Results of Operations

for the Second Quarter of the Fiscal Year Ending March 2020 (2Q FY3/20)

Welbe, Inc.

Securities Code: 6556

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Corporate Overview (As of September 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

No. of shares issued	27,795,000
No. of shareholders	4,373

Business(No. of operating bases)

Disability Welfare Service Business

① Employment Transition Support Business：

Operation of

- 69 employment transition support offices
- 54 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)

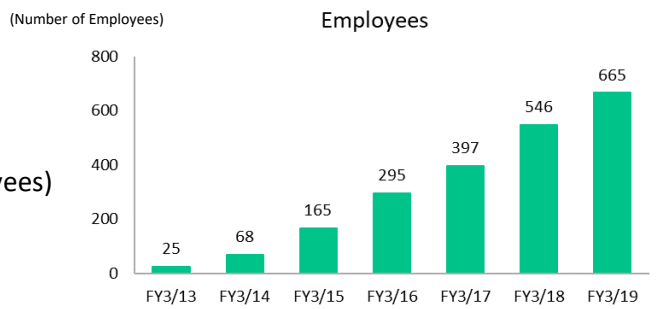
② Habilitation Business：

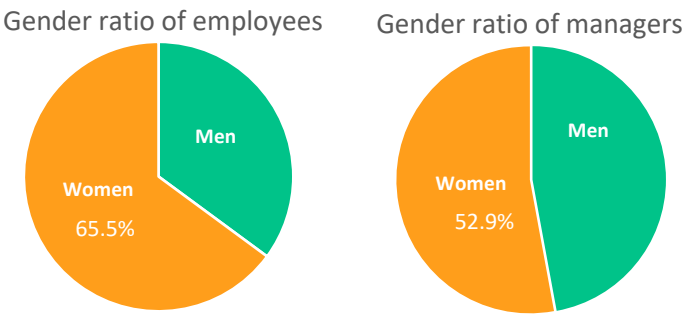
- 22 child development support classrooms
- 6 after-school day care service classrooms

Employees

720

(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"

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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.
Sep. 2019	Operation of **97** offices (total amount of **welbe**, **habii** and **habii plus**)

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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

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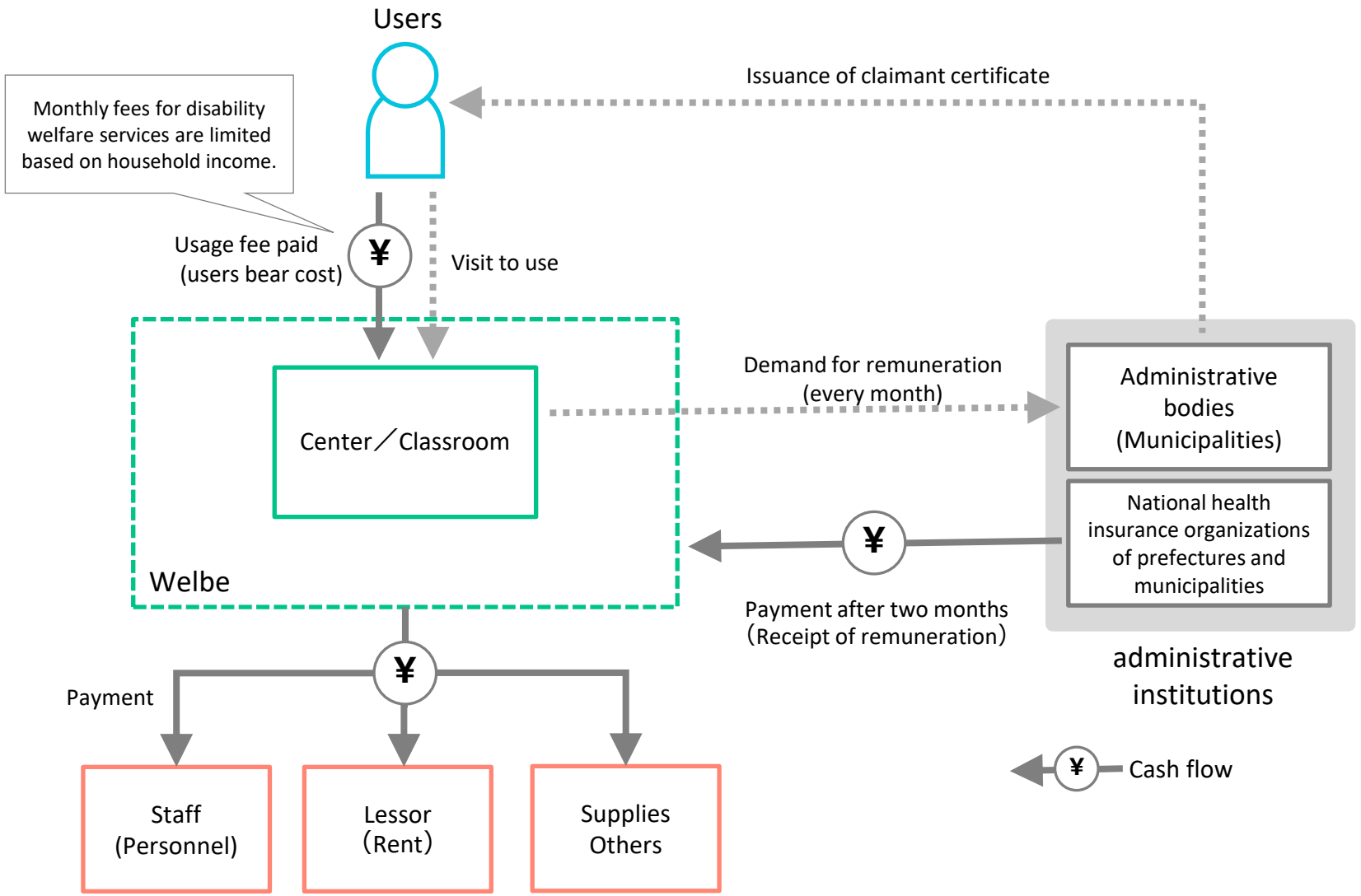
Business Model

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.



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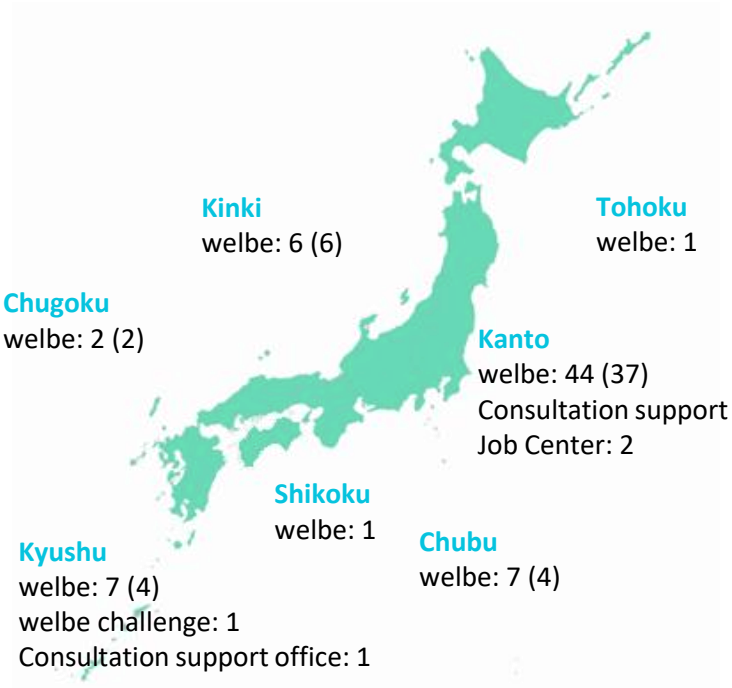
Employment Transition Support Business Overview

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 **69**

(As of September 2019)



Hokkaido
welbe: 1 (1)

Tohoku
welbe: 1

Kinki
welbe: 6 (6)

Chugoku
welbe: 2 (2)

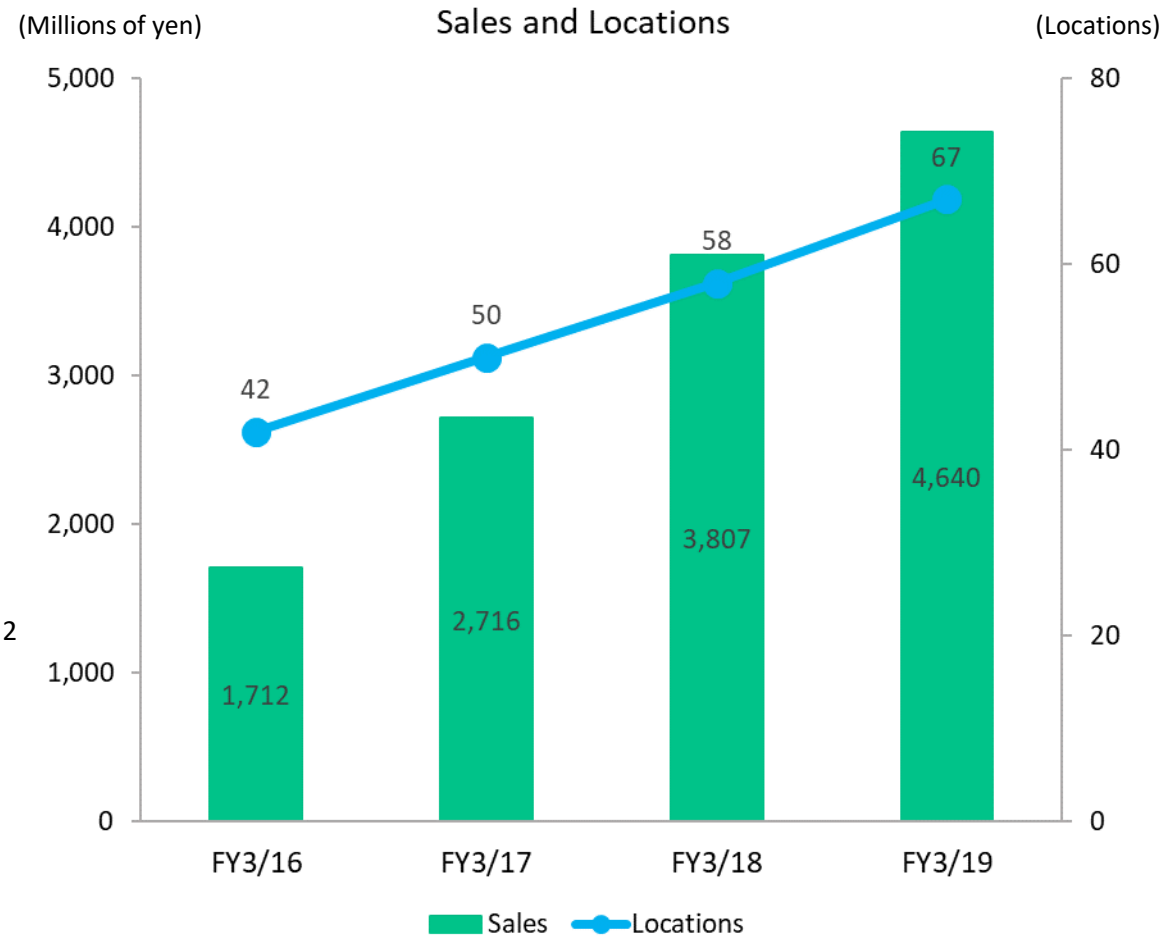
Kanto
welbe: 44 (37)
Consultation support office: 2
Job Center: 2

Shikoku
welbe: 1

Chubu
welbe: 7 (4)

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

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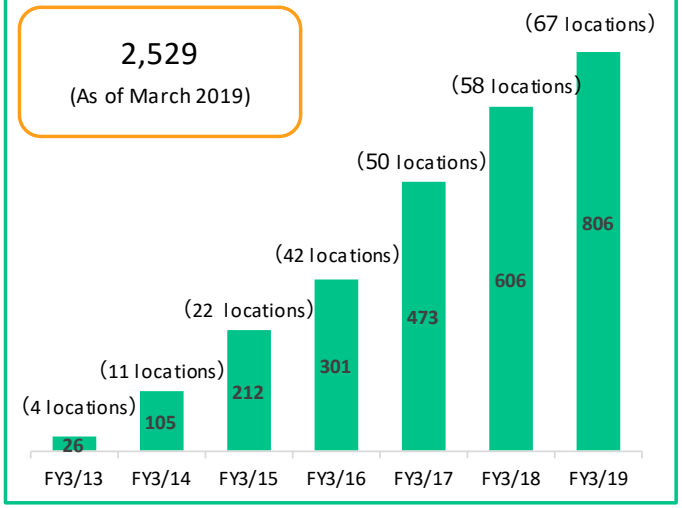
Employment Transition Support Business Performance

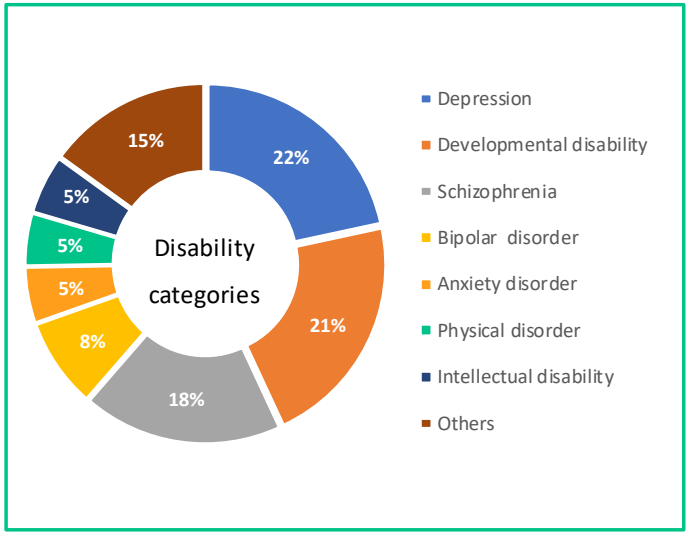
Periodic communications and consultations with employers to help people remain in a job

(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

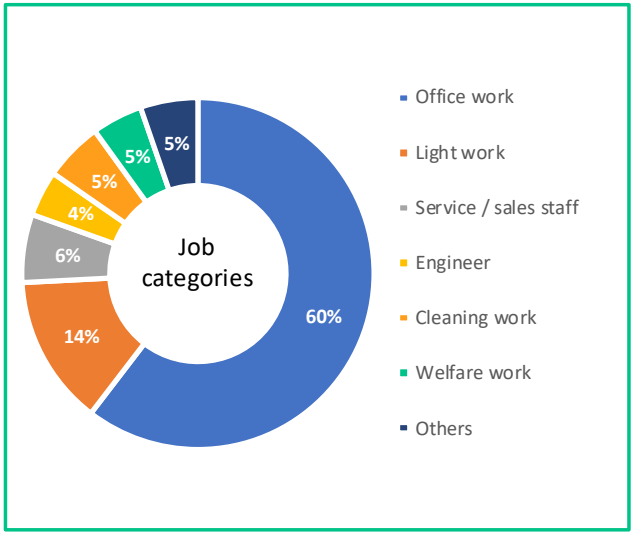


Job Placements by Disability Category



* 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

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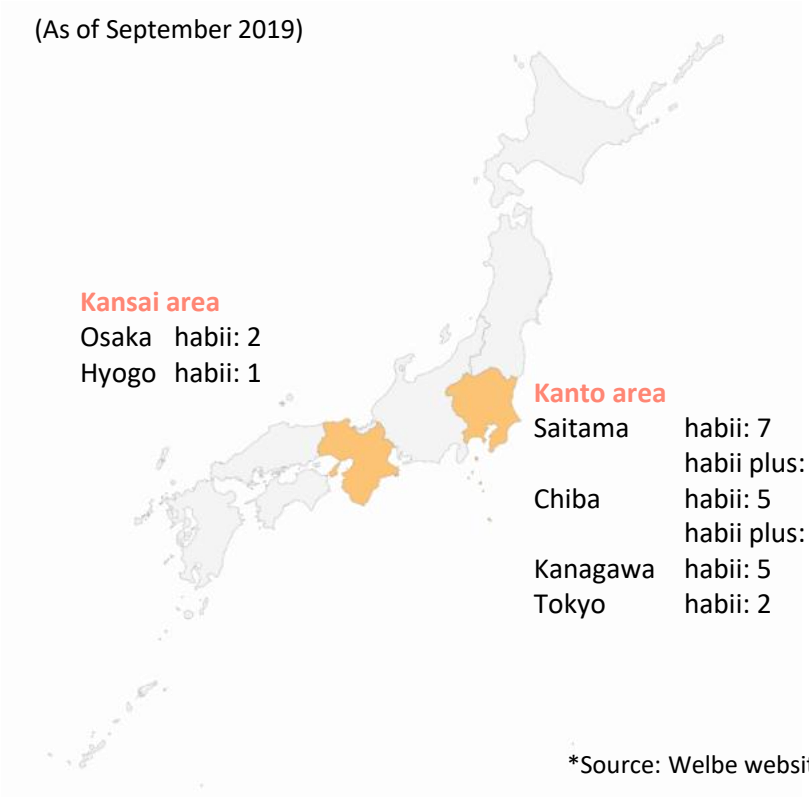
Habilitation Business Performance

Continuing to open new locations with emphasis on Tokyo area

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

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

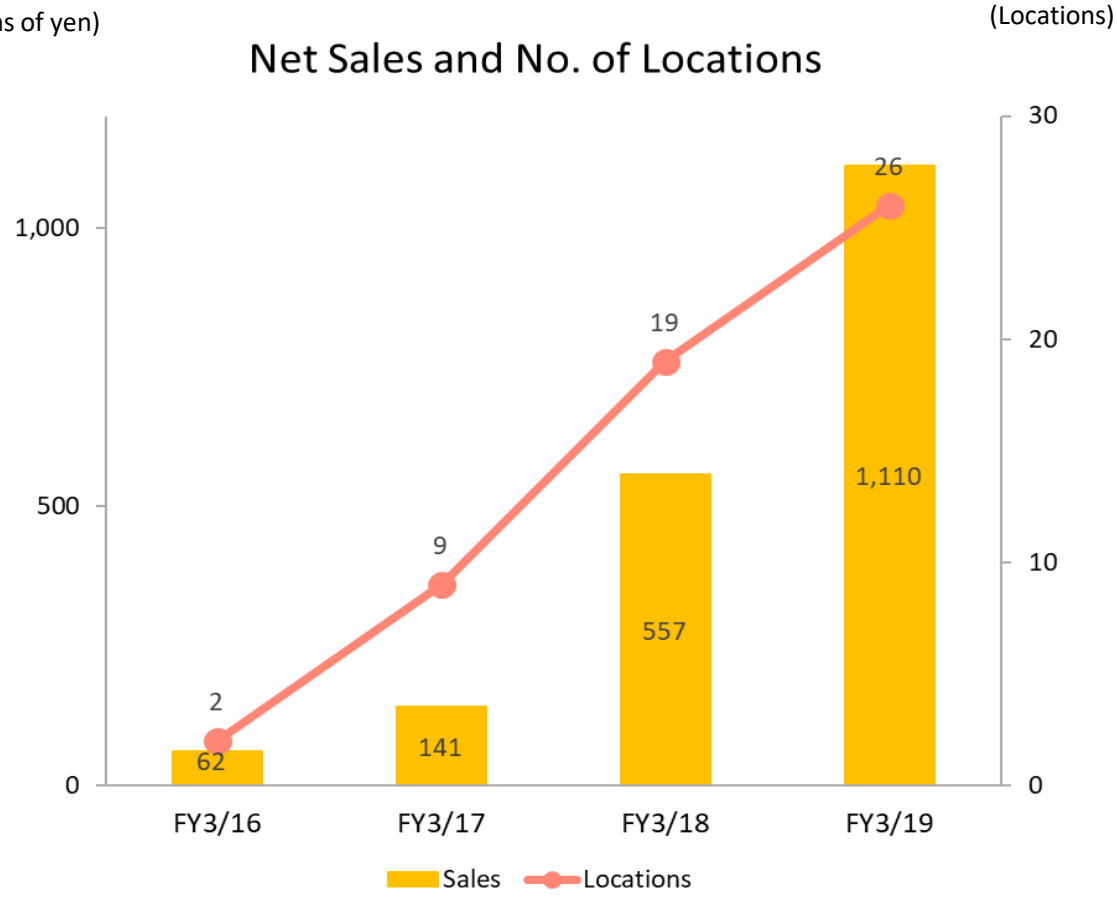
(As of September 2019)



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



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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.

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Major Activities

(1) Announcements of Results of Research Projects

Date	Event	Summary
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 –
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 –

(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) The Wel-1cup Innovation Announcements

- 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 Supprt Station for the disabled(WSS)” received from The Chief Cabinet

  “WSS” dispatches people with disabilities (as trainees) for a certain period in response to requests from the government agencies.
  The support staff of our company will be dispatched with the trainees and will instruct the trainees about the work ordered by the government agencies.
  In addition, we will give advice to the government agencies in response to consultations related to job extracting and working environmental maintenance.

- We have received several other orders from central and local government agencies for advisory services related to recruitment and retention of people with disabilities.

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Welbe Link

■ 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
- ■Operation of Satellite offices

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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.

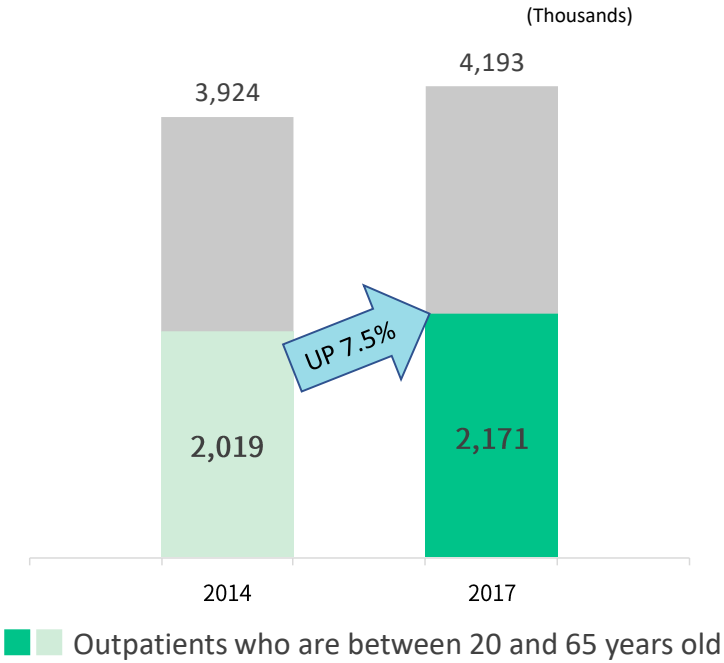
This is approximately **2.9%** of Japan's working age population.

(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)

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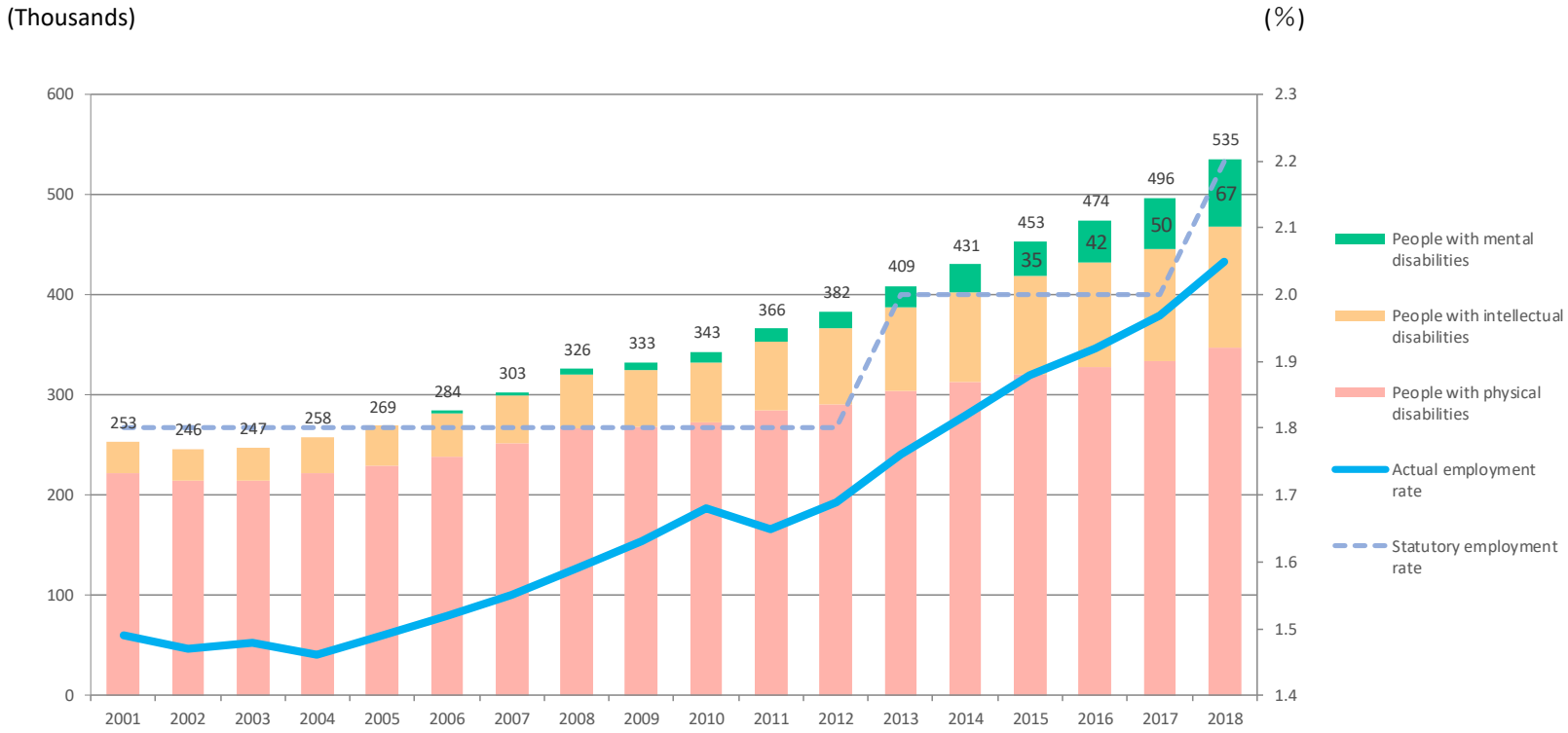
Employment of People with Disabilities

- 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

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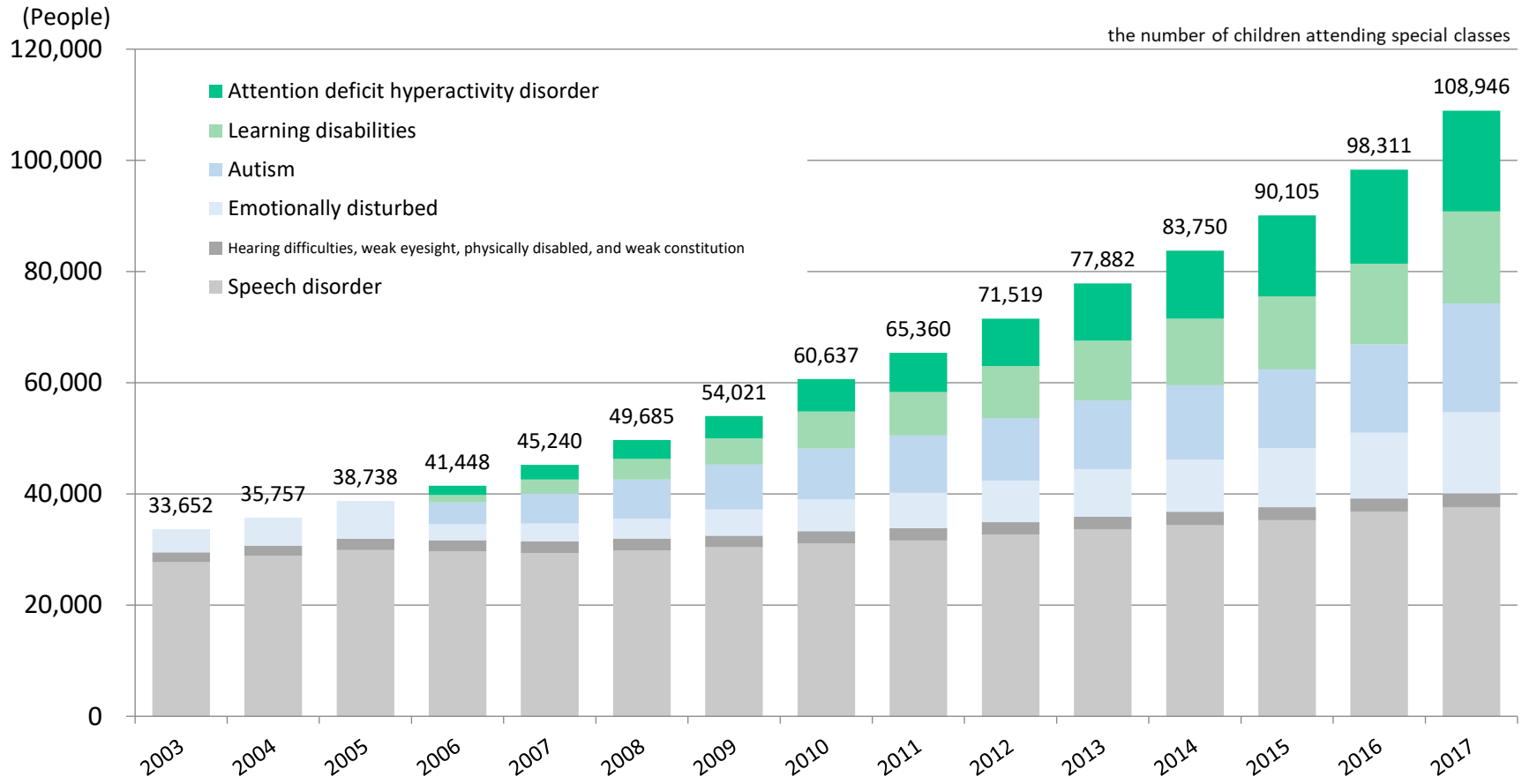
Growth in the Number of Developmentally Disabled Children in Japan

- 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

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2Q highlights

Result of operation

■Net sales: ¥3,286 million; Operating profit: ¥946 million; Ordinary profit: ¥948 million; Profit: ¥614 million .

- ✓ Net sales up 15.2%, operating profit up 16.7%, ordinary profit up 17.0% and profit up 18.8% .
- ✓ Operating profit on sales : 28.8%, Ordinary profit on sales : 28.8% .

■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.
- ✓ Progress ratios for **full**-year forecast amounted to 48.8% for net sales, 52.9% for operating profit
- ✓ Achievement ratios for **half**-year forecast amounted to 100.9% for net sales, 108.4% for operating profit

■Operating margin improved by 0.4% from the same period of the previous year.

- ✓ Net sales up 10.8% in the Employment Transition support business, up 36.5% in the Habilitation business mainly due to a steady increase in the number of users.
- ✓ Cost of sales up 16.8% (¥273 million) mainly due to an increase in personnel resulting from the growth of the number of location.
- ✓ SG&A expenses up 5.7%(¥20 million). SG&A to sales ratio improved by 1.2%.

■An interim dividend of ¥4.4 as planned.

Business development

■New locations

- ✓ Plan to open 12 locations including **6** employment transition support offices and **6** Habilitation classrooms.
- ✓ **2 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.
- ✓ The beginning of operations of fee-charging employment placement business on September 1, 2019.

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Quarterly Results

■ In the 2nd quarter, net sales and earnings at all levels grow steadily.

✓ From the same period of the previous year,

Net sales up ¥433 million, operating profit up ¥135 million, ordinary profit up ¥137 million, profit up ¥97 million

Items	2Q FY3/20 Apr. - Sept.		2Q FY3/19 Apr. - Sept.		YoY Change	
	Amount (Millions of yen)	Comp.	Amount (Millions of yen)	Comp.	Amount (Millions of yen)	Change
Net sales	3,286	100.0%	2,853	100.0%	433	15.2%
Gross profit	1,378	41.9%	1,219	42.7%	158	13.0%
Operating profit	946	28.8%	810	28.4%	135	16.7%
Ordinary profit	948	28.8%	810	28.4%	137	17.0%
Profit	614	18.7%	517	18.1%	97	18.8%

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In comparison with the forecast

■ In comparison with the forecast, the achievement ratio of the 2nd quarter progress favorably.

✓ We cleared our **half**-year forecast in our net sales and profits.

✓ No change in our **full**-year forecast.

Sales and profits are expected to increase resulting from the further increase in the number of users.
On the other hand, we expect to record expenses for opening new bases.

Items	FY3/20	FY3/20		FY3/20	
	2Q Results	Forecast		1H Forecast	
	Amount (Millions of yen)	Amount (Millions of yen)	Progress	Amount (Millions of yen)	Achievement ratio(%)
Net sales	3,286	6,737	48.8%	3,257	100.9%
Operating profit	946	1,788	52.9%	873	108.4%
Ordinary profit	948	1,787	53.0%	872	108.7%
Profit	614	1,216	50.6%	562	109.3%

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Quaterly Results

■ In the 2nd quarter, net sales and each stage of profit were higher than in the 1st quarter.

✓ Net sales was higher because of the the number of users has been increased.

✓ Profits were higher according to the increase of net sales.

Items	1Q FY3/20 Apr.- June		2Q FY3/20 July- Sept.		QoQ change (1Q vs 2Q)	
	Amount (Millions of Yen)	Comp.	Amount (Millions of Yen)	Comp.	Change (Millions of Yen)	Change(%)
Net sales	1,593	100.0%	1,693	100.0%	+100	+6.3%
Sales of Employment Transition Support Business	1,276	80.1%	1,345	79.5%	+68	+5.4%
(Transition support compensation)	(1,237)	(77.7%)	(1,301)	(76.8%)	+63	+5.1%
(Retention support compensation)	(39)	(2.5%)	(44)	(2.6%)	+5	+14.1%
Sales of Habilitation Business	316	19.9%	347	20.5%	+31	+9.9%
Gross profit	649	40.8%	728	43.0%	+78	+12.1%
Operating profit	439	27.6%	507	30.0%	+68	+15.5%
Ordinary profit	440	27.6%	508	30.0%	+67	+15.4%
Profit	277	17.4%	337	19.9%	+59	+21.5%

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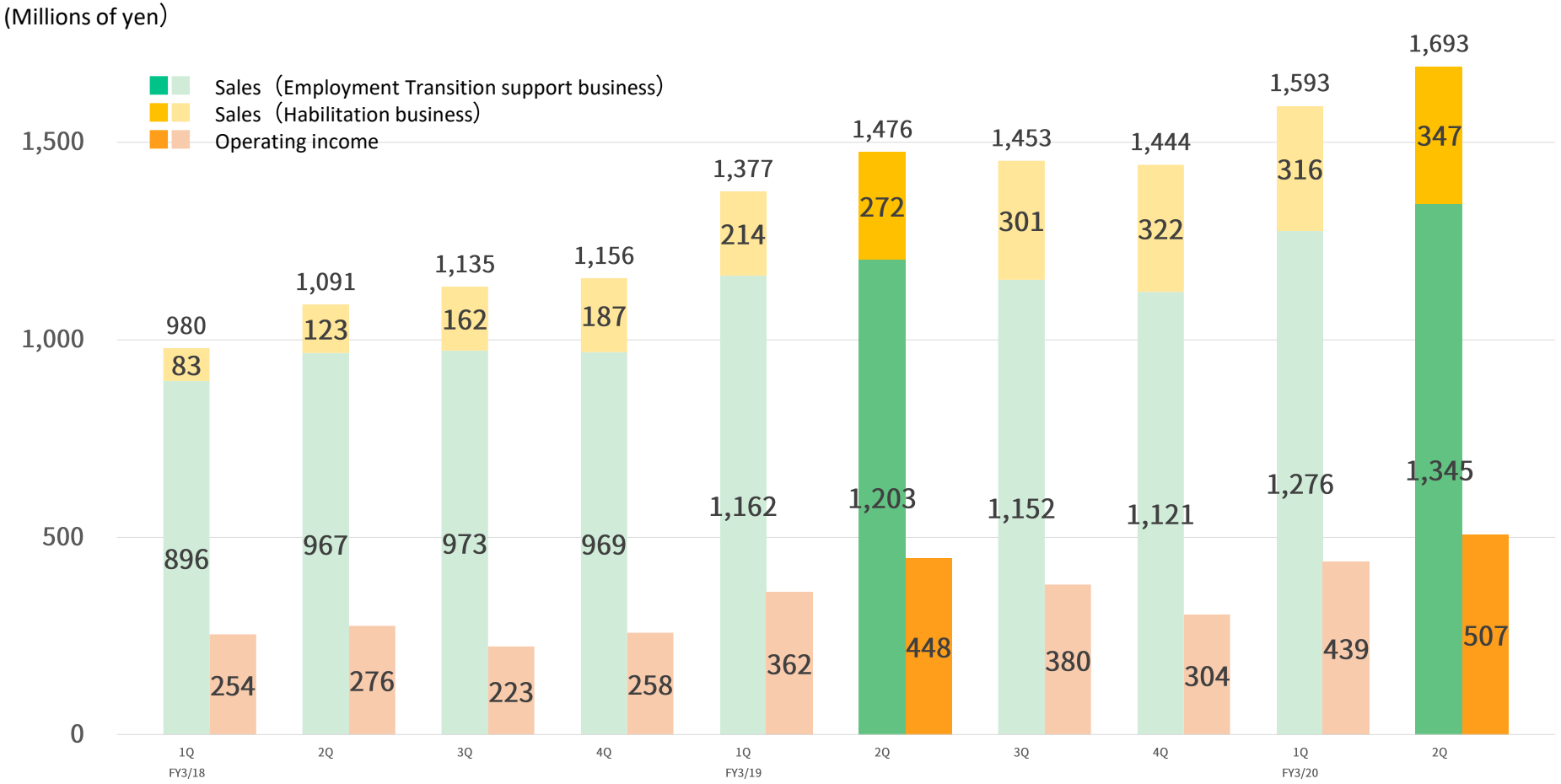
Quarterly comparisons

■Achievement of record-high net sales and profits

✓ The number of users have increased steadily both in Employment Transition support business and Habilitation business.



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Net sales

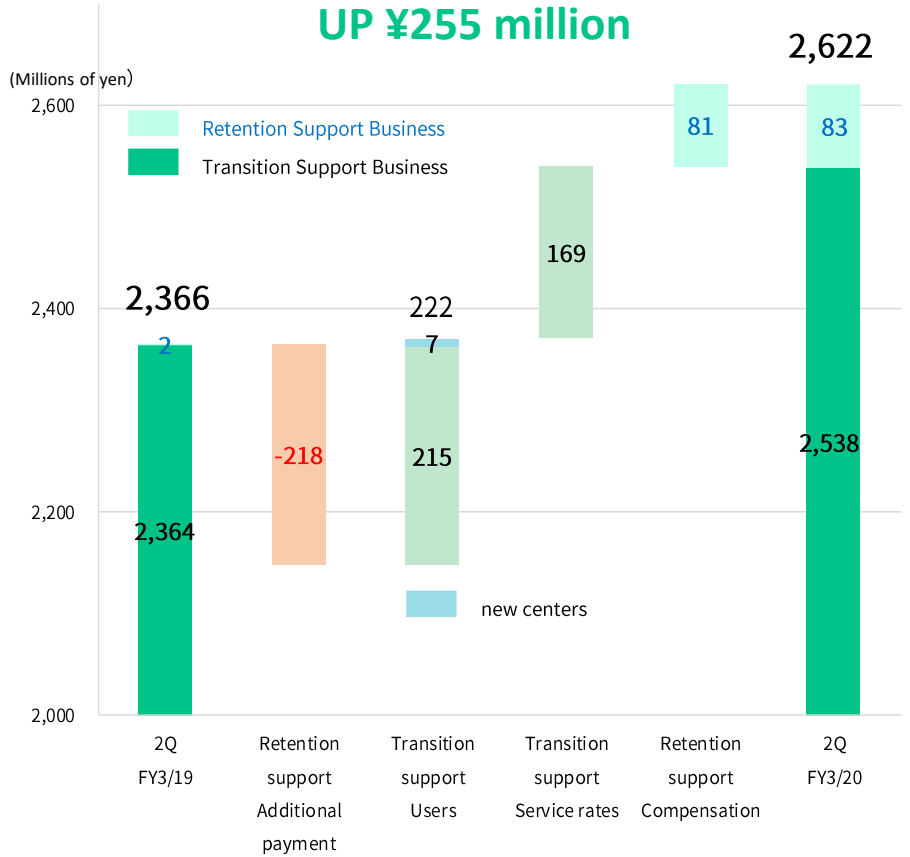
■ From the same period of the previous year,

Net sales **10.8% up** in the Employment Transition support business, **36.5% up** in the Habilitation business.

✓ The number of users have increased steadily.

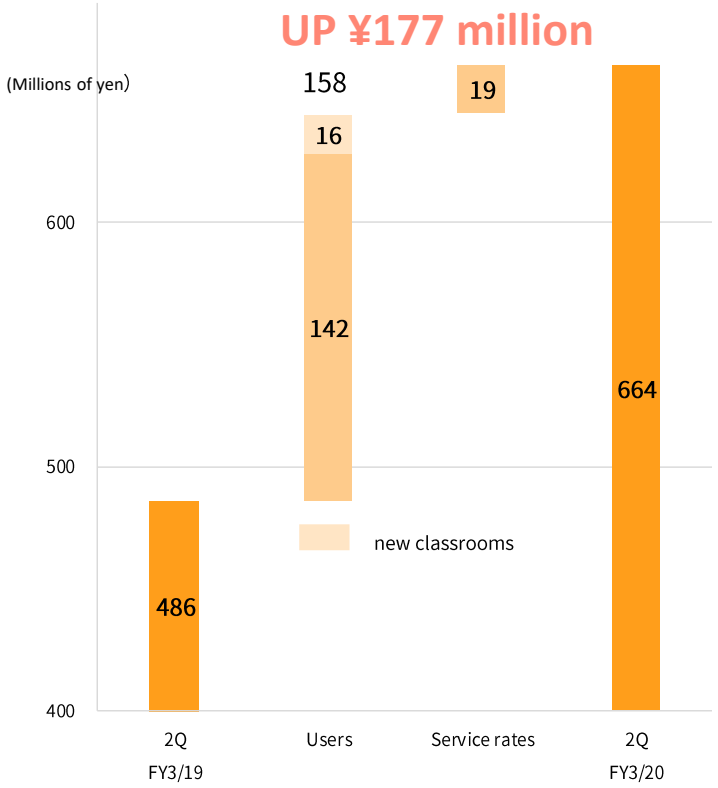
Sales of Employment Transition Support Business

UP ¥255 million



Sales of Habilitation Business

UP ¥177 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 April 1, 2019**.

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Cost of sales / SG&A expenses

■ From the same period of the previous year,

Cost of sales up ¥274 million, SG&A up ¥23 million. SG&A to sales ratio improved by 1.2%.

✓ 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 0.8% 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

✓ SG & A expenses increased due to an increase in personnel expenses accompanying the strengthening of headquarters functions. The ratio of SG & A expenses to net sales decreased 1.2% (improvement).

Items		2Q FY3/20 Apr.-Sept.		2Q FY3/19 Apr.-Sept.		YoY change
		Amount (Millions of yen)	Comp.	Amount (Millions of yen)	Comp.	Change (Millions of yen)
Net sales		3,286		2,853		+433
Cost of sales	Personnel	1,366	71.6%	1,141	69.9%	+225
	Rent	193	10.1%	168	10.3%	+25
	Others	348	18.3%	324	19.8%	+23
	Total	1,908	100.0%	1,634	100.0%	+274
Cost of sales ratio			58.1%		57.3%	+0.8%
Gross profit		1,378		1,219		+158
SG&A	Personnel	197	45.7%	187	45.9%	+9
	Tax and dues	80	18.7%	74	18.1%	+6
	Others	153	35.6%	146	36.0%	+7
	Total	431	100.0%	408	100.0%	+23
SG&A to sales ratio			13.1%		14.3%	- 1.2%
Operating profit		946		810		+135
Operating margin			28.8%		28.4%	+0.4%

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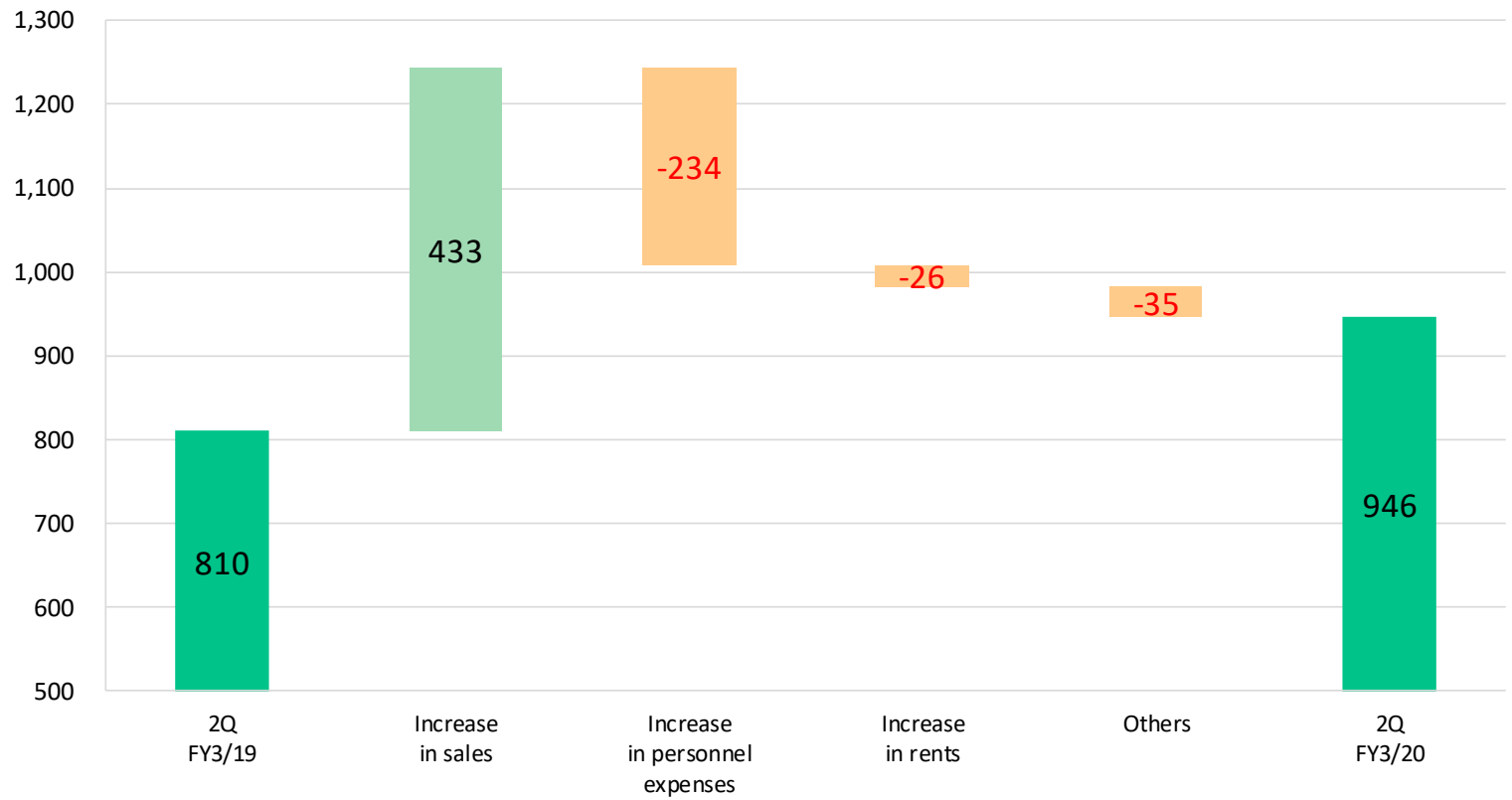
Factors Impacted in an Increase in Operating Profit

■ Operating profit increased ¥135 million from the same period of the previous year.

(Millions of yen)



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

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Balance Sheet

■ Total assets increased due to an increase in accounts receivable resulting from an increase in sales, an increase in intangible fixed assets (Software) resulting from the operation of a performance management system, etc.

■ Equity ratio moved up 8.7 points to 77.2%.

Items	2Q FY3/20		FY3/19		Change (Millions of yen)	Change (%)
	Amount (Millions of Yen)	Comp.	Amount (Millions of Yen)	Comp.		
Current assets	3,074	78.1%	2,919	78.8%	+155	5.3%
Non-current assets	863	21.9%	787	21.2%	+75	9.6%
Total assets	3,938	100.0%	3,707	100.0%	+231	6.2%
Liabilites	898	22.8%	1,167	31.5%	-269	-23.1%
(Of the above, loans and bonds)	(272)	(6.9%)	(383)	(10.3%)	(-111)	(-29.1%)
Net assets	3,040	77.2%	2,539	68.5%	+500	19.7%
Equity ratio	77.2%		68.5%			8.7%

Changes in current assets

- Increase in cash and cash equivalents +12million
- Increase in accounts receivable by higher sales +140million

Changes in current assets

- Increase in intangible assets +24million

Changes in liabilities

- Decrease in loans and bonds -111million
- Decrease in accounts payable -76million

Changes in net assets

- Increase in retained earnings from profit +614million
- Decrease in retained earnings due to dividend payments -115million

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Cash Flows

■Cash flows from operating activities and Free cash flow increased steadily.

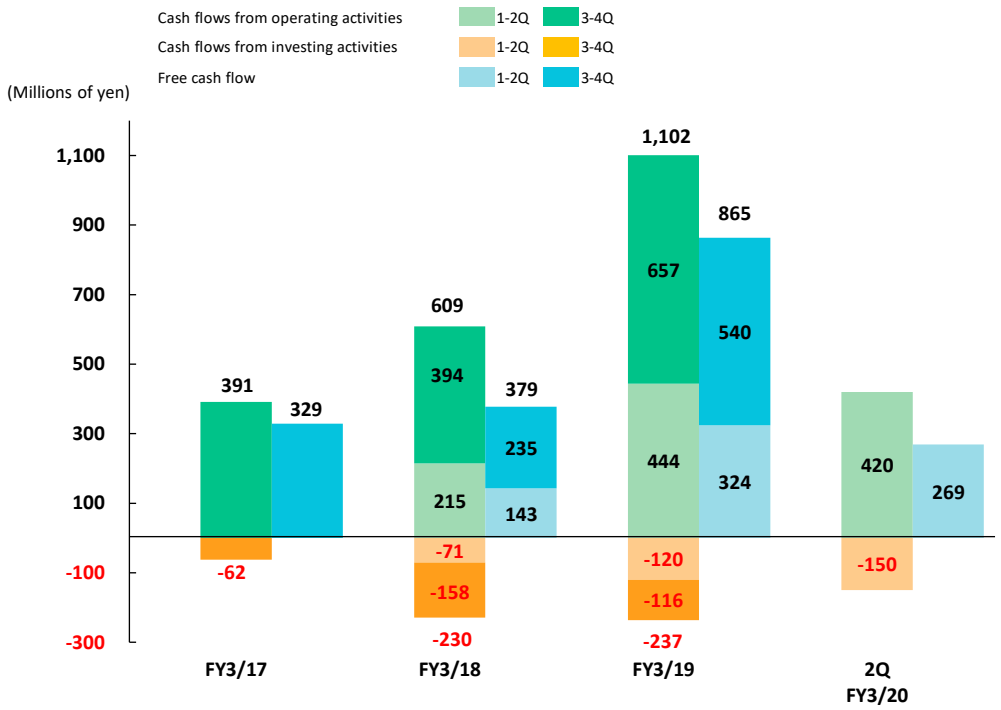
(1) Cash flows provided by operating activities were ¥420 million mainly due to profit.

Compared to the previous 2Q, a decrease of 24 million yen due to a decrease in accounts payable and accrued expenses, etc.

(2) Cash flows used in investing activities were ¥150 million mainly due to the purchase of property, plant and equipment.

(3) Cash flows used in financing activities were ¥256 million
mainly due to the repayment of long-term loans of ¥ 97 million and cash dividend paid of ¥ 115 million.

	FY3/17	FY3/18	FY3/19	2Q FY3/20
Cash flows from operating activities	391	609	1,102	420
Cash flows from investing activities	-62	-230	-237	-150
（Free cash flow）	(329)	(379)	(865)	(269)
Cash flows from financing activities	-23	447	-563	-256
Net increase (decrease) in cash and cash equivalents	305	826	302	12
Cash and cash equivalents at end of period	765	1,592	1,894	1,907



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Business development

■ New locations

- ✓ In the first half of the year, **2** welbe center, **2** habilitation classrooms (1 habii classroom and 1 habii plus classroom) were opened.
- ✓ At the end of the 2nd quarter, we operate **69** 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.
- ✓ The beginning of operations of fee-charging employment placement business on September 1, 2019.
- ✓ Plan to **non**-consolidate this fiscal year.

New locations

employment transition support office :

Apr.2019	welbe Niigata center
Sep.2019	welbe Sokaeki Higashiguchi center

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, 2019
- ■ Invested 10 million yen
- ■ Fee-charging placement
- ■ Satellite offices

  (Preparation for opening)
- ■ Website

  https://www.welbe-link.co.jp/
- ■ Plan to **non**-consolidate this fiscal year

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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%

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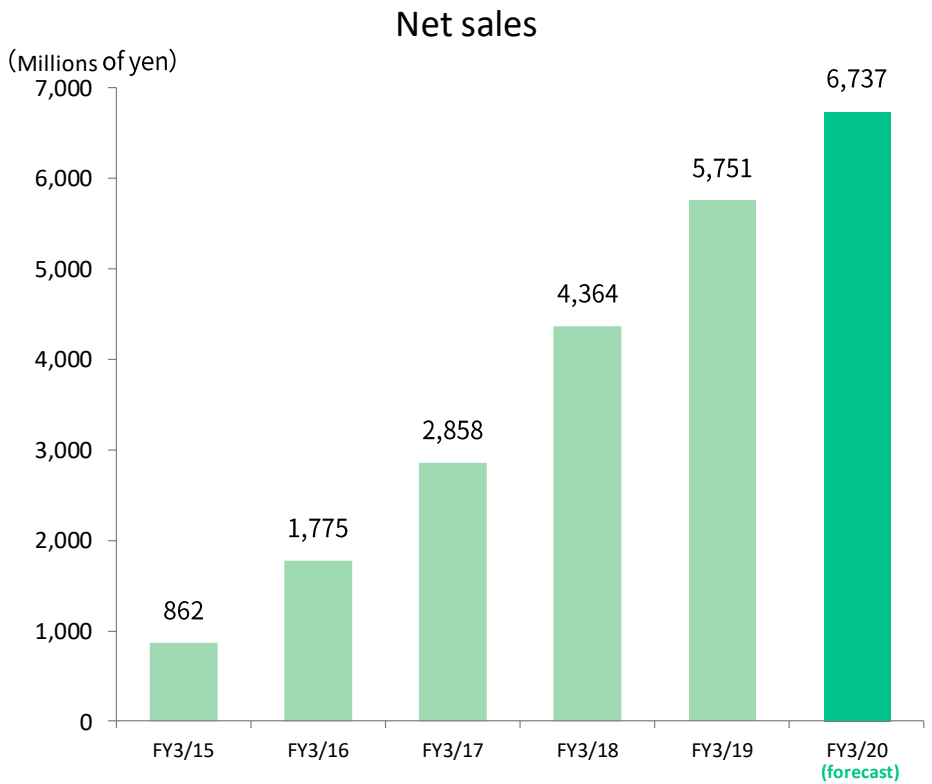
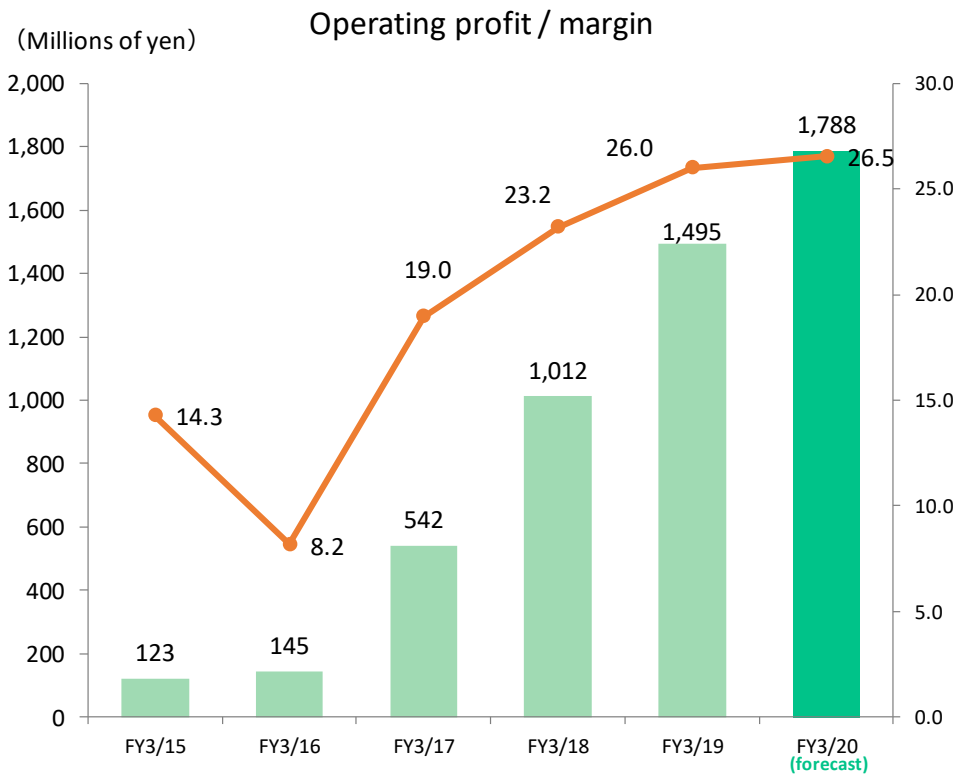
Net Sales and Operating Profit

- 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





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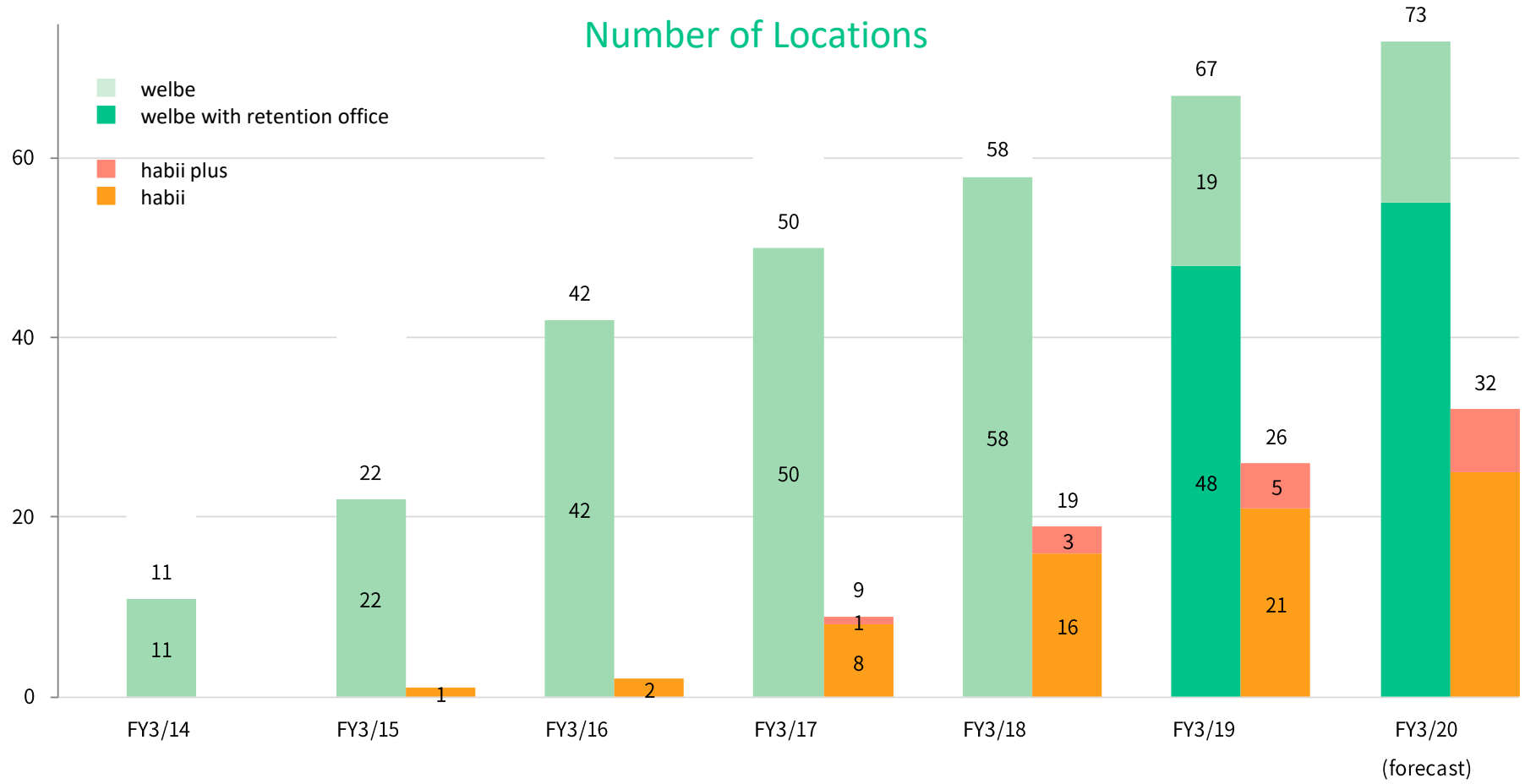
Growth in the Number of Locations

- 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.



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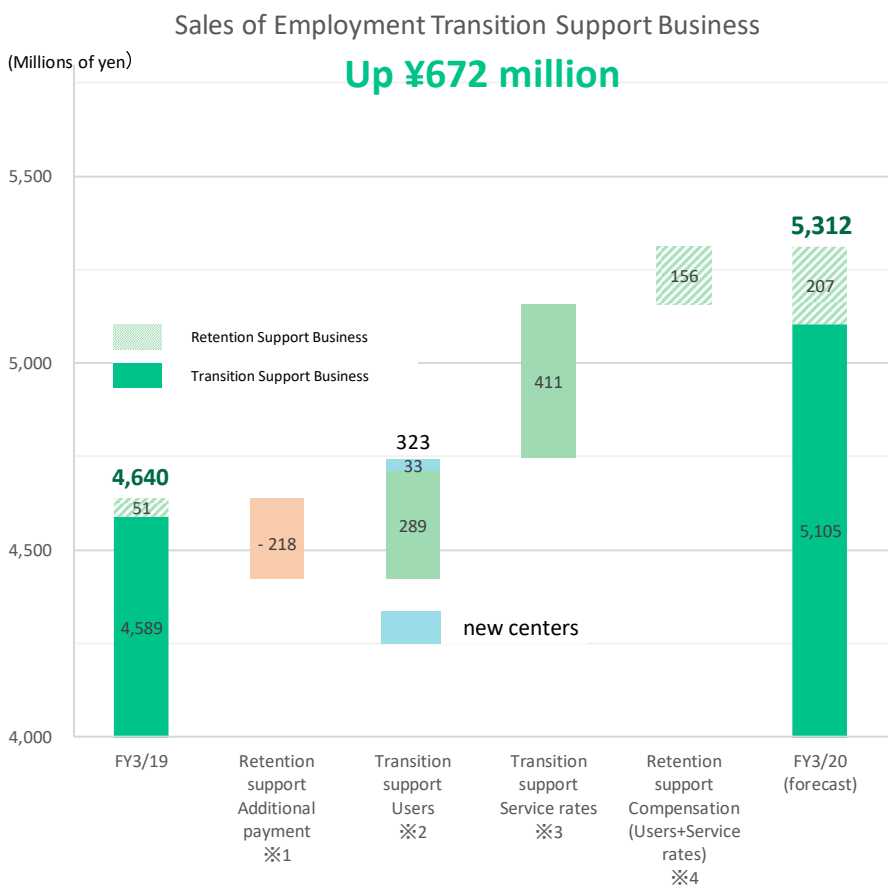
Sales Forecast – Employment Transition Support Business –

■ 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.

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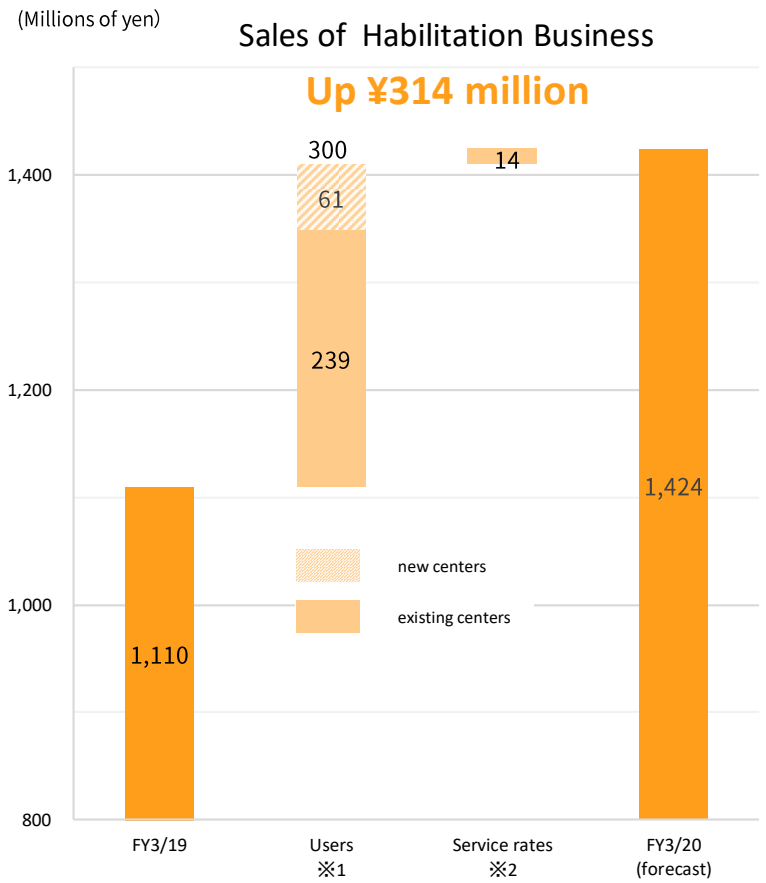
Sales Forecast – Habilitation Business –

■ 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.

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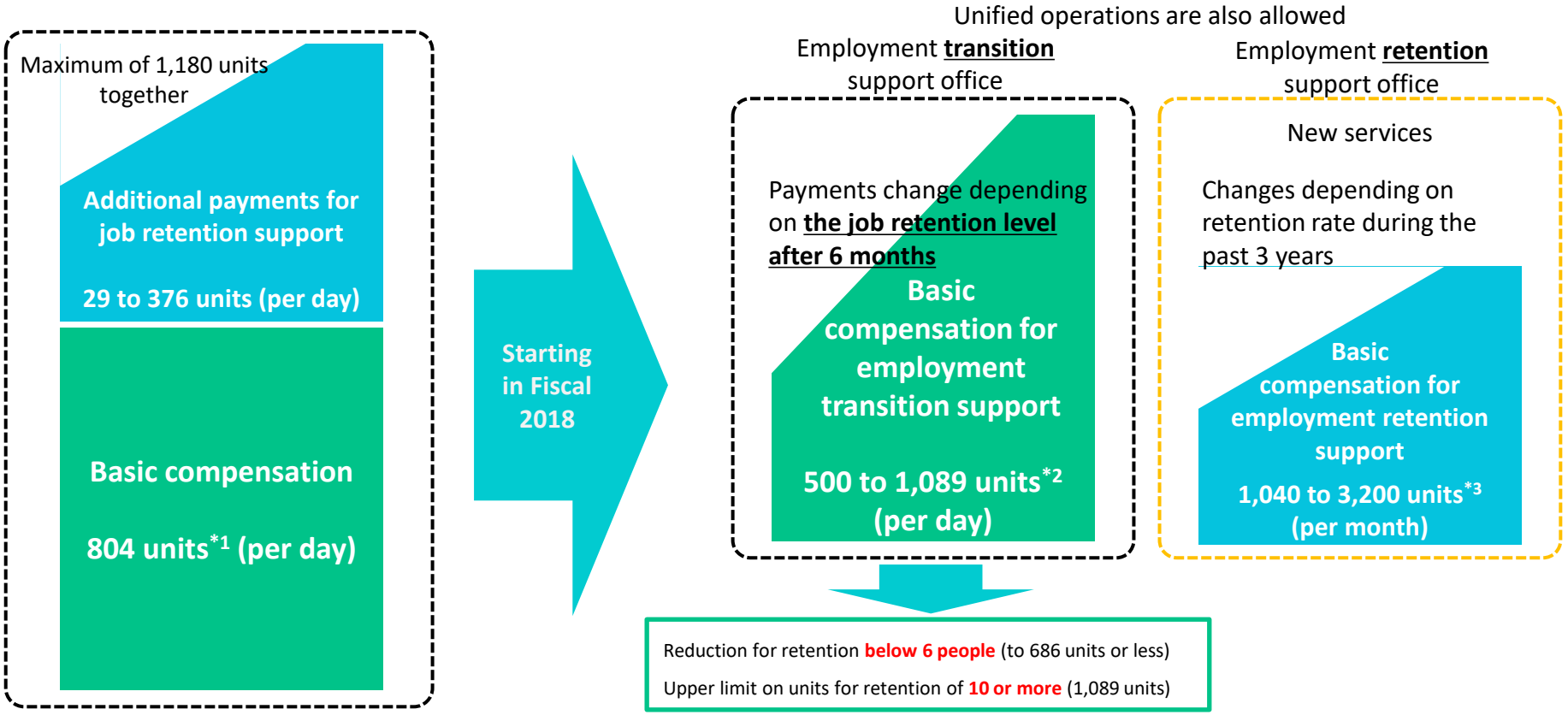
Revisions to Disability and Welfare Service Compensation in Fiscal 2018

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**.

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Shareholder Distributions

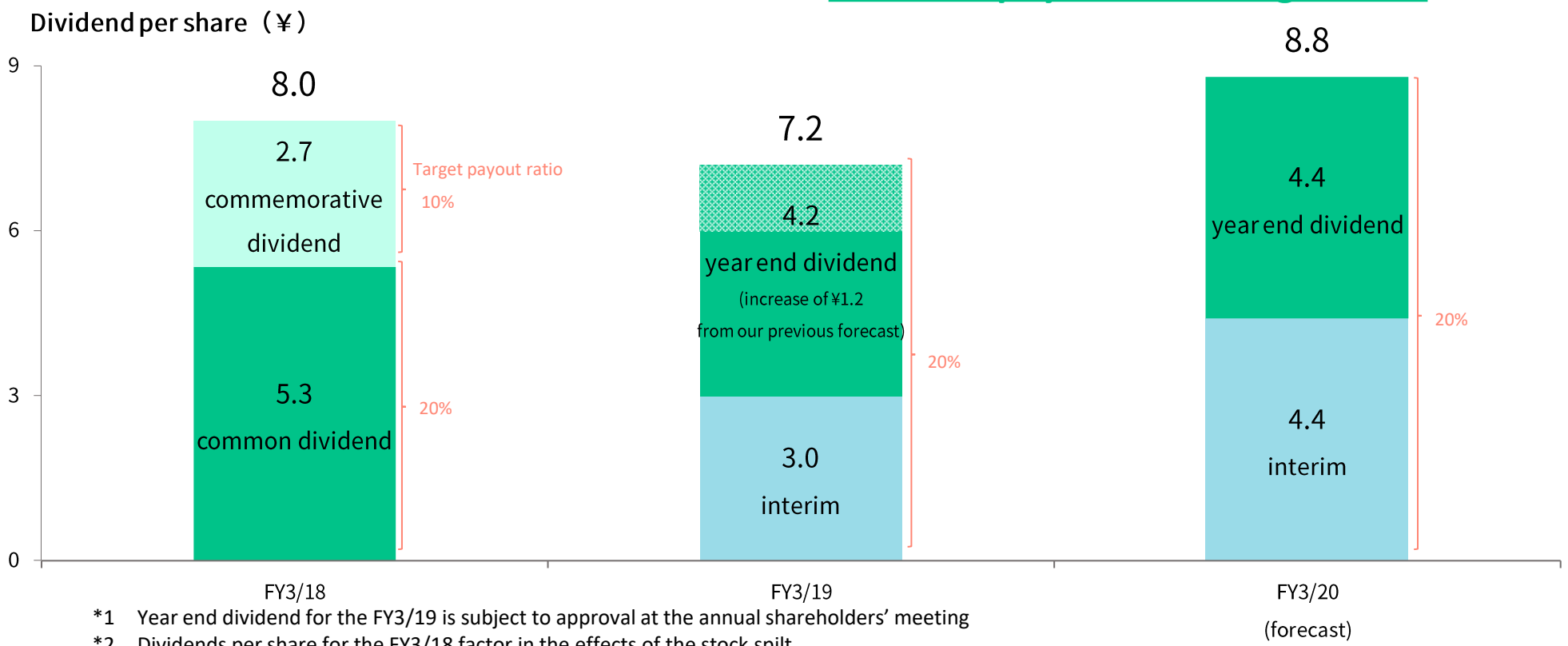
- For the FY3/19, Annual dividend of **¥7.2** per share. We increase the year end dividend par share by ¥1.2 from our most recent dividend forecast.
- For the FY3/20, We plans to pay a total dividend of **¥ 8.8** par share.

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.

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