

FY2012 Second Quarter Financial Results



August 21, 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

Suncity Selling Co.,, Ltd.

- Selling agency
- Contract selling business

Human resources education business



World Intec Co., Ltd

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

WORLD INTEC FUKUSHIMA CO., LTD.

- Administrative contract business



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

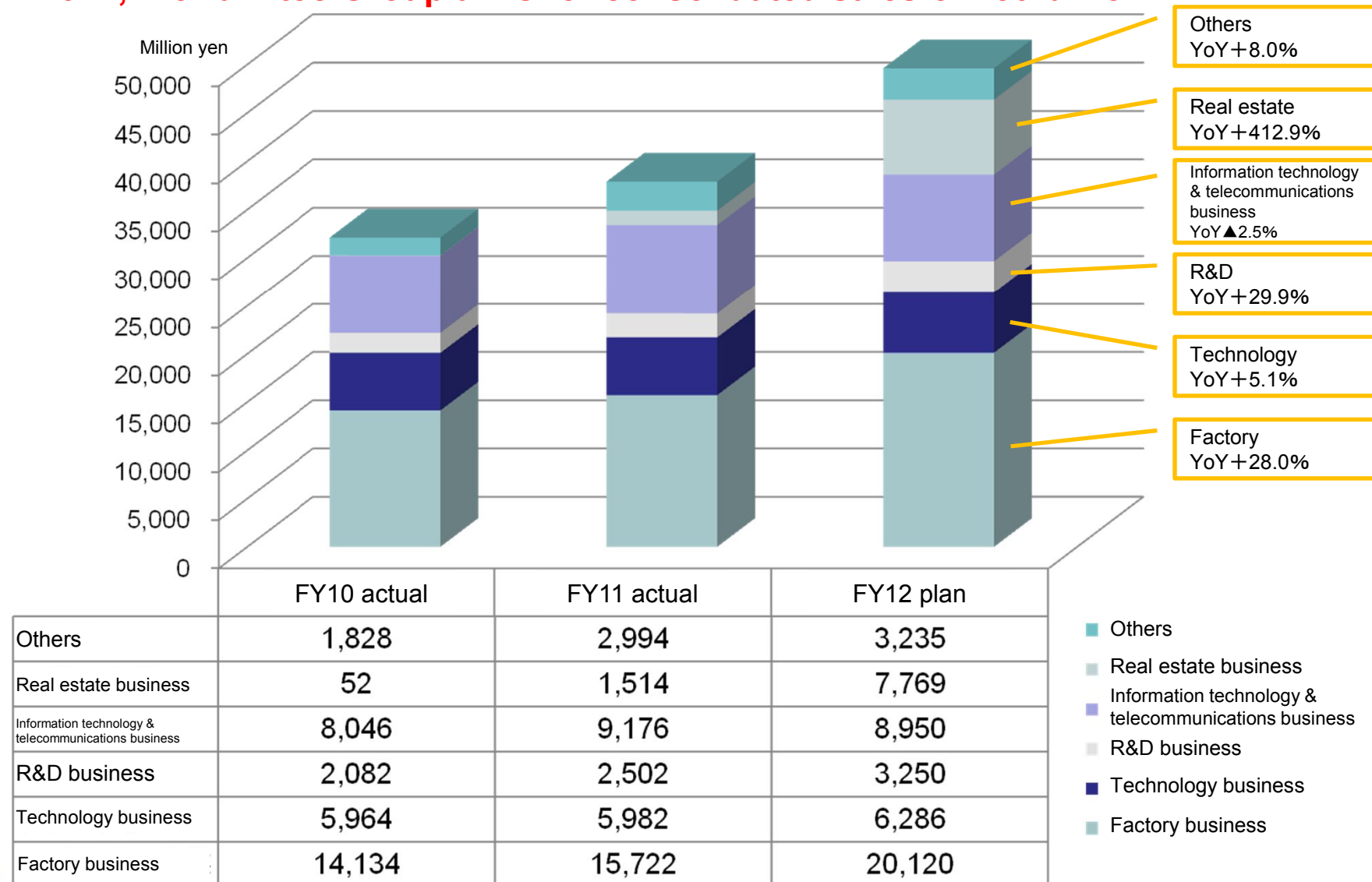
WORLD INTEC SHANGHAI CO., LTD.

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



FY2012 Group Management Target

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



1. Summary of Second Quarter Results for FY2012

Overview of FY2012 Second Quarter



Human resources education business

Did well by overcoming challenges and responding to booming demand!

In the Factory business, amendments to the Worker Dispatch Law on April 6 increased demand for the dispatch of workers to manufacturing industry. In particular, automobile and smartphone-related demands were strong but the effect of investment in the 1st quarter logistics contract lowered profits YoY. The production technology field of the Technology business centered on semiconductor was severe and growth in the design development field covered bad-debt loss of 68 million yen due to the bankruptcy of Elpida Memory. R&D business sales increased as a result of active recruitment and placement to meet the expanded demand absorbing investment in the CRO system, and the business progressed almost as planned.

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.

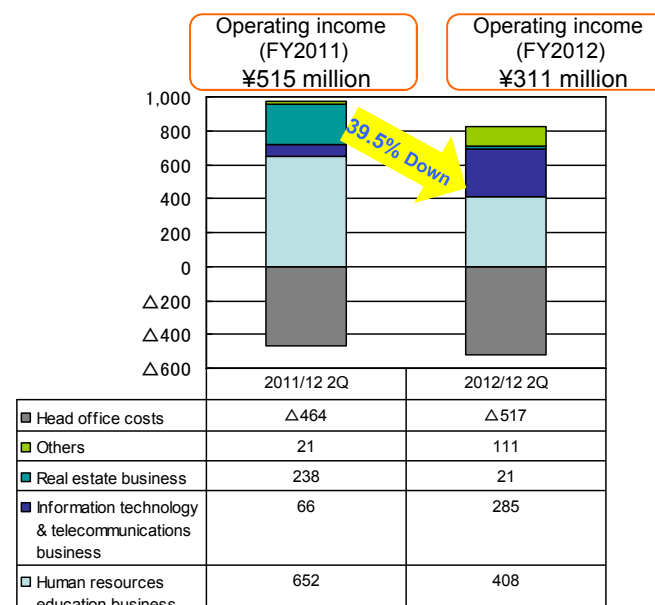
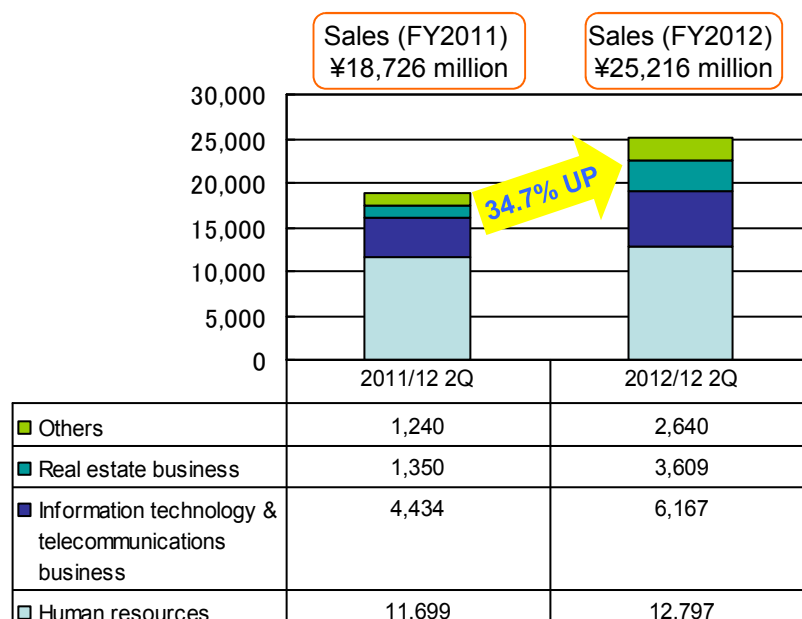
Real estate business

Changed to sales at the time of completion and there delays but succeeded in contracts

Purchased land for nine properties for the next year and the year after taking business profitability into consideration and delivered two condominiums. Conducted community-based marketing activities. During the period, as a result of changing the Monzennakacho project to sales at the time of completion, sales and profits were partly shifted to the 2nd half. However, the number of contracts signed for condominiums (contract properties included) that represents the actual state of marketing activities resulted in 192 units making good progress.

Overview of FY2012 Second Quarter : **Increased Sales** and **Decreased Profits**

- Sales increased substantially due to the expansion of three core businesses. Information technology and telecommunications business covered decreased profits resulting from the postponement in real estate. There was a 260 million yen gain in dealings in real estate in the previous fiscal year and operating income dropped but decreased by 3.7% from the budge on an operating income basis, which is almost under budget.
 - Consolidated sales: ¥25,216 million (up 34.7% YoY)
 - Consolidated operating income: ¥311 million (down 39.5% YoY)
 - Consolidated ordinary income: ¥319 million (down 52.3% YoY)
 - Consolidated net income: ¥102 million (down 71.8% YoY)

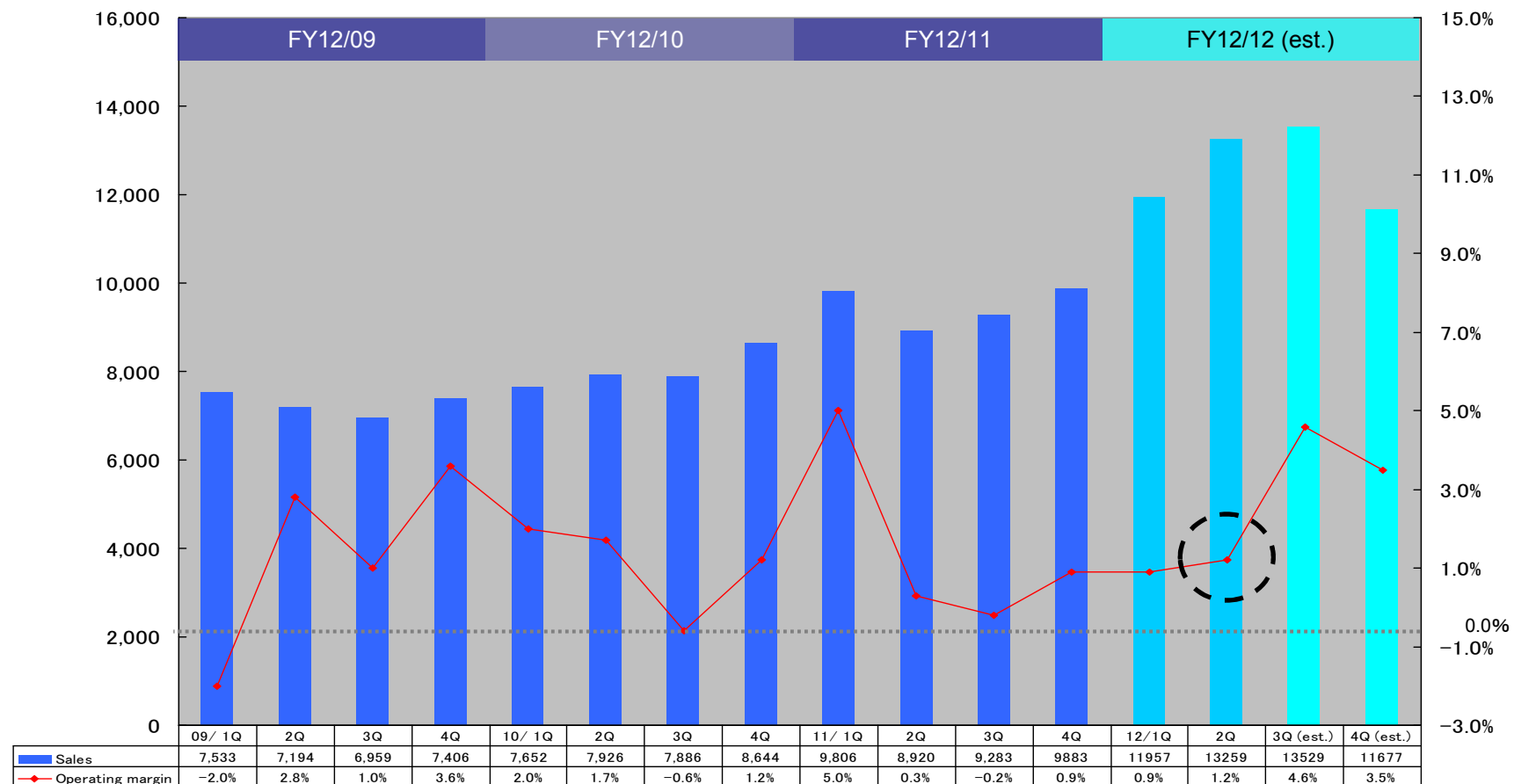


Quarterly Consolidated Business Results

- Although there was Elpida-related loss in the Human resources education business and posting of part of real estate sales was postponed to the 2nd half, sales and profit were almost as planned due to favorable Administrative contract business and Information technology & telecommunications business.
- No change to full-year forecasts at this time.

(Sales: Million yen)

(Operating margin:%)



Consolidated Financial Summary for the Second Quarter of FY2012 (vs. Budget)

Sales

- Information technology & telecommunications business exceeded the budget by 1.5 billion yen

Operating income

- Posted Elpida-related loss of 68 million yen in SG&A expenses

Ordinary income

- Increased due to non-operating income including rent income

Net income

- Decreased due to increase in tax as a result of increased profit in the Information technology & telecommunications business and increased minority interest

(Consolidated) (Million yen)	FY12/12 2Q (Jan.-Jun.) budget	FY12/12 2Q (Jan.-Jun.) actual	vs. budget	
			Change	Pct. change
Net sales	24,405	25,216	810	3.3%
Operating income	323	311	△ 12	△ 3.7%
Operating margin	1.3%	1.2%	-	-
Ordinary income	295	319	24	8.2%
Ordinary income margin	1.2%	1.3%	-	-
Net income	167	102	△ 65	△ 38.8%
Net income margin	0.7%	0.4%	-	-

Business Summary by Segment vs. Budget

(Million yen)		FY12/12 2Q (Jan.- Jun.) budget	FY12/12 (Jan.- Jun.) 2Q actual	vs. budget	
				Change	Pct. Change
Factory business	Net sales	8,813	8,390	△423	△4.8%
	Segment	179	132	△47	△26.3%
	Profit margin	2.0%	1.6%	—	—
Technology business	Net sales	2,985	3,002	17	0.6%
	Segment	129	160	31	24.0%
	Profit margin	4.3%	5.3%	—	—
R&D business	Net sales	1,497	1,405	△92	△6.1%
	Segment	107	116	9	8.4%
	Profit margin	7.1%	8.3%	—	—
Information technology & telecommunications business	Net sales	4,598	6,167	1,569	34.1%
	Segment	140	285	145	103.6%
	Profit margin	3.0%	4.6%	—	—
Real estate business	Net sales	4,683	3,609	△1,074	△22.9%
	Segment	130	21	△109	△83.8%
	Profit margin	2.8%	0.6%	—	—
Others	Net sales	1,830	2,640	810	44.3%
	Segment	114	111	△3	△2.6%
	Profit margin	6.2%	4.2%	—	—
Total	Net sales	24,405	25,216	810	3.3%
	Elimination or corporate	△476	△515	△39	—
	Operating	323	311	△12	△3.7%
	Operating	1.3%	1.2%	—	—

Consolidated Financial Summary for the Second Quarter of FY2012 (YoY)

Sales

- Sales in all businesses increased resulting in 34.7% growth YoY

Operating income

- Profits from resold properties in the previous fiscal year in the Real estate business, which was a special case
68 million yen increase in head office cost due to Elpida-related loss

Ordinary income

- Received about 160 million yen in employment adjustment subsidy, etc. in the previous fiscal year

Net income

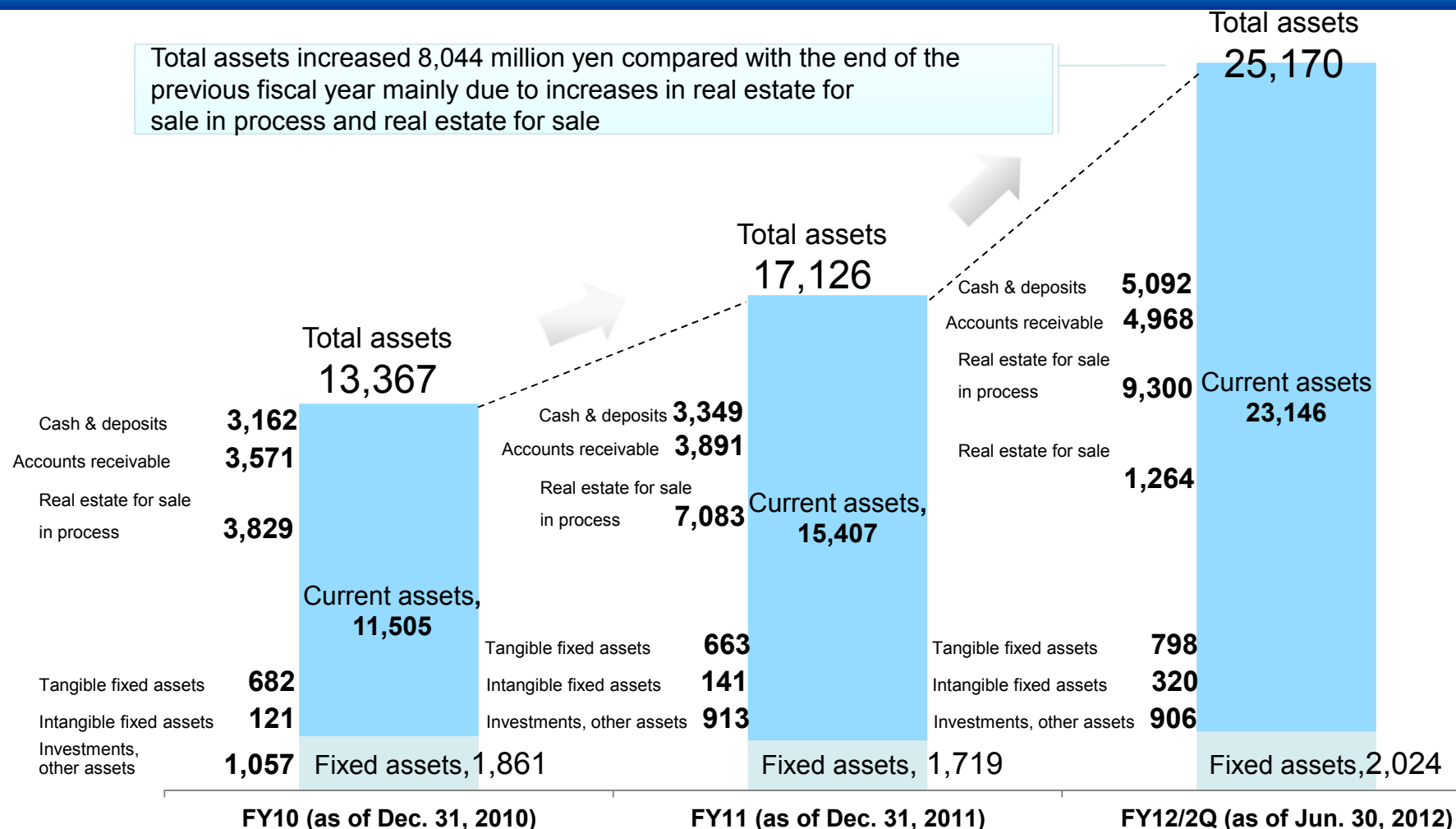
- Decreased due to increase in tax as a result of increased profit in the Information technology & telecommunications business and increased minority interest

(Consolidated) (Million yen)	FY12/11 2Q (Jan.-Jun.) actual	FY12/12 2Q (Jan.-Jun.) actual	YoY	
			Change	Pct. change
Net sales	18,726	25,216	6,490	34.7%
Operating income	515	311	△205	△39.5%
Operating margin	2.8%	1.2%	-	-
Ordinary income	668	319	△349	△52.2%
Ordinary income margin	3.6%	1.3%	-	-
Net income	364	102	△262	△72.0%
Net income margin	1.9%	0.4%	-	-

Business Summary by Segment YoY

(Million yen)		FY12/11 2Q	FY12/12	YoY	
		(Jan.-Jun.) actual	(Jan.-Jun.) 2Q actual	Change	Pct. Change
Factory business	Net sales	7,687	8,390	703	9.2%
	Segment income	341	132	Δ209	Δ61.3%
	Profit margin	4.4%	1.6%	—	—
Technology business	Net sales	2,855	3,002	147	5.2%
	Segment income	203	160	Δ43	Δ21.4%
	Profit margin	7.1%	5.3%	—	—
R&D business	Net sales	1,157	1,405	248	21.4%
	Segment income	108	116	7	7.3%
	Profit margin	9.3%	8.3%	—	—
Information technology & telecommunications business	Net sales	4,434	6,167	1,733	39.1%
	Segment income	66	285	218	328.8%
	Profit margin	1.4%	4.6%	—	—
Real estate business	Net sales	1,350	3,609	2,259	167.3%
	Segment income	238	21	Δ217	Δ91.0%
	Profit margin	17.6%	0.6%	—	—
Others	Net sales	1,240	2,640	1,400	112.9%
	Segment income	21	111	90	409.7%
	Profit margin	1.6%	4.2%	—	—
Total	Net sales	18,726	25,216	6,490	34.7%
	Elimination or corporate	Δ464	Δ515	—	—
	Operating income	515	311	Δ204	Δ39.5%
	Operating margin	2.8%	1.2%	—	—

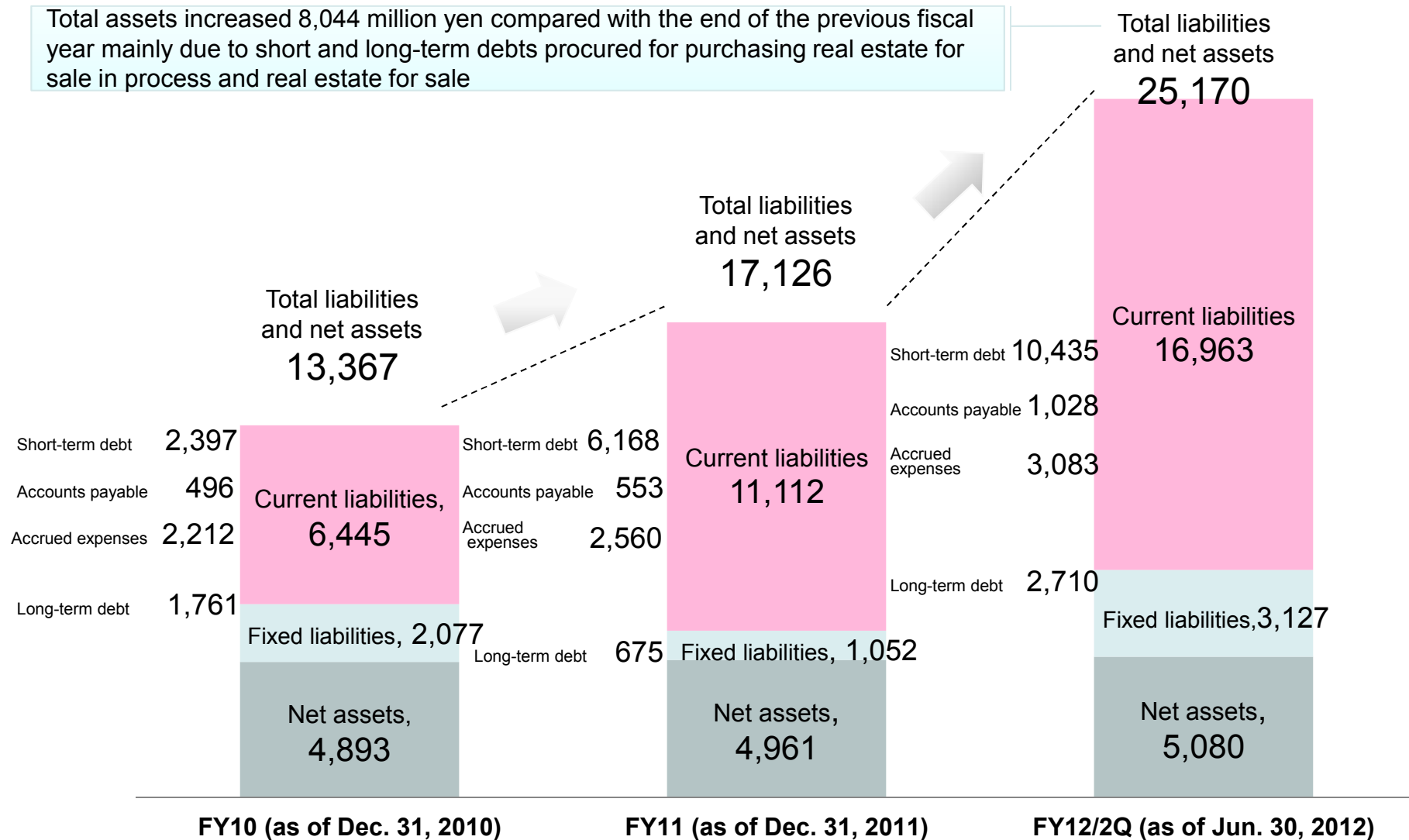
FY2012 Second Quarter Balance Sheet (Assets)



Million yen

FY2012 Second Quarter Balance Sheet (Liabilities)

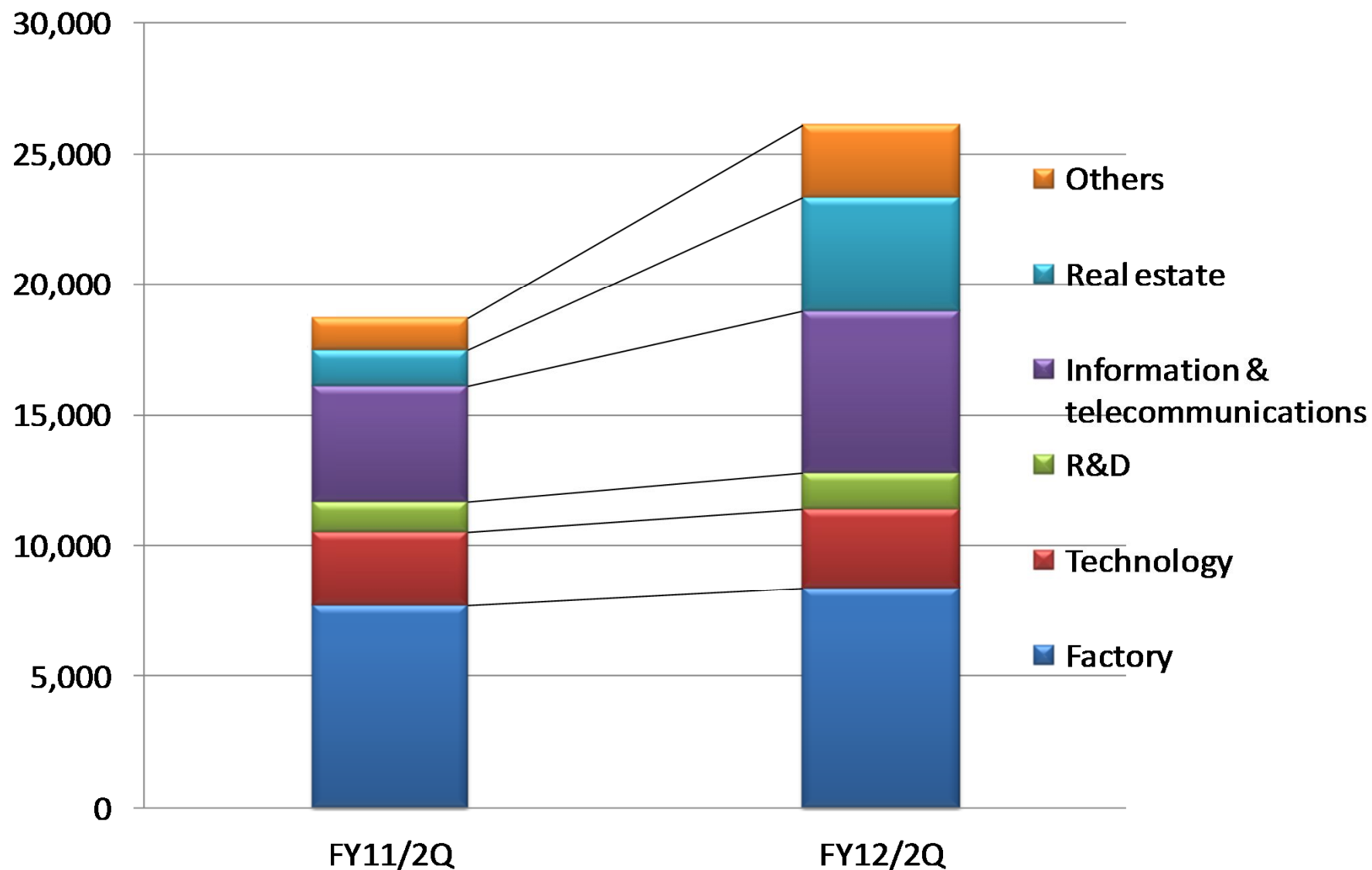
Total assets increased 8,044 million yen compared with the end of the previous fiscal year mainly due to short and long-term debts procured for purchasing real estate for sale in process and real estate for sale



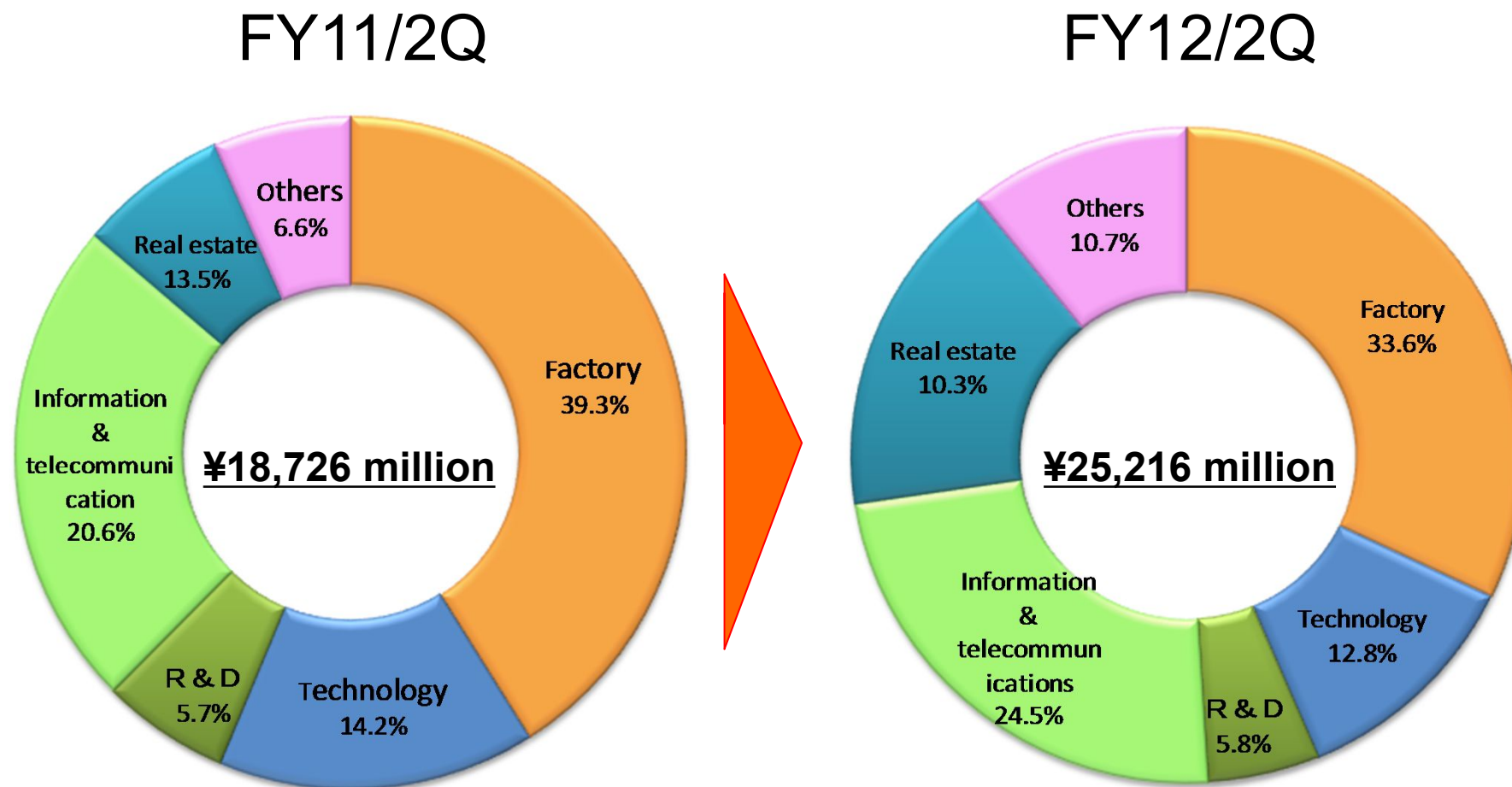
Million yen

2. Segment Highlights

Percentage of Sales by Segment YoY Comparison①



Percentage of Sales by Segment YoY Comparison②



※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 Second Quarter Business Segment Report (1)

Human resources education business

■ Factory business

Sales
up

Profit
down

- Orders for manufacturing including automobiles and smartphones were strong. Posted prior investments in recruitment and training for e-commerce-related logistics in the 1st half. Earn revenues in the 2nd half.

■ Technology business

Sales
up

Profit
down

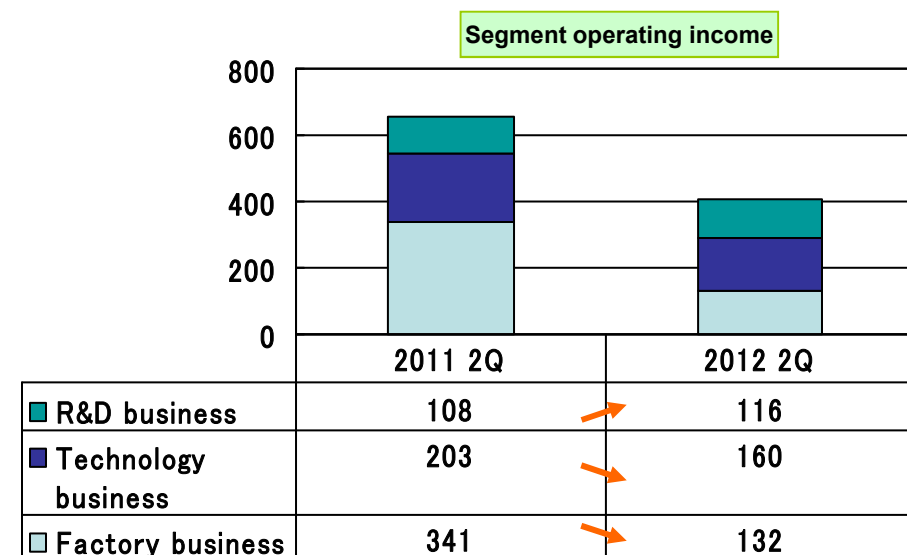
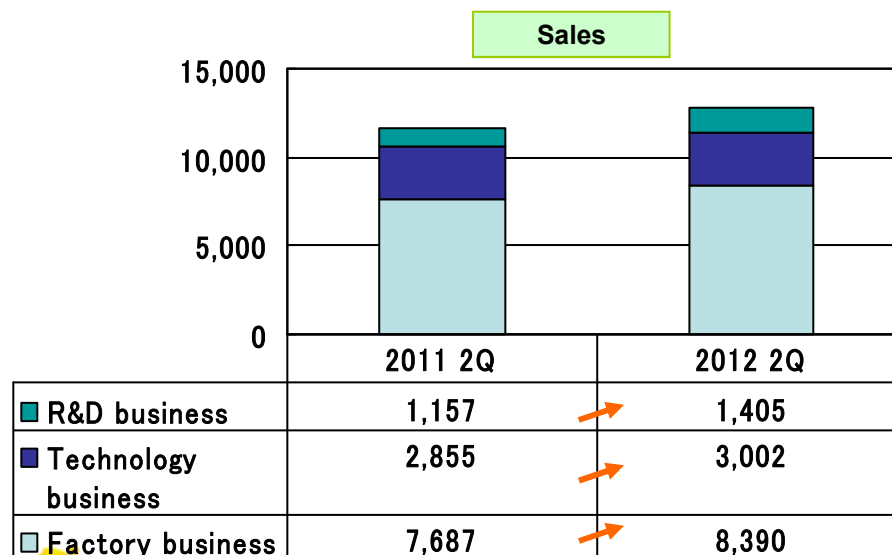
- Demand for engineers in information and communications and automobile-related fields was strong but sales increased and profit decreased due to personnel shift as a result of sluggishness in the semiconductor field including Elpida-related loss. High expectations for contribution to profit in the 2nd half.

■ R&D business

Sales
up

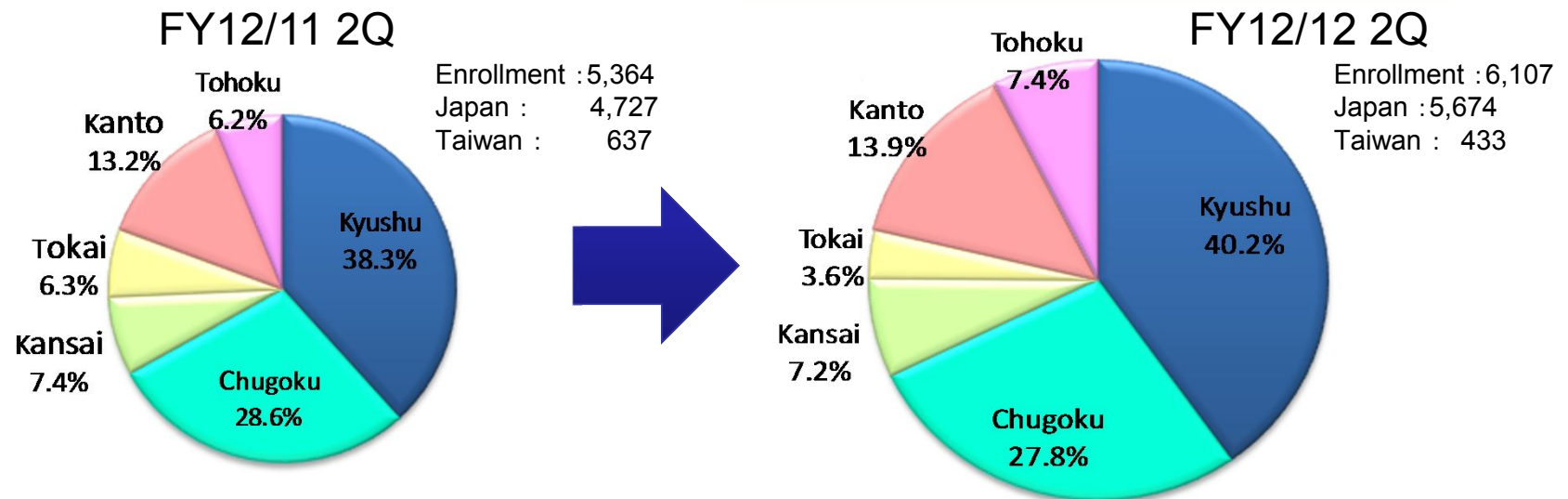
Profit
up

- Contributions of strong orders in the field of general worker dispatching and active recruitment of specialized workers absorbed investments in the improvement of CRO system.

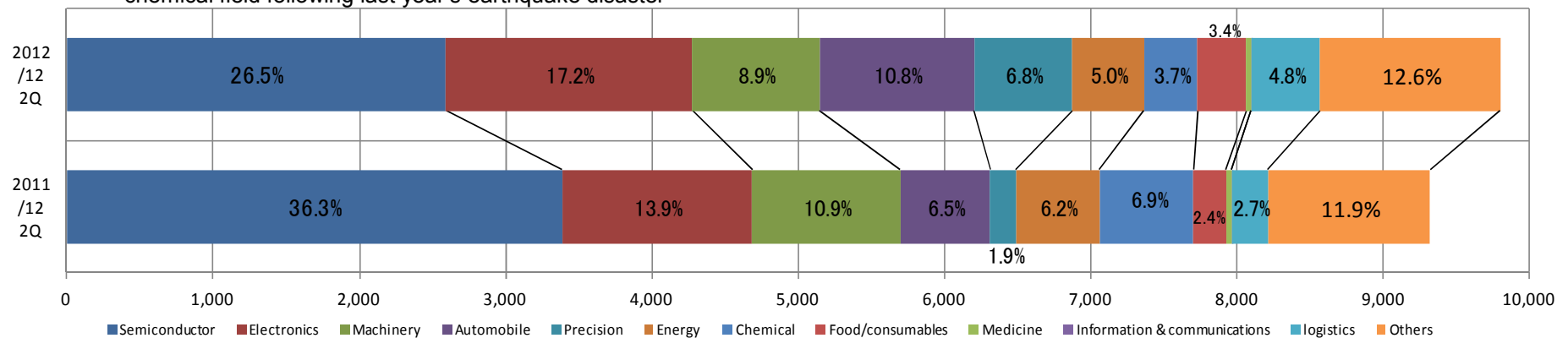


*Head office costs excluded

Factory Business Highlights: Percentages by Region and by Category of Business

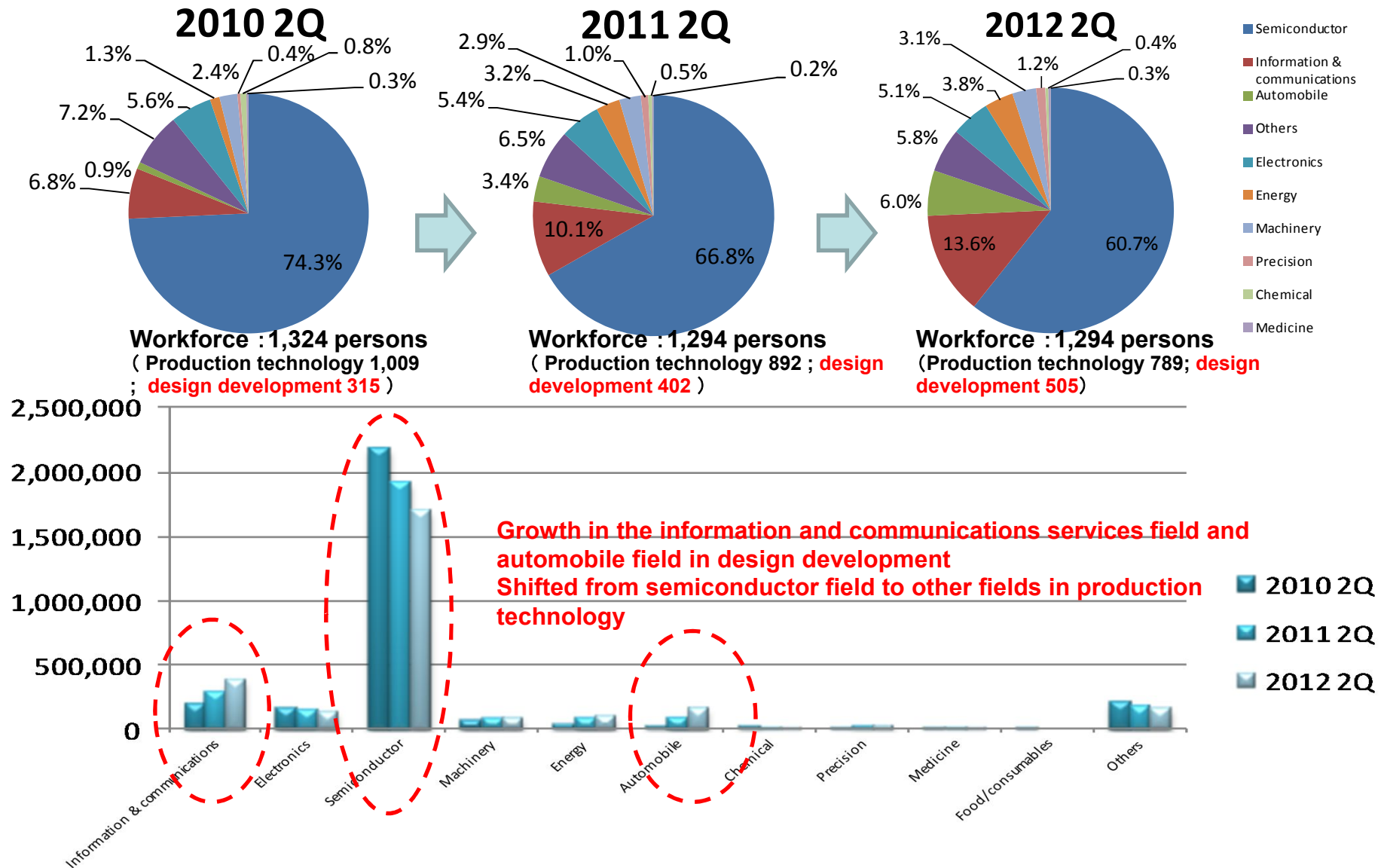


- ↗ In Kyushu, automotive, precision equipment and logistics fields grew and in Kanto and Tohoku, mainly automotive field raised the percentages
- ↘ Showed growth in the automotive field in Tokai but the percentages dropped due to cancellations in the electrical and electronics field and chemical field following last year's earthquake disaster



- ↗ Growth in the automotive, electrical and electronics, precision equipment and logistics fields
- ↘ Semiconductor, machinery and environmental energy fields scaled down

Technology Business Highlights: Workforce and Sales by Category of Business

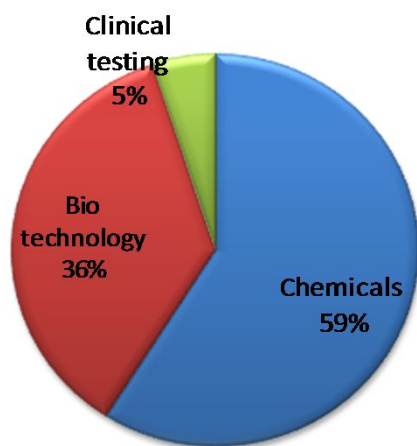


R&D Business Highlights: Rate, Workforce and Operating Rate by Area

Of the personnel in FY2012 2Q, specialized worker dispatching accounted for 95% and general worker dispatching accounted for 5%

(0% for general worker dispatching in FY11/2Q)

2011 2Q actual



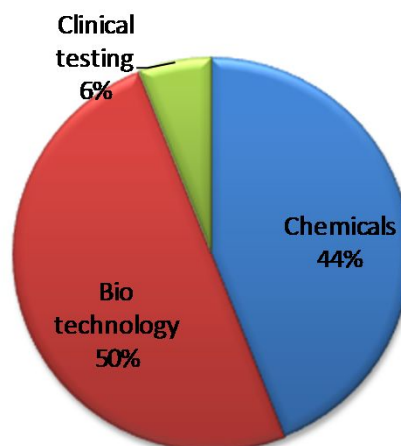
Workforce : 454persons

(33 supervisors included)

Avg. operating rate :
91.0%

Avg. unit cost of posting
of new graduates
483,000 yen

2012 2Q actual



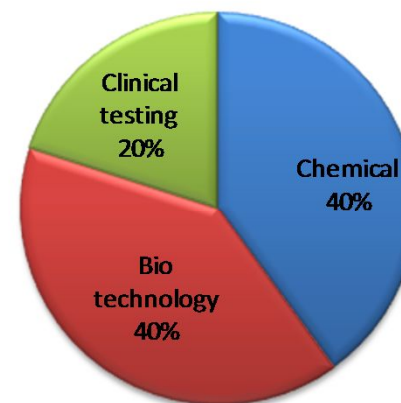
Workforce : 528persons

(37 supervisors included)

Avg. operating rate :
96.6%

Avg. unit cost of posting
of new graduates
509,000 yen

2014 targets



Workforce : 770persons

(40 supervisors included)

Avg. operating rate :
More than 97%

Avg. unit cost of posting
of new graduates
More than 510,000 yen

FY2012 Second Quarter Business Segment Report (2)

Information technology & telecommunications business

Sales up

Profit up

- Smartphone and tablet-related sales were strong due to Kyushu's No.1 shop network. In particular, profit increased (up 325% YoY) significantly as a result of selling smartphone-related items. It is expected to remain strong in the 2nd half and the company will promote investments in shops.

Real estate business

Sales up

Profit down

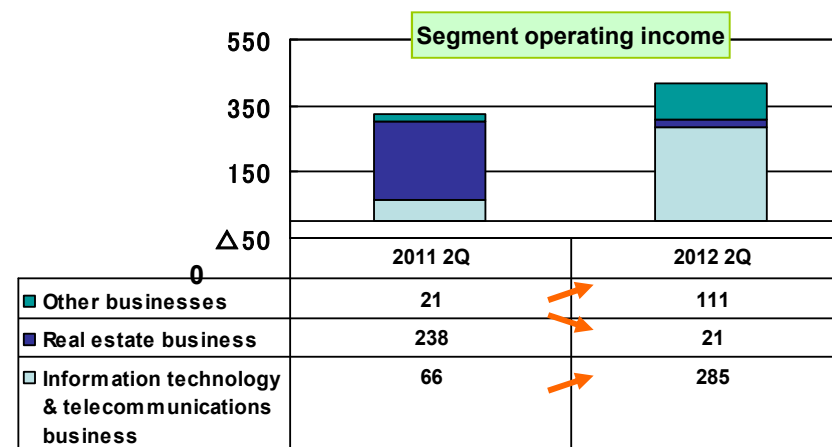
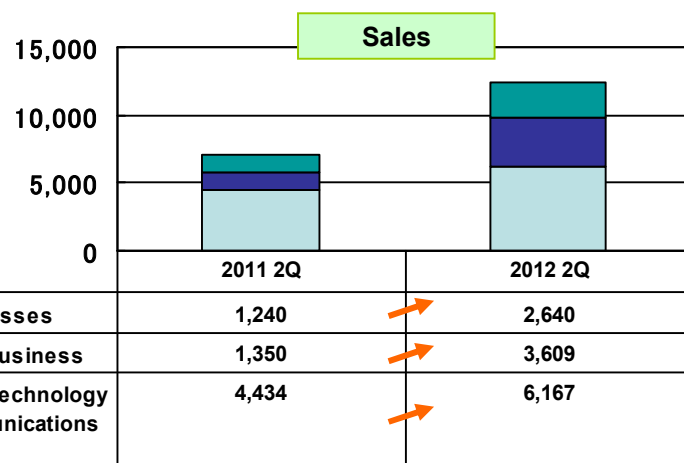
- Posting of sales of about 1.2 billion yen and operating income of about 160 million yen will be postponed to the 2nd half because the sales of "Monzennakacho" were switched to sales at the time of completion. However, the number of contracts signed for condominiums that represents the actual state of marketing activities resulted in 192 units making good progress.

Others

Sales up

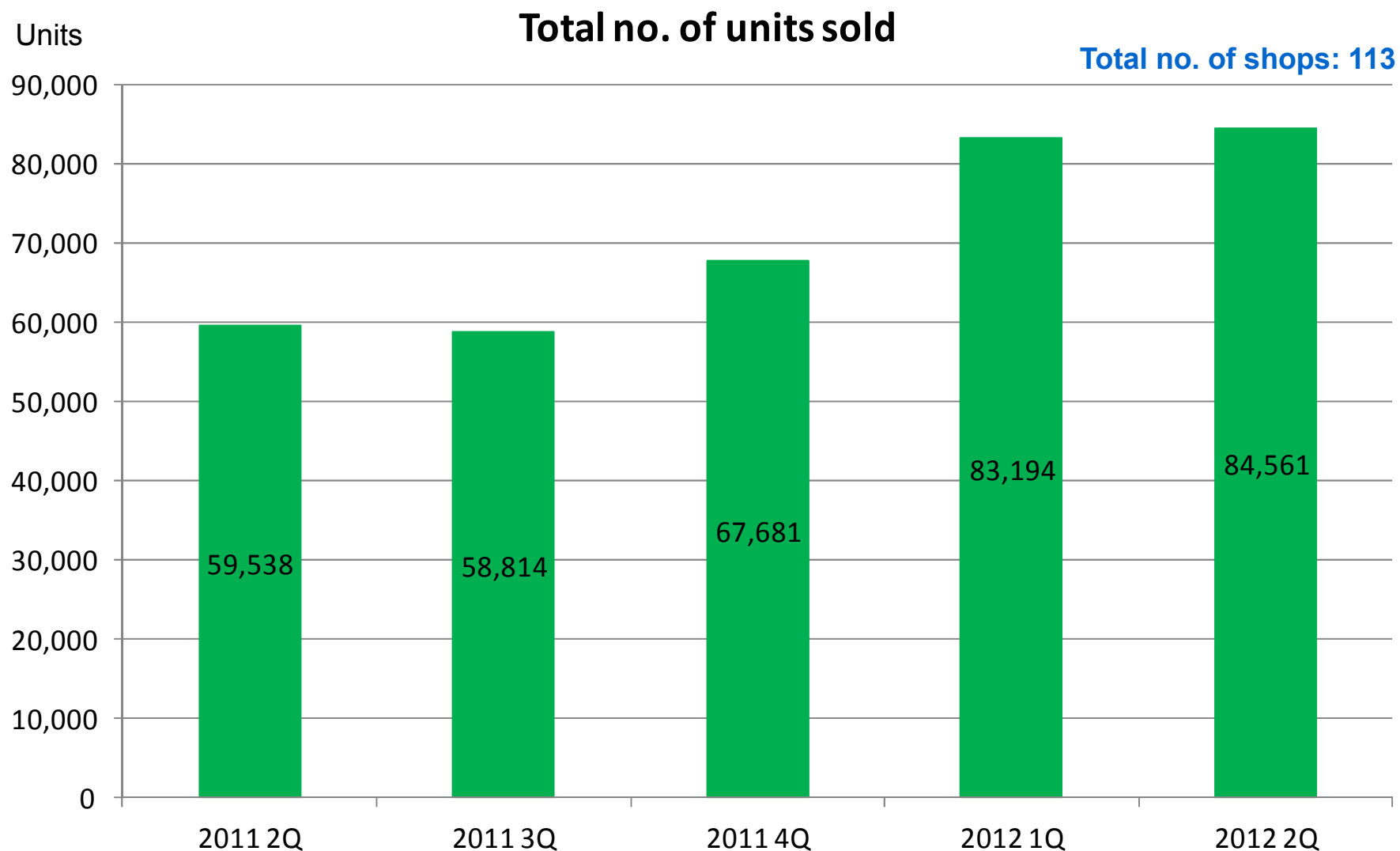
Profit up

- Substantial growth in the dispatch of sales staff involved in fashion business
- In the Administrative contract business, the contract business in Fukushima Prefecture remained strong
- Other affiliate subsidiaries were also profitable resulting in substantial increases in sales and profit as a whole



*Head office cost excluded

Information Technology & Telecommunications Business Highlights : Total No. of Mobile Phones and Smartphones Sold



Note) The above are consolidated fiscal years and are 3 months behind the calendar.

Real Estate Business Highlights : Brisk Sales of Residential Series

Fiscal 2012 completion and posting of sales: 4 buildings/177 units

- Residential Shinagawa-Nakanobu: Shinagawa-ku, Tokyo 42 units Feb. 2012 completion Began sales in Mar. 2012
- Residential Ohanajaya: Katsushika-ku, Tokyo 67 units Mar. 2012 completion Began sales in Nov. 2011
- **Residential Monzennakacho: Koto-ku, Tokyo 24 units Jul. 2012 completion Began sales in Jul. 2012**
- Residential Kanamachi: Katsushika-ku, Tokyo 44 units Sept. 2012 completion Began sales in Nov. 2011

Residential Ohanajaya



Residential Monzennakacho



Residential Kanamachi



Residential Shinagawa-Nakanobu



**Contract rate at
the end of Jun.**

75.8%



**Contract rate at
the end of Jul.
86.0%**

- Monzennakacho Project : Changed from sales before completion to after completion
 - ∴ Mockup cost reduced
 - ∴ Posting of sales in the 2nd quarter → Postponed to the 2nd half
- First period : **Sold out on the same day in July! (as has been assumed)**



3. FY2012 Business Forecasts

Summary of FY2012 Consolidated Business Forecasts No Change from the Initial Forecasts

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

(Consolidated) (Million yen)	FY12/11 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%	—	—

Summary of FY2012 Business Forecasts by Segment

(Million yen)		FY11/12	FY12/12 forecast	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%	—	—
Others	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%	—	—

For more information

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