Results of Operations

for the First Quarter of the Fiscal Year Ending March 2020 (1Q FY3/20)

Welbe, Inc.

Securities Code: 6556

Table of Contents

1. Corporate and Business Overview

2. FY3/20 1Q Financial Results Highlights

3. Appendix

    a. FY3/20 Forecast

    b. Others

©2019 Welbe, Inc.

Corporate Overview (As of June 30, 2019)

Welbe Corporate Philosophy

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

No. of shares issued / No. of shareholders

(As of March 31, 2019)

No. of shares issued	27,600,000
No. of shareholders	4,508

Business(No. of operating bases)

Disability Welfare Service Business

① Employment Transition Support Business：

Operation of

- 68 employment transition support offices
- 51 employment retention support offices (*1)
- 3 specific consultation support offices (*1)
- 2 employment support centers for people with developmental disabilities operated on consignment from Saitama Prefecture(*2)
- 1 self-reliance training (lifestyle training) center (*3)

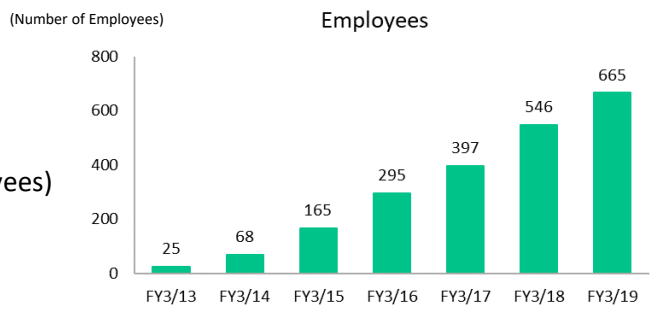
② Habilitation Business：

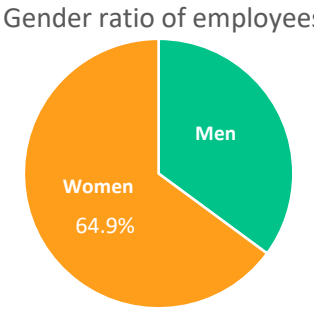
- 22 child development support classrooms
- 6 after-school day care service classrooms

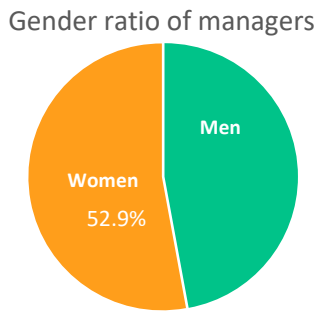
Employees

693

(excluding temporary employees)







*1: Employment retention support offices and specific consultation support offices are located at employment transition support offices *2: "Job Centers" *3: "Welbe Challenge"

©2019 Welbe, Inc.

Progress and Growth

Dec. 2011	**Established**
Apr. 2012	Began **Employment Transition Support Business** Opened welbe Nishifunabashi Ekimae Center
Nov. 2012	Opened **3 centers** welbe Kokukoen Ekimae Center, Shinkoshigaya 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**" to provide total consulting services with respect to employment of people with disabilities.
June 2019	Operation of **96** offices (total amount of **welbe**, **habii** and **habii plus**)

©2019 Welbe, Inc.

Business Overview

Seamless disability welfare services for all ages from pre-school children to adults

Employment Transition Support Business (Age 18 to 65)

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

- **welbe**
  Provision of services based on the Act on the Comprehensive Support for the Daily and Social Life of Persons with Disabilities
  Operation of employment transition support offices



- **Others**
  Operation of employment retention support offices, specific consultation support offices, Job Centers and Welbe Challenge

Habilitation Business (Up to age 18)

Support and guidance for growth and development of children with disabilities

- **habii**
  Provision of services based on the Child Welfare Act
  Operation of child development support centers for pre-school children
- **habii plus**
  Provision of services based on the Child Welfare Act
  Operation of after-school day care service classrooms for elementary, junior and senior high school students



Adults

Elementary, junior and senior high school students

Pre-school children

Employment transition support office

welbe

After-school day care service classroom

habii+ plus

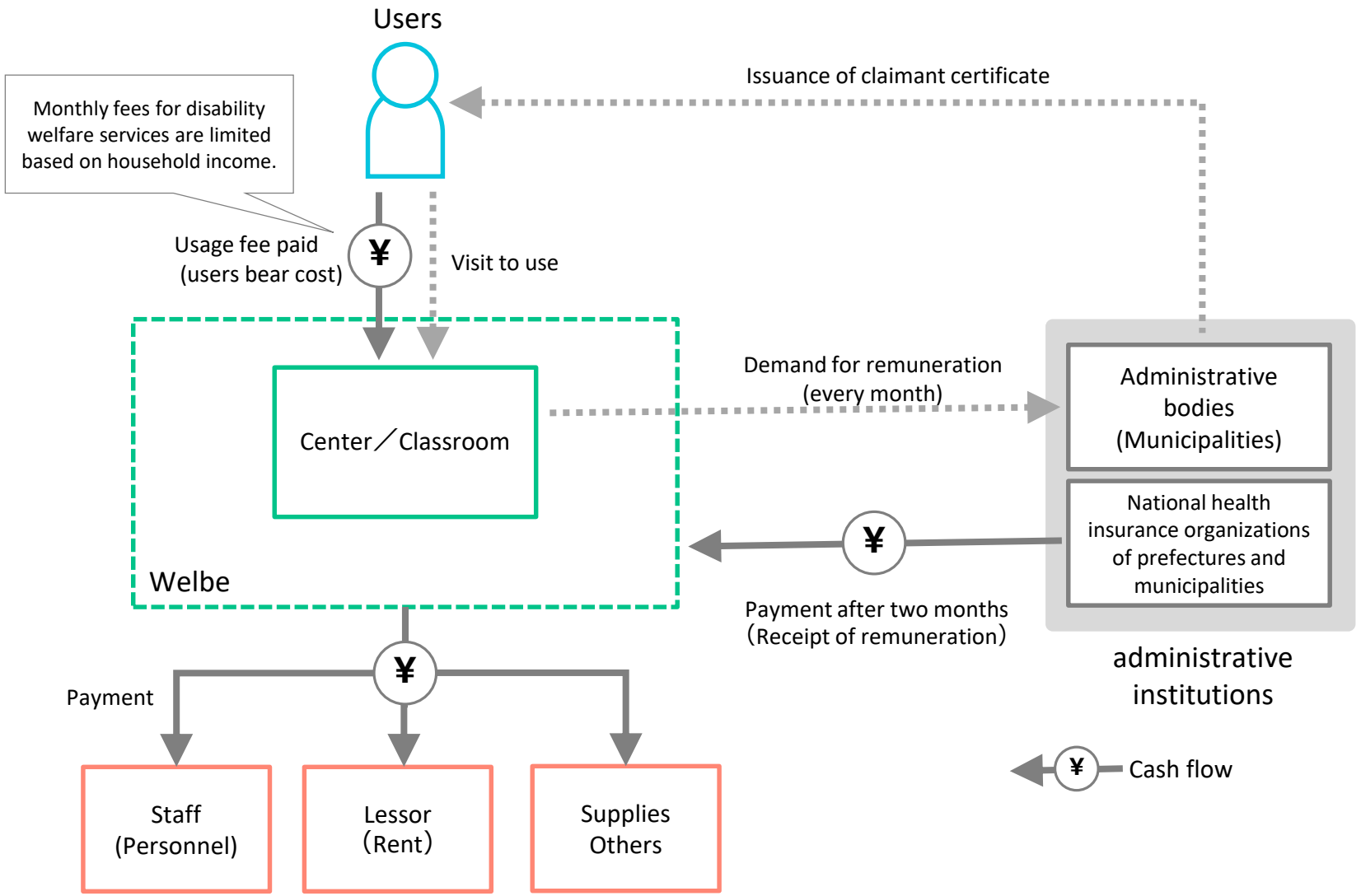
Child development support center

habii

©2019 Welbe, Inc.

Business Model

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.



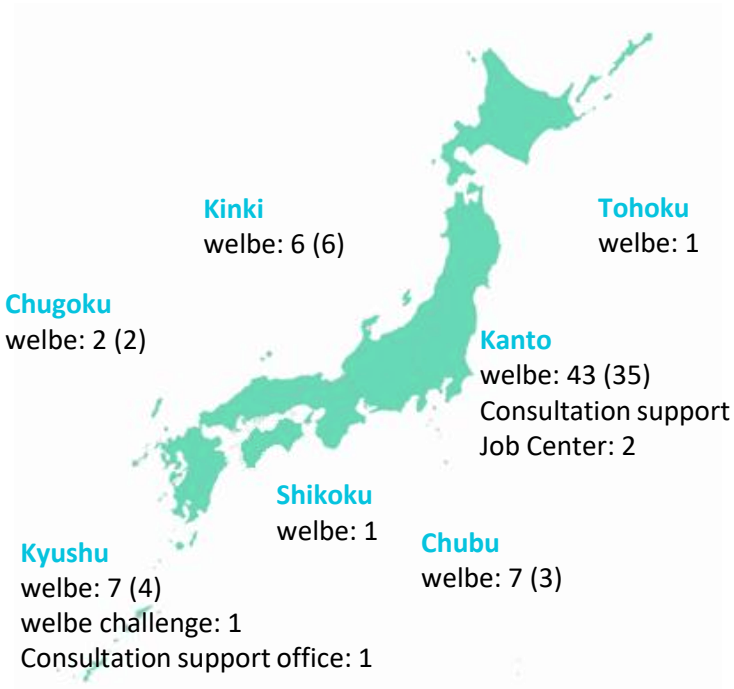
©2019 Welbe, Inc.

Employment Transition Support Business Overview

With operations centered in the Tokyo area, this business is expanding with the goal of establishing a nationwide network

Number of **welbe** locations from Hokkaido to Kyushu **68**

(As of June 2019)



Hokkaido
welbe: 1 (1)

Kinki
welbe: 6 (6)

Tohoku
welbe: 1

Chugoku
welbe: 2 (2)

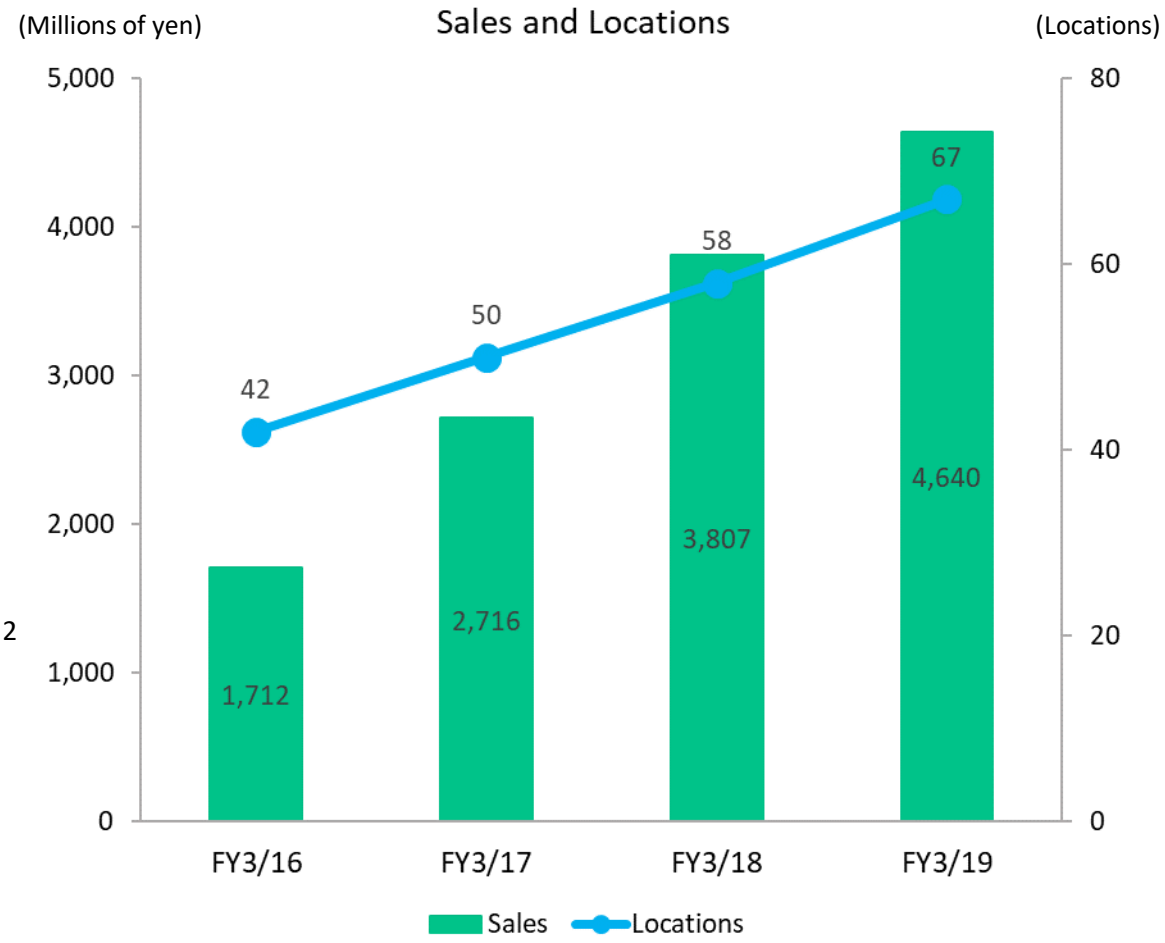
Kanto
welbe: 43 (35)
Consultation support office: 2
Job Center: 2

Shikoku
welbe: 1

Chubu
welbe: 7 (3)

Kyushu
welbe: 7 (4)
welbe challenge: 1
Consultation support office: 1

* Numbers in parenthesis show the number of welbe centers with retention support office.



*Source: Welbe website

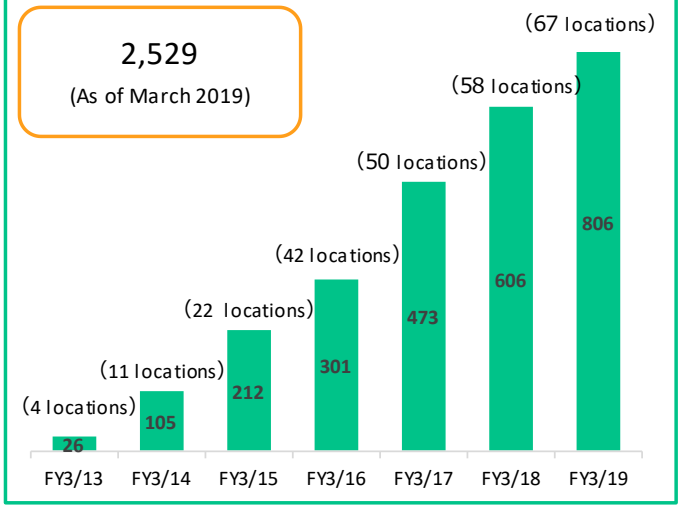
©2019 Welbe, Inc.

Employment Transition Support Business Performance

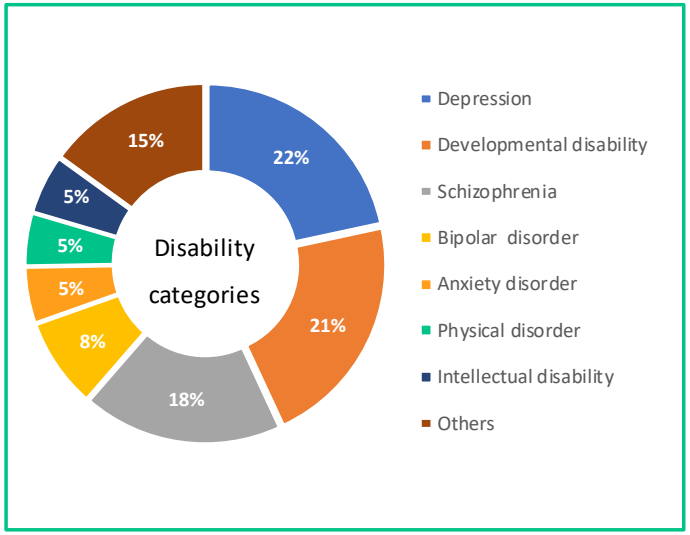
Periodic communications and consultations with employers to help people remain in a job

(Advice for developing workers' skills, such as methods to deal with specific disabilities and other needs and help for employers about interacting with and giving directions to people with special needs)

Number of People with Jobs

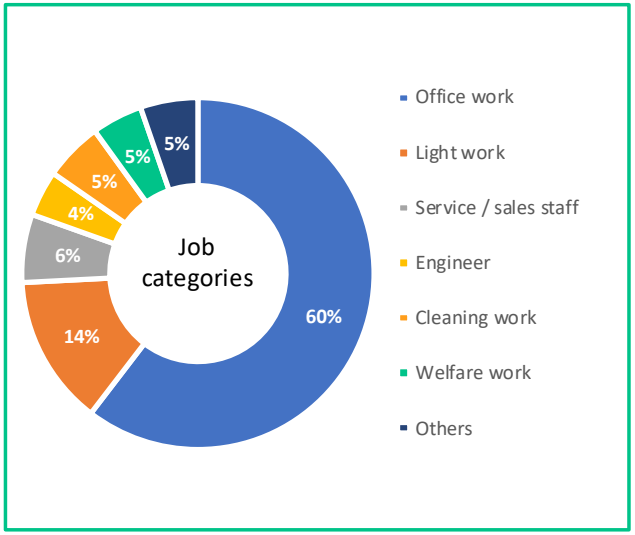


Job Placements by Disability Category



* Mentalare diseases are 74%,
going from depression to anxiety disorder.

Job Placement Categories



* More than 70% are in jobs
where they had no experience, primarily office work.

Latest **six-month job retention success rate:** **87.2%**

* Rate of people placed in jobs by Welbe between October 2017 and September 2018 who remained in their jobs for at least six months

©2019 Welbe, Inc.

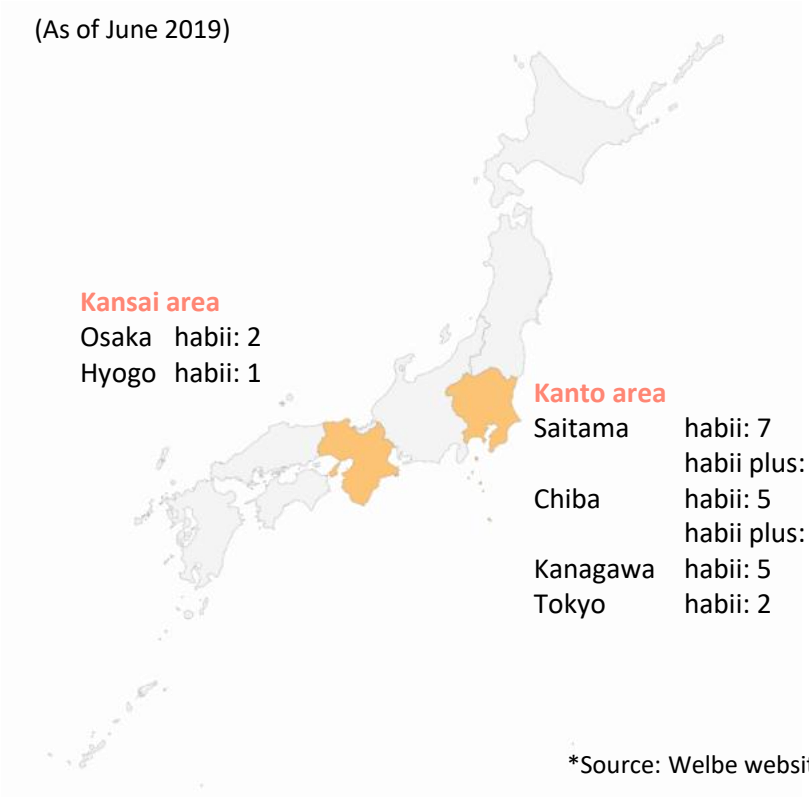
Habilitation Business Performance

Continuing to open new locations with emphasis on Tokyo area

Number of **habii** locations nationwide **22**

Number of **habii plus** locations nationwide **6**

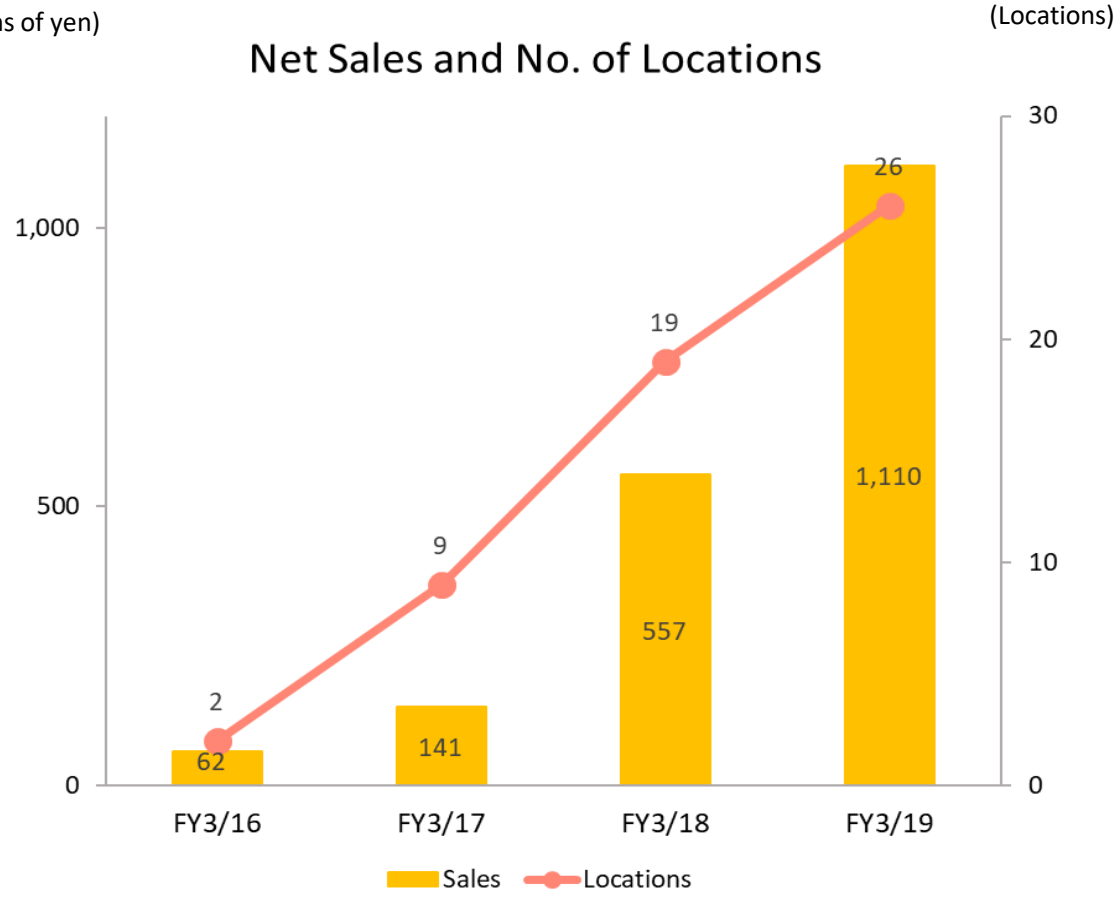
(As of June 2019)



Kansai area
Osaka habii: 2
Hyogo habii: 1

Kanto area
Saitama habii: 7, habii plus: 5
Chiba habii: 5, habii plus: 1
Kanagawa habii: 5
Tokyo habii: 2

*Source: Welbe website



©2019 Welbe, Inc.

Key Strengths of Welbe

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.

✓ There are many candidates in Welbe who 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 period after the start of the base, even if the person had not completed the necessary training.

©2019 Welbe, Inc.

Major Activities

(1) Announcements of Results of Research Projects

Date	Event	Summary
Nov. 2017	The 25th Vocational Rehabilitation Research and Practical Application Announcements	Announcement of survey of trial corporate support performed by employment transition support offices for job retention of people with mental disabilities and developmental disabilities
		Benefits of programs at employment transition support offices based on group cognitive behavioral therapy (2) – Increasing motivation to participate in these programs
		Report on Job Center Soka of the Saitama prefectural employment support center for people with developmental disabilities – Proper assistance by starting with the possibility that an individual has a developmental disability
		Report of accomplishments of job retention support for disabled people at employment transition support offices – Activities of the welbe Takasaki Ekimae Center
	The 25th Japanese Association of Psychiatric Rehabilitation in Kurume	Announcement of survey of trial corporate support performed by employment transition support offices for job retention of people with mental disabilities and developmental disabilities
Dec. 2017	Labor Support Forum NIPPON 2017	Activities for continuous training of people with mental disabilities – Information about programs based on group cognitive behavioral therapy
Nov. 2018	The 26th Vocational Rehabilitation Research and Practical Application Announcements	Activities concerning how to conduct simulation programs for experiencing jobs – Aiming at operating interesting and realistic programs
		Assistance using self-monitoring sheets at employment transition support offices – Example of continuous training for people with indications of a manic state
		Assistance using self-monitoring sheets at employment transition support offices – Example of activities to enhance work preparation by heightening a sense of self-efficacy
Dec. 2018	Labor Support Forum NIPPON 2018	Employment transition support for developing a role behavior suitable for jobs – Using simulation programs for experiencing jobs
	The 26th Japanese Association of Psychiatric Rehabilitation in Tokyo	Use of self-monitoring sheets at employment transition support offices – Example of improvement of aptitude for finding a job by using activities that heighten a sense of self-efficacy
Feb. 2019	The 38th Japanese Society for Social Psyciatry	In-house mental health training using super-simple type cognitive-behavioral therapy – Aiming to improvement of the sense of coherence of employee –

(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) Labor Forum (once every year)

- ✓ A large event centered on how to find jobs for people with disabilities.
- ✓ Participants include person in charge of support organizations, government agencies and companies, users of our services, former users, and other individuals.
- ✓ Forum includes a keynote address, panel discussion, events where people can experience programs themselves, and other activities.



©2019 Welbe, Inc.

Establishment of new subsidiary

■ We established wholly-owned subsidiary “**Welbe Link**” on April 25, 2019 to provide total consulting services with respect to employment of people with disabilities. Welbe Link mainly plans to provide **enterprise-level** services.

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



Company overview

■Name	Welbe Link Inc
■Representative	Yuki Hamachi (Senior managing director of **Welbe**)
■Capital	¥5,000,000
■Established	April, 25 2019
■Website	https://www.welbe-link.co.jp/

Business Overview

- ■Support of job extracting
- ■Training
- ■Individualized support for each disabled people
- ■Fee-charging placement （Application for approval）
- ■Operation of Satellite offices

©2019 Welbe, Inc.

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.

This is approximately **2.6%** of Japan's working age population.

(Thousands)

	Total	People living at home	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	3,924	3,611	**2,019** (age 20 to 65)	313
Total	9,366	8,860	3,611	506

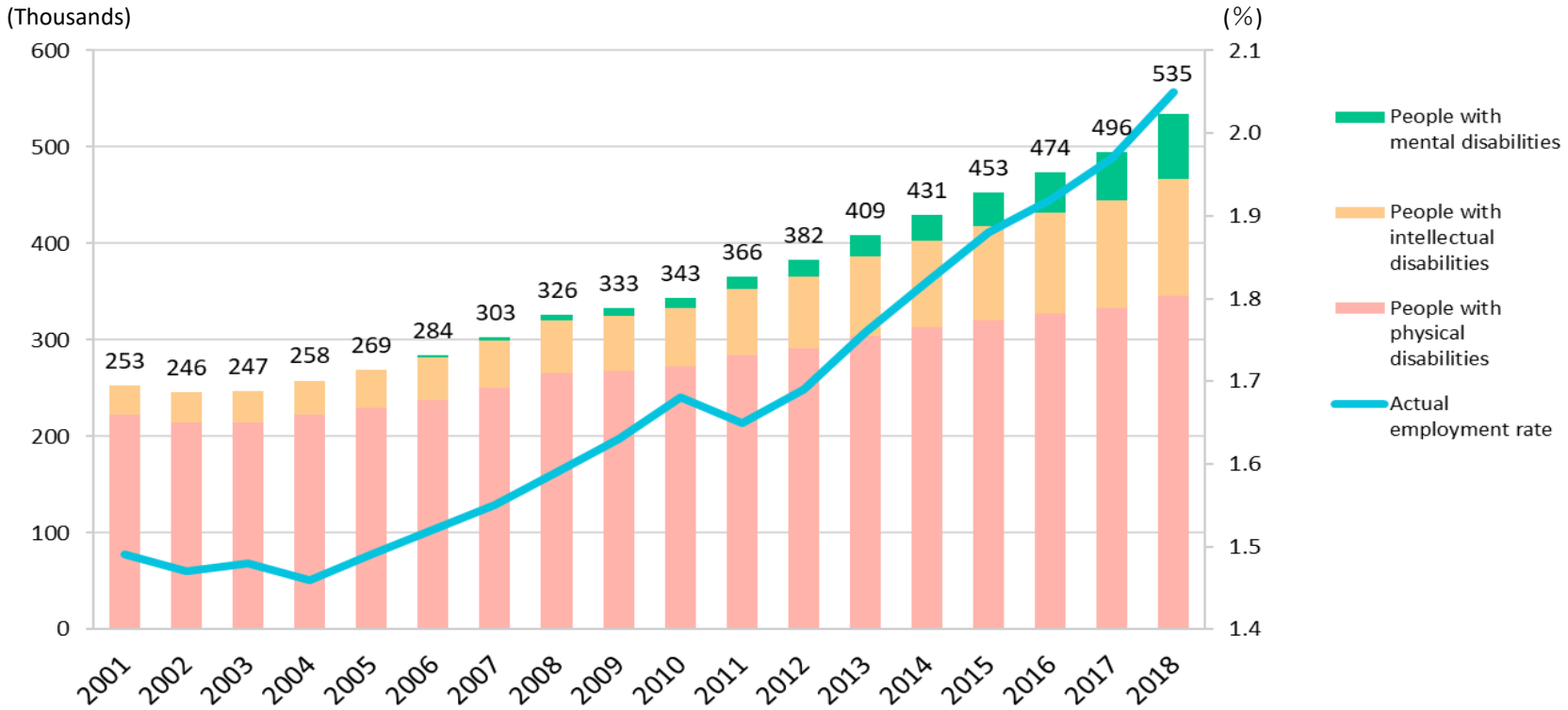
*Japan's working age population: 75,458 thousand people (as of Nov. 2018)

Source: Prepared by Welbe based on 2018 Disabled People White Paper (Cabinet Office) and Population Estimates (Statistics Bureau, Ministry of Internal Affairs and Communications)

©2019 Welbe, Inc.

Employment of People with Disabilities

- The number of disabled people with employed and the actual employment rate are both at all-time highs. The number of disabled people employed has set a new record for 15 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"
  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 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 2018, Ministry of Health, Labour and Welfare

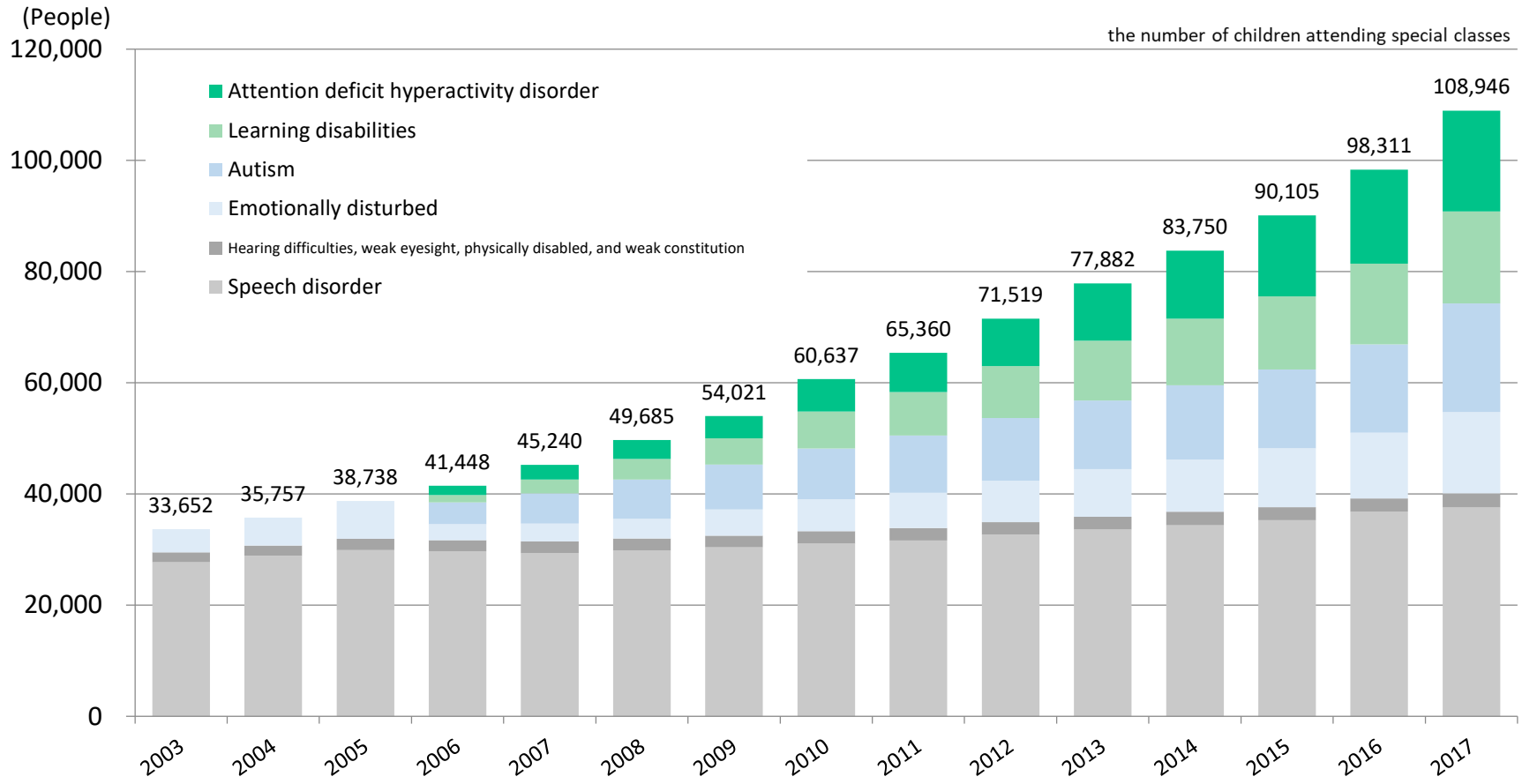
©2019 Welbe, Inc.

Growth in the Number of Developmentally Disabled Children in Japan

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

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

- Steady increase in the number of children attending special classes to accommodate their disabilities.



Source: FY2015 Survey of Special Classes for Disabilities, Ministry of Education, Culture, Sports, Science and Technology

©2019 Welbe, Inc.

Table of Contents

1. Corporate and Business Overview

2. FY3/20 1Q Financial Results Highlights

3. Appendix

    a. FY3/20 Forecast

    b. Others

©2019 Welbe, Inc.

1Q highlights

Result of operation

■Net sales: ¥1,593 million; Operating profit: ¥439 million; Ordinary profit: ¥440 million; Profit: ¥277 million .

- ✓ Net sales up 15.7%, operating profit up 21.2%, ordinary profit up 21.4% and profit up 23.7% .
- ✓ Operating profit on sales : 27.6%, Ordinary profit on sales : 27.6% .

■Favorably progressing in comparison with the forecast.

- ✓ FY3/20 forecast: Net sales: ¥6,737 million; Operating profit: ¥1,788 million; Ordinary profit ¥1,787 million; Profit ¥1,216 million.
- ✓ Achievement ratios for **full**-year forecast amounted to 23.6% for net sales, 24.5% for operating profit
- ✓ Achievement ratios for **half**-year forecast amounted to 48.9% for net sales, 50.3% for operating profit

■Operating margin improved by 1.3% from the same period of the previous year.

- ✓ Net sales up 10% in the Employment Transition support business,
  48% up in the Habilitation business mainly due to a steady increase in the number of users.
- ✓ Cost of sales up 17% (¥138 million) mainly due to an increase in personnel resulting from the growth of the number of location.
- ✓ SG&A expenses are almost unchanged. SG&A to sales ratio improved by 2.0%.

Business development

■New locations

- ✓ Plan to open 12 locations including **6** employment transition support offices and **6** Habilitation centers.
- ✓ **1 welbe** center, **1 habii** classroom and **1 habii plus** classroom were opened.

■**Welbe Link** : New subsidiary

- ✓ We made an investment of ¥10 million and established wholly-owned subsidiary “**Welbe Link**” on April 25, 2019.
- ✓ Plan to provide total consulting services with respect to employment of people with disabilities.
- ✓ Application for approval of fee-charging employment placement business.

©2019 Welbe, Inc.

Quarterly Results

■ In the 1st quarter, net sales and earnings at all levels grow steadily.

✓ From the same period of the previous year,

Net sales up ¥216 million, operating profit up ¥76 million, ordinary profit up ¥77 million, profit up ¥53 million

Items		1Q FY3/20 Apr. - June		1Q FY3/19 Apr. - June		YoY change
		Amount (Millions of yen)	Comp.	Amount (Millions of yen)	Comp.	Change (Millions of yen)
Net sales		1,593		1,377		+216
Cost of sales	Personnel	681	72.2%	561	69.7%	+120
	Rent	95	10.2%	82	10.2%	+13
	Others	166	17.6%	162	20.1%	+4
	Total	943	100.0%	805	100.0%	+138
Cost of sales ratio			59.2%		58.5%	+0.7%
Gross profit		649		571		+78
SG&A	Personnel	96	45.6%	96	45.9%	+0
	Tax and dues	37	17.8%	36	17.4%	+1
	Others	77	36.5%	76	36.7%	+0
	Total	210		209		+1
SG&A to sales ratio			13.2%		15.2%	- 2.0%
Operating profit		439		362		+76
Operating margin			27.6%		26.3%	+1.3%

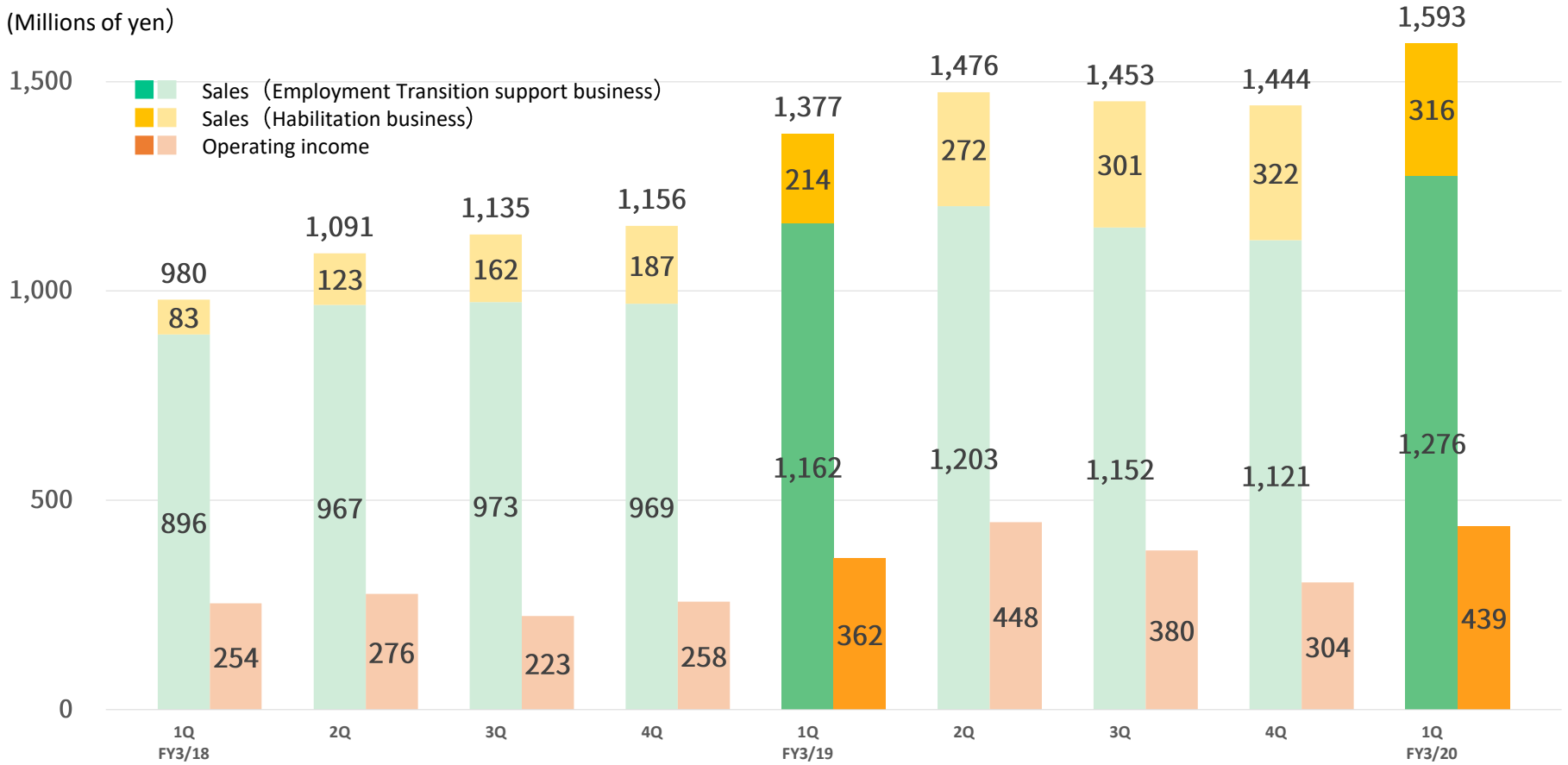
©2019 Welbe, Inc.

Quarterly comparisons

■ Net sales and operating income remain solid

✓ **Employment Transition support business** / Service rates of almost all the existing welbe centers are increased because they achieved the higher number of users with six-month job retention compared to FY3/19. Sales grew quarter over quarter.

✓ **Habilitation business** / Sales maintained at roughly the same level as the same period of the previous year, despite the downward trend in users because of graduating from kindergarten or schools,



©2019 Welbe, Inc.

In comparison with the forecast

■ In comparison with the forecast, the achievement ratio of the 1st quarter progress favorably.

✓ While costs to open new bases expect to be recorded 2nd quarter onward,
we forecast a steady performance due to the operation ratio of the existing bases higher and higher.

Items	FY3/20	FY3/20		FY3/20	
	1Q Results	Forecast		1H Forecast	
	Amount (Millions of yen)	Amount (Millions of yen)	Progress	Amount (Millions of yen)	Progress
Net sales	1,593	6,737	23.6%	3,257	48.9%
Operating profit	439	1,788	24.5%	873	50.3%
Ordinary profit	440	1,787	24.6%	872	50.4%
Profit	277	1,216	22.8%	562	49.3%

©2019 Welbe, Inc.

Net sales

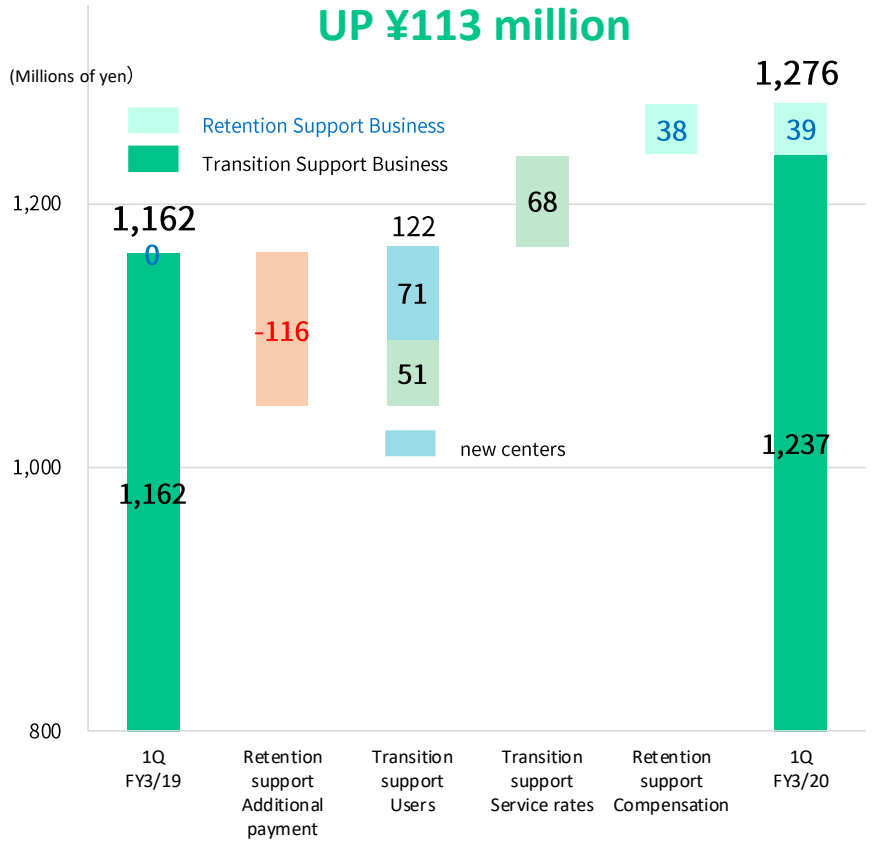
■ From the same period of the previous year,

Net sales **10% up** in the Employment Transition support business, **48% up** in the Habilitation business.

✓ The number of users have increased steadily.

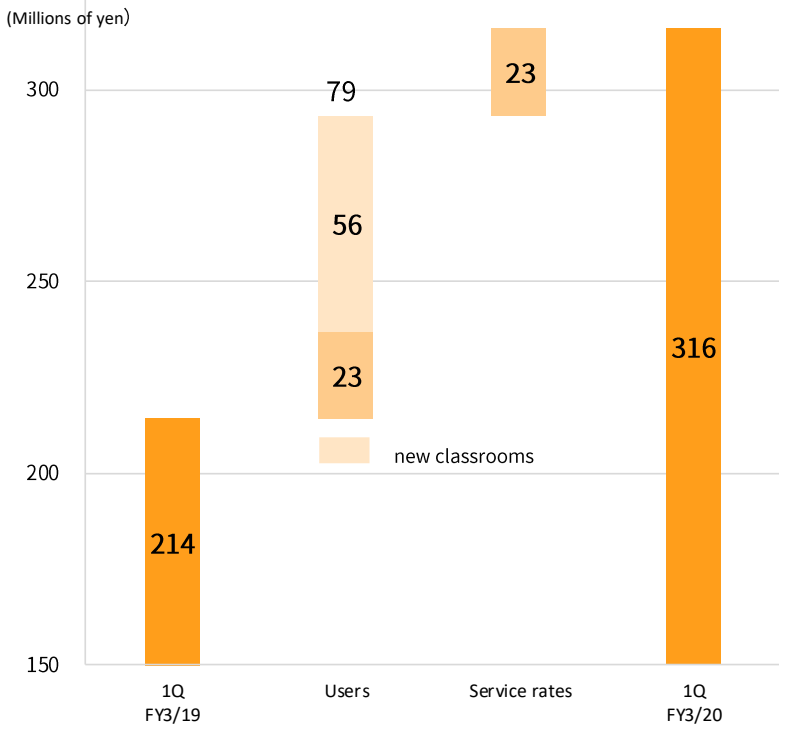
Sales of Employment Transition Support Business

UP ¥113 million



Sales of Habilitation Business

UP ¥101 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 locations that were opened after July 2018 (6 Employment Transition Support Business bases and 5 Habilitation Business bases).

©2019 Welbe, Inc.

Cost of sales / SG&A expenses

■ From the same period of the previous year,
Cost of sales up ¥138 million, SG&A almost unchanged. SG&A to sales ratio improved by 2.0%.

✓ The increase in the cost of sales was largely due to higher personnel expenses in line with increases in the number of bases.

✓ Cost of sales ratio 0.7% up. This is because, in the previous year, a limited-time additional payment (*1) had been set until September.

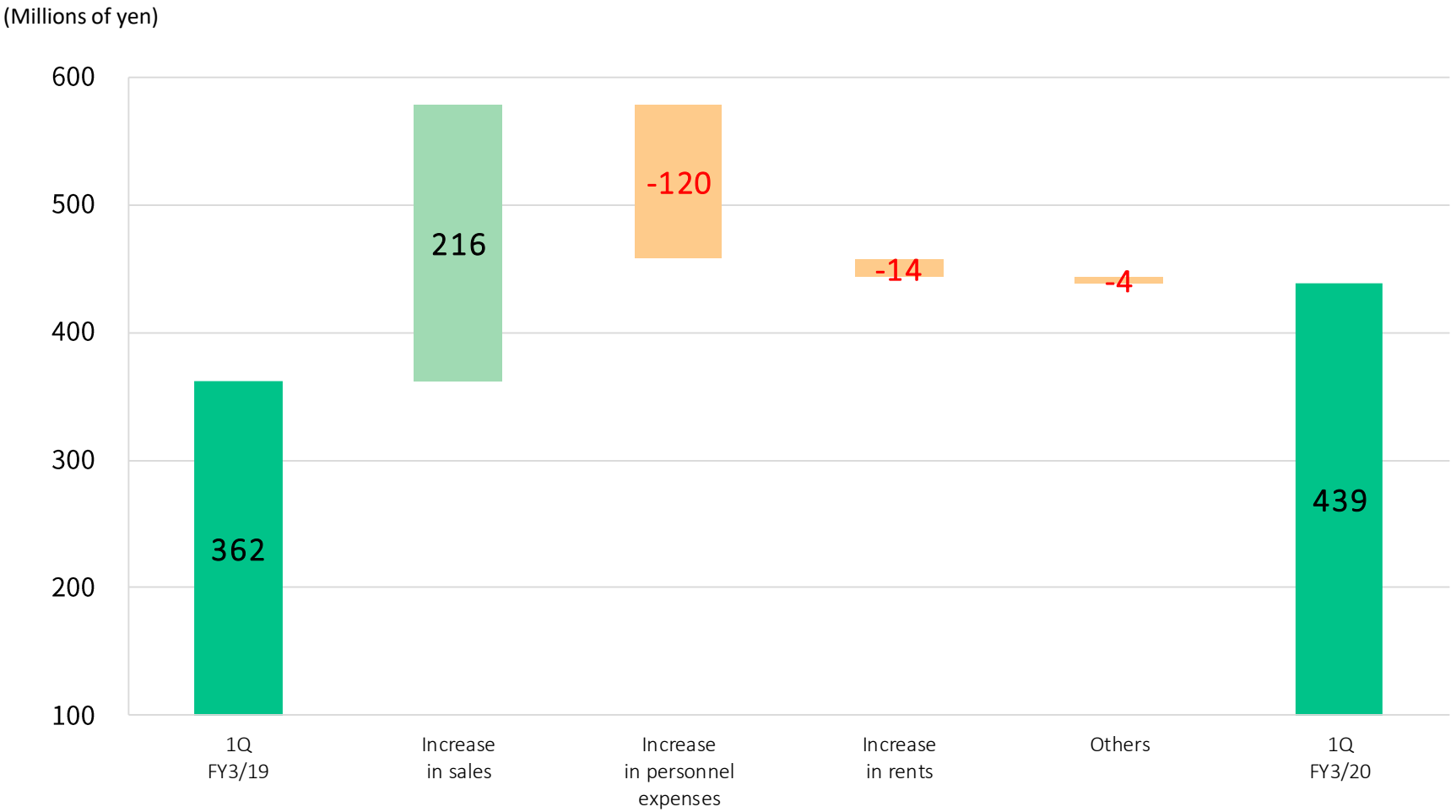
(*1) Additional payment of retention support system

Items		1Q FY3/20 Apr. - June		1Q FY3/19 Apr. - June		YoY change
		Amount (Millions of yen)	Comp.	Amount (Millions of yen)	Comp.	Change (Millions of yen)
Net sales		1,593		1,377		+216
Cost of sales	Personnel	681	72.2%	561	69.7%	+120
	Rent	95	10.2%	82	10.2%	+13
	Others	166	17.6%	162	20.1%	+4
	Total	943	100.0%	805	100.0%	+138
Cost of sales ratio			59.2%		58.5%	+0.7%
Gross profit		649		571		+78
SG&A	Personnel	96	45.6%	96	45.9%	+0
	Tax and dues	37	17.8%	36	17.4%	+1
	Others	77	36.5%	76	36.7%	+0
	Total	210		209		+1
SG&A to sales ratio			13.2%		15.2%	- 2.0%
Operating profit		439		362		+76
Operating margin			27.6%		26.3%	+1.3%

©2019 Welbe, Inc.

Factors Impacted in an Increase in Operating Profit

■ Operating profit increased ¥77 million from the same period of the previous year.



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

©2019 Welbe, Inc.

Balance Sheet

- Total assets decreased mainly due to the decrease in cash and cash equivalents.
- Liabilities decreased mainly due to the decrease in income taxes payable.
- Equity ratio moved up 8.4 points to 76.9%.

Items	1Q FY3/20		FY3/19		Change (Millions of yen)	Change (%)
	Amount (Millions of Yen)	Comp.	Amount (Millions of Yen)	Comp.		
Current assets	2,747	78.2%	2,919	78.8%	-172	-5.9%
Non-current assets	764	21.8%	787	21.2%	-23	-2.9%
Total assets	3,511	100.0%	3,707	100.0%	-195	-5.3%
Liabilites	810	23.1%	1,167	31.5%	-357	-30.6%
(Of the above, loans and bonds)	(338)	(9.6%)	(383)	(10.3%)	(-45)	(-11.8%)
Net assets	2,701	76.9%	2,539	68.5%	+161	6.4%
Equity ratio	76.9%		68.5%			8.4%

Changes in current assets

- Decrease in cash and cash equivalents resulting from the payment of income taxes -266million
- Increase in accounts receivable by higher sales +94million

Changes in current assets

- Decrease in deferred tax assets -24million

Changes in liabilities

- Decrease in income taxes payable -205million
- Decrease in loans and bonds -45million
- Decrease in provision for bonuses -29million

Changes in net assets

- Increase in retained earnings from profit +277million
- Decrease in retained earnings due to dividend payments -115million

©2019 Welbe, Inc.

Business development

■ New locations

- ✓ 1 welbe center, 2 habilitation classrooms (1 habii classroom and 1 habii plus classroom) were opened.
- ✓ At the end of the 1st quarter, we operate 68 welbe centers, 22 habii classrooms and 6 habii plus classrooms.
- ✓ Initial FY3/20 Plan to open 6 welbe centers, 6 habilitation classrooms.

■ Welbe Link

- ✓ We made an investment of ¥10 million and established wholly-owned subsidiary "Welbe Link" on April 25, 2019.
- ✓ Plan to provide total consulting services with respect to the employment of people with disabilities.
- ✓ Application for approval of fee-charging employment placement business.
- ✓ Plan to non-consolidate this fiscal year.

New locations

employment transition support office :

Apr.2019	welbe Niigata center
Sep.2019	welbe Sokaeki Higashiguchi center (planned)

Child development support center

Jun.2019	habii Tsudanuma

After-school day care service center

Apr.2019	habii plus Matsudo

Welbe Link

- ■ Established on April 25
- ■ Invested 10 million yen
- ■ Fee-charging placement
  (Application for approval)
- ■ Satellite offices
  (Preparation for opening)
- ■ Website
  https://www.welbe-link.co.jp/
- ■ Plan to non-consolidate this fiscal year

©2019 Welbe, Inc.

Table of Contents

1. Corporate and Business Overview

2. FY3/20 1Q Financial Results Highlights

3. Appendix

    a. FY3/20 Forecast

    b. Others

©2019 Welbe, Inc.

Forecast for the Fiscal Year Ending March 2020

Forecast

- Forecast sales of ¥6,737 million, operating profit of ¥1,788 million, ordinary profit of ¥1,787 million and profit of ¥1,216 million in FY3/20.
- Plan to open **6** welbe centers, **6** habilitation classrooms.
- Forecast higher sales and earnings as the number of users in the Employment Transition Support Business and Habilitation Business are expected to increase steadily.
- Service rates of existing **welbe** centers are increased because almost all the centers achieved a higher number of users with six-month job retention compared to FY3/19.

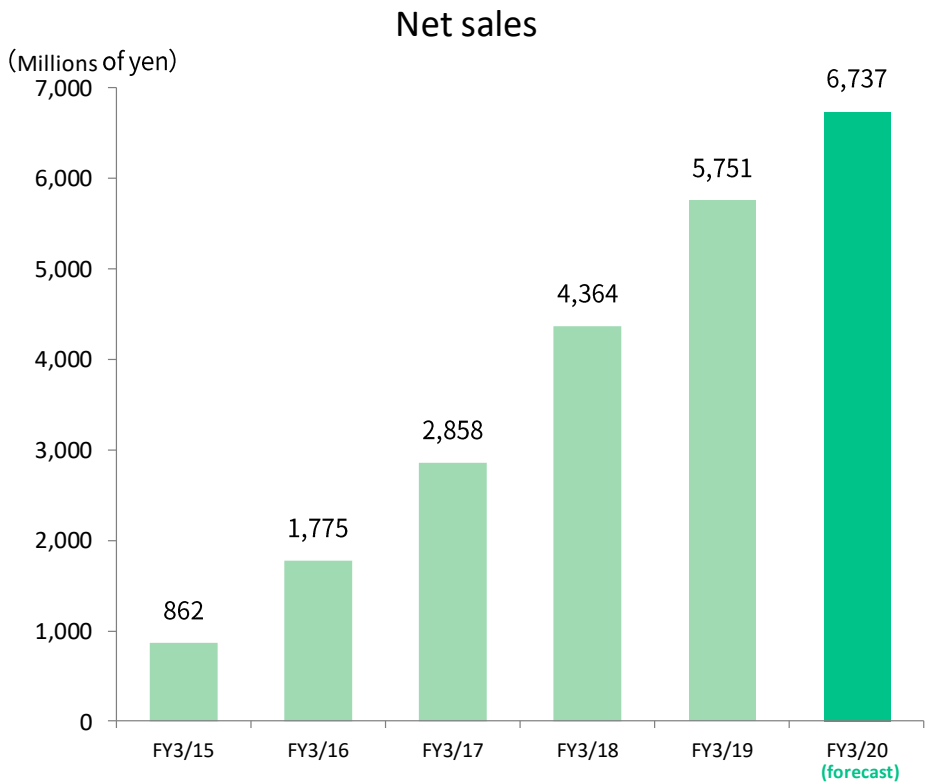
(Millions of yen)

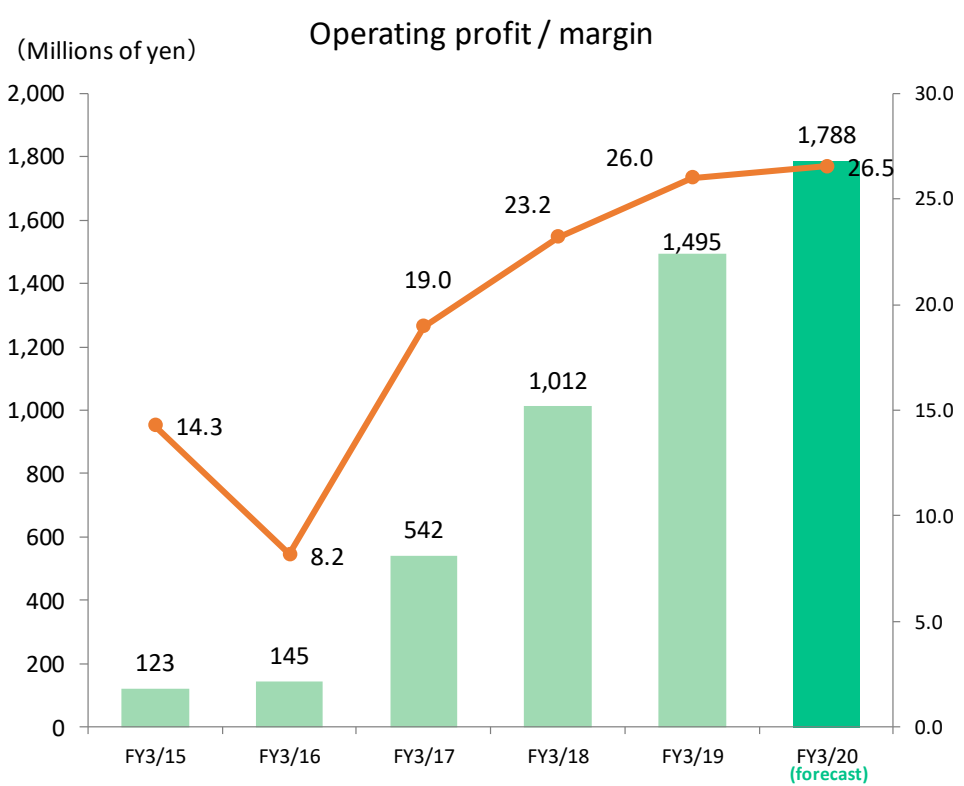
Item	FY3/20 Forecast		FY3/19 Results		Change	Change (%)
	Amount (Millions of Yen)	Comp.	Amount (Millions of Yen)	Comp.		
Net sales	6,737	100.0%	5,751	100.0%	+986	+17.2%
Operating profit	1,788	26.5%	1,495	26.0%	+293	+19.6%
Ordinary profit	1,787	26.5%	1,471	25.6%	+315	+21.5%
Profit	1,216	18.1%	991	17.2%	+224	+22.6%

©2019 Welbe, Inc.

Net Sales and Operating Profit

- Forecast net sales up 17.2% to ¥6,737 million, operating profit up 26.5% to ¥1,788 million, operating margin 26.5%
- Net sales and operating profit are expected to increase; flat in operating margin

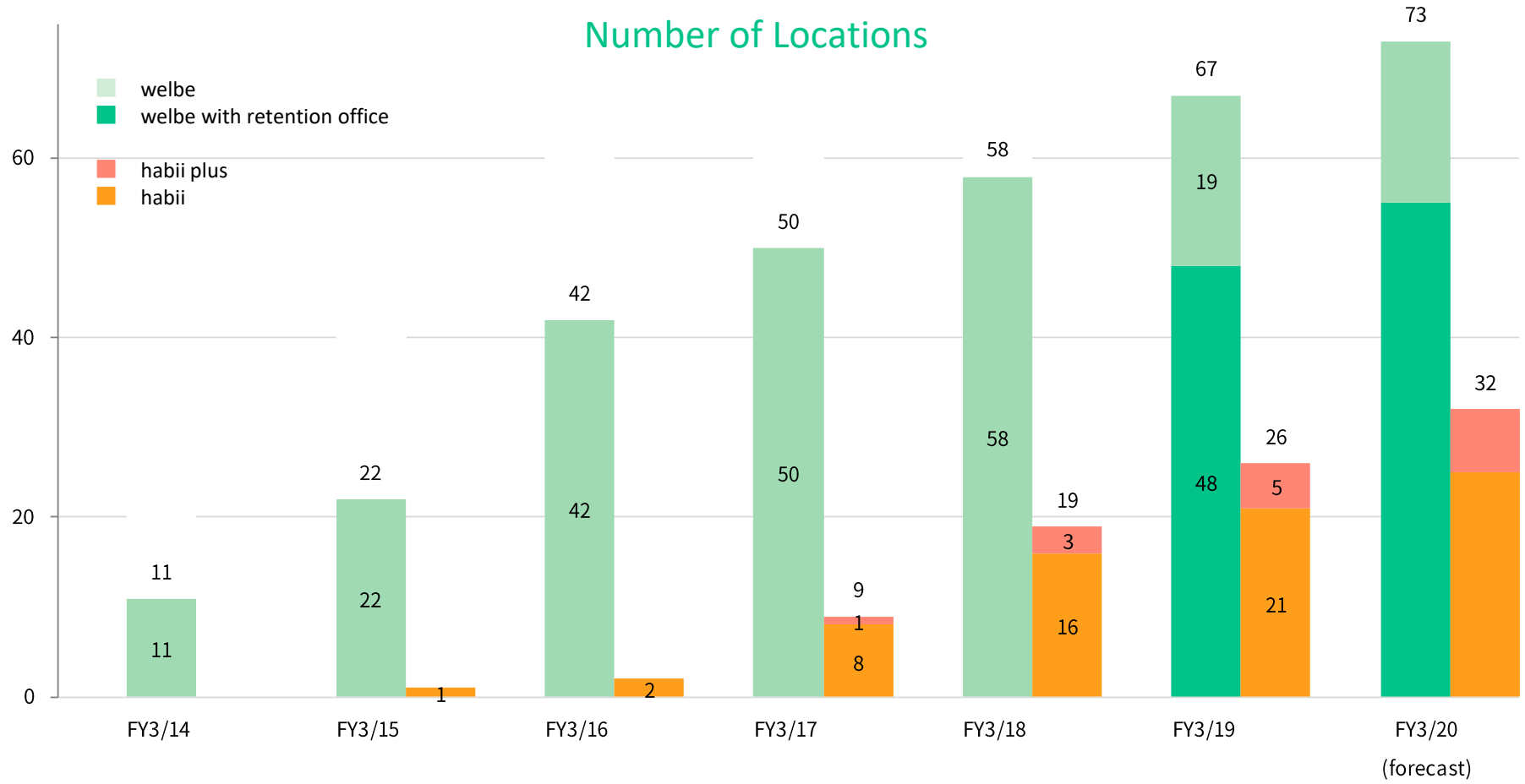




©2019 Welbe, Inc.

Growth in the Number of Locations

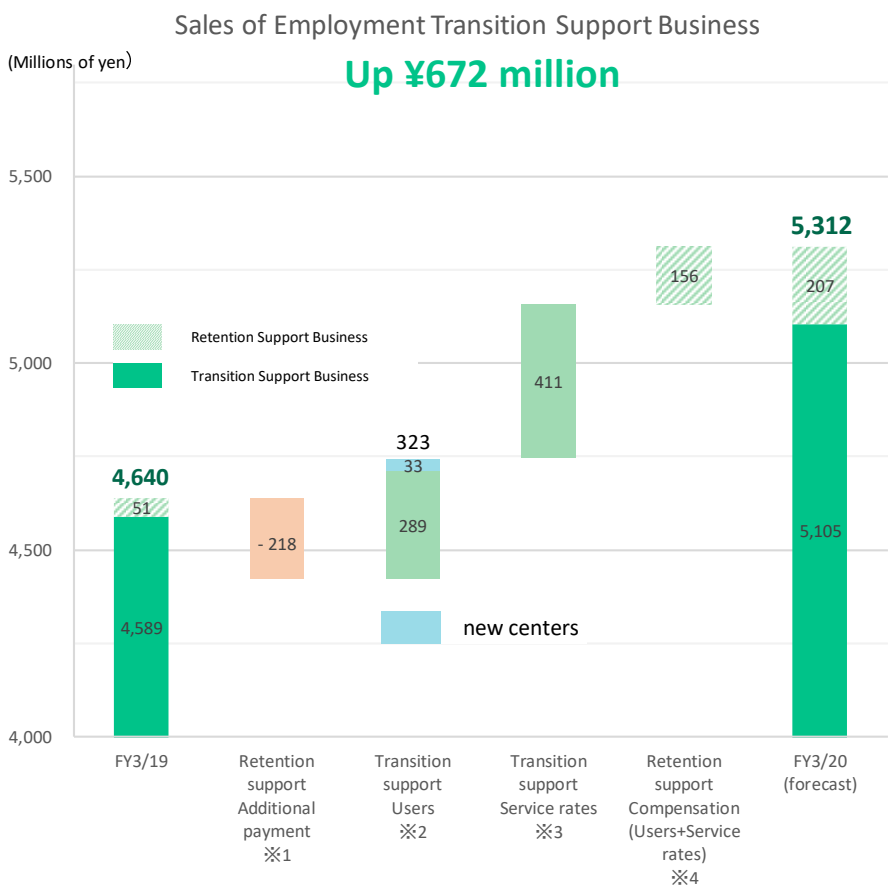
- Plan to open **6 welbe centers**, **6 habilitation classrooms**.
- Operation forecast of 105 offices (total amount of **welbe**, **habii** and **habii plus**) as of March, 2020.
- Employment retention support offices will be opened sequentially as soon as the condition is set.



©2019

Sales Forecast – Employment Transition Support Business –

■ Sales in **the Employment Transition Support Business** are expected to **increase by 14%** mainly because of the outlook for steady growth in the number of users. Service rates of almost all the existing **welbe** centers are increased because they achieved the higher number of users with six-month job retention compared to FY3/19.



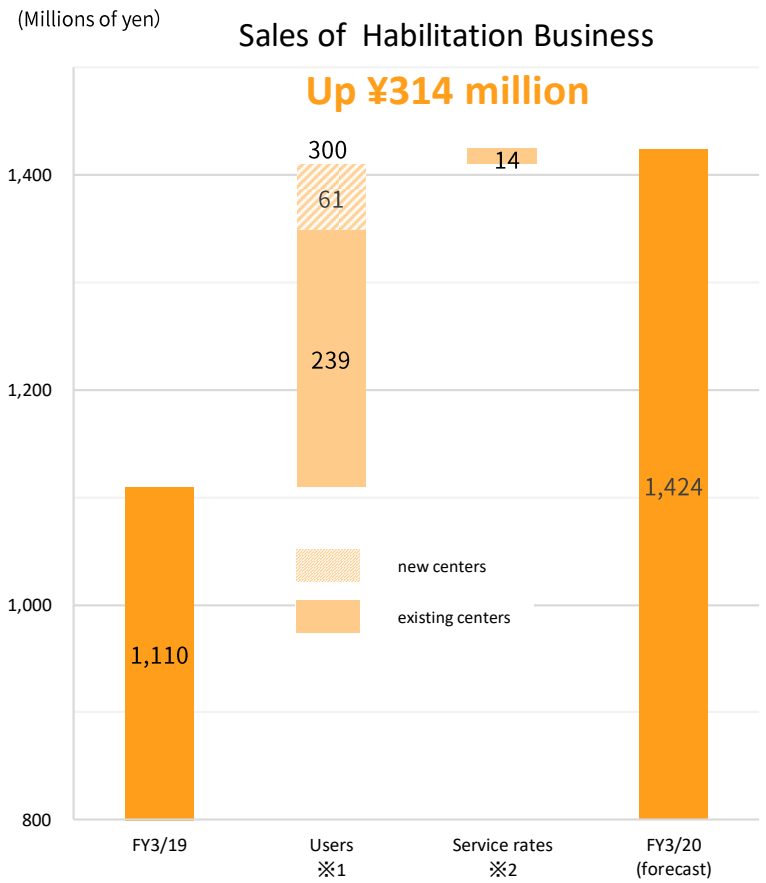
※1	The FY3/19's first half (from April to September 2018) was a period to prepare for the start of the employment retention support business. During this period, half of the previous additional payment for job retention support could be received. In FY3/20, this additional payment is **subtracted**.
※2	Outlook for **an increase in the number of users** is set based on expectations for new users at newly opened locations and measures at existing locations to maintain and improve the operating ratio
※3	Service rates of employment transition support office(**welbe**) 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
※4	As of Mar 2019,we have operated **48** of employment retention support offices. Employment retention support offices will be opened sequentially as soon as the condition is set. Users and service rates are estimated based on the results for FY3/19 at each offices.

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

©2019 Welbe, Inc.

Sales Forecast – Habilitation Business –

■ Sales in **the Habilitation Business** are expected to **increase by 28%** and account for 21% of total sales, mainly because of the outlook for an increase in the number of users.



*1 Outlook for **a steady increase in the number of users** is based on expectations for new users at newly opened locations and measures at existing locations to maintain and improve the operating ratio

For habii child development support centers, the additional guidance personnel has been increased for locations where more than the designated standard number of people in childcare positions requiring professional certifications are assigned. Now a number of units **up to the amount for two people is allowed**.

*2

(Previous system)	
Child guidance, etc. personnel	**195 units**
Guidance personnel	**185 units**

→

(Since April 2018)		
Specialists (nursery school teachers, etc.)	**209 units**	x2
Child guidance, etc. personnel	**155 units**	**Maximum of 418 units**
Other employees	**91 units**	

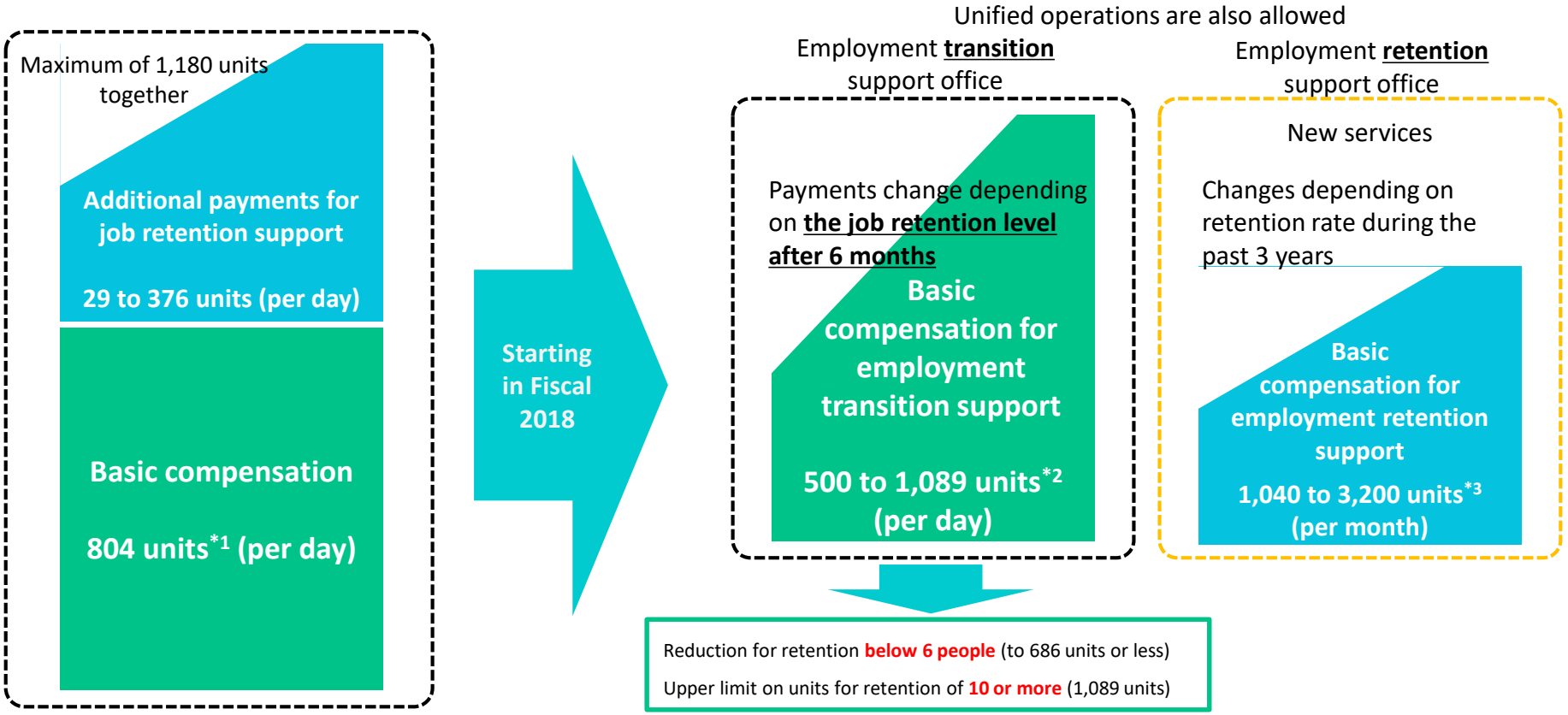
Utilization rates have been estimated for individual locations , taking plans for recruiting personnel for child guidance into consideration.

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

©2019 Welbe, Inc.

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 job retention support service system.
As a result, basic compensation for employment transition support changes depending on the level of job retention.



*1. Reduction of 15%-50% based on number of employment transitions and job retentions

*2. For up to 20 people

*3 . For up to 20 people

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**.

©2019 Welbe, Inc.

Shareholder Distributions

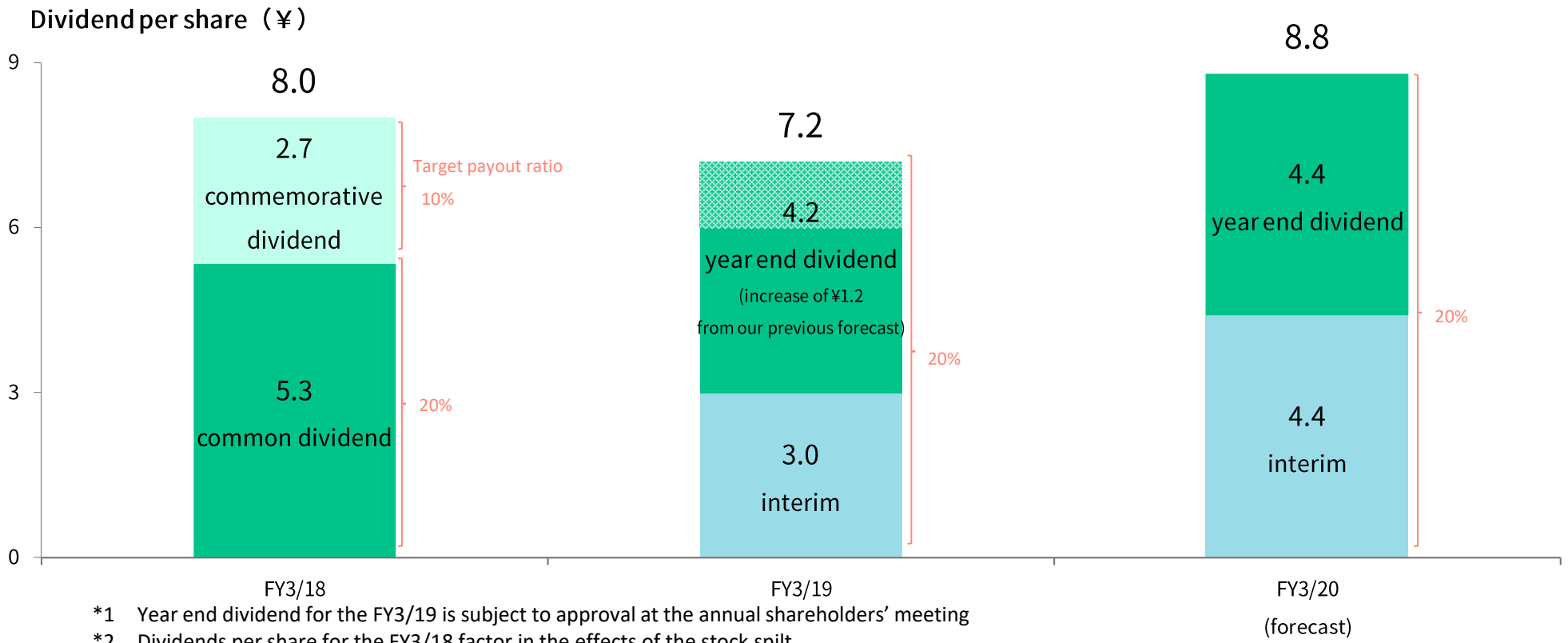
- For the FY3/19, Annual dividend of **¥7.2** per share. We increase the year end dividend par share by ¥1.2 from our most recent dividend forecast.
- For the FY3/20, We plans to pay a total dividend of **¥ 8.8** par share.

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

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%



*1 Year end dividend for the FY3/19 is subject to approval at the annual shareholders' meeting

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

©2019 Welbe, Inc.

Precautions concerning Use of This Presentation Material

- These materials were prepared to help investors understand Welbe, Inc. and were not intended as a solicitation for investment in Welbe, Inc. Investors are urged to reach their own decisions with regard to making an investment in Welbe, Inc.
- Forecasts and other statements about outlooks, strategies and other forward-looking information are based on the outlook of management using information available at the time these materials were prepared and certain assumptions judged to be valid. Actual results may differ significantly from these forecasts due to a variety of risk factors and other uncertainties.
- Welbe, Inc. will not be held responsible for any problems or damages that result from the information provided in these materials.
- Please do not copy, transfer or reuse this presentation in any way for any purpose without the consent of Welbe.

Inquiries

Investor Relations, Welbe, Inc.

Telephone: +81-3-6268-9542
Fax: +81-3-6268-9543
e-mail: ir@welbe.co.jp
Website: http://www.welbe.co.jp/

©2019 Welbe, Inc.


welbe