



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

[Japanese GAAP]

February 12, 2020

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Scheduled date of filing of Quarterly Report: February 13, 2020
 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 Third Quarter of the Fiscal Year Ending March 31, 2020 (April 1, 2019 – December 31, 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	%
Nine months ended Dec. 31, 2019	9,647	44.7	277	48.8	289	48.4	196	45.3
Nine months ended Dec. 31, 2018	6,665	16.7	186	(15.3)	195	(5.4)	135	(4.9)

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2019: 230 (up 72.9%)
 Nine months ended Dec. 31, 2018: 133 (down 8.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2019	22.62	22.61
Nine months ended Dec. 31, 2018	15.23	15.22

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2019	5,210	2,230	42.1	256.24
As of Mar. 31, 2019	4,655	2,087	44.5	234.78

Reference: Shareholders' equity (million yen) As of Dec. 31, 2019: 2,192 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	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2020 (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, 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	11,000	19.4	265	22.7	285	23.9	165	117.1	19.28

Note: Revisions to the most recently announced consolidated earnings forecast: Yes

*** 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 Dec. 31, 2019:	8,897,089 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 Dec. 31, 2019:	340,309 shares	As of Mar. 31, 2019:	57,609 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2019:	8,690,651 shares	Nine months ended Dec. 31, 2018:	8,884,380 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 nine months 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 growing weakness in businesses, particularly in the manufacturing sector, against the backdrop of continued deceleration in exports.

As for the Asian economy, however, the Chinese economy is moderately slowing down, as seen in growing weakness in businesses, particularly in the manufacturing sector, and there is the risk of a further business downturn in China caused by events such as developments and effects of the U.S.-China trade issues, responses to the excessive debt problem, and changes in the financial and capital market. At the same time, the economic recovery has been generally moderate in the Southeast and South Asian countries.

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, the results of operations for the period under review were as follows: net sales increased 44.7% year-on-year to 9,647 million yen, operating profit increased 48.8% year-on-year to 277 million yen, ordinary profit increased 48.4% year-on-year to 289 million yen, and profit attributable to owners of parent increased 45.3% year-on-year to 196 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 61.4% year-on-year to 7,434 million yen and operating profit increased 55.6% year-on-year to 226 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 occupancy rate has improved compared with the same period of the previous fiscal year supported by a rise in spot demand thanks to the Rugby World Cup 2019 and the like. 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 2.7% year-on-year to 1,143 million yen while operating profit decreased 3.2% year-on-year to 155 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. Segment sales and profits fell below our business plan again in the period under review as there was an impact of ups and downs in a sales and profit plan for its major customers on a quarter basis. Meanwhile, on an annual basis, they are in line with the plan, and the differences between planned and actual results have been decreasing. Consequently, the segment sales for the period under review decreased 4.8% year-on-year to 640 million yen with operating profit of 15 million yen (down 57.5% year-on-year).

4) Other

Under the other businesses 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.

As Mobile Link Inc. has steadily increased transactions with the existing customers involving motor vehicle communication systems, net sales of the other businesses segment for the period under review increased 58.4% year-on-year to 432 million yen with operating profit of 39 million yen (compared with operating loss of 5 million yen one year earlier).

(2) Explanation of Financial Position**Assets**

Current assets increased 585 million yen from the end of the previous fiscal year to 3,216 million yen at the end of the period under review. The main factors include increases in cash and deposits by 380 million yen and inventories by 206 million yen. Non-current assets decreased 30 million yen from the end of the previous fiscal year to 1,994 million yen. This was mainly attributable to a decrease of 48 million yen in property, plant and equipment.

As a result, total assets amounted to 5,210 million yen, which was 554 million yen more than at the end of the previous fiscal year.

Liabilities

Current liabilities increased 273 million yen from the end of the previous fiscal year to 1,368 million yen at the end of the period under review. This was mainly attributable to increases of 134 million yen in accounts payable-trade and 40 million yen in current portion of bonds. Non-current liabilities increased 137 million yen from the end of the previous fiscal year to 1,610 million yen. This was mainly due to an increase of 150 million yen in bonds payable.

As a result, total liabilities amounted to 2,979 million yen, which was 411 million yen more than at the end of the previous fiscal year.

Net assets

Net assets increased 142 million yen from the end of the previous fiscal year to 2,230 million yen at the end of the period under review. The main factors include the booking of profit attributable to owners of parent of 196 million yen, which was partially offset by an increase of 90 million yen in treasury shares.

Consequently, the equity ratio was 42.1% (compared with 44.5% at the end of the previous fiscal year).

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

Given the recent performance trends, we have revised the full-year consolidated earnings forecast announced in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2019” on May 13, 2019. For details of the revision, please refer to “Notice of Revision to Earnings Forecast (Japanese version only),” which was released today.

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

	(Thousands of yen)	
	FY3/19 (As of Mar. 31, 2019)	Third quarter of FY3/20 (As of Dec. 31, 2019)
Assets		
Current assets		
Cash and deposits	2,024,206	2,404,606
Accounts receivable-trade	214,318	275,073
Securities	2,367	587
Inventories	176,308	382,956
Other	244,803	183,650
Allowance for doubtful accounts	(31,518)	(30,812)
Total current assets	2,630,485	3,216,060
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	929,059	889,625
Land	348,663	348,663
Other, net	113,118	104,161
Total property, plant and equipment	1,390,841	1,342,450
Intangible assets		
Goodwill	173,041	162,028
Other	31,067	25,224
Total intangible assets	204,108	187,253
Investments and other assets		
Investment securities	245,953	258,203
Shares of subsidiaries and associates	84,276	85,776
Deferred tax assets	49,065	45,888
Other	51,804	74,758
Allowance for doubtful accounts	(1,073)	(285)
Total investments and other assets	430,026	464,341
Total non-current assets	2,024,976	1,994,045
Total assets	4,655,462	5,210,105
Liabilities		
Current liabilities		
Accounts payable-trade	92,530	226,738
Short-term borrowings	83,627	90,791
Current portion of bonds	20,000	60,000
Current portion of long-term borrowings	170,258	178,862
Unearned revenue	191,583	182,939
Accrued expenses	102,046	119,424
Accounts payable-other	109,939	108,444
Income taxes payable	29,166	57,001
Provision for bonuses	30,522	16,398
Deposits received	120,537	123,017
Interest rate swaps	27,975	22,265
Other	116,581	182,846
Total current liabilities	1,094,769	1,368,730
Non-current liabilities		
Bonds payable	180,000	330,000
Long-term borrowings	779,754	795,852
Retirement benefit liability	46,892	46,892
Long-term leasehold and guarantee deposits received	234,230	210,100
Deferred tax liabilities	162,013	157,746
Other	70,000	70,000
Total non-current liabilities	1,472,890	1,610,591
Total liabilities	2,567,659	2,979,322

	(Thousands of yen)	
	FY3/19 (As of Mar. 31, 2019)	Third quarter of FY3/20 (As of Dec. 31, 2019)
Net assets		
Shareholders' equity		
Share capital	1,582,416	1,583,825
Capital surplus	106,207	107,616
Retained earnings	441,810	638,384
Treasury shares	(21,814)	(112,065)
Total shareholders' equity	2,108,620	2,217,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,792	7,404
Deferred gains or losses on hedges	(27,450)	(21,925)
Foreign currency translation adjustment	(4,882)	(5,788)
Remeasurements of defined benefit plans	(6,091)	(4,832)
Total accumulated other comprehensive income	(35,632)	(25,142)
Share acquisition rights	3,420	3,402
Non-controlling interests	11,394	34,762
Total net assets	2,087,802	2,230,783
Total liabilities and net assets	4,655,462	5,210,105

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

	(Thousands of yen)	
	First nine months of FY3/19 (Apr. 1, 2018 – Dec. 31, 2018)	First nine months of FY3/20 (Apr. 1, 2019 – Dec. 31, 2019)
Net sales	6,665,232	9,647,288
Cost of sales	4,881,492	7,324,335
Gross profit	1,783,740	2,322,953
Selling, general and administrative expenses	1,597,421	2,045,773
Operating profit	186,318	277,179
Non-operating income		
Interest income	1,688	2,651
Dividend income	79	2,247
Commission income	19,655	15,731
Gain on sales of securities	7	500
Foreign exchange gains	-	733
Share of profit of entities accounted for using equity method	6,293	5,877
Other	3,927	3,020
Total non-operating income	31,652	30,763
Non-operating expenses		
Interest expenses	11,435	10,236
Interest on bonds	40	1,312
Bond issuance cost	6,172	4,046
Foreign exchange losses	4,547	-
Other	421	2,415
Total non-operating expenses	22,617	18,010
Ordinary profit	195,354	289,931
Extraordinary income		
Gain on sales of non-current assets	2,797	-
Gain on bad debts recovered	96	56
Total extraordinary income	2,893	56
Extraordinary losses		
Loss on retirement of non-current assets	1,014	-
Loss on valuation of shares of subsidiaries and associates	-	4,376
Other	-	10
Total extraordinary losses	1,014	4,386
Profit before income taxes	197,232	285,601
Income taxes-current	55,619	71,300
Income taxes-deferred	(4,203)	(2,573)
Total income taxes	51,415	68,726
Profit	145,816	216,874
Profit attributable to non-controlling interests	10,518	20,301
Profit attributable to owners of parent	135,298	196,573

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

(Thousands of yen)

	First nine months of FY3/19 (Apr. 1, 2018 – Dec. 31, 2018)	First nine months of FY3/20 (Apr. 1, 2019 – Dec. 31, 2019)
Profit	145,816	216,874
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,899)	6,727
Deferred gains or losses on hedges	1,784	5,525
Foreign currency translation adjustment	(5,629)	(1,163)
Remeasurements of defined benefit plans, net of tax	1,204	2,467
Total other comprehensive income	(12,539)	13,556
Comprehensive income	133,277	230,431
Comprehensive income attributable to:		
Owners of parent	125,947	207,062
Non-controlling interests	7,329	23,368

(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.

Segment and Other Information

Segment information

I. First nine months of FY3/19 (Apr. 1, 2018 – Dec. 31, 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	4,606,294	1,113,191	672,629	6,392,114	273,117	6,665,232	-	6,665,232
Inter-segment sales and transfers	-	-	-	-	12	12	(12)	-
Total	4,606,294	1,113,191	672,629	6,392,114	273,129	6,665,244	(12)	6,665,232
Segment profit (loss)	145,498	160,214	35,841	341,554	(5,014)	336,540	(150,221)	186,318

- Notes: 1. The "Other" 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 150,221 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 nine months of FY3/20 (Apr. 1, 2019 – Dec. 31, 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	7,434,645	1,143,172	640,485	9,218,303	428,985	9,647,288	-	9,647,288
Inter-segment sales and transfers	-	-	-	-	3,630	3,630	(3,630)	-
Total	7,434,645	1,143,172	640,485	9,218,303	432,615	9,650,918	(3,630)	9,647,288
Segment profit	226,465	155,030	15,248	396,744	39,643	436,387	(159,208)	277,179

- Notes: 1. The "Other" 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 159,208 thousand yen to segment profit is mainly personnel and other expenses for administrative departments.
3. Segment profit 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.