

Striders Corporation

3rd Quarter of 2023 March Financial Year Explanation of Financial Statements



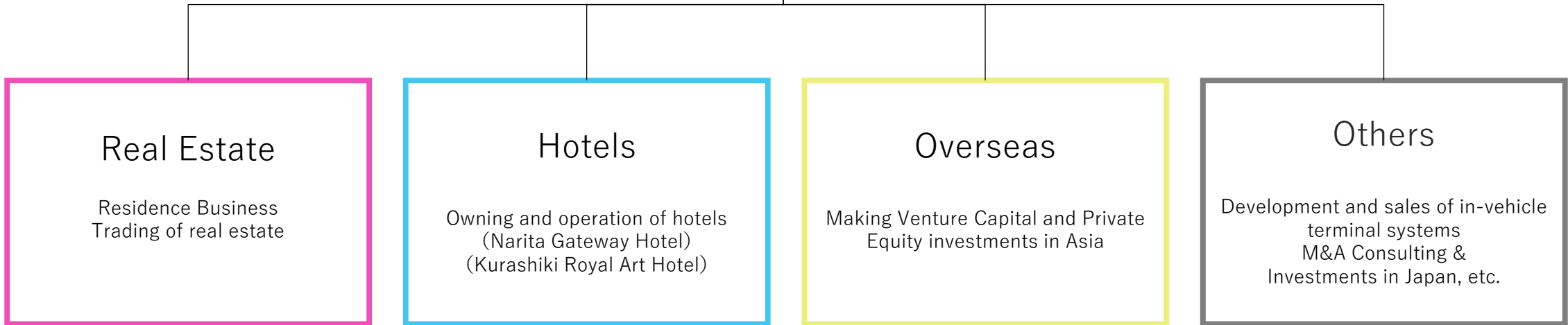
13th February 2023

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)



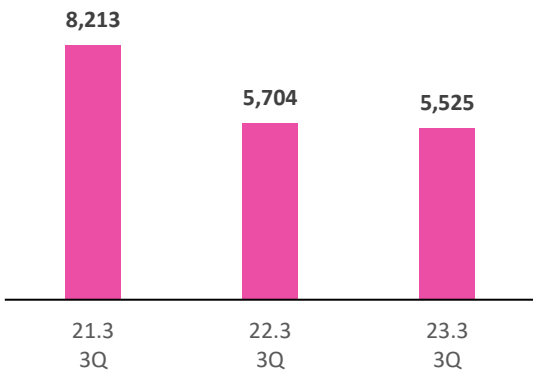
2. Highlights of the Financial Results of 3Q of 2023 March FY

- ✓ In the real estate business, the Residence business secured an increase in revenue, but gross profit from sublease contracts trended downwards, resulting in only a slight increase in gross profit. As a result of the continued decline in property sales transactions, both overall sales and profits declined.
- ✓ In the hotel business, the Narita Gateway Hotel continued to be leased out to Chiba Prefecture and its performance remained solid. Kurashiki Royal Art Hotel saw a significant improvement in room rates following the implementation of nationwide travel support measures. The overall hotel business achieved a significant increase in revenues and profits.
- ✓ As a result, the Group recorded sales of 5,525 million yen (-3.1% year-on-year), operating profit of 88 million yen (- 34 million yen in the previous year), ordinary profit of 167 million yen (+5.8% year-on-year) and net profit attributable to owners of the parent company of 76 million yen (-43.5% year-on-year).

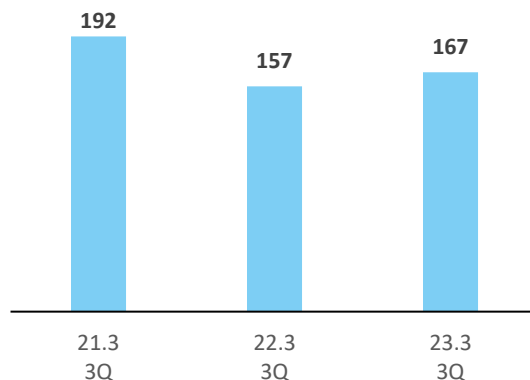
3. 2023 March FY – Q3 Summary of Consolidated Financials ~Income Statement~

In Millions JPY	2021.3 3Q	2022.3 3Q	2023.3 3Q	Net Change (YoY)	Comments (YoY)
Revenue	8,213	5,704	5,525	(179)	Slight decrease in real estate business, increase in hotel business
Operating Profit	133	(34)	88	+122	Profitability of the hotel business improved, and unprofitable overseas advertising agency business is no longer a group company
Ordinary Profit 【①】	192	157	167	+9	Subsidy income decreased from 148 million to 32 million.
Extraordinary gains/losses 【②】	10	14	2	(12)	
Income Tax 【③】	77	62	91	+28	
Net income or loss attributable to non controlling interests 【④】	(1)	(26)	1	+28	Non-controlling interests in overseas advertising agency businesses cease to exist.
Net income attributable to owners of the parent 【①+②-③-④】	128	136	76	(59)	

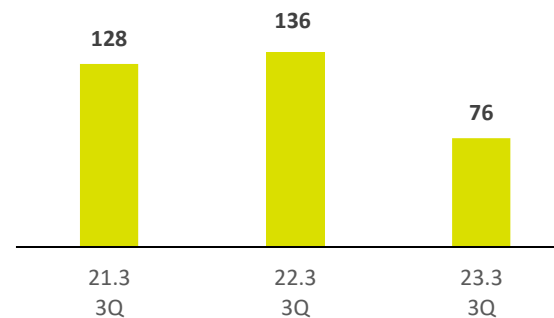
(Millions JPY) Growth in Revenue



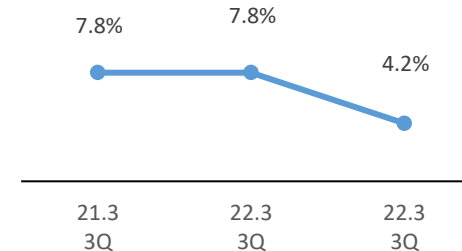
(Millions JPY) Growth in Ordinary Income



(Millions JPY) Growth in Net income attributable to owners of the parent



Growth in ROE

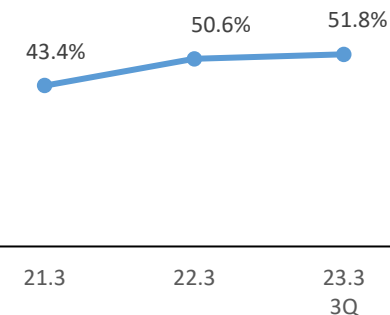


4. 2023 March FY – Q3 Summary of Consolidated Financials ~Statement of Financial Position~

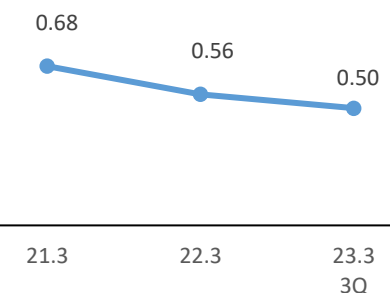
• Statement of Financial Position

(In Millions JPY)	2021.3	2022.3	2023.3 3Q	Net Change (YoY)
Total Assets	5,230	4,789	4,712	△77
Current Assets	3,367	3,046	2,986	△59
Cash and Cash Equivalents	2,894	2,580	2,514	△65
Inventory	208	158	125	△32
Non-current Assets	1,862	1,743	1,725	△17
Tangible Non-Current Assets	1,317	1,223	1,158	△65
Intangible Non-Current Assets	126	115	105	△9
Investments and Other Assets	418	404	461	+57
Investment Securities	231	256	323	+66
Stock of Associated Companies	82	70	62	△8
Total Liabilities	2,909	2,338	2,241	△97
Interest Bearing Liabilities (Note 1)	1,591	1,379	1,238	△140
Total Net Assets	2,321	2,450	2,470	+20
Equity Ratio (Note 2)	43.4%	50.6%	51.8%	+1.2
Debt to Equity Ratio (time)(Note 3)	0.68	0.56	0.50	△0.06

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

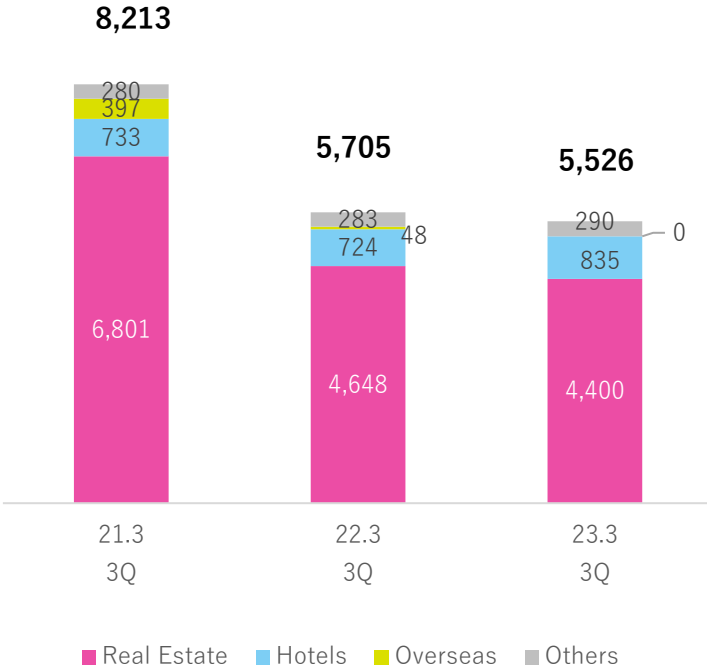
Note 2: Equity ratio: (total shareholders' equity + total accumulated other comprehensive income) / total liabilities and net assets

Note 3: Debt to Equity Ratio :Interest Bearing Liabilities / Total Net Assets

5. 2023 March FY – Q3 Summary of Consolidated Financials ~Overall Segment Performance~

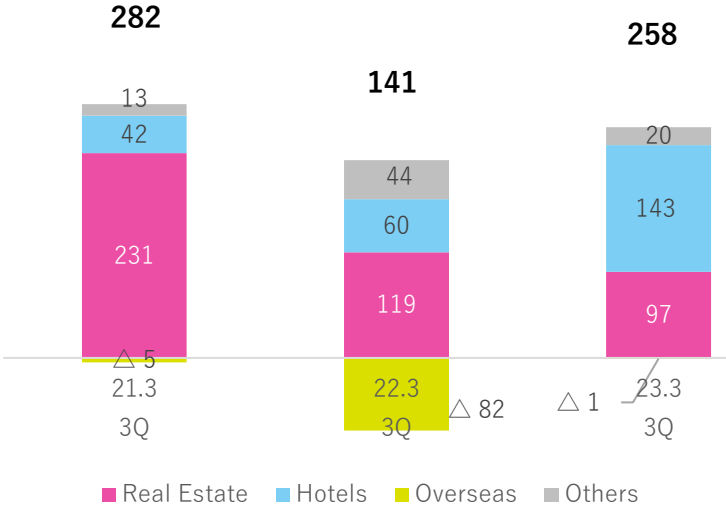
Revenue by Segment

(Millions JPY)



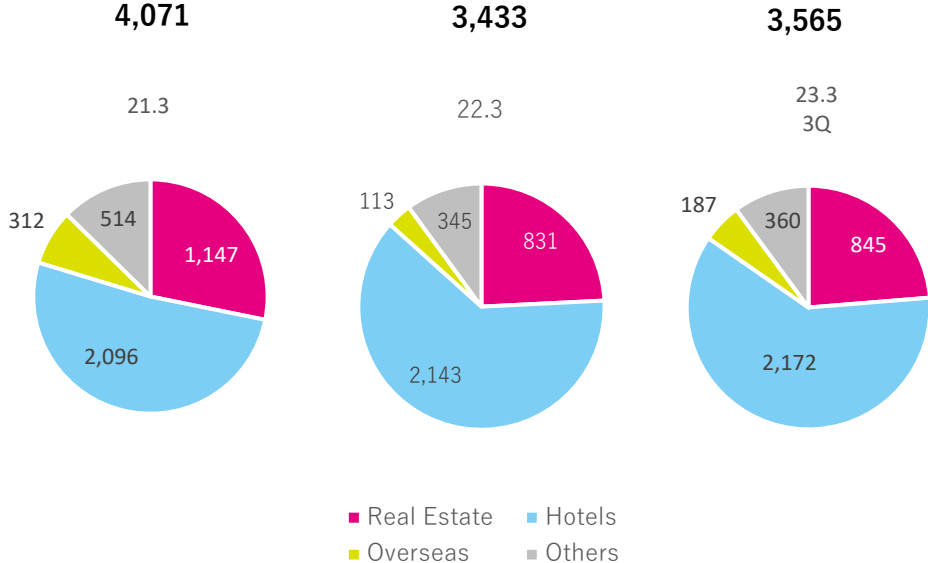
Profitability by Segment

(Millions JPY)



Assets held by each segment

(Millions JPY)



※Inter-segment transactions are included in segment sales for the hotels segment for the sake of simplicity, as the impact will be minor.
 ※Operating income of each segment is disclosed as segment income. The total segment income minus adjustments (mainly personnel and expenses related to administrative departments) is the operating income in the consolidated statements of income.

6. 2023 March FY – Q3 Overview by Segment ~Real Estate Segment ①~

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

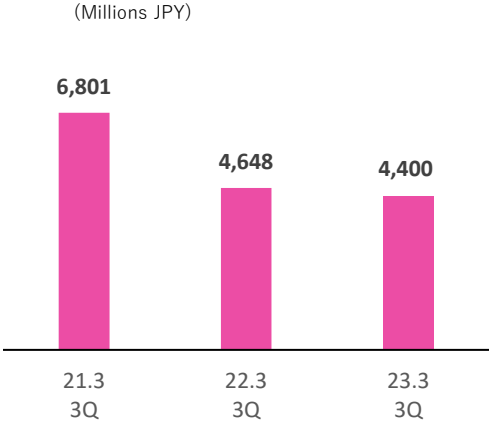
Subsidiaries : Trust Advisers Corporation、 Tokyo Apartment Guarantee Corporation, etc.

Segment Revenue 4,400 Millions JPY
(YoY -5.3%)

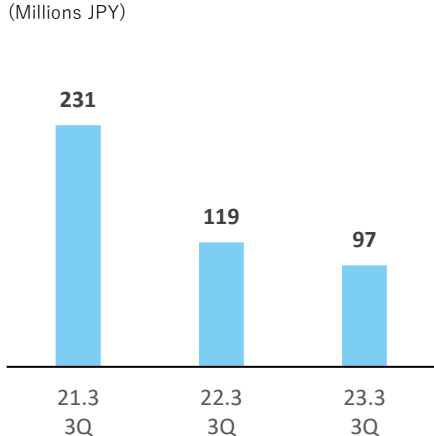
Segment Profitability 97 Millions JPY
(YoY -18.6%)

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

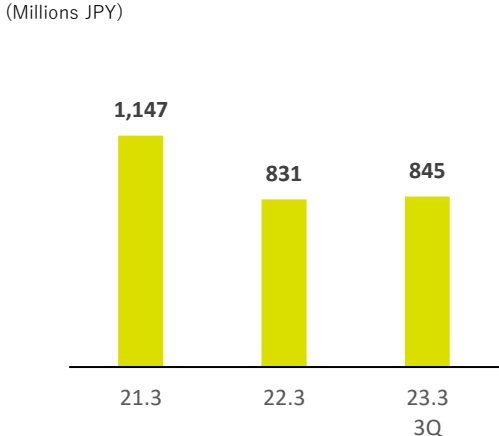
Segment Revenue



Segment Profitability

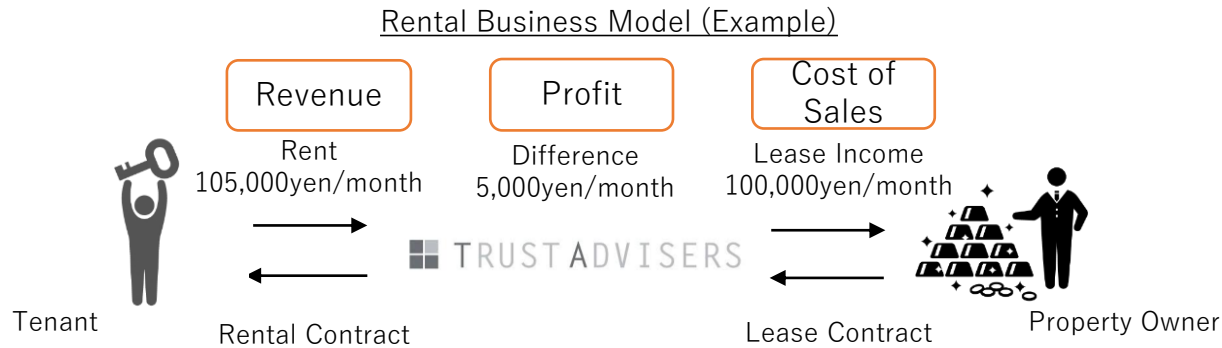


Segment Assets

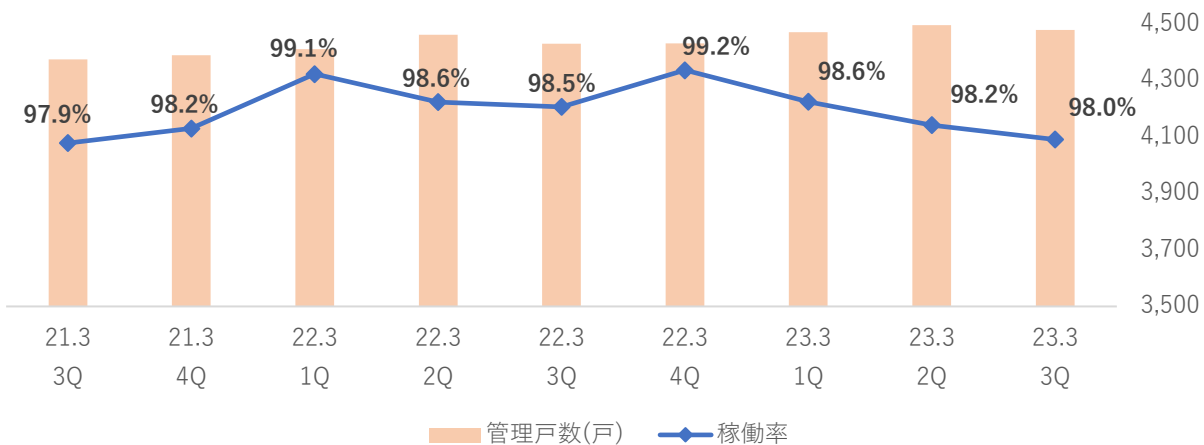


7. 2023 March FY – Q3 Overview by Segment ~Real Estate Segment ②~

✓ 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.

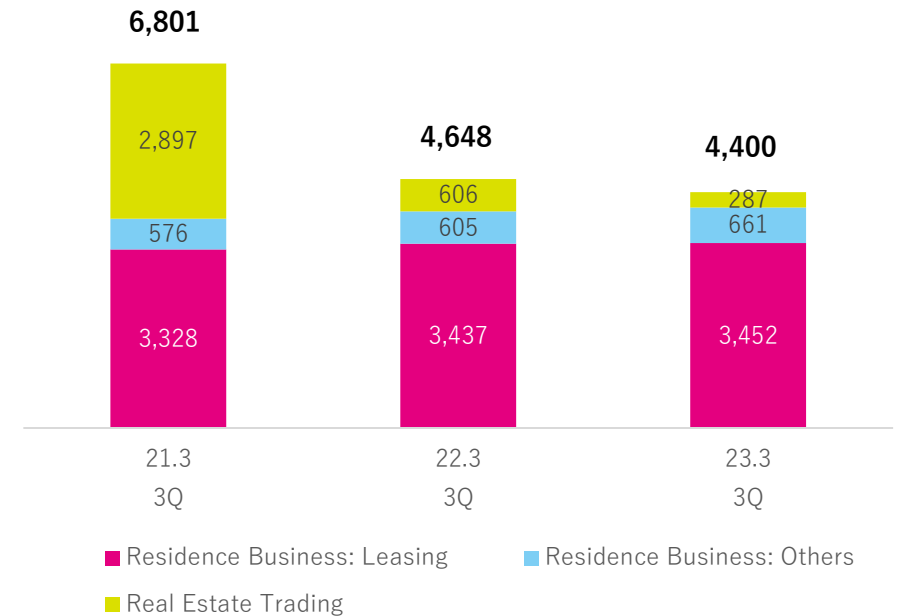


Number of Units Managed Under Rental Business & Occupancy Rates



✓ Real Estate Segment: Sales Composition by Business Units

(百万円)



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

8. 2023 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 Corporation

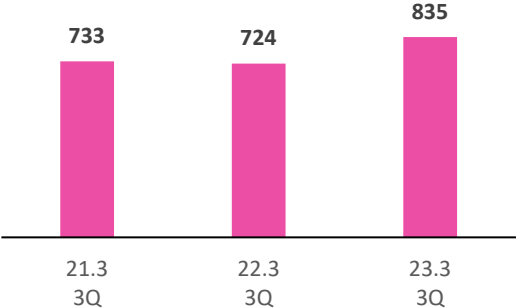
Segment Revenue 835 Millions JPY
(YoY +15.4%)

Segment Profitability 143 Millions JPY
(YoY +138.4%)

- ✓ **The Narita Gateway Hotel has continued to receive asymptomatic and mildly ill persons infected with the COVID-19 infection since April 2020, and its performance has been solid. With regard to the operation of nursing care, some operations were outsourced, contributing to sales.**
- ✓ **At Kurashiki Royal Art Hotel, the number of hotel guests and the hotel occupancy rate decreased year-on-year from October to December, while the unit price per room improved significantly due to national travel support. Aiming to return to operating profit by promoting cost reductions.**

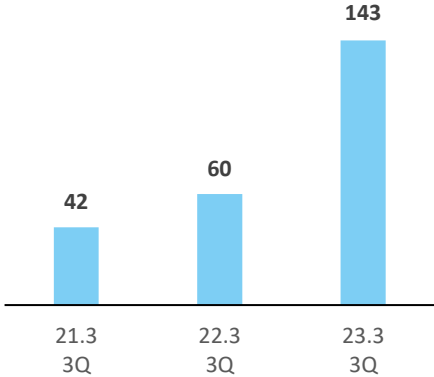
Segment Revenue

(Millions JPY)



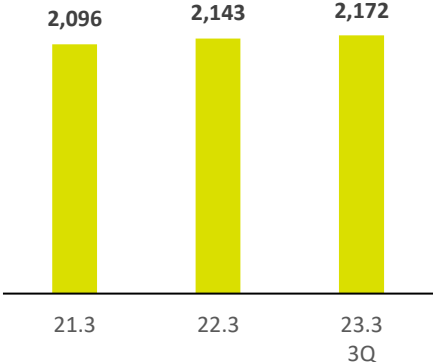
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



9. 2023 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
- As for the future, the hotel's operational plan will be reviewed in light of its status under the Infectious Diseases Act being shifted to category 5.



KURASHIKI
ROYAL ART HOTEL
倉敷ロイヤルアートホテル

Kurashiki Royal Art Hotel

Subsidiary

<http://www.royal-art-hotel.co.jp>



- ❑ Number of Rooms : 71
- ❑ 2 minutes walk from the tourist hot spot, [Bikanchiku] area.
- ❑ Renovated the rice brewery of cultural property, "Ohashi House", built in 1796, into a French restaurant.

- In January 2021, the gallery "MAGO GALLERY KURASHIKI", which displays and sells the works of artist Mago Nagasaka, will open on the basement floor.
- SNS such as Instagram and TikTok are used for promotions

10. 2023 March FY – Q3 Overview by Segment ~Overseas Segment ①~

Business Description : Investment Business in Asia

Subsidiary : Striders Global Investment Pte. Ltd (Singapore)

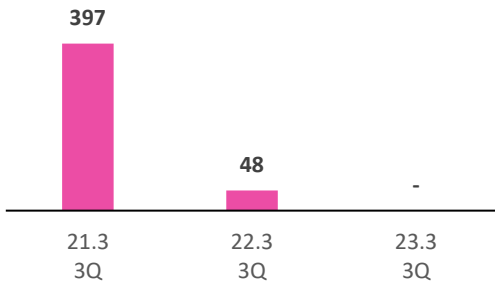
Segment Revenue – Million JPY
 (Previous FY 48 Millions JPY)

Segment Profitability (1) Million JPY
 (Previous FY a loss of 82 million JPY)

- ✓ Investing in startup companies from a medium to long-term perspective, with revenue yet to be recorded
- ✓ Southeast Asia's VC market has been sluggish in recent times, but is moving to acquire deals, particularly in sustainable areas such as healthcare and agriculture.
- ✓ 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.

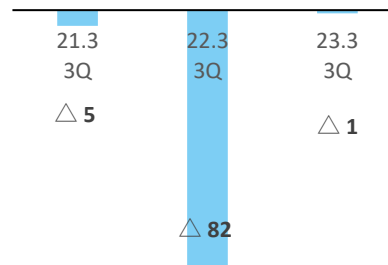
Segment Revenue

(Millions JPY)



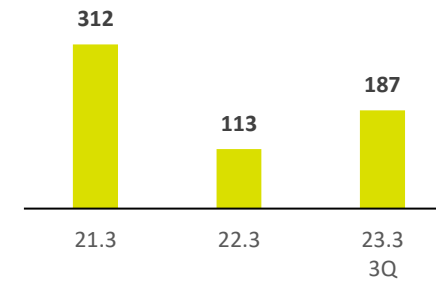
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



11. 2023 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.

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.

12. 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.(MAGP), Y. K. Masuda Seimen

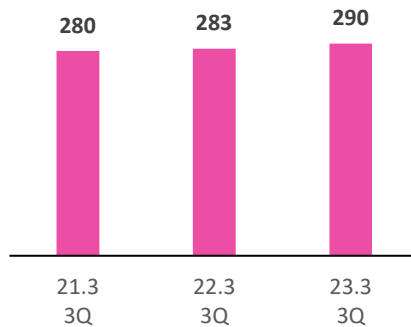
Segment Revenue 290 Million JPY
(YoY +2.3%)

Segment Profitability 20 Million JPY
(YoY -54.6%)

- ✓ In Mobile Link, sales increased due to subsidy projects, despite the impact of semiconductor shortages and high oil prices.
- ✓ MAGP won an advisory project in the business restructuring sector.
- ✓ At Masuda Seimen, customer activity at clients improved slightly. On the other hand, there was an impact from the rising price of raw materials.

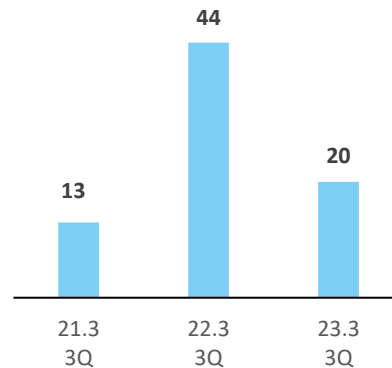
Segment Revenue

(Millions JPY)



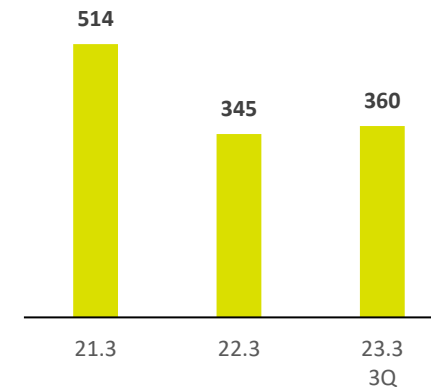
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



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

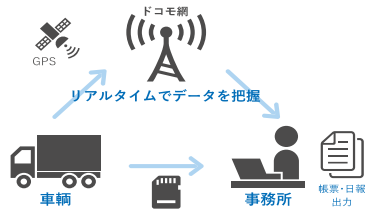
Subsidiary



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.

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

※Included in Investment securities



BluAge Inc.



Imabari Dream Sports (FC Imabari)



Amagasa Corporation

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>

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,793	1,793	1,938	-	5,525
Operating Profit	20	5	62	-	88
Ordinary Income	55	40	71	-	167
Net Income (※)	19	22	34	-	76

2022 March FY	1Q	2Q	3Q	4Q	Total
Revenue	1,804	1,926	1,973	1,801	7,505
Operating Profit	(43)	(24)	33	0	(33)
Ordinary Income	30	20	107	47	205
Net Income (※)	24	22	89	32	168

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

(※Net income attributable to shareholders of the parent)

<Consolidated balance sheet>

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q
Total Assets	4,716	4,639	4,712	-
Net Assets	2,429	2,441	2,470	-
Equity Ratio	51.0%	52.1%	51.8%	-
Net assets per share	284.22JPY	286.56JPY	290.89JPY	-

2022 March FY	1Q	2Q	3Q	4Q
Total Assets	5,079	4,785	4,833	4,789
Net Assets	2,306	2,322	2,427	2,450
Equity Ratio	44.8%	48.0%	49.7%	50.6%
Net assets per share	268.00JPY	270.81JPY	283.01JPY	286.26JPY

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

2. Quarterly performance trends (Segment)

< Revenue by Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total (1Q-3Q)
Real Estate	1,456	1,444	1,499	-	4,400
Hotel	258	285	291	-	835
Overseas	-	-	-	-	-
Others	79	64	146	-	290
Total	1,794	1,794	1,938	-	5,526

2022 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	1,492	1,570	1,584	1,469	6,117
Hotel	211	230	282	232	956
Overseas	13	35	-	-	48
Others	86	90	106	99	383
Total	1,804	1,926	1,973	1,801	7,506

2021 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	2,090	2,879	1,831	1,904	8,706
Hotel	173	253	306	221	954
Overseas	176	173	47	37	435
Others	88	106	86	105	386
Total	2,528	3,413	2,271	2,269	10,482

< Operating Profit by Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q	Total (1Q-3Q)
Real Estate	35	17	44	-	97
Hotel	42	43	57	-	143
Overseas	(0)	(0)	(0)	-	(1)
Others	2	(0)	18	-	20
Total	80	59	119	-	258

2022 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	48	40	31	67	187
Hotel	1	16	42	(12)	47
Overseas	(43)	(38)	(0)	(1)	(84)
Others	9	16	19	2	46
Total	15	33	91	55	197

2021 March FY	1Q	2Q	3Q	4Q	Total
Real Estate	99	83	48	67	299
Hotel	(35)	23	54	(5)	37
Overseas	9	16	(31)	(35)	(40)
Others	10	2	0	6	19
Total	84	125	71	33	315

< Assets held by each Segment >

(Millions JPY)

2023 March FY	1Q	2Q	3Q	4Q
Real Estate	796	811	845	-
Hotel	2,193	2,129	2,172	-
Overseas	176	203	187	-
Others	302	283	360	-
Total	3,468	3,427	3,565	-

2022 March FY	1Q	2Q	3Q	4Q
Real Estate	1,139	1,022	1,015	831
Hotel	2,116	2,071	2,177	2,143
Overseas	292	109	111	113
Others	444	447	333	345
Total	3,993	3,651	3,638	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	4,216	4,318	4,394	4,071