

Striders Corporation

1st Quarter of 2022 March Financial Year Explanation of Financial Statements



11th August 2021

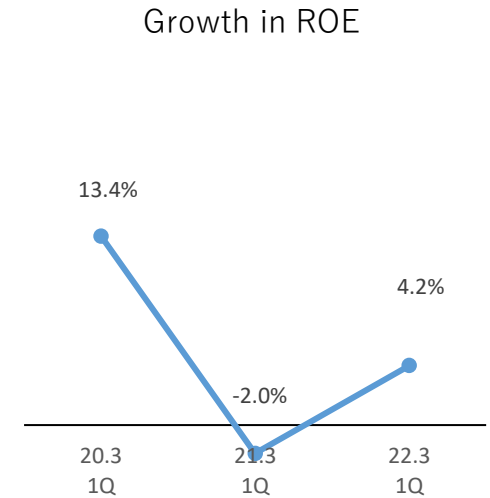
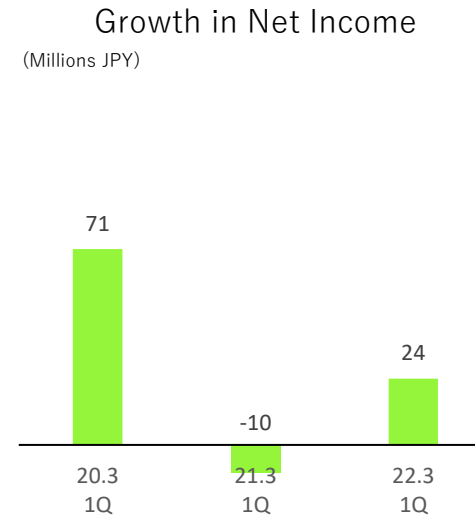
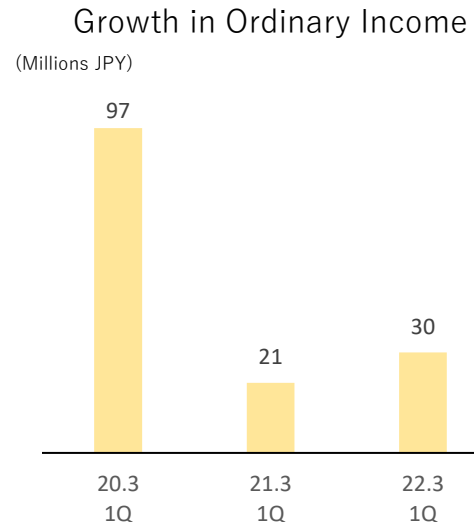
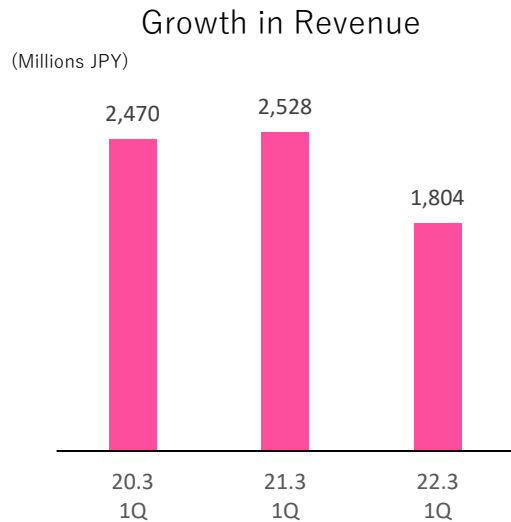
1. Highlights of the Financial Results of Q1 of 2021 March FY

- ✓ Due to the impact of the COVID-19 pandemic, the number of real estate buying and selling transactions decreased significantly and the advertising agency (CSK) was severely impacted by the worsening COVID-19 situation in Indonesia. In the hotel business, despite an improvement in the number of guests compared to the previous year which resulted in the company-wide sales to decrease by 28.6% YoY to 1,804 million JPY and operating loss was 43 million JPY (35 million JPY of operating profit in the previous year).
- ✓ Ordinary income increased 41.2% year on year to 30 million JPY due to 47 million JPY in subsidy income such as employment adjustment subsidy, etc.
- ✓ Net income attributable to shareholders of the parent company, excluding CSK's noncontrolling interests, was 24 million JPY (profit) compared to the 10 million JPY loss in the previous financial year.

2. 2022 March FY – Q1 Summary of Consolidated Financials ~Income Statement~

| In millions JPY | 2020.3 1Q | 2021.3 1Q | 2022.3 1Q | YoY | Comment |
|------------------|--------------|--------------|--------------|-------|---|
| Revenue | 2,470 | 2,528 | 1,804 | (724) | Significant decrease in buying and selling transactions in the real estate business |
| Operating Profit | 98 | 35 | (43) | (78) | The losses of advertising agency under the overseas business expanded due to the worsening COVID-19 situation in Indonesia. |
| Ordinary Profit | 97 | 21 | 30 | +9 | Effects of supportive measures by the government and municipal policies such as employment adjustment subsidies |
| Net Income (※) | 71 | (10) | 24 | +34 | |
| ROE | 13.4% | (2.0%) | 4.2% | +6.2 | |

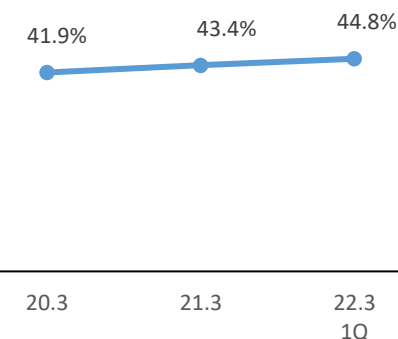
(※ Net Income attributable to the parent company shareholders)



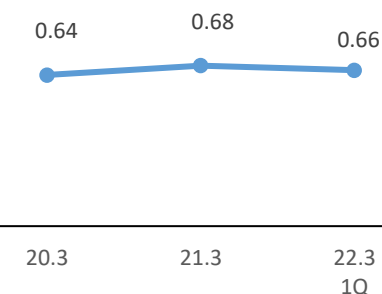
3. 2022 March FY – Q1 Summary of Consolidated Financials ~Statement of Financial Position~

| In millions JPY | 2020.3 | 2021.3 | 2022.3 1Q | YoY |
|---|------------|------------|--------------|--------|
| Total Assets | 5,000 | 5,230 | 5,079 | (151) |
| Current Assets | 2,927 | 3,367 | 3,250 | (117) |
| Cash and Cash Equivalents | 2,200 | 2,894 | 2,698 | (196) |
| Inventory | 297 | 208 | 240 | 32 |
| Non-current Assets | 2,073 | 1,862 | 1,828 | (34) |
| Tangible Non-Current Assets | 1,383 | 1,317 | 1,297 | (20) |
| Intangible Non-Current Assets | 183 | 126 | 123 | (3) |
| Investments and Other Assets | 506 | 418 | 408 | (10) |
| Investment Securities | 303 | 231 | 237 | +6 |
| Stocks of Subsidiaries and Associated Companies | 81 | 82 | 67 | (15) |
| Total Liabilities | 2,866 | 2,909 | 2,773 | (136) |
| Interest Bearing Liabilities (Note 1) | 1,366 | 1,591 | 1,532 | (59) |
| Total Net Assets | 2,133 | 2,321 | 2,306 | (15) |
| Equity Ratio (Note 2) | 41.9% | 43.4% | 44.8% | +1.4 |
| Debt to Equity Ratio | 0.64 times | 0.68 times | 0.66 times | (0.02) |

Comparison of Equity Ratio



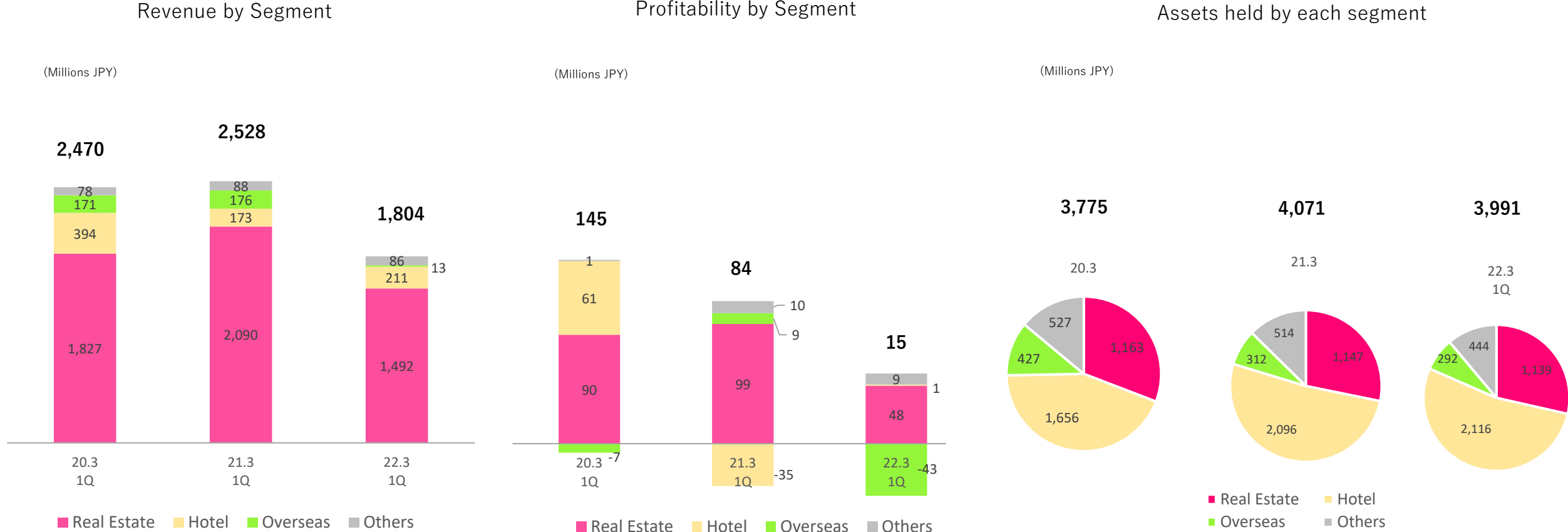
Comparison of Debt-to-Equity Ratio



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. 2022 March FY – Q1 Summary of Consolidated Financials ~Overall Segment Performance~



As of the end of the fiscal year ending March 31, 2020, in order to more appropriately evaluate and manage the performance of each reporting segment, the Company has reviewed the method of adjusting inter-segment transactions and changed the calculation method for business segment income. Therefore, only the figures for the first quarter of the fiscal year ending March 2020 in this report have been prepared based on the calculation method before the change. In addition, operating income of each segment is disclosed as segment income. Operating income in the consolidated statements of income is calculated by subtracting adjustments (mainly personnel expenses and expenses related to administrative divisions) from total segment income.

5. 2022 March FY – Q1 Overview by Segment ~Real Estate Segment ①~

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

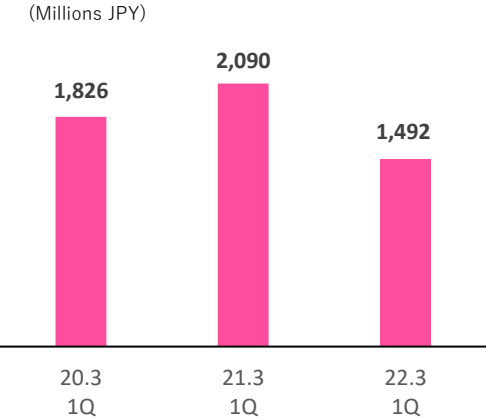
Subsidiaries : Trust Advisers Corporation, Tokyo Apartment Guarantee Corporation, etc.

Segment Revenue 1,492 Million JPY
(YoY -28.6%)

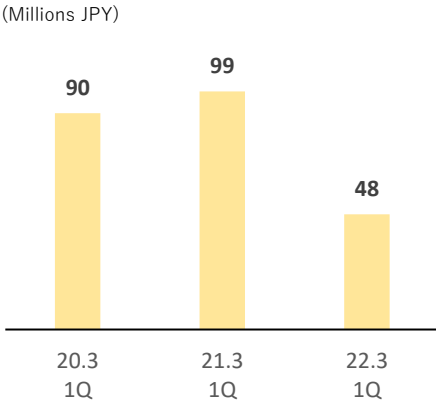
Segment Profitability 48 Million JPY
(YoY -51.9%)

- ✓ **Contract renewal rates and rent levels of existing lease contracts in the Residence Business and the number of units under management remained at a high level.**
- ✓ **The COVID-19 pandemic had a significant impact on condominium transactions which are for investment purposes and the transactions in the real estate trading business declined significantly.**

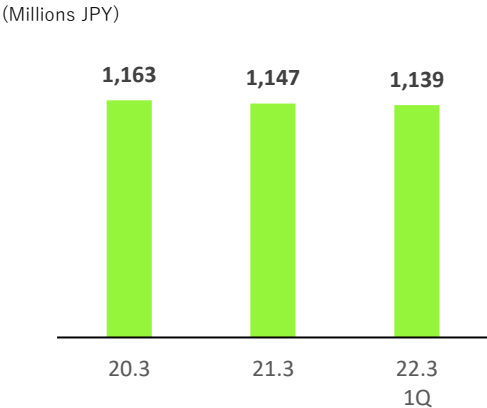
Segment Revenue



Segment Profitability



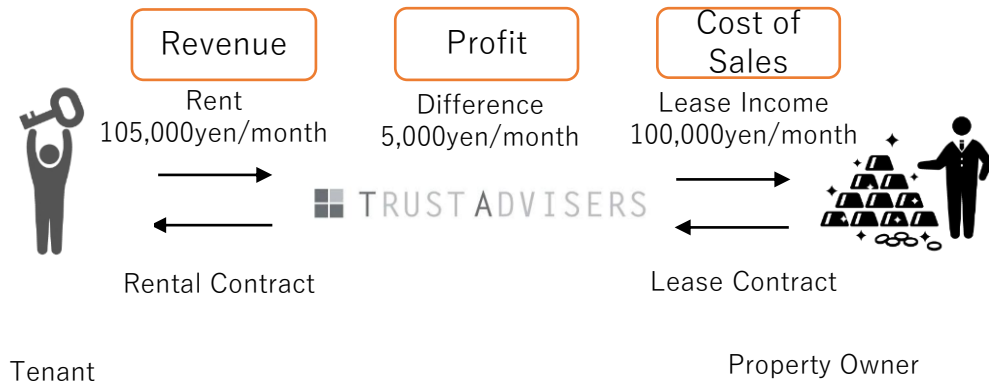
Segment Assets



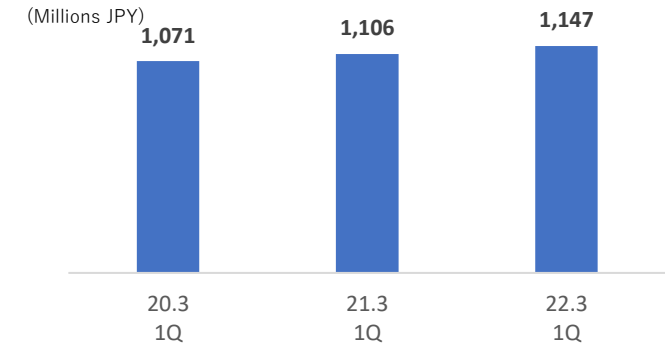
6. 2022 March FY – Q1 Overview by Segment ~Real Estate Segment ②~

- ✓ 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.

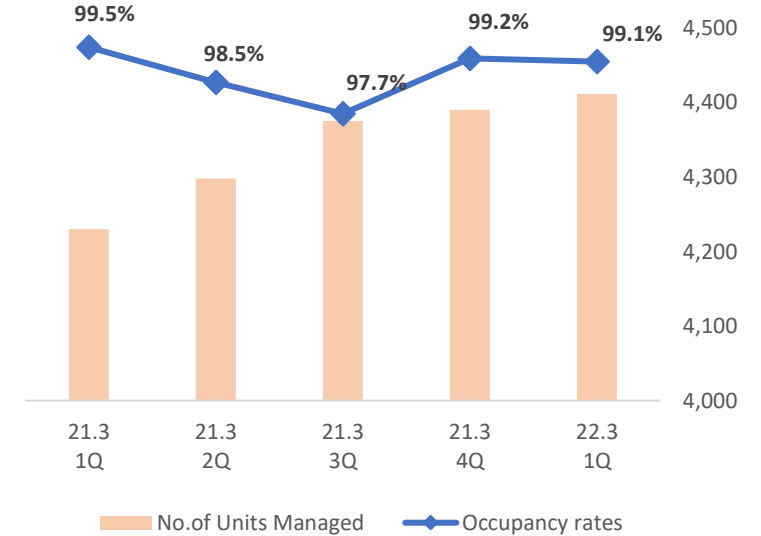
Rental Business Model (Example)



Rental Revenue from Residence Business



Number of Units Managed Under Rental Business & Occupancy Rates



7. 2022 March FY – Q1 Overview by Segment ~Hotel Segment ①~

Business Description: Ownership and operation of hotels

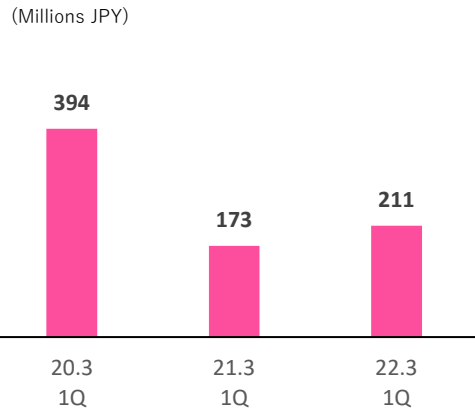
Subsidiaries : Narita Gateway Hotel, Kurashiki Royal Art Hotel, Global Holdings Corporation

Segment Revenue 211 Million JPY
(YoY +22.2%)

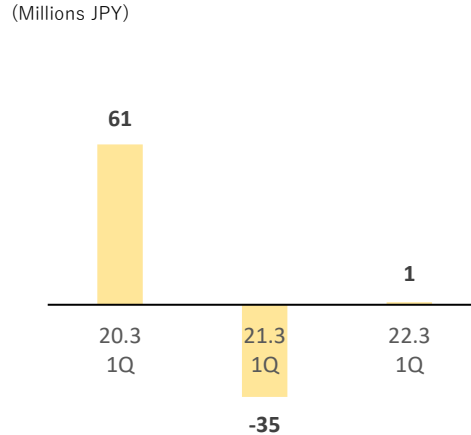
Segment Profitability 1 Million JPY
(Previous FY loss of 35 Million JPY)

- ✓ Narita Gateway Hotel will continue to accept asymptomatic and mildly ill people, infected with COVID-19 from April 2020 (currently extended until the end of September 2021, contract period after September is yet to be decided).
- ✓ Although the Kurashiki Royal Art Hotel continues to be impacted by the COVID-19, the number of hotel guests improved compared to the same period of the previous year.
- ✓ Segment returned to profitability. Ordinary income of 49 million JPY was recorded due to an increase in subsidy income (employment adjustment subsidy).

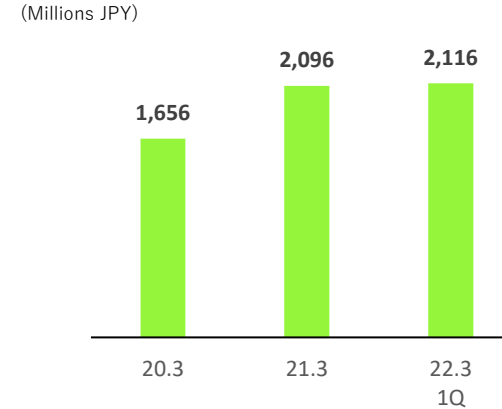
Segment Revenue



Segment Profitability



Segment Assets



8. 2022 March FY – Q1 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 (scheduled until the end of September 2021).



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.

• Amid the COVID-19 pandemic, the hotel is being used as a venue for webinars, which is a new source of business. In January 2021, the gallery "MAGO GALLERY KURASHIKI", which displays and sells the works of artist Mago Nagasaka, will open on the basement floor.

9. 2022 March FY – Q1 Overview by Segment ~Overseas Segment ①~

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

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

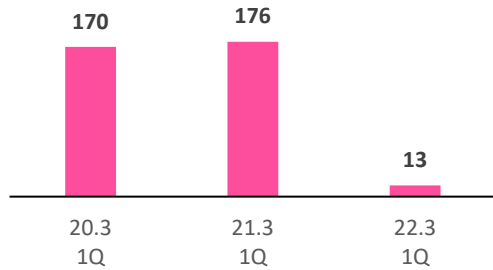
Segment Revenue 13 Million JPY
(YoY -92.4%)

Segment Profitability (43) Million JPY
(Previous FY a profit of 9 Million JPY)

- ✓ **Revenue of the advertising agent declined significantly due to the worsening impact of the COVID-19 in Indonesia (1Q results include the period from January to March 2021. 100% of CSK's segment profit is included in the segment profit, but the 49% noncontrolling interest is not included in net income attributable to owners of the parent).**
- ✓ **In the investment business, we have invested in the 2nd fund managed by Indogen Capital and will continue to invest in growth-oriented companies with the aim of improving (1) business synergies, (2) investment returns, and (3) networks.**

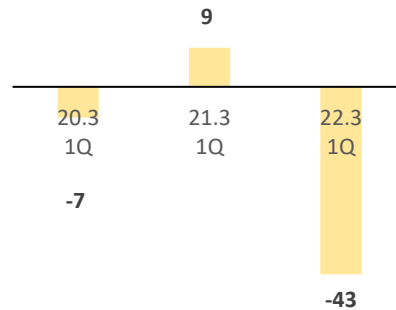
Segment Revenue

(Millions JPY)



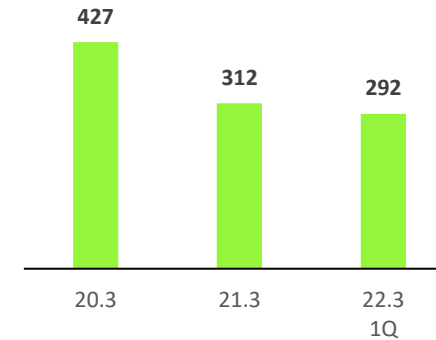
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



10. 2022 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



Investment Portfolio



Holding company of the Softlogic Group's financial sector



Softlogic Group's life insurance company. Growing at 2x the growth rate of life insurance industry in Sri Lanka.



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)



Indogen Capital Fund II, which targets Southeast Asian start-ups, managed by Indogen Capital.

Subsidiary



PT. Citra Surya Komunikasi (d.b.a. Chuo Senko Indonesia) - Advertising Agency <http://www.chuosenko.co.id>

PT. Citra Surya Komunikasi (dba Chuo Shinko Indonesia) is a Japanese advertising agency in Indonesia, which will celebrate its 50th anniversary in 2021, The core businesses include creation of brand / communication strategy, advertising production, media buying, sales promotion, digital marketing, store development, etc.

11. 2022 March FY – Q1 Overview by Segment ~Others ①~

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

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

【Associated Companies】 MIRAI Intellectual Property and Technology Research Center Co.,Ltd. (“Mirai”)

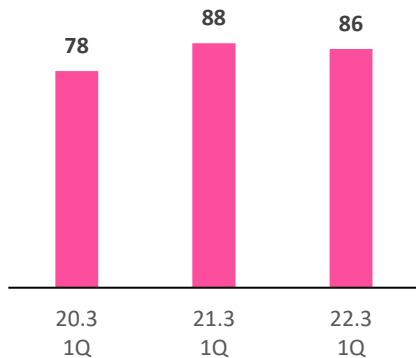
Segment Revenue 86 Million JPY
(YoY -1.8%)

Segment Profitability 9 Million JPY
(YoY -11.7%)

- ✓ **Mobile Link and Masuda Seimen continued to be affected by the COVID-19 pandemic**
- ✓ **M&A Global Partners secured a new financial advisory contract which contributed to the profitability**

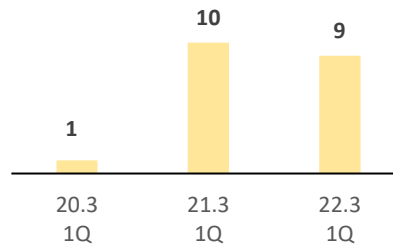
Segment Revenue

(Millions JPY)



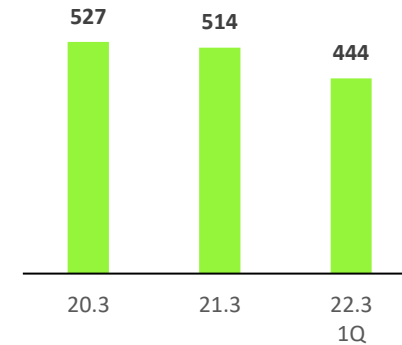
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



12 . 2022 March FY – Q1 Overview by Segment ~Others ②~

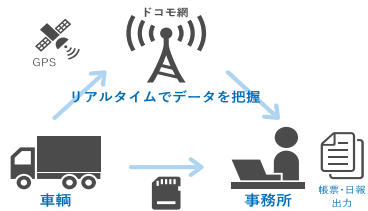
Subsidiaries



Mobile Link Inc.

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

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



Associated Company



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.



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.



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 | JASDAQ (Stock code : 9816) |
| Consolidated Sales | 10, 482 Million JPY (March 2021) |
| Number of Employees | 205 (March 2021) |

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)

| 2022 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|------------------|-------|----|----|----|-------|
| Revenue | 1,804 | — | — | — | — |
| Operating Profit | △43 | — | — | — | — |
| Ordinary Income | 30 | — | — | — | — |
| Net Income (※) | 24 | — | — | — | — |

| 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 |

| 2020 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|------------------|-------|-------|-------|-------|--------|
| Revenue | 2,470 | 3,005 | 4,172 | 3,629 | 13,276 |
| Operating Profit | 98 | 98 | 81 | △21 | 256 |
| Ordinary Income | 97 | 105 | 87 | △35 | 254 |
| Net Income (※) | 71 | 74 | 51 | △45 | 151 |

<Consolidated balance sheet>

(Millions JPY)

| 2022 March FY | 1Q | 2Q | 3Q | 4Q |
|----------------------|-----------|----|----|----|
| Total Assets | 5,079 | — | — | — |
| Net Assets | 2,306 | — | — | — |
| Equity Ratio | 44.8% | — | — | — |
| Net assets per share | 268.00JPY | — | — | — |

| 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 | 241.26JPY | 253.55JPY | 265.97JPY | 267.38JPY |

| 2020 March FY | 1Q | 2Q | 3Q | 4Q |
|----------------------|-----------|-----------|-----------|-----------|
| Total Assets | 4,850 | 4,827 | 5,210 | 5,000 |
| Net Assets | 2,127 | 2,187 | 2,230 | 2,133 |
| Equity Ratio | 43.6% | 44.8% | 42.1% | 41.9% |
| Net assets per share | 241.74JPY | 249.72JPY | 256.24JPY | 247.31JPY |

2. Quarterly performance trends (by Segment)

< Segment Revenue >

(Millions JPY)

| 2022 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|---------------|-------|----|----|----|-------|
| Real Estate | 1,492 | — | — | — | — |
| Hotel | 211 | — | — | — | — |
| Overseas | 13 | — | — | — | — |
| Others | 86 | — | — | — | — |

| 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 |

| 2020 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|---------------|-------|-------|-------|-------|--------|
| Real Estate | 1,826 | 2,182 | 3,426 | 3,008 | 10,442 |
| Hotel | 394 | 384 | 365 | 235 | 1,378 |
| Overseas | 170 | 283 | 187 | 236 | 876 |
| Others | 78 | 156 | 198 | 151 | 583 |

< Segment Profitability (Operating Income) >

(Millions JPY)

| 2022 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|---------------|-----|----|----|----|-------|
| Real Estate | 48 | — | — | — | — |
| Hotel | 1 | — | — | — | — |
| Overseas | △43 | — | — | — | — |
| Others | 9 | — | — | — | — |

| 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 |

| 2020 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|---------------|----|----|----|-----|-------|
| Real Estate | 91 | 67 | 68 | 64 | 290 |
| Hotel | 65 | 53 | 37 | △69 | 86 |
| Overseas | △7 | 14 | 8 | 13 | 28 |
| Others | △2 | 16 | 25 | 19 | 58 |