



May 31, 2023

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## Progress on Plan for Compliance with Listing Maintenance Criteria for Prime Market

On December 22, 2021, Dream Incubator Inc. (hereinafter “DI”) submitted a plan to comply with the Prime Market listing maintenance criteria and disclosed the details of the plan. We have prepared the following information regarding the progress of the plan as of March 31, 2023.

### 1. DI’s status of compliance with listing maintenance criteria

As announced in the “Selection of the Prime Market and Plan for Compliance with Listing Maintenance Criteria” dated December 22, 2021, DI had only failed to satisfy the criteria for the market capitalization of tradable shares as of the base date for transition (June 30, 2021).

To address this, DI submitted a plan to be in compliance with the criteria for listing on the Prime Market at all times by promoting structural reforms to improve its market capitalization. As a result of initiatives based on the plan, DI has satisfied all criteria, including the market capitalization of tradable shares, as of March 31, 2023, as shown in the table below.

		Number of shareholders (persons)	Number of tradable shares (units)	Market capitalization of tradable shares (billion yen)	Ratio of tradable shares (%)	Average daily trading value (million yen)
Compliance status	As of the base date for transition <sup>*1</sup>	3,616	74,817	7.63	71.7	20
	As of March 31, 2023 <sup>*1</sup>	4,305	79,748	21.71	76.2	120 <sup>*2</sup>
Listing maintenance criteria		800	20,000	10.0	35	20
Compliance status		Complied	Complied	Complied	Complied	Complied

Note 1: DI’s compliance status is calculated based on the distribution status of its stock certificates among other information available to the Tokyo Stock Exchange (TSE) as of the base date.

Note 2: Average daily trading value is based on information received from the TSE for the period from January 1, 2022 to December 31, 2022.

## 2. Status of implementation and evaluation of measures to comply with listing maintenance criteria

DI has promoted the following measures to improve its stock price, which is a major factor in the market capitalization of tradable shares.

### (1) Sustained profit growth

We have concentrated our resources on the core Business Production business to continue supporting business creation strategies and respond to increased customer needs in wide-ranging areas including IT.

(Specific measures)

- Expansion of service offerings, including Business Production Installation to promote execution of strategies after they are established, and Global Sustainability Transformation (SX) to promote global expansion of business production
- Strengthened organizational structure and accelerated hiring
  - ◇ Number of business producers: 58 as of March 31, 2022 → 87 as of March 31, 2023

### (2) Accelerated transition to a simple, low-volatility business structure

We have carefully selected and streamlined investments to simplify and control volatility of the business, which had been structured as a conglomerate.

(Specific measures)

- Sold all business investments (three companies), including the largest investment, ipet Holdings, Inc.
- Sold 11 venture investments

In addition to the above, DI plans to distribute 10.0 billion yen in shareholder returns, mainly through share buybacks, by the year-end dividend for the fiscal year ending March 31, 2025, in order to distribute profits from the sale in the fiscal year ended March 31, 2023, under the policy of “balancing allocation of recovered funds between growth investments and shareholder returns with a view to maximizing corporate value.”

We will continue to steadily work with the above policy as the basic framework, striving to grow sustainably and enhance our corporate value over the medium to long term.