



## Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2021

**[Japanese GAAP]**

February 10, 2021

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Listing: Tokyo Stock Exchange (JASDAQ)  
 URL: <http://www.striders.co.jp/>

Scheduled date of filing of Quarterly Report: February 12, 2021  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for quarterly financial results: Available  
 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, 2021 (April 1, 2020 – December 31, 2020)

(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, 2020	8,213	(14.9)	133	(51.7)	192	(33.8)	128	(34.4)
Nine months ended Dec. 31, 2019	9,647	44.7	277	48.8	289	48.4	196	45.3

Note: Comprehensive income (million yen)      Nine months ended Dec. 31, 2020: 128 (down 44.3%)

Nine months ended Dec. 31, 2019: 230 (up 72.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2020	15.21	15.20
Nine months ended Dec. 31, 2019	22.62	22.61

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2020	5,266	2,287	42.8	265.97
As of Mar. 31, 2020	5,000	2,133	41.9	247.31

Reference: Shareholders' equity (million yen)

As of Dec. 31, 2020: 2,253

As of Mar. 31, 2020: 2,095

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2020	-	0.00	-	3.00	3.00
Fiscal year ending Mar. 31, 2021	-	0.00	-		
Fiscal year ending Mar. 31, 2021 (forecast)				3.00	3.00

Note: Revisions to the most recently announced dividend forecast: None

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

(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	(17.1)	105	(59.0)	150	(40.9)	110	(27.2)	12.98

Note: Revisions to the most recently announced consolidated earnings forecast: None

**\* 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, 2020:	8,897,089 shares	As of Mar. 31, 2020:	8,897,089 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2020:	425,139 shares	As of Mar. 31, 2020:	425,109 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2020:	8,471,965 shares	Nine months ended Dec. 31, 2019:	8,690,651 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 4 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

During the first nine months of the current fiscal year (hereinafter, “the period under review”), the Japanese economy has recovered from a sharp downturn due to the effects of the COVID-19 pandemic. But there are concerns about another short-term downturn due to the re - emergence of new cases. As for the Asian economy, China, which has succeeded in containing the spread of COVID-19, is expected to play a leading role in the global economic recovery as its economic growth rate has returned to the pre-COVID-19 levels. However, there are many countries that are struggling to control the infection, such as Indonesia, which has the largest number of COVID-19 cases in Southeast Asia and India, which has the second largest number of new coronas in the world after the United States and the economic impact from the locking down of cities has been prolonged.

Under these economic conditions, the Group (Striders Corporation and its consolidated subsidiaries) continued to pursue new investment opportunities overseas while at the same time working to improve the efficiency of management in existing businesses and considering business strategies to overcome the negative impacts caused by the COVID-19 pandemic.

However, due to the continued decline in demand in the hotel business and overseas business as a result of the COVID-19 pandemic, and the significant decrease in real estate buying and selling transactions during the third quarter of the current fiscal year, sales for the period under review decreased 14.9% to 8,213 million yen, operating profit decreased 51.7% to 133 million yen, ordinary profit decreased 33.8% to 192 million yen, profit before income taxes was down 28.3% to 204 million yen and profit attributable to owners of parent decreased 34.4% to 128 million yen.

Business segment performance was as follows.

Since the end of the previous fiscal year, the Company has revised the method of adjustment for inter-segment transactions and changed the method of calculating business segment profit in order to better evaluate and manage the performance of each reporting segment. Comparisons with the same quarter of the previous year are based on the new calculation method.

#### 1) Real Estate Business

For the 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 real estate trading business that caters for condominium owners' needs for buying and selling properties. As for the impact of the COVID-19 outbreak, the renewal rate of existing lease contracts and rent levels continued to be maintained and the number of units under management remained at a high level, but transactions in the real estate trading business declined significantly compared to the same period last year. As a result, net sales in the real estate business for the period under review were down 8.5% year-on-year to 6,801 million yen while operating profit was up 4.6% year-on-year to 231 million yen.

#### 2) Hotel Business

Regarding the hotel business, we currently operate Narita Gateway Hotel in the Narita International Airport area and Kurashiki Royal Art Hotel in the Kurashiki Bikan Historical Quarter, Okayama Prefecture. The Narita Gateway Hotel has been leased to Chiba Prefecture since April 18, 2020 as a medical facility for COVID-19 patients who are asymptomatic or show mild symptoms. The hotel has not been accepting general guests since then. On the other hand, Kurashiki Royal Art Hotel was strongly affected by the COVID-19 pandemic, resulting in the significant decrease of the number of hotel guests compared to the same period of the previous year. Despite the significant impacts of COVID-19 pandemic, the government and local governments' policies to support the tourism industry were particularly significant during the third quarter of the current fiscal year, resulting the hotel business to record a 35.9% decrease in sales to 733 million yen and 70.2% decrease on operating profit of 42 million yen during the period under review.

### 3) Overseas Business

As for overseas business, PT. Citra Surya Komunikasi is an advertising agency that caters mainly Japanese companies in Indonesia, and Striders Global Investment Pte. Ltd. operates investment business in Singapore. It is noted that PT. Citra Surya Komunikasi's financials from January to September 2020 are considered for consolidation purpose. Due to the impact of the COVID-19 outbreak, transactions with existing customers dropped significantly and as a result, sales of overseas business segment for the period under review decreased 37.9% to 397 million yen and managed to limit the operating loss to 5 million yen (against an operating profit of 15 million yen in the same period of the previous year) by controlling cost of sales and selling, general and administrative expenses.

### 4) Other

Under this business segment, Mobile Link Inc. develops and sells in-vehicle terminal systems, M&A Global Partners Co., Ltd. provides consulting services related to M&A, and Y.K. Masuda Seimen produces and sells Chinese noodles. Mirai Intellectual Property Technology Research Institute, Inc. and Amagasa Co., Ltd. are affiliated companies accounted for using equity method, therefore the profit or loss of these two companies are not included in the operating profit or loss. Amagasa Co., Ltd. was excluded from the scope of application of the equity method from the end of the period under review due to the partial transfer of shares in the company in December 2020. COVID-19 pandemic resulted in a decline in the number of orders received by Mobile Link, Inc. and Y.K. Masuda Seimen and as a result the sales in the Other segment for the period under review decreased 35.1% to 280 million yen from the previous year, and operating profit was down 73.7% to 13 million yen.

## (2) Explanation of Financial Position

### Assets

Current assets at the end of the period under review were 3,250 million yen, increasing 323 million yen compared to the end of the previous fiscal year, attributable to the 466 million yen increase in cash and deposits. However, fixed assets totaled 2,016 million yen, decreasing 56 million yen from the end of the previous fiscal year, mainly due to a decrease of 50 million yen in buildings and structures (net).

As a result, total assets amounted to 5,266 million yen, an increase of 266 million yen from the end of the previous fiscal year.

### Liabilities

Current liabilities at the end of the period under review were 1,077 million yen, a decrease of 240 million yen compared to the end of the previous fiscal year, mainly due to a decrease of 131 million yen in accounts payable. Non-current liabilities increased 352 million yen to 1,901 million yen from the end of the previous fiscal year, caused by an increase of 417 million yen in long-term borrowings.

As a result, total liabilities amounted to 2,978 million yen, an increase of 112 million yen from the end of the previous consolidated fiscal year.

### Net assets

Total net assets at the end of the period under review were 2,287 million yen, an increase of 154 million yen compared to the end of the previous fiscal year. This was mainly due to the recording of 128 million yen in profit attributable to owners of parent and an increase of 51 million yen due to a decrease in the scope of equity method.

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

There is no change to the consolidated earnings forecast announced in the "Notice of Earnings Forecast and

Dividend Forecast" on November 11, 2020. The forecast is based on information currently available to the Company and certain assumptions that the Company considers reasonable.

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

	(Thousands of yen)	
	FY3/20 (As of Mar. 31, 2020)	Third quarter of FY3/21 (As of Dec. 31, 2020)
<b>Assets</b>		
Current assets		
Cash and deposits	2,200,502	2,666,509
Accounts receivable-trade	300,342	198,334
Securities	51,107	52,421
Inventories	297,846	239,183
Other	109,857	122,811
Allowance for doubtful accounts	(32,386)	(28,907)
Total current assets	2,927,269	3,250,353
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	933,374	882,963
Land	348,663	348,663
Other, net	101,398	107,729
Total property, plant and equipment	1,383,436	1,339,357
Intangible assets		
Goodwill	160,260	146,166
Other	22,829	18,832
Total intangible assets	183,090	164,999
Investments and other assets		
Investment securities	303,411	307,532
Shares of subsidiaries and associates	81,811	89,216
Deferred tax assets	47,004	41,283
Other	74,575	74,125
Allowance for doubtful accounts	(285)	(285)
Total investments and other assets	506,517	511,873
Total non-current assets	2,073,044	2,016,229
Total assets	5,000,313	5,266,583
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	226,329	94,787
Short-term borrowings	97,853	93,108
Current portion of bonds	60,000	60,000
Current portion of long-term borrowings	158,735	150,376
Unearned revenue	203,483	179,895
Accrued expenses	95,508	98,297
Accounts payable-other	82,664	61,185
Income taxes payable	48,515	60,061
Provision for bonuses	32,958	20,358
Deposits received	129,097	125,410
Interest rate swaps	21,763	16,912
Other	160,798	117,145
Total current liabilities	1,317,708	1,077,539
Non-current liabilities		
Bonds payable	320,000	270,000
Long-term borrowings	729,600	1,146,949
Retirement benefit liability	58,015	54,166
Long-term leasehold and guarantee deposits received	221,000	195,408
Deferred tax liabilities	164,814	160,548
Other	55,506	74,178
Total non-current liabilities	1,548,936	1,901,250
Total liabilities	2,866,645	2,978,789

	(Thousands of yen)	
	FY3/20 (As of Mar. 31, 2020)	Third quarter of FY3/21 (As of Dec. 31, 2020)
Net assets		
Shareholders' equity		
Share capital	1,583,825	1,583,825
Capital surplus	107,616	107,616
Retained earnings	592,962	747,516
Treasury shares	(144,839)	(144,848)
Total shareholders' equity	2,139,565	2,294,110
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(13,092)	(9,495)
Deferred gains or losses on hedges	(21,432)	(16,690)
Foreign currency translation adjustment	(3,503)	(9,353)
Remeasurements of defined benefit plans	(6,336)	(5,284)
Total accumulated other comprehensive income	(44,364)	(40,823)
Share acquisition rights	3,402	3,402
Non-controlling interests	35,065	31,105
Total net assets	2,133,668	2,287,793
Total liabilities and net assets	5,000,313	5,266,583



**(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 FY3/20 (Apr. 1, 2019 – Dec. 31, 2019)	First nine months of FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)
Net sales	9,647,288	8,213,191
Cost of sales	7,640,286	6,652,449
Gross profit	2,007,002	1,560,742
Selling, general and administrative expenses	1,729,822	1,426,930
Operating profit	277,179	133,811
Non-operating income		
Interest income	2,651	2,072
Dividend income	2,247	272
Commission income	15,731	27,552
Gain on sales of securities	500	926
Foreign exchange gains	733	-
Share of profit of entities accounted for using equity method	5,877	-
Subsidy income	-	100,462
Other	3,020	6,507
Total non-operating income	30,763	137,794
Non-operating expenses		
Interest expenses	10,236	11,307
Interest on bonds	1,312	1,869
Share of loss of entities accounted for using equity method	-	53,762
Bond issuance cost	4,046	-
Foreign exchange losses	-	9,482
Other	2,415	3,182
Total non-operating expenses	18,010	79,604
Ordinary profit	289,931	192,001
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	6,157
Gain on change in equity	-	4,958
Gain on bad debts recovered	56	-
Total extraordinary income	56	11,116
Extraordinary losses		
Loss on retirement of non-current assets	10	778
Loss on valuation of shares of subsidiaries and associates	4,376	-
Other	0	33
Total extraordinary losses	4,386	811
Profit before dividend distributions from silent partnerships and income taxes	285,601	202,306
Dividend distributions from silent partnerships	-	(2,527)
Profit before income taxes	285,601	204,833
Income taxes-current	71,300	81,885
Income taxes-deferred	(2,573)	(4,266)
Total income taxes	68,726	77,618
Profit	216,874	127,214

Profit attributable to non-controlling interests	20,301	(1,656)
Profit attributable to owners of parent	196,573	128,871

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

(Thousands of yen)

	First nine months of FY3/20 (Apr. 1, 2019 – Dec. 31, 2019)	First nine months of FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)
Profit	216,874	127,214
Other comprehensive income		
Valuation difference on available-for-sale securities	6,727	2,313
Deferred gains or losses on hedges	5,525	4,742
Foreign currency translation adjustment	(1,163)	(7,880)
Remeasurements of defined benefit plans, net of tax	2,467	2,062
Total other comprehensive income	13,556	1,237
Comprehensive income	230,431	128,452
Comprehensive income attributable to:		
Owners of parent	207,062	132,413
Non-controlling interests	23,368	(3,960)

**(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**

(Accounting estimate for the impact of the COVID-19 pandemic)

There has been no significant change in the assumptions regarding the impact of COVID-19 pandemic as described in the Annual Securities Report for the previous fiscal year.

**Segment and Other Information**

Segment information

I. 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	1,142,797	636,861	9,214,304	432,984	9,647,288	-	9,647,288
Inter-segment sales and transfers	-	374	3,624	3,998	6	4,004	(4,004)	-
Total	7,434,645	1,143,172	640,485	9,218,303	432,990	9,651,293	(4,004)	9,647,288
Segment profit (loss)	221,515	143,330	15,248	380,094	49,543	429,637	(152,458)	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 152,458 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 FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)

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	6,801,922	732,874	397,561	7,932,358	280,833	8,213,191	-	8,213,191
Inter-segment sales and transfers	-	240	-	240	-	240	(240)	-
Total	6,801,922	733,115	397,561	7,932,599	280,833	8,213,432	(240)	8,213,191
Segment profit	231,812	42,650	(5,245)	269,217	13,025	282,243	(148,432)	133,811

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 148,432 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.

2. Changes to reporting segments, etc.

Since the end of the previous fiscal year, the Company has reviewed its method of adjusting inter-segment transactions and changed its method of calculating business segment profit in order to better evaluate and manage the performance of each reportable segment. The segment information for the first nine months of the current fiscal year has been prepared using the new calculation method.

*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.*