

[Translation for Reference Purposes Only]

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Securities code: 2475

June 7, 2024

(Commencement Date of Electronic Provision Measures: May 31, 2024)

To Our Shareholders

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

Notice of Convocation of the 39th Annual Shareholders' Meeting

Thank you very much for your continued support.

We would like to inform you that our 39th 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/meeting.html>

(Please visit the above website and confirm PDF of the 39th Ordinary General Meeting of Shareholders.)

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/JJK020010Action.do?Show=Show>

Please visit the above-mentioned TSE website, enter and search our security code "2475" in " Code " or " WDB HOLDINGS" in " Issue name (Company name)", and select "Basic information" and " Documents for public inspection / PR information " in that order. Then, check the "Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting" column in "Field information available for public inspection".

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 Monday, June 24, 2024.

Best regards,

Description

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|--------------------------|---|
| 1. Date and time | Tuesday, June 25, 2024, 10:00 a.m. (9:10 a.m. when the reception starts) |
| 2. Location | 5th floor auditorium of our head office building, 79 Toyozawa-cho, Himeji-shi, Hyogo |
| 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 39th fiscal term (from April 1, 2023 to March 31, 2024)2. Report on financial statements for the 39th fiscal term (from April 1, 2023 to March 31, 2024) |
| [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) |
| Proposal 3 | Election of 3 directors who are Audit and Supervisory Committee members |
| Proposal 4 | Presentation of Retirement Bonus to Retired Directors |

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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 to Ensure Appropriateness of Operations" and "Overview of the Status of Operation of the System to Ensure Appropriateness of Operations" in the business report.
 - "Consolidated Statements of Shareholders' Equity" and "Notes to Consolidated Financial Statements" in the Consolidated Financial Statements
 - "Non-consolidated Statement of Changes in Equity" and "Notes to Non-consolidated Financial Statements" 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 general meeting of shareholders, we plan to hold meetings with shareholders (business briefings) and dining meetings with shareholders as a place to interact with shareholders. We ask for your participation in these meetings.






Information on 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> <hr/> <p>Date and time of the meeting</p> <p>Tuesday, June 25, 2024 10:00 a.m. (Reception starts 9:10 a.m.)</p>	 <p>On the internet</p> <p>Please enter your approval or disapproval of the proposal from the URL below. https://www.web54.net</p> <hr/> <p>Exercise date</p> <p>Entry complete by 5:00 p.m. Monday, June 24, 2024</p>	 <p>In writing (by mail)</p> <p>Please return the voting form after indicating whether you agree to the proposal.</p> <hr/> <p>Exercise date</p> <p>Arrived by 5:00 p.m. Monday, June 24, 2024</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, 2023
Until March 31, 2024)

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

(1) Progress and results of the business

During the consolidated fiscal year under review (April 2023 to March 2024), economic activity normalized as a result of the shift to 5 new-type coronavirus infectious diseases. In addition, according to the government's announcement, the ratio of job offers to applicants (seasonally adjusted) was 1.29 times, a decrease of 0.02 points from the average of the previous fiscal year. In addition, the average unemployment rate (seasonally adjusted) was 2.6%, the same level as the average of the previous fiscal year. While the number of job openings remained almost unchanged from the previous fiscal year, an increasing number of companies, particularly major companies, implemented salary increases, which was a year in which competition for human resources overheated.

In the human resources services business, we continued to improve the treatment of temporary staff as in the previous fiscal year. In addition, in order to continuously improve treatment, we enhanced the productivity of our business activities and reduced costs by implementing measures such as online sales activities utilizing the temporary staffing service platform "doconico", consolidating operations at the support desks located in Tokyo and Kobe, and utilizing ChatGPT, which is a generative AI. In addition, we negotiated increases in temporary staffing wage rates and worked to further consolidate operations at the support desks.

In CRO business, WDB Coco and Cobridge, which operate domestically, recorded solid results. In addition, WDB Coco has begun operating its CRO service platform. For overseas Medfiles and DZS, we worked to improve profitability and launch new services.

As a result of the above activities, net sales for the consolidated cumulative period under review were ¥49,297 million (up of 3.6% year on year). Operating income was ¥5,468 million (down of 0.7% year on year), ordinary income was ¥5,505 million (down of 1.9% year on year), and profit attributable to owners of parent was ¥3,548 million, (up of 0.2% year on year). In addition, the ratio of operating income to net sales, an indicator that we emphasize, was 11.1% (11.6% in the previous fiscal year) and the ratio of ordinary income to net sales was 11.2% (11.8% in the previous fiscal year). Despite an increase in the cost of sales ratio accompanying an improvement in the treatment of temporary workers, operating income, ordinary income, and net income were roughly at the same level as the previous fiscal year as a result of efforts to reduce SG&A expenses through greater operational efficiency.

Divisional Review

The breakdown by division is as follows.

(Thousands of yen)

	38th term		39th term (current term)		Absolute change YoY
	Net sales	Composition ratio	Net sales	Composition ratio	
Human Resource Service Business	40,855,532	85.8%	42,117,315	85.4%	3.1%
CRO Business	6,746,914	14.2%	7,180,636	14.6%	6.4%
Total	47,602,446	100.0%	49,297,952	100.0%	3.6%

(2) Capital Expenditures

Total capital expenditures during the fiscal year under review were 754,427 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. 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 staffing service for science-related research professionals.

In the human resources services industry, the workforce has been shrinking due to the declining population, leading to a seller's market for some time. With the economy normalizing after the Covid -19 pandemic, this seller's market has become even more competitive. As wages rise, it is crucial to determine the best approach for business development.

Therefore, we have decided to pursue the following two policies. The first is to improve the already released human resource service platform "doconico" to make it easier to use and further increase its penetration. "Doconico" is a system that provides job information and other information to temporary staff without human intervention. It aims to visualize the process for both clients and temporary staff, and to match them quickly and appropriately. By improving "doconico" and increasing its adoption, we believe we can offer better services to both temporary staff and clients, leading to higher satisfaction for both parties.

The second is to increase compensation for temporary staff. We have already increased compensation by an average of 6% over the two-year period between FY2022 and FY2023 to address the above situation. In addition, through FY2024 and after, we continue to increase compensation to improve the staff treatment. Although these compensation increases will temporarily reduce profits, we are confident that this improvement in compensation will increase the retention rate of temporary staff and help us attract new staff, leading to an increase in the number of staff working through our company.

By implementing these two strategies, along with our existing strengths in providing comprehensive training and extended support for our temporary staff, we aim to become the "highest paying staffing company in the industry," securing many talented staff members. As a result, we will become "the staffing company most reliable and responsive to our clients' requests in the industry" and meet the demands of society.

In CRO business, we utilized the know-how we have cultivated in the temporary staffing business to recruit and train inexperienced people, and by combining these with experienced people to process operations, we have been able to provide high-quality services while keeping service fees low. This strategy has been successful to a certain extent, especially in WDB coco Co., Ltd. Looking ahead, we will improve the efficiency of operations by providing services through platforms, while at the same time securing excellent human resources by raising employee compensation, and further strengthening price competitiveness and service quality.

(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

Not applicable.

(9) Changes in Assets and Profits and Losses

By term Classification	36th term FY2020	37th term FY2021	38th term FY2022	39th term (current term) FY2023
Net sales (thousand yen)	44,126,189	46,875,964	47,602,446	49,297,952
Ordinary income (thousand yen)	5,243,922	6,393,458	5,614,843	5,505,911
Net income for the year attributable to owners of parent (thousand yen)	3,405,323	4,171,272	3,540,641	3,548,111
Net income per share (yen)	171.79	211.32	179.75	180.67
Total assets (thousand yen)	30,619,873	33,828,472	36,198,765	39,827,601
Net assets (thousand yen)	22,302,570	25,796,427	28,463,963	31,150,978
Shareholders' Equity per Share (Yen)	1,105.08	1,272.25	1,405.74	1,529.85

- (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 share | -274.8 million yen |
| 38th term | 2022 November | Repurchasing share | -258.3 million yen |
3. The status of the 39th 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.
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, 2024)

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, 2024)

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
	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, 2024)

Number of employees	Change from end of previous term	Average age	Average length of service
5,391 persons (604 persons)	Increased by 100 (decreased by 50)	38.75 years old	4.50 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, 2024)

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, 2024)

- (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 3,857 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)	1,224,100	6.23
SMBC Trust Bank, Ltd., Trustee of Specified Securities Trust	675,100	3.44
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO)	648,880	3.30
Toshimitsu Nakano	600,000	3.06
STATE STREET CLIENT OMNIBUS ACCOUNT OM02	498,965	2.54
Miki Otsuka	480,000	2.44
Custody Bank of Japan, Ltd. (Trust Account)	424,800	2.16
Nippon Life Insurance Company	400,000	2.04
THE BANK OF NEW YORK 133652	298,200	1.52

(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, WDB Co., Ltd. Director, WDB KOUGAKU Co., Ltd. Director, WDB coco Co., Ltd. Representative Director, NEZOT Co., Ltd.
Senior Managing Director	Miki Otsuka	Senior Managing Director, WDB Co., Ltd. Director, WDB KOUGAKU Co., Ltd. Chairman, Oy Medfiles Ltd. Representative Director, Cobridge Co., Ltd.
Managing Director	Shuji Kondo	Overseas Business
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 Securities Co., Ltd.
Director (Full-time Audit and Supervisory Committee Member)	Shigekazu Ukai	Corporate Auditor, WDB Co., Ltd. Corporate Auditor, WDB KOUGAKU 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.
Director (Audit and Supervisory Committee Member)	Tomoyoshi Arita	Attorney at law (Ginza Chuo Law Office) Outside Audit & Supervisory Board Member, T.HASEGAWA 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 Tomoyoshi 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.
5. Mr. Shuji Kondo resigned as director as of March 31, 2024 due to personal reasons.

(2) Amount of Remuneration, etc. for Directors

Classification	Number of persons to be paid	Amount paid (thousand yen)
Directors (excluding Audit and Supervisory Committee Members)	6 persons	152,557
(Outside Directors)	(2 persons)	(10,401)
Director (Audit and Supervisory Committee Member)	3 persons	27,904
(Outside Directors)	(2 persons)	(15,801)
Total	9 persons	180,461

- (NOTE) 1. The above payments include provision for directors' retirement benefits of 23,776 thousand yen (directors (excluding Audit and Supervisory Committee members) 22,275 thousand yen and directors (Audit and Supervisory Committee members) 1,501 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 yen 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.

(3) Information on Outside Officers

1. Relationship between us and other corporations and other entities with which Outside Officers hold important concurrent positions.

Kiyoyuki Kuroda also serves as Miyake & Partners Representative and Fudo Tetra Corporation Outside Director (Audit and Supervisory Committee Member). There is no specific relationship between us and Miyake & Partners and Fudo Tetra Corporation.

Hiroshi Kimura, Director, also serves as General Manager of Kimura Law Office, Outside Director of Fujipream Corporation, and Outside Audit & Supervisory Board Member of Banyo Securities Co., Ltd. There is no particular relationship between us and Kimura Law Office, Fujipream Corporation and Banyo Securities Co., Ltd.

Satoshi Hamada, Director (Audit and Supervisory Committee Member) concurrently serves as Representative of Hamada Certified Public Tax Accountant Corporation and an outside director of NISHIMATSUYA CHAIN Co., Ltd. (Audit and Supervisory Committee Member). There is no particular relationship between us and Hamada Certified Public Tax Accountant Corporation and NISHIMATSUYA CHAIN Co., Ltd..

Tomoyoshi Arita, Director (Audit and Supervisory Committee Member) concurrently serves as an attorney at law at Ginza Chuo Legal Office and an outside auditor of T. HASEGAWA CO., LTD. There is no specific relationship between us and Ginza Chuo Legal 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 14 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 14 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	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 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 described in (2) Amount of Remuneration, etc. for Directors.

(4) 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.

(5) 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.

(6) 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	33.7 million yen
2 Total amount of any money or other property benefits payable by us and our subsidiaries to the accounting auditor	58.5 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.

(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, 2024)

(Thousands of yen)

Assets		Liabilities	
Subjects	Amount	Subjects	Amount
		Current liabilities	7,143,233
		Accounts payable	2,231,964
		Income taxes payable	893,203
		Consumption tax payable	921,211
		Accrued bonuses	760,510
		Other	2,336,345
Current assets	28,646,557	Fixed liabilities	1,533,388
Cash and deposits	20,942,362	Provision for directors' retirement benefits	530,159
Accounts receivable and contractual assets	6,469,017	Asset retirement obligations	232,105
Inventories	50,895	Net defined benefit liability	485,629
Other	1,184,281	Other	285,493
Fixed assets	11,181,043		
Tangible fixed assets	9,092,755	Total liabilities	8,676,622
Buildings and structures	1,306,878	Net assets	
Machinery, equipment and vehicles	178,512	Shareholders' equity	29,852,222
Tools, furniture and fixtures	94,162	Common stock	1,000,000
Land	6,739,821	Capital surplus	710,328
Lease assets	61,612	Retained earnings	29,419,084
Construction in progress	711,767	Treasury stock	-1,277,189
Intangible fixed assets	149,960	Accumulated other comprehensive income	192,493
Other	149,960	Unrealized gain on available- for-sale securities	42,625
Investments and other assets	1,938,328	Foreign currency translation adjustments	157,073
Lease deposits	703,096	Remeasurements of defined benefit plans	-7,205
Insurance reserve	234,765	Non-controlling shareholders' equity	1,106,262
Deferred tax assets	824,797	Total net assets	31,150,978
Other	175,668	Total liabilities and net assets	39,827,601
Total assets	39,827,601		

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

Consolidated
Statements of Income

(From April 1, 2023 to March 31, 2024)

(Thousands of yen)

Subjects	Amount	
Net sales		49,297,952
Cost of sales		37,408,896
Gross profit		11,889,055
Selling, general and administrative expenses		6,420,782
Operating income		5,468,273
Non-operating income		
Gain on consumption and other tax exemption	1,590	
Subsidy income	19,390	
Other	23,711	44,692
Non-operating expenses		
Foreign exchange loss	3,399	
Other	3,654	7,053
Ordinary income		5,505,911
Extraordinary income		
Gain on sales of fixed assets	54	54
Extraordinary losses		
Loss on disposal of fixed assets	11,694	
Loss on sale of fixed assets	34,072	45,766
Income before income taxes and minority interests		5,460,199
Income taxes	1,698,741	
Income taxes-deferred	-67,616	1,631,125
Net income		3,829,074
Net income attributable to non-controlling interests		280,962
Profit attributable to owners of parent		3,548,111

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

Balance Sheet

(As of March 31, 2024)

(Thousands of yen)

Assets		Liabilities	
Subjects	Amount	Subjects	Amount
Current assets	4,205,240	Current liabilities	146,310
Cash and deposits	3,075,158	Accounts payable	92,618
Other	1,130,082	Other	53,692
Fixed assets	11,761,407	Fixed liabilities	782,042
Tangible fixed assets	8,574,379	Deferred tax liabilities	73,154
Building	1,084,419	Provision for directors' retirement benefits	530,159
Construct	11,950	Asset retirement obligations	178,728
Tools, furniture and fixtures	24,019	Total liabilities	928,353
Vehicles and cars	2,202	Net assets	
Machinery and equipment	198	Shareholders' equity	14,995,668
Land	6,739,821	Common stock	1,000,000
Construction in progress	711,767	Capital surplus	218,024
Intangible fixed assets	6,800	Additional paid-in capital	52,525
Software	6,800	Other capital surplus	165,498
Investments and other assets	3,180,227	Retained earnings	15,054,834
Investment securities	130,139	Legal reserve	197,474
Investments in affiliates	2,183,690	Other retained earnings	14,857,359
Lease deposits	550,506	General reserve	2,350,000
Insurance reserve	227,856	Retained earnings brought forward	12,507,359
Other	125,691	Treasury stock	-1,277,189
Allowance for Investment Losses	-37,656	Valuation and translation adjustments	42,625
Total assets	15,966,647	Unrealized gain on available-for-sale securities	42,625
		Total net assets	15,038,293
		Total liabilities and net assets	15,966,647

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

Income Statement

(From April 1, 2023 to March 31, 2024)

(Thousands of yen)

Subjects	Amount	
Operating revenues		4,677,921
Operating expenses		1,175,897
Operating income		3,502,023
Non-operating income		
Interest and dividend income	4,599	
Reversal of allowance for investment loss	54,141	
Reversal of allowance for doubtful accounts	28,208	
Other	6,516	93,466
Ordinary income		3,595,490
Extraordinary losses		
Loss on valuation of shares in subsidiaries	2,451	
Loss on sale of fixed assets	33,898	36,349
Income before income taxes		3,559,140
Income taxes	17,773	
Income taxes-deferred	-4,419	13,353
Net income		3,545,786

(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 39th fiscal year, we intend to pay the following dividends in order to respond to the support of our shareholders by comprehensively considering 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 43.50 yen Total of 854,298,719 yen

3 The day on which the dividend of surplus takes effect

June 26, 2024

Proposal 2 Election of 5 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 5 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 (currently MetLife Insurance Co., Ltd.) 1985 7 WORK DATABANK CORP. (currently WDB HOLDINGS CO., LTD.) President and CEO (current) 2010 4 Representative Director of Business Succession Partners Co., Ltd. (currently WDB Business Succession Partners Co., Ltd.) 2011 4 Director, ICO Co., Ltd. (currently WDB coco Co., Ltd.) (current) 2011 11 Representative Director, WDB Co., Ltd.(current) 2012 12 Representative Director, WDB KOUGAKU Co., Ltd. 2013 3 Director of Densuke Systems Co., Ltd. (currently WDB coco Co., Ltd.) 2014 4 Director of Kaken Geneqs Co., Ltd. 2014 11 Director, WDB KOUGAKU Co., Ltd. (current) 2015 6 Director, WDB Doppo Co., Ltd. (current) 2016 4 Director, WDB Chemical Laboratory Co., Ltd. 2017 2 Representative Director of NEZOT Co., Ltd. (current) 2020 6 Chairman and Representative Director, WDB Business Succession 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 (current) 2010 4 Director, Business Succession Partners Co., Ltd. (currently WDB Business Succession Partners Co., Ltd.) (current) 2011 4 President, ICO. co., ltd. (currently WDB coco Co., Ltd.) 2011 11 Senior Managing Director, WDB Co., Ltd. (current) 2012 12 Director, WDB KOUGAKU Co., Ltd. (current) 2013 3 Representative Director of Densuke Systems Co., Ltd. (currently WDB coco Co., Ltd.) 2014 4 Representative Director, WDB University Corporation 2015 6 Representative Director, WDB Doppo Co., Ltd. (current) 2017 2 Director, NEZOT Co., Ltd.(current) 2017 3 Oy Medfiles Ltd. Chairman (current) 2017 6 Representative Director, Cobridge Co., Ltd. (current) 2020 6 Director, WDB Clinical Research Co., Ltd. (currently WDB coco Co., Ltd.) 2020 6 Director, WDB Co., Ltd. Chemical Laboratory Co., Ltd. 2020 6 Director of Kaken Geneqs Co., Ltd.	480,000 shares
3	Masahisa Kato (August 27, 1955)	1979 4 Joined Takenaka Corporation 2005 3 General Manager of Sales Department, Osaka Head Office, Takenaka Corporation 2013 3 Executive Officer, Takenaka Corporation 2016 3 Managing Executive Officer, Takenaka Corporation 2019 3 Director and Senior Managing Executive Officer, Takenaka Corporation 2023 3 Advisor, takenaka corporation 2024 4 Our Adviser (current)	300 shares
4	Kiyoyuki Kuroda (January 12, 1970)	1996 4 Registration as a practicing attorney 2002 5 Miyake & Partners partnerships 2005 11 External auditor of our company 2009 6 Outside Director of our Company 2018 6 Outside Director of Fudo Tetra Corporation. (Audit and Supervisory Committee Member) (current) 2019 5 Representative Employee of Miyake & Partners (current)	1,658 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 (current) 2009 6 External auditor of our company 2012 6 Outside Director of the Company 2014 6 Outside Director, FujiPream Corporation (current) 2017 6 Outside Corporate Auditor of Banyo Securities Co., Ltd. (current)	1,852 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. Hiroshi Kimura are candidates for outside directors.

4. (1) Mr. Kiyoyuki Kuroda, an outside director candidate, has abundant experience and insight as a lawyer, and as a legal expert, expected that he will be able to independently monitor management from an objective perspective that considers the entire corporate society, including laws and regulations, without being construed by our logic.

As an outside director of the Company for 15 years, he has already provided appropriate opinions from a fair and objective standpoint, and we have determined that we 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 a lawyer, and as a legal expert, expected that he will offer recommendations to our management as a whole and provide advice on strengthening our corporate governance.

As an outside director of the Company for 12 years, he has already provided appropriate opinions from a fair and objective standpoint, and we have determined that we 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 Hiroshi 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. Hiroshi 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 Hiroshi 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 director is as of March 31, 2024 and includes the shares held by the Board of Directors. (Figures are rounded down to the nearest share.)
9. Regarding this proposal, our Audit and Supervisory Committee has determined that all director candidates are suitable.

Proposal 3 Election of 3 Directors who are Audit and Supervisory Committee Members.

At the conclusion of this general meeting, all 3 Directors serving as Audit and Supervisory Committee Members expire their terms of office, and therefore, we would like to request the election of three Directors serving as Audit and Supervisory Committee Members.

This agenda item has been approved by the Audit and Supervisory Committee.

The candidates for Directors who are Audit and Supervisory Committee members are as follows.

Candidate Number	Name Date of Birth	Brief personal history, position, responsibilities and important concurrent positions		Our own Number of shares	
1	Shigekazu Ukai (November 20, 1949)	1972	4	Joined Himeji Shinkin Bank	10,852 shares
		2001	12	Certified public tax accountant registration	
		2006	6	Representative Director of Himeshin Real Estate Service Co., Ltd.	
		2007	1	Our general manager of the Auditing Department, Corporate Planning Office	
		2007	6	Our full-time corporate auditors	
		2010	4	Business Succession Partners, Inc. Auditor of WDB Business Succession Partners Co., Ltd. (current)	
		2011	4	Auditor of I.C.O., Inc. (currently WDB coco Co., Ltd.)	
		2011	6	Corporate Auditor, WDB Doppo Co., Ltd. (current)	
		2011	11	Corporate Auditor, WDB Co., Ltd. (current)	
		2012	4	Corporate Auditor, WDB University Co., Ltd.	
		2012	12	Corporate Auditor, WDB KOUGAKU Co., Ltd. (current)	
		2013	3	Auditor of Densuke Systems Co., Ltd. (currently WDB coco Co., Ltd.)	
		2014	4	Audit & Supervisory Board Member Kaken Geneqs Co., Ltd.	
		2016	4	Corporate Auditor, WDB Chemical Laboratory Co., Ltd.	
2017	2	Corporate Auditor, NEZOT Co., Ltd. (current)			
2017	6	Corporate Auditor, Cobridge Co., Ltd. (current)			
2018	6	Our Directors (Full-time Audit and Supervisory Committee Member) (current)			
2	Satoshi Hamada (October 3, 1952)	1984	9	Established Hamada Satoshi Management Accounting Office, a certified public accountant	6,703 shares
		1994	5	Outside Corporate Auditor of NISHIMATSUYA CHAIN Co., Ltd.	
		2005	6	External auditor of our company	
		2014	9	Representative Partner of Hamada Certified Public Tax Accountant Corporation (current)	
		2015	6	Outside Corporate Auditor, GLORY LTD.	
		2016	5	Outside Director, NISHIMATSUYA CHAIN Co., Ltd.	
		2018	6	Our Outside Director (Audit and Supervisory Committee Member) (current)	
		2020	6	Outside Director (Audit & Supervisory Committee Member), GLORY LTD.	
2021	5	Outside Director of NISHIMATSUYA CHAIN Co., Ltd. (Audit & Supervisory Committee Member) (current)			
3	Tomoyoshi Arita (February 1, 1948)	2005	9	Chief of Public Safety Department, Supreme Public Prosecutors Office	1,852 shares
		2009	1	Superintending Prosecutor of the Fukuoka High Public Prosecutors Office	
		2010	4	Registered as a practicing attorney at law at Daiichi Tokyo Bar Association	
		2010	6	Outside Director, Nominating Committee Member, Audit Committee Chairman, Yucho Bank, Ltd.	
		2011	6	External auditor of our company	
		2015	6	Outside Corporate Auditor of BROTHER INDUSTRIES, LTD.	
		2016	6	External Director, FUKUYAMA TRANSPORTING CO.,LTD	
		2018	6	Our Outside Director (Audit and Supervisory Committee Member) (current)	
		2019	12	Outside Corporate Auditor, T HASEGAWA CO., LTD. (current)	

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

2. Mr. Satoshi Hamada and Mr. Tomoyoshi Arita are candidates for outside directors.

3. Shigekazu Ukai, a candidate for director who is an Audit and Supervisory Committee Member, has many years of experience in financial institutions, has a certified public tax accountant qualification, and has considerable knowledge of finance and accounting.

4. (1) Mr. Satoshi Hamada, an outside director candidate, is a certified public accountant and possesses a high level of knowledge regarding finance and accounting. He can be expected to play a role as an outside director from a professional perspective, so he was appointed as an outside director candidate. As an outside director who serves as an Audit and Supervisory Committee member, he has a term of six years.

(2) Mr. Tomoyoshi Arita, a candidate for outside director, is a candidate for outside director because he has a wealth of experience as a prosecutor and can be expected to strengthen our corporate governance by providing advice on our overall management as a legal expert. The term of office as an outside director serving on the Audit and Supervisory Committee is six years.

5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, we have entered into agreements with each candidate to limit the amount of liabilities set forth in Article 423, Paragraph 1 of the Companies Act to the total amount of liabilities set forth in each item of Article 425, Paragraph 1 of the Companies Act only when the candidate has acted in good faith and without gross negligence in the performance of his or her duties. If this proposal is approved and each candidate is 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 notify the Tokyo Stock Exchange of Satoshi Hamada and Tomoyoshi Arita as independent officers who are required to be designated by the Tokyo Stock Exchange.

8. The number of our shares held by candidates for directors who are Audit and Supervisory Committee members is as of March 31, 2024, and includes the shares held by directors' stock ownership. (Figures are rounded down to the nearest share.)

Proposal 4 Presentation of Retirement Bonus to Retired Directors

In order to reward Mr. Kinya Nakaoka, who resigned as a director due to the expiration of last year's term of office, for his service during his tenure as a director, we would like to present a retirement bonus within a certain amount in accordance with our specific standards. We would like to entrust the actual amount of the bonus, the timing and method of the bonus to the resolution of the Board of Directors.

This agenda item has been decided by the Board of Directors in accordance with the decision-making policy and internal rules concerning individual remuneration, etc. for Directors, which have been determined by the Board of Directors in advance, and is considered appropriate.

The brief history of his tenure as a director is as follows:

Name	Career summary	
Kinya Nakaoka	June 2014	Appointed as a director
	June 2023	Retired as a director