



Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018

[Japanese GAAP]

May 14, 2018

Company name: Striders Corporation

Listing: Tokyo Stock Exchange (JASDAQ)

Stock code: 9816

URL: <http://www.striders.co.jp/>

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Scheduled date of Annual General Meeting of Shareholders: June 22, 2018

Scheduled date of filing of Annual Securities Report: June 22, 2018

Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

(1) Consolidated results of operations (Percentages shown for net sales and profits 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	%
Fiscal year ended Mar. 31, 2018	7,971	25.2	208	(25.2)	179	(38.8)	125	(45.4)
Fiscal year ended Mar. 31, 2017	6,366	26.1	279	(6.0)	293	5.7	229	69.5

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2018: 114 (down 53.8%)

Fiscal year ended Mar. 31, 2017: 247 (up 173.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2018	14.09	14.07	6.4	4.1	2.6
Fiscal year ended Mar. 31, 2017	25.83	25.68	13.0	7.8	4.4

Reference: Equity in earnings of affiliates (million yen): Fiscal year ended Mar. 31, 2018: (36) Fiscal year ended Mar. 31, 2017: (3)

Note: The Company conducted a 1-for-10 reverse common stock split 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 reverse stock split 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 Mar. 31, 2018	4,843	2,033	41.6	226.65
As of Mar. 31, 2017	3,891	1,898	48.6	213.02

Reference: Shareholders' equity (million yen) As of Mar. 31, 2018: 2,013 As of Mar. 31, 2017: 1,892

Note: The Company conducted a 1-for-10 reverse common stock split effective on October 1, 2017. The amount of net assets per share was calculated based on the assumption that the reverse stock split had been conducted at the beginning of the previous fiscal year.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2018	472	(262)	343	1,985
Fiscal year ended Mar. 31, 2017	278	(135)	(16)	1,436

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2017	Yen -	Yen 0.0	Yen -	Yen 0.0	Yen 0.0	Million yen -	% -	% -
Fiscal year ended Mar. 31, 2018	-	0.0	-	0.0	0.0	-	-	-
Fiscal year ending Mar. 31, 2019 (forecast)	-	0.0	-	0.0	0.0	-	-	-

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 – March 31, 2019)

(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	10,000	25.5	260	24.4	246	37.2	172	37.4	19.35

Note: The first half forecast is not presented because the Company evaluates performance on a fiscal year basis.

*** Notes**

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

(2) 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

(3) Number of outstanding shares (common shares)

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

As of Mar. 31, 2018: 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 Mar. 31, 2018: 2,699 shares As of Mar. 31, 2017: 2,609 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2018: 8,884,449 shares Fiscal year ended Mar. 31, 2017: 8,873,844 shares

Note: The Company conducted a 1-for-10 reverse common stock split 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 reverse stock split had been conducted at the beginning of the previous fiscal year.

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2018 (April 1, 2017 – March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2018	155	21.0	(33)	-	150	(7.0)	174	(10.4)
Fiscal year ended Mar. 31, 2017	128	9.1	(39)	-	162	49.3	194	232.7

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2018	19.63	19.60
Fiscal year ended Mar. 31, 2017	21.92	21.80

Note: The Company conducted a 1-for-10 reverse common stock split 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 reverse stock split had been conducted at the beginning of the previous fiscal year.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2018	2,957	1,823	61.6	204.98
As of Mar. 31, 2017	2,386	1,650	68.9	185.14

Reference: Shareholders' equity (million yen) As of Mar. 31, 2018: 1,821 As of Mar. 31, 2017: 1,644

Note: The Company conducted a 1-for-10 reverse common stock split effective on October 1, 2017. The amount of net assets per share was calculated based on the assumption that the reverse stock split had been conducted at the beginning of the previous fiscal year.

* The current financial report is not subject to audit by certified public accountants and accounting firms.

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

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. Overview of Results of Operations, (4) Outlook."

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1. Overview of Results of Operations

(1) Results of Operations

In the current fiscal year, the Japanese economy continued to recover moderately thanks mainly to higher corporate earnings, lower unemployment, and increased personal spending, although there were several issues of concern including increasing labor costs due to exacerbating labor shortage.

On the other hand, the outlook for the global economy, despite some signs of modest recovery, remained uncertain with slowdown of economy in China and other emerging countries, the policy trends of the Trump Administration, and heightened geopolitical risks of North Korea and the Islamic State.

Under the economic circumstance described above, the Group (Striders Corporation and its consolidated subsidiaries) focused on increasing the Group's earnings by implementing initiatives such as streamlining unprofitable businesses, strengthening sales and marketing capabilities of the existing business, and cutting overhead costs. In addition, the Group continued to work on creating new businesses.

Consequently, net sales for the current fiscal year increased 25.2% year-on-year to 7,971 million yen, operating profit decreased 25.2% year-on-year to 208 million yen, ordinary profit decreased 38.8% year-on-year to 179 million yen, and profit attributable to owners of parent decreased 45.4% year-on-year to 125 million yen.

Business segment performance was as follows.

As a result of a change in reportable segments in the current fiscal year, the figures for the previous fiscal year have been restated to reflect the reclassification for the following year-on-year comparisons.

1) Real Estate Business

Trust Advisers Corporation has successfully achieved an increase in the number of buildings under management as a result of aggressive marketing efforts in the residential property business. The land agency business also maintained strong performance with the increased number of contracts.

Consequently, segment sales for the current fiscal year increased 25.9% year-on-year to 5,543 million yen and operating profit increased 22.3% year-on-year to 203 million yen.

2) 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, room rates declined overall due mainly to an increase in the number of vacation rentals and openings of new hotels. Furthermore, the Kurashiki Royal Art Hotel had been completely closed for one and a half months to replace major facilities.

Consequently, segment sales for the current fiscal year decreased 6.1% year-on-year to 1,373 million yen and operating profit decreased 39.4% year-on-year to 138 million yen.

3) Overseas Business

In the current fiscal year, the Company made PT. Citra Surya Komunikasi a consolidated subsidiary to engage in the advertisement agency business that serves Japanese companies operating in the Republic of Indonesia. Specifically, we made store development proposals using new materials to our existing Japanese customers and provided advertising for events targeting local companies.

Consequently, the segment reported sales of 612 million yen with operating profit of 37 million yen for the current fiscal year. We do not report the year-on-year comparison as we started this business from the current fiscal year.

4) Other Businesses

Under the other businesses category, Mobile Link Inc. has been engaged in development and sales activities of motor vehicle communication systems, M&A Global Partners Co., Ltd. in fund procurement support and M&A consulting services, and Y. K. Masuda Seimen in production of Chinese and other noodles that are sold mainly to Yokohama house-type ramen restaurants in the Kanagawa area. These companies made efforts to attract new customers while reducing overhead expenses.

As a result, net sales of the other businesses for the current fiscal year decreased 11.9% year-on-year to 442 million yen and operating profit decreased 74.9% year-on-year to 11 million yen.

(2) Financial Position

Assets

Current assets increased 761 million yen from the end of the previous fiscal year to 2,912 million yen at the end of the period under review. The main factors include increases in cash and deposits by 677 million yen and accounts receivable-trade, net by 107 million yen.

Non-current assets increased 190 million yen from the end of the previous fiscal year to 1,930 million yen. This was mainly attributable to increases in buildings and structures, net by 97 million yen and goodwill by 33 million yen.

As a result, total assets were 4,843 million yen, which was 951 million yen more than at the end of the previous fiscal year.

Liabilities

Current liabilities increased 592 million yen from the end of the previous fiscal year to 1,418 million yen at the end of the period under review. The main factors include increases in accounts payable-trade by 72 million yen, short-term loans payable by 165 million yen, unearned revenue by 117 million yen, and accrued expenses by 84 million yen.

Non-current liabilities increased 224 million yen from the end of the previous fiscal year to 1,391 million yen. This was mainly due to an increase in long-term loans payable by 200 million yen.

As a result, total liabilities were 2,810 million yen, which was 817 million yen more than at the end of the previous fiscal year.

Net assets

Net assets increased 134 million yen from the end of the previous fiscal year to 2,033 million yen at the end of the period under review. The main factor includes booking of profit attributable to owners of parent of 125 million yen.

Consequently, the equity ratio was 41.6%.

(3) Cash Flows

Cash and cash equivalents (hereinafter referred to as “net cash”) increased 548 million yen from the end of the previous fiscal year to 1,985 million yen at the end of the period under review.

Cash flows from operating activities

Net cash provided by operating activities increased 69.7% year-on-year to 472 million yen. The main factors include booking of profit before income taxes of 156 million yen and depreciation of 84 million yen, which were partially offset by an increase in notes and accounts receivable-trade of 56 million yen.

Cash flows from investing activities

Net cash used in investing activities increased 93.0% year-on-year to 262 million yen. The main factors include purchase of property, plant and equipment of 198 million yen, net increase in time deposits of 129 million yen, and purchase of shares of subsidiaries and associates of 78 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 343 million yen (compared with net cash used of 16 million yen in the previous fiscal year). The main factors include an increase in short-term loans payable of 80 million yen and proceeds from long-term loans payable of 473 million yen, which were partially offset by repayments of long-term loans payable of 209 million yen.

Reference: Cash flow indicators

	FY3/14	FY3/15	FY3/16	FY3/17	FY3/18
Shareholders' equity ratio (%)	48.2	44.1	45.4	48.6	41.6
Shareholders' equity ratio based on market value (%)	198.9	228.2	192.0	155.3	84.2
Ratio of interest-bearing debt to cash flows (years)	3.2	4.2	6.2	3.4	2.9
Interest coverage ratio (times)	16.2	11.6	8.0	16.5	31.8

- Shareholders' equity ratio: Shareholders' equity / Total assets
- Shareholders' equity ratio based on market value: Market capitalization / Total assets
- Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows
- Interest coverage ratio: Cash flows / Interest payments

Notes: 1. All indicators are calculated based on consolidated figures.

2. Market capitalization is calculated by the number of shares outstanding at the end of the period, excluding treasury shares.

3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.

4. Cash flows are based on "Net cash provided by (used in) operating activities."

(4) Outlook

While the Japanese economy continues to recover moderately with lower unemployment and resilient personal spending, the outlook will continue to be unclear as global economy remains unstable.

In this environment, the Group will aim to build a business structure for sustainable growth by making new investments in businesses expected to grow for more business expansion, building a stronger revenue base for the existing businesses, and replacing its facilities on a large scale.

We expect consolidated net sales of 10,000 million yen (up 25.5% year-on-year), operating profit of 260 million yen (up 24.4%), ordinary profit of 246 million yen (up 37.2%), and profit attributable to owners of parent of 172 million yen (up 37.4%) for the fiscal year ending March 31, 2019.

2. Basic Approach to the Selection of Accounting Standards

The Group will continue to prepare its consolidated financial statements in accordance with Generally Accepted Accounting Principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

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

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	FY3/18 (As of Mar. 31, 2018)
Assets		
Current assets		
Cash and deposits	1,536,880	2,214,398
Accounts receivable-trade	132,794	240,552
Securities	15,541	2,672
Real estate for sale	296,687	219,039
Work in process	-	84,478
Other inventories	19,721	23,057
Deferred tax assets	16,000	26,000
Other	139,660	123,114
Allowance for doubtful accounts	(6,217)	(20,715)
Total current assets	2,151,067	2,912,596
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,080,155	1,233,144
Accumulated depreciation	(196,944)	(252,006)
Buildings and structures, net	883,211	981,137
Machinery, equipment and vehicles	43,475	70,221
Accumulated depreciation	(33,647)	(48,895)
Machinery, equipment and vehicles, net	9,827	21,326
Tools, furniture and fixtures	77,849	195,443
Accumulated depreciation	(45,744)	(115,334)
Tools, furniture and fixtures, net	32,104	80,108
Land	348,663	348,663
Total property, plant and equipment	1,273,807	1,431,236
Intangible assets		
Goodwill	182,638	216,551
Other	22,695	19,307
Total intangible assets	205,333	235,858
Investments and other assets		
Investment securities	49,588	33,019
Shares of subsidiaries and associates	82,671	84,147
Deferred tax assets	68,693	91,210
Other	65,309	56,477
Allowance for doubtful accounts	(5,027)	(1,195)
Total investments and other assets	261,235	263,659
Total non-current assets	1,740,376	1,930,754
Total assets	3,891,444	4,843,351

	(Thousands of yen)	
	FY3/17 (As of Mar. 31, 2017)	FY3/18 (As of Mar. 31, 2018)
Liabilities		
Current liabilities		
Accounts payable-trade	86,120	158,305
Short-term loans payable	50,000	215,352
Current portion of long-term loans payable	166,108	228,670
Unearned revenue	119,734	236,945
Accrued expenses	84,261	169,160
Accounts payable-other	85,482	103,758
Income taxes payable	23,206	32,232
Provision for bonuses	28,606	28,284
Deposits received	92,383	132,198
Interest rate swaps	33,049	29,569
Other	56,968	84,089
Total current liabilities	825,922	1,418,567
Non-current liabilities		
Long-term loans payable	733,712	934,338
Net defined benefit liability	10,025	37,069
Long-term lease and guarantee deposited	240,135	246,747
Deferred tax liabilities	183,053	173,607
Total non-current liabilities	1,166,926	1,391,762
Total liabilities	1,992,848	2,810,329
Net assets		
Shareholders' equity		
Capital stock	1,582,416	1,582,416
Capital surplus	270,961	106,207
Retained earnings	68,359	364,878
Treasury shares	(3,020)	(3,062)
Total shareholders' equity	1,918,716	2,050,440
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,641	3,009
Deferred gains or losses on hedges	(33,049)	(29,176)
Foreign currency translation adjustment	2,279	(3,253)
Remeasurements of defined benefit plans	-	(7,385)
Total accumulated other comprehensive income	(26,129)	(36,805)
Share acquisition rights	5,415	2,220
Non-controlling interests	593	17,166
Total net assets	1,898,595	2,033,021
Total liabilities and net assets	3,891,444	4,843,351

(2) Consolidated Statements of Income and Comprehensive Income**Consolidated Statement of Income**

	(Thousands of yen)	
	FY3/17	FY3/18
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Net sales	6,366,301	7,971,402
Cost of sales	4,352,369	5,779,662
Gross profit	2,013,932	2,191,739
Selling, general and administrative expenses	1,734,657	1,982,786
Operating profit	279,274	208,952
Non-operating income		
Interest income	715	2,314
Dividend income	436	135
Gain on valuation of securities	-	244
Gain on sales of securities	6,247	1,243
Commission fee	16,712	21,018
Other	10,836	4,970
Total non-operating income	34,948	29,927
Non-operating expenses		
Interest expenses	16,937	15,596
Share of loss of entities accounted for using equity method	3,431	36,290
Foreign exchange losses	-	7,158
Other	733	543
Total non-operating expenses	21,102	59,588
Ordinary profit	293,121	179,291
Extraordinary income		
Gain on sales of investment securities	32,354	8,421
Other	-	3,195
Total extraordinary income	32,354	11,616
Extraordinary losses		
Loss on valuation of investment securities	47,682	23,369
Loss on sales of shares of subsidiaries and associates	-	3,693
Loss on valuation of shares of subsidiaries and associates	-	3,196
Office transfer expenses	-	3,952
Total extraordinary losses	47,682	34,211
Profit before income taxes	277,793	156,696
Income taxes-current	74,809	67,887
Income taxes-deferred	(26,207)	(36,321)
Total income taxes	48,601	31,566
Profit	229,191	125,130
Loss attributable to non-controlling interests	(35)	(66)
Profit attributable to owners of parent	229,226	125,196

Quarterly Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	FY3/17	FY3/18
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Profit	229,191	125,130
Other comprehensive income		
Valuation difference on available-for-sale securities	4,641	(1,632)
Deferred gains or losses on hedges	11,750	3,873
Foreign currency translation adjustment	2,279	(5,532)
Remeasurements of defined benefit plans, net of tax	-	(7,385)
Total other comprehensive income	18,671	(10,676)
Comprehensive income	247,862	114,453
Comprehensive income attributable to:		
Owners of parent	247,898	114,520
Non-controlling interests	(35)	(66)

(3) Consolidated Statement of Changes in Equity

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,578,674	267,219	(160,867)	(3,020)	1,682,005
Changes of items during period					
Issuance of new shares	3,742	3,742			7,484
Profit attributable to owners of parent			229,226		229,226
Net changes of items other than shareholders' equity					
Total changes of items during period	3,742	3,742	229,226	-	236,710
Balance at end of current period	1,582,416	270,961	68,359	(3,020)	1,918,716

(Thousands of yen)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	-	(44,800)	-	(44,800)	8,219	628	1,646,052
Changes of items during period							
Issuance of new shares							7,484
Profit attributable to owners of parent							229,226
Net changes of items other than shareholders' equity	4,641	11,750	2,279	18,671	(2,804)	(35)	15,832
Total changes of items during period	4,641	11,750	2,279	18,671	(2,804)	(35)	252,542
Balance at end of current period	4,641	(33,049)	2,279	(26,129)	5,415	593	1,898,595

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,582,416	270,961	68,359	(3,020)	1,918,716
Changes of items during period					
Deficit disposition		(173,267)	173,267		-
Profit attributable to owners of parent			125,196		125,196
Capital increase of consolidated subsidiaries		453			453
Sales of shares of consolidated subsidiaries		8,060			8,060
Change of scope of consolidation			(1,945)		(1,945)
Purchase of treasury shares				(41)	(41)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(164,753)	296,519	(41)	131,724
Balance at end of current period	1,582,416	106,207	364,878	(3,062)	2,050,440

(Thousands of yen)

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	4,641	(33,049)	2,279	-	(26,129)	5,415	593	1,898,595
Changes of items during period								
Deficit disposition								-
Profit attributable to owners of parent								125,196
Capital increase of consolidated subsidiaries								453
Sales of shares of consolidated subsidiaries								8,060
Change of scope of consolidation								(1,945)
Purchase of treasury shares								(41)
Net changes of items other than shareholders' equity	(1,632)	3,873	(5,532)	(7,385)	(10,676)	(3,195)	16,573	2,701
Total changes of items during period	(1,632)	3,873	(5,532)	(7,385)	(10,676)	(3,195)	16,573	134,425
Balance at end of current period	3,009	(29,176)	(3,253)	(7,385)	(36,805)	2,220	17,166	2,033,021

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY3/17	FY3/18
	(Apr. 1, 2016 – Mar. 31, 2017)	(Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from operating activities		
Profit before income taxes	277,793	156,696
Depreciation	68,008	84,597
Amortization of goodwill	26,047	29,203
Increase (decrease) in allowance for doubtful accounts	1,644	(4,650)
Increase (decrease) in other provision	7,734	487
Loss (gain) on sales of investment securities	(32,354)	(8,421)
Loss (gain) on valuation of investment securities	47,682	23,369
Share of loss (profit) of entities accounted for using equity method	3,431	36,290
Interest and dividend income	(1,152)	(1,430)
Interest expenses	16,937	15,596
Loss (gain) on sales of securities	(6,247)	(1,243)
Foreign exchange losses (gains)	(482)	6,250
Loss on valuation of shares of subsidiaries and associates	-	3,196
Loss (gain) on sales of shares of subsidiaries and associates	-	3,693
Decrease (increase) in notes and accounts receivable - trade	(15,994)	(56,535)
Decrease (increase) in inventories	(91,835)	51,549
Increase (decrease) in notes and accounts payable - trade	23,073	(1,807)
Increase (decrease) in deposits received	(8,716)	36,430
Increase (decrease) in lease and guarantee deposits received	(4,560)	6,612
Other, net	67,198	167,108
Subtotal	378,208	546,993
Interest and dividend income received	494	1,078
Interest expenses paid	(16,894)	(14,867)
Income taxes paid	(83,331)	(60,583)
Net cash provided by (used in) operating activities	278,477	472,621
Cash flows from investing activities		
Purchase of securities	(3,164)	(615)
Proceeds from sales of securities	44,924	14,972
Purchase of property, plant and equipment	(82,033)	(198,017)
Purchase of intangible assets	(12,512)	(3,544)
Net decrease (increase) in time deposits	9,500	(129,000)
Purchase of investment securities	(120,615)	(20,000)
Proceeds from sales of investment securities	32,380	103,785
Payments for investments in capital of subsidiaries and associates	(5,178)	-
Purchase of shares of subsidiaries and associates	-	(78,275)
Proceeds from sales of shares of subsidiaries and associates	-	51,740
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	4,748
Payments of loans receivable	(700)	-
Collection of loans receivable	1,303	-
Other, net	299	(7,825)
Net cash provided by (used in) investing activities	(135,796)	(262,030)

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	48,000	80,000
Proceeds from long-term loans payable	100,000	473,000
Repayments of long-term loans payable	(169,078)	(209,461)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	7,304	-
Payments for retirement by purchase of share acquisition rights	(2,745)	-
Other, net	-	412
Net cash provided by (used in) financing activities	(16,518)	343,950
Effect of exchange rate change on cash and cash equivalents	580	(6,022)
Net increase (decrease) in cash and cash equivalents	126,741	548,518
Cash and cash equivalents at beginning of period	1,310,138	1,436,880
Cash and cash equivalents at end of period	1,436,880	1,985,398

(5) Notes to Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Segment and Other Information**Segment Information**

1. Outline of reportable segments

The reportable segments of the Company are the constituent units for which separate financial information is available and which are subject to periodic reviews by the Board of Directors to determine allocations of resources and to evaluate performance.

The Group has consolidated subsidiaries that are mainly categorized in accordance with business activities. These consolidated subsidiaries determine comprehensive strategies and conduct business activities as a unified business unit.

The Group is composed of segments by line of business of which there are three reportable segments based on the scale of business: Real Estate Business, Hotel Business and Overseas Business.

The Real Estate Business is engaged in management of apartments and other properties and real estate brokerage, the Hotel Business in operation of hotels, the Overseas Business in business investments mainly in the Asian region and developing countries and the advertisement agency business in the Republic of Indonesia.

From the current fiscal year, we changed the reportable segment classification from the previously defined five reportable segments, consisting of the Information Technology Business, the Turnaround Consultancy Business, the Real Estate Lease Management Business, the Food Business, and the Hotel Business, to three segments, consisting of the Real Estate Business, the Hotel Business and the Overseas Business, based on the quantitative criteria of each business.

We have disclosed the segment information for the previous fiscal year based on the reportable segments after the above change.

2. Calculation method of net sales, profit/loss, assets, liabilities and other items in each reportable segment

The accounting methods used for reportable operating segments are generally the same as those described in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are generally operating profit. Inter-segment sales and transfers are based on prevailing market prices.

3. Information pertaining to net sales, profit/loss, assets, liabilities and other items in reportable segments

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Reportable Segment		Other (Note 1)	Total	Adjustment (Notes 2, 3 and 4)	Amount in the consolidated financial statements (Note 5)
	Real Estate Business	Hotel Business				
Net sales						
Sales to external customers	4,401,213	1,463,355	501,732	6,366,301	-	6,366,301
Inter-segment sales and transfers	-	-	12	12	(12)	-
Total	4,401,213	1,463,355	501,744	6,366,313	(12)	6,366,301
Segment profit	166,512	228,822	46,250	441,585	(162,311)	279,274
Segment assets	1,001,662	1,757,722	429,246	3,188,631	702,812	3,891,444
Other items						
Depreciation	2,020	61,121	3,515	66,657	1,351	68,008
Amortization of goodwill	15,060	8,122	2,864	26,047	-	26,047
Share of profit (loss) of entities accounted for using equity method	-	-	(3,431)	(3,431)	-	(3,431)
Increase in property, plant and equipment, and intangible assets	12,779	89,611	5,500	107,891	478	108,369

- Notes: 1. The “Other” business segment consists of activities that are not included in any of the reportable segments, and is primarily engaged in the information technology business, the food business, the turnaround consultancy business and the outsourcing business.
2. The adjustment of minus 162,311 thousand yen to segment profit is mainly personnel and other expenses for administrative departments.
3. The adjustments to segment assets and depreciation are for corporate assets and depreciation that are not allocated to reportable segments.
4. The adjustment to increases in property, plant and equipment, and intangible assets is the sum of company-wide assets that are not allocated to reportable segments.
5. Segment profit is adjusted with operating profit shown on the consolidated statement of income.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Reportable Segment			Other (Note 1)	Total	Adjustment (Notes 2, 3 and 4)	Amount in the consolidated financial statements (Note 5)
	Real Estate Business	Hotel Business	Overseas Business				
Net sales							
Sales to external customers	5,543,176	1,373,942	612,229	442,054	7,971,402	-	7,971,402
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	5,543,176	1,373,942	612,229	442,054	7,971,402	-	7,971,402
Segment profit	203,641	138,769	37,991	11,630	392,033	(183,080)	208,952
Segment assets	1,092,549	1,761,517	366,142	334,544	3,554,754	1,288,596	4,843,351
Other items							
Depreciation	7,928	71,177	1,058	3,315	83,480	1,116	84,597
Amortization of goodwill	15,060	8,122	3,155	2,864	29,203	-	29,203
Share of profit (loss) of entities accounted for using equity method	-	-	-	(36,290)	(36,290)	-	(36,290)
Increase in property, plant and equipment, and intangible assets	37,198	193,840	63,116	3,812	297,967	-	297,967

- Notes: 1. The “Other” business segment consists of activities that are not included in any of the reportable segments, and is primarily engaged in the information technology business, the food business and the turnaround consultancy business.
2. The adjustment of minus 183,080 thousand yen to segment profit is mainly personnel and other expenses for administrative departments.
3. The adjustments to segment assets and depreciation are for corporate assets and depreciation that are not allocated to reportable segments.
4. The adjustment to increases in property, plant and equipment and intangible assets is the sum of company-wide assets that are not allocated to reportable segments.
5. Segment profit is adjusted with operating profit shown on the consolidated statement of income.

Related information

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

1. Information about products and services

This information is omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

This information is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information of specific major customer

This information is omitted because no single customer accounted for 10% or more of total sales in FY3/17.

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

1. Information about products and services

This information is omitted because this information is presented in Segment Information.

2. Geographical information

(1) Net sales

This information is omitted because sales to external customers in Japan accounted for more than 90% of net sales in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment in Japan exceed 90% of property, plant and equipment on the consolidated balance sheet.

3. Information of specific major customer

This information is omitted because no single customer accounted for 10% or more of total sales in FY3/18.

Information related to impairment loss of non-current assets by each reportable segment

There is no applicable information.

Information related to amortization of goodwill and unamortized balance by each reportable segment

FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)

(Thousands of yen)

	Real Estate Business	Hotel Business	Other	Elimination or corporate	Total
Amortization for the period	15,060	8,122	2,864	-	26,047
Balance at the end of the period	27,611	140,107	14,919	-	182,638

FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other	Elimination or corporate	Total
Amortization for the period	15,060	8,122	3,155	2,864	-	29,203
Balance at the end of the period	12,550	131,985	59,960	12,054	-	216,551

Information related to gain on bargain purchase by each reportable segment

There is no applicable information.

Per Share Information

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Net assets per share (Yen)	213.02	226.65
Net income per share (Yen)	25.83	14.09
Diluted net income per share (Yen)	25.68	14.07

Notes: 1. The Company conducted a 1-for-10 reverse common stock split effective on October 1, 2017. The amounts of net assets per share, net income per share and diluted net income per share were calculated based on the assumption that the reverse stock split had been conducted at the beginning of the previous fiscal year.

2. The calculation basis for net income per share and diluted net income per share are as follows:

	FY3/17 (Apr. 1, 2016 – Mar. 31, 2017)	FY3/18 (Apr. 1, 2017 – Mar. 31, 2018)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	229,226	125,196
Amount not attributed to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent related to common stock (Thousands of yen)	229,226	125,196
Average number of shares outstanding during the period (Thousands of shares)	8,873	8,884
Diluted net income per share		
[Basis for calculation]		
Adjustment to profit attributable to owners of parent (Thousands of yen)	-	-
Increase in the number of shares of common stock (Thousands of shares)	51	12
[Of which, share acquisition rights (Thousands of shares)]	[51]	[12]
Description of the potential shares not included in the calculation of diluted net income per share due to their non-dilutive effect	Striders Corporation No. 7 Share acquisition rights: 71 (10,000 shares of common stock per right)	Striders Corporation No. 8 Share acquisition rights: 4,350 (100 shares of common stock per right)

Subsequent Events

There is no applicable information.

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.