



Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

[Japanese GAAP]

May 15, 2024

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Scheduled date of Annual General Meeting of Shareholders: June 21, 2024

Scheduled date of filing of Annual Securities Report: June 21, 2024

Scheduled date of payment of dividend: June 24, 2024

Preparation of supplementary materials for financial results: Available

Holding of financial results meeting: Yes

(All amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(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, 2024	7,680	4.2	49	(65.6)	101	(56.2)	82	(30.2)
Fiscal year ended Mar. 31, 2023	7,371	(1.8)	144	—	232	13.0	118	(30.0)

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2024: 99 (down 19.9%)

Fiscal year ended Mar. 31, 2023: 124 (down 18.4%)

	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, 2024	9.91	-	3.3	2.2	0.6
Fiscal year ended Mar. 31, 2023	14.03	-	4.8	4.9	2.0

Reference: Equity in earnings of affiliates (million yen) Fiscal year ended Mar. 31, 2024: 3 Fiscal year ended Mar. 31, 2023: 2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	4,629	2,540	54.3	304.72
As of Mar. 31, 2023	4,651	2,517	53.5	296.42

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 2,514 As of Mar. 31, 2023: 2,489

(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, 2024	164	(565)	(81)	1,928
Fiscal year ended Mar. 31, 2023	261	62	(331)	2,402

2. Dividends

	Dividend per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2023	-	0.00	-	5.00	5.00	41	35.6	1.7
Fiscal year ended Mar. 31, 2024	-	0.00	-	5.00	5.00	41	50.5	1.7
Fiscal year ending Mar. 31, 2025 (forecast)	-	0.00	-	5.00	5.00		40.0	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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	%	yen
Full Year	7,700	0.3	100	101.2	140	37.6	100	21.2	12.00

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, 2024: 8,912,089 shares As of Mar. 31, 2023: 8,912,089 shares

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

As of Mar. 31, 2024: 660,359 shares As of Mar. 31, 2023: 514,109 shares

3) Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2024: 8,331,390 shares Fiscal year ended Mar. 31, 2023: 8,430,787 shares

Reference: Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

(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, 2024	244	168.6	2	-	43	(55.7)	62	(41.9)
Fiscal year ended Mar. 31, 2023	90	(61.2)	(160)	-	98	(62.7)	107	377.2

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2024	7.50	-
Fiscal year ended Mar. 31, 2023	12.76	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	2,392	1,982	82.8	240.05
As of Mar. 31, 2023	2,586	1,992	76.9	236.91

Reference: Shareholders' equity (million yen) As of Mar. 31, 2024: 1,980 As of Mar. 31, 2023: 1,989

* 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 5 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

During the current fiscal year, the Japanese economy has been gradually recovering. However, we need to pay close attention to the risks posed by the downturn in overseas economies, exacerbated by factors such as the fragmentation of the global supply chain due to worsening US-China relations, as well as supply constraints stemming from the situation in Ukraine. Amid ongoing price increases and monetary tightening, particularly in Europe and the United States, there is a risk that the downturn in overseas economies could drag down our own economy. We must also be mindful of the impact of fluctuations in financial markets, including exchange rates, amidst these developments.

Under these economic conditions and the management policy of playing a role as a gateway linking Japan and Asia, keeping an eye on the macroeconomic conditions at the moment, the group (Striders Corporation and its consolidated subsidiaries) continued to explore investment opportunities domestically and internationally. Furthermore, we have been working on redefining core businesses within the group, formulating and promoting growth strategies for them, and continuing efforts to streamline management efficiency, while also strengthening alliances with overseas investors. As a result, net sales for the fiscal year increased 4.2% year-on-year to 7,680 million yen, operating income decreased 65.6% year-on-year to 49 million yen, and ordinary income decreased 56.2% year-on-year to 101 million yen. Net income attributable to owners of the parent decreased 30.2% to 82 million yen.

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 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 and Tokyo Apartment Guaranty Corporation operates a rental guarantee business.

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, the number of occupied units and consequently rental income increased, resulting in revenue and profit growth. In the land agency business, sales and gross profit remained almost in line with the same period of the previous year. In addition to our core residential property business, the scale of our rental guarantee business expanded during the current fiscal year, contributing to the improvement of profitability in the real estate business.

As a result, segment sales for the current fiscal year increased 5.2% year-on-year to 6,214 million yen mainly due to a decline in the vacancy rate in the residential property business and operating profit increased 37.5% from the same period last year to 236 million yen.

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 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 that the return of group customers from China, who were major clients before the COVID-19 pandemic, remains sluggish, 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, at Kurashiki Royal Art Hotel, amidst the return of vibrancy to the Kurashiki Bikan Historical Quarter area following the transition to "Category 5" classification of the COVID-19 pandemic, and the resurgence of inbound tourists mainly from Europe and the United States, the hotel saw a significant improvement in occupancy rates compared to the same period last year. Additionally, with the recovery trend in banquet demand, the hotel achieved increased revenue and profit.

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 6.5% year-on-year to 1,034 million yen and operating loss was 11 million yen (operating income of 177 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 2023, 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 of the end of March 2024, we invested in AME Healthcare Pte Ltd, a Singapore-based startup that provides dental clinic platforms in South Asia and the Middle East. As a result, segment sales for the period under review increased 635.0% year-on-year to 48 million yen and operating income increased 864.2% year-on-year to 29 million yen.

(2) Financial Position

Assets

Current assets at the end of the current fiscal year amounted to 2,709 million yen, decreasing 356 million yen from the end of the previous fiscal year. This is mainly due to a decrease of 474 million yen in cash and deposits and a decrease of 115 million yen in inventories and an increase of 191 million yen in operating investment securities.

Non-current assets totaled 1,920 million yen, increasing 334 million yen from the end of the previous fiscal year. This is mainly due to a 177 million yen increase in land, a 135 million yen increase in buildings and structures(net), a 100 million yen increase in long-term loans and a 145 million yen decrease in investment securities.

As a result, total assets were 4,629 million yen, a decrease of 21 million yen from the end of the previous fiscal year.

Liabilities

Current liabilities at the end of the period under review were 1,102 million yen, increasing 58 million yen compared to the end of the previous fiscal year, mainly due to an increase of 206 million yen in long-term borrowings and a 120 decrease in current portion of bonds.

Non-current liabilities amounted to 986 million yen, decreasing 103 million yen from the end of the previous fiscal year. This was mainly due to a 74 million yen decrease in long-term borrowings and 40 million yen decrease in bonds payable.

As a result, total liabilities amounted to 2,088 million yen, a decrease of 45 million yen from the end of the previous fiscal year.

Net assets

Net assets at the end of the current fiscal year were 2,540 million yen, an increase of 23 million yen from the end of the previous fiscal year. This is mainly due to a recording of 82 million yen in net income attributable to owners of parent and payment of dividends in the amount of 41 million yen and the acquisition of treasury shares totaling 32 million yen.

As a result, the equity ratio was 54.3%.

(3) Cash Flows

Cash and cash equivalents (hereinafter referred to as "net cash") at the end of the current fiscal year amounted to 1,928 million yen, a decrease of 473 million yen from the end of the previous fiscal year.

Cash flows from operating activities

Net cash generated by operating activities amounted to 164 million yen, compared to 261 million yen of net cash that was generated during the previous fiscal year. This is mainly due to a recording of profit before income taxes of 90 million yen, a decrease of 112 million yen of inventories, depreciation expense of 104 million yen and income taxes paid of 147 million yen.

Cash flows from investing activities

Net cash used in investment activities amounted to 565 million yen, compared to 62 million yen of net cash generated in the previous fiscal year. This is mainly due to a purchase of property, plant and equipment of 426 million yen and expenditure of 100 million yen on long-term loans.

Cash flows from financing activities

Net cash used in financing activities was 81 million yen, compared to 331 million yen of net cash used in the previous fiscal year. This was mainly due to repayments of 164 million yen of long-term borrowings and redemption of 160 million yen of bonds.

Reference: Cash flow indicators

	FY3/20	FY3/21	FY3/22	FY3/23	FY3/24
Shareholders' equity ratio (%)	41.9	43.4	50.6	53.5	54.3
Shareholders' equity ratio based on market value (%)	48.4	49.9	57.5	41.6	42.4
Ratio of interest-bearing debt to cash flows (years)	4.4	5.4	4.6	4.2	6.5
Interest coverage ratio (times)	21.1	15.3	15.3	17.2	12.3

- 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.
 3. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest, excluding lease obligations.

4. Cash flows are based on “Net cash provided by (used in) operating activities.”

(4) Outlook

During the current fiscal year, which began with the transition of COVID-19 to a “Category 5” infectious disease and the resulting shift in the general public's perception of the infection status, our group has entered a new phase of second founding. This shared internal recognition reflects our response to these societal changes and our aim to establish a more robust corporate foundation. Under this recognition, we have been redefining our core businesses, which focus on real estate, hotels, and investments, while advancing the selection and concentration of management resources accompanied by organizational restructuring. Moreover, to enhance the effectiveness of business execution in each domain and to accelerate decision-making, we have appropriately delegated authority to our group companies. From the perspective of corporate governance, we have also reviewed our organizational design, including transitioning our group companies to companies with boards of directors, thereby promoting the strengthening of our group management system.

In the next fiscal year, in order to further accelerate these initiatives, we plan to transition Striders Corporation, which functions as a holding company, from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee, subject to approval at the General Meeting of Shareholders. This transition will enable us to speed up decision-making by delegating authority to directors other than audit committee members, and to enhance corporate governance by having audit committee members supervise the Board of Directors. Additionally, subject to the aforementioned approval, we will integrate the offices of Striders Corporation and our main group company, Trust Advisors Corporation, to intentionally increase the frequency of communication among the management team, thereby improving the quality of business execution. Furthermore, we will also advance the integration of administrative departments to promote efficient management.

In the real estate segment, our core residence business maintained solid performance even during the COVID-19 pandemic. In the current fiscal year, we saw a resurgence in activity, and combined with our sales efforts that reduced the vacancy rates, we achieved increased revenue and profit compared to the same period last year. Looking ahead to the next fiscal year, we foresee no major changes in market conditions and will continue to increase the number of managed units throughout the entire metropolitan area, including the Tokyo metropolitan region, to establish even more stable management.

Meanwhile, in addition to the rent guarantee business, which expanded its scale during the current fiscal year, we will strive to enhance our service lineup in the peripheral areas of real estate leasing, which is one of our group's strengths. Specifically, in the current fiscal year, we acquired our first residential rental property as a group, and we plan to acquire a second or third self-owned property in the next fiscal year.

Furthermore, regarding digital transformation which is the industry's overarching challenge, we will continue to take the lead in the industry to ensure we do not miss any latent customer needs.

At Narita Gateway Hotel in our hotel segment, we concluded three years of operation as a recovery facility in May 2023 and reopened as a hotel the following month. To quickly restore pre-COVID occupancy rates, we actively marketed to overseas group tourists. However, due to political tensions, the return of Chinese group tourists did not meet expectations, so we focused on attracting individual travelers as an alternative. As a result, while the occupancy rates returned to the pre-COVID level, the increased costs associated with transitioning operations to suit individual guests and the recent rise in material and labor costs led to a year-over-year decrease in both revenue and profit. The operational transition is expected to be completed in the next fiscal year, and we will use this opportunity to maximize profitability.

At Kurashiki Royal Art Hotel, also part of the hotel segment, we saw a return to normal guest numbers in the first half of the current fiscal year after the pandemic, and banquet demand began to recover before the year-end season, albeit slightly delayed. This led to an increase in both revenue and profit compared to the same period last year. As part of our key themes of "Fusion of Art and Hotel," "Utilizing the Hotel as a Multifunctional Space," and "Collaboration and Co-creation in the Setouchi Region," we hosted a pre-event for one of the Setouchi region's largest conference events, 'BLAST SETOUCHI,' in November 2023, inviting a calligrapher Shoko Kanazawa and

welcoming many startup leaders from the Setouchi area. Moving forward, we aim to incorporate diverse sensibilities into hotel operations by strengthening connections with local artists, students, and businesses.

Our group's hotel segment aims to create spaces that are deeply rooted in their respective regions, generating vitality and serving as venues for collaboration among various local stakeholders. To further these initiatives, we signed a new operational support contract with Hotel Arrowle in Kaga City, Ishikawa Prefecture, at the end of last year. We will continue our efforts to ensure that these hotels in Narita, Kurashiki, and Kaga, each in their uniquely characterized regions, function as hubs of co-creation.

In the investment segment, Striders Global Investment Pte. Ltd. sold a portion of the shares in Roar Media, a company operating a digital media platform in July 2023 and invested in AME Healthcare Pte Ltd, which provides a dental clinic platform in March 2024. Additionally, in November 2023, we signed an investment commitment agreement with companies participating in the "Planet43" accelerator program run by R3i Ventures (Singapore) Pte. Ltd., with whom we entered a co-investment alliance agreement in March of the previous year.

Through these efforts, we have accumulated a certain degree of fund management expertise within our company. In the next fiscal year, we plan to launch a fund led by our company targeting startups in South and Southeast Asia.

Furthermore, leveraging our network of overseas investors, we will continue to focus on facilitating inbound investments into Japan, targeting our group's business areas such as real estate and hotels.

Under these circumstances, we forecast the following consolidated results for the next fiscal year: revenue increasing 0.3% year-on-year to 7,700 million yen, operating profit increasing 101.2% to 100 million yen, ordinary profit increasing 37.6% to 140 million yen, and net income attributable to owners of parent is expected to increase 21.2% to 100 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)	
	FY3/23	FY3/24
	(As of Mar. 31, 2023)	(As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	2,582,861	2,108,737
Accounts receivable-trade	204,802	211,919
Securities	150	130
Operating investment securities	-	191,384
Inventory	141,226	25,895
Other	141,250	175,926
Allowance for doubtful accounts	(5,177)	(4,930)
Total current assets	3,065,114	2,709,063
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,320,168	1,496,212
Accumulated depreciation	(580,075)	(621,109)
Buildings and structures, net	740,092	875,103
Machinery, equipment and vehicles	52,303	40,801
Accumulated depreciation	(50,113)	(25,067)
Machinery, equipment and vehicles, net	2,190	15,734
Tools, furniture and fixtures	195,499	198,522
Accumulated depreciation	(170,062)	(180,830)
Tools, furniture and fixtures, net	25,436	17,692
Land	338,351	515,733
Leased assets	30,193	46,237
Accumulated depreciation	(13,539)	(2,563)
Leased assets, net	16,653	43,673
Construction temporary account	14,539	-
Total property, plant and equipment	1,137,265	1,467,937
Intangible assets		
Goodwill	91,374	83,252
Other	10,749	8,054
Total intangible assets	102,124	91,306
Investments and other assets		
Investment securities	155,265	10,000
Shares of subsidiaries and associates	59,645	56,511
Long-term loans	-	100,000
Deferred tax assets	19,900	28,728
Other	112,334	169,869
Allowance for doubtful accounts	(190)	(3,827)
Total investments and other assets	346,954	361,282
Total non-current assets	1,586,344	1,920,527
Total assets	4,651,458	4,629,590

	(Thousands of yen)	
	FY3/23	FY3/24
	(As of Mar. 31, 2023)	(As of Mar. 31, 2024)
Liabilities		
Current liabilities		
Accounts payable-trade	90,992	82,690
Short-term borrowings	10,000	3,340
Current portion of bonds payable	160,000	40,000
Current portion of long-term borrowings	165,970	372,025
Unearned revenue	169,232	—
Accrued expenses	80,467	86,919
Contract liabilities	—	245,055
Accounts payable-other	57,324	75,086
Income taxes payable	85,415	8,135
Provision for bonuses	20,825	25,500
Deposits received	89,228	108,008
Interest rate swaps	3,868	690
Other	110,408	54,719
Total current liabilities	1,043,732	1,102,171
Non-current liabilities		
Bonds payable	40,000	—
Long-term borrowings	735,125	660,308
Retirement benefit liability	11,340	11,918
Long-term leasehold and guarantee deposits received	143,043	130,785
Deferred tax liabilities	147,794	142,065
Other	12,898	41,490
Total non-current liabilities	1,090,201	986,567
Total liabilities	2,133,934	2,088,739
Net assets		
Shareholders' equity		
Share capital	1,585,938	1,585,938
Capital surplus	109,730	109,730
Retained earnings	955,765	996,308
Treasury shares	(164,095)	(196,453)
Total shareholders' equity	2,487,339	2,495,524
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(8,233)	(415)
Deferred gains or losses on hedges	(3,848)	(690)
Foreign currency translation adjustment	14,034	20,061
Total accumulated other comprehensive income	1,953	18,955
Share acquisition rights	3,375	1,200
Non-controlling interests	24,856	25,170
Total net assets	2,517,524	2,540,850
Total liabilities and net assets	4,651,458	4,629,590

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

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net sales	7,371,875	7,680,703
Cost of sales	5,504,791	5,777,317
Gross profit	1,867,084	1,903,385
Selling, general and administrative expenses	1,722,785	1,853,694
Operating profit	144,298	49,690
Non-operating income		
Interest income	268	874
Dividend income	2,144	1
Share of profit of entities accounted for using equity method	2,644	3,914
Commission income	36,473	36,961
Foreign exchange gains	14,269	15,969
Other	50,444	10,653
Total non-operating income	106,244	68,374
Non-operating expenses		
Interest expenses	13,842	13,052
Interest on bonds	1,745	1,046
Loss on valuation of securities	157	19
Other	2,568	2,197
Total non-operating expenses	18,312	16,315
Ordinary profit	232,230	101,749
Extraordinary income		
Gain on sales of non-current assets	2,505	212
Gain on sales of investment securities	7,500	—
Gain on reversal of stock acquisition rights	—	2,175
Total extraordinary income	10,005	2,387
Extraordinary losses		
Loss on disposal of non-current assets	—	74
Loss of valuation on investment securities	120	—
Impairment loss	13,632	—
Loss on sale of shares in subsidiaries and associates	—	797
Headquarters relocation expenses	—	13,210
Total extraordinary losses	13,752	14,083
Profit before income taxes	228,483	90,053
Income taxes-current	125,730	21,953
Income taxes-deferred	(17,456)	(14,746)
Total income taxes	108,273	7,206
Profit	120,210	82,846
Profit (loss) attributable to non-controlling interests	1,951	313
Profit attributable to owners of parent	118,258	82,532

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Profit	120,210	82,846
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,616)	8,116
Deferred gains or losses on hedges	4,068	3,157
Foreign currency translation adjustment	6,100	6,026
Share of other comprehensive income of entities accounted for using equity method	(116)	(298)
Total other comprehensive income	4,435	17,002
Comprehensive income	124,645	99,848
Comprehensive income attributable to:		
Owners of parent	122,694	99,535
Non-controlling interests	1,951	313

(3) Consolidated Statement of Changes in Equity

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,585,938	109,730	879,854	(148,620)	2,426,902
Changes during period					
Dividend of surplus			(42,346)		(42,346)
Profit attributable to owners of parent			118,258		118,258
Purchase of treasury shares				(15,474)	(15,474)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	75,911	(15,474)	60,436
Balance at end of period	1,585,938	109,730	955,765	(164,095)	2,487,339

(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	Total accumulated other comprehensive income			
Balance at beginning of period	(2,500)	(7,916)	7,934	(2,482)	3,375	22,904	2,450,699
Changes during period							
Dividend of surplus							(42,346)
Profit attributable to owners of parent							118,258
Purchase of treasury shares							(15,474)
Net changes in items other than shareholders' equity	(5,733)	4,068	6,100	4,435	—	1,951	6,387
Total changes during period	(5,733)	4,068	6,100	4,435	—	1,951	66,824
Balance at end of period	(8,233)	(3,848)	14,034	1,953	3,375	24,856	2,517,524

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,585,938	109,730	955,765	(164,095)	2,487,339
Changes during period					
Dividend of surplus			(41,989)		(41,989)
Profit attributable to owners of parent			82,532		82,532
Purchase of treasury shares				(32,357)	(32,357)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	40,542	(32,357)	8,185
Balance at end of period	1,585,938	109,730	996,308	(196,453)	2,495,524

(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	Total accumulated other comprehensive income			
Balance at beginning of period	(8,233)	(3,848)	14,034	1,953	3,375	24,856	2,517,524
Changes during period							
Dividend of surplus							(41,989)
Profit attributable to owners of parent							82,532
Purchase of treasury shares							(32,357)
Net changes in items other than shareholders' equity	7,818	3,157	6,026	17,002	(2,175)	313	15,141
Total changes during period	7,818	3,157	6,026	17,002	(2,175)	313	23,326
Balance at end of period	(415)	(690)	20,061	18,955	1,200	25,170	2,540,850

(4) Consolidated Statement of Cash Flows

	(Thousands of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	228,483	90,053
Depreciation	97,344	104,259
Impairment loss	13,632	—
Amortization of goodwill	8,122	8,122
Increase (decrease) in allowance for doubtful accounts	2,618	3,389
Increase (decrease) in other provisions	3,074	5,853
Interest and dividend income	(2,413)	(875)
Interest expenses on borrowings and bonds	15,587	14,098
Foreign exchange losses (gains)	(14,269)	(21,464)
Share of loss (profit) of entities accounted for using equity method	(2,644)	(3,914)
Subsidy income	(39,853)	(4,270)
Loss (gain) on sales of shares in subsidiaries and associates	—	797
Loss (gain) on sales of non-current assets	(2,505)	(212)
Loss on disposal of non-current assets	—	74
Headquarters relocation expenses	—	13,210
Decrease (increase) in trade receivables	(11,933)	(20,662)
Decrease (increase) in operating investment securities	—	(184,715)
Transfer from investment securities to operating investment securities	—	161,062
Loss (gain) on sales of investment securities	(7,500)	—
Loss (gain) on valuation of investment securities	120	—
Decrease (increase) in inventories	17,175	112,949
Increase (decrease) in trade payables	(22,567)	(4,175)
Increase (decrease) in deposits received	4,571	19,248
Increase (decrease) in leasehold and guarantee deposits received	(14,434)	(12,257)
Other,	19,840	(23,441)
Subtotal	292,448	257,130
Interest and dividends received	15,912	7,625
Interest paid	(15,128)	(13,355)
Income taxes refund	41,172	56,365
Income taxes paid	(112,782)	(147,652)
Subsidy received	39,853	4,270
Net cash provided by (used in) operating activities	261,475	164,384
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,481)	(426,115)
Proceeds from sales of property, plant and equipment	3,249	212
Purchase of intangible assets	(1,938)	(1,000)
Purchase of investment securities	(41,431)	—
Sales of investment securities	140,750	—
Payments for sales of subsidiary shares resulting in change in scope of consolidation	—	(8,715)
Increase in long-term loans receivable	—	(100,000)
Payments for investments in silent partnerships	(28)	(29,238)
Other,	(27,153)	(175)
Net cash provided by (used in) investing activities	62,966	(565,032)

	(Thousands of yen)	
	FY3/23	FY3/24
	(Apr. 1, 2022 – Mar. 31, 2023)	(Apr. 1, 2023 – Mar. 31, 2024)
Cash flows from financing activities		
Repayments of lease obligations	(5,256)	(6,464)
Increase (decrease) in short-term borrowings	—	3,340
Redemption of bonds	(60,000)	(160,000)
Income from long-term borrowings	—	320,000
Repayments of long-term borrowings	(208,129)	(164,443)
Purchase of treasury shares	(15,755)	(32,871)
Dividends paid	(41,918)	(41,359)
Net cash provided by (used in) financing activities	(331,059)	(81,798)
Effect of exchange rate change on cash and cash equivalents	9,154	8,480
Net increase (decrease) in cash and cash equivalents	2,536	(473,965)
Cash and cash equivalents at beginning of period	2,399,706	2,402,242
Cash and cash equivalents at end of period	2,402,242	1,928,277

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

There is no applicable information.

Additional Information

Due to a change in segment classification, we have transferred 161,062 thousand yen from investment securities to operating investment securities.

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 Investment Business.

The Real Estate Business is engaged in management of apartments and other properties, real estate brokerage and rent guarantee services; the Hotel Business in operation of hotels; and the Investment Business engages in domestic and international investment activities, primarily focusing on South and Southeast Asia.

Starting from the current fiscal year, we have changed the name of the reporting segment from "Overseas Business" to "Investment Business". Additionally, we have reclassified our consolidated subsidiary M&A Global Partners Co., Ltd., previously included in "Others," into the "Investment Business" segment.

These changes are due to the reduced significance of the "Overseas Business" segment as a reporting segment following the partial transfer of shares in our consolidated subsidiary PT. Citra Surya Komunikasi in previous years. Additionally, as we have accumulated investment achievements both domestically and internationally in recent years, the structural unit for managerial decision-making and performance evaluation within our group has shifted from "Overseas Business" to "Investment Business".

The segment information for the previous fiscal year has been prepared and presented according to the new classifications.

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.

3. Information pertaining to net sales, profit/loss, assets, liabilities and other items in reportable segments

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(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	Investment Business	Total				
Net sales								
Revenue arising from contracts with customers	5,906,464	1,103,607	6,612	7,016,684	355,190	7,371,875	—	7,371,875
Sales to external customers	5,906,464	1,103,607	6,612	7,016,684	355,190	7,371,875	—	7,371,875
Inter-segment sales and transfers	—	2,511	—	2,511	—	2,511	(2,511)	—
Total	5,906,464	1,106,119	6,612	7,019,196	355,190	7,374,387	(2,511)	7,371,875
Segment profit (loss)	171,814	177,559	3,045	352,419	17,158	369,578	(225,279)	144,298
Segment assets	971,005	2,203,890	265,788	3,440,684	228,996	3,669,680	981,778	4,651,458
Other items								
Depreciation	11,056	80,816	—	91,872	2,153	94,026	3,318	97,344
Amortization of goodwill	—	8,122	—	8,122	—	8,122	—	8,122
Share of profit of entities accounted for using equity method	—	—	—	—	2,644	2,644	—	2,644
Increase in property, plant and equipment, and intangible assets	1,291	17,488	—	18,779	1,181	19,961	234	20,196

- 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 (225,279) 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(loss) is adjusted with operating profit shown on the consolidated statement of income.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(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	Investment Business	Total				
Net sales								
Revenue arising from contracts with customers	6,197,344	1,032,132	48,602	7,278,079	402,623	7,680,703	—	7,680,703
Sales to external customers	6,197,344	1,032,132	48,602	7,278,079	402,623	7,680,703	—	7,680,703
Inter-segment sales and transfers	17,370	2,368	—	19,738	—	19,738	(19,738)	—
Total	6,214,714	1,034,500	48,602	7,297,818	402,623	7,700,441	(19,738)	7,680,703
Segment profit (loss)	236,213	(11,430)	29,366	254,149	12,856	267,005	(217,315)	49,690
Segment assets	1,380,786	1,820,860	380,046	3,581,694	161,218	3,742,913	886,677	4,629,590
Other items								
Depreciation	13,296	84,630	—	97,926	3,894	101,821	2,438	104,259
Amortization of goodwill	—	8,122	—	8,122	—	8,122	—	8,122
Share of profit of entities accounted for using equity method	—	—	—	—	3,914	3,914	—	3,914
Increase in property, plant and equipment, and intangible assets	411,990	72,411	—	484,401	3,861	488,262	707	488,970

- 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 (217,315) 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(loss) is adjusted with operating profit shown on the consolidated statement of income.

Related information

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

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 FY3/23.

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

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 FY3/24.

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Real Estate Business	Hotel Business	Investment Business	Other businesses	Elimination or corporate	Total
Impairment loss	-	-	-	13,632	-	13,632

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

There is no applicable information.

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

FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)

(Thousands of yen)

	Real Estate Business	Hotel Business	Investment Business	Other businesses	Elimination or corporate	Total
Amortization for the period	-	8,122	-	-	-	8,122
Balance at the end of the period	-	91,374	-	-	-	91,374

FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)

(Thousands of yen)

	Real Estate Business	Hotel Business	Investment Business	Other businesses	Elimination or corporate	Total
Amortization for the period	-	8,122	-	-	-	8,122
Balance at the end of the period	-	83,252	-	-	-	83,252

Information related to gain on bargain purchase by each reportable segment

There is no applicable information.

Per Share Information

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net assets per share (Yen)	296.42	304.72
Net income per share (Yen)	14.03	9.91

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:

	FY3/23 (Apr. 1, 2022 – Mar. 31, 2023)	FY3/24 (Apr. 1, 2023 – Mar. 31, 2024)
Net income per share		
Profit attributable to owners of parent (Thousands of yen)	118,258	82,532
Amount not attributed to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to common shares (Thousands of yen)	118,258	82,532
Average number of shares outstanding during the period (Thousands of shares)	8,430	8,331
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. 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.