

Striders Corporation

1st Quarter of 2023 March Financial Year Explanation of Financial Statements



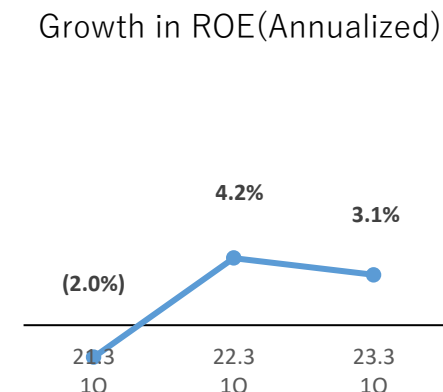
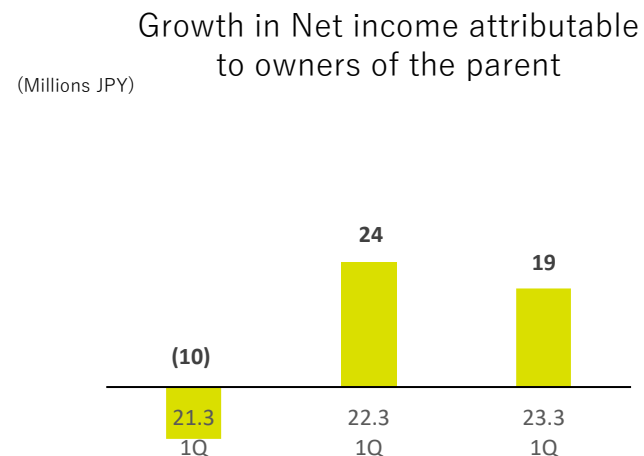
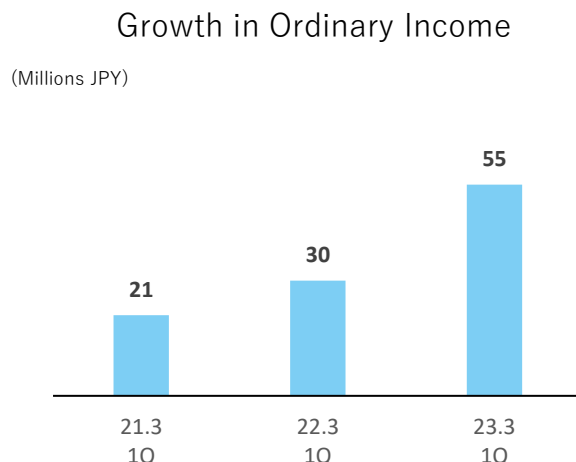
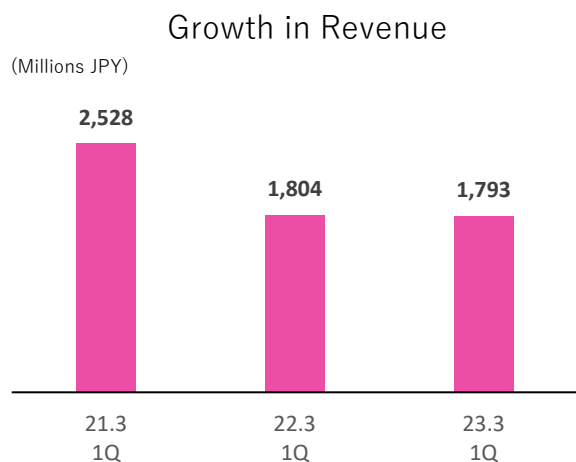
12th August 2022

1. Highlights of the Financial Results of Q1 of 2023 March FY

- ✓ In the real estate segment, the residential business was stable as in the past, but real estate trading business remained sluggish.
- ✓ In the hotel business, Narita Gateway Hotel continued to be leased to Chiba Prefecture, while Kurashiki Royal Art Hotel saw a significant year-on-year improvement in occupancy rate
- ✓ In the overseas business, the losses up until the last financial year which were from the advertising agency is no longer recorded, but the investment business is yet to make a contribution.
- ✓ As a result, net sales were 1,793 million yen (down 0.6% year-on-year), operating income was 20 million yen (-43 million yen in the same period of the previous year), ordinary income was 55 million yen (up 81.6% year-on-year), and net income attributable to owners of the parent was 19 million yen (down 18.1% year-on-year)

2. 2023 March FY – Q1 Summary of Consolidated Financials ~Income Statement~

In Millions JPY	2021.3 1Q	2022.3 1Q	2023.3 1Q	Net Change (YoY)	Commented (YoY)
Revenue	2,528	1,804	1,793	(11)	Slight decrease in real estate business, increase in hotel business, decrease in overseas business and others
Operating Profit	35	(43)	20	+63	Hotel business (Kurashiki Royal Art Hotel) occupancy rate improved, and the losses from the overseas advertising agency is no longer recorded.
Ordinary Profit 【①】	21	30	55	+25	Foreign exchange gains of 13 million yen recorded; subsidy income decreased from 47 million yen to 15 million yen
Income Tax 【②】	29	26	35	+9	
Net income or loss attributable to non controlling interests 【③】	1	(20)	0	+20	Noncontrolling interest in overseas advertising agency business will be eliminated
Net income attributable to owners of the parent 【①－②－③】	(10)	24	19	(5)	

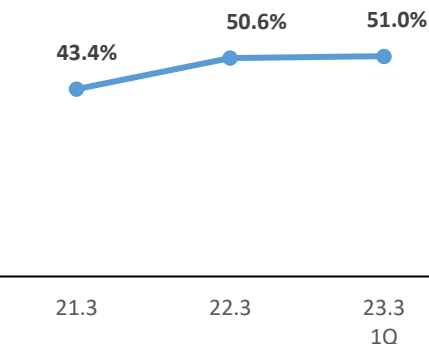


3. 2023 March FY – Q1 Summary of Consolidated Financials ～Statement of Financial Position～

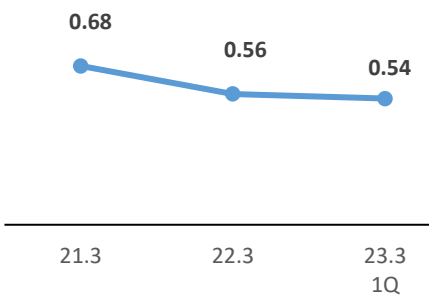
• Statement of Financial Position

(In Millions JPY)	2021.3	2022.3	2023.3 1Q	Net Change
Total Assets	5,230	4,789	4,716	(73)
Current Assets	3,367	3,046	2,968	(78)
Cash and Cash Equivalents	2,894	2,580	2,504	(76)
Inventory	208	158	151	(7)
Non-current Assets	1,862	1,743	1,748	+5
Tangible Non-Current Assets	1,317	1,223	1,202	(21)
Intangible Non-Current Assets	126	115	112	(3)
Investments and Other Assets	418	404	434	+30
Investment Securities	231	256	302	+46
Stock of Associated Companies	82	70	57	(13)
Total Liabilities	2,909	2,338	2,286	(52)
Interest Bearing Liabilities (Note 1)	1,591	1,379	1,321	(58)
Total Net Assets	2,321	2,450	2,429	(21)
Equity Ratio (Note 2)	43.4%	50.6%	51.0%	+0.4
Debt to Equity Ratio	0.68 times	0.56 times	0.54 times	(0.02)

Comparison of Equity Ratio



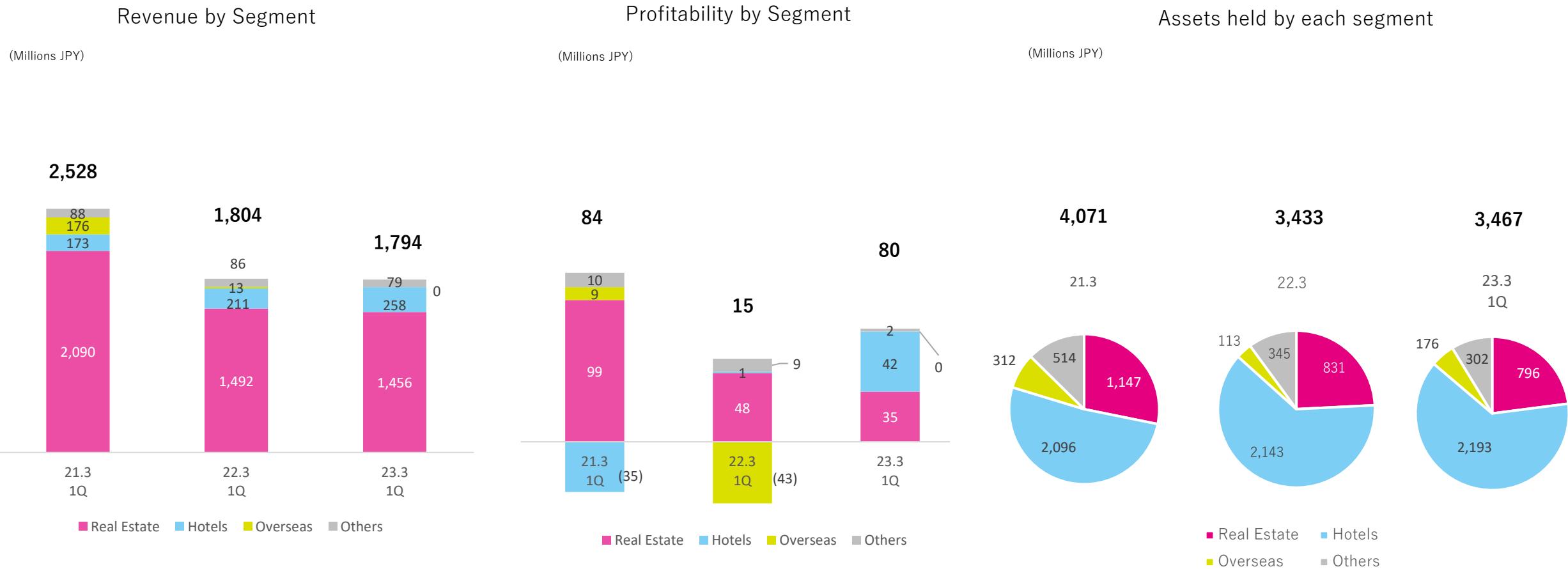
Comparison of Debt-to-Equity Ratio



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

4. 2023 March FY – Q1 Summary of Consolidated Financials ~Overall Segment Performance~



※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.

5. 2023 March FY – Q1 Overview by Segment ~Real Estate Segment ①~

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

Subsidiaries : Trust Advisers Corporation , Tokyo Apartment Guarantee Corporation, etc.

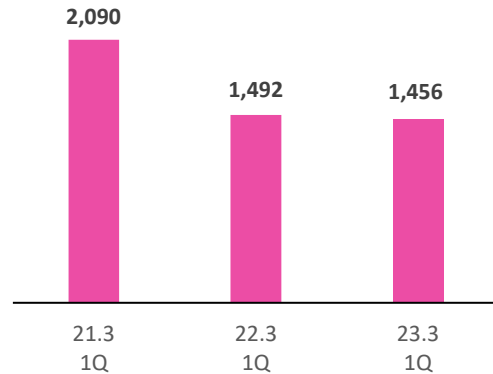
Segment Revenue 1,456 Million JPY
(YoY (2.4%))

Segment Profitability 35 Millions JPY
(YoY (26.7%))

- ✓ In the Residence Business, there were no significant changes in the renewal rate of existing lease contracts or rent levels
- ✓ In the real estate trading business, the number of transactions remained sluggish, and the lending by the financial institutions for the real sector was limited.
- ✓ Amid the COVID-19 pandemic, Digitization initiatives such as going paperless and remote working was introduced and promoted.

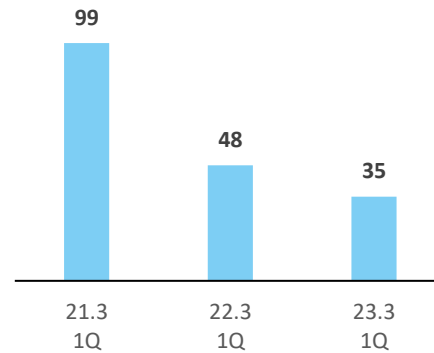
Segment Revenue

(Millions JPY)



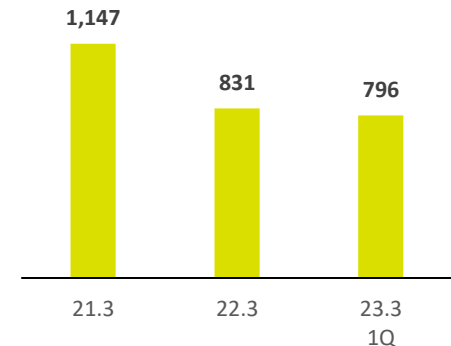
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



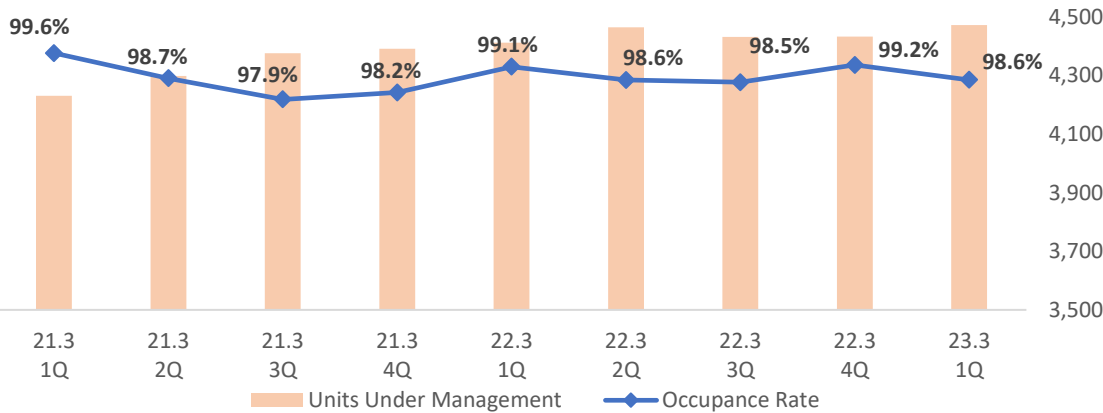
6. 2023 March FY – Q1 Overview by Segment ~Real Estate Segment ②~

- ✓ The stable earnings base of the real estate segment is “Leasing” in the residence business.
→ Real estate is leased from the owner and subleased to the resident

“Leasing” Business Model (Example)

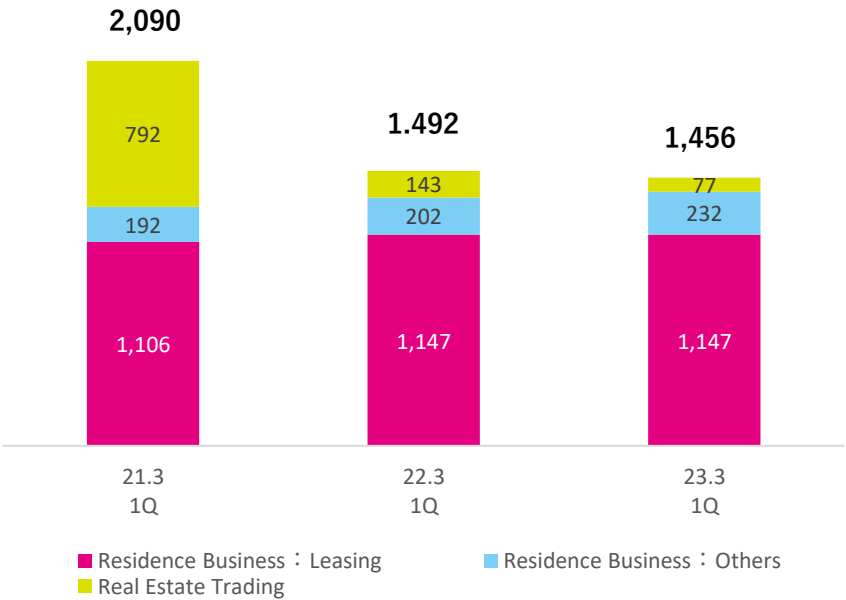


Number of Units Managed Under “Leasing” Business & Occupancy Rates



- ✓ Real Estate Segment: Sales Composition by Business Units

(Millions JPY)



※Contents of “Residence Business: Others”
Outsourcing fee income, administration fees, restoration of existing conditions, repair sales, renewal management fees, collection agency fees, fire insurance fees

7. 2023 March FY – Q1 Overview by Segment ~Hotel Segment ①~

Business Description: Ownership and operation of hotels

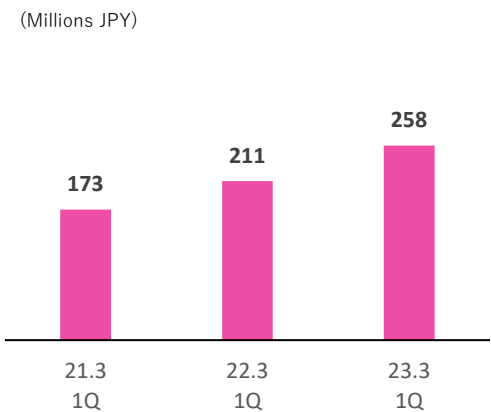
Subsidiaries : Narita Gateway Hotel, Kurashiki Royal Art Hotel, Global Holdings Corporation

Segment Revenue 258 Millions JPY
(YoY +22.3%)

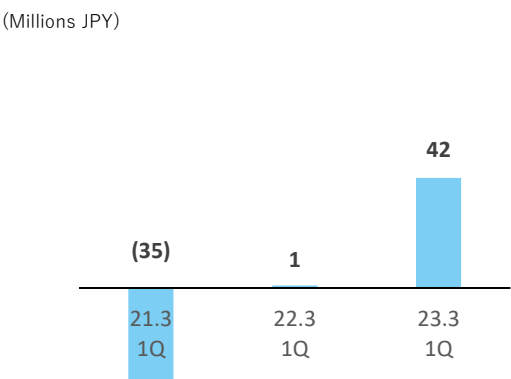
Segment Profitability 42 Millions JPY
(YoY +2,412.7%)

- ✓ Narita Gateway Hotel was continuing to accept asymptomatic and mildly ill patients infected with COVID-19 from April 2020 (will be continuing for the time being).
- ✓ Kurashiki Royal Art Hotel saw a significant improvement in occupancy rates. Based on the collaboration agreement with HAPPO-EN, joint efforts will be made to plan events that take advantage of local characteristics and to develop food related products.

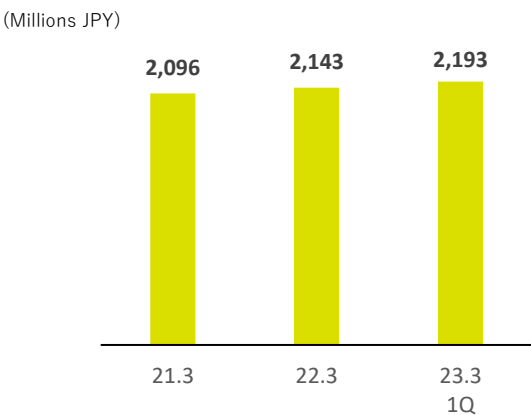
Segment Revenue



Segment Profitability



Segment Assets



8. 2023 March FY Overview by Segment ~Hotel Segment ②~



Narita Gateway Hotel

Subsidiary

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



- Number of Rooms : 307
- Japanese travelers who use the Narita Airports & in-bound travelers are the target market
- Annual In-bound guests (Pre-COVID) : More than 70,000
- Since April 2020, it has been rented out to Chiba Prefectural Government as a facility for mild and asymptomatic people with new coronavirus infection (extended beyond April 2022 for the time being).



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

Kurashiki Royal Art Hotel

Subsidiary

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



- Number of Rooms : 71
- 2 minutes walk from the tourist hot spot, [Bikanchiku] area.
- Renovated the rice brewery of cultural property, "Ohashi House", built in 1796, into a French restaurant.
- In January 2021, the gallery "MAGO GALLERY KURASHIKI", which displays and sells the works of artist Mago Nagasaka, will open on the basement floor.
- In October 2021, introduced the clean power service "Asuene Inc." and have already switched to renewable energy sources for electricity use.

9. 2023 March FY – Q1 Overview by Segment ~Overseas Segment ①~

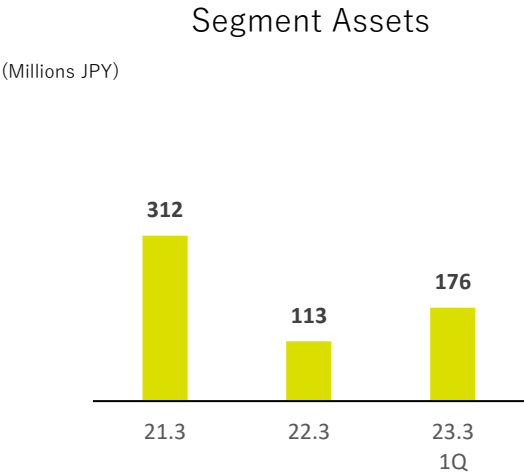
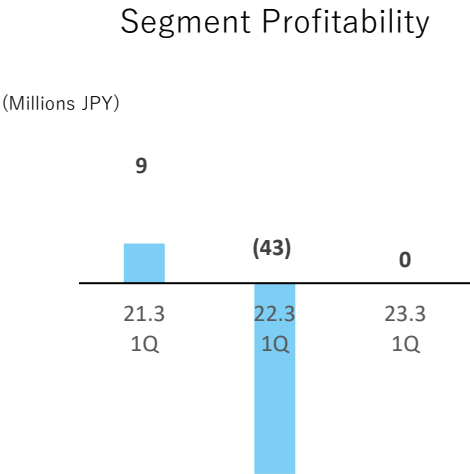
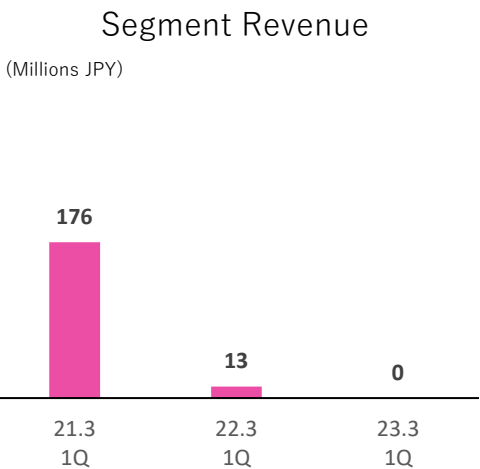
Business Description : Investment Business in Asia

Subsidiary : Striders Global Investment Pte. Ltd (Singapore)

Segment Revenue – Millions JPY
(Last FY 13 Millions JPY)

Segment Profitability 0 Millions JPY
(Last FY (43) Millions JPY)

- ✓ In June 2022, we invested in Naluri Pte. Ltd., a startup company providing digital health services in Southeast Asia (details on next page).
- ✓ Investing in startups with a medium- to long-term perspective, therefore sales are yet to be recorded.
- ✓ The impact of the economic crisis in Sri Lanka on our investments in two Sri Lankan companies (Roar and Agrithmics) is under control at the moment.



10. 2023 March FY – Q1 Overview by Segment ~Overseas Segment ②~

Subsidiary



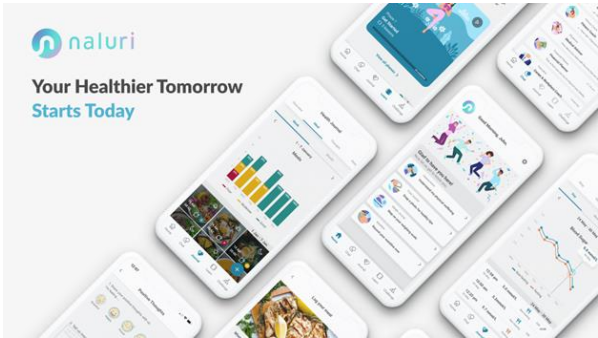
Striders Global Investment uses its growth oriented and global investment strategy to identify companies with high growth potential, mainly in the markets such as Singapore, Indonesia & Sri Lanka. The company aims to maximize the sustainable returns by making investments, business tie-ups, project financing,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

Partners



New Investment

In June 2022, we participated in Naluri's pre-series B fundraising (the first investment in the health tech industry by Striders). The company provides a platform for people with chronic diseases, such as diabetes and mental health, to consult with medical experts online via a smartphone app, and proposes customized medical programs for each individual, utilizing AI and the latest technology.



Investment Portfolio



A digital media startup that operates in Sri Lanka & Bangladesh.



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



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

IC Fund II (LP)

by



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



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

11. 2023 March FY – Q1 Overview by Segment ~Others ②~

Business Description : Development & Sale of In-vehicle Terminal Systems, M&A Consulting, Domestic Investment Business, Noodle Manufacturing Business.

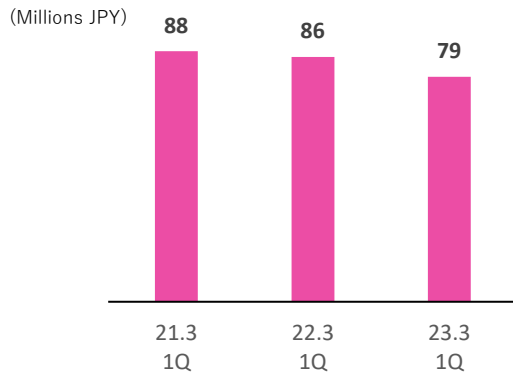
Subsidiaries : Mobilelink Inc., M&A Global Partners Co, Ltd.(MAGP), Y. K. Masuda Seimen.

Segment Revenue 79 Millions JPY
(YoY (8.8%))

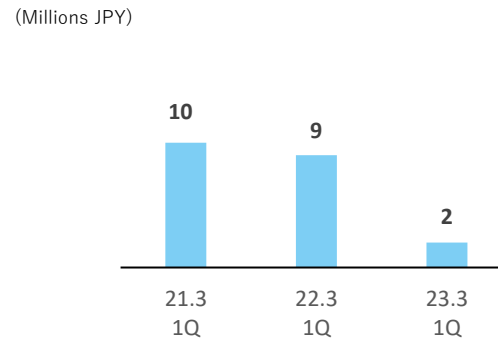
Segment Profitability 2 Millions JPY
(YoY (69.3%))

- ✓ **Mobile Link continues to be affected by the semiconductor shortage**
- ✓ **No significant changes in MAGP**
- ✓ **Masuda Seimen continued to be impacted by a decrease in customers at its business partners**

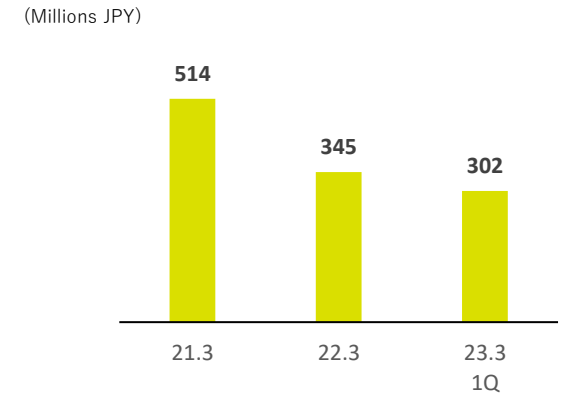
Segment Revenue



Segment Profitability



Segment Assets



12. 2023 March FY – Q1 Overview by Segment ～Others ②～

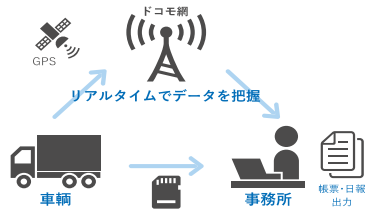
Subsidiary



Mobile Link Inc.

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

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



M&A Global Partners Co, Ltd.

<http://www.ma-gp.co.jp>

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



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.



Outside the scope of the three main segments and "Others" Segment

Associated Companies

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.

MIRAI IP and Technology Research Center Co., Ltd.

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

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



13. 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, Overseas & Others
Listed Market	Standard Market at Tokyo Stock Exchange (Stock code : 9816)
Consolidated Sales	7,505Million JPY (March 2022)
Number of Employees	141 (March 2022)



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 Management 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.

Financial Results - Supplementary Materials



1. Quarterly performance trends (Group)

<Consolidated income statement> (※Net income attributable to shareholders of the parent)

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,793	-	-	-	-
Operating Profit	20	-	-	-	-
Ordinary Income	55	-	-	-	-
Net Income (※)	19	-	-	-	-

2022 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,804	1,927	1,973	1,801	7,505
Operating Profit	(43)	(24)	33	(1)	(33)
Ordinary Income	30	20	107	48	205
Net Income (※)	24	22	90	32	168

2021 March FY	1Q	2Q	3Q	4Q	Total
Revenue	2,528	3,413	2,272	2,269	10,482
Operating Profit	35	75	23	(19)	114
Ordinary Income	21	136	35	36	228
Net Income (※)	(10)	92	46	(14)	114

<Consolidated balance sheet>

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q
Total Assets	4,716	-	-	-
Net Assets	2,429	-	-	-
Equity Ratio	51.0%	-	-	-
Net assets per share	284.22 JPY	-	-	-

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	268.00 JPY	270.81 JPY	283.01 JPY	286.26 JPY

2021 March FY	1Q	2Q	3Q	4Q
Total Assets	5,184	5,318	5,266	5,230
Net Assets	2,080	2,199	2,287	2,321
Equity Ratio	39.4%	40.4%	42.8%	43.4%
Net assets per share	241.26 JPY	253.55 JPY	265.97 JPY	267.38 JPY

2. Quarterly performance trends (by Segment)

< Revenue by Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,456	-	-	-	-
Hotel	258	-	-	-	-
Overseas	0	-	-	-	-
Others	79	-	-	-	-
Total	1,793	-	-	-	-

2022 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,492	1,571	1,585	1,469	6,117
Hotel	211	230	283	232	956
Overseas	13	35	0	0	48
Others	86	91	106	100	383
Total	1,802	1,927	1,974	1,802	7,505

2021 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	2,090	2,880	1,831	1,905	8,706
Hotel	173	253	307	221	954
Overseas	176	174	47	38	435
Others	88	106	86	106	386
Total	2,527	3,413	2,271	2,270	10,481

< Operating Profit by Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	35	-	-	-	-
Hotel	42	-	-	-	-
Overseas	(0)	-	-	-	-
Others	2	-	-	-	-
Total	80	-	-	-	-

2022 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	48	40	31	68	187
Hotel	1	16	43	(13)	47
Overseas	(43)	(39)	0	(2)	(84)
Others	9	16	19	2	46
Total	15	33	93	56	197

2021 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	99	84	48	68	299
Hotel	(35)	23	54	(5)	37
Overseas	9	17	(31)	(35)	(40)
Others	10	2	1	6	19
Total	83	126	72	34	315

< Assets held by each Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q
Real Estate	796	-	-	-
Hotel	2,193	-	-	-
Overseas	176	-	-	-
Others	302	-	-	-
Total	3,467	-	-	-

2022 March FY	1Q	2Q	3Q	4Q
Real Estate	1,139	1,032	1,015	831
Hotel	2,116	2,072	2,177	2,143
Overseas	292	126	111	113
Others	444	450	333	345
Total	3,991	3,680	3,636	3,433

2021 March FY	1Q	2Q	3Q	4Q
Real Estate	1,276	1,278	1,298	1,147
Hotel	2,108	2,165	2,257	2,096
Overseas	350	402	351	312
Others	480	471	487	514
Total	4,214	4,316	4,393	4,069