



Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2025

[Japanese GAAP]

August 2, 2024

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

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 First Quarter of Fiscal Year Ending March 31, 2025 (April 1, 2024 – June 30, 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	%
Three months ended Jun. 30, 2024	1,935	4.8	3	(55.7)	35	15.6	18	74.5
Three months ended Jun. 30, 2023	1,846	2.9	7	(62.1)	30	(44.3)	10	(45.9)

Note: Comprehensive income (million yen) Three months ended Jun 30, 2024: 19 (up 31.3%)
 Three months ended Jun 30, 2023: 14 (down 39.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2024	2.27	-
Three months ended Jun. 30, 2023	1.28	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2024	4,481	2,514	55.5	302.21
As of Mar. 31, 2024	4,629	2,540	54.3	304.72

Reference: Shareholders' equity (million yen) As of Jun. 30, 2024: 2,487 As of Mar. 31, 2024: 2,514

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	-	0.00	-	5.00	5.00
Fiscal year ending Mar. 31, 2025	-	-	-	-	-
Fiscal year ending Mar. 31, 2025 (forecast)	-	0.00	-	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, 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: Revisions to the most recently announced dividend forecast: None

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period under review : None

Newly added: - Excluded: -

(2) Application of special accounting methods in the preparation of 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 Jun. 30, 2024:	8,912,089 shares	As of Mar. 31, 2024:	8,912,089 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2024:	682,269 shares	As of Mar. 31, 2024:	660,359 shares
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3) Average number of shares outstanding during the period

Three months ended Jun 30, 2024:	8,237,595shares	Three months ended Jun. 30, 2023:	8,387,182 shares
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* Review of the accompanying quarterly consolidated financial statements by certified public accountants or auditing firms:
None

* 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."

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income	
(For the Three-month Period)	6
Quarterly Consolidated Statement of Comprehensive Income	
(For the Three-month Period)	7
(3) Notes to Consolidated Financial Statements	7
Going Concern Assumption	7
Significant Changes in Shareholders' Equity	7
Segment Information	8
Notes to the Statement of Cash Flows	8
Relation to Revenue Recognition	9

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first quarter of 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 current macroeconomic conditions, 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, for the first quarter of the current fiscal year, there was a 4.8% increase year-on-year in net sales to 1,935 million yen, a 55.7% decrease year-on-year in operating income to 3 million yen, a 15.6% increase year-on-year in ordinary income to 35 million yen, a 74.5% increase in net income attributable to owners of the parent year-on-year to 18 million yen.

The performance of each segment is as follows:

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. Tokyo Apartment Guaranty Corporation operates the rental guarantee business.

In the residential property business, rent levels for subleasing contracts showed no significant change compared to the same period last year, and the vacancy rate further declined. However, due to a reduction in the number of units under management, both revenue and profit decreased. On the other hand, in the land agency business, both sales and gross profit increased.

As a result, segment sales for the period under review increased 3.2% year-on-year to 1,580 million yen mainly due to an increase in revenue from the residential property business and operating income decreased 17.8% year-on-year to 50 million yen due to a reduction in the number of units under management.

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.

After transitioning from a COVID-19 quarantine facility back to regular hotel operations in June 2023, Narita Gateway Hotel has been working to gradually improve its occupancy rates. Following this ramp-up period, the occupancy rates significantly increased. As a result, compared to the same period last year when it operated as a quarantine facility in April and May 2023, and reopened for regular business in June 2023, revenue saw a remarkable increase. On the other hand, operating profit decreased compared to the same period last year. This was due to the ongoing transition from outsourced to in-house management, which still has room for profitability improvements. Additionally, in June 2024, the hotel's operating system was upgraded as part of efforts to attract more individual customers and enhance operational efficiency, leading to a reduction in operations during the system's first month of implementation.

On the other hand, Kurashiki Royal Art Hotel saw an increase in revenue compared to the same period last year due to the recovery of the food and beverage department. However, due to the replacement of numerous equipment parts during the first quarter of the period under review, as well as an increase in selling, general, and administrative expenses resulting from proactive recruitment of new graduates based on our human resource strategy, the hotel experienced an increase in revenue but a decrease in profit. In the lodging department, while the occupancy rates rose, we were unable to avoid the downward pricing

trends of competing hotels in the Kurashiki area, leading to a decrease in the average room rates. As a result, revenue only saw a slight increase compared to the same period last year.

Combining the performance of both hotels, the overall segment experienced an increase in revenue but a decrease in profit. This was primarily due to the operational restrictions at Narita Gateway Hotel and the increase in selling, general, and administrative expenses at Kurashiki Royal Art Hotel. As a result, net sales for the period under review increased 12.7% year-on-year to 282 million yen and operating loss amounted to 0 million yen (compared to an operating profit of 7 million yen in the same quarter of the previous year).

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, continuing our efforts to identify business succession and inbound investment opportunities within Japan, we have undertaken specific activities. At M&A Global Partners Inc., we have begun providing business support to the resort hotel Hotel Arrowle. in Kaga City, Ishikawa Prefecture. Additionally, Striders Global Investment Pte. Ltd. is preparing for the launch of a new fund this fall. There were no new investments made during the first quarter of the period under review. Given these circumstances, it should be noted that there is no revenue recorded from the investment business during the period under review (and there was no revenue recorded during the same period of the previous year).

(2) Explanation of Financial Position

Assets

Current assets at the end of the period under review totaled 2,521 million yen, a decrease of 187 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 242 million yen in cash and deposits.

Non-current assets totaled 1,960 million yen, an increase of 39 million yen from the end of the previous fiscal year. This was mainly due to an increase of 30 million yen in leasehold and guarantee deposits.

As a result, total assets amounted to 4,481 million yen, a decrease of 147 million yen from the end of the previous fiscal year.

Liabilities

Current liabilities at the end of the period under review totaled 890 million yen, a decrease of 211 million yen from the end of the previous fiscal year. This was mainly due to a decrease of 216 million yen in current portion of long-term borrowings.

Non-current liabilities totaled 1,076 million yen, an increase of 90 million yen from the end of the previous fiscal year. This was mainly due to an increase of 98 million yen in long-term borrowings. As a result, total liabilities totaled 1,967 million yen, a decrease of 120 million yen from the end of the previous fiscal year.

Net assets

Total net assets totaled 2,514 million yen at the end of the period under review, a decrease of 26 million yen from the end of the previous fiscal year. This was mainly due to a recording of 18 million yen in net income attributable to owners of parent and the fact that 41 million yen of dividends was paid from retained earnings.

As a result, the equity ratio was 55.5%.

(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, 2024" published on May 15, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(In Thousands of Yen)

	FY3/24 (As of Mar. 31, 2024)	First quarter of FY3/25 (As of Jun. 30, 2024)
Assets		
Current Assets		
Cash and Deposits	2,108,737	1,866,711
Account Receivables-Trade	211,919	172,510
Securities	130	142
Inventories	25,895	57,228
Other	367,310	427,725
Allowance for Doubtful Accounts	(4,930)	(2,885)
Total Current Assets	2,709,063	2,521,433
Non-Current Assets		
Property, Plant and Equipment		
Buildings and Structures, net	875,103	856,234
Land	515,733	515,733
Other, Net	77,100	97,096
Total Property, Plant and Equipment	1,467,937	1,469,064
Intangible Assets		
Goodwill	83,252	81,221
Others	8,054	17,335
Total Intangible Assets	91,306	98,557
Investments and Other Assets		
Investment Securities	10,000	10,000
Shares of Subsidiaries and Associates	56,511	49,906
Long-term loans	100,000	100,000
Deferred Tax Assets	28,728	28,706
Others	169,869	208,687
Allowance for Doubtful Accounts	(3,827)	(4,421)
Total Investments and Other Assets	361,282	392,878
Total Non-Current Assets	1,920,527	1,960,500
Total Assets	4,629,590	4,481,933
Liabilities		
Current Liabilities		
Accounts Payable-Trade	82,690	92,422
Short-Term Borrowings	3,340	—
Current Portion of Bonds Payable	40,000	20,000
Current Portion of Long-term Borrowings	372,025	156,008
Accrued Expenses	86,919	127,950
Contract Liabilities	245,055	237,834
Accounts Payable-Other	75,086	73,660
Income Taxes Payable	8,135	17,826
Provision for Bonuses	25,500	11,471
Deposits Received	108,008	98,550
Interest Rate Swaps	690	0
Others	54,719	55,169
Total Current Liabilities	1,102,171	890,894

Non-Current Liabilities		
Long-term Borrowings	660,308	759,143
Retirement Benefit Liabilities	11,918	12,071
Long-term Leasehold and Guarantee Deposits Received	130,785	124,994
Deferred Tax Liabilities	142,065	140,642
Others	41,490	40,098
Total Non-Current Liabilities	<u>986,567</u>	<u>1,076,950</u>
Total Liabilities	<u>2,088,739</u>	<u>1,967,844</u>
Net Assets		
Shareholders' Equity		
Share Capital	1,585,938	1,585,938
Capital Surplus	109,730	109,730
Retained Earnings	996,308	973,754
Treasury Shares	(196,453)	(201,286)
Total Shareholders' Equity	<u>2,495,524</u>	<u>2,468,137</u>
Accumulated Other Comprehensive Income		
Valuation Difference on Available-for-sale Securities	(415)	(408)
Deferred Gains or Losses on Hedges	(690)	(0)
Foreign Currency Translation Adjustment	20,061	19,385
Total Accumulated Other Comprehensive Income	<u>18,955</u>	<u>18,976</u>
Share Acquisition Rights	1,200	1,200
Non-Controlling Interests	25,170	25,775
Total Net Assets	<u>2,540,850</u>	<u>2,514,088</u>
Total Liabilities and Net Assets	<u>4,629,590</u>	<u>4,481,933</u>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income (For the Three-month Period)

(Thousands of Yen)

	First three months of FY 3/24 (Apr. 1, 2023 – Jun. 30, 2023)	First three months of FY 3/25 (Apr. 1, 2024 – Jun. 30, 2024)
Net Sales	1,846,163	1,935,071
Cost of Sales	1,394,959	1,440,720
Gross Profit	451,203	494,351
Selling, General and Administrative Expenses	443,550	490,960
Operating Profit	7,653	3,390
Non-Operating Income		
Interest Income	109	1,813
Commission Income	7,655	12,785
Foreign Exchange Gains	12,451	19,917
Share of Profit of Entities Accounted for Using Equity Method	1,264	138
Other Income	5,129	1,422
Total Non-Operating Income	26,610	36,078
Non-Operating Expenses		
Interest Expenses	2,966	3,485
Interest on Bonds	397	29
Other Expenses	214	471
Total Non-Operating Expenses	3,578	3,986
Ordinary Profit	30,685	35,482
Extraordinary income		
Gain on sales of non-current assets	212	—
Total extraordinary income	212	—
Extraordinary Loss		
Loss on retirement of non-current assets	0	—
Total Extraordinary Losses	0	—
Profit before Income Taxes	30,897	35,482
Income Taxes-Current	22,939	17,572
Income Taxes-Deferred	(1,785)	(1,399)
Total Income Taxes	21,153	16,173
Profit (loss)	9,744	19,309
Profit (loss) attributable to Non-Controlling Interests	(975)	605
Profit (loss) attributable to Owners of Parent	10,719	18,704

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

(Thousands of Yen)

	First three months of FY3/24 (Apr 1, 2023 - Jun 30, 2023)	First three months of FY3/25 (Apr 1, 2024 - Jun 30, 2024)
Profit (Loss)	9,744	19,309
Other Comprehensive Income		
Valuation Difference on Available-for-Sale Securities	2,432	—
Deferred Gains or Losses on Hedges	679	689
Foreign Currency Translation Adjustment	2,773	(675)
Share of other comprehensive income of entities accounted for using equity method	(904)	6
Total Other Comprehensive Income	4,981	20
Comprehensive Income	14,725	19,330
Comprehensive Income attributable to:		
Owners of Parent	15,701	18,725
Non-Controlling Interests	(975)	605

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Notes to Segment Information

I First three months of FY3/24 (Apr. 1, 2023 – Jun. 30, 2023)

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	1,522,527	250,391	—	1,772,918	73,244	1,846,163	—	1,846,163
External Sales	1,522,527	250,391	—	1,772,918	73,244	1,846,163	—	1,846,163
Inter-segment sales and transfers	8,380	444	—	8,824	—	8,824	(8,824)	—
Total	1,530,907	250,836	—	1,781,743	73,244	1,854,988	(8,824)	1,846,163
Segment Profit (Loss)	61,713	7,815	(1,003)	68,525	(3,868)	64,657	(57,003)	7,653

Note:

1. The “Other” business 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 57,003 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 three months of FY3/25 (Apr. 1, 2024 – Jun. 30, 2024)

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	1,580,312	282,101	—	1,862,413	72,658	1,935,071	—	1,935,071
External Sales	1,580,312	282,101	—	1,862,413	72,658	1,935,071	—	1,935,071
Inter-segment sales and transfers	—	683	—	683	—	683	(683)	—
Total	1,580,312	282,784	—	1,863,097	72,658	1,935,755	(683)	1,935,071
Segment Profit (Loss)	50,732	(466)	(5,273)	44,992	5,493	50,486	(47,095)	3,390

Note:

1. The “Other” business segment consists of activities that are not included in any of the reportable segments and includes the information technology business.
2. The negative adjustment of 47,095 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.

Notes to Statement of Cash Flows

The quarterly consolidated statement of cash flows for the first quarter of the period under review has not been prepared. However, depreciation expenses (including amortization expenses for intangible assets excluding goodwill) and goodwill amortization for the first quarter of the period under review are as follows.

(Thousands of Yen)

	First three months of FY3/24 (Apr 1, 2023 - Jun 30, 2023)	First three months of FY3/25 (Apr 1, 2024 - Jun 30, 2024)
Depreciation expenses	23,580	25,008
Goodwill amortization	2,030	2,030

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