



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019

[Japanese GAAP]

August 13, 2018

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Scheduled date of filing of Quarterly Report: August 14, 2018

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 First Quarter of the Fiscal Year Ended March 31, 2019 (April 1, 2018 – June 30, 2018)

(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	%
Three months ended Jun. 30, 2018	2,193	32.2	79	17.9	85	16.9	57	4.2
Three months ended Jun. 30, 2017	1,658	10.1	67	(46.1)	73	(37.1)	54	(34.9)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2018: 57 (up 1.5%)

Three months ended Jun. 30, 2017: 56 (down 26.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2018	6.44	6.44
Three months ended Jun. 30, 2017	6.18	6.17

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 Jun. 30, 2018	4,612	2,090	44.9	233.23
As of Mar. 31, 2018	4,837	2,033	41.6	226.65

Reference: Shareholders' equity (million yen) As of Jun. 30, 2018: 2,072 As of Mar. 31, 2018: 2,013

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2018	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2019	-	-	-	-	-
Fiscal year ending Mar. 31, 2019 (forecast)	-	0.00	-	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, 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: Revisions to the most recently announced consolidated earnings forecast: None

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

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 Jun. 30, 2018:	8,887,089 shares	As of Mar. 31, 2018:	8,887,089 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2018:	2,709 shares	As of Mar. 31, 2018:	2,699 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2018:	8,884,381 shares	Three months ended Jun. 30, 2017:	8,884,480 shares
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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.

* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* 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 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the first quarter of the current fiscal year (hereinafter, “the period under review”), the Japanese economy continued to recover moderately as in the previous fiscal year with consistently higher corporate earnings and steady improvement in both employment and personal spending. The Asian economy also showed a moderate recovery trend in the Southeast and South Asian countries including India, despite the risk of a business downturn in China triggered by a collapse in real estate prices, excessive debt or other possible factors.

Under the economic circumstance described above, the Group (Striders Corporation and its consolidated subsidiaries) continued to focus on seizing new business opportunities overseas. In addition, the Group implemented initiatives to expand sales from the existing business and improve operational efficiency.

Consequently, net sales for the period under review increased 32.2% year-on-year to 2,193 million yen, operating profit increased 17.9% year-on-year to 79 million yen, ordinary profit increased 16.9% year-on-year to 85 million yen, and profit attributable to owners of parent increased 4.2% year-on-year to 57 million yen.

Business segment performance was as follows.

Since the previous fiscal year, we have changed a reportable segment classification from the previously defined five 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.

1) Real Estate Business

Trust Advisers Corporation currently operates the residential property business comprising of leasing service for condominium owners as well as a rental and condominium building management on a contract basis. The company also engages in the land agency business that caters for condominium owners’ needs for buying and selling properties.

Thanks to an increase in the number of buildings under the management in the leasing service as a result of aggressive marketing efforts, segment sales for the period under review increased 24.3% year-on-year to 1,482 million yen and operating profit increased 14.1% year-on-year to 60 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.

Thanks primarily to steadily receiving inbound tourist groups, segment sales for the period under review increased 3.5% year-on-year to 376 million yen and operating profit increased 10.0% year-on-year to 58 million yen.

3) Overseas Business

PT. Citra Surya Komunikasi mainly engages in the advertisement agency business that serves Japanese companies operating in the Republic of Indonesia.

As transactions with existing customers grew steadily, the segment reported sales of 254 million yen with operating profit of 18 million yen for the period under review. We do not report the year-on-year comparison as we started this business from the second quarter of the previous 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 M&A consulting services, and Y. K. Masuda Seimen in production of Chinese and other noodles.

Due mainly to the seasonality in orders for motor vehicle communication systems, the segment reported sales of 79 million yen, down 21.8% year-on-year, with operating loss of 6 million yen (compared with operating profit of 4 million one year earlier) for the period under review.

(2) Explanation of Financial Position

Assets

Current assets decreased 201 million yen from the end of the previous fiscal year to 2,685 million yen at the end of the period under review. The main factors include a decrease in cash and deposits by 202 million yen, which was partly offset by an increase in inventories by 42 million yen. Non-current assets decreased 23 million yen from the end of the previous fiscal year to 1,927 million yen. This was mainly attributable to a decrease in property, plant and equipment by 20 million yen.

As a result, total assets were 4,612 million yen, a 224 million yen decrease from the end of the previous fiscal year.

Liabilities

Current liabilities decreased 232 million yen from the end of the previous fiscal year to 1,185 million yen at the end of the period under review. The main factors include decreases in short-term loans payable by 106 million yen and accrued expenses by 62 million yen. Non-current liabilities decreased 49 million yen from the end of the previous fiscal year to 1,335 million yen. This was mainly due to a decrease in long-term loans payable by 36 million yen.

As a result, total liabilities were 2,521 million yen, a 282 million yen decrease from the end of the previous fiscal year.

Net assets

Net assets increased 57 million yen from the end of the previous fiscal year to 2,090 million yen at the end of the period under review. The main factors include booking of profit attributable to owners of parent of 57 million yen.

Consequently, the equity ratio was 44.9% (compared with 41.6% at the end of the previous fiscal year).

(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, 2018” dated May 14, 2018.

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

	(Thousands of yen)	
	FY3/18 (As of Mar. 31, 2018)	First quarter of FY3/19 (As of Jun. 30, 2018)
Assets		
Current assets		
Cash and deposits	2,214,398	2,012,104
Accounts receivable-trade, net	219,836	211,776
Securities	2,672	2,666
Inventories	326,574	369,081
Other	123,114	89,868
Total current assets	2,886,596	2,685,497
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	981,137	965,845
Land	348,663	348,663
Other, net	101,435	96,625
Total property, plant and equipment	1,431,236	1,411,134
Intangible assets		
Goodwill	216,551	204,291
Other	19,307	30,267
Total intangible assets	235,858	234,558
Investments and other assets		
Investment securities	33,019	32,773
Shares of subsidiaries and associates	84,147	84,006
Deferred tax assets	111,210	110,668
Other	55,282	53,887
Total investments and other assets	283,659	281,335
Total non-current assets	1,950,754	1,927,029
Total assets	4,837,351	4,612,526
Liabilities		
Current liabilities		
Accounts payable-trade	158,305	147,132
Short-term loans payable	215,352	109,255
Current portion of long-term loans payable	228,670	219,416
Unearned revenue	236,945	214,481
Accrued expenses	169,160	106,863
Accounts payable-other	103,758	97,621
Income taxes payable	32,232	32,827
Provision for bonuses	28,284	23,195
Deposits received	132,198	136,135
Interest rate swaps	29,569	28,125
Other	84,089	70,837
Total current liabilities	1,418,567	1,185,893
Non-current liabilities		
Long-term loans payable	934,338	897,919
Net defined benefit liability	37,069	35,460
Long-term lease and guarantee deposited	246,747	236,217
Deferred tax liabilities	167,607	166,206
Total non-current liabilities	1,385,762	1,335,803
Total liabilities	2,804,329	2,521,696

	(Thousands of yen)	
	FY3/18 (As of Mar. 31, 2018)	First quarter of FY3/19 (As of Jun. 30, 2018)
Net assets		
Shareholders' equity		
Capital stock	1,582,416	1,582,416
Capital surplus	106,207	106,207
Retained earnings	364,878	422,120
Treasury shares	(3,062)	(3,066)
Total shareholders' equity	2,050,440	2,107,677
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,009	2,831
Deferred gains or losses on hedges	(29,176)	(27,822)
Foreign currency translation adjustment	(3,253)	(7,205)
Remeasurements of defined benefit plans	(7,385)	(3,410)
Total accumulated other comprehensive income	(36,805)	(35,607)
Share acquisition rights	2,220	2,220
Non-controlling interests	17,166	16,540
Total net assets	2,033,021	2,090,830
Total liabilities and net assets	4,837,351	4,612,526

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

(Thousands of yen)

	First three months of FY3/18 (Apr. 1, 2017 – Jun. 30, 2017)	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)
Net sales	1,658,390	2,193,187
Cost of sales	1,151,204	1,580,846
Gross profit	507,185	612,341
Selling, general and administrative expenses	439,702	532,762
Operating profit	67,483	79,578
Non-operating income		
Interest income	674	407
Dividend income	104	48
Gain on valuation of securities	565	-
Gain on sales of securities	331	-
Commission fee	6,357	6,089
Foreign exchange gains	-	2,590
Other	2,393	1,356
Total non-operating income	10,427	10,492
Non-operating expenses		
Interest expenses	3,540	4,075
Share of loss of entities accounted for using equity method	853	140
Other	92	33
Total non-operating expenses	4,485	4,250
Ordinary profit	73,425	85,820
Extraordinary income		
Gain on sales of investment securities	2,632	-
Total extraordinary income	2,632	-
Profit before income taxes	76,057	85,820
Income taxes-current	22,542	27,144
Income taxes-deferred	(1,431)	(1,401)
Total income taxes	21,110	25,742
Profit	54,946	60,077
Profit attributable to non-controlling interests	13	2,835
Profit attributable to owners of parent	54,932	57,242

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

	(Thousands of yen)	
	First three months of FY3/18 (Apr. 1, 2017 – Jun. 30, 2017)	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)
Profit	54,946	60,077
Other comprehensive income		
Valuation difference on available-for-sale securities	(403)	(178)
Deferred gains or losses on hedges	2,485	1,353
Foreign currency translation adjustment	(65)	(4,137)
Remeasurements of defined benefit plans, net of tax	-	698
Total other comprehensive income	2,017	(2,263)
Comprehensive income	56,963	57,813
Comprehensive income attributable to:		
Owners of parent	56,949	58,440
Non-controlling interests	13	(626)

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

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods in the Preparation of the Quarterly Consolidated Financial Statements

Not applicable.

Additional Information

(Application of Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.)

Effective from the beginning of the period under review, the Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standard Board of Japan (ASBJ) No. 28, February 16, 2018) and other related pronouncements. Accordingly, deferred tax assets and deferred tax liabilities have been presented in the investments and other assets section and the non-current liabilities section of the balance sheet, respectively.

Segment Information

I. First three months of FY3/18 (Apr. 1, 2017 – Jun. 30, 2017)

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

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount shown on quarterly consolidated statement of income (Note 3)
	Real Estate Business	Hotel Business	Subtotal				
Net sales							
External sales	1,193,039	363,815	1,556,854	101,535	1,658,390	-	1,658,390
Inter-segment sales and transfers	-	-	-	-	-	-	-
Total	1,193,039	363,815	1,556,854	101,535	1,658,390	-	1,658,390
Segment profit (loss)	53,375	53,334	106,710	4,896	111,606	(44,123)	67,483

- Notes: 1. The "Other" business segment consists of activities that are not included in any of the reportable segments, and includes the information technology business and the food business.
2. The negative adjustment of 44,123 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments.
3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

II. First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)

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

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount shown on quarterly consolidated statement of income (Note 3)
	Real Estate Business	Hotel Business	Overseas Business	Subtotal				
Net sales								
External sales	1,482,856	376,488	254,473	2,113,818	79,368	2,193,187	-	2,193,187
Inter-segment sales and transfers	-	-	-	-	6	6	(6)	-
Total	1,482,856	376,488	254,473	2,113,818	79,374	2,193,193	(6)	2,193,187
Segment profit (loss)	60,912	58,661	18,547	138,121	(6,247)	131,874	(52,296)	79,578

- Notes: 1. The "Other" business segment consists of activities that are not included in any of the reportable segments, and includes the information technology business and the food business.
2. The negative adjustment of 52,296 thousand yen to segment profit (loss) is mainly personnel and other expenses for administrative departments.
3. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to revisions for reportable segments

(Change in reportable segment classification)

Since FY3/18, we have changed a reportable segment classification from the previously defined five 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.

The segment information for the first three months of FY3/18 is prepared and disclosed based on the reportable segment classification after the change.

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.