

**Translation**

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 3, 2021

Company name: Dream Incubator Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4310 URL <https://www.dreamincubator.co.jp>  
 Representative: Representative Director and CEO Tetsuro Harada  
 Inquiries: Corporate Administration Group Leader Toshihiro Uemura TEL 03-5532-3200  
 Scheduled date to file Quarterly Securities Report: February 10, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 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, 2020 (from April 1, 2020 to December 31, 2020)

#### (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, 2020	19,935	19.3	(299)	–	(268)	–	(435)	–
Nine months ended December 31, 2019	16,715	13.7	310	958.9	178	103.6	19	(86.8)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	(44.53)	–
Nine months ended December 31, 2019	2.03	1.77

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	29,691	15,006	36.2
As of March 31, 2020	26,424	13,638	40.2

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2020	0.00	0.00	0.00	0.00	–
Year ending March 31, 2021	0.00	0.00	0.00	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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, 2020	10,407,100 shares	As of March 31, 2020	10,381,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	599,840 shares	As of March 31, 2020	638,047 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	9,785,118 shares	Nine months ended December 31, 2019	9,776,865 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	4,745	6,603
Notes and accounts receivable - trade	2,917	3,303
Money held in trust	1,013	–
Operational investment securities	6,392	6,798
Securities	4,968	4,956
Allowance for investment loss	(150)	(120)
Inventories	34	19
Short-term loans receivable	21	631
Current portion of long-term loans receivable	–	81
Other	562	611
Allowance for doubtful accounts	(7)	(10)
Total current assets	20,497	22,875
Non-current assets		
Property, plant and equipment	491	676
Intangible assets		
Goodwill	403	280
Software	82	1,065
Software in progress	1,982	1,354
Other	120	101
Total intangible assets	2,588	2,802
Investments and other assets		
Investment securities	992	1,501
Long-term loans receivable	147	69
Deferred tax assets	1,372	1,399
Other	402	427
Allowance for doubtful accounts	(67)	(60)
Total investments and other assets	2,847	3,337
Total non-current assets	5,927	6,816
Total assets	26,424	29,691

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	194	141
Short-term borrowings	825	1,350
Current portion of long-term borrowings	286	236
Lease obligations	11	10
Accounts payable - other	346	447
Reserve for insurance policy liabilities	8,869	10,484
Outstanding claims	1,290	1,627
Policy reserve	7,579	8,857
Income taxes payable	249	89
Provision for shareholder benefit program	31	4
Provision for bonuses	144	124
Provision for bonuses for directors (and other officers)	–	15
Other	564	526
Total current liabilities	11,521	13,431
Non-current liabilities		
Long-term borrowings	912	888
Lease obligations	28	37
Deferred tax liabilities	41	35
Provision for share-based remuneration	268	252
Other	14	39
Total non-current liabilities	1,265	1,253
Total liabilities	12,786	14,685
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,978	4,990
Capital surplus	4,412	4,437
Retained earnings	3,078	2,642
Treasury shares	(1,073)	(1,002)
Total shareholders' equity	11,396	11,068
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(644)	(173)
Foreign currency translation adjustment	(125)	(133)
Total accumulated other comprehensive income	(769)	(306)
Share acquisition rights	40	18
Non-controlling interests	2,970	4,227
Total net assets	13,638	15,006
Total liabilities and net assets	26,424	29,691

**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, 2019	Nine months ended December 31, 2020
Net sales	16,715	19,935
Cost of sales	8,873	11,755
Gross profit	7,842	8,180
Selling, general and administrative expenses	7,531	8,479
Operating profit (loss)	310	(299)
Non-operating income		
Interest income	16	17
Dividend income	3	7
Gain on sales of investment securities	–	87
Other	9	9
Total non-operating income	29	122
Non-operating expenses		
Interest expenses	7	7
Loss on sales of investment securities	81	–
Loss on retirement of non-current assets	40	17
Foreign exchange losses	11	23
Other	21	42
Total non-operating expenses	162	91
Ordinary profit (loss)	178	(268)
Extraordinary income		
Gain on reversal of share acquisition rights	–	14
Gain on liquidation of business	11	–
Total extraordinary income	11	14
Extraordinary losses		
Retirement benefits for directors (and other officers)	–	60
Total extraordinary losses	–	60
Profit (loss) before income taxes	189	(313)
Income taxes - current	281	236
Income taxes - deferred	(188)	(138)
Total income taxes	93	98
Profit (loss)	96	(412)
Profit attributable to non-controlling interests	76	23
Profit (loss) attributable to owners of parent	19	(435)

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	96	(412)
Other comprehensive income		
Valuation difference on available-for-sale securities	291	504
Foreign currency translation adjustment	(10)	(7)
Total other comprehensive income	281	496
Comprehensive income	378	83
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	296	26
Comprehensive income attributable to non-controlling interests	81	57