



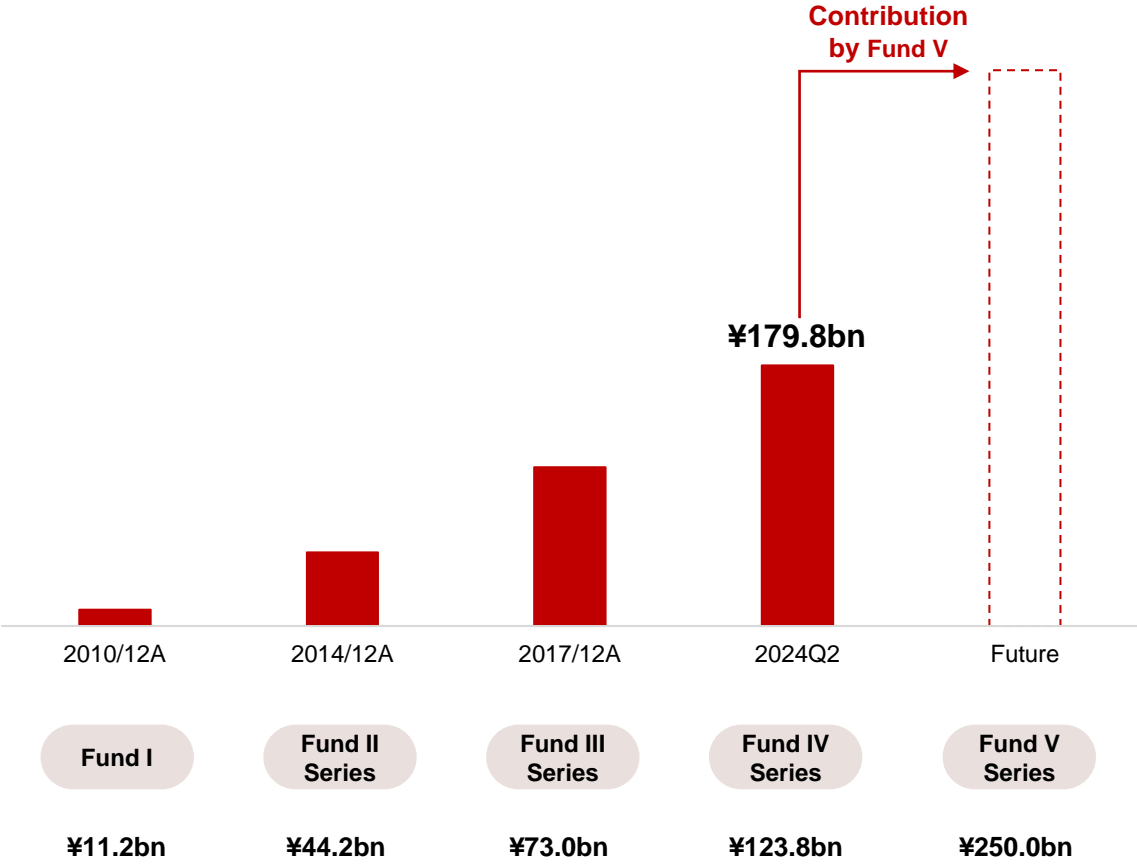
Q2 Management Presentation 2024

Integral Corporation

August 2024

Integral is a leading Japanese-Style private equity

Expanding FE AUM



Gross MOIC ¹ 2.7x	Gross IRR 26.7%
Investment professionals 50 / 84	Full on-site support 100%



1. Average of gross MOIC and gross IRR for Fund I, Fund II Series, and Fund III series, excluding Fund IV series, which are still in the investment period. Fund I as of fund liquidation, Fund II and Fund III series as of June 30, 2024

Invested in EV of more than ¥660bn by focusing on mid-cap companies in Japan

Fund I



Manufacturer of
Customized inserters



Prominent brand
in Paris Fashion week

SHICATA CO.

Design & production of
Women's bags



Planning & production
of TV commercials



Residential real estate
service



Design and sales of optical
components

Fund III Series



Telemarketing Service
provider



Professionals of IT & RPA



Fertilizer/ammonia chemical plant EPC



Independent fertilizer
manufacturer



サンデン・リテールシステム株式会社

Vending machine and refrigerated
showcase manufacturer



Conveyor belt component
manufacturer & Robot Sler



Professionals of DX/IoT



Planning and sales for
color contact



Bridal ring manufacturer

Fund II Series



Japanese-style
izakaya bar chin



Wedge-type system scaffolding
manufacturer



Low price
nail salon chain



Low price
hair cut salon chains



3rd largest airline



Import/export and wholesale
of tuna and salmon



Production of
Custom-made & ready-made wigs



Production of temperature sensors
and related electronic devices

Fund IV Series



Photo-related
service provider



Wooden furniture
manufacturer

TOPPAN PHOTOMASK CO., LTD.

photomask manufacturer for
semiconductors



Production and sale for
apartments for investment



Office coffee
service provider



Precision products
manufacturer



IT Staffing Agencies

Agenda Today

1. 1st Half of FY2024
2. Update of our 3 pillars

Appendix



1

1st Half of FY2024

Active Exit in 1H

1Q



Exit of Fund II

Jan & Mar 2024

Share buy-back &
Transfer of shares to Suzuyo HD



Exit of Fund III

Feb 2024

Share buy-back &
Transfer of shares to the founder

2Q



Exit of Fund II

Aug 2024 (agreed on June)

Transfer of shares
by recapitalization



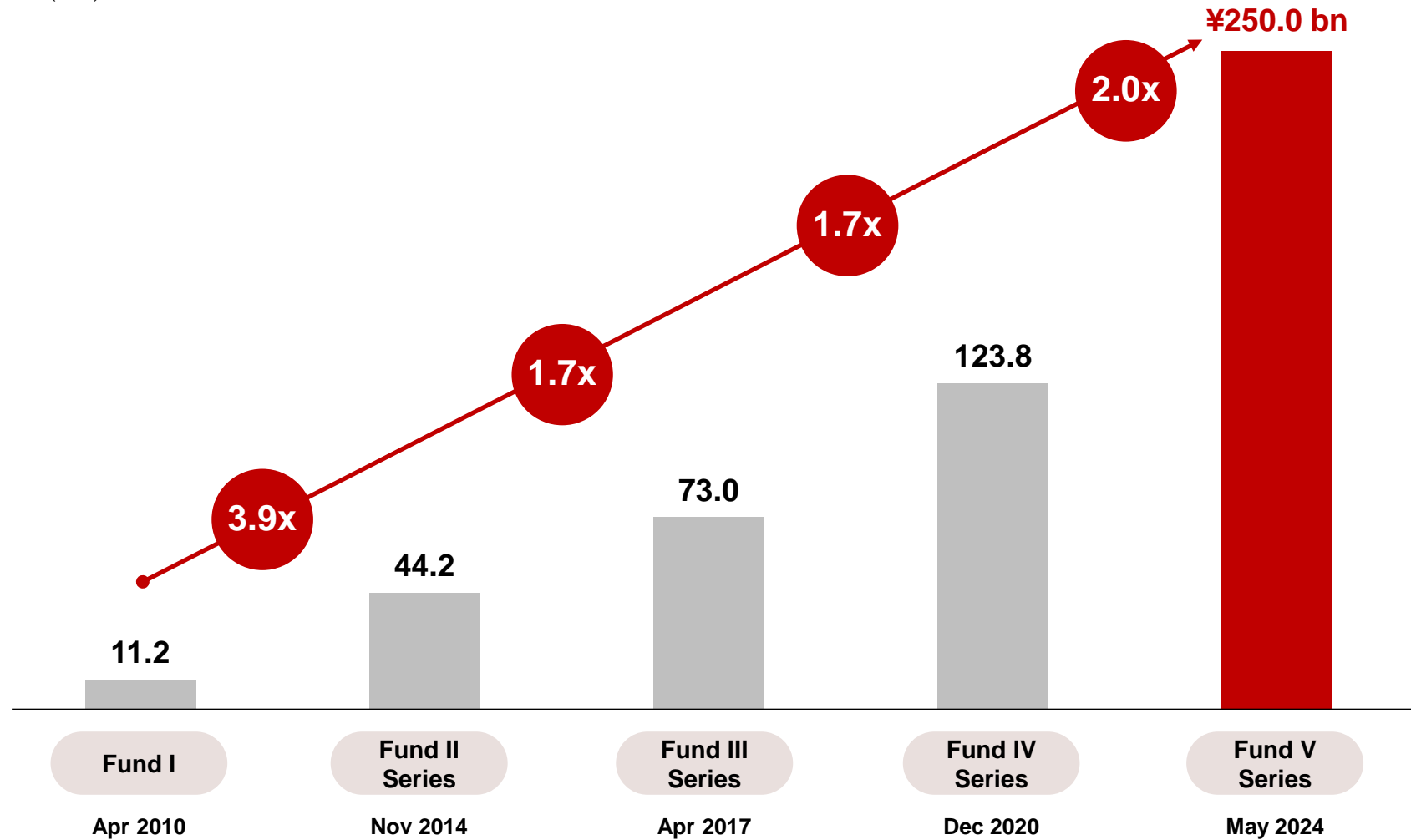
Exit of Fund III

Jun & Jul 2024

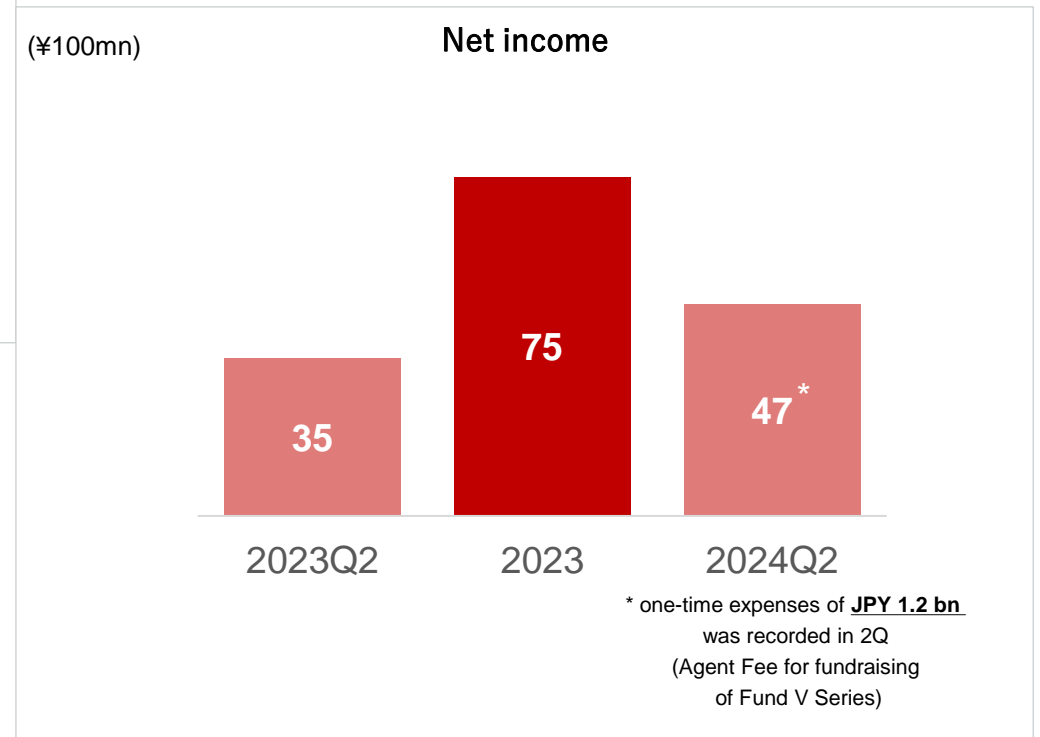
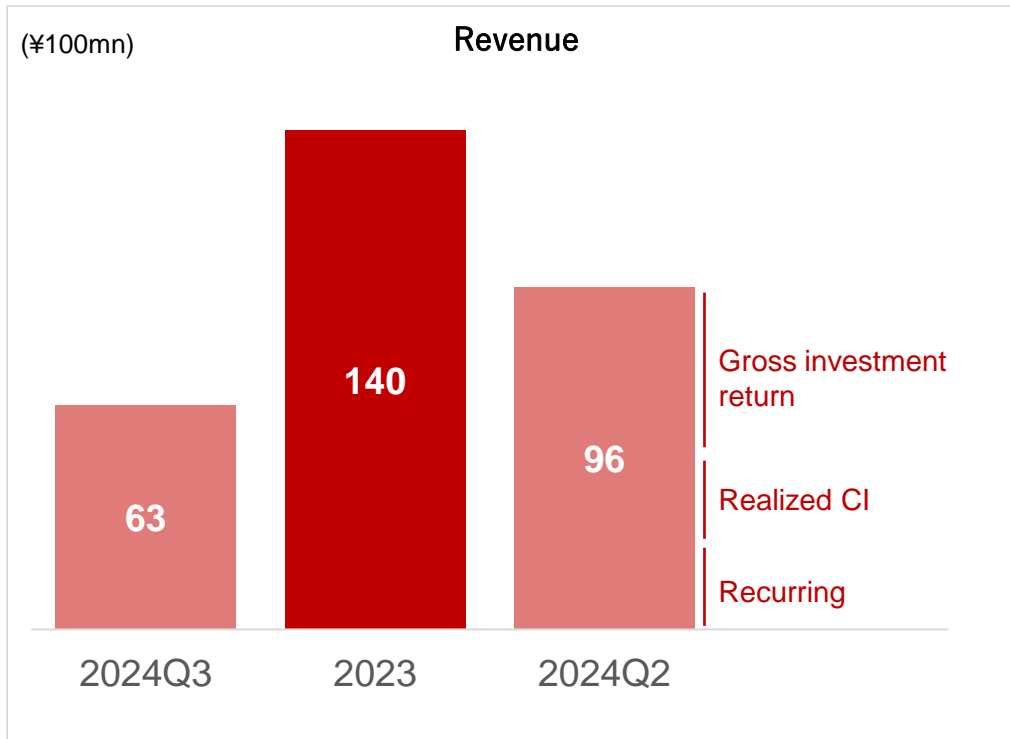
Sale of two portfolios by
Mamezou K2TOP

Final closing of Fund V

(¥bn)



Solid growth of both revenue and profit





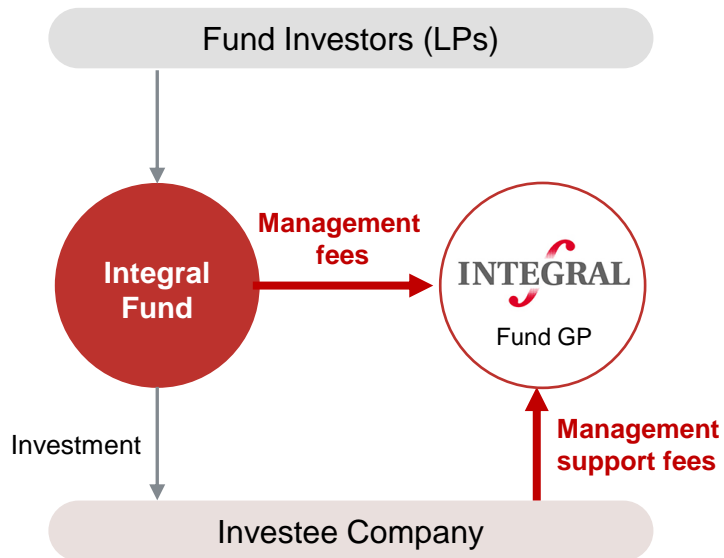
2

Update of our 3 pillars

We have 3 pillars

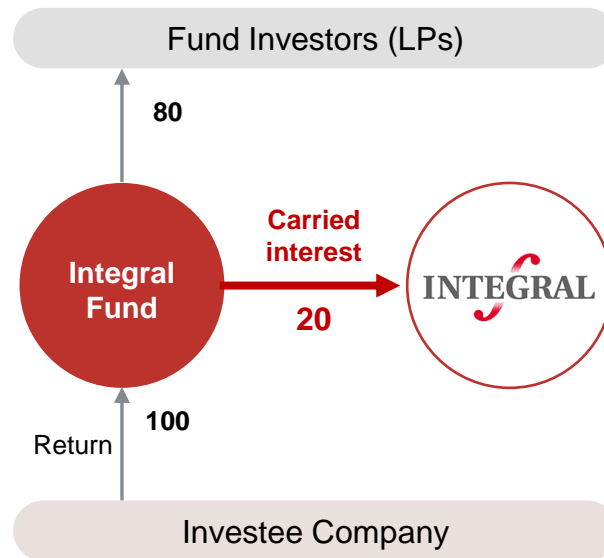
1

Integral receives quarterly fees based on FE AUM as recurring revenue



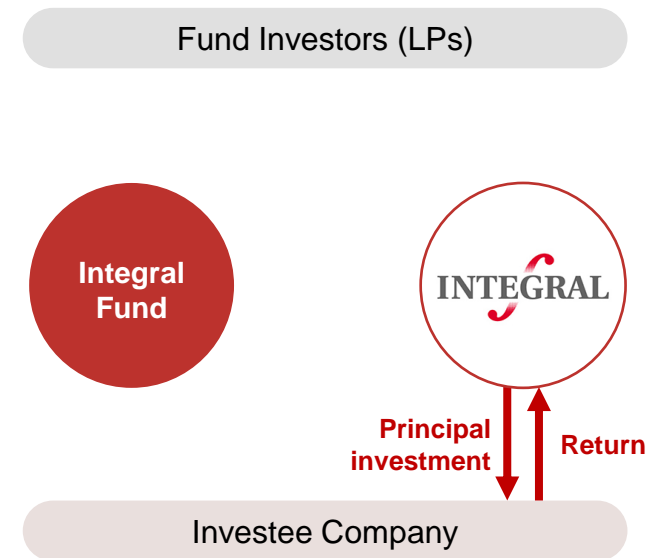
2

Upon investment exit, Integral receives certain % of return

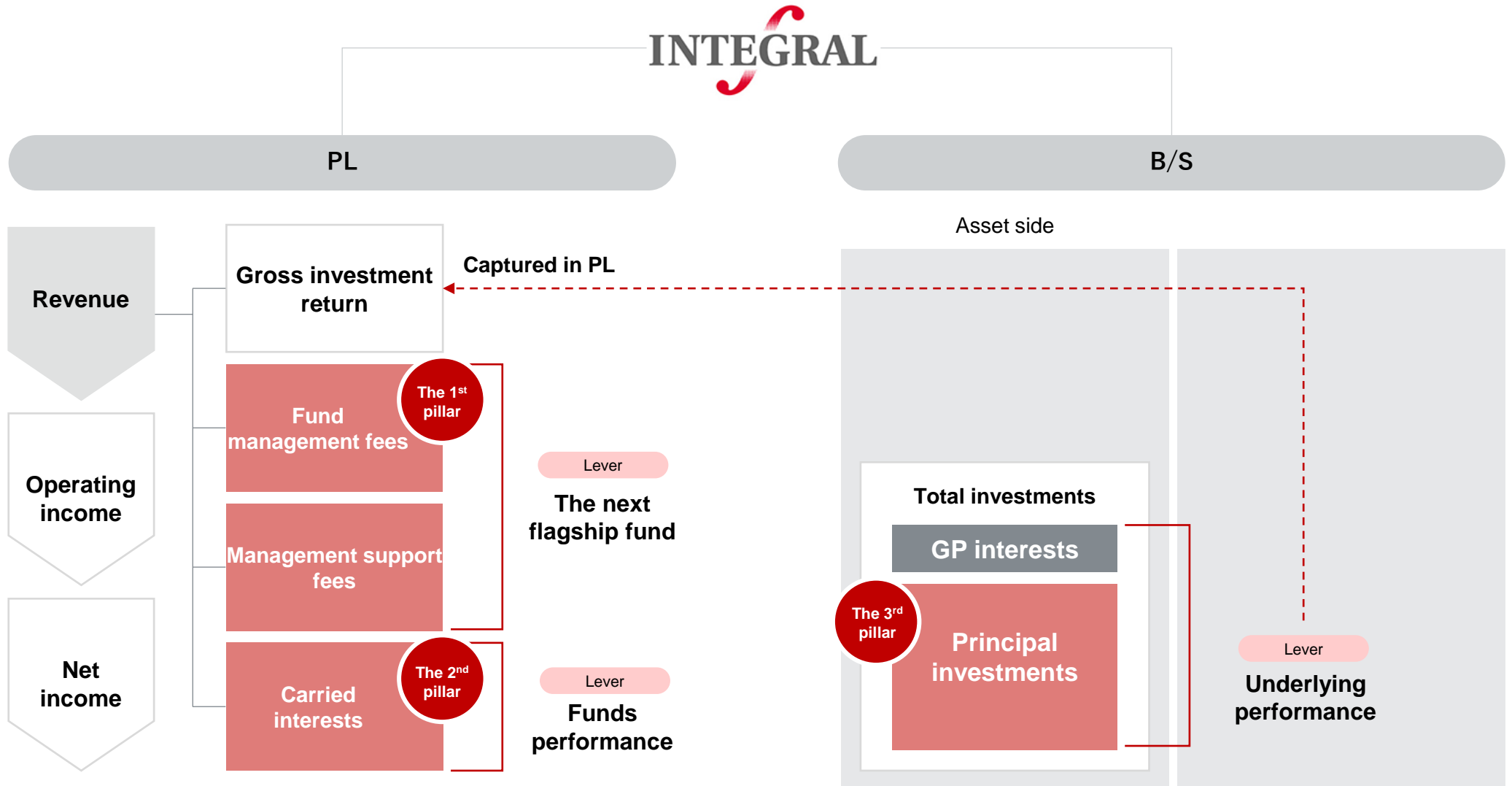


3

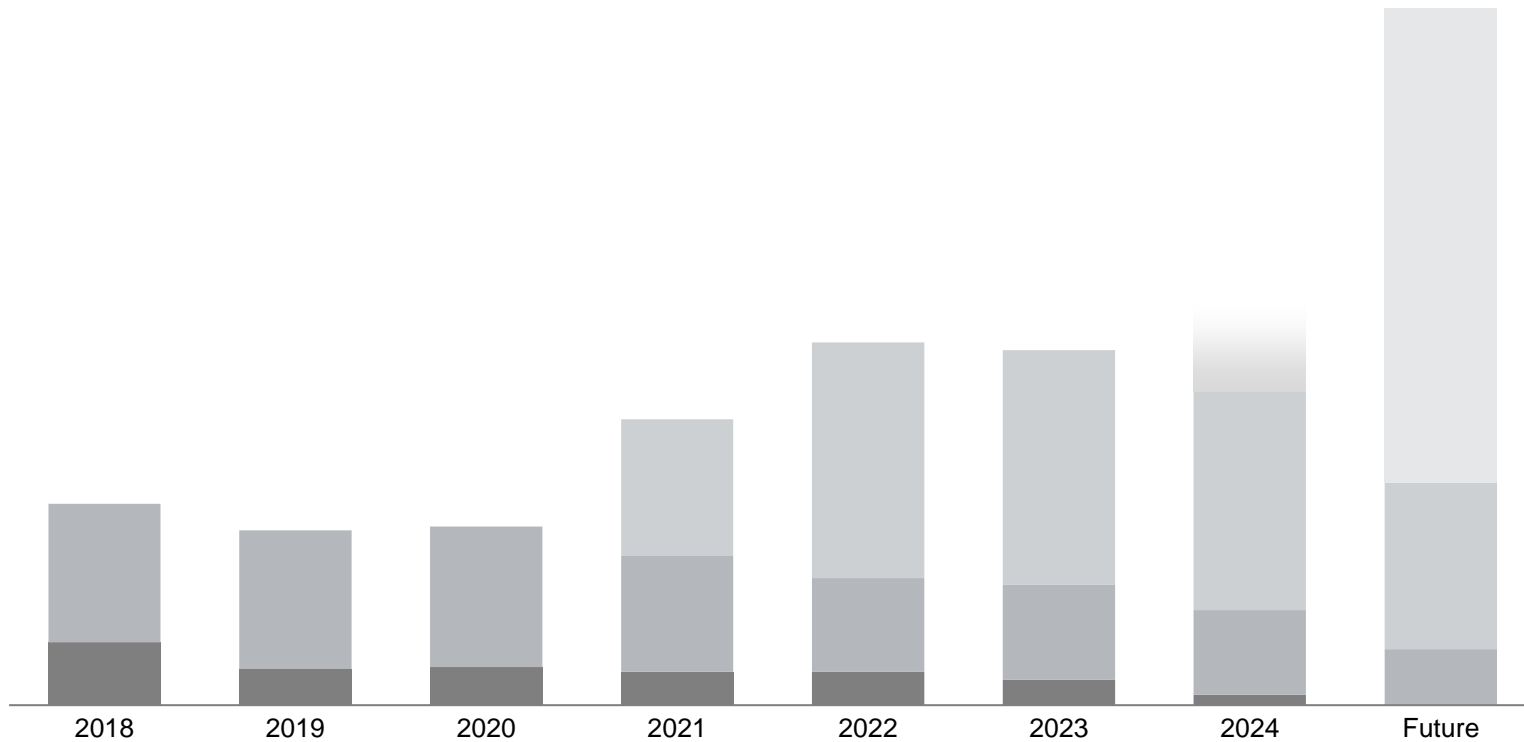
Integral makes a principal investment in parallel with a fund investment, leading to its competitive advantage



Our unique value creation model with the 3 pillars

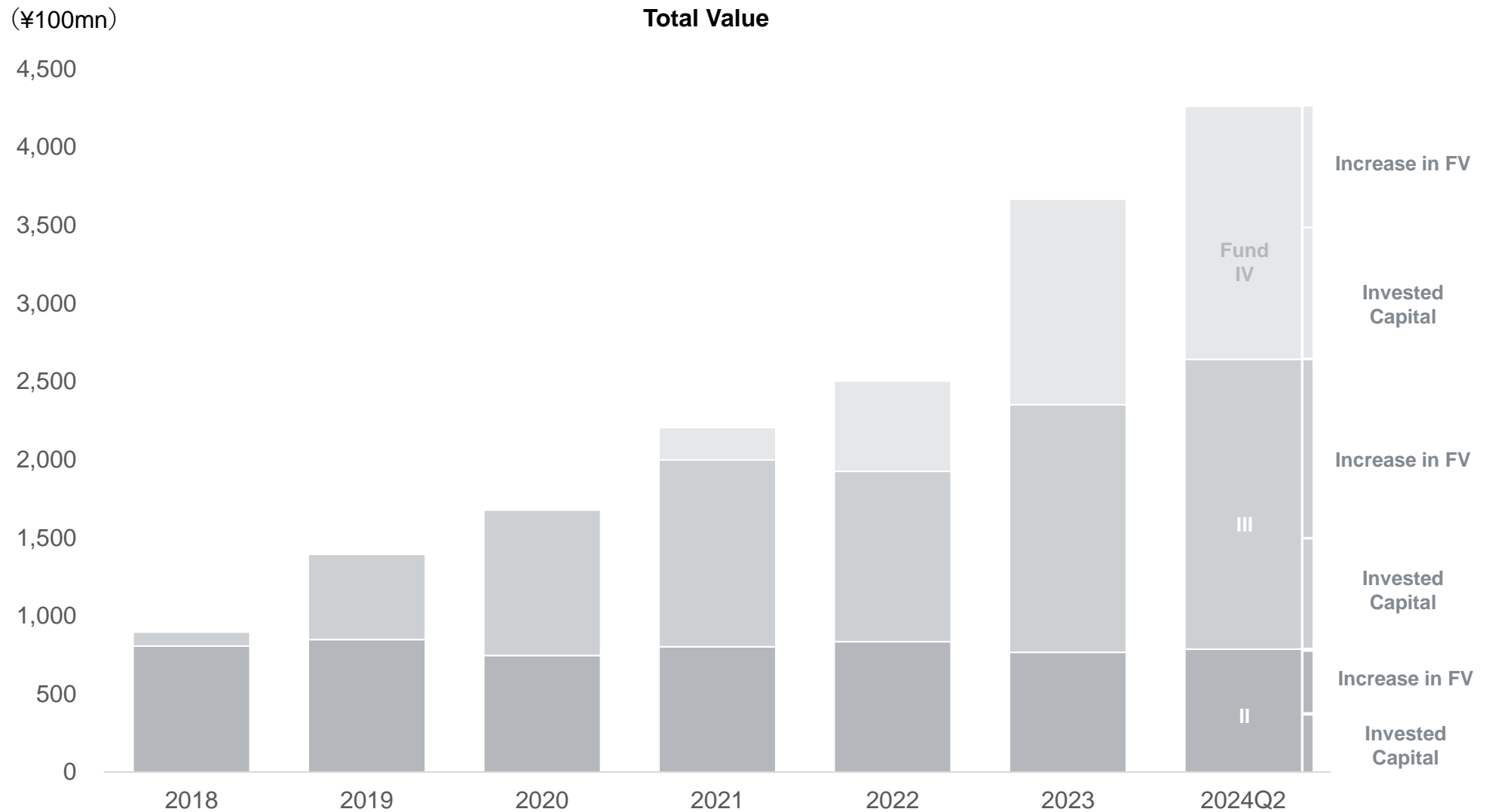


The 1st pillar Management fees to be piled up



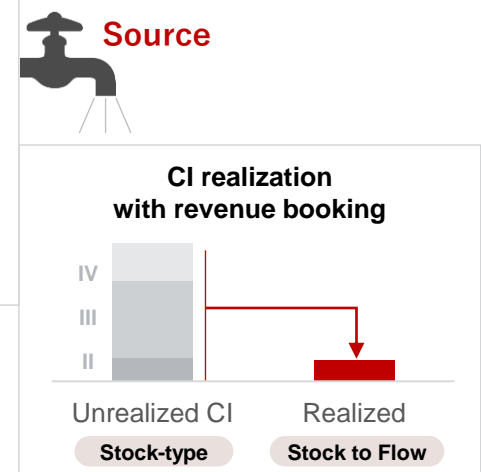
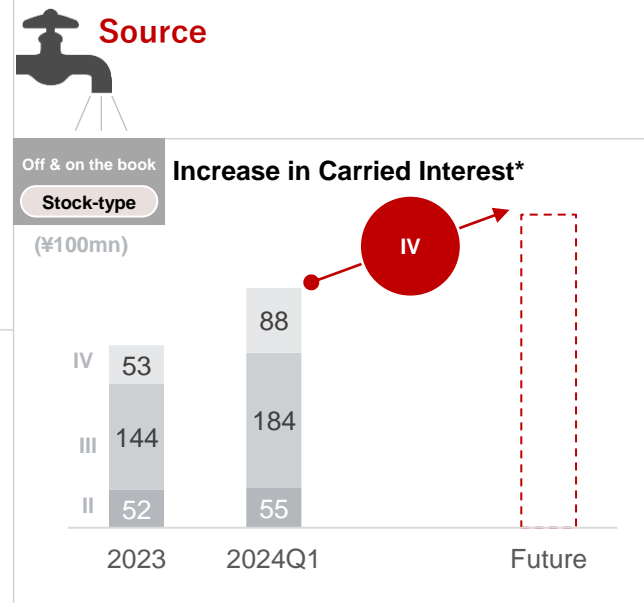
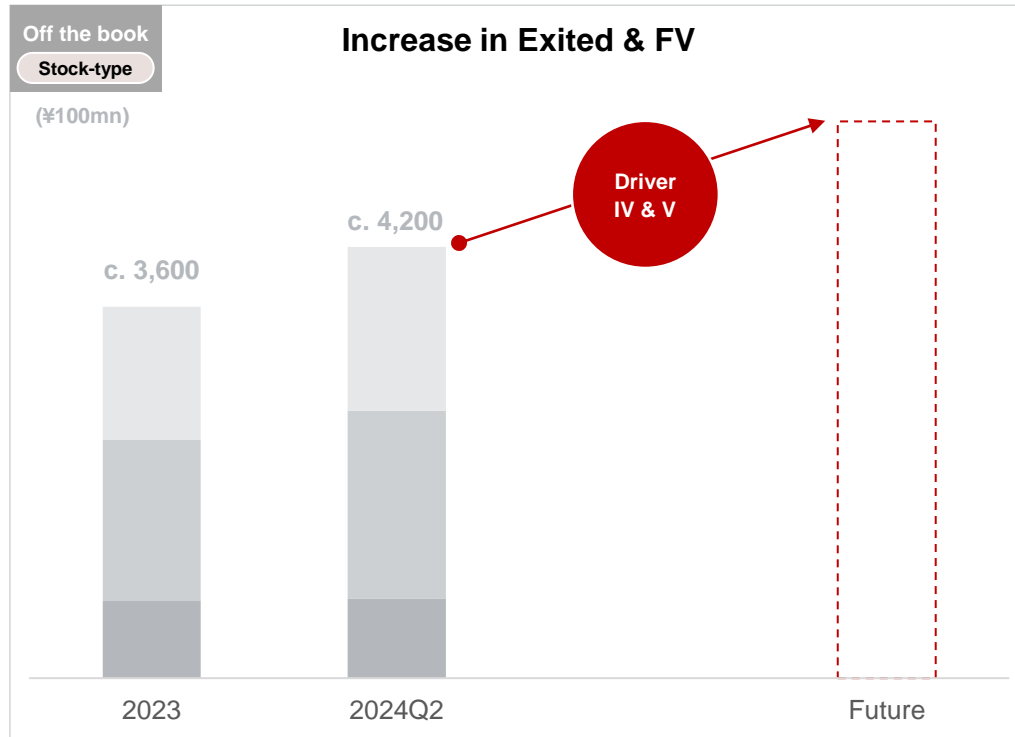
The 2nd pillar (1)

Source of Carried Interests



The 2nd pillar (2)

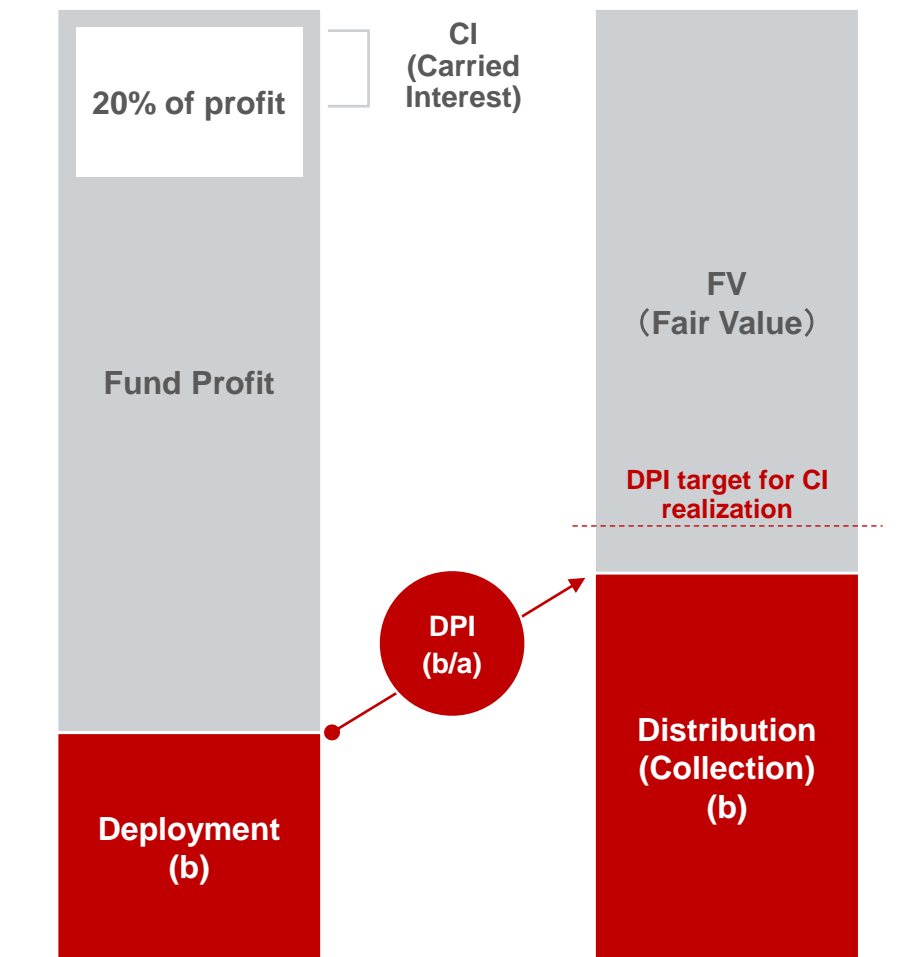
Investees' prosperity is our top priority, then the returns follow



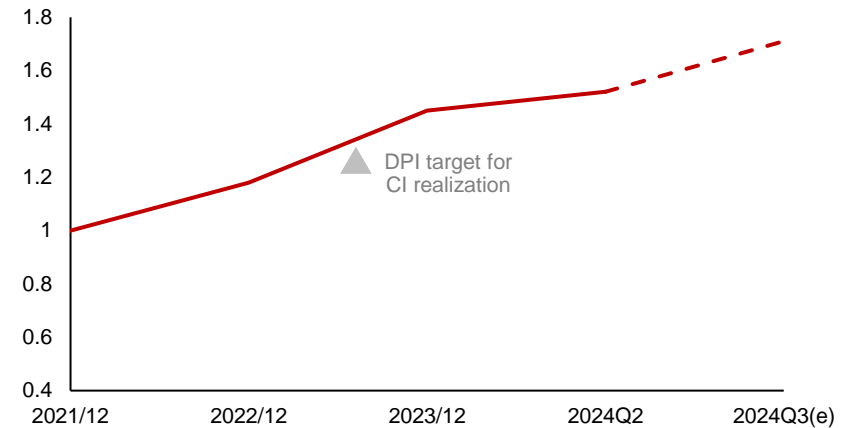
The 2nd pillar (3)

Following Fund II, Fund III's CI is realized

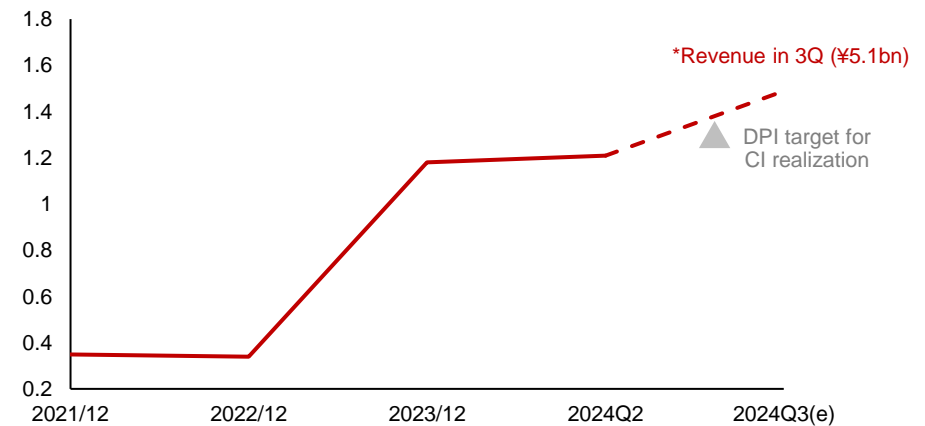
DPI(Distribution to Paid-In Capital) as a leading KPI



Fund II Series¹

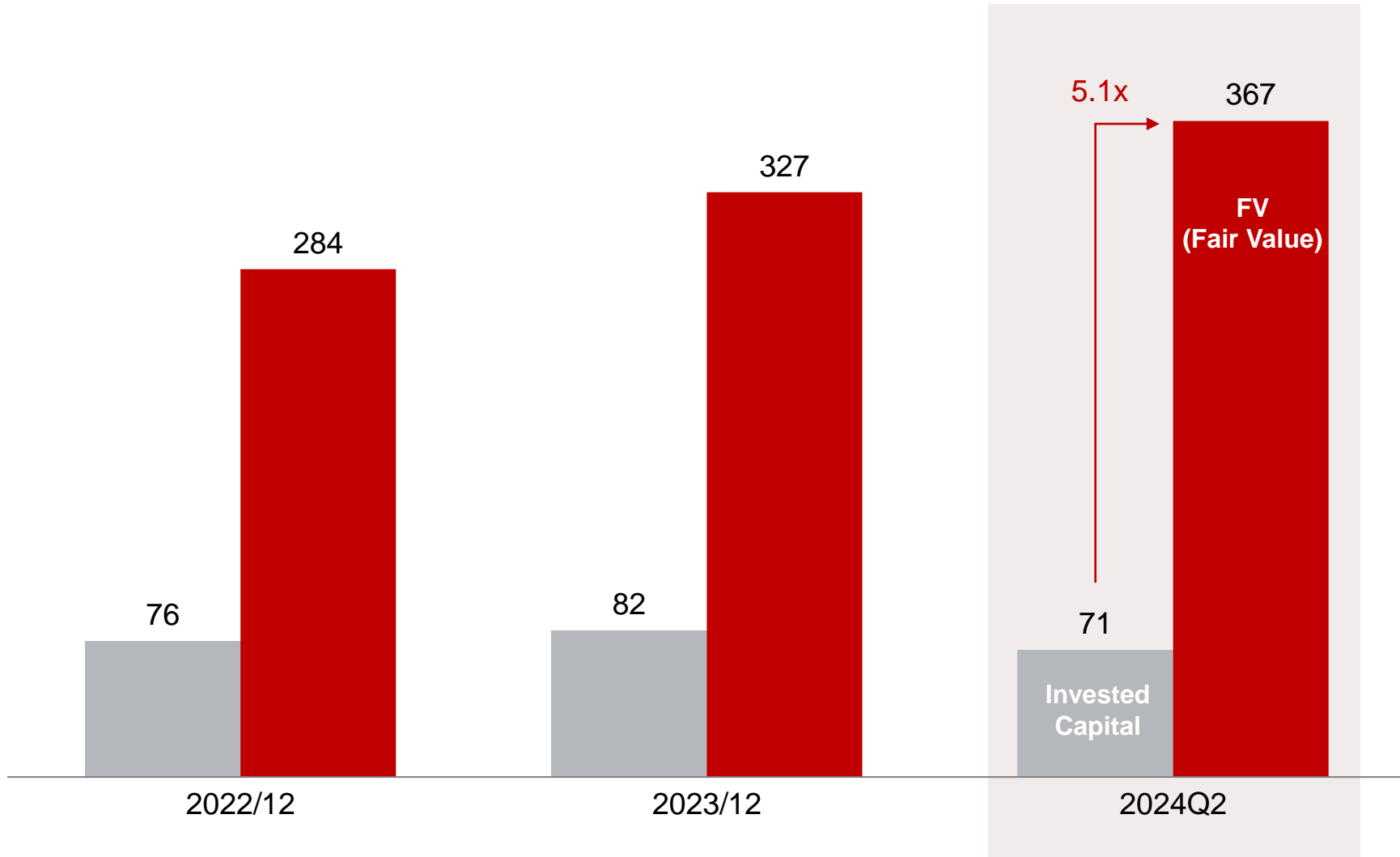


Fund III Series¹



The 3rd pillar Principal Investment is on track

(¥100mn)



Key takeaways

1 — Solid Growth in 2Q led by FV increase and CI realization

2 — Fund V closed with ¥250 bn (2x vs Fund IV)

3 — Fund III has finally realized CI in 3Q



Appendix



1

About Integral

Partner & CFO



Reijiro Yamamoto

Representative Director & Partner
(founding member)



Nobuo Sayama

Partner
(founding member)



Yoshihiro Hemmi

Director & Partner
(founding member)



Kensaku Mizutani

Director & Partner
(founding member)



Makiko Hayase

Director & Partner



Satoko Niiya

Partner
(Lawyer)



Hidetsune Goto

Partner



Tsuyoshi Yamazaki

Partner

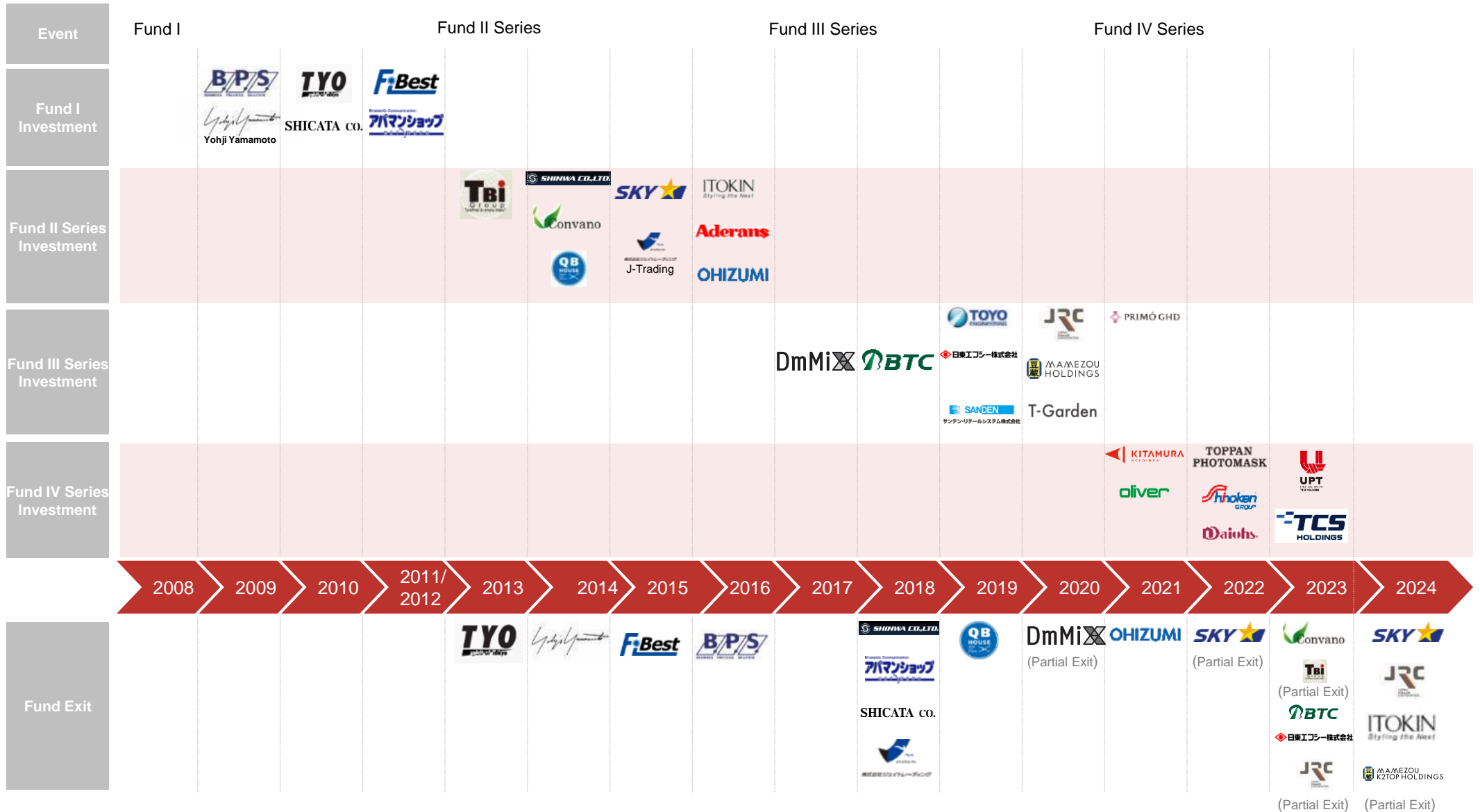


Yasuaki Sumikawa

CFO & Controller
(CPA)



Investment & Exit

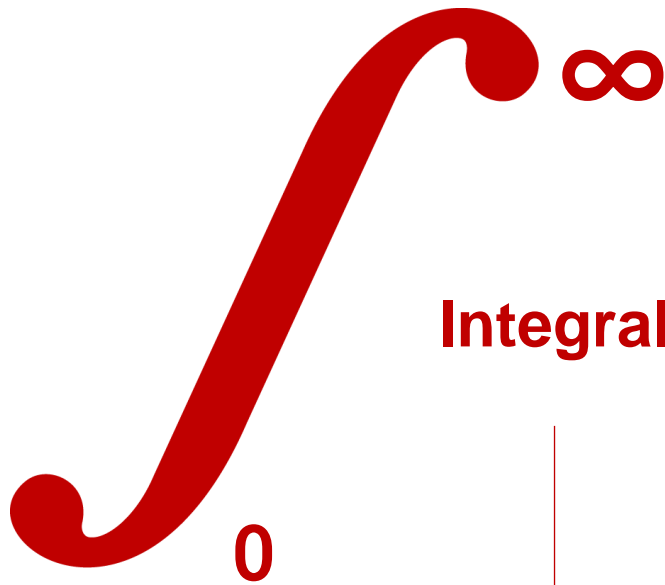




2

Integral's unique features

Our Mission



Integral

Deepest trust
and highest wisdom



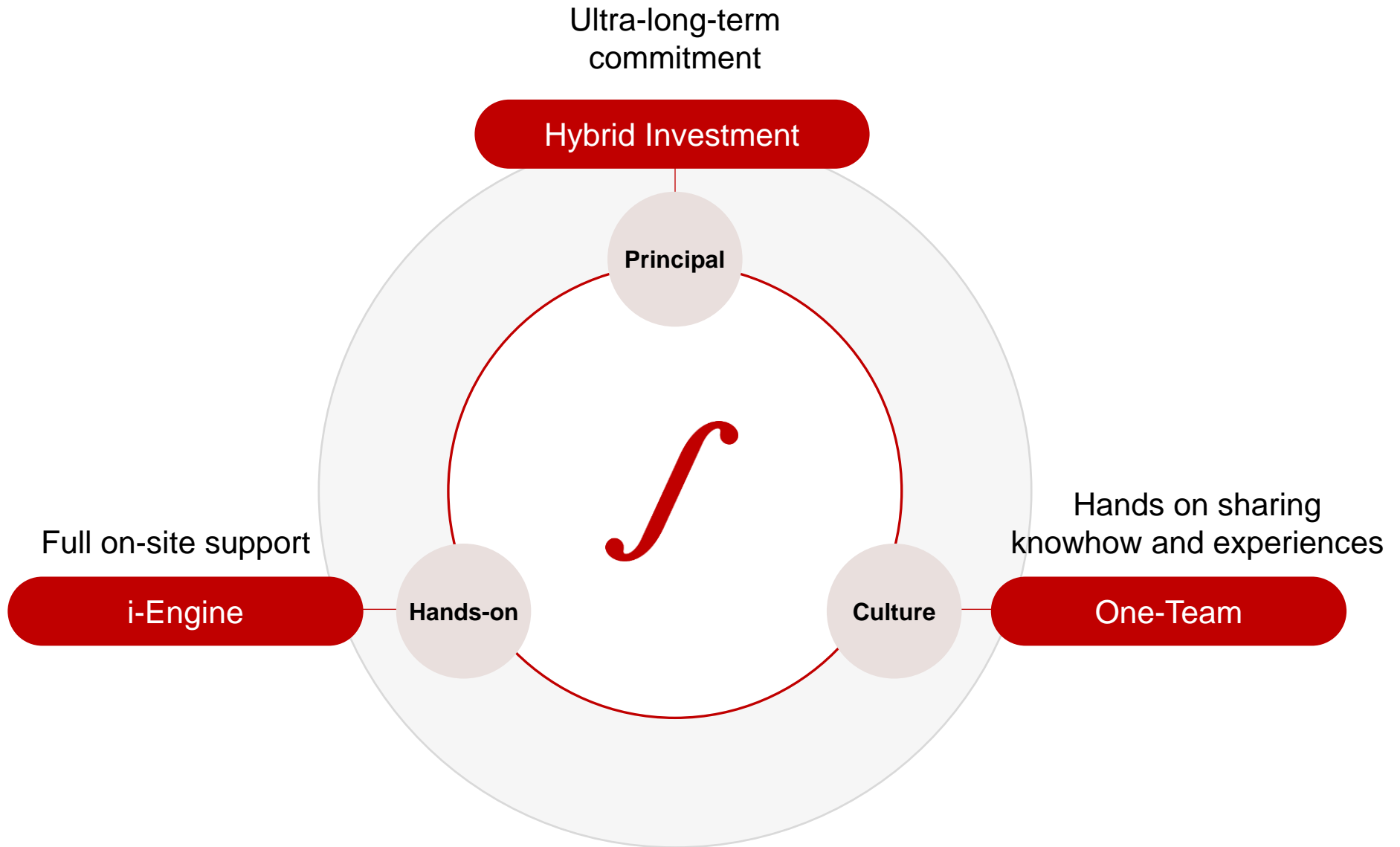
Trusted Investor

Seeing "eye-to-eye"
with management



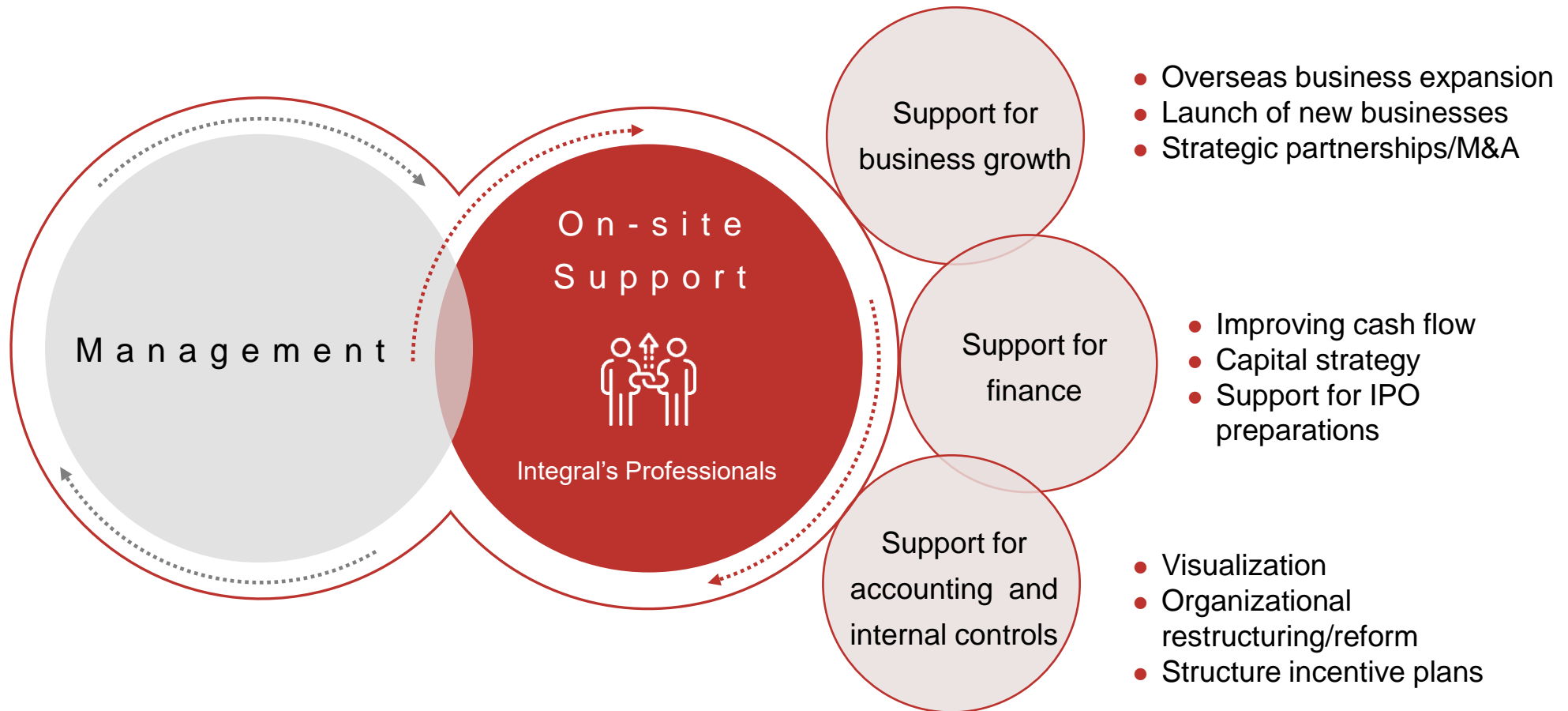
**U n i q u e
" J a p a n e s e
P r i v a t e E q u i t y "
m o d e l**

Why Integral is differentiated from the others



What's "i-Engine"

Quickly and seamlessly strengthening internal structure through hands-on management support

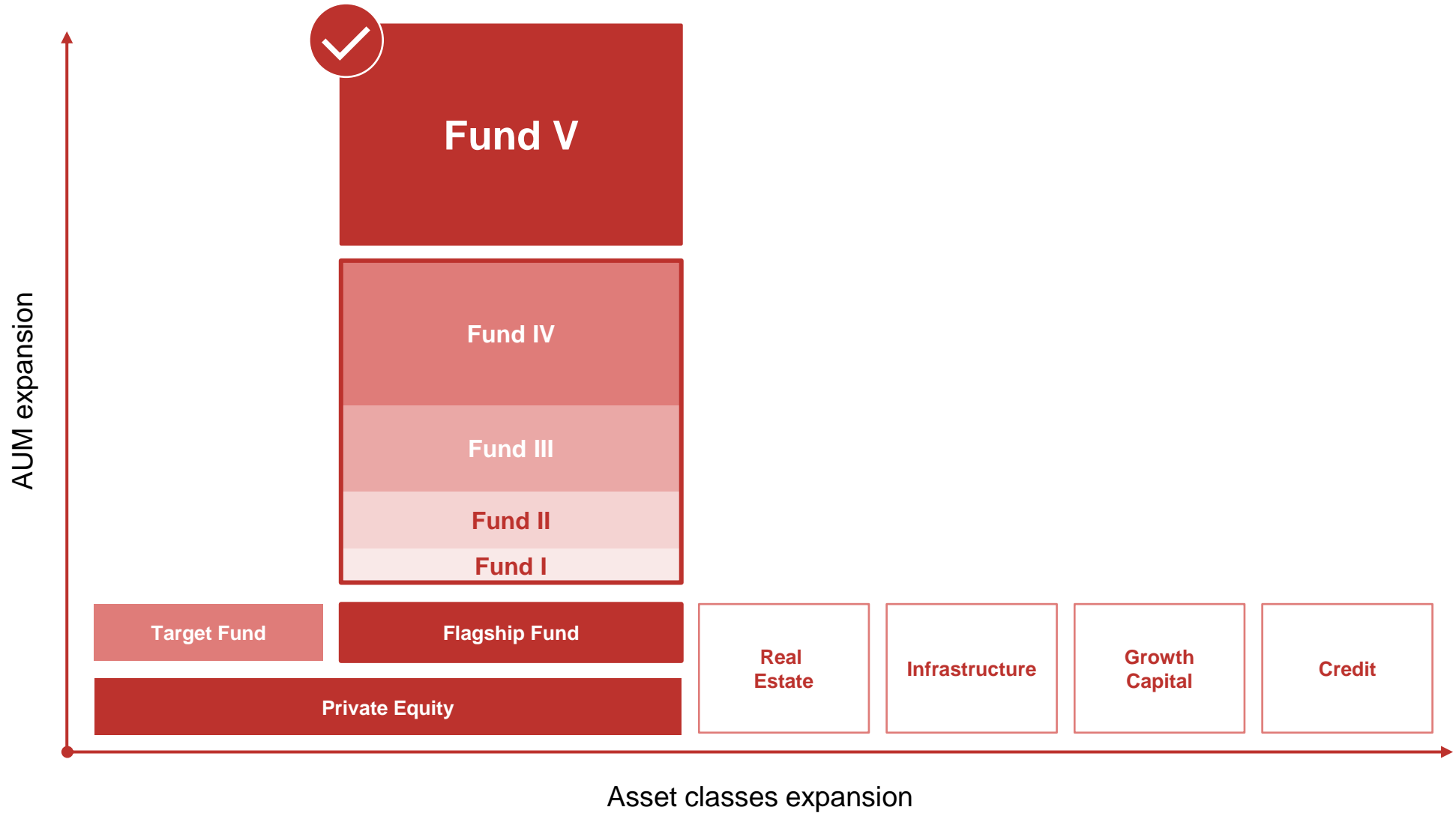




3

Our Growth Strategy

Final closed of Fund V





4

Ample opportunities

Huge upside in Japan...



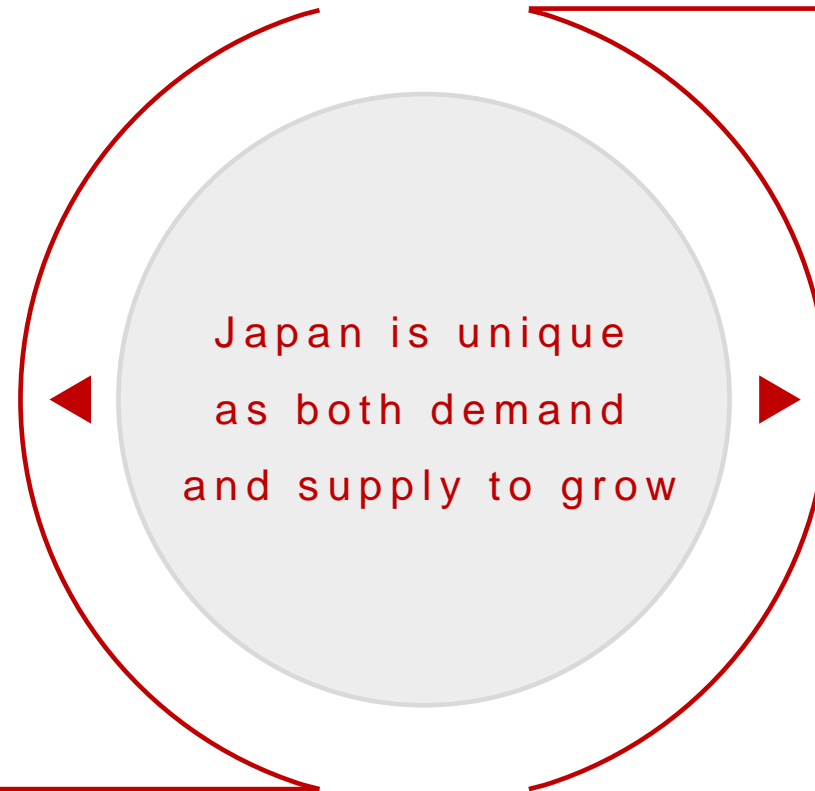
Sources of Fund side

Asset Allocation in Alternative Assets

GPIF(Japan)	1.4%
PFA for Local Govt. (Japan)	0.9%
Federation of municipalities(Japan)	1.0%
GPF(Norway)	2.8%
NPS(South Korea)	16.4%
CalPERS(US)	27.4%
CPPIB(Canada)	64.0%
NSSF(China)	14.0%
CalSTRS(US)	49.6%

PE Deal Value as % of GDP

Japan	0.3%
United States	1.3%
United Kingdom	1.8%
Germany	0.7%



Uses of Fund side

...then Why Now?

Business Succession

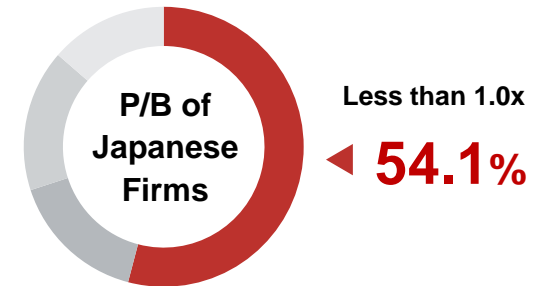
% of small to mid-cap owners aged 70+

26.8%

Increase in succession M&A in the past 5 yrs

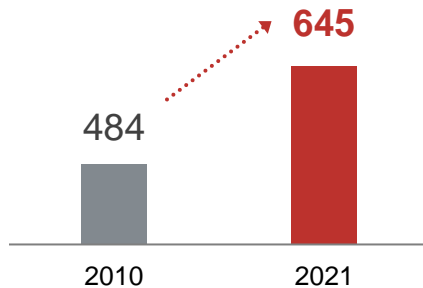
c.2.3x

Undervalued

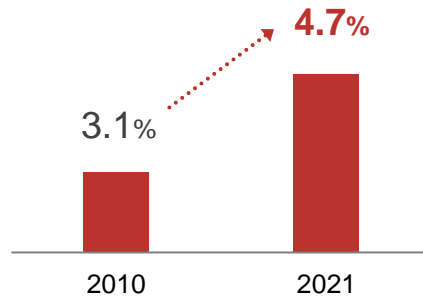


Carve-out

of transactions



% of PE involved in carve-out



Shareholder Activism

Activist / financial investor proposals



Hostile takeover



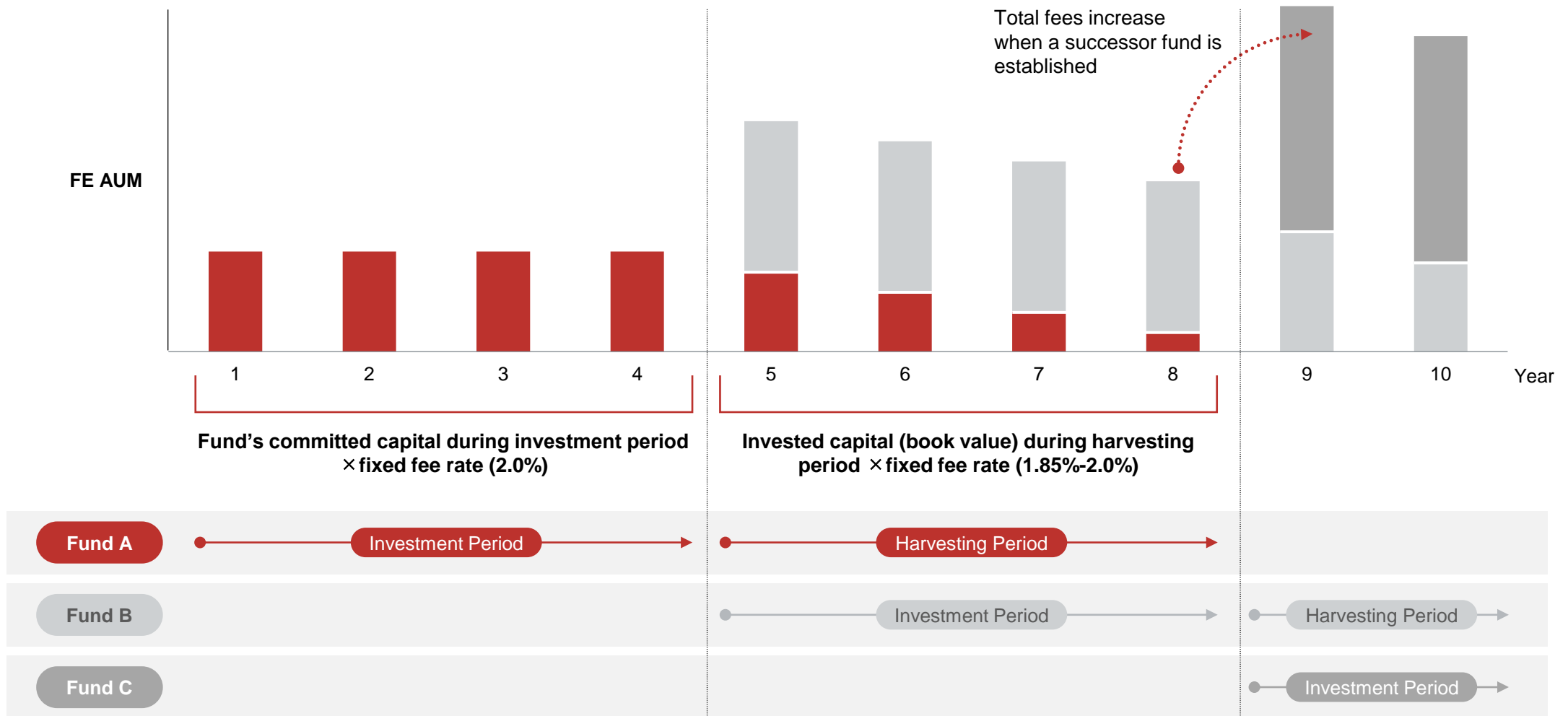


5

Our business model

Management fees are the foundation for our value expansion

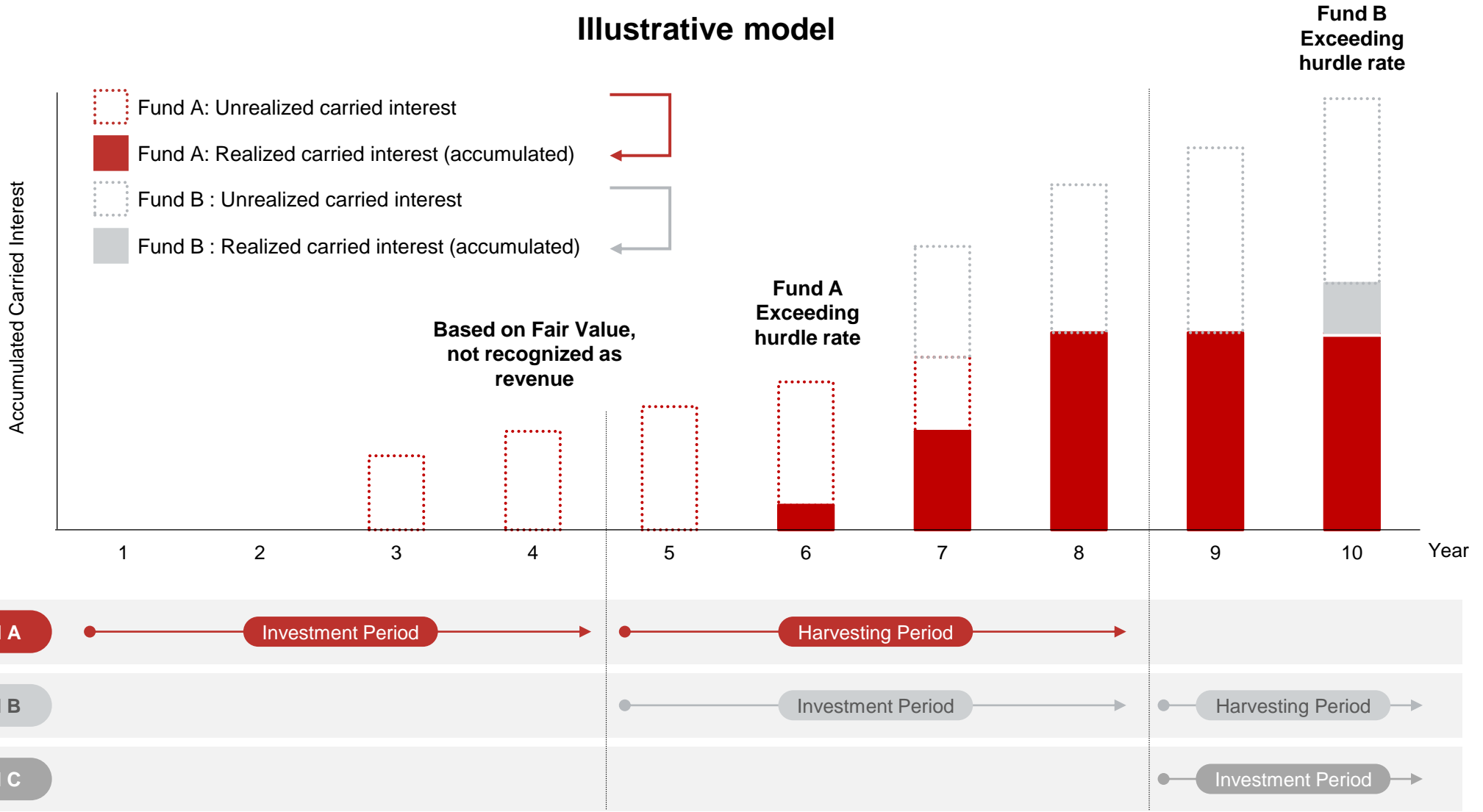
Illustrative model¹



1. Assuming that the next fund is established every 4 years and the fund size increases by 1.5 times for each subsequent fund

Carried interest is realized when the cumulative gains exceed the hurdle rate

Illustrative model



Carried interest brings higher return

Illustrative return model¹

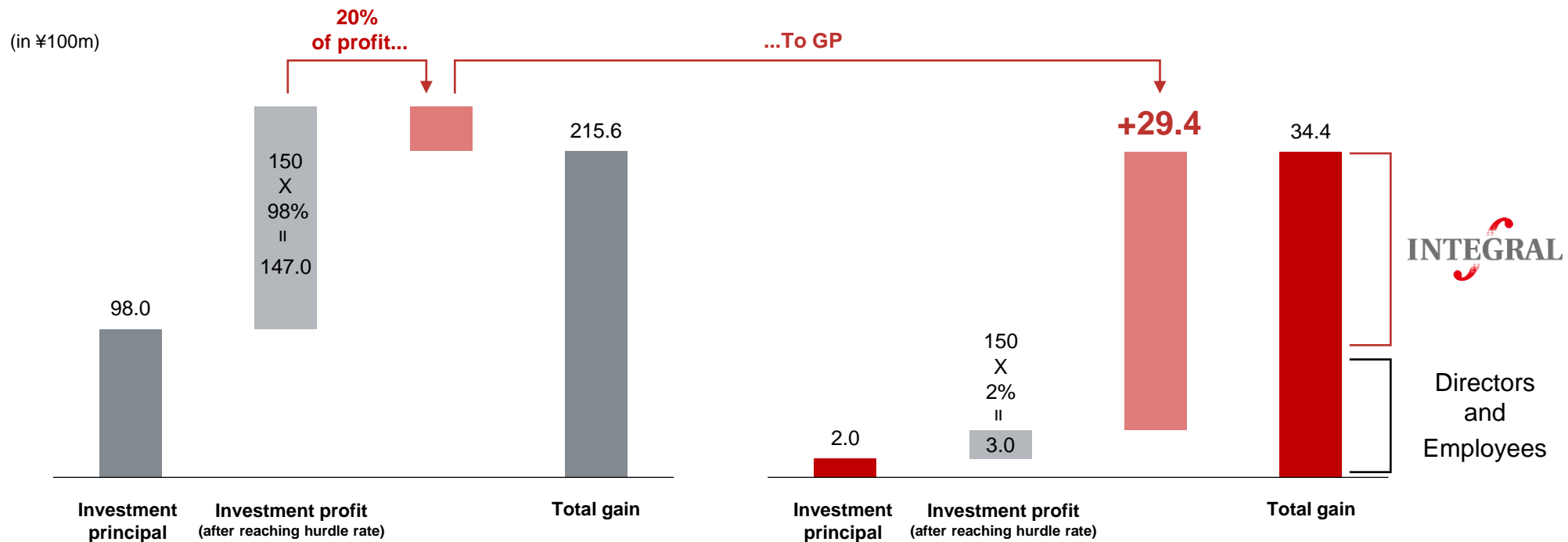
Assumption	Invested amount (LP+GP)	¥10bn	GP commitment	2%
	Investment period	4yrs	Hurdle rate	8%
	Investment proceeds	¥25bn	Hurdle return amount	¥3.6bn

LP Return

MOIC¹ 2.2x: IRR¹ 21.8%

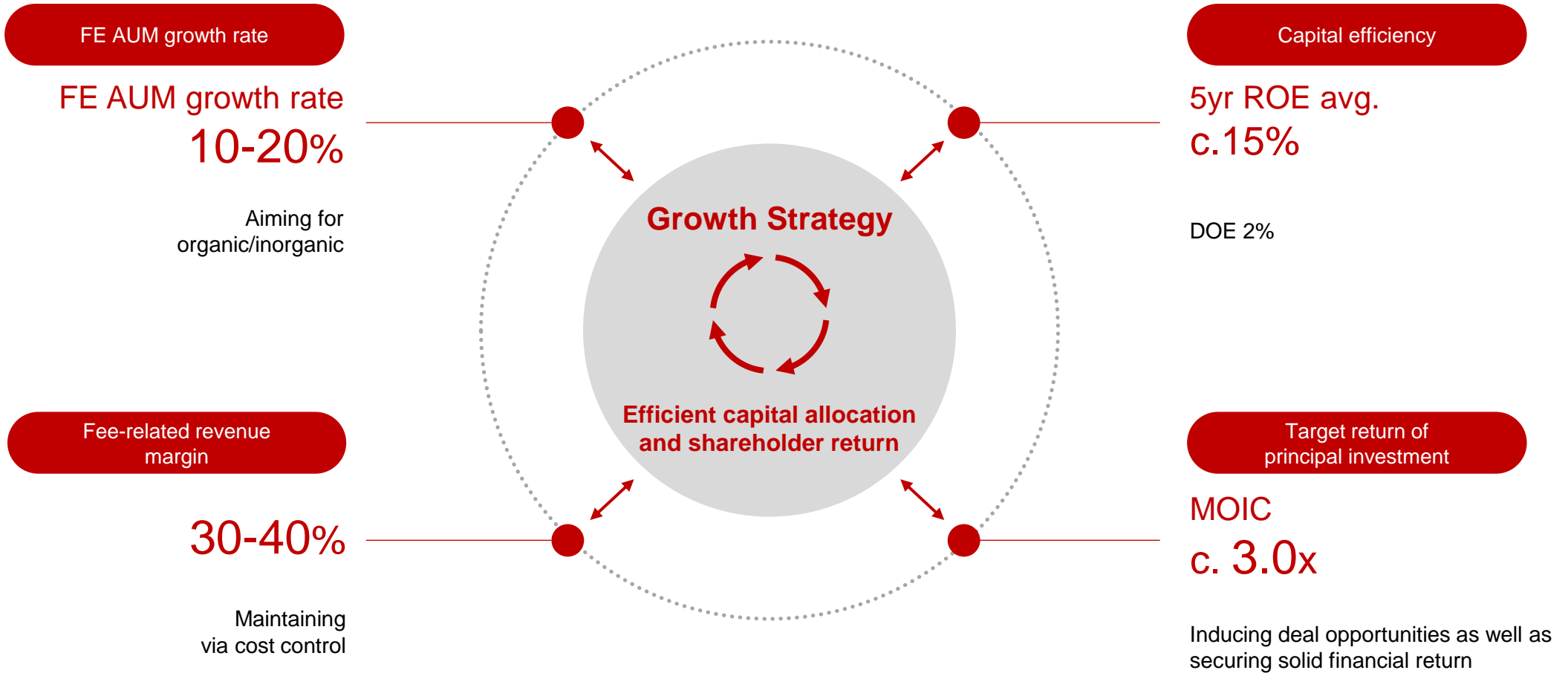
GP Return

MOIC¹ 17.2x: IRR¹ 103.6%



1. Net MOIC / IRR calculated based on assumptions. Net MOIC / IRR refer to the investment ratio and internal rate of return, respectively, based on the investment proceeds received in the project after deducting various expenses (excluding unrealized carried interest)

Target KPIs



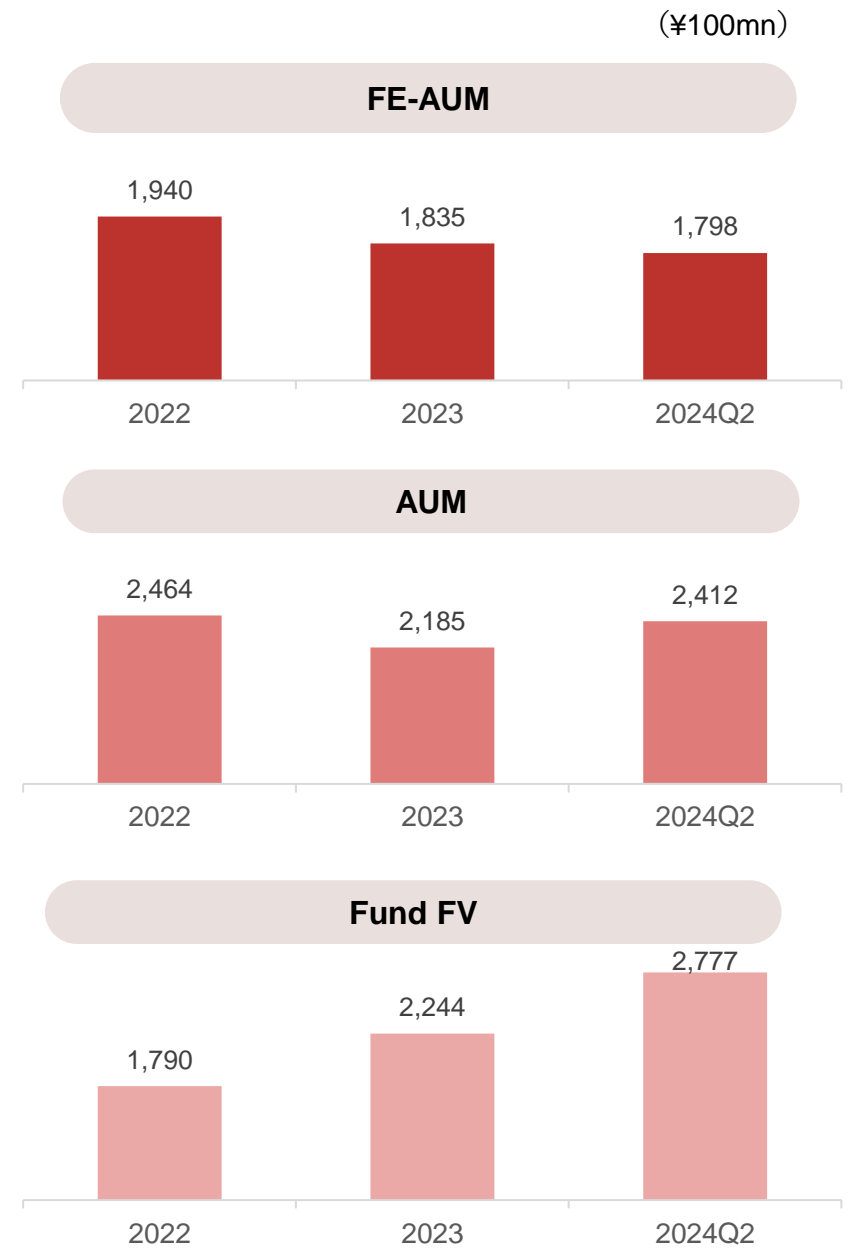
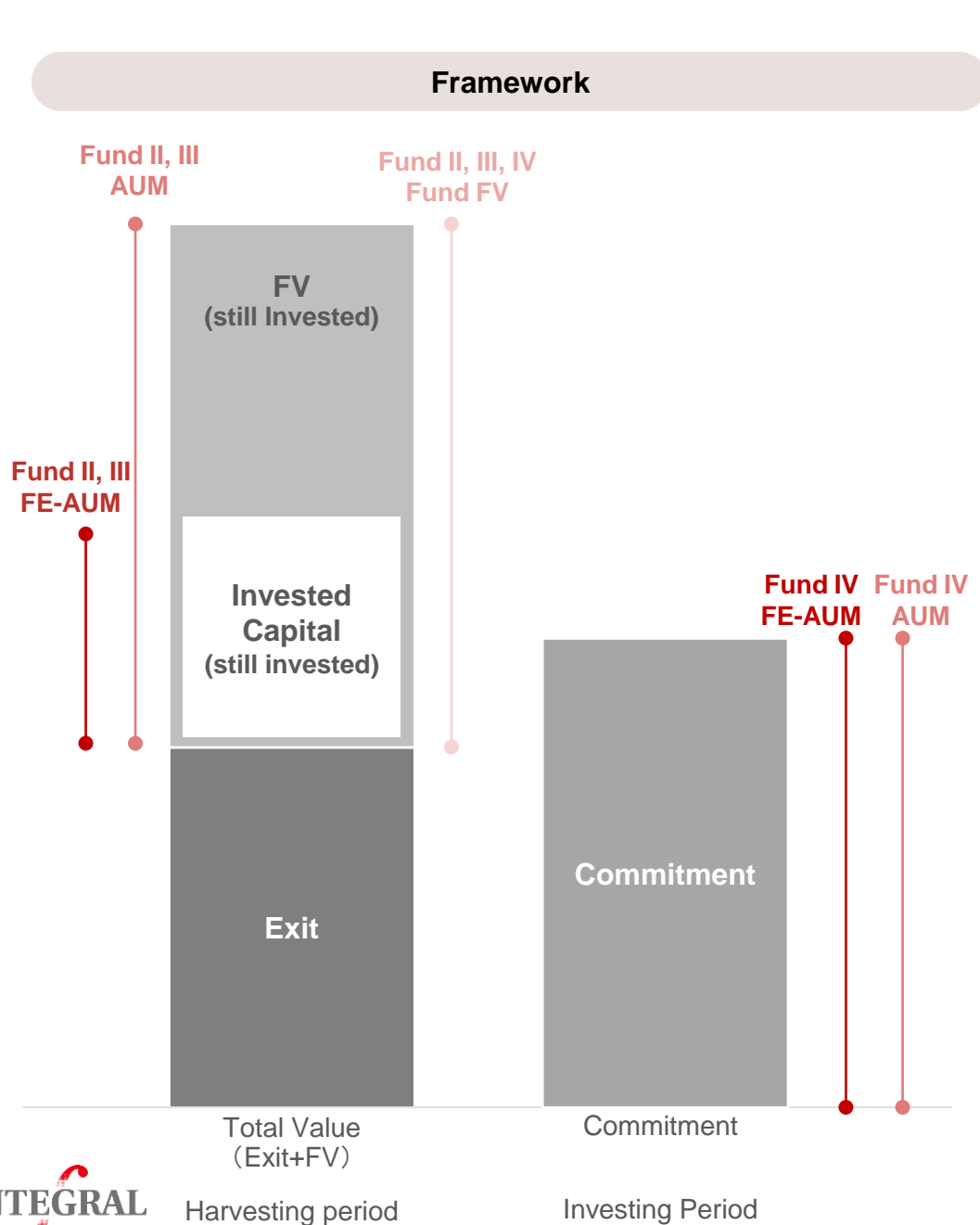


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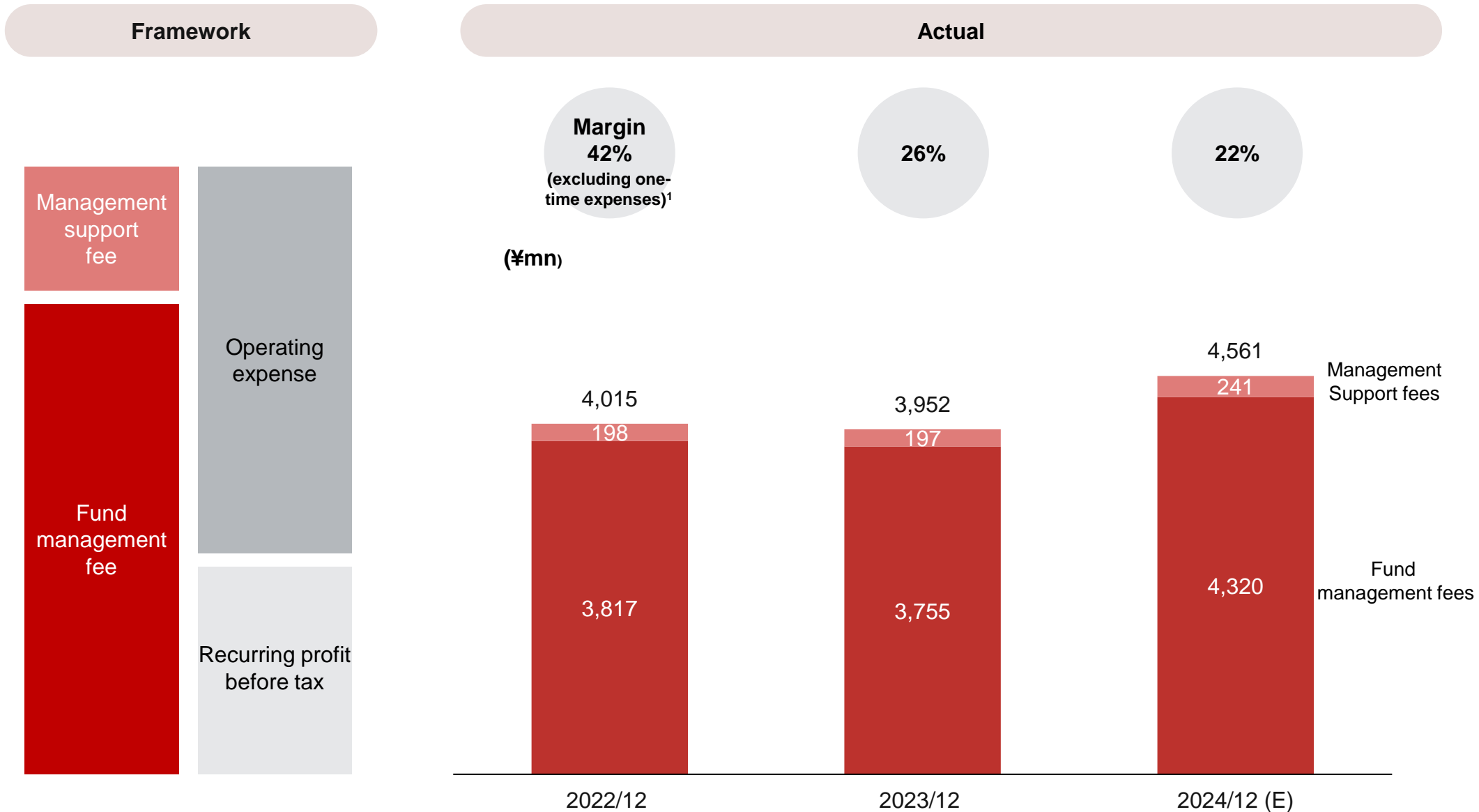


Our financials

FE-AUM, AUM, and FV



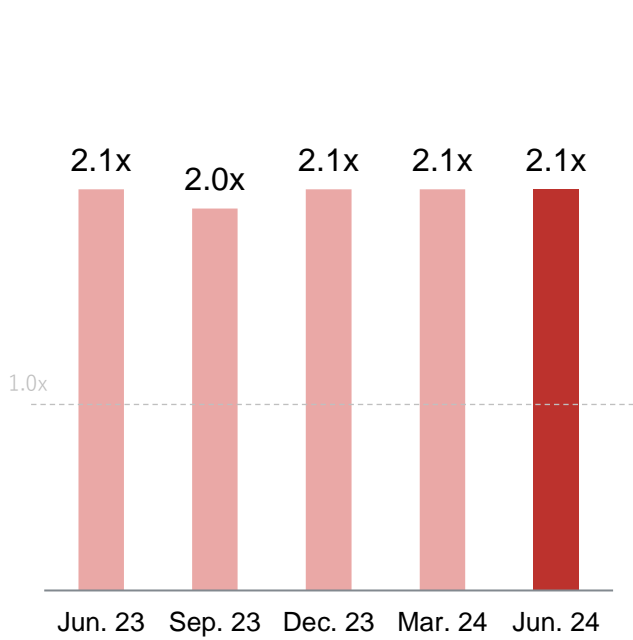
Recurring Fee



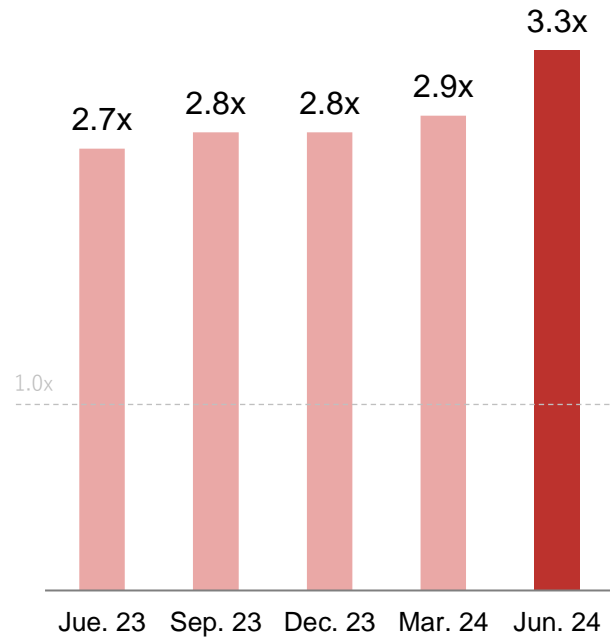
1. In calculating margins, one-time expenses are deducted from operating expenses. One-time expenses were JPY 103 mn in FY2022, JPY 151 mn in FY2023, and JPY 1,548 mn in FY2024/12 (estimate). The increase in FY2024 is mainly due to the placement agent fees related to fund raising activities for Fund V Series.

Funds performance

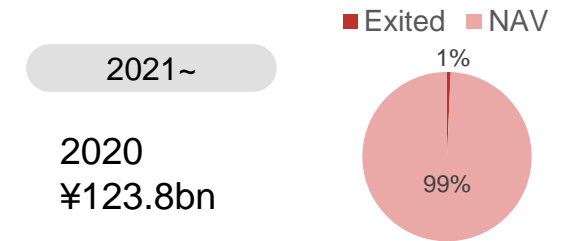
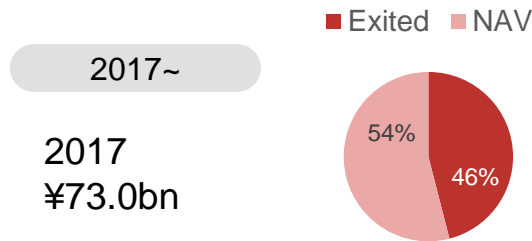
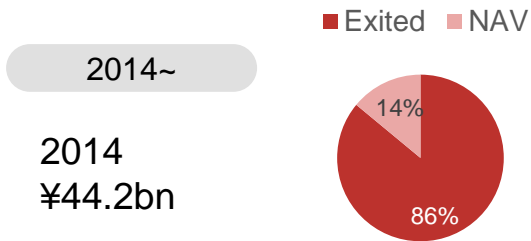
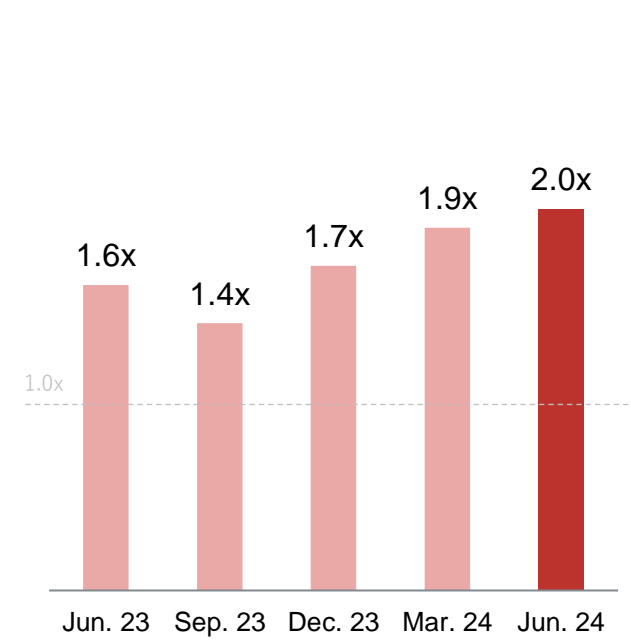
Fund II Series



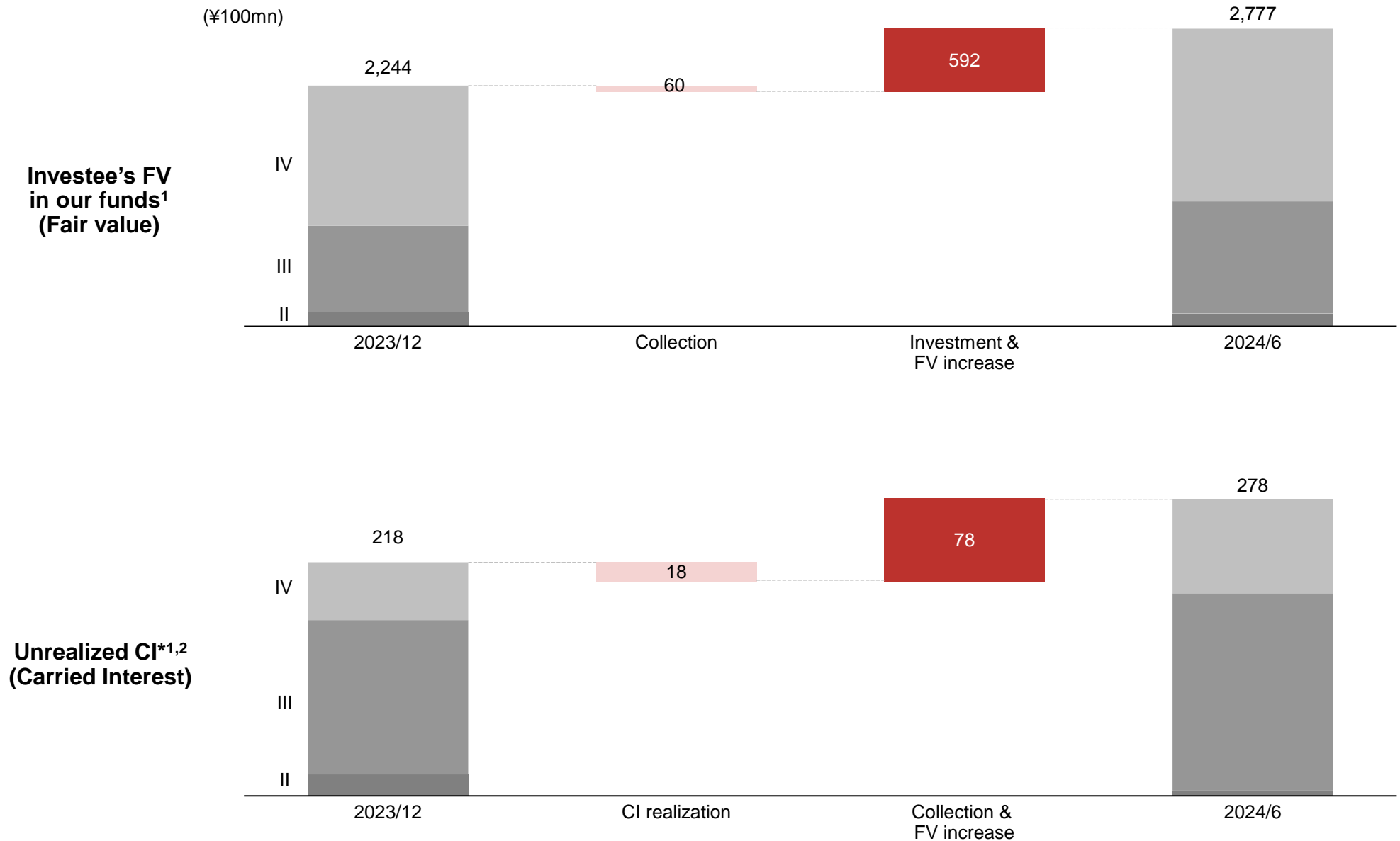
Fund III Series



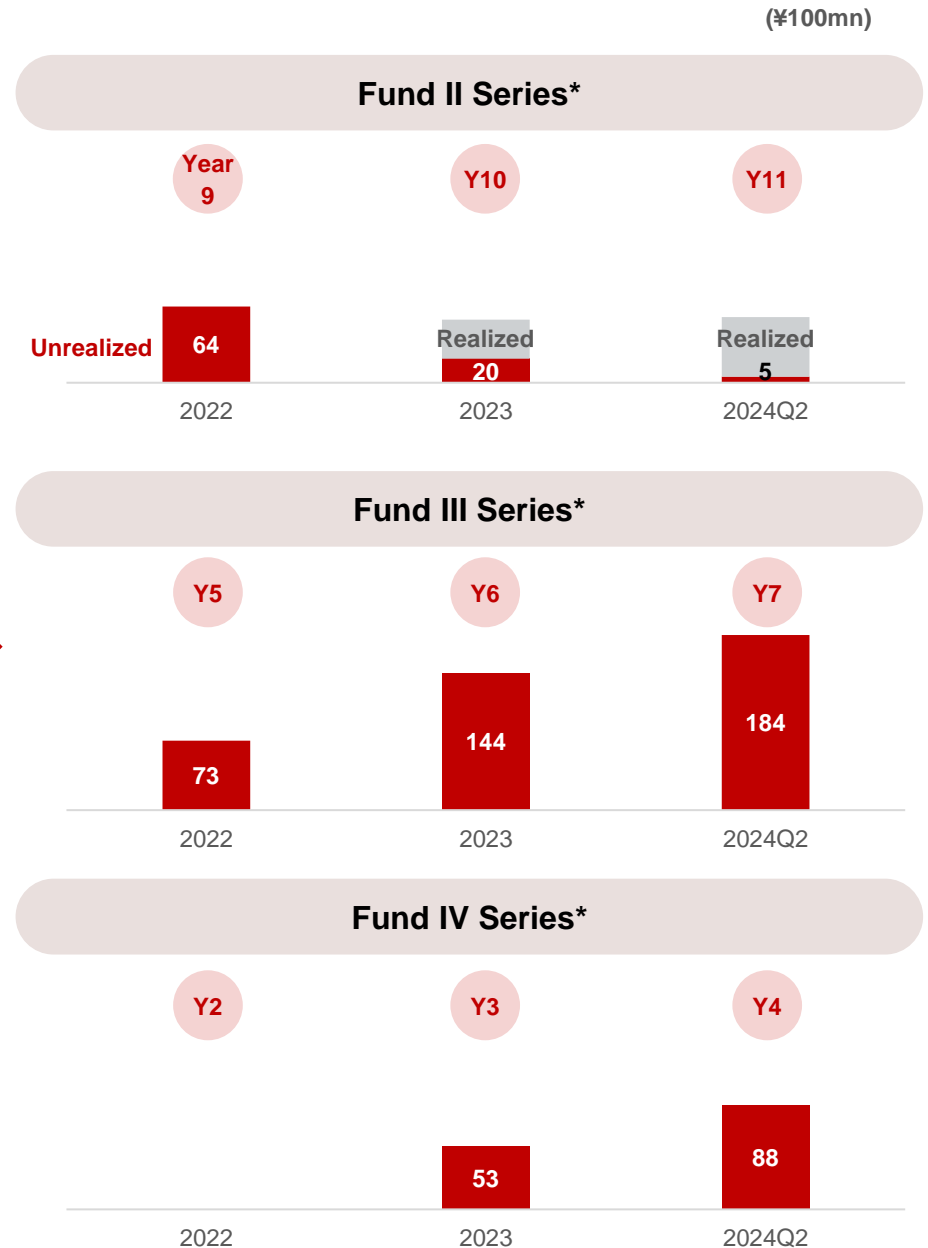
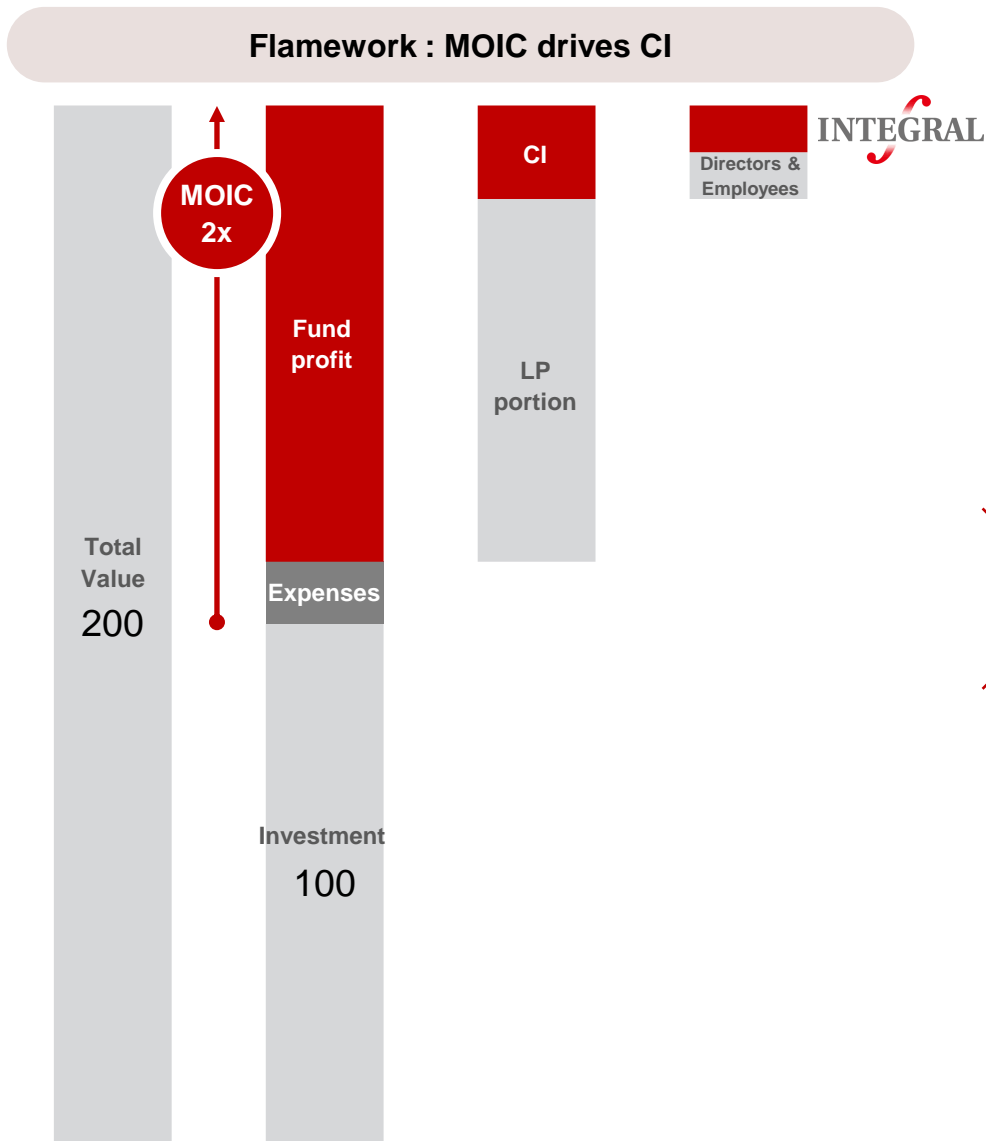
Fund IV Series



FV and Unrealized CI



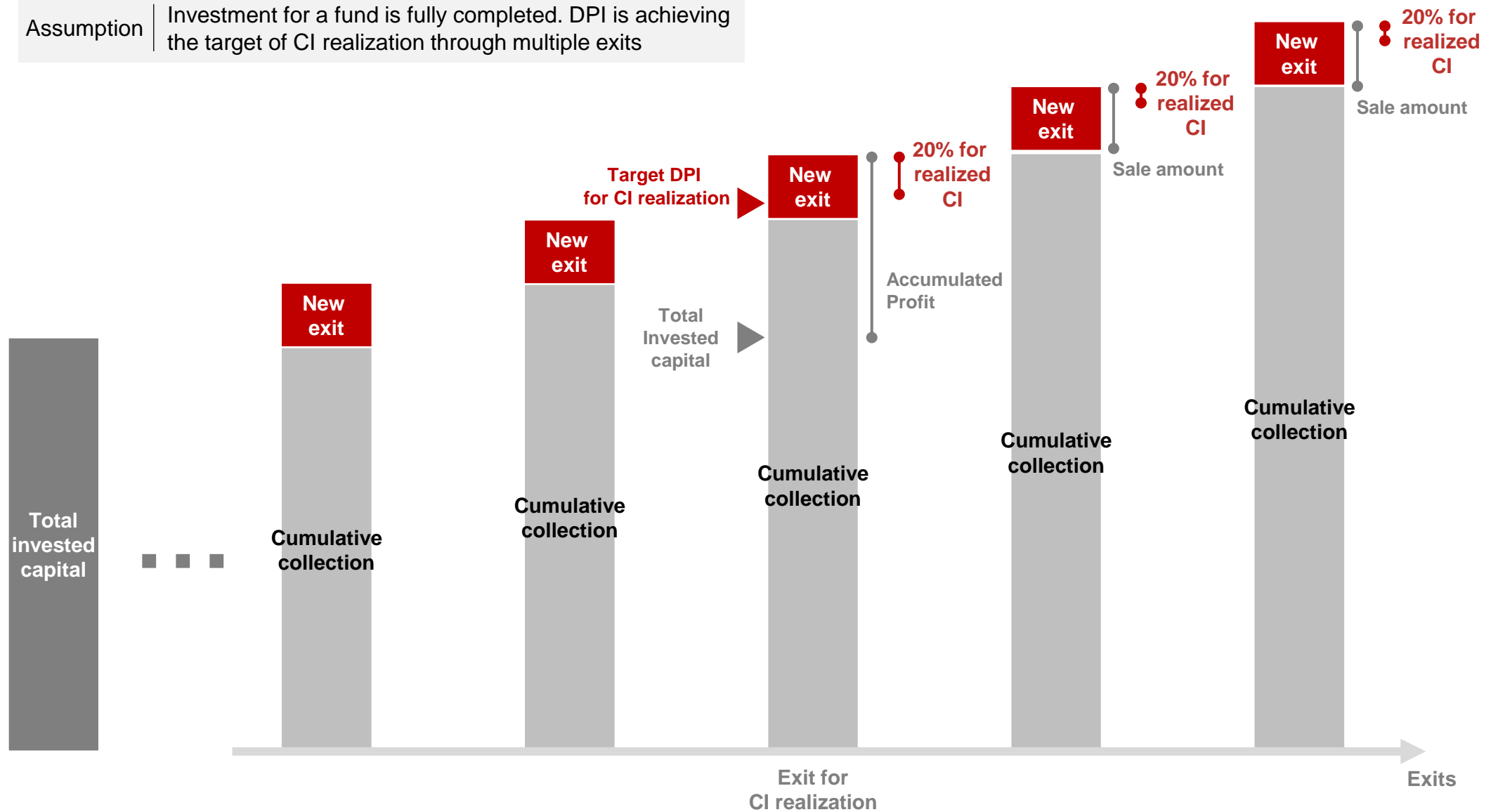
Unrealized CI by fund series



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



Key Financials

Consolidated Statements of Profit or Loss

(¥mn)

	Jun. 30, 2023	Jun. 30, 2024	Dec. 31, 2023 Full Year
Realized profits / (losses) on disposal of investments	4	-	1,045
Fair value movements on investment portfolio	1,867	1,748	2,182
Fair value movements on subsidiaries measured at fair value	2,520	4,221	3,605
Other investment income	24	7	36
Gross investment return	4,416	5,977	6,870
Fund management fees	1,879	1,770	3,755
Carried interest	-	1,816	3,254
Management support fees	98	118	197
Other operating income	2	0	5
Revenue	6,397	9,683	14,082
Personnel expenses	906	1,111	1,968
Other SG&A expenses	401	1,726	1,118
Operating expense	1,308	2,849	3,087
Operating income (loss)	5,089	6,834	10,994
Finance income	0	83	6
Finance costs	42	109	81
Profit (loss) before income taxes	5,047	6,808	10,919
Income taxes	1,538	2,071	3,345
Profit (loss) for the year	3,508	4,736	7,574

Key Financials

Consolidated Statements of Financial Position

	Dec. 31, 2023	Jun. 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		
Total 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

(¥mn)

	Dec. 31, 2023	Jun. 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	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

Key Financials

Consolidated Statements of Financial Position

	(¥mn)		
	Jun. 30, 2023	Jun. 30, 2024	Dec. 31, 2023
Cash flows from operating activities			
Profit (loss) before income taxes	5,047	6,808	10,919
Depreciation and amortization	92	92	185
Share-based payment expenses	0	0	0
Interest and dividend income	(25)	(91)	(37)
Interest expenses	42	107	81
Increase (decrease) in provision	148	153	66
Decrease (increase) in trade and other receivables	(131)	(1,629)	118
Decrease (increase) in investment portfolio	(1,562)	(1,651)	(684)
Decrease (increase) in investments in subsidiaries measured at fair value	(2,616)	(2,630)	(4,326)
Decrease (increase) in loans	(10)	(2,258)	(35)
Decrease (increase) in other current financial assets	(10)	23	(44)
Decrease (increase) in other assets	(100)	(22)	7
Increase (decrease) in trade and other payables	(81)	(452)	258
Increase (decrease) in consumption taxes payable	(32)	(0)	(37)
Increase (decrease) in advances received	68	286	(390)
Increase (decrease) in other liabilities	(4)	(25)	18
Others	-	0	(2)
Subtotal	824	(1,290)	6,099
Interest and dividends received			
Interest paid	26	11	38
Income taxes refund received	(66)	(52)	(93)
Cash flows from operating activities	(148)	(1,478)	(417)
Cash flows from operating activities	635	(2,809)	5,626

	(¥mn)		
	Jun. 30, 2023	Jun. 30, 2024	Dec. 31, 2023
Cash flows from investing activities			
Purchase of property, plant and equipment	(1)	(0)	(5)
Purchase of intangible assets	-	-	0
Cash flows from investing activities	(1)	(0)	(5)

	(¥mn)		
	Jun. 30, 2023	Jun. 30, 2024	Dec. 31, 2023
Cash flows from financing activities			
Proceeds from loans from subsidiaries measured at fair value	1,850	-	2,550
Repayment of loans from subsidiaries measured at fair value	(1,300)	(3,500)	(3,400)
Proceeds from loans	-	2,255	-
Repayments of loans	(390)	(390)	(800)
Repayments of lease liabilities	(70)	(70)	(140)
Proceeds from issuance of shares	-	-	13,113
Payments for issuance of shares	-	-	(329)
Proceeds from sale of treasury stock	0	20	0
Payments for acquisition of treasury shares	-	(0)	-
Cash flows from financing activities	89	(1,684)	10,992

INTEGRAL

A stylized red integral symbol is positioned vertically over the word "INTEGRAL". The symbol is a thick, red, curved line that starts at the bottom, curves to the right, then back to the left, and ends at the top. It is centered over the word "INTEGRAL".