



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020

[Japanese GAAP]

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Listing: Tokyo Stock Exchange (JASDAQ)
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Scheduled date of filing of Quarterly Report: August 9, 2019
 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 Ending March 31, 2020 (April 1, 2019 – June 30, 2019)

(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, 2019	2,470	12.6	98	23.2	97	13.4	71	24.9
Three months ended Jun. 30, 2018	2,193	32.2	79	17.9	85	16.9	57	4.2

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2019: 64 (up 11.6%)
 Three months ended Jun. 30, 2018: 57 (up 1.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2019	8.15	8.15
Three months ended Jun. 30, 2018	6.44	6.44

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2019	4,850	2,127	43.6	241.74
As of Mar. 31, 2019	4,655	2,087	44.5	234.78

Reference: Shareholders' equity (million yen) As of Jun. 30, 2019: 2,114 As of Mar. 31, 2019: 2,072

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2019	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2020	-	-	-	-	-
Fiscal year ending Mar. 31, 2020 (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, 2020 (April 1, 2019 – March 31, 2020)

(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	9,800	6.3	225	4.2	260	13.0	160	110.5	18.12

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, 2019:	8,887,089 shares	As of Mar. 31, 2019:	8,887,089 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2019:	138,909 shares	As of Mar. 31, 2019:	57,609 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2019:	8,771,129 shares	Three months ended Jun. 30, 2018:	8,884,381 shares
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* 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 has continued to recover moderately with ongoing improvement in employment and income environment supported by the effects of various economic measures, despite some continuing weakness in exports and production.

The Asian economy is generally on a track of moderate recovery in the Southeast and South Asian countries. However, the Chinese economy is moderately slowing down, and there is the risk of a business downturn in China caused by events such as developments and effects of the trade issues, responses to the excessive debt problem, and changes in the financial and capital market.

Under the economic circumstances described above, the Group (Striders Corporation and its consolidated subsidiaries) continued to engage in activities to seize new investment opportunities overseas. In addition, the Group implemented initiatives to expand sales of the existing businesses and improve operational efficiency.

Consequently, net sales for the period under review increased 12.6% year-on-year to 2,470 million yen, operating profit increased 23.2% year-on-year to 98 million yen, ordinary profit increased 13.4% year-on-year to 97 million yen, and profit attributable to owners of parent increased 24.9% year-on-year to 71 million yen.

Business segment performance was as follows.

1) Real Estate Business

Trust Advisers Corporation currently operates the residential property business comprising leasing services for condominium owners as well as 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. The residential property business continued to maintain the high number of buildings under management, and the number of transactions in the land agency business increased compared with the same period of the previous fiscal year. Consequently, segment sales for the period under review increased 23.2% year-on-year to 1,826 million yen and operating profit increased 50.9% year-on-year to 91 million yen.

2) Hotel Business

We currently operate Narita Gateway Hotel in the Narita International Airport area and Kurashiki Royal Art Hotel located in the Kurashiki Bikan Historical Quarter, Okayama Prefecture. In Narita, the number of inbound tourist groups has increased, and the occupancy rate has improved as well. In Kurashiki, the hotel was positively affected by events such as the renovations by its competitor in the neighborhood. Consequently, segment sales for the period under review increased 4.7% year-on-year to 394 million yen and operating profit increased 12.0% year-on-year to 65 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. Under its business plan that aims at achieving higher sales and profit than those for the previous fiscal year, the company has increased them as planned on an annual basis. However, there was the impact of quarterly ups and downs in its sales and profit plan for its major customers. Consequently, the segment sales for the period under review decreased 32.9% year-on-year to 170 million yen with operating loss of 7 million yen (compared with operating profit of 18 million yen one year earlier).

4) Other

Under the other segment, Mobile Link Inc. engages 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 and sales of Chinese and other noodles.

While Mobile Link Inc. has steadily increased transactions with the existing customers involving motor vehicle communication systems, Y. K. Masuda Seimen has suffered from a weak growth of orders. Consequently, net sales

of the other businesses for the period under review decreased 1.1% year-on-year to 78 million yen with operating loss of 2 million yen (compared with operating loss of 6 million yen one year earlier).

(2) Explanation of Financial Position

Assets

Current assets increased 223 million yen from the end of the previous fiscal year to 2,853 million yen at the end of the period under review. The main factors include increases in inventories by 146 million yen, cash and deposits by 54 million yen, and accounts receivable-trade by 48 million yen. Non-current assets decreased 27 million yen from the end of the previous fiscal year to 1,997 million yen. This was mainly attributable to a decrease of 19 million yen in property, plant and equipment.

As a result, total assets were 4,850 million yen, which was 195 million yen more than at the end of the previous fiscal year.

Liabilities

Current liabilities increased 153 million yen from the end of the previous fiscal year to 1,248 million yen at the end of the period under review. This was mainly attributable to an increase of 134 million yen in accounts payable-trade. Non-current liabilities increased 1 million yen from the end of the previous fiscal year to 1,474 million yen. This was mainly due to an increase of 14 million yen in long-term borrowings, which was partially offset by a decrease of 11 million yen in long-term leasehold and guarantee deposits received.

As a result, total liabilities were 2,723 million yen, which was 155 million yen more than at the end of the previous fiscal year.

Net assets

Net assets increased 40 million yen from the end of the previous fiscal year to 2,127 million yen at the end of the period under review. The main factors include booking of profit attributable to owners of parent of 71 million yen, which was partially offset by an increase of 24 million yen in treasury shares.

Consequently, the equity ratio was 43.6% (compared with 44.5% 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, which was disclosed in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019” dated May 13, 2019.

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

	(Thousands of yen)	
	FY3/19 (As of Mar. 31, 2019)	First quarter of FY3/20 (As of Jun. 30, 2019)
Assets		
Current assets		
Cash and deposits	2,024,206	2,078,466
Accounts receivable-trade	214,318	262,531
Securities	2,367	2,381
Inventories	176,308	322,525
Other	244,803	219,217
Allowance for doubtful accounts	(31,518)	(31,512)
Total current assets	2,630,485	2,853,611
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	929,059	915,026
Land	348,663	348,663
Other, net	113,118	107,500
Total property, plant and equipment	1,390,841	1,371,190
Intangible assets		
Goodwill	173,041	170,184
Other	31,067	29,639
Total intangible assets	204,108	199,824
Investments and other assets		
Investment securities	245,953	237,666
Shares of subsidiaries and associates	84,276	81,964
Deferred tax assets	49,065	50,843
Other	51,804	55,913
Allowance for doubtful accounts	(1,073)	(94)
Total investments and other assets	430,026	426,292
Total non-current assets	2,024,976	1,997,307
Total assets	4,655,462	4,850,919
Liabilities		
Current liabilities		
Accounts payable-trade	92,530	226,945
Short-term borrowings	83,627	83,327
Current portion of bonds	20,000	20,000
Current portion of long-term borrowings	170,258	188,592
Unearned revenue	191,583	181,239
Accrued expenses	102,046	132,596
Accounts payable-other	109,939	75,600
Income taxes payable	29,166	38,159
Provision for bonuses	30,522	15,495
Deposits received	120,537	125,400
Interest rate swaps	27,975	27,762
Other	116,581	133,479
Total current liabilities	1,094,769	1,248,600
Non-current liabilities		
Bonds payable	180,000	180,000
Long-term borrowings	779,754	793,992
Retirement benefit liability	46,892	47,542
Long-term leasehold and guarantee deposits received	234,230	222,327
Deferred tax liabilities	162,013	160,590
Other	70,000	70,000
Total non-current liabilities	1,472,890	1,474,453
Total liabilities	2,567,659	2,723,053

	(Thousands of yen)	
	FY3/19 (As of Mar. 31, 2019)	First quarter of FY3/20 (As of Jun. 30, 2019)
Net assets		
Shareholders' equity		
Share capital	1,582,416	1,582,416
Capital surplus	106,207	106,207
Retained earnings	441,810	513,332
Treasury shares	(21,814)	(46,496)
Total shareholders' equity	2,108,620	2,155,460
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,792	(3,277)
Deferred gains or losses on hedges	(27,450)	(27,233)
Foreign currency translation adjustment	(4,882)	(4,114)
Remeasurements of defined benefit plans	(6,091)	(6,007)
Total accumulated other comprehensive income	(35,632)	(40,633)
Share acquisition rights	3,420	3,420
Non-controlling interests	11,394	9,618
Total net assets	2,087,802	2,127,865
Total liabilities and net assets	4,655,462	4,850,919

(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 FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)
Net sales	2,193,187	2,470,116
Cost of sales	1,580,846	1,798,853
Gross profit	612,341	671,263
Selling, general and administrative expenses	532,762	573,214
Operating profit	79,578	98,048
Non-operating income		
Interest income	407	852
Dividend income	48	134
Commission income	6,089	5,196
Foreign exchange gains	2,590	-
Other	1,356	1,487
Total non-operating income	10,492	7,670
Non-operating expenses		
Interest expenses	4,075	3,364
Interest on bonds	-	398
Foreign exchange losses	-	1,901
Share of loss of entities accounted for using equity method	140	2,312
Other	33	397
Total non-operating expenses	4,250	8,373
Ordinary profit	85,820	97,344
Profit before income taxes	85,820	97,344
Income taxes-current	27,144	29,247
Income taxes-deferred	(1,401)	(1,422)
Total income taxes	25,742	27,825
Profit	60,077	69,519
Profit (loss) attributable to non-controlling interests	2,835	(2,002)
Profit attributable to owners of parent	57,242	71,521

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

	(Thousands of yen)	
	First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)	First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)
Profit	60,077	69,519
Other comprehensive income		
Valuation difference on available-for-sale securities	(178)	(6,069)
Deferred gains or losses on hedges	1,353	216
Foreign currency translation adjustment	(4,137)	704
Remeasurements of defined benefit plans, net of tax	698	164
Total other comprehensive income	(2,263)	(4,984)
Comprehensive income	57,813	64,534
Comprehensive income attributable to:		
Owners of parent	58,440	66,520
Non-controlling interests	(626)	(1,985)

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

There is no applicable information.

Significant Changes in Shareholders' Equity

Not applicable.

Segment Information**I. First three months of FY3/19 (Apr. 1, 2018 – Jun. 30, 2018)**

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.

II. First three months of FY3/20 (Apr. 1, 2019 – Jun. 30, 2019)

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	1,826,949	394,050	170,653	2,391,653	78,463	2,470,116	-	2,470,116
Inter-segment sales and transfers	-	-	-	-	-	-	-	-
Total	1,826,949	394,050	170,653	2,391,653	78,463	2,470,116	-	2,470,116
Segment profit (loss)	91,942	65,706	(7,365)	150,283	(2,221)	148,062	(50,014)	98,048

- 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 50,014 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.

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.