



**Loadstar Capital**

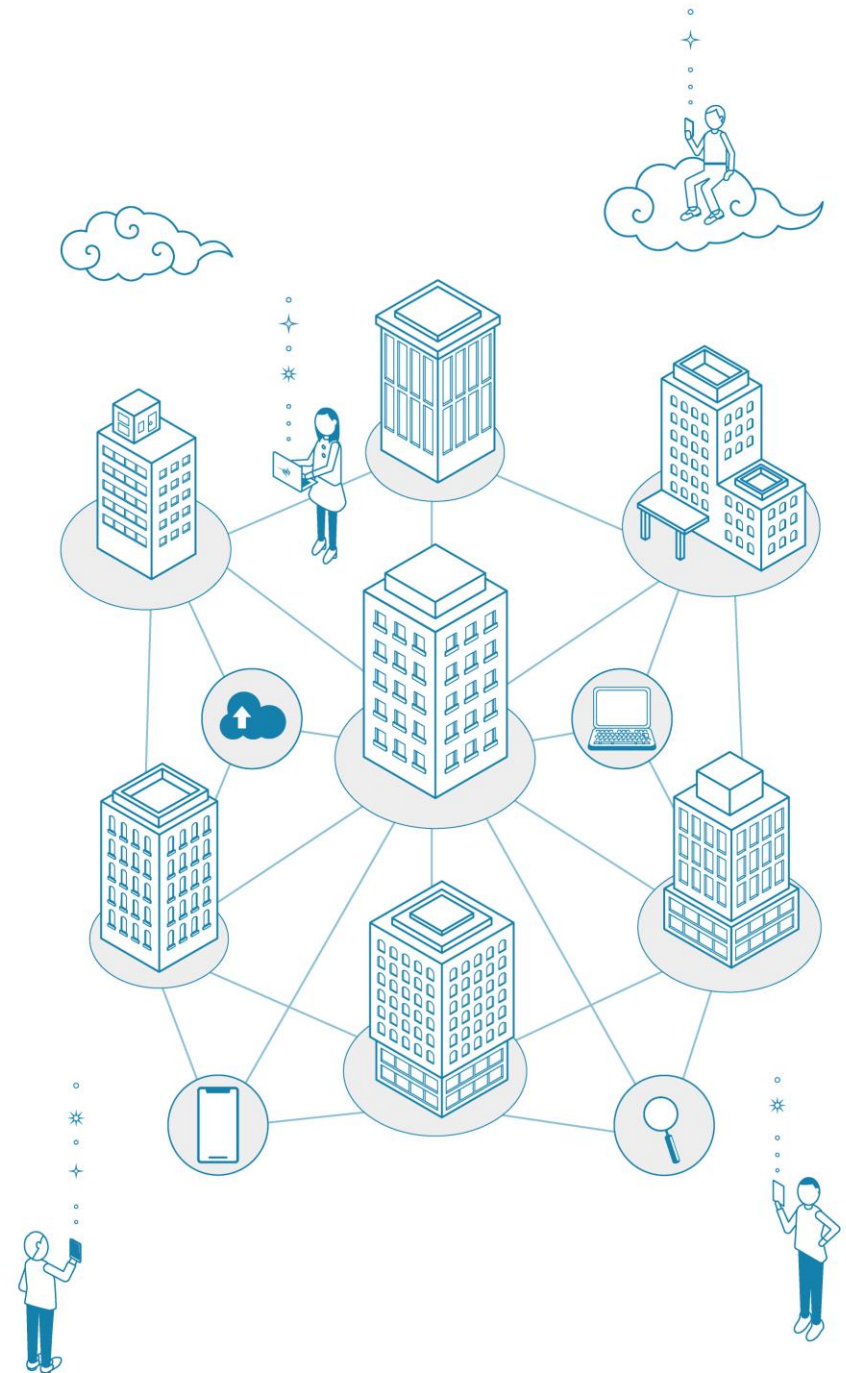
# **Fiscal Year Ended December 31, 2024 Earnings Briefing**

**Loadstar Capital K.K.**

**Securities Code: 3482  
February, 2025**

# Mission

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



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# 1

## Overview of FY2024

# Business Highlights

- Achieved the medium-term management plan targets of 30 billion yen in sales and 10 billion yen in pre-tax profit.
- Achieved 12 consecutive fiscal years of revenue and profit growth since the company's founding.

## Performance

All business segments recorded their highest ever net sales, and the balance of real estate as inventory also exceeded the target figure of 75 billion yen.

## Progress

### Corporate Funding Business :

Expanded hotel investments, and significantly increased real estate as inventory

### Asset Management Business :

Successfully increased AUM by record number of transactions.

### Crowdfunding Business :

Achieved the record number of transactions and record fundraising amount.

## Markets

The real estate market remains solid, supported by strong hotel demand, recovery in the office market, and robust investment appetite from domestic investors

	(billions of yen)	% Y-o-Y
Net sales	34.4	+19.8%
Operating profit	11.4	+38.8%
Profit before tax	10.0	+40.6%
Profit	6.8	+40.7%
Real estate as inventory	81.5	Change (%) from the prev. year-end +47.9%
ROE	31.2%	
Dividend (yen)	70.0	Dividend payout ratio 17%

## 1. Acquisition of six 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. Building up properties as a management foundation.

Despite the challenging acquisition environment for hotels, which are resilient to inflation and benefit from overseas demand, we successfully acquired 10 properties by leveraging our strengths. With plans to relax visa requirements for Chinese tourists visiting Japan, we expect further contributions to our revenue.

## 3. OwnersBook: 10th anniversary of service launch & total investment amount exceeded 50 billion yen

Japan's first real estate-focused crowdfunding platform, OwnersBook, has reached its 10th anniversary since its launch, with total investments exceeding 50 billion yen. The total amount of dividends paid to investors, mainly individuals, has also surpassed 2 billion yen.

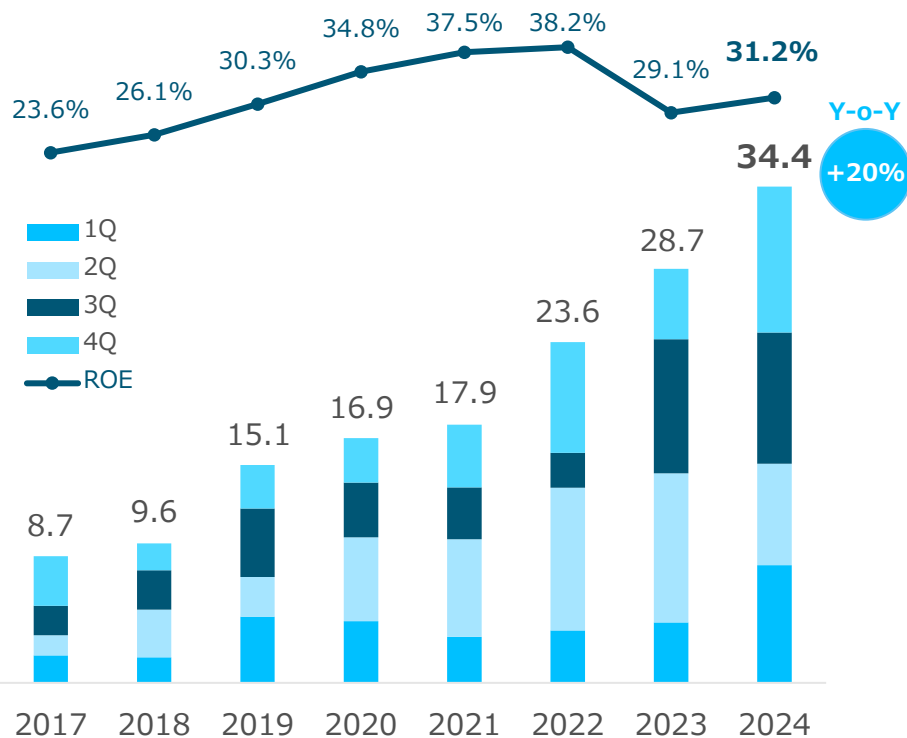


 OwnersBook

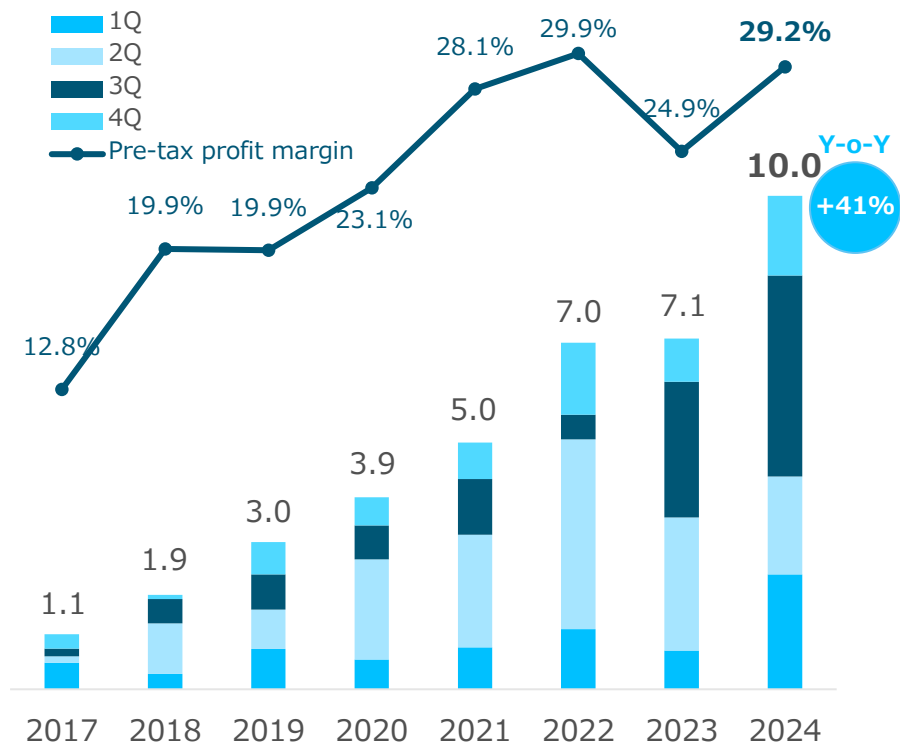


- All businesses progressed favorably, with consolidated net sales reaching 34.4 billion yen (up 20% year-on-year) and consolidated pre-tax profit reaching 10 billion yen (up 41% year-on-year), marking the 12th consecutive fiscal year of revenue and profit growth. Additionally, we achieved the medium-term management plan targets of 30 billion yen in sales and 10 billion yen in pre-tax profit.
- ROE was 31.2%, also achieving the target of over 30% set in the medium-term management plan.
- The compound annual growth rate (CAGR) of consolidated profit before tax since the IPO was 37%.

## Consolidated Sales (billions of yen)



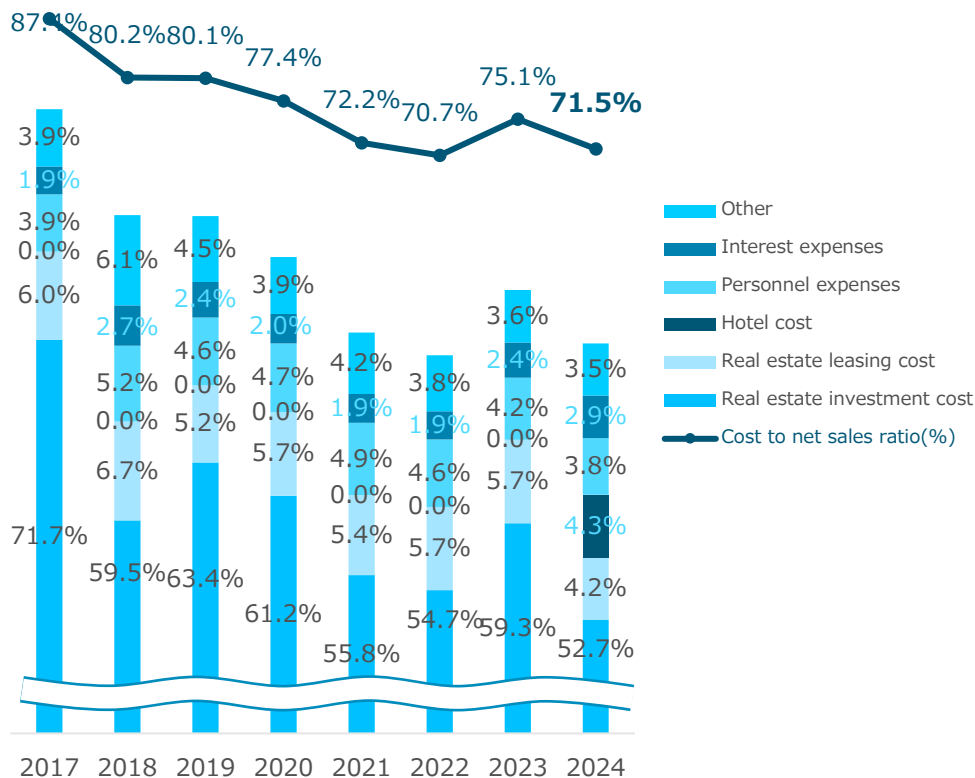
## Consolidated Profit before income taxes (billions of yen)



# Cost Control and Human Capital Investment

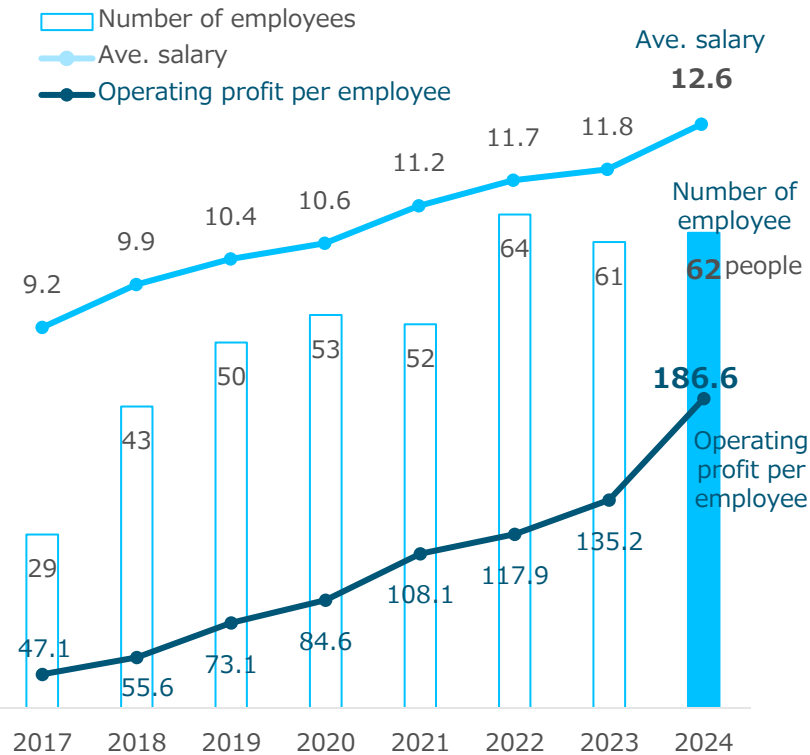
- Continue appropriate cost management with a focus on cost-effectiveness. For the time being, we do not anticipate a significant increase in costs.
- We prioritize 'investment in people' and strive to provide appropriate compensation based on performance and a work environment where each officer and employee can grow. As a result, this has led to an increase in operating profit per employee.

## Cost structure (Ratio to net sales)



## Human Capital Investment

(millions of yen)



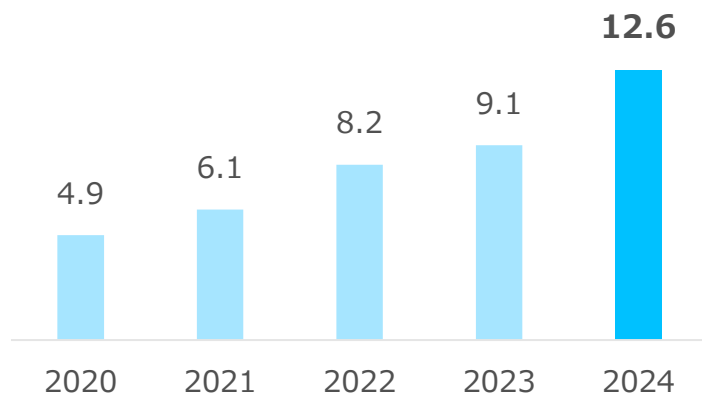


# Consolidated Statements of Income

- As a result of appropriate budget control, profits were achieved largely as planned.
- Along with revenue and profit growth since the company's founding, EBITDA and EPS have also increased.

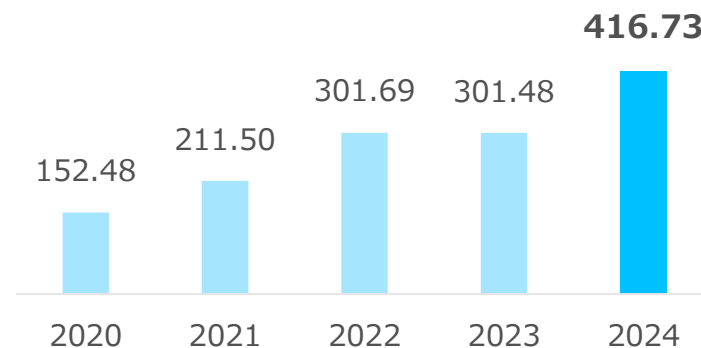
(billions of yen)	FY2024 Results				FY2023 Results	
	Amount	% of Net sales	% Y-o-Y	Progress vs. original forecast	Amount	% of Net sales
<b>Net sales</b>	<b>34.4</b>	100.0%	119.8%	91.4%	28.7	100.0%
Gross Profit	13.3	38.8%	132.6%	98.4%	10.0	35.1%
SG&A expenses	1.9	5.5%	104.5%	95.1%	1.8	6.3%
<b>Operating Profit</b>	<b>11.4</b>	33.3%	138.8%	99.0%	8.2	28.7%
<b>Profit before income taxes</b>	<b>10.0</b>	29.2%	140.6%	99.7%	7.1	24.9%
<b>Profit</b>	<b>6.8</b>	20.0%	140.7%	99.7%	4.8	17.0%

**EBITDA** (billions of yen)



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

**EPS** (yen)



EPS (Earnings per share) ※ Excluding treasury stock

# Consolidated Balance Sheet

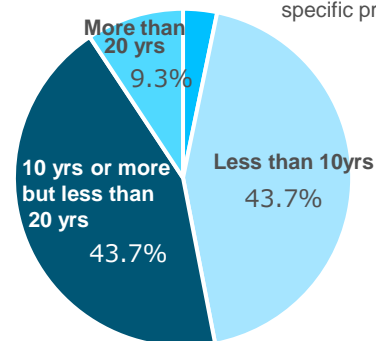
- The annual acquisition amount of real estate as inventory reached a record high, and the balance of real estate as inventory rose to an all-time high of 81.5 billion yen.
- With ample liquidity on hand, we will continue to make aggressive growth investments in fiscal year 2025.

(billions of yen)	As of December 31, 2024		
	Amount	% of total	% vs. Dec. 31, 2023
Current assets	105.9	98.6%	141.7%
Cash and deposits	12.6	11.8%	106.1%
<b>Operating loans</b>	<b>9.7</b>	9.1%	141.0%
<b>Real estate as inventory</b>	<b>81.5</b>	75.9%	147.9%
Liabilities	81.7	76.1%	145.5%
Interest-bearing debt	62.7	58.4%	149.9%
<b>Deposits from tokumei kumiai (silent partnerships)</b>	<b>11.4</b>	10.7%	139.9%
Net assets	25.6	23.9%	132.9%
Total liabilities and net assets	107.4	100.0%	142.3%

- 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

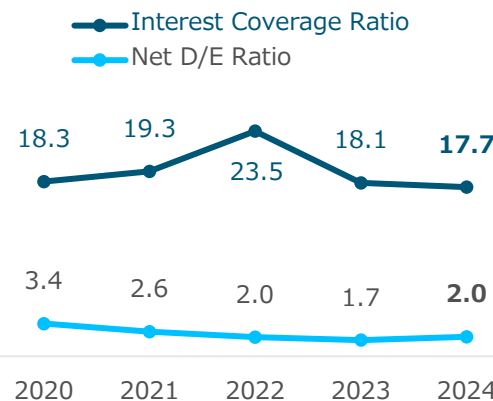
Less than 5 yrs 3.2% (Working capital not tied to specific properties)



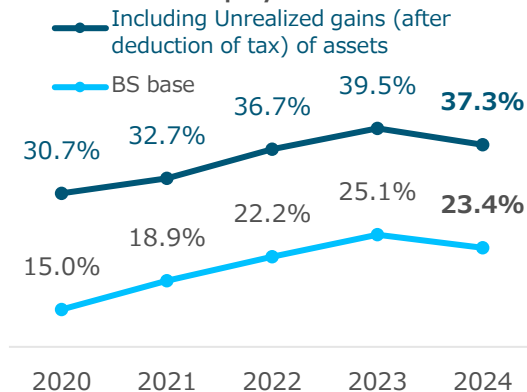
\* The proportion of loans with terms less than 10 years has increased due to the Hiramatsu Hotels project financed by non-recourse loans

## Safety Indicators

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



## Equity Ratio



# Consolidated Statements of Cash Flows

- CF from operating activities was negative due to the increasing balance of real estate as inventory. However, we are appropriately managing cash and the cash position is robust.
- CF from financing activities has also remained stable due to the good relationships we have built with the financial institutions.

(billions of yen)	FY2024	FY2023
<b>CF from operating activities</b>	△18.6	△0
Profit before income taxes	10.0	7.1
Decrease (increase) in operating loans receivable	△2.8	1.4
Decrease (increase) in Real estate as inventory	△27.3	△8.6
Increase (decrease) in deposits received from Tokumei Kumiai investors	3.2	△0
Increase (decrease) in deposits received	△0	0
<b>CF from investing activities</b>	△0	△0
<b>CF from financing activities</b>	<b>19.8</b>	3.3
Net increase (decrease) in borrowings	20.9	4.0
Net increase (decrease) in cash and cash equivalents	0	2.5
Cash and cash equivalents at beginning of period	11.9	9.4
<b>Cash and cash equivalents at end of period</b>	<b>12.6</b>	11.9

◆ 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.

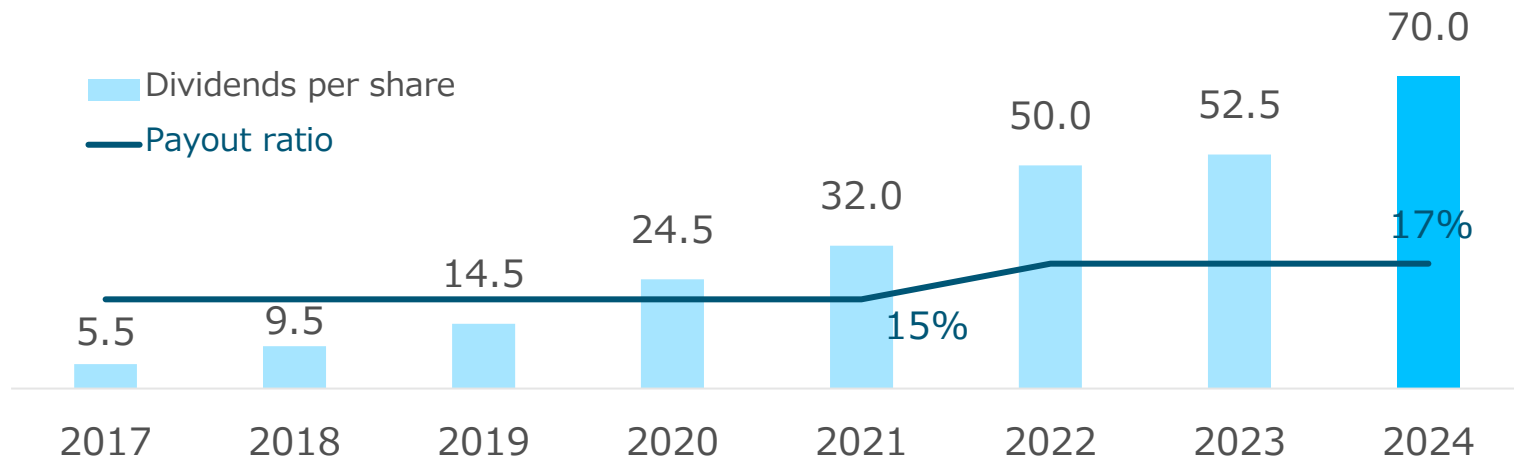
◆ This cash outflow is covered by profits and financing, which is a normal CF found in real estate companies.

## Basic Policy

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

## Dividend Policy

- We will provide stable and continuous dividends. The dividend payout ratio for the fiscal year ending December 2024 is 17%.



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

## Shareholder Benefits

- We 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.

# 2

## 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.

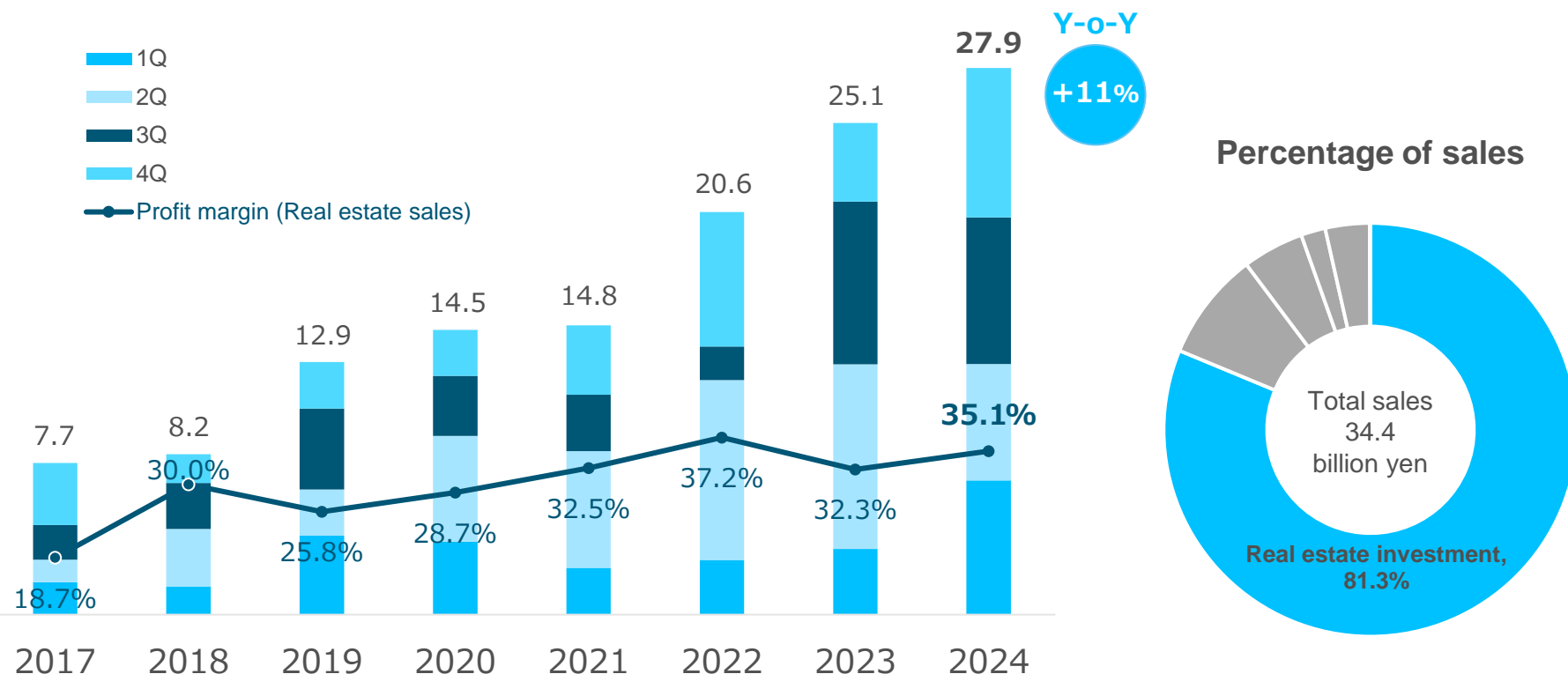


# Corporate Funding Business Results

## 【Real Estate Investment】

- As a result of the sale of 8 properties, net sales increased by 11% y-o-y to 27.9 billion yen.
- The trend of workers returning to offices became clear, and investment demand, mainly from domestic institutional investors and business corporations, remained solid, resulting in a stable real estate market.

### Net Sales (Real estate investment) (billions of yen)

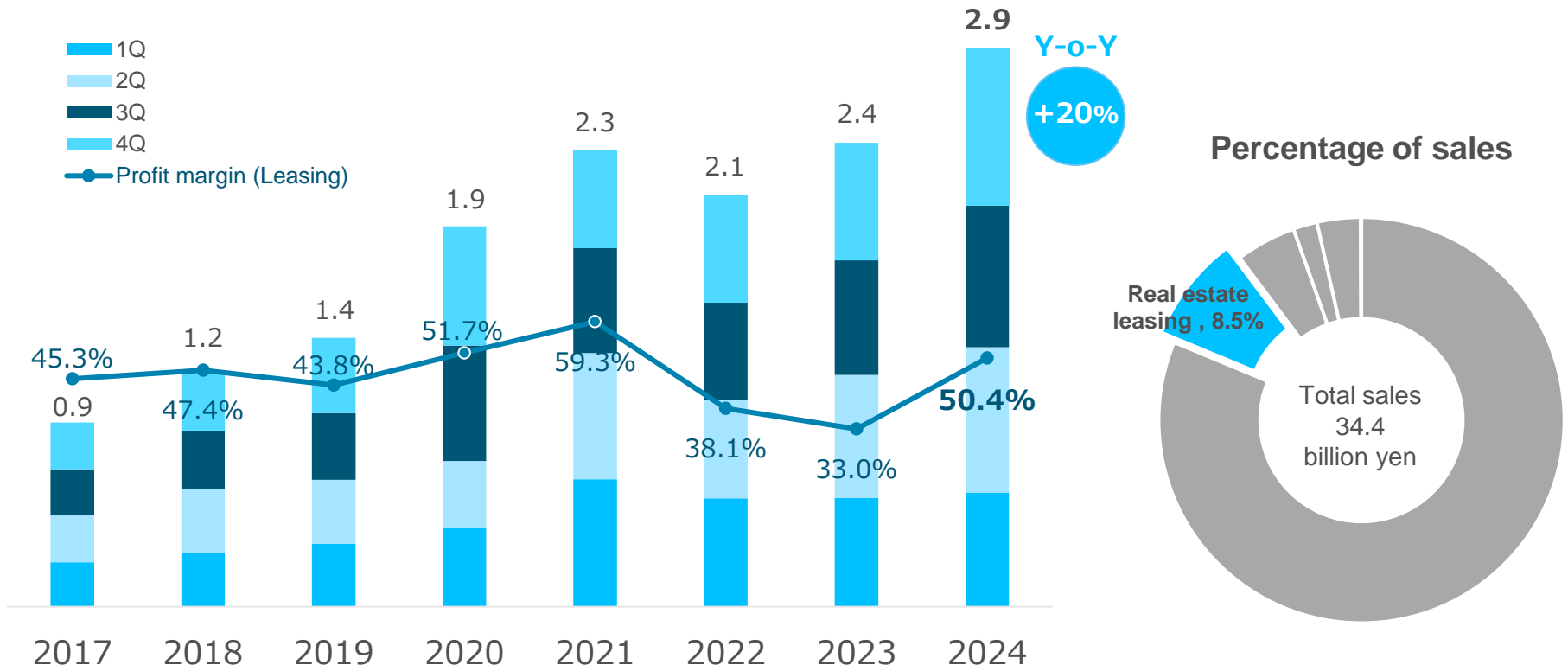


# Corporate Funding Business Results

## 【Real Estate Leasing】

- Hotels performed well and offices remained steady, resulting in net sales of 2.9 billion yen, up 20% year on year.
- Similarly, the rental profit margin has also improved significantly.

### Net Sales (Real estate leasing) (billions of yen)



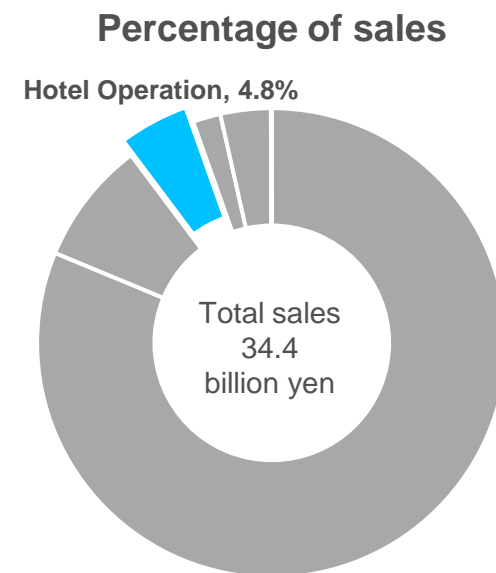
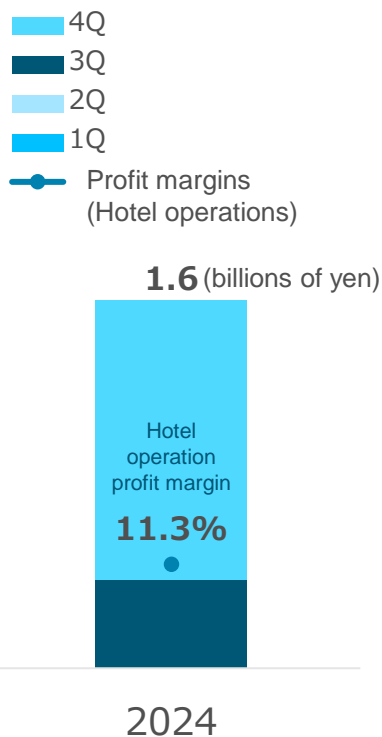


# Corporate Funding Business Results

## 【Hotel Operations】

- The Corporate Funding Business (Hotel Operations) records operating revenues from six luxury resort hotels acquired from Hiramatsu.
- Hotel operation revenue was 1.65 billion yen, and hotel operation costs were 1.46 billion yen (including approximately 230 million yen in depreciation expenses).
- Since the net sales from hotel operations are recorded in the financial results with a two-month delay, four months' worth of revenue from July to October is included for this year.

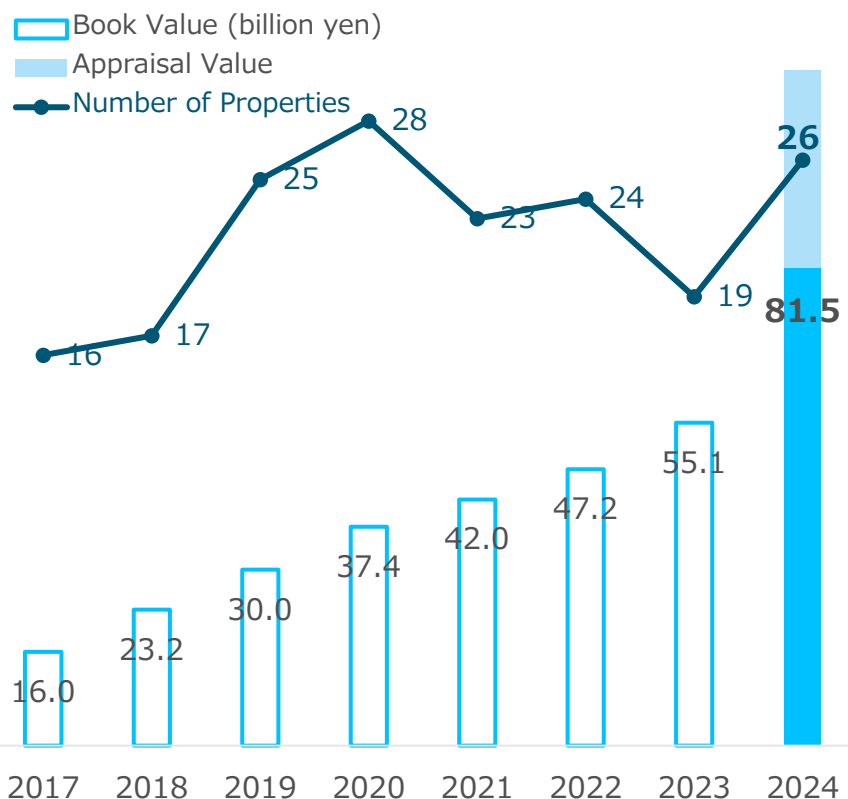
## Net Sales (Hotel Operation)



# Corporate Funding Business Results

- Focusing on hotel investments in response to overseas demand and inflationary environment, the balance of real estate as inventory reached its highest level ever.
- The unrealized gain, which is the difference between the book value and the external appraisal value (real estate appraisal value, including some values based on survey reports, etc.), is approximately 34 billion yen (before tax deduction).
- As offices are showing good value, we will continue to invest aggressively, primarily in office properties.

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



CORNES HOUSE II



GRACE KOJIMACHI



THE HIRAMATSU Karuizawa Miyota



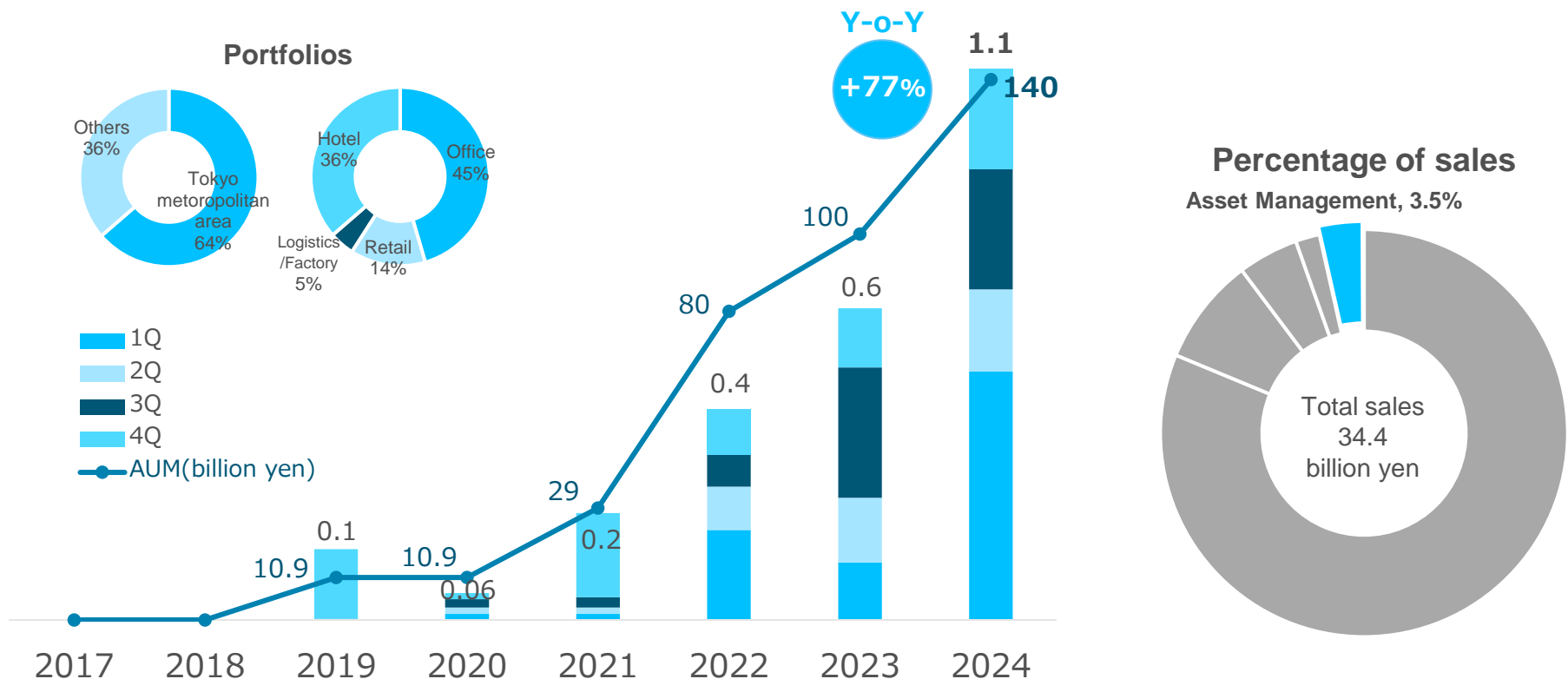
Main Purpose	Office	Logistics	Retail	Residence	Hotel
Five wards in central Tokyo	10	-	-	-	3
Other wards	1	-	1	1	2
Outside of Tokyo	-	-	-	-	8

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

# Asset Management Business Results

- The strengthened AM business has shown results, with the largest number of acquisition and sales transactions ever. We also received mandates from new investors and performed our first hotel project as part of the AM business.
- As a result, AUM increased by 40% from the end of the previous fiscal year to 140 billion yen, and AM fees increased by 77% year-on-year to 1.1 billion yen, both reaching record highs.

## Net Sales and AUM (billions of yen)



## 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



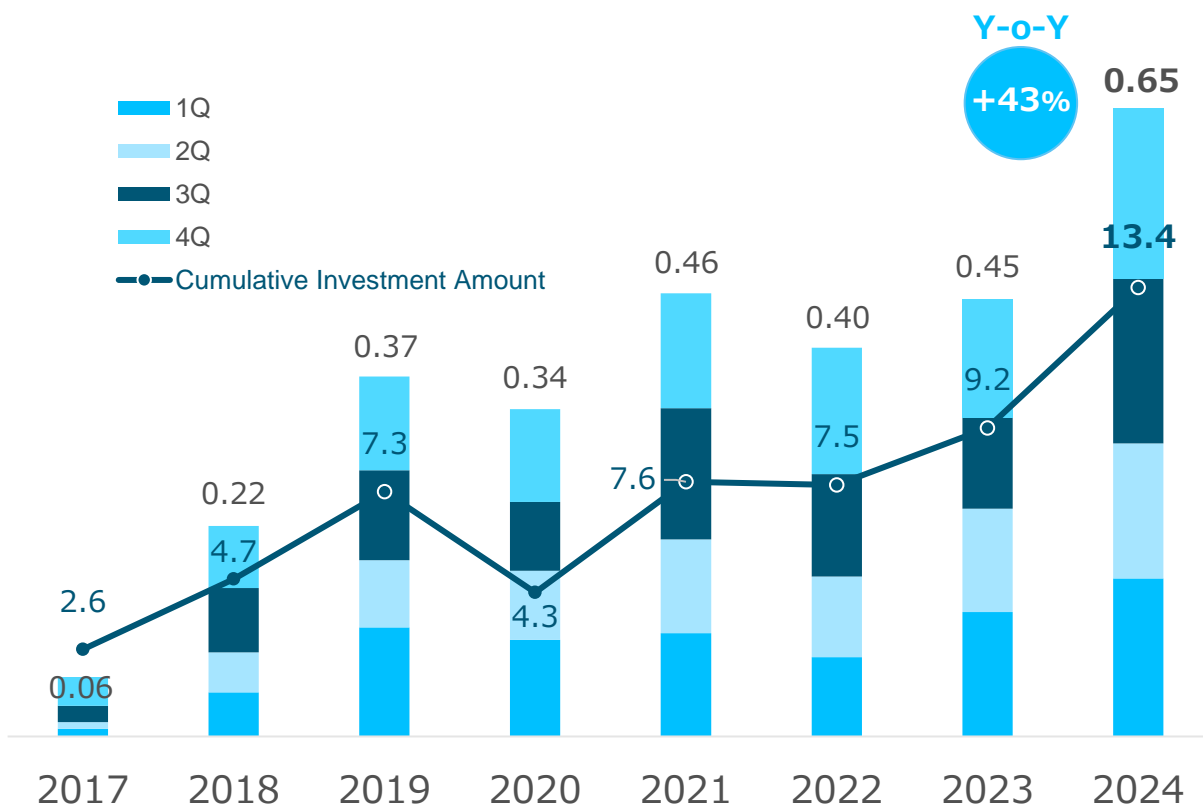
Japan's first real estate crowdfunding business.



# Crowdfunding Business Results

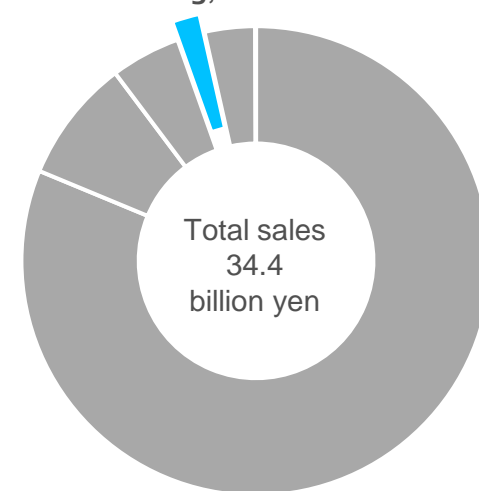
- OwnersBook marked its 10th anniversary since launch and achieved its highest annual investment amount (13.4 billion yen).
- By building trusted services and focusing on improving satisfaction of existing investors, the high demand situation continues.
- As a result, net sales increased by 43% y-o-y to 0.65 billion yen, and operating loans increased by 41% from the end of the previous fiscal year to 9.7 billion yen, both reaching record highs.

## Net Sales and Operating Loans Receivables (billions of yen)



## Percentage of sales

Crowdfunding, 2%



# 3

## Business Plan for FY 2025

# Forecasts for FY2025

- Revenue to increase by 39%, profit before tax to increase by 11%, and a dividend per share of 83 yen is planned, an increase of 18%.
- We aim to achieve the 13th consecutive fiscal year of revenue and profit growth since our founding.
- European and American investors have resumed investing, and the real estate market is expected to continue on an upward trend.

(billions of yen)	FY2025 (Forecast)			FY2024 (Result)	
	Amount	% of Net Sales	% Y-o-Y	Amount	% of Net sales
<b>Net sales</b>	<b>47.9</b>	100.0%	139.2%	<b>34.4</b>	100.0%
Gross profit	15.4	32.2%	115.5%	13.3	38.8%
SG&A expenses	2.2	4.6%	115.8%	1.9	5.5%
<b>Operating profit</b>	<b>13.2</b>	27.6%	115.5%	<b>11.4</b>	33.3%
<b>Profit before income taxes</b>	<b>11.2</b>	23.4%	111.5%	<b>10.0</b>	29.2%
<b>Profit</b>	<b>7.6</b>	15.9%	111.2%	<b>6.8</b>	20.0%

## Overall Outlook

- In the global city investment ranking for Q1-Q3 2024, Tokyo secured the top position. Osaka also maintained its place within the top 20. ( Reference : JLL Investment Market Summary Q3 2024)
- With the relaxation of Japanese visas for Chinese visitors, it is expected that inbound demand and demand for hotels will increase further.
- Office vacancy rate is decreasing and rents are trending upward. As the reevaluation of office spaces progresses, there is a high possibility that the office market may overheat.

## Interest rate

- Although the Bank of Japan has decided on an additional interest rate hike, this has already been factored into our business plan.
- We have purchased interest rate swap contracts in previous 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 action

- 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.



# 4

## Our Strengths and Characteristics

## ■ Why are we targeting mid-sized offices in the Tokyo's 23 wards for investment?

### Office conditions for small and medium-sized enterprises (SMEs)

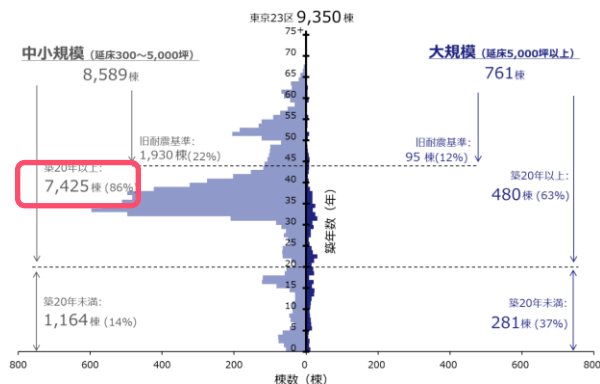
- 99% of the companies in Tokyo are SMEs
- SMEs have lower teleworking rates than large enterprises and need office spaces, yet many of these offices are old and not properly managed (86% of these office buildings are over 20 years old).

### New supply of mid-sized buildings

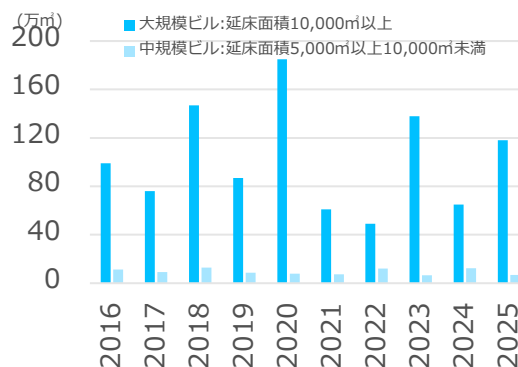
New supply is limited from a profitability perspective due to soaring land and resource prices.

### Positioning

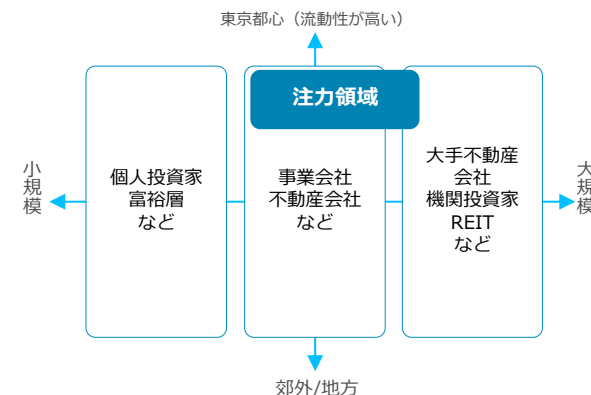
- Mid-sized buildings are less likely to compete with the wealthy, REITs, etc. due to their financing power and cost-effectiveness.
- Tokyo's central area, with its high liquidity, is also a target for global investment, enabling us to avoid the impact of recessionary waves.
- There is potential for value enhancement, especially for properties owned by operating companies.



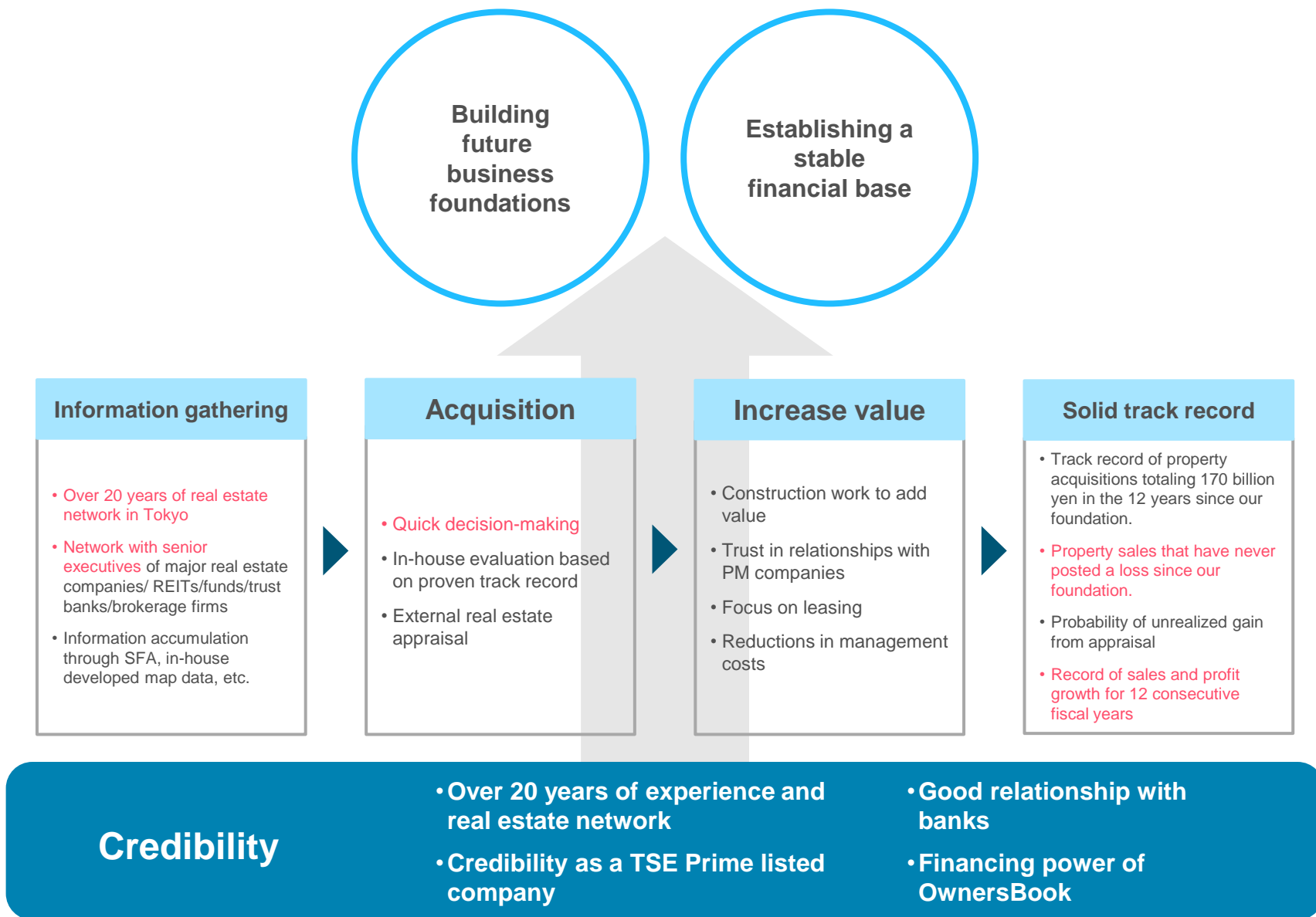
出典：ザイマックス「オフィスピラミッド2025」

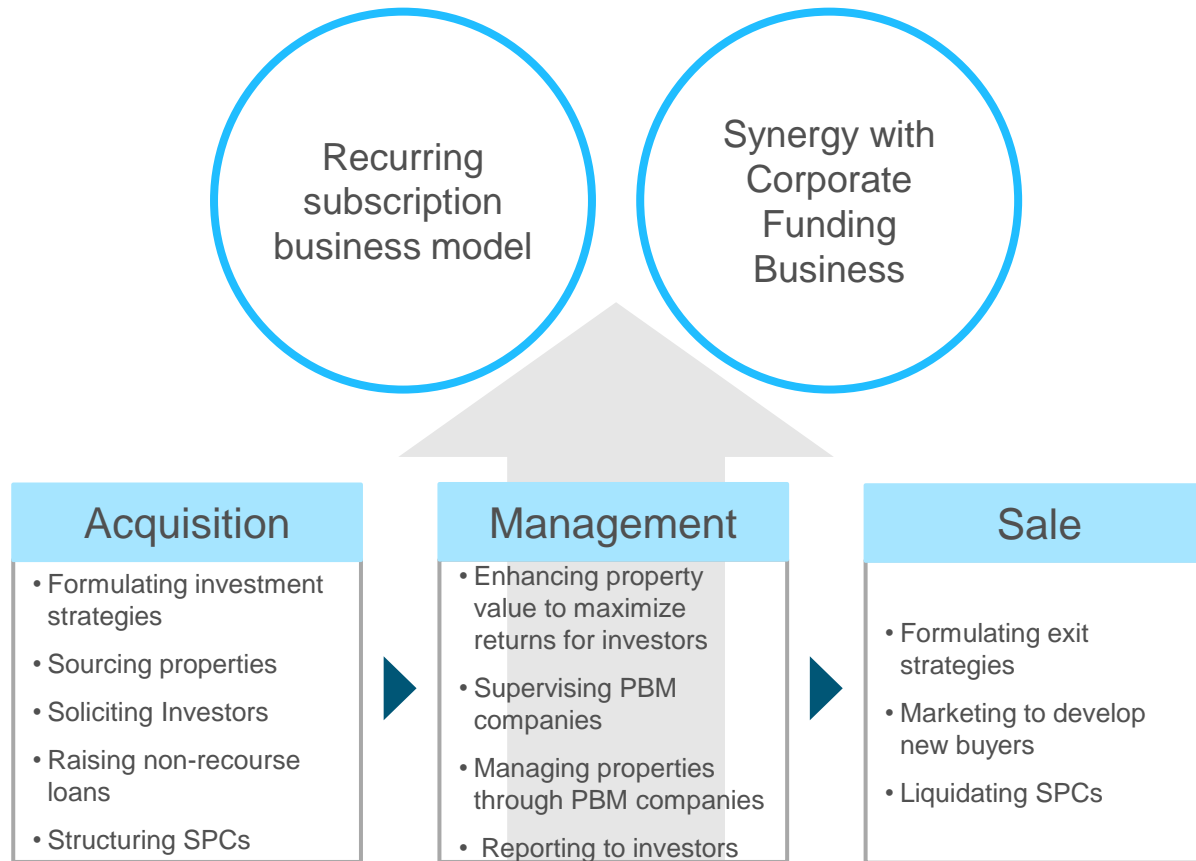


出典：森トラスト「東京23区の大規模オフィスビル供給量調査委'24」より当社作成



We strive to find buildings with value enhancement potential, and to ensure that the buildings are properly evaluated.





## Experties

- Solid relationships with investors
- Expertise in implementing complex schemes
- Capability to propose real estate investment strategies
- Capability to properly manage real estate

# Crowdfunding Market and Growth Potential

- Market is expected to continue to grow as the number of lending-type/FTK crowdfunding business operators is increasing every year.
- The global market is expected to grow to approx. 124 trillion yen by 2032 (based on the rate as of December 31, 2024). (出典：Polaris Market Research “Real Estate Crowdfunding Market” Jun-2023)

## Japan's crowdfunding market

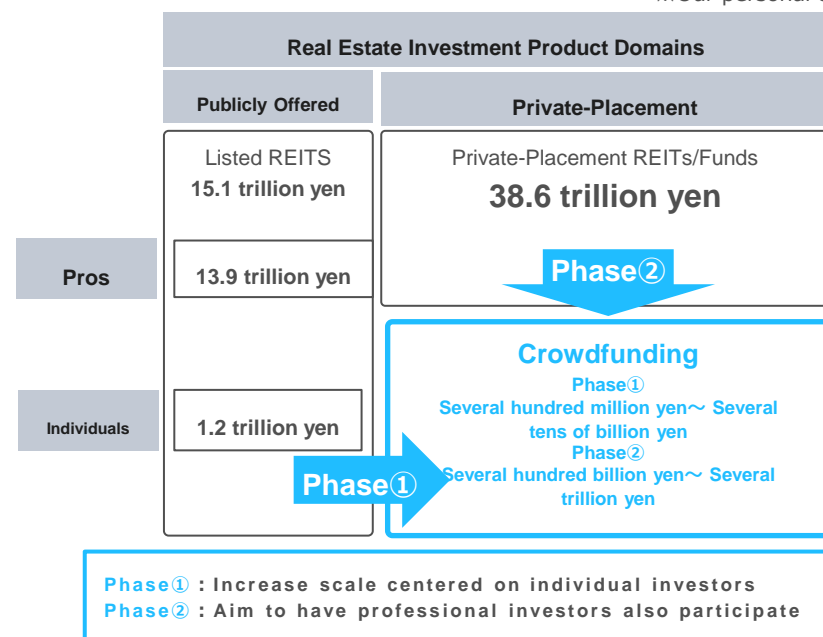
(100 millions of yen)



出典：  
 矢野経済研究所「2022年版国内クラウドファンディングの市場動向」を基に、日本クラウドファンディング協会「クラウドファンディング市場調査報告書」2021年7月9日より型別の割合を加味して当社作成

## Growth Potential of Crowdfunding

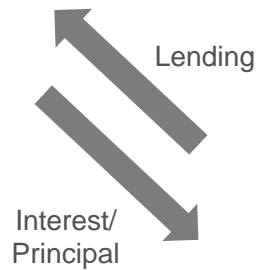
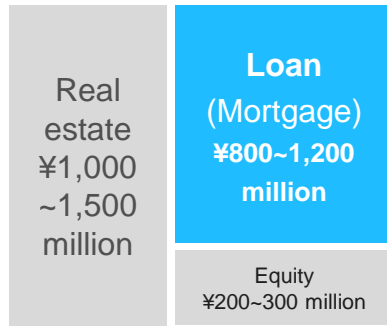
※Our personal opinion



出典：  
 \*1 東京証券取引所 上場不動産投資信託証券(REIT)投資主情報調査結果 <2024年8月>  
 \*2 (株)三井住友トラスト基礎研究所「不動産私募ファンドに関する実態調査 2024年7月」

# OwnersBook Features 1

## Loan-Type



## Loan-Type

Loans secured by real estate

### OwnersBook



Investment

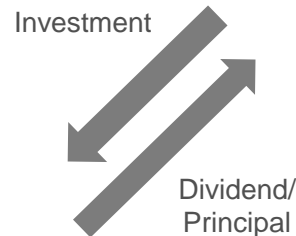
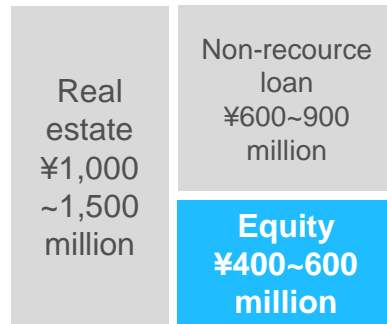


Dividend/  
Principal

Investors



## Equity-Type



## Equity-Type

Open up investment areas, traditionally dominated by institutional investors, to individual investors

Profit Structure	Up-front fee	Asset Management fee	Disposition fee
Loan-Type	Loan amount × 2%	—	—
Equity-Type	Equity amount × 1-2%	AUM × 0.3-1%	Real estate sales price × 1%

\*The above fee structure is subject to change.

## Borrowers' demand



## Investors' demand



### Quick origination

Faster originations than bank loans  
(Minimum 3 weeks)

### Financing collateral capacity

We can provide loans with a 2<sup>nd</sup> mortgage against collateral capacity.

### Evaluation focusing on collateral capacity

Can finance up to about 80% of the appraised value

### Lump-sum principal repayment

Lump-sum Repayment of principal at the final interest payment is available (Advantage in cash flow)

### Small investment amounts

Easy investment from ¥10,000  
All fees are free except for refunds

### Little time & effort is required

No price changes unlike shares & investment trust  
In principle, dividends are paid regularly

### All transactions are secured by real estate (Loan-type)

In-house + external assessment  
Careful selection of transactions by real estate professionals

### Wide range of investors

Wide range of investors in their 20s to 70s  
(Mostly in the 30s to 40s)

# 5

## Company Profile



<b>Company Name</b>	Loadstar Capital K.K.
<b>Address</b>	Prime Ginza Yanagidori Building, 1-9-13 Ginza, Chuo-ku, Tokyo, Japan
<b>Founded</b>	March 14, 2012
<b>Representative</b>	Tatsushi Iwano, President
<b>Number of Directors</b>	7 (including three outside directors)
<b>Number of Officers and Employees</b>	Approx. 80

## Tatsushi Iwano, President

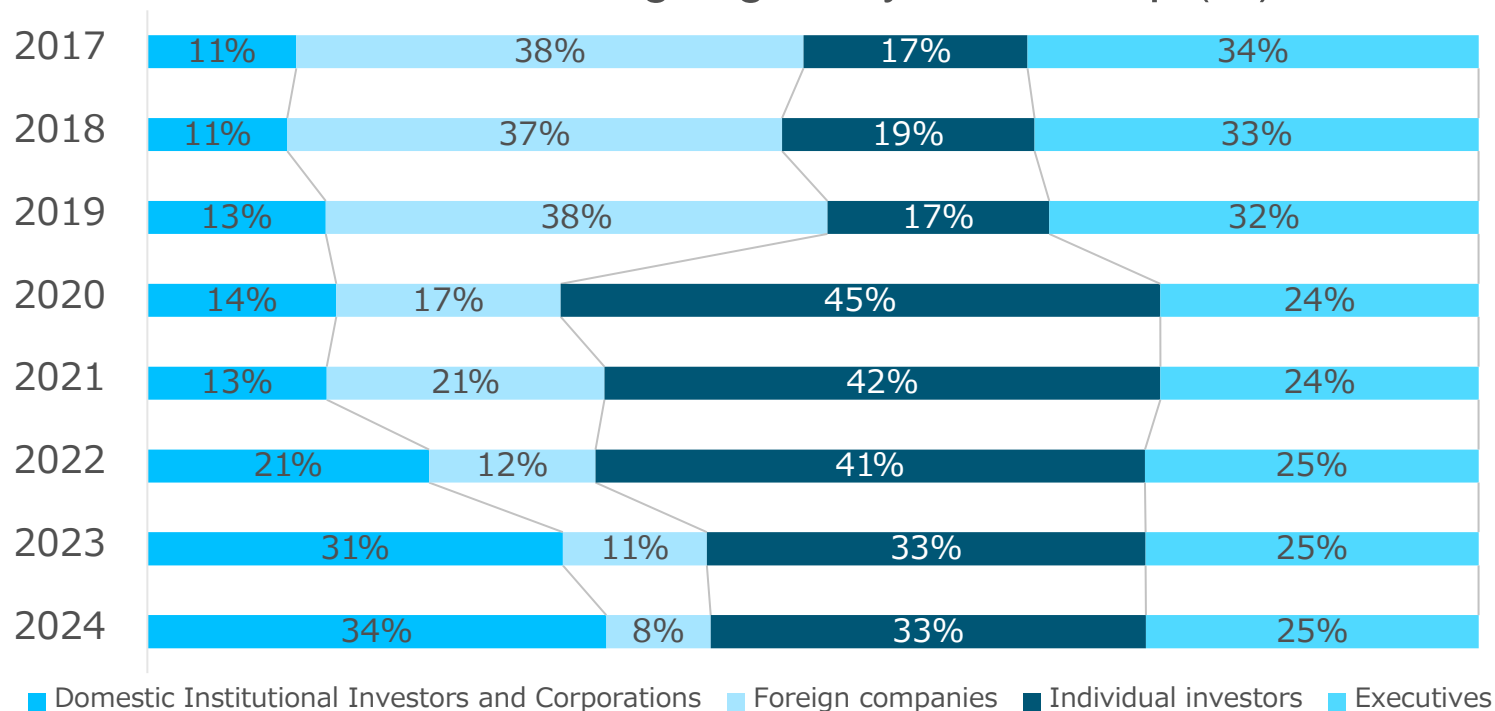


April 1996      Joined Japan Real Estate Institute  
April 2000      Joined Goldman Sachs Realty Japan Ltd.  
August 2004    Joined Rockpoint Management Japan LLC  
March 2012    Founded Loadstar Capital K.K. Assumed office as President (current)  
May 2014      Assumed office as President of Loadstar Funding K.K. (current)  
August 2019    Assumed office as Director of Loadstar Investments K.K. (current)

Certifications: Certified Real Estate Appraiser, Real Estate Transaction Agent

- The ratio of domestic institutional investors has increased due to the increase in market capitalization.
- We performed more interviews with institutional investors.
- We also continue to attend briefings for individual investors, with keeping in mind the stock trading volume.

## Ratio of Voting Rights by Ownership (%)



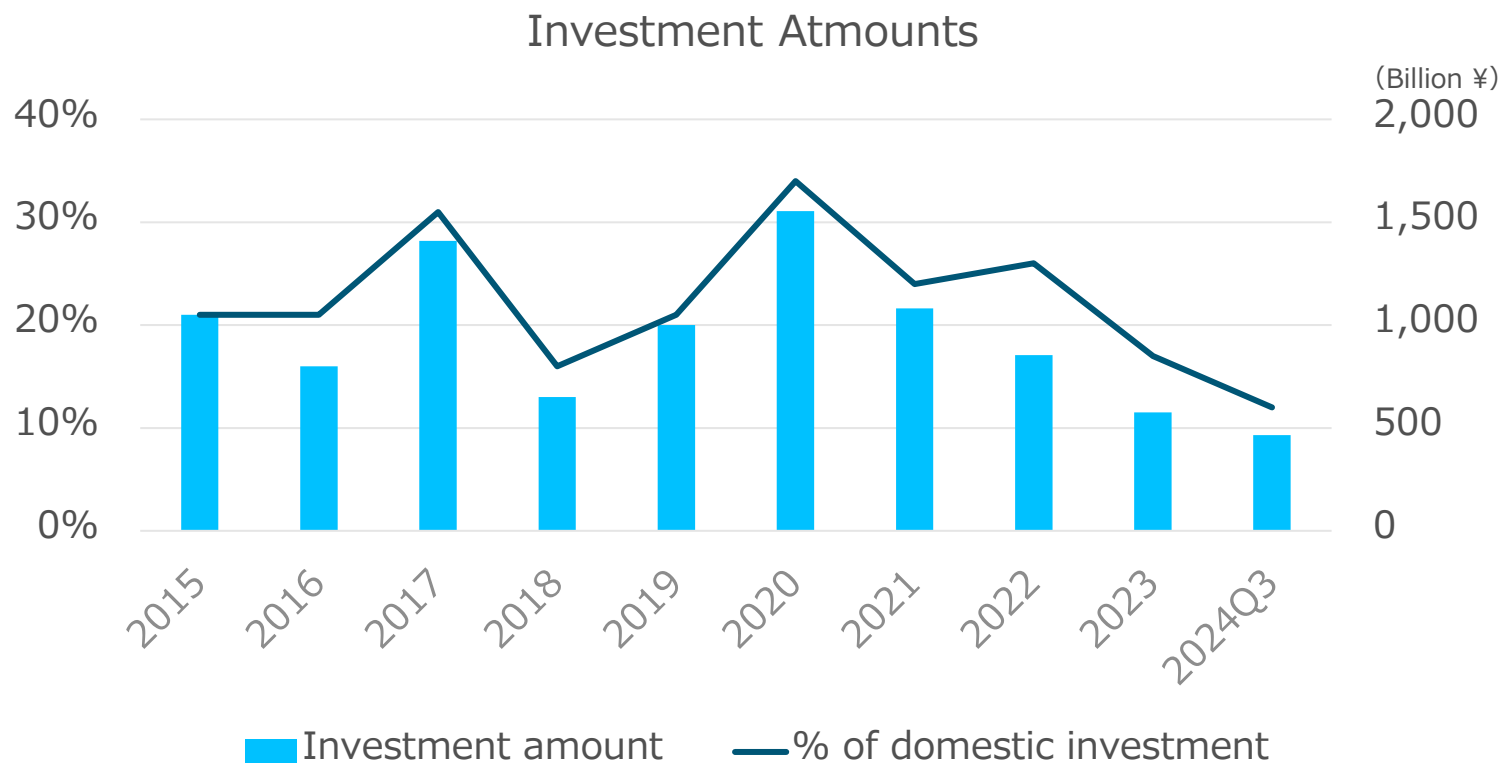
(Note) Calculated excluding treasury stock

# 6

## Real Estate Market Analysis

# Real estate investment from overseas

- There were numerous hotel transactions across Japan, and the real estate investment volume in Japan has increased significantly compared to the same period previous year.
- In 2025, it is expected that there will be continuous active transactions due to recovery of overseas investors' real estate investments and increasing diversification of domestic investors.

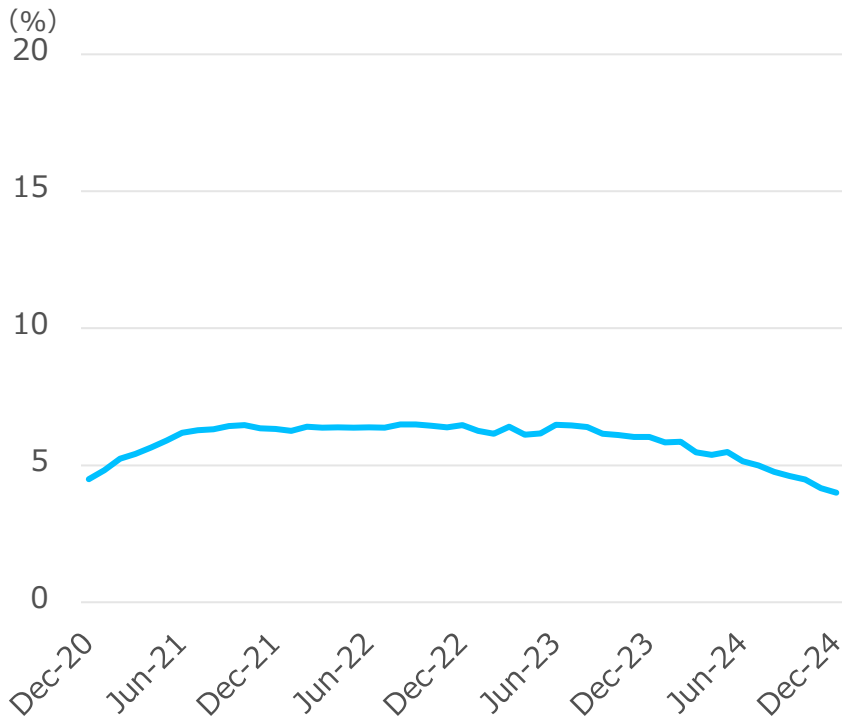


出典 : JLL Japan Capital Flows 2024Q3

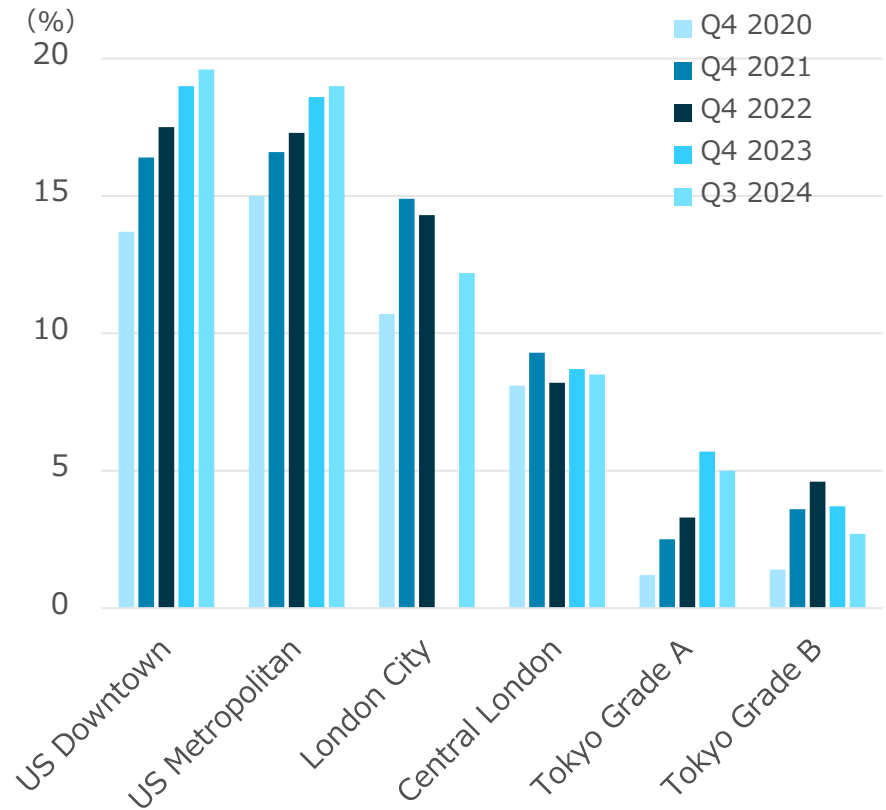
# Vacancy Rates

- The vacancy rate in Tokyo's five central wards is showing a downward trend due to the return to office trend.
- Tokyo's office vacancy rate maintains at a considerably lower level compared to the UK and US.

Overall vacancy rate for Tokyo's 5 major wards



Vacancy rates in Japan, UK, and US



出典：東京ビジネス地区 三鬼商事 オフィスマーケットデータ

日英米の空室率 CBRE U.S. Office Figures Q3 2024, Central London Office Q3 2024, Japan Office MarketView Q3 2024

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