



Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2020

[Japanese GAAP]

May 13, 2020

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Stock code: 9816

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Listing: Tokyo Stock Exchange (JASDAQ)

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Scheduled date of Annual General Meeting of Shareholders: June 19, 2020

Scheduled date of filing of Annual Securities Report: June 19, 2020

Scheduled date of payment of dividend: June 22, 2020

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, 2020 (April 1, 2019 – March 31, 2020)

(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, 2020	13,276	44.0	256	18.6	254	10.5	151	96.5
Fiscal year ended Mar. 31, 2019	9,216	15.6	216	3.4	230	28.5	76	(38.6)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2020: 166 (up 129.6%)

Fiscal year ended Mar. 31, 2019: 72 (down 36.8%)

	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, 2020	17.48	17.48	7.3	5.3	1.9
Fiscal year ended Mar. 31, 2019	8.66	8.66	3.8	4.9	2.3

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2020: 2 Fiscal year ended Mar. 31, 2019: 4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	5,000	2,133	41.9	247.31
As of Mar. 31, 2019	4,655	2,087	44.5	234.78

Reference: Shareholders' equity (million yen) As of Mar. 31, 2020: 2,095 As of Mar. 31, 2019: 2,072

(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, 2020	311	(144)	8	1,990
Fiscal year ended Mar. 31, 2019	414	(423)	(160)	1,814

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, 2019	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00	Million yen -	% -	% -
Fiscal year ended Mar. 31, 2020	-	0.00	-	3.00	3.00	25	17.2	1.2
Fiscal year ending Mar. 31, 2021 (forecast)	-	0.00	-	-	-		-	

Note: Although the Articles of Incorporation of the Company sets the date of right allotment to 2Q-end and Year-end, the year-end dividend forecast for fiscal year ending March 31, 2021 has not been determined at this time.

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 – March 31, 2021)

The full-year earnings forecast is not presented because it is difficult to calculate the earnings forecast that the Company considers reasonable at this time. The full-year consolidated earnings forecast will be disclosed when it becomes available.

*** 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, 2020: 8,897,089 shares As of Mar. 31, 2019: 8,887,089 shares

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

As of Mar. 31, 2020: 425,109 shares As of Mar. 31, 2019: 57,609 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2020: 8,644,906 shares Fiscal year ended Mar. 31, 2019: 8,879,101 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 – March 31, 2020)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2020	149	(18.2)	(91)	-	(11)	-	14	(92.5)
Fiscal year ended Mar. 31, 2019	183	17.7	(44)	-	262	74.2	187	7.5

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2020	1.64	1.64
Fiscal year ended Mar. 31, 2019	21.12	21.10

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2020	3,126	1,899	60.6	223.81
As of Mar. 31, 2019	3,057	1,992	65.1	223.91

Reference: Shareholders' equity (million yen) As of Mar. 31, 2020: 1,896 As of Mar. 31, 2019: 1,989

Difference from the non-consolidated financial result for the fiscal year ended March 31, 2019

During the current fiscal year, the Company placed the dividend, along with a levy from the group subsidiaries, as the fundamental financial resource to cover administrative expenses of the group of listed companies and integrated the timing of collection of dividends to the end of June. Any difference from the previous term in sales and profit from are due mainly to the above policy change.

* 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 had been recovering moderately until the middle of the fiscal year 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. However, in the second half of the fiscal year, while the economy moderately slows down due to the consumption tax hike, the situation is extremely difficult due to the impact of the COVID-19 pandemic, putting greater downward pressure on the economy.

As for overseas economies, despite the risk of further economic downturn due to the trade issues between the United States and China and their impact, the economies of Southeast Asia and South Asian countries were generally on a recovery trend; however, the outlook for the future is now extremely severe due to the global outbreak of COVID-19.

Under the economic circumstances described above, the Group (Striders Corporation and its consolidated subsidiaries) continued to strive to make new investments and create opportunities in Japan and overseas. In addition, the Group implemented initiatives to increase revenues in the existing businesses and improve operational efficiency.

Consequently, net sales for the current fiscal year increased 44.0% year-on-year to 13,276 million yen, operating profit increased 18.6% year-on-year to 256 million yen, ordinary profit increased 10.5% year-on-year to 254 million yen, and profit attributable to owners of parent increased 96.5% year-on-year to 151 million yen.

Business segment performance was as follows.

We reviewed the adjustment method of inter-segment transactions in order to evaluate and manage the performance of each reportable segment more appropriately. Accordingly, from the current fiscal year, we changed the method of calculating profit or loss for each business segment. The comparisons with the same period of the previous fiscal year are made based on the new calculation method.

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 current fiscal year increased 59.2% year-on-year to 10,442 million yen and operating profit increased 40.2% year-on-year to 290 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, we mainly succeeded in capturing inbound demand. In Kurashiki, benefitted from the events such as the renovations by its competitor in the neighborhood, both sales and operating profit maintained a strong performance until the end of the fiscal year. Due to the effect of COVID-19 toward the end of the fiscal year, however, segment sales for the current fiscal year decreased 4% year-on-year to 1,378 million yen and operating profit decreased 45.4% year-on-year to 86 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 remained as high as the previous fiscal year, but gross margin of major customers declined in general. Consequently, the segment sales for the current fiscal year decreased 1.4% year-on-year to 876 million yen and operating profit decreased 38.3% year-on-year to 28 million yen.

4) Other

Under the other businesses, 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. steadily increased transactions with the loyal customers involving motor vehicle communication systems, net sales of the other businesses for the current fiscal year increased 73.7% year-on-year to 583 million yen with operating profit of 58 million yen (compared with operating loss of 2 million yen one year earlier).

(2) Financial Position

Assets

Current assets increased 296 million yen from the end of the previous fiscal year to 2,927 million yen at the end of the current fiscal year. The main factors include increases in cash and deposits by 176 million yen and accounts receivable-trade by 86 million yen.

Non-current assets increased 48 million yen from the end of the previous fiscal year to 2,073 million yen. This was mainly attributable to an increase of 57 million yen in investment securities.

As a result, total assets amounted to 5,000 million yen, which was 344 million yen more than at the end of the previous fiscal year.

Liabilities

Current liabilities increased 222 million yen from the end of the previous fiscal year to 1,317 million yen at the end of the current fiscal year. This was mainly attributable to increases of 133 million yen in accounts payable-trade and 40 million yen in current portion of bonds payable.

Non-current liabilities increased 76 million yen from the end of the previous fiscal year to 1,548 million yen. This was mainly due to an increase of 140 million yen in bonds payable, which was partially offset by a decrease of 50 million yen in long-term borrowings.

As a result, total liabilities amounted to 2,866 million yen, which was 298 million yen more than at the end of the previous fiscal year.

Net assets

Net assets increased 45 million yen from the end of the previous fiscal year to 2,133 million yen at the end of the current fiscal year. The main factors include booking of profit attributable to owners of parent of 151 million yen, which was partially offset by an increase of 123 million yen in treasury shares.

Consequently, the equity ratio was 41.9%.

(3) Cash Flows

Cash and cash equivalents (hereinafter referred to as “net cash”) increased 176 million yen from the end of the previous fiscal year to 1,990 million yen at the end of the current fiscal year.

Cash flows from operating activities

Net cash provided by operating activities amounted to 311 million yen (compared with net cash provided of 414 million yen in the previous fiscal year). The main factors include booking of profit before income taxes of 262 million yen and depreciation of 110 million yen, which were partially offset by an increase in inventories of 119 million yen.

Cash flows from investing activities

Net cash used in investing activities amounted to 144 million yen (compared with net cash used of 423 million yen in the previous fiscal year). The main factors include purchase of investment securities of 149 million yen.

Cash flows from financing activities

Net cash provided by financing activities was 8 million yen (compared with net cash used of 160 million yen in the previous fiscal year). The main factors include proceeds from issuance of bonds of 200 million yen and others, which were partially offset by repayments of long-term borrowings of 252 million yen.

Reference: Cash flow indicators

	FY3/16	FY3/17	FY3/18	FY3/19	FY3/20
Shareholders' equity ratio (%)	45.4	48.6	41.6	44.5	41.9
Shareholders' equity ratio based on market value (%)	192.0	155.3	84.2	60.9	48.4
Ratio of interest-bearing debt to cash flows (years)	6.2	3.4	2.9	3.0	3.3
Interest coverage ratio (times)	8.0	16.5	31.8	27.3	5.7

- 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

As for the outlook for the future, the Hotel Business is expected to face an extremely difficult situation due to the impact of the COVID-19 infection. Other segments also need to be closely watched for risks of further downturn to the domestic and international economy as well as the impact of fluctuations in financial and capital markets. Based on a request from Chiba Prefecture, we have been offering the Narita Gateway Hotel as a temporary accommodation facility for asymptomatic and mildly ill people infected with the new coronavirus since April 2020. However, with no prospect of a global recovery from the COVID-19 infection, it is expected to take some time to normalize the hotel as an inbound-oriented hotel.

As for the Kurashiki Royal Art Hotel, since its business base is centered on domestic customers, we assume that the road to normalization will be relatively short after the state of emergency is lifted. However, we are concerned that it will take some time for the recovery of sluggish tourism demand.

Accordingly, the current consolidated business outlook for the current fiscal year is undetermined for net sales, operating profit, ordinary profit, and profit attributable to owners of parent. The Group will continue its efforts to improve management efficiency and determine the consequences of this infection and will announce the consolidated business outlook for the fiscal year ending March 2021 as soon as a definitive business plan has been formulated.

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)	
	FY3/19	FY3/20
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
Assets		
Current assets		
Cash and deposits	2,024,206	2,200,502
Accounts receivable-trade	214,318	300,342
Securities	2,367	51,107
Real estate for sale	122,731	183,857
Other inventories	53,577	113,989
Short-term loans receivable from subsidiaries and associates	100,000	-
Other	144,803	109,857
Allowance for doubtful accounts	(31,518)	(32,386)
Total current assets	2,630,485	2,927,269
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,241,182	1,308,835
Accumulated depreciation	(312,122)	(375,460)
Buildings and structures, net	929,059	933,374
Machinery, equipment and vehicles	75,608	78,049
Accumulated depreciation	(49,814)	(53,421)
Machinery, equipment and vehicles, net	25,793	24,627
Tools, furniture and fixtures	193,374	212,606
Accumulated depreciation	(106,050)	(135,835)
Tools, furniture and fixtures, net	87,324	76,771
Land	348,663	348,663
Total property, plant and equipment	1,390,841	1,383,436
Intangible assets		
Goodwill	173,041	160,260
Other	31,067	22,829
Total intangible assets	204,108	183,090
Investments and other assets		
Investment securities	245,953	303,411
Shares of subsidiaries and associates	84,276	81,811
Deferred tax assets	49,065	47,004
Other	51,804	74,575
Allowance for doubtful accounts	(1,073)	(285)
Total investments and other assets	430,026	506,517
Total non-current assets	2,024,976	2,073,044
Total assets	4,655,462	5,000,313

	(Thousands of yen)	
	FY3/19	FY3/20
	(As of Mar. 31, 2019)	(As of Mar. 31, 2020)
Liabilities		
Current liabilities		
Accounts payable-trade	92,530	226,329
Short-term borrowings	83,627	97,853
Current portion of bonds payable	20,000	60,000
Current portion of long-term borrowings	170,258	158,735
Unearned revenue	191,583	203,483
Accrued expenses	102,046	95,508
Accounts payable-other	109,939	82,664
Income taxes payable	29,166	48,515
Provision for bonuses	30,522	32,958
Deposits received	120,537	129,097
Interest rate swaps	27,975	21,763
Other	116,581	160,798
Total current liabilities	1,094,769	1,317,708
Non-current liabilities		
Bonds payable	180,000	320,000
Long-term borrowings	779,754	729,600
Retirement benefit liability	46,892	58,015
Long-term leasehold and guarantee deposits received	234,230	221,000
Deferred tax liabilities	162,013	164,814
Other	70,000	55,506
Total non-current liabilities	1,472,890	1,548,936
Total liabilities	2,567,659	2,866,645
Net assets		
Shareholders' equity		
Share capital	1,582,416	1,583,825
Capital surplus	106,207	107,616
Retained earnings	441,810	592,962
Treasury shares	(21,814)	(144,839)
Total shareholders' equity	2,108,620	2,139,565
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,792	(13,092)
Deferred gains or losses on hedges	(27,450)	(21,432)
Foreign currency translation adjustment	(4,882)	(3,503)
Remeasurements of defined benefit plans	(6,091)	(6,336)
Total accumulated other comprehensive income	(35,632)	(44,364)
Share acquisition rights	3,420	3,402
Non-controlling interests	11,394	35,065
Total net assets	2,087,802	2,133,668
Total liabilities and net assets	4,655,462	5,000,313

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

(Thousands of yen)

	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net sales	9,216,311	13,276,092
Cost of sales	6,821,390	10,187,446
Gross profit	2,394,921	3,088,646
Selling, general and administrative expenses	2,178,891	2,832,471
Operating profit	216,029	256,174
Non-operating income		
Interest income	2,392	3,488
Dividend income	79	2,247
Gain on sales of securities	-	669
Share of profit of entities accounted for using equity method	4,852	2,713
Commission income	26,856	26,388
Foreign exchange gains	-	266
Other	5,790	3,110
Total non-operating income	39,972	38,884
Non-operating expenses		
Interest expenses	14,939	13,552
Interest on bonds	235	2,095
Share issuance costs	3,300	-
Bond issuance costs	4,781	3,833
Loss on valuation of securities	305	12,509
Commission expenses	-	4,500
Foreign exchange losses	1,383	-
Other	601	3,885
Total non-operating expenses	25,547	40,376
Ordinary profit	230,454	254,682
Extraordinary income		
Gain on sales of non-current assets	2,761	1,050
Gain on sales of investment securities	810	469
Gain on liquidation of subsidiaries and associates	23,410	-
Total extraordinary income	26,982	1,519
Extraordinary losses		
Loss on valuation of investment securities	18,975	8,017
Impairment loss	9,190	-
Provision of allowance for doubtful accounts	14,767	-
Other	1,849	10
Total extraordinary losses	44,782	8,027
Profit before distributions of profit or loss on silent partnerships and income taxes	212,654	248,174
Distributions of profit or loss on silent partnerships	-	(14,493)
Profit before income taxes	212,654	262,668
Income taxes-current	78,422	86,941
Income taxes-deferred	57,428	3,957
Total income taxes	135,851	90,899
Profit	76,803	171,768
Profit (loss) attributable to non-controlling interests	(129)	20,616
Profit attributable to owners of parent	76,932	151,151

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Profit	76,803	171,768
Other comprehensive income		
Valuation difference on available-for-sale securities	(217)	(13,102)
Deferred gains or losses on hedges	1,725	6,017
Foreign currency translation adjustment	(1,419)	1,885
Remeasurements of defined benefit plans, net of tax	(4,558)	(479)
Total other comprehensive income	(4,469)	(5,678)
Comprehensive income	72,333	166,090
Comprehensive income attributable to:		
Owners of parent	78,105	142,419
Non-controlling interests	(5,772)	23,670

(3) Consolidated Statement of Changes in Equity

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,582,416	106,207	364,878	(3,062)	2,050,440
Changes during period					
Profit attributable to owners of parent			76,932		76,932
Purchase of treasury shares				(18,752)	(18,752)
Net changes in items other than shareholders' equity					
Total changes during period	-	-	76,932	(18,752)	58,180
Balance at end of period	1,582,416	106,207	441,810	(21,814)	2,108,620

(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 period	3,009	(29,176)	(3,253)	(7,385)	(36,805)	2,220	17,166	2,033,021
Changes during period								
Profit attributable to owners of parent								76,932
Purchase of treasury shares								(18,752)
Net changes in items other than shareholders' equity	(217)	1,725	(1,629)	1,293	1,173	1,200	(5,772)	(3,398)
Total changes during period	(217)	1,725	(1,629)	1,293	1,173	1,200	(5,772)	54,781
Balance at end of period	2,792	(27,450)	(4,882)	(6,091)	(35,632)	3,420	11,394	2,087,802

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,582,416	106,207	441,810	(21,814)	2,108,620
Changes during period					
Issuance of new shares	1,409	1,409			2,818
Profit attributable to owners of parent			151,151		151,151
Purchase of treasury shares				(123,024)	(123,024)
Net changes in items other than shareholders' equity					
Total changes during period	1,409	1,409	151,151	(123,024)	30,945
Balance at end of period	1,583,825	107,616	592,962	(144,839)	2,139,565

(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 period	2,792	(27,450)	(4,882)	(6,091)	(35,632)	3,420	11,394	2,087,802
Changes during period								
Issuance of new shares						(18)		2,800
Profit attributable to owners of parent								151,151
Purchase of treasury shares								(123,024)
Net changes in items other than shareholders' equity	(15,884)	6,017	1,378	(244)	(8,732)		23,670	14,938
Total changes during period	(15,884)	6,017	1,378	(244)	(8,732)	(18)	23,670	45,865
Balance at end of period	(13,092)	(21,432)	(3,503)	(6,336)	(44,364)	3,402	35,065	2,133,668

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY3/19	FY3/20
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from operating activities		
Profit before income taxes	212,654	262,668
Depreciation	107,066	110,256
Impairment loss	9,190	-
Amortization of goodwill	29,398	13,907
Increase (decrease) in allowance for doubtful accounts	12,147	(663)
Increase (decrease) in other provisions	14,574	12,342
Loss (gain) on liquidation of subsidiaries and associates	(23,410)	-
Loss (gain) on valuation of securities	-	12,509
Loss (gain) on valuation of investment securities	18,975	8,017
Loss (gain) on sales of investment securities	(810)	(469)
Distributions of profit or loss on silent partnerships	-	(14,493)
Interest and dividend income	(2,472)	(5,735)
Interest expenses on borrowings and bonds	15,175	15,648
Foreign exchange losses (gains)	4,670	(1,226)
Share of loss (profit) of entities accounted for using equity method	(4,852)	(2,713)
Loss (gain) on sales of securities	-	(669)
Decrease (increase) in trade receivables	16,913	(82,681)
Decrease (increase) in inventories	143,869	(119,389)
Increase (decrease) in trade payables	(60,666)	131,828
Increase (decrease) in deposits received	(11,588)	8,536
Increase (decrease) in leasehold and guarantee deposits received	(12,516)	(13,230)
Other, net	63,780	21,104
Subtotal	532,098	355,545
Interest and dividends received	2,467	5,735
Interest paid	(14,930)	(14,754)
Income taxes refund	-	38,262
Income taxes paid	(105,338)	(72,936)
Net cash provided by (used in) operating activities	414,297	311,852
Cash flows from investing activities		
Purchase of securities	(604)	(189)
Proceeds from sales of securities	596	8,446
Purchase of property, plant and equipment	(113,069)	(93,721)
Proceeds from sales of property, plant and equipment	3,120	1,050
Purchase of intangible assets	(20,630)	(1,310)
Net decrease (increase) in time deposits	19,301	-
Purchase of investment securities	(241,453)	(149,316)
Proceeds from sales of investment securities	10,677	10,790
Proceeds from liquidation of subsidiaries and associates	30,403	-
Loan advances to subsidiaries and associates	(100,000)	-
Collection of loans receivable	-	100,000
Payments for investments in silent partnerships	-	(20,037)
Other, net	(11,803)	78
Net cash provided by (used in) investing activities	(423,462)	(144,209)

	(Thousands of yen)	
	FY3/19	FY3/20
	(Apr. 1, 2018 – Mar. 31, 2019)	(Apr. 1, 2019 – Mar. 31, 2020)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	(130,000)	10,000
Proceeds from issuance of bonds	200,000	200,000
Redemption of bonds	-	(20,000)
Proceeds from long-term borrowings	59,000	191,000
Repayments of long-term borrowings	(271,996)	(252,677)
Purchase of treasury shares	(18,752)	(123,024)
Other, net	1,200	2,800
Net cash provided by (used in) financing activities	(160,548)	8,098
Effect of exchange rate change on cash and cash equivalents	(1,481)	551
Net increase (decrease) in cash and cash equivalents	(171,195)	176,293
Cash and cash equivalents at beginning of period	1,985,398	1,814,203
Cash and cash equivalents at end of period	1,814,203	1,990,496

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

There is no applicable information.

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; and the Overseas Business in business investments mainly in the Asian region and developing countries and the advertisement agency business in the Republic of Indonesia.

2. Calculation method of the amounts of net sales, profit/loss, assets, liabilities and other items by 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.

Changes in calculation method of profit/loss and assets of reportable segments

The Company reviewed the adjustment method of inter-segment transactions in order to evaluate and manage the performance of each reportable segment more appropriately. Accordingly, from the current fiscal year we changed the calculation method of operating segment profit/loss as well as segment assets. The segment information for the previous fiscal year is prepared based on the revised calculation method.

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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(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	Total				
Net sales								
Sales to external customers	6,560,086	1,436,276	884,324	8,880,687	335,624	9,216,311	-	9,216,311
Inter-segment sales and transfers	-	304	4,698	5,003	12	5,015	(5,015)	-
Total	6,560,086	1,436,580	889,023	8,885,690	335,636	9,221,326	(5,015)	9,216,311
Segment profit (loss)	207,618	159,324	45,842	412,785	(2,293)	410,491	(194,462)	216,029
Segment assets	961,475	1,688,016	335,335	2,984,827	431,906	3,416,733	1,238,728	4,655,462
Other items								
Depreciation	10,383	88,453	3,375	102,213	3,182	105,395	1,671	107,066
Amortization of goodwill	12,550	8,122	5,860	26,533	2,864	29,398	-	29,398
Share of profit of entities accounted for using equity method	-	-	-	-	4,852	4,852	-	4,852
Increase in property, plant and equipment, and intangible assets	2,352	54,289	15,635	72,277	800	73,077	7,198	80,275

- 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 and the food business.
2. The adjustment of minus 194,462 thousand yen to segment profit (loss) 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 (loss) is adjusted with operating profit shown on the consolidated statement of income.

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(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	Total				
Net sales								
Sales to external customers	10,442,042	1,377,978	873,006	12,693,027	583,065	13,276,092	-	13,276,092
Inter-segment sales and transfers	-	448	3,624	4,072	11	4,084	(4,084)	-
Total	10,442,042	1,378,426	876,630	12,697,099	583,076	13,280,176	(4,084)	13,276,092
Segment profit	290,994	86,917	28,281	406,193	58,932	465,126	(208,951)	256,174
Segment assets	1,163,641	1,656,897	427,260	3,247,798	527,685	3,775,483	1,224,830	5,000,313
Other items								
Depreciation	9,267	91,218	4,417	104,903	2,864	107,767	2,488	110,256
Amortization of goodwill	-	8,122	5,785	13,907	-	13,907	-	13,907
Share of profit of entities accounted for using equity method	-	-	-	-	2,713	2,713	-	2,713
Increase in property, plant and equipment, and intangible assets	944	83,538	6,519	91,002	2,034	93,037	1,408	94,445

- 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 and the food business.
2. The adjustment of minus 208,951 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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

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 FY3/19.

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

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 FY3/20.

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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Impairment loss	-	-	-	9,190	-	9,190

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

There is no applicable information.

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

FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Amortization for the period	12,550	8,122	5,860	2,864	-	29,398
Balance at the end of the period	-	123,863	49,178	-	-	173,041

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Amortization for the period	-	8,122	5,785	-	-	13,907
Balance at the end of the period	-	115,741	44,519	-	-	160,260

Information related to gain on bargain purchase by each reportable segment

There is no applicable information.

Per Share Information

	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net assets per share (Yen)	234.78	247.31
Net income per share (Yen)	8.66	17.48
Diluted net income per share (Yen)	8.66	17.48

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

	FY3/19 (Apr. 1, 2018 – Mar. 31, 2019)	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	76,932	151,151
Amount not attributed to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent related to common shares (Thousands of yen)	76,932	151,151
Average number of shares outstanding during the period (Thousands of shares)	8,879	8,644
Diluted net income per share		
[Basis for calculation]		
Adjustment to profit attributable to owners of parent (Thousands of yen)	-	-
Increase in the number of common shares (Thousands of shares)	7	0
[Of which, share acquisition rights (Thousands of shares)]	[7]	[0]
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. 8 share acquisition rights: 4,350 (100 common shares per right) Striders Corporation No. 9 share acquisition rights: 4,000 (100 common shares per right)	Striders Corporation No. 8 share acquisition rights: 4,350 (100 common shares per right) Striders Corporation No. 9 share acquisition rights: 4,000 (100 common shares per right)

Subsequent Events

Although the Company holds only 18.26% of the voting rights in Amagasa Co., Ltd., the Company now has the ability to exercise significant influence on the decisions about the financial matters and operational or business policies of Amagasa Co., Ltd. because the Chairman of the Company concurrently serves as the representative director of Amagasa Co., Ltd. since April 28, 2020. As a result, Amagasa Co., Ltd. has become an affiliated company of the Company accounted for by the equity method effective as of the day.

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.