

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 1, 2024

Company name: Dream Incubator Inc.
 Stock exchange listing: Tokyo
 Stock code: 4310 URL <https://www.dreamincubator.co.jp>
 Representative: Representative Director & President Takayuki Miyake
 Deputy General Manager - Corporate
 Inquiries: Administration Group Kiyokuni Yamao TEL 03-5532-3200
 Scheduled date to file Semi-annual Securities Report: November 7, 2024
 Scheduled date to commence dividend payments: December 9, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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	%
Six months ended September 30, 2024	2,836	17.5	(85)	–	(67)	–	(178)	–
Six months ended September 30, 2023	2,414	(87.2)	(683)	–	(688)	–	(674)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	(20.37)	–
Six months ended September 30, 2023	(74.41)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	15,963	13,729	84.8
As of March 31, 2024	17,454	15,208	86.2

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, 2024	0.00	0.00	0.00	128.00	128.00
Year ending March 31, 2025	0.00	106.00			
Year ending March 31, 2025 (Forecast)			0.00	317.00	423.00

3. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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: Yes

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 September 30, 2024	9,534,316 shares	As of March 31, 2024	10,465,100 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	752,986 shares	As of March 31, 2024	1,705,656 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	8,776,379 shares	Six months ended September 30, 2023	9,440,533 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	6,428	5,108
Notes and accounts receivable - trade, and contract assets	1,407	1,081
Operational investment securities	3,589	3,455
Securities	5,300	5,500
Allowance for investment loss	(103)	(103)
Other	342	467
Allowance for doubtful accounts	–	(9)
Total current assets	16,965	15,500
Non-current assets		
Property, plant and equipment	259	233
Intangible assets		
Other	6	5
Total intangible assets	6	5
Investments and other assets		
Investment securities	65	65
Deferred tax assets	3	3
Other	154	156
Total investments and other assets	223	225
Total non-current assets	489	463
Total assets	17,454	15,963

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Income taxes payable	39	61
Provision for shareholder benefit program	19	–
Provision for bonuses	1	1
Provision for bonuses for directors (and other officers)	29	–
Other	776	814
Total current liabilities	866	877
Non-current liabilities		
Deferred tax liabilities	285	243
Provision for share awards	1,094	1,112
Total non-current liabilities	1,379	1,356
Total liabilities	2,246	2,234
Net assets		
Shareholders' equity		
Share capital	5,019	5,019
Capital surplus	4,548	2,009
Retained earnings	8,826	7,392
Treasury shares	(4,155)	(1,529)
Total shareholders' equity	14,239	12,892
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	804	675
Foreign currency translation adjustment	(1)	(25)
Total accumulated other comprehensive income	803	650
Non-controlling interests	165	187
Total net assets	15,208	13,729
Total liabilities and net assets	17,454	15,963

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	2,414	2,836
Cost of sales	1,933	1,522
Gross profit	481	1,314
Selling, general and administrative expenses	1,164	1,399
Operating loss	(683)	(85)
Non-operating income		
Interest income	11	12
Foreign exchange gains	–	1
Other	2	5
Total non-operating income	14	18
Non-operating expenses		
Interest expenses	0	–
Commission expenses	11	–
Foreign exchange losses	7	–
Other	0	0
Total non-operating expenses	19	0
Ordinary loss	(688)	(67)
Loss before income taxes	(688)	(67)
Income taxes - current	36	4
Income taxes - deferred	41	(2)
Total income taxes	78	2
Loss	(767)	(69)
Profit (loss) attributable to non-controlling interests	(93)	109
Loss attributable to owners of parent	(674)	(178)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Loss	(767)	(69)
Other comprehensive income		
Valuation difference on available-for-sale securities	353	(134)
Foreign currency translation adjustment	41	(24)
Total other comprehensive income	394	(158)
Comprehensive income	(372)	(228)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(318)	(331)
Comprehensive income attributable to non-controlling interests	(53)	103

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Loss before income taxes	(688)	(67)
Depreciation	30	29
Increase (decrease) in allowance for doubtful accounts	0	9
Increase (decrease) in provision for bonuses	0	–
Increase (decrease) in provision for bonuses for directors (and other officers)	(240)	(29)
Increase (decrease) in provision for share awards	77	18
Increase (decrease) in provision for shareholder benefit program	(19)	(19)
Interest and dividend income	(11)	(12)
Foreign exchange losses (gains)	0	0
Decrease (increase) in operational investment securities	654	(26)
Decrease(Increase) in trade receivables and contract assets	(290)	323
Decrease (increase) in accounts receivable - other	(3)	4
Increase (decrease) in trade payables	(14)	(25)
Increase (decrease) in accounts payable - other	(624)	(73)
Other, net	(901)	33
Subtotal	(2,031)	165
Interest and dividends received	16	16
Income taxes refund	0	1
Income taxes paid	(5,874)	(4)
Net cash provided by (used in) operating activities	(7,889)	179
Cash flows from investing activities		
Payments into time deposits	(154)	(15)
Proceeds from withdrawal of time deposits	134	30
Purchase of securities	(1,500)	(5,200)
Proceeds from redemption of securities	10,000	5,000
Purchase of property, plant and equipment	(226)	(11)
Purchase of intangible assets	(3)	–
Payments of leasehold and guarantee deposits	(0)	–
Proceeds from refund of leasehold and guarantee deposits	0	–
Loan advances	(2)	(2)
Proceeds from collection of loans receivable	2	4
Other, net	–	(0)
Net cash provided by (used in) investing activities	8,250	(195)
Cash flows from financing activities		
Repayments of long-term borrowings	(50)	–
Contributions from non-controlling interests in consolidated investment funds	106	104
Distributions to non-controlling interests in consolidated investment funds	(21)	(165)
Purchase of treasury shares	(1,935)	–
Dividends paid	(1,995)	(1,208)
Other, net	0	–
Net cash provided by (used in) financing activities	(3,896)	(1,269)
Effect of exchange rate change on cash and cash equivalents	31	(20)
Net increase (decrease) in cash and cash equivalents	(3,503)	(1,305)
Cash and cash equivalents at beginning of period	10,263	6,245
Cash and cash equivalents at end of period	6,759	4,939