

Striders Corporation

2nd Quarter of 2021 March FY Explanation of Financial Statements

<Corporate Slogan>

Stride With Challengers
“挑戦者達と共に闊歩する”



11th November, 2020



1. Highlights of the Financial Results of Q2 of 2021 March FY

- ✓ Revenue increased 8.5% YoY to 5,941 million JPY,
- ✓ Recorded net income of 82 million JPY (returned to profitability from Q1).
- ✓ Revenue from the real estate segment was strong and revenue from other segments declined due to the effects of COVID-19 pandemic.
- ✓ Partnership with Indogen Capital (Indonesia) and investment into the Southeast Asia's largest esports company

2. 2021 March FY Full Year Performance & Dividend Forecast

- ✓ Revenue and net profit are expected to decrease due to the impacts from COVID-19.

(in million JPY)	2021 March – Full Year Forecast	YoY
Revenue	11,000	(17.1%)
Operating Income	105	(59.0%)
Ordinary Income	150	(40.9%)
Net Income (Net Income attributable to the parent company)	110	(27.2%)

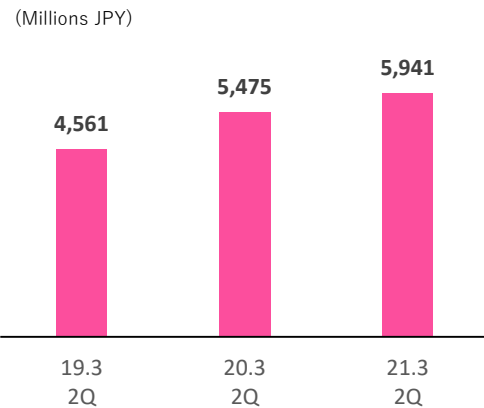
- ✓ Dividend forecast remains unchanged from the previous fiscal year, and share buybacks are also continuously considered

(JPY)	2021.3 Interim	2021.3 Final	Total	YoY
Annual dividend per share	0	3.00	3.00	±0

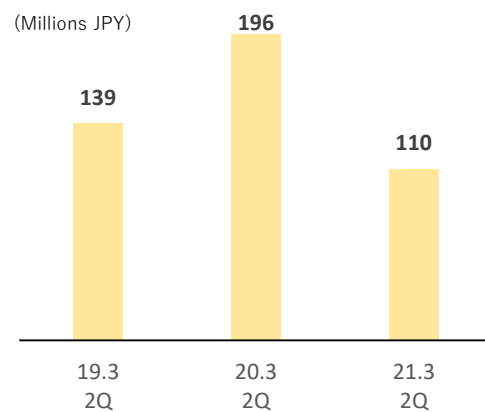
3. 2021 March FY – Q2 Summary of Consolidated Financials ~Income Statement~

(in millions JPY)	2019.3 2Q	2020.3 2Q	2021.3 2Q	YoY
Revenue	4,561	5,475	5,941	+8.5%
Operating Income	139	196	110	(43.8%)
Ordinary Income	149	202	157	(22.5%)
Income Tax	43	47	58	+23.4%
Net Income (Net Income attributable to parent company)	99	145	82	(42.8%)
ROE (Annualized)	9.4%	13.4%	7.6%	(5.8)

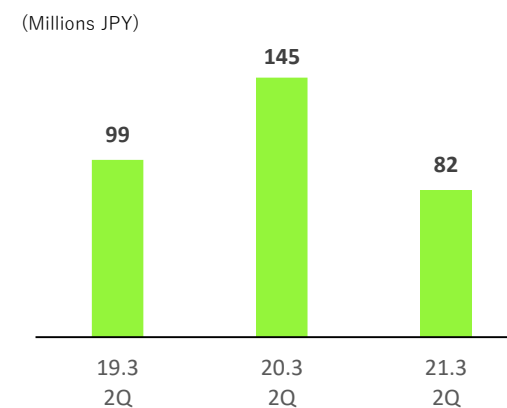
Growth in Revenue



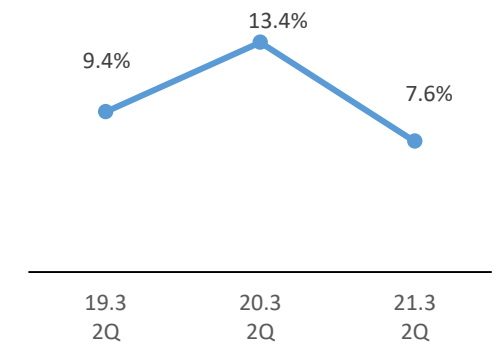
Growth in Operating Income



Growth in Net Income



Growth in ROE



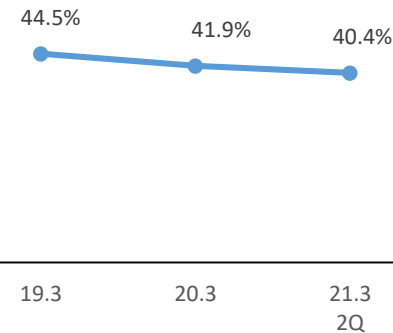
4. 2021 March FY – Q2 Summary of Consolidated Financials

~Statement of Financial Position & Cash Flow Statement~

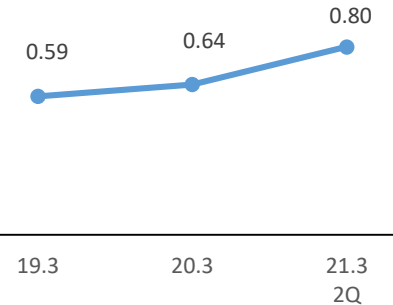
• Statement of Financial Position

(millions JPY)	2019.3	2020.3	2021.3 2Q	YoY
Total Assets	4,655	5,000	5,318	+318
Current Assets	2,630	2,927	3,299	+372
Cash and deposits	2,024	2,200	2,593	+393
Inventory	176	297	260	-37
Non-current Assets	2,024	2,073	2,018	-55
Property, plant and equipment	1,390	1,383	1,362	-21
Intangible Assets	204	183	170	-13
Investments and Other Assets	430	506	485	-21
Investment Securities	245	303	153	-150
Shares of subsidiaries and associates	84	81	206	+125
Total Liabilities	2,567	2,866	3,118	252
Interest Bearing Liabilities (Note 1)	1,233	1,366	1,779	+413
Total Net Assets	2,087	2,133	2,199	+66
Equity Ratio (Note 2)	44.5%	41.9%	40.4%	-1.5
Debt to Equity Ratio	0.59	0.64	0.80	+0.16

Equity Ratio



Debt to Equity Ratio



• Cash Flow Statement

(Millions JPY)	2020.3 2Q	2021.3 2Q
Cash Flow from Operating Activities	29	7
Cash Flow from Investing Activities	58	(12)
Cash Flow from Financing Activities	18	398
Change in Cash and Cash Equivalents	104	391
Opening Cash and Cash Equivalents	1,814	1,990
Closing Cash and Cash Equivalents	1,918	2,381

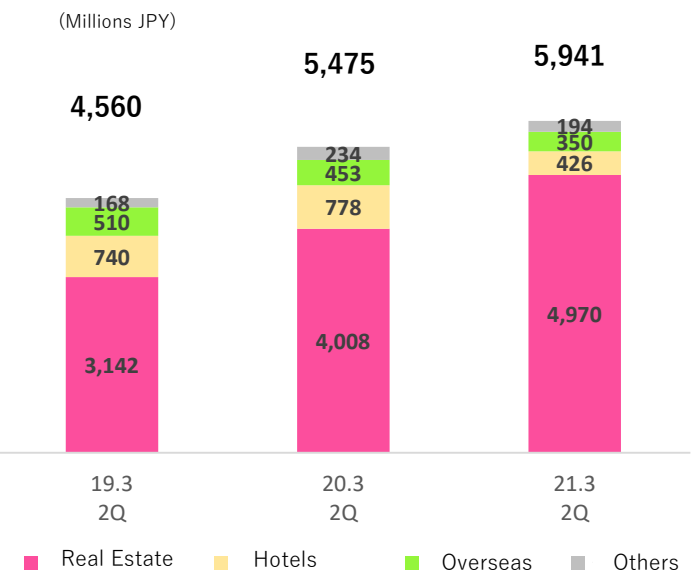
Note 1; Interest-bearing debt: short-term debt, corporate bonds due within a year, long-term debt due within a year, corporate bonds, long-term debt

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

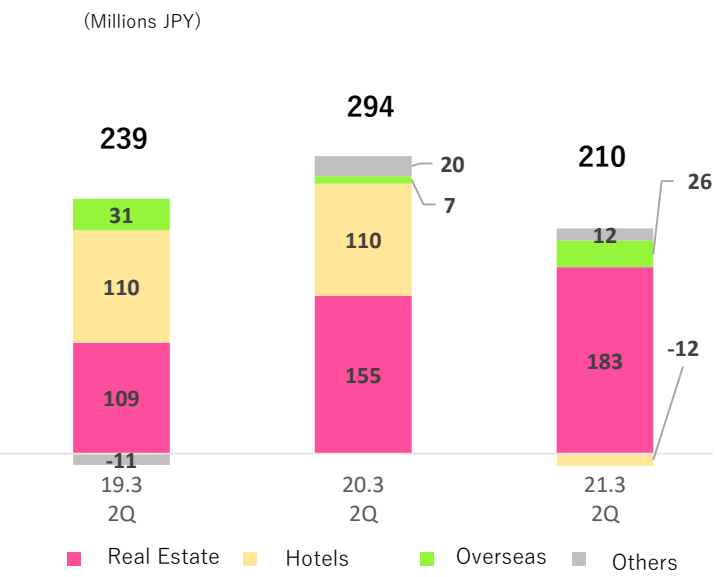
5. 2021 March FY – Q2 Summary of Consolidated Financials ~Overall Segment Performance

- ✓ Real estate segment remained strong amid the COVID-19 pandemic
- ✓ Hotels segment faced negative impacts from the COVID-19 pandemic and as a result both revenue & profits decreased significantly.

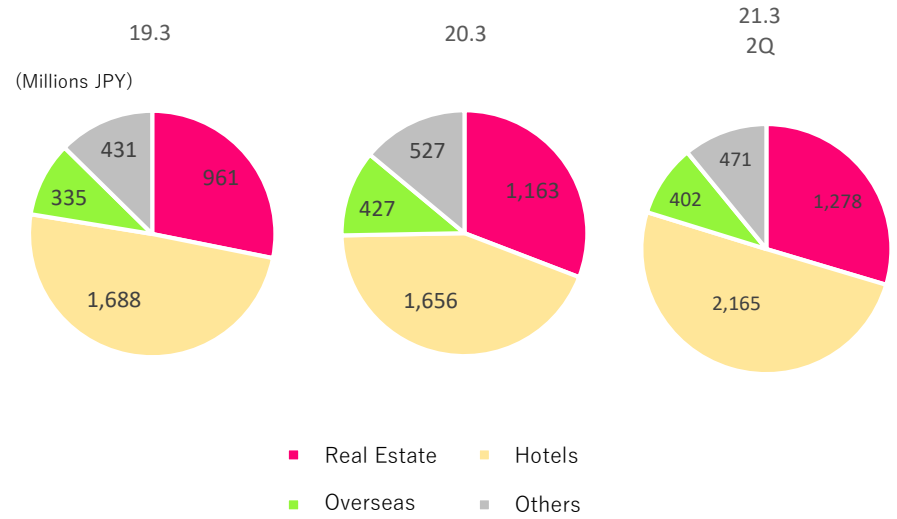
Revenue by Segment



Profits by Segment



Assets by Segment



※Regarding segment figures, from the end of the previous consolidated fiscal year, in order to more appropriately evaluate and manage the performance of each reporting segment, we have reviewed the adjustment method for inter-segment transactions and changed the calculation method for profits for business segments. In addition, only the figures for the 2Q of the fiscal year ending March 31, 2019 in P. 5 ~ 12 of this document are those created by the calculation method before the change. The operating income of each segment is disclosed as segment income.

6. 2021 March FY – Q2 Overview by Segment ~Real Estate Segment ①~

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

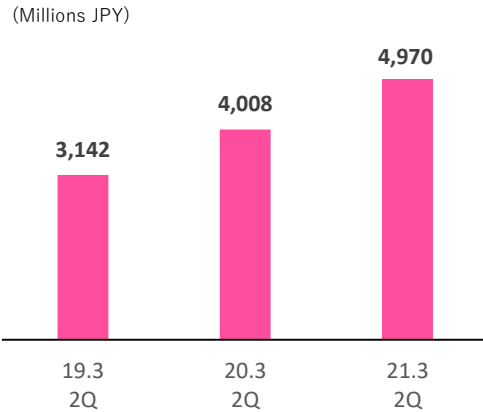
Subsidiaries : Trust Advisers Corporation, Tokyo Apartment Guarantee Corporation

Segment Revenue 4,970 Million JPY
(YoY+24.0%)

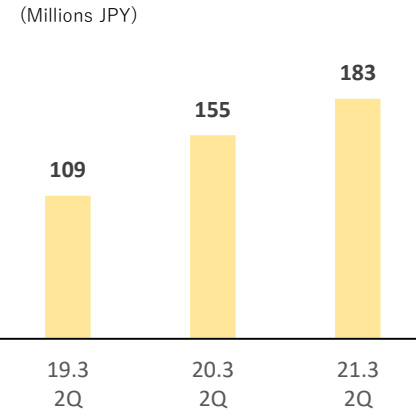
Segment Profit 183 Million JPY
(YoY+18.1%)

- ✓ **The number of units managed under residence business remained high**
- ✓ **The number of deals under the real estate buying & selling has increased and some deals, which were expected to be finalized in the 2nd half of the FY, were completed during the 1st half of the year.**
- ✓ **Renewal of rent contracts increased due to the COVID-19 pandemic.**

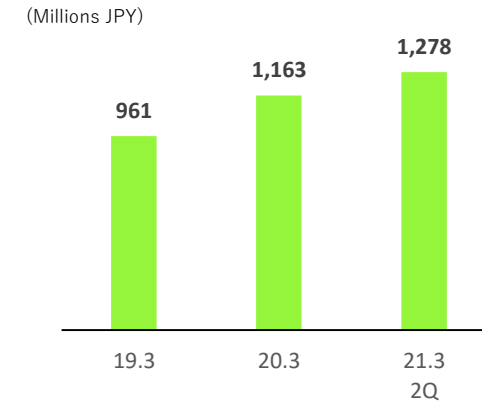
Segment Revenue



Segment Profitability



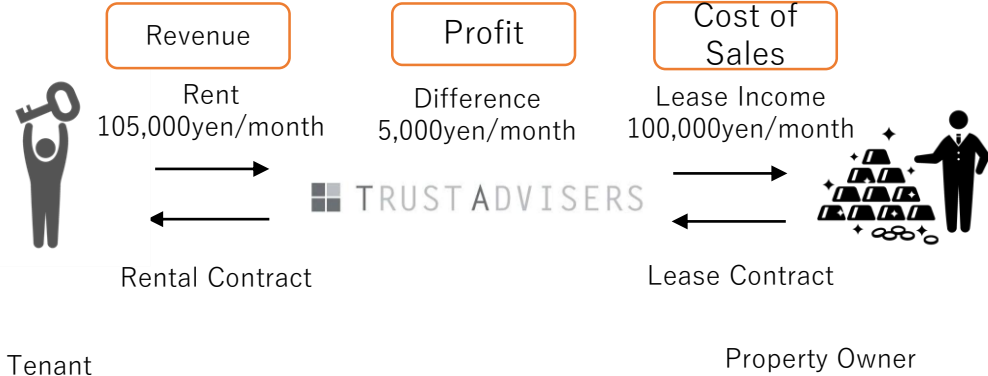
Segment Assets



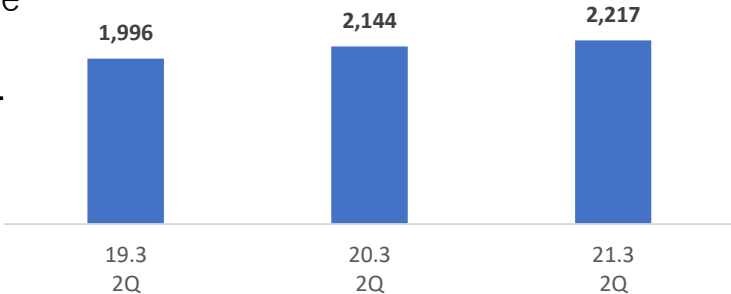
6. 2021 March FY – Q2 Overview by Segment ~Real Estate Segment ②~

- ✓ 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.

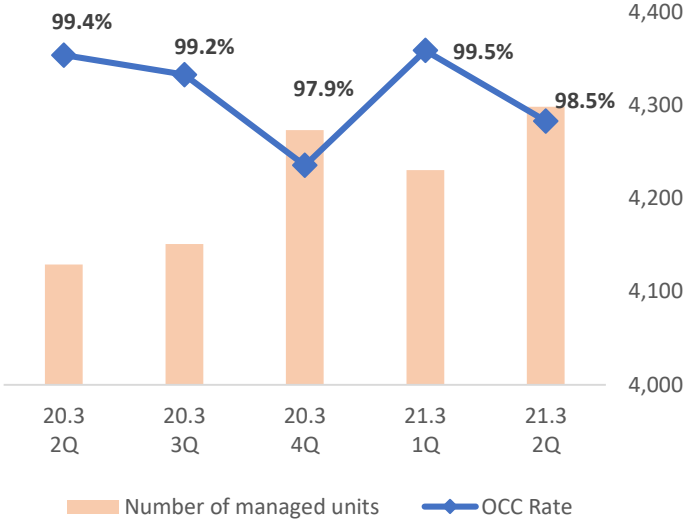
Rental Business Model (Example)



Rental Revenue from Residence Business



Number of Units Managed under Rental Business & Occupancy Rates



7. 2021 March FY – Q2 Overview by Segment ~Hotel Segment ①~

Business Description: Ownership and operation of hotels

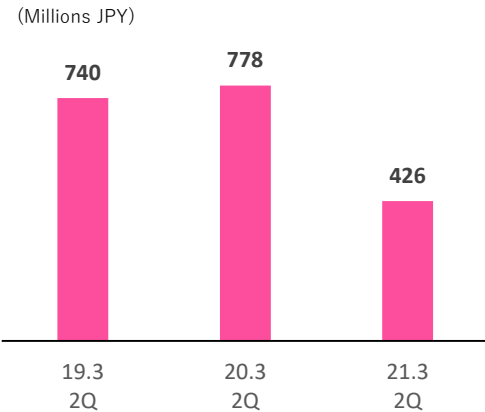
Subsidiaries : Narita Gateway Hotel, Kurashiki Royal Art Hotel, Global Holdings Corporation

Segment Revenue 426 Millions JPY
(YoY-45.2%)

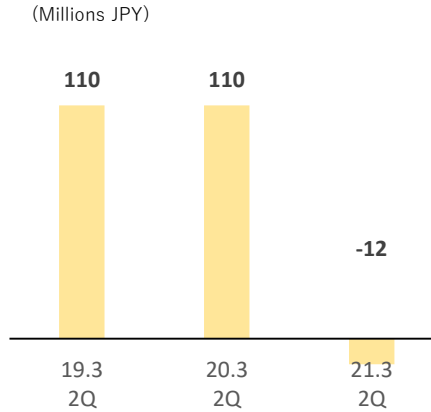
Segment Profit -12 Millions JPY
(YoY +110 Millions JPY)

- ✓ **Narita Gateway Hotel accepts asymptomatic and mildly ill people infected with COVID-19 (continued during Q2 and scheduled to continue till March 2021)**
- ✓ **Kurashiki Royal Art Hotel has been on a recovery trend since September due to measures such as “Go To Travel Campaign”. On an ordinary income basis, including subsidies, the company returned to profitability during Q2.**

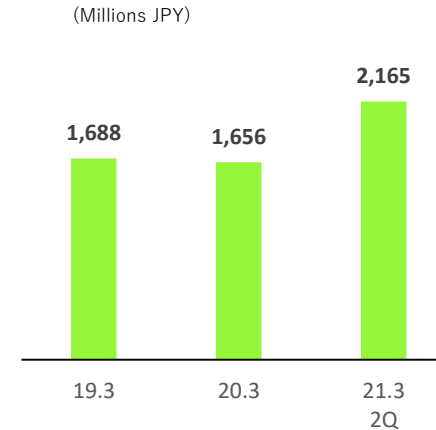
Segment Revenue



Segment Profitability



Segment Assets



7. 2021 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 Narita Airport & in-bound travelers are the target market
- Annual In-bound guests (Pre-COVID) : More than 70,000

• Since April 2020, it has been rented out to Chiba Prefectural Government as a facility for mild and asymptomatic people with new coronavirus infection (scheduled until the end of March 2021).



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

Kurashiki Royal Art Hotel

Subsidiary

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



- Number of Rooms : 71
- 2 minutes walk from the tourist hot spot, Bikan Historical area. Renovated the rice brewery of cultural property, “Ohashi House”, built in 1796, into a French restaurant.

• Amid the COVID-19 pandemic, the hotel is being used as a venue for webinars, which is a new source of business. The hotel is to become profitable in terms of operating income during the month of October.

8. 2021 March FY – Q2 Overview by Segment ~Overseas Segment ①~

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

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

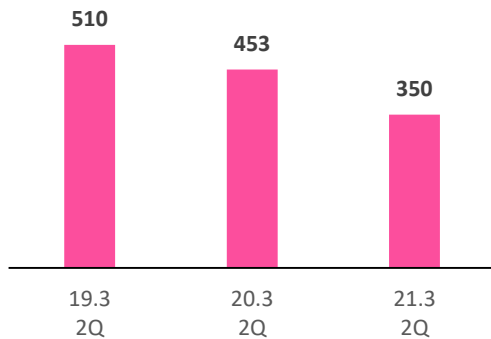
Segment Revenue 350 Millions JPY
(YoY-22.8%)

Segment Profit 26 Millions JPY
(YoT+238.6%)

- ✓ **The revenue of the advertising agency in Indonesia decreased due to COVID-19 pandemic (Q2 refers to the period from January to June) & profits increased due to the cost controlling measures**
- ✓ **Under the investment business, a partnership agreement was signed with Indonesia's Indogen Capital & an investment was made into the Southeast Asia's largest e-sports company.**

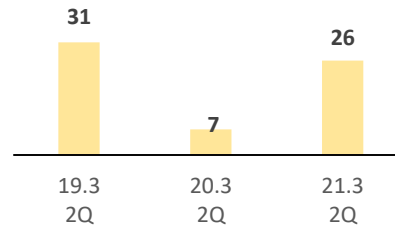
Segment Revenue

(Millions JPY)



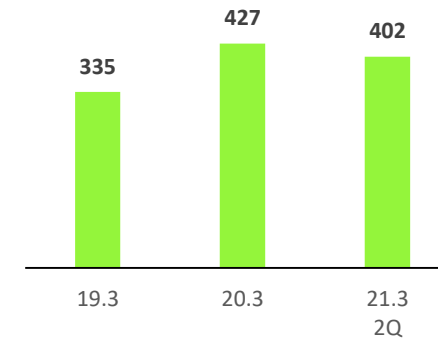
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



8. 2021 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.

Partners



Investment Portfolio



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



Softlogic Group's life insurance company. Growing at 2x the growth rate of life insurance industry in Sri Lanka.



A digital media startup that operates in Sri Lanka & Bangladesh.



Attention Holdings Pte. Ltd. is the owner of Evos Esports, which is the largest esports company in Southeast Asia.

Subsidiary



PT. Citra Surya Komunikasi (d.b.a. Chuo Senko Indonesia) - Advertising Agency

<http://www.chuosenko.co.id>

PT. Citra Surya Komunikasi (dba Chuo Shinko Indonesia) is a Japanese advertising agency in Indonesia, which will celebrate its 50th anniversary in 2021, The core businesses include creation of brand / communication strategy, advertising production, media buying, sales promotion, digital marketing, store development, etc. In the future the company will aggressively invest in the drone school business and venture support business that started in 2020, aiming for synergies with the core business of the advertising business.

9. 2021 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.

【Affiliates accounted for using equity method】 MIRAI Intellectual Property and Technology Research Center Co.,Ltd., Amagasa Co. Ltd.

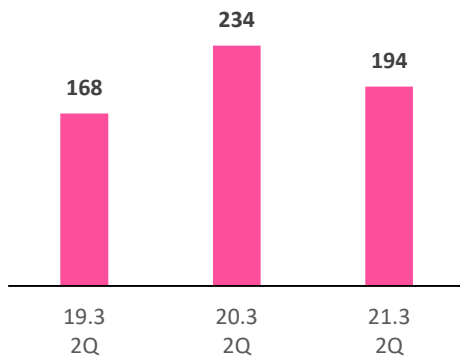
Segment Revenue 194 Millions JPY
(YoY -17.2%)

Segment Profit 12 Millions JPY
(YoY -38.5%)

- ✓ Revenue and profits of Mobilelink and Masuda Seimen decreased due to the impacts from COVID-19 pandemic.
- ✓ MIRAI & Amagasa have recorded losses (23 million JPY in cumulative losses up to Q2**) apart from segment profit recorded.
(**Equity Method Investment loss : 24 Million JPY, Profit on Change in equity : 1.4 million JPY = Total 23 Million JPY)

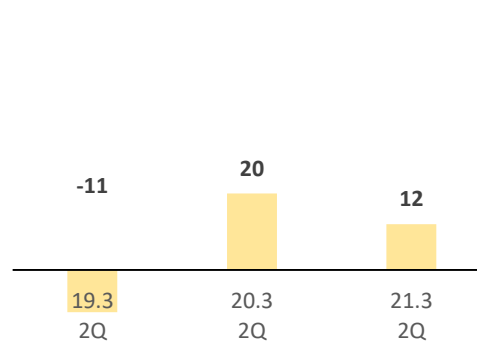
Segment Revenue

(Millions JPY)



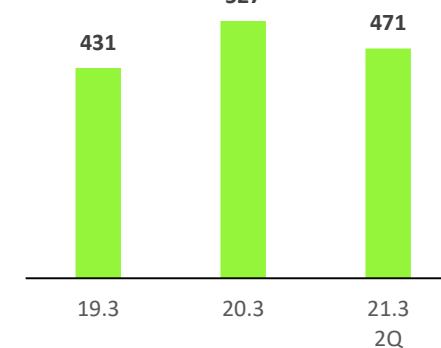
Segment Profitability

(Millions JPY)



Segment Assets

(Millions JPY)



9. 2021 March FY – Q2 Overview by Segment ~Others ②~

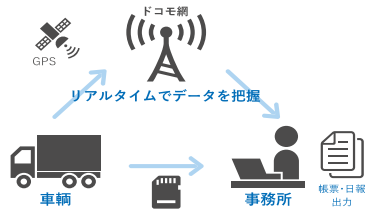
Subsidiaries



Mobile Link Inc.

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

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



Affiliates accounted for using equity method



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.

<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.



Amagasa Co., Ltd.

<http://www.amagasa-co.com>

<http://www.jelly-beansshop.com>

Offers stylish non-leather shoes to women in their twenties, through retail and wholesale sales channels such as EC and OEM.



10. 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	1,583 Million JPY
Businesses Segments	Real Estate, Hotel, Overseas & Others
Listed Market	JASDAQ (Stock code : 9816)
Consolidated Sales	13,276 Million JPY (March 2020)
Number of Employees	198 (March 2020)

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**

- CSR Information Supporting the athletes (Sponsoring of Cricketer – Kimura Shogo, Recruitment of Paul Vault Jumper as an employee – Kuruma Kouki)

*Related URL http://www.striders.co.jp/csr_sdgs/athlete/athlete.html

- Shareholder Benefit Program Gift vouchers for our group hotels as per the number of shares held (Will be changed partially from the end of September 2020)

*Related URL <http://www.striders.co.jp/ir/stockholder/stockholder.html>

- Investor Relations <http://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.