

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Based on Japanese GAAP)

February 4, 2025

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: Director, Executive Vice President Kyohei Hosono TEL 03-5532-3200
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended December 31, 2024	4,533	19.7	173	–	202	–	97	–
Nine months ended December 31, 2023	3,785	(86.9)	(1,089)	–	(1,117)	–	(1,038)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	11.06	–
Nine months ended December 31, 2023	(112.34)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	15,780	13,262	82.9
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	0.00		
Year ending March 31, 2025 (Forecast)				317.00	423.00

3. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended December 31, 2024: 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: | 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 December 31, 2024	9,534,316 shares	As of March 31, 2024	10,465,100 shares
-------------------------	------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2024	739,433 shares	As of March 31, 2024	1,705,656 shares
-------------------------	----------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	8,780,515 shares	Nine months ended December 31, 2023	9,246,012 shares
-------------------------------------	------------------	-------------------------------------	------------------

Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	6,428	4,052
Notes and accounts receivable - trade, and contract assets	1,407	1,356
Operational investment securities	3,589	3,531
Securities	5,300	6,000
Allowance for investment loss	(103)	(103)
Other	342	505
Allowance for doubtful accounts	–	(14)
Total current assets	16,965	15,327
Non-current assets		
Property, plant and equipment	259	223
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	155
Total investments and other assets	223	224
Total non-current assets	489	453
Total assets	17,454	15,780

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Income taxes payable	39	51
Provision for shareholder benefit program	19	–
Provision for bonuses	1	1
Provision for bonuses for directors (and other officers)	29	–
Other	776	1,038
Total current liabilities	866	1,091
Non-current liabilities		
Deferred tax liabilities	285	304
Provision for share awards	1,094	1,121
Total non-current liabilities	1,379	1,426
Total liabilities	2,246	2,517
Net assets		
Shareholders' equity		
Share capital	5,019	5,019
Capital surplus	4,548	2,009
Retained earnings	8,826	6,665
Treasury shares	(4,155)	(1,503)
Total shareholders' equity	14,239	12,191
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	804	887
Foreign currency translation adjustment	(1)	5
Total accumulated other comprehensive income	803	892
Non-controlling interests	165	178
Total net assets	15,208	13,262
Total liabilities and net assets	17,454	15,780

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	3,785	4,533
Cost of sales	3,108	2,393
Gross profit	676	2,139
Selling, general and administrative expenses	1,766	1,966
Operating profit (loss)	(1,089)	173
Non-operating income		
Interest income	15	18
Foreign exchange gains	–	5
Other	4	4
Total non-operating income	20	29
Non-operating expenses		
Interest expenses	0	–
Commission expenses	36	–
Foreign exchange losses	10	–
Other	0	0
Total non-operating expenses	47	0
Ordinary profit (loss)	(1,117)	202
Profit (loss) before income taxes	(1,117)	202
Income taxes - current	39	13
Income taxes - deferred	75	(4)
Total income taxes	114	9
Profit (loss)	(1,231)	192
Profit (loss) attributable to non-controlling interests	(193)	95
Profit (loss) attributable to owners of parent	(1,038)	97

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit (loss)	(1,231)	192
Other comprehensive income		
Valuation difference on available-for-sale securities	117	83
Foreign currency translation adjustment	14	6
Total other comprehensive income	131	90
Comprehensive income	(1,100)	283
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(907)	186
Comprehensive income attributable to non-controlling interests	(192)	96