



Loadstar Capital

Q1 FY2024 Financial Results

(Three months ended March 31, 2024)

Loadstar Capital K.K.

Securities Code: 3482
April, 2024

Mission

Real Estate X Tech to Open Up a New Market

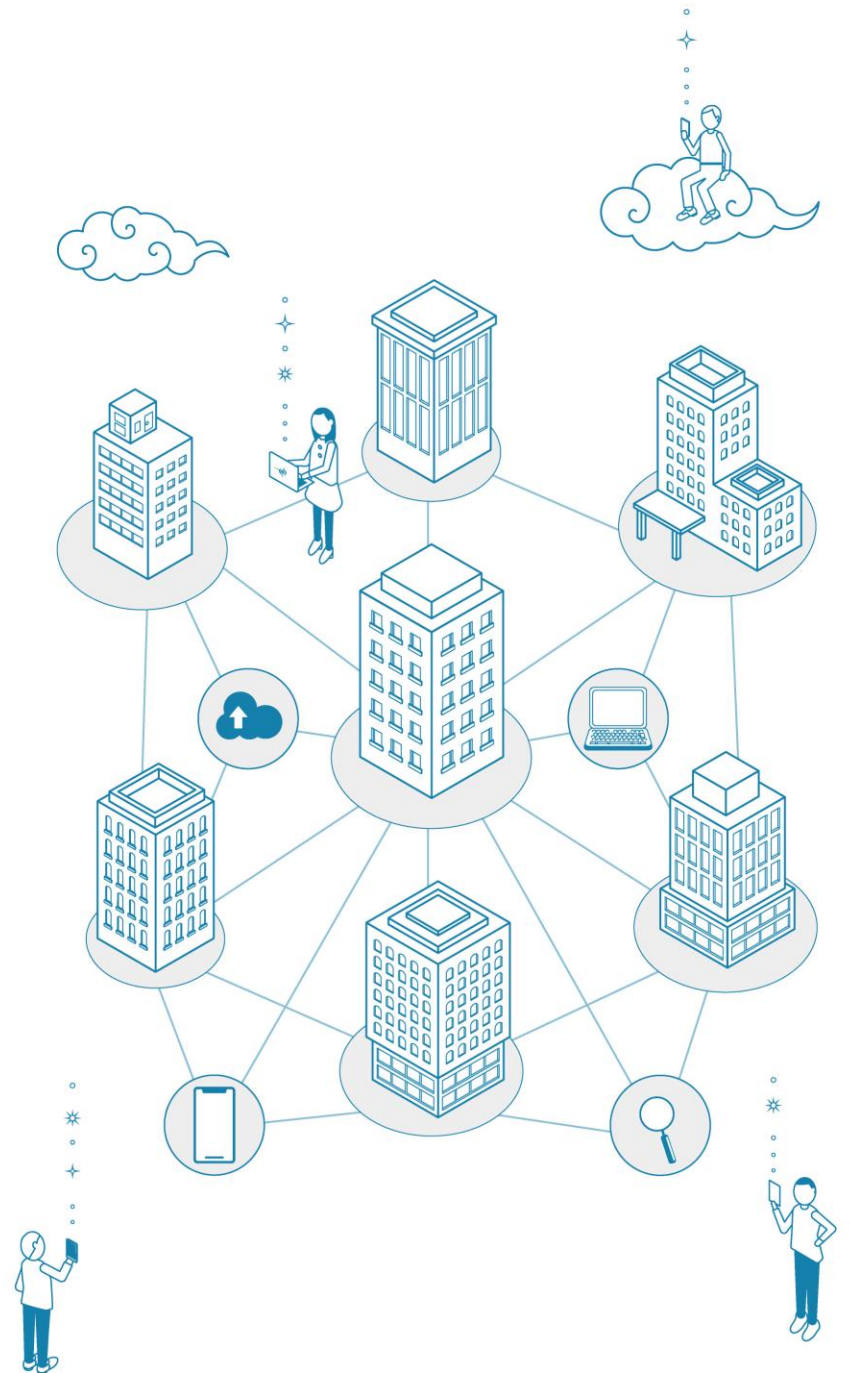


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Topics of the Q1 FY2024

FY2024 Q1 Financial Results

- All businesses - Corporate Funding, Asset Management, and Crowdfunding – made steady progress.
- We successfully accumulated real estate as inventory, our future business foundation.

	(Billion yen)	% Y-o-Y	% of Forecast
Net Sales	8.1	+94.8%	21.7%
Operating profit	2.6	+145.0%	22.8%
Profit before Tax	2.3	+195.8%	23.2%
Profit	1.5	+202.3%	23.0%
Real estate as inventory	62	Change (%) from end of prev. fiscal year +12.5%	
ROE	32%		

Topics of the Q1 FY2024

1. Signed an agreement to acquire 6 luxury resort hotels owned by Hiramatsu.

We will complete this acquisition on July 1, 2024, and Hiramatsu will continue to operate the hotels. We have been enhancing hotel investments in response to the recent demand recovery from foreign visitors and inflation.

THE HIRAMATSU HOTELS & RESORTS KASHIKOJIMA (Mie)



THE HIRAMATSU HOTELS & RESORTS ATAMI (Shizuoka)



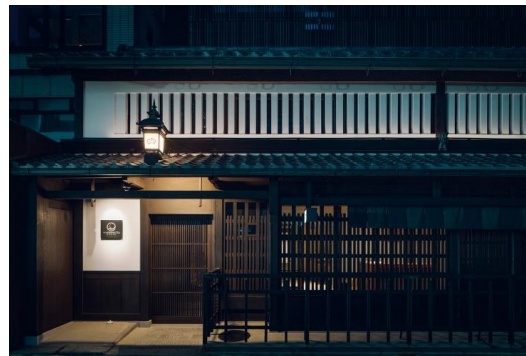
THE HIRAMATSU HOTELS & RESORTS SENGOKUHARA (Kanagawa)



THE HIRAMATSU HOTELS & RESORTS GINOZA (Okinawa)



THE HIRAMATSU KYOTO



THE HIRAMATSU KARUIZAWA MIYOTA



2. Acquired 2 large offices.

Following last year, we acquired 2 high-quality, relatively new office buildings from Mitsubishi Estate. The properties are located in the popular and prime areas in Minato-ku and Chiyoda-ku, respectively, and they will lead the company's further growth.

CIRCLES Shimbashi



CIRCLES Jimbocho II



3. Investments executed by OwnersBook reached a record high on a quarterly basis.

In Q1 FY2024, due to the active real estate market since the previous year-end, the executed investment amount was 4.3 billion yen, far exceeding the previous largest record of 3.1 billion yen on a quarterly basis.

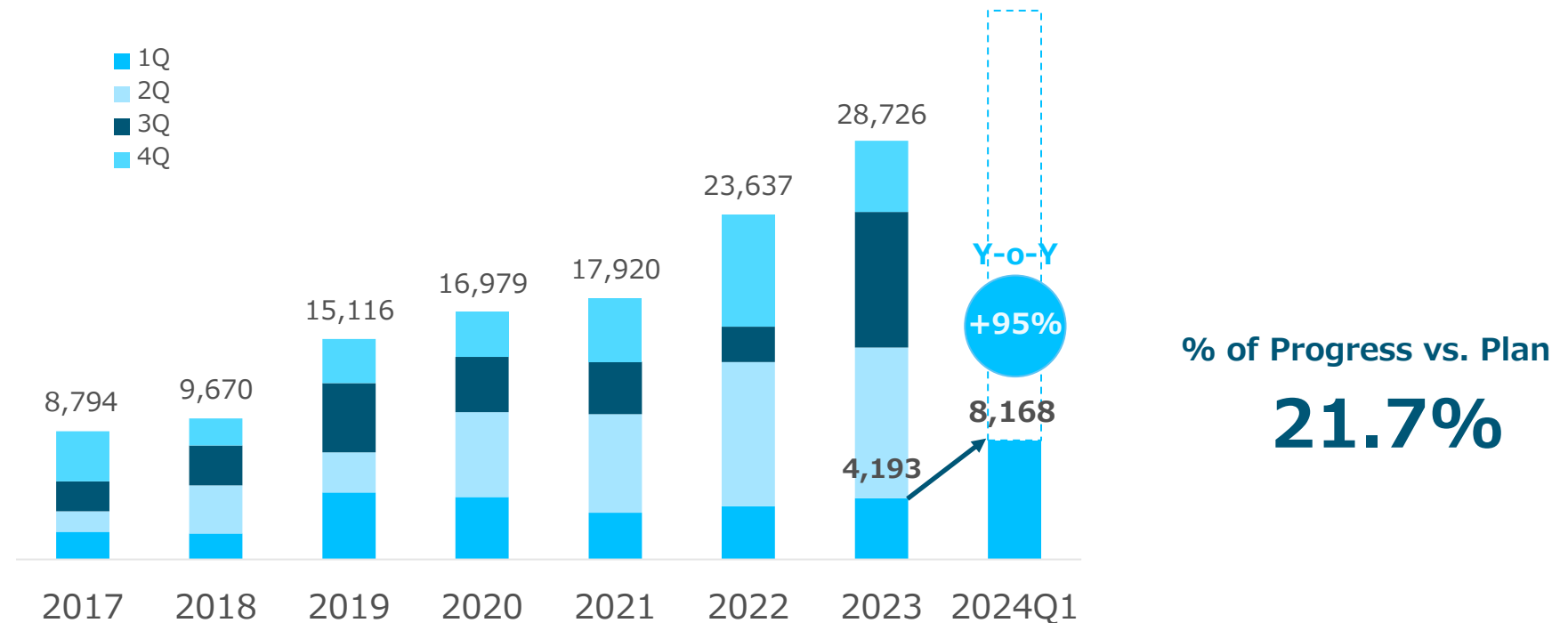
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Overview of the Q1 FY2024 Financial Results

Consolidated Sales

- Consolidated sales increased 95% year on year to 8.1 billion yen.
- The real estate market continues to be brisk. Investor demand from both Japan and Asia remains strong, and European and U.S. real estate funds, which had been holding back from investing, are beginning to resume their investments.

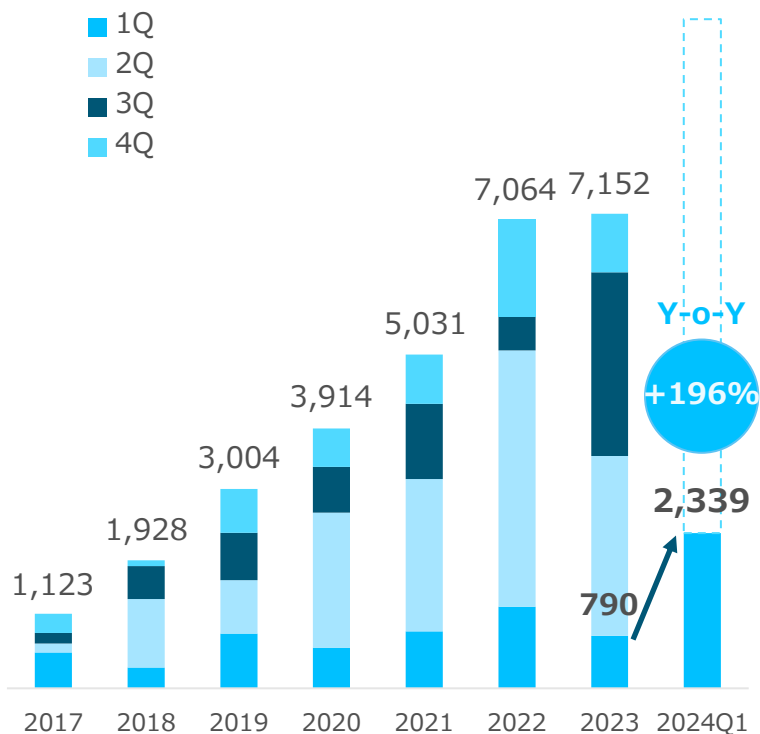
Consolidated Sales (Million yen)



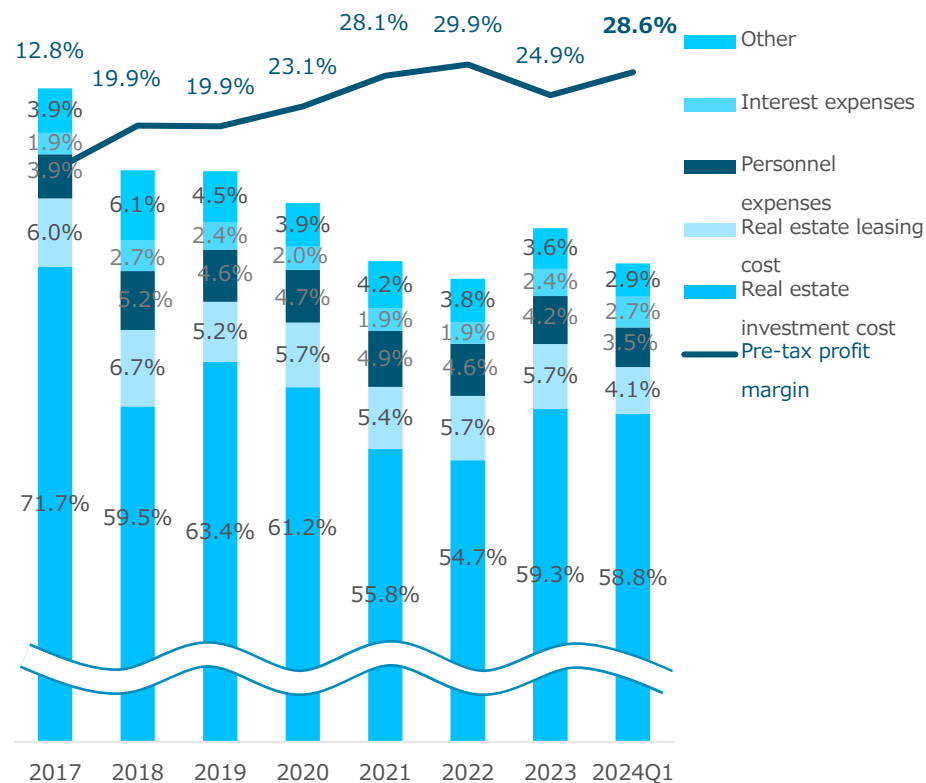
Consolidated Profit before income taxes and Cost Controls

- Consolidated profit before income taxes was 2.3 billion yen, up 196% year on year.
- The cost structure for FY 2024 will remain relatively unchanged compared to last year.

Consolidated Profit before income taxes (Million yen)



Cost structure



Consolidated Statements of Income

(Million yen)	FY2024Q1 Results				FY2024 (Forecasts)		
	Amount	% of Net sales	% Y-o-Y	Progress vs. original forecast	Amount	% of Net sales	% of the previous fiscal year
Net sales	8,168	100.0%	194.8%	21.7%	37,658	100.0%	131.1%
Gross Profit	3,029	37.1%	198.6%	22.3%	13,569	36.0%	134.7%
SG&A expenses	387	4.7%	86.7%	19.4%	2,001	5.3%	109.9%
Operating Profit	2,641	32.3%	245.0%	22.8%	11,567	30.7%	140.2%
Profit before income taxes	2,339	28.6%	295.8%	23.2%	10,083	26.8%	141.0%
Profit	1,588	19.4%	302.3%	23.0%	6,895	18.3%	141.2%

Consolidated Financial Position

- Real estate as inventory totaled 62 billion yen as we acquired 3 properties and sold 2 properties.
- Operating loans surged to 9.8 billion yen, the largest ever, and the balance of operating loans was up 42% from the previous fiscal year end.

(Million yen)	As of Q1 FY2024		
	Amount	% of total	% vs. Dec. 31, 2023
Current assets	81,990	99.1%	109.7%
Cash and deposits	9,840	11.9%	82.5%
Operating loans	9,850	11.9%	142.0%
Real estate as inventory	62,017	74.9%	112.5%
Liabilities	62,683	75.8%	111.6%
Interest-bearing debt	48,033	58.0%	114.7%
Deposits received from silent partnership investors	10,071	12.2%	122.6%
Net assets	20,062	24.2%	104.0%
Total liabilities and net assets	82,745	100.0%	109.6%

• This shows the amount of loans outstanding mainly 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 to OwnersBook projects.

• Adjusted net asset ratio excluding deposits from tokumei kumiai (silent partnerships) that do not attribute to the Company is 27.6%.

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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.

Real Estate Tech

CROWDFUNDING

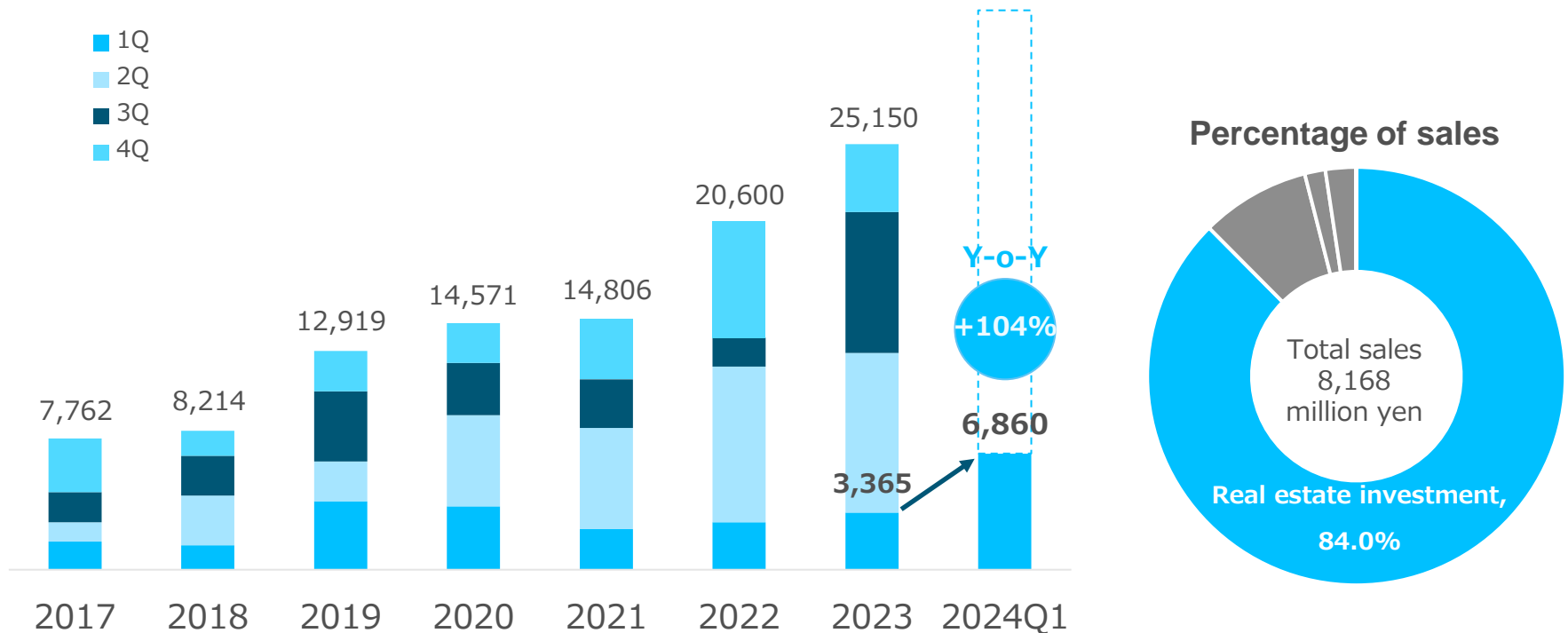


Japan's first real estate crowdfunding business.



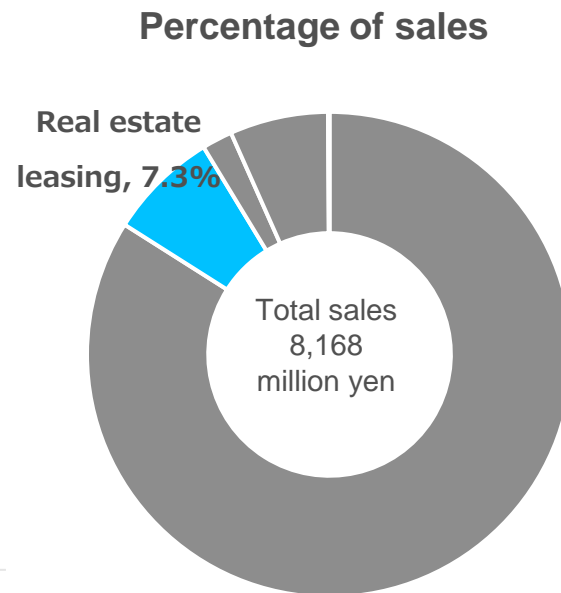
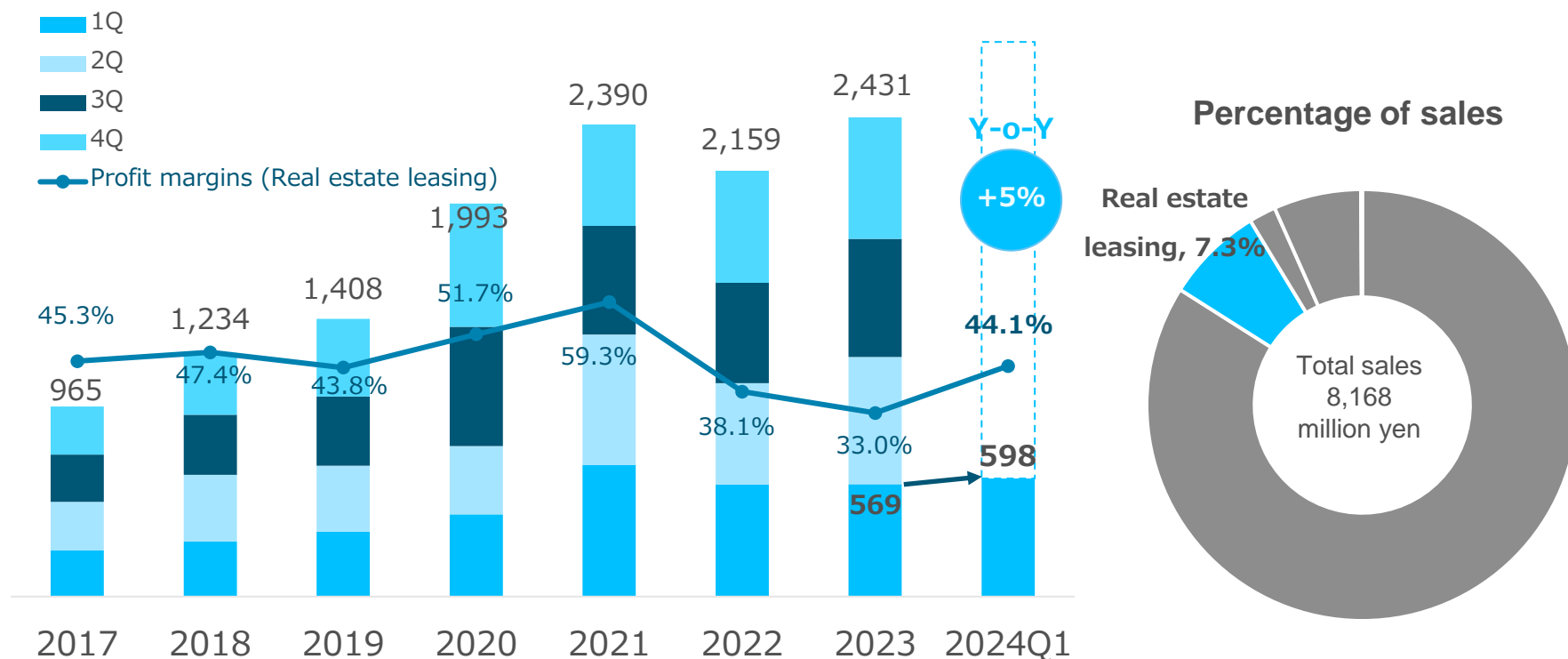
- Sold 2 offices, resulting in sales of 6.8 billion yen (up 104% y-o-y).
- Demand from domestic businesses and real estate companies continues to remain strong.

Net Sales (Real estate investment) (Million yen)



- Sales from leasing totaled approx. 600 million yen, up 5% y-o-y, due to the accumulation of real estate as inventory.
- Occupancy rates at our hotels have been high, and the office market is also recovering.

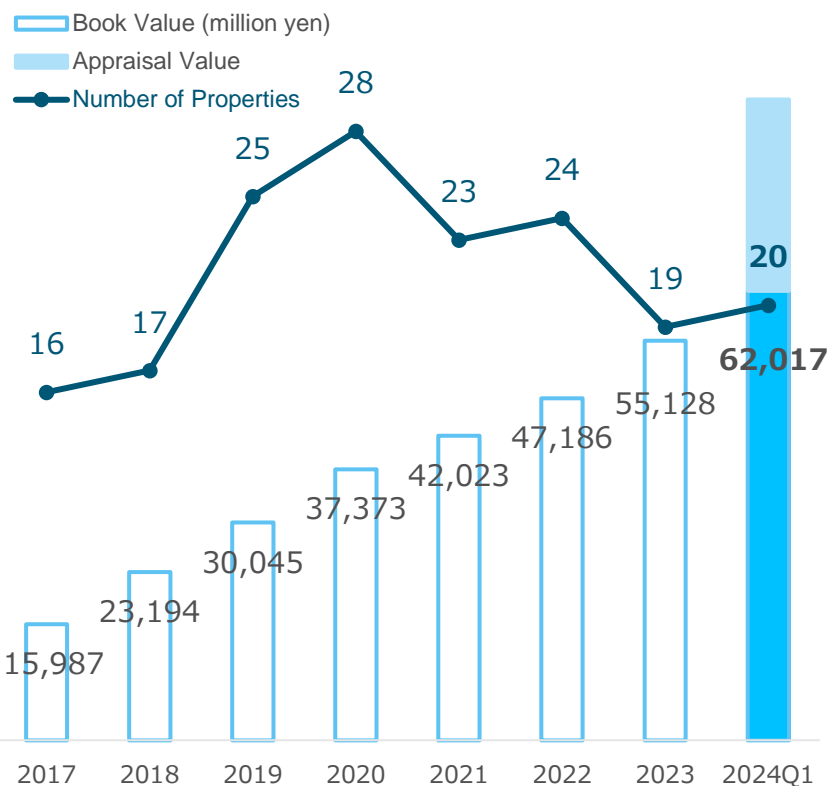
Net Sales (Real estate leasing) (Million yen)



Corporate Funding Business Results

- Profit margins on property sales continue to remain high.
- We are focusing on market liquidity and efficient property management, and we have raised the acquisition size of properties for investment.
- We continue to invest aggressively, mainly in offices and hotels.

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.)
2020	147%
2021	149%
2022	161%
2023	156%
2024	149%

Number of Properties	Possession	Cumulative sale
Five wards in central Tokyo	16	42
Other wards	3	23
Yokohama	1	2

Main Purpose	Office	Logistics/Factory	Retail	Residence	Hotel
Five wards in central Tokyo	14	-	-	-	2
Other wards	1	-	1	1	-
Yokohama	-	-	-	-	1

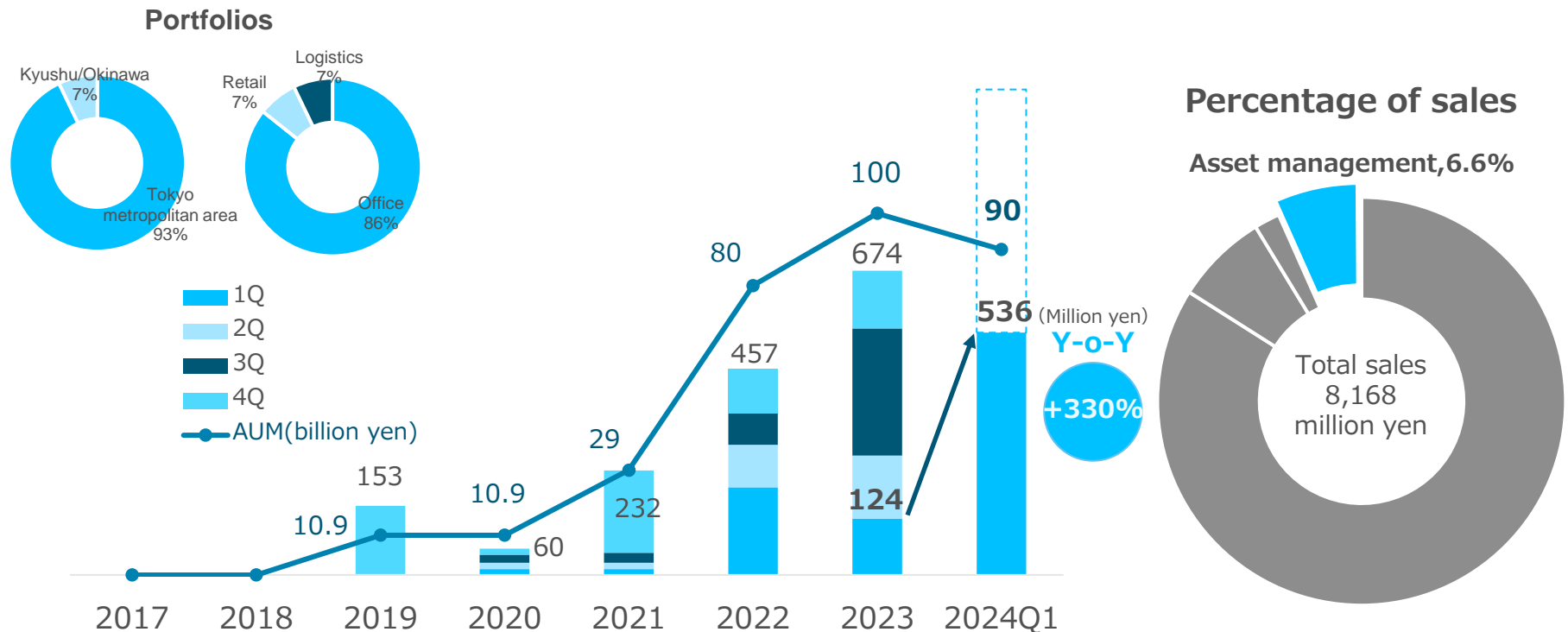
* Five wards in central Tokyo : Chiyoda-ku, Chuo-ku, Minato-ku, Shibuya-ku, Shinjuku-ku



Asset Management Business

- Sales jumped 330% year-on-year to 530 million yen due to the up-front fees for new projects and disposition fees for large projects.
- AUM declined slightly, but we are receiving new inquiries from foreign investors on top of domestic investors.

Net Sales and AUM (Assets Under Management)



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Real Estate Tech

CROWDFUNDING

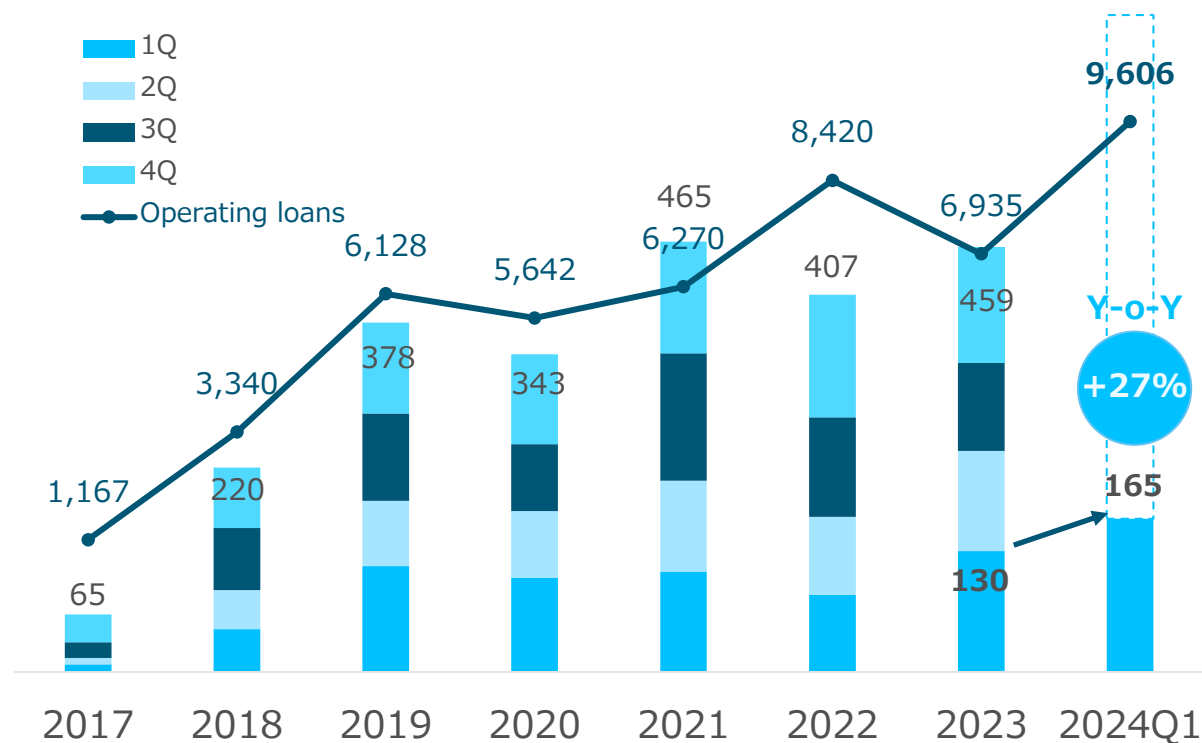


Japan's first real estate crowdfunding business.

Crowdfunding Business Results

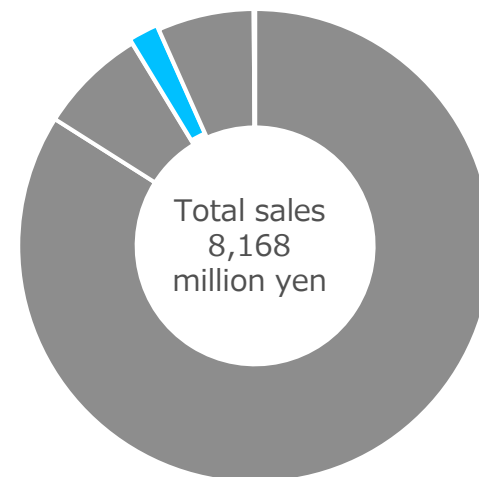
- Sales rose 27% year-on-year to 170 million yen as the Crowdfunding business rapidly expanded the transaction volume amid the recent active real estate market.
- Operating loans related to the Crowdfunding business surged to 9.6 billion yen, the largest ever. As a result, the overall operating loan balance increased 42% from the end of the previous year.

Net Sales and Operating Loans (Million yen)



Percentage of sales

Crowdfunding, 2.0%



Crowdfunding Business (KPI)

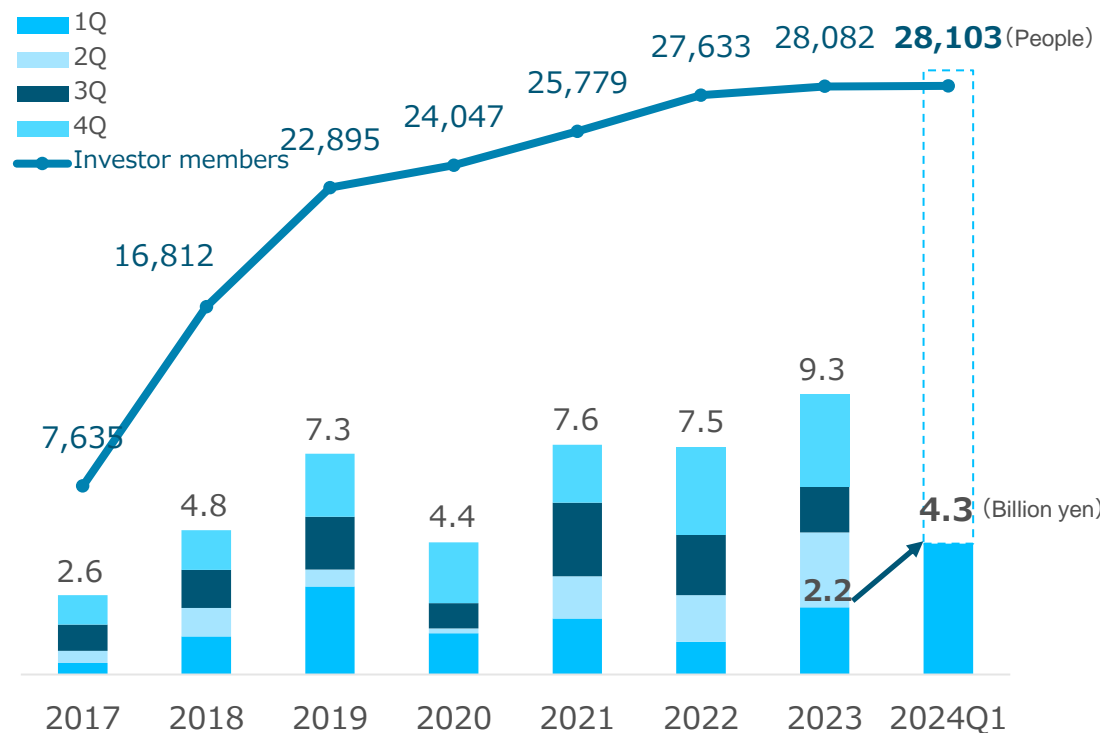
- As for STO launch, we are looking to prepare for launch as soon as we find an attractive property from various perspectives such as location, yield, and property type.

Investor members **28,103** (People)

Investment Amount **4.3** (Billion yen)



Investor Members/ Cumulative Investment Amount

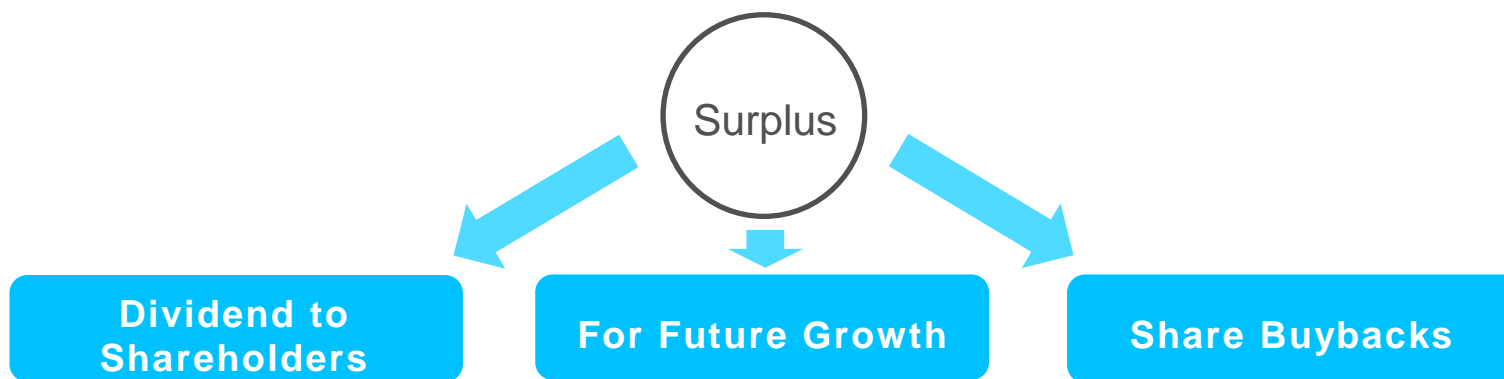


Basic Policy

- We strive to improve corporate value and shareholder profit by expanding business performance

Dividend Policy

- We shall perform stable and continuous profit returns with a payout ratio of 17% as a guide.



	2017	2018	2019	2020	2021	2022	2023	2043 (Forecast)
Dividends per share	5.5 yen	9.5 yen	14.5 yen	24.5 yen	32.0 yen	50.0 yen	52.5 yen	70.0 yen
Payout ratio	15%	15%	15%	15%	15%	17%	17%	17%

Shareholder Benefits

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

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Forecast for the FY2024 and Real Estate Market Outlook

Forecasts for the fiscal year Ending December 31, 2024

- All businesses are showing good progress as planned. No revision is made to the full-year forecasts.
- We are aiming to achieve the medium-term management plan and the 12th consecutive year of growth in sales and profit since the company's establishment.

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Overall Outlook

- Tokyo ranked 5th in the global ranking of investment volume by city for the full year 2023, a significant increase from 16th for the full year 2022. (Source: JLL Investment Market Summary, Q4 2023)
- Demand strength from foreign visitors, the current weaker yen, and expectation for inflation to persist have led to a sharp increase in evaluation of hotels.
- As the inflation persists, investment funds continue to flow into the real estate market from both domestic and foreign investors, and stock prices in the real estate sector are becoming reevaluated as well.

Interest rate

- Negative interest rates have been lifted, but we believe the impact on our business performance is limited at this point.
- We have hedged against the risk of interest rate changes by fixing the interest rate on a portion of the borrowings.
- In the medium to long term, we expect rents and property prices to rise in line with inflation. We believe that this will have a positive impact on our business.

Future action

- We continue to actively acquire properties aiming to expand our business performance in the medium to long term.
- We continue to closely monitor the impact of the macro environment, such as interest rates and inflation, on the real estate market.

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