



February 7, 2023

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 Special Bonus Payment

Dream Incubator Inc. (hereinafter, “DI” or “the Company”) hereby announces that it resolved at its Board of Directors meeting on February 7, 2023 to pay special bonuses to its executives and employees as follows. As a result, DI expects to record an extraordinary loss of approximately 2.0 billion yen in its consolidated financial statements for the fiscal year ending March 31, 2023.

1. Details of Payment

DI plans to pay a total of 2.0 billion yen in bonuses to its executives and employees. Of this amount, 500 million yen will be stock remuneration under the “Executive Compensation BIP Trust” (hereinafter, “BIP Trust”) and the “Stock Delivery ESOP Trust” (hereinafter, “ESOP Trust”).

(Payment of a portion exceeding the annual remuneration limit for Directors is subject to approval at the Annual General Meeting of Shareholders to be held in June 2023.)

2. Reasons for Payment

In accordance with the Medium-Term Management Plan announced in May 2022, DI is currently promoting structural reforms to focus its resources on the Business Production business while appropriately harvesting from the Incubation business.

As part of this effort, in the fiscal year ending March 31, 2023, DI sold its investees PEACS Inc., Work Style Lab, Inc. and ipet Holdings, Inc. (hereinafter, “ipet Holdings”). In particular, the Company expects to post an extraordinary gain of approximately 18.1 billion yen on the sale of ipet Holdings, pushing its earnings for the fiscal year ending March 31, 2023 to a new record. In line with this, the Company has decided to pay a special year-end dividend of 2.0 billion yen as the first installment of its plan to return a total of 10.0 billion yen to shareholders to reward them for their support to date.

At the same time, due to the nature of DI’s business as a “professional consulting firm,” it considers human resources as its biggest growth driver. The Company’s remuneration strategy is to share capital gains not only with its shareholders but also with its executives and employees, aiming to attract and retain highly talented personnel. Based on this policy, the Nomination and Compensation Committee and the Board of Directors—the majority of which comprises Outside Directors—reviewed the matter and decided to pay the bonus.

Moreover, DI plans to increase the percentage of shares held by executives and employees, with the aim of boosting their motivation and morale more than ever to improve performance over the medium and long term, and sharing the results with shareholders. Accordingly, the Company has decided to provide 500 million yen of the bonus as stock remuneration through the stock delivery incentive plans BIP Trust and ESOP Trust (allocated shares as announced in “Notice Concerning Disposal of Treasury Stock by Third-Party Allotment” dated November 7, 2022).

3. Outlook

In consolidated financial statements for the fiscal year ending March 31, 2023, the Company expects to record an extraordinary loss of approximately 2.0 billion yen in the form of bonuses to executives and employees.