

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 1, 2023

Company name: Dream Incubator Inc.
 Stock exchange listing: Tokyo
 Stock code: 4310 URL <https://www.dreamincubator.co.jp>
 Representative: Representative Director & President Takayuki Miyake
 Inquiries: Executive Officer, Corporate Toshihiro Uemura TEL 03-5532-3200
 Scheduled date to file Quarterly Securities Report: August 8, 2023
 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, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	1,174	(86.9)	(182)	–	(190)	–	(187)	–
Three months ended June 30, 2022	8,983	12.7	352	–	421	605.5	728	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(19.45)	–
Three months ended June 30, 2022	74.65	74.55

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	21,958	19,356	85.7
As of March 31, 2023	31,310	21,917	68.5

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, 2023	0.00	0.00	0.00	191.11	191.11
Year ending March 31, 2024	0.00				
Year ending March 31, 2024 (Forecast)		–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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: No
- 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, 2023	10,465,100 shares	As of March 31, 2023	10,465,100 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	986,491 shares	As of March 31, 2023	700,977 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, 2023	9,656,402 shares	Three months ended June 30, 2022	9,753,901 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	10,397	9,061
Notes and accounts receivable - trade, and contract assets	1,074	889
Operational investment securities	5,463	5,669
Securities	13,800	5,300
Allowance for investment loss	(103)	(103)
Other	191	632
Allowance for doubtful accounts	(24)	(24)
Total current assets	30,800	21,425
Non-current assets		
Property, plant and equipment	249	273
Intangible assets		
Other	8	7
Total intangible assets	8	7
Investments and other assets		
Investment securities	65	65
Deferred tax assets	29	27
Other	158	158
Total investments and other assets	252	250
Total non-current assets	510	532
Total assets	31,310	21,958

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3	4
Current portion of long-term borrowings	50	50
Income taxes payable	6,158	19
Provision for shareholder benefit program	19	4
Provision for bonuses	1	1
Provision for bonuses for directors (and other officers)	240	–
Other	1,856	1,356
Total current liabilities	8,328	1,437
Non-current liabilities		
Deferred tax liabilities	124	183
Provision for share awards	939	979
Other	0	0
Total non-current liabilities	1,064	1,164
Total liabilities	9,393	2,601
Net assets		
Shareholders' equity		
Share capital	5,019	5,019
Capital surplus	4,548	4,548
Retained earnings	12,648	10,460
Treasury shares	(1,366)	(2,127)
Total shareholders' equity	20,850	17,901
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	630	913
Foreign currency translation adjustment	(39)	(1)
Total accumulated other comprehensive income	590	911
Non-controlling interests	475	544
Total net assets	21,917	19,356
Total liabilities and net assets	31,310	21,958

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, 2022	Three months ended June 30, 2023
Net sales	8,983	1,174
Cost of sales	5,031	740
Gross profit	3,951	433
Selling, general and administrative expenses	3,599	615
Operating profit (loss)	352	(182)
Non-operating income		
Interest income	4	7
Gain on sale of non-current assets	30	–
Foreign exchange gains	39	–
Other	5	1
Total non-operating income	80	8
Non-operating expenses		
Interest expenses	3	0
Foreign exchange losses	–	11
Commission expenses	1	4
Loss on retirement of non-current assets	4	0
Other	1	0
Total non-operating expenses	10	16
Ordinary profit (loss)	421	(190)
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	546	–
Total extraordinary income	546	–
Profit (loss) before income taxes	968	(190)
Income taxes - current	279	15
Income taxes - deferred	(76)	1
Total income taxes	203	17
Profit (loss)	765	(208)
Profit (loss) attributable to non-controlling interests	37	(20)
Profit (loss) attributable to owners of parent	728	(187)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit (loss)	765	(208)
Other comprehensive income		
Valuation difference on available-for-sale securities	342	319
Foreign currency translation adjustment	31	38
Total other comprehensive income	374	357
Comprehensive income	1,139	149
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,093	132
Comprehensive income attributable to non-controlling interests	46	16