



Loadstar Capital

# Medium-Term Management Plan (FY2022-FY2024)

February 2022  
Loadstar Capital K.K.

**Real Estate × Tech  
to Open Up a New Market**

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Loadstar Group is developing its Real Estate Investment Business and FinTech Business (Crowdfunding Business) in line with the mission: “Real estate x Tech to Open Up New Markets.”

The Group's strength lies in its ability to integrate real estate investment expertise and IT. We aim to create new markets in the real estate industry; an industry that is said to be lagging behind in its use of IT.

Specifically, the kinds of new markets we are looking at creating include a secondary market for real estate investment using blockchain technologies, and a real estate investment market that isn't reliant on financial institutions.

We are proactively contributing to efforts to realize a sustainable society, while also aiming to further benefit our stakeholders and increase our longer-term corporate value.



**Loadstar Capital K.K.  
President Tatsushi Iwano**

# Loadstar Group's Long-Term Vision

Real estate investment  
market fund  
procurement platform

- Lend funds sourced via OwnersBook to companies wanting to borrow money using real estate as collateral.
- Provide funds sourced via OwnersBook to fund managers looking to obtain equity for real estate SPCs (private placement funds).
- Enable individual investors to invest in, and receive returns from, entirely new kinds of real estate investment product.

**Open up  
the real estate  
investment  
market to  
individuals**

Create a real estate  
investment market  
using blockchain  
technologies

Using blockchain technologies, create a secondary market and trading market for investors' equity in the crowdfunding market.

Real estate investment  
that is not reliant  
on financial institutions

Create a new real estate investment market by acquiring, managing, and operating real estate with funds sourced entirely from individuals through OwnersBook.

## Basic Policy

With the Corporate Funding Business as our business foundation, we aim to increase our corporate value by expanding the scale of our Asset Management Business and Crowdfunding Business.

## Business Strategy

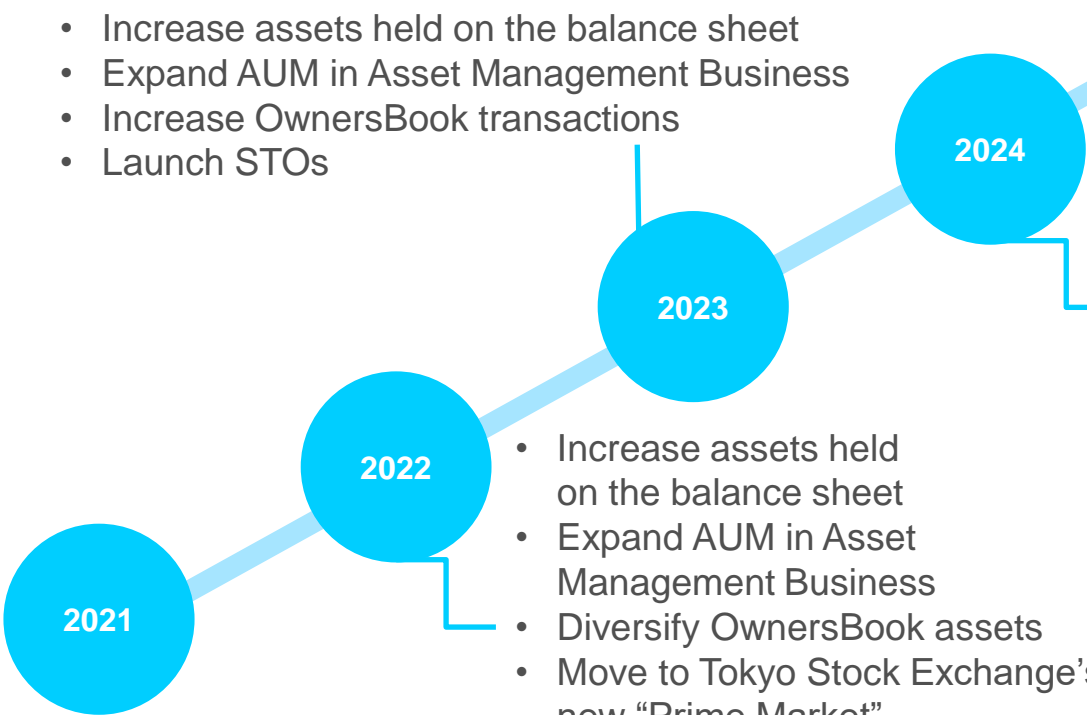
1. Increase Assets Held on the Balance Sheet
2. Expand AUM in the Asset Management Business
3. Increase and Diversify OwnersBook Assets
4. Bolster ESG-Related Initiatives

# Policy Summary by Year



**Open up the real estate investment market to individuals**

- Increase assets held on the balance sheet
- Expand AUM in Asset Management Business
- Increase OwnersBook transactions
- Launch STOs



- Increase assets held on the balance sheet
- Expand AUM in Asset Management Business
- Diversify OwnersBook assets
- Move to Tokyo Stock Exchange's new "Prime Market"
- Workforce expansion aimed at further growth

- Increase assets held on the balance sheet
- Expand AUM in Asset Management Business
- Establish STOs in OwnersBook
- Selection for JPX-Nikkei Index 400



# Quantitative Targets (FY2024)

<b>Net sales</b>	<b>Profit before tax</b>	<b>ROE*<sup>2</sup></b>	<b>Dividend payout ratio</b>
<b>¥30 billion*<sup>1</sup></b>	<b>¥10 billion</b>	<b>&gt;30%</b>	<b>&gt;15%</b>
¥17.9 billion (FY 2021)	¥5.0 billion (FY 2021)	32% (FY 2021)	15% (FY 2021)

\*1 For Corporate Funding Business, calculations based on property held as of the end of December 2021

\*2 Calculated based on forecast figure for equity at the end of the fiscal year

<b>Assets held on balance sheet</b>	<b>AUM</b>	<b>OwnersBook investment</b>
<b>¥75 billion</b>	<b>¥200 billion</b>	<b>¥20 billion</b>
¥42.0 billion (FY 2021)	¥29.0 billion (FY 2021)	¥7.6 billion (FY 2021)



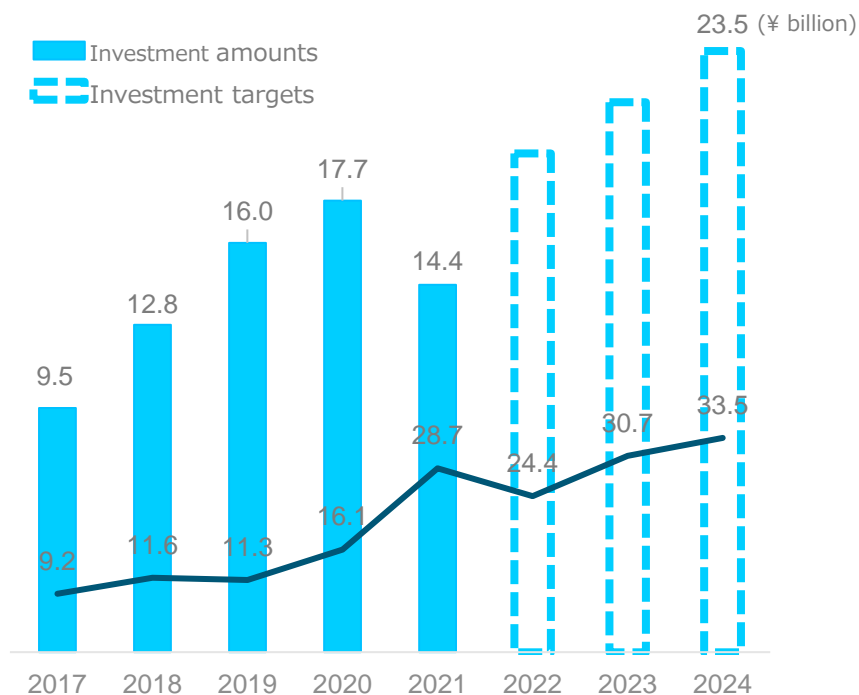
# Business Strategy

# Business Strategy: ① Increase Assets Held

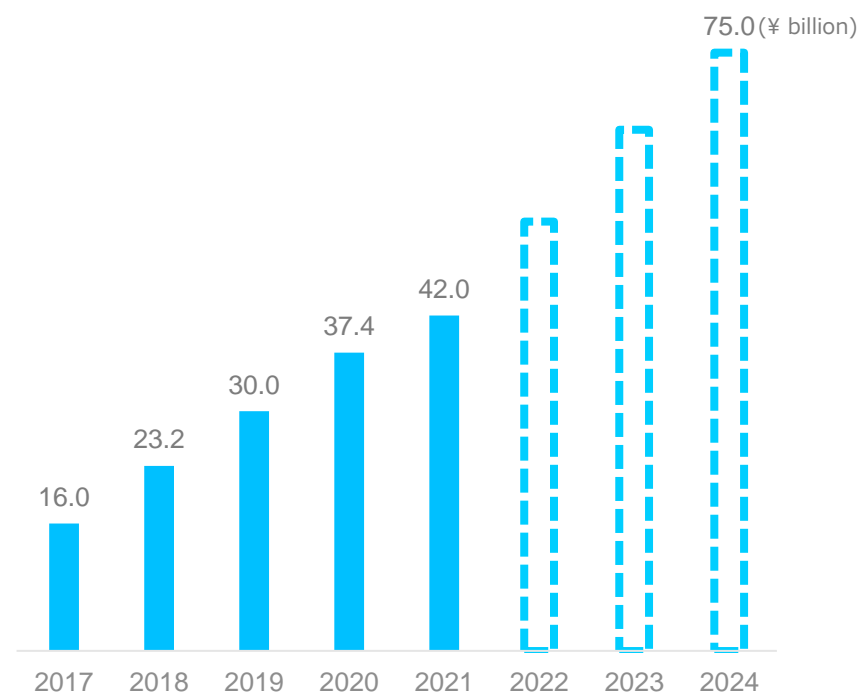
## Strengthen Business Foundation with Continuous Real Estate Investment

- Continue to invest approx. ¥20 billion a year in real estate that will form our future revenue base.
- Increase assets held on the balance sheet to approx. ¥75 billion by the end of December 2024 to cover the Group's fixed costs with profits from real estate leasing.
- Focus on medium-sized office buildings in Tokyo, but also pursue hotels, logistics, and redevelopment projects if favorable opportunities arise.

### Annual Investment and Average Property Acquisition Price



### Book Value of Assets Held on the Balance Sheet

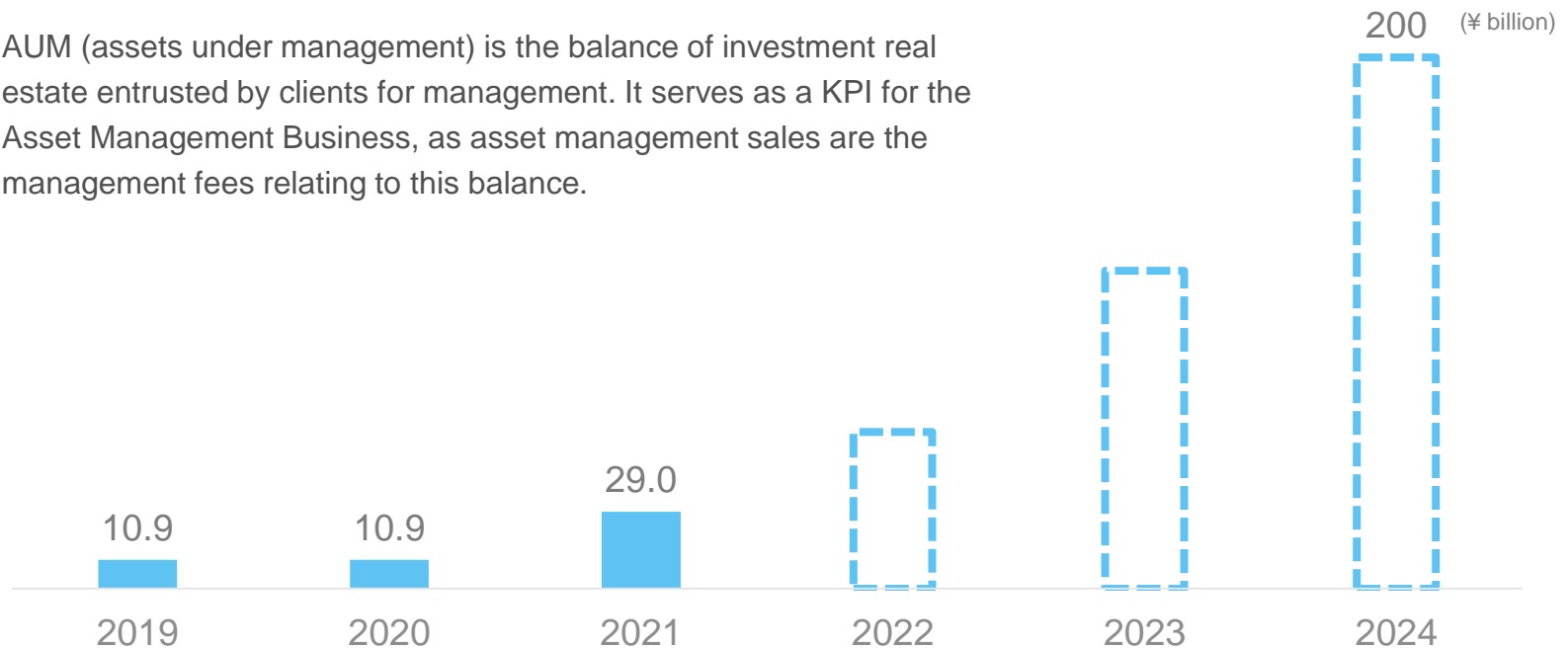


## Increase AUM and Boost Name Recognition

- Amass AUM (assets under management) of several tens of billions of yen per year in response to ongoing high demand for Tokyo real estate not only from overseas investors but also domestic investors.
- Accumulate AUM worth ¥200 billion by the end of December 2024 and establish a position as an independent asset management company.

### AUM (Assets Under Management)

AUM (assets under management) is the balance of investment real estate entrusted by clients for management. It serves as a KPI for the Asset Management Business, as asset management sales are the management fees relating to this balance.



## Increase Scale and Diversity of Investment Products

- Provide products to meet investor demand, as individual investors are still highly motivated to invest.
  - Larger scale transactions
  - Enhancement and expansion of products with shareholder benefits and lottery-type products
  - Diversification of products such as non-recourse-type and interest-rate-bidding-type products
- As we are managing our investors' assets, we prioritize the avoidance of exposing our investor members to excessive risk, and will focus on business expansion while evaluating market conditions.

## OwnersBook Investment

(\* Depictions of real estate that can be invested in through OwnersBook)

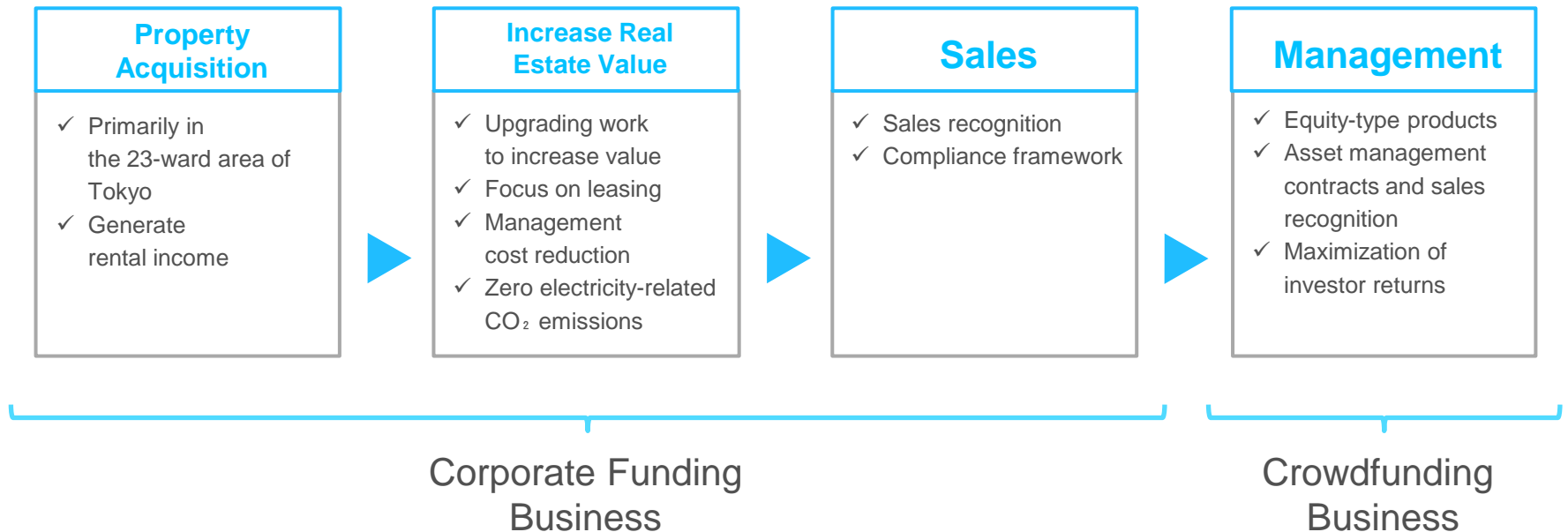


## Aim to Create Funds Targeted at Individuals

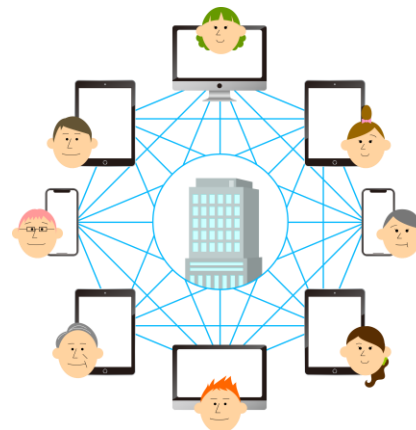
- Consider selling the Company's investment properties to the fund alongside external acquisitions to generate recurring revenue.
- Aim to create open-end funds\*.
- Proceed with consideration of funds using STOs.

\* An open-end fund is a fund in which the issuer guarantees the repurchase of securities and which can be redeemed at any time.

Outline of envisaged open-end funds created with the Company's investment properties



<b>What are STOs</b> (Security Token Offerings)?	A framework based on new technologies for providing law/regulation-compliant services that meet demand for new fund procurement methods to replace traditional equity and debt financing, as well as demand for new financial products that provide alternatives to stocks and corporate bonds. (Source: Japan Security Token Offering Association)
<b>Our vision</b>	<ul style="list-style-type: none"><li>• Make the trading of investors' equity in the crowdfunding market possible and, by making transactions more flexible, invigorate and expand the crowdfunding market.</li><li>• As investors begin to use the platform more often, lifetime value (LTV) that can be obtained as a platform provider is expected to increase.</li></ul>
<b>Issues on the way to commercialization</b>	<ul style="list-style-type: none"><li>• Technical issues: Our research is opening a pathway toward commercialization.</li><li>• Legal and regulatory issues: We will consider collaboration with securities firms.</li></ul>
<b>Timetable</b>	Pursue further R&D aiming for launch in the latter half of 2023.



## Environment

## Society

## Governance

### Initiatives

- ✓ Switch to electricity generated from renewable energy sources
- ✓ CO<sub>2</sub> emissions reduction

- ✓ Consideration of donation-type Crowdfunding Business
- ✓ Make employee health a management priority
- ✓ Increase business efficiency

- ✓ Increase workforce diversity
- ✓ Strengthen compliance system increase awareness about compliance issues

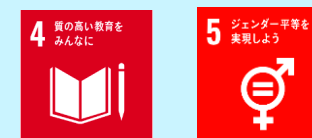
### KPIs

- ✓ Switch all Company-held properties\* to green electricity by end of 2024
- ✓ Consider participation in international initiatives such as RE100

- ✓ Launch donation-type Crowdfunding Business
- ✓ Ensure that all employees undergo annual health checks
- ✓ Advance digital transformation of businesses

- ✓ Maintain 1/3 outside officer ratio
- ✓ Evaluate board of directors effectiveness at least twice per year
- ✓ Compliance training at least 4 times per year

### SDGs



\* Excluding properties where the Company cannot conduct such a switch due to tenant circumstances, etc.

## Basic Policy

- We continue our efforts to improve corporate value and shareholder profit by expanding business performance

## Dividend Policy

- Consider incrementally raising the dividend payout ratio as we formulate a financial strategy to promote the sustained growth of the Company as well as longer-term improvement of corporate value and shareholder returns.

	2017	2018	2019	2020	2021 (Forecast)	2022 (Forecast)
Dividends per share	¥5.5	¥9.5	¥14.5	¥24.5	¥32.0	¥40.5
Payout ratio	14.5%	14.8%	15.0%	*14.9%	15.1%	15.1%

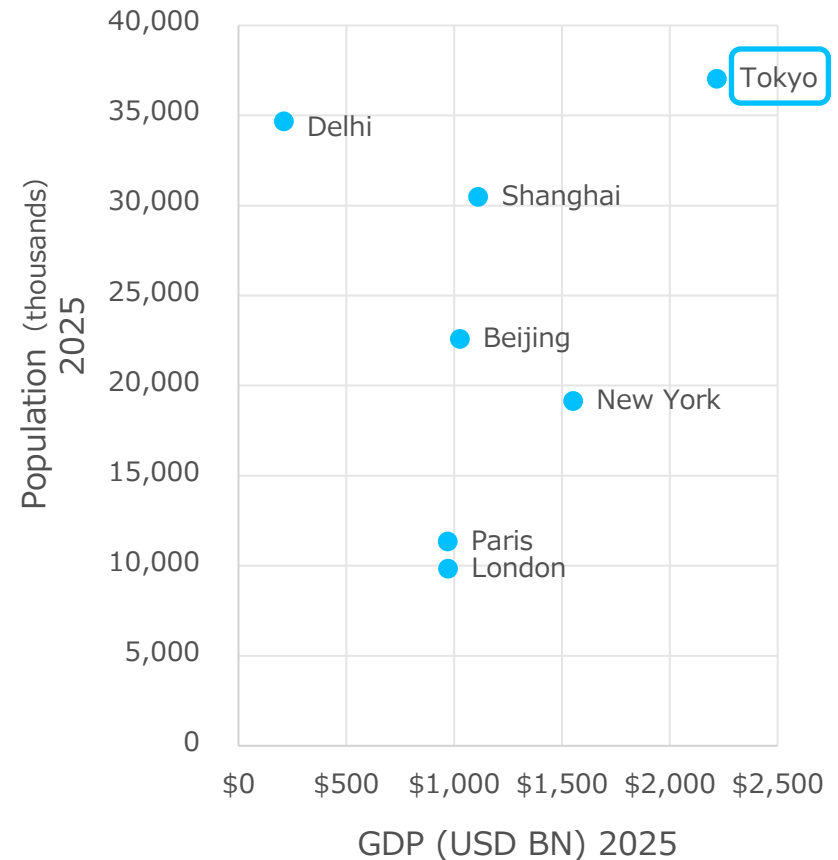
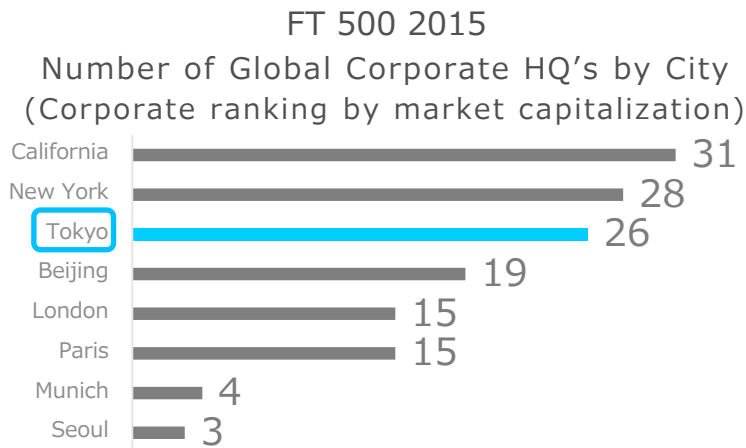
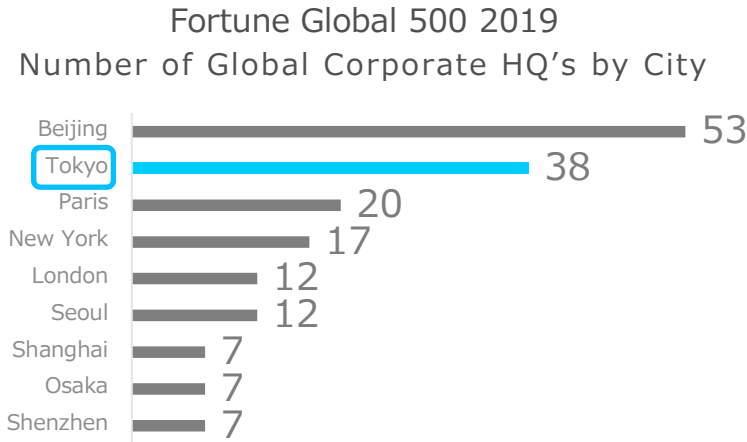
\* Calculation based on number of shares as of fiscal year-end, not including treasury shares  
A calculation based on average number of shares during the fiscal year yields 16.1%

\*For the time being, we will also pay close attention to stock price and respond flexibly when necessary.



# Market Environment

## The greater Tokyo area continues to have the largest urban population and GDP in the world.



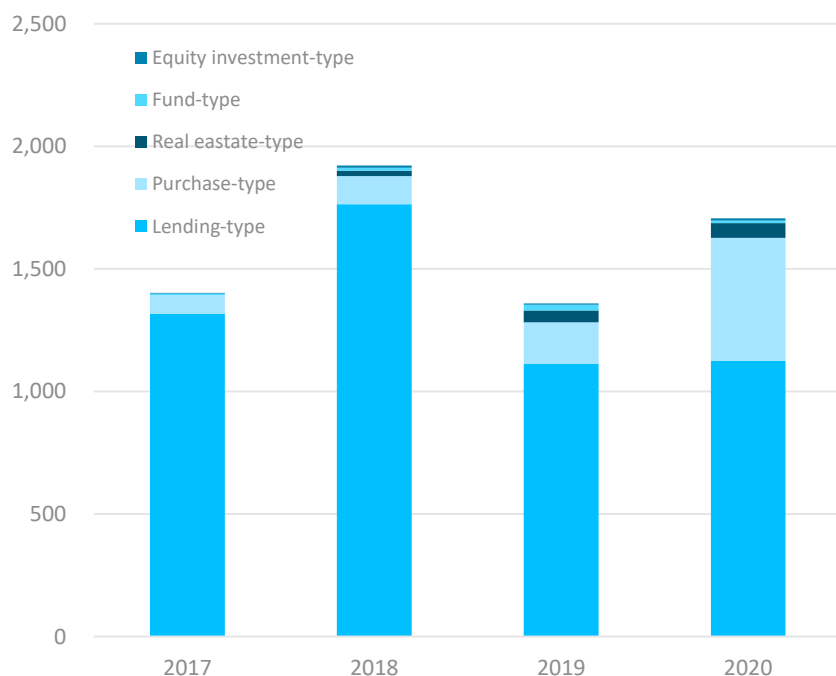
出典: 国交省「各国の主要都市への集中の現状」2019年12月6日 より当社作成  
<https://www.mlit.go.jp/kokudoseisaku/content/001319312.pdf>

(人口) Population Dept., United Nations [World Urbanization Prospects], (GDP) McKinsey Global Institute Cityscope database 2.0. より当社作成

- Market scale is expected to expand up ahead because the number of lending-type Crowdfunding Business operators is increasing year after year.
- Crowdfunding may become an investment source for private equity real estate market in the future.

## Japan's crowdfunding market

(¥ 100 millions)

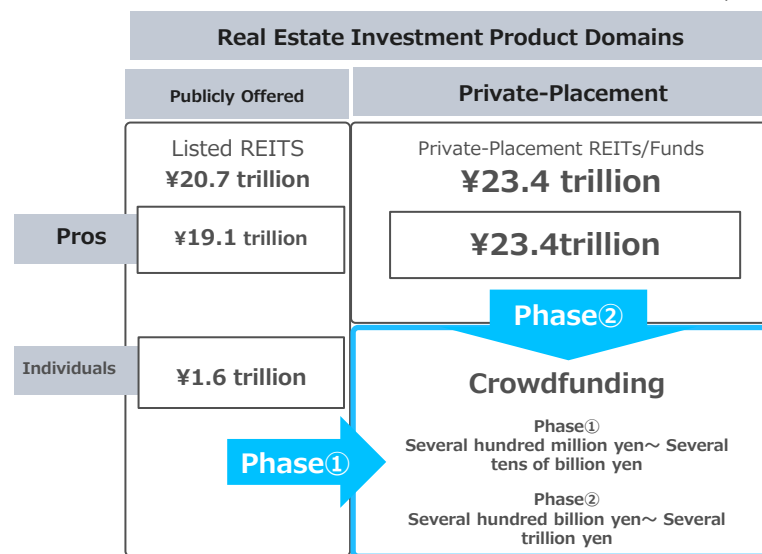


出典：

<http://safe-crowdfunding.jp/wp-content/uploads/2021/07/CrowdFunding-market-report-20210709.pdf> (一般社団法人 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 より当社作成)

## Growth Potential of Crowdfunding

※Our personal opinion



**Phase①** : Increase scale centered on individual investors  
**Phase②** : Aim to have professional investors also participate

市場規模出典：

<https://j-reit.jp/market/12.html> (2021年2月末時点)

<https://www.smtri.jp/news/pdf/20210915.pdf> (㈱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 2021年9月」 2021年6月末時点 より当社作成)

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