

Respond, Exceed



WDB Holdings Co., Ltd.

Medium-to-Long Term Management Plan 2024

~ To be a staffing company with the highest wages
and the ability to fulfill customer orders~

In May 2022, we disclosed our medium-to-long term management plan covering the five-year period from FY2022 to FY2026.

Two years have passed since then. Compared to the time of disclosure, there have been many changes in the world situation.

Accordingly, we have revised some of our strategies, and have revised our medium-to-long term management plan to explain its contents to our shareholders.

This plan covers the five-year period from FY2024 to FY2028.

We would like to appreciate the understanding of our shareholders and investors, and ask for their continued support.

Review of medium-to-long term management plan(disclosed in May 2022) and results

The main developments in the world that have affected our operations in the two years from May 2022 to the present (May 2024) are as follows.

- Covid-19 settled

Competition for workers intensified again as companies resumed recruitment.

- Significant increase in wage level

As competition for workers has intensified, companies, both large and small, have increased their wages substantially. This trend continues as of today, and wage level is expected to continue to rising.

- Evolution of AI such as ChatGPT

Since OpenAI announced ChatGPT in November 2022, there has been intense competition in the development of generative AI. As a result, the areas where AI can replace human work continue to expand.

Based on the above, we review the contents of our medium-to-long term management plan disclosed in May 2022 and our performance over the past two years on the following pages.

The management policy disclosed in May 2022 was as follows.

1. Deliver services through our platform to increase convenience and productivity in order to reduce costs.
(*Please refer to the appendix for more information on platforms)
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.

<Policy disclosed two years ago>

For the staffing service of science researchers, which occupies more than 30% of the market share, we aim to achieve a 50% market share by taking the following three strategies. We also carry out similar strategies in the engineering staffing service.

Strategy 1.

We provide by-far superior convenience to our clients and staff by delivering services through our platform.

Status of Strategy 1.

Staffing platform "doconico" has been widely used, and the convenience for both clients and staff has been improved to a certain degree. However, we have not yet been there to provide by-far superior convenience.

Strategy 2.

By using the platform, we reduce SG&A expenses to the limit and utilize the reduced costs to improve staff compensation.

In addition to our track record of being "No. 1 in science staffing" and extensive technical training, we will be the "highest-paying staffing company".

As a result, we respond to our clients' requests by ensuring that we have more staff than any other staffing company.

Status of Strategy 2.

We have reduced certain SG&A expenses by bringing our sales activities online.

We also increased staff salaries by an average of 6% over the two-year period from FY2021 to FY2022. As a result, our staff retention rate has improved.

However, we have not reached a wage level that would give us an edge in the hiring competition, and we are not always able to fulfill our clients' requests.

Strategy 3.

We increase customer and staff confidence in us by further improving the accuracy of staff identification and matching, and enhancing the follow-up system.

Status of Strategy 3.

For staff identification and matching, we worked to increase efficiency and improve accuracy through online interviews.

We have also been able to strengthen relationships and trust by introducing a new follow-up system for our clients.

<Policy disclosed two years ago>

By adopting the same strategy as science staffing, we will make a full-scale entry into the field of dispatching clerical workers.

The market of dispatching clerical workers is 1.8 trillion yen.

This is an attractive market as it is 20 times the size of the science staffing market.

This is a market in which large staffing companies are the main competitors.

We did not enter this field because we believed our ability to source talent was inferior.

However, if we become the highest paying staffing company in the industry, we will be able to source talent.

We will aim to establish a presence in the staffing market for clerical workers, through our abundant staff secured by high hourly wages, the know-how cultivated up to now, and highly convenient services provided by our platform.

Status of progress

We developed the clerical version of Doconico. However, we did not engage in aggressive sales activities because we prioritized the reformation of our organizational structure in science staffing.

<Policy disclosed two years ago(WDB Coco)>

We 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.

Status of progress

While continuing to grow in the existing markets, we have absorbed the WDB Clinical Research unit and expanded into new markets.

<Policy disclosed two years ago(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.

Status of progress

We have changed our policy to work on data management and statistical analysis at WDB Coco. Our efforts to improve profit margins and develop new business areas in overseas did not materialize.

<Policy disclosed two years ago(new business)>

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 FY2024 at the earliest.

Status of progress

We are developing a platform for our new business.

As soon as the development is completed, we plan to launch the service as a new business.

<Policy disclosed two years ago(M&A)>

If we judge that a company is attractive enough in the business area and has potential to grow significantly by introducing our know-how, it is possible that we work on the opportunity.

Status of progress

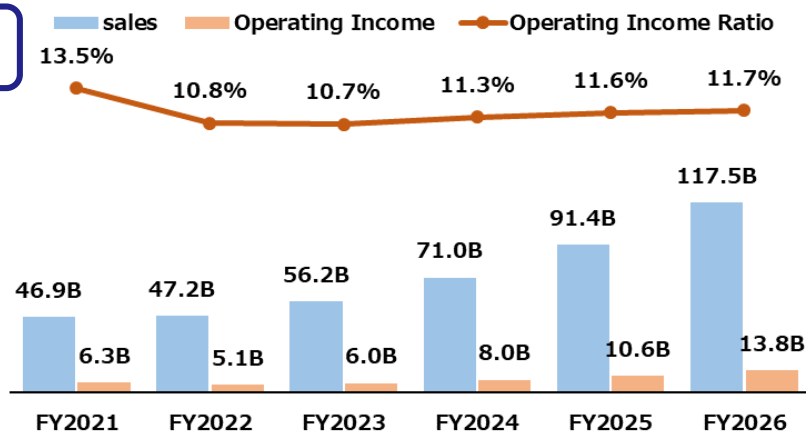
We did not find any M&A opportunity for the last two years.

Plan through FY2026

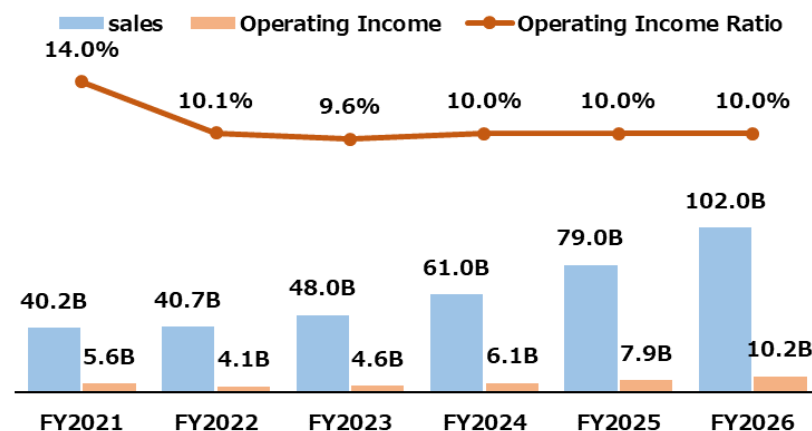
We planned to transform a business over the two years of FY2022 and FY2023, and aimed for a significant increase in sales and profit in FY2024 and onward.

But, due to the increase in compensation in Japan, there was not enough compensation to be competitive in recruiting human resources, and we did not reach our plan.

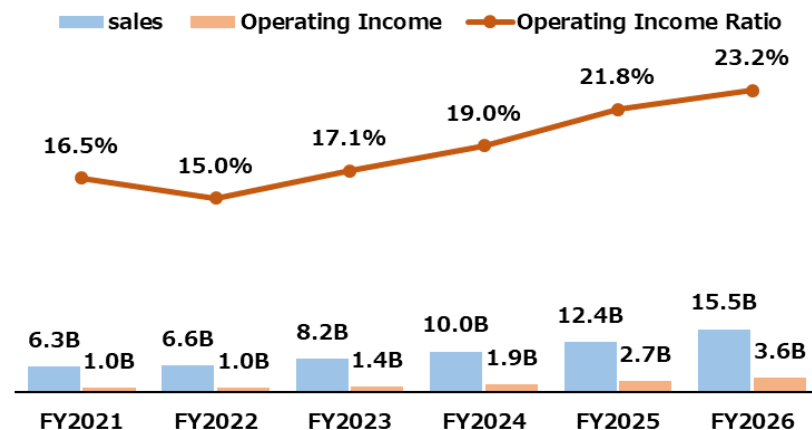
Total



Human resources



CRO



New Medium-to-Long Term Management Plan (FY2024~FY2028)

Based on the above, we will explain a new medium-to-long term management plan for the five years from FY2024 to FY2028.

First, the management policy remains unchanged from the medium-to-long term management plan disclosed in May 2022.

1. Deliver services through our platform to increase convenience and productivity in order to reduce costs. (*Please refer to the appendix for more information on platforms)
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 will continue to aim for a market share of over 50% in science staffing. We will also pursue similar strategies in the engineering and office clerk staffing to capture market share.

<Specific Strategies>

- We will provide by-far superior convenience to our clients and staff by further evolving services through our platform. We will also optimize our organizational structure to deliver services through our platform. As a result, we will greatly reduce SG&A expenses by increasing productivity to the limit.
- We will continually increase staff salaries and become the "highest paying staffing company". (We have already implemented a significant salary increase in FY2024.) We will be "a staffing company most responsive to our clients' requests" by securing an abundance of staff through our track record of being "No. 1 in science staffing", extensive technical training, and high salaries.
- We solidify the trust of our customers and staff by further improving the accuracy of staff identification and matching, and enhancing the follow-up system.

- We 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.
- We will promote the use of the platform we launched in FY2023 and continue to improve it. As a result, we will become more price competitive by improving customer convenience and reducing operation-processing costs.
- We will improve employee compensation and strengthen our ability to recruit new employees. We will improve the quality of our deliverables by enhancing the training of our existing employees and further developing their capabilities.

Regarding Medfiles in Finland and DZS in the U.S., we will focus on areas where we can be competitive and first establish a structure that will ensure stable profit margins. After that, we will draw up a new growth strategy.

There is no change in the M&A policy.

Although we are not active in M&A, should we judge that a company is attractive enough in the business area and has potential to grow significantly by introducing our know-how, it is possible that we will work on the opportunity.

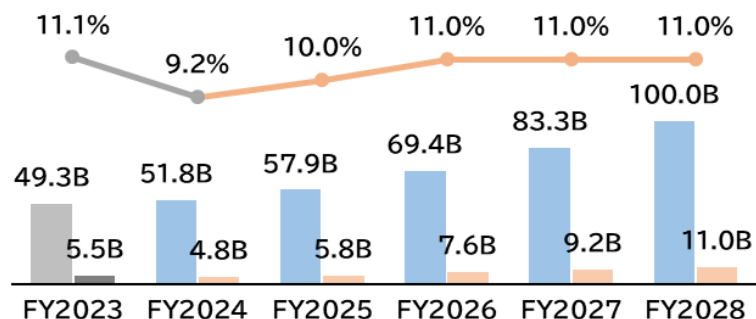
We also will start a new platform service which, although we cannot disclose the details yet, will eliminate the inconvenience and inefficiencies of manual intervention. We plan to launch the service as early as FY2024.

Plan through FY2028

By FY2025, we will be the highest-paid and most request-responsive staffing company and grow beyond FY2026.

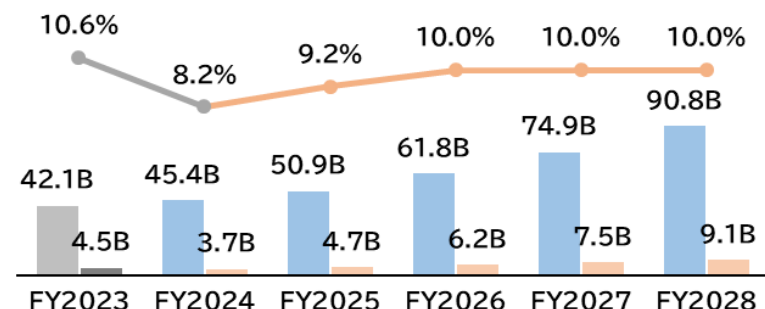
Total

Sales Operating Income Operating Income Ratio



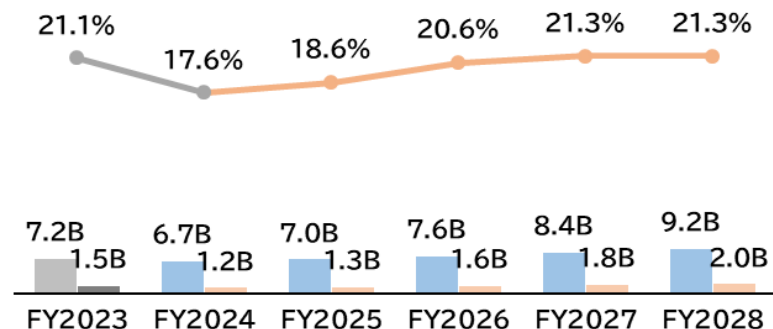
Human resources

Sales Operating Income Operating Income Ratio



CRO

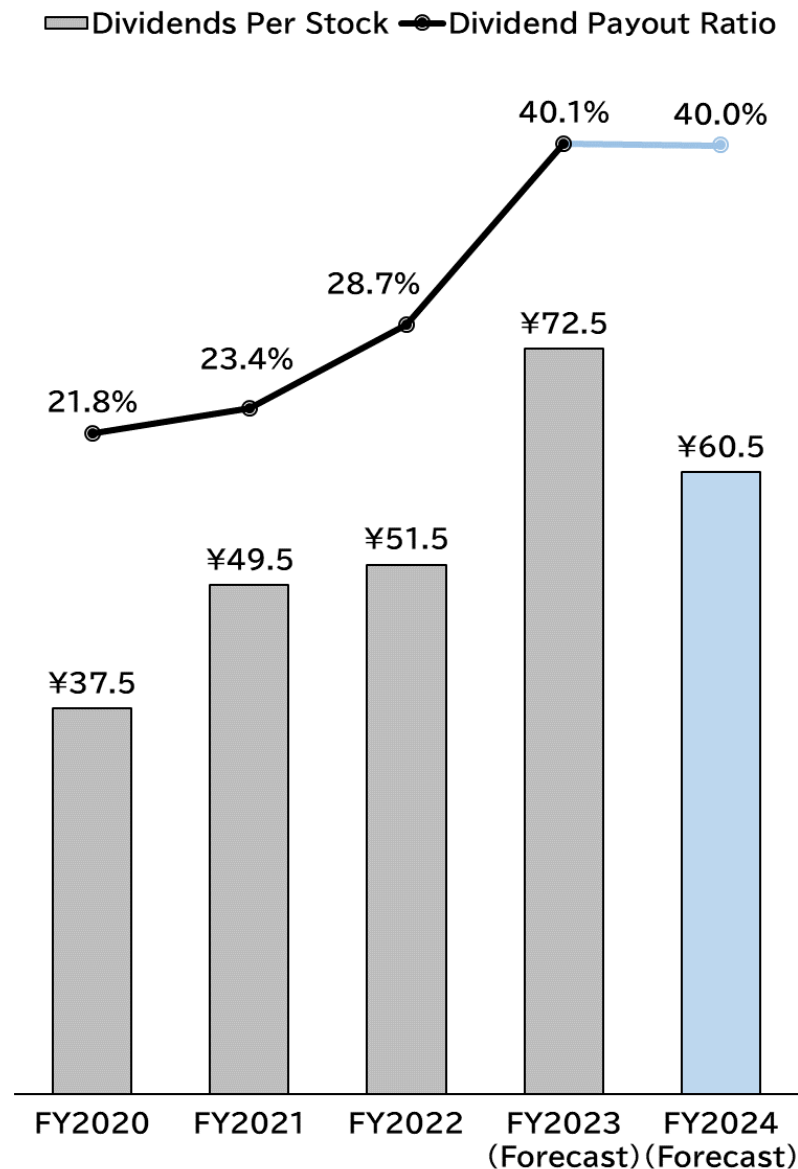
Sales Operating Income



From FY2023 onwards, we will raise the dividend payout ratio standard from 30% to 40%.

We will continue to pay dividends based on the dividend payout ratio of 40% in FY2024 and on.

While continuing investments to realize the medium-to-long term management plan, we will make efforts to achieve significant increase in sales, profits, and dividends in the future.



During our efforts to work on the medium-to-long term management plan for the two years since May 2022, it has become clearer what we aim at.

We will provide our dispatched staff with good services and the highest salaries, and gain overwhelming support from dispatched staff. As a result, we challenge ourselves to become a company that is maximumly responsive to our clients' orders and to grow our business performance significantly.

We will continue to take the necessary steps to achieve this goal.

We ask for your continued support.

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.

Translation for Reference Purposes Only

This document is a translation of the Japanese original for reference purpose only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

<Contact information>

Corporate Planning Department

WDB Holdings Co., Ltd.

<https://www.wdb-g.com/system/wdbhd/eng/contact/>

Appendix

Company Overview (May. 2024)

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	:991 (temporary staff and others / 10,293)
Sales	:¥49.3 billion(FY2023)
Ordinary Income	:¥ 5.5 billion(FY2023)

<Business Domain>

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



Head Office (Himeji, Hyogo)

We call the mechanism which enhances the convenience and visualization of services that used to be done manually as a “platform”.

The basic development concept is that “the platform will streamline, automate, and visualize operations, and customers will be able to receive our services 24/7, and will be able to check the progress of services in real time.”

The human resources service platform “doconico” was released in April 2021 and now in operation with continuous improvements.

We also released a platform for CRO services and started operation during FY2023.

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.

