

Striders Corporation

2022 March Financial Year
Explanation of Financial Statements



STRIDERS

13th May 2022

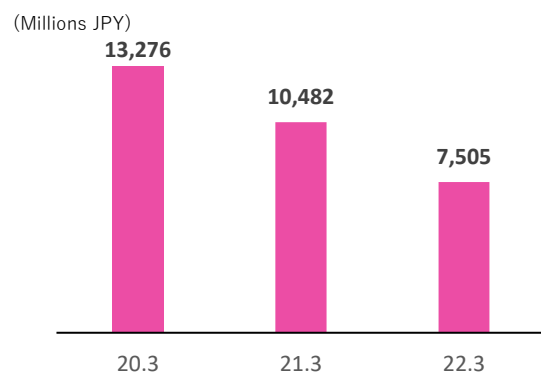
1. Highlights of the Financial Results of 2022 March FY

- ✓ The revenue fell sharply to 7,505 million yen (down 28.4% y-o-y), mainly due to a decline in real estate sales transactions, although the residence business was firm, and the hotel business continued to face the impacts of the COVID-19 pandemic, as well as the effect of disposal the overseas advertising agency business (CSK) at the end of 2Q.
- ✓ Although the company posted an operating loss of 33 million yen, the hotel segment's income from employment adjustment subsidies and other subsidies helped to record an ordinary profit of 205 million yen (down 10.1% y-o-y) and effectively keep the business profitable.
- ✓ Net income attributable to shareholders of the parent company, after taking into account total income taxes and the effect of CSK's noncontrolling interest, was 168 million yen (+48.0% YoY).
- ✓ Year-end dividend increased from 3 yen to 5 yen per share, and forecast dividend for the fiscal year ending March 31, 2023 is the same amount.

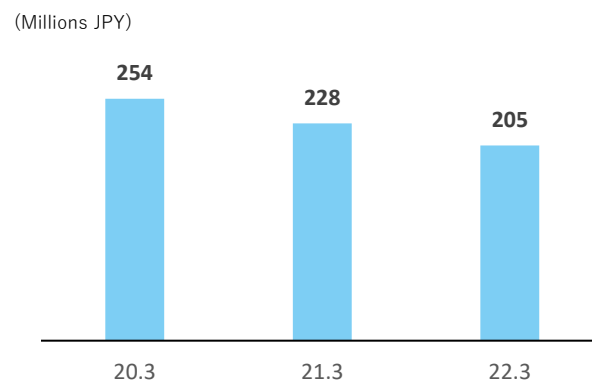
2. 2022 March FY : Summary of Consolidated Financials ~Income Statement~

(in Millions JPY)	2020.3	2021.3	2022.3	YoY	Comments
Revenue	13,276	10,482	7,505	(2,977)	Decrease in real estate sales transactions and exclusion of overseas advertising agency business from consolidation
Operating Profit	256	114	(33)	(147)	
Ordinary Income 【①】	254	228	205	(23)	182 million yen in subsidies for employment adjustment and other subsidies was recorded (142 million yen in the previous year).
Extraordinary Gains / Losses(NET) 【②】	(6)	29	20	(9)	Gain on sales of investment securities of 9 million yen was recorded in overseas investments.
Anonymous portfolio profit and loss allocation 【③】	(14)	0	-	-	
Income Tax 【④】	90	128	83	(45)	
Net income attributable to noncontrolling interests 【⑤】	20	15	(26)	(41)	Noncontrolling interests in overseas segment/ad agency business through 2Q
Net income attributable to shareholders of the parent company 【①+②-(③+④+⑤)】	151	114	168	+54	

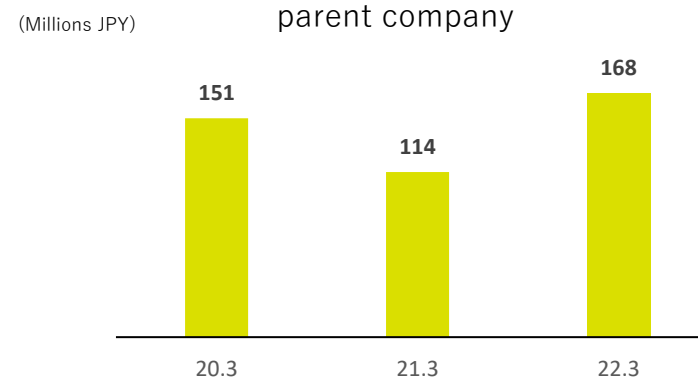
Growth in Revenue



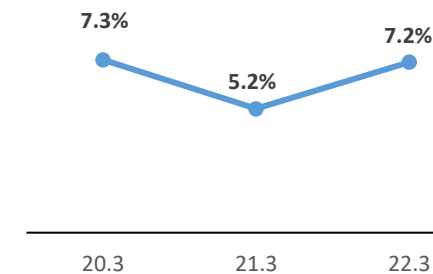
Growth in Ordinary Income



Net income attributable to shareholders of the parent company



Growth in ROE



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

• Statement of Financial Position

(in Millions JPY)	2020.3	2021.3	2022.3	YoY
Total Assets	5,000	5,230	4,789	(441)
Current Assets	2,927	3,367	3,046	(321)
Cash and Deposits	2,200	2,894	2,580	(314)
Inventory	297	208	158	(50)
Non-Current Assets	2,073	1,862	1,743	(119)
Property, Plant & Equipment	1,383	1,317	1,223	(94)
Intangible Assets	183	126	115	(11)
Investments and Other Assets	506	418	404	(14)
Investment securities	303	231	256	25
Shares of subsidiaries and associates	81	82	70	(12)
Total Liabilities	2,866	2,909	2,338	(571)
Interest Bearing Liabilities (Note 1)	1,366	1,591	1,379	(212)
Total Net Assets	2,133	2,321	2,450	129
Equity Ratio (Note 2)	41.9%	43.4%	50.6%	7.2
Debt to Equity Ratio	0.64times	0.68times	0.56times	(0.12)

• Statement of Cash Flows

(in Millions JPY)	2021.3	2022.3
Cash Flow from Operations	297	32
Cash Flow from Investment Activities	107	△83
Cash Flow from Financing Activities	289	△245
Change in Cash and Cash Equivalents	692	△283
Opening Cash and Cash Equivalents	1,990	2,682
Closing Cash and Cash Equivalents	2,682	2,399

• Breakdown of change in Cash & Cash Equivalents

(in Millions JPY)	2021.3	2022.3
Change in cash and cash equivalents	692	△283
Borrowings and corporate bonds	311	△211
Others	381	△72

A. Cash and Deposits	2,894	2,580
B. Interest bearing debt (Note 1)	1,591	1,379
C. Net Cash and Deposits (A-B)	1,303	1,201

※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

4. 2022 March FY : Summary of Consolidated Financials ~Forecast for 2023 March FY~

✓ 2023 March FY – Financial Forecast

(in Millions JPY)	Revenue	Operating Profit	Ordinary Profit	Net income attributable to shareholders of the parent company	Dividend Per Share
2022 March FY - Forecast	7,804	101	135	88	5.00yen
Comparison	+4.0%	-	(34.0%)	(47.8%)	Same
2021 March FY - Actual	7,505	△33	205	168	5.00yen

● Forecast for each segment

Continue to expand existing businesses and seize new investment opportunities amid the increasingly unstable global situation triggered by the Ukraine crisis, although the impact of the COVID-19 pandemic will diminish.

【Real Estate】 While the residential business is expected to remain strong, the real estate trading business is expected to continue to see a slowdown in the number of transactions.

【Hotels】 Narita Gateway Hotel continues to lease a building to Chiba Prefecture as a medical treatment facility for asymptomatic and mildly ill patients of the new coronavirus. Kurashiki Royal Art Hotel is focusing on strategies to improve the management of the hotel, in addition to assuming that domestic tourism demand will rebound due to the relaxation of restrictions and the government support for tourism.

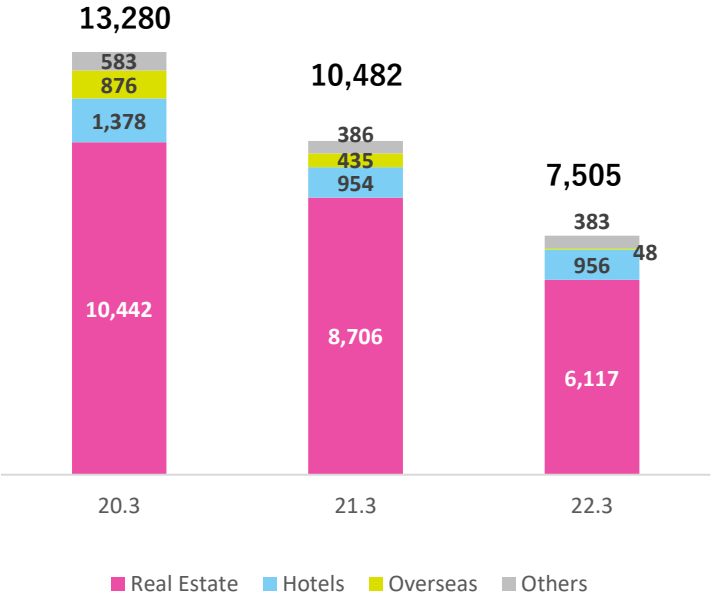
【Overseas】 Planning for new investments in growth sectors such as healthcare and Web 3.0, and focus on fee income business

【Others】 Mobile Link expects the impact of semiconductor shortages to improve from the second half of the year.

5. 2022 March FY Summary of Consolidated Financials ~Overall Segment Performance~

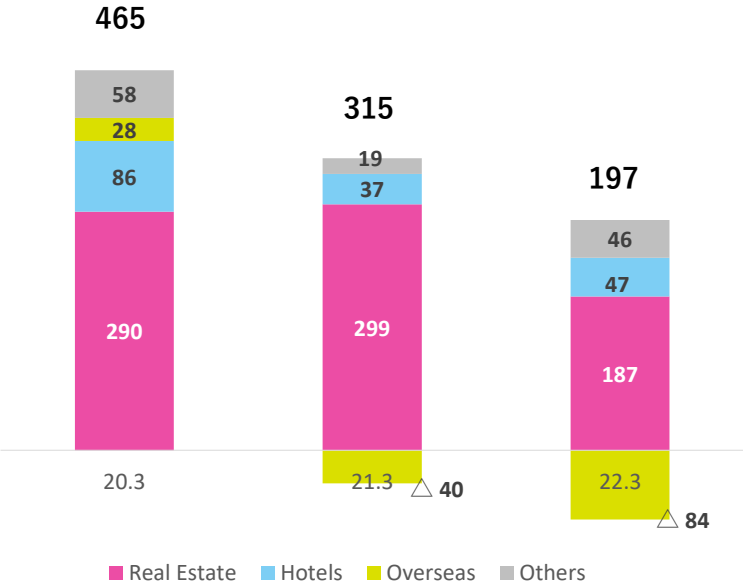
Revenue by Segment

(Millions JPY)



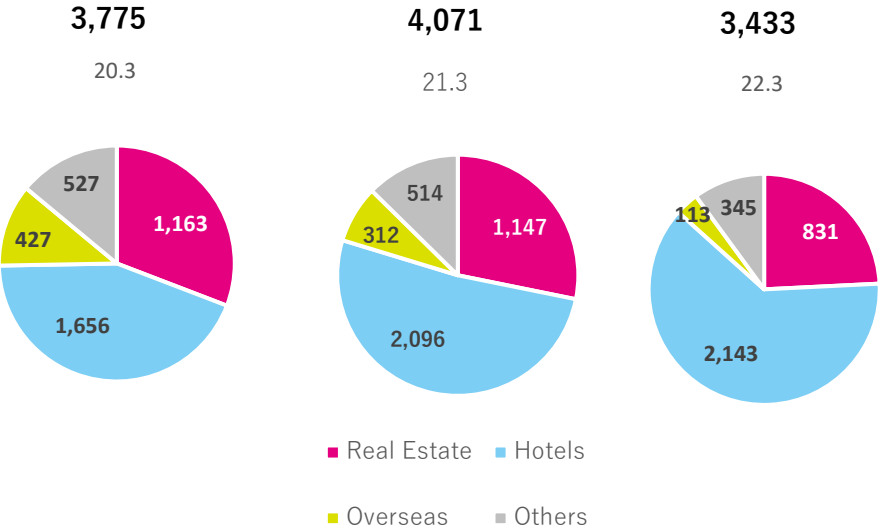
Profitability by Segment

(Millions JPY)



Assets held by each segment

(Millions JPY)



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.

6. 2022 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.

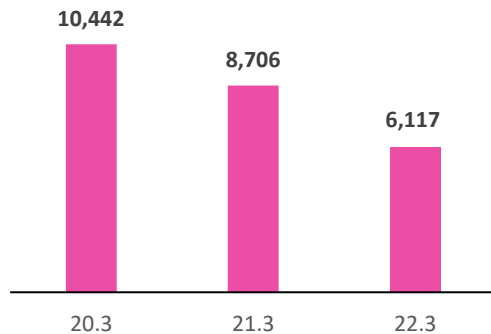
Segment Revenue 6,117 Million yen
(YoY -29.7%)

Segment Profitability 187 Million yen
(YoY -37.5%)

- ✓ **No significant change in renewal rate of existing lease contracts or rent level in the Residence Business**
- ✓ **In the real estate trading business, sales transactions declined significantly year-on-year, and lending by financial institutions for real estate was limited.**
- ✓ **During the COVID-19 pandemic, steps for DX, such as telework and going paperless, were introduced and will be further promoted in the future**

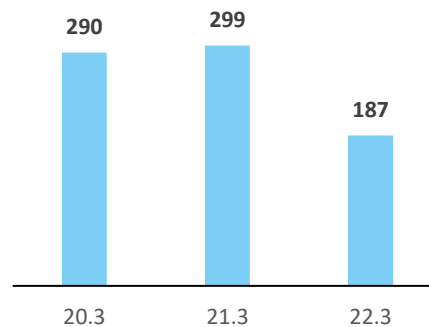
Segment Revenue

(Millions JPY)



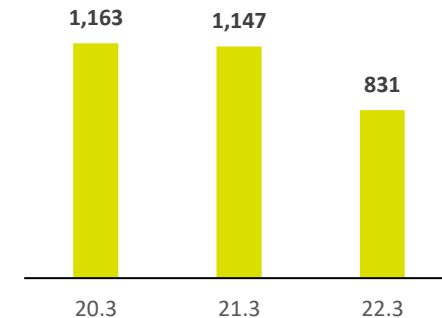
Segment Profitability

(Millions JPY)



Segment Assets

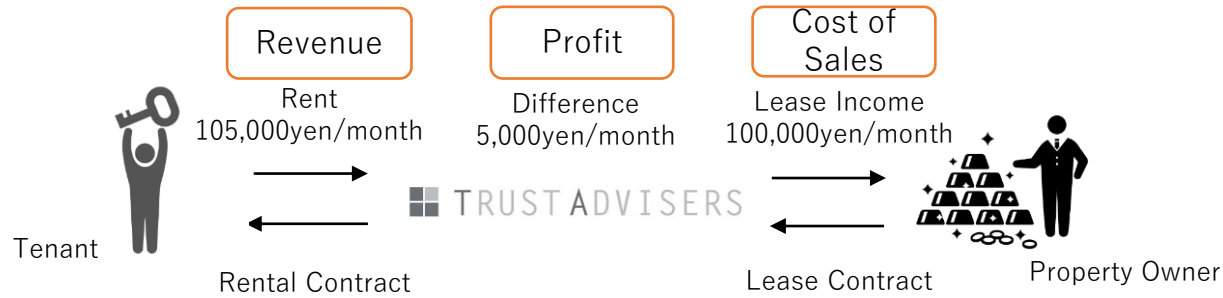
(Millions JPY)



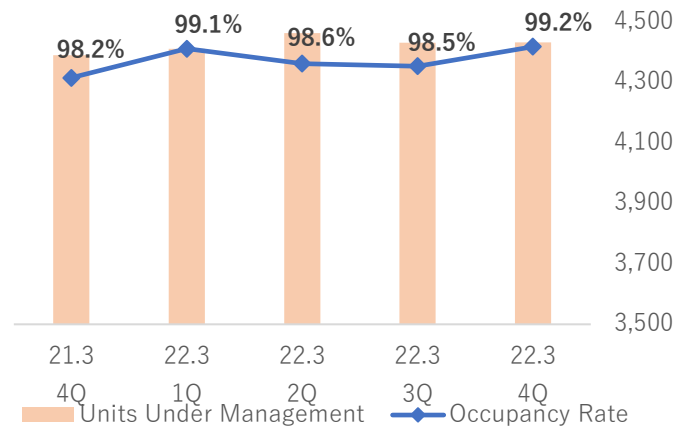
7. 2022 March FY Overview by Segment ~Real Estate Segment ②~

- ✓ 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

Rental Business Model (Example)

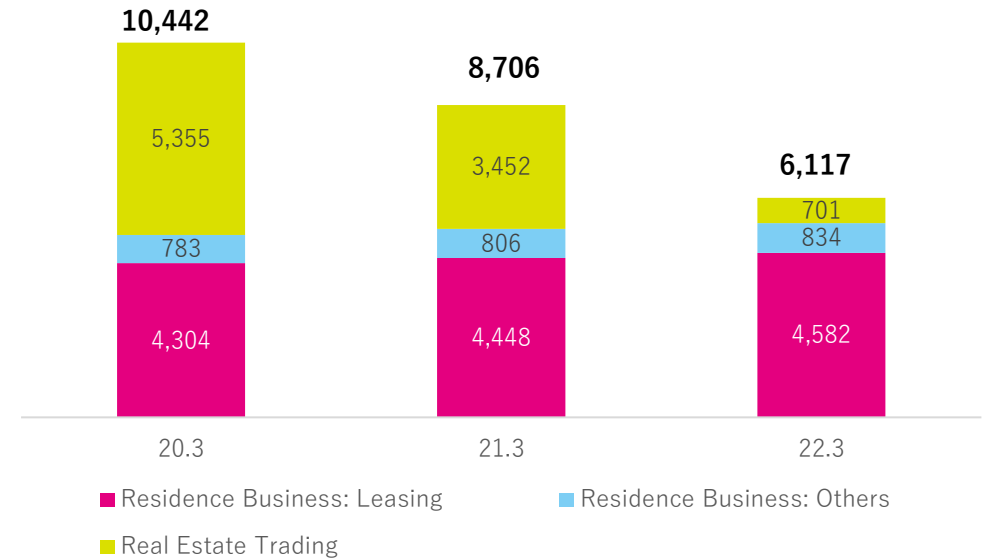


Number of Units Managed Under Rental Business & Occupancy Rates



- ✓ Real Estate Segment: Sales Composition by Business

(Millions JPY)



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

8. 2022 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

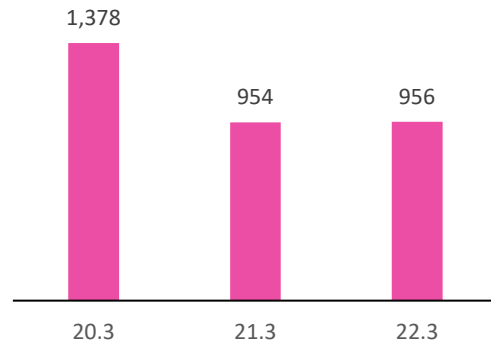
Segment Revenue 956 Million yen
(YoY +0.2%)

Segment Profitability 47 Million yen
(YoY +27.2%)

- ✓ **Narita Gateway Hotel continued to accept asymptomatic and mildly sick people infected with COVID-19 from April 2020 (continue for the time being after April 2022)**
- ✓ **Kurashiki Royal Art Hotel saw another decline in the number of guests due to the COVID-19 Omicron wave in January 2022 (Japanese restaurant "Kurashiki" was closed at the end of March 2022)**
- ✓ **Segment recorded a loss in 4Q alone but recorded a profit of 47 million yen for the full year, up 27.2% YoY.**

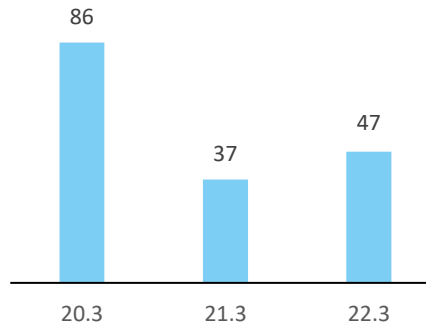
Segment Revenue

(Millions JPY)



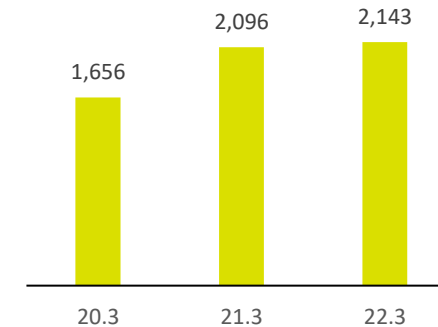
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



9. 2022 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).



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.

10. 2022 March FY Overview by Segment ~Overseas Segment ①~

Business Description : Investment Business in Asia

Subsidiary : Striders Global Investment Pte. Ltd (Singapore)

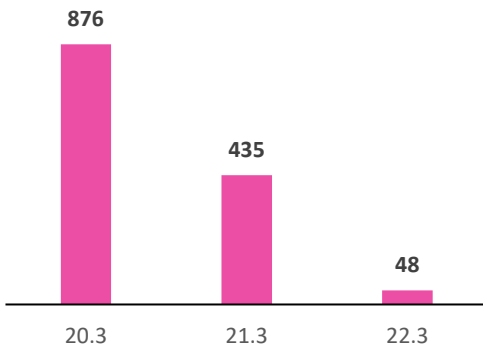
Segment Revenue 48 Million yen
(YoY -88.7%)

Segment Profitability (84) Million yen
(Previous FY: (40) Million yen)

- ✓ **Poorly performing subsidiary engaged in advertising agency business in Indonesia, CSK was excluded from the scope of consolidation in 2Q due to partial transfer of shares. There was no change in revenue and profitability both 3Q and 4Q compared to 1H.**
- ✓ **Expected to make new investment in growth industries such as healthcare and WEB 3.0 and focus on fee earning businesses in 2023 March FY.**

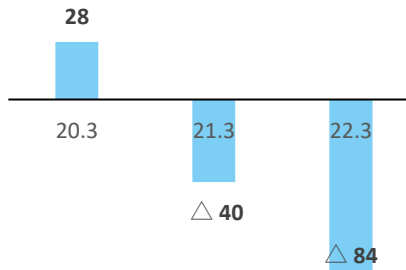
Segment Revenue

(Millions JPY)



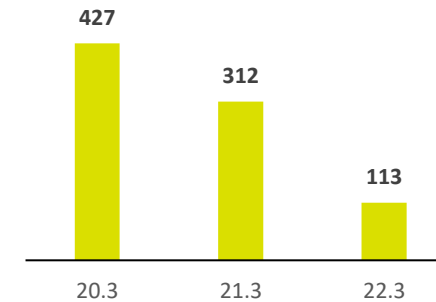
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



11. 2022 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

- Divested the stakes held in two Sri Lankan companies by Striders Corporation (not SGI) 3Q/4Q and recorded gains on disposal. (recorded as "gain on sales of investment securities" under non-segment extraordinary income).

①Softlogic Capital PLC (SCAP)

Invested Date : Nov-2018 Divested Date : Dec-2021
 ※In addition to the capital gain, SGI earned 19 million yen in commission income from the investment.



②Softlogic Life Insurance PLC (SLIFE)

Invested Date : Feb-2019 Divested Date : Feb-2022
 ※Although the investment amount was small, returns of IRR 54.2% and Cash on Cash 350% were achieved.



- In response to increased country risk in Sri Lanka, the exposure to Sri Lanka has been reduced (only two portfolio companies, Roar Media and Agrithmics have exposure to Sri Lanka, and the latter is in the process of transferring the headquarter to Singapore). Both companies are actively expanding businesses outside Sri Lanka in South Asia and Oceania, and the impact of the Sri Lanka's country risk on their future business development is limited).

Partners



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

12. 2022 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.

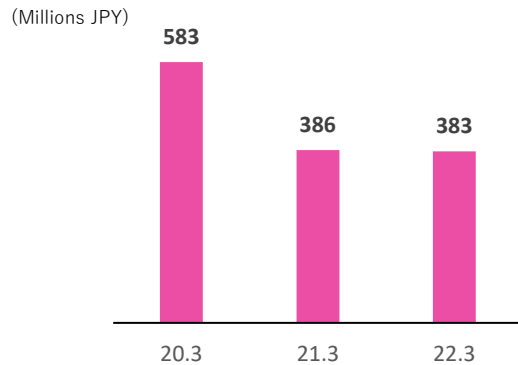
【Associated Companies】 MIRAI Intellectual Property and Technology Research Center Co.,Ltd. (“Mirai”)

Segment Revenue 383 Million yen
(YoY -0.7%)

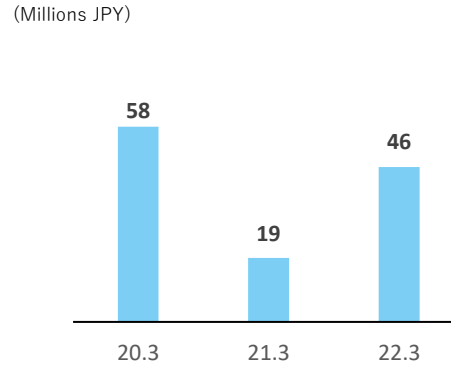
Segment Profitability 46 Million yen
(YoY +142.3%)

- ✓ **Mobile Link suffered loss of sales opportunities due to shortage of semiconductors**
- ✓ **Masuda Seimen continues to be impacted by declining sales due to a decrease in people's movements.**
- ✓ **Sales and income at MAGP increased from the previous year, and overall sales of others segment were at the same level as the previous year, while segment profitability increased from the previous year.**

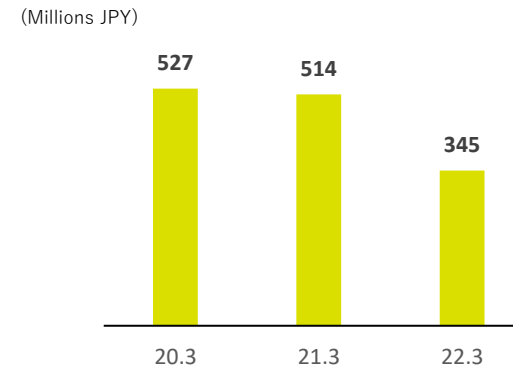
Segment Revenue



Segment Profitability



Segment Assets



13. 2022 March FY Overview by Segment ~Others ②~

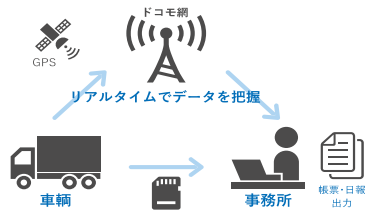
Subsidiary



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	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)

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

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	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	268.00yen	270.81yen	283.01yen	286.26yen

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	241.26yen	253.55yen	265.97yen	267.38yen

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	241.74yen	249.72yen	256.24yen	247.31yen

2. Quarterly performance trends (by Segment)

< Revenue by Segment >

(Millions JPY)

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

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
Total	2,468	3,005	4,176	3,630	13,279

< Operating Profit by Segment >

(Millions JPY)

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

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
Total	147	150	138	27	462

< Assets held by each Segment >

(Millions JPY)

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

2020 March FY	1Q	2Q	3Q	4Q
Real Estate	1,120	1,138	1,241	1,163
Hotel	1,733	1,720	1,739	1,656
Overseas	471	309	424	427
Others	425	517	581	527
Total	3,749	3,684	3,985	3,773