

Business Results

For the six months ended June 30, 2009

August 19, 2009
WORLD INTEC CO., LTD.



JASDAQ(2429)

Copyright © WORLD INTEC CO.,LTD. All Rights Reserved

Contents

1. Summary of Business Results for the 2 nd Quarter of Fiscal Year Ending December 31, 2009	3~8
2. Earnings Forecast for Fiscal Year Ending December 31, 2009	9~11
3. Emergency Measures (Report)	12~13
4. Impact from External Environment Changes (Addendum)	14~17
5. Outlook and Industry Trends	18~24
6. Our Initiatives	25~30

Summary of Business Results for the 2nd Quarter of Fiscal Year Ending December 31, 2009

Summary of Consolidated Business Results for the 2Qof FY12/09

(Year-on-Year Change)

Net Sales

Significant decline in the number of onsite workers due to production cutbacks by client-manufacturers

Operating Income

Results from adopted structural reforms

Ordinary Income

Increase due to employment adjustment subsidy

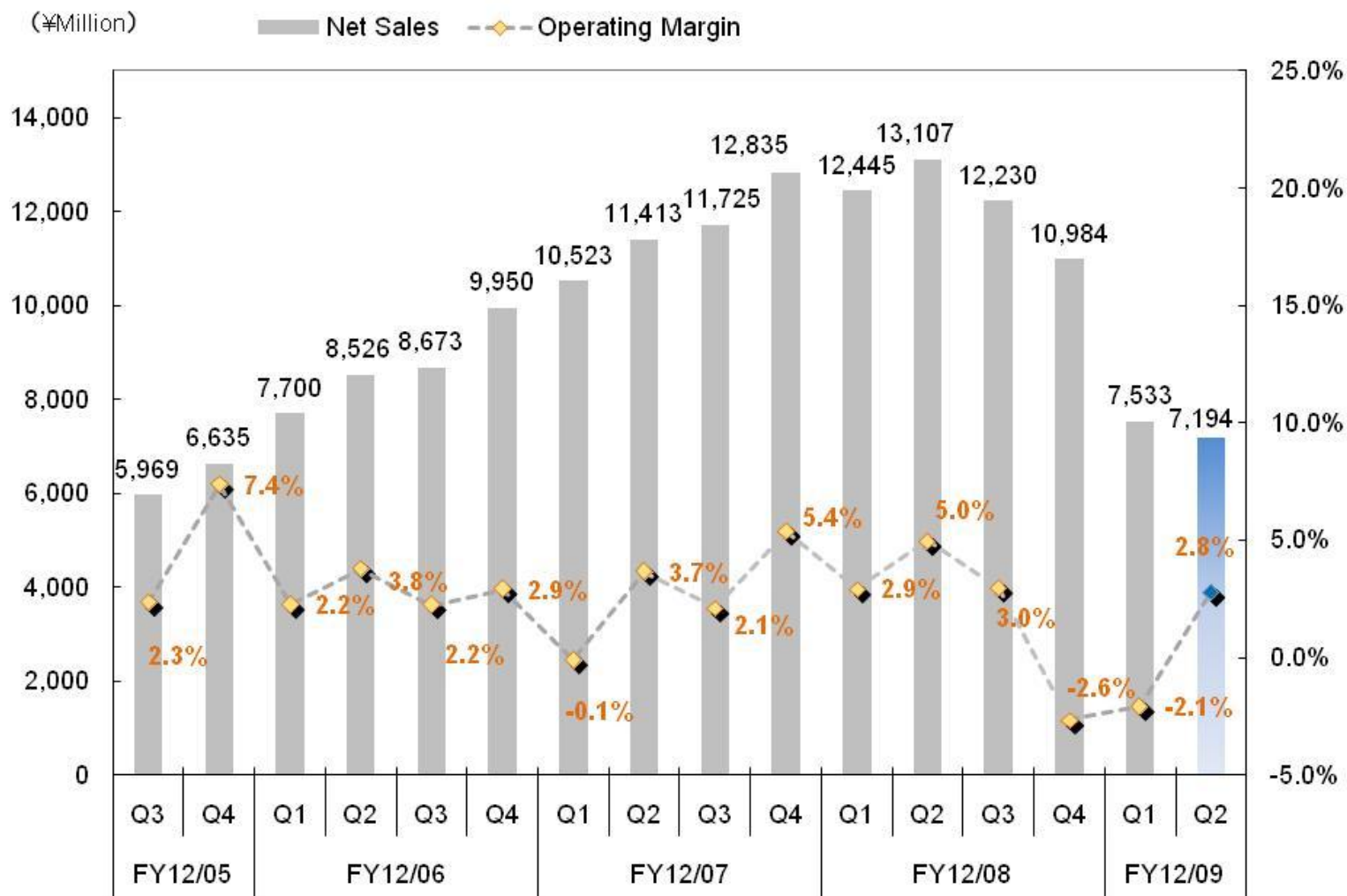
Quarterly Net Income/Loss

Loss due mainly to corporate income tax and minority shareholders' interest

Consolidated (¥Million)	FY12/08 2Q Actual	FY12/09 2Q Actual	Year-on-Year Change	
			Amount	Ratio
Net Sales	25,552	14,728	△10,824	△42.4%
Operating income	1,017	56	△961	△94.5%
Operating margin	4.0%	0.4%	—	—
Ordinary income	1,230	111	△1,118	△90.9%
Ordinary margin	4.8%	0.8%	—	—
Net income	564	△11	△576	—
Net margin	2.2%	△0.1%	—	—

Consolidated Net Sales and Operating Margin (FY12/05 3Q – FY12/09 2Q)

Both hit hard by the recession up to March 2009



Summary of Business Results by Business Segment (Year-on-Year Change)

(¥Million)		FY12/08 2Q Actual	FY12/09 2Q Actual	Year-on-Year Change	
				Amount	Ratio
Manufacturing temporary Placement/Contracting	Net Sales	15,777	6,759	△9,018	△57.2%
	Operating income	1,207	237	△970	△80.3%
	Operating margin	7.7%	3.5%	—	—
Technology Oriented Placement	Net Sales	3,732	2,936	△795	△21.3%
	Operating income	259	138	△ 121	△46.8%
	Operating margin	6.9%	4.7%	—	—
R&D Placement	Net Sales	900	1,002	102	11.3%
	Operating income	75	76	0	1.0%
	Operating margin	8.4%	7.6%	—	—
Information Technology & Telecommunications Services	Net Sales	4,472	3,533	△938	△21.0%
	Operating income	54	112	58	107.2%
	Operating margin	1.2%	3.2%	—	—
Marketing Sales Services	Net Sales	670	497	△173	△25.8%
	Operating income	△29	△27	2	—
	Operating margin	△4.4%	△5.4%	—	—
Total	Net Sales	25,552	14,728	△ 10,824	△42.4%
	Elimination	△549	△480	68	—
	Operating income	1,017	56	△ 961	△94.5%
	Operating i margin	4.0%	0.4%	—	—

Summary of Consolidated Statements of Cash Flows

(Consolidated) (¥Million)	FY12/08 2Q Actual	FY12/09 2Q Actual	Year-on-Year Change Value	
	Cash flows from operating activities	61	△541	△603
Income before income taxes and minority interests	1,223	111	△1,111	
Depreciation	79	63	△15	
Amortization of goodwill	46	47	1	
Decrease (increase) in notes and accounts receivable-trade	△389	987	1,376	* Impact by reduced number of employees
Decrease (increase) in inventories	△98	131	229	
Increase (decrease) in notes and accounts payable-trade	124	123	0	
Increase (decrease) in accrued expenses	253	△1,285	△1,538	* Impact by reduced number of employees
Increase (decrease) in accrued consumption taxes	△268	△345	△77	
Others	△222	△202	19	
Interest and dividends income received	6	3	△2	
Interest expenses paid	△6	△17	△10	
Income taxes paid	△686	△159	526	
Cash flows from investing activities	△108	104	213	
Purchase of short-term investment securities	—	△64	△64	
Proceeds from sales of short-term investment securities	—	164	164	
Purchase of property, plant and equipment	△38	△18	20	
Purchase of investment securities	△107	△2	104	
Others	36	25	△11	
Cash flows from financing activities	△201	837	1,038	
Net increase (decrease) in short-term loans payable	166	873	706	* To secure liquidity on hand
Proceeds from long-term loans payable	—	400	400	* Internal control expenses
Repayment of long-term loans payable	△296	△333	△37	
Others	△71	△101	△30	
Effect of exchange rate change on cash and cash equivalents	1	4	3	
Net increase (decrease) in cash and cash equivalents	△247	405	652	
Cash and cash equivalents, beginning of term	4,152	3,717	△435	
Cash and cash equivalents, end of term	3,905	4,122	217	

Summary of Consolidated Balance Sheets

(Consolidated) (¥Million)	FY6/08 2Q	FY6/09 2Q	Year-on-Year Change
	Actual	Actual	Amount
Total Assets	12,780	10,442	△2,337
Current assets	10,567	8,142	△2,425
Cash and deposits	3,947	4,154	207
Notes and accounts receivable-trade	5,541	3,156	△2,384
Inventories	493	414	△78
Others	584	415	△168
Noncurrent assets	2,213	2,300	87
Property, plant and equipment	849	715	△134
Intangible assets	397	186	△210
Investments and other assets	965	1,398	432
Total liabilities	7,712	5,816	△1,895
Current liabilities	6,884	4,973	△1911
Notes and accounts payable-trade	627	539	△88
Short-term loans payable	720	1,628	908
Accrued expenses	3,763	1,853	△1,909
Income taxes payable	612	144	△467
Accrued consumption taxes	389	179	△209
Others	771	626	△145
Noncurrent liabilities	828	843	15
Long-term loans payable	611	616	5
Provision for retirement benefits	196	203	6
Provision for directors' retirement benefits	18	21	3
Others	2	2	0
Total net assets	5,067	4,626	△441
Capital stock	696	697	0
Capital surplus	859	860	0
Retained earnings	3,014	2,558	△455
Treasury stock	△70	△100	△30
Valuation and translation adjustments	—	△8	△8
Subscription rights to shares	—	—	0
Minority interests	567	618	50
Total liabilities and net assets	12,780	10,442	△2,337

* Impacted by net sales decline

* To secure liquidity on hand

* Impacted by net sales decline

* Acquired 1,172 shares

Earnings Forecast for Fiscal Year Ending December 31,2009

Consolidated Earnings Forecast Outline for FY12/09

- Given the manufacturing industry's environment and outlook, our earnings forecast was revised on July 31.

(Consolidated) (¥ Million)	FY12/08 Actual	FY12/09 1HF Actual	FY12/09 2HF Forecast	FY12/09 Forecast	Year-on-Year Change	
					Amount	Ratio
Net Sales	48,767	14,728	13,571	28,300	Δ20,467	Δ42.0%
Operating income	1,089	56	283	340	Δ749	Δ68.8%
Operating income margin	2.2%	0.4%	2.1%	1.2%	—	—
Ordinary income	1,278	111	248	360	Δ918	Δ71.8%
Ordinary income margin	2.6%	0.8%	1.8%	1.3%	—	—
Net income	192	Δ11	61	50	Δ142	Δ74.0%
Net income margin	0.4%	Δ0.1%	0.4%	0.2%	—	—

Summary for Business Forecast by Business Segment

(¥Million)		FY12/08 Actual	FY12/09 1HF Actual	FY12/09 2HF Forecast	FY12/09 Forecast	Year-on-Year Change	
						Amount	Ratio
Manufacturing Temporary Placement/ Contracting	Net Sales	29,380	6,759	5,644	12,403	△16,977	△57.8%
	Operating income	1,920	237	339	576	△1,344	△70.0%
	Operating margin	6.5%	3.5%	6.0%	4.6%	—	—
Technology Oriented Placement	Net Sales	8,021	2,936	3,116	6,052	△1,969	△24.5%
	Operating income	468	138	245	383	△85	△18.2%
	Operating margin	5.8%	4.7%	7.9%	6.3%	—	—
R&D Placement	Net Sales	1,905	1,002	1,110	2,112	207	10.9%
	Operating income	139	76	116	192	53	38.1%
	Operating margin	7.3%	7.6%	10.5%	9.1%	—	—
Information Technology & Telecommunications Services	Net Sales	8,202	3,533	3,193	6,726	△1,476	△18.0%
	Operating income	178	112	94	206	28	15.7%
	Operating margin	2.2%	3.2%	2.9%	3.1%	—	—
Marketing Sales Services	Net Sales	1,257	497	510	1,007	△250	△19.9%
	Operating income	△132	△27	△20	△47	85	—
	Operating margin	△10.5%	△5.4%	△3.9%	△4.7%	—	—
Total	Net Sales	48,767	14,728	13,572	28,300	△20,467	△42.0%
	Elimination	△1,485	△480	△490	△970	515	—
	Operating income	1,089	56	284	340	△749	△68.8%
	Operating margin	2.2%	0.4%	2.1%	1.2%	—	—

Progress Report on Emergency Measures

Progress Report on Emergency Measures

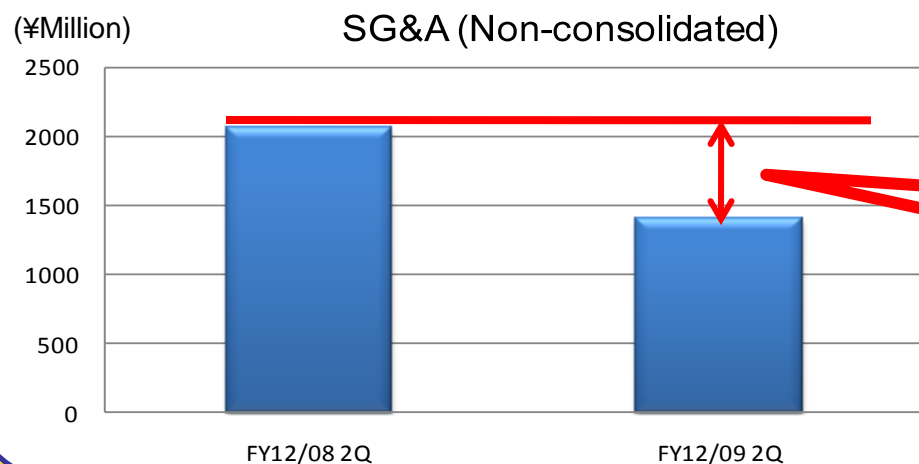
The emergency measures announced at the end of last year are proving effective.

《Reduction in Offices》

- Manufacturing Temporary Placement/Contracting Business:
Sales offices reduced from 25 to 21 (4 closed; 1 consolidated)
- Technology Oriented Placement Business:
Sales offices reduced from 17 to 14 (3 closed)
- R&D Placement Business:
Sales offices reduced from 8 to 7 (1 closed)

《Reduction of Expenses》

- Expenses cut back, including cost of labor, advertisement, travelling, fuel and rent



Reduced by approx.
¥ 660 million

Impact from External Environment Changes (Addendum)

Manufacturing Temporary Placement/Contracting Business

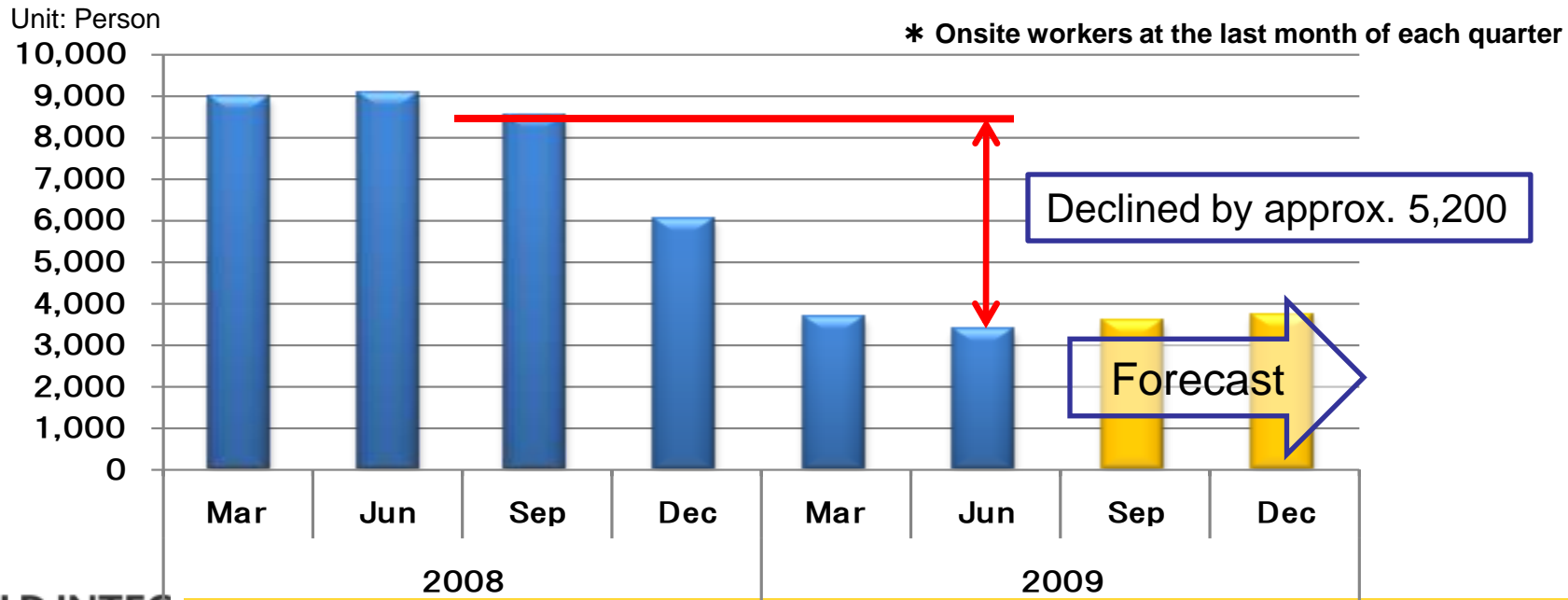
Trends in Onsite Workers and Outlook on the Future

《 1Q/2Q Trends 》

While the number of onsite workers was significantly reduced, we believe labor adjustments resulting from the recession ended in March. Since then, cancellations of worker contracts have tapered off, but a rebound has yet to occur as order placements have been postponed. From March, we focused our sales effort on specific industries and manufacturers, and project that order inflows will increase from the 2nd half and beyond. As for our PL, the fundamentals have already shown improvement in the 1st half.

《 Outlook 》

We expect client orders will be concentrated on outsourcing providers that are fully compliance capable and have sound financials. We are confident that we can secure orders from the 2nd half by further emphasizing the superiority of outsourced contracting versus other placement services and by creating a framework that takes legal revisions into full account.

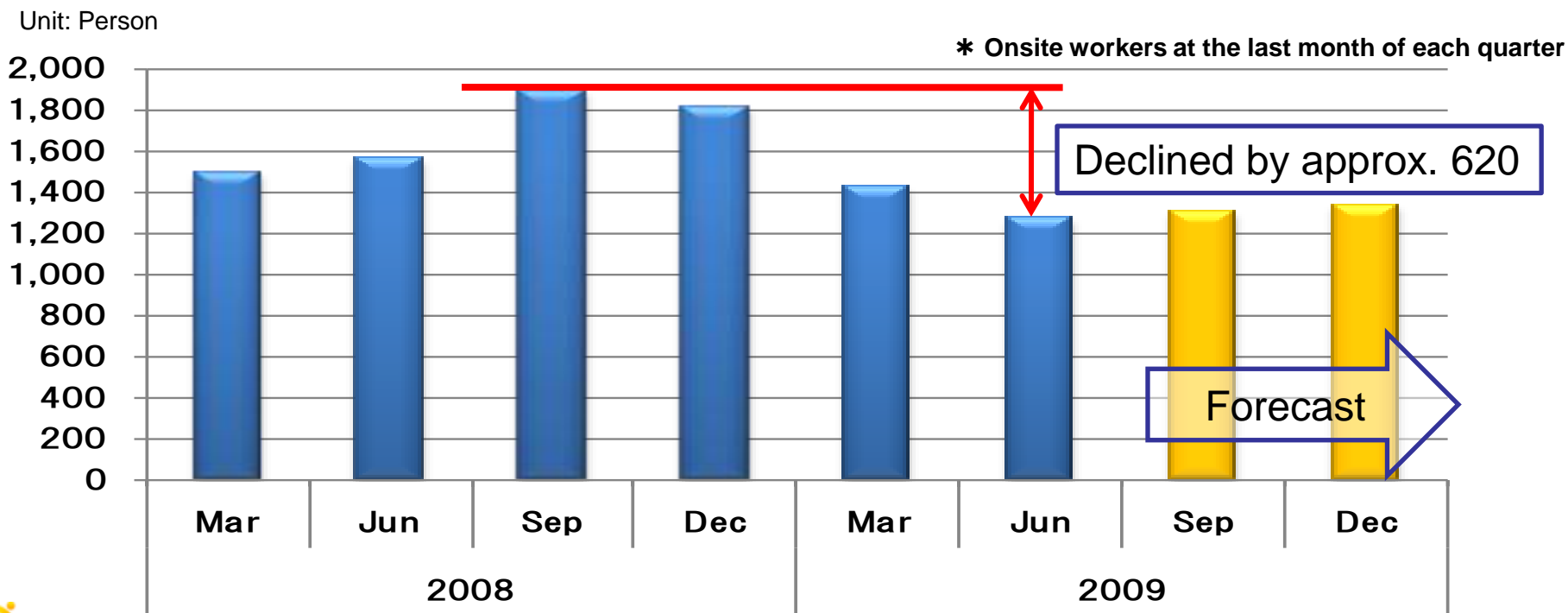


《 1Q/2Q Trends 》

We reduced 30% of our onsite workers in the wake of contract cancellations from the start of the year to the end of March, at which time we focused on earnings over sales growth. We also streamlined our organization and reduced costs to improve profitability.

《 Outlook 》

While we do not see contract cancellations on the scale of that which occurred during the 1st half, the placement pace remains sluggish; aggressive measures will be needed to maintain the situation as it exists now. Instead, we see the present as a step to prepare for a recovery from next fiscal year.



《 1Q/2Q Trends 》

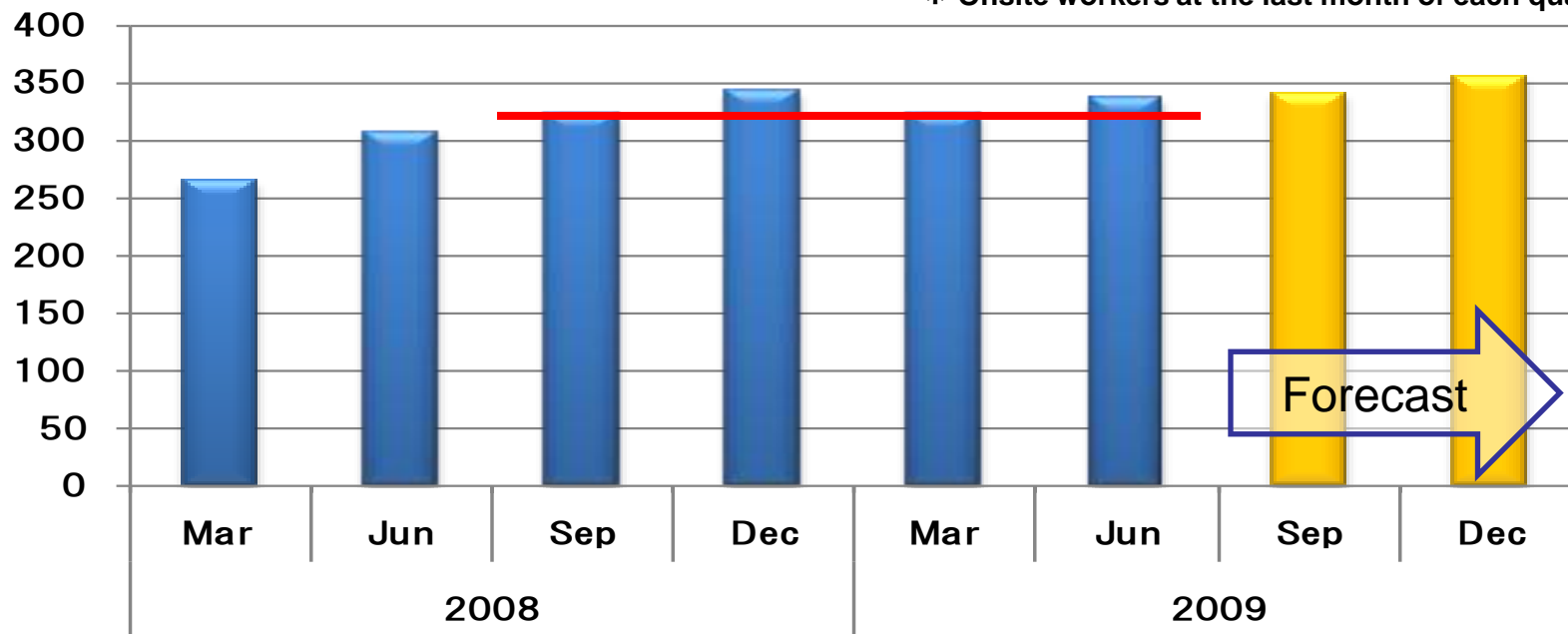
Because we specialize in placement services for researchers, we were spared from adverse impact. Pharmaceutical manufacturers were also spared from the recession, while chemical companies were less fortunate. Given the situation, we redirected our workers to work sites where their skills were compatible. As a result, the reallocation of employees on standby proceeded smoothly.

《 Outlook 》

Compared to the 1st half, demand from chemical manufacturers is on the rise. Manufacturers that previously refrained from hiring graduates are now starting to hire them, and our R&D Placement Division is moving aggressively to meet our clients' needs.

Unit: Person

* Onsite workers at the last month of each quarter

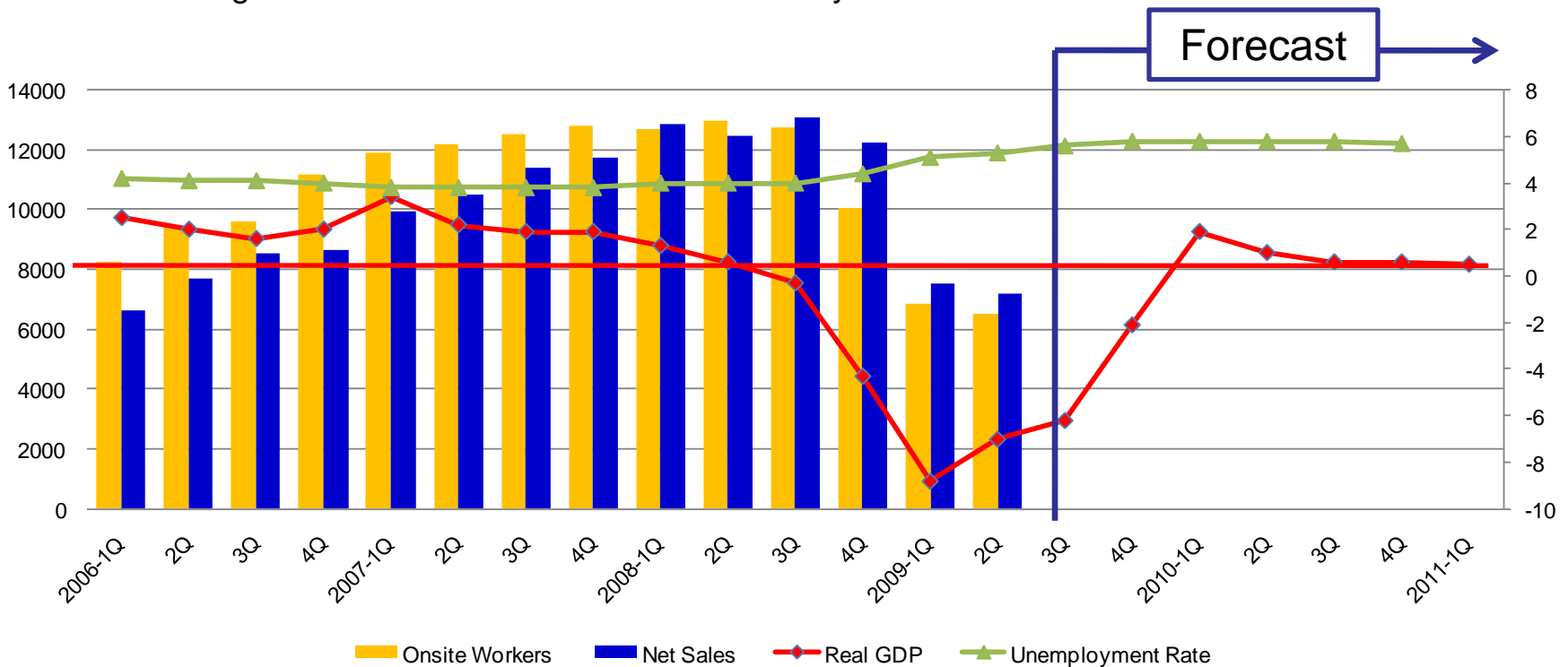


Outlook and Industry Trends

Outlook

GDP: Expecting a major recovery in January-March 2010 as specific industries rush to meet demand in advance. The key will be what production methodologies manufacturers will adopt at that time.

Unemployment Rate: Shifting from stagnant to recovery. Employment had been stable as companies shifted from permanent to non-permanent workers and offered varied compensation packages. But the collapse of Lehman Brothers and its aftermath led to a rapid deterioration. We expect the jobless rate to recover at a gradual rate in line with the GDP recovery.



Source: Estimates based on the Health, Labour and Welfare Ministry's "Trends and Features of the Labour Economy" and annual real growth rates announced by the Cabinet Office.

Developments Brought on by Environmental Changes

Key to outsourced contracting services for clients is whether the provider is fully compliant with regulations

- Providers with weak financial fundamentals are losing orders as they cannot afford the investment to fulfill their outsourced contracting contract
- The larger the client-manufacturer, the more demanding they are for confirmation of a provider's financial fundamentals and compliance framework when a new outsourced contracting contract is about to be concluded or when transitioning to such a contract
- The provider that offers fully compliant services, which reduces risks to the client, has the competitive edge and will see higher order inflows

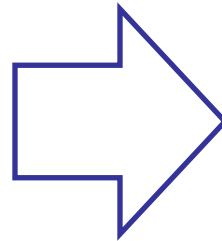
Reasons for Increased Orders

Current Situation

Outsourced Contracting Contracts
< Temporary Placement Contracts

Compliance Framework → Easy

Financial Fundamentals → Weak



In the Future

Outsourced Contracting Contracts
> Temporary Placement Contracts

Compliance Framework → Difficult

Financial Fundamentals → Strong

Providers with weak financial fundamentals **cannot afford to fulfill outsourced contracting contract**. Clients **clearly assume risks with such providers**.



Legal Revisions (Risk Factor)

When the law is revised, the manufacturing outsourcing industry will evolve even further.

- Divided between providers that can cope with the legal revision and those that cannot, the latter will be incurring a major risk. Providers that can cope will enhance their competitive edge.



- Outsourced contracting expertise
 - Financial strength to invest in human resources development, regulatory compliance and tangible assets
- Providers with these two strengths will further accelerate the industry's evolution

Seminars on Outsourced Contracting

Directly instruct supervisors of client manufacturing sites—those using other providers and facing outsourced contracting issues—on outsourced contracting.

Clients' Needs and Major Issues

Clients are seeking specific solutions enabling them to convert temporary placement to outsourced contracting contracts at the shop floor-level.

- Beginning with the 2009 Issue, makers want to convert to outsourced contracting but can't, fearing that it would cause too much confusion on the shop floor.
- Makers adopt outsourced contracting that abides by Notification No. 37 but it is too inflexible and unrealistic, and thus unable to meet the real-world demands of the shop floor.
- The conversion to outsourced contracting stalls, overwhelmed by a host of minor unresolved issues, and the maker resorts to direct employment as a result.

Main Purpose of Seminar

The point is not to develop an outsourced contracting model that abides by Notification No. 37, but to develop one abiding by the notification together with our clients and their people on the shop floor.



Seminars leads to orders received from 10 makers for 500 workers in 6 months

Our Evolving Outsourced Contracting Expertise

Clients choose us because our outsourced contracting service is based on and shaped by past examples and experiences

- The outsourced contracting model that we co-developed with client-manufacturers and supervising public agencies, serves as a knowledge base to secure new contracts.
- We have a track record of success, securing regulatory verification for each and every outsourced contracting chart developed for each and every client.
- This track record not only reinforces our knowledge base, it is our core competitive strength.

Outsourced Contracting Expertise

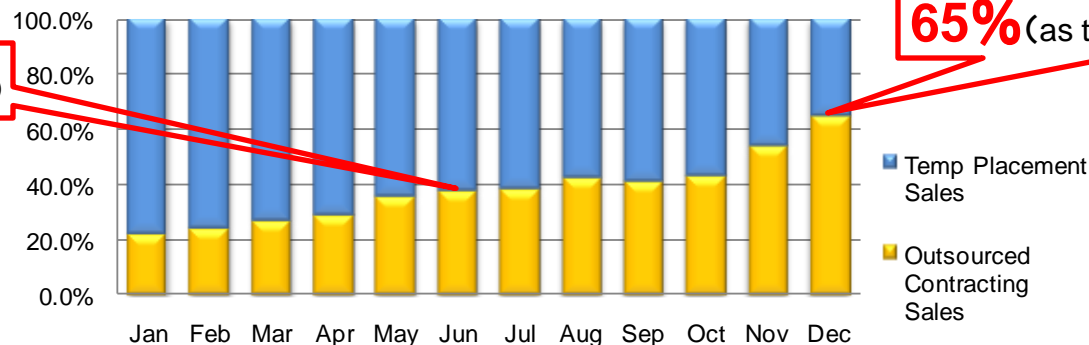
《 Chart of Outsourced Contracting Model 》



《 Actual Examples of Outsourced Contracting 》



Outsourced Contracting Ratio



37% (as the end of June)

65% (as the end of December)

Our View on Human Resource Usage

Direct Employment

- Permanent Employees: No restriction on employment period, but costly
- Seasonal employees: 3-year restriction on contract term
- Part-timers: No restriction on contract term, but employers must offer compensation similar to that given to a permanent employee if the part-timer carries out similar tasks or assignments; turnover and layoffs are a risk

Manufacturing Temp Placement

- Best as short- and medium-term solution
- Not a long-term solution due to contract term restriction

Outsourced Contracting

- Best as mid- to long-term solution
- Allows for cost reduction and can improve production system and product quality
- Conversion to outsourced contracting requires more time to complete
- Providers lacking proper knowledge base cannot offer the service

		Contract Term	Cost	Production Swings Response	Hired by	Administration	Risks
Direct employment	Permanent workers	No restriction	High	By Client	By client	By client	Costs are fixed
	Seasonal workers	Up to 3 years	Medium	By Client	By client	By client	Can't extend longer than 3 years
	Part-time workers	No restriction	Low	By Client	By client	By client	If duties can't be separated, then equal pay for equal work
Temp staff at manufacturing sites		Up to 3 years	Medium	By temp staff firms (workforce adjustment)	Temp staff agency	Temp staff agency	Retention rate volatility
Outsourced contracting		No restriction	Low	By outsourced contracting providers (production output adjustment)	Outsourcing agency	Outsourcing agency	Takes time to start up

Our Initiatives

Human Resource Development = New Partnerships

The business involves the government and 300 companies, including TOSHIBA CORP., TOYOTA MOTOR KYUSHU, INC., Oita Canon, Inc., Asahi KASEI MICROSYSTEMS KYUSHU CO., LTD. and NEC Corp., to develop human resources.

《 Projects Contracted Since 2008 》

Contracted Projects	Client
IKKAN	Kyushu Bureau of Economy, Trade and Industry
Human resource development for the semiconductor and related industries	Kitakyushu Foundation for the Advancement of Industry Science and Technology
Human resource development for manufacturing companies	Fukuoka Prefectural Government
Human resource development for companies in the Kitakyushu area	Kitakyushu City Government
Overseas alliance businesses	Kyushu Bureau of Economy, Trade and Industry
Human resource development program for local automotive electronics firms	Kitakyushu Foundation for the Advancement of Industry Science and Technology

Government Contract Business

IKKAN

Objective

To develop and secure human resources for the purpose of enhancing the competitiveness of the semiconductor industry in Kyushu

The goal of the IKKAN project is to develop human resources to enhance the competitiveness of the Kyushu-area semiconductor industry. It offers training programs so that university undergraduates and graduate students can gain knowledge and firsthand experience of chip making processes in their entirety. In doing so, the hope is to recruit a steady pool of young talent for the industry at a time when Japan faces a conflicting dynamic in which the population is growing older, yet the birthrate is declining, and an increasingly number of youth are showing little interest in engineering and the sciences.

《 Target Group 》

University undergrads and graduate students

《 Participants To Date 》

91 students

《 Participating Companies 》

- Asahi KASEI MICROSYSTEMS KYUSHU CO., LTD.
- NEC Corp.,
- Oita Canon, Inc.,
- Sony Semiconductor Kyushu Corp.,
- TOSHIBA CORP.,
- TOYOTA MOTOR KYUSHU, INC., (in alphabetical order)

- Through this and other initiatives, IKKAN aims to train a total of some 400 people—or 1% of the approx. 40,000 workers engaged in Kyushu's semiconductor industry—by the end of fiscal 2010.

～未来の「半導体スペシャリスト達」へ～
大手半導体メーカー製造プロセス体験型インターンシップ(10日1泊研修)

あなたの能力を
認定リサーチ済み

企業への入社体験研修 企業社員との交流研修

研修内容
企業見学 プレゼンテーション研修 12社企業での実習

【研修先企業】
半導体関連企業(ウェハ) / NECマイクロシステムズ(株) / NECセミコンダクター九州(株) / 西貢エレクトロニクス(株) / 東芝エレクトロニクス(株) / 日立製作所九州(株) / 日立製作所九州(株) / 日立製作所九州(株)

募集 業 名 企業連携型人材育成事業 (NPO)
募集目的 『未来の九州の半導体産業をリードする人材の育成』
九州が誇る半導体メーカーにおいて、実際の製造現場を体験して知識・実践的知識を習得する
研修期間 平成21年5月17日(最終研修)
平成21年5月18～27日のうち5日間(参加企業先での研修)
研修 対 象 熊本大学 工学部1年生及び2年生
熊本大学 工学部1年生及び2年生(無修習コース又は定修コース専攻) 計20名程度
※インターンシップ保険への加入必須、詳細は工学部 企業連携係へお問い合わせください
参加費用 10,000円 (研修先企業までの交通費及び宿泊代は不要)
応募方法 NPO参加申込書を各学系インターンシップ担当教授へ提出 5月30日(火)18時
※その他 参加者は条件により、大学の単位取得が認められます
お問い合わせ 九州大学 工学部 企業連携係 担当 先生 橋本 is@ipc.kyushu-u.ac.jp

【主催】九州大学 工学部 企業連携係 【事務局】 ワールドインテック IKKAN シーロ 橋本

Government Contract Business

Human resource development for manufacturing companies

Objective

To properly sustain and carry forward superior expertise by developing and securing a pool of young workers

In order to encourage the men and women who are to shoulder the future, we are conducting a series of seminars so that young people may acquire an interest in and find occupations in the manufacturing sector.

《 Recruitment Website 》

《 Specific Initiatives 》

- Seminars on manufacturing
- Company tours
- One-day courses
- Seminars on human resources development
- Company forums

《 Target Group 》

Job seekers aged in their lower 30s

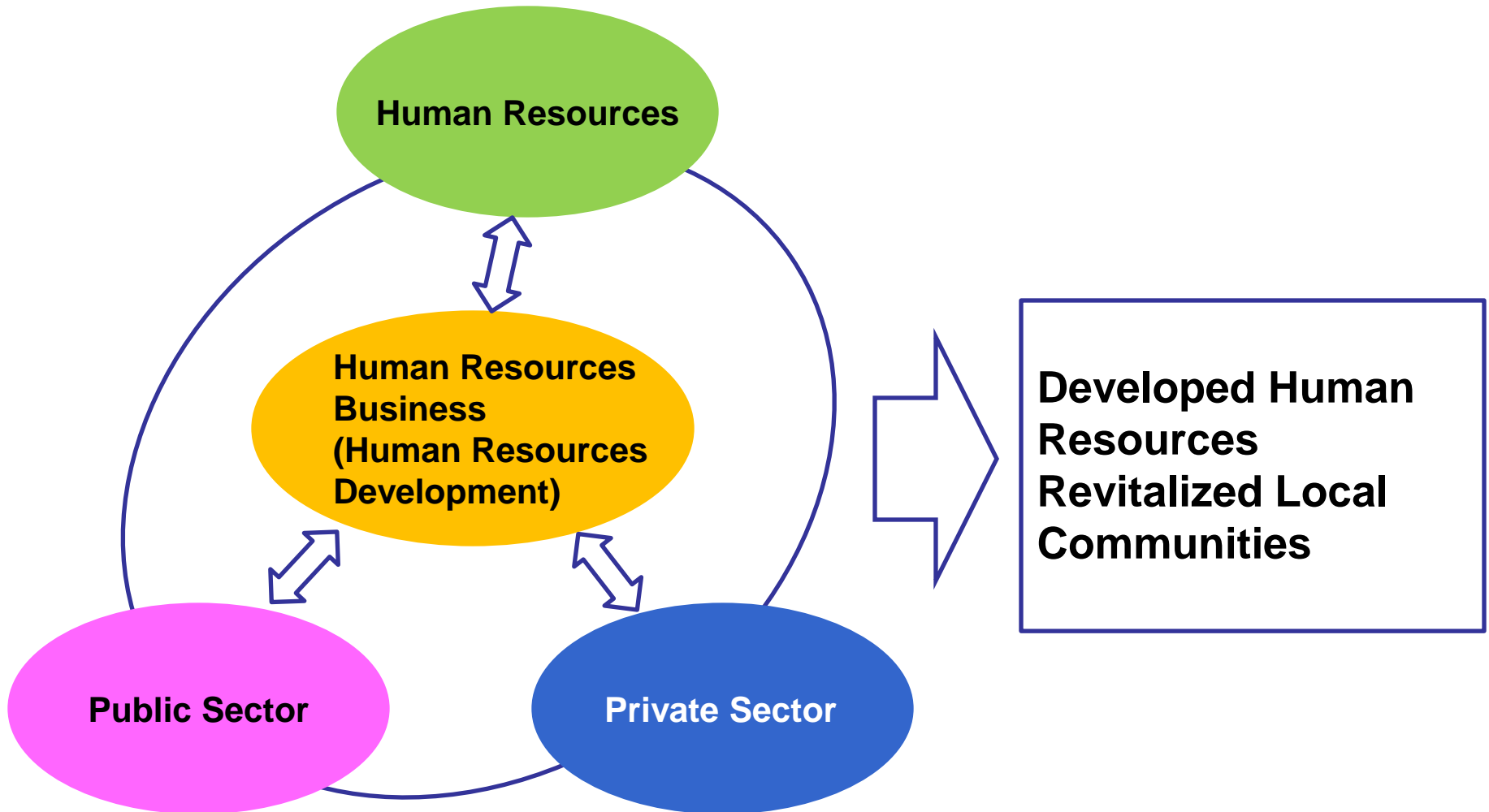
《Target Number of Participants》

500 people

<http://www.witc.co.jp/mono/>

Government Contract Business

Rather than developing standard B2B worker placement business models, we aim to develop a new B2C business model for human resources development that specifically addresses the need of each individual over the long-term.



Building Trust with Clients

**Changes in the environment surrounding the industry
Initiatives as a powerful partner working with client-
manufacturers to ensure mutual survival and trust**

Carrying forward production expertise and technologies

- Partnership with the government
- Seminars on outsourced contracting
- Programs on human resource usage

Contact Information

WORLD INTEC CO., LTD.

Hiroshi Kudo (Mr.)

Corporate Spokesperson

Corporate Management Office

Phone +81-3-3516-1122

E-Mail irinfo@witc.co.jp

URL <http://www.witc.co.jp/>

A cautionary note on forward-looking statements:

This material contains forward-looking statements on the Company and its future business performance. The forecasts are developed from a broad base of information collected and collated by the Company as of the day the business results are announced. Actual results, however, may differ materially from those projected. Neither the Company nor provider of the information contained herein may be held liable or responsible for any loss or damages resulting from investment decisions based on the content of this presentation.