



**Summary of Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending March 31, 2017
(Six Months Ended September 30, 2016)**

[Japanese GAAP]

November 10, 2016

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Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2017
(April 1, 2016 – September 30, 2016)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2016	3,056	29.9	191	33.1	186	48.6	137	77.8
Six months ended Sep. 30, 2015	2,353	45.3	143	571.9	125	531.9	77	470.7

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2016: 140 (up 353.2%)

Six months ended Sep. 30, 2015: 30 (up 228.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2016	1.55	1.54
Six months ended Sep. 30, 2015	0.87	0.87

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2016	3,775	1,786	47.1	20.04
As of Mar. 31, 2016	3,605	1,646	45.4	18.46

Reference: Shareholders' equity (million yen) As of Sep. 30, 2016: 1,777 As of Mar. 31, 2016: 1,637

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2016	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2017	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2017 (forecast)	-	-	-	0.00	0.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	5,500	9.0	350	17.8	330	19.0	230	70.0	2.59

Note: Revisions to the most recently announced consolidated earnings forecast: None

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half of the current fiscal year (hereinafter “the period under review”), the Japanese economy recovered moderately with lower unemployment and resilient personal spending. However, the outlook for the domestic economy remained uncertain with slowdown of economy in China and other emerging countries, and a continued appreciation of the yen caused by the issue of the UK leaving the European Union.

Under the economic circumstance described above, Striders Corporation and its consolidated subsidiaries (hereinafter “the Group”) focused on sales activities to attract new customers, cost reductions and other initiatives to increase earnings in the existing business. In addition, the Group continued to work on creating new businesses.

Consequently, net sales increased 29.9% year-on-year to 3,056 million yen, operating income increased 33.1% year-on-year to 191 million yen, ordinary income increased 48.6% year-on-year to 186 million yen and profit attributable to owners of parent increased 77.8% year-on-year to 137 million yen.

Business segment performance was as follows.

1) Information Technology Business

Mobile Link Inc. saw a year-on-year decrease in the number of orders despite its effort to make proposals on system replacement by taking advantage of subsidies. While the joint venture in Taiwan has been engaged in development of the own brand on-board units, the delayed development has kept it from entering the Japanese market.

Segment sales in the period under review decreased 3.5% year-on-year to 132 million yen with operating loss of 5 million yen (compared with operating loss of 6 million yen one year earlier).

2) Turnaround Consultancy Business

While M&A Global Partners Co., Ltd. has been engaged in operations such as cash flow improvement through asset sales and other restructuring measures, fund procurement support, and M&A consulting services to revitalize companies, it was not able to receive major orders.

Segment sales in the period under review was 30 million yen (compared with no sales one year earlier) and operating income was 27 million yen (compared with operating loss of 0 million yen one year earlier).

3) Real Estate Lease Management Business

Trust Advisers Corporation has successfully achieved an increase in the number of buildings under management as a result of aggressive marketing efforts in the residential property business. The land agency business also maintained strong performance with the increased number of contracts, but there was a situation where we had to fulfill a rental guarantee obligation on vacant rooms.

Segment sales in the period under review increased 52.3% year-on-year to 2,028 million yen and operating income decreased 10.1% year-on-year to 83 million yen.

4) Food Business

Y. K. Masuda Seimen produces Chinese and other noodles that are sold mainly to Yokohama house-type ramen restaurants in the Kanagawa area. While the amount of orders received once dropped due mainly to closure of some ramen restaurants and some customers switching to in-house production of noodles, it has recovered with new orders by providing products that meet the customer needs, and with an increase in the number of existing restaurants.

Segment sales in the period under review increased 3.6% year-on-year to 80 million yen and operating income was 6 million yen (compared with operating income of 0 million yen one year earlier).

5) Hotel Business

We currently operate the Narita Gateway Hotel in the Narita International Airport area and the Kurashiki Royal Art Hotel located in the Kurashiki Bikan Historical Quarter, Okayama prefecture. The number of guests declined in the entire Narita area, and the Narita Gateway Hotel suffered lower room rates because of price competition with other hotels in the area. Under this situation, we have been focusing on sales efforts to maintain occupancy rates and on cost reductions. On the other hand, the Kurashiki Royal Art Hotel saw declined orders for banquets from corporations, and use of restaurants for wedding and other happy events. However, both the room rates and the occupancy rates increased due to the effect of partial renovation of the guest rooms and other factors.

Segment sales in the period under review decreased 2.7% year-on-year to 785 million yen and operating income increased 7.1% year-on-year to 155 million yen.

(2) Explanation of Financial Position

1) Assets, liabilities and net assets

Assets

Current assets increased 53 million yen from the end of the previous fiscal year to 1,999 million yen at the end of the period under review. The main factors include increases in cash and deposits by 21 million yen and inventories by 41 million yen, which were partially offset by a decrease in securities by 8 million yen. Non-current assets increased 117 million yen from the end of the previous fiscal year to 1,776 million yen. This was mainly attributable to an increase in investment securities by 132 million yen.

As a result, total assets were 3,775 million yen, which was 170 million yen more than at the end of the previous fiscal year.

Liabilities

Current liabilities increased 35 million yen from the end of the previous fiscal year to 759 million yen at the end of the period under review. The main factors include increases in accounts payable-trade by 16 million yen and current portion of long-term loans payable by 20 million yen. Non-current liabilities decreased 5 million yen from the end of the previous fiscal year to 1,229 million yen. This was mainly due to a decrease in long-term lease and guarantee deposited by 6 million yen.

As a result, total liabilities were 1,989 million yen, which was 30 million yen more than at the end of the previous fiscal year.

Net assets

Net assets increased 140 million yen from the end of the previous fiscal year to 1,786 million yen at the end of the period under review. The main factors include booking of profit attributable to owners of parent of 137 million yen.

Consequently, the equity ratio was 47.1% (compared with 45.4% at the end of the previous fiscal year).

2) Cash flows

Cash and cash equivalents (hereinafter “net cash”) increased 31 million yen from the end of the previous fiscal year to 1,341 million yen at the end of the period under review.

Details of each cash flow category and major factors are described as follows.

Cash flows from operating activities

Net cash provided by operating activities was 154 million yen (compared with net cash provided of 0 million yen in the same period of the previous fiscal year). The main factors include booking of profit before income taxes of 186 million yen and an increase in notes and accounts payable-trade of 16 million yen, which were partly offset by an increase in inventories of 41 million yen and a decrease in deposits received of 12 million yen.

Cash flows from investing activities

Net cash used in investing activities was 137 million yen (compared with net cash used of 287 million yen in the same period of the previous fiscal year). The main factors include payments for purchase of investment securities of 125 million yen and purchase of property, plant and equipment of 28 million yen, which were partly offset by proceeds from sales of securities of 7 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 16 million yen (compared with net cash used of 16 million yen in the same period of the previous fiscal year). The main factors include proceeds from long-term loans payable of 100 million yen, which was partly offset by repayments of long-term loans payable of 81 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

Regarding the consolidated earnings forecast, we maintain the full-year consolidated earnings forecast that was disclosed in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016” dated May 13, 2016.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods in the Preparation of the Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting Estimates, and Restatements

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Following the revision of the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the first quarter of the current fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the declining-balance method to the straight-line method.

The effect of this change on profit or loss for the period under review is insignificant.

(4) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter of the current fiscal year, the Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY3/16 (As of Mar. 31, 2016)	Second quarter of FY3/17 (As of Sep. 30, 2016)
Assets		
Current assets		
Cash and deposits	1,419,638	1,441,227
Accounts receivable-trade, net	112,237	106,550
Securities	51,023	42,071
Inventories	224,573	265,908
Deferred tax assets	39,997	39,997
Other	98,508	103,248
Total current assets	1,945,978	1,999,003
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	865,106	851,468
Land	348,663	348,663
Other, net	30,363	42,615
Total property, plant and equipment	1,244,132	1,242,747
Intangible assets		
Goodwill	208,685	195,661
Other	12,009	19,857
Total intangible assets	220,694	215,519
Investments and other assets		
Investment securities	54,379	186,761
Shares of subsidiaries and associates	78,645	73,262
Other	61,226	58,318
Total investments and other assets	194,251	318,342
Total non-current assets	1,659,078	1,776,609
Total assets	3,605,056	3,775,612
Liabilities		
Current liabilities		
Accounts payable-trade	63,046	79,515
Current portion of long-term loans payable	149,632	170,308
Accounts payable-other	82,273	68,224
Income taxes payable	40,677	48,789
Provision for bonuses	21,929	26,884
Deposits received	101,100	88,667
Interest rate swaps	44,800	43,207
Other	220,355	234,212
Total current liabilities	723,816	759,809
Non-current liabilities		
Long-term loans payable	819,266	816,766
Net defined benefit liability	8,967	9,496
Long-term lease and guarantee deposited	244,695	238,329
Deferred tax liabilities	162,258	164,688
Total non-current liabilities	1,235,187	1,229,280
Total liabilities	1,959,003	1,989,089

	(Thousands of yen)	
	FY3/16 (As of Mar. 31, 2016)	Second quarter of FY3/17 (As of Sep. 30, 2016)
Net assets		
Shareholders' equity		
Capital stock	1,578,674	1,578,674
Capital surplus	267,219	267,219
Retained earnings	(160,867)	(23,030)
Treasury shares	(3,020)	(3,020)
Total shareholders' equity	1,682,005	1,819,842
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	4,624
Deferred gains or losses on hedges	(44,800)	(43,207)
Foreign currency translation adjustment	-	(3,586)
Total accumulated other comprehensive income	(44,800)	(42,170)
Subscription rights to shares	8,219	8,214
Non-controlling interests	628	637
Total net assets	1,646,052	1,786,523
Total liabilities and net assets	3,605,056	3,775,612

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Six-month Period)**

(Thousands of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Net sales	2,353,440	3,056,488
Cost of sales	1,350,257	2,002,967
Gross profit	1,003,182	1,053,520
Selling, general and administrative expenses	859,552	862,293
Operating income	143,629	191,227
Non-operating income		
Interest income	5,173	381
Dividend income	2,229	240
Gain on sales of securities	-	426
Commission fee	6,714	7,659
Office work fee	2,100	2,100
Other	8,738	2,439
Total non-operating income	24,956	13,246
Non-operating expenses		
Interest expenses	10,001	9,413
Loss on valuation of securities	6,194	2,199
Share of loss of entities accounted for using equity method	5,354	1,795
Foreign exchange losses	16,990	4,329
Other	4,763	535
Total non-operating expenses	43,303	18,273
Ordinary income	125,282	186,199
Extraordinary losses		
Loss on sales of investment securities	1,087	-
Loss on valuation of investment securities	3,611	-
Loss on cancellation penalty	9,965	-
Total extraordinary losses	14,664	-
Profit before income taxes	110,617	186,199
Income taxes-current	36,594	47,889
Income taxes-deferred	(2,950)	465
Total income taxes	33,644	48,354
Profit	76,973	137,845
Profit (loss) attributable to non-controlling interests	(561)	8
Profit attributable to owners of parent	77,534	137,836

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-month Period)

	(Thousands of yen)	
	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Profit	76,973	137,845
Other comprehensive income		
Valuation difference on available-for-sale securities	(45,385)	4,624
Deferred gains or losses on hedges	(589)	1,592
Foreign currency translation adjustment	-	(3,586)
Total other comprehensive income	(45,974)	2,630
Comprehensive income	30,998	140,475
Comprehensive income attributable to:		
Owners of parent	31,560	140,467
Non-controlling interests	(561)	8

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Cash flows from operating activities		
Profit before income taxes	110,617	186,199
Depreciation	28,884	32,845
Amortization of goodwill	20,852	13,023
Increase (decrease) in allowance for doubtful accounts	295	178
Interest and dividend income	(7,402)	(621)
Interest expenses	10,001	9,413
Foreign exchange losses (gains)	16,990	4,329
Share of (profit) loss of entities accounted for using equity method	5,354	1,795
Loss (gain) on sales of securities	-	(426)
Loss (gain) on valuation of securities	6,194	2,199
Share issuance cost	4,642	-
Loss (gain) on sales of investment securities	1,087	-
Loss (gain) on valuation of investment securities	3,611	-
Decrease (increase) in notes and accounts receivable - trade	(25,695)	5,508
Decrease (increase) in inventories	(79,155)	(41,335)
Increase (decrease) in notes and accounts payable - trade	1,424	16,468
Increase (decrease) in deposits received	(7,749)	(12,433)
Increase (decrease) in lease and guarantee deposits received	(5,093)	(6,366)
Increase (decrease) in other provision	5,448	5,483
Other, net	(63,722)	(27,493)
Subtotal	26,586	188,771
Interest and dividend income received	7,402	295
Interest expenses paid	(9,945)	(9,436)
Income taxes paid	(23,176)	(25,617)
Net cash provided by (used in) operating activities	867	154,013
Cash flows from investing activities		
Purchase of securities	(52,594)	-
Proceeds from sales of securities	-	7,178
Purchase of property, plant and equipment	(3,716)	(28,630)
Purchase of intangible assets	(5,158)	-
Purchase of investment securities	(34,680)	(125,793)
Proceeds from sales of investment securities	15,659	-
Payments of loans receivable	(167,900)	(700)
Collection of loans receivable	33,328	1,162
Net decrease (increase) in time deposits	(3,000)	9,500
Purchase of shares of subsidiaries and associates	(69,130)	-
Other, net	(136)	200
Net cash provided by (used in) investing activities	(287,329)	(137,082)

	(Thousands of yen)	
	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	-	(2,000)
Proceeds from long-term loans payable	80,000	100,000
Repayments of long-term loans payable	(67,592)	(81,824)
Purchase of treasury shares	(44)	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(24,000)	-
Payments of issuance of subscription rights to shares	(4,642)	-
Net cash provided by (used in) financing activities	(16,278)	16,176
Effect of exchange rate change on cash and cash equivalents	(383)	(2,017)
Net increase (decrease) in cash and cash equivalents	(303,123)	31,089
Cash and cash equivalents at beginning of period	1,283,481	1,310,138
Cash and cash equivalents at end of period	980,357	1,341,227

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information**Segment Information****I. First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)****1. Information related to net sales, profit or loss for each reportable segment**

(Thousands of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amount shown on quarterly consolidated statement of income (Note 2)
	Information Technology Business	Turnaround Consultancy Business	Real Estate Lease Management Business	Food Business	Hotel Business			
Net sales								
External sales	137,120	-	1,331,729	77,669	806,920	2,353,440	-	2,353,440
Inter-segment sales and transfers	-	-	-	38	16	54	(54)	-
Total	137,120	-	1,331,729	77,707	806,937	2,353,494	(54)	2,353,440
Segment profit (loss)	(6,451)	(154)	92,517	596	145,577	232,085	(88,456)	143,629

Notes: 1. The negative adjustment of 88,456 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments.

2. Segment profit (loss) is adjusted with operating income shown on the quarterly consolidated statement of income.

II. First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)**1. Information related to net sales, profit or loss for each reportable segment**

(Thousands of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amount shown on quarterly consolidated statement of income (Note 2)
	Information Technology Business	Turnaround Consultancy Business	Real Estate Lease Management Business	Food Business	Hotel Business			
Net sales								
External sales	132,376	30,000	2,028,350	80,489	785,271	3,056,488	-	3,056,488
Inter-segment sales and transfers	-	-	-	-	-	-	-	-
Total	132,376	30,000	2,028,350	80,489	785,271	3,056,488	-	3,056,488
Segment profit (loss)	(5,263)	27,870	83,154	6,602	155,944	268,308	(77,081)	191,227

Notes: 1. The negative adjustment of 77,081 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments.

2. Segment profit (loss) is adjusted with operating income shown on the quarterly consolidated statement of income.

This summary report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.