



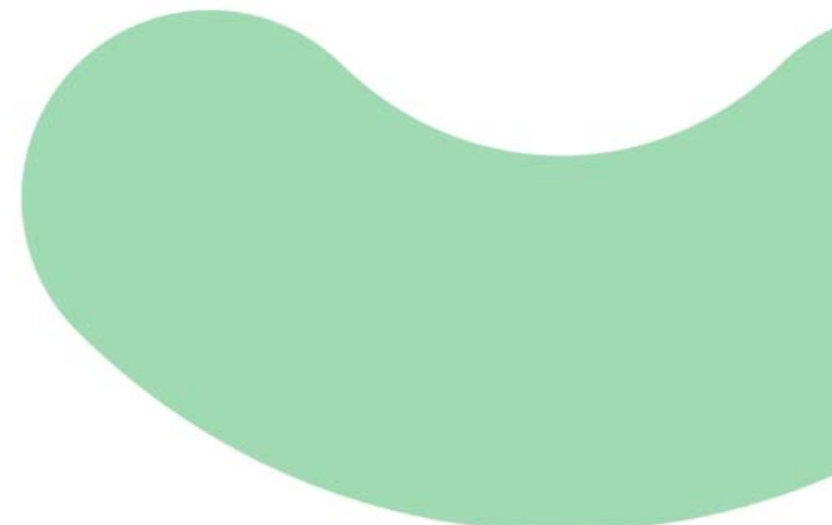
# Results of Operations

for the Third Quarter of the Fiscal Year Ending March 2021 (3Q FY3/21)

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**Welbe, Inc.**

Securities Code: 6556



## ■ Results of operation

- From the same period of the previous year, net sales up 1,070million, operating profit up 200million
- The number of users has increased due to thorough measures against infectious diseases and the successful introduction of online support for the impact of new coronavirus infection.
- Compared to the full-year forecast, sales are steadily increasing to 77.9% and profits at each stage exceeding 80%.

## ■ Full-year outlook

- No impact of state of emergency. The number of users is expected to remain strong.
- Increased the number of bases planned to open from the initial plan.

## ■ Dividend

- Commemorative dividend (announced on November 13, 2020) :

This year marks the 10th term of our establishment. Implemented a commemorative dividend of 5.0 yen

- Increased year-end ordinary dividend (announced on November 19, 2020) :

Dividend increased by 0.5 yen due to revision of earnings forecast.

- Annual dividend is 15.0 yen :

Ordinary dividend 10 yen(Interim dividend of 4.7 yen, Year-end ordinary dividend 5.3 yen), Year-end commemorative dividend 5.0 yen

- Consolidated accounting started from the FY3/20.
- Figures for the 1<sup>st</sup> to 3<sup>rd</sup> quarters of FY3/20, and before the FY3/19 are based on non-consolidated financial statements.

## 2. Quarterly Results

- From the same period of the previous year, net sales up 1,070 million, operating profit up 200 million.
- The number of users increased due to thorough measures against infectious diseases and the successful introduction of online support for the impact of COVID-19 infection.
- Compared to the full-year forecast, sales are steadily increasing to 77.9% and profits at each stage exceeding 80%.

	FY3/20	FY3/21	YoY change		FY3/21	
	3Q	3Q			Forecast	
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)	Change (%)	Amount (Millions of yen)	Progress
Net sales	5,040	6,106	+1,066	+21.2%	7,838	77.9%
Gross profit	2,144	2,484	+340	+15.9%		
Operating profit	1,463	1,664	+201	+13.8%	1,952	85.2%
Ordinary profit	1,461	1,713	+251	+17.2%	1,950	87.8%
Profit	937	1,184	+246	+26.3%	1,410	83.9%

#### Net sales

**The number of users is expected to remain strong even after January.**

However, we will continue to monitor the status of the COVID-19.

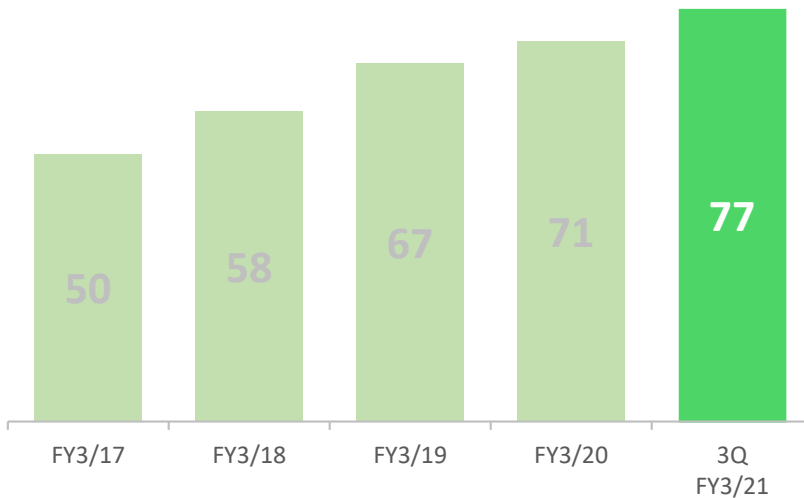
#### New Open

**Increased the number of bases planned to open from the initial plan.**

Proceed with contracts for candidate properties to open next fiscal year.

## 4. Bases

### Employment Transition Support Business



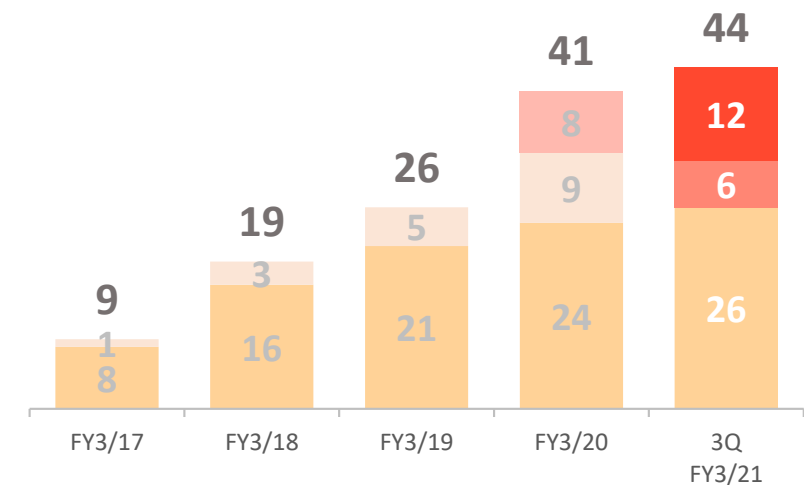
YTD

+ 6 bases

Jun. 2020    Awaji-Ekimae  
                   Urayasue-Ekimae  
 Sep.         Utsunomiya 2nd  
 Oct.         Nagasaki-Ekimae  
 Dec.         Nishi-Kawaguchi 2nd  
                   Yokosuka-Chuo-Ekimae  
 ( planned )  
                   Nagoya-Kanayama-Ekimae  
                   Kyoto-Shijo-Karasuma 2nd  
                   Hiroshima-Ekimae 2nd  
                   Okayama-Ekimae 2nd

### Habilitation business

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



YTD

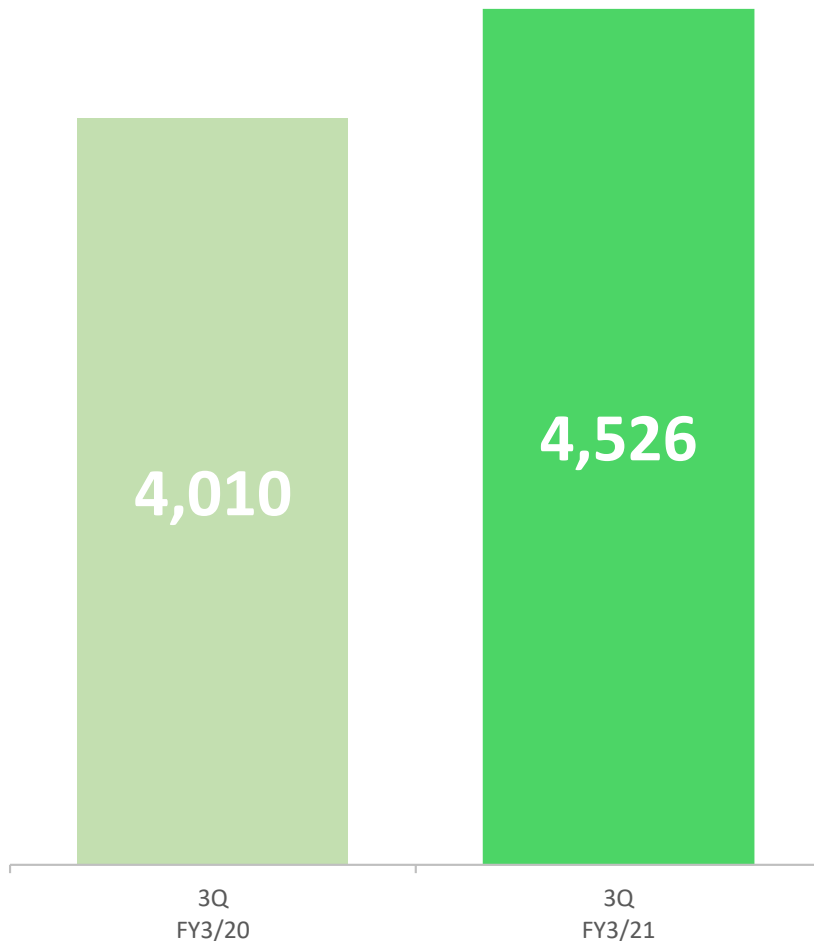
+ 3 bases

Sep. 2020    habii Yamato  
                   habii Kokura  
                   habii Takatsuki  
 ( planned )  
                   habii Chiba  
                   habii-plus Omiya 2nd  
    (Multifunctionalization)

- Multifunctionalization  
     habii 1 bases (habii Hon-Atsugi)  
     habii-plus 3 bases  
     (habii-plus Nishi-Funabashi, Fujimino, Nishi-Kawaguchi)
- Start of early childhood/learning classrooms  
     "Habii Academy"  
     online classroom, Yamato, Tama-plaza

## 5-1. Employment Transition Support Business

Net sales (million of yen)



**YoY** + ¥515 million

**Change** + 12.8%

**Progress** 77.1% vs. full-year forecast

### Main factors of change

(+) Increase in the number of users at Employment Transition Support offices

Increase in basic remuneration at Employment Transition Support offices

### No effect of the new coronavirus

- ✓ Increased the number of users because online support was approved during the request to refrain from going out this spring.
- ✓ No impact of state of emergency after January. The number of users is expected to remain strong.

### New bases openings are progressing smoothly

- ✓ We plan to open second centers (additional bases), mainly in areas where the number of users is maintained at a high level.
- ✓ Continue to promote bases openings in local cities in undeveloped areas.

### Increase in business orders from government agencies

- ✓ From April 2020, contracted the operation of "Job Center Kawaguchi" from Saitama Prefecture.  
The third contract after Soka(from June 2014) and Kawaguchi(from June 2015).
- ✓ From October 2020, contracted the operation of "Koshigaya City Employment Support Center for Persons with Disabilities".

# Increase in legal employment rate

From March 1, 2021

2.2% → **2.3%**

# Expected demand expansion

## Strengthening sales force

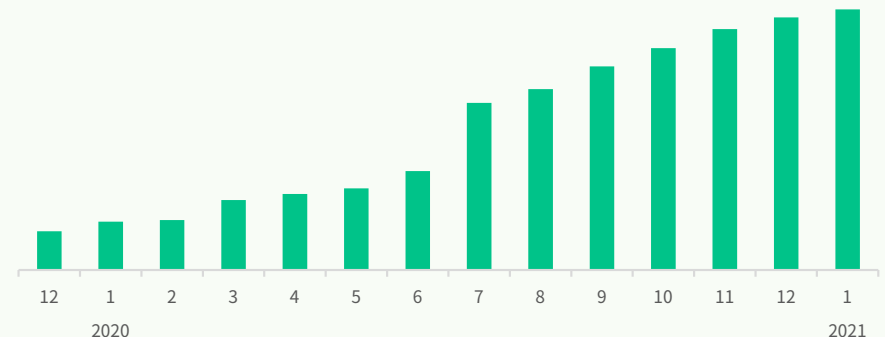
**5** salesmen

Personnel will continue to be strengthened.

## Expansion of the number of recruitment registrants

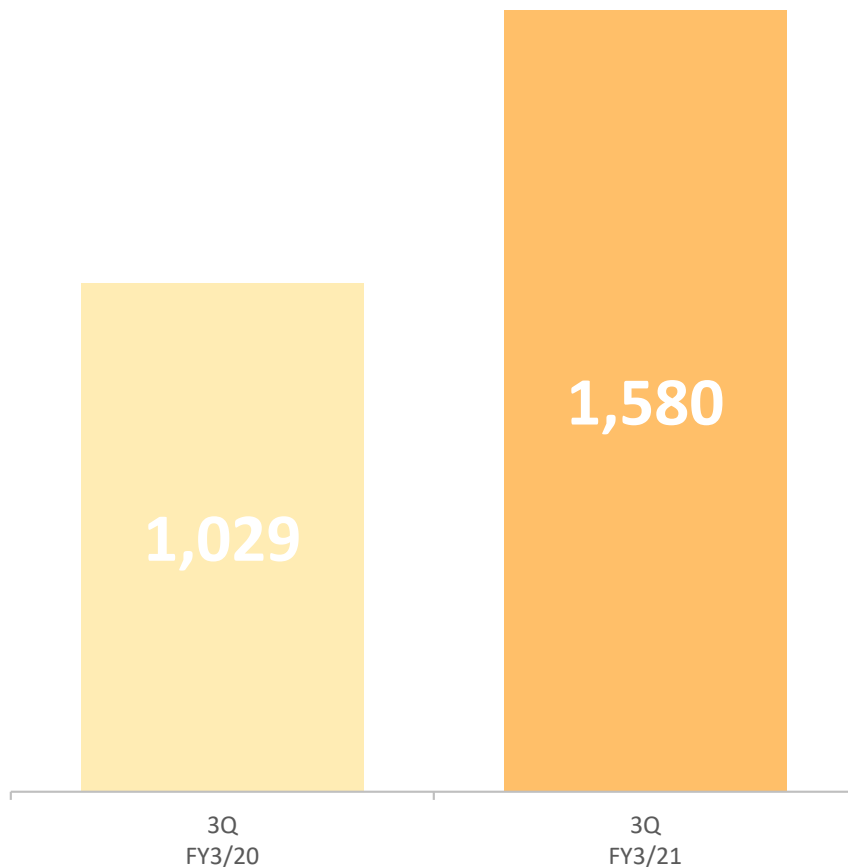
**1,151** registrants as of the end of Jan. 2021

Promote the registration of users and graduates of our service.





Net sales (million of yen)



**YoY** **+¥550 million**

**Change** **+53.5 %**

**Progress** **80.3 %** vs. full-year forecast

### Main factors of change

(+) Increase in the number of users

Increase in the number of users of child development support in multifunctional establishments

Consolidation of ILIS Inc.

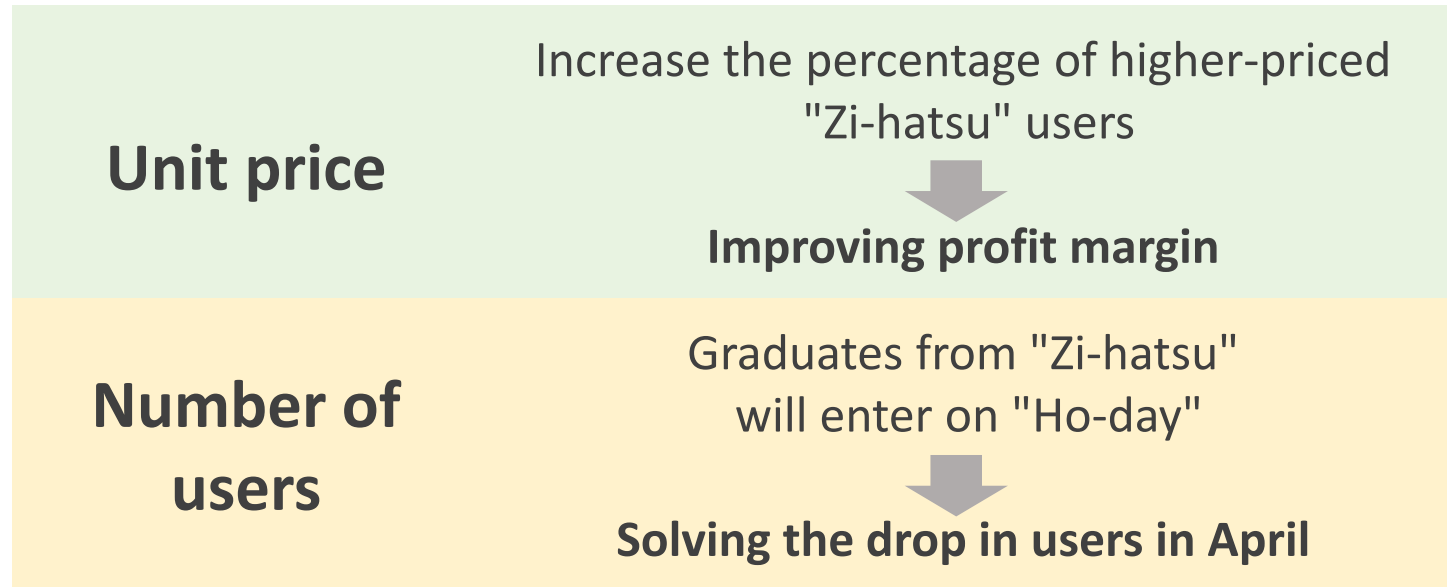
## "Single" functional classroom

	Merit	Demerit
child development support business (called "Zi-hatsu")	Unit price : hight	Number of users : drop in April due to "graduation"
after-school day care service (called "Ho-day")	Number of users : stable	Unit price : low

# " Multi " functional classroom

## Having the best of two worlds

The multi-functional classroom can provide both "Zi-hatsu" and "Ho-day" within the capacity of 10 users.



The proportion of "Zi-hatsu" users is steadily **increasing**

habii-plus

3 classrooms

**+ 22%<sup>※1</sup>**

※1  
The rate of increase in the ratio of "Zi-hatsu" users to all users.  
Compared from July to December 2020.  
Multi-functionalized one classroom in June and two classrooms in July.

ILIS CLUB

8 classrooms

**+ 5%<sup>※2</sup>**

※2  
The rate of increase in the ratio of "Zi-hatsu" users to all users.  
Comparison from December 2019 (immediately before M & A implementation) to December 2020.

# Supplementary materials for financial results

- Consolidated accounting started from the 4<sup>th</sup> quarter of the FY3/20.  
Figures for the 1<sup>st</sup> to 3<sup>rd</sup> quarters of FY3/20, and before the FY3/19 are based on non-consolidated financial statements.

## Performance forecast comparison and previous year comparison

	FY3/20	FY3/21	YoY change		FY3/21	
	3Q	3Q			Forecast	
	Amount (Millions of yen)	Amount (Millions of yen)	Change (Millions of yen)	Change (%)	Amount (Millions of yen)	Progress
Net sales	5,040	6,106	+1,066	+21.2%	7,838	77.9%
Gross profit	2,144	2,484	+340	+15.9%		
Operating profit	1,463	1,664	+201	+13.8%	1,952	85.2%
Ordinary profit	1,461	1,713	+251	+17.2%	1,950	87.8%
Profit	937	1,184	+246	+26.3%	1,410	83.9%

## Result of operation

- Net Sales increase steadily.

Increase the number of users. Increase basic compensation at Employment Transition Support offices.

Consolidation of ILIS Inc.

- Profit at each stage also increased steadily.

- Compared to the full-year forecast, sales are steadily increasing to 77.9% and profits at each stage exceeding 80%.

# Quarterly comparisons (Overall profit and loss)

(millions of yen)	FY3/20					FY3/21					YoY Change	QoQ Change
	1Q	2Q	3Q	4Q	cumulative total	1Q	2Q	3Q	4Q	cumulative total	(3Q vs 3Q)	(2Q vs 3Q)
Net sales	1,593	1,693	1,753	1,837	6,878	1,957	2,071	2,078		6,106	+324	+6
Sales of Employment Transition Support Business	1,276	1,345	1,388	1,352	5,363	1,469	1,535	1,521		4,526	+133	-13
(Transition support compensation)	(1,237)	(1,301)	(1,327)	(1,285)	(5,151)	(1,408)	(1,462)	(1,440)		(4,312)	+113	-22
(Retention support compensation)	(39)	(44)	(61)	(66)	(211)	(60)	(72)	(81)		(213)	+20	+8
Sales of Habilitation Business	316	347	365	485	1,514	487	536	556		1,580	+191	+20
Cost of sales	943	964	987	1,239	4,135	1,156	1,225	1,240		3,622	+252	+15
Gross profit	649	728	766	598	2,742	800	845	837		2,484	+71	-8
SG&A expenses	210	221	248	303	984	262	274	283		819	+34	+8
Operating profit	439	507	517	295	1,758	538	571	554		1,664	+37	-17
Non-operating profit / loss	0	0	-3	0	-1	3	4	40		48	+44	+36
Ordinary profit	440	508	513	295	1,756	541	576	594		1,713	+81	+18
Extraordinary profit / loss	—	-2	0	-15	-18	-4	—	0		-5	+0	+0
Profit before taxes	440	505	512	279	1,738	537	576	594		1,707	+81	+17
Profit	277	337	322	236	1,174	345	383	455		1,184	+132	+72

## Increase due to consolidation of ILIS Inc.

### After 4Q 2020

- Net sales (Habilitation Business)
- Cost of sales and SG&A expenses

## Net sales /Compensation for employment transition support

### 2Q vs. 3Q

- Decrease due to fewer business days of the transition support center

## Extraordinary profit / loss

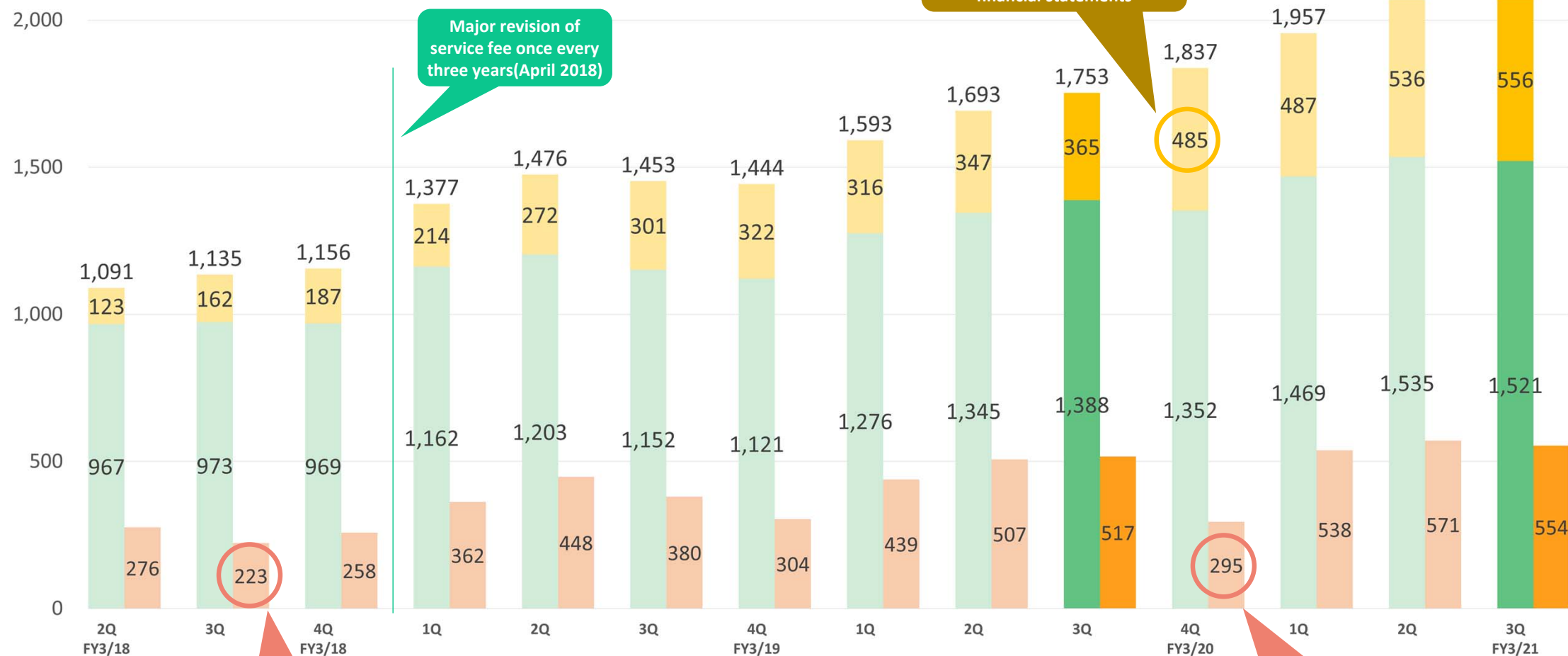
### 2Q vs. 3Q

- Increase due to corona virus-related subsidy income

# Quarterly comparisons (Net sales and Operating profit)

(Millions of yen)

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



Costs associated with listing on TSE Mothers Market(October)

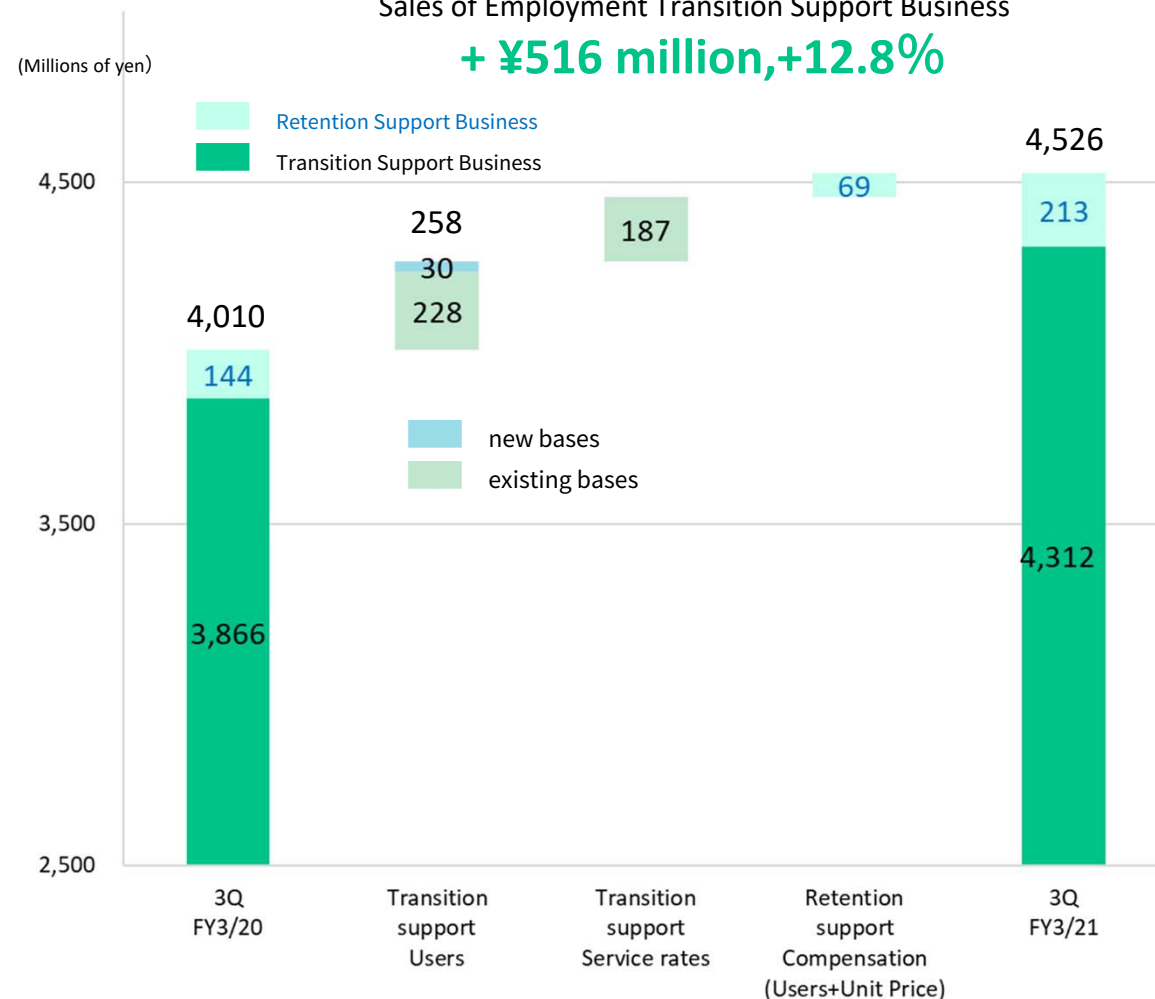
Temporary decrease due to bonus payment for COVID-19 response (about ¥140 million)

# Results for the period (Factors of change in sales)

- With regard to **Employment Transition Support Business**, we were able to maintain a work retention record equal to or higher than that of the previous year. The basic remuneration rose, and the usage unit price increased from April.
  - Regarding **Habilitation Business**, the new consolidation of ILIS Inc contributed, and the after-school day service business sales increased significantly.
  - In both businesses, the number of users was steadily increasing.
- The introduction of online support for the impact of the spread of new coronavirus infection was successful, and the number of users exceeded the initial forecast.

Sales of Employment Transition Support Business

**+ ¥516 million, +12.8%**



Sales of Habilitation Business

**+ ¥551million, +53.5%**



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

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



# Quarterly comparisons (Cost of sales)

(millions of yen)	FY3/20						FY3/21						YoY Change	QoQ Change
	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	(3Q vs 3Q)	(2Q vs 3Q)
Net sales	1,593	1,693	1,753	1,837	6,878		1,957	2,071	2,078		6,106		+324	+6
Personal	681	685	698	908	2,973	71.9%	828	870	885		2,584	71.3%	+187	+15
Rent	95	97	102	119	415	10.0%	120	126	132		380	10.5%	+30	+6
Supplies expense	67	67	70	80	286	6.9%	69	63	86		219	6.1%	+15	+23
Travel, transportation and expenses	36	37	37	37	148	3.6%	35	39	41		115	3.2%	+3	+1
Depreciation	21	22	25	33	103	2.5%	26	28	31		86	2.4%	+5	+3
Others	40	54	53	59	207	5.0%	75	97	62		236	6.5%	+9	-34
Cost of sales/Total	943	964	987	1,239	4,135	100.0%	1,156	1,225	1,240		3,622	100.0%	+252	+15
Cost of sales ratio	59.2%	57.0%	56.3%	67.4%	60.1%		59.1%	59.2%	59.7%		59.3%		+3.4%	+0.5%
Gross profit	649	728	766	598	2,742		800	845	837		2,484		71	-8

## Personnel

3Q vs. 3Q Increase due to hire new graduates

2Q vs. 3Q Increase due to new hires due to new establishments

## Supplies expense

2Q vs. 3Q、3Q vs. 3Q Purchase of infection control equipment

## Others

2Q vs. 3Q

- Reactionary decrease in temporarily increased hiring costs
- Reactionary decrease in temporarily increased repairing costs (office renovation)

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

# Quarterly comparisons (SG&A)

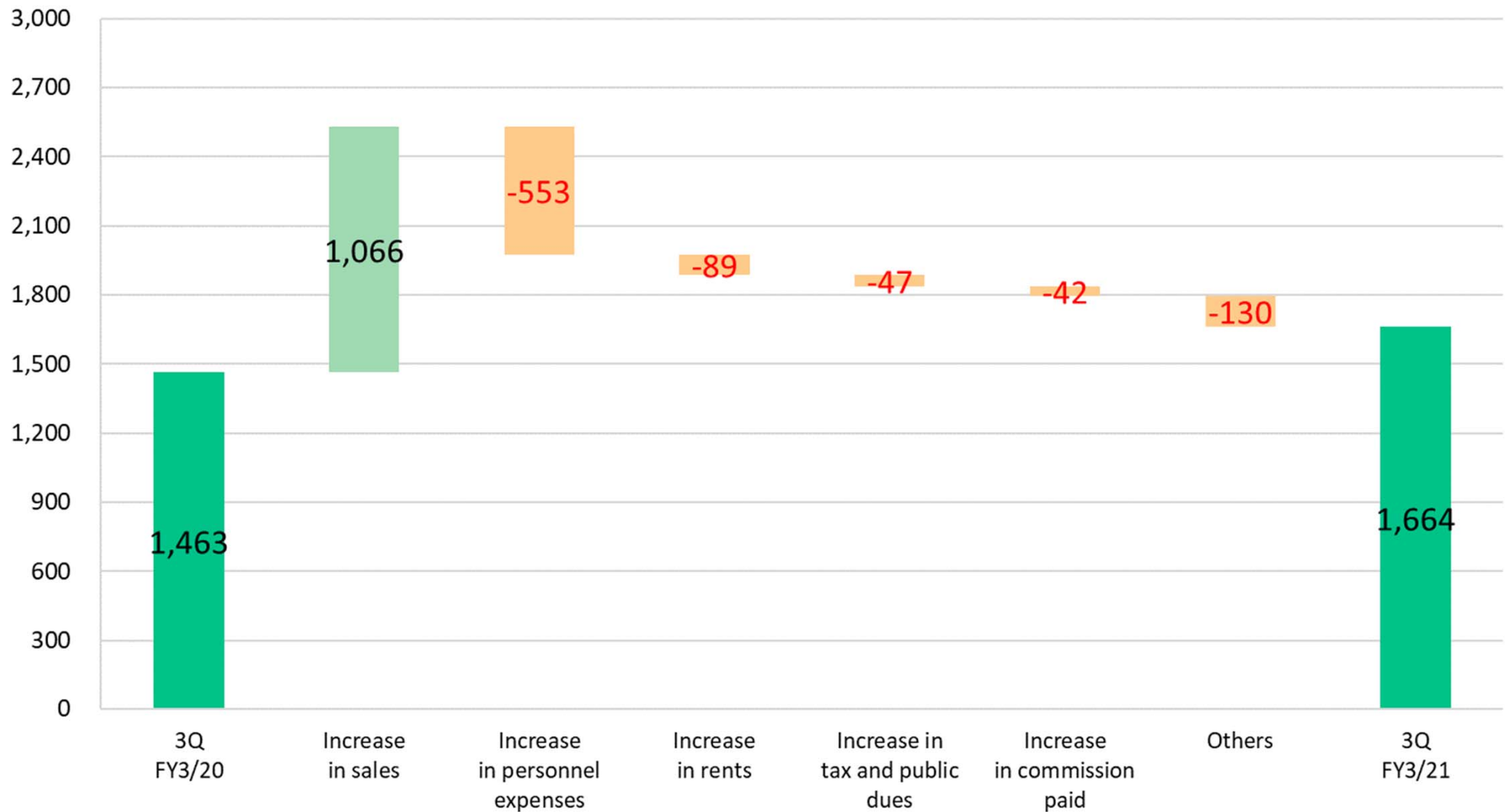
(millions of yen)	FY3/20						FY3/21						YoY Change	QoQ Change
	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.	(3Q vs 3Q)	(2Q vs 3Q)
Net sales	1,593	1,693	1,753	1,837	6,878		1,957	2,071	2,078		6,106		+324	+6
Gross profit	649	728	766	598	2,742		800	845	837		2,484		+71	-8
Personal	96	100	102	124	424	43.1%	115	110	109		335	40.9%	+6	-1
Tax and dues	37	43	50	54	185	18.9%	53	61	65		179	21.9%	+14	+3
Advertising	26	24	25	42	119	12.2%	33	31	32		97	11.9%	+6	+0
Commission fee	18	18	18	35	90	9.2%	21	30	33		85	10.5%	+14	+2
Rent	15	15	15	16	63	6.4%	16	17	17		51	6.3%	+1	+0
Others	16	19	35	29	100	10.2%	21	22	25		70	8.6%	-9	+2
SG&A/Total	210	221	248	303	984	100.0%	262	274	283		819	100.0%	+34	+8
SG&A to sales ratio	13.2%	13.1%	14.2%	16.5%	14.3%		13.4%	13.2%	13.6%		13.4%		-0.6%	+0.4%
Operating profit	439	507	517	295	1,758		538	571	554		1,664		+37	-17
Operating margin	27.6%	30.0%	29.5%	16.1%	25.6%		27.5%	27.6%	26.7%		27.3%		-2.8%	-0.9%

## Commission fee

3Q vs. 3Q Market change related fees

# Factors Impacted in an Increase in Operating Profit

(Millions of yen)



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

(Millions of yen)	FY3/20		3Q FY3/21		Change	Rate of Change
	Amount	Comp.	Amount	Comp.		
Current assets	3,352	74.3%	3,811	74.7%	+458	13.7%
Non-current assets	1,158	25.7%	1,292	25.3%	+134	11.6%
Total assets	4,511	100.0%	5,103	100.0%	+592	13.1%
Liabilites	1,033	22.9%	693	13.6%	-340	-32.9%
(Of the above, loans and bonds)	(181)	(4.0%)	(95)	(1.9%)	(-85)	(-47.3%)
Net assets	3,477	77.1%	4,410	86.4%	+933	26.8%
Equity ratio	77.1%		86.4%			9.3%

- Current ratio

603.2%

- Fixed ratio

29.3%

- Equity ratio

86.4%

# Forecast

No change in our full-year forecast  
announced on Nov. 19, 2020

- Consolidated accounting started from the 4<sup>th</sup> quarter of the FY3/20. Figures for the 1<sup>st</sup> to 3<sup>rd</sup> quarters of FY3/20, and before to the FY3/19 are based on non-consolidated financial statements.

# Forecast for the Fiscal Year Ending March 2021

- The pace of opening new bases will be maintained, with plans for 8 employment transition support offices and 5 Habilitation offices.
- Assumed steady growth in the number of users at existing bases.
- The burden of corporate tax, etc. has decreased by 82 million yen since it is no longer subject to retained accumulated earnings tax. Profit revised upward to 1,410 million yen. (Announced on November 19, 2020)

## 【Impact of the new coronavirus】

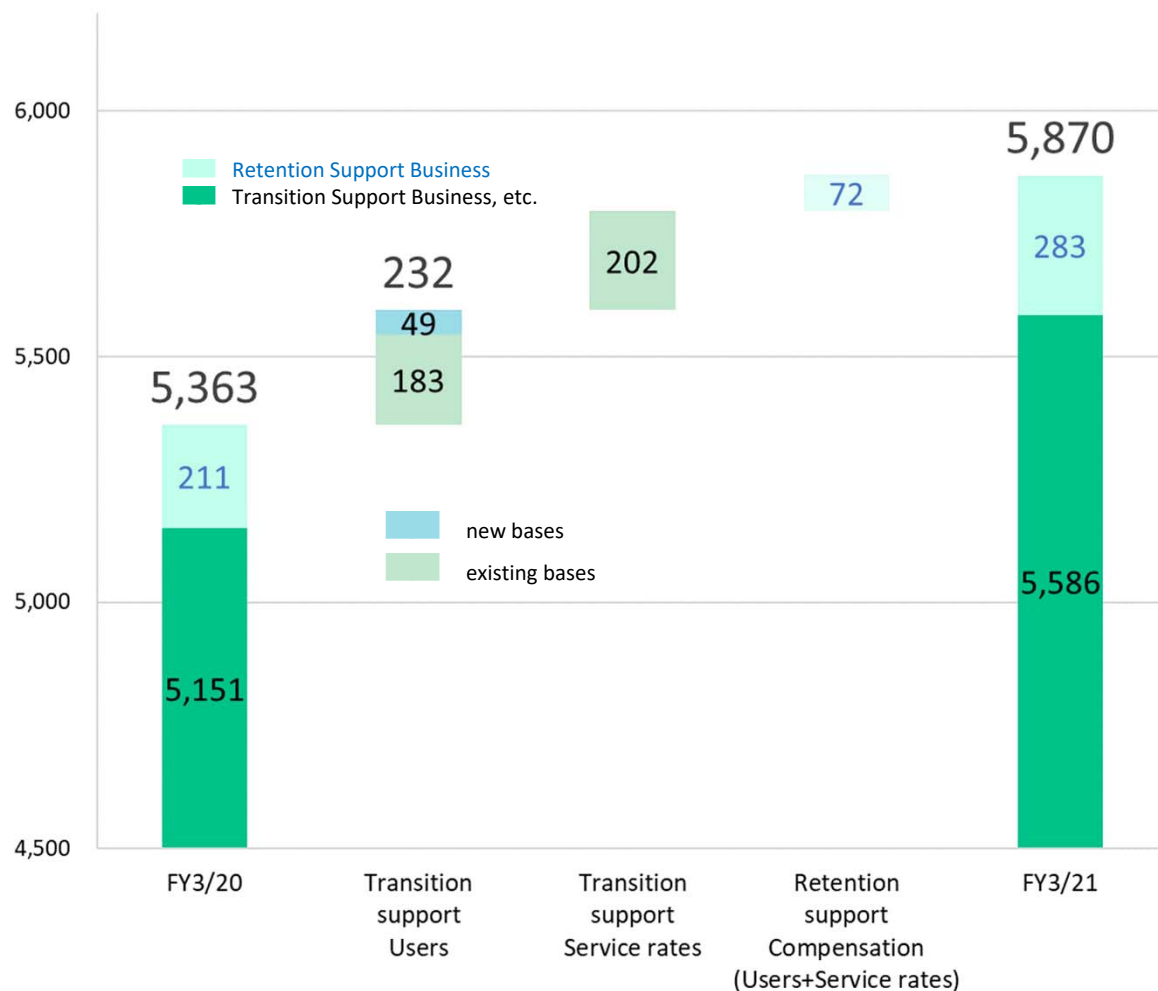
At the time of this announcement, the occupancy rates were lower than usual. It's due to the request to refrain from going out.

The number of users is on a recovery trend due to measures such as the introduction of online support.

We have prepared consolidated earnings forecasts based on the assumption that operating rates will return to normal levels from the second quarter onward.

(millions of yen)	FY3/20		FY3/21 Initial forecast ratio		Change	Change (%)	FY3/21 Announced on November 19, 2020		Change Initial forecast ratio	Change (%) Initial forecast ratio
	Results	Comp.	Forecast	Comp.			Forecast	Comp.		
Net sales	6,878	100.0%	7,838	100.0%	+960	+14.0%	7,838	100.0%		
Gross profit	2,742	39.9%	3,028	38.6%	+285	+10.4%	3,028	38.6%		
Operating profit	1,758	25.6%	1,952	24.9%	+194	+11.1%	1,952	24.9%		
Ordinary profit	1,756	25.5%	1,950	24.9%	+193	+11.0%	1,950	24.9%		
Profit	1,174	17.1%	1,328	18.0%	+153	+13.1%	1,410	18.0%	+82	+6.2%

(millions of yen)



**Increase  
YoY change**

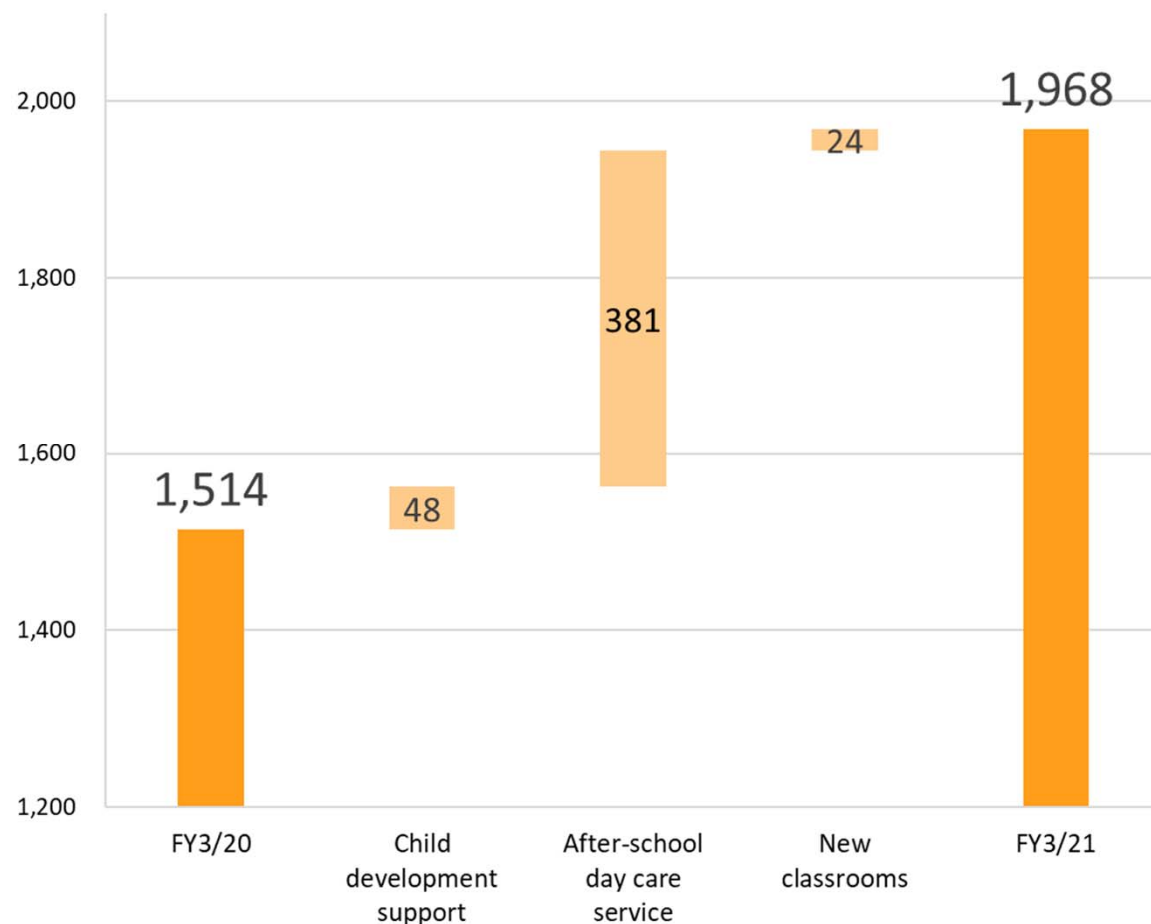
**+ 508million  
+ 9.5%**

Transition support Users	Regarding new base openings, we expect to open 8 new bases. Outlook for a <b>steady increase in the number of users</b> at Transition support service.
Transition support Service rates	Service rates of Employment Transition Support office are based on the number of users who remain in their jobs for six months. <b><u>Service rates of almost all the existing centers are increased</u></b> because they achieved a higher number of users compared to FY3/19
Retention support Compensation	Users and service rates are estimated based on the results for FY3/20 at each office. As of March 2020, we have operated <b>58</b> of employment retention support offices. We will open sequentially as soon as the condition is set.

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

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

(millions of yen)



**Increase** + **¥454million**  
**YoY change** + **29.9%**

## Child development support

It is an increase existing business sites at child development support business.  
 Due to the impact of the new coronavirus, we expect the utilization rate to decline in the first quarter, but we expect to recover from the second quarter.  
 The number of users at existing bases is steadily maintained and increasing, and we expect to increase in sales.

## After-school day care service

It is the increase in after-school day care service at existing offices.  
 Due to the impact of the new coronavirus, we expect the utilization rate to decline in the first quarter, but we expect it to recover from the second quarter.  
 The number of users at existing bases is steadily maintained and increasing, and we expect to increase in sales.  
 In addition, sales have increased due to the full-year consolidation of ILIS Inc. (FY3/20 only the fourth quarter includes.)

## New bases

From the second quarter, we expect to open 5 new bases.

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

\* Difference analysis "Child development support" is the total amount of "habii" operated by Welbe and "ILIS CLUB" operated by ILIS Inc.

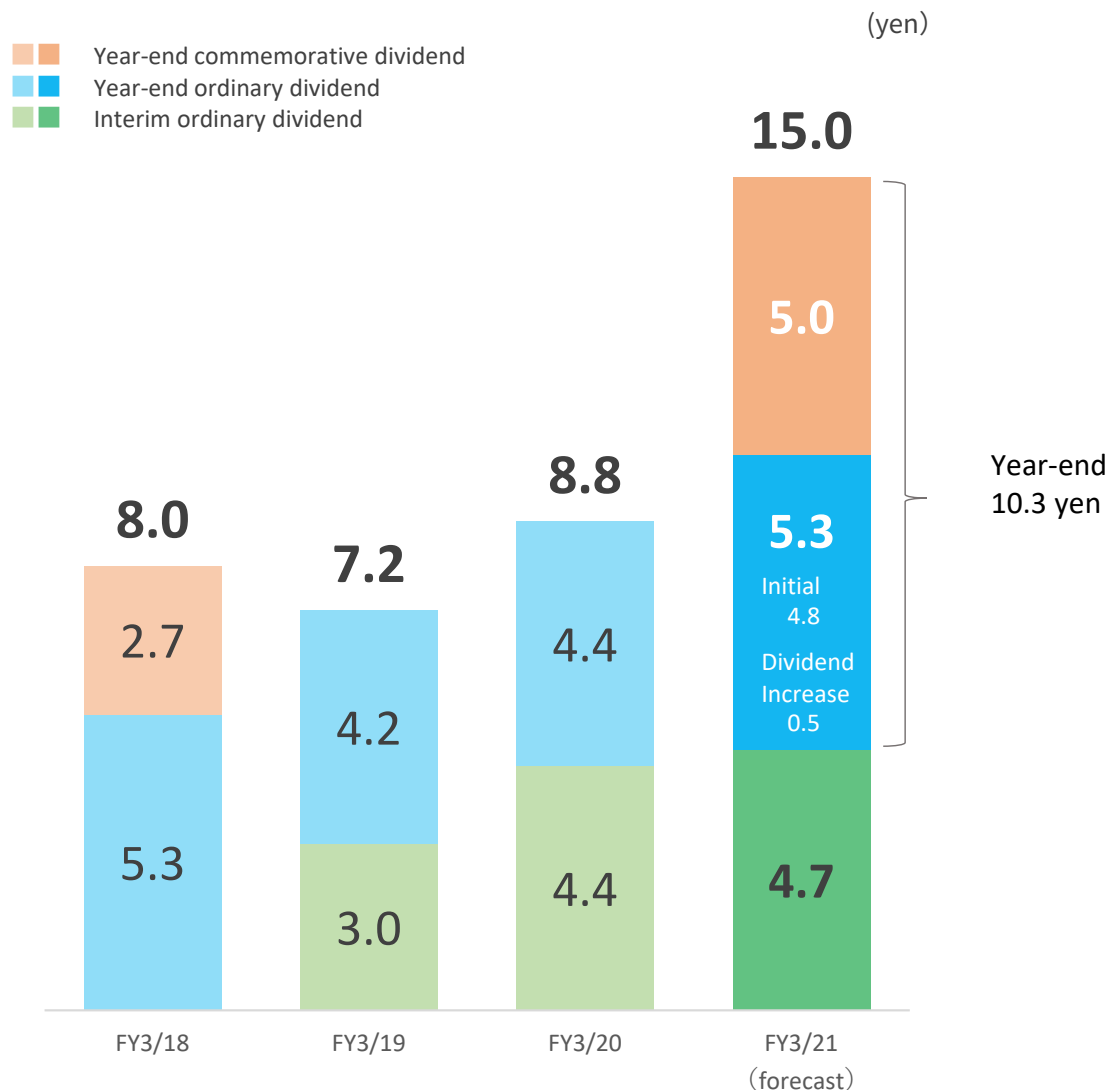
\* Difference analysis "After-school day care service" is the total amount of "habii plus" operated by Welbe and "ILIS CLUB" operated by ILIS Inc.

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



# Dividend forecast (Implementation of commemorative dividend)

## Changes in dividends per share



- Dividend payout ratio target is 20%
- Commemorative dividend will be paid  
(Announced on November 13, 2020)  
This year marks the **10th term** of our establishment.  
**Commemorative dividend of 5.0 yen** will be paid.
- Increased year-end ordinary dividend  
(Announced on November 19, 2020)  
Dividend **increased by 0.5 yen** due to revision of earnings forecast
- Annual dividend is 15.0 yen  
Ordinary dividend: 10.0 yen  
(Interim ordinary dividend : 4.7 yen, Year-end ordinary dividend : 5.3 yen)  
Year-end commemorative dividend: 5.0 yen

Dividends per share for the FY3/18 factor in the effects of the stock split  
To commemorate the listing of TSE Mothers, we have increased the dividend payout ratio by 10%.

## Reference materials



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



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

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

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

- Employment rate of persons with disabilities 3.0% \* 1
- Female employee ratio 65.3% \* 2
- Paid leave acquisition rate 66% \* 3
- Desired area assignment rate 100% \* 3
- Introduction of occupational health doctor system (from July 2020)
- Female manager ratio 61.1% \* 2
- Return to work rate from childcare leave 100% \* 3
- Promotion of taking childcare leave for male employees

\* 1 . As of October 2020 (non-consolidated basis)  
 \* 2 . As of September 2020 (consolidated basis)  
 \* 3 . As of March 2020 (non-consolidated basis)

About our efforts to hire disabled

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

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





## Initiatives for SDGs through **business**

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

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

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

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

- Number of contractors for our Employment Transition Support service 1,990 people
- Number of contractors for our Habilitation services 2,551 people
- Employment record for the last year 828 people
- 6-month employment retention record for the last year 90.1%
- Employment record since establishment 3,357 people

\* As of March 2020

## Board Member



**Makoto Ohta**

President



**Takao Senga**

Director  
Senior Executive Vice President



**Yuki Hamachi**

Director  
Executive Vice President



**Hideyuki Nakazato**

Director



**Koichi Ito**

Director



**Shigenobu Kanba**

External Independent  
External Director

1980 Joined Keio University Hospital Neuropsychiatry  
1996 Professor, Department of Neuropsychiatry, University of Yamanashi  
2004 Professor, Department of Neuropsychiatry Graduate School of Medical Sciences, Kyushu University  
2019 Professor Emeritus, Kyushu University (to present)  
2019 External Director, Welbe, Inc. (to present)

(Other positions)  
President, The Japanese Society of Psychiatry and Neurology



**Mitsuyoshi Komatsu**

External Independent  
External Audit &  
Supervisory Board Member

2003 Joined Deloitte Touche Tohmatsu LLC  
2009 Joined Koyano C.P.A. Office  
2016 External Audit & Supervisory Board Member, Welbe, Inc. (to present)



**Yasutoshi Kita**

Audit & Supervisory  
Board Member

1984 Joined Mizuho Bank, Ltd.  
1994 Joined Mizuho Securities Co., Ltd.  
2008 President, Kita Yasutoshi Office (to present)  
2016 External Director, Welbe, Inc.  
2019 Audit & Supervisory Board Member, Welbe, Inc. (to present)

(Other positions)  
Supervisory director, Keihan Private REIT, Inc.  
Advisor, 100nen Keiei no Kai



**Masafumi Sato**

External Independent  
External Audit &  
Supervisory Board Member

2005 Joined Numata Law Office  
2008 Partner Attorney, TGS Partners Law Office  
2016 External Audit & Supervisory Board Member, Welbe, Inc. (to present)

(Other positions)  
Partner Attorney, Legal Strategy Law Office

## Other governance systems

### ■ Compensation Committee

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

### ■ Risk Compliance Committee

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

### ■ Abuse Prevention Committee

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

### ■ Disaster Countermeasures Committee

In principle, it is held once every three months to reduce damage caused by natural disasters and the new coronavirus and take prompt action in the event of an outbreak.

### ■ Whistleblower/hotline system

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

## ① Employment Transition Support Business

Welbe, Inc. :

Job training, job hunting support, post-employment support for people with disabilities who want to work

- **77** employment transition support offices(**welbe**)
- **65** employment retention support offices
- **3** specific consultation support offices
- **1** self-reliance training (lifestyle training) center
- **3** employment support centers for people with developmental disabilities operated on consignment from Saitama Prefecture
- Other : Orders received from government agencies

Welbe Link Inc. :

provide total consulting services with respect to employment of people with disabilities

- **1** satellite office
- Fee-charging placement

## ② Habilitation Business

(Public service)

- **38** child development support classrooms
- **18** after-school day care service classrooms
- **3** support for visiting nursery schools
- **1** specific consultation support office

(Private service)

- **2** and online classroom  
early childhood/learning classroom

\* Number of bases as of Dec. 2020



(The scenery in the center of welbe)



(The Scenery in the classroom of habii)

Adults

School children

Pre-school children

Welbe, Inc.

Individual services



Welbe Link Inc.

Enterprise services



private expense

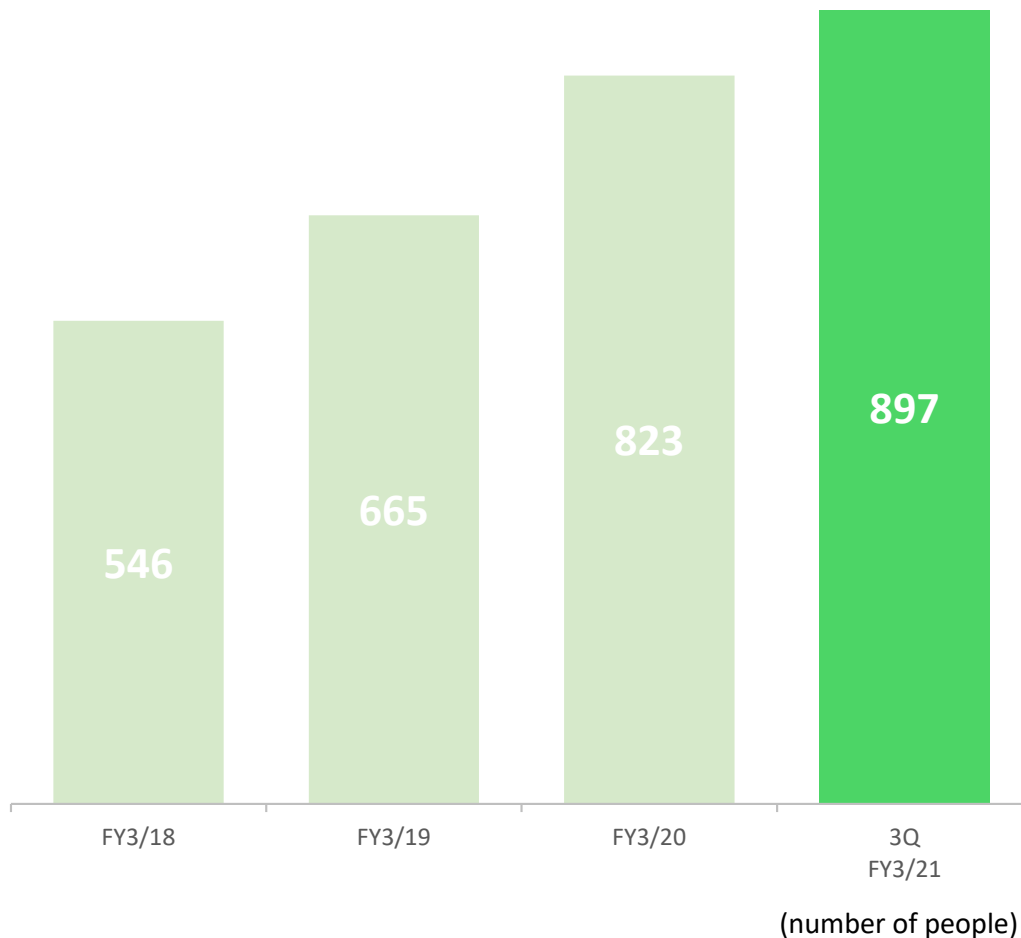


ILIS Inc.



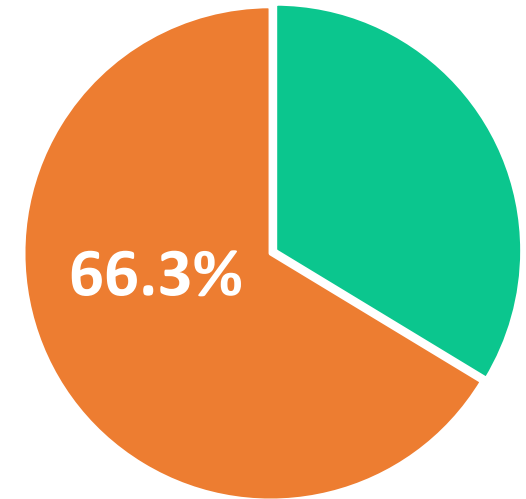
**ILIS CLUB**  
Our Mission Is Delivering Relief & Smile

- The number of employees increases with the expansion of business
- Monthly number of applicants: 791  
(Excludes new graduates. Average for the past year)

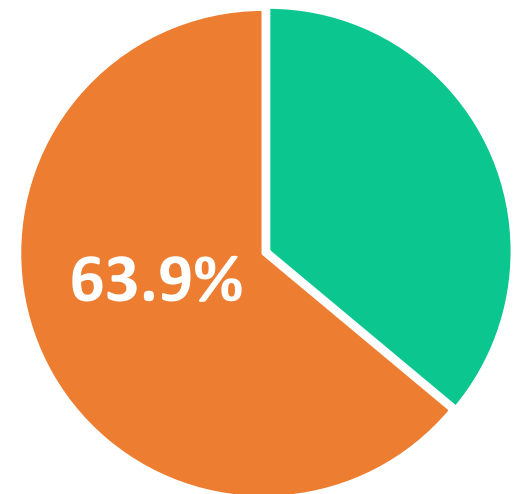


- Our workplace where women play an active role

Female ratio of  
**employees**

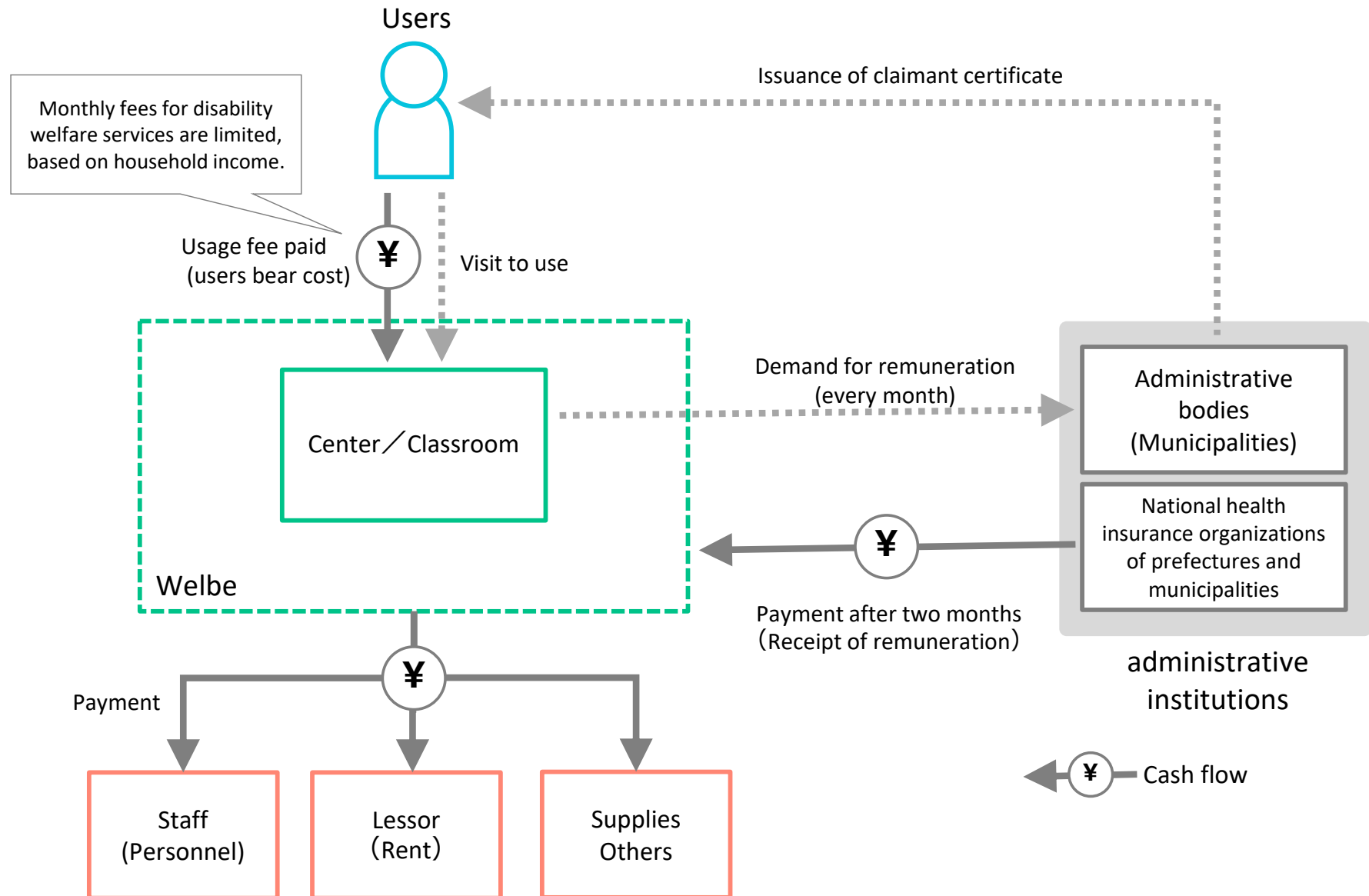


Female ratio of  
**managers**





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

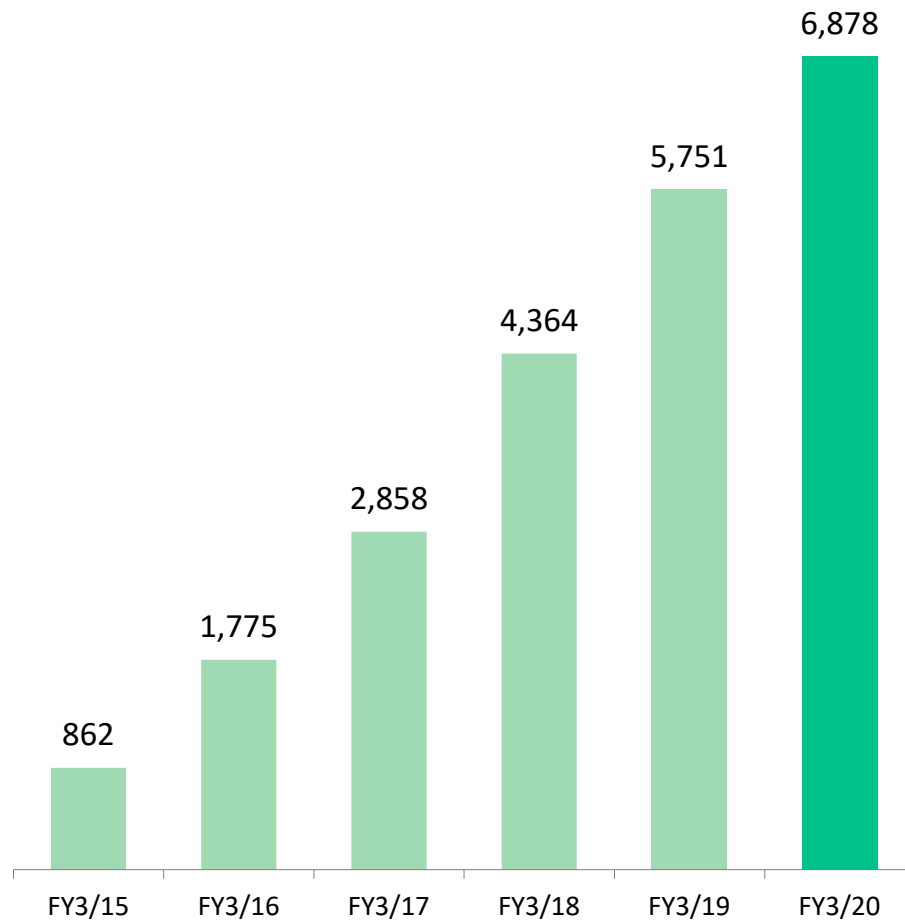


Dec. 2011	●	<b>Established</b>
Apr. 2012	●	Began <b>Employment Transition Support Business</b> Opened welbe Nishi-Funabashi Ekimae Center
Nov. 2012	●	Opened <b>3 centers</b> welbe Kokukoen Ekimae Center, Shin-Koshigaya Ekimae Center, and Matsudo Center
June 2014	●	Began <b>Habilitation Business for pre-school children</b> (Child development support business) Opened Habii Kawagoe Began Employment Support Business <b>specialized for people with developmental disabilities</b> Opened Job Center Soka
Apr. 2015	●	Began operations outside the <b>Kanto area</b> Opened welbe Nagoya Ekimae Center
Nov. 2016	●	Began <b>Habilitation Business for elementary, junior and senior high school students</b> (After-school day care service) Opened habii plus Kawagoe
Oct. 2017	●	<b>Listed on the TSE Mothers Market</b>
Apr. 2018	●	Began <b>Employment Retention Support Business</b> Opened Shin-Osaka center and Ogikubo Ekimae center
Apr. 2019	●	Established wholly-owned subsidiary " <b>Welbe Link Inc.</b> " to provide total consulting services with respect to employment of people with disabilities.
Feb. 2020	●	Acquired all the issued shares of " <b>ILIS Inc.</b> " that provide Habilitation Business and made it a consolidated subsidiary.
Dec. 2020	●	Operation of <b>121</b> offices
Jan.2021	●	<b>Market change to the TSE 1st Section</b>

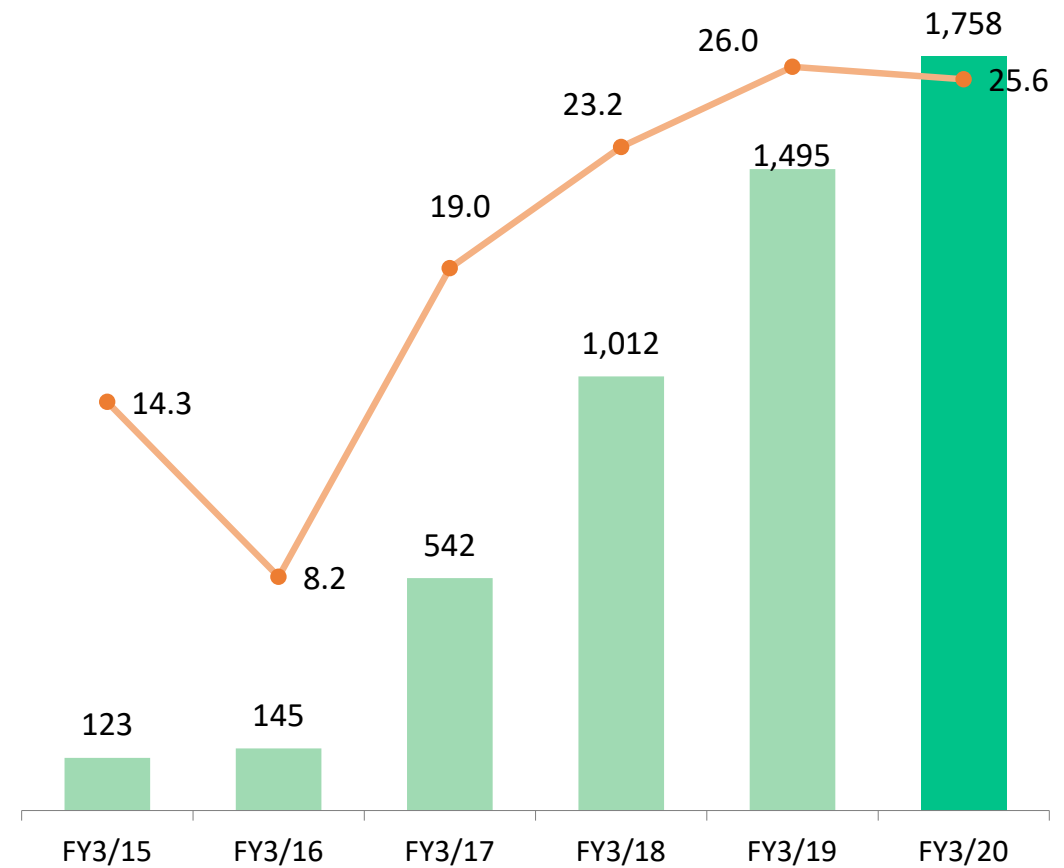
# Net Sales and Operating Profit

■ million of yen  
— ● — %

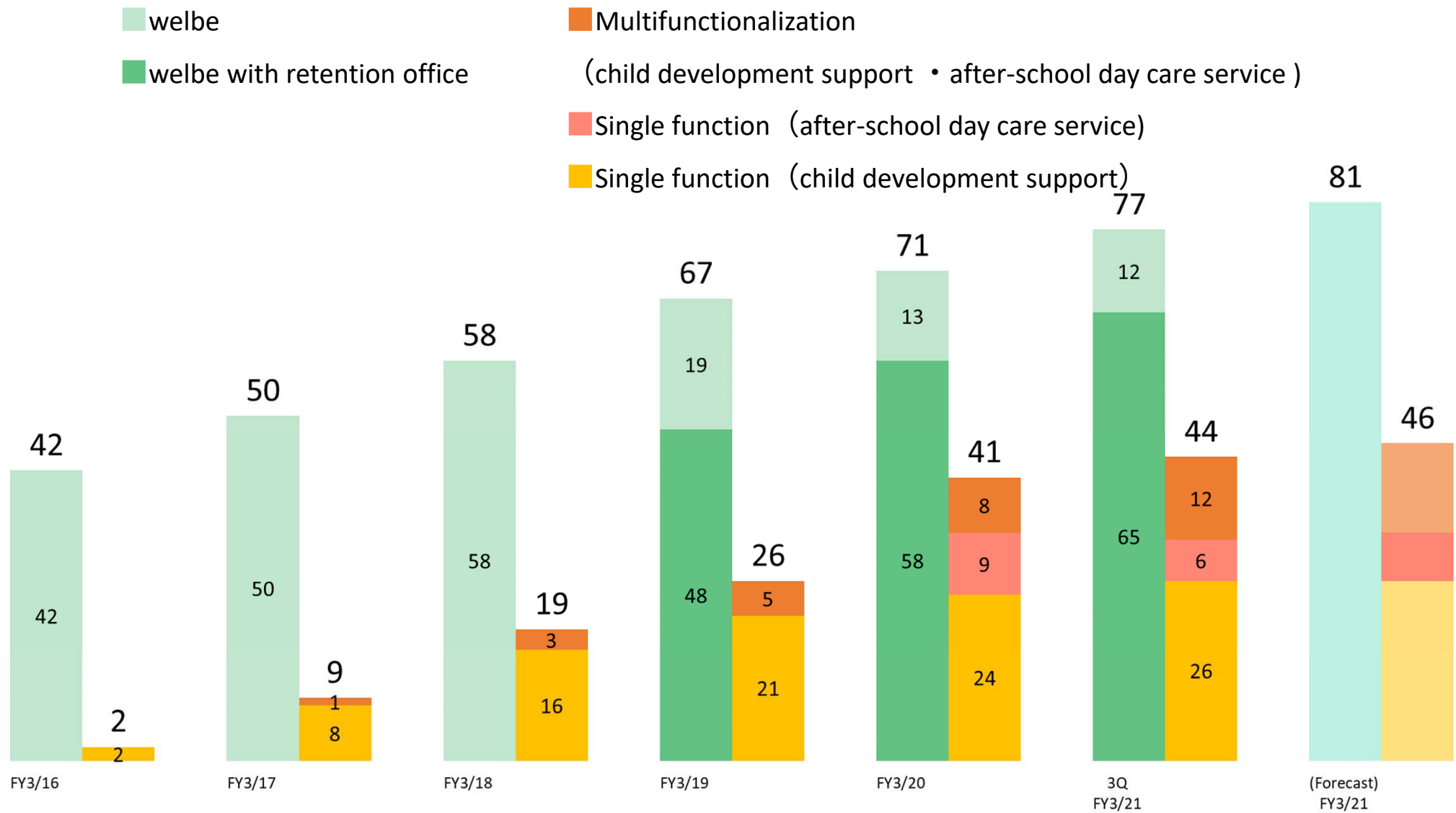
## Net sales



## Operating profit / margin



# Growth in the Number of bases



Number of **welbe** bases

**77**

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

Latest six-month job  
retention success rate

**90.1%**

\*Rate of people placed in jobs by Welbe between October 2018 and September 2019 who remained in their jobs for at least six months

Latest Number of People  
with Jobs

**828**

\* From April 2019 to March 2020

Cumulative Number of People  
with Jobs

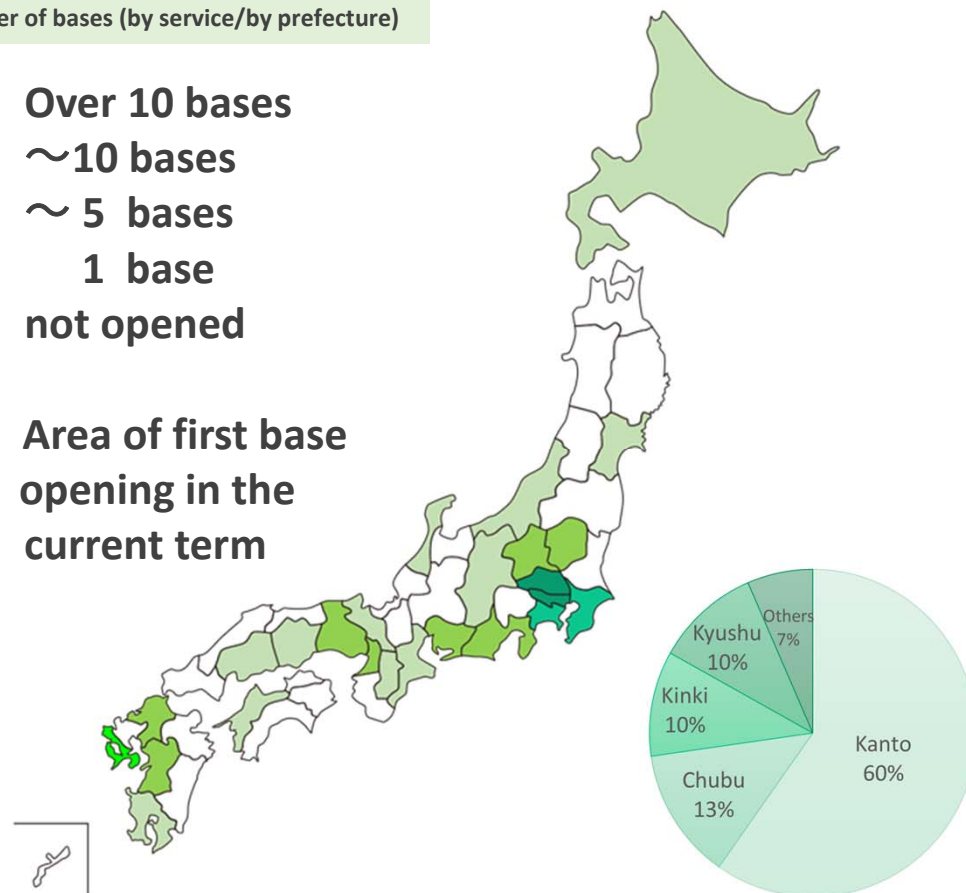
**3,357**

\* As of March 2020

Number of bases (by service/by prefecture)

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

Area of first base  
opening in the  
current term



(As of Dec. 2020)

Number of **habii** bases

**38**

Number of **habii plus** bases

**18**

Number of bases (by service/by prefecture)

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

Number of bases (by brand / by region)

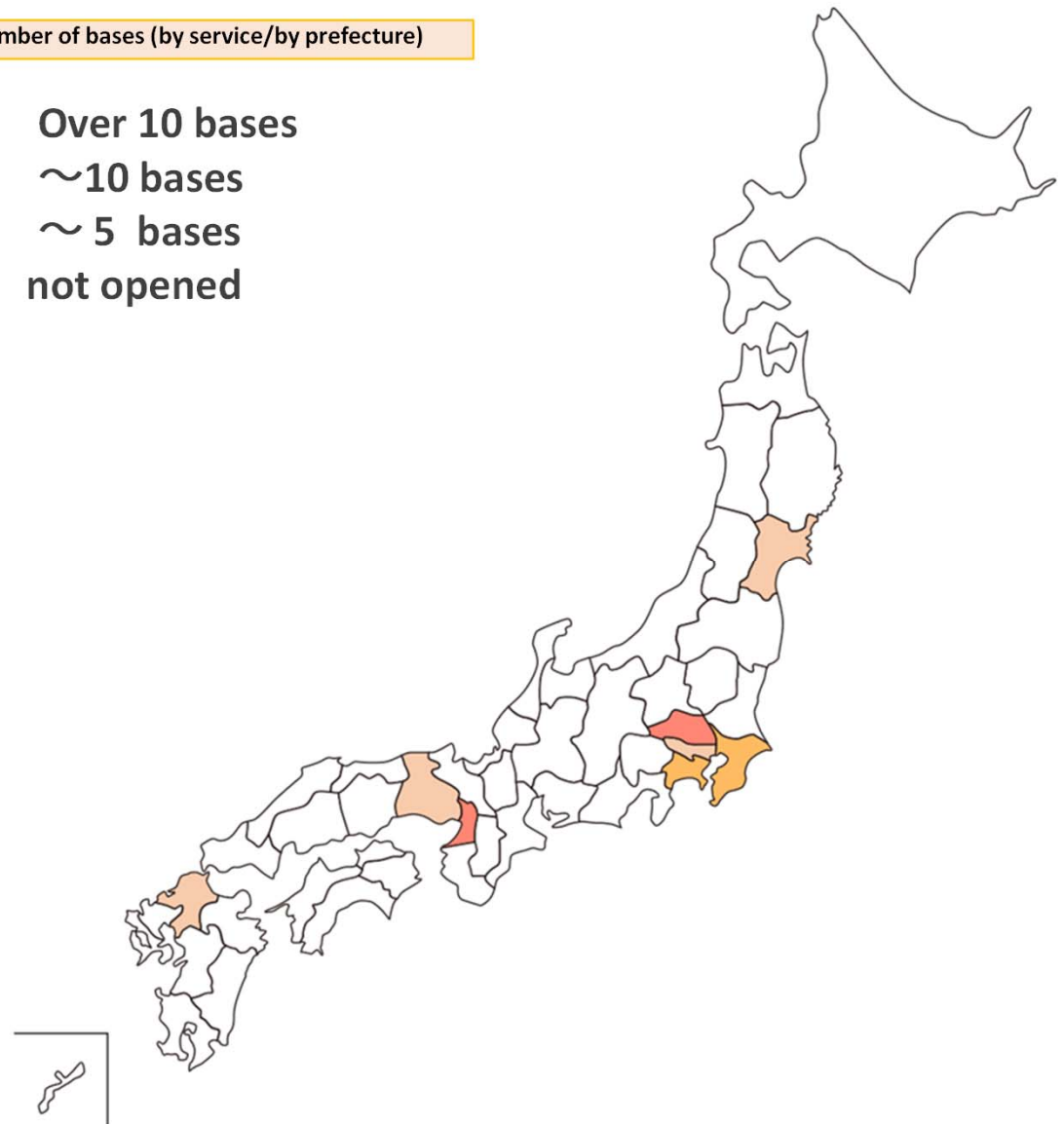
	Kanto	Kansai	Others	Total
Habii	<b>21</b> C20、A1	<b>4</b> C4	<b>2</b> C2	<b>27</b> C26、A1
Habii Plus	<b>9</b> CA3、A6	—	—	<b>9</b> CA3、A6
ILIS	—	<b>8</b> CA8	—	<b>8</b> CA8
<b>Total</b>	<b>30</b>	<b>12</b>	<b>2</b>	<b>44</b>

C : only child development support provided    A : only after-school day care service provided

CA : multifunctional offices、 provide both C and A

Number of bases (by service / by region)

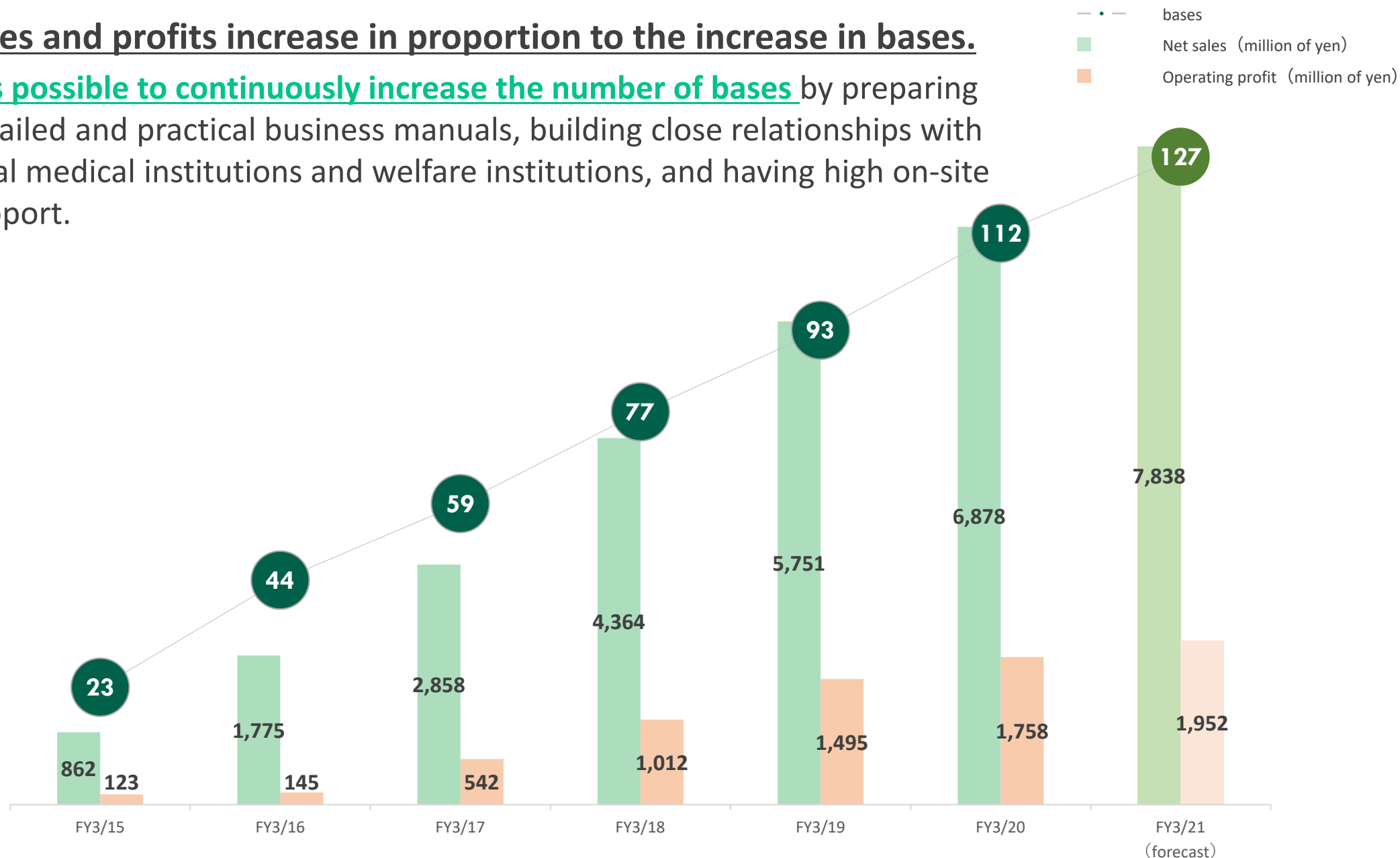
	Kanto	Kansai	Others	Total
child development support	<b>24</b>	<b>12</b>	<b>2</b>	<b>38</b>
after-school day care service	<b>10</b>	<b>8</b>	—	<b>18</b>
<b>Total</b>	<b>34</b>	<b>20</b>	<b>2</b>	<b>56</b>



(As of Dec. 2020)

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

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



**We have high hiring power and in-house training.**

**A sufficient number of certified supervisors and qualified personnel**

- Secure disability services manager and child development manager

Obligation to assign one certified supervisor to each base

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

- Secure qualified personnel such as childcare workers (Habilitation Business )

In the habilitation business, the unit price of remuneration increases significantly by allocating much qualified personnel such as childcare workers.

Monthly number  
of applicants

**791** people

Disability services manager  
Number of **unassigned people**

**53** people

Child development manager  
Number of **unassigned people**

**28** people

Habilitation Business  
Percentage of **qualified personnel**

**95**% or more



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



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



## Business Overview

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

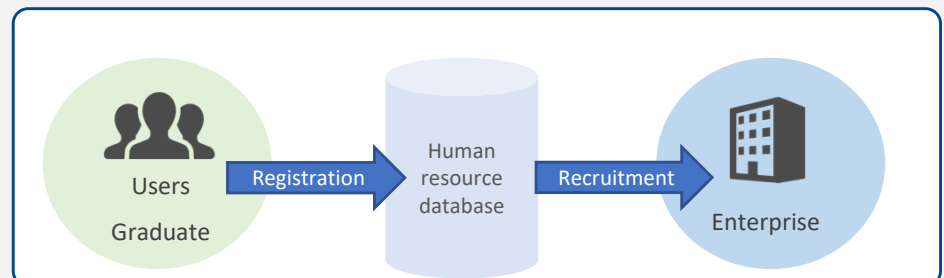
## Satellite Office

Urayasu office

Open April 2020



## Fee-charging placement



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



## Company overview

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

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

## Business Overview

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

# Population of People with Disabilities

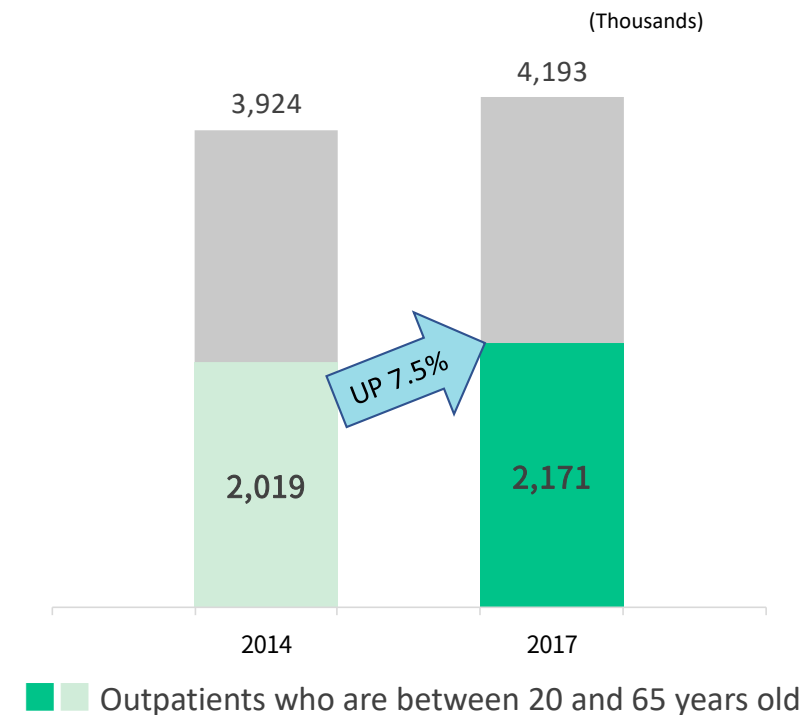
■ There are **2 million** people in Japan between the ages of 20 and 65 living at home who have a mental disability.

It is approximately **2.9%** of Japan's working-age population.

				(Thousands)
	Total	People living at home/ Outpatient	Age 18 to 65*	People in institutions People with physical and mental disabilities at rehabilitation facilities and hospitals
Children/adults with physical disabilities	4,360	4,287	1,013	73
Children/adults with intellectual disabilities	1,094	962	580	132
<b>People with mental disabilities</b>	<b>4,193</b>	<b>3,891</b>	<b>2,171</b> (age 20 to 65)	<b>302</b>
Total	9,635	9,140	3,764	495

\*Japan's working age population: 75,114 thousand people (as of May. 2019)

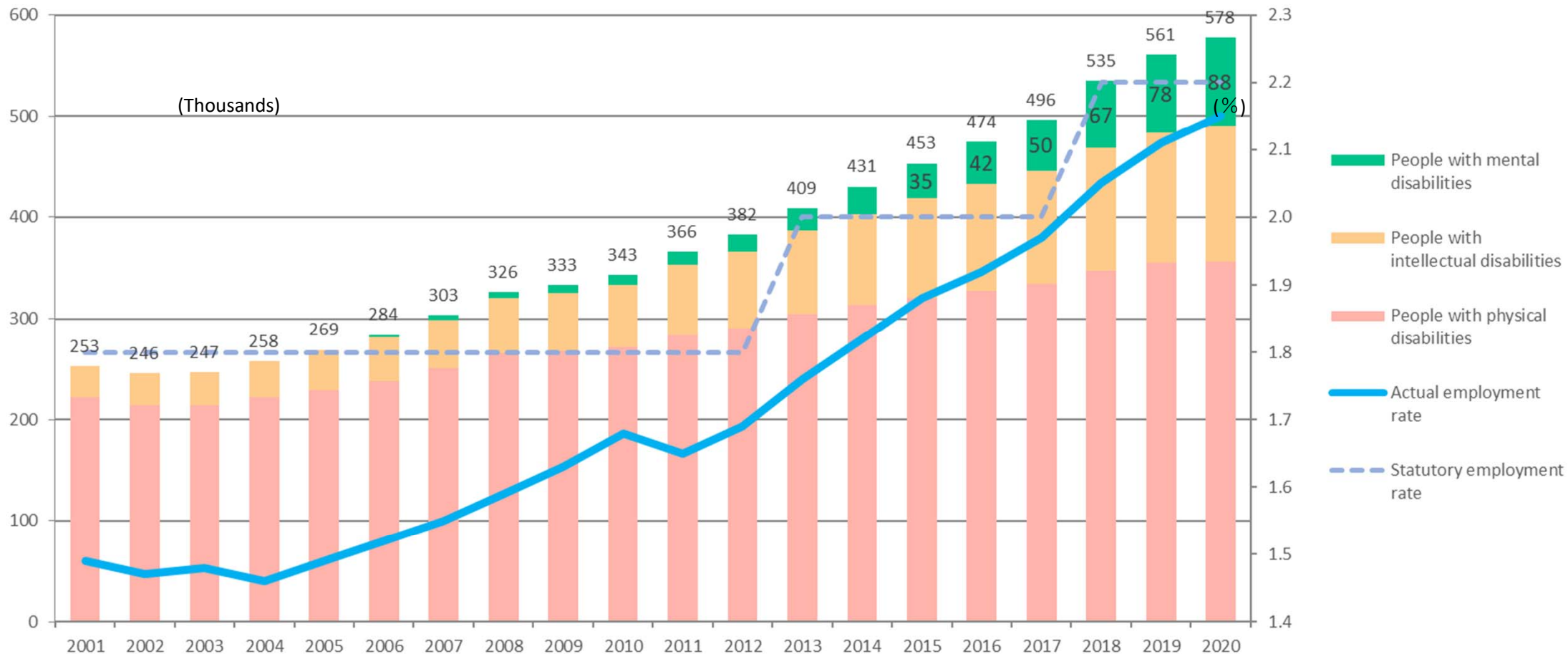
## Increase in the number of people with mental disabilities



Source: Prepared by Welbe based on 2019 Disabled People White Paper (Cabinet Office) and Population Estimates (Statistics Bureau, Ministry of Internal Affairs and Communications)

# Employment of People with Disabilities

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



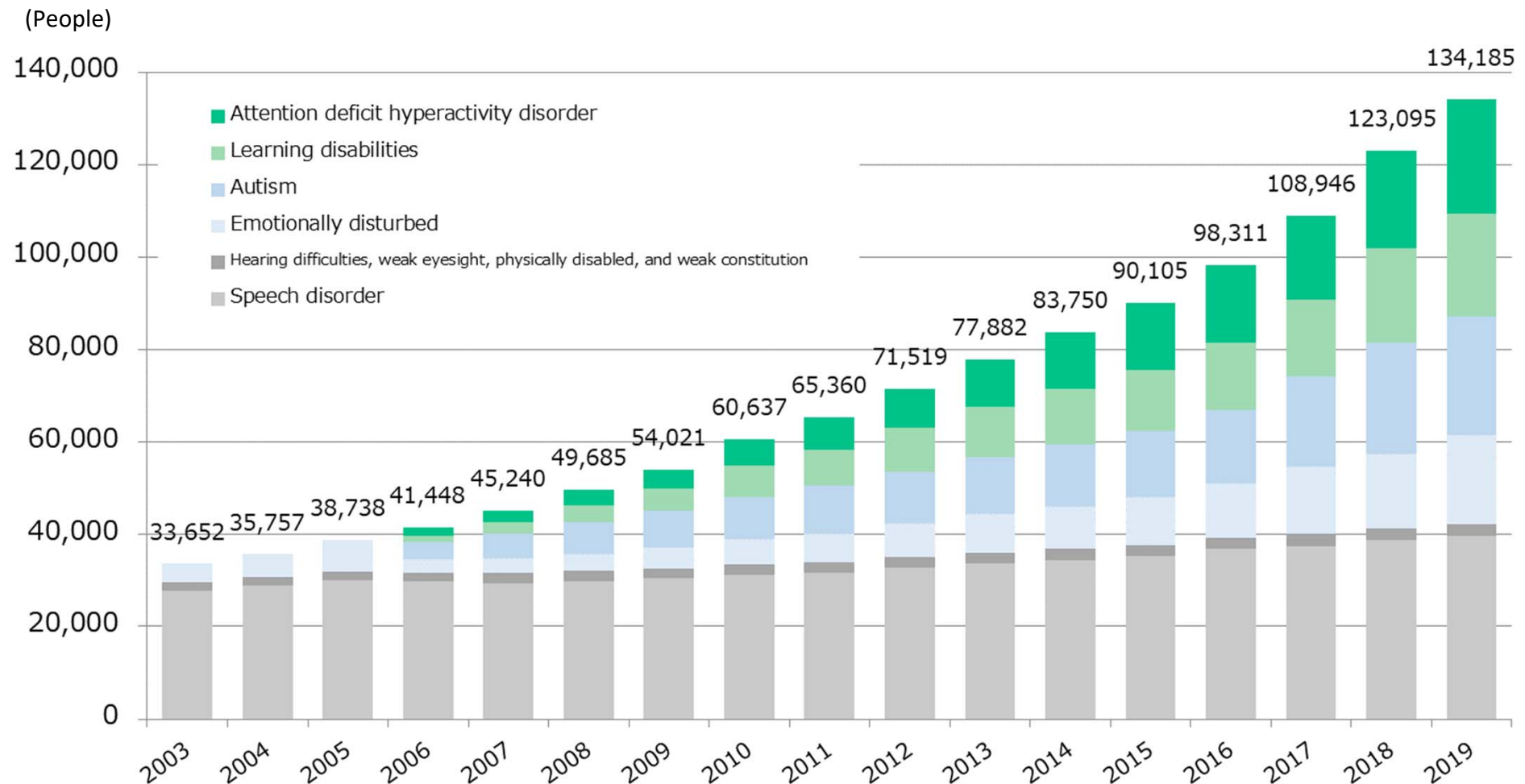
Source: Report on the "Status of Employment of Persons with disabilities" in 2020, Ministry of Health, Labour and Welfare

# Growth in the Number of Developmentally Disabled Children in Japan

■ 6.5% of children who attend a regular school have the potential for developmental disorder.

(Dec. 2012 survey by the Ministry of Education, Culture, Sports, Science, and Technology)

■ The steady increase in the number of children attending special classes to accommodate their disabilities.



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

From the third year of establishment,  
basic remuneration fluctuates according to employment retention performance

Established	1 <sup>st</sup> year	2 <sup>nd</sup> year	From the 3 <sup>rd</sup> year
	811	811	502~1,094

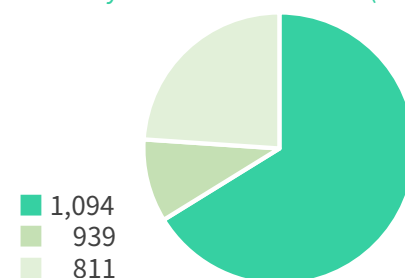
- 1st and 2nd year of establishment, basic remuneration is guaranteed 811 units
- After the 3rd year, the remuneration rate up increased or decreased according to the retention rate for at least six months after employment

## Units after the 3rd year

Retention rate	Number of fixers	Units of basic remuneration
50% =<	10 or more	1,094
40% =<	8、9	939
30% =<	6、7	811
20% =<	4、5	689
10% =<	2、3	567
0% <	1	527
0	0	502

- It requires at least **six fixers** to maintain the remuneration rate for the 1<sup>st</sup> and 2<sup>nd</sup> year.
- For the year ended March 31, 2021, contributing to sales growth by earning high remuneration at each base.

Business sites ratio  
by basic remuneration (FY3/21)



※Units in the case of up to 20 users

# Compensation Structure(Habilitation Business)

	Basic remuneration		Addition (I)		Addition (II)
Child development Support called "Zi-hatsu"	830 units	+	209 Specialists or 155 Child guidance, etc. personnel or 91 Other personnel	+	209 Specialists or 155 Child guidance, etc. personnel or 91 Other personnel

	Basic remuneration		Addition (I)		Addition (II)
after-school day care service called "Ho-day"	612 Weekday or 730 Holiday	+	209 Specialists or 155 Child guidance, etc. personnel or 91 Other personnel	×	Unattainable

Additions is that

- we can get if we allocate more than the standard number of people.
- we can get **2** servings at Zi-hatsu.
- we can get only **1** serving at Ho-day.

Management Strategy is to

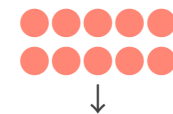
- recruit qualified personnel
- open more Zi-hatsu bases
- multi-functionalize Ho-day to increase Zi-hatsu users.

Multifunctionalization allows a single office to provide different services within a 10 person capacity.

Single function bases  
of Ho-day



Multifunction bases  
of Zi-hatsu & Ho-day



● "Ho-day" users  
■ "Zi-hatsu" users

※Units in the case of up to 10 users

※Specialists...Physical therapists, occupational therapists, speech therapists, and nursery teachers

Child guidance, etc. personnel...Teacher's License, Kindergarten Teacher's License Holder.

Those who have completed psychology, pedagogy, and sociology at university.



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