



May 13, 2022

Company name	Dream Incubator Inc.
Representative	Representative Director and CEO Tetsuro Harada (TSE Prime: 4310)
Point of Contact	Corporate Officer Toshihiro Uemura (TEL (81)-3-5532-3200)

Transfer of Consolidated Subsidiary (Share Transfer) and Recording of Extraordinary Loss (Non-Consolidated)

Dream Incubator Inc. (hereinafter “DI”) hereby announces that at a meeting held on May 13, 2022, its Board of Directors resolved to transfer all shares in consolidated subsidiary Work Style Lab, Inc. (hereinafter “WSL”) to LANCERS, Inc. Upon completion of the share transfer, WSL will cease to be a consolidated subsidiary of DI. Based on the transfer price, DI recorded a loss on valuation of shares of subsidiaries as an extraordinary loss in its non-consolidated financial statements for the fiscal year ended March 31, 2022.

1. Reasons and background of share transfer

With a mission to “Create Businesses and Change Societies,” DI has worked to develop its Business Production business and Incubation business (Venture Capital and Business Investment). For Business Investment, where it seeks to own a majority stake in investees, DI has engaged in identifying investment opportunities, providing capital backing, and supporting development of investees, focused on three key areas: Pet Lifestyle, HR Innovation, and Fan Marketing.

WSL is engaged in the business of matching freelance consultants, IT engineers, and other professionals, and DI acquired shares in WSL in August 2018 in anticipation that it would grow into a core subsidiary in the area of HR Innovation.

The Group has been implementing structural reforms with the aims of concentrating its management resources on Business Production, its core competency, and transitioning to a simple, low-volatility business structure. Against this backdrop, the Group has promoted various initiatives under the following investment policies it has set out for the reforms: 1) continue to nurture existing investees to increase the value of the Group’s equity stake, while looking to recover investment by timing the sale to maximize shareholder value; and 2) focus new investment in areas that help advance Business Production.

DI has reached this decision based on the judgment that this is the right time and that the share transfer is the right way to maximize its shareholder value, while at the same time enabling WSL to flexibly execute its strategy and achieve further growth under LANCERS, which specializes in matching services.

2. Overview of the subsidiary to be transferred

(1) Name	Work Style Lab, Inc.
(2) Address	1-13-4, Nishiki-cho, Kanda, Chiyoda-ku, Tokyo
(3) Name and position of representative	Daijiro Miura, Representative Director
(4) Business	Platform business undertaking outsourcing to freelance consultants
(5) Capital	1 million yen
(6) Date established	September 1, 2009
(7) Major shareholder and shareholding ratio	Dream Incubator Inc., 100%

(8) Relationship with the listed company (DI)	Capital relationship	Wholly owned subsidiary of DI	
	Personal relationship	One director and three executive officers of DI are concurrently serving as executives of WSL.	
	Business relationship	None	
(9) Financial performance and position for the latest three fiscal years (millions of yen, unless otherwise indicated)			
Fiscal year	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net assets	94	111	57
Total assets	336	469	415
Net assets per share	9,434.3 yen	11,153.3 yen	5,710.0 yen
Sales	968	1,102	1,326
Operating profit (loss)	(2)	30	(54)
Recurring profit (loss)	(2)	32	(54)
Net income (loss)	(8)	16	(54)
Net income (loss) per share	(891.8) yen	1,686.5 yen	(5,443.4) yen

3. Overview of transferee

(1) Name	LANCERS, Inc.	
(2) Address	9F, TOKYU REIT Shibuya R Building, 3-10-13 Shibuya, Shibuya-ku, Tokyo	
(3) Name and position of representative	Yosuke Akiyoshi, CEO	
(4) Business	Freelancing, talent, and platform businesses	
(5) Capital	59 million yen	
(6) Date established	April 1, 2008	
(7) Net assets	1,188 million yen	
(8) Total assets	2,840 million yen	
(9) Major shareholders and shareholding ratio	Yosuke Akiyoshi 47.42% PERSOL Holdings Co., Ltd. 4.77% Custody Bank of Japan, Ltd. (trust account) 3.78% (as of September 30, 2021)	
(10) Relationship with the listed company (DI)	Capital relationship	None
	Personal relationship	None
	Business relationship	DI has a business relationship with LANCERS with regard to "Lancers" services.
	Applicability to related parties	None

4. Number of shares to be transferred, transfer price, and shareholding status

(1) Number of shares DI held in WSL before share transfer	10,000 shares (voting rights ratio: 100%)
(2) Number of shares to be transferred	10,000 shares
(3) Number of shares DI will hold in WSL after share transfer	0 shares (voting rights ratio: 0%)
(4) Transfer price	330 million yen

5. Schedule

(1) Date of Board of Directors resolution	May 13, 2022
(2) Contract signing date	May 13, 2022
(3) Execution date (scheduled)	June 14, 2022

6. Recording of extraordinary loss

Based on the transfer price, DI recorded a loss on valuation of shares of subsidiaries of 219 million yen as an extraordinary loss in its non-consolidated financial statements for the fiscal year ended March 31, 2022. Since the book value of the subsidiary's shares was reduced in prior years, there has been no impact on consolidated financial results.

7. Outlook

In the consolidated financial statements for the first quarter of the fiscal year ending March 31, 2023, DI expects to record a gain on sale of shares of subsidiaries (extraordinary income) of 50 million yen (estimate).