



## Summary of Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2024

**[Japanese GAAP]**

November 13, 2023

Company name: Striders Corporation

Listing: Tokyo Stock Exchange (STANDARD)

Stock code: 9816

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Scheduled date of filing of Quarterly Report:

November 13, 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 Second Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 – September 30, 2023)

#### (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	%
Six months ended Sep. 30, 2023	3,751	4.5	(24)	-	15	(84.2)	(1)	-
Six months ended Sep. 30, 2022	3,587	(3.9)	26	-	95	88.2	41	(9.6)

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2023: 12 (down 70.2%)

Six months ended Sep. 30, 2022: 41 (up 101.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2023	(0.14)	-
Six months ended Sep. 30, 2022	4.96	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2023	4,437	2,475	55.2	293.41
As of Mar. 31, 2023	4,651	2,517	53.5	296.42

Reference: Shareholders' equity (million yen)

As of Sep. 30, 2023: 2,447

As of Mar. 31, 2023: 2,489

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2023	-	0.00	-	5.00	5.00
Fiscal year ending Mar. 31, 2024	-	0.00	-	-	-
Fiscal year ending Mar. 31, 2024 (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, 2024 (April 1, 2023 – March 31, 2024)

*(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	7,526	2.1	56	(60.4)	107	(53.7)	55	(52.9)	6.63

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 Sep. 30, 2023:	8,912,089 shares	As of Mar. 31, 2023:	8,912,089 shares
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2) Number of treasury shares at the end of the period

As of Sep. 30, 2023:	568,759 shares	As of Mar. 31, 2023:	514,109 shares
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3) Average number of shares outstanding during the period

Six months ended Sep. 30, 2023:	8,373,248 shares	Six months ended Sep. 30, 2022:	8,453,688 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 second quarter of the current fiscal year, the Japanese economy has been gradually recovering. 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, keeping an eye on the macroeconomic conditions at the moment, 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 second quarter of the current fiscal year, there was a 4.5% increase year-on-year in net sales to 3,751 million yen, an operating loss of 24 million yen (an operating profit of 26 million yen one year earlier), a 84.2% decrease year-on-year in ordinary income to 15 million yen, a 84.4% decrease in profit before income taxes to 15 million yen and a net loss attributable to owners of the parent of 1 million yen (net income of 41 million yen one year earlier).

The performance of each segment is as follows:

Starting from the first quarter of the current fiscal year, the name of the "Overseas Business" segment has been changed to "Investment Business". Therefore, the comparison and analysis for the period under review are based on the updated classification after the changes.

#### **1) Real Estate Business**

Trust Advisers Corporation currently operates the residential property business that handles 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 were no major changes in the number of units under management or rent levels for subleasing contracts compared to the same period of the previous fiscal year, but due to a decline in the vacancy rates, rental income proportional to the number of occupied units increased, which resulted in an increase in sales and gross profit.

Additionally, in the land agency business, sales remained almost in line with the previous year's same period, while gross profit margin improved.

As a result, segment sales for the period under review increased 6.0% year-on-year to 3,073 million yen mainly due to a decline in the vacancy rate in the residential property business and operating income increased 84.9% year-on-year to 98 million yen, which was contributed by continued efforts to control SG&A expenses.

#### **2) Hotel Business**

In the hotel segment, we currently operate the Narita Gateway Hotel in the Narita International Airport area and the Kurashiki Royal Art Hotel in the Kurashiki Bikan Historical Quarter in Okayama Prefecture.

Narita Gateway Hotel had been operating as a temporary recuperation facility for asymptomatic and mild COVID-19 patients based on a request from Chiba Prefecture since April 2020. This operation continued for approximately three years. However, in response to a significant decrease in the number of new COVID-19 cases in Japan and the transition of the disease to "Category 5" classification, the facility ceased its operations at the end of May 2023. In June 2023, the hotel resumed its regular operations after a three-year hiatus as a recuperation facility and there was a substantial decline in revenue compared to the same period of the previous year when the facility was being

operated as a recuperation facility, considering the preparations needed to welcome inbound tourists and the time needed to gradually recover the occupancy rates. As a result, for the period under review, there was a decrease in both revenue and profit compared to the same period of the previous year.

On the other hand, Kurashiki Royal Art Hotel's occupancy rates and room rates have significantly improved compared to the same period last year, leading to increased revenue and profit, amid the transition of the COVID-19 pandemic to "Category 5" classification and the lively atmosphere gradually returning to the Kurashiki Bikan Historical Quarter due to the return of inbound tourists mainly from Europe and the United States.

The combined results of these two hotels were significantly affected by the performance after the reopening of Narita Gateway Hotel, resulting in a decline in overall segment revenue and profit. As a result, net sales for the period under review decreased 10.9% year-on-year to 485 million yen and operating loss was 17 million yen (operating profit of 86 million yen one year earlier).

### **3) Investment Business**

Regarding our group's investment business, M&A Global Partners Co., Ltd. is engaged in domestic investment activities, while Striders Global Investment Pte. Ltd. is responsible for overseas investment activities.

During the period under review, we have been cautious in pursuing new investments due to the ongoing uncertain investment environment in global economies. However, we have continued to actively explore opportunities for business succession and inbound investments within Japan. Additionally, we have been closely monitoring startup investments in regions such as South and Southeast Asia, Europe, with a particular focus on areas like Agri-Tech, Insure-Tech, Health-Tech, and Green-Tech.

At the end of July, Striders Global Investment Pte. Ltd. sold a portion of the shares in Roar Media, a digital media platform operating in Sri Lanka and Bangladesh, in which the company invests, and realized capital gains from this transaction.

As a result, segment sales for the period under review were 30 million yen (0 million yen one year earlier) and operating income was 6 million yen (an operating loss of 1 million yen one year earlier).

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

### **1) Financial Position**

#### **Assets**

Current assets at the end of the period under review totaled 2,990 million yen, down 74 million yen from the end of the previous fiscal year. This is mainly due to a decrease of 84 million yen in cash and deposits, a decrease of 67 million yen in inventories and a decrease of 54 million yen in income taxes receivable, while there was an increase of 143 million yen in operating investment securities as a result of the reclassification of some investment securities in accordance with the changes in segment classification.

Non-current assets amounted to 1,446 million yen, down 139 million yen from the end of the previous fiscal year. This is mainly due to a 145 million yen decrease in investment securities while investments in capital increased by 33 million yen.

As a result, total assets amounted to 4,437 million yen, down 213 million yen from the end of the previous fiscal year.

#### **Liabilities**

Current liabilities at the end of the period under review were 1,210 million yen, up 166 million yen from the end of the previous fiscal year.

This is mainly due to a 224 million yen increase in current portion of long-term borrowings while income taxes payable decreased by 63 million yen.

Non-current liabilities totaled 751 million yen, down 338 million yen from the end of the previous fiscal year. This is mainly due to a decrease of 20 million yen in bonds payable and a decrease of 300 million yen in long-term borrowings.

As a result, total liabilities amounted to 1,962 million yen, a decrease of 171 million yen from the end of the

previous fiscal year.

### **Net assets**

Net assets as of the end of the period under review were 2,475 million yen, down 42 million yen compared to the end of the previous fiscal year. This was mainly due to 41 million yen of dividends that were paid from retained earnings.

As a result, the equity ratio was 55.2%.

### **2) Cash flows**

The balance of cash and cash equivalents (hereinafter referred to as "net cash") during the period under review was 2,317 million yen, down 84 million yen compared to the end of the previous fiscal year.

The cash flow conditions and their factors for the period under review are as follows:

#### Cash flows from operating activities

Net cash provided by operating activities amounted to 140 million yen (compared to 69 million yen provided in the same period of the previous fiscal year). This is mainly due to income taxes paid of 85 million yen, a decrease in inventories of 67 million yen, income taxes refund of 56 million yen, depreciation of 48 million yen, and a decrease in accounts receivable of 32 million yen.

#### Cash flows from investing activities

Net cash used in investing activities was 68 million yen (compared to 67 million yen used in the same period of the previous fiscal year). This is mainly due to a purchase of property, plant and equipment of 40 million yen and expenditure of 28 million yen on a payment for an investment in silent partnership.

#### Cash flows from financing activities

Net cash used in financing activities amounted to 163 million yen (compared to 148 million yen used in the same period of the previous fiscal year). This was mainly due to expenditures of 30 million yen for redemption of bonds, 76 million yen for repayment of long-term borrowings, and a payment of 41 million yen for dividends.

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

There is no change to the earnings forecast in the "Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023" published on May 15, 2023.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	Second quarter of FY3/24 (As of Sep. 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	2,582,861	2,498,079
Accounts receivable trade	204,802	172,709
Securities	150	162
Operating investment securities	—	143,509
Inventories	141,226	73,524
Other	141,250	110,750
Allowance for doubtful accounts	(5,177)	(7,888)
Total current assets	3,065,114	2,990,847
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	740,092	732,638
Land	338,351	338,351
Other, net	58,821	45,767
Total property, plant and equipment	1,137,265	1,116,757
Intangible assets		
Goodwill	91,374	87,313
Other	10,749	8,943
Total intangible assets	102,124	96,257
Investments and other assets		
Investment securities	155,265	10,000
Shares of subsidiaries and associates	59,645	57,465
Deferred tax assets	19,900	20,597
Other	112,334	145,859
Allowance for doubtful accounts	(190)	(190)
Total investments and other assets	346,954	233,730
Total non-current assets	1,586,344	1,446,745
Total assets	4,651,458	4,437,593
<b>Liabilities</b>		
Current liabilities		
Accounts payable trade	90,992	109,473
Short-term borrowings	10,000	10,000
Current portion of bonds	160,000	150,000
Current portion of long-term borrowings	165,970	390,541
Unearned revenue	169,232	156,994
Accrued expenses	80,467	97,484
Accounts payable-other	57,324	61,009
Income taxes payable	85,415	21,865
Provision for bonuses	20,825	23,909
Deposits received	89,228	96,136
Interest rate swaps	3,868	2,329
Other	110,408	90,787
Total current liabilities	1,043,732	1,210,532
Non-current liabilities		
Bonds payable	40,000	20,000
Long-term borrowings	735,125	434,533
Retirement benefit liability	11,340	11,629
Long-term leasehold and guarantee deposits received	143,043	136,033
Deferred tax liabilities	147,794	144,950
Other	12,898	4,639
Total non-current liabilities	1,090,201	751,784
Total liabilities	2,133,934	1,962,317

	(Thousands of yen)	
	FY3/23 (As of Mar. 31, 2023)	Second quarter of FY3/24 (As of Sep. 30, 2023)
Net assets		
Shareholders' equity		
Share capital	1,585,938	1,585,938
Capital surplus	109,730	109,730
Retained earnings	955,765	912,595
Treasury shares	(164,095)	(176,730)
Total shareholders' equity	2,487,339	2,431,533
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8,233)	370
Deferred gains or losses on hedges	(3,848)	(2,323)
Foreign currency translation adjustment	14,034	18,404
Total accumulated other comprehensive income	1,953	16,451
Share acquisition rights	3,375	3,375
Non-controlling interests	24,856	23,916
Total net assets	2,517,524	2,475,276
Total liabilities and net assets	4,651,458	4,437,593



## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

### Quarterly Consolidated Statement of Income

(For the Six-month Period)

	(Thousands of yen)	
	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)
Net sales	3,587,860	3,751,045
Cost of sales	2,708,655	2,875,465
Gross profit	879,205	875,580
Selling, general and administrative expenses	852,750	899,686
Operating profit	26,454	(24,106)
Non-operating income		
Interest income	82	242
Dividend income	537	1
Commission income	20,829	21,352
Foreign exchange gains	19,877	18,012
Share of profit of entities accounted for using equity method	2,497	4,082
Subsidy income	24,957	3,574
Other	8,089	2,875
Total non-operating income	76,872	50,142
Non-operating expenses		
Interest expenses	6,268	5,850
Interest on bonds	946	704
Provision of allowance for doubtful accounts	—	3,125
Loss on valuation of securities	198	—
Other	672	1,268
Total non-operating expenses	8,086	10,948
Ordinary profit	95,240	15,087
Extraordinary income		
Gain on sales of non-current assets	2,505	212
Total extraordinary income	2,505	212
Extraordinary losses		
Loss on disposal of non-current assets	—	74
Loss on valuation of investment securities	120	—
Total extraordinary losses	120	74
Profit before income taxes	97,626	15,224
Income taxes-current	62,791	20,901
Income taxes-deferred	(6,595)	(3,554)
Total income taxes	56,195	17,346
Profit(loss)	41,430	(2,121)
Profit(loss) attributable to non-controlling interests	(499)	(940)
Profit(loss) attributable to owners of parent	41,930	(1,180)

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

(Thousands of yen)

	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)
Profit	41,430	(2,121)
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,923)	8,116
Deferred gains or losses on hedges	2,271	1,524
Foreign currency translation adjustment	5,819	4,370
Remeasurements of defined benefit plans, net of tax	—	486
Total other comprehensive income	167	14,498
Comprehensive income	41,598	12,376
Comprehensive income attributable to:		
Owners of parent	42,097	13,317
Non-controlling interests	(499)	(940)

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)	First six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)
Cash flows from operating activities		
Profit before income taxes	97,626	15,224
Depreciation	48,240	48,599
Amortization of goodwill	4,061	4,061
Increase (decrease) in allowance for doubtful accounts	66	2,711
Increase (decrease) in other provisions	(50)	3,372
Interest and dividend income	(620)	(244)
Interest expenses on borrowings and bonds	7,215	6,554
Foreign exchange losses (gains)	(19,877)	(18,012)
Share of loss (profit) of entities accounted for using equity method	(2,497)	(4,082)
Subsidy income	(24,957)	(3,574)
Loss(gain) on sale of non-current assets	(2,505)	(212)
Loss on disposal of non-current assets	—	74
Loss(gain) on valuation of investment securities	120	—
Decrease (increase) in trade receivables	3,994	32,093
Decrease (increase) in operating investment securities	—	(138,752)
Transfer from investment securities to operating investment securities	—	158,123
Decrease (increase) in inventories	3,762	67,701
Increase (decrease) in trade payables	(38,467)	18,480
Increase (decrease) in deposits received	(3,033)	6,899
Increase (decrease) in leasehold and guarantee deposits received	(9,989)	(7,010)
Other, net	(882)	(27,007)
Subtotal	62,202	165,001
Interest and dividends received	14,119	6,993
Interest paid	(7,336)	(6,445)
Income taxes refund	41,003	56,365
Income taxes paid	(65,412)	(85,338)
Subsidy income	24,957	3,574
Net cash provided by (used in) operating activities	69,534	140,152
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,224)	(40,417)
Proceeds from sales of property, plant and equipment	3,249	212
Purchase of investment securities	(67,650)	—
Proceeds from sales of investment securities	750	—
Purchase of intangible assets	(2,086)	—
Payments for investments in silent partnership	—	(28,527)
Other, net	469	(183)
Net cash provided by (used in) investing activities	(67,493)	(68,916)
Cash flows from financing activities		
Redemption of bonds	(30,000)	(30,000)
Repayments of long-term borrowings	(64,977)	(76,021)
Purchase of treasury shares	(9,091)	(12,855)
Dividend payment	(41,763)	(41,261)
Repayments of lease obligations	(2,625)	(3,075)
Net cash provided by (used in) financing activities	(148,456)	(163,212)
Effect of exchange rate change on cash and cash equivalents	13,077	7,255
Net increase (decrease) in cash and cash equivalents	(133,337)	(84,721)

Cash and cash equivalents at beginning of period	2,399,706	2,402,242
Cash and cash equivalents at end of period	2,266,368	2,317,521

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

Not applicable.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Additional Information**

Due to a change in segment classification, 158,123 thousand yen of “investment securities” has been transferred to “operating investment securities”.

## Segment and Other Information

### Segment information

#### I. First six months of FY3/23 (Apr. 1, 2022 – Sep. 30, 2022)

##### Information related to net sales and profit or loss for each reportable segment

(In 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	Investment Business	Subtotal				
Net Sales								
Revenue arising from contracts with customers	2,900,903	543,259	12	3,444,175	143,684	3,587,860	—	3,587,860
External Sales	2,900,903	543,259	12	3,444,175	143,684	3,587,860	—	3,587,860
Inter-segment sales and transfers	—	1,589	—	1,589	—	1,589	(1,589)	—
Total	2,900,903	544,849	12	3,445,765	143,684	3,589,449	(1,589)	3,587,860
Segment Profit (Loss)	53,165	86,676	(1,890)	137,952	2,442	140,394	(113,939)	26,454

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 113,939 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 six months of FY3/24 (Apr. 1, 2023 – Sep. 30, 2023)

##### 1. Information related to net sales and profit or loss for each reportable segment

(In 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	Investment Business	Subtotal				
Net Sales								
Revenue arising from contracts with customers	3,056,397	484,629	30,285	3,571,312	179,732	3,751,045	—	3,751,045
External Sales	3,056,397	484,629	30,285	3,571,312	179,732	3,751,045	—	3,751,045
Inter-segment sales and transfers	17,370	1,085	—	18,455	—	18,455	(18,455)	—
Total	3,073,767	485,715	30,285	3,589,768	179,732	3,769,501	(18,455)	3,751,045
Segment Profit (Loss)	98,294	(17,378)	6,538	87,454	(2,357)	85,096	(109,203)	(24,106)

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 109,203 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.

## 2. Items related to changes in reporting segments

From the first quarter of the current fiscal year, the name of the "Overseas Business" segment has been changed to "Investment Business". Additionally, we have reclassified M&A Global Partners Co., Ltd., a consolidated subsidiary that was previously included in the "Other" segment, to the "Investment Business" segment.

These changes were made considering the reduced significance of the "Overseas Business" segment as a result of a partial transfer of shares in the consolidated subsidiary, PT. Citra Surya Komunikasi in the previous fiscal year.

Furthermore, due to the accumulation of investment achievements both domestically and internationally in recent years, the organizational unit responsible for management decision-making and performance evaluation within the group has shifted from the "Overseas Business" to the "Investment Business". In the group, M&A Global Partners Co., Ltd. is responsible for domestic investment business, while Striders Global Investment Pte. Ltd. takes charge of overseas investment business. The segment information for the second quarter of the previous year has been prepared based on the updated classification after the changes.

### **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.*