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March 5, 2025

Dear Shareholders,

Tatsushi Iwano  
President, Loadstar Capital K.K.

## Notice of the 13th Annual General Meeting of Shareholders

We hereby notify you that the 13th Annual General Meeting of Shareholders of Loadstar Capital K.K. (hereinafter referred to as "Loadstar", or the "Company") will be held as described below.

- |                                      |   |
|--------------------------------------|---|
| 1. Date and time                     | Thursday, March 27, 2025, 10:00 a.m. (JST)  |
| 2. Location                          | Tokyo Convention Hall 5 <sup>th</sup> floor TOKYO SQUARE GARDEN   |
| 3. Meeting Agenda                    |   |
| Matters to be Reported:              | <ol style="list-style-type: none"><li>1. Business Report, Consolidated Financial Statements for the 13th Fiscal Year (January 1, 2024, to December 31, 2024) and results of audits by the Accounting Auditor and the Audit &amp; Supervisory Board of Consolidated Financial Statements.</li><li>2. Non-Consolidated Financial Statements for the 13th Fiscal Year (January 1, 2024, to December 31, 2024)</li></ol>  |
| Matters to be Resolved:              | <p>Proposal 1: Appropriation of Retained Earnings<br/>Proposal 2: Partial Amendments to the Articles of Incorporation<br/>Proposal 3: Election of four Directors<br/>Proposal 4: Election of Accounting Auditor<br/>Proposal 5: Revision of Compensation Details for Granting Restricted Stock to Directors (Excluding Outside Directors)</p>   |
| 4. Guide to Exercising Voting Rights |   |
| •                                    | <ul style="list-style-type: none"><li>If you are exercising your voting rights by mail and do not indicate your approval or disapproval of the proposals, you will be deemed to have approved the proposals.</li><li>In the case that multiple votes are received via the internet, the last vote shall be deemed valid.</li><li>If you exercise your voting rights both via the internet, and in writing Voting Rights Exercise Form, the vote that reaches us last shall be deemed valid.</li><li>In the event of exercising voting rights by proxy, one (1) shareholder with voting rights authorized as your proxy can attend the General Meeting of Shareholders. However, please note that it will be necessary for the proxy to submit written proof of power of attorney.</li></ul> |

In convening this Annual General Meeting of Shareholders, Loadstar has taken measures for providing information that contains reference documents for the General Meeting of Shareholders, etc. ("the matters to be provided electronically") in electronic format and has posted this information as the "Notice of the 13th Annual General Meeting of Shareholders" on Loadstar's website. Please access Loadstar's website to review the information.

Loadstar's website: <https://www.loadstarcapital.com/en/ir/library/meeting.html>

In addition to the above website, the electronic provision of information is also available on the website of the Tokyo Stock Exchange (TSE). Please check the following website.

TOKYO STOCK EXCHANGE Listed company search (jpx.co.jp)  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above TSE website, enter "Loadstar Capital" or our securities code "3482," click "Search", and then select "Basic Information," and then go to "Documents for Public Inspection/PR Information." Please click and review "Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting."

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the reference materials for the Annual General Meeting of Shareholders and exercise your vote so that it reaches us no later than 6:00 p.m. on Wednesday, March 26, 2025 (JST).

[Exercising Voting Rights via the Internet]

Please access the website designed by Loadstar for exercising voting rights (<https://evote.tr.mufg.jp/>), enter the "Vote Code" and password displayed on the enclosed Voting Rights Exercise Form, and follow the instructions displayed onscreen to record your votes either for or against the proposals before the deadline indicated above.

[Exercising Voting Rights in Writing]

Please indicate your vote either for or against the proposals on enclosed Voting Rights Exercise Form and return it to us by postal mail to reach us by the deadline indicated above.

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- If you attend the meeting, please bring the enclosed voting form and submit it to the reception desk at the meeting.
  - In the event of any modification to the matters to be provided in electronic format, a notice will be posted on both Loadstar's website and the above TSE website.
  - In accordance with a revision of the Companies Act, in principle you are to check items subject to measures for electronic provision by accessing the websites where the information is provided, and we will deliver paper-based documents stating the items only to shareholders who request the delivery of paper-based documents by the record date. However, for this general meeting of shareholders, we have delivered paper-based documents stating the items subject to measures for electronic provision to all shareholders, regardless of whether or not they have requested them. In addition, among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 15 of the Articles of Incorporation of Loadstar, the following items are not provided in the paper-based documents that are sent.
    - (i) "Other important matters concerning shares", "Matters concerning stock options", "Status of Accounting Auditors", "System to ensure the appropriateness of business operations and the status of operation of the system" in the Business Report
    - (ii) "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
    - (iii) "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" in the Non-consolidated Financial Statements
    - (iv) "INDEPENDENT AUDITOR'S REPORT", "Audit Report by Audit & Supervisory Board", in the Audit ReportTherefore the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements listed in these documents constitute a portion of the documents which are audited when the accounting audit report is prepared by the Accounting Auditor and the audit report is created by the Audit & Supervisory Board Members.

## Reference Materials for the Annual General Meeting of Shareholders

### Proposal 1: Appropriation of Retained Earnings

The Company believes that returning profits to shareholders is a top management priority. While the fundamental policy of the Company is to maintain dividend payout, considering the future growth, the Company proposes to distribute a year-end dividend for the 13th fiscal year as follows.

Matters concerning the year-end dividend:

1. Type of dividend assets:  
Cash
2. Matters concerning the allotment of dividend assets and the total amount:  
70.0 yen per common share of the Company, for the total amount of 1,159,192,930 yen.
3. Effective date of the dividend of retained earnings:  
March 28, 2025
4. Date of dividend payment:  
March 28, 2025

## Proposal 2: Partial Amendments to the Articles of Incorporation

### 1. Reasons for Amendments

The Company will revise the term of office for directors from two (2) years to one (1) year for the purpose of better clarifying management responsibilities, building a management structure that can rapidly address changes in the business environment, and increasing opportunities to earn the confidence of shareholders. The revision will include a supplementary provision to clarify that the existing provision will apply to the term of office for directors appointed at the 12th Annual General Meeting of Shareholders held on March 22, 2024.

### 2. Details of Amendments

The details of the amendments are as follows.

(Changes are shown in underlines.)

Current Articles of Incorporation	Proposed Amendments
<p>(Term of office) Article 22 The term of office of director shall be until the end of the last Annual General Meeting of Shareholders held within <u>two</u> years after the date when such directors are elected.</p> <p>(New)</p>	<p>(Term of office) Article 22 The term of office of director shall be until the end of the last Annual General Meeting of Shareholders held within <u>one</u> year after the date when such directors are elected.</p> <p><u>Supplementary Provision (Transitional measure regarding the term of office for directors)</u> <u>Regardless of the provisions of Article 22, the term of office for directors appointed at the 12th Annual General Meeting of Shareholders held on March 22, 2023, shall conclude at the end of the Annual General Meeting of Shareholders for the fiscal year ending December 31, 2025. Further, this Supplementary Provision shall be removed once this period has passed.</u></p>

### Proposal 3: Election of Four Directors

The terms of office of five Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, Loadstar proposes the election of four Directors.

The candidates for Directors are as follows:

No.	Name (Date of Birth)	Career summary, positions, responsibilities and significant concurrent positions		Number of shares of Loadstar held
1	<b>Naoyuki Kubo</b> [Reappointment] (May 15,1973)	Apr. 1996 Nov. 1999 Feb. 2014 Jan. 2017  May 2018  Mar. 2019 Jul. 2019  Jan. 2020 Jan. 2025	Joined The Norinchukin Bank Joined Japan Real Estate Institute Joined Loadstar Appointed as Executive Officer, Director, Sales Department of Loadstar Founded Sorario K.K. Appointed as President of Sorario K.K. (incumbent) Appointed as Executive Director of Loadstar (incumbent) Appointed as Executive Director, General Manager of Sales Division of Loadstar Appointed as Executive Director of Loadstar Funding K.K. Appointed as President of Loadstar Investments K.K. (incumbent)	312,900
		(Significant concurrent positions) President of Loadstar Investments K.K. President of Sorario K.K.		
2	<b>Takuya Kawabata</b> [Reappointment] (April 8,1983)	Dec. 2007 Sep. 2016 Jan. 2019  Oct. 2019 Mar. 2021 Sep. 2021  Sep. 2021	Joined ERNST & YOUNG SHINNIHON LLC Joined Loadstar Appointed as Executive Officer, Chief Financial Officer of Loadstar Founded Riverfield K.K. Appointed as President of Riverfield K.K. (incumbent) Appointed as Executive Director of Loadstar (incumbent) Appointed as General Manager of Administrative Division of Loadstar Appointed as Executive Director of Loadstar Investments K.K. (incumbent)	41,100
		(Significant concurrent positions) Executive Director of Loadstar Investments K.K. President of Riverfield K.K.		
3	<b>Jun Onishi</b> [Reappointment] (April 28,1973)	Apr. 1996 Jan. 2011  Feb. 2012  Nov. 2013  Mar. 2019	Joined Japan Real Estate Institute Joined Alt Law & Economic Offices Founded Alt Real Estate Appraisal Office Appointed as Representative of Alt Real Estate Appraisal Office Joined Ichigaya Ekimae Law Office (Renamed Alt Real Estate Appraisal Office to Ichigaya Ekimae Real Estate Office) Founded Onishi Tokyo Legal & Real Estate Appraisal Offices Appointed as Representative of Onishi Tokyo Legal & Real Estate Appraisal Offices (incumbent) (Ichigaya Ekimae Real Estate Office merged with the above mentioned office under the same trade name) Appointed as Outside Director of Loadstar (incumbent)	-
		(Significant concurrent positions) Representative of Onishi Tokyo Legal & Real Estate Appraisal Offices		
5	<b>Mayumi Funaki</b> [Reappointment] (August 6,1978)	Apr. 2001 Apr. 2003 Sep. 2005 Apr. 2008 Apr. 2014 Jul. 2015 Apr. 2016 Mar. 2021 May 2022	Joined Media Busters Inc. Joined Vector Inc. Joined Brains Company Inc. Joined Rakuten Group Inc. Joined Shipood, Ltd. Appointed as Executive Director of Shipood, Ltd. Appointed as President of Shipood, Ltd. (incumbent) Appointed as Outside Director of Loadstar (incumbent) Appointed as Outside Director of WACUL, Inc. (incumbent)	-
		(Significant concurrent positions) President of Shipood, Ltd. Outside Director of WACUL, Inc.		

## Notes:

1. There is no special interest between each candidate for Director and Loadstar.
2. The number of shares of Loadstar owned by each candidate is as of December 31, 2024.
3. Mr. Jun Onishi and Ms. Mayumi Funaki are candidates for Outside Directors.
4.
  - (i) Reasons for selecting Mr. Naoyuki Kubo as a candidate for reappointment as Director are as follows. He is a certified real estate appraiser in Japan and while studying at the U.S. Business School, he also obtained real estate appraisal licenses in the U.K. and the U.S. He possesses extensive knowledge and experience in the valuation of real estate in Japan as well as overseas. He has overseen the sales division since Loadstar's founding and has significantly contributed to Loadstar's performance and the expansion of the Crowdfunding Business. The Board of Directors recommends that shareholders reappoint Mr. Kubo in the interests of the further growth and development of Loadstar.
  - (ii) Reasons for selecting Mr. Takuya Kawabata as a candidate for reappointment as Director are as follows. With exceptional knowledge and experience in accounting and finance as a Certified Public Accountant, he has overseen the Finance & Accounting Division of Loadstar, while also taking primary responsibility for Investor Relations. The Board of Directors recommends that shareholders reappoint Mr. Kawabata in the interests of the further growth and development of Loadstar.
  - (iii) Reasons for selecting Mr. Jun Onishi as a candidate for reappointment as an Outside Director are as follows. He is a licensed attorney and real estate appraiser with extensive knowledge and experience in real estate-related legal affairs, labor law, corporate legal affairs, and real estate appraisal etc. In addition, he ran his own law/ real estate appraisal firm where he engaged in corporate management. From a professional standpoint based on his extensive knowledge and experience, he provides fair, impartial, and beneficial comments at the Board of Directors meetings. To continue to receive his contributions toward strengthening the supervisory function of the Board of Directors and the ongoing enhancement of our corporate value, the Board of Directors recommends that shareholders reappoint Mr. Onishi as an Outside Director.
  - (iv) Reasons for selecting Ms. Mayumi Funaki as a candidate for reappointment as an Outside Director are as follows. Having extensive experience in Public Relations (PR) and supporting PR activities for a great number of companies, she has professional expertise in corporate communications. As a corporate senior executive, she also has broader insight into overall management. With her profound insight into societal events, she demonstrates excellent planning and execution skills to resolve issues. To continue to receive her contributions toward strengthening the supervisory function of the Board of Directors and the ongoing enhancement of our corporate value, the Board of Directors recommends that shareholders reappoint Ms. Funaki as an Outside Director.
5. Mr. Jun Onishi and Ms. Mayumi Funaki currently serve as Outside Directors of Loadstar, and their terms of office as Outside Directors will reach six years and four years, respectively, at the conclusion of this year's Annual General Meeting of Shareholders.
6. To enable them to contribute fully in their roles as Outside Directors, and pursuant to the provisions of Paragraph 1, Article 427 of the Companies Act and Loadstar's Articles of Incorporation, Loadstar has entered into an agreement with Mr. Jun Onishi and Ms. Mayumi Funaki that limits their liabilities for damages as prescribed in Paragraph 1, Article 423 of the Companies Act. If their reappointments are approved, the period of the current agreement with each of them will be extended. Under the terms of this agreement, their liabilities for damages are limited to two years of their total annual compensation from Loadstar or the minimum limited amount stipulated by applicable laws and regulations, whichever is higher.
7. Loadstar has registered Mr. Jun Onishi and Ms. Mayumi Funaki as Independent Officers as defined by the Tokyo Stock Exchange. Should their reappointments be approved, Loadstar will continue registering them as Independent Officers.
8. Loadstar has entered into a liability insurance agreement for Officers, etc. with an insurance company as stipulated in Paragraph 1, Article 430-3 of the Companies Act. Under the terms of this insurance agreement, litigation expenses and compensation for damages arising from legal action against Officers, etc. in connection with their fulfillment of their duties for Loadstar shall be compensated by Loadstar. The insurance premium is fully borne by Loadstar, and the candidates will be covered by this insurance if reappointed.

#### Proposal 4: Election of Accounting Auditor

The term as the Accounting Auditor of Loadstar for Deloitte Touche Tohmatsu LLC will expire at the conclusion of this meeting. Therefore, Loadstar proposes to elect a new Accounting Auditor.

In addition, this proposal is based on the decision of the Audit & Supervisory Board.

Furthermore, the reason the Audit & Supervisory Board has selected Grant Thornton Taiyo LLC as candidate for Accounting Auditor is that as the current Auditor, Deloitte Touche Tohmatsu LLC, has continued our audits for many years, the candidate can be expected to perform audits from a new perspective, and in addition, the Audit & Supervisory Board has determined that it is well-qualified, as a result of comprehensively taking into account its auditing system, expertise, independence, quality control system, etc.

The candidate for Accounting Auditor is as follows.

(As of December 31, 2024)

Name	Grant Thornton Taiyo LLC		
Office	Main Office	Akasaka K-tower 22F, 1-2-7 Motoakasaka, Minato-ku, Tokyo	
	Other Office	11	
History	Sep. 1971	Taiyo Audit Corporation established	
	Jan. 2006	Merged with ASG Audit Corporation and became Taiyo ASG Audit Corporation	
	Jul. 2012	Merged with Eisho Audit Corporation	
	Oct. 2013	Merged with Kasumigaseki Audit Corporation	
	Oct. 2014	Changed name to Grant Thornton Taiyo LLC	
	Jul. 2018	Merged with YUSEI Audit & Co.	
Outline	Share Capital	530 million yen	
	Constituent members	Partners (CPAs)	100 members
		Staff (CPAs)	374
		Staff (Junior CPAs)	221
		Other Staff	578
		Total	1,273
Number of companies involved	1,105 companies		

#### Matters Concerning Candidate for Accounting Auditor

Grant Thornton Taiyo LLC has received an order from the Financial Services Agency to suspend new contract signings from January 1 to March 31, 2024. The audit firm submitted a business improvement plan to the Financial Services Agency on January 31, 2024, and has been implementing measures to improve audit quality and fundamentally resolve issues. These measures include strengthening governance functions with ensured transparency, changing organizational structure, reforming organizational culture, reviewing personnel systems, and reforming audit practices.

As a result of these improvement activities, the accounting firm's business improvement reporting to the Financial Services Agency has been completed, and we are requesting the appointment of this accounting firm. We will receive status updates, if needed, from the accounting firm going forward.

The Audit & Supervisory Board has evaluated the accounting firm's efforts for improvement to prevent recurrence and has determined that the audit work for our company will be carried out appropriately and rigorously.

## Proposal 5: Revision of Compensation Details for Granting Restricted Stock to Directors (Excluding Outside Directors)

### 1. Reason for Revision

At the 10th Annual General Meeting of Shareholders held on March 30, 2022, the proposal was approved as “Determination of remuneration in relation to the granting of shares with restrictions on transfer to directors (excluding outside directors)” (the resolution pertaining to this proposal at said Annual General Meeting of Shareholders is hereinafter referred to as the “Initial Resolution”), and Loadstar introduced Restricted Stock Compensation (hereinafter referred to as the “Plan” in this proposal) to directors of Loadstar (excluding outside directors; the “Eligible Director(s)”). Considering mainly the increase in the value of Loadstar’s shares as a result of the rise in Loadstar’s stock price, Loadstar now requests that the contents of the Initial Resolution be partially revised as follows to change the annual amount of monetary compensation receivables to be paid to Eligible Directors for the grant of restricted stock and the total number of Loadstar’s common shares to be issued or disposed of under the Plan.

If Item 3 is approved as proposed, the number of directors shall be 6 (including 3 outside directors), and there will be 3 Eligible Directors after the conclusion of this Meeting.

With regard to this proposal, it was consulted with the Nomination and Compensation Committee, which is composed of 1 Inside Director and 3 Independent Outside Directors, with an Independent Outside Director serving as the chairperson, and the committee has given an appropriate response, and it was determined by the Board of Directors, and we view that the proposal is reasonable.

### 2. Details

Based on this proposal, Eligible Directors will, in accordance with a resolution of Loadstar's Board of Directors, either (i) receive an issuance or disposal of Loadstar's ordinary shares (restricted shares) without requiring monetary or other compensation in exchange for the shares (“Free Grant Method”) as compensation for the execution of their duties as directors, or (ii) receive an issuance or disposal of Loadstar's ordinary shares (restricted shares) by contributing all of the monetary compensation claims paid by Loadstar as compensation as in-kind property (“In-kind Contribution Method”). The total number of Loadstar's ordinary shares to be issued or disposed of through the Free Grant Method or the In-kind Contribution Method shall be limited to 60,000 shares per year in total for both methods (however, if a stock split (including a free allocation of Loadstar's ordinary shares) or a stock consolidation of Loadstar's ordinary shares is conducted, or if any other adjustment to the total number of Loadstar's ordinary shares to be issued or disposed of as restricted shares becomes necessary after the date of approval of this proposal, such total number shall be reasonably adjusted). Furthermore, the total amount of Loadstar's common stock to be issued or disposed of for the purpose of granting restricted stock shall not exceed 200 million yen per year, combining both the Free Grant Method and the In-kind Contribution Method.

The specific timing of payment and allocation to each Eligible Director will be determined by the Board of Directors after deliberation and consultation with the Nomination and Compensation Committee.

Furthermore, when issuing or disposing of Loadstar's ordinary shares through the respective method, Loadstar and the Eligible Directors shall enter into a restricted stock allocation agreement (“Allocation Agreement”) that includes the following terms:

- (i) The Eligible Directors shall not transfer, set security interests on, or in any other way otherwise dispose of Loadstar's common shares (“Transfer Restrictions”) allotted under the Allocation Agreement (“Allocated Shares”) during the period from the date of allotment of the restricted shares to the date when the Eligible Director ceases the position as a Director of Loadstar or any other position determined by Loadstar's Board of Directors (“Transfer Restriction Period”).
- (ii) If the Eligible Director loses their position as a director of Loadstar or any other position determined by Loadstar's Board of Directors before the expiration of the period separately



determined by Loadstar's Board of Directors ("Service Provision Period"), Loadstar shall automatically acquire the allotted shares without compensation, unless Loadstar's Board of Directors finds justifiable reasons.

- (iii) Loadstar shall lift the transfer restrictions on all of the Allocated Shares at the expiration of the transfer restriction period, provided that the Eligible Director has continuously held the position specified in (ii) above during the Service Provision Period. However, if the Eligible Director ceases the position specified in (i) above before the expiration of the Service Provision Period due to death, expiration of term of office, retirement age, or other reasons deemed justifiable by Loadstar's Board of Directors as specified in (ii) above, Loadstar may reasonably adjust the number of allotted shares for which the transfer restrictions will be lifted and the timing of lifting the transfer restrictions as necessary.
- (iv) Loadstar shall automatically acquire without compensation any allotted shares for which the transfer restrictions have not been lifted pursuant to the provisions of (iii) above at the time the Transfer Restriction Period expires.
- (v) If, during the transfer restriction period, a merger agreement in which Loadstar becomes a dissolving company, a share exchange agreement or share transfer plan in which Loadstar becomes a wholly-owned subsidiary, or any other matter related to reorganization, etc. is approved at Loadstar's Annual General Meeting of Shareholders (or by Loadstar's Board of Directors in cases where approval at Loadstar's general meeting of shareholders is not required for such reorganization, etc.), Loadstar may, by resolution of its Board of Directors, remove the transfer restrictions on a reasonably determined number of the allotted shares prior to the effective date of such reorganization, etc.
- (vi) In the case specified in (v) above, Loadstar shall automatically acquire without compensation any Allocated shares for which the transfer restrictions have not yet been lifted at the time immediately following the lifting of transfer restrictions based on the provisions of (v) above.
- (vii) The method of expressing intentions and notifications in the Allocation Agreement, the method of revising the Allocation Agreement, and other matters determined by the Board of Directors shall be included in the content of the Allocation Agreement.

(Attachment)

**Business Report**  
( From January 1, 2024  
to December 31, 2024 )

**1. Current status of the Loadstar Group****(1) Status of business for the current fiscal year****a. Business Progress and Results****Overview of Operating Result**

For the current fiscal year, Loadstar made steady progress in all business lines, backed by stable real estate market. As a result, net sales reached 34,421 million yen (up 19.8% year on year), and operating profit totaled 11,447 million yen (up 38.8% year on year). Further, ordinary profit stood at 10,699 million yen (up 43.5% year on year) mainly due to a valuation gain of 222 million yen on interest rate swap contracts entered into in preparation for a possible interest rate hike, and interest expenses of 716 million yen. Net income attributable to owners of the parent amounted to 6,871 million yen (up 40.7% year on year), mainly due to a 125-million-yen loss on mark-to-market valuation of Hiramatsu Inc. shares and other securities.

HIRAMATSU HOTELS, which Loadstar acquired during the fiscal year, have a different contract scheme from the other existing hotels that Loadstar owns. For this reason, Loadstar has newly created “Corporate Funding Business (Hotel Operations)” from the current fiscal year, and includes only hotel operation revenues from HIRAMATSU HOTELS. Net sales related to other existing hotels are still recorded in Corporate Funding Business (Real Estate Leasing) as before.

Since Loadstar Group has one reportable segment, information by reportable segment is omitted here. Instead, information by business segment is presented.

## Net sales by key business segment

Business Segments	12 <sup>th</sup> Fiscal year ended December 31, 2023		13 <sup>th</sup> Fiscal year ended December 31, 2024		Change YoY	
	Amount (millions of yen)	% of total	Amount (millions of yen)	% of total	Amount (millions of yen)	Change (%)
Corporate Funding Business (Real Estate Investment)	25,150	87.6	27,970	81.3	2,819	11.2
Corporate Funding Business (Real Estate Leasing)	2,431	8.5	2,924	8.5	493	20.3
Corporate Funding Business (Hotel Operation)	-	-	1,655	4.8	1,655	—
Asset Management Business	674	2.3	1,192	3.5	517	76.8
Crowdfunding Business	459	1.6	657	1.9	198	43.2
Other businesses	11	0.0	21	0.1	10	98.0
<b>Total</b>	<b>28,726</b>	<b>100.0</b>	<b>34,421</b>	<b>100.0</b>	<b>5,695</b>	<b>19.8</b>

**Corporate Funding Business****1) Real Estate Investment**

Real estate investment sales totaled 27,970 million yen (up 11.2% year on year) due to the sale of eight office properties in Tokyo.

**2) Real Estate Leasing**

Loadstar sold the above eight properties. Loadstar acquired nine new properties, including four office buildings in Tokyo and four business hotels. In addition, rent revenue from the existing hotels has increased due to the demand from travelers to Japan. As a result, real estate leasing sales totaled 2,924 million yen (up 20.3% year on year).

### 3) Hotel Operation

Loadstar Group acquired HIRAMATSU HOTELS. Loadstar subsidiaries that own and operate HIRAMATSU HOTELS are included in Loadstar's consolidated financial results two months later. As a result, the hotel operation results from July 2024 till October 2024 were recorded in the consolidated financial results for the fiscal year. Hotel operation revenue totaled 1,655 million yen.

#### Asset Management Business

Asset Management Business sales increased by 76.8% year on year to 1,192 million yen as a result of new mandates and the sale of some of the existing assets under management. As of the end of the fiscal year, assets under management (AUM) exceeded 140 billion yen including AUM (HIRAMATSU HOTELS) from Loadstar subsidiaries.

#### Crowdfunding Business

During the period under review, Loadstar saw strong demand for financing from real estate businesses. Loadstar made loans of a total of 12,645 million yen (up 47.5% year on year). At the same time, Loadstar redeemed a total of 9,799 million yen. As a result, operating loans totaled 9,781 million yen (up 41.0% compared with the end of the previous fiscal year) for the Crowdfunding Business. Crowdfunding Business revenues totaled 657 million yen (up 43.2% year on year).

### **Overview of Real estate market**

In the real estate and real estate finance industries, especially the B to B office real estate market, in which Loadstar Group operates, according to the latest office building market data released by Miki Shoji Co., Ltd. (as of December 2024), the vacancy rate for existing office buildings in Tokyo's five central wards (Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku) was 3.80%. The average rent per tsubo was 20,142 yen. This indicates that the market is recovering.

In the Tokyo office building transaction market, demand has been robust. This is mainly due to the fact that interest rates in Japan have remained lower compared to other countries, the spread between real estate cap rate and government bond yield has been and will continue to be wide, geopolitical risks are not as high as in other countries. On the other hand, we will closely monitor the impact of recent interest rate hike by the Bank of Japan. Loadstar will continue to proceed with its business while keeping a close eye on the market conditions.

In the hotel market, according to the Overnight Travel Statistics Survey published by the Japan Tourism Agency, the total number of overnight guests in Japan in 2024 exceeded that of fiscal 2019, the record high since the survey began, in all months through December, which is the latest data currently available. This indicates that the hotel market is booming.

- b. Status of Capital expenditure  
Not applicable.

c. Status of Financing

In the fiscal year, Loadstar borrowed 35,952 million yen to purchase properties.

In addition, we have entered into an overdraft agreement with a major financial institution to efficiently raise working capital. The following are unused lines of credit based on the overdraft agreement.

Overdraft limit	1,000	million yen
Loan balance	-	
Balance (of an account)	1,000	million yen

## (2) Status of operating results and assets

## a. Trends in operating results and assets of Loadstar Group

		10th Fiscal year ended December 31, 2021	11th Fiscal year ended December 31, 2022	12th Fiscal year ended December 31, 2023	13th Fiscal year ended December 31, 2024
Sales	(million yen)	17,920	23,637	28,726	34,421
Ordinary profit	(million yen)	5,327	7,230	7,456	10,699
Profit attributable to owners of parent	(million yen)	3,465	4,843	4,883	6,871
Earnings per share	(yen)	211.50	301.69	301.48	416.73
Total assets	(million yen)	56,983	65,704	75,473	107,403
Net assets	(million yen)	10,847	14,769	19,293	25,642
Net assets per share	(yen)	656.46	906.11	1,152.48	1,514.88

## b. Trends in operating results and assets of Loadstar

		10th Fiscal year ended December 31, 2021	11th Fiscal year ended December 31, 2022	12th Fiscal year ended December 31, 2023	13th Fiscal year ended December 31, 2024
Sales	(million yen)	17,258	22,767	27,587	30,900
Ordinary profit	(million yen)	4,769	6,792	6,655	9,230
Profit	(million yen)	3,294	4,665	4,559	6,249
Earnings per share	(yen)	201.04	290.61	281.46	378.97
Total assets	(million yen)	46,691	55,035	64,638	76,034
Net assets	(million yen)	10,333	14,076	18,276	24,002
Net assets per share	(yen)	625.14	863.04	1,090.68	1,415.89

## (3) Information on Principal Subsidiaries

Name	Capital or investments in capital	Equity ownership	Main business
Loadstar Investments K.K.	50 million yen	100.0%	Asset Management business Crowdfunding business
Loadstar Funding K.K.	25 million yen	100.0%	Money lending business
LD1 Godo Kaisha	100,000 yen	100.0%	Holding, operating, and managing real estate in trust

## Notes:

- In the "Equity ownership" column, we state the ownership (%) of voting rights for Kabushiki kaisha (stock companies) and the ownership (%) of Tokumei Kumiai capital contributions for Godo Kaisha (a limited liability company).
- For the July 1, 2024, Loadstar invested in LD1 Godo Kaisha via TK (silent partnership) investments. As a result, Loadstar is deemed to control LD1 Godo Kaisha, according to the control standards. Therefore, LD1 Godo Kaisha was included in the subsidiaries.

(4) Issues to be addressed

The following are the issues that Loadstar currently needs to address.

a. Sustainable growth of the Corporate Funding Business, which serves as the business foundation

1) Establishing a stable business foundation

Loadstar aims to establish a stable business foundation by increasing the number of real estates held to cover Loadstar's fixed costs with profits from real estate leasing. Since Loadstar targets the 23 wards of Tokyo as its main investment area, which is a limited market, the management believes that quick gathering of information and swift response is key amid the competitive market. Loadstar has members with extensive experience in acquiring, managing, and selling dozens to hundreds of properties, enabling us to quickly complete the decision-making process from due diligence to acquisition. Loadstar Group also makes efforts to reinforce its acquisition capabilities by hiring exceptional personnel and accumulating knowledge, experience, and investment know-how.

2) Impact of changes in interest rates

For the acquisition of real estate, we procure funds from financial institutions. Most of these are variable-rate procurements, and if interest rates rise significantly, it could affect Loadstar's profit and loss. At this point, we believe that such impact is not significant, but we will continue to monitor the movements of the Bank of Japan and economic conditions. In addition, we have implemented some interest rate swap contracts to hedge against interest rate fluctuation risks.

b. Strengthening Asset Management Business

In the Asset Management Business, we manage and operate investment properties on behalf of investors. The key challenges in this business are to find new investors and maintain good relationships with them, as well as to acquire, operate, and sell investment properties that suit their investment objectives. We have a number of employees from real estate funds and asset management companies. To address such challenges, we aim to enhance our Asset Management Business to maximize returns for investors by leveraging our expertise in real estate asset management services for investors in Japan and overseas and our strength in property acquisition that we have gained in the Corporate Funding Business.

c. Business aimed at opening the real estate investment market to individual investors

Loadstar Group is working to open up the real estate investment market to individual investors by the power of IT under our mission of "Real Estate x Tech to Open Up a New Market." Specifically, we provide crowdfunding services.

The main challenges facing the crowdfunding business are increasing the number of funded projects and expanding the number of investor members and the investment amount. To address these challenges, we drive digital transformation (DX) such as optimizing the crowdfunding system by engineers and utilizing SFA (sales force automation), thereby aiming to increase the number of deal origination. Additionally, we intend to expand the number of investor members and the investment amount through the improvement of UI/UX (user interface/user experience) via site renewal and web marketing.

The Crowdfunding Business operates under several laws and regulations, and revisions to these laws and regulations may affect the promotion of the business. However, we will gather information from the Crowdfunding industry associations and other related organizations, and we will respond to such legal changes in advance by internally reviewing the details of the revisions to laws and regulations.

d. Securing and Developing Human Resources

For the sustainable development of Loadstar Group, it is necessary to secure excellent human resources. To this end, we will not only strengthen the recruitment of excellent human resources, but also strive to foster an open corporate culture and provide a workplace environment in which each individual can grow more in order to prevent the outflow of excellent human resources. In addition, Loadstar revised its internal rules and regulations to advance diversity, equity, and inclusion in the workplace in an effort to provide flexible working environments in which all employees can play active roles.

## e. Driving Sustainability

To drive sustainability, we have established the Sustainability Committee. To create an environment in which all officers and employees are motivated to work and grow, the entire Group is committed to addressing various social issues. As part of our environmental initiatives, we are working to reduce CO2 emissions by switching the power sources of our owned real estate to renewable energy sources. Aside from these efforts, we also actively work on human capital and corporate governance.

## (5) Principal Businesses (As of December 31, 2024)

Business Segments	Operations
Corporate Funding Business	Real estate sales, leasing, and management of medium-sized office buildings, etc., centered in the 23 wards of Tokyo. Hotel operations in Japan.
Asset Management Business	Providing advice to institutional investors on formulating strategies for acquisition, management, and sale of real estate for investment, as well as management of real estate for investment.
Crowdfunding Business	Soliciting investment from general investors through crowdfunding, investing in special purpose companies that acquire real estate with the investment funds, or lending to corporations real estate as collateral, and managing such loans
Other Businesses	Real estate brokerage, property management and consulting, etc.

## (6) Principal Offices (As of December 31, 2024)

Loadstar and Subsidiaries	
Name	Location
Head Office	Chuo-ku, Tokyo
Loadstar Investments K.K.	Chuo-ku, Tokyo
Loadstar Funding K.K.	Chuo-ku, Tokyo
LD1 Godo Kaisha	Minato-ku, Tokyo

## (7) Employees (as of December 31, 2024)

## Employees of Loadstar Group

Number of Employees	Year-on-year change	Average age	Average years of service
62(8)	1 increase (1 increase)	41.7 years old	4.4 years

Note:

The number of employees is the number of employed people (excluding those seconded from Loadstar Group to outside Loadstar Group and including those seconded from outside Loadstar Group to Loadstar Group). The average number of part-time and temporary staff per year is shown in parentheses.

## (8) Principal Lenders (as of December 31, 2024)

Lender	Outstanding Balances
The Shizuoka Bank, Ltd.	13,052 million yen
Asahi Shinkin Bank	8,991 million yen
MUFG Bank, Ltd.	7,639 million yen
Mizuho Bank, Ltd.	6,625 million yen
SEIBU SHINKIN BANK	4,865 million yen

(9) Other important matters concerning the current status of Loadstar Group  
Not applicable.

## 2. Current status of Loadstar

## (1) Investor information (as of December 31, 2024)

- a. Total Number of Shares authorized 80,000,000 shares  
b. Total Number of Shares issued 21,444,000 shares  
c. Number of Shareholders 6,849  
d. Major Shareholders

Name of Shareholders	Number of shares held (thousands shares)	Holding Ratio (%)
Tatsushi Iwano	3,380	20.4
The Master Trust Bank of Japan., Ltd.	1,466	8.8
Capital Generation Co., Ltd.	1,100	6.6
Custody Bank of Japan, Ltd.	973	5.8
RENREN LIANHE HOLDINGS	579	3.4
Daiwa Securities Co. Ltd.	482	2.9
Naoyuki Kubo	312	1.8
Yo Narita	312	1.8
Yasuhiro Morita	300	1.8
The Tokyo Tanshi Co., Ltd.	255	1.5

## Notes:

1. We own 4,884,101 shares of treasury stock, which is excluded from the above list of major shareholders.  
2. The shareholding ratio is calculated excluding treasury stock.

(2) Matters concerning shares issued to our officers as compensation for the execution of their duties  
Share-based compensation granted during the fiscal year are as follows.

	Number of Shares	Directors to whom shares are issued
Directors (excluding Outside Directors)	28,000	4 people

## Note:

Details of the share-based compensation are shown in "2. (3) d.(i) Matters relating to decisions regarding details of compensation for individual directors."

## (3) Other important matters concerning shares

Not applicable.

## (4) Share acquisition rights

## a. Status of share acquisition rights issued as consideration for the execution of duties held by our officers at the end of the current fiscal year

Name		Share acquisition rights No.2		Share acquisition rights No.6	
Date of resolution		December 27, 2016		May 15, 2020	
Number of share acquisition rights		3 pcs		25 pcs	
Class and number of shares to be issued		Common stock 12,000 shares (4,000 shares per share acquisition right)		Common stock 25,000 shares (1,000 shares per share acquisition right)	
Issue price per share acquisition right		-		-	
Assets to be contributed at the time of exercise of the rights		Per share acquisition right 1,852,000 yen (463 yen per share)		Per share acquisition right 604,000 yen (604 yen per share)	
Exercise period		From December 28, 2018 To December 27, 2026		From May 16, 2023 To May 15, 2030	
Conditions for exercising		Note: 1		Note: 2	
Holder	Directors (excluding outside directors)	Number of share acquisition right	3 pcs	Number of share acquisition right	25 pcs
		Number of Shares	12,000 shares	Number of Shares	25,000 shares
		Number of Holder	1 person	Number of Holder	1 person

## Notes:

## 1. Conditions for exercise of share acquisition rights.

- a. A person who has received an allotment of share acquisition rights (hereinafter referred to as a "holder of share acquisition rights") shall, at the time of exercising the rights, hold an officer or employee of Loadstar or a person to whom the business is entrusted (provided, however, that this shall be limited to a person to whom the rights are entrusted as approved by a resolution of the Board of Directors of Loadstar) or any other position equivalent thereto (hereinafter referred to as the "entitlement to exercise the rights"). Provided, however, that this provision shall not apply in the event of resignation due to expiration of the term of office, retirement at the mandatory retirement age, or any other disqualification for exercising rights that has been approved by the Board of Directors of Loadstar.
- b. A holder of share acquisition rights may not exercise his/her share acquisition rights if he/she assumes or agrees to assume the position of an officer or employee of another company without the prior consent of Loadstar's Board of Directors, or if he/she engages in a business that directly or indirectly competes with Loadstar's business.
- c. If a holder of share acquisition rights commits a serious violation of laws and regulations or Loadstar's internal rules, the holder of share acquisition rights may not exercise his/her share acquisition rights.
- d. In the event of the death of a holder of share acquisition rights, the heirs of the holder may not exercise the share acquisition rights.
- e. Share acquisition rights may not be exercised by splitting a single share acquisition right.
- f. Other terms and conditions shall be set forth in the "Share Acquisition Rights Allotment Agreement" concluded between Loadstar and the person to whom share acquisition rights are allotted in accordance with a resolution of the Board of Directors.
- g. Loadstar conducted a 2-for-1 stock split of shares of common stock on December 15, 2017 by resolution of the Board of Directors held on November 15, 2017, and a 2-for-1 stock split of shares of common stock on November 30, 2018 by resolution of the Board of Directors held on October 30, 2018. As a result, the "Class and number of shares to be issued" and the "Assets to be contributed at the time of exercise of the rights" have been adjusted.
- h. These share acquisition rights were granted prior to the appointment as a director.

## 2. Conditions for exercise of share acquisition rights.

- a. A holder of share acquisition rights is required to be a director, auditor or employee of Loadstar or its affiliates at the time of exercising the share acquisition rights. However, in the event that the holder of the share acquisition rights ceases to fall under any of the above positions due to retirement from office at the end of his/her term of office or mandatory retirement age, he/she shall waive all unexercised share acquisition rights on the date when two years have elapsed from the time he/she ceases to fall under such positions or the last day of the exercise period, whichever comes earlier. In addition, this shall not apply if the Board of Directors recognizes that there is a justifiable reason to retain the right to exercise share acquisition rights in the event that the person ceases to be a director, auditor or employee of Loadstar or its affiliates based on any other reason.
- b. In the event of the death of a holder of share acquisition rights, the heirs of the holder may exercise the share acquisition rights within six months after the holder's death (but no later than the last day of the exercise period) up to the number of shares that the holder of share acquisition rights could have exercised at the time of his or her death. In the case of joint inheritance, one representative to be determined by consultation among all joint heirs shall exercise the share acquisition rights within six months (but no later than the last day of the exercise period) after the death of the holder of the share acquisition rights, up to the number of shares that he/she could have exercised at the time of his/her death. In the event of the death of the heir, the share acquisition rights may not be inherited again.
- c. If the total number of issued shares of Loadstar exceeds the number of authorized shares at the time of exercise of the share acquisition rights, such share acquisition rights may not be exercised.
- d. Each share acquisition right may not be exercised less than one unit.
- e. Other terms and conditions shall be set forth in the "Share Acquisition Rights Allotment Agreement" concluded between Loadstar and the person to whom share acquisition rights are allotted in accordance with a resolution of the Board of Directors.
- f. These share acquisition rights were granted prior to the appointment as a director.



b. Status of Share acquisition rights issued to employees, etc. as compensation for the execution of duties during the current fiscal year

Name		Share acquisition rights No.10	
Date of resolution		June 20, 2024	
Number of share acquisition rights		319 pcs	
Class and number of shares to be issued		Common stock 319,000 shares (1,000 shares per share acquisition right)	
Issue Price per a share acquisition right		-	
Assets to be contributed at the time of exercise of the rights		Per share acquisition right 2,780,000 yen (2,780 yen per share)	
Exercise period		From June 21, 2027 To June 20, 2034	
Conditions for exercising		Note	
Holder	Employees	Number of share acquisition right	319 pcs
		Number of Shares	319,000 shares
		Number of Holder	61 people

Notes: Conditions of execution of Share acquisition rights

- a. The holder of the Share acquisition rights is required to be a director, auditor or employee of us or our Affiliates (including those who have been appointed to similar positions as a result of legal revisions) even at the time of the exercise of the Share acquisition rights. Provided, however, that in the event the holder of the rights ceases to fall under any of the categories of status due to retirement or retirement at the mandatory retirement age due to the expiration of the term of office, the holder of the rights to subscribe for new shares shall waive all of the rights to subscribe for new shares that have not yet been exercised on the date when two years have elapsed from the date when such status ceases to exist or the last day of the exercise period, whichever comes earlier. In addition, this shall not apply if the Board of Directors determines that there is a good reason to retain the right to exercise the share acquisition rights in the event that the holder of the rights cease to be a director, auditor or employee of us or our Affiliates for any other reason.
- b. In the event that the holder of the rights to subscribe for new shares dies, the heir of the holder of the right to subscribe for new shares may exercise the right only within six months after the death of the holder of the rights to subscribe for new shares (up to the last day of the exercise period), up to the number of shares that the holder of the right to subscribe for new shares may exercise at the time of his/her death. In the case of joint inheritance, the Share acquisition rights may be exercised within six months after the death of the holder up to the number of shares that the holder is entitled to exercise at the time of his/her death (but up to the last day of the exercise period), by one representative determined through consultation between all joint heirs. In the event of the death of the heir, the Share acquisition rights shall not be inherited again.
- c. If the exercise of the Share acquisition rights results in the total number of our issued shares exceeding the number of authorized shares at that time, such Share acquisition rights may not be exercised.
- d. Each Share acquisition right may not be exercised less than one unit.
- e. Other terms and conditions shall be governed by the provisions of the Share acquisition rights Allotment Agreement, which is concluded between Loadstar and the person to whom the Share acquisition rights will be allotted pursuant to a resolution of the Board of Directors.

## c. Other significant matters regarding share acquisition rights

Significant status of share acquisition rights issued to officers and employees of Loadstar.

Name		Share acquisition rights No.4	Share acquisition rights No.5	
Date of resolution		March 9, 2018	May 15, 2020	
Number of share acquisition rights Note: 1		4 pcs	40 pcs	
Class and number of shares to be issued		Common stock 8,000 shares (2,000 shares per share acquisition right)	Common stock 40,000 shares (1,000 shares per share acquisition right)	
Issue price per share acquisition right		7,831 yen	2,170 yen	
Assets to be contributed at the time of exercise of the rights		2,456,000 yen per share acquisition right (1,228 yen per share)	Note: 3	
Exercise period		From April 1, 2021 To March 31, 2025	From May 16, 2023 To May 15, 2030	
Conditions for exercising		Note: 2	Note: 4	
Holder Note: 1	Directors (excluding outside directors)	-	Number of share acquisition rights	40 pcs
			Number of Shares	40,000 shares
			Number of Holders	1 person

Name		Share acquisition rights No.7		Share acquisition rights No.9	
Date of resolution		June 15, 2022		June 20, 2024	
Number of share acquisition rights		120 pcs		85 pcs	
Class and number of shares to be issued		Common stock 120,000 shares (1,000 shares per share acquisition right)		Common stock 85,000 shares (1,000 shares per share acquisition right)	
Issue price per share acquisition right		13,360 yen		5,840 yen	
Assets to be contributed at the time of exercise of the rights		Note: 5		Note: 7	
Exercise period		From June 16, 2025 To June 15, 2032		From June 21, 2027 To June 20, 2034	
Conditions for exercising		Note: 6		Note: 8	
Holder	Directors (excluding outside directors)	Number of share acquisition rights	120 pcs	Number of share acquisition rights	80 pcs
		Number of Shares	120,000 shares	Number of Shares	80,000 shares
		Number of Holders	4 people	Number of Holders	4 people
	Auditor	-		Number of share acquisition rights	5 pcs
		-		Number of Shares	5,000 shares
		-		Number of Holders	1 person

Notes:

1. The description is as of the fiscal year-end (December 31, 2024).

2. Conditions for exercise of share acquisition rights.

- A holder of share acquisition rights shall be entitled to exercise the allotted share acquisition rights only in the event that net sales exceed 15,000 million yen and operating income exceeds 2,700 million yen in the consolidated statement of income in the Securities Report for any of the fiscal years ended December 31, 2018 or December 31, 2022.
- In the determination of above (a.), if there is any material change in the concepts of net sales and operating income, etc. to be referred to due to the adoption of International Financial Reporting Standards, etc., the Board of Directors shall establish indicators to be referred to separately.
- A holder of share acquisition rights is required to be a director, auditor or employee of Loadstar or its affiliates at the time of exercising the share acquisition rights. However, this shall not apply in the event of retirement due to expiration of term of office, mandatory retirement age, or other justifiable reasons recognized by the Board of Directors.

- d. The heirs of the holders may not exercise the share acquisition rights.
  - e. If the total number of issued shares of Loadstar exceeds the number of authorized shares at the time of exercise of the share acquisition rights, such share acquisition rights may not be exercised.
  - f. Each share acquisition right may not be exercised less than one unit.
  - g. Other terms and conditions shall be set forth in the "Share Acquisition Rights Allotment Agreement" concluded between Loadstar and the person to whom share acquisition rights are allotted in accordance with a resolution of the Board of Directors.
  - h. Loadstar conducted a 2-for-1 stock split of shares of common stock on November 30, 2018, pursuant to a resolution of the Board of Directors held on October 30, 2018.
  - i. These share acquisition rights were granted prior to the appointment as a director.
3. Assets to be contributed at the time of exercise of the rights.  
Per share acquisition right 604,000 yen (604 yen per share)  
However, if the dividend of retained earnings is paid after the issuance of the share acquisition rights, each time the exercise price will be adjusted using the formula specified below.  
Adjusted exercise price = pre-adjustment exercise price x (market price-dividend amount) / market price
4. Conditions for exercise of share acquisition rights.
- a. If the average closing price of the ordinary transactions of our common stock on the Tokyo Stock Exchange on each trading day during a calendar month from the first day to the last day of the exercise period falls below 50% of the exercise price of the share acquisition rights even once, the holders of the share acquisition rights must exercise all the remaining share acquisition rights by the end of the exercise period. However, this shall not apply to the following cases.
    - ( i ) If our disclosed information proves to be materially false.
    - ( ii ) In the event that Loadstar is found to have failed to properly disclose material facts that should have been disclosed in accordance with laws and regulations and the rules of the Tokyo Stock Exchange.
    - ( iii ) If we are delisted, go bankrupt or otherwise undergo a major change in circumstances that were assumed on the date of the allotment.
    - ( iv ) In other cases that where Company engages in any conduct that is objectively deemed detrimental to the trust of the holders of the share acquisition rights.
  - b. The holder of the share acquisition rights is required to be a director, auditor or employee of Loadstar or its affiliates even at the time of the exercise of the share acquisition rights.
  - c. The heirs of the holders may not exercise the share acquisition rights.
  - d. If the total number of issued shares of Loadstar exceeds the number of authorized shares at the time of exercise of the share acquisition rights, such share acquisition rights may not be exercised.
  - e. Each share acquisition right may not be exercised less than one unit.
  - f. Other terms and conditions shall be set forth in the "Share Acquisition Rights Allotment Agreement" concluded between Loadstar and the person to whom share acquisition rights are allotted in accordance with a resolution of the Board of Directors.
5. Assets to be contributed at the time of exercise of the rights.  
Per share acquisition right 1,530,000 yen (1,530 yen per share)  
However, if the dividend of retained earnings is paid after the issuance of the share acquisition rights, each time the exercise price will be adjusted using the formula specified below.  
Adjusted exercise price = pre-adjustment exercise price x (market price – dividend amount)/ market price
6. Conditions for exercise of share acquisition rights.
- a. If the average closing price of the ordinary transactions of our common stock on the Tokyo Stock Exchange on each trading day during a calendar month from the first day to the last day of the exercise period falls below 50% of the exercise price of the share acquisition rights even once, the holders of the share acquisition rights must exercise all the remaining share acquisition rights by the end of the exercise period. However, this shall not apply to the following cases.
    - ( i ) If our disclosed information proves to be materially false.
    - ( ii ) In the event that Loadstar is found to have failed to properly disclose material facts that should have been disclosed in accordance with laws and regulations and the rules of the Tokyo Stock Exchange.
    - ( iii ) If we are delisted, go bankrupt or otherwise undergo a major change in circumstances that were assumed on the date of the allotment.
    - ( iv ) In other cases that Loadstar engages in any conduct that is objectively deemed detrimental to the trust of the holders of share acquisition rights.
  - b. The holder of the share acquisition rights is required to be a director, auditor or employee of Loadstar or its affiliates (including those who have been appointed to similar positions as a result of legal revisions) even at the time of the exercise of the share acquisition rights.
  - c. The heirs of the holders may not exercise the share acquisition rights.
  - d. If the total number of issued shares of Loadstar exceeds the number of authorized shares at the time of exercise of the share acquisition rights, such share acquisition rights may not be exercised.
  - e. Each share acquisition right may not be exercised less than one unit.
  - f. Other terms and conditions shall be set forth in the "Share Acquisition Rights Allotment Agreement" concluded

between Loadstar and the person to whom share acquisition rights are allotted in accordance with a resolution of the Board of Directors.

7. Assets to be contributed at the time of exercise of the rights.  
Per share acquisition right 2,975,000 yen (2,975 yen per share)  
However, if the dividend of retained earnings is paid after the issuance of the share acquisition rights, each time the exercise price will be adjusted using the formula specified below.  
Adjusted exercise price = pre-adjustment exercise price x (market price – dividend amount)/ market price
8. Conditions for exercise of share acquisition rights.
- a. If the average closing price of the ordinary transactions of our common stock on the Tokyo Stock Exchange on each trading day during a calendar month from the first day to the last day of the exercise period falls below 30% of the 2,780 yen even once, the holders of the share acquisition rights must exercise all the remaining share acquisition rights by the end of the exercise period. However, this shall not apply to the following cases.
- (i) If our disclosed information proves to be materially false.
- (ii) In the event that Loadstar is found to have failed to properly disclose material facts that should have been disclosed in accordance with laws and regulations and the rules of the Tokyo Stock Exchange.
- (iii) If we are delisted, go bankrupt or otherwise undergo a major change in circumstances that were assumed on the date of the allotment.
- (iv) In other cases that Loadstar engages in any conduct that is objectively deemed detrimental to the trust of the holders of share acquisition rights.
- b. The holder of the share acquisition rights is required to be a director, auditor or employee of Loadstar or its affiliates (including those who have been appointed to similar positions as a result of legal revisions) even at the time of the exercise of the share acquisition rights.
- c. The heirs of the holders may not exercise the share acquisition rights.
- d. If the total number of issued shares of Loadstar exceeds the number of authorized shares at the time of exercise of the share acquisition rights, such share acquisition rights may not be exercised.
- e. Each share acquisition right may not be exercised less than one unit.
- f. Other terms and conditions shall be set forth in the "Share Acquisition Rights Allotment Agreement" concluded between Loadstar and the person to whom share acquisition rights are allotted in accordance with a resolution of the Board of Directors.

(5) Status of corporate officers

a. Directors and Audit & Supervisory Board Members (As of December 31, 2024)

Position	Name	Areas of responsibility in Loadstar and significant concurrent positions outside Loadstar
President	Tatsushi Iwano	President of Loadstar Funding K.K. Director of Loadstar Investments K.K.
Director	Naoyuki Kubo	General Manager of Sales Division of Loadstar Director of Loadstar Funding K.K. President of Sorario K.K.
Director	Yo Narita	President of Loadstar Investments K.K.
Director	Takuya Kawabata	General Manager of Finance & Accounting Division of Loadstar Director of Loadstar Investments K.K. President of Riverfield K.K.
Director	Hideo Wanami	
Director	Jun Onishi	Representative of Onishi Tokyo Legal & Real Estate Appraisal Offices
Director	Mayumi Funaki	President of Shipood, Ltd. Outside Director of WACUL, Inc.
Full-time Auditor	Atsushi Tanaka	Audit & Supervisory Board Member of Loadstar Investments K.K.
Auditor	Yoshiaki Ueno	Outside Director (Audit and Supervisory Committee Member) of VisasQ, Inc.
Auditor	Ryoko Kawaguchi	Outside Audit & Supervisory Board Member of atama plus, Inc.

Notes:

1. Director Hideo Wanami, Director Jun Onishi, and Director Mayumi Funaki are outside directors.
2. Audit & Supervisory Board Member Yoshiaki Ueno and Audit & Supervisory Board Member Ryoko Kawaguchi are Outside Audit & Supervisory Board Members.
3. Audit & Supervisory Board Member Yoshiaki Ueno passed the Certified Public Accountant Examination and worked at an audit firm and a financial institution, so he has considerable knowledge of finance and accounting.
4. We have designated Director Hideo Wanami, Director Jun Onishi, Director Mayumi Funaki, Audit & Supervisory Board Member Yoshiaki Ueno, and Audit & Supervisory Board Member Ryoko Kawaguchi as independent officers in accordance with the provisions of the Tokyo Stock Exchange and have notified the Exchange of their designation.

## (Reference) Specialization and experience of directors (skill matrix)

	Corporate management	Real estate business	ICT Digital (Real Estate Tech)	International business	ESG · SDGs	Legal affairs and compliance	Finance, accounting and tax
Tatsushi Iwano (Male/Born in 1973)	●	●	●	●			
Naoyuki Kubo (Male/ Born in 1973)	●	●	●	●			
Yo Narita (Male/ Born in 1983)	●	●	●	●		●	
Takuya Kawabata (Male/ Born in 1983)	●	●			●		●
Hideo Wanami (Outside) (Independent) (Male/ Born in 1952)				●			●
Jun Onishi (Outside) (Independent) (Male/ Born in 1973)		●				●	
Mayumi Funaki (Outside) (Independent) (Female/ Born in 1978)	●				●		

## b. Summary of the Liability Limitation Agreement

The Company and Outside Director Hideo Wanami, Outside Director Jun Onishi, Outside Director Mayumi Funaki, Outside Audit & Supervisory Board Member Yoshiaki Ueno, and Outside Audit & Supervisory Board Member Ryoko Kawaguchi have entered into an agreement to limit the liability for damages under Paragraph 1 of Article 423 of the Companies Act in accordance with Paragraph 1 of Article 427 of the Companies Act. The maximum amount of liability for damages under the said contract is the sum of two years of annual compensation or the minimum amount of liability stipulated by law, whichever is higher. The limitation of liability is permitted only when the outside directors and outside corporate auditors have performed in good faith and have no gross negligence in the performance of their duties for which they are responsible.

## c. Overview of Liability Insurance Contracts for Officers

Loadstar has entered into officer liability insurance contracts with an insurance company for directors and Audit & Supervisory Board Members of Loadstar and its subsidiaries as stipulated in Paragraph 1 of Article 430-3 of the Companies Act. The insurance contracts cover legal damages and litigation expenses that the insured officers may incur as a consequence of legal claims made against them stemming from acts of Loadstar (including omissions). While Loadstar pays the insurance premiums in full for all of the insured, to ensure the appropriateness of the execution of duties by the insured, the insurance contract does not cover damages caused by criminal acts or intentional violations of laws by the insured.

d. Compensation for Directors and Audit & Supervisory Board Members

(i) Matters relating to decisions regarding details of compensation for individual directors

At a meeting held on February 22, 2022, Loadstar's Board of Directors passed a resolution to approve a policy to determine compensation for individual directors. The Board of Directors consults with the Nomination and Compensation Committee on the details of the resolution in advance and receives a report from the Committee. In addition, the Board of Directors has confirmed that the method of determining the details of compensation for each director for the fiscal year and the details of compensation, determined by the Board of Directors, are in line with the decision-making policy resolved by the Board of Directors. The Board of Directors has also confirmed that the report from the Nomination and Compensation Committee has been respected and is in line with such policy.

An overview of this policy for determining the details of compensation for individual directors is provided below in a., b., c., and d.

a. 1) Performance-linked compensation: None

2) Non-monetary compensation:

The Board of Directors resolved at the meeting held on February 18, 2025, that if Proposal 5 of this Meeting Agenda is approved as originally proposed, the following revisions shall be applied. "Loadstar shall grant shares with restrictions on transfer to directors (excluding outside directors) with the aim to incentivize eligible directors to enhance the corporate value, and to further align their interests with those of shareholders. In accordance with the provisions regarding shares with restrictions on transfer of the allotment agreement concluded between Loadstar and eligible directors, shares with transfer restrictions that have not been lifted shall be acquired by Loadstar at no cost.

The number of shares to be allotted to each individual director shall, in principle, be determined by the Board of Directors based on deliberations and recommendations by the Nomination and Compensation Committee, comprehensively taking into consideration the degree of contribution made by each director, the business performance of Loadstar, and expectations regarding each director's future contributions. The maximum number of total shares to be allotted to all directors shall be limited to no more than 60,000 shares and of a value of equal to or less than 200 million yen."

3) Amounts of other compensation and calculation method:

Individual compensation for directors shall, in principle, be determined by the Board of Directors based on deliberations and recommendations by the Nomination and Compensation Committee, comprehensively taking into account a range of factors such as the degree of contribution made by each director, the business performance of Loadstar, and expectations regarding each director's future contributions. In addition, the total amount of compensation for all directors shall fall within the total compensation amount approved at the 7th Annual General Meeting of Shareholders held on March 28, 2019, which is an annual amount of 100 million yen as monetary compensation plus an amount equivalent to 5% of consolidated profit before income taxes of the previous fiscal year.

4) Percentages for 1), 2), and 3):

This shall, in principle, be determined by the Board of Directors based on deliberations and recommendations by the Nomination and Compensation Committee after comprehensively taking into consideration the degree of contribution made by each director, the business performance of Loadstar, and expectations regarding each director's future contributions.

b. Policy on timing and conditions for payment of compensation:

a. 2) Paid annually

a. 3) Paid periodically (monthly) during the tenure of each director

c. Method of determining details of compensation when the decision is entrusted to a director or other third party: Decisions regarding the details of compensation shall not be entrusted to third parties unless otherwise specified. Compensation for directors is determined by the Board of Directors following deliberations and nominations by the Nomination and Compensation Committee.

d. Other important matters relating to determination of the details of individual compensation: None.

## (ii) Total compensation for directors and Audit &amp; Supervisory Board Members

Officer category	Total compensation (millions of yen)	Breakdown of total compensation by compensation type (millions of yen)			Number of eligible officers
		Fixed salary	Performance-linked compensation	Other	
Directors (of which, independent directors)	187 (14)	164 (14)	-	23 (-)	7 (3)
Audit & Supervisory Board Members (of which, independent statutory auditors)	23 (7)	23 (7)	-	-	4 (3)
Total (of which, independent officers)	211 (22)	187 (22)	-	23 (-)	11 (6)

## Notes:

- The total amount of compensation for the directors was resolved to fall within the total amount of compensation approved at the 7th Annual General Meeting of Shareholders held on March 28, 2019, which is an annual amount of 100 million yen as monetary compensation plus an amount of equivalent to 5% of consolidated profit before income taxes of the previous fiscal year (up to 20 million yen per annum for outside directors). The number of directors as of the conclusion of the 7th Annual General Meeting of Shareholders was seven, of which two were outside directors. In addition to the amount of compensation, we resolved at the 10th Annual General Meeting of Shareholders held on March 30, 2023, that the maximum number of total shares to be allotted to all directors shall be limited to no more than 60,000 shares and of a value of less than 100 million yen (excluding outside directors). The number of eligible directors as of the conclusion of the 10th Annual General Meeting of Shareholders was four.
- Non-monetary compensation consists of Loadstar's shares, and the conditions of allotment are described in "2. (3) d. (i)) Matters relating to decisions regarding details of compensation for individual directors." The status of issuance during the fiscal year is stated in "2. (2) Matters concerning shares issued to our offices as compensation for the execution of their duties"
- Non-monetary compensation is the amount of restricted stock granted in the fiscal year 2024 which should be recorded as an expense in the fiscal year.
- Loadstar and the Audit & Supervisory Board have not set a policy for determining the calculation method for compensation for the Audit & Supervisory Board Members. An Extraordinary General Meeting of Shareholders held on June 15, 2017 determined that compensation for the three Audit & Supervisory Board Members shall be monetary compensation of up to 30 million yen per annum. Accordingly, compensation for Audit & Supervisory Board Members is determined, as a fixed salary not exceeding 30 million yen per annum, at the discretion of the full-time Audit & Supervisory Board member following deliberations by the Audit & Supervisory Board. The number of Audit & Supervisory Board Members as of the conclusion of the said Extraordinary General Meeting of Shareholders was three, of which two were independent Audit & Supervisory Board Members.
- The above table includes one Outside Audit & Supervisory Board Member who retired at the conclusion of the 12th Annual General Meeting of Shareholders held on March 22, 2024.

## e. Outside Directors and Audit &amp; Supervisory Board Members

## 1) Outside Directors

Category	Name	Attendance and Remarks and Summary of the duties performed regarding the expected role of Outside Directors
Director	Hideo Wanami	<p>Attended 25 of the 25 meetings of the Board of Directors held during the fiscal year, and made comments as appropriate, mainly based on the accounting and tax knowledge cultivated at the National Tax Agency (NTA).</p> <p>He attended the Audit &amp; Supervisory Board meetings to exchange information and share insights from an independent and objective standpoint.</p> <p>As a member of the Nomination and Compensation Committee, he attended all of the committee meetings held during the fiscal year, a total of 4 times, and fulfilled a supervisory function in the process of selecting officer candidates and determining officer compensation from an objective and impartial standpoint.</p>
	Jun Onishi	<p>Attended 25 of the 25 meetings of the Board of Directors held during the fiscal year and made comments as appropriate from a professional perspective as an attorney and real estate appraiser.</p> <p>He attended the Audit &amp; Supervisory Board meetings to exchange information and share insights from an independent and objective standpoint.</p> <p>As a member of the Nomination and Compensation Committee, he attended all of the committee meetings held during the fiscal year, a total of 4 times, and fulfilled a supervisory function in the process of selecting officer candidates and determining officer compensation from an objective and impartial standpoint.</p>
	Mayumi Funaki	<p>Attended 25 of the 25 meetings of the Board of Directors held in the fiscal year and made comments as appropriate, mainly based on her professional perspective relating to corporate communications and experience in company management.</p> <p>She attended the Audit &amp; Supervisory Board meetings to exchange information and share insights from an independent and objective standpoint.</p> <p>As a member of the Nomination and Compensation Committee, she attended all of the committee meetings held during the fiscal year, a total of 4 times, and fulfilled a supervisory function in the process of selecting officer candidates and determining officer compensation from an objective and impartial standpoint.</p>

## 2) Audit &amp; Supervisory Board Members

Category	Name	Attendance and remarks
Audit & Supervisory Board member	Yoshiaki Ueno	Attended 25 of the 25 meetings of the Board of Directors and 14 of the 14 Audit & Supervisory Board meetings held during the fiscal year, and made comments as appropriate based on the experience gained in auditing firms and financial institutions.
	Ryoko Kawaguchi	Attended 20 of the 19 meetings of the Board of Directors and 10 of the 10 Audit & Supervisory Board meetings held after assuming the position of Audit & Supervisory Board Member of Loadstar, and made comments as appropriate based on the experience gained at a law firm and as an Audit & Supervisory Board Member at other companies.



## (6) Status of Accounting Auditors

a. Name: Deloitte Touche Tohmatsu LLC

b. Amount of Compensation, etc.

Category	Amount paid
Amount of compensation, etc. to be paid during the fiscal year	31 million yen
Total amount of monetary and other property benefits to be paid by Loadstar and its subsidiaries to the Accounting Auditor	31 million yen

## Notes:

1. Because amounts of audit fees and others for audits under the Companies Act and for audits under the Financial Instruments and Exchange Act are not clearly classified in the audit agreement between Loadstar and the Accounting Auditor, and cannot be classified practically, the total amount of these fees and others is shown in the amount of compensation, etc. for the fiscal year.
2. The Audit & Supervisory Board agreed on the amount of compensation, etc. of the Accounting Auditor after conducting necessary verifications to determine whether the content of the Accounting Auditor's audit plan, the status of execution of duties by the Accounting Auditor, and the basis for calculating the compensation estimate are appropriate.

c. Contents of non-audit services

None.

d. Policy for Determining Dismissal or Refusal of Reappointment of Accounting Auditors

The Audit & Supervisory Board shall decide the contents of proposals regarding the dismissal or refusal of reappointment of Accounting Auditors to be submitted to the General Meeting of Shareholders in the event that the execution of duties by Accounting Auditors is hindered or it is deemed necessary.

In addition, the Audit & Supervisory Board shall dismiss the Accounting Auditor with the consent of all Audit & Supervisory Board Members in the event that the Accounting Auditor is deemed to fall under any of the items set forth in each item of Paragraph 1 of Article 340 of the Companies Act. In this case, an Audit & Supervisory Board member selected by the Audit & Supervisory Board reports on the dismissal of the Accounting Auditor and the reason for the dismissal at the first General Meeting of Shareholders to be convened after the dismissal.

e. Summary of Limited Liability Contracts

Not applicable.

### 3. System to ensure the appropriateness of business operations and the status of operation of the system

#### (1) Summary of decisions on systems to ensure the appropriateness of business operations

We have established the Basic Policy for Establishing an Internal Control System as a system to ensure the appropriateness of our business operations, and we operate an internal control system based on this policy. Details of these policies are as follows.

- a. System regarding storage and management of information on execution of directors' duties
  - 1) The information on the execution of duties by directors is stored and managed appropriately in accordance with laws and the Articles of Incorporation, in addition to the provisions of internal rules.
  - 2) The information stored and managed by Loadstar is kept available for inspection by Directors and Audit & Supervisory Board Members upon their request.
- b. Regulations and other systems for managing the risk of loss for Loadstar Group

The system for managing the risk of loss shall be carried out at the Board of Directors meetings, where internal and external information is gathered. The Board of Directors meetings recognize, evaluate, prevent, and respond to the risks. In addition, as necessary, a person in charge from each department will also attend the Board of Directors meetings, and report on the identification and evaluation of risks.
- c. System to ensure that the execution of duties by the directors of Loadstar Group is efficient
  - 1) In order to ensure that directors perform their duties efficiently, Loadstar makes decisions on business execution by holding regular meetings of the Board of Directors once a month in principle and extraordinary meetings of the Board of Directors as needed.
  - 2) Loadstar's internal rules stipulate authority and responsibilities with respect to the execution of business operations, and reviews are conducted whenever necessary.
- d. System to ensure that the execution of duties by directors and employees of Loadstar Group complies with laws and regulations and the Articles of Incorporation
  - 1) We have established the Board of Directors, which supervises the execution of duties by directors, and the Audit & Supervisory Board, which has the authority to audit the execution of duties by directors. By appointing outside officers (outside directors or outside Audit & Supervisory Board Members), we strictly monitor the execution of duties by directors and ensure that the execution of duties by directors complies with laws, the Articles of Incorporation, and internal rules.
  - 2) We have established the Internal Audit Office to audit the status of compliance with laws, the Articles of Incorporation, and internal regulations for the entire Group, including us and our subsidiaries, to point out problems and to propose improvement measures.
- e. System for reporting matters related to the execution of duties by directors and employees of our subsidiaries to us

By having our directors concurrently serve as directors of our subsidiaries, we ascertain the status of the execution of duties from time to time. At the same time, such directors report on the status of the execution of duties by subsidiaries at our Board of Directors meetings.
- f. Matters concerning the appointment of employees to assist the duties of the Audit & Supervisory Board member

In the event the Audit & Supervisory Board or any of the member requests Loadstar to appoint employees to assist the Audit & Supervisory Board member, necessary personnel shall be assigned to assist the member.
- g. Matters concerning independence of employees who assist the Audit & Supervisory Board Members from Directors

In order to ensure the independence of the employees who assist the Audit & Supervisory Board Members, the consent of the Audit & Supervisory Board shall be obtained with respect to personnel changes, personnel evaluations, and disciplinary actions for employees who assist the Audit & Supervisory Board.
- h. Matters related to ensuring the effectiveness of instructions given by the Audit & Supervisory Board Members to employees who assist the Audit & Supervisory Board Members
  - 1) The authority to direct employees who are to assist the business of the Audit & Supervisory Board Members shall be transferred to the Audit & Supervisory Board Members during the period of assistance designated by the Audit & Supervisory Board Members and shall not be subject to the direction and order of the representative director.
  - 2) The content of the preceding section is thoroughly disseminated to our officers and employees.

- i. System for Directors and Employees to report to the Audit & Supervisory Board Members and Other Systems for reporting to the Audit & Supervisory Board Members in Loadstar Group
  - 1) All Audit & Supervisory Board Members attend the Board of Directors meetings and receive reports on important matters.
  - 2) In Loadstar Group, directors and employees shall immediately report to an Audit & Supervisory Board member when they discover any facts that may cause significant damage to Loadstar Group.
- j. System for ensuring that the person who has reported to the Audit & Supervisory Board Members does not receive adverse treatment on the grounds that such report has been made
  - 1) Any disadvantageous treatment of the officers and employees who have made such reports for the reason that they have reported to an Audit & Supervisory Board Member are prohibited.
  - 2) The content of the preceding section is thoroughly disseminated to our officers and employees.
- k. Matters concerning procedures for advance payment or reimbursement of expenses arising from the execution of duties by the Audit & Supervisory Board Members and other policies for the handling of expenses or liabilities arising from the execution of such duties
  - 1) Audit & Supervisory Board Members are authorized to hire legal counsel, certified public accountants and other outside professionals as necessary to spend expenses.
  - 2) In the event the Audit & Supervisory Board Member requests the payment of expenses in connection with the execution of his/her duties, Loadstar shall pay such expenses promptly unless it proves that the expenses in connection with such request are not necessary for the execution of the duties of the Audit & Supervisory Board Member.
- l. System to Ensure Effective Auditing by the Audit & Supervisory Board Members
  - 1) The representative director holds as many meetings as possible with the Audit & Supervisory Board Members to exchange opinions on Loadstar's operations and communicates with them separately from the business reports at the Board of Directors meetings.
  - 2) The Audit & Supervisory Board Members regularly hold discussions with the Accounting Auditor and the Internal Audit Office to exchange information for effective audits.

m. System to Eliminate Antisocial Forces

We are by no means involved with antisocial forces and organizations that threaten the order and safety of civil society, and we take a firm stance in cooperation with external lawyers and the police in responding to unjust demands.

- (2) Outline of the status of operation of the system to ensure the appropriateness of operations
- Matters concerning the system to ensure the appropriateness of the above-mentioned operations, we have been conducting ongoing audits of the status of the establishment and operation of the internal control system, mainly by the Internal Audit Office, since the establishment of the system. The content of these audits is reported to the representative director. In addition, we take corrective measures to address issues that are discovered as a result of audits and strive to establish and operate a more appropriate internal control system.

Our Board of Directors consists of seven directors. Directors and the Audit & Supervisory Board Members attend the Board of Directors meetings to report on the status of business execution from each director and to discuss and make resolutions on important matters.

In the meeting, the outside directors joined the resolution from an independent standpoint.

The outside directors monitor and supervise business operations. Furthermore, each Audit & Supervisory Board member audits the management in the same manner.

4. Policies concerning decisions on Dividends of surplus

While enhancing profitability and building a business foundation, we intend to maintain a stable and continuous return of profits to shareholders through dividends, targeting a dividend payout ratio of 17%, while striking a balance with the internal reserves necessary for future business expansion.

Retained earnings will be actively used to invest in the Corporate Funding business, which will serve as the business foundation, to strengthen the Asset Management Business, to cover marketing expenses for the expansion of the Crowdfunding Business. In addition, Loadstar will actively use the retained earnings to strengthen and expand its business management infrastructure, including recruitment of human resources and enhancement of its corporate management system.

When paying dividends from retained earnings, Loadstar's basic policy is to pay a year-end dividend once a year, and the decision-making body for the year-end dividend is the Annual General Meeting of Shareholders. In addition, we have adopted an interim dividend system stipulated in Paragraph 5 of Article 454 of the Companies Act, and our Articles of Incorporation provide that interim dividends may be paid by resolution of the Board of Directors.

<b>Consolidated Balance Sheet</b>			
(As of December 31, 2024)			
(Unit: millions of yen)			
Account (Assets)	Amount	Account (Liabilities)	Amount
Current assets	105,933	Current liabilities	16,485
Cash and deposits	12,653	Short-term borrowings	1,735
Operating loans	9,781	Current portion of long-term borrowings	8,565
Real estate as inventory	81,527	Income taxes payable	2,355
Other	1,970	Contract liabilities	750
		Deposits received	1,676
		Other	1,402
Non-current assets	1,470	Non-current liabilities	65,275
Property, plant and equipment	112	Long-term borrowings	52,459
Buildings	89	Deposits received from silent partnerships	11,494
Tools, furniture and fixtures	20	Other	1,321
Other	3	<b>Total liabilities</b>	<b>81,761</b>
Intangible assets	41	(Net assets)	
Other	41	Shareholders' equity	25,131
Investments and other assets	1,316	Share capital	1,402
Investment securities	266	Capital surplus	1,670
Deferred tax assets	675	Retained earnings	24,882
Other	374	Treasury shares	(2,824)
		Accumulated other comprehensive income	(44)
		Valuation difference on available-for-sale securities	(44)
		Share acquisition rights	555
		Non-controlling interests	0
		<b>Total net assets</b>	<b>25,642</b>
<b>Total assets</b>	<b>107,403</b>	<b>Total liabilities and net assets</b>	<b>107,403</b>

**Consolidated Statement of Income**

(Fiscal year ended December 31, 2024)

(Unit: millions of yen)

Account	Amount	
Net sales		34,421
Cost of sales		21,070
Gross profit		13,350
Selling, general and administrative expenses		1,903
Operating profit		11,447
Non-operating income		
Gain on valuation of derivatives	222	
Other	26	248
Non-operating expenses		
Interest expenses	716	
Commission fee	279	
Other	0	996
Ordinary profit		10,699
Extraordinary losses		
loss on valuation of investment securities	125	125
Profit before dividend distribution from silent partnerships and income taxes		10,573
Dividends distribution from silent partnerships		518
Profit before income taxes		10,055
Income taxes - current	3,464	
Income taxes - deferred	(279)	3,184
Profit		6,871
Profit attributable to non-controlling interests		(0)
Profit attributable to owners of parent		6,871

<b>Consolidated Statement of Changes in Equity</b> (Fiscal year ended December 31, 2024)					
(Unit: millions of yen)					
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning	1,402	1,570	18,874	(2,885)	18,961
Changes during the consolidated fiscal year					
Dividends of surplus	-	-	(863)	-	(863)
Purchase of treasury shares	-	-	-	(0)	(0)
Disposal of treasury shares	-	100	-	61	161
Profit attributable to owners of the parent	-	-	6,871	-	6,871
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during the consolidated fiscal year	-	100	6,007	61	6,169
Balance at End	1,402	1,670	24,882	(2,824)	25,131

  

	Accumulated other comprehensive income		Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income			
Balance at beginning	-	-	331	-	19,293
Changes during the consolidated fiscal year					
Dividends of surplus	-	-	-	-	(863)
Purchase of treasury shares	-	-	-	-	(0)
Disposal of treasury shares	-	-	-	-	161
Profit attributable to owners of the parent	-	-	-	-	6,871
Net changes in items other than shareholders' equity	(44)	(44)	224	0	179
Total changes during the consolidated fiscal year	(44)	(44)	224	0	6,348
Balance at End	(44)	(44)	555	0	25,642

Notes to the Consolidated Financial Statements  
(Notes Regarding Significant Accounting Policies for Preparation of Consolidated Financial Statements)

1. Scope of Consolidation

(1) Status of consolidated subsidiaries

Number of consolidated subsidiaries: 10

Names of major consolidated subsidiaries

Loadstar Investments K.K.

Loadstar Funding K.K.

LD1 Godo Kaisha

The TK, operated by LD1 Godo Kaisha

LD2 Kashikojima Godo Kaisha

LD2 Atami Godo Kaisha

LD2 Sengokuhara Godo Kaisha

LD2 Kyoto Godo Kaisha

LD2 Miyota Godo Kaisha

LD2 Ginoza Godo Kaisha

Changes in scope of consolidation

For the fiscal year ended December 31, 2024, Loadstar invested in LD1 Godo Kaisha via TK (silent partnership) investments. As a result, Loadstar is deemed to control LD1 Godo Kaisha, the TK, operated by LD1 Godo Kaisha, and 6 other companies substantially under the control and influence concepts. Therefore, these companies were included in the scope of consolidation.

(2) Status of non-consolidated subsidiaries

Names of major non-consolidated subsidiaries: Not applicable.

2. Equity-Method Accounting

Not applicable.

3. Fiscal Year of Consolidated Subsidiaries

The fiscal year end of LD1 Godo Kaisha and 7 other companies is October 31. Loadstar used their financial statements as of their respective fiscal year end for the preparation of Loadstar's consolidated financial statements.

Appropriate adjustments were made as needed for significant transactions made between Loadstar and these Loadstar subsidiaries during the period between the close of the subsidiaries' fiscal year. The fiscal year end of other consolidated subsidiaries is the same as that of Loadstar.

4. Accounting Policies

(1) Valuation standards and methods for significant assets

(i) Securities

Other securities (available-for-sale securities)

Securities other than shares, etc. that do not have a market price	Measured at fair value (net unrealized gains or losses are reported as a separate component of net assets, and the cost of securities sold is calculated using the moving-average method).
Shares, etc. that do not have a market price	Stated at cost using the moving-average method. Investments in silent partnerships are based on the financial statements for the most recent balance sheet date using the net amount proportionate to Loadstar's ownership interests.

(ii) Derivatives

Derivatives are stated using the fair value method.

(iii) Inventories

Real estate as inventory	Stated at cost determined by the specific identification method (the figures shown in the balance sheet have been written off based on declines in profitability.) Real estate for sale used for business and Leased assets are depreciated in accordance with property, plant and equipment standards.
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## (2) Depreciation or amortization method for significant depreciable assets

(i) Property, plant and equipment	The declining-balance method is applied. However, buildings (excluding facilities attached to buildings) and facilities attached to buildings acquired on or after April 1, 2016 are depreciated using the straight-line method. The estimated useful lives are 4 to 8 years.
(ii) Intangible assets	The straight-line method is applied. Software for internal use is amortized on a straight-line basis over the estimated internal useful life (5 years)

## (3) Significant provisions

Allowance for doubtful accounts	The estimated amount of irrecoverable debt is calculated based on the historical write-off rate for ordinary receivables and recoverability of individual cases for specified receivables.
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## (4) Significant revenues and expenses recognition

The following is a description of the principal performance obligations in the main businesses of Loadstar and Loadstar subsidiaries relating to revenues from contracts with customers, and the normal timing at which such performance obligations are satisfied (the normal timing at which revenue is recognized).

(i) Corporate Funding Business (Real estate investment)	Loadstar Group is obligated to deliver properties based on real estate sales contracts with customers. Such performance obligations shall be satisfied at the time the properties are delivered, and revenues are recognized at the point of such delivery.
(ii) Corporate Funding Business (Hotel operation)	Loadstar Group has performance obligations to provide services related to lodging, food and beverages to guests via an outsourcing company. The performance obligation shall be satisfied at that point when the services are rendered to the guests by the outsourcing company, and revenues are recognized at that point.
(iii) Asset Management Business	Loadstar Group has performance obligations to provide the following services based on the asset management contracts with customers: management of assets under management, leasing, and fund procurement, as well as operations related to the acquisition or transfer of assets under management. Obligations to perform services related to the management of assets under management, leasing, and financing shall be satisfied at the time the services are rendered in accordance with the asset management contracts, and revenues are recognized over the terms of the relevant contracts. In addition, the performance obligation for operations to acquire or transfer assets under management shall be satisfied at the point when the assets under management are received or delivered, and revenue is recognized at the point of such receipt or delivery.

## (5) Other significant matters for preparation of consolidated financial statements

Accounting for consumption taxes	Non-deductible consumption taxes related to Loadstar Group's assets are included in acquisition cost of each asset.
Accounting for deferred assets Share issuance costs	All expenses are processed at the time of expenditure.



## (Notes to Changes in Presentation Method)

## Consolidated Statement of Income

“Dividend income” (0 million yen in the current fiscal year), “Insurance claim income” (0 million yen in the current fiscal year) and “Penalty income” (24 million yen in the current fiscal year), which was separately listed in non-operating income in the previous fiscal year, is included in “Other” in the current fiscal year, as the amounts became immaterial.

## (Notes to Significant Accounting Estimates)

## 1. Assessment of the real estate as inventory

(1) Amount recorded in the consolidated financial statements for the current fiscal year

	Current consolidated fiscal year (millions of yen)
Real estate as inventory	81,527
Loss on valuation of inventories (Cost of sales)	-

(2) Information on the details of significant accounting estimates for identified items

If the net sale value is lower than the book value, Loadstar Group uses the net sale value for assessment and recognizes the difference between the net sale value and book value as loss on valuation of inventory.

Loadstar Group estimates expected sales values after considering independent valuation amounts or estimating rental fees and expected yields together with the impact of any future changing of demand. Although the economic outlook may fluctuate due to various factors such as inflation and interest rate trends, Loadstar Group estimates the value of inventory on the assumption that real estate prices will be maintained based on external data on sale and purchase information available as of the end of the current consolidated fiscal year. Note that no loss on valuation of inventory was recorded in the consolidated fiscal year.

The future business performance of Loadstar Group may be affected, such as recording a loss on revaluation of inventories, if the net sale value declines due to changes in assumptions, i.e., changes in demand in the real estate market.

## (Notes to Consolidated Balance Sheet)

## 1. Assets pledged as collateral and obligations secured by collateral

(1) Assets pledged as collateral are as follows:

Real estate as inventory 79,477 million yen

(2) Secured obligations are as follows:

Current portion of Long-term borrowings 8,137 million yen

Long-term borrowings 52,284 million yen

Total 60,422 million yen

Of which non-recourse loans 16,000 million yen

(3) Non-recourse loans

Short-term borrowings of non-recourse loans 1,052 million yen

Long-term borrowings of non-recourse loans 16,000 million yen

Total 17,052 million yen

(4) Assets pledged as collateral for long-term borrowing of non-recourse loans

Real estate as inventory 19,442 million yen

2. Accumulated depreciation of Property, plant and equipment 53 million yen

## 3. Overdraft agreement

We have entered into an overdraft agreement with a major financial institution to efficiently raise working capital. The following are unused lines of credit based on the overdraft agreement.

Overdraft limit 1,000 million yen

Loan balance -

Balance (of an account) 1,000 million yen

## (Notes to Consolidated Statement of Changes in Equity)

## 1. Total number of issued shares

Common stock (As of December 31, 2024) 21,444,000 shares

## 2. Matters concerning dividends of surplus

## (1) Cash dividends paid

Resolution	Type of shares	Total dividends (millions of yen)	Dividends per share (yen)	Base date	Effective date
March 22, 2024 Annual general meeting of shareholders	Common stock	863	52.5	December 31, 2023	March 25, 2024

## (2) Dividends whose record date falls in the current consolidated fiscal year and whose effective date falls in the following consolidated fiscal year

Resolution	Type of shares	Source of dividends	Total dividends (millions of yen)	Dividends per share (yen)	Base date	Effective date
March 27, 2025 Annual general meeting of shareholders	Common stock	Retained earnings	1,159	70.0	December 31, 2024	March 28, 2025

## 3. Class and number of potential shares resulting from the exercise of share acquisition rights (excluding shares for which the exercise period has not commenced) as of December 31, 2024

Common stock 157,000 shares

## (Notes to Financial Instruments)

## 1. Matters related to the status of financial instruments

## (1) Policy on financial instruments

Loadstar Group only invests funds in highly secure financial assets and borrows funds from financial institutions such as banks. Derivatives are used to hedge against interest rate fluctuation risk on borrowings within the scope of actual demand, in line with internal control rules.

## (2) Contents and risks of financial instruments

Operating loans, which are trade receivables, are exposed to borrowers' credit risk. Investment securities mainly consist of available-for-sale securities for pure investment purposes. These are exposed to the risk of market price fluctuations. Others are not affected by market price fluctuation risk because they consist of unlisted stocks and investments in tokumei kumiai (silent partnerships), but they are exposed to issuers' credit risk. Deposits received from tokumei kumiai (silent partnerships) and some deposits received are monies, etc., invested by investors in the Crowdfunding Business, and they are exposed to liquidity risk.

The primary purpose of borrowings is to procure funds for the acquisition of real estate investment properties, and the final repayment can be due up to 37 years after the settlement date. Borrowings are exposed to interest rate fluctuation risk.

Derivatives transactions are conducted for the purpose of hedging against the risk of fluctuations in interest rates on borrowings.

## (3) Risk management system for the financial instruments

## A. Management of credit risks (risks pertaining to non-performance of contracts by counterparties)

Loadstar Group seeks to mitigate risk on trade receivables by managing schedules and balances for each individual customer and setting a revolving mortgage on collateral real estate.

Loadstar Group manages investment securities by regularly monitoring issuers' financial position and other information.

Loadstar Group recognizes that there is almost no credit risk in derivatives transactions, as transactions are only conducted with financial institutions with high credit ratings.

**B. Management of market risks (risks related to market price fluctuations)**

As for investment securities, Loadstar Group monitors fair values and financial positions of issuers on a regular basis.

The department responsible for derivatives transactions executes and manages transactions with the approval of the person responsible for authorization in compliance with internal control rules that prescribe details relating to authority over derivatives transactions.

**C. Management of liquidity risk related to financial liabilities (risk of inability to pay on the due date)**

Regarding borrowings, the department in charge prepares and updates financing plans as required and manages liquidity risk through maintaining liquidity on hand and other measures. For deposits received from tokumei kumiai (silent partnerships), financing plans are prepared and updated based on the silent partnership agreement and liquidity risk managed through segregated management, maintaining liquidity on hand, and other measures. Liquidity risk of deposits, comprising monies received from investors, is managed through segregated management, maintaining liquidity on hand, and other measures.

**(4) Supplementary explanation of fair value of financial instruments**

The fair values of financial instruments include values based on market prices and reasonably calculated values if there is no market price. Since variable factors are incorporated in the calculation of the value, the value may fluctuate by adopting different assumptions, etc.

**2. Fair value of financial instruments**

As of December 31, 2024, the book values of the Consolidated Balance Sheet, fair values and differences between them are as follows.

Shares, etc. that do not have a market price in an active market are not included in the following table.

(Unit: millions of yen)

	Consolidated Balance Sheet amount	Fair value (*)	Difference
Operating loans	9,781	9,748	(32)
Investment securities			
Available-for-sale securities	256	256	-
Long-term borrowings (including current portion)	(61,025)	(61,025)	0
Deposits received from tokumei kumiai (silent partnerships)	(11,494)	(11,461)	(32)
Derivative transaction	156	156	-

(\*) Accounts recognized as liabilities are shown in ( ).

(\*) Cash and deposits, short-term-borrowings and income taxes payable are not disclosed since they are cash, and they are settled in a short period of time. Therefore, the fair value approximates the book value.

(\*) Regarding deposits, deposits received from investors can be refunded to investors at any time upon their request and the amount refunded is equal to the book value. And because the maturities of other deposits are short, the carrying values are approximately fair values. Therefore, these fair values of the deposit received are not disclosed.

(\*) Shares, etc. that do not have a market price are not included in "Investment securities." The amounts of these financial instruments recorded in the consolidated balance sheet are as follows

Category	Book value in the consolidated balance sheet (Unit: millions of yen)
Investment securities (Unlisted stocks, etc.)	10

**3. Matters related to the breakdown of the fair value of financial instruments by appropriate classification**

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance, as well as inputs used in measuring fair value.

Level 1	Fair values measured by quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2	Fair values measured by inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.
Level 3	Fair values measured by unobservable inputs for the assets or liabilities.

If multiple inputs that have a significant impact on the measurement of fair value are used, fair value is categorized at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

(1) Financial assets and liabilities recognized in the consolidated balance sheets at fair value.

(Unit: millions of yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Shares	256	-	-	256
Derivative transaction				
interest rates	-	156	-	156

(2) Financial assets and liabilities not recognized in the consolidated balance sheets at fair value.

(Unit: millions of yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Operating loans	-	9,748	-	9,748
Long-term borrowings	-	61,025	-	61,025
Deposits received from silent partnerships	-	11,461	-	11,461

Note:

1: Methods for measuring the fair values of financial instruments and derivative transactions.

Investment securities

Since listed shares are traded in active markets, the Company valued them with using quoted prices and classified them as Level 1 fair value.

Derivative transaction

Loadstar Group measures the fair values based on the prices obtained from the counterparty financial institutions and categorizes them into level 2.

Operating loans and Deposits received from tokumei kumiai (silent partnerships)

Loadstar Group calculates the fair value of these instruments based on the present value obtained by discounting future cash flows using an interest rate determined by adding credit spread to an appropriate indicator such as the yield on government bonds, or by discounting the principal less estimated credit losses at the risk-free rate at the end of the period. If significant unobservable inputs are used, the fair values are categorized as level 3. Otherwise, it is categorized as level 2.

Long-term borrowings

Loadstar Group measures the fair value of Long-term borrowings with fixed interest rates by discounting the total amount of principal and interest by the interest rate that would be applicable to a similar borrowing and categorizes them as Level 2. Long-term borrowings with floating interest rates are classified as Level 2, as their book value is deemed to approximate their fair value as they reflect market interest rates in a short period of time.

## (Notes to Revenue Recognition)

## (1) Information that breaks down revenue from contracts with customers

Information on breakdown of revenues by major goods or services is as follows.

(Unit: millions of yen)

	Reportable segments						Total
	Real estate related business						
	Corporate Funding (real estate investment)	Corporate Funding (real estate leasing)	Corporate Funding (hotel operation)	Asset Management	Crowd funding	Other	
Revenue from contracts with customers	27,970	189	1,655	1,192	—	10	31,017
Other revenue	—	2,735	—	—	657	11	3,404
Sales to outside customers	27,970	2,924	1,655	1,192	657	21	34,421

## Note:

Other income includes mainly rental income based on "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, March 30, 2007), interest income based on "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10).

## (2) Basic information to understand the revenue from contracts with customers

Basic information to understand the revenue from contracts with customers is as described in "(4) Significant revenues and expenses recognition 4. Accounting Policies (Notes to Important Matters for Basis of Preparation of the Consolidated Financial Statements)."

## (3) Information to understand the amount of revenue for the current period and subsequent periods

## (i) Balances of contract assets and contract liabilities, etc.

Loadstar Group's contract balances are as follows.

(Unit: millions of yen)

	Current consolidated fiscal year (December 31, 2024)
Receivables from contracts with customers (at beginning of the period)	99
Receivables from contracts with customers (at end of the period)	588
Contract liabilities (at beginning of the period)	598
Contract liabilities (at end of the period)	750

(\*)The amount of revenue recognized in the current fiscal year that was included in the contract liability balance at the beginning of the period was 598 million yen.

## (\*) Receivables from contracts with customers

Receivables from contracts with customers are mainly uncollected amounts lodging and other charges recognized in Corporate Funding (hotel operation) Business. The collection period of these receivables is mainly within one to two months.

## (\*) Contract liabilities

Contract liabilities mainly consist of earnest money received at the time of execution of sales agreement in Corporate Funding Business (real estate investment). These are transferred to revenue when Loadstar Group satisfies performance obligations under contracts.

## (ii) Transaction price allocated to the remaining performance obligations

Since Loadstar Group does not have any material contracts with an initial expected term of more than one year, a practical expedient is used, and disclosure of the remaining performance obligations is omitted.

There are no significant amounts arising from contracts with customers that are not included in the transaction prices.

(Translation)

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(Notes to Per Share Information)

(1) Net assets per share	1,514.88 yen
(2) Earnings per share	416.73 yen

(Significant Subsequent Event)

Not applicable.

<b>Non-consolidated Balance Sheet</b>			
(As of December 31, 2024)			
(Unit: millions of yen)			
Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	69,813	Current liabilities	14,250
Cash and deposits	7,393	Short-term borrowings	659
Real estate as inventory	62,085	Short-term borrowings from subsidiaries and associates	850
Prepaid expenses	91	Current portion of long-term borrowings	8,565
Other	242	Current portion of long-term borrowings from subsidiaries and associates	500
Non-current assets	6,220	Accounts payable	168
Property, plant and equipment	110	Accrued expenses	99
Buildings	89	Income taxes payable	2,036
Tools, furniture and fixtures	18	Advances received	145
Other	3	Contract liabilities	750
Investments and other assets	6,110	Deposits received	96
Investment securities	266	Other	379
Shares of subsidiaries and associates	130	Non-current liabilities	37,781
Investments in capital of subsidiaries and associates	4,772	Long-term borrowings	36,459
Investments in capital	10	Other	1,321
Long-term prepaid expenses	97	Total liabilities	52,031
Deferred tax assets	582	(Net assets)	
Other	251	Shareholders' equity	23,491
		Share capital	1,402
		Capital surplus	1,670
		Legal capital surplus	1,392
		Other Capital surplus	278
		Retained earnings	23,243
		Other retained earnings	23,243
		Retained earnings brought forward	23,243
		Treasury shares	(2,824)
		Accumulated other comprehensive income	(44)
		Valuation difference on available-for-sale securities	(44)
		Share acquisition rights	555
		Total net assets	24,002
Total assets	76,034	Total liabilities and net assets	76,034

<b>Non-consolidated Statement of Income</b>		
(Fiscal year ended December 31, 2024)		
(Unit: millions of yen)		
Account	Amount	
Net sales		30,900
Cost of sales		19,603
Gross profit		11,297
Selling, general and administrative expenses		1,584
Operating profit		9,713
Non-operating income		
Gain on valuation of derivatives	222	
Other	24	246
Non-operating expenses		
Interest expenses	588	
Commission fee	140	
Other	0	729
Ordinary profit		9,230
Extraordinary losses		
loss on valuation of investment securities	125	125
Profit before income taxes		9,105
Income taxes - current	3,054	
Income taxes - deferred	(198)	2,856
Profit		6,249



**Non-consolidated Statement of Changes in Equity**

(Fiscal year ended December 31, 2024)

(Unit: millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other Capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning	1,402	1,392	178	1,570	17,857	17,857	(2,885)	17,944
Changes during the fiscal year								
Dividends of surplus	—	—	—	—	(863)	(863)	—	(863)
Purchase of treasury shares	—	—	—	—	—	—	(0)	(0)
Disposal of treasury shares	—	—	100	100	—	—	61	161
Profit	—	—	—	—	6,249	6,249	—	6,249
Net changes in items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes during the fiscal year	—	—	100	100	5,385	5,385	61	5,546
Balance at end	1,402	1,392	278	1,670	23,243	23,243	(2,824)	23,491

  

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated Other comprehensive income		
Balance at beginning	—	—	331	18,276
Changes during the fiscal year				
Dividends of surplus	—	—	—	(863)
Purchase of treasury shares	—	—	—	(0)
Disposal of treasury shares	—	—	—	161
Profit	—	—	—	6,249
Net changes in items other than shareholders' equity	(44)	(44)	224	179
Total changes during the fiscal year	(44)	(44)	224	5,726
Balance at end	(44)	(44)	555	24,002

## Notes to Non-consolidated Financial Statements

## (Notes to Significant Accounting Policies)

## 1. Valuation standards and methods for assets

## (1) Valuation standards and methods for securities

## (i) Shares of subsidiaries and affiliates

Stated at cost using the moving-average method.

## (ii) Investments in capital of subsidiaries and associates

Investments in silent partnerships are based on the financial statements for the most recent balance sheet date using the net amount proportionate to Loadstar's ownership interests.

## (iii) Other securities (available-for-sale securities)

Securities other than equity shares, etc. that do not have a market price	Measured at fair value (net unrealized gains or losses are reported as a separate component of net assets, and the cost of securities sold is calculated using the moving-average method).
Shares, etc. that do not have a market price	Stated at cost using the moving-average method. Investments in silent partnerships are based on the financial statements for the most recent balance sheet date using the net amount proportionate to Loadstar's ownership interests.

## (2) Assessment criteria and assessment methods of Derivatives

Derivatives are stated using the fair value method.

## (3) Assessment criteria and assessment methods of Inventories

Real estate as inventory	Stated at cost determined by the specific identification method (the figures shown in the balance sheet have been written off based on declines in profitability.) Leased assets are depreciated in accordance with property, plant and equipment standards.
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## (4) Depreciation of non-current assets

(i) Property, plant and equipment	The declining-balance method is applied. However, buildings (excluding facilities attached to buildings) and facilities attached to buildings acquired on or after April 1, 2016, are depreciated using the straight-line method. The estimated useful lives are 4 to 8 years.
(ii) Intangible assets	The straight-line method is applied. Software for internal use is amortized on a straight-line basis over the estimated internal useful life (5 years)

## (5) Standards for provisions

Allowance for doubtful accounts	The estimated amount of irrecoverable debt is calculated based on the historical write-off rate for ordinary receivables and recoverability of individual cases for specified receivables such as doubtful accounts.
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## (6) Significant revenues and expenses recognition

The following is a description of the principal performance obligations in the main businesses of Loadstar relating to revenue from contracts with customers, and the normal timing at which such performance obligations are satisfied (the normal timing at which revenue is recognized).

Corporate Funding Business (Real estate investment)	Loadstar is obligated to deliver properties based on real estate sales contracts with our clients. Such performance obligations shall be satisfied at the time the properties are delivered, and revenues are recognized at the point of such delivery.
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## (7) Other significant matters for preparation of financial statements

Accounting for consumption taxes	Non-deductible consumption taxes related to Loadstar's assets are included in acquisition cost of each asset.
Accounting for deferred assets Share issuance costs	All expenses are processed at the time of expenditure

## (Notes to Changes in Presentation Method)

## Non-consolidated Statement of Income

"Dividend income" (0 million yen in the current fiscal year) and "Insurance claim income" (0 million yen in the current fiscal year), which was separately listed in non-operating income in the previous fiscal year, has been included in "Other" in the current fiscal year, as the amounts became immaterial.

## (Notes to Significant Accounting Estimates)

## 1. Assessment of the real estate as inventory

## (1) Amount recorded in the non-consolidated financial statements for the current fiscal year

	Current non-consolidated fiscal year (millions of yen)
Real estate as inventory	62,085
Loss on valuation of inventories (Cost of sales)	-

## (2) Information related to the details of significant accounting estimates for identified items

Same as notes to the consolidated financial statements.

## (Notes to Balance Sheet)

## 1. Assets pledged as collateral and obligations secured by collateral

## (1) Assets pledged as collateral are as follows:

Real estate as inventory 60,035 million yen

## (2) Secured obligations are as follows:

Current portion of Long-term borrowings 8,137 million yen

Current portion of long-term borrowings from subsidiaries and associates 500 million yen

Long-term borrowings 36,284 million yen

Total 44,922 million yen

2. Accumulated depreciation of Property, plant and equipment 53 million yen

## 3. Overdraft agreement

We have entered into an overdraft agreement with a major financial institution to efficiently raise working capital. The following are unused lines of credit based on the overdraft agreement.

Overdraft limit 1,000 million yen

Loan balance -

Balance (of an account) 1,000 million yen

## 4. Monetary receivables from and payables to subsidiaries and affiliates (excluding those presented separately)

Short-term monetary receivables 104 million yen

Short-term monetary payables 2 million yen

## (Notes to Statements of Income)

## Transactions with our subsidiaries and affiliates

Transactions other than operating transactions	39 million yen
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## (Notes to Statement of Changes in Equity)

## Matters concerning the Treasury shares (As of December 31, 2024)

Common stock	4,884,101 shares
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## (Notes on Tax Effect Accounting)

## Breakdown of Deferred tax assets by major cause

(Unit: millions of yen)

Deferred tax assets	
Real estate as inventory	351
Accrued enterprise tax	99
Accounts payable	18
Commission fee	43
Excess depreciation	6
Asset retirement obligations	1
Share-based payment expenses	11
Loss on valuation of investment securities	38
Valuation difference on available-for-sale securities	19
Deferred tax assets total	<u>591</u>
Deferred tax liabilities	
Gain (loss) on investments in silent partnerships	<u>9</u>
Deferred tax liabilities total	<u>9</u>
Net Deferred tax assets	<u>582</u>

## (Notes to revenue recognition)

## Basic information to understand the revenue from contracts with customers

Same as notes to the consolidated financial statements.

(Notes to transactions with related parties)  
Our subsidiaries and affiliates

Type of Company	Name	Equity ownership	Relationship	Transaction	Transaction Value (millions of yen)	Accounts item	Balance at end of year (millions of yen)
Subsidiary	Loadstar Funding K.K.	100%	Money lending Concurrent position of directors	Borrowings of funds Note 3	830	Current portion of long-term borrowing from subsidiaries and affiliates	500
				Repayment of borrowings	680		
				Payment of administrative and arrangement fees	2	—	—
				Payment of interests	3	—	—
				Loans of funds	500	—	—
				Collection of loan funds	500		
				Receipt of interest	0	—	—
Subsidiary	Loadstar Investments K.K.	100%	Money lending Concurrent position of directors	borrowings of funds	850	Short-term borrowings from subsidiaries and affiliates	850
				Repayment of borrowings	300		
				Payment of administrative and arrangement fees	8	—	—
				Payment of interests	3	Accrued expense	2

## Notes:

- Consumption taxes are not included in the transaction value in the above amounts.
- Terms and conditions of transactions and policy for determining terms and conditions of transactions. The same terms and conditions for general transactions are applied.
- For a portion of the borrowings, we have pledged "real estate as inventory" as collateral.

## (Notes to Per Share Information)

- |                          |              |
|--------------------------|--------------|
| (1) Net assets per share | 1,415.89 yen |
| (2) Earnings per share   | 378.97 yen   |

## (Significant Subsequent Event)

Not applicable.

(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

February 13, 2025

To the Board of Directors of  
Loadstar Capital K.K.:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Joji Furukawa

Designated Engagement Partner,  
Certified Public Accountant:

Yutaka Takeda

### Opinion

Pursuant to the fourth paragraph of Article 444 of the Companies Act, we have audited the consolidated financial statements of Loadstar Capital K.K. and its consolidated subsidiaries (the "Group"), namely, the consolidated balance sheet as of December 31, 2024, and the consolidated statement of income and consolidated statement of changes in equity for the fiscal year from January 1, 2024 to December 31, 2024, and the related notes.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, and its consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

(TRANSLATION)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(TRANSLATION)

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.



(TRANSLATION)

## INDEPENDENT AUDITOR'S REPORT

February 13, 2025

To the Board of Directors of  
Loadstar Capital K.K.:

Deloitte Touche Tohmatsu LLC  
Tokyo office

Designated Engagement Partner,  
Certified Public Accountant:

Joji Furukawa

Designated Engagement Partner,  
Certified Public Accountant:

Yutaka Takeda

### Opinion

Pursuant to the first item, second paragraph of Article 436 of the Companies Act, we have audited the nonconsolidated financial statements of Loadstar Capital K.K. (the "Company"), namely, the nonconsolidated balance sheet as of December 31, 2024, and the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 13th fiscal year from January 1, 2024 to December 31, 2024, and the related notes and the accompanying supplemental schedules.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Business Report and the accompanying supplemental schedules.

Our opinion on the nonconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

(TRANSLATION)

In connection with our audit of the nonconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the nonconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Nonconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(TRANSLATION)

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### Notes to the Readers of Independent Auditor's Report

This is an English translation of the independent auditor's report as required by the Companies Act of Japan for the conveniences of the reader.

## Audit Report by Audit & Supervisory Board

### Audit Report

Based on the audit reports prepared by each statutory auditor with respect to the execution of duties by Directors for the 12th fiscal year from January 1, 2024 to December 31, 2024, the Audit & Supervisory Board prepared the following audit report.

#### 1. Methods and Contents of Audit by Statutory Auditors and the Audit & Supervisory Board

- (1) The Audit & Supervisory Board stipulated auditing policies, auditing plans, and the division of duties, and received reports on the status of implementation and results of audits from each statutory auditor. The Audit & Supervisory Board also received reports on the status of execution of its duties from the Directors, etc. and the Accounting Auditors, and requested explanations as necessary.
- (2) Each statutory auditor communicated with directors, the Internal Audit Office and other employees in accordance with the audit policies, audit plans, and the division of duties established by the Audit & Supervisory Board and endeavored to gather information and improve the audit environment. Audits were conducted by the following methods.
  - ① We attended meetings of the Board of Directors and other important meetings, received reports from directors, the Internal Audit Office, and other employees on the status of the execution of their duties, requested explanations as necessary, inspected important approval documents, and investigated the status of operations and assets at the Head Office. With regard to subsidiaries, we communicated with directors and a statutory auditor of subsidiaries and exchanged information and received reports from subsidiaries as necessary.
  - ② The Board of Directors regularly received reports from the Directors, the Internal Audit Office, and other employees on the structure and operation of the system (internal control system) established based on the resolution of the Board of Directors concerning the establishment of the system stipulated in Clauses 1 and 3 of Article 100 of the Ordinance for Enforcement of the Companies Act as necessary for ensuring the appropriateness of the operations of the corporate group consisting of the Kabushiki-Kaisha and its subsidiaries, including the system to ensure that the execution of the duties of the directors stated in the business report complies with laws and regulations and the articles of incorporation, as well as the business operations of the corporate group consisting of the Kabushiki-Kaisha and its subsidiaries. The Board of Directors requested explanations and expressed opinions where necessary.
  - ③ The Accounting Auditor maintains an independent position and conducts appropriate audits. In addition to monitoring and verifying whether they were performing their duties, the Company received reports from the Accounting Auditor on the status of their execution of their duties and requested explanations, as necessary. In addition, we received notice from the Accounting Auditor to the effect that the "System to Ensure Proper Execution of Duties" (matters listed in each item of Article 131 of the Regulation on Corporate Accounting) has been developed in accordance with the "Quality Control Standards for Audits" (Business Accounting Deliberation Council), etc., and requested explanations where necessary.

Based on the above methods, we examined the business report and its supplementary schedules, financial statements (balance sheet, statement of income, statement of changes in equity, and non-consolidated explanatory notes), the annexed detailed statements thereof, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, and consolidated explanatory notes) for the relevant business year.

2. Results of the audit

(1) Audit results concerning business reports

- ① The business report and supplementary schedules thereof shall be deemed to accurately indicate the status of the Company in accordance with laws and regulations and the Articles of Incorporation.
- ② There were no improper acts concerning the execution of duties by directors or material facts in violation of laws and regulations or the Articles of Incorporation.
- ③ In our opinion, the resolutions of the Board of Directors regarding the internal control system are reasonable. In addition, there are no items that need to be pointed out regarding the contents of the business report on the internal control system and the execution of duties by the directors.

(2) Audit results concerning non-consolidated financial statements and supplementary schedules

In our opinion, the auditing methods and results of Deloitte Touche Tohmatsu LLC are reasonable.

(3) Results of audit of consolidated financial statements

In our opinion, the auditing methods and results of Deloitte Touche Tohmatsu LLC are reasonable.

February 18, 2025

Audit & Supervisory Board of Loadstar Capital K.K.