

[Translation for Reference Purposes Only]

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Security 2475
June 7, 2022

To Our Shareholders

79 Toyozawa-cho, Himeji-shi, Hyogo

WDB Holdings Co., Ltd.

President and Representative Director Toshimitsu Nakano

Notice of Convocation of the 37th Annual Shareholders' Meeting

Dear Sir or Madam, Thank you very much for your continued support.

In recent years, it has been strongly requested to refrain from going out in order to prevent the spread of the new coronavirus infection. As a result of careful consideration of our holding of the 37th Ordinary General Meeting of Shareholders in response to this situation, we decided to hold the meeting after implementing appropriate measures to prevent infection as in the previous fiscal year.

From the perspective of preventing the spread of infection, I would like to ask our shareholders to attend the General Meeting of Shareholders after taking sufficient measures to prevent the spread of infection. If you do not attend the meeting, you may exercise your voting rights in writing or through the Internet. Please consider the reference documents for the general meeting of shareholders below and exercise your voting rights by 5:00 p.m. on Wednesday, June 22, 2022.

Yours sincerely

Note

- | | |
|--------------------------|---|
| 1. Date and time | Thursday, June 23, 2022, 10:00 a.m. (reception started at 9:10 a.m.) |
| 2. Location | Hall on the fifth floor of our head office building, 79 Toyosawa-cho, Himeji-shi, Hyogo |
| 3. Objectives | |
| [Matters to be Reported] | <ol style="list-style-type: none">1. Business reports, consolidated financial statements, and reports on the audit results of the accounting auditors and the Audit and Supervisory Committee for the 37th fiscal term (from April 1, 2021 to March 31, 2022)2. Report on financial statements for the 37th fiscal term (from April 1, 2021 to March 31, 2022) |
| [Matters to be resolved] | |
| Proposal 1 | Appropriation of Retained Earnings |
| Proposal 2 | Partial Amendments to the Articles of Incorporation |
| Proposal 3 | Election of five directors (excluding directors who are Audit and Supervisory Committee members) |
| Proposal 4 | Appointment of Three Directors as Audit and Supervisory Committee Members |
| | End of the section |

1. When attending the meeting, please submit the enclosed Voting Form to the reception desk.
2. Any amendments to the General Meeting Reference Documents, business reports, consolidated financial statements, and financial statements will be posted on our website (<https://www.wdbhd.co.jp/>).
3. Following the conclusion of the General Meeting of Shareholders, we plan to hold a shareholder meeting (a business briefing) as a forum for interaction with shareholders. We hope you will take the time out of your busy schedules to attend the meeting. The informal meeting will be held at the same adjacent to the venue of the general meeting of shareholders.

Points to note on the Day of the General Meeting of Shareholders

- Our officers and operating staff will be wearing a mask during the general meeting of shareholders.
- A disinfectant solution will be installed at the reception desk and each location.
- Temperature checks will be conducted at the reception. Please refrain from entering the facility if you have a fever or are in poor health.
- During the general meeting, the venue for the general meeting will not be closed for ventilation purposes.






Information on the Exercise of Voting Rights

The right to vote at a general meeting of shareholders is an important right for shareholders.

We would like to ask you to exercise your voting rights after considering the reference documents for the general meeting of shareholders mentioned below.

There are three methods for exercising voting rights as follows.

 <p>Present at a general meeting of shareholders</p> <p>Please submit the enclosed Voting Form to the reception desk.</p> <p>Date and time of the meeting</p> <hr/> <p>Thursday, June 23, 2022 10:00 a.m. (Entry begins at 9:10 a.m.)</p>	 <p>In writing (by mail)</p> <p>Please return the enclosed Voting Form indicating whether or not you are in favor of the proposal.</p> <p>Exercise date</p> <hr/> <p>Wednesday, June 22, 2022 Arrived by 5:00 p.m.</p>	 <p>On the internet</p> <p>Follow the instructions on the next page to enter your approval or disapproval of the proposal.</p> <p>Exercise date</p> <hr/> <p>Wednesday, June 22, 2022 Entry complete by 5:00 p.m.</p>
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In the event voting rights are exercised in both writing (by mail) and on the Internet, the exercise of voting rights via the Internet shall be treated as effective exercise of voting rights. In addition, if voting rights are exercised multiple times via the Internet, the last voting rights exercised shall be treated as valid voting rights exercised.

(Attached Documents)

Business Report

(From April 1, 2021
Until March 31, 2022)

1. Matters related to the Current Circumstances of the Consolidated Group

□ Business history and results

The Japanese economy in the current consolidated fiscal year was greatly affected by COVID-19, but the impact on our group business was minor due to the increase of the vaccination coverage and the establishment of business activities with infection control measures.

Looking at the domestic employment situation, the effective job openings-to-applicants ratio (seasonally adjusted) announced by the Ministry of Health, Labour and Welfare increased 0.06 percentage points from the previous fiscal year, to 1.16 times the average from April 2021 to March 2022. The unemployment rate (seasonally adjusted) announced by the Ministry of Internal Affairs and Communications was 2.8% on average from April 2021 to March 2022, down 0.1 percentage points from the previous fiscal year. The employment situation improved compared to the previous fiscal year. Demand for temporary staffing services recovered in the laboratories, quality control divisions, and university laboratories and public research institutes in the pharmaceutical, chemical, food and other manufacturing industries, which are the Group's main customers.

In the human resources services business, the number of new dispatch requests and orders received recovered to before COVID-19 levels as a result of active sales and job-seeker recruitment. In addition, WDB Co., Ltd. actively promoted 'doconico', a staffing service provision platform, released in April 2021. As a result, the utilization rate of customers and temporary staff steadily increased.

In the CRO business, the domestic operating results of WDB coco CO., LTD. were solid. Overseas, the operating results of Finland were solid. Meanwhile, we decided to withdraw from the synthetic experiment agency business in India.

As a result of the activities described above, net sales for the fiscal year under review were 46,875 million yen (up 6.2% year on year). The personnel services business accounted for 85.9%, the CRO business for 13.5%, and the other business for 0.6% of the total. Operating income was 6,314 million yen (up 23.6% year on year), ordinary income was 6,393 million (up 21.9% year on year), and profit attributable to owners of parent was 4,171 million yen (up 22.5% year on year). The ratio of ordinary income to net sales, which is a management indicator that we emphasize, was 13.6% (up 1.7 percentage points year on year) and ROE was 17.8% (up 1.2 percentage points year on year).

The breakdown by division is as follows.

(Thousands of yen)

	36th term		37th Fiscal Period (Current Fiscal Period)		YoY change Increase/Decrease
	Net sales	Percentage of total	Net sales	Percentage of total	
Human Resource Service Business	39,024,764	88.4%	40,247,155	85.9%	3.1%
CRO business	4,839,476	11.0%	6,330,145	13.5%	30.8%
Other	261,947	0.6%	298,662	0.6%	14.0%
Total	44,126,189	100.0%	46,875,964	100.0%	6.2%

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

The above amounts do not include amounts for consumption taxes, etc.

- Capital Expenditures
Total capital expenditures during the fiscal year under review were 6,429,199 thousand yen.
- Financing Activities
Not applicable.
- Challenges to be Addressed
Our Group's main business domains are the Human Resource Services Business and the CRO Business. Our management goal is to create higher added value by utilizing the Platform in the fields related to research, respectively. Based on our management philosophy of "We want to be a company that discovers value underlying yet untapped and creates new value," we conduct our business centered on the dispatch service for science-related research professionals.

In the human resources services business environment, the epidemic of new coronavirus infection has not converged. However, the widespread use of vaccines and infection control measures has reduced the impact on economic activities, and the domestic recruitment environment is tightening again.

In order to respond to this business environment, we have a training facility for temporary staff nationwide, and have created a system that enables job seekers who are not experienced in the field to work. We have also established a system for extensive follow-up and training during work so that employees can work with peace of mind for a long period of time.

In addition to these, we will take two years in the fiscal years ended March 31, 2023 and 2024 to qualitatively transform our business. By increasing the remuneration of dispatched staff and strengthening the training and follow-up system, we will greatly enhance our staff procurement capabilities to achieve even greater customer satisfaction and staff satisfaction. Funds for compensation increases will be raised by streamlining operations and reducing SG&A expenses through doconico and other platforms. In addition, we will enter the clerical staffing market in earnest by adopting a similar strategy. Although the operating income margin will decline slightly, we will maintain the 10% ratio and expand sales and profits by further expanding our market share.

In the CRO business, the market scale is expected to expand as the need for outsourcing to CROs is increasing due to the continuing harsh environment surrounding pharmaceutical companies. In addition, our existing CROs are not out of the high-cost structure as they are a business model that recruits experienced personnel at high salaries and processes contracted operations, which is also reflected in the high level of commissioned fees to pharmaceutical companies. Leveraging our expertise in the temporary staffing industry, we employ and train inexperienced personnel and combine them with experienced personnel to process operations. In this way, we provide high-quality services while lowering commissioned fees. Based on the belief that this know-how can be valid overseas, we are expanding our business overseas as well.

In addition, as in the human resource services business, we will develop our business through platforms and provide more convenient services to our customers.

- Status of business transfer, absorption-type demerger or incorporation-type demerger
Not applicable.
- Status of acquisition of business of other companies
Not applicable.
- Status of Succession of Rights and Obligations Related to the Business of Other Juridical Persons, etc. by Absorption-type Merger or Absorption-type Company Split
Not applicable.
- Status of acquisition or disposition of shares or other equity interests of other companies or share acquisition rights, etc.
On February 25, 2022, we transferred all shares of our subsidiary, Kaken Geneqs Co., Ltd., to Kaken Trading Co., Ltd.
- Trends in Assets and Profits and Losses

Classification	By term	34th term	35th term	36th term	37th Fiscal
		Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2021	Period (Current Fiscal Period) Year ended March 31, 2022
Net sales	(Thousands of yen)	41,569,779	43,108,338	44,126,189	46,875,964
Ordinary income	(Thousands of yen)	4,989,090	4,961,186	5,243,922	6,393,458
Attributable to owners of parent Net income	(Thousands of yen)	2,922,634	3,114,138	3,405,323	4,171,272
Net income per share (yen)		147.31	156.97	171.79	211.32
Total assets	(Thousands of yen)	23,462,893	26,545,151	30,619,873	33,828,472
Net assets	(Thousands of yen)	16,273,791	19,687,208	22,302,570	25,796,427
Shareholders' Equity per Share (Yen)		820.28	974.38	1,105.08	1,272.25

- (NOTE)1. Net income per share is based on the average number of shares outstanding during the period. Net assets per share are calculated based on the total number of shares outstanding at the end of the period. The total number of issued shares is based on the number of shares after deducting treasury stock.
2. Of the changes in net assets for each fiscal year, the main items due to capital increases, etc. are as follows.
- | | | | | |
|-----------|------|------|--------------------|-----------------------|
| 36th term | 2021 | Feb. | Repurchasing share | -274,800 thousand yen |
|-----------|------|------|--------------------|-----------------------|
3. The status of the 37th fiscal year is as described in (1) Business Process and Results.

Status of Significant Parent Companies and Subsidiaries

- Relationship with the parent company
Not applicable.

- Status of significant subsidiaries

Company name	Common stock	Ratio of voting right of the parent company	Main business
WDB CO., LTD.	450 million yen	100%	Dispatch and recruitment placement of scientific researchers
WDB KOUGAKU CO., LTD.	200 million yen	100%	Regular employment dispatch of engineers
WDB coco CO., LTD.	275 million yen	68%	Collection and reporting to authorities on adverse drug events, etc.
WDB Clinical Research Co., Ltd.	50 million yen	100%	Data management and statistical analysis related to pharmaceuticals and clinical research
Oy Medfiles Ltd.	112,000 Euros	100%	Support services related to application and approval of drugs, etc. Laboratory services business in the pharmaceutical field
Cobridge Co., Ltd.	50 million yen	100%	Pharmaceutical application services Application for MF registration and domestic custodian services
DZS Clinical Services, Inc.	752,000 USD	100% (100%)	Support services related to application and approval of drugs, etc.
NEZOT CO., LTD.	200 million yen	100%	Launch, operation, and management of proprietary platforms in the WDB Group's business domains, and promotion of development of new businesses

(NOTE)1. The column (inside) in "Our Percentage of Voting Rights" is indirectly owned.

All shares of Kaken Geneqs Co., Ltd. were transferred to Kaken Shoji Co., Ltd. on February 25, 2022, and therefore were excluded from material subsidiaries.

- Status of Specified Wholly Owned Subsidiaries as of the End of Business Year
Not applicable.

Major Business Activities (As of March 31, 2022)

Our Group's main business is temporary staffing and recruitment consulting services in the science field, and we are also engaged in the contract business of regulatory application and safety management services.

□ Major Facilities (As of March 31, 2022)

Name	Address																
Head Office	79 Toyozawa-cho, Himeji-shi, Hyogo																
Tokyo Head Office	Yusen Building 2F, 2-3-2 Marunouchi, Chiyoda-ku, Tokyo																
Subsidiaries	<table border="0"> <tr> <td>WDB CO., LTD.</td> <td>Chiyoda-ku, Tokyo</td> </tr> <tr> <td>WDB KOUGAKU CO., LTD.</td> <td>Chiyoda-ku, Tokyo</td> </tr> <tr> <td>WDB coco CO., LTD.</td> <td>Chuo-ku, Tokyo</td> </tr> <tr> <td>WDB Clinical Research Co., Ltd.</td> <td>Chuo-ku, Tokyo</td> </tr> <tr> <td>Corbridge Co., Ltd.</td> <td>Chiyoda-ku, Tokyo</td> </tr> <tr> <td>Oy Medfiles Ltd.</td> <td>Kuopio, FINLAND</td> </tr> <tr> <td>DZS Clinical Services, Inc.</td> <td>NJ, USA</td> </tr> <tr> <td>NEZOT CO., LTD.</td> <td>Chiyoda-ku, Tokyo</td> </tr> </table>	WDB CO., LTD.	Chiyoda-ku, Tokyo	WDB KOUGAKU CO., LTD.	Chiyoda-ku, Tokyo	WDB coco CO., LTD.	Chuo-ku, Tokyo	WDB Clinical Research Co., Ltd.	Chuo-ku, Tokyo	Corbridge Co., Ltd.	Chiyoda-ku, Tokyo	Oy Medfiles Ltd.	Kuopio, FINLAND	DZS Clinical Services, Inc.	NJ, USA	NEZOT CO., LTD.	Chiyoda-ku, Tokyo
WDB CO., LTD.	Chiyoda-ku, Tokyo																
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Oy Medfiles Ltd.	Kuopio, FINLAND																
DZS Clinical Services, Inc.	NJ, USA																
NEZOT CO., LTD.	Chiyoda-ku, Tokyo																

□ Employee Status (as of March 31, 2022)

Number of employees	Change from end of previous term	Average age	Average length of service
5069 persons (607 persons)	Increase by 239 (down by 28)	37.22 years old	In 3.85

(NOTE)1. The number of employees is the number of employees, and the number of temporary employees (including hourly flexible employees and part-time employees) is shown in parentheses.

2. The number of employees includes the number of regular employees dispatched.

□ Main Borrowing Banks (As of March 31, 2022)

Not applicable.

□ Other important matters related to the current status of the corporate group

Not applicable.

2. Stock of the Company (as of March 31, 2022)

- Total Number of Authorized Shares 80,240,000 shares
- Total number of issued shares 20,060,000 shares (including 320,866 treasury shares)
- Number of shareholders 3,692 people
- Top 10 shareholders

Name of shareholder	Number of shares	Percentage of Shares Held
Nakano Shoten Co., Ltd.	9,659,600	48.94
STATE STREET CLIENT OMNIBUS ACCOUNT OM02	1,351,965	6.85
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,291,400	6.54
SMBC Trust Bank, Ltd., a trustee of specified securities trusts	725,100	3.67
Toshimitsu Nakano	600,000	3.04
Miki Otsuka	480,000	2.43
Nippon Life Insurance Company	400,000	2.03
Custody Bank of Japan, Ltd. (Trust Account)	371,000	1.88
THE BANK OF NEWYORK 133652	341,500	1.73
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	262,992	1.33

(NOTE)The shareholding ratio is calculated after deducting treasury stock (320,866 shares).

- Other Significant Matters Concerning the Shares
Not applicable.

3. Matters relating to stock acquisition rights of the Company
Not applicable.

4. Matter related to the director of the company

- Names, etc. of Directors

Status	Name	Status of Responsibilities and Important Concurrent Positions
President and Representative Director	Toshimitsu Nakano	Representative Director, WDB CO., LTD. Director, WDB KOUGAKU CO., LTD. Director of WDB coco CO., LTD. Director, WDB Clinical Research Co., Ltd. Representative Director, NEZOT CO., LTD.
Senior Managing Director	Miki Otsuka	Senior Managing Director, WDB CO., LTD. Director, WDB KOUGAKU CO., LTD. Director, WDB Clinical Research Co., Ltd. Oy Medfiles Ltd. Chairman Representative Director of Cobridge Co., Ltd.
Director	Kinya Nakaoka	General Manager, Corporate Planning Dept.
Director	Kiyoyuki Kuroda	Attorney at law (representative member of Miyake Law Office, Legal Profession Corporation) Outside Director (Audit and Supervisory Committee Member) of Fudo Tetra Corporation
Director	Hiroshi Kimura	Attorney at law (Director of Kimura Law Office) Outside Director, Fujipream Corporation Outside Audit & Supervisory Board Member of Banyo Securities Co., Ltd.

Status	Name	Status of Responsibilities and Important Concurrent Positions
Director (Full-time Audit and Supervisory Committee Members)	Shigekazu Ukai	Corporate Auditor of WDB CO., LTD. Corporate Auditor, WDB KOUGAKU CO., LTD. Corporate Auditor, WDB Clinical Research Co., Ltd. Audit & Supervisory Board Member, Cobridge Co., Ltd.
Director (Audit and Supervisory Committee Member)	Satoshi Hamada	Certified Public Accountant (Representative Partner of Hamada Certified Public Tax Accountant Corporation) Outside Director, NISHIMATSUYA CHAIN Co., Ltd. (Audit and Supervisory Committee Member) Outside Director (Audit and Supervisory Committee Member) of GLORY LTD.
Director (Audit and Supervisory Committee Member)	Tomoyoshi Arita	Attorney at law (Ginza Central Law Office) Outside Audit & Supervisory Board Member, T. HASEGAWA Co., Ltd.

- (NOTE)1. Director Kiyoyuki Kuroda, Director Hiroshi Kimura, Director Satoshi Hamada, and Director Tomoyoshi Arita are outside directors.
2. Kiyoyuki Kuroda, Hiroshi Kimura, Satoshi Hamada, and Tomoyoshi Arita are independent directors and auditors who are not at risk of conflict of interest with general shareholders who are required to be designated by the Tokyo Stock Exchange.
 3. Shigekazu Ukai, Audit and Supervisory Committee Member, has many years of experience in financial institutions and has a certified tax accountant qualification, and has considerable knowledge of finance and accounting.
 4. Audit and Supervisory Committee Member Satoshi Hamada is qualified as a certified public accountant and has advanced financial and accounting knowledge.

□ Amount of Remuneration, etc. for Directors

Classification	Number of employees to be paid	Amount to be paid
Directors (excluding Audit and Supervisory Committee Members)	5 persons	131,960 thousand yen
(Of which, Outside directors)	(2 persons)	(8,400 thousand yen)
Director (Audit and Supervisory Committee Member)	3 persons	25,217 thousand yen
(Of which, Outside directors)	(2 persons)	(13,800 thousand yen)
Total	8 persons	157,177 thousand yen

- (NOTE)1. The above amounts include the provision for directors' and corporate auditors' retirement benefits of 23,975 thousand yen (22,558 thousand yen for directors (excluding Audit and Supervisory Committee members) and 1,416 thousand yen for directors (Audit and Supervisory Committee members)) recorded in the fiscal year under review.
- The total amount of remuneration, etc., for directors (excluding Audit and Supervisory Committee members) does not include the salary for employees of directors who concurrently serve as employees.
 - At the 33rd Ordinary General Meeting of Shareholders held on June 21, 2018, the maximum amount of remuneration for directors (excluding Audit and Supervisory Committee members) was resolved to be within 250 million yen per year (including up to 50 million yen for outside directors) (but excluding employee salaries). The number of directors (excluding Audit and Supervisory Board Members) at the time of the conclusion of the said general meeting of shareholders is five (including two outside directors).
 - At the 33rd Ordinary General Meeting of Shareholders held on June 21, 2018, the maximum amount of remuneration for directors (Audit and Supervisory Committee members) was resolved to be within 50 million yen per year. The number of directors (Audit and Supervisory Board Members) at the conclusion of the relevant general meeting of shareholders is three (including two outside directors).

Policy for determining remuneration for executives and directors

At a meeting of the Board of Directors held on February 5, 2021, we resolved a policy to determine the remuneration for individual directors (excluding directors who are Audit and Supervisory Committee members; hereinafter referred to as "Directors").

In addition, the Board of Directors has confirmed that the method of determining the contents of remuneration, etc. and the contents of remuneration, etc. determined for the current fiscal year are consistent with the decision policy decided by the Board of Directors, and has determined that the said decision policy is in line with the said decision policy.

Details of the decision policy regarding individual remuneration for directors are as follows.

The basic remuneration for our directors is fixed monthly remuneration and retirement bonus. The basic remuneration for our directors is determined based on their management ability, merit, contribution, and other factors, taking into account other companies' standards, our performance, and the level of employees' salaries.

Remuneration for executives is based on a system that reflects job responsibilities and results, taking into account the company's business performance and economic conditions.

Compensation for directors who are not Audit & Supervisory Committee members is determined by the Board of Directors based on the draft formulated by the Representative Directors.

The specific amount of remuneration for directors serving on the Audit and Supervisory Committee is determined through consultation with directors serving on the Audit and Supervisory Committee.

□ Information on Outside Officers

- Relationship between us and other corporations, etc., in which the Directors hold important concurrent positions

Kiyoyuki Kuroda, Director, also serves as Representative Partner of Miyake Law Office, an attorney-at-law corporation, and Outside Director (Audit and Supervisory Committee Member) of Fudosan Tetra Co., Ltd. There is no special business relationship between us and Miyake Law Office or Fudo Tetra Corporation.

Director Hiroshi Kimura also serves as General Manager of Kimura Law Office, Outside Director of Fujipream Corporation and Outside Audit & Supervisory Board Member of Banyo Securities Co., Ltd. There are no special business relationships between us and Kimura Law Office, Fujipream Corporation or Banyo Securities Co., Ltd.

Satoshi Hamada, Director (Audit and Supervisory Committee Member), also serves as Representative Partner of Hamada Tax Accountant Corporation, Outside Director (Audit and Supervisory Committee Member) of NISHIMATSUYA CHAIN Co., Ltd., and Outside Director (Audit and Supervisory Committee Member) of GLORY LTD. There is no special business relationship between us and the Hamada Certified Public Tax Accountant Corporation. We have a staffing service transaction with our subsidiary WDB Co., Ltd. with NISHIMATSUYA CHAIN Co., Ltd. Also, we have a staffing services transaction with GLORY LTD. with our subsidiaries, WDB CO., LTD. and WDB KOUGAKU CO., LTD.

Tomoyoshi Arita, Director (Audit and Supervisory Committee Member), is also an attorney at Ginza Chuo Law Office and an outside auditor of T. HASEGAWA Co., Ltd. There is no special business relationship between us and Ginza Chuo Law Office or T. HASEGAWA Co., Ltd.

- Major activities during the year
Attendance at Meetings of the Board of Directors and Audit Committee

Classification	Name	Status of Major Activities
Outside Director	Kiyoyuki Kuroda	Director Kuroda attended 15 of the 15 meetings of the Board of Directors held during the fiscal year under review. The Board of Directors, mainly from a professional perspective as an attorney at law, actively expresses opinions on the agenda, and plays an appropriate role in ensuring the appropriateness and legality of the statements necessary for management activities and the decision-making of the Board of Directors.
	Hiroshi Kimura	Director Kimura attended 15 of the 15 meetings of the Board of Directors held during the fiscal year under review. The Board of Directors, mainly from a professional perspective as an attorney at law, actively expresses opinions on the agenda, and plays an appropriate role in ensuring the appropriateness and legality of the statements necessary for management activities and the decision-making of the Board of Directors.
Outside Director (Audit and Supervisory Committee Member)	Satoshi Hamada	Director Hamada attended 13 of the 15 meetings of the Board of Directors and attended 10 of the 12 meetings of the Audit and Supervisory Committee during the fiscal year under review. Director Hamada actively expresses its opinions based on the extensive experience and perspectives it has cultivated as a certified public accountant. In particular, the Board of Directors provides expert advice on accounting and finance, and plays an appropriate role in ensuring the appropriateness and legality of statements necessary for management activities and decision-making by the Board of Directors. In addition, Director Hamada exchanges opinions on the results of audits and discusses important matters related to audits at the Audit & Supervisory Committee.
	Tomoyoshi Arita	Director Arita attended 15 of the 15 meetings of the Board of Directors and attended 12 of the 12 meetings of the Audit and Supervisory Committee during the fiscal year under review. Director Arita actively expresses its opinions, mainly from a professional standpoint as an lawyer, and plays an appropriate role in ensuring the appropriateness and legality of the statements necessary for management activities and the decision-making of the Board of Directors. In addition, Director Arita exchanges opinions on the results of audits and discusses important matters related to audits the Audit & Supervisory Committee.

- Total amount of remuneration, etc. paid to outside directors
It is as stated on the Amount of Remuneration, etc. for Directors

- Whether or not full-time Audit Committee Members have been appointed and its reason

Pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act, we have concluded a limited liability agreement with the directors Kiyoyuki Kuroda, Mr. Hiroshi Kimura, and the directors (Audit and Supervisory Committee Members) Shigekazu Ukai, Mr. Satoshi Hamada, and Mr. Tomoyoshi Arita to the effect that the maximum liability for compensation for damages stipulated in Paragraph 1 of Article 423 of the Companies Act shall be the total of the amounts stipulated in each item of Paragraph 1 of Article 425 of the Companies Act only

when there is no good faith or gross negligence in the performance of duties.

□ Matters pertinent to the limited liability contract

Pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act, we have concluded a limited liability agreement with the directors Kiyoyuki Kuroda, Mr. Hiroshi Kimura, and the directors (Audit and Supervisory Committee Members) Shigekazu Ukai, Mr. Satoshi Hamada, and Mr. Tomoyoshi Arita to the effect that the maximum liability for compensation for damages stipulated in Paragraph 1 of Article 423 of the Companies Act shall be the total of the amounts stipulated in each item of Paragraph 1 of Article 425 of the Companies Act only when there is no good faith or gross negligence in the performance of duties.

□ Matters concerning liability insurance contracts for officers, etc.

We have concluded an officer liability insurance contract with the insurance company as set forth in Paragraph 1 of Article 430-3 of the Companies Act. The scope of the insured under this insurance contract is the directors and managers of our group, and the insured does not bear the premium. The insurance company shall indemnify the insured against any loss incurred by the insured due to a claim for damages, etc., filed by reason of the insured's error, breach of duty, or omission under the insurance contract. Provided, however, that in order to ensure that the appropriateness of the execution of duties by the insured will not be impaired, compensation shall not be paid in the event a claim for damages, etc. is filed due to an intentional breach of faith, criminal act, fraud, or intentional violation of laws and regulations, etc. committed by the insured.

5. Status of Accounting Auditors

- Names of Accounting Auditors
Deloitte Touche Tohmatsu LLC

- Amount of Remuneration, etc. of Accounting Auditors Pertaining to the Current Business Year
(Thousands of yen)
 - Amount of remuneration, etc. as an accounting auditor for our current fiscal year 32,000
 - Money that we and our subsidiaries are required to pay to their independent auditors 55,180
 - Total amount of other property benefits

(NOTE)Based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Committee has confirmed the trends in audit time by audit item and by hierarchy in the audit plan for the previous fiscal year, as well as the trends in the amount of audit time and fees, and the status of the performance of duties by the accounting auditor, and has examined the appropriateness of the audit plan and the amount of fees for the current fiscal year. As a result, the Audit & Supervisory Board has agreed with Article 399-1 of the Companies Act on the remuneration, etc. of the accounting auditor.

- Content of non-audit services
Our subsidiaries entrust accounting auditors with advice and guidance services concerning the internal control reporting system, which is mainly business other than the business (non-audit business) set forth in Article 2(1) of the Certified Public Accountants Act, and pay compensation for such services.

- Policy for the Determination of the Dismissal or Non-Reelection of the Accounting Auditor
In the event the accounting auditor determines that it is difficult to conduct an appropriate audit due to reasons such as impairing the eligibility and independence of the accounting auditor, the dismissal or non-reappointment of the accounting auditor shall be the purpose of the general meeting of shareholders by a resolution of the Audit Committee. In addition, in the event that the accounting auditor is deemed to fall under any of the items of Paragraph 1 of Article 340 of the Companies Act, the Audit and Supervisory Committee shall dismiss the accounting auditor with the consent of all Audit and Supervisory Committee members.

6. Arrangements for ensuring the propriety of operations

In accordance with Paragraph 5 of Article 362 of the Corporate Law, the Board of Directors has established the following basic policies for the system to ensure the appropriateness of business operations.

- Structure to ensure that the execution of duties by directors and hired experts is in keeping with corporate law and the articles of incorporation
 - As a holding company, we will establish WDBG Code of Conduct as a code of conduct for directors and employees of the Corporate Group and regulations concerning the compliance system (Compliance Manual) in order to clarify the basic policies and standards of conduct for the legal compliance of the entire Corporate Group, and ensure that legal compliance is the basis of all corporate activities.
 - The Compliance and Risk Management Committee shall be established to promote the establishment and operation of the compliance system through compliance training and committee activities.
 - Employees, etc. shall report to the Compliance Consultation Contact in the event that they discover any conduct in which there is a doubt about a violation of laws and regulations in the business activities of the Company Group or any fact that may cause damage to the Company Group under the in-house whistle-blowing system.
 - We will take a resolute stance against anti-social forces that threaten the order and safety of civil society, establish risk management rules and response manuals (compliance manuals and anti-social forces response manuals), and cooperate with external specialist organizations to prevent transactions.
- System for the storage and management of information pertaining to the execution of duties by directors
 - Information and documents related to the execution of duties by directors shall be appropriately stored and managed in accordance with the regulations of the Board of Directors of the Company and internal regulations, and the status of operations shall be verified and various regulations shall be reviewed as necessary.
 - When requested by directors or Audit and Supervisory Committee Members for inspection, a system shall be established to allow access to said information.
- Systems for managing risks of loss including the relevant internal regulations
 - The Board of Directors deliberates on important matters related to the control policies and systems related to risk management and establishes risk management rules. The Compliance and Risk Management Committee shall promote the establishment and operation of a risk management system in accordance with the resolutions of the Board of Directors and the Risk Management Rules.
 - In the event of an unexpected situation, the Company shall promptly respond in accordance with the Risk Management Rules and establish a system to prevent and minimize the spread of damage.

- System for ensuring efficient execution of Directors' duties
 - In order to ensure the efficient execution of duties by directors, the Board of Directors shall convene monthly regular meetings of the Board of Directors and, where necessary, extraordinary meetings of the Board of Directors, and supervise the communication between directors and the execution of duties among directors in order to make prompt and appropriate decisions.
 - Establish a system that enables appropriate and efficient decision-making by clarifying the business execution and checking functions of directors in accordance with organizational regulations, administrative authority regulations, and consensus-building regulations.

- System to ensure the appropriateness of operations in the corporate group consisting of us and subsidiaries
 - System for reporting to us on matters related to the execution of duties by directors of subsidiaries

With regard to matters related to the execution of duties by directors of subsidiaries, a monthly meeting of the board of directors or a subsidiary meeting or a meeting attended by the executive directors, directors, executive officers, and branch managers of all subsidiaries shall be held to deliberate, decide, and report on important matters.
 - Regulations and other systems concerning the management of risk of loss at subsidiaries

The Compliance Risk Management Committee established by us shall promote the establishment and operation of the risk management system for the operations of subsidiaries in accordance with the resolutions of the Board of Directors and the Risk Management Rules.
 - System to ensure the efficient execution of duties by Directors, Etc. of Subsidiaries

As a holding company, we manage and supervise the operations of our subsidiaries so that they can operate efficiently in accordance with their business characteristics.
 - System to ensure that the execution of duties by directors and employees of subsidiaries complies with laws and regulations and the articles of incorporation

Appropriateness of the business execution of subsidiaries shall be managed in accordance with the Affiliated Company Management Regulations, and the Internal Audit Office shall conduct audits, etc. in accordance with the Internal Audit Regulations, etc. Directors and employees of subsidiaries shall, in accordance with the internal reporting system, report to the Compliance Consultation Contact in the event that they discover any conduct in which there is a doubt that the business activities of subsidiaries may violate laws and regulations or any fact that may cause damage to the corporate group.

- Matters concerning employees in cases where the Audit Committee requests that an employee be appointed to assist in the duties of the Audit Committee;

In the event that the Audit and Supervisory Committee requests the appointment of an employee to assist in the duties of the Audit and Supervisory Committee, such employee shall be assigned, and the details shall be consulted with the Audit and Supervisory Committee and the opinions of such employee shall be fully taken into consideration.

- Matters relating to the independence of employees from our directors as set forth in paragraph 6
 - Persons appointed as employees who assist the duties of the Audit Committee shall not be directed or ordered by the Directors with respect to matters ordered by the Audit Committee in assisting the audit operations.

- Matters concerning the assurance of the effectiveness of instructions given to employees set forth in Paragraph 6 of the Audit and Supervisory Committee;
 - The appointment and transfer of employees to assist with the duties of the Audit Committee shall require the consent of the Audit Committee, and due consideration shall be given to the assignment of such employees and their independence in terms of personnel affairs.

- System for Reporting to the Audit Committee
 - 1 System for Directors and Employees to Report to the Audit Committee
 - Directors and employees shall promptly report to the Audit, etc. Committee any event deemed important in the performance of their duties, submit necessary reports and information if requested by the Audit, etc. Committee, and respond to hearings from the Audit, etc. Committee where necessary. The Internal Audit Office shall report on internal audits to the Audit & Supervisory Committee.

 - 2 System for directors and employees of subsidiaries or those who receive reports from them to report to our Audit Committee
 - Directors and employees of Subsidiaries or persons who have received reports from these persons shall, in the event of an event deemed important in the performance of their duties, promptly report such event to the Audit Committee, submit necessary reports and information if requested by the Audit Committee, and respond to hearings from the Audit Committee where necessary.

- System for ensuring that the person who has made the report set forth in paragraph 9 does not receive any adverse treatment on the grounds that he/she has made the report
 - We and our subsidiaries shall not treat such reporter adversely for the reason of the submission of the report in Paragraph 9.

- Matters concerning the procedures for advance payment or reimbursement of expenses incurred for the execution of the duties of Audit Committee Members and other policies concerning the processing of costs or reimbursements incurred for the execution of said duties;
 - In the event an Audit and Supervisory Committee Member makes a request to us for the procedures for advance payment or reimbursement of expenses incurred in the performance of his or her duties, the Audit and Supervisory Committee Member shall respond promptly unless we prove that the expenses or obligations relating to such request are not necessary for the performance of the duties of such Audit and Supervisory Committee Member.

- Other Systems to Ensure Effective Audits by the Audit and Supervisory Committee
 - Directors and employees of the Company and its subsidiaries shall cooperate in audits by the Audit Committee and other audits such as hearings. Audit and Supervisory Committee members attend monthly meetings of the Board of Directors and the Meeting of Subsidiaries, etc. to confirm the business reports of directors and executive officers, etc. and the deliberation process of management decision-making, and, if necessary, provide opinions, and ensure the effectiveness of audits by ensuring a system that enables close cooperation with auditing firms and the Internal Audit Office.

- 7. Outline of the status of operation of the system to ensure the appropriateness of operations
 - We have established a system to ensure the appropriateness of the operations described above, and an overview of the operations during the fiscal year under review (from April 1, 2021 to March 31, 2022) is as follows.

- The Board of Directors held 15 meetings during the fiscal year under review. The Board of Directors is composed of eight directors, including outside directors. The Board of Directors deliberates on matters that require decision-making at meetings of the Board of Directors in accordance with various laws and regulations, the Articles of Incorporation, and regulations, and supervises the execution of duties by directors. We receive active opinions

from outside directors who are not interested in us on each proposal, and the effectiveness of the Board of Directors is ensured.

- Major meetings of the corporate group, consisting of the Company and its subsidiaries, are held monthly, in principle, for the meetings of subsidiaries in which all directors of subsidiaries participate. The meetings discuss, decide, and report on important matters that may affect the Company's business performance and financial position. The meetings also discuss, decide, and report on measures to avoid risks, and ensure the appropriateness and effectiveness of the execution of duties.
- The Audit Committee meets twelve times in the current fiscal year. Our Audit & Supervisory Committee is composed of three members, including outside directors. Through participation in the Board of Directors, the Audit & Supervisory Committee strictly supervises the execution of duties by directors. In addition, Audit & Supervisory Committee members conduct audits based on the audit plans established by the Audit & Supervisory Committee, exchange opinions and information with the Internal Audit Office in principle every month, and also hold regular meetings with the accounting auditor to exchange opinions and information.
- Based on the internal audit plan, the Internal Audit Office conducts internal audits of the business execution of the corporate group consisting of us and subsidiaries, as well as internal control audits.

(Figures in this business report are rounded down fractions less than one thousand yen, and ratios are rounded off to the nearest.)

Consolidated Balance Sheets

(As of March 31, 2022)

(Thousands of yen)

Assets		Liabilities	
Subject	Amount	Subject	Amount
Current assets	23,094,995	Current liabilities	6,560,379
Cash and deposits	16,426,445	Accounts payable	2,239,785
Accounts receivable and contractual assets	6,045,337	Income taxes payable	1,238,007
Inventories	38,094	Consumption tax payable	857,341
Other	585,117	Accrued bonuses	700,325
		Other	1,524,919
Fixed assets	10,733,476	Long-term liabilities	1,471,665
Tangible fixed assets	8,598,558	Reserve for retirement benefits for directors	486,950
Buildings and structures	1,489,203	Asset retirement obligations	268,673
Machinery, equipment and vehicles	118,603	Net defined benefit liability	493,321
Tools, furniture and fixtures	122,698	Other	222,720
Land	6,798,672	Total liabilities	8,032,044
Lease assets	66,255	Net assets	
Construction in progress	3,125	Shareholders' equity	25,156,642
Intangible fixed assets	158,626	Common stock	1,000,000
Goodwill	95,610	Capital surplus	669,833
Other	63,015	Retained earnings	24,505,499
Investments and other assets	1,976,291	Treasury stock	-1,018,690
Lease deposits	779,735	Accumulated other comprehensive income	-43,522
Insurance reserve	254,529	Unrealized gain on available- for-sale securities	15,693
Deferred tax assets	819,007	Foreign currency translation adjustments	24,654
Other	123,018	Remeasurements of retirement benefit plans	-83,870
		Non-controlling shareholders' equity	683,307
		Total net assets	25,796,427
Total assets	33,828,472	Total liabilities and net assets	33,828,472

(Amounts are rounded down to the nearest thousand yen.)

Consolidated Statements of Income

(From April 1, 2021
Until March 31, 2022)

(Thousands of yen)

Subject	Amount	
Net sales		46,875,964
Cost of sales		34,383,720
Gross profit		12,492,243
Selling, general and administrative expenses		6,178,005
Operating income		6,314,238
Non-operating income		
Gain on consumption and other tax exemption	51,224	
Subsidy income	13,559	
Other	18,776	83,561
Non-operating expenses		
Other	4,340	4,340
Ordinary income		6,393,458
Extraordinary income		
Gain on sale of investment in a subsidiary	35,411	
Gain on sales of fixed assets	217	35,629
Extraordinary losses		
Loss on disposal of fixed assets	12,061	12,061
Income before income taxes and minority interests		6,417,026
Income taxes	2,146,694	
Income taxes-deferred	-102,537	2,044,156
Net income		4,372,870
Profit attributable to non-controlling interests		201,597
Profit attributable to owners of parent		4,171,272

(Amounts are rounded down to the nearest thousand yen.)

Consolidated Statements of Changes in Net Assets

From April 1, 2021
Until March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2021	1,000,000	677,179	21,163,271	-1,018,598	21,821,851
Changes during consolidated fiscal year					
Dividends of surplus;			-829,044		-829,044
Profit attributable to owners of parent			4,171,272		4,171,272
Increase (decrease) in equity due to purchase of treasury stock of consolidated subsidiaries		-55			-55
Increase (decrease) in equity due to capital increase of consolidated subsidiaries		-7,290			-7,290
Purchase of treasury stock				-91	-91
Consolidation of items other than shareholders' equity Net changes during the year					
Total change during the term	-	-7,346	3,342,228	-91	3,334,791
Balance at March 31, 2022	1,000,000	669,833	24,505,499	-1,018,690	25,156,642

	Accumulated other comprehensive income				Non-controlling shareholders' equity	Total net assets
	Other Marketable securities Variance from valuation	Foreign Currency Translation Adjustment account	Retirement benefits Relate to Accumulated adjustments	Other Comprehensive income Total		
Balance at April 1, 2021	17,418	-9,599	-16,312	-8,493	489,211	22,302,570
Changes during consolidated fiscal year						
Dividends of surplus;						-829,044
Profit attributable to owners of parent						4,171,272
Increase (decrease) in equity due to purchase of treasury stock of consolidated subsidiaries						-55
Increase (decrease) in equity due to capital increase of consolidated subsidiaries						-7,290
Purchase of treasury stock						-91
Consolidation of items other than shareholders' equity Net changes during the year	-1,725	34,254	-67,558	-35,029	194,096	159,066
Total change during the term	-1,725	34,254	-67,558	-35,029	194,096	3,493,857
Balance at March 31, 2022	15,693	24,654	-83,870	-43,522	683,307	25,796,427

(Amounts are rounded down to the nearest thousand yen.)

Consolidated notes

(Notes, etc. on Important Matters Forming the Basis for Preparation of Consolidated Financial Statements)

1. Scope of consolidation

- Number of consolidated subsidiaries: 16

All subsidiaries are included in the scope of consolidation.

- Names of consolidated subsidiaries

WDB CO., LTD., WDB BUSINESS SUCCESSION PARTNER CO., LTD., WDB coco Co., Ltd., WDB DOPPO CO., LTD., WDB KOUGAKU CO., LTD., WDB Clinical Research Co., Ltd., WDB Medical Data, Inc and two subsidiary companies of the company, WDB India Pvt, Ltd, NEZOT CO., LTD., Oy Medfiles Ltd and three subsidiary companies of the company, Cobridge Co., Ltd.

WDB Chemical Laboratory Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, was merged with WDB CO., LTD., which is also a consolidated subsidiary.

In addition, WDB Functional Chemicals, Ltd. was liquidated in the fiscal year under review, and Kaken Geneqs Co., Ltd. transferred all of its shares in the fiscal year under review.

2. Application of the equity method

Not applicable.

3. Matters concerning accounting policies

- Valuation standards and methods for important assets

- Marketable securities

Other securities

Other than shares, etc. with no market price

Stated at fair value.

(Unrealized gains and losses are reported as a component of net assets. Cost of securities sold is determined by the moving-average method.)

Stocks without market price, etc.

As determined by the moving average method

- Valuation standards and methods for inventories

Products, work in process and raw materials

Stated principally at cost determined by the average method.

(Consolidated balance sheet values are calculated by writing down the book value based on a decline in profitability.)

- Depreciation methods for material depreciable assets

- Property, plant and equipment (excluding leased assets)

The declining-balance method is used.

However, buildings (excluding attached facilities) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method.

The estimated useful lives of major items are as follows:

Buildings and structures	3-50 years
Machinery, equipment and vehicles	2 to 10 years
Tools, furniture and fixtures	2 to 20 years

- Intangible assets (excluding leased assets)

Depreciation is computed by the straight-line method.

Software for internal use is amortized by the straight-line method over its estimated useful life of five years.

- Lease assets

Lease assets related to finance lease transactions that do not transfer ownership

Depreciation is computed by the straight-line method, assuming lease terms to be the useful lives of the leased assets, with zero residual value.

Basis of material allowances

Allowance for doubtful accounts

In order to prepare for losses due to bad debts, general receivables are recorded based on the historical bad debt ratio, and specific receivables, such as receivables with a fear of bad debts, are individually accounted for in consideration of their recoverability, and the estimated amount of uncollectible receivables is recorded.

Accrued bonuses

In order to prepare for the payment of bonuses to employees, the allowance is posted based on the estimated amount of bonuses to be paid.

Reserve for retirement benefits for directors

The amount of the reserve required at the end of the fiscal year for directors and statutory auditors' retirement benefits is based on company regulations.

□ The standards for recognition of significant revenues and expenses

In addition to staffing services such as temporary staffing and recruitment agency services, our group provides CRO services that provide agency and support for pharmaceutical and other development operations. Services are provided primarily under dispatch and outsourcing agreements, and revenue is recognized over a period of time or at one point in time based on the amounts stipulated in the agreements, depending on the contents of the agreements with customers.

The specific circumstances of each business are as follows.

• Human Resource Service Business

With respect to temporary staffing services, we have determined that it is our duty to dispatch personnel and provide work to our customers over the term of the contract. Temporary staffing services are provided on a daily and repetitive basis during the term of the contract. As customers fulfill their contracts with customers, they enjoy benefits. Therefore, the Company determines that the obligation to perform will be fulfilled in a certain period of time, and recognizes revenues based on the unit dispatch price under the contract and the dispatch service time provided.

With regard to the recruitment consulting service, it is determined that it is obligatory to introduce the recruitment required by the customer and to join the client company with the recruited recruited personnel. The Company determines that control over recruitment consulting services will be transferred to the client company when the recruitment agency is hired and the performance obligation will be satisfied, and revenue is recognized at the contractual amount at this time.

• CRO business

With regard to the services of the CRO Business, it is determined that the obligation to provide services that aggregate each consigned service included in the contract into a certain relevant unit is deemed to be the obligation to fulfill the obligation. Revenue is recognized on the basis of the contractual amount at the time of delivery and acceptance inspection of the predetermined deliverables for which the obligation to produce the deliverables, etc. is imposed. With respect to contracts for which the obligation to provide continuous services is to be fulfilled, customers enjoy benefits in accordance with the progress of the services. Therefore, the obligation to perform is judged to be satisfied for a certain period of time. For contracts for which the performance of the services mainly provided is multiplied by a fixed unit price in accordance with the contents of the contract, revenue is recognized based on the fixed unit price based on the contract multiplied by the actual number of services or the actual working hours, and for contracts for which certain services are to be performed over the period of the contract, revenue is recognized based on the amount prorated by the contract period.

□ Other significant accounting policies for consolidated financial statements

□ Accounting for consumption tax

All accounting transactions are booked exclusive of any national or local consumption taxes.

□ Accounting method for retirement benefits

a. Method of attributing expected retirement benefits to periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute expected retirement benefits to the period up to the end of the current fiscal year.

b. Amortization of actuarial gains and losses and prior service costs

Prior service cost is amortized on a pro rata basis over a certain number of years (5 years) within the average remaining years of service of the eligible employees at the time of accrual.

Actuarial gains and losses are amortized from the fiscal year in which they arise over a certain number of years (five years) within the average remaining years of service of the eligible employees.

□ Amortization of goodwill

Goodwill is amortized by the straight-line method over 5 years.

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Accounting Standard for Revenue Recognition") from the beginning of the fiscal year under review and recognized revenue when control of promised goods or services is transferred to

customers in an amount that is expected to be received in exchange for those goods or services. Major changes due to this change are as follows.

- Amount of commutation expenses, etc., received from customers under various contracts

Not posted to sales (before application) and treated as a reduction in such expenses

Recorded as sales (after application) and no reduction of such expenses

- Transactions that provide Deliverables, etc. to customers that meet the requirements of paragraph 38 of Revenue Recognition Accounting Standards

(Prior to application) No sales will be posted until the relevant deliverables, etc. are provided, and any costs incurred will be posted as work in process, and sales and cost of sales will be posted at the time of provision of the deliverables, etc.

Even if the relevant deliverables, etc. have not yet been provided (after application), the portion that fulfilled the obligation shall be posted to sales and cost of sales, and no work in process shall be generated.

The adoption of revenue recognition accounting standards, etc. is based on the transitional treatment stipulated in the provision of paragraph 84 of Revenue Recognition Accounting Standards. The cumulative effect of retrospective application of the new accounting policy prior to the beginning of the current fiscal year is immaterial, and therefore the new accounting policy is applied without adding or subtracting the cumulative effect from retained earnings at the beginning of the current fiscal year.

As a result, net sales for the fiscal year under review increased by 501,143 thousand yen compared with what would have been recorded under the previous accounting standard for revenue recognition. The impact on operating income, ordinary income, and income before income taxes for the fiscal year under review is immaterial.

"Notes and accounts receivable-trade," which had been presented in "Current assets" in the consolidated balance sheet for the previous fiscal year, is now included in "Accounts receivable and contract assets" from the current fiscal year due to the adoption of revenue recognition accounting standards, etc.

(Application of Accounting Standard for Calculation of Fair Value)

The Accounting Standard for Calculation of Fair Value (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Accounting Standard for Calculation of Fair Value") and other standards have been applied from the beginning of the current fiscal year, and in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Calculation of Fair Value and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated by the Accounting Standard for Calculation of Fair Value has been applied into the future.

This does not affect the consolidated financial statements.

In addition, the "Notes on Financial Instruments" provides notes on matters such as the breakdown of the fair value of financial instruments by appropriate classification.

(Notes to Consolidated Balance Sheets)

Accumulated depreciation of tangible fixed assets	1,976,196 thousand yen
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(Notes to Consolidated Statements of Changes in Net Assets)

1. Issued shares at the end of the current consolidated fiscal year
Common stock 20,060,000 shares
2. Matters concerning dividends
 - Dividends paid

Resolution	Type of stock	Cash dividends paid Total amount (thousand yen)	Per share Dividends (yen)	Record date	Effect Date of occurrence
June 24, 2021 Annual Meeting	Common stock	444,131	22.50	2021 March 31	2021 June 25
November 5, 2021 Board of Directors	Common stock	384,913	19.50	2021 September 30	2021 December 3

- Dividends whose record date falls in the current fiscal year but whose effective date falls in the following fiscal year

The following proposal was made as a proposal for the 37th Ordinary General Meeting of Shareholders to be held on June 23, 2022.

- Total dividends 592,174 thousand yen
- Dividends per share 30.0 yen
- Record date March 31, 2022
- Effective date June 24, 2022

The dividend source is planned to be retained earnings.

(Notes on Financial Instruments)

1. Matters relating to financial instruments

Policy for Financial Instruments

Our group invests temporary surplus in financial assets with high safety and does not use derivative transactions.

Nature and Extent of Risks Arising from Financial Instruments

Accounts receivable, which are trade receivables, are exposed to the credit risk of customers. Investment securities are mainly held for long-term purposes and are exposed to the risk of fluctuations in market prices. In addition, leasehold and security deposits are exposed to the credit risk of the lessees.

Accounts payable, which are trade payables, are exposed to liquidity risk.

Risk management for financial instruments

Monitoring of credit risk (the risk that customers or counterparties may default)

In accordance with the Credit Management Manual, the Group manages trade receivables at the time of new transactions and at the same time confirms payment terms and other conditions on an individual transaction basis.

Management of Market Risk (Interest Rate Fluctuation Risk)

We regularly assess the fair value of investment securities and the financial condition of issuers.

Managing liquidity risk relating to fundraising

Our Group's Corporate Planning Department checks the status of us and our subsidiaries and carries out cash flow on a daily basis. Based on these, we prepare and change our cash flow plan.

Supplementary explanation of the fair value of financial instruments

Since variable factors are incorporated in the calculation of the fair value of financial instruments, the use of different assumptions may change the fair value.

Concentration of Credit Risk

Not applicable as of the consolidated closing date of the fiscal year under review.

2. Fair Value of Financial Instruments

The carrying amount, fair value and the difference between them as of March 31, 2022 (the consolidated closing date of the fiscal year under review) are as follows:

	Consolidated Balance Sheets Amount recorded (thousand yen)	Market value (thousand yen)	Difference (thousand yen)
<input type="checkbox"/> Investment securities	89,606	89,606	-
<input type="checkbox"/> Lease deposits	779,735	779,632	-102
Total assets	869,341	869,239	-102

(NOTE)1. Cash and deposits, accounts receivable and contract assets, accounts payable, accrued income taxes and accrued consumption taxes are omitted because their fair values approximate their carrying amounts due to their short maturities.

2. Equity securities without market quotations are not included in "(1) Investment securities." The carrying amounts of these financial instruments are as follows:

Classification	Consolidated Balance Sheets Amount recorded (thousand yen)
Unlisted equity securities	1,737

3. Matters concerning the breakdown of the fair value of financial instruments by appropriate classification, etc.

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs to the determination of fair value:

Level 1 fair value: Inputs related to the determination of observable fair values that are determined by quoted prices for the assets or liabilities subject to such fair value calculations that are formed in active markets

Level 2 Fair Value: Fair value calculated using inputs for determining fair value other than Level 1 inputs that are observable fair value

Level 3 Fair Values: Fair values determined using inputs for determining unobservable fair values

If the Company uses multiple inputs that are significant to the determination of fair value, the Company categorizes fair value into the level in which each of these inputs has the lowest priority in determining fair value.

- Financial instruments recorded in the consolidated balance sheets at fair value

Classification	Market value (thousand yen)			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Equity securities	89,606	-	-	89,606
Total assets	89,606	-	-	89,606

- Financial instruments other than financial instruments included in the consolidated balance sheets at fair value

Classification	Market value (thousand yen)			
	Level 1	Level 2	Level 3	Total
Lease and deposits guarantee	-	779,632	-	779,632
Total assets	-	779,632	-	779,632

(NOTE)Description of valuation techniques used to determine fair value and inputs for determining fair value

Investment securities

All investment securities are listed stocks and are valued using quoted prices. Listed stocks are traded in an active market and, therefore, their fair values are classified as Level 1 fair values.

Lease deposits

Lease and guarantee deposits are primarily pledged to the lessees of business establishments. These fair values are based on estimated future lease terms and discounted at the corresponding government bond yields for the period, and are classified as Level 2 fair values.

(Notes on Revenue Recognition)

1. Information that decomposes revenues arising from contracts with customers

(Thousands of yen)

			From contracts with customers Revenue generated	Total
Report Segment	Human Resource Service Business	Temporary staffing	39,599,934	40,247,155
		Placement/Recruiting	647,221	
	CRO business	Domestic companies	4,064,844	6,330,145
		Overseas companies	2,265,301	
Reportable segments total				46,577,301
Others (Note)				298,662
Total				46,875,964

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

2. Underlying information to understand the revenues from contracts with customers

Human Resource Service Business

Consideration for transactions involving temporary staffing services is received generally within three months after the monthly closing and does not include any significant financial factors.

Consideration for transactions relating to recruitment consulting services has been received in accordance with the terms of the agreement and before fulfillment of the obligations and does not include material financial elements.

CRO business

Consideration for transactions involving CRO services is received generally within four months after the monthly closing and does not include any significant financial factors.

3. Information on the relationship between the fulfillment of obligations under contracts with customers and the cash flow arising from such contracts and the amount and timing of revenue expected to be recognized in the following consolidated fiscal year and thereafter from contracts with customers existing at the end of the current consolidated fiscal year

- Balance of Contract Assets, Contract Liabilities, etc.

(Thousands of yen)

	Current Consolidated Fiscal Year	
	Beginning balance	Ending balance
From contracts with customers Claim arising	5,904,704	5,740,461
Contract assets	259,633	304,876
Contract liabilities	192,452	178,480

The Contract Assets are the consideration for which the obligation to perform was fulfilled as of the end of the current consolidated fiscal year and for which there is no legal claim. Contract assets are transferred to receivables upon acquisition of legal claims. This is usually when the service is completed and the invoice is issued to the customer.

Contractual liabilities relate to advances received for the provision of services and are reversed based on revenue recognition.

Of the revenue recognized in the fiscal year under review, the amount included in contract liabilities as of the beginning of the fiscal year was 175,654 thousand yen.

- Transaction price allocated to the remaining performance obligations

The transaction price allocated to the remaining performance obligations is omitted as the Company expects to recognize revenue within approximately one year.

(Notes on Per Share Information)

- | | |
|-------------------------|--------------|
| 1. Net assets per share | 1,272.25 yen |
| 2. Net income per share | 211.32 yen |

Balance Sheet

(As of March 31, 2022)

(Thousands of yen)

Assets		Liabilities	
Subject	Amount	Subject	Amount
Current assets	1,927,408	Current liabilities	678,150
Cash and deposits	1,144,921	Short-term borrowings	500,000
Other	782,487	Accounts payable	157,977
Fixed assets	11,753,418	Other	20,173
Tangible fixed assets	8,081,392	Long-term liabilities	772,630
Building	1,241,211	Deferred tax liabilities	64,109
Structure	13,106	Reserve for retirement benefits for directors	486,950
Vehicles and cars	122	Asset retirement obligations	221,570
Tools, furniture and fixtures	24,764	Total liabilities	1,450,781
Machinery and equipment	390	Net assets	
Land	6,798,672	Shareholders' equity	12,214,352
Construction in progress	3,125	Common stock	1,000,000
Intangible fixed assets	14,400	Capital surplus	218,024
Software	14,400	Additional paid-in capital	52,525
Investments and other assets	3,657,625	Other capital surplus	165,498
Investment securities	91,343	Retained earnings	12,015,018
Investments in affiliates	2,860,890	Legal reserve	197,474
Lease deposits	664,676	Other retained earnings	11,817,543
Insurance reserve	249,406	General reserve	2,350,000
Other	110,084	Retained earnings carried forward	9,467,543
Allowance for Investment Losses	-318,776	Treasury stock	-1,018,690
		Valuation and translation adjustments	15,693
		Unrealized gain on available-for-sale securities	15,693
		Total net assets	12,230,045
Total assets	13,680,827	Total liabilities and net assets	13,680,827

(Amounts are rounded down to the nearest thousand yen.)

Income Statement

(From April 1, 2021
Until March 31, 2022)

(Thousands of yen)

Subject	Amount	
Operating revenues		2,510,500
Operating expenses		876,175
Operating income		1,634,325
Non-operating income		
Interest and dividend income	6,756	
Reversal of allowance for doubtful accounts	131,435	
Reversal of allowance for investment losses	84,081	
Other	2,662	224,936
Non-operating expenses		
Interest expense	1,666	
Other	1,322	2,989
Ordinary income		1,856,271
Extraordinary income		
Gain on sale of investment in a subsidiary	77,460	77,460
Extraordinary losses		
Loss on valuation of shares in subsidiaries	104,272	
Loss on liquidation of subsidiaries	1,457	
Loss on disposal of fixed assets	28	105,757
Income before income taxes		1,827,974
Income taxes	25,031	
Income taxes-deferred	-4,693	20,337
Net income		1,807,637

(Amounts are rounded down to the nearest thousand yen.)

Statement of Changes in Shareholders' Equity

(From April 1, 2021
Until March 31, 2022)

(Thousands of yen)

	Shareholders' equity			
	Common stock	Capital surplus		
		Additional paid-in capital	Other capital surplus	Total capital surplus
Balance at April 1, 2021	1,000,000	52,525	165,498	218,024
Variable amount during the accounting year				
Dividends of surplus;				
Net income				
Purchase of treasury stock				
Items other than shareholders' equity				
Net changes during the year				
Total change during the period	-	-	-	-
Balance at March 31, 2022	1,000,000	52,525	165,498	218,024

	Shareholders' equity						
	Retained earnings					Treasury stock	Shareholders' equity Total
	Legal reserve	Other retained earnings		Retained earnings Total	Retained earnings carried forward		
		General reserve	Retained earnings				
Balance at April 1, 2021	197,474	2,350,000	8,488,950	11,036,425	-1,018,598	11,235,850	
Variable amount during the accounting year							
Dividends of surplus;			-829,044	-829,044		-829,044	
Net income			1,807,637	1,807,637		1,807,637	
Purchase of treasury stock					-91	-91	
Items other than shareholders' equity							
Net changes during the year							
Total change during the period	-	-	978,592	978,592	-91	978,501	
Balance at March 31, 2022	197,474	2,350,000	9,467,543	12,015,018	-1,018,690	12,214,352	

	Valuation and translation adjustments		Total net assets
	Other securities Variance from valuation	Total valuation and translation adjustments	
Balance at April 1, 2021	17,418	17,418	11,253,269
Variable amount during the accounting year			
Dividends of surplus;			-829,044
Net income			1,807,637
Purchase of treasury stock			-91
Items other than shareholders' equity	-1,725	-1,725	-1,725
Net changes during the year			
Total change during the period	-1,725	-1,725	976,775
Balance at March 31, 2022	15,693	15,693	12,230,045

(Amounts are rounded down to the nearest thousand yen.)

Non-consolidated explanatory notes

(Explanatory Notes Concerning Matters Pertaining to Significant Accounting Policies)

1. Valuation basis and method for assets

Marketable securities

Investments in subsidiaries

As determined by the moving average method

Other securities

Other than shares, etc. with no market price

Stated at fair value.

(Unrealized gains and losses are reported as a component of net assets. Cost of securities sold is determined by the moving-average method.)

Stocks without market price, etc.

As determined by the moving average method

2. Depreciation method of fixed assets

Tangible fixed assets

The declining-balance method is used.

However, buildings (excluding attached facilities) acquired on or after April 1, 1998 and facilities attached to buildings and structures acquired on or after April 1, 2016 are depreciated using the straight-line method.

Useful life for primary assets is as follows:

Building	3-50 years
Vehicles and cars	5 to 6 years
Tools, furniture and fixtures	2 to 20 years

3. Accounting for reserves

Reserve for retirement benefits for directors

The amount of the reserve required at the end of the fiscal year for directors and statutory auditors' retirement benefits is based on company regulations.

Allowance for investment losses and doubtful receivables

To provide for losses on investments in and advances to affiliated companies, an allowance is provided for the amount necessary in consideration of the financial condition and business performance of the investee.

4. Revenue Recognition

Details of principal performance obligations in principal businesses and the normal time at which revenue is recognized are described in the "Notes to Revenue Recognition."

5. Other significant matters that serve as the basis for the preparation of financial statements

Accounting for consumption tax

All accounting transactions are booked exclusive of any national or local consumption taxes.

(Notes on Changes in Accounting Policies)

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) from the beginning of the fiscal year under review and recognized revenue when control of promised goods or services is transferred to customers in an amount that is expected to be received in exchange for those goods or services.

This does not affect the financial statements.

(Application of Accounting Standard for Calculation of Fair Value)

The Accounting Standard for Calculation of Fair Value (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Accounting Standard for Calculation of Fair Value") and other standards have been applied from the beginning of the current fiscal year, and in accordance with the transitional treatment stipulated in paragraph 19 of the Accounting Standard for Calculation of Fair Value and paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the new accounting policy stipulated by the Accounting Standard for Calculation of Fair Value has been applied into the future.

This does not affect the financial statements.

(Notes on Changes in Presentation Method)

"Accounts payable-other," which had been included in "Other" under current liabilities until the previous fiscal year, has been presented separately from the fiscal year under review due to an increase in its monetary materiality.

"Accounts payable-other" for the previous fiscal year was 22,256 thousand yen.

(Notes on Accounting Estimates)

Amounts recorded in the financial statements for the current fiscal year based on accounting estimates that may have a material impact on the financial statements for the following fiscal year are as follows.

Investments in affiliates	2,860,890 thousand yen
Allowance for Investment Losses	318,776 thousand yen

Equity securities issued by subsidiaries and affiliates without market quotations are stated at cost. If the real value of the shares declines significantly due to a deterioration in the financial position of the issuing company, the fair value is reduced by a considerable amount and the unrealized gains or losses are recognized as losses in the fiscal year under review.

In addition, an allowance for investment losses is recorded when the actual value declines by 30% or more at the end of the fiscal year, although the actual value has not declined significantly.

Real value is calculated based on the valuation difference based on the market value of assets, etc. and net assets per share reflecting excess earning power, etc.

The valuation of investments in affiliated companies may be affected by changes in uncertain economic conditions in the future. In the event that the business environment of affiliated companies deteriorates due to unforeseeable circumstances, the valuation of investments in affiliated companies may have a material impact on the amount of the shares of affiliated companies or the allowance for investment losses in the financial statements for the following fiscal year.

(Explanatory Notes Concerning the Balance Sheet)

1. Accumulated depreciation of tangible fixed assets	1,118,514 thousand yen
2. Monetary claims and liabilities to affiliated companies	
Short-term monetary claims	378,219 thousand yen
Short-term monetary liabilities	642,479 thousand yen
Long-term monetary receivables	78,446 thousand yen

(Notes to Statements of Income)

Transactions with related companies	
Turnover with business transaction	
Operating revenues	2,507,500 thousand yen
Operating expenses	332,108 thousand yen
Excluding operating transactions with subsidiary	6,484 thousand yen

(Notes to Statement of Changes in Net Assets)

Class and number of treasury stock as of the end of the current fiscal year

Common stock 320,866 shares

(Notes on Tax Effect Accounting)

1. Breakdown of principal origins of deferred tax assets and liabilities

(Thousands of yen)

Deferred tax assets

Reserve for retirement benefits for directors	148,909
Golf membership	10,045
Allowance for Investment Losses	97,481
Asset retirement obligations	67,756
Depreciation and amortization	36,785
Shares of Subsidiaries (Shares of the Succeeding Companies upon Company Split)	12,723
Loss on valuation of shares in subsidiaries	159,030
Tax loss carryforwards	89,295
Other	14,974
Gross deferred tax assets	<u>637,003</u>
Valuation allowance	<u>-637,003</u>
Total deferred tax assets	-

Deferred tax liabilities

Asset retirement obligations	57,196
Unrealized gain on available-for-sale securities	6,912
Total deferred tax liabilities	<u>64,109</u>

2. Reconciliation of the statutory tax rate to the effective income tax rate

Statutory tax rate	30.58%
(Adjustment)	
Expenses not deductible for income tax purposes	0.17%
Per capita inhabitant tax	0.13%
Non-taxable dividend income	-28.87%
Tax loss carryforwards	-1.20%
Increase in valuation allowance	0.30%
Other	0.00%
Effective income tax rate	<u>1.11%</u>

(Notes on Transactions with Related Parties)
Subsidiaries, etc.

Consumption taxes are not included in the following transaction amounts.

Name of Company, etc.	Voting Rights, etc. Possession (Owned) Percentage (%)	Officers Concurrent Position, etc.	From a business standpoint Relationship	Details of transactions	Transaction amount (Thousands of yen)	Subject	Ending balance (Thousands of yen)
WDB CO., LTD.	Ownership Direct 100	Three concurrent posts	Management support	Operating revenues (Note 1)	716,712	Long term Accounts receivable	72,470
				Operating expenses (Note 2)	166,913	Accounts payable	2,871
				Borrowing of funds (Note 3)	500,000	Short-term borrowings	500,000
				Payment of Interest	1,666	Accrued expenses	1,249
NEZOT CO., LTD.	Ownership Direct 100	Three concurrent posts	Management support	Operating expenses (Note 4)	148,395	Accounts payable	138,357
				Loaning of funds (Note 3)	81,083	Loans receivable	255,290

(NOTE) Transaction terms and policy for deciding transaction terms

1. Operating revenues are determined based on certain reasonable standards in order to provide management guidance, etc.
2. The assigned personnel fee, which is an operating expense, is determined by mutual agreement between the parties based on the amount equivalent to the personnel expenses of the temporary transferee and taking into account the nature of the business.
3. Interest rates for loans and borrowings of funds are reasonably determined in consideration of market interest rates.
4. Outsourcing expenses, which are operating expenses, are determined by mutual agreement between the parties, taking into account the nature of operations.

(Notes on Revenue Recognition)

Our primary sources of revenue for the pure holding company are compensation for management services from subsidiaries, royalties on the WDB brand, and dividends received.

With regard to the compensation for management services, we have determined that it is our duty to provide consigned services to subsidiaries in accordance with the terms and conditions of the contract. Business management services are provided on a daily and repetitive basis during the term of the agreement. As a subsidiary enters into the agreement, it is determined that the obligation to perform will be fulfilled for a certain period of time in order for the subsidiary to enjoy the benefit. Accordingly, revenue is recognized by prorating the contractual amount over the term of the agreement.

With respect to royalties under the WDB brand, the Company considers it to be a performance obligation to provide the creditworthiness of listed companies to its subsidiaries. The use of the WDB brand is carried out on a daily and repetitive basis during the term of the agreement. As a subsidiary enters into the agreement, it is determined that the obligation to perform will be fulfilled for a certain period of time in order for the subsidiary to enjoy the benefit. Accordingly, the amount under the agreement is prorated over the term of the agreement and the revenue is recognized.

The consideration for these transactions has been received within one month after the closing of the month and does not include any material financial factors.

Dividend income is recognized as of the effective date of the dividend.

(Notes on Per Share Information)

1. Net assets per share	619.58 yen
2. Net income per share	91.58 yen

Reference Documents for General Meeting of Shareholders

Proposed resolutions and reference matters

Proposal 1 Appropriation of Retained earnings

The appropriation of retained earnings will be as follows.

Matters related to the year-end dividend

With regard to the year-end dividend for the 37th fiscal period, in order to respond to the support of our shareholders by comprehensively taking into account the continuation of stable dividends and our business performance for the current fiscal period, future business development, and the status of internal reserves, we intend to do the following.

- Type of assets to be distributed
Cash
- Matters related to the allocation of the property for distribution to the shareholders, and the aggregate amount of the dividend
Cash amount per share of common stock 30.00 yen Total of 592,174,020 yen
- The day on which dividends of retained earnings become effective
June 24, 2022

Proposal 2 Partial Amendments to the Articles of Incorporation

1. Reason for the proposal

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the "Law for Partial Amendment of the Corporate Law" (Law No. 70 of 2019) will come into effect on September 1, 2022, and the electronic provision system of materials for general meetings of shareholders will be introduced. Therefore, the Articles of Incorporation will be amended as follows.

- (1) Article 19 (Electronic Provision Measures, etc.) Paragraph 1 of the proposed amendment is to be newly established because the articles of incorporation require that electronic provision measures be taken for information that is the content of reference documents for shareholders meetings, etc.
- (2) Of the matters for which electronic provision measures are to be taken with regard to the information contained in the Reference Documents for Shareholders Meeting, etc., in order to limit the scope of the matters to be stated in the document to be delivered to the shareholder who has requested the issuance of the document to the extent prescribed by the applicable Ordinance of the Ministry of Justice, paragraph 2 of Article 19 (Measures for Electronic Provision, etc.) of the proposed amendment will be newly established.
- (3) The provision of Article 19 of the current Articles of Incorporation (Deemed Provision of Reference Documents for General Meeting of Shareholders, etc. to be Internet Disclosure) will not be necessary if the electronic provision system of materials for general meeting of shareholders is introduced. Therefore, this provision will be deleted.
- (4) Article 2 (Transitional Measures Concerning Electronic Provision of Materials for General Meetings of Shareholders) of the Supplementary Provisions concerning the validity of the above-mentioned new and deleted provisions is newly established. These Supplementary Provisions shall be deleted after the expiration of the due date.

2. Details of the change

The details of the amendments to the Articles of Incorporation are as follows.

(The underlined portion indicates the changed portion.)

Current Articles of Incorporation	Proposed changes
<p><u>(Deemed Provision of Reference Documents for Shareholders Meetings, etc. for Internet Disclosure)</u> <u>Article 19 When convening a general meeting of shareholders, the Company may deem that information on matters to be stated or indicated in the Reference Documents for Shareholders Meeting, business reports, financial statements, and consolidated financial statements has been provided to shareholders by disclosure via the Internet in accordance with the provisions of the applicable Ordinance of the Ministry of Justice.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed changes
<p>(Establishment)</p> <p>Chapter 7 Supplementary Provisions</p> <p>(Establishment)</p>	<p><u>(Electronic Provision Measures, etc.)</u> <u>Article 19 When convening a general meeting of shareholders, the Company shall take measures to electronically provide the information contained in the Reference Documents for General Meeting of Shareholders, etc.</u> <u>2. The Company shall not be required to describe all or part of the matters for which electronic provision measures are to be taken as prescribed by the Ministry of Justice Ordinance in the document to be delivered to the shareholder who has made the request for delivery of the document by the record date of voting rights.</u></p> <p>Chapter 7 Supplementary Provisions <u>(Transitional Measures Concerning Electronic Provision of Materials for Shareholders Meetings)</u> <u>Article 2 The deletion of Article 19 of the Articles of Incorporation (Deemed Provision of Reference Documents for Shareholders Meetings, etc. as Internet Disclosure) and the establishment of Article 19 of the Articles of Incorporation (Measures for Electronic Provision, etc.) shall take effect from September 1, 2022.</u></p>

2. Notwithstanding the provisions of the preceding paragraph, Article 19 of the Articles of Incorporation (Deemed Provision of Reference Documents for Shareholders Meetings, etc. to Be Disclosed on the Internet) shall remain in force with respect to a general meeting of shareholders whose date falls within six months from September 1, 2022.
3. The provisions of this article shall be deleted after the date on which six months have elapsed from September 1, 2022, or three months have elapsed from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.

Proposal 3

Election of five directors (excluding directors who are Audit and Supervisory Committee members)

At the conclusion of this general meeting, all directors (excluding directors who are Audit and Supervisory Committee members; hereinafter the same shall apply in this proposal) will expire. We would like you to elect five directors.

In addition, we comprehensively examine the policy for appointing candidates for directors from the viewpoint of strategic and prompt decision-making with regard to the departments and businesses under our jurisdiction, as well as having the ability, knowledge, and experience to manage risks.

In addition to the external requirements stipulated in the Companies Act and the independence standards stipulated by the Tokyo Stock Exchange, we comprehensively examine the nomination of candidates for outside directors from the viewpoint of having expertise and extensive experience in each field.

In the event of a violation of laws and regulations, the Articles of Incorporation, or any other reason that makes it difficult for a director to perform our duties appropriately, we will deliberate and decide on the dismissal or other disposition of the position of the director at a meeting of the Board of Directors.

The candidates for Directors are as follows.

Candidate Number	Name (Date of Birth)	Brief personal history, position, responsibilities, and important concurrent positions	Number of shares owning
1	Toshimitsu Nakano (July 11, 1956)	1982 8 Joined Arico Japan 1985 7 President and Representative Director of WORK DATA BANK CORPORATION (currently WDB HOLDINGS CO., LTD.) (to present) 2010 4 Representative Director of Business Succession Partners Co., Ltd. (currently WDB BUSINESS SUCCESSIN PARTNER CO., LTD.) 2011 4 Director of ICO Co., Ltd. (currently WDB coco CO., LTD.) (to present) 2011 11 Representative Director of WDB CO., LTD. (to present) 2012 12 Representative Director, WDB KOUGAKU CO., LTD. 2013 3 Director, Densuke Systems Co., Ltd. (currently WDB Clinical Research Co., Ltd.) (to present) 2014 4 Director, Kaken Geneqs Co., Ltd. 2014 11 Director, WDB KOUGAKU CO., LTD. (to present) 2015 6 Director of WDB DOPPO CO., LTD. (to present) 2016 4 Director, WDB Chemical Laboratory Co., Ltd. 2017 2 Representative director of NEZOT CO., LTD. (to position) 2020 6 Chairman and Representative Director, WDB BUSINESS SUCCESSIN PARTNER CO., LTD. (current)	600,000 shares

Candi Number	Name (of Birth)	Brief personal history, position, responsibilities, and important concurrent positions	Number of shares owning
2	Miki Otsuka (January 16, 1964)	1986 4 Joined Okuuchi Building Co., Ltd. 1986 9 Joining us 1995 11 Registration as a certified social insurance and labor consultant 1996 10 Director 2000 7 Senior Managing Director (to present) 2010 4 Director, Business Succession Partners Co., Ltd. (now WDB BUSINESS SUCCESSION PARTNER CO., LTD.) (to present) 2011 4 Representative Director, ICO (currently WDB COCO CO., LTD.) 2011 11 Senior Managing Director, WDB CO., LTD. (to present) 2012 12 Director, WDB KOUGAKU CO., LTD. (to present) 2013 3 Representative Director of Densuke Systems Co., Ltd. (currently WDB Clinical Research Co., Ltd.) 2014 4 Representative Director, WDB University Co., Ltd. 2015 6 Representative Director of WDB DOPPO CO., LTD. (to present) 2017 2 Director, NEZOT CO., LTD. (to present) 2017 3 Oy Medfiles Ltd. Chairman (to present) 2017 6 Representative Director of CoBridge Co., Ltd. (to present) 2020 6 Director, WDB Clinical Research Co., Ltd. (to present) 2020 6 Director, WDB Chemical Laboratory Co., Ltd. 2020 6 Director, Kaken Geneqs Co., Ltd.	480,000 shares
3	Kinya Nakaoka (November 25, 1971)	1995 4 Joined Sakura Bank, Ltd. (now Sumitomo Mitsui Banking Corporation) 2007 2 Joining us 2007 10 General Manager of the business planning department 2010 4 General Manager, Tachikawa Branch, WDB CO., LTD. 2012 3 General Manager of the Corporate Planning Office (currently General Manager of the Corporate Planning Department) (to present) 2014 6 Director of the Company (to present)	2,653 shares
4	Kiyoyuki Kuroda (January 12, 1970)	1996 4 Registration as a practicing attorney 2002 5 Partner of Partner at Miyake Law Office 2005 11 External auditor of the Company 2009 6 Outside Director of the Company 2018 6 Outside Director of Real Fudo Tetra Corporation (Audit and Supervisory Committee Member) (to present) 2019 5 Representative member of Miyake Law Office, Legal Profession Corporation (to present)	1,071 shares
5	Hiroshi Kimura (September 5, 1963)	2003 10 Registration as a practicing attorney 2005 7 Kimura Law Office established Director, Kimura Law Office (to present) 2009 6 External auditor of our company 2012 6 Outside Director of the Company 2014 6 Outside Director of Fujipream Corporation (to present) 2017 6 Outside Corporate Auditor of Banyo Securities Co., Ltd. (to present)	1,258 shares

- (NOTE)1. Toshimitsu Nakano, a candidate for director, have the control over the Company's management.
 2. There is no special interest between each of the other prospective directors and the Company.

3. Kiyoyuki Kuroda and Hiroshi Kimura are candidates for Outside Directors.
4. Kiyoyuki Kuroda, a candidate for Outside Director, has extensive experience and insight as an attorney at law, and as an expert in law, is expected to conduct management supervision independently from an objective perspective that takes into account the entire corporate society, including laws and regulations, independent from the Company's internal logic.
As an Outside Director of the Company for 13 years, Mr. Kuroda has already expressed appropriate opinions from a fair and objective standpoint, and is judged to continue providing appropriate guidance for the Company when requested for the Board's decision-making.
- Hiroshi Kimura, a candidate for Outside Director, has extensive experience and insight as an attorney-at-law, and has provided valuable recommendations on our overall management from a legal side. He is expected to continue providing advice on strengthening our corporate governance.
As an Outside Director of the Company for 10 years, Mr. Hajime has already provided appropriate opinions from a fair and objective standpoint, and we have determined that he will continue to be able to request appropriate guidance when making decisions at the Board of Directors.
5. Pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act, we have concluded a limited liability agreement with Mr. Kiyoyuki Kuroda and Mr. Hiroshi Kimura to the effect that the maximum amount of liability for compensation for damages stipulated in Paragraph 1 of Article 423 of the Companies Act shall be the total amount stipulated in each item of Paragraph 1 of Article 425 of the Companies Act only when the employee is in good faith and is not grossly negligent in performing his/her duties. If this proposal is approved and Kiyoyuki Kuroda and Hiroshi Kimura are reappointed, the above limited liability agreement will continue.
6. We have concluded an officer's liability insurance contract with the insurance company in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers the loss incurred by the insured arising from claims for damages, non-monetary claims, and criminal prosecution filed on the grounds of errors, breaches of obligations, or omissions of the insured, including our directors and subsidiary directors. In the event each candidate is elected as a director and assumes office, such candidate shall be the insured under the applicable insurance contract. The insurance contract is scheduled to be renewed at the time of the next renewal.
7. We have notified the Tokyo Stock Exchange of Kiyoyuki Kuroda and Hiroshi Kimura as independent officers who are required to be designated by the Tokyo Stock Exchange.
8. The number of shares of our stock owned by nominees for director includes interests in the Executive Stock Ownership Plan. (Figures are rounded down to the nearest share.)

Proposal 3 Election of three directors who are Audit and Supervisory Committee members

At the conclusion of this general meeting, all three Directors who are Audit and Supervisory Committee Members will expire. We would like to ask you to appoint three Directors who are Audit and Supervisory Committee Members.

We have obtained the consent of the Audit Committee on this matter.

The candidates for director serving on the Audit and Supervisory Committee are as follows.

Candidate Number	Name (Date of Birth)	Brief personal history, position, responsibilities, and important concurrent positions	Number of shares owning
1	Shigekazu Ukai (November 20, 1949)	<p>1972 4 Joined The Himeji Shinkin Bank</p> <p>2001 12 Registered as a certified public tax accountant</p> <p>2006 6 Representative Director, Himeshin Real Estate Service Co., Ltd.</p> <p>2007 1 Joined the Company, General Manager of Audit Department, Corporate Planning Office</p> <p>2007 6 Full-time Auditor</p> <p>2010 4 Business Succession Partners Co., Ltd. Corporate Auditor (to present) of WDB BUSINESS SUCCESSION PARTNER CO., LTD.</p> <p>2011 4 ICO Co., Ltd. Corporate Auditor (now WDB Coco CO., LTD.)</p> <p>2011 6 Corporate Auditor of WDB DOPPO CO., LTD. (to present)</p> <p>2011 11 Corporate Auditor of WDB CO., LTD. (to present)</p> <p>2012 4 Corporate Auditor, WDB University Co., Ltd.</p> <p>2012 12 Corporate Auditor, WDB KOUGAKU CO., LTD. (to present)</p> <p>2013 3 Auditor of Densuke Systems Co., Ltd. (currently WDB Clinical Research Co., Ltd.) (to present)</p> <p>2014 4 Audit & Supervisory Board Member, Kaken Geneqs Co., Ltd.</p> <p>2016 4 Corporate Auditor, WDB Chemical Laboratory Co., Ltd.</p> <p>2017 2 Audit & Supervisory Board Member, NEZOT CO., LTD. (to present)</p> <p>2017 6 Corporate Auditor of Corbridge Co., Ltd. (to present)</p> <p>2018 6 Director (Full-time Audit and Supervisory Committee Member) (to present)</p>	10,258 shares
2	Satoshi Hamada October 3, 1952	<p>1984 9 Certified Public Accountant Satoshi Hamada Established Management Accounting Office</p> <p>1994 5 Outside Corporate Auditor, NISHIMATSUYA CHAIN Co., Ltd.</p> <p>2005 6 External auditor of our company</p> <p>2014 9 Established Hamada Certified Public Tax Accountant Corporation, Representative Partner (to present)</p> <p>2015 6 Outside Corporate Auditor, GLORY LTD</p> <p>2016 5 Outside Director, Nishimatsuya Chain Co., Ltd.</p> <p>2018 6 Outside Director (Audit and Supervisory Committee Member) (to present)</p> <p>2020 6 Outside Director (Audit and Supervisory Committee Member) of GLORY LTD (to present)</p> <p>2021 5 Outside Director of NISHIMATSUYA CHAIN Co., Ltd. (Audit & Supervisory Committee Member) (to present)</p>	3,898 shares

Candidate Number	Name (Date of Birth)	Brief personal history, position, responsibilities, and important concurrent positions	Number of shares owning
3	Tomoyoshi Arita (February 1, 1948)	2005 9 Chief of Public Safety Department, Supreme Public Prosecutors Office 2009 1 Superintending Prosecutor of the Fukuoka High Public Prosecutors Office 2010 4 Registration as a practicing attorney of the Daiichi Tokyo Bar Association 2010 6 Outside Director, Member of the Nominating Committee, and Chairman of the Audit Committee, Yucho Bank, Ltd. 2011 6 External Auditor of the Company 2015 6 Outside Corporate Auditor, BROTHER INDUSTRIES, LTD. 2016 6 Outside Director, FUKUYAMA TRANSPORTING CO., LTD. 2018 6 Outside Director (Audit and Supervisory Committee Member) (to present) 2019 12 Outside Corporate Auditor, T. HASEGAWA CO., LTD. (to present)	1,258 shares

(NOTE)1. There is no special interest between each candidate and us.

2. Satoshi Hamada and Tomoyoshi Arita are candidates for Outside Directors.
3. Shigekazu Ukai, a candidate for the Board of Directors who is a member of the Audit and Supervisory Committee, has many years of experience in financial institutions and has a certified tax accountant qualification, and has considerable knowledge of finance and accounting.
4. Satoshi Hamada, a candidate for Outside Director, is a certified public accountant and possesses advanced knowledge of finance and accounting, and is expected to fulfill his role as an Outside Director from a professional perspective. Accordingly, he has been appointed as a candidate for Outside Director. His tenure as an outside director serving on the Audit and Supervisory Committee is four years.
 - Tomoyoshi Arita, a candidate for an outside director, was appointed as a candidate for an outside director because he has extensive experience as a public prosecutor and is expected to strengthen our corporate governance by providing recommendations for our overall management as a legal expert. The term of office as an outside director serving on the Audit and Supervisory Committee is four years.
5. Pursuant to the provisions of Paragraph 1 of Article 427 of the Companies Act, we have concluded a limited liability agreement with each candidate to the effect that the maximum amount of liability for compensation for damages stipulated in Paragraph 1 of Article 423 of the Companies Act shall be the total amount stipulated in each item of Paragraph 1 of Article 425 of the Companies Act only when the candidate has no knowledge or gross negligence in performing his/her duties. If this proposal is approved and each candidate is reappointed, the above limited liability agreement will continue.
6. We have concluded an officer's liability insurance contract with the insurance company in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers the loss incurred by the insured arising from claims for damages, non-monetary claims, and criminal prosecution filed on the grounds of errors, breaches of obligations, or omissions of the insured, including our directors and subsidiary directors. In the event each candidate is elected as a director and assumes office, such candidate shall be the insured under the applicable insurance contract. The insurance contract is scheduled to be renewed at the time of the next renewal.
7. We have notified the Tokyo Stock Exchange of Satoshi Hamada and Tomoyoshi Arita as independent officers who are required by the Tokyo Stock Exchange to be designated.
8. The number of shares of our stock owned by candidates for director who are Audit and Supervisory Committee members includes ownership interests in the Officers' Stock Ownership Plan. (Figures are rounded down to the nearest share.)

End of section

General Meeting of Shareholders venue

Venue 79 Toyozawa-cho, Himeji-shi, Hyogo
The 5th floor Hall of our head office building
Tel. (079) 287-0111

■Transportation

5-minute walk from the south exit of Himeji Station on the JR (Sanyo Shinkansen and conventional lines)