

Consolidated Financial Results for the 1st Quarter Ended June 30, 2022 (J-GAAP)

TOKYO STOCK EXCHANGE LISTING : Prime Market Code Number : 2475

(1) Consolidated Operating Results (Cumulative)

(Notes) Growth rate means the change from the same period of the previous fiscal year

	Net Sales		Operating Income		Ordinary Income		Net income Attributable to Owners of the Parent	
	(Million yen)	Growth rate	(Million yen)	Growth rate	(Million yen)	Growth rate	(Million yen)	Growth rate
FY2022 1Q	11,860	1.3%	1,428	-16.0%	1,433	-17.0%	892	-16.5%
FY2021 1Q	11,711	8.1%	1,701	24.9%	1,727	26.4%	1,070	29.1%

	Earnings per share (Yen)
FY2022 1Q	45.24
FY2021 1Q	54.21

(2) Consolidated Financial Position

	Total Assets (Million yen)	Net Assets (Million yen)	Equity Ratio
FY2022 1Q	34,323	26,150	74.2%
FY2021	33,828	25,796	74.2%

(3) Dividends

	Annual Dividends Per Share (Yen)					Dividend Payout Ratio
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total	
FY2021	-	19.5	-	30.0	49.5	23.4%
FY2022 (Forecast)	-	20.5	-	31.0	51.5	31.0%

(Notes) Revisions to consolidated financial results forecasts published most recently: None

(4) Consolidated Forecast of Results for the Fiscal Year Ending March 31, 2023 (Cumulative)

	Net Sales		Operating Income		Ordinary Income		Net income Attributable to Owners of the Parent		Earnings Per share
	(Million yen)	Growth rate	(Million yen)	Growth rate	(Million yen)	Growth rate	(Million yen)	Growth rate	(Yen)
FY2022 2Q	23,216	-0.1%	2,789	-14.7%	2,789	-8.1%	1,750	-14.2%	88.66
FY2022	47,249	0.8%	5,083	-19.5%	5,083	-20.5%	3,277	-21.4%	166.02

[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.

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[Corporate Information]

1. [Overview of the Company]

1 [Key financial data]

Next time		37th fiscal year 1st quarter Consolidated Cumulative Period	38th fiscal year 1st quarter Consolidated Cumulative Period	37th fiscal year
Accounting period		April 1, 2021 To June 30, 2021	April 1, 2022 To June 30, 2022	April 1, 2021 To March 31, 2022
Net sales	(Thousands of yen)	11,711,451	11,860,434	46,875,964
Ordinary income	(Thousands of yen)	1,727,345	1,433,952	6,393,458
Quarterly (current) net income attributable to owners of the parent	(Thousands of yen)	1,070,004	892,968	4,171,272
Quarterly comprehensive income (loss)	(Thousands of yen)	1,134,646	976,972	4,336,627
Net assets	(Thousands of yen)	22,967,334	26,150,779	25,796,427
Total assets	(Thousands of yen)	30,611,716	34,323,156	33,828,472
Quarterly (current term) net income per share	(Yen)	54.21	45.24	211.32
Quarterly (current term) net income per share (fully diluted)	(Yen)	-	-	-
Equity Ratio	(%)	73.4	74.2	74.2

(NOTE)1. We have prepared the quarterly consolidated financial statements, and accordingly, we have not provided a description of trends in major management indicators, etc. of the Company submitting the financial statements.

2. Diluted quarterly net income per share is not presented because there were no dilutive shares.

2 [Business description]

There have been no material changes in the nature of the businesses operated by our group (the company and its affiliates) during the first quarter of the fiscal year under review.

2. [Business Conditions]

1 [Business and Other Risks]

There have been no significant changes in the business and other risks described in the quarterly financial statements for the first quarter of the fiscal year under review that may have a material impact on the decisions of investors or in the financial statements for the previous fiscal year.

2 [Management's Discussion and Analysis of Financial Condition, Results of Operations and Cash Flows]

The forward-looking statements in the text are based on the judgment of our group as of the last day of the current quarterly consolidated accounting period.

(1) Operating and financial review

In the first quarter of the current fiscal year, although the Japanese economy continued to be affected by the Corona Virus infectious diseases, the penetration of vaccines and anti-infectious measures limited the impact on the business conducted by our group.

In addition, the effective job openings-to-applicants ratio (seasonally adjusted) announced by the Ministry of Health, Labour and Welfare was 1.25 times the average from April to June 2022, up 0.14 points from the average from April to June 2021. In addition, the unemployment rate (seasonally adjusted) announced by the Ministry of Internal Affairs and Communications was 2.6% on the average from April to June 2022, down 0.3 percentage points from the average from April to June 2021. Compared to the same period of the previous fiscal year, the number of job offers increased and the unemployment rate decreased, making it difficult to acquire human resources. In addition, the number of new staffing requests and orders received from research laboratories, quality control departments, such as pharmaceutical, chemical, and food manufacturers, and research laboratories of universities and public institutions, which are the main customers of our group, exceeded the level before Corona.

In the human resource services business, we began improving the treatment of temporary employees in accordance with the medium-to long-term management plan announced on May 13, 2022. We announced revisions to the salaries of temporary staff currently on assignment, and we conducted recruitment activities using the revised salaries for new temporary staffing requests. In addition, we improved the "doconico" temporary staffing service platform and stepped up activities to disseminate it to customers and temporary staff. We also began reorganizing our sales organization so that doconico can maximize the effects of operational efficiency improvements.

(Medium-to Long-Term Management Plan <https://www.wdbhd.co.jp/assets/pdf/eng/ir/about/management-policy220513.pdf>)

In the CRO business, performance was firm. With regard to the subsidiary in Finland, although there are concerns about the impact of the Ukrainian situation, there is no impact on the business at present. We are also developing CRO service platforms with the aim of improving operational efficiency and launching new services.

As a result of the above, net sales for the first quarter of the current fiscal year were 11.86 billion yen (a year-on-year increase of 1.3%). Operating income was ¥1,428 million (down 16.0% year on year), ordinary income was ¥1,433 million (down 17.0% year on year), and quarterly net income attributable to owners of the parent was ¥892 million (down 16.5% year on year). In addition, the ratio of operating income to net sales and the ratio of ordinary income to net sales, which are indicators we are focusing on, were 12.0% and 12.1%, respectively. The main reasons for the increase in sales and decrease in profits were a decrease in the number of business days compared to the same period of the previous fiscal year, and an increase in SG&A expenses associated with wage base pay increases.

Total assets at the end of the first quarter under review were ¥34,323 million, an increase of ¥494 million from the end of the previous fiscal year. Liabilities were ¥8,172 million, an increase of ¥140 million from the end of the previous fiscal year. Net assets were ¥26,150 million, an increase of ¥354 million from the end of the previous fiscal year.

Operating results by segment are as follows.

※Segment profit is before elimination of intersegment transactions.

① Human Resource Service Business

In this segment, net sales were ¥10,274 million (up 0.8% year on year) and segment income was ¥1,398 million (down 10.5% year on year). Sales increased but profits decreased mainly due to a one-day decrease in the number of business days compared to the same period of the previous fiscal year and an increase in SG&A expenses associated with base pay increases. As announced in the Medium-to Long-Term Management Plan, the improvement in the treatment of temporary employees was implemented on July 1, and this did not have an impact on the company's business performance in the first

quarter of the fiscal year under review.

② CRO business

In this segment, net sales were ¥1,586 million (up 8.9% year on year) and segment income was ¥177 million (down 20.8% year on year). At WDB coco, we made investments for the future and increased costs, and orders in the U.S. were sluggish. As a result, sales increased but profits decreased.

(2) Accounting estimates and the assumptions used in such estimates

There have been no material changes to the accounting estimates and the assumptions used in such estimates presented in Management's Analysis of Financial Condition, Results of Operations and Cash Flows included in the prior fiscal year's Annual Securities Report.

(3) Business and financial issues to be addressed with priority

There have been no material changes in the business and financial issues that our Group should prioritize during the first quarter of the current fiscal year.

(4) Research & Development Activities

Not applicable.

3 [Important management contracts, etc.]

During the first quarter of the current fiscal year, there were no decisions or conclusions on important management contracts.

3. [Status of the Company]

1 [Stock Information]

(1) [Total number of shares, etc.]

① [Total number of shares]

Type	Authorized shares
Common stock	80,240,000
Total	80,240,000

② [Issued shares]

Type	End of the first quarter Current number of shares issued (shares) (As of June 30, 2022)	Number issued as of the date of filing Corp. (August 10, 2022)	Listed financial instruments exchange name Registered or Approved Financial Instruments Name of the trading association	Details
Common stock	20,060,000	20,060,000	Tokyo Stock Exchange (Prime Market)	The number of shares constituting one unit is 100 shares.
Total	20,060,000	20,060,000	-	-

(2) [Status of stock acquisition rights]

① [Details of the stock option plan]

Not applicable.

② [Other Subscription Rights]

Not applicable.

(3) [Exercise Status of Bonds with Stock Acquisition Rights, etc. with Exercise Price Adjustment Clauses]

Not applicable.

(4) [Total number of issued shares, capital stock, etc.]

Date	Outstanding shares Number of changes Corp.	Outstanding shares Total balance Corp.	Change in common stock (Thousands of yen)	Common stock balance (Thousands of yen)	Legal capital surplus Change (Thousands of yen)	Legal capital surplus Balance (Thousands of yen)
June 30, 2022	-	20,060,000	-	1,000,000	-	52,525

(5) [Status of Major Shareholders]

There are no items to be stated because the current quarterly accounting period is the first quarter accounting period.

(6) [Status of voting rights]

The status of voting rights as of the end of the first quarter of the current fiscal year is based on the shareholder register as of the immediately preceding record date (March 31, 2022) because the details of the list of shareholders cannot be confirmed.

① [Issued shares]

As of March 31, 2022

Classification	Number of Options (shares)	Number of Voting Rights (Units)	Details
Non-voting stock	-	-	-
Shares with restricted voting rights (treasury stock, etc.)	-	-	-
Shares with restricted voting rights (other)	-	-	-
Wholly Owned Voting Shares (Treasury Shares, etc.)	(Treasury stock) Common stock 320,800	-	-
Fully voting shares (other)	Common stock 19,736,300	197,363	-
Shares less than one unit	Common stock 2,900	-	-
Number of issued shares	20,060,000	-	-
Voting rights of all shareholders	-	197,363	-

(NOTE) The "Shares less than one unit" column includes 66 shares of treasury stock owned by us.

②[Treasury stock, etc.]

As of March 31, 2022

Name of owner	Address of the holder	Ownership in Own Name Number of Options (shares)	Ownership in the name of others Number of Options (shares)	Number of Shares Held Total Co., Ltd.	Outstanding shares To the total number Number of Shares Held Percentage (%)
(Treasury stock) WDB Holdings Co., Ltd.	79 Toyozawa-cho, Himeji-shi, Hyogo	320,800	-	320,800	1.60
Total	-	320,800	-	320,800	1.60

2 [Status of Directors and Audit & Supervisory Board Members]

Not applicable.

4. [Accounting Status]

Preparation Method for Quarterly Consolidated Financial Statements

Our quarterly consolidated financial statements have been prepared in accordance with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements" (Cabinet Office Order No. 64, 2007).

[Quarterly Consolidated Financial Statements]

(1) [Quarterly Consolidated Balance Sheets]

(Thousands of yen)

	End of previous fiscal year (As of March 31, 2022)	End of 1st quarter of the fiscal year under review (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	16,426,445	16,315,453
Notes, accounts receivable and contract assets	6,045,337	6,281,699
Inventories	38,094	38,514
Others	585,117	983,714
Total current assets	23,094,995	23,619,381
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	1,489,203	1,467,656
Land	6,798,672	6,798,672
Other, net	310,682	361,544
Total property, plant and equipment	8,598,558	8,627,873
Intangible assets		
Goodwill	95,610	71,305
Others	63,015	63,823
Total intangible assets	158,626	135,128
Investments and other assets		
Investment securities	91,343	91,486
Lease deposits	779,735	821,341
Deferred tax assets	819,007	736,632
Others	286,204	291,311
Total investments and other assets	1,976,291	1,940,773
Total noncurrent assets	10,733,476	10,703,775
Total assets	33,828,472	34,323,156
Liabilities		
Current liabilities		
Accounts payable	2,239,785	2,557,475
Accounts payable-other	357,265	230,654
Income taxes payable	1,238,007	485,563
Consumption tax payable	857,341	1,041,674
Provision for bonuses	700,325	628,237
Others	1,167,653	1,730,068
Total current liabilities	6,560,379	6,673,674
Long-term liabilities		
Provision for directors' retirement benefits	486,950	492,944
Obligations for retirement pay	493,321	495,666
Asset retirement obligations	268,673	269,423
Others	222,720	240,669
Total long-term liabilities	1,471,665	1,498,703
Total liabilities	8,032,044	8,172,377

(Thousands of yen)

	End of previous fiscal year (As of March 31, 2022)	End of 1st quarter of the fiscal year under review (As of June 30, 2022)
Net assets		
Shareholders' equity		
Paid-in Capital	1,000,000	1,000,000
Capital surplus	669,833	669,833
Retained earnings	24,505,499	24,806,294
Treasury stock	-1,018,690	-1,018,690
Total shareholders' equity	25,156,642	25,457,437
Other accumulated comprehensive income		
Valuation difference on securities	15,693	15,792
Foreign currency translation adjustments	24,654	63,784
Remeasurements of defined benefit plans	-83,870	-76,195
Total other accumulated comprehensive income	-43,522	3,381
Non-controlling shareholders' equity	683,307	689,960
Total net assets	25,796,427	26,150,779
Total liabilities and net assets	33,828,472	34,323,156

(2) [Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income]
[Quarterly Consolidated Statements of Income]
[First Quarter Consolidated Cumulative Period]

(Thousands of yen)

	First 1st quarter of previous fiscal year (April 1, 2021 To June 30, 2021)	First 1st quarter of fiscal year under review (April 1, 2022 From June 30, 2022)
Net sales	11,711,451	11,860,434
Cost of sales	8,466,255	8,796,938
Gross profit	3,245,195	3,063,495
Selling, general and administrative expenses	1,543,274	1,634,699
Operating income	1,701,920	1,428,796
Non-operating income		
Subsidy income	5,589	3,052
Gain on consumption and other tax exemption	13,209	479
Others	8,326	2,299
Total non-operating income	27,125	5,831
Non-operating expenses		
Others	1,700	675
Total non-operating expenses	1,700	675
Ordinary income	1,727,345	1,433,952
Extraordinary loss		
Loss on retirement of noncurrent assets	6,061	-
Total extraordinary loss	6,061	-
Current net income for the quarter before income taxes and minority interests	1,721,284	1,433,952
Income taxes	483,603	426,123
Income taxes-deferred	126,459	78,632
Total income taxes	610,063	504,755
Net profit	1,111,221	929,196
Quarterly net income attributable to non-controlling interests	41,216	36,227
Net profit attributable to owners of parent	1,070,004	892,968

[Quarterly Consolidated Statements of Comprehensive Income]

[First Quarter Consolidated Cumulative Period]

(Thousands of yen)

	First 1st quarter of previous fiscal year (April 1, 2021 To June 30, 2021)	First 1st quarter of fiscal year under review (April 1, 2022 From June 30, 2022)
Net profit	1,111,221	929,196
Other comprehensive income		
Valuation difference on securities	-598	99
Foreign currency translation adjustments	22,969	39,129
Adjustments for retirement benefits	1,054	8,547
Total other comprehensive income	23,425	47,776
Quarterly comprehensive income	1,134,646	976,972
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of the parent	1,093,412	939,873
Quarterly comprehensive income attributable to non- controlling interests	41,233	37,099

[Notes]

(Notes to Quarterly Consolidated Balance Sheets)

Not applicable.

(Notes to Quarterly Consolidated Statements of Income)

Not applicable.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the current fiscal year have not been prepared.

Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill related to the first quarter of the current fiscal year are as follows:

	First 1st quarter of previous fiscal year (April 1, 2021 To June 30, 2021)	First 1st quarter of fiscal year under review (April 1, 2022 To June 30, 2022)
Depreciation and amortization	54,432 Thousands of yen	49,963 Thousands of yen
Amortization of goodwill	27,410 Thousands of yen	28,714 Thousands of yen

(Shareholders' Equity)

Previous 1st Quarter (From April 1, 2021 to June 30, 2021)

1.Dividends paid

Resolution	Class of shares	Total dividends (Thousands of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
June 24, 2021 Annual Shareholders' Meeting	Common stock	444,131	22.5	March 31, 2021	June 25, 2021	Retained earnings

2.Dividends whose record date falls after the end of the first quarter of the current fiscal year, but whose effective date falls after the end of the first quarter of the current fiscal year

Not applicable.

First Quarter Under Review (From April 1, 2022 to June 30, 2022)

1.Dividends paid

Resolution	Class of shares	Total dividends (Thousands of yen)	Per share Dividends (yen)	Record Date	Effective date	Source of dividends
June 23, 2022 Annual Shareholders' Meeting	Common stock	592,174	30.0	March 31, 2022	June 24, 2022	Retained earnings

2.Dividends whose record date falls after the end of the first quarter of the current fiscal year, but whose effective date falls after the end of the first quarter of the current fiscal year

Not applicable.

(Segment information, etc.)

[Segment Information]

I Previous 1st Quarter (From April 1, 2021 to June 30, 2021)

1. Information on net sales and profits or losses by reported segment

(Thousands of yen)

	Reportable segments			Others (NOTE)	Total
	Human resources services Business	CRO business	Total		
Net sales					
Sales to customers	10,194,923	1,455,899	11,650,822	60,628	11,711,451
Intersegment sales	20,511	-	20,511	-	20,511
Total	10,215,434	1,455,899	11,671,333	60,628	11,731,962
Segment profit (loss)	1,562,562	223,683	1,786,246	-2,611	1,783,635

(NOTE)"Others" is a business segment that is not included in reportable segments, and includes the development and manufacturing business for gas injection systems, etc. and bio-related equipment.

2. Difference between total income or loss of reporting segment and amounts reported in quarterly consolidated statement of income and major components thereof (matters concerning difference adjustment)

(Thousands of yen)

	Total
Reporting segment total	1,786,246
“Others” loss	-2,611
Corporate expenses (NOTE)	-81,714
Operating income in quarterly Consolidated Statements of Income	1,701,920

(NOTE)Corporate expenses are mainly expenses related to the holding company that are not attributable to reportable segments.

3. Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

4. Information disaggregating revenue from contracts with customers

(Thousands of yen)

	Reportable segments						Others (NOTE)	Total
	Human Resource Service Business			CRO business				
	Temporary staffing	Placement/ Recruiting	Subtotal	Domestic companies	Overseas companies	Subtotal		
From contracts with customers Revenue generated	9,948,310	246,612	10,194,923	870,434	585,464	1,455,899	60,628	11,711,451

(NOTE) "Others" is a business segment that is not included in reportable segments, and includes the development and manufacturing business for gas injection systems, etc. and bio-related equipment.

II First Quarter Under Review (From April 1, 2022 to June 30, 2022)

1. Information on net sales and profits or losses by reported segment

(Thousands of yen)

	Reportable segments			Total
	Human resources services Business	CRO business	Total	
Net sales				
Sales to customers	10,274,295	1,586,138	11,860,434	11,860,434
Intersegment sales	9,493	-	9,493	9,493
Total	10,283,788	1,586,138	11,869,927	11,869,927
Segment profit (loss)	1,398,970	179,160	1,578,131	1,578,131

2. Difference between total income or loss of reporting segment and amounts reported in quarterly consolidated statement of income and major components thereof (matters concerning difference adjustment)

(Thousands of yen)

	Total
Reporting segment total	1,578,131
Corporate expenses (NOTE)	-149,335
Operating income in quarterly Consolidated Statements of Income	1,428,796

(NOTE) Corporate expenses are mainly expenses related to the holding company that are not attributable to reportable segments.

3. Information on impairment loss on noncurrent assets and goodwill by reportable segment

Not applicable.

4. Information disaggregating revenue from contracts with customers

(Thousands of yen)

		From contracts with customers Revenue generated	Total
Human Resource Service Business	Temporary staffing	10,034,071	10,274,295
	Placement/Recruiting	240,224	
CRO business	Domestic companies	1,035,799	1,586,138
	Overseas companies	550,338	
Reportable segments total			11,860,434
Total			11,860,434

(NOTE) The "Other" category refers to sales not included in reportable segments.

(Business Combinations, etc.)

Not applicable.

(Revenue Recognition)

Information disaggregating revenue from contracts with customers is presented in "Notes (Segment information, etc.) 4. Breakdown of revenue from contracts with customers."

(Per Share Information)

Quarterly net income per share and the basis of calculation are as follows.

Item	First 1st quarter of previous fiscal year (April 1, 2021 To June 30, 2021)	First 1st quarter of fiscal year under review (April 1, 2022 From June 30, 2022)
Quarterly net income per share	54.21 yen	45.24 yen
(Basis of calculation)		
Quarterly profit attributable to owners of parent (thousand yen)	1,070,004	892,968
Amount not attributable to common stock (thousand yen)	-	-
Quarterly profit attributable to owners of parent attributable to common stock (thousand yen)	1,070,004	892,968
Average number of shares of common stock outstanding during the period (shares)	19,739,159	19,739,134

(NOTE) Quarterly diluted net income per share is not presented because there were no dilutive shares.

(Significant Subsequent Events)

(Regarding unauthorized access to our server)

On August 1, 2022, we confirmed that our servers, etc., were being accessed illegally by a third party. We are currently investigating the cause and extent of damage.

The impact on the financial condition and operating results for the current consolidated fiscal year cannot be rationally calculated as it is currently under investigation.