

Respond, Exceed



WDB Holdings Co., Ltd. (Code: 2475)

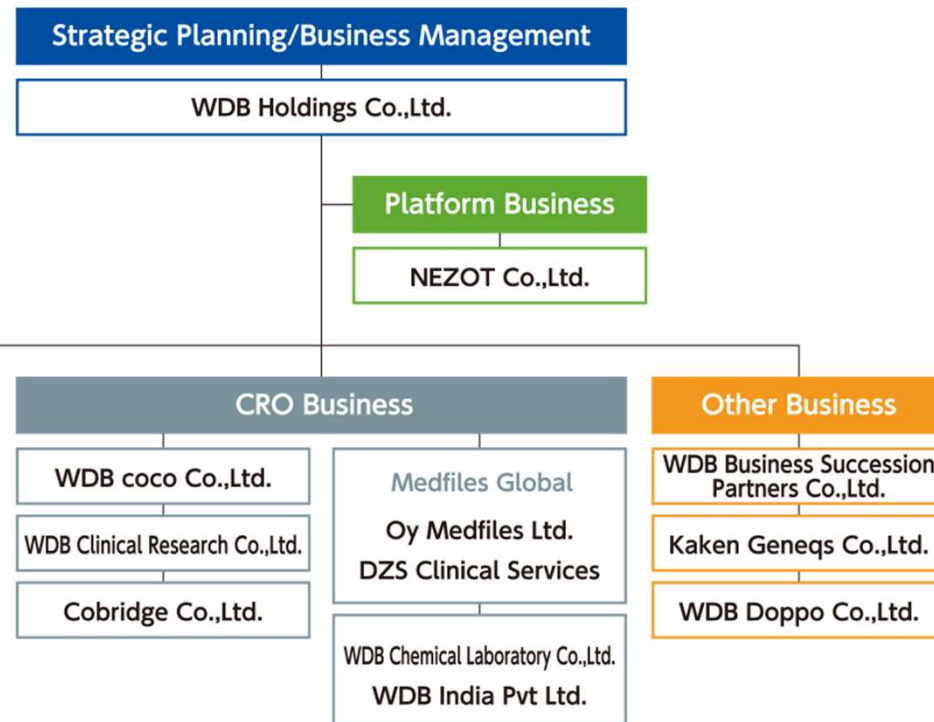
FY2021 2Q Financial Report

Company Overview (November 2021)

Company Name	: WDB Holdings Co., Ltd.
Incorporation	: July 6, 1985
Capital	: ¥1 billion
Stock Listing	: First Section of Tokyo Stock Exchange (Code 2475)
President and CEO	: Toshimitsu Nakano
Head Office	: 79 Toyozawa-cho, Himeji-shi, Hyogo
Number of Employees	: 1,020 (temporary staff and others / 10,025)
Sales	: ¥44.1 billion (FY2020)
Ordinary Income	: ¥5.24 billion (FY2020)
Business Domain	
	<ul style="list-style-type: none">• Human Resource Business• CRO business• Platform and Other Business

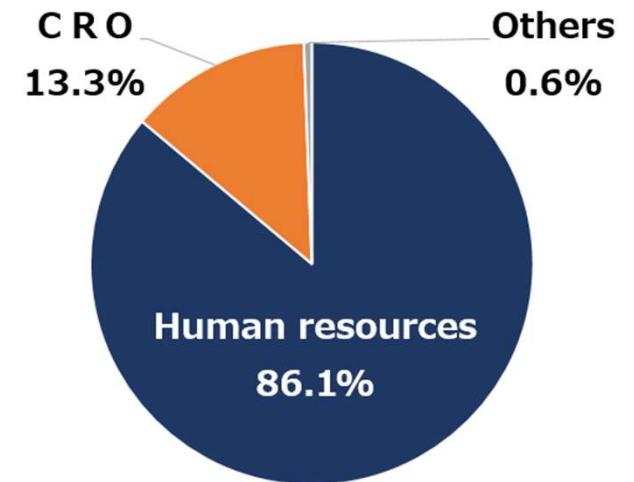


Group Companies (November 2021)

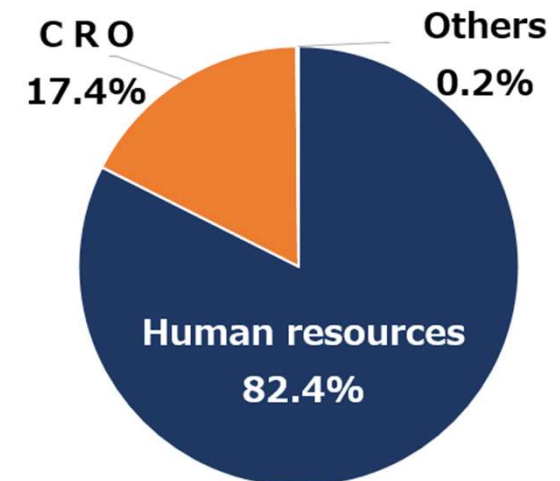


WDB Group has three business domains: Human Resource Services, CRO, and other businesses.

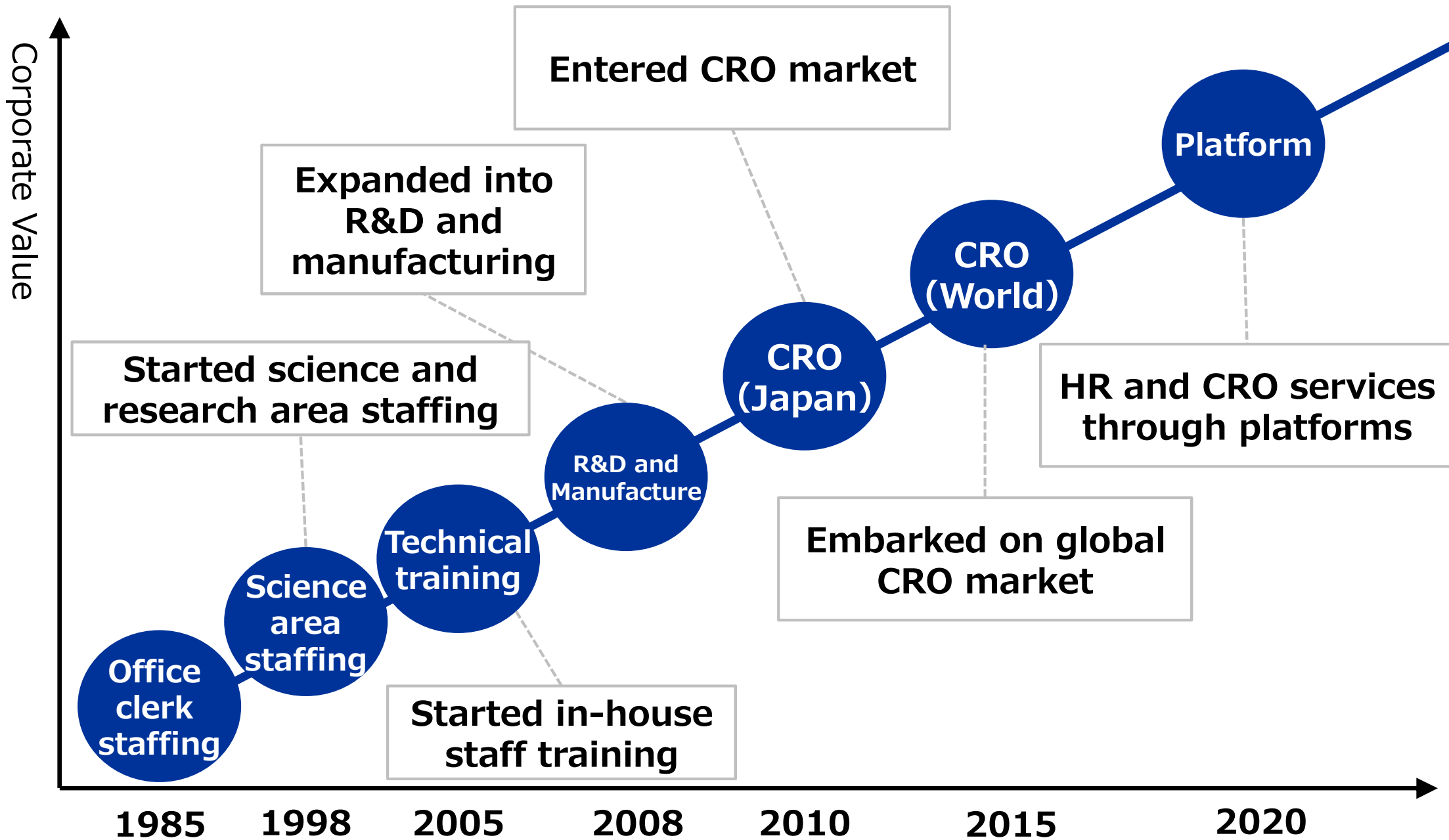
<Sales composition (2Q)>



<Profit composition (2Q) >



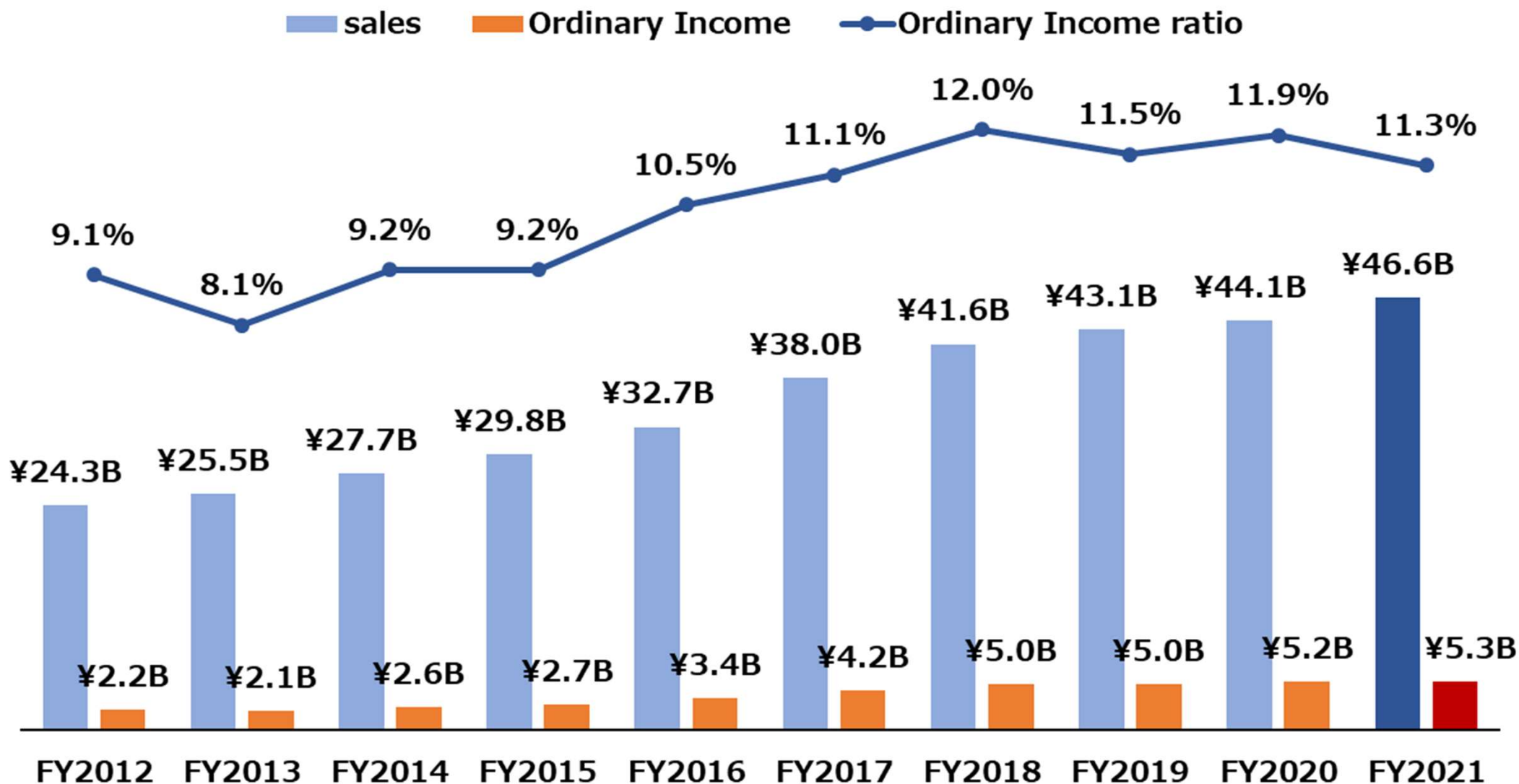
History and Business Expansion



Financial Results



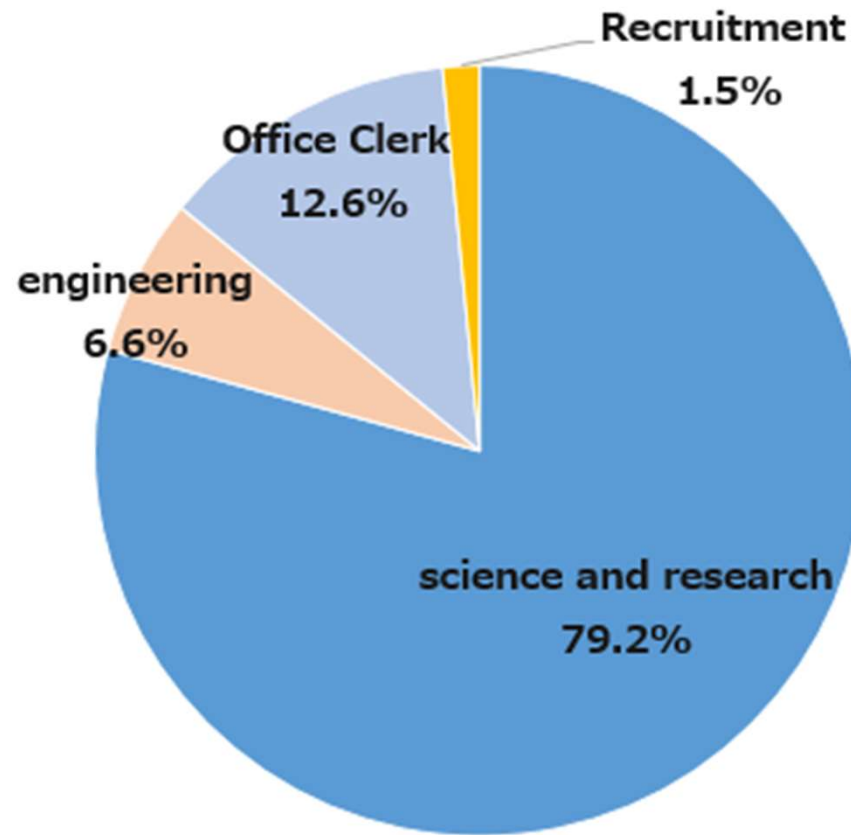
Sales and profits are steadily growing for the past 10 years.



Human Resource (Staffing) Business

Sales Breakdown of Staffing Business

Our staffing business is mainly focusing on the science and research field. Sales for this field accounts for approximately 80%.



Science and Research Field Staffing

We dispatch scientific researchers, research assistants, and technicians in the science and research related fields.

<Staff and talent>

- Knowledge/skills in genetics
- Knowledge/skills in animal anatomy
- PCR testing capabilities
- Experience in chemical analysis, etc.



<Staffing requests>

- Research assistance in laboratories
(Universities, research institution as well as private sector)
- Quality control work for factory

Images of operations



Our strengths

<Three elements to source high-quality staff>

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 customer satisfaction>

1. We conduct a full-day screening test for staff and dispatch only those who are qualified by passing the test.
2. We make it a rule to have a monthly meeting with both the customer and the staff to check the status for any improvements.

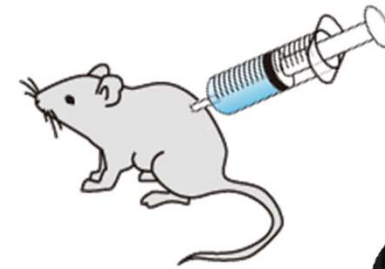
CRO Business

CRO (Contract Research Organization)

CRO is a company that provides support to the pharmaceutical manufacturers for developing new medicines. There are four stages in drug development: We mainly support pharmacovigilance in Japan and do other stages overseas as well.

1. Basic research

Study safety and efficacy in cell experiments and animal experiments



2. Clinical trial

Investigate the effects and side effects on humans with the cooperation of patients



3. Regulatory Affairs

Submit experimental data to the government and get permission to sell the drug

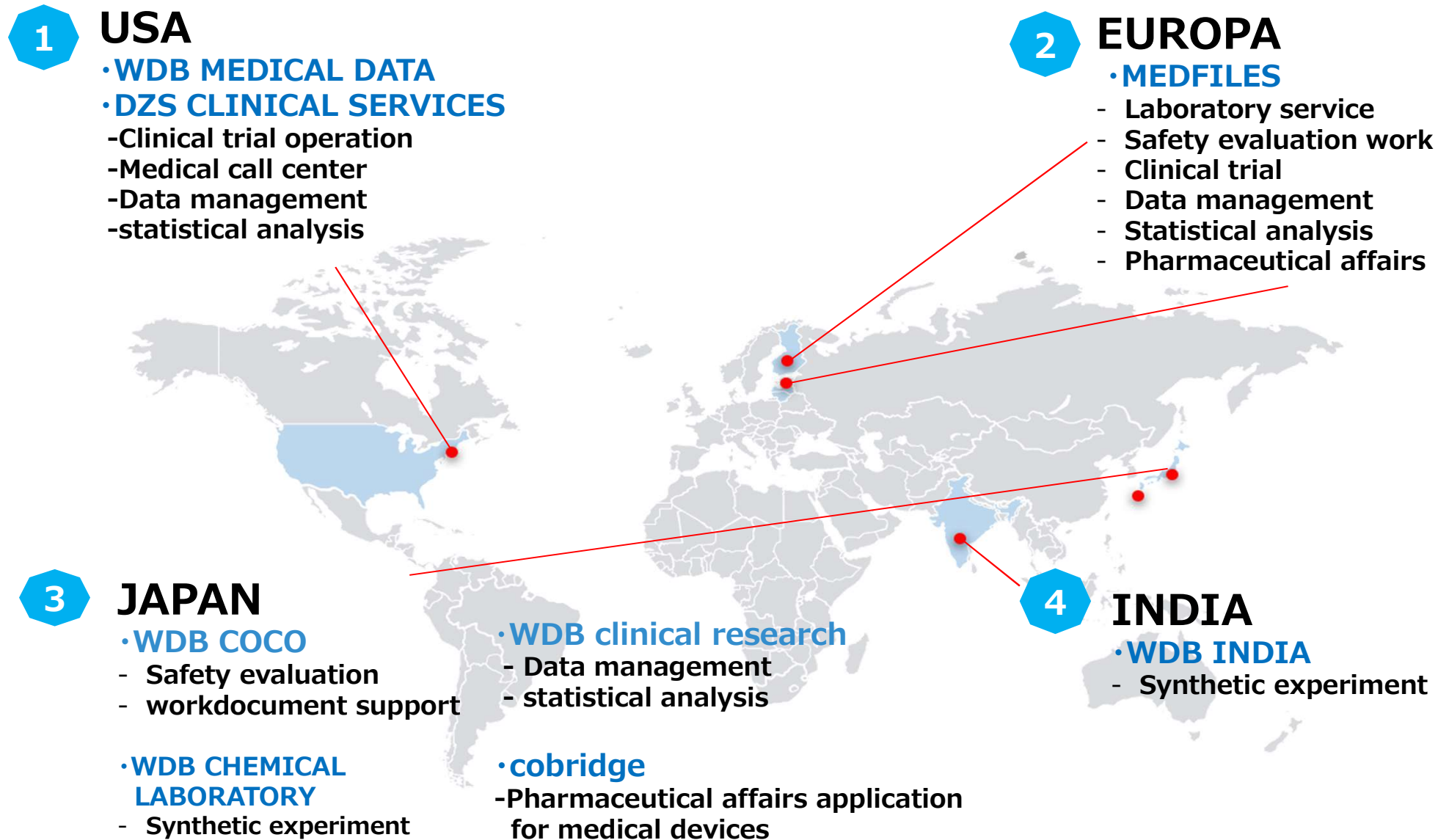


4. Pharmacovigilance

Investigate side effect data by collecting daily data from hospitals



WDBG CRO business worldwide distribution



Financials (summary)

FY2021 2Q Financials (YTD)



2Q (accum.)	FY2019 2Q		FY2020 2Q		FY2021 2Q		21-22 Increase	21-22 Increase Rate
	Amount	Rate	Amount	Rate	Amount	Rate		
sales	¥21,434M	100.0%	¥21,593M	100.0%	¥23,235M	100.0%	¥1,643M	7.6%
cost	¥15,796M	73.7%	¥15,953M	73.9%	¥16,929M	72.9%	¥977M	6.1%
Gross Margin	¥5,638M	26.3%	¥5,640M	26.1%	¥6,306M	27.1%	¥666M	11.8%
SG(&)A	¥3,254M	15.2%	¥3,111M	14.4%	¥3,036M	13.1%	-¥75M	-2.4%
Operating Income	¥2,384M	11.1%	¥2,529M	11.7%	¥3,271M	14.1%	¥742M	29.3%
Ordinary Income	¥2,388M	11.1%	¥2,552M	11.8%	¥3,305M	14.2%	¥753M	29.5%
Net Income	¥1,423M	6.6%	¥1,649M	7.6%	¥2,039M	8.8%	¥390M	23.7%

- Sales and profits increased.
- The reason for the increase in sales is that we saw a recovery in new orders and the number of operating staff has increased.
- Gross profit margin improved because the utilization rate of dispatched staff recovered.
- Profit increased significantly due to streamlining operations and reducing SG & A expenses.

Quarterly results



1Q (accum.)	FY2019 1Q		FY2020 1Q		FY2021 1Q		21-22 Increase	21-22 Increase Rate
sales	¥10,709M	100.0%	¥10,833M	100.0%	¥11,711M	100.0%	¥878M	8.1%
cost	¥7,837M	73.2%	¥7,909M	73.0%	¥8,466M	72.3%	¥557M	7.0%
Gross Margin	¥2,872M	26.8%	¥2,924M	27.0%	¥3,245M	27.7%	¥321M	11.0%
SG(&)A	¥1,665M	15.5%	¥1,561M	14.4%	¥1,543M	13.2%	-¥18M	-1.2%
Operating Income	¥1,207M	11.3%	¥1,363M	12.6%	¥1,702M	14.5%	¥339M	24.9%
Ordinary Income	¥1,207M	11.3%	¥1,366M	12.6%	¥1,727M	14.7%	¥361M	26.4%
Net Income	¥630M	5.9%	¥829M	7.7%	¥1,070M	9.1%	¥241M	29.1%

2Q (Single Term)	FY2019 2Q		FY2020 2Q		FY2021 2Q		21-22 Increase	21-22 Increase Rate
sales	¥10,725M	100.0%	¥10,760M	100.0%	¥11,524M	100.0%	¥764M	7.1%
cost	¥7,959M	74.2%	¥8,044M	74.8%	¥8,463M	73.4%	¥419M	5.2%
Gross Margin	¥2,766M	25.8%	¥2,716M	25.2%	¥3,061M	26.6%	¥345M	12.7%
SG(&)A	¥1,589M	14.8%	¥1,550M	14.4%	¥1,492M	12.9%	-¥57M	-3.7%
Operating Income	¥1,177M	11.0%	¥1,166M	10.8%	¥1,569M	13.6%	¥402M	34.5%
Ordinary Income	¥1,181M	11.0%	¥1,186M	11.0%	¥1,578M	13.7%	¥392M	33.1%
Net Income	¥793M	7.4%	¥820M	7.6%	¥969M	8.4%	¥149M	18.2%

Status by segment

<Human resources>

- There is no influence of corona for the existing business.
The number of new orders has recovered to the level of Before-Corona.
- We are actively engaged in sales activities.
In addition, the job advertisements that were reduced due to the influence of Corona returned to the usual amount from June.
- In April 2021, we released the system "Doconico" that provides staffing services. Customer awareness and usage rate are steadily increasing.
We will make additional developments to make the system even more convenient.

<CRO>

- There is no significant influence of corona both in Japan and overseas.
- As well as the staffing service, we are developing a system to provide the service in CRO.

FY2021 2Q Financials (By segment)

2Q		FY2019 2Q		FY2020 2Q		FY2021 2Q		21-22 Increase	21-22 Increase Rate
Human resources	sales	¥19,184M		¥19,127M		¥20,009M		¥882M	4.6%
	Segment profit	¥2,391M	12.5%	¥2,462M	12.9%	¥2,851M	14.2%	¥389M	15.8%
CRO	sales	¥2,066M		¥2,302M		¥3,093M		¥791M	34.3%
	Segment profit	¥203M	9.8%	¥256M	11.1%	¥593M	19.2%	¥337M	131.4%

<Human resources>

- The situation is as described on pages 15-17.

<CRO(Japan)>

- All three companies performed well, resulting in higher sales and profits.

<CRO(Besides Japan)>

- The Finnish subsidiary posted higher sales and profits, and the total was in the black. The US subsidiary has a decrease in sales and profits, and the Indian subsidiary is in the red.

Quarterly results (by segment)



1Q		FY2019 1Q		FY2020 1Q		FY2021 1Q		21-22 Increase	21-22 Increase Rate
Human resources	sales	¥9,574M		¥9,631M		¥10,195M		¥564M	5.9%
	Segment profit	¥1,199M	12.5%	¥1,346M	14.0%	¥1,563M	15.3%	¥217M	16.1%
CRO	sales	¥1,081M		¥1,090M		¥1,456M		¥366M	33.5%
	Segment profit	¥140M	12.9%	¥105M	9.6%	¥224M	15.4%	¥119M	114.0%

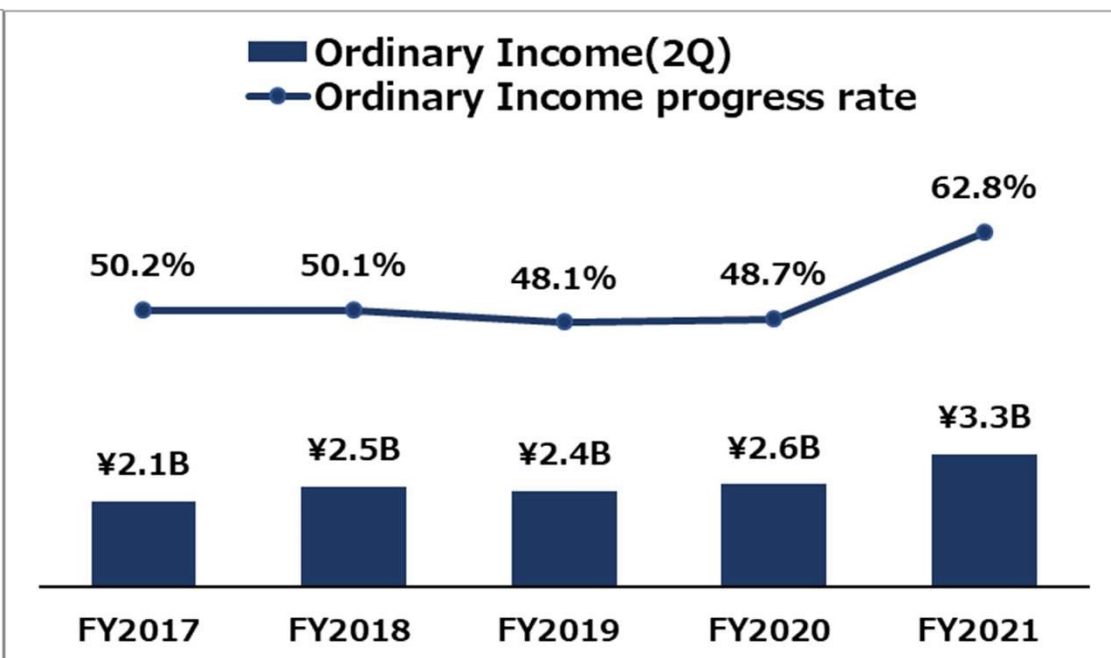
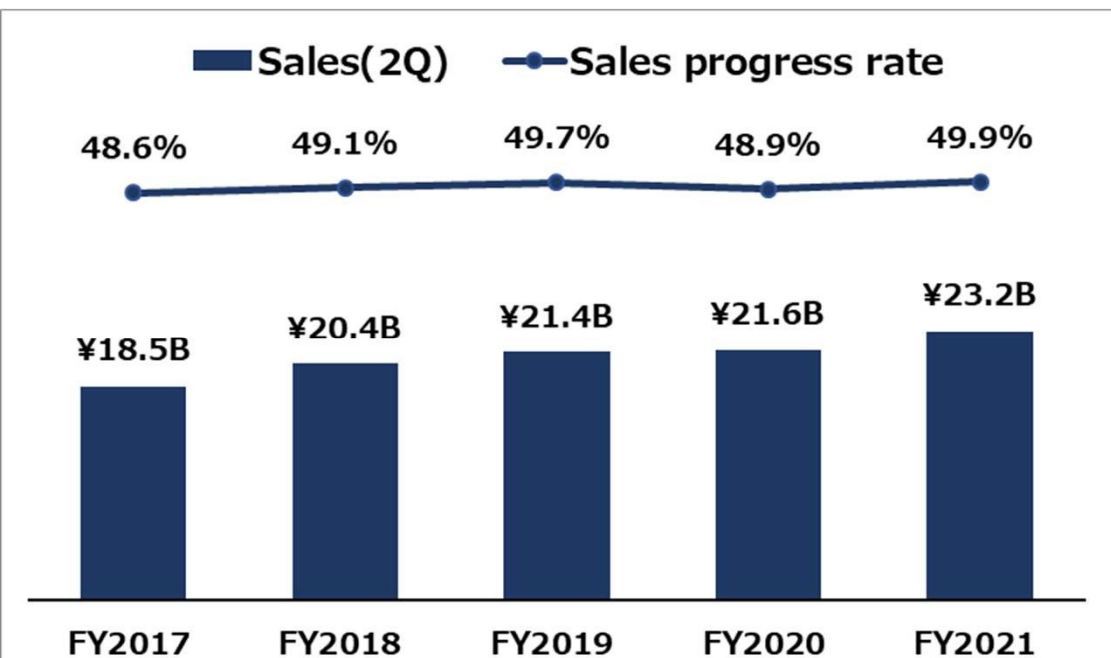
2Q		FY2019 2Q		FY2020 2Q		FY2021 2Q		21-22 Increase	21-22 Increase Rate
Human resources	sales	¥9,610M		¥9,496M		¥9,814M		¥318M	3.3%
	Segment profit	¥1,192M	12.4%	¥1,116M	11.8%	¥1,288M	13.1%	¥172M	15.4%
CRO	sales	¥985M		¥1,212M		¥1,637M		¥425M	35.1%
	Segment profit	¥63M	6.4%	¥152M	12.5%	¥369M	22.6%	¥218M	143.5%

Full-year forecast and dividends

FY2021 Forecast

	FY2020			FY2021(Forecast)		
	Amount	Composition ratio	Growth rate	Amount	Composition ratio	Growth rate
Net Sales	¥44.1B	100.0%	2.4%	¥46.6B	100.0%	5.6%
Gross Margin	¥11.5B	26.1%	1.3%	¥12.0B	25.7%	3.9%
SG(&)A	¥6.4B	14.6%	0.0%	¥6.7B	14.4%	4.6%
Operating Income	¥5.1B	11.6%	3.1%	¥5.3B	11.3%	2.9%
Ordinary Income	¥5.2B	11.9%	5.7%	¥5.3B	11.3%	0.3%
Net Income	¥3.4B	7.7%	9.4%	¥3.3B	7.0%	-3.8%

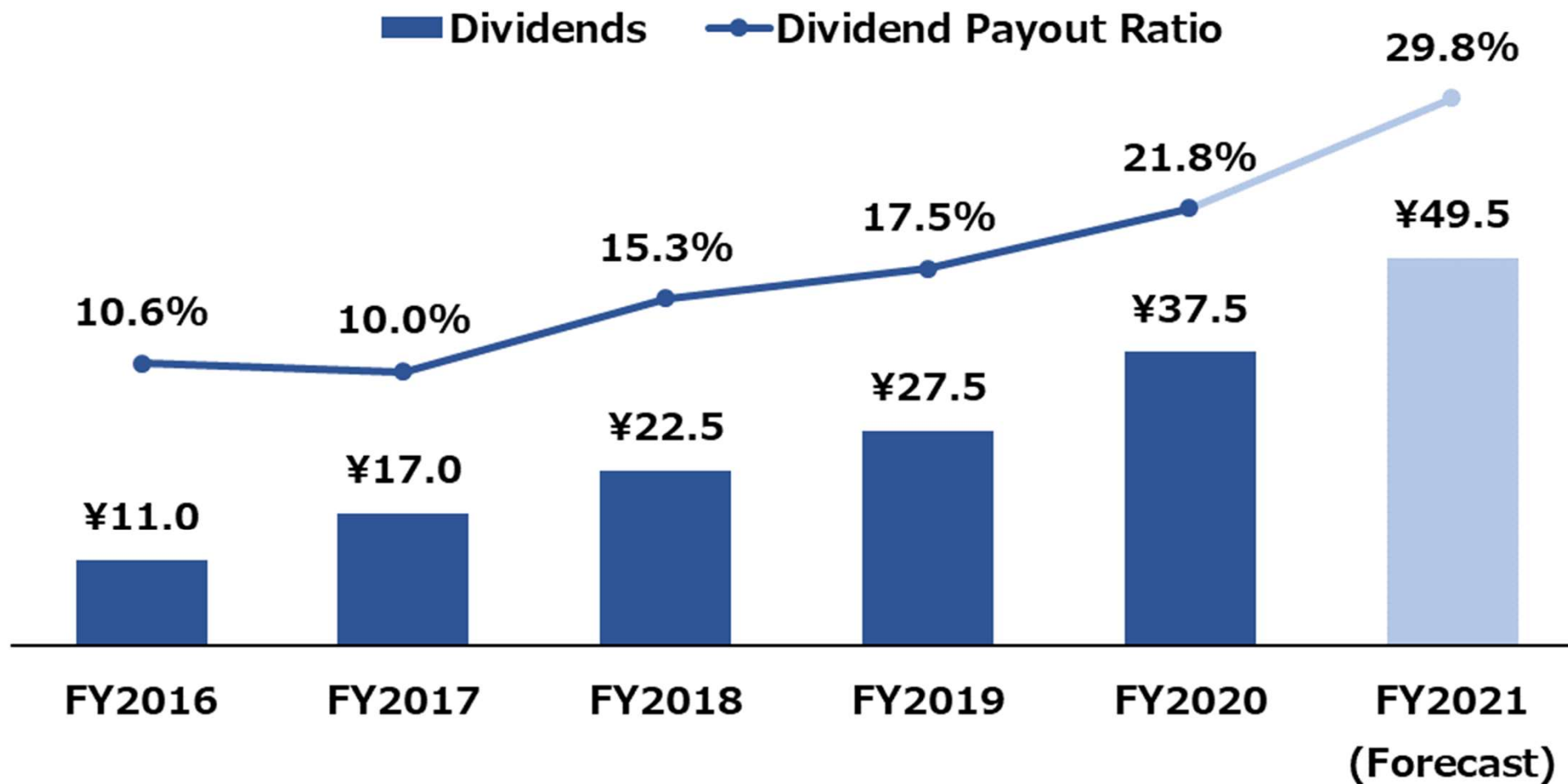
Progress rate against Forecast 2021



Both sales and ordinary income are progressing steadily.

Dividends

We plan to pay a dividend of 49.5 yen for this term.



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