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Loadstar Capital K.K. Consolidated Financial Results for the Fiscal year ended December 31, 2024 (Japanese GAAP)

February 14, 2025

Stock listing: Tokyo Stock Exchange Securities code: 3482
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(Amounts rounded down to the nearest million yen)

1. Consolidated Financial Results for the Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of the parent | |
|-------------------------------------|-------------|------|------------------|------|-----------------|------|---|------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Fiscal year ended December 31, 2024 | 34,421 | 19.8 | 11,447 | 38.8 | 10,699 | 43.5 | 6,871 | 40.7 |
| Fiscal year ended December 31, 2023 | 28,726 | 21.5 | 8,249 | 9.3 | 7,456 | 3.1 | 4,883 | 0.8 |

Note: Comprehensive income: Fiscal year ended December 31, 2024: ¥6,826 million, 39.8%
Fiscal year ended December 31, 2023: ¥4,883 million, 0.8%

| | Earnings per share | Diluted earnings per share | ROE | Ordinary profit on Total assets | Operating profit on Net sales |
|-------------------------------------|--------------------|----------------------------|------|---------------------------------|-------------------------------|
| | yen | yen | % | % | % |
| Fiscal year ended December 31, 2024 | 416.73 | 408.19 | 31.2 | 11.7 | 33.3 |
| Fiscal year ended December 31, 2023 | 301.48 | 296.22 | 29.1 | 10.6 | 28.7 |

Note: Income on equity method investments: Fiscal year ended December 31, 2024: -
Fiscal year ended December 31, 2023: -

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|-------------------|--------------|-------------|-----------------------|----------------------|
| | million yen | million yen | % | yen |
| December 31, 2024 | 107,403 | 25,642 | 23.4 | 1,514.88 |
| December 31, 2023 | 75,473 | 19,293 | 25.1 | 1,152.48 |

Reference: Total equity: December 31, 2024: ¥25,086 million, December 31, 2023: ¥18,961 million,

(3) Consolidated Statement of Cash Flows

| | Cash flows from operating activities | Cash flows from investment activities | Cash flows from financing activities | Cash and cash equivalents at the end of period |
|-------------------|--------------------------------------|---------------------------------------|--------------------------------------|--|
| | million yen | million yen | million yen | million yen |
| December 31, 2024 | (18,656) | (475) | 19,858 | 12,653 |
| December 31, 2023 | (789) | (1) | 3,314 | 11,927 |

Note: Cash flows from operating activities excluding effect of acquisition of real estate as inventory.

Fiscal year ended December 31, 2024: ¥8,683 million

Fiscal year ended December 31, 2023: ¥7,814 million

For further details, please refer to "(3) Overview of Cash flows" on page 3 in section "1. Qualitative Information Regarding Financial Results" in the Appendix.

2. Dividends

| | Dividend per share | | | | | Total amount of dividends | Payout ratio (Consolidated) | Ratio of dividend to equity attributable to owners of the parent (Consolidated) |
|-------------------|--------------------|--------|--------|----------|-------|---------------------------|-----------------------------|---|
| | End-Q1 | End-Q2 | End-Q3 | Year-end | Total | | | |
| | yen | yen | yen | yen | yen | million yen | % | % |
| FY2023 | - | 0.00 | - | 52.50 | 52.50 | 863 | 17.4 | 5.1 |
| FY2024 | - | 0.00 | - | 70.00 | 70.00 | 1,159 | 16.8 | 5.2 |
| FY2025 (forecast) | - | 0.00 | - | 83.00 | 83.00 | | 18.0 | |

3. Forecast for the FY2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of the parent | | Earnings per share |
|-----------|-------------|------|------------------|------|-----------------|-----|---|------|--------------------|
| | million yen | % | million yen | % | million yen | % | million yen | % | yen |
| Full year | 47,926 | 39.2 | 13,221 | 15.5 | 11,635 | 8.7 | 7,642 | 11.2 | 461.53 |

*Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: Eight companies: LD1 Godo Kaisha, Tokumei Kumiai (“TK”) operated by LD1 Godo Kaisha, and other six companies.

Excluded: None

Note:

For details, please refer to page 12 of “3. Consolidated Financial Statements and Notes (5) Changes in Scope of Consolidation or Equity Method”.

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

1) Changes in accordance with revisions to accounting and other standards: None

2) Changes other than 1) above: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of shares issued (common stock)

| | December 31, 2024 | December 31, 2023 |
|---|-------------------|-------------------|
| 1) Number of shares issued (including treasury shares) | 21,444,000 | 21,444,000 |
| 2) Number of shares held in treasury | 4,884,101 | 4,990,970 |
| 3) Average number of shares outstanding during the period | 16,489,322 | 16,198,114 |

[For Reference] Overview of Non-consolidated Results

Non-consolidated Results for the Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Non-consolidated Operations Results

(Percentages indicate year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Net profit | |
|-------------------------------------|-------------|------|------------------|------|-----------------|-------|-------------|-------|
| | million yen | % | million yen | % | million yen | % | million yen | % |
| Fiscal year ended December 31, 2024 | 30,900 | 12.0 | 9,713 | 30.1 | 9,230 | 38.7 | 6,249 | 37.1 |
| Fiscal year ended December 31, 2023 | 27,587 | 21.2 | 7,468 | 5.1 | 6,655 | (2.0) | 4,559 | (2.3) |

| | Earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------|----------------------------|
| | yen | yen |
| Fiscal year ended December 31, 2024 | 378.97 | 371.21 |
| Fiscal year ended December 31, 2023 | 281.46 | 276.54 |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|-------------------|--------------|-------------|-----------------------|----------------------|
| | million yen | million yen | % | yen |
| December 31, 2024 | 76,034 | 24,002 | 30.8 | 1,415.89 |
| December 31, 2023 | 64,638 | 18,276 | 27.8 | 1,090.68 |

Reference: Total equity: December 31, 2024: ¥23,446 million, December 31, 2023: ¥17,944 million,

*This report is exempt from the audit.

*Appropriate Use of Forecasts and Other Important Information

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Loadstar Capital makes no assurances as to the actual results, which may differ materially from the above forecasts due to a range of factors. For information related to the forecast, please refer to “(4) Future Outlook” on page 4 in section “1. Operating Result and Financial Position” in the Appendix.

In addition, the Company has scheduled to hold the earnings briefing on February 14, 2025 for institutional investors and analysts. The presentation materials for the earnings briefing will be posted on the Company’s website later.

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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.

1. Operating Results and Financial Position

(1) Overview of Operating Result

Overview of operating Result

For the current fiscal year, Loadstar made steady progress in all business lines, backed by stable real estate market. As a result, net sales reached 34,421 million yen (up 19.8% year on year), and operating profit totaled 11,447 million yen (up 38.8% year on year). Further, ordinary profit stood at 10,699 million yen (up 43.5% year on year) mainly due to a valuation gain of 222 million yen on interest rate swap contracts entered into in preparation for a possible interest rate hike, and interest expenses of 716 million yen. Net income attributable to owners of the parent amounted to 6.871 million yen (up 40.7% year on year), mainly due to a 125-million-yen loss on mark-to-market valuation of Hiramatsu Inc. shares and other securities.

HIRAMATSU HOTELS, which Loadstar acquired during the fiscal year, have a different contract scheme from the other existing hotels that Loadstar owns. For this reason, Loadstar has newly created "Corporate Funding Business (Hotel Operations)" from the current fiscal year, and includes only hotel operation revenues from HIRAMATSU HOTELS. Net sales related to other existing hotels are still recorded in Corporate Funding Business (Real Estate Leasing) as before.

Since Loadstar Group has one reportable segment, information by reportable segment is omitted here. Instead, information by business segment is presented.

Net sales by key business segment

| Business Segment | FY2023 | FY2024 | Change YoY |
|-----------------------------------|-----------------------------|-----------------------------|---------------|
| | Amount (millions of yen) | Amount (millions of yen) | Change (%) |
| Corporate Funding Business | | | |
| Real Estate Investment | 25,150 | 27,970 | 11.2 |
| Real Estate Leasing | 2,431 | 2,924 | 20.3 |
| Hotel Operation | — | 1,655 | - |
| Asset Management Business | 674 | 1,192 | 76.8 |
| Crowdfunding Business | 459 | 657 | 43.2 |
| Other Business | 11 | 21 | 98.0 |
| Total | 28,726 | 34,421 | 19.8 |

Corporate Funding Business

1) Real estate investment

Real estate investment sales totaled 27,970 million yen (up 11.2% year on year) due to the sale of eight office properties in Tokyo.

2) Real estate leasing

Loadstar sold the above eight properties. Loadstar acquired nine new properties, including four office buildings in Tokyo and four business hotels. In addition, rent revenue from the existing hotels has increased due to the demand from travelers to Japan. As a result, real estate leasing sales totaled 2,924 million yen (up 20.3% year on year).

3) Hotel Operation

Loadstar Group acquired HIRAMATSU HOTELS. Loadstar subsidiaries that own and operate HIRAMATSU HOTELS are included in Loadstar's consolidated financial results two months later. As

a result, the hotel operation results from July 2024 till October 2024 were recorded in the consolidated financial results for the fiscal year. Hotel operation revenue totaled 1,655 million yen.

Asset Management Business

Asset Management Business sales increased by 76.8% year on year to 1,192 million yen as a result of new mandates and the sale of some of the existing assets under management. As of the end of the fiscal year, assets under management (AUM) exceeded 140 billion yen including AUM (HIRAMATSU HOTELS) from Loadstar subsidiaries.

Crowdfunding Business

During the period under review, Loadstar saw strong demand for financing from real estate businesses. Loadstar made loans of a total of 12,645 million yen (up 47.5% year on year). At the same time, Loadstar redeemed a total of 9,799 million yen. As a result, operating loans totaled 9,781 million yen (up 41.0% compared with the end of the previous fiscal year) for the Crowdfunding Business. Crowdfunding Business revenues totaled 657 million yen (up 43.2% year on year).

Overview of Real estate market

In the real estate and real estate finance industries, especially the B to B office real estate market, in which Loadstar Group operates, according to the latest office building market data released by Miki Shoji Co., Ltd. (as of December 2024), the vacancy rate for existing office buildings in Tokyo's five central wards (Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku) was 3.80%. The average rent per tsubo was 20,142 yen. This indicates that the market is recovering.

In the Tokyo office building transaction market, demand has been robust. This is mainly due to the fact that interest rates in Japan have remained lower compared to other countries, the spread between real estate cap rate and government bond yield has been and will continue to be wide, geopolitical risks are not as high as in other countries. On the other hand, we will closely monitor the impact of recent interest rate hike by the Bank of Japan. Loadstar will continue to proceed with its business while keeping a close eye on the market conditions.

In the hotel market, according to the Overnight Travel Statistics Survey published by the Japan Tourism Agency, the total number of overnight guests in Japan in 2024 exceeded that of fiscal 2019, the record high since the survey began, in all months through December, which is the latest data currently available. This indicates that the hotel market is booming.

(2) Overview of Financial Position

(Assets)

As of December 31, 2024, total assets were 107,403 million yen (up 42.3% compared with the previous fiscal year-end). This was mainly due to the acquisition of real estate as inventory.

(Liabilities)

As of December 31, 2024, total liabilities were 81,761 million yen (up 45.5% compared with the previous fiscal year-end). This was mainly due to an increase in borrowings related to the acquisition of real estate as inventory.

(Net Assets)

As of December 31, 2024, net assets were 25,642 million yen (up 32.9 % compared with the previous fiscal year-end). This was mainly due to an increase in retained earnings from net income attributable to owners of the parent and a decline in retained earnings due to the payment of dividends.

(3) Overview of Cash Flows

As of December 31, 2024, the outstanding balance of cash and cash equivalents was 12,653 million yen, an increase of 726 million yen from December 31, 2023.

The cash flows for FY2024 and the factors are discussed below.

(Cash flows from operating activities)

Net cash used in operating activities was 18,656 million yen. The main sources of operating cash flow were 10,055 million yen from profit before income taxes. On the other hand, major uses of operating cash flow included a 27,339 million yen increase in Real estate as inventory resulting from steady up-front investment mainly focused on property acquisitions, 2,845 million yen increase in operating loans and 2,488 million yen in income taxes paid.

(Cash flows from investment activities)

Net cash used in investment activities was 475 million yen. The main uses of cash flow from investment activities were 432 million yen acquisition of investment securities and 42 million yen acquisition of intangible assets.

(Cash flows from financing activities)

Net cash provided by financing activities was 19,858 million yen. This was mainly due to proceeds of 35,200 million yen from long-term borrowings, repayments of 15,653 million yen long-term borrowings, and 863 million yen in outflow due to the payment of dividends.

| | Fiscal year ended December 31, 2020 | Fiscal year ended December 31, 2021 | Fiscal year ended December 31, 2022 | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|--|---|---|---|---|---|
| Equity-to-asset ratio | 15.0 | 18.9 | 22.2 | 25.1 | 23.4 |
| Equity-to-asset ratio on a market capitalization basis | 37.7 | 37.9 | 52.5 | 58.4 | 49.6 |

Notes:

The above indicators have been calculated based on the following formulas, using consolidated financial figures for each.

Equity-to-asset ratio: Total equity / Total assets

Equity-to-asset ratio on a market capitalization basis: Market capitalization / Total assets

(4) Future Outlook

In the domestic real estate investment market, vacancy rates and rents have recovered rapidly. Also, as demand from foreign visitors to Japan has been increasing remarkably. As a result, we view that demand from US based and European based investors will increase on top of that from domestic and Asian investors. On the other hand, we continue to closely monitor the impact of the monetary policy of the government and the Bank of Japan that may affect the investment stance of investors and the lending attitude of financial institutions. In this environment, we aim to increase the balance of assets held in our property portfolio to establish a stable business foundation. We also aim to strengthen the Asset Management Business to increase the stable revenue ratio, and we seek to drive growth in the Crowdfunding Business to secure income. For the upcoming fiscal year (the fiscal year ending December 31, 2025), we forecast consolidated net sales of 47,926 million yen, consolidated operating profit of 13,221 million yen, consolidated ordinary profit of 11,635 million yen, and consolidated profit attributable to owners of the parent of 7,642 million yen.

2. Basic Rationale for Selecting Accounting Standards

The Group plans to continue to use Japanese accounting standards in the near term, considering that most of its stakeholders are domestic shareholders, financial institutions, business partners, etc., and also considering comparability with other domestic companies in the same industry. Going forward, the Group will address the issue of the possible adoption of IFRS (International Financial Reporting Standards) as appropriate, taking into consideration the situation both in Japan and overseas.

3. Consolidated Financial Statements and Notes

(1) Consolidated Financial Position

(Millions of yen)

| | As of December 31, 2023 | As of December 31, 2024 |
|---|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 11,927 | 12,653 |
| Operating loans | 6,935 | 9,781 |
| Real estate as inventory | 55,128 | 81,527 |
| Other | 853 | 1,970 |
| Allowance for doubtful accounts | (85) | - |
| Total current assets | 74,759 | 105,933 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 104 | 89 |
| Tools, furniture and fixtures, net | 20 | 20 |
| Other, net | 3 | 3 |
| Total property, plant and equipment | 127 | 112 |
| Intangible assets | | |
| Software | 1 | - |
| Other | - | 41 |
| Total intangible assets | 1 | 41 |
| Investments and other assets | | |
| Investment securities | 31 | 266 |
| Deferred tax assets | 376 | 675 |
| Other | 176 | 374 |
| Total investments and other assets | 584 | 1,316 |
| Total non-current assets | 713 | 1,470 |
| Total assets | 75,473 | 107,403 |
| Liabilities | | |
| Current liabilities | | |
| Short-term loans | 382 | 1,735 |
| Current portion of long-term loans | 4,894 | 8,565 |
| Income taxes payable | 1,348 | 2,355 |
| Contract liabilities | 598 | 750 |
| Deposits received | 2,138 | 1,676 |
| Other | 503 | 1,402 |
| Total current liabilities | 9,866 | 16,485 |
| Non-current liabilities | | |
| Long-term loans | 36,583 | 52,459 |
| Deposits received from silent partnerships | 8,217 | 11,494 |
| Other | 1,512 | 1,321 |
| Total non-current liabilities | 46,313 | 65,275 |
| Total liabilities | 56,180 | 81,761 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,402 | 1,402 |
| Capital surplus | 1,570 | 1,670 |
| Retained earnings | 18,874 | 24,882 |
| Treasury shares | (2,885) | △2,824 |
| Total shareholders' equity | 18,961 | 25,131 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | - | (44) |
| Total accumulated other comprehensive income | - | (44) |
| Share acquisition rights | 331 | 555 |
| Non-controlling interests | - | 0 |
| Total net assets | 19,293 | 25,642 |
| Total liabilities and net assets | 75,473 | 107,403 |

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

| | Fiscal year ended December 31, 2023 | Fiscal year ended December 31, 2024 |
|---|--|--|
| Net sales | 28,726 | 34,421 |
| Cost of sales | 18,655 | 21,070 |
| Gross profit | 10,070 | 13,350 |
| Selling, general and administrative expenses | 1,821 | 1,903 |
| Operating profit | 8,249 | 11,447 |
| Non-operating income | | |
| Gain on valuation of derivatives | - | 222 |
| Other | 6 | 26 |
| Total non-operating income | 6 | 248 |
| Non-operating expenses | | |
| Interest expenses | 504 | 716 |
| Commission fee | 182 | 279 |
| Loss on valuation of derivatives | 112 | - |
| Other | 0 | 0 |
| Total non-operating expenses | 799 | 996 |
| Ordinary profit | 7,456 | 10,699 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | - | 125 |
| Total extraordinary losses | - | 125 |
| Profit before dividend distribution from silent partnerships and income taxes | 7,456 | 10,573 |
| Dividends distribution from silent partnerships | 304 | 518 |
| Profit before income taxes | 7,152 | 10,055 |
| Income taxes - current | 2,525 | 3,464 |
| Income taxes - deferred | (256) | (279) |
| Total income taxes | 2,268 | 3,184 |
| Profit | 4,883 | 6,871 |
| Profit attributable to non-controlling interests | - | (0) |
| Profit attributable to owners of the parent | 4,883 | 6,871 |

Consolidated Statement of Comprehensive Income

(Millions of yen)

| | Three months ended March 31, 2023 | Three months ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Profit | 4,883 | 6,871 |
| Accumulated other comprehensive income | | |
| Loss on valuation of investment securities | - | (44) |
| Total accumulated other comprehensive income | - | (44) |
| Comprehensive income | 4,883 | 6,826 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of the parent | 4,883 | 6,827 |
| Comprehensive income attributable to non-controlling interests | - | (0) |

(3) Consolidated Statement of Changes in Equity
Year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(Millions of yen)

| | Shareholders' Equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,402 | 1,472 | 14,794 | (3,105) | 14,564 |
| Changes during period | | | | | |
| Dividends of surplus | - | - | (803) | - | (803) |
| Repurchase of treasury shares | - | - | - | (0) | (0) |
| Disposal of treasury shares | - | 97 | - | 219 | 317 |
| Profit attributable to owners of the parent | - | - | 4,883 | - | 4,883 |
| Net changes in items other than shareholders' equity | - | - | - | - | - |
| Total changes during period | - | 97 | 4,079 | 219 | 4,396 |
| Balance at end of period | 1,402 | 1,570 | 18,874 | (2,885) | 18,961 |

| | Share acquisition rights | Total net assets |
|--|--------------------------|------------------|
| Balance at beginning of period | 204 | 14,769 |
| Changes during period | | |
| Dividends of surplus | - | (803) |
| Repurchase of treasury shares | - | (0) |
| Disposal of treasury shares | - | 317 |
| Profit attributable to owners of the parent | - | 4,883 |
| Net changes in items other than shareholders' equity | 126 | 126 |
| Total changes during period | 126 | 4,523 |
| Balance at end of period | 331 | 19,293 |

Year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

| | Shareholders' Equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,402 | 1,570 | 18,874 | (2,885) | 18,961 |
| Changes during period | | | | | |
| Dividends of surplus | - | - | (863) | - | (863) |
| Repurchase of treasury shares | - | - | - | (0) | (0) |
| Disposal of treasury shares | - | 100 | - | 61 | 161 |
| Profit attributable to owners of the parent | - | - | 6,871 | - | 6,871 |
| Net changes in items other than shareholders' equity | - | - | - | - | - |
| Total changes during period | - | 100 | 6,007 | 61 | 6,169 |
| Balance at end of period | 1,402 | 1,670 | 24,882 | (2,824) | 25,131 |

| | Accumulated other comprehensive income | | Share acquisition rights | Non-controlling interests | Total net assets |
|--|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | - | - | 331 | - | 19,293 |
| Changes during period | | | | | |
| Dividends of surplus | - | - | - | - | (863) |
| Repurchase of treasury shares | - | - | - | - | (0) |
| Disposal of treasury shares | - | - | - | - | 161 |
| Profit attributable to owners of the parent | - | - | - | - | 6,871 |
| Net changes in items other than shareholders' equity | (44) | (44) | 244 | 0 | 179 |
| Total changes during period | (44) | (44) | 244 | 0 | 6,348 |
| Balance at end of period | (44) | (44) | 555 | 0 | 25,642 |

(4) Consolidated Statement of Cash Flows

(Millions of yen)

| | Year ended December 31, 2023 | Year ended December 31, 2024 |
|--|---------------------------------|---------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 7,152 | 10,055 |
| Depreciation and amortization | 689 | 970 |
| Interest expenses | 504 | 716 |
| Commission expenses | 173 | 262 |
| Loss (gain) on valuation of derivatives | 112 | (222) |
| Loss (gain) on valuation of investment securities | - | 125 |
| Share-based payment expenses | 209 | 253 |
| Decrease (increase) in operating loans receivable | 1,484 | (2,845) |
| Decrease (increase) in Real estate as inventory | (8,604) | (27,339) |
| Increase (decrease) in deposits received from silent partnership | (240) | 3,276 |
| Increase (decrease) in deposits received | 639 | (462) |
| Increase (decrease) in accounts payable - other, and accrued expenses | (50) | 428 |
| Increase (decrease) in contract liabilities | 588 | 152 |
| Decrease (increase) in accounts receivable - other | 10 | (556) |
| Decrease (increase) in deposits paid | (598) | 598 |
| Increase/decrease in consumption taxes payable/consumption taxes refund receivable | 103 | (784) |
| Increase (decrease) in guarantee deposits received | 224 | (121) |
| Increase (decrease) in allowance for doubtful accounts | (6) | (85) |
| Other | 4 | (4) |
| Subtotal | 2,397 | (15,583) |
| Interest and dividends received | 0 | 0 |
| Interest paid | (504) | (584) |
| Income taxes paid | (2,687) | (2,488) |
| Proceeds from insurance income | 4 | 0 |
| Net cash provided by (used in) operating activities | (789) | (18,656) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (1) | (9) |
| Purchase of intangible assets | - | (42) |
| Purchase of investment securities | - | (432) |
| Proceeds from sale and redemption of investment securities | - | 7 |
| Other | - | 0 |
| Net cash provided by (used in) investing activities | (1) | (475) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term loans payable | (77) | 1,353 |
| Proceeds from long-term loans payable | 18,900 | 35,200 |
| Repayment of long-term loans payable | (14,735) | (15,653) |
| Commission of loans payable | (173) | (262) |
| Cash dividends paid | (803) | (863) |
| Proceeds from disposal of treasury shares | 204 | 83 |
| Other | (0) | 0 |
| Net cash provided by (used in) financing activities | 3,314 | 19,858 |
| Effect of exchange rate change on cash and cash equivalents | - | - |
| Net increase (decrease) in cash and cash equivalents | 2,523 | 726 |
| Cash and cash equivalents at beginning of period | 9,403 | 11,927 |
| Cash and cash equivalents at end of period | 11,927 | 12,653 |

(5) Notes to Consolidated Financial Statements

(Note on Going-Concern Assumption)
Not applicable

(Segment Information, etc)

【Segment information】

Year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

Segment information is omitted here, as all operations of the Group belong to a single segment of real estate related business.

Year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

Segment information is omitted here, as all operations of the Group belong to a single segment of real estate related business.

【Related information】

Year ended December 31, 2023 (January 1, 2023 to December 31, 2023)

(1) Information by product and service

(Millions of yen)

| | Corporate Funding (real estate investment) | Corporate Funding (real estate leasing) | Corporate Funding (Hotel Operation) | Asset Management | Crowdfunding | Other | Total |
|----------------------------|---|--|--|------------------|--------------|-------|--------|
| Sales to outside customers | 25,150 | 2,431 | — | 674 | 459 | 11 | 28,726 |

(2) Information by geographic area

1) Net sales

Information is omitted here, as sales to outside customers in Japan exceeds 90% of the total net sales in the consolidated statements of income.

2) Property, plant and equipment

Information is omitted here, as property, plant and equipment held in Japan exceeds 90% of the total property, plant and equipment in the consolidated balance sheets.

Year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(1) Information by product and service

(Millions of yen)

| | Corporate Funding (real estate investment) | Corporate Funding (real estate leasing) | Corporate Funding (Hotel Operation) | Asset Management | Crowdfunding | Other | Total |
|----------------------------|---|--|--|------------------|--------------|-------|--------|
| Sales to outside customers | 27,970 | 2,924 | 1,655 | 1,192 | 657 | 21 | 34,421 |

(2) Information by geographic area

1) Net sales

Information is omitted here, as sales to outside customers in Japan exceeds 90% of the total net sales in the consolidated statements of income.

2) Property, plant and equipment

Information is omitted here, as property, plant and equipment held in Japan exceeds 90% of the total property, plant and equipment in the consolidated balance sheets.

(Changes in Scope of Consolidation or Equity Method)

Significant changes in scope of consolidation

For the fiscal year ended December 31, 2024, Loadstar invested in LD1 Godo Kaisha via TK (silent partnership) investments. As a result, Loadstar is deemed to control LD1 Godo Kaisha, the TK, operated by LD1 Godo Kaisha, and the following companies substantially, according to the control standards. Therefore, these companies were included in the scope of consolidation.

LD2 Kashikojima Godo Kaisha
LD2 Atami Godo Kaisha
LD2 Sengokuhara Godo Kaisha
LD2 Kyoto Godo Kaisha
LD2 Miyota Godo Kaisha
LD2 Ginoza Godo Kaisha

(Per Share Information)

| | Year ended December 31, 2023 (January 1, 2023 to December 31, 2023) | Year ended December 31, 2024 (January 1, 2024 to December 31, 2024) |
|----------------------------|--|--|
| Net assets per share | 1,152.48 yen | 1,514.88 yen |
| Earnings per share | 301.48 yen | 416.73 yen |
| Diluted earnings per share | 296.22 yen | 408.19 yen |

Notes: Earnings per share and diluted earnings per share were calculated based on the following data.

| | Year ended December 31, 2023 (January 1, 2023 to December 31, 2023) | Year ended December 31, 2024 (January 1, 2024 to December 31, 2024) |
|--|--|--|
| Earnings per share | | |
| Profit attributable to owners of the parent (millions of yen) | 4,883 | 6,871 |
| Amount not attributable to common stockholders (millions of yen) | — | — |
| Profit attributable to common stockholders of the parent (millions of yen) | 4,883 | 6,871 |
| Average number of common stock during period (shares) | 16,198,114 | 16,489,322 |
| Diluted earnings per share | | |
| Adjustments to profit attributable to owners of the parent (millions of yen) | — | — |
| Increase in the number of common stock (shares) | 287,796 | 344,839 |
| Residual securities that are not dilutive and not included in the calculation for earnings per share | The class of share acquisition rights:2 The number of share acquisition rights:612 (common stocks:612,000) | The class of share acquisition rights:2 The number of share acquisition rights:404 (common stocks:404,000) |

(Significant Subsequent Events)

Not applicable