



## Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022

[Japanese GAAP]

February 10, 2022

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

Scheduled date of filing of Quarterly Report: February 14, 2022  
 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, 2022 (April 1, 2021 – December 31, 2021)

(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, 2021	5,704	(30.5)	(34)	-	157	(17.8)	136	5.6
Nine months ended Dec. 31, 2020	8,213	(14.9)	133	(51.7)	192	(33.8)	128	(34.4)

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2021: 126 (down 1.2%)

Nine months ended Dec. 31, 2020: 128 (down 44.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2021	16.04	-
Nine months ended Dec. 31, 2020	15.21	15.20

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2021	4,833	2,427	49.7	283.01
As of Mar. 31, 2021	5,230	2,321	43.4	267.38

Reference: Shareholders' equity (million yen)

As of Dec. 31, 2021: 2,401

As of Mar. 31, 2021: 2,269

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2021	-	0.00	-	3.00	3.00
Fiscal year ending Mar. 31, 2022	-	0.00	-		
Fiscal year ending Mar. 31, 2022 (forecast)				5.00	5.00

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

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

(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	7,633	(27.2)	(53)	-	139	(39.1)	103	(9.5)	12.18

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

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of the quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

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, 2021:	8,912,089 shares	As of Mar. 31, 2021:	8,912,089 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2021:	425,139 shares	As of Mar. 31, 2021:	425,139 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2021:	8,486,950 shares	Nine months ended Dec. 31, 2020:	8,471,965 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

\* Explanation of appropriate use of earnings forecasts, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the Company's management at the time the materials were prepared. These materials are not promises by the Company regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. For discussion of the assumptions and other factors considered by the Company in preparing the above projections, please refer to page 3 of the attachments "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements."

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

The Group has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Revenue Recognition Accounting Standard") from the beginning of the current first quarter. For more information on the application of the Revenue Recognition Accounting Standard, please refer to "2. Quarterly Consolidated Financial Statements and Notes (4) Notes to Consolidated Financial Statements (Changes in Accounting Policies)"

### (1) Explanation of Results of Operations

During the first nine months of the current fiscal year (hereinafter "the period under review"), both Japanese economy and Asian economy experienced some severe conditions due to the spread of new COVID-19 strains. However, the domestic economy has begun to show signs of recovery as a result of the gradual easing of restrictions since October 2021. In addition, the Asian economy, especially the Indonesian economy where our group has a large investment exposure, has also shown small signs of recovery despite the severity of the situation.

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.

Nevertheless, due to the impact of new COVID-19 strains, decreasing rate in real estate trading transactions, and declining demand for tourism, the net sales for the period under review decreased 30.5% to 5,704 million yen, operating loss is 34 million yen compared to 133 million operating profit in the same period last year, ordinary profit decreased 17.8% to 157 million yen, profit before income taxes decreased 15.9% to 172 million yen and net income attributable to owners of the parent increased 5.6% to 136 million yen. The partial transfer of shares in PT. Citra Surya Komunikasi, which was a consolidated subsidiary, has brought a gain on sales of shares of subsidiaries of 13 million yen that was recorded in the second quarter of the current fiscal year.

Business segment performance was as follows:

#### 1) Real Estate Business

In the real estate business, Trust Advisers Corporation currently operates the residential property business comprising of leasing services for condominium owners as well as rental and condominium building management on a contract basis. The Company also engages in the real estate trading business that caters for condominium owners' needs for buying and selling properties. As for the impact of new COVID-19 strains, the number of units under management, the renewal rate of existing lease contracts, and rent levels in the residential property business remained unchanged, however, the occupancy rate temporarily declined during the period under review. On the other hand, transactions in the land agency business also 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 31.7% year-on-year to 4,648 million yen and operating income was down 48.3% year-on-year to 119 million yen.

#### 2) Hotel Business

In the hotel business, we currently operate Narita Gateway Hotel in the Narita Airport area and Kurashiki Royal Art Hotel in the Kurashiki Bikan Historical Quarter. Narita Gateway Hotel has been leased to Chiba Prefecture since April 18, 2020 as a treatment facility for COVID-19 patients who are asymptomatic or show mild symptoms. The hotel has not been accepting general guests since then. On the contrary, at Kurashiki Royal Art Hotel, the number of hotel guests during the period under review increased, compared to the first half of the current fiscal year (first six months of the current fiscal year), as a result of the significant improvement in containment of COVID-19 since October 2021. Hence, net sales of the period under review were down 1.2% year-on-year to 724 million and operating income was up 40.7% year-on-year to 60 million yen. During the period under review, both hotels continued to implement the employees' work absence shift while the central government and local

governments continued to provide special measure subsidies, such as employment adjustment subsidies. As a result, a 47.7% year-on-year increase in subsidy income to 148 million yen was recorded.

### **3) Overseas Business**

Regarding the overseas business, Striders Global Investment Pte. Ltd. operates investment business in Singapore, and PT. Citra Surya Komunikasi operates an advertising agency business that caters mainly to Japanese companies in Indonesia. However, due to poor performance of the company, a partial transfer of shares was made and the company was excluded from the scope of consolidation in the second quarter of the current fiscal year. As a result, for the period under review, net sales in overseas business were down 87.7% year-on-year to 48 million yen and an operating loss of 82 million yen was recorded (compared with an operating loss of 5 million yen in the same period of the previous fiscal year), which remained almost unchanged from the second quarter of the current fiscal year.

As for the progress of the investment business in Striders Global Investment Pte. Ltd., the company invested in Roar Media, a digital media platform in Sri Lanka and Bangladesh in October 2018, which absorbed and merged its affiliate that operates exclusive advertising resale business for Meta in April 2021. The company also invested USD 100,000 into Indogen Capital Fund II, L.P., which selects promising startups in Indonesia and provides investment and management support in June 2021, and USD 75,000 into AGRITHMICS, a SaaS company that promotes the digitalization of the process of delivering harvests to commodity production factories for smallholder farmers in Sri Lanka in December 2021.

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

### **Assets**

Current assets at the end of the period under review were ¥ 3,033 million, a decrease of ¥ 334 million from the end of the previous fiscal year. This was mainly due to a decrease of 116 million yen in cash and deposits of PT. Citra Surya Komunikasi, which was excluded from the scope of consolidation in the second quarter of the current fiscal year, and a decrease in liabilities of domestic group companies in the period under review, which resulted in a decrease of 303 million yen in cash and deposits. Non-current assets were 1,800 million yen, a decrease of 62 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 42 million yen in buildings and structures (net amount).

As a result, total assets were 4,833 million yen, a decrease of 396 million yen from the end of the previous fiscal year.

### **Liabilities**

Current liabilities at the end of the period under review were 828 million yen, decreasing 223 million yen compared to the end of the previous fiscal year, mainly due to a decrease of 64 million yen in income tax payable and decrease of 33 million yen in deposits received. Non-current liabilities totaled 1,576 million yen, decreasing of 280 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 90 million yen in long-term loans payable.

As a result, total liabilities amounted to 2,405 million yen, a decrease of 503 million yen from the end of the previous fiscal year.

### **Net assets**

Total net assets at the end of the period under review were 2,427 million yen, increasing 106 million yen compared to the end of the previous fiscal year. This was mainly due to the recording of 136 million yen in net income attributable to owners of parent and the fact that 25 million yen of dividends was paid from retained earnings.

As a result, the equity ratio was 49.7% (compared to 43.4% at the end of the previous fiscal year).

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

With regard to the consolidated earnings forecast, we have revised the full-year consolidated earnings forecast announced in the "Notice Concerning Revision of Earnings Forecast" released on November 11, 2021. For details, please refer to the "Notice Concerning Revision of Earnings Forecast" released today.

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

	(Thousands of yen)	
	FY3/21 (As of Mar. 31, 2021)	Third quarter of FY3/22 (As of Dec. 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	2,894,896	2,590,949
Accounts receivable-trade	180,641	157,747
Securities	4,587	439
Inventories	208,930	165,740
Other	108,093	120,982
Allowance for doubtful accounts	(29,846)	(2,662)
Total current assets	3,367,302	3,033,195
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	868,983	826,452
Land	348,663	348,663
Other, net	99,920	72,366
Total property, plant and equipment	1,317,567	1,247,482
Intangible assets		
Goodwill	107,619	101,527
Other	18,943	18,477
Total intangible assets	126,562	120,005
Investments and other assets		
Investment securities	231,050	272,322
Shares of subsidiaries and associates	82,551	71,532
Deferred tax assets	28,593	16,360
Other	76,858	72,520
Allowance for doubtful accounts	(285)	(190)
Total investments and other assets	418,768	432,544
Total non-current assets	1,862,898	1,800,031
Total assets	5,230,200	4,833,227
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	124,036	105,111
Short-term borrowings	11,512	10,000
Current portion of bonds	60,000	60,000
Current portion of long-term borrowings	150,376	128,488
Unearned revenue	185,212	169,285
Accrued expenses	78,748	96,827
Accounts payable-other	72,661	52,836
Income taxes payable	75,442	11,048
Provision for bonuses	27,712	8,337
Deposits received	123,880	90,710
Interest rate swaps	15,017	9,752
Other	126,944	86,068
Total current liabilities	1,051,545	828,465
Non-current liabilities		
Bonds payable	260,000	210,000
Long-term borrowings	1,109,224	1,018,461
Retirement benefit liability	61,805	10,821
Long-term leasehold and guarantee deposits received	192,470	163,331
Deferred tax liabilities	159,126	154,915
Other	74,969	19,466
Total non-current liabilities	1,857,595	1,576,995
Total liabilities	2,909,140	2,405,461

	(Thousands of yen)	
	FY3/21 (As of Mar. 31, 2021)	Third quarter of FY3/22 (As of Dec. 31, 2021)
Net assets		
Shareholders' equity		
Share capital	1,585,938	1,585,938
Capital surplus	109,730	109,730
Retained earnings	732,817	847,050
Treasury shares	(144,848)	(144,848)
Total shareholders' equity	2,283,637	2,397,870
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,599	9,543
Deferred gains or losses on hedges	(14,834)	(9,660)
Foreign currency translation adjustment	(2,373)	4,165
Remeasurements of defined benefit plans	(5,815)	—
Total accumulated other comprehensive income	(14,424)	4,048
Share acquisition rights	3,375	3,375
Non-controlling interests	48,471	22,472
Total net assets	2,321,059	2,427,766
Total liabilities and net assets	5,230,200	4,833,227



**(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 FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)
Net sales	8,213,191	5,704,754
Cost of sales	6,652,449	4,363,564
Gross profit	1,560,742	1,341,190
Selling, general and administrative expenses	1,426,930	1,375,194
Operating profit	133,811	(34,004)
Non-operating income		
Interest income	2,072	855
Dividend income	272	1
Commission income	27,552	29,772
Gain on sales of securities	926	1,017
Foreign exchange gains	-	4,650
Share of profit of entities accounted for using equity method	-	2,480
Subsidy income	100,462	148,372
Other	6,507	22,322
Total non-operating income	137,794	209,472
Non-operating expenses		
Interest expenses	11,307	11,161
Interest on bonds	1,869	1,592
Share of loss of entities accounted for using equity method	53,762	-
Bond issuance cost	-	-
Foreign exchange losses	9,482	-
Other	3,182	4,848
Total non-operating expenses	79,604	17,602
Ordinary profit	192,001	157,865
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	6,157	13,284
Gain on change in equity	4,958	-
Gain on bad debts recovered	-	1,539
Total extraordinary income	11,116	14,824
Extraordinary losses		
Loss on sale of non-current assets	-	292
Loss on retirement of non-current assets	778	-
Loss on valuation of shares of subsidiaries and associates	-	127
Other	33	-
Total extraordinary losses	811	419
Profit before dividend distributions from silent partnerships and income taxes	202,306	172,270
Dividend distributions from silent partnerships	(2,527)	-
Profit before income taxes	204,833	172,270
Income taxes-current	81,885	67,072
Income taxes-deferred	(4,266)	(4,210)
Total income taxes	77,618	62,862

Profit	127,214	109,408
Profit attributable to non-controlling interests	(1,656)	(26,724)
Profit attributable to owners of parent	128,871	136,133

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

	First nine months of FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)
Profit	127,214	109,408
Other comprehensive income		
Valuation difference on available-for-sale securities	2,313	3,774
Deferred gains or losses on hedges	4,742	5,173
Foreign currency translation adjustment	(7,880)	4,038
Remeasurements of defined benefit plans, net of tax	2,062	4,523
Total other comprehensive income	1,237	17,509
Comprehensive income	128,452	126,918
Comprehensive income attributable to:		
Owners of parent	132,413	152,918
Non-controlling interests	(3,960)	(25,999)

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Changes in Accounting Policies**

The Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Revenue Recognition Accounting Standard") from the beginning of the first quarter of the current fiscal year and recognizes revenue at the amount expected to be received in exchange for the promised goods or services when control of the goods or services is transferred to the customer.

For the application of the revenue recognition accounting standard, the Company has followed the transitional treatment prescribed in the proviso of Paragraph 84 of the revenue recognition accounting standard, and the cumulative effect of retroactively applying the new accounting policy prior to the beginning of the current first quarter has been added to or deducted from retained earnings at the beginning of the current first quarter, and the new accounting policy has been applied from the relevant beginning balance.

As a result, there is no impact on profit and loss for the first nine months of the current fiscal year or on the balance of retained earnings at the beginning of the current fiscal year.

In addition, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), the Company has not presented information on revenues from contracts with customers broken down for the first nine months of the previous fiscal year.

**Additional Information**

(Accounting estimate due to 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 FY3/21 (Apr. 1, 2020 – Dec. 31, 2020)

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 (loss)	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 (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 FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)

## 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								
Revenue arising from contracts with customers	4,648,235	723,905	48,984	5,421,125	283,628	5,704,754	—	5,704,754
External sales	4,648,235	723,905	48,984	5,421,125	283,628	5,704,754	—	5,704,754
Inter-segment sales and transfers	-	306	—	306	—	306	(306)	—
Total	4,648,235	724,212	48,984	5,421,432	283,628	5,705,061	(306)	5,704,754
Segment profit	119,784	60,000	(82,943)	96,841	44,516	141,357	(175,362)	(34,004)

- 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 175,362 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. Matters concerning changes in reporting segments

As described in "Changes in Accounting Policies," the Company has applied the Revenue Recognition Accounting Standard from the beginning of the first quarter of the current fiscal year and changed its accounting method for revenue recognition, so the method of calculating profit or loss in the business segments has been changed as well. This change had no impact on net sales and segment profit for the first nine months of the current fiscal year.

**Relation to Revenue Recognition**

Information on the breakdown of revenue arising from contracts with customers is provided in "Notes (Segment 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.*