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November 13, 2023

Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Under IFRS)

Company name:	Integral Corporation
Listing:	Tokyo Stock Exchange
Securities code:	5842
URL:	https://www.integralkk.com/en-home/
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Scheduled date to file quarterly securities report:	November 13, 2023
Scheduled date to commence dividend payments:	—
Preparation of supplementary material on quarterly financial results:	Yes
Holding of quarterly financial results briefing:	Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating income		Profit before income taxes		Profit	
Nine months ended September 30, 2023	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	7,552	174.9	5,334	468.8	5,272	504.2	3,654	520.2
September 30, 2022	2,747	—	937	—	872	—	589	—

	Profit attributable to owners of the parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
Nine months ended September 30, 2023	Millions of yen	%	Millions of yen	%	Yen		Yen	
September 30, 2023	3,654	520.2	3,654	520.2	133.02		123.48	
September 30, 2022	589	—	589	—	21.75		19.92	

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 September 30, 2023	Millions of yen		Millions of yen		Millions of yen	%
December 31, 2022	51,281		34,442		34,442	67.2
	34,918		19,405		19,405	55.6

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended December 31, 2022	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending December 31, 2023	—	0.00	—		
Fiscal year ending December 31, 2023 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

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) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(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, 2023	34,300,000 shares
As of December 31, 2022	29,100,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2023	1,850,000 shares
As of December 31, 2022	1,875,000 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2023	27,471,886 shares
Nine months ended September 30, 2022	27,089,469 shares

Note: The Company conducted a stock split with a ratio of 10 for 1 on July 7, 2023. “Total number of issued shares at the end of the period”, “Number of treasury shares at the end of the period” and “Average number of shares outstanding during the period” are calculated assuming the stock split had already been carried out at the start of the previous fiscal year.

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* 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 quarterly financial results)

The Company plans to hold a briefing for institutional investors and analysts on Tuesday, November 21, 2023. Financial results presentation materials will be disclosed on the Company's website on the same date.

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

Table of Contents – Attachments

1. Qualitative Information on Quarterly Financial Results.....	2
(1) Explanation of Operating Results	2
(2) Explanation 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	7
(1) Condensed Quarterly Consolidated Statement of Profit or Loss and Comprehensive Income.....	7
(2) Condensed Quarterly Consolidated Statement of Financial Position	10
(3) Condensed Quarterly Consolidated Statement of Changes in Equity.....	12
(4) Condensed Quarterly Consolidated Statement of Cash Flow	13
(5) Notes to Condensed Quarterly Consolidated Financial Statements	14
(Notes on Going concern assumptions)	14
(Notes on Segment information).....	14

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

For the nine months ended September 30, 2023, the Group exited one investee (JRC) by the sale of shares through IPO, two investees (Convano and Bigtree Technology and Consulting) by the sale of shares through trade-sale and by the partial sale of one investee through trade-sale (Nitto FC).

Realized profits/(losses) on the disposal of investments increased on a year-on-year basis due to disposal of principal investments among the above-mentioned sales of investees.

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 the performance and financial condition of the investees and the commencement of valuation that begins from one year after the investment.

Operating expenses increased year-on-year due mainly to an increase in personnel expenses resulting from an increase in the number of employees, an increase in travel expenses resulting from an increase in domestic and international business trips, an increase in expenses associated with the consideration of new investment opportunities, and an increase in tax expenses.

As a result of the above, Revenue for the nine months ended September 30, 2023 was ¥7,552 million (up 174.9% year-on-year), Operating income was ¥5,334 million (up 468.8% year-on-year), Profit before income taxes was ¥5,272 million (up 504.2% year-on-year), and Profit for the period was ¥3,654 million (up 520.2% year-on-year).

As for changes in fair value of investee companies during the third quarter of the current fiscal year (July 1, 2023 to September 30, 2023), the fair value of investees of publicly traded companies have decreased due to declining stock prices, and the fair value of investees of unlisted companies have increased due to the investee's recent earning recovery and improved financial condition and other factors, although the financial figures of comparable listed companies and other indicators referred in the process of valuation have deteriorated. The overall fair value of the portfolio companies increased during the third quarter of this fiscal year.

Although the fair value of investees held at the end of the third quarter increased as described above, the amount of Investments portfolio at the end of the third quarter decreased from the amount at the end of the second quarter due to the EXIT of some investees described above, and therefore, the Fair value movements on investment portfolio in the Condensed Quarterly Consolidated Statement of Profit or Loss for the third quarter of fiscal year 2023 was negative.

In addition, the Company recorded the fair value of the consideration received for the EXIT less the fair value of the investment portfolio at the beginning of the third quarter of the fiscal year as Realized profit on the disposal of investments.

(2) Explanation of Financial Position

a. Analysis of financial position

Assets, liabilities and equity at the end of the third quarter under review were as follows:

(Assets)

Total assets increased by ¥16,362 million from the end of the previous fiscal year to ¥51,281 million. Total current assets increased by ¥13,221 million to ¥15,940 million, mainly due to a ¥13,009 million increase in Cash and cash equivalents and a ¥218 million increase in Trade and other receivables. Non-current assets increased by ¥3,140 million to ¥35,340 million, mainly due to a ¥3,297 million increase in Investment in subsidiaries measured at fair value.

(Liabilities)

Total liabilities increased by ¥1,325 million from the end of the previous fiscal year to ¥16,838 million. Current liabilities increased by ¥1,504 million to ¥8,554 million, mainly due to a ¥203 million increase in Trade and other payables, a ¥594 million increase in Income tax payable and a ¥550 million increase in Loans from subsidiaries measured at fair value. Non-current liabilities decreased by ¥178 million to ¥8,284 million, mainly due to a ¥800 million decrease in Loans.

(Equity)

Total equity increased by ¥15,036 million from the end of the previous fiscal year to ¥34,442 million, mainly due to a ¥5,803 million increase in Share capital and a ¥5,579 million increase in Capital surplus by initial public offering, and a ¥3,654 million increase in Retained earnings by the record in Profit for the period attributable to owners of the parent.

b. Cash flows

Cash flows at the end of the third quarter under review were as follows:

(Cash flows from operating activities)

Cash flows provided by operating activities for the nine months ended September 30, 2023 was a ¥1,805 million (¥7 million used in the same period of the previous year). This was mainly due to the recording of Profit before income taxes of ¥5,272 million and an increase in Investment in subsidiaries measured at fair value of ¥3,297 million.

(Cash flows from investing activities)

Cash flows used in investing activities for the nine months ended September 30, 2023 was a ¥1 million (¥0 million used in the same period of the previous year). This was mainly due to the Purchase of property, plant and equipment of ¥1 million.

(Cash flows from financing activities)

Cash flows provided by financing activities for the nine months ended September 30, 2023 was a cash in-flow of ¥11,205 million (¥697 million used in the same period of the previous year). This was mainly due to proceeds from issuance of shares of 11,606 million.

As a result, Cash and cash equivalents increased by ¥13,009 million, and Cash and cash equivalents at the end of the period was ¥15,318 million (¥1,604 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, 2023 (January 1, 2023 to December 31, 2023) are as follows.

(Reference information)

(Unit: million yen, %)

	Year ending December 31, 2023 (Forecast) *1	Percentage change from the previous year	Nine-month period ended September 30, 2023 (Actual)	Year ended December 31, 2022 (Actual)
Fund management fees	3,753	△1.7%	2,828	3,817
Management support fees	197	△0.1%	144	198
Operating expenses	2,882	18.4%	2,218	2,435

【Assumptions for Recurring Profit/Loss Forecast for the year ending December 31, 2023 (Consolidated)】

a. 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: million yen)

	As of and for the year ended December 31, 2021	As of and for the year ended December 31, 2022	As of and for the nine-month period ended September 30, 2023
AUM *1	259,826	246,467	240,007
Fee-Earning AUM *2	194,424	194,044	187,822
FV of principal investments	25,699	28,481	31,268
Acquisition value of principal investments *3	6,382	7,643	8,238
FV of fund investments	155,748	179,033	224,964
Unrealized carried interest *4			
Fund II Series *5	6,004	6,467	5,174
Fund III Series *6	9,255	7,449	14,300
Fund IV Series *7	-	-	2,932

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 Fund II Series consists of Integral 2 Limited Partnership and Integral Fund II(A) L.P.

*6 Fund III Series consists of Integral 3 Limited Partnership and Innovation Alpha L.P.

*7 Fund IV Series consists of Integral 4 Limited Partnership, Innovation Alpha IV L.P. and Initiative Delta IV L.P.

b. 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.

c. 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.

d. 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.

e. Operating expenses

The Group's operating expenses consist primarily of personnel expenses, commissions expenses, depreciation (including depreciation of right-of-use assets), and other expenses. The forecast for the fiscal year ending December 31, 2023 includes ¥187 million* of listing expenses.

* Listing expenses include professional fees for listing, preparation of listing application documents, initial listing fees with the Tokyo Stock Exchange, and expenses related to public offering and secondary offering.

Further, as per the press release of "Notice of Partial Transfer of Shares of Skymark Airlines Inc." dated on November 7, 2023, by making the distribution related to that share transfer, Fund II Series is expected to exceed the hurdle rate (8% on an annualized basis on the deployment amount) set forth in the partnership agreement, and the Group is expected to start receiving carried interest from Fund II Series. As for the impact of the receipt of carried interest on the consolidated financials for the fiscal year ending December 31, 2023, Gross investment return will increase by approximately JPY 3.3 billion, Profit before income taxes will increase by approximately JPY 3.3 billion, and Profit for the year will increase by approximately JPY 2.2 billion respectively from the amount of each items in the Condensed Quarterly Consolidated Statement of Profit or Loss for the nine-month period ended September 30, 2023.

【Excerpts from our consolidated statements of income and items affected by Carried Interest】

(Unit : million yen)

	Nine-month period ended September 30, 2023	Amount of carried interest to be recorded in fourth Quarter
1 Realized profits/(losses) on the disposal of investments	1,045	
2 Fair value movements on investment portfolio	802	
3 Fair value movements on subsidiaries measured at fair value	2,692	
4 Dividends	33	
5 Interest income from investment portfolio	3	
6 Gross investment return (Total from 1 to 5)	4,576	
7 Fund management fees	2,828	
8 Carried interest	-	+3,300
9 Management support fees	144	
10 Other operating income	2	
11 Revenue (Total from 6 to 10)	7,552	+3,300
12 Operating expenses	△2,218	
13 Operating income (loss)	5,334	+3,300
14 Finance income	0	
15 Finance costs	△63	
16 Profit (loss) before income taxes	5,272	+3,300
17 Income taxes	△1,617	△1,100
18 Profit (loss) for the period	3,654	+2,200

Because of the impact of fair value movements on investees on the consolidated results, it is difficult to make reasonable future outlook and we do not provide earnings estimate for the full fiscal year ending December 31, 2023. However, we have disclosed the "Outlook for FY 2023" as a supplemental material today, which is

based on actual results through the third quarter of the fiscal year ending December 31, 2023 and the earnings expected to be recorded in the fourth quarter of the fiscal year (full-year earnings forecast excluding the impact of fair value movement on investees in the fourth quarter of the fiscal year), which we have already disclosed.

There is no change in the amount of recurring profit/loss forecasts to be recorded in the fourth quarter from the amount disclosed in the information on the financial results disclosed on September 20, 2023.

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

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, 2023

	(Thousands of Yen)	
	Nine-month period ended September 30, 2022	Nine-month period ended September 30, 2023
Realized profits/(losses) on the disposal of investments	(19)	1,045,814
Fair value movements on investment portfolio	(320,618)	802,145
Fair value movements on subsidiaries measured at fair value	54,481	2,692,116
Dividends	13,267	33,014
Interest income from investment portfolio	518	3,764
Gross investment return	(252,369)	4,576,855
Fund management fees	2,845,322	2,828,891
Carried interest	-	-
Management support fees	151,949	144,199
Other operating income	2,762	2,938
Revenue	2,747,665	7,552,885
Operating expenses	(1,809,889)	(2,218,377)
Operating income (loss)	937,776	5,334,508
Finance income	2,260	886
Finance costs	(67,510)	(63,383)
Profit (loss) before income taxes	872,525	5,272,011
Income taxes	(283,334)	(1,617,643)
Profit (loss) for the period	589,191	3,654,368
Profit (loss) for the period attributable to:		
Owners of the parent	589,191	3,654,368
Profit (loss) for the period	589,191	3,654,368
Earnings per share	Yen	Yen
Basic earnings (loss) per share	21.75	133.02
Diluted earnings (loss) per share	19.92	123.48

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

For the Three-month period ended September 30, 2023

	(Thousands of Yen)	
	Three-month period ended September 30, 2022	Three-month period ended September 30, 2023
Realized profits/(losses) on the disposal of investments	-	1,041,419
Fair value movements on investment portfolio	42,267	(1,064,947)
Fair value movements on subsidiaries measured at fair value	(91,040)	171,488
Dividends	5,923	11,846
Interest income from investment portfolio	162	79
Gross investment return	(42,687)	159,885
Fund management fees	957,523	949,318
Carried interest	-	-
Management support fees	51,399	45,849
Other operating income	305	356
Revenue	966,540	1,155,410
Operating expenses	(600,929)	(910,266)
Operating income (loss)	365,610	245,143
Finance income	894	323
Finance costs	(24,944)	(20,833)
Profit (loss) before income taxes	341,561	224,633
Income taxes	(112,482)	(79,024)
Profit (loss) for the period	229,078	145,609
Profit (loss) for the period attributable to:		
Owners of the parent	229,078	145,609
Profit (loss) for the period	229,078	145,609
Earnings per share	Yen	Yen
Basic earnings (loss) per share	8.41	5.21
Diluted earnings (loss) per share	7.81	4.84

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

Condensed Quarterly Consolidated Statement of Comprehensive Income
For the Nine-month period ended September 30, 2023

	(Thousands of Yen)	
	Nine-month period ended September 30, 2022	Nine-month period ended September 30, 2023
Profit (loss) for the period	589,191	3,654,368
Comprehensive income for the period	<u>589,191</u>	<u>3,654,368</u>

Comprehensive income for the period attributable to:

Owners of the parent	589,191	3,654,368
Comprehensive income	<u>589,191</u>	<u>3,654,368</u>

For the Three-month period ended September 30, 2023

	(Thousands of Yen)	
	Three-month period ended September 30, 2022	Three-month period ended September 30, 2023
Profit (loss) for the period	229,078	145,609
Comprehensive income for the period	<u>229,078</u>	<u>145,609</u>

Comprehensive income for the period attributable to:

Owners of the parent	229,078	145,609
Comprehensive income	<u>229,078</u>	<u>145,609</u>

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

(2) Condensed Quarterly Consolidated Statement of Financial Position
As of September 30, 2023

(Thousands of Yen)

	December 31, 2022	September 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	2,309,593	15,318,965
Trade and other receivables	325,369	544,240
Income taxes receivable	18,945	-
Other current financial assets	5,841	19,182
Other current assets	59,109	58,364
Total current assets	<u>2,718,858</u>	<u>15,940,753</u>
Non-current assets:		
Investments:		
Investment portfolio	31,393,768	34,634,041
Investments in subsidiaries measured at fair value	7,783,615	7,726,798
Property, plant and equipment	23,610,153	26,907,242
Right-of-use assets	238,213	215,332
Intangible assets	403,445	292,445
Other non-current financial assets	5,751	4,262
Other non-current assets	158,869	194,477
Total non-current assets	<u>-</u>	<u>182</u>
Total assets	<u>32,200,048</u>	<u>35,340,742</u>
	<u>34,918,907</u>	<u>51,281,496</u>

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

(Thousands of Yen)

	December 31, 2022	September 30, 2023
Liabilities and Equity		
Liabilities		
Current liabilities:		
Trade and other payables	535,744	738,845
Income taxes payable	61,405	656,273
Consumption taxes payable	74,149	41,414
Advances received	1,005,530	982,294
Loans	780,000	780,000
Loans from subsidiaries measured at fair value	4,350,000	4,900,000
Lease liabilities	141,989	141,989
Provision for bonuses	-	223,959
Other current liabilities	101,279	89,920
Total current liabilities	<u>7,050,100</u>	<u>8,554,697</u>
Non-current liabilities:		
Loans	1,560,000	759,765
Lease liabilities	175,954	70,298
Asset retirement obligations	114,696	114,696
Deferred tax liabilities	6,612,619	7,339,531
Total non-current liabilities	<u>8,463,269</u>	<u>8,284,291</u>
Total liabilities	<u>15,513,370</u>	<u>16,838,988</u>
Equity		
Share capital	1,077,750	6,880,950
Capital surplus	43,582	5,622,834
Retained earnings	18,292,355	21,946,723
Share acquisition rights	1,224	1,249
Treasury stock	(9,375)	(9,250)
Equity attributable to owners of parent	<u>19,405,537</u>	<u>34,442,507</u>
Total equity	<u>19,405,537</u>	<u>34,442,507</u>
Total liabilities and equity	<u>34,918,907</u>	<u>51,281,496</u>

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

(3) Condensed Quarterly Consolidated Statement of Changes in Equity
For the Nine-month period ended September 30, 2022

	(Thousands of 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, 2022	1,077,750	18,847	16,271,016	1,599	(11,875)	17,357,338	17,357,338
Profit (loss) for the period	-	-	589,191	-	-	589,191	589,191
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	589,191	-	-	589,191	589,191
Share-based payment transactions	-	-	-	7	-	7	7
Exercise of share acquisition rights	-	385	-	(385)	-	-	-
Disposal of treasury stock	-	24,350	-	-	2,500	26,850	26,850
Total transactions with owners	-	24,735	-	(377)	2,500	26,857	26,857
Balance as of September 30, 2022	1,077,750	43,582	16,860,207	1,221	(9,375)	17,973,387	17,973,387

For the Nine-month period ended September 30, 2023

	(Thousands of 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	1,077,750	43,582	18,292,355	1,224	(9,375)	19,405,537	19,405,537
Profit (loss) for the period	-	-	3,654,368	-	-	3,654,368	3,654,368
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	3,654,368	-	-	3,654,368	3,654,368
Issuance of new shares	5,803,200	5,803,200	-	-	-	11,606,400	11,606,400
New share issuance costs	-	(223,950)	-	-	-	(223,950)	(223,950)
Share-based payment transactions	-	-	-	27	-	27	27
Exercise of share acquisition rights	-	2	-	(2)	-	-	-
Disposal of treasury stock	-	-	-	-	125	125	125
Total transactions with owners	5,803,200	5,579,252	-	25	125	11,382,602	11,382,602
Balance as of September 30, 2023	6,880,950	5,622,834	21,946,723	1,249	(9,250)	34,442,507	34,442,507

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

(4) Condensed Quarterly Consolidated Statement of Cash Flow
For the Nine-month period ended September 30, 2023

	(Thousands of Yen)	
	Nine-month period ended September 30, 2022	Nine-month period ended September 30, 2023
Cash flows from operating activities:		
Profit (loss) before income taxes	872,525	5,272,011
Depreciation and amortization	139,418	139,197
Share-based payment expenses	7	27
Interest and dividend income	(16,046)	(37,639)
Interest expenses	67,390	63,383
Increase (decrease) in provision	192,277	223,959
Decrease (increase) in trade and other receivables	(352,227)	(218,870)
Decrease (increase) in investment portfolio	(404,535)	56,816
Decrease (increase) in investments in subsidiaries measured at fair value	(345,951)	(3,297,089)
Decrease (increase) in other financial assets	12,255	(48,346)
Decrease (increase) in other assets	(13,657)	(708)
Increase (decrease) in trade and other payables	(248,443)	(55,997)
Increase (decrease) in consumption taxes payable	(18,988)	(32,735)
Increase (decrease) in advances received	540,897	(23,236)
Increase (decrease) in other liabilities	(14,488)	(11,359)
Others	(0)	(0)
Subtotal	410,435	2,029,412
Interest and dividends received	15,988	38,306
Interest paid	(62,680)	(84,538)
Income taxes paid	(370,976)	(178,081)
Cash flows from operating activities	(7,232)	1,805,099
Cash flows from investing activities:		
Purchase of property, plant and equipment	-	(1,648)
Purchase of intangible assets	(684)	-
Cash flows from investing activities	(684)	(1,648)
Cash flows from financing activities:		
Proceeds from loans from subsidiaries measured at fair value	2,672,103	2,550,000
Repayment of loans from subsidiaries measured at fair value	(3,272,103)	(2,000,000)
Proceeds from loans	2,340,000	-
Repayments of loans	-	(800,234)
Redemption of corporate bonds	(2,360,000)	-
Repayments of lease liabilities	(104,077)	(105,655)
Proceeds from issuance of shares	-	11,606,400
Payments for issuance of shares	-	(44,713)
Proceeds from sale of treasury shares	26,850	125
Cash flows from financing activities	(697,227)	11,205,921
Increase (decrease) in cash and cash equivalents	(705,144)	13,009,372
Cash and cash equivalents at the beginning of the period	2,309,342	2,309,593
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	1,604,197	15,318,965

Integral Corporation (5842)
Consolidated Financial Results for the Nine Months Ended September 30, 2023

(5) Notes to Condensed Quarterly Consolidated Financial Statements

(Notes on Going concern assumptions)

Not applicable.

(Notes on Segment information)

The description is omitted because the Group engages in a single operating segment of the equity investment business.