

# **Respond, Exceed**

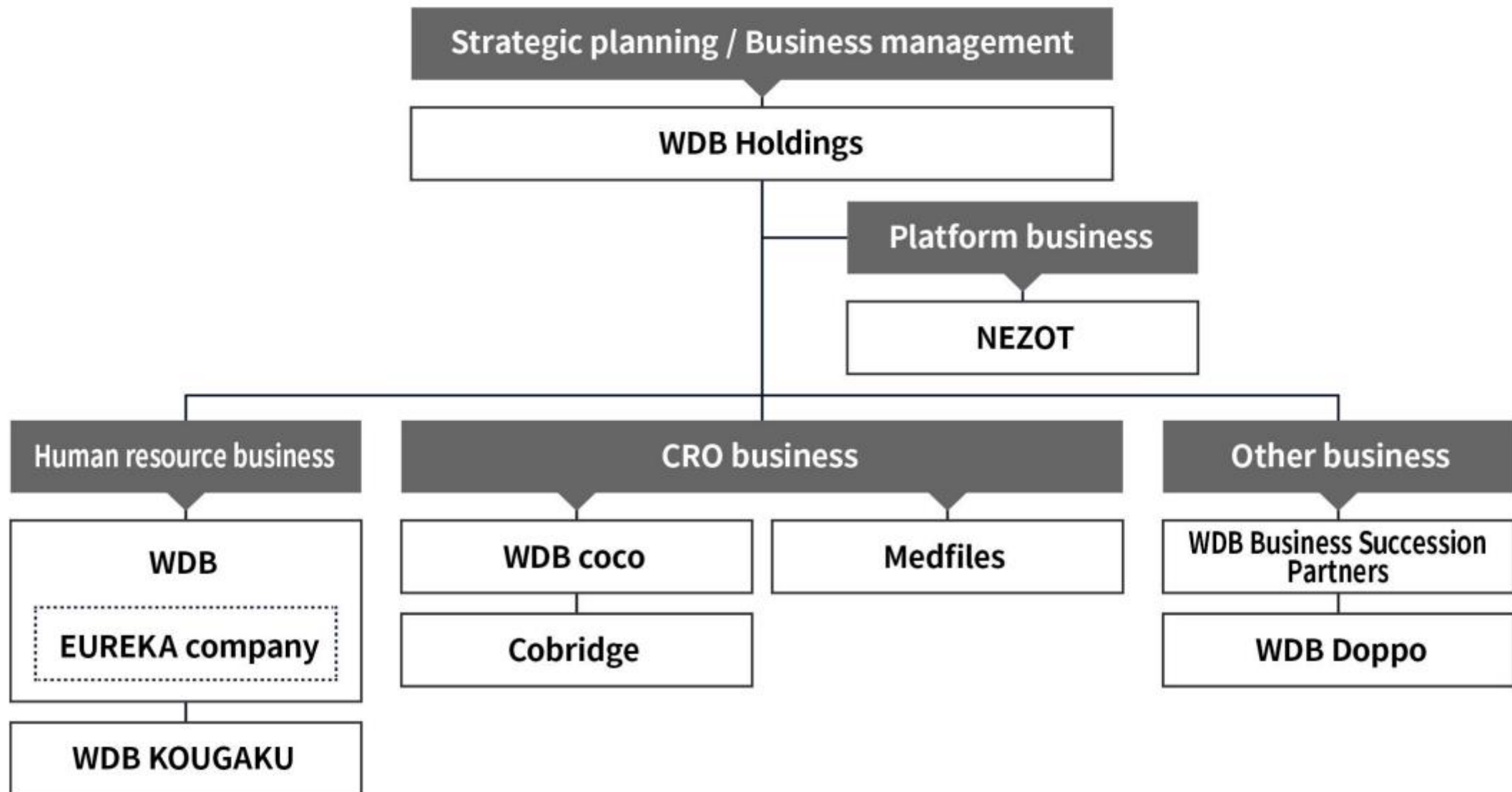


**WDB Holdings Co., Ltd.**

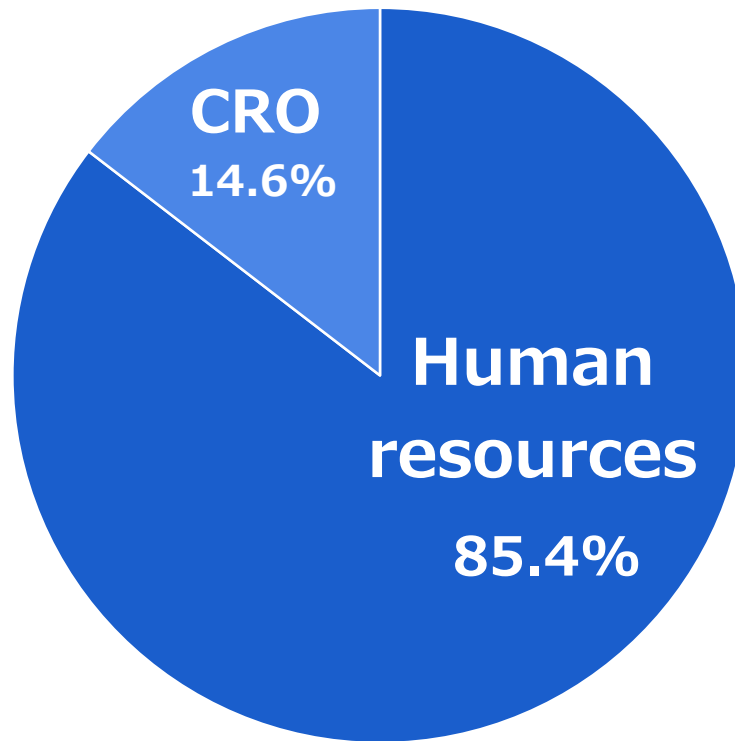
## **FY2024 1Q Financial Report**

**To be a staffing company with the highest wages and the ability to fulfill customer orders**

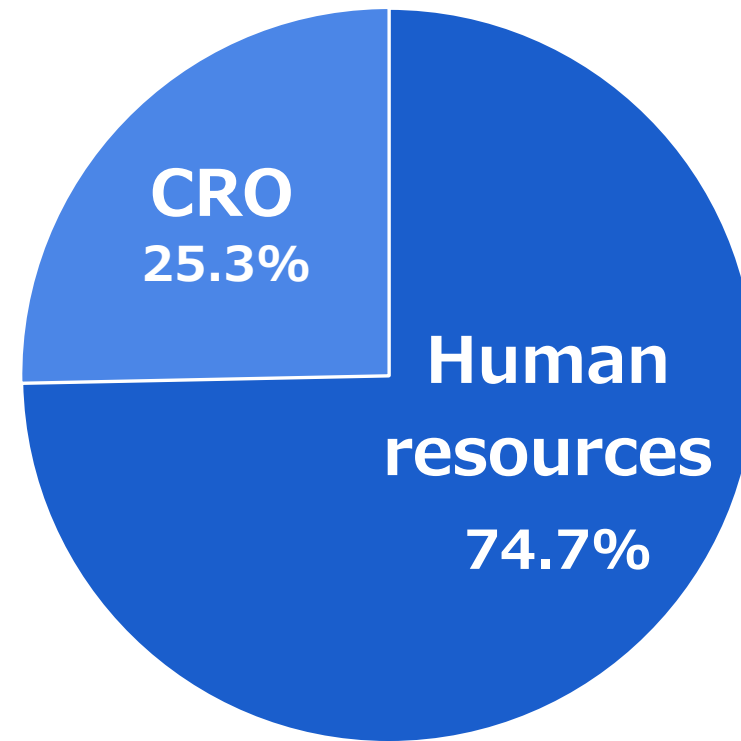
<b>Company Name</b>	<b>WDB Holdings Co., Ltd.</b>
<b>Incorporation</b>	<b>July 6,1985</b>
<b>Capital</b>	<b>¥1 billion</b>
<b>Stock Listing</b>	<b>Prime Market of Tokyo Stock Exchange (Code 2475)</b>
<b>President and CEO</b>	<b>Toshimitsu Nakano</b>
<b>Head Office</b>	<b>79 Toyozawa-cho,Himeji-shi,Hyogo</b>
<b>Number of Employees</b>	<b>983 (temporary staff and others / 10,412)</b>
<b>Sales</b>	<b>¥49.2 billion (FY2023)</b>
<b>Ordinary Income</b>	<b>¥5.5 billion (FY2023)</b>
<b>Business Domain</b>	<ul style="list-style-type: none"><li>• Human Resource Business</li><li>• CRO business</li><li>• Platform and Other Business</li></ul>



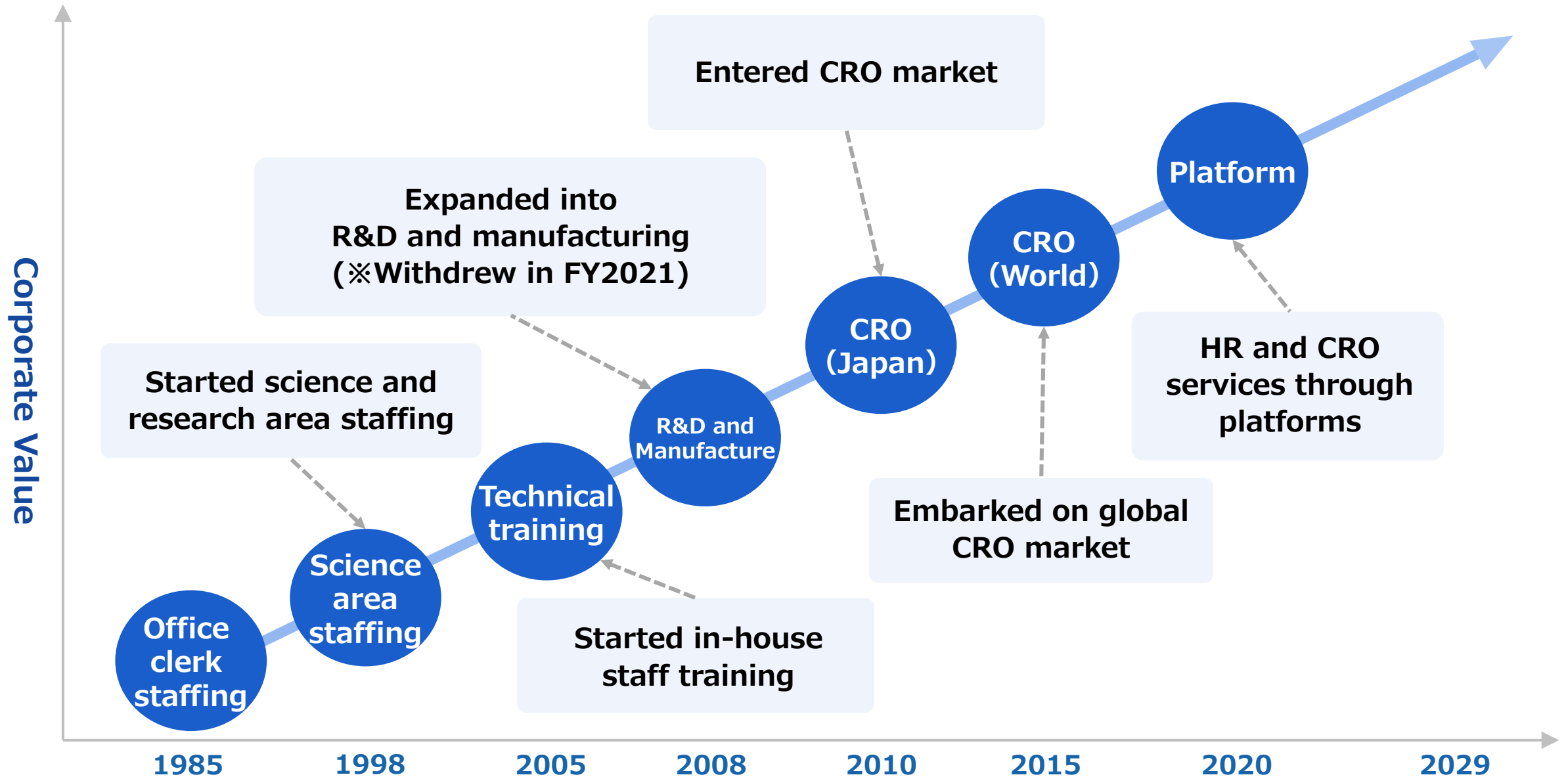
## Sales composition



## Profit composition

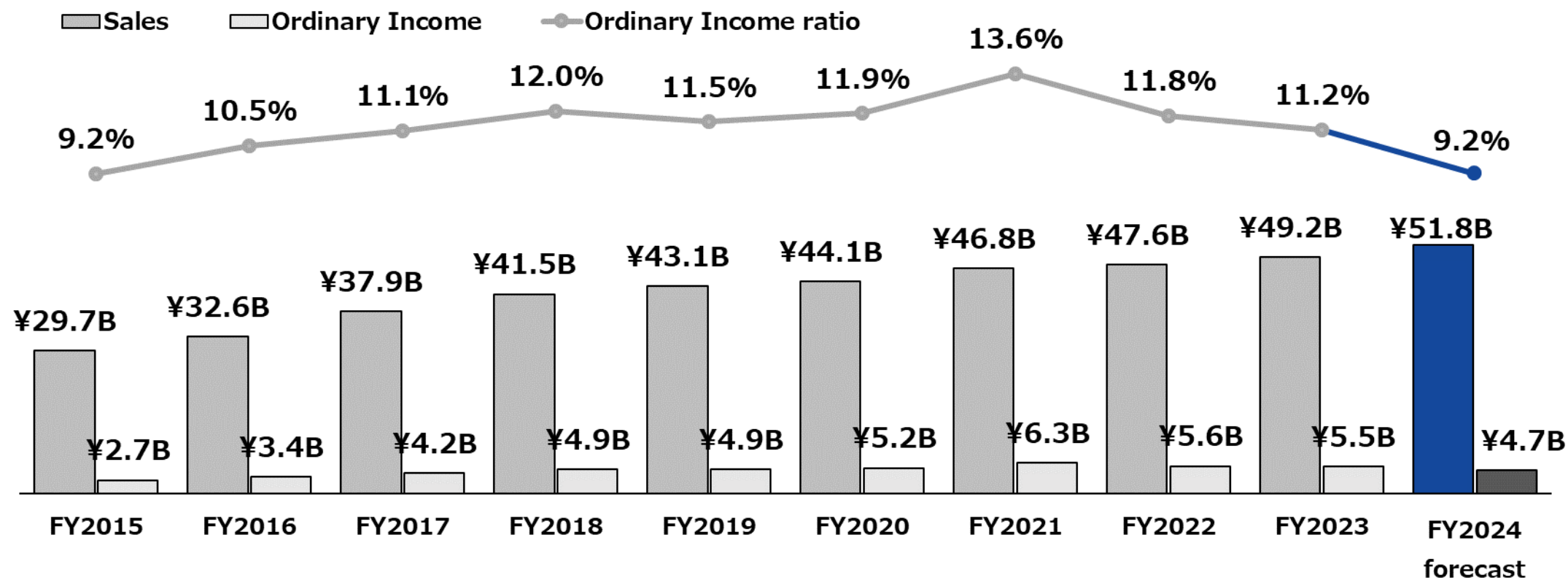


# History and Business Expansion



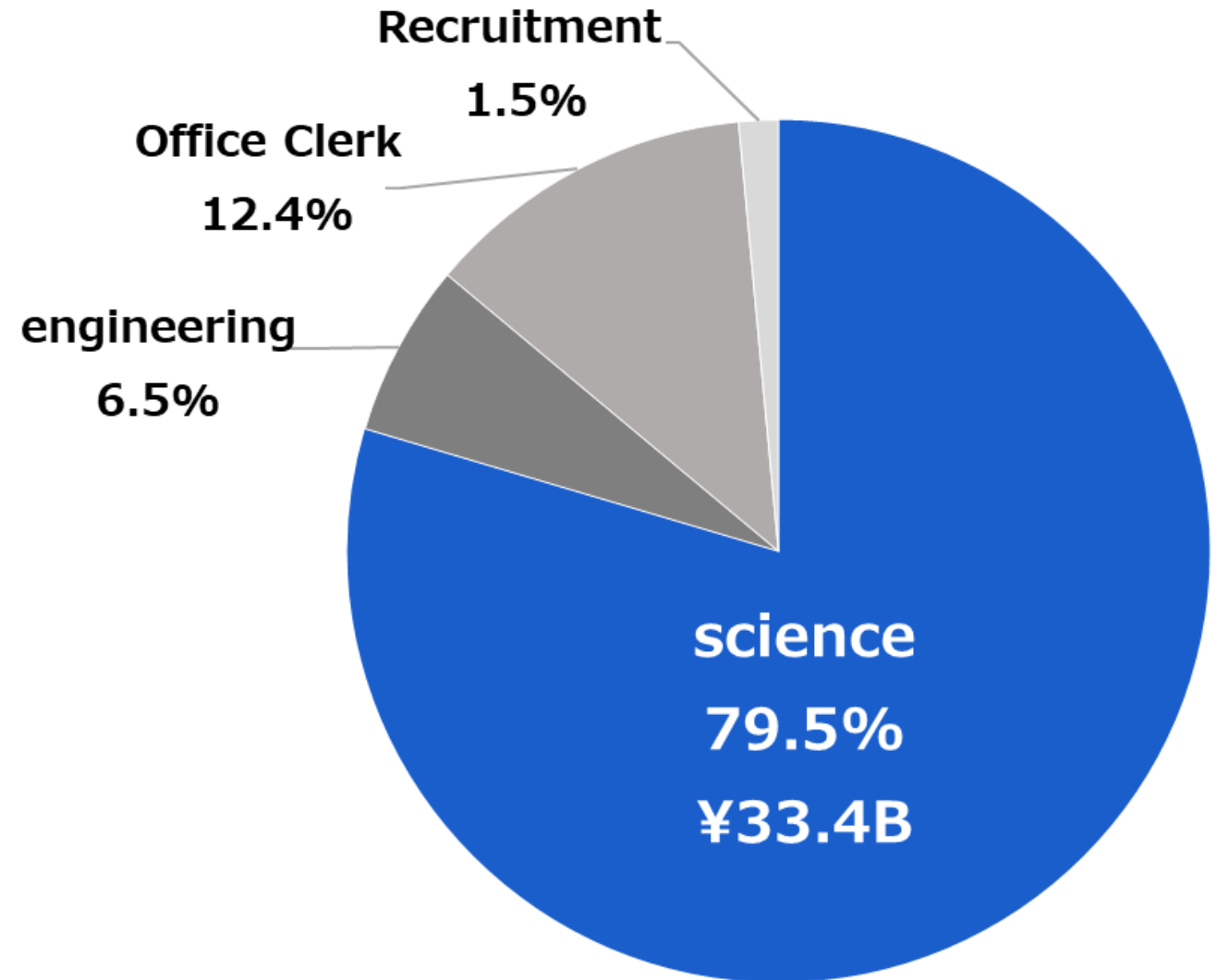
# Financial Results & Forecast (Consolidated)

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.



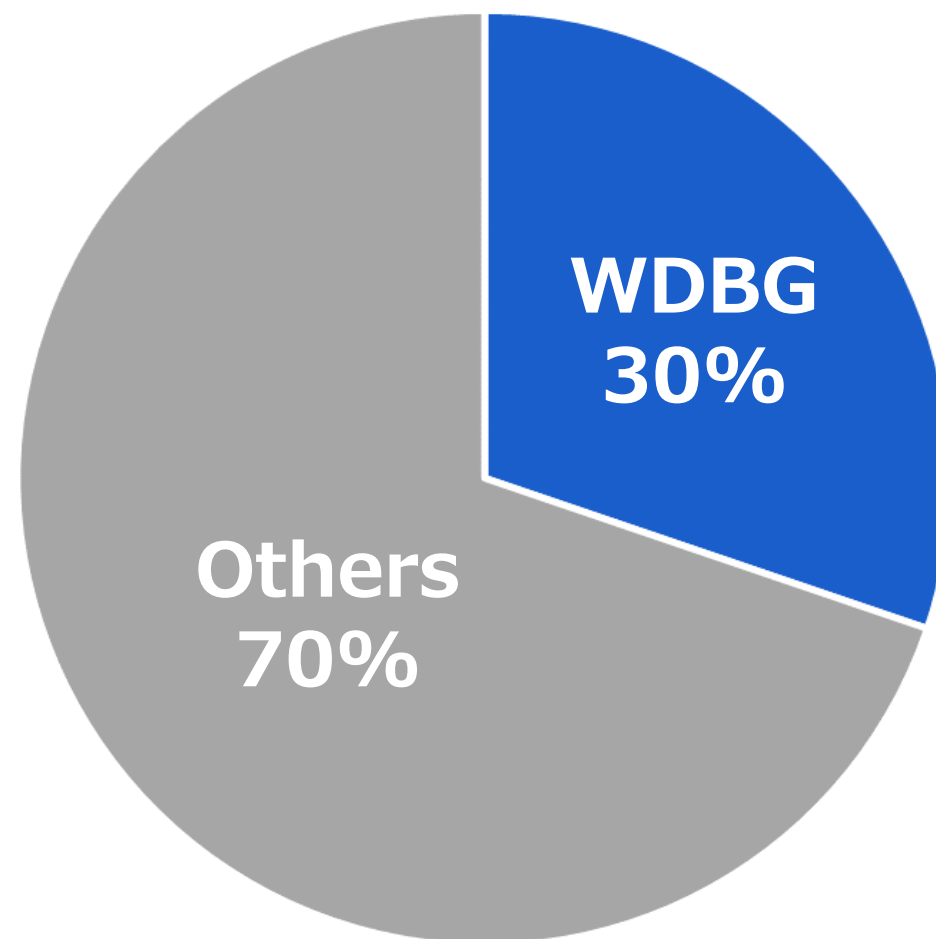
# Human Resource (Staffing) Business

**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**



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

## **Staff and talent**

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

## **Staffing requests**

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



**Observation with a microscope**



**Reagent injection by pipette**



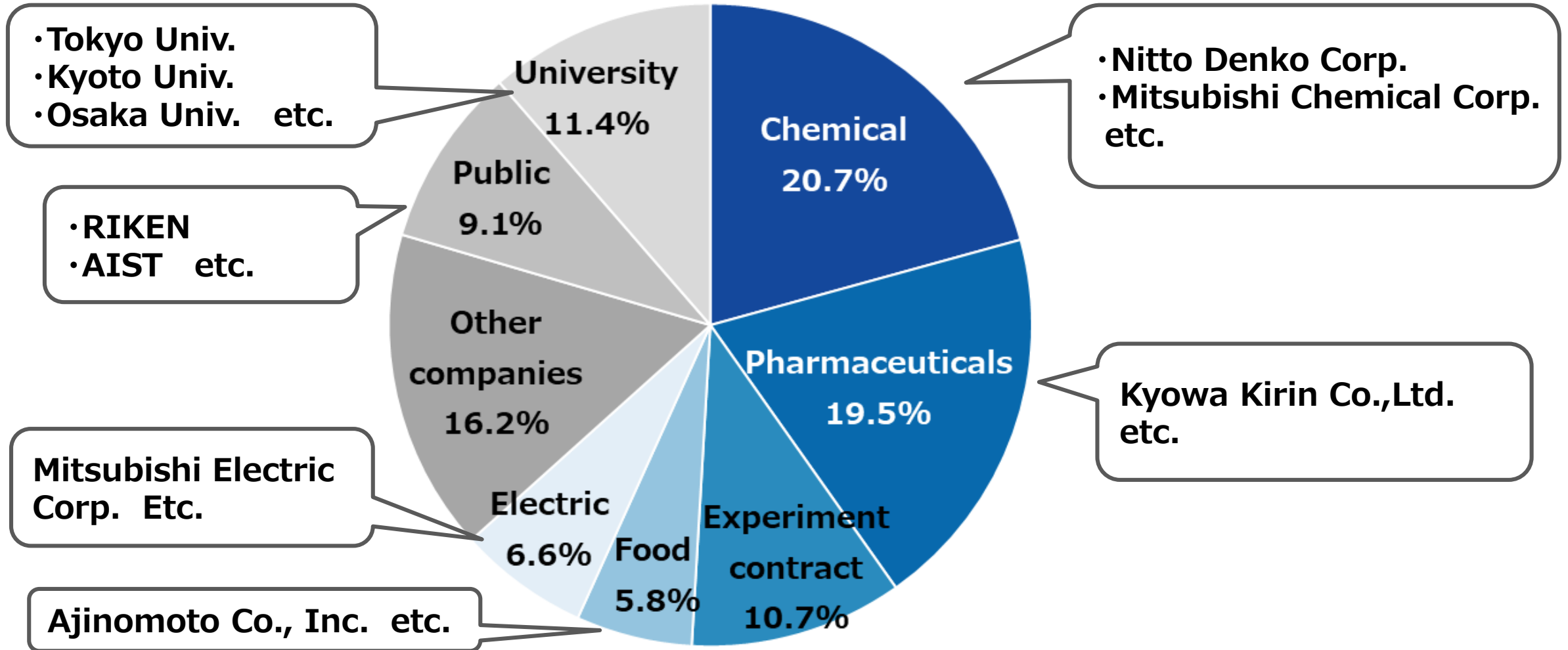
**Reagent concentration  
by evaporator**



**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.



## 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. We conduct a full-day screening test for staff and dispatch only those who are qualified by passing the test.  
We have a system in place to ensure stability and continuity of employment through regular meetings with clients and staff, as well as a system that allows for immediate consultation with a representative if any issues arise.**
- 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"

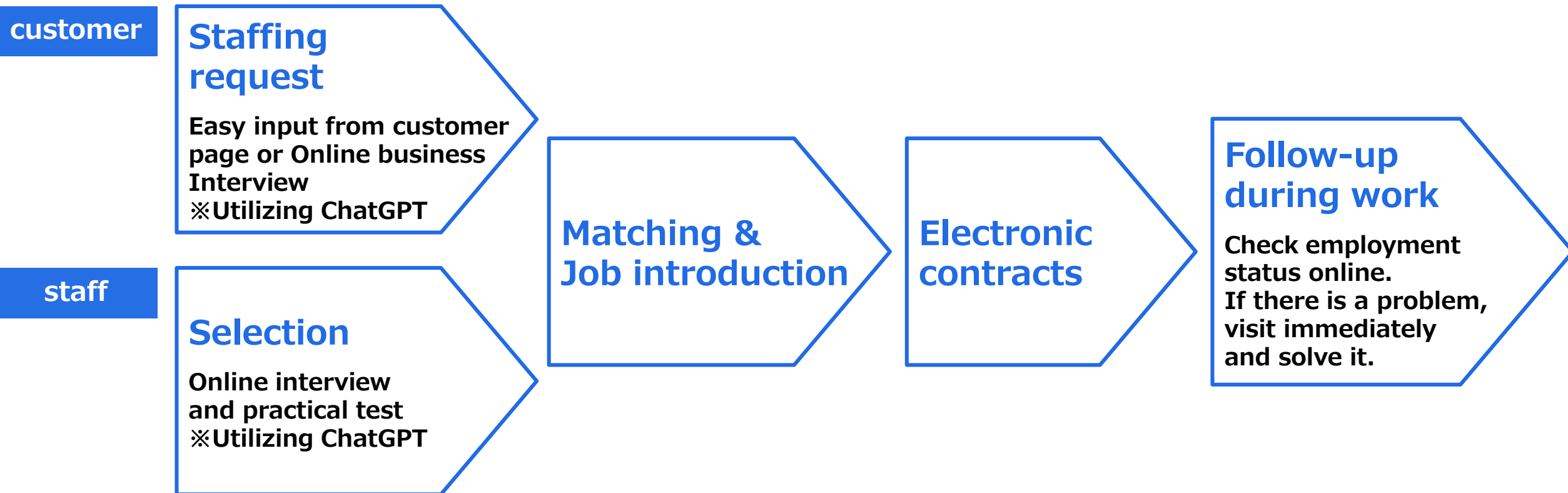
Enabling to complete requests, procedures,  
and management of staffing personnel on the Web.

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.



Most of the staffing services procedures that were previously provided through our staff, can now be provided online.



# CRO Business

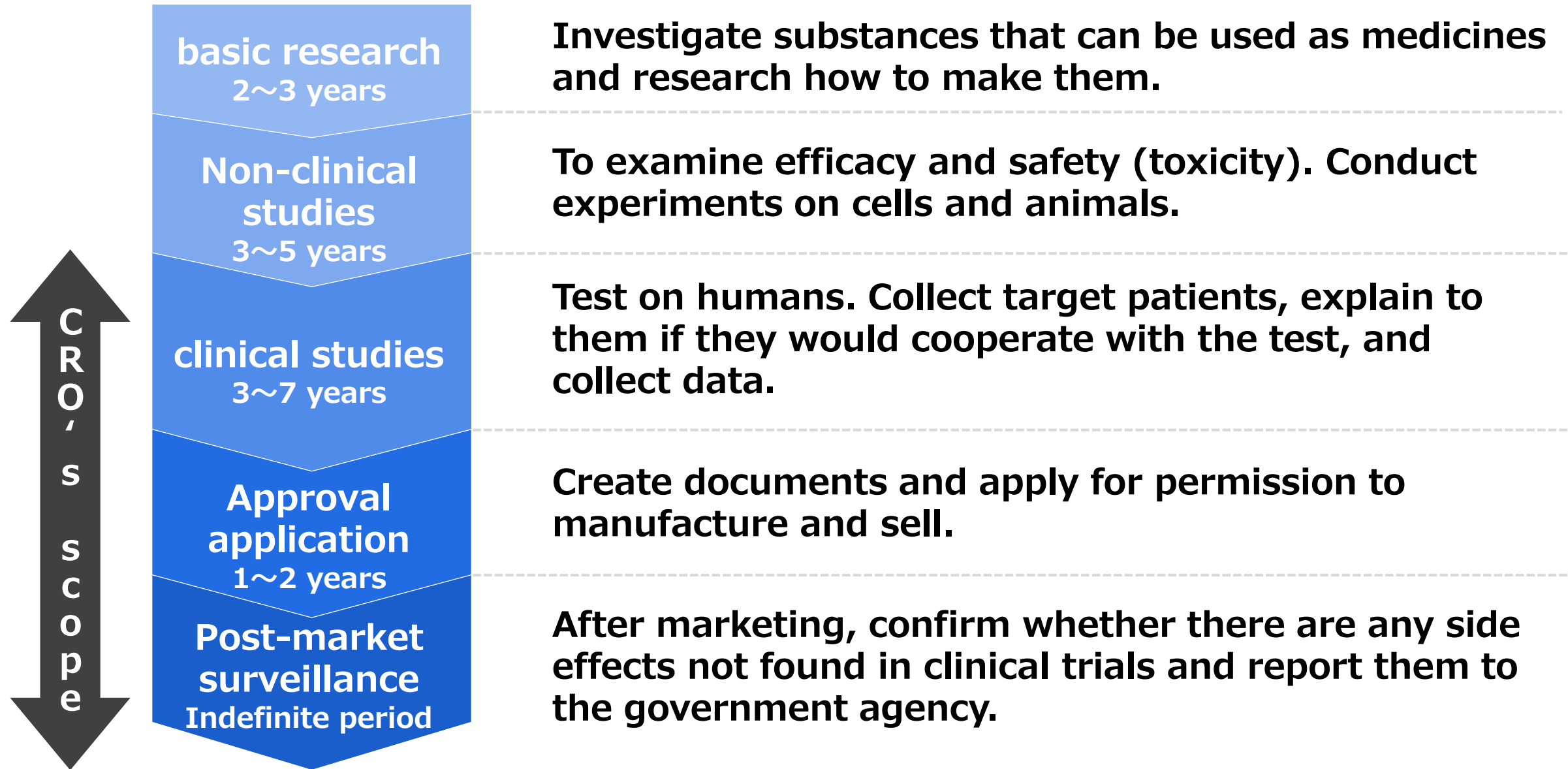
**CRO (Contract Research Organization) is a company that supports the drug development of pharmaceutical manufacturers.**

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

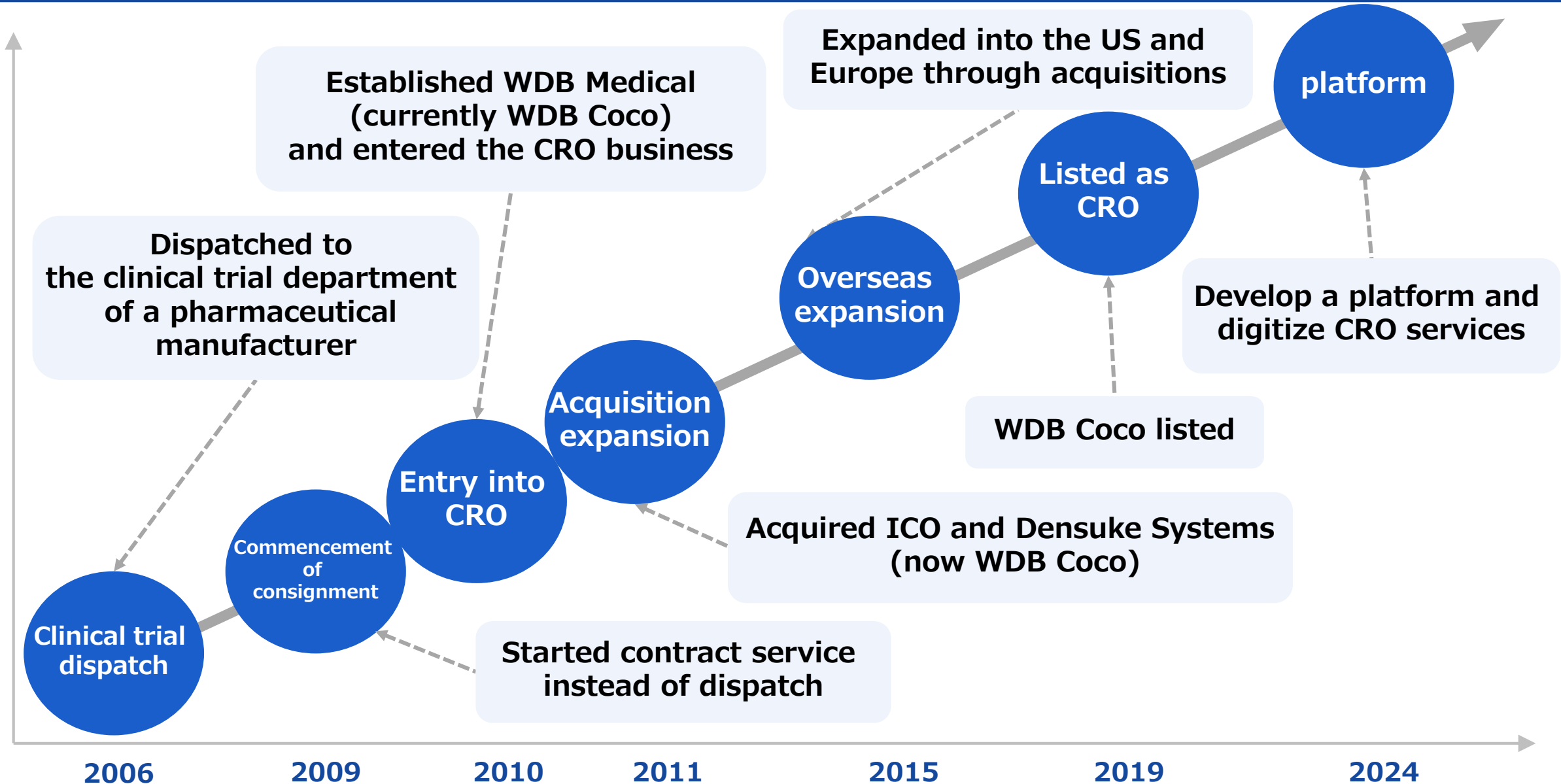
**For this reason, pharmaceutical manufacturers place orders for various ancillary tasks related to drug development to CROs so that researchers can concentrate on their research.**

**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

# FY2024 1Q Result

# Business Performance (Consolidated)



1Q (accum.)	FY2022		FY2023		FY2024		FY2023-FY2024	
	Amount	Sales ratio	Amount	Sales ratio	Amount	Sales ratio	Increase	Increase rate
sales	¥11,860M	100.0%	¥12,469M	100.0%	¥12,895M	100.0%	¥425M	3.4%
cost	¥8,796M	74.2%	¥9,513M	76.3%	¥9,894M	76.7%	¥381M	4.0%
Gross Margin	¥3,063M	25.8%	¥2,955M	23.7%	¥3,000M	23.3%	¥44M	1.5%
SG(&)A	¥1,634M	13.8%	¥1,667M	13.4%	¥1,680M	13.0%	¥12M	0.8%
Operating Income	¥1,428M	12.0%	¥1,288M	10.3%	¥1,320M	10.2%	¥31M	2.5%
Ordinary Income	¥1,433M	12.1%	¥1,306M	10.5%	¥1,329M	10.3%	¥23M	1.8%
Net Income	¥892M	7.5%	¥626M	5.0%	¥551M	4.3%	-¥74M	-11.9%

- Sales increased and profit decreased. The main reason for the increase in sales was the solid performance of the CRO business.
- Although the gross margin declined slightly due to the impact of improved treatment of temporary staff in April 2024, the SG&A ratio was also controlled, resulting in operating and ordinary income margins at the same levels as in FY2023.
- The reason for the large decrease in net income is the impact of corporate tax.

# Business Performance (By Segment)

1Q		FY2022		FY2023		FY2024		FY2023-FY2024	
		Amount	Sales ratio	Amount	Sales ratio	Amount	Sales ratio	Increase	Increase rate
Human resources	sales	¥10,274M	-	¥10,779M	-	¥10,905M	-	¥126M	1.2%
	Segment profit	¥1,398M	13.6%	¥1,129M	10.5%	¥1,029M	9.4%	-¥100M	-8.9%
CRO	sales	¥1,586M	-	¥1,690M	-	¥1,989M	-	¥299M	17.7%
	Segment profit	¥179M	11.3%	¥287M	17.0%	¥417M	21.0%	¥129M	45.0%

## < Human resources >

Sales increased slightly, while segment profit decreased. The main reason for the decrease in profit was the improvement in the treatment of temporary staff in April 2024.

## < CRO >

Orders have remained strong both domestically and internationally, resulting in increased sales and profit.

## Human resources

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- We raised compensation for temporary staff by an average of 5.6% in April as part of our efforts based on our medium-to-long term management plan.
- We have further consolidated operations into support desks in Tokyo and Kobe, and established a system to streamline operations by focusing primarily on online sales activities.

## CRO

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- Both domestic and overseas business performance have been strong, leading to increased sales and profit.
- WDB COCO has increased compensation to enhance recruitment. Additionally, Medfiles has focused its management resources on high-profitability businesses.

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## Human resources

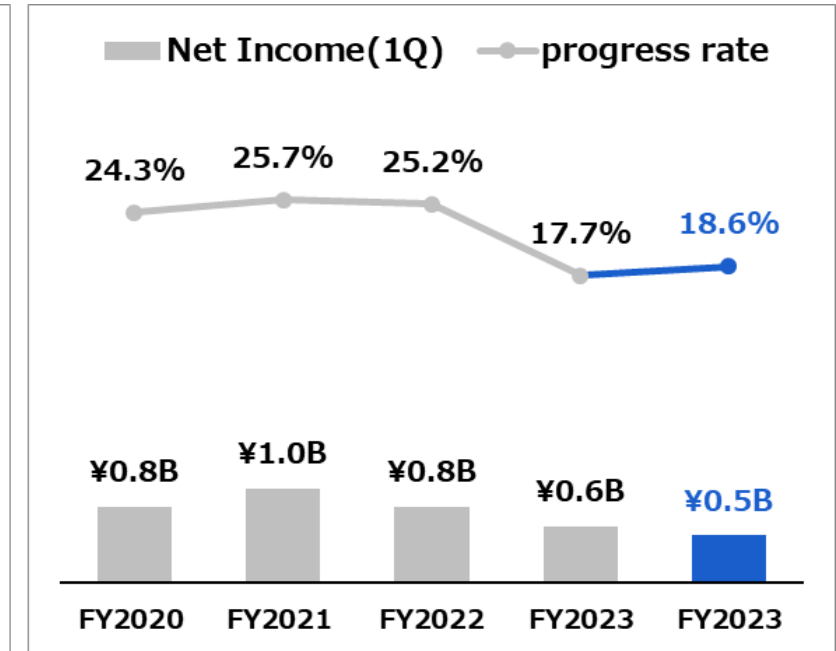
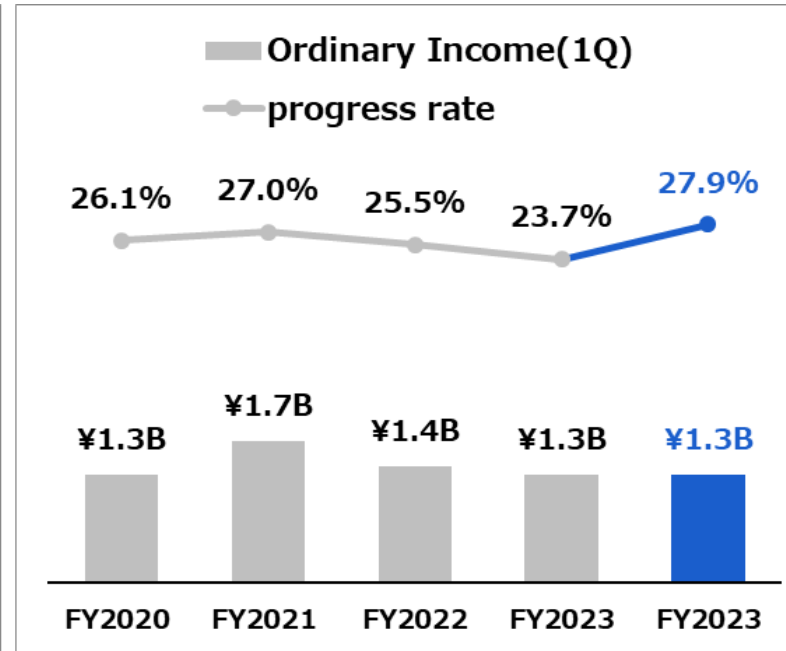
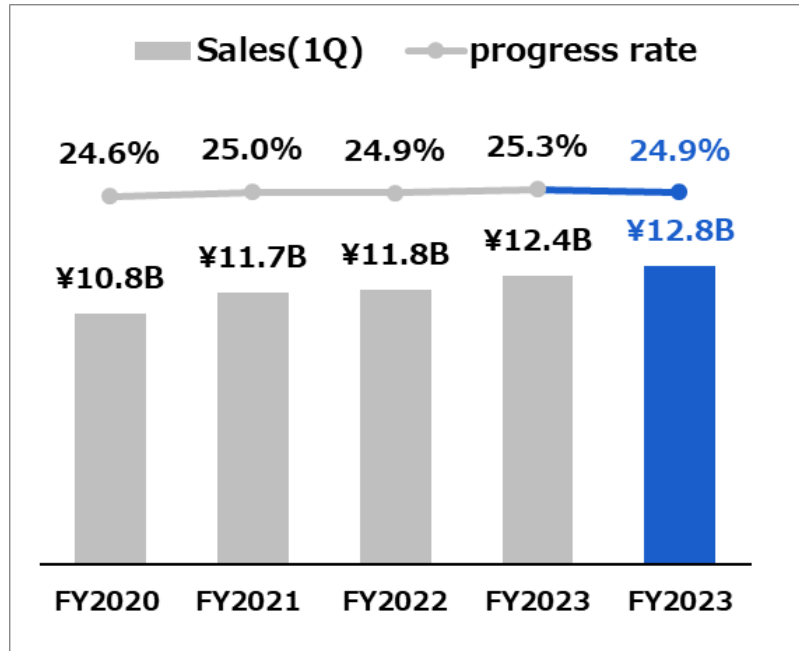
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## CRO

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Additionally, Medfiles has focused its management resources on high-profitability businesses.

	FY2022			FY2023			FY2024(Forecast)		
	Amount	Sales ratio	Growth rate	Amount	Sales ratio	Growth rate	Amount	Sales ratio	Growth rate
Net Sales	¥47.6B	100.0%	1.5%	¥49.2B	100.0%	3.6%	¥51.8B	100.0%	5.1%
Gross Margin	¥11.9B	25.1%	-4.5%	¥11.8B	24.1%	-0.4%	¥11.6B	22.4%	-2.4%
SG(&)A	¥6.4B	13.5%	4.0%	¥6.4B	13.0%	-0.1%	¥6.8B	13.2%	6.7%
Operating Income	¥5.5B	11.6%	-12.8%	¥5.4B	11.1%	-0.7%	¥4.7B	9.2%	-13.1%
Ordinary Income	¥5.6B	11.8%	-12.2%	¥5.5B	11.2%	-1.9%	¥4.7B	9.2%	-13.4%
Net Income	¥3.5B	7.4%	-15.1%	¥3.5B	7.2%	0.2%	¥2.9B	5.7%	-16.3%

**There is no change in the full-year forecast announced in May 2024.**



- The progress rate of sales is in line with previous years.
- Ordinary income is progressing at a higher rate than in previous years.
- The reason for the low rate of progress in net income is the one-time impact of income taxes.

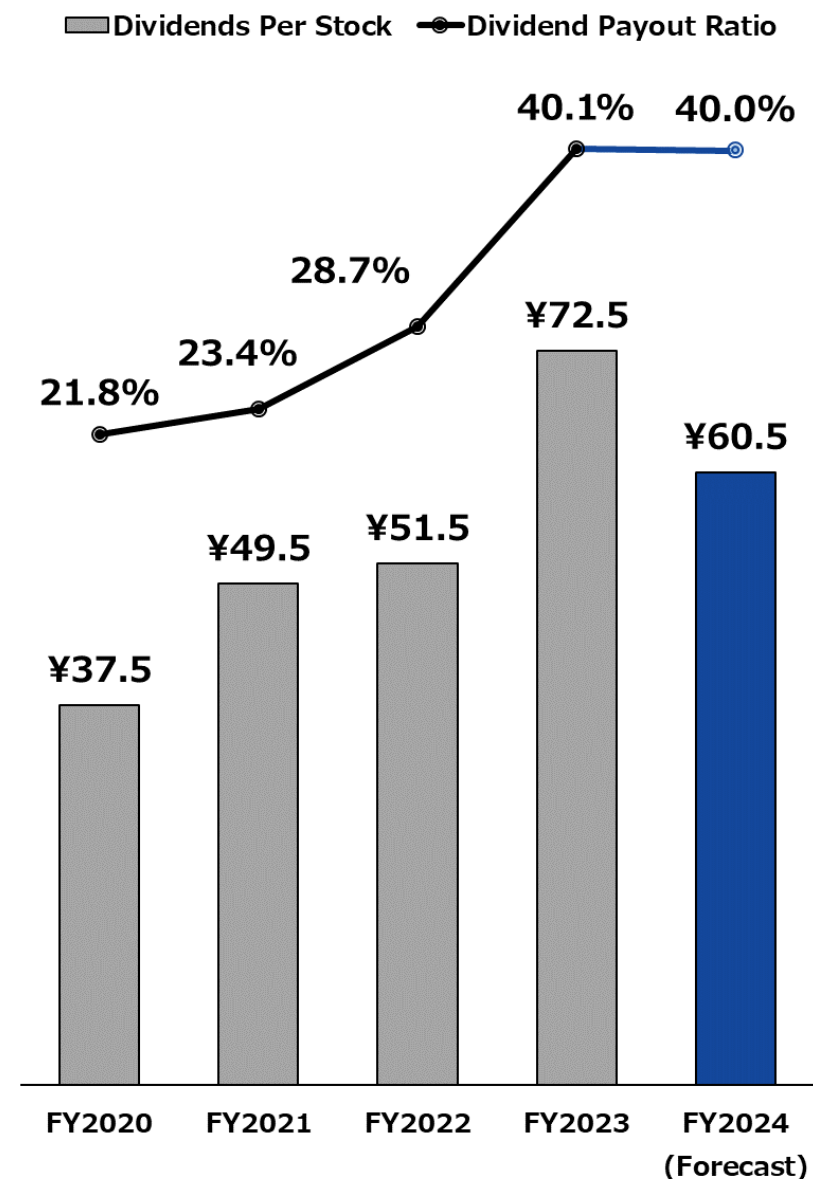
- **We revised the contents of the medium-to-long term management plan released in May 2022, based on the results of our efforts over the past two years and the world situation.**
- **For details, please refer to the “Medium-to-Long Term Management Plan 2024” disclosed on May 14, 2024.**

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

Since our listing in 2006, we have aimed for a dividend payout ratio of 30% and have continued to increase dividends. In FY2023, we set the dividend payout ratio target at 40% and continued to increase dividends.

In FY2024, on the other hand, due to the significant increase in wages for our temporary staff based on our medium-to-long term management plan, we forecast a temporary decline in profits. While we will maintain the dividend payout ratio at 40%, we unfortunately expect a reduction in dividends.

We are committed to realizing our medium-to-long term management plan and will strive to continue increasing dividends again. We would appreciate your understanding for this.



**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>**

**Corporate Planning Department**

**WDB Holdings Co., Ltd.**

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