

Striders Corporation

2021 March Financial Year
Explanation of Financial Statements



12th May 2021

1-1. Highlights of the Financial Results of 2021 March FY (Business)

- ✓ Due to the impact of the COVID-19 pandemic, demand continued to decline in the hotel business and overseas business, while the revenue from the buying and selling of real estate decreased significantly during the year. As a result;
 - Revenue decreased by 21.0% (YoY) to 10,482 million JPY
 - Operating income decreased 55.3% (YoY) to 114 million JPY
- ✓ Ordinary income decreased only by 10.3% (YoY) to 228 million JPY due to the support measures by government and local government policies and subsidies.
- ✓ Net income decreased 24.5% (YoY) to 114 million JPY and dividend for the year is 3 JPY per share (same as the previous year and the forecast for 2022 FY)

1-2. Highlights of the Financial Results of 2021 March FY (Financial & Cash Flow)

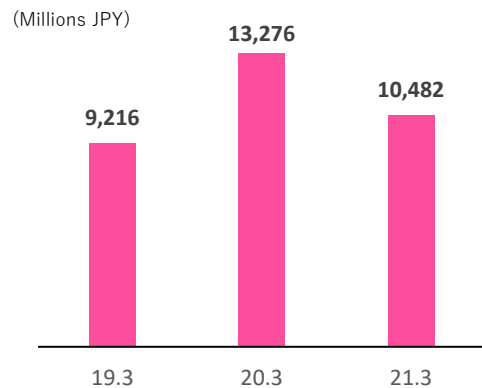
- ✓ Total net assets were 2,321 million JPY, a significant increase from the previous fiscal year (up 188 million JPY from the previous fiscal year)
- ✓ The equity ratio is 43.4% (up 1.5% from the previous fiscal year) and the current ratio is 320% (up 98% from the previous fiscal year) which further ensures the creditworthiness.
- ✓ The amount of cash and cash equivalent increase was 692 million JPY which is a significant increase from the previous fiscal year (YoY up 516 million JPY).
- ✓ Net Cash and Deposits (see p.4) is 1,303 million JPY which is a significant year-on-year increase (YoY up 469 million JPY)
- ✓ Significantly improved cash position will support the new investment opportunities in Japan and overseas

2. 2021 March FY : Summary of Consolidated Financials ~Income Statement~

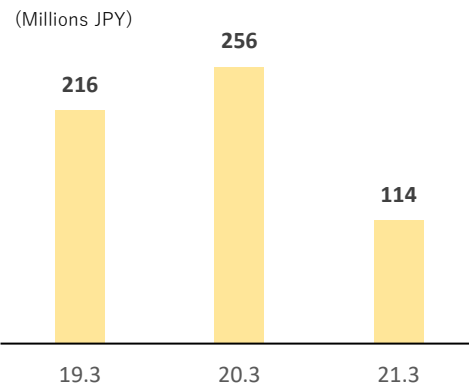
(in Millions JPY)	2019.3	2020.3	2021.3	YoY	Comment
Revenue	9,216	13,276	10,482	(21.0%)	Revenues from real estate sector's buying and selling business, hotel business and overseas sector, others decreased during the year
Operating Income	216	256	114	(55.3%)	Profits from real estate sector increased while the profits from hotels and others decreased, Overseas sector recorded a loss
Ordinary Income	230	254	228	(10.3%)	Income from subsidiaries increased while an impairment loss on investments was recorded.
Net Income (※)	76	151	114	(24.5%)	Extraordinary income includes debt exemption gains from overseas businesses and extraordinary losses include losses on sales of investment securities and impairment loss on goodwill in overseas businesses.
ROE	3.8%	7.3%	5.2%	(2.1)	

(※Net Income Attributable to the parent company)

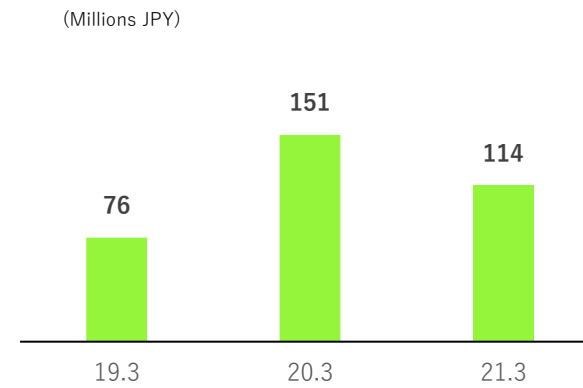
Growth in Revenue



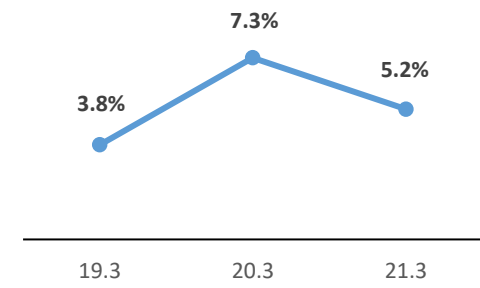
Growth in Operating Income



Growth in Net Income



Growth in ROE



3. 2021 March FY : Summary of Consolidated Financials ~Statement of Financial Position & Statement of Cash Flows~

• Statement of Financial Position

(in Millions JPY)	2019.3	2020.3	2021.3	YoY
Total Assets	4,655	5,000	5,230	+230
Current Assets	2,630	2,927	3,367	+440
Cash and Deposits	2,024	2,200	2,894	+694
Inventory	—	183	151	(32)
Non-Current Assets	2,024	2,073	1,862	(211)
Property, Plant & Equipment	1,390	1,383	1,317	(66)
Intangible Assets	204	183	126	(57)
Investments and Other Assets	430	506	418	(88)
Investment securities	245	303	231	(72)
Shares of subsidiaries and associates	84	81	82	+1
Total Liabilities	2,567	2,866	2,909	+43
Interest Bearing Liabilities (Note 1)	1,233	1,366	1,591	+225
Total Net Assets	2,087	2,133	2,321	+188(Note 3)
Equity Ratio (Note 2)	44.5%	41.9%	43.4%	+1.5
Debt to Equity Ratio	0.59	0.64	0.68	+0.04

※1 Interest-bearing liabilities: Short-term debt, corporate bonds due within a year, long-term debt due within a year, corporate bonds, and long-term debt

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

• Statement of Cash Flows

(in Millions JPY)	2020.3	2021.3
Cash Flow from Operations	311	297
Cash Flow from Investment Activities	(144)	107
Cash Flow from Financing Activities	8	289
Change in Cash and Cash Equivalents	176	692
Opening Cash and Cash Equivalents	1,814	1,990
Closing Cash and Cash Equivalents	1,990	2,682

• Breakdown of change in Cash & Cash Equivalents

(in Millions JPY)	2020.3	2021.3
Change in cash and cash equivalents	176	692
Borrowings and corporate bonds	128	311
Others	47	381

A. Cash and Deposits	2,200	2,894
B. Interest bearing debt (Note 1)	1,366	1,591
C. Net Cash and Deposits (A-B)	834	1,303

※3 Total net assets increased due to changes in the scope of application of the equity method and higher net income attributable to owners of the parent (For details, refer to the "Statement of Changes in Equity" on P.10 of Summary of Consolidated Financial Results for the current FY).

4. 2021 March FY : Summary of Consolidated Financials ~Forecast for 2022 March FY~

✓ 2022 March FY – Financial Forecast

(in Millions JPY)	Revenue	Operating Profit	Ordinary Profit	Net Profit
2022 March FY - Forecast	10,146	20	120	77
Comparison	(3.2%)	(82.5%)	(47.5%)	(32.6%)
2021 March FY - Actual	10,482	114	228	114

- It is expected that the negative impacts of the COVID-19 pandemic will last during the 1Q and 2Q with improvements expected from 3Q and return to normalcy in 4Q.
- Forecast to each segment

Real Estate : No significant impact is expected in rental management business. Revenue from the buying and selling of properties is expected to decrease

Hotels : Negative impacts from the COVID-19 pandemic are expected to continue

Overseas

Advertising Agency : Unfavorable operating environment is expected to continue

Investment Busines : 4 to 5 investment deals per year are expected, exploration of new initiatives related to investment funds

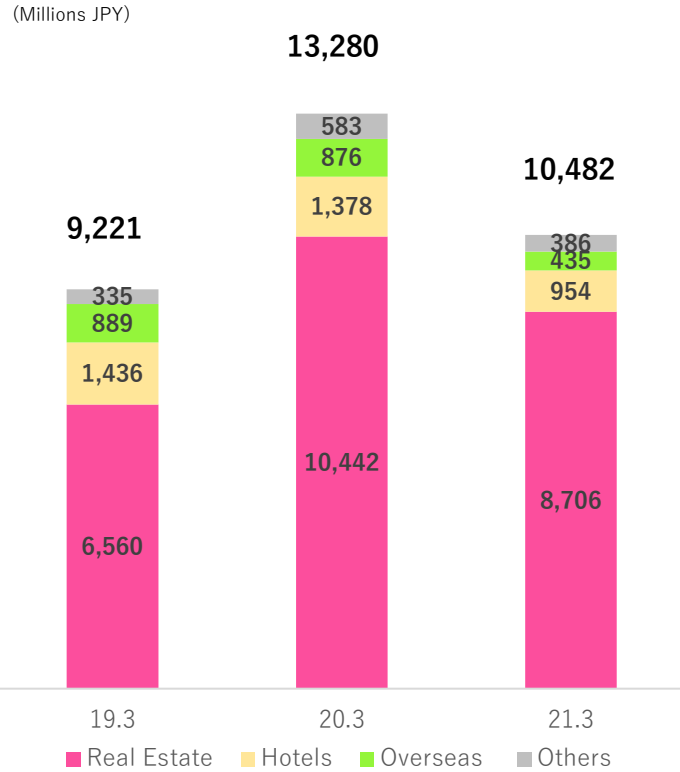
Others

IT Related : Expected to perform well despite the challenges in the operating environment

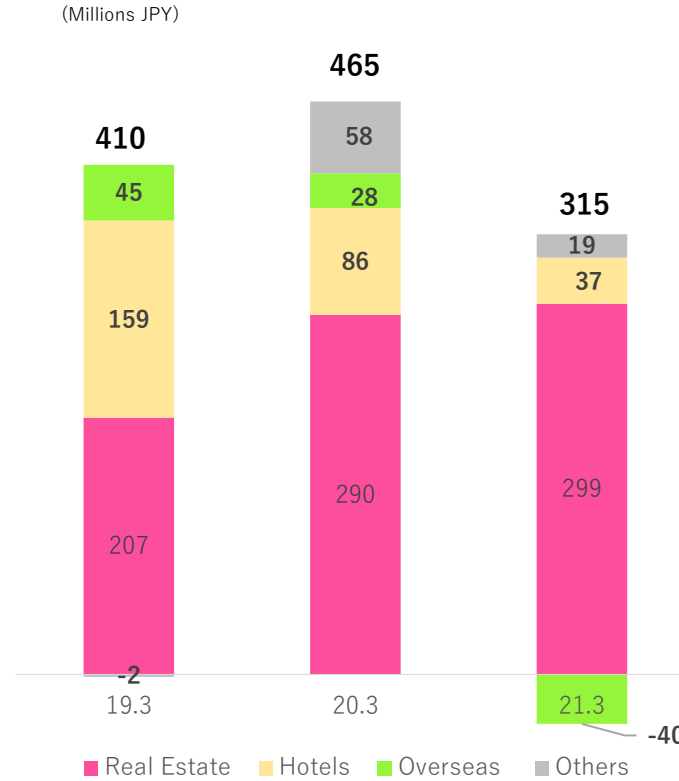
Food Related : Unfavorable operating environment is expected to continue

5. 2021 March FY Summary of Consolidated Financials ~Overall Segment Performance~

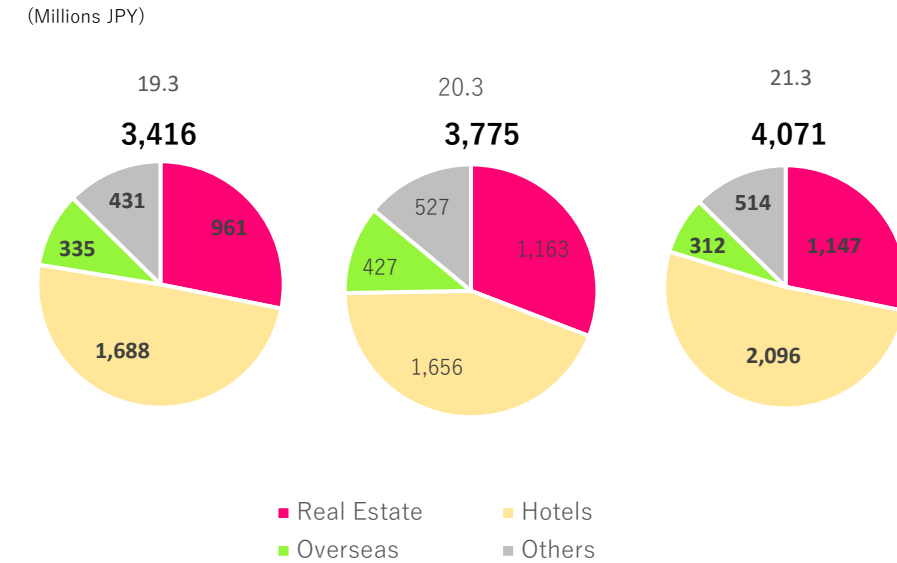
Revenue by Segment



Profitability by Segment



Assets held by each segment



※Regarding segment figures, from the end of the previous consolidated fiscal year, we have reviewed the adjustment method for inter-segment transactions and changed the calculation method for profits for business segments in order to more appropriately evaluate and manage the performance of each reporting segment.

In addition, only the figures for the fiscal year ending March 2019 in this document are those created by the calculation method before the change. The operating income of each segment is disclosed as segment income.

※Operating income on the consolidated income statement is calculated by subtracting the adjustment amount (mainly personnel expenses and expenses for the management department) from the total segment income.

6. 2021 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.

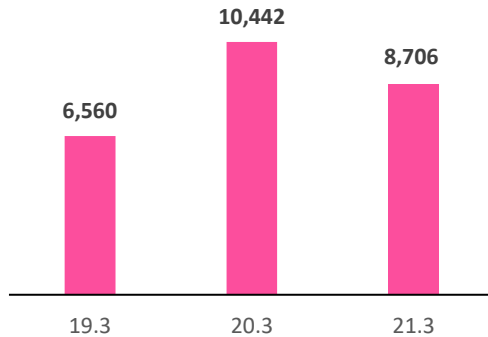
Segment Revenue 8,706 Million JPY
(YoY -16.6%)

Segment Profitability 299 Million JPY
(YoY +2.9%)

- ✓ **Number of units managed under the Residence business remains high**
- ✓ **Number of in the property buying and selling deals decreased significantly year-on-year**
- ✓ **Contract renewal rate and the rent levels are expected to remain unchanged during the COVID-19 pandemic**

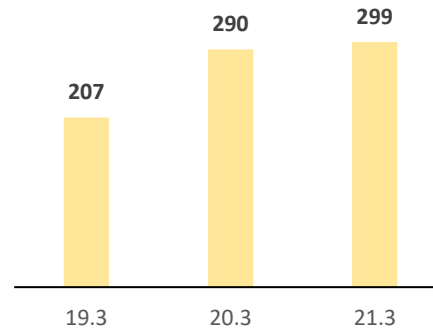
Segment Revenue

(Millions JPY)



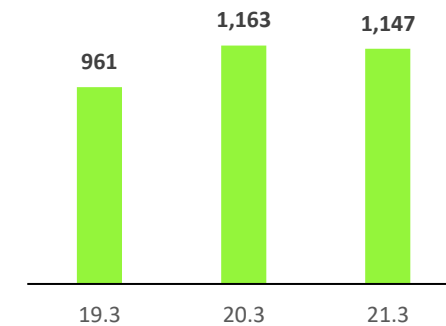
Segment Profitability

(Millions JPY)



Segment Assets

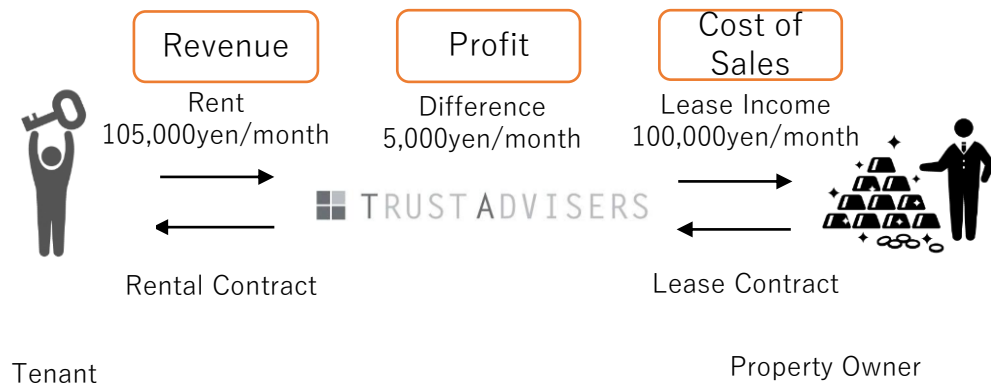
(Millions JPY)



7. 2021 March FY Overview by Segment ~Real Estate Segment ②~

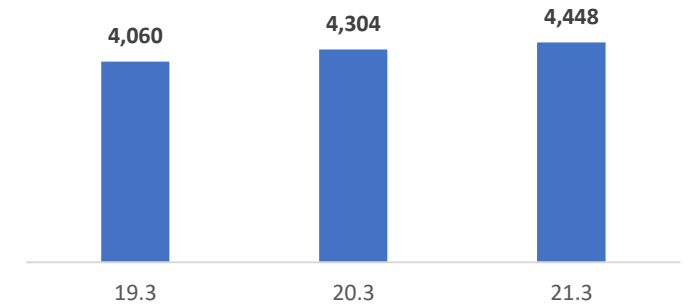
- ✓ The stable earning base in the real estate segment is the rental revenue from the residence business
- Acquisition of properties from owners under leasing and renting those properties to tenants. A part of the rent revenue from the tenants will be paid to the owners.

Rental Business Model (Example)

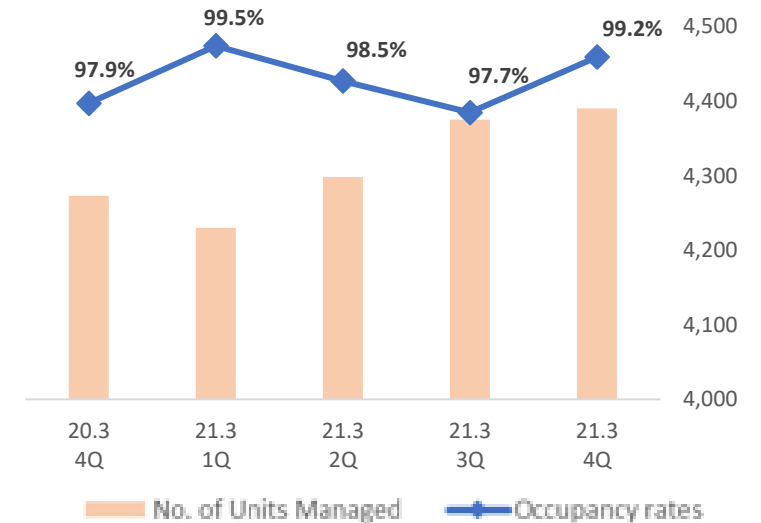


Rental Revenue from Residence Business

(Millions JPY)



Number of Units Managed Under Rental Business & Occupancy Rates



8. 2021 March FY Overview by Segment ~Hotel Segment ①~

Business Description: Ownership and operation of hotels

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

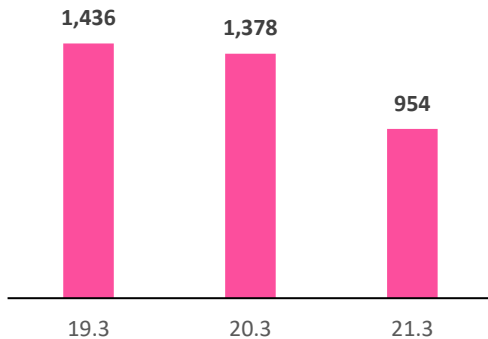
Segment revenue 954 Million JPY
(YoY -30.7%)

Segment Profit 37 Million JPY
(YoY -56.9%)

- ✓ **Narita Gateway Hotel accepts asymptomatic and mildly ill people infected with COVID-19**
- ✓ **Demand for Kurashiki Royal Art Hotel has recovered to a certain extent even under the second state of emergency. "MAGO GALLERY KURASHIKI" opened in January 2021.**
- ✓ **The segment returned to profitability from Q3 on accumulated basis. Due to an increase in subsidy income, an ordinary income of 134 million yen was recorded**

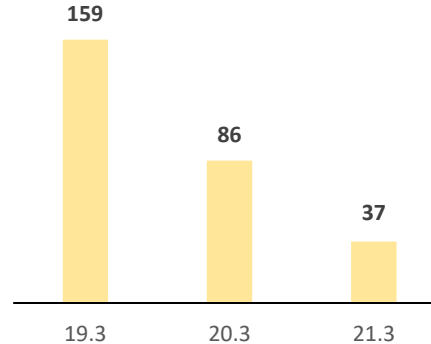
Segment Revenue

(Millions JPY)



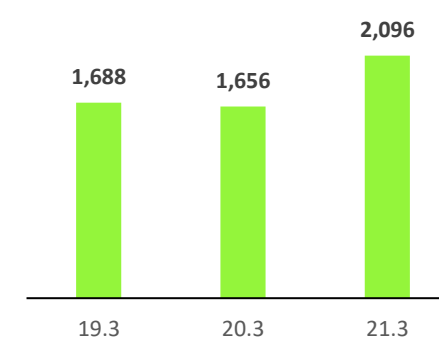
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



9. 2021 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 (scheduled until the end of June 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.

10. 2021 March FY Overview by Segment ~Overseas Segment ①~

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

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

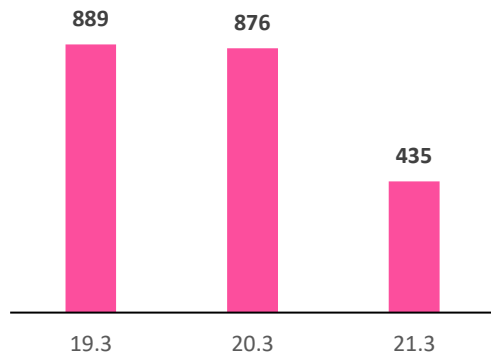
Segment Revenue 435 Million JPY
(YoY -50.4%)

Segment Profit (40) Million JP
(Previous FY: profit of 28 Million JPY)

- ✓ Sales decreased significantly in the Indonesia's advertising agency due to the impacts of the pandemic (financial year from January-December 2020). A gain of 78 million yen by writing off debts and an impairment loss of 38 million yen were recorded outside of segment profit.
- ✓ As a part of the partnership with Indogen Capital, 2nd investment was made (Prop-Tech startup in Indonesia)

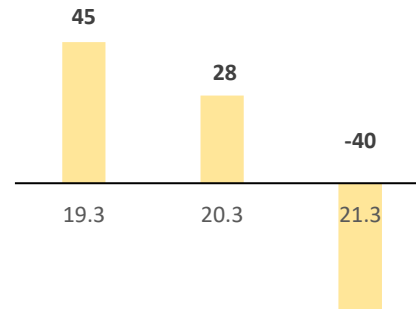
Segment Revenue

(Millions JPY)



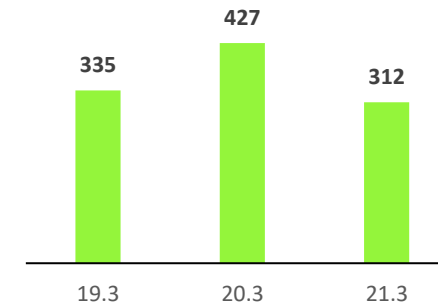
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



11. 2021 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.

Partners



Investment Portfolio



Holding company of the Softlogic Group's financial sector and has 4 subsidiaries. Listed in Colombo Stock Exchange.



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

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. In the future the company will aggressively invest in the drone school business and venture support business that started in 2020, aiming for synergies with the core business of the advertising business.

12. 2021 March FY Overview by Segment ~Others ①~

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.

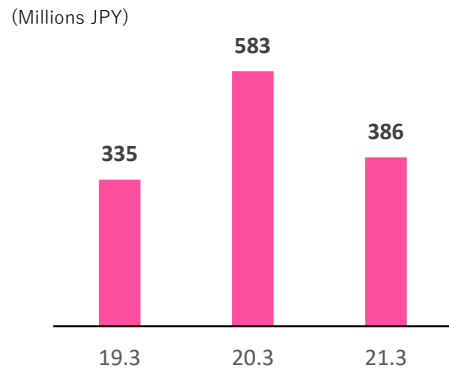
【Associated Companies】 MIRAI Intellectual Property and Technology Research Center Co.,Ltd. (“Mirai”)

Segment Profit 386 Million JPY
(YoY-33.8%)

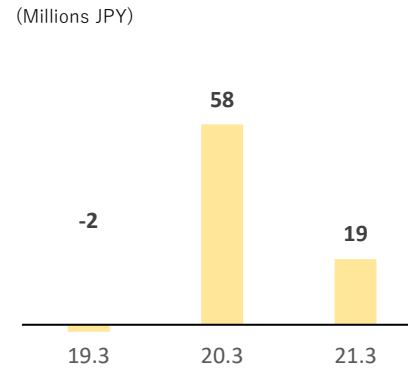
Segment Profit 19 Million JPY
(YoY-67.2%)

- ✓ Revenue and profits of Mobilelink and Masuda Seimen decreased due to the impact of the COVID-19 pandemic
- ✓ Outside of segment profit, an impairment loss of 60 million yen on investments was recorded

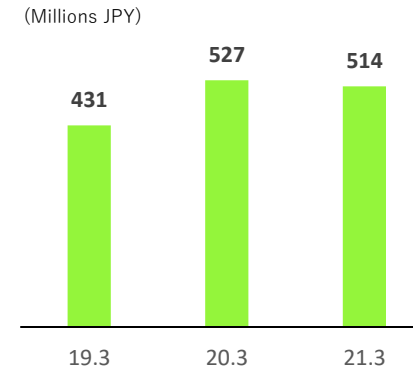
Segment Revenue



Segment Profitability



Segment Assets



13. 2021 March FY Overview by Segment ~Others ②~

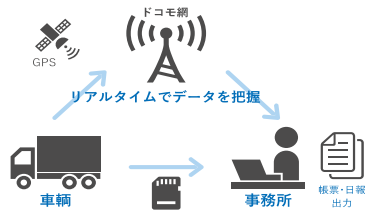
Subsidiary



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.

<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.



Associated Companies



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.

14. 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)

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

2019 March FY	1Q	2Q	3Q	4Q	Total
Revenue	2,193	2,368	2,104	2,551	9,216
Operating Profit	79	60	47	30	216
Ordinary Income	85	64	46	35	230
Net Income (※)	57	42	36	(59)	76

<Consolidated balance sheet>

(Millions 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	241.26JPY	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

2019 March FY	1Q	2Q	3Q	4Q
Total Assets	4,612	4,518	4,747	4,655
Net Assets	2,090	2,138	2,167	2,087
Equity Ratio	44.9%	46.8%	45.1%	44.5%
Net assets per share	233.23JPY	238.15JPY	240.82JPY	234.78JPY

2. Quarterly performance trends (by Segment)

< Segment Revenue >

(Millions JPY)

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

2019 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,482	1,660	1,464	1,954	6,560
Hotel	376	364	373	323	1,436
Overseas	254	256	162	217	889
Others	79	89	105	62	335

< Segment Profitability (Operating Income) >

(Millions JPY)

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

2019 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	60	49	36	62	207
Hotel	58	52	50	(1)	159
Overseas	18	13	4	10	45
Others	(6)	(5)	6	3	(2)