



FY Nov 2019

Financial Result Summary

January 10, 2020



1. Executive Summary

2. Business Outline

3. Corporate Strategy

4. Environment, Society and Governance

5. Shareholder Returns

6. Company Profile

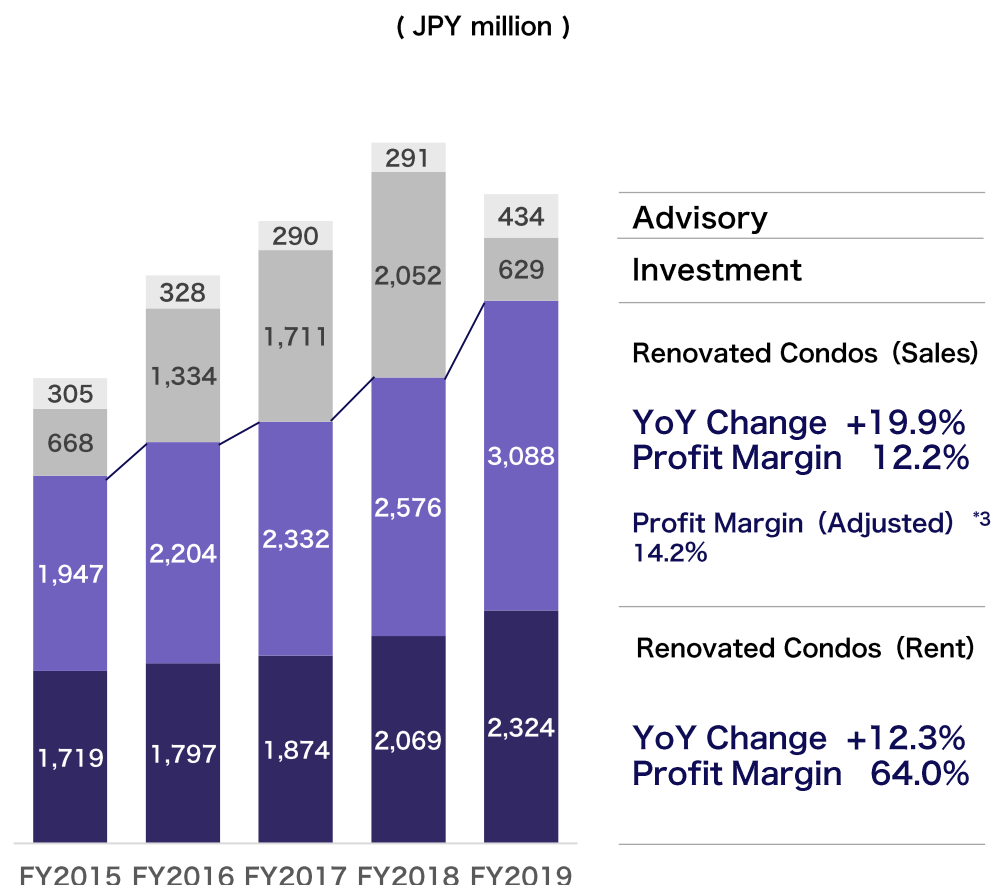
- Solid results from strategy focusing company resources to renovated condominium business.
- Increased number of condominiums sold, closing to reach #1 supplier in this market.

Consolidated P/L (Summary) ^{*1}

	FY Nov 2018 (JPY million)	FY Nov 2019 (JPY million)	YoY Change
Sales	30,281	32,164	+6.2%
Renovated condominium business	22,142	28,861	+30.3%
Investment business	7,435	2,412	-67.6%
Advisory business	703	890	+26.6%
Gross profit	6,924	6,297	-9.0%
Renovated condominium business	4,579	5,302	+15.8%
Investment business	2,052	559	-72.7%
Advisory business	291	434	+48.9%
SG&A	3,085	2,670	-13.4%
Operating profit	3,838	3,627	-5.5%
Recurring profit	3,245	2,925	-9.8%
Net income	2,154	2,023	-6.1%

^{*1} Information before FY2019 is from Star Mica before transition to holding company structure, unless otherwise noted. (applied in all pages of this material).

Gross Profit (Business Segment) ^{*2}



^{*2} MTM loss in each business segment is not shown in this figure.

^{*3} Profit margin excluding transaction cost from cost of sales.

- Dramatic growth in renovated condominium business, offsets decline in investment business.



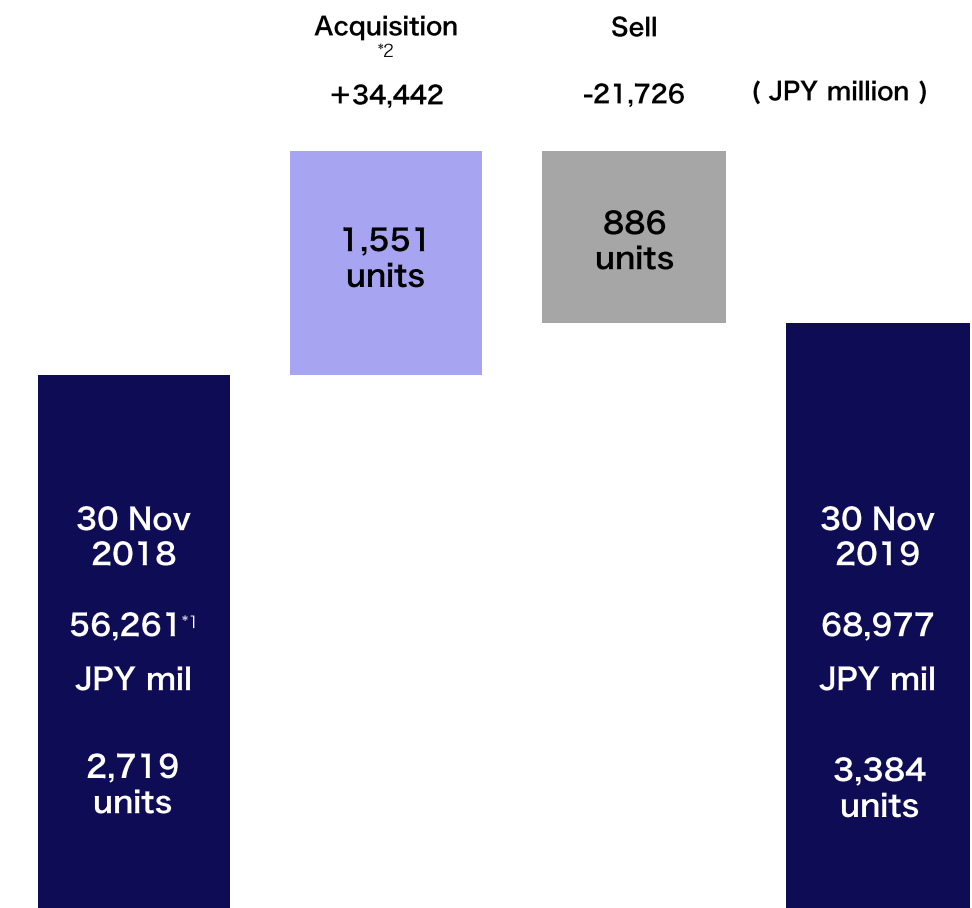
- Continue with acquisition over our sell, accumulating inventories of properties for sale.

Consolidated BS (Summary)

- Strengthen acquisition in regional cities.
- Completed disposition of properties at end of 1H held by investment business.

	FY Nov 2018 (JPY million)	FY Nov 2019 (JPY million)	YoY Change
Current assets	61,015	75,180	+23.2%
Cash and deposits	4,075	4,330	+6.3%
Inventories	56,261	68,977	+22.6%
Fixed assets	2,518	940	-62.7%
Tangible fixed assets	1,780	49	-97.2%
Total assets	63,536	76,123	+19.8%
Short-term liabilities	8,031	10,160	+26.5%
Long-term liabilities	38,339	47,388	+23.6%
Shareholder's equity	17,089	18,498	+8.2%
Capital-to-asset ratio	26.9%	24.3%	

Change in Inventories



^{*1} Adjusted retroactively based on the revision of accounting standards.

^{*2} Including increase in book value as a result of renovation.

- For FY Nov 2020, we continue to concentrate on renovated condominium business.
- Pursuing potential business opportunities through partnership and invest in IT.

	FY2019 Result (JPY million)	FY2020 Forecast (JPY million)	YoY Change
Sales	32,164	35,259	+9.6%
Renovated condominium business	28,861	34,613	+19.9%
Investment business	2,412	-	-
Advisory business	890	645	-27.6%
Gross profit	6,297	6,304	+0.1%
Renovated condominium business	5,302	5,838	+10.1%
Investment business	559	-	-
Advisory business	434	465	+7.1%
Operating income	3,627	3,387	-6.6%
Recurring profit	2,925	2,645	-9.6%
Net income	2,023	1,846	-8.7%

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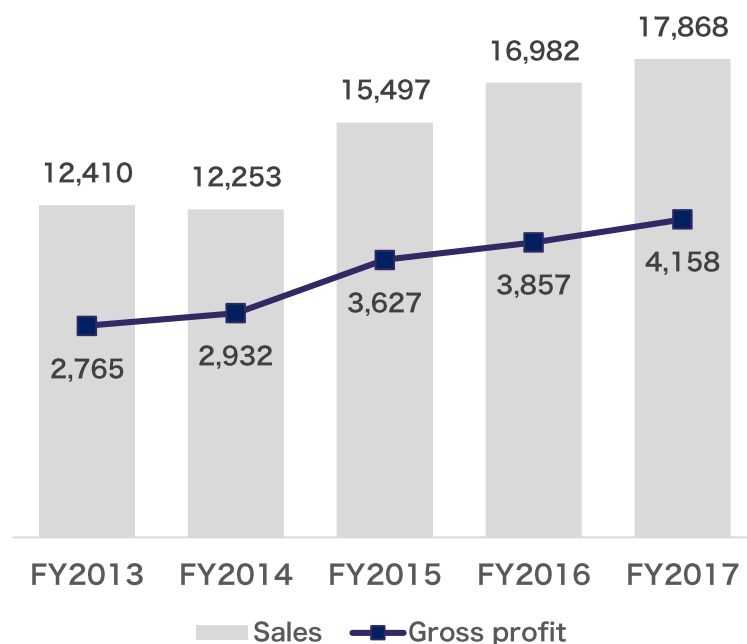
5. Shareholder Returns

6. Company Profile

- We acquire family-type condominium as owner-change property.*1
- We had the competitive advantage and business enjoyed healthy growth.
- We were successful in establishing profitable business in this field.

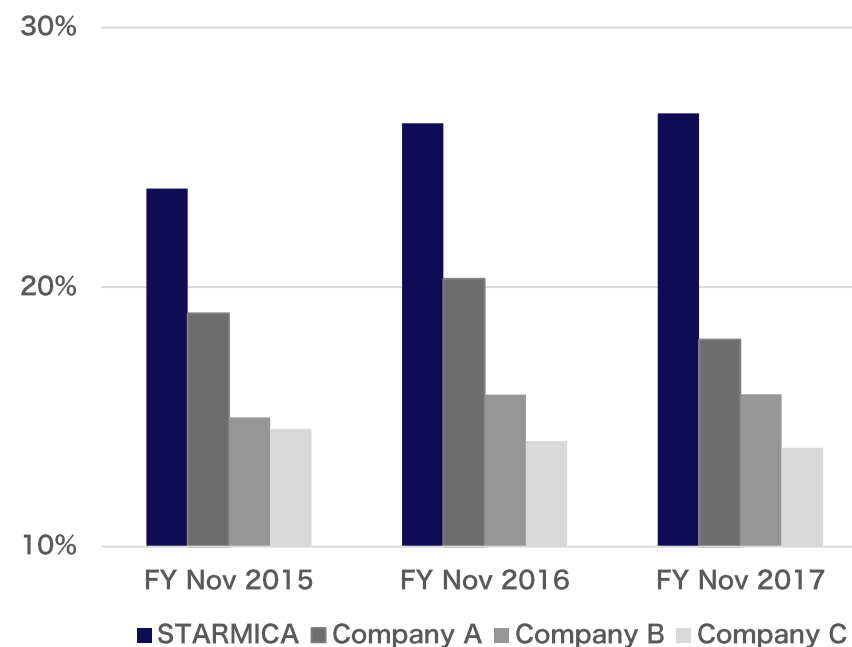
Stable growth in sales and profit

<Renovated condominiums business (JPY million) >



High profit margin in the peer group

<Profit to sales ratio comparison (%) >



*1 Condominium resided by tenants at the time of acquisition.

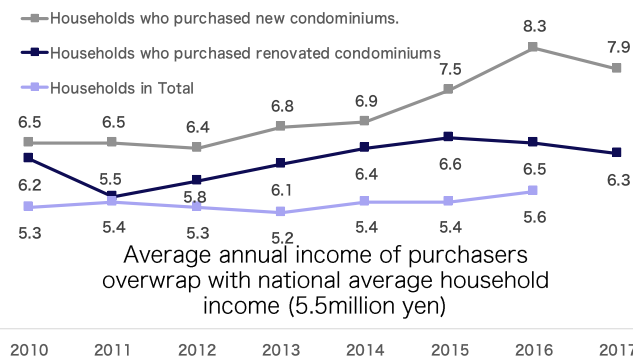
(Source) Company disclosure materials Nov 2017, Starmica.

- Demand for renovated condominiums is high from rising new condominium price and low mortgage rates.
- Demand outlook for renovated condominiums is solid even under lack of transparency after the Tokyo Olympics.

Average middle-class household in the main purchaser of renovated condominiums.

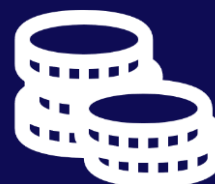


<Average household annual income (JPY million)>

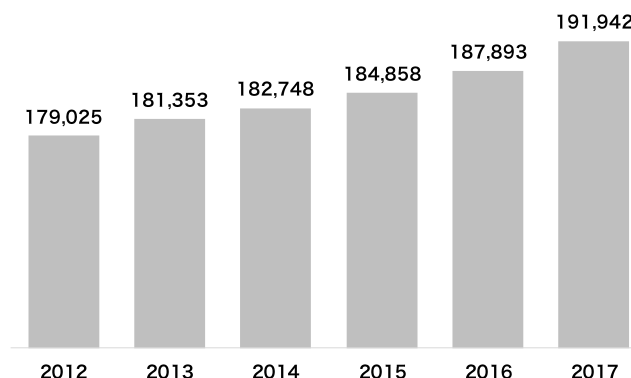


(Source) Ministry of Land and Transport, housing market survey, Ministry of welfare national basic lifestyle survey, Starmica.

Lower interest rate promoting mortgage loan growth.



<Mortgage loan balance (JPY billion)>

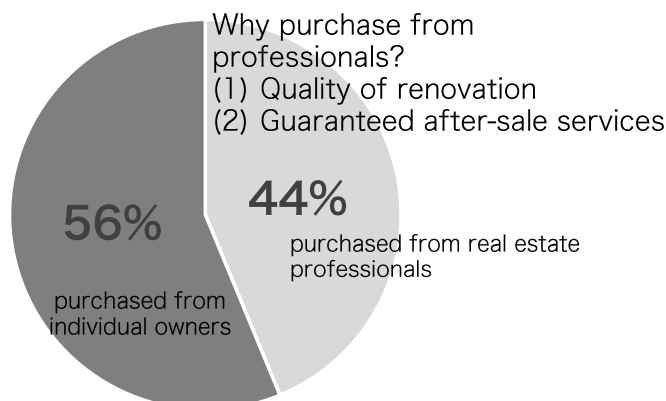


(Source) The Real Estate Transaction Promotion Center, real estate business statistics, Starmica.

Renovated Condominium (sold by real estate professionals) is gaining market share.



<Sellers of renovated condominium>

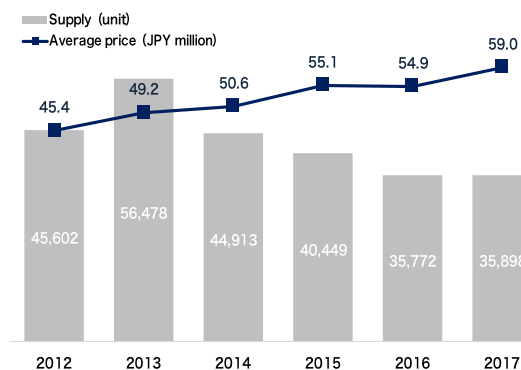


(Source) Ministry of Land and Transport, housing market survey, Starmica, data limited to transactions made by intermediaries.

Rising price and limited supply of new condominiums.



<New condominiums market (Tokyo Metro Area)>



(Source) Real Estate Economic Institute Co., Ltd. condominium market research Tokyo Metro area, Starmica.

- Released 5-year business development plan, “Challenge 2022”.

**Reengineer Japanese
housing through
renovation.**



**Change the real estate
industry through
innovation.**

**Star Mica Challenge
#1**

Establish leader position in
pre-owned condominium
holdings and supply.

**Star Mica Challenge
#2**

Promote choice of
renovated condominium or
self-renovated
condominium as market
standard for home buyers.

**Star Mica Challenge
#3**

Invest in new business
utilizing IT.

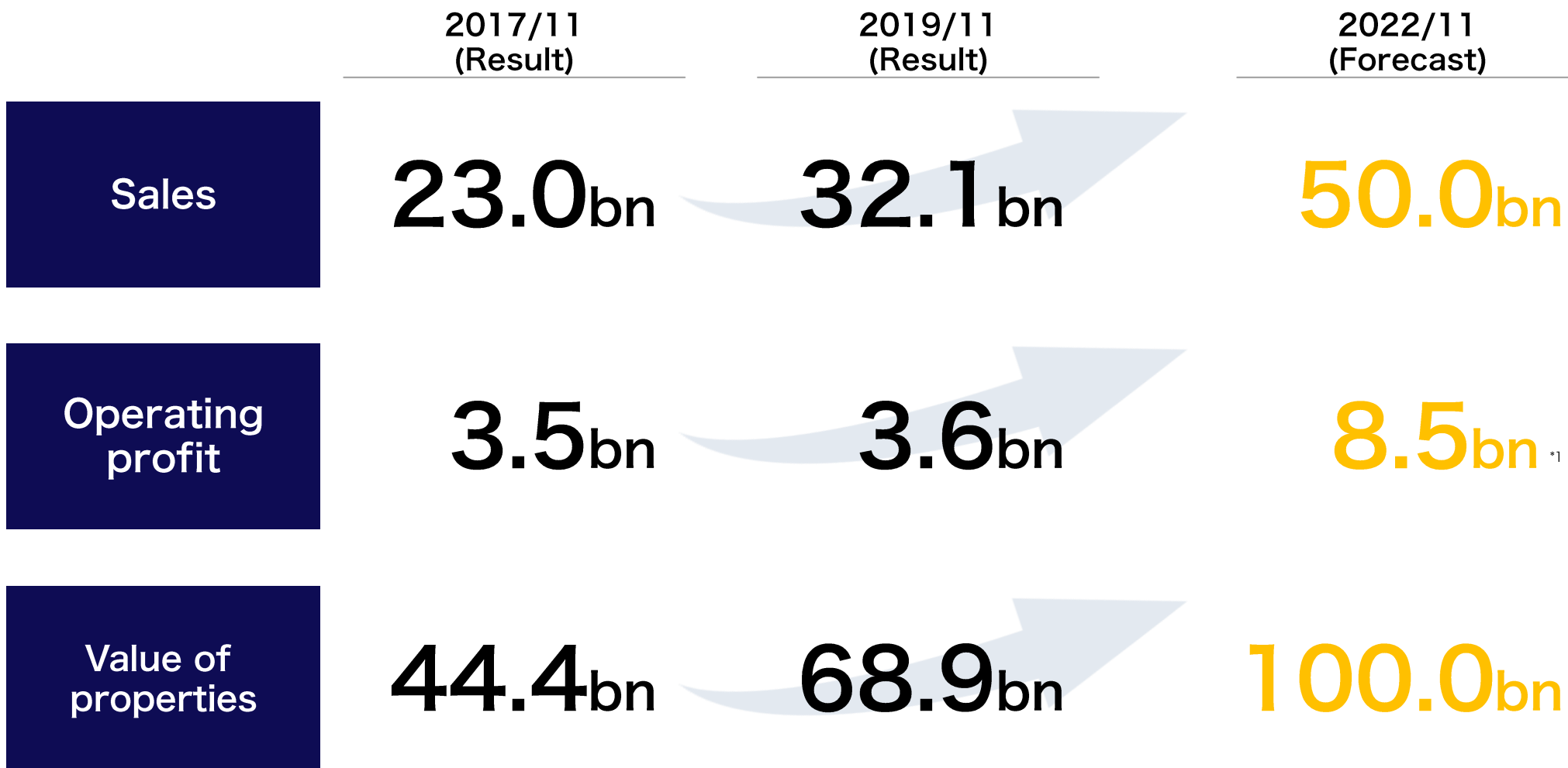
**Star Mica Challenge
#4**

Enhance per head
productivity by efficient
operation.

**Grow to comprehensive renovation
company.**

**Develop new business opportunities
and create social value through
Real-Tech.**

- Our goal is to double the size of sales, profit and value of properties in 5 years.



^{*1} Revised up from 7.0bn to 8.5bn on July 26, 2019.

- We strive to strengthen renovated condominium business and to build various profit channels in our 3rd year of strategic planning.

FY2019 (2nd year plan, goal posts)

- Focus resources on renovated condominium business. Our goal is to become top supplier of renovated condominiums.
- Transforming to holding company structure and seek new profitable business opportunities.

Achievements

- Completed transfer to holding company structure as of June 1st.
- Renewal of corporate web site / Renewal of promotion goods.
- Completed disposition of properties at end of 1H held by investment business.
- Upgraded Sendai sales office to branch as of March 1st.

FY2020 (3rd year plan, goal posts)

- Expand acquisition and sales operations to achieve #1 position as renovated condominium supplier.
- Pursuing potential business opportunities through partnership with "platformers".

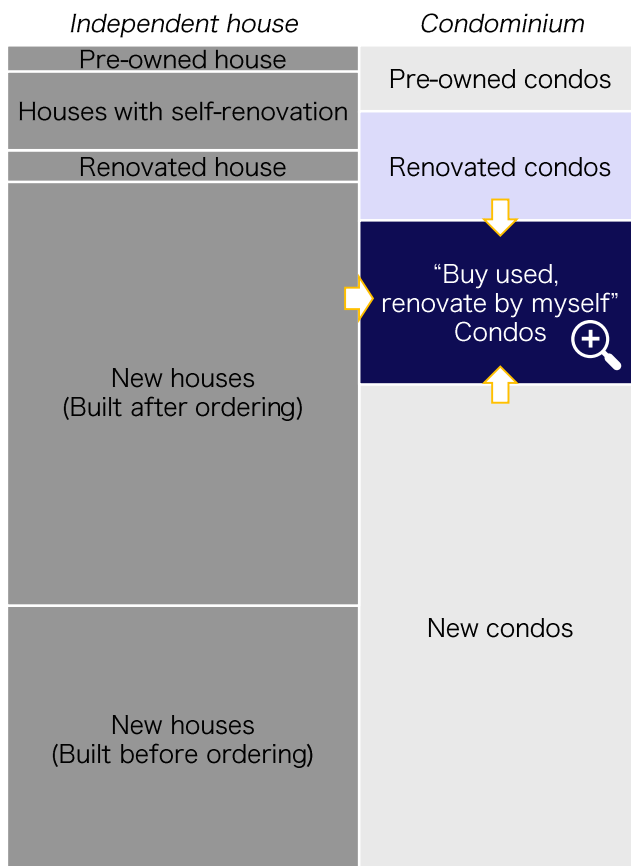
Priority measures

- Launch of "Buy used, renovate by myself" business, starting renovation contractor business.
- Investment in corporate branding to consumer market.
- Prepare to restart investment business.
- Expansion and reorganization of sales and marketing functions in regional cities.

- Tie up with tsukuruba inc. (TSE: 2978) to tap into new market, new client segment.

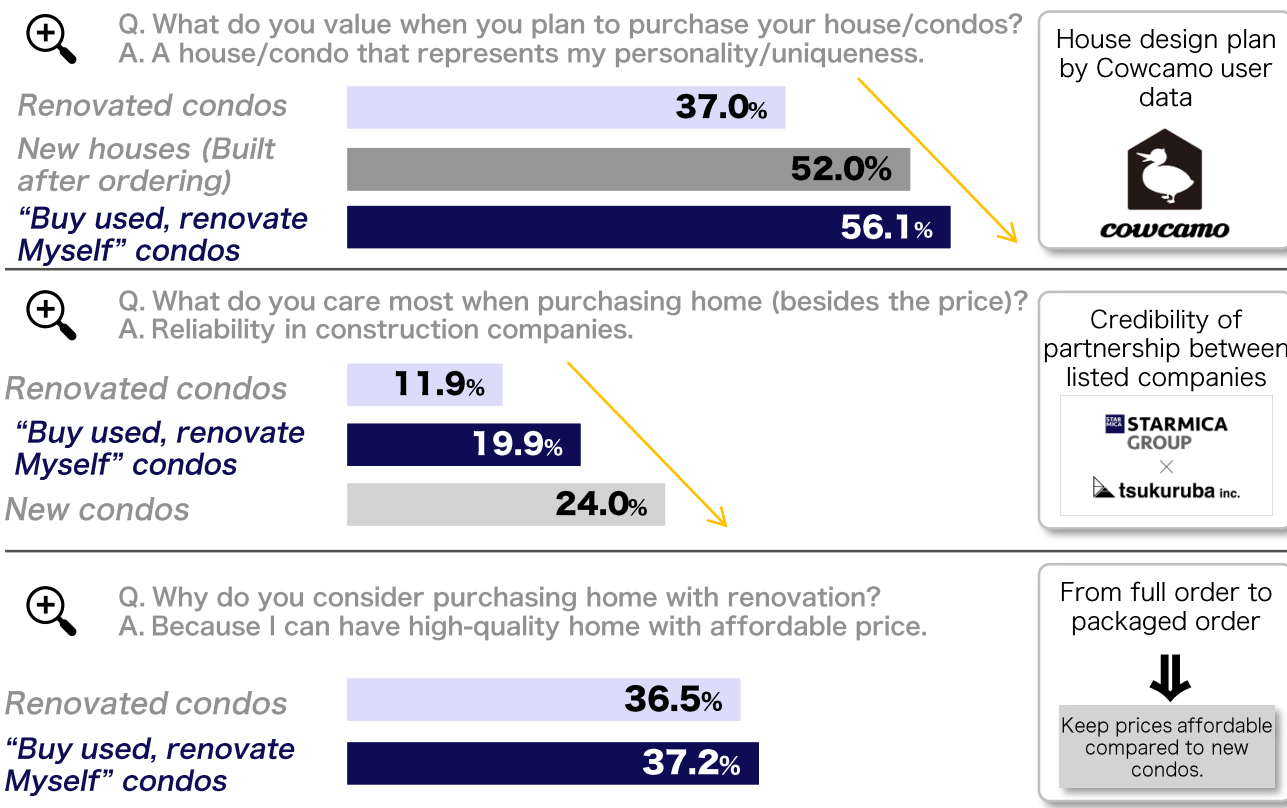
Market potential of "Buy used, renovate by myself"*1

- Expecting market size equivalent to renovated condominium or more in this domain.



Looking to formulate "Buy used, renovate by myself" market.

- Develop product offering to meet various consumer needs with tsukuruba inc. who has contact points with consumer market through media, agents.



*1 The dimension represents the number of households who purchased houses/condos of each category (n= 13,673)
(Source) HOME'S Research Institute 1st. STOCK&RENOVATION2014 (published in June, 2014)

- Develop lifestyle community with “Mamari”, #1 application for mothers. *1
- Expand potential market for renovated condominium by accessing mothers community.

About “Mamari”

- Mamari provides services to mothers via application, web site and SNS, shares worries and empathy.
- Q&A community to exchange inquiries and solutions are becoming popular among users.

Application



Number of views (monthly)
100million
Number of users of the app
2.4million

SNS



Number of engagement (total) *2
0.9million

Article /Magazine

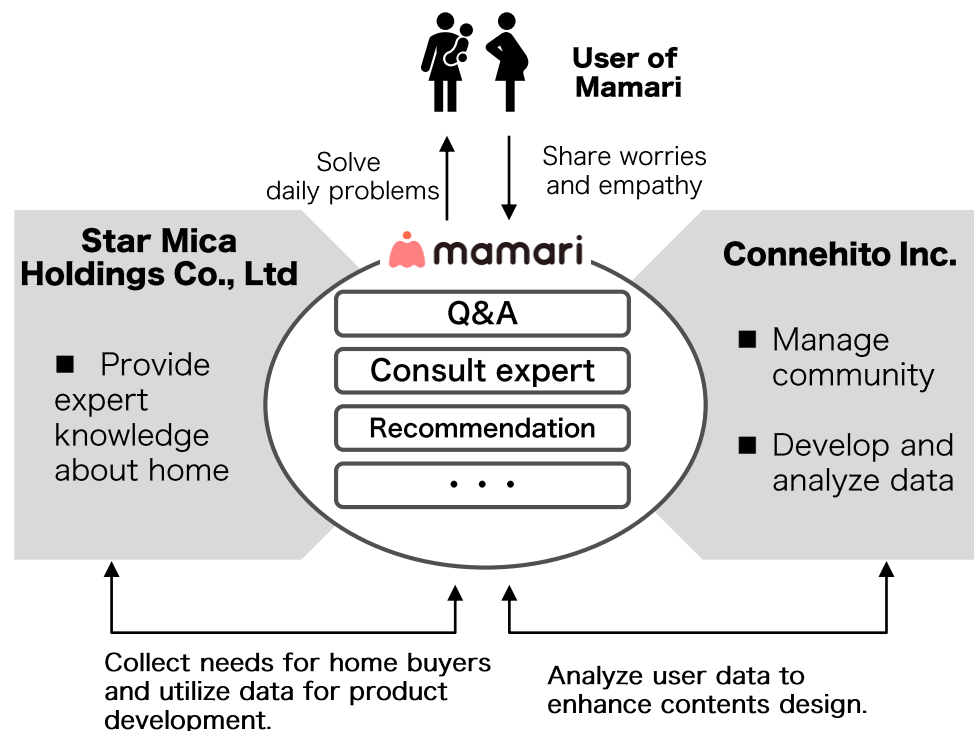


Number of articles/magazines
6,000

Operated by Connehitto Inc.

Next steps for partnership

- Launch "Living" community on Mamari application.
- Plan to offer our unique solution services on Mamari's Q&A contents.
- Mamari's community's strength is in its neutral comments, and we hope to offer our know-how in "Living".

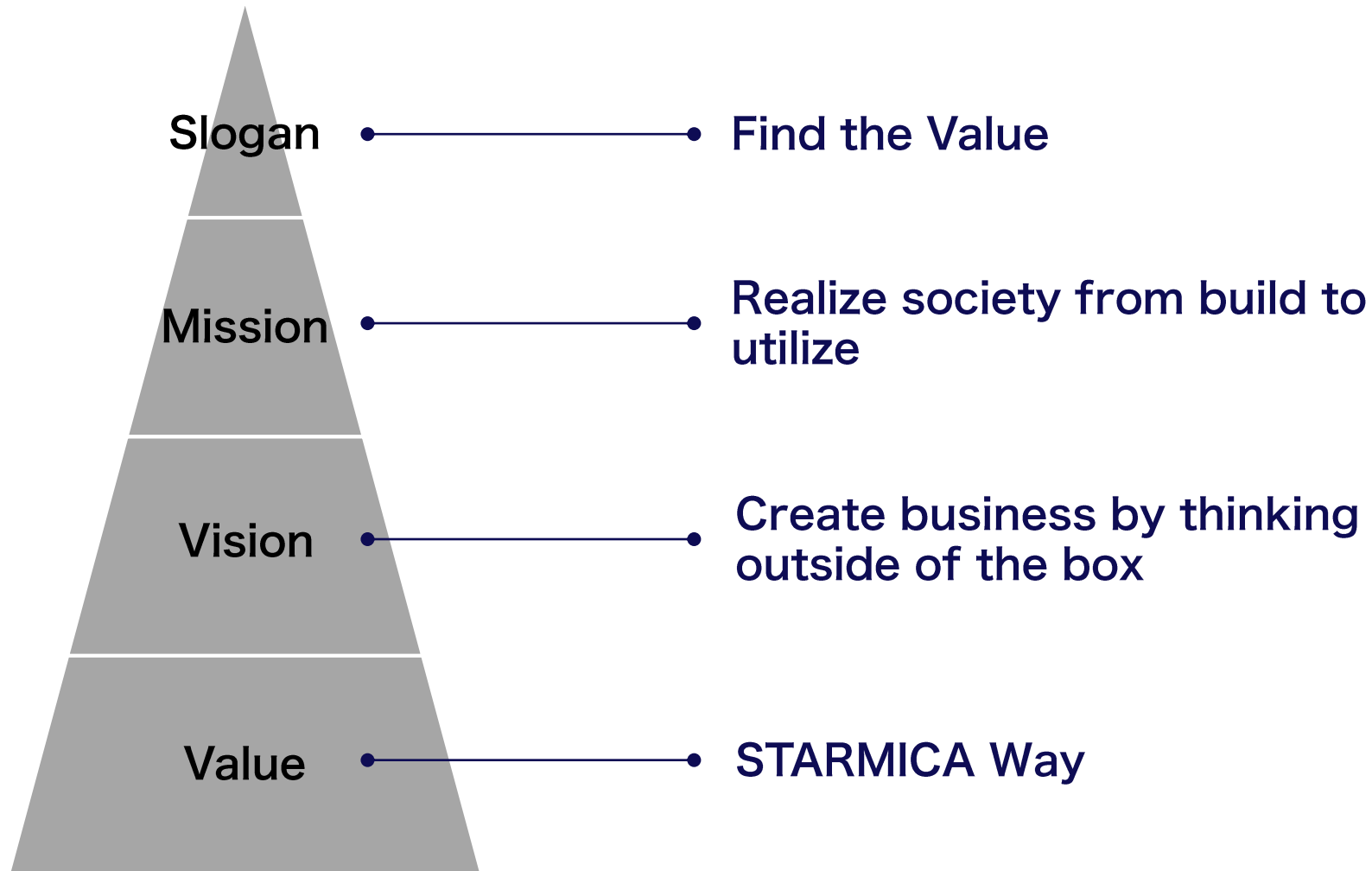


*1 Based on a survey conducted by INTAGE Inc in March, 2019.

*2 Based on the number of followers on Instagram, “Likes” on Facebook and “Friends” on LINE (as of June 2019)

1. Executive Summary
2. Business Outline
- 3. Corporate Strategy**
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- Strive to be a creative business innovator, and become a leader in the industry.



- In addition to core business, seek new opportunities in non-asset business.

STARMICA HOLDINGS
Find the Value

Strategic planning of Starmica
Group / General management

STARMICA

Purchase and Sale
of Renovated
condominium

Core Business

Sales and marketing of condominiums to
real demand

Acquisition, hold and sales cycle
Balance sheet business

STARMICA
Residence

Intermediary of
renovated
condominium

STARMICA
Property

Property
management

STARMICA
Asset Partners

Real estate
investment
consulting

STARMICA
Asset Management

Investment advisory
Wealth management

Smai+

Real estate
investment
management

Non-asset Business

Residential real estate, condominiums to
HNW clients, investors

Fee business

- Our idea of value chain to add value to the market.

Acquisition/Entry

- Acquire mainly family-type, owner-change condominium.
- Owner-change condominiums have limited market.
- We provide liquidity to this limited market.

Manage and Hold

- We manage and hold the condominium until tenant vacates.
- We support tenants' lifestyle by our own property management solutions.

- We bring to market high quality renovated condominiums in major cities.
- We respond to variety of consumers' needs in our product design.

Sale/Exit

- We will renovate vintage property to high quality property in a short period of time.
- We preserve and utilize what can be renovated, consider environmentally friendly renovation.

Renovation

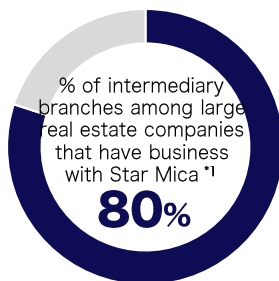
- Systematic operation to make solid and aggressive acquisitions.

< Operational flow (example) >

Access to Information

3,000units/month

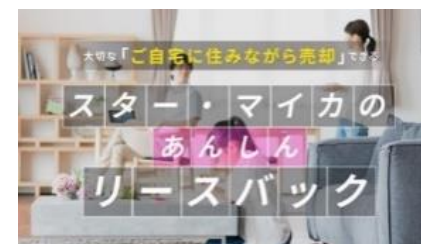
POINT① : Strong relationship with intermediaries.



We have been successful in building relationships as a pioneer in the market for over 20 years.

POINT② : Diversified acquisition channel.

Able to meet and discuss sale and lease back requests.
Able to proceed with purchase and sale from web-based inquiries.



Selection of properties for acquisition

POINT③ : Strict process for property acquisition.

We check property from actual consumers' perspective anti-earthquake, supplemental construction, exterior maintenance level etc.

Final check for acquisition

POINT④ : Valuation of condominium from proprietary database and extensive market experience.

Total number of units purchased
11,000unit

3% of initial number of property information

100units/month

POINT⑤ : We have sufficient capital to make multiple acquisitions with short notice.

Our cash position is almost always between 3~5 billion yen.

*1 (Source) The Real Estate Transaction Promotion Center "Statistics of Real Estate Industry"

- We produce hybrid revenue of rent and sales, derived from #1 property holdings in Japan.

Number of properties
3,400 units

Profit to Sales Ratio (%)

on sale /
preparing for sale

- After tenant vacates,
renovate and sell.

Profit from purchase
and sale
(flow revenue)
58%

Profit from
renovated
condominiums

**5.8
Billion yen**

(FY Nov 2020 forecast)

on rent

- Receive rent during
tenancy, until tenant
vacates.
- Stable cash flow regardless
of market fluctuations.

Profit from rent
(stock revenue)
42%

- Manage cost and time for large volume of renovation while keeping up the quality.

Planning to achieve maximum comfort.

- Design for working women, to offer comfort around the bathroom, kitchen, and flow line.



Propose various style to meet consumer taste.



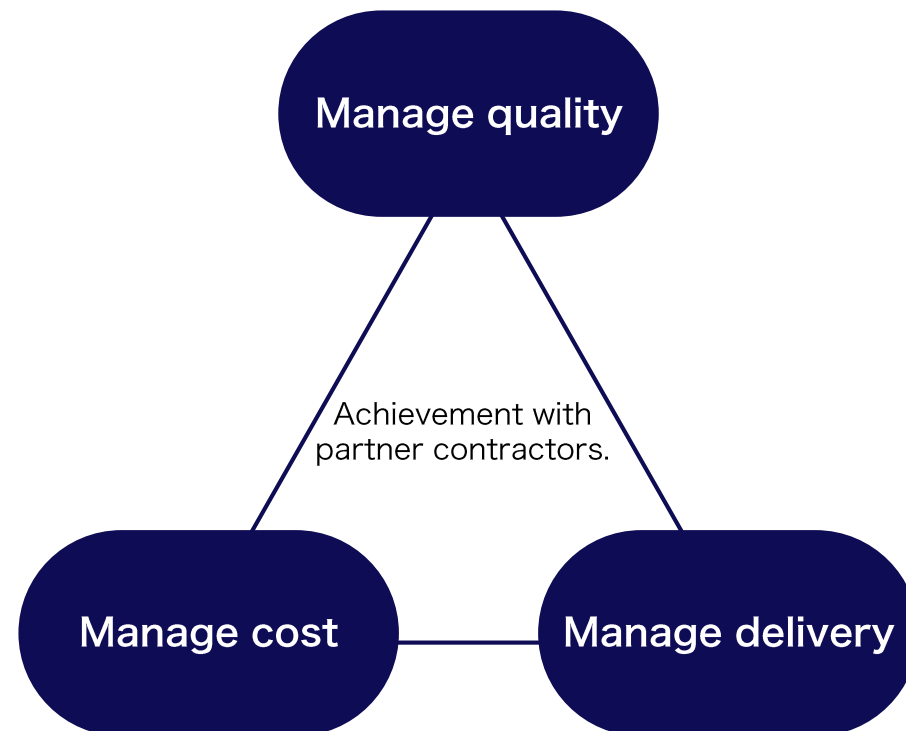
Cowork with housing facility, interior design companies.



Offering of self-renovation services.

Strong network with contractors to optimize quality, cost and time required for renovation.

- Partnership with wide variety of contractors in major cities.
- Promote standardization to meet increasing number of renovation.



- We offer renovated condominiums at reasonable price.

Residents will be able to live in a higher spec condominiums designed for ownership, with same monthly cost of rent.

Standard monthly rent*¹

123

thousand yen



Monthly mortgage repayment*²

81

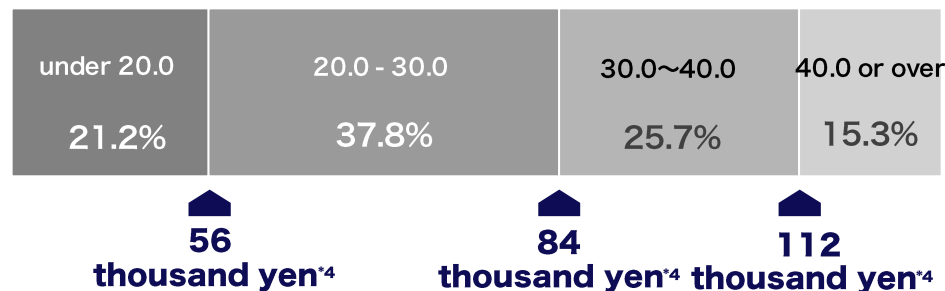
thousand yen



*¹ Based on our corporate results at FY Nov 2019, average sales price of 29.4million yen, average space of 68.33 square meters.

*² Assumed mortgage loan of 29 million yen, at 1%, for 35 years.

<Range of sales price (JPY million) *³>

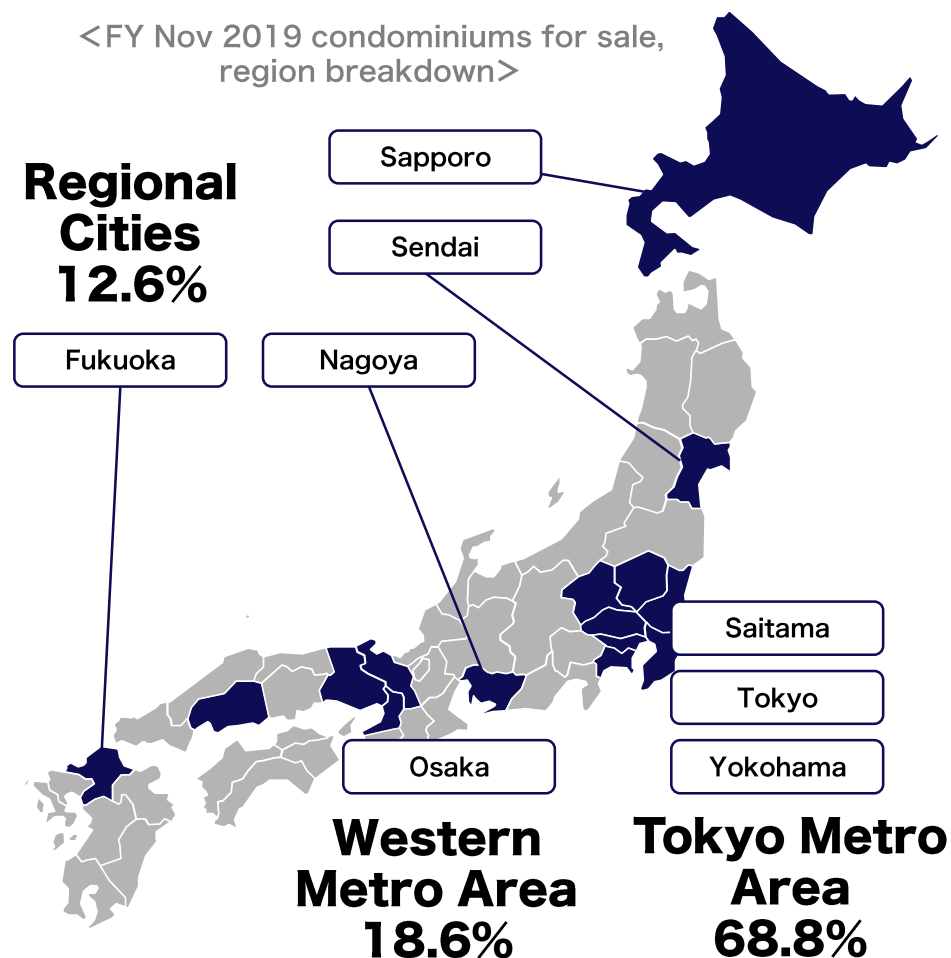


*³ Based on the sales price in FY Nov 2019 (proportion of units sold) .

*⁴ Assumed mortgage loan of 20/30/40 million yen at 1%, for 35 years.

We offer renovated condominiums in Tokyo metropolitan area and in major regional cities.

<FY Nov 2019 condominiums for sale, region breakdown>



- Service offering in wealth management/investor services business by 3 group companies.
- Aim to create unique value in the market with experienced professionals.

Investment advisory/
Wealth management

STARMICA
Asset Management

Advisory service in financial and real estate
investments.

HNWI
(High net worth individuals,
private companies)

Property management
with elements of asset
management solutions

Smai+

Unique additional value through renovation,
short-term leasing, budgetary control.

Affluents
(Professionals, senior
businesspersons)

Real estate investment
consulting

STARMICA
Asset Partners

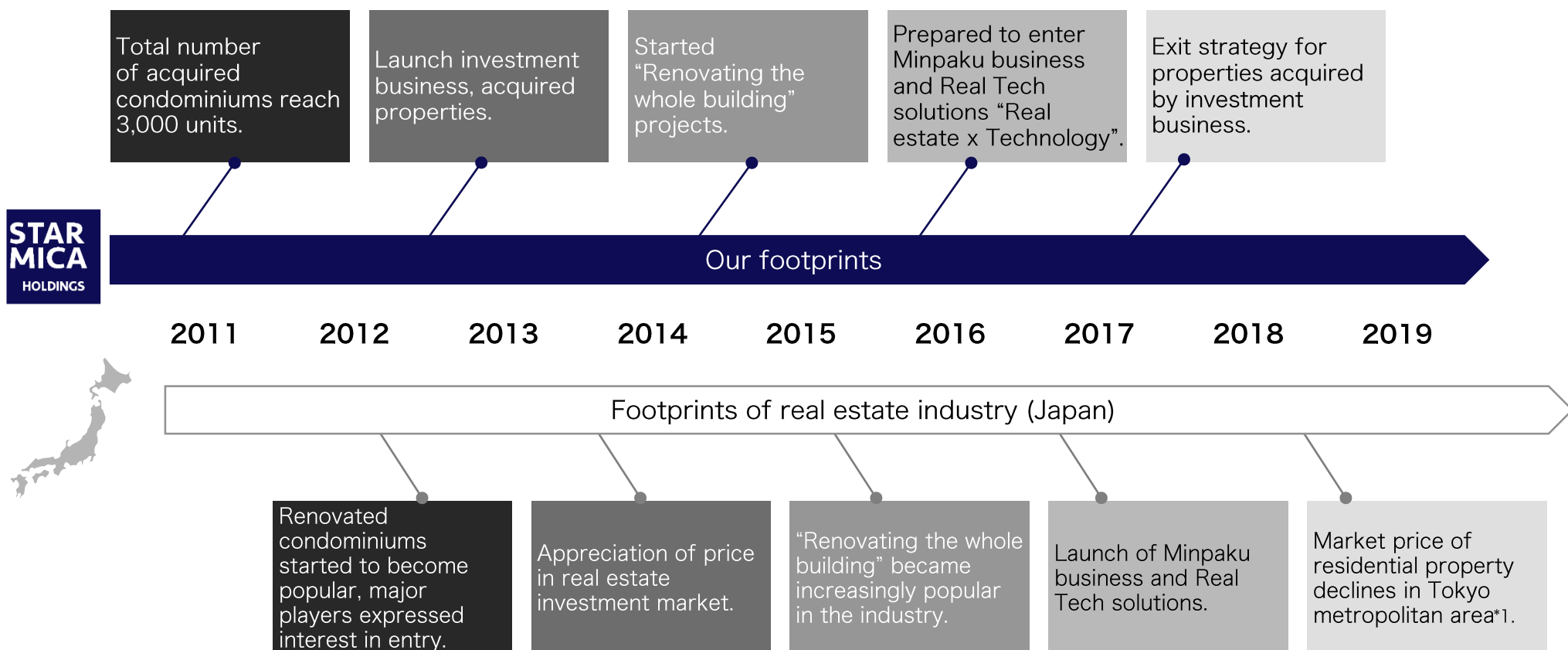
Tailor-made real estate investment to meet
clients' investment needs.

Mass investors
(Salaried employees)

Sales and marketing of
original real estate
investment products

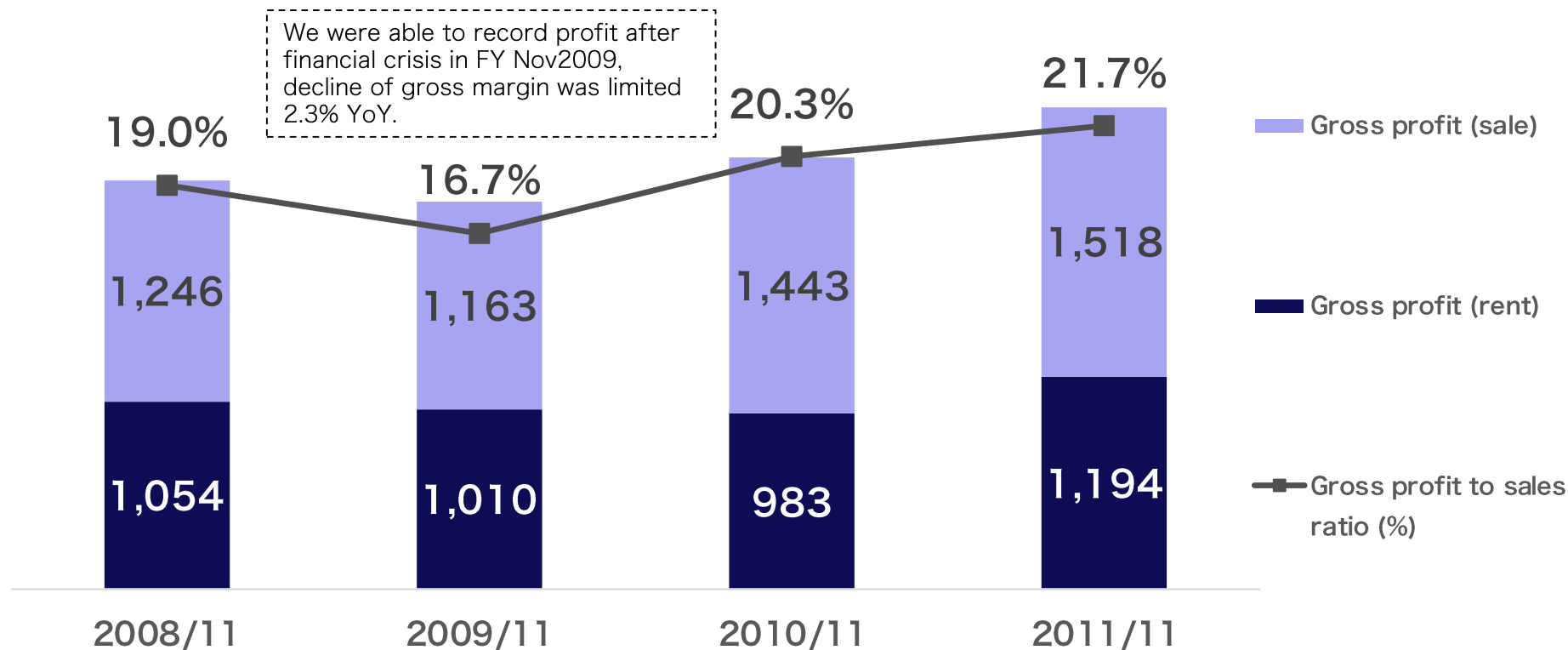
N/A

- Read the current flow of the market, play a leadership role in the industry.



- Strong business model that worked through the period of financial crisis.

<Profitability of renovated condominium business (JPY million, %)>



Three key strength that led us to survive financial crisis.

Stable rent income.

Selling properties that are merely affected by business fluctuation.

Solid corporate finance with strong tie to banks.

- We own more than 3,400 pre-owned condominiums, the largest owner in Japan.
- Unrealized gain in pre-owned condominiums are estimated to be over 16 billion yen.

Comparison of pre-owed condo holdings

Unrealized gain =
Estimated sales revenue - Book value
- Estimated cost before sale

16.9bn

10.5bn

38.4bn

Company C

Company B

Company A

68.9bn

96.4bn

Book value (sum) of condos
by major competitors

Book value of condos
as of Nov 30. 2019

Estimated cost
before sale

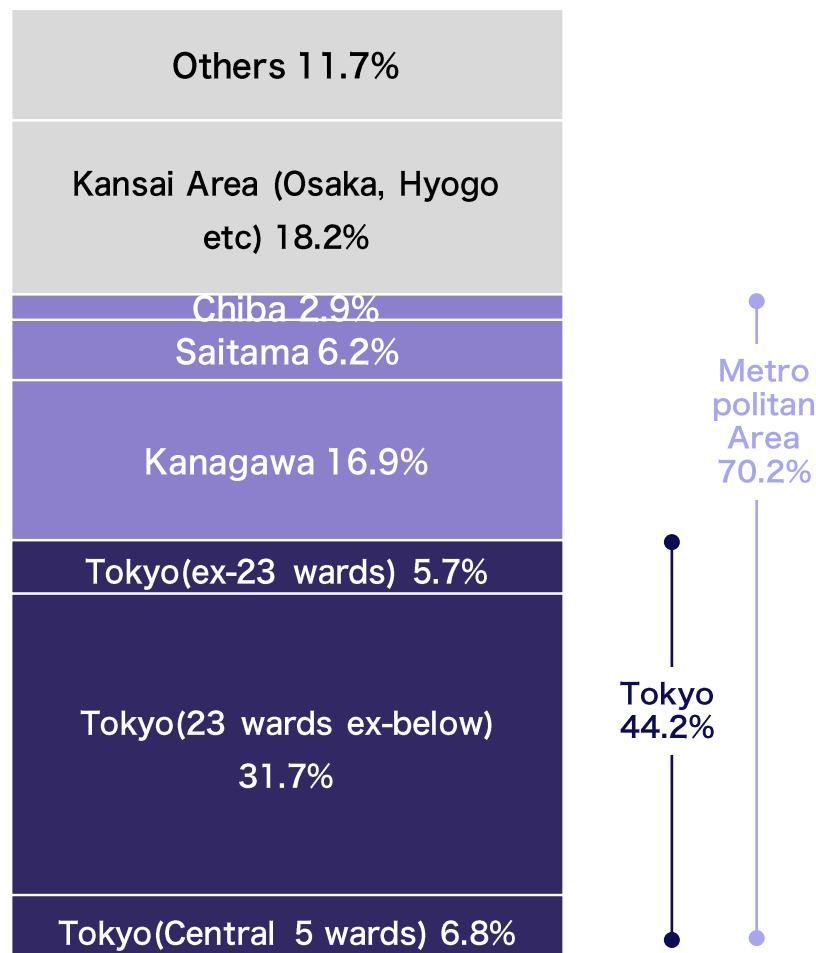
Estimated sales
revenue

Estimated Sales value
as of Nov 30. 2019

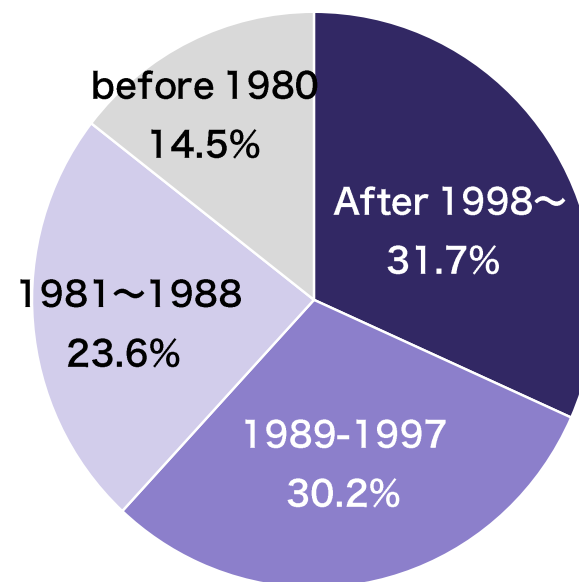
(Source) Listed comparable companies, gross profit margin of consolidated financial results for the recent year.

- A well diversified condominium portfolio.

Composition by region*1



Composition by year built*2



Average size*3	66.76	m ²
Average age*3	28.9	year
Average acquisition*3	19,544	K(JPY)

*2 Average property figures are based on number of properties. (all unit based)

*3 Regional and Age segregation are based on acquisition amount. (all unit based)

*1 Above figures are as of November 2019.

- Our business is highly recognized socially.

Business model valued globally

We were rewarded Porter Prize in 2011, for the business model and social contribution, first from real estate industry.



The Porter Prize was established to bestow recognition on Japanese companies that have achieved and maintained superior profitability in a particular industry by implementing unique strategies based on innovations in products, processes, and ways of managing.

The name of the award is derived from Professor Michael E. Porter of Harvard University, a leading authority on strategy with a longstanding interest in Japan.

(cited from the website
<https://www.porterprize.org/english/about/index.html>)

Social contribution① For the next generation entrepreneurs

Contributions to academia

- Held entrepreneur courses in Kyoto University, Gakushuin University.
- Sent guest lecturer to MBA programs in both domestic and international schools.
- Accept college student interns from both domestic and international schools.

Social contribution② Feedback of intelligence we gained through our business*1



Venture Finance Course



7 Ideas for
New Business
in Real Estate



New Method of
Real Estate Investment
- Jibun REIT



Defensive
Real Estate
Investment

*1 Publishing from our group members.

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- Transparency in governance, consideration to work environment will contribute to our offering of high-quality properties.

Framework to share group values

Credo for all group members,
"STARMICA Way"

Quarterly town hall meeting,
share corporate strategy

<Examples of STARMICA Way>

- Open and flat communication
- Let's work smart
- Surprise the others with speed
- Stay cool etc....

Corporate culture of teamwork

3 stages for all group members

Variety of intra-divisional projects

360° evaluation system



High level compliance consciousness

× No individual goal

× No over-incentivized compensation

Strong compliance operation

Outside directors
(at Star Mica Holdings): 75%

Nomination and Remuneration Committee
governed by outside directors

Smart-Work with IT

Enhanced cloud system
Mobilization and remote work

increased productivity per head

Average overtime
16.0hours/month

Friendly work environment for women

Product development team
led by women

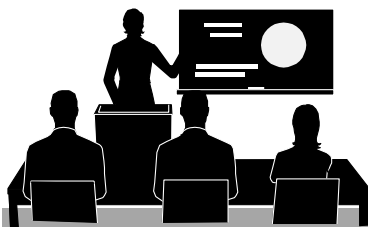
女性の“ウレシイ”をかたちに。

しあわせリノベ 研究所

"Shiawase (Happy) Renovation"

Ratio of women
group members:40%

Ratio of women
taking maternity leave,
childcare leave:100%



- Offer solutions to challenges of Japan, by promoting renovated condominiums in Tokyo metropolitan area and major cities.
- Strive to become "Star Mica Group" to meet the needs of times.

Depopulation • Aging

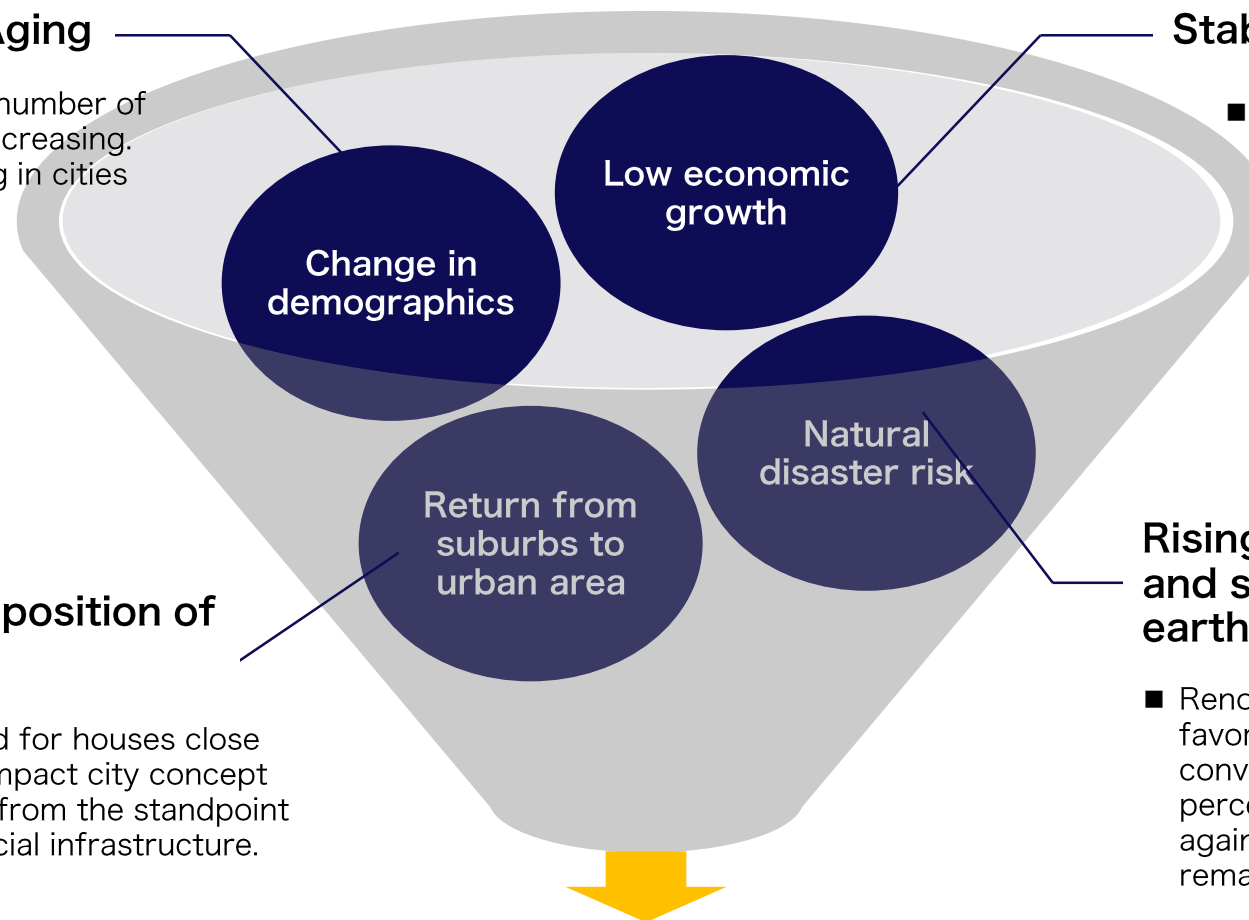
- On the other hand, number of households in still increasing. Demand for housing in cities remains strong.

Stable overall income

- Pricey newly built condominiums turns down demand of mainstream population wishing to buy them in cities.

Change in composition of households

- Results in demand for houses close to workplace. Compact city concept would accelerate from the standpoint of maintaining social infrastructure.



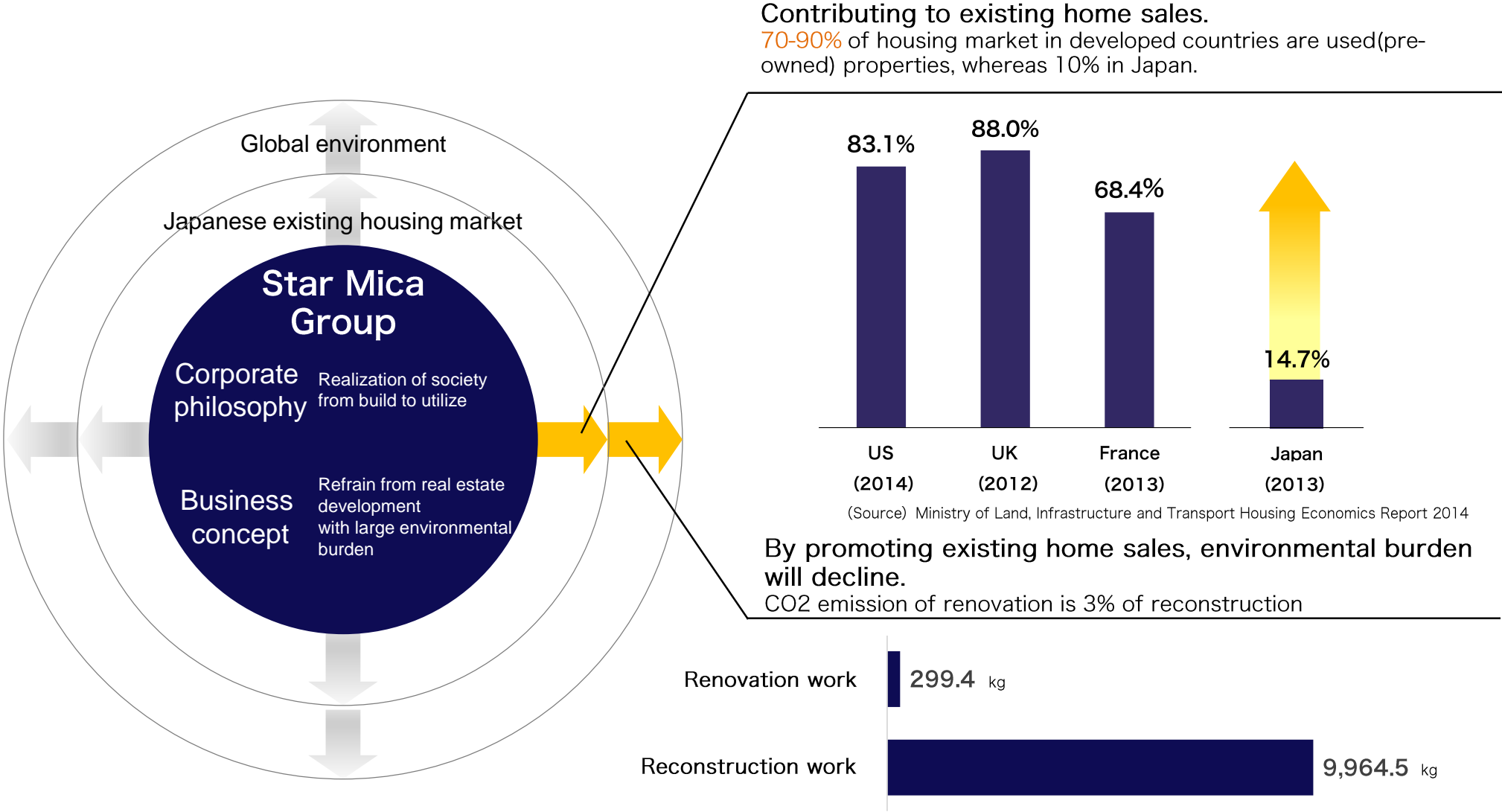
Rising desire for safety and security after major earthquake

- Renovated condominiums are favored for its affordability and convenience, however general perception of uncertainty against earthquake resistance remains.

Star Mica Group offers safety, security and convenience at a reasonable price.

-

Business model to reduce environmental burden, realize recycling society.



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- We will focus on profitability and asset efficiency.

FY Nov 2019

On-going strategy

ROE^{*1}
11.4%
||
Maintain and improve ROE
Profitability
**Net profit
margin^{*2}**
6.3%

Improve product appeal, increase value add and reduce SG&A (sales, general and administrative costs).

**Asset
efficiency**
**Asset
turnover
ratio^{*3}**
0.42

Reduce property hold time from acquisition to sale.

**Financial
stability**
Leverage^{*4}
4.3x

Upper limit of 5 times leverage, for financing by interest-bearing debt.

^{*1} Return on Equity (ROE) = Net income / Average shareholder's equity

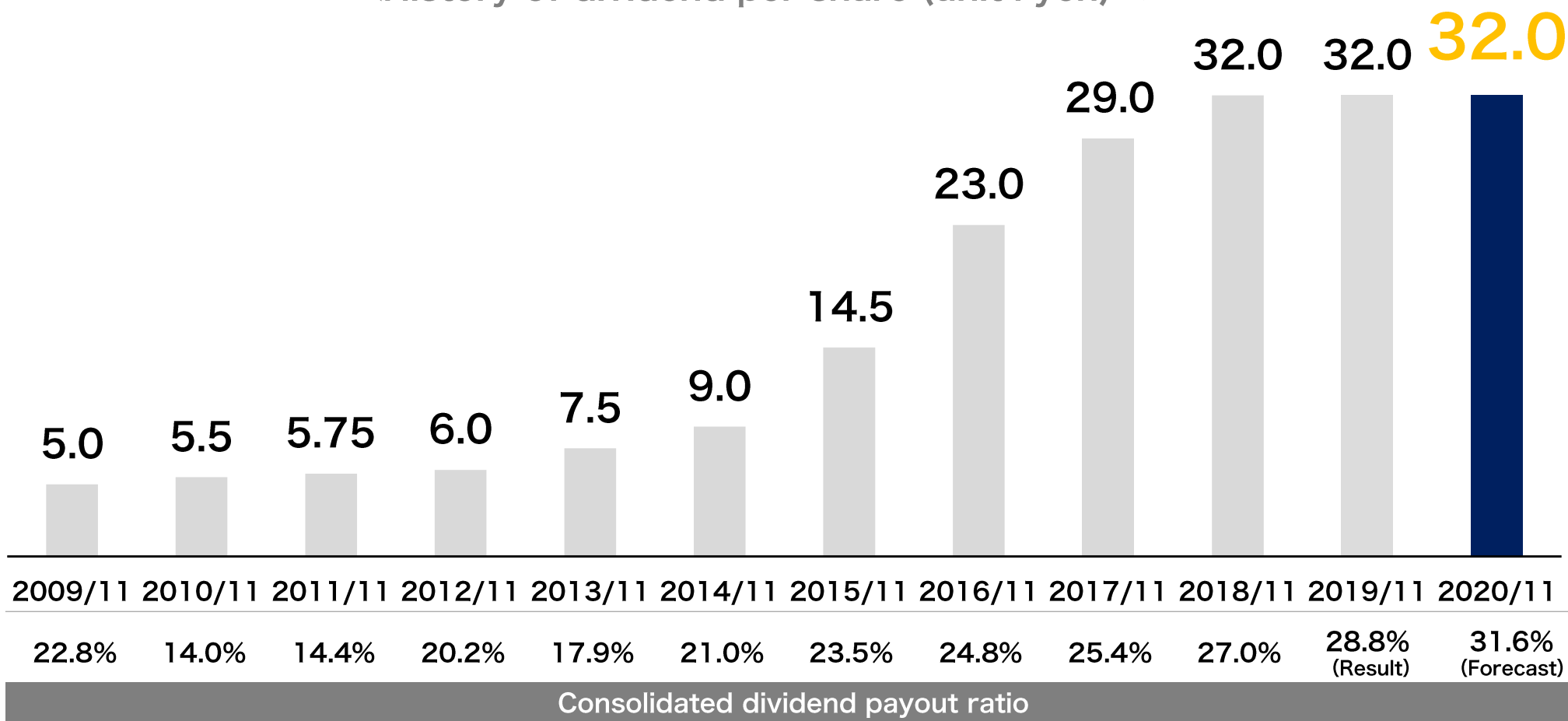
^{*2} Net profit margin = Net income / Sales

^{*3} Asset turnover ratio = Sales / Total assets

^{*4} Leverage = Total assets / Average shareholder's equity

- Maintain dividend per share to emphasize profit distribution to shareholders.
- Continue annual shareholder incentive(Quo card: JPY1,000 value).

<History of dividend per share (unit : yen) *1>



*1 Due to stock split of 1-100 in December 2012 and 1-2 in October 2017, past per share dividends are adjusted.

- Over 9,000 individuals exist as loyal shareholders.
- 20% held by overseas investors, Star Mica business being recognized in global market.

**Number of
stocks
18,228,656**

(Treasury stocks
: 55)

**Number of
investors
9,519**

**Overseas
Investors
21.1%**

- JP Morgan Chase Bank 380646 . . . 2.0%
- State Street Bank And Trust Company 505019 . . . 2.0%
- BBH/Sumitomo Mitsui Trust (UK) Limited (Japan Small Cap Fund) . . . 1.8%
- KIA Fund 136 . . . 1.5%
- Government of Norway . . . 1.3%

**Individual
Investors
(Japan)
23.4%**

- Number of individual investors : 9,315

**Institutional
Investors
(Japan)
29.0%**

- Japan Trustee Services Bank, Ltd. (Account in trust) . . . 13.6%
- The Master Trust Bank of Japan, Ltd. (Account in trust) . . . 6.4%
- Japan Trustee Services Bank, Ltd. (Account in trust No. 9) . . . 2.8%

**CEO
26.5%**

- Masashi Mizunaga . . . 26.5%

*¹ Listed major shareholders of Star Mica Holdings Co., Ltd.

1. Executive Summary
2. Business Outline
3. Corporate Strategy
4. Environment, Society and Governance
5. Shareholder Returns
- 6. Company Profile**

Company name	Star Mica Holdings Co., Ltd.
Representative	Chairman and CEO Masashi Mizunaga
Date of incorporation	July 24, 1998
Listing date	June 1, 2019
Listed market	Tokyo Stock Exchange 1st Section (stock code: 2975)
Shareholders' equity	18,530 million yen
Offices	Tokyo head office (Minato Ward), Sendai branch (Sendai), Saitama branch (Saitama), Yokohama branch (Yokohama), Osaka branch (Osaka), Fukuoka Branch (Fukuoka) , Sapporo Office (Sapporo), Nagoya Office (Nagoya)
Group Companies	Star Mica Co., Ltd. Star Mica Residence Co., Ltd. Star Mica Asset Partners Co., Ltd. Star Mica Property Co., Ltd. Star Mica Asset Management Co., Ltd. SMAiT Co., Ltd.
Main Bank	MUFG Bank,Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Mizuho bank, Ltd, Resona Bank, Ltd.
Auditor	KPMG AZSA LLC
Employees	145

^{*1} Consolidated basis unless otherwise noted



STARMICA HOLDINGS

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- This presentation is not to be construed as a solicitation to invest in the company. Investors must make their own investment decisions.