

**Translation**

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 29, 2019

Company name: Dream Incubator Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4310 URL <http://www.dreamincubator.co.jp>  
 Representative: President and Representative Director Takayoshi Yamakawa  
 Inquiries: Corporate Administration Group Leader Tshihiro Uemura TEL 03-5532-3200  
 Scheduled date to file Quarterly Securities Report: February 8, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2018	14,665	14.4	11	(99.3)	87	(94.6)	150	(82.7)
Nine months ended December 31, 2017	12,824	18.6	1,569	128.0	1,614	123.7	870	243.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	15.34		13.69	
Nine months ended December 31, 2017	89.55		87.87	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	23,325	13,434	46.8
As of March 31, 2018	19,368	11,646	54.4

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2018	0.00	0.00	0.00	26.00	26.00
Year ending March 31, 2019	0.00	0.00	0.00		
Year ending March 31, 2019 (Forecast)				–	–

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2018	10,323,700 shares	As of March 31, 2018	10,300,600 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2018	504,930 shares	As of March 31, 2018	526,682 shares
-------------------------	----------------	----------------------	----------------

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

Nine months ended December 31, 2018	9,797,142 shares	Nine months ended December 31, 2017	9,721,131 shares
-------------------------------------	------------------	-------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	6,299	6,244
Notes and accounts receivable - trade	2,460	2,339
Operational investment securities	6,661	6,143
Allowance for investment loss	(490)	(151)
Inventories	17	19
Accounts receivable - other	23	125
Other	291	774
Allowance for doubtful accounts	(28)	(5)
Total current assets	15,235	15,489
Non-current assets		
Property, plant and equipment	197	303
Intangible assets		
Goodwill	349	607
Other	368	1,078
Total intangible assets	718	1,686
Investments and other assets		
Investment securities	2,262	4,099
Long-term loans receivable	78	96
Deferred tax assets	385	1,023
Other	526	662
Allowance for doubtful accounts	(36)	(36)
Total investments and other assets	3,217	5,845
Total non-current assets	4,133	7,835
Total assets	19,368	23,325

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	–	136
Short-term loans payable	–	400
Current portion of long-term loans payable	100	254
Lease obligations	8	8
Accounts payable - other	531	475
Reserve for insurance policy liabilities	5,560	6,388
Outstanding claims	794	859
Policy reserve	4,766	5,528
Income taxes payable	556	266
Provision for bonuses	100	126
Provision for directors' bonuses	–	22
Other	390	440
Total current liabilities	7,247	8,518
Non-current liabilities		
Long-term loans payable	225	1,036
Lease obligations	26	22
Deferred tax liabilities	3	56
Provision for stocks payment	215	250
Other	3	6
Total non-current liabilities	474	1,372
Total liabilities	7,722	9,890
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,940	4,952
Capital surplus	3,801	4,400
Retained earnings	3,158	3,047
Treasury shares	(942)	(886)
Total shareholders' equity	10,958	11,513
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(308)	(488)
Foreign currency translation adjustment	(106)	(111)
Total accumulated other comprehensive income	(415)	(599)
Share acquisition rights	64	57
Non-controlling interests	1,038	2,462
Total net assets	11,646	13,434
Total liabilities and net assets	19,368	23,325

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	12,824	14,665
Cost of sales	5,743	7,863
Gross profit	7,081	6,801
Selling, general and administrative expenses	5,511	6,790
Operating profit	1,569	11
Non-operating income		
Interest income	12	12
Dividend income	17	35
Gain on sales of investment securities	20	40
Foreign exchange gains	1	2
Reversal of allowance for doubtful accounts	5	–
Other	6	10
Total non-operating income	63	101
Non-operating expenses		
Interest expenses	1	3
Loss on valuation of investment securities	–	14
Other	16	6
Total non-operating expenses	18	24
Ordinary profit	1,614	87
Extraordinary income		
Gain on reversal of share acquisition rights	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	256	–
Total extraordinary losses	256	–
Profit before income taxes	1,358	87
Income taxes - current	496	257
Income taxes - deferred	28	(608)
Total income taxes	525	(351)
Profit	833	439
Profit (loss) attributable to non-controlling interests	(37)	289
Profit attributable to owners of parent	870	150

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	833	439
Other comprehensive income		
Valuation difference on available-for-sale securities	(22)	(209)
Foreign currency translation adjustment	6	(3)
Total other comprehensive income	(16)	(213)
Comprehensive income	816	226
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	859	(33)
Comprehensive income attributable to non-controlling interests	(42)	260