



Loadstar Capital

Q2 FY2023 Financial Results

(Six months ended June 30, 2023)

Loadstar Capital K.K.

Securities Code: 3482
August, 2023

Mission

Real Estate X Tech to Open Up a New Market

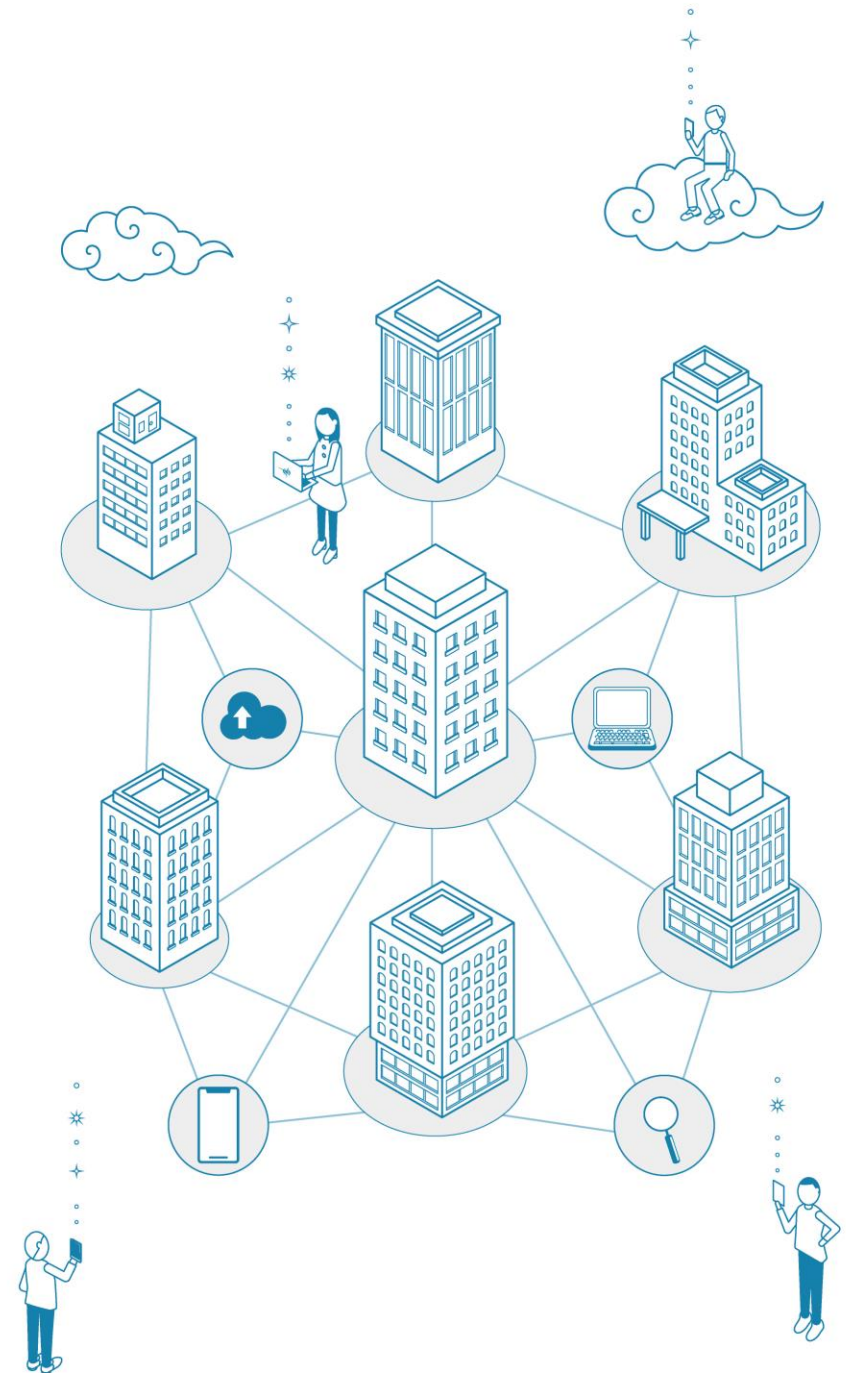


Table of Contents

1 . Topics of the Q2 FY2023	P. 3
2 . Overview of the Q2 FY2023 Financial Results	P. 6
3 . Business Overview by Segment	P. 12
4 . FY2023 Forecast, Real Estate Market Outlook, Progress of Medium-Term Management Plan	P. 22
5 . Our Strengths and Characteristics	P. 33
6 . Crowdfunding Market and OwnersBook	P. 40
7 . Company Profile	P. 44
8 . Real Estate Market Analysis	P. 48

1

Topics of the Q2 FY2023

FY2023 Q2 Financial Results

- We made steady progress in all of our businesses; Corporate Funding, Asset Management, and Crowdfunding. We achieved almost half of the full-year forecast.
- Although sales were up but profits were down year on year, there was no significant change in the full-year forecast.
- We acquired the largest property in our records, significantly adding to real estate as inventory, which will serve as our future business foundation.

	(¥ billions)	% Y-o-Y	% of Forecast
Net Sales	14.5	+7.3%	49.5%
Operating profit	4.3	△18.8%	53.1%
Profit before Tax	3.5	△31.3%	48.0%
Profit	2.3	△32.3%	48.0%
Real estate as inventory	63.6	Change (%) from end of prev. fiscal year +35.0%	
ROE	30%		

① Acquired the largest property in the Company's history

We acquired CIRCLES Nibancho, our largest property in terms of acquisition price, from Mitsubishi Estate. The property is in a prime location in Nibancho, Chiyoda-ku and is a relatively new building with high potential. We increased the assets by more than 15 billion yen from the previous fiscal year-end.

① CIRCLES Nibancho



② Sold a large property and received a mandate for asset management

We sold a large sized property to an SPC sponsored by a domestic institutional investor. We received a mandate for asset management service, securing ongoing AM fees. We have also started working with new institutional investors.

② Prime Shin-Yokohama



③ OwnersBook Official LINE Account/ Allotments for first-time investors

We launched a new marketing campaign through our official LINE account. Also, to attract new investors, we created special investment allotments for first-time investors to OwnersBook.

Allotments for first-time investors



予定利率 (後継募・内部応募制)	予定運用期間	運用タイプ
4.7%	31 か月	貸付 (シェアローン)
募集期間		募集開始時間
2023年6月19日(月) ~ 2023年6月20日(火)		はじめて枠: 1,000円 ~ 全投資案件: 20,000円 ~
募集総額		
57,000,000円 (総額のうち、はじめて枠: 16,000,000円)		

Official LINE Account



OwnersBook
東京都 港区 717
OwnersBook 公式アカウント >

トーク サービスページ

基本情報 運営会社

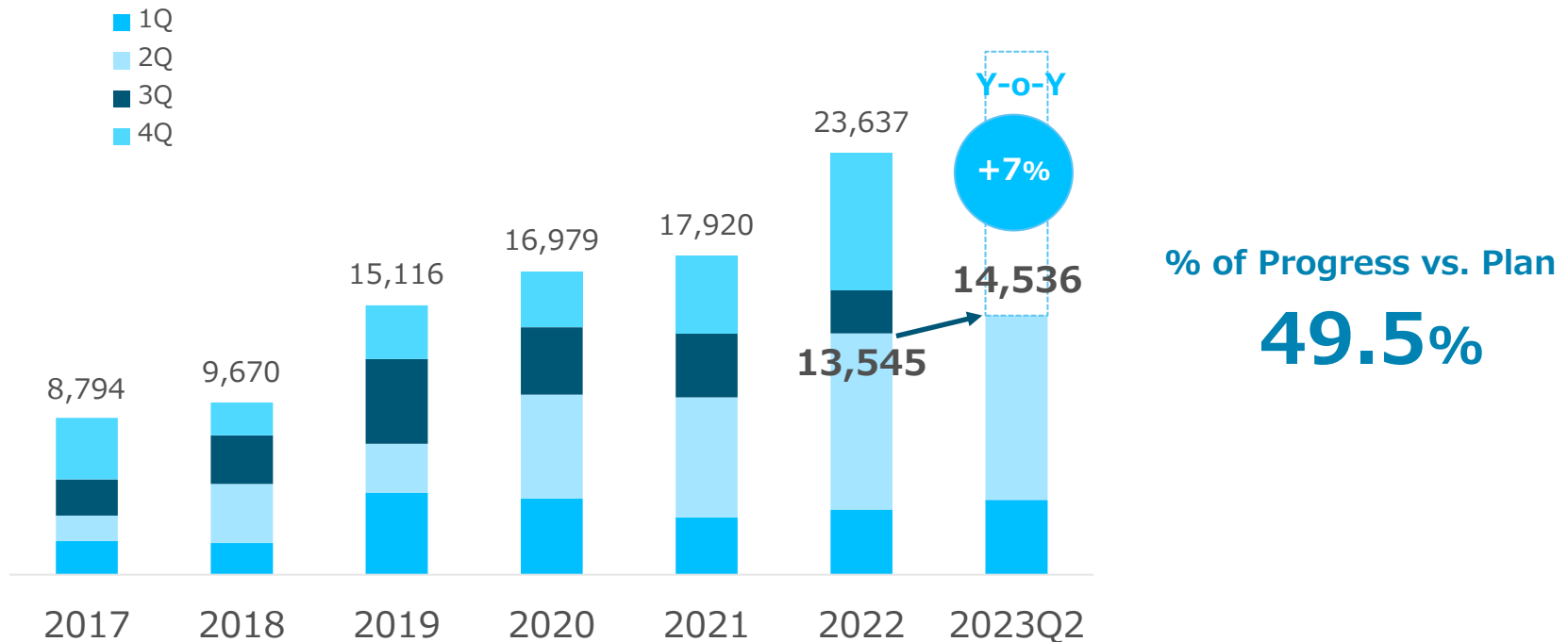
トーク

2

Overview of the Q2 FY2023 Financial Results

- Consolidated sales increased 7% year on year to 14.5 billion yen.
- The real estate transaction market is becoming more active, and the office leasing market is also slowly recovering. As the number of foreign visitors to Japan jumps after reopening the borders, the demand for hotels has grown considerably.

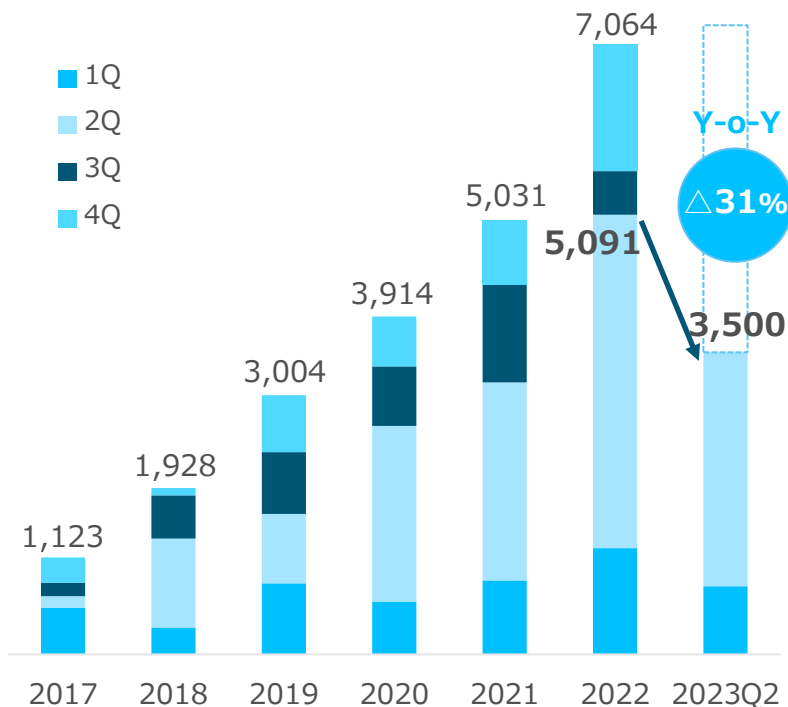
Consolidated Sales (¥ millions)



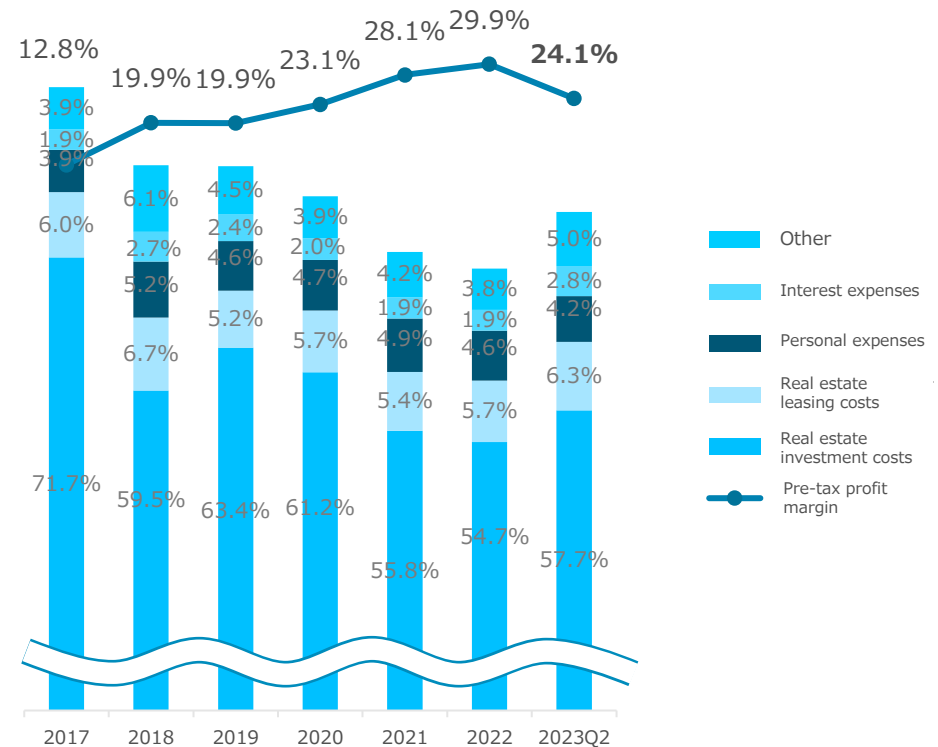
Consolidated Profit before income taxes and Cost Controls

- Consolidated profit before income taxes was 3.5 billion yen, down 31% year on year.
- As we made steady progress in acquiring real estates, costs, such as financing charges, have weighed on profits in advance.
- We entered into new interest rate swap contracts to prepare for interest rate hikes in Japan and recorded a market valuation loss as non-operating expenses.

Consolidated Profit before income taxes (¥ millions)



Cost structure



Consolidated Statements of Income

	FY2023Q2 Results				FY2023 (Forecasts)		
	Amount	% of Net sales	% Y-o-Y	Progress vs. original forecast	Amount	% of Net sales	% of the previous fiscal year
(¥ millions)							
Net sales	14,536	100.0%	107.3%	49.5%	29,342	100.0%	124.1%
Gross Profit	5,241	36.1%	85.1%	51.7%	10,129	34.5%	108.2%
SG&A expenses	934	6.4%	109.7%	46.4%	2,015	6.9%	111.0%
Operating Profit	4,307	29.6%	81.2%	53.1%	8,114	27.7%	107.5%
Profit before income taxes	3,500	24.1%	68.7%	48.0%	7,288	24.8%	103.2%
Profit	2,383	16.4%	67.7%	48.0%	4,965	16.9%	102.5%

Consolidated Financial Position

- We significantly accumulated real estate as inventory, our future business foundation, to 63.6 billion yen, a record high.
- Operating loans decreased from the previous fiscal year-end due to multiple loan redemptions in the Crowdfunding business, but overall business shows steady progress.

(¥ millions)	As of December 31, 2023		
	Amount	% of total	% vs. Dec. 31, 2022
Current assets	79,737	99.1%	122.3%
Cash and deposits	9,263	11.5%	98.5%
Operating loans	6,543	8.1%	77.7%
Real estate as inventory	63,684	79.2%	135.0%
Liabilities	63,889	79.4%	125.4%
Interest-bearing debt	48,973	60.9%	129.7%
Deposits received from silent partnership investors	7,797	9.7%	92.2%
Net assets	16,569	20.6%	112.2%
Total liabilities and net assets	80,458	100.0%	122.5%

• This shows the amount of loans outstanding in the Crowdfunding business.

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

• This shows the amount investors invested in OwnersBook projects.

• Adjusted net asset ratio excluding deposits from tokumei kumiai (silent partnerships) that do not attribute to the Company was 23%.

Consolidated Statements of Cash Flows

- As a result of the upfront property acquisition, the balance of real estate as inventory increased, which caused a large cash outflow. We believe this is not a concern as we aggressively invested in our future business foundation.
- We have maintained good relationships with banks, and CF from financing activities remains stable.

(¥ millions)	FY2023Q2	FY2022Q2
CF from operating activities	△10,426	382
Profit before income taxes	3,500	5,091
Decrease (increase) in operating loans receivable	1,877	△216
Decrease (increase) in Real estate as inventory	△16,830	△2,918
Increase (decrease) in deposits received from silent partnership investors	△661	△464
Increase (decrease) in deposits received	1,447	△571
CF from investing activities	△1	△5
CF from financing activities	10,288	1,685
Net increase (decrease) in borrowings	11,200	2,968
Purchase of treasury shares	-	△694
Net increase (decrease) in cash and cash equivalents	△139	2,062
Cash and cash equivalents at beginning of period	9,403	7,926
Cash and cash equivalents at end of period	9,263	9,988

- ◆ Our strategy is to accumulate real estate for sale, which will serve as our business foundation. The more we accumulate, the larger our cash outflows will be.
- ◆ This cash outflow is covered by profits and financing, which is a common CF in the real estate industry.

3

Business Overview by Segment

Mission

Real Estate X Tech to Open Up a New Market

Real Estate Investments

CORPORATE FUNDING



Investment in real estate using internal funds, and property management.

ASSET MANAGEMENT



Management of investment real estate on behalf of property owners and investors.

BROKERAGE / ADVISORY SERVICES



Comprehensive support for all customer needs.



Real Estate Tech

CROWDFUNDING



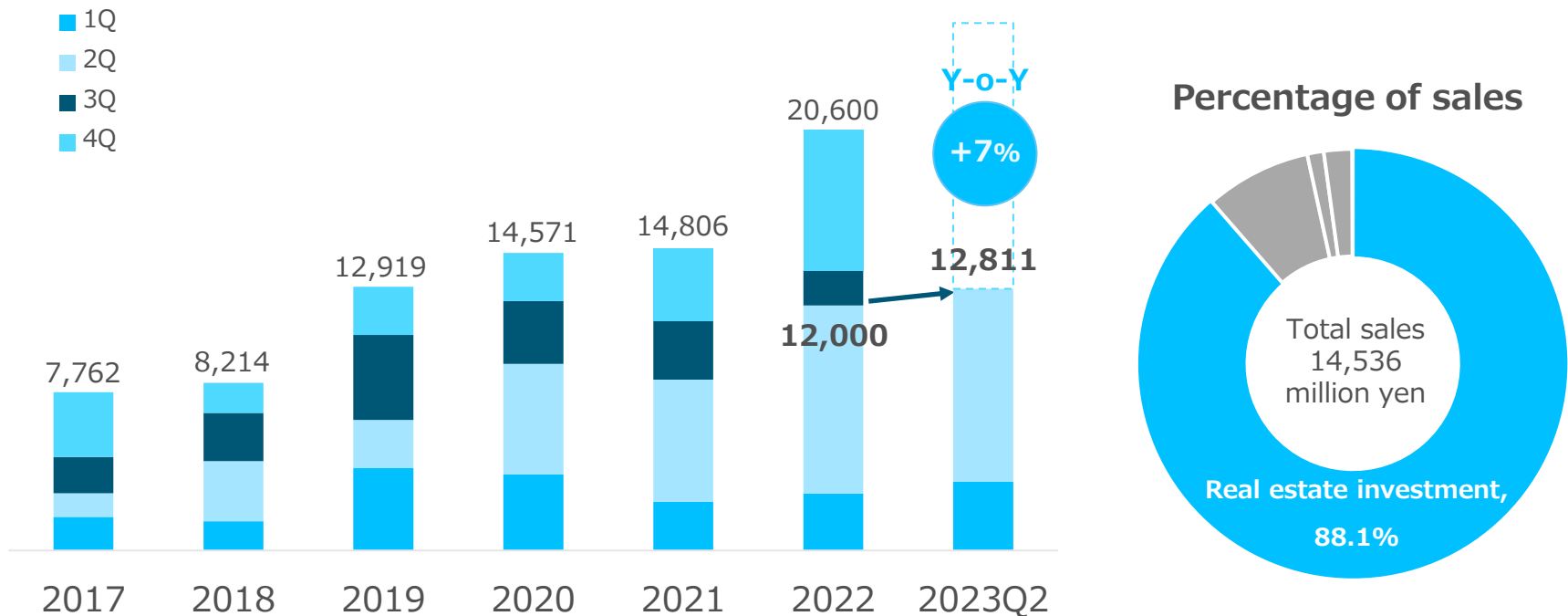
Japan's first real estate crowdfunding business.

Corporate Funding Business Results

【Real Estate Investment Sales】

- Sales in Q2 increased 7% year on year to 12.8 billion yen due to the sales of a large property.
- We acquired CIRCLES Nibancho in Chiyoda-ku, the largest acquisition ever by the Company. We made extremely good progress in purchasing properties.
- The real estate transaction market has been strong, and we strive to achieve our full-year targets.

Net Sales (Real estate investment) (¥ millions)



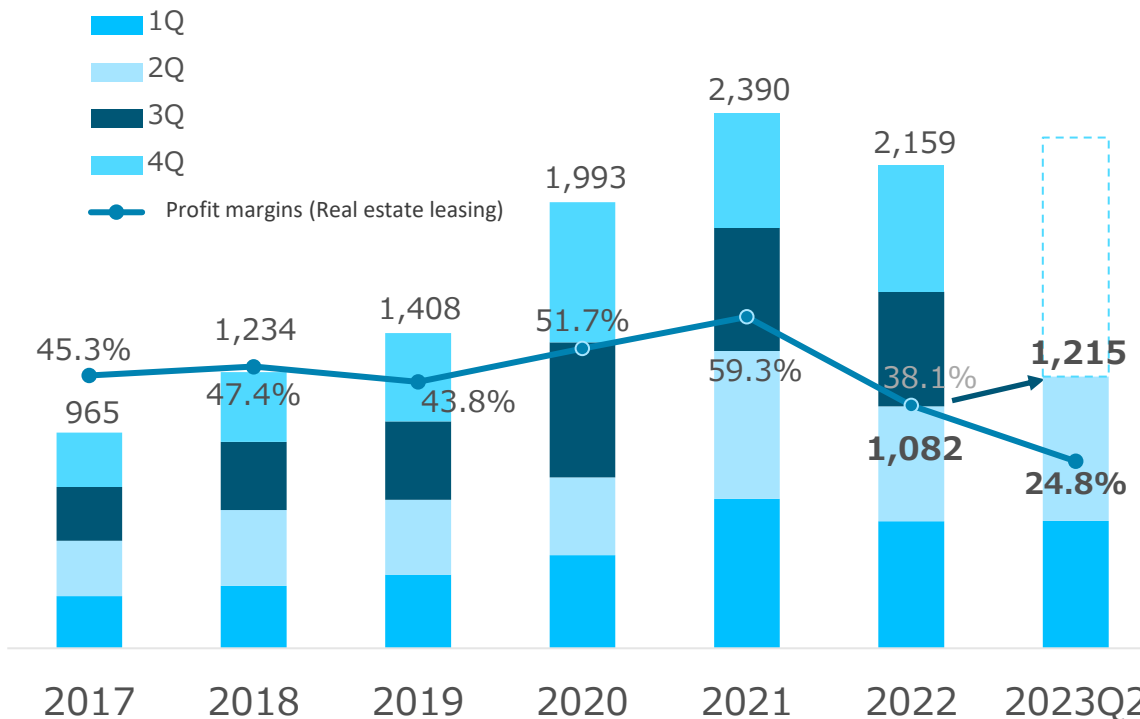
Corporate Funding Business Results

【Real Estate Leasing Sales】

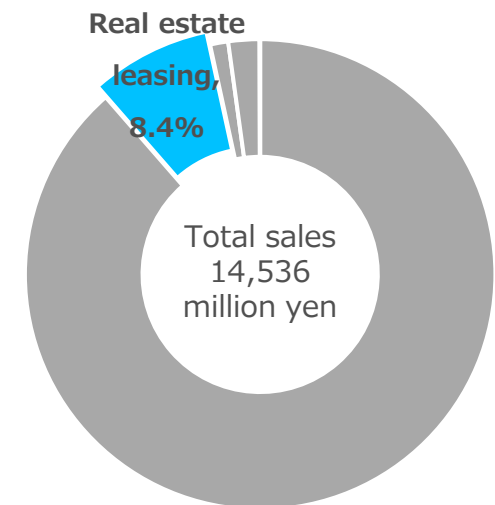
- Two hotels performed better than expected, capturing both domestic and inbound demand.
- The office leasing market is also recovering, and we expect the leasing business will remain relatively stable.
- Real estate leasing costs slightly increased due to aggressive value-adding construction work.

Net Sales (Real estate leasing)

(¥ millions)



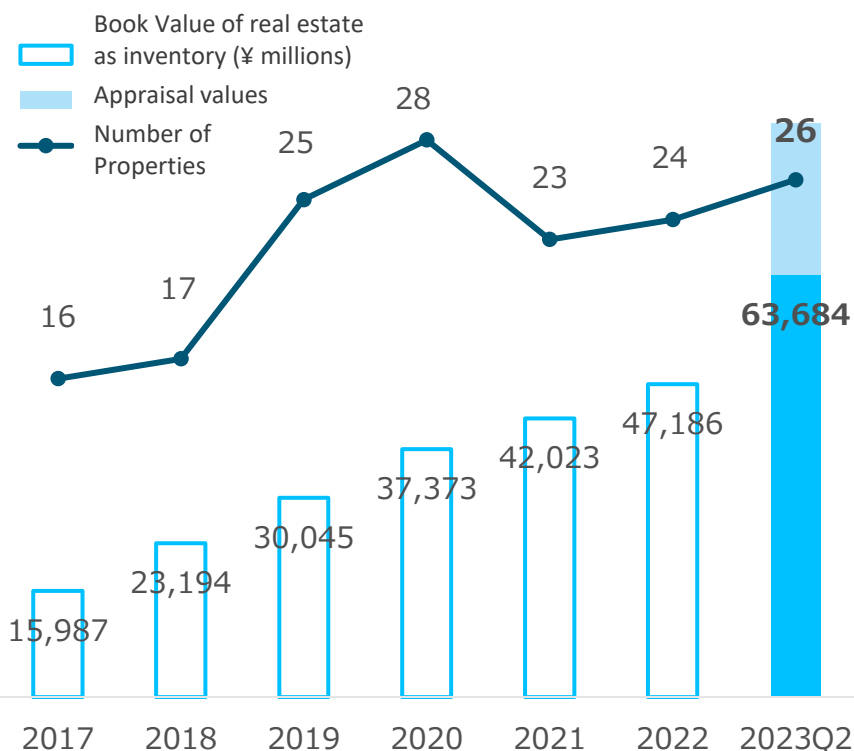
Percentage of sales



Corporate Funding Business Results

- Profit margins on property sales continue to remain high, reflecting the market's resilience.
- The real estate acquisition demand of Japanese corporations is strong, we are currently negotiating to sell several properties for the 2nd half of the year.
- We accumulated a significant balance of real estate as inventory, which will serve as our future business foundation.

Changes in the Book Value of Real Estate as Inventory and the Number of Properties



Track Record	Sales Price/Purchase Price (excluding expenses, depreciation, etc.)
2019	136%
2020	147%
2021	149%
2022	161%
2023	160%

Number of Properties	Possession	Cumulative sale
Five wards in central Tokyo	22	33
Other wards	3	22
Yokohama	1	2

Main Purpose	Office	Logistics/Factory	Retail	Residence	Hotel
Five wards in central Tokyo	20	-	-	-	2
Other wards	2	-	-	1	-
Yokohama	-	-	-	-	1

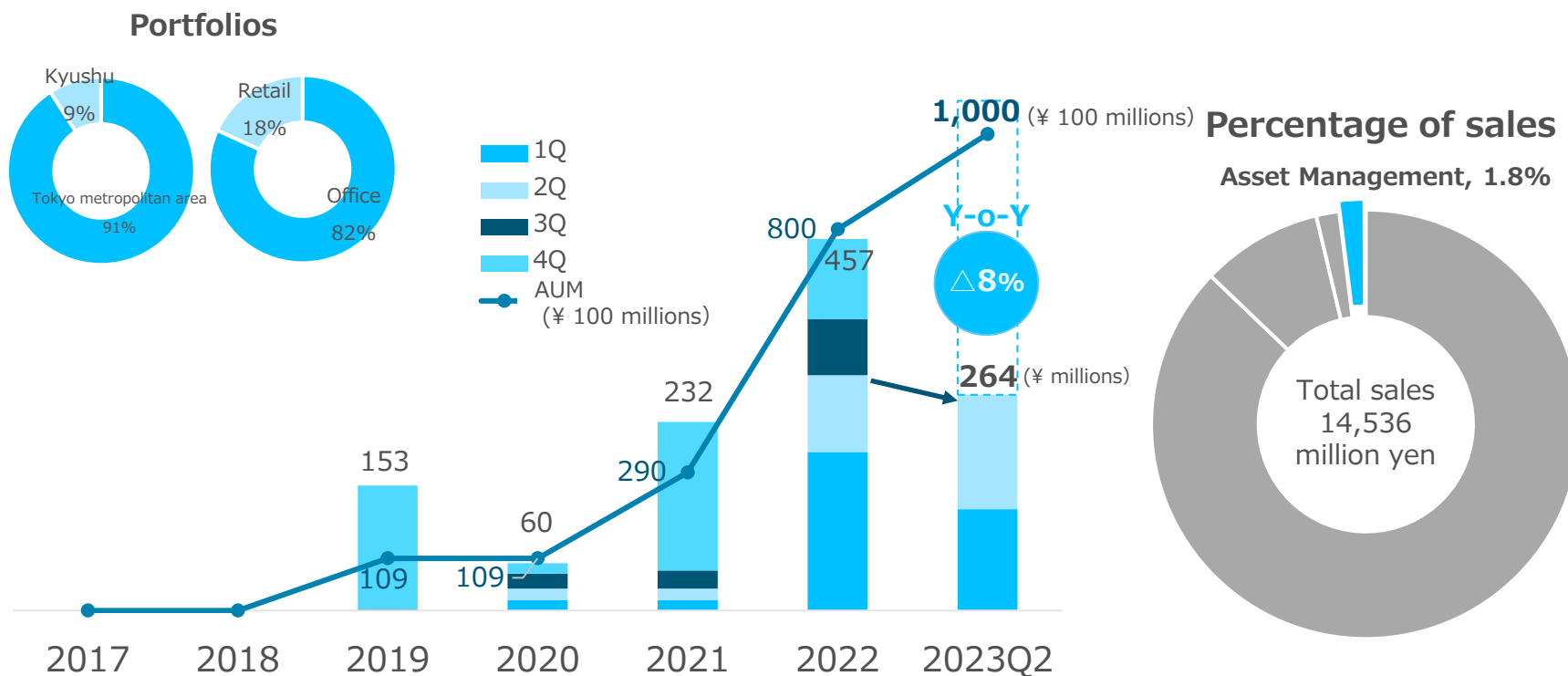


* Five wards in central Tokyo : Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku, Shinjuku-ku

Asset Management Business Results

- We sold a large property to SPC and received a mandate for asset management service from the SPC, thus securing ongoing AM fees.
- Due to less new mandates in Q2 vs. the same period of the previous year, sales in Q2 decreased 8% year on year to 264 million yen.
- We are currently in negotiations for some projects.

Net Sales and AUM



Mission

Real Estate X Tech to Open Up a New Market

Real Estate Investments

CORPORATE FUNDING



Investment in real estate using internal funds, and property management.

ASSET MANAGEMENT



Management of investment real estate on behalf of property owners and investors.

BROKERAGE / ADVISORY SERVICES



Comprehensive support for all customer needs.



Real Estate Tech

CROWDFUNDING

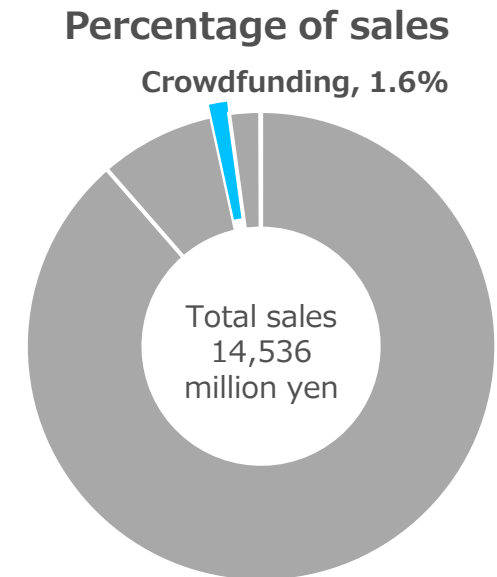
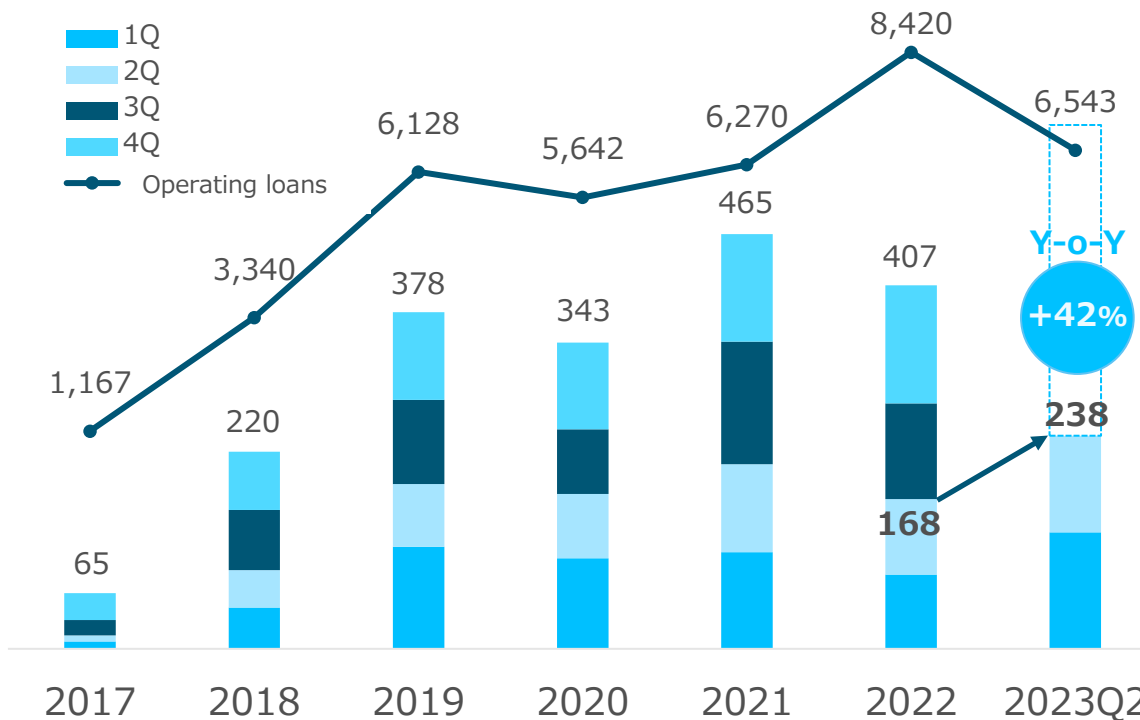


Japan's first real estate crowdfunding business.

Crowdfunding Business Results

- Thanks to the favorable real estate market conditions, the Crowdfunding business performed well, resulting in sales of 238 million yen (up 42% y-o-y).
- Operating loans decreased 22.3% to 6.5 billion yen from the previous fiscal year-end, as 5.8 billion yen was redeemed while 3.9 billion yen in new loans were made.

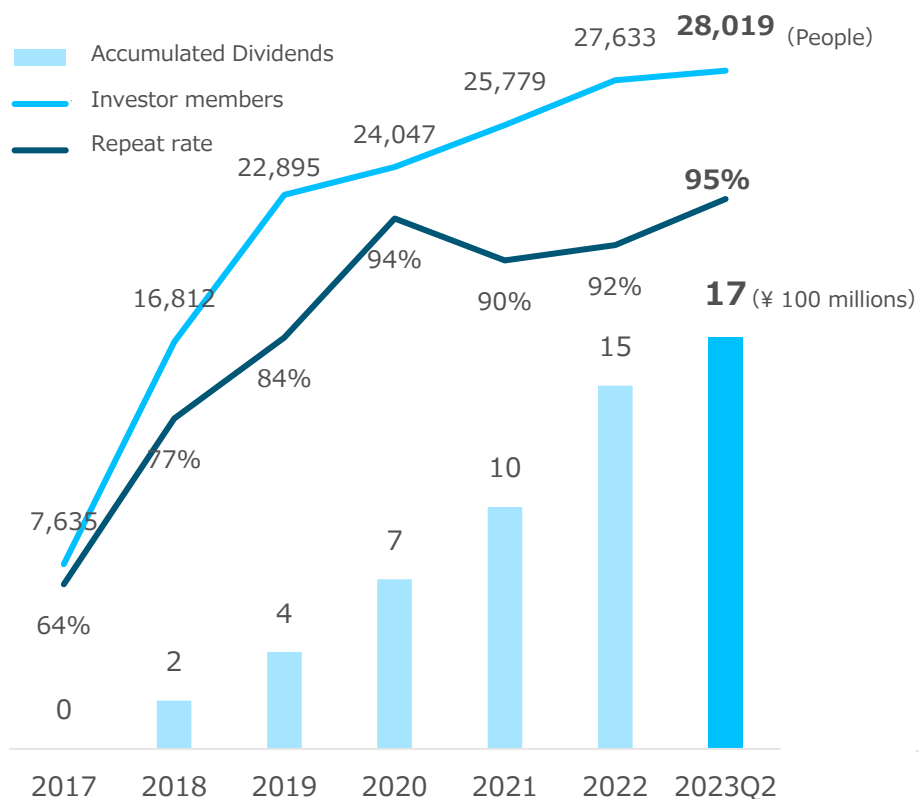
Net Sales and Operating Loans Receivables (¥ millions)



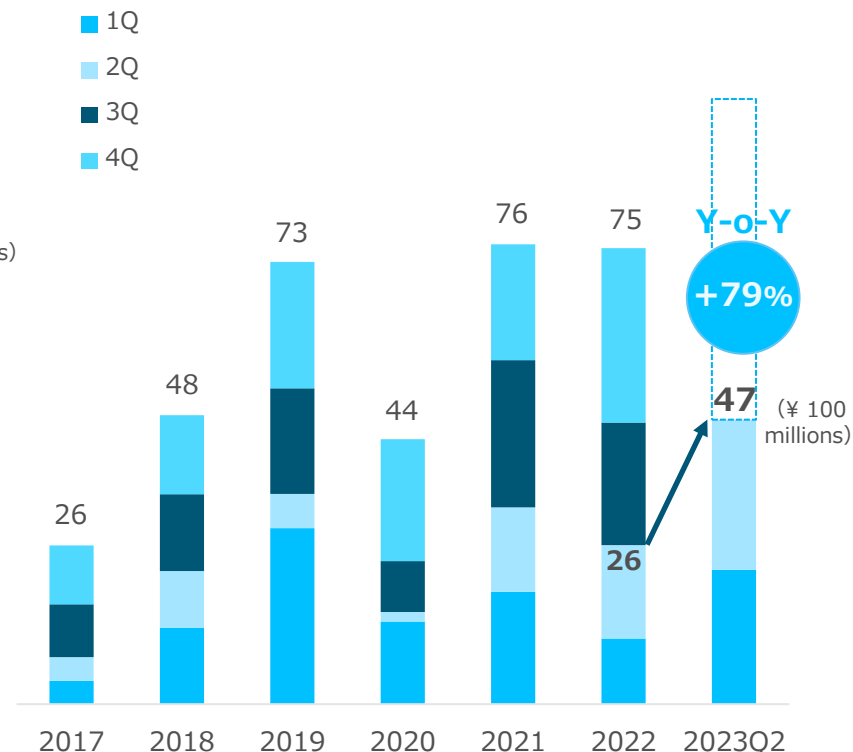
Crowdfunding Business (KPI)

- We launched a new marketing campaign through our official LINE account. Also, to attract new investors, we created special investment allotments for first-time investors to OwnersBook.
- The investment amount increased steadily and also with accumulated dividends, we have secured a high repeat investor rate.

Investor Members · Repeat Rate · Accumulated Dividends



Investment Amount

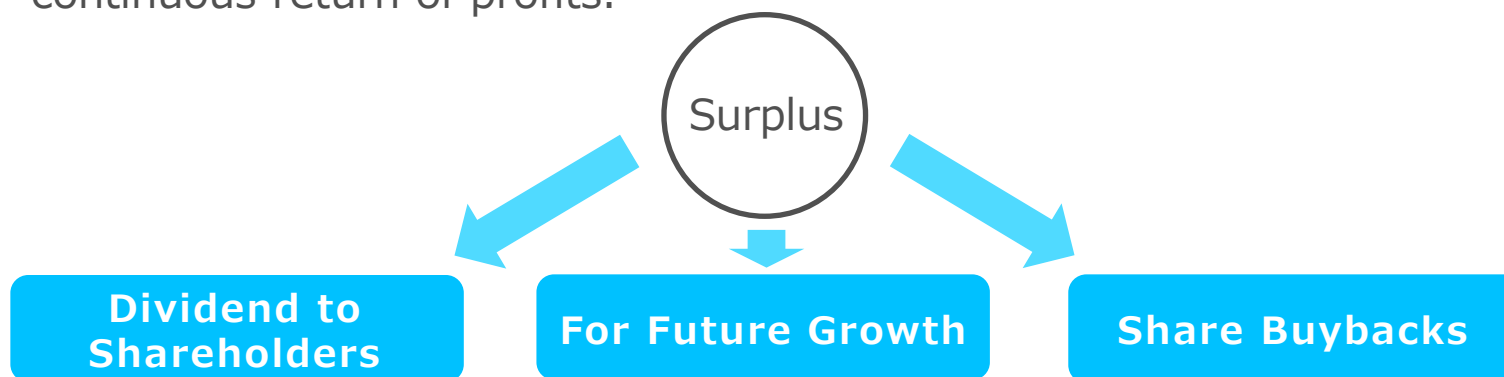


Basic Policy

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

Dividend Policy

- Aiming for dividend payout ratio of 17%, we shall continue stable and continuous return of profits.



	2017	2018	2019	2020	2021	2022	2023 (Forecast)
Dividends per share	¥5.5	¥9.5	¥14.5	¥24.5	¥32.0	¥50.0	¥52.5
Payout ratio	15%	15%	15%	15%	15%	17%	17%

Shareholder Benefits

- We now offer a special OwnersBook investment allotment to our shareholders who have held at least 1,000 of the Company's shares for at least six months.

4

FY2023 Forecast, Real Estate Market Outlook, Progress of Medium-Term Management Plan

Forecasts for the fiscal year Ending December 31, 2023

- All businesses performed well, and the full-year operating performance is progressing well.
- We aim to increase sales and profits for the 11th consecutive fiscal year since our company's foundation. Beyond that, we strategically develop our business to achieve our mid-term management plan (ending December 31, 2024).

	FY2023Q2 Results			FY2023 (Forecasts)		
	Amount	% of Net sales	Progress vs. original forecast	Forecast	% of Net sales	% of the previous fiscal year
(¥ millions)						
Net sales	14,536	100.0%	49.5%	29,342	100.0%	124.1%
Gross Profit	5,241	36.1%	51.7%	10,129	34.5%	108.2%
SG&A expenses	934	6.4%	46.4%	2,015	6.9%	111.0%
Operating Profit	4,307	29.6%	53.1%	8,114	27.7%	107.5%
Profit before income taxes	3,500	24.1%	48.0%	7,288	24.8%	103.2%
Profit	2,383	16.4%	48.0%	4,965	16.9%	102.5%

- ◆ In the office transaction market, Japanese corporations have strong investment appetite, and investors in Asia ex-Japan are also becoming more active. In the office leasing market, tenant liquidity is recovering and there are some signs of improvement in vacancy rates. The investment market is expected to become more active. Depending on investor behavior in the U.S. and Europe, the market could become even stronger.
- ◆ Most of the Company's interest-bearing debt is financed by floating interest rates. Even if changes in the monetary policy of the government and the Bank of Japan affect short-term interest rates, such impact is expected to be minor, around 1-2% of consolidated pre-tax income. In addition, we purchased interest rate swap contracts and hedged a portion of this risk.
- ◆ While, in the short term, interest rate hikes put downward pressure on real estate prices, in the mid- to long-term, we expect that rents and property prices will rise along with inflation. We believe that this will have a positive impact on our business.
- ◆ We continue to closely monitor the impact of the macro environment on the Tokyo office market, including interest rate hikes in Japan and overseas, interest rates, inflation, and inbound demand. We believe that the market will stabilize as there is a pause in interest rate hikes in the U.S. and Europe.

Basic Policy

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

Business Strategy

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

Progress of Mid-Term Management Plan

- So far, we are on a good track to achieve our mid-term management plan.
- We have set challenging targets for Real estate investment as inventory / AUM / OwnersBook investment but we strive to achieve the targets through company-wide efforts.

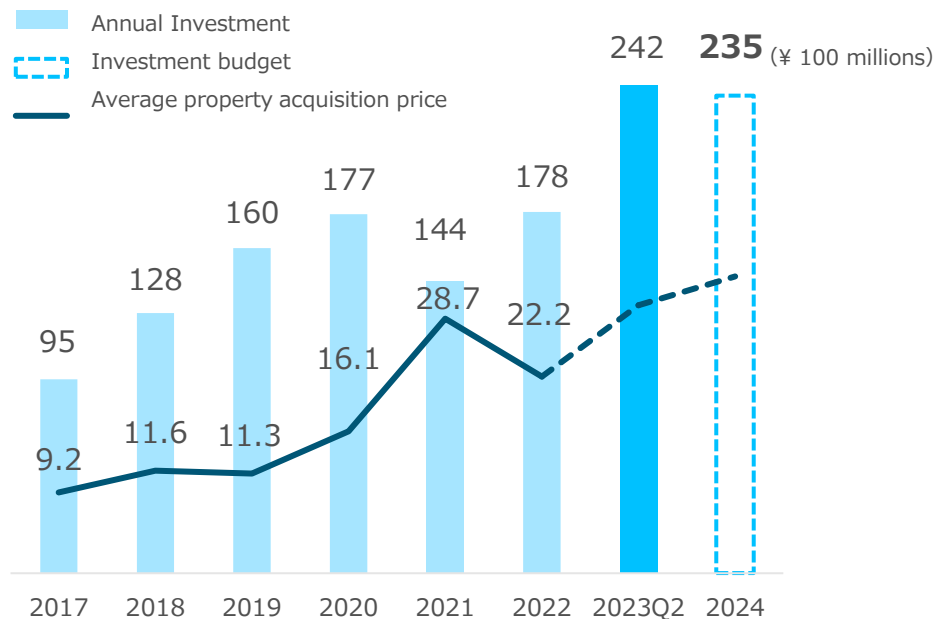
	FY2022	FY2023		FY2024
	Amount	Plan	Amount (2Q)	Plan
(¥ 100 millions)				
Net sales	236	293	145	300
Profit before income tax	70	72	35	100
ROE	38%	>30%	30%	>30%
Dividend payout ratio	17%	≥17%	17%	≥17%
Real estate investment as inventory	471	-	636	750
AUM	800	-	1,000	2,000
OwnersBook investment	75	-	47	200

Business Strategy: ① Increase Assets Held

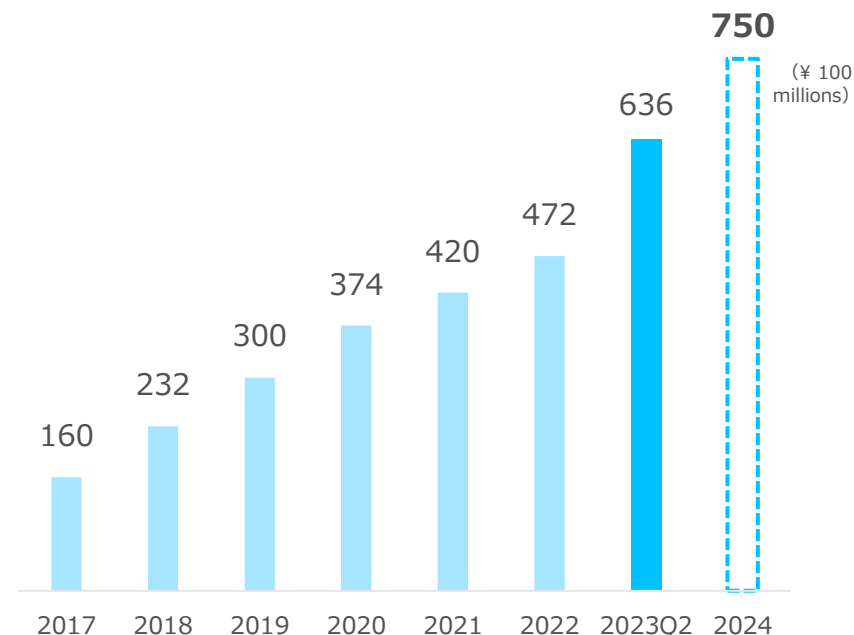
Strengthen Business Foundation with Continuous Real Estate Investment

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

Annual Investment and Average Property Acquisition Price



Book Value of Assets Held on the Balance Sheet

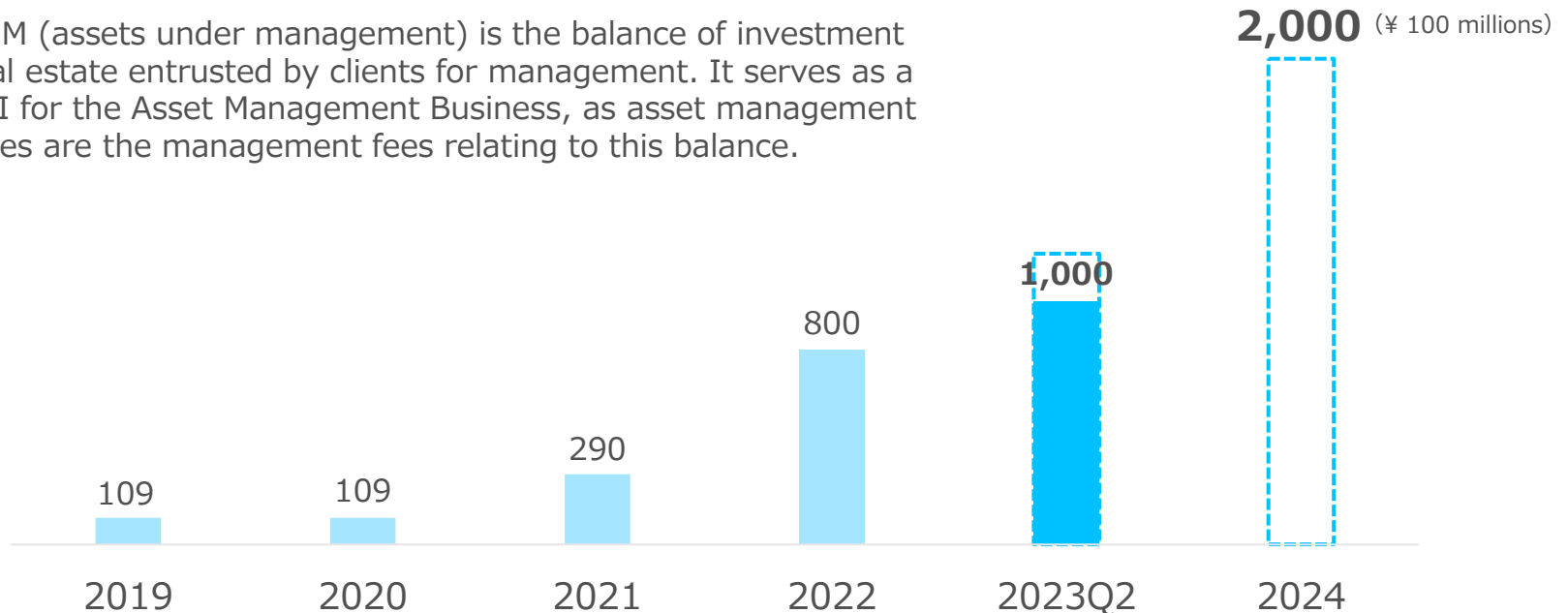


Increase AUM and Boost Name Recognition

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

AUM

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

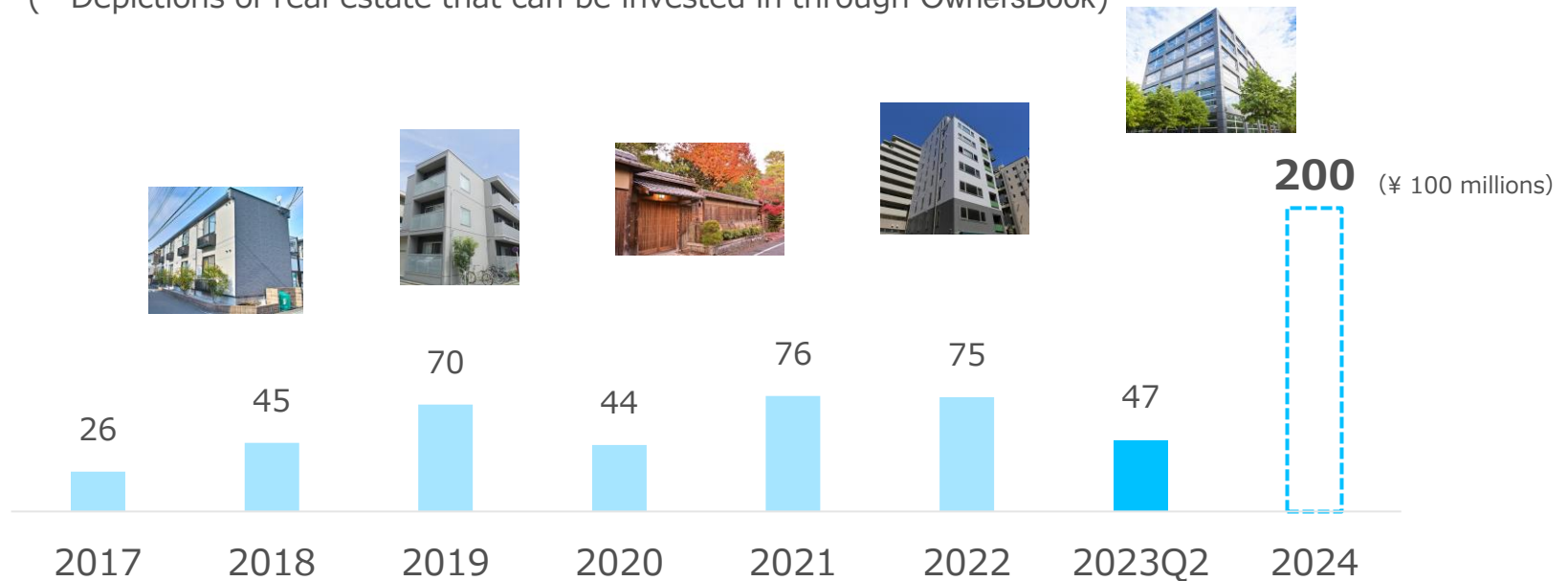


Increase Scale and Diversity of Investment Products

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

OwnersBook Investment

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

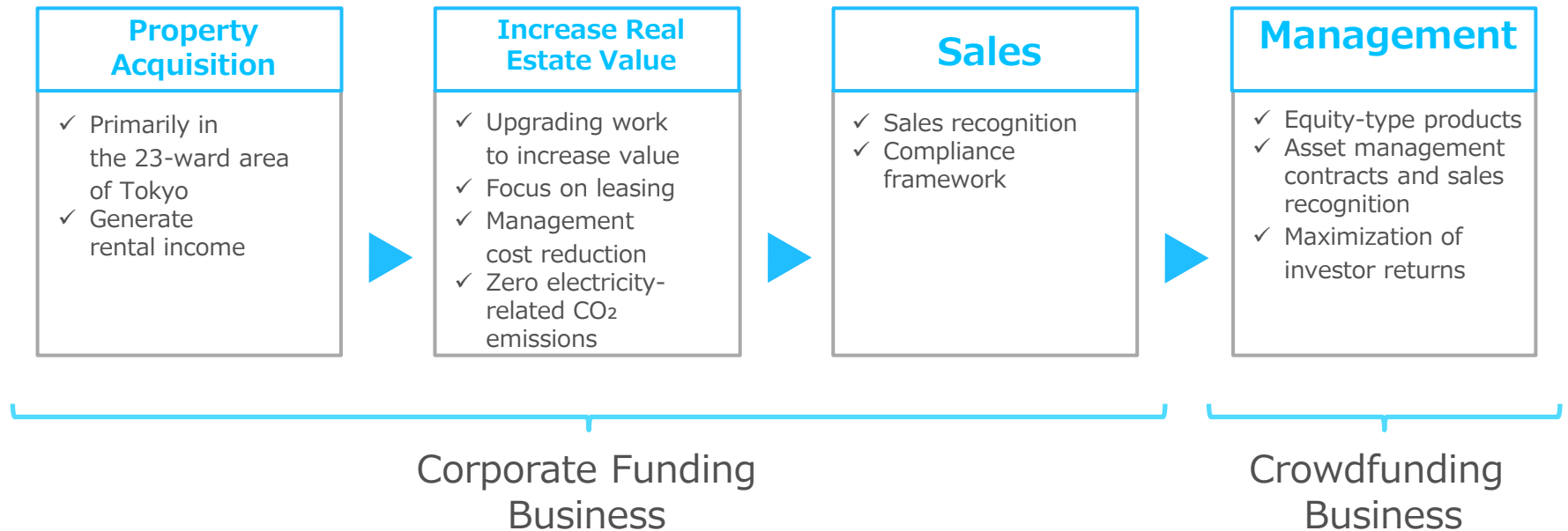


Aim to Create Funds Targeted at Individuals

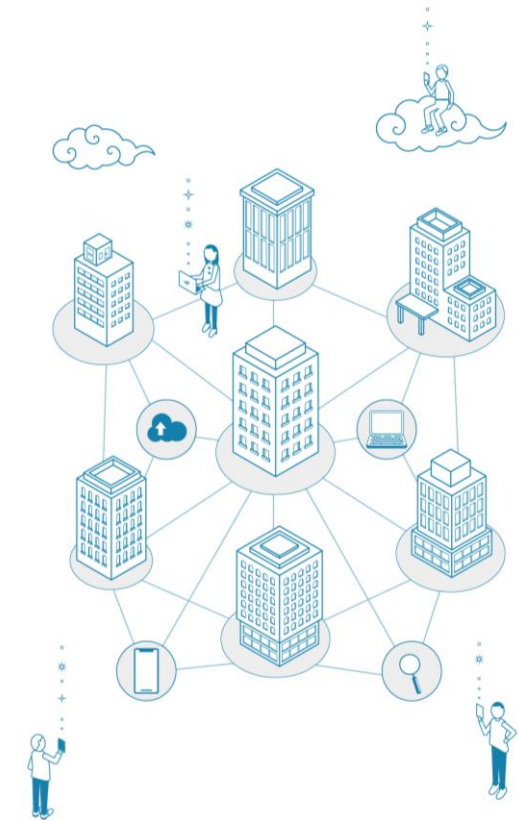
- Consider selling the Company's investment properties to funds alongside external acquisitions to generate recurring revenue.
- Aim to create open-end funds*.
- Proceed with consideration of funds using STOs.

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

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



What are STOs (Security Token Offerings)?	A framework based on new technologies for providing law/regulation-compliant services that meet demand for new fund procurement methods to replace traditional equity and debt financing, as well as demand for new financial products that provide alternatives to stocks and corporate bonds. (Source: Japan Security Token Offering Association)
Our vision	Make the trading of investors' equity in the crowdfunding market possible and, by making transactions more flexible, invigorate and expand the crowdfunding market. As investors begin to use the platform more often, lifetime value (LTV) that can be obtained as a platform provider is expected to increase.
Issues on the way to commercialization	Technical issues: Our research is opening a pathway toward commercialization. Legal and regulatory issues: We will consider collaboration with securities firms.
Timetable	Pursue further R&D, aiming for launch in the latter half of 2023.



Environment

Society

Governance

Initiatives

- ✓ Switch to electricity generated from renewable energy sources
- ✓ CO₂ emissions reduction

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

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

KPIs

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

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

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

Track record

- ◆ Using renewable electricity at 20 of 26 properties (as of June 30, 2023)
- ◆ Plan to endorse TCFD

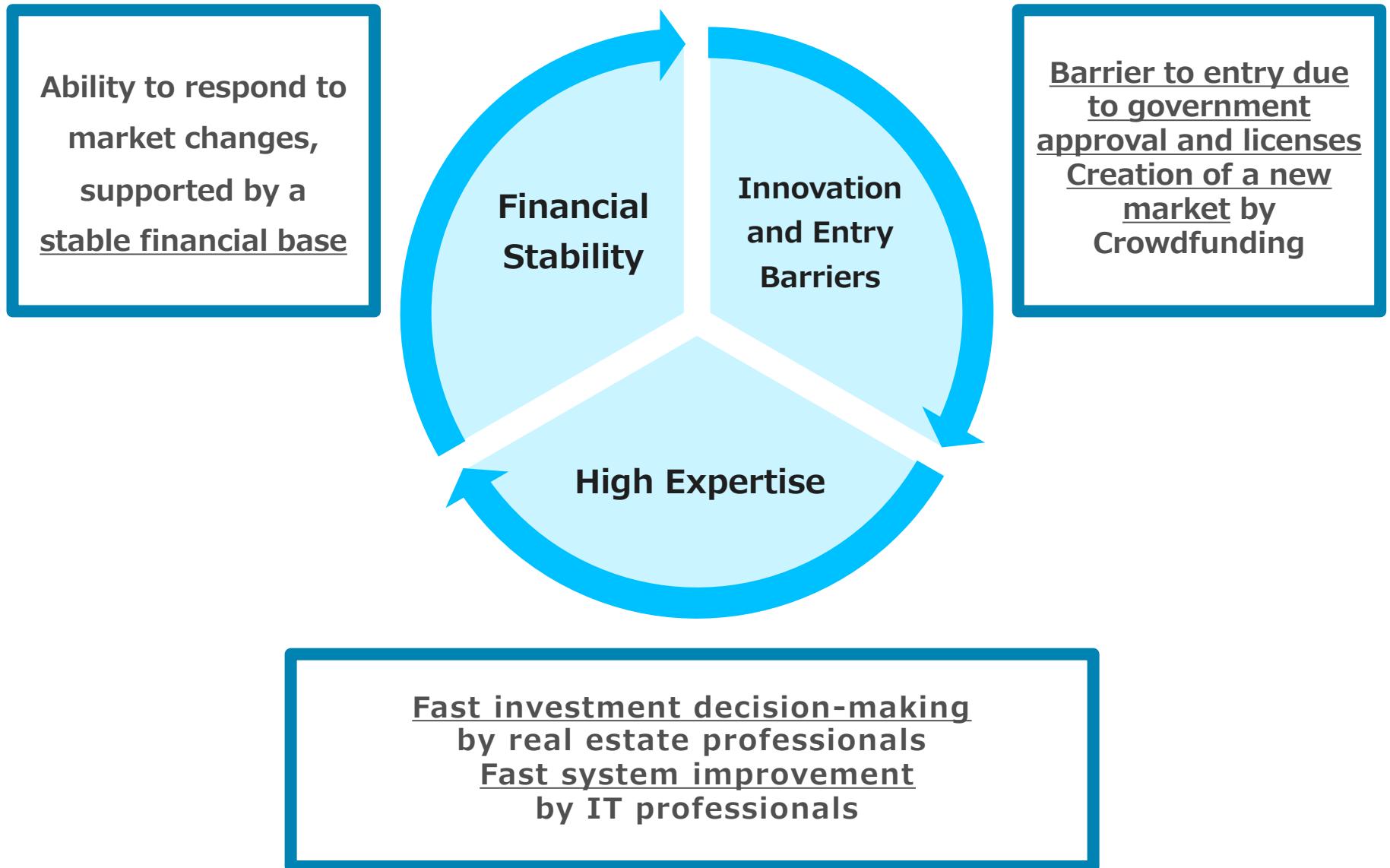
- ◆ Organizing requirements for donation-type Crowdfunding Business
- ◆ In 2022, 98% of employees took annual health checkups
- ◆ Aim to become a “DX certified operator”

- ◆ Achieved all of the above indicators in 2022

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

5

Our Strengths and Characteristics



■ Why are we targeting mid-sized offices in the Tokyo's 23 wards for investment?

Office conditions for small and medium-sized enterprises (SMEs)

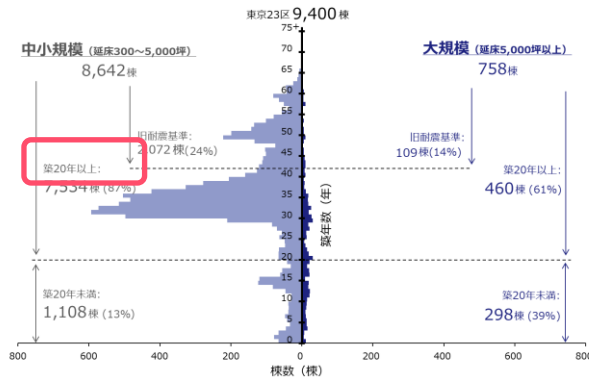
- 99% of the companies in Tokyo are SMEs
- SMEs have lower teleworking rates than large enterprises and need office spaces, yet many of these offices are old and not properly managed.

New supply of mid-sized buildings

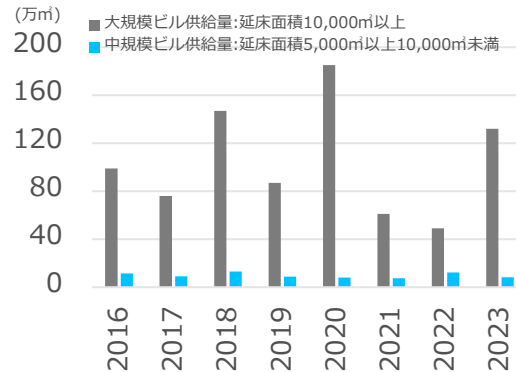
New supply is limited from a profitability perspective due to soaring land and resource prices.

Positioning

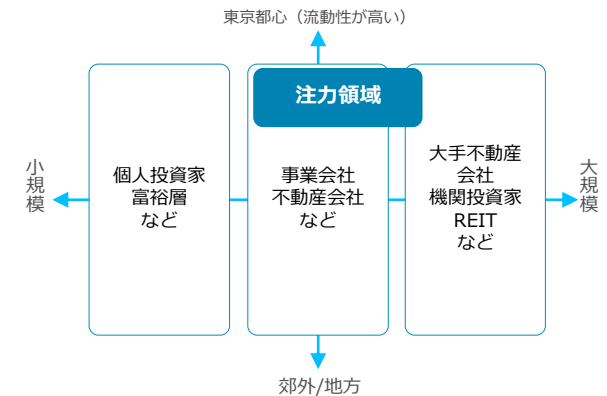
- Mid-sized buildings are less likely to compete with the wealthy, REITs, etc. due to their financing power and cost-effectiveness.
- Tokyo's central area, with its high liquidity, is also a target for global investment, enabling us to avoid the impact of recessionary waves.
- There is potential for value enhancement, especially for properties owned by operating companies.



出典：ザイマックス「オフィスピラミッド2023」



出典：森トラスト「東京23区の大規模オフィスビル供給量調査委'22」より当社作成



We strive to find buildings with value enhancement potential, and to ensure that the buildings are properly evaluated.



Information gathering

- Over 20 years of real estate network in Tokyo
- Network with senior executives of major real estate companies/ REITs/funds/trust banks/brokerage firms
- Information accumulation through SFA, in-house developed map data, etc.



Acquisition

- Quick decision-making
- In-house evaluation based on proven track record
- External real estate appraisal



Increase value

- Construction work to add value
- Trust in relationships with PM companies
- Focus on leasing
- Reductions in management costs



Solid track record

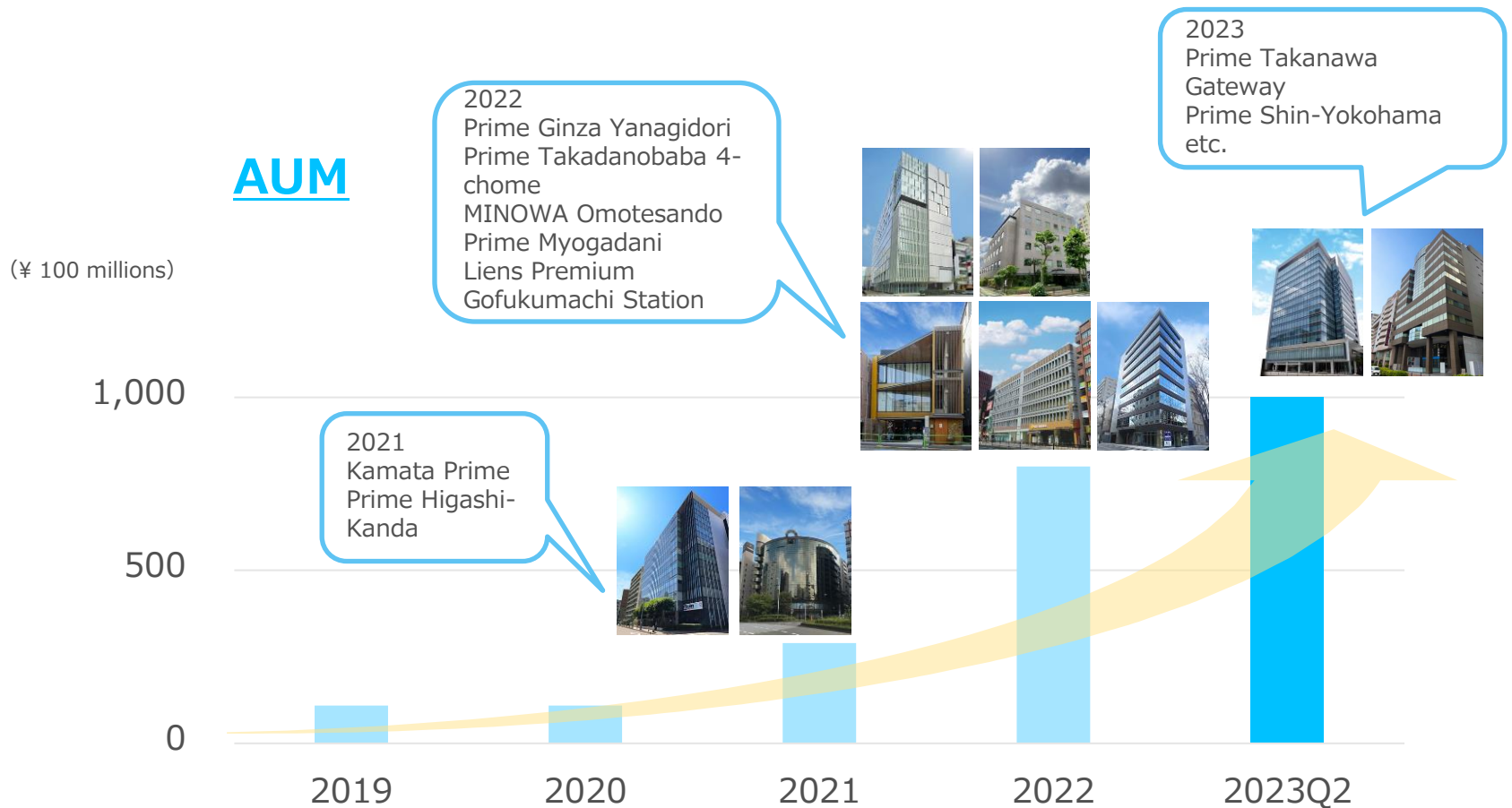
- Track record of property acquisitions totaling 100 billion yen in the 11 years since our foundation.
- Property sales that have never posted a loss since our foundation.
- Probability of unrealized gain from appraisal
- Record of sales and profit growth for 10 consecutive fiscal years

Credibility

- Over 20 years of experience and real estate network
- Good relationship with banks
- Credibility as a Prime listed company
- Financing power of OwnersBook

Asset Management Business

- We have many employees from real estate funds. So, we have successfully increased AUM, utilizing their knowledge and experience in the asset management business, as well as their extensive networks with institutional investors both in Japan and overseas.
- We have also seen synergies between the Corporate Funding and Asset Management businesses, by selling our properties to SPCs, and receiving mandates for asset management services from the SPCs, thereby securing ongoing AM revenues.



Realizing access to individual investors, which has not been established in the real estate investment market



OwnersBook

Demand

Established credibility as an asset manager based on the track record of more than eight years and reputation as a listed company

High
barriers
to entry

Supply

High hurdles to overcome in acquiring approvals and licenses* required for Crowdfunding Business

*Investment Management Business, Type II Financial Instruments Business, Money Lending Business, etc.

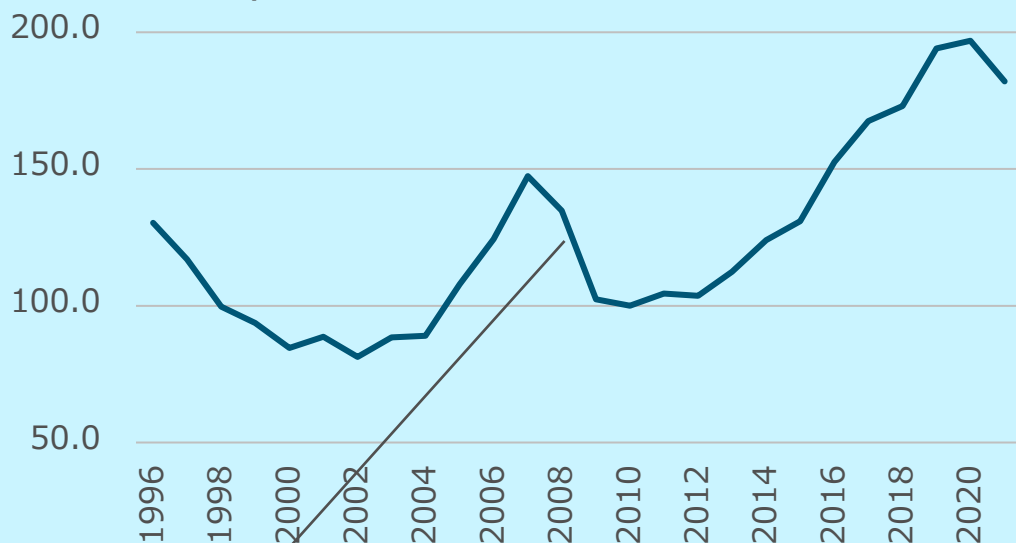
Expertise

Professionals of real estate and IT

Stable Financial Base

- Build a stable financial base through long-term borrowings to prepare for short-term real estate price fluctuations.

Tokyo Office Real Estate Price Index

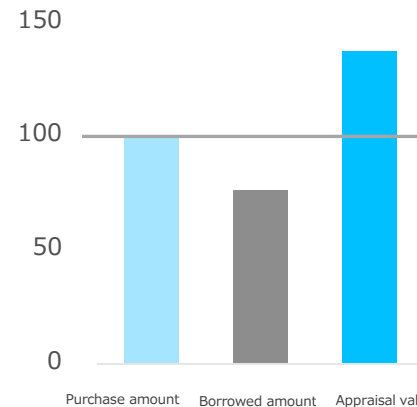


出典：国土交通省 不動産価格指数（東京 オフィス）

There is a risk of not being able to refinance during a period of falling real estate prices.

We obtained high credibility from financial institutions thanks to unrealized gains on our properties, enabling us to secure long-term borrowings. This reduced concerns about the inability to refinance caused by short-term real estate price fluctuations.

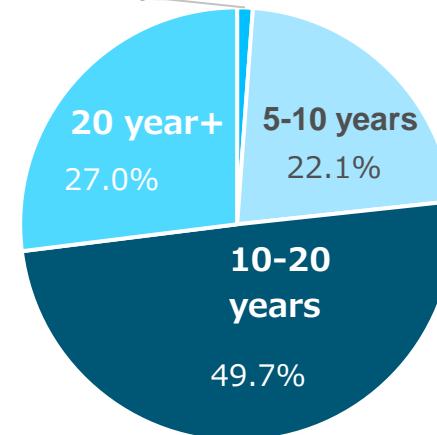
Creditworthiness backed by appraisal track record



Indexed with cumulative real estate purchase value = 100. As of June 30, 2023

Weighted average borrowing period = 14 years

Less than 5 years (Working Capital) 1.2%



As of June 30, 2023

6

Crowdfunding Market and OwnersBook

Crowdfunding Market and Growth Potential

- Market is expected to continue to grow as the number of lending-type/FTK* crowdfunding business operators is increasing every year.
- The global market is expected to grow to approx. 114 trillion yen by 2032 (based on the rate as of June 30, 2023).

*FTK: Platforms operated under the Real Estate Specialist Joint Enterprise Act.
(出典 : Polaris Market Research "Real Estate Crowdfunding Market" Jun-2023)

Japan's crowdfunding market

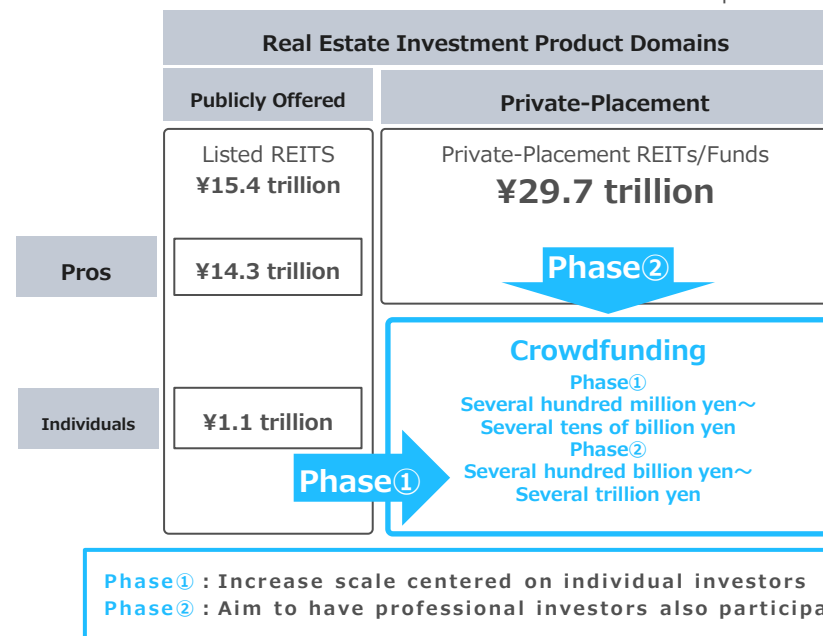
(¥ 100 millions)



出典 : 矢野経済研究所「2022年版国内クラウドファンディングの市場動向」を基に、日本クラウドファンディング協会「クラウドファンディング市場調査報告書」2021年7月9日より型別の割合を加味して当社作成

Growth Potential of Crowdfunding

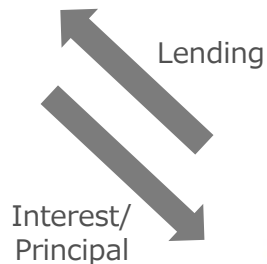
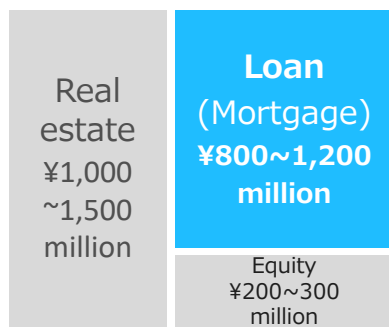
※Our personal opinion



出典 : *1 東京証券取引所 上場不動産投資信託証券(REIT)投資主情報調査結果<2023年2月>(時価)
*2 ㈱三井住友トラスト基礎研究所「不動産私募ファンドに関する実態調査 2023年1月(不動産価額)」

OwnersBook Features 1

Loan-Type



Loan-Type

Loans secured by real estate

OwnersBook



Investment

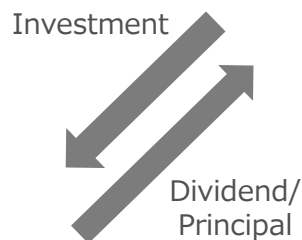
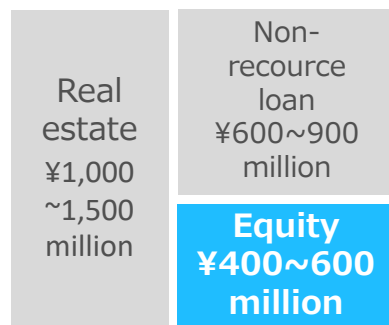


Dividend/
Principal

Investors



Equity-Type



Equity-Type

Open up investment areas, traditionally dominated by institutional investors, to individual investors

Profit Structure	Up-front fee	Asset Management fee	Disposition fee
Loan-Type	Loan amount × 2%	—	—
Equity-Type	Equity amount × 1-2%	AUM × 0.3-1%	Real estate sales price × 1%

*The above fee structure is subject to change.

Borrowers' demand



Investors' demand



<p>Quick origination</p> <p>Faster originations than bank loans (Minimum 3 weeks)</p>	<p>Financing collateral capacity</p> <p>We can provide loans with a 2nd mortgage against collateral capacity.</p>
<p>Evaluation focusing on collateral capacity</p> <p>Can finance up to about 80% of the appraised value</p>	<p>Lump-sum principal repayment</p> <p>Lump-sum Repayment of principal at last interest payment is available (Advantage in cash flow)</p>

<p>Small investment amounts</p> <p>Easy investment from ¥10,000 All fees are free except for refunds</p>	<p>Little time & effort is required</p> <p>No price changes unlike shares & investment trust In principle, dividends are paid regularly</p>
<p>All transactions are secured by real estate (Loan-type)</p> <p>In-house + external assessment Careful selection of transactions by real estate professionals</p>	<p>Wide range of investors</p> <p>Wide range of investors in their 20s to 70s (Mostly in the 30s to 40s)</p>

7

Company Profile

Company Name	Loadstar Capital K.K.
Address	Ginza First Building, 1-9-13 Ginza, Chuo-ku, Tokyo, Japan
Founded	March 14, 2012
Representative	President, Tatsushi Iwano
Number of Directors	7 (including three outside directors)
Number of Officers and Employees	Approx. 80

Tatsushi Iwano, President



April 1996 Joined Japan Real Estate Institute
April 2000 Joined Goldman Sachs Realty Japan Ltd.
August 2004 Joined Rockpoint Management Japan LLC
March 2012 Founded Loadstar Capital K.K. Assumed office as President (current)
May 2014 Assumed office as President of Loadstar Funding K.K. (current)
August 2019 Assumed office as Director of Loadstar Investments K.K. (current)

Certifications: Certified Real Estate Appraiser, Real Estate Transaction Agent



Naoyuki Kubo

Naoyuki Kubo was named Executive Director in March 2019. Since joining Loadstar Capital in 2014, he has been responsible for Investment Sourcing & Disposition Department.

Prior to Loadstar Capital, he worked at Japan Real Estate Institute for 15 years, mostly recently as a Director and took a lead for Global valuations. Prior to Japan Real Estate Institute, he worked at the Norinchukin Bank for 2 years.

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



Yo Narita

Yo Narita was named Executive Director in March 2019. Since joining Loadstar Capital in 2014, he has been responsible for developing and managing OwnersBook.

Prior to Loadstar Capital, he was an asset manager at Touchstone Capital Management Co., Ltd., where he managed JPY 100Bn of real estate portfolio. Prior to Touchstone, he was an analyst at Financial Security Assurance Inc.

Bachelor of Law, the University of Tokyo
CFA Charterholder



Takuya Kawabata

Takuya Kawabata has been our Chief Financial Officer since January 2019, and was named Executive Director in March 2021.

Since joining Loadstar Capital in 2016, he has overseen budget, accounting and finance management, and has been engaged in preparing for public listing on the Mothers market of the Tokyo Stock Exchange in 2017. After the listing, he has also been engaged in investor relations. Prior to Loadstar Capital, he belonged to the Financial Business Division at ERNST & YOUNG SHINNIHON LLC and was engaged in accounting audits and internal control audits of NYSE listed financial institutions, real estate companies, REIT, etc.

Bachelor of Economics, the University of Tokyo
Certified Public Accountant

Mar 2012

Established Loadstar Capital K.K. in Ebisu, Shibuya-ku, Tokyo

May 2014

Established Loadstar Funding K.K. (wholly owned subsidiary)

Sep 2014

Launched crowdfunding service on the internet under the brand name "OwnersBook"

Apr 2015

Relocated head office to Ginza, Chuo-ku, Tokyo

Sep 2017

Listed on Tokyo Stock Exchange Mothers market (Securities code: 3482)

Aug 2018

Launched the Equity-type Crowdfunding Service

Aug 2019

Established Loadstar Investments K.K. (wholly owned subsidiary)

Apr 2022

Listed on Tokyo Stock Exchange Prime Market (Securities code: 3482)

Aug 2022

Selected as a constituent stock in JPX-Nikkei Mid and Small Cap Index (3 consecutive years)

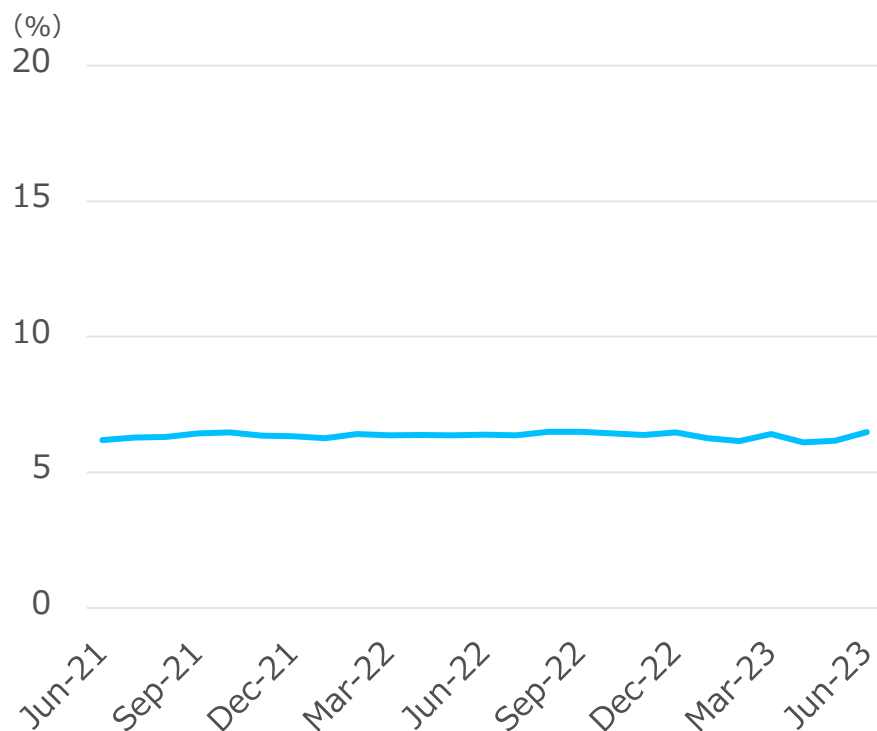
8

Real Estate Market Analysis

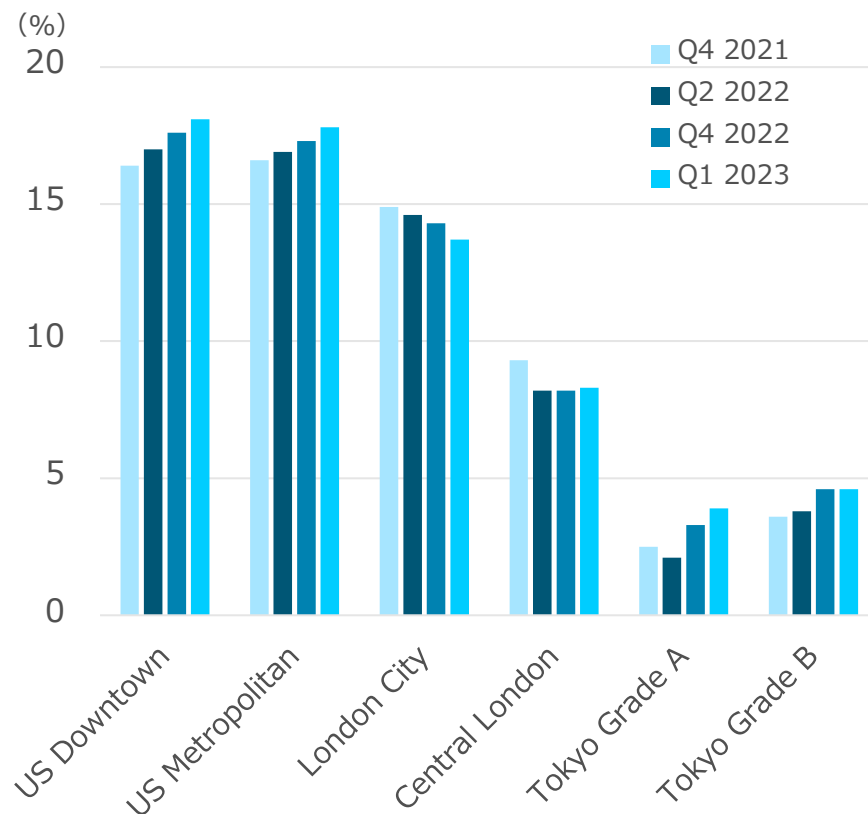
Vacancy Rates

- Vacancy rates in the Tokyo business district, which had been very low, increased but have now stabilized.
- Tokyo's office vacancy rates remain lower than in the UK and US.

Overall vacancy rate for Tokyo's 5 major wards



Vacancy rates in Japan, UK, and US

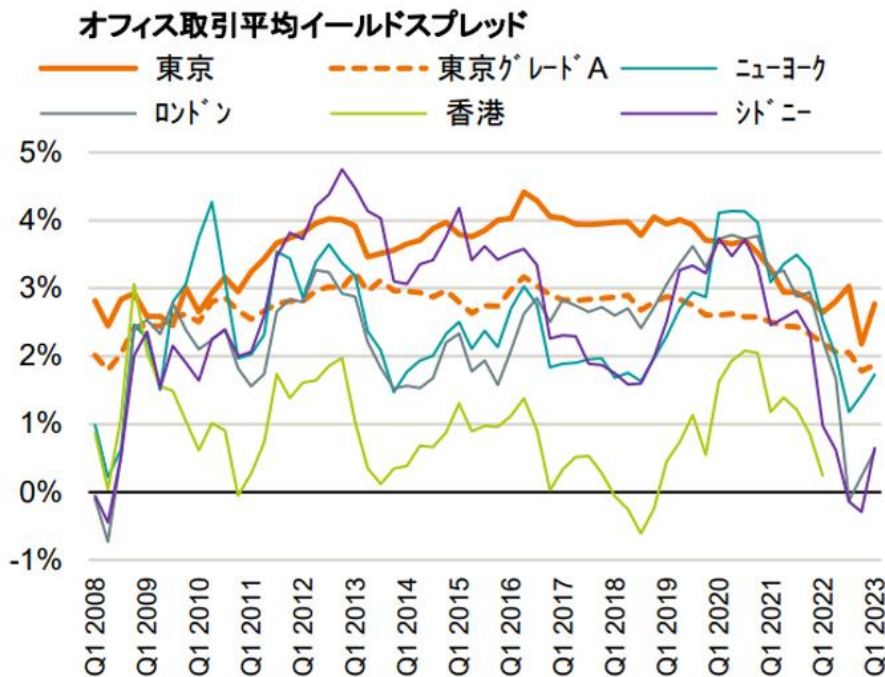


出典：東京ビジネス地区 三鬼商事 オフィスマーケットデータ

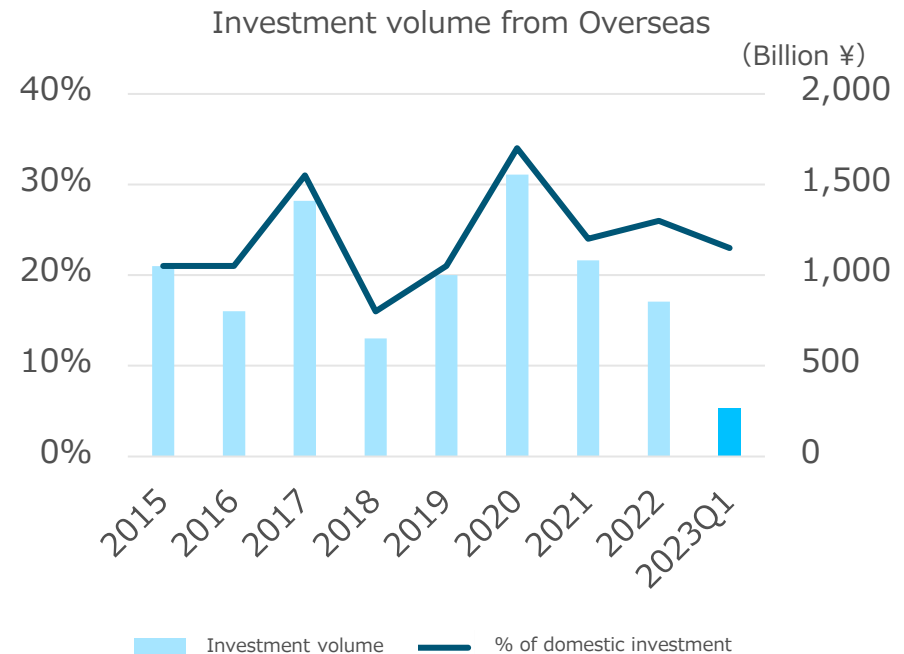
日英米の空室率 CBRE U.S. Office Figures Q1 2023, Central London Offices Q1 2023, Japan Office MarketView Q1 2023, UK Office Market Q1 2023

Real Estate Investment from Overseas

- In Japan, where interest rates remain low, the average yield spread for office transactions is 280 bps. This is considerably higher than in other regions.
- For Q1 2023, investment volume by overseas investors was 268.7 billion yen, a significant increase year-on-year. Investment demand is forecast to remain robust, and for the full year, investment volume is expected to exceed that of the previous year.



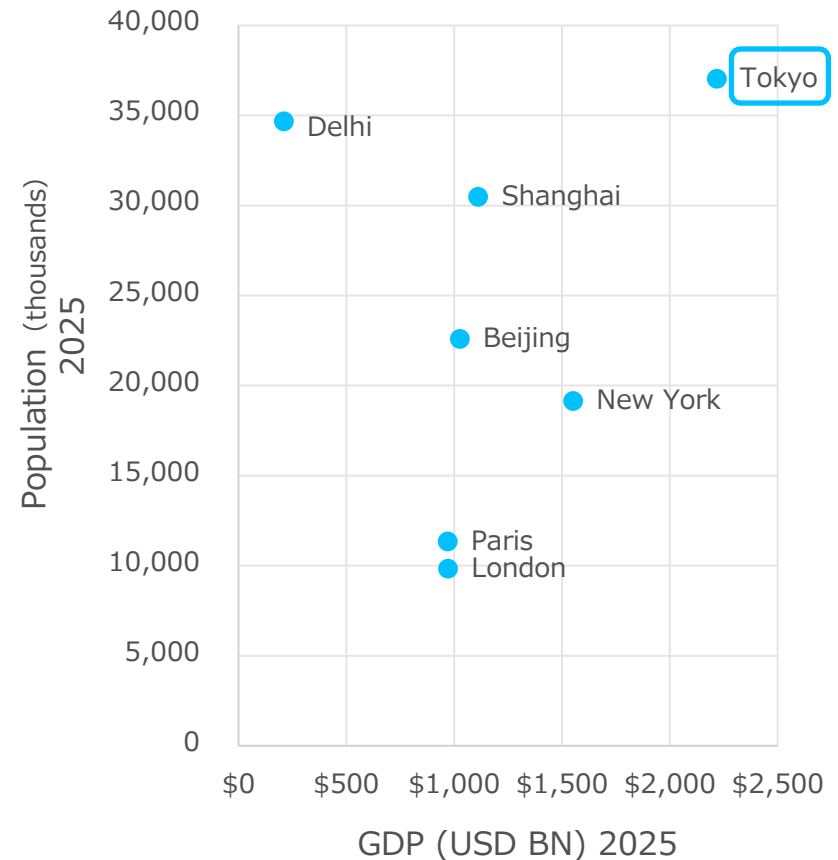
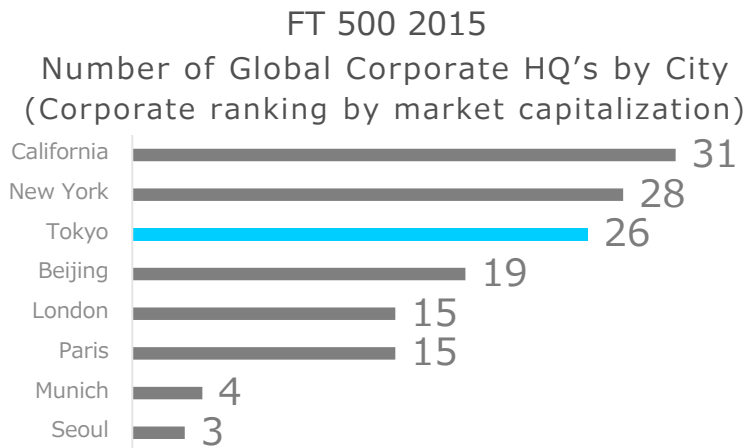
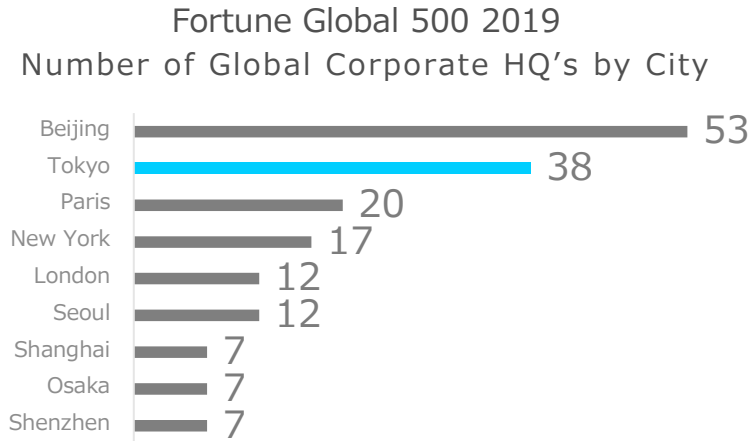
出典：DWS 国内不動産マーケットレポート（2023年5月）



出典：JLL Japan Capital Flows 2023Q1

The World in 2025 (Urban Population & GDP)

The greater Tokyo area has higher concentrations of large enterprises, the largest urban population, and GDP in the world.



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

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

- The contents of this document are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part, for any purpose without our prior permission. This document is being furnished for informational purpose only.
- This document contains forward-looking statements, including anticipated future results. These are based on current assumptions regarding future events and trends, and there is no guarantee that these assumptions will be accurate. Therefore, Loadstar Capital K.K.'s actual results may differ materially from those described in this document due to various factors.
- Loadstar Capital K.K. prepared its financial statements based on J-GAAP.
- Loadstar Capital K.K. will not necessarily revise any future announcements, etc. regarding future prospects, regardless of future events, unless otherwise required by the disclosure rules.
- Information about companies other than our company is based on publicly known information.
- The contents of this document, including summary notes, quotes, data and other information, are provided solely for informational purposes and not intended for soliciting investment in, or as a recommendation to purchase or sell, any specific products.

Contact:

Loadstar Capital K.K.

(Kanto Local Finance Bureau (FIBO) No.2660)

E-mail ir@loadstarcapital.com