

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 2022

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: Executive Officer, Corporate Toshihiro Uemura TEL 03-5532-3200
 Scheduled date to file Quarterly Securities Report: August 10, 2022
 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	8,983	12.7	352	–	421	605.5	728	–
Three months ended June 30, 2021	7,974	31.3	(138)	–	59	–	(21)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	74.65		74.55	
Three months ended June 30, 2021	(2.22)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	33,884	13,671	32.1
As of March 31, 2022	33,574	12,454	29.1

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, 2022	0.00	0.00	0.00	0.00	–
Year ending March 31, 2023	0.00				
Year ending March 31, 2023 (Forecast)		0.00	0.00	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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: Yes
- 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 June 30, 2022	10,465,100 shares	As of March 31, 2022	10,454,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	705,419 shares	As of March 31, 2022	705,419 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	9,753,901 shares	Three months ended June 30, 2021	9,670,078 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	12,933	12,485
Notes and accounts receivable - trade, and contract assets	5,325	4,468
Operational investment securities	6,530	7,033
Securities	2,767	3,751
Allowance for investment loss	(357)	(357)
Inventories	87	21
Other	740	1,335
Allowance for doubtful accounts	(26)	(26)
Total current assets	28,001	28,712
Non-current assets		
Property, plant and equipment	916	892
Intangible assets		
Goodwill	814	442
Other	982	758
Total intangible assets	1,796	1,200
Investments and other assets		
Investment securities	354	354
Deferred tax assets	2,015	2,188
Other	489	536
Total investments and other assets	2,859	3,079
Total non-current assets	5,572	5,172
Total assets	33,574	33,884

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	554	3
Short-term borrowings	1,100	100
Current portion of long-term borrowings	395	300
Reserve for insurance policy liabilities	14,594	15,533
Outstanding claims	2,075	2,189
Policy reserve	12,519	13,344
Income taxes payable	231	342
Provision for shareholder benefit program	23	8
Provision for bonuses	283	384
Other	1,833	1,828
Total current liabilities	19,017	18,501
Non-current liabilities		
Long-term borrowings	1,648	1,050
Deferred tax liabilities	81	257
Provision for share awards	313	345
Other	59	57
Total non-current liabilities	2,101	1,711
Total liabilities	21,119	20,213
Net assets		
Shareholders' equity		
Share capital	5,014	5,019
Capital surplus	4,458	4,461
Retained earnings	942	1,670
Treasury shares	(1,099)	(1,099)
Total shareholders' equity	9,316	10,052
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	523	858
Foreign currency translation adjustment	(61)	(30)
Total accumulated other comprehensive income	462	827
Share acquisition rights	3	-
Non-controlling interests	2,672	2,790
Total net assets	12,454	13,671
Total liabilities and net assets	33,574	33,884

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	7,974	8,983
Cost of sales	4,547	5,031
Gross profit	3,427	3,951
Selling, general and administrative expenses	3,565	3,599
Operating profit (loss)	(138)	352
Non-operating income		
Interest income	4	4
Dividend income	1	–
Gain on sale of investment securities	186	–
Gain on sale of non-current assets	–	30
Foreign exchange gains	–	39
Other	12	5
Total non-operating income	205	80
Non-operating expenses		
Interest expenses	2	3
Foreign exchange losses	1	–
Loss on retirement of non-current assets	0	4
Price change reserve provision	1	0
Other	1	1
Total non-operating expenses	6	10
Ordinary profit	59	421
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	–	546
Total extraordinary income	–	546
Profit before income taxes	59	968
Income taxes - current	51	279
Income taxes - deferred	24	(76)
Total income taxes	76	203
Profit (loss)	(16)	765
Profit attributable to non-controlling interests	4	37
Profit (loss) attributable to owners of parent	(21)	728

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	(16)	765
Other comprehensive income		
Valuation difference on available-for-sale securities	58	342
Foreign currency translation adjustment	(2)	31
Total other comprehensive income	56	374
Comprehensive income	39	1,139
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	27	1,093
Comprehensive income attributable to non-controlling interests	12	46