

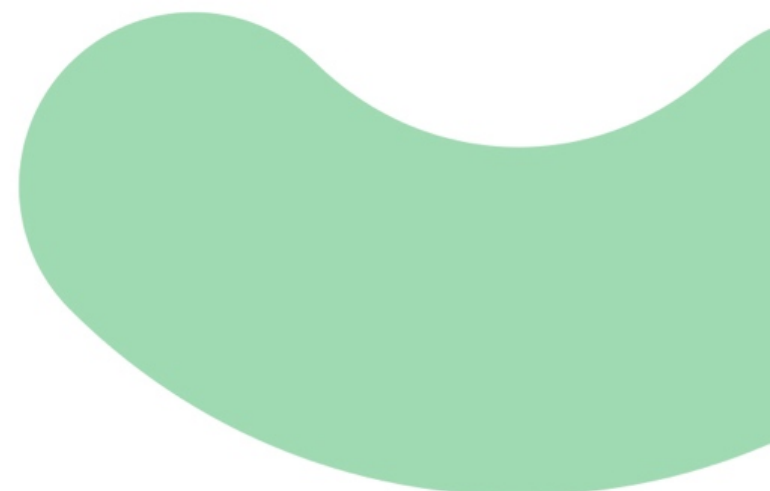


Results of Operations

for the Fiscal Year Ended March 2021 (FY3/21)

Welbe, Inc.

Securities Code: 6556



Financial Results and Forecast

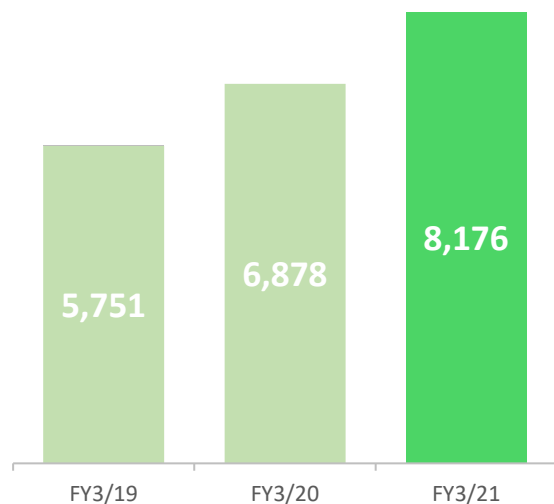
* Consolidated accounting started from the FY3/20.
Figures before the FY3/19 are non-consolidated financial statements.



welbe 1-1. Results for the Fiscal Year Ended March 2021

(millions of yen)

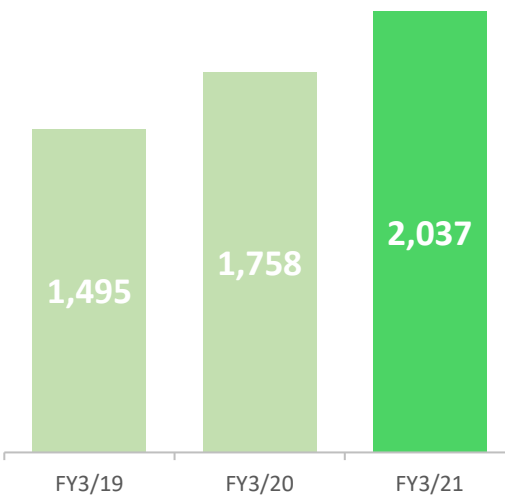
Net sales



10 consecutive years of Net sales growth since establishment

+ ¥1,297million increase
from the previous fiscal year
+ 18.9% YOY change

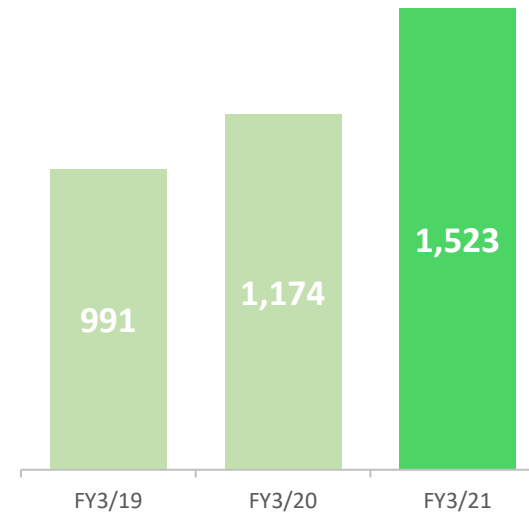
Operating profit



8 consecutive years of Operating Profits growth

+ ¥279 million increase
from the previous fiscal year
+ 15.9% YOY change

Profit



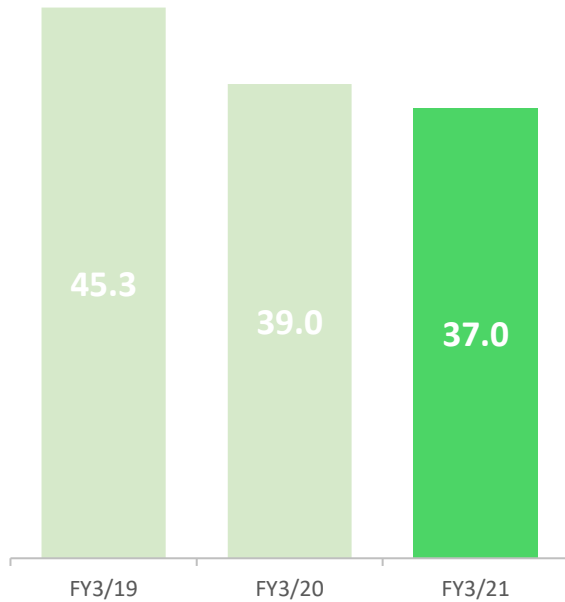
8 consecutive years of Profits growth

+ ¥349 million increase
from the previous fiscal year
+ 29.7% YOY change

1-2. Results for the Fiscal Year Ended March 2021

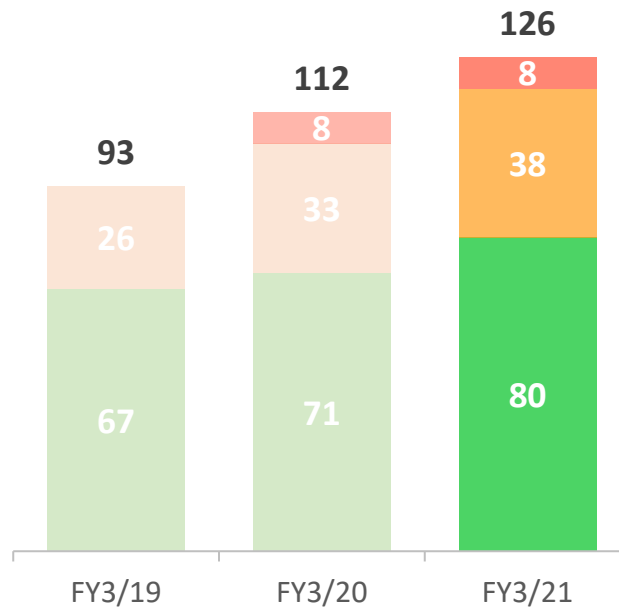
ROE

(%)



ROE (return on equity) remains high

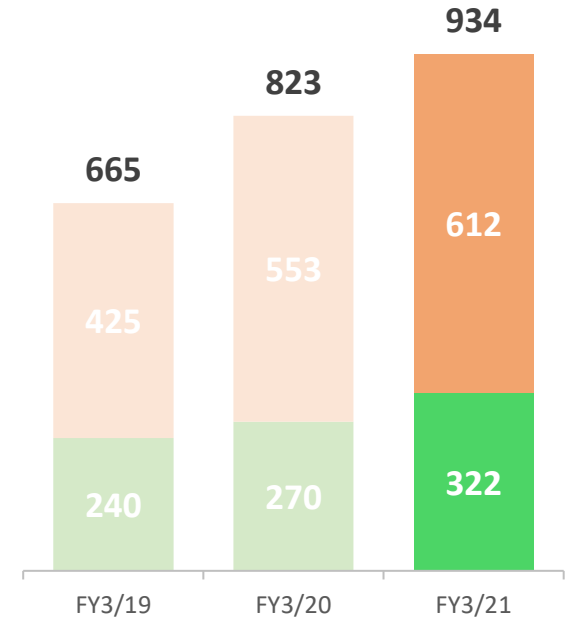
Bases



Steadily increasing operating bases in the Group

Employees

(number of people)



The number of employees increases in proportion to the increase in the number of bases

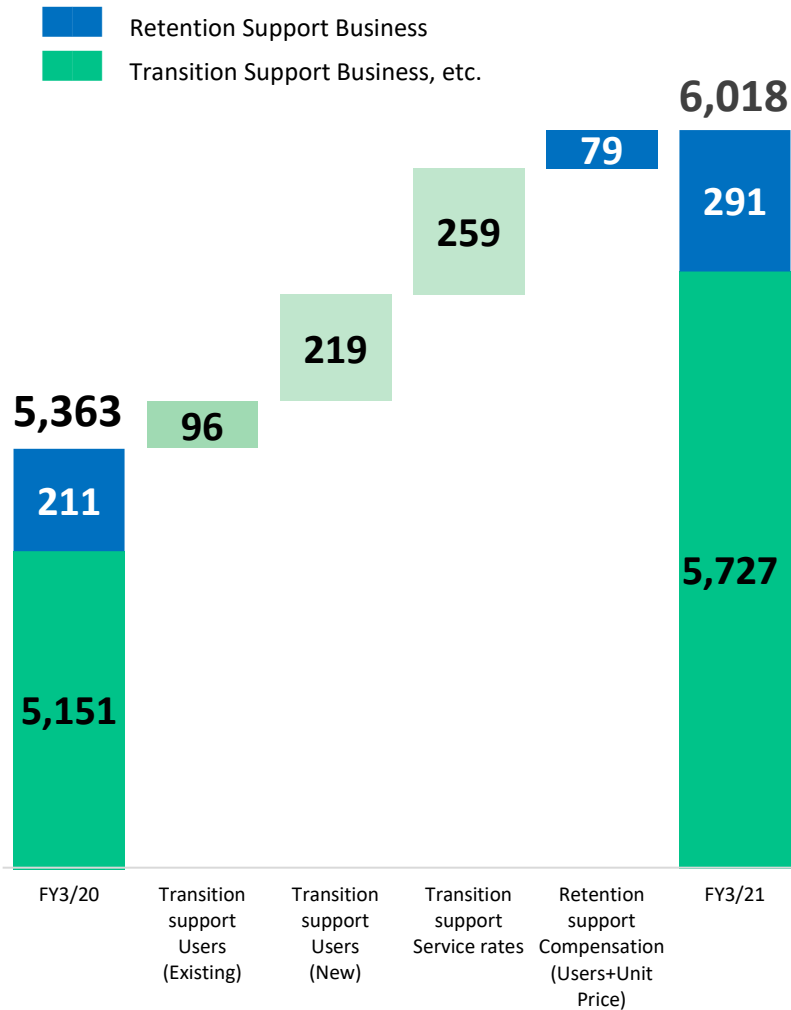
Female ratio of 65.5%

- Habilitation Business (ILIS CLUB)
- Habilitation Business (habii, habii plus)
- Employment Transition Support Business (welbe)

- Women
- Men

2-1. Employment Transition Support Business

Net sales (millions of yen)



Increase **+ ¥655million**
 YoY change **+ 12.2%**

Point

- Both users and unit prices are steadily increasing.
- No effect of the new coronavirus
 - Under the request to refrain from going out in the spring of 2020, online support is permitted and the number of users is increasing.
 - There is no impact of the state of emergency after January 2021.

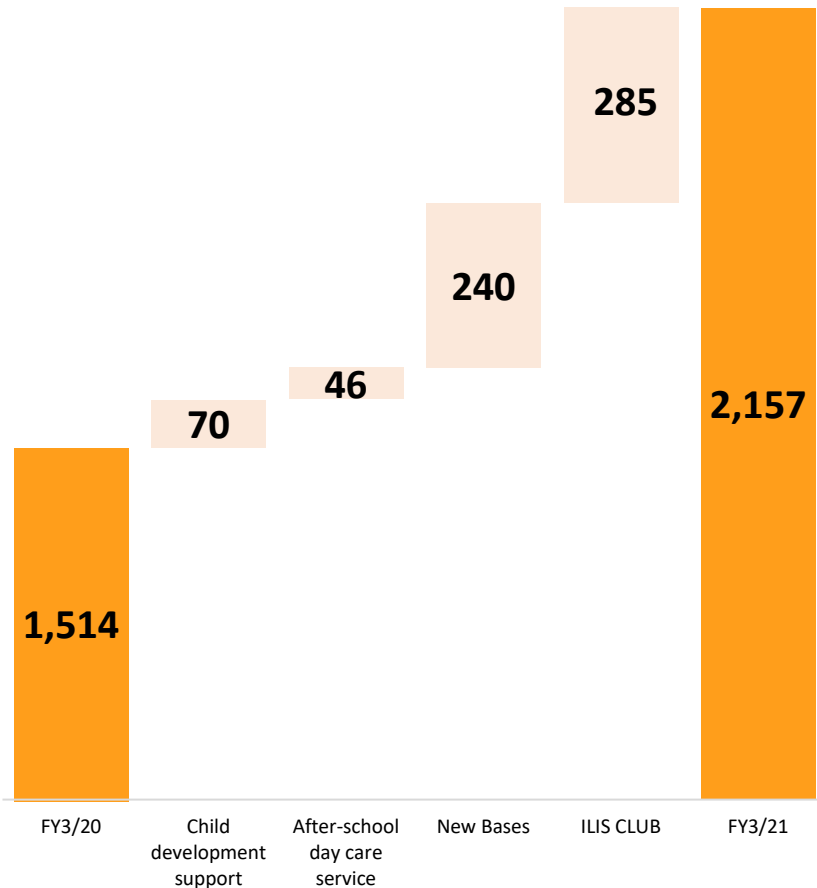
*Difference analysis "New" in "Users" is calculated based on the number of users of business establishments opened after April 2019.

Net sales (millions of yen)

Increase **+ ¥642million**
 YoY change **+ 42.4%**

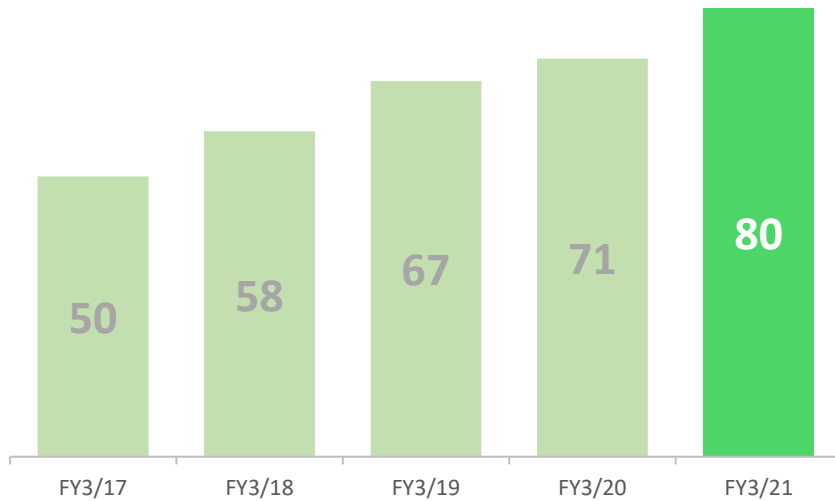
Point

- The number of users is steadily increasing at the bases that opened in the previous fiscal year (ending March 2020).
- Sales of Iris Co., Ltd. increased due to full-year consolidation (in the fiscal year ended March 2020, only the fourth quarter was captured)



*Difference analysis "New" in "Users" is calculated based on the number of users of business establishments opened after April 2019.

Employment Transition Support Business

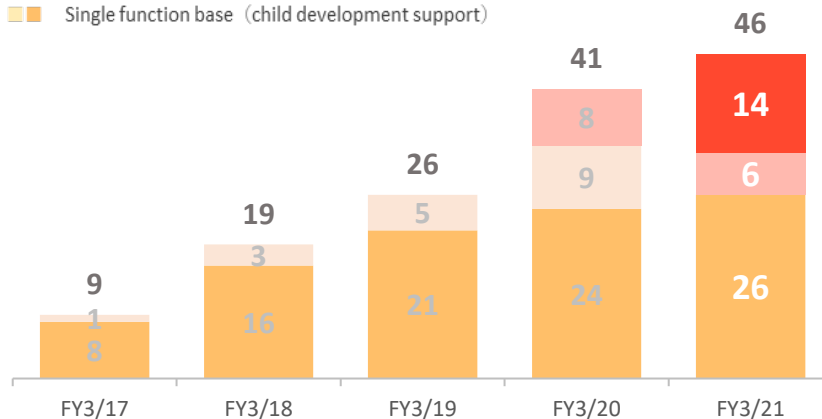


YTD
+ 9 bases

Jun. 2020	Awaji-Ekimae
	Urayasue-Ekimae
Sep.	Utsunomiya 2nd
Oct.	Nagasaki-Ekimae
Dec.	Nishi-Kawaguchi 2nd
	Yokosuka-Chuo-Ekimae
Mar.2021	Kanayama
	Kyoto-Shijo-Karasuma 2nd
	Hiroshima-Ekimae 2nd

Habilitation Business

- Multi function base (after-school day care service · child development support)
- Single function base (after-school day care service)
- Single function base (child development support)



YTD
+ 5 bases

Sep. 2020	habii Yamato
Dec.	habii Kokura
	habii Takatsuki
Jan.2021	habii Chiba
Feb.	habii-plus Omiya 2nd

• Unification of business names

From April 1, 2021, the business names of "Habii", "Habii Plus" and "Habii Academy" will be unified to "Habii".

• Promotion of multifunction

From the single function of day service such as after school, it is possible to provide a child development support service with a higher unit price.

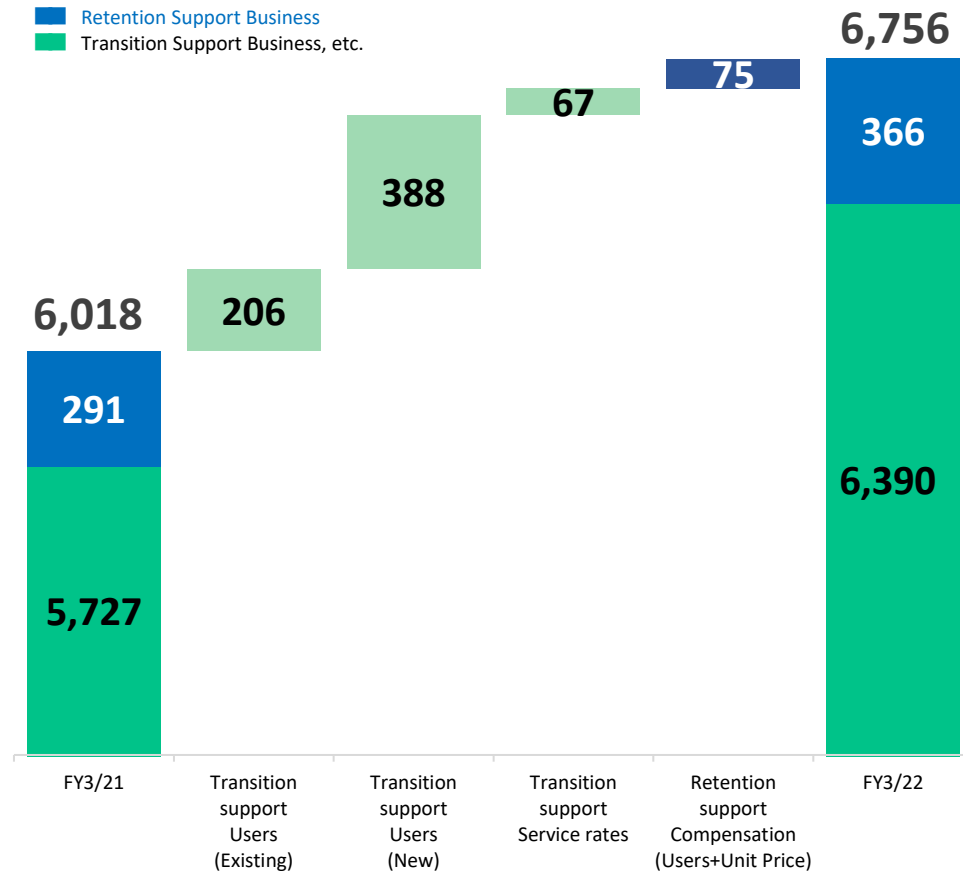
Summary of earnings forecast

3-1. Summary of earnings forecast

(millions of yen)	FY3/21		FY3/22		Change	Change (%)
	Results	Comp.	Forecast	Comp.		
Net sales	8,176	100.0%	9,144	100.0%	+968	+11.8%
Operating profit	2,037	24.9%	2,446	26.8%	+408	+20.0%
Ordinary profit	2,104	25.7%	2,446	26.8%	+342	+16.3%
Profit	1,523	18.6%	1,772	19.4%	+248	+16.3%
Dividend per share(yen)	16.0		16.1		+0.1	

Net sales (millions of yen)

(millions of yen)



Increase + ¥737million

YoY change + 12.3%

Point

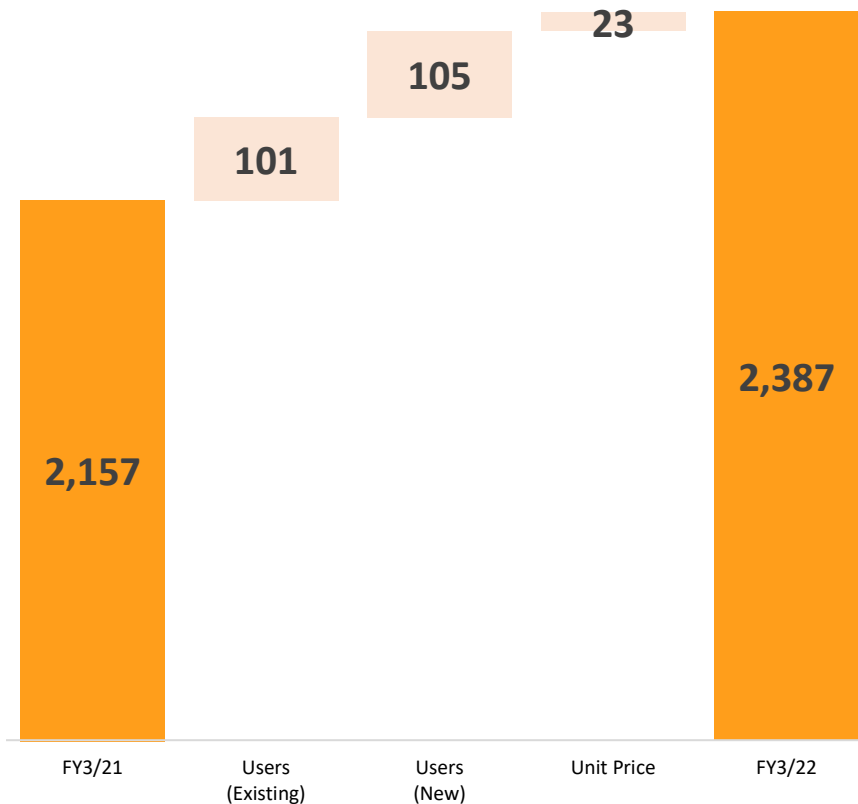
- The number of users will continue to grow at both existing and new offices.
- We plan to open 10 new stores.
- The unit price will continue to be high.
- As for retention support, the number of users is continuously increasing. The unit price remains at a high level.

* Components of changes in sales are reference figures based on approximations and used for internal management purposes.

* New center/classroom sales figures for the number of users are for sales at bases that were opened after April 1, 2020.

Net sales (millions of yen)

(millions of yen)



Increase + ¥230million

YoY change + 10.6%

Point

- For existing bases
 - Increased proportion of child development support users
 - Additional acquisition by allocating professionals
 - Strive to maintain a high standard
- Four new bases are planned.
We will concentrate on opening stores in the Greater Tokyo Area, where early capacity can be expected.

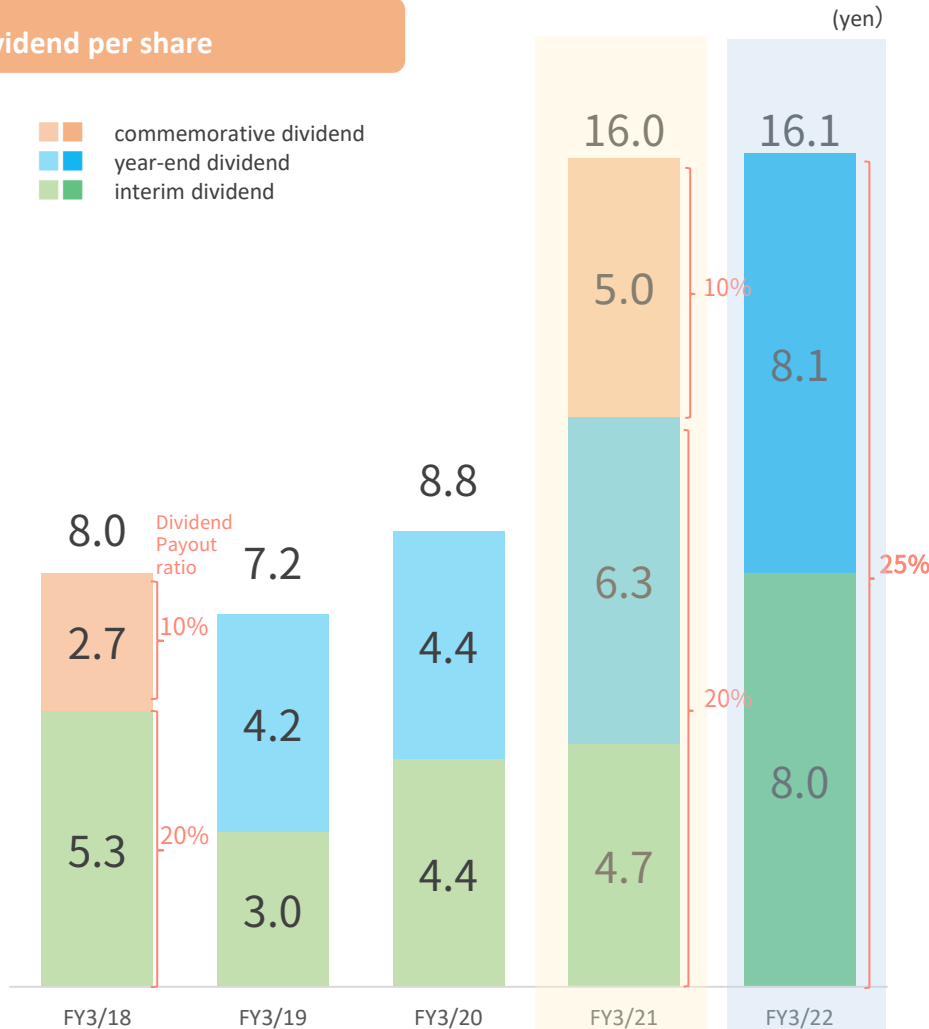
* New center/classroom sales figures for the number of users are for sales at bases that were opened after April 1, 2020.

4-1. Shareholder Distributions

16.0 yen including commemorative dividend for this term. Dividend payout ratio will increase to 16.1 yen for the next term.

Dividend per share

- commemorative dividend
- year-end dividend
- interim dividend



FY3/21

Target payout ratio 30%

[Ordinary dividend 20% + Commemorative dividend 10%]

memorative dividend of 5.0 yen will be paid

for **the 10th term of the company.**

Annual dividend of 16.0 yen

FY3/22 (forecast)

Target payout ratio **25% up**

Based on the full-year forecast of 1.77 billion yen

Annual dividend of 16.1

(0.1 yen dividend increase)

* Dividends per share for the FY3/18 factor in the effects of the stock split and include a commemorative dividend (10% equivalent of dividend payout ratio) for the listing of welbe stock on the TSE Mothers Market.

Net sales are the product of three factors

Demonstrate strengths in each and realize high growth potential

Number of bases

Target 10 new bases a year on our own
Considering plus alpha through M&A

Unit price

Obtaining high basic compensation based on the number of employment and retention rate at the top level in the industry

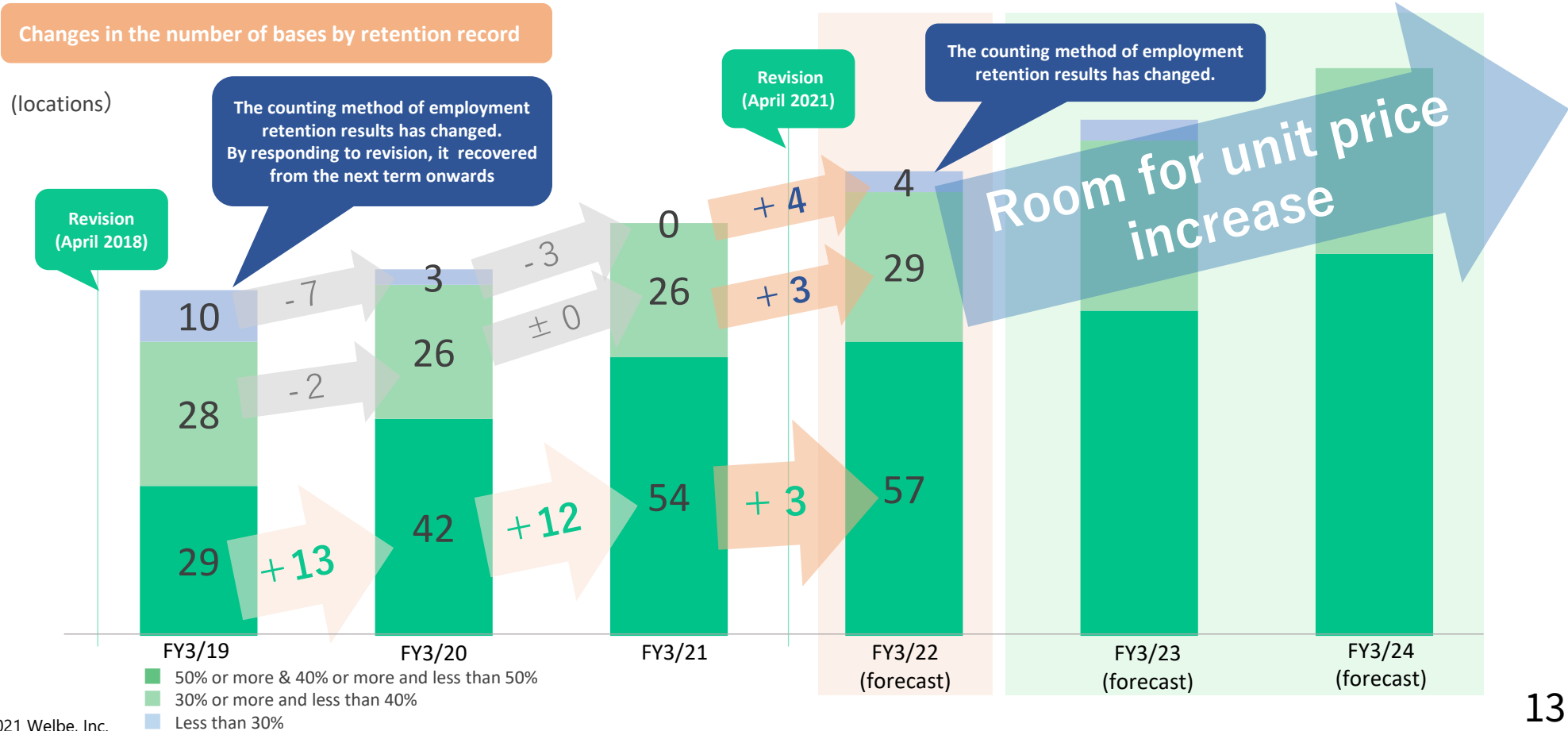
Occupancy rate

Stable users are secured by know-how of building connections with medical institutions, etc.

5-2. Growth strategy - Habilitation Business

Remuneration revision is a tailwind. Aim to improve unit price from the next fiscal year onward

- Employment retention record 50% or more increased by **3%**, 40% or more and less than 50% increased by **2%** (April 2021 Remuneration revision)
- Aim to improve unit price from the next fiscal year onward by responding to remuneration revisions



5-3. Growth strategy - Habilitation Business

Acquire a new addition to improve profitability

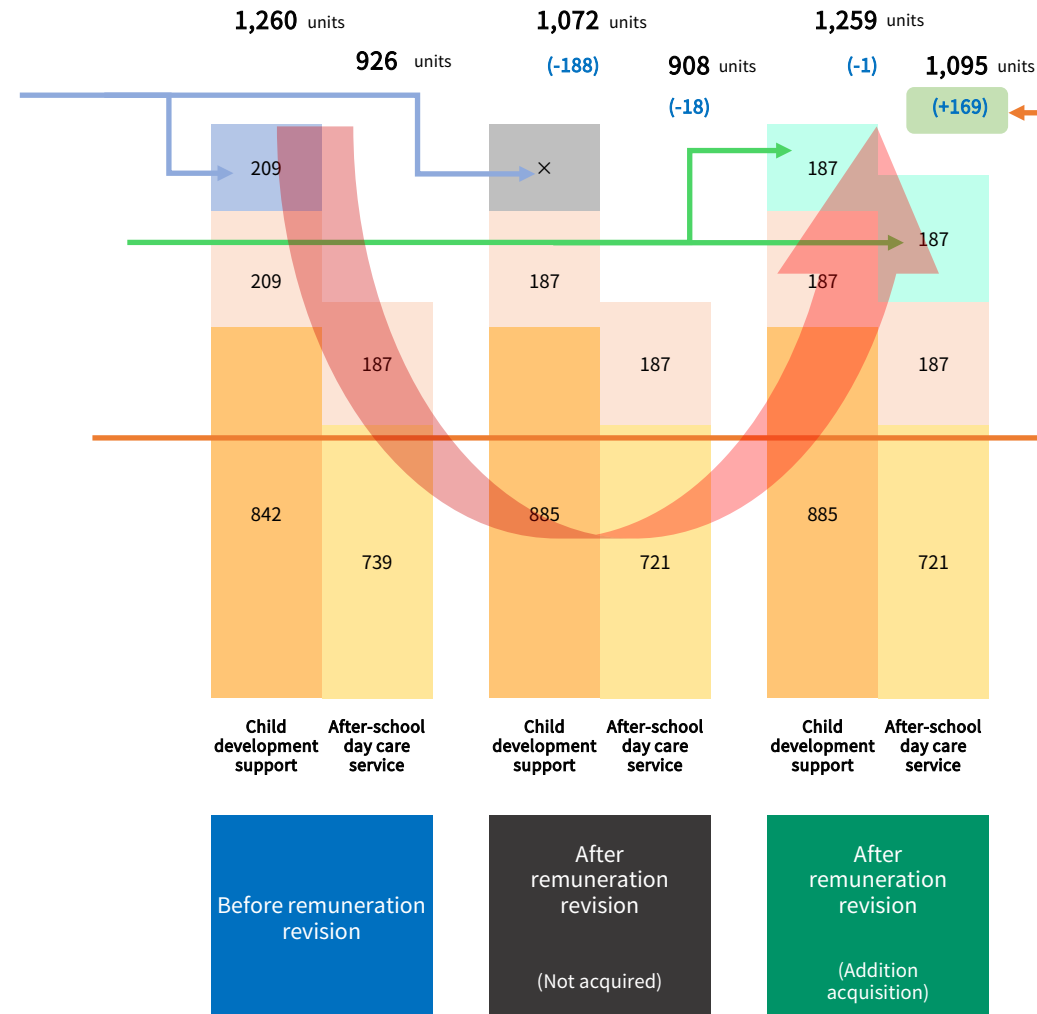
Due to remuneration revision in April 2021

- The **"Additional Pay for Child Guidance Staff II"** (209 units) issued by Ji-hatsu disappeared.
- **"Additional pay of special support "**(187 units) is newly established - we can acquire by assigning specialists such as physical therapists *
- The unit price of Ho-day increased significantly due to additional acquisition.
- Promote acquiring through internal transfers and hiring

※Physical therapists, occupational therapists, speech therapists, psychotherapists, (Ji-hatsu only) Nursery teacher and child guidance who have been engaged in child welfare services for five years or more

Changes in remuneration structure and total unit price

(Increase / decrease in parentheses from before revision)



Supplementary materials for financial results

- Consolidated accounting started from the 4th quarter of the FY3/21. Figures for the 1st to 3rd quarters of FY3/20, and before to the FY3/20 are based on non-consolidated financial statements.

Net sales and profits at each stage both increased steadily.

Retained taxation is eliminated and corporate tax burden is reduced.

Net profit increased significantly

	FY3/20	FY3/21	YoY change		FY3/21		FY3/21	
	4 Q	4 Q			Forecast (Announced on May 14, 2020)		Forecast (Announced on March 22, 2021)	
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)	Change (%)	Amount (Millions of yen)	Achievement ratio	Amount (Millions of yen)	Achievement ratio
Net sales	6,878	8,176	+1,297	+18.9%	7,838	104.3%	8,154	100.3%
Operating profit	1,758	2,037	+279	+15.9%	1,952	104.4%	2,037	100.0%
Ordinary profit	1,756	2,104	+347	+19.8%	1,950	107.9%	2,095	100.4%
Profit	1,174	1,523	+349	+29.7%	1,328	114.7%	1,494	101.9%



Quarterly comparisons (Overall profit and loss)

(millions of yen)	FY3/20					FY3/21					YoY Change	QoQ Change
	1Q	2Q	3Q	4Q	cumulative total	1Q	2Q	3Q	4Q	cumulative total	(4Q vs 4Q)	(3Q vs 4Q)
Net sales	1,593	1,693	1,753	1,837	6,878	1,957	2,071	2,078	2,069	8,176	+231	-8
Sales of Employment Transition Support Business	1,276	1,345	1,388	1,352	5,363	1,469	1,535	1,521	1,492	6,018	+140	-29
(Transition support compensation)	(1,237)	(1,301)	(1,327)	(1,285)	(5,151)	(1,408)	(1,462)	(1,440)	(1,415)	(5,727)	+129	-25
(Retention support compensation)	(39)	(44)	(61)	(66)	(211)	(60)	(72)	(81)	(77)	(291)	+10	-3
Sales of Habilitation Business	316	347	365	485	1,514	487	536	556	576	2,157	+91	+20
Cost of sales	943	964	987	1,239	4,135	1,156	1,225	1,240	1,371	4,993	+132	+130
Gross profit	649	728	766	598	2,742	800	845	837	698	3,182	+99	-139
SG&A expenses	210	221	248	303	984	262	274	283	325	1,144	+21	+41
Operating profit	439	507	517	295	1,758	538	571	554	373	2,037	+78	-181
Non-operating profit / loss	0	0	-3	0	-1	3	4	40	17	66	+17	-22
Ordinary profit	440	508	513	295	1,756	541	576	594	391	2,104	+95	-203
Extraordinary profit / loss	—	-2	0	-15	-18	-4	—	0	-21	-26	-5	-20
Profit before taxes	440	505	512	279	1,738	537	576	594	369	2,077	+89	-224
Profit	277	337	322	236	1,174	345	383	455	339	1,523	+102	-116

Increase due to the new consolidation of ILIS Inc.

After 4Q 2020

- Sales (Habilitation Business)
- Cost of sales, selling, general and administrative expenses

Sales of Employment Transition Support Business

(3Q & 4Q)

- Decreased due to the short number of business days

Cost of Sales (3Q vs. 4Q)

- Increase in hiring costs due to new business opening
- Replacing an old PC for training.

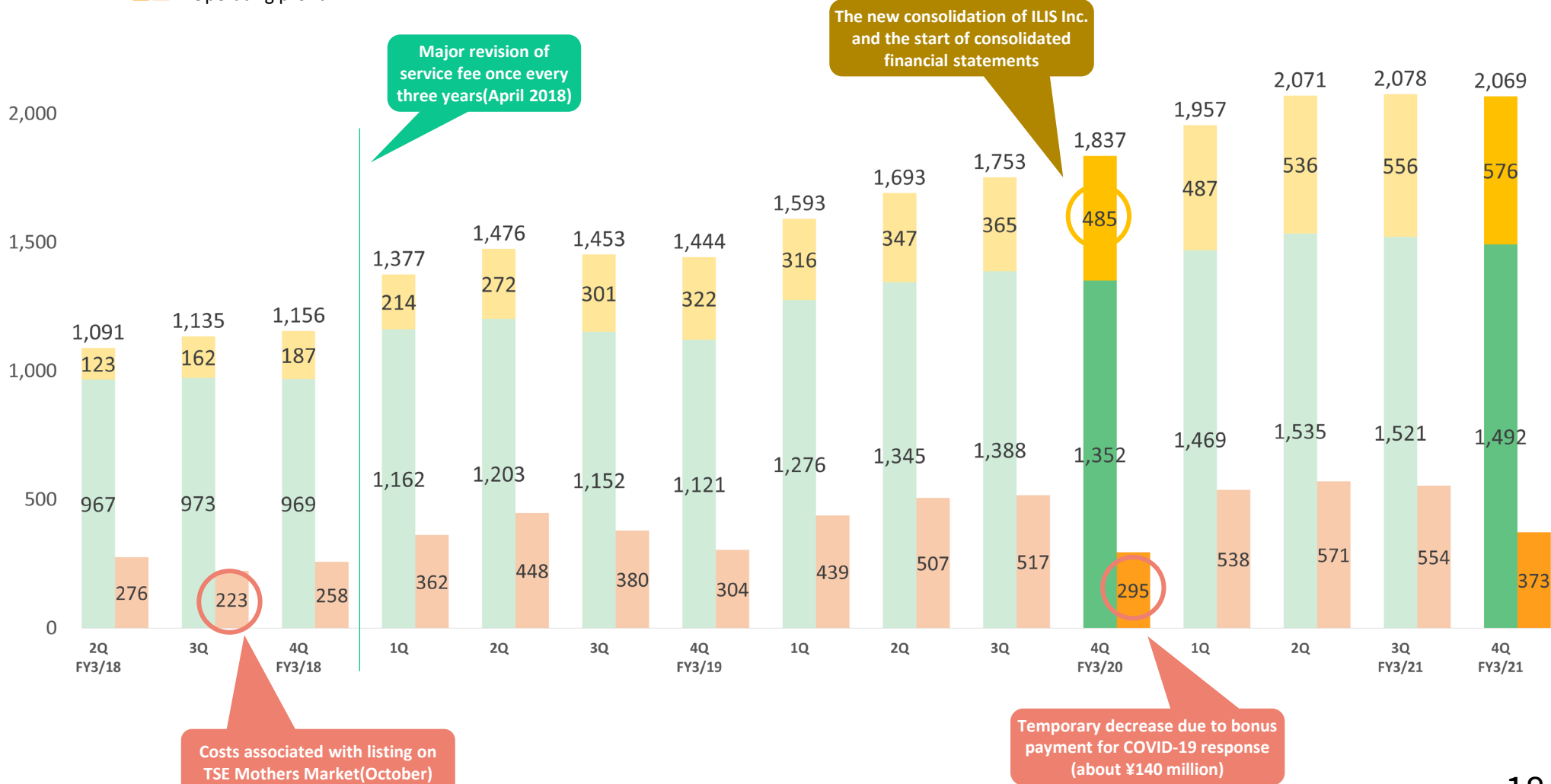
Non-operating profit and loss (3Q & 4Q)

- Increase due to corona-related subsidy income

Quarterly comparisons (Net sales and Operating profit)

(Millions of yen)

- Sales (Employment Transition support business)
- Sales (Habilitation business)
- Operating profit



Quarterly comparisons (Cost of sales)

(millions of yen)	FY3/20						FY3/21						YoY Change (4Q vs 4Q)	QoQ Change (3Q vs 4 Q)
	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.		
Net sales	1,593	1,693	1,753	1,837	6,878		1,957	2,071	2,078	2,069	8,176		+231	-8
Personal	681	685	698	908	2,973	71.9%	828	870	885	911	3,495	70.0%	+3	+25
Rent	95	97	102	119	415	10.0%	120	126	132	139	520	10.4%	+20	+6
Supplies expense	67	67	70	80	286	6.9%	69	63	86	160	380	7.6%	+80	+74
Travel, transportation and expenses	36	37	37	37	148	3.6%	35	39	41	39	155	3.1%	+2	-1
Depreciation	21	22	25	33	103	2.5%	26	28	31	38	125	2.5%	+5	+7
Others	40	54	53	59	207	5.0%	75	97	62	80	316	6.3%	+20	+17
Cost of sales/Total	943	964	987	1,239	4,135	100.0%	1,156	1,225	1,240	1,371	4,993	100.0%	+132	+130
Cost of sales ratio	59.2%	57.0%	56.3%	67.4%	60.1%		59.1%	59.2%	59.7%	66.3%	61.1%		-1.2%	+6.6%
Gross profit	649	728	766	598	2,742		800	845	837	698	3,182		99	-139

Personnel

3Q vs. 4Q Increase due to new hires due to new establishments

Supplies expense

3Q vs. 4Q、4Q vs. 4Q Replacing an old PC for training

4Q vs. 4Q Purchase of infection control equipment

Others

3Q vs. 4Q、4Q vs. 4Q Increase in hiring costs due to the opening of new bases

※Consolidated of ILIS Inc. from the 4th quarter of FY3/20.

(millions of yen)	FY3/20						FY3/21						YoY Change	QoQ Change
	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	(4Q vs 4Q)	(3Q vs 4Q)
Net sales	1,593	1,693	1,753	1,837	6,878		1,957	2,071	2,078	2,069	8,176		+231	-8
Gross profit	649	728	766	598	2,742		800	845	837	698	3,182		+99	-139
Personal	96	101	102	124	424	43.2%	115	110	109	111	446	39.0%	-12	+2
Tax and dues	37	43	50	54	185	18.9%	53	61	65	70	249	21.8%	+15	+4
Advertising	26	24	25	42	119	12.2%	33	31	32	52	149	13.1%	+9	+19
Commission fee	18	18	18	35	90	9.2%	21	30	33	44	130	11.4%	+9	+10
Rent	15	15	15	16	63	6.4%	16	17	17	16	67	5.9%	+0	+0
Others	16	19	34	29	99	10.1%	21	22	25	30	100	8.8%	+0	+4
SG&A/Total	210	221	248	303	984	100.0%	262	274	283	325	1,144	100.0%	+21	+41
SG&A to sales ratio	13.2%	13.1%	14.2%	16.5%	14.3%		13.4%	13.2%	13.6%	15.7%	14.0%		-0.8%	+2.1%
Operating profit	439	507	517	295	1,758		538	571	554	373	2,037		+78	-181
Operating margin	27.6%	30.0%	29.5%	16.1%	25.6%		27.5%	27.6%	26.7%	18.0%	24.9%		+2.0%	-8.6%

Advertising

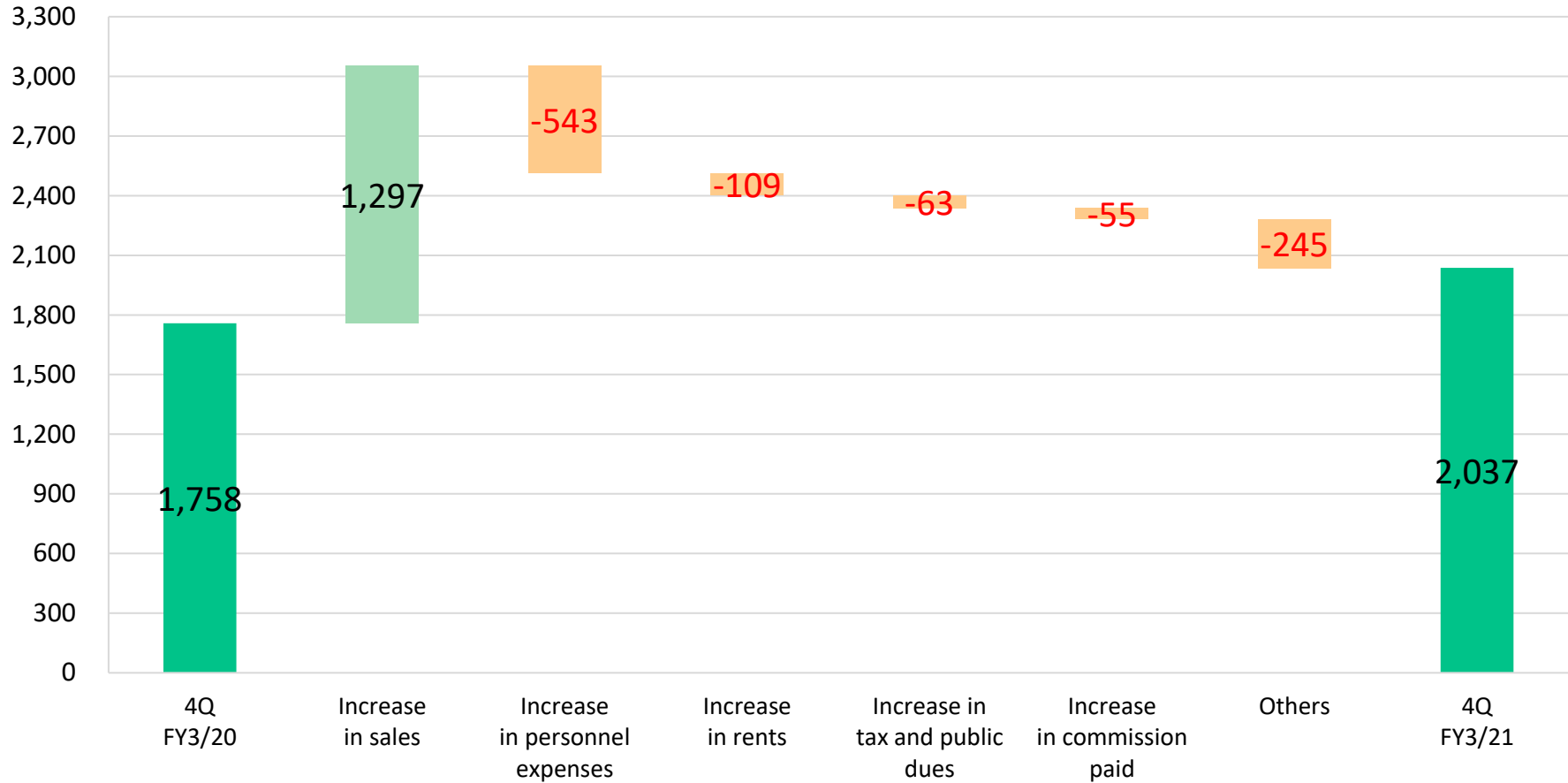
- 4Q VS. 4Q Increasing product listing ads costs

Commission fee

- 3Q VS. 4Q, 4Q VS. 4Q Market change related fees

Factors Impacted in an Increase in Operating Profit

(Millions of yen)



* Above amounts are total for cost of sales and SG&A expenses

(Millions of yen)	FY3/20		4Q FY3/21		Change	Rate of Change
	Amount	Comp.	Amount	Comp.		
Current assets	3,352	74.3%	4,080	74.6%	+727	21.7%
Non-current assets	1,158	25.7%	1,392	25.4%	+234	20.2%
Total assets	4,511	100.0%	5,473	100.0%	+961	21.3%
Liabilites	1,033	22.9%	723	13.2%	-310	-30.0%
(Of the above, loans and bonds)	(181)	(4.0%)	(73)	(1.3%)	(-108)	(-59.7%)
Net assets	3,477	77.1%	4,750	86.8%	+1,272	36.6%
Equity ratio	77.1%		86.8%			9.7%

- Current ratio
601.1%
- Fixed ratio
29.3%
- Equity ratio
86.8%

(millions of yen)	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21
Cash flows from operating activities	391	609	1,102	1,167	1,375
Cash flows from investing activities	-62	-230	-237	-483	-415
(Free cash flow)	(329)	(379)	(865)	(683)	(960)
Cash flows from financing activities	-23	447	-563	-541	-394
Net increase (decrease) in cash and cash equivalents	305	826	302	142	565
Cash and cash equivalents at end of period	765	1,592	1,894	2,036	2,601

Free cash flows

960 million

Increase in cash flows

565 million

Cash flows from operating activities

- Net income before income taxes (2,077million)
- Increase in trade receivables (-156million)
- Payment amount of corporate tax, etc (-653million)

Cash flows from investing activities

- Cash flows from investing activities (-335million)

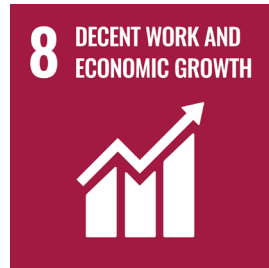
Cash flows from financing activities

- Expenditure for repayment of long-term debt (-79 million)
- Dividend payments (-255million)

Reference materials



Dedicated to the pursuit of self-fulfillment and happiness
for all employees **and** the creation of a society where
everyone can have big dreams



SDGs is an abbreviation for "Sustainable Development Goals". Adopted by all 193 member countries of the United Nations in September 2015 as a universal goal to be achieved in the 15 years from 2016 to 2030.


Initiatives for SDGs through **the way employees work.**

To **pursue the self-fulfillment and happiness of all employees, which is our corporate philosophy, we are striving to create a work environment where people can work for a long time with a sense of satisfaction.**

About our efforts to hire disabled

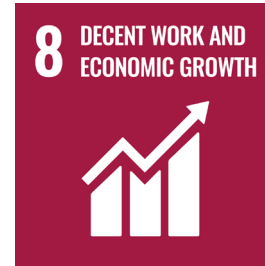
Business support center
Kinshicho center
Urayasu center
Kokura center

- 9 staff members (all disabled)
- Undertake the business of headquarters and offices



- Employment rate of persons with disabilities 3.1% * 1
- Female employee ratio 65.5% * 2
- Paid leave acquisition rate 65.7% * 3
- Desired area assignment rate 100% * 3
- Introduction of occupational health doctor system (from July 2020)
- Female manager ratio 59.5% * 2
- Return to work rate from childcare leave 100% * 3
- Promotion of taking childcare leave for male employees

* 1 . As of March 2021 (non-consolidated basis)
 * 2 . As of March 2020 (consolidated basis)
 * 3 . As of March 2020 (non-consolidated basis)



Initiatives for SDGs through **business**

Through our business, we will work **toward the realization of the creation of a society where everyone can have big dreams, which is our management philosophy.**

WHO estimates that productivity losses mental health induced will be \$ 1 trillion annually worldwide.

Our employment transition support business will support the employment and establishment of workplaces for persons with disabilities.

Our habilitation business will support the growth and development of children with disabilities and contribute to the realization of a sustainable society.

- Number of contractors for our Employment Transition Support service 2,062 people
- Number of contractors for our Habilitation services 2,437 people
- Employment record for the last year 664 people
- 6-month employment retention record for the last year 89.3%
- Employment record since establishment 4,040 people

* As of March 2021

Change of management system (planned)

Assuming resolutions at the Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2021 and the Board of Directors and Audit and Supervisory Committee after the General Meeting

■ Transition to a company with an audit and supervisory committee

- Further strengthen the supervisory function of the Board of Directors to enhance corporate governance.

■ Transfer of officers

- Audit & Supervisory Board Member Mitsuyoshi Komatsu retires and Eri Watanabe is appointed as an Audit and Supervisory Committee member.
- 3 outside directors / 33% of outside directors
- 1 female officer

■ New officer system (planned)

Full name	New job title	Active position
Makoto Ota	President	Same as on the left
Takao Senga	Director Senior Executive Vice President	Same as on the left
Yuki Hamajichi	Director Executive Vice President	Same as on the left
Hideyuki Nakazato	Director	Same as on the left
Koichi Itou	Director	Same as on the left
Shigenobu Kanba	External Director (Independent officer)	Same as on the left
Eri Watanabe	Director (Full-time Audit and Supervisory Committee member)	Deputy Director of Internal Audit Office
Yasutoshi Kita	External Director (Audit and Supervisory Committee / Independent officer)	Audit & Supervisory Board Member
Masafumi Sato	External Director (Audit and Supervisory Committee / Independent officer)	External Audit & Supervisory Board Member

Other governance systems

■ Compensation Committee

Outside independent officers make up the majority and make disciplined decisions on director compensation.

■ Risk Compliance Committee

It is held once every three months for the purpose of accurate management of various risks surrounding the business.

■ Abuse Prevention Committee

In principle, it is held every month for the purpose of user safety and human rights protection.

■ Disaster Countermeasures Committee

In principle, it is held once every three months for the purpose of reducing damage caused by natural disasters and the new COVID-19, and taking prompt action in the event of an outbreak.

■ Whistleblower / hotline system

The whistleblowing window accepts acts that violate or may violate work rules and regulations. We also have a hotline system to receive opinions and requests from employees.

① Employment Transition Support Business

Welbe, Inc. :

- Job training, job hunting support, post-employment support for people with disabilities who want to work
- 80** employment transition support offices(**welbe**)
- 66** employment retention support offices
- 3** specific consultation support offices
- 1** self-reliance training (lifestyle training) center
- 3** employment support centers for people with developmental disabilities operated on consignment from Saitama Prefecture
- Other : Orders received from government agencies

Welbe Link Inc. :

- provide total consulting services with respect to employment of people with disabilities
- 1** satellite office
- Fee-charging placement

② Habilitation Business

Welbe, Inc.

- 40** child development support classrooms(**habii**)
- 20** after-school day care service classrooms(**habii plus**)
- 3** multifunctional offices (**ILIS CLUB**)
- 1** specific consultation support office



(The scenery in the center of welbe)



(The Scenery in the classroom of habii)

Adults

School children

Pre-school children

Welbe, Inc.

Individual services



Welbe Link Inc.

Enterprise services



ILIS Inc.

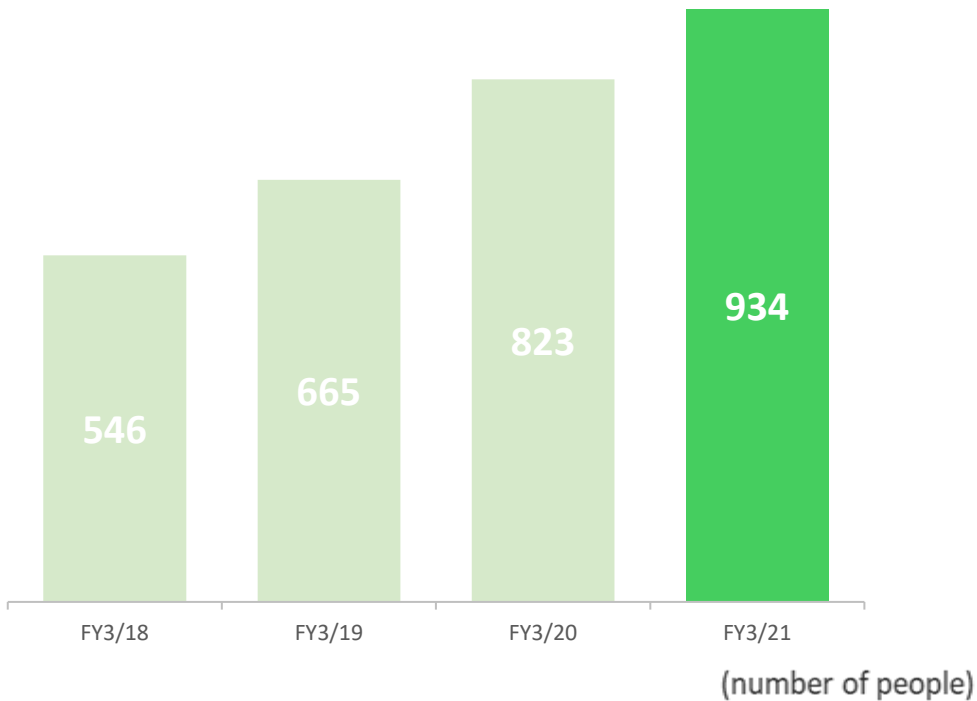


ILIS CLUB
Our Mission Is Delivering Relief & Smile

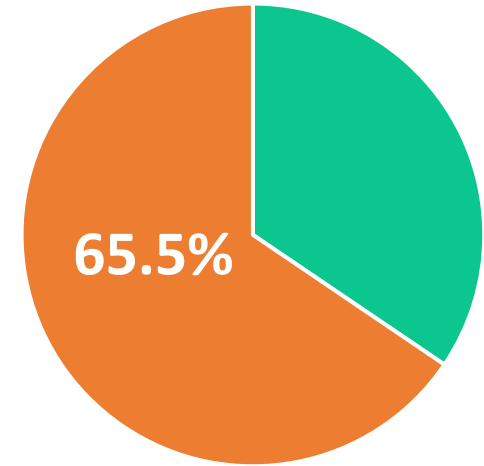
* Number of bases as of March 2021

- The number of employees increases as the business expands
- Monthly number of applicants 738 people
(Excluding new graduates Average for the past year)
- Workplace where women play an active role

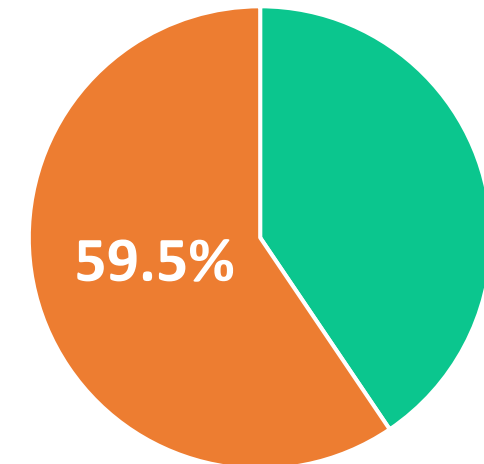
Employees



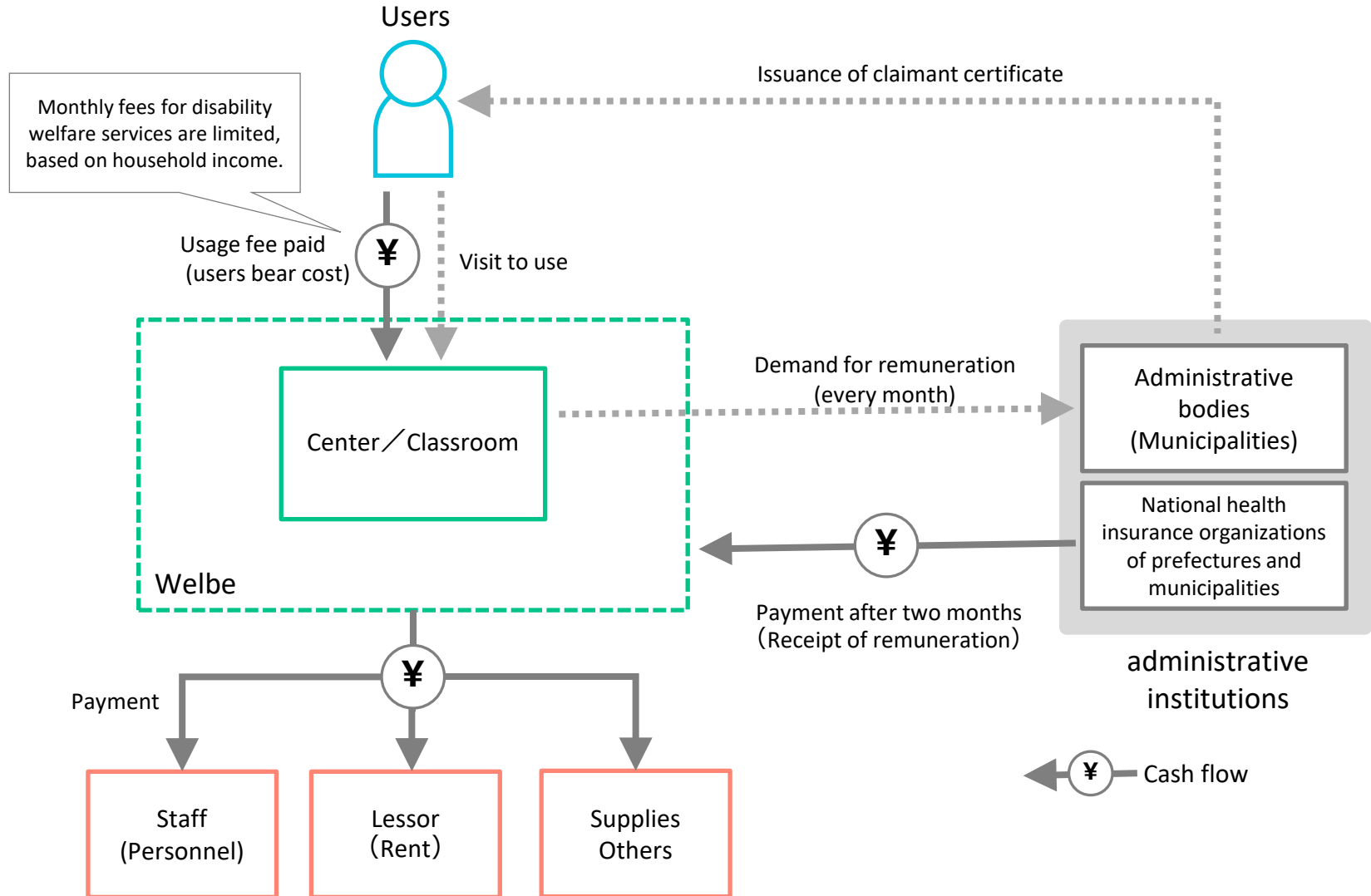
Female percentage of employees



Percentage of women in managerial positions



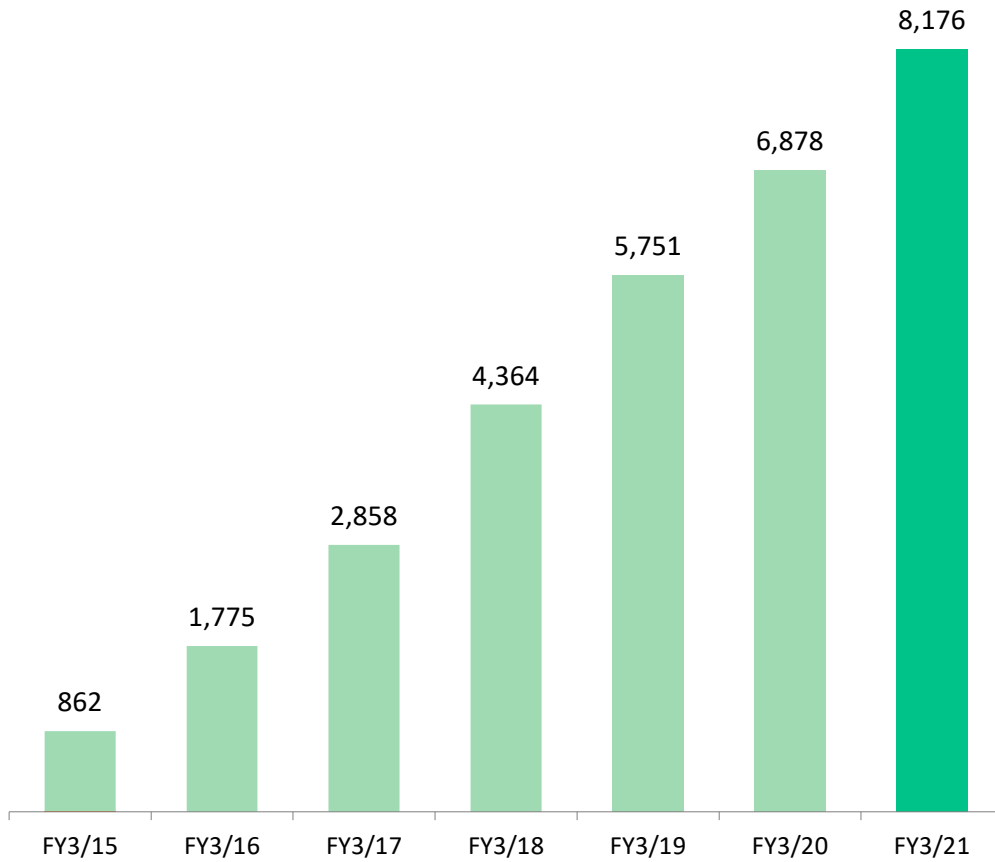
Users pay for part of the cost of services, and the remaining balance of the cost is covered by the national health insurance organizations or other public-sector sources.



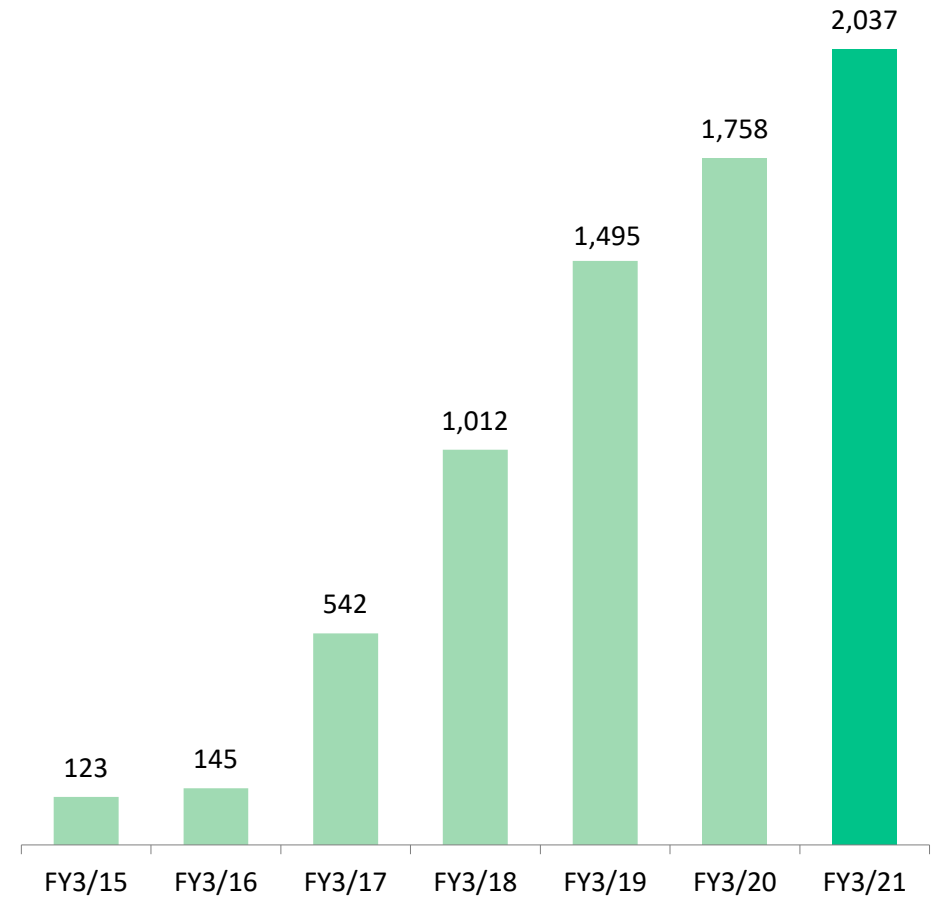
- Dec. 2011 ● **Established**
- Apr. 2012 ● Began **Employment Transition Support Business**
Opened welbe Nishi-Funabashi Ekimae Center
- Nov. 2012 ● Opened **3 centers**
welbe Kokukoen Ekimae Center, Shin-Koshigaya Ekimae Center, and Matsudo Center
- June 2014 ● Began **Habilitation Business for pre-school children** (Child development support business)
Opened Habii Kawagoe
Began Employment Support Business **specialized for people with developmental disabilities**
Opened Job Center Soka
- Apr. 2015 ● Began operations outside the **Kanto area**
Opened welbe Nagoya Ekimae Center
- Nov. 2016 ● Began **Habilitation Business for elementary, junior and senior high school students** (After-school day care service)
Opened habii plus Kawagoe
- Oct. 2017 ● **Listed on the TSE Mothers Market**
- Apr. 2018 ● Began **Employment Retention Support Business**
Opened Shin-Osaka center and Ogikubo Ekimae center
- Apr. 2019 ● Established wholly-owned subsidiary "**Welbe Link Inc.**"
to provide total consulting services with respect to employment of people with disabilities.
- Feb. 2020 ● Acquired all the issued shares of "**ILIS Inc.**"
that provide Habilitation Business and made it a consolidated subsidiary.
- Jan. 2021 ● **Market change to the TSE 1st Section**
- Mar. 2021 ● Operation of **126** offices (total amount of **welbe**, **habii**, **habii plus** and **ILISCLUB**)

■ million of yen

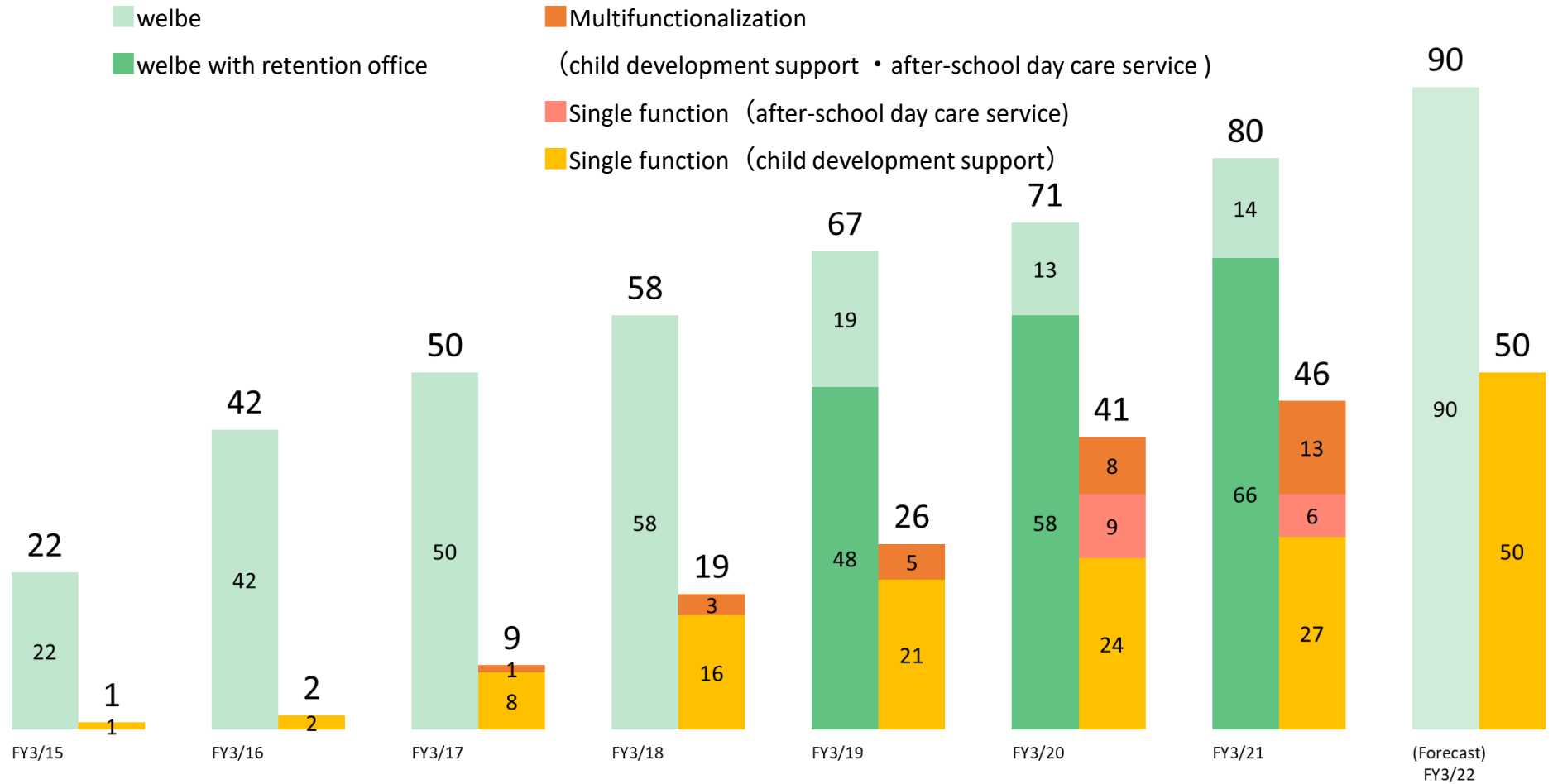
Net sales



Operating profit



Growth in the Number of bases



Number of **welbe** bases **80**

Latest six-month job retention success rate
89.3%
※ Rate of people placed in jobs by Welbe between October 2019 and September 2020 who remained in their jobs for at least six months

Latest Number of People with jobs
664
※ From April 2020 to March 2021

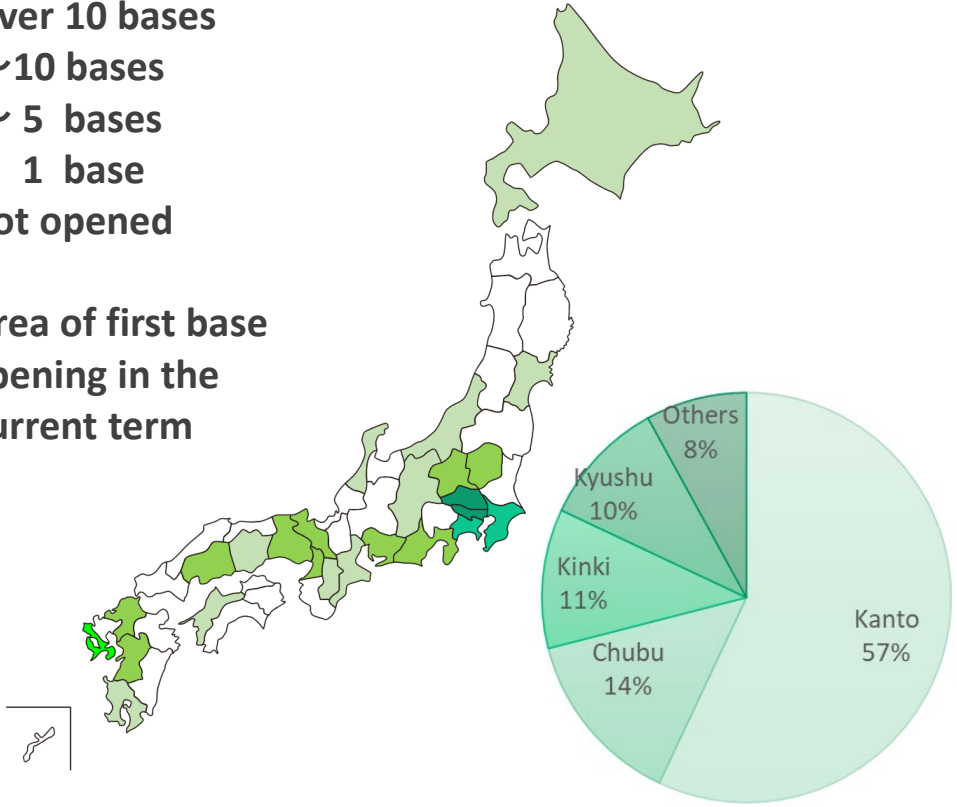
Cumulative Number of People with jobs
4,040
※ As of March 2021

Prefectures	Bases	Prefectures	Bases
Hokkaido	1	Mie	1
Miyagi	1	Kyoto	2
Tochigi	2	Osaka	3
Gunma	2	Hyogo	3
Saitama	14	Nara	1
Chiba	6	Okayama	1
Tokyo	12	Hiroshima	2
Kanagawa	10	Ehime	1
Nigata	1	Fukuoka	4
Ishikawa	1	Kumamoto	2
Nagano	1	Kagoshima	1
Shizuoka	3	Nagasaki	1
Aichi	4		

Number of bases (by service/by prefecture)

- Over 10 bases
- ~10 bases
- ~5 bases
- 1 base
- not opened

■ Area of first base opening in the current term



Number of **child development** bases **40**

Number of **after school day-care** bases **20**

Number of bases (by brand / by region)

	Kanto	Kansai	Others	Total
Habii	22 C21、 A1	4 C4	2 C1、 A1	28 C26、 A2
Habii Plus	10 CA4、 A6	—	—	10 CA4、 A6
ILIS	—	8 CA8	—	8 CA8
Total	32	12	2	46

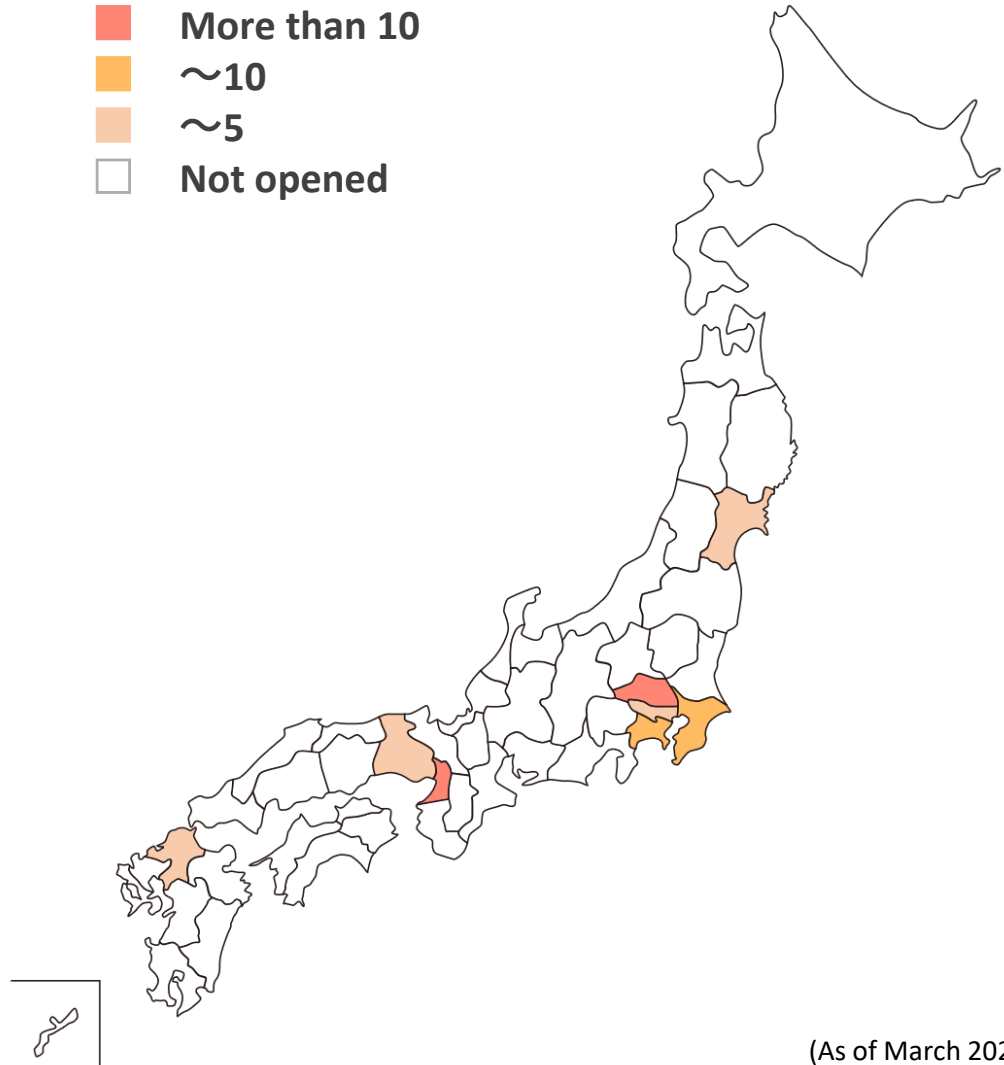
C : only child development support provided A : only after-school day care service provided
 CA : multifunctional offices、 provide both C and A

Number of bases (by service / by region)

	Kanto	Kansai	Others	Total
child development support	26	12	2	40
after-school day care service	11	8	1	20
Total	37	20	3	60

Number of bases (by service/by prefecture)

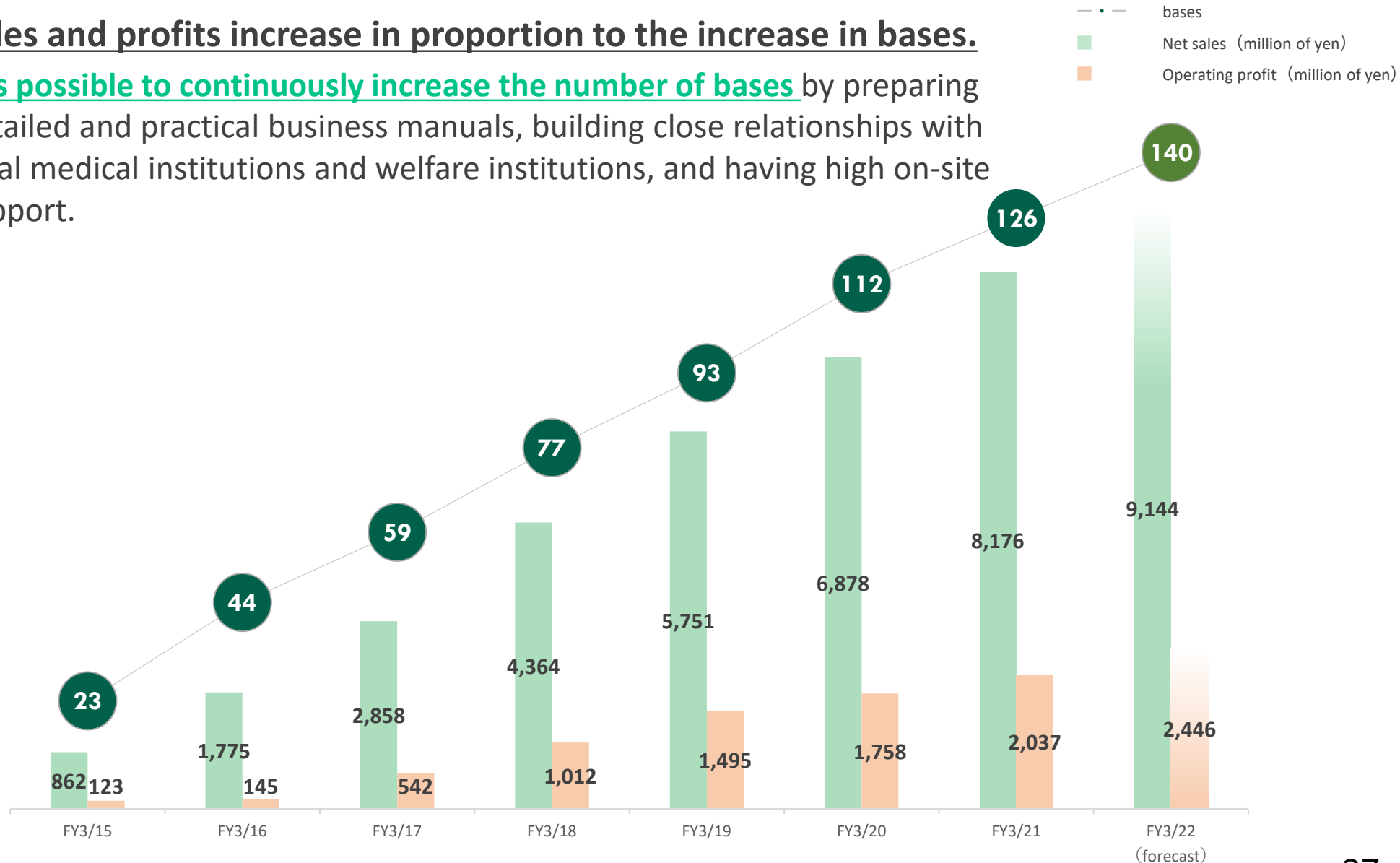
- More than 10
- ~10
- ~5
- Not opened



(As of March 2021)

Sales and profits increase in proportion to the increase in bases.

It is possible to continuously increase the number of bases by preparing detailed and practical business manuals, building close relationships with local medical institutions and welfare institutions, and having high on-site support.



We have high hiring power and in-house training.

A sufficient number of certified supervisors and qualified personnel

- Secure disability services manager and child development manager

Obligation to assign one certified supervisor to each base

Difficult to hire certified supervisors from the job change market (High barriers to entry)

- Securing professionals such as physiotherapists (Habilitation Business)

In the habilitation business, the unit price of remuneration increases significantly by allocating many professionals such as physiotherapists.

Monthly number
of applicants

738 people

Disability services manager
Number of **unassigned people**

69 people

Child development manager
Number of **unassigned people**

28 people

Habilitation Business
Number of **professionals**

50 people or more

- We established wholly-owned subsidiary "**Welbe Link**" to provide total consulting services concerning the employment of people with disabilities.



The logo expresses Welbe Link's presence of creating a virtuous cycle between companies and disabilities and continuing to grow.



Business Overview

- Support of job extracting
- Training
- Individualized support for each disabled people
- Fee-charging placement
- Operation of Satellite offices

Satellite Office

- Location: Urayasu
- Open: April 2020
- Number of rooms: 4



- We have acquired the shares of "ILIS Inc.," which runs the habilitation business in Osaka Prefecture; Operating eight offices (Multifunctional offices for pre-school children and school children) and one consultation support office in Osaka Prefecture.



ILIS CLUB
Our Mission Is Delivering Relief & Smile



ILIS PLAN
Our Mission Is Delivering Relief & Smile

Company overview

ILIS Inc. operates eight offices (Multifunctional offices for pre-school children and school children) and one consultation support office in Osaka Prefecture based on the Child Welfare Law. ILIS provides services to a wide range of age groups, from infants to high school students.

Welbe group will make a full-scale entry into the habilitation business in the Kinki region, and the synergy effect with our employment transition support business will create an environment that provides consistent welfare services for the disabled.

Business Overview

- Operates habilitation business and consultation support office in Osaka Prefecture.
- Multifunctional offices ILIS CLUB : 8 bases
 - Bases / Imabayashi, Abeno, Naniwa, Yaominami, Matsubara, Izumiotsu, Kisiwada, Izumisano
 - According to age, provide child development support service and after-school daycare service with a maximum of 10 people
 - 90% of users are after-school daycare service users.
- Consultation support office ILIS PLAN : 1 base
 - Base / Abeno

Population of People with Disabilities

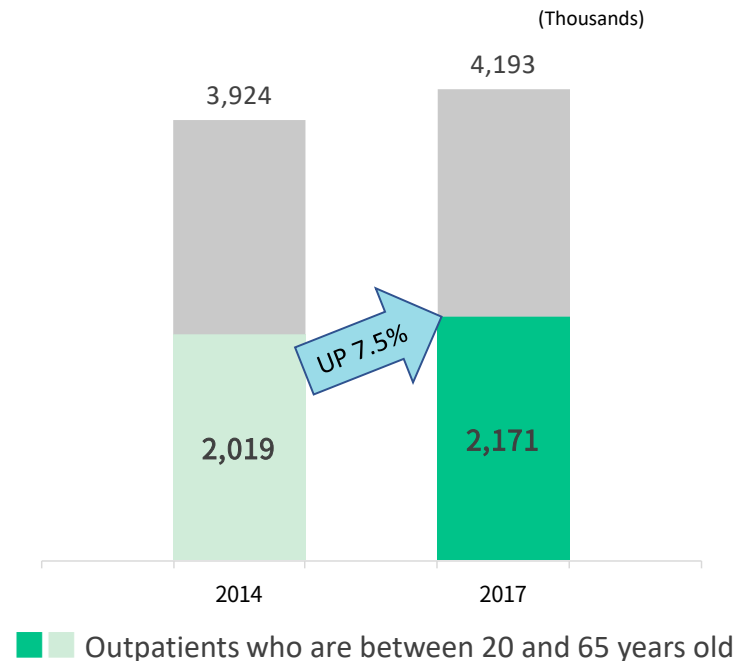
■ There are **2 million** people in Japan between the ages of 20 and 65 living at home who have a mental disability.
It is approximately **2.9%** of Japan's working-age population.

(Thousands)

	Total	People living at home/ Outpatient	Age 18 to 65*	
			Age 18 to 65*	People in institutions People with physical and mental disabilities at rehabilitation facilities and hospitals
Children/adults with physical disabilities	4,360	4,287	1,013	73
Children/adults with intellectual disabilities	1,094	962	580	120
People with mental disabilities	4,193	3,891	2,171 (age 20 to 65)	302
Total	9,647	9,140	3,764	507

*Japan's working age population: 75,059 thousand people (as of Nov. 2019)

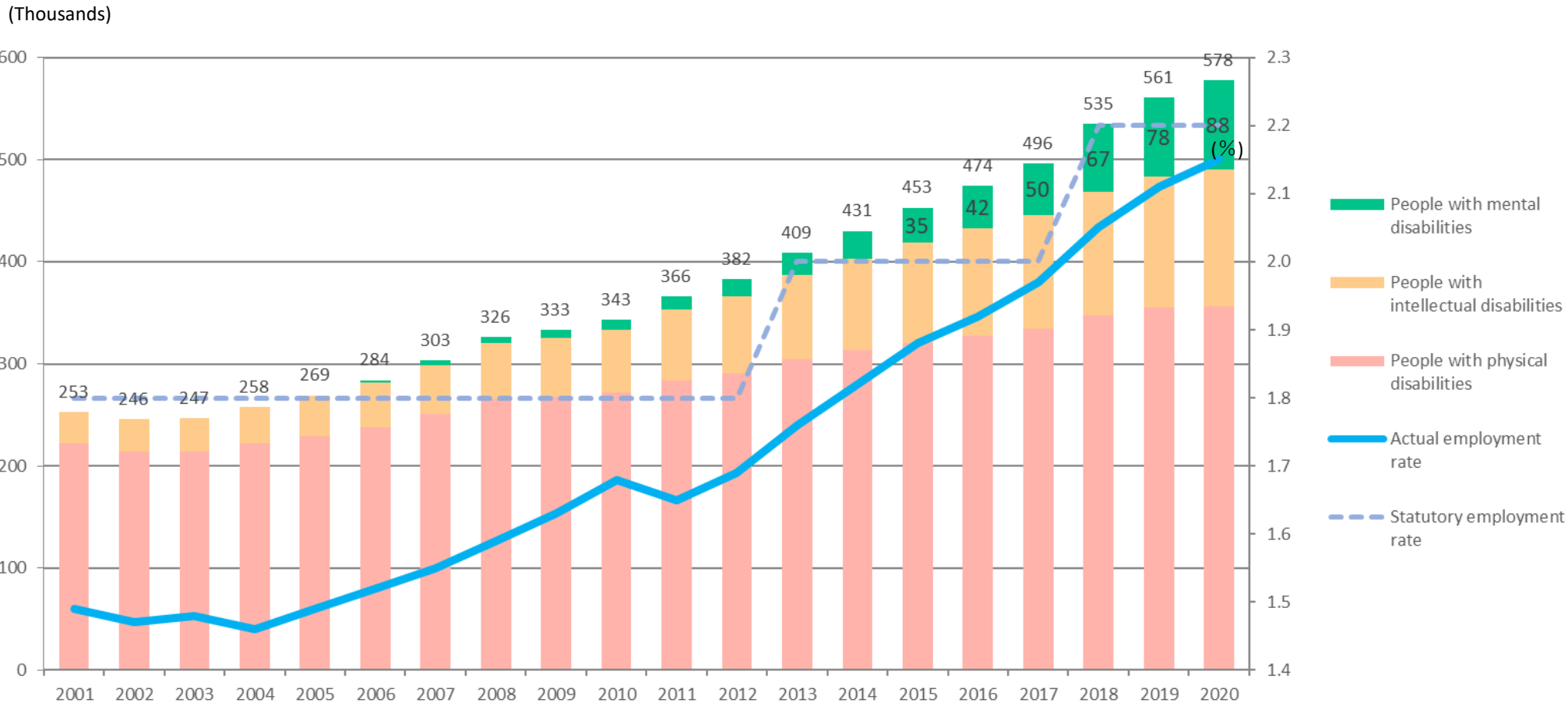
Increase in the number of people with mental disabilities



Source: Prepared by Welbe based on 2020 Disabled People White Paper (Cabinet Office) and Population Estimates (Statistics Bureau, Ministry of Internal Affairs and Communications)

Employment of People with Disabilities

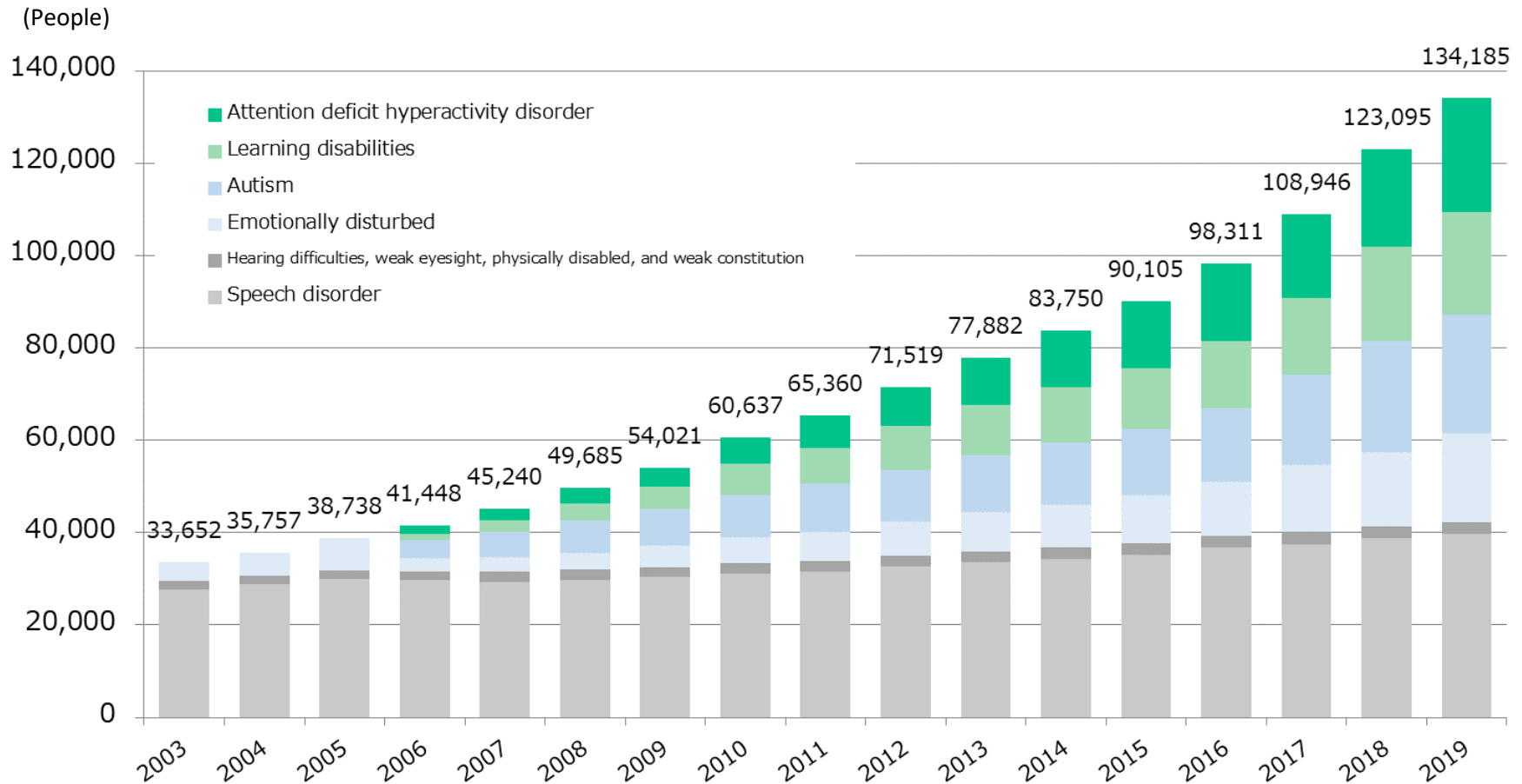
- The number of disabled people with job and the actual employment rate are both at all-time highs. The number of disabled people employed has set a record for 16 consecutive years.
- The statutory employment rate will rise to **2.2%** in April 2018 and climb further to **2.3%** in March 2020.



Source: Report on the "Status of Employment of Persons with disabilities" in 2020, Ministry of Health, Labour and Welfare

Growth in the Number of Developmentally Disabled Children in Japan

- 6.5% of children who attend a regular school have the potential for developmental disorder.
(Dec. 2012 survey by the Ministry of Education, Culture, Sports, Science, and Technology)
- The steady increase in the number of children attending special classes to accommodate their disabilities.



Source: FY2019 Survey of Special Classes for Disabilities, Ministry of Education, Culture, Sports, Science and Technology



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