



Nine months ended September 30, 2017

Earnings Briefing

Loadstar Capital K.K.

Securities code: 3482

November 2017



1. Overview of Financial Results for the Nine Months Ended September 30, 2017	2
2. Company Overview, Business Details	9
3. Future Growth Strategy	15
4. Appendix	20

1 . Overview of Financial Results for the Nine Months Ended September 30, 2017

Consolidated Financial Results Highlights

- Net sales were 120.0% versus FY2016 1Q-3Q
- Operating profit was 125.9% versus FY2016 1Q-3Q, despite TSE listing related expenses

(¥ millions)

	FY2016 1Q-3Q		FY2017 1Q-3Q Results		
	Amount	% of Net Sales	Amount	% of Net Sales	% Y-o-Y
Net sales	4,455	100.0%	5,345	100.0%	120.0%
Cost of sales	3,376	75.8%	3,960	74.1%	117.3%
Gross profit	1,078	24.2%	1,384	25.9%	128.3%
SG&A expenses	280	6.3%	379	7.1%	135.3%
Operating profit	798	17.9%	1,005	18.8%	125.9%
Ordinary profit	755	17.0%	874	16.4%	115.8%
Profit	495	11.1%	571	10.7%	115.5%

Increase in number of properties purchased, scale, and number of properties sold

Listing related expenses

(Note) Figures for FY2016 1Q-3Q have not been independently audited.

Consolidated Financial Results Highlights

- Due to a change in properties we are planning to sell, **forecasts have been revised**
- We expect to achieve Y-o-Y increases in both net sales and operating profit in FY2017, while profit is expected to reach our target

(¥ millions)

	FY2017 1Q-3Q Results				FY2017 (Forecasts)				
	Amount	% of Net Sales	% Y-o-Y	% of FY2017 Forecast	After Revision	Before Revision	Amt. Changed	% of Net Sales	% Y-o-Y
Net sales	5,345	100.0%	120.1%	69.3%	7,713	6,634	1,078	100.0%	165.5%
Cost of sales	3,960	74.1%	117.3%	67.9%	5,836	4,736	1,100	75.7%	167.8%
Gross profit	1,384	25.9%	128.6%	73.8%	1,876	1,898	-21	24.3%	158.9%
SG&A expenses	379	7.1%	135.3%	64.8%	585	609	-24	7.6%	136.0%
Operating profit	1,005	18.8%	126.3%	77.9%	1,291	1,288	2	16.7%	172.1%
Ordinary profit	874	16.4%	115.8%	77.2%	1,132	1,122	10	14.7%	161.0%
Profit	571	10.7%	115.5%	78.1%	732	720	12	9.5%	156.4%

(Note) Figures for FY2016 1Q-3Q have not been independently audited.

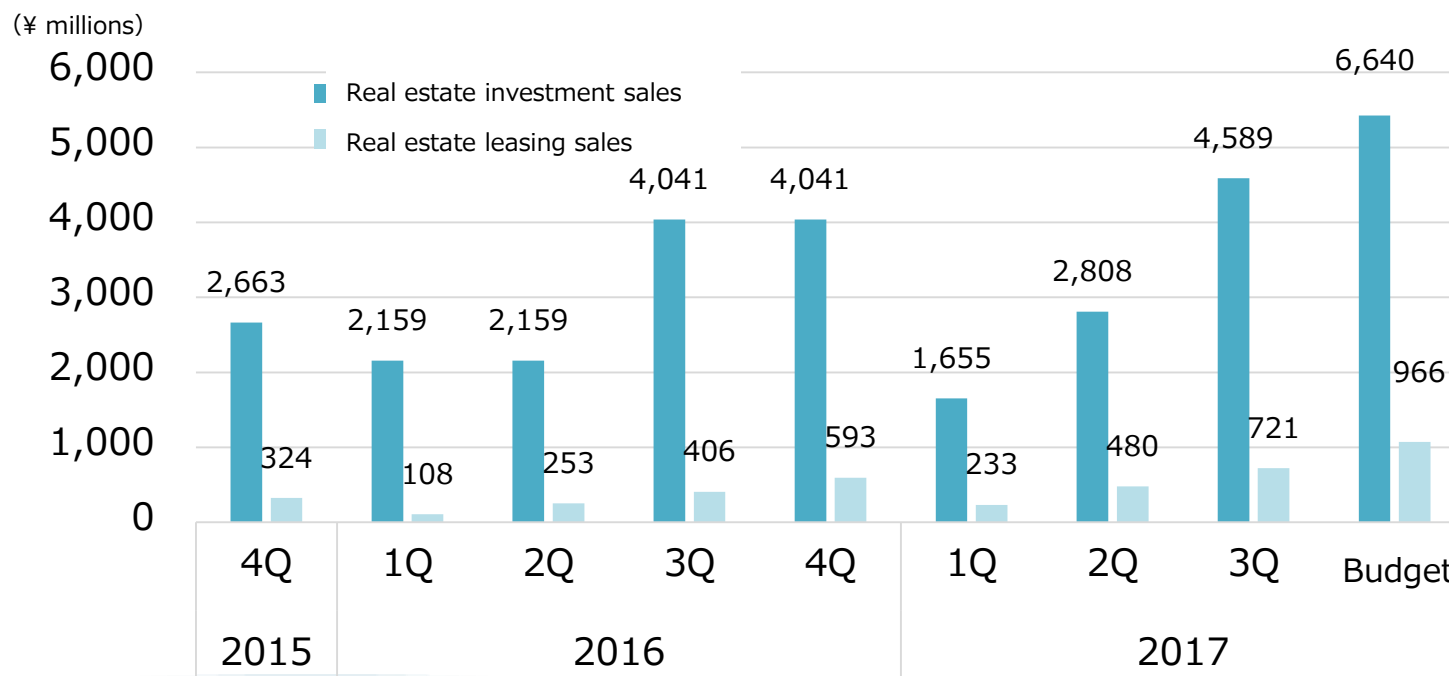
Corporate Funding Business Results

Real estate investment

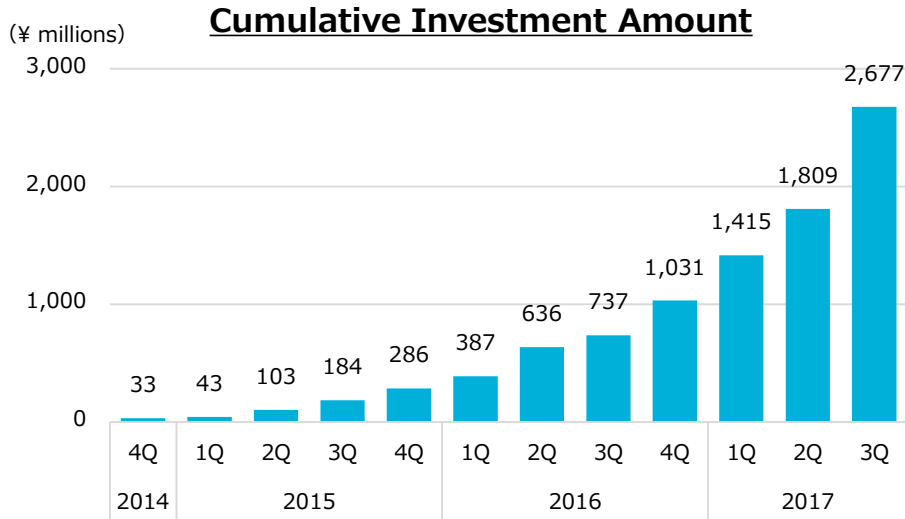
- Sold **4 office buildings and 1 residential building** in Tokyo's 23 wards as of September 30, 2017

Real estate leasing

- Held **13 properties** as of September 30, 2017, with book value of **¥14.4 billion**



OwnersBook Performance



Transactions closed: 70

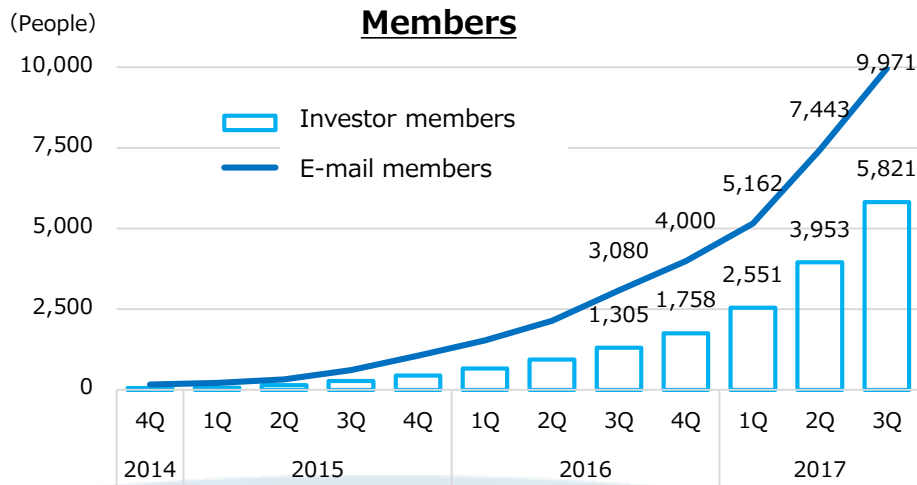
Actual yield to date: 4.6%~14.5%*

Actual management period:
1 month – 17 months
(Including redemptions before maturity)

Service launch: September 2014

Cumulative investment amount:
¥2,677 million

* As of September 30, 2017

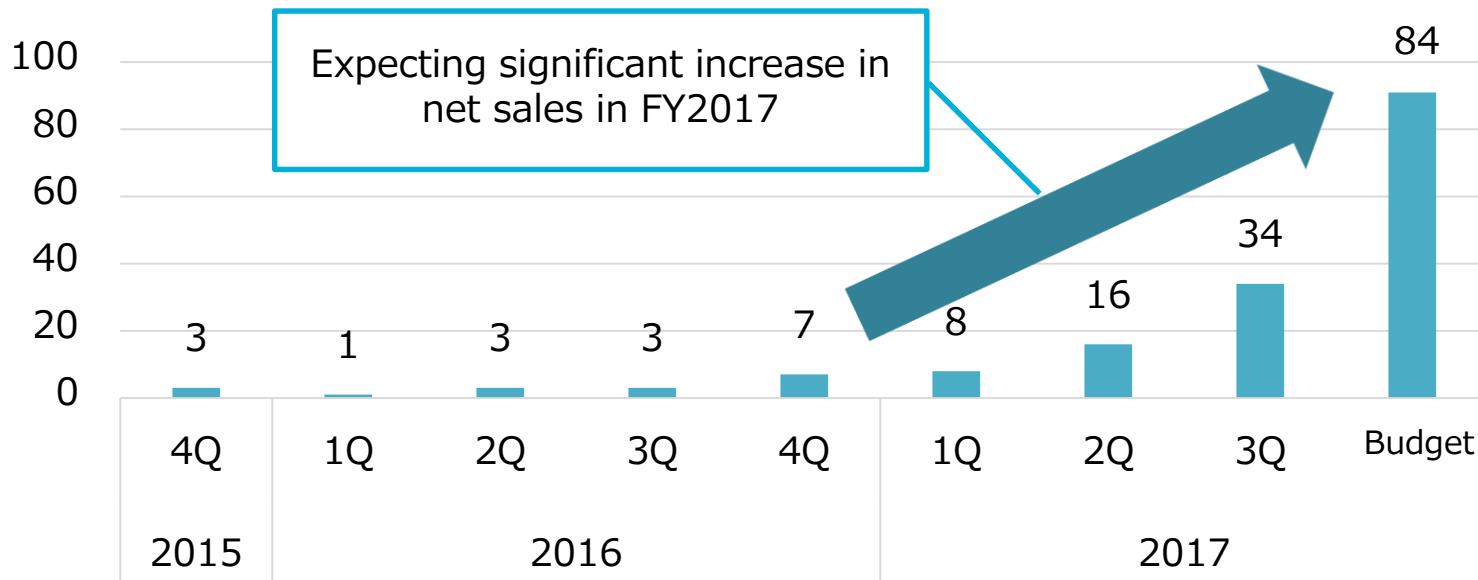


* Yield figures indicated are internal rate of return (IRR) of all transactions expired, using calculation periods of each silent partnership agreement. Cash delivery is made after the last date of calculation periods, and therefore, yield figures based on cash delivery may be lower than indicated figures. Also, the actual yield of transactions with equity kick payment was higher than the planned yield.

OwnersBook Performance

- Membership has grown significantly due to reinforcement of online marketing started in FY2016 2H and publicity activities launched in 2017.
- Membership growth has enabled investment in large transactions.
- Thanks to the TSE listing, net sales in the crowdfunding business has increased.

(¥ millions)



Consolidated Balance Sheet

- Steady increase in real estate for sale
- Focused on transaction sourcing so as to effectively utilize the funds raised through the public offering
- Equity-to-asset ratio excluding deposits received from silent partnership is **23.6%**

(¥ millions)

	12/31/2016		9/30/2017		
	Amount	% of total	Amount	% of total	% vs. 12/31/16
Current assets	14,186	99.3%	19,140	99.4%	134.9%
Cash and deposits	1,269	8.9%	4,070	21.1%	320.7%
Operating loans	235	1.6%	602	3.1%	256.2%
Real estate for sale	12,388	86.7%	14,405	74.8%	116.3%
Non-current assets	100	0.7%	115	0.6%	115.0%
Total assets	14,286	100.0%	19,256	100.0%	134.8%
Current liabilities	664	4.6%	984	5.1%	148.2%
Non-current liabilities	11,442	80.1%	14,241	74.0%	124.5%
Long-term loans	10,249	71.7%	11,524	59.8%	112.4%
Deposits received from silent partnership	758	5.3%	2,187	11.4%	288.5%
Total liabilities	12,106	84.7%	15,225	79.1%	125.8%
Net assets	2,180	15.3%	4,031	20.9%	184.9%
Retained earnings	1,111	7.8%	1,683	8.7%	151.5%
Total liabilities and net assets	14,286	100.0%	19,256	100.0%	134.8%

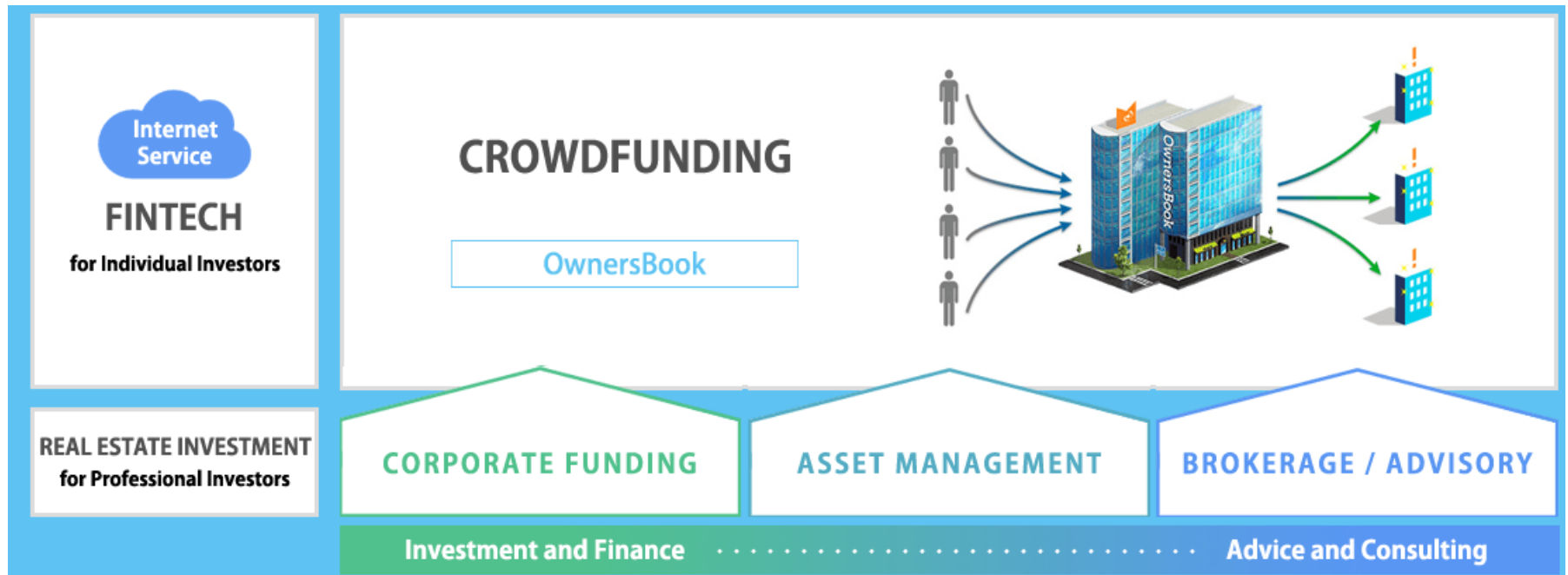
Crowdfunding business:
Loans to outside borrowers

Crowdfunding business:
Money from investors

2. Business Details

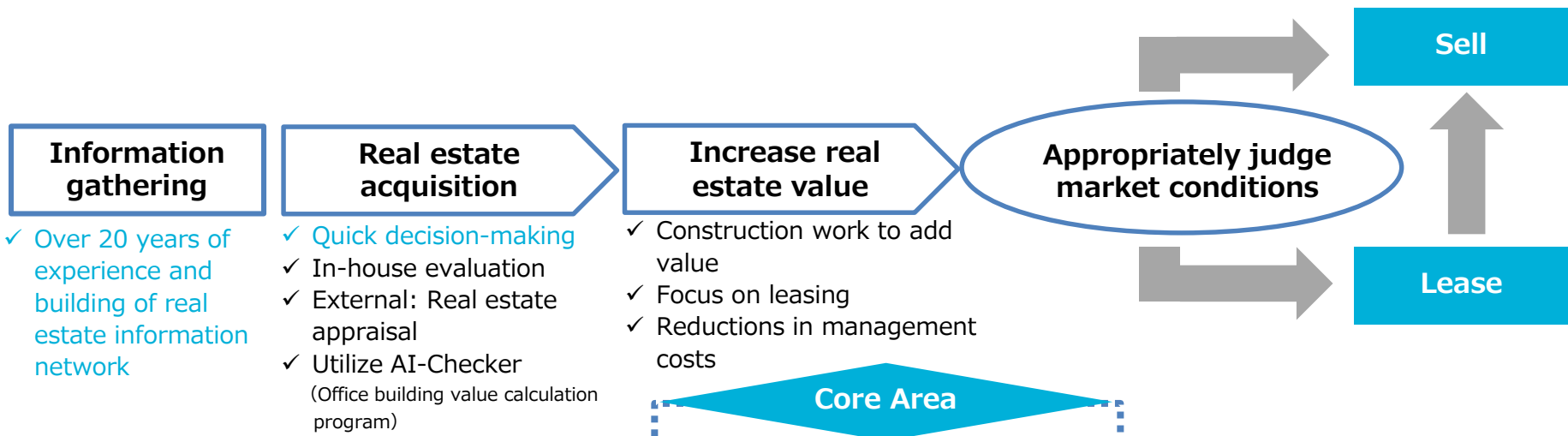
Corporate
Philosophy

Real Estate X Tech to Open Up a New Market



Corporate Funding Business Overview

- 
Point 1 Acquire **mainly medium-sized office buildings within Tokyo's 23 wards that are undervalued compared to their intrinsic value**
- 
Point 2 Increase **value-added** through renovations, improvements in vacancy rates, etc.



	Large office buildings	Medium-sized office buildings	Small office buildings
Large real estate investment companies, etc.	Target of investment based on amount of management costs	Tend to refrain from investment because management costs are high compared to building size	Refrain from investment because management costs are high compared to building size
Individual investor direct investment	Not a target for investment because massive amount of money is required	Not a target of investment because massive amount of money is required	Target of investment based on amount of funds required

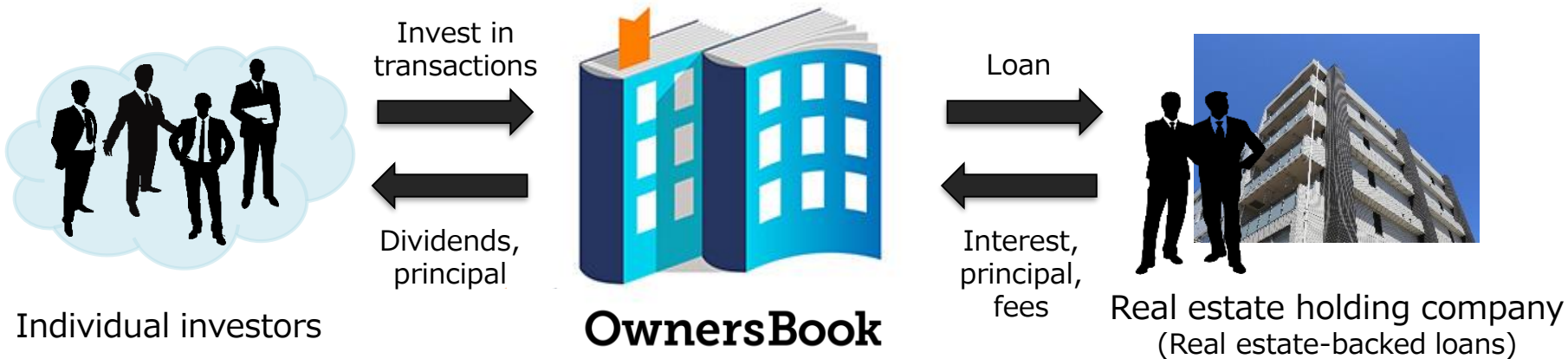
Core Area (indicated by a blue diamond and dashed box around the Medium-sized office buildings column)

Crowdfunding Business Overview (Loan-type)

<OwnersBook Overview>

 Point 1 **Japan's first real estate-focused** crowdfunding service

 Point 2 **Our proprietary platform** offers individual investors an opportunity to invest in real estate-backed loans



Ginza Commercial Building transaction



(※This photo is an image. It is not the collateral property.)

■ transactions Overview

[Ginza Commercial Building 1-1]

- **Total amount raised: ¥400.5 million**
- **Expected yield: 5.0% (annualized)**
- **Expected management period: 24 months**
- **Senior loan**
- ★ **Backed by real estate stringently assessed by real estate appraisers**

1. Building Status

This is a multi-use building comprising both retail and office space. It has six above-ground floors and was built in March 1992. The building has been maintained and managed well.

2. Transportation and Nearby Conditions

The building is located in Ginza in Tokyo's Chuo Ward. The location offers convenient access to the Tokyo Metro's Ginza Line, Hibiya Line, Yurakucho Line, as well as the Toei Asakusa Line.

3. Leasing Status

This building has a 100% occupancy rate (as of October 6, 2017). The current monthly rent (including common area expenses) based on lease contracts is around ¥19,200 per tsubo on average. According to an independent real estate appraiser, the average rent per tsubo for new leases (including common area expenses) should be ¥27,000 per month.

* 1 tsubo is approximately 3.3 square meters.

4. Property Valuation

The OwnersBook valuation is ¥501 million, based on an appraisal by an independent real estate appraiser. The ¥400 million raised for this property was approximately 79.8% of this amount.

Traditional Kyoto Townhouse Revitalization Project



(※This photo is an image. It is not the collateral property.)

■ transactions Overview

[Kyoto City, Shimogyo-ku, Traditional Kyoto Townhouse Revitalization 1-1]

- Total amount raised: ¥40.5 million
 - Expected yield: 5.0% (annualized)
 - Expected management period: 14 months
 - Senior loan
- ★ Backed by real estate stringently assessed by a real estate appraiser

Up until now, we have offered investment opportunities centered on Tokyo's 23 wards, but as our first transaction as a part of our nationwide expansion, we offered a transactions related to the revitalization of a traditional Kyoto townhouse. This transactions was centered on financing with a loan backed by the property to the operator carrying out a project to turn an unoccupied traditional Kyoto townhouse located in Shimogyo-ku of Kyoto City into an attractive lodging facility. Funds were raised from an unspecified large number of investors, centered on individuals, using the silent partnership method.

The collateral real estate is located in Shimogyo-ku of Kyoto City. Shimogyo-ku is one of the most bustling areas in Kyoto City. The area is home to Kyoto Station, Nishi Honganji Temple, Higashi Honganji Temple, Gojo Ohashi, the Kyoto Aquarium, and many other attractions. In the summer, the area is home to the Gion Festival, one of Japan's three largest festivals.

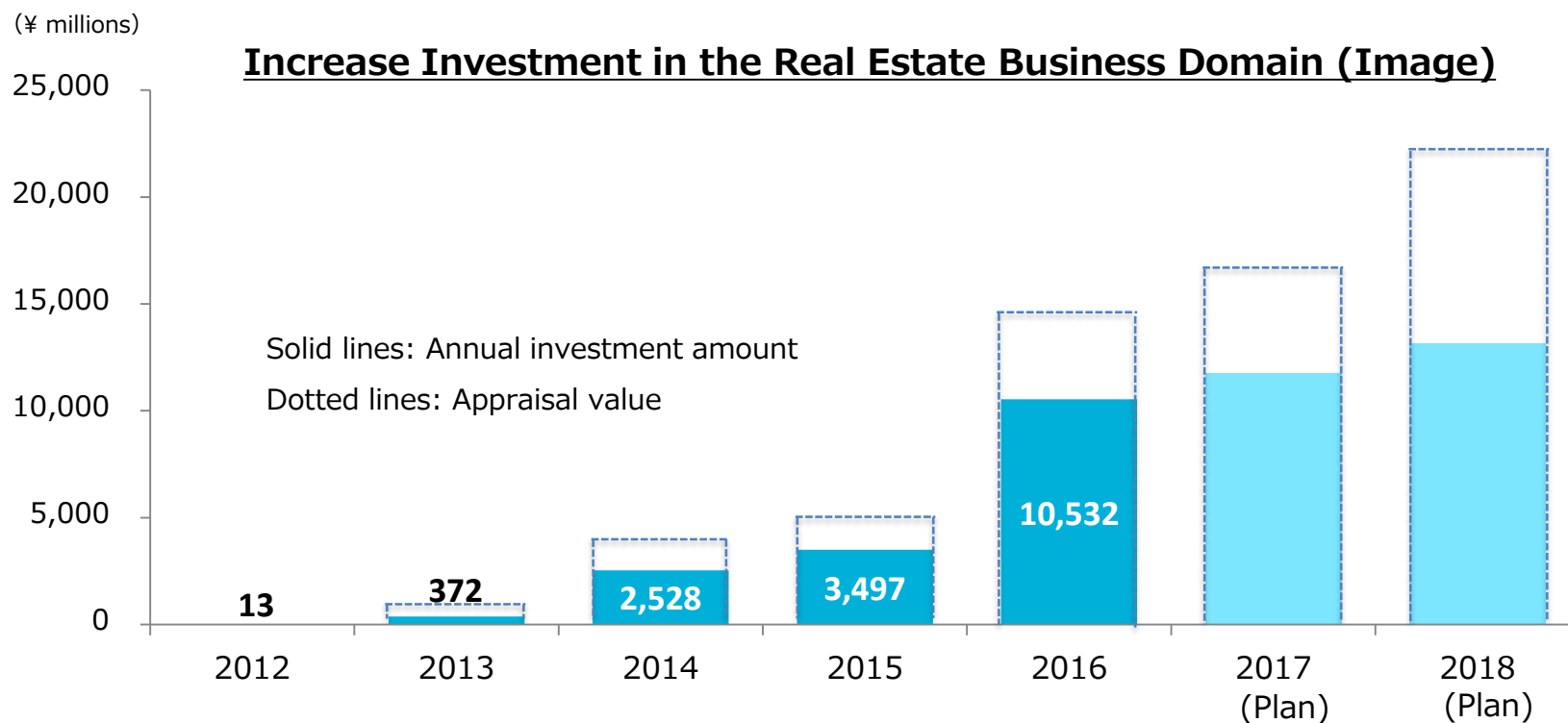
In this transactions, Loadstar Capital will leverage its social lending mechanism and its strengths to contribute to the revitalization of a traditional Kyoto townhouse and to further energize Kyoto City.

3 . Future Growth Strategy

Sustained Growth in the Corporate Funding Business

Point 1 **Enhanced financing capability** leveraging the merits of TSE listing

Point 2 **Information network built through many years of experience, quickly acquire and accumulate assets**



Acceleration of Growth in the Crowdfunding Business



Enhanced awareness of crowdfunding

Media exposure

Bolster online marketing

Seminars

(for beginners, experienced investors, women, etc.)

Diversification of investment products

Enter the equity investment-type crowdfunding domain

Conclude business matching agreement with financial institutions

Offer products through coordination with overseas partners

Equity Investment-type Crowdfunding Business



Point 1

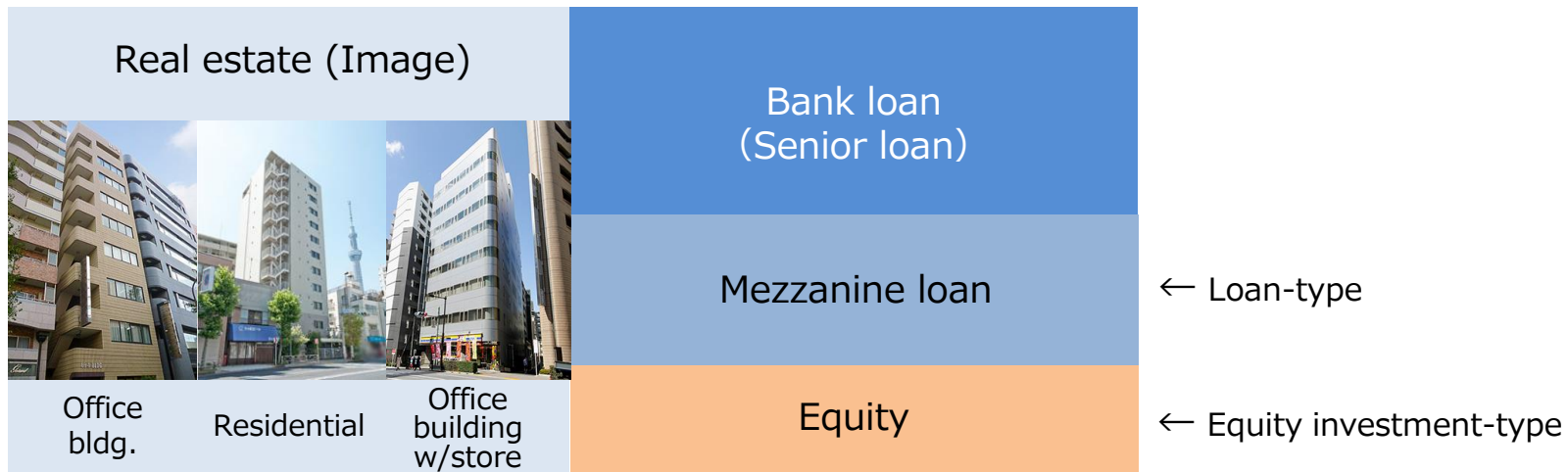
Equity investment-type crowdfunding is a completely new **real estate investment technique** for individual investors



Point 2

Diversifying opportunities for gains compared to loan-type crowdfunding

Model	Up-front Fee	Asset Management fee	Disposition Fee
Loan-type	Loan amount × 2%	—	—
Equity investment-type	Amount raised × 2%	Real estate price × 1%	Real estate sale price × 1%

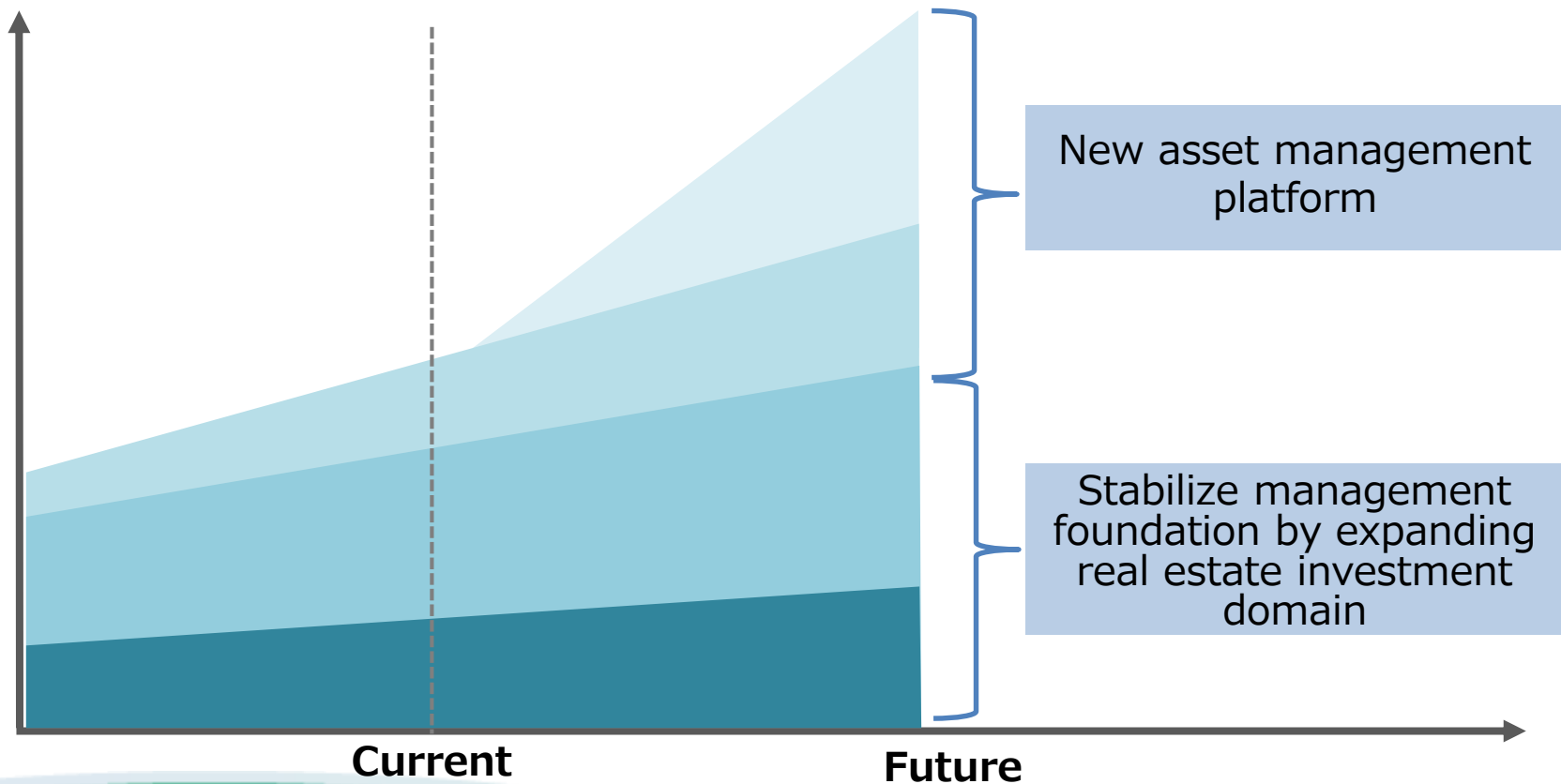


※Mezzanine loan: Borrowing in which the repayment is subordinate to that of senior loans from banks, etc.

Medium-term Growth Image

Goal

Grow the crowdfunding business to the point where its profits are similar to the profits in the corporate funding business



Appendix

Company Profile (as of 9/30/2017)



Company Name	Loadstar Capital K.K.		
Address	Zegna Ginza Building 6F, 2-6-16 Ginza, Chuo-ku, Tokyo 104-0061, Japan		
Founded	March 14, 2012		
Representative	President & CEO Tatsushi Iwano		
Share Capital	¥1,178 million		
Number of Officers and Employees	35		
Consolidated Subsidiaries	Loadstar Funding K.K. (100%) Lending business		-
Main Shareholders	Renren Lianhe Holdings	Ownership stake	38.1%
	Tatsushi Iwano		16.8%
	Yasuhiro Morita		15.1%



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)
Certifications: Certified Real Estate Appraiser



Yasuhiro Morita Chief Operating Officer

April 1992 Joined Yasuda Trust Bank (currently, Mizuho Trust & Banking)
November 1996 Joined Japan Real Estate Institute
January 2003 Joined Goldman Sachs Realty Japan Ltd.
April 2012 Assumed office as Chief Operating Officer of Loadstar Capital K.K. (current)
May 2014 Assumed office as Vice President of Loadstar Funding K.K. (current)
Certifications: Certified Real Estate Appraiser

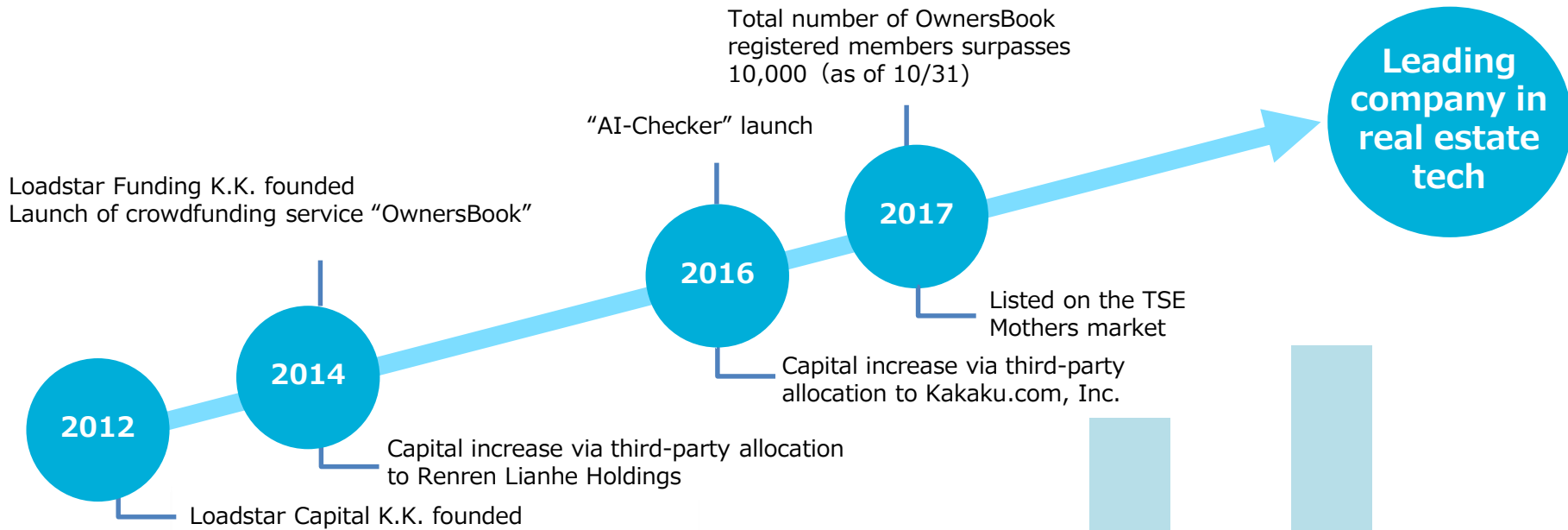
Board Member Yukiko Nakagawa

June 2002 Joined Hudson Japan LLC
October 2003 Joined Goldman Sachs Realty Japan Ltd.
April 2012 Joined Loadstar Capital K.K. Assumed office as
General Affairs Department General Manager
March 2015 Assumed office as board member of Loadstar Capital
K.K. (current)

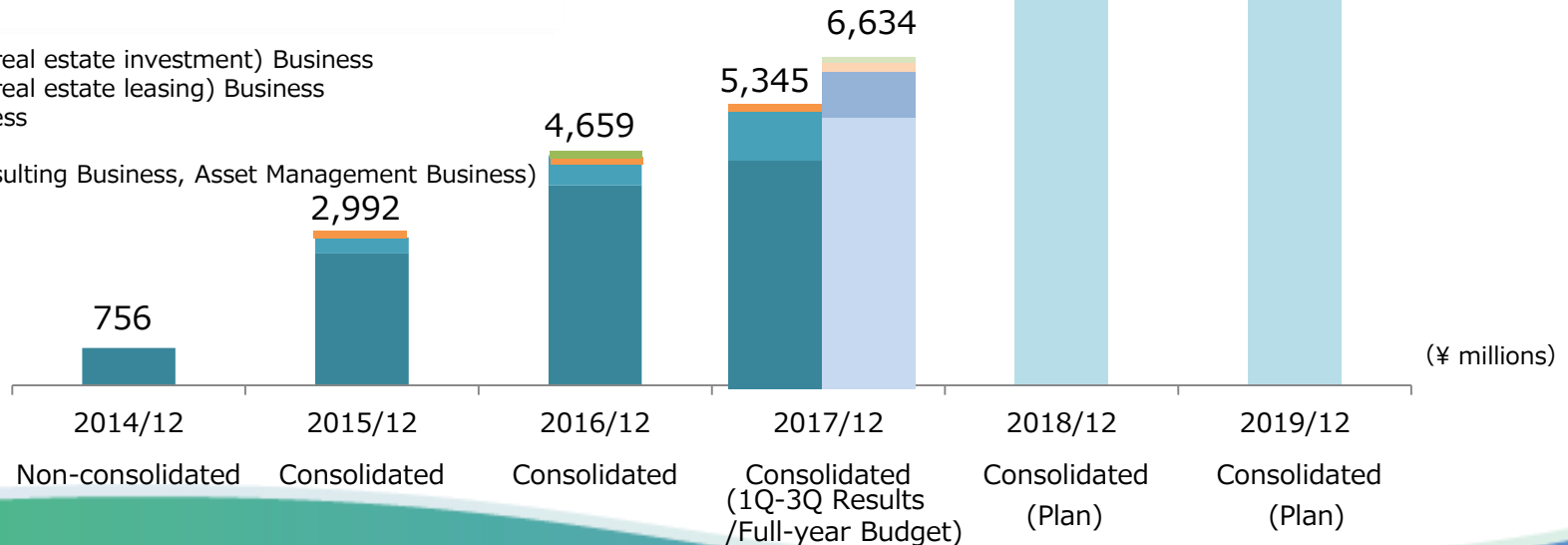
Board Member (Outside) James Jian Liu

August 1995 Joined Boston Consulting Group in China
December 2001 Joined Fortinet Assumed office as Director
September 2003 Founded UUMe.com, CEO
February 2006 Renren Inc., COO (current)
March 2014 Assumed office as Loadstar Capital K.K. board
member (current)

History/Financial Results

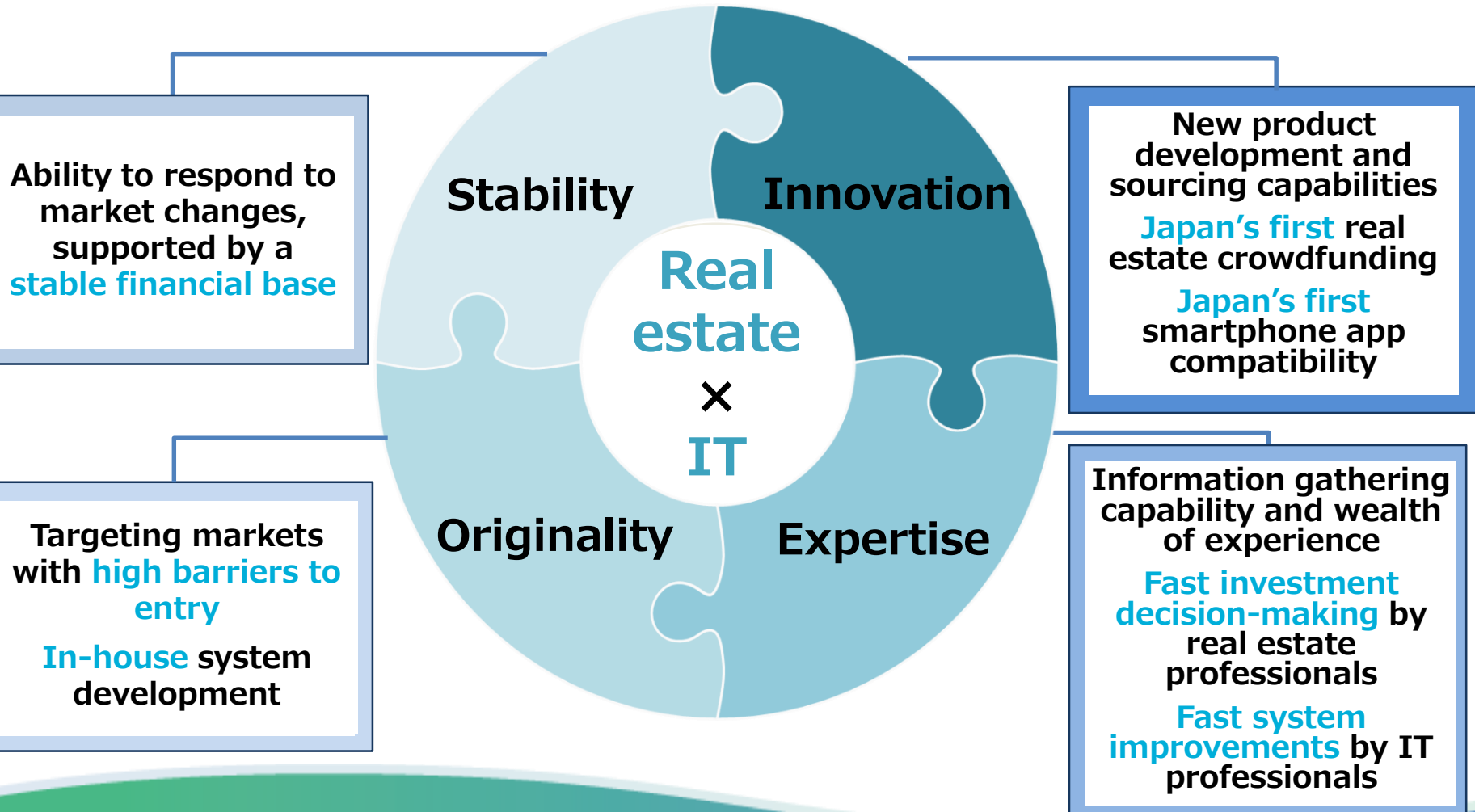


- Corporate Funding (real estate investment) Business
- Corporate Funding (real estate leasing) Business
- Crowdfunding Business
- Other Businesses (Brokerage and Consulting Business, Asset Management Business)



Loadstar Capital's Strengths

A team of real estate and IT professionals leading the way in creating new value in real estate investment

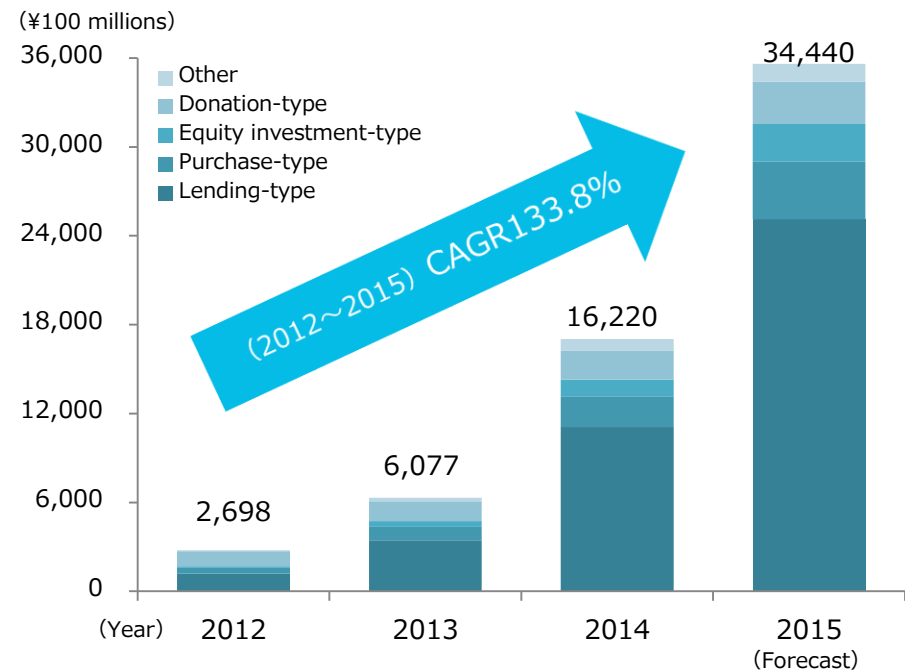
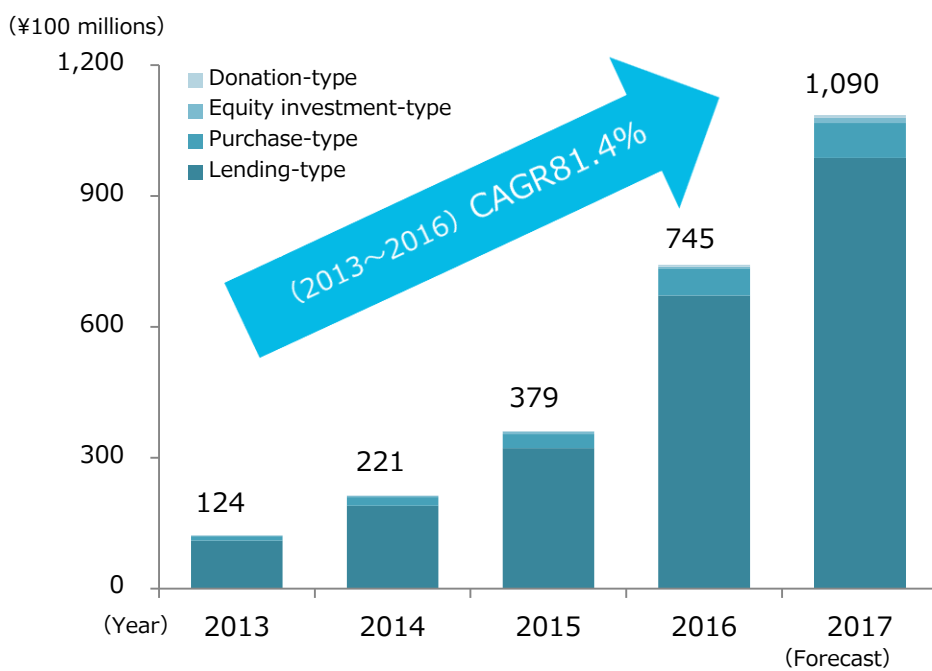


Crowdfunding Business in Japan and Overseas

The domestic market is expanding, and going forward equity investment-type crowdfunding is expected to grow as it has overseas

Japan's crowdfunding market

Overseas crowdfunding market



Source: Yano Research Institute "Crowdfunding Market 2017"
 (Released 9/7/2017)
 URL (for reference) : <https://www.yano.co.jp/press/pdf/1730.pdf>
 Note: Composition ratios in 2016 and prior years calculated by Loadstar Capital K.K. using same composition ratios as FY2017

Source: Massolution Crowdfunding Industry 2015 Report
 Note: Calculated using exchange rate of \$1 = ¥100
 Composition ratios in 2014 and prior years calculated by Loadstar Capital K.K. using same composition ratios as FY2015

OwnersBook Features



Small investment amounts starting from ¥10,000

Makes it easy to invest in real estate through small investments



All transactions are backed by real estate (Loan-type)

Self-assessment + external assessment

Careful selection of transactions based on stringent evaluations by real estate professionals



Online platform allows for lower investor costs

Free-of-charge member registration,
no investment fees,
free annual membership



Can invest according to risk tolerance level

Product lineup based on investors' risk tolerance levels



Renren Group Overview



Operates internet businesses in China.

The leading real name SNS company in China. In addition to SNS, Renren Inc. has a video sharing site, online games, and a smartphone-based social networking service platform.

Also offers credit cards, payment, and other internet financial services.

Listed on the NYSE. Softbank Group is a major shareholder.

Company Name	RENREN Inc.
Address	8 N Third Ring Road East Beijing, China
Representative	CEO Joseph Chen
Listing	NYSE (Ticker Code: RENN)
Main Shareholders	Joseph Chen 38.30% Softbank Group 33.56%
URL	http://www.renren-inc.com/en/



Photo Albums

Store, view and share your favorite pictures with your friends and family.



Personal Profile

Display your personality through personalized features and tell a story about your life through your time-line.



Renren Mobile

Communicate and always stay connected with your friends through our mobile services.



Videos

Upload, watch and share your personal videos through your network.



Music

Listen to your favorite songs and share your music interests with friends.



Social Games

Compete and play games with old and new friends.



※Produced using company's website and FactSet

This document contains outlooks, future plans, management targets, and other information related to the Company. Statements concerning future outlooks are based on current assumptions for future events and trends, and the accuracy of these assumptions is not guaranteed. Actual results may differ materially from those contained in this document due to a range of factors.

Regardless of the occurrence of future events, previous announcements on future outlooks may not be revised unless required by disclosure rules.