

May 15, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Dream Incubator Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4310
 URL: <https://www.dreamincubator.co.jp/>
 Representative: Takayuki Miyake, Representative Director & President
 Inquiries: Masanari Iwasa, Corporate Administration Group Leader
 Telephone: +81-3-5532-3200
 Scheduled date of annual general meeting of shareholders: June 23, 2025
 Scheduled date to commence dividend payments: June 24, 2025
 Scheduled date to file annual securities report: June 20, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	6,183	15.0	257	-	297	-	170	-
March 31, 2024	5,378	(82.2)	(1,966)	-	(1,992)	-	(1,847)	-

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	19.39	-	1.2	1.8	4.2
March 31, 2024	(202.26)	-	(10.1)	(8.2)	(36.6)

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	15,857	13,158	82.1	1,479.24
March 31, 2024	17,454	15,208	86.2	1,717.34

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	1,230	346	(2,270)	5,539
March 31, 2024	(7,458)	8,161	(4,751)	6,245

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	0.00	0.00	0.00	128.00	128.00	1,210	-	6.5
March 31, 2025	0.00	106.00	0.00	317.00	423.00	4,001	2,181.5	26.5
March 31, 2026 (Forecast)	0.00	0.00	0.00	106.00	106.00		-	

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	9,534,316 shares
As of March 31, 2024	10,465,100 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	735,950 shares
As of March 31, 2024	1,705,656 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	8,784,512 shares
Fiscal year ended March 31, 2024	9,133,685 shares

Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,428	5,659
Notes and accounts receivable - trade, and contract assets	1,407	1,576
Operational investment securities	3,589	2,812
Securities	5,300	5,000
Allowance for investment loss	(103)	(103)
Accounts receivable - other	4	0
Other	338	512
Allowance for doubtful accounts	-	(29)
Total current assets	16,965	15,428
Non-current assets		
Property, plant and equipment		
Buildings and structures	283	283
Accumulated depreciation	(112)	(129)
Buildings and structures, net	170	153
Other	191	186
Accumulated depreciation	(102)	(133)
Other, net	89	52
Total property, plant and equipment	259	206
Intangible assets		
Software	6	4
Other	0	0
Total intangible assets	6	4
Investments and other assets		
Investment securities	65	65
Deferred tax assets	3	-
Other	154	152
Total investments and other assets	223	217
Total non-current assets	489	429
Total assets	17,454	15,857

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - other	271	280
Income taxes payable	39	93
Provision for shareholder benefit program	19	29
Provision for bonuses	1	-
Provision for bonuses for directors (and other officers)	29	33
Other	505	837
Total current liabilities	866	1,275
Non-current liabilities		
Deferred tax liabilities	285	274
Provision for share awards	1,094	1,148
Total non-current liabilities	1,379	1,423
Total liabilities	2,246	2,699
Net assets		
Shareholders' equity		
Share capital	5,019	5,019
Capital surplus	4,548	2,009
Retained earnings	8,826	6,738
Treasury shares	(4,155)	(1,497)
Total shareholders' equity	14,239	12,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	804	765
Foreign currency translation adjustment	(1)	(21)
Total accumulated other comprehensive income	803	743
Non-controlling interests	165	143
Total net assets	15,208	13,158
Total liabilities and net assets	17,454	15,857

Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	5,378	6,183
Cost of sales	4,925	3,253
Gross profit	452	2,930
Selling, general and administrative expenses	2,418	2,672
Operating profit (loss)	(1,966)	257
Non-operating income		
Interest income	20	27
Foreign exchange gains	-	7
Other	7	6
Total non-operating income	27	40
Non-operating expenses		
Interest expenses	0	-
Commission expenses	36	-
Foreign exchange losses	16	-
Other	0	0
Total non-operating expenses	53	0
Ordinary profit (loss)	(1,992)	297
Profit (loss) before income taxes	(1,992)	297
Income taxes - current	67	59
Income taxes - deferred	164	1
Total income taxes	232	60
Profit (loss)	(2,224)	237
Profit (loss) attributable to non-controlling interests	(377)	66
Profit (loss) attributable to owners of parent	(1,847)	170

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(2,224)	237
Other comprehensive income		
Valuation difference on available-for-sale securities	163	(42)
Foreign currency translation adjustment	38	(20)
Total other comprehensive income	202	(62)
Comprehensive income	(2,022)	174
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,634)	111
Comprehensive income attributable to non-controlling interests	(387)	63

Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	5,019	4,548	12,648	(1,366)	20,850	630	(39)	590
Cumulative effects of changes in accounting policies			25		25			
Restated balance	5,019	4,548	12,673	(1,366)	20,876	630	(39)	590
Dividends of surplus			(1,999)		(1,999)			
Profit (loss) attributable to owners of parent			(1,847)		(1,847)			
Purchase of treasury shares				(2,790)	(2,790)			
Disposal of treasury shares				1	1			
Net changes in items other than shareholders' equity						174	38	212
Total changes during period	-	-	(3,847)	(2,789)	(6,636)	174	38	212
Balance at end of period	5,019	4,548	8,826	(4,155)	14,239	804	(1)	803

	Non-controlling interests	Total net assets
Balance at beginning of period	475	21,917
Cumulative effects of changes in accounting policies		25
Restated balance	475	21,943
Dividends of surplus		(1,999)
Profit (loss) attributable to owners of parent		(1,847)
Purchase of treasury shares		(2,790)
Disposal of treasury shares		1
Net changes in items other than shareholders' equity	(310)	(97)
Total changes during period	(310)	(6,734)
Balance at end of period	165	15,208

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of period	5,019	4,548	8,826	(4,155)	14,239	804	(1)	803
Cumulative effects of changes in accounting policies								
Restated balance								
Dividends of surplus			(2,213)		(2,213)			
Profit (loss) attributable to owners of parent			170		170			
Purchase of treasury shares				(0)	(0)			
Disposal of treasury shares				74	74			
Cancellation of treasury shares		(2,539)	(44)	2,583	-			
Net changes in items other than shareholders' equity						(39)	(20)	(59)
Total changes during period	-	(2,539)	(2,087)	2,658	(1,968)	(39)	(20)	(59)
Balance at end of period	5,019	2,009	6,738	(1,497)	12,270	765	(21)	743

	Non-controlling interests	Total net assets
Balance at beginning of period	165	15,208
Cumulative effects of changes in accounting policies		
Restated balance		
Dividends of surplus		(2,213)
Profit (loss) attributable to owners of parent		170
Purchase of treasury shares		(0)
Disposal of treasury shares		74
Cancellation of treasury shares		-
Net changes in items other than shareholders' equity	(21)	(81)
Total changes during period	(21)	(2,050)
Balance at end of period	143	13,158

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(1,992)	297
Depreciation	66	66
Increase (decrease) in allowance for doubtful accounts	(24)	29
Increase (decrease) in provision for bonuses	0	(1)
Increase (decrease) in provision for bonuses for directors (and other officers)	(210)	3
Increase (decrease) in provision for share awards	154	54
Increase (decrease) in provision for shareholder benefit program	0	10
Interest and dividend income	(20)	(27)
Foreign exchange losses (gains)	1	(4)
Decrease (increase) in operational investment securities	2,125	734
Decrease (increase) in accounts receivable - trade, and contract assets	(330)	(171)
Decrease (increase) in accounts receivable - other	(1)	3
Increase (decrease) in trade payables	6	-
Increase (decrease) in accounts payable - other	(836)	20
Increase (decrease) in deposits received	(154)	2
Other, net	(354)	211
Subtotal	(1,570)	1,230
Interest and dividends received	21	28
Income taxes refund	0	1
Income taxes paid	(5,909)	(30)
Net cash provided by (used in) operating activities	(7,458)	1,230
Cash flows from investing activities		
Payments into time deposits	(183)	(28)
Proceeds from withdrawal of time deposits	134	92
Purchase of securities	(1,500)	(6,200)
Proceeds from redemption of securities	10,000	6,500
Purchase of property, plant and equipment	(245)	(18)
Purchase of intangible assets	(3)	(0)
Loan advances	(11)	(5)
Proceeds from collection of loans receivable	6	7
Other, net	(34)	0
Net cash provided by (used in) investing activities	8,161	346
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	(2,790)	(0)
Dividends paid	(1,996)	(2,209)
Other, net	1	-
Net cash provided by (used in) financing activities	(4,751)	(2,270)
Effect of exchange rate change on cash and cash equivalents	29	(12)
Net increase (decrease) in cash and cash equivalents	(4,017)	(705)
Cash and cash equivalents at beginning of period	10,263	6,245
Cash and cash equivalents at end of period	6,245	5,539