

Respond, Exceed

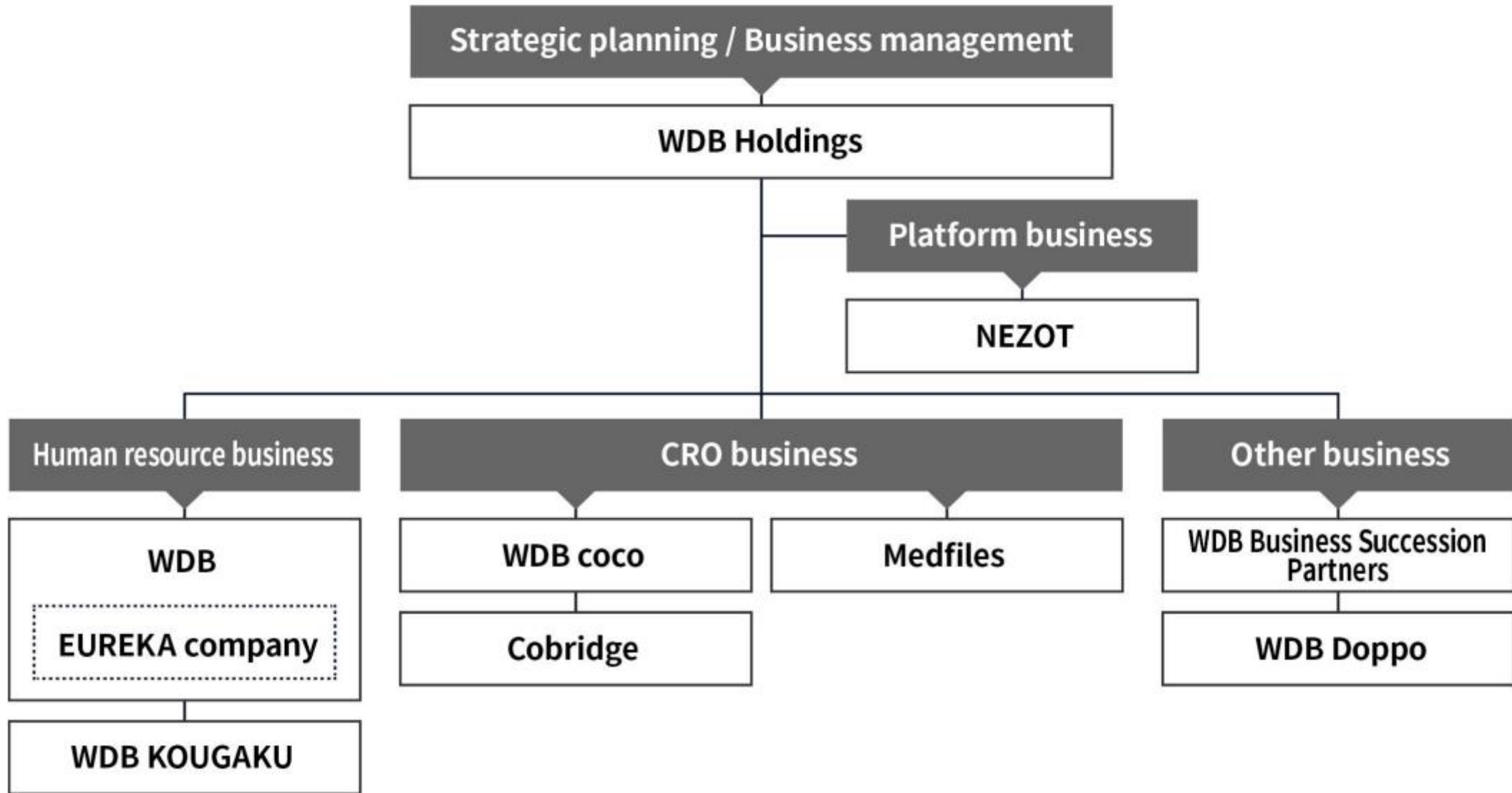


WDB Holdings Co., Ltd.

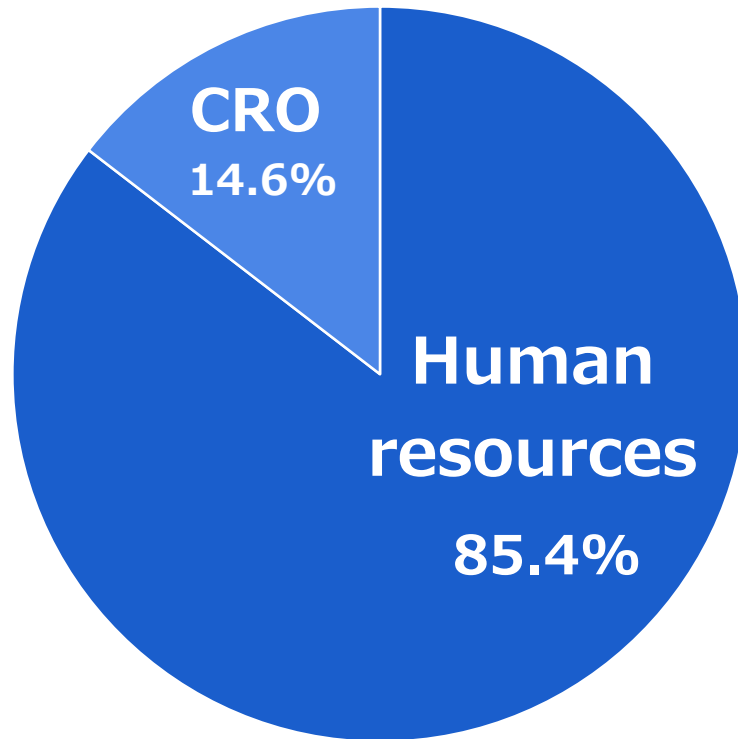
FY2024 3Q Financial Report

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

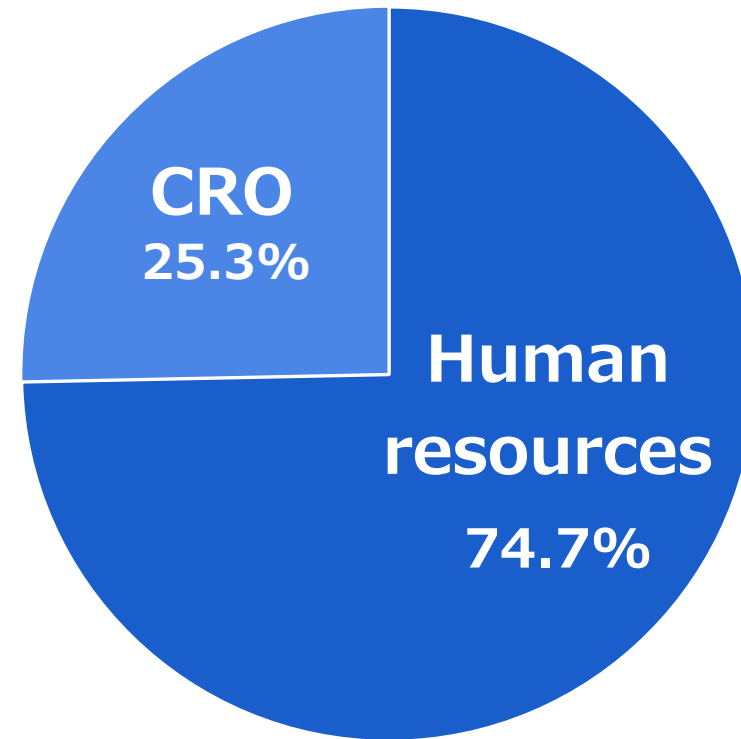
Company Name	WDB Holdings Co., Ltd.
Incorporation	July 6,1985
Capital	¥1 billion
Stock Listing	Prime Market of Tokyo Stock Exchange (Code 2475)
President and CEO	Toshimitsu Nakano
Head Office	79 Toyozawa-cho,Himeji-shi,Hyogo
Number of Employees	968(temporary staff and others / 10,462) <small>※The number of employees is calculated on a different base from that of 5,391 in the financial report.</small>
Sales	¥49.2 billion (FY2023)
Ordinary Income	¥5.5 billion (FY2023)
Business Domain	<ul style="list-style-type: none">• Human Resource Business• CRO business• Platform and Other Business



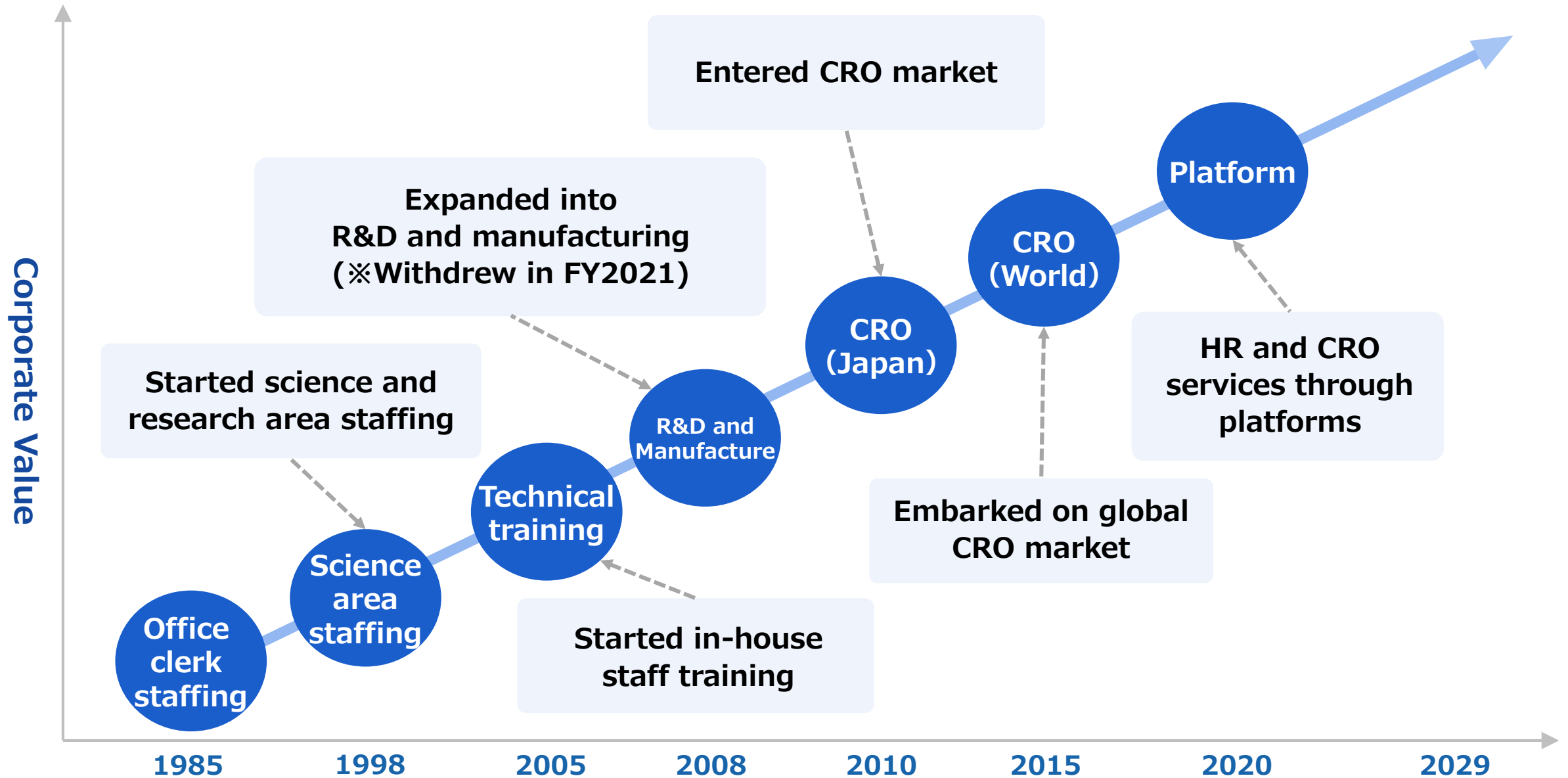
Sales composition



Profit composition

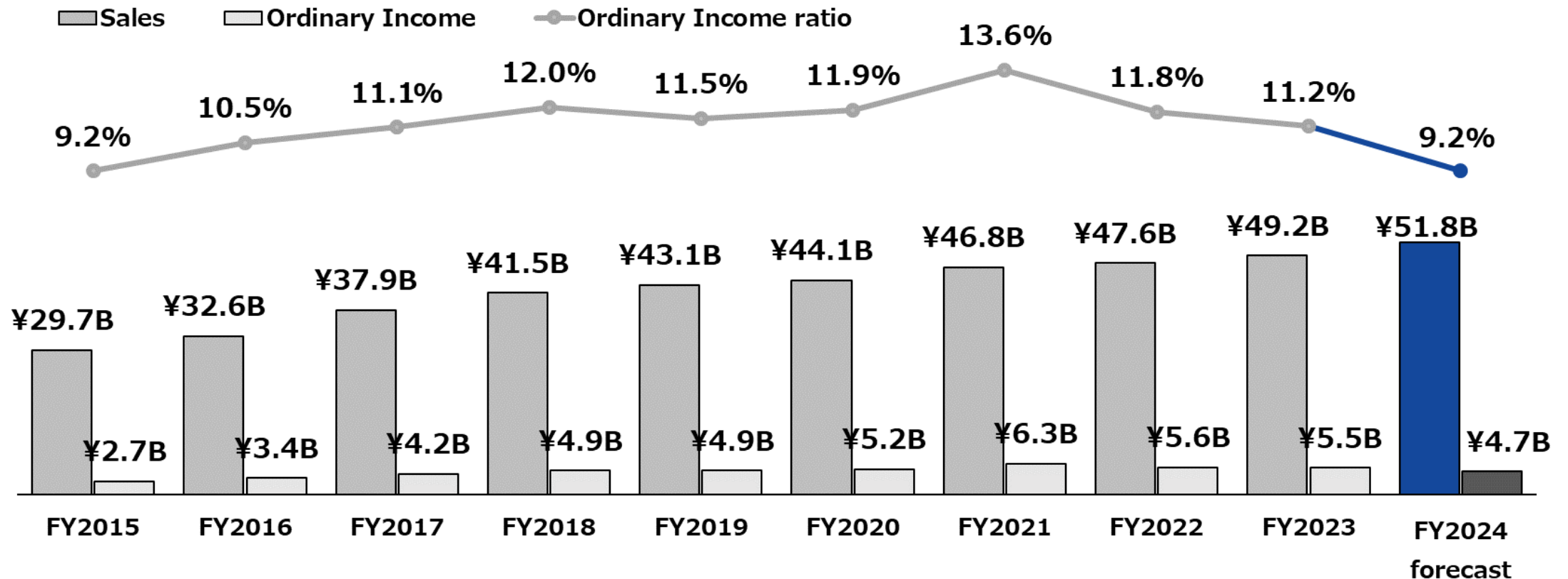


History and Business Expansion



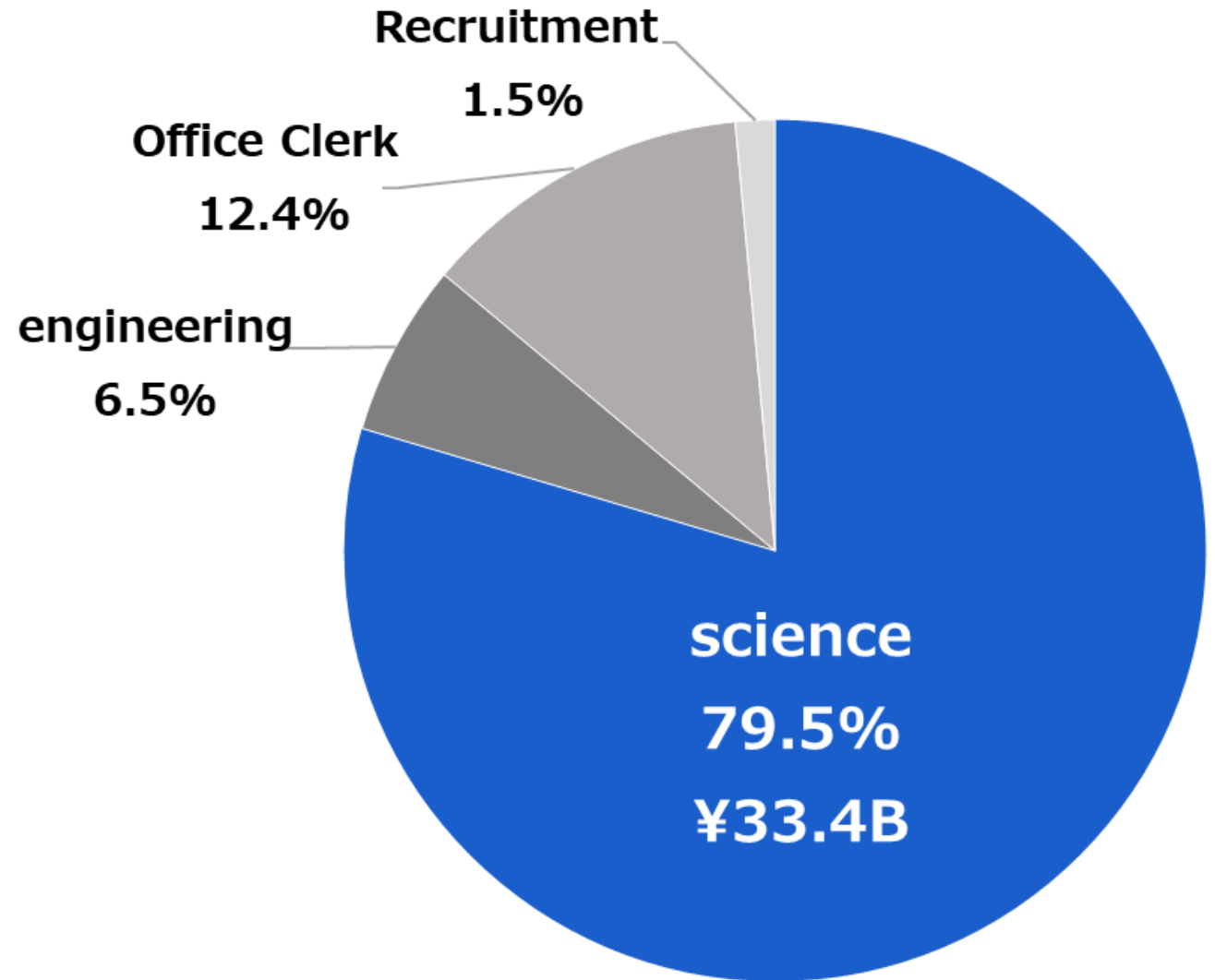
Financial Results & Forecast (Consolidated)

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.



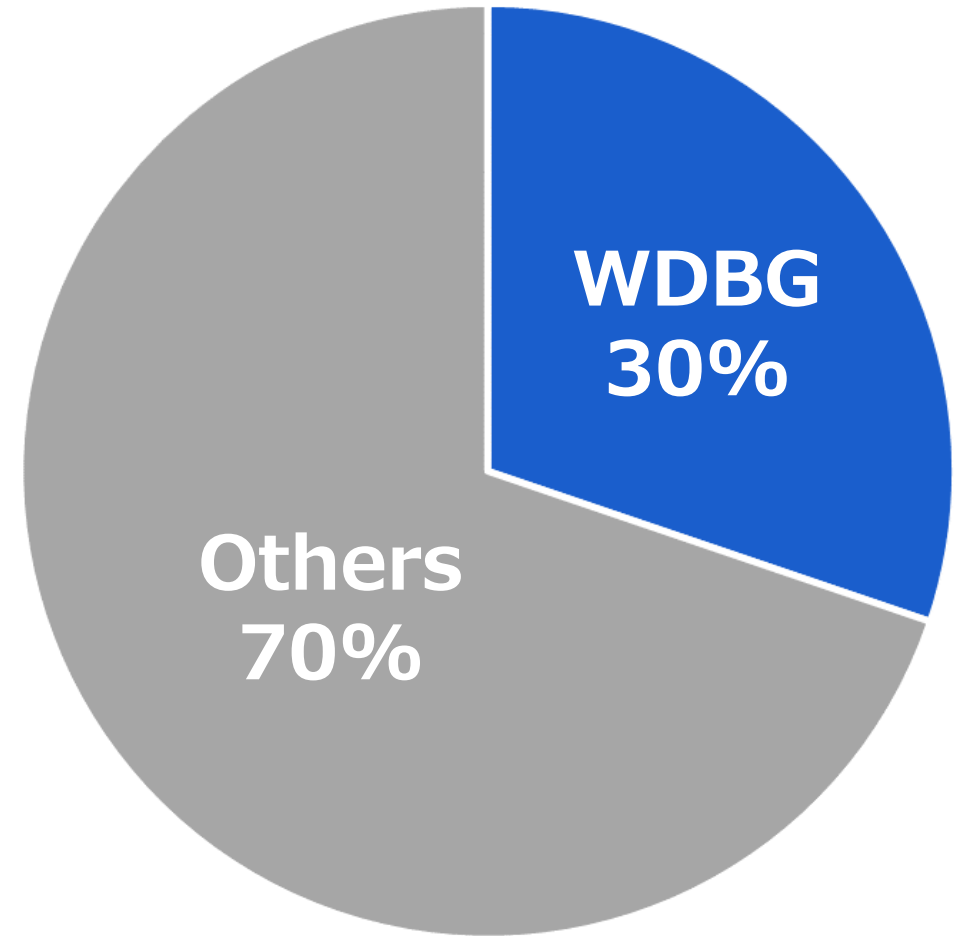
Human Resource (Staffing) Business

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

- **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**



Observation with a microscope



Reagent injection by pipette



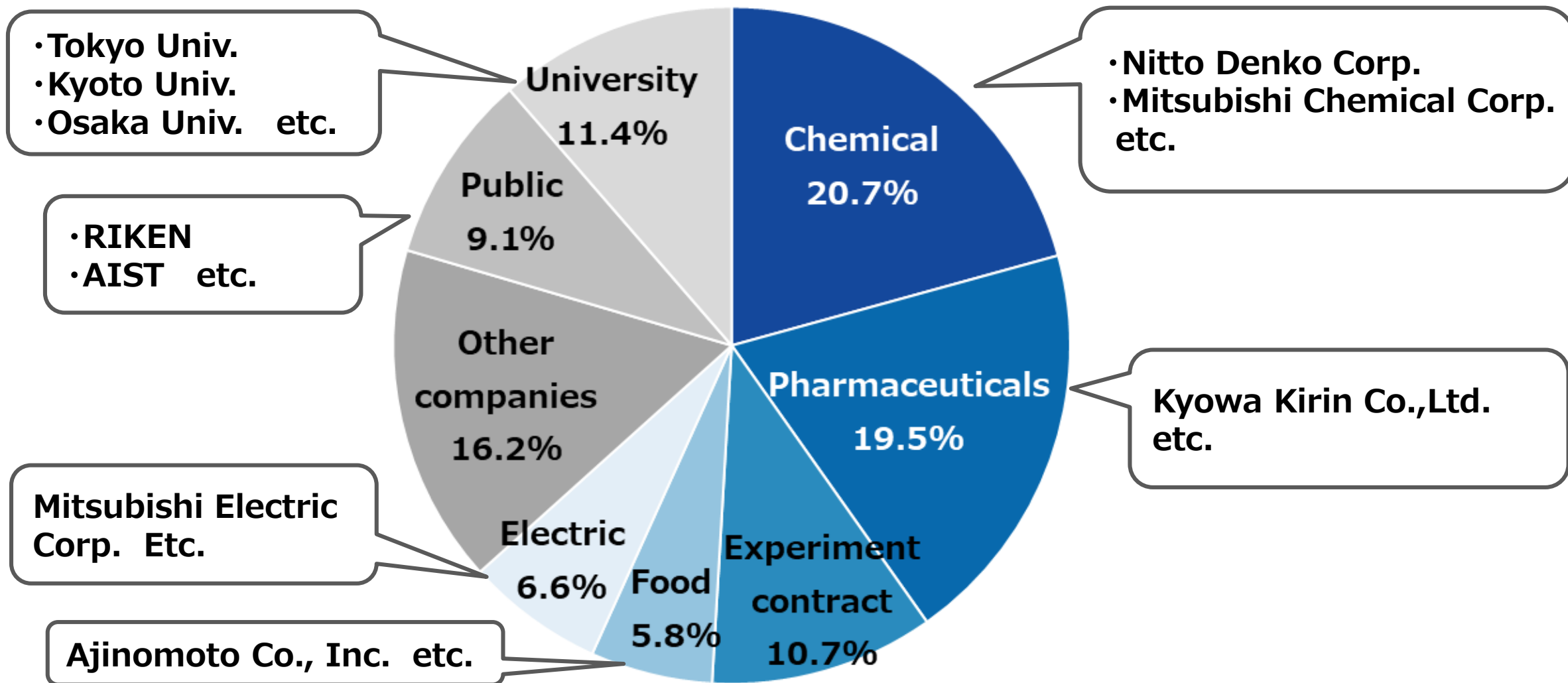
**Reagent concentration
by evaporator**



Component analysis by HPLC

Sales composition ratio by industry segment (FY2023)

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. Best Matching

With many years of experience in the sciences field, we understand our clients' work requirements well. For candidates, we conduct a one-day skills test to understand their abilities accurately. Using this information and our own methods, we match candidates with the best possible jobs.

2. Maintaining satisfaction during employment

We have regular meetings with clients and temporary staff, and we have a system to discuss any issues anytime. This lets us solve problems quickly during employment. We also pay high-performing temporary staff well according to their work quality, keeping them satisfied.

3. Providing services through the platform

We provide temporary staffing services through our proprietary system (details below).

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"

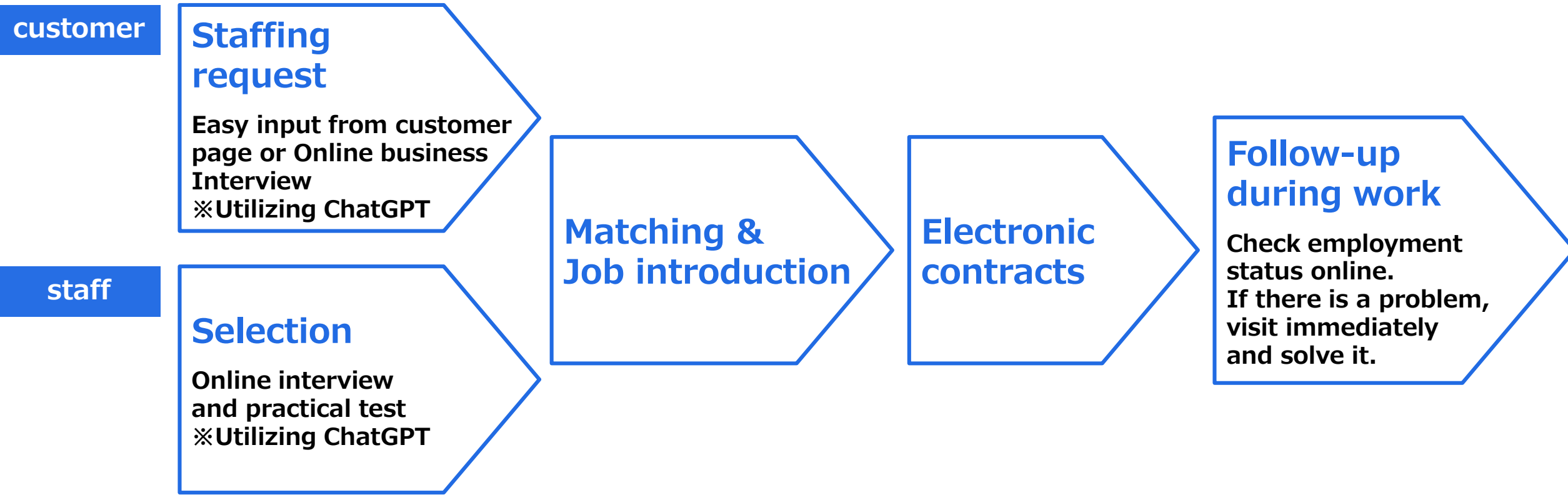
Enabling to complete requests, procedures, and management of staffing personnel on the Web.

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.



We operate our business based on the following medium-to-long term management plan.

- We will provide by-far superior convenience to our clients and staff by further evolving services through our platform. We will also optimize our organizational structure to deliver services through our platform. As a result, we will significantly reduce SG&A expenses by increasing productivity to the limit.**
- We will continually increase staff salaries and become the "highest paying staffing company". (We have implemented an average compensation increase of 11% over the three-year cumulative period beginning in FY2021.)
We will be "a staffing company most responsive to our clients' requests" by securing an abundance of staff through our track record of being "No. 1 in science staffing", extensive technical training, and high salaries.**
- We solidify the trust of our customers and staff by further improving the accuracy of staff identification and matching, and enhancing the follow-up system.**

CRO Business

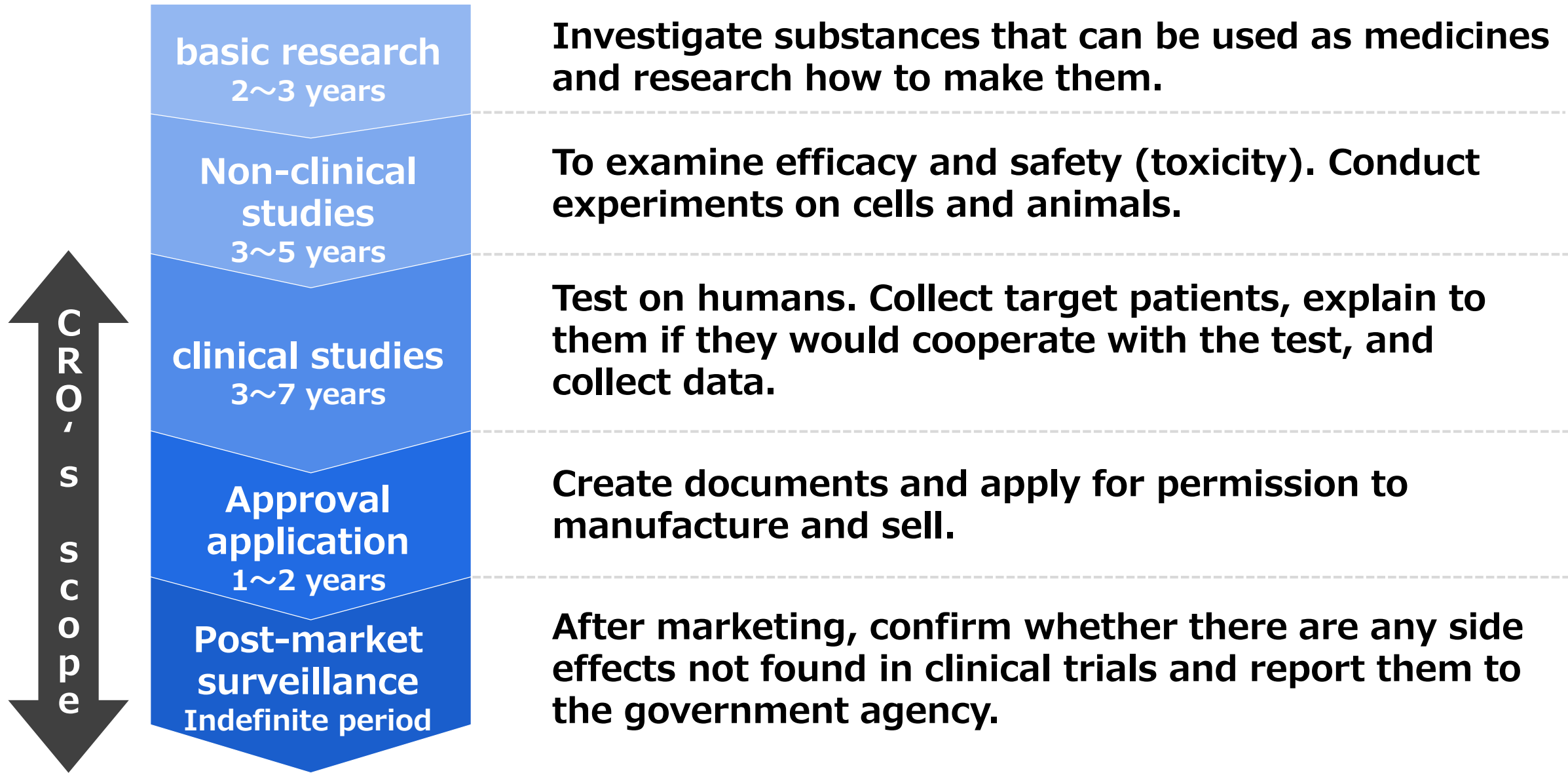
CRO (Contract Research Organization) is a company that supports the drug development of pharmaceutical manufacturers.

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

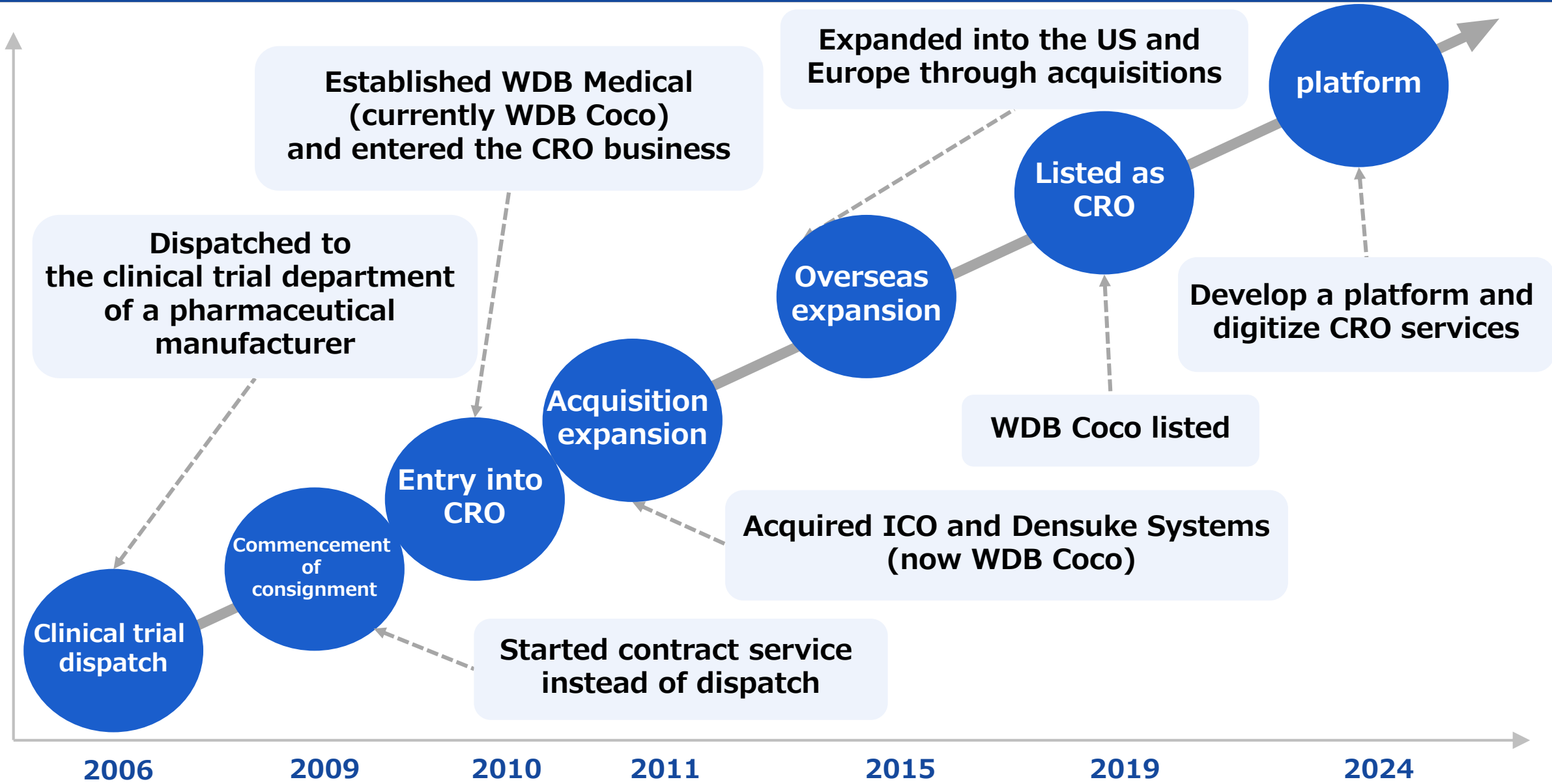
For this reason, pharmaceutical manufacturers place orders for various ancillary tasks related to drug development to CROs so that researchers can concentrate on their research.

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

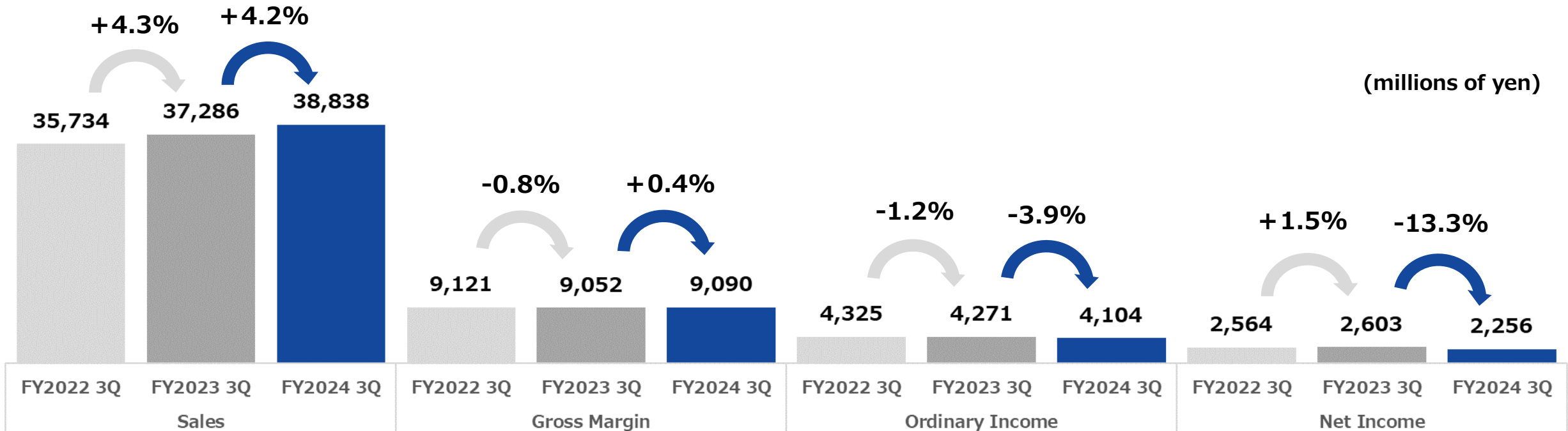
We operate our business based on the following medium-to-long term management plan.

- We utilize the know-how cultivated in the field of safety information that we are currently developing, such as disassembling and standardizing customer operations, optimal recruitment, education, staffing, and grasping processing time. By doing so, we will expand the scope of services to the fields of safety assurance measures, solve customer issues, and open up new markets.**
- We will promote the use of the platform we launched in FY2023 and continue to improve it. As a result, we will become more price competitive by improving customer convenience and reducing operation-processing costs.**
- We will improve employee compensation and strengthen our ability to recruit new employees. We will improve the quality of our deliverables by enhancing the training of our existing employees and further developing their capabilities.**
- Overseas, we will focus on areas where we can be competitive and first establish a structure that will ensure stable profit margins.**

FY2024 3Q Result

Summary (Consolidated)

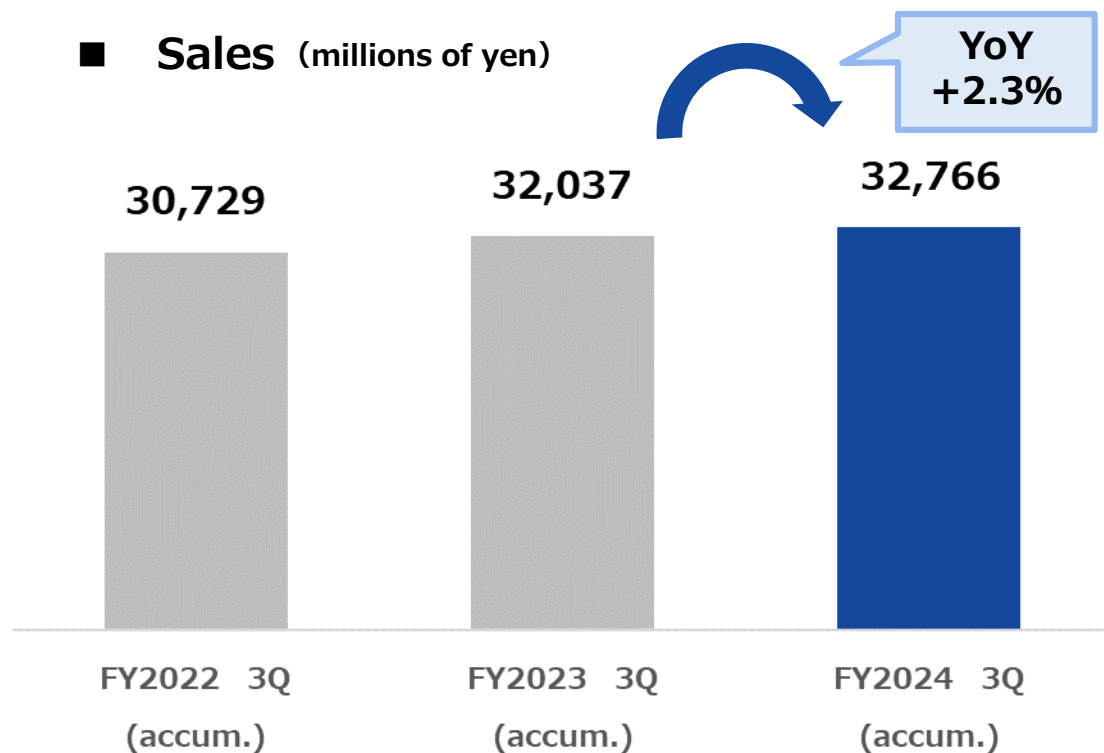
- Sales** : Sales increased by 4.2% YoY due to higher sales in both the staffing business and the CRO business.
- Gross Margin** : Gross margin increased 0.4% YoY.
- Ordinary Income** : Ordinary income decreased by 3.9% YoY due to an increase in the amount of SG&A expenses.
- Net Income** : Net income decreased by 13.3% YoY due to a decrease in ordinary income and an increase in income taxes and other expenses.



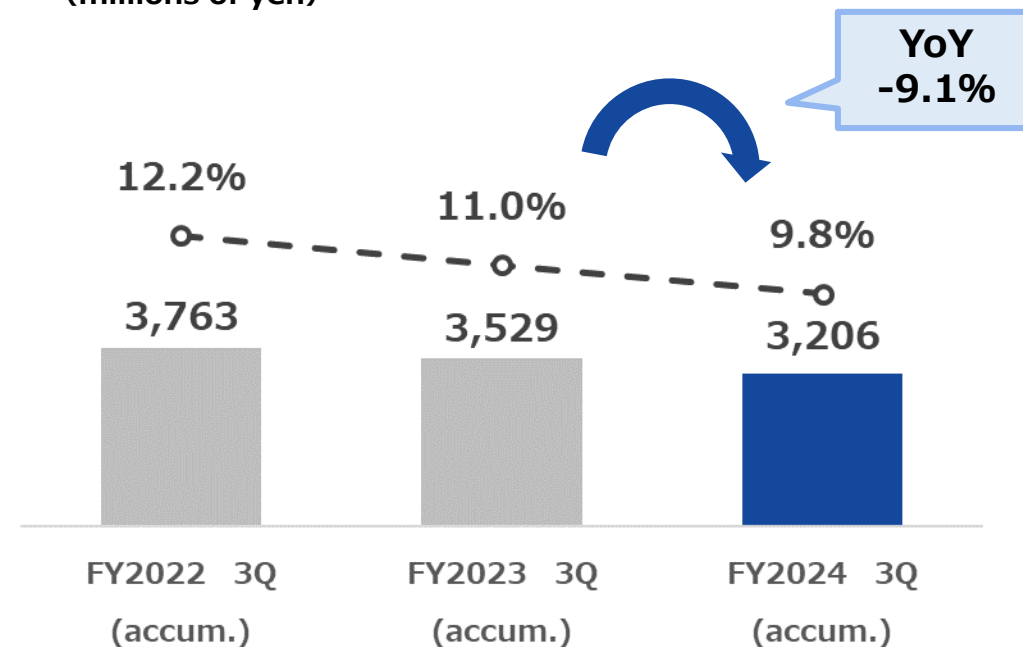
Sales : Sales increased by 2.3% YoY due to an increase in temporary staffing charges and a decrease in the number of permanent-type temporary employees who could not be dispatched to clients.

Segment profit : Segment profit decreased by 9.1% YoY due to an increase in personnel costs resulting from increased compensation for temporary staff.

■ Sales (millions of yen)



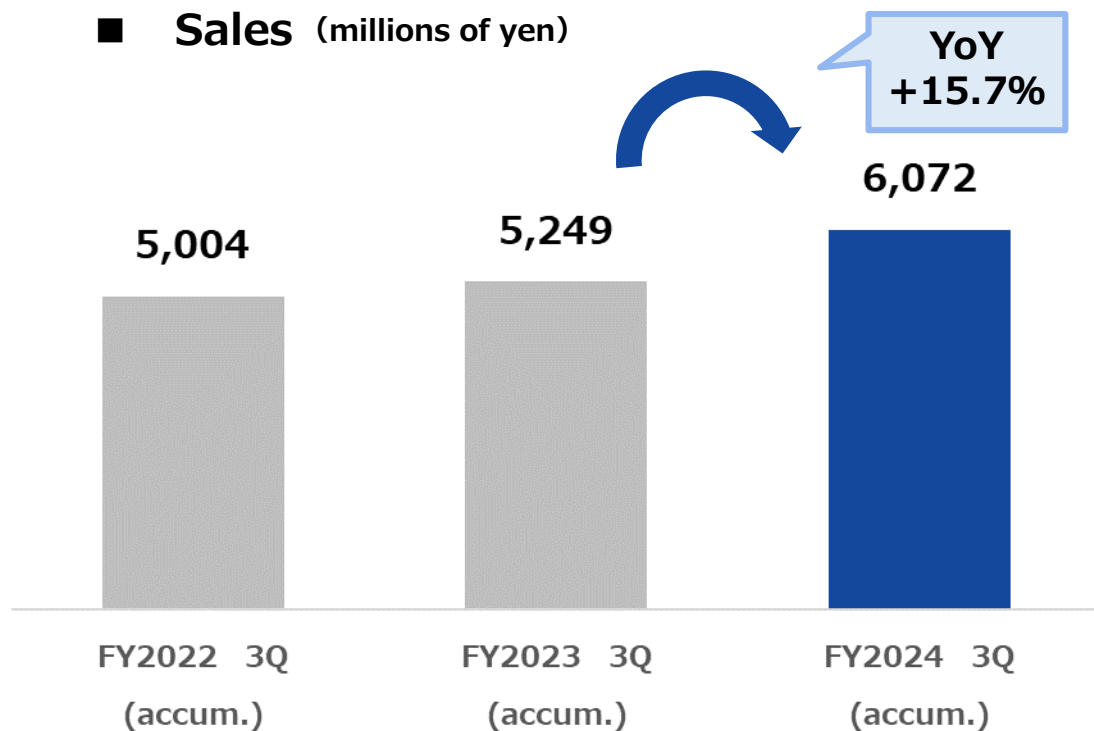
■ Segment profit / Segment profit ratio (millions of yen)



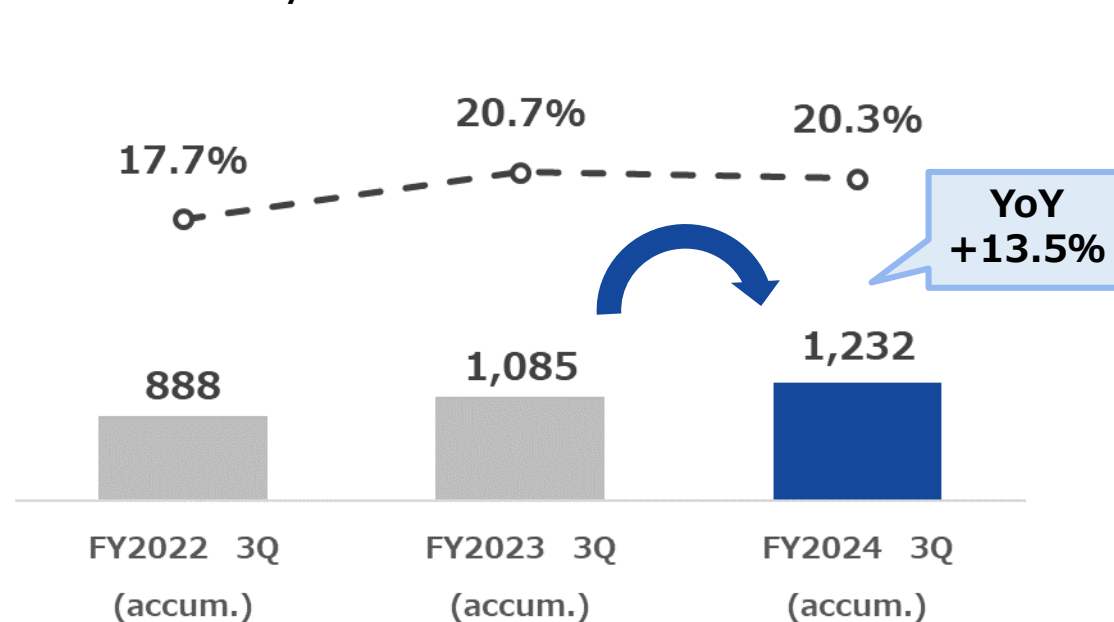
Sales : Sales increased by 15.7% YoY due to strong orders in both domestic and overseas markets, as well as higher overseas sales driven by the depreciation of the yen.

Segment profit : Segment profit increased by 13.5% YoY, as the growth in sales offset the rise in personnel costs resulting from a revision of employee compensation levels in Japan.

■ Sales (millions of yen)



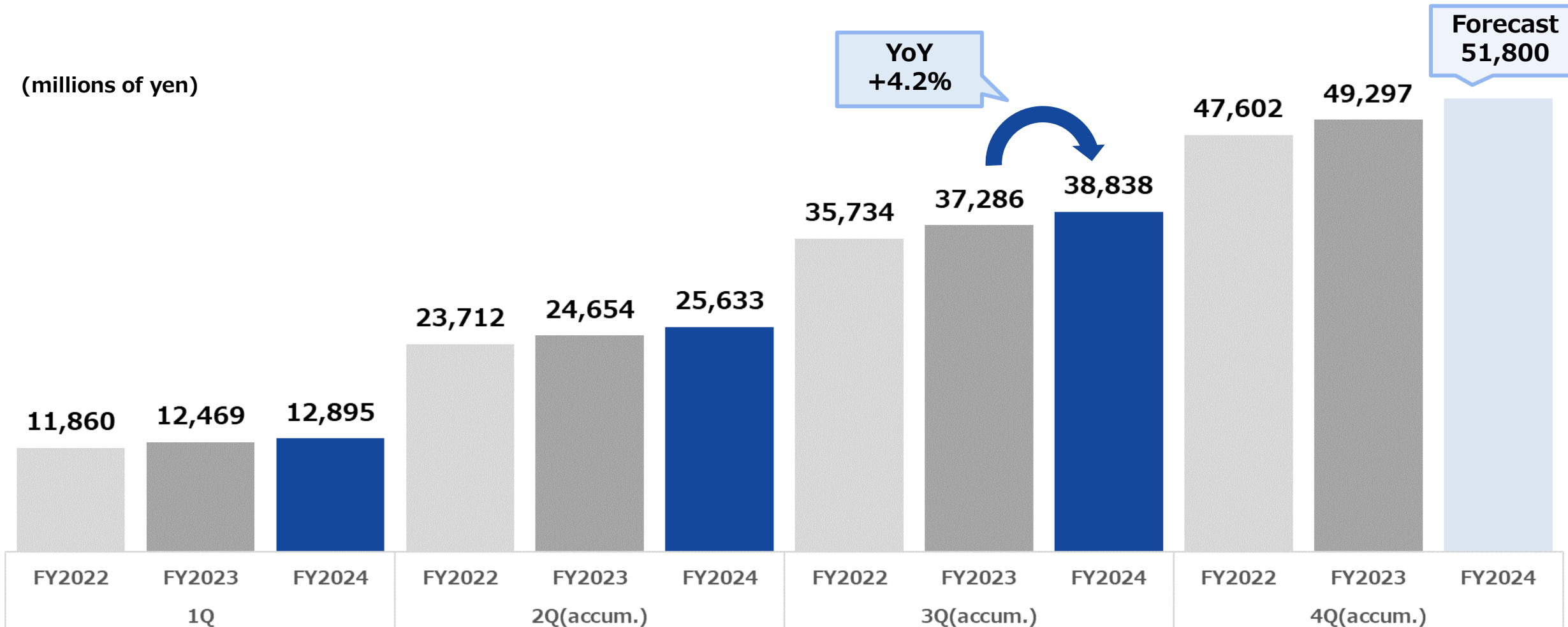
■ Segment profit / Segment profit ratio (millions of yen)



Consolidated Financial Statements (Sales)



(millions of yen)

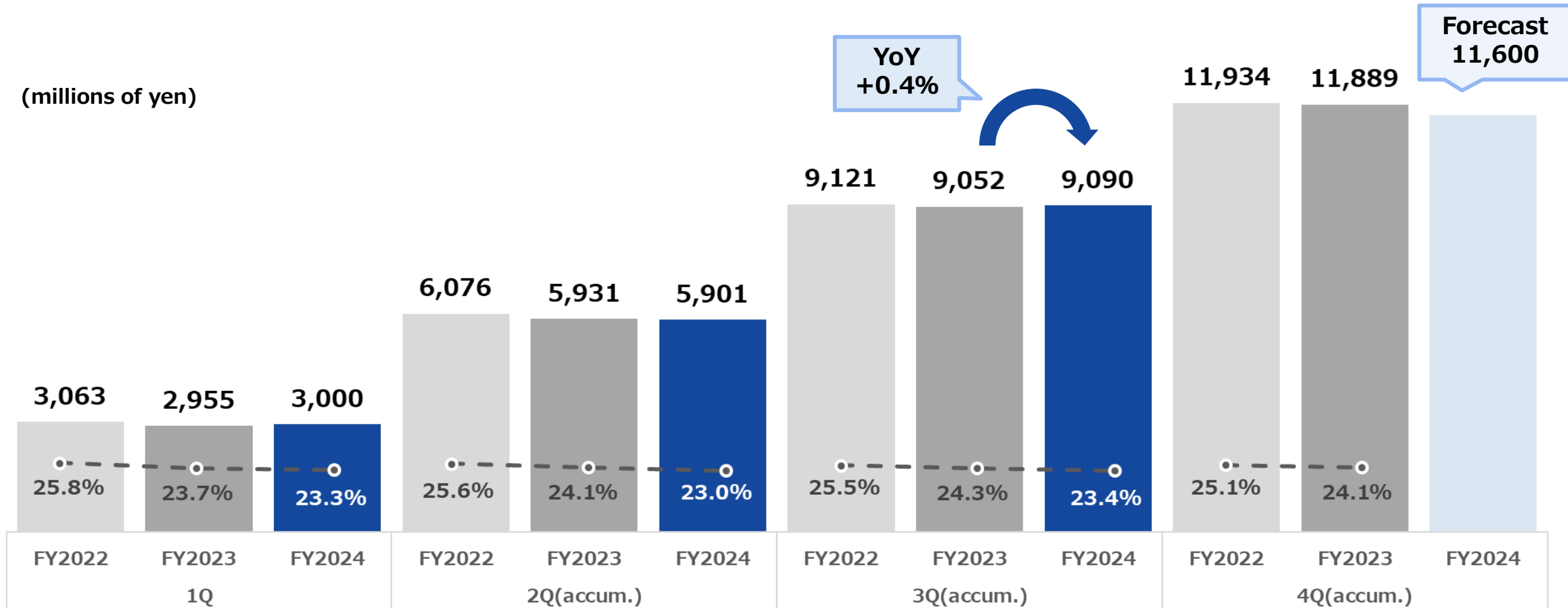


✓ Sales increased by 1,552 million yen YoY to 38,838 million yen (+4.2%).

Consolidated Financial Statements (Gross Margin / Gross Margin Ratio)



(millions of yen)

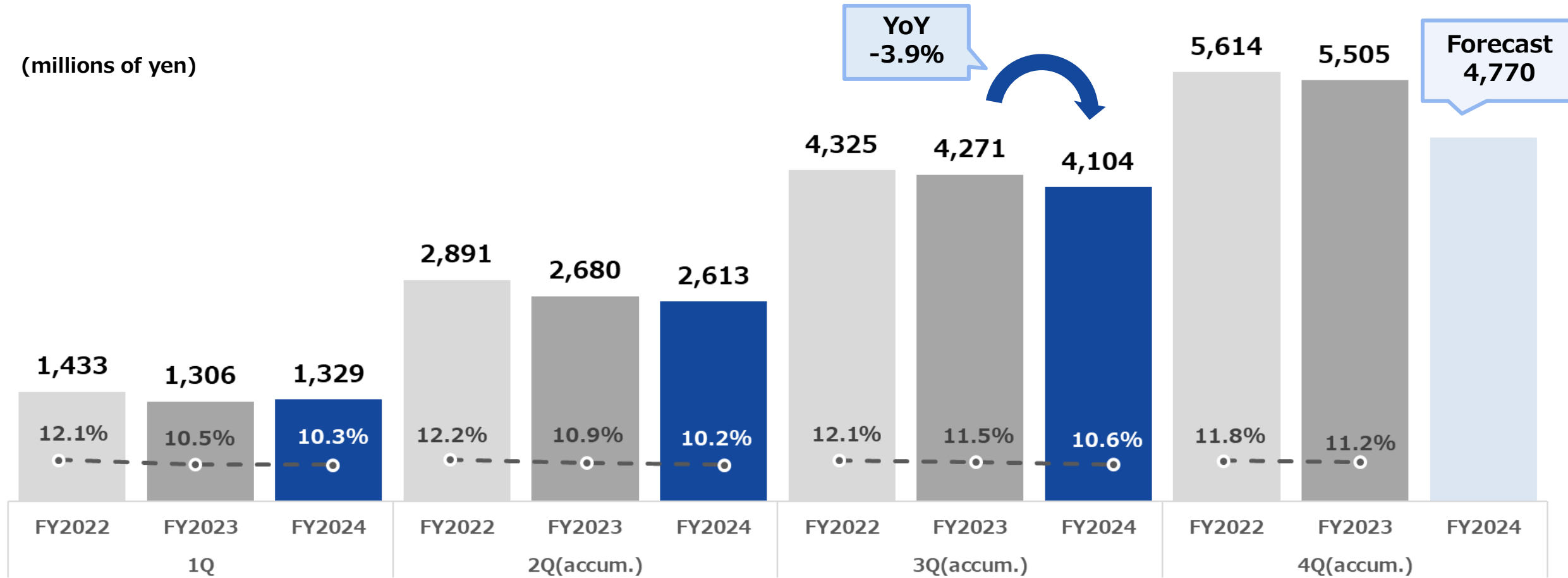


- ✓ Gross margin increased by 37 million YoY to 9,090 million yen (+0.4%).
- ✓ Gross margin ratio decreased by 0.9 point YoY to 23.4%.

Consolidated Financial Statements (Ordinary Income / Ordinary Income Ratio)



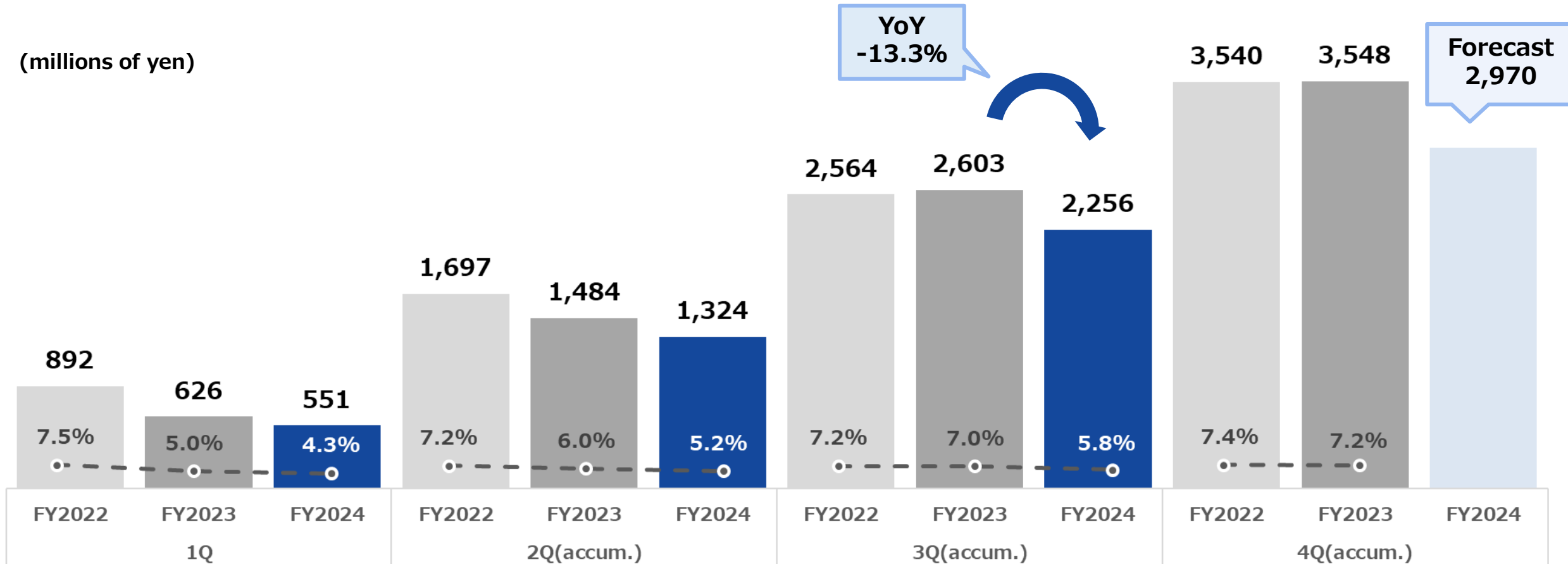
(millions of yen)



- ✓ Ordinary income decreased 167 million yen YoY to 4,104 million yen (-3.9%).
- ✓ Ordinary income ratio decreased by 0.9 point YoY to 10.6%.

Consolidated Financial Statements (Net Income / Net Income Ratio)

(millions of yen)



- ✓ Net income decreased by 346 million yen YoY to 2,256 million yen (-13.3%).
- ✓ Net income ratio decreased by 1.2 point YoY to 5.8%.

Human resources

- **We have continued offering higher-paying job listings to enhance the recruitment of new temporary employees.**
- **We have negotiated an increase in temporary staffing charges in preparation for an increase in compensation for temporary staff in FY2025.**

CRO

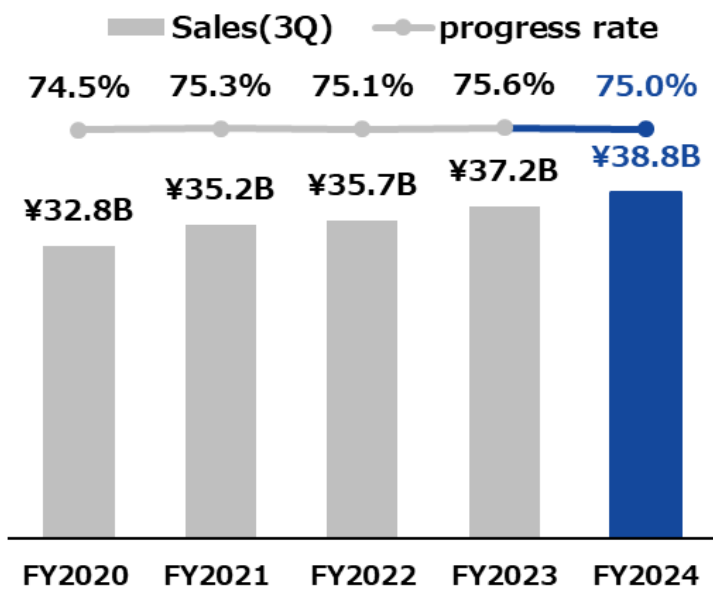
- **Both domestic and overseas business performance have been strong, leading to increased sales and profit.**
- **WDB COCO has increased compensation to enhance recruitment. Additionally, Medfiles has focused its management resources on high-profitability businesses.**

	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%

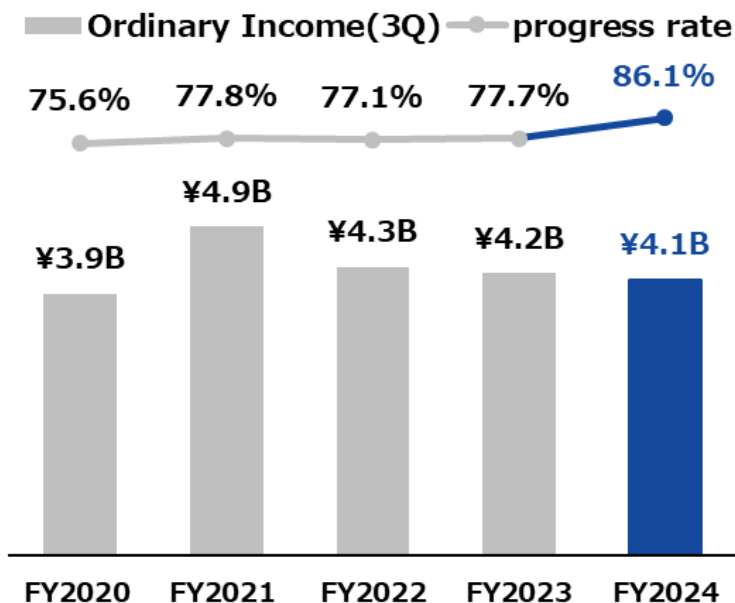
There is no change in the full-year forecast announced in May 2024.

Progress Rate Against the Full-Year Forecast for FY2024

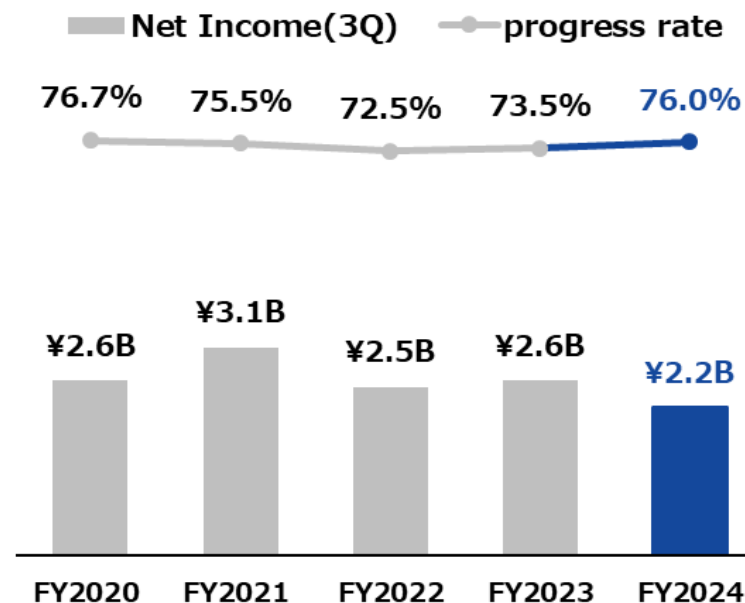
Sales Progress Rate



Ordinary Income Progress Rate



Net Income Progress Rate



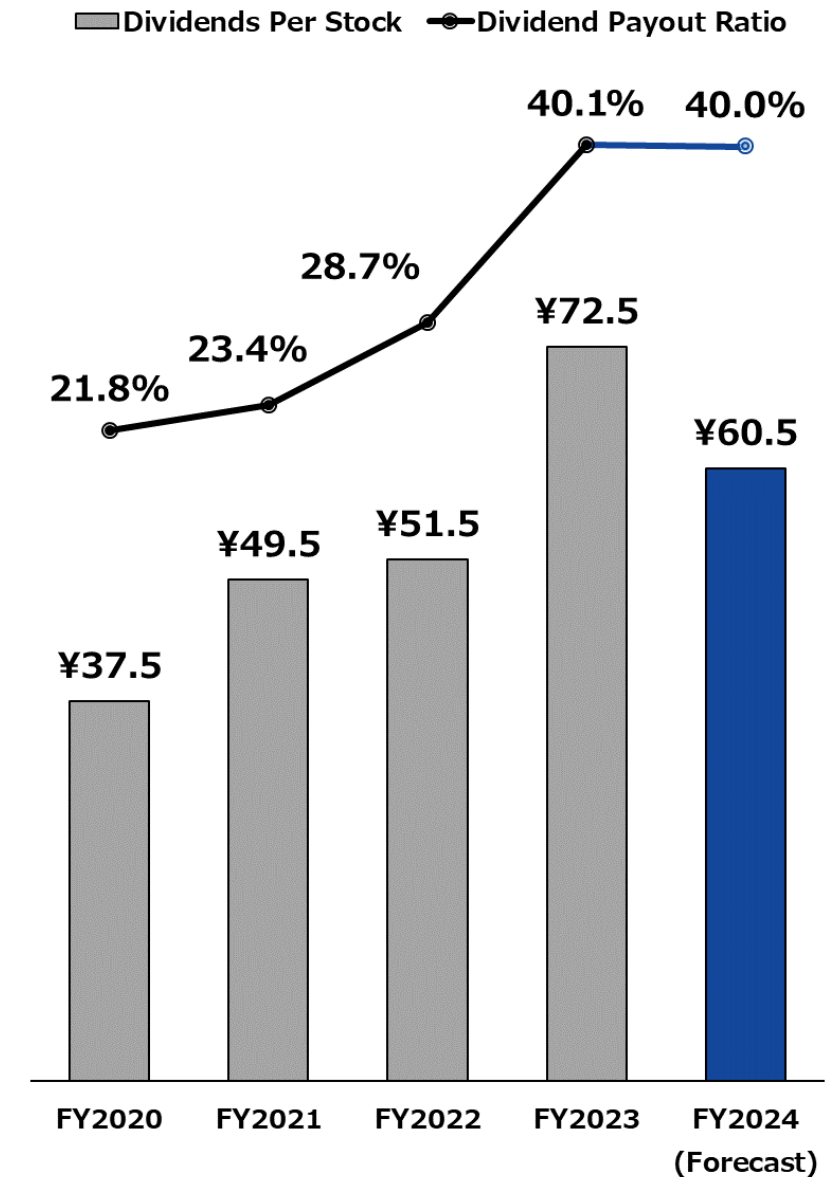
- Sales progress rate is in line with previous years.
- Ordinary income is progressing at a higher rate than in previous years.
- Net income progress rate is in line with previous years.

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.



Appendix: Business Performance (Consolidated)



(millions of yen)

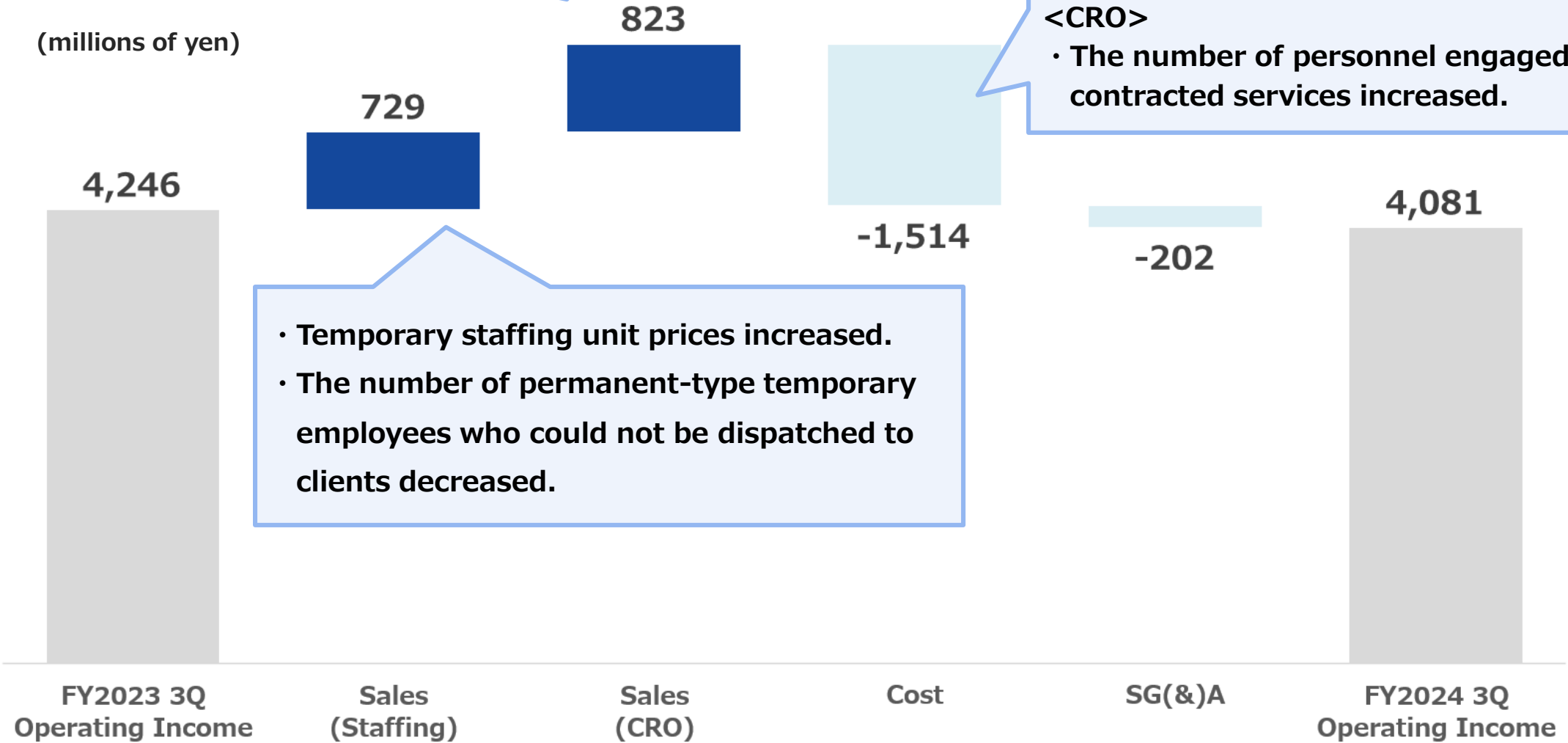
3Q(accum.)	FY2022		FY2023		FY2024		
	Amount	Sales ratio	Amount	Sales ratio	Amount	Sales ratio	Increase ratio
Sales	35,734	100.0%	37,286	100.0%	38,838	100.0%	4.2%
Cost	26,613	74.5%	28,233	75.7%	29,748	76.6%	5.4%
Gross Margin	9,121	25.5%	9,052	24.3%	9,090	23.4%	0.4%
SG(&)A	4,849	13.6%	4,805	12.9%	5,008	12.9%	4.2%
Operating Income	4,271	12.0%	4,246	11.4%	4,081	10.5%	-3.9%
Ordinary Income	4,325	12.1%	4,271	11.5%	4,104	10.6%	-3.9%
Net Income	2,564	7.2%	2,603	7.0%	2,256	5.8%	-13.3%

Appendix: Analysis of Operating Income Changes (Year-on-Year Comparison)



- Orders in Japan and overseas remained steady.
- Overseas sales increased due to yen depreciation.

- <Staffing>
- Personnel costs increased due to higher compensation for temporary staff.
- <CRO>
- The number of personnel engaged in contracted services increased.



- Temporary staffing unit prices increased.
- The number of permanent-type temporary employees who could not be dispatched to clients decreased.

Appendix: Business Performance (Consolidated, Quarterly)



Unit: Million yen () indicates YoY comparison.	FY2023				FY2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Sales	12,469 (5.1%)	12,185 (2.8%)	12,631 (5.1%)	12,011 (1.2%)	12,895 (3.4%)	12,738 (4.5%)	13,204 (4.5%)
Cost	9,513 (8.1%)	9,209 (4.2%)	9,510 (5.9%)	9,174 (1.3%)	9,894 (4.0%)	9,837 (6.8%)	10,016 (5.3%)
Gross Margin	2,955 (-3.5%)	2,975 (-1.2%)	3,120 (2.5%)	2,836 (0.8%)	3,000 (1.5%)	2,901 (-2.5%)	3,188 (2.2%)
SG(&)A	1,667 (2.0%)	1,606 (0.9%)	1,532 (-5.5%)	1,615 (2.4%)	1,680 (0.8%)	1,618 (0.8%)	1,710 (11.6%)
Operating Income	1,288 (-9.8%)	1,369 (-3.5%)	1,588 (11.6%)	1,221 (-1.2%)	1,320 (2.5%)	1,282 (-6.3%)	1,478 (-6.9%)
Ordinary Income	1,306 (-8.9%)	1,374 (-5.7%)	1,591 (11.0%)	1,233 (-4.3%)	1,329 (1.8%)	1,284 (-6.6%)	1,490 (-6.3%)
Net Income	626 (-29.9%)	857 (6.7%)	1,119 (29.0%)	944 (-3.2%)	551 (-11.9%)	772 (-9.9%)	932 (-16.8%)

FY2023		FY2024	
3Q(accum.)	Increase ratio	3Q(accum.)	Increase ratio
37,286 (4.3%)	100.0%	38,838 (4.2%)	100.0%
28,233 (6.1%)	75.7%	29,748 (5.4%)	76.6%
9,052 (-0.8%)	24.3%	9,090 (0.4%)	23.4%
4,805 (-0.9%)	12.9%	5,008 (4.2%)	12.9%
4,246 (-0.6%)	11.4%	4,081 (-3.9%)	10.5%
4,271 (-1.2%)	11.5%	4,104 (-3.9%)	10.6%
2,603 (1.5%)	7.0%	2,256 (-13.3%)	5.8%

Appendix: Business Performance (By Segment)



(millions of yen)

3Q(accum.)		FY2022		FY2023		FY2024		
		Amount	Sales ratio	Amount	Sales ratio	Amount	Sales ratio	Increase ratio
Human resources	Sales	30,729	—	32,037	—	32,766	—	2.3%
	Segment profit	3,763	12.2%	3,529	11.0%	3,206	9.8%	-9.1%
CRO	Sales	5,004	—	5,249	—	6,072	—	15.7%
	Segment profit	888	17.7%	1,085	20.7%	1,232	20.3%	13.5%

Appendix: Business Performance (By Segment , Quarterly)



Unit: Million yen () indicates YoY comparison.		FY2023				FY2024		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q
Human resources	Sales	10,779 (4.9%)	10,449 (3.3%)	10,808 (4.5%)	10,080 (-0.5%)	10,905 (1.2%)	10,683 (2.2%)	11,177 (3.4%)
	Segment profit	1,129 (-19.2%)	1,165 (3.1%)	1,233 (0.0%)	938 (-18.3%)	1,029 (-8.9%)	990 (-15.1%)	1,187 (-3.8%)
CRO	Sales	1,690 (6.6%)	1,735 (-0.1%)	1,823 (8.5%)	1,931 (10.9%)	1,989 (17.7%)	2,055 (18.4%)	2,027 (11.2%)
	Segment profit	287 (60.7%)	320 (-19.0%)	477 (52.2%)	429 (105.6%)	417 (45.0%)	399 (25.0%)	414 (-13.2%)

FY2023		FY2024	
3Q(accum.)	Increase ratio	3Q(accum.)	Increase ratio
32,037 (4.3%)	—	32,766 (2.3%)	—
3,529 (-6.2%)	11.0%	3,206 (-9.1%)	9.8%
5,249 (4.9%)	—	6,072 (15.7%)	—
1,085 (22.3%)	20.7%	1,232 (13.5%)	20.3%

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>