

# **Respond, Exceed**



**WDB Holdings Co., Ltd.**

## **Medium-to-Long Term Management Policy 2025**

**~New Business Strategy~**

**We announced our first medium-to-long term management plan (FY2022-FY2026) in May 2022, followed by a second plan (FY2024-FY2028) in May 2024.**

**We have been diligently pursuing our business with our long-term plan in place, aiming to achieve sales of 100 billion yen and ordinary income of 10 billion yen. However, we have determined that it will be difficult to reach these targets within the timeframe of our current medium-to-long term management plan.**

**Although we have made efforts to adapt to significant changes in the business environment such as the COVID-19 pandemic a few years ago, the rapid advancement of digital transformation (DX), the evolution of generative AI, and demographic shifts including a declining birthrate and aging population, we have not been able to stay ahead of these changes and drive business growth accordingly. In light of this, we have decided to revisit and redevelop our business strategy from the ground up.**

**Given these circumstances, we have decided not to disclose specific numerical targets under the new “Medium-to-Long Term Management Policy 2025”. Instead of presenting numerical targets, we will outline below the strategic focus areas and direction that we will prioritize going forward.**

**We appreciate your continued understanding and support of our management direction.**

# **Review of the Previous Medium-to-Long Term Management Plan**

The following provides a summary of the key initiatives and achievements under our previous medium-to-long term management plan.

Management policy in the previous medium-to-long term management plan

Platformization of Services

Deliver services through our platform to increase convenience and productivity in order to reduce costs.

Increase in Temporary Staff Compensation

Utilizing the reduced costs and our profits, as a source of funds, we will improve the compensation for temporary staff to achieve long-term sustainable growth.

Full-Scale Entry into Clerical Staffing

With high compensation, we will achieve full-scale entry into administrative clerk staffing business.

Result

While higher costs caused by non-productivity-related factors have prevented a reduction in the SG&A ratio, service delivery through the platform has continued to progress, leading to increased productivity.

Since the start of wage increases in April 2021, the average compensation for temporary staff has increased by 13%.

Due to our focus on strengthening the competitiveness of our core business in science-related temporary staffing, we had yet to fully enter the clerical staffing market

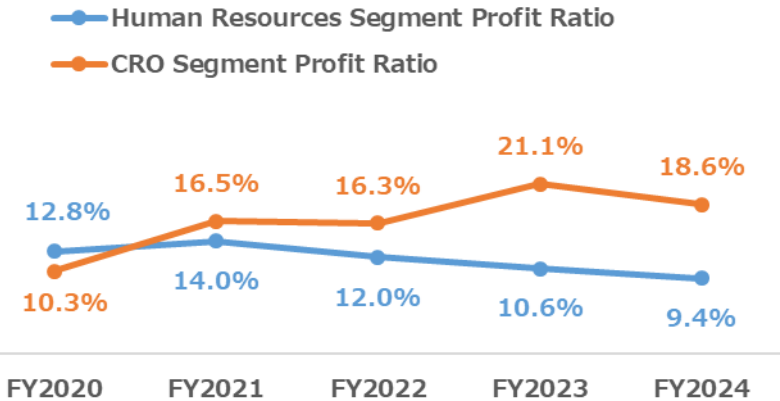
Management policy in the previous medium-to-long term management plan

Operating Margin Target

We target operating margin of the human resources business at 10%, and CRO and other businesses at 20% and keep it. We aim for long-term sustainable profit growth, not short-term high profits.

ROE and Dividend Payout Ratio

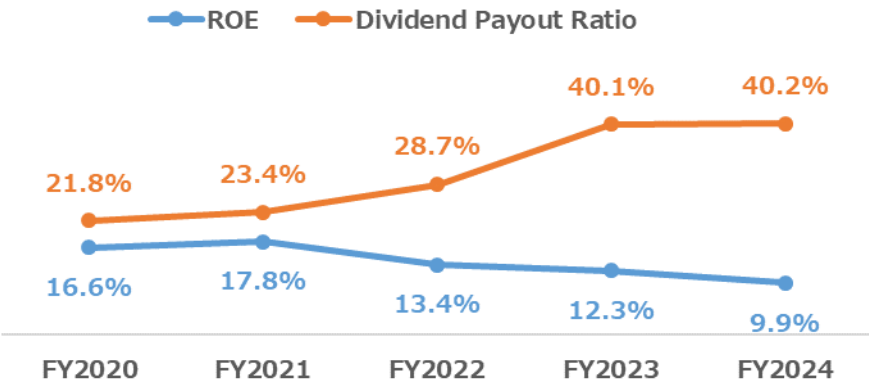
We target ROE should be 15%, and dividend payout ratio to be 40% and maintain it. We continue to pay stable dividends while continuing to invest in the platform as well.



Result

Due to increased compensation for both temporary staff and employees, operating margin for FY2024 was 9.4% for the human resources business and 18.6% for the CRO business– slightly below the targets, but generally in line with expectations.

ROE for FY2024 was 9.9%, falling short of the 15% target, but the company aims to achieve the target level by returning to a profit growth trajectory in the future. The dividend payout ratio was maintained at 40%.



## Management policy in the previous medium-to-long term management plan

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### Platform Evolution

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

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### Organizational Optimization

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.

## Result

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We have continuously improved our staffing platform "doconico", which has been highly rated by both clients and staff. However, as its utilization has approached its limit, we released a new platform, "DOCO1", in May 2025.

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We divided business operations between branches and support desks (SDs) to enhance productivity. As a result, we were able to minimize the increase in labor costs while rising employee salaries.

## Management policy in the previous medium-to-long term management plan

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### Increase in Temporary Staff Compensation

We will continually increase staff salaries and become the "highest paying staffing company". 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.

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### Strengthening Operational Systems

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.

## Result

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Since April 2021, we have achieved a cumulative 13% increase in compensation over the past four years, positioning our pay levels among the highest in the industry. As a result, the recruitment of full-time temporary staff has progressed smoothly, and we have also reduced turnover rates. However, the expected results for registered temporary staff have not been achieved, and challenges remain.

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By integrating the platform with the existing framework, we have been able to provide a more responsive and user-friendly services.

## Management policy in the previous medium-to-long term management plan

### Development of New Market

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.

### Platformization of Services

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.

## Result

Following the integration of WDB Clinical Research, WDB coco has entered the clinical research market.

The platform has been introduced to 60% of the target customers, and a certain level of convenience has been achieved. However, the utilization of features that could significantly reduce business processing costs has not progressed, and the cost-effectiveness has not been as high as initially expected. Moving forward, the challenge is to expand the range of features available to customers.



## Management policy in the previous medium-to-long term management plan

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### Increase in Employee Compensation

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.

## Result

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In FY2024, we implemented a 7% salary increase and introduced a performance-based incentive system, which has had a positive impact on productivity and quality.

The number of new hires met the target, and the retention rate improved by 2 percentage points compared to the previous year.

## Management policy in the previous medium-to-long term management plan

### Profit Improvement of Overseas CRO Business

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.

### M&A

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

### Platform-Based New Business

We will launch a service that eliminates the inconvenience and inefficiencies of manual intervention through our platform.

## Result

In order to streamline unprofitable operations, MedFiles divested its contracted experimental business and DZS ceased operations. Going forward, MedFiles will focus on clinical trial operations and manage the business with a focus on profitability.

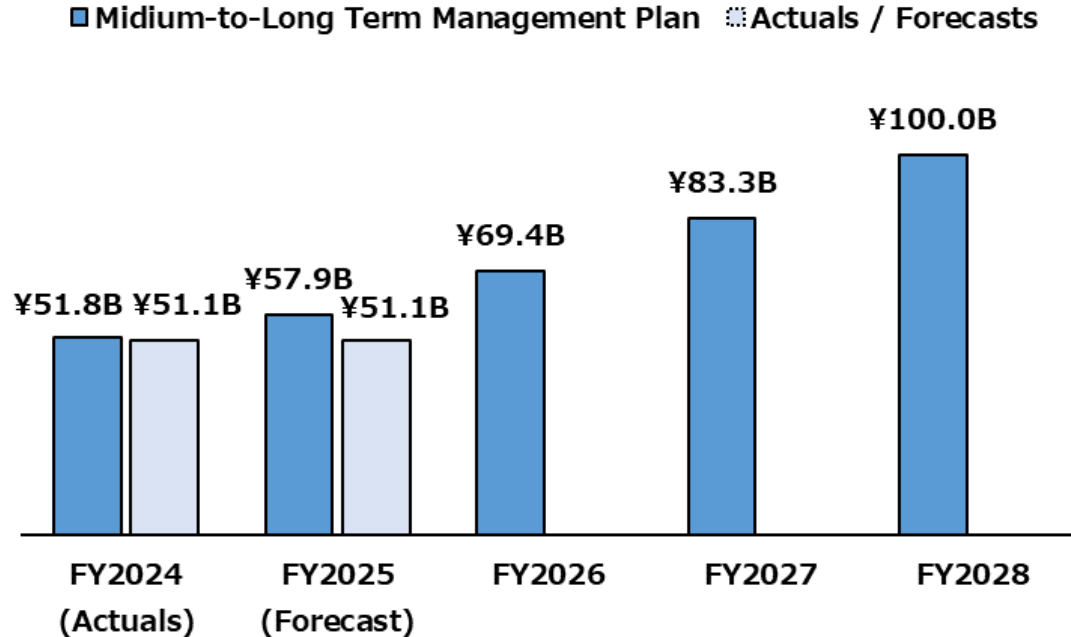
No applicable cases were identified, and therefore no action was taken.

In May 2025, we launched the staffing service platform "DOCO1" which enables the management of other staffing agencies in addition to WDB. Additional services are currently under development.

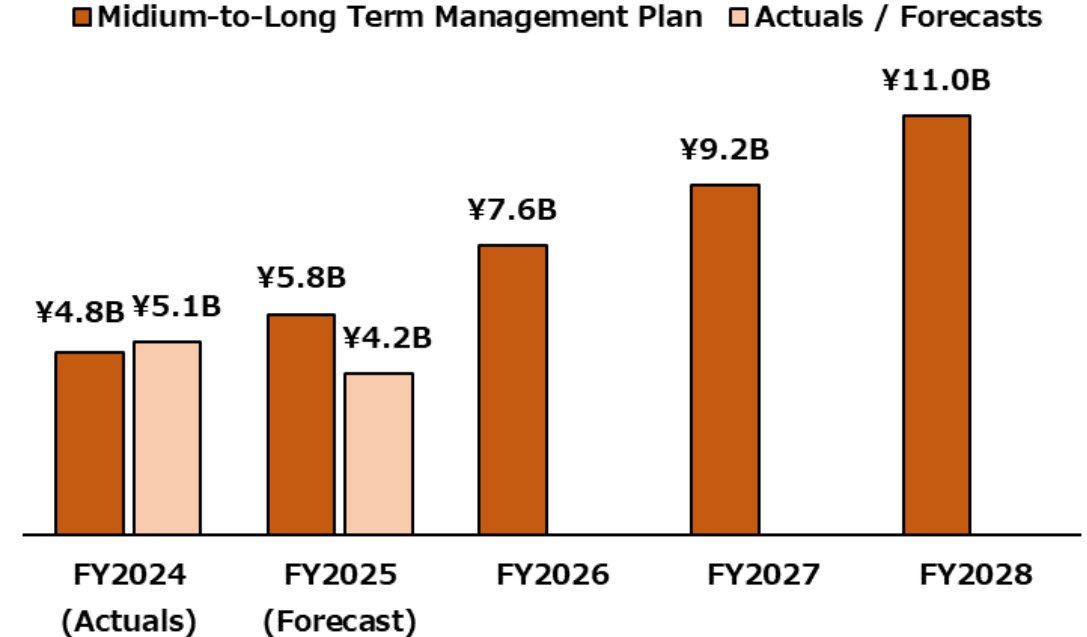
# Performance Plan, Results, and Outlook

Although various initiatives have been undertaken to achieve our medium-to-long term management plan, a significant gap has emerged between the plan and actual performance as outlined below, and uncertainty regarding future market conditions has increased. As a result, we have decided to withdraw the previously announced sales and operating income forecasts in the medium-to-long term management plan disclosed in May 2024.

## Consolidated Sales



## Consolidated Operating Income



# Future Management Policy

## Human Resources

- In Japanese society, wages are rising due to a decline in the working population and intensifying competition for jobs. Securing human resources is becoming more challenging every year.
  - The average hourly wage of temporary workers is rising almost every month. Each temporary staffing agency needs to continue raising wages to attract job seekers.
  - Recruitment costs are also rising, which puts significant pressure on the profit margins of temporary staffing agencies, and the profit margins of major agencies are also on a downward trend.
- There is a growing possibility that Japanese-style temporary staffing may no longer be a viable business in the future. Other companies have also recognized this and are trying to find alternative business avenues, such as placement/recruiting, contract work, and job advertising, to ensure survival.

## CRO

- As with the temporary staffing business, rising wage levels are putting pressure on profit margins.
  - Due to technological advancements such as generative AI, routine tasks are likely to be automated. As a result, it is expected that the transition to business operations that do not rely on outsourcing will progress.
- The entire industry needs to redefine the value it provides and transform its business structure.

## Future Management Policy

1. Pursue value as a staffing agency
2. Aim to transform into a “platform-based business” and focus on the development of the platform
3. Establish a CRO business model that coexists with AI

# 1. Pursue Value as a Staffing Agency



## ■ Our Vision

- In the medium term, we will continue our efforts to gain the support of job seekers.
- In the long term, we will maximize the two core values of temporary staffing agencies: serving as an “intermediary between job seekers and employers” and providing “support throughout the employment period.”
- After the market environment becomes even more challenging and many of our competitors are forced to shift to other new ventures, we remain in staffing business. We aim to establish a business model that is adapted to the new environment with less competition and achieve high profit margins.

## ■ Our Strategy

- In the medium term, we will continue to improve the working conditions of temporary staff, adopt region-specific hiring for full-time temporary staff without nationwide relocation, strengthen our sales structure, and utilize “DOC01” in our sales activities to increase the number of job offers available to meet the needs of job seekers.
- In the long term, we will further evolve our platform and automate the “intermediation between job seekers and employers” as much as possible. This will allow us to further increase compensation for temporary staff, while also refining and strengthening the “support throughout the employment period” which has been one of our core strengths since our founding.

→ By enhancing the functions of “intermediation” and “support”, we aim to maximize the value of our staffing agency and become the preferred choice for both job seekers and clients.

## Early-Stage Employment Support

On the first day of work and one week later, we check with the temporary staff to see if they have any concerns, and address even minor concerns immediately.

## Regular Meetings

Our dedicated representative visits the client site and interview both the temporary staff and their supervisor about their working situation. If there are any issues that are difficult to communicate directly to between them, we intervene to support to find a resolution.

## Daily Report

Temporary staff enter their daily work details and self-evaluation on “doconico”, and their superiors can then provide feedback on that. The system supports staff by aligning their daily work status with their supervisors’ evaluations so that they can perform their duties in line with the client's expectations.

## Work Status Report

We summarize the work evaluations and training contents of the temporary staff and report them to the clients once every three months.

This system allows not only the department that works with the staff on a daily basis, but also human resources personnel to check the work status of the temporary staff, so that they can feel at ease.

## Training for Successful Work Continuation

This is training that temporary staff take regularly online.

This regularly reminds them of what their clients expect from their staff, helping them to maintain a good reputation over the long term.

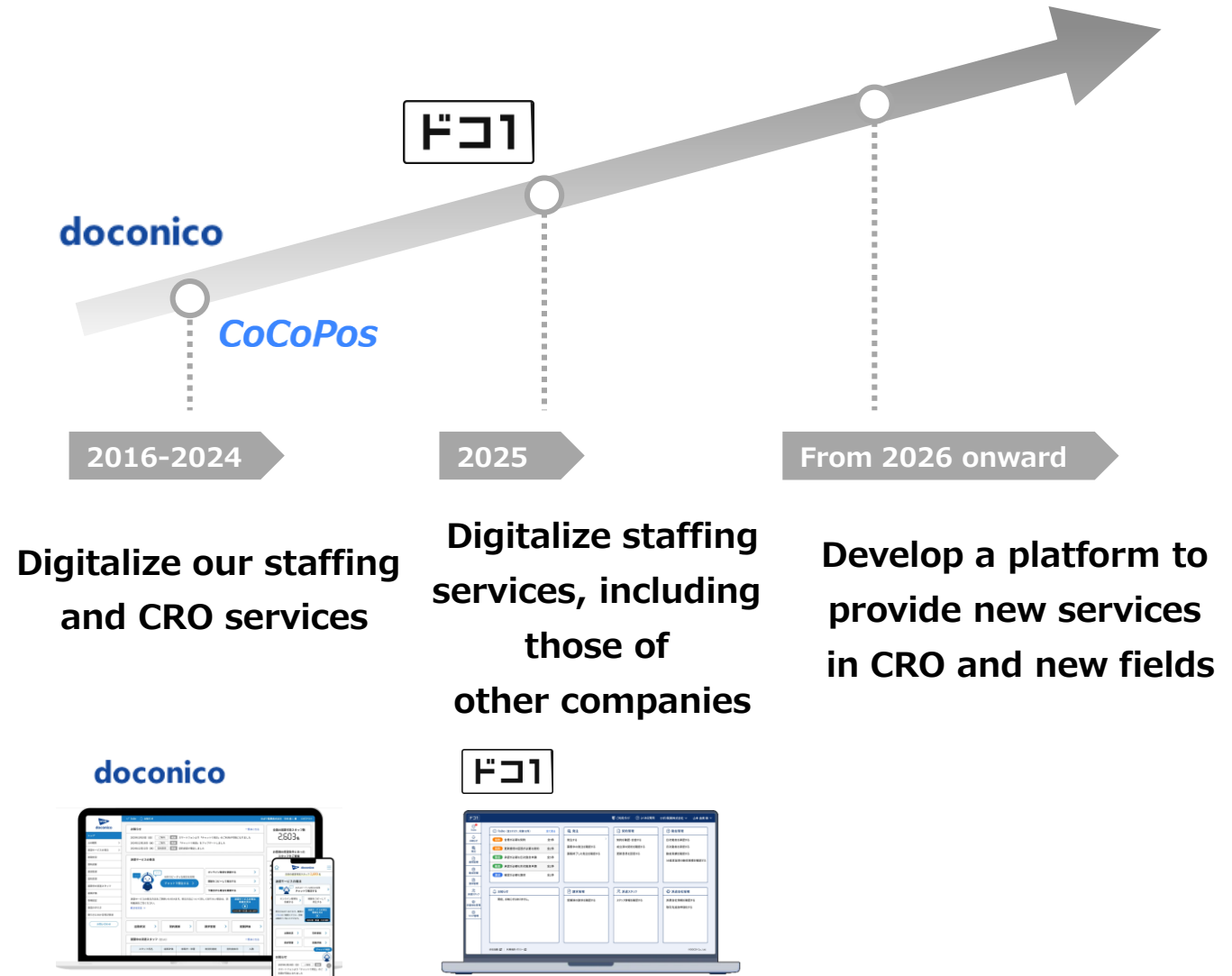
# 2. Transformation into a Platform-Based Business

## ■ Our Vision

We will leverage the expertise accumulated through the development and operation of “doconico” and “DOC01” to drive our transformation into a platform-based business.

## ■ Our Platform Development Record

- The human resources service platform : [doconico](#)
- CRO contract management platform : [CoCoPos](#)
- Centralized staffing management platform : [DOC01](#)





# Reference : About “doconico” & “DOC01”

Most of the staffing services procedures that were previously provided through our staff, can now be provided online. “doconico” is a system that manages the staff we dispatch, while “DOC01” is a system that allows for the centralized management of dispatched employees, including those from other companies.

	Before doconico	After doconico
Staffing request	<ul style="list-style-type: none"><li>• Order via call/email</li><li>• In-person or phone interview</li></ul>	<ul style="list-style-type: none"><li>• AI chat for ordering &amp; needs hearing</li><li>※ Online interview available upon request</li></ul>
Matching	<ul style="list-style-type: none"><li>• Progress checked via call/email</li></ul>	<ul style="list-style-type: none"><li>• Real-time progress tracking on the platform</li></ul>
Labor management/ Contract/Billing	<ul style="list-style-type: none"><li>• Approval and faxing of paper timesheets</li><li>• Paper contracts &amp; invoices</li></ul>	<ul style="list-style-type: none"><li>• Approval of digital timesheets anytime, anywhere</li><li>• Digital contracts &amp; invoices</li></ul>
Evaluation of temporary staff	<ul style="list-style-type: none"><li>• Monthly visit to monitor staff performance and client satisfaction</li></ul>	<ul style="list-style-type: none"><li>• Monthly visit + daily evaluation &amp; feedback on platform</li></ul>

# 3. Establish a CRO Business Model that Coexists with AI



## ■ Our Vision

- We will face head-on the change in which routine manual work is being replaced by advances in generative AI and automation technology, and in addition to automating and standardizing processes, we will steadily strengthen center operations to achieve both operational stability and efficiency.
- On that basis, we will focus our resources on practical value areas that should be handled by people, such as judgment, customer service, quality assurance, and multitasking, and establish a new CRO business model that coexists with AI.
- In the medium to long term, we will also work to create new businesses in the medical and pharmaceutical fields. To address the fragmented practical issues that existing services are unable to address, we will build a support model that is tailored to the actual situation on the ground by combining digital technology, and provide new value that combines high expertise and profitability in specific fields.

## ■ Our Strategy

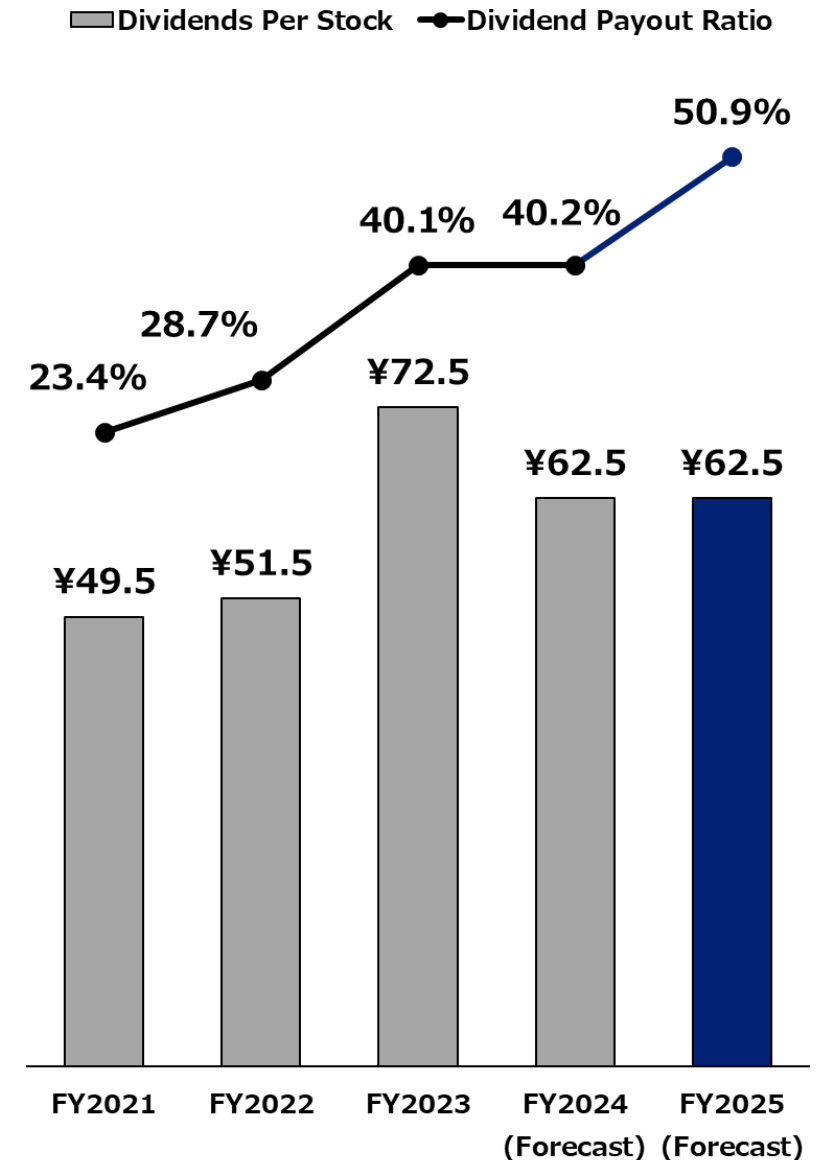
- In the areas of document support, PMS, and clinical research support, we will standardize operations, develop tools, and digitize processes to improve reproducibility and productivity.
- In the field of advanced medical devices, where domestic demand is expected to grow in the future, we aim to evolve into a system capable of providing comprehensive support for business expansion both in Japan and overseas. This will be achieved through an integrated support system that spans from development to regulatory registration and post-marketing activities, leveraging digital technologies and data, and in collaboration with overseas group companies.

Our goal is to increase profits by increasing our corporate value and achieve continuous increases in dividends.

Rather than pursuing short-term profits or temporary shareholder returns, we aim to maximize long-term shareholder returns by developing the company with an eye to the future.

To achieve this, we will make business investments and maintain a dividend payout ratio of 40%, allowing us to continue to pay stable dividends even in unforeseen circumstances.

As for share repurchases, our basic policy is not to conduct them, primarily due to the liquidity ratio standards set by the Tokyo Stock Exchange.

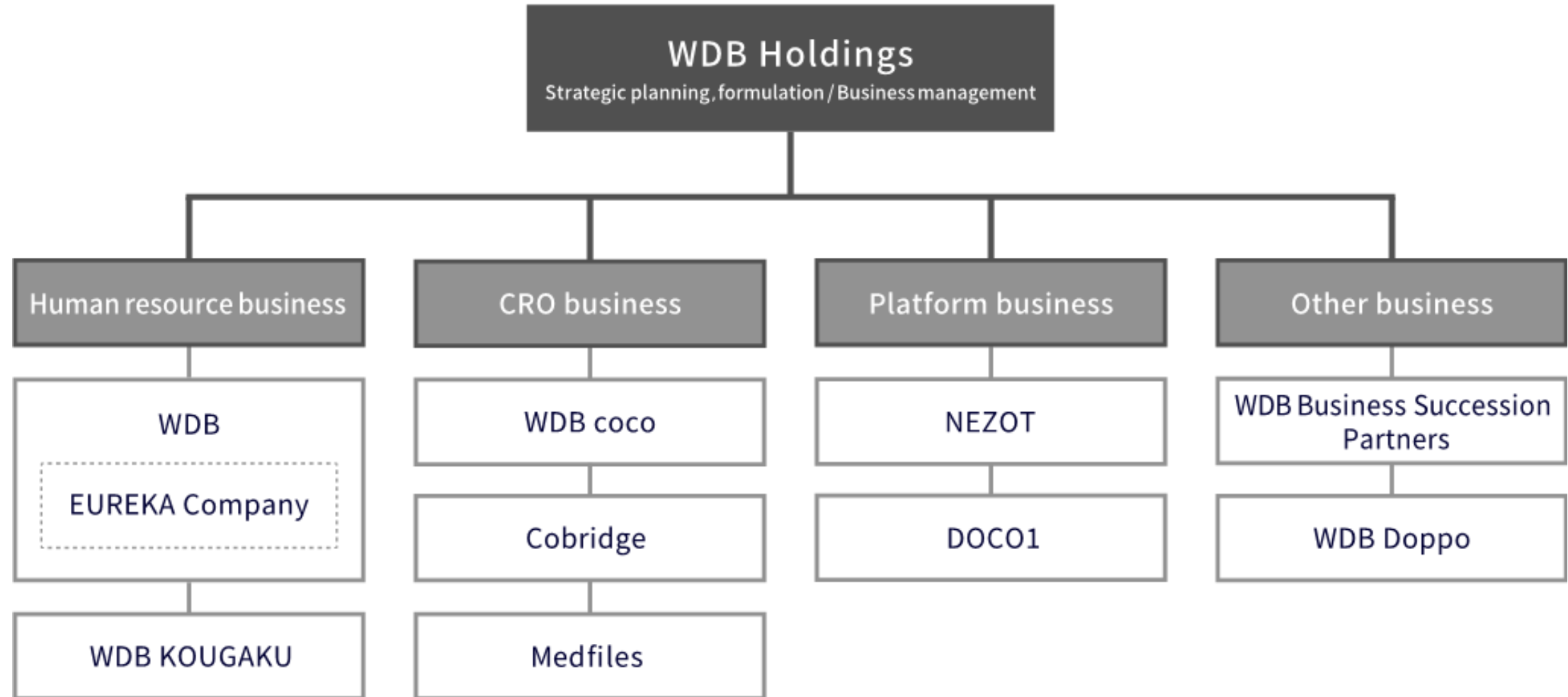


# **Appendix : Company Overview**

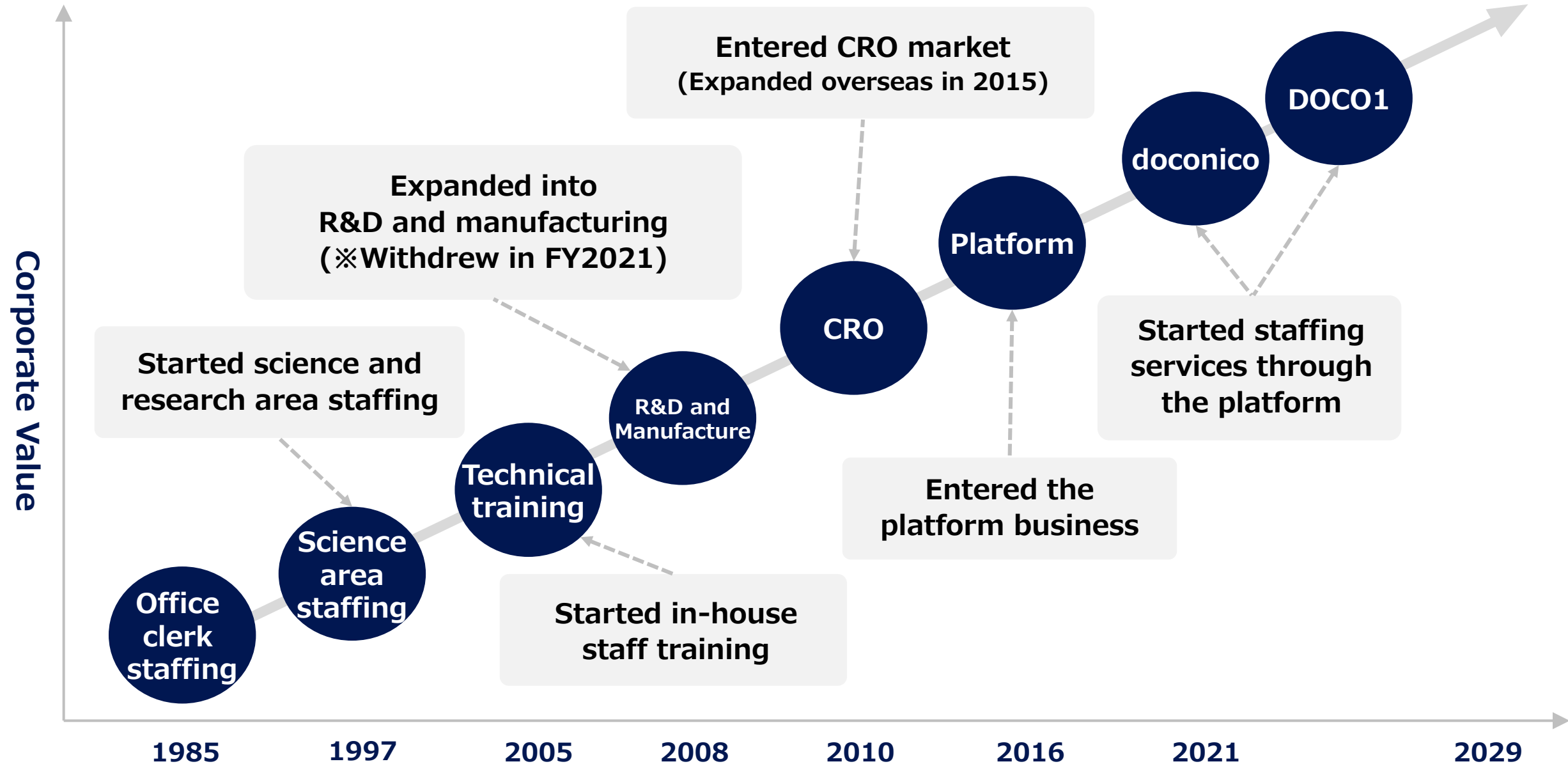
# Company Overview (May, 2025)



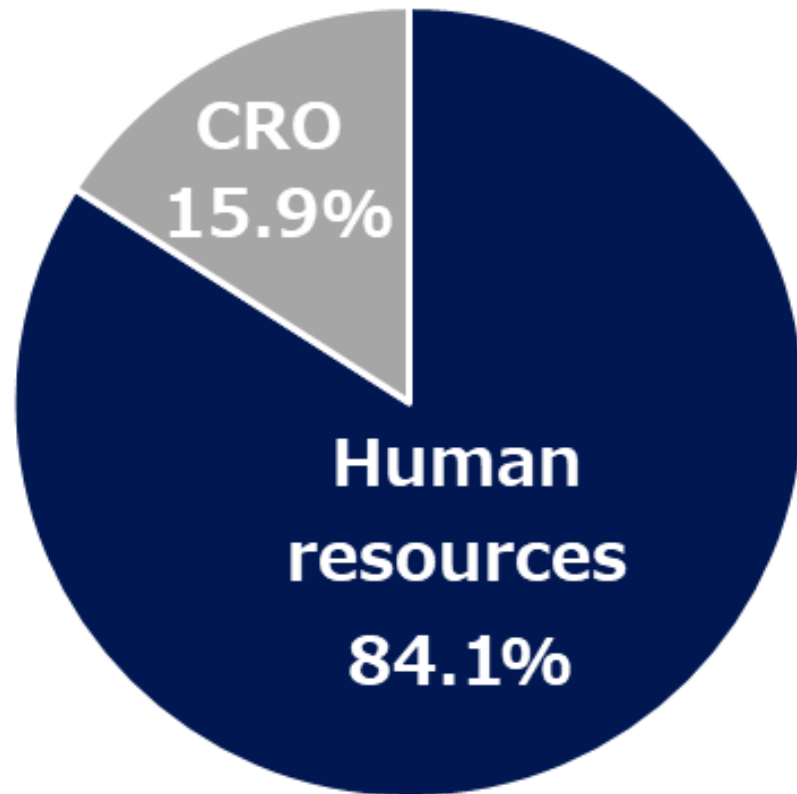
Company Name	WDB Holdings Co., Ltd.
Incorporation	July 6,1985
Capital	¥1 billion
Stock Listing	Prime Market of Tokyo Stock Exchange (Code 2475)
President and CEO	Toshimitsu Nakano
Head Office	79 Toyozawa-cho,Himeji-shi,Hyogo
Number of Employees	967(temporary staff and others / 10,154) <small>※The number of employees is calculated on a different base from that in the financial report.</small>
Sales	¥51.1 billion (FY2024)
Ordinary Income	¥5.0 billion (FY2024)
Business Domain	<ul style="list-style-type: none"><li>• Human Resources Business</li><li>• CRO business</li><li>• Platform and Other Business</li></ul>



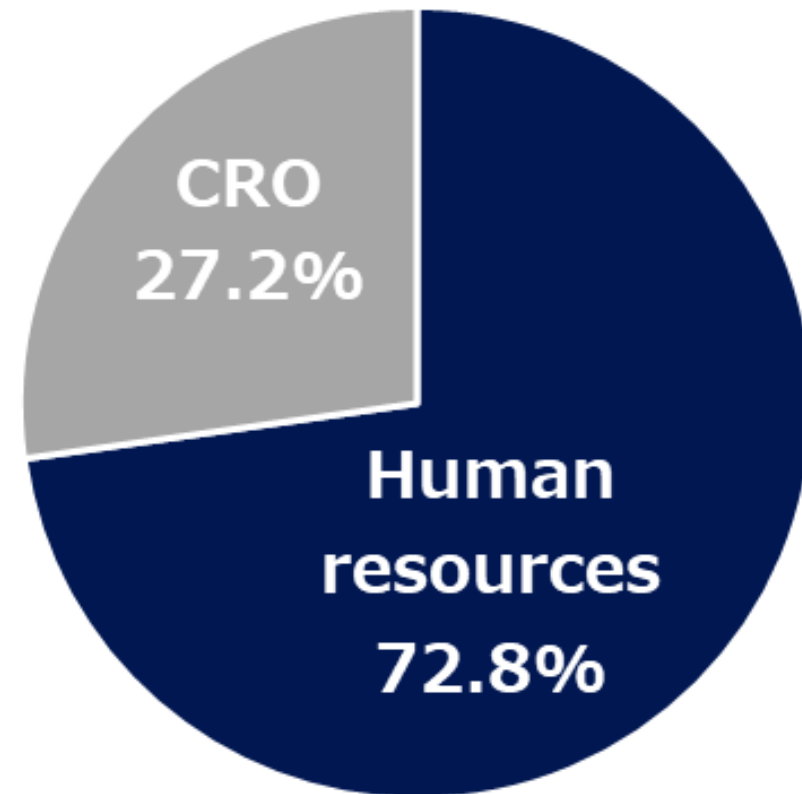
# History and Business Expansion



## Sales composition

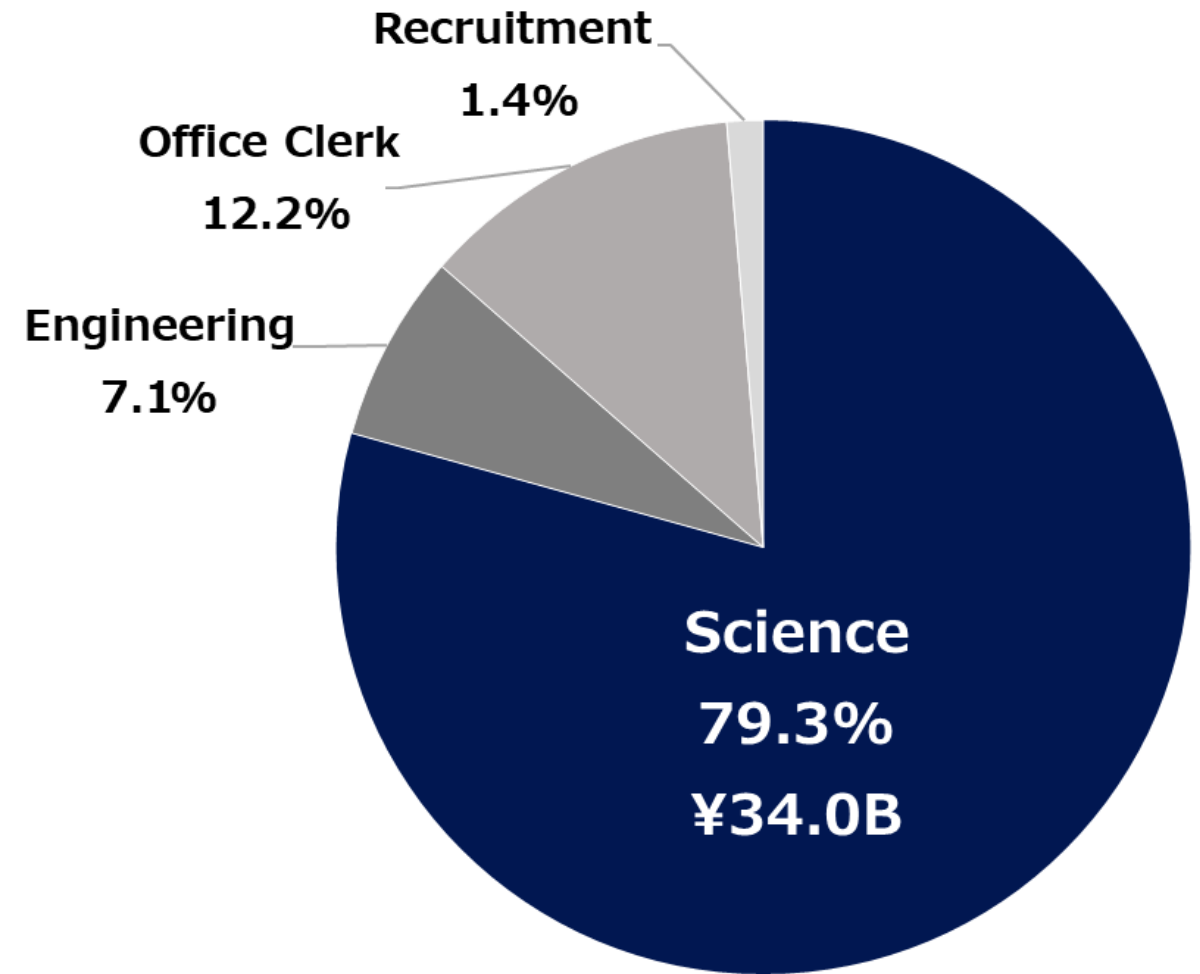


## Profit composition



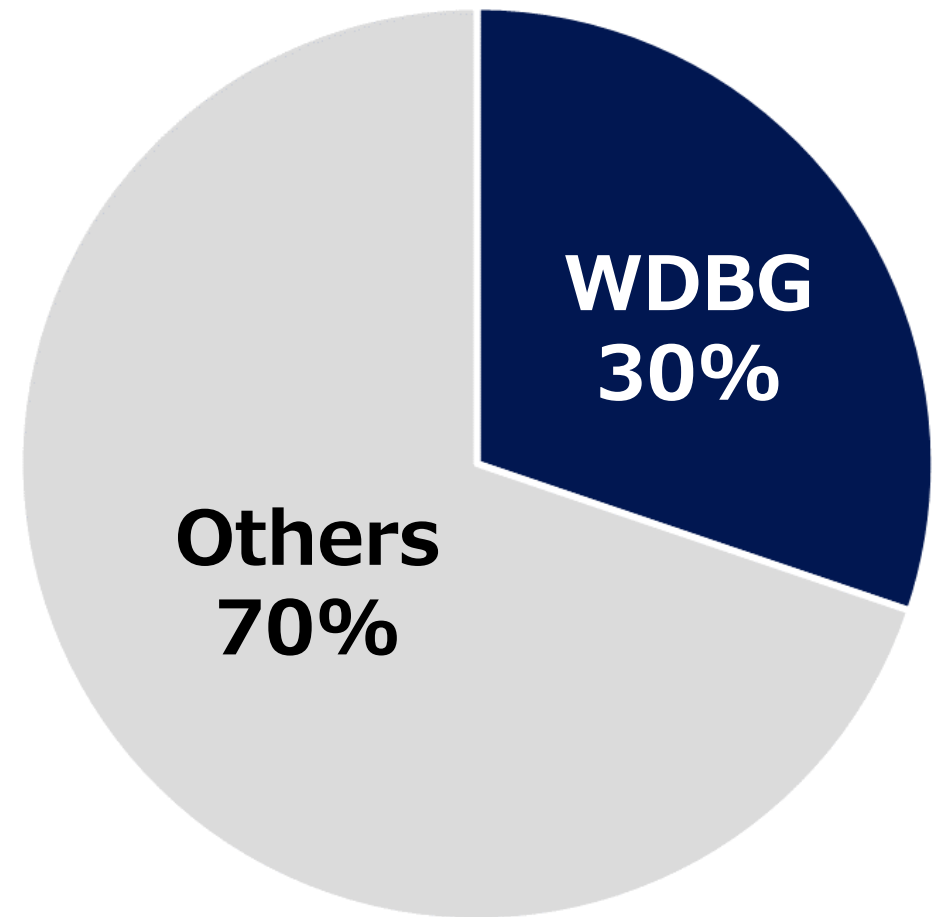


**Our staffing business is mainly focusing on the science and research field. This field accounts for approx. 80% of the revenue of our staffing business.**



**Our company accounts for approx.  
1/3 of the science-related  
temporary staffing market  
(110 billion yen) . This makes us the  
Market leader.**

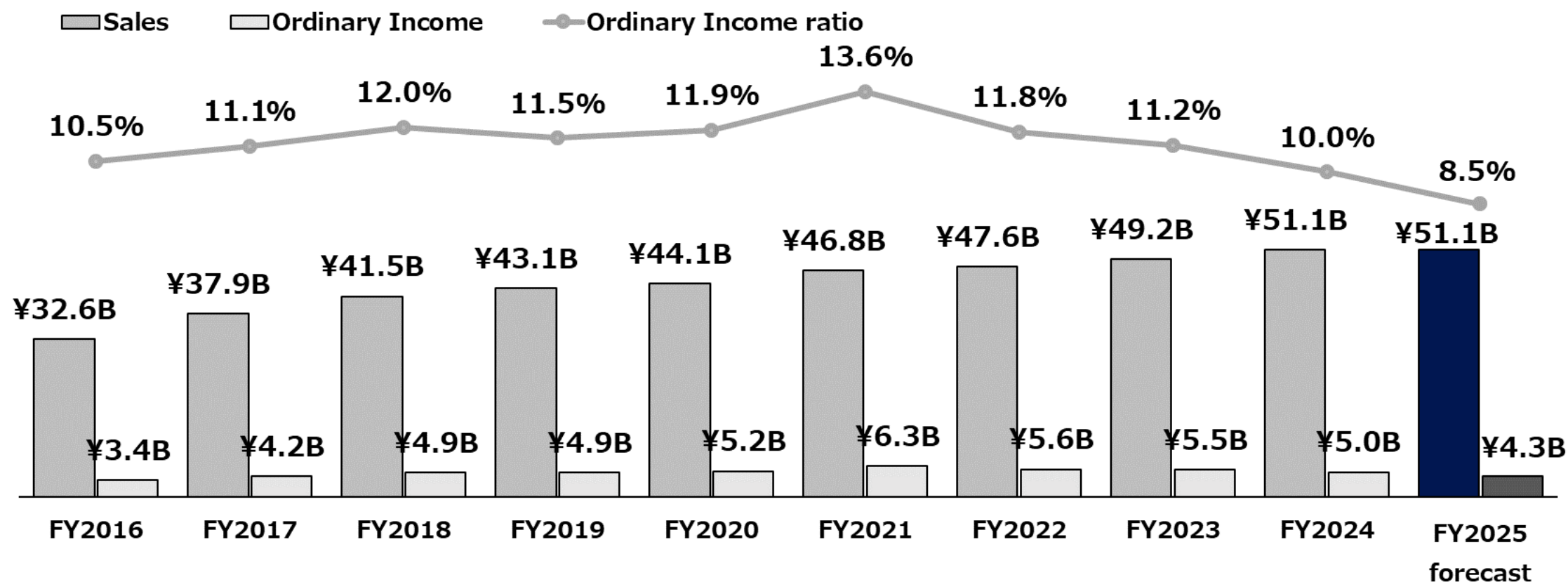
※market size by our estimate



# Financial Results & Forecast (Consolidated)

Sales and profits are steadily growing for the past 10 years.

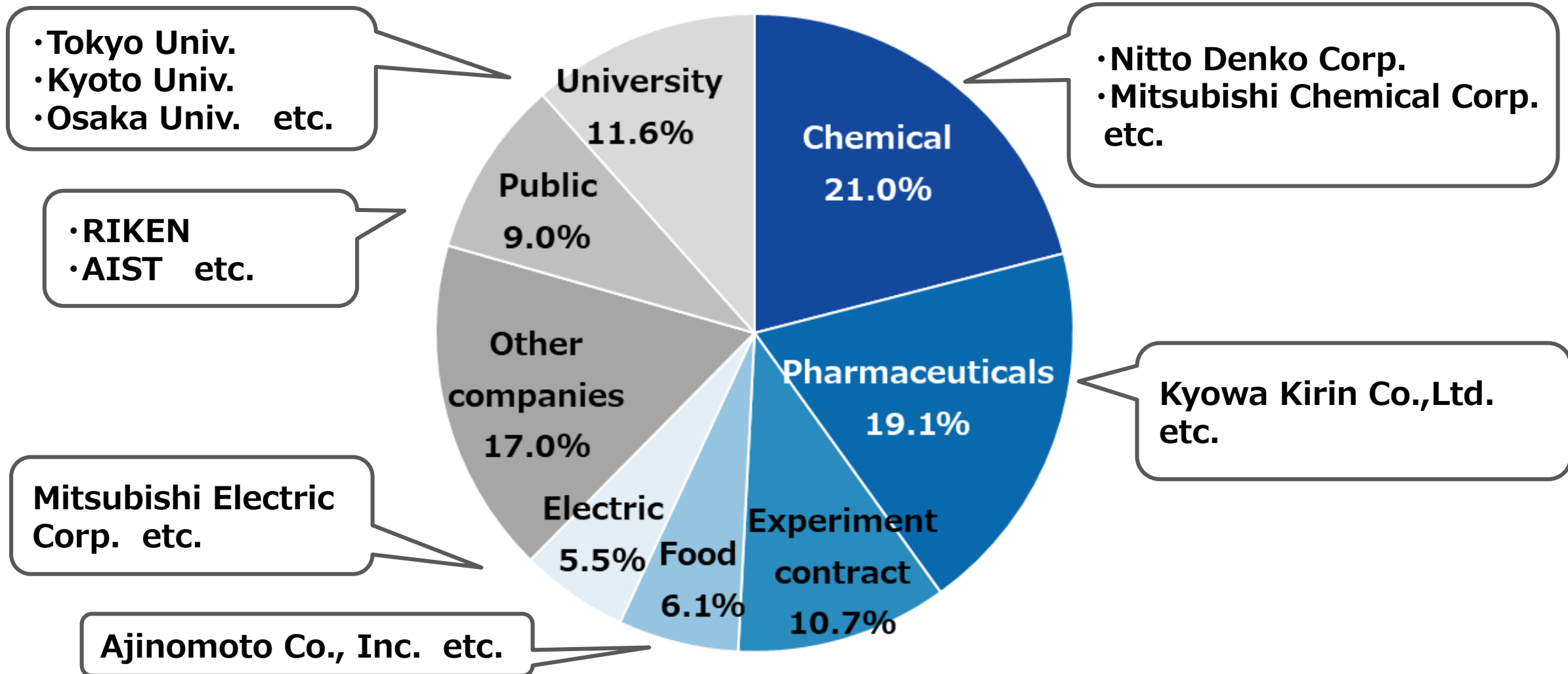
In addition, although ordinary income has not shown significant growth since the FY 2022, this is primarily due to our ongoing investments in areas such as increased compensation for temporary staff and the development of our platform, aimed at ensuring continued growth over the long term.



# Human Resources (Staffing) Business

# Sales Composition Ratio by Industry Segment (FY2024)

We have business with most major chemicals manufacturers, pharmaceuticals, food manufacturers, public laboratories, and universities.



## Three elements to source high-quality staff

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- 1. We provide necessary skills and techniques for our staff at our in-house training centers nationwide.**
- 2. We attract good staff because of our name value in the science field.**
- 3. We deal with both registration type and full-time employee type. This is advantageous compared to one type only staffing companies.**

## How we keep high level of satisfaction for customer and staff both

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### 1. Best Matching

**With many years of experience in the sciences field, we understand our clients' work requirements well. For candidates, we conduct a one-day skills test to understand their abilities accurately. Using this information and our own methods, we match candidates with the best possible jobs.**

### 2. Maintaining satisfaction during employment

**We have regular meetings with clients and temporary staff, and we have a system to discuss any issues anytime. This lets us solve problems quickly during employment. We also pay high-performing temporary staff well according to their work quality, keeping them satisfied.**

### 3. Providing services through the platform

**We provide temporary staffing services through our proprietary system (details below).**

# CRO Business



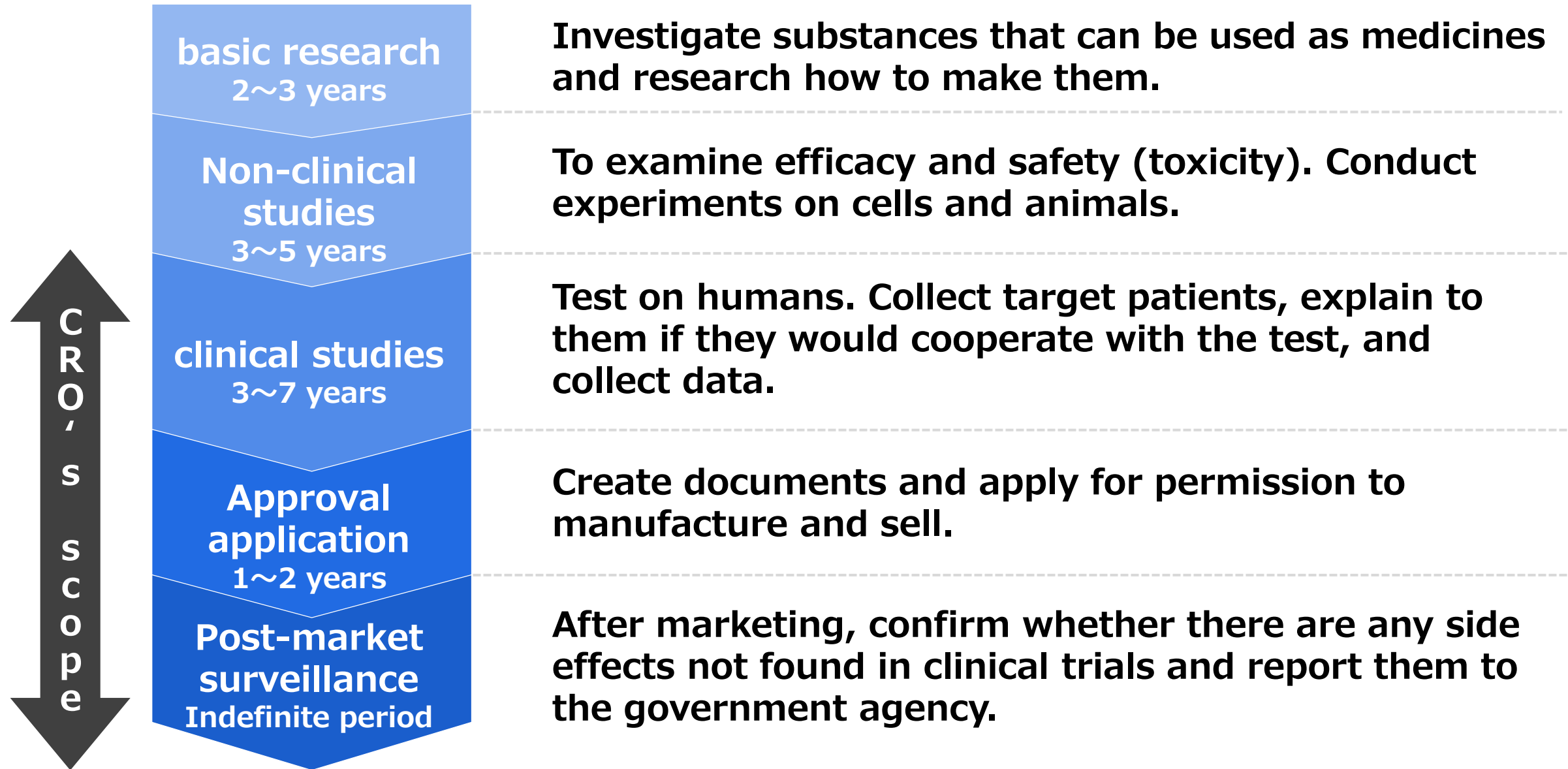
**CRO (Contract Research Organization) is a company that supports the drug development of pharmaceutical manufacturers.**

**It takes 10 to 20 years and 50 billion yen for a pharmaceutical manufacturer to develop a new drug.**

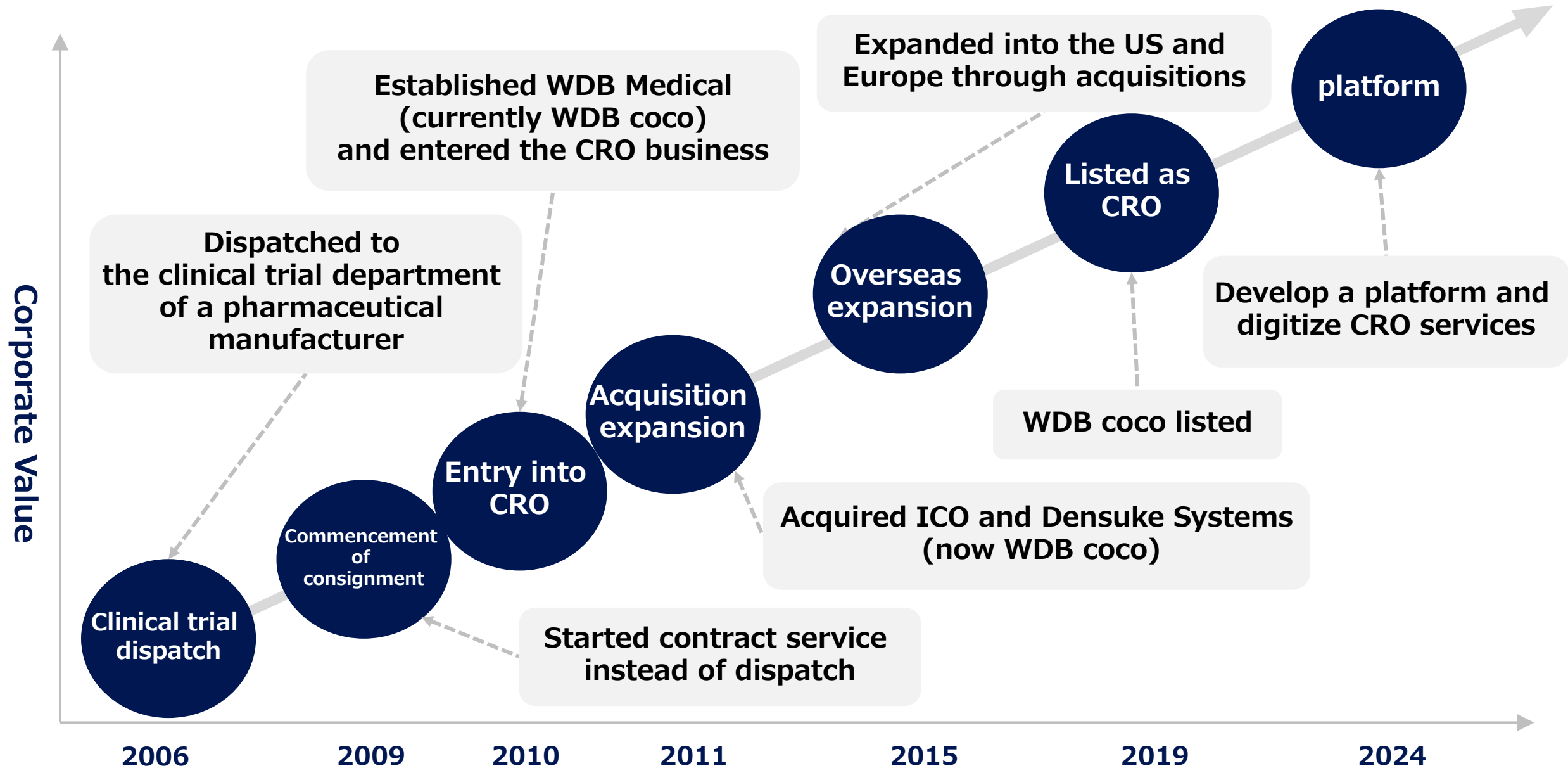
**For this reason, pharmaceutical manufacturers place orders for various ancillary tasks related to drug development to CROs so that researchers can concentrate on their research.**

**We will explain specifically what kind of work the CRO will undertake on the next page.**

# Flow of New Drug Development



# History of WDBG CRO Business



## Japan

### WDB COCO

- Pharmacovigilance
- Document support
- Data management
- Statistical analysis
- Clinical research support

### COBRIDGE

- Regulatory affairs

## Europe

### MEDFILES

- Pharmacovigilance
- Clinical trial
- Data management
- Statistical analysis
- Regulatory affairs