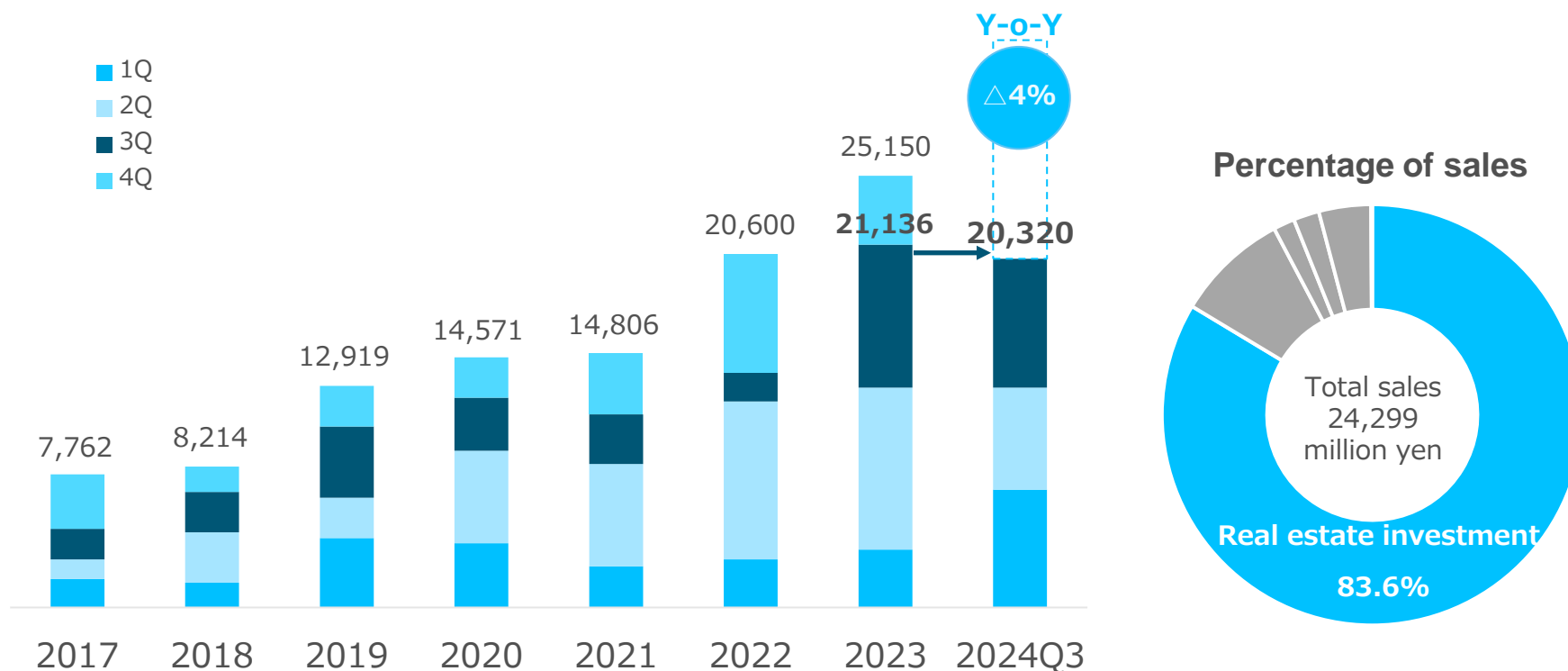


Japan's first real estate crowdfunding business.



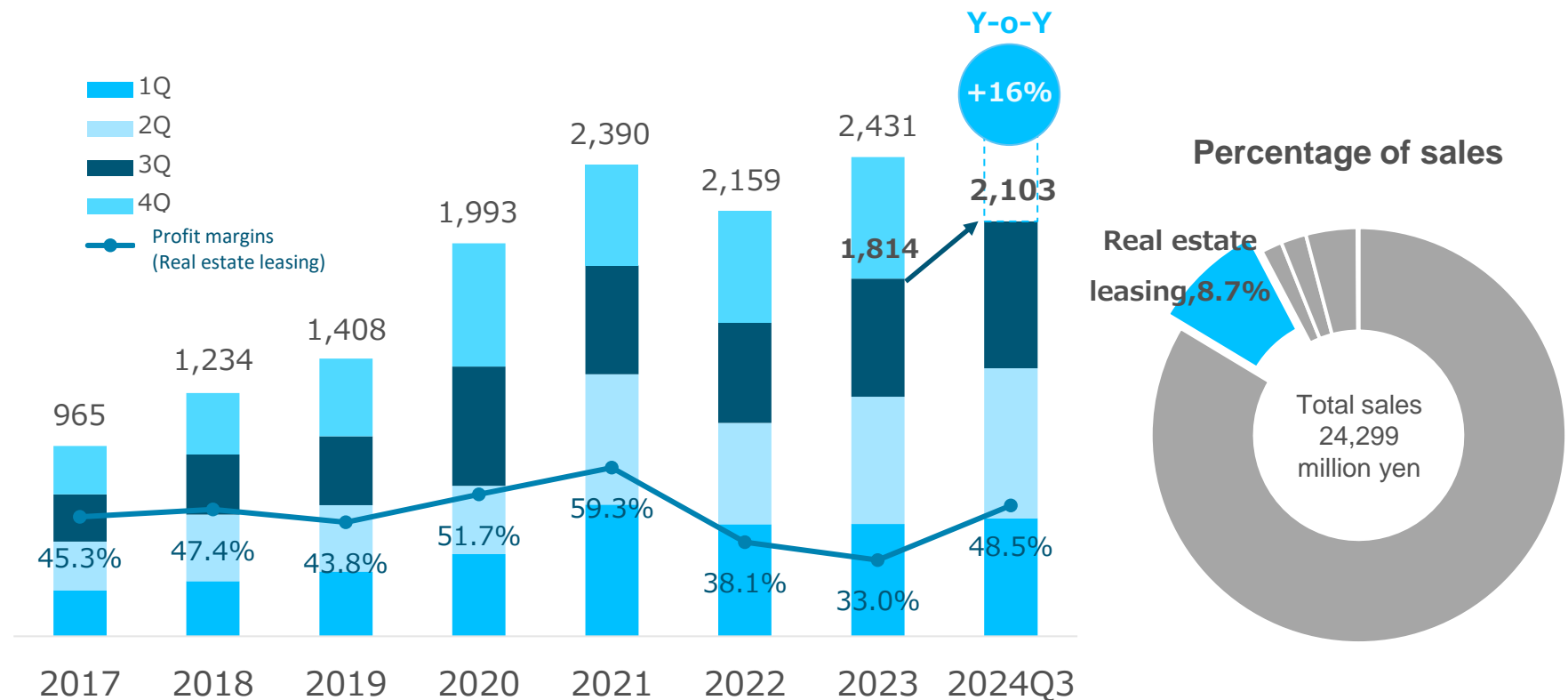
- Loadstar sold 5 offices. As a result, net sales totaled 20.3 billion yen, the same level year on year.
- Net sales were generally flat due to the sale of high-margin property. However, Loadstar is making steady progress in accumulating real estate that will form our future revenue base.

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



- Net sales increased 16% year on year to 2.1 billion yen, with both hotels and offices performing well.
- Operating revenues from the six hotels acquired from Hiramatsu were recorded in the Corporate Funding Business (Hotel Operation).

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



- Loadstar recorded operating revenues from the following six hotels acquired from Hiramatsu in the Corporate Funding Business (Hotel Operation).
- Net sales from hotel operation were 390 million yen, and hotel operation cost was 350 million yen (of which depreciation was about 60 million yen).
- Since the net sales from the hotel operation were recorded in Loadstar's financial results with a two-month delay, only the net sales for July were recorded for the Loadstar's Q3 financial result

[THE HIRAMATSU HOTELS & RESORTS KASHIKOJIMA in Mie](#)

[THE HIRAMATSU HOTELS & RESORTS ATAMI in Shizuoka](#)

[THE HIRAMATSU HOTELS & RESORTS in SENGOKUHARA in Kanagawa](#)

[THE HIRAMATSU HOTELS & RESORTS in GINOZA in Okinawa](#)

[THE HIRAMATSU KYOTO in Kyoto](#)

[THE HIRAMATSU KARUIZAWA MIYOTA in Nagano](#)

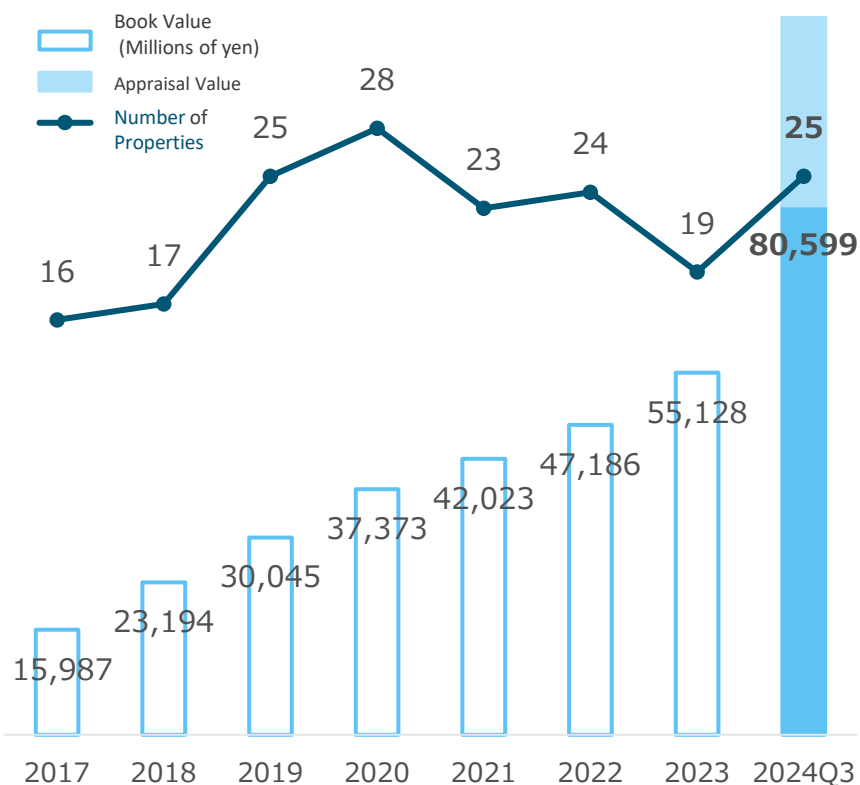
↑Click to view each hotel's website.



Corporate Funding Business Results

- The profit margin increased significantly due to the sale of a large property that Loadstar had held for seven years.
- The balance of real estate as inventory reached a record high, and along with this, unrealized gains have increased.
- Loadstar continues to invest aggressively, mainly in offices and hotels.

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



Track Record	Sales Price/Purchase Price (excluding expenses, depreciation, etc.)
2020	147%
2021	149%
2022	161%
2023	156%
2024	172%

Number of Properties	Possession	Cumulative sale
Five wards in central Tokyo	15	45
Other wards	3	23
Yokohama	1	2
Other than above	6	-



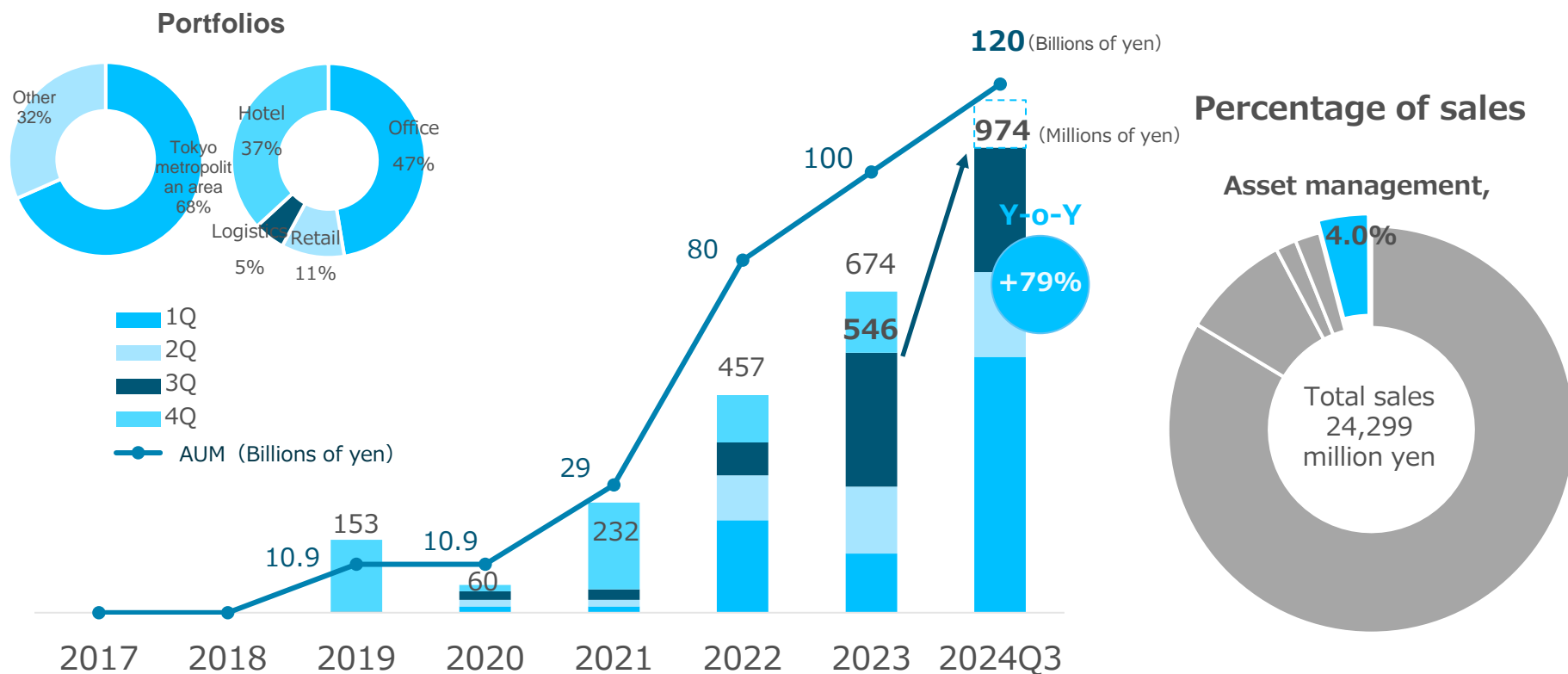
Main Purpose	Office	Logistics/Factory	Retail	Residence	Hotel
Five wards in central Tokyo	12	-	-	-	3
Other wards	1	-	1	1	-
Other than above	-	-	-	-	7

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

Asset Management Business Results

- Sales jumped 79% year on year to 974 million yen due to new mandates for projects and the sale of some assets.
- Loadstar subsidiary has received mandates for asset management services for Hiramatsu Hotels from Loadstar. Therefore, Hiramatsu Hotels are included in AUM.

Net Sales and AUM



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Real Estate Tech

CROWDFUNDING

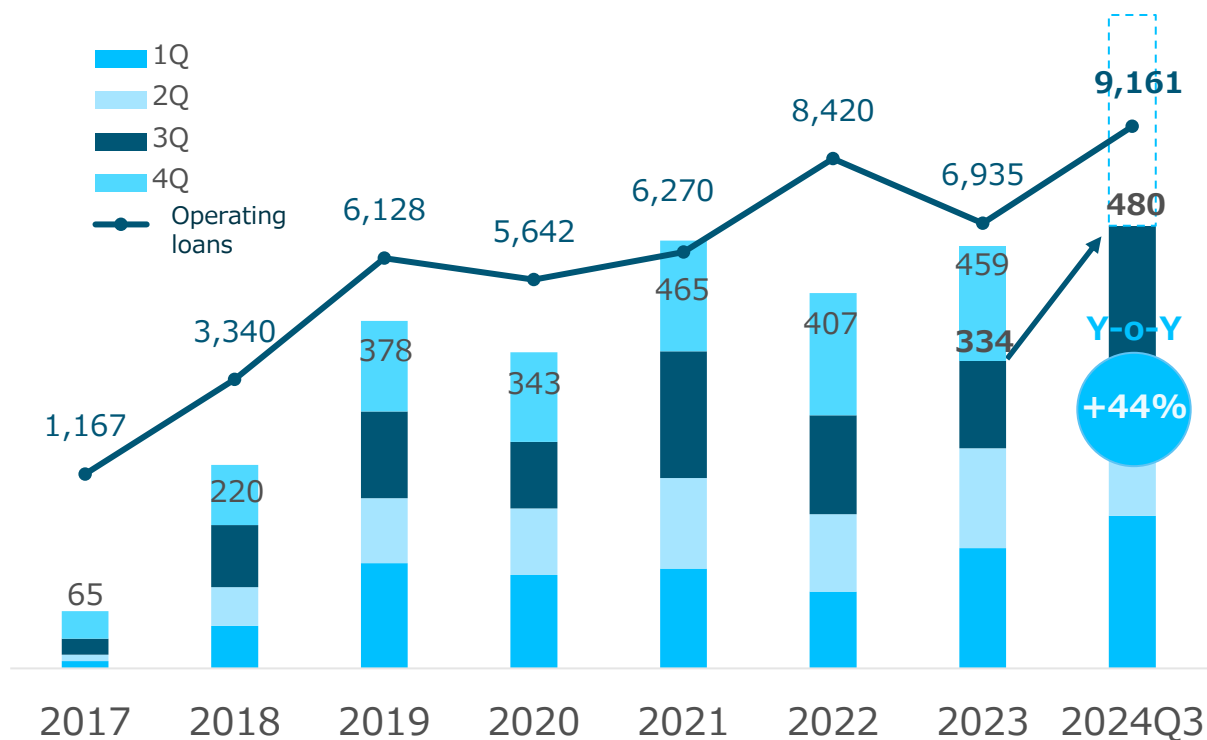


Japan's first real estate crowdfunding business.

Crowdfunding Business Results

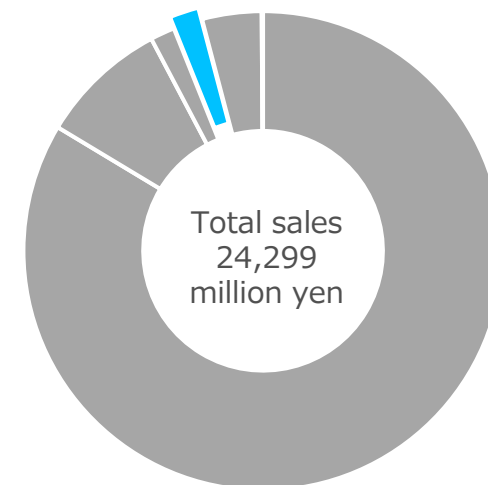
- Sales increased 44% year on year to 480 million yen due to the steady project originations.
- Operating loans increased 32% from the previous year-end to 9.1 billion yen, the largest ever.

Net Sales and Operating Loans (Millions of yen)



Percentage of sales

Crowdfunding, 2.0%



Crowdfunding Business (KPI)

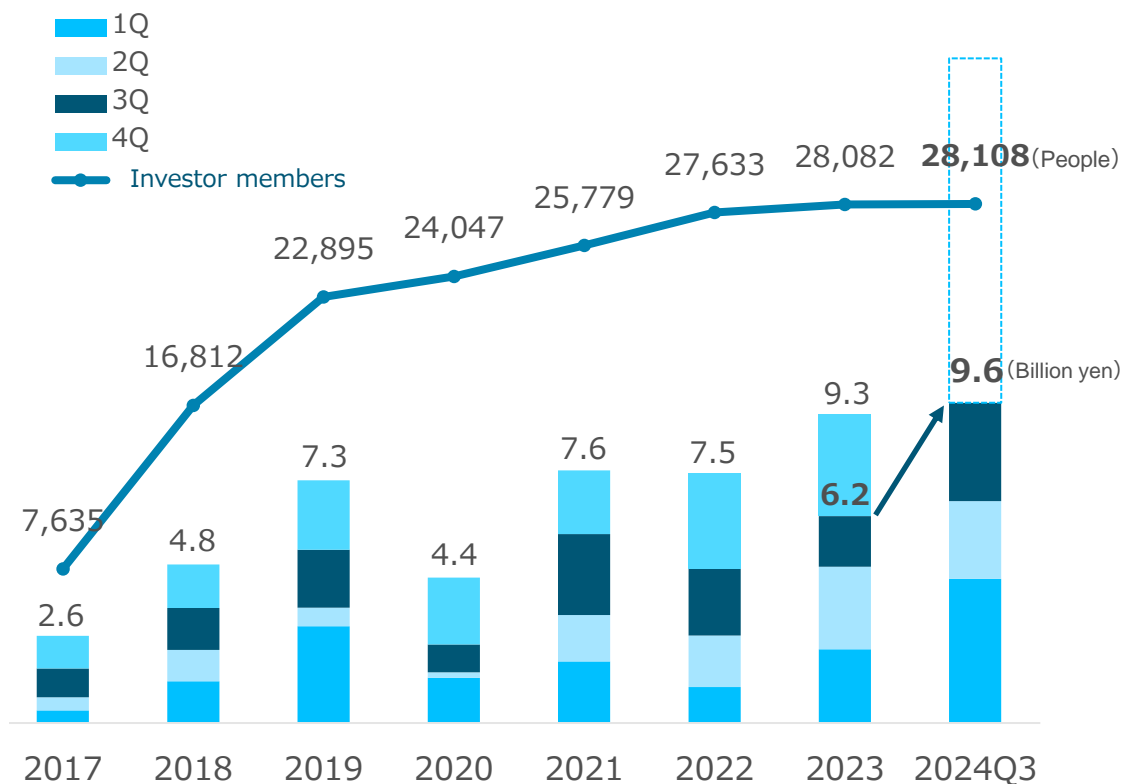
- The number of investor members has generally remained flat. However, Loadstar has seen strong demand for projects, as even projects worth several hundred million yen are completed within a few minutes.
- As for STO launch, Loadstar is looking to prepare for launch as soon as we find an attractive property from various perspectives such as location, yield, and property type.

Investor members **28,108** (People)

Investment Amount **9.6** (Billion yen)



Investor Members/ Cumulative Investment Amount



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Progress of Medium-Term Management Plan

Progress of Medium-Term Management Plan

- Loadstar is working to increase sales and profits in all businesses, aiming to achieve the targets of the medium-term management plan.
- Currently, Loadstar is behind the plan regarding AUM and OwnersBook investment. To achieve the target, we are committed to making efforts.

(100 Millions of yen)	FY2022		FY2023		FY2024	
	Plan	Amount	Plan	Amount	Plan	Amount (Q3)
Net sales	185	236	293	287	300	242
Profit before income tax	63	70	72	71	100	84
ROE	>30%	38%	>30%	29%	>30%	35.8%
Dividend payout ratio	>15%	17%	≥17%	17%	≥17%	≥17%
Real estate investment as inventory	-	471	-	551	750	805
AUM	-	800	-	1,000	2,000	1,200
OwnersBook investment	-	75	-	93	200	96

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