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## Loadstar Capital K.K. Consolidated Financial Results for the Nine Months ended September 30, 2017 (Japanese GAAP)

November 10, 2017

Stock listing:	Tokyo Stock Exchange	Securities code: 3482
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(Amounts rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Nine Months ended September 30, 2017 (January 1, 2017 to September 30, 2017)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended September 30, 2017	5,345	-	1,005	-	874	-	571	-
Nine months ended September 30, 2016	-	-	--	-	-	-	-	-

Note: Comprehensive income: Nine Months ended September 30, 2017: ¥593 million, -%  
 Nine Months ended September 30, 2016: ¥- million, -%

	Earnings per share	Diluted earnings per share
	yen	yen
Nine months ended September 30, 2017	134.50	129.59
Nine months ended September 30, 2016	-	-

Notes: 1. As the Company did not prepare the consolidated financial statements for the nine months ended September 30, 2016, the results for the period and year-on-year changes are not provided.

2. Debuting on the Tokyo Stock Exchange's Mothers market on September 28, 2017, the Company calculated diluted profit per share based on the average market price of shares over the period from the first day of listing to the end of the third quarter of the FY2017 (September 30, 2017), which is deemed as the year-to-date average share price.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
September 30, 2017	19,256	4,031	20.9	803.82
December 31, 2016	14,286	2,180	15.3	513.45

Reference: Total equity: September 30, 2017: ¥4,030 million, December 31, 2016: ¥2,179 million

## 2. Dividends

	Dividend per share				
	End-Q1	End-Q2	End-Q3	Year-end	Total
	yen	yen	yen	yen	yen
FY2016	-	-	-	-	-
FY2017	-	-	-	-	-
FY2017 (forecast)				21.00	21.00

Note: Revisions from the latest release of dividend forecasts: None

## 3. Forecast for the FY2017 (January 1, 2017 to December 31, 2017)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of the parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	6,634	42.4	1,288	71.7	1,122	59.5	720	53.7	162.04

Note: Revisions from the latest release of forecasts: None

During the third quarter of the FY2017, stock acquisition rights to shares were exercised, and the issuance of new shares have been reflected in “earnings per share.”

For information related to the issuance of new shares, please refer to “(Note on significant change in shareholders’ equity)” of “(3) Notes to quarterly consolidated financial statements” on page 7 in section “2. Consolidated Financial Statements and Notes” in the Appendix.

### \*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in scope of consolidation): None
- (2) Adoption of simplified accounting methods and special accounting practices to preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policy, changes in accounting estimates, and retrospective restatement
  - 1) Changes in accordance with revisions to accounting and other standards: None
  - 2) Changes other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Number of shares issued (common stock)

	September 30, 2017	December 31, 2016
1) Number of shares issued (including treasury stock)	5,014,000	4,244,000
2) Number of shares held in treasury	-	-
	Nine months ended September 30, 2017	Nine months ended September 30, 2016
3) Average number of shares outstanding during the period	4,252,352	4,232,372

\*This report is exempt from the quarterly review.

### \*Appropriate Use of Forecasts and Other Important Information

The above forecasts, which constitute forward-looking statements, are based on information available to the Company as of the date of the release of this document. Loadstar Capital makes no assurances as to the actual results, which may differ materially from the above forecasts due to a range of factors. For information related to the forecast, please refer to “(3) Forecasts on operating performance” on page 3 in section “1. Qualitative Information Regarding Financial Results” in the Appendix.

In addition, the Company has scheduled to hold the quarterly earnings briefing on November 30, 2017 for institutional investors and analysts. The presentation materials for the earnings briefing will be posted on the Company’s website later.

## Appendix

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## 1. Qualitative Information Regarding Financial Results

### (1) Summary of operating performance

In the nine months ended September 30, 2017, the Japanese economy was solid overall due to the improvement in the labor market in conjunction with the improvement in corporate earnings. Meanwhile, foreign economic trend remains somewhat murky, and close attention must be paid to the North Korea problem and other geopolitical risks, as well as to the impact of movements in financial and capital markets.

In the real estate and real estate finance sectors, office occupancy rates in the Tokyo 23 wards have been solid, and office rents continue to increase modestly. In addition, the financing environment is positive, as financial institutions continue to lend proactively, and the appetite for acquiring properties remains robust. As a result, the market is ready to purchase properties at attractive prices.

In this environment, in the Corporate Funding Business, we increased the assets held on the balance sheet by investing in mid-size office buildings and other properties in central Tokyo, our core market. In the real estate Crowdfunding Business, we aimed to increase the number of investor members and the cumulative investment amount.

As a result of these activities, net sales in the nine months ended September 30, 2017, totaled ¥5,345 million, operating profit was ¥1,005 million, ordinary profit was ¥874 million, and profit attributable to owners of the parent amounted to ¥571 million.

Overviews of operating performance by key services are as follows. Because the Group has a single segment, information is categorized by service rather than by segment.

#### (a) Corporate Funding Business

##### 1) Real estate investment

Real estate investment sales totaled ¥4,589 million, due to the sale of five properties.

##### 2) Real estate leasing

Although five properties were sold as mentioned above, five new properties were acquired, resulting in real estate leasing sales of ¥721 million.

#### (b) Crowdfunding Business

Sales in the Crowdfunding Business totaled ¥34 million, due to the fact that operating loans increased to ¥602 million.

#### (c) Other

Asset management sales and others totaled ¥1 million.

### (2) Financial Position

#### (Assets)

As of September 30, 2017, total assets were ¥19,256 million (up 34.8% compared with the end of fiscal 2016). The main factors were the increase in cash and deposits due to the capital increase through public offering and the acquisition of real estate for sale.

#### (Liabilities)

As of September 30, 2017, total liabilities were ¥15,225 million (up 25.8%). This was mainly due to the increase in both loans payable and deposits received from silent partnership.

#### (Net Assets)

As of September 30, 2017, net assets were ¥4,031 million (up 84.9%). This was mainly due to the increase in capital stock and capital surplus due to the capital increase through public offering and the increase in retained earnings.

(3) Forecasts on operating performance

Consolidated earnings in the nine months ended September 30, 2017, were generally in line with the initial forecast, and no revisions have been made to the previously announced full-year forecast.

## 2. Consolidated Financial Statements and Notes

### (1) Consolidated Financial Position

(Millions of yen)

	As of December 31, 2016	As of September 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	1,269	4,070
Operating loans	235	602
Real estate for sale	12,388	14,405
Other	292	61
<b>Total current assets</b>	<b>14,186</b>	<b>19,140</b>
Non-current assets		
Property, plant and equipment	7	6
Intangible assets	12	9
Investments and other assets	80	99
<b>Total non-current assets</b>	<b>100</b>	<b>115</b>
<b>Total assets</b>	<b>14,286</b>	<b>19,256</b>
<b>Liabilities</b>		
Current liabilities		
Short-term loans	102	125
Current portion of long-term loans	334	425
Income taxes payable	86	180
Other	140	253
<b>Total current liabilities</b>	<b>664</b>	<b>984</b>
Non-current liabilities		
Long-term loans	10,249	11,524
Deposits received from silent partnership	758	2,187
Other	435	529
<b>Total non-current liabilities</b>	<b>11,442</b>	<b>14,241</b>
<b>Total liabilities</b>	<b>12,106</b>	<b>15,225</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	549	1,178
Capital surplus	539	1,168
Retained earnings	1,111	1,683
<b>Total shareholders' equity</b>	<b>2,200</b>	<b>4,030</b>
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(21)	-
<b>Total accumulated other comprehensive income</b>	<b>(21)</b>	<b>-</b>
Stock acquisition rights to shares	0	0
<b>Total net assets</b>	<b>2,180</b>	<b>4,031</b>
<b>Total liabilities and net assets</b>	<b>14,286</b>	<b>19,256</b>

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
 Consolidated Statements of Income

(Millions of yen)

	Nine months ended September 30, 2017
Net sales	5,345
Cost of sales	3,960
Gross profit	1,384
Selling, general and administrative expenses	379
Operating profit	1,005
Non-operating income	
Insurance income	13
Other	2
Total non-operating income	15
Non-operating expenses	
Interest expenses	96
Other	49
Total non-operating expenses	146
Ordinary profit	874
Profit before dividend distribution from silent partnerships and income taxes	874
Dividends distribution from silent partnership	43
Profit before income taxes	831
Income taxes - current	270
Income taxes - deferred	(11)
Total income taxes	259
Profit	571
Profit attributable to non-controlling interests	-
Profit attributable to owners of the parent	571

## Consolidated Statements of Comprehensive Income

(Millions of yen)

Nine months ended  
September 30, 2017

Profit	571
Other comprehensive income	
Deferred gains or losses on hedges	21
Total other comprehensive income	21
Comprehensive income	593
Comprehensive income attributable to	
Comprehensive income attributable to owners of the parent	593
Comprehensive income attributable to non- controlling interests	-



### (3) Notes to quarterly consolidated financial statements

#### (Note on the going-concern assumption)

Not applicable

#### (Note on significant change in shareholders' equity)

On September 28, 2017, the Company listed its shares on the Tokyo Stock Exchange's Mothers market. The listing resulted in a ¥619 million increase in both capital stock and capital surplus due to the issuance of 740,000 new shares through a public offering using the book-building method with a pay-in date of September 27, 2017.

During the third quarter of the FY2017, both capital stock and capital surplus increased by ¥9 million due to the issuance of 30,000 new shares through the exercise of Stock acquisition rights to shares.

As a result, as of September 30, 2017, capital stock totaled ¥1,178 million, while capital surplus totaled ¥1,168 million.

#### (Material subsequent events)

With respect to the sale of the Company's shares via overallotment (sale of 165,000 of the Company's common shares borrowed from a stock lender) to be conducted by Mizuho Securities Co., Ltd., at the Board of Directors meeting held on August 25, 2017, it was resolved as detailed below to issue new shares via capital increase through third-party allocation to Mizuho Securities Co., Ltd. Payment was completed on October 30, 2017.

(1) Type and number of shares subscribed	165,000 shares of the Company's common stock
(2) Allotment price	¥1,674.40 per share
(3) Amount included in stated capital	¥837.20 per share
(4) Total amount of allotment	¥276,276,000
(5) Total amount included in stated capital	¥138,138,000
(6) Payment date	October 30, 2017
(7) Allotment counterparty	Mizuho Securities Co., Ltd.
(8) Use of funds	1) Acquisition of properties in the Corporate Funding Business 2) Advertising/publicity costs and system enhancement costs in the Crowdfunding Business 3) Hiring and personnel costs in order to acquire personnel in conjunction with business scope expansion