



July 5th, 2024

Company Name	Integral Corporation
Name of Representative	Reijiro Yamamoto, Representative Director and Partner (Securities code : 5842 Growth Market of the Tokyo Stock Exchange)
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Notice of Receipt of Carried Interest from Fund III Series

Integral Corporation announces that its affiliated funds, Integral 3 Limited Partnership and Innovation Alpha L.P. (collectively “Fund III Series”) are expected to exceed its hurdle rate and distribute carried interest to Integral group.

1. Overview of Carried Interest

When Fund III Series exceeds the hurdle rate (8% per annum on the deployment amount), Integral group is entitled to receive the carried interest that is 20% of the cumulative profits of Fund III Series (excluding the portion attributable to our directors and employees).

Fund III Series has made nine investments since the inception in 2017, and has made four exits (including one partial exit) and the associated distributions to date. As separately announced today, Fund III Series is expected to receive the advances of the share transfer, and by the addition of the distribution of such advances scheduled for early July, Fund III Series is expected to exceed the hurdle rate.

Accordingly, we expect to receive the carried interest from Fund III Series in July 2024.

2. Future Outlook

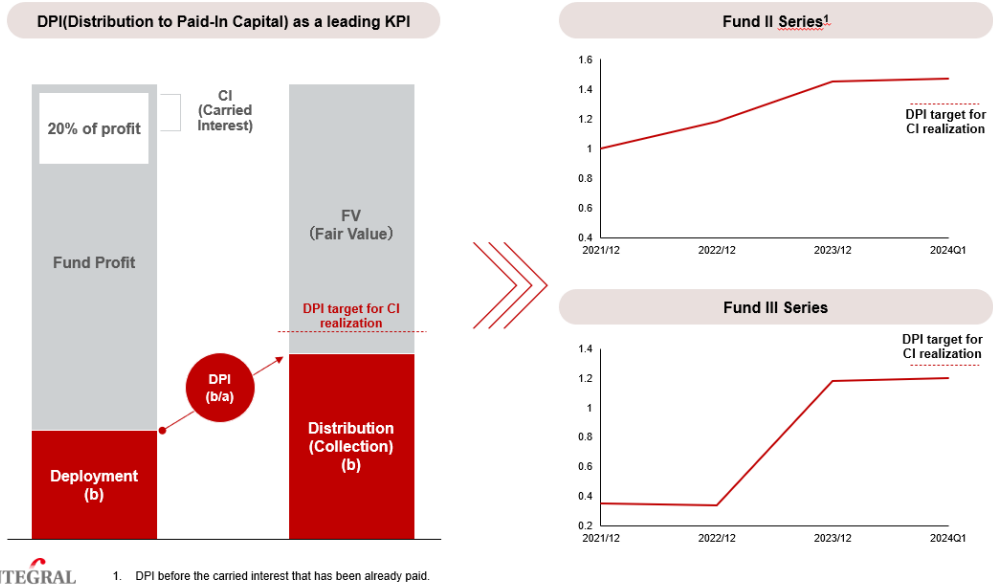
As for the impact of the receipt of carried interest on the consolidated financials for the fiscal year ending December 31, 2024, Revenue will increase by approximately JPY 5.1 billion, Profit before income taxes will increase by approximately JPY 5.0 billion, and Profit for the year will increase by approximately JPY 3.4 billion, which will be recorded in the financial results for the third quarter of the fiscal year ending December 31, 2024.

We will continue to disclose the amount of unrealized carried interest for Fund III Series after the receipt of the above in the quarterly management presentation as before.

[Reference information regarding Carried Interest]

In our Management Presentation, we have been disclosing the progress of distribution for each quarter by the DPI (Distribution to Paid in Capital : the ratio of the amount of distribution to the amount of paid-in capital) equivalent of the hurdle rate as an indicator for the expected timing of the carried interest. As mentioned above, the DPI is expected to progress further due to the next distribution, and DPI target will exceed the hurdle rate.

The 2nd pillar (3)
Timing of CI realization :
DPI of Fund III is also growing



1. DPI before the carried interest that has been already paid.

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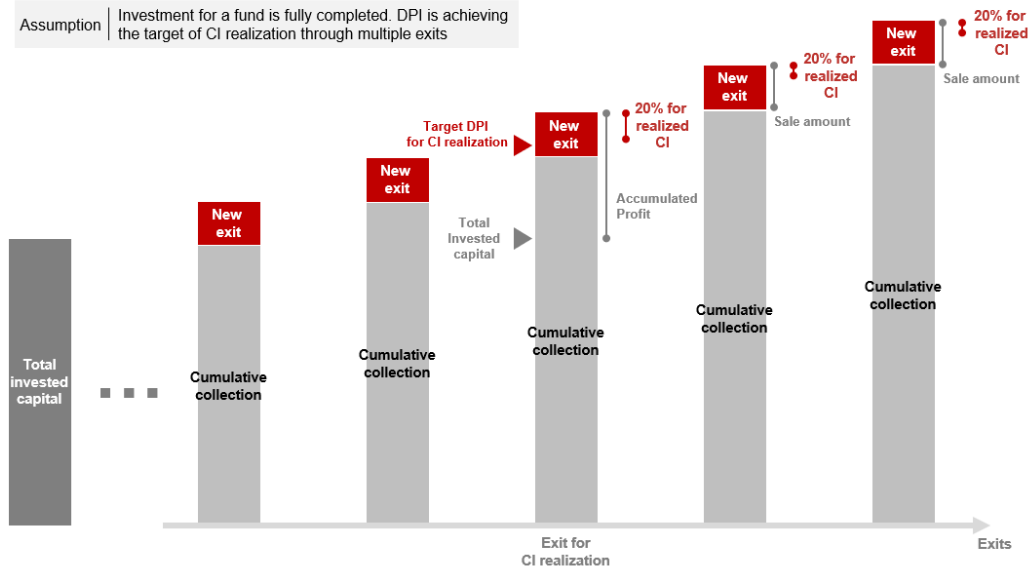
Excerpts from Q1 Management Presentation 2024 (P15)

With respect to the expected amount of the carried interest, the exit that is the trigger of exceeding the hurdle rate is 20% of the cumulative fund's profits including previously collected amounts, while the exit after exceeding hurdle rate is 20% of the sales proceeds.

DPI and CI realization

Illustrative model

Assumption | Investment for a fund is fully completed. DPI is achieving the target of CI realization through multiple exits



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Excerpts from Q1 Management Presentation 2024 (P41)