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August 9, 2024

Consolidated Financial Results for the Six Months Ended June 30, 2024 (Under IFRS)

Company name: Integral Corporation
Listing: Tokyo Stock Exchange
Securities code: 5842
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Scheduled date to file semi-annual securities report: August 13, 2024
Scheduled date to commence dividend payments: September 12, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating income		Profit before income taxes		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
June 30, 2024	9,683	51.4	6,834	34.3	6,808	34.9	4,736	35.0
June 30, 2023	6,397	259.2	5,089	789.5	5,047	850.6	3,508	874.3

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Six months ended						
June 30, 2024	4,736	35.0	4,736	35.0	142.78	133.52
June 30, 2023	3,508	874.3	3,508	874.3	128.81	119.54

Note: The Company conducted a stock split with a ratio of 10 for 1 on July 7, 2023. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
June 30, 2024	59,959	44,621	44,621	74.4
December 31, 2023	56,296	39,864	39,864	70.8

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2023	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2024	—	12.00			
Fiscal year ending December 31, 2024 (Forecast)			—	12.00	24.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

Private equity investments, the Group's business, are significantly affected by market conditions such as the stock market and interest rates, as well as by opportunities to invest and dispose of investments.

In addition, Profit/(Loss) on fair value movements on investment calculated in accordance with International Financial Reporting Standards (IFRS) as adopted by the Group are highly dependent on estimates. Therefore, it is difficult to make reasonable earnings forecasts, and we do not make any business forecasts.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 4 companies (Innovation Partners Alpha V Ltd., Initiative Partners Delta V Ltd., Infinity Partners Gamma V Ltd., 1 other company)

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

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

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of June 30, 2024	34,975,000 shares
As of December 31, 2023	34,975,000 shares

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

As of June 30, 2024	1,746,025 shares
As of December 31, 2023	1,828,300 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2024	33,174,513 shares
Six months ended June 30, 2023	27,239,917 shares

Note: The Company conducted a stock split with a ratio of 10 for 1 on July 7, 2023. "Average number of shares outstanding during the period" is calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements and others)

The forward-looking statements contained in this document, including the financial results forecasts, are based on information currently available to the Company and certain assumptions deemed to be reasonable, and the Company does not promise achievement. Actual results may differ significantly from these forecasts due to a wide range of factors.

(Method of accessing supplementary material on semi-annual financial results)

The Company does not plan to hold a briefing. However, the Company plans to distribute the video explaining its semi-annual financial results. The video and financial results presentation materials will be disclosed on the Company's website on Friday, August 9, 2024.

(Change in monetary unit)

In previous consolidated financial statements, the unit for accounting items was stated at thousands of yen. However, starting from the first quarter ended March 31, 2024, the unit has been changed to millions of yen. To ensure comparability, comparative information have been also restated to millions of yen.

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1. Qualitative Information on Semi-annual Financial Results

In this Semi-annual Financial Results, our funds are collectively referred to as follows;

Fund II Series : Integral 2 Limited Partnership and Integral Fund II (A) L.P.

Fund III Series: Integral 3 Limited Partnership and Innovation Alpha L.P.

Fund IV Series: Integral 4 Limited Partnership, Innovation Alpha IV L.P and Initiative Delta IV L.P.

Fund V Series : Integral 5 Limited Partnership, Innovation Alpha V L.P., Initiative Delta V L.P and Infinity Gamma V L.P.

(1) Explanation of Operating Results

For the six months ended June 30, 2024, the Group sold shares of Skymark (shares held by Fund II Series and shares held by the Group as principal investment), shares of JRC (shares held by Fund III Series), shares of Itokin (shares held by Fund II Series) and shares of two portfolios of Mamezou K2TOP Holdings (shares of Mamezou K2TOP Holdings are still held by Fund III Series and the Group).

In addition, the Group has recognized the carry interest as income, which generated from Fund II Series, that has already exceeded its hurdle rate, through the sales of the shares of Skymark and Itokin and the following distributions.

Changes in fair value of investee companies are as follows.

The fair value of listed investees decreased as a result of declining stock prices. The fair value of unlisted investees increased mainly due to the improvement in the performance and financial condition of the investees. The overall fair value of the portfolio companies increased compared to the same period of the previous year.

Operating expenses increased year-on-year due mainly to an increase in personnel expenses resulting from an increase in the number of employees, an occurrence of commission fee to a placement agent (an advisor who introduce overseas LP investors, cultivate relationships with investors, etc.) for the fundraising of Fund V Series, and an increase in taxes and public dues.

As a result of the above, Revenue for the six months ended June 30, 2024 was ¥9,683 million (up 51.4% year-on-year), Operating income was ¥6,834 million (up 34.3% year-on-year), Profit before income taxes was ¥6,808 million (up 34.9% year-on-year), and Profit for the period was ¥4,736 million (up 35.0% year-on-year).

With regard to the above sale of Itokin shares, the Group entered into a share purchase agreement to transfer the Itokin shares held by the Fund II Series through a recapitalization transaction (a transaction to redeem stocks by restructuring the issuer's equity and debt structure) to a SPC newly established by the Group on June 19, 2024, and such transfer was completed on August 1, 2024.

As of the date of submission of this Semi-annual Financial Results, the Group owns all of Itokin's shares and Itokin is a subsidiary of the Group. However, as Itokin is one of our portfolios, it is not consolidated and is measured at fair value through profit or loss.

(2) Explanation of Financial Position

a. Analysis of financial position

Assets, liabilities and equity at the end of the first half ended June 30, 2024 were as follows:

(Assets)

Total assets increased by ¥3,662 million from the end of the previous fiscal year to ¥59,959 million. Total current assets decreased by ¥2,777 million to ¥16,452 million, mainly due to a ¥4,494 million decrease in Cash and cash equivalents, despite a ¥1,629 million increase in Trade and other receivables and a ¥102 million increase in Other current assets. Non-current assets increased by ¥6,440 million to ¥43,506 million, mainly due to a ¥1,651 million increase in Investment portfolio, a ¥2,630 million increase in Investment in subsidiaries measured at fair value, and a ¥2,258 million increase in Loans.

(Liabilities)

Total liabilities decreased by ¥1,094 million from the end of the previous fiscal year to ¥15,338 million. Current liabilities decreased by ¥4,528 million to ¥2,990 million, mainly due to a ¥3,500 million decrease in the Loans from the subsidiaries measured at fair value and a ¥1,006 million decrease in Income tax payable. Non-current liabilities increased by ¥3,434 million to ¥12,347 million, mainly due to a ¥1,868 million increase in Loans and a ¥1,600 million increase in Deferred tax liabilities.

(Equity)

Total equity increased by ¥4,756 million from the end of the previous fiscal year to ¥44,621 million, mainly due to a ¥4,736 million increase in Retained earnings by the record in Profit for the period attributable to owners of the parent.

b. Cash flows

Cash flows for the six months ended June 30, 2024 were as follows:

(Cash flows from operating activities)

Cash flows used by operating activities for the six months ended June 30, 2024 was a ¥2,809 million (¥635 million provided in the same period of the previous year). This was mainly due to an increase of ¥1,629 million in Trade and other receivables, an increase in Investment portfolios of ¥1,651 million, an increase in Investment in subsidiaries measured at fair value of ¥2,630 million and an increase of ¥2,258 million in Loans, while Profit before income taxes of ¥6,808 million was recorded.

(Cash flows from investing activities)

Cash flows used by investing activities for the six months ended June 30, 2024 was a ¥0 million (¥1 million used in the same period of the previous year). This was mainly due to the Purchase of property, plant and equipment of ¥0 million.

(Cash flows from financing activities)

Cash flows used in financing activities for the six months ended June 30, 2024 was ¥1,684 million (¥89 million provided in the same period of the previous year). This was mainly due to Repayment of loans from subsidiaries measured at fair value of ¥3,500 million and Repayment of loans of ¥390 million despite the occurrence of Proceeds from loans of ¥2,255 million.

As a result, Cash and cash equivalents decreased by ¥4,494 million, and Cash and cash equivalents at the end of the period was ¥14,427 million (¥18,922 million at the end of the previous fiscal year).

(3) Explanation of Information on Future Forecasts Including Consolidated Earnings Forecast

Private equity investments, the Group's business, are significantly affected by market conditions such as the stock market and interest rates, as well as by opportunities to invest and dispose of investments. In addition, Gain/(Loss) on fair value movements of investees calculated in accordance with International Financial Reporting Standards (IFRS) as adopted by the Group are highly dependent on estimates. Therefore, it is difficult to make reasonable earnings forecasts, and we do not make any business forecasts. However, for the convenience of investors and shareholders, instead of earnings forecasts, we disclose the recurring profit/loss forecasts as reference information. The recurring profit/loss forecasts for the fiscal year ending December 31, 2024 (January 1, 2024 to December 31, 2024) are as follows.

(Reference information)

(Unit: million yen, %)

	Year ended December 31, 2023 (Actual)	Six-month period ended June 30, 2024 (Actual)	Year ending December 31, 2024 (Forecast)	
				Percentage change from the previous year
Fund management fees	3,755	1,770	4,320	15.0%
Management support fees	197	118	241	22.5%
Recurring expenses (A-B)	2,936	1,522	3,543	20.7%
Operating expenses (A)	3,087	2,849	5,091	64.9%
One-time expenses (B)	151	1,327	1,548	924.5%

【Assumptions for Recurring Profit/Loss Forecast for the year ending December 31, 2024 (Consolidated)】

1. Outlook for the Group as a whole

We are an independent private equity management company that invest in both listed and unlisted companies in Japan. We seek to provide investors with superior returns by investing at appropriate valuations in mid-cap Japanese companies with potential for earnings growth.

Our company name “Integral” originates from “integral calculus - accumulation among relations over time”, meaning that we strive to establish a relationship of deep trust and accumulation of the highest wisdom. As a result of this accumulation, we aim to contribute to the realization of Japanese-style business improvement as “Trusted Investor”, which is our corporate mission.

Our Group has established a business model with diversified earning opportunities utilizing our principal capital. The Company's subsidiaries, affiliates, and investees are managed as an investment portfolio, and under this structure, the Group earns fund management fees, management support fees, and carried interest. In this situation, we aim to continuously increase the rate of earnings growth by expanding assets under management (“AUM”) over the medium to long term by increasing the value of equity of investees, to maximize the carried interest received through the realization of investment income, and to continuously grow the fair value (“FV”) of principal investments.

It is difficult to reasonably forecast future AUM, realization of investment income, and FV of principal investments, so we do not forecast these results. These actual figures are as follows.

[Reference for actual results]

(Unit: 100 million yen)

	As of and for the year ended December 31, 2022	As of and for the year ended December 31, 2023	As of and for the Six months period ended June 30, 2024
AUM *1	2,464	2,185	2,412
Fee-Earning AUM *2	1,940	1,835	1,798
FV of principal investments	284	327	367
Acquisition value of principal investments *3	76	82	71
FV of fund investments	1,790	2,244	2,777
Unrealized carried interest *4			
Fund II Series *5	64	20	5
Fund III Series	73	144	184
Fund IV Series	-	53	88

Note: *1 AUM is calculated based on capital commitment amounts for funds for which the investment period has not ended or for funds without a defined investment period, and based on the fair value of the remaining investments for funds for which the investment period has ended. AUM includes only the funds for which we receive management fee, and excludes funds in which co-investors make investments for specific investees. The investment period is the period during which the partnership agreement allows the Group to make new investments, which is approximately 5 years after the start of the fund.

*2 Fee Earning AUM consist of the balance of managed assets that are used as the basis in calculating fund management fees. It is calculated based on capital commitment amounts for funds for which the investment period has not ended or for funds without a defined investment period, and based on the investment acquisition cost of the remaining investments for funds for which the investment period has ended.

*3 The acquisition value of principal investments is calculated based on (i) the acquisition cost of shares and bonds based on IFRS and (ii) the amount calculated by subtracting the amounts distributed as investment return from the amount of invested capital.

*4 Unrealized carried interest is the amount of carried interest that is expected to be received assuming that the relevant funds were terminated and liquidated as of the relevant date and at the estimated fair value of their investments. Unrealized carried interest is calculated as 20% of the sum of (i) the accumulated distribution amounts as of the end of the fiscal year, (ii) gain or loss from fair market valuation of the portfolio and (iii) net assets, less (iv) the amount of investments to be made. Unrealized carried interest shown in the table above consists of the prospective amount that we expect to receive from the unrealized carried interest calculated in accordance with the aforementioned formula, less the GP investments by our directors and employees.

*5 The unrealized carried interest of Fund II Series decreased due to the realization of carried interest and the Group's receipt of ¥3.2 billion in the year ended December 31, 2023 and ¥1.8 billion for the six months ended June 30, 2024.

2. Fund management fees
Fund management fees are recognized as revenue with the passage of time, as the Group, in principle, provides investment management services to the funds over the duration of the funds in accordance with the partnership agreement with the funds that the Group manages. In accordance with the partnership agreement, Fund management fees is calculated in principal based on (i) the amount of capital commitments of the fund currently in the investment period and (ii) the investment balance of the fund after the end of the investment period. The total amount of capital commitment of Fund IV Series, which are currently in the investment period, is ¥123.8 billion.
3. Carried interest
Under our existing fund agreements, as a general partner, we are entitled to distribution referred to as “carried interest” based on the fund’s performance. We record the amount that is up to 20% of cumulative gains on capital invested less the amount that has already been recorded and that will highly probable not to be subject to claw-back as carried interest, when it is certain that the funds will make distributions in excess of the hurdle rate of 8% of the deployment capital set forth in the partnership agreement and that we will be able to receive carried interest.
4. Management support fees
After making an investment, the Company dispatches our employees to the investees and supports its management to realize investees’ short to mid strategic goals. Management support fees are paid to us in accordance with the management support agreement and are recognized as revenue over the contract period with the passage of time.
5. Operating expenses
The Group’s operating expenses consist primarily of personnel expenses, commissions expenses, depreciation (including depreciation of right-of-use assets).
6. One-time expenses
The Group’s one-time expenses are the cost that are not expected to be incurred on an ongoing basis, such as costs with regard to the listing or fund-raising activities. In the year ended December 31, 2024, the commission fee to a placement agent (an advisor who introduce overseas LP investors, cultivate relationships with investors, etc.) for the fundraising of Fund V Series is included, thus the one-time expenses increased from the previous year.

2. Condensed Semi-annual Consolidated Financial Statements and Primary Notes

(1) Condensed Semi-annual Consolidated Statement of Profit or Loss and Comprehensive Income

Condensed Semi-annual Consolidated Statement of Profit or Loss

For the Six-month period ended June 30, 2024

(Unit: million yen)

	Six-month period ended June 30, 2023	Six-month period ended June 30, 2024
Realized profits/(losses) on the disposal of investments	4	-
Fair value movements on investment portfolio	1,867	1,748
Fair value movements on subsidiaries measured at fair value	2,520	4,221
Dividends	21	7
Interest income from investment portfolio	3	-
Gross investment return	4,416	5,977
Fund management fees	1,879	1,770
Carried interest	-	1,816
Management support fees	98	118
Other operating income	2	0
Revenue	6,397	9,683
Operating expenses	(1,308)	(2,849)
Operating income (loss)	5,089	6,834
Finance income	0	83
Finance costs	(42)	(109)
Profit (loss) before income taxes	5,047	6,808
Income taxes	(1,538)	(2,071)
Profit (loss) for the period	3,508	4,736
Profit (loss) for the period attributable to:		
Owners of the parent	3,508	4,736
Profit (loss) for the period	3,508	4,736
Earnings per share	Yen	Yen
Basic earnings (loss) per share	128.81	142.78
Diluted earnings (loss) per share	119.54	133.52

For the Three-month period ended June 30, 2024

(Unit: million yen)

	Three-month period ended June 30, 2023	Three-month period ended June 30, 2024
Realized profits/(losses) on the disposal of investments	4	-
Fair value movements on investment portfolio	1,061	1,223
Fair value movements on subsidiaries measured at fair value	3,212	1,186
Dividends	1	4
Interest income from investment portfolio	1	-
Gross investment return	4,280	2,415
Fund management fees	941	884
Carried interest	-	1,315
Management support fees	48	59
Other operating income	0	0
Revenue	5,270	4,674
Operating expenses	(665)	(1,500)
Operating income (loss)	4,604	3,174
Finance income	0	66
Finance costs	(21)	(75)
Profit (loss) before income taxes	4,583	3,165
Income taxes	(1,394)	(950)
Profit (loss) for the period	3,189	2,214
Profit (loss) for the period attributable to:		
Owners of the parent	3,189	2,214
Profit (loss) for the period	3,189	2,214
Earnings per share	Yen	Yen
Basic earnings (loss) per share	117.04	66.72
Diluted earnings (loss) per share	108.68	62.42

Condensed Semi-annual Consolidated Statement of Comprehensive Income
For the Six-month period ended June 30, 2024

(Unit: million yen)

	Six-month period ended June 30, 2023	Six-month period ended June 30, 2024
Profit (loss) for the period	3,508	4,736
Comprehensive income for the period	3,508	4,736
Comprehensive income for the period attributable to:		
Owners of the parent	3,508	4,736
Comprehensive income for the period	3,508	4,736

For the Three-month period ended June 30, 2024

(Unit: million yen)

	Three-month period ended June 30, 2023	Three-month period ended June 30, 2024
Profit (loss) for the period	3,189	2,214
Comprehensive income for the period	3,189	2,214
Comprehensive income for the period attributable to:		
Owners of the parent	3,189	2,214
Comprehensive income for the period	3,189	2,214

(2) Condensed Semi-annual Consolidated Statement of Financial Position
As of June 30, 2024

(Unit: million yen)

	December 31, 2023	June 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	18,922	14,427
Trade and other receivables	206	1,835
Income taxes receivable	0	-
Loans	35	35
Other current financial assets	15	1
Other current assets	49	152
Total current assets	19,229	16,452
Non-current assets:		
Investments:	36,404	40,687
Investment portfolio	8,468	10,120
Investments in subsidiaries measured at fair value	27,936	30,567
Property, plant and equipment	208	190
Right-of-use assets	255	181
Intangible assets	3	2
Loans	-	2,258
Other non-current financial assets	194	185
Other non-current assets	0	-
Total non-current assets	37,066	43,506
Total assets	56,296	59,959

(Unit: million yen)

	December 31, 2023	June 30, 2024
Liabilities and Equity		
Liabilities		
Current liabilities:		
Trade and other payables	781	381
Income taxes payable	1,477	470
Consumption taxes payable	36	36
Advances received	615	901
Loans	780	780
Loans from subsidiaries measured at fair value	3,500	-
Lease liabilities	141	106
Provision for bonuses	66	220
Other current liabilities	119	94
Total current liabilities	7,519	2,990
Non-current liabilities:		
Loans	759	2,628
Lease liabilities	35	-
Asset retirement obligations	114	114
Deferred tax liabilities	8,003	9,603
Total non-current liabilities	8,912	12,347
Total liabilities	16,432	15,338
Equity		
Share capital	7,634	7,634
Capital surplus	6,371	6,391
Retained earnings	25,866	30,603
Share acquisition rights	0	0
Treasury stock	(9)	(8)
Equity attributable to owners of parent	39,864	44,621
Total equity	39,864	44,621
Total liabilities and equity	56,296	59,959

(3) Condensed Semi-annual Consolidated Statement of Changes in Equity
For the Six-month period ended June 30, 2023

(Unit: million yen)

	Share capital	Capital surplus	Retained earnings	Share acquisition rights	Treasury stock	Equity attributable to owners of parent	Total equity
Balance as of January 1, 2023	1,077	43	18,292	1	(9)	19,405	19,405
Profit (loss) for the period	-	-	3,508	-	-	3,508	3,508
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	3,508	-	-	3,508	3,508
Share-based payment transactions	-	-	-	0	-	0	0
Exercise of share acquisition rights	-	0	-	(0)	-	-	-
Disposal of treasury stock	-	-	-	-	0	0	0
Total transactions with owners	-	0	-	0	0	0	0
Balance as of June 30, 2023	1,077	43	21,801	1	(9)	22,914	22,914

For the Six-month period ended June 30, 2024

(Unit: million yen)

	Share capital	Capital surplus	Retained earnings	Share acquisition rights	Treasury stock	Equity attributable to owners of parent	Total equity
Balance as of January 1, 2024	7,634	6,371	25,866	0	(9)	39,864	39,864
Profit (loss) for the period	-	-	4,736	-	-	4,736	4,736
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	4,736	-	-	4,736	4,736
Share-based payment transactions	-	-	-	0	-	0	0
Exercise of share acquisition rights	-	0	-	(0)	-	-	-
Purchase of treasury stock	-	-	-	-	(0)	(0)	(0)
Disposal of treasury stock	-	19	-	-	0	20	20
Total transactions with owners	-	19	-	(0)	0	20	20
Balance as of June 30, 2024	7,634	6,391	30,603	0	(8)	44,621	44,621

(4) Condensed Semi-annual Consolidated Statement of Cash Flow
For the Six-month period ended June 30, 2024

(Unit: million yen)

	Six-month period ended June 30, 2023	Six-month period ended June 30, 2024
Cash flows from operating activities:		
Profit (loss) before income taxes	5,047	6,808
Depreciation and amortization	92	92
Share-based payment expenses	0	0
Interest and dividend income	(25)	(91)
Interest expenses	42	107
Increase (decrease) in provisions	148	153
Decrease (increase) in trade and other receivables	(131)	(1,629)
Decrease (increase) in investment portfolio	(1,562)	(1,651)
Decrease (increase) in investments in subsidiaries measured at fair value	(2,616)	(2,630)
Decrease (increase) in loans	(10)	(2,258)
Decrease (increase) in other financial assets	(10)	23
Decrease (increase) in other assets	(100)	(22)
Increase (decrease) in trade and other payables	(81)	(452)
Increase (decrease) in consumption taxes payable	(32)	(0)
Increase (decrease) in advances received	68	286
Increase (decrease) in other liabilities	(4)	(25)
Others	-	0
Subtotal	824	(1,290)
Interest and dividends received	26	11
Interest paid	(66)	(52)
Income taxes paid	(148)	(1,478)
Cash flows from operating activities	635	(2,809)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1)	(0)
Cash flows from investing activities	(1)	(0)
Cash flows from financing activities:		
Proceeds from loans from subsidiaries measured at fair value	1,850	-
Repayment of loans from subsidiaries measured at fair value	(1,300)	(3,500)
Proceeds from loans	-	2,255
Repayments of loans	(390)	(390)
Repayments of lease liabilities	(70)	(70)
Proceeds from sale of treasury stock	0	20
Purchase of treasury stock	-	(0)
Cash flows from financing activities	89	(1,684)
Increase (decrease) in cash and cash equivalents	724	(4,494)
Cash and cash equivalents at the beginning of the period	2,309	18,922
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	3,033	14,427

(5) Notes to Condensed Semi-annual Consolidated Financial Statements

(Notes on Going concern assumptions)

Not applicable.

(Segment information)

The description is omitted because the Group engages in a single operating segment of the equity investment business.