



**Summary of Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending March 31, 2018
(Six Months Ended September 30, 2017)**

[Japanese GAAP]

November 9, 2017

Company name: Striders Corporation Listing: Tokyo Stock Exchange (JASDAQ)
 Stock code: 9816 URL: <http://www.striders.co.jp/>
 Representative: Ryoichi Hayakawa, President and Chief Executive Officer
 Contact: Yoshiyuki Wakahara, Managing Director and Chief Financial Officer
 Tel: +81-3-5777-1891
 Scheduled date of filing of Quarterly Report: November 13, 2017
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2018
(April 1, 2017 – September 30, 2017)**

(1) Consolidated results of operations (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sep. 30, 2017	3,279	7.3	117	(38.5)	128	(31.2)	90	(34.1)
Six months ended Sep. 30, 2016	3,056	29.9	191	33.1	186	48.6	137	77.8

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2017: 94 (down 32.6%)
 Six months ended Sep. 30, 2016: 140 (up 353.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2017	10.23	10.21
Six months ended Sep. 30, 2016	15.54	15.42

Note: The Company conducted a consolidation of common shares according to a ratio of 1:10 effective on October 1, 2017. The amounts of net income per share and diluted net income per share were calculated based on the assumption that the consolidation of shares had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2017	4,356	1,991	45.6	223.46
As of Mar. 31, 2017	3,891	1,898	48.6	213.02

Reference: Shareholders' equity (million yen) As of Sep. 30, 2017: 1,985 As of Mar. 31, 2017: 1,892

Note: The Company conducted a consolidation of common shares according to a ratio of 1:10 effective on October 1, 2017. The amount of net assets per share was calculated based on the assumption that the consolidation of shares had been conducted at the beginning of the previous fiscal year.

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2017	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2018	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2018 (forecast)	-	-	-	0.00	0.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,700	5.2	310	11.0	310	5.8	200	(12.7)	22.51

Note: Revisions to the most recently announced consolidated earnings forecast: None

The Company conducted a consolidation of common shares according to a ratio of 1:10 effective on October 1, 2017. Net income per share forecast for the fiscal year ending March 31, 2018 is based on the number of shares after the consolidation of shares. Please refer to the "Explanation of appropriate use of earnings forecasts, and other special items"

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

As of Sep. 30, 2017:	8,887,089 shares	As of Mar. 31, 2017:	8,887,089 shares
----------------------	------------------	----------------------	------------------

2) Number of treasury shares at the end of the period

As of Sep. 30, 2017:	2,609 shares	As of Mar. 31, 2017:	2,609 shares
----------------------	--------------	----------------------	--------------

3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2017:	8,884,480 shares	Six months ended Sep. 30, 2016:	8,870,480 shares
---------------------------------	------------------	---------------------------------	------------------

Note: The Company conducted a consolidation of common shares according to a ratio of 1:10 effective on October 1, 2017. The number of shares outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares outstanding during the period were calculated based on the assumption that the consolidation of shares had been conducted at the beginning of the previous fiscal year.

* The current quarterly financial report is not subject to quarterly review procedures.

* Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 4 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

Consolidated earnings forecast after a consolidation of shares

The Company approved and passed the resolution related to a consolidation of shares at the 53rd Annual General Meeting of Shareholders held on June 22, 2017 and conducted a consolidation of shares according to a ratio of 1:10 effective on October 1, 2017. Consolidated earnings forecast that was translated before considering a consolidation of shares is as the follows:

Consolidated earnings forecast for the fiscal year ending March 31, 2018 (April 1, 2017 – March 31, 2018)

Net income per share: 2.25 yen (full year)

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
Quarterly Consolidated Statement of Income	
(For the Six-month Period)	7
Quarterly Consolidated Statement of Comprehensive Income	
(For the Six-month Period)	8
(3) Quarterly Consolidated Statement of Cash Flows	9
(4) Notes to Quarterly Consolidated Financial Statements	10
Going Concern Assumption	10
Significant Changes in Shareholders' Equity	10
Segment and Other Information	10

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first half of the current fiscal year (hereinafter, “the period under review”), the Japanese economy continued to recover moderately thanks mainly to higher corporate earnings, lower unemployment, and increased personal spending.

However, the outlook for the global economy, despite some signs of modest recovery, remained uncertain with slowdown of economy in China and other emerging countries and the policy trends of the Trump Administration.

Under the economic circumstance described above, the Group (Striders Corporation and its consolidated subsidiaries) focused on sales activities to attract new customers, cost cutting, and other initiatives to increase earnings in the existing business units. In addition, the Group continued to work on creating new businesses.

Consequently, net sales for the period under review increased 7.3% year-on-year to 3,279 million yen, operating profit decreased 38.5% year-on-year to 117 million yen, ordinary profit decreased 31.2% year-on-year to 128 million yen, and profit attributable to owners of parent decreased 34.1% year-on-year to 90 million yen.

Business segment performance was as follows.

The Group established Overseas Business as a new reportable segment in the second quarter of the current fiscal year upon inclusion of PT. Citra Surya Komunikasi in the scope of consolidation as a consolidated subsidiary.

1) Information Technology Business

Mobile Link Inc. has been engaged in sales activities of motor vehicle communication systems. It has also started sales in Japan of its own brand on-board units developed by the joint venture with a Taiwanese company. However, it has yet to establish its brand identity in the market strong enough to ensure a steady stream of orders.

Consequently, segment sales in the period under review decreased 29.7% year-on-year to 93 million yen with operating loss of 10 million yen (compared with operating loss of 5 million yen one year earlier).

2) Turnaround Consultancy Business

M&A Global Partners Co., Ltd. has been engaged in operations such as fund procurement support and M&A consulting services. Despite these efforts, it did not receive orders during the period under review.

Consequently, the segment reported no sales with operating loss of 0 million yen in the period under review, compared with sales of 30 million yen with operating profit of 27 million yen one year earlier.

3) Real Estate Lease Management Business

Trust Advisers Corporation has successfully achieved an increase in the number of orders as a result of sales and marketing efforts in the land agency business.

Consequently, segment sales in the period under review increased 17.3% year-on-year to 2,379 million yen and operating profit increased 13.5% year-on-year to 94 million yen.

4) Food Business

Y. K. Masuda Seimen produces Chinese and other noodles that are sold mainly to Yokohama house-type ramen restaurants in the Kanagawa area. The amount of orders received increased slightly year-on-year due mainly to an increase in the number of the existing ramen restaurants.

Consequently, segment sales in the period under review increased 1.2% year-on-year to 81 million yen and operating profit increased 12.1% year-on-year to 7 million yen.

5) Hotel Business

We currently operate the Narita Gateway Hotel in the Narita International Airport area and the Kurashiki Royal Art Hotel located in the Kurashiki Bikan Historical Quarter, Okayama prefecture. Despite an increase in the number of foreign tourists visiting Japan, both room rates and occupancy rates declined due mainly to an increase

in the number of vacation rentals and openings of new hotels.

Consequently, segment sales in the period under review decreased 7.6% year-on-year to 725 million yen and operating profit decreased 28.6% year-on-year to 111 million yen.

6) Overseas Business

PT. Citra Surya Komunikasi is engaged in advertisement agency business for Japanese companies in the Republic of Indonesia. We do not disclose the results of operations of the Overseas Business segment in the period under review because we have consolidated its balance sheet only with the deemed date of acquisition of June 30, 2017.

(2) Explanation of Financial Position

1) Assets, Liabilities and Net Assets

Assets

Current assets increased 351 million yen from the end of the previous fiscal year to 2,502 million yen at the end of the period under review. The main factors include increases in cash and deposits by 63 million yen and inventories by 294 million yen. Non-current assets increased 112 million yen from the end of the previous fiscal year to 1,853 million yen. This was mainly attributable to increases in property, plant and equipment by 70 million yen, and intangible assets by 47 million yen.

As a result, total assets were 4,356 million yen, a 464 million yen increase from the end of the previous fiscal year.

Liabilities

Current liabilities increased 258 million yen from the end of the previous fiscal year to 1,084 million yen at the end of the period under review. The main factors include increases in accounts payable-trade by 46 million yen, short-term loans payable by 65 million yen, current portion of long-term loans payable by 56 million yen, and unearned revenue by 40 million yen. Non-current liabilities increased 112 million yen from the end of the previous fiscal year to 1,279 million yen. This was mainly due to an increase in long-term loans payable by 100 million yen.

As a result, total liabilities were 2,364 million yen, a 371 million yen increase from the end of the previous fiscal year.

Net assets

Net assets increased 92 million yen from the end of the previous fiscal year to 1,991 million yen at the end of the period under review. The main factor includes booking of profit attributable to owners of parent of 90 million yen.

Consequently, the equity ratio was 45.6% (compared with 48.6% at the end of the previous fiscal year).

2) Cash flows

Cash and cash equivalents (hereinafter, "net cash") decreased 65 million yen from the end of the previous fiscal year to 1,371 million yen at the end of the period under review.

Details of each cash flow category for the period under review and the major factors for changes are described as follows.

Cash flows from operating activities

Net cash used in operating activities was 56 million yen (compared with net cash provided of 154 million yen in the same period of the previous fiscal year). The main factors include an increase in inventories of 232 million yen, which was partly offset by booking of profit before income taxes of 127 million yen and depreciation of 37 million yen.

Cash flows from investing activities

Net cash used in investing activities was 146 million yen (compared with net cash used of 137 million yen in the same period of the previous fiscal year). The main factors include payments for purchase of property, plant and equipment of 126 million yen and net increase in time deposits of 129 million yen, which were partly offset by proceeds from sales of investment securities of 96 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 136 million yen (compared with net cash provided of 16 million yen in the same period of the previous fiscal year). The main factors include proceeds from long-term loans payable of 249 million yen, which was partly offset by repayments of long-term loans payable of 92 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

Regarding the consolidated earnings forecast, we maintain the full-year consolidated earnings forecast that was disclosed in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2017” dated May 12, 2017.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Assets		
Current assets		
Cash and deposits	1,536,880	1,600,085
Accounts receivable-trade, net	126,757	156,298
Securities	15,541	2,575
Inventories	316,409	610,946
Deferred tax assets	16,000	16,000
Other	139,479	116,937
Total current assets	2,151,067	2,502,843
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	883,211	942,591
Land	348,663	348,663
Other, net	41,932	52,892
Total property, plant and equipment	1,273,807	1,344,147
Intangible assets		
Goodwill	182,638	232,730
Other	22,695	19,989
Total intangible assets	205,333	252,720
Investments and other assets		
Investment securities	49,588	63,035
Shares of subsidiaries and associates	82,671	53,600
Deferred tax assets	68,693	73,718
Other	60,282	65,935
Total investments and other assets	261,235	256,289
Total non-current assets	1,740,376	1,853,156
Total assets	3,891,444	4,356,000
Liabilities		
Current liabilities		
Accounts payable-trade	86,120	132,527
Short-term loans payable	50,000	115,002
Current portion of long-term loans payable	166,108	222,606
Unearned revenue	119,734	160,375
Accrued expenses	84,261	95,746
Accounts payable-other	85,482	63,855
Income taxes payable	23,206	40,868
Provision for bonuses	28,606	27,844
Deposits received	92,383	119,983
Interest rate swaps	33,049	29,773
Other	56,968	76,246
Total current liabilities	825,922	1,084,829
Non-current liabilities		
Long-term loans payable	733,712	833,756
Net defined benefit liability	10,025	29,692
Long-term lease and guarantee deposited	240,135	236,136
Deferred tax liabilities	183,053	180,191
Total non-current liabilities	1,166,926	1,279,776
Total liabilities	1,992,848	2,364,605

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	Second quarter of FY3/18 (As of Sep. 30, 2017)
Net assets		
Shareholders' equity		
Capital stock	1,582,416	1,582,416
Capital surplus	270,961	97,693
Retained earnings	68,359	330,547
Treasury shares	(3,020)	(3,020)
Total shareholders' equity	1,918,716	2,007,636
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,641	4,778
Deferred gains or losses on hedges	(33,049)	(29,088)
Foreign currency translation adjustment	2,279	2,041
Total accumulated other comprehensive income	(26,129)	(22,268)
Subscription rights to shares	5,415	5,415
Non-controlling interests	593	611
Total net assets	1,898,595	1,991,394
Total liabilities and net assets	3,891,444	4,356,000

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Six-month Period)**

	(Thousands of yen)	
	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Net sales	3,056,488	3,279,940
Cost of sales	2,002,967	2,271,892
Gross profit	1,053,520	1,008,048
Selling, general and administrative expenses	862,293	890,492
Operating profit	191,227	117,555
Non-operating income		
Interest income	381	1,605
Dividend income	240	105
Gain on valuation of securities	-	147
Gain on sales of securities	426	1,243
Commission fee	7,659	10,739
Office work fee	2,100	-
Foreign exchange gains	-	1,659
Other	2,439	3,814
Total non-operating income	13,246	19,315
Non-operating expenses		
Interest expenses	9,413	7,172
Loss on valuation of securities	2,199	-
Share of loss of entities accounted for using equity method	1,795	1,414
Foreign exchange losses	4,329	-
Other	535	99
Total non-operating expenses	18,273	8,686
Ordinary profit	186,199	128,184
Extraordinary income		
Gain on sales of investment securities	-	4,930
Total extraordinary income	-	4,930
Extraordinary losses		
Loss on retirement of non-current assets	-	1,083
Loss on sales of shares of subsidiaries and associates	-	3,693
Other	-	778
Total extraordinary losses	-	5,554
Profit before income taxes	186,199	127,560
Income taxes-current	47,889	39,540
Income taxes-deferred	465	(2,862)
Total income taxes	48,354	36,677
Profit	137,845	90,883
Profit attributable to non-controlling interests	8	18
Profit attributable to owners of parent	137,836	90,865

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-month Period)

(Thousands of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Profit	137,845	90,883
Other comprehensive income		
Valuation difference on available-for-sale securities	4,624	136
Deferred gains or losses on hedges	1,592	3,961
Foreign currency translation adjustment	(3,586)	(237)
Total other comprehensive income	2,630	3,860
Comprehensive income	140,475	94,744
Comprehensive income attributable to:		
Owners of parent	140,467	94,726
Non-controlling interests	8	18

(3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)	First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)
Cash flows from operating activities		
Profit before income taxes	186,199	127,560
Depreciation	32,845	37,677
Amortization of goodwill	13,023	13,023
Increase (decrease) in allowance for doubtful accounts	178	(1,057)
Interest and dividend income	(621)	(691)
Interest expenses	9,413	7,172
Foreign exchange losses (gains)	4,329	(170)
Share of (profit) loss of entities accounted for using equity method	1,795	1,414
Loss (gain) on sales of securities	(426)	(1,243)
Loss (gain) on valuation of securities	2,199	-
Loss (gain) on sales of investment securities	-	(4,930)
Loss (gain) on sales of shares of subsidiaries and associates	-	3,693
Decrease (increase) in notes and accounts receivable - trade	5,508	18,921
Decrease (increase) in inventories	(41,335)	(232,822)
Increase (decrease) in notes and accounts payable - trade	16,468	(27,585)
Increase (decrease) in deposits received	(12,433)	22,586
Increase (decrease) in lease and guarantee deposits received	(6,366)	(3,998)
Increase (decrease) in other provision	5,483	55
Other, net	(27,493)	6,779
Subtotal	188,771	(33,614)
Interest and dividend income received	295	361
Interest expenses paid	(9,436)	(7,176)
Income taxes paid	(25,617)	(15,749)
Net cash provided by (used in) operating activities	154,013	(56,178)
Cash flows from investing activities		
Purchase of securities	-	(615)
Proceeds from sales of securities	7,178	14,972
Purchase of property, plant and equipment	(28,630)	(126,284)
Purchase of intangible assets	-	(1,450)
Purchase of investment securities	(125,793)	(20,000)
Proceeds from sales of investment securities	-	96,326
Payments of loans receivable	(700)	-
Collection of loans receivable	1,162	-
Net decrease (increase) in time deposits	9,500	(129,000)
Purchase of shares of subsidiaries and associates	-	(4,030)
Proceeds from sales of shares of subsidiaries and associates	-	27,040
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	4,748
Other, net	200	(7,928)
Net cash provided by (used in) investing activities	(137,082)	(146,221)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(2,000)	(20,000)
Proceeds from long-term loans payable	100,000	249,000
Repayments of long-term loans payable	(81,824)	(92,458)
Net cash provided by (used in) financing activities	16,176	136,542
Effect of exchange rate change on cash and cash equivalents	(2,017)	62
Net increase (decrease) in cash and cash equivalents	31,089	(65,794)
Cash and cash equivalents at beginning of period	1,310,138	1,436,880
Cash and cash equivalents at end of period	1,341,227	1,371,085

(4) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Based on a resolution passed at the 53rd Annual General Meeting of Shareholders held on June 22, 2017, the Company covered the deficit of retained earnings brought forward by first reducing the amount of legal capital surplus by 173,267 thousand yen to transfer it to other capital surplus in accordance with the provisions of Article 448, Paragraph 1 of the Companies Act, and then reducing the amount of other capital surplus by 173,267 thousand yen to transfer it to retained earnings brought forward in accordance with the provisions of Article 452 of the Companies Act.

Consequently, legal capital surplus decreased by 173,267 thousand yen during the period under review.

Segment and Other Information

Segment Information

I. First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)

1. Information related to net sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment					Total	Adjustment (Note 1)	Amount shown on quarterly consolidated statement of income (Note 2)
	Information Technology Business	Turnaround Consultancy Business	Real Estate Lease Management Business	Food Business	Hotel Business			
Net sales								
External sales	132,376	30,000	2,028,350	80,489	785,271	3,056,488	-	3,056,488
Inter-segment sales and transfers	-	-	-	-	-	-	-	-
Total	132,376	30,000	2,028,350	80,489	785,271	3,056,488	-	3,056,488
Segment profit (loss)	(5,263)	27,870	83,154	6,602	155,944	268,308	(77,081)	191,227

Notes: 1. The negative adjustment of 77,081 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments.

2. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

II. First six months of FY3/18 (Apr. 1, 2017 – Sep. 30, 2017)

1. Information related to net sales and profit or loss for each reportable segment (Thousands of yen)

	Reportable segment						Total	Adjustment (Note 1)	Amount shown on quarterly consolidated statement of income (Note 2)
	Information Technology Business	Turnaround Consultancy Business	Real Estate Lease Management Business	Food Business	Hotel Business	Overseas Business			
Net sales									
External sales	93,026	-	2,379,505	81,488	725,919		3,279,940	-	
Inter-segment sales and transfers	-	-	-	-	-		-	-	
Total	93,026	-	2,379,505	81,488	725,919		3,279,940	-	
Segment profit (loss)	(10,317)	(152)	94,404	7,398	111,392		202,726	(85,170)	

Notes: 1. The negative adjustment of 85,170 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments.

2. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to revisions for reportable segments

(Addition of a reportable segment)

As the Company included PT. Citra Surya Komunikasi and Striders Global Investment Pte. Ltd. in the scope of consolidation in the second quarter of the current fiscal year, it established Overseas Business as a new reportable segment to add it to the exiting reportable segments: Information Technology Business, Turnaround Consultancy Business, Real Estate Lease Management Business, Food Business and Hotel Business.

In the consolidated financial statements for the period under review, we have consolidated the balance sheet of PT. Citra Surya Komunikasi only. This is because the deemed date of acquisition of June 30, 2017 does not exceed three months from the consolidated closing date for the second quarter.

3. Information related to impairment losses on non-current assets, goodwill, etc. for each reportable segment

(Significant change in goodwill)

Following the acquisition of PT. Citra Surya Komunikasi to make it a subsidiary, the Overseas Business segment increased goodwill by 63,116 thousand yen in the period under review.

This summary report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.