



FY03/2024

# FINANCIAL RESULTS BRIEFING PRESENTATION

May 13, 2024

Dream Incubator Inc. (stock code: 4310)

# SUMMARY

Structural reforms (establishing an earnings base in Business Production for stable growth, and harvesting investments appropriately in volatile Incubation) underway

## FY03/2024 results:

### Business Production continued to grow, while Venture Capital booked impairment losses on 18 companies

- Business Production
  - Sales: JPY5.03bn (+31% YoY); operating loss: JPY0.02bn (net income of JPY0.04bn\*)
    - Sales exceeded the medium-term plan target, but accelerated hiring with an eye to longer-term growth weighed on profit
- Venture Capital
  - Operating loss: JPY1.93bn
    - Booked impairment losses on nine companies in Q4 (18 total in FY03/2024) due to a protracted downturn in the financing environment

## Progress of structural reforms

- Business Production: Steadily sowing seeds for future growth
  - Accelerated hiring of many talented personnel
    - 87 at end-FY03/2023 → 155 at end-FY03/2024
  - Expanded the customer base and diversified themes
    - Orders increased for the new Technology & Amplify (T&A) service in particular
- Incubation (Venture Capital + Business Investment)
  - Recorded substantial gains on sales in FY03/2023, but impairment losses offset any gains on sales in FY03/2024
  - Reflected the risk of a prolonged downturn in the financing market of India in the market value, reducing the future volatility of investment portfolio

## Shareholder returns

- For FY03/2024, decided to pay special year-end dividends of about JPY1.2bn (JPY128/share), in addition to share buybacks of about JPY2.8bn
- For FY03/2025, expect to pay interim dividends of JPY1.0bn (JPY106/share) (as of May 13, 2024; will announce how we will return the remaining JPY3.0bn as soon as it is decided)



## FY03/2024 Financial Results

### Progress of Medium-Term Management Plan

- Looking back on the 2nd year and moving into the 3rd year

### Reference Materials

- Company profile
- Current medium-term management plan



# FY03/2024 CONSOLIDATED P&L

Excludes businesses sold in FY03/2023

	FY03/2023 (JPYbn)	FY03/2024 (JPYbn)	YoY change (%)
Sales	5.75	5.37	-6
• Business Production	3.83	5.03	31
• Venture Capital	1.91	0.34	-82
Operating profit	0.65	-1.96	—
• Business Production*	0.35	-0.02	—
• Venture Capital*	0.30	-1.93	—
Recurring profit	0.66	-1.99	—
Net income	— **	-1.84	—

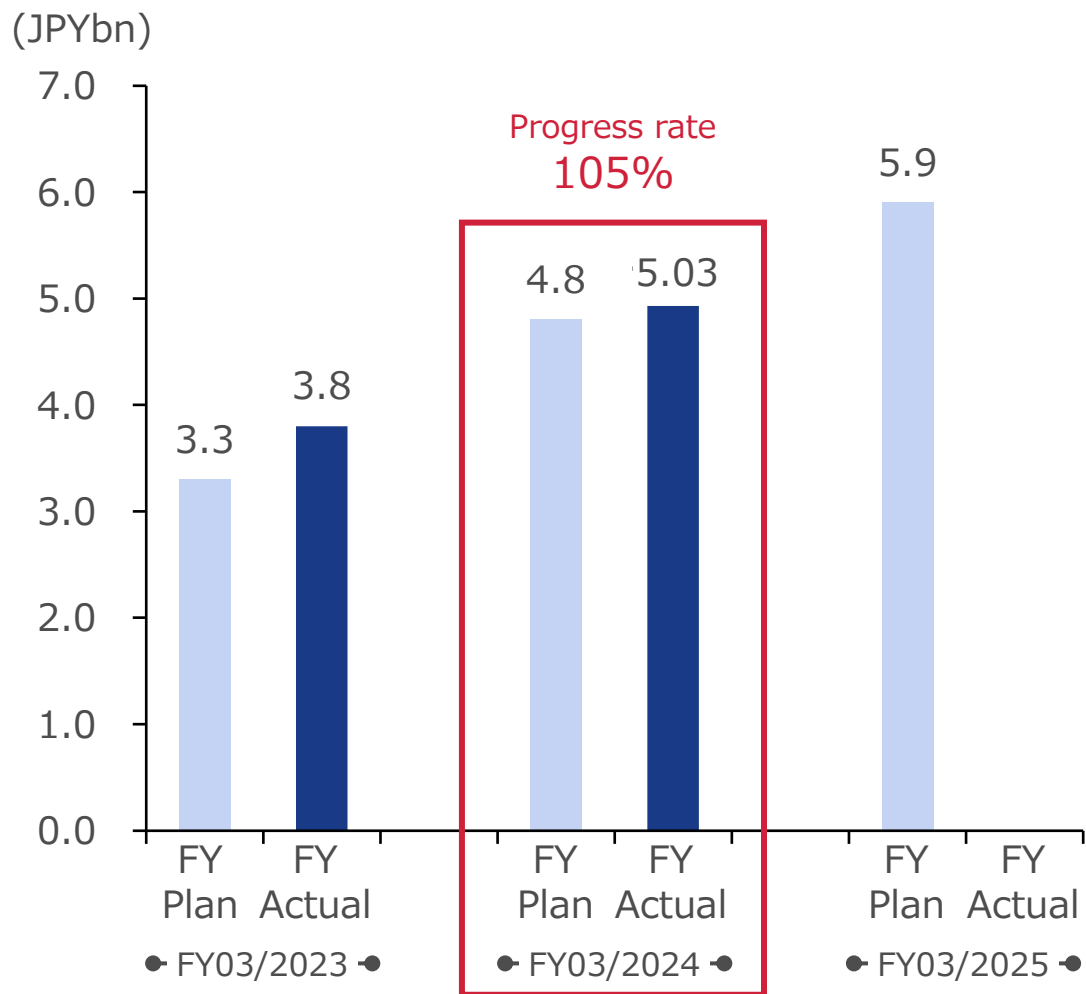
\* Segment operating profit = segment profit – companywide expenses

\*\* No figure provided for FY03/2023, as net income for FY03/2023 was calculated based on all businesses, including those already sold

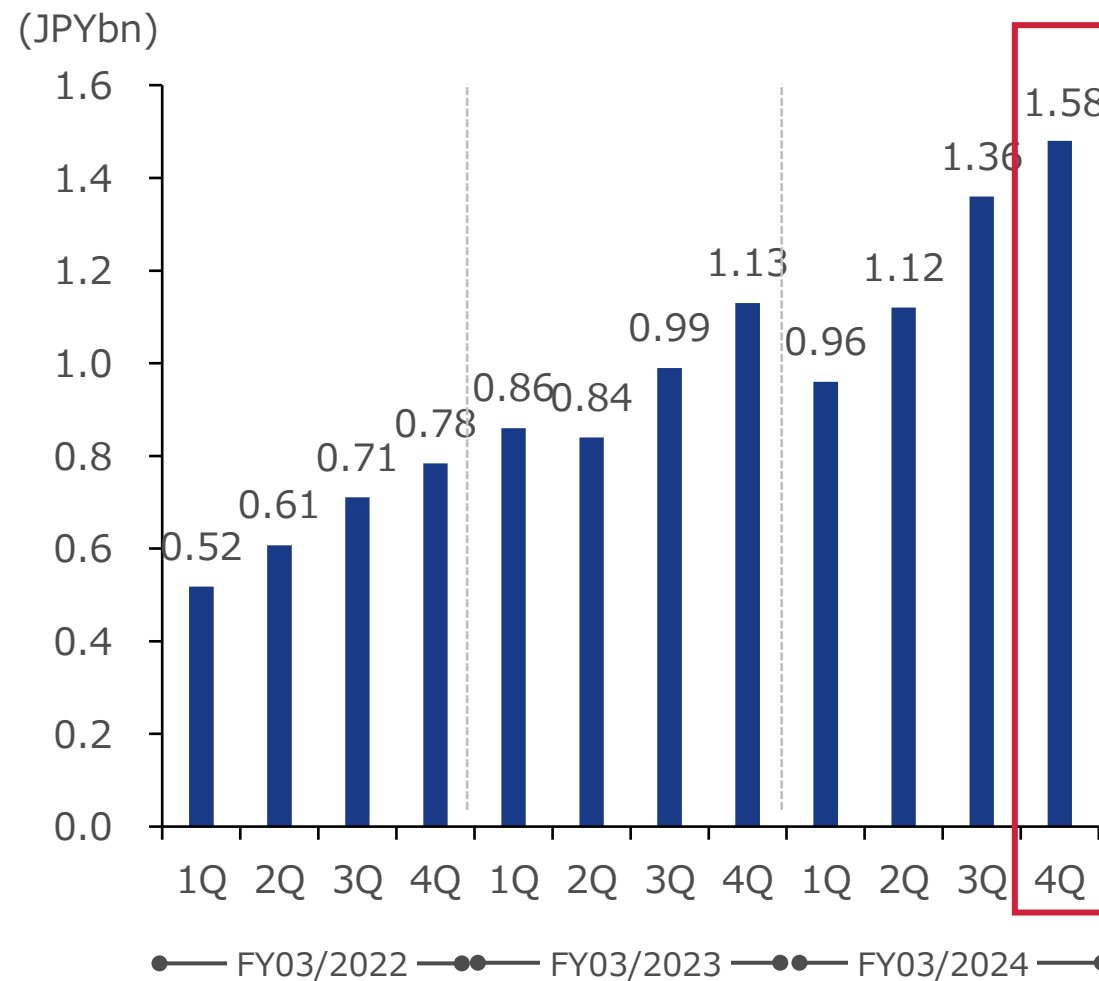
# BUSINESS PRODUCTION:SALES

Sales finished the fiscal year slightly above the plan

## Sales progress vs. plan



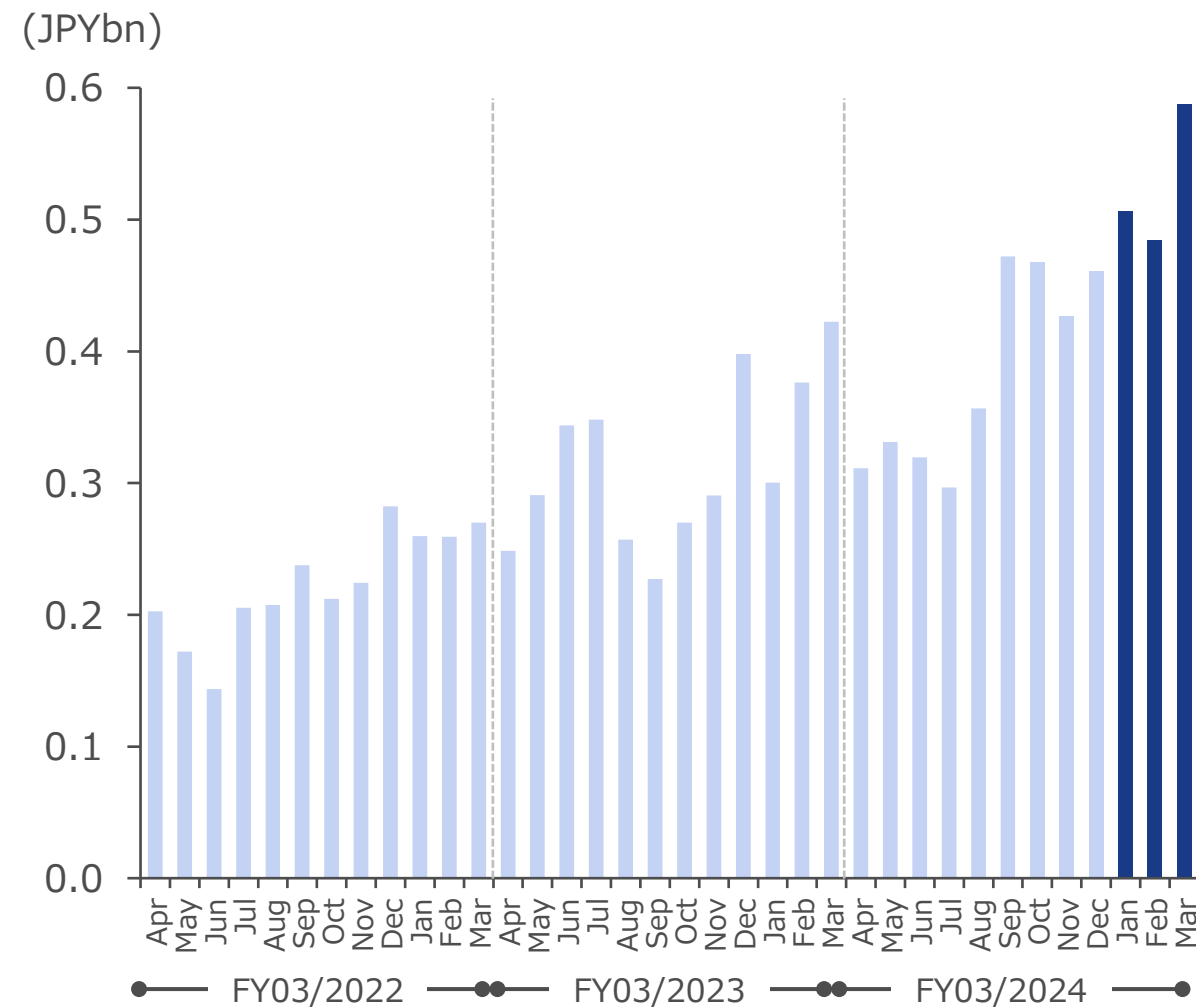
## Quarterly sales\*



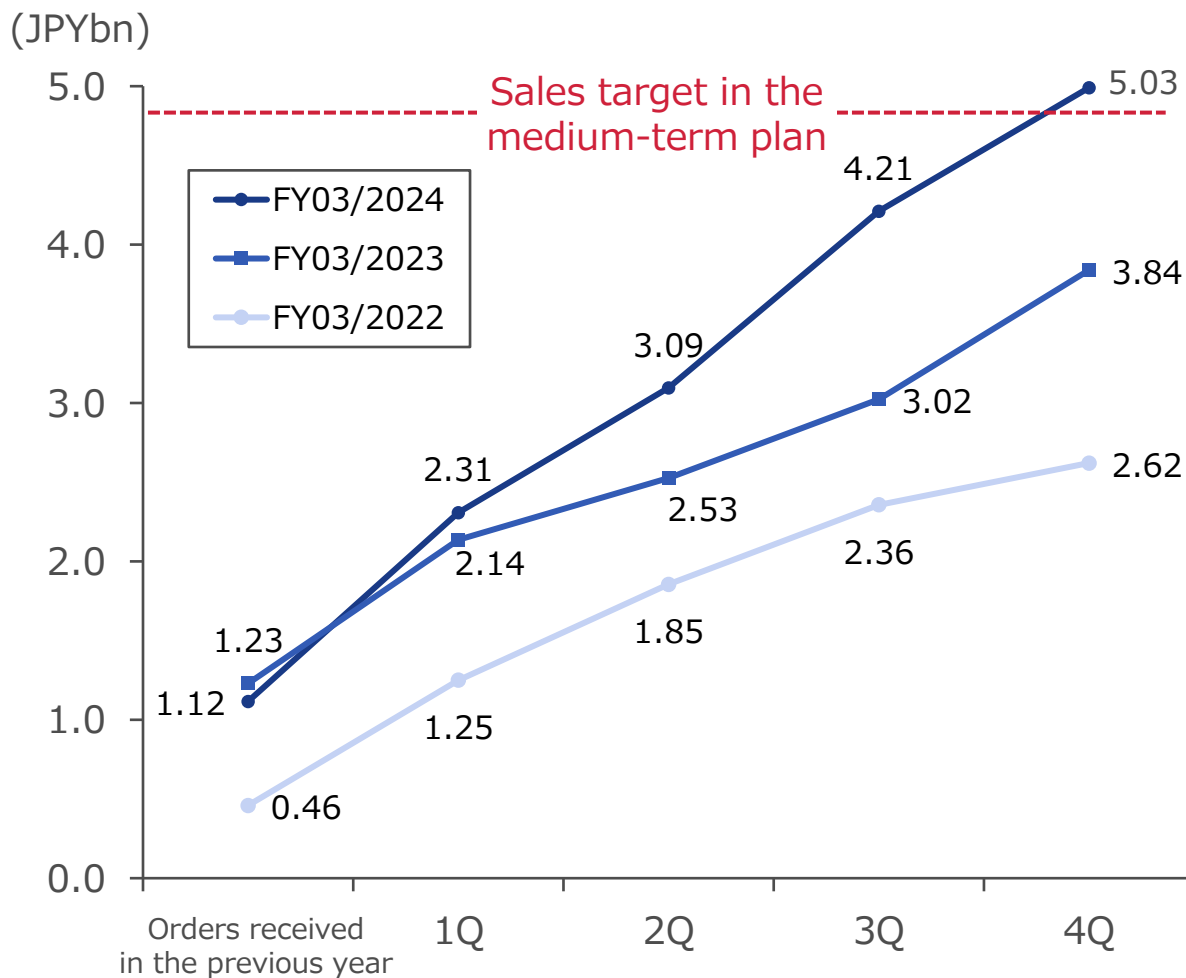
\* Excludes sales in businesses sold

# MONTHLY AND QUARTERLY SALES (CUMULATIVE)

## Monthly sales

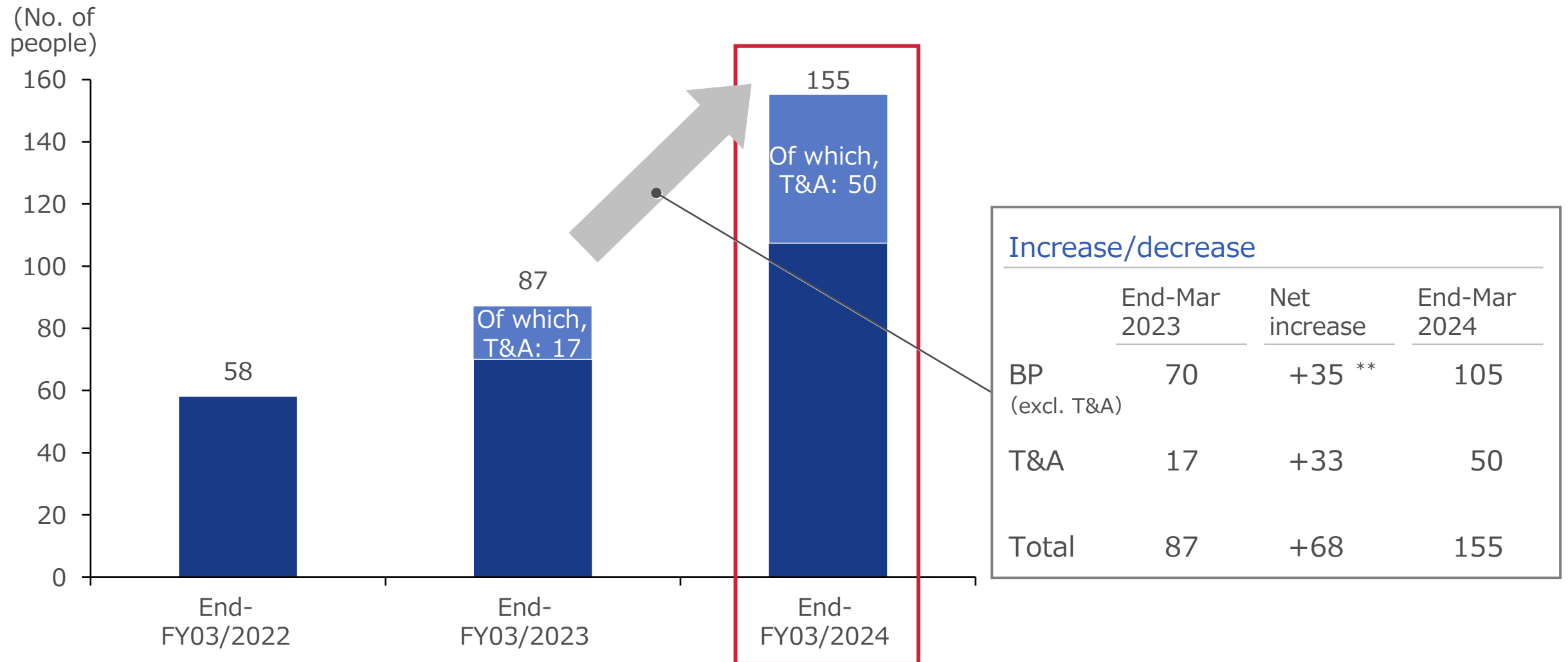


## Confirmed portion of full-year sales\* (at each point in time)



# NUMBER OF BUSINESS PRODUCERS\*

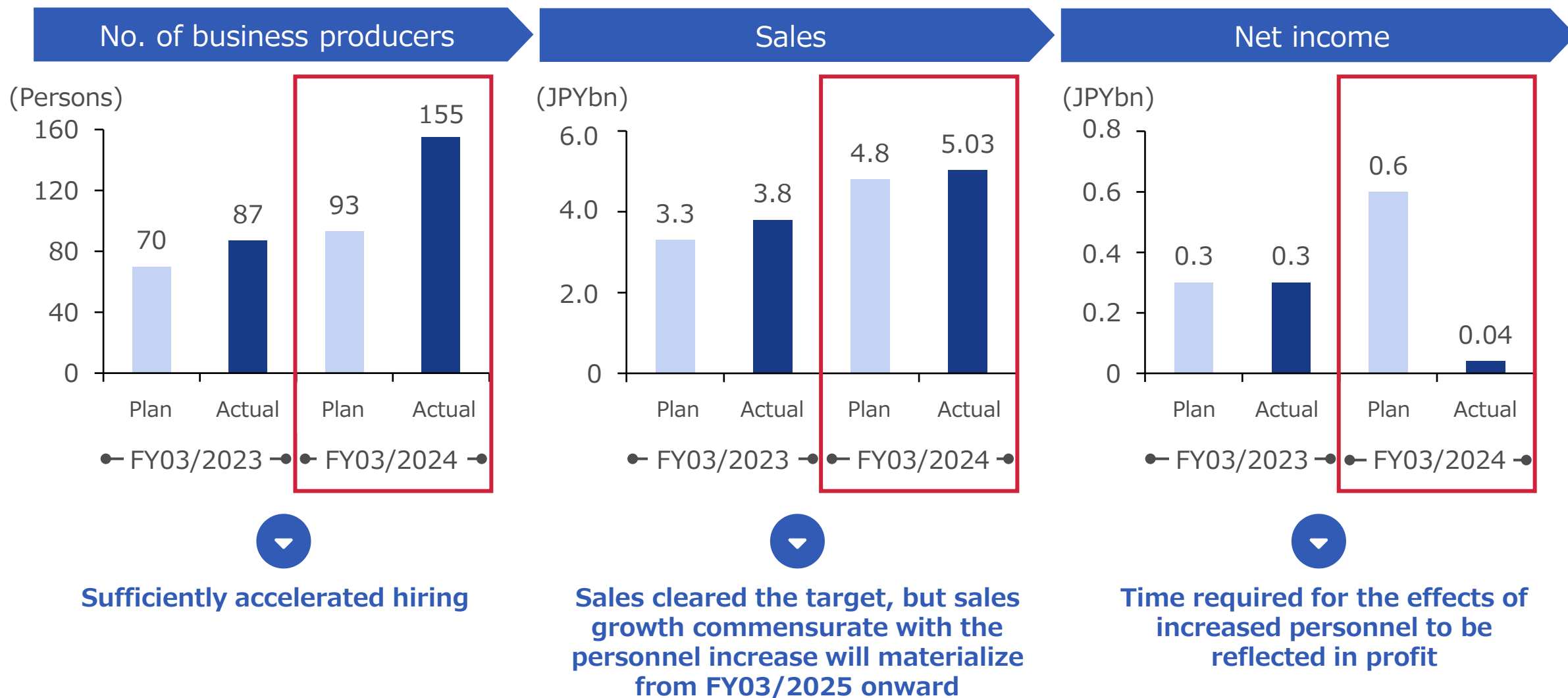
Continued to secure many talented personnel



\* Excludes employees dedicated to Incubation  
\*\* Includes two employees transferred from Incubation

# SHARP ACCELERATION IN HIRING TO BUILD A FOUNDATION FOR LONGER-TERM GROWTH WEIGHED ON SHORT-TERM PROFIT

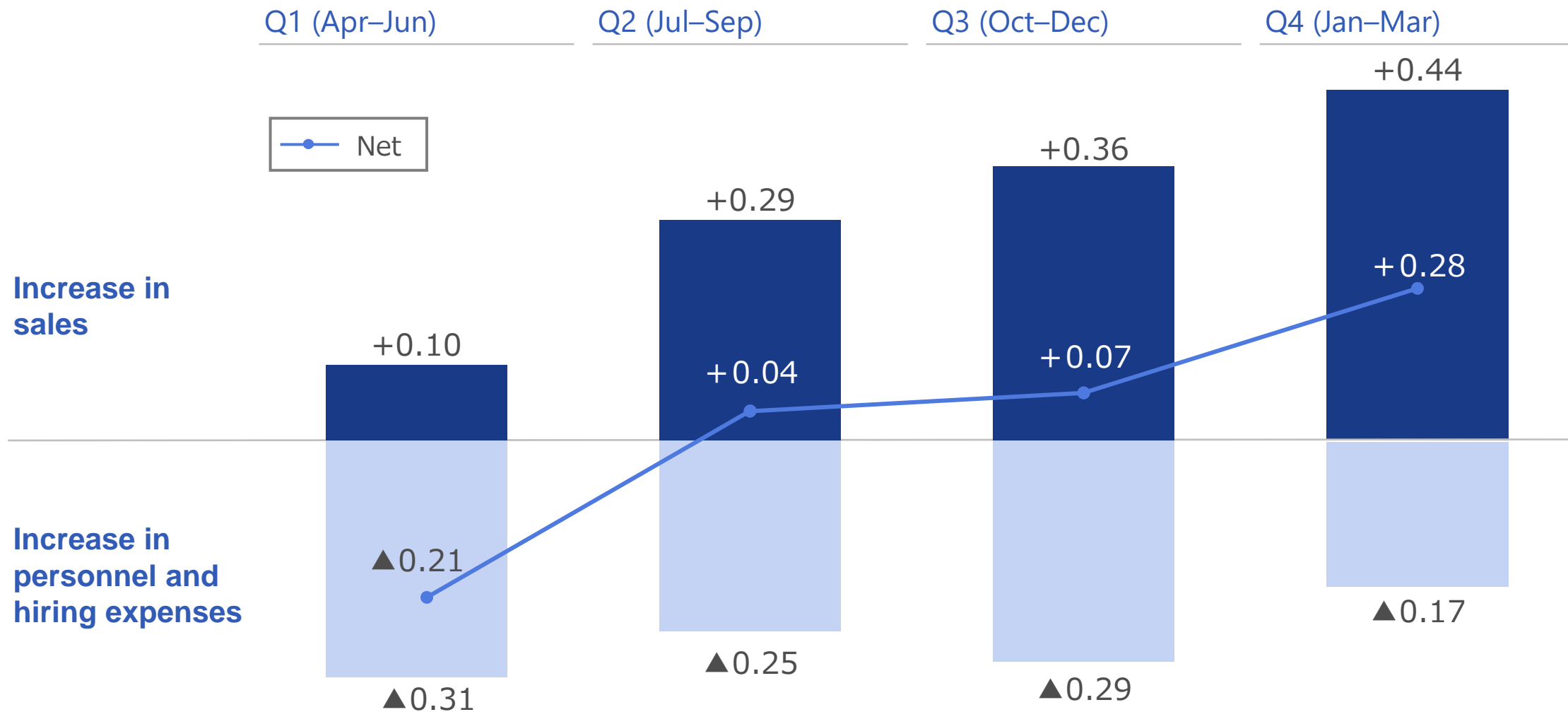
Actual results vs. medium-term plan targets for Business Production






# YOY COMPARISON OF QUARTERLY SALES AND PERSONNEL AND HIRING EXPENSES IN BUSINESS PRODUCTION

Profit was down sharply in the first half of the fiscal year, but the business is gradually developing a structure that can generate profit (JPYbn)



# VENTURE CAPITAL: PORTFOLIO AND MARKET VALUE

Reflected the risk of a protracted downturn in the financing market in India, reducing the future volatility of investment portfolio

		March 31, 2023			March 31, 2024		(JPYbn)
		Book value <sup>1)</sup>	Market value <sup>2)</sup>		Book value <sup>1)</sup>	Market value <sup>2)</sup>	
Core venture portfolio	Japan	0.1 (9 co.)	1.4	Sold 2 co. <sup>4) 5)</sup> — Booked impairment losses in 2 co. <sup>4)</sup> → Booked impairment losses in 16 co. <sup>4)</sup> (revaluation <sup>6)</sup> 1 co.) → — (revaluation <sup>6)</sup> 1 co.) →	0.05 (7 co.)	0.7	
	India	1.8 (21 co.)	6.5		0.3 (4 co.)	2.1	
	Other	0.0 (1 co.)	0.3		0.0 (0 co.)	0	
	Total	2.0 (31 co.)	8.2		0.4 (11 co.)	2.8	
LP investment in funds <sup>3)</sup>		2.4 (6 co.)	2.4		2.5 (6 co.)	2.5	
Total		4.5 (37 co.)	10.7 (1.7)		2.9 (17 co.)	5.4 (0.7)	

1) Excludes stocks that have been fully impaired and have no subsequent up-rounds, and stock options not subject to valuation (for stocks held in own funds, includes only the portion equivalent to DI's stake)

2) Before taxes. Taxes are shown in parentheses (included in the value above).

3) Book value takes into account the amount of gains/losses. Market value is not calculated because the calculation method differs for each fund.

4) Includes partial sales/impairment losses

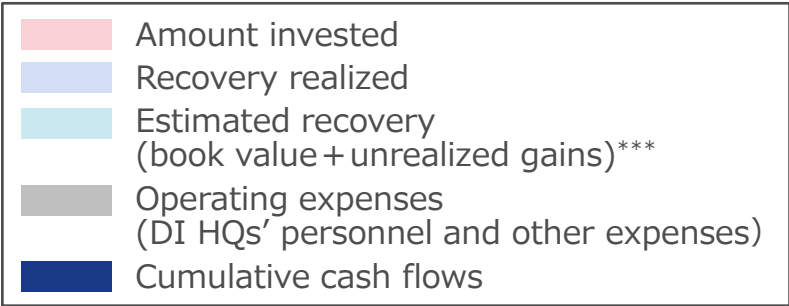
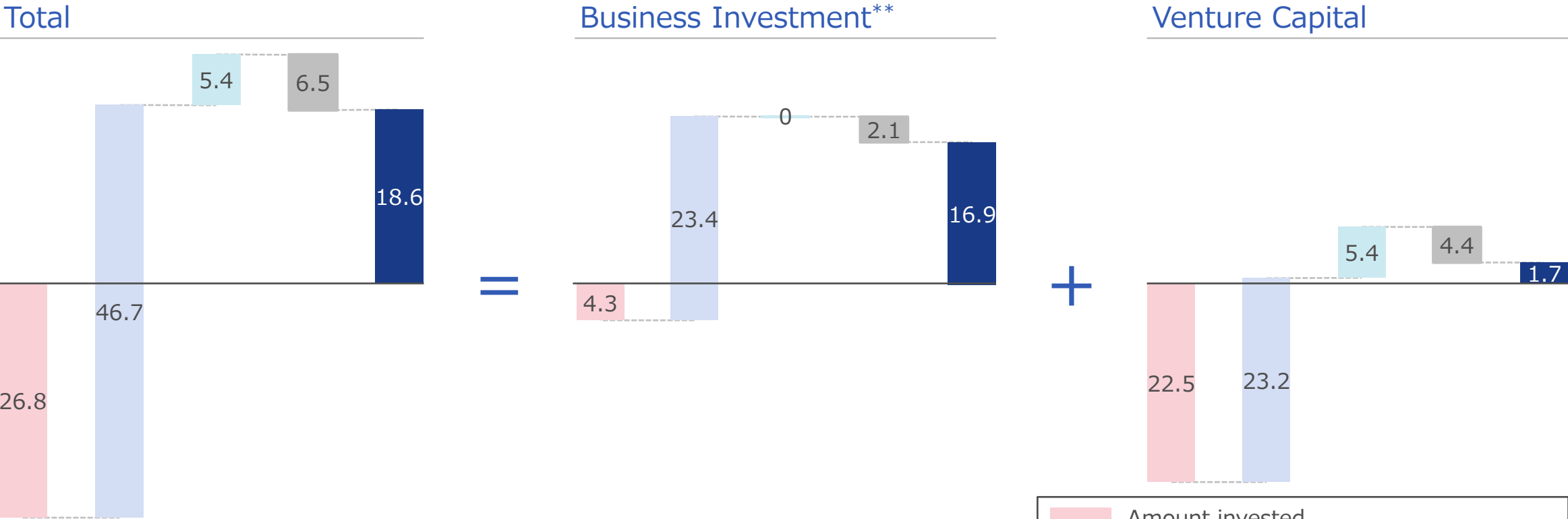
5) Excludes sale of four impaired companies

6) Fully impaired with subsequent up-rounds, and more than two years have passed since the most recent financing

# PERFORMANCE OF INCUBATION

Cumulative cash flows\* from founding to FY03/2024 (include estimated recovery)

(JPYbn)



\* Before taxes  
\*\* Boardwalk is included in the Venture Capital portfolio  
\*\*\* Listed stocks: Market cap at year-end x DI's stake  
Unlisted stocks: Book value of investments at year-end ± mark-to-market value valuation difference (recent financing price or third-party transaction price)  
Those without the above prices are not revalued, but their book value is assessed

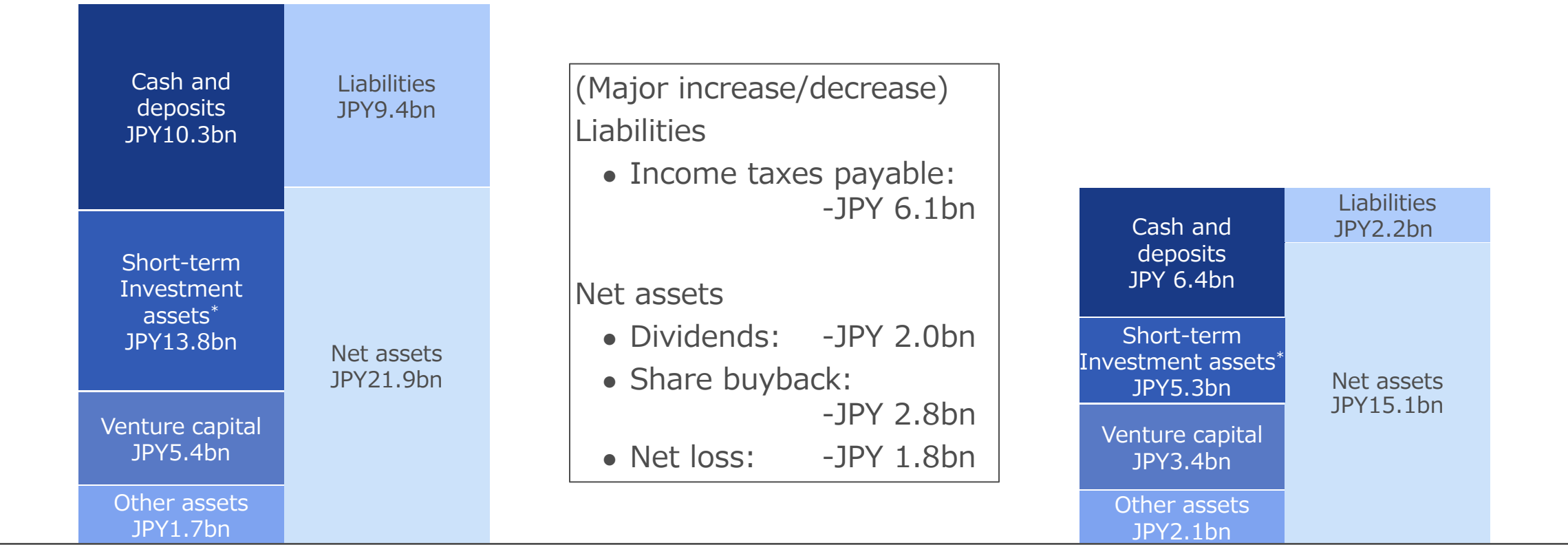
# CONSOLIDATED BALANCE SHEET AS OF MARCH 31, 2024

Net assets were down from JPY21.9bn to JPY15.1bn

March 31, 2023  
(Total assets: JPY31.3bn)



March 31, 2024  
(Total assets: JPY17.4bn)



\* Joint money trust



## FY03/2024 Financial Results




### Progress of Medium-Term Management Plan

- Looking back on the 2nd year and moving into the 3rd year

### Reference Materials

- Company profile
- Current medium-term management plan

# THEMES AND PROGRESS OF KEY INITIATIVES OF THE MEDIUM-TERM MANAGEMENT PLAN (FY03/2023–FY03/2025)

Themes of key initiatives	Major progress in the 1st year (FY03/2023)	Major progress in the 2nd year (FY03/2024)	Targets after the end of the medium-term plan
Business Production	Expand service lineup	<ul style="list-style-type: none"> <li>Reinforced organizational structure with three divisions</li> <li>Hired executive staff for T&amp;A</li> </ul>	<ul style="list-style-type: none"> <li>T&amp;A got on a growth trajectory, contributing to expanding DI's customer base</li> </ul>
	Expand our team	<ul style="list-style-type: none"> <li>Stepped up hiring ahead of schedule</li> <li>Began strengthening branding activities</li> </ul>	
	Expand collaborations	<ul style="list-style-type: none"> <li>Built a foundation for partnerships with clients and business partners</li> </ul>	
	Expand functions	<ul style="list-style-type: none"> <li>(Secured funds for the expansion of functions)</li> </ul>	
	Quantitative targets	(Plan) → (Actual)	
	Net income	JPY0.3bn → JPY0.3bn	 Complete building an earnings base for Business Production, and continuously generate stable, long-term profits
	Sales	JPY3.3bn → JPY3.8bn	
	Personnel	70 → 87	
	EPS	JPY31 → JPY30	
		(Plan) → (Actual)	
Incubation • Appropriate harvests			
	<ul style="list-style-type: none"> <li>Sold 13 companies, including ipet</li> </ul>	<ul style="list-style-type: none"> <li>Sold six companies*, booked impairment losses on 18 companies</li> </ul>	 Reduce earnings volatility by realizing unrealized gains and reducing book value
Companywide management • Balance between growth investment and shareholder returns	<ul style="list-style-type: none"> <li>Determined distribution of harvested funds               <ul style="list-style-type: none"> <li>Shareholder return of JPY10.0bn (incl. special year-end dividend of JPY2.0bn in FY03/2023)</li> <li>Growth investment of JPY5.0bn</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Continued returning profits to shareholders               <ul style="list-style-type: none"> <li>Special dividend of JPY1.2bn, share buyback of JPY2.8bn</li> </ul> </li> </ul>	 Continue returning profits in a stable manner from profits generated in Business Production



# EXPAND SERVICE LINEUP: STATUS OF T&A AND OVERALL CUSTOMER BASE

T&A began to take off, significantly contributing to expanding DI's overall customer base

## Status of T&A (Technology & Amplify)

While it took time to start off the business, orders began to pick up in the second half of the fiscal year. T&A grew to generate over JPY1.0bn in sales in its first year

- T&A is receiving many inquiries, and significantly contributing to the expansion of DI's customer base

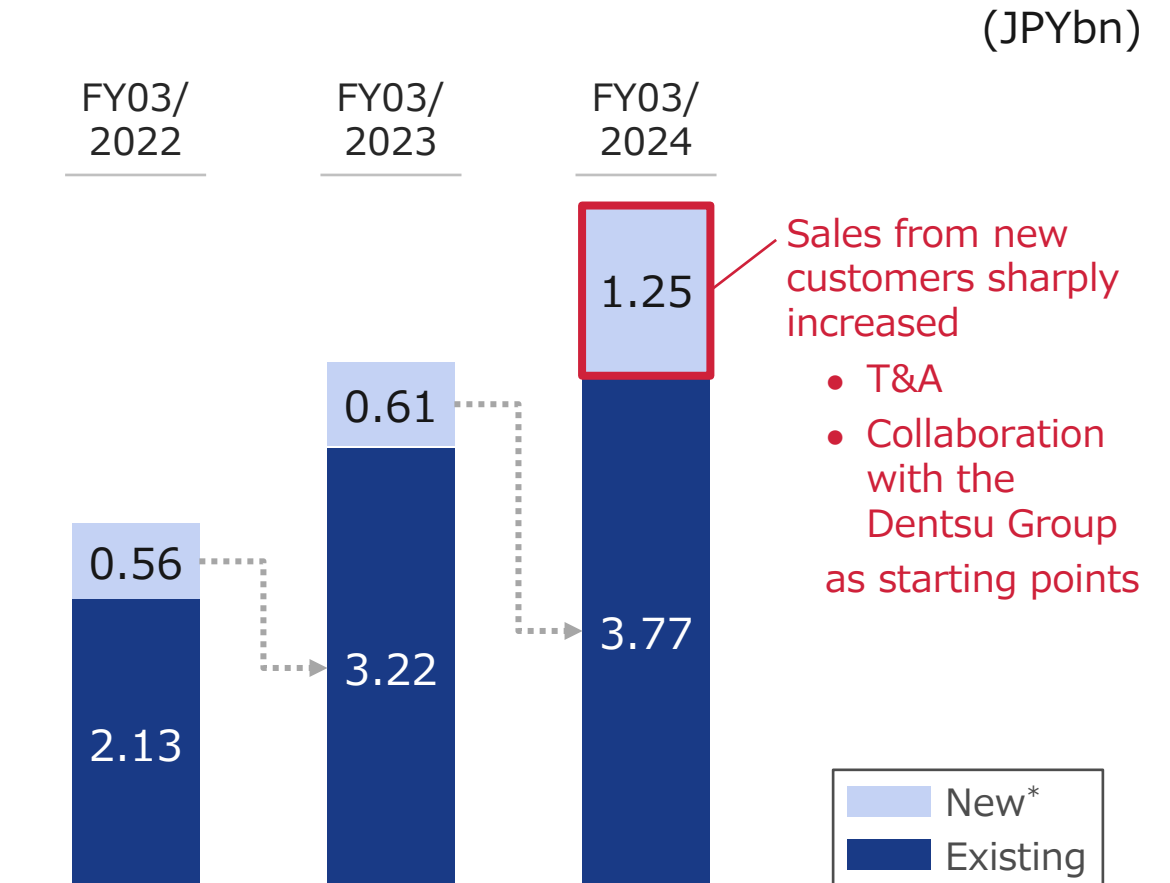
## Personnel expansion

- Primarily hired T&A members, bringing the number of personnel from 17 at end-FY03/2023 to 50 at end-FY03/2024

## Promote further expansion

- Continue increasing personnel and steadily capture robust demand
- By combining with other services, accelerate digital transformation unique to DI (a full support model combining new business development and digitalization)

## Sales in Business Production from existing and new customers



\* Includes customers to whom no sales were made in the past two or more years

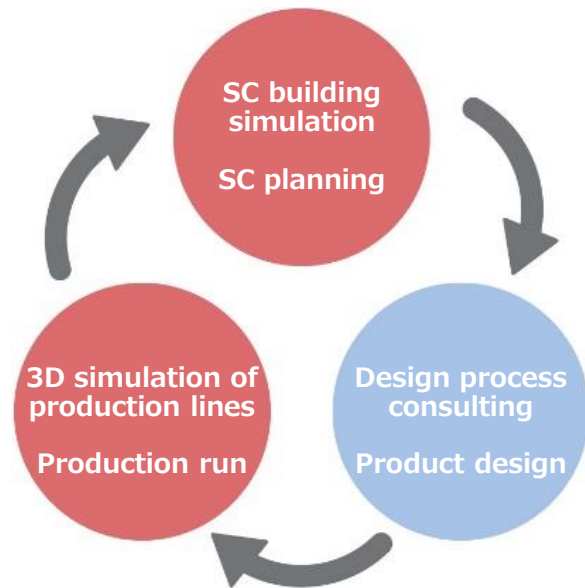
# PROJECT CASE STUDIES (1)

Projects involving digitalization unique to DI, where digital elements are added to DI's strengths and expertise that characterize previous projects, increased

## Platform development support utilizing digital twin technology

### Overview

- In collaboration with Chubu Electric Power, developed a novel production line system utilizing the metaverse for small and midsize manufacturers
  - Aimed to optimize and enhance the efficiency of production lines
  - Upgraded to a platform that various small and midsize companies can jointly use
- Provided full support from platform design and development to operation



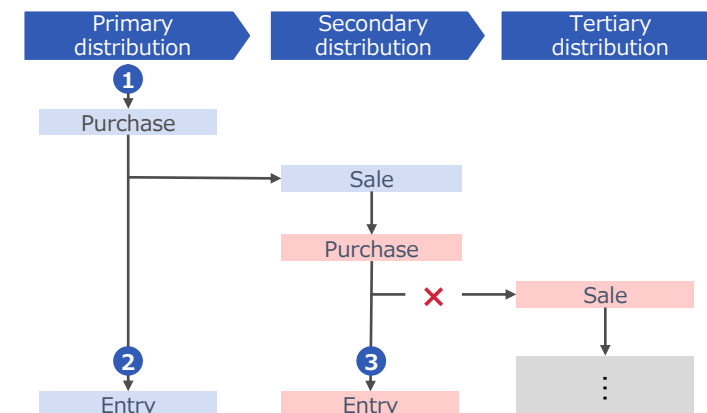
Platform overview

## Measures to prevent unauthorized resale of tickets using My Number Card

### Overview

- Tested the possibility of preventing mass purchases through multiple accounts and high-priced fraudulent reselling by using My Number Card to verify a person's identity at the time of ticket purchase and venue entry
  - Conducted a demonstration experiment at the “38th Mynavi Tokyo Girls Collection 2024 Spring/Summer” event
- Fully utilized the results and insights obtained from a joint pilot experiment with the Digital Agency, ongoing since September 2023, aimed at reducing workload in the entertainment industry

### Identity verification points in ticket distribution



Establishment of an entrance lane exclusively for the relevant ticket

### Using JPKI\*

- 1 Identification of primary purchaser  
\*Only for My Number Card pre-sale lottery applicants
- 2 Identification of visitors  
\*Only for My Number Card pre-sale lottery ticket purchasers
- 3 Secondary distribution ticket visitor identification  
\*For future realization

Demonstration experiment overview

\* Japanese Public Key Infrastructure (JPKI): Public personal authentication service

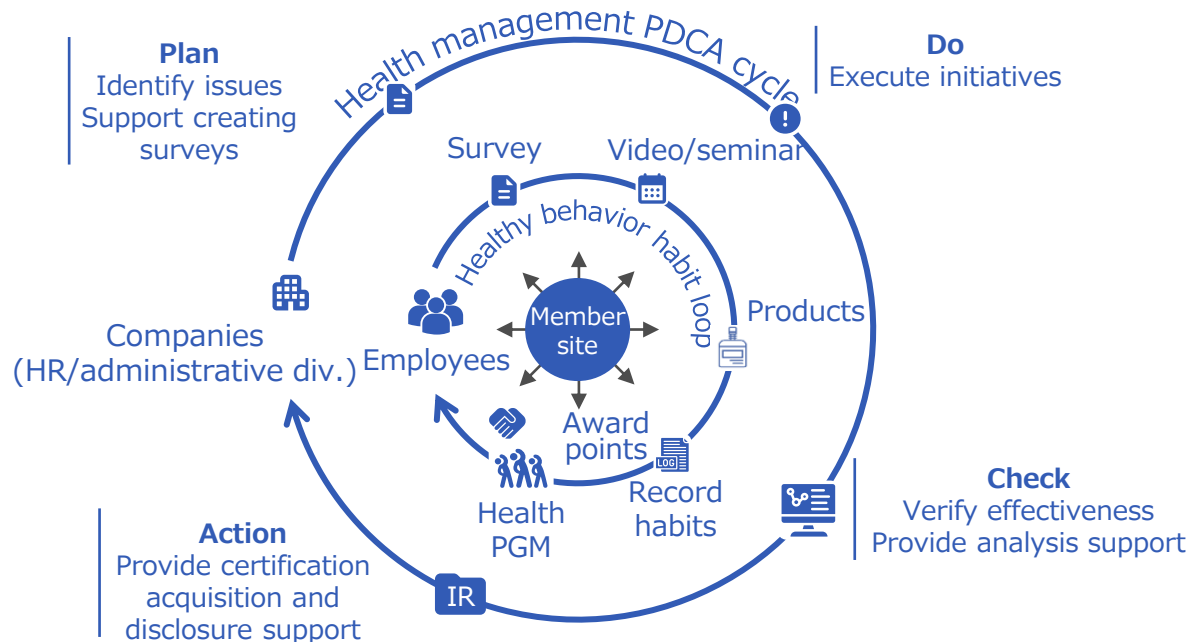
## PROJECT CASE STUDIES (2)

Business production projects that address sustainability and social issues steadily increased

### Support for growth of the health management solution, “KIRIN naturals”

#### Overview

- Proposed solutions for realizing corporate health management to Kirin Beverage, and provided full support from strategy design to PoC support
  - Proposed service upgrades and replanned business strategies
  - Designed and conducted demonstration experiments for the development of KIRIN naturals

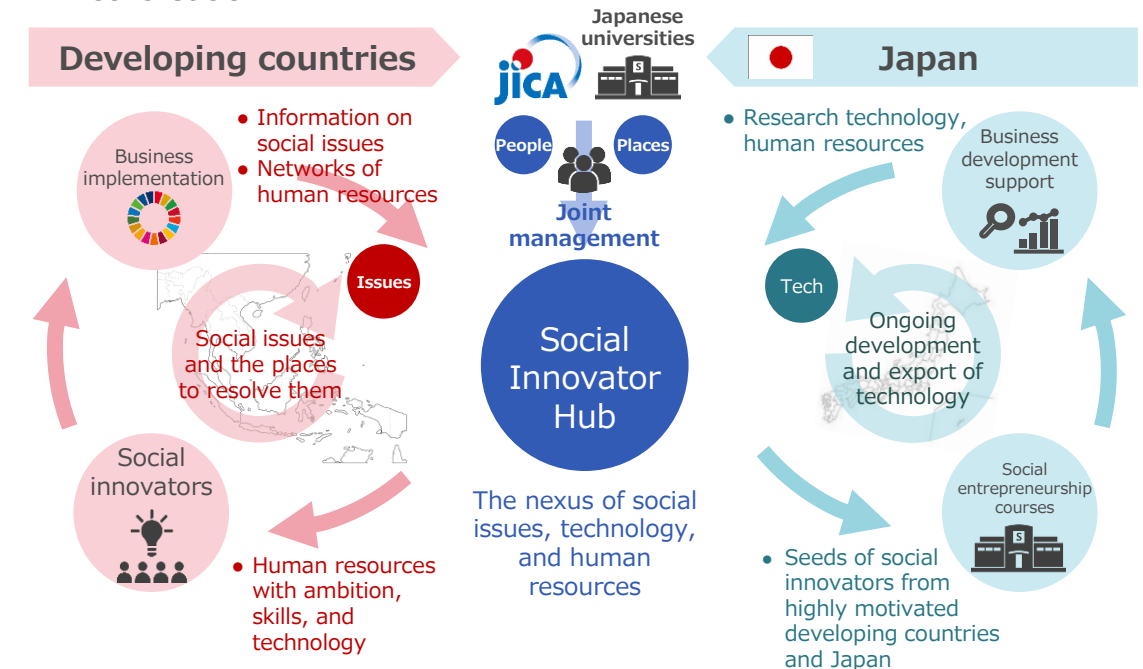


Service overview

### JICA×DI launches next generation social entrepreneurship development project

#### Overview

- Commissioned by JICA to conduct research for the establishment of JICA Social Innovator Hub (tentative name)
- Social Innovator Hub is a new program that aims to address social challenges and promote sustainable development through the cultivation of individuals with knowledge and experience in social entrepreneurship, as well as the creation of a platform for business co-creation



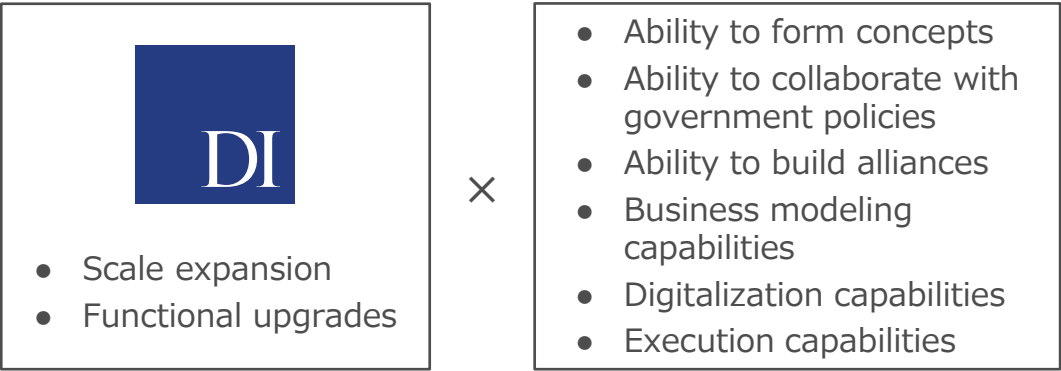
The Social Innovator Hub concept

# DIRECTION FOR FUTURE GROWTH

Expand the business scale and upgrade functions to maximize the social impact of Business Production, and diversify the earnings model

## Direction DI aims for

DI aims to maximize its impact as a business producing company that “creates businesses and changes societies.” To achieve this goal, we will expand the scale of our business and upgrade functions, and create value by drawing on all kinds of strengths we have cultivated thus far.



Diversify methods of recouping investments by promoting business model transformation

- Strengthen commitment to realizing value
- Develop and cultivate more strengths and organically combine them

## Ways of diversifying earnings model

Consulting-oriented	Outcome-based consulting/business production	Outcome-based support for companywide management reforms
	Business production linked with M&A	One-stop support from M&A strategy development and implementation to PMI
	Business production technology implementation	Full support from devising concepts to developing systems that can be linked to businesses
Business-oriented	Business production agent	DI leads business creation and launches new businesses <ul style="list-style-type: none"><li>• Benchmark compensation, etc.</li></ul>
	Investment x business production	DI participates in projects to accelerate business creation and increase business potential <ul style="list-style-type: none"><li>• Bundled with risk management services</li></ul>

# PARTNERSHIP WITH YAMAGUCHI FINANCIAL GROUP (YMFG)

Aim to build a business model to accelerate regional development by leveraging YMFG's capital, while supporting YMFG

## Announced capital and business alliance with YMFG (March 26, 2024)



March 26, 2024

### **Dream Incubator and Yamaguchi Financial Group Enter into Capital and Business Alliance**

Dream Incubator Inc. (headquartered in Chiyoda-ku, Tokyo; Representative Director and President Takayuki Miyake; "DI") hereby announces it entered into a capital and business alliance agreement with Yamaguchi Financial Group, Inc. (headquartered in Shimonoseki, Yamaguchi Prefecture; President, Representative Director and CEO Keisuke Mukunashi; "YMFG") on March 26, 2024, in order to further accelerate the creation of a framework for regional development. Through this alliance, the two companies aim to establish a new regional bank business that integrates industry production, business production, and regional financial functions, as well as to solve regional issues.



DI promotes industry and business production activities to solve various social issues by organically integrating the power of strategy, technology, and policy, and has been carrying out advanced projects targeting various issues in collaboration with relevant ministries and local governments, as well as multiple private companies. In July 2021, DI launched Asia's largest social impact bond (SIB) business-related fund (total investment: 4.2 billion yen), and is also promoting initiatives for regional development through SIBs.

## Direction of DI and YMFG's regional development initiatives

In regional development, there is much room for business creation leveraging funds

- Can build a framework in which investments in infrastructure maintenance, preventive care, and urban development lead to new earnings opportunities
- By catering to inbound demand, can expect to earn foreign currency in multiple areas (transportation, lodging, restaurant, souvenirs, and sightseeing)

DI will promptly work on the above with YMFG, which has a reform-oriented mindset

- YMFG will mainly handle finances, while DI will be in charge of developing and implementing a business model
- Overcome regulatory limits through policy collaborations


DI and YMFG will together build a new model for regional banks, with YMFG conducting further reforms and striving to grow while DI actively supports these efforts and implements reforms

- Support structural reforms, and roll out the new model for regional banks in other regions as well

Reference: Press release

## FY03/2025 FORECAST FOR BUSINESS PRODUCTION

Compared with the medium-term plan targets, revised up the sales target while lowering the profit target

	<u>FY03/2025 forecast</u>	 <u>Medium-term profit plan</u>	<u>Reasons for discrepancy</u>
Sales (JPYbn)	7.3 (FY03/2024 results: 5.0)	5.9	• Pursue further expansion of business scale with an eye to longer-term growth
Personnel (headcount)	196 (FY03/2024 results: 155)	115	
Net income attributable to owners of parent (JPYbn)	0.5 (FY03/2024 results: 0.04)	1.0	• Time required before sales growth can match the personnel increase, with the impact of upfront expenditures remaining to some degree
EPS (JPY)*	60 (FY03/2024 results: 4)	102	

\* EPS figure for the medium-term profit plan is based on the total number of shares issued as of March 31, 2022, and for the FY03/2025 forecast, on the total number of shares issued as of March 31, 2024, excluding treasury shares.



# SHAREHOLDER RETURNS

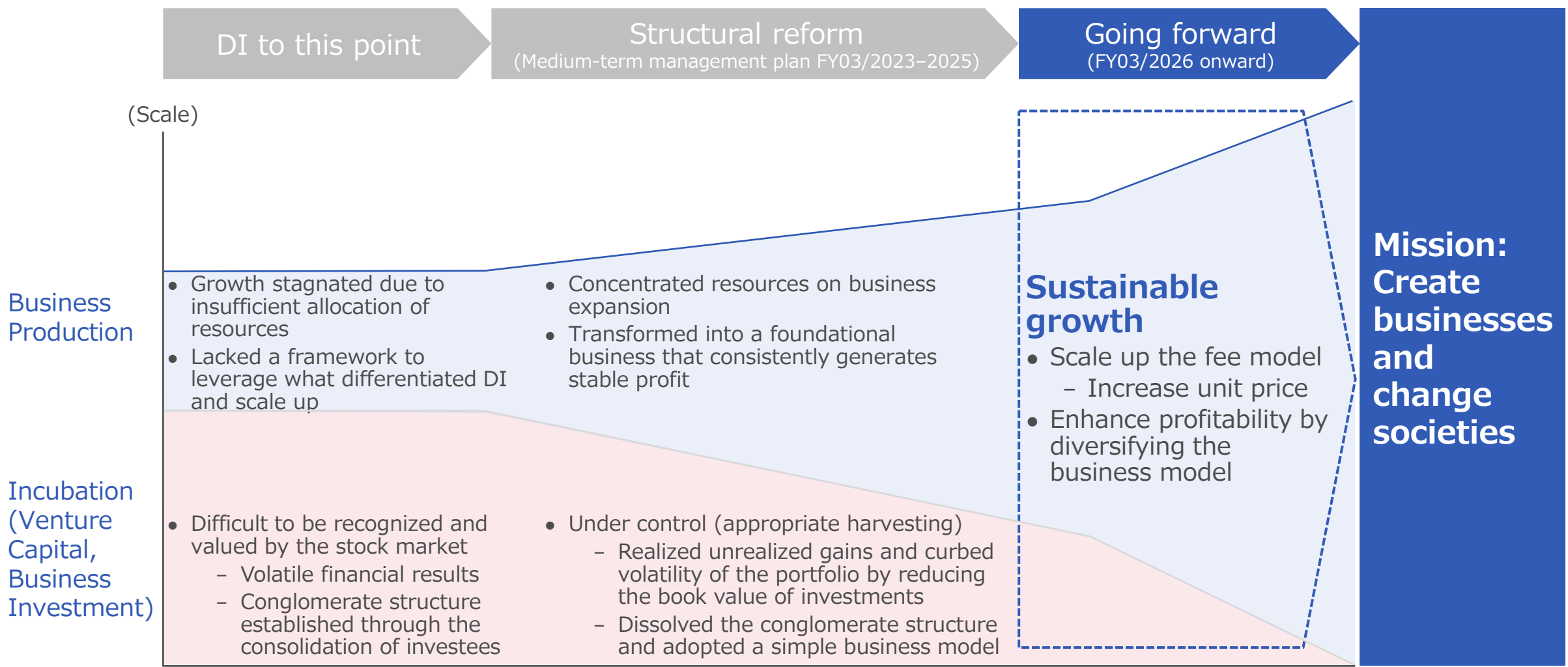
Aim for total shareholder returns of JPY10.0bn during the medium-term management plan period

	FY03/2023	FY03/2024	FY03/2025
Interim dividend	—	—	JPY1.0bn (forecast) (JPY106/share)
Year-end dividend	JPY2.0bn (JPY191.11/share)	JPY1.2bn (JPY128/share)	Undecided
Share buyback	—	JPY2.8bn <ul style="list-style-type: none"> <li>• Of which, cancelled JPY2.6bn*</li> <li>• Plan to allocate JPY0.2bn** to stock remuneration*** for employees</li> </ul>	Undecided
			} Total JPY3.0bn <ul style="list-style-type: none"> <li>• Choose the methods for returning profits, considering future share price and liquidity</li> </ul>

\* Represents 930,784 shares (8.9% of total shares issued before cancellation as of March 31, 2024)  
 \*\* Represents 74,500 shares (0.7% of total shares issued before cancellation as of March 31, 2024)  
 \*\*\* Shares as a percentage of annual income: 10% for executive officers, 5% for senior managers and managing directors (from FY03/2025 onward)

# ENTERING THE SUSTAINABLE GROWTH PHASE, AFTER THE CONCLUSION OF THE CURRENT MEDIUM-TERM PLAN

Currently working on formulating the next growth plan to maximize the social impact of business production





## FY03/2024 Financial Results

### Progress of Medium-Term Management Plan

- Looking back on the 2nd year and moving into the 3rd year

### Reference Materials

- Company profile
- Current medium-term management plan

# OVERVIEW OF DREAM INCUBATOR (DI)

## Company profile

Name	Dream Incubator Inc.	
Established	June 1, 2000 (launch of operations)	
Stock code	4310 (TSE Prime)	
Head office	Tokyo Club Building, 4F 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo, Japan	
Capital*	JPY5.0bn	
Employees*	227	
Key subsidiaries	Dream Incubator (Vietnam) Joint Stock Company Next Rise Social Impact Fund Investment Limited Partnership DI India Digital Investment Fund	
Management	Takayuki Miyake	Representative Director, President
	Kyohei Hosono	Director, Executive Vice President
	Tetsuro Harada	Director, Chairman of the Board
	Tsutomu Fujita	Outside Director
	Soichiro Uno	Outside Director, Audit & Supervisory Committee member
	Yuriya Komatsu	Outside Director, Audit & Supervisory Committee member
	Sakon Uda	Outside Director, Audit & Supervisory Committee member
Business	Business Production (business creation support, growth strategy consulting, etc.)	

## Corporate philosophy

Credo	1. Service (Strive to benefit clients and people)
	2. Create (Generate profit by yielding added value)
	3. Grow (Contribute to develop a better society)
	4. Share (Harmonize with society for mutual prosperity)
MVV	Mission : Create Businesses and Change Societies
	Vision : Become the First Choice of Challengers
	Value : Advance Beyond Boundaries
	- Envision Beyond Boundaries of Areas - Formulate Beyond Boundaries of Customaries - Partner Beyond Boundaries of Organizations - Challenge Beyond Boundaries of Ourselves

## History

2000	Launched operations with the aim of developing investment/incubation and consulting businesses
2002	Listed on TSE Mothers Market
2005	Listed on TSE First Section
2007	Established Dream Incubator Vietnam in Ho Chi Minh City, Vietnam
2011	Acquired shares in ipet (current ipet Holdings) and made it a consolidated subsidiary for incubation
2018	Formed DI India Digital Investment Fund
2021	Entered into a capital and business alliance with Dentsu Group Formed Next Rise Social Impact Fund Investment Limited Partnership
2022	Changed stock listing to TSE Prime Market
2023	Sold all shares in ipet Holdings and two other subsidiaries to concentrate resources on Business Production
2024	Enter into a capital and business alliance agreement with Yamaguchi Financial Group



# DI'S VALUE ADDED: BUSINESS PRODUCTION (BUSINESS CREATION SUPPORT)

Support menu	Description
<b>Industry Production</b>	<ul style="list-style-type: none"><li>• With the aim of resolving social issues through business, support customers' review of business creation potential, starting with the industry outlook</li><li>• Design new concepts, with boundary-defying ideas that can change existing rules, through discussions with government bodies and other organizations</li></ul>
<b>Business Production</b>	<ul style="list-style-type: none"><li>• Support the development of business strategies, leveraging the technologies, resources, and other strengths of customer companies</li><li>• Focused on designing business models, develop a framework for large projects through networking and policy collaborations</li></ul>
<b>Business Production Installation</b>	<ul style="list-style-type: none"><li>• In addition to strategy development, support business creation of customer companies through to execution and realization of results</li><li>• Further support customer companies with resolving management issues they face in the process of business creation (related to organizational structure, personnel, infrastructure, etc.)</li></ul>
<b>Technology &amp; Amplify</b>	<ul style="list-style-type: none"><li>• To <i>amplify</i> the business value of customer companies through technology, provide comprehensive support from strategy development to conceptualization and execution</li><li>• Support customers from the conceptualization stage, combining digital architecture and business strategies</li></ul>
<b>Global SX*</b>	<ul style="list-style-type: none"><li>• Centered on Asia, support global business production of Japanese companies</li><li>• In collaboration with JICA, develop and execute schemes for new public-private collaboration and social impact creation, primarily in emerging nations</li></ul>

# BUSINESS CREATION PROJECTS UNDERTAKEN WITH MAJOR CORPORATIONS

A list of projects introduced on our homepage (links available)

## Technology & Amplify



### Client : Chubu Electric Power

- Supported the construction of a digital twin/metaverse platform to resolve issues facing SMEs

## Strategy Consulting



### Client : A major manufacturer

- Supported the optimization of corporate R&D portfolio

## Industry Produce



### Client : MUFG

- Joint industry production with MUFG: Devised concepts and strategies, and created mechanisms for industrialization

## Global SX



### Client : JICA

- Strategy formulation and execution support for social impact investment in Southeast and South Asia

## Installation / Execution support



### Client : EXEO Group

- In-team support for the Innovation Promotion Department (IBEX – Innovation Base of EXEO), whose mission is to address changes in the business environment over the medium to long term through innovation

## Installation / Execution support



### Client : EXEO Group

- Promoting Purpose formulation with an eye toward transformation into an innovative organization

## Installation / Execution support



### Client : TOYOTA

- Provided support for the establishment of Toyota Research Institute, Inc. (TRI), the hub of Toyota's AI/robotics research

## Installation / Execution support



### Client : OMRON

- Support for establishment and operation of Innovation Exploring Initiative Headquarters (IXI), an organization for new business creation

## Business Creation



### Client : A major manufacturer

- Comprehensive support for business creation in China, including strategy formulation, negotiations with potential local partners, and PoC design

## Business Creation M&A / FA / Financial Solutions



### Client : A major manufacturer

- Commercialization of technology, and accompanying overseas M&A support

## Business Creation



### Client : Metropolitan Expressway Group

- Development strategy formulation support for InfraDoctor (infrastructure maintenance & management support system)



# EXECUTIVES



## Takayuki Miyake

Representative Director, President

- After his time at the Ministry of Economy, Trade and Industry (METI), where he developed a venture capital program, oversaw the development of a range of policies within the Ministry, including international energy policies, and formulated laws and regulations, he entered the consulting industry.
- To realize DI's founding philosophy (create 100 companies like Sony and Honda), which left much impression on him, Mr. Miyake established the concept of "industry production" and "business production," focused on creating businesses rooted in efforts to address social issues.
- He co-authored *Business Production Strategies to Create 300 Billion Yen Business* and *The Road to Success in Business Production to Create 300 Billion Yen Business* (PHP Institute); co-authored *Creating the Future through Industry Production: How to Think to Create New Businesses One after Another* (Nikkei BP); and authored *Empathy x Digging Deep Is the Strongest Business Skill* (PHP Institute).



## Kyohei Hosono

Director, Executive Vice President

- At Japan Bank for International Cooperation, he was involved in ODA for former Soviet Union countries, efforts to resolve debt issues of emerging nations, and ODA reforms.
- Mr. Hosono joined DI because he was attracted to the Company's business model encompassing both strategic consulting and incubation.
- At DI, he was mainly in charge of global business and incubation. While in Vietnam, he supported global expansion of large companies, promoted investments in local companies, and experienced the ordeal of leading the revitalization of a listed local investee. Currently, he is involved in global business production to support Japanese companies striving to resolve social issues facing emerging nations, and he is also in charge of HR, finance, accounting, and IR as a corporate officer.



## Tetsuro Harada

Director, Chairman of the Board

- While undergoing sonar operator training for naval vessels in the Japan Maritime Self-Defense Force in Etajima, Mr. Harada witnessed the devastation brought by war to Hiroshima and the city's recovery from it. Driven by his desire to contribute to the industrial development that propelled this recovery, he transitioned to the private sector.
- At Nippon Life Insurance, he was engaged in financial planning, loan sales planning, and HR planning.
- Mr. Harada joined DI shortly after its founding, after learning about the Company's purpose of fostering new businesses and new industries. He was engaged in strategic consulting, top management development, and investment and incubation for a range of major companies in IT, telecommunications, manufacturing, general trading, wholesale, retail, construction, etc. After leading structural reforms as CEO, he became chairman of the Board and supports the Company's succession for continued growth.





## CORPORATE MISSION

Mission: **Create Businesses and Change Societies**

Vision: **Become the First Choice of Challengers**

Value: **Advance Beyond Boundaries**

- Envision **Beyond Boundaries** of Areas
  - Formulate **Beyond Boundaries** of Customaries
  - Partner **Beyond Boundaries** of Organizations
  - Challenge **Beyond Boundaries** of Ourselves
- 





## FY03/2024 Financial Results

### Progress of Medium-Term Management Plan

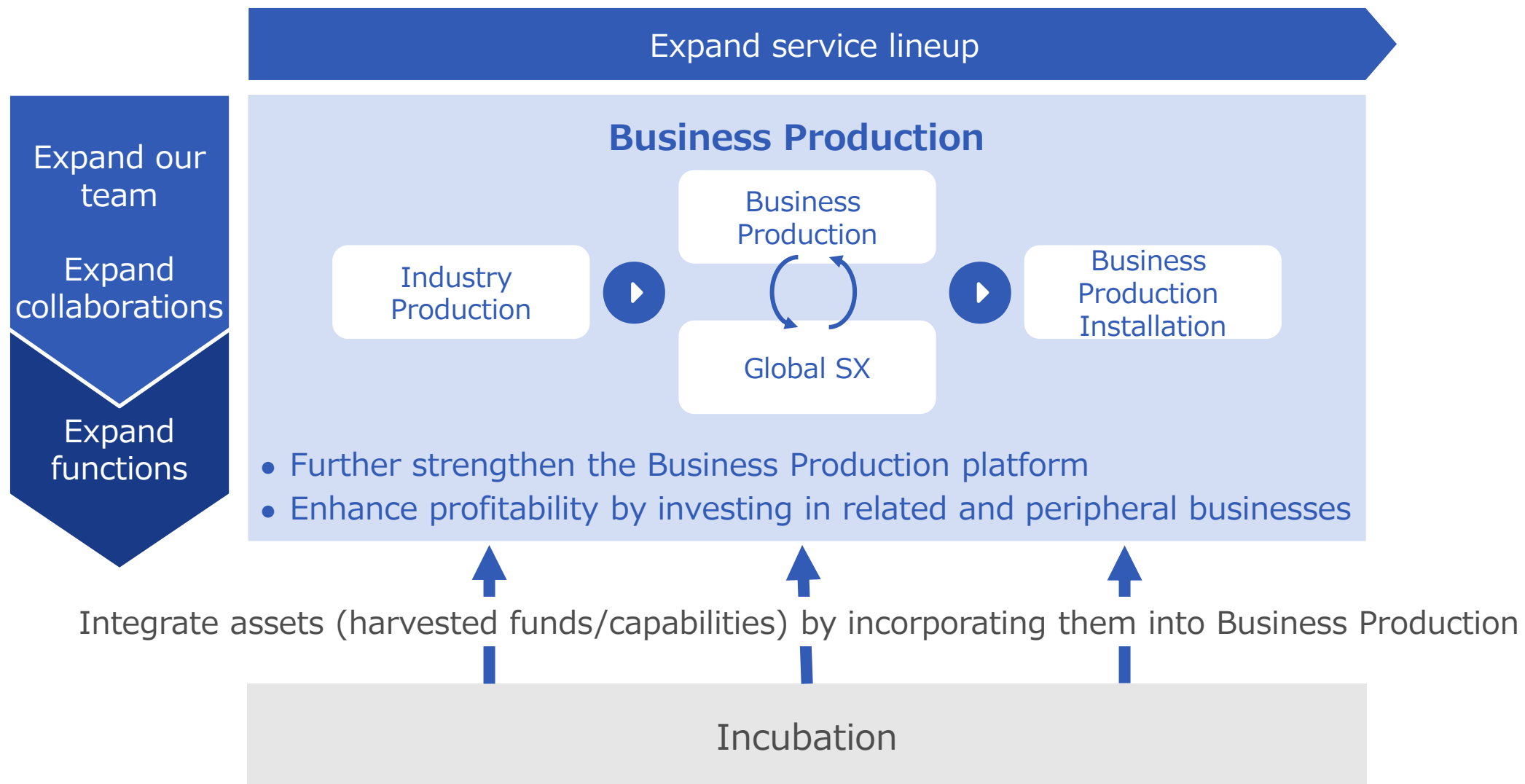
- Looking back on the 2nd year and moving into the 3rd year

### Reference Materials

- Company profile
- Current medium-term management plan

# DIRECTION DI AIMS TO TAKE

Incorporate investment assets to further strengthen Business Production



# MAINTAIN BALANCE BETWEEN GROWTH INVESTMENT TOWARD ENHANCING CORPORATE VALUE AND SHAREHOLDER RETURNS

As we transition from NAV-based to P&L-based management, we will be resuming shareholder returns.

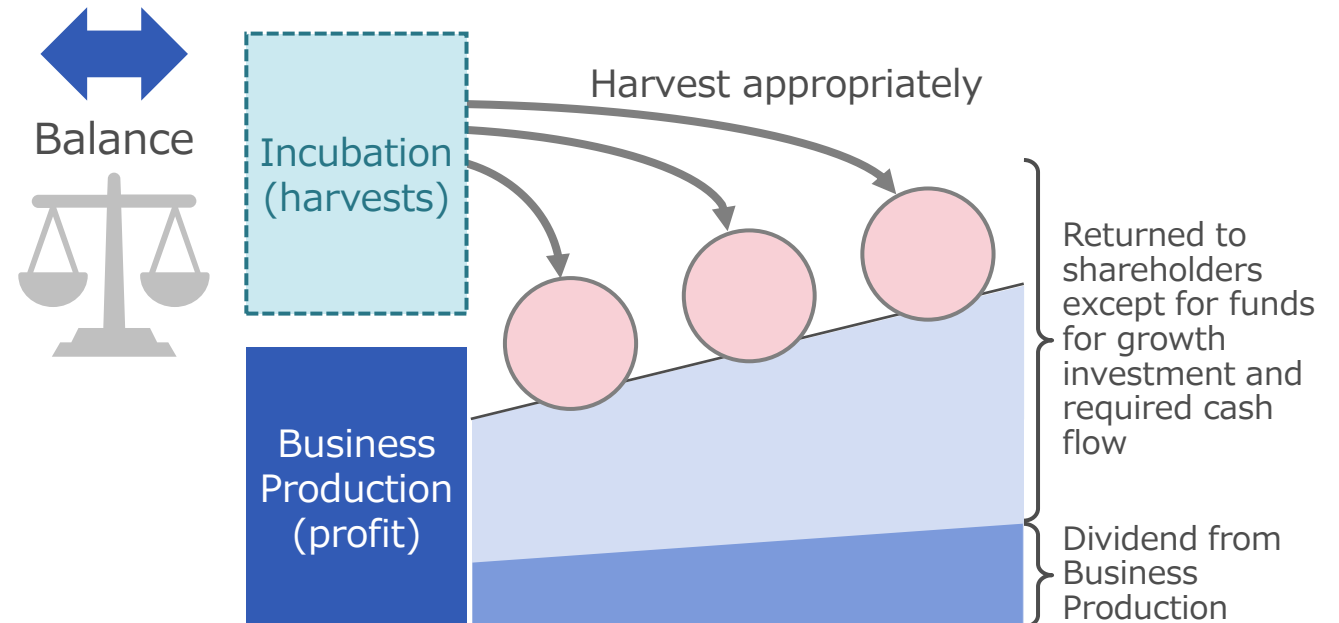
## Growth investment (expansion of functions): Grow profits

Disciplined investment (cost effectiveness)

- 1) Further strengthen our Business Production platform
  - Invest in recruitment and HR development
  - Invest in infrastructure to raise productivity
- 2) Enhance profitability by investing in related and peripheral businesses of Business Production
  - Invest to bolster capabilities and expand revenue opportunities, etc.
  - Anticipated ROIC\* > 12%

## Shareholder returns: Increase EPS and PER

Based on profits from stable growth in P&L and harvested funds

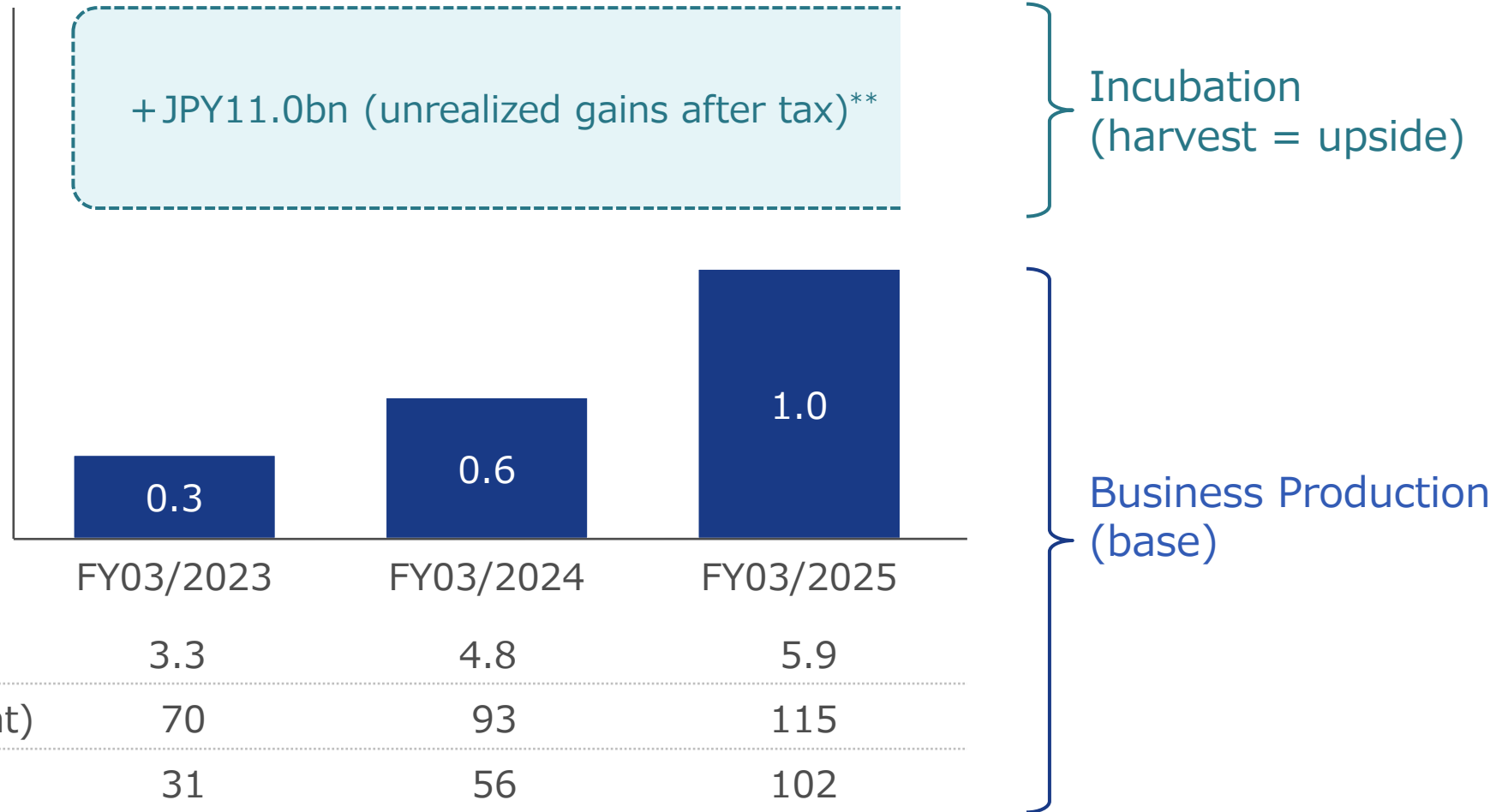


\*  $\text{Net income} \div \text{invested capital}$

## MEDIUM-TERM PROFIT PLAN (FY03/2023–FY03/2025)

Net income from Business Production + Potential upside of harvests from Incubation

Net income  
attributable to  
parent  
company  
shareholders  
(JPYbn)



Sales (JPYbn)	3.3	4.8	5.9
Personnel(headcount)	70	93	115
EPS (JPY)*	31	56	102

\* Calculation assumes number of shares outstanding as of end-March 2022 (excludes treasury shares)  
\*\* As of end-March, 2022



## DISCLAIMER

These materials contain forward-looking statements pertaining to forecasts and future strategies, which are based on information available to the Company at the time the materials were prepared. These statements are not guarantees that targets and forecasts will be reached, nor an assurance of future operating results. Future performance may vary substantially due to changes in the operating environment, downturns in performance at investee companies, share price fluctuations in the markets for financial products, and other factors.

Also, the content of these materials may change without notice. People using these materials are advised to refer also to other sources of information and make decisions based on their own judgement. The Company accepts absolutely no responsibility for losses arising from the use of these materials.

# Dream Incubator

The Business Producing Company