

Striders Corporation

1st Quarter of 2021 March FY Explanation of Financial Statements



11th August 2020

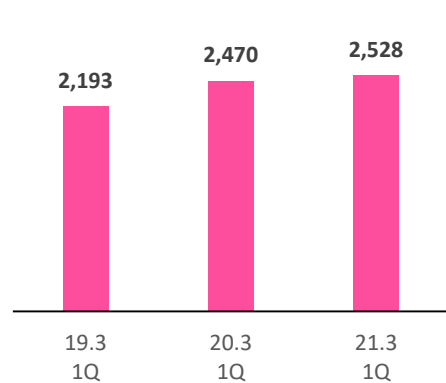


1. 2021 March FY – Q1 Summary of Consolidated Financials ~Income Statement~

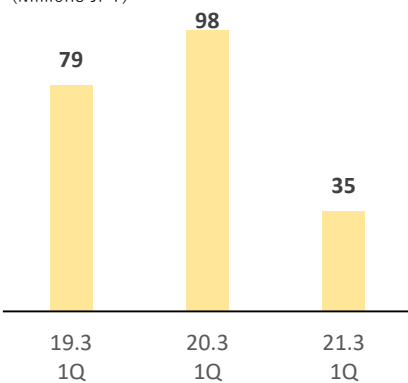
- ✓ Net sales increased 2.4% YoY to 2,528 million JPY, operating income decreased 63.8% YoY to 35 million JPY
- ✓ The real estate segment grew steadily, but the net income recorded a loss mainly due to the decline in the hotel segment

(in millions JPY)	2019.3 1Q	2020.3 1Q	2021.3 1Q	YoY
Net Sales	2,193	2,470	2,528	+2.4%
Operating Profit	79	98	35	▲63.8%
Income before taxes	85	97	19	▲79.6%
Income Tax	25	27	29	+7.4%
Net Income (※Net Income attributable to the parent company shareholders)	57	71	▲10	—
ROE (annualized)	11.0%	13.4%	▲2.0%	—

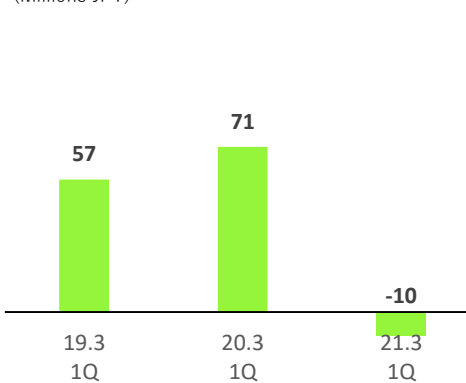
Growth in Net Sales
(Millions JPY)



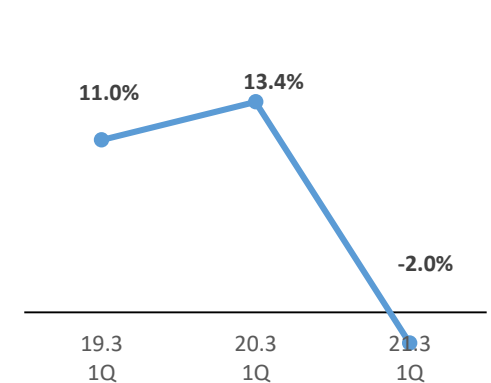
Growth in Operating Income
(Millions JPY)



Growth in Net Income
(Millions JPY)



Comparison of ROE

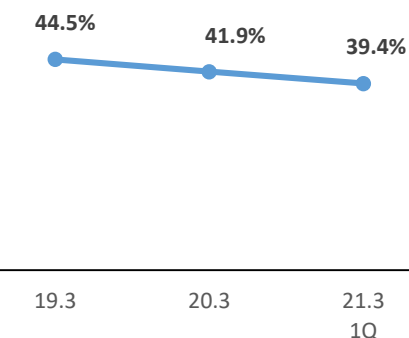


2. 2021 March FY – Q1 Summary of Consolidated Financials ~Statement of Financial Position~

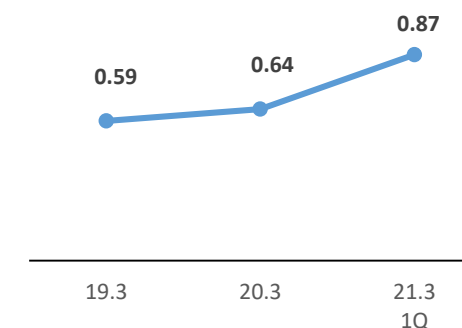
✓ 510 million JPY was raised as long-term debt during Q1 and as a result debt to equity ratio will be 0.87x

(Millions JPY)	2019.3	2020.3	2021.3 1Q	Change
Total Assets	4,655	5,000	5,184	+184
Current Assets	2,630	2,927	3,148	+221
Cash and Cash Equivalents	2,024	2,200	2,462	+262
Inventory	176	297	263	-34
Non-current Assets	2,024	2,073	2,036	-37
Tangible Non-Current Assets	1,390	1,383	1,386	+3
Intangible Non-Current Assets	204	183	170	-7
Investments and Other Assets	430	506	478	-28
Investment Securities	245	303	141	-162
Stock of Associated Companies	84	81	213	+132
Total Liabilities	2,567	2,866	3,103	+237
Interest Bearing Liabilities (Note 1)	1,233	1,366	1,827	+461
Total Net Assets	2,087	2,133	2,080	-53
Equity Ratio (Note 2)	44.5%	41.9%	39.4%	-2.5
Debt to Equity Ratio	0.59 times	0.64 times	0.87 times	+0.23

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

3. 2021 March FY – Q1 Impact of COVID-19

• Impact on Q1 Financial Results

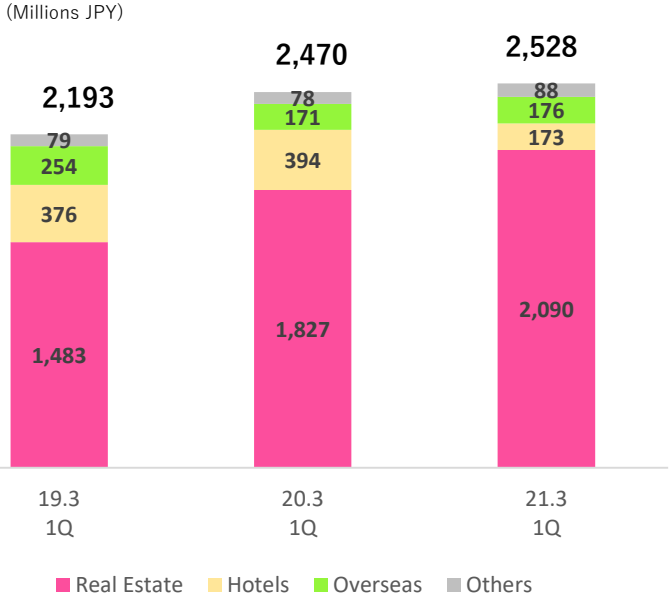
Item	Segment	Impact
① Suspension of ordinary hotel operations	Hotel	• Narita Gateway Hotel was closed for business from April 18, 2020 to accept mild and asymptomatic persons with COVID-19 infection
② Declining number of hotel guests	Hotel	• The number of hotel guests at Kurashiki Royal Art Hotel has decreased significantly on YoY basis
③ Decline in orders in the noodle manufacturing business	Others	• Orders for Masuda Noodles decreased due to the impact of COVID-19
④ Project delays at associated companies	Others	• At Mirai Intellectual Property Technology Research Institute, a loss was recorded in 1Q due to the to postponement of the delivery of research projects to the Patent Office of Japan, But it is expected to record a profit with the delivery of above projects happening in the second half of the FY.

- ✓ COVID-19 caused a major impact mainly in hotel business
 - ✓ In the hotel business, the outlook of demand for tourism, which is the focus of the business plan, is largely dependent on the recovery from COVID-19 pandemic, therefore we are unable to forecast a definitive business plan.
 - ✓ From 2Q onwards, in addition to the hotel business, real estate, overseas and others may get affected
- ⇒ Given the circumstances, we are unable to release the earnings forecast for the current fiscal year.

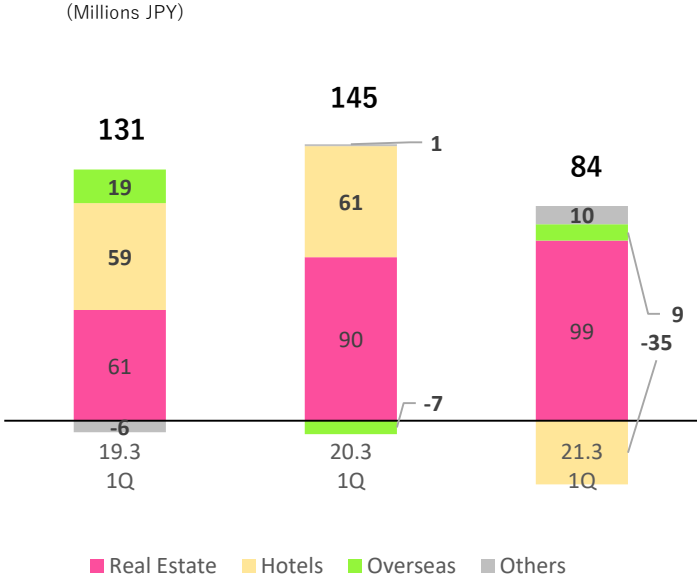
4. 2021 March FY – Q1 Summary of Consolidated Financials ~Overall Segment Performance~

- ✓ Real estate segment showed resilience amid COVID-19
- ✓ The hotels business was greatly affected by the COVID-19 pandemic and as a result both sales and profits decreased significantly

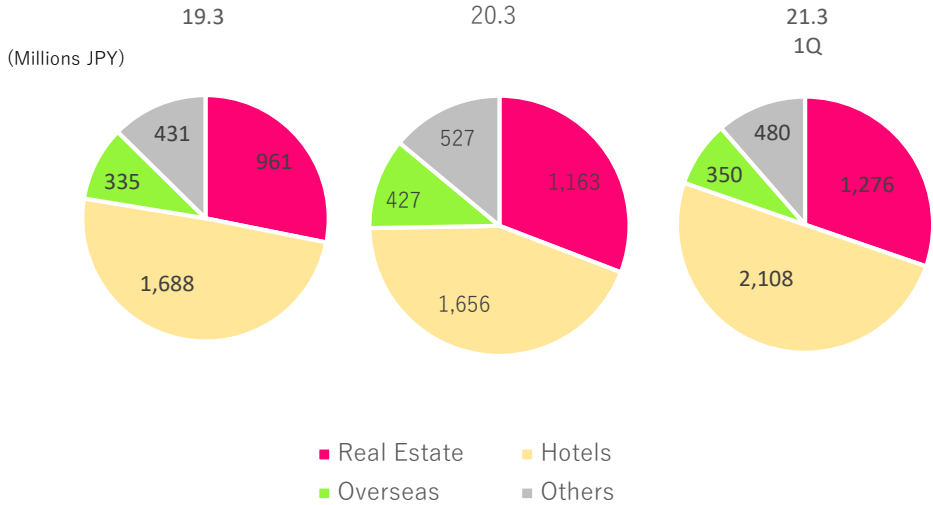
Revenue by Segment



Profits by Segment



Assets by Segment



*Regarding segment figures, from the end of the previous consolidated fiscal year, in order to more appropriately evaluate and manage the performance of each reportable segment, the method of adjusting intersegment transactions has been reviewed and the method of calculating profit for business segments has been changed. Note that only the figures for the 1Q of the fiscal year ending March 31, 2019 on pages 4 to 8 of this document are prepared as per the calculation method before the change.

5. 2021 March FY – Q1 Overview by Segment ~Real Estate Segment~

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

Subsidiaries : Trust Advisers Corporation、Tokyo Apartment Guarantee Corporation

Segment Sales 2,090 Million JPY
(YoY +14.4%)

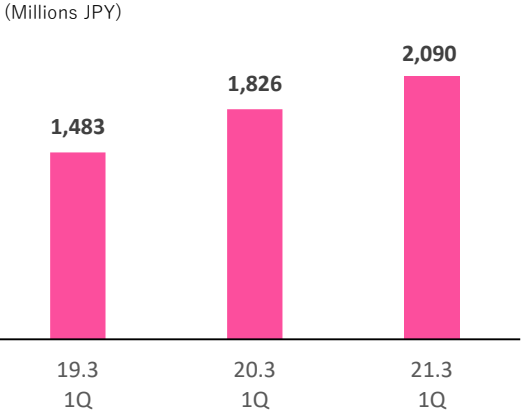
Segment Profits 99 Million JPY
(YoY +10.7%)

- ✓ **The number of units managed under residence business remained high**
- ✓ **Numbers of deals of real estate sales increased**
- ✓ **Even the pandemic, the rent level was not changed, and the number of contract terminations have been lower than usual**

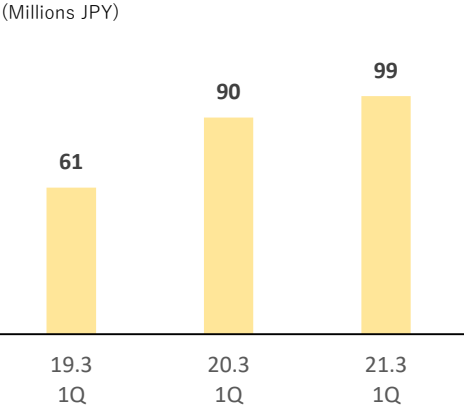


Trust Advisers Corporation
President Koichi Miyamura

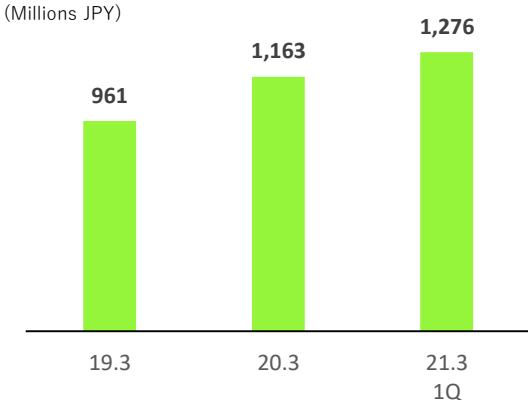
Growth in Segment Sales



Growth in Segment Profit



Growth in Segment Assets



6. 2021 March FY – Q1 Overview by Segment ~Hotel Segment~

Business Description: Ownership and operation of hotels

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

Segment Sales 173 Million JPY
(YoY -56.1%)

Segment Profit -35 Million JPY
(Previous FY 61 million JPY)

- ✓ Narita Gateway Hotel accepts asymptomatic and mildly ill persons with COVID-19 (expected to continue in 2Q)
- ✓ The planned sale of Kurashiki Royal Art Hotel, which was scheduled in July, was cancelled, and new developments are under consideration.
- ✓ Borrowed 510 million JPY (unsecured and unguaranteed) by utilizing the government's emergency loan system for COVID-19 disaster for long-term working capital needs

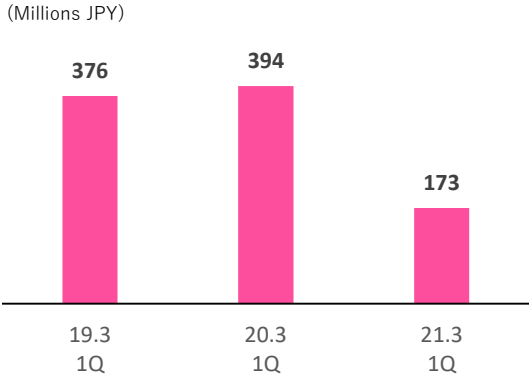


Narita Gateway Hotel

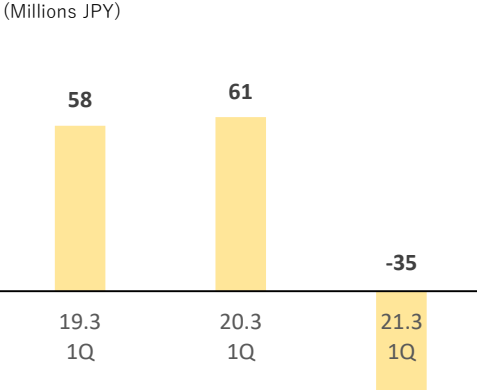


Kurashiki Royal Art Hotel

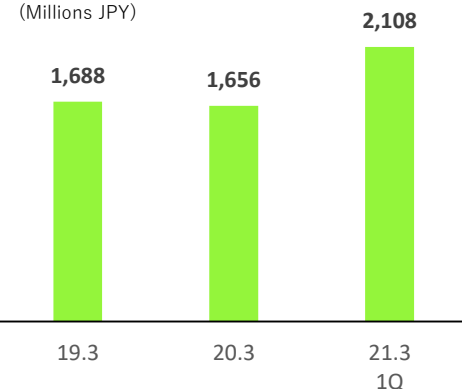
Growth in Segment Sales



Growth in Segment Profit



Growth in Segment Assets



7. 2021 March FY – Q1 Overview by Segment ~Overseas Segment~

Business Description : Advertising Agency Business in Indonesia, Investment Business in Asia

Subsidiary : PT. Citra Surya Komunikasi (Indonesia)、 Striders Global Investment Pte. Ltd (Singapore)



Investment Portfolio under Investment Business

- Softlogic CAPITAL / Softlogic Life
- Roar Media

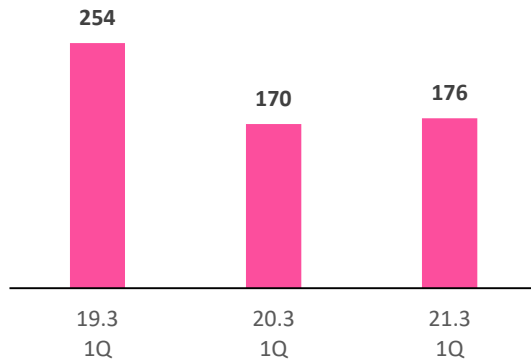
Segment Sales 176 Million JPY
(YoY +3.4%)

Segment Profit 9 Million JPY
(Previous FY -7 Million JPY)

- ✓ Impacts of COVID-19 pandemic is yet to affect the advertising agency business in Indonesia (Q1 refers to the period from January to March 2020)
- ✓ Actively seeking the pandemic proof investment opportunities under the segment of investment business.

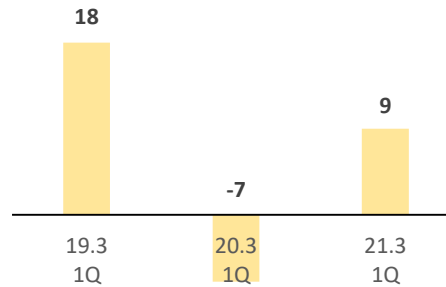
Growth in Segment Sales

(Millions JPY)



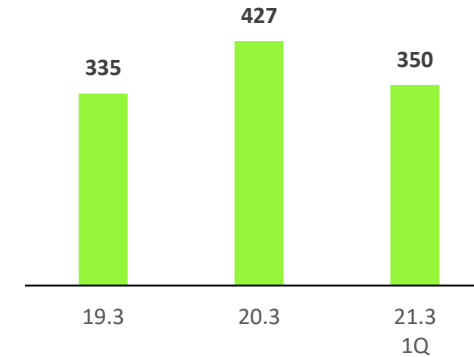
Growth in Segment Profits

(Millions JPY)



Growth in Segment Assets

(Millions JPY)



8. 2021 March FY – Q1 Overview by Segment ~Others~

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

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

【Associated Companies】 MIRAI Intellectual Property and Technology Research Center Co.,Ltd., Amagasa Co. Ltd.

Segment Sales 88 Million JPY
(YoY +12.7%)

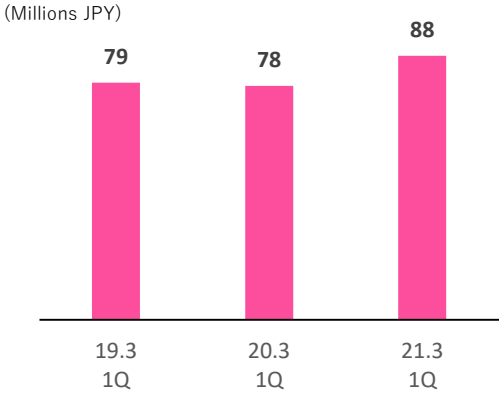
Segment Profit 10 Million JPY
(YoY +875.4%)

- ✓ **At MobileLink, existing customer orders for in-vehicle terminal systems are steadily progressing while orders for Masuda noodles decreased due to the impact of new coronavirus infection**
- ✓ **The orders have reduced at Masuda Noodles due to the impact of COVID-19 pandemic**
- ✓ **Made Amagasa an associate company, accounted for by the equity method (Will be reflected on the income statement from 2Q)**

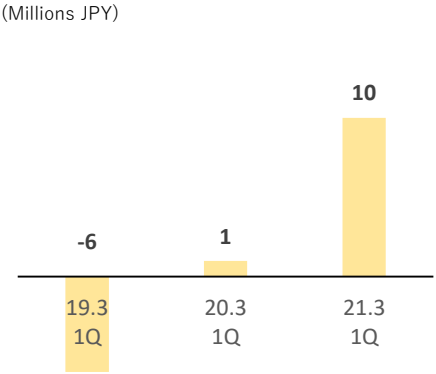


Amagasa Co. Ltd.
Wholesale and retail of women's non-leather shoes

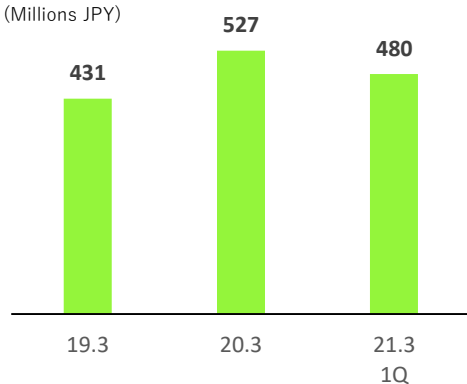
Growth in Segment Sales



Growth in Segment Profits



Growth in Segment Assets



9. 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	1,583 Million JPY
Businesses Segments	Real Estate, Hotel, Overseas & Others
Listed Market	JASDAQ (Stock code : 9816)
Consolidated Sales	13,276 Million JPY (March 2020)
Number of Employees	198 (March 2020)

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**

- CSR Information Supporting the athletes (Sponsoring of Cricketer – Kimura Shogo, Recruitment of Paul Vault Jumper as an employee – Kuruma Kouki)

*Related URL http://www.striders.co.jp/csr_sdgs/athlete/athlete.html

- Shareholder Benefit Program Gift vouchers for our group hotels as per the number of shares held (Will be changed partially from the end of September 2020)

*Related URL <http://www.striders.co.jp/ir/stockholder/stockholder.html>

- Investor Relations <http://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.