



## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023

[Japanese GAAP]

May 15, 2023

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Stock code: 9816

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Scheduled date of Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of filing of Annual Securities Report: June 23, 2023

Scheduled date of payment of dividend: June 26, 2023

Preparation of supplementary materials for financial results: Available

Holding of financial results meeting: None

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

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)

(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	%
Fiscal year ended Mar. 31, 2023	7,371	(1.8)	143	-	232	13.0	118	(30.0)
Fiscal year ended Mar. 31, 2022	7,505	(28.4)	(33)	-	205	(10.1)	168	48.0

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2023: 124 (down 18.4%)

Fiscal year ended Mar. 31, 2022: 152 (down 1.9%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2023	14.03	-	4.8	4.9	2.0
Fiscal year ended Mar. 31, 2022	19.91	-	7.2	4.1	(0.5)

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2023: 2 Fiscal year ended Mar. 31, 2022: 1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	4,651	2,517	53.5	296.42
As of Mar. 31, 2022	4,789	2,450	50.6	286.26

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 2,489 As of Mar. 31, 2022: 2,424

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2023	261	62	(331)	2,402
Fiscal year ended Mar. 31, 2022	32	(83)	(245)	2,399

### 2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2022	-	0.00	-	5.00	5.00	42	25.1	1.8
Fiscal year ended Mar. 31, 2023	-	0.00	-	5.00	5.00	41	35.6	1.7
Fiscal year ending Mar. 31, 2024 (forecast)	-	0.00	-	5.00	5.00		75.4	

### 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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	%	
Full Year	7,526	2.1	56	(60.4)	107	(53.7)	55	(52.9)	6.63

Note: 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

(2) 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

(3) Number of outstanding shares (common shares)

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

As of Mar. 31, 2023: 8,912,089 shares As of Mar. 31, 2022: 8,912,089 shares

2) Number of treasury shares at the end of the period

As of Mar. 31, 2023: 514,109 shares As of Mar. 31, 2022: 442,739 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2023: 8,430,787 shares Fiscal year ended Mar. 31, 2022: 8,485,396 shares

**Reference: Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 – March 31, 2023)**

(1) Non-consolidated results of operations (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2023	90	(61.2)	(160)	-	98	(62.7)	107	377.2
Fiscal year ended Mar. 31, 2022	234	35.8	(25)	-	265	859.6	22	(62.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2023	12.76	-
Fiscal year ended Mar. 31, 2022	2.66	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2023	2,587	1,992	76.9	236.91
As of Mar. 31, 2022	2,761	1,936	70.0	228.28

Reference: Shareholders' equity (million yen) As of Mar. 31, 2023: 1,989 As of Mar. 31, 2022: 1,933

\* The current financial report is not subject to audit by certified public accountants and accounting firms.

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

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 4 of the attachments "1. Overview of Results of Operations, (4) Outlook."

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## 1. Overview of Results of Operations

### (1) Results of Operations

During the fiscal year ended March 31 2023, the Japanese economy has been gradually recovering. However, we need to pay close attention to potential downturns in overseas economies that could increase risks in the Japanese economy. The potential downturns include effects of fluctuations in financial and capital markets including exchange rates, apparent global supply-side constraints and monetary tightening regulations in Europe and the United States.

Under these economic conditions, the group (Striders Corporation and its consolidated subsidiaries) continued to pursue new investment opportunities overseas, while at the same time examining new business strategies and improving management efficiency in existing businesses. As a result, in the period under review there was a 1.8% decrease year-on-year to 7,371 million yen, operating income of 143 million yen compared to 33 million yen of operating loss in the same period of the previous year, a 13.0% increase year-on-year in ordinary income to 232 million yen and a 30.0% decrease in net income attributable to owners of the parent year-on-year to 118 million yen.

The performance of each segment is as follows:

#### 1) Real Estate Business

Trust Advisers Corporation currently operates the residential property business comprising 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, there was no significant change in the number of units under management and the rent level of sublease rental contracts compared to the previous year. However, there was an increase in the number of mid-course cancellations of sublease contracts and the subsequent conclusion of contracts with new tenant. This caused the commission income to increase while gross profit from sublease rental income trended downward, resulting in a slight increase in gross profit despite the increased revenue. On the other hand, in the land agency business, both revenues and gross profit declined significantly due to a continued decline in sales transactions of investment condominiums. As a result, segment sales for the period under review decreased 3.4% year-on-year to 5,906 million yen and operating profit decreased 8.2% from the previous year to 171 million yen despite continued efforts to control SG&A expenses.

#### 2) Hotel Business

In the hotel business, we currently operate Narita Gateway Hotel in the Narita International Airport area and Kurashiki Royal Art Hotel in the Kurashiki Bikan Historical Quarter. 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 show mild symptoms and its performance has been solid. Meanwhile, at Kurashiki Royal Art Hotel, the hotel occupancy rate and the unit price per guest room improved significantly due to the change in the public's perception of the COVID-19 outbreak and the government's nationwide travel support measures which were implemented from October 2022, resulting in increased sales and income. As a result, the hotel segment recorded a significant increase in both sales and income, with a 15.4% increase year-on-year in net sales to 1,104 million yen and a 269.2% increase year-on-year in operating income to 175 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 overseas operations for the period under review compared to net sales of 48 million yen in the previous year.

Operating loss amounted to 2 million yen compared to operating loss of 84 million yen in the previous year. During the current fiscal year, Striders Global Investment Pte. Ltd. has taken a cautious approach to new investments amidst the growing uncertainty in the venture capital markets in South and Southeast Asia, as well as the economic crisis in the Republic of Sri Lanka. However, we have continued our efforts to support future investment returns, including investing in Naluri, a healthtech company in Southeast Asia, and forming a joint investment alliance with the R3i Ventures group. Additionally, there are two invested companies in Sri Lanka, where there are concerns about the domestic economic turmoil. However, both companies have been focusing on their 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) Financial Position**

### **Assets**

Current assets at the end of the period under review amounted to 3,065 million yen, increasing 18 million yen from the end of the previous fiscal year. This was mainly attributable to a decrease of 17 million yen in inventories and an increase of 16 million yen in income taxes receivable and an increase of 11 million yen in accounts receivable-trade.

Non-current assets totaled 1,586 million yen, decreasing 157 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 101 million yen in investment securities and a decrease of 69 million yen in buildings and structures (net).

As a result, total assets amounted to 4,651 million yen, which was a 138 million yen decrease from the end of the previous fiscal year.

### **Liabilities**

Current liabilities at the end of the period under review were 1,043 million yen, increasing 145 million yen compared to the end of the previous fiscal year, mainly due to an increase of 100 million yen in current portion of bonds and 67 million yen in income taxes payable.

Non-current liabilities totaled 1,090 million yen, decreasing 350 million yen from the end of the previous fiscal year. This was mainly due to a 165 million yen decrease in long-term loans payable and a 160 million yen decrease in bonds payable.

As a result, total liabilities amounted to 2,133 million yen, a decrease of 205 million yen from the end of the previous fiscal year.

### **Net assets**

Net assets at the end of the period under review were 2,517 million yen, an increase of 66 million yen from the end of the previous fiscal year. This is mainly due to a recording of 120 million yen in net income and a payment of dividends in the amount of 42 million yen.

As a result, the equity ratio was 53.5%.

## **(3) Cash Flows**

Cash and cash equivalents (hereinafter referred to as "net cash") at the end of the period under review amounted to 2,402 million yen, an increase of 2 million yen from the end of the previous fiscal year.

### **Cash flows from operating activities**

Net cash generated by operating activities amounted to 261 million yen, compared to 32 million yen of net cash that was generated during the previous fiscal year. This is mainly due to profit before income taxes of 228 million yen and income taxes paid of 112 million yen.

#### Cash flows from investing activities

Net cash generated by investment activities amounted to 62 million yen, compared to 83 million yen of net cash used in the previous fiscal year. This is mainly due to sales of investment securities amounting to 140 million yen and acquisitions of investment securities amounting to 41 million yen.

#### Cash flows from financing activities

Net cash used in financing activities was 331 million yen, compared to 245 million yen of net cash used in the previous fiscal year. This was mainly due to repayments of 208 million yen in long-term loans payable and redemptions of 60 million yen in bonds.

#### Reference: Cash flow indicators

	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23
Shareholders' equity ratio (%)	44.5	41.9	43.4	50.6	53.5
Shareholders' equity ratio based on market value (%)	60.9	48.4	49.9	57.5	41.6
Ratio of interest-bearing debt to cash flows (years)	3.0	4.4	5.4	4.6	4.2
Interest coverage ratio (times)	27.3	21.1	15.3	15.3	17.2

- Shareholders' equity ratio: Shareholders' equity / Total assets
- Shareholders' equity ratio based on market value: Market capitalization / Total assets
- Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows
- Interest coverage ratio: Cash flows / Interest payments

- Notes: 1. All indicators are calculated based on consolidated figures.  
 2. Market capitalization is calculated by the number of shares outstanding at the end of the period, excluding treasury shares.  
 3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.  
 4. Cash flows are based on "Net cash provided by (used in) operating activities."

#### (4) Outlook

As a result of the change in the general public's perception of the infection situation due to the transition to "Class 5" classification of COVID-19, the Japanese economy is gradually recovering. However, the constraints on the supply side at the global level, which originated from the situation in Ukraine and other factors, have become apparent. Amidst the continuing inflation and monetary tightening, particularly in Europe and the United States, it is assumed that we need to pay sufficient attention to the risks of overseas economic slowdown that could push down the Japanese economy, as well as the impacts of fluctuations in financial capital markets such as exchange rates.

As for the residential property business, we have continued to perform well despite the COVID-19 environment. During our busy period from January to March, there was active movement among tenants, although it was not as much as in the previous years. In addition, with the recent transition to "Class 5" classification of COVID-19 serving as the catalyst, we expect to continue operating at a usual level going forward. In the land agency business, the impact of COVID-19 has led to a long-term decrease in transaction volume, but we expect that the transaction of investment properties will gradually become more active. We will accurately capture changes in the market conditions and the trend of digitization in the industry and make further efforts to explore latent needs.

Narita Gateway Hotel has been providing temporary accommodations for COVID-19 patients who are asymptomatic or show mild symptoms since April 2020 based on a request from the local government of Chiba Prefecture over a period of approximately three years. Due to a significant decrease in the number of COVID-19 in Japan, the company will end its facility provision at the end of May 2023 and plans to resume regular hotel operations from June 2023. We are working diligently to repair and maintain the facilities, including guest rooms and restaurants, in preparation for the reopening of the hotel operations. However, as it takes some time to prepare for inbound tourists and other visitors, we expect to gradually increase the occupancy rate and return to the previous

level of operation in the following fiscal year.

As for Kurashiki Royal Art Hotel, amidst the returning vitality to the Kurashiki Bikan Historical Quarter, To respond to the new tourism demand after the COVID-19 pandemic, the company has been focusing on key themes such as "integration of art and hotels", "utilization of hotels as multipurpose spaces", and "collaboration and co-creation within the Seto Inland Sea region", and exploring new forms of hotels and tourism industry.

Striders Global Investment Pte. Ltd., which engages in overseas investment businesses, will promote venture capital investments in the deep tech and health tech sectors that contribute to the SDGs in South and Southeast Asia through joint investments with R3i Ventures Group, with the expectation that the venture capital markets in South and Southeast Asia will return to normal by the end of the year. In addition, the company will utilize its network of overseas investors to facilitate inbound investments in Japan.

Under these circumstances, we forecast the following consolidated results for the next fiscal year: revenue increasing 2.1% year-on-year to 7,526 million yen, operating profit decreasing 60.4% to 56 million yen, ordinary profit decreasing 53.7% to 107 million yen, and net income attributable to owners of parent decreasing 52.9% to 55 million yen.

## **2. Basic Approach to the Selection of Accounting Standards**

The Group will continue to prepare its consolidated financial statements in accordance with Generally Accepted Accounting Principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	FY3/23 (As of Mar. 31, 2023)
Assets		
Current assets		
Cash and deposits	2,580,179	2,582,861
Accounts receivable-trade	192,869	204,802
Securities	307	150
Inventory	158,402	141,226
Other	117,069	141,250
Allowance for doubtful accounts	(2,558)	(5,177)
Total current assets	3,046,268	3,065,114
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,321,403	1,320,168
Accumulated depreciation	(512,257)	(580,075)
Buildings and structures, net	809,145	740,092
Machinery, equipment and vehicles	56,589	52,303
Accumulated depreciation	(51,551)	(50,113)
Machinery, equipment and vehicles, net	5,038	2,190
Tools, furniture and fixtures	194,770	195,499
Accumulated depreciation	(155,557)	(170,062)
Tools, furniture and fixtures, net	39,213	25,436
Land	348,663	338,351
Leased assets	30,193	30,193
Accumulated depreciation	(8,761)	(13,539)
Leased assets, net	21,432	16,653
Construction in progress	-	14,539
Total property, plant and equipment	1,223,493	1,137,265
Intangible assets		
Goodwill	99,496	91,374
Other	16,045	10,749
Total intangible assets	115,542	102,124
Investments and other assets		
Investment securities	256,941	155,265
Shares of subsidiaries and associates	70,616	59,645
Deferred tax assets	8,182	19,900
Other	68,824	112,334
Allowance for doubtful accounts	(190)	(190)
Total investments and other assets	404,373	346,954
Total non-current assets	1,743,408	1,586,344
Total assets	4,789,677	4,651,458



	(Thousands of yen)	
	FY3/22	FY3/23
	(As of Mar. 31, 2022)	(As of Mar. 31, 2023)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	113,560	90,992
Short-term borrowings	10,000	10,000
Current portion of bonds payable	60,000	160,000
Current portion of long-term borrowings	208,129	165,970
Unearned revenue	166,253	169,232
Accrued expenses	88,581	80,467
Accounts payable-other	40,004	57,324
Income taxes payable	17,926	85,415
Provision for bonuses	18,174	20,825
Deposits received	84,653	89,228
Interest rate swaps	7,985	3,868
Other	82,579	110,408
Total current liabilities	897,847	1,043,732
<b>Non-current liabilities</b>		
Bonds payable	200,000	40,000
Long-term borrowings	901,095	735,125
Retirement benefit liability	10,917	11,340
Long-term leasehold and guarantee deposits received	157,477	143,043
Deferred tax liabilities	153,484	147,794
Other	18,154	12,898
Total non-current liabilities	1,441,130	1,090,201
Total liabilities	2,338,977	2,133,934
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,585,938	1,585,938
Capital surplus	109,730	109,730
Retained earnings	879,854	955,765
Treasury shares	(148,620)	(164,095)
Total shareholders' equity	2,426,902	2,487,339
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(2,500)	(8,233)
Deferred gains or losses on hedges	(7,916)	(3,848)
Foreign currency translation adjustment	7,934	14,034
Total accumulated other comprehensive income	(2,482)	1,953
Share acquisition rights	3,375	3,375
Non-controlling interests	22,904	24,856
Total net assets	2,450,699	2,517,524
Total liabilities and net assets	4,789,677	4,651,458

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Thousands of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2021 – Mar. 31, 2023)
Net sales	7,505,806	7,371,072
Cost of sales	5,721,481	5,504,489
Gross profit	1,784,324	1,866,583
Selling, general and administrative expenses	1,818,260	1,722,785
Operating profit	(33,935)	143,798
Non-operating income		
Interest income	904	268
Dividend income	1	2,144
Gain on sales of securities	1,019	—
Share of profit of entities accounted for using equity method	1,564	2,644
Commission income	39,986	36,473
Foreign exchange gains	12,071	14,269
Subsidy income	182,355	39,853
Other	26,650	11,393
Total non-operating income	264,553	107,046
Non-operating expenses		
Interest expenses	14,865	13,842
Interest on bonds	2,094	1,745
Loss on valuation of securities	179	157
Other	8,049	2,869
Total non-operating expenses	25,188	18,614
Ordinary profit	205,428	232,230
Extraordinary income		
Gain on sales of non-current assets	—	2,505
Gain on sales of investment securities	9,534	7,500
Gain on sales of shares of subsidiaries	13,331	—
Total extraordinary income	22,866	10,005
Extraordinary losses		
Loss on sales of investment securities	1,612	—
Loss on valuation of investment securities	-	120
Impairment loss	-	13,632
Other	292	—
Total extraordinary losses	1,904	13,752
Profit before income taxes	226,391	228,483
Income taxes-current	77,021	125,730
Income taxes-deferred	6,724	(17,456)
Total income taxes	83,745	108,273
Profit	142,645	120,210
Profit (loss) attributable to non-controlling interests	(26,292)	1,951
Profit attributable to owners of parent	168,937	118,258

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Profit	142,645	120,210
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,112)	(5,616)
Deferred gains or losses on hedges	6,917	4,068
Foreign currency translation adjustment	7,807	6,100
Remeasurements of defined benefit plans, net of tax	4,523	—
Share of other comprehensive income of entities accounted for using equity method	-	(116)
Total other comprehensive income	10,135	4,435
Comprehensive income	152,781	124,645
Comprehensive income attributable to:		
Owners of parent	178,347	122,694
Non-controlling interests	(25,566)	1,951

**(3) Consolidated Statement of Changes in Equity**

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,585,938	109,730	732,817	(144,848)	2,283,637
Changes during period					
Dividend of surplus			(25,460)		(25,460)
Profit attributable to owners of parent			168,937		168,937
Changes in retained earnings due to exclusion of subsidiaries from consolidation			3,560		3,560
Purchase of treasury shares				(3,772)	(3,772)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	147,036	(3,772)	143,264
Balance at end of period	1,585,938	109,730	879,854	(148,620)	2,426,902

(Thousands of yen)

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	8,599	(14,834)	(2,373)	(5,815)	(14,424)	3,375	48,471	2,321,059
Changes during period								
Dividend of surplus								(25,460)
Profit attributable to owners of parent								168,937
Changes in retained earnings due to exclusion of subsidiaries from consolidation								3,560
Purchase of treasury shares								(3,772)
Net changes in items other than shareholders' equity	(11,099)	6,917	10,307	5,815	11,942		(25,566)	(13,624)
Total changes during period	(11,099)	6,917	10,307	5,815	11,942		(25,566)	129,639
Balance at end of period	(2,500)	(7,916)	7,934	-	(2,482)	3,375	22,904	2,450,699

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,585,938	109,730	879,854	(148,620)	2,426,902
Changes during period					
Issuance of new shares			(42,346)		(42,346)
Dividend of surplus			118,258		118,258
Profit attributable to owners of parent					—
Purchase of treasury shares				(15,474)	(15,474)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	75,911	(15,474)	60,436
Balance at end of period	1,585,938	109,730	955,765	(164,095)	2,487,339

(Thousands of yen)

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(2,500)	(7,916)	7,934	—	(2,482)	3,375	22,904	2,450,699
Changes during period								
Issuance of new shares								(42,346)
Dividend of surplus								118,258
Profit attributable to owners of parent								—
Purchase of treasury shares								(15,474)
Net changes in items other than shareholders' equity	(5,733)	4,068	6,100	—	4,435	—	1,951	6,387
Total changes during period	(5,733)	4,068	6,100	—	4,435	—	1,951	66,824
Balance at end of period	(8,233)	(3,848)	14,034	—	1,953	3,375	24,856	2,517,524

**(4) Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY3/22	FY3/23
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2022 – Mar. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	226,391	228,483
Depreciation	106,229	97,344
Impairment loss	—	13,632
Amortization of goodwill	8,122	8,122
Increase (decrease) in allowance for doubtful accounts	120	2,618
Increase (decrease) in other provisions	(9,152)	3,074
Loss (gain) on sales of investment securities	(7,922)	(7,500)
Subsidy income	(182,355)	(39,853)
Loss (gain) on sales of shares of subsidiaries and associates	(13,331)	—
Loss (gain) on valuation of investment securities	—	120
Gain (loss) on sales of non-current assets	292	(2,505)
Interest and dividend income	(905)	(2,413)
Interest expenses on borrowings and bonds	16,960	15,587
Foreign exchange losses (gains)	(12,070)	(14,269)
Share of loss (profit) of entities accounted for using equity method	(1,564)	(2,644)
Loss (gain) on sales of securities	(1,019)	—
Decrease (increase) in trade receivables	(43,110)	(11,933)
Decrease (increase) in inventories	(54,356)	17,175
Increase (decrease) in trade payables	29,359	(22,567)
Increase (decrease) in deposits received	(38,454)	4,571
Increase (decrease) in leasehold and guarantee deposits received	(34,992)	(14,434)
Other,	37,182	19,840
Subtotal	25,422	292,448
Interest and dividends received	14,404	15,912
Interest paid	(16,133)	(15,128)
Income taxes refund	1,318	41,172
Income taxes paid	(175,160)	(112,782)
Subsidy received	182,355	39,853
Net cash provided by (used in) operating activities	32,206	261,475
Cash flows from investing activities		
Purchase of securities	(3,317)	—
Proceeds from sales of securities	8,491	—
Purchase of property, plant and equipment	(13,002)	(10,481)
Proceeds from sales of property, plant and equipment	58	3,249
Purchase of intangible assets	(6,860)	(1,938)
Purchase of investment securities	(60,152)	(41,431)
Proceeds from sales of investment securities	29,721	140,750
Payments for investments in silent partnerships	(5)	(28)
Proceeds from withdrawal of time deposits	30,007	—
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(21,294)	—
Other,	(47,589)	(27,153)
Net cash provided by (used in) investing activities	(83,941)	62,966

	(Thousands of yen)	
	FY3/22	FY3/22
	(Apr. 1, 2021 – Mar. 31, 2022)	(Apr. 1, 2021 – Mar. 31, 2022)
Cash flows from financing activities		
Repayments of lease obligations	(5,237)	(5,256)
Increase (decrease) in short-term borrowings	(932)	—
Redemption of bonds	(60,000)	(60,000)
Repayments of long-term borrowings	(150,376)	(208,129)
Purchase of treasury shares	(3,840)	(15,755)
Dividends paid	(25,149)	(41,918)
Net cash provided by (used in) financing activities	(245,535)	(331,059)
Effect of exchange rate change on cash and cash equivalents	14,083	9,154
Net increase (decrease) in cash and cash equivalents	(283,187)	2,536
Cash and cash equivalents at beginning of period	2,682,893	2,399,706
Cash and cash equivalents at end of period	2,399,706	2,402,242

## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

There is no applicable information.

### **Segment and Other Information**

#### **Segment Information**

##### 1. Outline of reportable segments

The reportable segments of the Company are the constituent units for which separate financial information is available and which are subject to periodic reviews by the Board of Directors to determine allocations of resources and to evaluate performance.

The Group has consolidated subsidiaries that are mainly categorized in accordance with business activities. These consolidated subsidiaries determine comprehensive strategies and conduct business activities as a unified business unit.

The Group is composed of segments by line of business, of which there are three reportable segments based on the scale of business: Real Estate Business, Hotel Business, and Overseas Business.

The Real Estate Business is engaged in management of apartments and other properties and real estate brokerage; the Hotel Business in operation of hotels; and the Overseas Business in business investments mainly in the Asian region and developing countries.

##### 2. Calculation method of the amounts of net sales, profit/loss, assets, liabilities and other items by reportable segment

The accounting methods used for reportable operating segments are generally the same as those described in “Significant Accounting Policies in the Preparation of Consolidated Financial Statements.”

Profits for reportable segments are generally operating profit. Inter-segment sales and transfers are based on prevailing market prices.



## 3. Information pertaining to net sales, profit/loss, assets, liabilities and other items in reportable segments

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Notes 2, 3 and 4)	Amount in the consolidated financial statements (Note 5)
	Real Estate Business	Hotel Business	Overseas Business	Total				
Net sales								
Revenue arising from contracts with customers	6,117,435	955,779	48,984	7,122,198	383,607	7,505,806	-	7,505,806
Sales to external customers	6,117,435	955,779	48,984	7,122,198	383,607	7,505,806	-	7,505,806
Inter-segment sales and transfers	-	964	-	964	-	964	(964)	-
Total	6,117,435	956,744	48,984	7,123,163	383,607	7,506,771	(964)	7,505,806
Segment profit (loss)	187,142	47,628	(84,562)	150,207	46,967	197,175	(231,110)	(33,935)
Segment assets	831,927	2,143,206	113,313	3,088,448	345,258	3,433,706	1,355,970	4,789,677
Other items								
Depreciation	13,221	85,543	2,376	101,141	2,239	103,380	2,848	106,229
Amortization of goodwill	-	8,122	-	8,122	-	8,122	-	8,122
Share of profit of entities accounted for using equity method	-	-	-	-	1,564	1,564	-	1,564
Increase in property, plant and equipment, and intangible assets	6,794	7,740	-	14,534	150	14,684	4,249	18,933

- Notes: 1. The "Other" business segment consists of activities that are not included in any of the reportable segments, and is primarily engaged in the information technology business and the food business.
2. The adjustment of minus (231,110) thousand yen to segment profit is mainly personnel and other expenses for administrative departments.
3. The adjustments to segment assets and depreciation are for corporate assets and depreciation that are not allocated to reportable segments.
4. The adjustment to increases in property, plant and equipment and intangible assets is the sum of company-wide assets that are not allocated to reportable segments.
5. Segment profit(loss) is adjusted with operating profit shown on the consolidated statement of income.

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Reportable Segment				Other (Note 1)	Total	Adjustment (Notes 2, 3 and 4)	Amount in the consolidated financial statements (Note 5)
	Real Estate Business	Hotel Business	Overseas Business	Total				
Net sales								
Revenue arising from contracts with customers	5,906,464	1,102,804	—	7,009,269	361,803	7,371,072	—	7,371,072
Sales to external customers	5,906,464	1,102,804	—	7,009,269	361,803	7,371,072	—	7,371,072
Inter-segment sales and transfers	—	1,311	—	1,311	—	1,311	(1,311)	—
Total	5,906,464	1,104,116	—	7,010,581	361,803	7,372,384	(1,311)	7,371,072
Segment profit (loss)	171,814	175,859	(2,539)	345,134	22,743	367,877	(224,079)	143,798
Segment assets	971,005	2,203,890	188,259	3,363,154	306,525	3,669,680	981,778	4,651,458
Other items								
Depreciation	11,056	80,816	—	91,872	2,153	94,026	3,318	97,344
Amortization of goodwill	—	8,122	—	8,122	—	8,122	—	8,122
Share of profit of entities accounted for using equity method	—	—	—	—	2,644	2,644	—	2,644
Increase in property, plant and equipment, and intangible assets	1,291	17,488	—	18,779	1,181	19,961	234	20,196

Notes: 1. The “Other” business segment consists of activities that are not included in any of the reportable segments, and is primarily engaged in the information technology business and the food business.

2. The adjustment of minus (224,079) thousand yen to segment profit is mainly personnel and other expenses for administrative departments.

3. The adjustments to segment assets and depreciation are for corporate assets and depreciation that are not allocated to reportable segments.

4. The adjustment to increases in property, plant and equipment and intangible assets is the sum of company-wide assets that are not allocated to reportable segments.

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

## Related information

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

### 1. Information about products and services

This information is omitted because this information is presented in Segment Information.

### 2. Geographical information

#### (1) Net sales

This information is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

#### (2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

### 3. Information of specific major customer

This information is omitted because no single customer accounted for 10% or more of total sales in FY3/22.

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

1. Information about products and services

This information is omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

This information is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information of specific major customer

This information is omitted because no single customer accounted for 10% or more of total sales in FY3/23.

**Information related to impairment loss of non-current assets by each reportable segment**

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

There is no applicable information.

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Impairment loss	-	-	-	13,632	-	13,632

**Information related to amortization of goodwill and unamortized balance by each reportable segment**

FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Amortization for the period	-	8,122	-	-	-	8,122
Balance at the end of the period	-	99,496	-	-	-	99,496

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Amortization for the period	-	8,122	-	-	-	8,122
Balance at the end of the period	-	91,374	-	-	-	91,374

**Information related to gain on bargain purchase by each reportable segment**

There is no applicable information.

**Per Share Information**

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net assets per share (Yen)	286.26	296.42
Net income per share (Yen)	19.91	14.03

Note: 1. Diluted net income per share for the current fiscal year is not stated because there is no potential dilution of shares.

2. The calculation basis for net income per share and diluted net income per share are as follows:

	FY3/22 (Apr. 1, 2021 – Mar. 31, 2022)	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	168,937	118,258
Amount not attributed to common shareholders (Thousands of yen)	-	—
Profit attributable to owners of parent related to common shares (Thousands of yen)	168,937	118,258
Average number of shares outstanding during the period (Thousands of shares)	8,485	8,430
Description of the potential shares not included in the calculation of diluted net income per share due to their non-dilutive effect	Striders Corporation No. 8 share acquisition rights: 4,350 (100 common shares per right) Striders Corporation No. 9 share acquisition rights: 4,000 (100 common shares per right)	Striders Corporation No. 8 share acquisition rights: 4,350 (100 common shares per right) Striders Corporation No. 9 share acquisition rights: 4,000 (100 common shares per right)

**Subsequent Events**

There is no applicable 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.*