

Striders Corporation

3rd Quarter of 2022 March Financial Year Explanation of Financial Statements



10th February 2022

1. Highlights of the Financial Results of Q3 of 2022 March FY

- ✓ Revenue declined significantly to 5,704 million yen (-30.5% YoY) due to;
 - the decrease in transactions of buying and selling properties in the real estate business
 - the effect of exclusion of the overseas subsidiary (CSK) from the scope of consolidation at the end of 2Q due to its poor performance this fiscal year.
- ✓ Recorded a cumulative operating loss of 34 million yen up to 3Q, but a quarterly operating profit of 33 million yen was recorded during 3Q; ordinary profit of 157 million yen (-17.8% YoY) was recorded as a result of the subsidy income from employment adjustment subsidy, etc.
- ✓ Net profit attributable to shareholders of the parent company was 136 million yen (up 5.6% YoY), after taking into account the gain on sales of shares in a subsidiary and the impact of CSK's non-controlling interest.
- ✓ Revised the full-year earnings forecast announced on November 11, 2021; decided to repurchase Company shares (see the next page for details) and no change to year-end dividend forecast announced on January 6, 2022 (increased from 3 yen per share to 5 yen per share)

2. Revision of Financial Results Forecast and Decision on Repurchase of Company Shares (Announced on Feb. 10, 2022)

• Revision of Consolidated Earnings Forecast for Fiscal Year Ending March 31, 2022

| (in Millions JPY) | Revised forecast (A) (22/2/10) | Previous forecast (B) (21/11/11) | Change (A – B) | Original Forecast (21/5/12) | (Reference) Results for the previous fiscal year ended on 21/03/31 |
|--|---|---|---------------------------|--|---|
| Revenue | 7,633 | 7,890 | (256) | 10,146 | 10,482 |
| Operating Profit | (53) | 11 | (64) | 20 | 114 |
| Ordinary Profit | 139 | 182 | (42) | 120 | 228 |
| Net income attributable to shareholders of the parent company | 103 | 125 | (22) | 77 | 114 |

✓ Main reasons for revision

- ① Real estate business: In the mainstay residential property business, the impact of the revision of the terms and conditions for "lease" transactions at the end of the 3Q is expected to continue.
- ② Hotel business: The number of hotel guests at Kurashiki Royal Art Hotel is expected to decrease significantly due to the rapid expansion of Omicron infections.

• Decision to Repurchase Company Shares

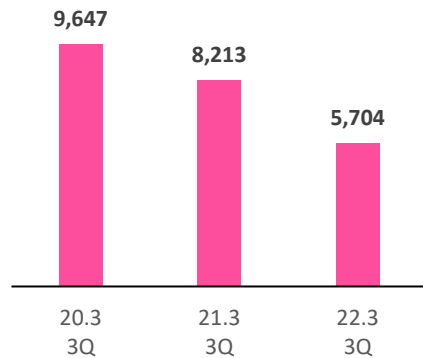
- ✓ After comprehensively considering the recent soft stock market conditions and the Company's stock price trend, the company decided to implement this measure to improve the capital efficiency.
- ◆ Total number of shares to be repurchased: 100,000 shares (upper limit) * 1.18% of the total number of shares issued (excluding treasury stock)
- ◆ Total acquisition value: 30 million yen (upper limit)
- ◆ Period of acquisition: February 14, 2022 to May 13, 2022
- ◆ Method of acquisition: Market purchase on the Tokyo Stock Exchange

3. 2022 March FY – Q3 Summary of Consolidated Financials ~Income Statement~

| (in Millions JPY) | 2020.3 3Q | 2021.3 3Q | 2022.3 3Q | YoY | Comments |
|---|-----------|-----------|-----------|---------|--|
| Revenue | 9,647 | 8,213 | 5,704 | (2,509) | Impacted by a decline in transactions of buying and selling properties and a decline in overseas advertising agency business |
| Operating Profit | 277 | 133 | (34) | (167) | 3Q quarterly operating profit was 33 million yen, returned to profitability compared to the losses recorded in 1Q and 2Q. |
| Ordinary Income 【①】 | 289 | 192 | 157 | (35) | Posted 148 million yen in income from employment adjustment subsidies and other subsidies |
| Extraordinary Gains / Losses(NET) 【②】 | (4) | 11 | 14 | +3 | Gain on sales of shares of a subsidiary (CSK) of 13 million yen posted in 2Q |
| Distributions of profit or loss on silent partnerships 【③】 | - | (2) | - | - | |
| Income Tax 【④】 | 68 | 77 | 62 | (15) | |
| Net income attributable to non-controlling interests 【⑤】 | 20 | (1) | (26) | (25) | Non-controlling interests in overseas segment/advertising agency business up to 2Q |
| Net income attributable to shareholders of the parent company 【①+②-(③+④+⑤)】 | 196 | 128 | 136 | +8 | |

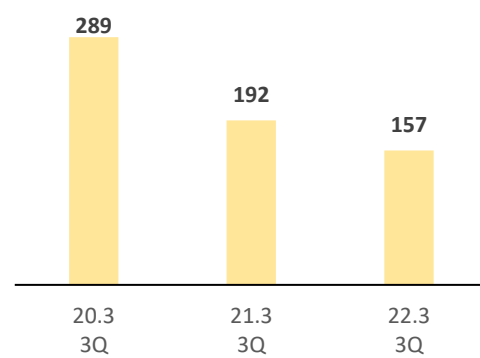
Growth in Revenue

(Millions JPY)



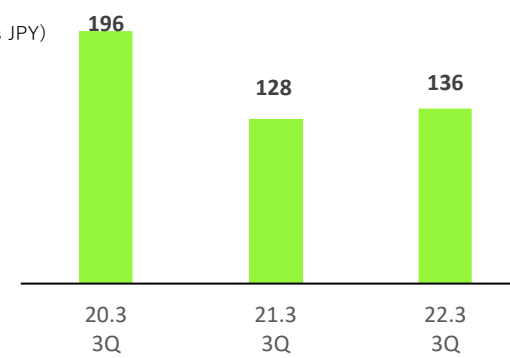
Growth in Ordinary Income

(Millions JPY)

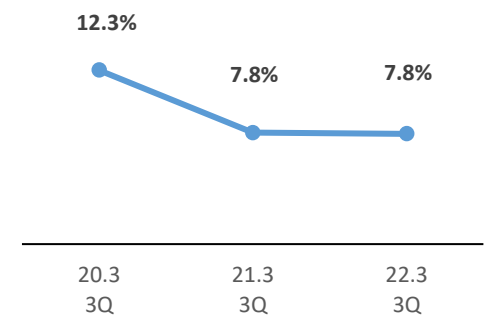


Net income attributable to shareholders of the parent company

(Millions JPY)



Growth in ROE

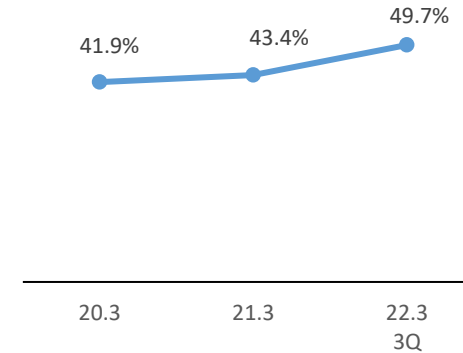


4. 2022 March FY – Q3 Summary of Consolidated Financials ~Statement of Financial Position ~

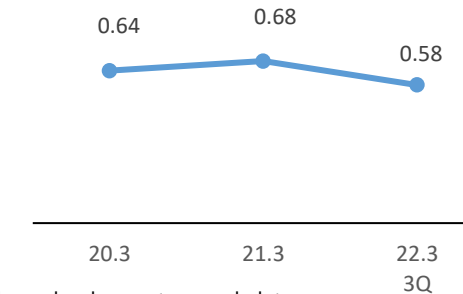
• Balance Sheet

| (Millions JPY) | 2020.3 | 2021.3 | 2022.3 3Q | YoY |
|---------------------------------------|-----------|-----------|--------------|--------|
| Total Assets | 5,000 | 5,230 | 4,833 | (397) |
| Current Assets | 2,927 | 3,367 | 3,033 | (334) |
| Cash and Cash Equivalents | 2,200 | 2,894 | 2,590 | (304) |
| Inventory | 297 | 208 | 165 | (43) |
| Non-current Assets | 2,073 | 1,862 | 1,800 | (62) |
| Property, Plant and Equipment | 1,383 | 1,317 | 1,247 | (70) |
| Intangible Assets | 183 | 126 | 120 | (6) |
| Investments and Other Assets | 506 | 418 | 432 | +14 |
| Investment Securities | 303 | 231 | 272 | +41 |
| Shares of Subsidiaries and Associates | 81 | 82 | 71 | (11) |
| Total Liabilities | 2,866 | 2,909 | 2,405 | (504) |
| Interest Bearing Debt (Note 1) | 1,366 | 1,591 | 1,426 | (165) |
| Total Net Assets | 2,133 | 2,321 | 2,427 | +106 |
| Equity Ratio (Note 2) | 41.9% | 43.4% | 49.7% | +6.3 |
| Debt to Equity Ratio | 0.64times | 0.68times | 0.58times | (0.10) |

Comparison of Equity Ratio



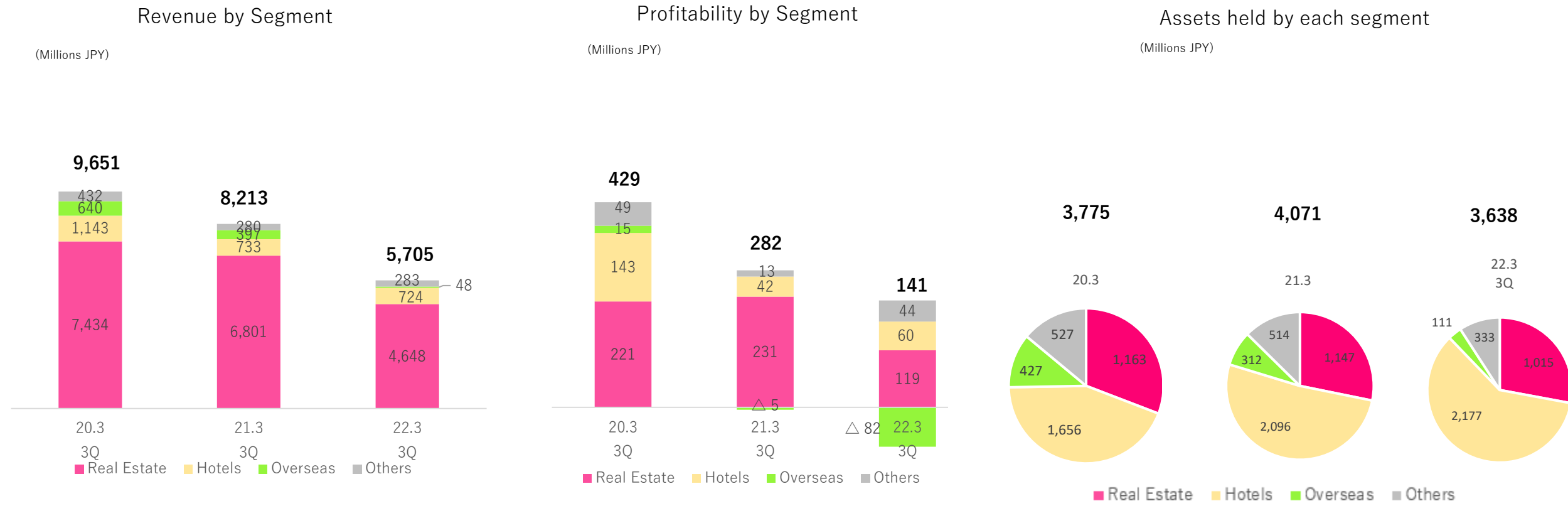
Comparison of Debt-to-Equity Ratio



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

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

5. 2022 March FY – Q3 Summary of Consolidated Financials ~Overall Segment Performance~



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

6. 2022 March FY – Q3 Overview by Segment ~Real Estate Segment ①~

Business activities: Residential property business (leasing, rental management, condominium building management), land agency business

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

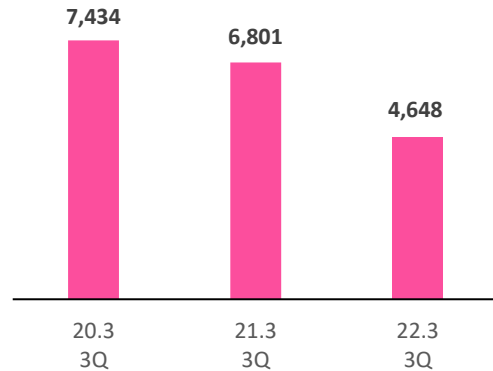
Segment Revenue 4,648 Million JPY
(YoY -31.7%)

Segment Profitability 119 Million JPY
(YoY -48.3%)

- ✓ In the residential property business, although there were no major changes in the renewal rate of existing lease contracts or rent levels, the occupancy rate temporarily declined.
- ✓ The land agency business, there was a significant decrease in trading transactions compared to the same period of the previous year.
- ✓ During the COVID-19 pandemic, the company has established a framework to promote digitization, including telework and paperless office systems.

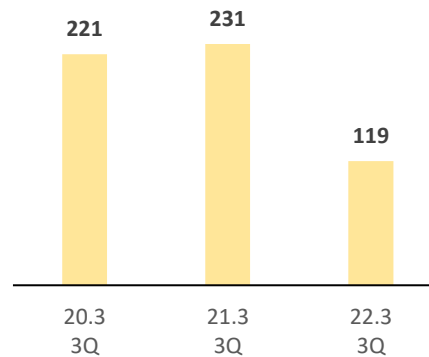
Segment Revenue

(Millions JPY)



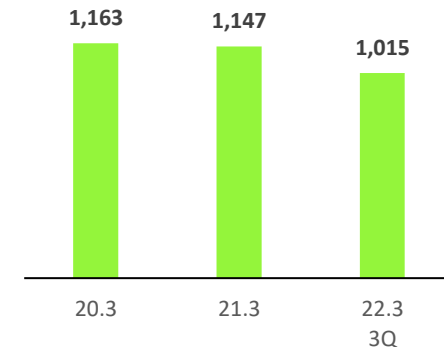
Segment Profitability

(Millions JPY)



Segment Assets

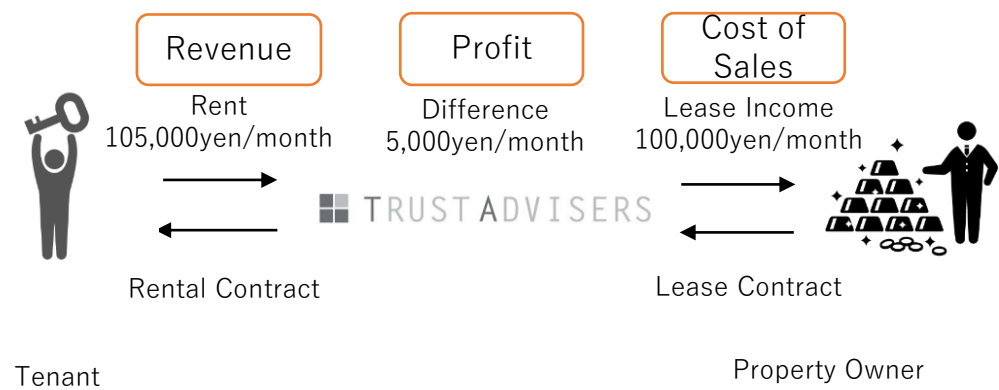
(Millions JPY)



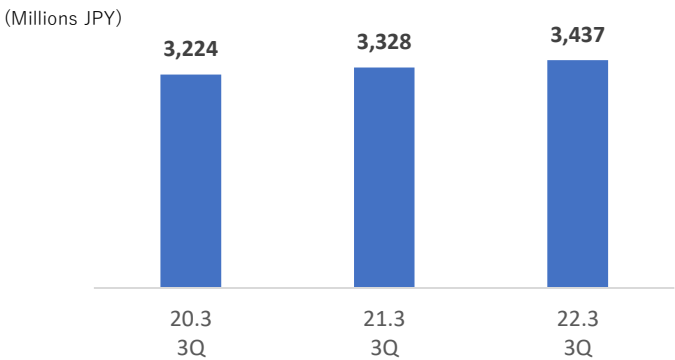
7. 2022 March FY – Q3 Overview by Segment ~Real Estate Segment ②~

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

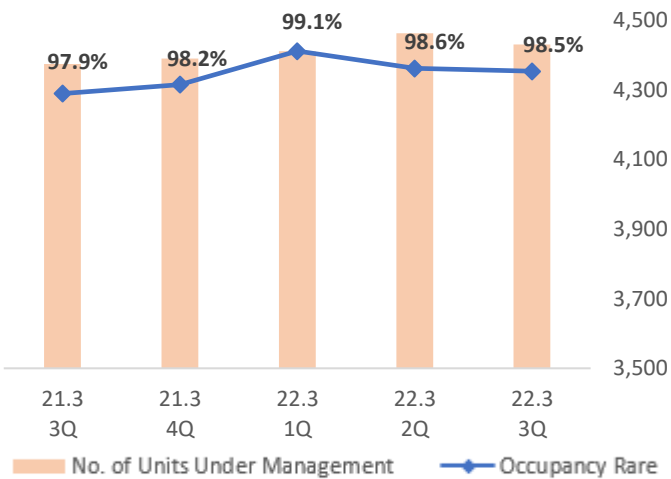
Rental Business Model (Example)



Rental Revenue from Residence Business



Number of Units Managed Under Rental Business & Occupancy Rates



8. 2022 March FY – Q3 Overview by Segment ~Hotel Segment ①~

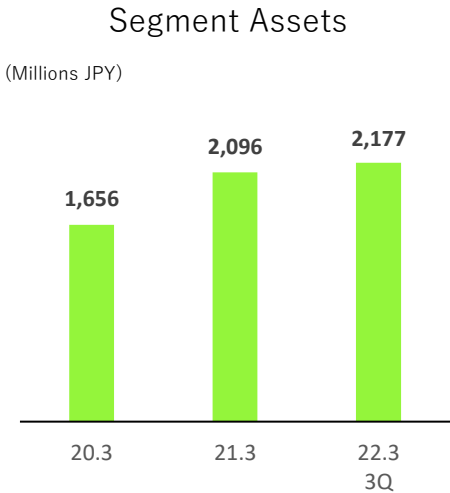
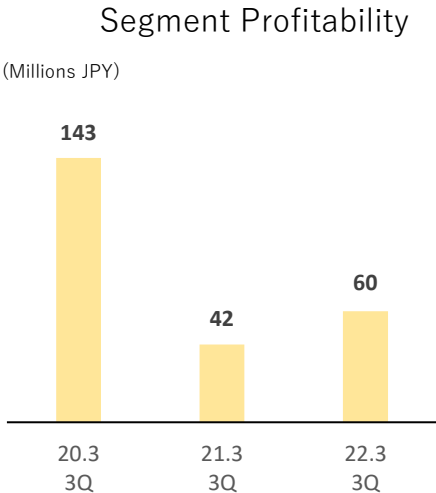
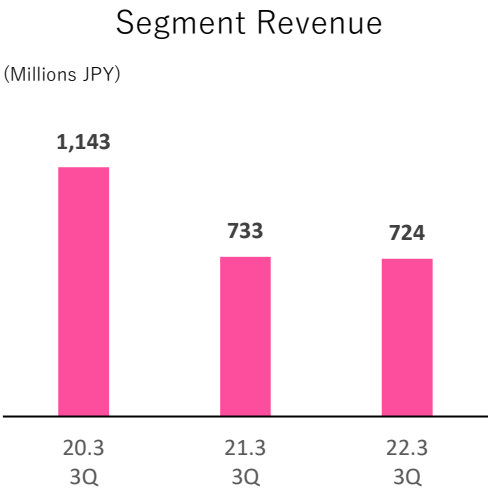
Business Description: Ownership and operation of hotels

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

Segment Revenue 724 Million JPY
(YoY -1.2%)

Segment Profitability 60 Million JPY
(YoY +40.7%)

- ✓ **Narita Gateway Hotel continued to accept asymptomatic and mildly ill people infected with COVID-19 from April 2020 (currently extended until the end of March 2022 and thereafter is yet to be decided).**
- ✓ **At the Kurashiki Royal Art Hotel, the number of hotel guests increased compared to the first half of the year due to the significant improvement in the pandemic situation of COVID-19. Efforts to revamp hotel operations are underway.**
- ✓ **Segment remained profitable from 1Q to 3Q.**



9. 2022 March FY – Q3 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 till the end of March 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, opened 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 – Q3 Overview by Segment ~Overseas Segment ①~

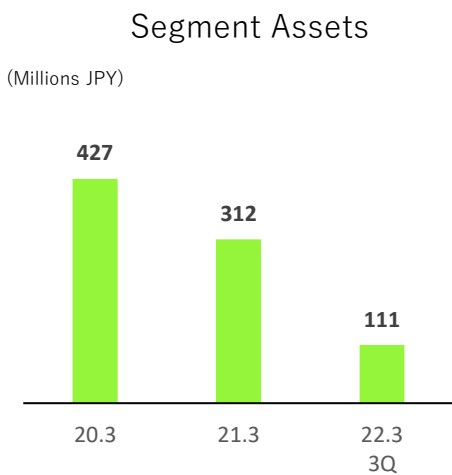
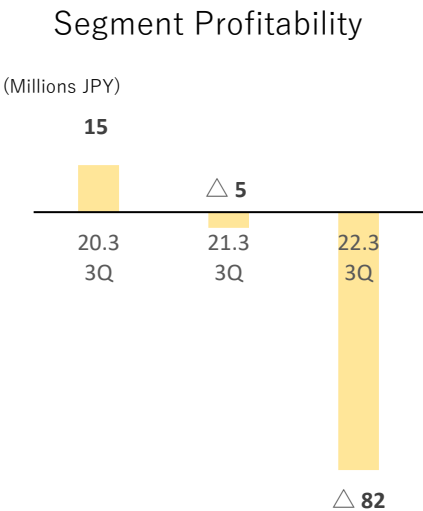
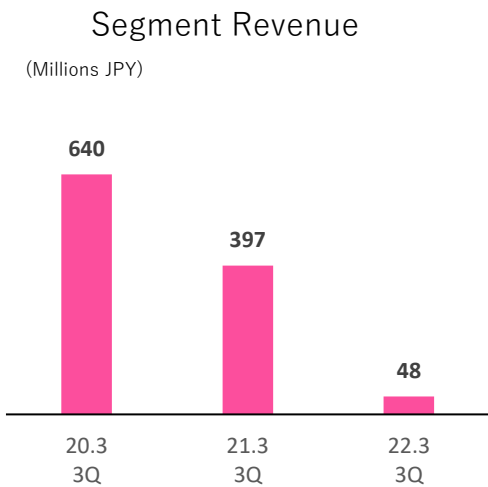
Business Description : Investment Business in Asia

Subsidiary : Striders Global Investment Pte. Ltd (Singapore)

Segment Revenue 48 Million JPY
(YoY -87.7%)

Segment Loss 82 Million JPY
(Previous FY: 5 Million JPY)

- ✓ 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.
- ✓ Invested USD 75,000 into Agrithmics, a platform to digitize smallholder farmers in Sri Lanka and South Asia, in December, which is also the first impact investment with the aim of solving social problems.



11. 2022 March FY – Q3 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

Investment into Agrithmics: a platform to digitize smallholder farmers in Sri Lanka & South Asia

Agrithmics is a platform to digitize smallholder farmers in Sri Lanka and South Asia. It provides solutions to the challenges faced by smallholder farmers, such as fraud and theft in the supply chain, exploitation by middlemen, and access to low-cost financial services. As our first impact investment, we participated in the pre-series A funding round in December 2021.



Partners



Investment Portfolio


Holding company of the financial services sector of the Softlogic Group and life insurance company


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
Indogen Capital is one of the leading venture capital firms in Southeast Asia.

12. 2022 March FY – Q3 Overview by Segment ～Others ①～

Business Description : Development & Sales of Motor Vehicle Communication Systems, M&A Consulting, Domestic Investment Business, etc.

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

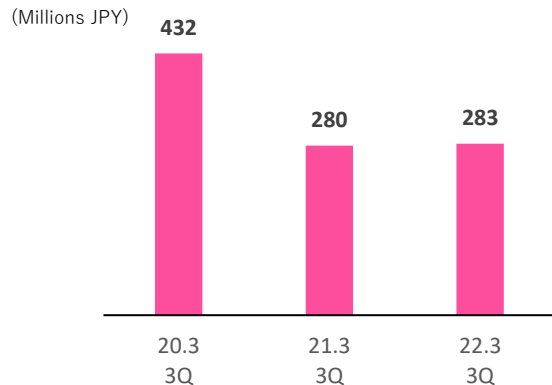
【Equity Method Affiliate】 MIRAI Intellectual Property and Technology Research Center Co.,Ltd. (“Mirai”)

Segment Revenue 283 Million JPY
(YoY -1.1%)

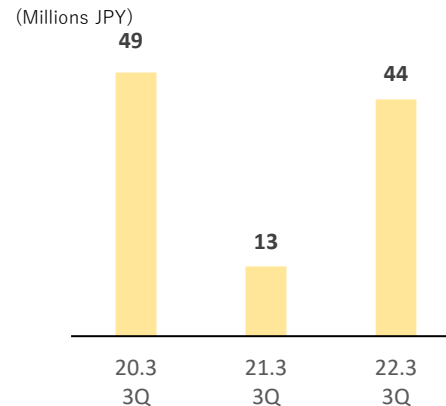
Segment Profitability 44 Million JPY
(YoY +241%)

- ✓ **Mobile Link and Masuda Seimen continued to be affected by the COVID-19 pandemic**
- ✓ **The company made an investment into Imabari Dream Sports, the operator of FC Imabari. We plan to promote "sports x art x local production for local consumption" in the Setouchi area.**

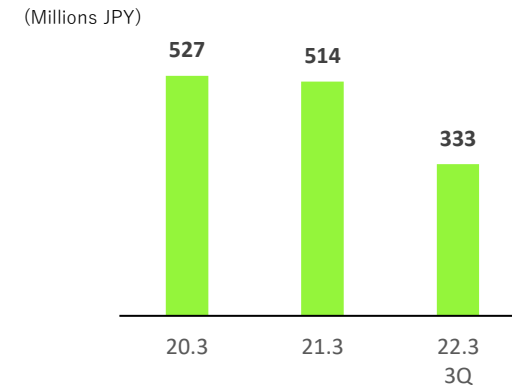
Segment Revenue



Segment Profitability



Segment Assets



13. 2022 March FY – Q3 Overview by Segment ~Others ②~

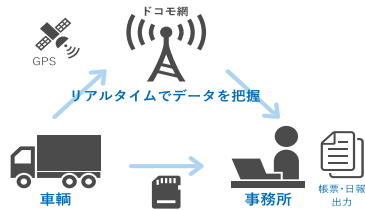
Subsidiaries



Mobile Link Inc.

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

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



Equity Method Affiliate



MIRAI IP and Technology Research Center Co., Ltd.

<https://mirai-iptrc.co.jp>

One of the nine "registered research institutions" in Japan that can conduct advanced technology research ordered by JPO.



M&A Global Partners Co., Ltd

M&A Global Partners Co, Ltd.

<http://www.ma-gp.co.jp>

M&A Global Partners specializes in corporate rehabilitation and restructuring. The company also provides support to build cross-border relationships with domestic and overseas companies, especially in Asia.

- ❑ 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



増田製麺

Y.K. Masuda Seimen

Y.K. Masuda Seimen manufactures and sells Chinese noodles at their Yokosuka factory in Kanagawa Prefecture for about 100 customers across the country.



14. About our sustainability initiatives

By developing, investing in, and operating sustainable businesses, Striders Corporation aims to create a world that is diverse, inclusive, sustainable, and better for people and society.

Setting up of "Sustainability" content on the website (December 2021)

https://www.striders.co.jp/csr_sdgs/sdgs/sdgs.html (In Japanese only)

サステナビリティ

サステナビリティ

サステナビリティ

ESG

ストライダーズは、持続可能な事業を開発し、投資し、運営していくことで、多様性と包摂性に富み、人と社会にとって持続可能でより良い世界を創造することを目指しています。

サステナビリティに関連する取り組み

<セグメント別の取り組み>

サステナビリティに関連する取り組みとして、セグメントごとの主な事例をご紹介します。

不動産事業

- ・各種契約、社内業務におけるペーパーレス化の推進
- ・建物管理事業の清掃におけるゴミの分別の徹底
- ・社員が有休・産休・育休を取りやすい環境の整備

ホテル事業

- ・（成田ゲートウェイホテル）新型コロナウイルス感染症の無症状者・軽症者向け宿泊施設としての貸し出し
- ・（倉敷ロイヤルアートホテル）クリーン電力の導入
- ・（両ホテル）レストランにおけるフードロス・プラスチックの利用削減

海外事業

- ・投資先選定時のサステナビリティ基準のチェック
- ・女性起業家向けのビジネスコンテストへの参画
- ・インパクト投資枠の設定

その他

- ・（IT関連事業）車両管理システムの提供により、顧客の配車が合理化・効率化され、排ガス等が削減
- ・（製麺事業）食品ロス削減のための各種取り組み

ESG

サステナビリティ

サステナビリティ

ESG

MAGO GALLERY
KURASHIKI

木村 昇吾選手

来間 弘樹選手

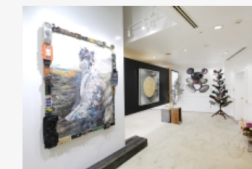
中川 睦乃さん

宮村幸一 × 来間弘樹

ストライダーズのESGへの取り組みをご紹介します。

Environment(環境)

<地球環境関連>



MAGO GALLERY KURASHIKI

当社は、サステナブルな活動で注目の美術家長坂真護氏の作品を展示販売するアートギャラリー「MAGO GALLERY KURASHIKI」を、2021年1月16日(土)に当社グループ会社の倉敷ロイヤルアートホテルにオープンしました。

<再生可能エネルギーの活用>

倉敷ロイヤルアートホテルでは、2021年10月より、アスエネ株式会社が提供するクリーン電力サービス「アスエネ」を導入し、岡山県内の再生可能エネルギー発電所から調達した電力の供給を受けています。

※アスエネ株式会社による、当社代表 早川良太郎へのインタビューは[こちら](#)

Social(社会)

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 | Striders Corporation |
| Businesses Segments | Real Estate, Hotel, Overseas & Others | President & CEO |
| Listed Market | JASDAQ (Stock code : 9816) | |
| Consolidated Sales | 10, 482 Million JPY (March 2021) | Ryotaro Hayakawa |
| Number of Employees | 205 (March 2021) | |



- 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) 3-5777-1931 *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 | — | 5,704 |
| Operating Profit | (43) | (24) | 33 | — | (34) |
| Ordinary Income | 30 | 20 | 107 | — | 157 |
| Net Income (※) | 24 | 22 | 90 | — | 136 |

| 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 | — |
| Net Assets | 2,306 | 2,322 | 2,427 | — |
| Equity Ratio | 44.8% | 48.0% | 49.7% | — |
| Net assets per share | 268.00JPY | 270.81JPY | 283.01JPY | — |

| 2021 March FY | 1Q | 2Q | 3Q | 4Q |
|----------------------|-----------|-----------|-----------|-----------|
| Total Assets | 5,184 | 5,318 | 5,266 | 5,230 |
| Net Assets | 2,080 | 2,199 | 2,287 | 2,321 |
| Equity Ratio | 39.4% | 40.4% | 42.8% | 43.4% |
| Net assets per share | 241.26JPY | 253.55JPY | 265.97JPY | 267.38JPY |

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

2. Quarterly performance trends (by Segment)

< Segment Revenue >

(Millions JPY)

| 2022 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|---------------|-------|-------|-------|----|-------|
| Real Estate | 1,492 | 1,571 | 1,585 | — | 4,648 |
| Hotel | 211 | 230 | 283 | — | 724 |
| Overseas | 13 | 35 | 0 | — | 48 |
| Others | 86 | 91 | 106 | — | 283 |

| 2021 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|---------------|-------|-------|-------|-------|-------|
| Real Estate | 2,090 | 2,880 | 1,831 | 1,905 | 8,706 |
| Hotel | 173 | 253 | 307 | 221 | 954 |
| Overseas | 176 | 174 | 47 | 38 | 435 |
| Others | 88 | 106 | 86 | 106 | 386 |

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

< Segment Profitability (Operating Income) >

(Millions JPY)

| 2022 March FY | 1Q | 2Q | 3Q | 4Q | Total |
|---------------|------|------|----|----|-------|
| Real Estate | 48 | 40 | 31 | — | 119 |
| Hotel | 1 | 16 | 43 | — | 60 |
| Overseas | (43) | (39) | 0 | — | (82) |
| Others | 9 | 16 | 19 | — | 44 |

| 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 |