



## Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2023

**[Japanese GAAP]**

February 13, 2023

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

Scheduled date of filing of Quarterly Report: February 14, 2023  
 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, 2023 (April 1, 2022 – December 31, 2022)

(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, 2022	5,525	(3.1)	88	-	167	5.8	76	(43.5)
Nine months ended Dec. 31, 2021	5,704	(30.5)	(34)	-	157	(17.8)	136	5.6

Note: Comprehensive income (million yen)      Nine months ended Dec. 31, 2022: 77 (down 38.8%)  
 Nine months ended Dec. 31, 2021: 126 (down 1.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2022	9.11	-
Nine months ended Dec. 31, 2021	16.04	-

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2022	4,712	2,470	51.8	290.89
As of Mar. 31, 2022	4,789	2,450	50.6	286.26

Reference: Shareholders' equity (million yen)      As of Dec. 31, 2022: 2,443      As of Mar. 31, 2022: 2,424

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2022	-	0.00	-	5.00	5.00
Fiscal year ending Mar. 31, 2023	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2023 (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, 2023 (April 1, 2022 – March 31, 2023)

(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	7,251	(3.4)	67	-	160	(21.7)	104	(38.1)	12.36

Note: Revisions to the most recently announced consolidated earnings forecast: No

**\* 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, 2022:	8,912,089 shares	As of Mar. 31, 2022:	8,912,089 shares
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2) Number of treasury shares at the end of the period

As of Dec. 31, 2022:	512,709 shares	As of Mar. 31, 2022:	442,739 shares
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3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2022:	8,441,356 shares	Nine months ended Dec. 31, 2021:	8,486,950 shares
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\* The current quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

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

Cautionary statement with respect to forecasts

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

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

The Japanese economy has been gradually recovering during the first nine months of the current fiscal year. However, we need to pay close attention to potential downturns in overseas economies that could increase risks in the Japanese economy. The potential downturns include effects of fluctuations in financial and capital markets including exchange rates, apparent global supply-side constraints and monetary tightening regulations in Europe and the United States.

Under these economic conditions, the group (Striders Corporation and its consolidated subsidiaries) continued to pursue new investment opportunities overseas, while at the same time examining new business strategies and improving management efficiency in existing businesses. As a result, for the first nine months of the current fiscal year, there was a 3.1% decrease year-on-year in net sales to 5,525 million yen, operating income of 88 million yen compared to operating loss of 34 million yen in the same period of the previous year, 5.8% increase year-on-year in ordinary income to 167 million yen, 1.7% decrease year-on-year in income before income taxes and minority interests to 169 million yen, and 43.5% decrease year-on-year in net income attributable to owners of the parent to 76 million yen.

Business segment performance was as follows:

#### 1) Real Estate Business

Trust Advisers Corporation currently operates the residential property business comprising leasing services for condominium owners as well as rental and condominium building management on a contract basis. The company also engages in the land agency business that caters for condominium owners' needs for buying and selling properties.

In the residential property business, there was no significant change in the number of units under management and the rent level of sublease rental contracts compared to the same quarter of the previous year. However, there was an increase in the number of mid-course cancellations of sublease contracts and the subsequent conclusion of contracts with new tenant. This caused the commission income to increase while gross profit from sublease rental income trended downward, resulting in a slight increase in gross profit despite the increased revenue. On the other hand, in the land agency business, both revenues and gross profit declined significantly due to a continued decline in sales transactions of investment condominiums. As a result, net sales in the real estate business for the first nine months of the current fiscal year decreased 5.3% year-on-year to 4,400 million yen and operating income decreased 18.6% year-on-year to 97 million yen despite continued efforts to control SG&A expenses.

#### 2) Hotel Business

In 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. 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 its performance has been solid. Meanwhile, at Kurashiki Royal Art Hotel, the unit price per guest room improved significantly due to the change in the public's perception of the COVID-19 outbreak and the government's nationwide travel support measures which were implemented from October 2022. However, the number of hotel guests and hotel occupancy rates for the period from October to December decreased year-on-year. As a result, the hotel segment recorded a significant increase in both sales and income, with a 15.4% increase year-on-year in net sales to 835 million yen and 138.4% increase year-on-year in operating income to 143 million yen.

#### 3) Overseas Business

In the overseas business segment, Striders Global Investment Pte. Ltd. operates investment business in Singapore, and PT. Citra Surya Komunikasi operates an advertising agency business that caters mainly for Japanese companies

in Indonesia. However, a partial transfer of shares was made in the second quarter of the previous fiscal year and the company was excluded from the scope of consolidation. As a result, the Company did not report net sales from overseas operations for the first nine months of the current fiscal year compared to net sales of 48 million yen in the same period of the previous year. Operating loss amounted to 1 million yen compared to operating loss of 82 million yen in the same period of the previous year.

As for the investment business in Striders Global Investment Pte. Ltd., there are two invested companies in Sri Lanka, where there are concerns about the domestic economic turmoil. However, both companies have been focusing on their business expansion outside of Sri Lanka, and the Sri Lankan rupee has a low weighting in the base currency of their business activities. Therefore, we believe that the impact of this economic crisis is under control at the moment.

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

### **Assets**

Current assets at the end of the period under review were ¥ 2,986 million, a decrease of ¥ 59 million from the end of the previous fiscal year. This is mainly due to a decrease of ¥65 million in cash and deposits. Fixed assets amounted to ¥1,725 million, down ¥17 million from the end of the previous fiscal year. This is mainly due to a ¥49 million decrease in buildings and structures(net) and a ¥66 million increase in investment securities.

As a result, total assets were 4,712 million yen, a decrease of 77 million yen from the end of the previous fiscal year.

### **Liabilities**

Current liabilities at the end of the period under review were 1,094 million yen, increasing 197 million yen from the end of the previous fiscal year. This was mainly due to a 100 million yen increase in current portion of bonds and a 32 million yen increase in current portion of long-term loans payable. Non-current liabilities amounted to 1,146 million yen, decreasing 294 million yen from the end of the previous fiscal year. This was mainly due to a 150 million yen decrease in bonds payable and a 123 million yen decrease in long-term loans payable. As a result, total liabilities amounted to 2,241 million yen, a decrease of 97 million yen from the end of the previous fiscal year.

### **Net assets**

Total net assets at the end of the period under review were 2,470 million yen, increasing 20 million yen compared to the end of the previous fiscal year. This was mainly due to a recording of 76 million yen in net income attributable to owners of parent and the fact that 42 million yen of dividends was paid from retained earnings.

As a result, the equity ratio was 51.8% (compared to 50.6% at the end of the previous fiscal year).

## **(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 Revision of Earnings Forecast", which was released on November 11, 2022. The forecasts are based on information currently available to the Company and certain assumptions that are judged to be reasonable.

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

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	Third quarter of FY3/23 (As of Dec. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	2,580,179	2,514,821
Accounts receivable-trade	192,869	241,389
Securities	307	158
Inventories	158,402	125,403
Other	117,069	110,020
Allowance for doubtful accounts	(2,558)	(5,086)
Total current assets	3,046,268	2,986,708
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	809,145	759,220
Land	348,663	348,663
Other, net	65,684	50,224
Total property, plant and equipment	1,223,493	1,158,107
Intangible assets		
Goodwill	99,496	93,405
Other	16,045	12,586
Total intangible assets	115,542	105,991
Investments and other assets		
Investment securities	256,941	323,403
Shares of subsidiaries and associates	70,616	62,165
Deferred tax assets	8,182	8,144
Other	68,824	68,034
Allowance for doubtful accounts	(190)	(190)
Total investments and other assets	404,373	461,556
Total non-current assets	1,743,408	1,725,656
Total assets	4,789,677	4,712,364
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	113,560	132,786
Short-term borrowings	10,000	10,000
Current portion of bonds	60,000	160,000
Current portion of long-term borrowings	208,129	240,490
Unearned revenue	166,253	164,554
Accrued expenses	88,581	95,853
Accounts payable-other	40,004	49,396
Income taxes payable	17,926	28,892
Provision for bonuses	18,174	12,522
Deposits received	84,653	90,185
Interest rate swaps	7,985	4,078
Other	82,579	106,206
Total current liabilities	897,847	1,094,965
Non-current liabilities		
Bonds payable	200,000	50,000
Long-term borrowings	901,095	777,971
Retirement benefit liability	10,917	11,234
Long-term leasehold and guarantee deposits received	157,477	143,862
Deferred tax liabilities	153,484	149,227
Other	18,154	14,214
Total non-current liabilities	1,441,130	1,146,510
Total liabilities	2,338,977	2,241,475

	(Thousands of yen)	
	FY3/22 (As of Mar. 31, 2022)	Third quarter of FY3/23 (As of Dec. 31, 2022)
Net assets		
Shareholders' equity		
Share capital	1,585,938	1,585,938
Capital surplus	109,730	109,730
Retained earnings	879,854	914,398
Treasury shares	(148,620)	(163,795)
Total shareholders' equity	2,426,902	2,446,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(2,500)	(12,094)
Deferred gains or losses on hedges	(7,916)	(4,056)
Foreign currency translation adjustment	7,934	13,153
Total accumulated other comprehensive income	(2,482)	(2,997)
Share acquisition rights	3,375	3,375
Non-controlling interests	22,904	24,239
Total net assets	2,450,699	2,470,888
Total liabilities and net assets	4,789,677	4,712,364

**(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 FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Net sales	5,704,754	5,525,421
Cost of sales	4,363,564	4,147,159
Gross profit	1,341,190	1,378,261
Selling, general and administrative expenses	1,375,194	1,289,888
Operating profit	(34,004)	88,373
Non-operating income		
Interest income	855	160
Dividend income	1	1,352
Commission income	29,772	31,752
Gain on sales of securities	1,017	-
Foreign exchange gains	4,650	11,765
Share of profit of entities accounted for using equity method	2,480	5,047
Subsidy income	148,372	32,678
Other	22,322	10,147
Total non-operating income	209,472	92,906
Non-operating expenses		
Interest expenses	11,161	10,613
Interest on bonds	1,592	1,398
Loss on valuation of securities	-	148
Other	4,848	2,084
Total non-operating expenses	17,602	14,245
Ordinary profit	157,865	167,035
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	13,284	-
Gain on sales of non-current assets	-	2,505
Gain on sales of investment securities	1,539	-
Total extraordinary income	14,824	2,505
Extraordinary losses		
Loss on sale of non-current assets	292	-
Loss on sales of investment securities	127	-
Loss on valuation of investment securities	-	120
Total extraordinary losses	419	120
Profit before dividend distributions from silent partnerships and income taxes	172,270	169,420
Profit before income taxes	172,270	169,420
Income taxes-current	67,072	95,461
Income taxes-deferred	(4,210)	(4,266)
Total income taxes	62,862	91,194
Profit	109,408	78,225
Profit attributable to non-controlling interests	(26,724)	1,334
Profit attributable to owners of parent	136,133	76,890



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

	First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)	First nine months of FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)
Profit	109,408	78,225
Other comprehensive income		
Valuation difference on available-for-sale securities	3,774	(9,594)
Deferred gains or losses on hedges	5,173	3,859
Foreign currency translation adjustment	4,038	5,219
Remeasurements of defined benefit plans, net of tax	4,523	-
Total other comprehensive income	17,509	(514)
Comprehensive income	126,918	77,710
Comprehensive income attributable to:		
Owners of parent	152,918	76,375
Non-controlling interests	(25,999)	1,334

### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

Not applicable.

#### **Additional Information**

(Accounting treatment and disclosure for the application of the Japanese Group Relief System)

Effective from the first quarter of the current fiscal year, the Company and some of its domestic consolidated subsidiaries have shifted from a consolidated tax return filing system to a group relief system. In accordance with this change, the Company and some of its domestic consolidated subsidiaries have adopted the "Accounting treatment and disclosure for the application of the Japanese Group Relief System" (PITF No. 42, August 12, 2021; hereinafter "PITF No. 42") for accounting treatment and disclosure of income taxes, local income taxes and tax effect accounting. In accordance with Paragraph 32 (1) of the PITF No. 42, the Company has assumed that there is no effect of the accounting policy change due to the application of PITF No. 42.

## Segment and Other Information

### Segment information

#### I. First nine months of FY3/22 (Apr. 1, 2021 – Dec. 31, 2021)

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 (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 FY3/23 (Apr. 1, 2022 – Dec. 31, 2022)

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	4,400,784	834,592	-	5,235,377	290,044	5,525,421	-	5,525,421
External sales	4,400,784	834,592	-	5,235,377	290,044	5,525,421	-	5,525,421
Inter-segment sales and transfers	-	1,109	-	1,109	-	1,109	(1,109)	-
Total	4,400,784	835,702	-	5,236,487	290,044	5,526,531	(1,109)	5,525,421
Segment profit	97,524	143,048	(1,861)	238,711	20,188	258,899	(170,526)	88,373

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 170,526 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.

## 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.*