



Summary of Earnings Report for the Fiscal Year Ended November 2020

January 14, 2021

TSE 1st section

Name of listed company Phil Company, Inc.
 Code 3267 URL <http://philcompany.jp/>
 Representative: CEO and Representative Yuichi Noumi
 Contact: Operating Manager Yousuke Nishimura (TEL) +813-5275- 1701
 Scheduled date of shareholders meeting Feb. 18, 2020 Scheduled date of dividend payment
 Scheduled date of filing: Feb. 18, 2020
 Additional material of financial result: No
 Result meeting No

(Millions yen, rounded down)

1. Consolidated Results for Fiscal Year Ended November 30, 2020 (Dec. 1, 2019–Nov. 30, 2020)

(1) Consolidated Business Results

(%: Quarter-on-quarter comparison)

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to Owners of Parent	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Year Ended Nov. 2020	3,970	(43.5)	130	(88.1)	98	(90.9)	19	(96.7)
Year Ended Nov. 2019	7,024	48.2	1,096	72.1	1,076	74.8	600	44.7

(note) Comprehensive income Year Ended Nov. 2020 19 Millions yen (96.7%) Year Ended Nov. 2019 600 Millions yen (44.7%)

	Net income per share	Diluted net income per share	ROE	Ordinary Income over total asset	Operating Margin
	Yen	Yen	%	%	%
Year Ended Nov. 2020	3.42	3.37	0.7	1.9	3.3
Year Ended Nov. 2019	106.63	101.69	24.2	22.7	15.6

(note) Comprehensive income Year Ended Nov. 2020 -21 Millions yen (Year Ended Nov. 2019 -12 Millions yen)

(2) Consolidated Financial Conditions

	Total assets	Net Assets	Shareholders' Equity Ratio	Net Asset per Share
	¥ millions	¥ millions	%	Yen
Year Ended Nov. 2020	5,149	2,854	55.4	497.97
Year Ended Nov. 2019	5,373	2,983	55.5	516.05

(3) Consolidated Cash Flow

	CF from Operation	CF from Investment	CF from Financing	Balance of cash and cash equivalent
	¥ millions	¥ millions	¥ millions	¥ millions
Year Ended Nov. 2020	(2,438)	(43)	559	2,066
Year Ended Nov. 2019	1,695	(22)	407	3,989

2. Dividend information

	Dividend per Share					Total Dividend	Dividend Ratio	Dividend ratio over net asset
	1Q	2Q	3Q	4Q	Total			
	Yen	Yen	Yen	Yen	Yen	¥ millions	%	%
Year Ended Nov. 2019	—	0.00	—	5.00	5.00	28	4.7	1.1
Year Ended Nov. 2020	—	0.00	—	0.00	0.00	—	—	—
Year Ending Nov. 2022 (estimate)	—	0.00	—	0.00	0.00	—	—	—

(note) Breakdown of dividend paid Nov. 2019 TSE 1st section anniversary dividend 5 yen

3. Consolidated Business Plan for the year ending Nov. 2021 (Dec. 1, 2020 to Nov. 30, 2021)

(%: Comparison with the previous period)

	Net Sales	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent	Net Income per Share
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2Q	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%	Yen
	2,000	87.1	80	—	70	—	45	—	7.86
Full year	4,500	13.3	200	53.5	200	103.7	50	154.3	8.73

(3) Total number of shares issued (ordinary shares)

① Number of shares issued at year end (inc. treasury stock)	Year Ended Nov. 2020	5,778,000 shares	Year Ended Nov. 2019	5,778,000 shares
② Treasury stock at year end	Year Ended Nov. 2020	49,332 shares	Year Ended Nov. 2019	332 shares
③ Average number of shares during current quarter	Year Ended Nov. 2020	5,747,554 shares	Year Ended Nov. 2019	5,634,672 shares

(Reference) Business figure of parent company

1. Results for Fiscal Year Ended November 30, 2020 (Dec. 1, 2019–Nov. 30, 2020)

(1) Business Results

(%: Quarter-on-quarter comparison)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	¥ millions	%	¥ millions	%	¥ millions	%	¥ millions	%
Year Ended Nov. 2020	1,008	(72.2)	(353)	—	239	(71.1)	220	(56.6)
Year Ended Nov. 2019	3,621	67.0	374	115.9	828	42.5	508	13.8

	Net income per share	Diluted net income per share
	Yen	Yen
Year Ended Nov. 2020	38.43	37.84
Year Ended Nov. 2019	90.23	86.05

(2) Financial Conditions

	Total assets	Net Assets	Shareholders' Equity Ratio	Net Asset per Share
	¥ millions	¥ millions	%	Yen
Year Ended Nov. 2020	4,291	2,799	65.2	488.33
Year Ended Nov. 2019	3,724	2,727	73.2	471.67

1. Overview of business result

(1) Overview of business results for this fiscal year

In the Phil Company Group, we give top priority to ensuring the safety of our customers and employees. In order to prevent coronavirus infections, we primarily engaged in remote working from April 4 to June 30, 2020, and focused our efforts on attracting tenants for Phil Park aerial shops as land owners were struggling to find plan proposals.

The Phil Company Group operates two business models in the Phil Park aerial shop business: the “contracted orders model” in which we provide land owners with proposals for Phil Park aerial shops as one mode of utilizing land, and the “development and sales model” for real estate investors in which our company performs all work from buying land to Phil Park aerial shop development and sales. The contracted orders model includes the Phil Park aerial shop business of small-size commercial facilities planned primarily in commercial areas where coin-operated parking lots are located, and also the Premium Garage House business of rental housing with garages that is planned primarily for properties located farther from stations and in residential areas.

For the contracted orders model, we gradually resumed sales activities starting from July 2020 and resumed full-scale business from October 2020. The number of contracted orders during the fourth quarter of this consolidated fiscal year was 9, and the amount of the orders totaled 505,341 thousand yen. Compared to before the coronavirus pandemic, we received a larger number of inquiries concerning Premium Garage Houses, and during the fourth quarter in this consolidated fiscal year the number of contracted orders for Premium Garage Houses was 6, totaling 282,468 thousand yen.

In the development and sales model, we resumed real estate sales activities from September 2020, and concluded a sales contract and completed delivery of 1 property.

In terms of sales, general and administrative expenses, expenses were down for reasons including a reduction in advertising costs as a result of discontinuing web ads, and a reduction in personnel expenses resulting from not paying bonuses to executives and employees.

As a result, the Phil Company Group in this consolidated fiscal year recorded sales of 3,970,760 thousand yen (-43.5% compared to the previous fiscal year), operating income of 130,256 thousand yen (-88.1%), ordinary income of 98,192 thousand yen (-90.9%), and net income attributable to the owners of the parent of 19,660 thousand yen (-96.7%). (Because the primary sales for the contracted orders model of the Group are calculated based on a completion and delivery standard, sales are only recorded at the time when a project property is completed and delivered. For the development and sales model, sales are recorded at the time of ownership transfer.)

In terms of finance, we have constructed a business model for the contracted sales model which does not permit a negative cash flow, and have concluded a special overdraft agreement with Mizuho Bank (borrowing limit 1 billion yen) for acquisition of land in the development and sales model. As a result, we have established a system which allows flexible procurement of funds. However as the future remains uncertain due to the effects of the coronavirus pandemic, in preparation for a possible prolonged economic slowdown and unforeseen events, we concluded a commitment line agreement for 500 million yen with Resona Bank on April 10, 2020, and another for 500 million yen with Mizuho Bank on May 29, 2020. We also concluded a 500 million yen overdraft agreement with MUFJ Bank on June 30, 2020. This has secured a up to a total of 1.5 billion yen in working capital – equivalent to 2 years of sales, general and administrative expenses in the Phil Company Group. We did not use any of the available funds from these commitment lines and other sources during this consolidated fiscal year.

During this consolidated fiscal year, number of properties for contracted orders model, and number of properties for development and sales model are as follows.

“Contracted orders model”

# of delivered properties	1Q	2Q	3Q	4Q	Total
Year Ended Nov. 2020	1	7	13	7	28
Year Ended Nov. 2019	3	4	9	8	24

“Development and sales model”

# of delivered properties		1Q	2Q	3Q	4Q	Total
Year Ended Nov. 2020	Land	0	0	0	0	0
	Land+Bldgs	0	0	0	1	1
	Total	0	0	0	1	1
Year Ended Nov. 2019	Land	1	1	0	3	5
	Land+Bldgs	0	2	1	3	6
	Total	1	3	1	6	11

The contracted orders model shows our sales situation as well as our growth and specific amount of orders received, number of orders and the order balance are shown in the table below.

“Contracted orders model”

Order received *1	1Q	2Q	3Q	4Q	Total	
	(thousand yen)	(thousand yen)	(thousand yen)	(thousand yen)	(thousand yen)	YoY
Year Ended Nov. 2020	731,234	9,948	28,755	505,341	1,275,279	30.4%
Year Ended Nov. 2019	980,991	335,943	1,045,354	1,821,882	4,184,172	103.0%

*1: The amount of orders received is the total amount of new orders received in the “contracted orders model” of the Phil Park aerial shop business during the above consolidated fiscal year (including orders for interior work and other additional work).

Order received	1Q	2Q	3Q	4Q	Total
Year Ended Nov. 2020	5	0	1	9	15
Year Ended Nov. 2019	6	5	10	14	35

Balance of order *2	(thousand yen)	YoY
Nov. end 2020	1,458,000	43.4%
Nov. end 2019	3,352,951	120.0%

*2: The order balance is the total remaining balance of orders which have not yet been completed and delivered in the “contracted orders model” of the Phil Park aerial shop business during the above consolidated fiscal year (including orders for interior work and other additional work).

The specific amount of “Development and sales model” and balance which handles everything from the acquisition of land to the development and sale of Phil Park aerial shops are shown in the table below.

“Development and sales model”

Amount of development and sales model *3	#	(thousand yen)	YoY
Nov. end 2020	5	2,155,974	127.5%
Nov. end 2019	5	1,690,762	95.5%

*3: The amount of development is the total amount expended on land and buildings for Phil Park aerial shops developed

as part of the “development and sales model” during the above consolidated fiscal year*5.

Number of development and sales model	1Q	2Q	3Q	4Q	Total
Year Ended Nov. 2020	1	1	0	0	2
Year Ended Nov. 2019	1	3	0	4	8

As shown in the table below, the activities to attract tenants to Phil Park aerial shops that were our focus from March to November of 2020 resulted in new tenants at 75 properties, exceeding the 41 properties from the same period in the previous fiscal year.

During this consolidated fiscal year, we completed work on 28 properties, most of which had been ordered in the previous fiscal year. We also increased the total number of completed Phil Park aerial shops and steadily attracted new tenants even in the midst of a pandemic. The stability of our business has become an extremely important sales point to land owners who are considering how to best make use of their land.

N O	Contract	Type of business	floor	space(m ²)	N O	Contract	Type of business	floor	space(m ²)
1	Nov.	Fitness	2F A	70.03	39	Aug.	Fitness	5F	78.77
2	Nov.	Restaurant	2F	75.90	40	Aug.	Office	2F	92.60
3	Nov.	Tutoring school	6F A	132.23	41	July	Restaurant	1F	47.92
4	Nov.	Restaurant	2F B	54.78	42	July	Restaurant	2F	49.83
5	Nov.	Beauty salon	6FB	66.40	43	July	Beauty salon	2F A	32.97
6	Nov.	Apparel	1~2F	143.02	44	July	Beauty salon	6F	78.77
7	Nov.	Dental tech	3F B	86.20	45	July	Beauty salon	7F	78.77
8	Nov.	Restaurant	2F	47.88	46	July	Fitness	1F	89.89
9	Nov.	Beauty salon	3FB	76.49	47	July	Fitness	2F A	59.96
10	Nov.	Office	1~2F	70.62	48	July	Fitness	2F	79.00
11	Nov.	Beauty salon	5F B	66.40	49	July	Office	3F	33.13
12	Oct.	Office	3F B	54.02	50	June	Restaurant	1~3F	551.79
13	Oct.	Restaurant	1F	47.62	51	June	Restaurant	1F	42.70
14	Oct.	Restaurant	1F	62.40	52	June	Restaurant	1F	42.77
15	Oct.	Restaurant	1F	33.20	53	June	Restaurant	2F	38.71
16	Oct.	Restaurant	3F	47.88	54	June	Restaurant	2F	47.88
17	Oct.	Beauty salon	2F	139.76	55	June	Beauty salon	3F	78.77
18	Sep.	Pharmacy	1~3F	103.09	56	June	Beauty salon	3F	70.55
19	Sep.	Clinic	3 FB,4F	200.38	57	June	Clinic	1F A	111.54
20	Sep.	Office	2F	42.70	58	June	Clinic	2F	78.77
21	Sep.	Beauty salon	1F	66.83	59	June	Pharmacy	1F B	34.25
22	Sep.	Rental space	4F	81.31	60	June	Pharmacy	1F	78.77
23	Sep.	Fitness	3F	79.99	61	June	Pharmacy	1F	36.50
24	Sep.	Fitness	2~3F	193.05	62	June	Product sales	3F	43.10
25	Sep.	Office	2F	60.72	63	June	Dance class	2F	55.01
26	Sep.	Tutoring school	3F B	91.67	64	June	Nursing school	1F	134.71

27	Sep.	Restaurant	1F	44.98	65	June	Nursing school	1F	135.63
28	Sep.	Tutoring school	2F B,3F	258.72	66	June	Nursing school	2F C	131.74
29	Sep.	Apparel	2F A	96.79	67	June	Office	3F	58.25
30	Aug.	Restaurant	1~2F	173.75	68	June	Relaxation	2F	199.22
31	Aug.	Beauty salon	2F B	42.67	69	May	Restaurant	1~2F	186.42
32	Aug.	Beauty salon	2F	77.29	70	April	Restaurant	2F	124.81
33	Aug.	Beauty salon	4F	47.88	71	April	Beauty salon	1F	58.91
34	Aug.	Clinic	1~2F	92.20	72	April	Tutoring school	2F	100.25
35	Aug.	Clinic	2F	74.15	73	April	Studio	3F	100.25
36	Aug.	Piano class	3F	74.15	74	March	Office	3F	59.66
37	Aug.	Nursing school	2F B	90.59	75	March	Child development support	2F	150.41
38	Aug.	Fitness	4F	34.42					

One important issue that we face is reinforcing our personnel, and the number of consolidated employees at the end of this consolidated fiscal year was 45 (compared to 53 at the end of the fiscal year ended November 30, 2019).

(2) Explanation of financial status

(Assets)

Total assets at the end of this consolidated fiscal year decreased by 224,021 thousand yen to reach 5,149,302 thousand yen. Primary factors affecting this result included 873,650 thousand yen in real estate for sale and an increase of 685,936 thousand yen in real estate for sale in progress, and a decrease of 1,923,092 thousand yen in cash and savings.

(Liabilities)

Liabilities at the end of this consolidated fiscal year decreased by 94,983 thousand yen to reach 2,294,461 thousand yen. Primary factors affecting this result included an increase of 208,000 thousand yen in short-term loans payable, an increase in 336,019 thousand yen in long-term loans payable within one year, a decrease in 416,139 thousand yen in deposits received, and a decrease in 286,213 thousand yen in income taxes payable.

(Net assets)

Net assets at the end of this consolidated fiscal year decreased by 129,038 thousand yen from the end of the previous fiscal year to reach 2,854,840 thousand yen. Primary factors affecting this result included the introduction of a board benefit trust for executives and an employee stock ownership trust for employees and the resulting increase of 119,661 thousand yen in treasury stock acquired by these trusts, as well as a decrease in retained earnings of 28,888 thousand yen resulting from the payment of dividends, and an increase of 19,660 thousand yen in retained earnings resulting from net income attributable to owners of the parent.

(3) Explanation of cash flow

As a result, cash and cash equivalent of fiscal year ended at November end 2020 was 2,066,266 thousand yen (1,923,092 yen lower compared to the previous fiscal year).

During this consolidated fiscal year, explanation of cash flow is as follows.

(Cash flow from operation)

Funds expended in sales activities during this consolidated fiscal year were 2,438,611 thousand yen (compared to income of 1,695,928 thousand yen during the previous fiscal year). Primary factors affecting this result

included an increase of 1,518,497 thousand yen in inventory assets, a decrease of 416,139 thousand yen in deposits, and an expenditure of 497,288 thousand yen for payment of income taxes.

(Cash flow from investment activities)

Funds expended in investment activities during this consolidated fiscal year were 43,502 thousand yen (compared to an expenditure of 222,575 thousand yen during the previous fiscal year). Primary factors affecting this result included an expenditure of 43,572 thousand yen for acquisition of tangible fixed assets.

(Cash flow from financing activities)

Funds obtained through financing activities during this consolidated fiscal year were 559,021 thousand yen (compared to income of 407,559 thousand yen during the previous fiscal year). Primary factors affecting this result included income of 610,000 thousand yen in long-term loans.

(4) Prospects for the future

Regarding the environment surrounding the business of the Group, the parking area and coin-operated parking area markets are continuing to grow. According to *2018 Analysis Survey of Conditions Related to the Automated Coin-Operated (Time Rental) Parking Area Market* released by the Japan Parking Business Association in May 2019, the number of coin-operated parking areas (size less than 500 m²) was approximately 40,000 in 2011, increasing to approximately 60,000 in 2015 and approximately 79,600 in April 2018. According to *Results of the 43rd Real Estate Investor Survey (October 2020)* released by the Japan Real Estate Institute in November 2020, the percentage of real estate investors intending to actively engage in new investments was 95% in the October 2019 survey, 86% in the April 2020 survey, and 92% in the October 2020 survey. Overall, there has been a recovery in investment attitudes among real estate investors.

In this market environment, the Phil Park aerial shop business which allows prosperous coexistence with parking areas saw an increase in repeat orders and new inquiries. As a result, as of November 2020 there are now 231 sites in major cities across Japan (including projects under construction for the contracted orders model only). This represents only around 0.3% of the 79,600 coin-operated parking areas in Japan, and we conclude there is more than ample room for further growth in the Phil Park aerial shop business.

In the contracted orders model, although there were effects from the coronavirus pandemic, orders received during the consolidated fourth quarter of the fiscal year ended November 30, 2020 totaled 505,341 thousand yen. Compared to 9,948 thousand yen in orders during the second quarter and 28,755 thousand yen in orders during the third quarter, this shows a trend toward recovery in contracted orders. As the Phil Park aerial shop business has succeeded in steadily attracting tenants even during the coronavirus pandemic, there has been renewed recognition of its performance. Steady results have also been delivered in the Premium Garage House business. 6 orders were received during the consolidated fourth quarter, totaling 282,468 thousand yen, and inquiries have increased compared to before the pandemic. Because housing properties have not been negatively affected by the pandemic, we intend to reinforce Premium Garage House and make it our second major source of earnings. Operating together with the Phil Park aerial shop business for commercial properties, we intend to expand business for the contracted orders model.

In the development and sales model, as there has been a recovery in investor attitudes among real estate investors, our policy for sales will be to carefully monitor investor trends and identify the optimal timing for sales. At the same time, we will continue a cautious approach to acquiring properties, primarily in urban centers, by selecting suitable information and judging whether or not land prices are appropriate.

The results forecast for the fiscal year ending November 30, 2021 calls for sales of 4.5 billion yen (up 13.3% from the previous consolidated fiscal year), operating income of 200 million yen (up 53.5%), ordinary income of 200 million yen (up 103.7%), and net income attributable to the owners of the parent of 50 million yen (up 154.3%).

3. Consolidated financial statements and primary notes

(1) Consolidated balance sheet

(Unit : Thousand yen)

	FY ended Nov. 2019	FY ended Nov. 2020
Assets		
Current assets		
Cash and savings	3,989,358	2,066,266
Accounts receivable	6,811	2,007
Real estate in sale	104,471	978,122
For sale in progress real estate	72,206	758,142
Uncompleted business disbursements	154,838	113,982
Others	57,680	298,993
Total current assets	4,385,367	4,217,515
Fixed assets		
Tangible fixed assets		
Buildings and structures (net)	251,974	248,384
Tools, furniture and fixtures	5,438	4,905
Lease asset (net)	123,313	116,333
Total tangible fixed assets	380,726	369,623
Intangible fixed assets		
Goodwill	213,777	187,600
Software	16,202	11,531
Total Intangible fixed assets	229,980	199,132
Investments and other assets		
Invested Securities	168,954	147,606
Long-term Loan	5,042	5,042
Guarantee Deposit	136,601	134,489
Bankrupt and delinquent loans receivable	23,658	23,658
Deferred tax assets	53,960	60,341
Others	17,735	20,593
Allowance for doubtful accounts	(28,701)	(28,701)
Total investments and other assets	377,250	363,031
Total fixed assets	987,957	987,957
Total assets	5,373,324	5,149,302

(Unit : Thousand yen)

	FY ended Nov. 2019	FY ended Nov. 2020
Liabilities		
Current liabilities		
Accounts payable	204,235	205,792
Short-term payable	20,000	228,000
Long-term payable within one year	99,487	435,506
Lease liabilities	4,815	5,084
Income taxes payable	286,705	491
Fee received in advance	1,126,250	710,110
Deposit	19,374	17,246
Others	223,592	91,577
Total current liabilities	1,984,459	1,693,808
Fixed liabilities		
Long-term loans payable	72,322	240,072
Lease liabilities	133,321	128,236
Asset retirement obligations	37,027	49,724
Long-term advances received	36,485	33,724
Long-term deposit	125,829	145,434
Others	—	3,460
Total fixed liabilities	404,985	600,653
Total liabilities	2,389,445	2,294,461
Net assets		
Shareholders' equity		
Capital	789,647	789,647
Capital surplus	789,647	789,647
Retained earnings	1,403,199	1,393,971
Treasury stock	(911)	(120,572)
Total shareholders' equity	2,981,581	2,852,692
Stock option	2,298	2,148
Total net assets	2,983,879	2,854,840
Total net assets and liabilities	5,373,324	5,149,302

(2) Consolidated profit and loss statement

(Units: Millions yen)

	FY ended Nov. 2019 (Dec. 1, 2018-Nov. 30, 2019)	FY ended Nov. 2020 (Dec. 1, 2019-Nov. 30, 2020)
Sales	7,024,711	3,970,760
Cost of sales	5,137,812	3,101,083
Gross profit on sales	1,886,898	869,676
Sales, general and administrative expenses	790,553	739,420
Operating income	1,096,344	130,256
Non-operating expenses		
Interest income	406	391
Dividend income	111	110
Income from insurance	2,645	127
Penalty income	—	1,624
Others	229	121
Total non-operating income	3,391	2,374
Non-operating expenses		
Interest paid	11,085	10,258
Loss from equity method investment	12,045	21,347
Others	—	2,832
Total non-operating expenses	23,131	34,438
Ordinary income	1,076,605	98,192
Extraordinary income		
Gain on reversal of stock acquisition rights	—	150
Total of extraordinary income	—	150
Extraordinary loss		
Valuation loss from invested securities	100,991	—
Impairment loss	—	33,328
Total extraordinary loss	100,991	33,328
Net income before income taxes	975,613	65,014
Corporate and income tax	397,825	51,734
Income tax adjustment	(23,024)	(6,381)
Total income taxes	374,801	45,353
Net income	600,812	19,660
Net income attributable to owners of the parent	600,812	19,660

Consolidated profit and loss statement

(Units: Millions yen)

	FY ended Nov. 2019 (Dec. 1, 2018-Nov. 30, 2019)	FY ended Nov. 2020 (Dec. 1, 2019-Nov. 30, 2020)
Net income	600,812	19,660
Comprehensive income	600,812	19,660
(Breakdown)		
Net income attributable to owners of the parent	600,812	19,660

(4) Consolidated cash flow statement

(Units: Millions yen)

	FY ended Nov. 2019 (Dec. 1, 2018-Nov. 30, 2019)	FY ended Nov. 2020 (Dec. 1, 2019-Nov. 30, 2020)
Cash flows from operating activities		
Net income before income taxes	975,613	65,014
Depreciation	32,340	36,736
Depreciation of goodwill	21,814	26,176
Interest and dividends received	(517)	(501)
Interest paid	11,085	10,258
Loss from equity method investment	12,045	21,347
Valuation loss from invested securities	100,991	—
Impairment loss	—	33,328
Decrease (increase) in accounts receivable	(3,472)	4,803
Decrease (increase) in inventory assets	702,905	(1,518,497)
Increase (decrease) in accounts payable – trade	35,108	1,557
Increase (decrease) in advances received	10,720	(416,139)
Increase (decrease) in deposits	4,555	(2,127)
Decrease (increase) in guarantee deposits	(4,917)	2,111
Increase (decrease) in long-term guarantee deposits	24,324	19,605
Others	36,621	(214,647)
Subtotal	1,959,220	(1,930,972)
Interest and dividends received	140	143
Interest paid	(11,004)	(10,493)
Income taxes paid	(252,428)	(497,288)
Cash flow from operating activities	1,695,928	(2,438,611)
Cash flow from investing activities		
Expenditures for acquisition of tangible fixed assets	(26,258)	(43,572)
Expenditures for acquisition of intangible fixed assets	(11,470)	—
Expenditures for purchase of stocks due to change of consolidated group	(184,847)	—
Others	—	70
Cash flow from investing activities	(222,575)	(43,502)
Cash flow from financing activities		
Change in balance of short-term loans payable	20,000	208,000
Income from long term loan	330,000	610,000
Expenditures for repayment of long-term loans payable	(325,183)	(106,231)
Income from exercising stock option	387,530	—
Expenditures for payment of buy-back its shares	(227)	(119,661)
Dividend paid	—	(28,271)
Expenditures for payment of lease obligations	(4,559)	(4,815)
Cash flow from financing activities	407,559	559,021
Increase (decrease) in cash and cash equivalents	1,880,911	(1,923,092)
Balance of cash and cash equivalents at start of year	2,108,446	3,989,358
Balance of cash and cash equivalents at end of year	3,989,358	2,066,266