

FY03/2026

# Management Plan

May 15, 2025

Dream Incubator Inc.

Note : This document has been translated from the Japanese original for reference purposes only.  
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



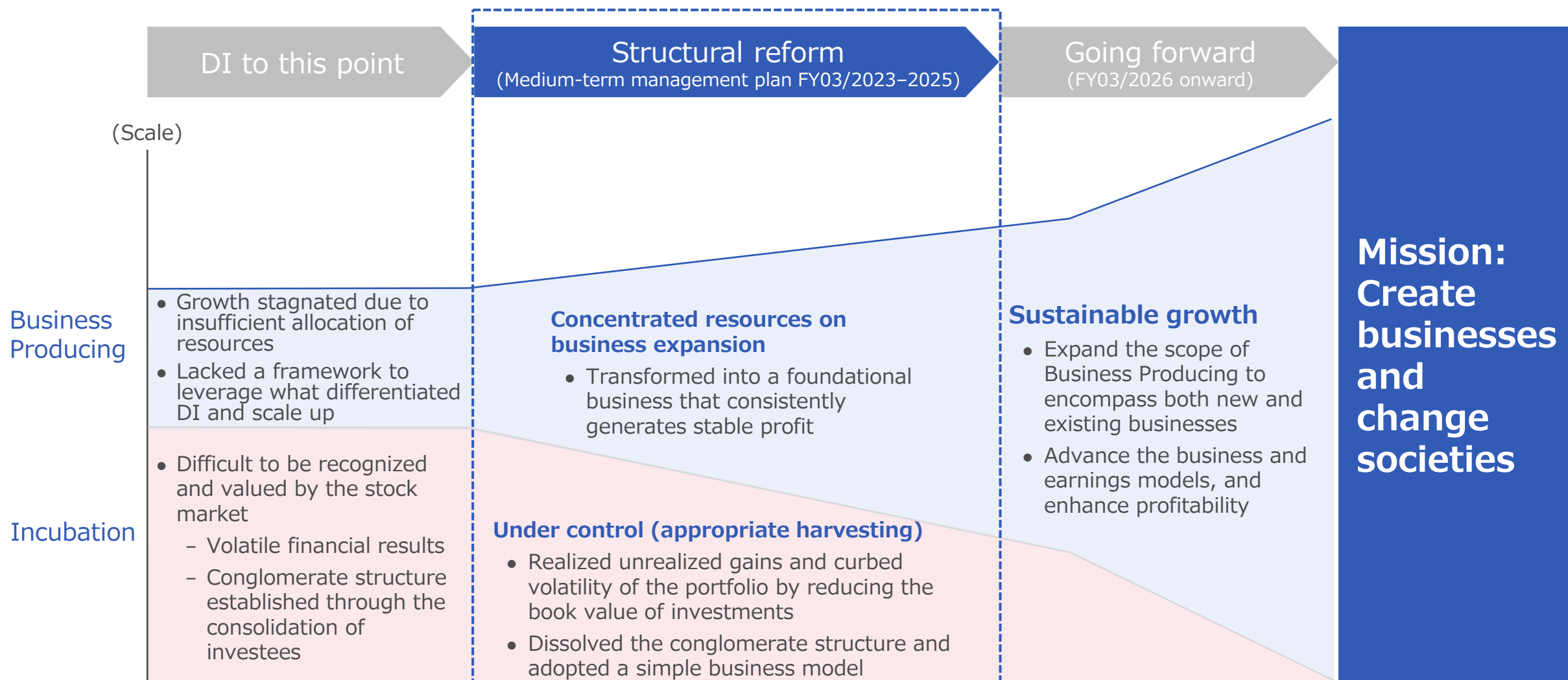


## Looking back on Medium-Term Management Plan

FY03/2026 Management Plan

# POSITIONING OF MEDIUM-TERM MANAGEMENT PLAN (FY03/2023–FY03/2025)

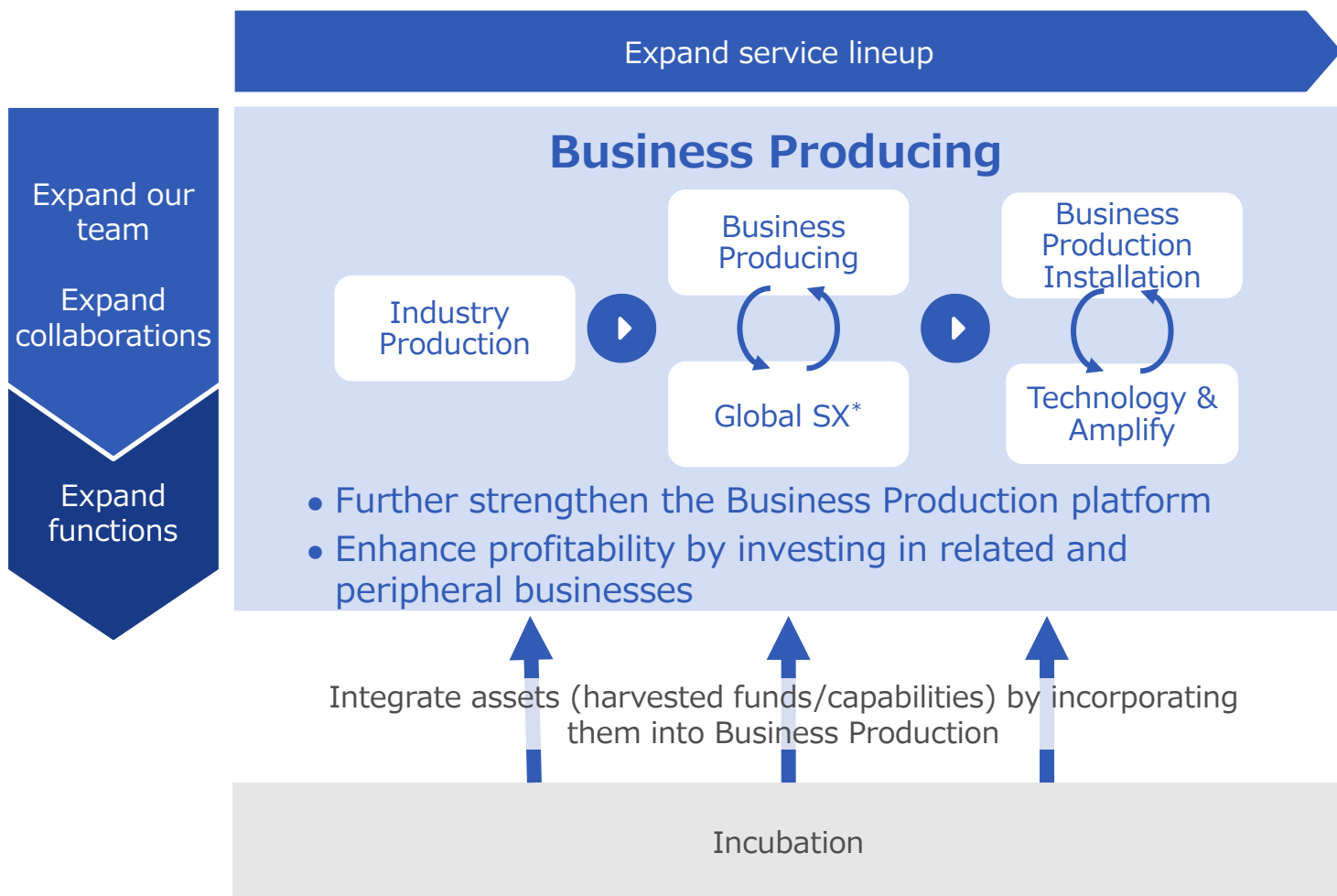
As a period of structural reforms, expanded Business Producing while winding down Incubation



## STRUCTURAL REFORMS AND RESULTS

Reduce highly volatile incubation assets, while further strengthening Business Producing by expanding four foundational elements

### Overview of structural reforms



### Comparison with the period prior to the launch of the medium-term management plan

Reinvested harvested funds and capabilities to strengthen human capital and other resources

- Business producers increased from 58 to 160
  - Many senior personnel with expansive knowledge in implementation phase support and DX/IT also participated
- Began implementing and executing earnings model projects incorporating investment schemes, including performance-based compensation

Appropriately harvested funds to recover investment

- Reduced book value of investment from JPY7.9bn to JPY2.2bn

# BUSINESS PRODUCING: INITIATIVES PROGRESSING LARGELY AS EXPECTED, PROVIDING CONFIDENCE IN MEDIUM- TO LONG-TERM GROWTH

## Goals

### Expand service lineup

Further develop the value-added segment of the value chain

- Launch full-scale support for the implementation phase of business creation strategies
- Expand into growth areas (including DX/IT)



## Results

Service lineup steadily increased, despite there being some issues

- Strengthened commitment to customers, with growth in projects that address various management needs
- Launched business in the DX/IT domain, which has grown to account for 30% of total sales. Aim to further leverage its growth potential

### Expand our team

Actively hire talent

- Double the headcount from end-FY03/2022



As of end-FY03/2025, the headcount approximately tripled

- Secured medium- to long-term growth capabilities, and accelerated hiring ahead of schedule in light of the hiring environment
- Promote diversity by recruiting women and foreign nationals

### Expand collaborations

Increase earnings opportunities through collaboration with partner companies



Steadily developing and strengthening partnerships

- Collaborating with the Dentsu Group and Dentsu Soken in a range of areas, including joint sales activities and projects, product development, and personnel exchange
- Entered into a capital and business alliance with YMFG, and began collaborating in a range of areas under various themes

### Expand functions

Scale up through restructuring and applying the capabilities accumulated in Incubation

- Diversify the earnings model



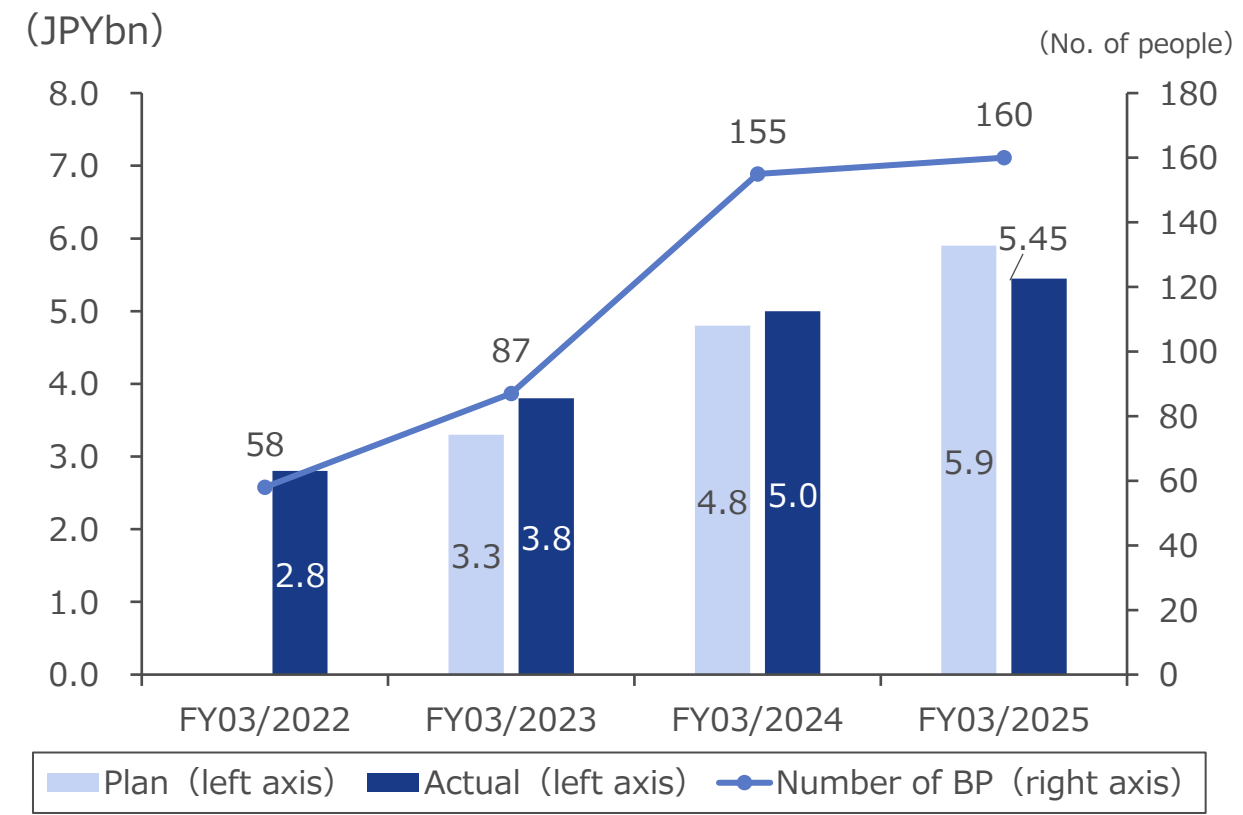
Working to implement and execute various earnings models

- Incorporated success-based compensation and investment elements

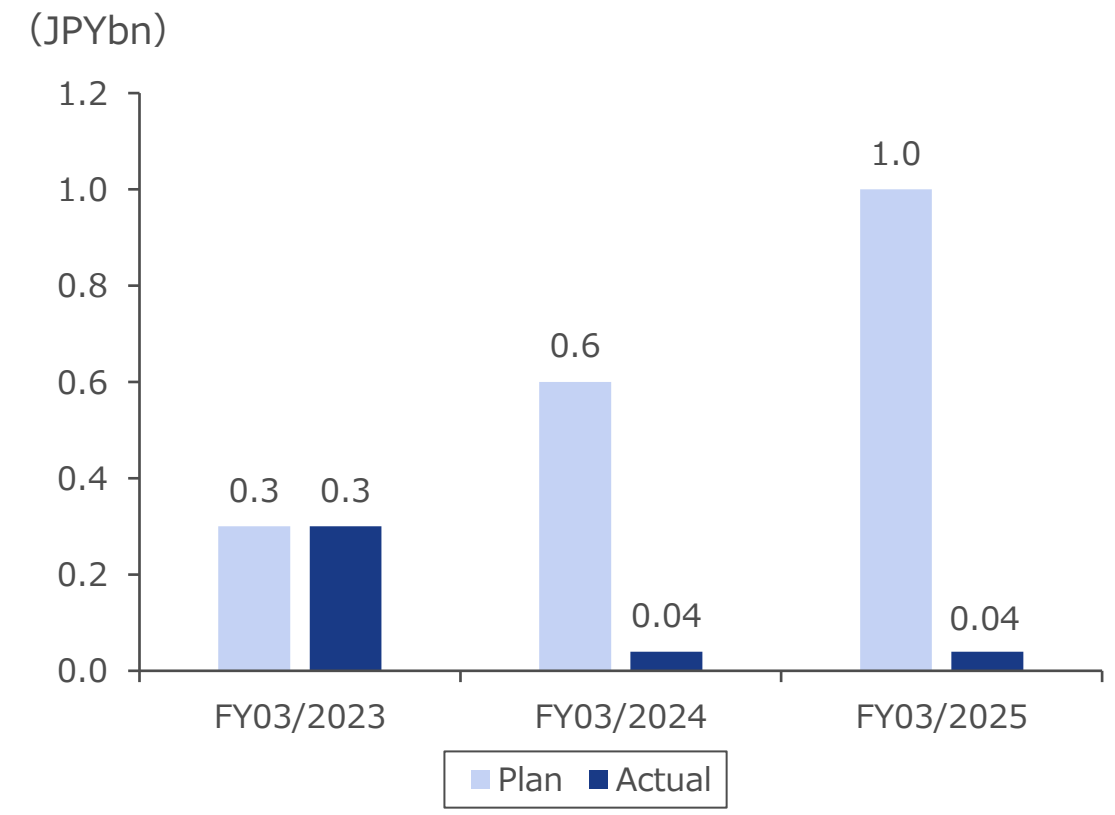
# SALES ALMOST DOUBLED, BUT FELL SHORT OF THE 3X INCREASE IN HEADCOUNT

Business Producing results (comparison with results at the time of the announcement of the medium-term management plan\*)

Sales and business producers (BP)



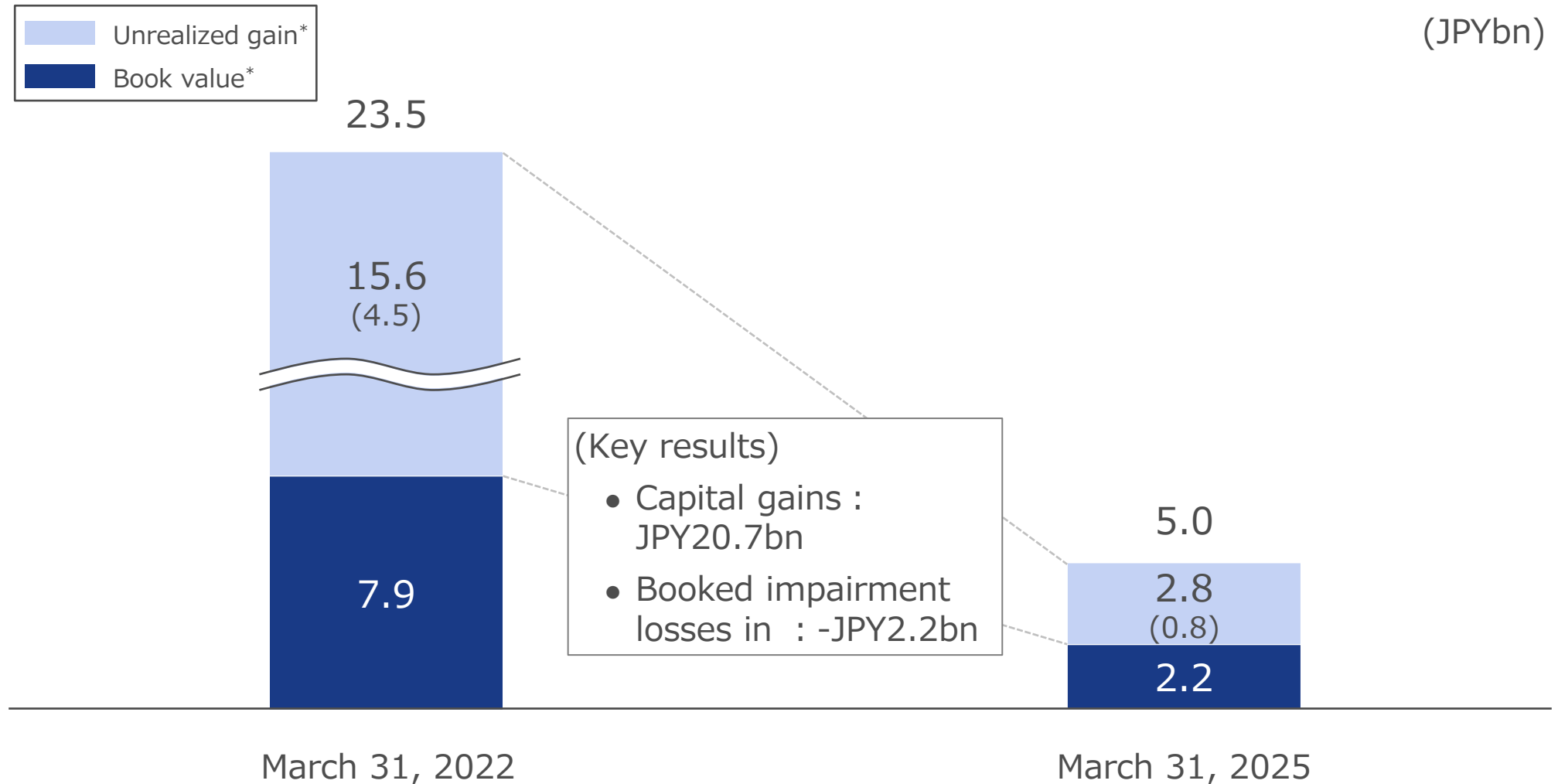
Net income\*\*



Aim to expand sales to match headcount growth and enhance profitability

\* Released on May 13, 2022  
\*\* Business producing only

# INCUBATION : MAKING PROGRESS IN HARVESTING INVESTED FUNDS



\* The calculation method and approach are the same as on pg. 7. Unrealized gains are on a pre-tax basis, with taxes shown in parentheses

## SHAREHOLDER RETURNS: TOTAL JPY10.0BN IN THREE YEARS

Continue to pursue management with a shareholder-oriented perspective and strive to further enhance corporate value

### Shareholder returns during the medium-term plan period

	Three-year total (FY03/2023–FY03/2025) (JPYbn)
Consolidated net income	9.8
Extraordinary dividend	7.2
Share buyback	2.8
<b>Total payout ratio (%)</b>	<b>103</b>



Looking back on Medium-Term  
Management Plan

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# TOWARD FUTURE GROWTH

The structural reforms DI has implemented over the past several years are now substantially complete

- By expanding the scale and service lineup, and strengthening collaboration, DI has secured growth capacity for Business Producing
- The legacy Incubation business has been properly brought to a close, and its value transferred to Business Producing

Meanwhile, the macro environment presents significant opportunities for DI

- The environment surrounding Japanese companies is changing dramatically, increasing the need for corporate value growth driven by new business development and revitalization of existing businesses—areas where DI's comprehensive business-producing capabilities are exceptionally well-suited
- Moreover, as strategy becomes increasingly important, the value of strategy execution also grows—creating high expectations for DI, which has developed strong implementation capabilities through its incubation experience

While carefully addressing this environment, DI will pursue continuous growth in corporate value

- Pursue growth with a balanced focus on scale and profitability
- Develop hired personnel as soon as possible, maintaining and enhancing DI's high quality standards

We hope you look forward to DI's future growth as a partner committed to providing deeper, longer-term support, beyond surface-level engagement

# BUSINESS PRODUCING: GOALS FOR THE NEXT FIVE YEARS

## Goals

Performance during  
the Medium-Term  
Management Plan Period

FY03/2030 targets

### Sales

Double in three  
years\*  
(CAGR: 25%)



Double in  
five years  
(CAGR: 15%)

### Operating profit margin

From negative  
to +8% \*\*



In five years  
15% or more

## Initiatives to Achieve the Goals

### 1. Evolving the value we provide in line with the times

- Expand the scope of Business Producing from new businesses to existing businesses
  - Apply know-how gained from new business development to transform existing businesses, with a focus on delivering comprehensive client support
  - In addition to strategic planning, leverage our incubation skills and hands-on experience to drive client support, execution, and realization
  - Continue to leverage industry-level initiatives and business eco-cycle creation to build mechanisms that foster greater client growth

### 2. Developing personnel and strengthening talent development frameworks

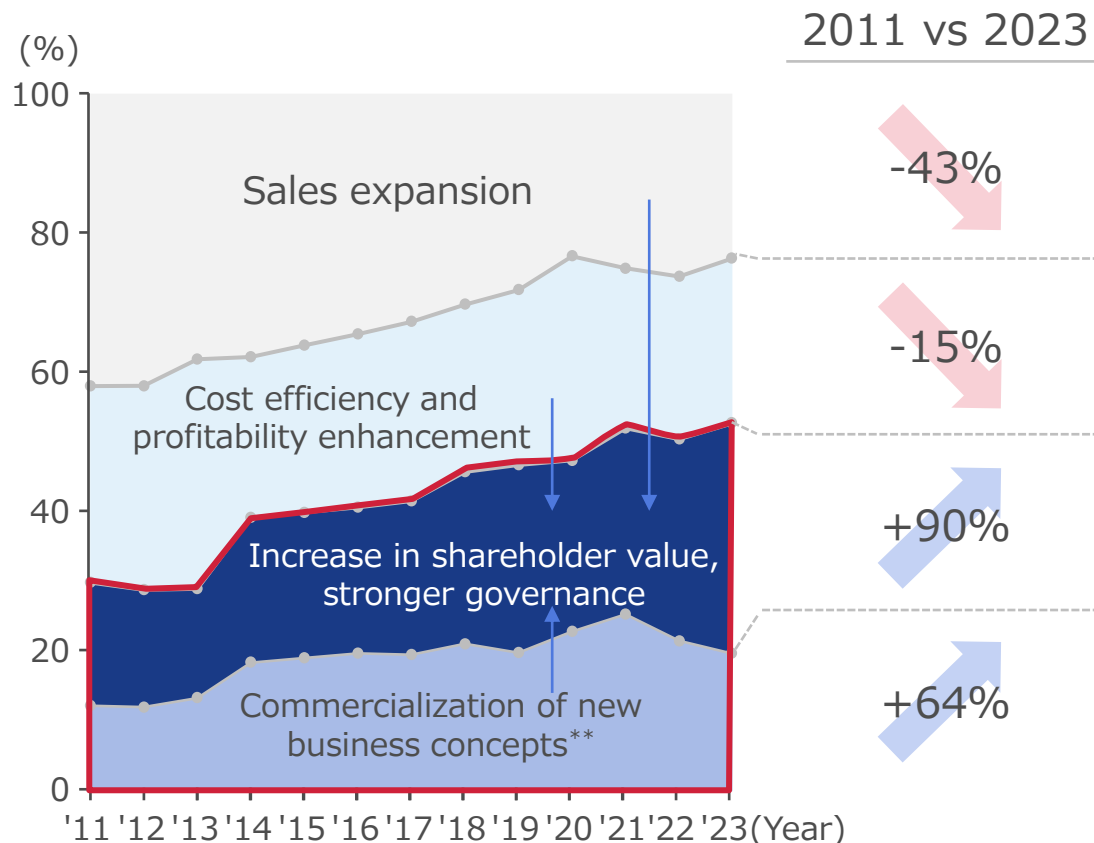
- Enhance not only talent development frameworks, but also knowledge and infrastructure
  - Continue hiring skilled personnel, while maintaining balance with sales growth

\* Sales: JPY2.8bn in FY03/2022 → JPY5.5bn in FY03/2025  
\*\* 8% in FY03/2023; negative in FY03/2024 and FY03/2025

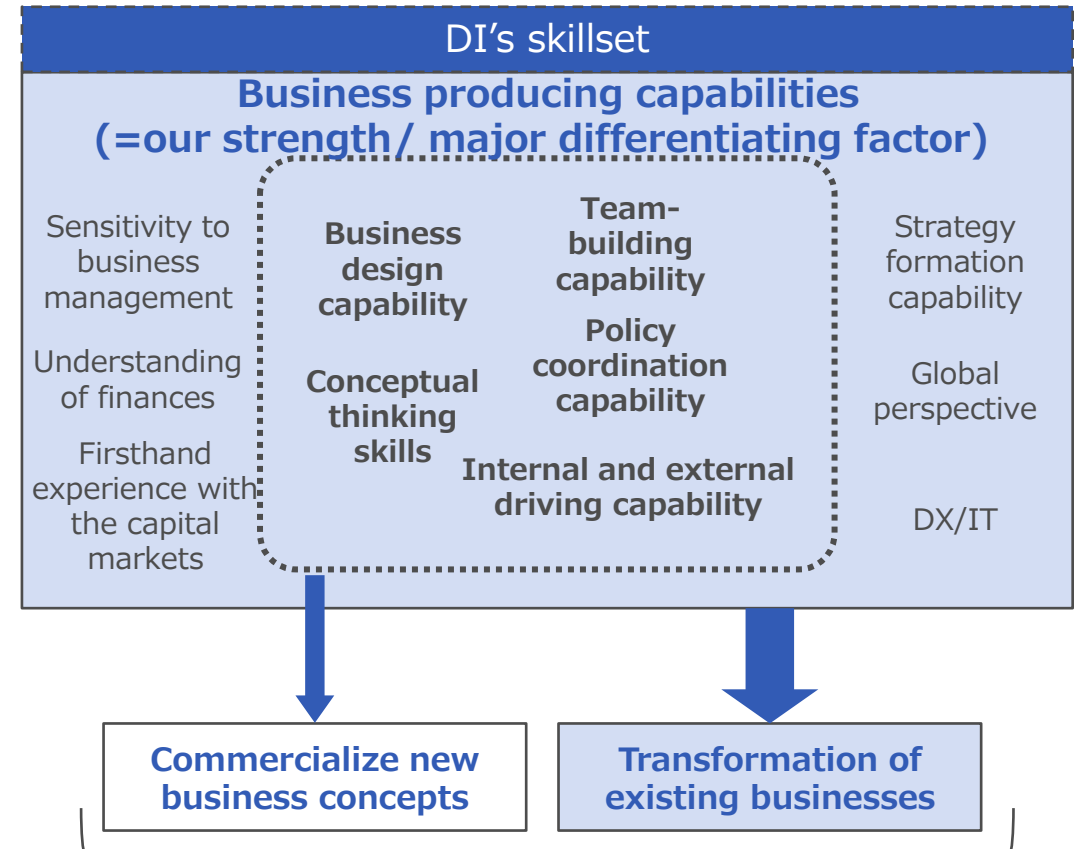
# EXPAND THE SCOPE OF BUSINESS PRODUCING TO INCLUDE BOTH NEW AND EXISTING BUSINESSES IN RESPONSE TO CHANGING TIMES

We are in an era where companies are expected to enhance corporate value comprehensively, across new and existing businesses

(Managements' Top Concerns in Japan\*)



Demonstrate business producing capabilities even in the transformation of existing businesses



\* Based on the annual "Survey on Current Issues in Corporate Management" published by the Japan Management Association. Each year, approximately 500 executives from major corporations and SMEs respond by selecting the three issues they consider most important

\*\* Includes new product, service, and business development, as well as strategic investment in digital technologies

Source: "Survey on Current Issues in Corporate Management" by Japan Management Association

# COMPREHENSIVELY SUPPORT EXECUTIVES TAKING ON A CHALLENGE THROUGH A RANGE OF VALUE OFFERINGS

## Value provided by DI

Support menu	Description
<b>Industry Production &amp; Business Producing (BP)</b>	<ul style="list-style-type: none"> <li>Envision and promote the realization of new industry and societal models by transcending conventional boundaries of industry, law, and common practice</li> <li>Create businesses on the scale of hundreds of billions of yen</li> <li>Address issues related to M&amp;A and financing necessary for new business development and expansion</li> </ul>
<b>Strategy &amp; Installation (S&amp;I)</b> (Name changed from "Business Production Installation")	<ul style="list-style-type: none"> <li>Formulate growth strategies, medium-term management plans, and R&amp;D/M&amp;A strategies</li> <li>Provide hands-on support through to outcome realization</li> </ul>
<b>Technology &amp; Amplify (T&amp;A)</b>	<ul style="list-style-type: none"> <li>Design business models based on technologies and provide hands-on support through to commercialization</li> </ul>
<b>Global Strategic Co-Creation(GSC)</b> (Name changed from "Global SX")	<ul style="list-style-type: none"> <li>Support global businesses aiming to resolve social issues</li> </ul>

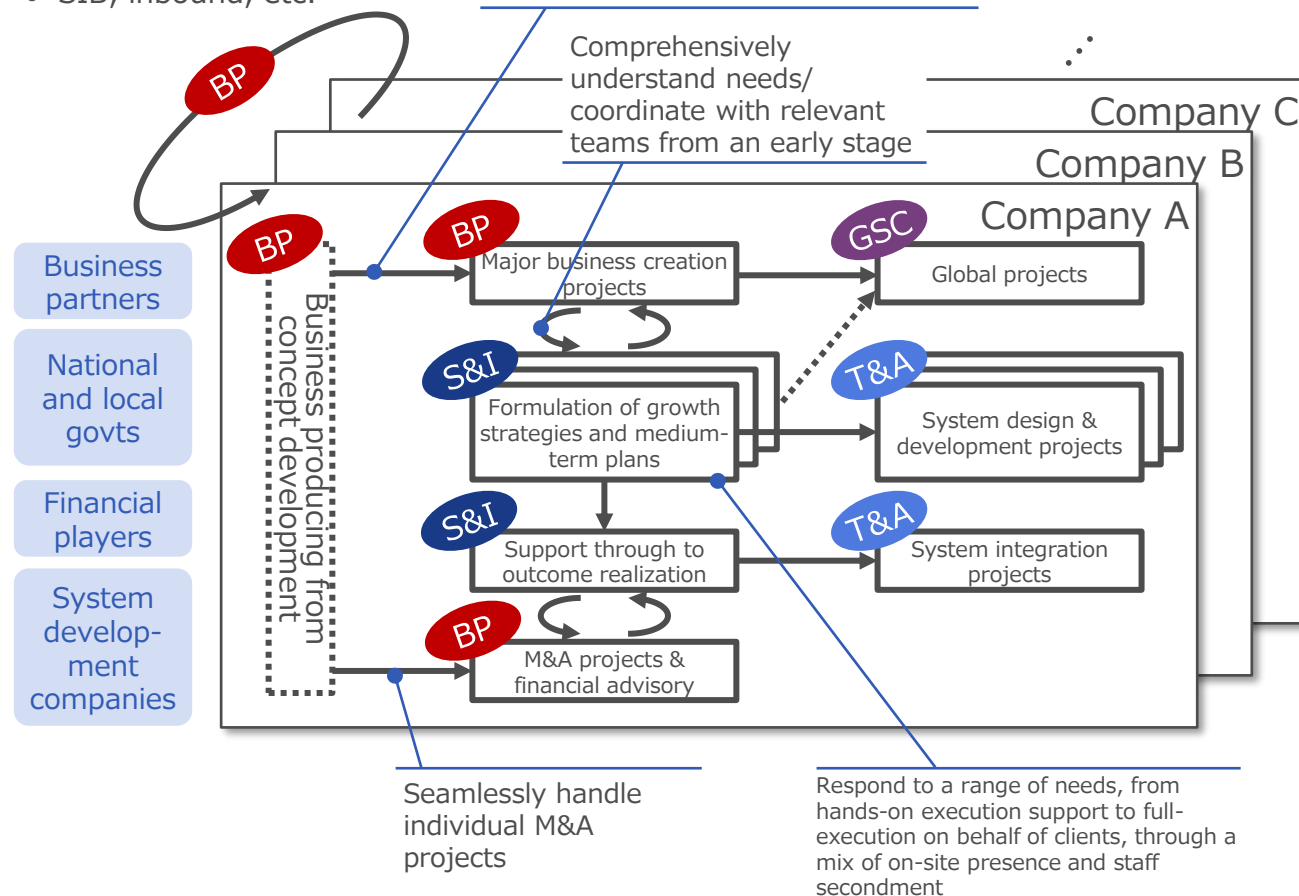
## Expand and enhance the range of support offered to clients

Industry-level concept development/ business ecosystem design

- SIB, inbound, etc.

Translate industry-level concepts and business ecosystem designs into business creation for each client

Comprehensively understand needs/ coordinate with relevant teams from an early stage



# FOCUS ON DEVELOPING BUSINESS PRODUCERS WHO EMBODY DI'S VALUE TO BECOME AN ORGANIZATION THAT DELIVERS 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

- DX consultants
- AI engineers
- Global talent
- Turn-around specialists, 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**

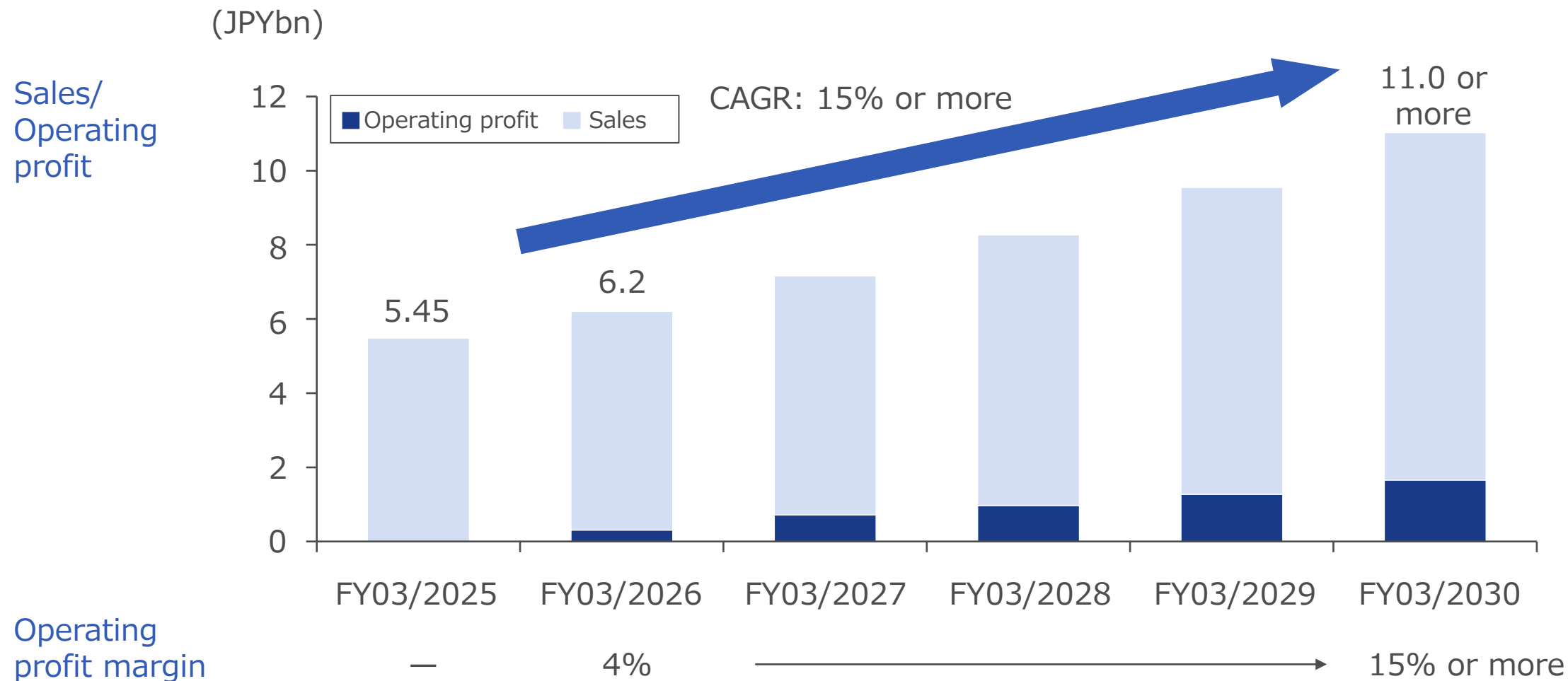
### Develop a work environment and culture that fosters co-creation

- **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**



# BUSINESS PRODUCING SCALE OUTLOOK FOR NEXT FIVE YEARS

Maintaining Steady Sales Growth While Working to Realize Sustainable Profit Expansion



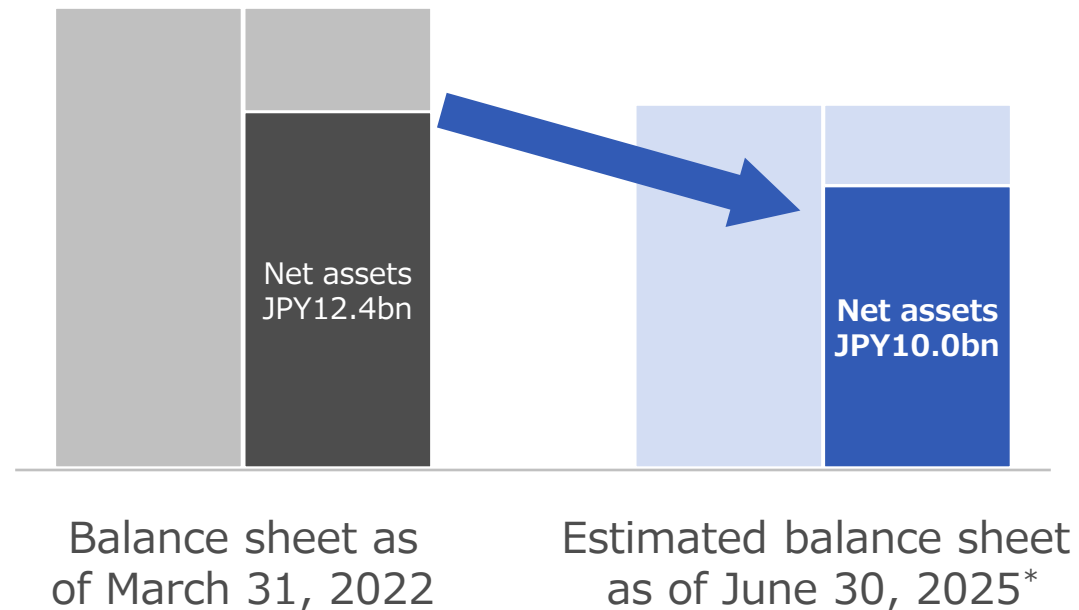
# SUMMARY OF FULL-YEAR FORECAST FOR FY03/2026

	Full-Year FY03/2025 Results	Full-Year FY03/2026 Forecast
	(JPYbn)	(JPYbn)
Sales	6.18	6.2 or more
• Business Producing	5.45	6.2 or more
• Venture Capital	0.72	Not disclosed
Operating profit	0.25	0.3 or more
• Business Producing	-0.03	0.3 or more
• Venture Capital	0.28	Not disclosed
No. of business producers at end-FY	160	180
Dividend per share	JPY423	JPY106
• Ordinary dividend	—	JPY106
• Special dividend	JPY423	—

# BALANCE SHEET MANAGEMENT AND SHAREHOLDER RETURNS FOR FY03/2026

## Performance during the Medium-Term Management Plan

Strengthened shareholder returns and streamlined the balance sheet to improve capital efficiency



## Future Policy

Maintain current policy

- Promote a leaner balance sheet through **continuous shareholder returns**
- While exploring growth investments including M&A, our policy for now is to flexibly set shareholder returns based on each fiscal year's conditions
  - Actively consider additional dividend payments based on excess profits

Year-end dividend forecast for FY03/2026:  
JPY1.0bn (JPY106/share)

We will advance this initiative alongside sustained profit growth, **targeting ROE of 15% or higher\*\* in five years**

\* Figures as of March 31, 2025, excluding the year-end dividend (approx. JPY3bn)  
\*\* Assuming capital cost at 8%

## **Mission**

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**Create Businesses and Change Societies**

## **Vision**

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**Become the First Choice of Challengers**

## **Value**

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**Advance Beyond Boundaries**

**Envision Beyond Boundaries of Areas**

**Formulate Beyond Boundaries of Customaries**

**Partner Beyond Boundaries of Organizations**

**Challenge Beyond Boundaries of Ourselves**

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# Dream Incubator

The Business Producing Company