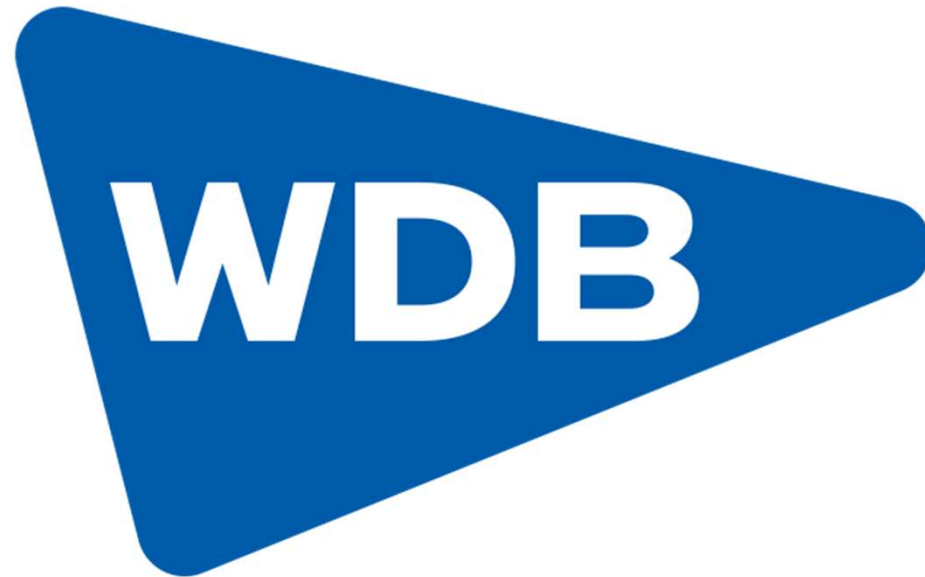


Respond, Exceed



**WDB Holdings Co., Ltd.
FY2022 3Q Financial Report**

Company Overview (Feb. 2023)

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	:1,031 (temporary staff and others / 10,384)
Sales	:¥46.8 billion(FY2021)
Ordinary Income	:¥ 6.3 billion(FY2021)

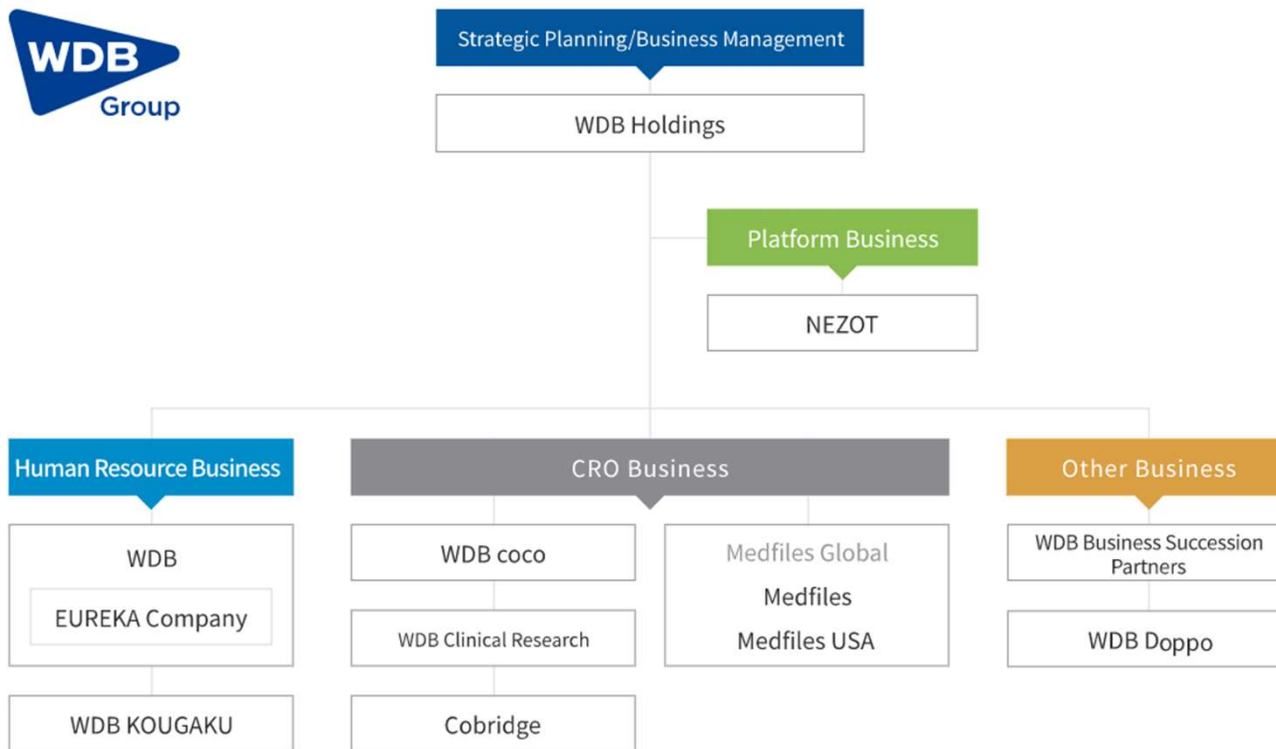
<Business Domain>

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



Head Office (Himeji, Hyogo)

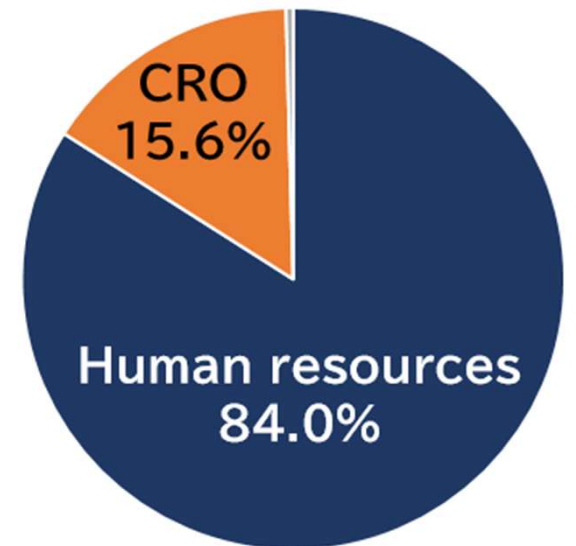
Group Companies (Feb. 2023)



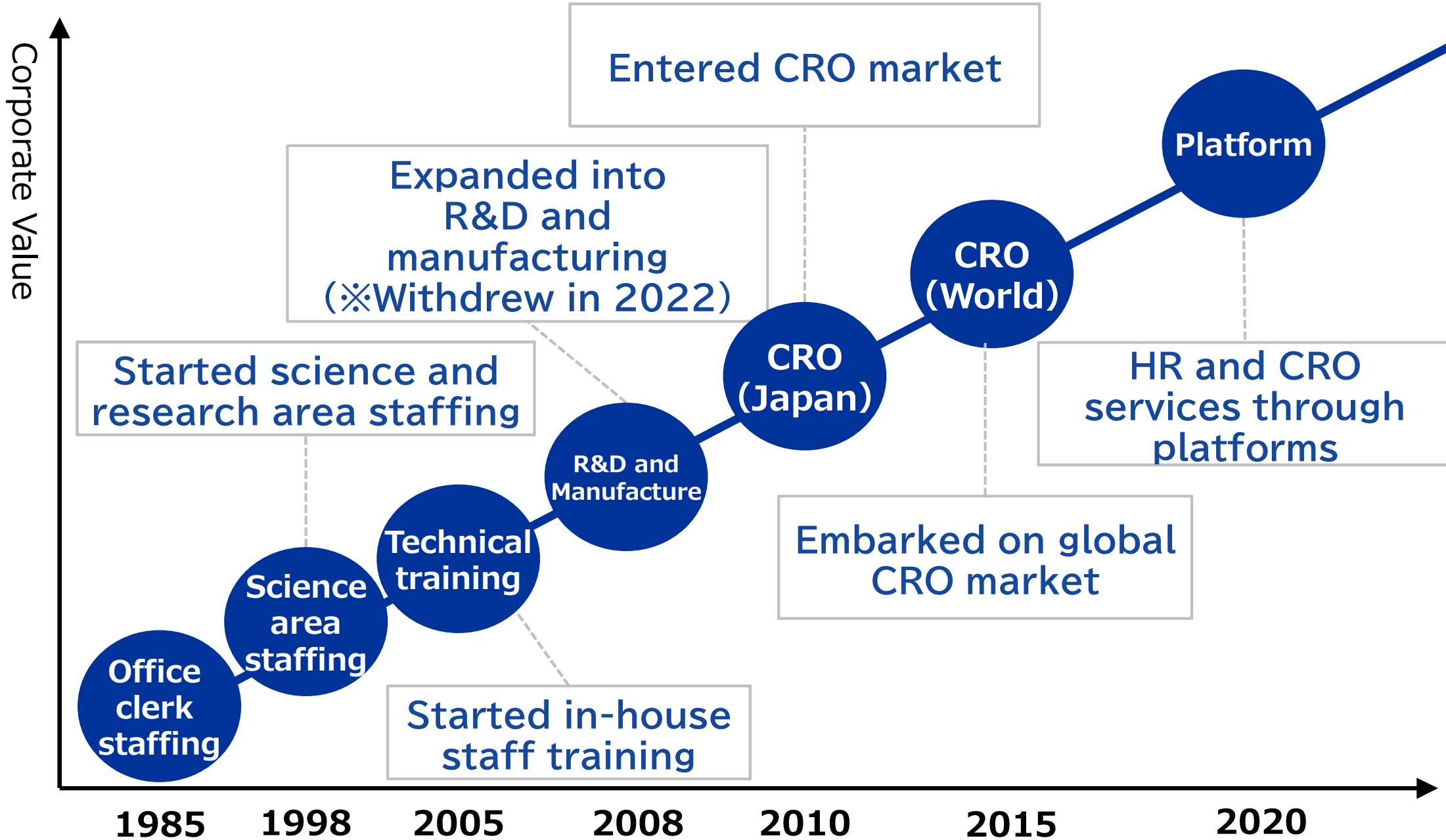
<Sales composition (FY2021)>



<Profit composition (FY2021)>

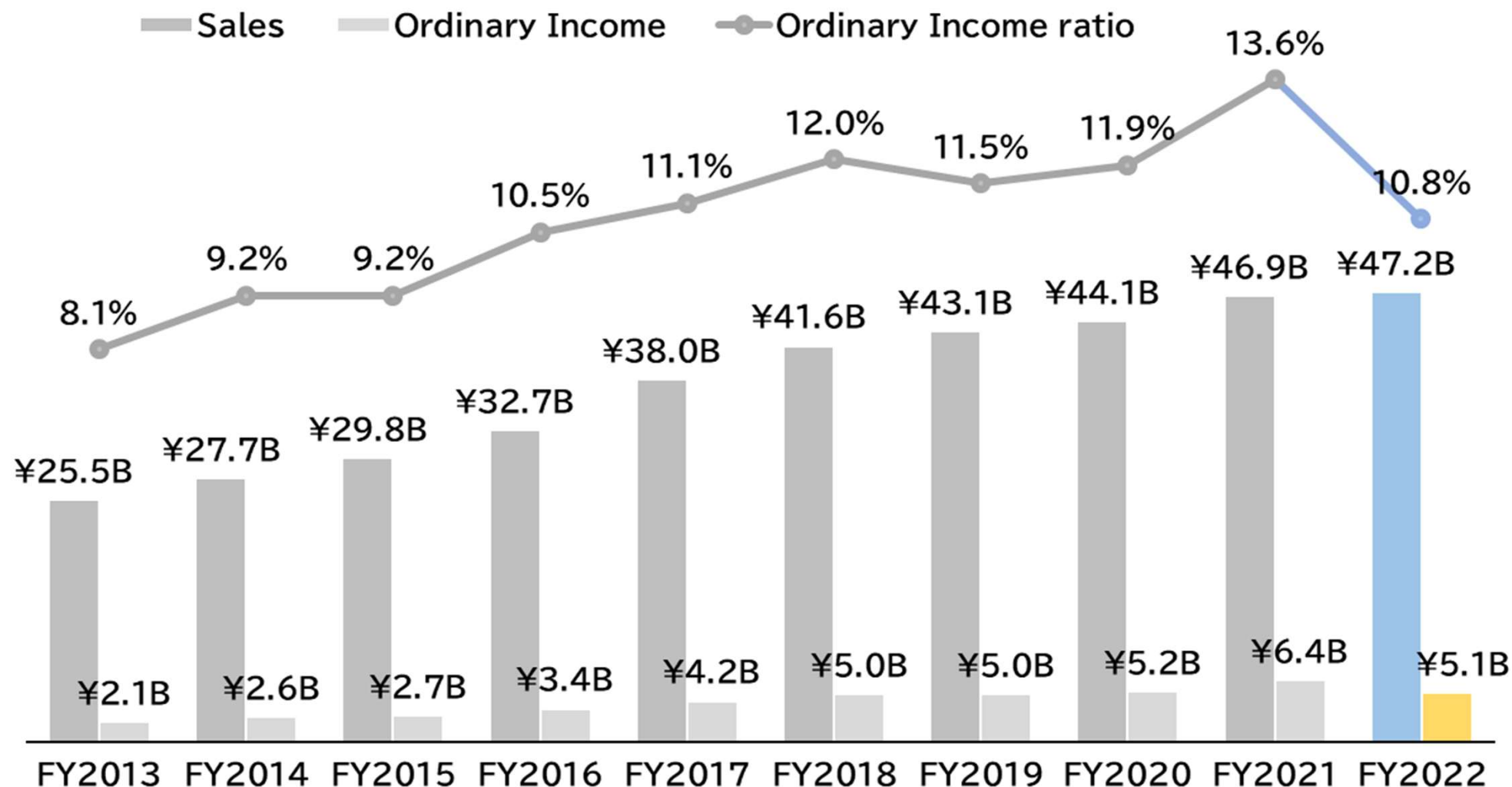


History and Business Expansion



Financial Results

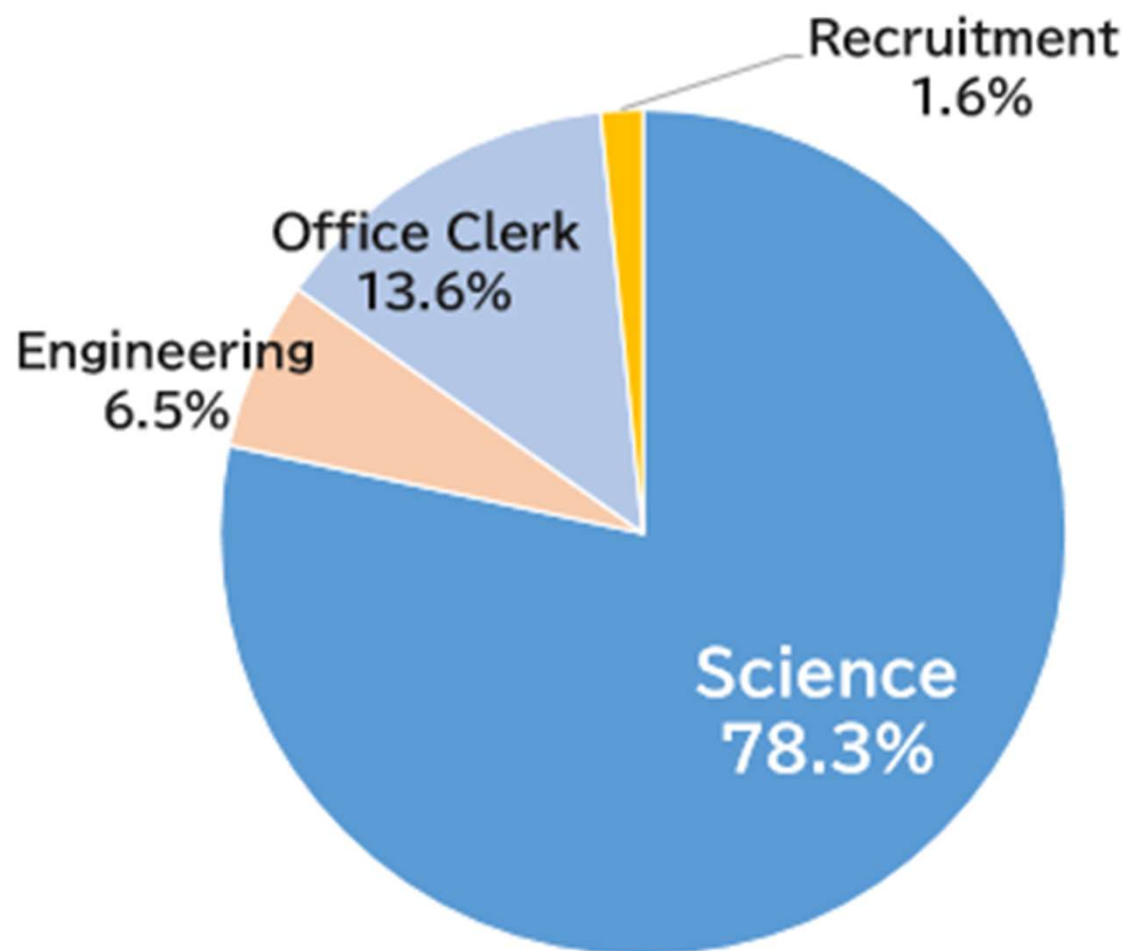
Sales and profits are steadily growing for the past 10 years. However, in FY2022, profits are expected to decline temporarily as we work to improve the treatment of dispatched employees for future growth.



Human Resource (Staffing) Business

Sales Breakdown of Staffing Business

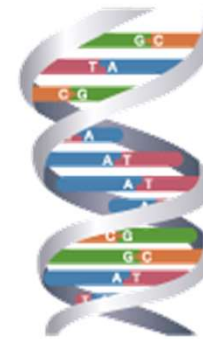
Our staffing business is mainly focusing on the science and research field. Our company accounts for approx. 1/3 of the science-related temporary staffing market (95 billion yen) ※ --- (※ market size by our estimate).



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

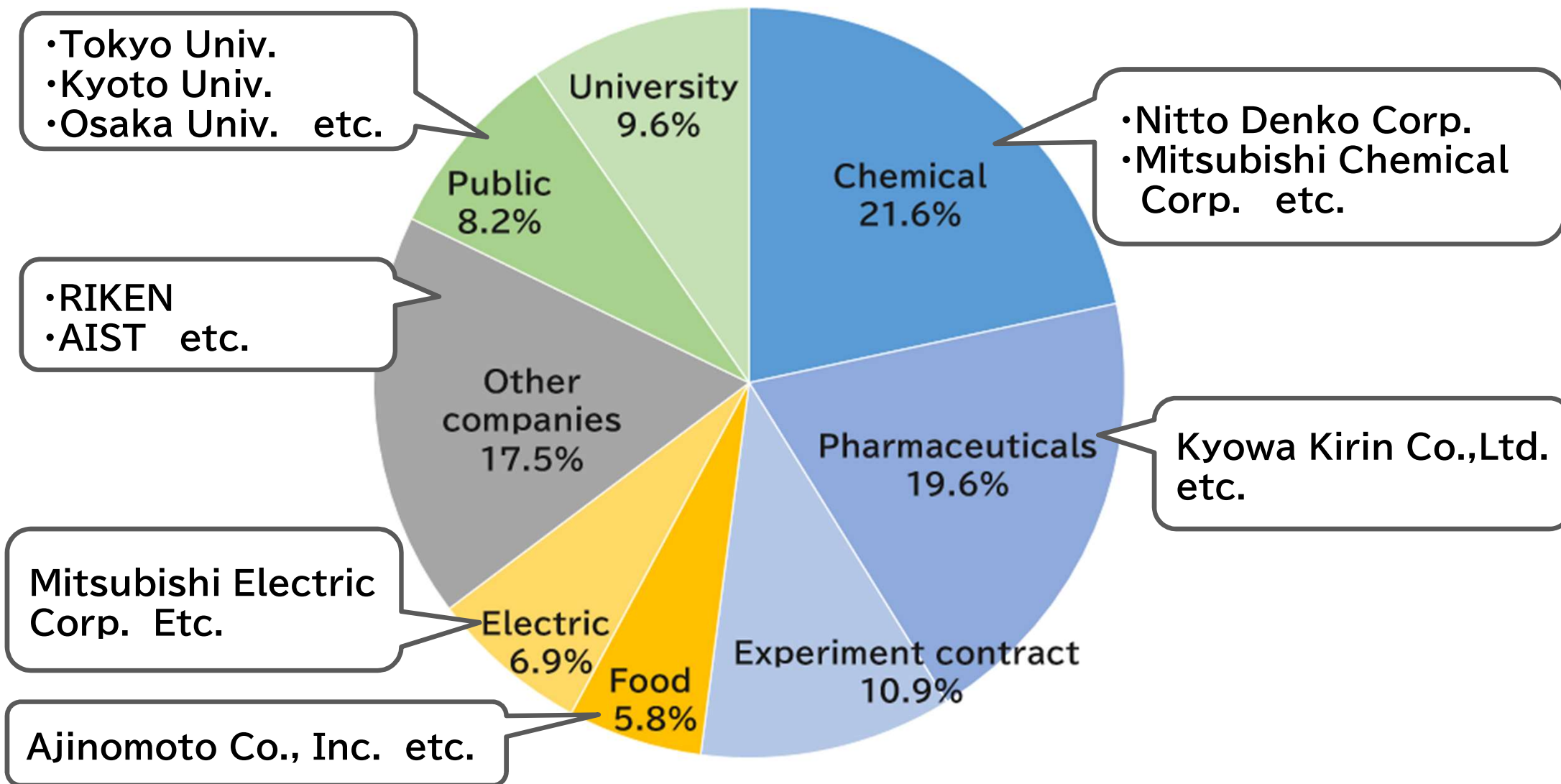


Two Staff Dispatch Types in Japan

	Registration type staffing	Permanent employee type staffing
Form of employment	Employ only for the period when there is a dispatch contract	Employ indefinitely as a full-time employee
Employment period	Months to years (may continue working for more than 10 years)	Long-term employment decades (may work until retirement age)
Selection of staffing destination	Job applicants to choose and apply	Employment agency to choose (Job applicants cannot choose destinations)
Salary when not staffed	None (registration remains and may work again)	Available (wait for the next assignment while receiving training)
Main handling fields	Office work, sales, factory work	Technical (Mainly engineer)
Main staff attributes	Female staff/home-makers	Male staff
New graduates employment	Mid-career recruitment only	Major companies employ by hundreds-units.
Main staffing agencies	PERSoL, Recruit, Pasona	Technopro, Meitec, UT Group
Dispatching price	Permanent employee type prices are 1.5 to 2 times of registration type.	
Reasons for using permanent employee type dispatch	<ul style="list-style-type: none"> • Looking for highly skilled workers • There are laboratories and factories in the areas (where it is) difficult to hire people locally 	
WDBG staff share	60%	40%

Sales composition ratio by industry segment

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



<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 level of satisfaction for customer and staff both >

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

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 already released in April 2021. The transformation of human resources services has been in progress. We plan to release platforms related to CRO services in sequence.

Staffing platform "doconico"

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

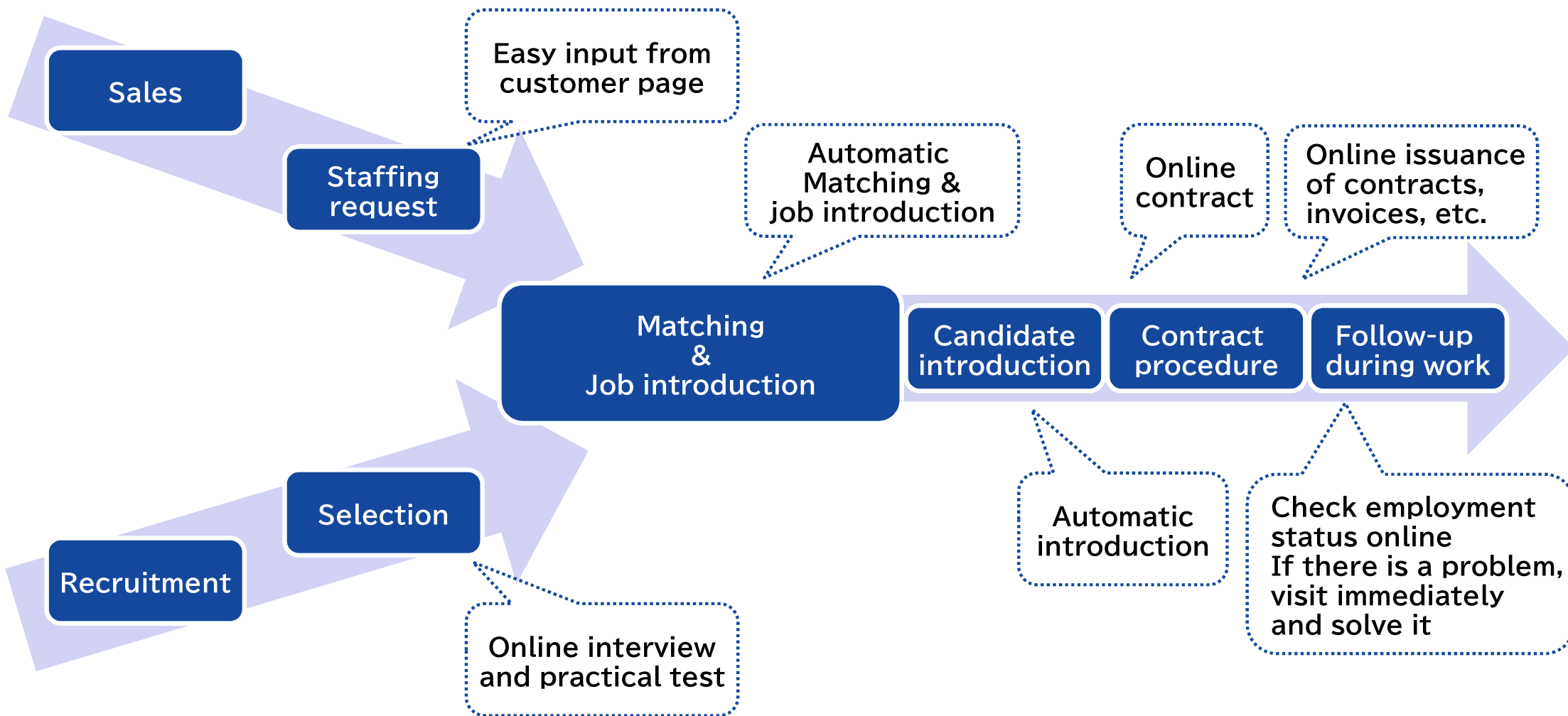
Various labor procedures and documents can be made paperless and efficient, as well as dispatched staff information can be centrally managed.

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.



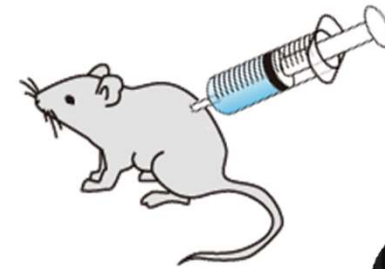
CRO Business

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

EUROPE

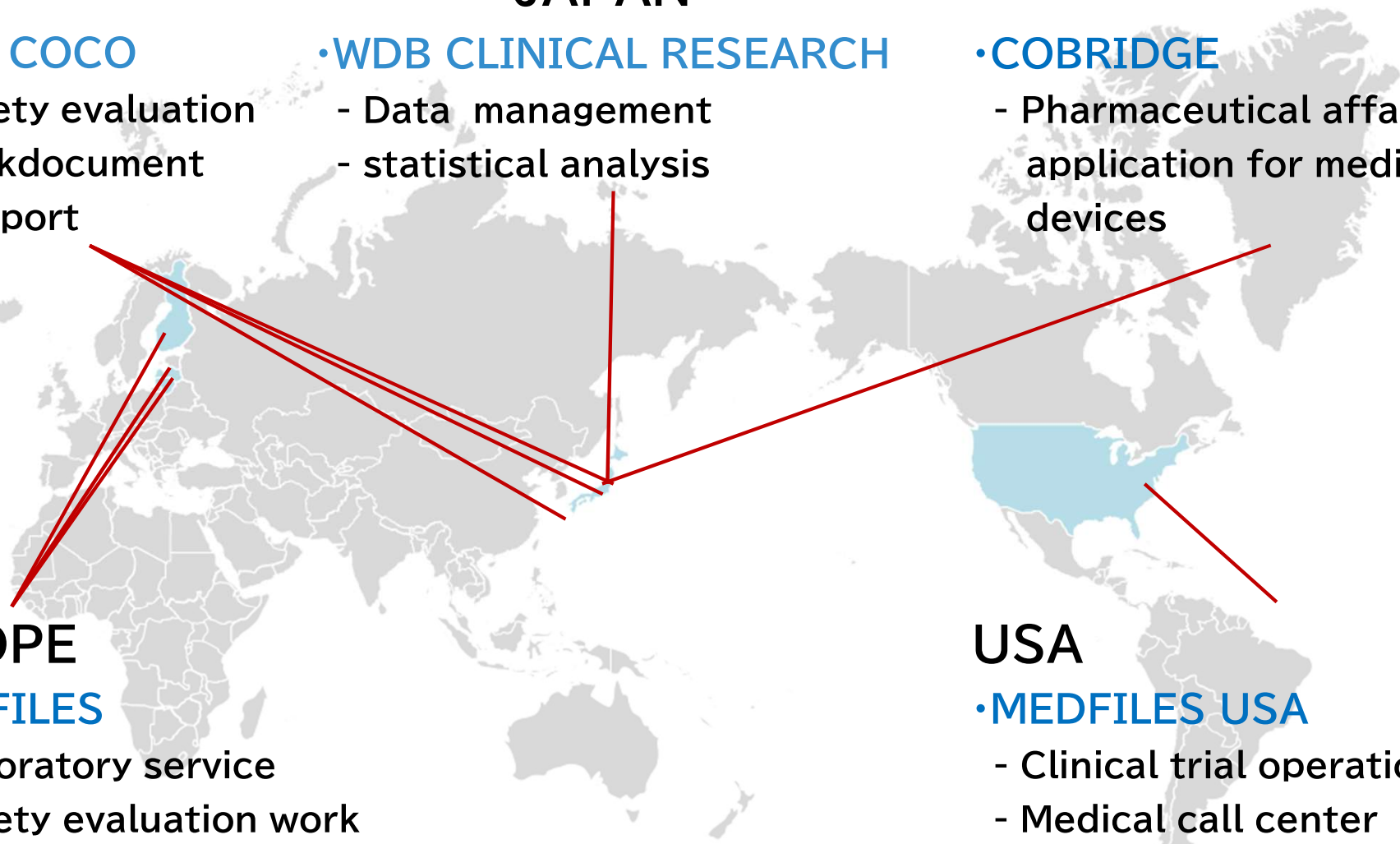
•MEDFILES

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

USA

•MEDFILES USA

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



Financials (Summary)

Business Performance (Consolidated)

3Q(accum.)	FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
sales	¥32,883M	100.0%	¥35,296M	100.0%	¥35,735M	100.0%	¥439M	1.2%
cost	¥24,289M	73.9%	¥25,744M	72.9%	¥26,614M	74.5%	¥870M	3.4%
Gross Margin	¥8,594M	26.1%	¥9,552M	27.1%	¥9,121M	25.5%	-¥431M	-4.5%
SG(&)A	¥4,662M	14.2%	¥4,628M	13.1%	¥4,849M	13.6%	¥221M	4.8%
Operating Income	¥3,931M	12.0%	¥4,924M	14.0%	¥4,272M	12.0%	-¥652M	-13.2%
Ordinary Income	¥3,961M	12.0%	¥4,975M	14.1%	¥4,325M	12.1%	-¥649M	-13.0%
Net Income	¥2,609M	7.9%	¥3,147M	8.9%	¥2,565M	7.2%	-¥583M	-18.5%

- Sales increased and profit decreased for 3Q/FY2022.
The main factors behind the increase in sales were an increase in the number of dispatched staff and an increase in the dispatch unit price. The number of business days decreased by one day compared to the previous term.
- On the other hand, as a result of increased cost rate due to increased compensation for temporary workers raising the base of employee compensation, the SG & A expense ratio increased. Consequently, profits declined.

Business Performance (Consolidated, Quarterly)

1Q (Single Term)	FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
sales	¥10,833M	100.0%	¥11,711M	100.0%	¥11,860M	100.0%	¥149M	1.3%
cost	¥7,909M	73.0%	¥8,466M	72.3%	¥8,797M	74.2%	¥331M	3.9%
Gross Margin	¥2,924M	27.0%	¥3,245M	27.7%	¥3,063M	25.8%	-¥182M	-5.6%
SG(&)A	¥1,561M	14.4%	¥1,543M	13.2%	¥1,635M	13.8%	¥91M	5.9%
Operating Income	¥1,363M	12.6%	¥1,702M	14.5%	¥1,429M	12.0%	-¥273M	-16.0%
Ordinary Income	¥1,366M	12.6%	¥1,727M	14.7%	¥1,434M	12.1%	-¥293M	-17.0%
Net Income	¥829M	7.7%	¥1,070M	9.1%	¥893M	7.5%	-¥177M	-16.5%

2Q (Single Term)	FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
sales	¥10,760M	100.0%	¥11,524M	100.0%	¥11,852M	100.0%	¥328M	2.9%
cost	¥8,044M	74.8%	¥8,463M	73.4%	¥8,840M	74.6%	¥377M	4.5%
Gross Margin	¥2,716M	25.2%	¥3,061M	26.6%	¥3,013M	25.4%	-¥48M	-1.6%
SG(&)A	¥1,550M	14.4%	¥1,492M	12.9%	¥1,592M	13.4%	¥100M	6.7%
Operating Income	¥1,166M	10.8%	¥1,569M	13.6%	¥1,420M	12.0%	-¥148M	-9.5%
Ordinary Income	¥1,186M	11.0%	¥1,578M	13.7%	¥1,458M	12.3%	-¥120M	-7.6%
Net Income	¥820M	7.6%	¥969M	8.4%	¥804M	6.8%	-¥165M	-17.0%

3Q (Single Term)	FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
sales	¥11,290M	100.0%	¥12,060M	100.0%	¥12,022M	100.0%	-¥38M	-0.3%
cost	¥8,336M	73.8%	¥8,814M	73.1%	¥8,977M	74.7%	¥162M	1.8%
Gross Margin	¥2,954M	26.2%	¥3,246M	26.9%	¥3,045M	25.3%	-¥201M	-6.2%
SG(&)A	¥1,551M	13.7%	¥1,592M	13.2%	¥1,622M	13.5%	¥30M	1.9%
Operating Income	¥1,402M	12.4%	¥1,653M	13.7%	¥1,423M	11.8%	-¥230M	-13.9%
Ordinary Income	¥1,409M	12.5%	¥1,670M	13.8%	¥1,434M	11.9%	-¥236M	-14.1%
Net Income	¥960M	8.5%	¥1,108M	9.2%	¥868M	7.2%	-¥241M	-21.7%

Business Performance (By Segment)

<Cumulative>

3Q(accum.)		FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
Human resources	sales	¥29,197M		¥30,356M		¥30,730M		¥373M	1.2%
	Segment profit	¥3,828M	13.1%	¥4,326M	14.3%	¥3,763M	12.2%	-¥563M	-13.0%
	business days	181		182		181		-1	-0.5%
	sales per day	¥161M		¥167M		¥170M		¥3M	1.8%
CRO	sales	¥3,485M		¥4,664M		¥5,005M		¥341M	7.3%
	Segment profit	¥387M	11.1%	¥873M	18.7%	¥888M	17.7%	¥15M	1.8%

Business Performance (By Segment)

<Quartely (Single Term)>

1Q		FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
Human resources	sales	¥9,631M		¥10,195M		¥10,274M		¥79M	0.8%
	Segment profit	¥1,346M	14.0%	¥1,563M	15.3%	¥1,399M	13.6%	-¥164M	-10.5%
	business days	60		61		60		-1	-1.6%
	sales per day	¥161M		¥167M		¥171M		¥4M	2.5%
CRO	sales	¥1,090M		¥1,456M		¥1,586M		¥130M	8.9%
	Segment profit	¥105M	9.6%	¥224M	15.4%	¥179M	11.3%	-¥45M	-19.9%

2Q(Single Term)		FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
Human resources	sales	¥9,496M		¥9,814M		¥10,115M		¥301M	3.1%
	Segment profit	¥1,116M	11.8%	¥1,246M	12.7%	¥1,131M	11.2%	-¥116M	-9.3%
	business days	59		59		60		1	1.7%
	sales per day	¥161M		¥166M		¥169M		¥2M	1.4%
CRO	sales	¥1,212M		¥1,637M		¥1,738M		¥101M	6.2%
	Segment profit	¥152M	12.5%	¥369M	22.6%	¥395M	22.7%	¥26M	6.9%

3Q(Single Term)		FY2020		FY2021		FY2022		21-22 Increase	21-22 Increase Rate
Human resources	sales	¥10,070M		¥10,348M		¥10,341M		-¥7M	-0.1%
	Segment profit	¥1,366M	13.6%	¥1,517M	14.7%	¥1,233M	11.9%	-¥284M	-18.7%
	business days	62		62		61		-1	-1.6%
	sales per day	¥162M		¥167M		¥170M		¥3M	1.6%
CRO	sales	¥1,183M		¥1,572M		¥1,681M		¥110M	7.0%
	Segment profit	¥131M	11.1%	¥280M	17.8%	¥314M	18.7%	¥34M	12.2%

<Human resources>

- The number of new dispatch requests and orders was the same as last year.
- There was an effect of improving the treatment of temporary employees.
- Regarding the dispatch service platform “doconico,” we are working to further improve and develop it and further increase the utilization of customers and temporary employees.
- In addition, as preparations for entering the clerical field, we are also proceeding with the development of the doconico office work version.
- We also proceeded with the optimization of the organizational structure in line with the provision of services through Doconico.

<CRO>

- Sales and profits increased. But the business in the United States is in a sluggish situation.
- Currently, the situation in Ukraine has almost no impact on our business.
- We are continuing to develop the CRO platform with the aim of reducing costs and improving convenience through streamlining operations and launching new services.

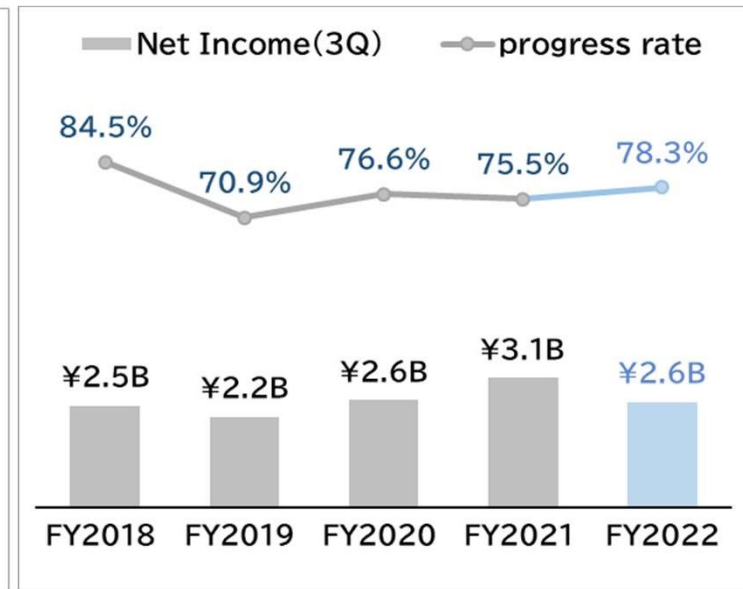
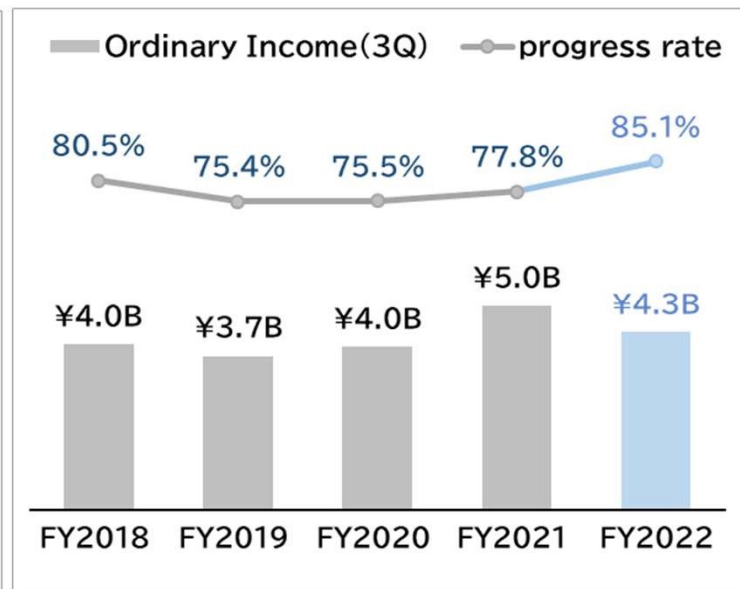
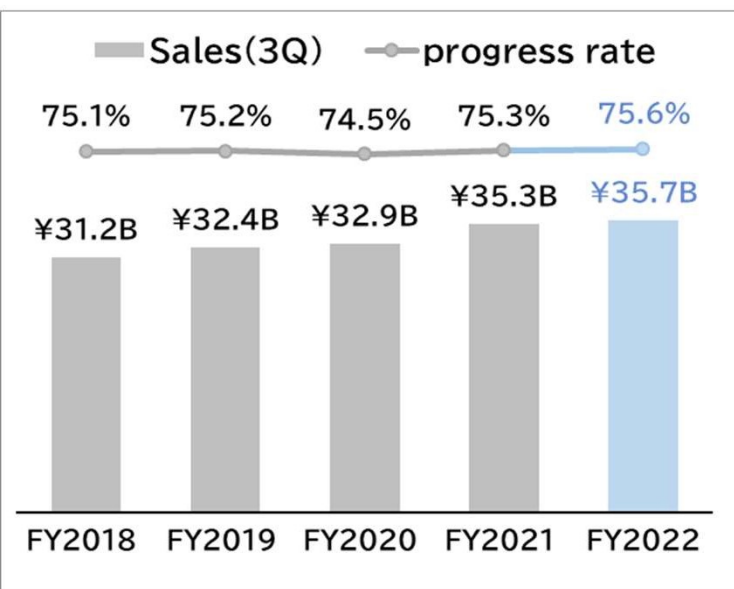
Forecast / dividends of FY2022

FY2022 Forecast

	FY2020			FY2021			FY2022(Forecast)		
	Amount	Composition ratio	Growth rate	Amount	Composition ratio	Growth rate	Amount	Composition ratio	Growth rate
Net Sales	¥44.1B	100.0%	2.4%	¥46.9B	100.0%	6.2%	¥47.2B	100.0%	0.8%
Gross Margin	¥11.5B	26.1%	1.3%	¥12.5B	26.6%	8.3%	¥12.0B	25.5%	-3.6%
SG(&)A	¥6.4B	14.6%	0.0%	¥6.2B	13.2%	-3.8%	¥7.0B	14.7%	12.6%
Operating Income	¥5.1B	11.6%	3.1%	¥6.3B	13.5%	23.6%	¥5.1B	10.8%	-19.5%
Ordinary Income	¥5.2B	11.9%	5.7%	¥6.4B	13.6%	21.9%	¥5.1B	10.8%	-20.5%
Net Income	¥3.4B	7.7%	9.3%	¥4.2B	8.9%	22.5%	¥3.3B	6.9%	-21.4%

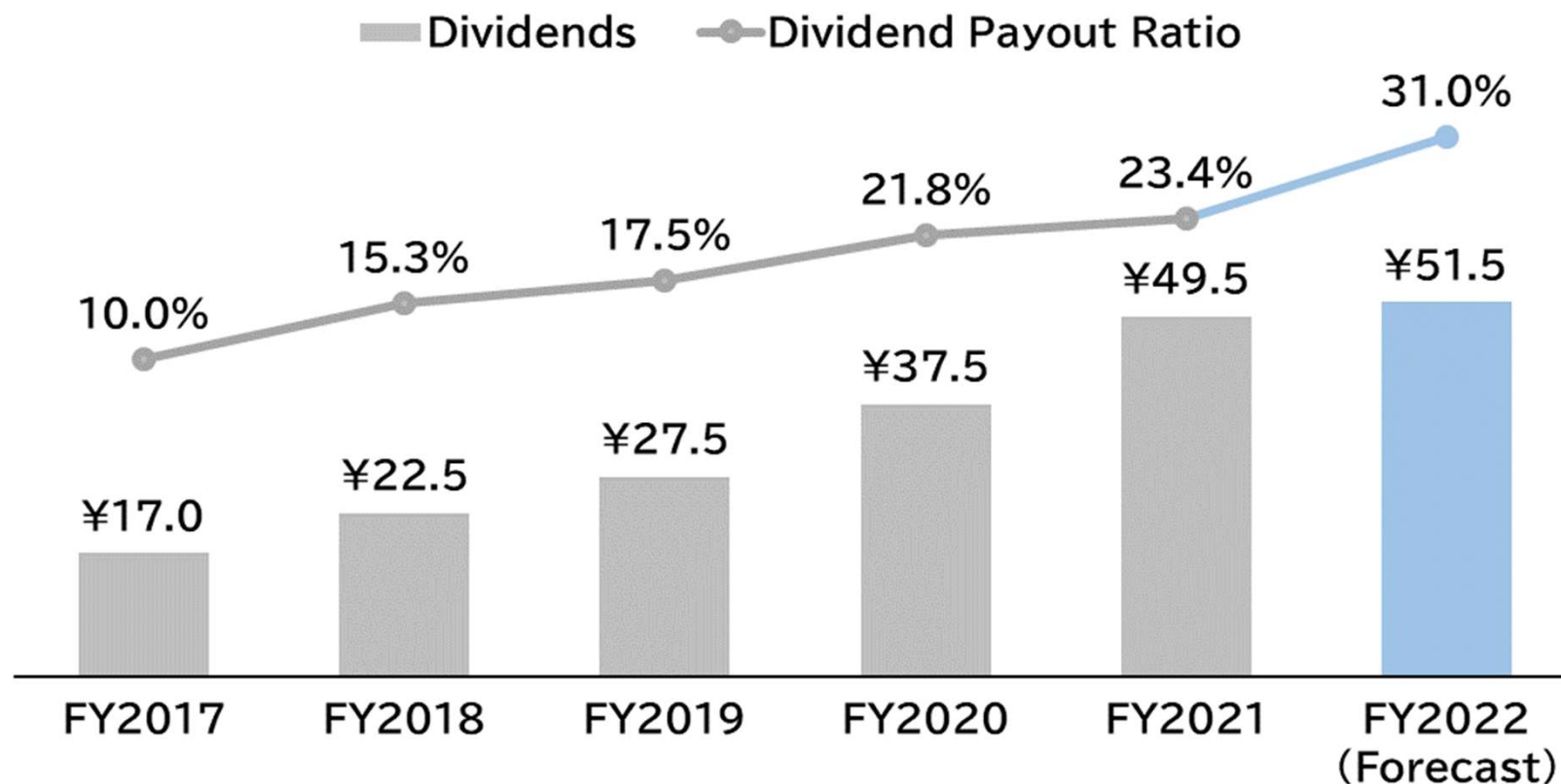
There is no change in the full-year forecast announced in May 2022.

Progress rate against Forecast 2022



- Sales, ordinary income, and net income all made steady progress in line with the full-year forecast.
- The progress rate of ordinary income is higher than usual. The reason for this is that the salary of dispatched staff increased in July. This is because we have created a full-year plan in anticipation of a decline in profit margins from the second quarter onward.
- The reason why the progress rate of net income is lower than the progress rate of ordinary income is that goodwill impairment was recorded due to the slump in the US business.

We plan to pay a dividend of 51.5 yen for this fiscal year. Dividends for the fiscal year ending March 31, 2024 and beyond have not yet been determined. Our policy is to aim for a dividend payout ratio of 30% and to maintain or increase the dividend amount.



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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