Translation

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TECHNOPRO

Summary of Consolidated Financial Statements (IFRS) for the Six-Months Period Ended December 31, 2014

February 6, 2015

Listed Company Name TechnoPro Holdings, Inc. Listed Stock Exchange: Tokyo
TSE Code 6028 URL http://www.technoproholdings.com/
Representative (Title) Representative Director, President & CEO (Name) Yasuji Nishio
In charge of inquiries (Title) Director & CFO (Name) Hiroshi Sato TEL 03-6385-7998
Quarterly report scheduled submission date February 12, 2015
Scheduled commencement date for dividend payment ―
Supplementary materials for quarterly financial results: Yes
Briefing session for quarterly financial results: Yes (For institutional investors and analysts)

(Amounts less than one million yen are omitted)

1. Consolidated Financial Results for the Six Months Ended December 31, 2014 (July 1, 2014 – December 31, 2014)

(1) Consolidated Operating Results (Cumulative)

(% represents the change from the same period of the previous fiscal year)

	Revenue		Operating profit		Profit before income taxes		Net profit		Net profit attributable to owners of the parent company		Comprehensive income for the period	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
For the six-months ended December 31, 2014	39,848	9.6	3,845	27.3	3,603	42.3	3,538	45.8	3,538	45.8	3,609	46.9
For the six-months ended December 31, 2013	36,346	―	3,019	―	2,532	―	2,426	―	2,427	―	2,457	―

	Basic quarterly earnings per share	Diluted quarterly earnings per share
	Yen	Yen
For the six-months ended December 31, 2014	103.83	―
For the six-months ended December 31, 2013	71.23	―

(Reference)

【 EBITDA 】

For the six-months ended December 31, 2014 4,207million yen (+20.9%)

For the six-months ended December 31, 2013 3,479million yen (―%)

【 Adjusted operating profit 】

For the six-months ended December 31, 2014 4,010million yen (+23.3%)

For the six-months ended December 31, 2013 3,253million yen (―%)

【 Adjusted profit before income taxes 】

For the six-months ended December 31, 2014 3,768million yen (+36.2%)

For the six-months ended December 31, 2013 2,766million yen (―%)

Please refer to page 2, “1. Qualitative Information on Financial Results for the Period Under Review”, for definitions and calculation methods of financial indicators

(Notes) 1. Percentage changes from the same period of the previous fiscal year are not listed for the six months ended December 30, 2013 due to the application of IFRS by the Group from fiscal year ended June 30, 2014.

2. The Company implemented a 10-for-1 stock split on September 1, 2014. In addition, a 2-for-1 stock split took place on November 1, 2014. The figure for basic quarterly earnings per share is calculated on the assumption that these stock splits took place at the beginning of the previous consolidated fiscal year ended in June 30, 2014.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to the owners of the parent company	Percentage of equity attributable to the owners of the parent company
	Million yen	Million yen	Million yen	%
For the six-months ended December 31, 2014	53,539	18,680	18,680	34.9
Fiscal year ending June 30, 2014	53,616	15,070	15,071	28.1

2. Dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2014	—	0.00	—	0.00	0.00
Fiscal year ending June 30, 2015	—	0.00			
Fiscal year ending June 30, 2015 (forecast)			—	93.19	93.19

(Note) 1. Revisions to dividend forecasts published most recently: None

2. The Company's basic dividend policy is to aim for a dividend payout ratio of 50% of net profit attributable to owners of the parent company.

3. Consolidated Financial Results Forecast for the Year Ending June 30, 2015 (From July 1, 2014 to June 30, 2015)

(% represents the change from the same period of the previous year)

	Revenue		Operating profit		Profit before income taxes		Net profit		Net profit attributable to owners of the parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	79,626	7.4	7,008	23.2	6,500	54.7	6,351	57.7	6,351	57.7	186.38

(Note) 1.Revisions to consolidated financial results forecast published most recently: None

2. The Company implemented a 10-for-1 stock split on September 1, 2014. In addition, a 2-for-1 stock split took place on November 1, 2014. The figure for basic earnings per share is calculated on the assumption that these stock splits took place at the beginning of the previous consolidated fiscal year ended in June 30, 2014.

* Notes

(1) Changes to important subsidiaries during this period (changes to "Specified Subsidiaries" that involve changes made to scope of consolidation): Yes

New: None; Excluded: 3 companies (TechnoPro Engineering, Inc., CSI, Inc., Hitec, Inc.)

(Note) Please refer to page 6, "2. Summary information (notes), (1) Changes to important subsidiaries during this period" for details.

(2) Changes to accounting policies and accounting estimates

i. Changes to accounting policies as required by IFRS: Yes

ii. Changes to accounting policies other than i.: None

iii. Changes to accounting estimates: None

(Note) Please refer page 6, "2. Summary information (notes), (2) Changes to accounting policies and accounting estimates" for details.

(3) Number of outstanding shares (ordinary shares)

i. Number of outstanding shares at the end of the period (including treasury shares)	As of December 31, 2014	34,074,000 shares	As of June 30, 2014	34,074,000 shares
ii. Number of treasury shares at the end of the period	As of December 31, 2014	— shares	As of June 30, 2014	— shares
iii. Average number of shares during the period (cumulative)	As of December 31, 2014	34,074,000 shares	As of December 31, 2013	34,074,000 shares

(Note) The Company implemented a 10-for-1 stock split as of September 1, 2014. In addition, a 2-for-1 stock split took place on November 1, 2014. The number of outstanding shares (ordinary shares) is calculated based on the assumption that these stock splits took place at the beginning of the previous consolidated fiscal year ended June 30, 2014.

* Presentation of the status of implementation of quarterly review procedures

This Summary of Consolidated Financial Statements is not subject to quarterly review procedures stipulated in the Financial Instruments and Exchange Act. At the time of disclosure the review procedures for quarterly summary of consolidated financial statements in line with the stipulations of Financial Instruments and Exchange Act had not yet been completed.

* Explanation regarding proper use of financial results forecasts, and other notes

Forward-looking statements in this document about future performance are based on information currently available and certain assumptions that are considered reasonable. Due to unforeseen circumstances, actual results may differ from such estimates. Please refer to page 2, "1. Qualitative Information on Financial Results for the Period Under Review", for criteria for assumptions used in the earnings forecast, and notes for using the earnings forecast.

The Company plans to hold a briefing on business results for institutional investors and analysts on Tuesday, February 10, 2015, and to post the materials used in the briefing on the Company's website at the earliest possible time after the meeting.

Contents

1. Qualitative Information on Financial Results for the Period Under Review

(1) Summary of business performance (consolidated)

The global economy showed signs of overall recovery during the consolidated first-half period under review (July 1 to December 31, 2014), particularly in the United States. In 2015, despite the risk of economic downturn in emerging markets such as China, and in the Eurozone, steady economic growth is forecast due to an improvement in the global economy driven by the decline in crude oil prices, and the financial policies of the European Central Bank. In Japan, despite weakened business confidence due to deterioration in consumer confidence caused by price increases, capital expenditure was firm. Looking to the future, the economy is expected to remain steady due to further depreciation of the yen caused by additional monetary easing implemented by the Bank of Japan in October 2014, the delay in implementation of the consumption tax rise planned for 2015, and the economic policies of the Japanese government.

The engineer dispatching and contract assignment market continues to grow steadily. In particular, demand remains strong for engineers in the automobile, industrial equipment, IT, and construction industries. In addition, the supply shortage in the market for the employment of engineers has continued from the end of the previous consolidated period.

In this economic environment, the main initiatives implemented by the Group were as follows:

Implementation of “Shift up” and “Charge up” initiatives

The Group, continuing from the previous fiscal year, implemented the “Shift up” (increase unit prices through changes in place of assignment), and “Charge up” (increase unit prices at the time of contract renewal at the same place of assignment) initiatives as a means of increasing the amount of sales per engineer.

Strengthening recruiting capabilities

The Group promoted the engineer introduction system, improved engineers’ awareness of the Group, while increasing employment from employment agencies including at consolidated subsidiary TechnoPro-Careers Co., Ltd.

Integration of R&D outsourcing

On July 1, 2014, the Group integrated four of its R&D outsourcing consolidated subsidiaries (Ctec, Inc., TechnoPro Engineering, Inc., CSI, Inc. and Hitec, Inc.) into a single entity called TechnoPro, Inc. Through the adoption of an in-house company system, the Group strengthened IT systems to improve control and efficiency of operations, while leveraging expertise in the technological domains of the consolidated subsidiaries that existed before the merger.

In addition, on December 15, 2014, the company was listed on the first section of the Tokyo Stock Exchange. This is expected to both improve customers’ perceptions of the Group and increase awareness of the Group among engineers, and support the implementation of the initiatives listed above.

As a result of these initiatives, the number of domestic engineers at the end of the consolidated first-half period under review increased to 11,354 (up 712 compared to the end of the first half of the previous fiscal year). An increase in sales per engineer (in Japan) to 611,000 yen per month (up 12,000 yen) with a utilization rate of 95.9% (up 0.3%), contributed to the increase in revenue. In employment, the number of newly employed domestic engineers in the first half was 1,017 (up 21 compared to the first half of the previous fiscal year), which contributed to an increase in the number of engineers of the Group. In terms of customer industries, there was also a rise in the number of engineers assigned to operations for such industries as IT, automobiles and automobile components.

In terms of expenses, the gross profit margin was 23.7% (up 0.8% compared to the first half of the previous fiscal year), despite factors causing increased costs, such as increased labor costs for engineers associated with improved business performance. Despite restructuring costs of 98 million yen related to the integration of the four consolidated subsidiaries as TechnoPro, Inc., and costs of 67 million yen related to the listing of the company on the Tokyo Stock Exchange, the SG&A ratio to revenue was held down at 14.0% (down 0.4%). In addition, interest paid was 232 million yen (down 243 million yen) due to a drop in the borrowing rate resulting from refinancing carried out in June 2014.

As a result, at the end of the consolidated first-half period under review, revenues were 39,848 million yen (up 9.6% compared to the first half of the previous fiscal year), operating profit was 3,845 million yen (up of 27.3%), profit before taxes was 3,603 million yen (up 42.3%), and net profit was 3,538 million yen (up 45.8%).

Adjusted operating profit was 4,010 million yen (up 23.3% compared to the first half of the previous fiscal year), EBITDA was 4,207 million yen (up 20.9%), and adjusted profit before income taxes was 3,768 million yen (up 36.2%).

Earnings for the major areas of the business during the consolidated first-half period under review were as follows:

R&D outsourcing
The Group established an operation system driven by specialist teams and moved forward with negotiations for “Shift up” and “Charge up” initiatives, while enhancing the profitability of contract assignments through process improvements. Furthermore, the Group strengthened sales collaborations between the internal companies of TechnoPro, Inc. As a result of these initiatives, revenues in this area were 33,519 million yen (an increase of 9.2% compared to the first half of the previous fiscal year).

Construction management outsourcing
The Group, continuing from the previous fiscal year, facilitated the assignment of engineers to priority customers and the recruitment of engineers through engineer introductions. It increased the amount of sales per engineer through the promotion of team assignments. As a result, revenues in this area were 5,876 million yen (an increase of 8.8% compared to the first half of the previous fiscal year).

Note: Financial indicators that we believe investors will find useful in assessing our Group’s results are adjusted operating profit, EBITDA and adjusted profit before income taxes. Adjusted operating profit and adjusted profit before income taxes exclude extraordinary expenses such as business restructuring expenses (TechnoPro brand integration expenses and group reorganization expenses) and expenses related to stock market listing that are not expected to recur following listing (items that are not considered as reflecting ordinary business activities, and items that do not appropriately reflect our results as compared with competitors). In addition, as well as excluding extraordinary expenses, EBITDA excludes non-cash items (Expenses that have a low direct relationship to cash outflows). Specific formulae are as follows:

・Adjusted operating profit = operating profit (IFRS) + extraordinary expense items (business restructuring expenses + listing related expenses)
・EBITDA＝Adjusted operating profit + non-cash expenditure (depreciation and amortization expenses+ losses on disposal of non-current assets + deposits amortization expenses + addition to provision for paid leave)
・Adjusted profit before income taxes = Adjusted operating profit + financial income - financial expenses

(2) Summary of financial position

i. Financial conditions

Assets totaled 53,539 million yen as of the end of the consolidated first-half period under review (down 76 million yen from the end of the previous fiscal year). The primary components were goodwill of 29,202 million yen, and cash and cash equivalents of 8,266 million yen (down 525 million yen).

(Current assets)
Current assets totaled 20,026 million yen as of the end of the consolidated first-half period under review (down 260 million yen from the end of the previous fiscal year). The primary components were cash and cash equivalents of 8,266 million yen (down 525 million yen), and accounts receivables and other receivables of 10,767 million yen (up 297 million yen).

(Non-current assets)
Non-current assets totaled 33,512 million yen as of the end of the consolidated first-half period under review (up 183 million yen from the end of the previous fiscal year). The primary components were goodwill of 29,202 million yen, and deferred tax assets of 2,261 million yen (up 137 million yen).

(Current liabilities)
Current liabilities totaled 15,402 million yen as of the end of the consolidated first-half period under review (down 3,154 million yen from the end of the previous fiscal year). The primary components were accounts payables and other liabilities of 7,053 million yen (down 671 million yen), and employee benefit liabilities of 3,377 million yen (up 38 million yen).

(Non-current liabilities)
Non-current liabilities totaled 19,455 million yen as of the end of the consolidated first-half period under review (down 532 million yen from the end of the previous fiscal year). The primary components were loans payable of 15,915 million yen (down 703 million yen), and retirement benefit liabilities of 3,273 million yen (up 165 million yen).

(Equity attributable to the owners of the parent company)
Equity attributable to the owners of the parent company totaled 18,680 million yen as of the end of the consolidated first-half period under review (up 3,609 million yen from the end of the previous fiscal year). The primary components were capital surplus of 6,525 million yen (down 2,411 million yen) and retained earnings of 11,865 million yen (up 5,949 million yen).

ii. Cash flow conditions

Cash and cash equivalents (hereinafter “Cash”) totaled 8,266 million yen as of end of the consolidated first-half period under review, representing a decline of 525 million yen compared to the end of the previous fiscal year, as profit before taxes of 3,603 million yen was offset by a decrease in accounts payable and other liabilities as well as financial activities such as repayments of long-term borrowings.

Cash flow conditions during the consolidated first-half period under review as well as the main factors affecting their changes are as follows.

(Cash flows from operating activities)
Cash flows from operating activities resulted in cash inflows of 3,411 million yen (up 151.5% compared to the first half of the previous fiscal year) this was mainly due to increases in profits before taxes (3,603 million yen) and accrued consumption tax payable (621 million yen), partially offset by declines in accounts payable and other liabilities (671 million yen) and payments of corporate income taxes (405 million yen).

(Cash flows from investing activities)
Cash flows from investing activities resulted in cash outflows of 212 million yen (up 653.3% compared to the first half of the previous fiscal year). This was mainly due to outflows for the acquisition of non-current assets (115 million yen) and intangible assets (84 million yen)

(Cash flows from financing activities)
Cash flows from financing activities resulted in a decrease of 3,750 million yen (down 38.6% compared to the first half of the previous fiscal year). This was mainly due to a net decrease in short-term borrowings (3,000 million yen) and cash outflows resulting from repayments of long-term borrowings (750 million yen).

(3) Results forecasts and other forward-looking information
Consolidated results forecasts for the period ending June 2015 are for revenue of 79,626 million yen (up 7.4% compared to the previous fiscal year), and operating profit of 7,008 million yen (up 23.2%), assuming stable growth of the engineer dispatching and contract assignment markets, increased unit prices for engineers in response to our “Charge-up” and “Shift-up” initiatives, and increased use of engineers driven by an increase in our stock of engineers.
In addition, we expect lower financial expenses to contribute due to the refinancing that we implemented in June 2014, and we forecast profit before taxes of 6,500 million yen (up 54.7%), net profit of 6,351 million yen (up 57.7%) and net profit attributable to owners of the parent company of 6,351 million yen (up 57.7%).
As announced on December 15, 2014 “Financial Information accompanying listing on the First Section of the Tokyo Stock Exchange” there has been no change to the consolidated results forecast for the full year.

2. Summary information (notes)

(1) Changes to important subsidiaries during this period

Consolidated subsidiaries Ctec, Inc., TechnoPro Engineering, Inc., CSI, Inc. and Hitec, Inc. merged on July 1, 2014, whereby TechnoPro Engineering, Inc., CSI, Inc. and Hitec, Inc. were dissolved, and Ctec, Inc. is the remaining company. In connection with this transaction, Ctec, Inc. was renamed TechnoPro, Inc. on July 1, 2014. As a result, the Group comprises four domestic subsidiaries and five overseas subsidiaries as of December 31, 2014.

(2) Changes to accounting policies and accounting estimates

Excluding the new standards that are to be applied as shown below, the Group applied the same accounting policies in this summary of quarterly consolidated financial statements for the current period as had been applied in the consolidated financial statements of the previous fiscal year.
Income tax expenses for this six-month period ended December 31, 2014 are calculated based on the estimated average annual effective tax rate.

The Group has adopted the following standards as of the three-month period ended September 30, 2014. Adoption of these standards did not have a significant impact on this summary of quarterly consolidated financial statements.

IFRS		Overview of new/revised standards
IAS 32	Financial instruments: Presentation	Clarifies requirements for offset of financial assets and financial liabilities
IFRIC 21	Levies	Clarifies the timing for when levies are recognized

3. Interim Consolidated Financial Statements (Summary)

(1) Consolidated Statement of Financial Position (Summary)

(Millions of yen)

	As of June 30, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	8,791	8,266
Accounts receivables and other receivables	10,469	10,767
Other short-term financial assets	490	373
Other current assets	534	619
Total current assets	20,286	20,026
Non-current assets		
Property, plant and equipment	608	631
Goodwill	29,202	29,202
Intangible assets	485	488
Other long-term financial assets	897	918
Deferred tax assets	2,124	2,261
Other non-current assets	9	8
Total non-current assets	33,329	33,512
Total assets	53,616	53,539
Liabilities and equity		
Current liabilities		
Accounts payable and other liabilities	7,724	7,053
Loans payable	4,406	1,406
Income taxes payable	408	204
Other financial liabilities	895	667
Employee benefits liabilities	3,339	3,377
Provisions	0	0
Other current liabilities	1,782	2,692
Total current liabilities	18,557	15,402

(Millions of yen)

	As of June 30, 2014	As of December 31 2014
Non-current liabilities		
Loans payable	16,619	15,915
Other financial liabilities	39	32
Retirement benefit liabilities	3,108	3,273
Provisions	221	233
Total non-current liabilities	19,987	19,455
Total liabilities	38,545	34,858
Equity		
Capital stock	100	100
Capital surplus	8,936	6,525
Retained earnings	5,916	11,865
Other components of equity	118	189
Equity attributable to owners of the parent company	15,071	18,680
Non-controlling interests	(0)	(0)
Total equity	15,070	18,680
Total liabilities and equity	53,616	53,539

(2) Consolidated Statement of Income (Summary) and Consolidated Statement of Comprehensive Income (Summary)

Consolidated Statement of Income (Summary)

The consolidated first-half period

(Millions of yen)

	Six months ended December 31 2013 (July 1, 2013 to December 31, 2013)	Six months ended December 31, 2014 (July 1, 2014 to December 31, 2014)
Revenue	36,346	39,848
Cost of sales	28,035	30,414
Gross profit	8,310	9,433
Selling, general and administrative expenses	5,264	5,594
Other income	56	57
Other expenses	82	51
Operating profit	3,019	3,845
Financial income	5	3
Financial expenses	492	246
Profit before income taxes	2,532	3,603
Income taxes	105	64
Net profit	2,426	3,538
Net profit attributable to:		
Owners of the parent company	2,427	3,538
Non-controlling interests	(0)	0
Net profit	2,426	3,538

(Yen)

Earnings per share attributable to owners of the parent company		
Basic and diluted earnings per share	71.23	103.83

The consolidated three-month period

(Millions of yen)

	Three months ended December 31 2013 (October 1, 2013 to December 31, 2013)	Three months ended December 31, 2014 (October 1, 2014 to December 31, 2014)
Revenue	18,677	20,311
Cost of sales	14,201	15,334
Gross profit	4,475	4,976
Selling, general and administrative expenses	2,767	2,860
Other income	31	25
Other expenses	24	25
Operating profit	1,715	2,115
Financial income	1	1
Financial expenses	245	120
Profit before income taxes	1,472	1,996
Income taxes	61	35
Net profit	1,410	1,960
Net profit attributable to:		
Owners of the parent company	1,410	1,960
Non-controlling interests	(0)	0
Net profit	1,410	1,960

(Yen)

Earnings per share attributable to owners of the parent company		
Basic and diluted earnings per share	41.41	57.54

Consolidated Statement of Comprehensive Income (Summary)
The consolidated first-half period

(Millions of yen)

	Six months ended December 31 2013 (July 1, 2013 to December 31, 2013)	Six months ended December 31, 2014 (July 1, 2014 to December 31, 2014)
Net profit	2,426	3,538
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation adjustments	30	70
Gains and losses on cash flow hedges	(0)	1
Total items that may be reclassified to profit or loss	30	71
Total other comprehensive income	30	71
Comprehensive income for the period	2,457	3,609
Comprehensive income for the period attributable to:		
Owners of the parent company	2,457	3,609
Non-controlling interests	(0)	0
Comprehensive income for the period	2,457	3,609

The consolidated three-month period

(Millions of yen)

	Three months ended December 31 2013 (October 1, 2013 to December 31, 2013)	Three months ended December 31, 2014 (October 1, 2014 to December 31, 2014)
Net profit	1,410	1,960
Other comprehensive income		
Items that may be reclassified to profit or loss		
Foreign currency translation adjustments	32	36
Gains and losses on cash flow hedges	0	0
Total items that may be reclassified to profit or loss	33	37
Total other comprehensive income	33	37
Comprehensive income for the period	1,444	1,998
Comprehensive income for the period attributable to:		
Owners of the parent company	1,444	1,998
Non-controlling interests	(0)	0
Comprehensive income for the period	1,444	1,998

(3) Consolidated Statement of Changes in Equity (Summary)

Six months ended December 31, 2013 (July 1, 2013 to December 31, 2013)

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Other components of equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
As of July 1, 2013	100	8,936	1,955	110	11,102	0	11,102
Net profit			2,427		2,427	(0)	2,426
Other comprehensive income				30	30	(0)	30
Total comprehensive income			2,427	30	2,457	(0)	2,457
Transfer to retained earnings from capital surplus					—		—
As of December 31, 2013	100	8,936	4,382	141	13,559	(0)	13,559

Six months ended December 31, 2014 (July 1, 2014 to December 31, 2014)

(Millions of yen)

	Capital stock	Capital surplus	Retained earnings	Other components of equity	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
As of July 1, 2014	100	8,936	5,916	118	15,071	(0)	15,070
Net profit			3,538		3,538	0	3,538
Other comprehensive income				71	71	(0)	71
Total comprehensive income			3,538	71	3,609	0	3,609
Transfer to retained earnings from capital surplus		(2,411)	2,411		—		—
As of December 31, 2014	100	6,525	11,865	189	18,680	(0)	18,680

(4) Consolidated Statement of Cash Flows (Summary)

(Millions of yen)

	Six months ended December 31, 2013 (July 1, 2013 to December 31, 2013)	Six months ended December 31, 2014 (July 1, 2014 to December 31, 2014)
Cash flows from operating activities		
Profit before income taxes	2,532	3,603
Depreciation and amortization	140	127
Interest and dividend income	(5)	(3)
Interest expense	476	232
Decrease (increase) in accounts receivables and other receivables	(268)	(297)
Increase (decrease) in accounts payable and other liabilities	(2,398)	(671)
Increase (decrease) in consumption tax payable	211	621
Increase (decrease) in retirement benefit liabilities	140	165
Other	1,132	225
Subtotal	1,961	4,003
Dividends received	0	0
Interest received	4	3
Interest paid	(391)	(190)
Income taxes paid	(218)	(405)
Net cash flows from operating activities	1,356	3,411
Cash flows from investing activities		
Payments into time deposits	(1)	(11)
Proceeds from withdrawal of time deposits	114	—
Purchase of property, plant and equipment	(89)	(115)
Proceeds from sale of property, plant and equipment	0	—
Purchase of intangible assets	(52)	(84)
Other	—	(0)
Net cash flows from investing activities	(28)	(212)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,500	(3,000)
Repayments of long-term borrowings	(600)	(750)
Cash dividends paid	(8,000)	—
Other	(4)	(0)
Net cash flows from financing activities	(6,104)	(3,750)
Effect of change in exchange rates on cash and cash equivalents	13	26
Net increase (decrease) in cash and cash equivalents	(4,762)	(525)
Cash and cash equivalents at the beginning of the period	10,806	8,791
Cash and cash equivalents at the end of the period	6,043	8,266

(5) Notes on consolidated quarterly financial results (summary)

(Note on assumption about going concern)

Not applicable

(Note on significant subsequent events)

Not applicable