



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023

[Japanese GAAP]

August 12, 2022

Company name: Striders Corporation

Listing: Tokyo Stock Exchange (STANDARD)

Stock code: 9816

URL: <https://www.striders.co.jp/>

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Scheduled date of filing of Quarterly Report:

August 12, 2022

Scheduled date of payment of dividend:

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Preparation of supplementary materials for quarterly financial results:

Available

Holding of quarterly financial results meeting:

None

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

1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2023 (April 1, 2022 – June 30, 2022)

(1) Consolidated results of operations (Percentages shown for net sales and profits represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2022	1,793	(0.6)	20	-	55	81.6	19	(18.1)
Three months ended Jun. 30, 2021	1,804	(28.6)	(43)	-	30	41.2	24	-

Note: Comprehensive income (million yen) Three months ended Jun 30, 2022: 24(115.8%)

Three months ended Jun 30, 2021: 11 (-)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2022	2.34	-
Three months ended Jun. 30, 2021	2.85	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2022	4,716	2,429	51.0	284.22
As of Mar. 31, 2022	4,789	2,450	50.6	286.26

Reference: Shareholders' equity (million yen)

As of Jun. 30, 2022: 2,403

As of Mar. 31, 2022: 2,424

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	-	0.00	-	5.00	5.00
Fiscal year ending Mar. 31, 2023	-	-	-	-	-
Fiscal year ending Mar. 31, 2023 (forecast)	-	0.00	-	5.00	5.00

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

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 – March 31, 2023)

(Percentages shown for net sales and profits represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	7,804	4.0	101	-	135	(34.0)	88	(47.8)	10.39

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

The company evaluates performance on a full-year basis and no consolidated earnings forecast for the first half has been prepared.

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2022:	8,912,089 shares	As of Mar. 31, 2022:	8,912,089 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2022:	455,539 shares	As of Mar. 31, 2022:	442,739 shares
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3) Average number of shares outstanding during the period

Three months ended Jun 30, 2022:	8,462,626 shares	Three months ended Jun. 30, 2021:	8,486,950 shares
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* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first quarter of the current fiscal year, the Japanese economy showed signs of recovery. This is partly due to the implementation of various policies such as COVID-19 outbreak countermeasures that enables economic and social activities to return to normal. However, the fluctuations in the financial and capital markets which include foreign exchange rates, rising costs of raw material, along with supply constraints due to the impact of the prolonged situation in Ukraine and the restraint of economic activities in China created a few downside risks that should be taken note of.

Under these economic conditions, our group (the Company and its consolidated subsidiaries) continued to pursue new investment opportunities overseas, while at the same time working to improve management efficiency in existing businesses and examining business strategies to cope with the effects caused by the COVID-19 outbreak. As a result, for the first quarter of the current fiscal year, there was a 0.6% decrease year-on-year in net sales to 1,793 million yen, operating income of 20 million yen compared to an operating loss of 43 million yen in the same period of the previous year, a 81.6% increase year-on-year in ordinary income to 55 million yen, a 81.2% increase year-on-year in income before income taxes and minority interests to 54 million yen and a 18.1% decrease year-on-year in net income attributable to owners of the parent to 19 million yen.

The performance of each segment is as follows:

1) Real Estate Business

Trust Advisers Corporation currently operates the residential property business that handles leasing services for condominium owners as well as rental and condominium building management on a contract basis. The company also engages in the land agency business that caters for condominium owners' needs for buying and selling properties. In the residential property business, the renewal rate and rent level of existing lease contracts were maintained, and the number of units under management remained at a high level, which resulted in an increase in sales. However, in the land agency business, the impact on condominiums for investment resulted in the significant decline in the number of transactions due to the COVID-19 outbreak. As a result, net sales in the real estate segment for the first quarter of the current fiscal year decreased 2.4% year-on-year to 1,456 million yen and operating income decreased 26.7% year-on-year to 35 million yen.

2) Hotel Business

In the hotel segment, we currently operate the Narita Gateway Hotel in the Narita International Airport area and the Kurashiki Royal Art Hotel in the Kurashiki Bikan Historical Quarter in Okayama Prefecture. Narita Gateway Hotel has been leased to Chiba Prefecture since April 18, 2020 as a medical treatment facility for COVID-19 patients who are asymptomatic or showing mild symptoms and has not been accepting general guests since that date. On the other hand, at Kurashiki Royal Art Hotel, the hotel occupancy rate improved significantly compared to the first quarter of the previous fiscal year, mainly due to the change in the public's perception of the COVID-19 outbreak in this current fiscal year. As a result, the net sales for the hotel segment increased 22.3% year-on-year to 258 million yen and operating income increased 2,412.7% to 42 million yen.

3) Overseas Business

In the overseas business segment, Striders Global Investment Pte. Ltd. operates investment business in Singapore, and PT. Citra Surya Komunikasi operates an advertising agency business that caters mainly for Japanese companies in Indonesia. However, a partial transfer of shares was made in the second quarter of the previous fiscal year and the company was excluded from the scope of consolidation. As a result, the Company did not report net sales from this segment for the first quarter of the current fiscal year, compared to the net sales reporting of 13 million yen in the same period of the previous year. Operating loss was 0 million yen compared to operating loss of 43 million yen in the same period of the previous year.

As for the investment business in Striders Global Investment Pte. Ltd., there are two invested companies in Sri Lanka, where there are concerns about the domestic economic turmoil. However, both companies have been focusing on business expansion outside of Sri Lanka, and the Sri Lankan rupee has a low weighting in the base currency of their business activities. Therefore, we believe that the impact of this economic crisis is under control at the moment.

(2) Explanation of Financial Position

Assets

Current assets at the end of the first quarter of the current fiscal year totaled 2,968 million yen, a decrease of 77 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 75 million yen in cash and deposits. Non-current assets totaled 1,748 million yen, an increase of 5 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 16 million yen in buildings and structures (net) and an increase of 45 million yen in investment securities. As a result, total assets amounted to 4,716 million yen, a decrease of 72 million yen from the end of the previous fiscal year.

Liabilities

Current liabilities at the end of the first quarter totaled 897 million yen, a decrease of 0 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 30 million yen in accounts payable and an increase of 49 million yen in deposits received. Non-current liabilities totaled 1,389 million yen, a decrease of 51 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 20 million yen in bonds payable and a decrease of 23 million yen in long-term loans payable.

As a result, total liabilities totaled 2,286 million yen, a decrease of 52 million yen from the end of the previous fiscal year.

Net assets

Total net assets totaled 2,429 million yen at the end of the first quarter, a decrease of 20 million yen from the end of the previous fiscal year. This was mainly due to the recording of 19 million yen in net income attributable to owners of parent and the fact that 42 million yen of dividends was paid from retained earnings.

As a result, the equity ratio was 51.0% (compared to 50.6% at the end of the previous fiscal year).

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

There is no change to the earnings forecast in the "Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2022" published on May 13, 2022.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(In Thousands of Yen)

	FY3/22 (As of Mar. 31, 2022)	First quarter of FY3/23 (As of Jun. 30, 2022)
Assets		
Current Assets		
Cash and Deposits	2,580,179	2,504,612
Account Receivables-Trade	192,869	171,678
Securities	307	132
Inventories	158,402	151,944
Other	117,069	142,335
Allowance for Doubtful Accounts	(2,558)	(2,429)
Total Current Assets	3,046,268	2,968,274
Non-Current Assets		
Property, Plant and Equipment		
Buildings and Structures, net	809,145	792,935
Land	348,663	348,663
Other, Net	65,684	60,444
Total Property, Plant and Equipment	1,223,493	1,202,043
Intangible Assets		
Goodwill	99,496	97,466
Others	16,045	14,752
Total Intangible Assets	115,542	112,218
Investments and Other Assets		
Investment Securities	256,941	302,711
Shares of Subsidiaries and Associates	70,616	57,816
Deferred Tax Assets	8,182	5,810
Others	68,824	68,197
Allowance for Doubtful Accounts	(190)	(190)
Total Investments and Other Assets	404,373	434,346
Total Non-Current Assets	1,743,408	1,748,607
Total Assets	4,789,677	4,716,882
Liabilities		
Current Liabilities		
Accounts Payable-Trade	113,560	83,356
Short-Term Borrowings	10,000	10,000
Current Portion of Bonds Payable	60,000	60,000
Current Portion of Long-term Borrowings	208,129	193,570
Unearned Revenue	166,253	164,701
Accrued Expenses	88,581	93,605
Accounts Payable-Other	40,004	44,439
Income Taxes Payable	17,926	8,911
Provision for Bonuses	18,174	8,603
Deposits Received	84,653	134,430
Interest Rate Swaps	7,985	6,677
Others	82,579	89,233
Total Current Liabilities	897,847	897,530
Non-Current Liabilities		

Bonds Payable	200,000	180,000
Long-term Borrowings	901,095	878,064
Retirement Benefit Liabilities	10,917	11,023
Long-term Leasehold and Guarantee Deposits Received	157,477	151,450
Deferred Tax Liabilities	153,484	152,066
Others	18,154	16,842
Total Non-Current Liabilities	1,441,130	1,389,446
Total Liabilities	2,338,977	2,286,977

(Thousands of Yen)

	FY3/22 (as of Mar. 31, 2022)	First quarter of FY3/23 (as of Jun. 30, 2022)
Net Assets		
Shareholders' Equity		
Share Capital	1,585,938	1,585,938
Capital Surplus	109,730	109,730
Retained Earnings	879,854	857,324
Treasury Shares	(148,620)	(151,366)
Total Shareholders' Equity	2,426,902	2,401,627
Accumulated Other Comprehensive Income		
Valuation Difference on Available-for-sale Securities	(2,500)	(4,160)
Deferred Gains or Losses on Hedges	(7,916)	(6,628)
Foreign Currency Translation Adjustment	7,934	12,709
Total Accumulated Other Comprehensive Income	(2,482)	1,920
Share Acquisition Rights	3,375	3,375
Non-Controlling Interests	22,904	22,982
Total Net Assets	2,450,699	2,429,905
Total Liabilities and Net Assets	4,789,677	4,716,882

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

(Thousands of Yen)

	First three months of FY 3/22 (Apr. 1, 2021 – Jun. 30, 2021)	First three months of FY 3/23 (Apr. 1, 2022 – Jun. 30, 2022)
Net Sales	1,804,395	1,793,582
Cost of Sales	1,378,265	1,357,409
Gross Profit	426,130	436,173
Selling, General and Administrative Expenses	469,588	415,694
Operating Profit	(43,458)	20,478
Non-Operating Income		
Interest Income	593	21
Commission Income	11,733	8,509
Gain on Sales of Securities	447	—
Foreign Exchange Gains	—	13,533
Share of Profit of Entities Accounted for Using Equity Method	—	699
Subsidy income	47,807	15,199
Other Income	21,668	769
Total Non-Operating Income	82,251	38,732
Non-Operating Expenses		
Interest Expenses	4,106	2,718
Interest on Bonds	538	559
Share of Loss of Entities Accounted for Using Equity Method	1,385	—
Foreign Exchange Losses	66	—
Loss on Valuation of Securities	—	174
Other Expenses	2,381	705
Total Non-Operating Expenses	8,478	4,158
Ordinary Profit	30,314	55,052
Extraordinary Loss		
Loss on Sales of Investment Securities	—	120
Total Extraordinary Losses	—	120
Profit before distributions of profit or loss on silent partnerships and income taxes	30,314	54,932
Profit before Income Taxes	30,314	54,932
Income Taxes-Current	28,004	34,103
Income Taxes-Deferred	(1,408)	934
Total Income Taxes	26,596	35,038
Profit (loss)	3,718	19,894
Profit (loss) attributable to Non-Controlling Interests	(20,464)	77
Profit (loss) attributable to Owners of Parent	24,182	19,817

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

(Thousands of Yen)

	First three months of FY3/22 (Apr 1, 2021 - Jun 30, 2021)	First three months of FY3/23 (Apr 1, 2022 - Jun 30, 2022)
Profit (Loss)	3,718	19,894
Other Comprehensive Income		
Valuation Difference on Available-for-Sale Securities	4,468	(1,660)
Deferred Gains or Losses on Hedges	1,453	1,288
Foreign Currency Translation Adjustment	1,226	4,775
Remeasurements of Defined Benefit Plans, net of tax	390	—
Total Other Comprehensive Income	7,538	4,403
Comprehensive Income	11,256	24,297
Comprehensive Income attributable to:		
Owners of Parent	30,768	24,220
Non-Controlling Interests	(19,511)	77

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Additional Information

(Accounting treatment and disclosure for the application of the Japanese Group Relief System)

Effective from the first quarter of the current fiscal year, the Company and some of its domestic consolidated subsidiaries have shifted from a consolidated tax return filing system to a group relief system. In accordance with this change, the Company and some of its domestic consolidated subsidiaries have adopted the "Accounting treatment and disclosure for the application of the Japanese Group Relief System" (PITF No. 42, August 12, 2021; hereinafter "PITF No. 42") for accounting treatment and disclosure of income taxes, local income taxes and tax effect accounting. In accordance with Paragraph 32 (1) of the PITF No. 42, the Company has assumed that there is no effect of the accounting policy change due to the application of PITF No. 42.

Segment Information

I First three months of FY3/22 (Apr. 1, 2021 – Jun. 30, 2021)

Information related to net sales and profit or loss for each reportable segment

(In Thousands of Yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount shown on quarterly consolidated statement of income (Note 3)
	Real Estate Business	Hotel Business	Overseas Business	Subtotal				
Net Sales Revenue arising from contracts with customers	1,492,716	211,358	13,487	1,717,562	86,832	1,804,395	—	1,804,395
External Sales	1,492,716	211,358	13,487	1,717,562	86,832	1,804,395	—	1,804,395
Inter-segment sales and transfers	—	30	—	30	—	30	(30)	—
Total	1,492,716	211,389	13,487	1,717,593	86,832	1,804,426	(30)	1,804,395
Segment Profit (Loss)	48,137	1,694	(43,373)	6,459	9,281	15,741	(59,199)	(43,458)

Note:

1. The “Other” business segment consists of activities that are not included in any of the reportable segments, and includes the information technology business and the food business.
2. The negative adjustment of 59,199 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments
3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income

II First three months of FY3/23 (Apr. 1, 2022 – Jun. 30, 2022)

1. Information related to net sales and profit or loss for each reportable segment

(In Thousands of Yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount shown on quarterly consolidated statement of income (Note 3)
	Real Estate Business	Hotel Business	Overseas Business	Subtotal				
Net Sales								
Revenue arising from contracts with customers	1,456,512	257,939	—	1,714,452	79,130	1,793,582	—	1,793,582
External Sales	1,456,512	257,939	—	1,714,452	79,130	1,793,582	—	1,793,582
Inter-segment sales and transfers	—	630	—	630	—	630	(630)	—
Total	1,456,512	258,570	—	1,715,083	79,130	1,794,213	(630)	1,793,582
Segment Profit (Loss)	35,283	42,584	(500)	77,368	2,848	80,216	(59,738)	20,478

Note:

1. The “Other” business segment consists of activities that are not included in any of the reportable segments, and includes the information technology business and the food business.
2. The negative adjustment of 59,738 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments.
3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

Relation to Revenue Recognition

Information on the breakdown of revenue arising from contracts with customers is provided in "Notes (Segment Information)".

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