



Fiscal year ended December 31, 2020 Earnings Briefing

Loadstar Capital K.K.

**Securities code: 3482
February 2021**

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1. Our Business

Mission

Real Estate X Tech to Open Up a New Market

Real Estate Tech

CROWDFUNDING
(Equity-type / Loan-Type)



OwnersBook



Real Estate
Investments

CORPORATE FUNDING
(Real Estate Principal Investment)

ASSET MANAGEMENT

**BROKERAGE
/ ADVISORY SERVICES**

2. Overview of Financial Results for the Fiscal year Ended December 31, 2020

Highlights

Consolidated Financial Results

Net sales	+12% y-o-y
Profit before income taxes	+30% y-o-y
Profit	+30% y-o-y

Corporate Funding

- Limited COVID-19, property sales progressed as planned and net sales increased year on year
+16% y-o-y
- Completed our largest-ever property acquisition

Crowdfunding

- Net sales decreased because demand for capital was temporarily sluggish owing to the COVID-19 emergency lending scheme
△9% y-o-y

Consolidated Financial Results

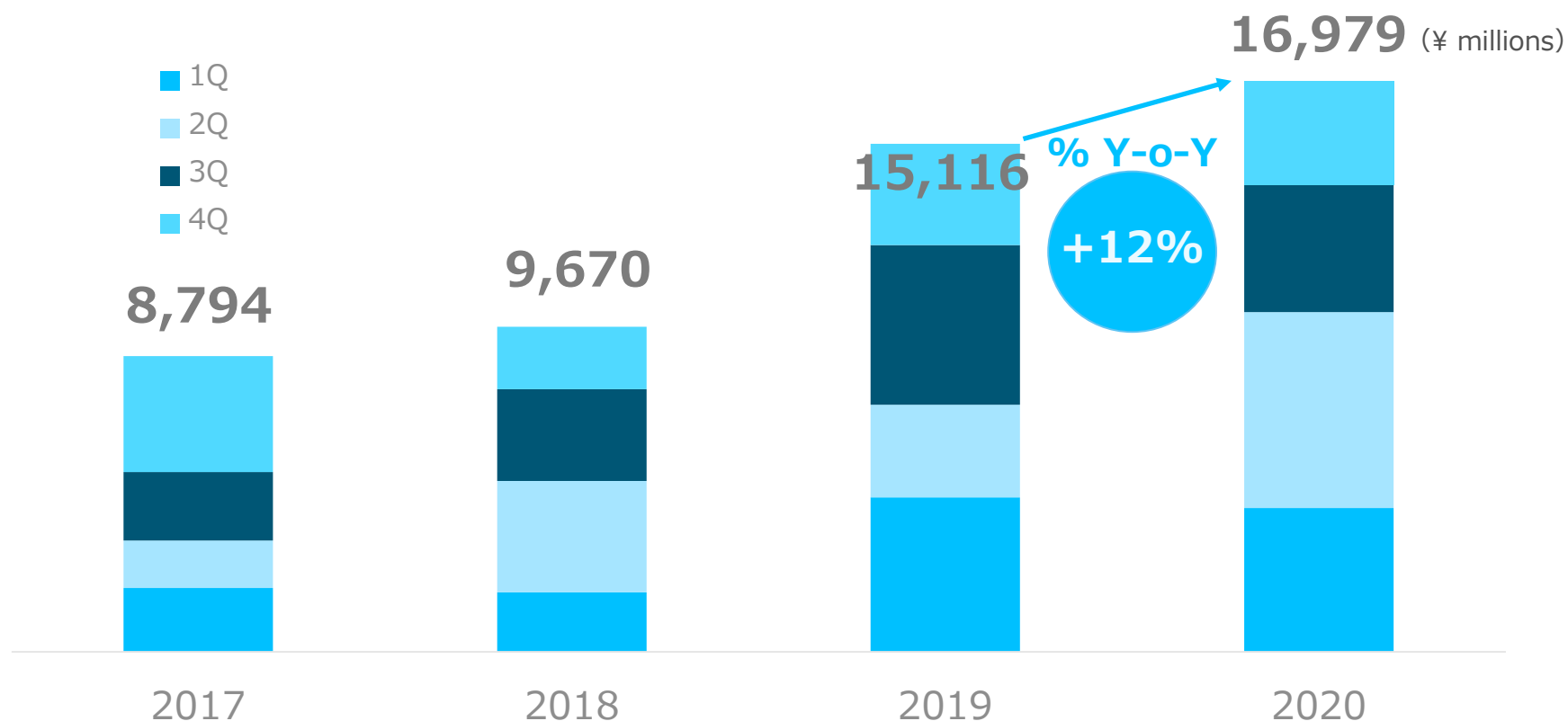


Further details provided on following pages.

	FY2019		FY2020				
	Amount	% of Net sales	Initial Budget	Amount	% of Net sales	% Y-o-Y	Progress vs. initial target
Net sales	15,116	100.0%	16,862	16,979	100.0%	112.3%	100.7%
Cost of sales	10,378	68.7%	11,348	11,346	66.8%	109.3%	100.0%
Gross Profit	4,738	31.3%	5,514	5,632	33.2%	118.9%	102.2%
SG&A expenses	1,084	7.2%	1,393	1,148	6.8%	105.9%	82.4%
Operating Profit	3,653	24.2%	4,120	4,484	26.4%	122.7%	108.8%
Ordinary Profit	3,272	21.6%	3,741	4,168	24.6%	127.4%	111.4%
Profit before income taxes	3,004	19.9%	3,355	3,914	23.1%	130.3%	116.7%
Profit	2,077	13.7%	2,319	2,700	15.9%	130.0%	116.4%

Consolidated Net Sales

- As planned sales of properties have been under way since the beginning of the fiscal year, consolidated net sales were almost as planned.
- Net Sales in the Crowdfunding Business & Asset Management Business were unable to meet the annual plan, due to impact of Covid-19.

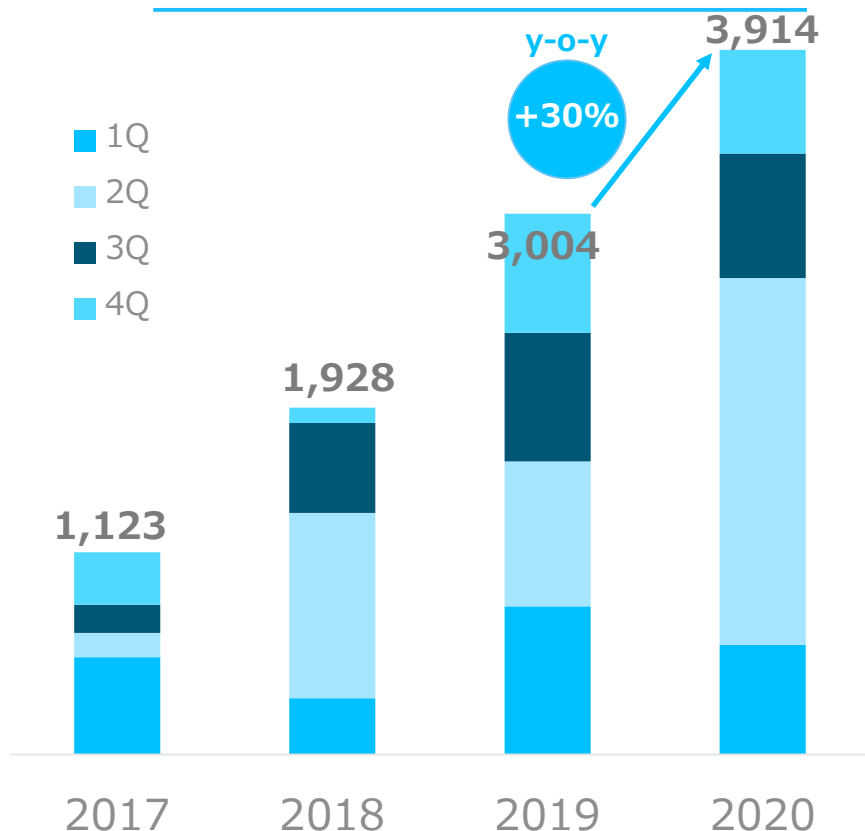


Consolidated Profit Before Tax and Cost Controls

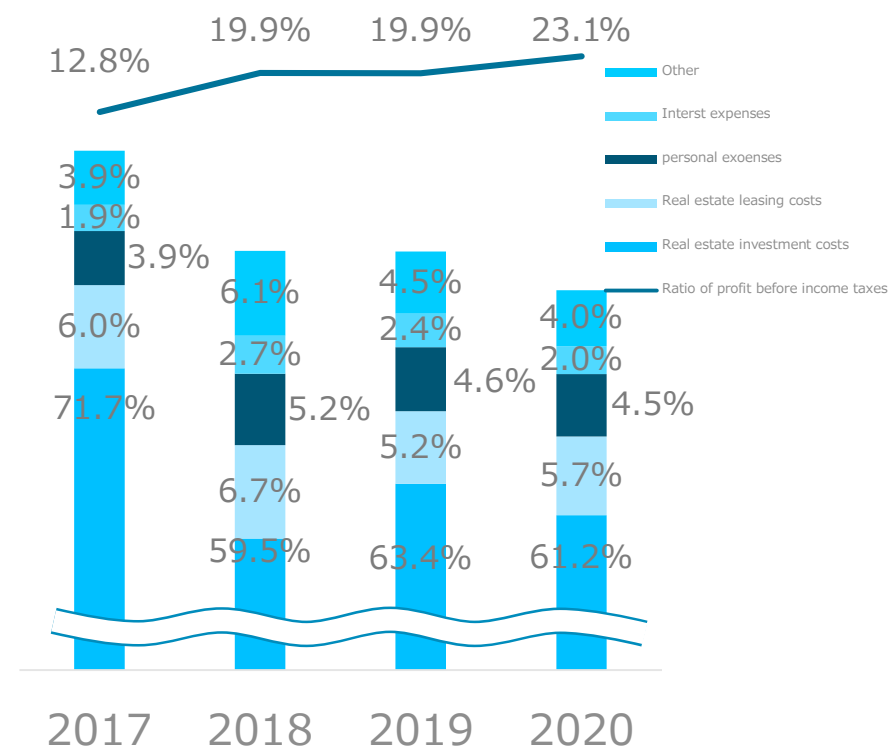


- Due to higher-than-expected property sales prices and SG&A expenses also remained low, Consolidated Profit before income taxes increased 30% y-o-y.
- We implemented a cost-conscious style of management in an effort to secure profit margins

Consolidated Profit before income taxes (¥ millions)



Cost structure (¥ millions)



Consolidated Financial Position

(¥ millions)	12/31/2020		
	Amount	% of total	% vs. 12/31/2019
Current assets	50,898	99.5%	115.6%
Cash and deposits	7,331	14.3%	94.4%
Operating loans	5,642	11.0%	92.1%
Real estate as inventory	37,373	73.1%	124.4%
Non-current assets	258	0.5%	89.0%
Total assets	51,156	100.0%	115.4%
Current liabilities	5,286	10.3%	95.6%
Short-term borrowings	1,647	3.2%	69.4%
Non-current liabilities	38,148	74.6%	123.1%
long-term borrowings	30,271	59.2%	131.8%
Deposits received from silent partnership investors	6,260	12.2%	89.1%
Total liabilities	43,434	84.9%	118.9%
Net assets	7,721	15.1%	98.7%
Retained earnings	7,414	14.5%	147.5%
Treasury shares	-2,515	-4.9%	-
Total liabilities and net assets	51,156	100.0%	115.4%

- This shows the amount of loans outstanding in the Crowdfunding business

- A considerable amount of unrealized gains have accrued, as we hold properties with high appraisal values.
- High liquidity since we have no development projects, and our properties are tenanted buildings located in Tokyo.
- Under the guidance of the accounting auditor, real estate holdings reported as inventory irrespective of holding purposes.

- This shows the amount that has been invested in OwnersBook projects.

- Usage of Treasury shares will be determined based on market conditions.

Consolidated Statements of Cash Flows

(¥ millions)	FY2019	FY2020	Amount Changed
CF from operating activities	△3,986	△4,118	△131
Profit before income taxes	3,004	3,914	910
Decrease (increase) in operating loans receivable	△2,788	486	3,274
Decrease (increase) in Real estate as inventory	△7,272	△7,796	△524
Increase (decrease) in deposits received from silent partnership investors	664	△762	△1,426
Increase (decrease) in deposits received	2,005	△97	△2,102
CF from investing activities	△31	0	31
CF from financing activities	5,913	3,688	△2,225
Net increase (decrease) in borrowings	6,170	6,580	410
Purchase of treasury shares	0	△2,529	△2,529
Net increase (decrease) in cash and cash equivalents	1,895	△435	△2,331
Cash and cash equivalents at beginning of period	5,871	7,766	1,895
Cash and cash equivalents at end of period	7,766	7,331	△435

- Cash flow from operating activities will remain negative until we achieve our aim of building up real estate as inventory enough to ensure that leasing income is sufficient to cover fixed costs, but increased profit before income taxes will compensate for this.

- Due to partial change made in 2nd half of FY2019 to accounting method for deposits received in Crowdfunding Business.

- Increased due to the increase in real estate as inventory. Since, however, real estate-backed loans in principle have terms exceeding 10 years, the risk of refinancing or forcible collection is low.

- Share buyback from major shareholder, Renren. The actual purchase price of JPY2.5 billion was much lower than the initially expected JPY4.0 billion.

3. Business Overview

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CROWDFUNDING
(Equity-type / Loan-Type)



OwnersBook



Real Estate
Investments

CORPORATE FUNDING
(Real Estate Principal Investment)

ASSET MANAGEMENT

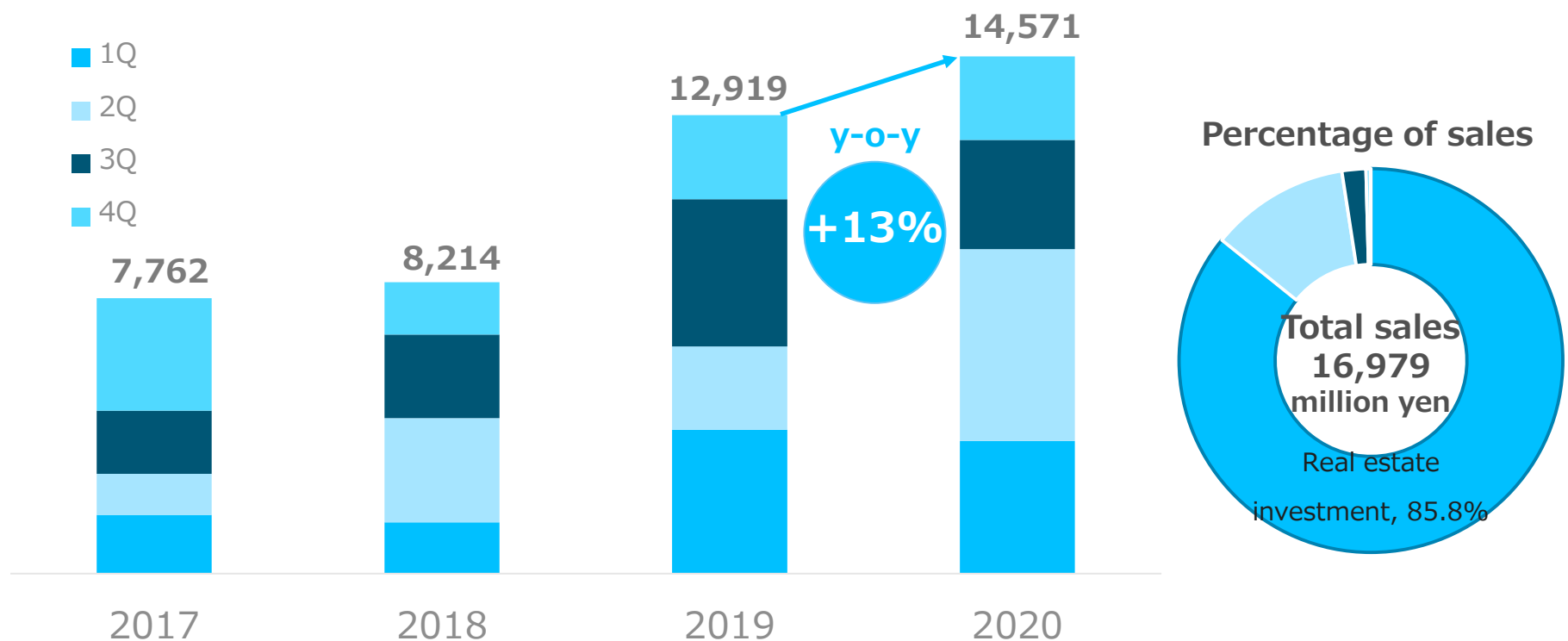
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/ ADVISORY SERVICES**

Corporate Funding Business Results

【Real estate investment sales】

- While real estate transactions have been somewhat sluggish, property sales progressed according to plan and net sales increased 13% year on year. The abilities of management have been well demonstrated.
- Profit margins have also been enhanced thanks to appropriate marketing activities.

Net sales (Real estate investment) (¥ millions)

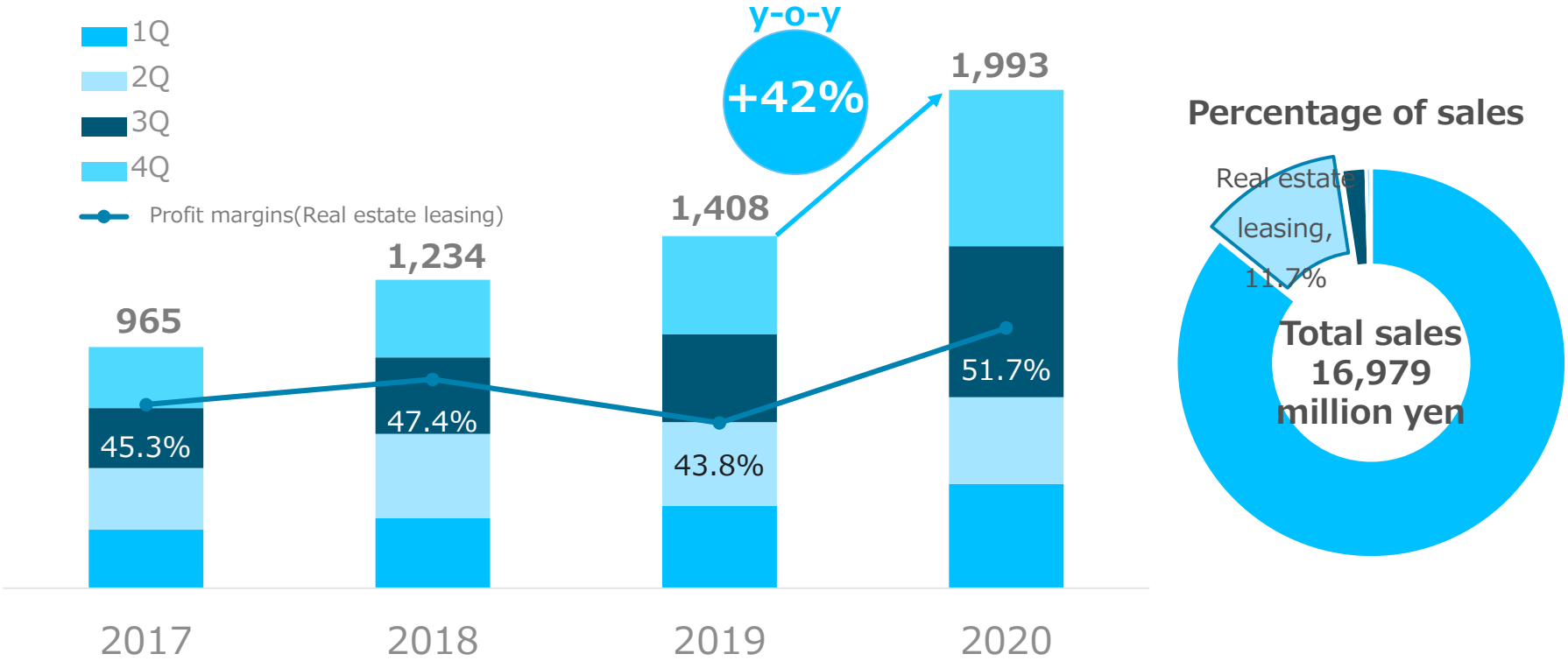


Corporate Funding Business Results

【 Real estate leasing sales 】

- Amid the COVID-19 crisis, there was a good opportunity for acquiring properties at attractive prices in the 2nd quarter. We consequently acquired 8 properties, the most since the Company’s foundation. This contributed significantly to leasing income from the 2nd half of the fiscal year.
- In light of the composition of our property holdings portfolio, the impact of our commercial tenants and the hotel property is limited.

Net sales (Real estate leasing) (¥ millions)

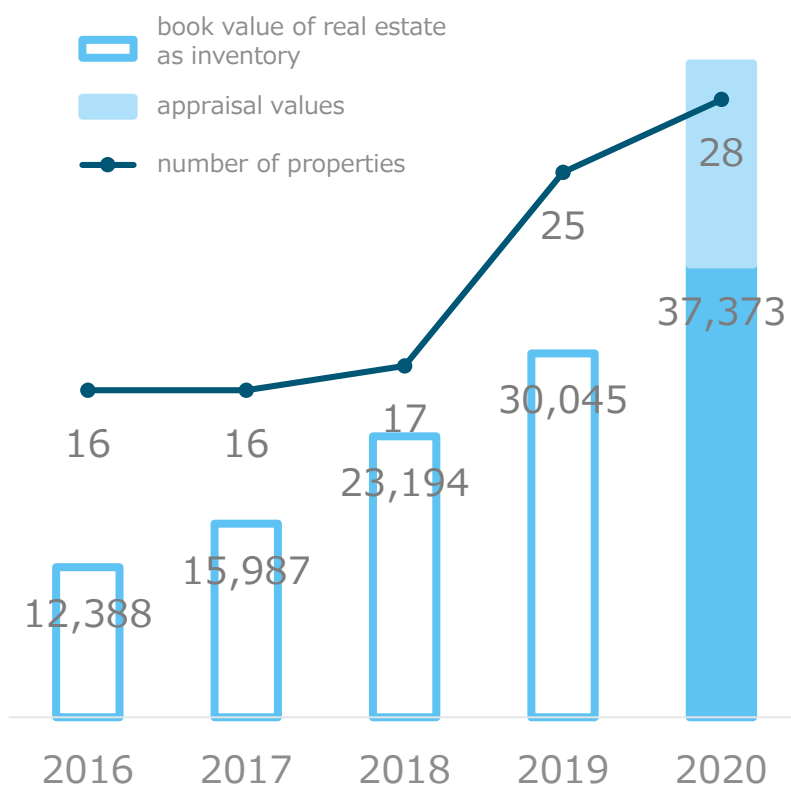


Corporate Funding Business Results

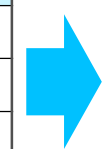
【Shareholder Value Enhancement through Property Acquisition】

- Property number and asset balance increased significantly through property acquisitions in the 2nd quarter.
- Unrealized gains have also increased considerably due to thorough scrutiny and selection of properties and property management, thereby strengthening the Company's foundations for sustainable growth.

Changes in the book value of real estate as inventory and the number of properties



Track Record	Sale price/purchase price (excluding expenses, depreciation, etc.)
2016	133%
2017	129%
2018	154%
2019	136%
2020	147%



Through appropriate management and marketing of real estate, sale prices of all properties so far have exceeded their purchase prices.

Number of properties	Possession	Cumulative sale
Five wards in central Tokyo	20	17
Other wards	7	15
Yokohama	1	1

Focusing on medium-sized office buildings, with high liquidity, located within or near Tokyo's Yamanote line.



Main purpose	Office	Logistics /Factory	Retail	Residence	Hotel
Five wards in central Tokyo	15		4	1	
Other wards	4	2		1	
Yokohama					1

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

Property Acquisition During COVID-19 Pandemic

Overview of some of the Buildings acquired in 2nd Quarter of 2020



name	Prime Myogadani Bldg.	Prime Suehirocho Bldg.	Prime Suidobashi Bldg.	Prime Takadanobaba 4-chome Bldg.
Address	5-5-5, Koishikawa, Bunkyo-ku, Tokyo	1-1-12, Ueno, Taito-ku, Tokyo	2-21-2, Kanda-misakicho, Chiyoda-ku, Tokyo	4-39-7, Takadanobaba, Shinjuku-ku, Tokyo
Acquisition	Jun-20	May-20	Jun-20	Jun-20
Land	1,585.73m ²	431.89m ²	556.95m ²	835.93m ²
Building	9,914.97m ²	3,465.90m ²	2,834.76m ²	3,778.42m ²
Built	Built by Konoike Construction Co., Ltd. in 1972, expanded in 1979.	Built by Taisei Corporation in 1984	Built by SHIMIZU CORPORATION in 1992	Built by Fujita Corporation in 1988
Description	Multipurpose building including office, retail, and mechanical parking facility with 7 floors and 1 basement.	Multipurpose building including office, retail, and parking space with 8 floors and 4 basement.	Multipurpose building including office, retail, and parking space with 8 floors and 1 basement.	Multipurpose building including office, and parking space with 6 floors and 1 basement.

Asset Management Business

- We were entrusted with no new transactions this fiscal year mainly because COVID-19-related immigration restrictions have prevented foreign investors from entering Japan. Nevertheless, inquiries from overseas investors are on the rise, therefore we will focus our efforts on gaining new orders for transactions.
- Since 2019, we received mandate of asset management business for a fund launched by a global asset management firm CBRE Global Investors.

Property	Harumi Island Triton Square Office Tower Z 8-11F (34 stories with 4 basement floors)
Location	1-8-12 Harumi, Chuo-ku, Tokyo
Build	Oct-01
Zoning	Commercial - Office
Occupancy Rate	100%
Buyer	Harumi TMK



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CORPORATE FUNDING
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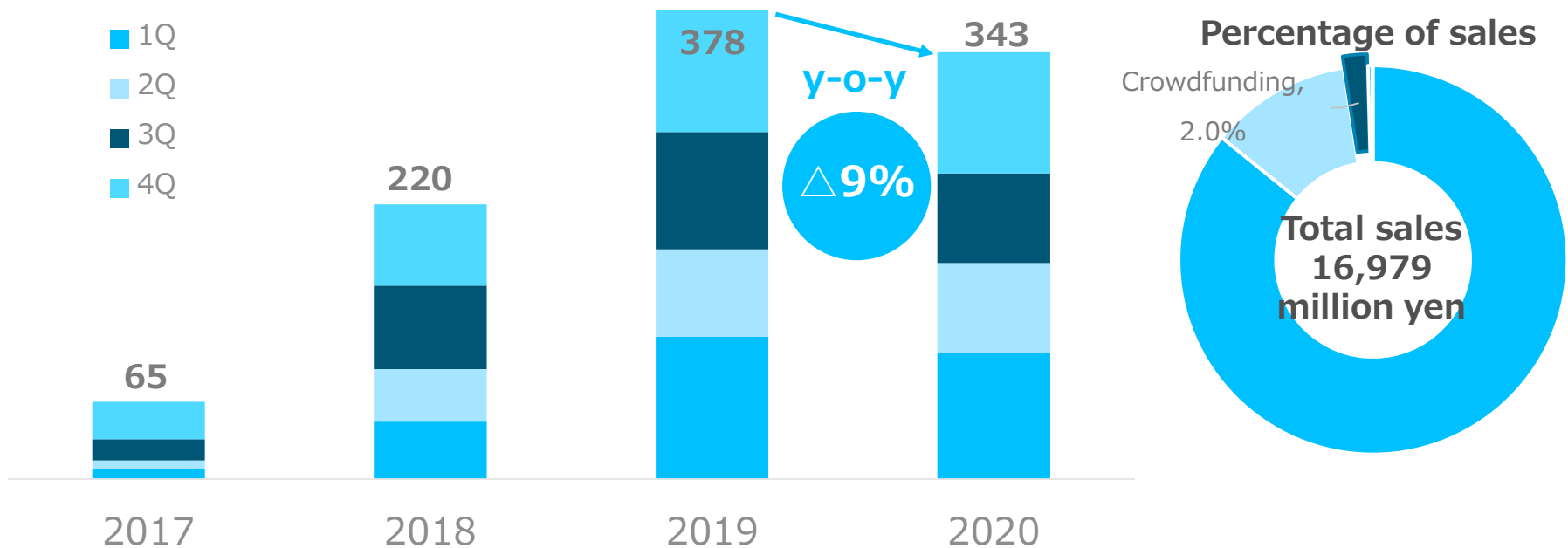
ASSET MANAGEMENT

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Crowdfunding Business Results

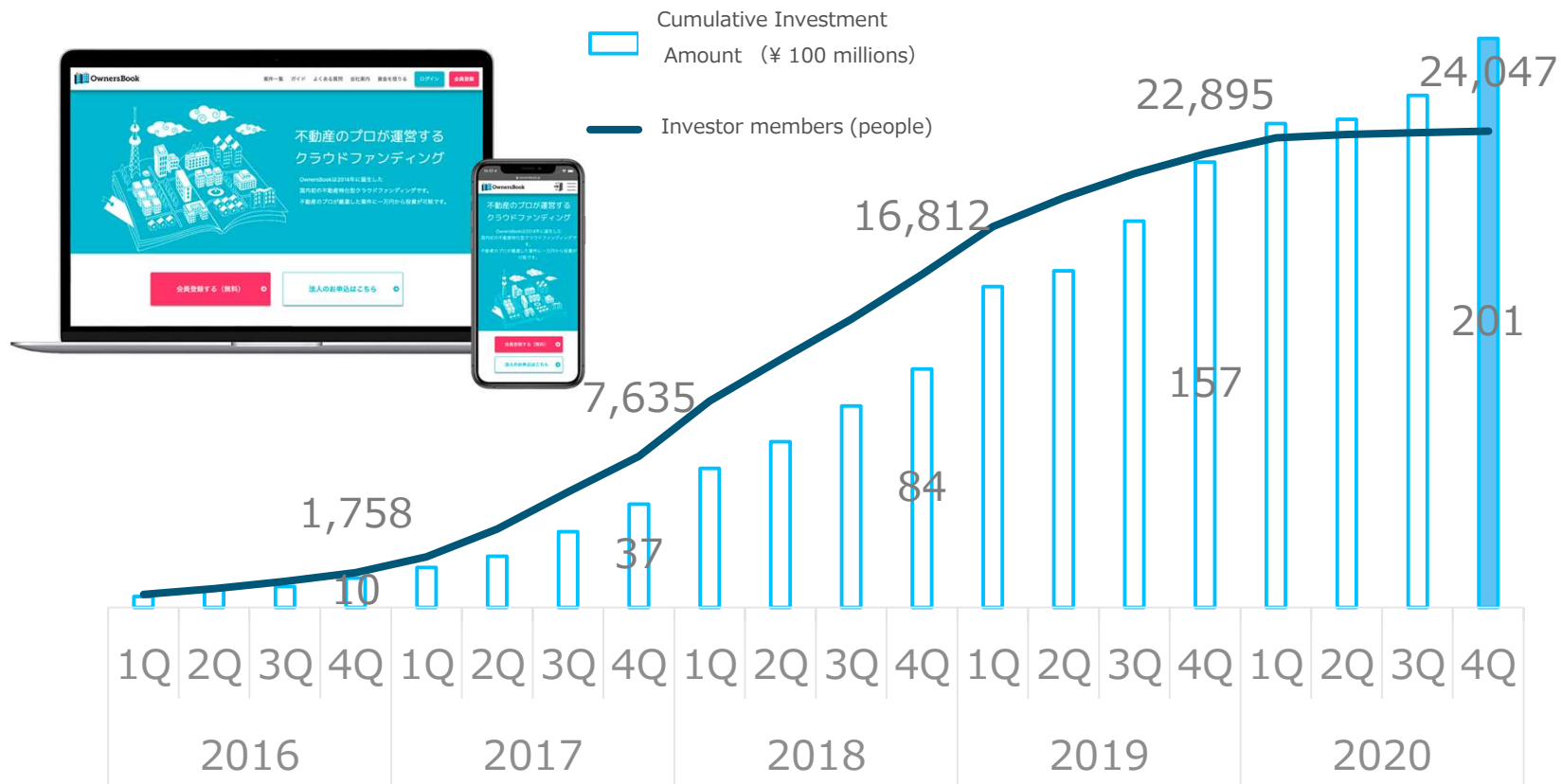
- Demand for loan-type transactions waned in the first half because real estate transactions were sluggish in response to the COVID-19 situation, as well as the impact of the government’s COVID-19 emergency lending scheme. Nevertheless, demand for capital rebounded in the second half and we made steady progress on executing transactions.
- Given that investor demand remains strong, we will endeavor to expand this business by prudently managing existing investments and taking on new deal originations.

Net Sales (¥ million)



Investor Members / Cumulative Investment Amount

- The recruitment of new investor members was subject to a correction because of the limited number of new deal originations.
- Our priority is to avoid excessive risk burdens being placed on investor members. We aim to expand our business while carefully monitoring the market.



OwnersBook Growth

貸付



港区オフィス・商業素地第1号ファンド第1回
港区赤坂 他

確定利回り(年換算)	確定運用期間
5.1%	19カ月

募集総額 1,100,100,000円 期限前償還完了
100%

申込総額 (3053人)
1,100,100,000円

貸付



横浜市中区オフィス第1号第1回
横浜市中区桜木町3丁目7番2号

予定利回り(年換算)	予定運用期間
3.5%	37カ月

募集総額 600,000,000円 投資実行済
100%

申込総額 (1726人)
600,000,000円

貸付



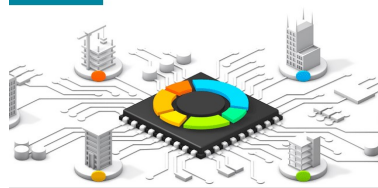
東京23区商業ビル底地・区分第1号第2回
千代田区外神田4丁目4番7号・墨田区東向島5丁目3番3...

予定利回り(年換算)	予定運用期間
5.0%	25カ月

募集総額 160,000,000円 投資実行済
387%

申込総額 (2326人)
620,650,000円

エクイティ



US非上場eREIT第1号ファンド
Union City, California他 USA

予定利回り(年換算)	予定運用期間
4.6%	62カ月

募集総額 497,500,000円 投資実行済
66%

申込総額 (356人)
333,000,000円

Projects are becoming larger due to an increase in number of investor members.



¥1.1bn in offering
(more than 3,000 investors)



Implementation of lottery projects



Lottery ratio:
Several times



Overseas Deal Formation



Seeking new kinds of equity-type products.



Remarkable growth in funding power with projects worth several hundred million yen completely funded within a few minutes.

Crowdfunding ~ Profit structure ~

● Profit structure

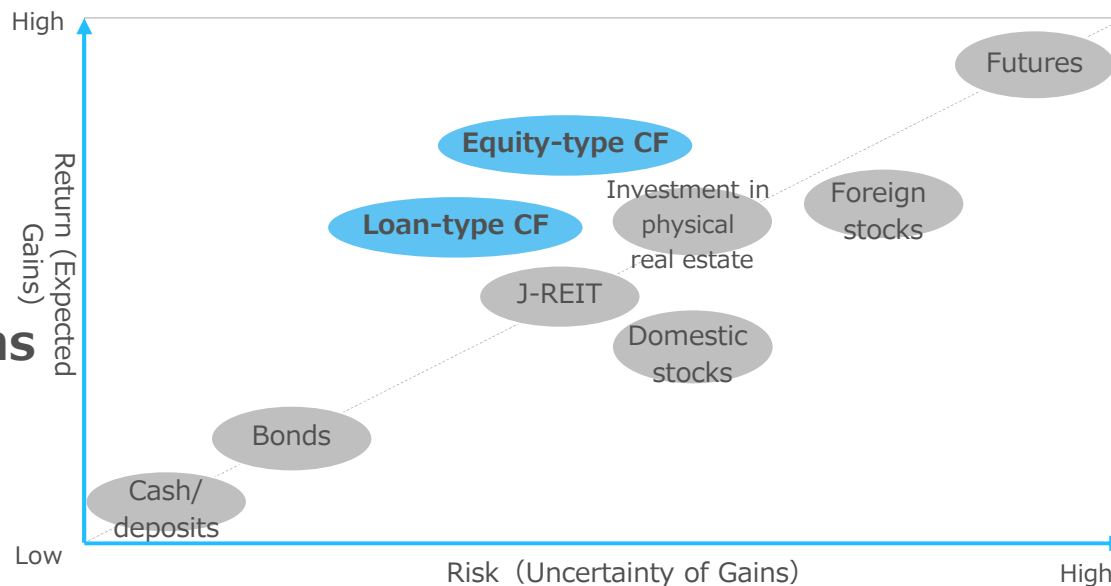
	Up-front fee	Asset Management fee	Disposition fee
Loan-type	Loan amount × 2%	—	—
Equity-type	Equity Amount × 1-2%	AUM × 0.3-1%	Real Estate Sales Price × 1%

* The above fee condition is a typical sample.

● Risk and Return

【Target return】

- Loan-Type **2.5%-5,0%**
- Equity-type aims for returns of approximately **4-10%**



※ Image created by our company

4. Forecast for the FY2021 and Future Growth Strategy

Forecast

Corporate funding business : Accumulate properties to strengthen earnings base

Crowdfunding business : Offer diverse products and expand scale

Asset management business : Increase AUM

(単位：百万円)	FY2020		FY2021(Forecasts)		
	Amount	% of Net Sales	Amount	% of Net Sales	% Y-o-Y
Net sales	16,979	100.0%	18,554	100.0%	109.3%
Cost of sales	11,346	66.8%	11,615	62.6%	102.4%
Gross profit	5,632	33.2%	6,938	37.4%	123.2%
SG&A expenses	1,148	6.8%	1,476	8.0%	128.5%
Operating profit	4,484	26.4%	5,462	29.4%	121.8%
Ordinary profit	4,168	24.6%	4,997	26.9%	119.9%
Profit before income taxes	3,914	23.1%	4,600	24.8%	117.5%
Profit	2,700	15.9%	3,178	17.1%	117.7%

● Outlook for Tokyo Real Estate Market

Given that economic activity will gradually recover after the COVID-19 crisis eases and the Bank of Japan will maintain its monetary easing policy, we expect the domestic real estate market to also normalize.

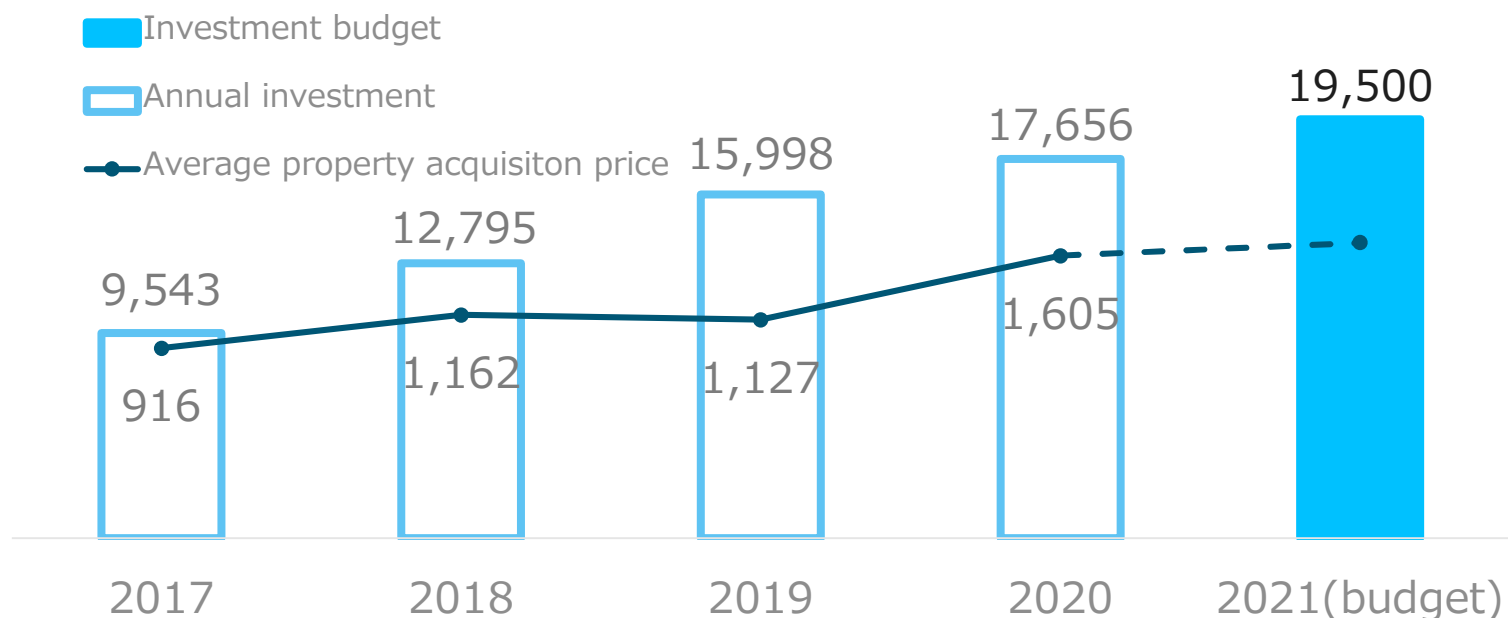
That said, because we are beginning to see an increase in office vacancy rates in Tokyo's business districts (after having trended at low levels) and a decrease in rent levels, we will continue to closely monitor what impact these developments have on the office real estate market, along with any changes in the lending stances of financial institutions.

Real Estate Investments

Sustainable growth of Corporate Funding business

- We aim to build up property holdings, mainly focusing on offices but also looking closely at logistics facilities and hotels, by harnessing our strengths in property appraisal and speedy decision-making.
- Rent levels for B-class office buildings (our core focus) have tendency to be stable than A-class office buildings.
- We believe the considerable uncertainty of the market environment presents a good opportunity for us to leverage our strengths.

Annual investment amount and Average property acquisition price (¥ millions)



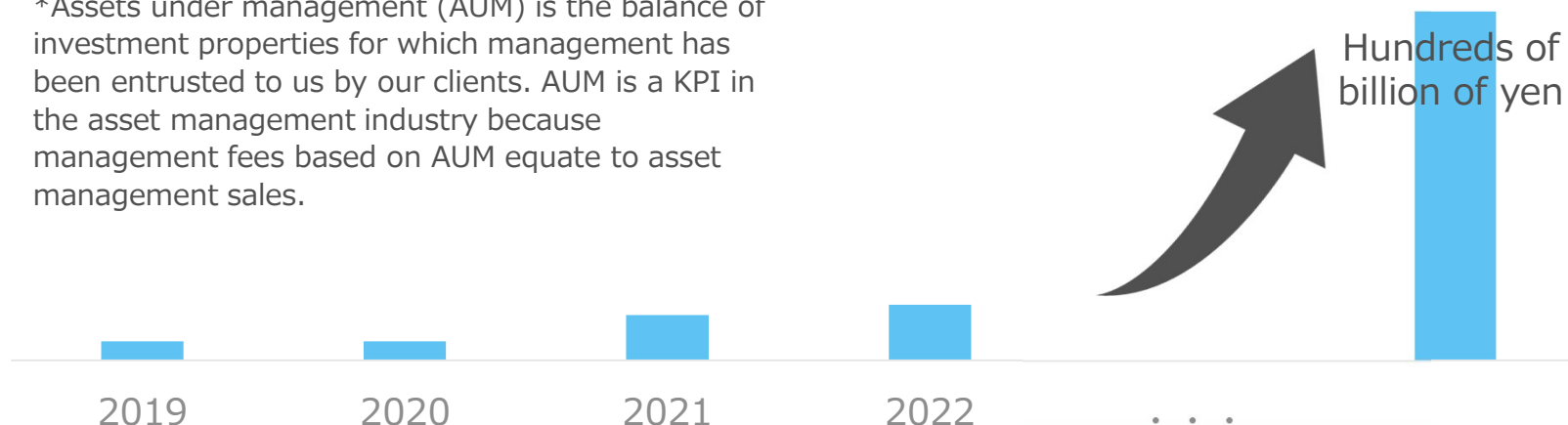
Expanding the Asset Management Business

The impact of COVID-19 on Tokyo's office market has been relatively limited from a global perspective, and investment appetite among overseas investors remains strong thanks to market and forex stability. Also, in the low-interest-rate environment that continues to linger worldwide, investment options outside of stocks and bonds (real estate risk premium) are attracting a lot of attention in Japan and overseas.

Under these circumstances, we aim to improve the performance of existing projects and focus on establishing relationships with investors and financial institutions in order to secure new projects.

Assets Under Management (AUM) *

*Assets under management (AUM) is the balance of investment properties for which management has been entrusted to us by our clients. AUM is a KPI in the asset management industry because management fees based on AUM equate to asset management sales.



Development of Crowdfunding Business

The inclination of individual investors to invest in our Crowdfunding Business (OwnersBook) remains strong and we have put together multiple deals with each ¥500 million or more and completed investor recruitment.

For loan-type transactions, corporate demand for capital is recovering after the so-called COVID-19 lending ran its course. We also intend to form some large projects in light of the aforementioned investor demand and expand the business by diversifying our product lineup with non-recourse loan deals, for example.

For equity-type products, we will also consider off-balance-sheet transactions for our property holdings, either in Japan or overseas, and aim to stabilize the formation of projects.

Moreover, we consider security token offerings (STOs)* to be an important framework for driving growth in the crowdfunding market, so to that end, we will continue to study their practical application.

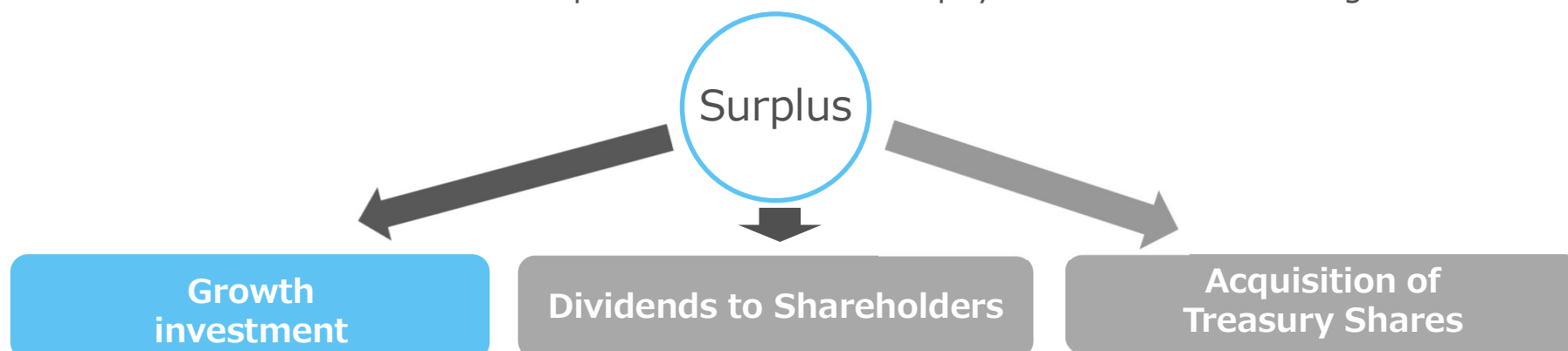
* This is a framework for providing, through the evolution of technology, law/regulation-compliant services that meet the demand for new fund procurement methods to replace traditional equity and debt financing, as well as the demand for new financial products that provide alternatives to stocks and corporate bonds.

Source: Japan Security Token Offering Association

Return to shareholders

《Basic dividend policy》

- We strive to improve corporate value and shareholder profit by expanding business performance
- Perform stable and continuous profit reduction with a payout ratio of 15% as a guide



	2017	2018	2019	2020 (Forecast)	2021 (Forecast)
Dividends per share	¥5.5	¥9.5	¥14.5	¥24.5	29.0¥
Payout ratio	14.5%	14.8%	15.0%	*14.9%	14.9%

*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%

Shareholder benefits (new)

- We offered a special OwnersBook investment allotment to shareholders that have held at least 1,000 shares for at least one year (as of end-December).

● Primary major shareholders

Shareholder	Shareholding (1,000 shares)	% of total shares
Tatsushi Iwano	3,360	20.5
RENREN LIANHE HOLDINGS	2,540	15.5
Yasuhiro Morita	1,502	9.1
藤岡 義久	1,456	8.8
キャピタルジェネレーション(株)	1,100	6.7

Note 1: Percentage of total shares calculated after deduction of treasury shares.

Note 2: Tatsushi Iwano is the Company's president. We continue to enjoy a good relationship with both Renren Lianhe Holdings and Yasuhiro Morita (including Mr. Morita's asset management firm Capital Generation).

Note 3: There are no business relationships between the Company and 藤岡 義久.

● Share Buyback from Major Shareholder

In the period ending December 31, 2020, we acquired 5.1 million shares (at ¥496 per share) from major shareholder Renren Lianhe Holdings, which lowered its voting rights ratio to 15.5% from 35.6%.

We believe this share buyback will lead to the execution of flexible management and capital policies in accordance with changes in the business environment up ahead and we intend to consider methods of disposal so as to contribute to the interests of all stakeholders.

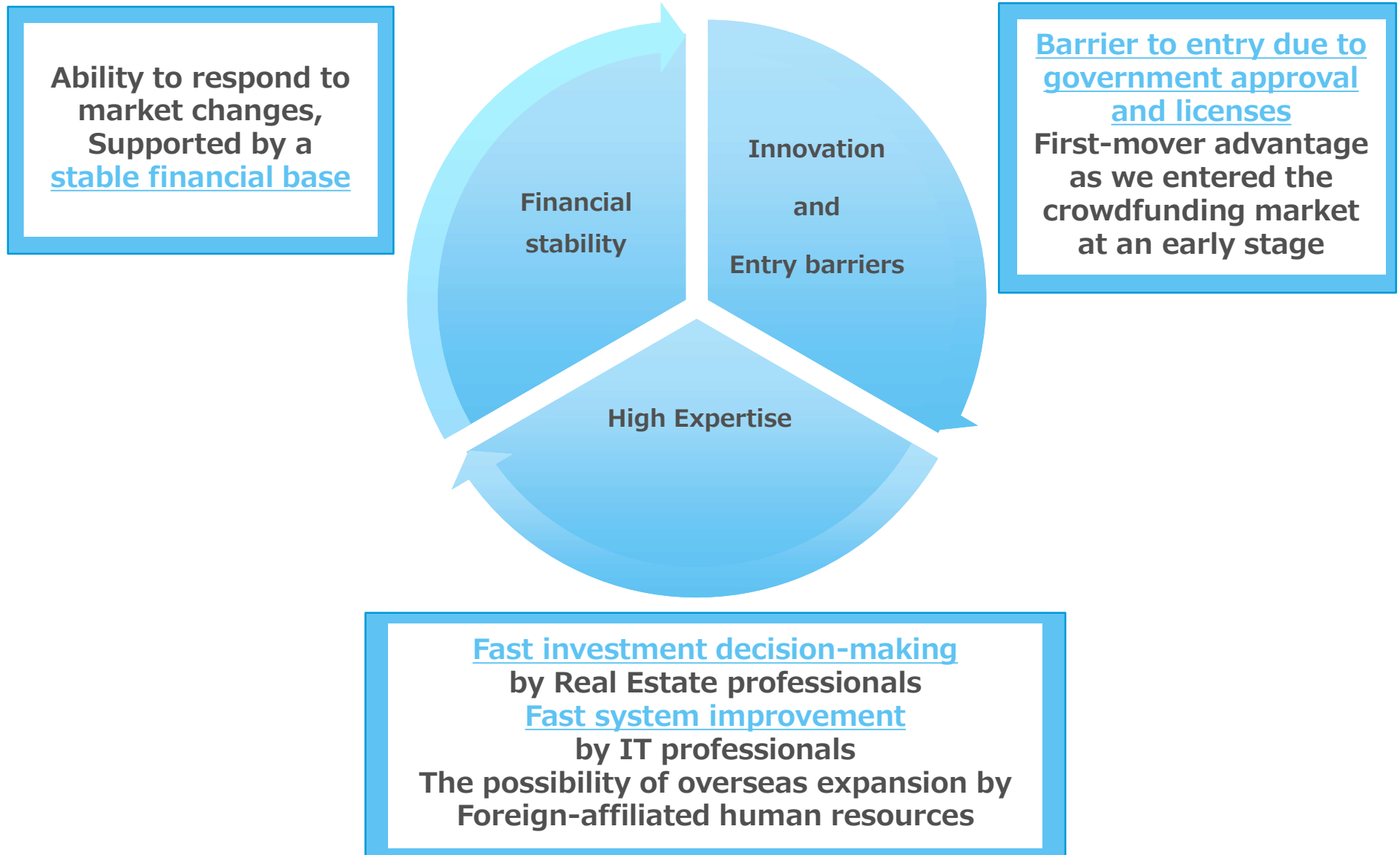
Key Risk Information

Recognized risk	Likelihood	Countermeasures
The risk of being unable to secure talented personnel to support the Group's sustained growth.	Low	As a matter of course, we will strengthen our recruiting, but to prevent the outflow of talent from the organization, we will endeavor to foster an open corporate culture and provide a workplace environment in which every individual can achieve growth.
The risk of an increase in new market entrants and more intense competition with current competitors as a result of regulatory easing or other factors.	Low-medium	We are bolstering our sales force and making every effort to win more projects by promoting digital transformation, such as SFA (sales force automation). In the Crowdfunding Business we are bolstering our systems, working to improve UI and UX, and focusing our efforts on raising awareness of OwnersBook through media exposure and seminars.
The risk of the Group's business being restricted by amendments to, or the establishment of, laws and regulations related to our business operations.	Low	Our Compliance Officer and attorneys within and outside the Company have assessed the potential impacts of legal amendments on the Group's business and are taking appropriate steps as required.
The risk of significant damage to the value of the properties we hold as a result of an earthquake or other natural disaster.	Low	We try to mitigate this risk by selecting properties built to the new seismic resistance standards or higher, obtaining earthquake risk assessments above a certain level, and taking out earthquake insurance.

Appendix 1.

Our strengths and characteristics

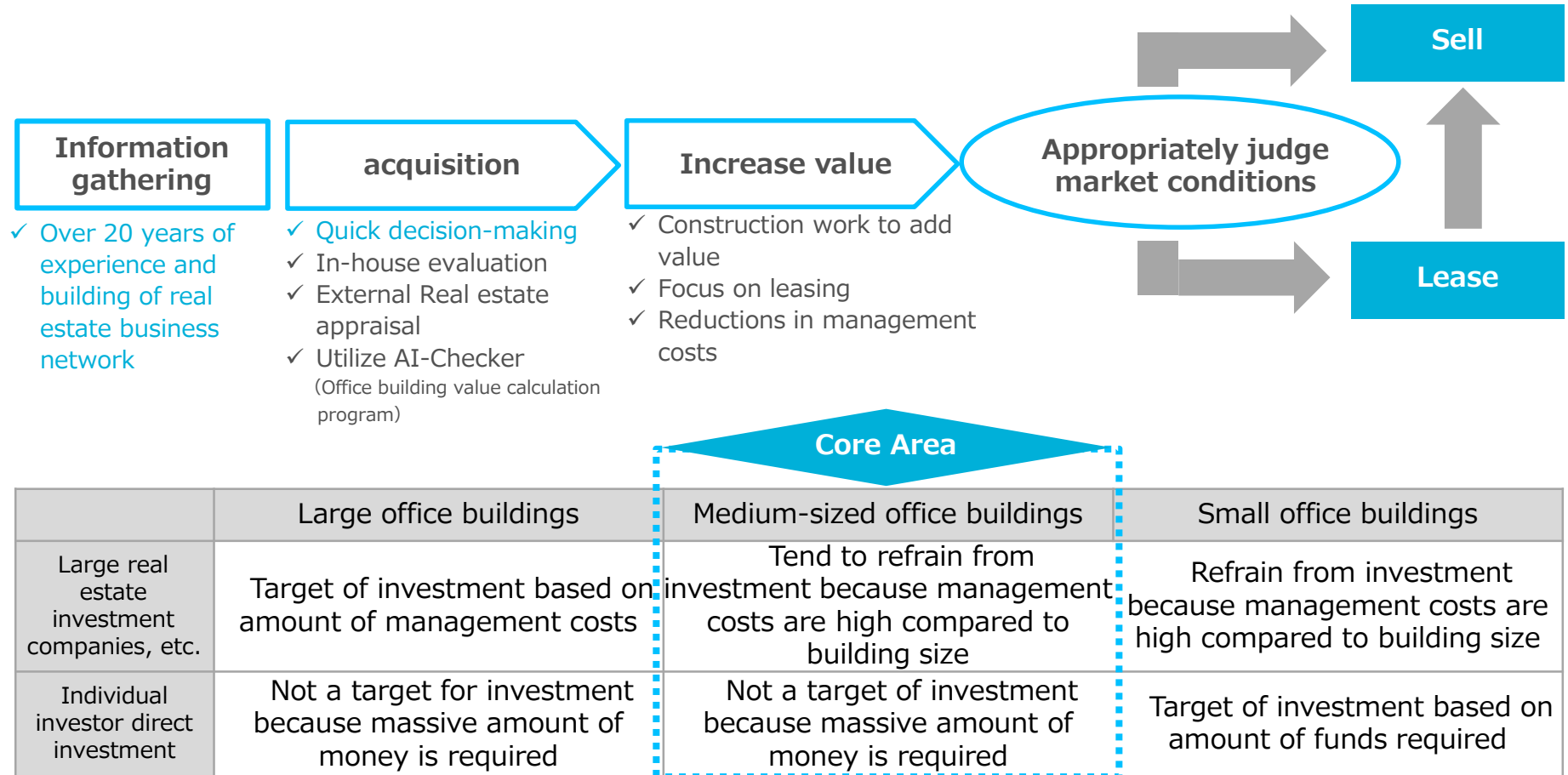
Loadstar Capital's Strength



Competitive advantage of Corporate Funding Business



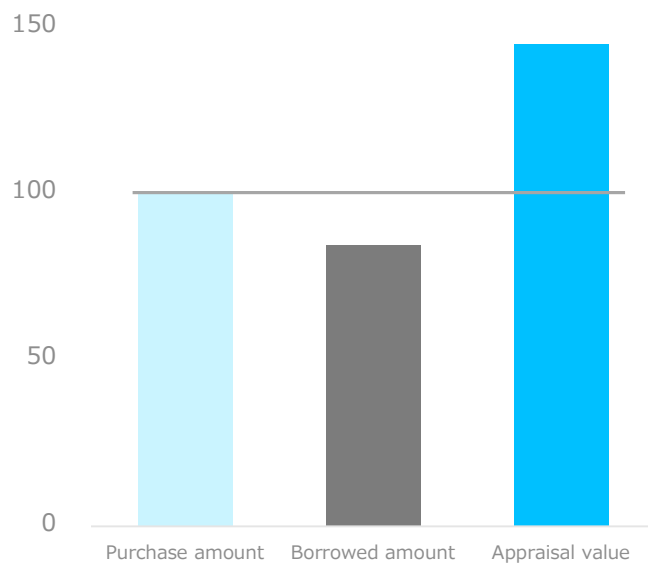
While harnessing our speedy real estate appraisal and decision-making, we will acquire **mainly medium-sized office buildings** with high liquidity **within Tokyo's 23 wards**, and work to enhance their value.



Stable Financial Base

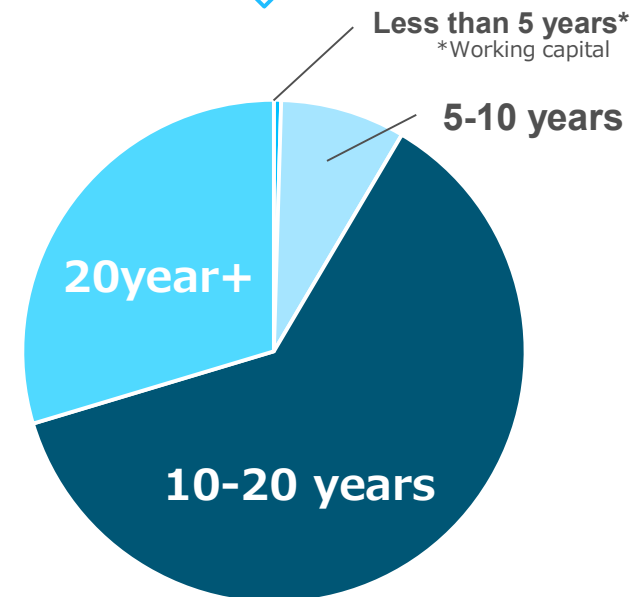
- Real estate prices have a tendency to fluctuate on a 10-year cycle.
- By earning a high level of creditworthiness from financial institutions owing to unrealized gains on our property holdings, and by taking out long-term loans, we have been able to reduce refinancing concerns stemming from short-term volatility in real estate prices.

Creditworthiness backed by appraisal track record



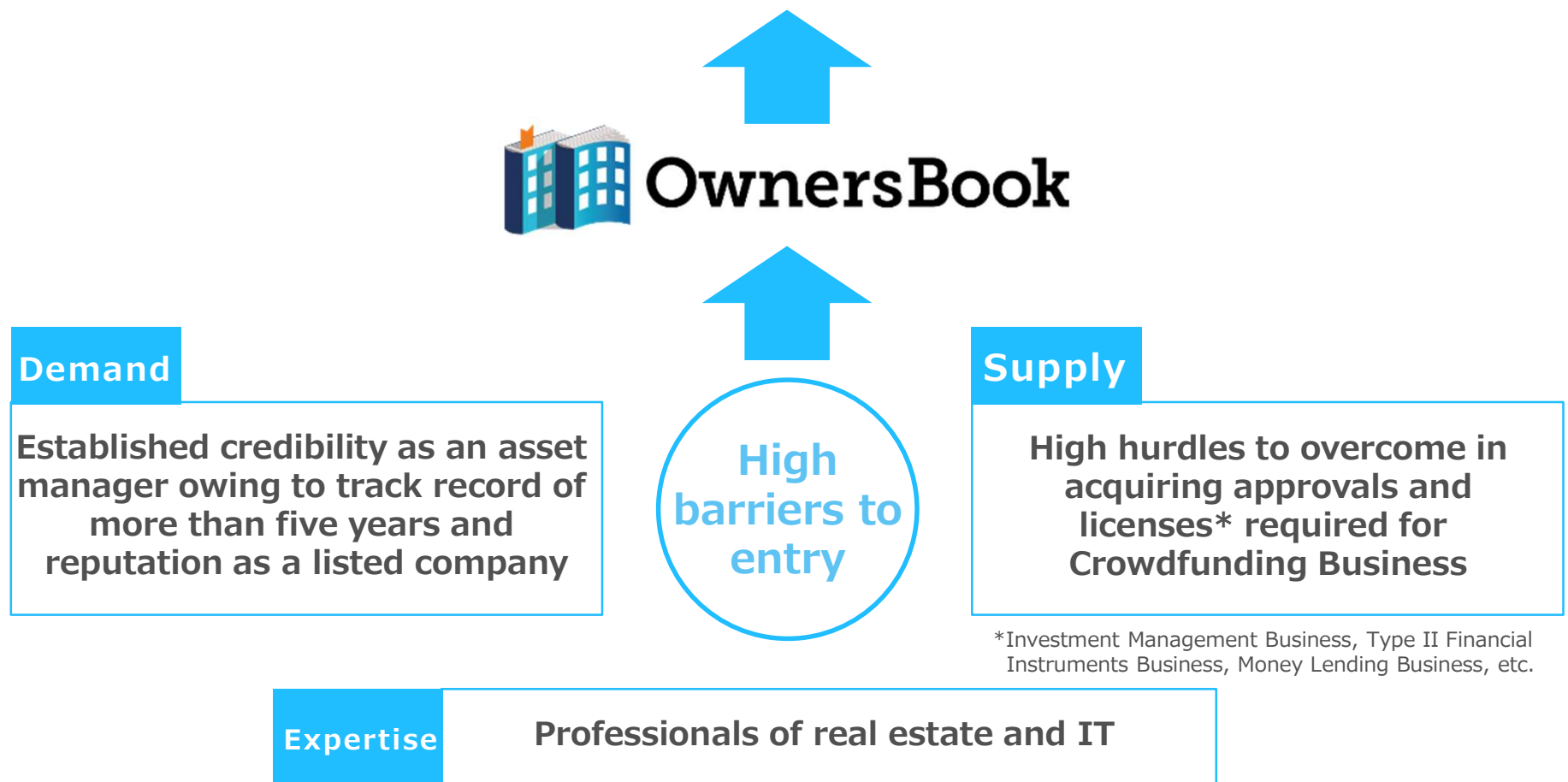
Indexed with cumulative real estate purchase value = 100.
As of December 31, 2020

Weighted average borrowing period = 17 years



※As of December 31,2020

Realizing access to personal money not established in the real estate investment market



High Expertise

With a high level of expertise in both real estate and IT, we are able to accurately grasp the market's needs and quickly provide services.

Real Estate Pros

- Many of our members have more than 20 years of experience in the real estate business (experienced the 2007-2008 global financial crisis)
- Abundant connections, strong information-gathering capabilities
Use internal/external resources to increase business
- Speedy decision-making based on reliable judgment
- Stable business relationships, centered on megabanks

IT Pros

- Experts with more than 15 years in the IT industry create and manage systems internally
- The first in the market (social lending) to release a smartphone app
- Through in-house development and management of systems, we can quickly address investors demands
We have stringent security and personal information protection measures

Appendix 2.

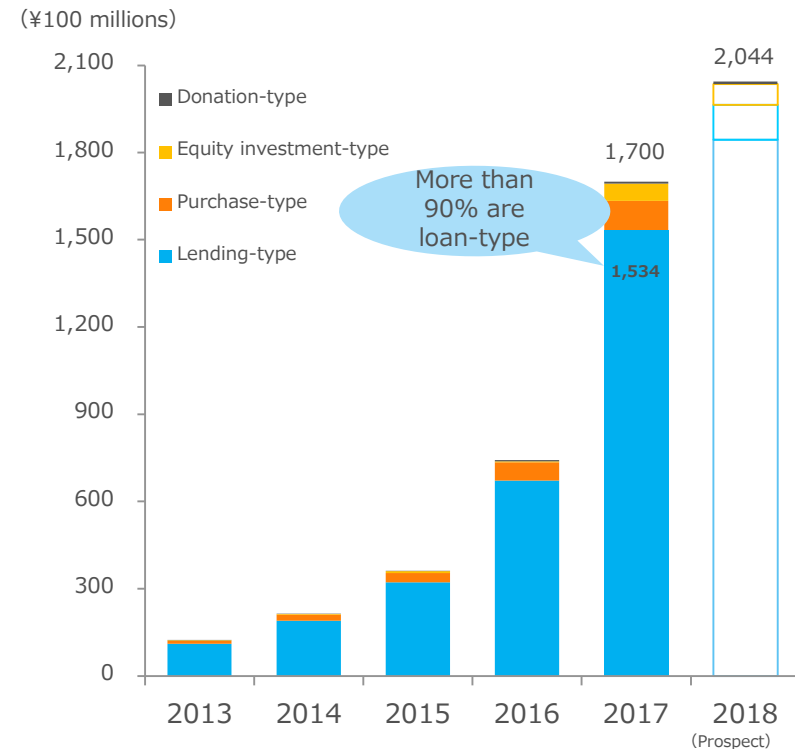
Social lending market and “OwnersBook”

- Groundbreaking scheme for both investors and people seeking capital.
- Market scale is expected to expand up ahead because the number of lending-type crowdfunding business operators is increasing year after year.

Reasons Supported

Investors	High return on investment (Banks: 0.01% - 0.3%, SL2.5% - 5%)
	Low bad debt rate
	Convenient (Complete transaction online using PC or smartphone)
	Can invest small sums (From JPY 10,000)
Persons Seeking Funds	Flexible lending stance = can consult even when it is difficult to borrow from conventional financial institutions (Inception, short-term, working capital, refinancing, etc.)
	Collateral evaluated from a professional perspective

Japan's crowdfunding market

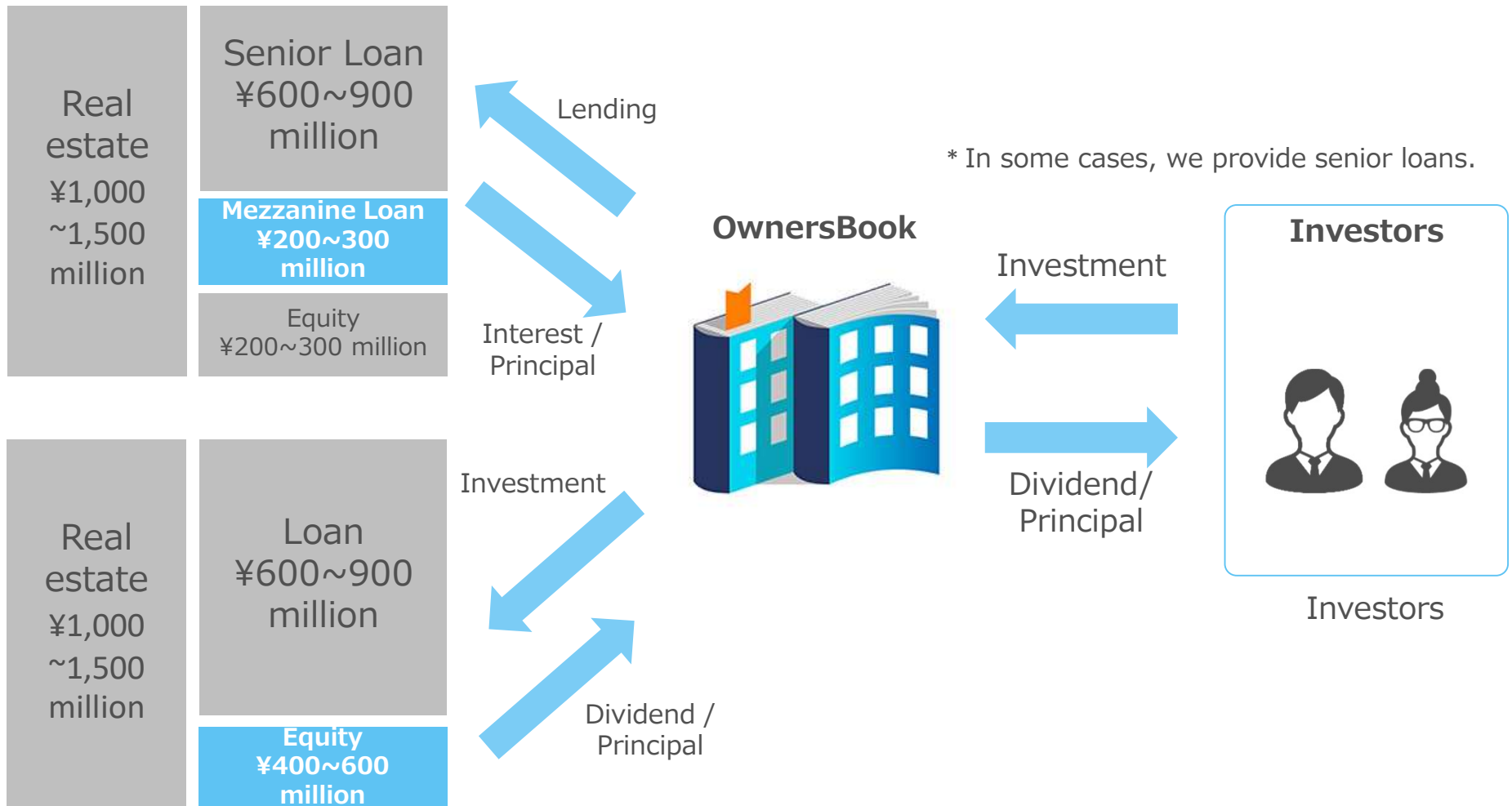


Source: Yano Research Institute "Crowdfunding Market 2018" (Released 12/3/2018)

Note: Composition ratios for 2015 and prior years calculated by Loadstar Capital K.K. using same composition ratio as FY2016
 Composition ratio for 2018 calculated by Loadstar Capital K.K. using same composition ratio as FY2017

OwnersBook (Loan-Type / Equity-type)

Loan-type : Lending for real estate-backed/loans



Equity-type : Open up investment areas closed to individual investors

OwnersBook Features

Small investment amounts

Makes it easy to invest in real estate through small investments

Online platform allows for lower investor costs

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

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



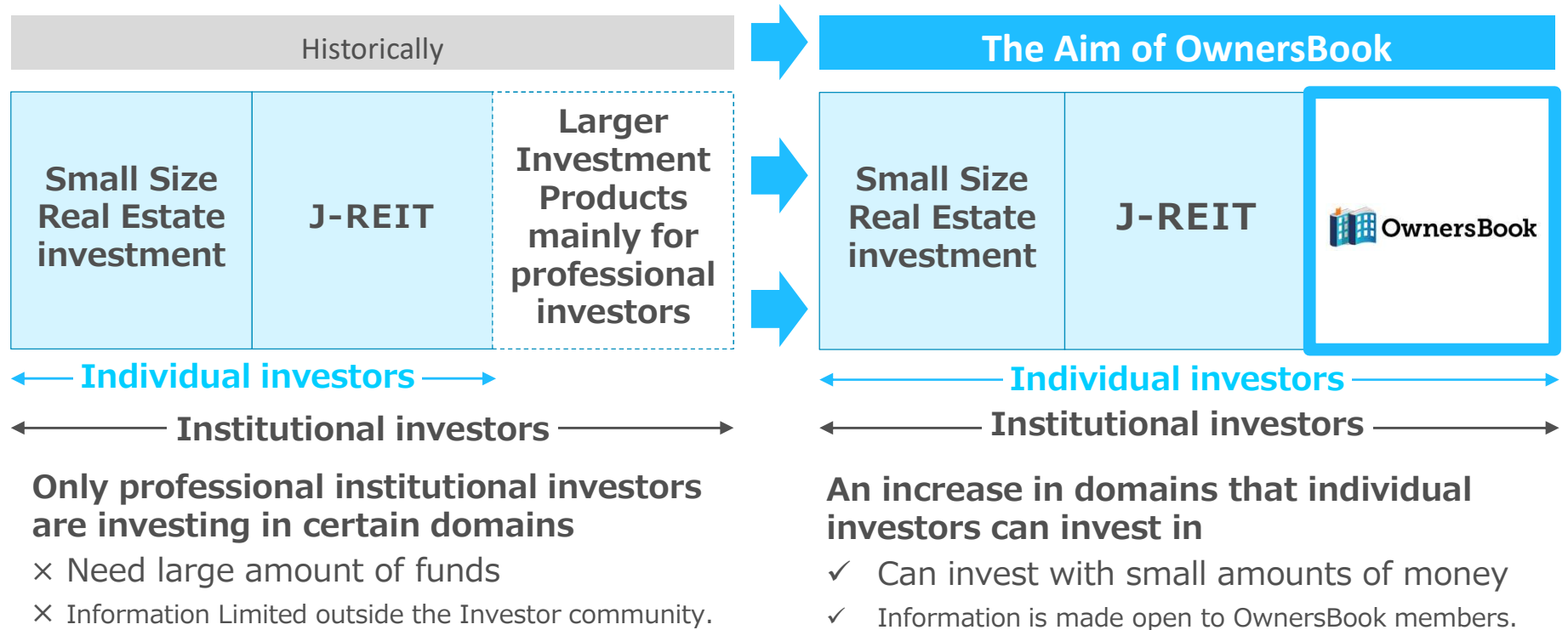
Investor base for a wide range of ages

Wide range of investors in their 20s to 70s (Mostly in the 30s to 40s). Investors all over Japan, mainly in the Greater Tokyo Area

Entry into professional investing domain (Equity-type)

Opening of real estate investment domain that individuals were unable to participate in

Equity-type ~ The world we aim for ~



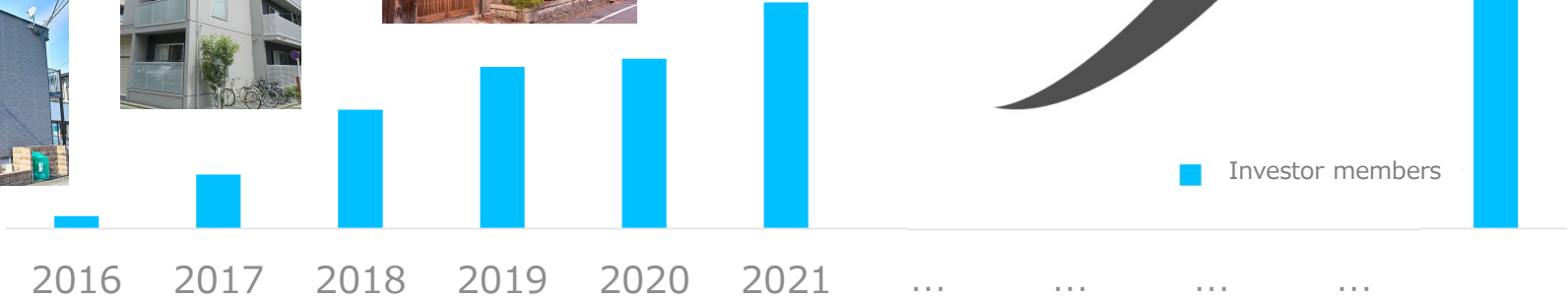
- ✓ Starting with small amounts of money, individuals can participate in large investment deals
- ✓ Having individual investors join in the investment segment that have traditionally only been open to institutional investors will help to stabilize the real estate market

Growth Potential in Japan

Real Estate Investment Product Domains		Other Investment Domains
Publicly Offered	Private-Placement	
Listed REITS ¥19.6 trillion	Private-Placement REITs/Funds ¥21.1 trillion	Cash and deposits Credit Securities Physical real estate . . .
Pros ¥18.2 trillion	¥21.1 trillion Phase②	
Individuals ¥1.4 trillion	Crowdfunding Phase① Several hundred million yen~ Several tens of billion yen Phase② Several hundred billion yen~ Several trillion yen	
	Phase① Phase①	

Phase① : At launch, increase scale centered on individual investors
 Phase② : Aim to have professional investors also participate

- Aim to have professional investors also participate in the future by expanding the platform
- Also, an increased number of members will open up the possibility of individual investors investing in A-class and S-class properties



Source for market size : <https://j-reit.jp/market/12.html>
<https://www.smti.jp/news/pdf/20201006.pdf>

Crowdfunding Business Alliance

We will continue to strengthen cooperation with financial institutions, etc.



OwnersBook



Acquire investor members

Matsui Securities

Project (Equity-type)

Fundrise

Project (Lending type)

THE SEIBU SHINKIN BANK

ORIX Bank Corporation

SAISON FUNDEX CORPORATION

Shinsei Investment & Finance Limited

AEON Bank, Ltd.

Appendix 3. Company Profile

Our Team



Hiroyasu Kaizuka

Hiroyasu Kaizuka was named Executive Director, Investment Management in March 2018. Prior to joining Loadstar, he had been with Goldman Sachs since March 1999. Hiroyasu was the Regional Head of the Asset Management Group, Goldman Sachs Realty Japan since 2002, and managed the Real Estate and Hotel Asset Management teams in Tokyo. He also played a significant role in the establishment of Goldman Sachs Consulting Co., Ltd. in China, and managing real estate investments in Singapore. He was named Managing Director in 2012. He was transferred to Goldman Sachs Asset Management in 2013 and built a Real Estate Core Fund Management Platform in Tokyo. Succeeded to grow AUM from US\$0.5bn in Nov. 2013 to US\$3.8bn in November 2017. Before joining Goldman Sachs, Hiroyasu worked at Richard Ellis and the Royal Bank of Canada in Tokyo.

Master of Business Administration,
Washington State University
Real Estate Broker



Naoyuki Kubo

Naoyuki Kubo was named Executive Director in March 2019. Since joining Loadstar Capital in 2014, he has been responsible for Investment Sourcing & Disposition Department. Prior to Loadstar Capital, he worked at Japan Real Estate Institute for 15 years, mostly recently as a Director and took a lead for Global valuations. Prior to Japan Real Estate Institute, he worked at the Norinchukin Bank for 2 years.

Bachelor of Agriculture, the University of Tokyo, Master of Business Administration, University of North Carolina at Chapel Hill
MAI, CCIM, Licensed Real Estate Appraiser, Real Estate Broker



Yo Narita

Yo Narita was named Executive Director in March 2019. Since joining Loadstar Capital in 2014, he has been responsible for developing and managing OwnersBook. Prior to Loadstar Capital, he was an asset manager at Touchstone Capital Management Co., Ltd., where he managed JPY 100Bn of real estate portfolio. Prior to Touchstone, he was an analyst at Financial Security Assurance Inc.

Bachelor of Law, the University of Tokyo
CFA Charterholder

History

Mar 2012	Established Loadstar Capital K.K. in Ebisu, Shibuya-ku, Tokyo
May 2014	Established Loadstar Funding K.K. (wholly owned subsidiary)
Sep 2014	Launched crowdfunding service on the internet under the brand name "OwnersBook"
Apr 2015	Relocated head office to Ginza, Chuo-ku, Tokyo
Sep 2017	Listed on Tokyo Stock Exchange Mothers market (Securities code: 3482)
Jan 2018	Publicly registered investment management business and electronic-based application type electronic public offering services (equity-type crowdfunding)
Oct 2018	Relocated within Ginza, Chuo-ku, Tokyo
Aug 2019	Established Loadstar Investments K.K. (wholly owned subsidiary)
Nov 2020	Selected as a constituent stock in JPX-Nikkei Mid and Small Cap Index

Appendix 4.

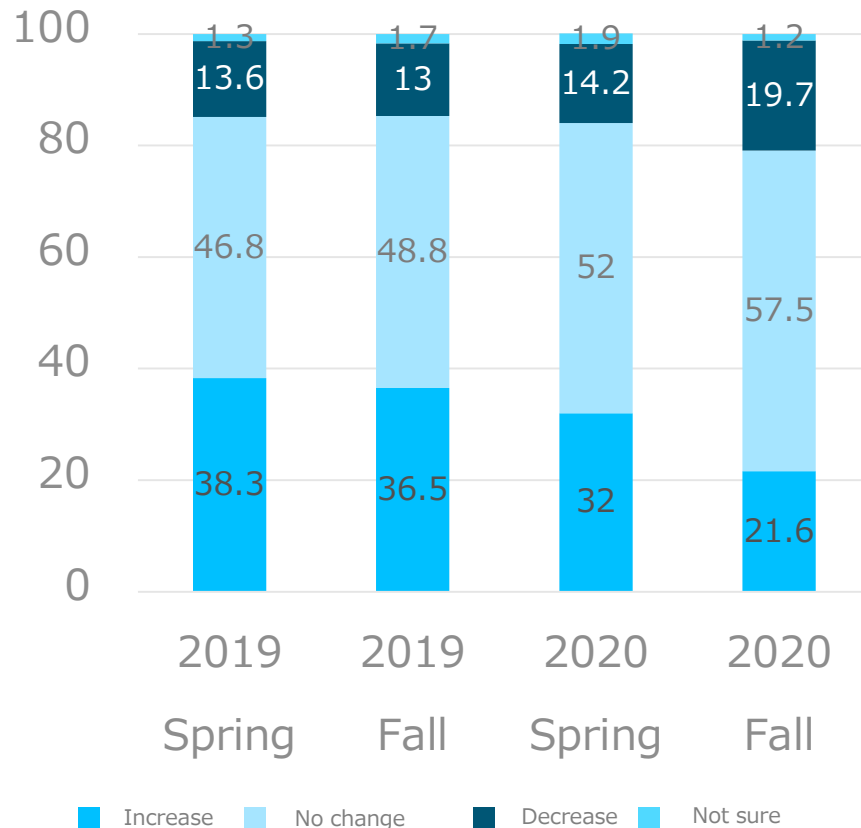
Real Estate Market Analysis

Impact of COVID-19 on the real estate market and advantages in our area of focus (Tokyo)

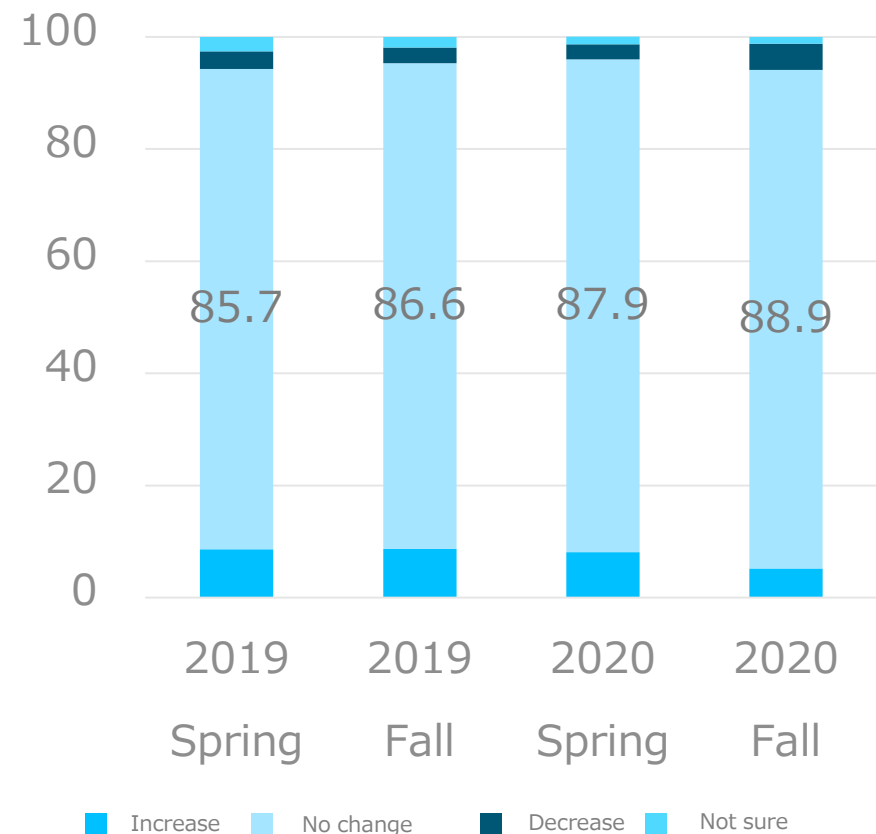
COVID-19: Changes in the Office Market

- The number of office workers have started to decline.
- The impact on office floor space is minimal.

Change in number of office workers



Change in office floor space



Source : XYMAX REAL ESTATE INSTITUTE Corporation 大都市圏オフィス需要調査2020秋

COVID-19: Population Inflow (23 wards of Tokyo)

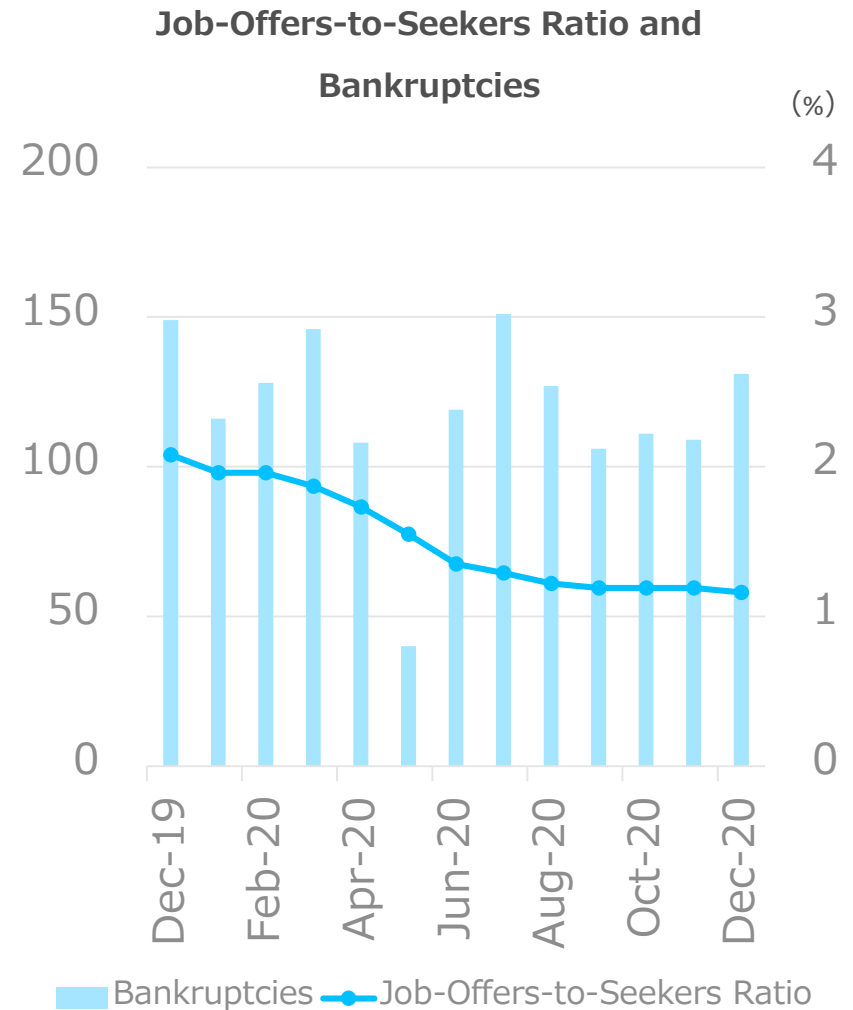


- Change in population inflow that has remained consistent for 20+ years.
- In 2020, excess inflow of Japanese people and likely outflow of non-Japanese people due to immigration restrictions.
- Inflow of non-Japanese will probably return once the COVID-19 crisis eases.

Tokyo wards	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total change
Japanese	9,086	9,087	9,120	9,139	9,139	9,143	9,143	9,139	9,134	9,129	9,124	
Change	1	1	33	18	-0	4	0	-4	-5	-5	-5	39
Impact	0.02%	0.01%	0.34%	0.19%	0.00%	0.04%	0.00%	-0.04%	-0.05%	-0.05%	-0.06%	
Foreigners	488	486	479	475	473	469	463	457	451	448	452	
Change	2	-1	-7	-4	-3	-4	-5	-7	-5	-3	4	-34
Impact	0.02%	-0.01%	-0.07%	-0.04%	-0.03%	-0.04%	-0.06%	-0.07%	-0.06%	-0.03%	0.04%	
Total	9,574	9,574	9,600	9,614	9,611	9,611	9,606	9,595	9,585	9,577	9,576	5

Source : 東京都総務局統計部 住民基本台帳上の人口・世帯数

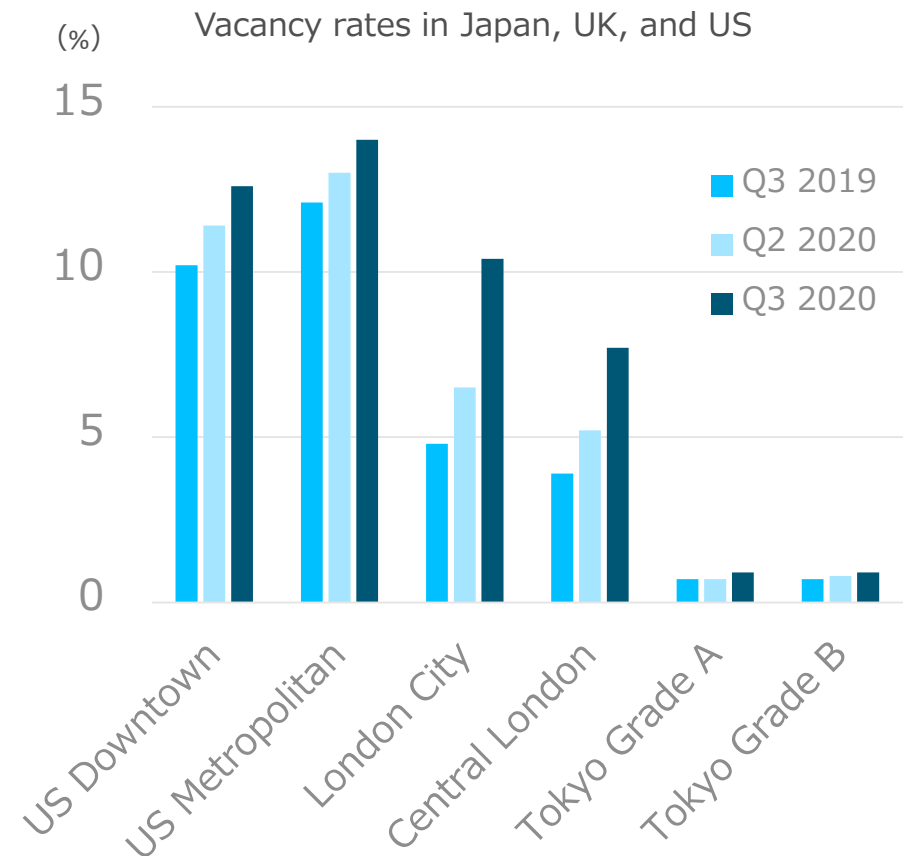
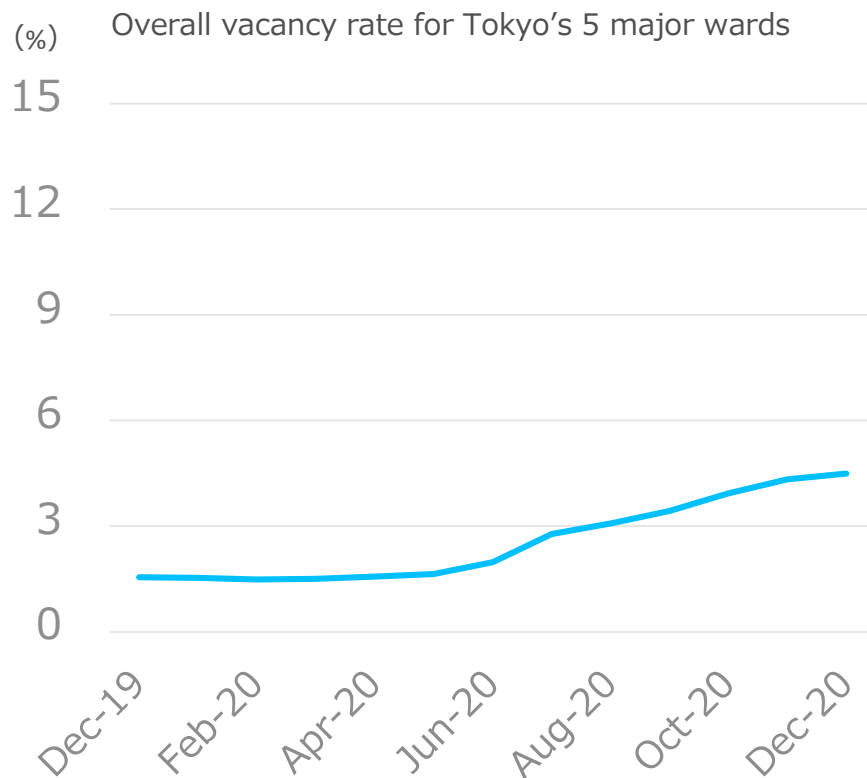
- Hiring is currently subdued owing to the clouded economic outlook.
- The number of bankruptcies have been limited compared to when Japan's bubble economy burst and the 2007/2008 financial crisis. The job-offers-to-seekers ratio will likely recover once the COVID-19 crises eases.



Source : 有効求人倍率 独立行政法人労働政策研究・研修機構職業紹介-都道府県別有効求人倍率
 倒産件数 東京商工リサーチ 全国企業倒産状況

COVID-19: Vacancy Rates

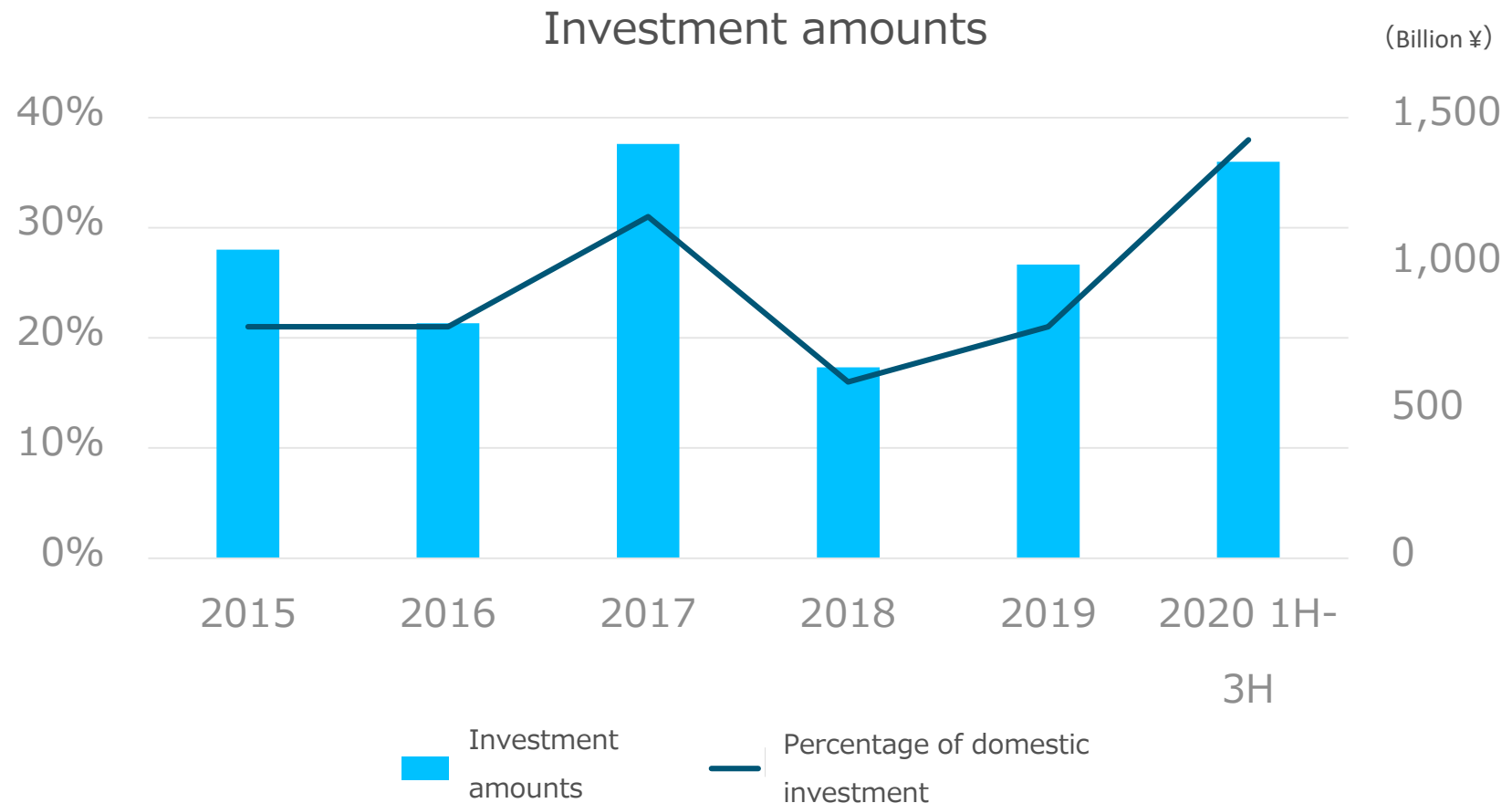
- Vacancy rates for Tokyo's business districts are rising (had been trending at low levels until recently).
- However, compared to the UK and the US, vacancy rates and the rate of increase are quite low.



Source : 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 2020, Central London Office, 34, Japan_Office_MarketView Q3 2020

COVID-19: Real Estate Investment from Overseas

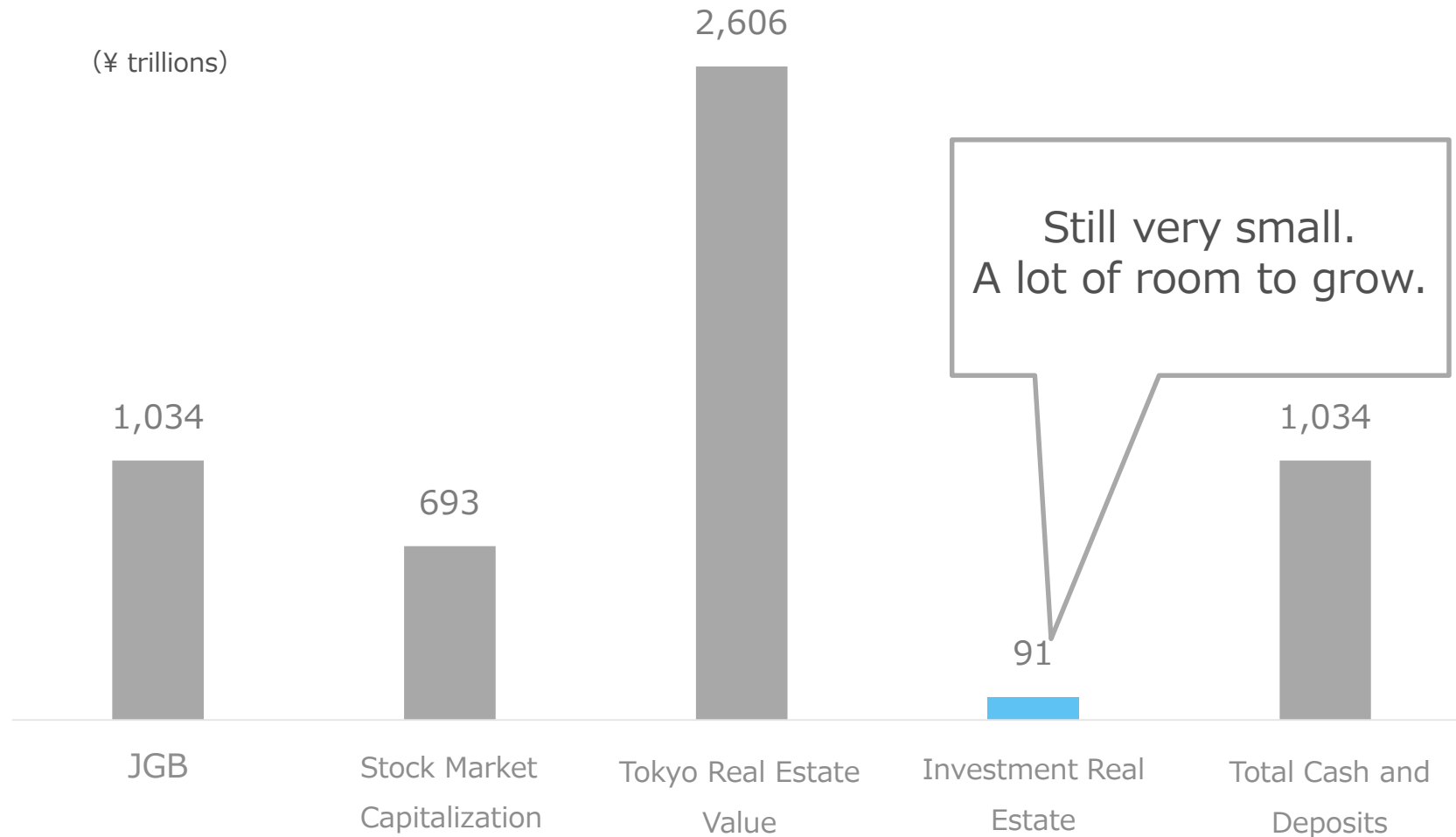
- In the period Jan-Sep 2020, Tokyo received the biggest amount of investment from overseas property investors, 40% to 50% greater than New York and London.
- There were some particularly noteworthy transactions for large office buildings.



Source : JLL Japan Capital Flows 2020 November 2020

Japan's Investment Real Estate Market

Japan's investment real estate market has a lot of room to grow further

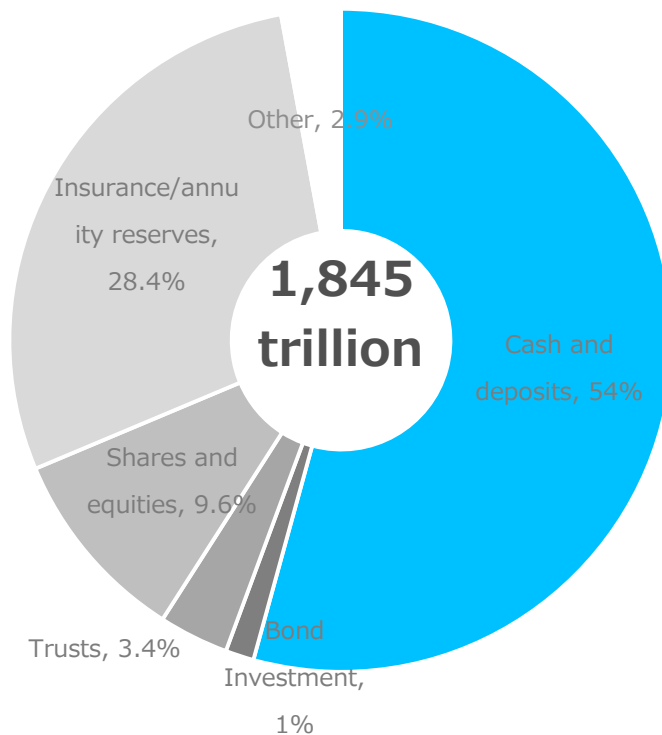


JGB (balance as of September 30, 2020), Stock Market capitalization (based on shares issued on TSE as of December 31, 2020), Total Real Estate Value (2017 data based on Ministry of Land, Infrastructure, Transport and Tourism materials), Investment Real Estate (Taken from MSCI Real Estate Market Size 2019. Converted at \$1 = ¥104), Total Cash and Deposits (based on values as of September 30, 2020) prepared by Loadstar Capital.

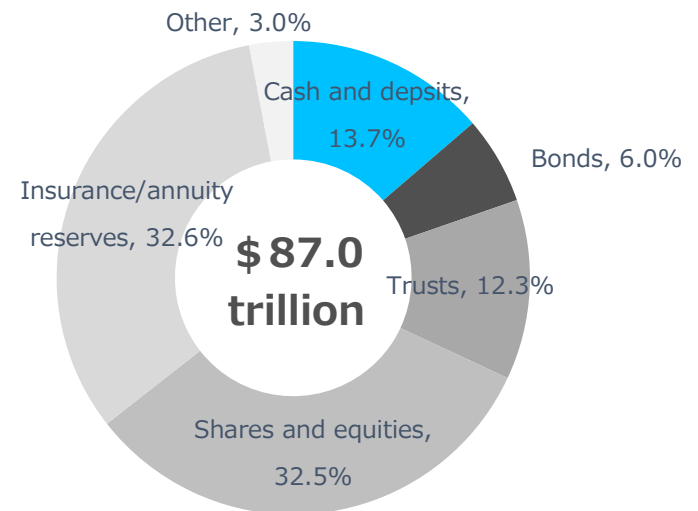
Japanese People's Wealth

More than half of Japan's household financial assets are waiting on the sidelines, not being invested.

Composition of Japan's Household Financial Assets



Composition of U.S. Household Financial Assets



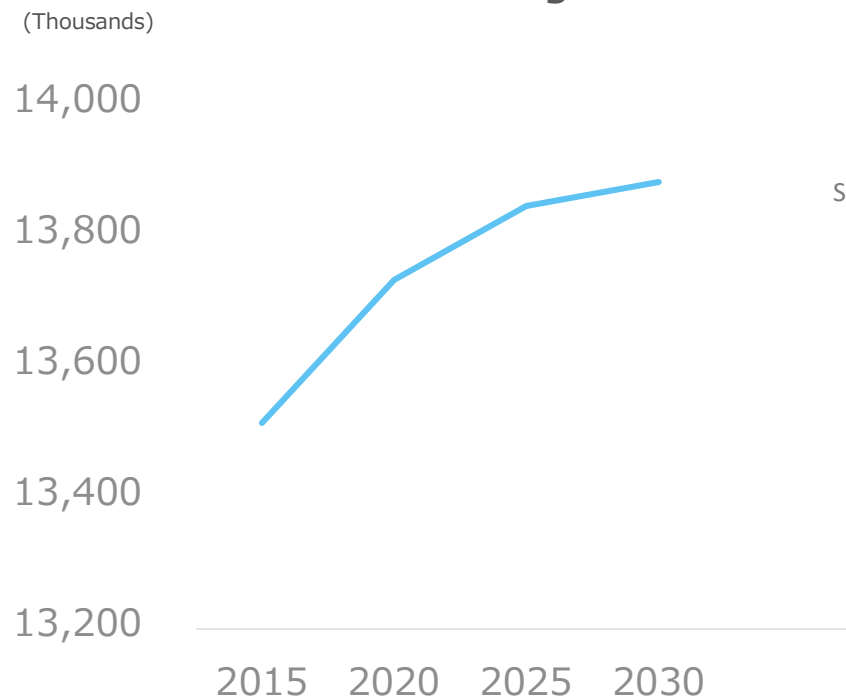
Source: The Bank of Japan Research and Statistics Department "Flow of Funds Accounts (Q1 2020, Preliminary Figures)" (Released on August, 2020)

Population Growth in Tokyo

Tokyo with sufficient infrastructure to compete with major overseas cities.

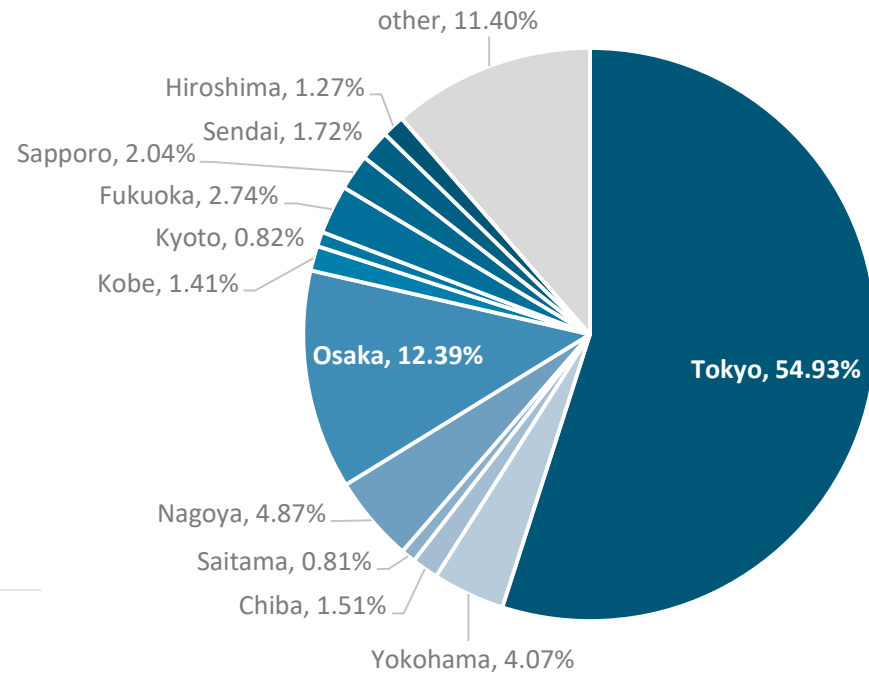
About 61% of investable assets stay in the greater Tokyo area.

Tokyo's Population will Increase Going Forward



Source: Loadstar Capital K.K., based on data from Ministry of Justice "Statistical Survey of Registered Foreigners," and Ministry of Internal Affairs and Communications "Basic Resident Register"

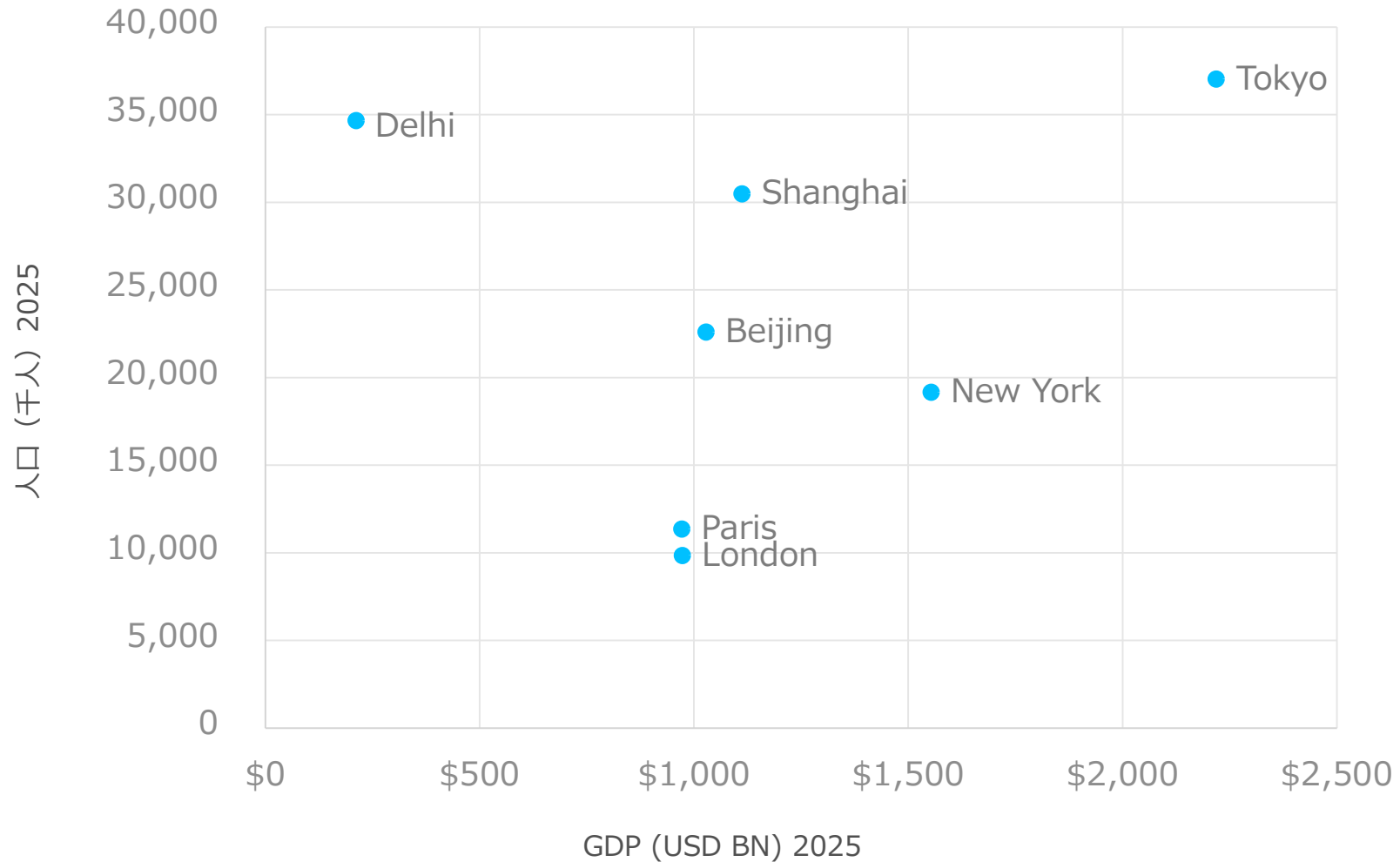
Ratio of office floor space in Japanese cities



Source: Loadstar Capital K.K., based on data from Japan Real Estate Institute's "The Annual Japanese Office Buildings Survey (as of January 2020)"

The World in 2025 (Urban Population & GDP)

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

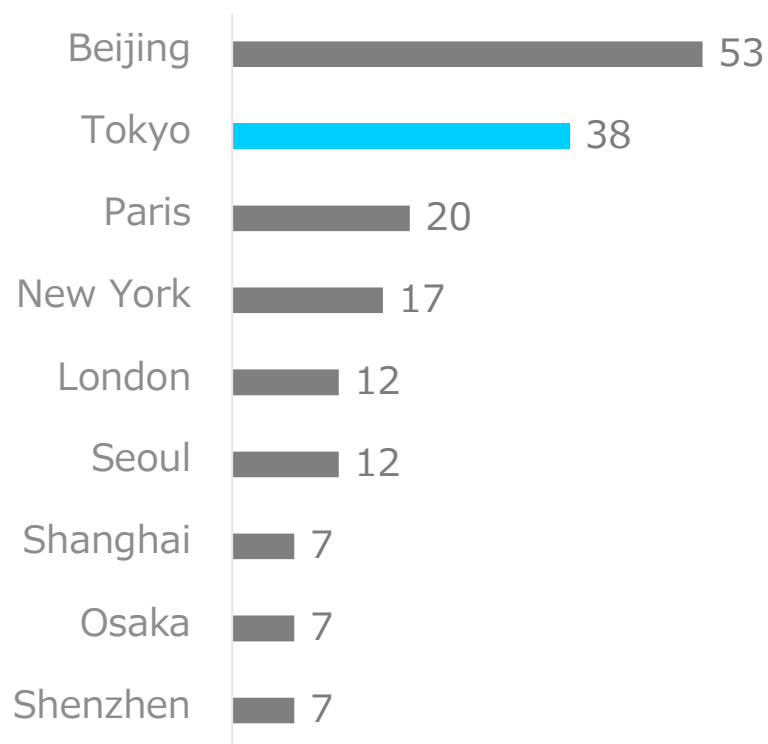


(Population) Population Dept., United Nations [World Urbanization Prospects], (GDP) McKinsey Global Institute Cityscope database 2.0.
Prepared by Loadstar Capital K.K.

Concentration of Large Companies in Tokyo

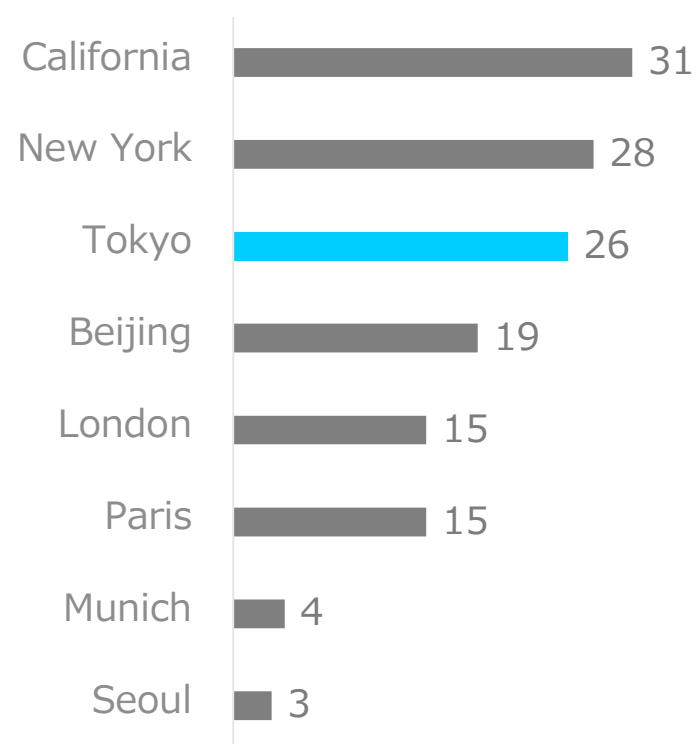
Fortune Global 500 2019

Number of Global Corporate HQ's by City



FT 500 2015

Number of Global Corporate HQ's by City
(Corporate ranking by market capitalization)



Source: <https://www.mlit.go.jp/kokudoseisaku/content/001319312.pdf>
Prepared by Loadstar Capital K.K.

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