

FY2012 First Quarter Supplementary Information



May 7, 2012
World Intec Co., Ltd
JASDAQ (2429)

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World Intec Group : Three Core Businesses

Information technology & telecommunications business



e-support, Inc.

- Call center business



World Online Co., Ltd

- Corporate business
- OA equipment sales



Network Solution Co., Ltd.

- Softbank shop business
- WILLCOM shop business



Mobile Service Co., Ltd.

- au shop business

Best IT Business Co., Ltd.

- Corporate business



Real estate business

World Residential Co., Ltd.

- Condominium business
- Condominium management business
- Contract selling business

Nichimo Real Estate Co, Ltd.

- Contract selling business
- Real estate consulting business

World Resiselling Co., Ltd.

- Selling agency
- Contract selling business

World iCity Co., Ltd.

- Condominium business
- Selling agency
- Contract selling business

Contract selling business

- Selling agency
- Contract selling business

Human resources education business



World Intec Co., Ltd

- R&D business Dispatch of researchers
- Technology business .. Dispatch of engineers
- Factory business Dispatch of manufacturers, Contract work
- CB business Dispatch of sales personnel
- Construction business ... Dispatch of construction managing engineers
- Administrative contract business ... Personnel training
- Overseas business Parts procurement
- Repair business Repair service



WORLD INTEC TAIWAN CO., LTD.

- Overseas business.....Dispatch of manufacturers



Advan Co., Ltd.

- Education business
- PC school operations, educational materials, software sales



GEOGRAPHIC INFORMATION OF KYUSHU, INC.

- Map information sales
- Entrusted system development
- Disabled persons' employment support, education



WORLD INTEC SHANGHAI CO., LTD

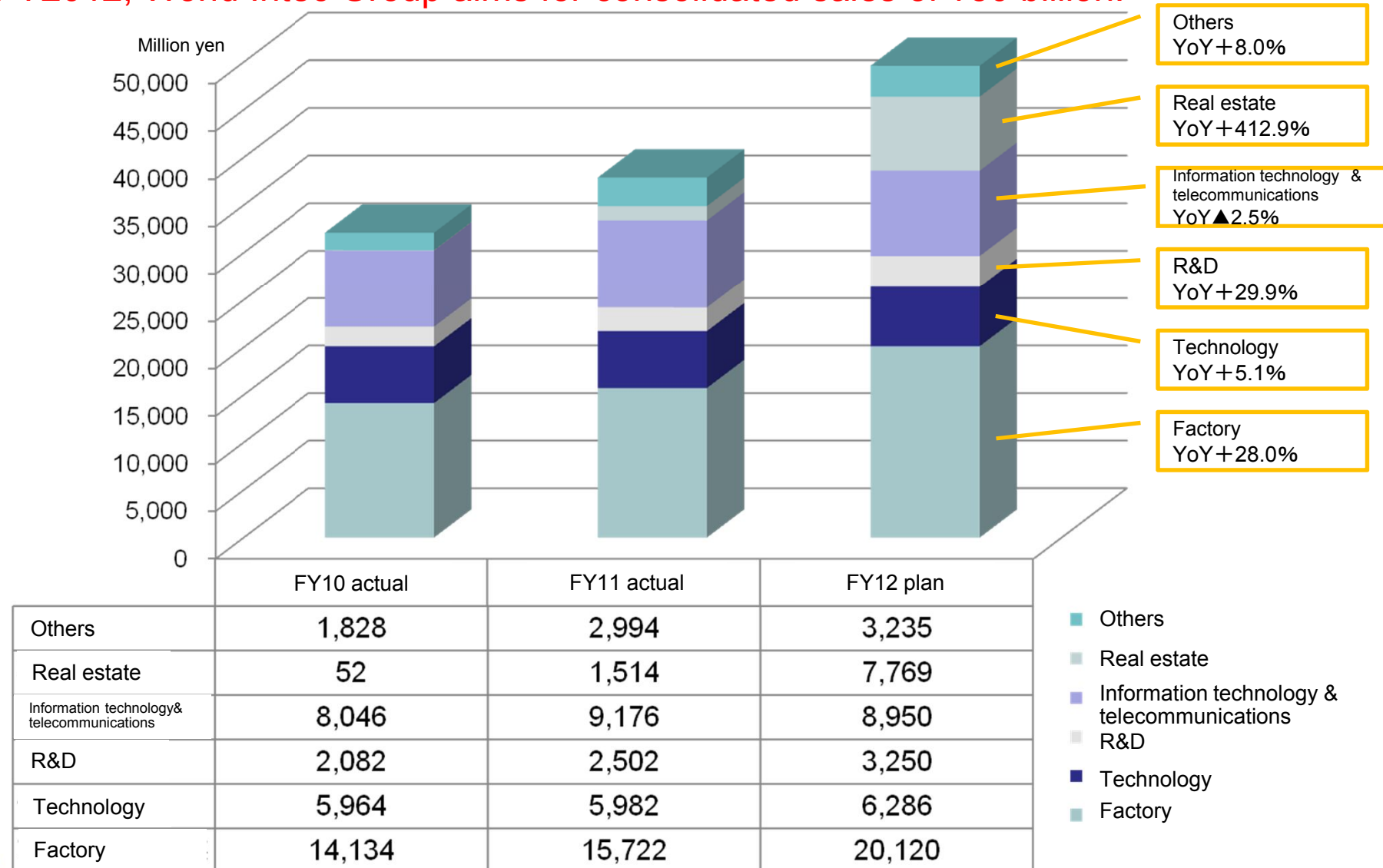
- non-(consolidated)
- Comprehensive human resources service
- Education consulting



Summary of Financial Results for FY2012

FY2012 Group Management Target

In FY2012, World Intec Group aims for consolidated sales of ¥50 billion!



Business Summary by Segment

(Million yen)		FY11/12	FY12/12	YoY	
				Change	Pct. change
Factory business	Net sales	15,722	20,120	4,398	28.0%
	Segment income	596	1,026	430	72.1%
	Profit margin	3.7%	5.1%	—	—
Technology business	Net sales	5,982	6,286	303	5.1%
	Segment income	327	405	78	23.8%
	Profit margin	5.5%	6.4%	—	—
R&D business	Net sales	2,502	3,250	747	29.9%
	Segment income	241	278	37	15.4%
	Profit margin	9.6%	8.6%	—	—
Information technology & telecommunications business	Net sales	9,176	8,950	△226	△2.5%
	Segment income	213	270	56	26.7%
	Profit margin	2.3%	3.0%	—	—
Real estate business	Net sales	1,514	7,769	6,254	412.9%
	Segment income	△75	165	240	—
	Profit margin	△4.9%	2.1%	—	—
Other businesses	Net sales	2,994	3,235	240	8.0%
	Segment income	157	204	46	29.5%
	Profit margin	5.2%	6.3%	—	—
Total	Net sales	37,892	49,611	11,719	30.9%
	Elimination or corporate	△873	△988		-
	Operating income	588	1,361	773	131.6%
	Operating margin	1.5%	2.7%	—	—

Summary of FY2012 Consolidated Business Forecasts

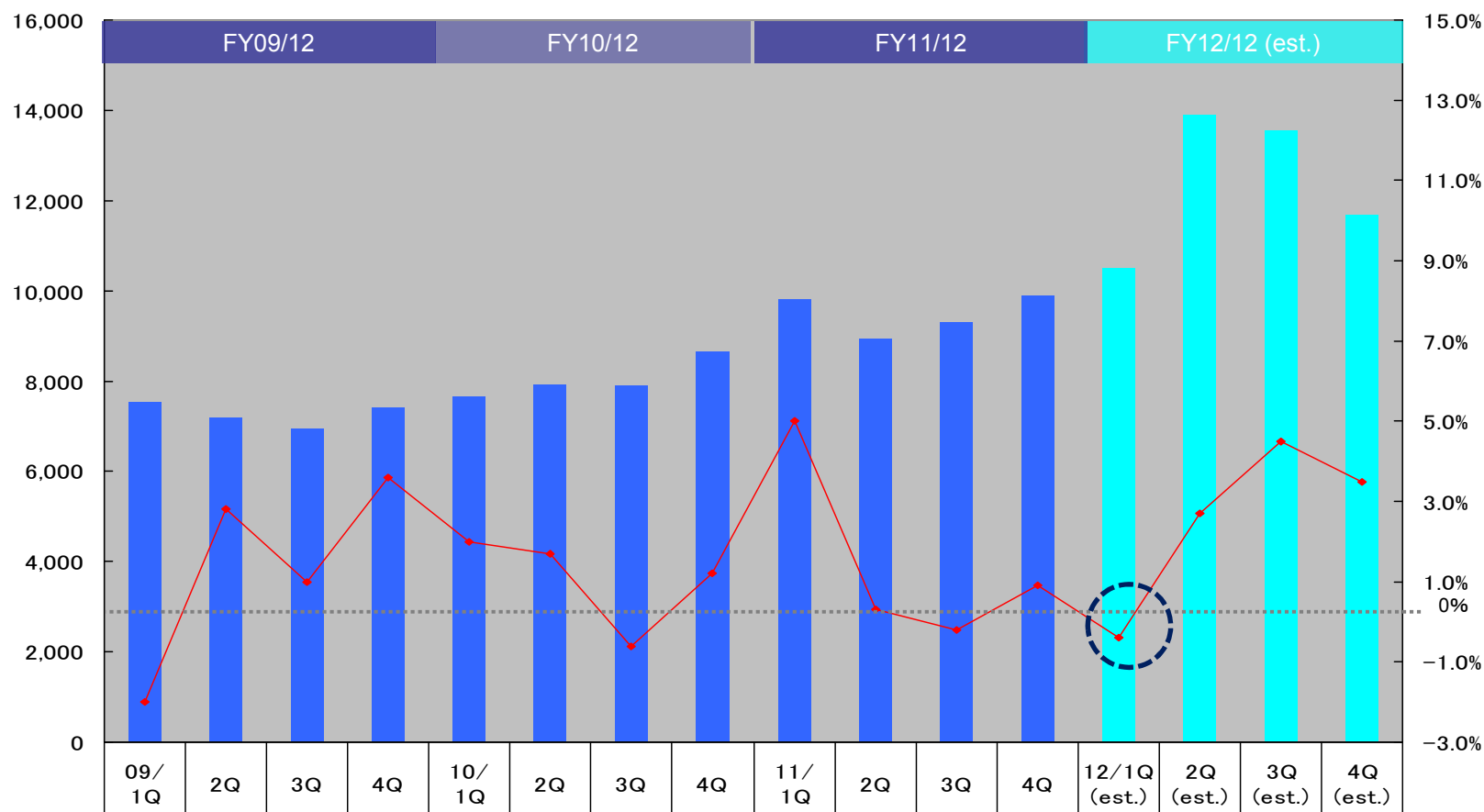
- Growth in sales of Human resources education business and improvement in profit margin
- Improvement in profit margin of Information technology & telecommunications business
- Contribution of profitable Real estate business

(Consolidated) (Million yen)	FY11/12 actual	FY12/12 plan	YoY change	
			Change	Pct. change
Net sales	37,892	49,611	11,718	30.9%
Operating income	588	1,361	773	131.6%
Operating margin	1.5%	2.7%	—	—
Ordinary income	678	1,306	628	92.7%
Ordinary income margin	1.7%	2.6%	—	—
Net income	214	645	431	201.4%
Net income margin	0.5%	1.3%	—	—

Quarterly Business Plan

(At the time of the February 13 Earnings Announcement)

- In 1Q, costs for recruitment and education of personnel to meet large demand will be incurred in advance and sales promotion cost in the real estate business toward holidays in May will be incurred in advance that the company expects to post an operating loss temporarily but plans a substantial contribution to profit from 2Q. (Explanations on profitability in 1Q on the following pages)



First Quarter Financial Results

First Quarter Overview: Exceeded the 1Q Budget

- Human resources business covered losses incurred as a result of the bankruptcy of Elpida due to increase in sales from existing customers. Fukushima Prefecture's "Kizuna Project" which belongs to "Other businesses" segment is also doing well that sales exceeded the initial plan.
- Information and telecommunications business showed its ability as Kyushu's No.1. As a result, sales and earnings increased compared with the budget.
- In the Real estate business, sales exceeded the budget for condominiums which were scheduled to be delivered in 1Q.
- Operating income was down 370 million yen compared with the previous fiscal year because the company posted a profit (340 million yen) due to buying and selling of real estates (about 1.3 billion yen) in the previous fiscal year.
- Posted Elpida's debts of 67 million yen as allowance for doubtful accounts but profits exceeded the budget.

	1Q budget 2012/1Q	1Q actual 2012/1Q	Budget variance	Previous 1Q 2011/1Q actual
Net sales	10,506	11,957	+1,451	9,806
Operating income	▲48	118	+166	487
Ordinary income	▲62	103	+165	608
Net income	▲93	64	+157	431

Overview of FY2012 First Quarter: Progress in Businesses



Human resources education business

Doing well by overcoming challenges and responding to booming demand!

Encouraged by the eased restrictions due to the Worker Dispatch Law, the company responded adequately to increasing demand for human resources.

Strengthened recruitment by locating 12 recruitment centers in Kyushu, Chugoku, Shikoku, Kansai and Kanto. Invested in education in order to develop a new contract system at logistics centers which will go into full swing in 2Q. Factory business shifted from semiconductor industry to smartphone-related and e-commerce related industries; Technology and R&D businesses are also performing well contributing to increase in profit margin.

Information and telecommunications business

Going strong by selling smartphones through Kyushu's No. 1 network!

Sold new smartphone and mobile phone models one after another and use of data communication terminals including tablets and wifi routers spread that the whole market grew strongly.

Expanded its sales network by opening shops handling career wear and combined shops handling various career wear. As a result, number of sales and commissions increased.

Real estate business

Performing well although the real estate market is sluggish!

Condominium business exceeded the plan. Purchased land for 5 properties in 1Q for the next year and the year after taking business profitability into consideration. Conducted community-based marketing activities.

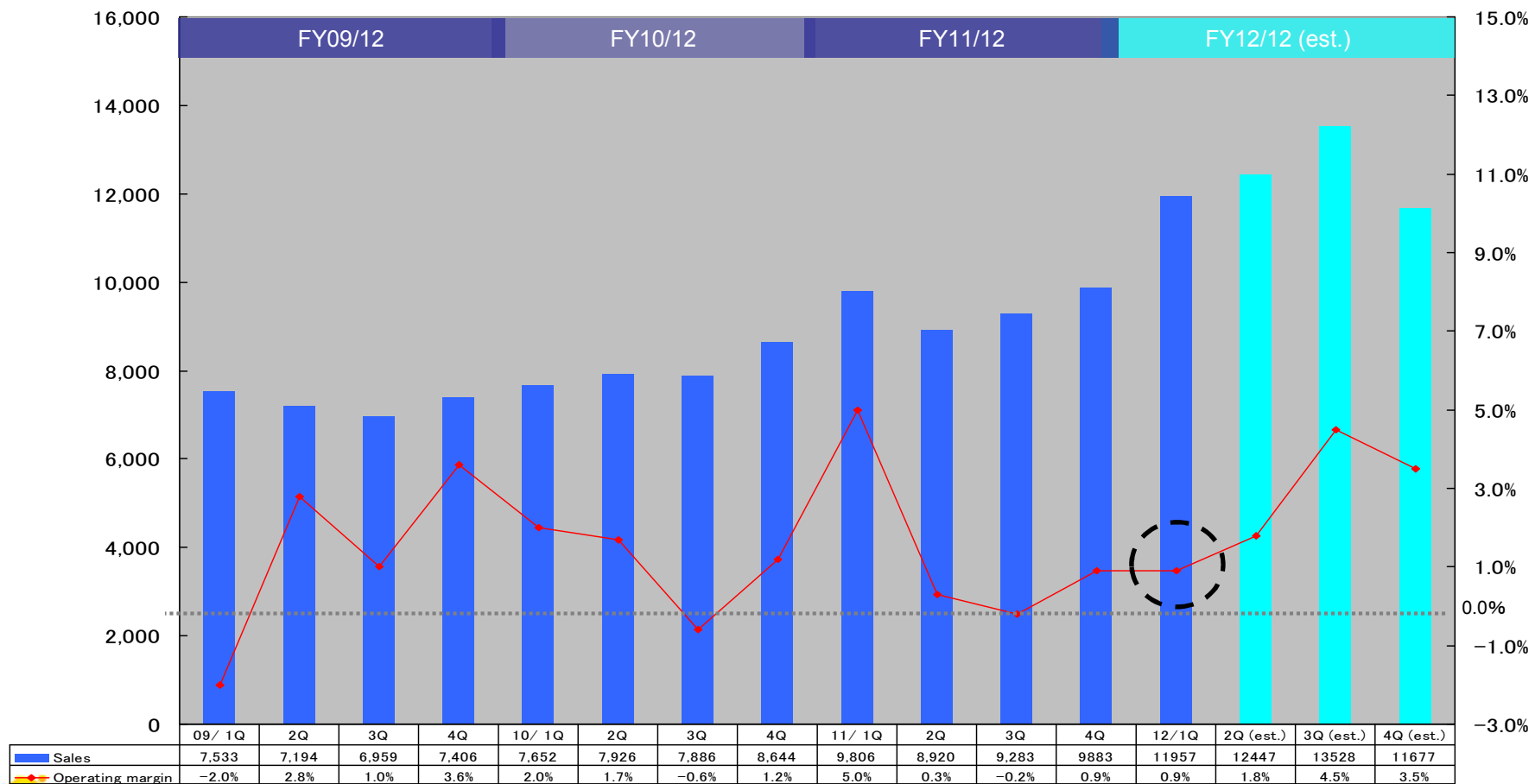
Improved its operating base in Tohoku following the earthquake disaster by taking over part of Suncity Co., Ltd.'s business in March 6.

Consolidated Business Results: Expected to Post a Loss in 1Q but Started Off by Making a Profit!

- Initially, the company expected to run a loss in 1Q. However, in the Real estate business, Toyotama-Minami properties other than condominiums were sold (sale of land) and the company posted sales profit. As a result, the company turned profitable.
- No changes to 2Q and full-year forecasts at this time.

(Net sales; Million yen)

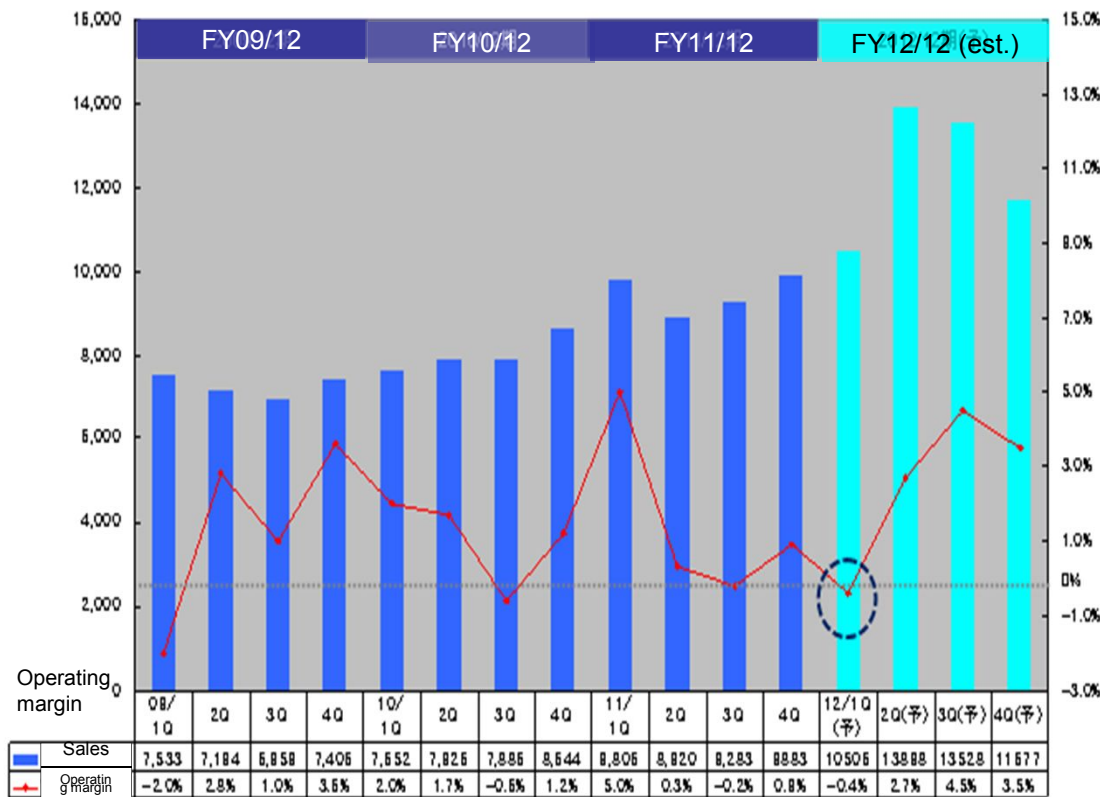
(Operating margin; %)



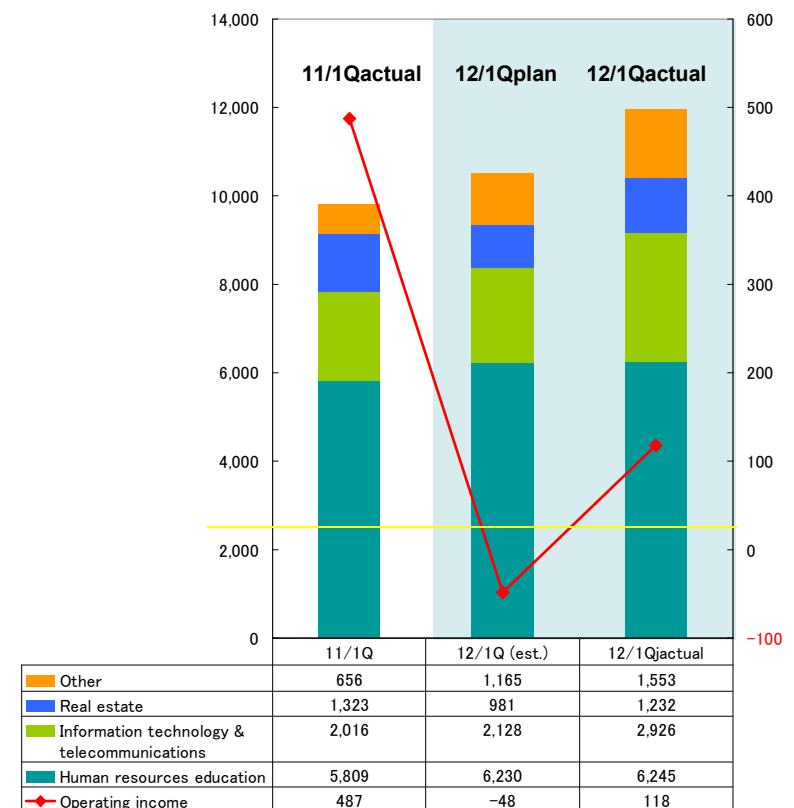
Consolidated Business Results: Exceeded the Initial Plan

- Sales and profits exceeded the first quarter forecasts
- Human resources business, Information and telecommunications business and Real estate business exceeded the budget
- Sales and profits of Fukushima's "Kizuna Project" in the other businesses segment covered Elpida Memory's bad-debt loss and became profitable.

Past quarters and FY12/1Q plan



Quarterly performance comparisons(YoY & vs plan)



Consolidated Financial Summary for FY2012 First Quarter

Sales

Reasons for increase

- In the Human resources education business, sales in the entire segment increased.
- In the Information and telecommunications business, sales increased substantially due to strong sales of smartphones.
- Sales of Ohanajaya project contributed to the Real estate business. Posted sales from resale of Minamimotomachi properties in a lump in the previous fiscal year. Developer business will be launched from this fiscal year.
- Sales of Fukushima's "Kizuna" Zukuri Oen Jigyo in the other businesses segment contributed substantially and CB business which dispatches sales personnel grew.

Profits

Reasons for decrease

- Due to investment in contract for work in the Factory business in the Human resources education business, prior investment for the development of a contract system at logistics centers, investment in new subsidiary in the Technology business, and prior investment for the development of clinical research outsourcing (CRO) system in the R&D business.

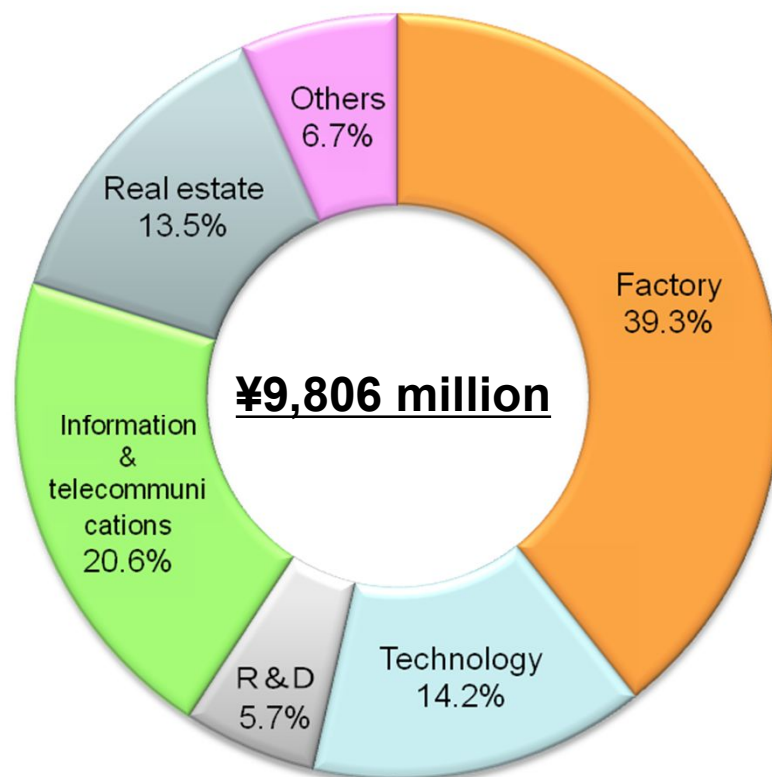
(Consolidated)	FY11/12	FY12/12	YoY change	
(Million yen)	1Q (Jan.-Mar.) actual	1Q (Jan.-Mar.) actual	Change	Pct. Change
Net sales	9,806	11,957	2,151	21.9%
Operating income	487	118	Δ369	Δ75.8%
Operating margin	5.00%	0.99%	-	-
Ordinary income	608	103	Δ504	Δ83.0%
Ordinary income margin	6.20%	0.86%	-	-
Net income	431	64	Δ367	Δ85.1%
Net income margin	4.40%	0.54%	-	-

First Quarter Business Summary by Segment

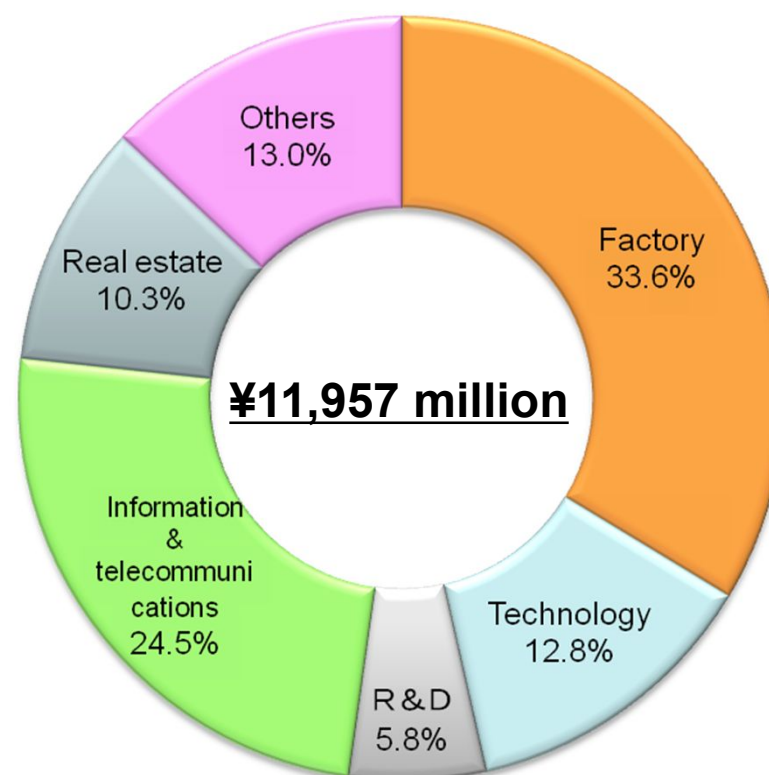
	FY11/12	FY12/12	YoY change	
	1Q (Jan.~Mar.) actual	1Q(Jan.~Mar.)actual	Change	Pct. Change
Net sales	3,856	4,023	167	4.3%
Segment income	191	29	△161	△84.4%
Profit margin	5.0%	0.7%	—	—
Net sales	1,395	1,528	133	9.6%
Segment income	101	76	△25	△24.9%
Profit margin	7.2%	5.0%	—	—
Net sales	558	694	135	24.3%
Segment income	65	62	△3	△5.2%
Profit margin	11.6%	8.9%	—	—
Net sales	2,016	2,926	909	45.1%
Segment income	6	109	103	—
Profit margin	0.3%	3.7%	—	—
Net sales	1,323	1,232	△91	△6.9%
Segment income	338	42	△296	△87.5%
Profit margin	25.5%	3.4%	—	—
Net sales	656	1,553	896	136.5%
Segment income	18	92	74	400.4%
Profit margin	2.7%	5.9%	—	—
Net sales	9,806	11,957	2,151	21.9%
Elimination or corporat	△234	△295	△61	—
Operating income	487	118	△369	△75.8%
Operating margin	5.0%	1.0%	—	—

Percentage of Sales by Segment (YoY Comparison)

FY12/11 1Q

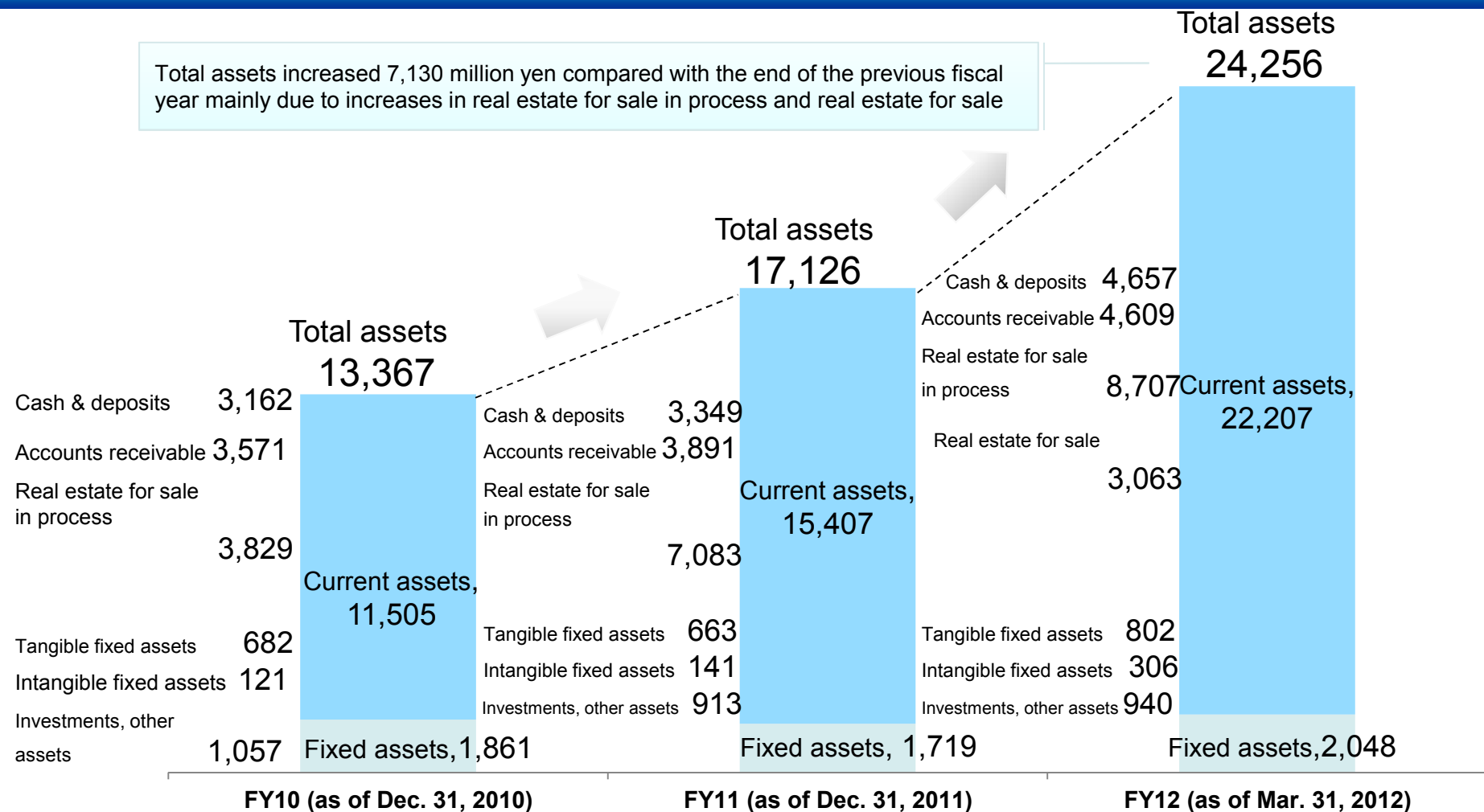


FY12/12 1Q



※ Posting of sales from resale of properties in the Real estate business in the previous fiscal year (FY12/11 1Q) is a special factor

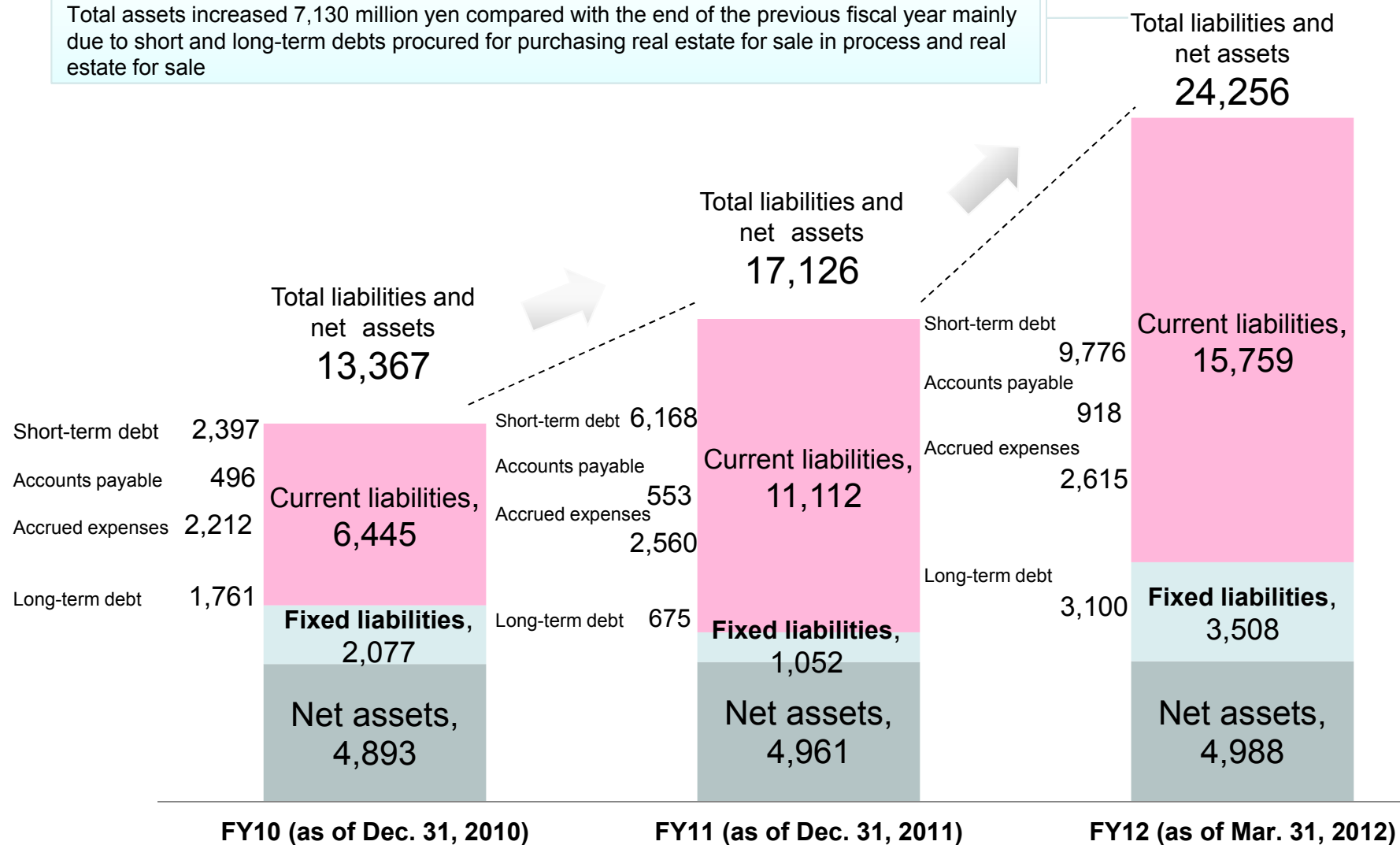
FY2012 First Quarter Balance Sheet (Assets)



(Million yen)

FY2012 First Quarter Balance Sheet (Liabilities)

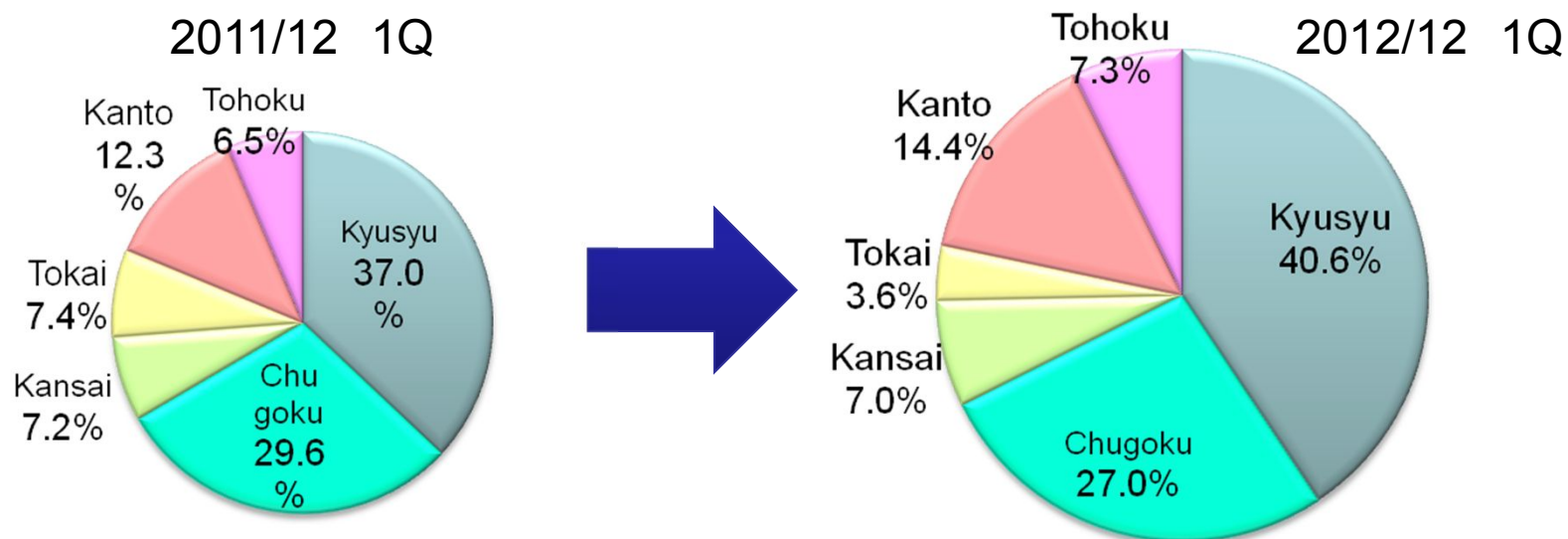
Total assets increased 7,130 million yen compared with the end of the previous fiscal year mainly due to short and long-term debts procured for purchasing real estate for sale in process and real estate for sale



Million yen

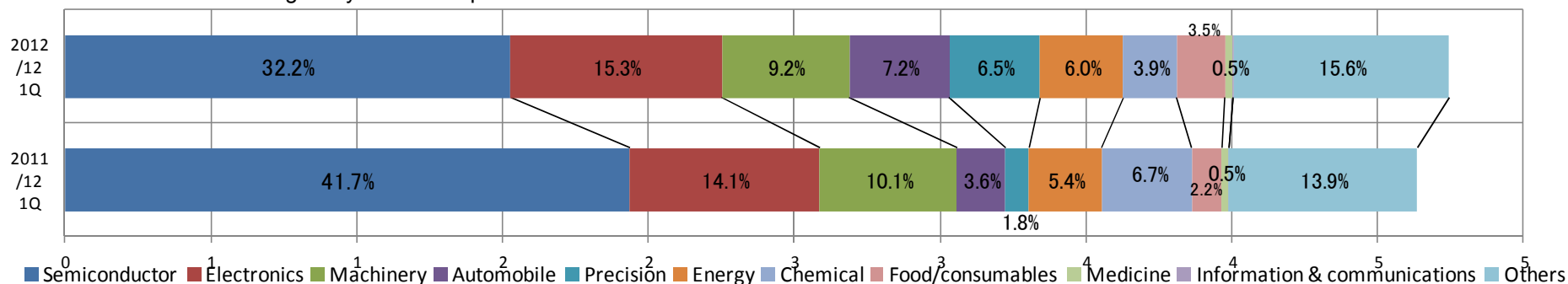
Highlights and Medium-term Vision

Percentages by Region and by Category in the Core Factory Business



↗ Growth in the precision equipment field and environmental energy field in Kyushu region and automotive field in Kanto and Tohoku raised the percentages

↘ Showed growth in the automotive field in Tokai region but the percentages dropped due to cancellations in the electrical and electronics field and chemical field following last year's earthquake disaster



Measures from 2Q

Human resources education business

Factory business/Technology business/R&D business

Among the company's existing clients, automotive field was strong in 1Q. The company will continue to adequately assign personnel by keeping a watch on trends from 2Q.

With regard to logistics, the company will pursue work efficiency to earn revenues in the 2nd half from 2Q due to mass hiring in 1Q.

While monitoring the trends in the manufacturing industry, the company will strengthen sales and marketing focusing on growing industry sectors and do business to increase the entire sales.

Increase sales and improve gross margin rate with an aim to expand shares of highly in-demand Technology business and R&D business.

Establish a base aiming for an operating profit margin of 5 to 7% in the medium term.

Information and telecommunications business

In the smartphone and mobile phone selling business, which is No.1 in sales performance in Kyushu, sales exceeded the budget and performed well due to the growing market needs.

This is expected to continue in 2Q.

Expect to make investments such as in store remodeling and the company will continue to make investments considering the budget

Real estate business

- Started selling and delivering (post sales) condominiums (Residential series) from 1Q.

Following the sales of "Ohanajaya" and "Kanamachi", the completion and delivery of Shinagawa-Nakanobu scheduled for 2Q is likely to increase sales.

Established Suncity's special purpose company in March to enter Tohoku and executed the plan to enter Tohoku from 2Q ahead of other companies.

Others

- Profitable affiliated companies contributed to the entire group's profit.

Regarding Fukushima's "Kizuna" project which is underway in the Administration contract business, the company already secured more orders than last year from April onwards.



The past measures and continued investments are bearing fruit and the company builds a strong basis for growth that can be reflected in the medium-term management plan while steadily overcoming challenges

Current Situation and Future Market Environmental Recognition

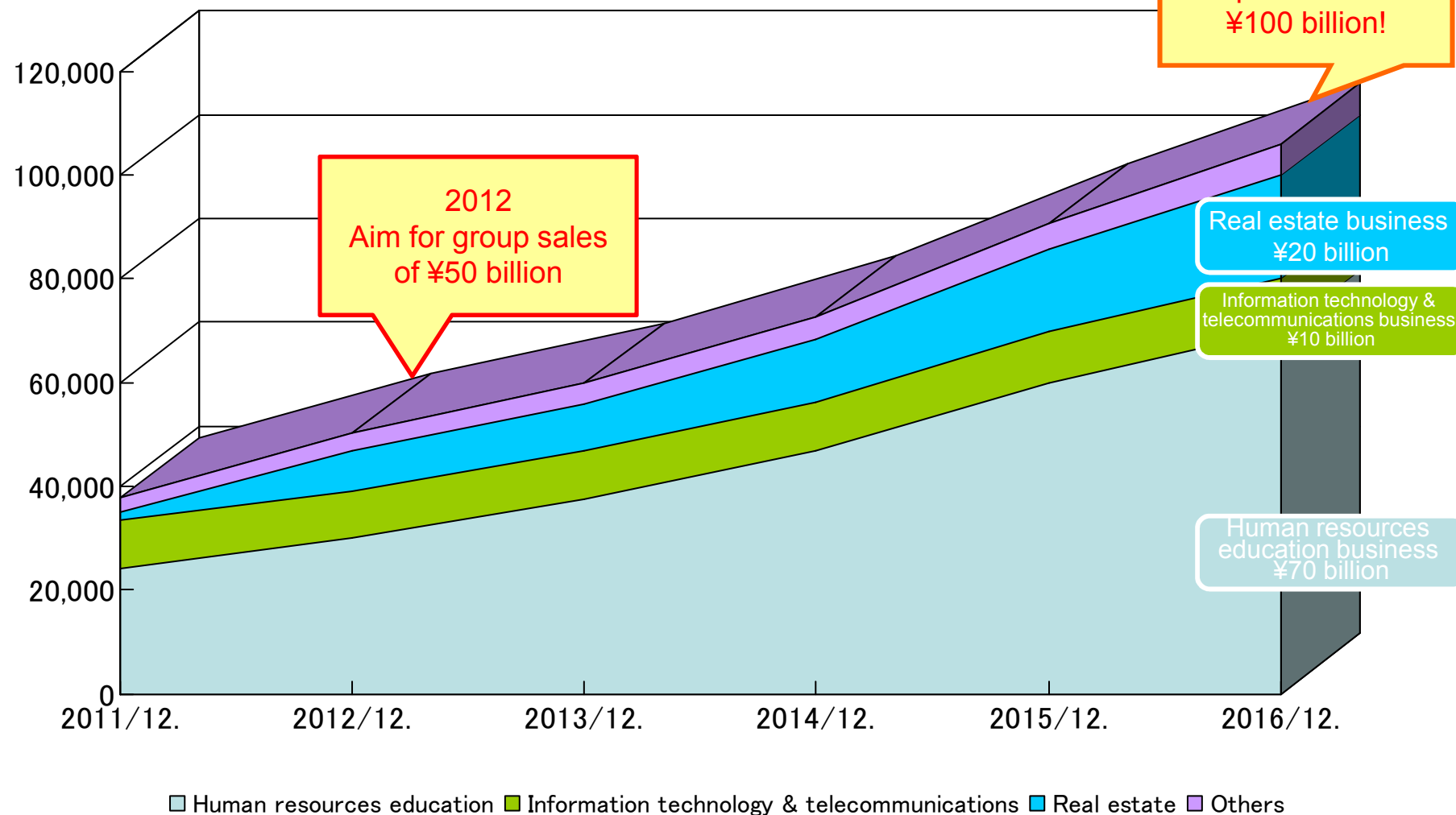
- **Human resources education business; Can raise market share** (operating margin of 5 to 7%)
 - The entire ratio is on a decreasing trend due mainly to the yen's appreciation
 - Increase of companies using services for the dispatch of workers to manufacturing industry
 - Dominated by private companies as a result of focusing on compliance

- **Information technology & telecommunications business; Booming demand** (operating margin of 3to 5%)
 - Booming demand associated with expansion of replacement demand for smartphones and tablets
 - Cloud services for smartphones and tablets will develop; Will compete using World Intec's sales force and proposal capabilities (solutions).

- **Real estate business; Strong demand** (operating margin of 10 to 15%)
 - Condominium contract rate in the Tokyo area remains strong.
 - Acquisition of sites for medium and small-sized condominiums resulting in severe competition.
 - Strengthening of foundations in the Tohoku region associated with the reconstruction demand (plan to support Suncity)

5-Year Medium-Term Management Vision; Aim for sales of ¥100 billion!!

Now forming a detailed 3-year management plan. Plan to announce a medium-term management plan around 2Q.



Shareholder Return Policy

- Based on stable dividend payments, consider paying dividends linked to performance
- EPS (maximized earnings per share): FY12/10 EPS ¥39.6 (est.)
- Dividend policy: Consider a dividend payout ratio of more than 15%

*To be formally determined at the time of the 2nd quarter earnings announcement

	Dividend per share			Dividend payout ratio
Record date	Interim	Year-end	Annual total	
FY10/12 actual	-	¥4.5	¥4.5	125%
FY11/12 actual	-	¥4.5	¥4.5	35.4%
FY12/12 forecast	-	¥4.5 (¥6)	¥4.5 (¥6)	11% (15.1%)

For more information

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