



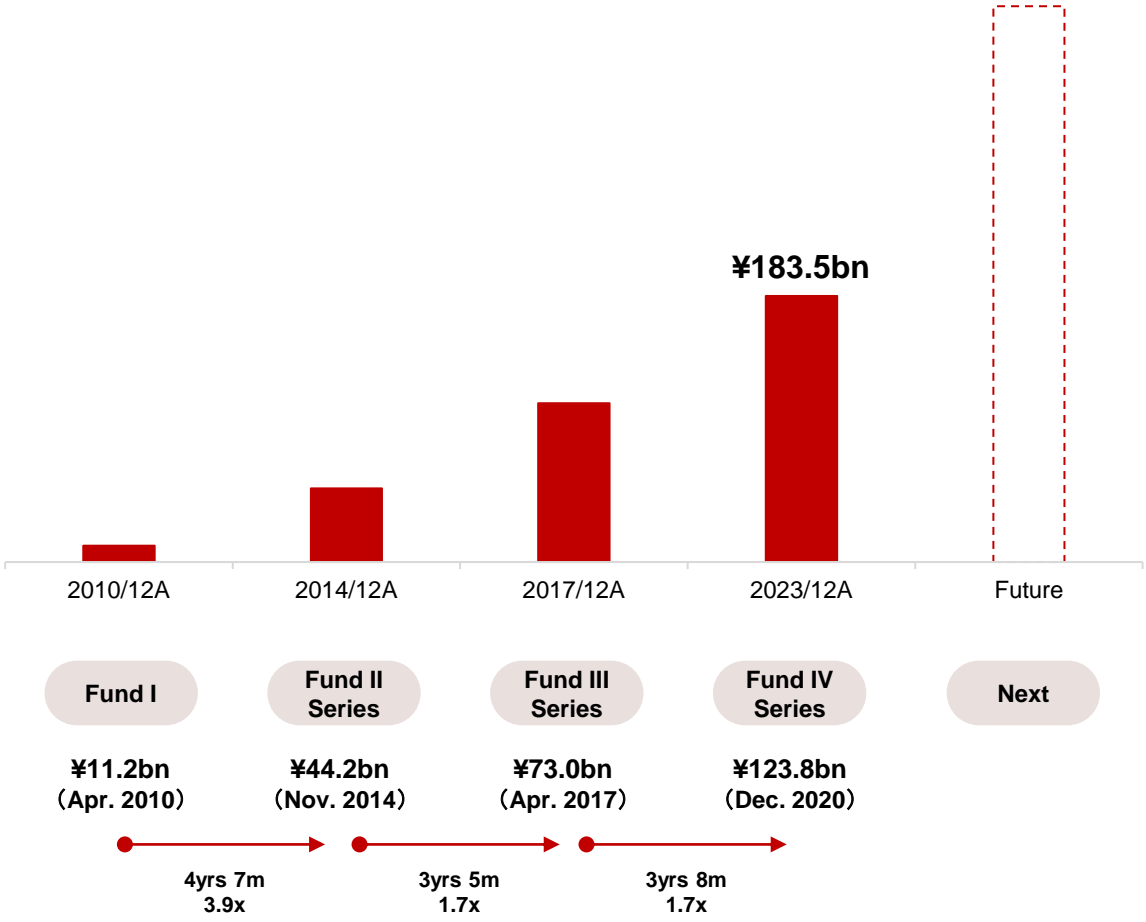
FY 2023 Management Presentation

Integral Corporation

February 2024

Integral is a leading Japanese-Style private equity

Expanding FE AUM



Gross MOIC ¹ 2.5x	Gross IRR 25.9%
Investment professionals 48 / 81	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 December 31, 2023

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

T-Garden

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. Results of FY 2023
2. Our growth strategy
3. Outlook for FY 2024 and beyond
4. Key takeaways



1

Results of FY 2023

Active in both investment and exit



Exit of Fund II

Jun 2023

Transfer of shares through
Tender Offer



Investment of Fund IV

Jun 2023

Top share of the global market for
certain smartphone components



Investment of Fund IV

Aug 2023

Software-related business at its core,
approx. 10,000 employees



Exit of Fund III

Aug 2023

Transfer of shares to
Capgemini group



Exit of Fund III

Aug 2023

Listed on the growth market
of Tokyo stock exchange



Exit of Fund III

Nov 2023

Transfer of shares to
Ichine HD

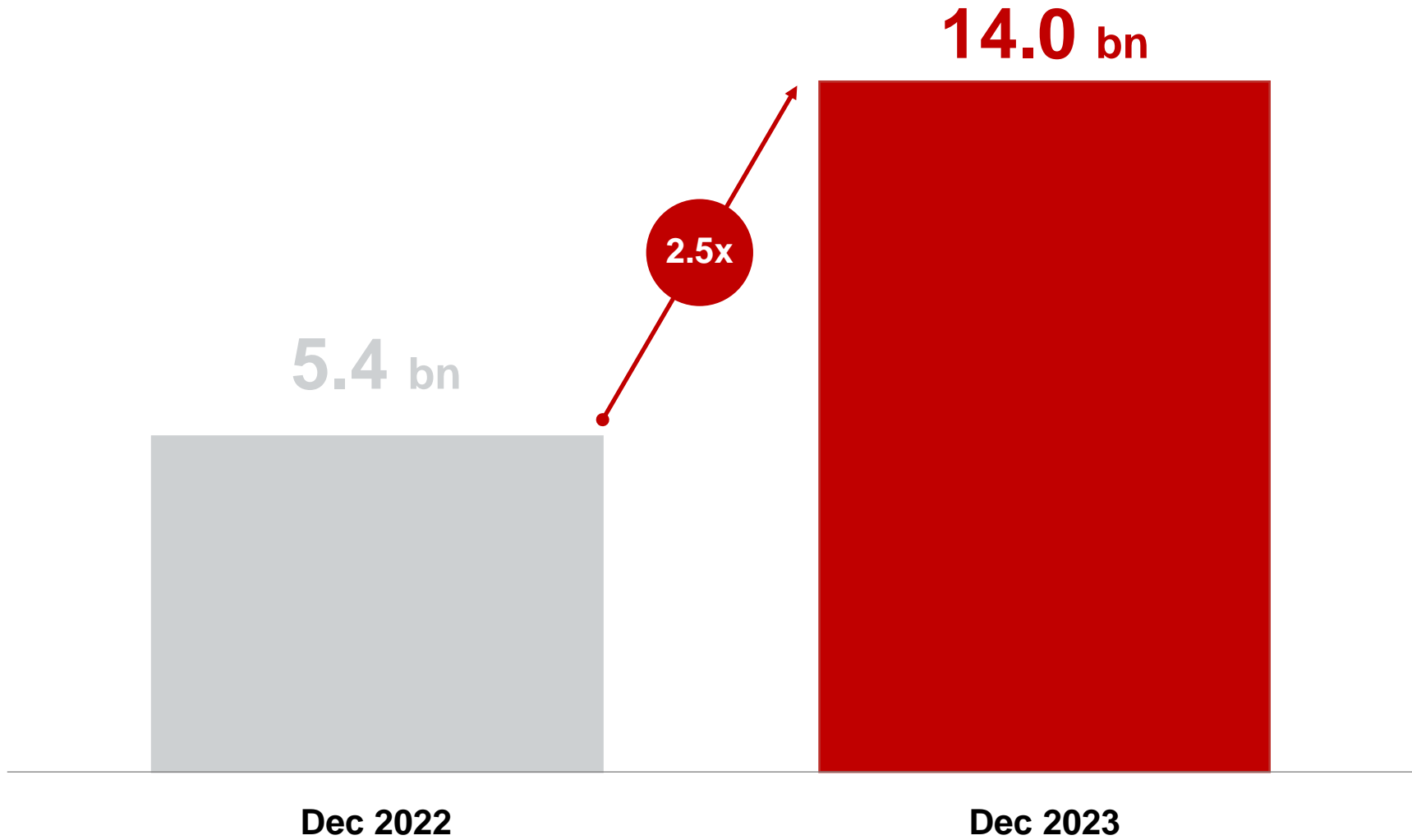


Exit of Fund II

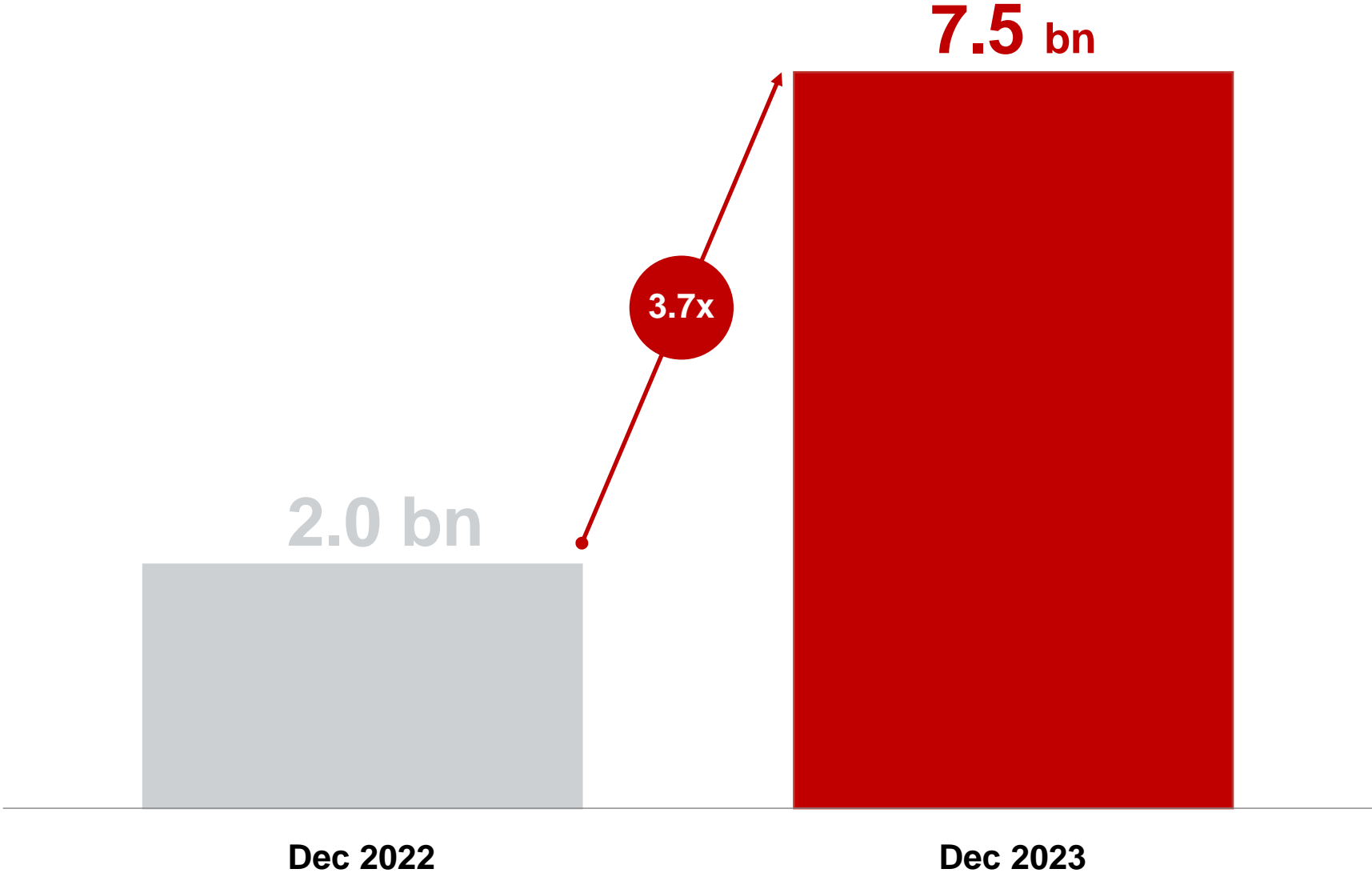
Oct & Nov 2023

Partial transfer of shares to
Airtrip & Suzuyo HD

2.5x Revenue



3.7x Profit



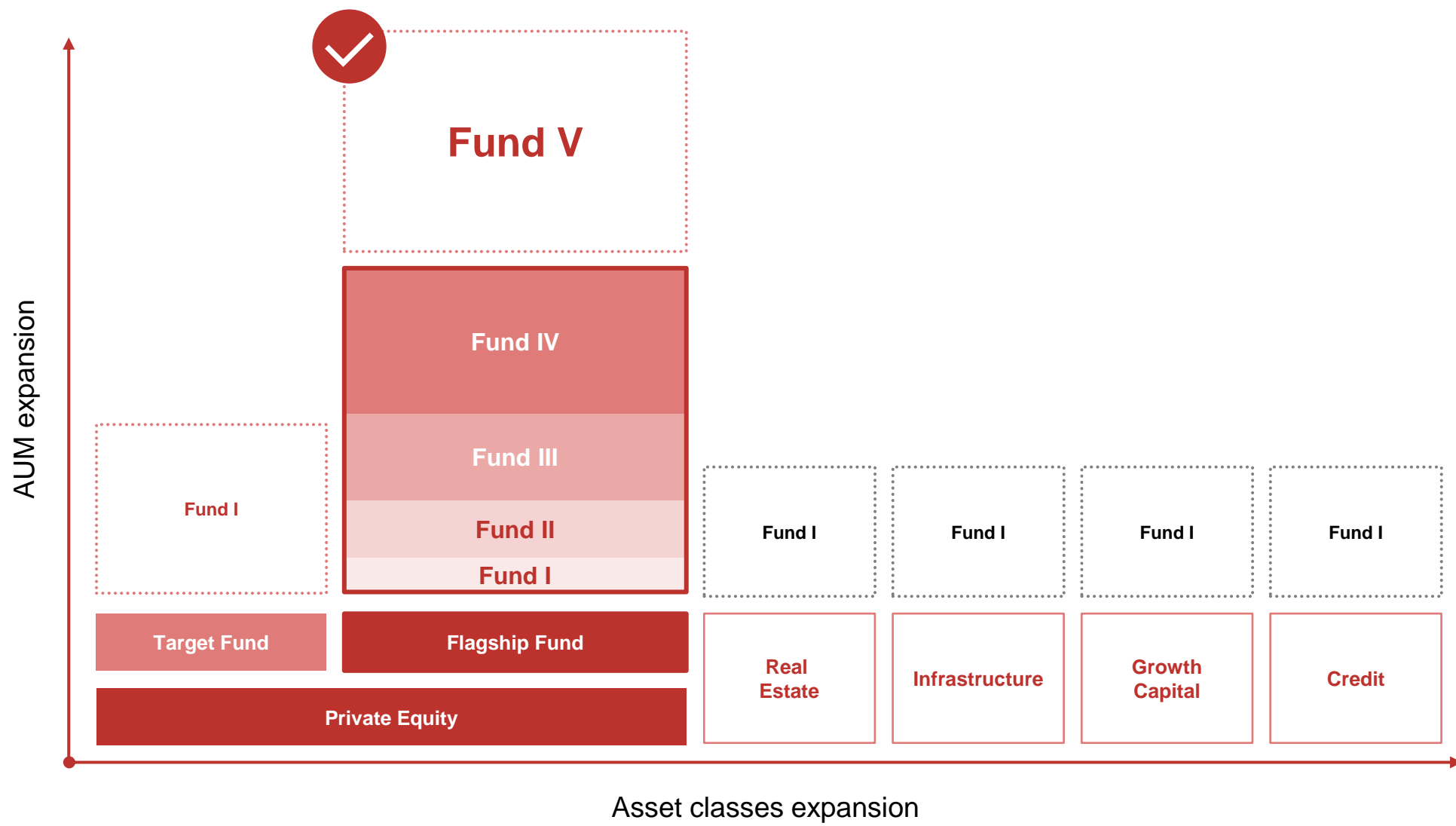


2

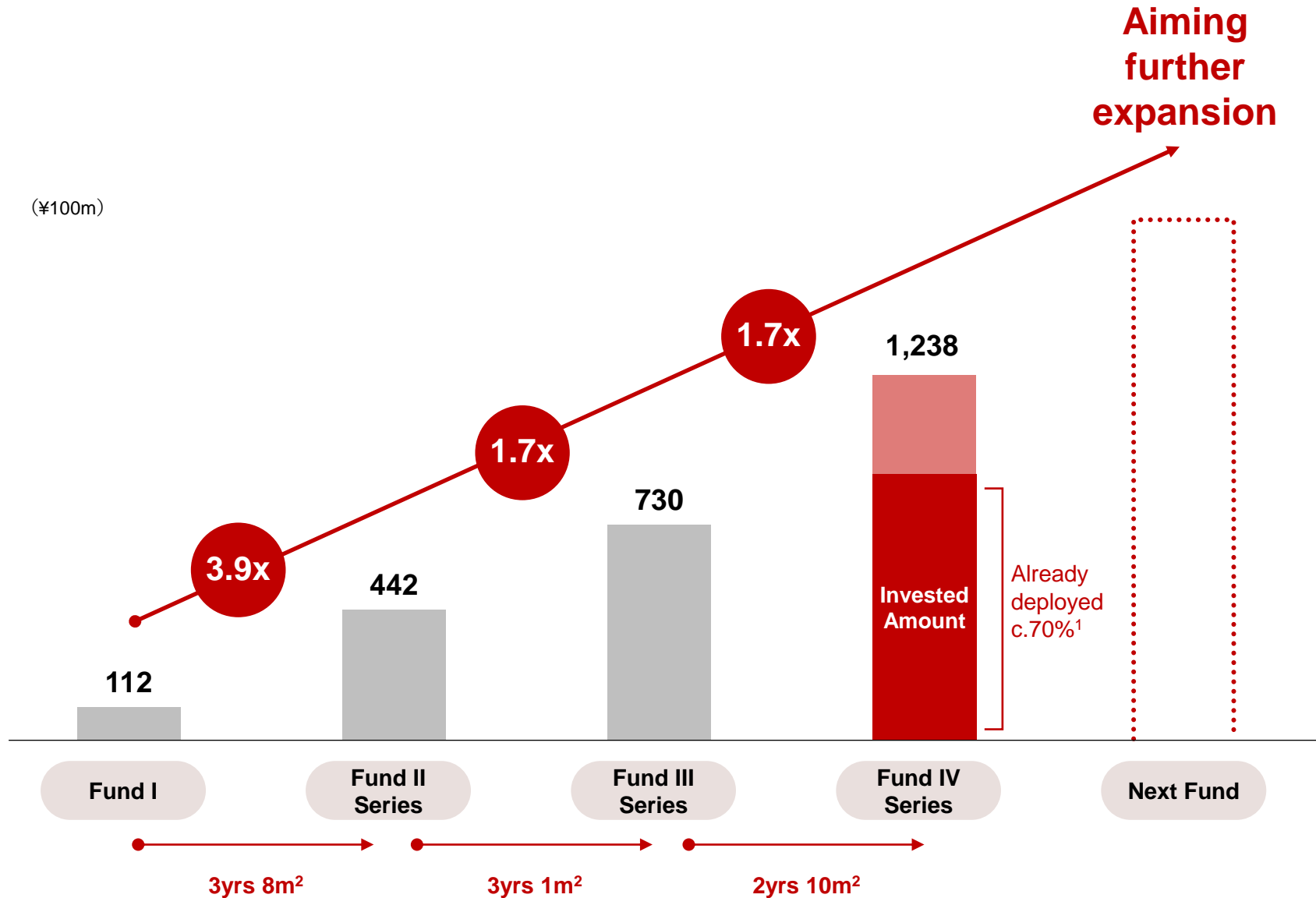


Our Growth Strategy

The flagship fund remains a key driver...



... We will raise the next flagship fund



1. As of Dec. 2023. Ratio of Deployment to the Capital Commitment.
 2. Refers to the period from the start of the investment period for each fund to the first closing of the next fund



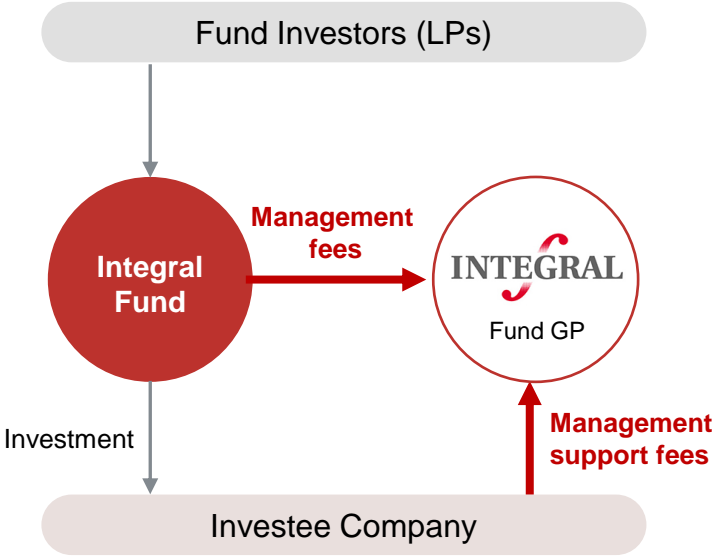
3

Outlook for FY 2024 and beyond

We have 3 pillars

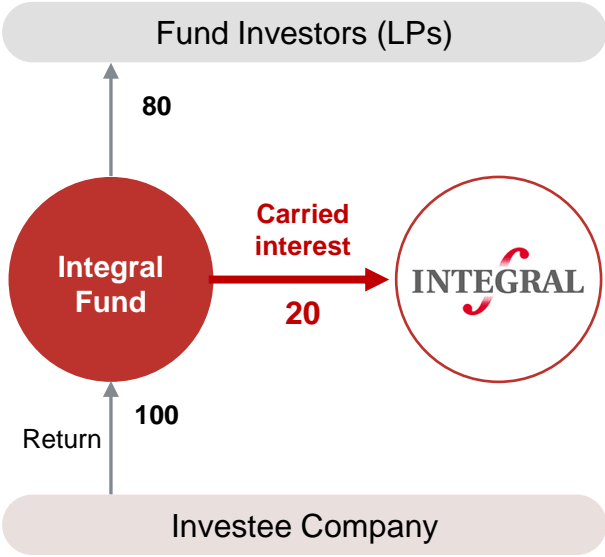
1

Integral receives quarterly fees based on FE AUM as recurring revenue



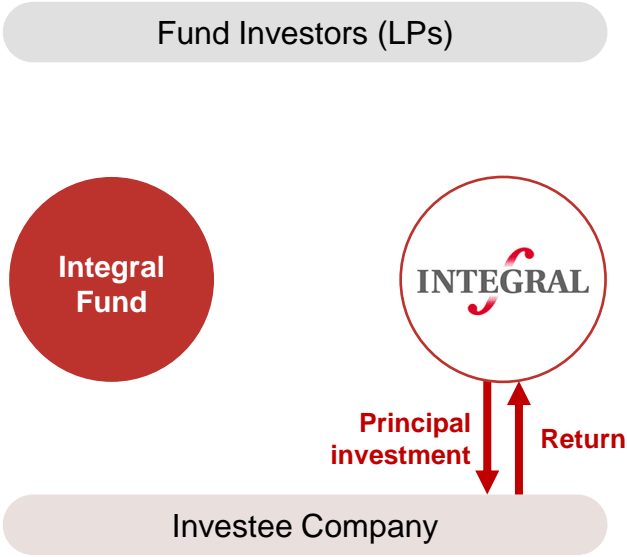
2

Upon investment exit, Integral receives certain % of return

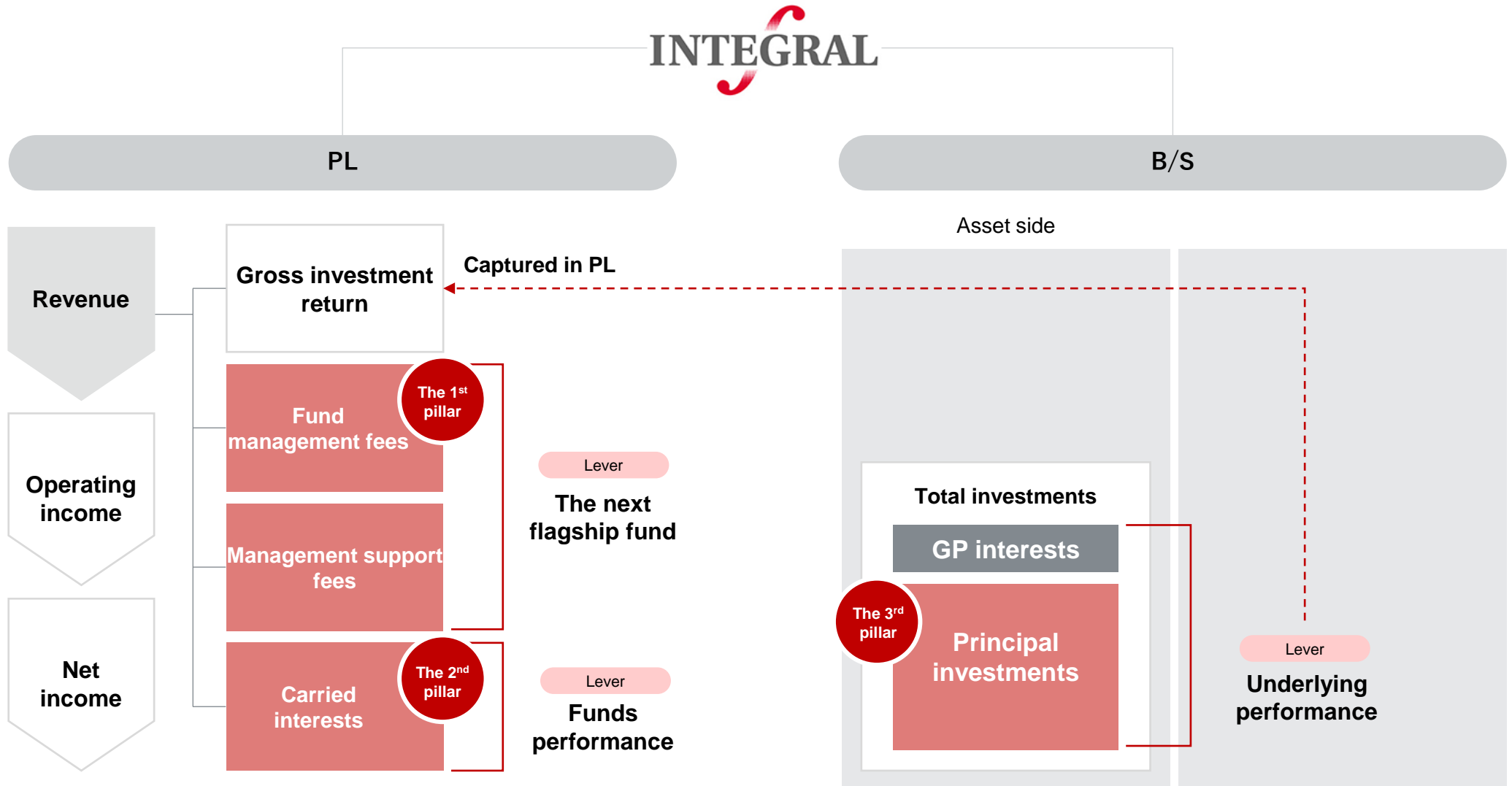


3

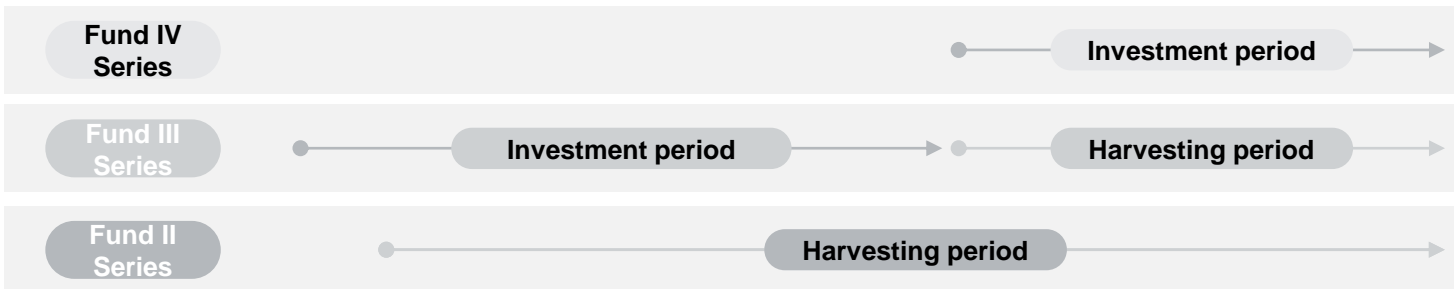
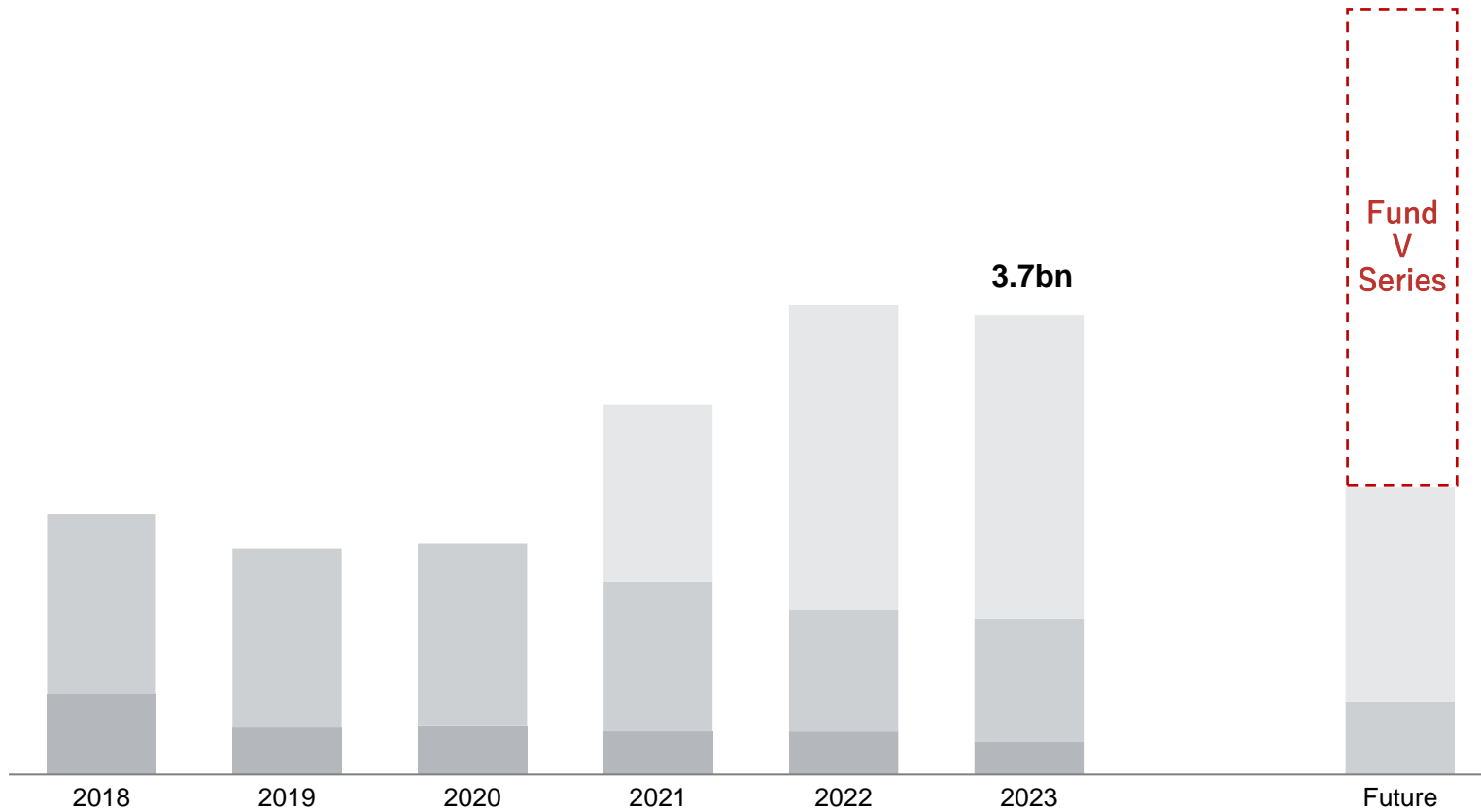
Integral makes a principal investment in parallel with a fund investment, leading to its competitive advantage



Our unique value creation model with the 3 pillars

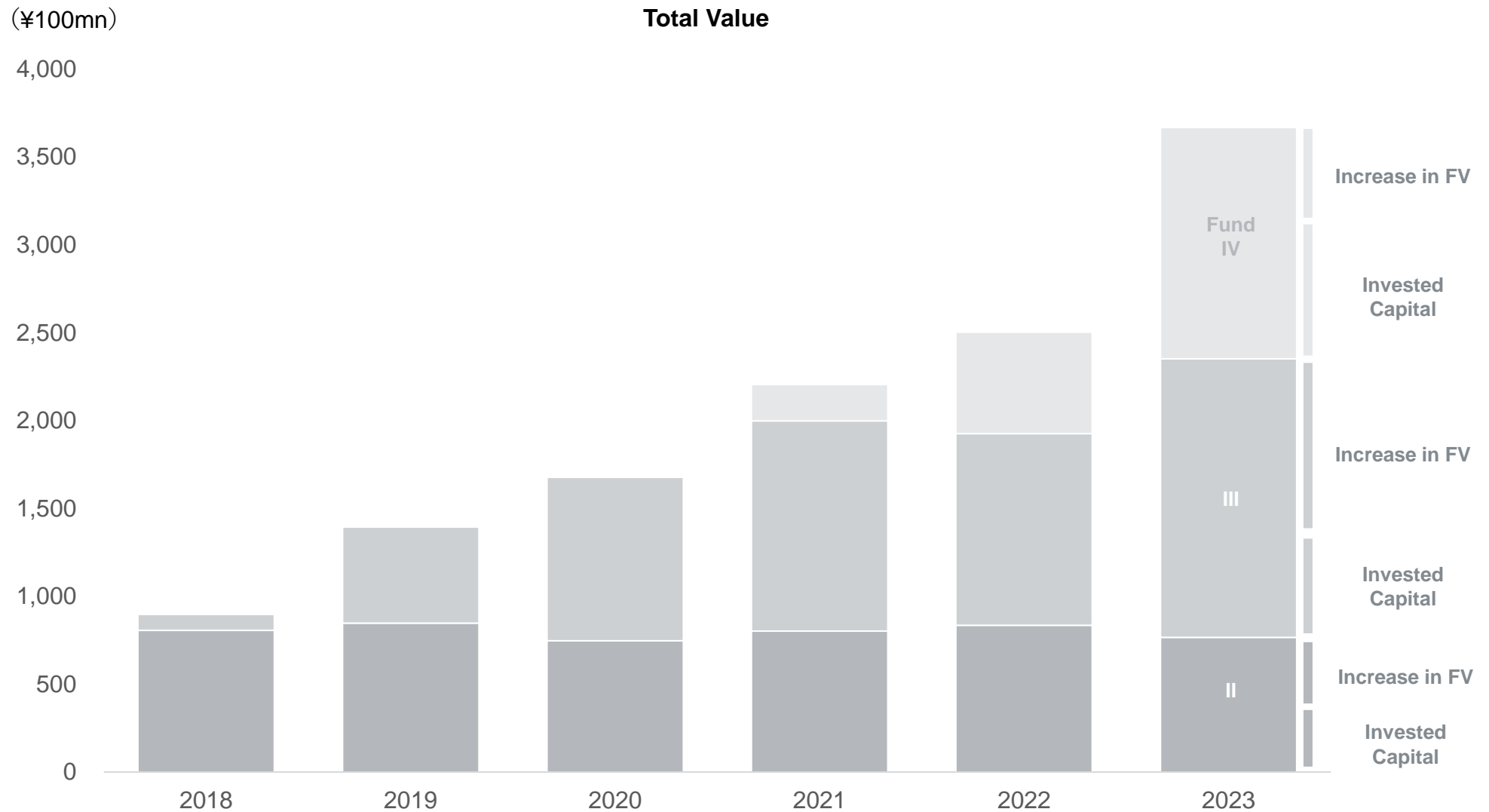


The 1st pillar Management fees to be piled up



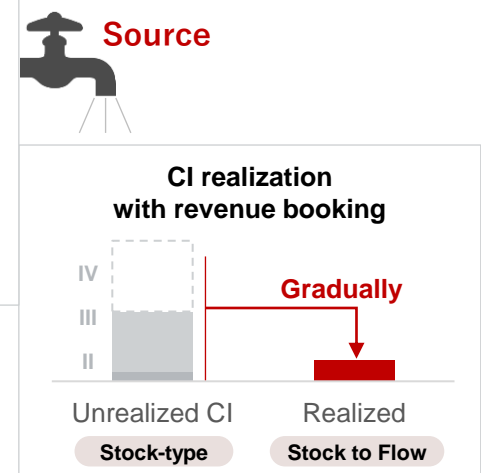
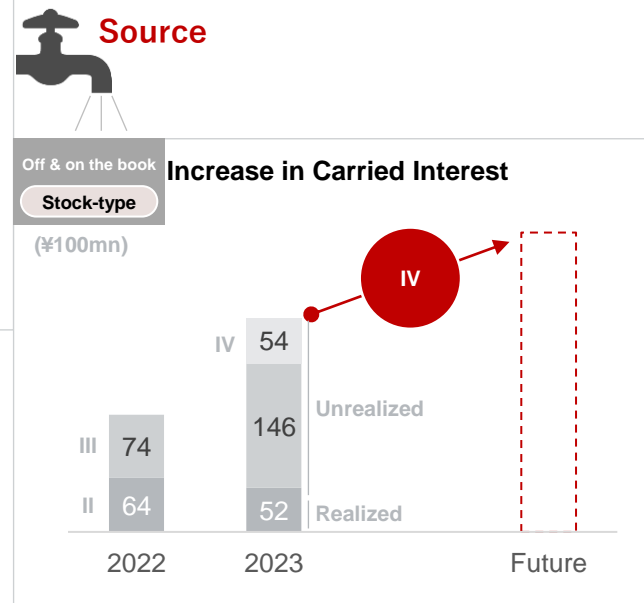
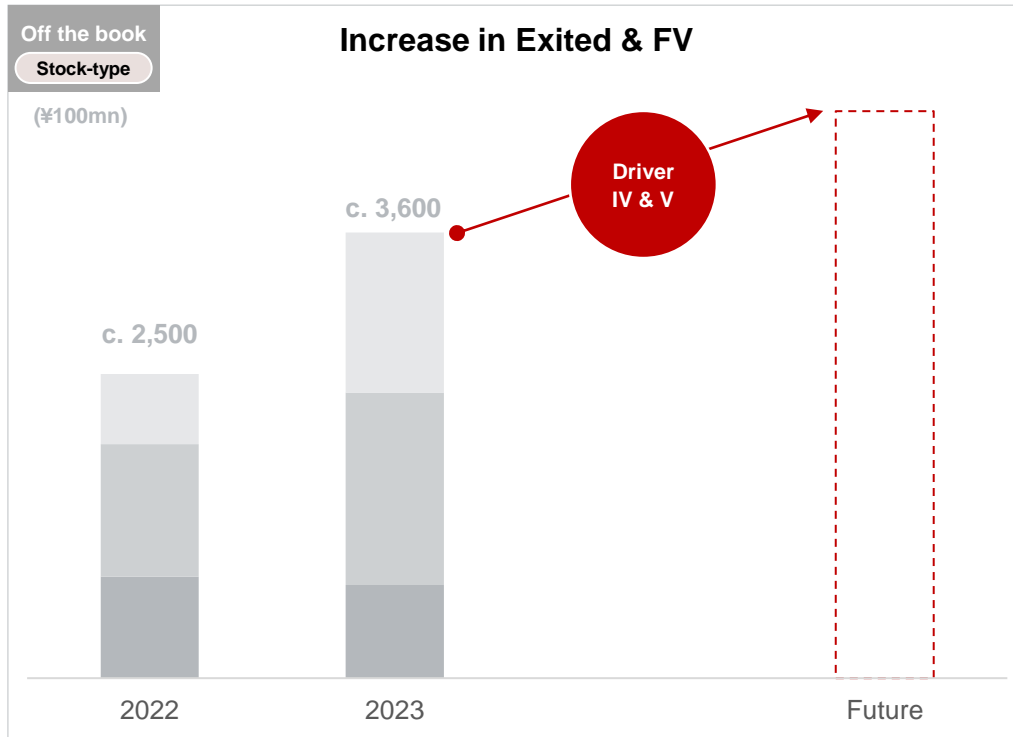
The 2nd pillar (1)

Source of Carried Interests



The 2nd pillar (2)

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

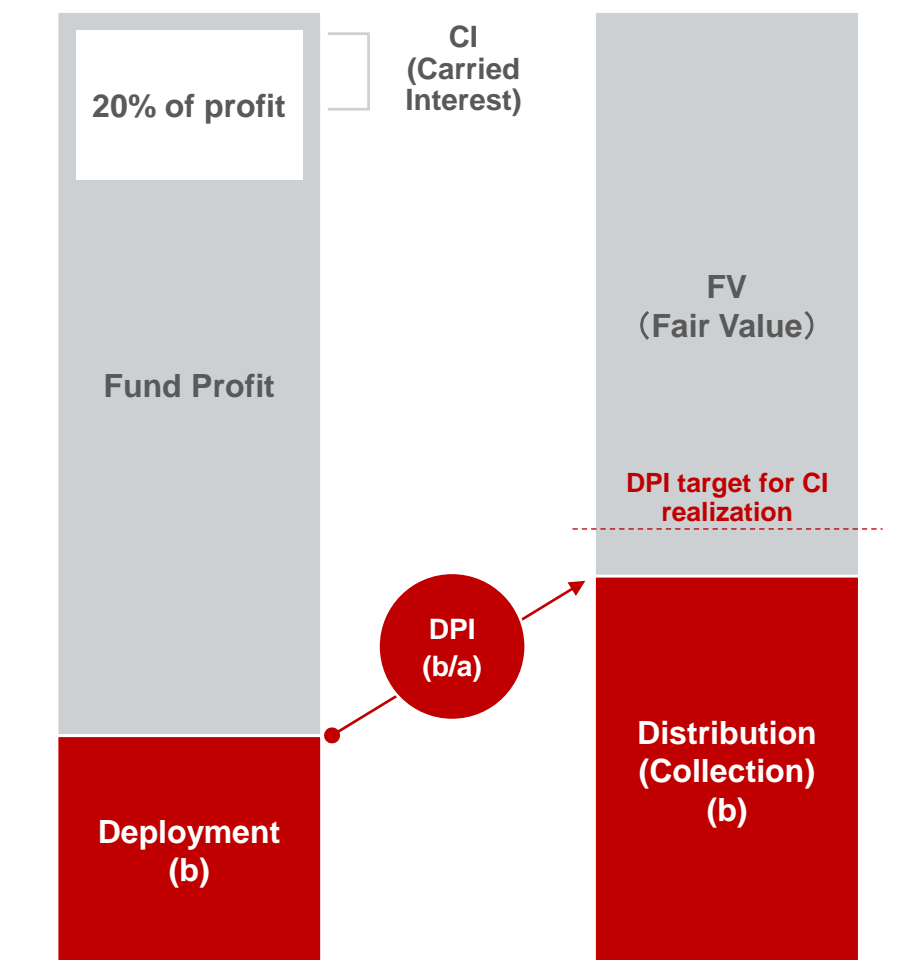


The 2nd pillar (3)

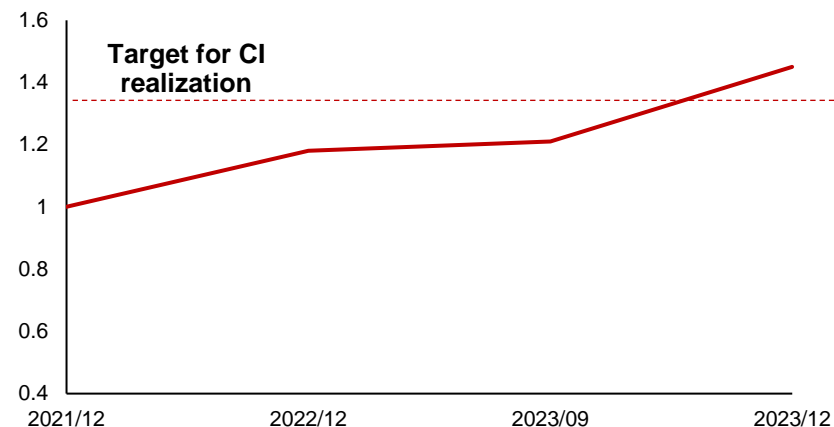
Timing of CI realization :

DPI of Fund III is also growing

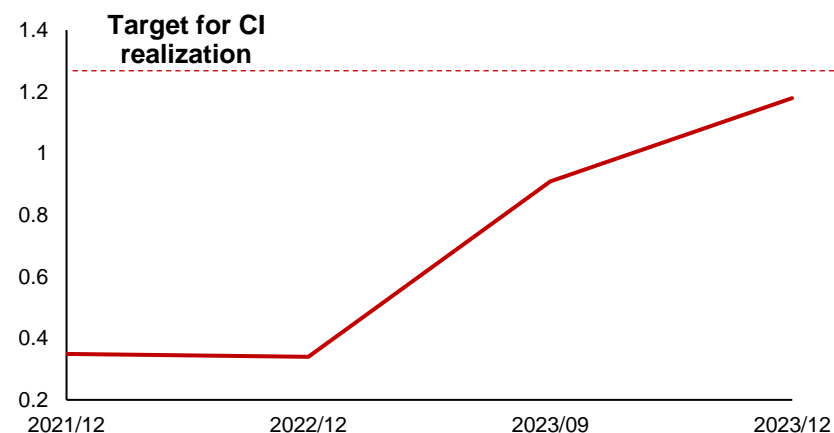
DPI(Distribution to Paid-In Capital) as a leading KPI



Fund II Series¹

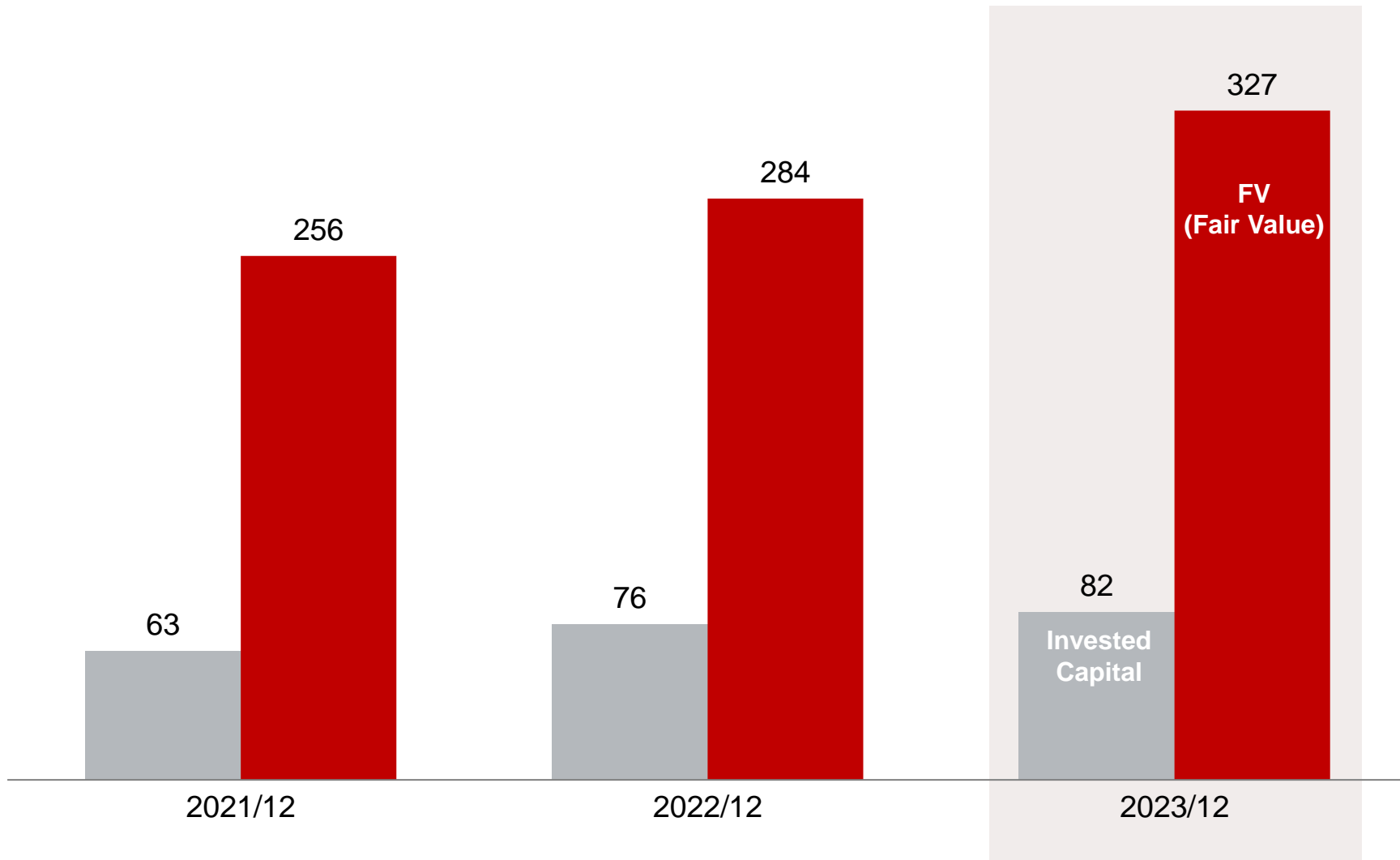


Fund III Series

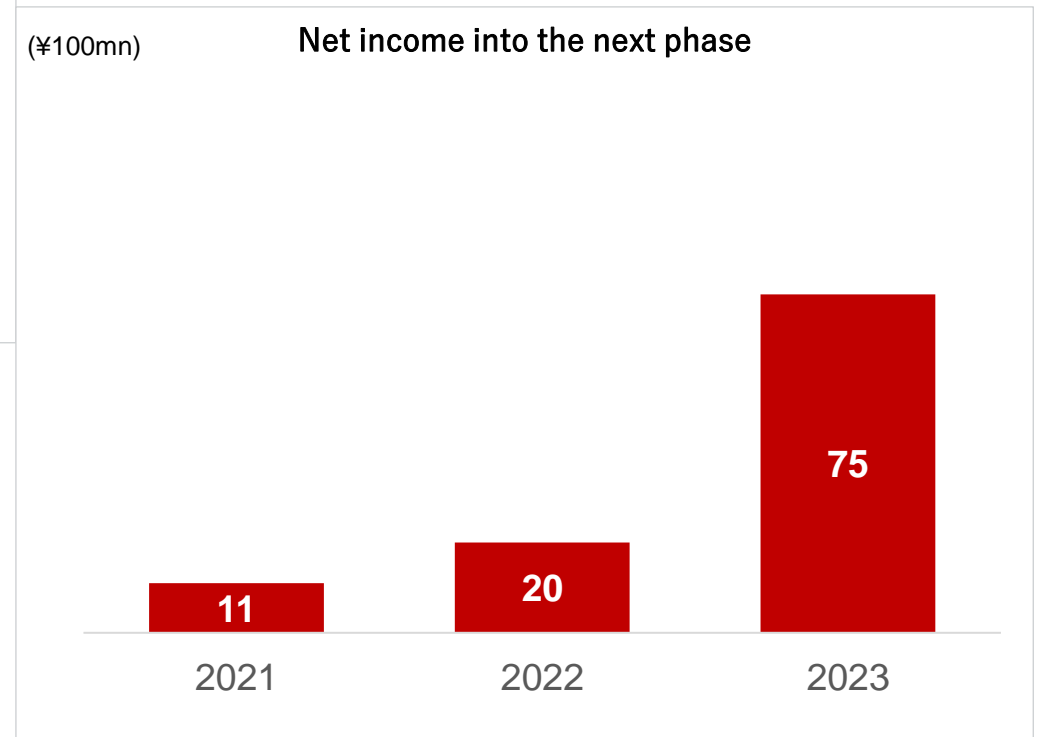
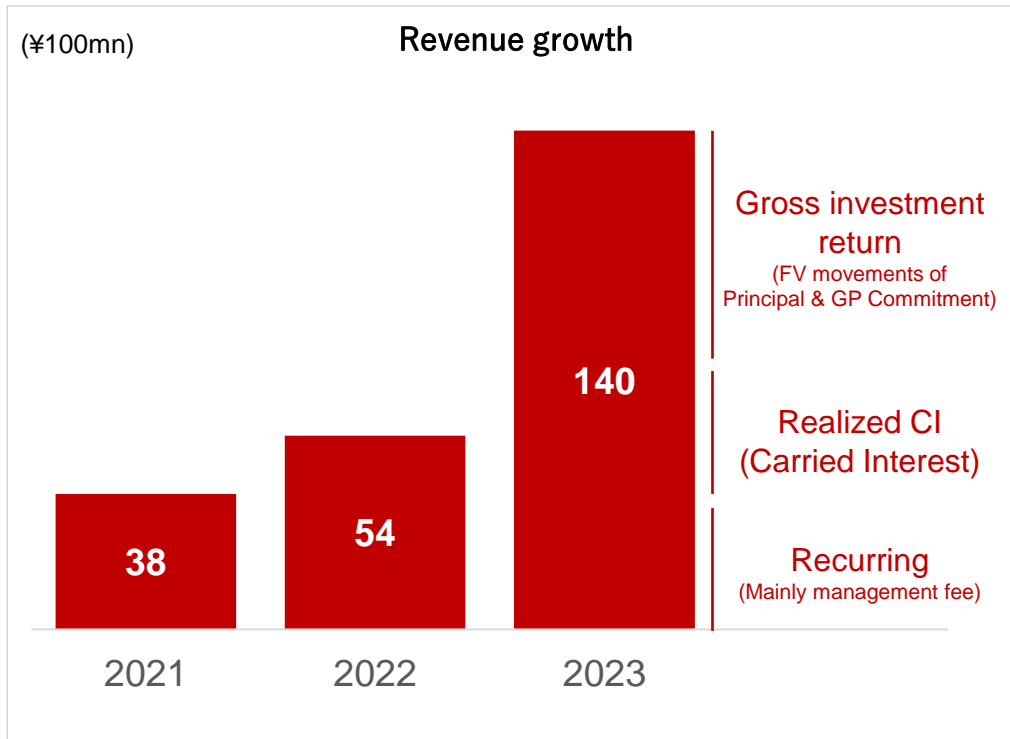


The 3rd pillar Principal Investment is on track

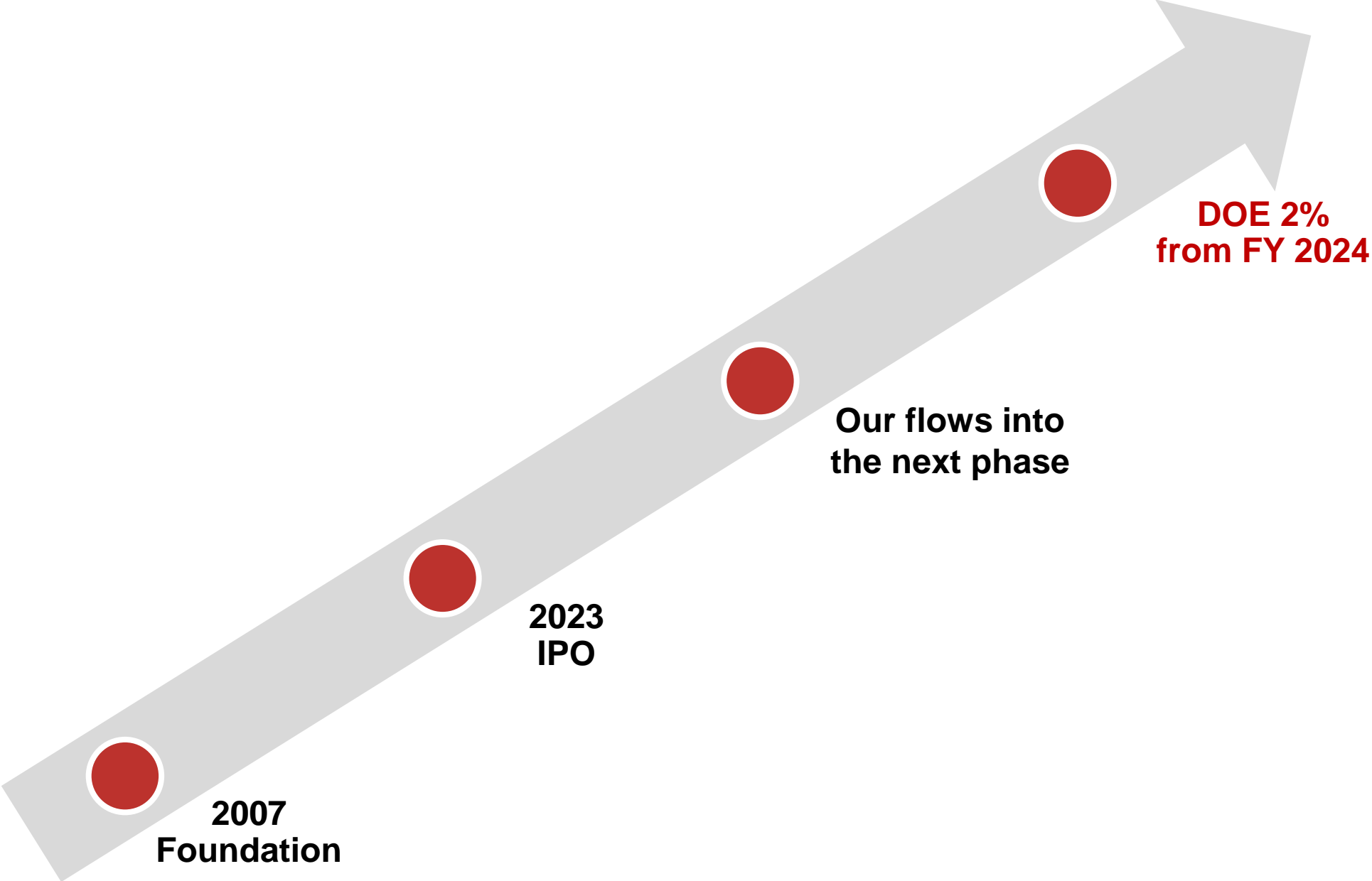
(¥100mn)



The three pillars bring our flows



Shareholder returns to commence



Key takeaways

- 1 — DPI (Distribution to Paid-In Capital) has progressed for Fund III Series following Fund II Series**
- 2 — We'll launch the next flagship fund**
- 3 — Shareholder returns to commence**



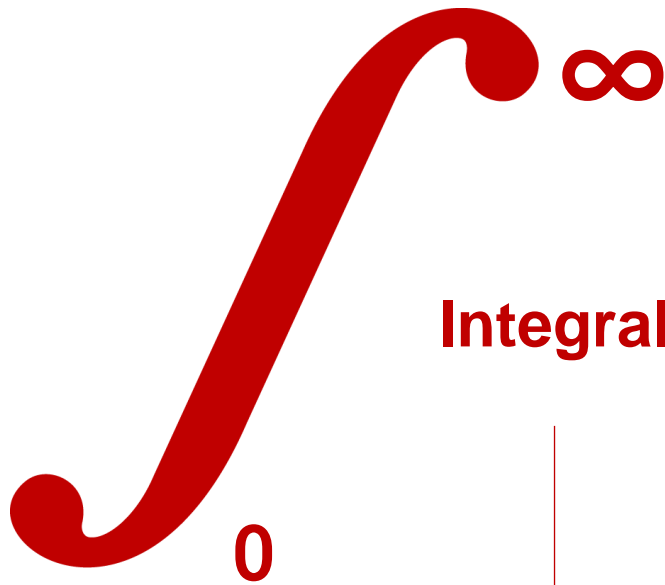
Appendix



1

Integral's unique features

Our Mission



Integral

Deepest trust
and highest wisdom



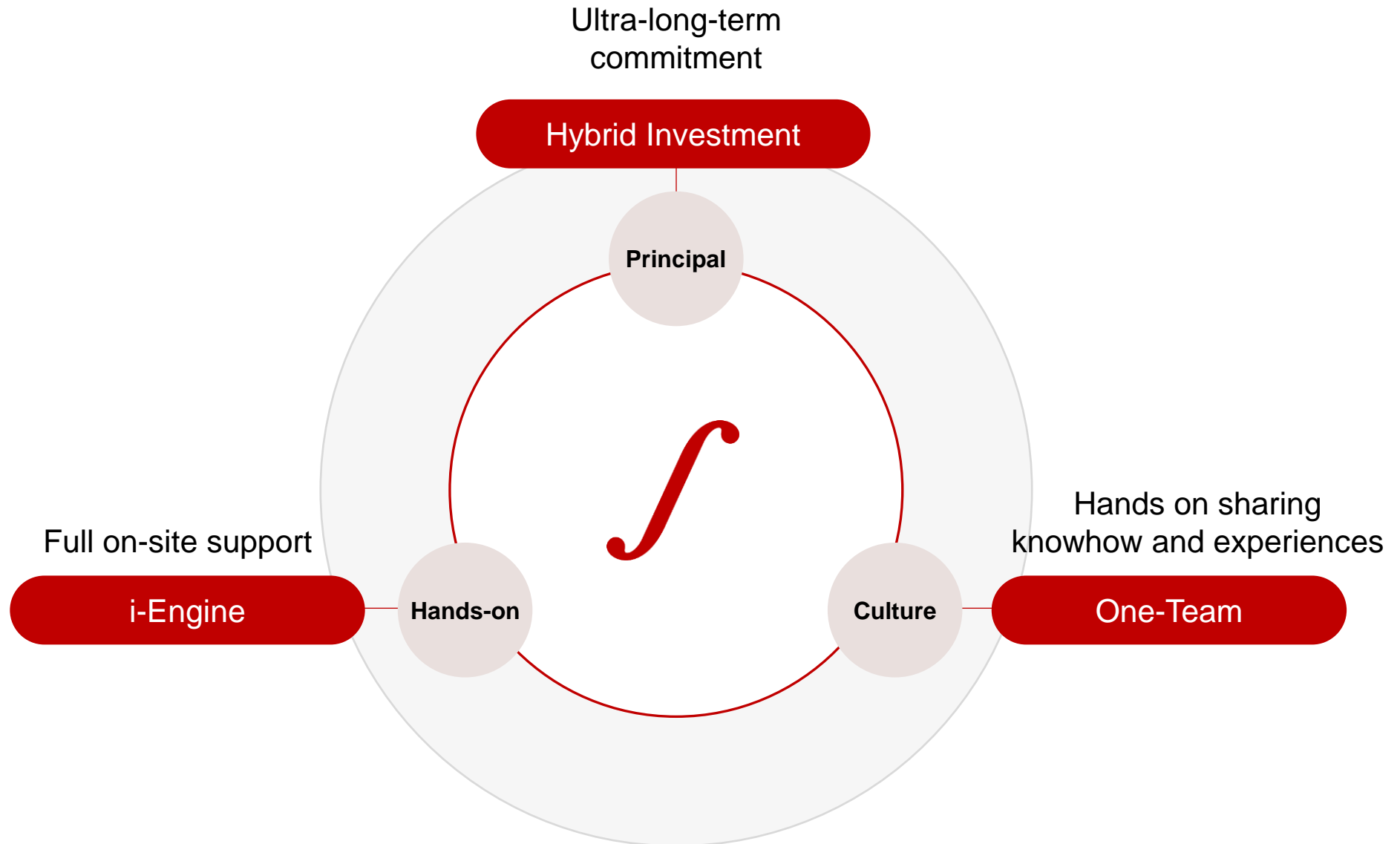
Trusted Investor

Seeing "eye-to-eye"
with management



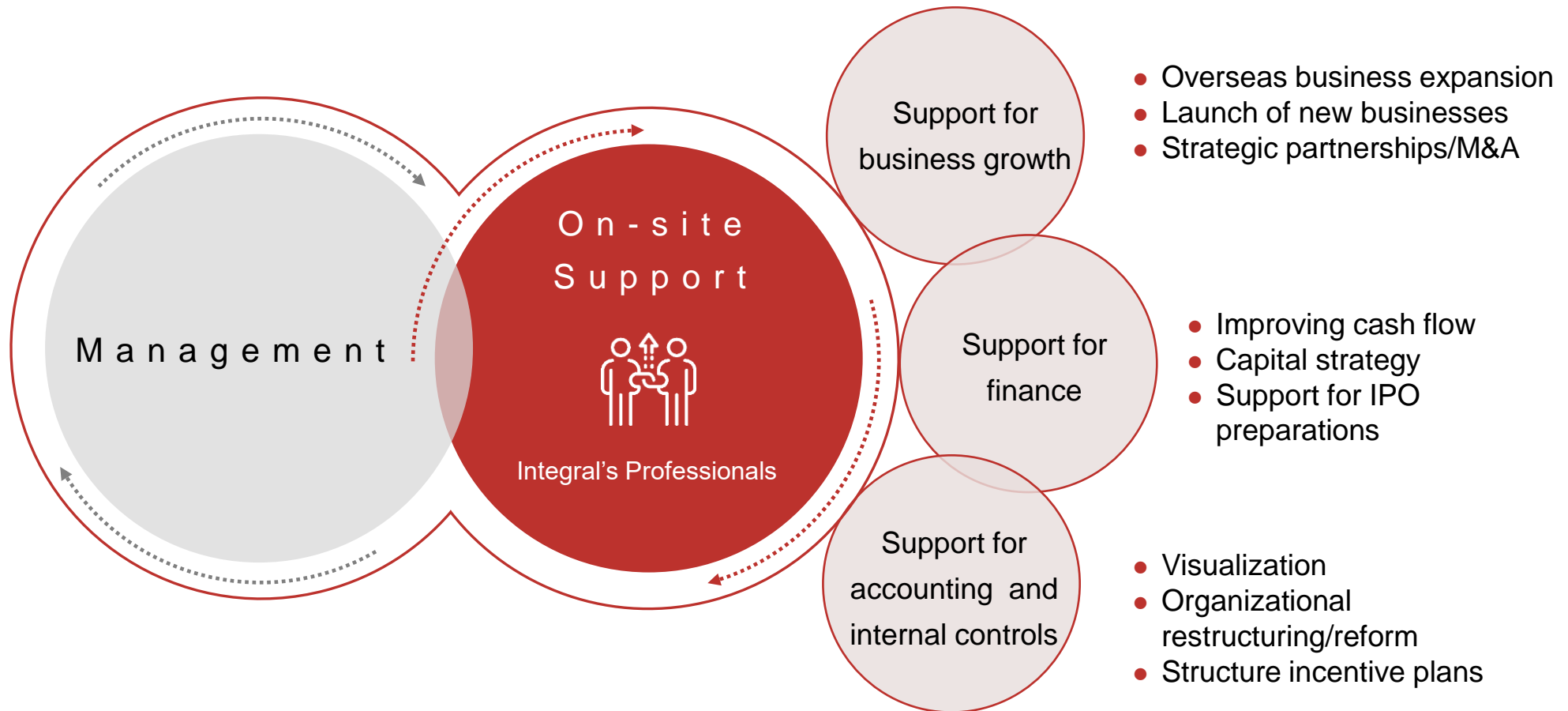
**U n i q u e
" J a p a n e s e
P r i v a t e E q u i t y "
m o d e l**

Why Integral is differentiated from the others



What's "i-Engine"

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





2

Ample opportunities

Huge upside in Japan...



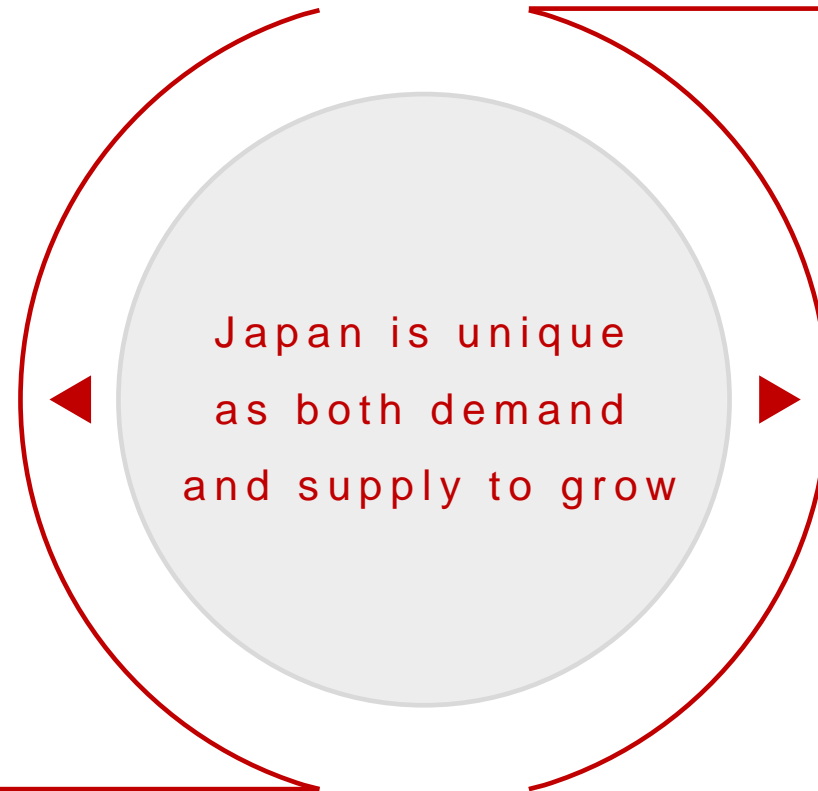
Sources of Fund side

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%



Japan is unique
as both demand
and supply to grow



Uses of Fund side

...then Why Now?

Business Succession

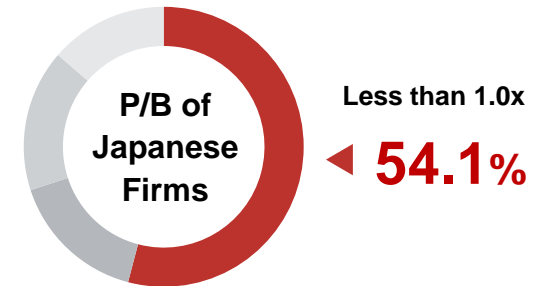
% of small to mid-cap owners aged 70+

26.8%

Increase in succession M&A in the past 5 yrs

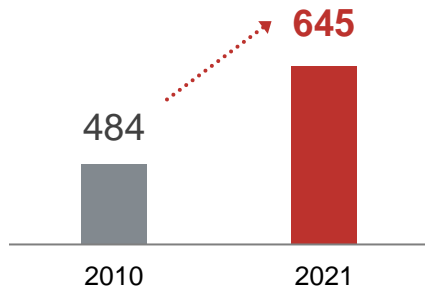
c.2.3x

Undervalued

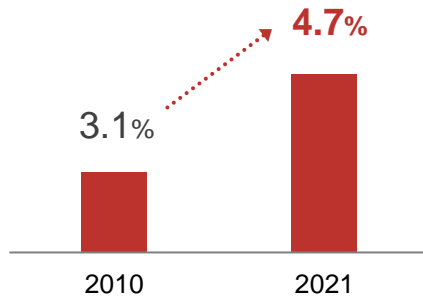


Carve-out

of transactions



% of PE involved in carve-out



Shareholder Activism

Activist / financial investor proposals



Hostile takeover





3

Our business model

Management fees are the foundation for our value expansion

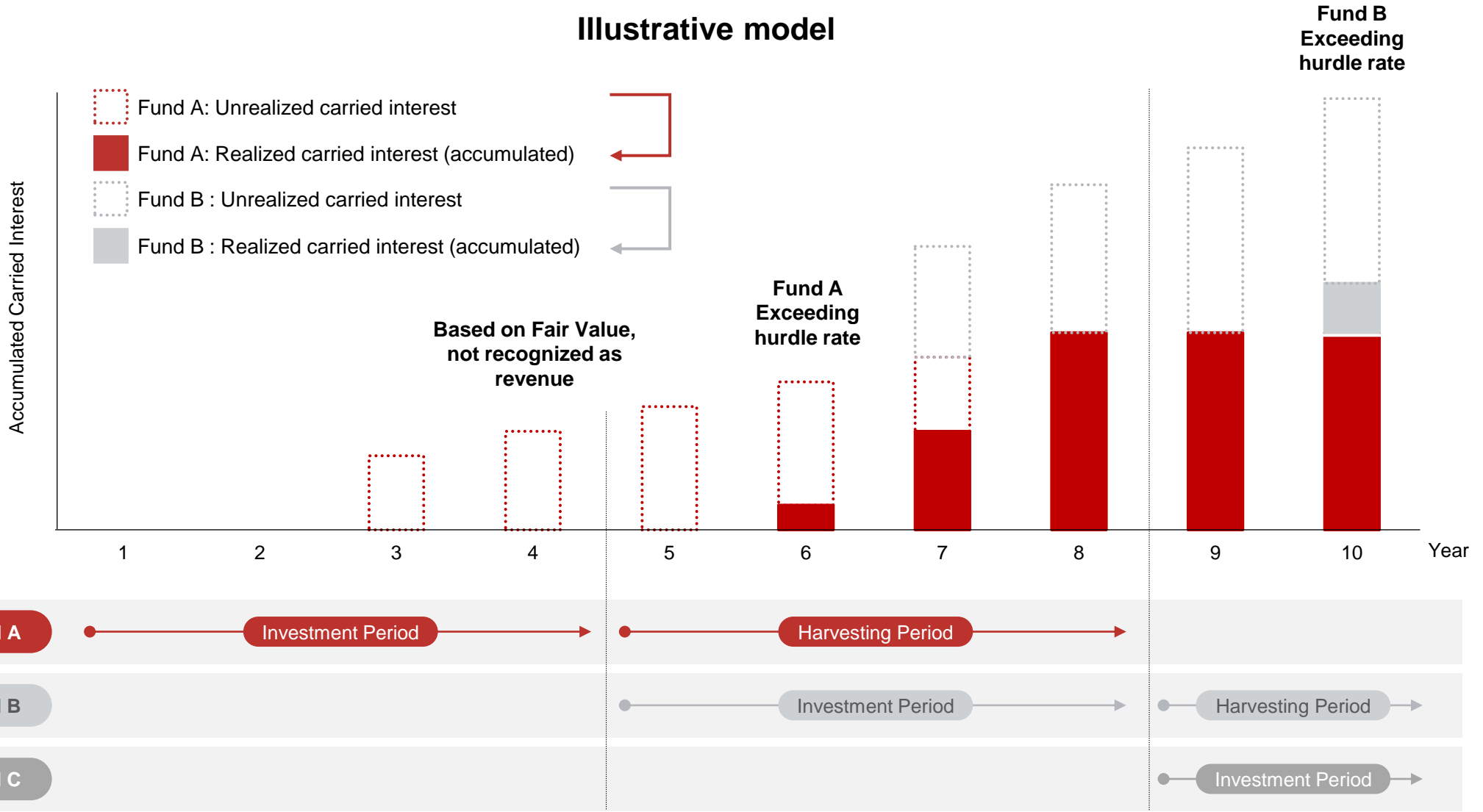
Illustrative model¹



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

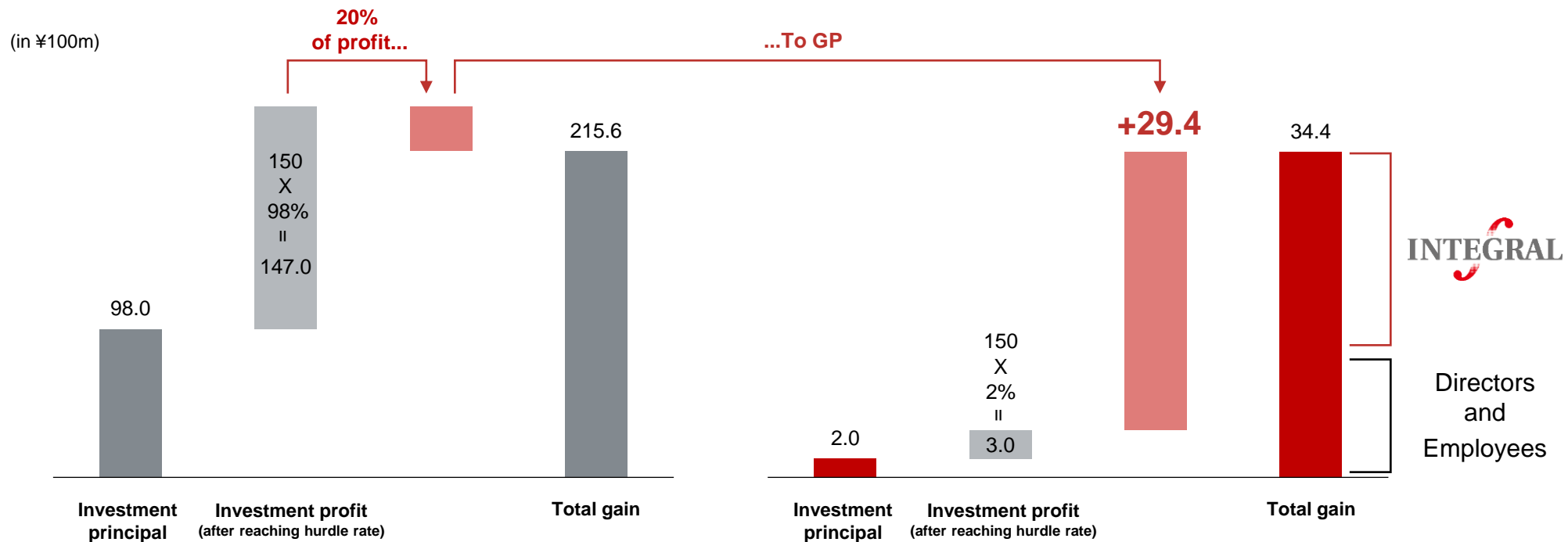
Assumption	Invested amount (LP+GP)	¥10bn	GP commitment	2%
	Investment period	4yrs	Hurdle rate	8%
	Investment proceeds	¥25bn	Hurdle return amount	¥3.6bn

LP Return

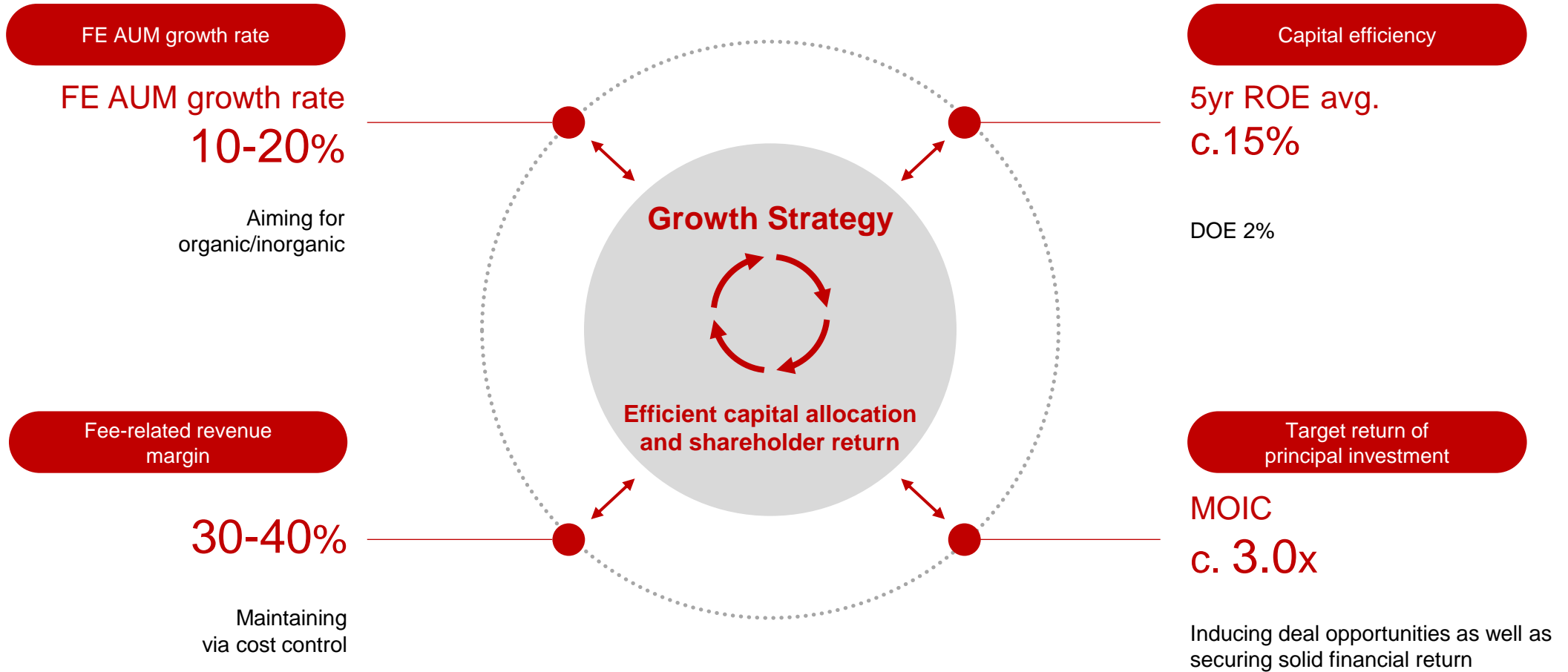
MOIC¹ 2.2x: IRR¹ 21.8%

GP Return

MOIC¹ 17.2x: IRR¹ 103.6%



Target KPIs





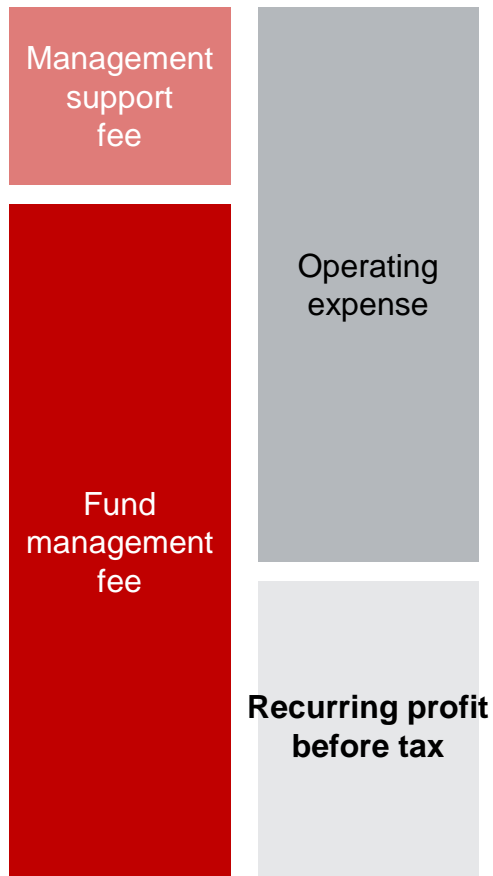
4



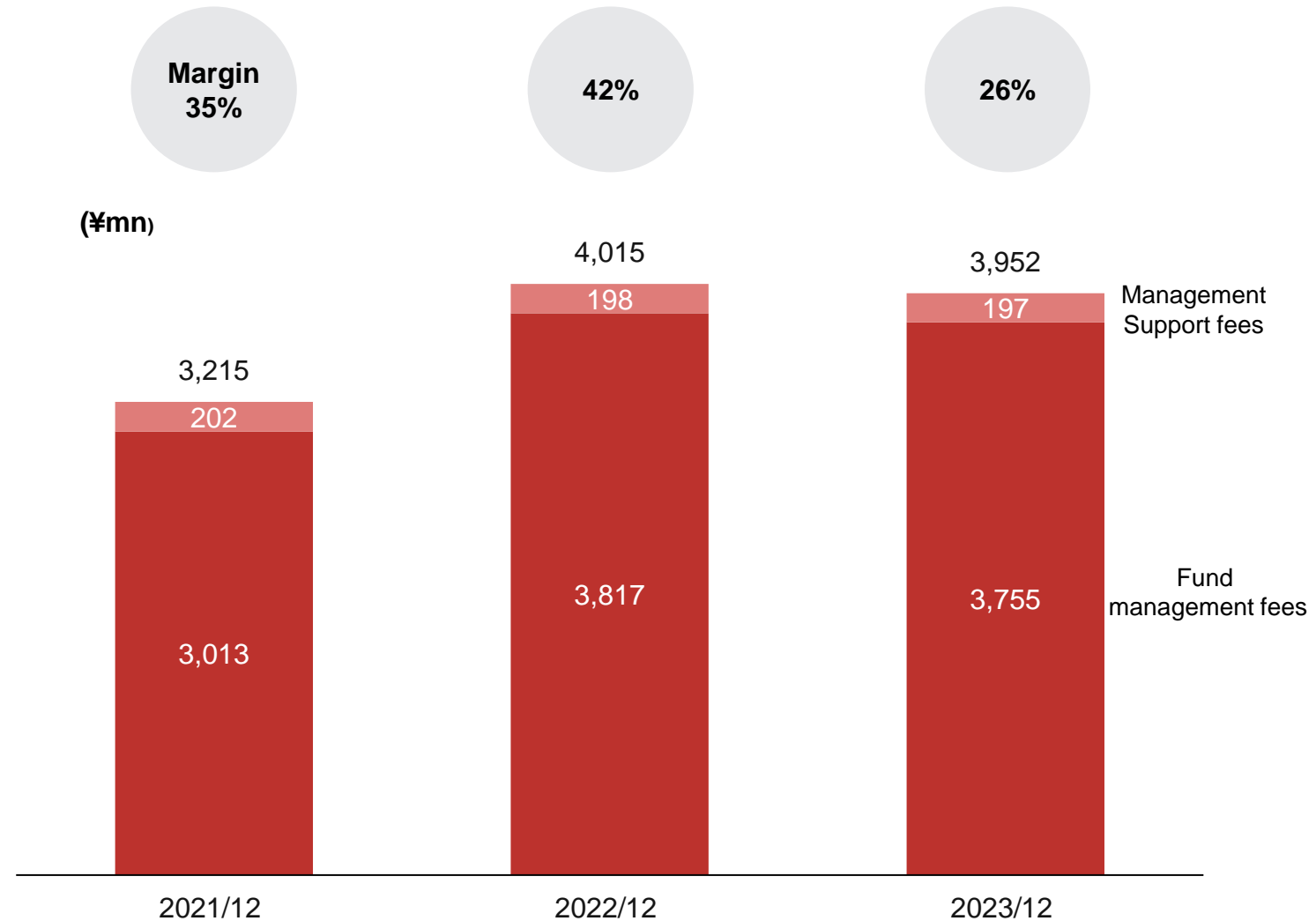
Our financials

Recurring Fee

Framework

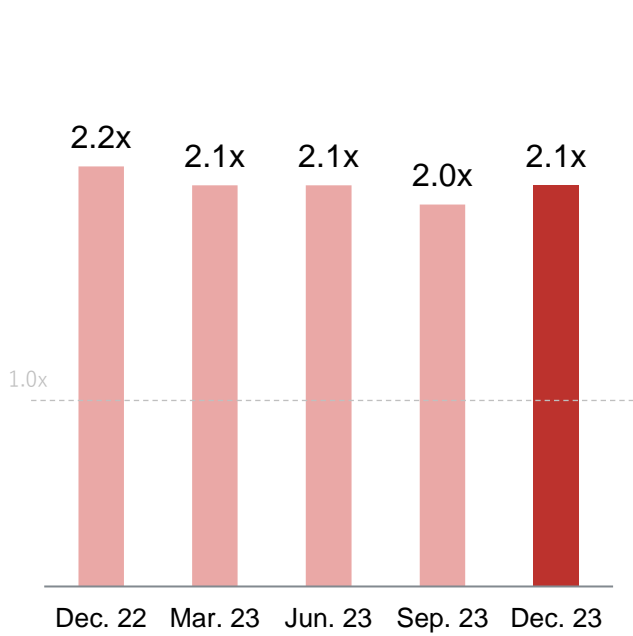


Actual

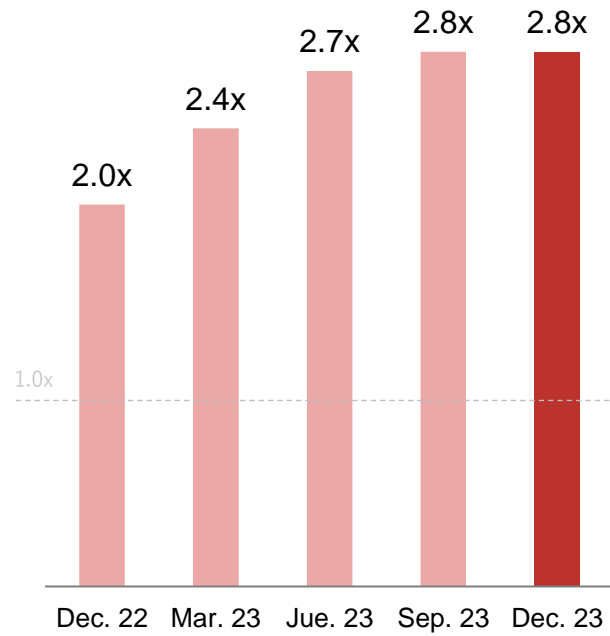


Funds performance

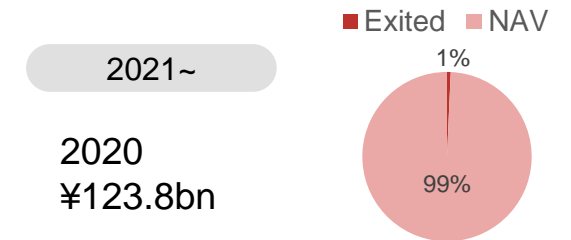
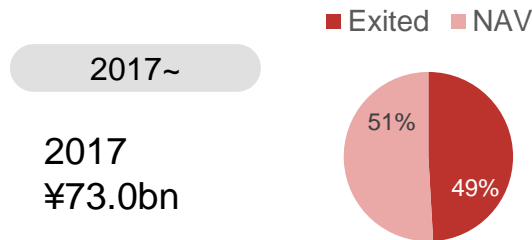
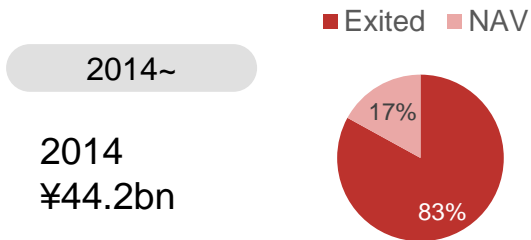
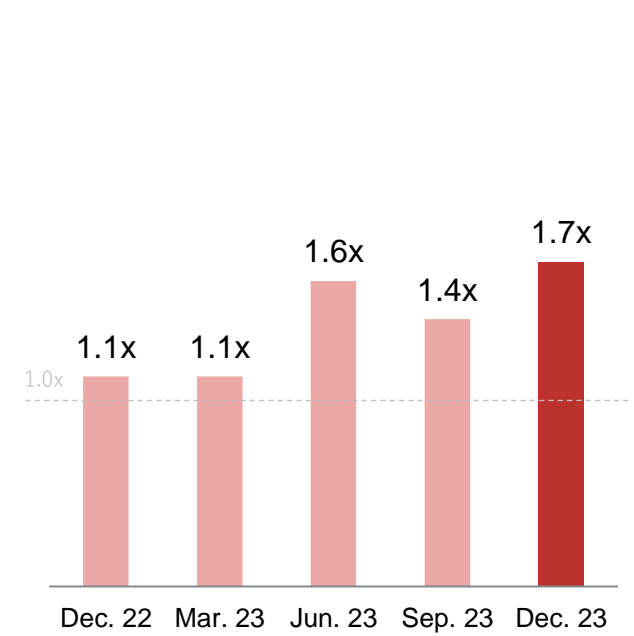
Fund II Series



Fund III Series



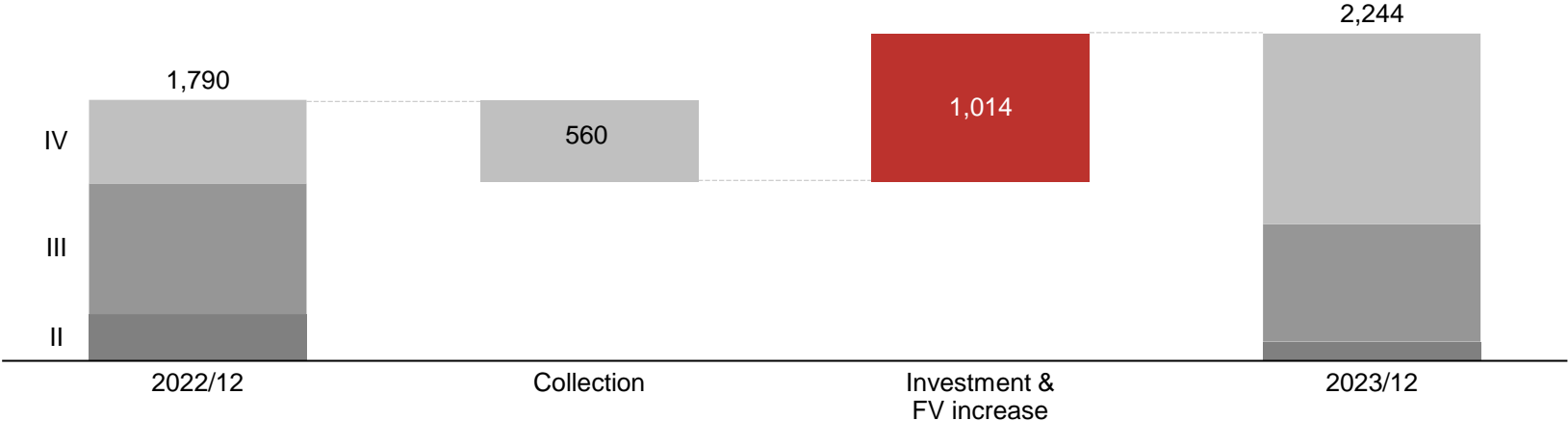
Fund IV Series



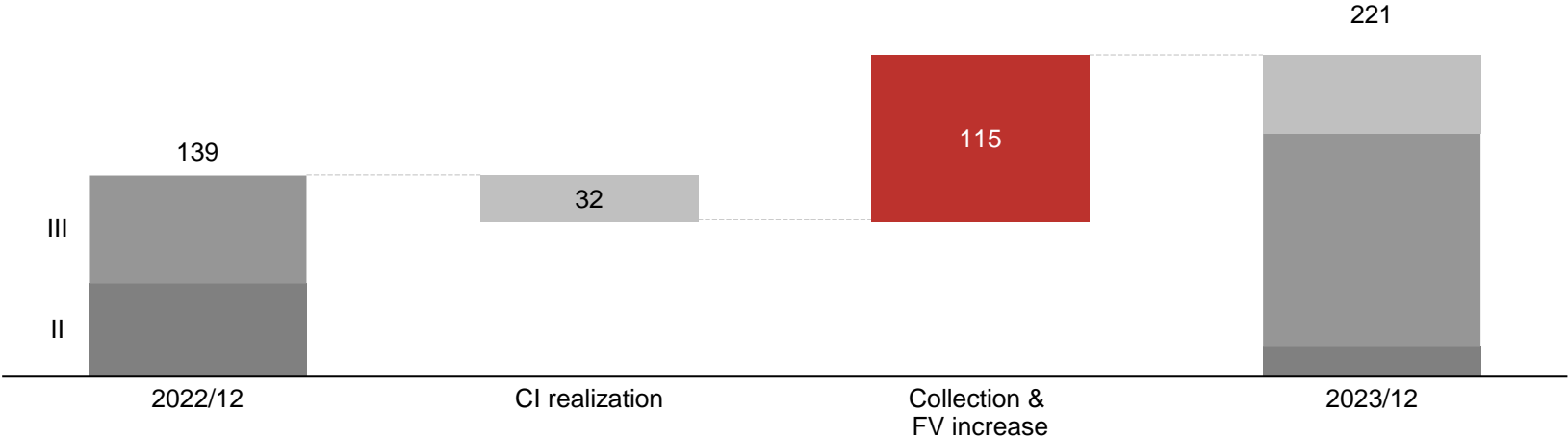
FV and Unrealized CI

(¥100mn)

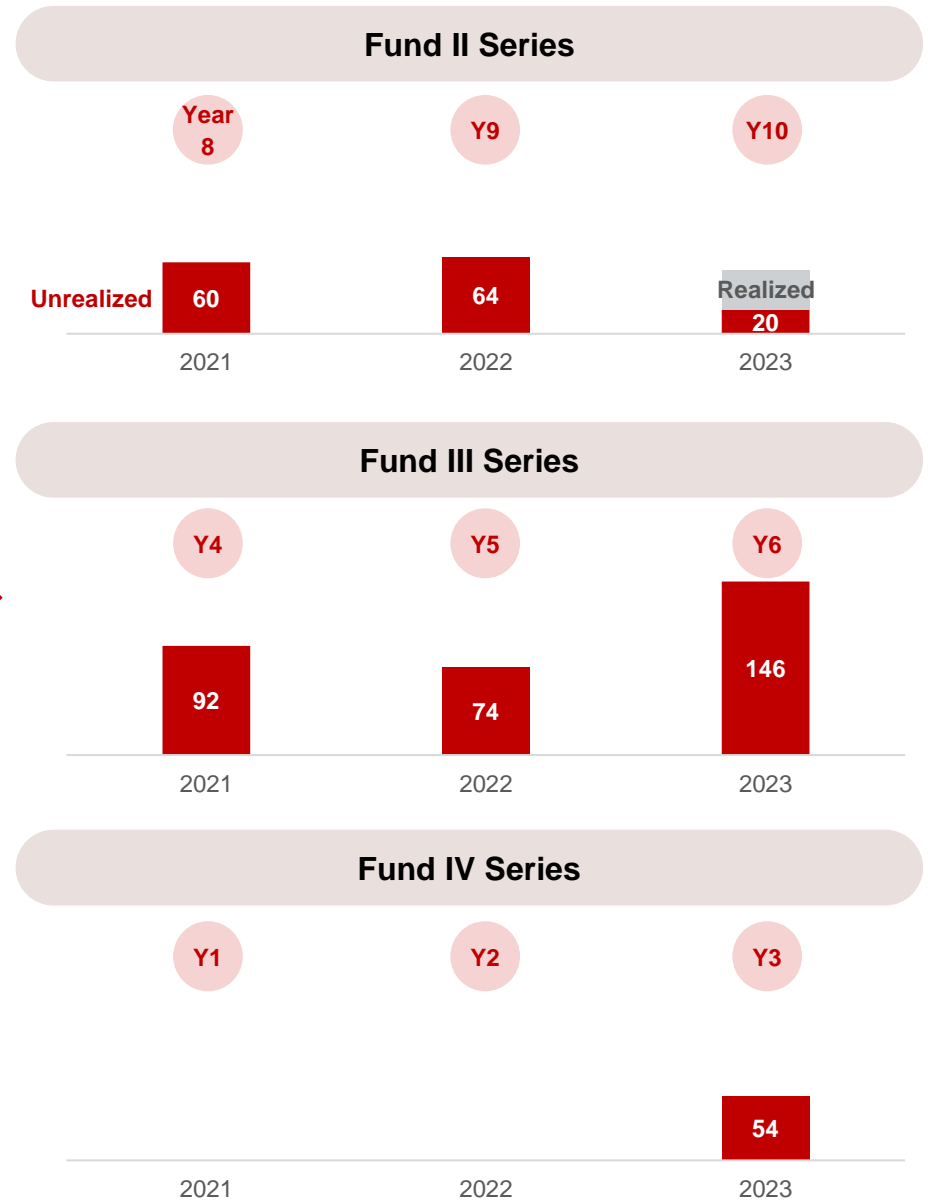
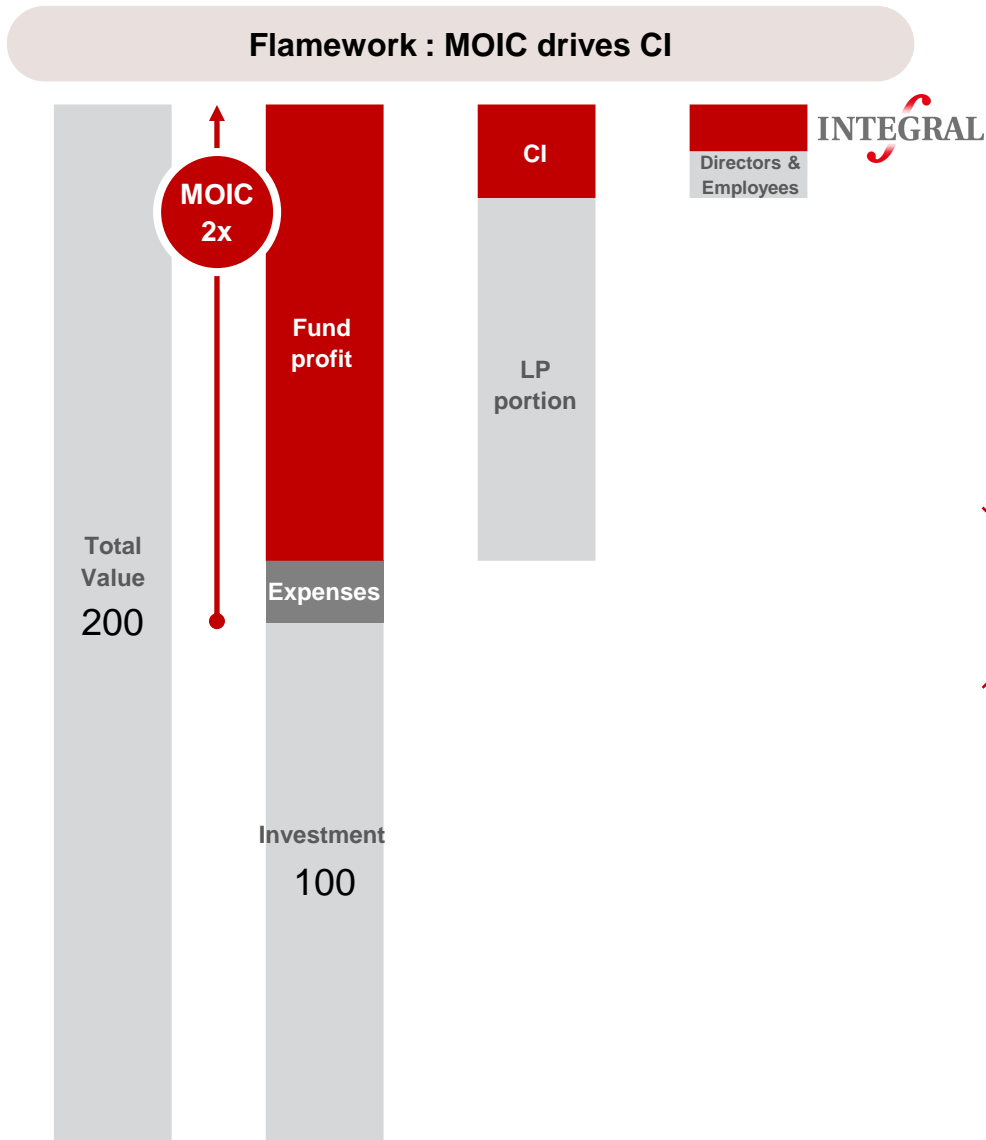
**Investee's FV
in our funds
(Fair value)**



**Unrealized CI
(Carried Interest)**



Unrealized CI by fund series



Key Financials

Consolidated Statements of Profit or Loss

(¥mn)

	Dec. 31, 2021 Full Year	Dec. 31, 2022 Full Year	Dec. 31, 2023 Full Year
Realized profits / (losses) on disposal of investments	50	(0)	1,045
Fair value movements on investment portfolio	831	(266)	2,182
Fair value movements on subsidiaries measured at fair value	(247)	1,665	3,605
Other investment income	11	16	36
Gross investment return	646	1,415	6,870
Fund management fees	3,013	3,817	3,755
Carried interest	—	—	3,254
Management support fees	202	198	197
Other operating income	1	4	5
Revenue	3,863	5,435	14,082
Personnel expenses	1,480	1,664	1,968
Other SG&A expenses	615	770	1,118
Operating expense	2,095	2,435	3,087
Operating income (loss)	1,767	3,000	10,994
Finance income	1	2	6
Finance costs	87	89	81
Profit (loss) before income taxes	1,681	2,913	10,919
Income taxes	508	892	3,345
Profit (loss) for the year	1,173	2,021	7,574

Key Financials

Consolidated Statements of Financial Position

	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Assets			
Current assets			
Cash and cash equivalents	2,309	2,309	18,922
Trade and other receivables	163	325	206
Income taxes receivable	0	18	0
Loans	-	-	35
Other current financial assets	21	5	15
Other current assets	45	59	49
Total current assets	2,539	2,718	19,229
Non-current assets			
Total investments	28,577	31,393	36,404
Investment portfolio	7,007	7,783	8,468
Investments in subsidiaries measured at fair value	21,570	23,610	27,936
Property, plant and equipment	274	238	208
Right-of-use assets	551	403	255
Intangible assets	7	5	3
Other non-current financial assets	169	158	194
Other non-current assets	0	-	0
Total non-current assets	29,580	32,200	37,066
Total assets	32,120	34,918	56,296

(¥mn)

	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	438	535	781
Income taxes payable	106	61	1,477
Consumption taxes payable	86	74	36
Advances received	413	1,005	615
Loans	-	780	780
Loans from subsidiaries measured at fair value	4,600	4,350	3,500
Lease liabilities	140	141	141
Provision	-	-	66
Other current liabilities	91	101	119
Total current liabilities	5,876	7,050	7,519
Non-current liabilities			
Corporate bonds	2,360	-	-
Loans	-	1,560	759
Lease liabilities	316	175	35
Asset retirement obligations	114	114	114
Deferred tax liabilities	6,095	6,612	8,003
Total non-current liabilities	8,886	8,463	8,912
Total liabilities	14,762	15,513	16,432
Equity			
Share capital	1,077	1,077	7,634
Capital surplus	18	43	6,371
Retained earnings	16,271	18,292	25,866
Share acquisition rights	1	1	0
Treasury stock	(11)	(9)	(9)
Equity attributable to owners of parent	17,357	19,405	39,864
Total equity	17,357	19,405	39,864
Total liabilities and equity	32,120	34,918	56,296

Key Financials

Consolidated Statements of Financial Position

	(¥mn)		
	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Cash flows from operating activities			
Profit (loss) before income taxes	1,681	2,913	10,919
Depreciation and amortization	183	185	185
Share-based payment expenses	20	0	0
Interest and dividend income	(12)	(18)	(37)
Interest expenses	87	89	81
Increase (decrease) in provision	—	—	66
Decrease (increase) in trade and other receivables	145	(161)	118
Decrease (increase) in investment portfolio	(1,744)	(775)	(684)
Decrease (increase) in investments in subsidiaries measured at fair value	(1,443)	(2,039)	(4,326)
Decrease (increase) in loans	—	—	(35)
Decrease (increase) in other current financial assets	(34)	26	(44)
Decrease (increase) in other assets	11	(12)	7
Increase (decrease) in trade and other payables	(426)	81	258
Increase (decrease) in consumption taxes payable	34	(11)	(37)
Increase (decrease) in advances received	(117)	591	(390)
Increase (decrease) in other liabilities	16	10	18
Others	0	(0)	(2)
Subtotal	(1,619)	877	6,099
Interest and dividends received			
Interest paid	11	17	38
Income taxes refund received	(82)	(73)	(93)
Cash flows from operating activities	(27)	(438)	(417)
Cash flows from operating activities	(1,717)	383	5,626

	(¥mn)		
	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Cash flows from investing activities			
Purchase of property, plant and equipment	(16)	—	(5)
Purchase of intangible assets	(5)	(0)	0
Cash flows from investing activities	(21)	(0)	(5)

	(¥mn)		
	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Cash flows from financing activities			
Proceeds from loans from subsidiaries measured at fair value	6,100	3,022	2,550
Repayment of loans from subsidiaries measured at fair value	(3,600)	(3,272)	(3,400)
Proceeds from loans	—	2,340	—
Repayments of loans	—	—	(800)
Proceeds from issuance of corporate bonds	1,140	—	—
Redemption of corporate bonds	(1,540)	(2,360)	—
Repayments of lease liabilities	(138)	(139)	(140)
Proceeds from issuance of shares	—	—	13,113
Payments for issuance of shares	—	—	(329)
Proceeds from sale of treasury stock	1	26	0
Cash flows from financing activities	1,962	(382)	10,992

INTEGRAL

A stylized red integral symbol (\int) is positioned vertically, overlapping the word "INTEGRAL". The symbol is rendered in a vibrant red color with a subtle gradient and a slight shadow effect, giving it a three-dimensional appearance. It is centered horizontally over the word.