This English translation of the press release was prepared for reference purposes only and is qualified in its entirety by the original Japanese version.

November 25th, 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 the funds managed by it and its affiliates, Integral 3 Limited Partnership and Innovation Alpha L.P. (collectively the "Fund III Series"), are expected to distribute carried interest to Integral group in addition to the carried interest we disclosed on July 5th, 2024.

1. Overview of Carried Interest

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

Since its inception in 2017, nine investments and five exits (including two partial exits) with the associated distributions have been executed to date in the Fund III Series. Subsequently the hurdle rate has already been exceeded.

As stated in our "Notice of Share Transfer of T-Garden Co., Ltd." announcement the Fund III Series will execute an additional exit. Through the distribution of the exit proceeds we expect to receive additional carried interest from the Fund III Series.

2. Future Outlook

As described in 3. Timeline in "Notice of Share Transfer of T-Garden Co., Ltd.", the share transfer is expected to be executed in December 2024, however, it may be executed in or after January 2025 because the share transfer is subject to the fulfillment of the terms and conditions of the Agreement.

Regarding the impact of the received carried interest on the consolidated financial results, revenue will increase by approximately JPY 9.8 billion, profit before income taxes will increase by approximately JPY 9.5 billion, and profit for the year will increase by approximately JPY 6.6 billion. If the share transfer is executed in December 2024, such amounts will be recorded in the financial results for the fourth quarter of the fiscal year ending December 31, 2024, however, if it is executed in or after January 2025, such amounts will be recorded in the financial results for the first quarter of fiscal year ending December 31, 2025.

We will continue to disclose the amount of unrealized carried interest for the Fund III Series upon receival in the quarterly management presentation.