

Striders Corporation

3rd Quarter of 2024 March Financial Year Explanation of Financial Statements



- | | |
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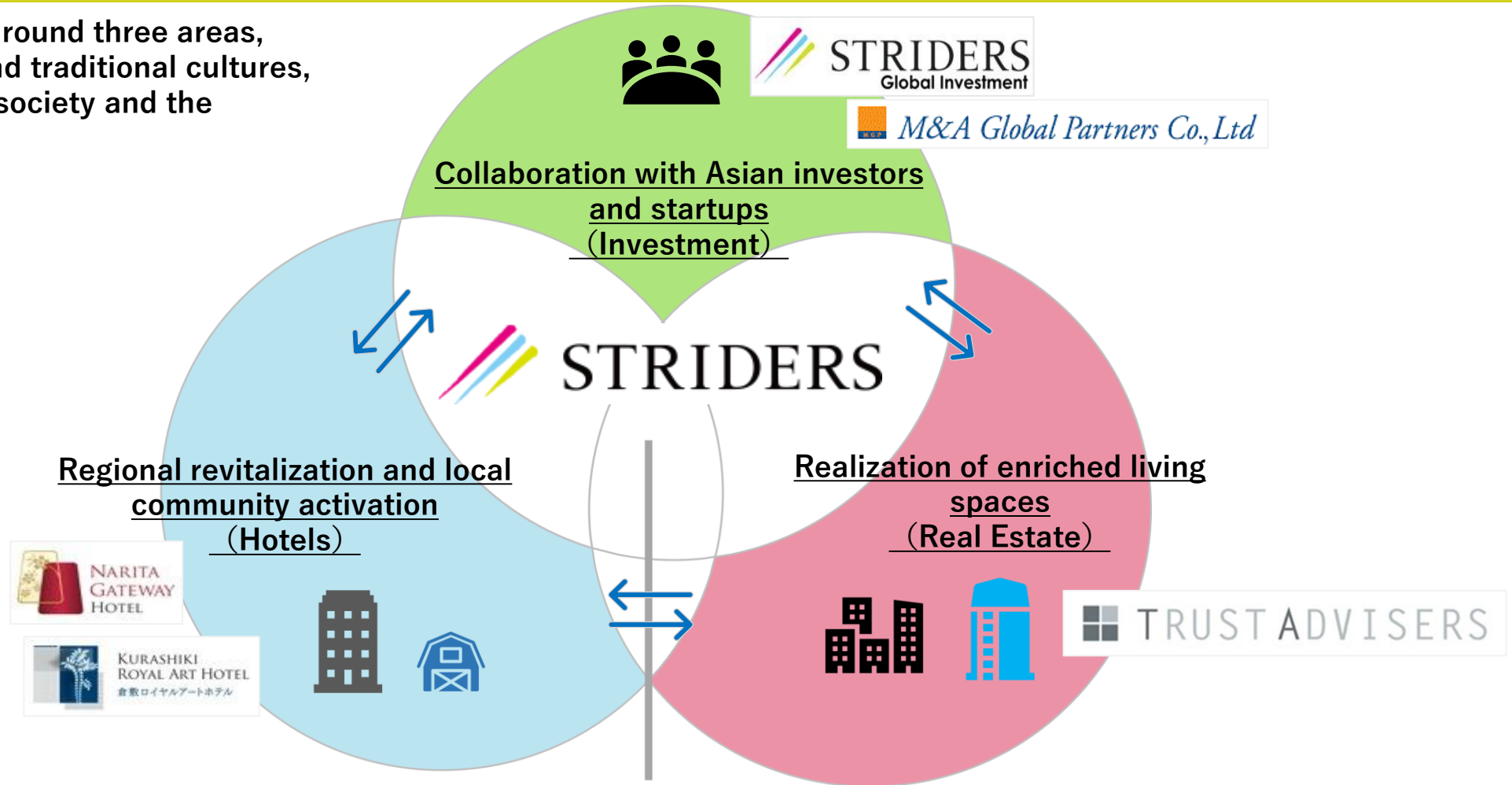
14 February 2024

1-1. Company Overview



1-2. Future business strategies ①

Develop businesses around three areas, including sport, art and traditional cultures, to revitalize both the society and the economy



✓ We will further enhance collaboration between our business segments and connect Asian investors and startups to various initiatives within the real estate and hotel businesses = **Striders will play a role as a gateway linking Japan and Asia**

1-3. Future business strategies②

✓ Key themes for our group's three main businesses

Real Estate

Realization of rich living space

Further promotion of DX

Incremental acquisitions of in-house owned properties

Strengthen the lineup of rental management

Hotels

Regional revitalization and local community activation

Add incubation capabilities

Machiya (traditional townhouses) and old folk houses

Explore the operations of new hotels

Investment

Inbound investment **Fund composition**

Business succession-related M&A

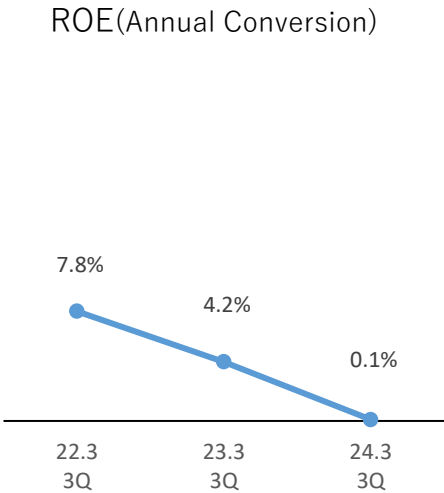
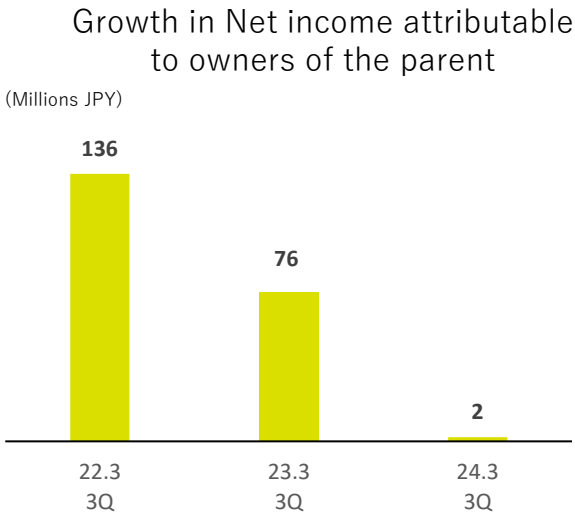
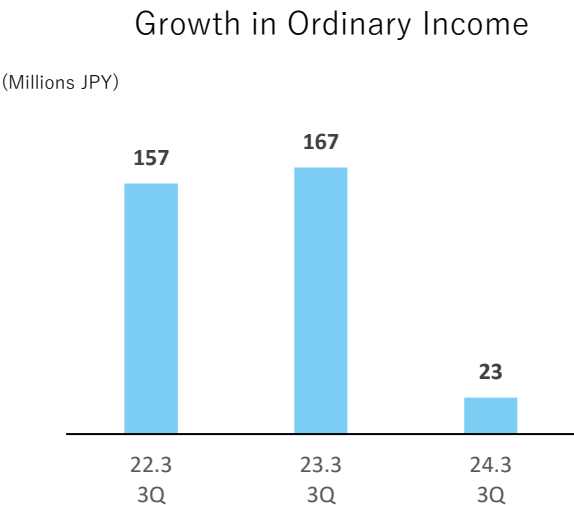
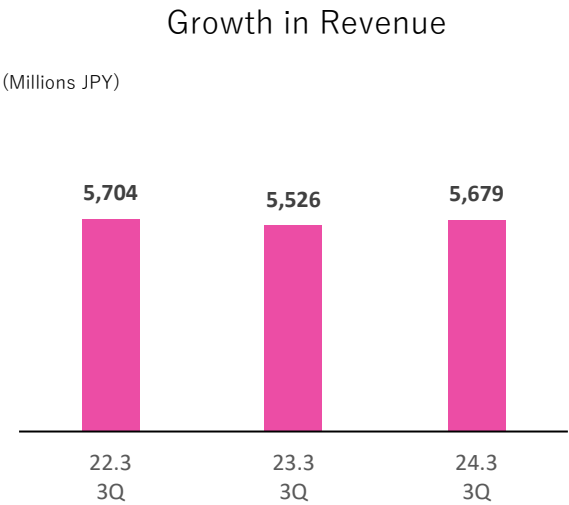
Investments in startup companies with a focus on sustainability

2-1. Highlights of the Financial Results Q3 of 2024 March FY

- ✓ In the real estate business, the residential property business had no significant changes in the number of units under management or rent levels for subleasing contracts compared to the same period last year. However, due to a decrease in the vacancy rates, rent income proportional to the number of occupied units increased, which resulted in an increase in sales and gross profit. In the land agency business, sales and gross profit remained almost in line with the previous year's same period. As a result, there was an overall growth in both revenue and profit for the Real Estate business.
- ✓ In the hotel business, the leasing of Narita Gateway Hotel to Chiba Prefecture has ended and the hotel operations resumed in June 2023. There was a substantial decline in revenue compared to the same period last year when the facility was being operated as a recuperation facility, considering that the return of group customers from China, who were major clients before the COVID-19 pandemic remains sluggish, and the time needed to gradually recover the occupancy rates. On the other hand, Kurashiki Royal Art Hotel experienced significant improvements in hotel occupancy rates which resulted in an increase in sales and profit due to the return of inbound tourists with the recovery trend in restaurant and banquet demand. The combined results of these two hotels were significantly affected by the performance after the reopening of Narita Gateway Hotel, resulting in a decline in overall revenue and profit.
- ✓ As a result, the Group recorded sales of 5,679 million yen (up 2.8% year-on-year), operating loss of 10 million yen (compared to an operating profit of 88 million yen one year earlier), ordinary profit of 23 million yen (down 85.9% year-on-year) and net income attributable to owners of the parent company of 2 million yen (down 96.5% year-on-year).

2-2. 2024 March FY – Q3–Summary of Consolidated Financials ~Income Statement~

In Millions JPY	2022.3 3Q	2023.3 3Q	2024.3 3Q	Net Change (YoY)	Comments (YoY)
Revenue	5,704	5,526	5,679	+153	Contributed by an increase in revenue from the real estate business
Operating Profit	(34)	88	(10)	(99)	While the real estate business recorded an increase in profit, the hotel business recorded a loss
Ordinary Profit	157	167	23	(143)	No subsidy income (recorded 32 million yen in the same period of the previous year)
Net income attributable to owners of the parent	136	76	2	(74)	
ROE (Return on Equity)	7.8%	4.2%	0.1%	(4.1)	

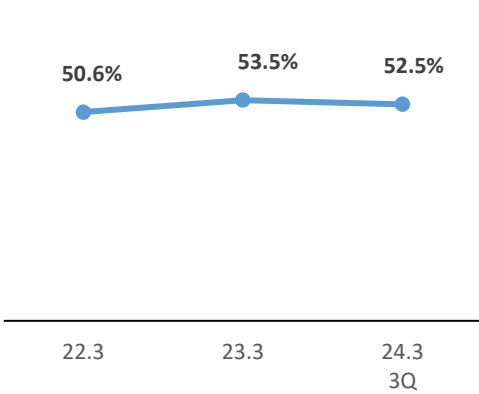


2-3. 2024 March FY – Q3–Summary of Consolidated Financials ~Statement of Financial Position ~

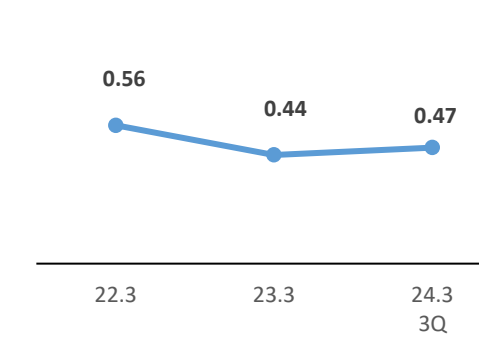
• Statement of Financial Position

(In Millions JPY)	2022.3	2023.3	2024.3 3Q	Net Change
Total Assets	4,789	4,651	4,644	(7)
Current Assets	3,046	3,065	2,780	(284)
Cash and Deposits	2,580	2,582	2,195	(387)
Inventories	158	141	89	(51)
Non-current Assets	1,743	1,586	1,863	+277
Property, Plant and Equipment	1,223	1,137	1,521	+383
Intangible Assets	115	102	94	(7)
Investments and Other Assets	404	346	248	(98)
Shares of Subsidiaries and Associates	70	59	58	(0)
Total Liabilities	2,338	2,133	2,179	+45
Interest Bearing Liabilities (Note 1)	1,379	1,111	1,169	+58
Total Net Assets	2,450	2,517	2,465	(52)
Equity Ratio (Note 2)	50.6%	53.5%	52.5%	(1.0)
Debt to Equity Ratio (time)(Note 3)	0.56	0.44	0.47	+0.03

Comparison of Equity Ratio



Comparison of Debt-to-Equity Ratio

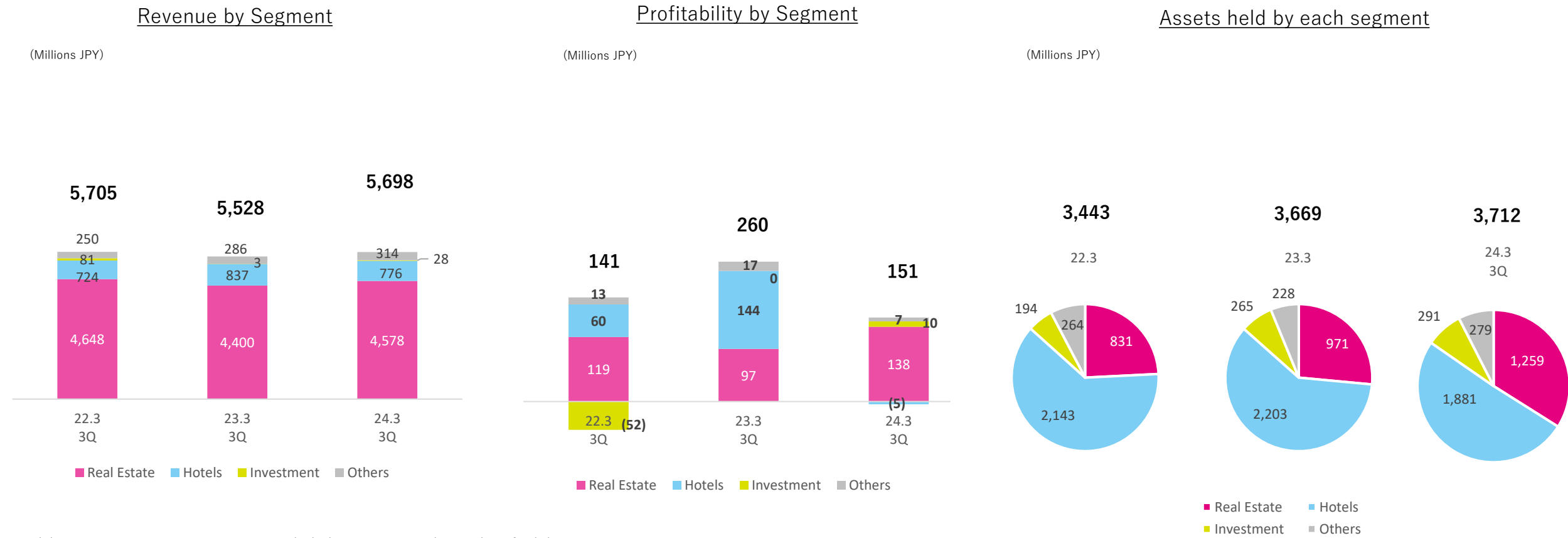


Note 1; Interest-bearing debt: short-term debt, corporate bonds due within a year, long-term debt due within a year, corporate bonds, long-term debt

Note 2: Equity ratio: (total shareholders' equity + total accumulated other comprehensive income) / total liabilities and net assets

Note 3: Debt to Equity Ratio :Interest Bearing Liabilities / Total Net Assets

2-4. 2024 March FY – Q3–Summary of Consolidated Financials ~Overall Segment Performance~



※Inter-segment transactions are included in segment sales and profitability.
※Operating income of each segment is disclosed as segment income. The total segment income minus adjustments (mainly personnel and expenses related to administrative departments) is the operating income in the consolidated statements of income.
※In the fiscal year ended in March 2022, the investment business included the overseas advertising agency business. However, since the second quarter of the fiscal year ended in March 2022, this business has been excluded from the consolidation scope due to a partial transfer of shares in PT. Citra Surya Komunikasi.

2-5. 2024 March FY – Q3–Overview by Segment ~Real Estate Segment ①~

Business activities: Residence business (leasing, rental management, condominium building management), real estate sales

Subsidiaries : Trust Advisers, Tokyo Apartment Guarantee, etc.

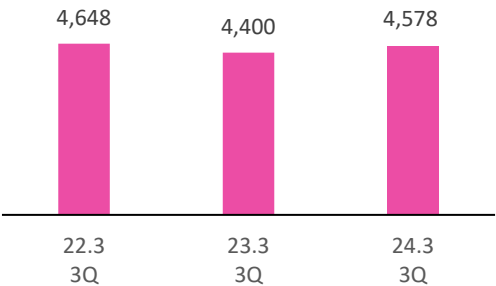
Segment Revenue 4,578 Millions JPY
(YoY +4.0%)

Segment Profitability 138 Millions JPY
(YoY +41.6%)

- ✓ In the residential property business, the number of units under management and rent rates remained at the same level. Due to a decrease in the vacancy rates, rent income proportional to the number of occupied units increased.
- ✓ In the land agency business, sales and gross profit remained almost in line with the previous year's same period.
- ✓ In the overall segment, there was a growth in both revenue and profit. Plan to increase the portfolio of self-owned rental properties in the future in order to diversify revenue sources.

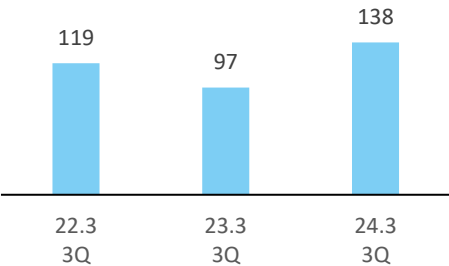
Segment Revenue

(Millions JPY)



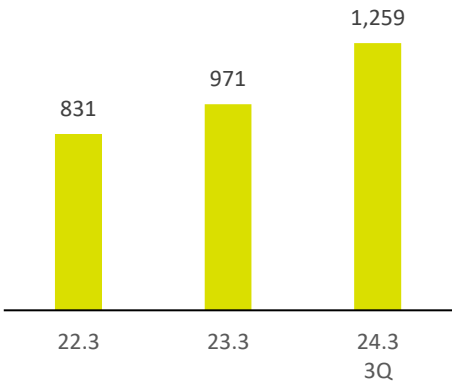
Segment Profitability

(Millions JPY)



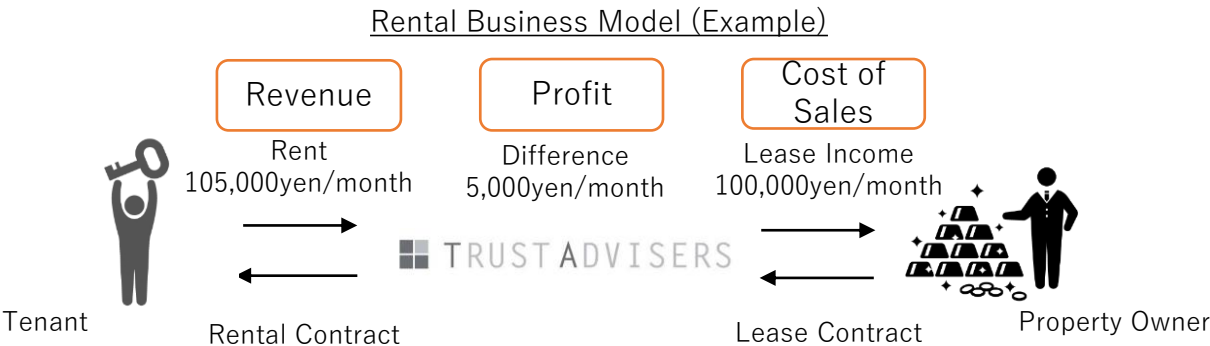
Segment Assets

(Millions JPY)

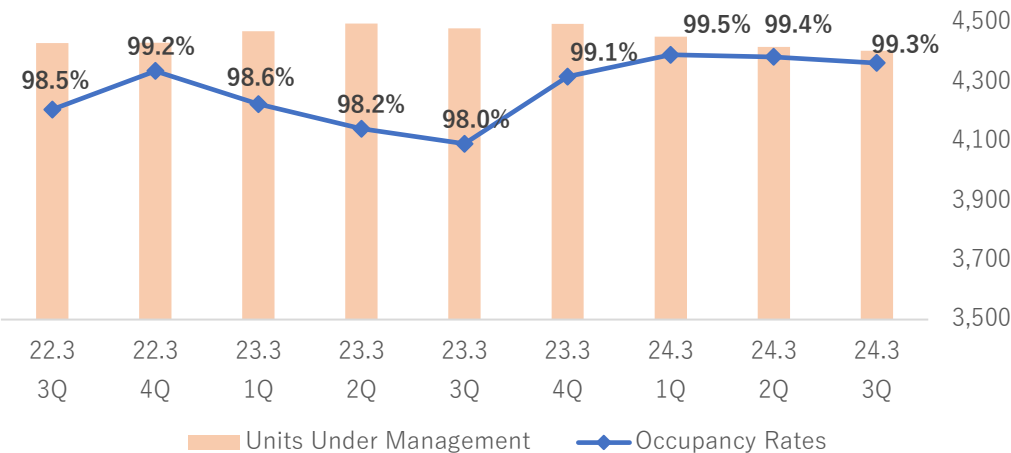


2-6. 2024 March FY – Q3– Overview by Segment ~Real Estate Segment ②~

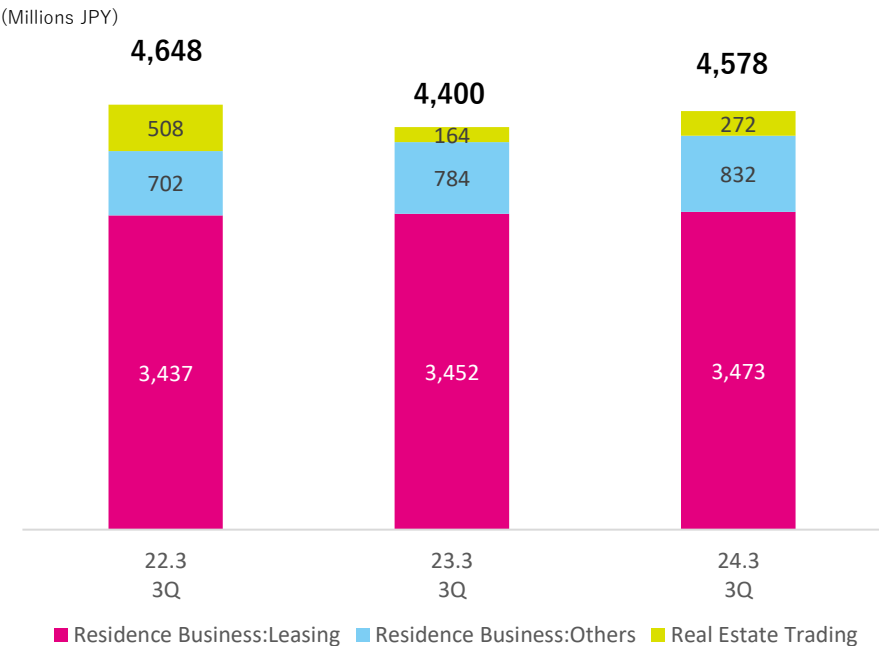
- ✓ The stable earning base in the real estate segment is the rental revenue from the residence business
→Acquisition of properties from owners under leasing and renting those properties to tenants. A part of the rent revenue from the tenants will be paid to the owners.



Number of Units Managed Under Rental Business & Occupancy Rates



- ✓ Real Estate Segment: Sales Composition by Business Units



※Included in "Residential Business: Others": Business consignment fee income, administration fees, restoration, repair sales, renewal administration fees, collection agency fees, and fire insurance fees.

※Due to a review of the aggregation method, there have been changes from the past disclosed figures.

2-7. 2024 March FY – Q3– Overview by Segment ~Hotel Segment ①~

Business Description: Ownership and operation of hotels

Subsidiaries : Narita Gateway Hotel, Kurashiki Royal Art Hotel, Global Holdings

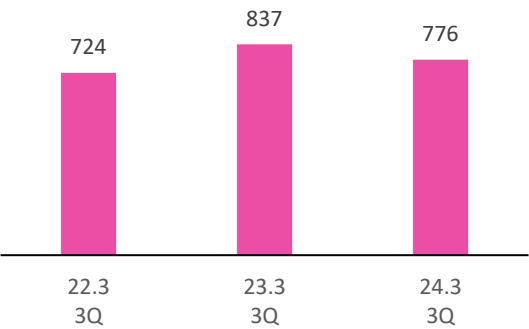
Segment Revenue 776 Millions JPY
(YoY (7.3%))

Segment Loss 5 Millions JPY
(Previous FY a profit of 144 million JPY)

- ✓ **Narita Gateway Hotel resumed its hotel operations in June 2023 and is in the process of gradually recovering its occupancy rates. Kurashiki Royal Art Hotel experienced significant improvements in hotel occupancy rates compared to the same period last year, due to the return of inbound tourists and the recovery trend in restaurant and banquet demand.**
- ✓ **View hotels as incubation spaces and work alongside local communities to promote the creation of new environments (Narita: Utilize opportunities such as strengthening and expanding Narita Airport's functions / Kurashiki: Leverage large-scale events such as the Kansai Expo and Setouchi Art Festival).**

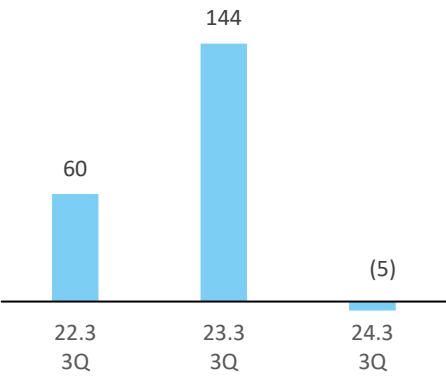
Segment Revenue

(Millions JPY)



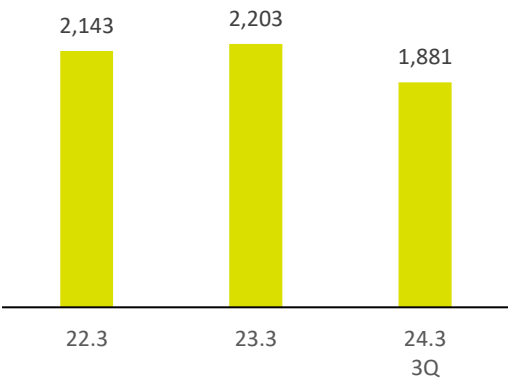
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



2-8. 2024 March FY – Q3- Overview by Segment ~Hotel Segment ②~



Narita Gateway Hotel

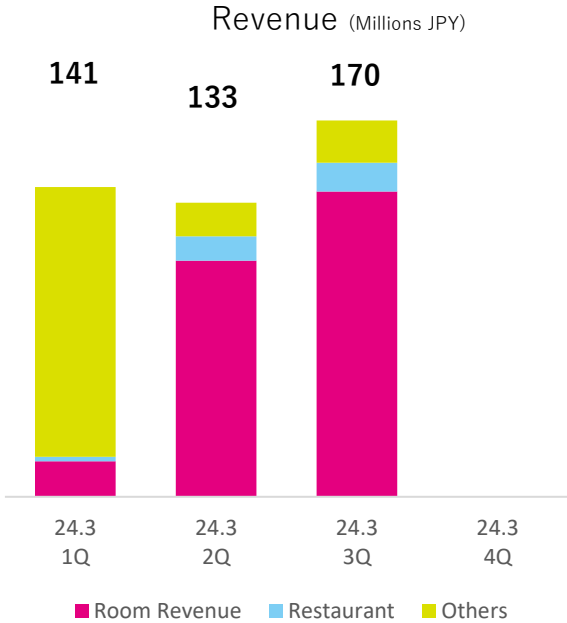
Subsidiary

<https://gateway-hotel.co.jp>



- Number of Rooms : 307
- Japanese travelers who use the Narita Airport & in-bound travelers are the target market

- Since April 2020, the property had been leased to Chiba Prefecture as a facility for mild and asymptomatic COVID-19 patients. On June 1, 2023 (Thu), the hotel operations resumed.
 - Due to the continued sluggish return of group customers from China and the renovation work on some of the guest rooms (2 floors), the recovery of the occupancy rates is slightly behind schedule although it is back to almost 80% in 3Q.
 - On January 1, 2024 (Monday), Narita Gateway Hotel was featured on the Chiba Television broadcast "Business Trends Special 2024"
- <https://www.youtube.com/watch?v=wlgrNSS1Wbl>



KURASHIKI ROYAL ART HOTEL
倉敷ロイヤルアートホテル

Kurashiki Royal Art Hotel

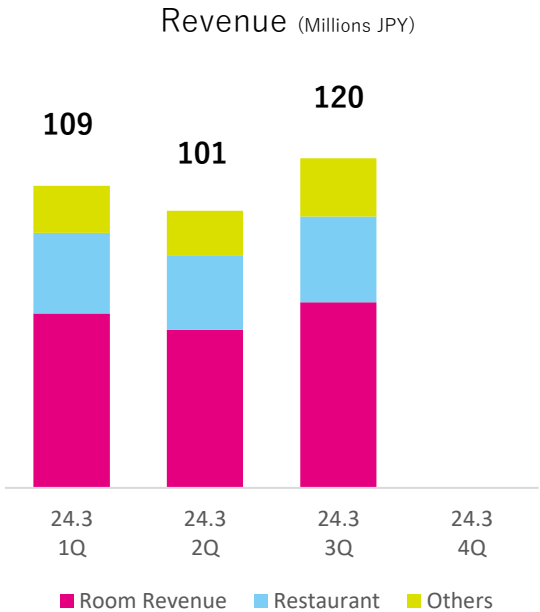
Subsidiary

<https://www.royal-art-hotel.co.jp>



- Number of Rooms : 71
- 2 minute walk from the tourist hot spot, Kurashiki Bikan Historical Quarter.

- Amid the lively atmosphere gradually returning to the Kurashiki Bikan Historical Quarter, the hotel's occupancy rates has shown significant improvements compared to the same period last year.
- Restaurant and banquet demand shows signs of recovery. To prepare for the increase in demand, the hotel plans to address staffing issues, including recruitment and placement. Renewed its official website.
- In November 2023, a calligraphy exhibition by Shoko Kanazawa as part of the pre-event reception for one of the largest conference events in the Setouchi area, "BLAST SETOUCHI." was held.



2-9. 2024 March FY – Q3– Overview by Segment ~Investment Segment ①~

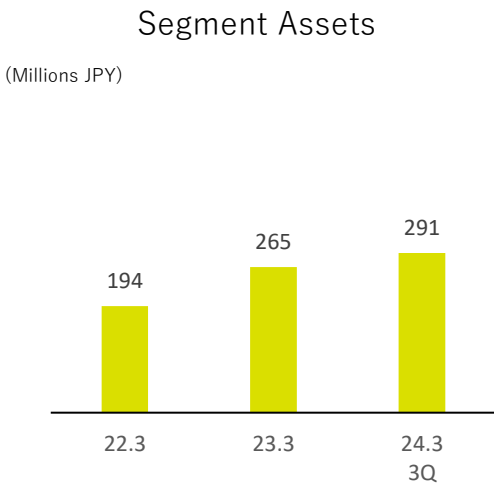
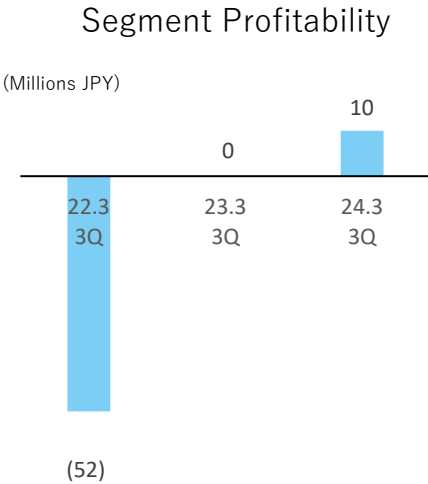
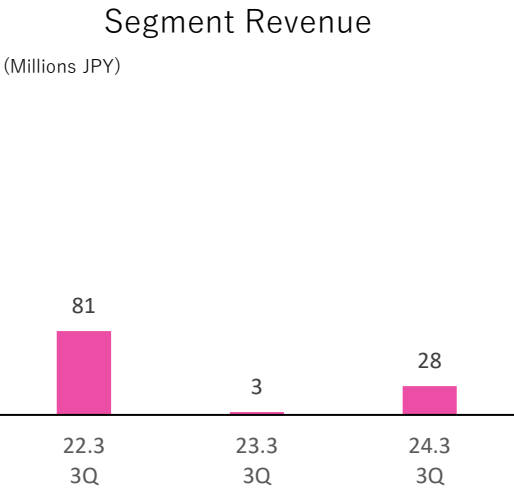
Business Description : Investment business in Asia, Domestic investments

Subsidiary : Striders Global Investment (Singapore), M&A Global Partners (MAGP)

Segment Revenue 28 Million JPY
(Previous FY 3 Millions JPY)

Segment Profitability 10 Million JPY
(Previous FY 0 million JPY)

- ✓ While actively pursuing business succession and inbound investment opportunities within Japan, the company also explored startup investments in areas such as Agri-Tech, Insure-Tech, Health-Tech, and Green-Tech. Sold a portion of the shares in Roar Media, a digital media platform at the end of July.
- ✓ In the future, we will strengthen our role as a gateway for Asian investors and partners that hope to invest or expand into Japan. Will also consider inbound investments and potential fund compositions.



2-10. 2024 March FY – Q3– Overview by Segment ~Investment Segment ②~

Subsidiary



Striders Global Investment uses its growth oriented and global investment strategies to identify companies with high growth potential, mainly in the markets such as Singapore, Indonesia & Sri Lanka. The company aims to maximize the sustainable returns by making investments, business tie-ups, project financing, etc. with high growth potential companies.



M&A Global Partners specializes in corporate rehabilitation and restructuring, fund-raising support, and M&A consulting. The company also offers financial support for unlisted companies and provides consultations for corporate revival.

- Corporate revitalization: Establishment of business revitalization and reorganization schemes
- M&A-related: Consulting services related to business partnerships, business and business transactions
- Fundraising support: Arrangement work for domestic and foreign financial institutions and investors, direct investment

List of Overseas Investments



A digital media startup that operates in Sri Lanka & Bangladesh. Sold a portion of the shares at the end of July 2023.

IC Fund II (LP)



by INDOGEN CAPITAL

Indogen Capital is one of the leading venture capital firms in Southeast Asia.



Attention Holdings Pte. Ltd. is the owner of Evos Esports, which is the largest esports company in Southeast Asia.



A SaaS company to DX smallholder farmers in Sri Lanka and South Asia



Travelio is one of the largest Prop-Tech startups in Indonesia which engages in management of residential properties



Providing a platform to consult with medical professionals via smartphone apps, mainly in Southeast Asia.

List of Domestic Investments

Angel Bridge Small-cap Fund 1

by Angel Bridge

The VC fund established by Angel Bridge Co., Ltd. in 2019.



A real estate tech company that operates platforms such as "Canary," a real estate transaction platform.

2-11. 2024 March FY – Q3– Overview by Segment ~Others ①~

Business Description : Development & Sale of In-vehicle Terminal Systems, Noodle Manufacturing Business

Subsidiaries : Mobile Link, Masuda Seimen

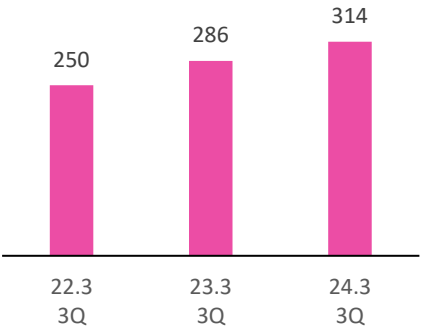
Segment Revenue 314 Million JPY
(YoY +9.9%)

Segment Profitability 7 Million JPY
(YoY (55.9%))

- ✓ **Mobile Link steadily accumulated subsidy projects in October and November. As a result, the company managed to recover from the losses made in the first half despite not reaching the same level as the previous year.**
- ✓ **At Masuda Seimen, the market has been recovering from the effects of the COVID-19 pandemic, but the struggle has continued due to soaring raw material prices. However, with the price adjustments made in the summer, signs of improved performance have started to emerge.**

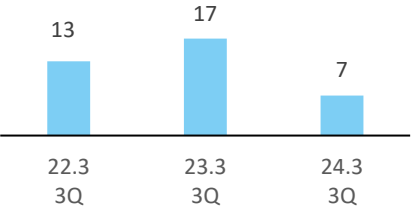
Segment Revenue

(Millions JPY)



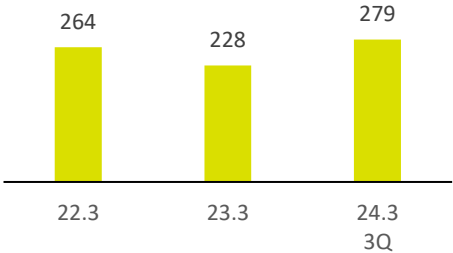
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



2-12. 2024 March FY – Q3 Overview by Segment ~Others ②~

Subsidiary



Mobile Link Inc.
<http://www.mobile-link.co.jp>

Mobile Link develops and sells built – in technology for vehicle operation and management.



Y.K. Masuda Seimen

Y.K. Masuda Seimen manufactures and sells Chinese noodles at their Yokosuka factory in Kanagawa Prefecture for about 100 customers in the Tokyo metropolitan area.



Associated Companies

MIRAI IP and Technology Research Center Co., Ltd.

<https://mirai-iptrc.co.jp>

The Company's share is included in "earnings from affiliates" and "losses from affiliates" under non-operating income and expenses in the consolidated statements of income. The figures for this company do not include the revenue, profitability, and assets of the "Other" segment.

One of the nine "registered research institutions" in Japan that can conduct advanced technology research ordered by JPO.



3.Financial Results - Supplementary Materials



3-1. Quarterly performance trends (Group)

<Consolidated income statement>

(Millions JPY)

2024 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,846	1,904	1,928	-	5,679
Operating Profit	7	(31)	13	-	(10)
Ordinary Income	30	(15)	8	-	23
Net Income (※)	10	(11)	3	-	2

2023 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,793	1,794	1,938	1,845	7,371
Operating Profit	20	6	62	55	144
Ordinary Income	55	40	71	65	232
Net Income (※)	19	22	34	41	118

2022 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,804	1,926	1,973	1,801	7,505
Operating Profit	(43)	(24)	33	0	(33)
Ordinary Income	30	20	107	47	205
Net Income (※)	24	22	89	32	168

(※Net income attributable to shareholders of the parent)

<Consolidated balance sheet>

(Millions JPY)

2024 March FY	1Q	2Q	3Q	4Q
Total Assets	4,482	4,437	4,644	-
Net Assets	2,485	2,475	2,465	-
Equity Ratio	54.8%	55.2%	52.5%	-
Net assets per share	293.46JPY	293.41JPY	294.28JPY	-

2023 March FY	1Q	2Q	3Q	4Q
Total Assets	4,716	4,639	4,712	4,651
Net Assets	2,429	2,441	2,470	2,517
Equity Ratio	51.0%	52.1%	51.8%	53.5%
Net assets per share	284.22JPY	286.56JPY	290.89JPY	296.42JPY

2022 March FY	1Q	2Q	3Q	4Q
Total Assets	5,079	4,785	4,833	4,789
Net Assets	2,306	2,322	2,427	2,450
Equity Ratio	44.8%	48.0%	49.7%	50.6%
Net assets per share	268.00JPY	270.81JPY	283.01JPY	286.26JPY

3-2. Quarterly performance trends (Segment)

< Revenue by Segment and Net sales >

(Millions JPY)

2024 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,530	1,542	1,504	-	4,578
Hotel	250	234	290	-	776
Investment	0	30	(1)	-	28
Others	73	106	135	-	314
Adjustment	(8)	(9)	(0)	-	(19)
Total(Net Sales)	1,846	1,904	1,928	-	5,679

2023 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,456	1,444	1,499	1,505	5,906
Hotel	258	285	292	268	1,106
Investment	0	0	3	3	6
Others	79	64	143	68	355
Adjustment	(0)	(0)	(0)	(0)	(2)
Total(Net Sales)	1,793	1,794	1,938	1,845	7,371

2022 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,492	1,570	1,584	1,469	6,117
Hotel	211	230	282	232	956
Investment	24	51	5	-	81
Others	75	74	100	99	350
Adjustment	(0)	(0)	(0)	(0)	(0)
Total(Net Sales)	1,804	1,926	1,973	1,801	7,505

< Operating Profit by Segment and Total >

(Millions JPY)

2024 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	61	36	39	-	138
Hotel	7	(25)	11	-	(5)
Investment	(1)	7	4	-	10
Others	(3)	1	10	-	7
Adjustment	(57)	(52)	(52)	-	(161)
Total	7	(31)	13	-	(10)

2023 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	35	17	44	74	171
Hotel	42	44	57	33	177
Investment	(0)	(1)	2	2	3
Others	3	(0)	15	(0)	17
Adjustment	(60)	(53)	(57)	(53)	(225)
Total	20	6	62	55	144

2022 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	48	40	31	67	187
Hotel	1	16	42	(12)	47
Investment	(33)	(23)	4	(1)	(54)
Others	(0)	1	13	2	16
Adjustment	(59)	(58)	(57)	(55)	(231)
Total	(43)	(24)	33	0	(33)

< Assets held by each Segment and Total assets >

(Millions JPY)

2024 March FY	1Q	2Q	3Q	4Q
Real Estate	943	944	1,259	-
Hotel	1,953	1,865	1,881	-
Investment	276	306	291	-
Others	228	257	279	-
Adjustment	1,080	1,062	932	-
Total assets	4,482	4,437	4,644	-

2023 March FY	1Q	2Q	3Q	4Q
Real Estate	796	811	845	971
Hotel	2,193	2,129	2,172	2,203
Investment	255	275	263	265
Others	222	210	284	228
Adjustment	1,248	1,212	1,146	981
Total assets	4,716	4,639	4,712	4,651

2022 March FY	1Q	2Q	3Q	4Q
Real Estate	1,139	1,022	1,015	831
Hotel	2,116	2,071	2,177	2,143
Investment	507	322	192	194
Others	230	234	252	264
Adjustment	1,086	1,134	1,195	1,355
Total assets	5,079	4,785	4,833	4,789

3-3. Reference Information

- Basic Company Information

Company Name	Striders Corporation
Headquarters	Shimbashi MCV Building 8F, 5-13-5 Shimbashi, Minato-ku, Tokyo, Japan (Postal Code: 105-0004)
Established	February 1965
Capital	1,585 Million JPY
Businesses Segments	Real Estate, Hotel, Investment & Others
Listed Market	Standard Market at Tokyo Stock Exchange (Stock code : 9816)
Consolidated Sales	7,371Million JPY (March 2023)
Number of Employees	135 (March 2023)



Striders Corporation
President & CEO

Ryotaro Hayakawa

- Corporate Philosophy
「 **Supporting individuals and companies with challenging spirit and sharing inspirational experiences with all stakeholders, to create a better world** 」

- Corporate Slogan **Stride With Challengers**

- Investor Relations <https://www.striders.co.jp/ir/information.html>

- Contact for IR related matters Finance and Accounting Department Tel (+81) 03-5777-1931 *via online <https://www.striders.co.jp/contact/contact.html>

- Notes about the statements related to future
Forward-looking statements such as business forecasts contained in this material are based on the information currently obtained by the Company and on certain assumptions that are deemed reasonable and are not intended to promise the achievement by the company. In addition, actual business results may differ significantly due to various factors.