



Loadstar Capital

Medium-Term Management Plan

(FY2025-FY2027)

Loadstar Capital K.K.

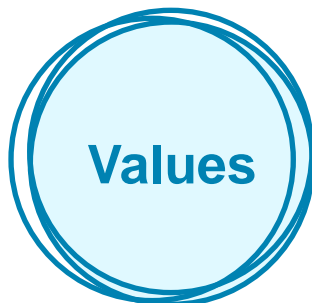
Tokyo Stock Exchange Prime Market : 3482
February, 2025



Real Estate x Tech
to Open Up a New Market



Be Your Loadstar
---- A guidepost in the real estate market ---



Be professional. Maintain a sense of
ownership and high ethical standards.
Grow steadily, and enjoy work.

Basic Policy

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

Environmental Awareness

Population decline and urban areas
Concentration in urban area

Inflationary society

Financial Market Risk

Growing interest in climate change risks

Response Policy

Concentrated investment in Tokyo

Aggressive real estate investment

Appropriate Risk Control

Promoting the use of renewable energy

Business Strategy

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

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

Promoting Sustainability Management

Thorough risk management and utilization of crowdfunding

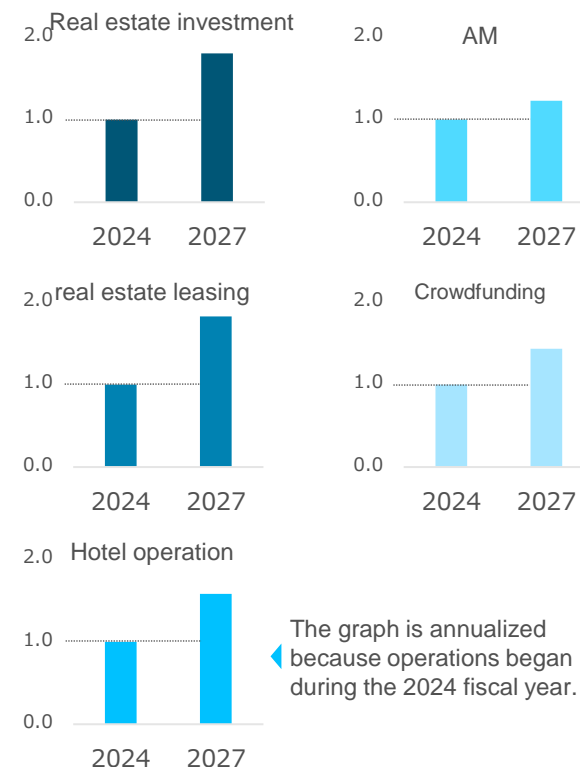
Management Indicators

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

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

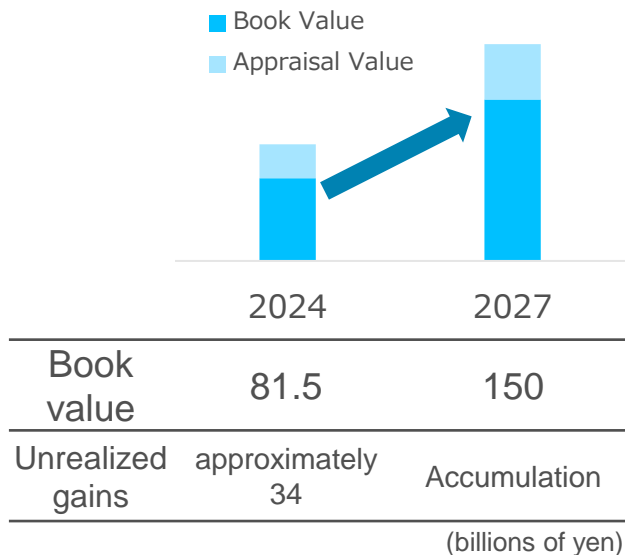
Growth of each business

The sales composition ratio is not expected to change significantly



Corporate Funding Business (Real Estate Investment/Leasing)

Expansion of Real Estate Stock



■ Business Development ■

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

Corporate Funding Business (Hotel Operations)

■ Business Development ■

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

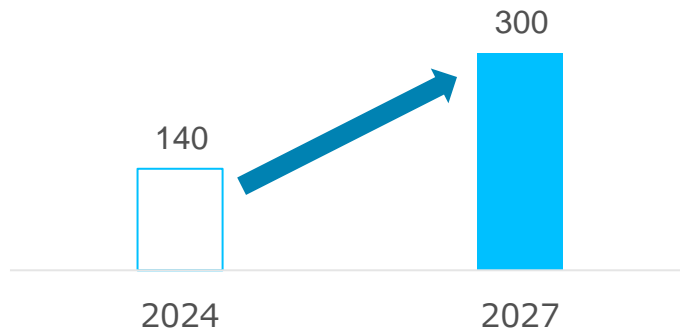
THE HIRAMATSU
KARUIZAWA MIYOTA



Asset Management Business

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

Accumulation of AUM (billions of yen)



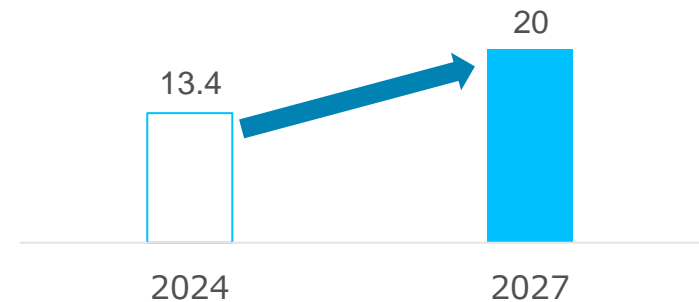
■ Business Development ■

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

Crowdfunding Business

Opening up real estate investment opportunities to individuals

OwnersBook Investment Amount (billions of yen)



■ Business Development ■

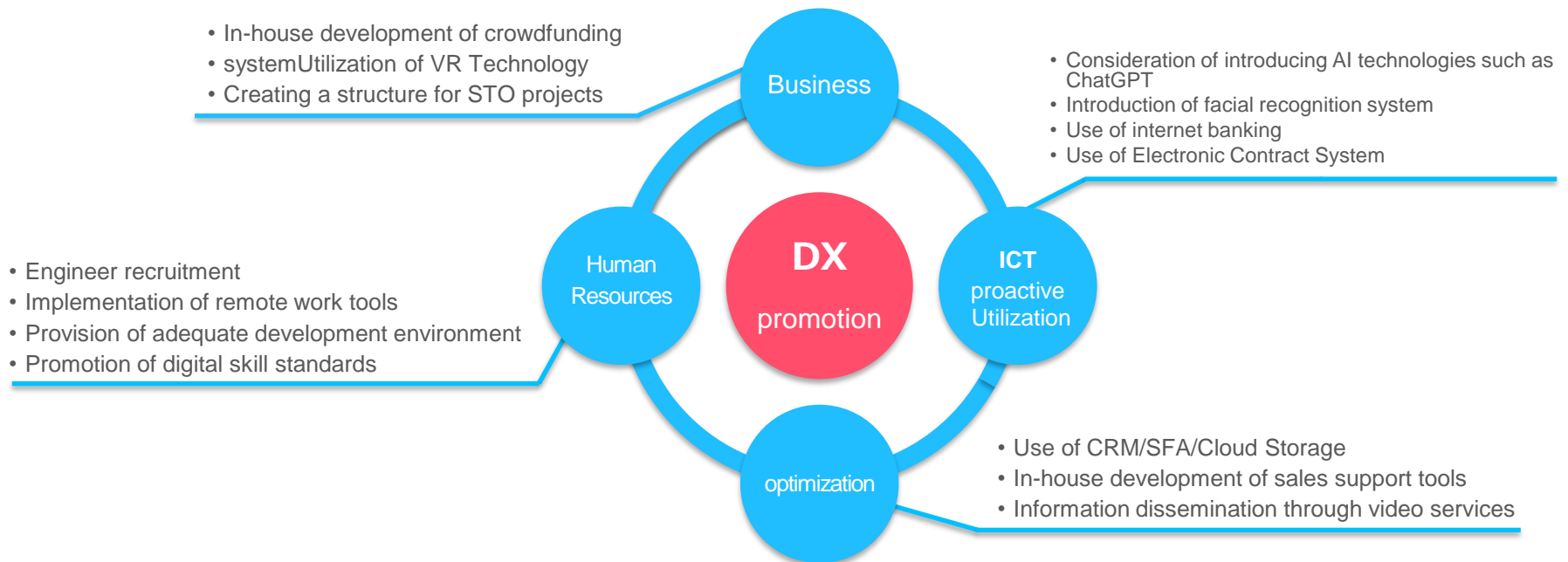
- With further expansion of loan-type projects, we aim to challenge again for an annual investment amount of 20 billion yen
- Resumption of equity-type products
- Launch of STO products

External Growth

Actively explore opportunities for M&A and business alliances that contribute to corporate value.

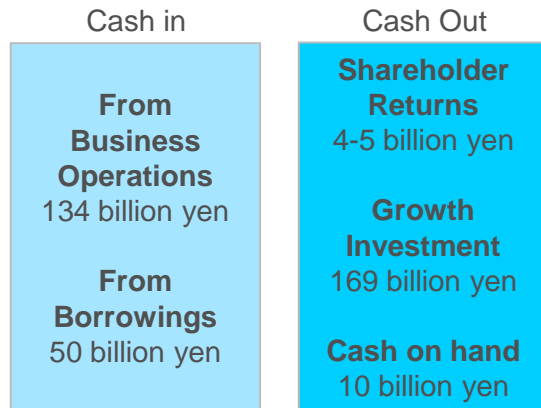
Digital Transformation Strategy

To achieve the vision of 'opening up the real estate investment market to individuals,' we are engaged in research and development of crowdfunding services, while also focusing on promoting and strengthening our internal digital transformation (DX) framework to enhance competitiveness.



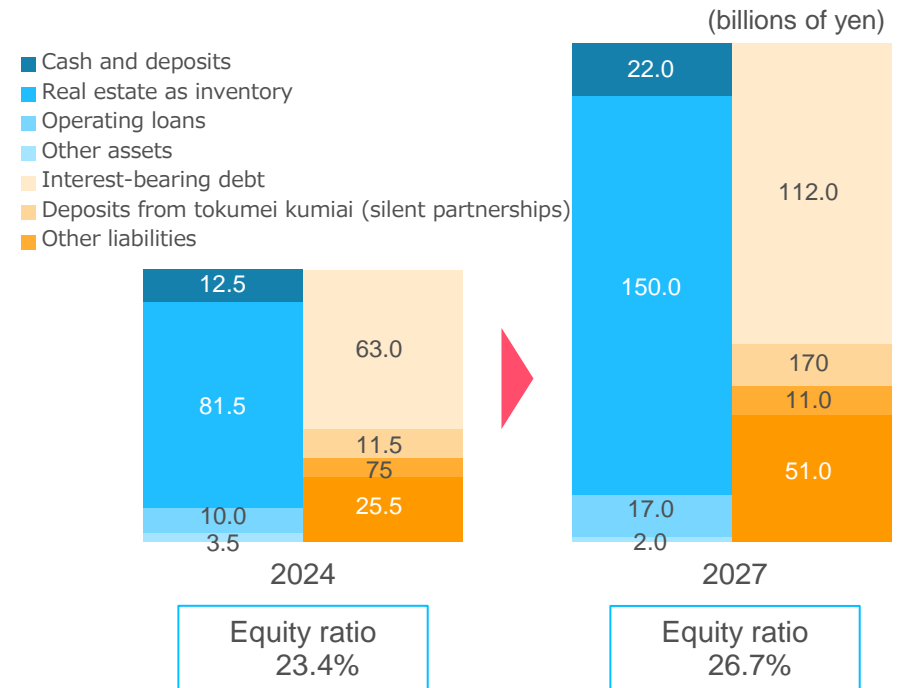
- The majority of cash inflow from operations will be used for growth investments.
- We will accumulate real estate holdings as a future revenue base and expand our balance sheet while maintaining financial discipline.

Capital Allocation



Shareholder Returns	Continue stable dividend payments with a target payout ratio of 18% or higher Share buybacks are not included as they are conducted flexibly.						
Growth Investment	<table border="0"> <tr> <td>Real Estate Investment</td> <td>165 billion yen</td> </tr> <tr> <td>Human Capital Investment</td> <td>2.5 billion yen</td> </tr> <tr> <td>Others</td> <td>1.5 billion yen</td> </tr> </table>	Real Estate Investment	165 billion yen	Human Capital Investment	2.5 billion yen	Others	1.5 billion yen
Real Estate Investment	165 billion yen						
Human Capital Investment	2.5 billion yen						
Others	1.5 billion yen						
Cash on hand	Prepare for business opportunities (such as acquisition of large-scale properties and M&A) and market fluctuation risks						

BS Growth



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

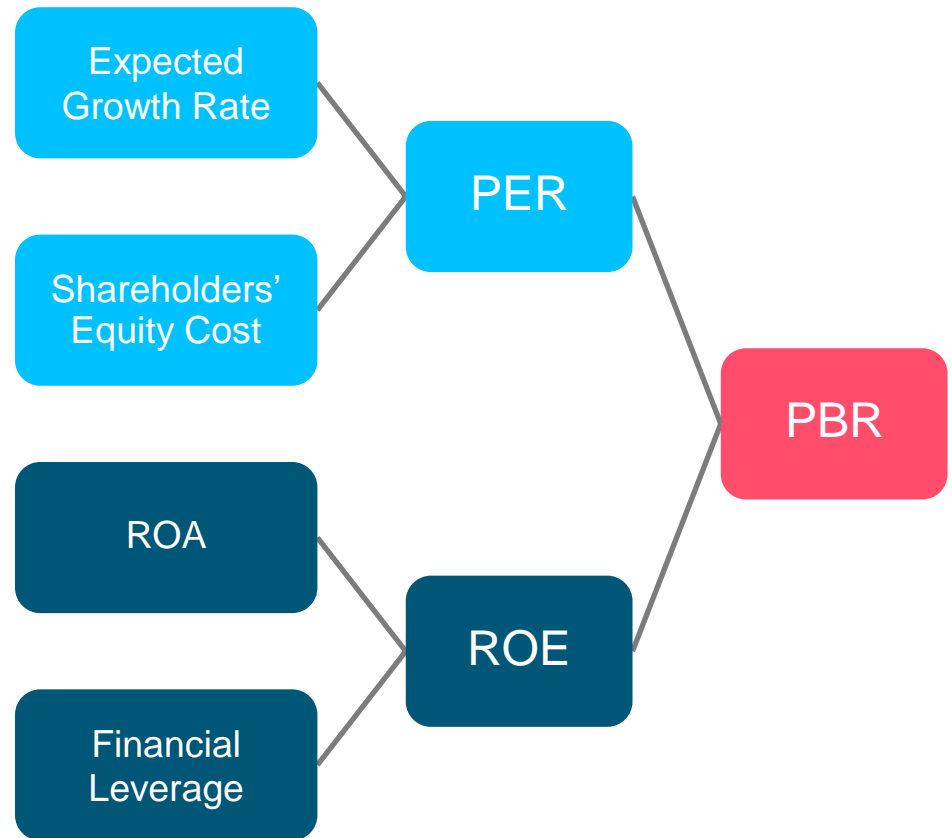
We aim to improve ROE/PER through various measures.

- Enhancement of IR activities
- Strengthening information dissemination

- Reduction of performance volatility
- Strengthening governance

- Discovery of properties with prices deviating from market value
- Growth of Asset Management/Crowdfunding Business
- Human capital investment / incentive design

- Ensuring financial soundness
- Leverage control
- Shareholder returns



Fostering Expectations for Profit Growth

Current Situation Assessment	While investors have given a certain level of recognition for our high profitability, it is difficult to say that there are high expectations for future growth.
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- **Formulation and execution of growth strategies**

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

- **Proactive IR activities**

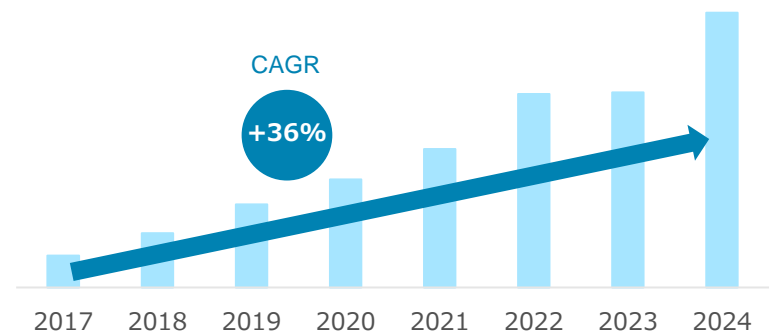
- Strengthening relationships with institutional investors (meetings with outside directors can be arranged if requested by investors)
- Participation in briefing sessions for individual investors
- Monitoring of IR activities by the board of directors

Reduction of performance volatility

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

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

Trend in Net Income



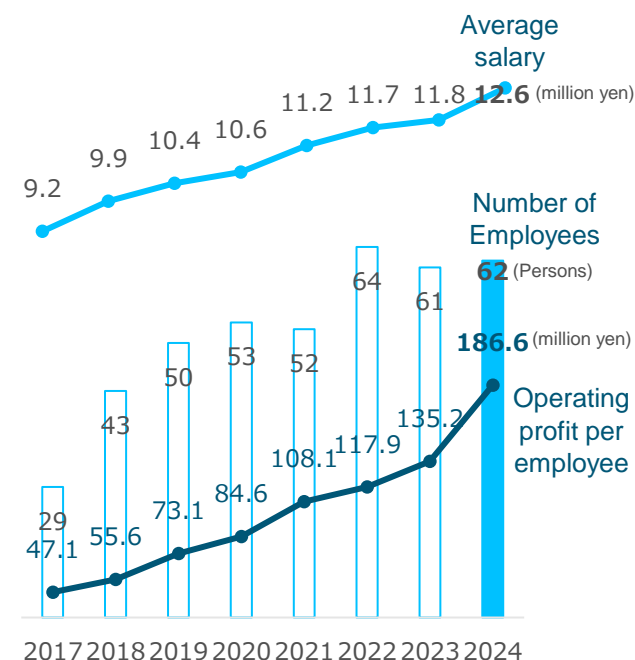
Stable growth unaffected by the COVID-19 pandemic

Directors' compensation system

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

Incentive design for employees

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

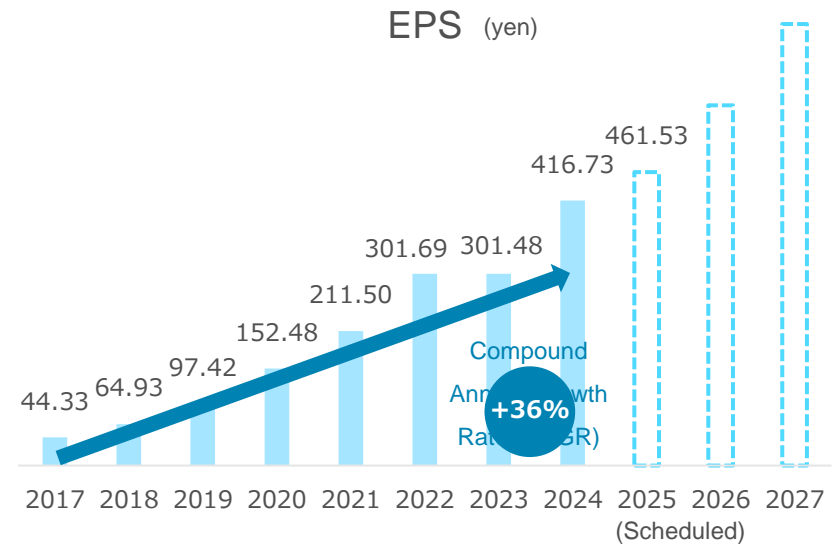
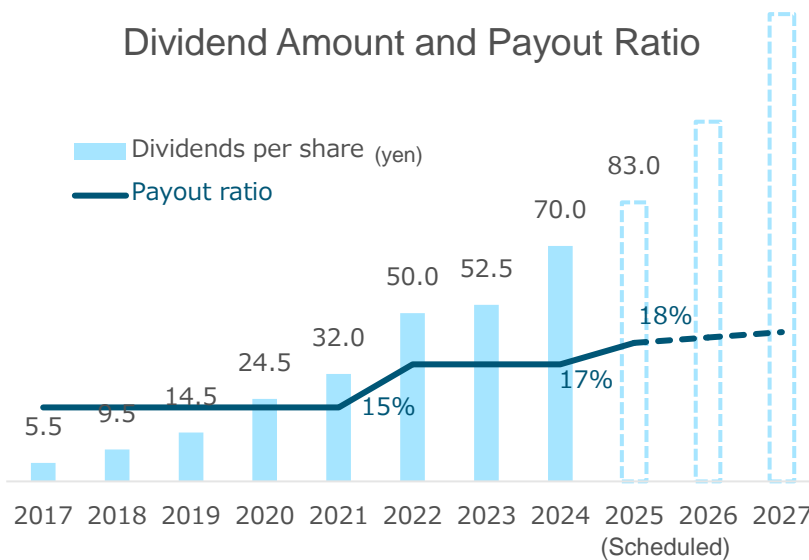


Basic Policy

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

Dividend Policy

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



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

1. Strengthening Governance

Initiatives to Date

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



Strengthening of Corporate Governance Structure

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

2. Promoting Sustainability Management

Initiatives

KPIs

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

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

Recognized Risks	Business may be affected	Probability	Impact if materialized	Countermeasures
Business performance being affected by market fluctuations	All businesses	Medium	High	We maximize our risk avoidance potential by focusing primarily on Tokyo, which has the highest liquidity in Japan, while closely monitoring economic conditions, including interest rate trends and inbound tourism demand.
Failure to secure excellent human resources to support the sustainable growth of the Group	All businesses	Low	Low	In addition to strengthening recruitment efforts, we will strive to make an corporate culture that is fair and open, and provide a work environment where individuals can grow, in order to prevent the loss of talented personnel.
Risk that the Group's business may be restricted due to amendments of laws and regulations governing the Group's business	Crowdfunding Business	Low	High	Compliance officers and internal/external lawyers will evaluate the impact of legal amendments on the business and take appropriate actions in a timely manner.
The risk of significant damage to the value of real estate owned by the Group due to natural disasters such as earthquakes	Corporate Funding Business	Low	High	Risk mitigation is achieved through selecting properties that meet or exceed the new earthquake resistance standards, obtaining seismic risk assessments (PML) above a certain level, and purchasing earthquake insurance policies.

Summary

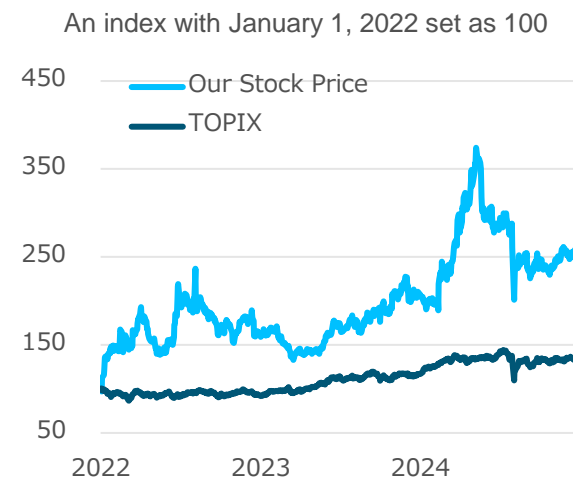
(Quantitative Aspects)

- Profit and loss targets achieved as planned
- In the core Corporate Funding business, the real estate stock, which forms the foundation of management, has been accumulated beyond the planned level.
- We will continue to focus on other unachieved targets.

(Qualitative Aspects)

- The stock price significantly outperformed the TOPIX.
- We continue to aim for selection into the JPX-Nikkei Index 400.
- We continue to identify potential projects for the launch of STO.
- Regarding ESG, we were able to implement initiatives appropriate to the company's size.

(billions of yen)	2021 Business Results	The previous KPI	2024 Results	Compared to 2021
Net sales	17.9	30.0	34.4	192%
Profit before tax	5.0	10.0	10.0	200%
Return on Equity (ROE)	32%	>30%	31.2%	98%
Dividend Payout Ratio	15%	>15%	17%	113%
Balance of Owned Assets	42.0	75.0	81.5	194%
Assets Under Management	29.0	200.0	140.0	492%
OwnersBook Investment Amount	7.6	20.0	13.4	177%

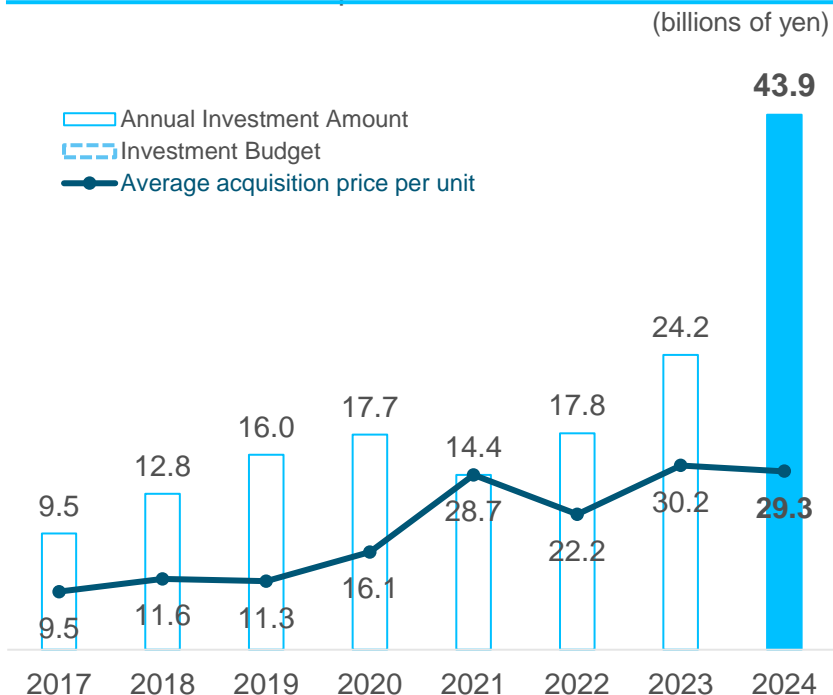


Corporate Funding Business

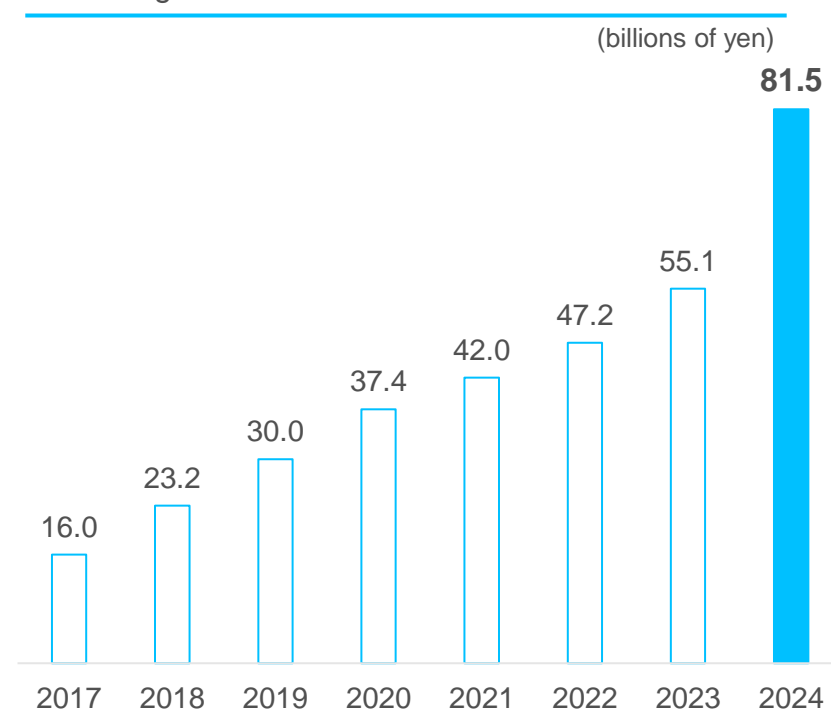
Strengthening management foundation through real estate investment

- Initially, the planned investment amount was approximately 20 billion during 2024. However, due to growth, which exceeded expectations, investments surpassed 40 billion yen. As a result, the real estate stock, which will serve as the foundation for future revenue, has accumulated to 81.5 billion yen, surpassing the initial plan of 75 billion yen.
- In addition to mid-sized office buildings in the highly liquid five central wards of Tokyo, we also focused on hotel investments to meet inbound demand and respond to inflationary economic conditions.

Annual Investment Amount and Average Property Acquisition Price



Changes in Book Value of Owned Assets

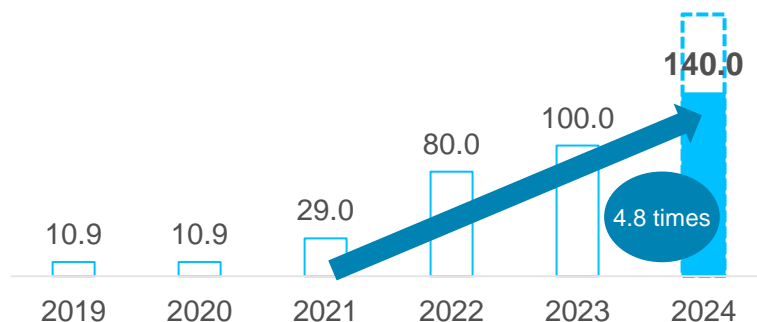


Asset Management Business

Building AUM and increasing brand recognition

- Although we did not reach the target amount of 200 billion yen, the company successfully achieved a significant increase in AUM (Assets Under Management), primarily from investments by domestic investors.
- In 2024, we acquired our first hotel as an asset management project and completed some development projects. By expanding the scope of our asset management business and increasing our visibility, we established a certain position as an independent asset management company.

AUM Trend (billions of yen)

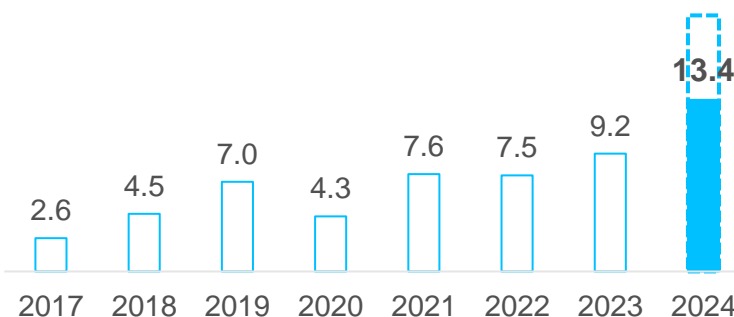


Crowdfunding Business

Accumulation of achievements and business growth

- The service has reached its 10th anniversary since its launch, with the total investment amount surpassing 50 billion yen and the total dividend amount exceeding 2 billion yen.
- Although we did not reach the target amount of 20 billion yen, the investment amount increased due to larger projects and policies focusing on repeating borrowers and investors.
- Equity-type and STO (Security Token Offering) projects will continue to be considered in the next medium-term management plan.

OwnersBook Investment Amount (billions of yen)



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