

Respond, Exceed



WDB Holdings Co., Ltd.

Medium-to-Long-Term Management Plan

~ innovation by platform ~

Our Philosophy and Four Visions

We are a company that seeks to discover the value underlying yet untapped and continuously strives to create new value

We will provide a mechanism to work through the platform for businesses and human resources that have the potential to grow in the future.

This will increase convenience and productivity, and maximize the value of the businesses and human resources.

Our Business Goals and Responsibilities

Through our businesses, we aim to be a well-respected company by facilitating happiness for everyone around us.

We would like to fulfill our responsibilities by providing challengeable workplace and producing a large number of self-realizing individuals who can grow through joy of work.

This would also help solve the issues such as the career discontinuity due to temporary staffing and the loss of Japan's industrial competitiveness.



<Vision for Our Customers>

Guarantee Work Results / Provide New Value

In human resource business, we effort hard to deliver “results and guarantee” rather than just “providing workforce”.

Without scarifying the quality of workforce excusing the nature of human work, we try hard to maintain and improve the quality of workforce, which is our services, as good as the quality of the product for which the manufactures do.

<Vision for The People Working with Our Company>

Provide “Joy of Work”

We believe the “work” is important and essential for human beings.

Our human resource business is directly related to the “work”. Platform business, CRO business and Other businesses – all of those comprise of service factors though which people “work” with in-house services. As a company committed to this “work” aspect which is so important, we conduct our business with honesty.

We would like to be a company which provides its staff one-by-one with “joy of work”, which would come from job descriptions, rewards, work and life style, self growth, social reputation, work environment, human relations, etc.

<Vision for Ourselves>

A Company that Takes Pride in Its Work

However insignificant the work might seem, we wish to be a company whose members can say with pride "I have contributed to society through my work here.

" Our company can conduct business with pride and confidence in knowing that each and every company employee recognizes their responsibility, and moreover fully acknowledges their role within the organization as a part of the whole.

Besides having a system of operations in place and built up personally by us to bolster our pride, we have full confidence in our aim as a company to be one with the power to both transform our mechanisms of business as needed and adapt to any environmental or other necessary changes at will.

<Vision for Shareholders>

Returning Value

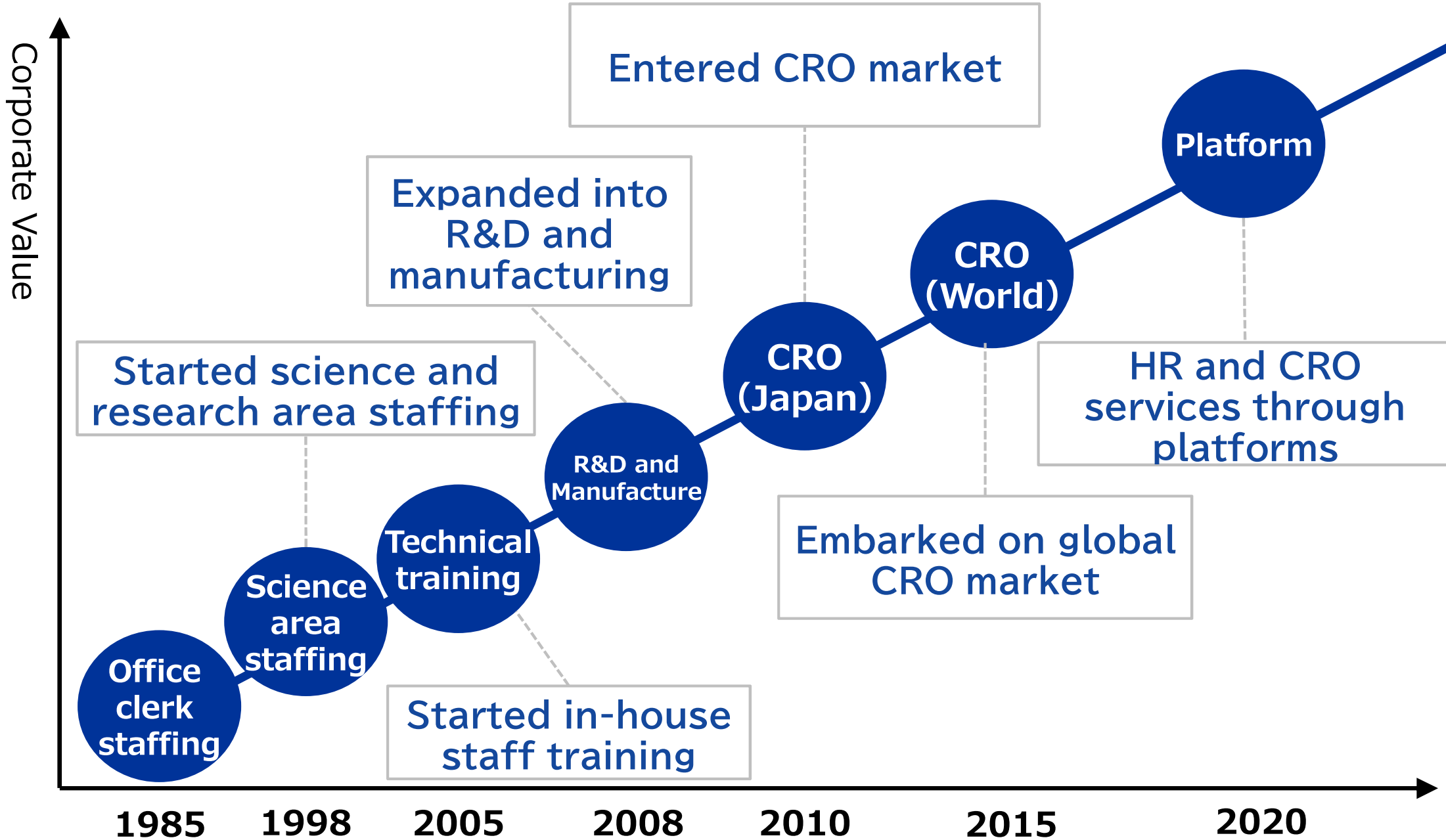
Management has an obligation to shareholders, staff, employees, business partners and all other stakeholders, as well as to our local community and community at large, to meet the duty of our management responsibilities. In our pursuit of profits and creating new value, we carry the responsibility to continue returning added value to society.

Without escaping these responsibilities and with a resolute attitude we stand ready to confront the task that corporate management has all staff and employees aim to maximize profits.

Also, our conduct as a company will be as one trusted by business partners and local communities alike, as well as one that continues to return a profit to shareholders in the form of dividends as owners of the company.

Our Current Situation

History and Business Expansion



Digitalization

DX

IoT

Smart phones

AI

Work Environment Change

Decrease in workers

Extension of retirement age

Diversification of work styles

Revision of staffing law



WDB

Science and Technology

Prevention of illness and aging

Solving food problems

Climate change mitigation

Solving energy problems

Globalization

Multi-national clinical trial

International price competition

Diversification of workers

Collaboration across countries

1. Labor shortage caused by population decline
2. With the introduction of equal pay for equal work, the disparity in conditions between regular employees and staffed employees is becoming unacceptable in the society
3. Following the world digitalization, review all the existing manual services and increase productivity.
4. With the progression of AI and experimental robots in the near future, it is highly likely that the market size of science staff will not expand.
5. The globalization of CROs is progressing. International joint clinical trials have already been recognized, and price competition and freelance procurement from all over the world are happening.

Considering the above as our business chances, we will create a new business model by developing platforms in-house.

Our Management Plan

1. Deliver services through our platform to increase convenience and productivity in order to reduce costs.
2. Although decreasing a short-term profit, utilizing the reduced costs and our profits as a source of funds, we will improve the compensation of temporary staff to achieve long-term sustainable growth and full-scale entry into the administrative clerk staffing business.
3. We target the ordinary profit margin of the human resources business at 10%. We also target the ordinary profit margin of the CRO and other businesses at 20% and keep it. We aim for long-term sustainable profit growth, not short-term high profits.
4. We target ROE should be 15% or higher, and dividend payout ratio to be 30% or higher and maintain it.
We continue to pay stable dividends while continuing to invest in the platform as well.

We call on-line systematization and automatization of our services that provided manually in the past as a "platform".

The basic development concept is that "The platforms make daily operations efficient and automatized, so that customers can receive our services regardless of time and location, and check the progress of services instantaneously."

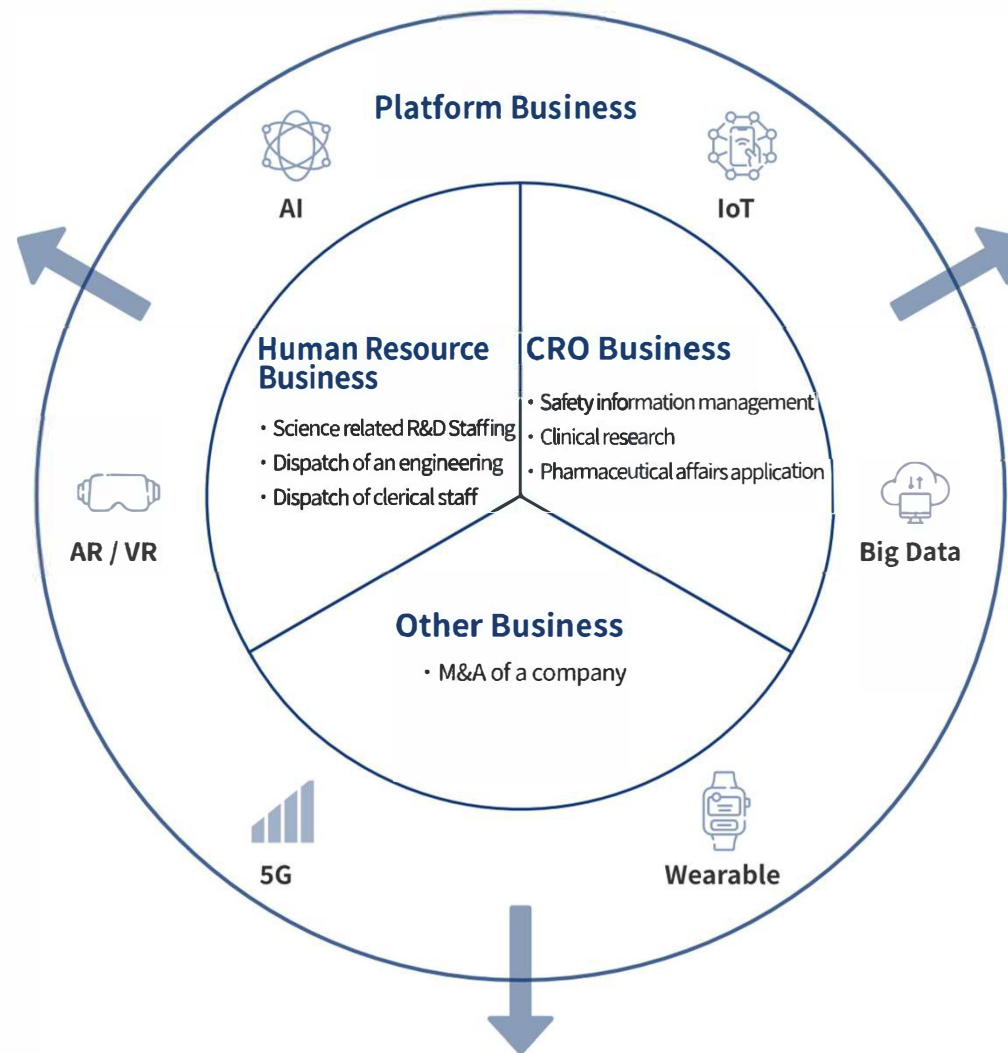
We are developing platforms for human resources, CROs, and other services.

The human resources service platform "doconico" was already released in April 2021. The transformation of human resources services has been in progress.

We will continue to improve doconico, create a platform for CRO services, and proceed to work on new businesses.

Innovation by Platform

With the platform, we will transform each of the human resources service business, CRO business, and other businesses to provide services that only we can do.



We can act in this way irrespective of business area because our company exists as an independent company.

We are not limited by capital or by business areas, following self-reliant policies and wish to continue to exist as an independent corporate group in the future.

We will steer the business agilely, responding quickly to any changes in business environment and economic conditions around us.

Of course, we would listen to the voice of our customers and our employees and responds to the voice of the market.

However, our philosophy is to continue to exist as an independent corporate group free from any particular third party's restrictions.

<Business resources>

- Rich human resources of science engineers
- Trading performance and credit capability in private and public research institutions
- Various expertise derived from the existing businesses

<Organizational resources>

- Strong operational organization in the human resource business
- The organization that can build the necessary system in-house
- An organization that can hire human resources and train executives
- Educational institute to convert the staffed employees to managerial role
- Organization which can perform a takeover by itself

Staffing platform "doconico"

Enabling to complete requests, procedures, and management of staffing personnel on the Web.

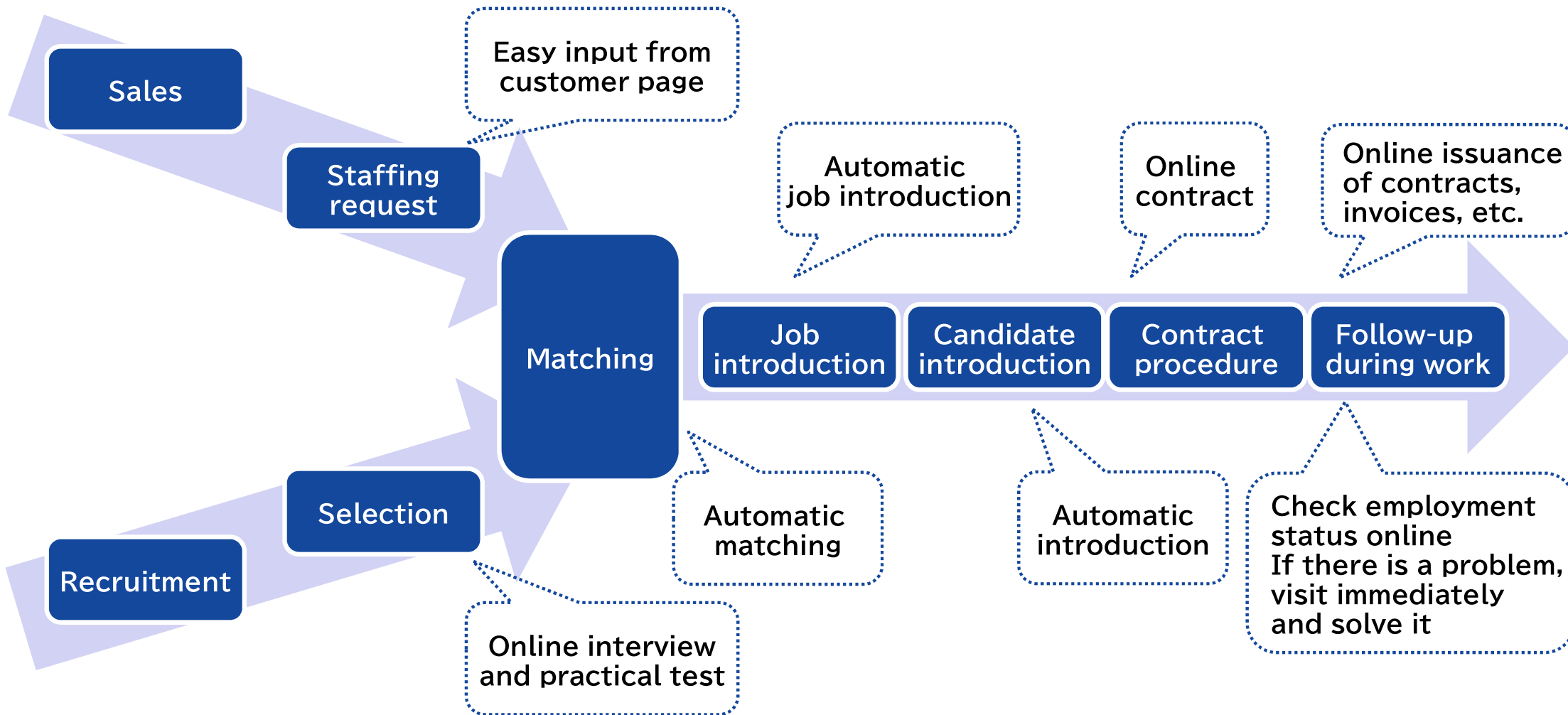
Various labor procedures and documents can be made paperless and efficient, as well as dispatched staff information can be centrally managed.

Information sharing between related parties will be smoother, and improve business efficiency.



Staffing service using doconico

Most of the staffing services procedures that were previously provided through our staff, can now be provided online.



Currently, the staffing of science researchers, who occupy more than 30% of the market share (about 30 billion yen), will transform the business with the platform and aim for a 50% share (about 50 billion yen).

<Specific strategy>

- Abundant number of staff secured by technical training and our track record of being "No. 1 in science staffing"
- Careful staff identification and matching, trust in an established follow-up system
- Our sales organization that is closely linked to customers through a nationwide branch network
- Providing overwhelming convenience to customers and staff by providing services based on the platform
- The platform contributes to maximize operational efficiency and to reduce cost. Utilize the reduced costs to raise the salary of dispatched employees, secure abundant number of staff that no other companies can imitate, and increase market share

We will expand the scale of engineering staffing with the same strategy.

We will significantly reduce SG & A expenses by making all services via the platform, thoroughly streamlining internal operations, and consolidating bases as services go online.

All reduced SG & A expenses will be used to raise the salary of dispatched employees. By significantly strengthening the procurement capabilities of our staff, we will increase our market share.

Although the operating profit margin will be slightly decrease from the current number, we will maintain the level of 10% and establish a system that achieves both high profit margin and high growth.

This strategy can only be realized by us, who can develop the platforms in-house, have a culture that can transform the current system without hesitation, and have a profit margin that can absorb the increase in staff salaries.

From April 2019, equal pay for equal work has become mandatory in Japan. Therefore, it is no longer permitted by the society that there is a difference in the condition of regular employees and non-regular employees.

We are working to resolve this issue, creating an environment where dispatched employees can work without dissatisfaction with salaries, and believe that this will lead to the soundness of the staffing industry.

In addition, by raising the salary of dispatched employees, we will increase the satisfaction of dispatched employees who are working from our company. This allows us to become a company where employees can work on the staffing business with greater pride and confidence.

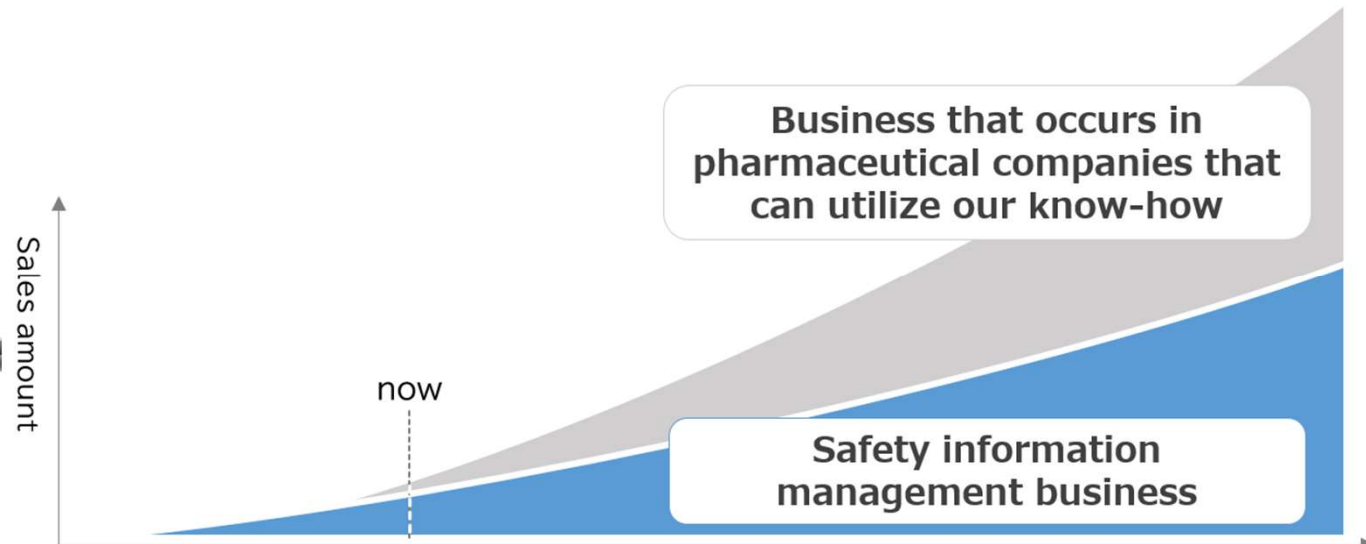
We will make a full-scale entry into the field of dispatching clerical workers. In the same way as the science staffing, we will provide services by platform and raise the salary of staff by using cost reduction as a resource to secure abundant number of staff.

Utilizing the know-how of the staffing business that we have cultivated so far, we will aim to establish a presence in the staffing market for clerical workers.

< WDB coco >

We will utilize the know-how cultivated in the field of safety information that we are currently developing, such as disassembling and standardizing customer operations, optimal recruitment, education, staffing, and grasping processing time.

By doing so, we will expand the scope of services to the fields of safety assurance measures, solve customer issues, and open up new markets.



< CRO business other than WDB coco >

In the CRO business other than WDB Coco, we will work on niche fields in areas such as regulatory application, clinical trials, data management, and statistical analysis.

We do not actively engage in M & A.

However, if we judge that the company is attractive in the business area and has the potential to grow significantly by introducing our know-how, we may implement it.

In fields other than staffing and CRO, there are many services that remain inconvenient and inefficient due to manual mediation.

We will develop a platform and enter as a new business in fields where we can solve these inconveniences and inefficiencies.

The service is scheduled to start in the fiscal year ending March 2024 at the earliest.

For the fiscal year ending March 31, 2023, we foresee decreasing profits.

In the current and next fiscal year, we will transform the quality of our business. In the past, we have not paid very high compensation to our temporary staff. Even so, we have the top share in the market for temporary staffing of science-related research workers.

In the fiscal year ending March 31, 2022, we will be able to remain profitable enough as a company that mainly provides registered temporary staffing services.

In the current and next fiscal year, we will increase compensation for temporary staff and invest in IT systems. We will raise staff compensation, build even stronger relationships with clients and staff than before, and further pursue client and staff satisfaction.

We will also use our new platform to work on administrative clerk staffing business.

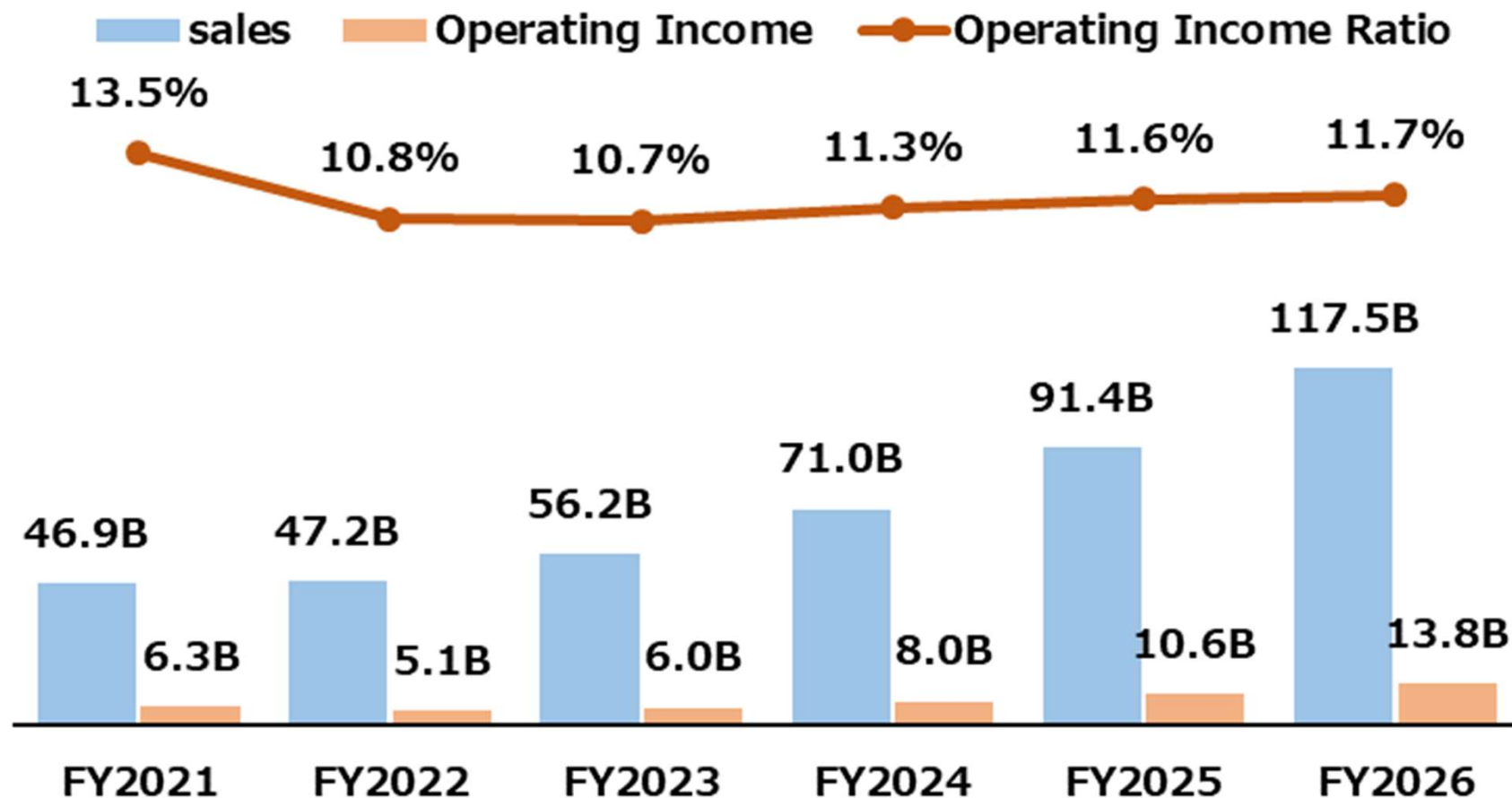
We will not differentiate ourselves solely on the basis of higher compensation or greater workload.

But, we will differentiate ourselves through our overall strengths as a temporary staffing company, that is, high quality of service based on three elements: highly accurate identification of job seekers, a well-developed training system, and extensive follow-up visits during employment, as well as our own platform pursuing more convenience and usefulness.

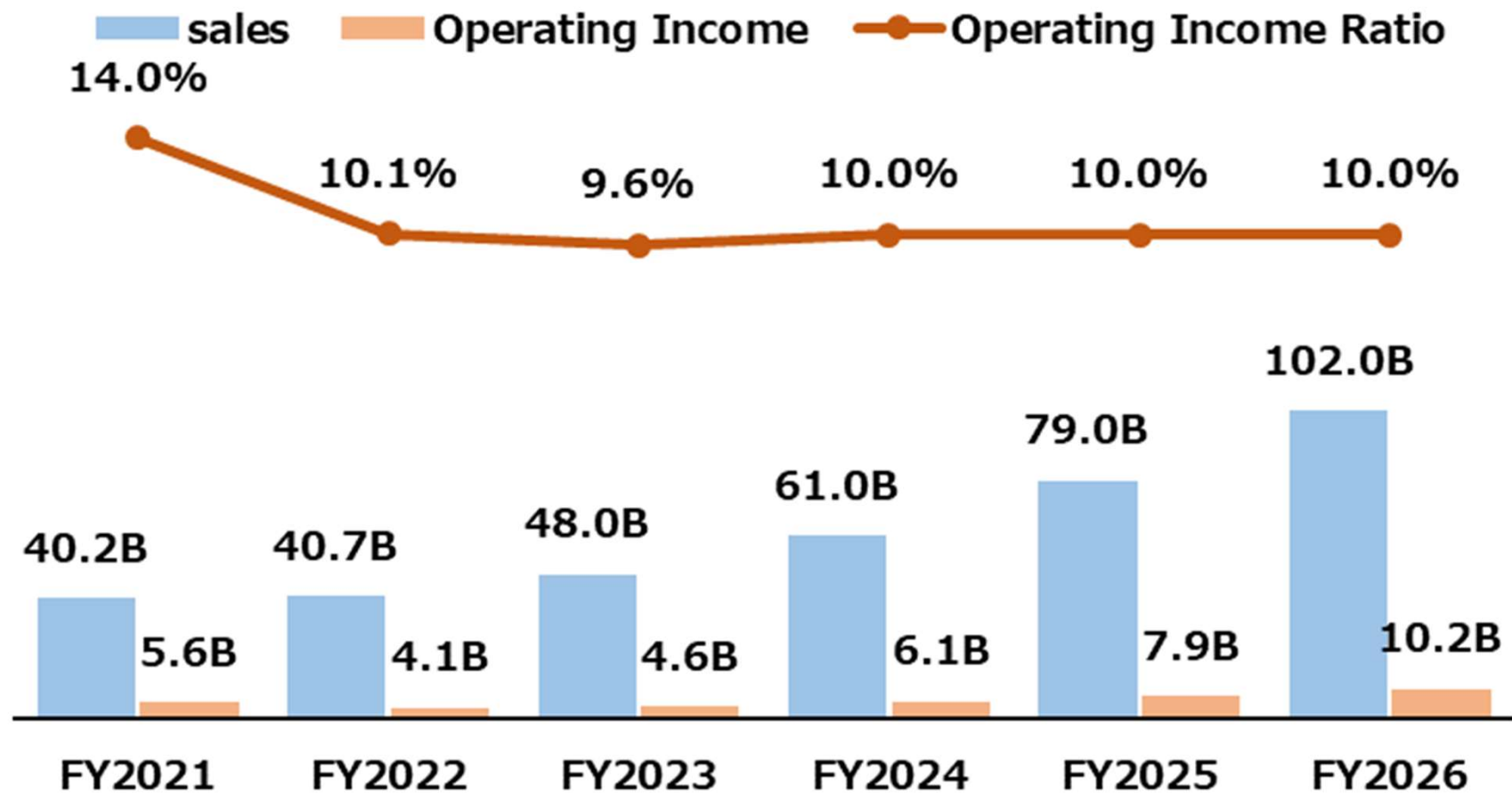
We will align the interests of our clients, our staff, and our company to become the one and only staffing company, with the goal of becoming a company with sales of 100 billion yen and ordinary income of 10 billion yen.

Plan through March 31, 2027 (Total)

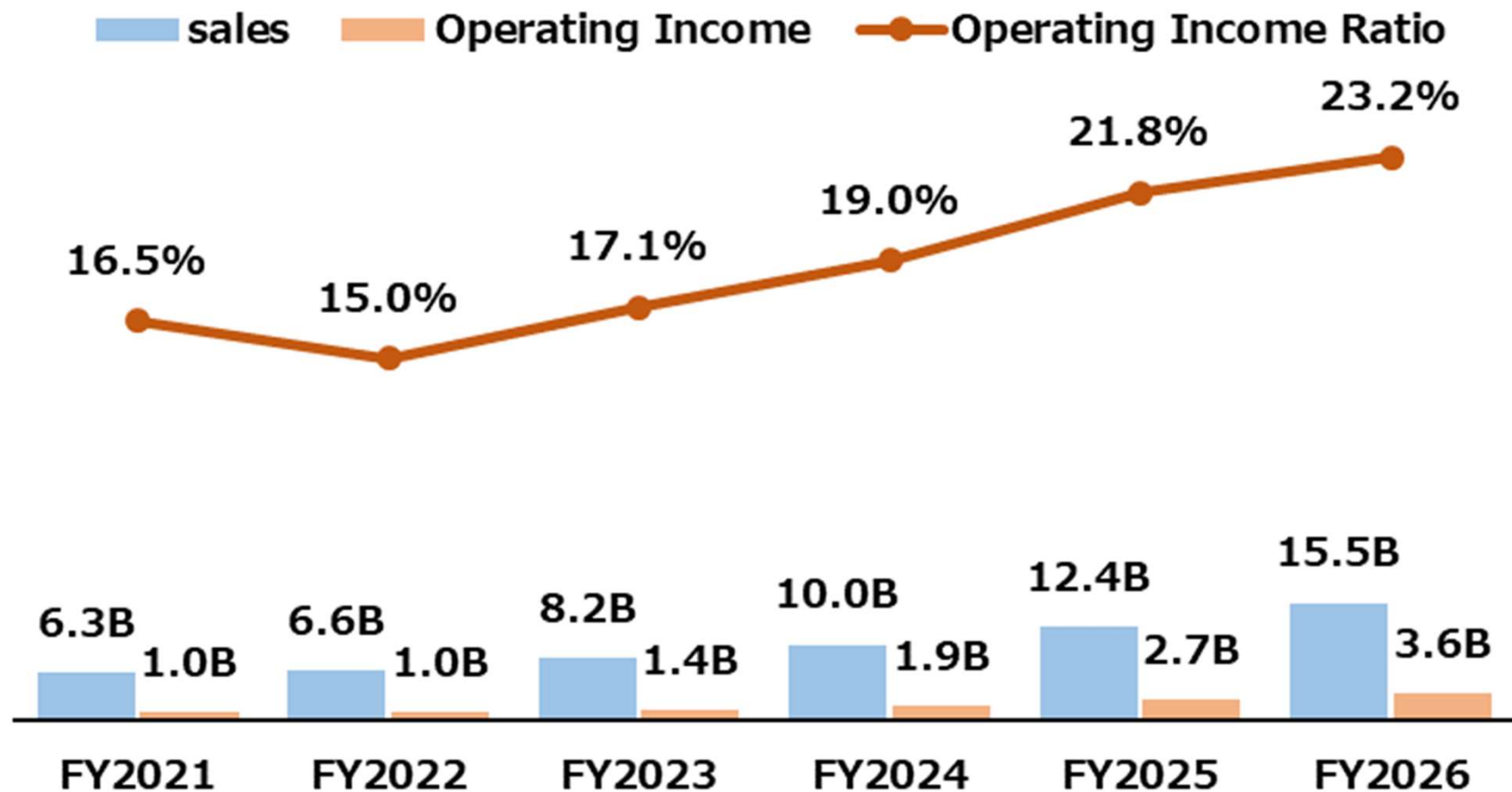
We aim to achieve a business transformation in two years of FY2022 and FY2023, and to achieve a significant increase in sales and profit in FY2024 and onward.



Plan through March 31, 2027 (Human resources)



Plans through March 31, 2027 (CRO)



Appendix

Company Overview (May 2022)

WDB

Company Name	: WDB Holdings Co., Ltd.
Incorporation	: July 6, 1985
Capital	: ¥1 billion
Stock Listing	: Prime Market of Tokyo Stock Exchange (Code 2475)
President and CEO	: Toshimitsu Nakano
Head Office	: 79 Toyozawa-cho, Himeji-shi, Hyogo
Number of Employees	: 1,025 (temporary staff and others / 10,361)
Sales	: ¥46.8 billion (FY2021)
Ordinary Income	: ¥ 6.3 billion (FY2021)

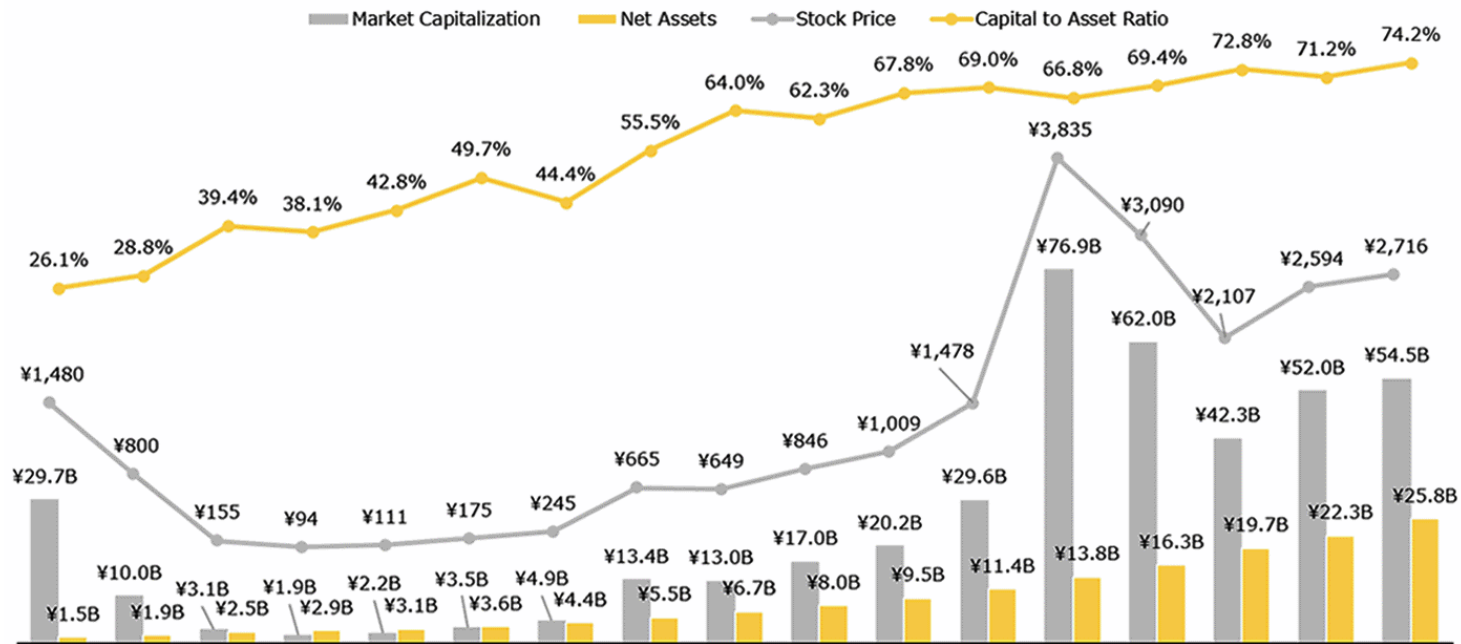
<Business Domain>

- Human Resource Business
- CRO business
- Platform and Other Business



Head Office (Himeji, Hyogo)

Various Indicators from Listing (2006) to The Present



Fiscal year	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Net Sales (¥1B)	14.3	18.2	21.7	22.7	20.1	20.9	22.5	24.3	25.5	27.7	29.8	32.7	38.0	41.6	43.1	44.1	46.9
Ordinary Income (¥1B)	0.6	0.9	1.2	1.0	0.8	1.3	1.7	2.2	2.1	2.5	2.7	3.4	4.2	5.0	5.0	5.2	6.4
Current Net Income※ (¥1B)	0.4	0.4	0.6	0.4	0.4	0.6	0.9	1.3	1.2	1.5	1.7	2.1	3.4	2.9	3.1	3.4	4.2
Ordinary Income Rate (%)	3.9	4.8	5.6	4.6	4.1	6.1	7.4	9.1	8.1	9.2	9.2	10.5	11.1	12.0	11.5	11.9	13.6
Current Net Income Rate (%)	3.1	2.4	2.6	1.9	1.8	3.1	4.1	5.3	4.5	5.5	5.6	6.3	8.9	7.0	7.2	7.7	8.9
PER (x)	68.0	22.6	5.5	4.3	6.2	5.4	5.3	10.3	11.2	11.2	12.2	14.3	22.7	20.9	13.4	15.1	12.9
PBR (x)	20.3	5.3	1.2	0.7	0.7	1.0	1.1	2.4	1.9	2.1	2.1	2.6	5.5	3.7	2.2	2.3	2.1
ROE (%)	43.4	26.6	25.8	16.3	12.0	19.2	22.8	25.8	18.8	20.6	18.9	19.9	26.8	19.4	17.5	16.6	17.8
ROA (%)	9.6	7.3	8.8	6.3	4.9	8.9	10.6	12.9	11.3	13.0	12.3	13.6	18.2	13.3	12.5	11.9	12.9
Number of years from founded (year)	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37
Number of years from listing (year)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17

※Current Net income indicate Net income attributable to owners of the parent company

The purpose of this material is to provide information about business performance. It is not intended to solicit investment in our stock.

The predictions given in this material are judgments at the time the material was created. Forecasts are subject to change without notice.

<Contact information>

Corporate Planning Department
ir@wdbhd.co.jp