

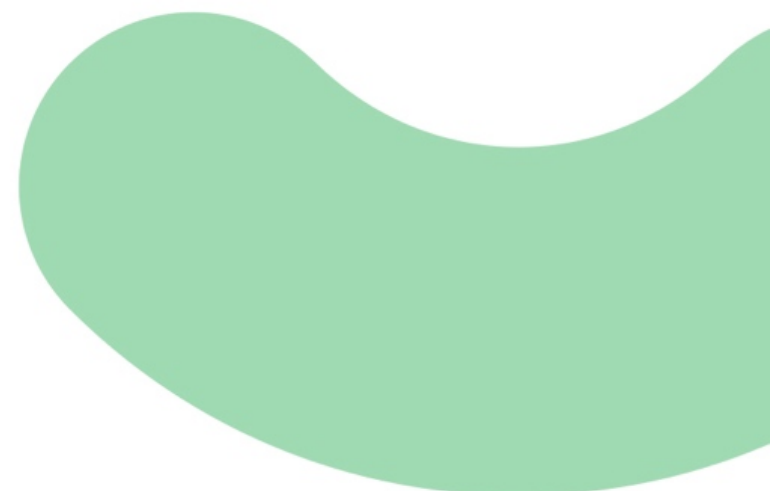


Results of Operations

for the Fiscal Year Ended March 2020 (FY3/20)

Welbe, Inc.

Securities Code: 6556



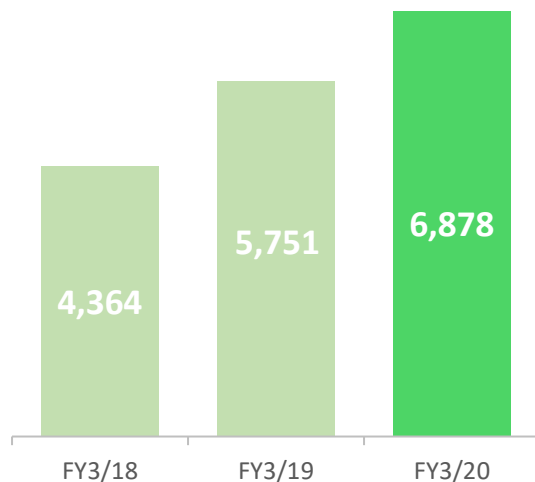
Financial Results and Forecast

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

1-1. Results for the Fiscal Year Ended March 2020

(millions of yen)

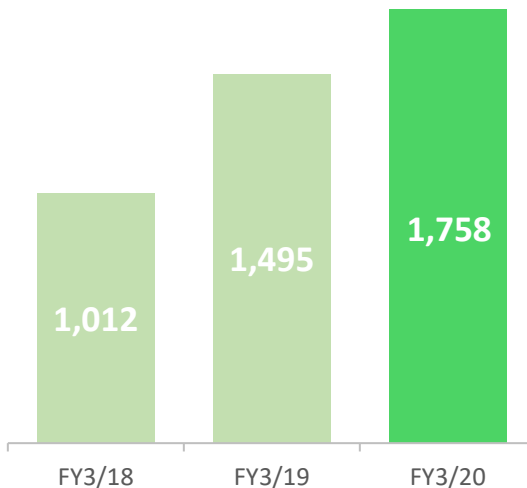
Net sales



9 consecutive years of Net sales growth since establishment

+ ¥1,126 million increase
from the previous fiscal year
+ 19.6% YOY change

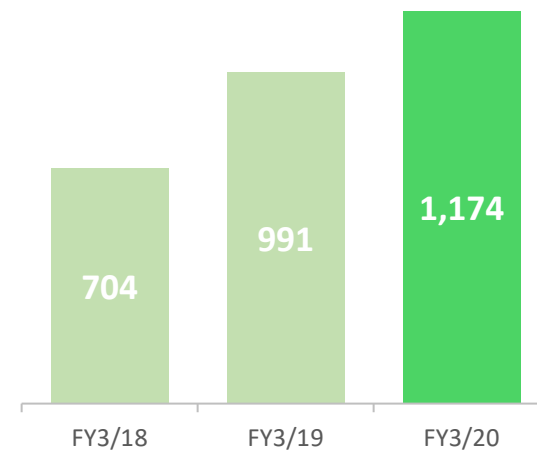
Operating profit



7 consecutive years of Operating Profits growth

+ ¥262 million increase
from the previous fiscal year
+ 17.6% YOY change

Profit



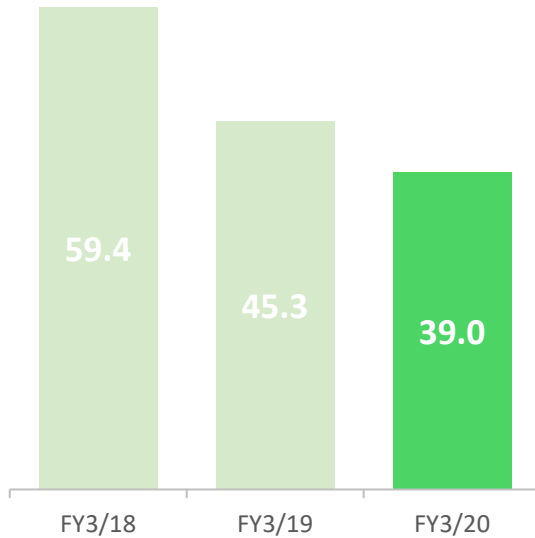
7 consecutive years of Profits growth

+ ¥182 million increase
from the previous fiscal year
+ 18.4% YOY change

1-2. Results for the Fiscal Year Ended March 2020

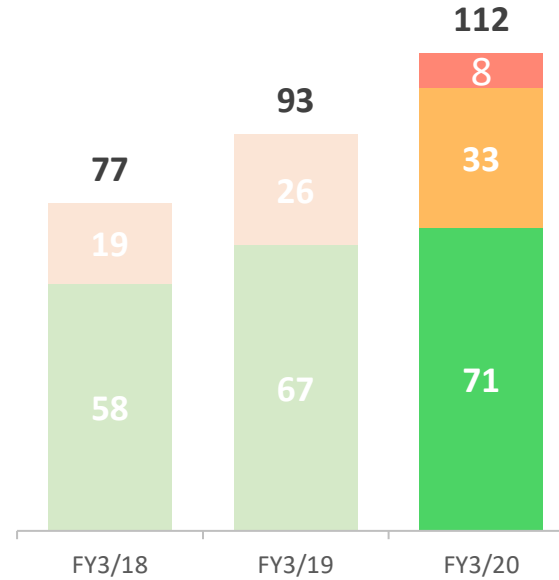
ROE

(%)



ROE (return on equity) remains high

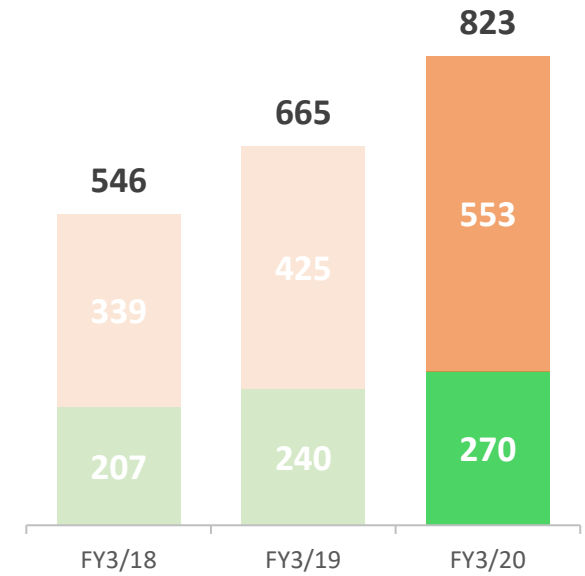
Bases



More than 100 operating bases in the Group

Employees

(number of people)



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

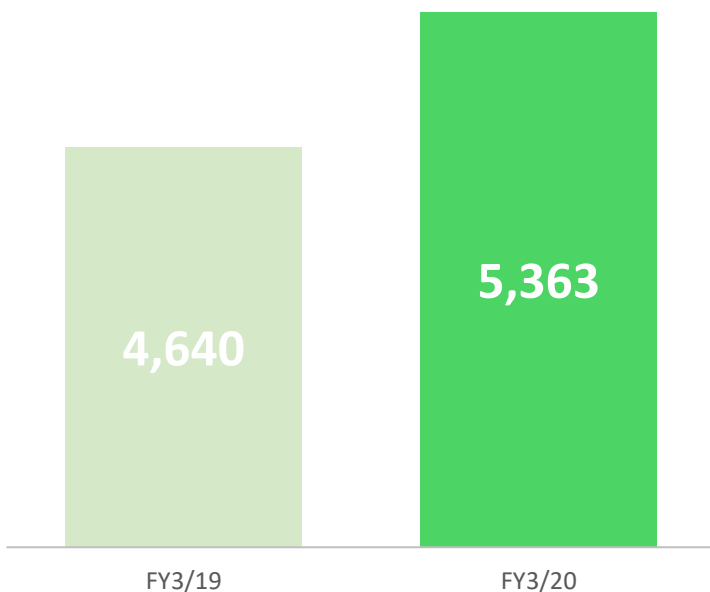
Female ratio of 67.2%

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

- Women
- Man

2-1. Employment Transition Support Business

Net sales (millions of yen)



Up ¥722 million
Change + 15.6%

[Main factors of change]

- (+) • Increase in the number of users at Employment Transition Support offices
- Increase in basic remuneration at Employment Transition Support offices
- Increase in sales (Number of users + basic compensation) at Employment Retention Support offices
- (-) • Completion of Retention Support additional payment which only existed in FY3/19.

Openings and exits

Net increase of
4 bases

6 opened

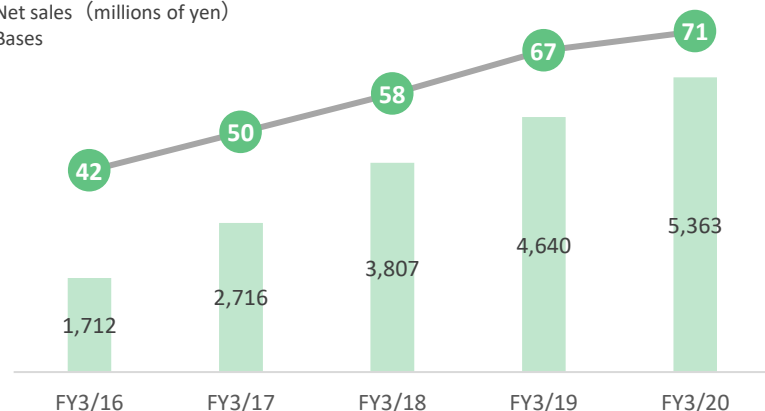
Soka-Eki-Higashiguchi, Niigata, Kanazawa,
Matsumoto, Yokkaichi, Nara

2 exited

Hon-Atsugi II, Minami-Urawa

Net sales and Number of bases

■ Net sales (millions of yen)
● Bases



Established Welbe Link Inc.

- Established for the purpose of providing comprehensive consulting services related to the employment of persons with disabilities to companies.
- 100% owned. **Unconsolidated** subsidiary.
- We prepared for future monetization in the fiscal year.
 - Promote registration of job placement mainly for graduates of our company Service (325 subscribers/as of March 31)
 - Acquisition of "ISMS" certification, an international standard for information security required at the time of bidding for public sector projects
 - Opening of satellite offices (Urayasu Office opened in April 2020.)



2-2. Employment Transition Support Business

Maintains a high number of employers and retention record.

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

Increase in business orders from government agencies

Welbe has received several other orders from central and local government agencies for advisory services related to the recruitment and retention of people with disabilities.

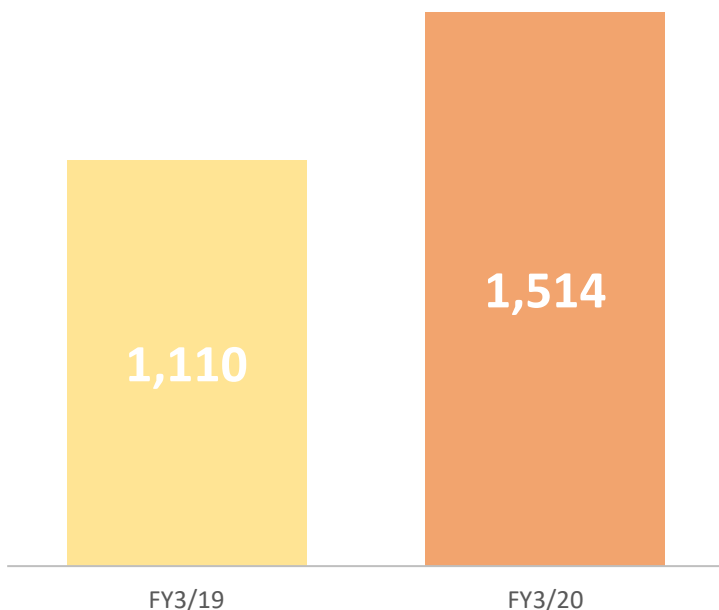
- Aug.2019 "Work Support Station for the disabled(WSS)" received from The Chief Cabinet
- Dec. "Workplace retention support for persons with disabilities" received from The Ministry of Internal Affairs and Communications
- Dec. "Support for collaboration with welfare specialists" in employment support services for the needy received from Fuchu City

(FY3/21)

- We received a consignment of managing the "Job Center Kawaguchi" from Saitama Prefecture in April 2020. It is the third contract after the Job Center Soka (From June 2014) and the Job Center Kawagoe (From June 2015).

3. Habilitation Business

Net sales (millions of yen)



Up Change ¥404 million
+ 36.4%

[Main factors of change]

- (+) • Increase in the number of users
- Consolidation of ILIS Inc.

Openings

Increase of
15 bases

+3

Child development support classrooms (habii)
Tsudanuma, Sendai, Hon-Atsugi

+4

After-school day care service classrooms (habii plus)
Matsudo, Nishi-Funabashi, Nishi-Kawaguchi, Fujimino

+8

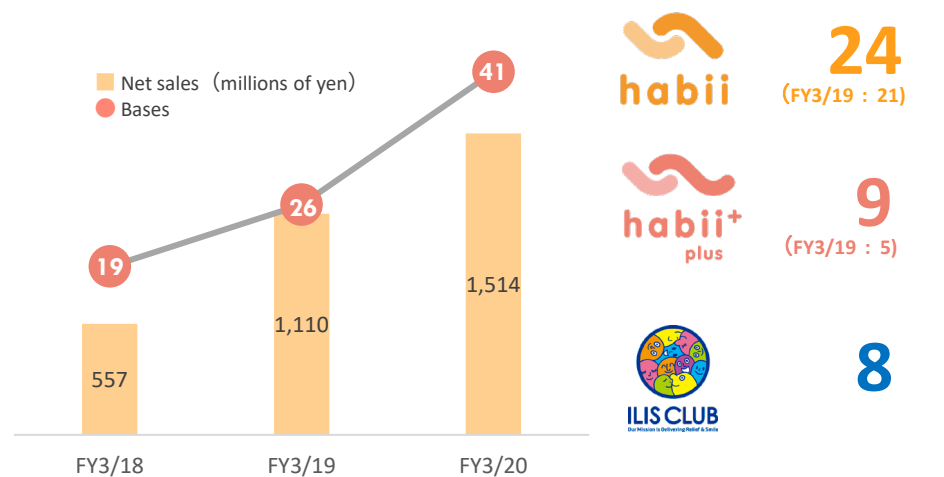
Multifunctional offices (ILIS CLUB)
Imabayashi, Abeno, Naniwa, Yao-Minami, Matsubara, Izumiotsu, Kishiwada, Izumisano

Acquisition of shares of ILIS Inc.

- Acquired shares on February 5, 2020
- Operating 8 Multifunctional offices *
- **Consolidated** subsidiary (from FY3/20 settlement of results)

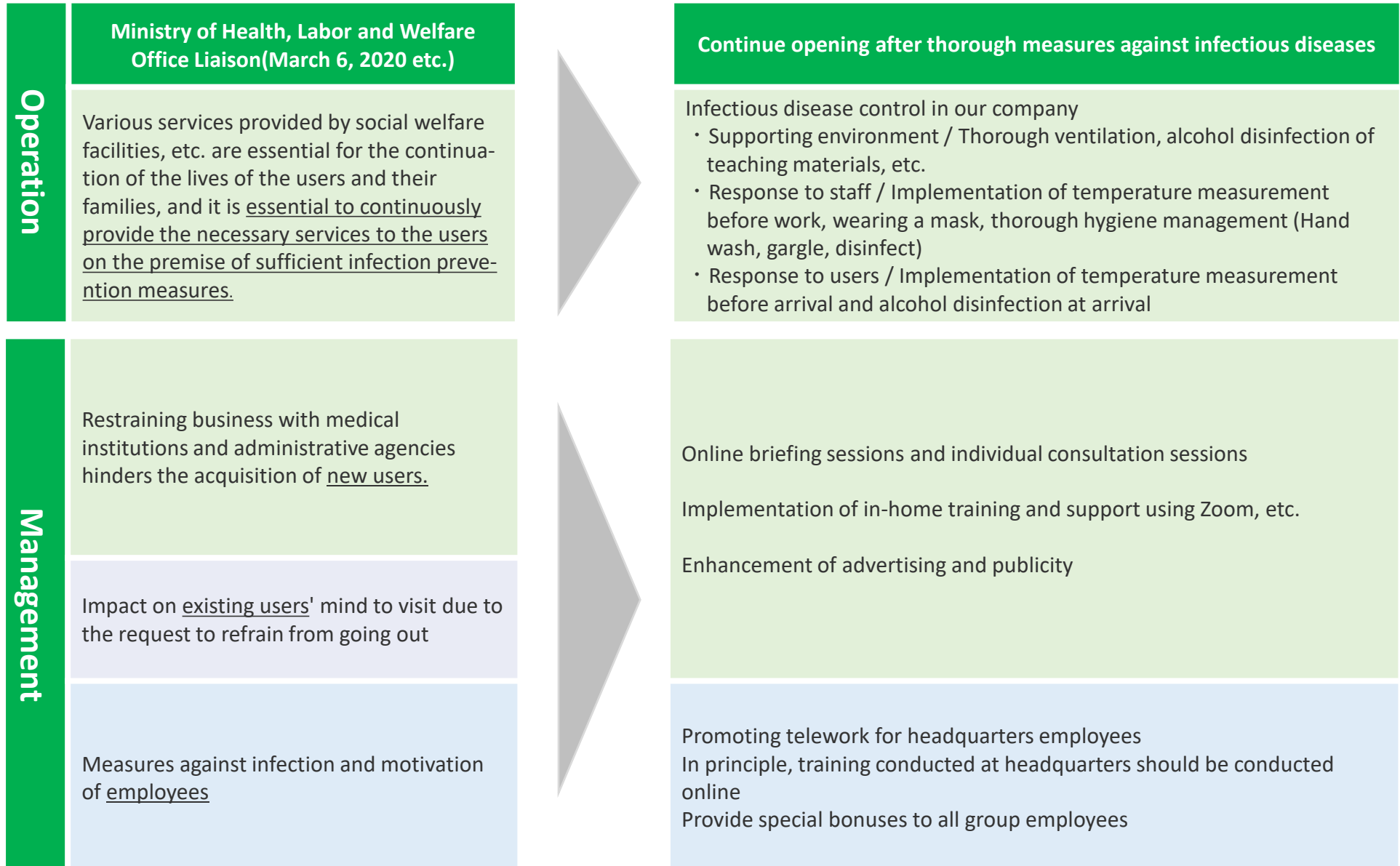
* According to age, provide child development support service and after-school day care service with a maximum of 10 people

Net sales and Number of bases



(number of bases)

4. Impact of New Coronavirus Infection and Countermeasures



5. 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.

【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.

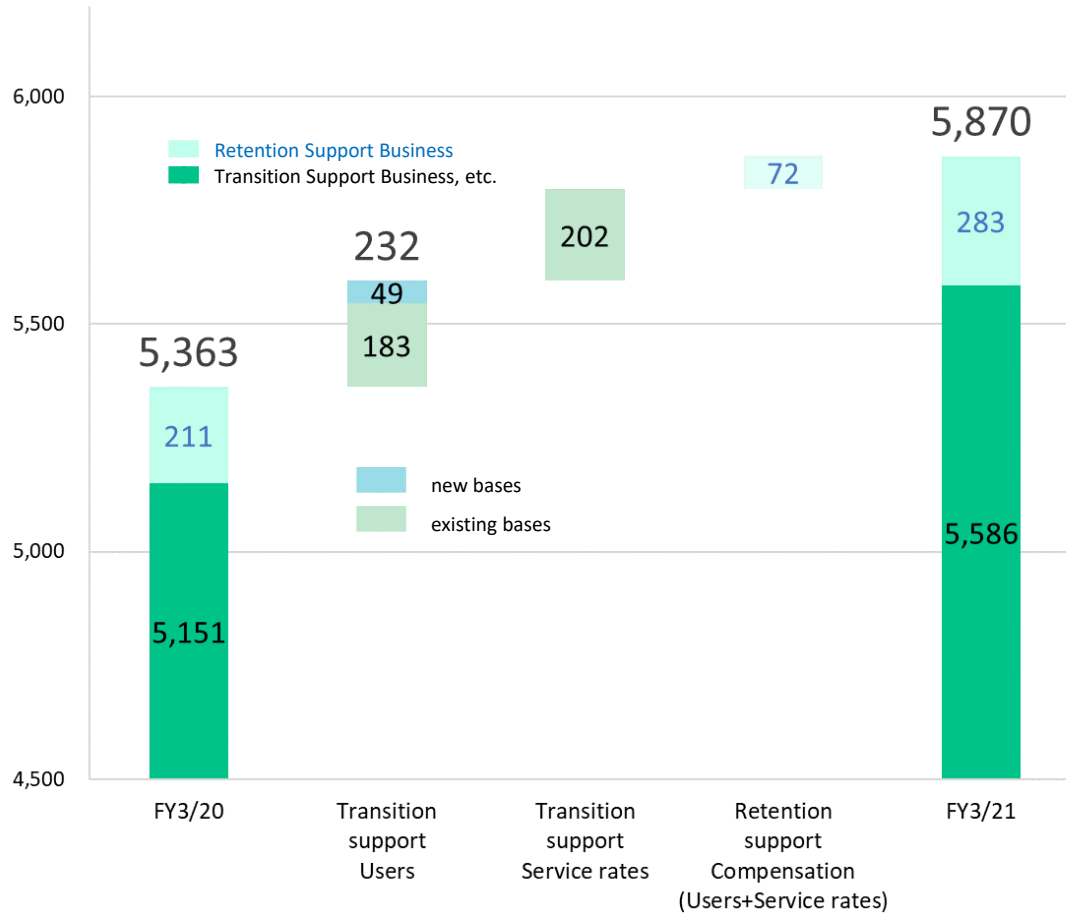
The number of users is on a recovery trend due to measures such as the introduction of online support.

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		Change	Change (%)
	Results	Comp.	Forecast	Comp.		
Net sales	6,878	100.0%	7,838	100.0%	+960	+14.0%
Operating profit	1,758	25.6%	1,952	24.9%	+194	+11.1%
Ordinary profit	1,756	25.5%	1,950	24.9%	+193	+11.0%
Profit	1,174	17.1%	1,328	16.9%	+153	+13.1%

6-1. Sales Forecast – Employment Transition Support Business —

(millions of yen)



**Increase
YoY change**

**+ 508million
+ 9.5%**

Transition
support
Users

Regarding new bases openings, we expect to open 8 new bases. Outlook for a **steady increase in the number of users** 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. **Service rates of almost all the existing centers are increased** because they achieved the higher number of users compared to FY3/19

Retention
support
Compensation

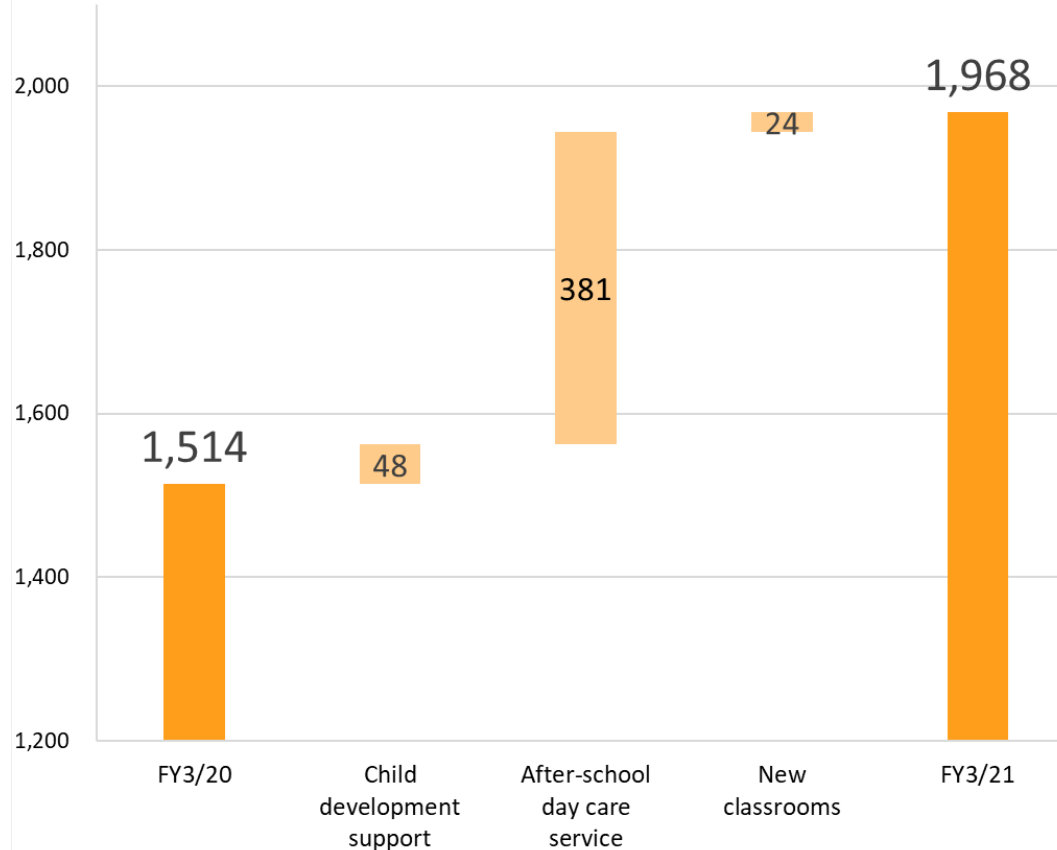
Users and service rates are estimated based on the results for FY3/20 at each offices. As of March 2020, we have operated **58** of employment retention support offices. They will be opened sequentially as soon as the condition is set.

* 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.**

6-2. Sales Forecast – Habilitation Business –

(millions of yen)



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

Child development support	<p>It is an increase existing business sites at child development support business.</p> <p>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.</p> <p>The number of users at existing bases is steadily maintained and increasing, and we expect to increase in sales.</p>
After-school day care service	<p>It is the increase in after-school day care service at existing offices.</p> <p>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</p> <p>The number of users at existing bases is steadily maintained and increasing, and we expect to increase in sales.</p> <p>In addition, sales have increased due to the full-year consolidation of ILIS Inc. (FY3/20 only the fourth quarter includes .)</p>
New bases	<p>From the second quarter, we expect to open 5 new bases.</p>

* 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.

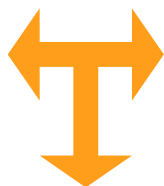
7. Shareholder Distributions

Basic policy

Welbe's policy is to make consistent earnings distributions that properly reflect results of operations while taking actions aimed at maintaining the long-term soundness of business operations

Dividend policy

Increase retained earnings to maintain financial soundness and provide funds for future growth



Reflect results of operations and the financial position in shareholder distributions

Dividend payout ratio target: 20%

Dividend

FY3/20

Annual dividend of 8.8 yen

based on the actual profit of 1,174 millions of yen

(Interim dividend of 4.4 yen, Year-end dividend 4.4 yen(forecast))

FY3/21 (forecast)

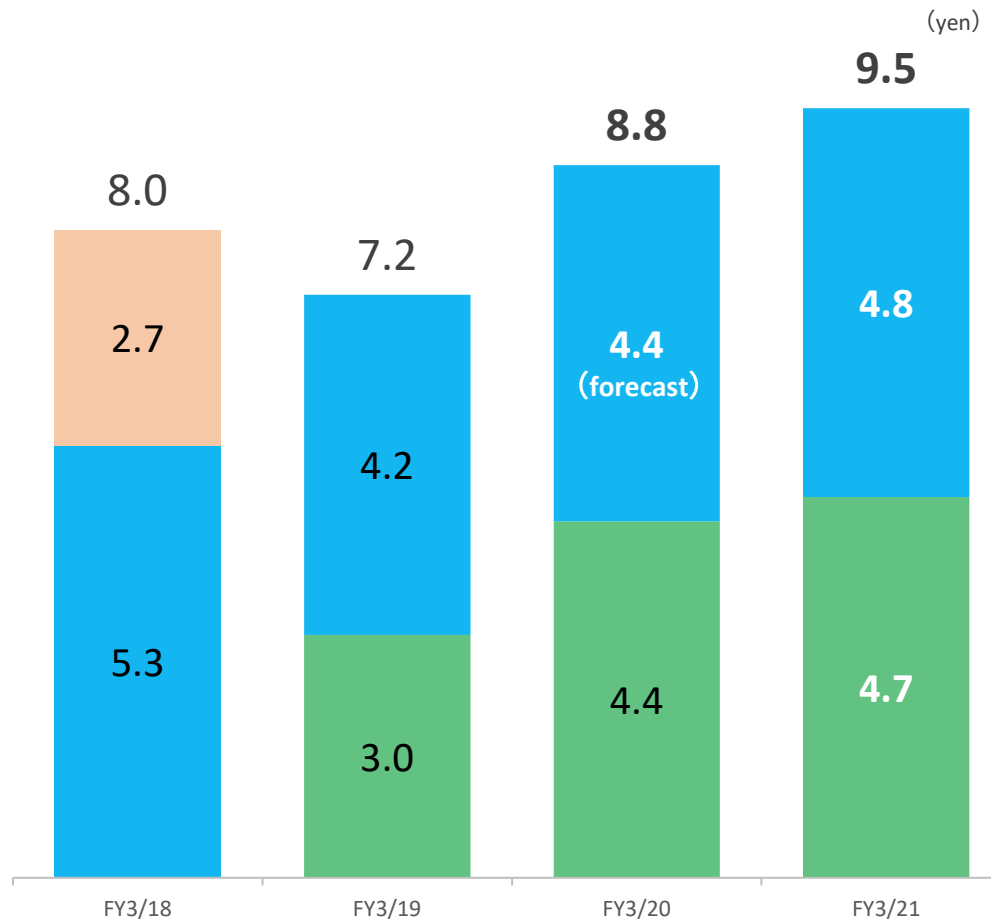
Annual dividend of 9.5 yen

based on the full-year forecast of 1,328 millions of yen

(Interim dividend of 4.7 yen, Year-end dividend 4.8 yen)

Dividend per share

commemorative dividend interim dividend year-end dividend



* Dividends per share for the FY3/18 factor in the effects of the stock split and include a ¥2.7 commemorative dividend (10% equivalent of dividend payout ratio) for the listing of welbe stock on the TSE Mothers Market.

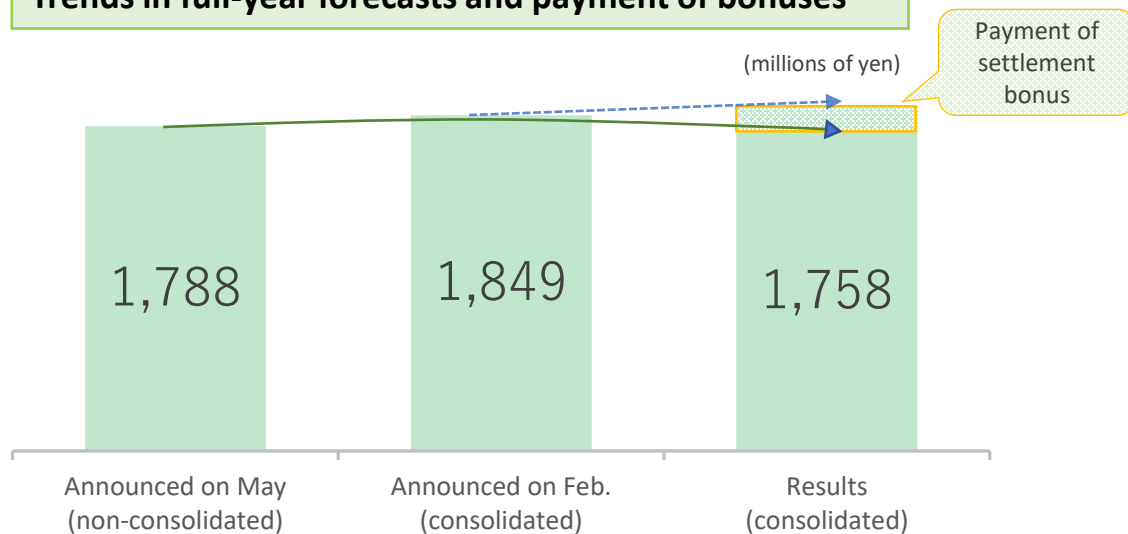
Supplementary materials for financial results

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

Performance forecast comparison and previous year comparison

(millions of yen)	FY3/20		FY3/20		Vs. FY3/20 Forecast		FY3/19		YoY change	
	Results		Announced on Feb.				Results			
	Amount	Comp.	Amount	Comp.	Change	Change (%)	Amount	Comp.	Change	Change (%)
Net sales	6,878	100.0%	6,857	100.0%	21	0.3%	5,751	100.0%	+1,126	+19.6%
Operating profit	1,758	25.6%	1,849	27.0%	-90	-4.9%	1,495	26.0%	+262	+17.6%
Ordinary profit	1,756	25.5%	1,471	26.9%	-87	-4.8%	1,471	25.6%	+285	+19.4%
Profit	1,174	17.1%	991	18.2%	-74	-6.0%	991	17.2%	+182	+18.4%

Trends in full-year forecasts and payment of bonuses



With the spread of the new coronavirus infection, employees have a high sense of professional responsibility and are striving to provide high-quality services to support users and their families.

In addition to the regular bonus, the payment of a **settlement bonus** is decided.

Quarterly comparisons (Overall profit and loss)

(millions of yen)	FY3/19					FY3/20					YoY Change	QoQ Change (3Q vs 4Q)
	1Q	2Q	3Q	4Q	cumulative total	1Q	2Q	3Q	4Q	cumulative total		
Net sales	1,377	1,476	1,453	1,444	5,751	1,593	1,693	1,753	1,837	6,878	+393	+84
Sales of Employment Transition Support Business	1,162	1,203	1,152	1,121	4,640	1,276	1,345	1,388	1,352	5,363	+230	-36
(Transition support compensation)	(1,046)	(1,099)	(1,134)	(1,091)	(4,371)	(1,237)	(1,301)	(1,327)	(1,285)	(5,151)	+194	-42
(Additional payments for job retention support)	(116)	(102)	—	—	(218)	—	—	—	—	—	—	—
(Retention support compensation)	(0)	(2)	(18)	(30)	(51)	(39)	(44)	(61)	(66)	(211)	+36	+5
Sales of Habilitation Business	214	272	301	322	1,110	316	347	365	485	1,514	+162	+120
Cost of sales	805	828	857	911	3,403	943	964	987	1,239	4,135	+327	+251
Gross profit	571	647	596	532	2,348	649	728	766	598	2,742	+66	-167
SG&A expenses	209	198	216	228	852	210	221	248	303	984	+75	+54
Operating profit	362	448	380	304	1,495	439	507	517	295	1,758	-9	-222
Non-operating profit / loss	0	0	0	-23	-24	0	0	-3	0	1	+23	+3
Ordinary profit	362	448	380	280	1,471	440	508	513	295	1,756	+14	-218
Extraordinary profit / loss	-1	—	0	-17	-19	—	-2	0	-15	18	+2	-14
Profit before taxes	361	448	379	262	1,451	440	505	512	279	1,738	+16	-233
Profit	224	293	236	238	991	277	337	322	236	1,174	-1	-85

Sales of Employment Transition Support Business

(4Q FY3/20)

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

Sales of Habilitation Business (4Q FY3/20)

- Increase due to the new consolidation of ILIS Inc.

Cost of Sales (4Q FY3/20)

- Increase in personnel expenses due to the settlement bonus
- Increase due to the new consolidation of ILIS Inc.

SG&A (4Q FY3/20)

- Increase in advertising costs
- Acquisition-related costs of ILIS Inc.
- Increase due to the new consolidation of ILIS Inc.

Non-operating profit and loss (4Q FY3/19)

- Lease termination loss

Extraordinary loss (4Q FY3/19)

- Impairment loss due to relocation, etc.

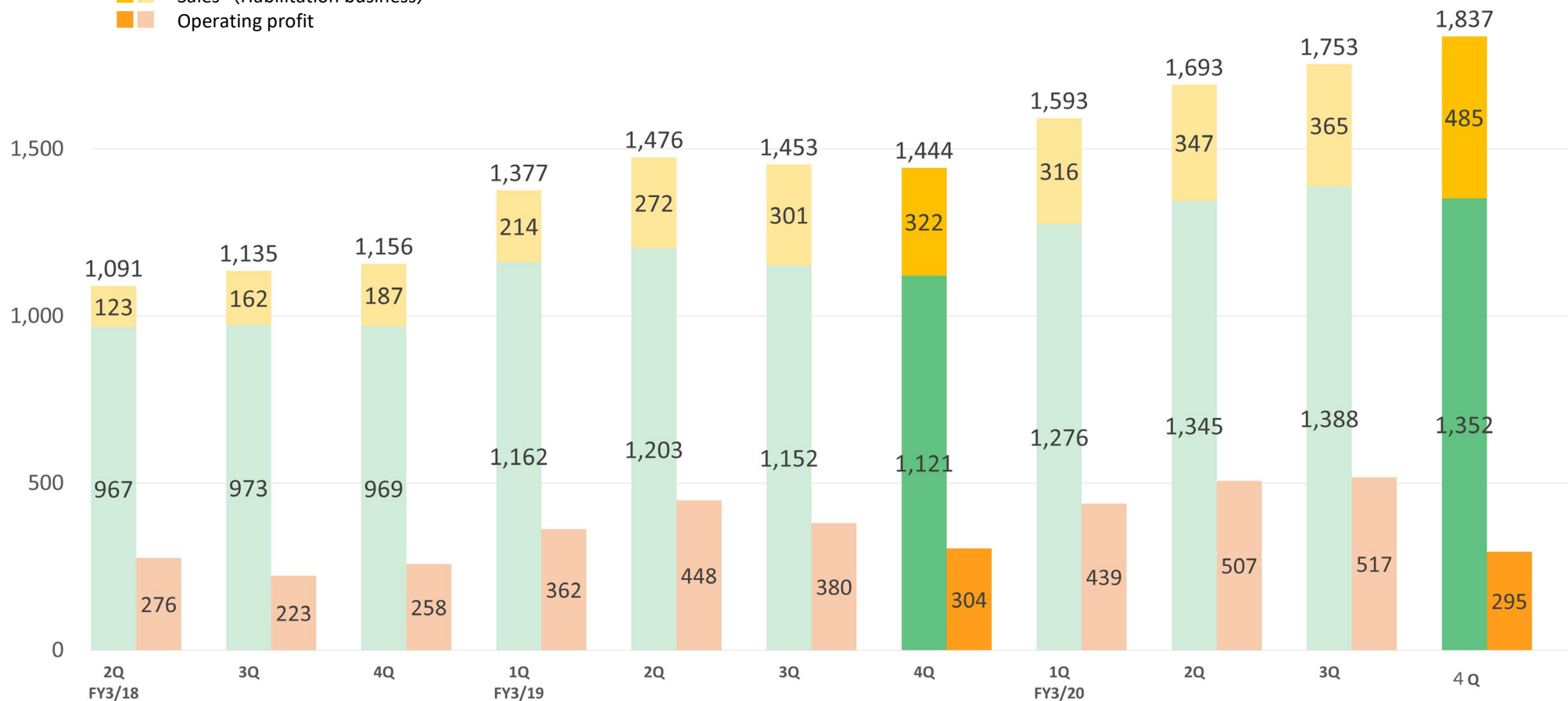
Extraordinary loss (4Q FY3/20)

- Impairment loss due to relocation , etc.

Quarterly comparisons (Net sales and Operating profit)

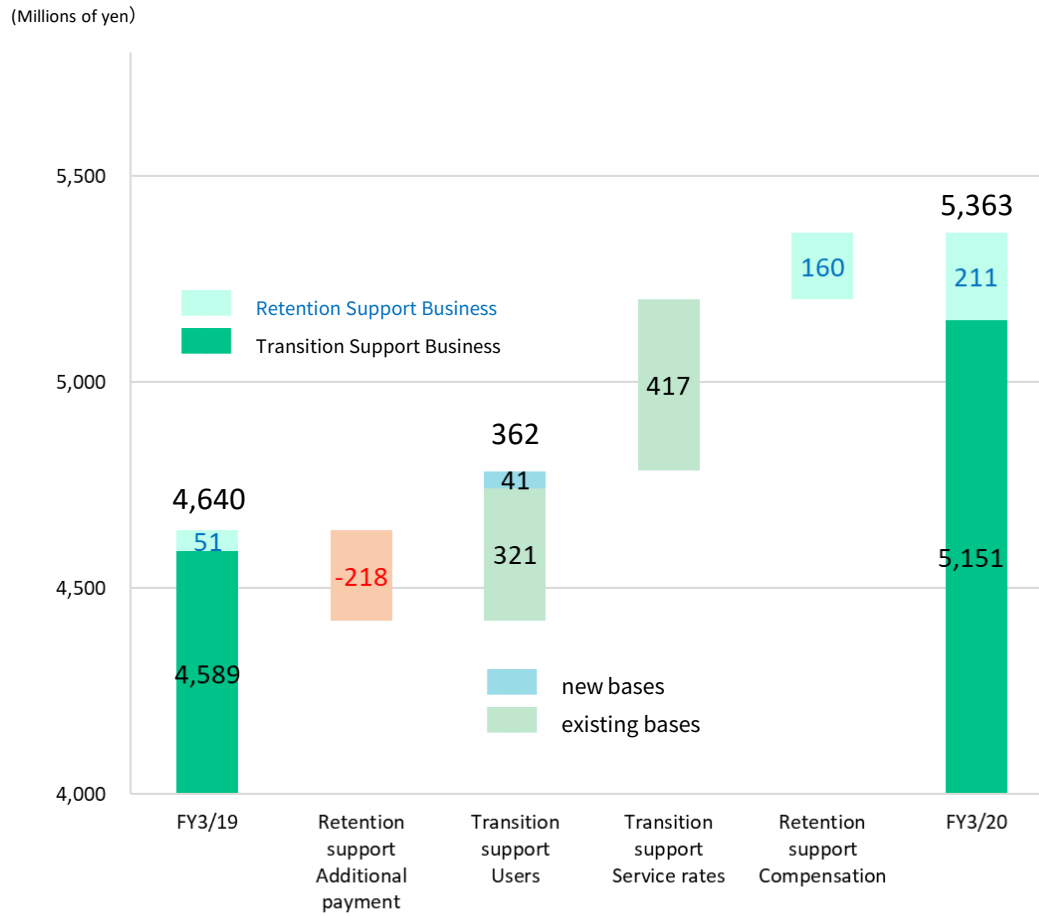
(Millions of yen)

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

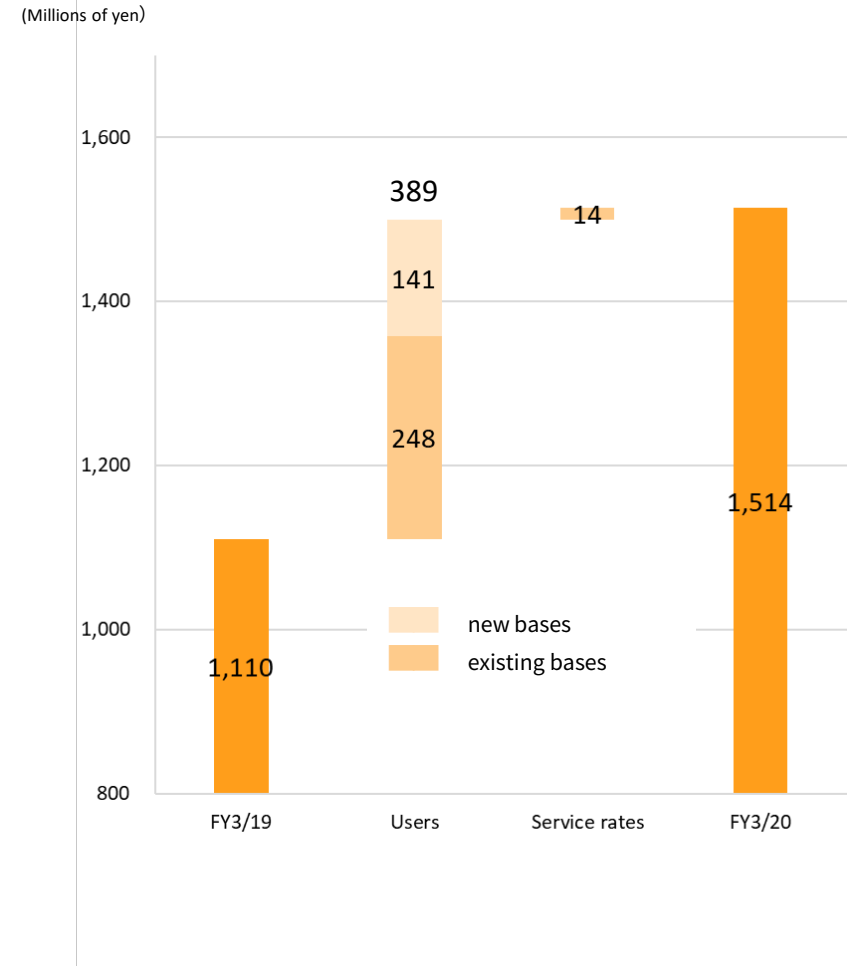


Results for the period (Factors of change in sales)

Sales of Employment Transition Support Business
UP ¥722 million



Sales of Habilitation Business
UP ¥404 million



* 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, 2019.

Quarterly comparisons (Cost of sales)

(millions of yen)	FY3/19						FY3/20						YoY Change	QoQ Change (3Q vs 4Q)
	1Q	2Q	3Q	4Q	cumulative total	Comp.	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.		
Net sales	1,377	1,476	1,453	1,444	5,751		1,593	1,693	1,753	1,837	6,878		+1,126	+84
Personal	561	580	598	623	2,363	69.4%	681	685	698	908	2,973	71.9%	+609	+209
Rent	82	86	87	92	348	10.2%	95	97	102	119	415	10.0%	+66	+17
Supplies expense	68	65	68	91	294	8.7%	67	67	70	80	286	6.9%	-8	+9
Travel, transportation and expenses	31	34	35	34	136	4.0%	36	37	37	37	148	3.6%	+12	+0
Depreciation	19	21	22	26	89	2.6%	21	22	25	33	103	2.5%	+14	+7
Others	41	40	43	44	170	5.0%	40	54	53	59	207	5.0%	+37	+6
Cost of sales/Total	805	828	857	911	3,403	100.0%	943	964	987	1,239	4,135	100.0%	+732	+251
Cost of sales ratio	58.5%	56.1%	59.0%	63.1%	59.2%		59.2%	57.0%	56.3%	67.4%	60.1%		+1.0%	+11.1%
Gross profit	571	647	596	532	2,348		649	728	766	598	2,742		394	-167

FY3/19

Supplies expense (4Q)

- Purchase of PCs for new graduates and emergency goods

FY3/20

Personal (4Q)

- Increase in personnel expenses due to settlement bonus
- Increase due to the new consolidation of ILIS Inc.

Rent (4Q)

- Increase due to the new consolidation of ILIS Inc.

Quarterly comparisons (SG&A)

(millions of yen)	FY3/19						FY3/20						YoY Change	QoQ Change (3Q vs 4Q)
	1Q	2Q	3Q	4Q	cumulative total	Comp.	1 Q	2 Q	3 Q	4 Q	cumulative total	Comp.		
Net sales	1,377	1,476	1,453	1,444	5,751		1,593	1,693	1,753	1,837	6,878		+1,126	+84
Gross profit	571	647	596	532	2,348		649	728	766	598	2,742		+394	-167
Personal	96	91	92	98	379	44.5%	96	100	102	124	424	43.1%	+45	+21
Tax and dues	36	37	38	37	150	17.7%	37	43	50	54	185	18.9%	+35	+4
Advertising	26	21	22	28	97	11.5%	26	24	25	42	119	12.2%	+22	+17
Commission fee	19	17	15	19	71	8.4%	18	18	18	35	90	9.2%	+19	+16
Rent	14	14	14	14	58	6.8%	15	15	15	16	63	6.4%	+5	+1
Others	16	17	32	28	95	11.2%	16	19	35	29	100	10.2%	+5	-5
SG&A/Total	209	198	216	228	852	100.0%	210	221	248	303	984	100.0%	+131	+54
SG&A to sales ratio	15.2%	13.5%	14.9%	15.8%	14.8%		13.2%	13.1%	14.2%	16.5%	14.3%		-0.5%	+2.3%
Operating profit	362	448	380	304	1,495		439	507	517	295	1,758		+262	-222
Operating margin	26.3%	30.4%	26.2%	21.1%	26.0%		27.6%	30.0%	29.5%	16.1%	25.6%		-0.4%	-13.4%

FY3/19

Others (3Q)

- Implementation of company-wide social gathering

FY3/20

Tax and dues (3Q, 4Q)

- Consumption tax hike

Others (3Q)

- Implementation of company-wide social gathering

Personal (4Q)

- Increase in personnel expenses due to settlement bonus

Advertising (4Q)

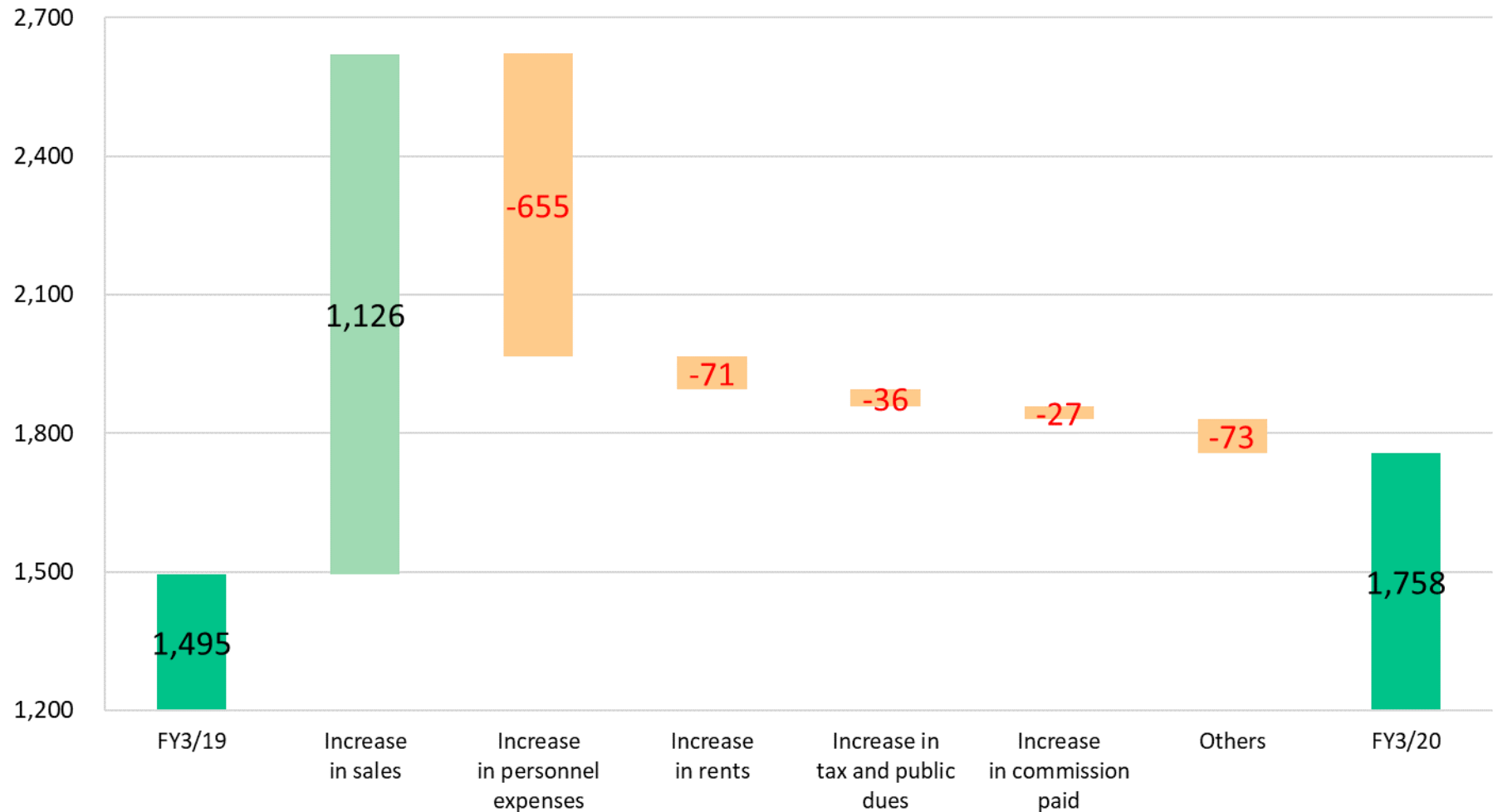
- Increasing product listing ads costs

Commission fee (4Q)

- Acquisition-related costs of ILIS Inc.

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)	FY3/19		FY3/20		Change	Rate of Change
	Amount	Comp.	Amount	Comp.		
Current assets	2,919	78.8%	3,352	74.3%	+432	14.8%
Non-current assets	787	21.2%	1,158	25.7%	+371	47.1%
Total assets	3,707	100.0%	4,511	100.0%	+803	21.7%
Liabilities	1,167	31.5%	1,033	22.9%	-133	-11.5%
(Of the above, loans and bonds)	(383)	(10.3%)	(181)	(4.0%)	(-202)	(-52.7%)
Net assets	2,539	68.5%	3,477	77.1%	+937	36.9%
Equity ratio	68.5%		77.1%			8.6%

Changes in current assets

- Increase in cash and cash equivalents (+ 142million)
- Increase in accounts receivable by higher sales (+ 275million)

Non-current assets

- Increase in property, plant, and equipment (+ 99million)
- Increase in goodwill associated with the acquisition of ILIS Inc. shares (+ 87million)
- Lending to Welbe Link (+ 70million)

Liabilities

- Decrease in loans and bonds (- 202million)
- Increase in bonus reserve (+ 120million)

Net assets

- Increase in retained earnings from profit (+ 1,174million)
- Decrease in retained earnings due to dividend payments (- 238million)

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

Cash flows from investing activities

- Increase in property, plant, and equipment (– 238million)
- Acquired the shares of "ILIS Inc." * (– 92million)
- Lending to Welbe Link (– 70million)

* Difference between cash balance of ILIS Inc. (92 million) at the start of consolidation (end of December 2019) and acquisition price of ILIS Inc. shares (185 million)

Cash flows from financing activities

- Cash flows from investing activities (– 220million)
- Dividend payments (– 237million)

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

① Employment Transition Support Business

Welbe, Inc. :

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

71 employment transition support offices(**welbe**)

58 employment retention support offices

3 specific consultation support offices

1 self-reliance training (lifestyle training) center

2 employment support centers for people with developmental disabilities operated on consignment from Saitama Prefecture

Other : Orders received from government agencies

Welbe Link Inc. :

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

1 satellite office

Fee-charging placement

② Habilitation Business

Welbe, Inc.

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

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

ILIS Inc.

8 multifunctional offices (**ILIS CLUB**)

1 specific consultation support office



(The scenery in the center of welbe)



(The Scenery in the classroom of habii)

Adults

School children

Pre-school children

Welbe, Inc.

Individual services



Welbe Link Inc.

Enterprise services

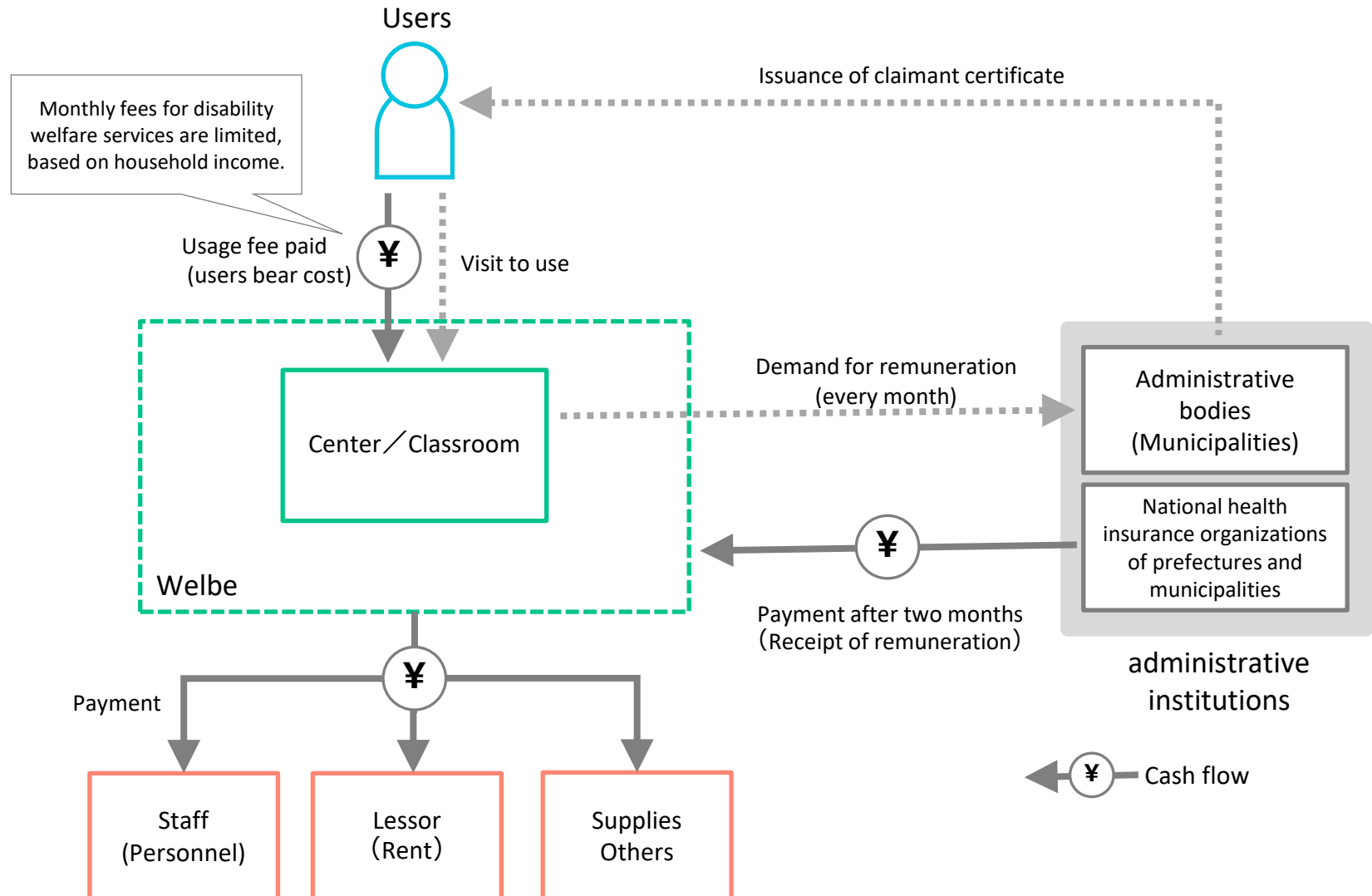


ILIS Inc.



ILIS CLUB
Our Mission Is Delivering Relief & Smile

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



Dec. 2011	●	Established
Apr. 2012	●	Began Employment Transition Support Business Opened welbe Nishi-Funabashi Ekimae Center
Nov. 2012	●	Opened 3 centers welbe Kokukoen Ekimae Center, Shin-Koshigaya Ekimae Center, and Matsudo Center
June 2014	●	Began Habilitation Business for pre-school children (Child development support business) Opened Habii Kawagoe Began Employment Support Business specialized for people with developmental disabilities Opened Job Center Soka
Apr. 2015	●	Began operations outside the Kanto area Opened welbe Nagoya Ekimae Center
Nov. 2016	●	Began Habilitation Business for elementary, junior and senior high school students (After-school day care service) Opened habii plus Kawagoe
Oct. 2017	●	Listed on the TSE Mothers Market
Apr. 2018	●	Began Employment Retention Support Business Opened Shin-Osaka center and Ogikubo Ekimae center
Apr. 2019	●	Established wholly-owned subsidiary " Welbe Link Inc. " to provide total consulting services with respect to employment of people with disabilities.
Feb. 2020	●	Acquired all the issued shares of " ILIS Inc. " that provide Habilitation Business and made it a consolidated subsidiary.
Mar. 2020	●	Operation of 112 offices (total amount of welbe , habii , habii plus and ILISCLUB)



Makoto Ohta President

1996 Joined Musashino Bank, Ltd.
2002 Joined TAC Corporation
2004 Director, Tella, Inc.
2007 Director & Vice President, Tella, Inc.
2010 President, Biomedica Solution Co., Ltd.
2011 Founded Welbe, Inc. President (to present)



Yuki Hamachi Director, Executive Vice President

2006 Joined Tella, Inc.
2012 Joined Welbe, Inc.
2016 Director, Welbe, Inc.
2018 Director, Executive Vice President, Welbe, Inc. (to present)

(Other positions)
President, Welbe Link Inc.
President, ILIS Inc.



Koichi Ito Director

1997 Joined TOKYO BUSINESS SERVICE CO.,LTD.
2001 Joined WDB Holdings Co., Ltd.
2002 Joined Celestar Lexico-Sciences, Inc.
2007 Joined Tella, Inc.
2012 Joined Welbe, Inc.
2019 Director, the Company. (to present)



Mitsuyoshi Komatsu 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)



Masafumi Sato External Audit & Supervisory Board Member

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

(Other positions)
Partner Attorney, Legal Strategy Low Office



Takao Senga Director, Senior Executive Vice President

1998 Joined TAC Corporation
2001 Joined KPMG AZSA LLC
2005 Executive Vice President, Spirall & Company Inc.
2009 External Audit & Supervisory Board Member, JINS HOLDINGS Inc.
2016 Director, Head of Management Division, Welbe, Inc.
2018 Director, Senior Executive Vice President, the Company. (to present)



Hideyuki Nakazato Director

1995 Joined Musashino Bank, Ltd.
2013 Joined Welbe, Inc.
2016 Director, the Company. (to present)



Shigenobu Kanba 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



Yasutoshi Kita Audit & Supervisory Board Member

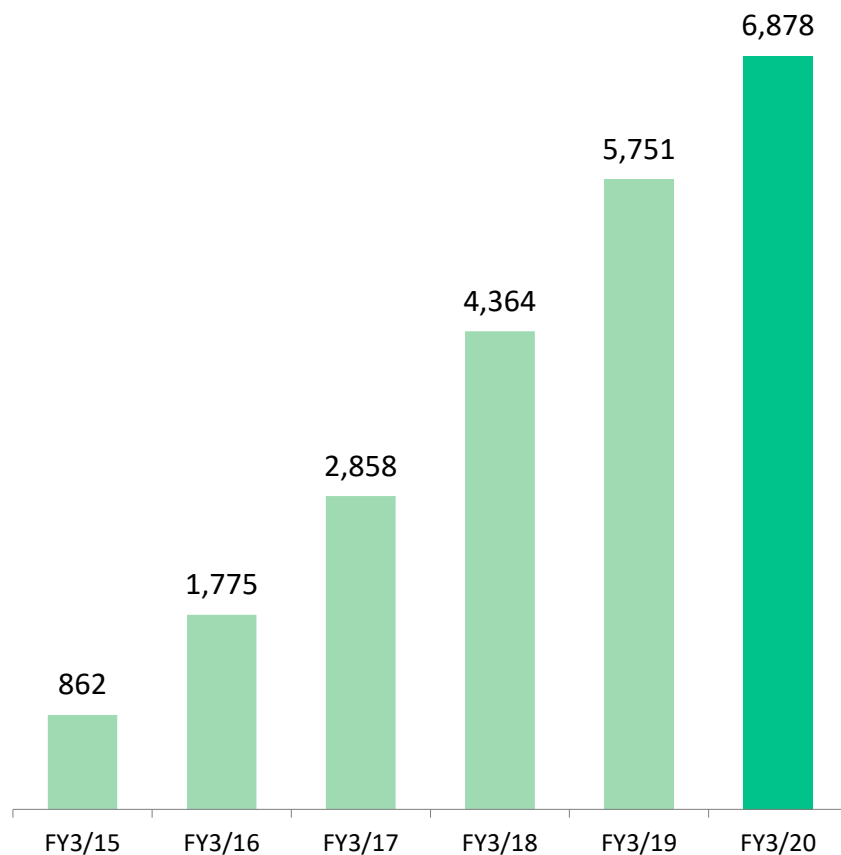
1984 Joined Mizuho Bank, Ltd.
1994 Joined Mizuho Securities Co., Ltd.
2008 President, Kita Yasutoshi Office (to present)
2016 External Director, Welbe, Inc.
2019 Audit & Supervisory Board Member, Welbe, Inc. (to present)

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

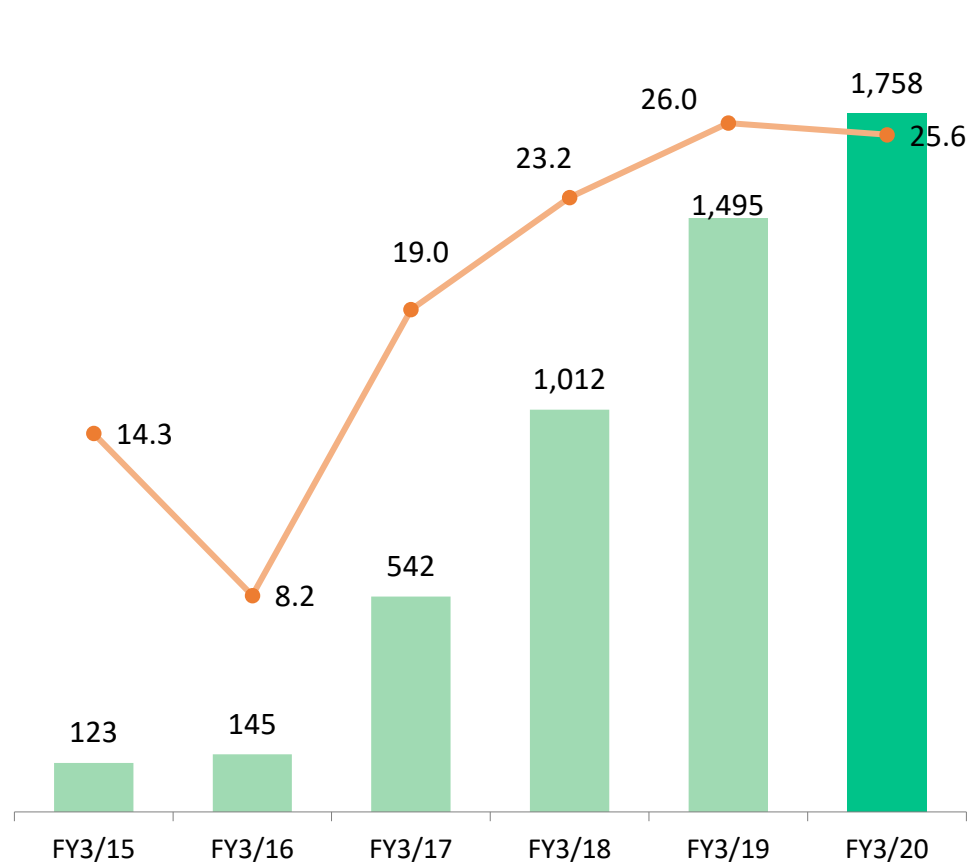
* The company name is written in the current name.

■ million of yen
— ● — %

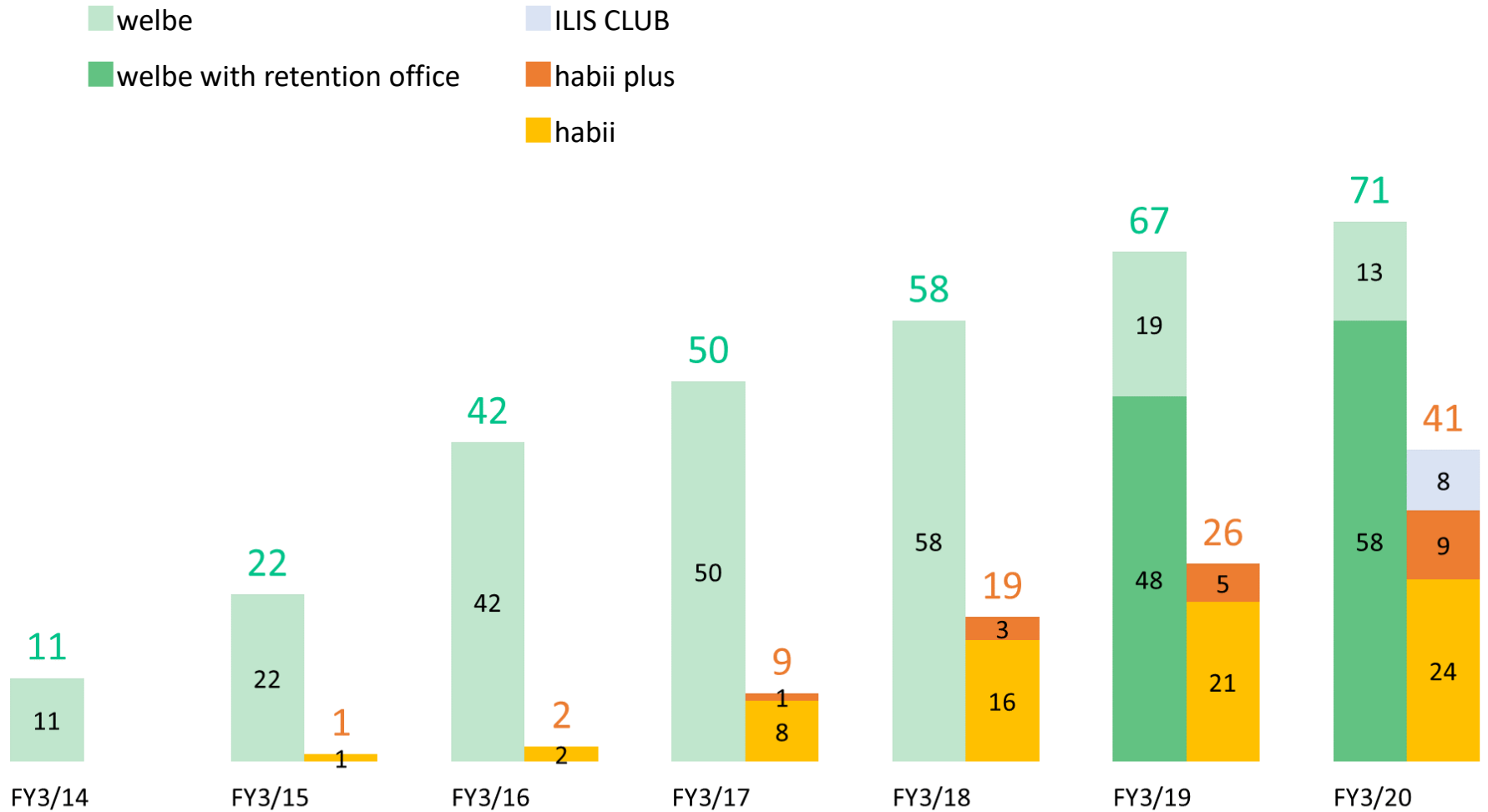
Net sales



Operating profit / margin



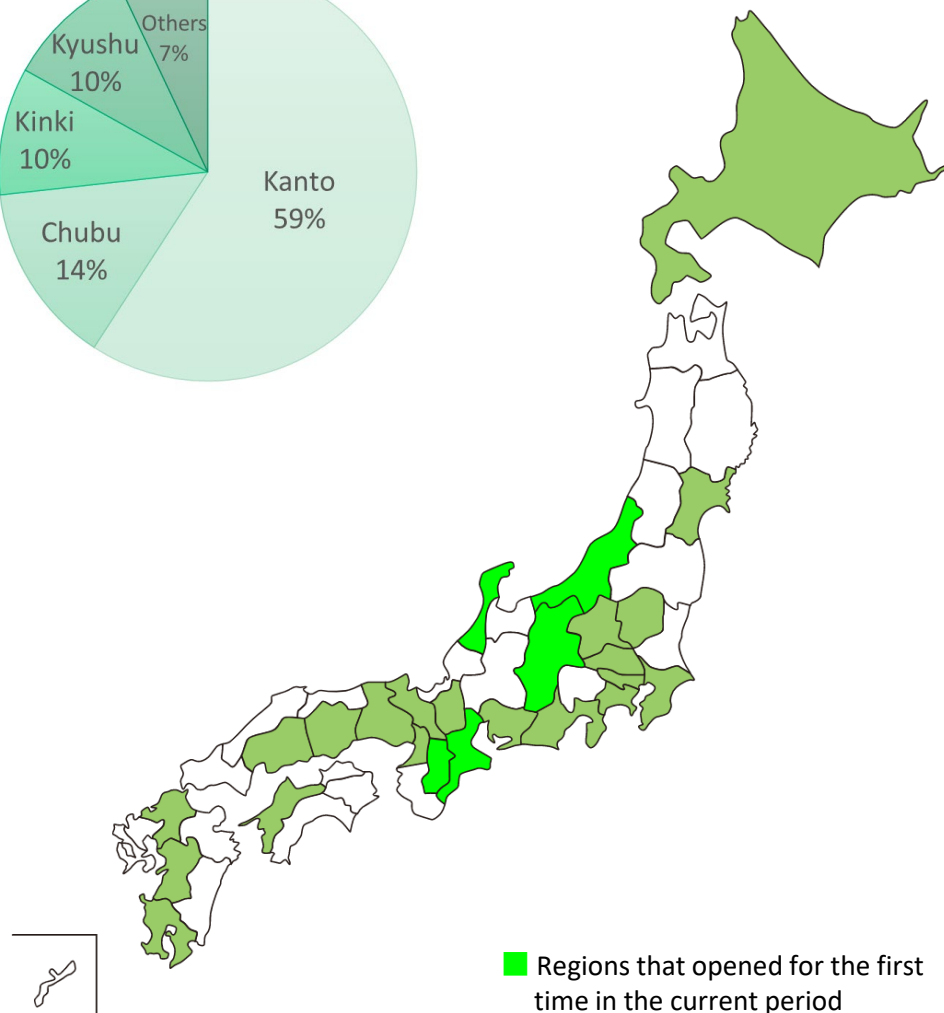
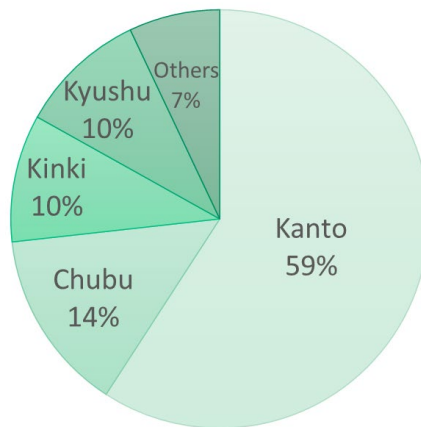
Growth in the Number of bases



Number of **welbe** bases

71

Prefectures	Bases	Prefectures	Bases
Hokkaido	1	Aichi	3
Miyagi	1	Mie	1
Tochigi	1	Kyoto	1
Gunma	2	Osaka	2
Saitama	13	Hyogo	3
Chiba	5	Nara	1
Tokyo	12	Okayama	1
Kanagawa	9	Hiroshima	1
Nigata	1	Ehime	1
Ishikawa	1	Fukuoka	4
Nagano	1	Kumamoto	2
Shizuoka	3	Kagoshima	1



(As of March 2020)

Number of **habii** bases

24

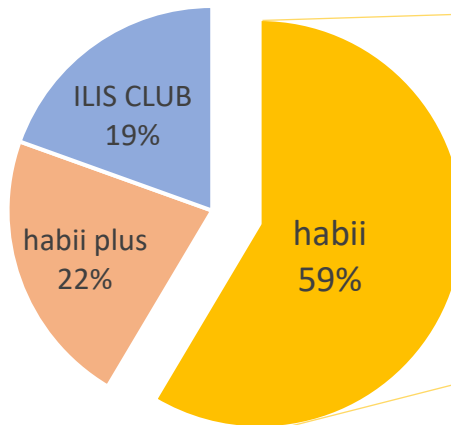
Number of **habii plus** bases

9

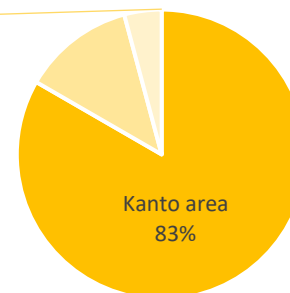
Number of **ILIS CLUB** bases

8

Breakdown of number of bases by type



Breakdown of number of "habii" by region



Kanto area

Saitama habii: 7
habii plus: 7
Chiba habii: 5
habii plus: 2
Kanagawa habii: 6
Tokyo habii: 2

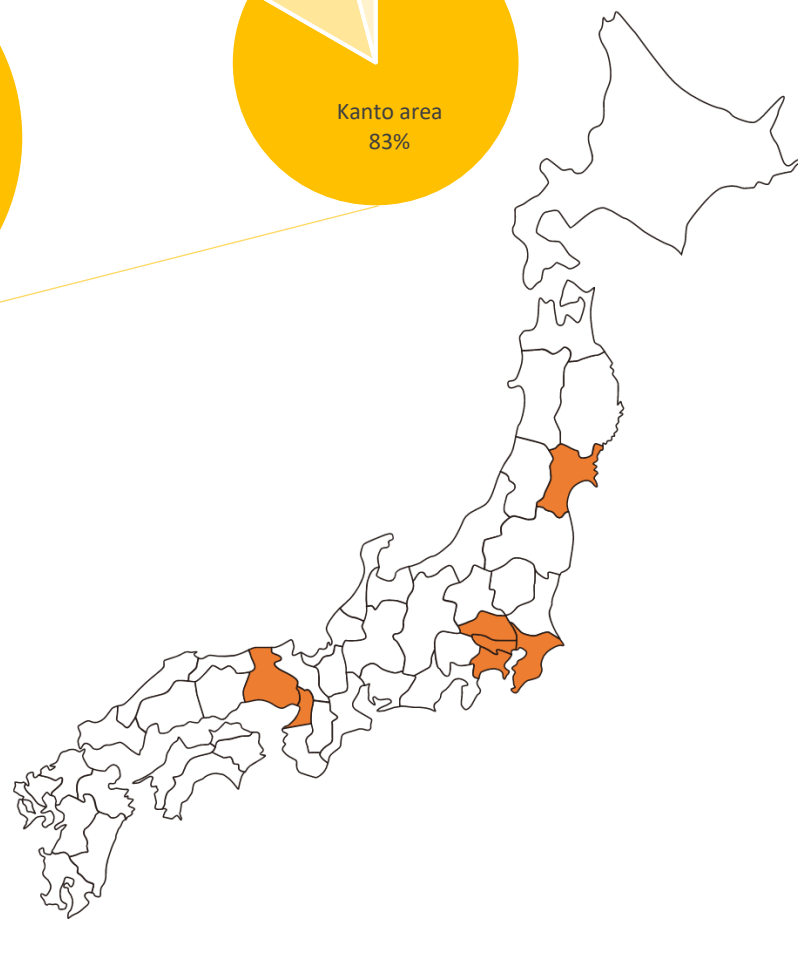
Kansai area

Osaka habii: 2
ILIS CLUB: 8
Hyogo habii: 1

Others

Miyagi habii: 1

	Kanto area	Kansai area	Others	All
habii	20	3	1	24
habii plus	9			9
ILIS CLUB		8		8
Region	29	11	1	41



(As of March 2020)

1. Operational manuals and internal audit

- ✓ Operational manuals for the provision of services of a consistently high quality
- ✓ Assessment of the operating effectiveness by internal auditors

2. Close ties with communities served

- ✓ Build a powerful local network by using collaboration with partners such as local public-service organizations, disability welfare institutions, hospitals, and educational institutions.

3. A sufficient number of certified supervisors

- ✓ Acquiring the necessary certifications to become a supervisor will be extremely difficult^(*1), which makes recruiting these people very challenging.
- ✓ Many candidates in Welbe can become certified supervisors.

(*1) If a base was newly designated by March 31, 2018, it would have been possible to appoint a person in charge during the 1-year after the start of the base, even if the person had not completed the necessary training.

(1) Announcements of Results of Research Projects

Date	Event	Summary
Feb. 2019	The 38th Japanese Society for Social Psychiatry	In-house mental health training using super-simple type cognitive-behavioral therapy – Aiming to improvement of the sense of coherence of employee –
Sep. 2019	Journal of skills and technologies	For people with mental disabilities to continue working long – Efforts for employment support to develop confidence and deepen self understanding –
Nov. 2019	Journal of skills and technologies	Employment transition support for people with mental disabilities by private companies – Focus on development of organizations and training–
Dec. 2019	"ARNOVA" The 48th annual conference	Comparative analysis about organizational behavior of Labor-integrated social enterprise in Japan – Case of Employment transition support business– * Announcement by Professor Keiko Yokoyama at the Kansai University and Associate professor Yuichi Goto at the Onomichi City University

(2) The Wel-1cup Innovation Announcements

- Every welbe business site gave a presentation about innovative activities and examples of the accomplishments of these innovations.
- This event improves the ability to provide support by sharing the knowledge of each location with the entire welbe organization.

(3) Holding forums and seminars

- Sep. 2019 The Employment Promotion Seminar in Fukuoka-ken
- Nov. The Labor Forum 2019 in Fukuoka-ken
- Nov. The 4th Welbe Labor Forum in Tokyo

(4) Orders received from government agencies

- Aug.2019 "Work Support Station for the disabled(WSS)" received from The Chief Cabinet
- Dec. "Workplace retention support for persons with disabilities" received from The Ministry of Internal Affairs and Communications
- Dec. "Support for collaboration with welfare specialists" in employment support services for the needy received from Fuchu City
- We have received several other orders from central and local government agencies for advisory services related to recruitment and retention of people with disabilities.



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



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



Business Overview

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

Satellite Office

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



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



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

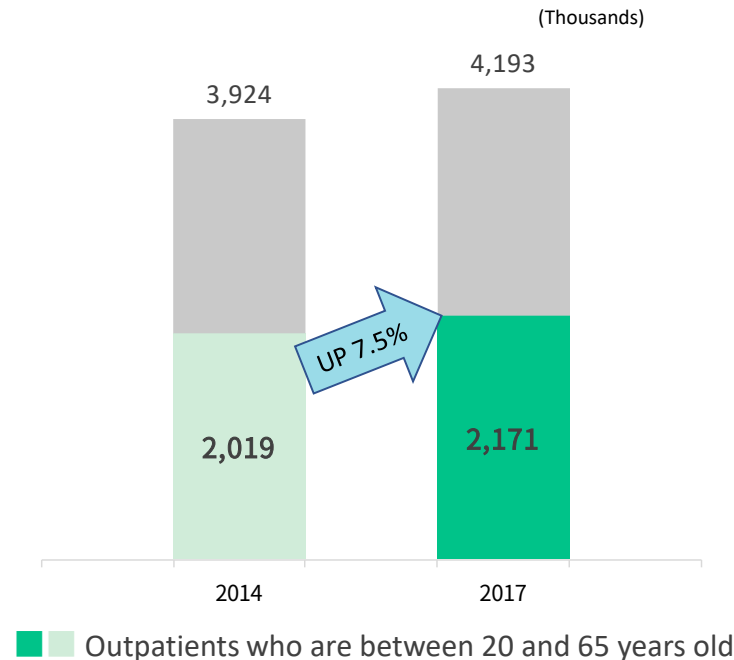
■ There are **2 million** people in Japan between the ages of 20 and 65 living at home who have a mental disability.

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	1,082	962	580	120
People with mental disabilities	4,193	3,891	2,171 (age 20 to 65)	302
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



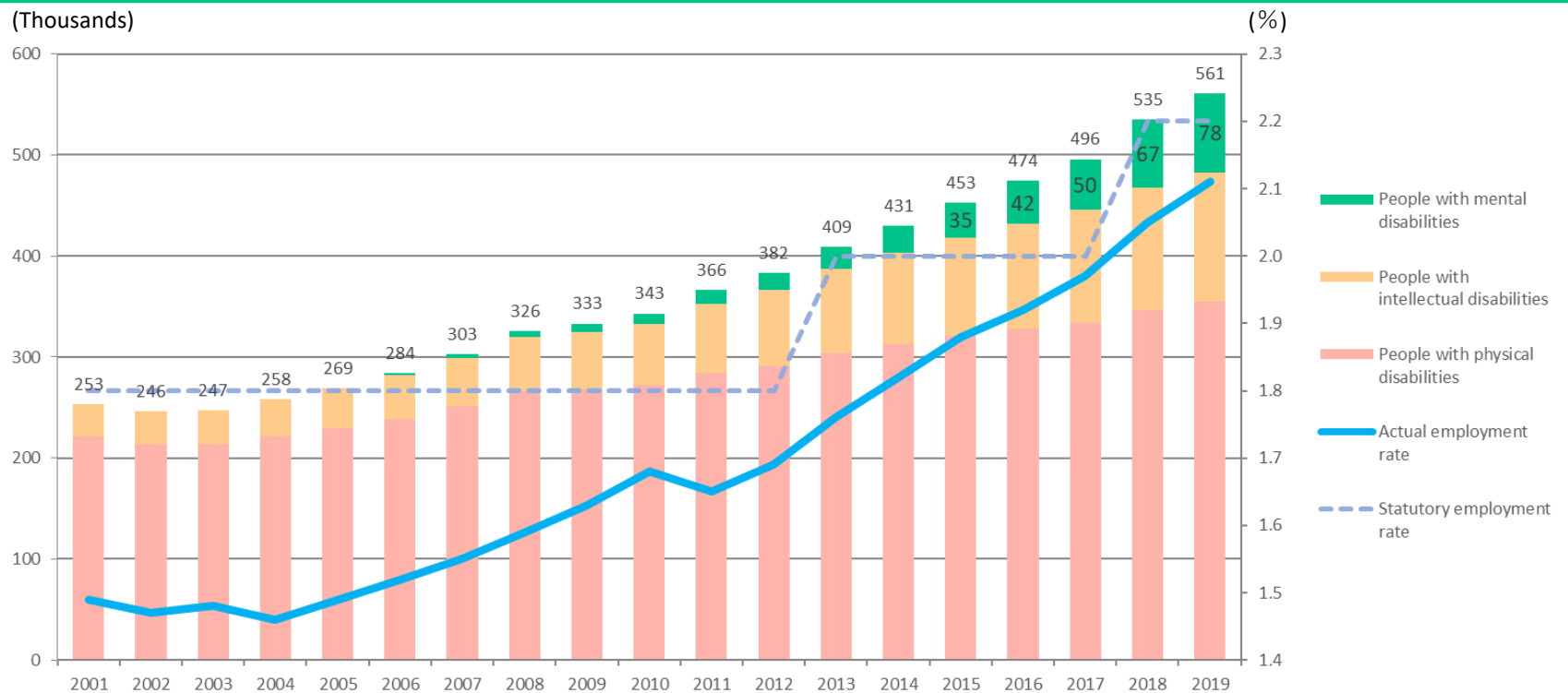
Source: Prepared by Welbe based on 2019 Disabled People White Paper (Cabinet Office) and Population Estimates (Statistics Bureau, Ministry of Internal Affairs and Communications)

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 FY2020.
- "The approval of the Action Plan for the Realization of Work Style Reform is a historical step for reform to change the work style in Japan."

The Goal of the Action Plan: Use employment transition support businesses and other resources to raise the shift of people with disabilities to regular employment to at least **50%** more than in FY2016 by no later than FY2020.

(Excerpt from the statement of the Prime Minister at the 10th meeting of the Council for the Realization of Work Style Reform, Mar. 28, 2017)



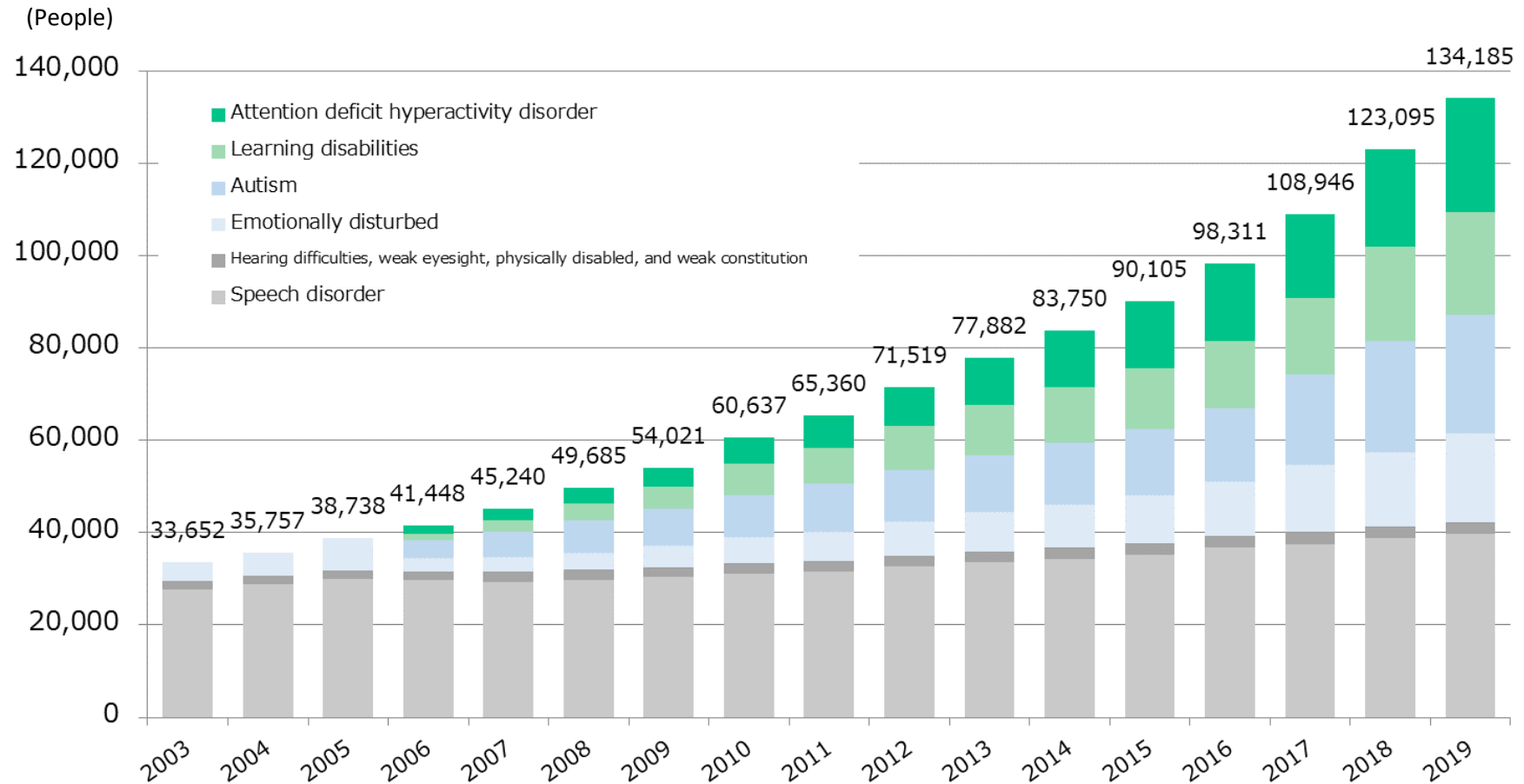
Source: Report on the "Status of Employment of Persons with disabilities" in 2019, Ministry of Health, Labour and Welfare

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)

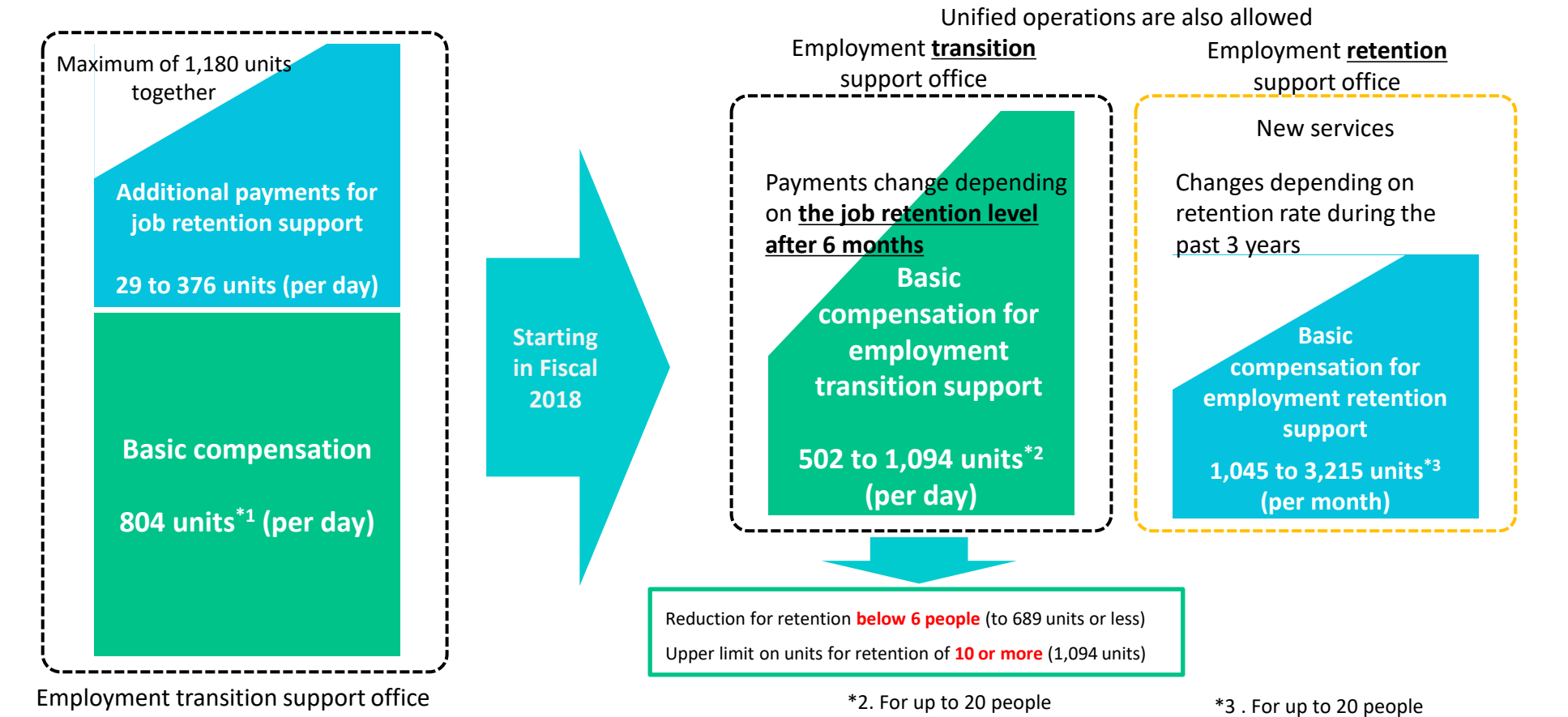
■ The steady increase in the number of children attending special classes to accommodate their disabilities.



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

Revisions to Disability and Welfare Service Compensation in Fiscal 2018

In April 2018, Japan replaced the system of additional payments for job retention support with the employment retention support office. As a result, basic compensation for employment transition support changes depending on the level of job retention.



Source: Prepared by Welbe based on the Summary of Fiscal 2018 Revisions to Compensation for Disability and Welfare Services

At employment transition support offices, the priority is **constantly supplying** people who can remain in their jobs for at least 6 months.

At employment retention support offices, the priority is providing effective support that **raises the job retention ratio**.

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