

[Translation for Reference Purposes Only]

This document is a translation of the Japanese original for reference purpose only. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

Security 2475
May 30, 2023

To Our Shareholders

79 Toyozawa-cho, Himeji-shi, Hyogo
WDB Holdings Co., Ltd.
President and CEO Toshimitsu Nakano

Notice of Convocation of the 38th Annual Shareholders' Meeting

Thank you very much for your continued support.

We would like to inform you that our 38th Ordinary General Meeting of Shareholders will be held as follows.

When convening this general meeting of shareholders, we are taking measures to provide information (e-provided matters) that are included in reference documents for general meetings of shareholders, etc. electronically. We post such information on our website on the Internet. Please visit and confirm the following websites.

<https://www.wdbhd.co.jp/eng/ir/stock/meeting.html>

In addition to our website, we also post information on measures to provide e-mail on the Tokyo Stock Exchange (TSE). Please refer to the following.

Tokyo Stock Exchange Website (TSE Listed Company Information Service)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

Please visit the above-mentioned TSE website, enter and search our security code "2475" into "WDB Holdings" or "Code" on "Name (Company name)", and select "Basic Information" and "Public Inspection Document /PR Information" in that order. Then, check the "Notice of Convocation of General Meeting of Shareholders/Shareholders Meeting Materials" column in "Public Inspection Document".

If you do not attend the meeting, you can exercise your voting rights via the Internet or by mail. Please review the reference documents for the general meeting of shareholders and exercise your voting rights by 5:00 p.m. on Wednesday, June 21, 2023.

Best regards,

Description

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|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Date and time | Thursday, June 22, 2023, 10:00 a.m. (reception starts at 9:10 a.m.) |
| 2. Location | 5th floor auditorium of our head office building, 79 Toyozawa-cho, Himeji City, Hyogo Prefecture |
| 3. Subject matter | |
| [Matters to be Reported] | <ol style="list-style-type: none">1. Business reports, consolidated financial statements, and reports on the audit results of the consolidated financial statements of the accounting auditor and the Audit and Supervisory Committee for the 38th fiscal term (from April 1, 2022 to March 31, 2023)2. Report on financial statements for the 38th fiscal term (from April 1, 2022 to March 31, 2023) |
| [Matters to be resolved] | |
| Proposal 1 | Appropriation of retained earnings |
| Proposal 2 | Election of 5 Directors (excluding Directors who are Audit and Supervisory Committee Members) |

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1. When attending the meeting, please submit the enclosed voting rights exercise form to the reception desk.
 2. In the event of any modification to the matters to be implemented for the provision of electronic information, a statement to that effect, prior to the modification, and after the modification shall be posted on our website and the TSE website on the Internet.
 3. At this general meeting of shareholders, regardless of whether or not a document is requested to be delivered, a document stating the matters to be dealt with in electronic delivery shall be uniformly sent. The following items regarding measures to provide electronic information are not included in the documents to be sent in accordance with laws and regulations and the provisions of Article 19 of our Articles of Incorporation.
 - "System for ensuring the appropriateness of business operations and the status of operation of said system" in the business report
 - Consolidated Statements of Shareholders' Equity and Notes to Consolidated Financial Statements in the Consolidated Financial Statements
 - "Statement of Changes in Shareholders' Equity" and "Non-consolidated Notes" in Financial StatementsAccordingly, the business reports, consolidated financial statements, and financial statements stated in the relevant documents are part of the relevant documents audited by the accounting auditor when preparing the accounting audit report by the Audit & Supervisory Committee.
 4. After the conclusion of the General Meeting of Shareholders, we plan to hold a shareholder meeting (business briefing session) as a forum for interaction with shareholders.

<Points to note on the Day of the Shareholders Meeting>

- Disinfectant solutions will be installed at the reception desk and at each site.
- The temperature is checked at the reception desk. As a result, people who are experiencing a fever and those who appear to be in poor physical condition should refrain from entering the facility.
- During the general meeting, the venue of the meeting will not be closed and ventilation will be provided.






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 22, 2023 10:00 a.m. (Reception starts at 9:10 a.m.)</p>	 <p>In writing (by mail)</p> <p>Please enter your approval or disapproval of the proposal from the URL below. https://www.web54.net</p> <p>Exercise date</p> <hr/> <p>Arrived by 5:00 p.m. Wednesday, June 21, 2023</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>Entry complete by 5:00 p.m. Wednesday, June 21, 2023</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.

Business Report

(From April 1, 2022
Until March 31, 2023)

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

(1) Progress and results of the business

Although the Japanese economy continued to be affected by new coronavirus infections in the consolidated fiscal year under review, the impact on the Group's business was minimal due to the penetration of vaccines and infection prevention measures.

The effective ratio of job offers to applicants (seasonally adjusted figure) announced by the Ministry of Health, Labour and Welfare (MHLW) increased by 0.15 points from the average of April 2022 to March 2023 to 1.31 times, compared with the average of April 2021 to March 2022. In addition, the unemployment rate (seasonally adjusted figure) announced by the Ministry of Internal Affairs and Communications fell by 0.2 percentage points from the average of April 2021 to March 2022, with the average of 2.6% from April 2022 to March 2023. Compared with the previous fiscal year, the number of job openings increased and the unemployment rate decreased, making it more difficult to acquire human resources. In addition, the number of new dispatch requests and orders received from research laboratories and quality control departments, such as pharmaceutical, chemical and food manufacturers, and research laboratories at universities and public institutions, which are our Group's main customers, remained at the same level as the previous fiscal year.

In the Human Resources Services segment, we improved the treatment of temporary staff and group employees based on the medium-to-long term management plan announced on May 13, 2022. In July 2022, we increased the remuneration of temporary staff in working. We also conducted recruitment activities for temporary staff who are recruiting new staff based on the revised remuneration. As a result, the turnover rate of temporary staff during their employment declined and new temporary staff were acquired, resulting in an increase in the number of active staff. We also worked to secure excellent human resources by raising the base pay for our group employees as well.

With regard to the temporary staffing service platform DOCONICO, we improved functions and promoted activities to penetrate customers, prospective customers, and temporary staff. At the same time, we worked to optimize our organization in order to maximize the effects of Doconico's operational efficiency, based on our online sales activities.

(Medium-to-Long Term Management Planning <https://www.wdbhd.co.jp/assets/pdf/eng/ir/about/management-policy220513.pdf>)

With regard to CRO business, we have been developing the services through platforms in the same way as the human resources services business at each company, with WDB coco Co., Ltd. and Medfile's Co., Ltd. in Finland at the core, while engaging in existing businesses.

As a result of the above activities, net sales for the fiscal year under review were ¥47,602 million (up 1.5% year on year). Operating income was ¥5,508 million, down 12.8%, ordinary income was ¥5,614 million, down 12.2%, and net income attributable to owners of parent was ¥3.54 million, down 15.1%. The ratio of operating income to net sales, a management indicator we emphasize, declined 1.9 percentage points to 11.6%. The ratio of ordinary income to net sales fell 1.8 percentage points to 11.8%. ROE declined 4.3 percentage points to 13.4%.

Divisional Review

The breakdown by division is as follows.

(Thousands of yen)

	37th term		38th term (current term)		Absolute change YoY
	Net sales	Composition ratio	Net sales	Composition ratio	
Human Resource Service Business	40,247,155	85.9%	40,855,532	85.8%	1.5%
CRO business	6,330,145	13.5%	6,746,914	14.2%	6.6%
Other	298,662	0.6%	-	-	-
Total	46,875,964	100.0%	47,602,446	100.0%	1.5%

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

(2) Capital Expenditures

Total capital expenditures during the fiscal year under review were 334,689 thousand yen.

(3) Financing Activities

Not applicable.

(4) 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.

As for the business environment of the Human Resources Services Business, the outbreak of a new type of coronavirus infection is coming to a halt, and the domestic recruitment environment is tightening again.

To cope with this business environment, we have established a training facility for temporary employees nationwide, and have established a system to enable employees to work even if they are not experienced in their jobs. For many years, we have also established a system to provide extensive follow-up and training during work so that temporary employees can work with peace of mind for a long period of time.

In addition, over the two-year period ending March 31, 2023 and 2024, we are working to qualitatively transform our business. By increasing the compensation of temporary staff and strengthening the training and follow-up mechanisms, we will greatly enhance our ability to procure staff and pursue greater customer satisfaction and staff satisfaction than ever before. Funding for the increase in compensation will be generated by streamlining operations and reducing SG&A expenses by providing services through Doconico and other platforms. In addition, by adopting a similar strategy, we will make a full-fledged entry into the administrative staffing market. Although the operating income margin will decline slightly, we will maintain the 10% ratio and expand sales and profits.

In CRO business, the operating environment for pharmaceutical companies continues to become increasingly challenging. As a result, the need for outsourcing to CRO is increasing, and we expect the market-scale to expand. In addition, the established CRO is a business model in which experienced employees are hired at a high salary and outsourced operations are processed. As a result, the Company has not yet emerged from a high-cost structure, which is reflected in the high level of contract fees to pharmaceutical companies. We utilize the know-how we have cultivated in the temporary staffing industry to recruit and train inexperienced personnel and to take a business model that combines these 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 used overseas as well, we are expanding our business overseas as well. Similar to the human resources services business, the Group will develop its business through platforms and provide more convenient services to customers.

(5) Status of transfer of business, absorption-type demerger or incorporation-type demerger

Not applicable.

(6) Status of acquisition of business of other companies

Not applicable.

(7) Status of succession of rights and obligations in relation to the business of another juridical person, etc. as a result of an absorption-type merger or absorption-type demerger

Not applicable.

(8) Status of acquisition or disposition of shares and other shares of other companies or stock acquisition rights

Effective March 31, 2023, we transferred all of the shares of WDB Clinical Research Co., Ltd., a consolidated subsidiary, to WDB coco Co., Ltd., a consolidated subsidiary.

(9) Changes in Assets and Profits and Losses

By term Classification	35th term Year ended March 31, 2020	36th term Year ended March 31, 2021	37th term Year ended March 31, 2022	38th term (current term) Year ended March 31, 2023
Net sales (thousand yen)	43,108,338	44,126,189	46,875,964	47,602,446
Ordinary income (thousand yen)	4,961,186	5,243,922	6,393,458	5,614,843
Net income for the year attributable to owners of parent (thousand yen)	3,114,138	3,405,323	4,171,272	3,540,641
Net income per share (yen)	156.97	171.79	211.32	179.75
Total assets (thousand yen)	26,545,151	30,619,873	33,828,472	36,198,765
Net assets (thousand yen)	19,687,208	22,302,570	25,796,427	28,463,963
Shareholders' Equity per Share (Yen)	974.38	1,105.08	1,272.25	1,405.74

(NOTE)1. Net income per share is based on the average number of shares outstanding during the period, and net assets per share is based on the total number of shares outstanding at the end of the period. The number of shares issued and outstanding is based on the number of shares excluding treasury stock.

2. The main components of changes in net assets during each fiscal year are as follows:

36th term	2021 February	Repurchasing -274.8 million yen share
38th term	2022 November	Repurchasing -258.3 million yen share

3. The status of the 38th fiscal term is as described in "(1) Progress and results of the business" above.

(10) Status of significant parent company and subsidiaries

1 Relationship with parent company

Not applicable.

2 Status of significant subsidiaries

Company Name	Common stock	Ratio of voting rights	Main business
WDB Co., Ltd.	450 million yen	100%	Temporary staffing and recruitment consultancy services for scientific researchers
WDB KOUGAKU Co., Ltd.	200 million yen	100%	Regular employment dispatch of engineers
WDB coco Co., Ltd.	279 million yen	68%	Collection and reporting to authorities on adverse drug events, etc.
WDB Clinical Research Co., Ltd.	50 million yen	68% (68%)	Data management and statistical analysis related to pharmaceuticals and clinical research
Oy Medfiles Ltd.	112,000 euros	100%	Support services related to applications and approvals for drugs, etc. Laboratory services in the pharmaceutical field
Cobridge Co., Ltd.	50 million yen	100%	Pharmaceutical application services MF registration/domestic administrator services
DZS Clinical Services, Inc.	752,000 dollar	100% (100%)	Support services related to applications and approvals for drugs, etc.
NEZOT Co., Ltd.	200 million yen	100%	Launch, operate, and manage proprietary platforms in WDB's business domains, and develop new businesses

(NOTE) The inside letter at () in "Ratio of voting rights" column presents indirectly owned.

3 Status of Specified Wholly Owned Subsidiary Company as of the last day of the business year

Not applicable.

(11) Major Businesses (As of March 31, 2023)

Our Group's main business is temporary staffing and recruitment consulting services, mainly in the field of science. In addition, we are engaged in other businesses, such as contract regulatory application and safety management services.

(12) Major Business Locations (As of March 31, 2023)

Name	Location
Head Office	79 Toyozawa-cho, Himeji-shi, Hyogo
Tokyo Head Office	Yusen Building 2F, 2-3-2 Marunouchi, Chiyoda-ku, Tokyo
Subsidiary	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
	COBRIDGE CO., LTD. Chiyoda-ku, Tokyo
	Oy Medfiles Ltd. Kuopio, FINLAND
	DZS Clinical Services, Inc. NJ, USA
	NEZOT Co., Ltd. Chiyoda-ku, Tokyo

(13) Status of Employees (As of March 31, 2023)

Number of employees	Change from end of previous term	Average age	Average length of service
5,291 persons (654 persons)	Increased by 222 (Increased by 47)	38.32 years old	4.12 years

(NOTE) 1. The number of employees is the number of employees employed, and the number of temporary employees (including hourly flexible employees and part-time employees) is shown outside parentheses with the average number of employees for the fiscal year under review.

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

(14) Status of Major Borrowing Banks (As of March 31, 2023)

Not applicable.

(15) Other important matters related to the current status of the corporate group
Not applicable.

2. Stock of the Company (as of March 31, 2023)

- (1) Total Number of Authorized Shares 80,240,000 shares
- (2) Total number of issued shares 20,060,000 shares (including 420,949 shares of treasury stock)
- (3) Number of shareholders 7,389 people
- (4) Top 10 shareholders

Name of shareholder	Number of shares	Shareholding ratio %
Nakano Shoten, Ltd.	9,659,600	49.19
The Master Trust Bank of Japan, Ltd. (Trust Account)	990,400	5.04
STATE STREET CLIENT OMNIBUS ACCOUNT OM02	860,995	4.38
SMBC Trust Bank, Ltd., Trustee of Specified Securities Trust	675,100	3.44
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	657,459	3.35
Toshimitsu Nakano	600,000	3.06
Miki Otsuka	480,000	2.44
Custody Bank of Japan, Ltd. (Trust Account)	462,400	2.35
Nippon Life Insurance Company	400,000	2.04
THE BANK OF NEW YORK 133652	333,400	1.70

(NOTE)The shareholding ratio is calculated after deducting treasury stock (420,949 shares).

- (5) 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

- (1) Name, etc. of Director

Position	Name	Responsibilities and Important Concurrent Positions
President and CEO	Toshimitsu Nakano	Representative Director of WDB Co., Ltd. Director, WDB KOUGAKU Co., Ltd. Director, 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. Chairman, Oy Medfiles Ltd. Representative Director, Cobridge Co., Ltd.
Director	Kinya Nakaoka	In charge of corporate planning
Director	Kiyoyuki Kuroda	Attorney at law (representative member of Miyake & Partners of Legal Profession Corporation) Outside Director (Audit and Supervisory Committee Member) of Fudo Tetra Corporation.
Director	Hiroshi Kimura	Attorney at law (General Manager of Kimura Law Office) Outside Director, Fujipream Corporation. Outside Audit & Supervisory Board Member of Banyo Security Co., Ltd.

Position	Name	Responsibilities and Important Concurrent Positions
Director (Full-time Audit and Supervisory Committee Members)	Shigekazu Ukai	Corporate Auditor, 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 member of Hamada tax accountant corporation) Outside Director (Audit and Supervisory Committee Member) of NISHIMATSUYA CHAIN Co., Ltd. Outside Director (Audit and Supervisory Committee Member) of GLORY LTD.
Director (Audit and Supervisory Committee Member)	Tomoyoshi Arita	Attorney at law (Ginza Chuo Law Office) Outside Audit & Supervisory Board Member, Hasegawa Kouryo Co., Ltd.

- (NOTE) 1. Mr. Kiyoyuki Kuroda, Mr. Hiroshi Kimura, Mr. Satoshi Hamada, and Mr. Tomoyoshi Arita are outside directors.
2. Kiyoyuki Kuroda, Hiroshi Kimura, Satoshi Hamada, and Tomotoku Arita are independent officers who are unlikely to have a conflict of interest with general shareholders required to be designated by the Tokyo Stock Exchange.
3. Mr. Shigekazu Ukai, Audit and Supervisory Committee Member, has many years of experience in financial institutions and has certified public tax accountants, and has considerable knowledge of finance and accounting.
4. Mr. Satoshi Hamada, Audit and Supervisory Committee Member, is a certified public accountant and has advanced financial and accounting expertise.

(1) Amount of Remuneration, etc. for Directors

Classification	Number of persons to be paid	Amount paid (thousand yen)
Directors (excluding Audit and Supervisory Committee Members)	5 persons	134,354
(Outside Directors)	(2 persons)	(9,901)
Director (Audit and Supervisory Committee Member)	3 persons	27,252
(Outside Directors)	(2 persons)	(15,301)
Total	8 persons	161,607

- (NOTE) 1. The above payments include provision for directors' retirement benefits of 24,182 thousand yen (directors (excluding Audit and Supervisory Committee members) 22,702 thousand yen and directors (Audit and Supervisory Committee members) 1,480 thousand yen) recorded in the current fiscal year.
2. The total remuneration paid to Directors (excluding Audit and Supervisory Committee Members) does not include the salary paid to employees of directors who also serve as employees.
3. At the 33rd Ordinary General Meeting of Shareholders held on June 21, 2018, the maximum amount of remuneration for directors (excluding members of the Audit and Supervisory Committee) was resolved to be 250 million yen per year (up to 50 million yen for outside directors) (except for employees' salaries). The number of directors (excluding Audit and Supervisory Committee members) at the conclusion of the general meeting of shareholders is five (including two outside directors).
4. 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 ¥50 million per year. The number of directors (Audit and Supervisory Committee members) at the conclusion of the 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 adopted a policy for determining the remuneration, etc. of 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 for determining the details of remuneration, etc. and the contents of remuneration, etc. determined for each individual director for the current fiscal year are consistent with the decision policy resolved by the Board of Directors, and judged that they are in line with the decision policy.

The details of the policy for determining the remuneration, etc. of individual directors are as follows.

The basic remuneration for our directors is determined on a monthly basis as fixed remuneration and retirement bonus. The basic remuneration is determined according to management ability, achievements, contributions, and other factors, taking into account the level of other companies, our performance, and the level of employee salaries.

Compensation for executives is based on a system that reflects job responsibilities and achievements, taking into account corporate performance and economic conditions.

Compensation for directors who are not Audit and Supervisory Committee members is determined by the Board of Directors after the representative director formulates a draft based on the above policy.

The specific amount of remuneration for directors who are Audit and Supervisory Committee members is determined through consultation with the directors who are Audit and Supervisory Committee members.

Information on Outside Officers

1 Relationship between us and other corporations and other entities with which we hold important concurrent positions

Director Kiyoyuki Kuroda also serves as Representative Partner of Miyake Law Firm, an attorney corporation, and Outside Director (Audit and Supervisory Committee Member) of Fudo Tetra Corporation. There is no special relationship between us and Miyake & Partners and Fudo Tetra Corporation.

Hiroshi Kimura, Director, concurrently 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 relationships between us and Kimura Law Office, Fujipream Corporation. and Hanyo Securities Co., Ltd.

Satoshi Hamada, Director (Audit and Supervisory Committee Member), also serves as Representative Partner of Hamada Tax Accounting Corporation, Outside Director (Audit and Supervisory Committee Member) of NISHIMATSUYA CHAIN Co., Ltd., and Outside Director (Audit and Supervisory Committee) of GLORY LTD. There are transactions between us and Hamada Certified Public Tax Accountant Corporation for temporary staffing services and recruitment consulting services with WDB Co., Ltd., our subsidiary. There are temporary staffing-service transactions with NISHIMATSUYA CHAIN Co., Ltd. with our subsidiary WDB Co., Ltd. There are also temporary staffing service transactions with GLORY LTD. with WDB Co., Ltd. and WDB KOUGAKU Co., Ltd., our subsidiaries.

Tomoyoshi Arita, Director (Audit and Supervisory Committee Member) concurrently serves as an attorney at law at Ginza Chuo Law Office and an Outside Auditor of T. HASEGAWA CO., LTD. There is no special relationship between us and Ginza Chuo Law Office and T. HASEGAWA CO., LTD.

2 Major activities during the year

Attendance at Meetings of the Board of Directors and Audit and Supervisory Committee Meetings

Classification	Name	Status of Major Activities
Outside Director	Kiyoyuki Kuroda	The Board of Directors attended 13 of the 14 meetings held during the fiscal year under review. The Board of Directors, mainly from a professional perspective as an attorney at law, actively expresses its opinions on the deliberations and other matters. The Board of Directors plays an appropriate role in ensuring the appropriateness and legality of the speech necessary for management activities and the decision-making of the Board of Directors.
	Hiroshi Kimura	The Board of Directors attended 13 of the 14 meetings held during the fiscal year under review. The Board of Directors, mainly from a professional perspective as an attorney at law, actively expresses its opinions on the deliberations and other matters. The Board of Directors plays an appropriate role in ensuring the appropriateness and legality of the speech necessary for management activities and the decision-making of the Board of Directors.
Outside Director (Audit and Supervisory Committee Member)	Satoshi Hamada	We attended 14 of the 14 meetings of the Board of Directors and 12 of the 12 meetings of the Audit and Supervisory Committee. The Board of Directors actively expresses its opinions from the abundant 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 the speech necessary for management activities and the decision-making of the Board of Directors. The Audit and Supervisory Committee exchanges opinions on audit results and discusses important matters related to audits.
	Tomoyoshi Arita	The Board of Directors met 13 out of 14 meetings and attended 11 out of 12 meetings of the Audit and Supervisory Committee. The Board of Directors actively expresses its opinions from a professional perspective, primarily as a lawyer, and plays an appropriate role in ensuring the appropriateness and legality of speech necessary for management activities and the decision-making of the Board of Directors. The Audit and Supervisory Committee exchanges opinions on audit results and discusses important matters related to audits.

3 Total amount of remuneration paid to outside officers

As shown in (2) Amount of compensation, etc. for the director

(3) Whether or not a full-time Audit and Supervisory Committee member has been selected and the reason therefor

Shigekazu Ukai has been selected as a full-time Audit and Supervisory Committee member in order to strengthen the auditing and supervisory functions of Audit and Supervisory Committee members, and to enable the collection of information from directors (excluding Audit and Supervisory Committee members), the sharing of information at important in-house meetings, and sufficient cooperation between the Internal Audit Division and the Audit and Supervisory Committee.

(4)Matters pertinent to the limited liability contract

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, we have entered into agreements with Kiyoyuki Kuroda, Hiroshi Kimura, and Shigekazu Ukai, Satoshi Hamada, and Tomoyoshi Arita, the Directors (Audit and Supervisory Committee Members) to limit our liability as set forth in Article 423, Paragraph 1 of the Companies Act to the total of the amounts set forth in each item of Article 425, Paragraph 1 of the Companies Act only when there is no willful act or gross negligence in performing our duties.

(5)Matters concerning liability insurance contracts for officers, etc.

We have entered into liability insurance contracts with insurance companies for officers, etc. as set forth in Article 430-3, Paragraph 1 of the Companies Act. The scope of the insured under the applicable insurance contract is that of officers and managerial employees belonging to our group, and the insured does not bear any insurance premiums. The Company will compensate for any damage suffered by the insured due to a claim for compensation for damages, etc. filed by the insured due to the insured's error, breach of obligation, omission, etc., as a result of the applicable insurance contract. Provided, however, that in order to ensure that the appropriateness of the performance of duties by the insured is not impaired, any claim for damages, etc., arising from the intentional breach of trust, criminal act, fraud, or intentional breach of laws and regulations, shall not be covered.

5. Status of Accounting Auditors

(1) Names of Accounting Auditors

Deloitte Touche Tohmatsu LLC

(2) Amount of remuneration, etc. of the accounting auditor for the current business year

- | | | |
|---|-------------------------------------------------------------------------------------------------------------------|------------------|
| 1 | Amount of remuneration, etc. for the accounting auditor for the current fiscal year | 37.1 million yen |
| 2 | Total amount of any money or other property benefits payable by us and our subsidiaries to the accounting auditor | 58.2 million yen |

(N.B.) · Based on the Practical Guidelines on Cooperation with Accounting Auditors published by the Japan Audit & Supervisory Board Members Association, the Audit & Supervisory Committee confirms the performance of audit items in the audit plan for the previous fiscal year, the performance of audit time by rank, and the progress of remuneration amount as well as the performance of duties of the accounting auditor. After examining the appropriateness of the audit plan and remuneration amount for the current fiscal year, the Audit & Supervisory Committee has agreed to Article 399, Article 1 of the Companies Act regarding remuneration, etc. of the accounting auditor.

· In addition to the above remuneration for the current fiscal year, the additional remuneration for the previous fiscal year is 3 million yen.

(3) Content of non-audit services

Not applicable.

(4) 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 qualifications and independence of the Accounting Auditor, the dismissal or non-reappointment of the Accounting Auditor shall be the purpose of the meeting of shareholders by a resolution of the Audit & Supervisory Committee. In addition, in the event 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.

(Figures in this business report are rounded down to the nearest thousand yen and ratios are rounded off.)

**Consolidated Balance
Sheets**

(As of March 31, 2023)

(Thousands of yen)

Assets		Liabilities	
Subjects	Amount	Subjects	Amount
Current assets	25,458,464	Current liabilities	6,287,860
Cash and deposits	18,370,835	Accounts payable	2,318,746
Accounts receivable and contractual assets	6,442,248	Income taxes payable	736,039
Inventories	40,790	Consumption tax payable	881,052
Other	684,493	Accrued bonuses	703,134
Allowance for doubtful accounts	-79,903	Other	1,648,887
Fixed assets	10,740,301	Long-term liabilities	1,446,941
Tangible fixed assets	8,692,920	Reserve for retirement benefits for directors	511,133
Buildings and structures	1,411,876	Asset retirement obligations	265,167
Machinery, equipment and vehicles	153,010	Net defined benefit liability	420,547
Tools, furniture and fixtures	113,036	Other	250,093
Land	6,787,415	Total liabilities	7,734,802
Lease assets	53,559	Net assets	
Construction in progress	174,022	Shareholders' equity	27,482,924
Intangible fixed assets	73,859	Common stock	1,000,000
Other	73,859	Capital surplus	710,799
Investments and other assets	1,973,521	Retained earnings	27,049,315
Lease deposits	808,149	Treasury stock	-1,277,189
Insurance reserve	258,086	Accumulated other comprehensive income	124,472
Deferred tax assets	755,777	Unrealized gain on available-for-sale securities	27,977
Other	151,507	Foreign currency translation adjustments	92,771
		Remeasurements of defined benefit plans	3,722
		Non-controlling shareholders' equity	856,566
Total assets	36,198,765	Total net assets	28,463,963
		Total liabilities and net assets	36,198,765

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

Consolidated
Statements of Income

(From April 1, 2022
Until March 31, 2023)

(Thousands of yen)

Subjects	Amount	
Net sales		47,602,446
Cost of sales		35,667,759
Gross profit		11,934,687
Selling, general and administrative expenses		6,426,638
Operating income		5,508,049
Non-operating income		
Gain on consumption and other tax exemption	1,802	
Subsidy income	92,872	
Other	18,672	113,347
Non-operating expenses		
Foreign exchange loss	4,571	
Other	1,982	6,554
Ordinary income		5,614,843
Extraordinary income		
Gain on sales of fixed assets	3,569	3,569
Extraordinary losses		
Impairment loss	59,785	
Loss on disposal of fixed assets	4,556	
Loss on sale of fixed assets	5,720	70,062
Income before income taxes and minority interests		5,548,350
Income taxes	1,745,141	
Income taxes-deferred	25,663	1,770,805
Net income		3,777,545
Net income attributable to non-controlling interests		236,904
Net income attributable to owners of parent		3,540,641

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

Balance Sheet

(As of March 31, 2023)

(Thousands of yen)

Assets		Liabilities	
Subjects	Amount	Subjects	Amount
Current assets	2,174,398	Current liabilities	138,689
Cash and deposits	1,483,710	Accounts payable	109,529
Other	718,896	Other	29,160
Allowance for doubtful accounts	-28,208	Long-term liabilities	799,281
Fixed assets	11,419,775	Deferred tax liabilities	71,122
Tangible fixed assets	8,171,606	Reserve for retirement benefits for directors	511,133
Building	1,172,531	Asset retirement obligations	217,026
Construct	11,631	Total liabilities	937,971
Tools, furniture and fixtures	25,726	Net assets	
Machinery and equipment	278	Shareholders' equity	12,628,224
Land	6,787,415	Common stock	1,000,000
Construction in progress	174,022	Capital surplus	218,024
Intangible fixed assets	10,600	Additional paid-in capital	52,525
Software	10,600	Other capital surplus	165,498
Investments and other assets	3,237,568	Retained earnings	12,687,390
Investment securities	109,039	Legal reserve	197,474
Investments in affiliates	2,176,169	Other retained earnings	12,489,916
Lease deposits	662,790	General reserve	2,350,000
Insurance reserve	252,163	Retained earnings carried forward	10,139,916
Other	129,231	Treasury stock	- 1,277,189
Allowance for Investment Losses	-91,826	Valuation and translation adjustments	27,977
		Unrealized gain on available-for-sale securities	27,977
		Total net assets	12,656,202
Total assets	13,594,174	Total liabilities and net assets	13,594,174

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

Income Statement

(From April 1, 2022
Until March 31, 2023)

(Thousands of yen)

Subjects	Amount	
Operating revenues		2,905,216
Operating expenses		1,066,486
Operating income		1,838,729
Non-operating income		
Interest and dividend income	4,671	
Reversal of allowance for investment loss	83,989	
Other	4,197	92,858
Non-operating expenses		
Interest expense	833	
Provision for allowance for doubtful accounts	28,208	
Other	142	29,183
Ordinary income		1,902,403
Extraordinary income		
Gain on sales of fixed assets	3,417	3,417
Extraordinary losses		
Loss on valuation of shares in subsidiaries	206,979	
Other	5,962	212,942
Income before income taxes		1,692,878
Income taxes	22,079	
Income taxes-deferred	1,600	23,680
Net income		1,669,197

(Figures are rounded down to the nearest thousand 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 38th fiscal year, we intend to pay the following dividends in order to respond to the support of our shareholders by comprehensively taking into account factors such as the continuation of stable dividends and our business results for the fiscal year under review, future business development and the status of internal reserves.

- 1 Type of assets to be distributed
Cash

- 2 Matters related to the allocation of the property for distribution to the shareholders, and the aggregate amount of the dividend
Per share of our common stock 31.00 yen Total of 608,810,581 yen

- 3 The day on which the dividend of retained earnings takes effect
June 23, 2023

Proposal 2 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 members of the Audit and Supervisory Committee; hereinafter the same shall apply in this proposal) will expire their terms of office. Therefore, we would like to request the election of five directors.

The Company comprehensively considers the selection policy of candidates for Directors from the perspective of having the ability, knowledge, and experience to strategically and promptly make decisions on the relevant departments and businesses and to manage risks.

In addition to the external requirements set forth in the Companies Act and the independence criteria set forth by the Tokyo Stock Exchange, the Company comprehensively considers the appointment of candidates for Outside Directors from the perspective of having expertise and abundant experience in each field.

In the event of a violation of laws and regulations, the Articles of Incorporation, or any other reason deemed difficult to fulfill duties properly, the Board of Directors shall deliberate and decide on the removal of the position of such director and other dispositions.

The candidates for Directors are as follows.

Candidate Number	Name Date of Birth	Brief personal history, position, responsibilities and important concurrent positions	Our own Number of shares
1	Toshimitsu Nakano (July 11, 1956)	1982 8 Joined Alico Japan (now MetLife Insurance Co., Ltd.) 1985 7 WORK DATABANK CORP. (currently WDB HOLDINGS CO., LTD.) President and CEO (to present) 2010 4 Representative Director of Business Succession Partners Co., Ltd. (now WDB Business Succession Partners Co., Ltd.) 2011 4 Director, ICC O Co., Ltd. (currently WDB COCO Co., Ltd.) (current) 2011 11 Representative Director, WDB Co., Ltd. (current) 2012 12 President, WDB Engineering Co., Ltd. 2013 3 Director, Sumiden Systems Co., Ltd. (currently WDB Clinical-Research Co., Ltd.) (current) 2014 4 Director of KAKENGENEX Co., Ltd. 2014 11 Director, WDB Engineering Co., Ltd. (current) 2015 6 Director of WDB Taiwan Co., Ltd. (current) 2016 4 Director, WDB Chemical Laboratory Co., Ltd. 2017 2 Representative Director of NEZOT Co., Ltd. (current position) 2020 6 Chairman and Representative Director, WDB Business Successor Partners Co., Ltd. (current)	600,000 shares

2	Miki Otsuka (January 16, 1964)	1986 4 Joined Okuuchi Building Co., Ltd. 1986 9 Our employment 1995 11 Registration of Certified Social Insurance and Labor Consultant 1996 10 Our directors 2000 7 Our Senior Managing Director (to present) 2010 4 Director, Business Succession Partners Co., Ltd. (currently WDB Business Succession Partners Co., Ltd.) (current) 2011 4 Ai Sea-O Co., Ltd. (currently WDB Coco Co., Ltd.) President 2011 11 Senior Managing Director, WDB Co., Ltd. (current) 2012 12 Director, WDB Engineering Co., Ltd. (current) 2013 3 Representative Director of Sumiden Systems Co., Ltd. (now WDB Clinical-Research Co., Ltd.) 2014 4 Representative Director, WDB University Corporation 2015 6 Representative Director of WDB Taiwan Co., Ltd. (current) 2017 2 Director, Nezo Co., Ltd. (current) 2017 3 Oy Medfiles Ltd. Chairman (present) 2017 6 Representative Director, Kobridge Co., Ltd. (current) 2020 6 Director, WDB Clinical-Research Inc. (current) 2020 6 Director, WDB Chemical Laboratory Co., Ltd. 2020 6 Director of KAKENGENEX Co., Ltd.	480,000 shares
3	Shuji Kondou (September 10, 1969)	1992 4 Joined Omron Corporation 1995 4 Joined Showa Kako Co., Ltd. (now Showa Globe Co., Ltd.) 2000 7 SHOWA Europe President 2009 6 Director and General Manager of International Business Division, Showa Globe Co., Ltd. 2013 1 Director, General Manager of Administration Division and General Manager of International Business Division, SHOWA GROBE CO., LTD. 2015 1 SHOWA Americas & Oceania President/COO 2015 3 Managing Director, Showa Globe Co., Ltd. 2017 3 President and Representative Director, Showa Globe Co., Ltd. 2023 4 Our Adviser (to present)	-Shares
4	Kiyoyuki Kuroda (January 12, 1970)	1996 4 Registration as a practicing attorney 2002 5 Partner of Miyake Law Office, Legal Profession Corporation 2005 11 External auditor of our company 2009 6 Outside Director of the Company 2018 6 Outside Director of Fudo Tetra Co., Ltd. (Audit and Supervisory Committee Member) (current) 2019 5 Representative member of Miyake Law Office of the Legal Profession Corporation (to present)	1,350 shares
5	Hiroshi Kimura (September 5, 1963)	2003 10 Registration as a practicing attorney 2005 7 Establishment of Kimura Law Office Director, Kimura Law Office (present) 2009 6 External auditor of our company 2012 6 Outside Director of the Company 2014 6 Outside Director, FujiPream Co., Ltd. (current) 2017 6 Outside Corporate Auditor of Banyo Securities Co., Ltd. (current)	1,540 shares

- (NOTE) 1. Mr. Toshimitsu Nakano, a director candidate, controls our management.
2. There is no special interest between the other prospective Directors and us.
3. Mr. Kiyoyuki Kuroda and Mr. Hirofumi Kimura are candidates for outside directors.
4. Mr. Kiyoyuki Kuroda, a prospective Outside Director, has abundant experience and insight as a lawyer, and as a legal expert, I hope that he will be able to independently monitor management from an objective perspective that takes into account the entire corporate society, including laws and regulations, without being construed by our logic.
As an outside director of the Company for 14 years, he has already received an appropriate opinion from a fair and objective standpoint, and we have determined that he will be able to continue to ask for appropriate guidance when making decisions on the Board of Directors.
- 2 Mr. Hiroshi Kimura, a candidate for outside director, has abundant experience and insight as an attorney-at-law, and as a legal expert, he offers advice on our overall management, and we look forward to receiving advice and other advice in terms of strengthening our corporate governance.
As an outside director of the Company for 11 years, he has already received an appropriate opinion from a fair and objective standpoint, and we have determined that he will be able to continue to ask for appropriate guidance when making decisions on the Board of Directors.
5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, we have entered into agreements with Kiyoyuki Kuroda and Hirofumi Kimura to limit our liability as set forth in Article 423, Paragraph 1 of the Companies Act to the total of the amounts set forth in each item of Article 425, Paragraph 1 of the Companies Act only in the event that we perform our duties in good faith and are not grossly negligent. If this proposal is approved and Mr. Kiyoyuki Kuroda and Mr. Hirofumi Kimura are reappointed, the above liability limitation agreement will continue.
6. We have concluded a liability insurance contract with an insurance company based on the provisions of Article 430-3, Paragraph 1 of the Companies Act. We have decided to cover the loss suffered by the insured due to claims for damages, non-monetary claims, and criminal prosecution brought against the insured due to errors, breaches of obligations, or omissions of our directors, directors of subsidiaries, and others. In the event each candidate is elected as a director and assumes his/her office, he/she shall become the insured of such insurance contract. The insurance contract will be renewed at the time of the next renewal.
7. We have notified the Tokyo Stock Exchange of Kiyoyuki Kuroda and Hirofumi Kimura as independent officers who are required to be designated by the Tokyo Stock Exchange.
8. The number of shares of our stock held by candidates for directors includes the shares held by the Executive Shareholding Association. (Less than one share cut)