Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 11, 2024

Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Under IFRS)

Company name: Integral Corporation
Listing: Tokyo Stock Exchange
Securities code: 5842
URL: https://www.integralkk.com/en-home/
Representative: Reijiro Yamamoto, Representative Director & Partner
Inquiries: Yasuaki Sumikawa, CFO & Controller
Telephone: +81-3-6212-6100
Scheduled date to commence dividend payments: —
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 nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating income		Profit before income taxes		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	17,387	130.2	13,478	152.7	13,450	155.1	9,344	155.7
September 30, 2023	7,552	174.9	5,334	468.8	5,272	504.2	3,654	520.2

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
September 30, 2024	9,344	155.7	9,344	155.7	281.52	263.44
September 30, 2023	3,654	520.2	3,654	520.2	133.02	123.48

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
As of	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2024	65,971	48,830	48,830	74.0
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: 5 companies (Innovation Partners Alpha V Ltd., Initiative Partners Delta V Ltd., Infinity Partners Gamma V Ltd., Integral Real Estate Corporation, 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 September 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 September 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)

Nine months ended September 30, 2024	33,192,799 shares
Nine months ended September 30, 2023	27,471,886 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.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 financial results)
The Company does not plan to hold a briefing in the third quarter of the current fiscal year. Financial results presentation materials will be disclosed on the Company's website on Monday, November 11, 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.

Table of Contents – Attachments

1. Overview of Operating Results and Financial Position 2
(1) Overview of Operating Results 2
(2) Overview of Financial Position 2
(3) Explanation of Information on Future Forecasts Including Consolidated Earnings Forecast 3
2. Condensed Quarterly Consolidated Financial Statements and Primary Notes 6
(1) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income 6
(2) Condensed Quarterly Consolidated Statement of Financial Position 9
(3) Condensed Quarterly Consolidated Statement of Changes in Equity 11
(4) Condensed Quarterly Consolidated Statement of Cash Flow 12
(5) Notes to Condensed Quarterly Consolidated Financial Statements 13
(Notes on Going concern assumptions) 13
(Segment information) 13

1. Overview of Operating Results and Financial Position

In this Consolidated 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) Overview of Operating Results

For the nine months ended September 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).

The hurdle rate in the Fund II Series has already been exceeded and carried interest generated by the abovementioned sales of the shares of Skymark, Itokin and related distributions was recognized as income. Moreover, as a result of the receipt of the advances for the share transfer of Mamezou K2TOP Holdings and the associated distribution, the hurdle rate in the Fund III Series was exceeded and the generated carried interest was recognized as income by the Group.

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 their performance and financial conditions as well as a change in valuation method used. This change in method used, from investment cost to a different valuation method, for one investee happened since a year has passed since its investment. The overall fair value of the portfolio companies increased compared to the same period of the previous year.

Operating expenses increased year-on-year mainly due 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 introduces overseas LP investors, cultivates 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 nine months ended September 30, 2024 was ¥17,387 million (up 130.2% year-on-year), Operating income was ¥13,478 million (up 152.7% year-on-year), Profit before income taxes was ¥13,450 million (up 155.1% year-on-year), and Profit for the period was ¥9,344 million (up 155.7% 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) Overview of Financial Position

a. Analysis of financial position

Assets, liabilities and equity at the end of third quarter ended September 30, 2024 were as follows:

(Assets)

Total assets increased by ¥9,674 million from the end of the previous fiscal year to ¥65,971 million. Total current assets increased by ¥1,890 million to ¥21,120 million, mainly due to a ¥1,918 million increase in Trade and other receivables and a ¥40 million increase in Other current assets, despite a ¥53 million decrease in Cash and cash equivalents. Non-current assets increased by ¥7,784 million to ¥44,850 million, mainly due to a ¥5,676 million increase in Investment in subsidiaries measured at fair value and a ¥2,384 million increase in Loans, despite a ¥256 million decrease in Investment portfolio.

(Liabilities)

Total liabilities increased by ¥713 million from the end of the previous fiscal year to ¥17,140 million. Current liabilities decreased by ¥3,234 million to ¥4,284 million, mainly due to a ¥ 3,500 million decrease in the Loans from the subsidiaries measured at fair value and a ¥438 million decrease in Income tax payable, despite a ¥855 million increase in Advances received. Non-current liabilities

increased by ¥3,942 million to ¥12,855 million, mainly due to a ¥1,626 million increase in Loans and a ¥2,310 million increase in Deferred tax liabilities.

(Equity)
Total equity increased by ¥8,966 million from the end of the previous fiscal year to ¥48,830 million, mainly due to a ¥8,945 million increase in Retained earnings.

b. Cash flows
Cash flows for the nine months ended September 30, 2024 were as follows:

(Cash flows from operating activities)
Cash flows provided by operating activities for the nine months ended September 30, 2024 was a ¥2,519 million (¥1,805 million provided in the same period of the previous year). This was mainly due to the record of Profit before income taxes of ¥13,450 million, despite an increase of ¥1,918 million in Trade and other receivables, an increase of ¥5,676 million in Investment in subsidiaries measured at fair value and an increase of ¥2,255 million in Loans.

(Cash flows from investing activities)
Cash flows used by investing activities for the nine months ended September 30, 2024 was a ¥91 million (¥1 million used in the same period of the previous year). This was mainly due to the Payments of leasehold and guarantee deposits of ¥91 million.

(Cash flows from financing activities)
Cash flows used in financing activities for the nine months ended September 30, 2024 was ¥2,481 million (¥11,205 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 ¥780 million, despite the occurrence of Proceeds from loans of ¥2,255 million.

As a result, Cash and cash equivalents decreased by ¥53 million, and Cash and cash equivalents at the end of the period was ¥18,869 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)	Nine-month period ended September 30, 2024 (Actual)	Year ending December 31, 2024 (Forecast)	
				Percentage change from the previous year
Fund management fees	3,755	2,645	3,494	93.0%
Management support fees	197	178	242	122.7%
Recurring expenses (A-B)	2,936	2,409	3,307	112.6%
Operating expenses (A)	3,087	3,908	5,034	163.0%
One-time expenses (B)	151	1,499	1,728	1,143.0%

【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 Nine months period ended September 30, 2024
AUM *1	2,464	2,185	2,357
Fee-Earning AUM *2	1,940	1,835	1,762
FV of principal investments	284	327	378
Acquisition value of principal investments *3	76	82	71
FV of fund investments	1,790	2,244	2,986
Unrealized carried interest *4			
Fund II Series *5	64	20	6
Fund III Series *6	73	144	135
Fund IV Series	-	53	124

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 nine months ended September 30, 2024.

*6 The unrealized carried interest of Fund III Series decreased due to the realization of carried interest and the Group’s receipt of ¥5.0 billion for the nine months ended September 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 Quarterly Consolidated Financial Statements and Primary Notes

(1) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

For the Nine-month period ended September 30, 2024

(Unit: million yen)

	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2024
Realized profits/(losses) on the disposal of investments	1,045	-
Fair value movements on investment portfolio	802	2,015
Fair value movements on subsidiaries measured at fair value	2,692	5,610
Dividends	33	23
Interest income from investment portfolio	3	-
Gross investment return	4,576	7,649
Fund management fees	2,828	2,645
Carried interest	-	6,911
Management support fees	144	178
Other operating income	2	1
Revenue	7,552	17,387
Operating expenses	(2,218)	(3,908)
Operating income (loss)	5,334	13,478
Finance income	0	153
Finance costs	(63)	(182)
Profit (loss) before income taxes	5,272	13,450
Income taxes	(1,617)	(4,105)
Profit (loss) for the period	3,654	9,344
Profit (loss) for the period attributable to:		
Owners of the parent	3,654	9,344
Profit (loss) for the period	3,654	9,344
Earnings per share	Yen	Yen
Basic earnings (loss) per share	133.02	281.52
Diluted earnings (loss) per share	123.48	263.44

For the Three-month period ended September 30, 2024

(Unit: million yen)

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2024
Realized profits/(losses) on the disposal of investments	1,041	-
Fair value movements on investment portfolio	(1,064)	267
Fair value movements on subsidiaries measured at fair value	171	1,389
Dividends	11	15
Interest income from investment portfolio	0	-
Gross investment return	159	1,672
Fund management fees	949	875
Carried interest	-	5,094
Management support fees	45	60
Other operating income	0	0
Revenue	1,155	7,703
Operating expenses	(910)	(1,058)
Operating income (loss)	245	6,644
Finance income	0	70
Finance costs	(20)	(72)
Profit (loss) before income taxes	224	6,641
Income taxes	(79)	(2,033)
Profit (loss) for the period	145	4,607
Profit (loss) for the period attributable to:		
Owners of the parent	145	4,607
Profit (loss) for the period	145	4,607
Earnings per share	Yen	Yen
Basic earnings (loss) per share	5.21	138.67
Diluted earnings (loss) per share	4.84	129.95

Condensed Quarterly Consolidated Statement of Comprehensive Income
For the Nine-month period ended September 30, 2024

(Unit: million yen)

	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2024
Profit (loss) for the period	3,654	9,344
Comprehensive income for the period	3,654	9,344
Comprehensive income for the period attributable to:		
Owners of the parent	3,654	9,344
Comprehensive income for the period	3,654	9,344

For the Three-month period ended September 30, 2024

(Unit: million yen)

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2024
Profit (loss) for the period	145	4,607
Comprehensive income for the period	145	4,607
Comprehensive income for the period attributable to:		
Owners of the parent	145	4,607
Comprehensive income for the period	145	4,607

(2) Condensed Quarterly Consolidated Statement of Financial Position
As of September 30, 2024

(Unit: million yen)

	December 31, 2023	September 30, 2024
Assets		
Current assets:		
Cash and cash equivalents	18,922	18,869
Trade and other receivables	206	2,124
Income taxes receivable	0	-
Loans	35	35
Other current financial assets	15	1
Other current assets	49	89
Total current assets	19,229	21,120
Non-current assets:		
Investments:	36,404	41,825
Investment portfolio	8,468	8,211
Investments in subsidiaries measured at fair value	27,936	33,613
Property, plant and equipment	208	193
Right-of-use assets	255	185
Intangible assets	3	2
Loans	-	2,384
Other non-current financial assets	194	259
Other non-current assets	0	-
Total non-current assets	37,066	44,850
Total assets	56,296	65,971

(Unit: million yen)

	December 31, 2023	September 30, 2024
Liabilities and Equity		
Liabilities		
Current liabilities:		
Trade and other payables	781	550
Income taxes payable	1,477	1,039
Consumption taxes payable	36	32
Advances received	615	1,470
Loans	780	759
Loans from subsidiaries measured at fair value	3,500	-
Lease liabilities	141	70
Provision for bonuses	66	275
Other current liabilities	119	86
Total current liabilities	7,519	4,284
Non-current liabilities:		
Loans	759	2,386
Lease liabilities	35	-
Asset retirement obligations	114	156
Deferred tax liabilities	8,003	10,313
Total non-current liabilities	8,912	12,855
Total liabilities	16,432	17,140
Equity		
Share capital	7,634	7,634
Capital surplus	6,371	6,391
Retained earnings	25,866	34,812
Share acquisition rights	0	0
Treasury stock	(9)	(8)
Equity attributable to owners of parent	39,864	48,830
Total equity	39,864	48,830
Total liabilities and equity	56,296	65,971

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

For the Nine-month period ended September 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	-	-	3,654	-	-	3,654	3,654
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	3,654	-	-	3,654	3,654
Issuance of new shares	5,803	5,803	-	-	-	11,606	11,606
New share issuance costs	-	(223)	-	-	-	(223)	(223)
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	5,803	5,579	-	0	0	11,382	11,382
Balance as of September 30, 2023	6,880	5,622	21,946	1	(9)	34,442	34,442

For the Nine-month period ended September 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	-	-	9,344	-	-	9,344	9,344
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	9,344	-	-	9,344	9,344
Share-based payment transactions	-	-	-	0	-	0	0
Exercise of share acquisition rights	-	0	-	(0)	-	-	-
Dividends	-	-	(398)	-	-	(398)	(398)
Purchase of treasury stock	-	-	-	-	(0)	(0)	(0)
Disposal of treasury stock	-	19	-	-	0	20	20
Total transactions with owners	-	19	(398)	(0)	0	(378)	(378)
Balance as of September 30, 2024	7,634	6,391	34,812	0	(8)	48,830	48,830

(4) Condensed Quarterly Consolidated Statement of Cash Flow
For the Nine-month period ended September 30, 2024

(Unit: million yen)

	Nine-month period ended September 30, 2023	Nine-month period ended September 30, 2024
Cash flows from operating activities:		
Profit (loss) before income taxes	5,272	13,450
Depreciation and amortization	139	138
Share-based payment expenses	0	0
Interest and dividend income	(37)	(177)
Interest expenses	63	180
Increase (decrease) in provisions	223	208
Decrease (increase) in trade and other receivables	(218)	(1,918)
Decrease (increase) in investment portfolio	56	256
Decrease (increase) in investments in subsidiaries measured at fair value	(3,297)	(5,676)
Decrease (increase) in loans	-	(2,255)
Decrease (increase) in other financial assets	(48)	37
Decrease (increase) in other assets	(0)	(14)
Increase (decrease) in trade and other payables	(55)	(256)
Increase (decrease) in consumption taxes payable	(32)	(3)
Increase (decrease) in advances received	(23)	855
Increase (decrease) in other liabilities	(11)	(33)
Others	(0)	-
Subtotal	2,029	4,790
Interest and dividends received	38	25
Interest paid	(84)	(62)
Income taxes paid	(178)	(2,233)
Cash flows from operating activities	1,805	2,519
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1)	(0)
Payments of leasehold and guarantee deposits	-	(91)
Cash flows from investing activities	(1)	(91)
Cash flows from financing activities:		
Proceeds from loans from subsidiaries measured at fair value	2,550	-
Repayment of loans from subsidiaries measured at fair value	(2,000)	(3,500)
Proceeds from loans	-	2,255
Repayments of loans	(800)	(780)
Repayments of lease liabilities	(105)	(106)
Proceeds from issuance of shares	11,606	-
Payments for issuance of shares	(44)	-
Proceeds from sale of treasury stock	0	20
Purchase of treasury stock	-	(0)
Dividends paid	-	(371)
Cash flows from financing activities	11,205	(2,481)
Increase (decrease) in cash and cash equivalents	13,009	(53)
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	15,318	18,869

(5) Notes to Condensed Quarterly 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.