

**Respond, Exceed**



**WDB Holdings Co., Ltd.**

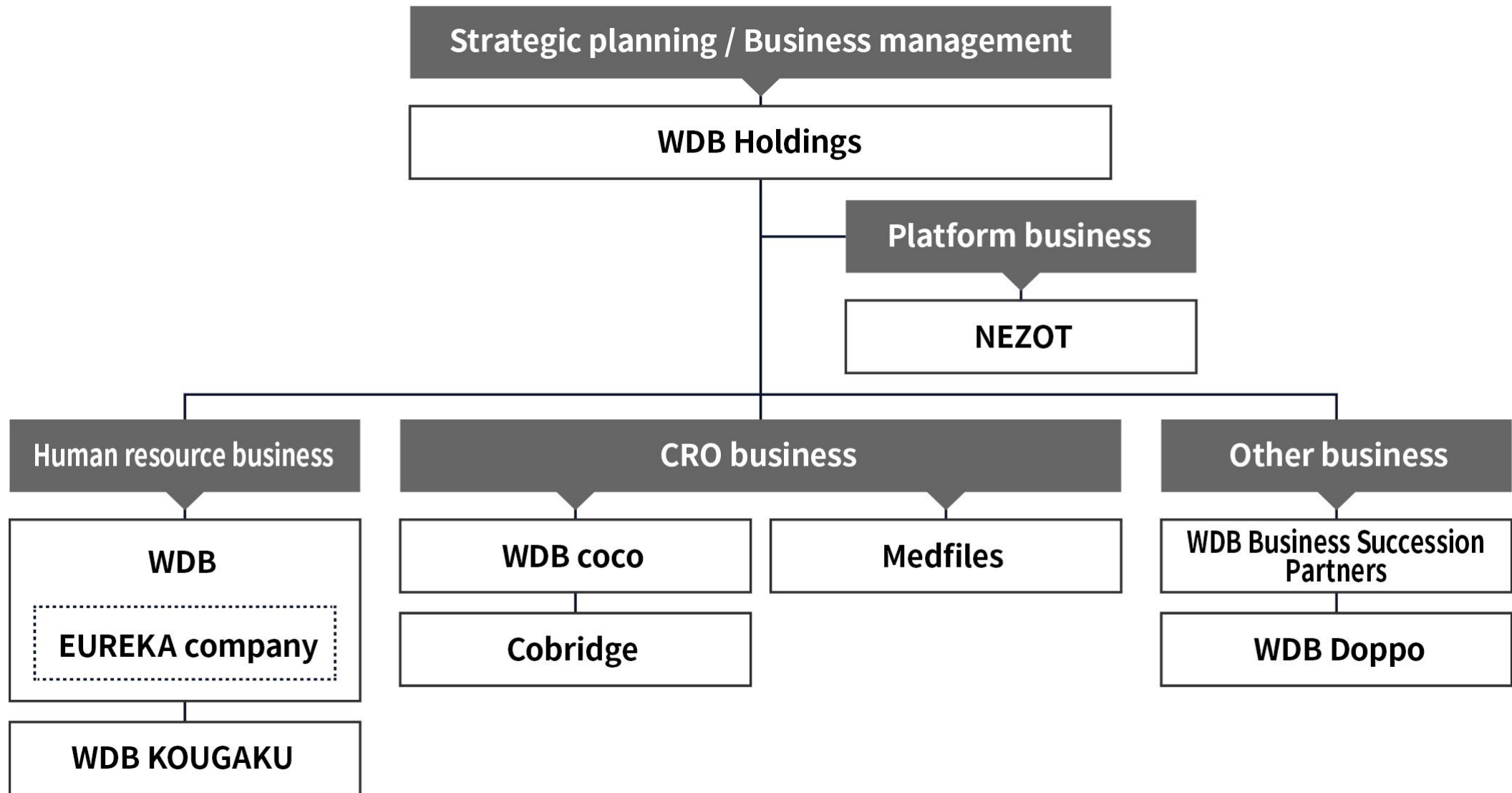
# **FY2023 Business presentation**

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

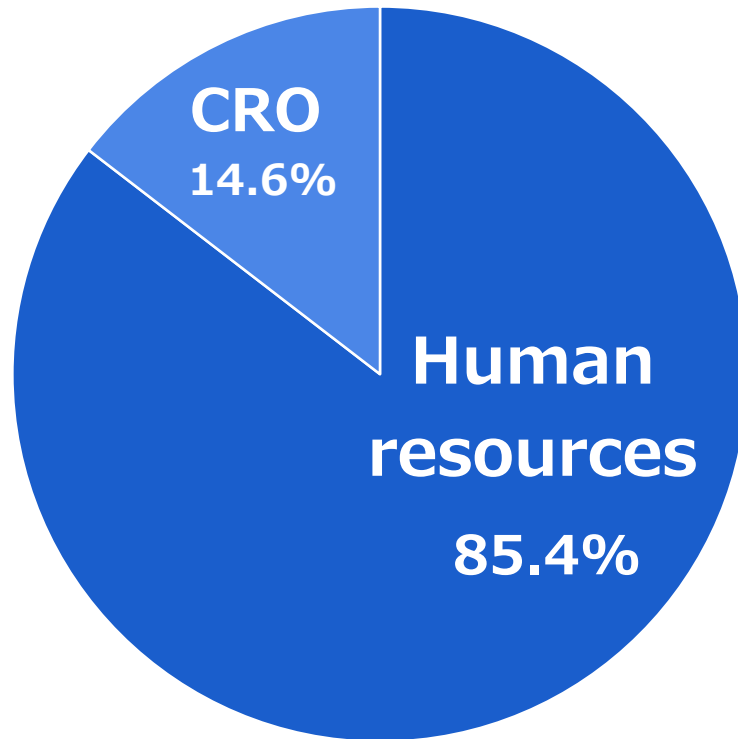
# Company Overview (June.2024)



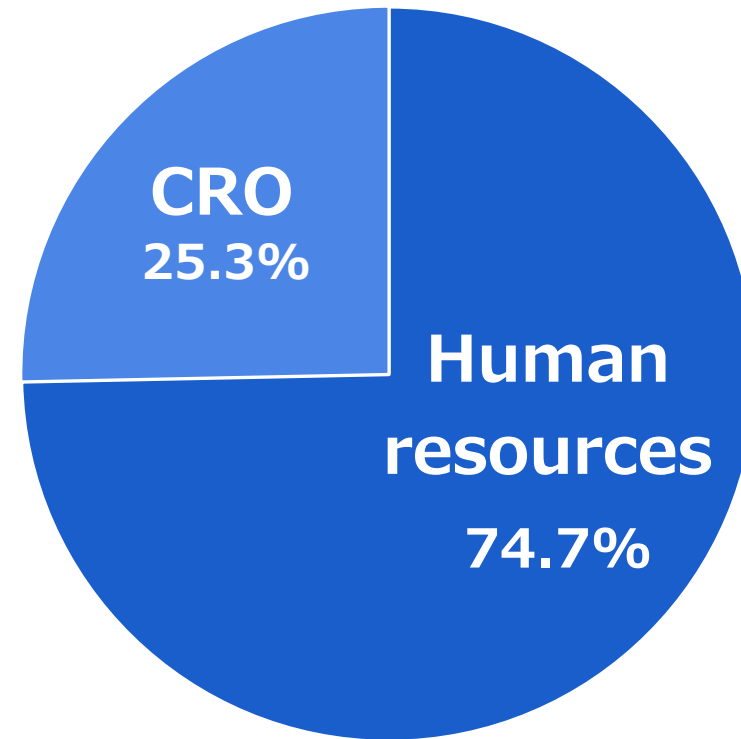
<b>Company Name</b>	<b>WDB Holdings Co., Ltd.</b>
<b>Incorporation</b>	<b>July 6,1985</b>
<b>Capital</b>	<b>¥1 billion</b>
<b>Stock Listing</b>	<b>Prime Market of Tokyo Stock Exchange (Code 2475)</b>
<b>President and CEO</b>	<b>Toshimitsu Nakano</b>
<b>Head Office</b>	<b>79 Toyozawa-cho,Himeji-shi,Hyogo</b>
<b>Number of Employees</b>	<b>987 (temporary staff and others / 10,349)</b>
<b>Sales</b>	<b>¥49.3 billion (FY2023)</b>
<b>Ordinary Income</b>	<b>¥5.5 billion (FY2023)</b>
<b>Business Domain</b>	<ul style="list-style-type: none"><li>• <b>Human Resource Business</b></li><li>• <b>CRO business</b></li><li>• <b>Platform and Other Business</b></li></ul>



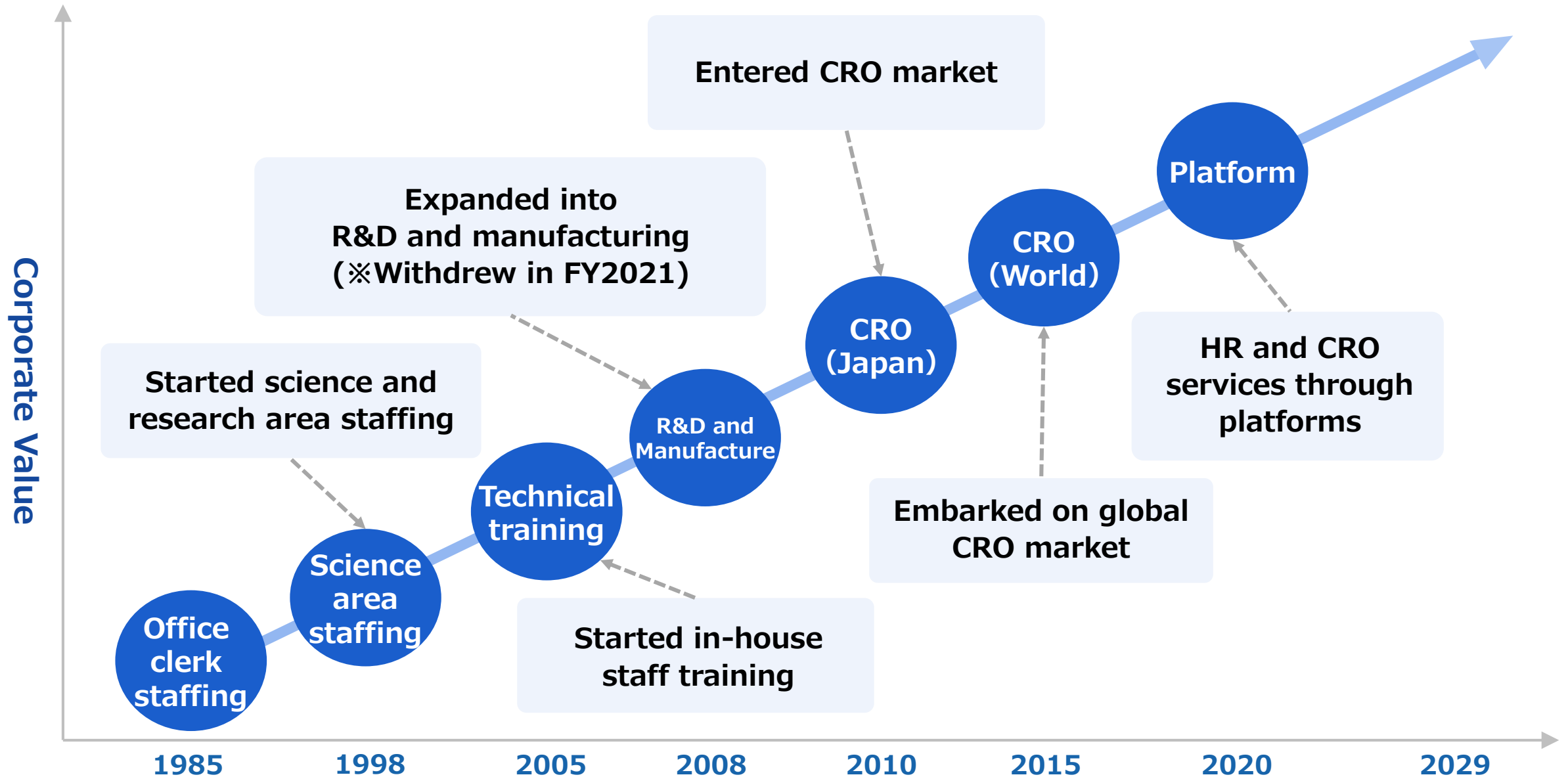
## Sales composition (FY2023)



## Profit composition (FY2023)



# History and Business Expansion

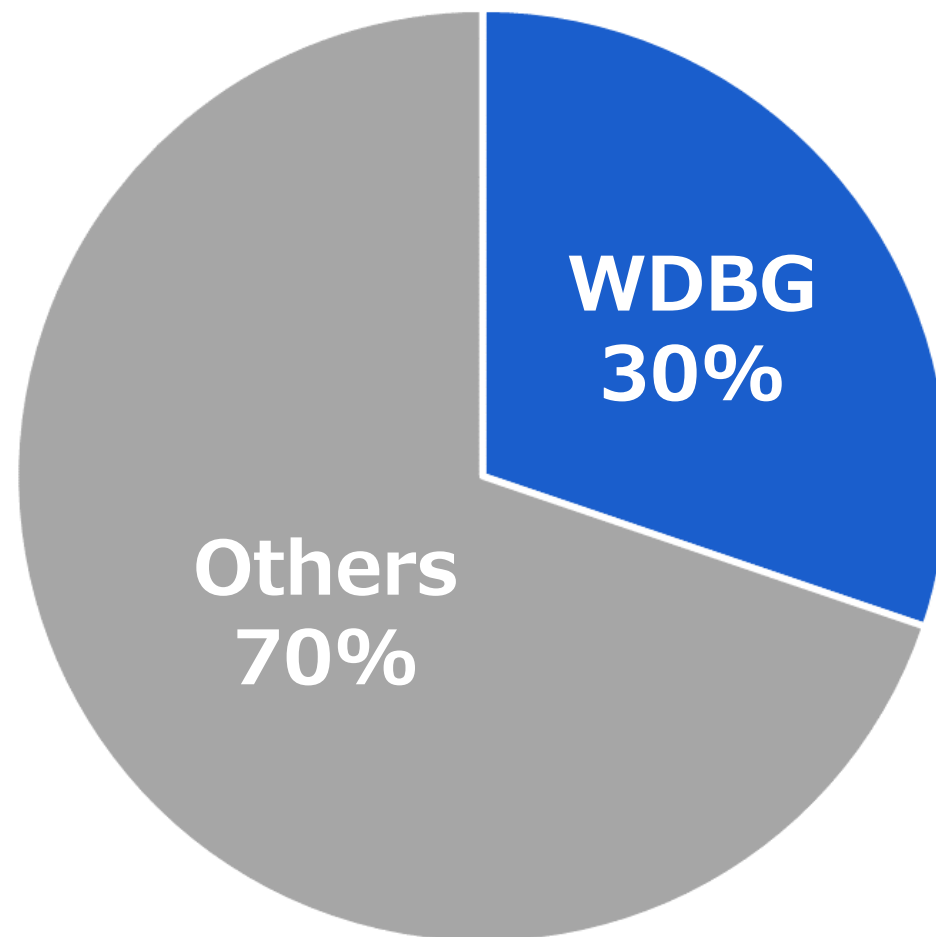


# Human Resource (Staffing) Business

**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**

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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**

# CRO Business

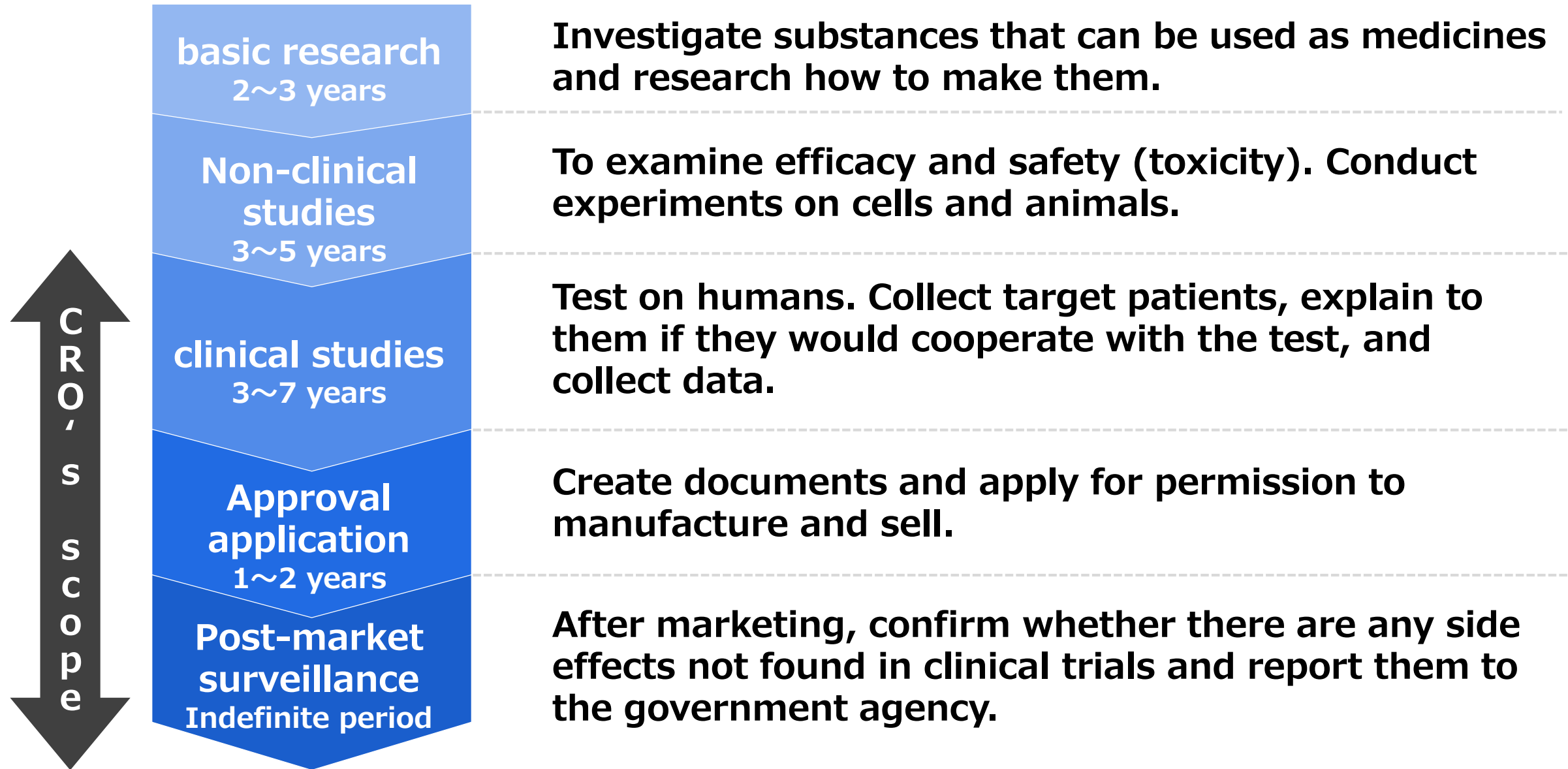
**CRO (Contract Research Organization) is a company that supports the drug development of pharmaceutical manufacturers.**

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

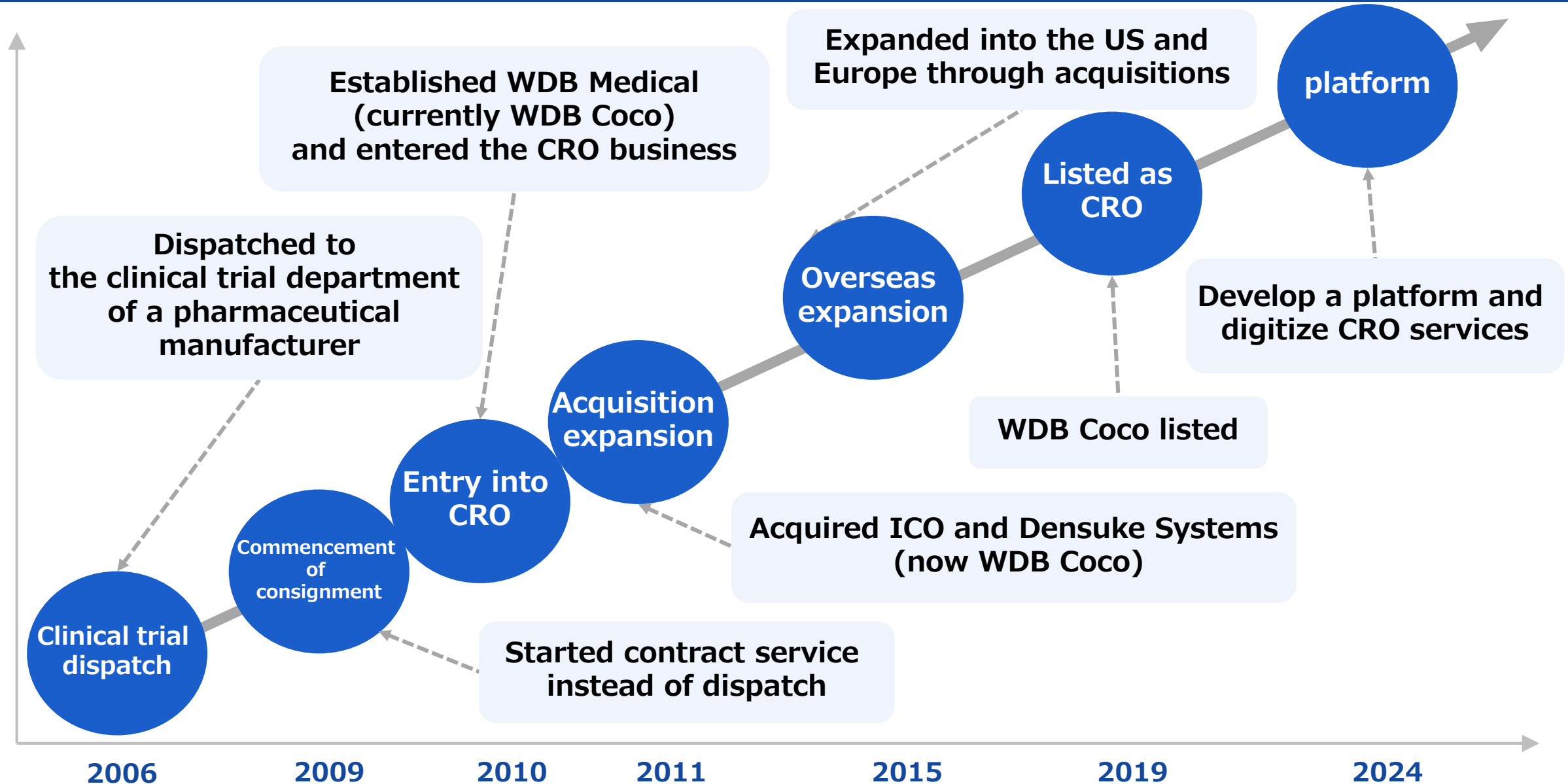
**For this reason, pharmaceutical manufacturers place orders for various ancillary tasks related to drug development to CROs so that researchers can concentrate on their research.**

**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

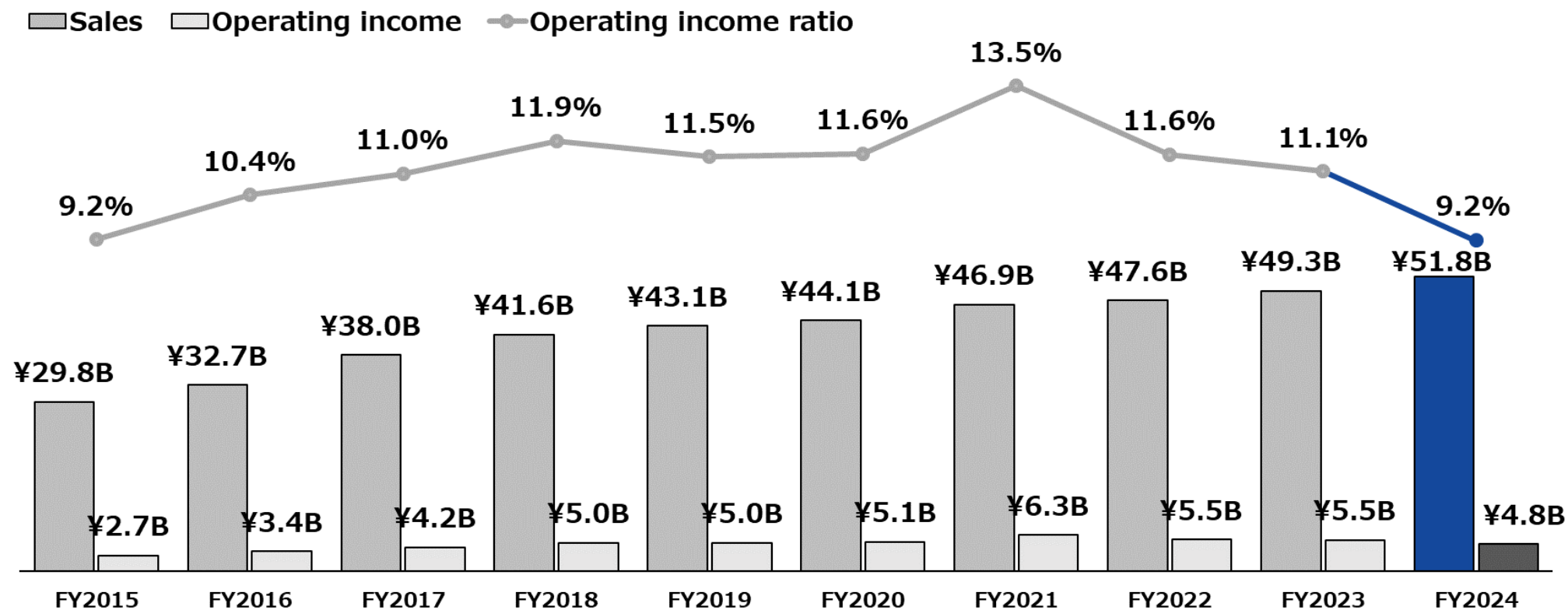
### MEDFILES

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

# FY2023 Result

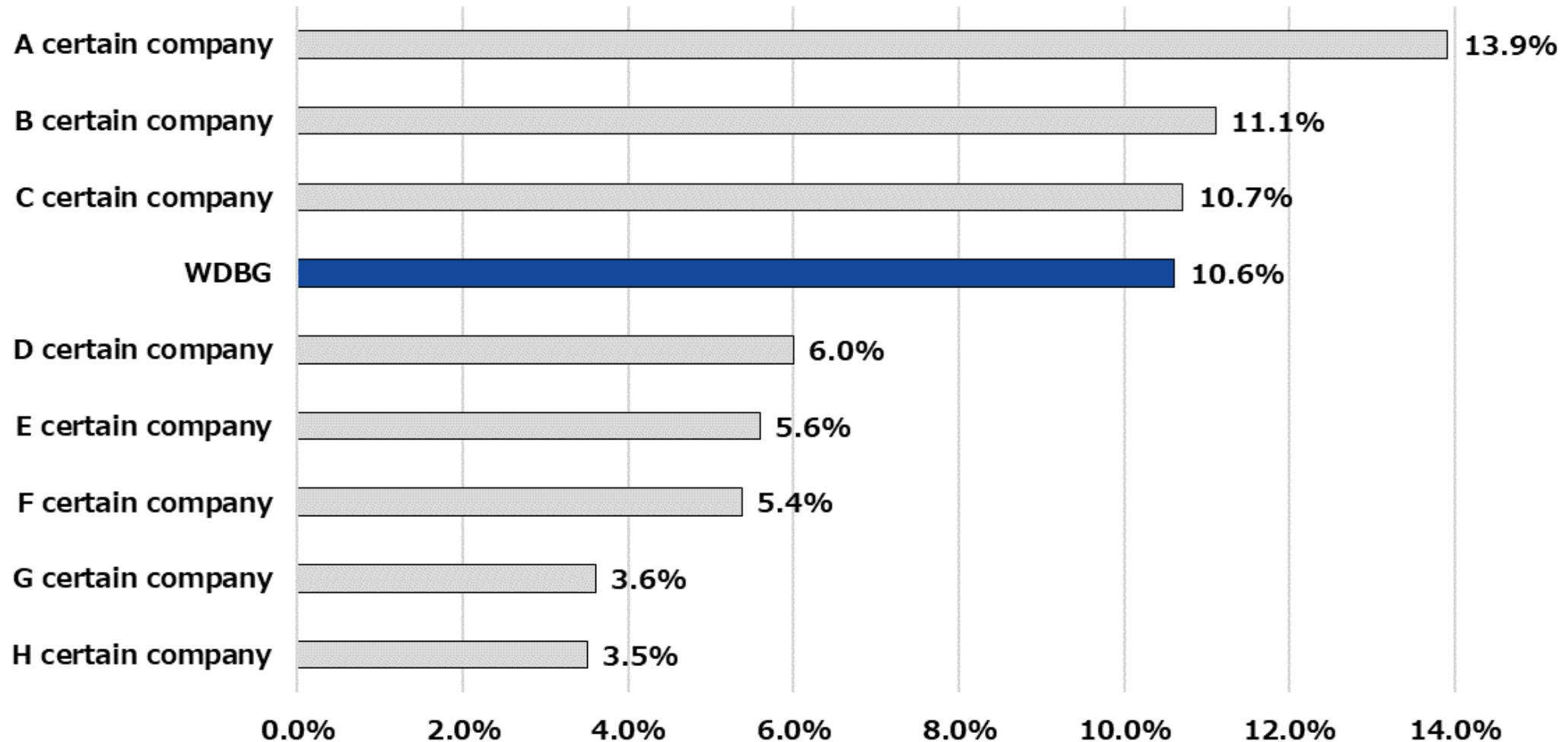
# Financial Results & Forecast (FY2023)

Sales and profits are steadily growing for the past 10 years. In addition, while operating 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.





**Our operating profit margin is at a high level compared to major companies.**



## 1. We can set high temporary staffing wage rates because we have personnel that only we can provide.

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- As a science temporary staffing agency, we have high recognition, making it easier to attract job seekers.
- We are able to dispatch job seekers with no work experience due to our comprehensive technical training.

## 2. We can set temporary staffing wage rates because we offer high value-added services.

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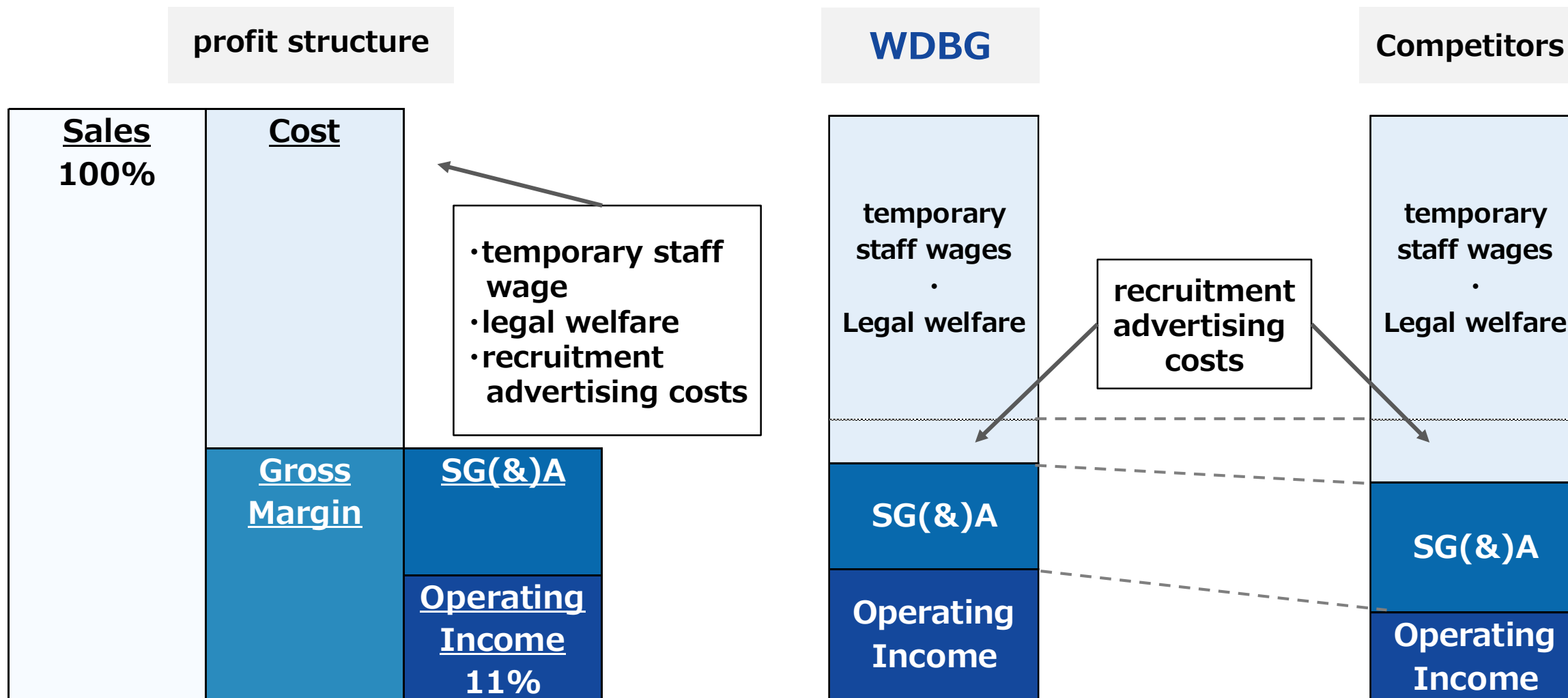
- Through accurate assessments via practical exams, our temporary staff can achieve results that meet clients' expectations.
- After employment, our dedicated follow-up staff quickly identify and resolve issues, ensuring long-term stable employment for our staff.

## 3. We keep our SG&A expenses low by reducing the workforce.

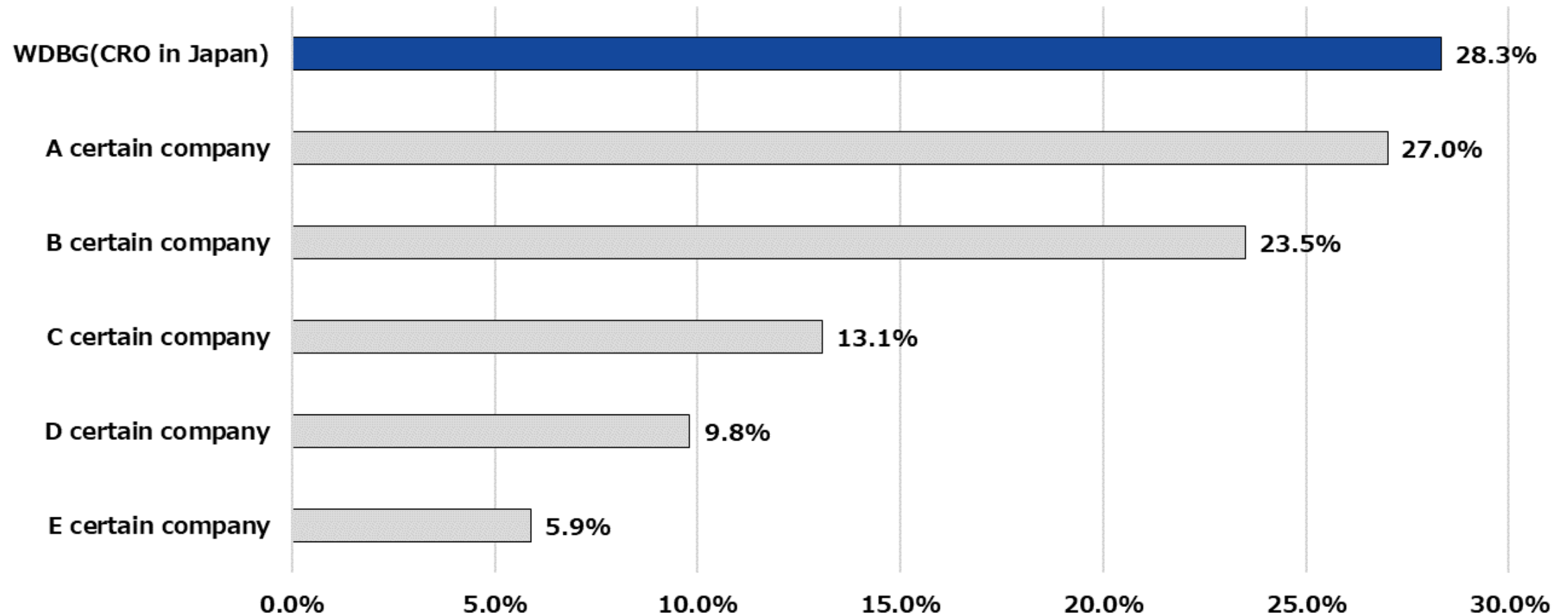
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- By utilizing a platform, we have established a system that allows us to provide services with fewer personnel.

We are able to achieve higher operating profit margins because we maintain higher gross margins and lower SG&A ratios than our competitors.



**Our operating profit margin is at a top-class level compared to major companies.**



## 1. We keep average labor costs low by utilizing inexperienced staff.

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- We assign experienced workers to high-difficulty tasks and inexperienced workers to low-difficulty tasks.

## 2. We have high operational efficiency and process contracted tasks with the minimum necessary staff.

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- We set processing time standards for each task and manage productivity on an individual basis.

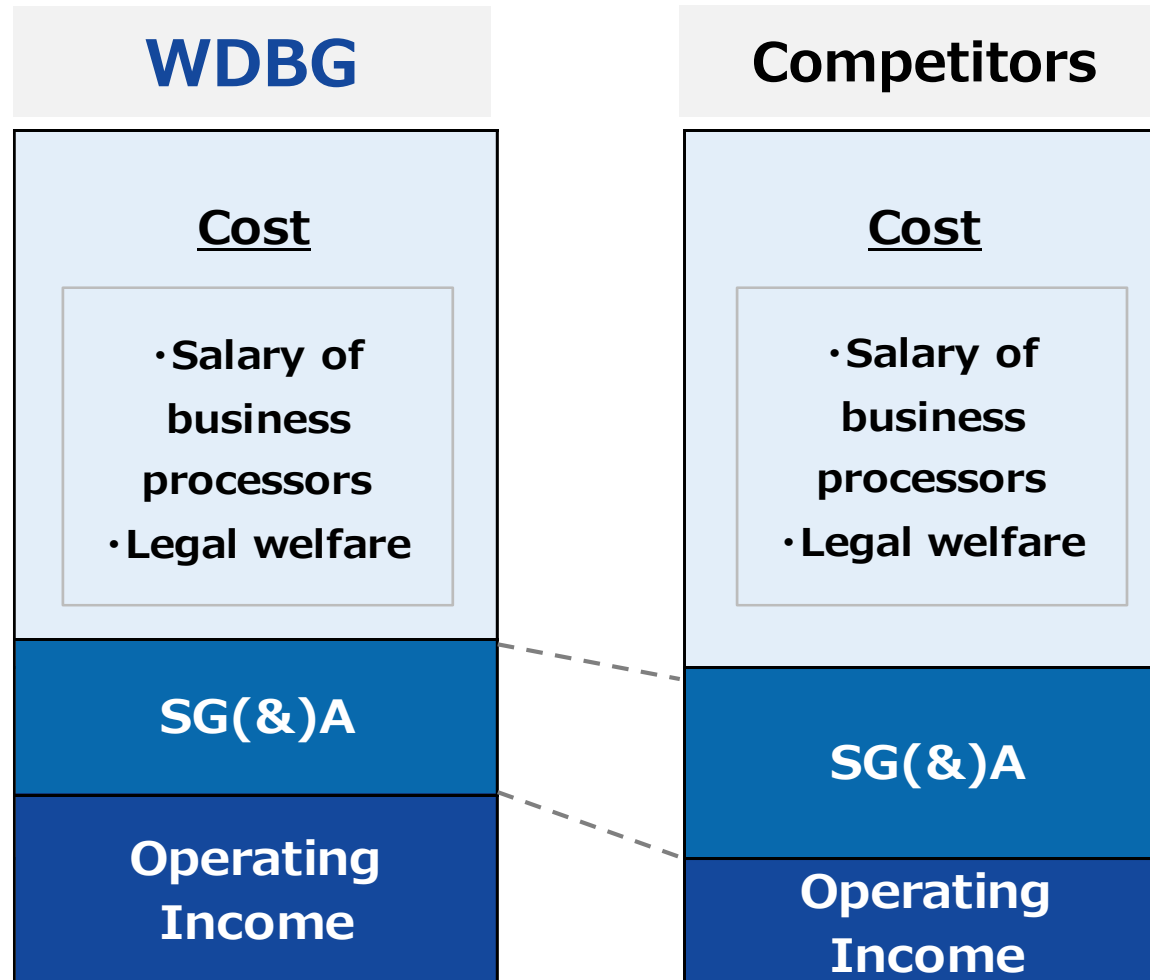
## 3. We keep our SG&A expenses low by reducing the workforce.

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- By utilizing a platform, we have established a system that allows us to provide services with fewer personnel.

# Comparison of profit structures with other companies (CRO)

Also in the CRO, we are also able to achieve higher operating profit margins because it maintains higher gross margins and lower SG&A ratios compared to our competitors.



# About New Medium-to-Long Term Management Plan and Platform

**In May 2022, we disclosed our medium-to-long term management plan covering the five-year period from FY2022 to FY2026.**

**Two years have passed since then.**

**Compared to the time of disclosure, there have been many changes in the world situation. Accordingly, we have also revised some of our strategies and we disclosed our new medium-to-long term management plan in May 2024.**

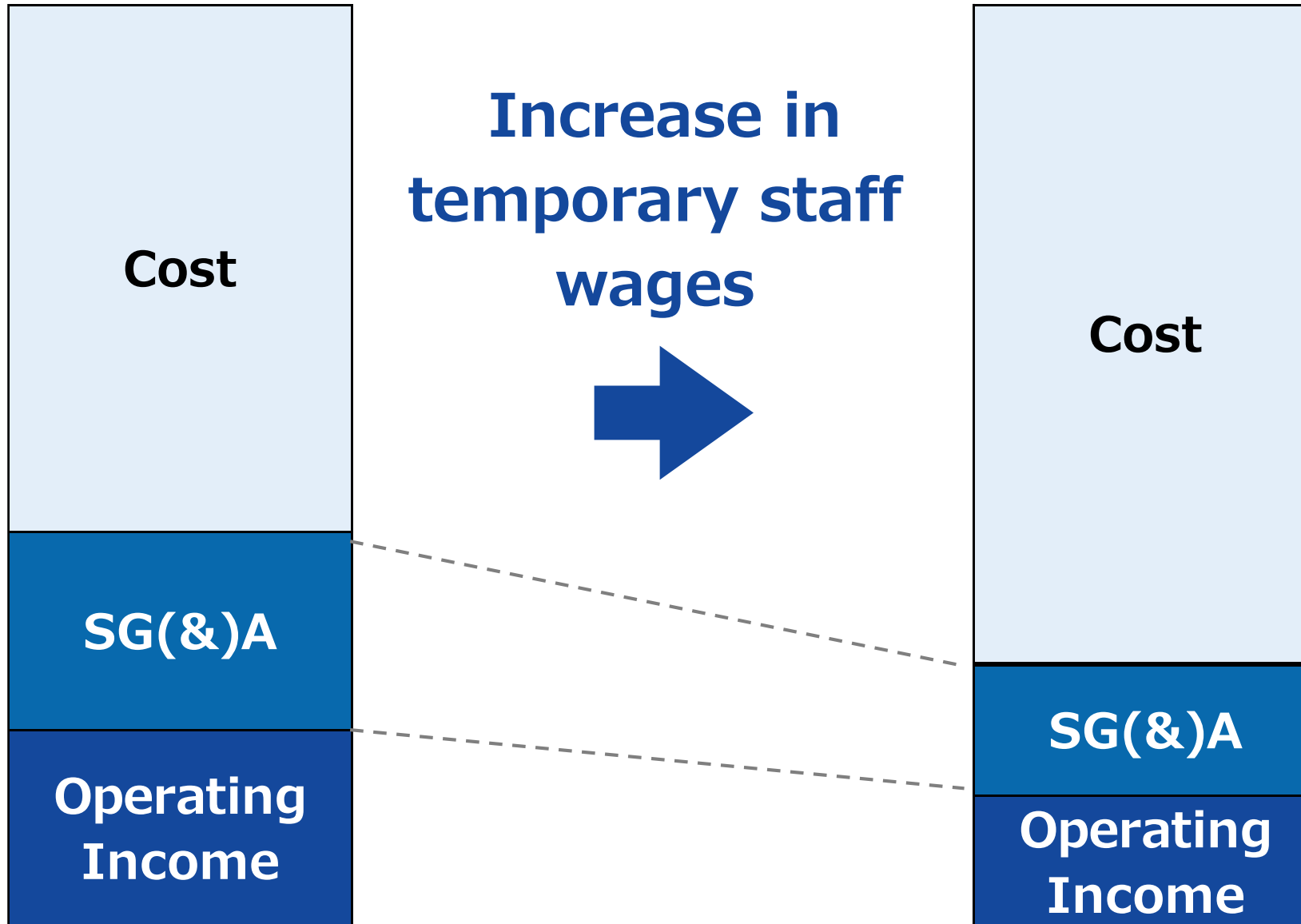
**This plan covers the five-year period from FY2024 to FY2028.**



**By securing top talent in the staffing industry, we aim to become “a staffing company most responsive to our clients’ requests” and significantly grow our business.**

**To achieve this, we will offer a wide range of job opportunities, comprehensive technical training, and post-placement support, along with “the highest wages in the industry.” From March 2022 to June 2024, we have already achieved a 12% increase in the average hourly wage of our temporary staff. We will continue to raise wages, achieve a level of pay that others cannot match.**

**The funds for this will be generated by fully utilizing our staffing platform, “doconico,” to digitalize, consolidate, and streamline services, significantly reducing operational costs and lowering our operating profit margin to 10%.**



**By adding "the highest wages in the industry" to the advantages we have previously received from staff, such as a wide range of job opportunities, comprehensive technical training, thorough support during employment, and a convenient system, we will gain overwhelming support from our staff.**

**If we achieve this, we will be able to respond to client orders better than any other staffing company, receiving overwhelming support from customers, and significantly increasing our sales and profits.**

**In the fields of science, engineering, and office jobs, dominating the market with this strategy is a key pillar of our medium-to-long term management plan.**

We explain why other companies cannot follow this strategy.

If we increase the wages of staff, our profit margin will decrease. Therefore, other companies would also have to lower their profit margins to increase wages. However, since our current profit margin is higher than theirs, they cannot keep up.

For other companies, this is a strategy that they cannot do even though they know what to do.

Now	WDBG (Human Resources)	Competitors (profit margin middle)	Competitors (profit margin lower)
Sales	100%	100%	100%
Operating margin	11%	5%	2%



post-wage-increase forecast (Operating margin ratio 3% decrease)	WDBG (Human Resources)	Competitors (profit margin middle)	Competitors (profit margin lower)
Sales	100%	100%	100%
Operating margin	8%	2%	-1%

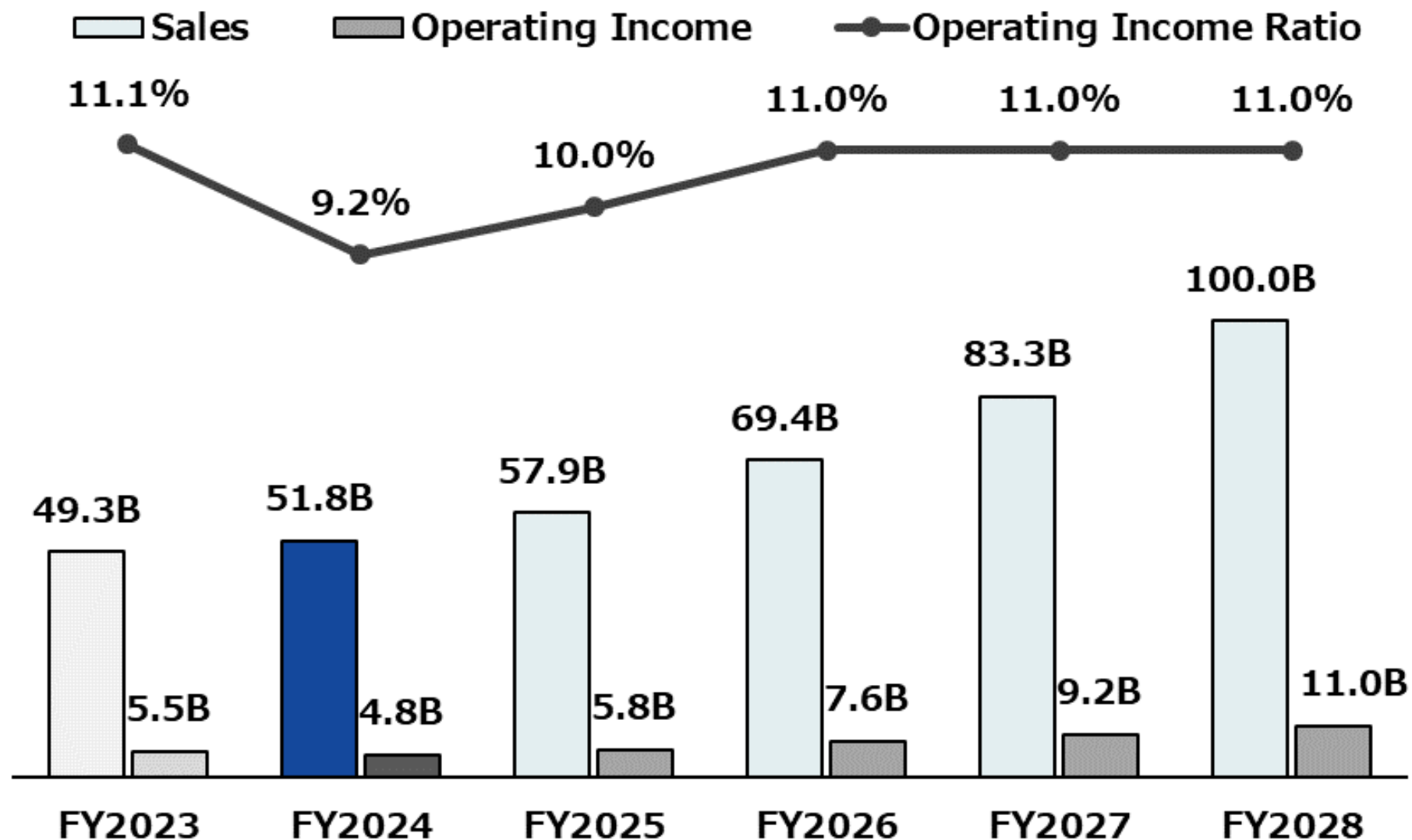
**We call the mechanism which enhances the convenience and visualization of services that used to be done manually as a "platform".**

**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.”**

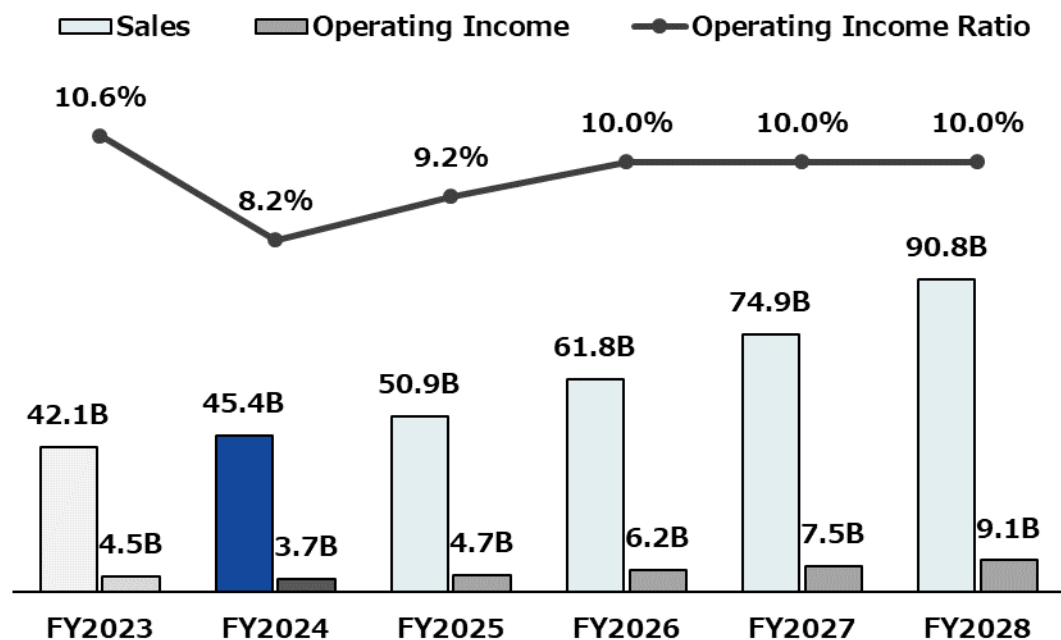
**The human resources service platform "doconico" was released in April 2021 and now in operation with continuous improvements.**

**In the CRO, we digitalize and implement digital transformation (DX) in our services to reduce costs. This enables us to offer high-quality services at lower prices, thereby taking market share from our competitors.**

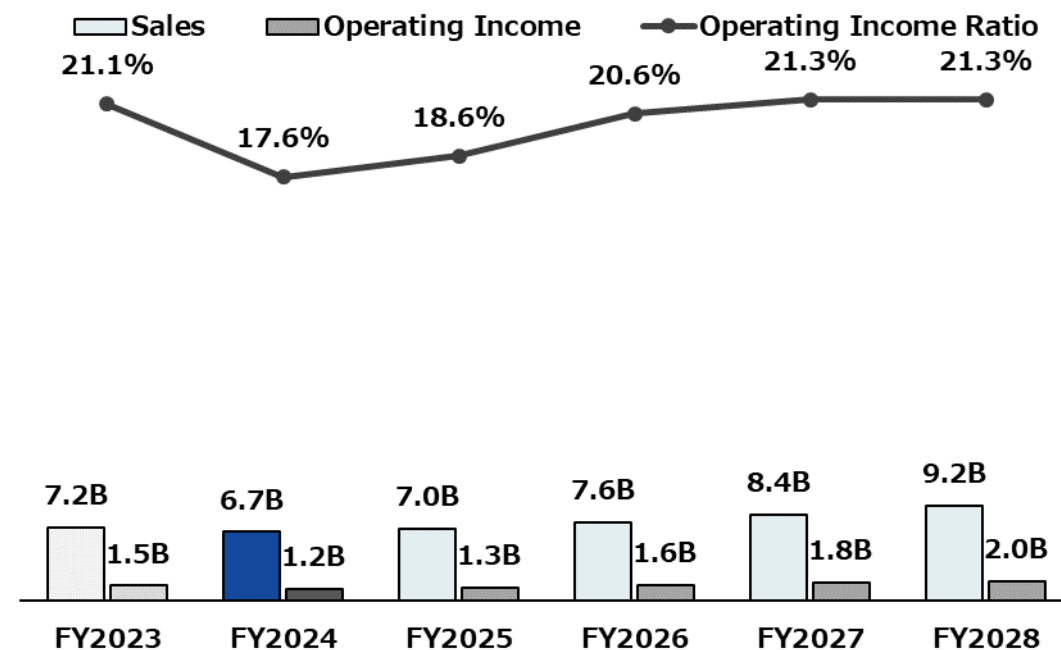
**Furthermore, we are also planning new businesses using our platform. We cannot disclose specifics yet, but we plan to conduct a matching business using digital technology.**



## Human Resources



## CRO



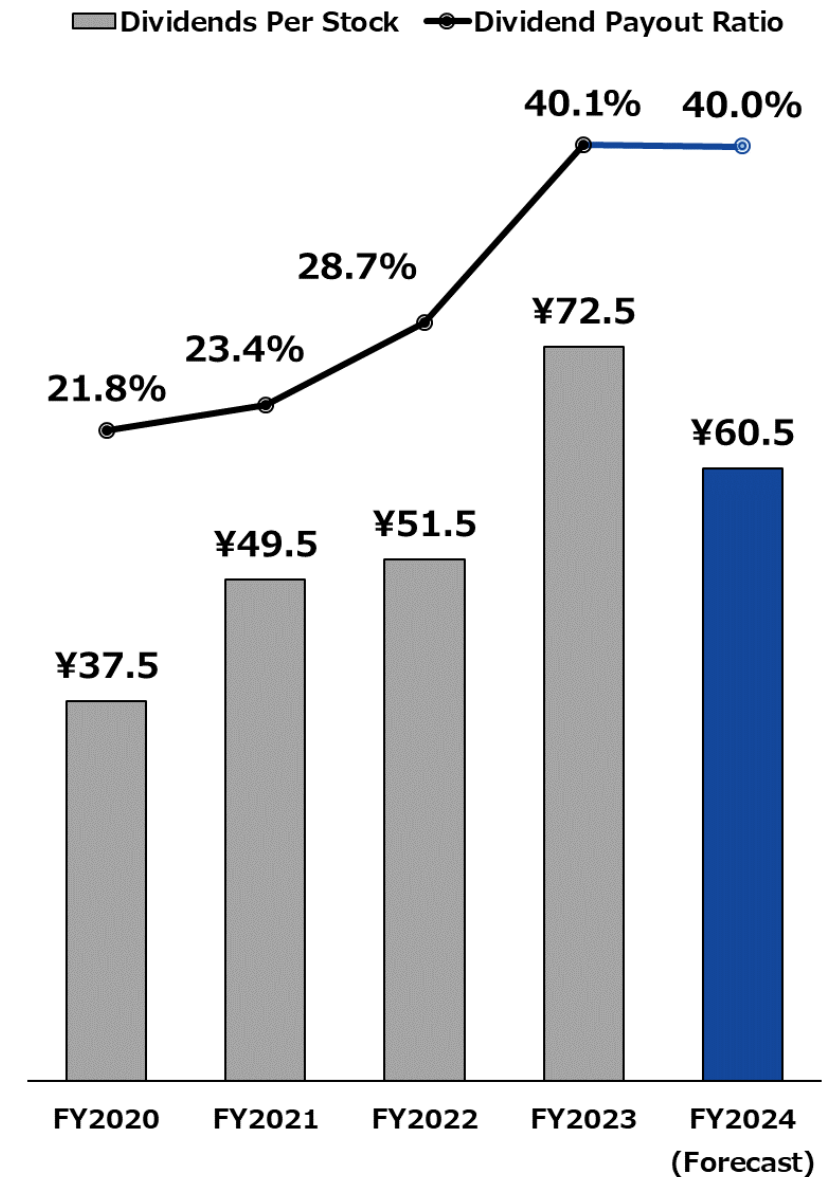


# Revision of Dividend Policy

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.



## Conclusion

**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.**