

Striders Corporation

3rd Quarter of 2021 March FY Explanation of Financial Statements



“People to People” leading to the Earth
“人から人へ”と地球をつなぐ

10th February 2021



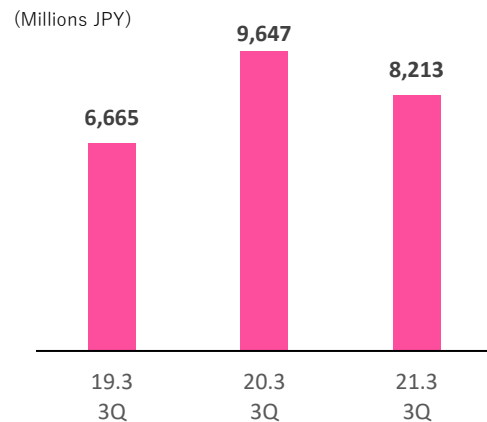
1. Highlights of the Financial Results of Q3 of 2021 March FY

- ✓ Sales decreased 14.9% YoY to ¥ 8,213mn & the quarterly net income decreased 34.4% year on year to 128 million yen
- ✓ In the real estate segment, sales decreased due to a decrease in property buy and sell transactions, but the profits increased.
- ✓ Demand for the hotel segment improved significantly in 3Q alone due to the effects of economic policies, but there are concerns about a downturn in 4Q due to the spread of the COVID-19 pandemic.
- ✓ Demand continues to decline in the overseas segment due to the effects of the COVID-19 pandemic
- ✓ Although the actual earnings have exceeded the earnings forecast terms of profits, there will be no change to the earnings forecast for the current FY due to concerns about a possible downturn during the 4Q in the hotels and the overseas business segments.

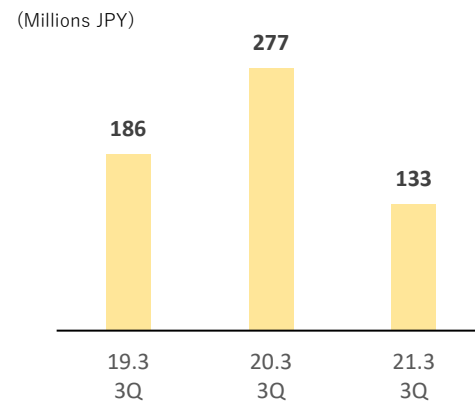
2. 2021 March FY – Q3 Summary of Consolidated Financials ~Income Statement~

(in Millions JPY)	2019.3 3Q	2020.3 3Q	2021.3 3Q	YoY	2021.3 Earnings Forecast (Released on 2020.11.11)	Progress against the Earnings Forecast
Revenue	6,665	9,647	8,213	△14.9%	11,000	74.6%
Operating Income	186	277	133	△51.7%	105	126.6%
Ordinary Income	195	289	192	△33.8%	150	128.0%
Net Income (Net Income Attributable to the parent company)	135	196	128	△34.4%	110	116.3%
ROE (Annualized)	8.2%	12.5%	7.6%	△4.9	-	-

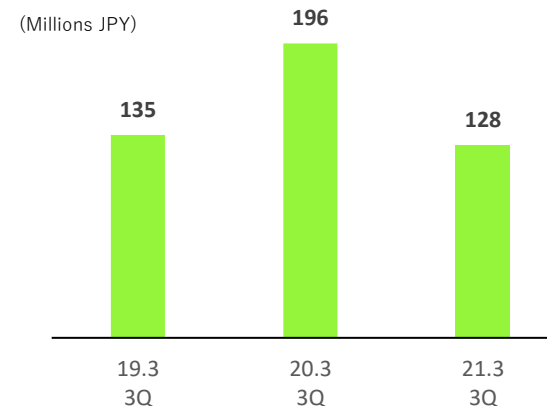
Growth in Revenue



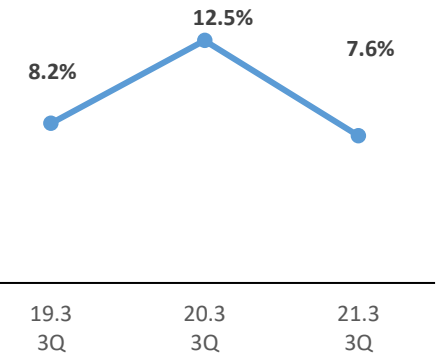
Growth in Operating Income



Growth in Net Income



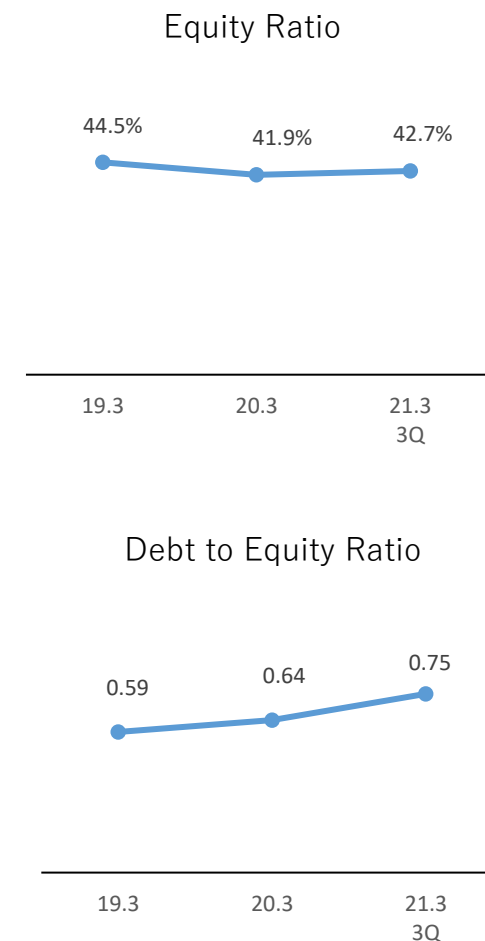
Growth in ROE



3. 2021 March FY – Q3 Summary of Consolidated Financials ~Statement of Financial Position~

• Statement of Financial Position

(Millions JPY)	2019.3	2020.3	2021.3 3Q	YoY
Total Assets	4,655	5,000	5,266	+266
Current Assets	2,630	2,927	3,250	+323
Cash and Deposits	2,024	2,200	2,666	+466
Inventory	176	297	239	-58
Non-Current Assets	2,024	2,073	2,016	-57
Property, Plant & Equipment	1,390	1,383	1,339	-44
Intangible Assets	204	183	164	-19
Investments and Other Assets	430	506	511	+5
Investment securities	245	303	307	+4
Shares of subsidiaries and associates	84	81	89	+8
Total Liabilities	2,567	2,866	2,978	+112
Interest Bearing Liabilities (Note 1)	1,233	1,366	1,720	+354
Total Net Assets	2,087	2,133	2,287	+154
Equity Ratio (Note 2)	44.5%	41.9%	42.8%	+0.9
Debt to Equity Ratio	0.59倍	0.64倍	0.75倍	+0.11



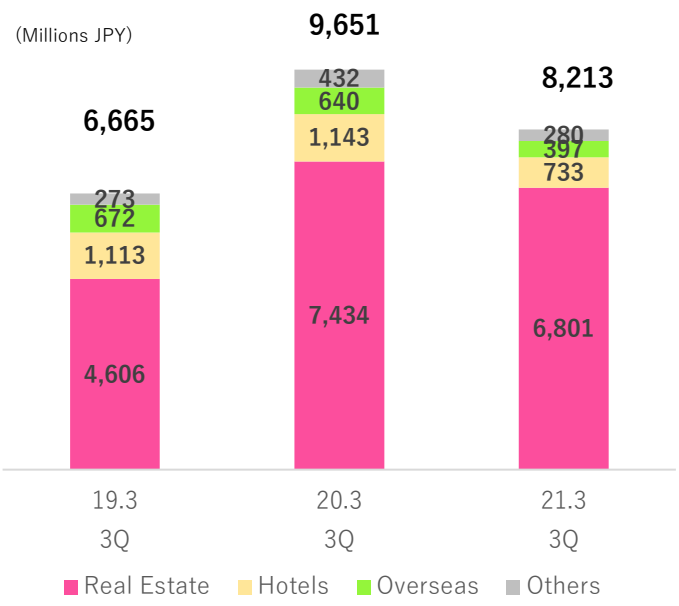
※1 Interest-bearing liabilities: Short-term debt, corporate bonds due within a year, long-term debt due within a year, corporate bonds, and long-term debt

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

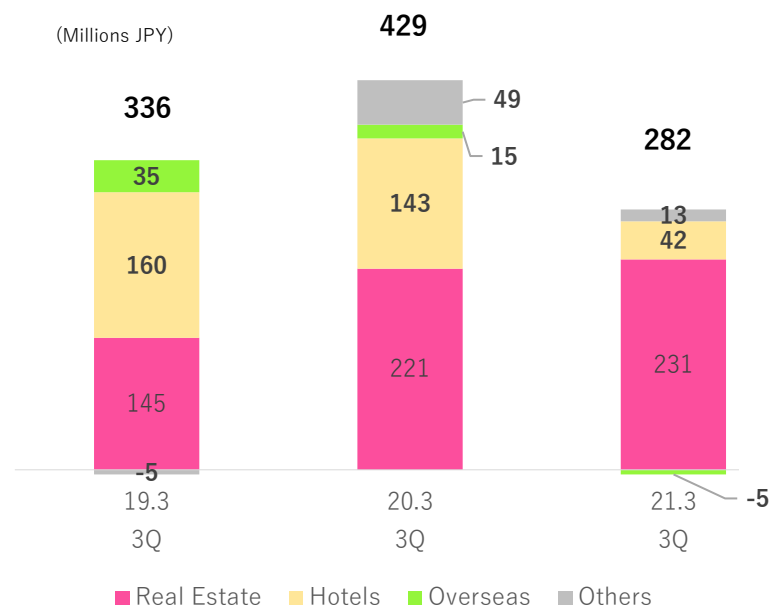
4. 2021 March FY – Q3 Summary of Consolidated Financials ~Overall Segment Performance~

- ✓ Sales of the real estate segment decreased due to a decrease in property buy and sell transactions, but the profits increased.
- ✓ Demand for the hotel segment improved significantly in 3Q alone due to the effects of economic policies, but there are concerns about a downturn in 4Q due to the spread of the COVID-19 pandemic
- ✓ Demand continues to decline in the overseas segment due to the effects of the COVID-19 pandemic

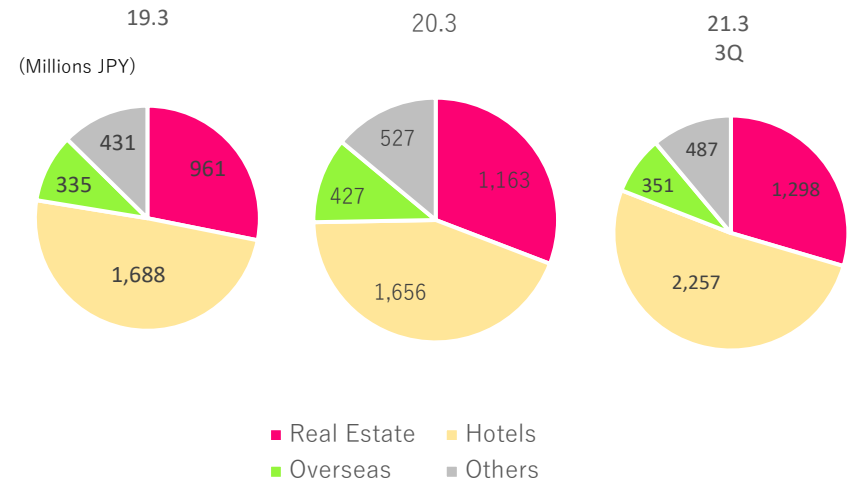
Revenue by Segment



Profit by Segment



Assets held by each segment



※Regarding segment figures, from the end of the previous consolidated fiscal year, we have reviewed the adjustment method for inter-segment transactions and changed the calculation method for profits for business segments in order to more appropriately evaluate and manage the performance of each reporting segment. In addition, only the figures for the 3Q of the fiscal year ending March 2019 in this document are those created by the calculation method before the change. The operating income of each segment is disclosed as segment income.

5. 2021 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.

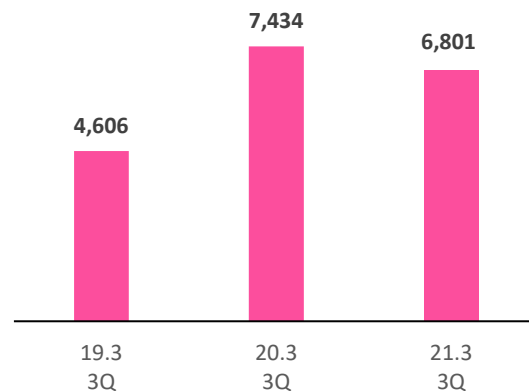
Segment Revenue 6,801 Millions JPY
(YoY -8.5%)

Segment Profit 231 Millions JPY
(YoY +4.6%)

- ✓ **The number of units managed in the residence business remains at a high level**
- ✓ **Number of in the property buying and selling deals decreased significantly year-on-year**
- ✓ **Contract renewal rate and the rent levels are expected to remain unchanged during the COVID-19 pandemic**

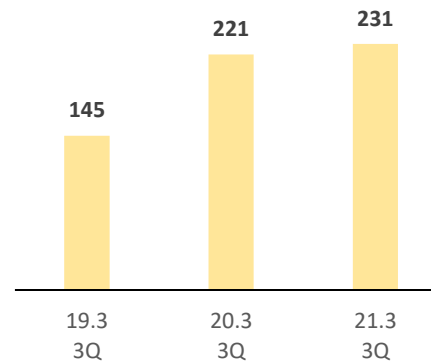
Segment Revenue

(Millions JPY)



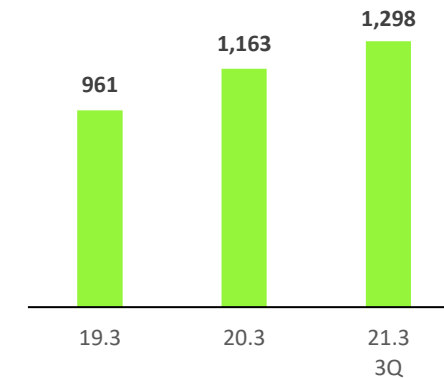
Segment Profitability

(Millions JPY)



Segment Assets

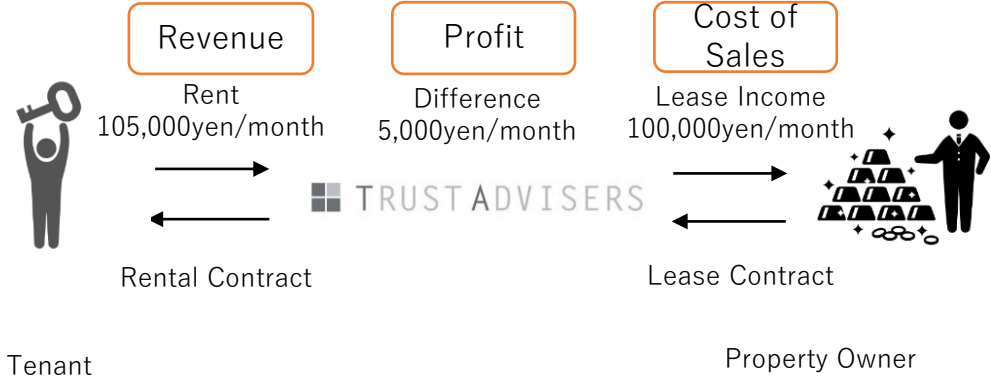
(Millions JPY)



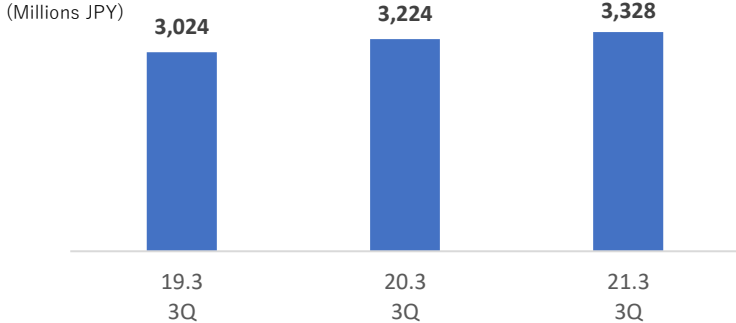
5. 2021 March FY – Q3 Overview by Segment ~Real Estate Segment ②~

- ✓ 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.

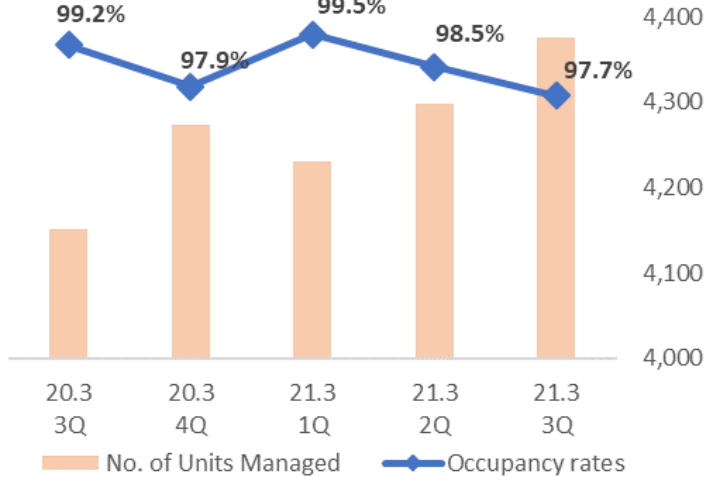
Rental Business Model (Example)



Rental Revenue from Residence Business



Number of Units Managed Under Rental Business & Occupancy Rates



6. 2021 March FY – Q3 Overview by Segment ~Hotel Segment ①~

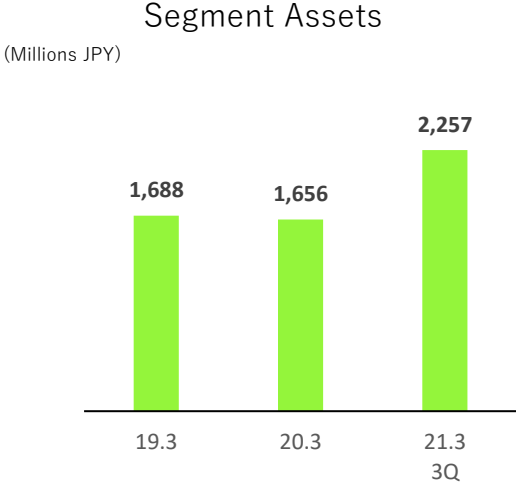
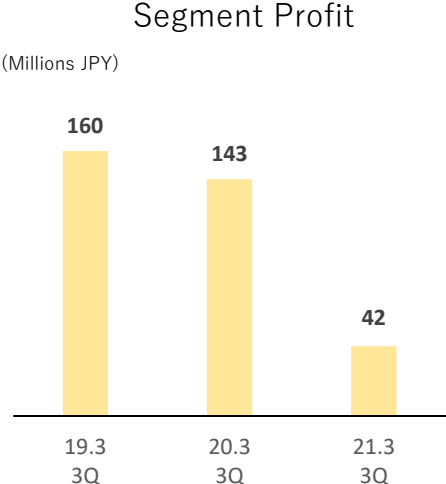
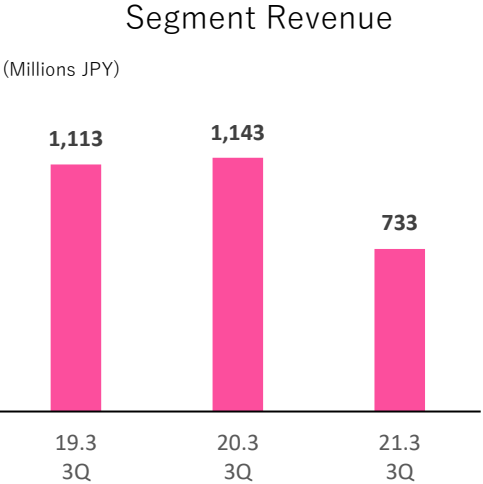
Business Description: Ownership and operation of hotels

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

Segment Revenue 733 Millions JPY
(YoY -35.9%)

Segment Profit 42 Millions JPY
(YoY -70.2%)

- ✓ **Narita Gateway Hotel accepts asymptomatic and mildly ill people infected with COVID-19 (to be continued in 4Q). Kurashiki Royal Art Hotel is on a recovery trend from September due to measures such as Go To Travel Campaign.**
- ✓ **Segment returned to profitability in Q3 from a cumulative net loss in Q2. Due to an increase in subsidy income (employment adjustment subsidy), an ordinary income of 115 million JPY was recorded.**



6. 2021 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 (Contracted 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, [Bikanchiku] 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 gallery "MAGO GALLERY KURASHIKI" that displays and sells the works of artist Mago Nagasaka opened in January 2021.

7. 2021 March FY – Q3 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)

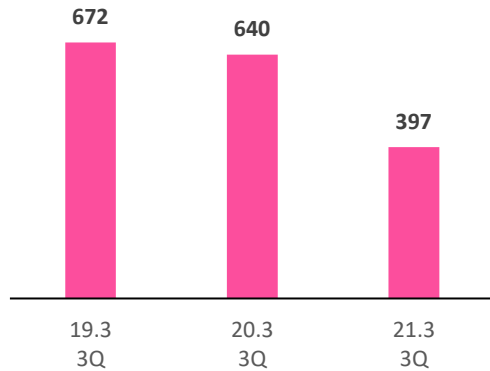
Segment Revenue 397 Millions JPY
(前期比 -37.9%)

Segment Profit (5) Millions JPY
(Previous FY: 15 Millions JPY)

- ✓ **The advertising agency in Indonesia saw a significant decline in revenue due to the impact of the COVID-19 pandemic** (Q3 refers to the period from July to September)
- ✓ **The second investment deal as a part of the business partnership with Indogen Capital is in the final phase of the execution**(the first is the investment into the largest e-sports company in Southeast Asia).

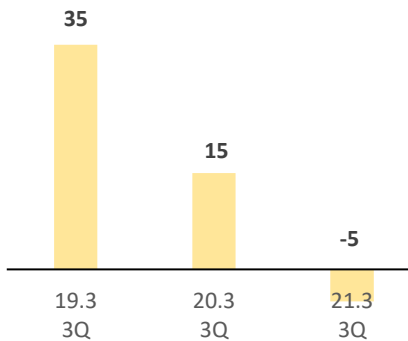
Segment Revenue

(Millions JPY)



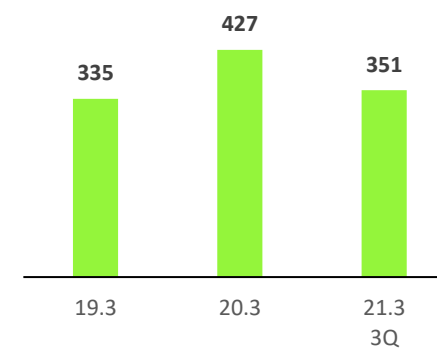
Segment Profits

(Millions JPY)



Segment Assets

(Millions JPY)



7. 2021 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



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.

8. 2021 March FY – Q3 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.

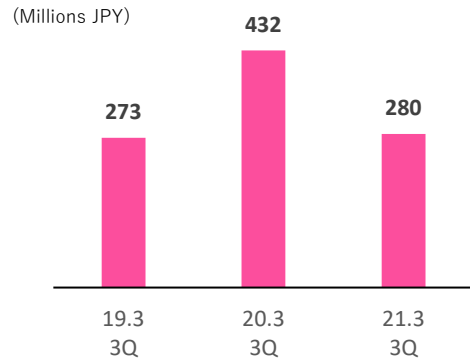
【Associated Companies】 MIRAI Intellectual Property and Technology Research Center Co.,Ltd. (“Mirai”)

Segment Revenue 280 Millions JPY
(YoY -35.1%)

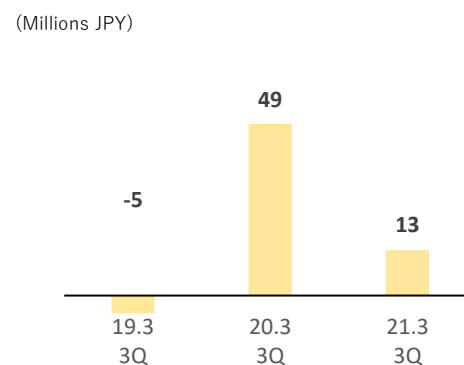
Segment Profit 13 Millions JPY
(YoY -73.7%)

- ✓ Revenue and profits of Mobilelink and Masuda Seimen decreased due to the impact of the COVID-19 pandemic
- ✓ Transferred a part of shares held in Amagasa Co. Ltd. and as a result excluded from the equity method of calculation from Q3 onwards.
- ✓ M&A Global Partners Co., Ltd. and Mirai Intellectual Property Technology Research Center Co., Ltd. have undertaken the stock options of Kanmonkai Co., Ltd., which operates the blowfish (“fugu”) restaurant chain "Genpin". In 4Q, Mirai formed a business alliance with Kanmonkai Co., Ltd., in order to jointly develop a new businesses using patented technology related to blowfish.

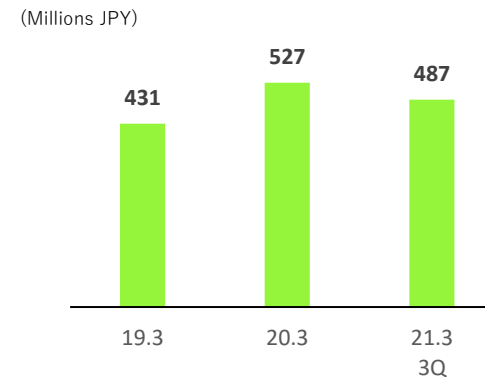
Segment Revenue



Segment Profits



Segment Assets



8. 2021 March FY – Q3 Overview by Segment ~Others ②~

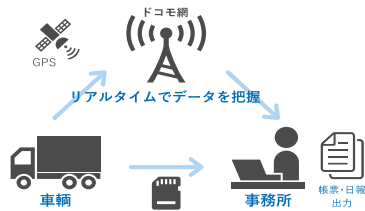
Subsidiary



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.

9. 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**

- 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.