

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 14, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Polaris Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 3010
 URL: <https://www.polaris-holdings.com/en/>
 Representative: Takahiro Tsujikawa, President & CEO
 Inquiries: Takashi Handa, Director & CFO
 Telephone: +81-3-5822-3010
 Scheduled date of annual general meeting of shareholders: June 26, 2024
 Scheduled date to commence dividend payments: —
 Scheduled date to file annual securities report: June 26, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Amounts are rounded off to the nearest million yen.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	22,545	221.3	3,382	-	2,609	-	3,297	517.2
March 31, 2023	7,018	89.0	3	-	(215)	-	534	

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥3,362 million [529.3%]
 For the fiscal year ended March 31, 2023: ¥543 million [-%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	26.86	26.44	67.4	10.9	15.0
March 31, 2023	4.98	4.91	34.6	(1.2)	0.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2024: ¥- million
 For the fiscal year ended March 31, 2023: ¥- million

(2) Consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	23,208	6,885	29.7	55.46
March 31, 2023	24,653	2,911	11.8	24.83

Reference: Equity
 As of March 31, 2024: ¥6,884 million
 As of March 31, 2023: ¥2,905 million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	7,739	(1,659)	(6,943)	2,723
March 31, 2023	(110)	(728)	2,185	3,571

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended March 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2025 (Forecast)	-	0.00	-	3.00	3.00		25.3	

3. Consolidated Financial Forecast for the Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	20,078	(10.9)	1,891	(44.1)	1,315	(49.6)	1,473	(55.3)	11.87

* For details, please refer to "(4) Future Outlook" on page 6 of the attached document.

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Red Planet Hotels Manila Corporation)

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	124,133,889 shares
As of March 31, 2023	116,969,189 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2024	1,674 shares
As of March 31, 2023	1,674 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	122,771,505 shares
Fiscal year ended March 31, 2023	107,286,078 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable as of the date of publication of this document. Actual results may differ significantly from these forecasts due to a wide range of factors.

1 . Overview of Business Results, etc.

(1) Overview of Operating Results

a . Consolidated Results

Unit: JPY Million	FY3/2023	FY3/2024	Change (%)
Sales	7,018	22,545	221.3%
Operating Income	3	3,382	— (Note)
Ordinary Income	△215	2,609	—
Net Profit Attributed to Parent Company	534	3,297	517.2%

Note: Change (%) is omitted due to exceeding 1,000%

During the consolidated fiscal year, the Japanese economy saw continued further normalization of social activities following change in the status of COVID-19 to Category 5 under the Infectious Diseases Act in May 2023.

In the hotel industry, the Polaris group's main business, both the number of domestic and foreign overnight guests are returning to and exceeding pre-COVID levels, thanks to a shift to domestic travel due to JPY depreciation and a recovery in the number of foreign visitors to Japan due to a significant relaxation of immigration restrictions. According to the Lodging Travel Statistics Survey published by the Japan Tourism Agency, the annual preliminary report for 2023 shows that the total number of overnight guests in Japan was 592.75 million (-0.5% from the same month in 2019, +31.6% from the same month in the previous year), of which 478.42 million were Japanese overnight guests (-0.4% from the same month of 2019, +10.2% from the same month of the previous year), and the total number of foreign guests was 114.34 million (-1.1% from the same month in 2019, +592.8% from the same month in the previous year).

On the back of this positive environment, our group's financial results for the fiscal year ended March 31, 2024 were net sales JPY 22,545 million (of which, domestic net sales JPY 20,415 million, overseas net sales 2,130 million) and operating income JPY 3,382 million (of which, domestic operating income JPY 3,203 million, overseas operating Income JPY 180 million). The major factors are as described in section "b. Results by Segment".

Ordinary income was JPY 2,609 million (of which, domestic ordinary Income JPY 2,910 million, overseas ordinary oncome JPY -300 million). In the overseas business, recorded interest expense JPY 653 million in the consolidated fiscal year due to increased borrowing costs related to Red Planet Hotels Manila Corporation.

Profit attributable to owners of parent on a consolidated basis was JPY 3,297 million (of which, profit attributable to owners of parent for the domestic operation JPY 3,370 million, profit attributable to owners of parent for the overseas operation JPY -72 million).

b . Results by Segment

< Hotel Business >

Unit: JPY Million	FY3/2023	FY3/2024	Change (%)
Sales	6,999	14,507	107.3%
Operating Income	221	1,746	690.3%

The hotel business recorded net sales of JPY 14,507 million, operating income JPY 1,746 million. Net sale was significantly increased due to Red Planet Holdings (Philippines) Limited and its subsidiaries, which owns and operates limited-service hotels in the Philippines under the Red Planet brand, became consolidated subsidiaries as of March 31, 2023. In the consolidated fiscal year, continued to strengthen revenue management and aggressively implemented measures to expand revenue and opening new hotels. The business started to operate KAYA Kyoto Nijo Castle BW Signature Collection by Best Western in Kyoto City, Kyoto Prefecture, in April 2023, KOKO HOTEL Sendai Sendai Kotodai Park, KOKO HOTEL Sendai Station South, KOKO HOTEL Sendai Station West in Sendai City, Miyagi Prefecture, in September 2023, and Best Western PLUS Nagoya Sakae in Nagoya City, Aichi Prefecture, in March 2024, and completed acquisition of Red Planet Hotels Manila

Corporation in October 2023 and started operate “Red Planet BGC The Fort”, which is located in Bonifacio Global City, Central Manila of the Philippines in December 2023. The business resumed restaurant operations at each Best Western brand hotels, KOKO HOTEL Premier Kanazawa Korinbo and KOKO HOTEL Premier Kumamoto. KOKO HOTEL Ginza 1-chome and KOKO HOTEL Kobe Sannomiya, which had been catered as the facilities for COVID-19 infected persons, returned to normal hotel operations in April 2023, and KOKO HOTEL Kagoshima Temmonkan resumed the hotel operations as well in June 2023. Also, KOKO HOTEL Osaka Shinsaibashi, KOKO HHOTEL Nagoya Skae, and KOKO HOTEL Fukuoka Tenjin had undergone renovation of guest rooms and other facilities, which are expected to boost revenues. In addition, in response to the sustained recovery of the hotel market, we changed the hotel management structure to further improve profitability. The management of two KOKO HOTELS (Kobe Sannomiya and Nihonbashi Hamacho) shifted from hotel management contracts to fixed-rent lease contracts from October 2023, and the management of five KOKO HOTELS (Sapporo Ekimae, Ginza 1-chome, Hiroshima Ekimae, Fukuoka Tenjin, Kagoshima Temmonkan) shifted from hotel management contracts to lease contracts with variable rent in December 2023.

< Real Estate Business >

Unit: JPY Million	FY3/2023	FY3/2024	Change (%)
Sales	386	8,318	— (Note)
Operating Income	67	2,324	— (Note)

Note: Change (%) is omitted due to exceeding 1,000%

The real estate business recorded net sales of JPY 8,318 million and operating income of JPY 2,324 million. In the consolidated fiscal year, the sale of two hotel properties, Best Western PLUS Fukuoka Tenjin-minami and Fino Hotel Sapporo Odori, resulted a significant increase in net sales and operating income.

(2) Overview of Financial Condition

Total assets amounted to JPY 23,208 million, which decreased by JPY 1,445 million from the end of the previous fiscal year. Major factors included a JPY 5,857 million decrease in real estate for sale, a JPY 2,730 million increases in building and structures, a JPY 337 million increase in deferred tax asset, a JPY 329 million increase in security and guarantee deposits. Total liabilities amounted to JPY 16,323 million, which decreased by JPY 5,419 million from the end of the previous fiscal year. Major factors included a JPY 4,682 decrease in long-term debt (including current portion) and a JPY 918 million decrease in corporate bond.

The net assets amounted to JPY 6,885 million, which represents an increase of JPY 3,974 million from the end of the previous fiscal year. Major factors included a JPY 4,072 million increase in retained earnings, in net income attributable to parent company shareholders.

(3) Overview of Cash Flows

The fiscal year end balance of cash and cash equivalents of the Polaris group decreased by JPY 848 million compared to the end of the previous consolidated fiscal year, amounted to JPY 2,723 million.

(Cash flows from operating activities)

The cash flows from operating activities in the consolidated fiscal year amounted to a positive JPY 7,739 million (a negative JPY 110 million in the previous fiscal year). Major factors of increases included a JPY 5,826 million in real estate for sale and a JPY 3,008 million in net profit before tax adjustment, and major factors of decrease included a JPY 647 million in interest payments and a JPY 406 million in gains from termination of lease contracts.

(Cash flows from investing activities)

The cash flows from investing activities in the consolidated fiscal year amounted to a negative JPY 1,659 million (a negative JPY 728 million in the previous fiscal year). Major factors of increases included a JPY 272 million in proceeds from refund of leasehold and guarantee deposits, and major factors of decrease included a JPY 937 million in advance payments for purchase of shares of subsidiaries and associates, a JPY 549 million in payments of leasehold and guarantee deposits, a JPY 235 million in acquisition of tangible fixed assets, and a JPY 168 million in retirement of tangible fixed assets.

(Cash flows from financing activities)

The cash flows from financing activities in the consolidated fiscal year amounted to a negative JPY 6,943 million (a positive

JPY 2,185 million in the previous fiscal year). Major factors of increase included a JPY 612 million in proceeds from issuance of shares resulting from exercise of share acquisition rights and a JPY 450 million in proceeds from short-term borrowings and, and major factors of decrease included a JPY 6,406 million in repayments of long-term borrowings, a JPY 1,061 million in refund of long-term deposits received and a JPY 900 million in redemption of bonds.

With regard to financial resources for capital and liquidity of funds, the Polaris group manages funds by monitoring future cash flows by considering business environment and the condition of operations and plans to procure funds mainly through borrowings from financial institutions when demand for funds arises.

(4) Outlook

Unit: JPY Million	FY3/2024	FY3/2024 (Note)	FY3/2025	Change (%)
Sales	22,545	14,545	20,078	+38.0%
Operating Income	3,382	1,335	1,891	+41.6%
Ordinary Income	2,609	686	1,315	+91.2%
Net Profit Attributed to Parent Company	3,297	1,376	1,473	+7.0%

Note: Excluding the impact of gains from the sale of real estate for sale

The full-year performance forecast for the fiscal year ending in March 2025 is expected to exceed the pre-COVID level, assuming that the hotel market will continue to improve in central Tokyo in the domestic hotel business and that the pace of growth in the current fiscal year will be maintained. The market of other areas is also expected to recover to pre-COVID level. The performance in overseas hotel business is also steadily recovering, and the newly opened hotel in the BGC district of Manila during the current fiscal year is expected to contribute to earnings.

Although revenue and profit have been boosted by the sale of real estate for sale totaling JPY 8,000 million in the real estate business, excluding the impact of this sale, income and loss for full fiscal year ending March 2025 is expected an increase.

Note: Performance forecast is based on the information available at the present time, and actual performance may differ from the forecasted figures due to various factors in the future.

2. The fundamental approach to selecting accounting standards

The Polaris group applies Japanese accounting standards, considering the comparability of period-to-period consolidated financial statements and inter-company comparability.

Consolidated Financial Statements

1) Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,283,720	3,384,374
Accounts receivable - trade	1,839,769	1,761,216
Real estate for sale	5,857,254	—
Raw materials and supplies	79,156	126,576
Other	1,527,876	2,690,186
Allowance for doubtful accounts	△724,860	△5,926
Total current assets	12,862,915	7,956,426
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,029,102	14,608,854
Accumulated depreciation	△3,982,868	△4,832,292
Buildings and structures, net	7,046,234	9,776,563
Machinery, equipment and vehicles	440,654	494,546
Accumulated depreciation	△378,899	△394,355
Machinery, equipment and vehicles, net	61,756	100,191
Tools, furniture and fixtures	838,123	1,001,038
Accumulated depreciation	△612,400	△686,873
Tools, furniture and fixtures, net	225,723	314,165
Land	476,590	493,725
Leased assets	289,718	—
Accumulated depreciation	△289,718	—
Leased assets, net	—	—
Right-of-use assets	2,640,495	2,876,243
Accumulated depreciation	△599,620	△788,817
Right-of-use assets, net	2,040,876	2,087,426
Construction in progress	16,269	37,247
Total property, plant and equipment	9,867,448	12,809,316
Intangible assets		
Software	11,499	11,578
Other	17,540	18,655
Total intangible assets	29,039	30,234
Investments and other assets		
Investment securities	193,058	179,909
Long-term prepaid expenses	58,716	243,404
Beneficial interests in real estate trust	316,416	—
Leasehold and guarantee deposits	930,069	1,258,893
Deferred tax assets	390,457	727,862
Other	5,100	2,065
Total investments and other assets	1,893,817	2,412,131
Total non-current assets	11,790,304	15,251,681
Total assets	24,653,218	23,208,107

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	390,727	362,824
Short-term borrowings	587,200	984,000
Current portion of long-term borrowings	1,094,687	849,308
Lease liabilities	54,598	102,943
Accounts payable - other	1,129,692	1,846,072
Accrued expenses	475,395	618,407
Income taxes payable	185,931	18,071
Provision for shareholder benefit program	3,915	6,235
Provision for loss on store closings	151,475	—
Other	677,426	992,490
Total current liabilities	4,751,047	5,780,350
Non-current liabilities		
Bonds payable	918,366	—
Long-term borrowings	10,453,827	6,016,982
Subordinated capital loans	950,000	950,000
Lease liabilities	3,176,670	2,925,280
Deferred tax liabilities	782	210,463
Long-term deposits received	1,060,676	—
Retirement benefit liability	47,398	32,897
Asset retirement obligations	318,623	169,000
Other	65,260	238,352
Total non-current liabilities	16,991,600	10,542,975
Total liabilities	21,742,647	16,323,325
Net assets		
Shareholders' equity		
Share capital	12,155	65,571
Capital surplus	2,528,713	2,317,803
Retained earnings	366,725	4,438,943
Treasury shares	△2,992	△2,992
Total shareholders' equity	2,904,601	6,819,325
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	145	—
Foreign currency translation adjustment	—	64,735
Total accumulated other comprehensive income	145	64,735
Share acquisition rights	5,826	722
Total net assets	2,910,571	6,884,782
Total liabilities and net assets	24,653,218	23,208,107

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

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	7,017,664	22,545,288
Cost of sales	510,215	6,590,491
Gross profit	6,507,450	15,954,797
Selling, general and administrative expenses	6,504,369	12,572,610
Operating profit	3,080	3,382,187
Non-operating income		
Interest income	30	29,550
Dividend income	3	4
Subsidy income	13,880	8,423
Foreign exchange gains	9,582	1,857
Other	3,348	5,277
Total non-operating income	26,843	45,111
Non-operating expenses		
Interest expenses on bonds	18,366	78,834
Interest expenses	181,074	652,642
Commission expenses	12,434	86,355
Other	33,292	721
Total non-operating expenses	245,166	818,552
Ordinary profit	△215,243	2,608,746
Extraordinary income		
Gain on cancellation of lease contract	—	405,568
Reversal of provision for loss on store closings	—	57,125
Gain on bargain purchase	1,460,735	—
Other	—	6,297
Total extraordinary income	1,460,735	468,990
Extraordinary losses		
Loss on valuation of investment securities	2,463	2,585
Loss on retirement of non-current assets	—	17,700
Impairment losses	537,953	—
Provision for loss on store closings	151,475	—
Bad debts expenses	—	47,166
Other	—	2,477
Total extraordinary losses	691,891	69,928
Profit before income taxes	553,601	3,007,808
Income taxes - current	19,413	14,095
Income taxes - deferred	—	△303,486
Total income taxes	19,413	△289,391
Profit	534,189	3,297,199
Profit attributable to owners of parent	534,189	3,297,199

(Consolidated Statements of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	534,189	3,297,199
Other comprehensive income		
Valuation difference on available-for-sale securities	2	△145
Foreign currency translation adjustment	—	64,735
Total other comprehensive income	2	64,590
Comprehensive income	534,190	3,361,789
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	534,190	3,361,789

3) Consolidated statements of changes in net assets

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,829,803	2,163,383	△3,808,387	△2,992	181,807
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,094,303	1,094,303			2,188,605
Capital reduction	△2,911,950	2,911,950			—
Deficit disposition		△3,640,924	3,640,924		—
Profit (loss) attributable to owners of parent			534,189		534,189
Net changes in items other than shareholders' equity					
Total changes during period	△1,817,648	365,330	4,175,112	—	2,722,794
Balance at end of period	12,155	2,528,713	366,725	△2,992	2,904,601

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	143	—	143	10,650	192,600
Changes during period					
Issuance of new shares - exercise of share acquisition rights					2,188,605
Capital reduction					—
Deficit disposition					—
Profit (loss) attributable to owners of parent					534,189
Net changes in items other than shareholders' equity	2		2	△4,825	△4,823
Total changes during period	2	—	2	△4,825	2,717,971
Balance at end of period	145	—	145	5,826	2,910,571

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	12,155	2,528,713	366,725	△2,992	2,904,601
Changes during period					
Issuance of new shares - exercise of share acquisition rights	308,763	308,763			617,525
Capital reduction	△255,346	255,346			—
Deficit disposition		△775,019	775,019		—
Profit (loss) attributable to owners of parent			3,297,199		3,297,199
Net changes in items other than shareholders' equity					
Total changes during period	53,416	△210,909	4,072,218	—	3,914,725
Balance at end of period	65,571	2,317,803	4,438,943	△2,992	6,819,325

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	145	—	145	5,826	2,910,571
Changes during period					
Issuance of new shares - exercise of share acquisition rights				△5,104	612,422
Capital reduction					—
Deficit disposition					—
Profit (loss) attributable to owners of parent					3,297,199
Net changes in items other than shareholders' equity	△145	64,735	64,590		64,590
Total changes during period	△145	64,735	64,590	△5,104	3,974,211
Balance at end of period	—	64,735	64,735	722	6,884,782

4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	553,601	3,007,808
Depreciation	204,877	703,732
Impairment losses	537,953	—
Gain on bargain purchase	△1,460,735	—
Increase (decrease) in allowance for doubtful accounts	55	47,166
Increase (decrease) in provision for shareholder benefit program	515	2,320
Increase (decrease) in provision for loss on store closings	151,475	△94,350
Increase (decrease) in retirement benefit liability	799	△15,825
Interest and dividend income	△32	△29,554
Interest expenses on bonds	18,366	78,834
Interest expenses	181,074	652,642
Decrease (increase) in trade receivables	△358,423	△629,928
Decrease (increase) in inventories	△17,315	△43,296
Decrease (increase) in real estate for sale	—	5,826,098
Increase (decrease) in trade payables	—	△196,930
Increase (decrease) in accounts payable - other	170,313	547,872
Gain on cancellation of lease contract	—	△405,568
Reversal of provision for loss on store closings	—	△57,125
Decrease (increase) in advances paid	△235,480	△566,284
Decrease (increase) in consumption taxes refund receivable	209,510	△45,965
Other, net	126,924	△300,344
Subtotal	83,477	8,481,303
Interest and dividends received	32	29,554
Interest paid	△180,710	△647,240
Income taxes paid	△12,763	△124,118
Net cash provided by (used in) operating activities	△109,963	7,739,499
Cash flows from investing activities		
Purchase of property, plant and equipment	△303	△235,498
Payments for asset retirement obligations	—	△167,700
Payments of leasehold and guarantee deposits	△58,069	△549,154
Proceeds from refund of leasehold and guarantee deposits	32,565	271,551
Long-term loan advances	△457,214	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△265,163	△22,836
Payments for purchases of long-term loans receivable	—	△936,571
Other, net	19,984	△18,905
Net cash provided by (used in) investing activities	△728,200	△1,659,113
Cash flows from financing activities		
Proceeds from short-term borrowings	—	450,000
Repayments of short-term borrowings	△212,200	△53,200
Proceeds from long-term borrowings	600,000	521,000
Repayments of long-term borrowings	△344,490	△6,405,680
Refund of long-term deposits received	—	△1,060,676
Redemption of bonds	—	△900,000
Proceeds from issuance of shares resulting from exercise of share acquisition rights	2,183,781	612,422
Repayments of lease liabilities	—	△91,979
Other, net	△42,087	△15,094
Net cash provided by (used in) financing activities	2,185,003	△6,943,207

Effect of exchange rate change on cash and cash equivalents	—	14,865
Net increase (decrease) in cash and cash equivalents	1,346,840	△ 847,955
Cash and cash equivalents at beginning of period	2,224,386	3,571,227
Cash and cash equivalents at end of period	3,571,227	2,723,271