



## Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2021

[Japanese GAAP]

May 12, 2021

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Scheduled date of Annual General Meeting of Shareholders: June 18, 2021

Scheduled date of filing of Annual Securities Report: June 18, 2021

Scheduled date of payment of dividend: June 21, 2021

Preparation of supplementary materials for financial results: Available

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, 2021 (April 1, 2020 – March 31, 2021)

(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, 2021	10,482	(21.0)	114	(55.3)	228	(10.3)	114	(24.5)
Fiscal year ended Mar. 31, 2020	13,276	44.0	256	18.6	254	10.5	151	96.5

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2021: 155 (down 6.2%)

Fiscal year ended Mar. 31, 2020: 166 (up 129.6%)

	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, 2021	13.47	-	5.2	4.5	1.1
Fiscal year ended Mar. 31, 2020	17.48	17.48	7.3	5.3	1.9

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2021: (60) Fiscal year ended Mar. 31, 2020: 2

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2021	5,230	2,321	43.4	267.38
As of Mar. 31, 2020	5,000	2,133	41.9	247.31

Reference: Shareholders' equity (million yen) As of Mar. 31, 2021: 2,269 As of Mar. 31, 2020: 2,095

### (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, 2021	297	107	289	2,682
Fiscal year ended Mar. 31, 2020	311	(144)	8	1,990

## 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, 2020	Yen -	Yen 0.00	Yen -	Yen 3.00	Yen 3.00	Million yen 25	% 17.2	% 1.2
Fiscal year ended Mar. 31, 2021	-	0.00	-	3.00	3.00	25	22.3	1.2
Fiscal year ending Mar. 31, 2022 (forecast)	-	0.00	-	3.00	3.00		33.1	

## 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentages shown for net sales and profits 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	%	
Full Year	10,146	(3.2)	20	(82.5)	120	(47.5)	77	(32.6)	9.07

Note: The company evaluates performance on a full-year basis and no consolidated earnings forecast for the first half has been prepared.

**\* 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, 2021: 8,912,089 shares As of Mar. 31, 2020: 8,897,089 shares

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

As of Mar. 31, 2021: 425,139 shares As of Mar. 31, 2020: 425,109 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2021: 8,475,044 shares Fiscal year ended Mar. 31, 2020: 8,644,906 shares

**Reference: Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 – March 31, 2021)**

(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, 2021	172	15.2	(62)	-	27	-	60	326.6
Fiscal year ended Mar. 31, 2020	149	(18.2)	(91)	-	(11)	-	14	(92.5)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2021	7.12	-
Fiscal year ended Mar. 31, 2020	1.64	1.64

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2021	2,992	1,946	64.9	228.96
As of Mar. 31, 2020	3,126	1,899	60.6	223.81

Reference: Shareholders' equity (million yen) As of Mar. 31, 2021: 1,943 As of Mar. 31, 2020: 1,896

\* 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

Japan's economy has recovered from a sharp downturn caused by the COVID-19 pandemic during the current consolidated fiscal year, but there are concerns about another short-term contraction due to the continuous spread of COVID-19. As for the Asian economy, China, Taiwan, and Vietnam, which have successfully contained COVID-19, are showing signs of economic recovery, while economic downturn is prolonged in the countries like India, Indonesia, Thailand, etc. which are struggling to control COVID-19 outbreak.

Under these economic conditions, the group (Striders Corporation and its consolidated subsidiaries) continued to pursue new investment opportunities within Japan and overseas markets, while continuing to improve management efficiency and evaluating new business strategies at the existing businesses to suit the new normal.

However, the continued decline in demand in the hotel business and overseas business due to the impact of the COVID-19 pandemic and the significant decrease in buying and selling of real estate transactions compared to the same period of the previous year, resulted in a decrease in net sales and operating income. However, due to the supportive local and central governments' policies and subsidies, the decline in ordinary profit and net profit was narrowed. Consequently, net sales for the current fiscal year decreased 21% year-on-year to 10,482 million yen, operating profit decreased 55.3% year-on-year to 114 million yen, ordinary profit decreased 10.3% year-on-year to 228 million yen, and profit attributable to owners of parent decreased 24.5% year-on-year to 114 million yen.

The performance of each segment is 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. Despite the COVID-19 outbreak, the renewal rate and rent level of existing lease contracts were maintained at a high level, and the number of units managed also remained high. But the buying and selling of real estate properties contracted significantly compared to the previous financial year. As a result, segment sales for the current fiscal year decreased 16.6% year-on-year to 8.706 million yen. Meanwhile, operating profit increased 2.9% from the same period last year to 299 million yen.

#### 2) Hotel Business

In the hotel business, we currently operate Narita Gateway Hotel in the Narita International Airport area and the Kurashiki Royal Art Hotel in the Kurashiki Bikan Historical Quarter in Okayama Prefecture. The Narita Gateway Hotel has been leased to Chiba Prefecture since April 18, 2020 as a medical treatment facility for COVID-19 patients who are asymptomatic or show mild symptoms and has not been accepting general guests since that date. Kurashiki Royal Art Hotel was strongly affected by the COVID-19 pandemic which caused a significant decrease in the number of guests compared to the previous year. But the government and local governments' policies to support the tourism industry had a significant effect in the third quarter of the current fiscal year, and a certain recovery in demand was also seen during the fourth quarter of the current fiscal year when the state of emergency was declared again. Consequently, segment sales decreased 30.7% year-on-year to 954 million yen and operating profit decreased 56.9% year-on-year to 37 million yen.

#### 3) Overseas Business

As for overseas business, PT. Citra Surya Komunikasi is engaged in advertising agency business mainly for Japanese companies in the Republic of Indonesia, and Striders Global Investment Pte. Ltd. is engaged in investment

business in Singapore. For PT. Citra Surya Komunikasi, the results for the period from January to December 2020 are included in the consolidated financial statements with a delay of three months. Due to the impact of the COVID-19 outbreak, transactions with existing clients declined significantly during the year. In the investment business, we executed a strategic investment in a real estate tech venture company in Indonesia, but the contribution to sales and profits, including past investment projects, is not expected until the next fiscal year. The revenue for the current consolidated fiscal year was 435 million yen (down 50.4% year-on-year) and operating loss was 40 million yen (operating income was 28 million yen in the same period of the previous year).

#### **4) Other**

Under the other businesses, Mobile Link, Inc. develops and sells motor vehicle communication systems, M&A Global Partners Co., Ltd. engages in M&A consulting services, and Y.K Masuda Seimen engages in the production and sales of Chinese and other noodles. On the other hand, Mirai Intellectual Property Technology Research Center Co. Ltd. is an affiliated company accounted for using the equity method. Therefore, the profit or loss of the company is not included in the operating profit or loss.

The COVID-19 outbreak has 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 decreased 33.8% year-on-year to 386 million yen while operating profit decreased by 67.1% year on year to 19 million yen.

### **(2) Financial Position**

#### **Assets**

Current assets at the end of the current fiscal year amounted to 3,367 million yen, increasing 440 million yen from the end of the previous fiscal year. This was mainly attributable to an increase in cash and deposits of 694 million yen, which was partially offset by a decrease in accounts receivable of 119 million yen.

Non-current assets totaled 1,862 million yen, decreasing 210 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 72 million yen in investment securities.

As a result, total assets amounted to 5,230 million yen, which was a 229 million yen increase from the previous fiscal year.

#### **Liabilities**

Current liabilities at the end of the current fiscal year were 1,051 million yen, a decrease of 266 million yen from the end of the previous fiscal year. This is mainly attributable to a decrease in accounts payable of 102 million yen and short-term borrowings of 86 million yen.

Non-current liabilities increased by 308 million yen from the end of the previous fiscal year to 1,857 million yen. This is due to an increase in long-term borrowings of 379 million yen.

As a result, the total liabilities amounted to 2,909 million yen, 42 million yen more than the end of the previous fiscal year.

#### **Net assets**

Net assets at the end of the current fiscal year amounted to 2,321 million yen, a 187 million yen increase from the end of the previous fiscal year. This is caused by booking profit attributable to owners of parent of 114 million yen.

As a result, the equity ratio was 43.4%.

### **(3) Cash Flows**

Cash and cash equivalents (hereinafter referred to as "net cash") at the end of the current fiscal year amounted to

2,682 million yen, an increase of 692 million yen from the end of the previous fiscal year.

#### Cash flows from operating activities

Net cash generated by operating activities amounted to 297 million yen, (311 million yen was generated during previous fiscal year). This is mainly due to booking profit before income taxes of 258 million yen.

#### Cash flows from investing activities

Net cash generated by investment activities amounted to 107 million yen, compared to 144 million yen of net cash used in the previous fiscal year. This is mainly due to the sale of investment securities resulting in income of 95 million yen.

#### Cash flows from financing activities

Net cash generated by financing activities was 289 million yen, compared to 8 million yen of net cash generated in the previous fiscal year. This is mainly due to an increase in long-term borrowings of 529 million yen, which was partially offset by repayments of long-term borrowings of 158 million yen.

#### Reference: Cash flow indicators

	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21
Shareholders' equity ratio (%)	48.6	41.6	44.5	41.9	43.4
Shareholders' equity ratio based on market value (%)	155.3	84.2	60.9	48.4	49.9
Ratio of interest-bearing debt to cash flows (years)	3.4	2.9	3.0	4.4	5.4
Interest coverage ratio (times)	16.5	31.8	27.3	21.1	15.3

- 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 future outlook, it is necessary to pay close attention to the risks of further economic downturns and changes in financial and capital markets along with hotel business and other sectors due to the global COVID-19 outbreak. However, with the distribution of COVID-19 vaccines, it is expected that the central and local government will slowly relax the restrictions on movements which will lead to recovery.

As with the current consolidated fiscal year, the impact from the COVID-19 pandemic on the residence business is not significant, but the real estate trading business is expected to continue its declining trend in the number of transactions.

Based on a request from the local government of Chiba Prefecture, the Narita Gateway Hotel has been providing temporary accommodations for COVID-19 patients who are asymptomatic or show mild symptoms since April 2020. Once the pandemic is under control, it is expected that the hotel will restart the normal operations but it will take a certain amount of time for the hotel to normalize as an inbound-centered hotel. As for the Kurashiki Royal Art Hotel, since its business base is centered on domestic customers, it is expected that the road to normalization will be relatively short once the central and local governments relax the travel restrictions. It is expected that the hotel will return to profitability quickly by changing the hotel operations to meet the needs of the post-COVID tourism demand.

Under these circumstances, we forecast the following consolidated results for the next fiscal year: revenue decreasing 3.2% year on year to 10,146 million yen, operating profit decreasing 82.5% to 20 million yen, ordinary profit decreasing 47.5% to 120 million yen, and profit attributable to owners of parent is expected to decrease 32.6% to 77 million yen.

## **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)	
	FY3/20	FY3/21
	(As of Mar. 31, 2020)	(As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	2,200,502	2,894,896
Accounts receivable-trade	300,342	180,641
Securities	51,107	4,587
Real estate for sale	183,857	151,773
Other inventories	113,989	57,156
Other	109,857	108,093
Allowance for doubtful accounts	(32,386)	(29,846)
Total current assets	2,927,269	3,367,302
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,308,835	1,316,979
Accumulated depreciation	(375,460)	(447,995)
Buildings and structures, net	933,374	868,983
Machinery, equipment and vehicles	78,049	77,381
Accumulated depreciation	(53,421)	(60,271)
Machinery, equipment and vehicles, net	24,627	17,110
Tools, furniture and fixtures	212,606	199,460
Accumulated depreciation	(135,835)	(142,861)
Tools, furniture and fixtures, net	76,771	56,598
Land	348,663	348,663
Leased assets	-	30,193
Accumulated depreciation	-	(3,982)
Leased assets, net	-	26,211
Total property, plant and equipment	1,383,436	1,317,567
Intangible assets		
Goodwill	160,260	107,619
Other	22,829	18,943
Total intangible assets	183,090	126,562
Investments and other assets		
Investment securities	303,411	231,050
Shares of subsidiaries and associates	81,811	82,551
Deferred tax assets	47,004	28,593
Other	74,575	76,858
Allowance for doubtful accounts	(285)	(285)
Total investments and other assets	506,517	418,768
Total non-current assets	2,073,044	1,862,898
Total assets	5,000,313	5,230,200



	(Thousands of yen)	
	FY3/20	FY3/21
	(As of Mar. 31, 2020)	(As of Mar. 31, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	226,329	124,036
Short-term borrowings	97,853	11,512
Current portion of bonds payable	60,000	60,000
Current portion of long-term borrowings	158,735	150,376
Unearned revenue	203,483	185,212
Accrued expenses	95,508	78,748
Accounts payable-other	82,664	72,661
Income taxes payable	48,515	75,442
Provision for bonuses	32,958	27,712
Deposits received	129,097	123,880
Interest rate swaps	21,763	15,017
Other	160,798	126,944
<b>Total current liabilities</b>	<b>1,317,708</b>	<b>1,051,545</b>
<b>Non-current liabilities</b>		
Bonds payable	320,000	260,000
Long-term borrowings	729,600	1,109,224
Retirement benefit liability	58,015	61,805
Long-term leasehold and guarantee deposits received	221,000	192,470
Deferred tax liabilities	164,814	159,126
Other	55,506	74,969
<b>Total non-current liabilities</b>	<b>1,548,936</b>	<b>1,857,595</b>
<b>Total liabilities</b>	<b>2,866,645</b>	<b>2,909,140</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,583,825	1,585,938
Capital surplus	107,616	109,730
Retained earnings	592,962	732,817
Treasury shares	(144,839)	(144,848)
<b>Total shareholders' equity</b>	<b>2,139,565</b>	<b>2,283,637</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(13,092)	8,599
Deferred gains or losses on hedges	(21,432)	(14,834)
Foreign currency translation adjustment	(3,503)	(2,373)
Remeasurements of defined benefit plans	(6,336)	(5,815)
<b>Total accumulated other comprehensive income</b>	<b>(44,364)</b>	<b>(14,424)</b>
Share acquisition rights	3,402	3,375
Non-controlling interests	35,065	48,471
<b>Total net assets</b>	<b>2,133,668</b>	<b>2,321,059</b>
<b>Total liabilities and net assets</b>	<b>5,000,313</b>	<b>5,230,200</b>

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

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net sales	13,276,092	10,482,350
Cost of sales	10,686,066	8,447,166
Gross profit	2,590,025	2,035,183
Selling, general and administrative expenses	2,333,850	1,920,779
Operating profit	256,174	114,404
Non-operating income		
Interest income	3,488	2,947
Dividend income	2,247	418
Gain on sales of securities	669	1,558
Share of profit of entities accounted for using equity method	2,713	-
Commission income	26,388	36,022
Foreign exchange gains	266	2,178
Subsidy income	-	142,057
Other	3,110	11,491
Total non-operating income	38,884	196,674
Non-operating expenses		
Interest expenses	13,552	16,859
Interest on bonds	2,095	2,478
Share of loss of entities accounted for using equity method	-	60,427
Bond issuance costs	3,883	-
Loss on valuation of securities	12,509	246
Commission expenses	4,500	-
Other	3,885	2,599
Total non-operating expenses	40,376	82,661
Ordinary profit	254,682	228,467
Extraordinary income		
Gain on forgiveness of debts	-	78,710
Gain on sales of non-current assets	1,050	-
Gain on sales of investment securities	469	-
Other	-	11,116
Total extraordinary income	1,519	89,826
Extraordinary losses		
Loss on sales of investment securities	-	20,407
Loss on valuation of investment securities	8,017	-
Impairment loss	-	38,959
Other	10	778
Total extraordinary losses	8,027	60,145
Profit before distributions of profit or loss on silent partnerships and income taxes	248,174	258,147
Distributions of profit or loss on silent partnerships	(14,493)	(429)
Profit before income taxes	262,668	258,577
Income taxes-current	86,941	118,211
Income taxes-deferred	3,957	10,542
Total income taxes	90,899	128,754
Profit	171,768	129,822

Profit (loss) attributable to non-controlling interests	20,616	15,650
Profit attributable to owners of parent	151,151	114,172

**Consolidated Statement of Comprehensive Income**

(Thousands of yen)

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Profit	171,768	129,822
Other comprehensive income		
Valuation difference on available-for-sale securities	(13,102)	20,245
Deferred gains or losses on hedges	6,017	6,598
Foreign currency translation adjustment	1,885	(167)
Remeasurements of defined benefit plans, net of tax	(479)	(773)
Total other comprehensive income	(5,678)	25,902
Comprehensive income	166,090	155,725
Comprehensive income attributable to:		
Owners of parent	142,419	144,112
Non-controlling interests	23,670	11,612

**(3) Consolidated Statement of Changes in Equity**

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

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,583,825	107,616	592,962	(144,839)	2,139,565
Changes during period					
Issuance of new shares	2,113	2,113			4,227
Dividend of surplus			(25,415)		(25,415)
Profit attributable to owners of parent			114,172		114,172
Purchase of treasury shares				(9)	(9)
Change of scope of equity method			51,098		51,098
Net changes in items other than shareholders' equity					
Total changes during period	2,113	2,113	139,854	(9)	144,072
Balance at end of period	1,585,938	109,730	732,817	(144,848)	2,283,637

(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	(13,092)	(21,432)	(3,503)	(6,336)	(44,364)	3,402	35,065	2,133,668
Changes during period								
Issuance of new shares						(27)		4,200
Dividend of surplus								(25,415)
Profit attributable to owners of parent								114,172
Purchase of treasury shares								(9)
Change of scope of equity method								51,098
Net changes in items other than shareholders' equity	21,691	6,598	1,130	520	29,939		13,406	43,346
Total changes during period	21,691	6,598	1,130	520	29,939	(27)	13,406	187,391
Balance at end of period	8,599	(14,834)	(2,373)	(5,815)	(14,424)	3,375	48,471	2,321,059

**(4) Consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY3/20	FY3/21
	(Apr. 1, 2019 – Mar. 31, 2020)	(Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from operating activities		
Profit before income taxes	262,668	258,577
Depreciation	110,256	114,241
Impairment loss	-	38,959
Amortization of goodwill	13,907	13,682
Increase (decrease) in allowance for doubtful accounts	(663)	(681)
Increase (decrease) in other provisions	12,342	1,583
Loss (gain) on valuation of securities	12,509	246
Loss (gain) on valuation of investment securities	8,017	-
Loss (gain) on sales of investment securities	(469)	20,407
Subsidy income	-	(142,057)
Distributions of profit or loss on silent partnerships	(14,493)	(429)
Interest and dividend income	(5,735)	(3,366)
Interest expenses on borrowings and bonds	15,648	19,338
Gain on forgiveness of debts	-	(78,710)
Foreign exchange losses (gains)	(1,226)	(435)
Share of loss (profit) of entities accounted for using equity method	(2,713)	60,427
Loss (gain) on sales of securities	(669)	(1,558)
Decrease (increase) in trade receivables	(82,681)	112,927
Decrease (increase) in inventories	(119,389)	83,544
Increase (decrease) in trade payables	131,828	(97,367)
Increase (decrease) in deposits received	8,536	(5,155)
Increase (decrease) in leasehold and guarantee deposits received	(13,230)	(28,530)
Other,	21,104	(101,077)
Subtotal	355,545	264,565
Interest and dividends received	5,735	3,366
Interest paid	(14,754)	(19,378)
Income taxes refund	38,262	3,470
Income taxes paid	(72,936)	(96,730)
Subsidy received	-	142,057
Net cash provided by (used in) operating activities	311,852	297,350
Cash flows from investing activities		
Proceeds from sales of shares of subsidiaries and associates	-	14,287
Purchase of securities	(189)	(10,043)
Proceeds from sales of securities	8,446	58,133
Purchase of property, plant and equipment	(93,721)	(10,778)
Proceeds from sales of property, plant and equipment	1,050	-
Purchase of intangible assets	(1,310)	(4,318)
Purchase of investment securities	(149,316)	(32,266)
Proceeds from sales of investment securities	10,790	95,371
Collection of loans receivable	100,000	-
Payments for investments in silent partnerships	(20,037)	(4)
Other,	78	(2,839)
Net cash provided by (used in) investing activities	(144,209)	107,541

	(Thousands of yen)	
	FY3/20	FY3/21
	(Apr. 1, 2019 – Mar. 31, 2020)	(Apr. 1, 2020 – Mar. 31, 2021)
Cash flows from financing activities		
Repayments of lease obligations	-	(3,908)
Increase (decrease) in short-term borrowings	10,000	-
Proceeds from issuance of bonds	200,000	-
Redemption of bonds	(20,000)	(60,000)
Proceeds from long-term borrowings	191,000	529,944
Repayments of long-term borrowings	(252,677)	(158,735)
Purchase of treasury shares	(123,024)	(9)
Dividends paid	-	(22,186)
Other,	2,800	4,200
Net cash provided by (used in) financing activities	8,098	289,305
Effect of exchange rate change on cash and cash equivalents	551	(1,800)
Net increase (decrease) in cash and cash equivalents	176,293	692,396
Cash and cash equivalents at beginning of period	1,814,203	1,990,496
Cash and cash equivalents at end of period	1,990,496	2,682,893



## **(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

FY3/20 (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 (loss)	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 (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.

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(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	8,706,397	954,635	435,124	10,096,157	386,192	10,482,350	-	10,482,350
Inter-segment sales and transfers	-	363	-	363	-	363	(363)	-
Total	8,706,397	954,998	435,124	10,096,520	386,192	10,482,713	(363)	10,482,350
Segment profit	299,427	37,444	(40,419)	296,452	19,376	315,828	(201,424)	114,404
Segment assets	1,147,363	2,096,989	312,557	3,556,910	514,128	4,071,039	1,159,161	5,230,200
Other items								
Depreciation	12,498	91,725	5,053	109,277	2,646	111,923	2,317	114,241
Amortization of goodwill	-	8,122	5,560	13,682	-	13,682	-	13,682
Share of profit of entities accounted for using equity method	-	-	-	-	(60,427)	(60,427)	-	(60,427)
Increase in property, plant and equipment, and intangible assets	36,245	6,464	86	42,796	419	43,216	3,174	46,390

- 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 (201,424) 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

FY3/20 (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.

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

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 FY3/21.

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

FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)

There is no applicable information.

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Impairment loss	-	-	38,959	-	-	38,959

Notes: The amount of overseas business is related to goodwill.

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

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

FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)

(Thousands of yen)

	Real Estate Business	Hotel Business	Overseas Business	Other businesses	Elimination or corporate	Total
Amortization for the period	-	8,122	5,560	-	-	13,682
Balance at the end of the period	-	107,619	-	-	-	107,619

**Information related to gain on bargain purchase by each reportable segment**

There is no applicable information.

**Per Share Information**

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net assets per share (Yen)	247.31	267.38
Net income per share (Yen)	17.48	13.47
Diluted net income per share (Yen)	17.48	-

Note: 1. Diluted net income per share for the current fiscal year is not stated because there is no potential dilution of shares.

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

	FY3/20 (Apr. 1, 2019 – Mar. 31, 2020)	FY3/21 (Apr. 1, 2020 – Mar. 31, 2021)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	151,151	114,172
Amount not attributed to common shareholders (Thousands of yen)	-	-
Profit attributable to owners of parent related to common shares (Thousands of yen)	151,151	114,172
Average number of shares outstanding during the period (Thousands of shares)	8,644	8,475
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)	0	-
[Of which, share acquisition rights (Thousands of shares)]	[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**

There is no applicable information.

*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.*