

Respond, Exceed



**WDB Holdings Co., Ltd.
FY2023 Financial Report**

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>

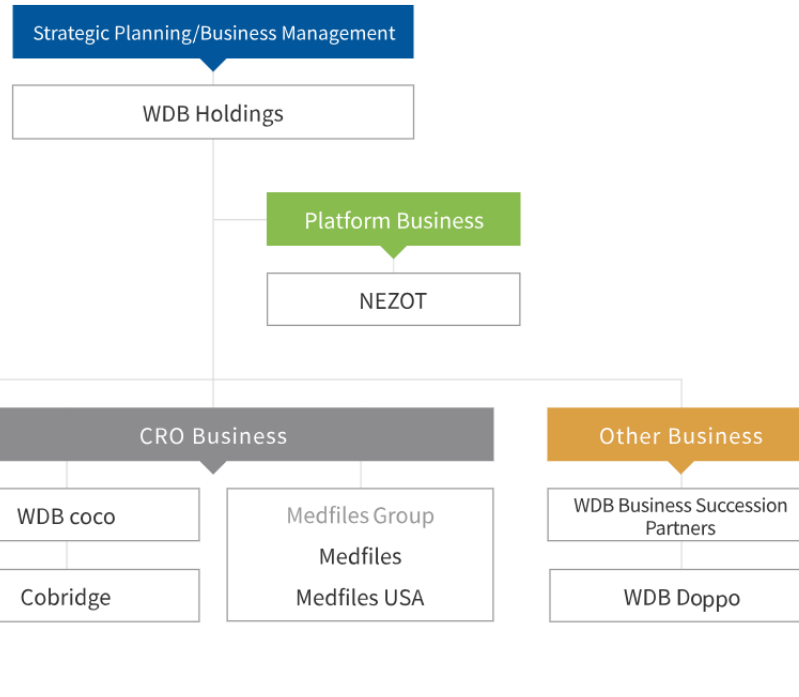
- Human Resource Business
- CRO business
- Platform and Other Business



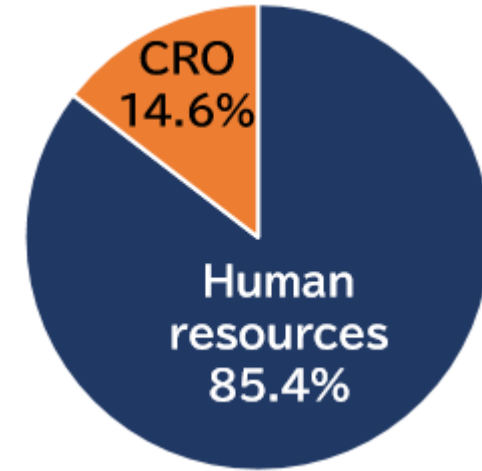
Head Office (Himeji, Hyogo)

Group Companies (May. 2024)

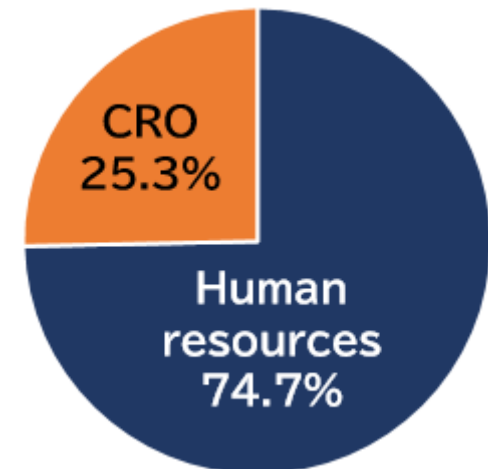
WDB



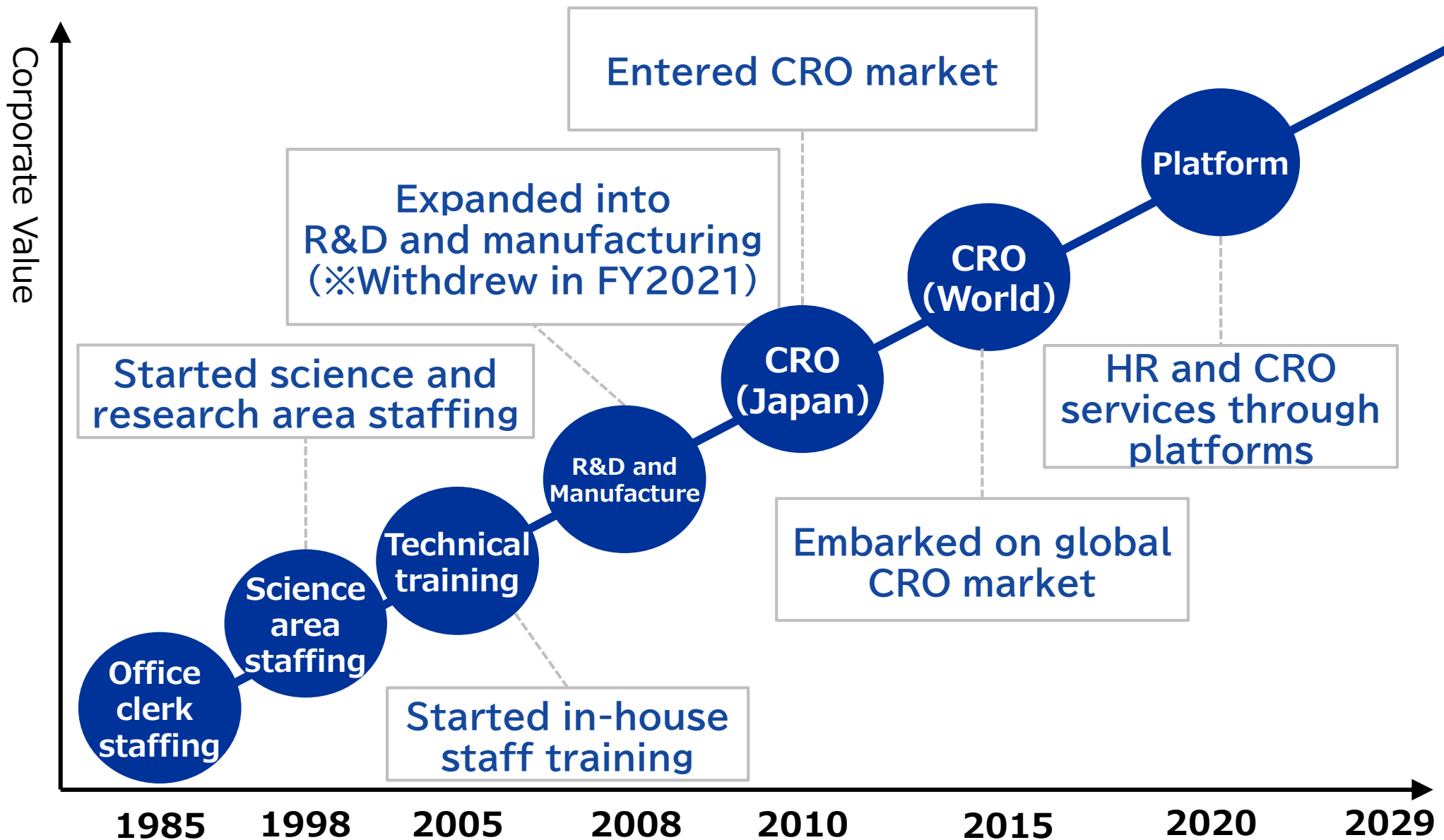
<Sales composition (FY2023)>



<Profit composition (FY2023)>



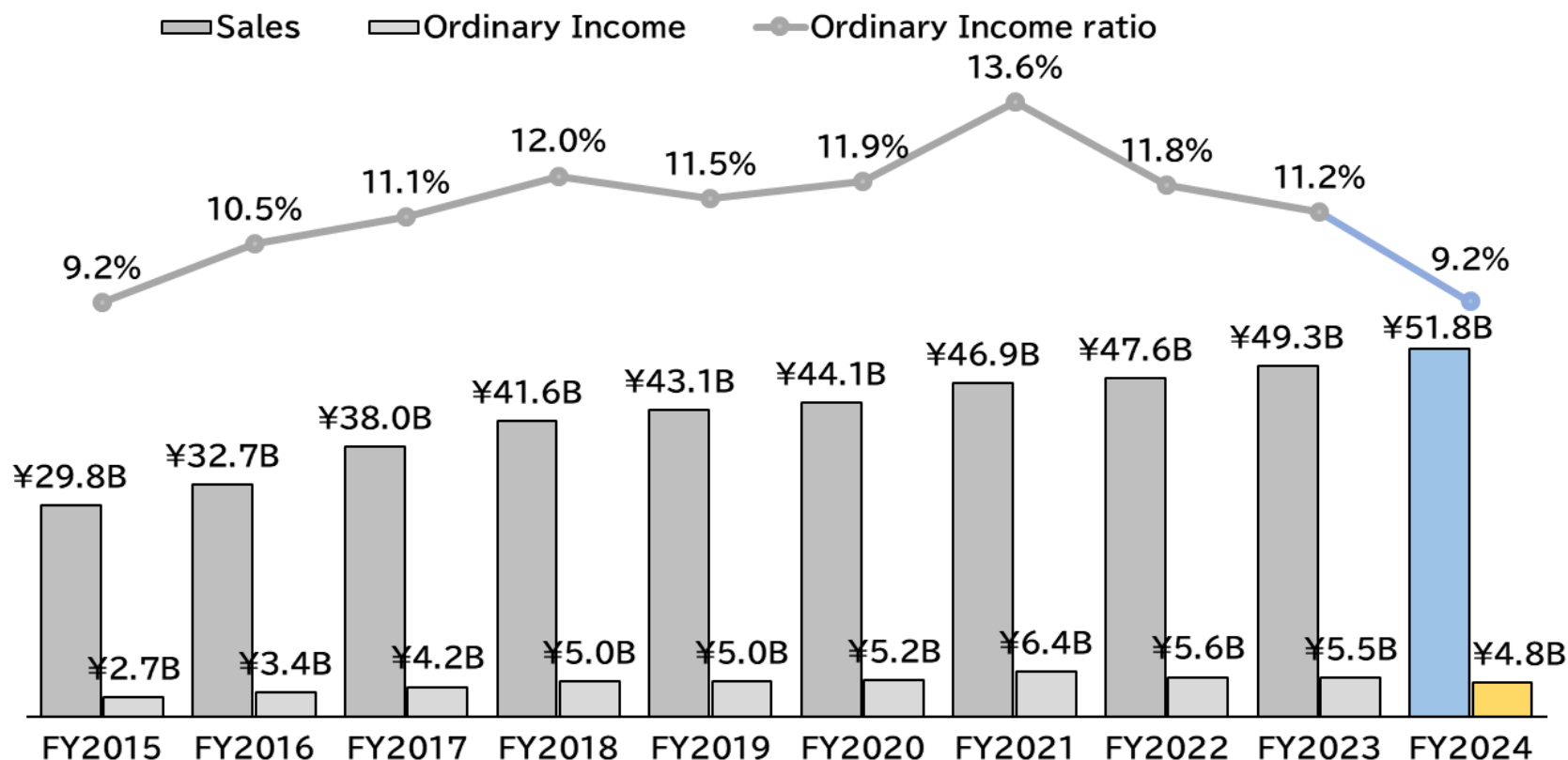
History and Business Expansion



Financial Results & Forecast

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

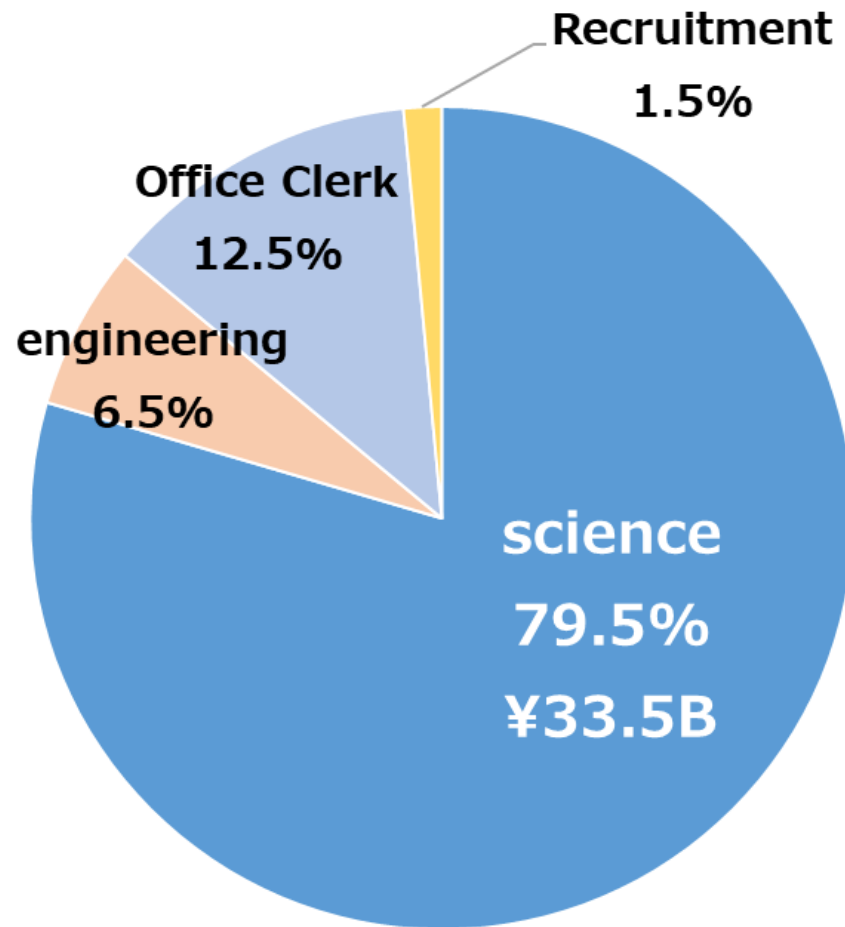
In addition, while ordinary income have not increased since the FY 2022, but this is due to the efforts to improve dispatched staff compensation in order to ensure continued growth in the future.



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 (100 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



Observation with a microscope



Reagent injection by pipette



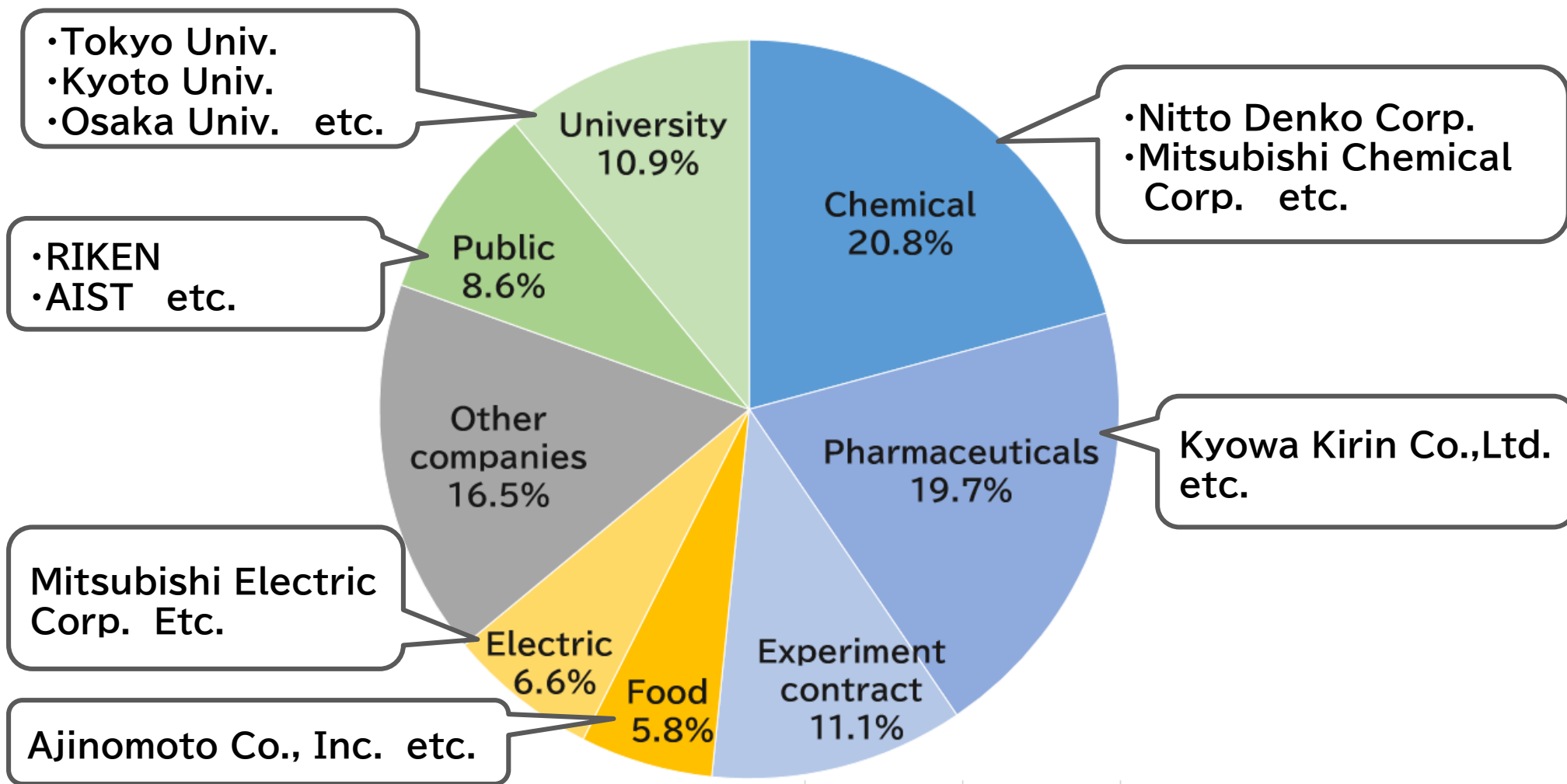
Reagent concentration by evaporator



Component analysis by HPLC

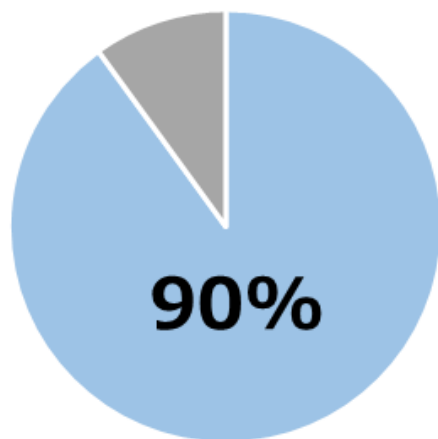
Sales composition ratio by industry segment

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

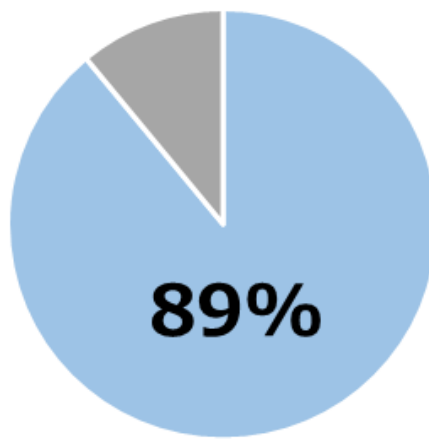


Our main customers are in the pharmaceutical, chemical, and food industries, as well as public research institutes and universities, and we have a track record of transactions with most of these companies and corporations.

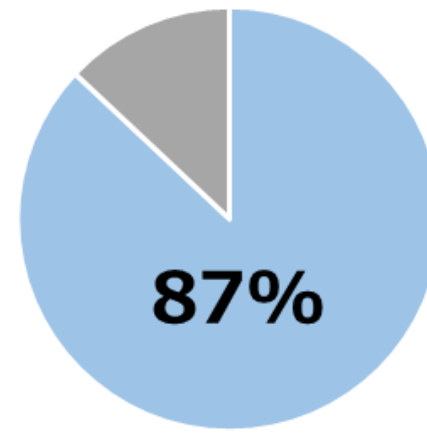
**Pharmaceutical, chemical,
and food manufacturers**
Transaction status with
each of the 50 major
companies



**National Research and
Development Agency**
Transaction status with 30
major corporations



**National and public
universities (with science
departments)** Transaction
status with 110 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 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 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.

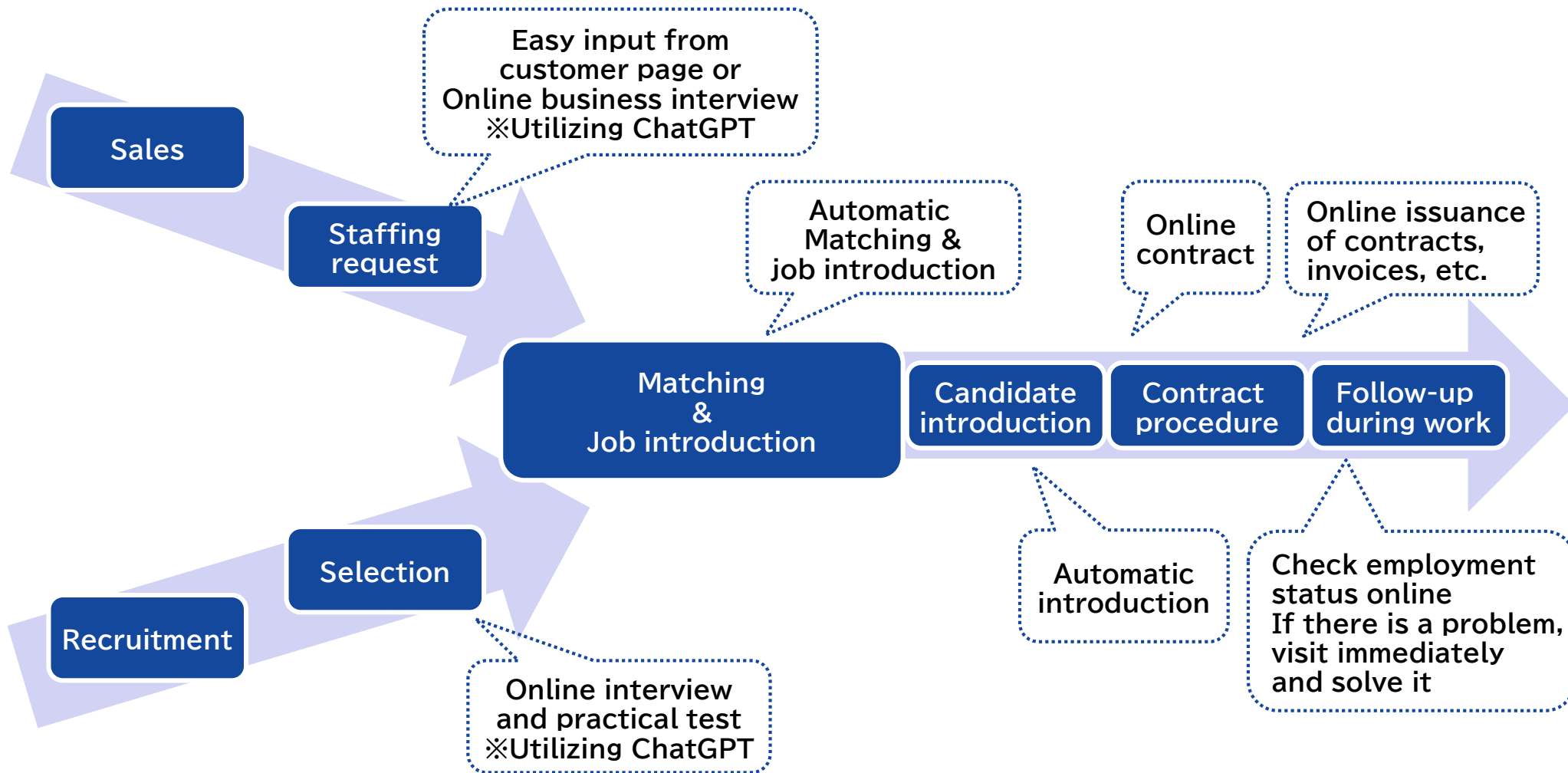
Various labor procedures and documents can be made paperless and efficient, as well as dispatched staff information can be centrally managed.

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.



CRO Business

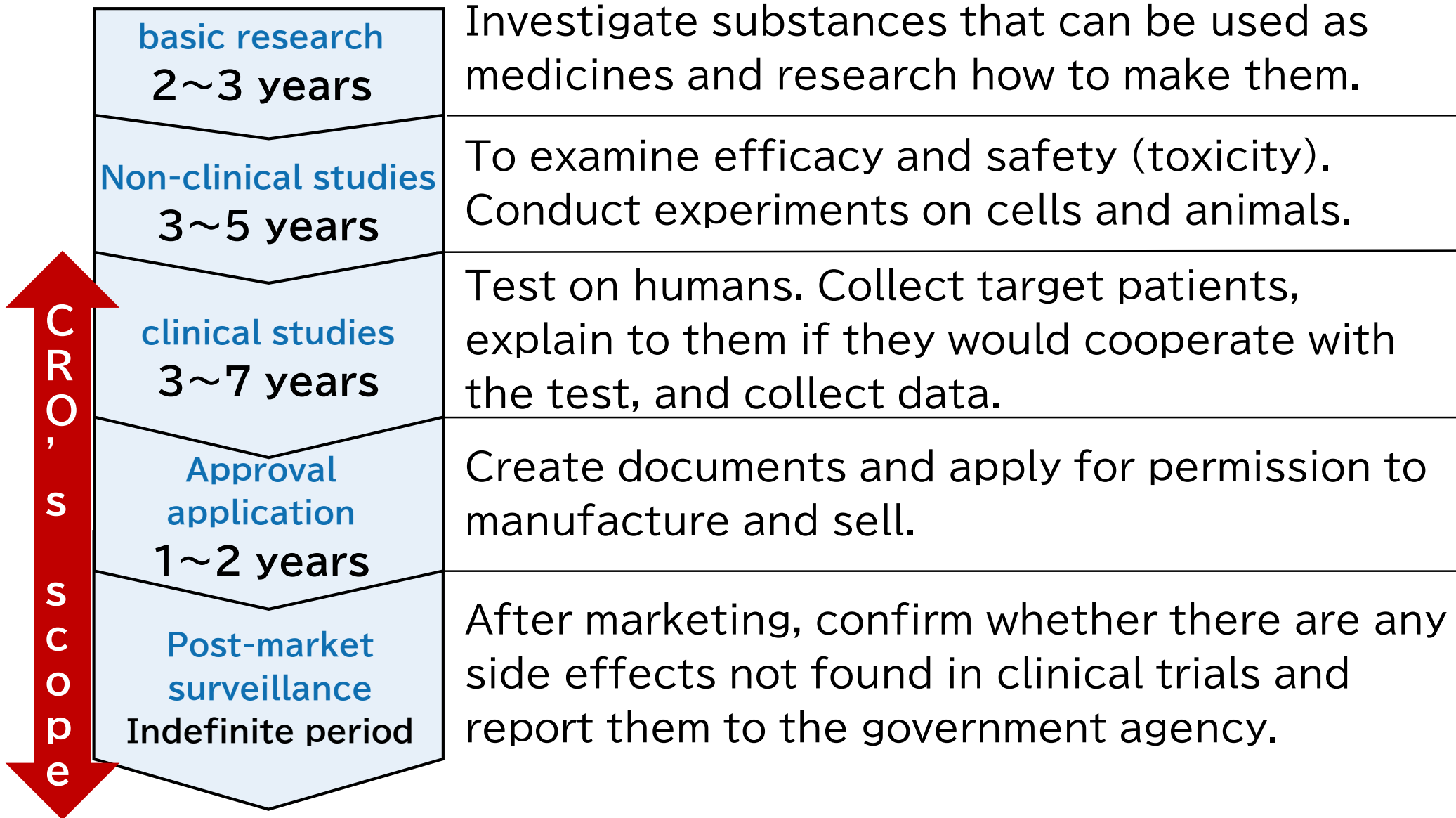
CRO (Contract Research Organization) is a company that supports the drug development of pharmaceutical manufacturers.

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

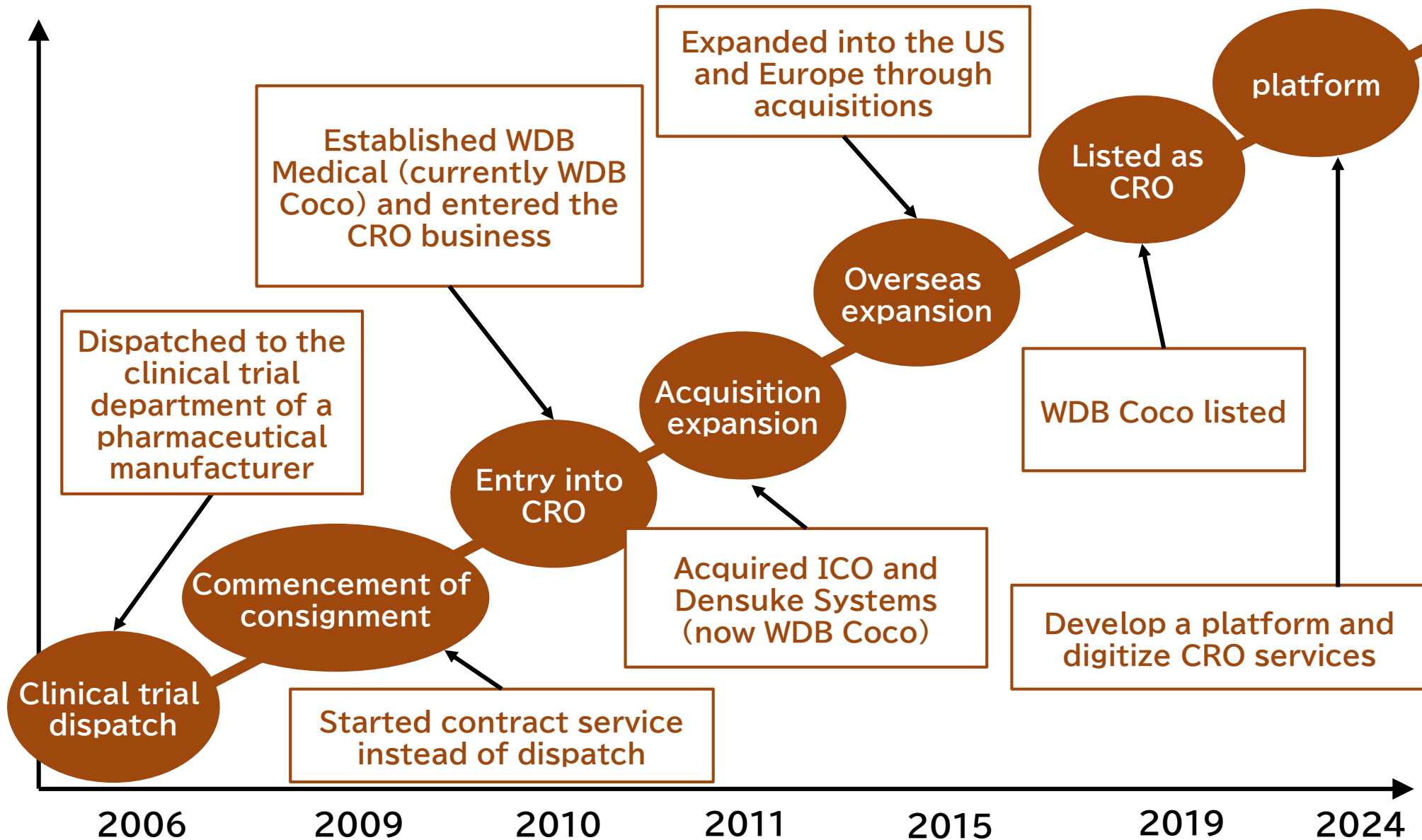
For this reason, pharmaceutical manufacturers place orders for various ancillary tasks related to drug development to CROs so that researchers can concentrate on their research.

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 application for medical devices

Europe

MEDFILES

- Laboratory service
- Pharmacovigilance
- clinical trial
- data management
- Statistical analysis
- Pharmaceutical affairs application

USA

MEDFILES USA(DZS)

- clinical trial
- medical call center
- data management
- Statistical analysis

FY2023 Result

Business Performance (Consolidated)

4Q(accum.)	FY2021		FY2022		FY2023		FY2022-FY2023	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
sales	¥46,876M	100.0%	¥47,602M	100.0%	¥49,298M	100.0%	¥1,696M	3.6%
cost	¥34,384M	73.4%	¥35,668M	74.9%	¥37,409M	75.9%	¥1,741M	4.9%
Gross Margin	¥12,492M	26.6%	¥11,935M	25.1%	¥11,889M	24.1%	-¥46M	-0.4%
SG(&)A	¥6,178M	13.2%	¥6,427M	13.5%	¥6,421M	13.0%	-¥6M	-0.1%
Operating Income	¥6,314M	13.5%	¥5,508M	11.6%	¥5,468M	11.1%	-¥40M	-0.7%
Ordinary Income	¥6,393M	13.6%	¥5,615M	11.8%	¥5,506M	11.2%	-¥109M	-1.9%
Net Income	¥4,171M	8.9%	¥3,541M	7.4%	¥3,548M	7.2%	¥7M	0.2%

- Financial results were as above. The main factors behind the increase in sales were an increase in the number of dispatched staff and an increase in dispatch unit prices.
- Gross profit decreased due to increased compensation for dispatched staff. As a result of efforts to reduce SG&A expenses, operating income and ordinary income declined only slightly.
On the other hand, as a result of efforts to reduce SG&A expenses, operating income and ordinary income declined only slightly.
All in all, net income increased slightly due to the effect of an increased tax deduction associated with increased compensation.

Business Performance (Consolidated, Quarterly)

1Q (Single Term)	FY2021		FY2022		FY2023		FY2022-FY2023	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
sales	¥11,711M	100.0%	¥11,860M	100.0%	¥12,470M	100.0%	¥609M	5.1%
cost	¥8,466M	72.3%	¥8,797M	74.2%	¥9,514M	76.3%	¥717M	8.1%
Gross Margin	¥3,245M	27.7%	¥3,063M	25.8%	¥2,956M	23.7%	-¥108M	-3.5%
SG(&)A	¥1,543M	13.2%	¥1,635M	13.8%	¥1,667M	13.4%	¥33M	2.0%
Operating Income	¥1,702M	14.5%	¥1,429M	12.0%	¥1,289M	10.3%	-¥140M	-9.8%
Ordinary Income	¥1,727M	14.7%	¥1,434M	12.1%	¥1,306M	10.5%	-¥128M	-8.9%
Net Income	¥1,070M	9.1%	¥893M	7.5%	¥626M	5.0%	-¥267M	-29.9%

2Q (Single Term)	FY2021		FY2022		FY2023		FY2022-FY2023	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
sales	¥11,524M	100.0%	¥11,852M	100.0%	¥12,184M	100.0%	¥332M	2.8%
cost	¥8,463M	73.4%	¥8,840M	74.6%	¥9,209M	75.6%	¥369M	4.2%
Gross Margin	¥3,061M	26.6%	¥3,013M	25.4%	¥2,975M	24.4%	-¥37M	-1.2%
SG(&)A	¥1,492M	12.9%	¥1,592M	13.4%	¥1,606M	13.2%	¥13M	0.8%
Operating Income	¥1,569M	13.6%	¥1,420M	12.0%	¥1,369M	11.2%	-¥51M	-3.6%
Ordinary Income	¥1,578M	13.7%	¥1,458M	12.3%	¥1,374M	11.3%	-¥84M	-5.8%
Net Income	¥969M	8.4%	¥804M	6.8%	¥858M	7.0%	¥54M	6.7%

3Q (Single Term)	FY2021		FY2022		FY2023		FY2022-FY2023	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
sales	¥12,060M	100.0%	¥12,022M	100.0%	¥12,633M	100.0%	¥611M	5.1%
cost	¥8,814M	73.1%	¥8,977M	74.7%	¥9,511M	75.3%	¥534M	6.0%
Gross Margin	¥3,246M	26.9%	¥3,045M	25.3%	¥3,122M	24.7%	¥77M	2.5%
SG(&)A	¥1,592M	13.2%	¥1,622M	13.5%	¥1,533M	12.1%	-¥89M	-5.5%
Operating Income	¥1,653M	13.7%	¥1,423M	11.8%	¥1,589M	12.6%	¥166M	11.7%
Ordinary Income	¥1,670M	13.8%	¥1,434M	11.9%	¥1,592M	12.6%	¥158M	11.0%
Net Income	¥1,108M	9.2%	¥868M	7.2%	¥1,120M	8.9%	¥252M	29.0%

4Q (Single Term)	FY2021		FY2022		FY2023		FY2022-FY2023	
	Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
sales	¥11,580M	100.0%	¥11,868M	100.0%	¥12,011M	100.0%	¥144M	1.2%
cost	¥8,640M	74.6%	¥9,054M	76.3%	¥9,175M	76.4%	¥121M	1.3%
Gross Margin	¥2,940M	25.4%	¥2,814M	23.7%	¥2,836M	23.6%	¥23M	0.8%
SG(&)A	¥1,550M	13.4%	¥1,577M	13.3%	¥1,615M	13.4%	¥38M	2.4%
Operating Income	¥1,390M	12.0%	¥1,236M	10.4%	¥1,221M	10.2%	-¥15M	-1.2%
Ordinary Income	¥1,419M	12.3%	¥1,289M	10.9%	¥1,234M	10.3%	-¥55M	-4.3%
Net Income	¥1,024M	8.8%	¥976M	8.2%	¥944M	7.9%	-¥31M	-3.2%

Business Performance (By Segment)

<Cumulative>

4Q(accum.)		FY2021		FY2022		FY2023		FY2022-FY2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
Human resources	sales	¥40,247M	-	¥40,856M	-	¥42,117M		¥1,262M	3.1%
	Segment profit	¥5,634M	14.0%	¥4,911M	12.0%	¥4,468M	10.6%	-¥443M	-9.0%
	business days	241	-	241	-	240		-1	-0.4%
	sales per day	¥167M	-	¥170M	-	¥175M		¥6M	3.5%
CRO	sales	¥6,330M	-	¥6,747M	-	¥7,181M		¥434M	6.4%
	Segment profit	¥1,044M	16.5%	¥1,097M	16.3%	¥1,515M	21.1%	¥418M	38.1%

<Human resources>

- Sales increased and profit decreased. The main factors behind the increase in sales were an increase in the number of dispatched staff and an increase in dispatch unit prices. The main factor behind the decrease in profits was to increase compensation for dispatched staff.

<CRO>

- Sales and profit increased. The main factor behind the increase in sales was an increase in domestic orders. The main factors behind the increase in profits were due to an increase in orders and recoring reversal of the allowance for doubtful accounts.

Business Performance (By Segment)

< Quartely (Single Term) >

1Q		FY2021		FY2022		FY2023		FY2022-FY2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
Human resources	sales	¥10,195M	-	¥10,274M	-	¥10,779M		¥505M	4.9%
	Segment profit	¥1,563M	15.3%	¥1,399M	13.6%	¥1,130M	10.5%	-¥269M	-19.2%
	business days	61	-	60	-	60		0	0.0%
	sales per day	¥167M	-	¥171M	-	¥180M		¥8M	4.9%
CRO	sales	¥1,456M	-	¥1,586M	-	¥1,690M		¥104M	6.6%
	Segment profit	¥224M	15.4%	¥179M	11.3%	¥288M	17.0%	¥109M	60.7%

2Q(Single Term)		FY2021		FY2022		FY2023		FY2022-FY2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
Human resources	sales	¥9,814M	-	¥10,115M	-	¥10,444M		¥329M	3.3%
	Segment profit	¥1,246M	12.7%	¥1,131M	11.2%	¥1,165M	11.2%	¥34M	3.0%
	business days	59	-	60	-	60		0	0.0%
	sales per day	¥166M	-	¥169M	-	¥174M		¥5M	3.3%
CRO	sales	¥1,637M	-	¥1,738M	-	¥1,735M		-¥3M	-0.2%
	Segment profit	¥369M	22.6%	¥395M	22.7%	¥319M	18.4%	-¥76M	-19.2%

3Q(Single Term)		FY2021		FY2022		FY2023		FY2022-FY2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
Human resources	sales	¥10,348M	-	¥10,341M	-	¥10,814M		¥474M	4.6%
	Segment profit	¥1,517M	14.7%	¥1,233M	11.9%	¥1,234M	11.4%	¥1M	0.1%
	business days	62	-	61	-	62		1	1.6%
	sales per day	¥167M	-	¥170M	-	¥174M		¥5M	2.9%
CRO	sales	¥1,572M	-	¥1,681M	-	¥1,824M		¥143M	8.5%
	Segment profit	¥280M	17.8%	¥314M	18.7%	¥479M	26.2%	¥165M	52.4%

4Q(Single Term)		FY2021		FY2022		FY2023		FY2022-FY2023	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Increase	Increase rate
Human resources	sales	¥9,891M	-	¥10,126M	-	¥10,080M		-¥46M	-0.5%
	Segment profit	¥1,308M	13.2%	¥1,148M	11.3%	¥938M	9.3%	-¥210M	-18.3%
	business days	59	-	60	-	58		-2	-3.3%
	sales per day	¥168M	-	¥169M	-	¥174M		¥5M	3.0%
CRO	sales	¥1,666M	-	¥1,742M	-	¥1,931M		¥189M	10.9%
	Segment profit	¥171M	10.3%	¥209M	12.0%	¥429M	22.2%	¥221M	105.7%

<Human resources>

- We improved the treatment and conditions of dispatched staff, which lead to lower turnover rate and higher acquisition of new staff.
As a result, we realized an increase in the number of staff in operation.
- We have worked online sales and staff interviews with an organization called Support Desk in Tokyo and Kobe, and incorporated ChatGPT into Doconico.
This is an effort to consolidate operations and increase efficiency.
- We released the clerical staffing version of Doconico, but we were not active in sales. This is because we prioritized reorganization of our science staffing business structure.
- To further improve dispatched staff compensation, we negotiated an increase in dispatch unit prices and took steps to consolidate operations into the Support Desk.

<CRO>

- The business in Japan was strong, leading to increases in sales and profits.
- Overseas, we worked to improve profitability and to launch new services.

- We will continue to promote higher compensation for dispatched staff. For over the coming several years, we aim to become "the highest-paid dispatched staff company in the industry", and to become "the most responsive staffing company to our clients' requests" with a by-far superior ability to attract working staff.
- We have already implemented a significant salary increase for dispatched staff in FY2024. Therefore, although profits will decrease, we believe that this is an investment that will enable us to grow significantly over the long term.

	FY2022			FY2023			FY2024(Forecast)		
	Amount	Composition ratio	Growth rate	Amount	Composition ratio	Growth rate	Amount	Composition ratio	Growth rate
Net Sales	¥47.6B	100.0%	1.5%	¥49.3B	100.0%	3.6%	¥51.8B	100.0%	5.1%
Gross Margin	¥11.9B	25.1%	-4.5%	¥11.9B	24.1%	-0.4%	¥11.6B	22.4%	-2.4%
SG(&)A	¥6.4B	13.5%	4.0%	¥6.4B	13.0%	-0.1%	¥6.9B	13.2%	6.8%
Operating Income	¥5.5B	11.6%	-12.8%	¥5.5B	11.1%	-0.7%	¥4.8B	9.2%	-13.1%
Ordinary Income	¥5.6B	11.8%	-12.2%	¥5.5B	11.2%	-1.9%	¥4.8B	9.2%	-13.4%
Net Income	¥3.5B	7.4%	-15.1%	¥3.5B	7.2%	0.2%	¥3.0B	5.7%	-16.3%

- We revised the contents of the medium-to-long term management plan released in May 2022, based on the results of our efforts over the past two years and the world situation.
- For details, please refer to the "Medium-to-Long Term Management Plan 2024" disclosed on May 14, 2024.

<https://www.wdbhd.co.jp/assets/pdf/eng/ir/about/management-policy240514.pdf>

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>

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WDB Holdings Co., Ltd.

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