

Striders Corporation

2nd Quarter of 2023 March Financial Year Explanation of Financial Statements



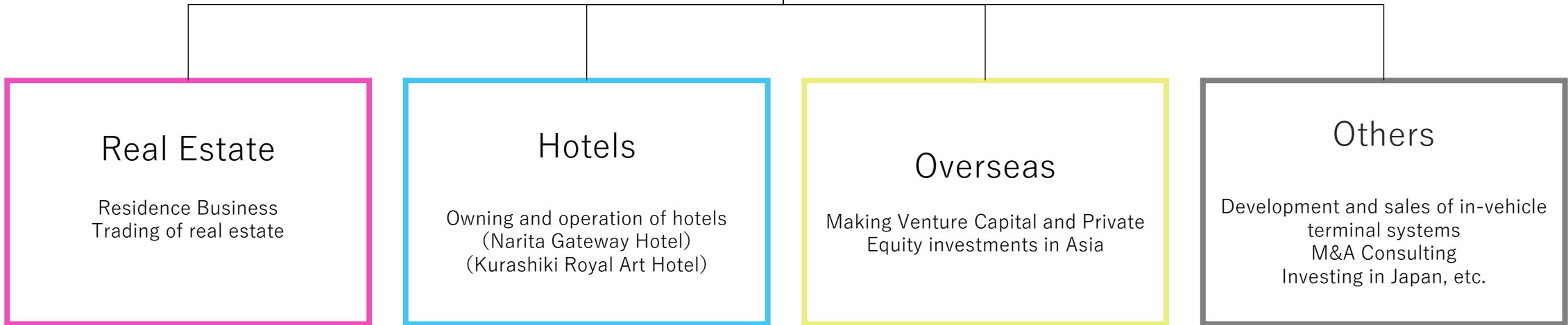
11th November 2022

1. Company Overview

 Corporate Philosophy : **To support individuals and companies that take on challenges and share inspirational experiences with all the stakeholders in order to create a better world.**
Corporate Slogan : **"Stride With Challengers"**

Business Overview : (Company) Business Investments ・ Management of Group companies
(Group) Real Estate ・ Hotels ・ Overseas ・ Others

Listed Market : Tokyo Stock Exchange Standard Market (Stock Code : 9816)



2. Highlights of the Financial Results of 21 of 2023 March FY

- ✓ In the real estate business, the residence business secured an increase in revenue, but gross profit declined, and real estate sales transactions remained sluggish, resulting in an overall decline in both revenue and income.
- ✓ In the hotel business, leasing of Narita Gateway Hotel to Chiba Prefecture continued, and occupancy rate of Kurashiki Royal Art Hotel improved significantly from the same period of the previous year.
- ✓ In the overseas business, the advertising agency business, which had been making losses until the same period of the previous year, is not a group company anymore. But the returns from the investment business are yet to realize.
- ✓ As a result, revenue was 3,587 million yen (down 3.9% year-on-year), operating income was 26 million yen (-67 million yen in the same period of the previous year), ordinary income was 95 million yen (up 88.2% year-on-year), and net income attributable to owners of the parent was 41 million yen (down 9.6% year-on-year).

3. Revision of Earnings Forecast

- Revision of consolidated financial forecast for the fiscal year ending March 31, 2023 (April 1, 2022 - March 31, 2023)

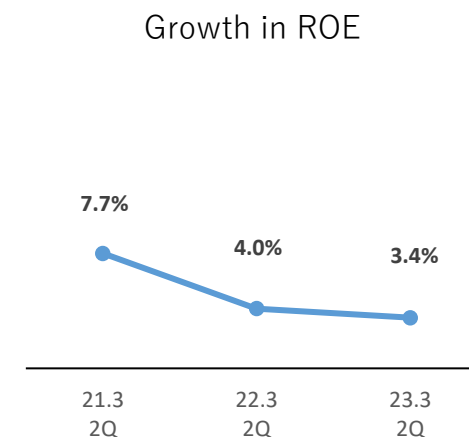
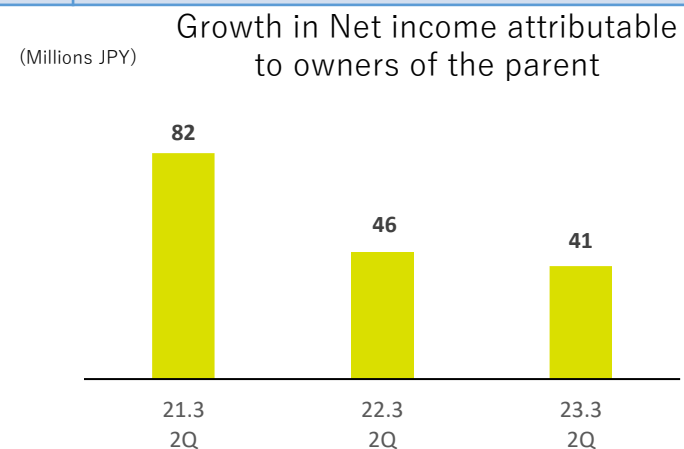
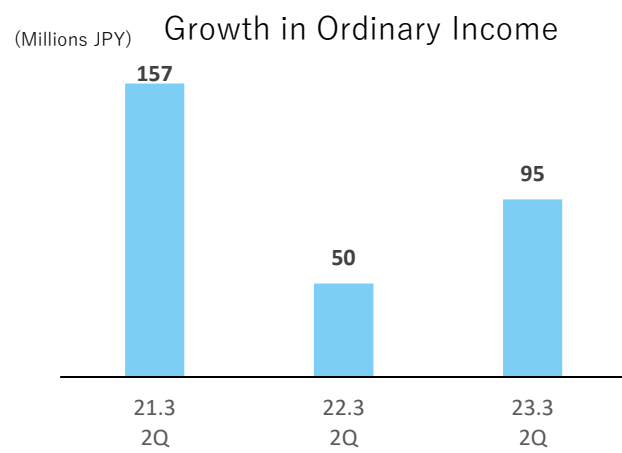
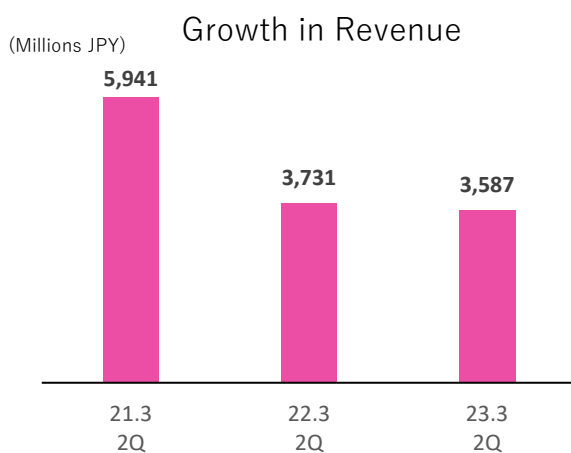
(in Millions JPY)	Previous Forecast (A)	Revised Forecast (B)	Change (B – A)	(Reference) Financial Results for previous FY (2022.03)
Revenue	7,804	7,251	(553)	7,505
Operating Profit	101	67	(33)	(33)
Ordinary Profit	135	160	25	205
Net income attributable to shareholders of the parent company	88	104	16	168

【 Reasons for revision 】

- Revenue** : A significant decline in investment condominium sales transactions in the real estate business from the forecast, a trend that is expected to continue toward the end of the current fiscal year.
- Operating Profit** : In addition to a significant decrease in investment purpose condominium transactions in the real estate business compared to the forecast, the profit margin in the residential business was lower than projected, and this trend is expected to continue toward the end of the current fiscal year.
- Ordinary Profit** : Foreign exchange valuation gains due to the sharp and significant depreciation of the yen and higher-than-anticipated subsidy income

4. 2023 March FY – Q2 Summary of Consolidated Financials ~Income Statement~

In Millions JPY	2021.3 2Q	2022.3 2Q	2023.3 2Q	Net Change (YoY)	Comments (YoY)
Revenue	5,941	3,731	3,587	(144)	Slight decrease in real estate business, increase in hotel business and decrease in overseas and other businesses
Operating Profit	110	(67)	26	+93	Hotel business (Kurashiki Royal Art Hotel) occupancy rate improved, and unprofitable overseas advertising agency business is no longer a group company
Ordinary Profit 【①】	157	50	95	+45	Foreign exchange gains of 19 million yen recorded; subsidy income decreased from 90 million yen to 24 million yen
Extraordinary gains/losses 【②】	1	13	2	(11)	
Income Tax 【③】	58	45	56	+11	
Net income or loss attributable to non controlling interests 【④】	14	(28)	0	+28	Noncontrolling interest in overseas advertising agency business will be excluded.
Net income attributable to owners of the parent 【①+②-③-④】	82	46	41	(5)	

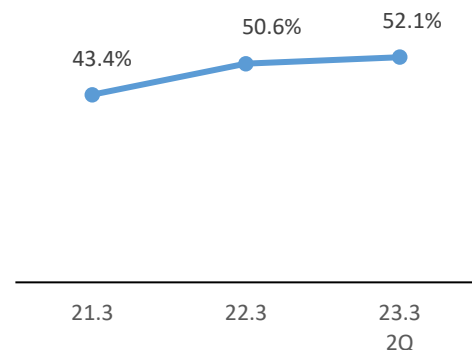


5. 2023 March FY – Q2 Summary of Consolidated Financials ~Statement of Financial Position & Cash Flow Statement~

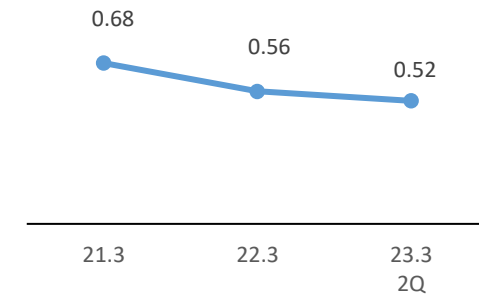
• Statement of Financial Position

(In Millions JPY)	2021.3	2022.3	2023.3 2Q	Net Change (YoY)
Total Assets	5,230	4,789	4,639	(150)
Current Assets	3,367	3,046	2,881	(165)
Cash and Cash Equivalents	2,894	2,580	2,447	(133)
Inventory	208	158	154	(4)
Non-current Assets	1,862	1,743	1,758	+15
Tangible Non-Current Assets	1,317	1,223	1,180	(43)
Intangible Non-Current Assets	126	115	110	(5)
Investments and Other Assets	418	404	468	+64
Investment Securities	231	256	328	+72
Stock of Associated Companies	82	70	59	(11)
Total Liabilities	2,909	2,338	2,198	(140)
Interest Bearing Liabilities (Note 1)	1,591	1,379	1,284	(95)
Total Net Assets	2,321	2,450	2,441	(9)
Equity Ratio (Note 2)	43.4%	50.6%	52.1%	+1.5
Debt to Equity Ratio (time)	0.68	0.56	0.52	(0.04)

Comparison of Equity Ratio



Comparison of Debt-to-Equity Ratio



• Statement of Cash Flows

(in Millions JPY)	2022.3 2Q	2023.3 2Q
Cash Flow from Operations	(117)	69
Cash Flow from Investment Activities	(88)	(67)
Cash Flow from Financing Activities	(133)	(148)
Change in Cash and Cash Equivalents	(336)	(133)
Opening Cash and Cash Equivalents	2,682	2,399
Closing Cash and Cash Equivalents	2,346	2,266

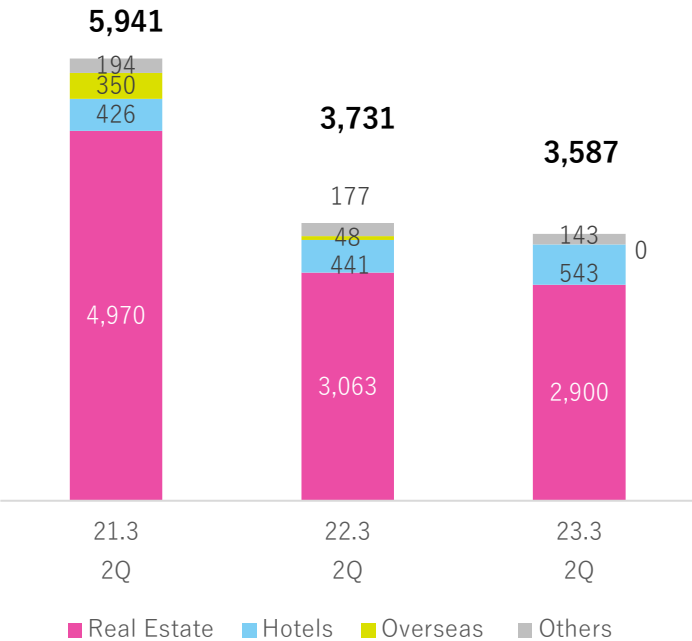
Note 1; Interest-bearing debt: short-term debt, corporate bonds due within a year, long-term debt due within a year, corporate bonds, long-term debt

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

6. 2023 March FY – Q2 Summary of Consolidated Financials ~Overall Segment Performance~

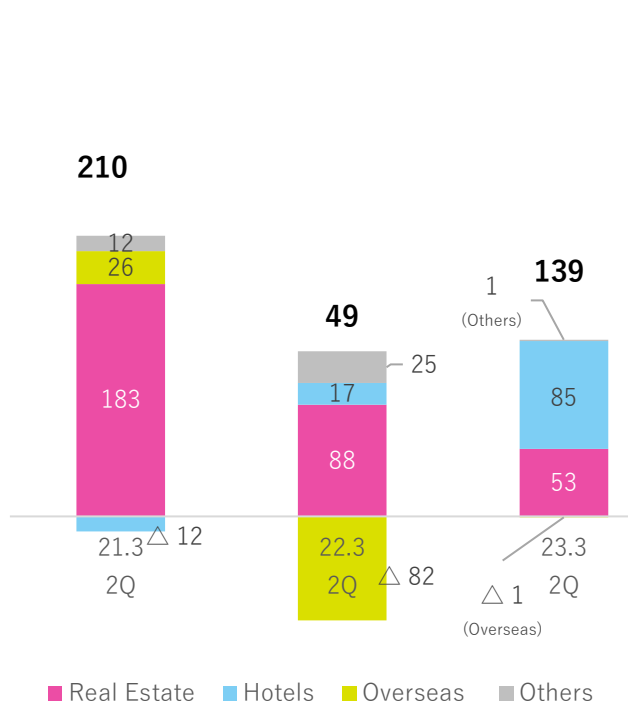
Revenue by Segment

(Millions JPY)



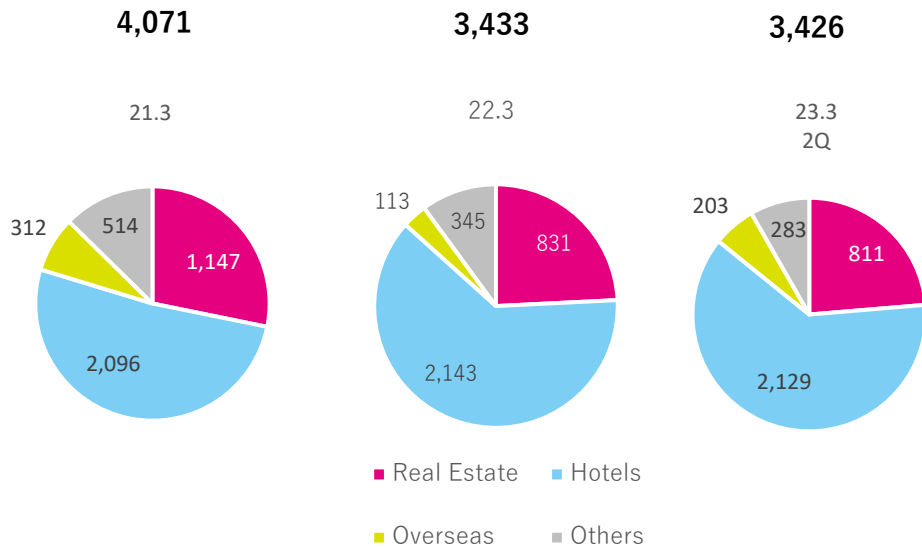
Profitability by Segment

(Millions JPY)



Assets held by each segment

(Millions JPY)



※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 – Q2 Overview by Segment ~Real Estate Segment ①~

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

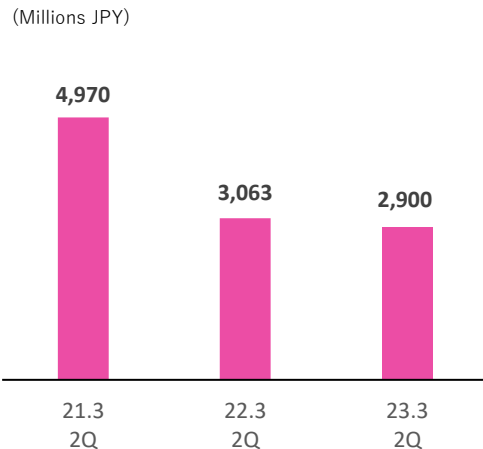
Subsidiaries : Trust Advisers Corporation、Tokyo Apartment Guarantee Corporation, etc.

Segment Revenue 2,900 Millions JPY
(YoY -5.3%)

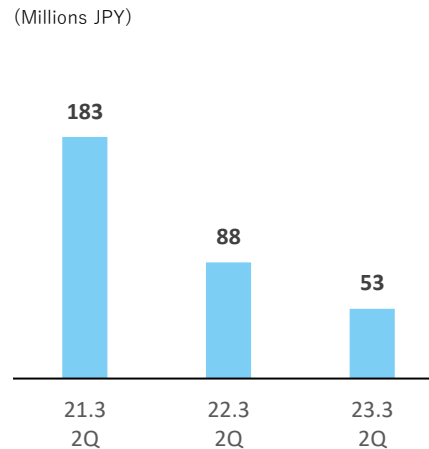
Segment Profitability 53 Millions JPY
(YoY -40.0%)

- ✓ No significant change in the number of units under management, rent level of sublease rental contracts, occupancy rate, renewal rate, etc. in the Residence Business. While revenue increased, gross profit decreased.
- ✓ Transactions of investment condominiums in the real estate trading business decreased.
- ✓ SG&A expenses remained at the same level due to continued efforts for efficient management
- ✓ Improved organizational structure to promote digitization

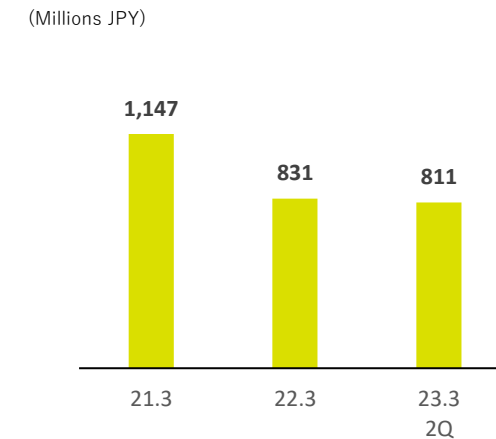
Segment Revenue



Segment Profitability



Segment Assets



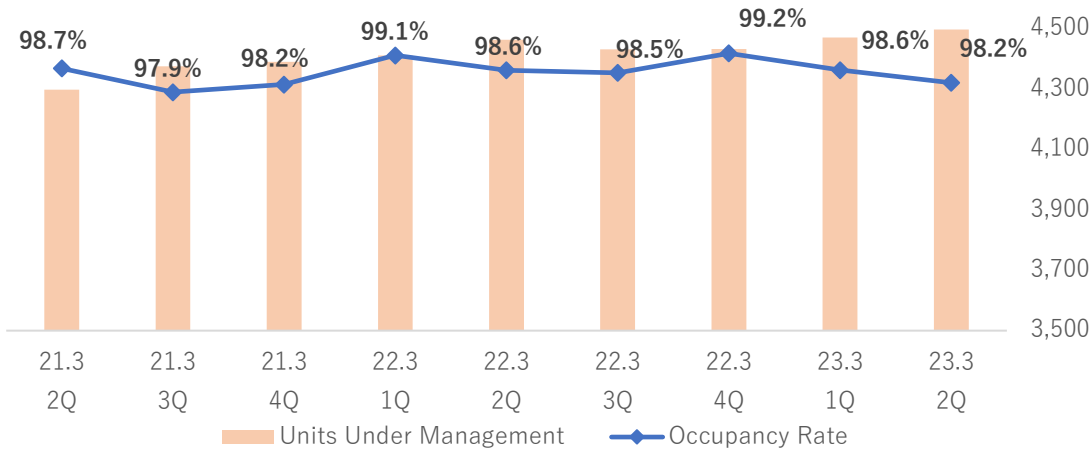
8. 2023 March FY – Q2 Overview by Segment ~Real Estate Segment ②~

✓ 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)

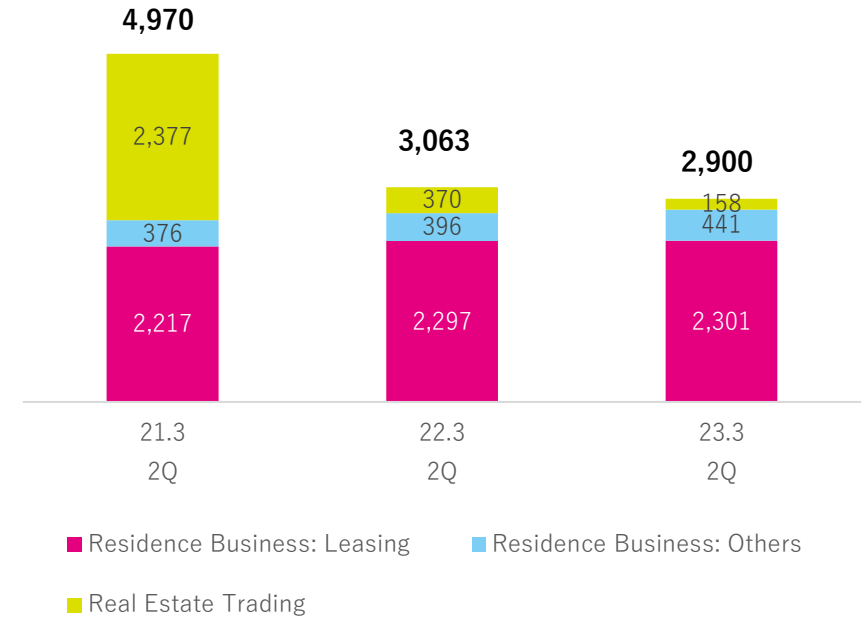


Number of Units Managed Under Rental Business & Occupancy Rates



✓ Real Estate Segment: Sales Composition by Business Units

(Millions JPY)



※Included in "Residential business: Other": Business consignment fee income, administration fees, restoration, repair sales, renewal administration fees, collection agency fees, and fire insurance fees.

9. 2023 March FY – Q2 Overview by Segment ~Hotel Segment ①~

Business Description: Ownership and operation of hotels

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

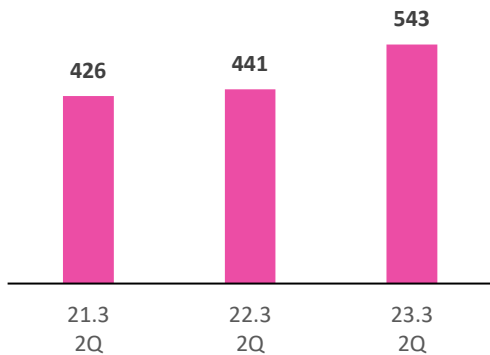
Segment Revenue 543 Millions JPY
(YoY +23.2%)

Segment Profitability 85 Millions JPY
(YoY +383.2%)

- ✓ **Narita Gateway Hotel will continue to accept asymptomatic and mildly ill patients infected with the new coronavirus from April 2020 (for the time being). With regard to the operation of medical treatment facilities, some operations were outsourced, contributing to revenue.**
- ✓ **Kurashiki Royal Art Hotel is on a recovery track due to nationwide travel support and resumption of inbound travel, although demand has not recovered as much as initially expected. Cost reductions are being promoted with an eye to improving profitability.**

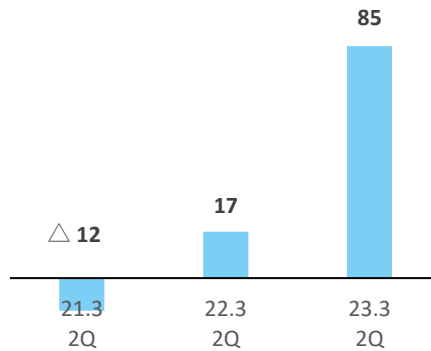
Segment Revenue

(Millions JPY)



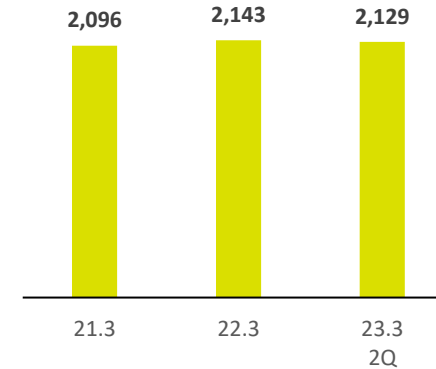
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



10. 2023 March FY — Q2 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 for the time being).



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.
- The company provided support in attracting visitors to the "Nagasaka Mago Exhibition" held at the Ueno Royal Museum for approximately two months starting in September 2022.

11. 2023 March FY – Q2 Overview by Segment ~Overseas Segment ①~

Business Description : Investment Business in Asia

Subsidiary : Striders Global Investment Pte. Ltd (Singapore)

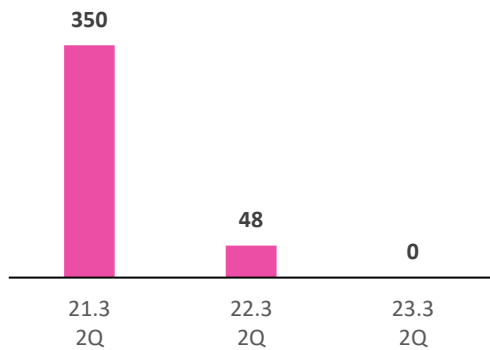
Segment Revenue – Millions JPY
(Last FY 48 Millions JPY)

Segment Profitability (1) Millions JPY
(Last FY (82) Millions JPY)

- ✓ Investing in startup companies from a medium- to long-term perspective, with revenue yet to be recorded
- ✓ At the moment, the impact of the economic crisis in Sri Lanka on our investments in two Sri Lankan companies (Roar and Agrithmics) is within our control.
- ✓ Webinar "Sri Lanka's Crisis and the Way Forward" was held in August 2022 (see next page for details)
- ✓ Participated as a community partner in "She Loves Tech 2022 Japan," a pitch contest for women entrepreneurs (for the second consecutive year)

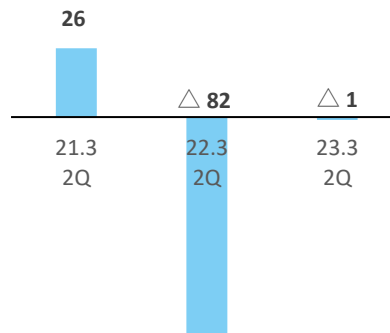
Segment Revenue

(Millions JPY)



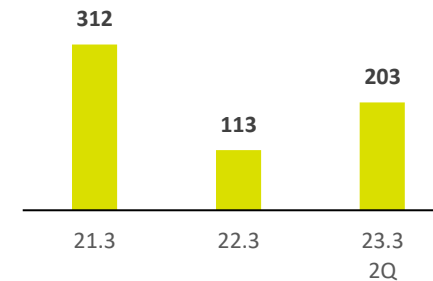
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



12. 2023 March FY – Q2 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.

News Topics

Webinar "Sri Lanka's Crisis and the Way Forward" was held on August 31, 2022

Webinar "Sri Lanka's Crisis and the Way Forward" was held in collaboration with the Embassy of Sri Lanka in Japan and Softlogic Stockbrokers (Pvt) Ltd, a securities company affiliated with a major conglomerate in Sri Lanka. Approximately 75 participants, mostly from Japanese business companies, attended. The keynote speaker was Mr. Nandalal Weerasinghe, Governor of the Central Bank of Sri Lanka. He provided an update on the economic crisis and the path Sri Lanka should take in the future.

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 – Q2 Overview by Segment ~Others ①~

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

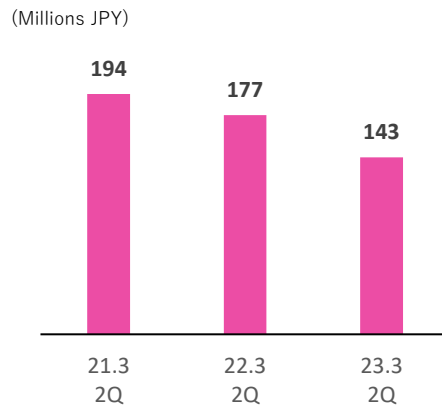
Subsidiaries : Mobilelink Inc., M&A Global Partners Co, Ltd., Y. K. Masuda Seimen, etc.

Segment Revenue 143 Millions JPY
(YoY -18.9%)

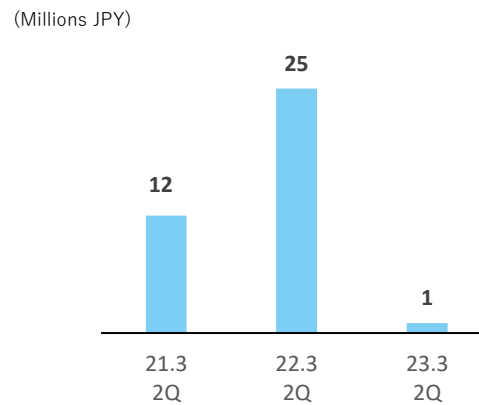
Segment Profitability 1 Millions JPY
(YoY - 92.6%)

- ✓ **Mobile Link sales decline due to semiconductor shortage and high oil prices**
- ✓ **MAGP continued efforts to win new projects**
- ✓ **At Masuda Seimen, rebound of sales at clients remained weak.**

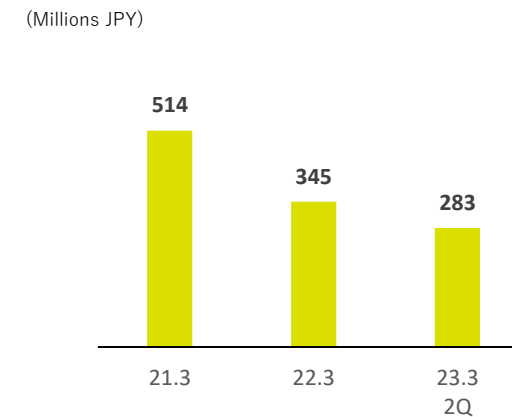
Segment Revenue



Segment Profitability



Segment Assets



14. 2022 March FY– Q2 Overview by Segment ~Others ②~

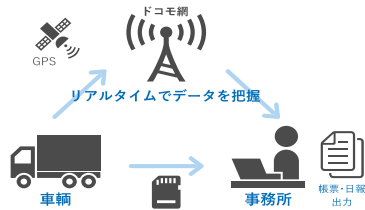
Subsidiary



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.



Outside the scope of the three main segments and "Others" Segment

Associated Companies

The Company's share is included in "earnings from affiliates" and "losses from affiliates" under non-operating income and expenses in the consolidated statements of income.

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



BluAge Corp.



Imabari Dream Sports (FC Imabari)



amagasa co., Ltd

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	7,505Million 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)

2023 March FY	1Q	2Q	3Q	4Q	Total (1H)
Revenue	1,793	1,794	-	-	3,587
Operating Profit	20	6	-	-	26
Ordinary Income	55	40	-	-	95
Net Income (※)	19	22	-	-	41

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

<Consolidated balance sheet>

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q
Total Assets	4,716	4,639	-	-
Net Assets	2,429	2,441	-	-
Equity Ratio	51.0%	52.1%	-	-
Net assets per share	284.22JPY	286.56JPY	-	-

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. 四半期ごと業績推移（セグメント別）

< Revenue by Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total (1H)
Real Estate	1,456	1,444	-	-	2,900
Hotel	258	284	-	-	542
Overseas	0	0	-	-	0
Others	79	64	-	-	143
Total	1,793	1,794	-	-	3,587

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

< Operating Profit by Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total (1H)
Real Estate	35	18	-	-	53
Hotel	42	43	-	-	85
Overseas	(0)	(1)	-	-	(1)
Others	2	(1)	-	-	1
Total	80	59	-	-	139

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

< Assets held by each Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q
Real Estate	796	811	-	-
Hotel	2,193	2,129	-	-
Overseas	176	203	-	-
Others	302	283	-	-
Total	3,467	3,426	-	-

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	4,071