

# Respond, Exceed



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**WDB Holdings Co., Ltd.  
FY2021 3Q Financial Report**

# Company Overview (February 2022)

WDB

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	: 1,027 (temporary staff and others / 10,079)
Sales	: ¥44.1 billion (FY2020)
Ordinary Income	: ¥5.24 billion (FY2020)

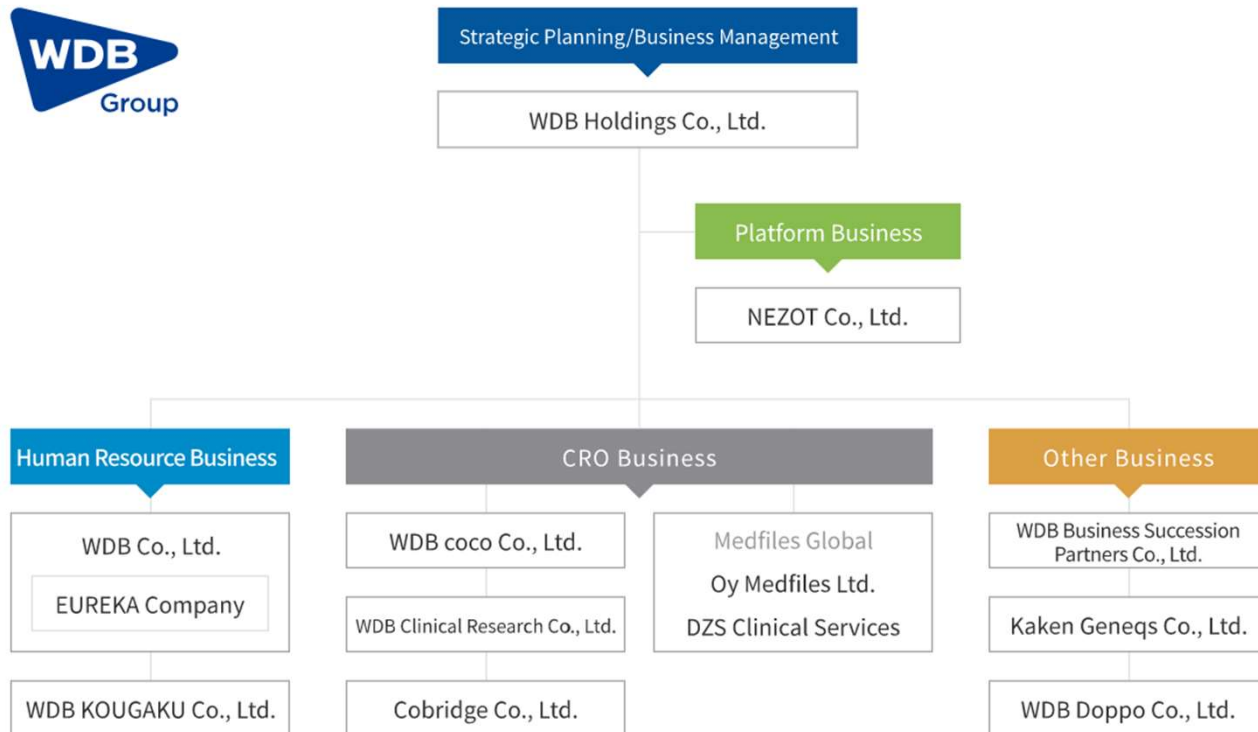
## <Business Domain>

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



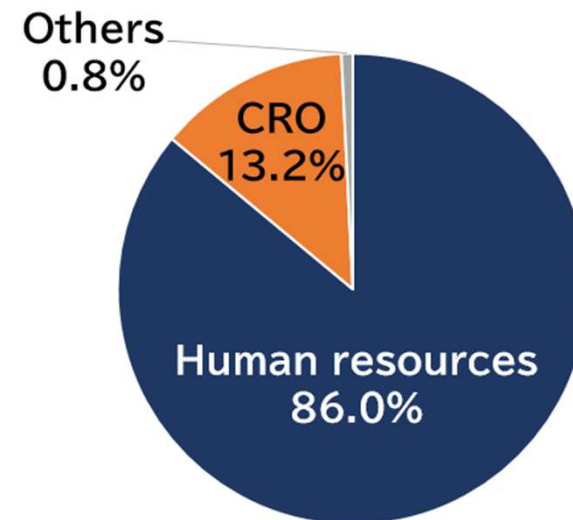
Head Office (Himeji, Hyogo)

# Group Companies (February 2022)

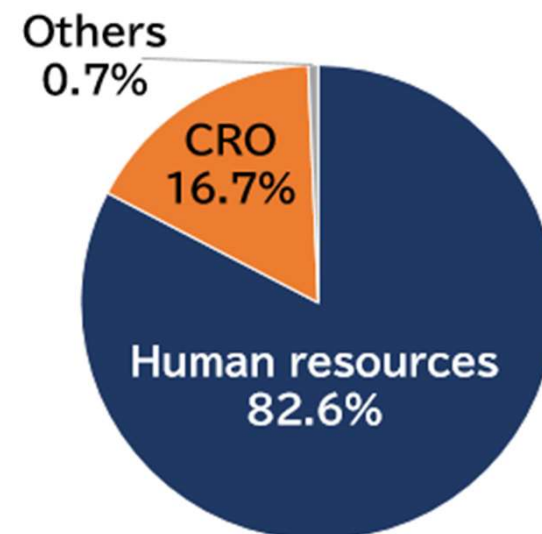


WDB Group has three business domains: Human Resource Services, CRO, and Other businesses.

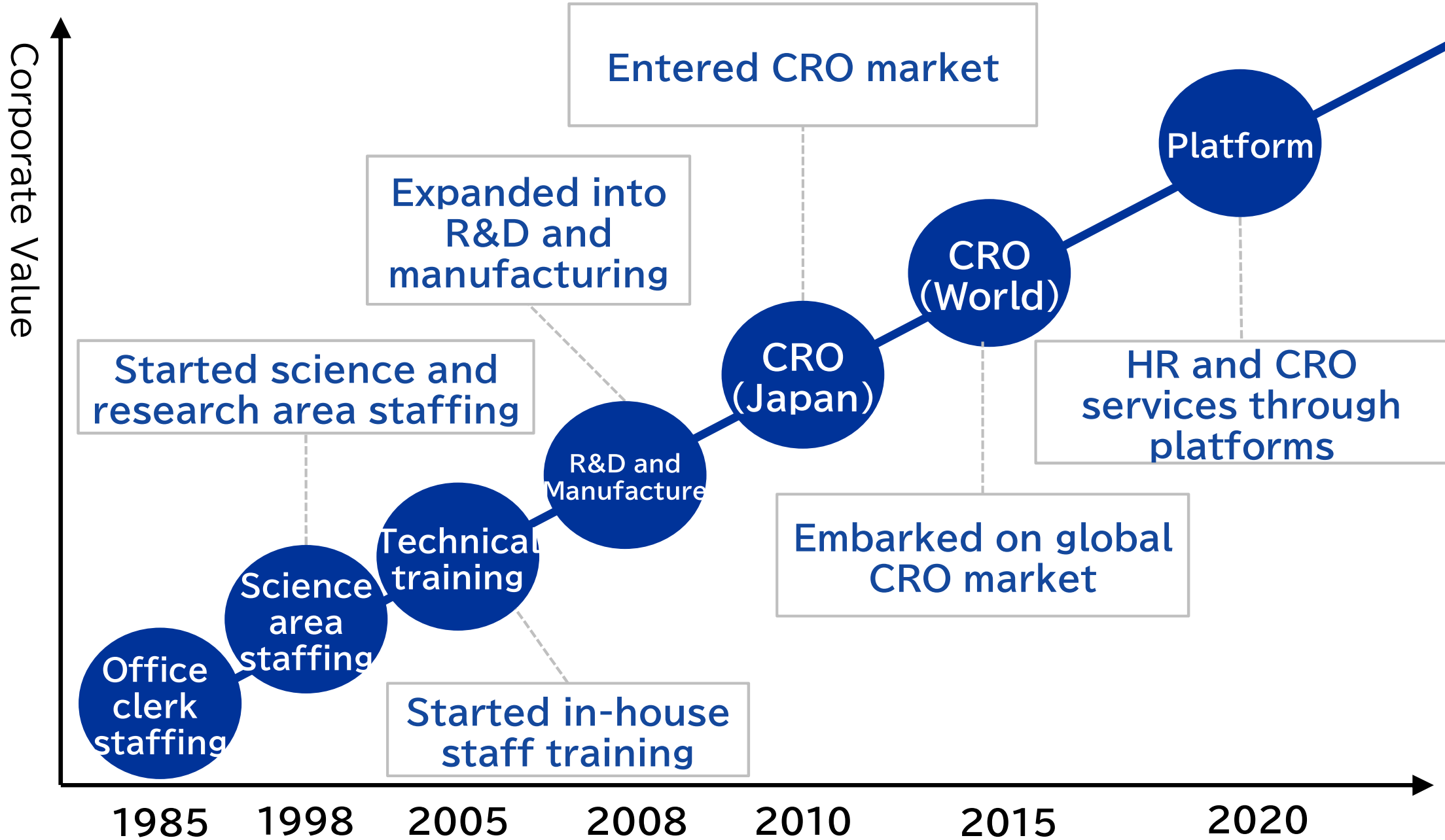
## <Sales composition (3Q)>



## <Profit composition (3Q)>

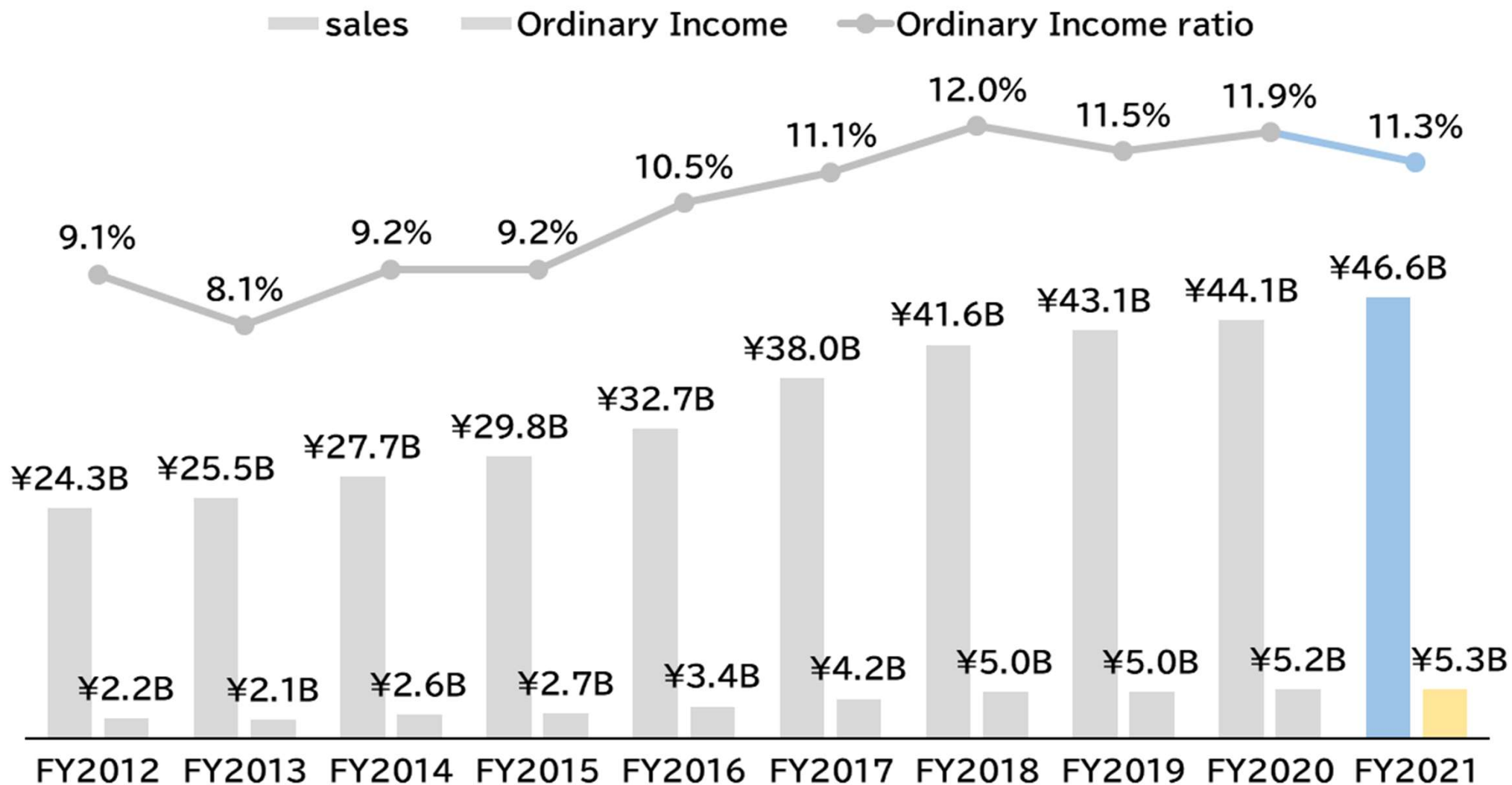


# History and Business Expansion



# Financial Results

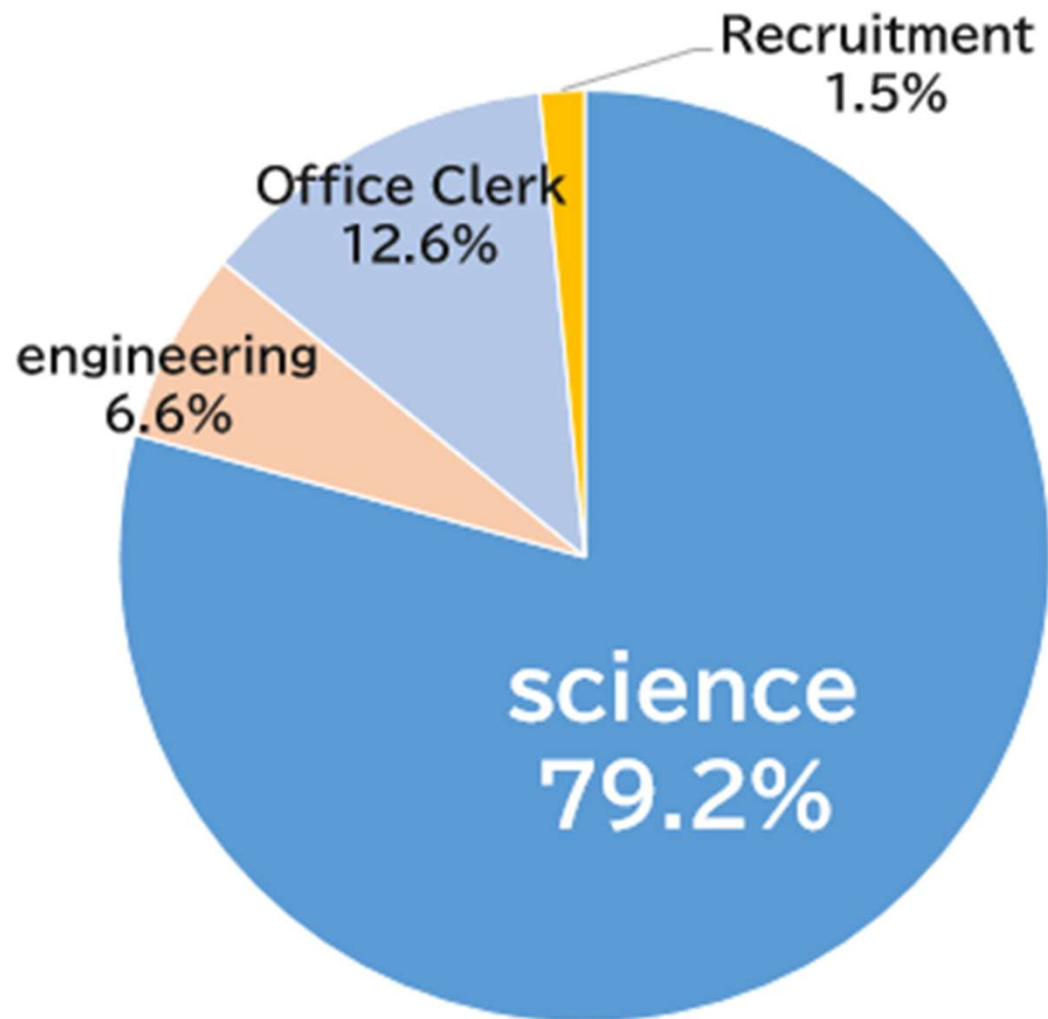
Sales and profits are steadily growing for the past 10 years.



# Human Resource (Staffing) Business

# Sales Breakdown of Staffing Business

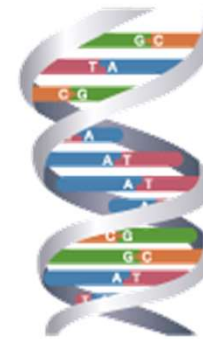
Our staffing business is mainly focusing on the science and research field.



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



## <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.

On December 28, 2021, we announced our medium- to long-term management policy. The following describes the future development of the staffing business explained in that.

1. Deliver Staffing services through our platform to increase convenience and productivity in order to reduce costs.  
(Explanation on the platform on the following pages)
2. Use reduced costs to improve the conditions of staffed employees in order to achieve sustainable growth and full-scale entry into dispatching clerical staff.
3. The ordinary profit margin of the human resources business should be maintained at 10%.  
Aim for long-term sustainable profit growth, not short-term high profits.

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

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

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

We will continue to improve doconico.

# Staffing platform "doconico"

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

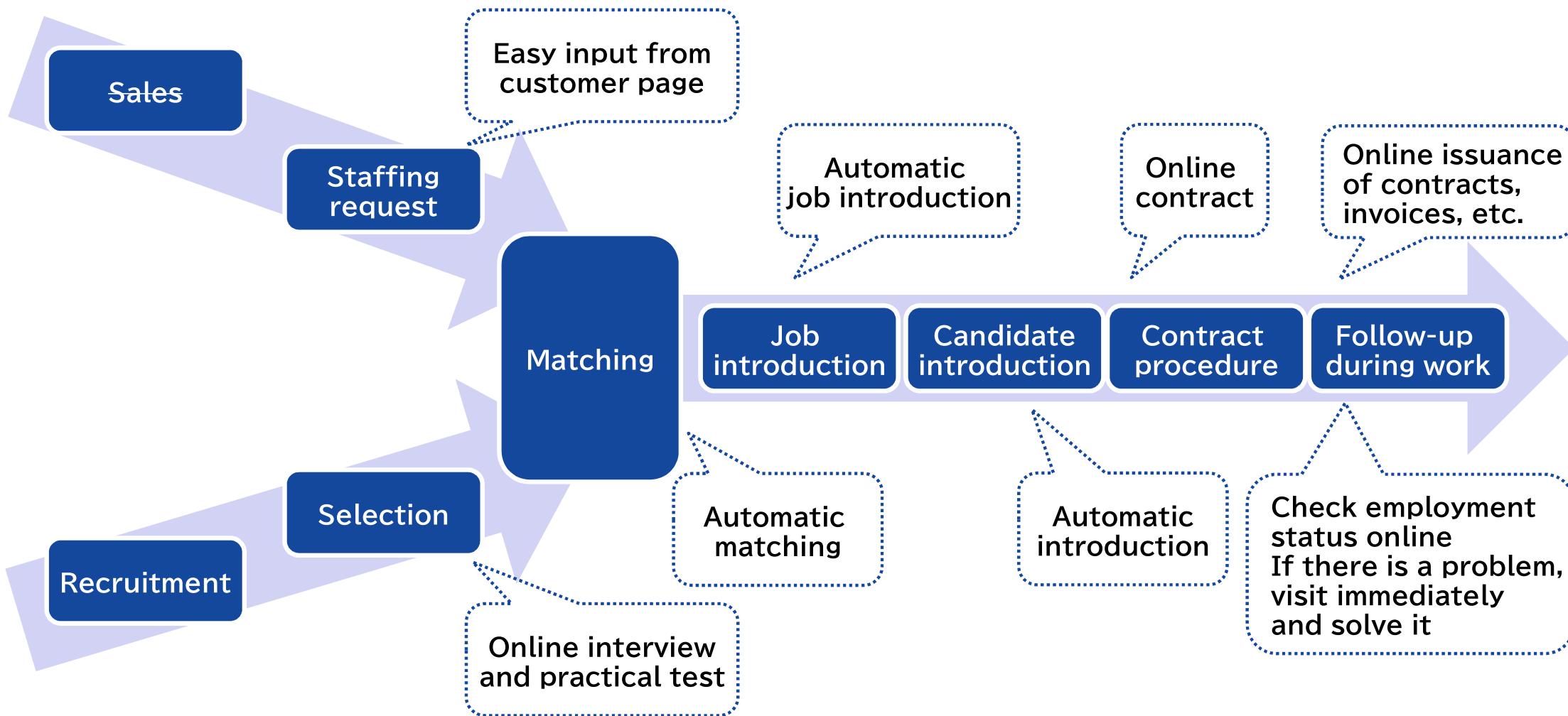
Various labor procedures and documents can be made paperless and efficient, as well as dispatched staff information can be centrally managed.

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 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.



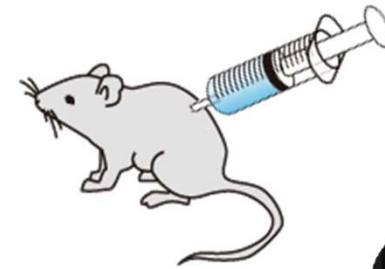
# CRO Business

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



## JAPAN

### •WDB COCO

- Safety evaluation
- workdocument support

### •WDB CLINICAL RESEARCH

- Data management
- statistical analysis

### •COBRIDGE

- Pharmaceutical affairs application for medical devices

## EUROPA

### •MEDFILES

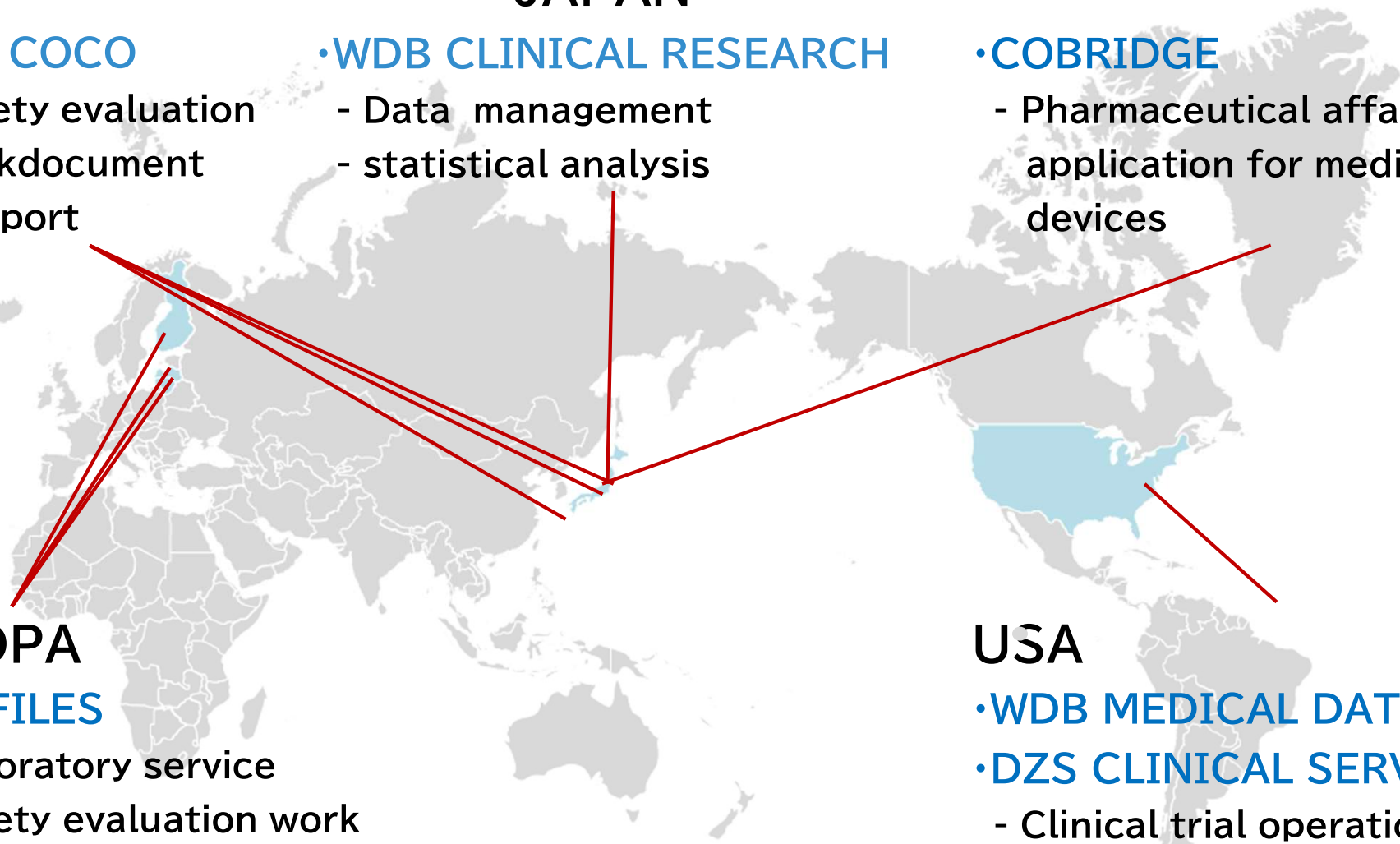
- Laboratory service
- Safety evaluation work
- Clinical trial
- Data management
- Statistical analysis
- Pharmaceutical affairs

## USA

### •WDB MEDICAL DATA

### •DZS CLINICAL SERVICES

- Clinical trial operation
- Medical call center
- Data management
- Statistical analysis



# Financials (summary)

# FY2021 3Q Financials (YTD)

3Q(accum.)	FY2019 3Q		FY2020 3Q		FY2021 3Q		20-21 Increase	20-21 Increase Rate
sales	¥32,421M	100.0%	¥32,883M	100.0%	¥35,296M	100.0%	¥2,413M	7.3%
cost	¥23,787M	73.4%	¥24,289M	73.9%	¥25,744M	72.9%	¥1,455M	6.0%
Gross Margin	¥8,634M	26.6%	¥8,594M	26.1%	¥9,552M	27.1%	¥958M	11.2%
SG(&)A	¥4,891M	15.1%	¥4,662M	14.2%	¥4,628M	13.1%	-¥34M	-0.7%
Operating Income	¥3,744M	11.5%	¥3,931M	12.0%	¥4,924M	14.0%	¥992M	25.2%
Ordinary Income	¥3,742M	11.5%	¥3,961M	12.0%	¥4,975M	14.1%	¥1,013M	25.6%
Net Income	¥2,208M	6.8%	¥2,609M	7.9%	¥3,147M	8.9%	¥538M	20.6%

- 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 (Single Term)	FY2019 1Q		FY2020 1Q		FY2021 1Q		20-21 Increase	20-21 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		20-21 Increase	20-21 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%

# Quarterly results

3Q (Single Term)	FY2019 3Q		FY2020 3Q		FY2021 3Q		20-21 Increase	20-21 Increase Rate
sales	¥10,987M	100.0%	¥11,290M	100.0%	¥12,060M	100.0%	¥770M	6.8%
cost	¥7,991M	72.7%	¥8,336M	73.8%	¥8,814M	73.1%	¥478M	5.7%
Gross Margin	¥2,996M	27.3%	¥2,954M	26.2%	¥3,246M	26.9%	¥292M	9.9%
SG(&)A	¥1,637M	14.9%	¥1,551M	13.7%	¥1,592M	13.2%	¥41M	2.7%
Operating Income	¥1,359M	12.4%	¥1,402M	12.4%	¥1,653M	13.7%	¥251M	17.9%
Ordinary Income	¥1,355M	12.3%	¥1,409M	12.5%	¥1,670M	13.8%	¥260M	18.5%
Net Income	¥785M	7.1%	¥960M	8.5%	¥1,108M	9.2%	¥148M	15.4%

## <Human resources>

- There is no influence of corona for the existing staffing business.  
The number of new orders has recovered to the level of Before-Corona.
- We are actively engaged in sales activities. The job advertisements that were reduced due to the corona have come back almost to the ordinary level.
- In April 2021, we released the system “doconico” that provides staffing services.  
Customer awareness is almost 100%.  
We are working on activities aimed at making more effective use by our customers, and make additional developments to make the system even more convenient.

## <CRO>

- There is no significant influence of corona both in Japan and overseas.  
However, we will withdraw from the synthetic experiment business in India.

## <Others>

- We have decided the divestiture of Kaken Geneqs.  
The transaction will be done on February 25th.



# FY2021 3Q Financials (By segment)

3Q(accum.)		FY2019 3Q		FY2020 3Q		FY2021 3Q		20-21 Increase	20-21 Increase Rate
Human resources	sales	¥29,099M		¥29,197M		¥30,356M		¥1,160M	4.0%
	Segment profit	¥3,791M	13.0%	¥3,828M	13.1%	¥4,326M	14.3%	¥498M	13.0%
CRO	sales	¥3,047M		¥3,485M		¥4,664M		¥1,179M	33.8%
	Segment profit	¥285M	9.3%	¥387M	11.1%	¥873M	18.7%	¥486M	125.4%

# Quarterly results (by segment)

1Q		FY2019 1Q		FY2020 1Q		FY2021 1Q		20-21 Increase	20-21 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		20-21 Increase	20-21 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%

3Q		FY2019 3Q		FY2020 3Q		FY2021 3Q		20-21 Increase	20-21 Increase Rate
Human resources	sales	¥9,914M		¥10,070M		¥10,348M		¥278M	2.8%
	Segment profit	¥1,399M	14.1%	¥1,366M	13.6%	¥1,475M	14.3%	¥109M	8.0%
CRO	sales	¥980M		¥1,183M		¥1,572M		¥388M	32.8%
	Segment profit	¥82M	8.4%	¥131M	11.1%	¥280M	17.8%	¥149M	113.7%

# Full-year forecast and dividends

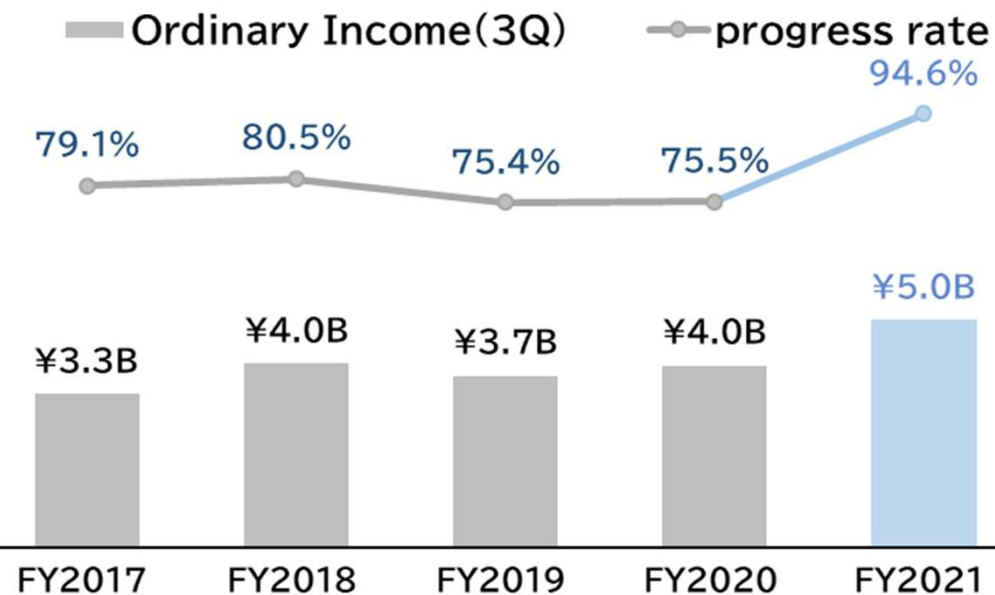
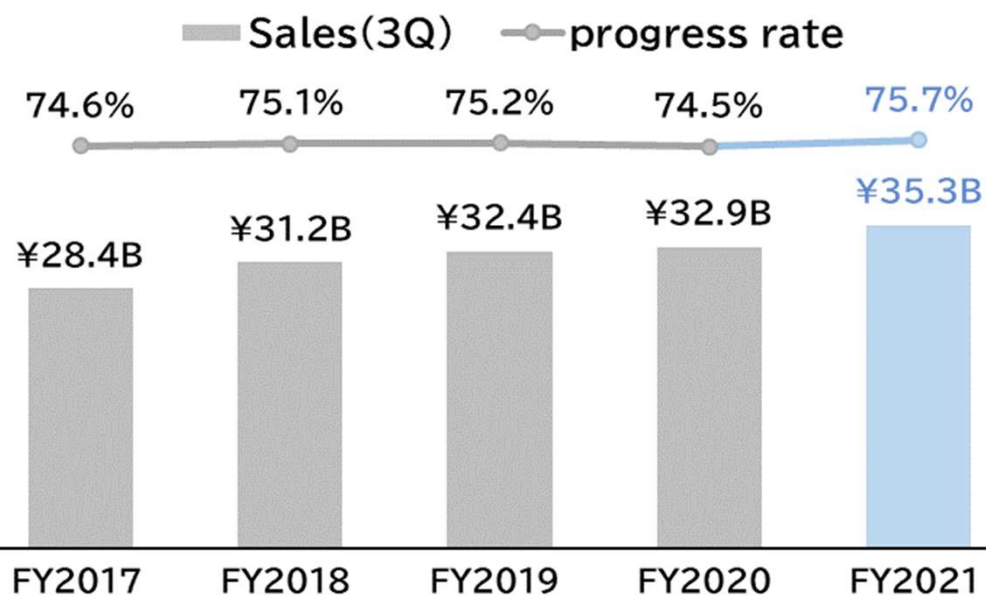
# FY2021 Forecast

There are no changes in the full-year forecast from the announcement on May 14, 2021.

	FY2019			FY2020			FY2021(Forecast)			
	Amount	Composition ratio	Growth rate	Amount	Composition ratio	Growth rate	Amount	Composition ratio	increase/decrease	Growth rate
Net Sales	¥43.1B	100.0%	3.7%	¥44.1B	100.0%	2.4%	¥46.6B	100.0%	¥2.5B	5.6%
Gross Margin	¥11.4B	26.4%	7.2%	¥11.5B	26.1%	1.3%	¥12.0B	25.7%	¥0.4B	3.9%
SG(&)A	¥6.4B	14.9%	13.7%	¥6.4B	14.6%	0.0%	¥6.7B	14.4%	¥0.3B	4.6%
Operating Income	¥5.0B	11.5%	-0.1%	¥5.1B	11.6%	3.1%	¥5.3B	11.3%	¥0.2B	2.9%
Ordinary Income	¥5.0B	11.5%	-0.6%	¥5.2B	11.9%	5.7%	¥5.3B	11.3%	¥0.0B	0.3%
Net Income	¥3.1B	7.2%	6.6%	¥3.4B	7.7%	9.3%	¥3.3B	7.0%	-¥0.1B	-3.8%

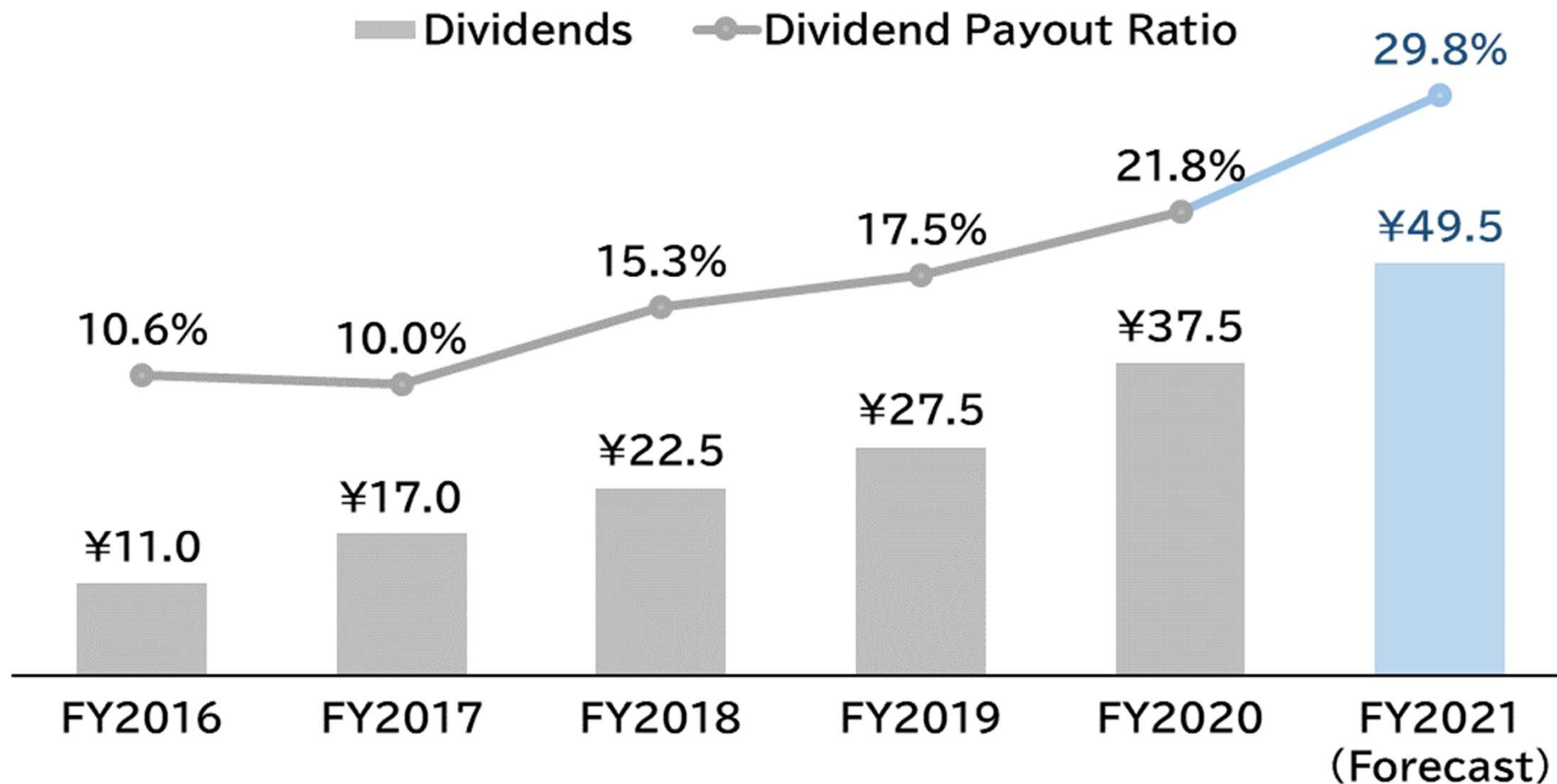
# Progress rate against Forecast 2021

Both sales and ordinary income are progressing steadily.



# Dividends

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



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>

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