

## Japan Display Inc.

### Consolidated Financial Results for the Six Months of Fiscal Year 2015 (Japanese GAAP)

(This is an English translation of an original Japanese-language document.)

Company name: Japan Display Inc. ("JDI")  
 Security code: 6740  
 Listing: Tokyo Stock Exchange (First Section)  
 Website: <http://www.j-display.com/english/>  
 Representative: Shuji Aruga, President and Chief Operating Officer  
 Contact: Keiichi Yoshida, Chief Financial Officer  
 Phone: +81-3-6732-8100

Filing of 2Q-FY2015 quarterly securities report: November 10, 2015  
 Commencement of dividend payments: -  
 Supplementary materials for the 2Q-FY2015 earnings results: Available  
 Briefing for 2Q-FY2015 results: November 9, 2015

(Figures in this earnings report are rounded down to the nearest million yen.)

#### 1. Consolidated results of operations for the six months ended September 30, 2015

##### (1) Results of operations

(Millions of yen, except per share amounts)

	6 mo. ended Sept. 30, 2015	YoY (%)	6 mo. ended Sept. 30, 2014	YoY (%)
Net sales .....	507,865	77.8	285,574	(11.0)
Operating income (loss) .....	10,584	-	(20,271)	-
Ordinary income (loss) .....	1,665	-	(22,477)	-
Profit attributable to owners of the parent .....	(323)	-	(27,791)	-
Net income (loss) per share				
-Basic .....	(0.54)		(46.25)	
-Diluted .....	-		-	
(Reference) Comprehensive income (loss) .....	(1,218)	-	(23,069)	-

##### (2) Financial position

(Millions of yen, except per share amounts)

	Sep. 30, 2015	Mar. 31, 2015
Total assets .....	902,650	831,622
Net assets .....	401,492	402,626
Shareholders' equity ratio (%) .....	44.3	48.2
Net assets per share .....	664.69	666.92
(Reference) Shareholders' equity .....	399,744	400,982

#### 2. Dividends

	Jun. 30	Sep. 30	Dec. 31	FY-end	Total
Year ended Mar. 31, 2015 .....	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2016 .....	-	0.00			
Year ending Mar. 31, 2016 (forecast) .....			-	-	-

Notes: 1. Changes from the most recently announced dividend forecast: None

2. Under JDI's articles of incorporation September 30 and the final day of the fiscal year are stipulated as the dates of record for dividends. However, at present the amount of the fiscal year-end dividend is not yet determined.

### 3. Financial forecast

	(Millions of yen)	
	9 mo. ending Dec. 31, 2015	YoY Chg.
Net sales .....	817,865	52.4%
Operating income .....	23,584	-

Notes: 1. Changes from the most recently announced earnings forecast: Yes  
 2. Since at the current time a reasonable calculation of financial forecast for a full fiscal year is difficult JDI is only issuing a cumulative forecast for the first nine months of FY 2015 for "net sales" and "operating income."

#### Notes:

(1) Changes to scope of consolidation: None

(2) Adoption of special accounting practices for quarterly consolidated financial statements: Yes  
*For details please see "(2) Application of special accounting methods to the preparation of quarterly consolidated financial statements" in the attached "2.Summary information (notes)."*

(3) Accounting changes in consolidated financial statements.

- a) Changes in accounting policy in accordance with amendments to accounting standards: Yes
- b) Changes in accounting policy other than (a) above: None
- c) Changes in accounting estimates: None
- d) Retrospective restatement: None

*For details please see "(3) Changes in accounting policies, changes in accounting estimates, retrospective restatements" in the attached "2.Summary information (notes)."*

(4) Number of shares outstanding (common shares)

	Sep. 30, 2015	Mar. 31, 2015
Number of shares outstanding (including treasury shares) .....	601,411,900	601,387,900
Number of treasury shares .....	-	140,600
	6 mo. ended Sep. 30, 2015	6 mo. ended Sep. 30, 2014
Average number of shares outstanding .....	601,403,206	600,867,727

Note: The number of JDI shares held by the "JDI's Employee Stock Ownership Association Trust" (the "Trust") is included in the number of treasury stock held at the end of the financial period (FY 2015 second quarter: - ; FY 2014: 140,600 shares). Also, the number of JDI shares held by the Trust is included in the treasury stock deducted from the calculated average number of shares outstanding during the period (FY 2015 second quarter: 3,842 shares; FY 2014 second quarter: 520,173 shares).

#### Disclosure related to implementation of quarterly review procedures

This earnings report is exempt from the consolidated financial statements review procedures set forth in Japan's Financial Instruments and Exchange Law. At the time of this earnings report, consolidated financial statements review procedures pursuant to the Financial Instruments and Exchange Law had not been completed.

#### Proper use of earnings forecasts and other matters warranting special mention

Forward-looking information such as earnings forecasts in this document is based on information available to the Company at the time the document was prepared and management's reasonable assumptions. Such information should not be interpreted as a guarantee of future performance or results. Furthermore, forward-looking information is necessarily subject to a number of factors that may cause actual results to differ materially from those results implied by the expectations suggested by such information.

## **Attachments**

### **1. Quarterly results information**

#### **(1) Overview of Business Results**

##### **Consolidated Results for the 6 months Ended (April 1, 2015 to September 30, 2015)**

(Units: million yen)

	6 mo. ended Sept. 30, 2014	6 mo. Ended Sept. 30, 2015	YoY	
			Change	(%)
Mobile device category	210,532	427,302	216,770	103.0%
Automotive electronics, C&I and other category	75,042	80,562	5,520	7.4%
Net sales	285,574	507,865	222,291	77.8%
Gross profit	3,933	42,509	38,576	980.8%
Operating income	(20,271)	10,584	30,855	-
Ordinary income	(22,477)	1,665	24,142	-
Quarterly net income	(27,791)	(323)	27,468	-
EBITDA	14,180	50,845	36,665	258.6%

**Note:** EBITDA = operating profit + depreciation (operating costs) + amortization of goodwill

EBITDA is not one of the subject matters audited (quarterly review) pursuant to Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

In the first six months of FY 2015 the small-medium display market showed signs of a slowdown compared with the initial growth forecast due presumably to worrisome developments in China's economy, indications of a maturing smartphone market in light of widespread smartphone usage in China and other factors. Also, weaker demand meant that as in the first quarter market prices for some smartphone displays continued to decline. On the other hand, the transition in smartphone displays to higher resolutions increased demand for low-temperature polycrystalline silicon (LTPS) displays in which JDI specializes.

In the six months JDI recorded solid sales of smartphone displays to the US/Europe combined regions compared with sluggish sales in the first six months of FY 2014. With the addition of expanded sales to China and the other Asia region overall six-month sales were substantially higher YoY.

Below is an overview of JDI's six-month business performance in each of the company's application categories.

#### **Mobile Device Category**

The Mobile Device category includes displays for smartphones, tablets and conventional mobile phones. Six-month sales in this category were 427,302 million yen (up 103.0% YoY), accounting for 84.1% of JDI's total sales.

Strong smartphone display shipments to a large customer in the US/Europe regions in the six months, as opposed to shipment delays in the same period in FY 2014, increased sales in this category significantly. Also shipments of Full-HD (1080×1920 pixels) and higher resolution displays, especially to Chinese smartphone makers, grew. As a result sales in the mobile device category were double those of the first six months of FY 2014.

#### **Automotive Electronics, C&I and Other Category**

The Automotive Electronics, C&I and Other category includes displays for automotive electronics, consumer electronic devices (digital cameras, game consoles, etc.) and industrial equipment (medical device monitors, etc.). The category also includes income from intellectual property. Six-month sales in this category were 80,562 million yen (up 7.4% YoY), accounting for 15.9% of total sales.

In the six months automotive display sales were solid on the back of robust auto sales in the US. Consumer electronics display sales were also solid.

Because shipments to a large customer in the US/Europe regions and to China were substantially higher YoY net sales for the six-month period were 507,865 million yen, up 77.8% YoY. Operating income was 10,584 million yen (versus a net loss of 20,271 million yen in the same six months a year ago) as the jump in sales improved gross profit. Ordinary income was 1,665 million yen (compared with an ordinary loss of 22,477 million yen a year earlier) after factoring in non-operating foreign exchange losses of 6,826 million yen. A net loss of 323 million yen attributable to owners of the parent was recorded for the six months (versus a 27,791 million yen net loss attributable to owners of the parent a year earlier).

### Consolidated Results for the Second Quarter of FY 2015 (July 1, 2015 to September 30, 2015)

Year on year comparison

(Millions of yen)

	2Q-FY 2014	2Q-FY 2015	YoY	
			Change	(%)
Mobile device category	120,210	217,389	97,179	80.8%
Automotive electronics, C&I and other	40,201	44,347	4,146	10.3%
Net sales	160,411	261,736	101,325	63.2%
Gross profit	4,815	24,646	19,831	411.9%
Operating income (loss)	(7,575)	8,340	15,915	-
Ordinary income (loss)	(5,561)	1,775	7,336	-
Profit (loss) attributable to owners of the parent	(10,957)	138	11,095	-
EBITDA	9,836	28,367	18,531	188.4%

Note: EBITDA = operating profit + depreciation (operating costs) + amortization of goodwill

Quarter on quarter comparison

(Millions of yen)

	1Q-FY 2015	2Q-FY 2015	QoQ	
			Change	(%)
Mobile device category	209,913	217,389	7,476	3.6%
Automotive electronics, C&I and other	36,215	44,347	8,132	22.5%
Net sales	246,129	261,736	15,607	6.3%
Gross profit	17,863	24,646	6,783	38.0%
Operating income	2,244	8,340	6,096	271.7%
Ordinary income (loss)	(110)	1,775	1,885	-
Profit (loss) attributable to owners of the parent	(461)	138	599	-
EBITDA	22,478	28,367	5,889	26.2%

Note: EBITDA = operating profit + depreciation (operating costs) + amortization of goodwill

EBITDA is not one of the subject matters audited (quarterly review) pursuant to Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act.

For the second quarter (July 1, 2015 to September 30, 2015) JDI recoded strong results in both the Mobile Device and Automotive Electronics, C&I and Other categories. Net sales were 261,736 million yen (up 63.2% YoY and 6.3% QoQ), operating income was 8,340 million yen (versus an operating loss of 7,575 million yen a year earlier and up 271.7% QoQ), ordinary income was 1,775 million yen (versus ordinary losses of 5,561 million yen a year earlier and 110 million yen in the previous quarter) and net income attributable to owners of the parent was 138 million yen (versus a net loss attributable to owners of the parent of 10,957 million yen a year earlier and 461 million yen in the previous quarter).

Below is an overview of JDI's second-quarter business performance in each of the company's application categories.

### **Mobile Device Category**

Second-quarter sales in the Mobile Device category were 217,389 million yen (up 3.6% QoQ), accounting for 83.1% of JDI's total sales.

Sales to the Asian region (not including China) were down QoQ in the second quarter. However, sales to a large customer in the US/Europe regions and to China rose QoQ.

### **Automotive Electronics, C&I and Other Category**

Second-quarter sales in the Automotive Electronics, C&I and Other category were 44,347 million yen (up 22.5% QoQ), accounting for 16.9% of total sales.

Sales of automotive displays were solid in the second quarter and consumer electronic device display sales, especially game console-related sales, increased.

## **(2) Financial Position**

### **(i) Assets, liabilities and net assets**

#### **Assets**

At the end of the first six months of FY 2015 JDI had current assets of 490,487 million yen, an increase of 53,796 million yen versus the end of FY 2014 (ended March 31, 2015). The main factors were an increase in accounts receivable of 40,039 million yen, other receivables up 54,523 million yen and cash and deposits down 42,859 million yen. Noncurrent assets were 412,162 million yen, a rise of 17,232 million yen compared to the end of FY 2014, with an increase of 18,886 million yen in property, plant and equipment as the major factor.

As a results total assets at the end of the first six months were 902,650 million yen, an increase of 71,028 million yen compared with the end of FY 2014.

#### **Liabilities**

At the end of the first six months of FY 2015 JDI had current liabilities of 430,051 million yen, an increase of 81,367 million yen compared with the end of FY 2014. The main reason for the increase was that notes and accounts payable grew 45,845 million yen, lease obligations rose 8,901 million yen and advance receipts were up 17,828 million yen. Noncurrent liabilities were 71,106 million yen, a decline of 9,205 million yen compared with the end of FY 2014 mainly due to 4,240 million yen less in long-term debt and 3,401 million yen less in lease obligations.

As a result total liabilities at the end of the first six months were 501,157 million yen, an increase of 72,162 million yen compared with the end of FY 2014.

#### **Net assets**

At the end of the first six months of FY 2015 JDI had net assets of 401,492 million yen, a decline of 1,133 million yen compared with the end of FY 2014. A major factor was a foreign exchange translation adjustment of 18,357 million yen, which was smaller by 1,480 million yen versus the end of FY 2014.

As a result JDI was left with a shareholders' equity ratio of 44.3% (versus 48.2% at the end of FY 2014).

### **(ii) Cash flow**

At the end of the first six months of FY 2015 JDI had cash and cash equivalents of 51,783 million yen, a decrease of 42,859 million yen compared with the end of FY 2014. Cash flow conditions for the period under review are presented below.

#### **Cash flows from operating activities**

Net cash provided by operating activities totaled 13,103 million yen (as compared to net cash used in operating activities of 14,585 million yen) for the six months under review. Major cash flow factors were 39,154 million yen in depreciation, an increase of 45,851 million yen in accounts payable, an increase of 7,830 million

yen in other accounts payable and a rise of 17,829 million yen in advance receipts. Major cash outflows were an increase of 41,083 million yen in accounts receivable and an increase of 54,528 million yen in other receivables.

#### **Cash flows from investing activities**

Net cash used in investing activities totaled 57,406 million yen (as compared to net cash used in investing activities of 47,572 million yen) for the six months under review and mainly comprised funds in the amount of 59,386 million yen used for the purchases of property, plant and equipment to increase manufacturing capacity.

#### **Cash flows from financing activities**

Net cash provided by financing activities was 1,257 million yen (as compared to net cash used in financing activities of 9,560 million yen). The major cash outflows were repayment of long-term debt at 4,313 million yen and repayment of lease obligations as 14,840 million yen, while the major cash inflow was income of 20,340 million yen from sales and leaseback transactions.

### **(3) Note regarding consolidated financial and other forecasts**

Consolidated financial forecast for the third Quarter of FY 2015 (October 1, 2015 to December 31, 2015)

(millions of yen)				
	Net sales	YoY change (%)	Operating income	YoY change (%)
3Q-FY 2015	310,000	23.4	13,000	(11.6)
3Q- FY 2014 (Actual)	251,141	55.2	14,711	79.5

Consolidated financial forecast for the first nine months of FY 2015 (April 1, 2015 to December 31, 2015)

(millions of yen)				
	Net sales	YoY change (%)	Operating income	YoY change (%)
9 mo. ending Dec. 31, 2015	817,865	52.4	23,584	-
9 mo. ended Dec. 31, 2014 (Actual)	536,715	11.2	Δ5,560	-

JDI's business is in the small-medium display industry, which tends to exhibit highly volatile business conditions. Due to the difficulty in making accurate business forecasts for a full 12-month business period JDI provides sales and operating income forecasts on a quarterly basis. Moreover, because large foreign exchange losses or gains which may be generated by the evaluation of JDI's monetary assets and liabilities denominated in foreign currencies as of the last day of each financial period may preclude accurate financial predictions, JDI does not provide financial forecasts for operating income and profit attributable to owners of the parent.

In the third quarter of FY 2015 net sales are expected to rise YoY to 310,000 million yen largely because of robust demand from a smartphone maker in the US/Europe combined regions. Operating income is forecast to decline YoY to 13,000 million yen on account of higher fixed costs and a change in the product mix.

The cumulative nine-month forecast for FY 2015 is net sales of 817,865 million yen (up 52.4% YoY on a comparable nine-month basis) and operating income of 23,584 million yen (versus a loss of 5,560 million yen a year earlier for the comparable period), which represents a sharply improved sales and operating income.

Also, JDI's cumulative financial results forecast for the first nine months of FY 2015 consists of actual results for the first two quarters of the fiscal year and the company's estimates for the third quarter.

The foreign exchange rate forecast applied to the above estimates of FY 2015 third quarter financial results is US\$1=120 yen.

## **2. Summary information (notes)**

### **(1) Important changes in principal subsidiaries in the first six-month period (first half) of FY 2015**

Not applicable.

### **(2) Application of special accounting methods to the preparation of quarterly consolidated financial statements**

#### **Calculation of tax costs**

Quarterly income taxes are calculated by multiplying the quarterly income before income taxes by a reasonable estimate of the effective tax rate after application of tax effect accounting for the estimated income before income taxes in the consolidated fiscal year, including the first half.

### **(3) Changes in accounting policies, changes in accounting estimates, retrospective restatements**

#### **Changes in accounting policies**

##### **Application of accounting standards for Business Combinations**

From 1Q FY2015, JDI began applying the Accounting Standard for Business Combinations (ASBJ Statements No.21, September 13, 2013), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No.22, September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No.7, September 13, 2013). Accordingly, the accounting method has been changed to record the difference associated with changes in equity in subsidiaries remaining under the control of the Company as capital surplus, and to record acquisition-related costs as expenses for the fiscal year in which the costs are incurred. In addition, regarding business combinations implemented on or after the beginning of 1Q FY 2015, the accounting method has been changed to retroactively reflect the adjustments to the allocated amount of acquisition costs on the finalization of provisional accounting treatment in the consolidated financial statements for the quarter containing the effective date of the business combinations. Furthermore, the change in presentation of net income and the change in presentation from minority interests to non-controlling interests have been implemented. Consequently, the consolidated financial statements for 2Q FY2014 and for FY2014 have been restated to reflect the changes in reporting method.

JDI has adopted the Accounting Standard for Business Combinations since the beginning of 1Q FY2015 in accordance with the transitional treatment set forth in Paragraph 58-2(4) of Accounting Standard for Business Combinations, Paragraph 44-5(4) of Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4(4) of Accounting Standard for Business Divestitures. Consequently, there will not be any impact on quarterly consolidated financial statements.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheet

(Millions of Yen)		
	As of March 31, 2015	As of September 30, 2015
<u>Assets</u>		
Current assets:		
Cash and deposits	94,643	51,783
Notes and accounts receivable	144,087	184,126
Allowance for doubtful accounts	(200)	(206)
Merchandise and finished goods	30,730	30,005
Work in process	53,863	55,148
Raw materials and supplies	28,815	29,768
Other receivables	62,764	117,288
Deferred tax assets	13,587	14,591
Other current assets	8,399	7,981
Total current assets	436,691	490,487
Property, plant and equipment:		
Land	10,899	14,587
Building and structures	172,732	173,129
Machinery, equipment and vehicles	440,546	417,101
Lease assets	110,622	129,196
Construction in progress	29,108	66,307
Production supplies, tools and others	60,156	57,661
	824,066	857,984
Less: accumulated depreciation	(475,179)	(490,212)
Property, plant and equipment, net	348,886	367,772
Intangible assets:		
Goodwill, net	20,917	20,092
Other intangible assets, net	12,092	11,238
Intangible assets, net	33,010	31,331
Investments and other assets	13,034	13,058
Total assets	831,622	902,650



	(Millions of Yen)	
	As of March 31, 2015	As of September 30, 2015
<u>Liabilities</u>		
Current liabilities:		
Notes and accounts payable	197,103	242,948
Current portion of long-term debt	8,647	8,552
Current portion of lease obligations	26,928	35,829
Income tax payable and others	1,515	2,903
Accrued bonuses	5,923	6,097
Advance receipts	65,272	83,101
Other current liabilities	43,294	50,618
Total current liabilities	348,684	430,051
Long-term debt, excluding current portion	8,870	4,630
Net defined benefit liability	31,654	30,093
Lease obligations, excluding current portion	39,068	35,666
Other liabilities	718	716
Total noncurrent liabilities	80,311	71,106
Total liabilities	428,995	501,157
<u>Net assets</u>		
Shareholders' equity		
Common stock	96,857	96,863
Capital surplus	257,044	257,040
Retained earnings	35,220	34,896
Treasury stock	(70)	—
Total shareholders' equity	389,051	388,800
Accumulated other comprehensive income	11,930	10,944
Subscription rights to shares	—	4
Non-controlling interest	1,643	1,743
Total net assets	402,626	401,492
Total liabilities and net assets	831,622	902,650

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

**Consolidated Statement of Income**

	(Millions of Yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Sales, net	285,574	507,865
Cost of sales	281,641	465,356
Gross profit (loss)	3,933	42,509
Selling, general and administrative expenses	24,204	31,924
Operating income (loss)	(20,271)	10,584
Other income		
Interest income	75	60
Foreign exchange gain, net	618	—
Subsidy income	—	1,743
Rent income	247	242
Operations consignment fee	338	384
Other income	406	205
Total other income	1,686	2,635
Other expenses		
Interest expense	1,383	1,198
Foreign exchange loss, net	—	6,826
Advanced depreciation deduction of fixed assets	—	1,630
Provision for allowance for doubtful accounts	2,132	—
Other expenses	2,508	1,898
Total other expenses	6,024	11,553
Income (loss) before income taxes	(24,609)	1,665
Income taxes expense (benefit)	2,891	1,887
Net income (loss)	(27,501)	(221)
Less: net income attributable to non-controlling interest	289	102
Net income (loss) attributable to owners of the parent	(27,791)	(323)

## Consolidated Statement of Comprehensive Income

	(Millions of Yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Net income (loss)	(27,501)	(221)
Other comprehensive income		
Foreign currency translation adjustments	4,014	(1,491)
Remeasurements of defined benefit plans	416	494
Total other comprehensive income	4,431	(997)
Comprehensive income	(23,069)	(1,218)
Comprehensive income attributable to owners of parent.	(23,376)	(1,309)
Comprehensive income attributable to non-controlling interest	306	91

### (3) Consolidated Statement of Cash Flows

	(Millions of Yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flow from operating activities		
Income (loss) before income taxes	(24,609)	1,665
Adjustment to reconcile income before income taxes to net cash used in operating activities;		
Depreciation expenses	33,532	39,154
Amortization of goodwill	1,064	1,319
Increase (decrease) in allowance for doubtful accounts	2,046	93
Increase (decrease) in net defined benefit liability	(275)	(1,035)
Interest expense	1,383	1,198
Foreign exchange loss (gain), net	(5,228)	(73)
Decrease (increase) in notes and accounts receivable	(27,635)	(41,083)
Decrease (increase) in inventories	(9,201)	(3,096)
Increase (decrease) in notes and accounts payable	44,821	45,851
Decrease (increase) in other accounts receivable	(25,026)	(54,528)
Increase (decrease) in other accounts payable	2,671	7,830
Increase (decrease) in accrued expenses	3,030	(4,352)
Decrease (increase) in consumption taxes refund	1,626	3,541
Increase (decrease) in advances receipts	(10,725)	17,829
Subsidy income	—	(1,743)
Advanced depreciation deduction of fixed assets	—	1,630
Other, net	(39)	1,529
Subtotal	(12,566)	15,731
Dividends and interest received	75	67
Interest paid	(1,381)	(1,207)
Income and other taxes paid	(1,453)	(2,228)
Income and other taxes refund	740	740
Net cash provided by (used in) operating activities	(14,585)	13,103

	(Millions of Yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flow from investing activities		
Acquisitions of property and equipment	(48,208)	(59,386)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	76	—
Proceeds from subsidy income	—	1,743
Other, net	559	236
Net cash provided by (used in) investing activities	(47,572)	(57,406)
Cash flow from financing activities		
Net increase (decrease) in short-term debt	(4,540)	—
Repayment of long-term debt	(4,456)	(4,313)
Repayment of lease obligations	(11,891)	(14,840)
Proceeds from sale and leaseback of machinery and equipment	13,492	20,340
Proceeds from issuance of common shares	—	12
Proceed from sales of treasury stock	114	60
Other, net	(2,278)	—
Net cash provided by (used in) financing activities	(9,560)	1,257
Foreign currency exchange effect on cash and cash equivalents	1,540	185
Net increase (decrease) in cash and cash equivalents	(70,177)	(42,859)
Beginning balance, cash and cash equivalents	141,390	94,643
Ending balance, cash and cash equivalents	71,213	51,783

#### **(4) Notes to the quarterly Consolidated Financial Statements**

##### **Notes on premise of a going concern**

Not applicable

##### **Notes on significant changes in shareholders' equity**

Not applicable