



November 7, 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)

Notice Concerning Disposal of Treasury Stock by Third-Party Allotment

Dream Incubator Inc. (hereinafter, the “Company”) hereby announces that its Board of Directors resolved at a meeting held on November 7, 2022 to dispose of treasury stock (hereinafter, “Treasury Stock Disposal”) through a third-party allotment.

1. Outline of disposal

(1) Date of disposal	December 1, 2022
(2) Class and number of shares to be disposed of	409,726 shares of common stock
(3) Disposal price	2,115 yen per share
(4) Total amount of disposal	866,570,490 yen
(5) Scheduled recipient	The Master Trust Bank of Japan, Ltd. (Executive Compensation BIP Trust Account) 156,000 shares (Stock Delivery ESOP Trust Account) 253,726 shares
(6) Other	Execution of the Treasury Stock Disposal is subject to the effectiveness of the notification filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose and reason for disposal

At a meeting of the Board of Directors held on May 12, 2014, the Company resolved to introduce the “Executive Compensation BIP Trust” (hereinafter, “BIP Trust”) and the “Stock Delivery ESOP Trust” (hereinafter, “ESOP Trust” and together with the BIP Trust, “the Plan”), which are stock delivery incentive plans, to motivate and raise the morale of executives and employees to improve performance over the medium to long term and secure talented personnel.

In conjunction with the additional monetary contribution to the Plan, the Company will conduct the Treasury Stock Disposal through a third-party allotment to The Master Trust Bank of Japan, Ltd. (Executive Compensation BIP Trust Account) and The Master Trust Bank of Japan, Ltd. (Stock Delivery ESOP Trust Account) as co-trustees of the BIP Trust and ESOP Trust agreements that the Company has entered into with Mitsubishi UFJ Trust and Banking Corporation.

The number of shares to be disposed of is the number of shares expected to be delivered to the Company's executives and employees under the Plan, in the three fiscal years from the fiscal year ending March 31, 2023 to the fiscal year ending March 31, 2025, in accordance with the Share Delivery Regulations. The delivery of shares will result in a 3.92% dilution of the total number of shares outstanding (rounded to two decimal places; 4.08% of the total number of voting rights [100,533] as of September 30, 2022).

<Overview of trust agreement>

(1)	Name of plan	Executive Compensation BIP Trust	Stock Delivery ESOP Trust
(2)	Type of trust	Money in trust other than specified solely managed money trusts (third-party benefit trust)	
(3)	Purpose of trust	Delivery of incentives to directors of the Company	Delivery of incentives to employees of the Company
(4)	Trustor	The Company	
(5)	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)	
(6)	Beneficiary	Directors of the Company who satisfy the requirements for beneficiaries	Employees of the Company who satisfy the requirements for beneficiaries
(7)	Trust administrator	Third party with no interest in the Company (Certified Public Accountant)	
(8)	Date of trust agreement	July 31, 2014	May 13, 2014
		Trust agreement amended as of August 2022	Trust agreement amended as of November 2022
(9)	Trust period	July 31, 2014 to August 31, 2025	May 13, 2014 to August 31, 2025
(10)	Exercise of voting rights	Voting rights shall not be exercised.	The trustee will exercise the Company's share voting rights in accordance with the instructions of the trust administrator, reflecting the voting status of the potential beneficiaries.

3. Basis and specifics of the calculation of the disposal price

The disposal price of treasury stock was set at 2,115 yen (rounded to the nearest yen), which is the average closing price of the Company's shares on the Tokyo Stock Exchange, Inc. (hereinafter, "Tokyo Stock Exchange") for the business days in the last month immediately preceding the date of the Board of Directors' resolution regarding the Treasury Stock Disposal (from October 5 to November 4, 2022), in order to eliminate arbitrariness in light of recent share price trends. We decided to use the average closing price of the Company's shares for the business days in the last month immediately preceding the date of the Board of Directors' resolution because we believe that using the average share price over a certain period of time is a more objective and rational basis for calculation, as it eliminates the effects of share price fluctuations, rather than using one specific point in time as the basis.

The disposal price is 90.46% (9.54% discount rate) of 2,338 yen, the closing price of the Company's shares on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution (November 4, 2022); 105.64% (5.64% premium rate) of 2,002 yen (rounded to the nearest yen), the average closing price of the Company's shares for the three months immediately preceding the date of the said resolution (August 5, 2022 to November 4, 2022); and 103.17% (3.17% premium rate) of 2,050 yen (rounded to the nearest yen), the average of the closing price for the six months immediately preceding the date of the said resolution (May 6, 2022 to November 4, 2022). Accordingly, we have determined that the said price does not constitute a particularly favorable disposal price.

Regarding the aforementioned disposal price, the directors who serve on the Company's Audit & Supervisory Committee (all of whom are outside directors) expressed their opinion that the basis for calculating the disposal price is reasonable, that the disposal price is not particularly favorable to the Company, and that it is lawful.

4. Procedures under the Code of Conduct

In this transaction, the share dilution rate is less than 25%, and there will be no change in controlling shareholders. Therefore, this disposition does not require procedures to obtain an opinion from an independent third party or to confirm the intent of shareholders as stipulated in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange.