

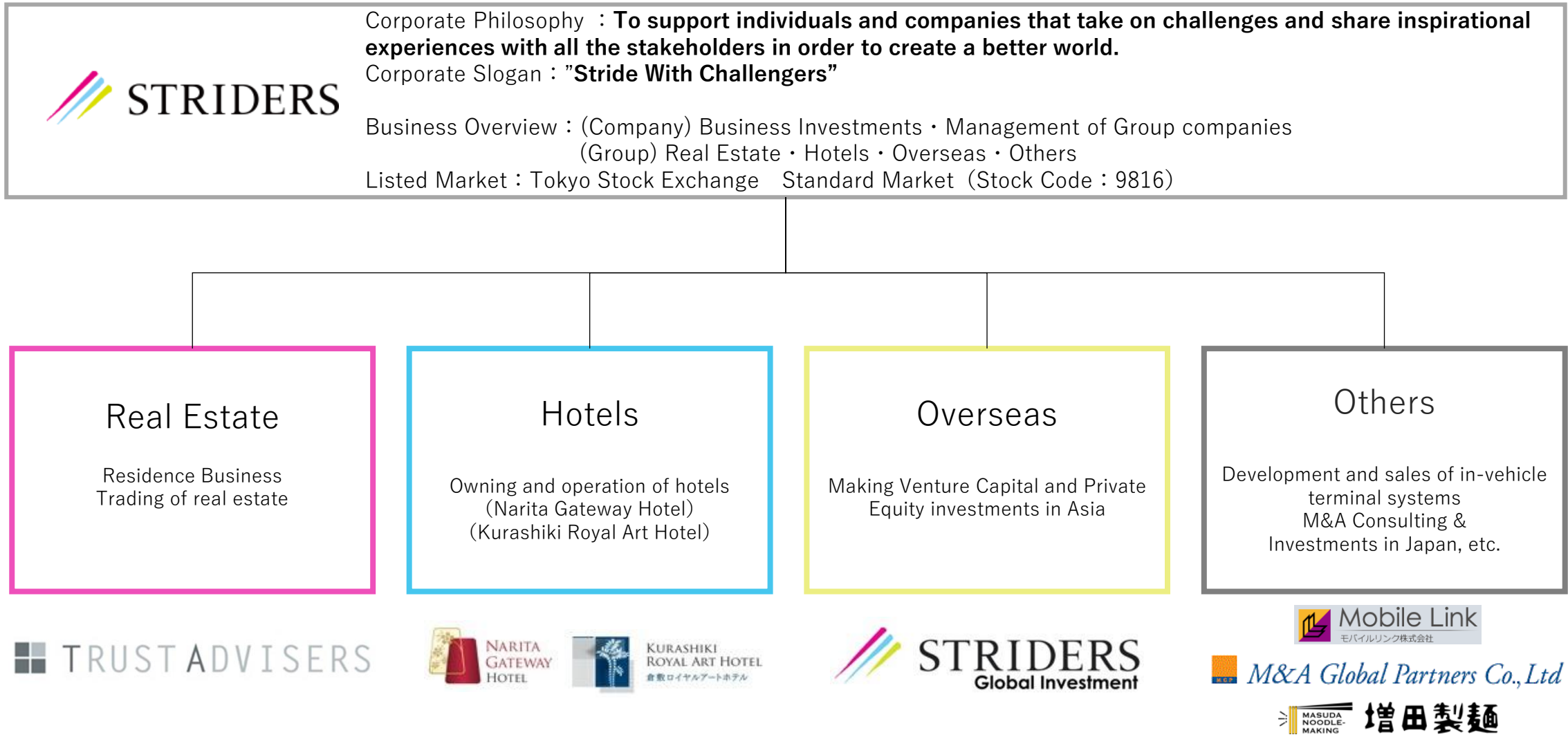
Striders Corporation

2023 March Financial Year  
Explanation of Financial Statements



15<sup>th</sup> May 2023

# 1. Company Overview



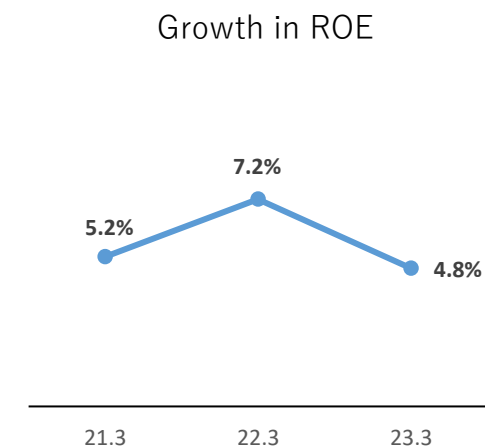
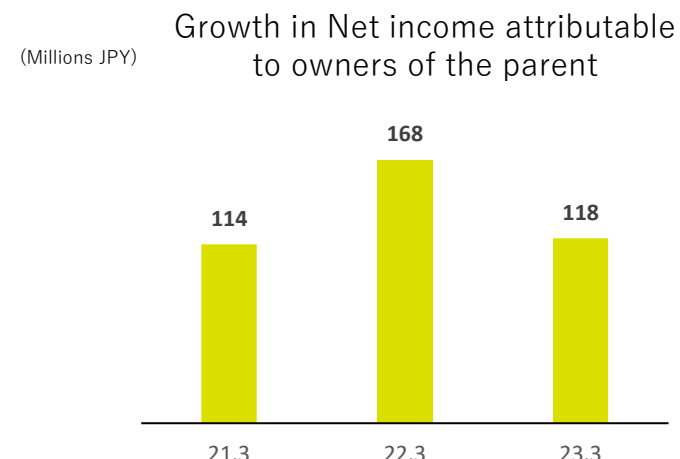
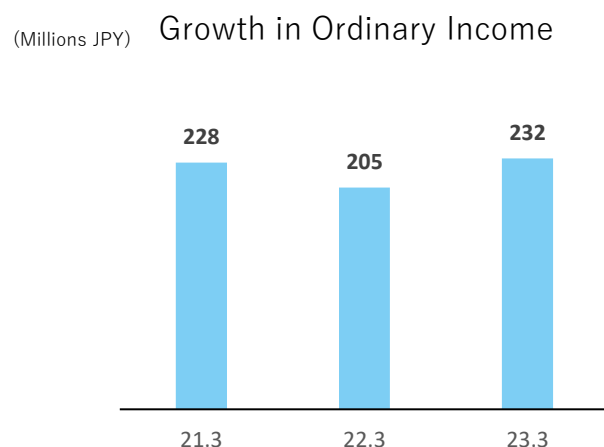
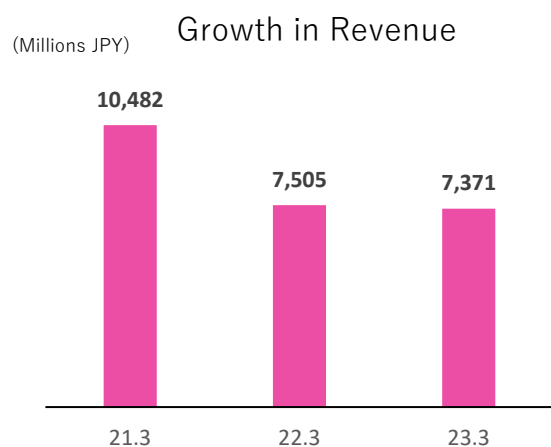
## 2. Highlights of the Financial Results of 2023 March FY

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- ✓ In the real estate business, the Residence business secured an increase in revenue, but gross profit from sublease contracts trended downwards, resulting in only a slight increase in gross profit. As a result of the continued decline in property sales transactions, both overall sales and profits declined.
- ✓ In the hotel business, the Narita Gateway Hotel continued to be leased out to Chiba Prefecture and its performance remained solid. Kurashiki Royal Art Hotel saw a significant improvement in room rates and hotel occupancy rate following the implementation of nationwide travel support measures. The overall hotel business achieved a significant increase in revenues and profits.
- ✓ As a result, the Group recorded sales of 7,371 million yen (-1.8% year-on-year), operating profit of 143 million yen (- 33 million yen in the previous year), ordinary profit of 232 million yen (+13.0% year-on-year) and net profit attributable to owners of the parent company of 118 million yen (-30.0% year-on-year).

### 3. 2023 March FY –Summary of Consolidated Financials ~Income Statement~

In Millions JPY	2021.3	2022.3	2023.3	Net Change (YoY)	Comments (YoY)
Revenue	10,482	7,505	7,371	(134)	Increase in hotel business, decrease in the rest of segments
Operating Profit	114	(33)	143	177	Profitability of the hotel business significantly improved, and unprofitable overseas advertising agency business is no longer a group company
Ordinary Profit 【①】	228	205	232	26	Subsidy income decreased from 182 million to 39 million.
Extraordinary gains/losses 【②】	29	20	(3)	(24)	13 million yen impairment loss was recorded in 4Q of the current period.
Income Tax 【③】	128	83	108	24	
Net income or loss attributable to non controlling interests 【④】	15	(26)	1	28	Non-controlling interests in overseas advertising agency businesses cease to exist.
Net income attributable to owners of the parent 【①+②-③-④】	114	168	118	(50)	



## 4. 2023 March FY –Summary of Consolidated Financials ~Statement of Financial Position~

### • Statement of Financial Position

(In Millions JPY)	2021.3	2022.3	2023.3	Net Change (YoY)
Total Assets	5,230	4,789	4,651	(138)
Current Assets	3,367	3,046	3,065	18
Cash and Cash Equivalents	2,894	2,580	2,582	2
Inventory	208	158	141	(17)
Non-current Assets	1,862	1,743	1,586	(157)
Tangible Non-Current Assets	1,317	1,223	1,137	(86)
Intangible Non-Current Assets	126	115	102	(13)
Investments and Other Assets	418	404	346	(57)
Investment Securities	231	256	155	(101)
Stock of Associated Companies	82	70	59	(10)
Total Liabilities	2,909	2,338	2,133	(205)
Interest Bearing Liabilities (Note 1)	1,591	1,379	1,111	(268)
Total Net Assets	2,321	2,450	2,517	66
Equity Ratio (Note 2)	43.4%	50.6%	53.5%	2.9
Debt to Equity Ratio (time)(Note 3)	0.68	0.56	0.44	(0.12)

### • Statement of Cash Flows

(in Millions JPY)	2022.3	2023.3
Cash Flow from Operations	32	261
Cash Flow from Investment Activities	(83)	62
Cash Flow from Financing Activities	(245)	(331)
Change in Cash and Cash Equivalents	(283)	2
Opening Cash and Cash Equivalents	2,682	2,399
Closing Cash and Cash Equivalents	2,399	2,402

### • Breakdown of change in Cash & Cash Equivalents

(in Millions JPY)	2022.3	2023.3
Change in cash and cash equivalents	(283)	2
Borrowings and corporate bonds	(211)	(268)
Others	(72)	270

A. Cash and Deposits	2,580	2,582
B. Interest bearing debt (Note 1)	1,379	1,111
C. Net Cash and Deposits (A-B)	1,201	1,471

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

## 5. 2023 March FY : Summary of Consolidated Financials ~Forecast for 2024 March FY~

### ✓ 2024 March FY – Financial Forecast

(in Millions JPY)	Revenue	Operating Profit	Ordinary Profit	Net income attributable to shareholders of the parent company	Dividend Per Share
2024 March FY - Forecast	7,526	56	107	55	5.00yen
Comparison	2.1%	(60.4%)	(53.7%)	(52.9%)	Same
2023 March FY - Actual	7,371	143	232	118	5.00yen

#### • Forecast for each segment

【Real Estate】 The residential property business is expected to continue at the same level as in previous years, with the transition to “Class 5” classification of COVID-19 serving as the catalyst. In the land agency business, we expect that the trading of investment properties will become more active, while accurately capturing changes in market conditions and the trend of digitization, and striving to further explore potential needs.

【 Hotel 】 Narita Gateway Hotel : The provision of treatment facilities for asymptomatic or mild cases of COVID-19 will end at the end of May 2023. From June 2023, the hotel will resume normal operations, with the expectation of returning to its pre-pandemic levels of operation in the second half of the year.

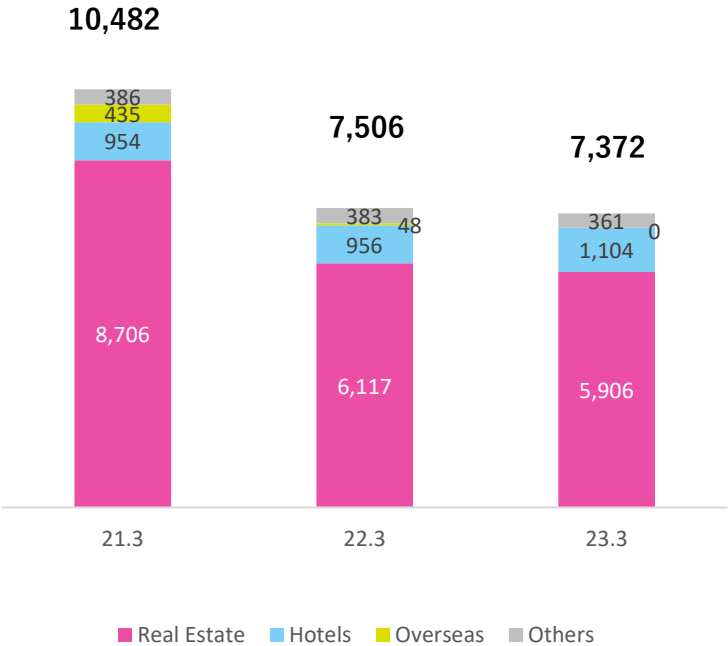
Kurashiki Royal Art Hotel : To respond to the new tourism demand after the COVID-19 pandemic, the hotel has been focusing on key themes such as "integration of art and hotels", "utilization of hotels as multipurpose spaces", and "collaboration and co-creation within the Seto Inland Sea region“, and exploring new forms of hotels and tourism industry.

【 Overseas 】 Towards the end of the year, with the expectation that the venture capital markets in South and Southeast Asia will return to normal, we 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. Additionally, we will utilize our network of overseas investors to facilitate inbound investments in Japan.

# 6. 2023 March FY –Summary of Consolidated Financials ~Overall Segment Performance~

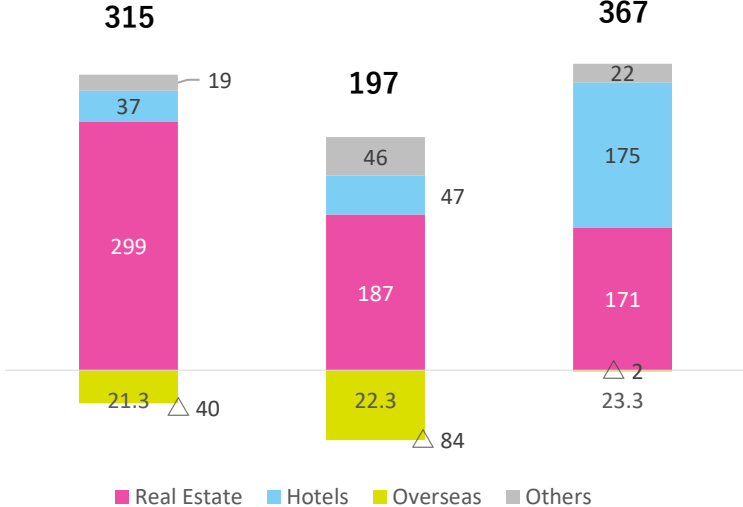
Revenue by Segment

(Millions JPY)



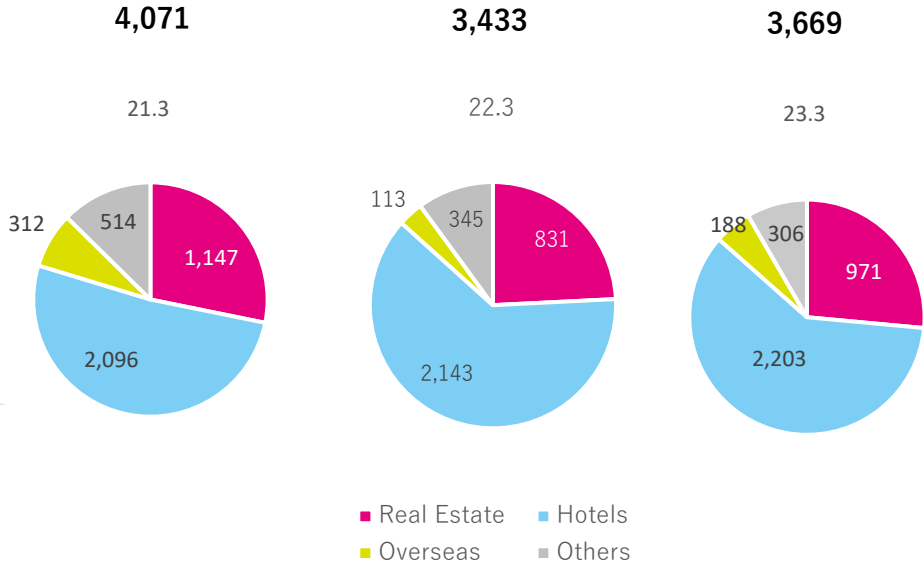
Profitability by Segment

(Millions JPY)



Assets held by each segment

(Millions JPY)



※Inter-segment transactions are included in segment sales for the hotels segment for the sake of simplicity, as the impact will be minor.  
 ※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.

## 7. 2023 March FY –Overview by Segment ~Real Estate Segment ①~

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

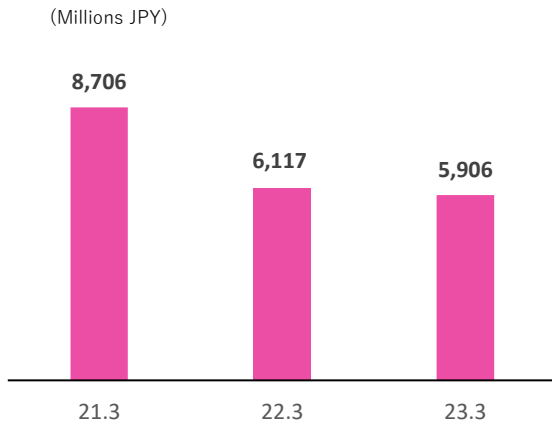
Subsidiaries : Trust Advisers Corporation Tokyo Apartment Guarantee Corporation, etc.

**Segment Revenue 5,906 Millions JPY**  
(YoY -3.4%)

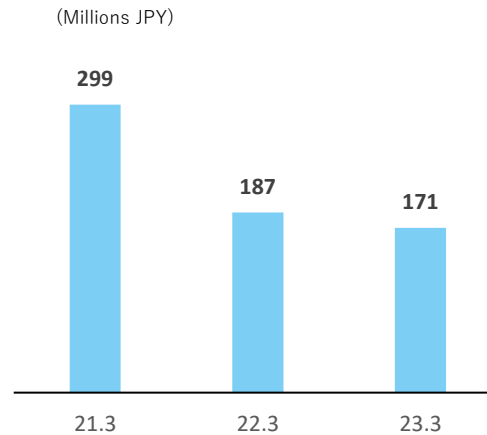
**Segment Profitability 171 Millions JPY**  
(YoY -8.2%)

- ✓ **In the Residence business, the number of mid-course cancellations of sublease contracts and the consequent conclusion of contracts with new tenants increased and related commission income increased, while gross profit trended downwards.**
- ✓ **Continued decline in investment condominium sales transactions in the real estate trading business**
- ✓ **Continued efforts to ensure efficient management, and to develop a structure for the promotion of digitization.**

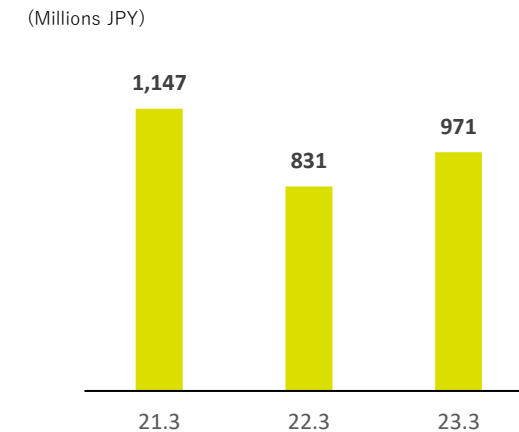
Segment Revenue



Segment Profitability



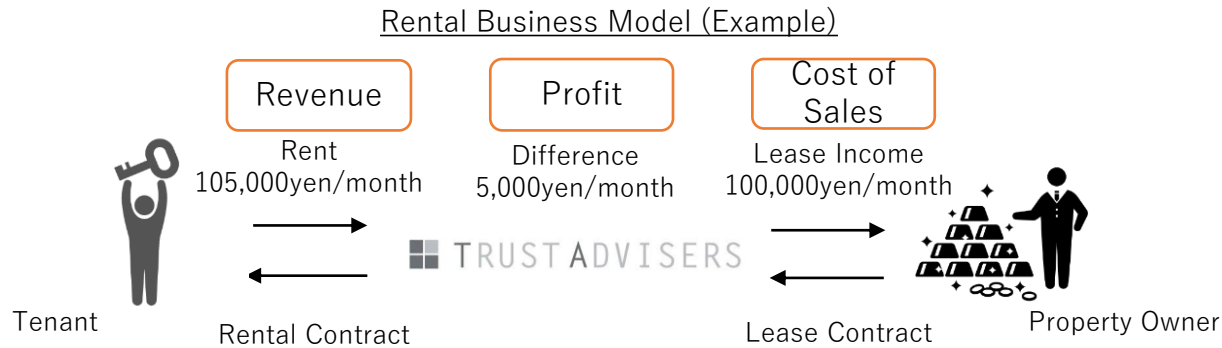
Segment Assets



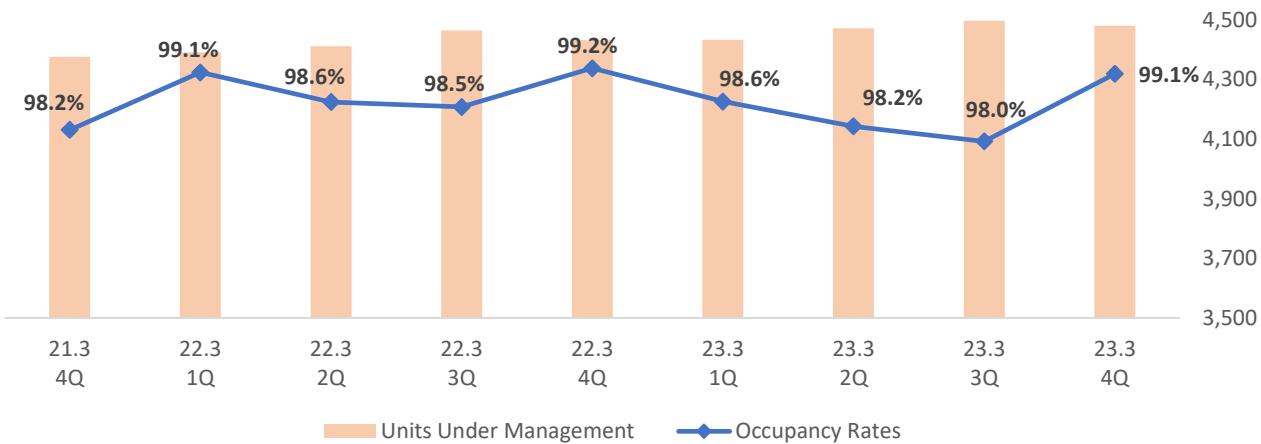


# 8. 2023 March FY – Overview by Segment ~Real Estate Segment ②~

✓ 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.

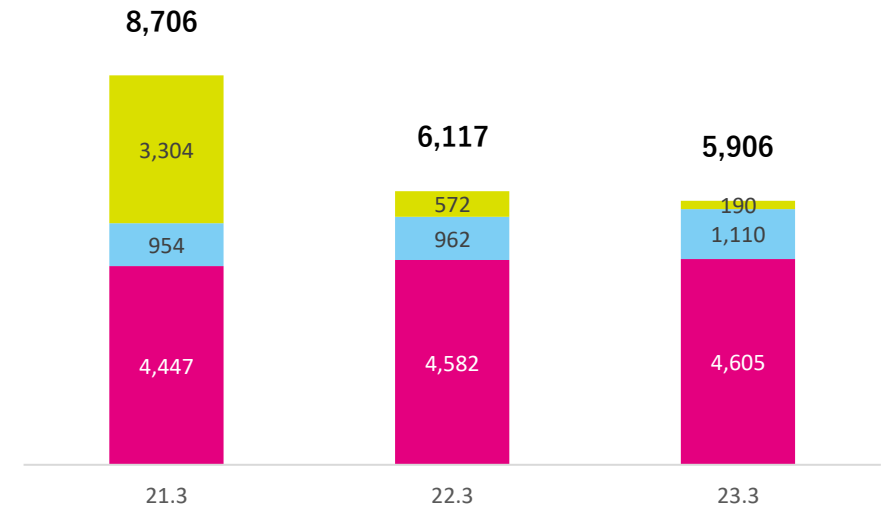


Number of Units Managed Under Rental Business & Occupancy Rates



## ✓ Real Estate Segment: Sales Composition by Business Units

(百万円)



■ Residence Business:Leasing ■ Residence Business:Others ■ Real Estate Trading

※Included in "Residential business: Other": 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 past disclosed figures.

# 9. 2023 March FY –Overview by Segment ~Hotel Segment ①~

Business Description: Ownership and operation of hotels

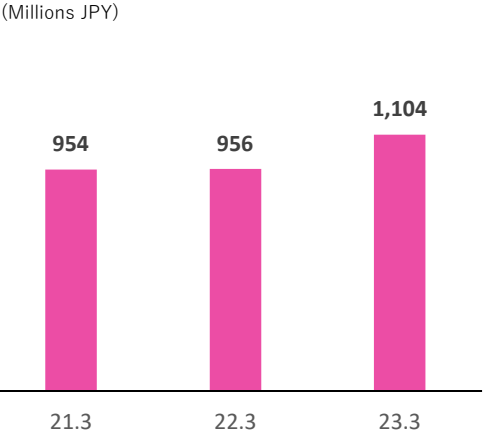
Subsidiaries : Narita Gateway Hotel Co., Ltd. Kurashiki Royal Art Hotel Co., Ltd. Global Holdings Co., Ltd.

**Segment Revenue 1,104 Millions JPY**  
(YoY +15.4%)

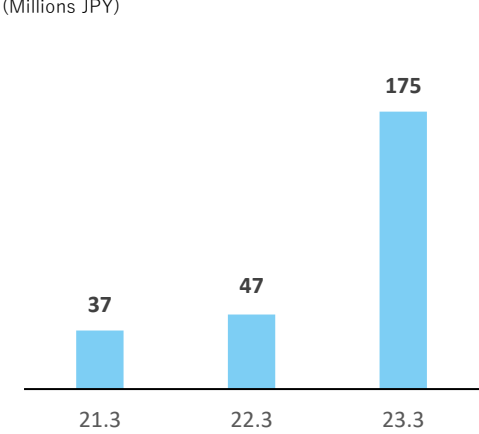
**Segment Profitability 175 Millions JPY**  
(YoY +269.2%)

- ✓ **Narita Gateway Hotel has continued to receive asymptomatic and mildly ill persons infected with the COVID-19 infection since April 2020, and its performance has been solid. The management system is being restructured in preparation for the resumption of hotel operations from June 2023.**
- ✓ **Due to the nationwide travel support, Kurashiki Royal Art Hotel has significantly improved its occupancy rate and room rates, resulting in increased revenue and profit. There are signs of recovery in inbound demand excluding China.**

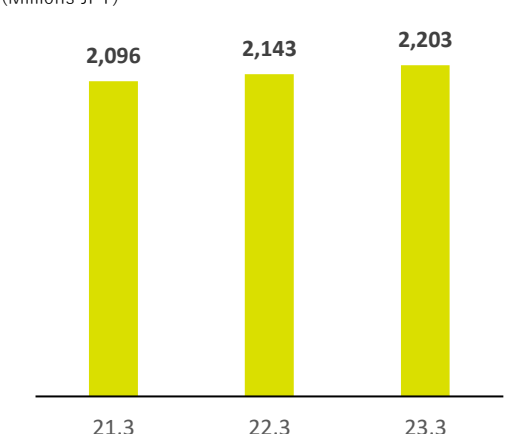
Segment Revenue



Segment Profitability



Segment Assets



# 10. 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
- As the operation of the medical treatment facility ends with the transition to “Class 5” classification of COVID-19, the hotel operation will resume from June 1, 2023 (Thursday).



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.
- SNS such as Instagram and TikTok are used for promotions

# 11. 2023 March FY – Overview by Segment ~Overseas Segment ①~

Business Description : Investment Business in Asia

Subsidiary : Striders Global Investment Pte. Ltd. (Singapore)

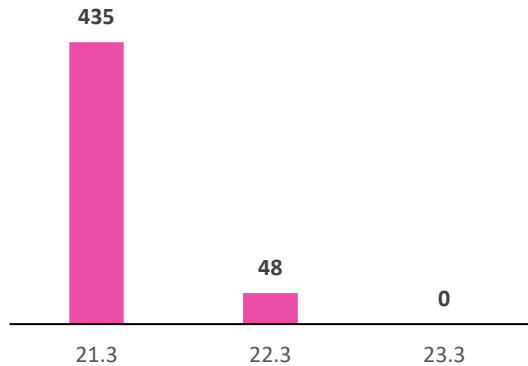
**Segment Revenue – Million JPY**  
(Previous FY 48 Millions JPY)

**Segment Profitability (2) Million JPY**  
(Previous FY a loss of 84 million JPY)

- ✓ Investing in startup companies from a medium- to long-term perspective, with revenue yet to be recorded
- ✓ Cautious approach to new investments amid the economic crisis in Sri Lanka and increasing uncertainty in the venture capital market in South and Southeast Asia
- ✓ Implemented initiatives to support future investment returns, such as investing in Naluri, a health tech company in Southeast Asia, and forming a joint investment alliance with R3i Ventures Group

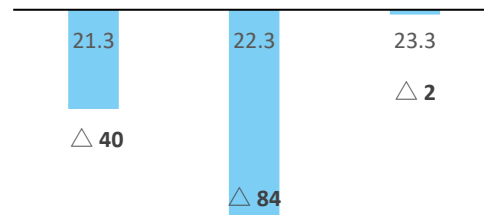
Segment Revenue

(Millions JPY)



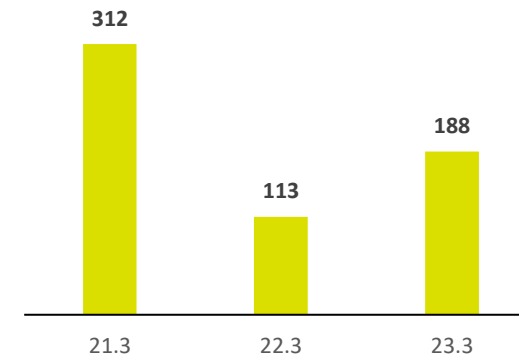
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



# 12. 2023 March FY – 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.

## Related Topics

• **Signed a memorandum of understanding regarding a joint investment alliance program with R3i Ventures targeting SDGs-related startup companies.**

SGI and R3i Ventures Group have been building a cooperative relationship since 2021, supporting female entrepreneurs in Japan through initiatives such as the She Loves Tech Japan pitch contest and expanding market opportunities for startup companies. Building on these efforts, we have signed a memorandum of understanding to launch a joint investment alliance program for SDG-related startup companies within the next few months.

## Partners



## Investment Portfolio



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

IC Fund II (LP)



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.

# 13. 2023 March FY – 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.(MAGP) Y. K. Masuda Seimen

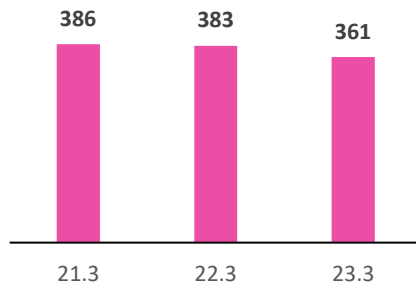
**Segment Revenue 361 Million JPY**  
(YoY -5.7%)

**Segment Profitability 22 Million JPY**  
(YoY -51.6%)

- ✓ In Mobile Link, sales increased due to subsidy projects, despite the impact of high oil prices. There are changes in the products handled due to the semiconductor shortage.
- ✓ MAGP won an advisory project in the business restructuring sector.
- ✓ At Masuda Seimen, market conditions have improved slightly, with some improvement in customer activity among our clients. On the other hand, there was an impact from the rising price of raw materials

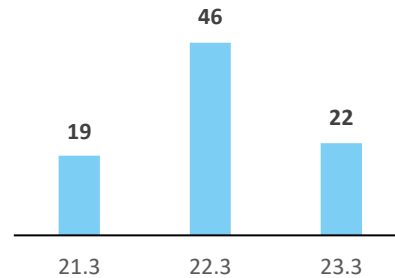
Segment Revenue

(Millions JPY)



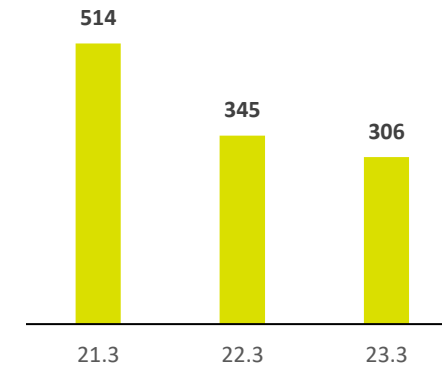
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)





# 14. 2023 March FY Overview by Segment ~Others ②~

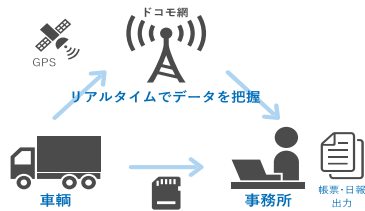
## Subsidiary



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.

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.



## Associated Companies

The Company's profit/loss is included in "Share of profit/loss of entities accounted for using equity method" under non-operating income/expenses in the consolidated statements of income. The figures for this company are not included in sales, profit or assets of the "Others" segment.

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.

## Major Investments in Japan

※Included in Investment securities



BluAge Inc.

※Investee of MAGP



Imabari Dream Sports (FC Imabari)

※The figures for this company are not included in the assets held by the "Others" segment.

# 15. 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	7,371Million 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.



# Financial Results - Supplementary Materials



# 1. Quarterly performance trends (Group)

## <Consolidated income statement>

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,793	1,793	1,938	1,845	7,371
Operating Profit	20	5	62	55	143
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

2021 March FY	1Q	2Q	3Q	4Q	Total
Revenue	2,528	3,412	2,271	2,269	10,482
Operating Profit	35	75	23	(19)	114
Ordinary Income	21	135	34	36	228
Net Income (※)	(10)	93	45	(14)	114

(※Net income attributable to shareholders of the parent)

## <Consolidated balance sheet>

(Millions JPY)

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

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

## 2. Quarterly performance trends (Segment)

< Revenue by Segment and Net sales >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,456	1,444	1,499	1,505	5,906
Hotel	258	285	291	268	1,104
Overseas	-	-	-	-	-
Others	79	64	146	71	361
Adjustment	(0)	(0)	(0)	(0)	(1)
Total(Net Sales)	1,793	1,793	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
Overseas	13	35	-	-	48
Others	86	90	106	99	383
Adjustment	(0)	(0)	(0)	(0)	(0)
Total(Net Sales)	1,804	1,926	1,973	1,801	7,505

2021 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	2,090	2,879	1,831	1,904	8,706
Hotel	173	253	306	221	954
Overseas	176	173	47	37	435
Others	88	106	86	105	386
Adjustment	-	(0)	(0)	(0)	(0)
Total(Net Sales)	2,528	3,412	2,271	2,269	10,482

< Operating Profit by Segment and Total >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	35	17	44	74	171
Hotel	42	43	57	32	175
Overseas	(0)	(0)	(0)	(0)	(2)
Others	2	(0)	18	2	22
Adjustment	(59)	(53)	(57)	(53)	(224)
Total	20	5	62	55	143

2022 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	48	40	31	67	187
Hotel	1	16	42	(12)	47
Overseas	(43)	(38)	(0)	(1)	(84)
Others	9	16	19	2	46
Adjustment	(59)	(58)	(57)	(55)	(231)
Total	(43)	(24)	33	0	(33)

2021 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	99	83	48	67	299
Hotel	(35)	23	54	(5)	37
Overseas	9	16	(31)	(35)	(40)
Others	10	2	0	6	19
Adjustment	(49)	(50)	(48)	(52)	(201)
Total	35	75	23	(19)	114

< Assets held by each Segment and Total assets >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q
Real Estate	796	811	845	971
Hotel	2,193	2,129	2,172	2,203
Overseas	176	203	187	188
Others	302	283	360	306
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
Overseas	292	109	111	113
Others	444	447	333	345
Adjustment	1,086	1,134	1,195	1,355
Total assets	5,079	4,785	4,833	4,789

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
Adjustment	968	1,002	872	1,159
Total assets	5,184	5,340	5,274	5,230