



# Results of Operations

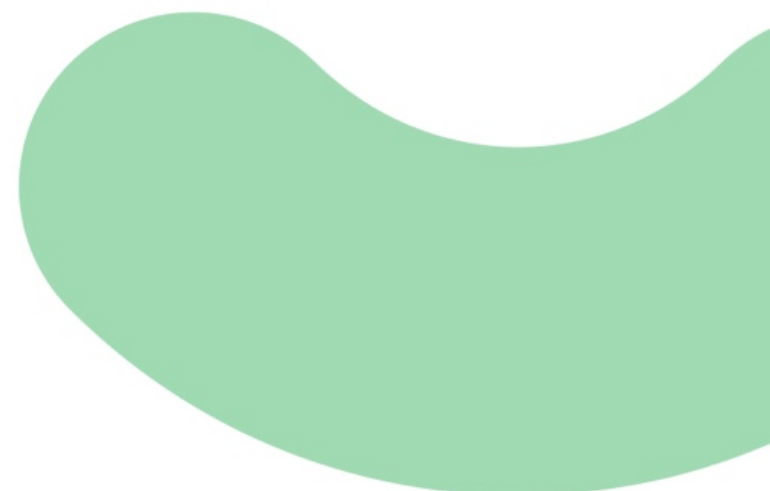
for the First Quarter of the Fiscal Year Ending March 2022 (1Q FY3/22)

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**Welbe, Inc.**

Securities Code: 6556



# Revision of new business and earnings forecast

On July 19, 2021

Concluded a domestic exclusive agency contract for 5-ALA ingredient \*

\* Excludes pharmaceuticals.

manufacture



neopharma Japan

Neopharma Japan Co., Ltd. operates the Fukuroi Factory, which is the only facility in the world capable of mass production of 5-ALA.

ingredient sale



Welbe Link Inc. will become a consolidated subsidiary and change its name to "Welbe Healthcare Inc." on August 13, as the healthcare business centered on the sale of 5-ALA ingredient will expand.

Product sales

Health food company  
(Product example: Supplement)

food company  
(Product examples: alcoholic beverages, confectionery, Fermented food)

Pharmaceutical company  
(Product example: Energy drink)

## Healthcare business



## Disability welfare business

### Short term

Sales of ingredients to supplement companies, food companies, Pharmaceutical companies, etc.

Promote research and development on mental disorders and developmental disorders using 5-ALA

Research Advisor  
Naohide Yamashita

Professor Emeritus, The University of Tokyo.  
Former hospital director of The University of Tokyo, The Institute of Medical Science.

### Medium-to long-term

Planning of original products containing 5-ALA based on research results

**Aiming to create new demand in the mental health market**

- Revision due to the start of consolidation of Welbe Healthcare Inc.
- There is no change from the previously announced figures for existing disability welfare business
- Multiple deals in progress

## Net sales

**+407**

9,144 ⇨ 9,551

**+4%**

## Operating profit

**+212**

2,446 ⇨ 2,658

**+8%**

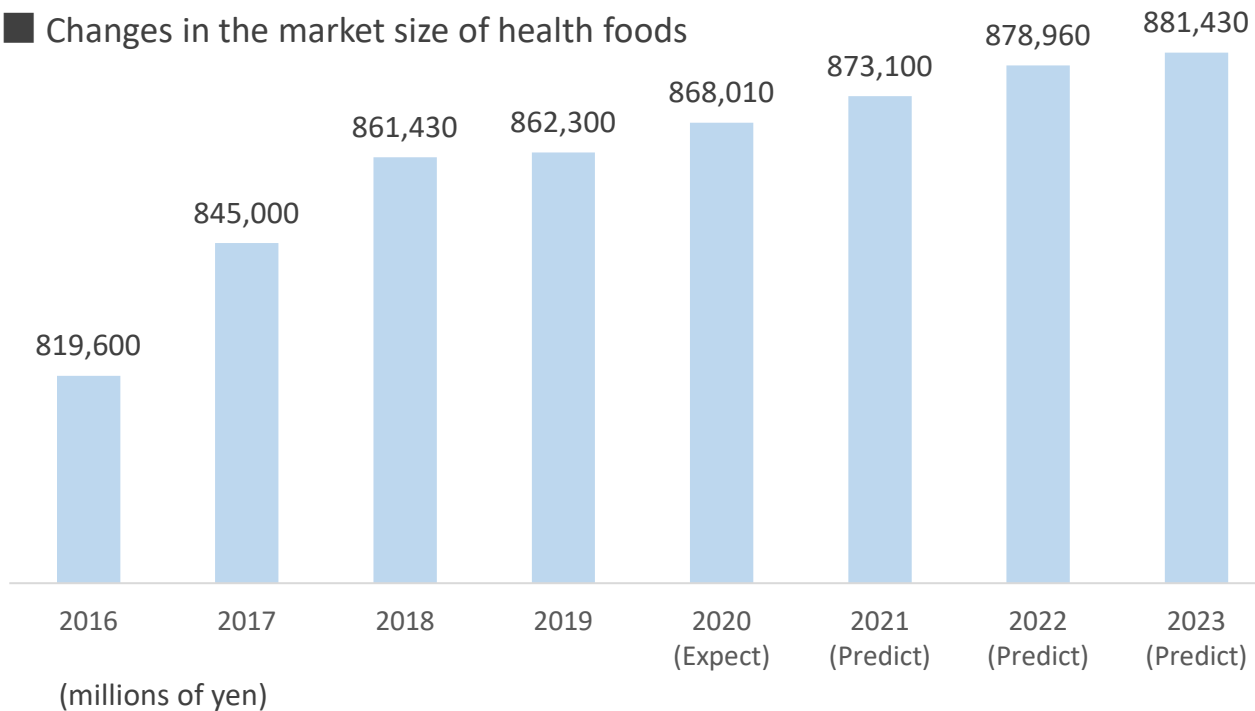
Ordinary profit +212 (2,446 ⇨ 2,659, +8%) , Profit +137 (1,772 ⇨ 1,910, +7%)

## The market maintains a moderate growth trend

- Increased awareness of anti-aging
- Consideration for physical development and health / beauty in young people

**10 billion yen  
scale Market  
expansion aim**

■ Changes in the market size of health foods



## Market around 10 billion yen Health food material

- 13.7 billion yen    Chlorella
- 13.3 billion yen    Placenta
- 12.3 billion yen    Turmeric
- 8.9 billion yen     Coenzyme Q10

(Source) Created by our company based on Yano Research Institute Ltd. "2021 version of health food market reality and prospects"



Taking the opportunity of entering the healthcare business, we will work to expand the business with the themes of "health" and "welfare" with **SDGs Goal 3** " GOOD HEALTH AND WELL-BEING " at the center of corporate management.

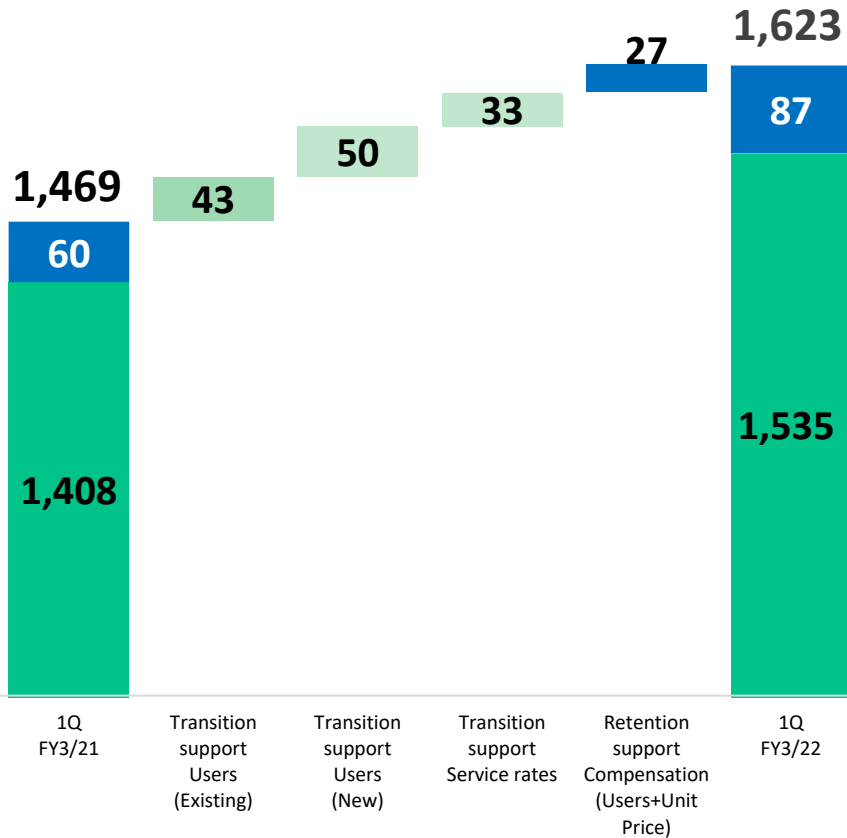
# Summary of financial results

- Consolidated accounting started from the 4<sup>th</sup> quarter of the FY3/21.  
Figures before to the FY3/20 is based on non-consolidated financial statements.



## Net sales (millions of yen)

■ Retention Support Business  
■ Transition Support Business, etc.



**Increase +¥153million**

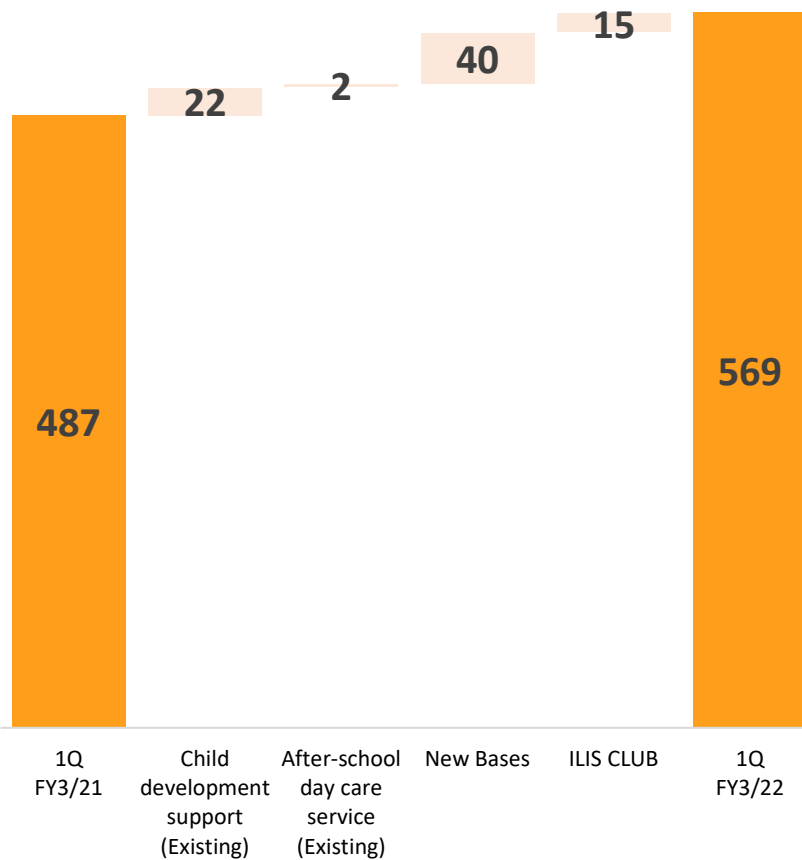
**YoY change +10.5%**

### Point

- Users increase steadily
- With regard to Employment Transition Support Business, we were able to maintain a work retention record equal to or higher than that of the previous year. The basic remuneration rose, and the usage unit price increased from April.

\*Difference analysis "New" in "Users" is calculated based on the number of users of business establishments opened after April 2020.

## Net sales (millions of yen)



**Increase +¥81million**

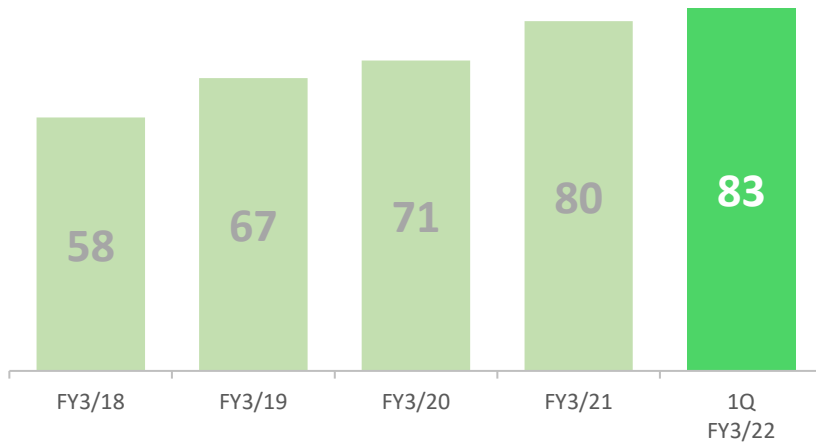
**YoY change +16.7%**

### Point

- Users increase steadily.
- The number of high-priced children's users is increasing at the offices operated by ILIS Inc., contribute to sales increase.

\*Difference analysis "New" in "Users" is calculated based on the number of users of business establishments opened after April 2020.

## Employment Transition Support Business



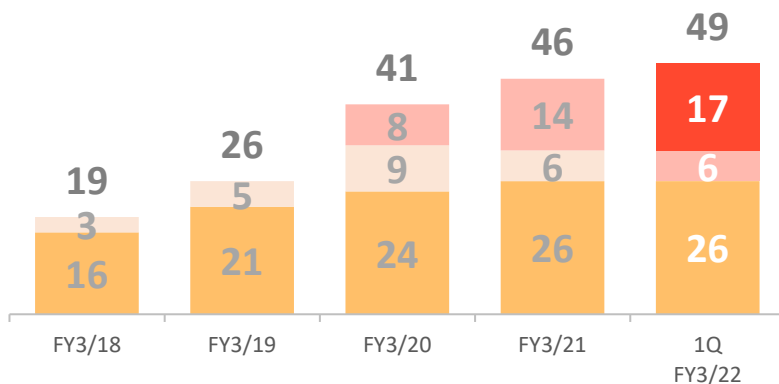
**YTD**  
**+3 bases**

### Opening plan 10 bases

Apr. 2021	Okayama 2nd
May	Umeda
Jun.	Takamatsu
Jul.	Otsu
	Shizuoka-Ekinan
Aug.	Nayuta-Hamakita
	Sendai-Hirosedori

## 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**  
**+3 bases**

### Opening plan 4 bases

Apr. 2021	habii Asakadai
May.	habii Motoyawataeki -Kitaguchi
Jun.	habii Tama-plaza
Jul.	habii Kawagoe 2nd

- Invested in Shikumi Design Inc. which develops the creative programming app "Springin"
- Acquired 13.2% of the shares of Shikumi Design Inc. (July 2021)

## Company Profile

### Shikumi Design Inc.

- (1) Location: Hakata-ku,  
Fukuoka City, Fukuoka Prefecture
- (2) Establishment: February 4, 2005
- (3) President: Shunsuke Nakamura
- (4) Business content: Development of "Springin"
- (5) Capital: 60 million yen (as of June 30, 2021)



## Overview of "Springin"



- Springin is a creative programming app developed by Shikumi Design Inc. that allows anyone to easily create digital works without using letters. Even if you are a programming inexperienced person or a young child who can not read and write yet, you can become a creator who can create your own original work such as games and moving picture books by combining the attribute icons that you can add sounds and movements to the drawn pictures and photos.
- In 2020, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Internal Affairs and Communications, and the Ministry of Economy, Trade and Industry adopted it in the "Mira Pro 2020" initiative to enhance elementary school programming education, and the use of programming education in the field and at home has progressed. , Achieved a cumulative total of 230,000 downloads (as of March 24, 2021).

# Supplementary materials for financial results

**Net sales and profits at each stage both increased steadily. (YoY)**  
**Healthcare business performance reflected after the second quarter.**

	FY3/21	FY3/22	YoY change		FY3/22		FY3/22	
	1Q	1Q			1H Forecast (Announced on Aug.13, 2021)		Forecast (Announced on Aug. 13, 2021)	
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)	Change (%)	Amount (Millions of yen)	Progress	Amount (Millions of yen)	Progress
Net sales	1,957	<b>2,196</b>	+238	+12.2%	4,485	49.0%	9,551	23.0%
Operating profit	538	<b>548</b>	+10	+1.9%	1,126	48.7%	2,658	20.7%
Ordinary profit	541	<b>581</b>	+39	+7.3%	1,127	51.6%	2,659	21.9%
Profit	345	<b>395</b>	+50	+14.5%	770	51.4%	1,910	20.7%

(millions of yen)	FY3/21					FY3/22					YoY Change		QoQ Change
	1Q	2Q	3Q	4Q	cumulative total	1Q	2Q	3Q	4Q	cumulative total	(1Q vs 1Q)	(4Q vs 1Q)	
Net sales	1,957	2,071	2,078	2,069	8,176	2,196				2,196	+238	+126	
Sales of Employment Transition Support Business	1,469	1,535	1,521	1,492	6,018	1,623				1,623	+153	+130	
(Transition support compensation)	(1,408)	(1,462)	(1,440)	(1,415)	(5,727)	(1,535)				(1,535)	+126	+120	
(Retention support compensation)	(60)	(72)	(81)	(77)	(291)	(87)				(87)	+27	+10	
Sales of Habilitation Business	487	536	556	576	2,157	569				569	+81	-7	
Other sales	—	—	—	—	—	(3)				(3)	+3	+3	
Cost of sales	1,156	1,225	1,240	1,371	4,993	1,358				1,358	+201	-13	
Gross profit	800	845	837	698	3,182	838				838	+37	+140	
SG&A expenses	262	274	283	325	1,144	289				289	+27	-35	
Operating profit	538	571	554	373	2,037	548				548	+10	+175	
Non-operating profit / loss	3	4	40	17	66	32				32	+29	+14	
Ordinary profit	541	576	594	391	2,104	581				581	+39	+190	
Extraordinary profit / loss	-4	—	0	-21	-26	—				—	+4	+21	
Profit before taxes	537	576	594	369	2,077	581				581	+44	+211	
Profit	345	383	455	339	1,523	395				395	+50	+56	

## Net sales /

### 4Q vs. 1Q

- Steady progress due to increase in the number of users and unit price

## Other sales /

### 4Q vs. 1Q

- Increase due to new consolidation of Welbe Healthcare Inc.

## Cost of Sales

### 4Q vs. 1Q

- Increase in hiring costs due to new business opening

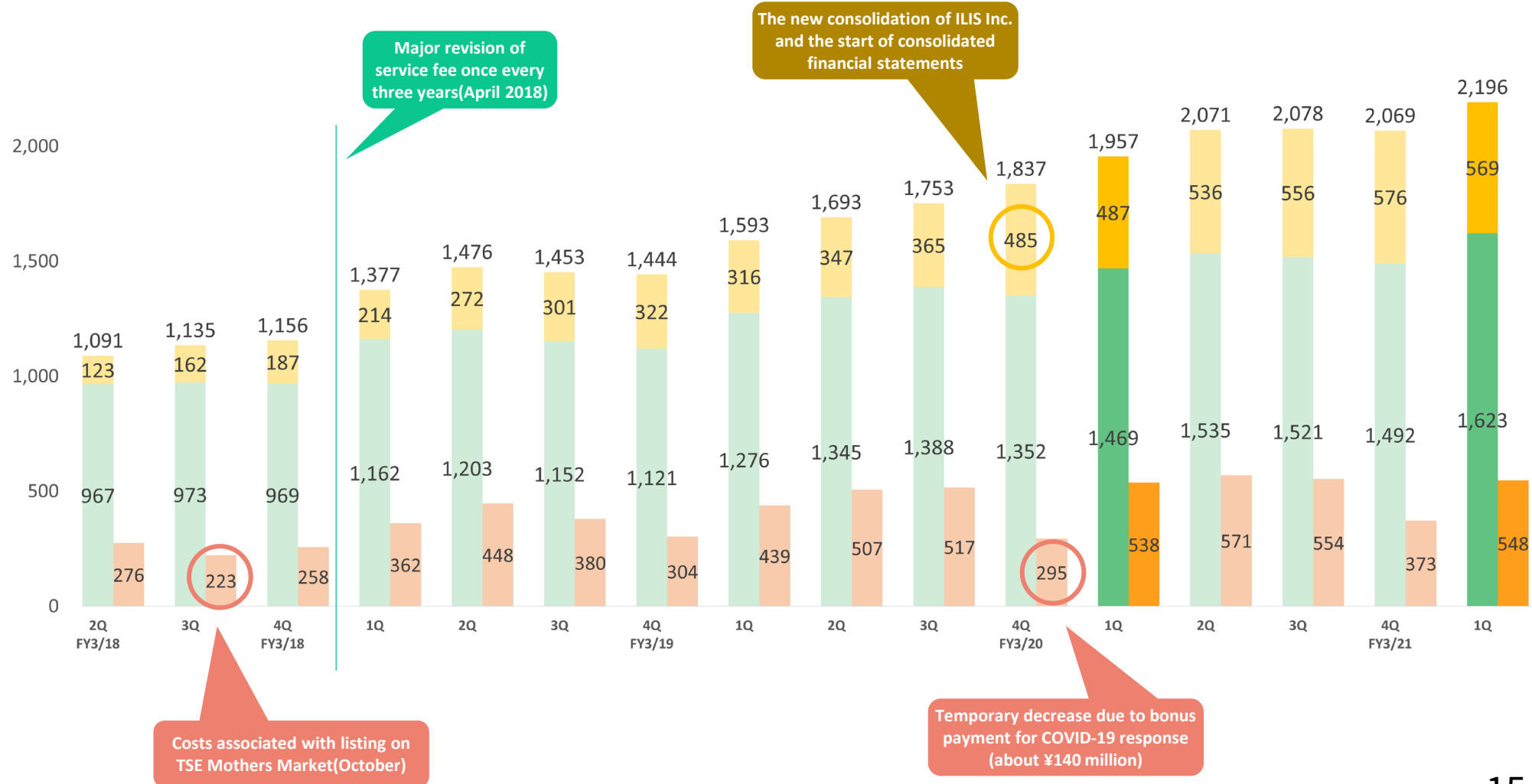
## Non-operating profit and loss

### 3Q、4Q、1Q

- Increase due to corona-related subsidy income

(Millions of yen)

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





(millions of yen)	FY3/21						FY3/22						YoY Change (1Q vs 1Q)	QoQ Change (4Q vs 1Q)
	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.		
Net sales	1,957	2,071	2,078	2,069	8,176		2,196				2,196		+238	+126
Personal	828	870	885	911	3,495	70.0%	989				989	72.8%	+160	+77
Rent	120	126	132	139	520	10.4%	144				144	10.7%	+23	+4
Supplies expense	69	63	86	160	380	7.6%	68				68	5.1%	+0	-92
Travel, transportation and expenses	35	39	41	39	155	3.1%	43				43	3.2%	+8	+3
Depreciation	26	28	31	38	125	2.5%	31				31	2.3%	+4	-7
Others	75	97	62	80	316	6.3%	81				81	6.0%	+5	+0
Cost of sales/Total	1,156	1,225	1,240	1,371	4,993	100.0%	1,358				1,358	100.0%	+201	-13
Cost of sales ratio	59.1%	59.2%	59.7%	66.3%	61.1%		61.8%				61.8%		+2.8%	-4.4%
Gross profit	800	845	837	698	3,182		838				838		37	+140

### Personnel

4Q vs. 1Q 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

(millions of yen)	FY3/21						FY3/22						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.	(1Q vs 1Q)	(4Q vs 1Q)
Net sales	1,957	2,071	2,078	2,069	8,176		2,196				2,196		+238	+126
Gross profit	800	845	837	698	3,182		838				838		+37	+140
Personal	115	110	109	111	446	39.0%	119				119	41.4%	+4	+8
Tax and dues	53	61	65	70	249	21.8%	60				60	21.0%	+7	-9
Advertising	33	31	32	52	149	13.1%	37				37	13.1%	+4	-14
Commission fee	21	30	33	44	130	11.4%	29				29	10.1%	+7	-15
Rent	16	17	17	16	67	5.9%	16				16	5.7%	+0	+0
Others	21	22	25	30	100	8.8%	25				25	8.7%	+3	-5
SG&A/Total	262	274	283	325	1,144	100.0%	289				289	100.0%	+27	-35
SG&A to sales ratio	13.4%	13.2%	13.6%	15.7%	14.0%		13.2%				13.2%		-0.2%	-2.5%
Operating profit	538	571	554	373	2,037		548				548		+10	+175
Operating margin	27.5%	27.6%	26.7%	18.0%	24.9%		25.0%				25.0%		-2.5%	+7.0%

### Advertising

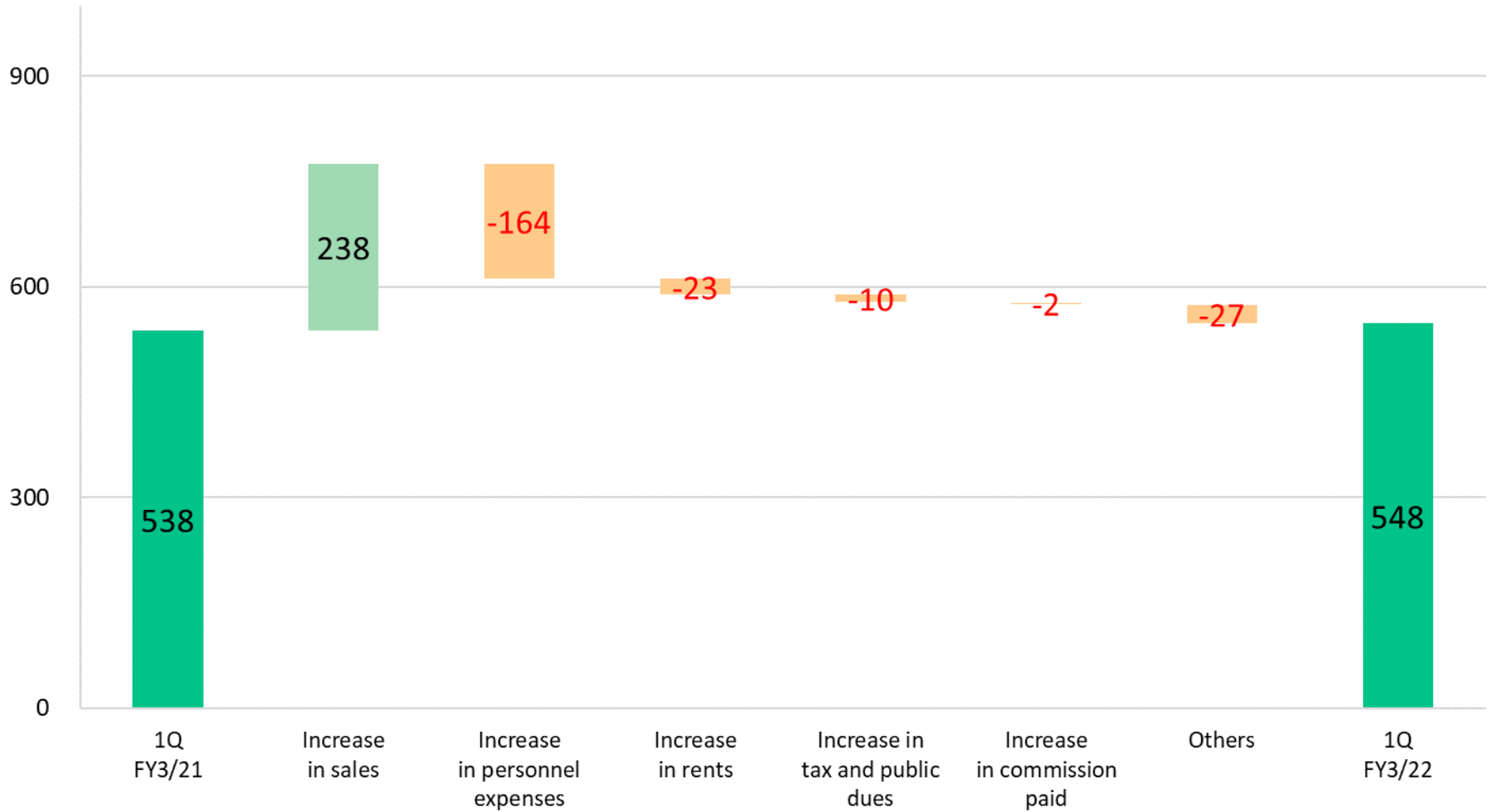
- 4Q VS. 1Q Increasing product listing ads costs

### Commission fee

- 4Q VS. 4Q, 4Q VS. 1Q Market change related fees

# Factors Impacted in an Increase in Operating Profit

(millions of yen)



(Millions of yen)	FY3/21		1Q FY3/22		Change	Rate of Change
	Amount	Comp.	Amount	Comp.		
Current assets	4,080	74.6%	4,015	75.5%	-64	-1.6%
Non-current assets	1,392	25.4%	1,304	24.5%	-88	-6.4%
Total assets	5,473	100.0%	5,319	100.0%	-153	-2.8%
Liabilites	723	13.2%	534	10.0%	-188	-26.1%
(Of the above, loans and bonds)	(73)	(1.3%)	(72)	(1.4%)	(+0)	(-1.2%)
Net assets	4,750	86.8%	4,785	90.0%	+35	0.7%
Equity ratio	86.8%		90.0%			3.2%

### Current assets

- Decrease in cash and cash equivalents (- 1,475million)
- Increase in accounts receivable by higher sales (+ 121million)
- Increase in merchandise (+ 1,200million)

### Non-current assets

- Investments and other assets (- 110million)

### Liabilites

- Decrease in income taxes payable (- 129million)

### Net assets

- Increase in retained earnings from profit (+ 395million)
- Decrease in retained earnings due to dividend

### Payments

(- 320million)

# Summary of earnings forecast

Announced on May 14, 2021

# 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	

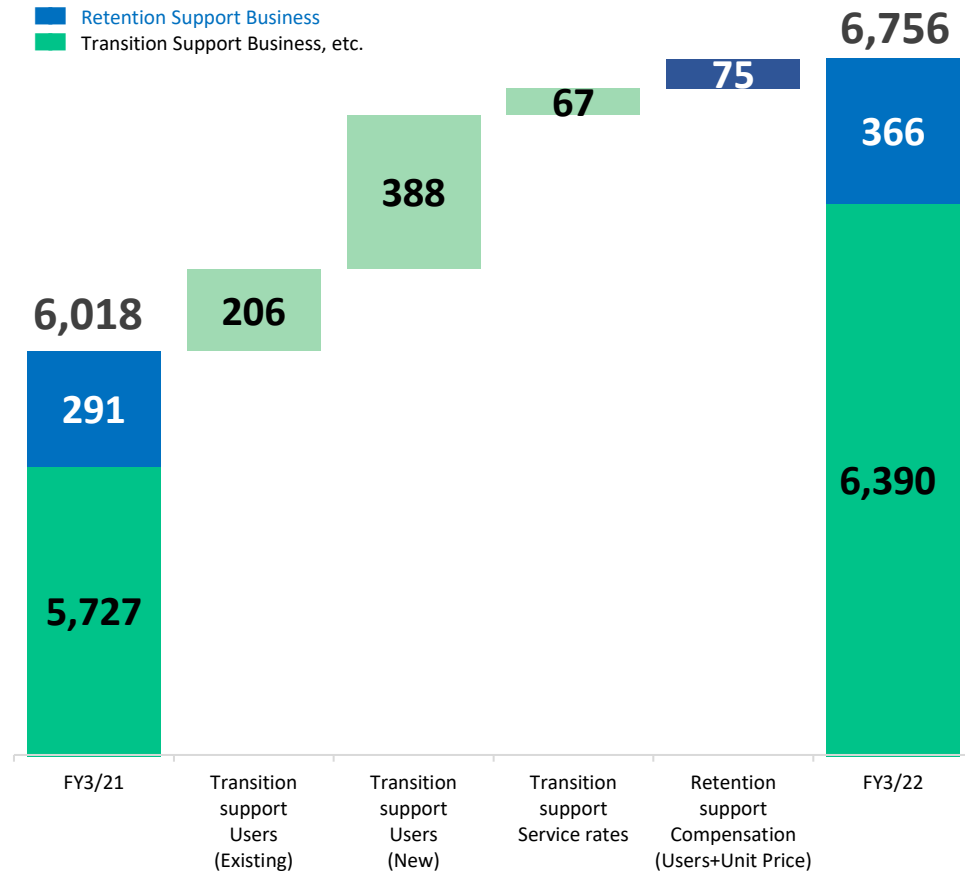


※Announced on May 14, 2021

# Sales Forecast – Employment Transition Support Business –

## Net sales (millions of yen)

(millions of yen)



Increase + ¥737million

YoY change + 12.3%

### Point

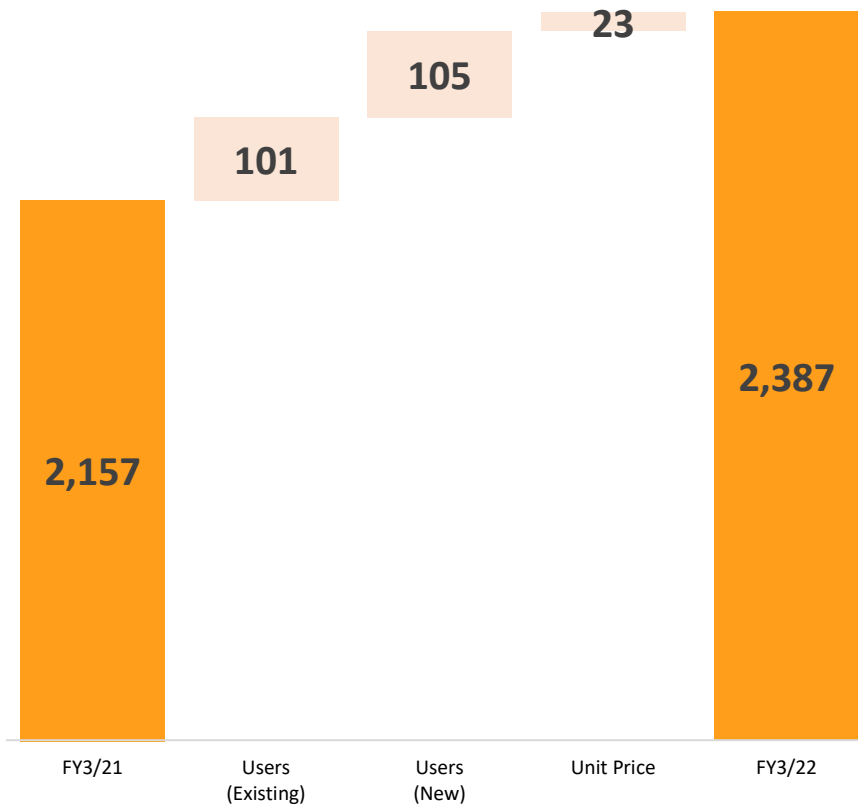
- Users will continue to grow at both existing and new offices.
- We plan to open 10 new stores.
- The unit price will continue to be high.
- As for retention support, the number of users is continuously increasing. The unit price remains at a high level.

\* 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.





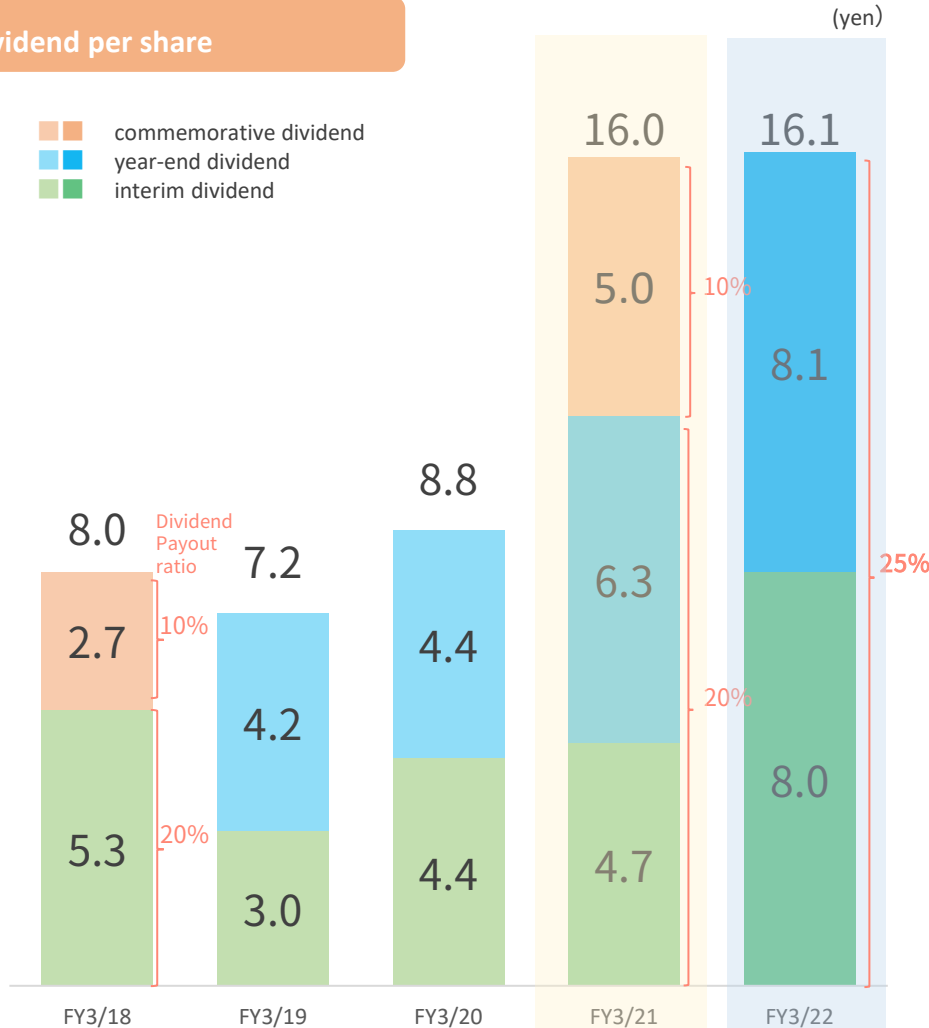
※Announced on May 14, 2021

# 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

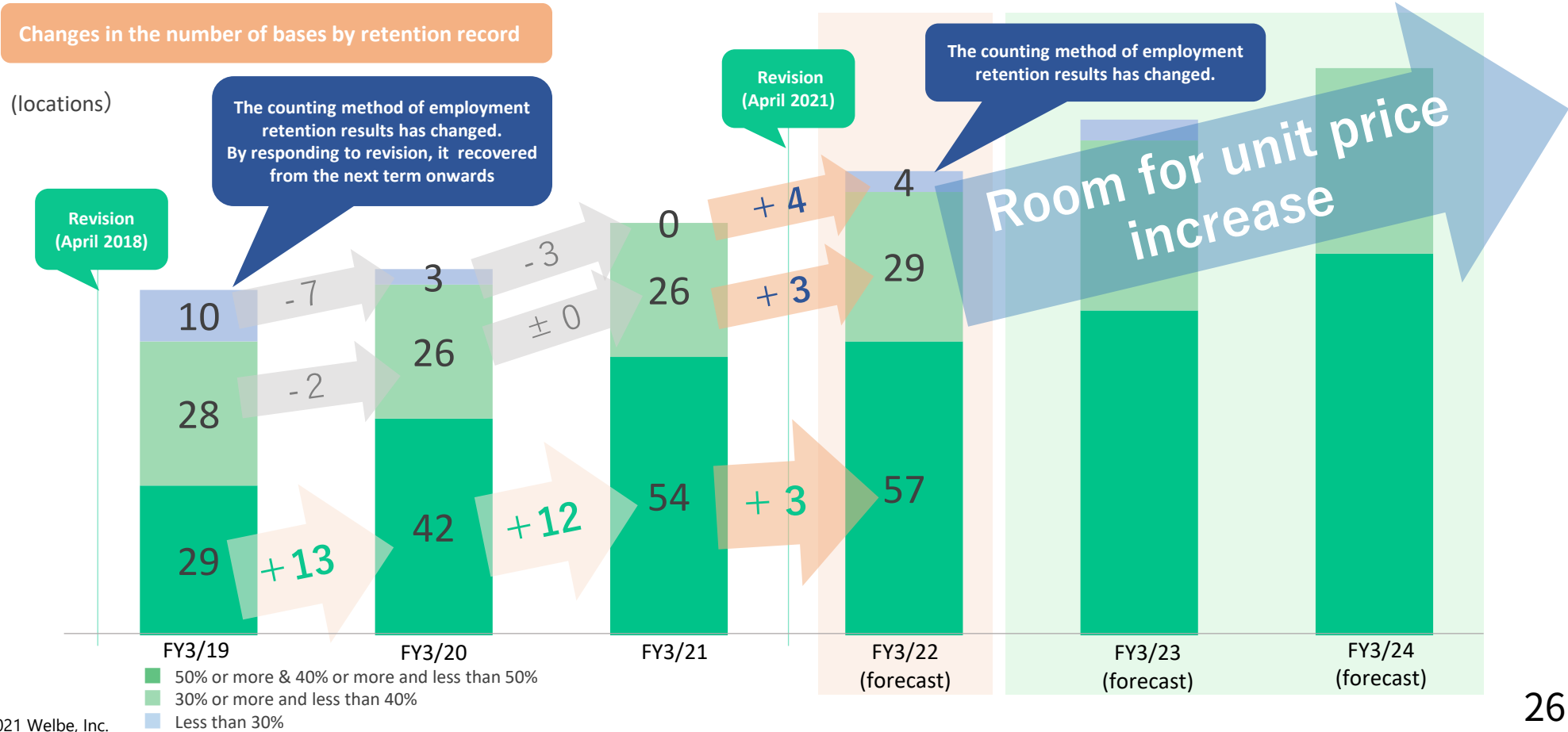
Obtaining high basic compensation based on the number of employment and retention rate at the top level in the industry

### Occupancy rate

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

## 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



## Acquire a new addition to improve profitability

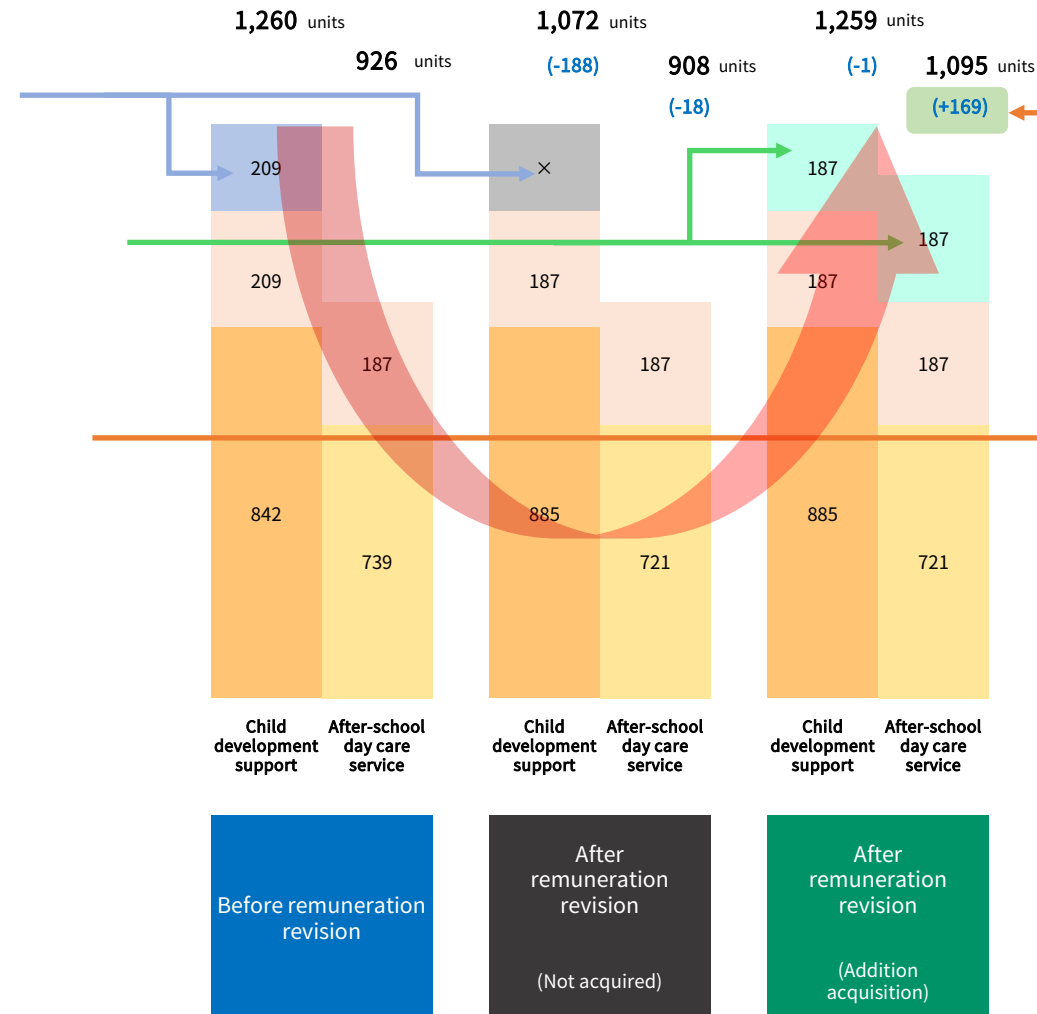
Due to remuneration revision in April 2021

- 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

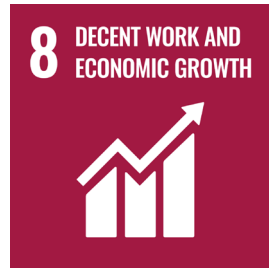
(Increase / decrease in parentheses from before revision)



## 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

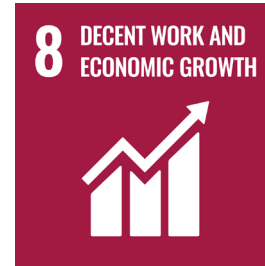
**Business support center**  
**Kinshicho center**  
**Urayasu center**  
**Kokura center**

- 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

Full name	New job title
Makoto Ota	President
Takao Senga	Director Senior Executive Vice President
Yuki Hamajichi	Director Executive Vice President
Hideyuki Nakazato	Director
Koichi Itou	Director
Shigenobu Kanba	External Director (Independent officer)
Eri Watanabe	Director (Full-time Audit and Supervisory Committee member)
Yasutoshi Kita	External Director (Audit and Supervisory Committee / Independent officer)
Masafumi Sato	External Director (Audit and Supervisory Committee / Independent officer)

## 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

**83** 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 Healthcare Inc. \* :

consulting services with respect to employment of people with disabilities

## ② Habilitation Business

### Welbe, Inc.

**43** child development support classrooms(**habii**)

**23** after-school day care service classrooms(**habii plus**)

**3** multifunctional offices (**ILIS CLUB**)

**3** specific consultation support office

Online classroom:

General early childhood/learning classrooms

## ③ Healthcare Business :

### Welbe Healthcare Inc. \*

Sales of ingredients "5-ALA"



(The scenery in the center of welbe)



(The Scenery in the classroom of habii)

Adults

School children

Pre-school children

## Disability welfare business

Welbe, Inc.  
Individual services



Welbe Healthcare Inc.  
Enterprise services



ILIS Inc.



## Healthcare business

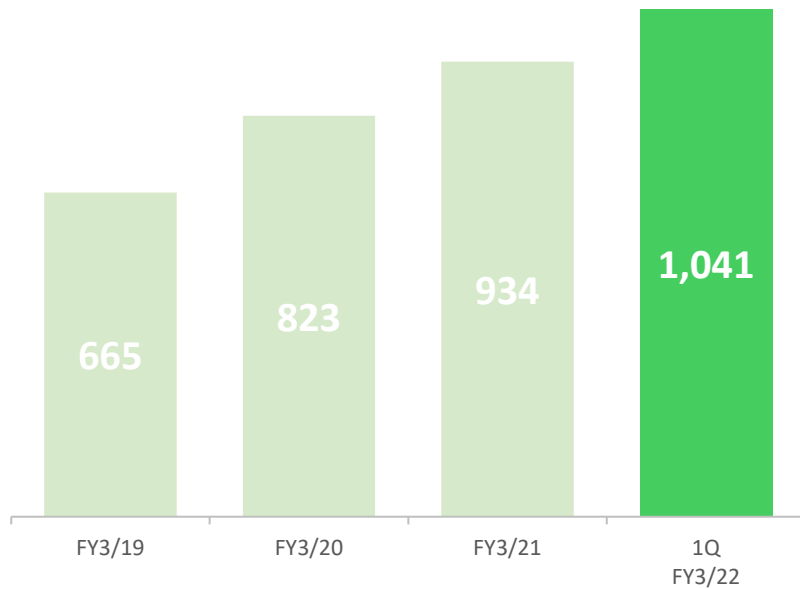
Welbe Healthcare Inc.



\*Welbe Link Inc. change its name to "Welbe Healthcare Inc." on August 13

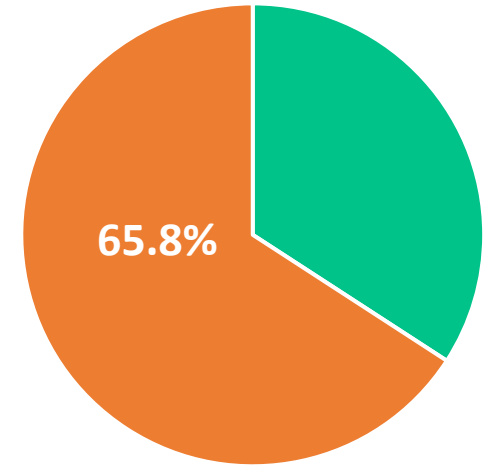
- The number of employees increases as the business expands
- Monthly number of applicants 738 people  
(Excluding new graduates Average for the past year)
- Workplace where women play an active role

## Employees

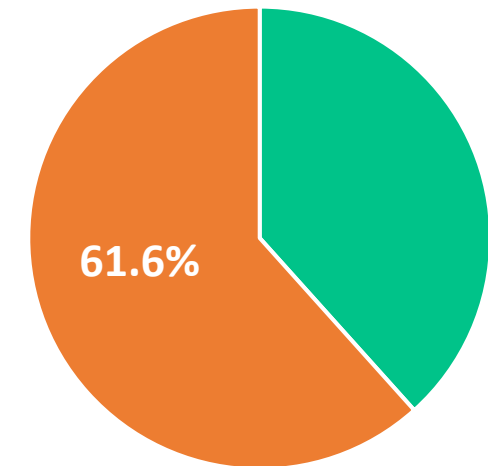


(number of people)

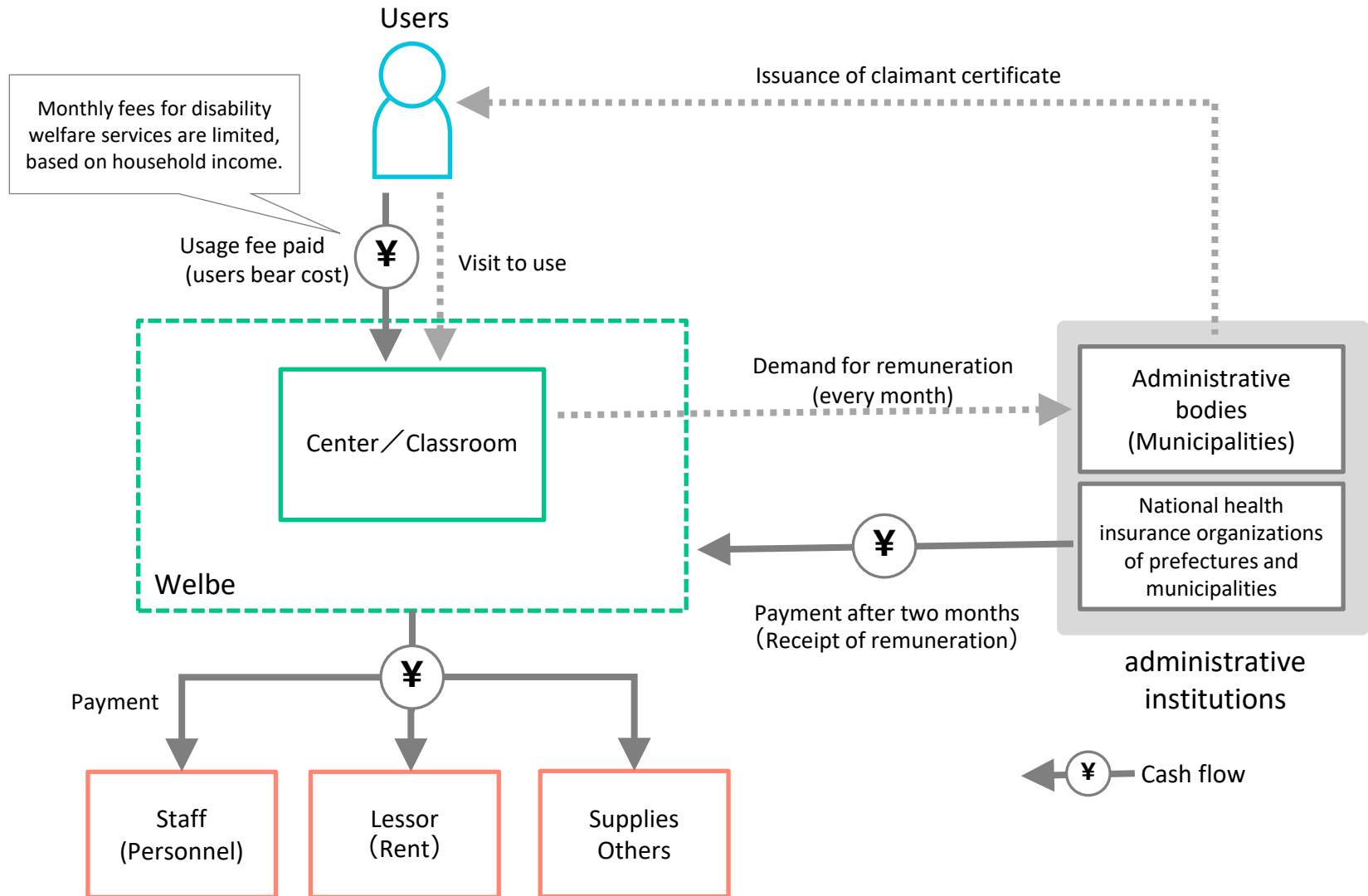
Female  
percentage of  
employees



Percentage of **women**  
in managerial positions



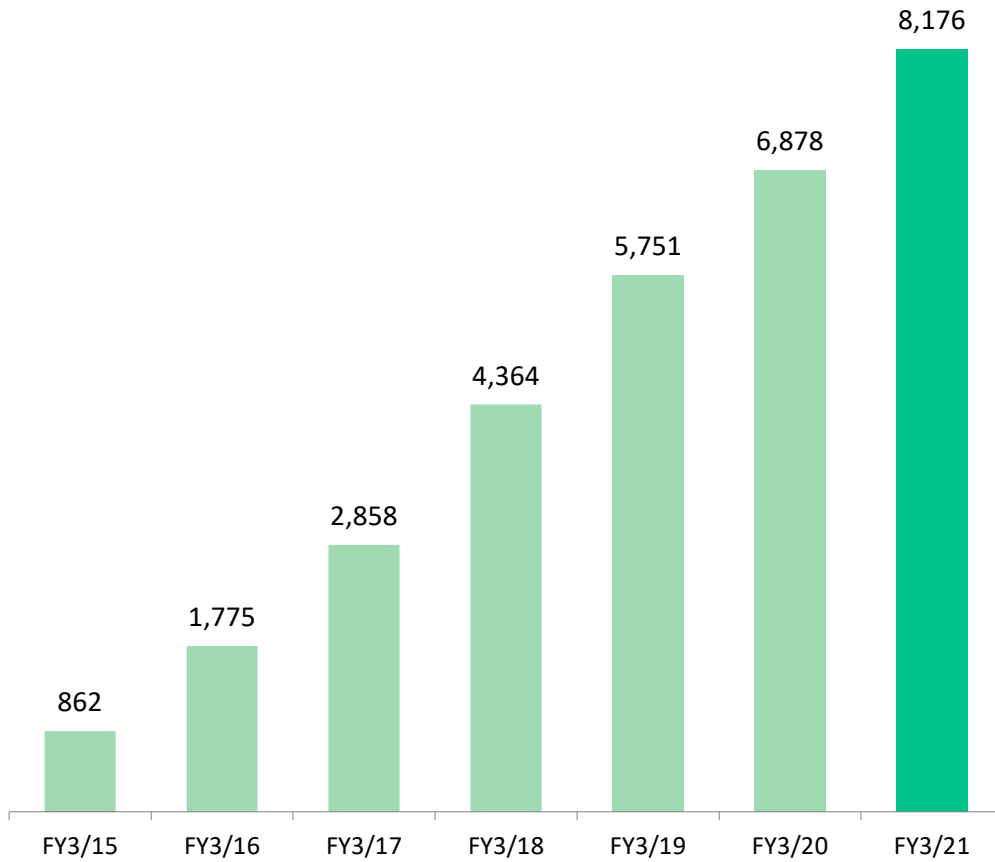
Users pay for part of the cost of services, and the remaining balance of the cost is covered by the national health insurance organizations or other public-sector sources.



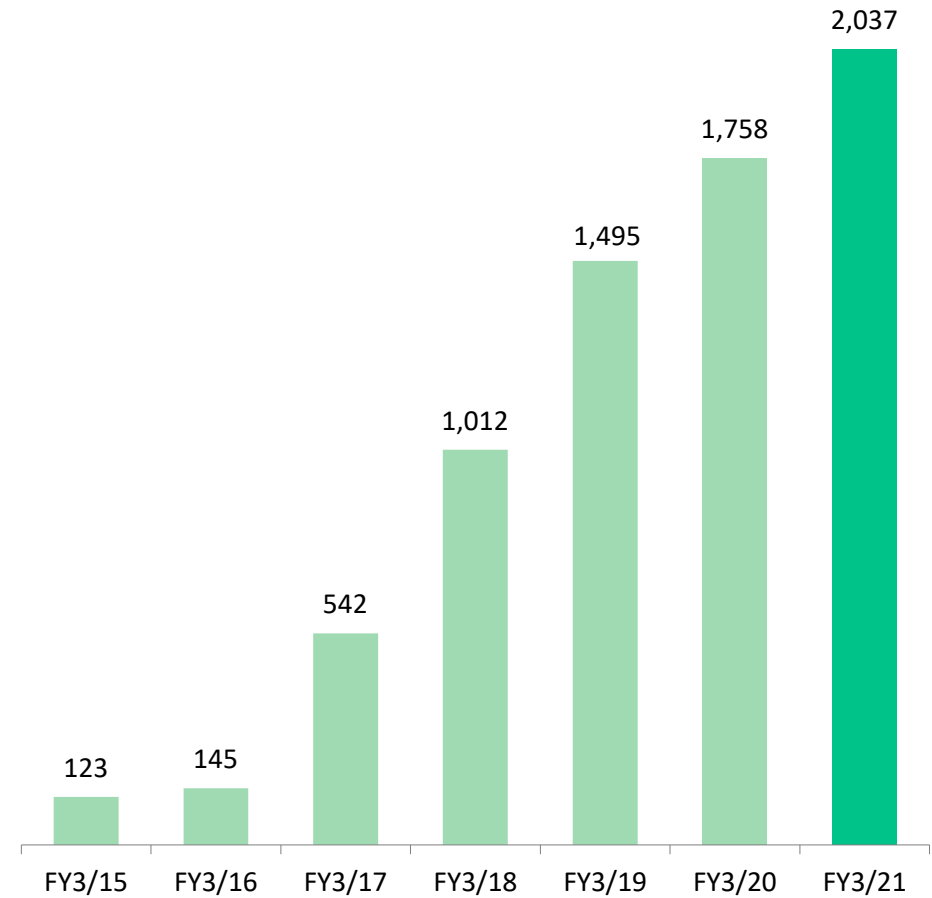
- Dec. 2011 ● **Established**
- Apr. 2012 ● Began **Employment Transition Support Business**  
Opened welbe Nishi-Funabashi Ekimae Center
- Nov. 2012 ● Opened **3 centers**  
welbe Kokukoen Ekimae Center, Shin-Koshigaya Ekimae Center, and Matsudo Center
- June 2014 ● Began **Habilitation Business for 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**
- June 2021 ● Operation of **132** offices (total amount of Employment Transition Support Business and Habilitation Business)

■ million of yen

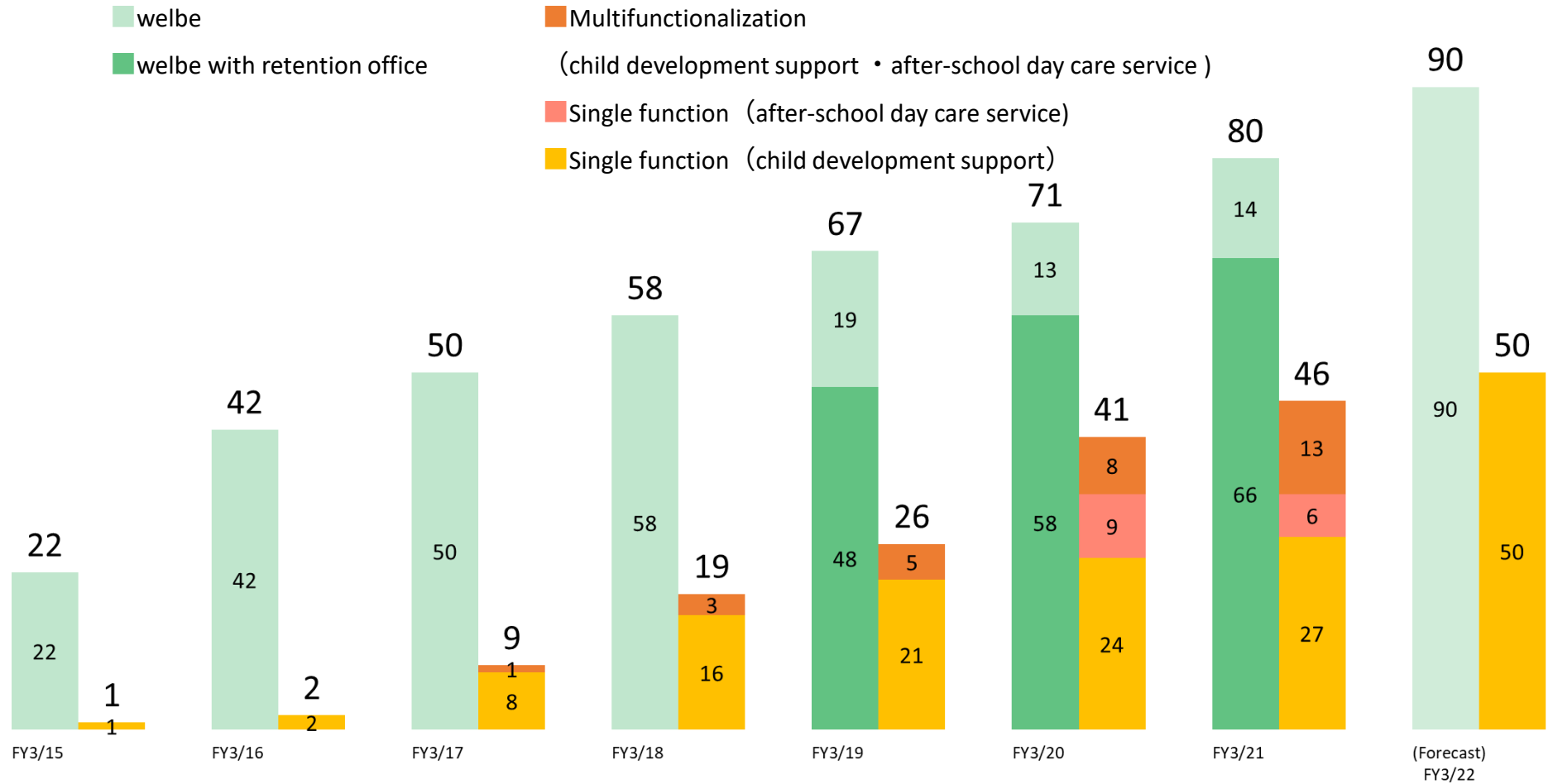
## Net sales



## Operating profit



# Growth in the Number of bases



Number of **welbe** bases

**83**

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

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

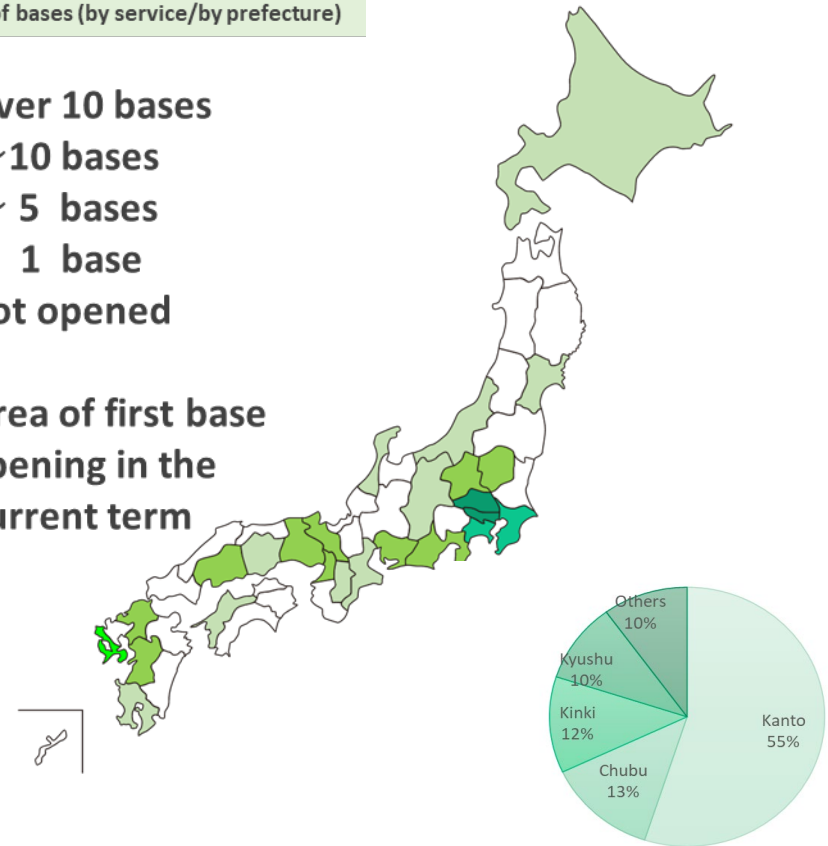
**4,040**

※ As of March 2021

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



(As of June 2021)



Number of **child development** bases **43**

Number of **after school day-care** bases **23**

### Number of bases (by brand / by region)

	Kanto	Kansai	Others	Total
Habii	35 C21、A6 CA8	4 C4	2 C1、CA1	41 C26、A6 CA9
ILIS	—	8 CA8	—	8 CA8
<b>Total</b>	<b>35</b>	<b>12</b>	<b>2</b>	<b>49</b>

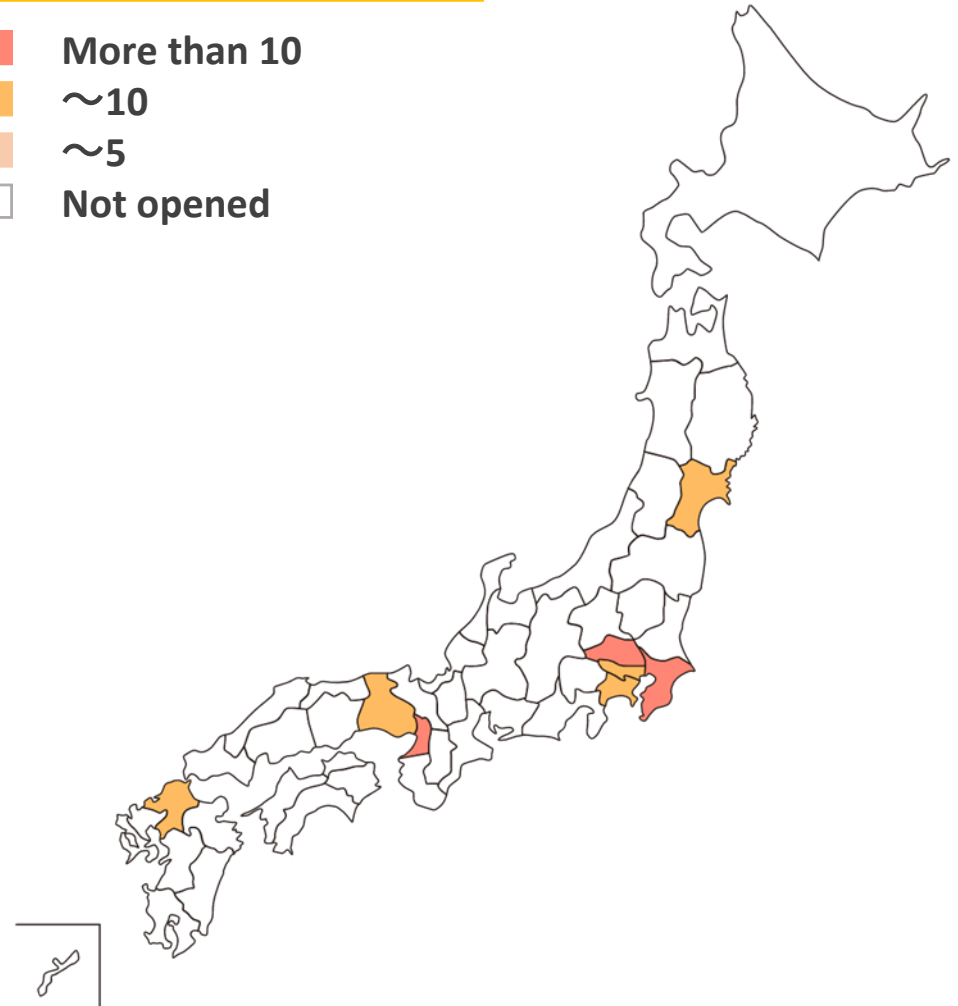
C : only child development support provided    A : only after-school day care service provided  
 CA : multifunctional offices, provide both C and A

### Number of bases (by service / by region)

	Kanto	Kansai	Others	Total
child development support	29	12	2	43
after-school day care service	14	8	1	23
<b>Total</b>	<b>43</b>	<b>20</b>	<b>3</b>	<b>66</b>

### Number of bases (by service/by prefecture)

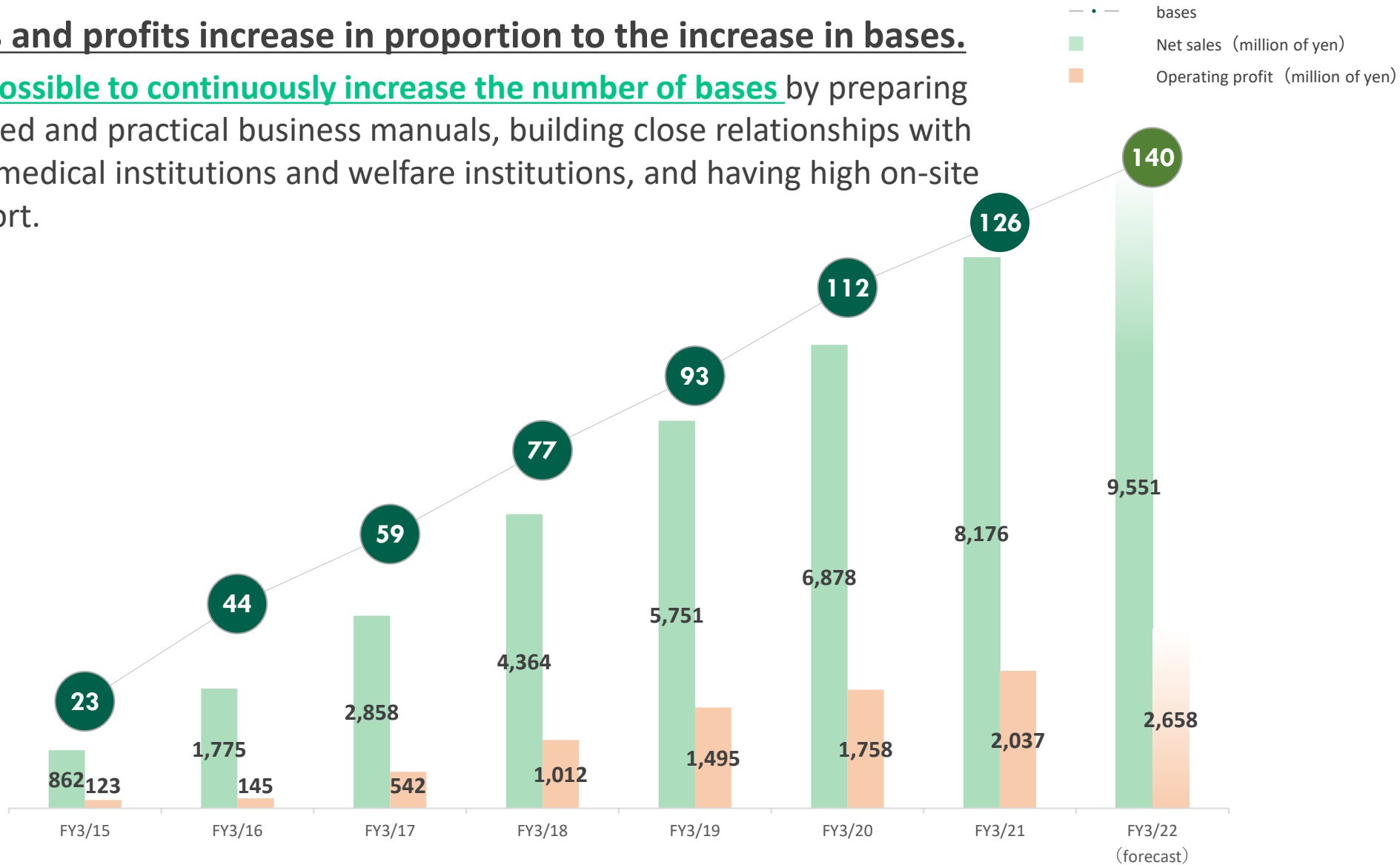
- More than 10
- ~10
- ~5
- Not opened



(As of June 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 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

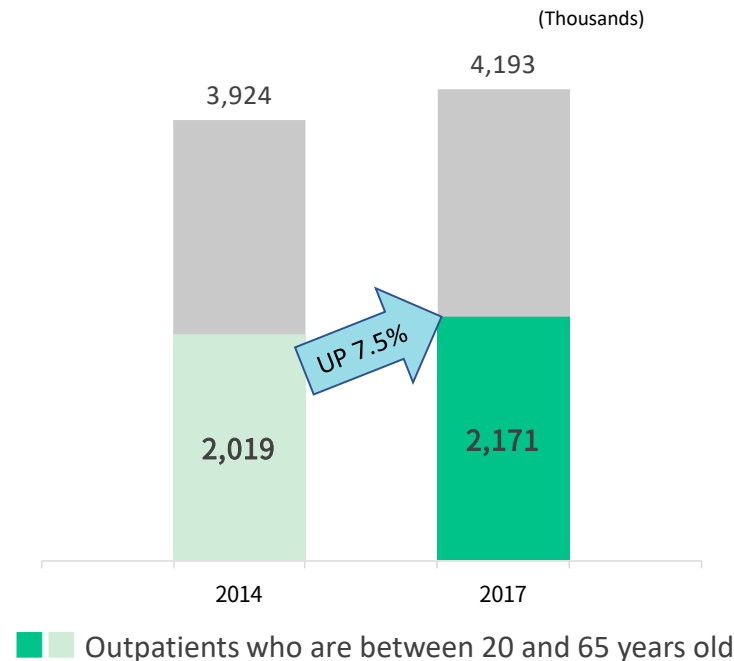
■ There are **2 million** people in Japan between the ages of 20 and 65 living at home who have a mental disability.  
It is approximately **2.9%** of Japan's working-age population.

(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
<b>People with mental disabilities</b>	4,193	3,891	<b>2,171</b> (age 20 to 65)	302
Total	9,647	9,140	3,764	507

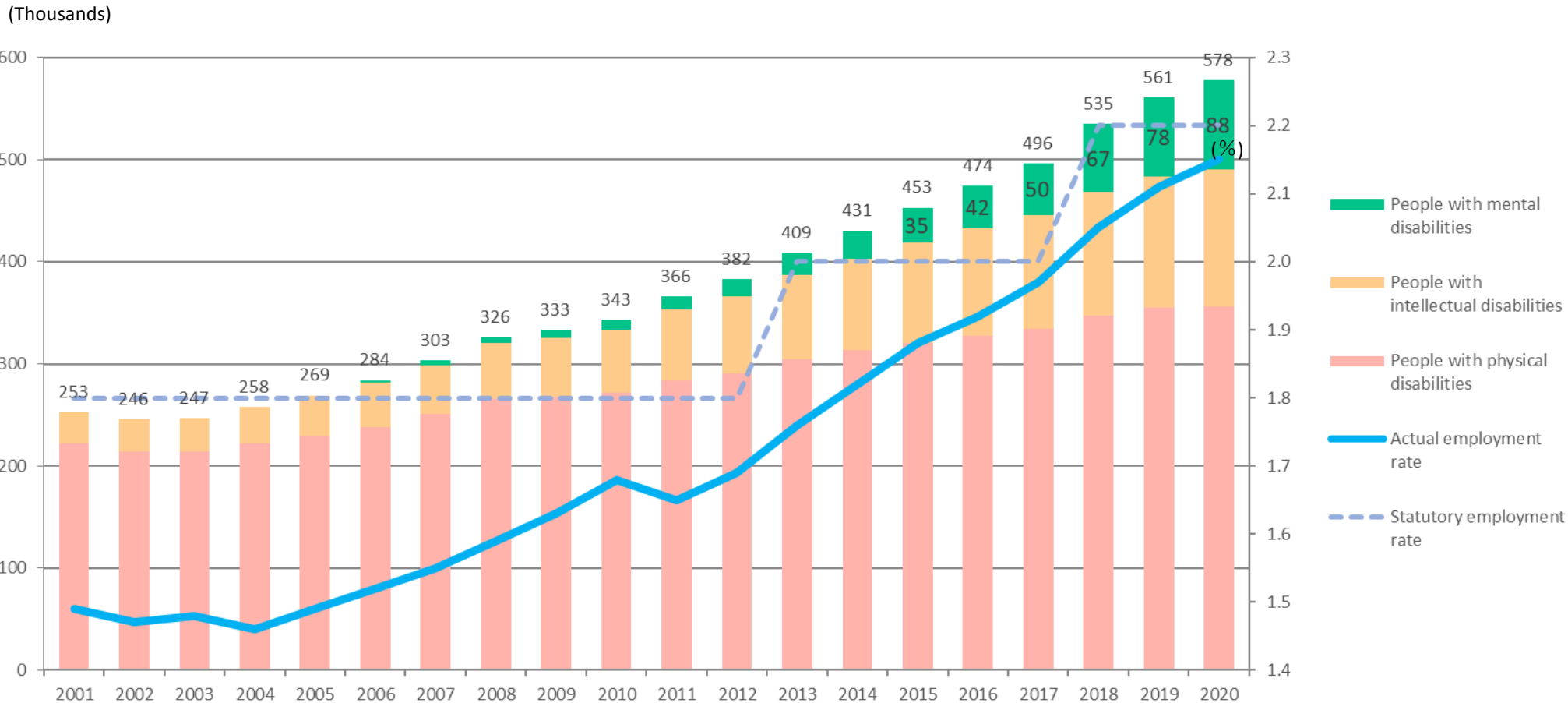
\*Japan's working age population: 75,059 thousand people (as of Nov. 2019)

**Increase in the number of people with mental disabilities**



# Employment of People with Disabilities

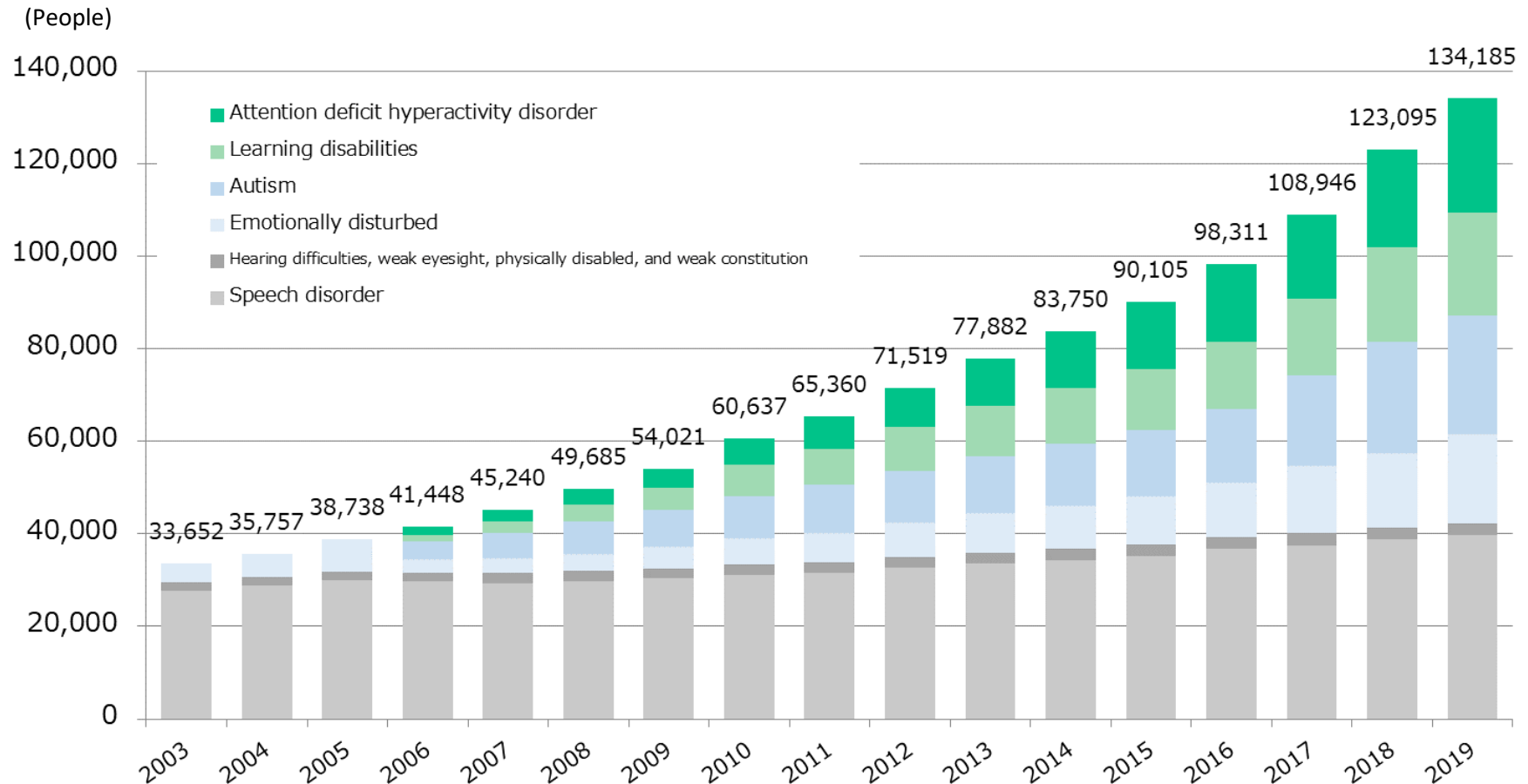
- The number of disabled people with job and the actual employment rate are both at all-time highs. The number of disabled people employed has set a record for 16 consecutive years.
- The statutory employment rate will rise to **2.2%** in April 2018 and climb further to **2.3%** in March 2020.



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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