



1H FY03/2025

FINANCIAL RESULTS BRIEFING PRESENTATION

November 1, 2024

Dream Incubator Inc. (stock code: 4310)

SUMMARY

Structural reforms (establishing an earnings base in Business Production to drive stable growth and realizing appropriate returns on investments in volatile Incubation) underway

1H FY03/2025 results

- Business Production
 - Sales: JPY2.21bn (+6% YoY), operating loss: JPY0.51bn
 - Sales continued to grow but failed to offset the impact of the conclusion of several large projects, amounting to only 30% of the full-year target
 - Full-year outlook
 - Expect results to improve going forward as they tend to be concentrated in 2H, but still project full-year sales of JPY5.2–6.0bn and net income (loss) of -JPY0.6bn–0.2bn
- Venture Capital
 - Operating profit: JPY0.42bn
 - Recorded capital gains mainly from divestments of two companies in Q1

Progress of structural reforms

- Business Production
 - Short-term profit growth was insufficient, but the business continued to expand steadily
 - Promoted talent development to support significant future growth
- Incubation (Venture Capital + Business Investment)
 - Continued to reap investment returns appropriately

Shareholder returns

- Confirmed interim dividends of JPY1.0bn (JPY106/share)
- Disclosed the year-end dividend forecast of JPY3.0bn (JPY317/share)



1H FY03/2025 Financial Results

Progress of Medium-Term
Management Plan

Reference Materials

- Company profile
- Current medium-term management plan

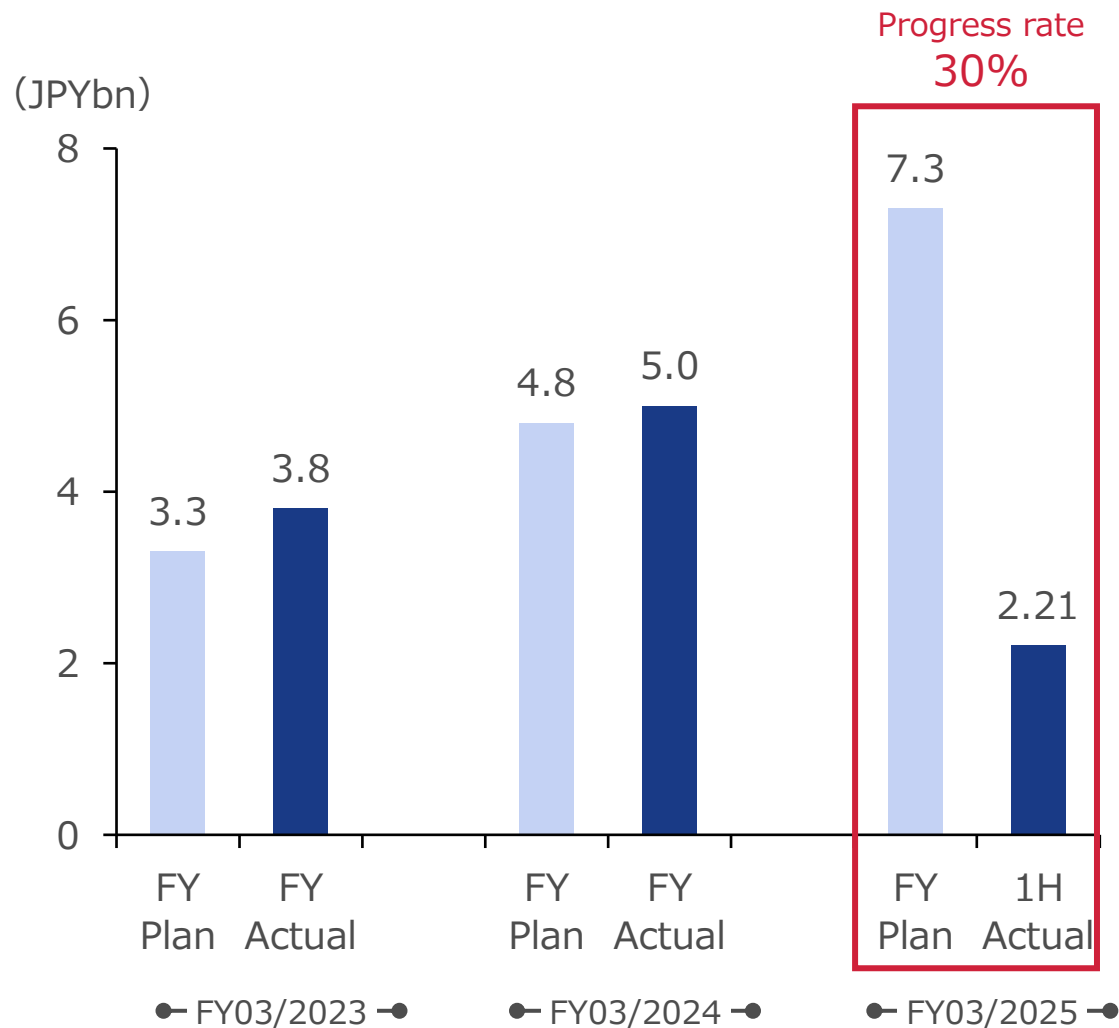
1H FY03/2025 CONSOLIDATED P&L

	1H FY03/2024 (JPYbn)	1H FY03/2025 (JPYbn)	YoY change (%)
Sales	2.41	2.83	+ 17
• Business Production	2.08	2.21	+ 6
• Venture Capital	0.32	0.62	+ 94
Operating profit	-0.68	-0.08	—
• Business Production*	-0.23	-0.51	—
• Venture Capital*	-0.44	0.42	—
Recurring profit	-0.68	-0.08	—
Net income	-0.67	-0.17	—

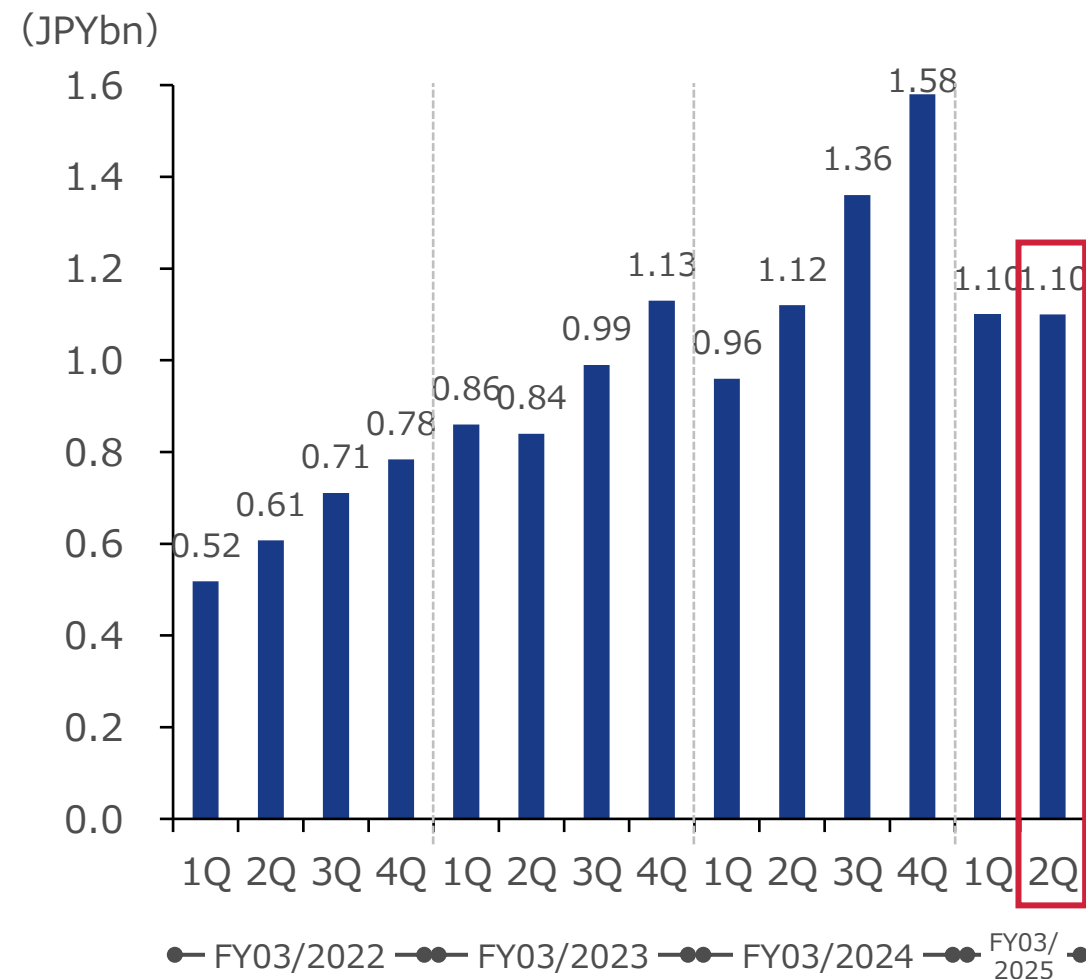
* Segment operating profit = segment profit – companywide expenses

BUSINESS PRODUCTION: SALES

Sales progress vs. plan



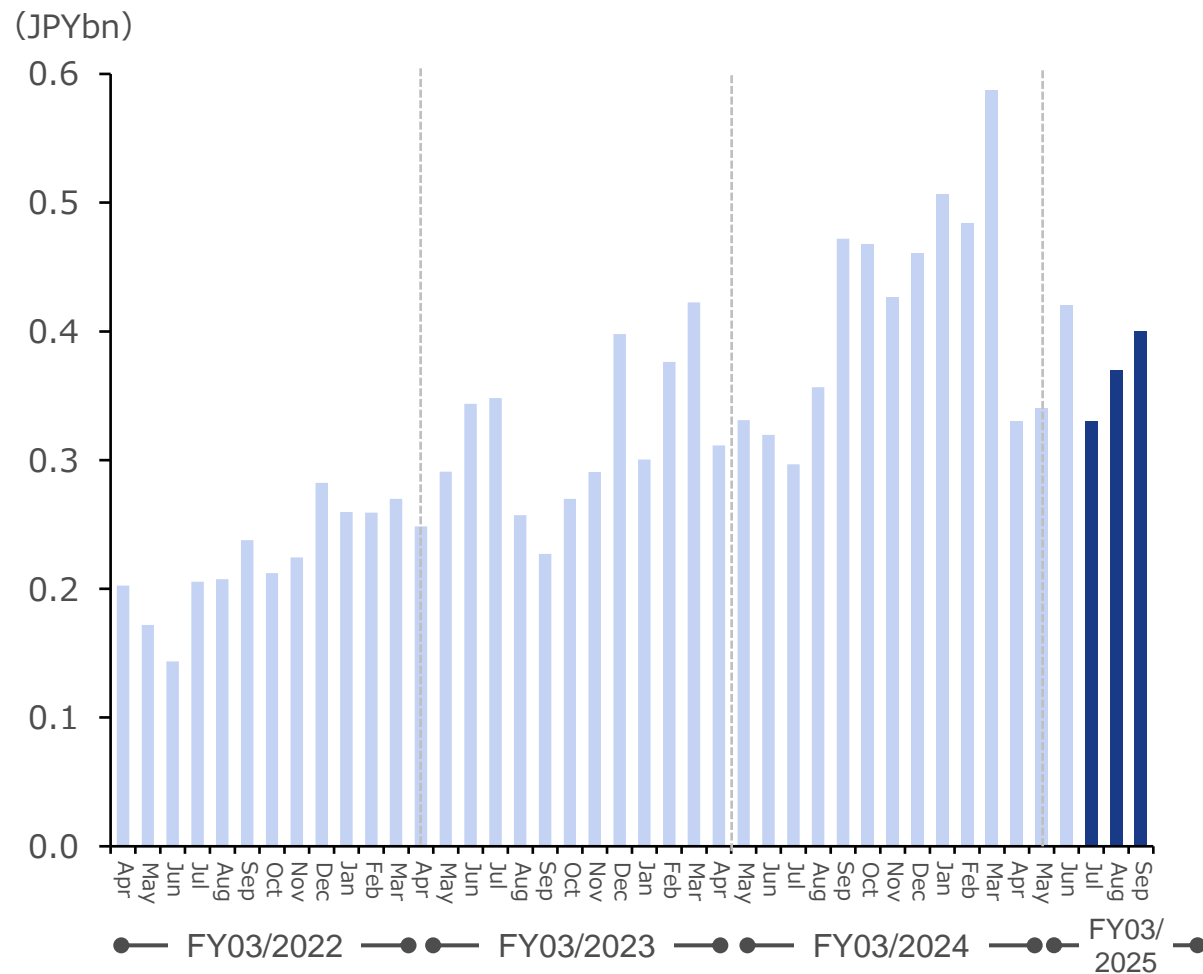
Quarterly sales*



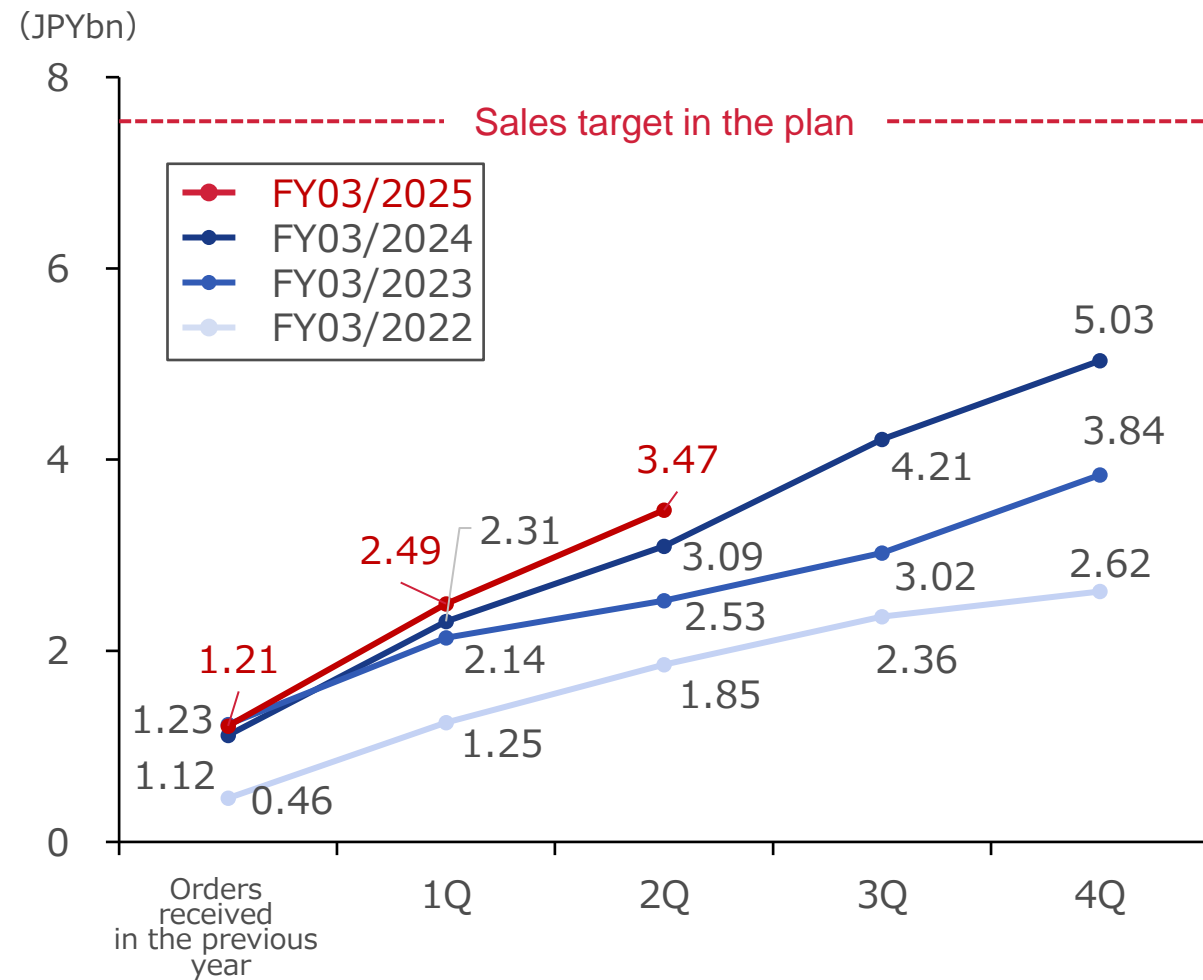
* FY03/2022 figures exclude sales of transferred businesses.

MONTHLY AND QUARTERLY SALES (CUMULATIVE)

Monthly sales

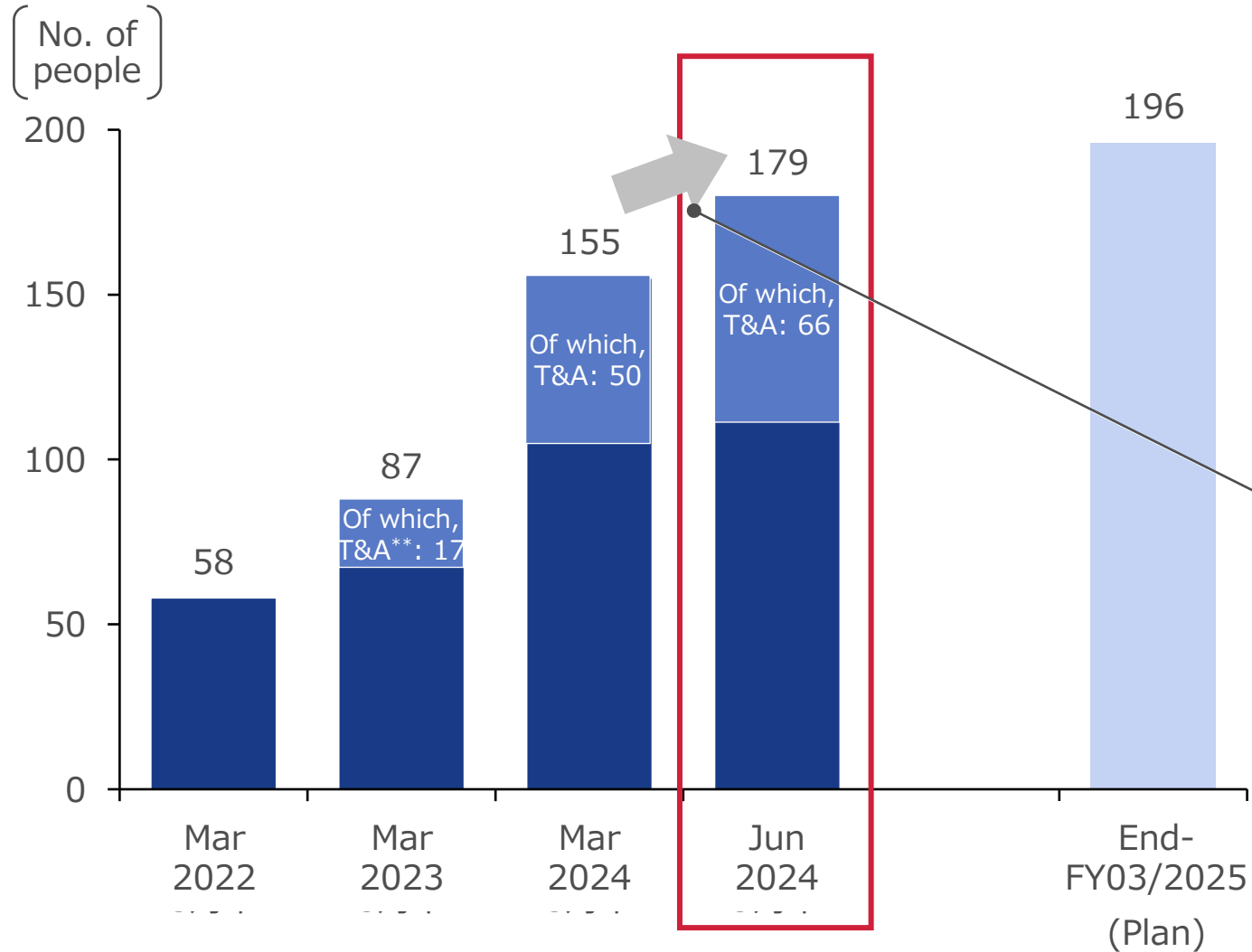


Confirmed portion of full-year sales* (at each point in time)



* Of total orders, orders for which sales are recorded in the current fiscal year. FY03/2022 figures exclude sales of transferred businesses.

NUMBER OF BUSINESS PRODUCERS*



Increase/decrease			
	End-Mar 2024	Net increase	End-Jun 2024
BP (excl. T&A)	105	+8	113
T&A	50	+16	66
Total	155	+24	179

* Excludes employees dedicated to Incubation
 ** Technology & Amplify

VENTURE CAPITAL: PORTFOLIO AND MARKET VALUE

		March 31, 2024		→	September 30, 2024	
		Book value ¹⁾	Market value ²⁾		Book value ¹⁾	Market value ²⁾
Venture portfolio	Principal Investment	0.4 (11co.)	2.8	— Sold : 2co. ⁴⁾ →	0.3 (10co.)	2.9
	LP investment in funds ³⁾	2.5 (6co.)	— (Same as Book value)		2.4 (6co.)	— (Same as Book value)
	合計	2.9 (17co.)	5.4 (0.7)		2.8 (16co.)	5.4 (0.7)

(JPY bn)

- 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

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2024

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



September 30, 2024
(Total assets: JPY15.9bn)

Cash and deposits JPY6.4bn	Liabilities JPY2.2bn
Short-term Investment assets* JPY5.3bn	Net assets JPY15.1bn
Venture capital JPY3.4bn	
Other assets JPY2.2bn	

(Major increase/decrease)
Net assets

- Dividends for previous FY:
-JPY1.2bn

Cash and deposits JPY5.1bn	Liabilities JPY2.2bn
Short-term Investment assets* JPY5.5bn	Net assets JPY13.7bn
Venture capital JPY3.3bn	
Other assets JPY2.0bn	



1H FY03/2025 Financial Results

Progress of Medium-Term Management Plan

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	Major progress in the 2nd year	Progress in 1H FY03/25 (3rd year)	Targets after the end of the medium-term plan
Business Production	<ul style="list-style-type: none"> Strengthened organizational structure Launched T&A and began full-scale operations Expanded the customer base 		<ul style="list-style-type: none"> Steadily expanded the service lineup Rolled out appropriate measures tailored to the characteristics of and issues faced by each service line 	Complete building an earnings base for Business Production, and continuously generate stable, long-term profits
Expand service lineup				
Expand our team	<ul style="list-style-type: none"> Accelerated hiring 		<ul style="list-style-type: none"> Steadily promoted HR development 	
Expand collaborations	<ul style="list-style-type: none"> Entered into a capital and business alliance with YMFG 		<ul style="list-style-type: none"> Entered into a business alliance with Dentsu Soken Inc. 	
Expand functions	<ul style="list-style-type: none"> Pursued a diversified earnings model 		<ul style="list-style-type: none"> Began implementing and validating specific models 	
Quantitative targets	(Target) → (Result)	(Target) → (Result)	(Initial target*) → (Estimate)	
Net income	JPY0.3bn → JPY0.3bn	JPY0.6bn → JPY0.04bn	JPY0.5bn → -JPY0.6-0.2bn	
Sales	JPY3.3bn → JPY3.8bn	JPY4.8bn → JPY5.0bn	JPY7.3bn → JPY5.2-6.0bn	
Personnel	70 → 87	93 → 155	196 → Around 180	
EPS	JPY31 → JPY30	JPY56 → JPY4	JPY60 → -JPY60-20	
Incubation <ul style="list-style-type: none"> Appropriate harvests 	<ul style="list-style-type: none"> (2-year total) Sold stakes in 20 companies, recorded impairment losses in 26 		<ul style="list-style-type: none"> Divested from two companies 	Reduce earnings volatility by realizing unrealized gains and reducing book value
Companywide management <ul style="list-style-type: none"> Balance between growth investment and shareholder returns 	<ul style="list-style-type: none"> Decided to return a total of JPY10.0bn to shareholders over three years, with JPY6.0bn already distributed 		<ul style="list-style-type: none"> Interim dividend: JPY1.0bn Year-end dividend: JPY3.0bn 	Continue returning profits in a stable manner from profits generated in Business Production

EXPANDING SERVICE LINEUP IN BUSINESS PRODUCTION: DEVELOPMENT OF FIVE SERVICE LINES THROUGH DIVERSIFICATION

Taking appropriate measures tailored to the characteristics and challenges of each service line

Service line	Support detail	Positioning and status
Industry Production	<ul style="list-style-type: none"> Design new concepts that transcend industries and redefine rules by rethinking the industry's core nature, while engaging in discussions with the government and other stakeholders 	<ul style="list-style-type: none"> Leading the overall advancement of DI's business model <ul style="list-style-type: none"> Exploring new directions, including regional revitalization, finance, and M&A
Business Production	<ul style="list-style-type: none"> Centered on business model design, leverage the technology, resources, and strengths of client companies to build major businesses through team-building and policy collaboration 	<ul style="list-style-type: none"> While achieving high growth in the short term may be challenging as this service requires time for talent development and executive talent has been assigned to other areas, it remains firmly upheld as DI's core value

New/ focus areas ↓

Business Production Installation (BPI)	<ul style="list-style-type: none"> In addition to strategy formation, support the execution of strategies, achievement of tangible outcomes, and resolution of management issues related to business creation (organization structure, HR, and infrastructure) 	<ul style="list-style-type: none"> Expanding the service by deepening our understanding of customers' fundamental needs and committing to addressing them <ul style="list-style-type: none"> Seeing promising results in execution and implementation
Technology & Amplify (T&A)	<ul style="list-style-type: none"> To enhance the value of client businesses through technology and digital solutions, provide end-to-end support from strategy formation to concept development and implementation 	<ul style="list-style-type: none"> This service is growing steadily overall, and we will continue allocating resources to drive further expansion
Global SX* (GSX)	<ul style="list-style-type: none"> With a focus on Asia, support the global business production initiatives of Japanese companies by creating and implementing new frameworks for public-private partnerships and social impact creation, particularly in emerging nations 	<ul style="list-style-type: none"> Although T&A has been launched, it has yet to fully reach its growth potential. We are strengthening the structure of the service and collaborative efforts to accelerate growth

* SX: Sustainability transformation

EXPANDING WORKFORCE: STEADY PROGRESS IN TALENT DEVELOPMENT

Rapidly develop the diverse professional talent recruited into business producers, building an organization that consistently generates results

Professional talent recruited

Person who **embodies DI's MVV**

- Driven by the aspiration to "Create Businesses and Change Societies"
- Aim to "Become the First Choice of Challengers"
- Act "Beyond Boundaries"



Talent with diverse skills to support the expansion of service lines

- Global talent
- AI engineers
- DX consultants, etc.



Talent development framework

Guide and support new hires to become business producers

- Provide skill development opportunities at key milestones, such as onboarding, a month and a year after joining DI, and at times of promotion
- Assign experienced managers as mentors to broaden perspective and encourage proactive actions

Provide on-the-job training through participation in diverse projects

- Assign employees to projects with the goal of giving them **experience across various industries**
- **Employees engage in high-level, major themes**, such as **policy collaboration and internal/external partnerships, regardless of seniority**

Accurately identify key issues for rapid talent development

- Managers at all levels meet quarterly for in-dept discussions on issues and career development from multiple perspectives
- Evaluate employees not only on skills but also on **mindset (aspirations, willingness to take on challenges, etc.) and actions that push beyond conventional boundaries**

Develop a work environment and culture that fosters co-creation

- **Assign diverse, mixed projects and provide knowledge-sharing opportunities to encourage collaboration among diverse employees**
- **Foster an open culture where everyone can learn** by holding wrap-up sessions for each project and **sharing project cases companywide**

EXPAND PARTNERSHIPS: ESTABLISHED AND STRENGTHENING BUSINESS ALLIANCE WITH DENTSU SOKEN INC.

	Topics	Progress to date
FY03/2021	Entered into a capital and business alliance with Dentsu Group	<ul style="list-style-type: none">• Collaborating across various areas, including joint sales activities, project execution, product development, and talent exchange• Also supporting the enhancement of Dentsu Group's consulting functions
FY03/2022–2023	Strengthened collaboration with financial and government institutions <ul style="list-style-type: none">• Nippon Life, Development Bank of Japan Inc., and JICA, among others	<ul style="list-style-type: none">• Entered into a business alliance with Nippon Life and the Development Bank of Japan, focused on Social Impact Bonds (SIBs). In addition to serving as anchor LPs in funds, they also participate in or collaborate on individual projects.• Collaborating with JICA to promote projects that leverage Japanese companies' technology and startups, supporting business expansion in developing countries, primarily in Asia
FY03/2024	Entered into a capital and business alliance with YMFG	<ul style="list-style-type: none">• Launched collaborative initiatives across various areas and themes, focused on regional revitalization and finance• Engaging in broad collaborations centered on industry production while strengthening relationships
FY03/2025	Entered into a business alliance with Dentsu Soken (July 4, 2024)	<ul style="list-style-type: none">• Further strengthened digital and IT initiatives as part of the capital and business alliance with Dentsu Group• Established a joint sales and project execution framework that integrates consulting and digital expertise, with expectations for increased projects supported by talent exchange

FUNCTIONAL EXPANSION: IMPLEMENTING AND TESTING VARIOUS EARNINGS MODELS

Potential for diversifying earnings models

Underlying needs

Achievements to date

Consulting-oriented

Business-oriented

Outcome-based consulting/business production

In new business launches and other initiatives, clients wish to share risks and pay based on results once they are achieved



Launched projects from Q3 and expect to see results by the end of FY03/2025

Business production linked with M&A

In M&As, which are essential for business creation, integrated support is needed as discussions and strategies within the acquired company tend to diverge



Successfully validated the earnings model in the previous fiscal year and plan to expand it going forward

- Multiple proposals underway

Business production technology implementation

Business creation often involves implementation of IT and digital solutions, but strategies and systemization tend to become disconnected, highlighting the need for integrated support



Multiple projects underway

- Intend to maintain the earnings model and expect an increase in projects

Business production agent

In new business development, which requires not only strategy formation but also the launch and expansion of actual businesses, there are high expectations for DI's proactive business production services



Deployed the earnings model in inbound business production

- Multiple proposals in progress

Investment x business production

For some initiatives, it would be more effective for DI to take the lead as the primary stakeholder, providing support and guidance as well as investing its own capital



SIB belongs to this model

- Multiple proposals in progress

Considering advancing and expanding earnings models to focus on, based on the results of test implementation

REQUIREMENTS FOR DRIVING FUTURE SALES AND SUSTAINED GROWTH BASED ON PROGRESS THUS FAR

New business projects are often limited to an annual timeline, making it challenging to maintain continuity, even when clients grow into major accounts. While our business expansion efforts helped mitigate this impact to some extent, we will further focus on increasing the number of major clients to reduce this effect.



Provide close support to clients across multiple projects

- In addition to providing strategies for new business development, our primary focus thus far, we will work to deepen our understanding of the challenges facing clients' existing businesses, particularly through the BPI and T&A service lines, to deliver comprehensive, cross-service support
- To achieve this, we will assign multiple senior members to each client, creating a structure that enables a broad understanding of client needs

Expand the scale and profitability of each project

- We aim to expand the scale of each project by providing support from the preliminary stages of business development/reform through to the post-launch/reform phase, ensuring a long-term commitment to each initiative
- For initiatives where it is advantageous for DI to take the lead, we will proactively assume risks while fostering a mutually beneficial relationship with clients to achieve high profitability

BUSINESS PRODUCTION: FULL-YEAR OUTLOOK

	FY03/2025 Full-year outlook	FY03/2025 forecast	Medium-term profit plan
Sales (JPYbn)	5.2~6.0	7.3 (FY03/2024 results: 5.0)	5.9
Personnel (headcount)	Around 180	196 (FY03/2024 results: 155)	115
Net income attributable to owners of parent (JPYbn)	-0.6~+2	0.5 (FY03/2024 results: 0.04)	1.0
EPS (JPY)*	-60~+20	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

Confirmed interim dividends of JPY1.0bn and plan to distribute the remaining JPY3.0bn as year-end dividends (forecast)

	FY03/2023	FY03/2024	FY03/2025
Interim dividend	—	—	JPY1.0bn (JPY106/share)
Year-end dividend	JPY2.0bn (JPY191.11/share)	JPY1.2bn (JPY128/share)	JPY3.0bn (forecast) (JPY317/share)
Share buyback	—	JPY2.8bn <ul style="list-style-type: none">• Of which, cancelled JPY2.6bn*• Plan to allocate JPY0.2bn** to stock remuneration*** for employees	—

* 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)

REVIEW OF 1H AND OUTLOOK GOING FORWARD

We made steady progress in expanding Business Production, one of the goals of structural reforms, with sales nearly doubling over the past three years and the number of business producers—those driving this growth—tripling.

We recognize that we are likely to miss our targets due to the completion of several large projects, and we intend to implement countermeasures to address this.

- While our new business support service is a strong differentiator, the relatively unpredictable continuity of projects affects earnings stability
- We will accelerate efforts to increase major clients by providing comprehensive support and expanding the scale and profitability of individual projects, aiming to secure stable earnings sources and enhance predictability

That being said, we are confident about achieving medium- to long-term growth. Efforts to expand the scale of business have enabled us to respond more flexibly to client proposals and member assignments, allowing us to pursue new opportunities.

- Establishing frameworks for new businesses (necessary in the preliminary stage of new business development), fulfilling resource and expertise needs to drive execution after strategy formulation, and more
- Placing particular emphasis on supporting clients who require reform of their existing businesses (which increases the likelihood of new business development in the future)
 - There are many ongoing projects of stable themes, contributing to bolstering DI's stable earnings capability

We anticipate significant future growth, driven by our efforts to nurture “personnel” into “talent.”

- To this end, we are concentrating on training and nurturing the members who have joined us

We will deepen our commitment to supporting clients' bold, boundary-breaking endeavors, and by increasing the number of such clients, we will continue to push forward with our mission to “Create Businesses and Change Societies.”



1H FY03/2025 Financial Results

Progress of Medium-Term Management Plan

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	TRepresentative Director, President
	Kyohei Hosono	Director, Executive Vice President
	Tetsuro Harada	Director, Chairman of the Board, Audit & Supervisory Committee member
	Tsutomu Fujita	Outside Director
	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 Enter into a business alliance agreement with Dentsu Soken

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

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

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)

DIRECTORS



Representative
Director, President

**Takayuki
Miyake**

- Joined DI after working at the Ministry of Economy, Trade and Industry (METI) and in the consulting industry
- Established the concepts of “industry production” and “business production,” which focus on creating significant business opportunities from social issues. Currently, Mr. Miyake is engaged in expanding the social impact of DI’s industry and business production initiatives.



Director, Executive
Vice President

Kyohei Hosono

- During his time at the Japan Bank for International Cooperation, Mr. Hosono was engaged in various ODA projects, including ODA for former Soviet Union countries, debt issues of developing countries, and ODA reforms.
- At DI, he is primarily responsible for global business and incubation, and also served as representative of a local subsidiary in Vietnam. Currently, he is overseeing global expansion and corporate operations.



Director, Chairman of
the Board,
Audit & Supervisory
Committee member

Tetsuro Harada

- Joined DI after serving in the Japan Maritime Self-Defense Force (JMSDF) and later working at Nippon Life Insurance
- Mr. Harada was in charge of corporate consulting, venture (startup) investment and development, and corporate functions, before he was appointed CEO and led structural reforms. Currently, as a Chairman of the Board, he supports governance and Succession for Continued Growth.



Outside Director

Tsutomu Fujita

- Held multiple key positions, including Executive Vice Chairman of Citigroup Inc, outside director of several companies, and Visiting professor at School of Business Administration, Hitotsubashi University. Has over 30 years of experience in the securities market as a Japanese equity strategist, winning the top spot in the Nikkei Analyst Rankings for five consecutive years from 2006 to 2010.
- Currently, Mr. Fujita is serving as representative director and president of Strategy Advisors, outside director of RIZAP Group, and Outside Audit & Supervisory Board Member of ITOCHU.



Outside Director,
Audit &
Supervisory
Committee member

Yuriya Komatsu

- After joining Nomura Securities, Ms. Komatsu spent over 20 years analyzing and investing in Japanese and Asian public and private companies at asset management firms in Japan and New York. Served as director of KADOKAWA DWANGO (now KADOKAWA), director and CFO of DWANGO, and director of IA Partners.
- Currently, she concurrently holds the positions of outside director and chairperson of the Board at NTN and outside director of Daicel.



Outside Director,
Audit &
Supervisory
Committee member

Sakon Uda

- Held key positions at McKinsey & Company, JAPAN POST HOLDINGS, and Tokyo Star Bank. Having served as outside director and chairman of the Board at EBARA, Mr. Uda possesses extensive knowledge and experience in both consulting and corporate management.
- Currently, he serves as outside director and chairman of the Board at Hokkoku Financial Holdings, outside director of Pacific Consultants, and outside director of Ichigo.

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



1H FY03/2025 Financial Results

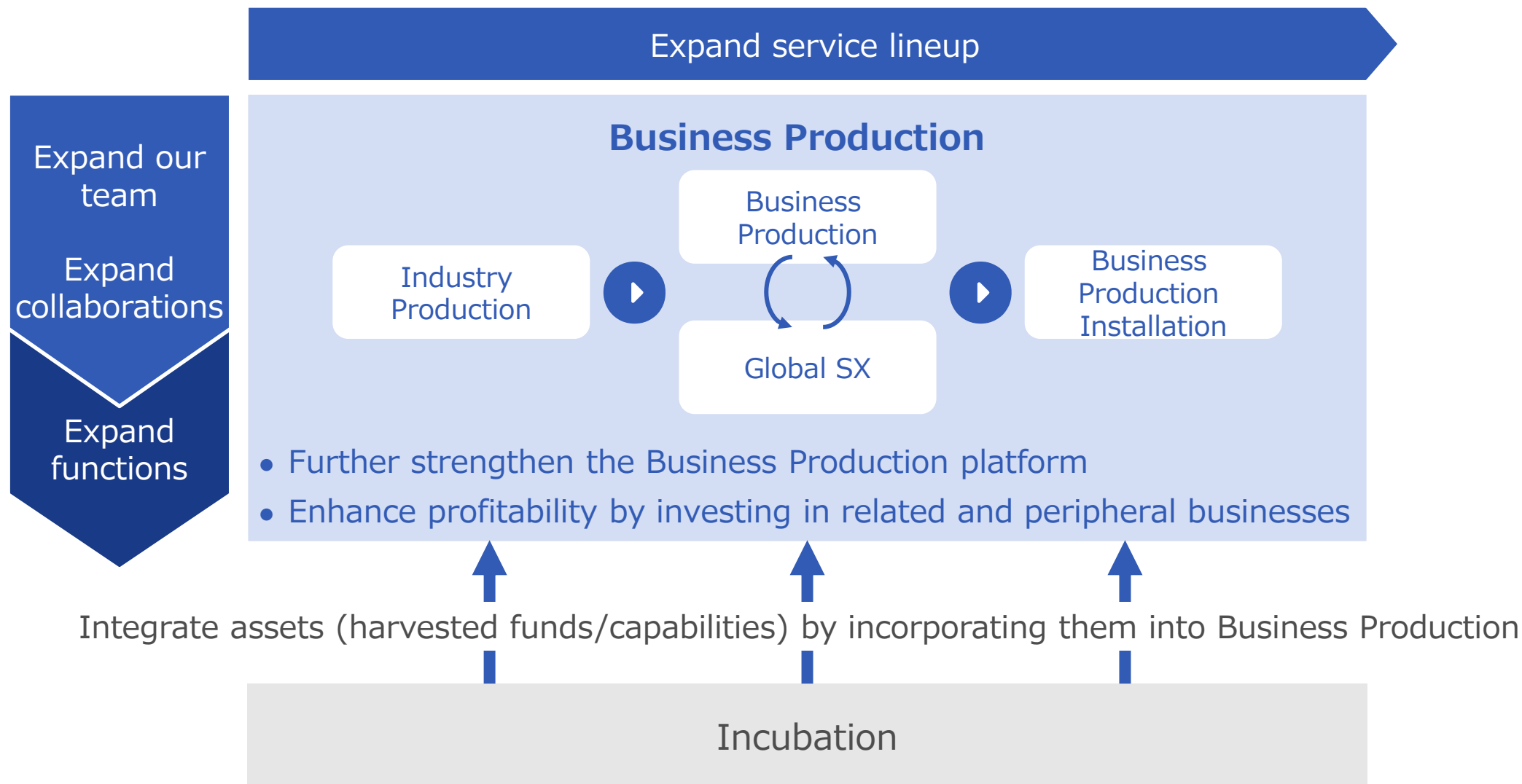
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DIRECTION DI AIMS TO TAKE

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

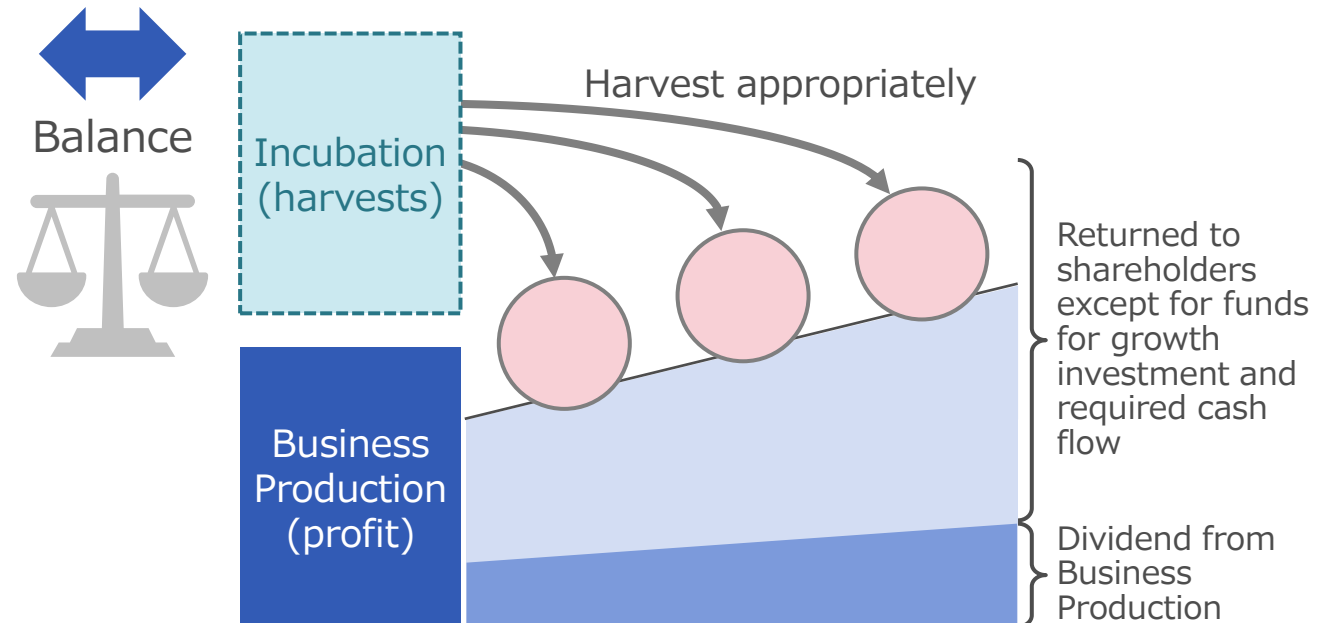
Growth investment (expansion of functions): Grow profits

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



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

FY03/2025 FORECAST FOR BUSINESS PRODUCTION

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

	FY03/2025 forecast	Medium-term profit plan	Reasons for discrepancy
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.

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.

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Dream Incubator

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