Summary of Earnings Report for the Fiscal Year Ended March 31, 2017

May 11, 2017

Name of listed company: A.D.Works, Ltd. Listed stock exchange: Tokyo Stock Exchange
Code: 3250 URL http://www.re-adworks.com/
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Scheduled date of shareholders' meeting June 29, 2017 Scheduled date of dividend payment June 30, 2017
Scheduled date of filing June 29, 2017
Additional material of financial result : Yes
Result meeting : Yes (Institutional investors and analysts)

(Millions yen, rounded down)

1. Consolidated Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016–March 31, 2017)

(1) Consolidated business results (cumulative)

(%: Year-on-year comparison)

	Net Sales		Operating Income		Ordinary Income		Net income attributable to owners of parent	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Fiscal year ended March 31, 2017	18,969	20.6	1,040	19.8	748	15.0	540	26.6
Fiscal year ended March 31, 2016	15,733	46.5	867	14.3	650	20.3	426	27.9

(Notes) Comprehensive Income Year ended March 31, 2017 578 Million yen (51.5%) Year ended March 31, 2016 381 Million yen (15.2 %)

	Net Income per Share	Diluted Net Income per Share	Net Income on Equity	Ordinary Income on Total Assets	Operating Income Margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	2.51	2.51	8.8	3.4	5.5
Fiscal year ended March 31, 2016	1.99	1.98	7.6	3.8	5.5

(Notes) Investment gain or loss on equity method: March 31, 2017 — Million yen March 31, 2016 — Million yen

(2) Consolidated financial conditions

	Total Assets	Net Assets	Shareholders' Equity ratio	Net Assets per Share
	¥ millions	¥ millions	%	Yen
Fiscal year ended March 31, 2017	25,832	6,415	24.7	29.68
Fiscal year ended March 31, 2016	17,925	5,842	32.6	27.20

(Notes) Shareholders' equity: March 31, 2017 6,392 Million yen March 31, 2016 5,836 Million yen

(3) Consolidated Cash Flow

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
	¥ millions	¥ millions	¥ millions	¥ millions
Fiscal year ended March 31, 2017	(5,128)	504	6,426	4,353
Fiscal year ended March 31, 2016	(1,395)	(51)	992	2,536

2. Dividends Information

	Dividend per Share					Amount of Total Dividend	Dividend ratio (consolidated)	Dividend ratio per Net Asset
	1Q	Interim	3Q	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2016	—	0.00	—	0.35	0.35	77	17.6	1.3
Fiscal year ended March 31, 2017	—	0.00	—	0.55	0.55	122	21.9	1.9
Fiscal year ending March 31, 2018 (forecast)	—	1.65	—	—	—		—	

(Note 1) Dividends for fiscal year ending March 31, 2018 are not fixed yet at the moment.

(Note 2) Dividends for fiscal year ended March 31, 2017 include ¥0.20 of 130th anniversary commemorative dividends.

3. Consolidated Business Plan for Fiscal Year Ending March 31, 2018

The A.D.W. Group announces its business targets for each consolidated fiscal year in the form of a “results plan.” “Results plans” are targets for our business and are different from “forecasts and predictions” that are calculated rationally based on information that is considered to be highly accurate.

(%: comparison with the previous period)

	Net sales		EBITDA		Ordinary Income		Net income before taxes		Net Income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Full year	20,000	5.4	1,400	15.1	900	20.3	900	20.3	580	7.3

(Note) Consolidated sales, consolidated ordinary income, income before tax and consolidated net income are equal to the sales, ordinary income, net income before taxes, and net income attributable to owners of the parent company in the consolidated profit and loss statement.

1. Overview of Business Results

(1) Overview of business results for the fiscal year under review

The economic environment during the consolidated fiscal year under review is characterized as follows. In Japan, employment and income conditions improved, and there were continuing expectations of a gradual economic recovery. On the other hand, overseas, there were developments that led to growing uncertainty, such as the United Kingdom's withdrawal from the European Union, which was decided by its referendum in June 2016, and the abrupt price movements in financial markets that were triggered by the U.S. presidential election in November 2016.

In the business environment surrounding the A.D. Works Group, although the number of secondhand condominiums sold in the Tokyo metropolitan area and the price per square meter are both continuing to rise, the number of inventory properties is also rising, and, despite its buoyancy, the retail market is starting to see a cautious outlook emerge. The same is true in the income property market, and the A.D. W. Group carried out its business activities while paying close attention to the trends in market conditions.

Under these business conditions, based on the Group's Fifth Mid-Range Business Plan (for the period from the fiscal year ended March 31, 2017 to the fiscal year ending March 31, 2019), the A.D.W. Group has set forth the basic policies of "strategic expansion of the balance of income properties in order to establish a solid business foundation and achieve a stable profit base," "development and expansion of business which will become a new pillar of future earnings," and "restructuring of capabilities so that they can support the larger scale of our business," and it worked on a variety of measures to achieve them.

In the consolidated fiscal year under review, in accordance with the aforementioned policies of our mid-range business plan, we actively acquired income properties in the Tokyo metropolitan area and the United States (Los Angeles), and we also carried out sales activities. Our business in the United States, which we launched in 2013, has expanded steadily as the United States has sustained high economic growth rates, and in the consolidated fiscal year under review, it recorded sales of 2,527 million yen, accounting for 13.3% of consolidated net sales.

In addition, we are engaged in the following as new projects and thereby working to develop new products and new customer segments.

- Starting construction of a new office building, developed by our company, in Dogenzaka in Shibuya, Tokyo
- Establishing an Osaka Sales office aimed at expanding the profit base for our income property business and achieving business stabilization by increasing the number of our business sites
- Entering Real Estate Tech by establishing Minna no Toshi online, through which we aim to construct a distribution platform for small-lot real estate investment products
- Starting to offer "AD Lease Guarantee," a rent guarantee service

As a result of the factors above, the business results for the consolidated fiscal year under review are as shown in the table below. Except for ordinary income, all of the targets in our consolidated earnings plan that was announced on May 12, 2016, have been achieved. Furthermore, all levels of profit stated in the table reached their highest amounts ever.

<Consolidated results>

(Units: Millions yen)

	Year ended March 31, 2016 (results)		Year ended March 31, 2017 (plan)		Year ended March 31, 2017 (results)			
	Amount	Ratio	Amount	Ratio	Amount	Ratio	YoY	Vs. plan
Sales	15,733	100.0%	16,500	100.0%	18,969	100.0%	120.6%	115.0%
(Property sales)	(14,132)	(89.8%)	—	—	(17,034)	(89.8%)	(120.5%)	—
(Stock)	(1,821)	(11.6%)	—	—	(2,165)	(11.4%)	(118.9%)	—
EBITDA	926	5.9%	1,200	7.3%	1,216	6.4%	131.2%	101.4%
Ordinary income	650	4.1%	800	4.8%	748	3.9%	115.0%	93.5%
Pre-tax income	650	4.1%	800	4.8%	835	4.4%	128.3%	104.4%
Net income	426	2.7%	528	3.2%	540	2.9	126.6%	102.3%

Note 1: “Property sales,” “Stock,” “Pre-tax income,” and “Net income” are the abbreviations of “Income property sales business,” “Stock-type fee business,” “Net income before taxes and other adjustments,” and “Net income attributable to owners of parent” respectively.

Note 2: EBITDA (Operating income before depreciation and amortization): Operating income + Depreciation and amortization + Profits or losses on sales of income properties that are recorded in Extraordinary gains or losses.

Depreciation and amortization includes depreciation, software amortization, amortization of goodwill, and other expenses that do not involve cash disbursement. In addition, we include income properties held for long-term sale in fixed assets, and we have recorded a part of the gain or loss on sales from the income properties held for long-term sale in the section of extraordinary gains or losses on the consolidated profit and loss statement. EBITDA is calculated by including the extraordinary gains and losses.

Note 3: Because segment net sales include internal sales resulting from intra-group transactions, the total of Property sales and Stock does not match the total for consolidated net sales.

A summary of the segment results is as follows. Note that the A.D.W. Group considers operating income to be segment income.

(Income property sales business)

In this business segment, based on the business plan set forth at the start of the fiscal year, we actively made acquisitions of income properties and carried out sales activities.

With real estate prices continuing to rise, when acquiring income properties, we have made optimal use of our information gathering ability and purchase judgment expertise in focusing on selecting properties with high profit potential. As a result, we completed acquisitions of 45 properties in Japan and 12 properties in the United States, recording a total acquisition amount of 18,514 million yen.

Meanwhile, on the sales front, trust from clients remained high in view of our properties’ profitability and efficiency, which encompass services from renovation to property management, and we sold 42 properties in Japan and 8 properties in the United States, where business is expanding.

As a result of the factors above, in the consolidated fiscal year under review, net sales were 17,034 million yen (up 20.5% year on year), EBITDA was 1,640 million yen (up 38.8% year on year), and operating income was 1,551 million yen (up 31.4% year on year). Furthermore, the balance of income properties, which will be a prime source of future profits, was 20,318 million yen, versus 14,551 million yen at the end of the previous fiscal year.

(Stock-type fee business)

This business segment is the segment that serves as an indicator of “achieving a stable profit base,” which was set forth in the Fifth Mid-Range Business Plan.

In the consolidated fiscal year under review, as stated above, the balance of income properties increased. In addition, there has been steady growth in property management contracts for income properties after they are sold, and the number of income properties under management in Japan at the end of the consolidated fiscal year under review was 4,157, versus 3,649 at the end of the previous fiscal year. As a result of these factors, net sales of rental income and property management contracts increased.

On the other hand, expenses related to our Stock-type Fee Business also increased. This was due to factors including an increase in contracting expenses related to maintenance resulting from the growing numbers of properties owned and properties managed, as well as an increase in personnel expenses resulting from organizational expansion in preparation for future growth.

As a result of the activities described above, for Japan and overseas combined, net sales were 2,165 million yen (up 18.9% year on year), EBITDA was 712 million yen (up 19.5% year on year), and operating income was 651 million yen (up 16.4% year on year).

(2) Future outlook

a) Policies for the next fiscal year (ending March 2018)

On May 12, 2016, A.D. Works, Ltd., announced a three-year plan whose first year was the previous consolidated fiscal year (the fiscal year ended March 31, 2017). This plan, which is called the “Fifth Mid-Range Business Plan,” covers the period from the fiscal year ended March 31, 2017, to the fiscal year ending March 31, 2019, and it sets forth the following three basic policies.

I. Strategic expansion of the balance of income properties in order to establish a solid business foundation and achieve a stable profit base

II. Development and expansion of business that will become a new pillar of future earnings
III. Restructuring of capabilities so that they can support the larger scale of our business
Based on these basic policies, in the next fiscal year, we will focus on carrying out the following three measures (i), (ii) and (iii).

(i) Expanding and stabilizing the income property portfolio
In the next fiscal year (ending on March 31, 2018) as well, we will continue to actively acquire income properties in order to achieve a balance of income properties of 30,000 million yen at the end of the fiscal year ending March 31, 2019, which is a target stated in Fifth Mid-Range Business Plan.
More than 60% of the income properties owned by the Company at the end of the fiscal year ended March 31, 2017, are income properties held for sale whose process of acquisition, value increase, and sale takes place in a relatively short period of approximately six months, and consolidated earnings tend to be affected by the profits at the times of sale of income properties. Therefore, because the variation in our consolidated earnings every accounting term tends to be large, as an activity aimed at strengthening our stable profit base, we will proceed with increasing the rental income that results from increasing the proportion of income properties held for long-term sale.
Additionally, in the United States, in reflection of the continued strength of the U.S. economy, the appreciation in real estate prices continues to be higher than that in Japan. Because of differences between the United States and Japan in such factors as economic trends and laws and regulations, doing business in both countries is a way to hedge the risk of changes in the business environment. From this point of view, we plan to continue to actively acquire income properties in Los Angeles, California, in the United States, which is our base for overseas operations.
As described above, together with implementing business-scale expansion measures to achieve a balance of income properties of 30,000 million yen at the end of the fiscal year ending March 31, 2019, as measures to achieve greater stability, we will increase the proportions of income properties held for long-term sale and income properties in the United States in our income property portfolio, strengthen our stable profit base, and hedge the risk of business environment changes.

(ii) Establishing a new profit base
In the fiscal year ended March 31, 2017, venturing into several businesses, we announced that we entered the Real Estate Tech business by aiming to construct a distribution platform for small-lot real estate investment products, entered the field of lease guarantee services, and entered the construction business on a full scale. In the next fiscal year as well, we will continue to develop a new profit base, but we will place a priority on establishing the businesses that we announced during the fiscal year ended March 31, 2017, as the new profit base and strive to put those businesses on a growth path in a rapid manner.

(iii) Strengthening our fund-raising capacity
Because the A.D. Works Group's business model starts from acquisition of income properties, for the sake of growth, major upfront investments are essential. In October 2012 and October 2013, A.D. Works Co., Ltd., issued rights offerings through which it raised a total of approximately 2.7 billion yen. As a result, consolidated net income before taxes, which was 255 million yen in the fiscal year ended March 31, 2012, increased to 835 million yen in the fiscal year ended March 31, 2017. In order to aim for further growth, as announced on April 25, 2017, subject to approval at the Ordinary General Meeting of Shareholders that will be held on June 29, 2017, the Company plans to issue its third rights offering. Furthermore, in order to increase the balance of income properties, financing from financial institutions will also be absolutely imperative.
Due to these circumstances, since the A.D. Works Group must strengthen its fund-raising capacity further, we will strive to achieve not only steady growth on the earnings front but also sound communication with investors and financial institutions.
In addition to the three measures (i), (ii), and (iii) described above, we will continue to implement various other measures, including restructuring the mechanism for achieving both quality and quantity in property management and expanding the "Royaltorch" owners' club, which is operated by our company.

b) Outlook and management indicators for the next fiscal year (ending March 2018)
(i) Consolidated earnings plan for the fiscal year ending March 31, 2018
The consolidated earnings plan for the fiscal year ending March 31, 2018, is as follows.
A.D. Works, Ltd., has established EBITDA (operating income before depreciation), ordinary income, net income before taxes (pre-tax

income), and net income as management indicators that indicate growth potential, and it has established ROE as a management indicator that indicates effective use of management resources.

(Units: Millions yen)

	Year ended March 31, 2017 (results)	Year ending March 31, 2018 (plan)
Sales	18,969	20,000
EBITDA	1,216	1,400
Ordinary income	748	900
Pre-tax income	835	900
Net income	540	580
ROE (at year end)	8.5%	—

Note 1: The business plans released by our company represent targets that we aim to achieve in our business, and are different from “forecasts and predictions” that are calculated rationally based on information that is considered to be highly accurate. Our company will update its forecast of progress for each quarter whenever necessary based on highly reliable information which is available at that time from throughout the group, and on information that is judged to be reasonable.

Note 2: ROE: Net Income / Shareholders’ Equity

Note 3: On April 25, 2017, A.D. Works, Ltd., announced that it would carry out a non-commitment-type rights offering (exercise-price non-discount type). The Company's shareholders’ equity at the end of the fiscal year ending March 31, 2018, is difficult to forecast because it will be greatly affected by the amount of financing raised through the rights offering. Therefore, our forecast of ROE at the end of the fiscal year ending March 31, 2018, is not yet determined.

(ii) Targets for our KPI

To achieve its consolidated earnings plan, the Company has established the following items as its key performance indicators (KPIs).

(Units: Millions yen)

	Year ended March 31, 2017 (results)	Year ending March 31, 2018 (plan)
Total balance of income properties (at year end)	20,318	25,002
Rental income	1,058	1,133
Rental income EBITDA	746	793

Note: Rental income EBITDA: rental income – rental income cost – rental income direct sales, general, and administrative expenses＋rental income depreciation

c) Basic policy on distribution of profits, and payment of dividends in the fiscal year under review and the next fiscal year

Based on a medium-term perspective, the A.D.W. Group has adopted the basic policy of ensuring internal reserves to prepare for future business development and then, depending on earnings, making dividend payments.

The Company has set the dividend per share in the fiscal year under review at 0.55 yen, which includes a commemorative dividend of 0.20 yen to celebrate its 130th anniversary. As a result, the consolidated dividend payout ratio in the fiscal year under review is 21.9%.

Regarding dividend payment in the fiscal year ending March 31, 2018, as announced in “Announcement of Commemorative Dividend (Interim Dividend)” on April 25, 2017, the Company plans to pay a commemorative dividend (interim dividend) with a record date of September 30, 2017.

With respect to dividends per share, from the viewpoint of our appreciation of shareholder support in the past equity financings and shareholder returns, we have set a dividend of 0.55 yen for each of the total of three equity financings, which include the past two rights offerings and the rights offering announced on April 25, 2017, thereby setting 1.65 yen as the cumulative total of these dividends. (Note that 0.55 yen is the amount equivalent to the total dividend in the fiscal year ended March 31, 2017.)

Concept of the Commemorative Dividend (Interim Dividend)

Mid-range business plan	Applicable period	Rights offering	Calculated base amount
Third	Fiscal year ending March 31, 2013, to fiscal year ending March 31, 2015	Announced on October 1, 2012	0.55 yen
Fourth	Fiscal year ending March 31, 2015, to fiscal year ending March 31, 2017	Announced on October 16, 2013	0.55 yen
Fifth	Fiscal year ending March 31, 2017, to fiscal year ending March 31, 2019	Announced on April 25, 2017	0.55 yen
		Cumulative total	**1.65 yen**
Reference: Fiscal year ended March 31, 2017 (Ordinary dividend 0.35 yen＋130th anniversary commemorative dividend 0.20 yen)			0.55 yen

Note that a condition for payment of the commemorative dividend is that the proposal on the rights offering that was announced on April 25, 2017, in “Announcement of Non-commitment-type Rights Offering (Exercise-price Non-discount Type) and Commemorative Dividend (Interim Dividend)” be approved at the 91st Ordinary General Meeting of Shareholders, which is scheduled to be held on June 29, 2017. Furthermore, as of now, a year-end dividend in the fiscal year ending March 31, 2018, is not yet determined.

2. Consolidated Financial Statements

(1) Consolidated balance sheets

(Units: Thousands yen)

	Previous consolidated fiscal year (year ended March 31, 2016)	Current consolidated fiscal year (year ended March 31, 2017)
Assets		
Current assets		
Cash and savings	2,607,377	4,425,499
Accounts receivable	97,775	110,053
Revenue-generating real estate held for sale	*1 12,457,636	*1 17,490,706
Real estate for sale in process	231,369	*1 1,594,068
Deferred tax assets	108,039	133,256
Other	288,808	390,426
Allowance for doubtful accounts	(1,565)	(998)
Total current assets	15,789,442	24,143,012
Fixed assets		
Tangible fixed assets		
Buildings	772,824	750,935
Accumulated depreciation	(100,545)	(100,503)
Buildings (net)	*1 672,279	*1 650,431
Vehicles	2,650	5,242
Accumulated depreciation	(353)	(2,013)
Vehicles (net)	2,297	3,228
Tools, furniture, and fixtures	45,851	66,572
Accumulated depreciation	(27,699)	(35,521)
Tools, furniture, and fixtures (net)	18,151	31,051
Land	*1 1,239,617	*1 638,283
Total tangible fixed assets	1,932,346	1,322,995
Intangible fixed assets		
Other	61,920	84,867
Total intangible fixed assets	61,920	84,867
Investments and other assets		
Investment securities	500	109,334
Deferred tax assets	7,826	21,945
Other	133,789	150,571
Total investments and other assets	142,115	281,850
Total fixed assets	2,136,382	1,689,712
Total assets	17,925,825	25,832,725

(Units: Thousands yen)

	Previous consolidated fiscal year (year ended March 31, 2016)	Current consolidated fiscal year (year ended March 31, 2017)
Liabilities		
Current liabilities		
Accounts payable	232,905	660,311
Short-term loans payable	*1 1,593,750	*1 2,915,915
Current portion of bonds payment	*1 129,500	*1 189,500
Current portion of long-term loans payable	*1 1,120,444	*1 1,062,010
Corporate tax payable	106,741	164,912
Reserve for stock benefits	14,961	30,616
Other	973,305	1,307,790
Total current liabilities	4,171,609	6,331,057
Fixed liabilities		
Corporate bonds	*1 1,037,750	*1 1,038,250
Long-term loans payable	*1 6,789,902	*1 12,000,318
Other	84,106	47,939
Total fixed liabilities	7,911,758	13,086,508
Total liabilities	12,083,368	19,417,565
Net assets		
Shareholders' equity		
Capital stock	1,937,744	1,944,554
Capital surplus	1,886,483	1,893,232
Retained earnings	2,457,085	2,919,488
Treasury stock	(397,471)	(356,230)
Total shareholders' equity	5,883,841	6,401,044
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	—	(724)
Foreign currency translation adjustments	(46,481)	(3,984)
Deferred gains (losses) on hedges	(1,280)	(5,008)
Total accumulated other comprehensive income	(47,761)	(9,717)
Subscription rights to shares	6,376	23,832
Total net assets	5,842,456	6,415,159
Total liabilities and net assets	17,925,825	25,832,725

(2) Consolidated Profit and Loss Statement and Consolidated Comprehensive Income Statement

Consolidated Profit and Loss Statement

(Units: Thousands yen)

	Previous consolidated fiscal year (year ended March 31, 2016)	Current consolidated fiscal year (year ended March 31, 2017)
Sales	15,733,153	18,969,772
Cost of sales	12,767,638	15,308,722
Gross profit on sales	2,965,515	3,661,050
Sales, general, and administrative expenses	*1 2,097,675	*1 2,621,010
Operating income	867,839	1,040,039
Non-operating income		
Interest and dividends income	488	87
Subsidy income	942	—
Insurance received	300	1,325
Misc income	1,318	163
Other	14	8
Total non-operating income	3,064	1,584
Non-operating expenses		
Interest paid	161,335	194,514
Borrowing fee	17,382	48,114
Foreign exchange loss	22,751	35,019
Other	18,777	15,823
Total non-operating expenses	220,245	293,471
Ordinary income	650,658	748,152
Extraordinary losses		
Gain on sales of non-current assets	—	*2 86,863
Total extraordinary income	—	86,863
Net income before taxes	650,658	835,015
Income taxes – current	218,829	333,486
Income taxes adjustment	4,950	(38,799)
Total income taxes	223,780	294,687
Net income	426,878	540,328
Net income attributable to owners of parent	426,878	540,328

Consolidated Profit and Loss Statement

(Units: Thousands yen)

	Previous consolidated fiscal year (year ended March 31, 2016)	Current consolidated fiscal year (year ended March 31, 2017)
Net income before minority interests	426,878	540,328
Other comprehensive income		
Valuation difference on available-for-sale securities	—	(724)
Foreign currency translation adjustments	(50,038)	42,496
Deferred gains (losses) on hedges	5,037	(3,727)
Total other comprehensive income	*1 (45,000)	*1 38,044
Comprehensive income	381,877	578,373
(attributable to)		
Owners of the parent company	381,877	578,373
Minority interests	—	—

(3) Consolidated Statements of Cash Flows

(Units: Thousands yen)

	Previous consolidated fiscal year (year ended March 31, 2016)	Current consolidated fiscal year (year ended March 31, 2017)
Cash flows from operating activities		
Net income before taxes	650,658	835,015
Depreciation cost	59,155	89,709
Increase (decrease) in allowances	(658)	(566)
Increase (decrease) in allowances of stock issuance	(2,502)	15,654
Interest and dividends income	(488)	(87)
Interest paid	161,335	194,514
Borrowing fee	17,382	48,114
Loss (gain) on sales of property, plant and equipment	―	(86,863)
Decrease (increase) in notes and accounts receivable – trade	(26,574)	(12,285)
Increase (decrease) in notes and accounts payable – trade	(215,949)	426,138
Decrease (increase) in inventory assets	(1,698,786)	(6,374,741)
Other	110,509	272,441
Subtotal	(945,918)	(4,592,956)
Interest and dividend income	488	87
Interest paid	(159,508)	(194,398)
Income taxes refunded (paid)	(290,691)	(341,274)
Cash flows from operating activities	(1,395,629)	(5,128,541)
Cash flow from investing activities		
Payments for purchase of tangible fixed assets	(21,261)	(28,556)
Proceeds from sales of tangible fixed assets	―	700,000
Payments for purchase of intangible fixed assets	(19,231)	(30,849)
Payments for purchase of investment securities	―	(113,030)
Payments for refund of deposits	(11,892)	(26,188)
Other	791	3,428
Cash flow from investing activities	(51,593)	504,804
Cash flow from financing activities		
Proceeds from short-term borrowings	5,559,680	9,349,573
Repayments of short-term borrowings	(7,767,465)	(8,041,300)
Proceeds from long-term borrowings	6,158,508	13,361,649
Repayments of long-term borrowings	(2,938,950)	(8,208,458)
Proceeds from issuance of bonds	200,000	200,000
Payments for redemption of bonds	(139,500)	(139,500)
Proceeds from issuing stock option	―	18,000
Proceeds from exercise of stock options	1,643	13,720
Dividends paid	(77,256)	(77,696)
Other	(3,690)	(49,144)
Cash flow from financing activities	992,966	6,426,843
Effect of exchange rate changes on cash and cash equivalents	(22,811)	14,284
Increase (decrease) in cash and cash equivalents	(477,068)	1,817,390
Balance of cash and cash equivalents at start of year	3,013,451	2,536,383
Balance of cash and cash equivalents at end of period	*1 2,536,383	*1 4,353,773