

FY2012 Financial Results



February 19, 2013
World Intec Co., Ltd.
JASDAQ (2429)

Content

- I. Summary of Financial Results for FY2012**
- II. Segment Highlights**
- III. FY2013 Business Forecasts**
- IV. Future Business Strategy**

Management Style and Group Philosophy

- **Conservative** and **steady management**: Strong financial base (debt-free management until the launch of Real estate business)

To be a group that will never collapse

- Building of a group to stand any changes in external environment



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

※Merged with Nichimo Real Estate on Jan. 1, 2013

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	Personnel training contract
Overseas	Parts procurement
Repair	Repair service

WORLD INTEC FUKUSHIMA CO., LTD

Administrative contract business



DOT International Co., Ltd.

CRO (Clinical Research Outsourcing) business



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 TAIWAN CO., LTD.

WORLD INTEC GROUP

Overseas business.....Dispatch of manufacturers

WORLD INTEC SHANGHAI CO., LTD. (non-consolidated)

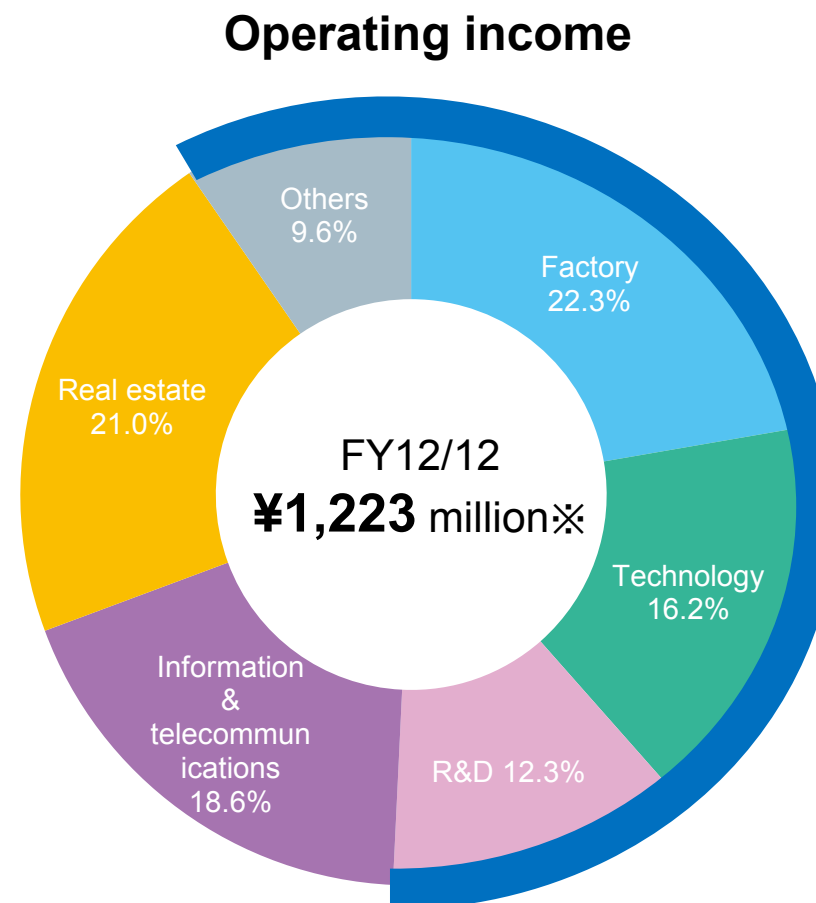
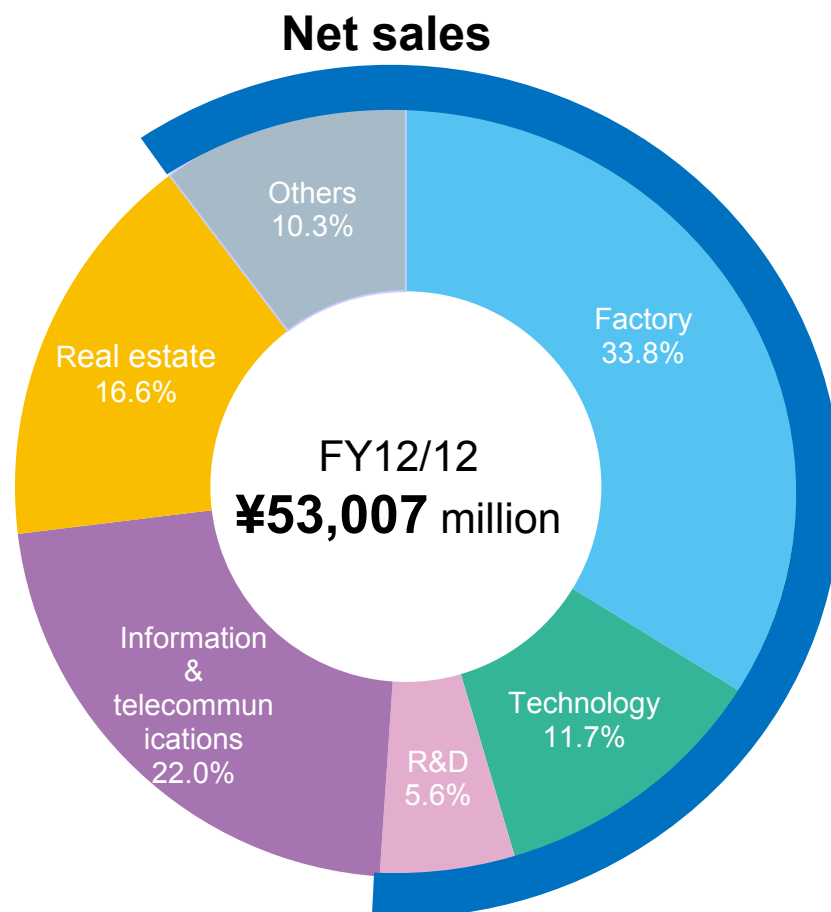
- Comprehensive human resources service
- Education consulting



WORLD INTEC

Composition Ratios by Segment

Human resources education business accounts for about **60%** of net sales and operating income



※Composition ratio of operating income is calculated based on 100 representing ¥2,195 million which is intersegment eliminations/corporate expenses before deduction

I . Summary of Financial Results for FY2012

FY2012 Summary

1

In FY12/12, **39.9% increase in sales** and **90.2% increase in ordinary income** YoY

→ Real estate business posted condominium business sales for the first time which contributed to performance

2

Dividend increase due to big increases in sales and profits; maintained a dividend payout ratio of more than 20%

→ **Increased** dividend per share **by 4.0 yen to 8.5 yen**

3

New approach

→ Converted DOT International in the Clinical Research Outsourcing (CRO) field into a subsidiary

Acquired the business of the former Suncity and improved the operating base in Tohoku area

Overview of FY2012



Human resources education business

Sales/profits up

Established WORLD INTEC FUKUSHIMA CO., LTD. due to the expansion of Administrative contract business.

Transferred the Factory business of the Fukushima office.

Contracting business began in full-swing at logistics bases in April.

Busy smartphone-related electrical and electronics field

Converted DOT International of CRO in the R&D business into a subsidiary in November.

Information and telecommunications business

Sales/profits up

Kyushu's No.1 mobile shop had a strong showing as new smartphones were sold one after another and data communication terminals including tablet terminal and wifi routers continued to spread.

Sales and profits increased while making prior investments in shop renovation.

Real estate business

Sales/profits up

Out of a total of 177 units of 4 condominiums for sale, 176 units were delivered almost as planned.

Established World iCity in 1Q and acquired the former Suncity's business in Tohoku area.

Steady progress in land purchase from the next fiscal year.

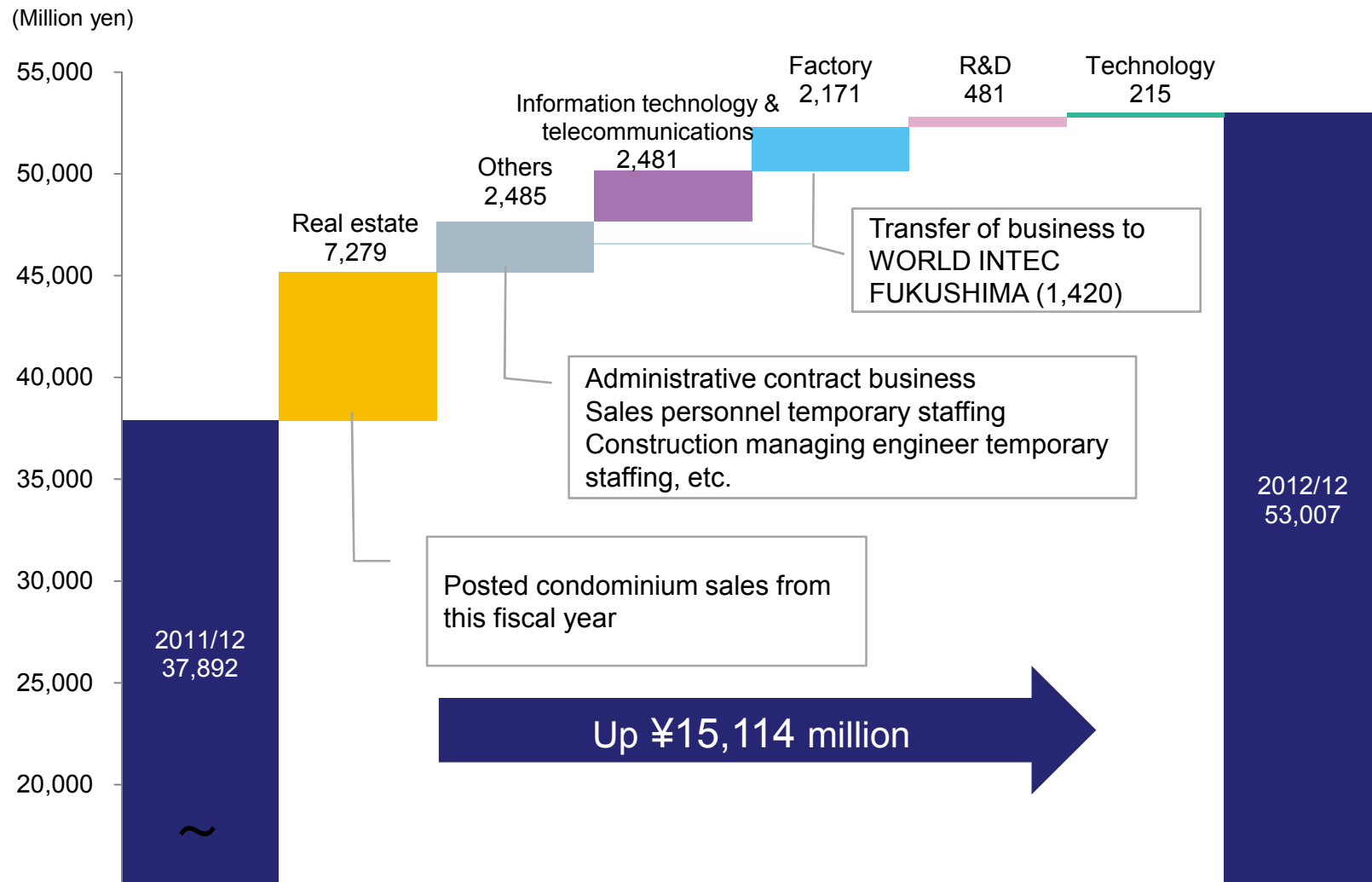
FY2012 Consolidated Financial Summary

Million yen, %							
	FY12/11 actual	FY12/12 actual	YoY		FY12/12 forecast	Vs. forecast	
			Change	Pct. Change		Change	Pct. Change
Net sales	37,892	53,007	15,115	39.9	49,611	3,396	6.8
Operating income	588	1,223	635	108.1	1,361	Δ138	Δ10.1
Ordinary income	678	1,290	612	90.2	1,306	Δ16	Δ1.2
Net income	214	658	444	207.5	645	13	2.0
EPS (yen)	13.2	40.3					
Dividend per share (yen)	4.5	8.5					

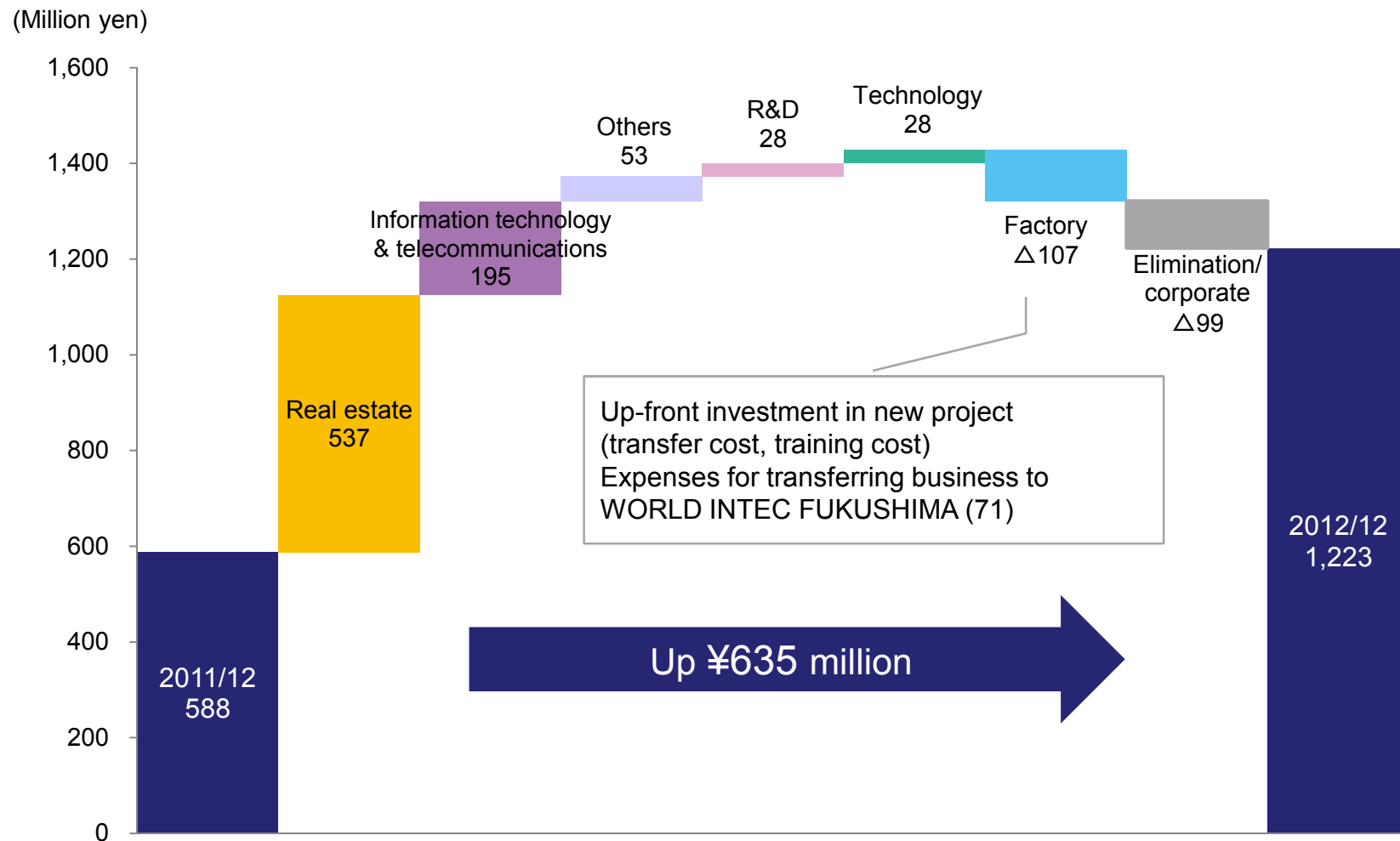
Business Summary by Segment

		Million yen, %						
		FY12/11 actual	FY12/12 actual	YoY		FY12/12 forecast	Vs. budget	
				Change	Pct. Change		Change	Pct. Change
Factory business	Net sales	15,722	17,893	2,171	13.8	20,120	Δ2,227	Δ 11.1
	Segment income	596	489	Δ107	Δ 18.0	1,026	Δ537	Δ 52.3
	Profit margin	3.8%	2.7%	—	—	5.1%	—	—
Technology business	Net sales	5,982	6,197	215	3.6	6,286	Δ89	Δ 1.4
	Segment income	327	356	28	8.7	405	Δ49	Δ 12.1
	Profit margin	5.5%	5.7%	—	—	6.4%	—	—
R&D business	Net sales	2,502	2,984	481	19.2	3,250	Δ266	Δ 8.2
	Segment income	241	269	28	11.8	278	Δ9	Δ 3.2
	Profit margin	9.6%	9.0%	—	—	8.6%	—	—
Information technology & telecommunica tions business	Net sales	9,176	11,658	2,481	27.0	8,950	2,708	30.3
	Segment income	213	408	195	91.6	270	138	51.1
	Profit margin	2.3%	3.5%	—	—	3.0%	—	—
Real estate business	Net sales	1,514	8,794	7,279	480.6	7,769	1,025	13.2
	Segment income	Δ75	462	537	—	165	297	180.0
	Profit margin	Δ5.0%	5.3%	—	—	2.1%	—	—
Others	Net sales	2,994	5,479	2,484	83.0	3,235	2,244	69.4
	Segment income	157	211	53	34.0	204	7	3.4
	Profit margin	5.2%	3.9%	—	—	6.3%	—	—
Total	Net sales	37,892	53,007	15,115	39.9	49,611	3,396	6.8
	Elimination or corporate	Δ873	Δ972	—	—	Δ988	—	—
	Operating income	588	1,223	635	108.1	1,361	Δ138	Δ 10.1
	Operating	1.6%	2.3%	—	—	2.7%	—	—

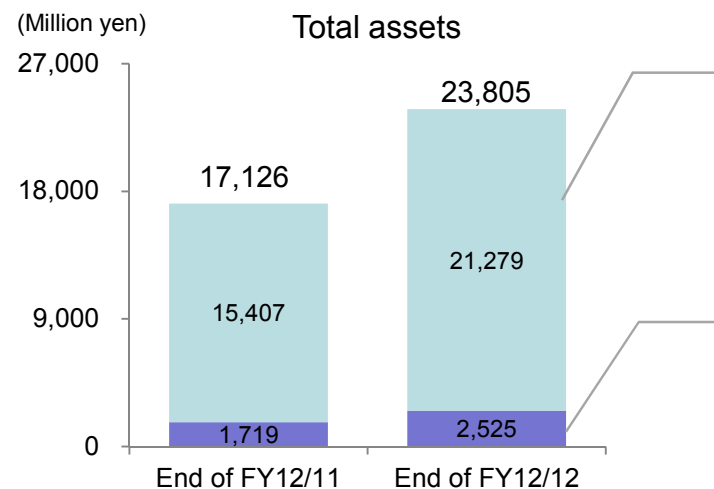
Change in Net Sales by Segment



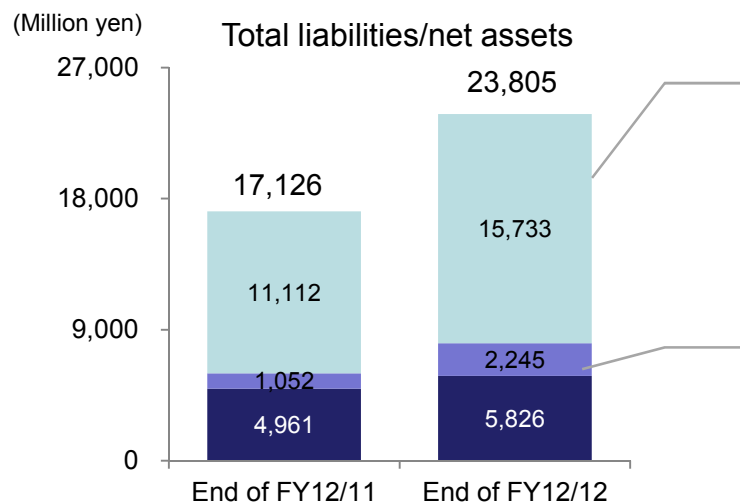
Change in Operating Income by Segment



Financial Condition B/S



■ Fixed assets ■ Current assets



■ Net assets ■ Fixed liabilities ■ Current liabilities

Current assets

• Cash and deposits	4,897 (+1,547)	Increase in new consolidated subsidiaries
• Notes and accounts receivable	4,659 (+767)	Increase in net sales
• Real estate for sale in process	10,054 (+2,970)	Acquisition of land for new PJ and increase in construction in process

Fixed assets

• Tangible fixed assets	733 (+69)	Renovation of GEOGRAPHIC INFORMATION OF KYUSHU building
• Intangible fixed assets	757 (+615)	DOT goodwill +500
• Investments and other assets	1,034 (+121)	Investment in WR Investment Limited Partnership +100

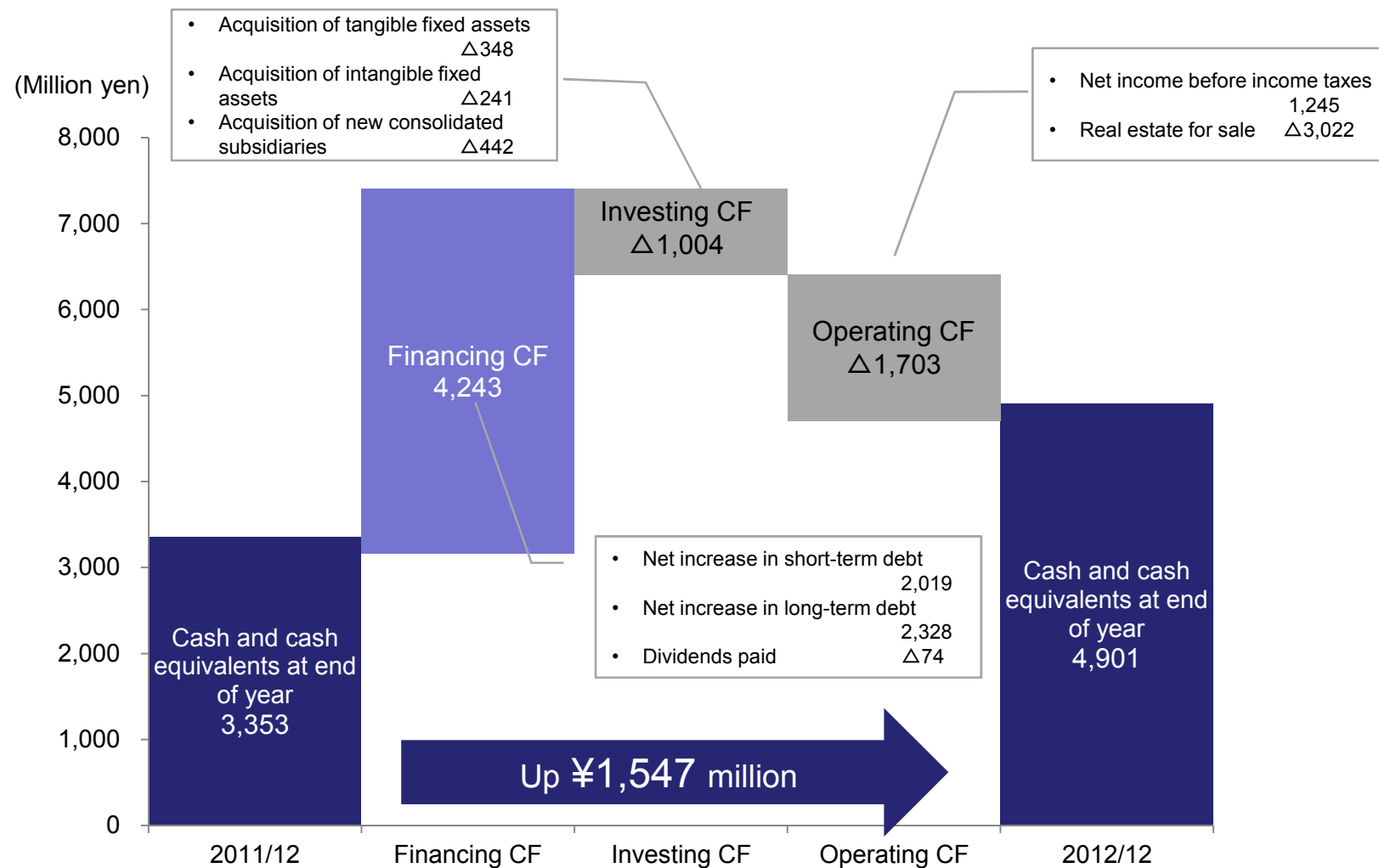
Current liabilities

• Short-term debt	9,387 (+3,219)	Fund for purchase of real estate for sale
• Accrued expenses	2,910 (+350)	Increase in employees
• Notes and accounts payable	597 (+43)	

Fixed liabilities

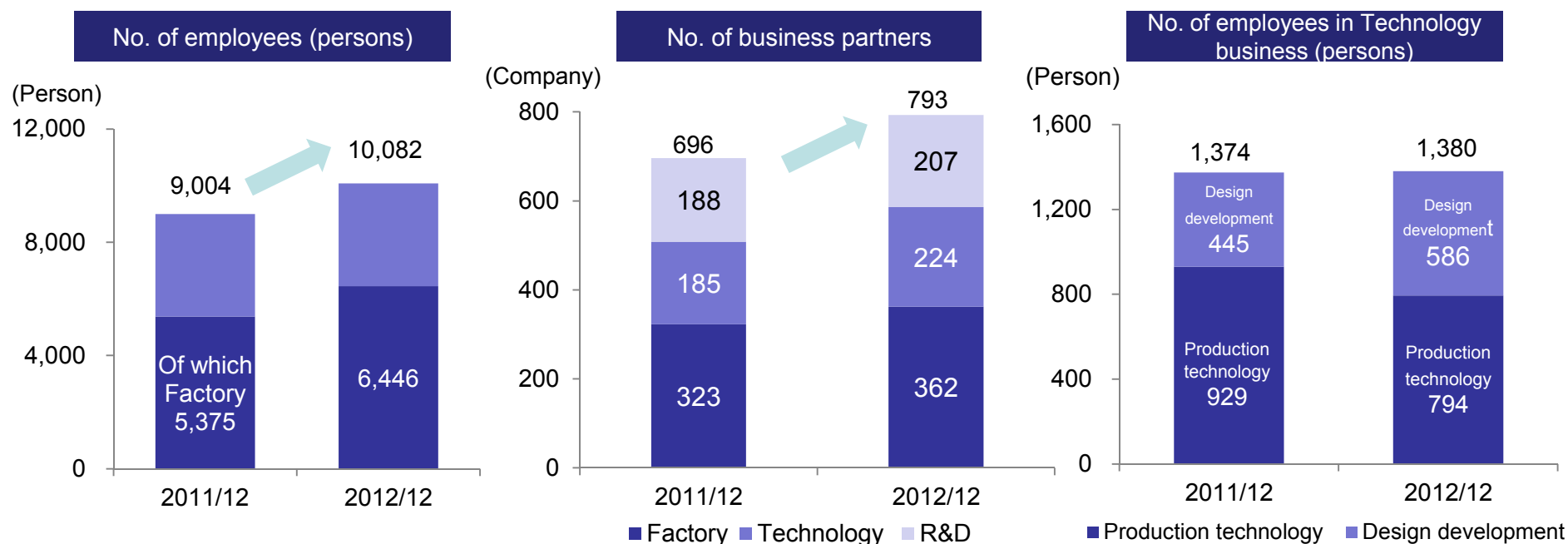
• Long-term debt	1,803 (+1,128)	Fund for purchase of real estate for sale
• Reserve for retirement benefits for employees	377 (+37)	

Cash Flow



II . Segment Highlights

Human Resources Education Business (Factory/Technology/R&D Businesses)



Factory business

Number of contracts/employees increased due to the development of smartphone-related electrical and electronics field but made prior investment to build a logistics contract system

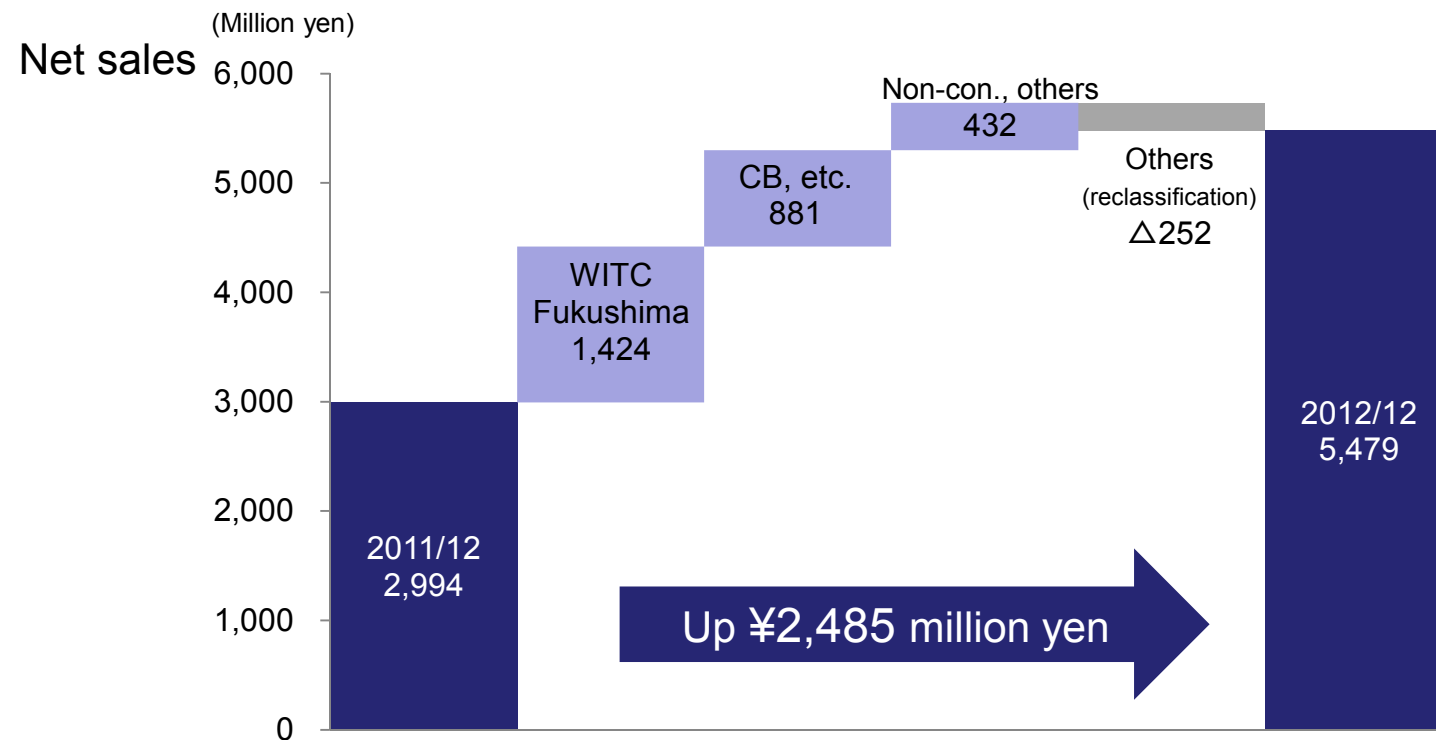
Technology business

Major customers shifted from semiconductor manufacturers' production technology field to design development field
Rising demand for information and telecommunications and automobile-related engineers in the design development field

R&D business

Orders increased in the general temporary staffing field
Converted DOT International specializing in CRO into a subsidiary in November 2012

Human Resources Education Business; Others



Administrative contract

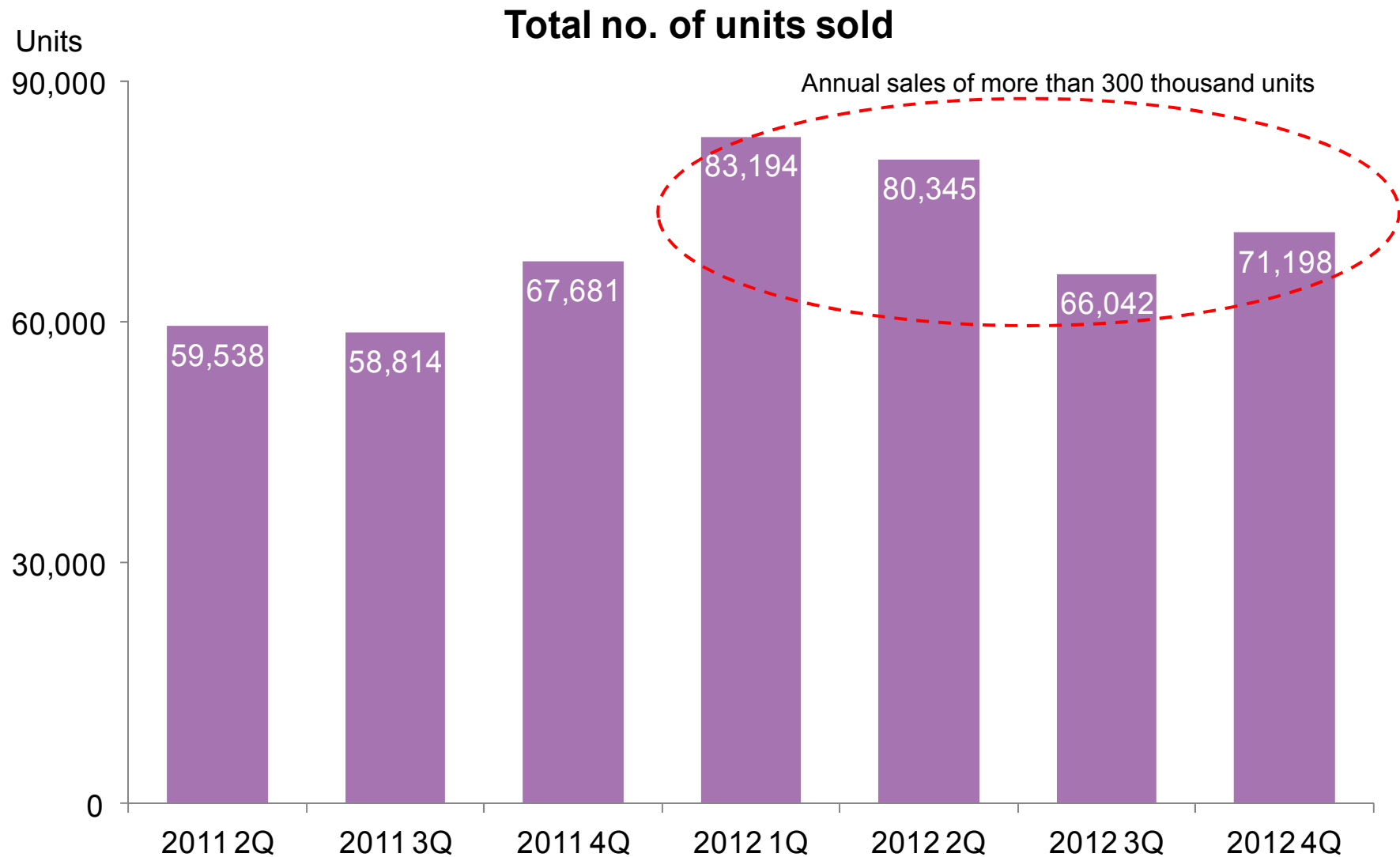
Established WORLD INTEC FUKUSHIMA in March 2012; transferred business from the Fukushima office of the Factory business; earthquake disaster rehabilitation and reconstruction-related administrative contract business will continue after April

CB

Steady growth in sales and profits due to selection and concentration with influential clients

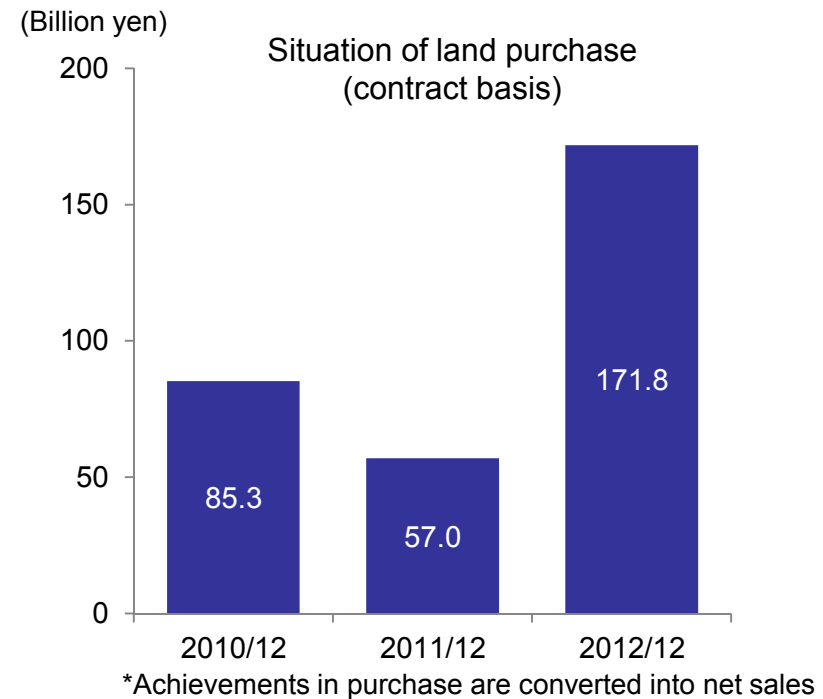
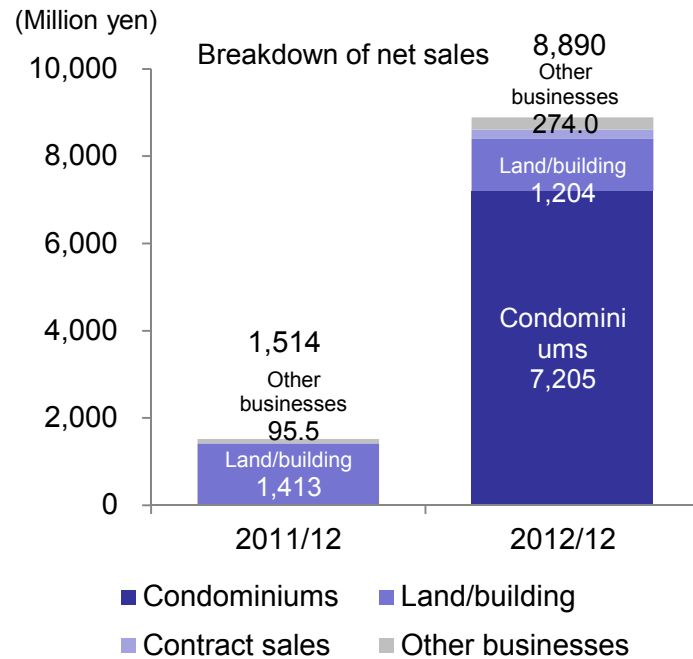
GEOGRAPHIC INFORMATION OF KYUSHU

Steadily received orders for maintenance and digitalization of maps from the government and regional companies



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

Real Estate Business



Improvement in profitability

Construction/delivery of 4 properties (Shinagawa-Nakanobu, Ohanajaya, Monzennakacho, Kanamachi)
 Turned a single-year profit 3 years after the establishment and eliminated cumulative loss

Purchasing situation

Got in a good stock of land for condominiums
 Already secured land in 2012 for properties to be sold in 2014

Tohoku area

Established World iCity and took over the former Suncity's business in Tohoku area
 Promoted business infrastructure improvement

Real Estate Business: Brisk Sales of Residential Series

RESIDENTIAL

FY12/12 Constructed 4 buildings, 177 units

Residential Shinagawa-Nakanob

Feb. 2012 completion 42 units



Residential Ohanajaya

Mar. 2012 completion 67 units



Residential Monzennakacho

Jul. 2012 completion 24 units



Residential Kanamachi

Sept. 2012 completion 44 units



Real Estate Business: Business Infrastructure Improvement in Tohoku Area

- Supply in the Sendai area in 2012 recovered to 1,123 units which is the same level as before the earthquake disaster
- A sharp decrease in condominium inventories from 800 units at the beginning of 2009 to 80 units at the end of Dec. 2012

FY14/12

2 projects/126 units

Land acquired

1 project/60 units

RESIDENTIAL

Develop Residential series in Tohoku area based on the belief of “Building a community where people and culture come together”, which is in common with World Residential

Kaiseiyama Koen project

Koriyama-shi, Fukushima 72 units



Aobaku-Honcho project

Aoba-ku, Sendai-shi, Miyagi 60 units

Residential Minami-Sendai

Taihaku-ku, Sendai-shi, Miyagi 54 units



Ⅲ. FY2013 Business Forecasts

Summary of FY2013 Forecast

1

Expect 6.6% increase in sales and 39.0% increase in ordinary income YoY in FY12/13

→ Expect **record-high operating income** and ordinary income since FY12/07

2

Larger market share leading to profitability

Prior investment burden for the setting up of the Factory business is up to the 1st half

→ Recover investment in the 2nd half which will contribute to profit increase for the current fiscal year (Expect to go into the red in 1Q)

3

In the Real estate business, decrease in the number of condominiums delivered will be offset by sales of land/buildings

→ Tohoku area, based on accrual, will incur expenses in 2013 but is expected to contribute to earnings from FY12/14

Summary of FY2013 Business Forecast

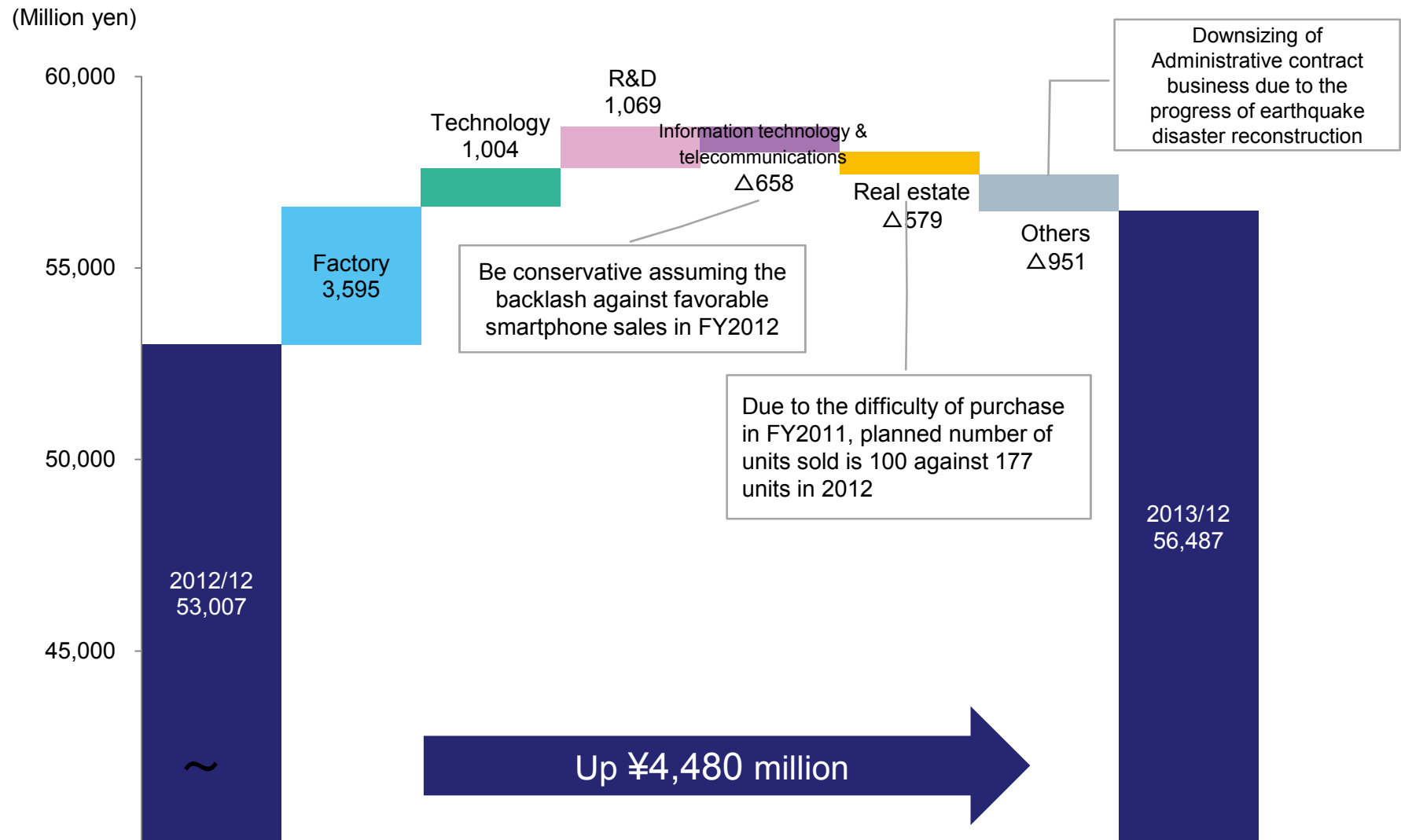
			YoY			Million yen, %
	FY12/12 actual	FY12/13 forecast	Change	Pct. Change	FY13/1Q~2Q forecast	FY13/3Q~4Q forecast
Net sales	53,007	56,487	3,480	6.6	26,824	29,662
Operating income	1,223	1,853	630	51.5	608	1,244
Ordinary income	1,290	1,793	503	39.0	580	1,213
Net income	658	712	54	8.2	178	534
EPS (yen)	40.3	42.4			10.6	31.8
Dividend per share (yen)	8.5	8.5			0.0	8.5

- **Sales:** Human resources education business will account for 64.8% of total sales expecting 14.5% growth YoY
- **Profits:** Include prior investments for launching several new large projects in the Factory business in the 1st half

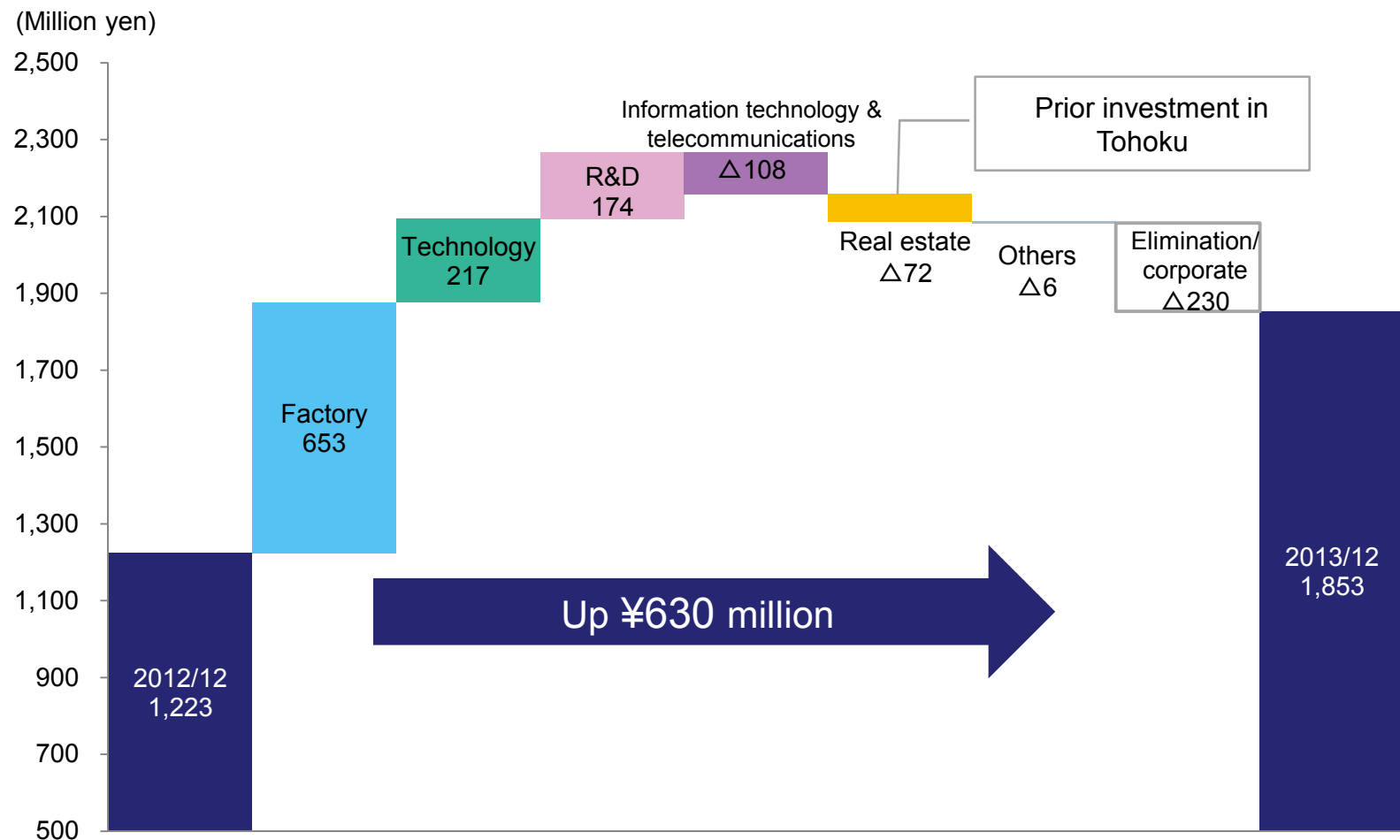
FY2013 Business Forecasts by Segment

						Million yen, %	
		FY12/12 actual	FY12/13 forecast	YoY		FY13/1Q~2Q forecast	FY13/3Q~4Q forecast
				Change	Pct. Change		
Factory business	Net sales	17,893	21,488	3,595	20.1	9,241	12,246
	Segment income	489	1,142	653	133.5	283	859
	Profit margin	2.7%	5.3%	—	—	3.1%	7.0%
Technology business	Net sales	6,197	7,201	1,004	16.2	3,219	3,982
	Segment income	356	573	217	61.0	200	373
	Profit margin	5.7%	8.0%	—	—	6.2%	9.4%
R&D business	Net sales	2,984	4,053	1,069	35.8	1,884	2,168
	Segment income	269	443	174	64.7	160	282
	Profit margin	9.0%	10.9%	—	—	8.5%	13.0%
Information technology & telecommunications business	Net sales	11,658	11,000	△658	△ 5.6	5,706	5,293
	Segment income	408	300	△108	△ 26.5	183	116
	Profit margin	3.5%	2.7%	—	—	3.2%	2.2%
Real estate business	Net sales	8,794	8,215	△579	△ 6.6	4,474	3,740
	Segment income	462	390	△72	△ 15.6	288	102
	Profit margin	5.3%	4.7%	—	—	6.4%	2.7%
Others	Net sales	5,479	4,528	△951	△ 17.4	2,297	2,230
	Segment income	211	205	△6	△ 2.8	83	122
	Profit margin	3.9%	4.5%	—	—	3.6%	5.5%
Total	Net sales	53,007	56,487	3,480	6.6	26,824	29,662
	Elimination or corporate	△972	△1,202	—	—	△591	△611
	Operating income	1,223	1,853	630	51.5	608	1,244
	Operating	2.3%	3.3%	—	—	2.3%	4.2%

Forecast of Change in Net Sales by Segment



Forecast of Change in Operating Income by Segment



IV. Future Business Strategy

Summary of Medium-Term Management Plan

FY12/16

Aiming to Become a Company with Sales of 100 Billion Yen!

Net sales	• ¥100 billion	← FY12/12 ¥53.0 billion
Operating income	• ¥5 billion Operating margin More than 5%	← FY12/12 ¥1.22 billion (2.3%)
ROE Return On Equity	• More than 20%	← FY12/12 13.1%
Shareholders' equity ratio	• More than 25%	← FY12/12 21.1%
Dividend policy	• Dividend payout ratio of more than 20%	← FY12/12 21.1% (¥8.5)

Basic Strategies

1

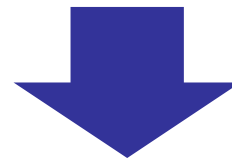
Respond flexibly to the external environmental change
Put management resources in fields with potential for more growth

2

From market share expansion strategy in FY2012 to profit-oriented strategy in FY2013

3

Collaboration among the group and pursuit of synergy

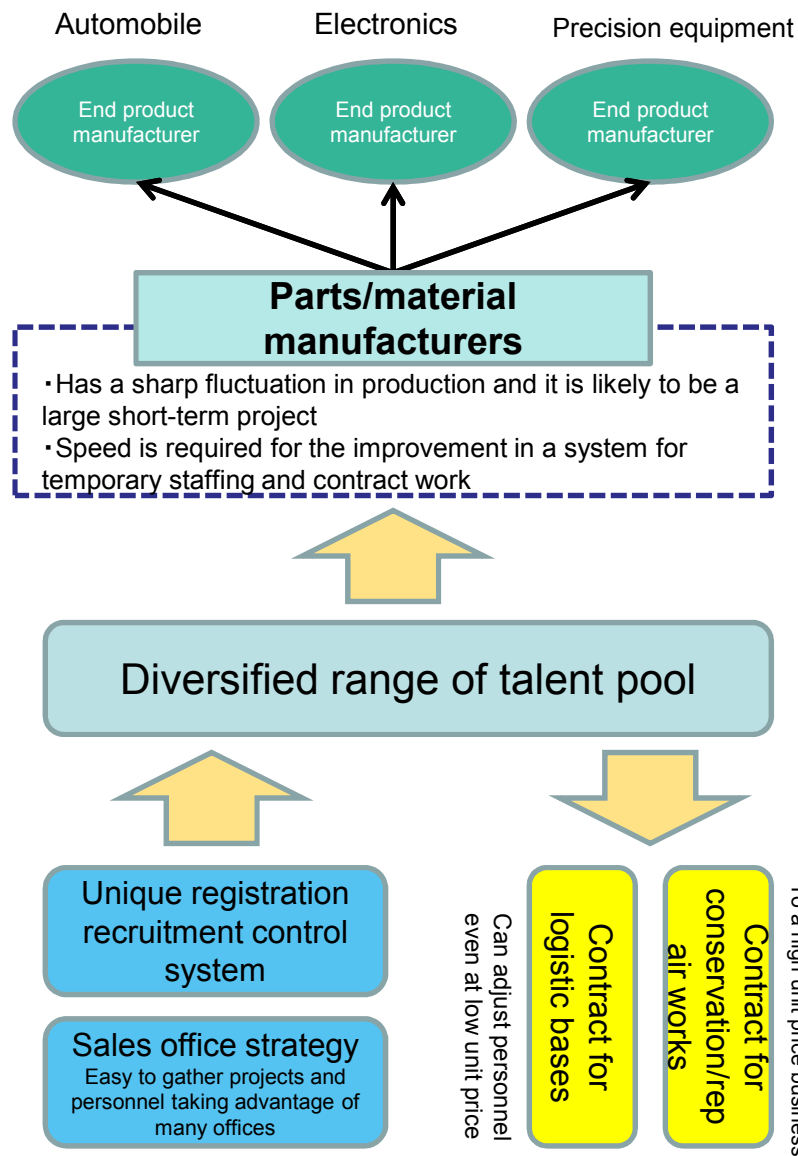


Construct an optimum portfolio to further boost growth potential and increase profitability

List of Priority Issues by Segment

	Put management resources in fields with potential for more growth	Collaboration among the group and pursuit of synergy	Build a basis focusing on profitability
Factory business	Strengthen logistics (for direct marketing/EC) Strengthen marketing for parts/material manufacturers	Diverse range of human resources Expansion of conservation/repair domains Strengthening of collaboration with Technology business	Zero employment lead time due to the introduction of unique registration recruitment control system, cut recruiting cost, respond to production change
Technology business	Shift from semiconductor to automobile/smartphone/tablet-related Shift from production technology to design development	Strengthening of collaboration with Factory business Strengthening of collaboration with GEOGRAPHIC INFORMATION OF KYUSHU in SI Strengthening of collaboration with Advan	Enhance training for engineers with a mix of OJT and off OJT, reduce employee turnover by improving the system for career formation
R&D business	Strengthen marketing for universities/research institutions/industry-academic PJ Increase in personnel in the biotechnology field including generic Increase in the research posts in the general temporary staffing domain	Clear effect of DOT acquisitionPursuit of synergy of temporary staffing and contract work	Improve CRO toward expanding highly profitable CRO domain
Information technology & telecommunications	Strengthen capable store network through scrap-and-build method	Strengthen marketing for corporations through collaboration with Best IT Business	Effective profit increase through stronger cross-sell/up-sell
Real estate business	Supply of condominiums in Tohoku area with potential for growth due to earthquake disaster reconstruction demand Supply 1,000 units a year including other regions	Collaboration with material manufacturers and manufacturers in the environmental energy field who are Factory business clients	Business Infrastructure Improvement in Tohoku Area Business Infrastructure Improvement in other regions
Others	Expansion of CB business Expansion of Construction business	Collaboration with Technology business/temporary staffing/contract development Collaboration with real estate business (construction)	Review/disposal of unprofitable businesses

Human Resources Education Business: Factory Business Priority Issue



Target strategy

Focus on marketing for global parts/material manufacturers

Sales office strategy

While peer companies carry out “business strategy,” World Intec will conduct a community-based marketing taking advantage of its locations through sales office strategy
Having many projects in many locations will contribute to recruitment

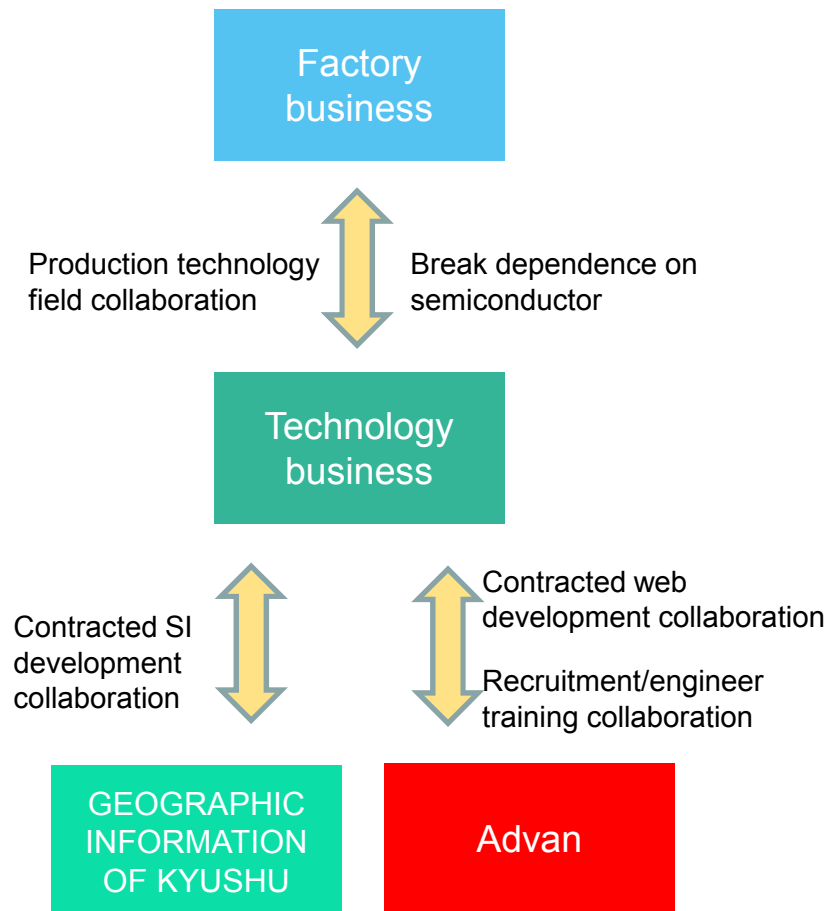
Recruitment strategy

Introduce a “registration-type” system which manufacturing did not have
Substantially **reduce recruiting cost through zero lead time for recruitment** and by securing diversified range of personnel

Domain expansion strategy

Cover the fluctuation of production with personnel transfer due to contract for logistics bases project work, etc.
Cover new domains through conservation/repair to stabilize employment

Human Resources Education Business: Technology Business Priority Issue



Target strategy

Shift to a growth market (business category)-specific business structure
Shift from semiconductor to parts/materials in production technology
Further strengthen information & telecommunications service field in design development

Cross-selling strategy

Promote development of new demands through cross-selling with group business
E.g. Collaboration with Factory business in the production technology field
Collaboration with GEOGRAPHIC INFORMATION OF KYUSHU in SI development, collaboration with Advan in web development

Recruitment strategy

Step up recruitment of entry-level engineers (technical college, bachelor, master)
Step up recruitment through collaboration with Advan in the support service for job seekers
Enhance training for engineers to increase earning power by enhancing technological capability

Increased retention strategy

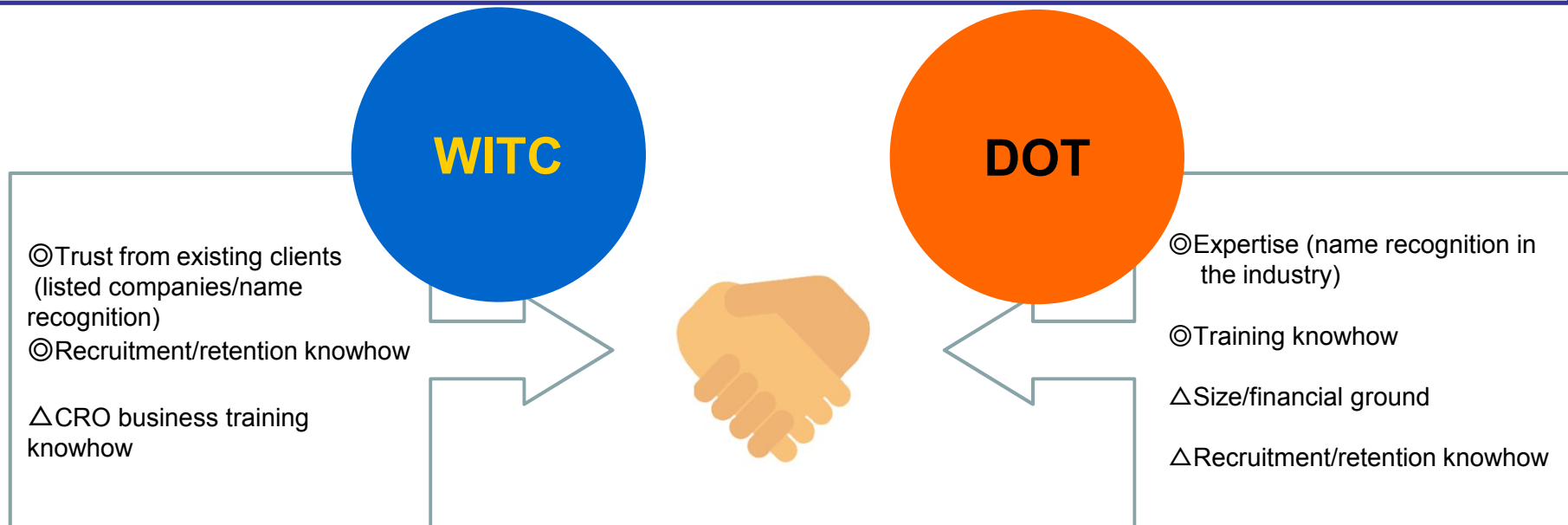
Enhance training for engineers with a mix of OJT and off OJT, reduce employee turnover by improving the system for career formation

Human Resources Education Business: R&D Business Priority Issue

2013 = The first year of actual collaboration

Synergy with DOT International

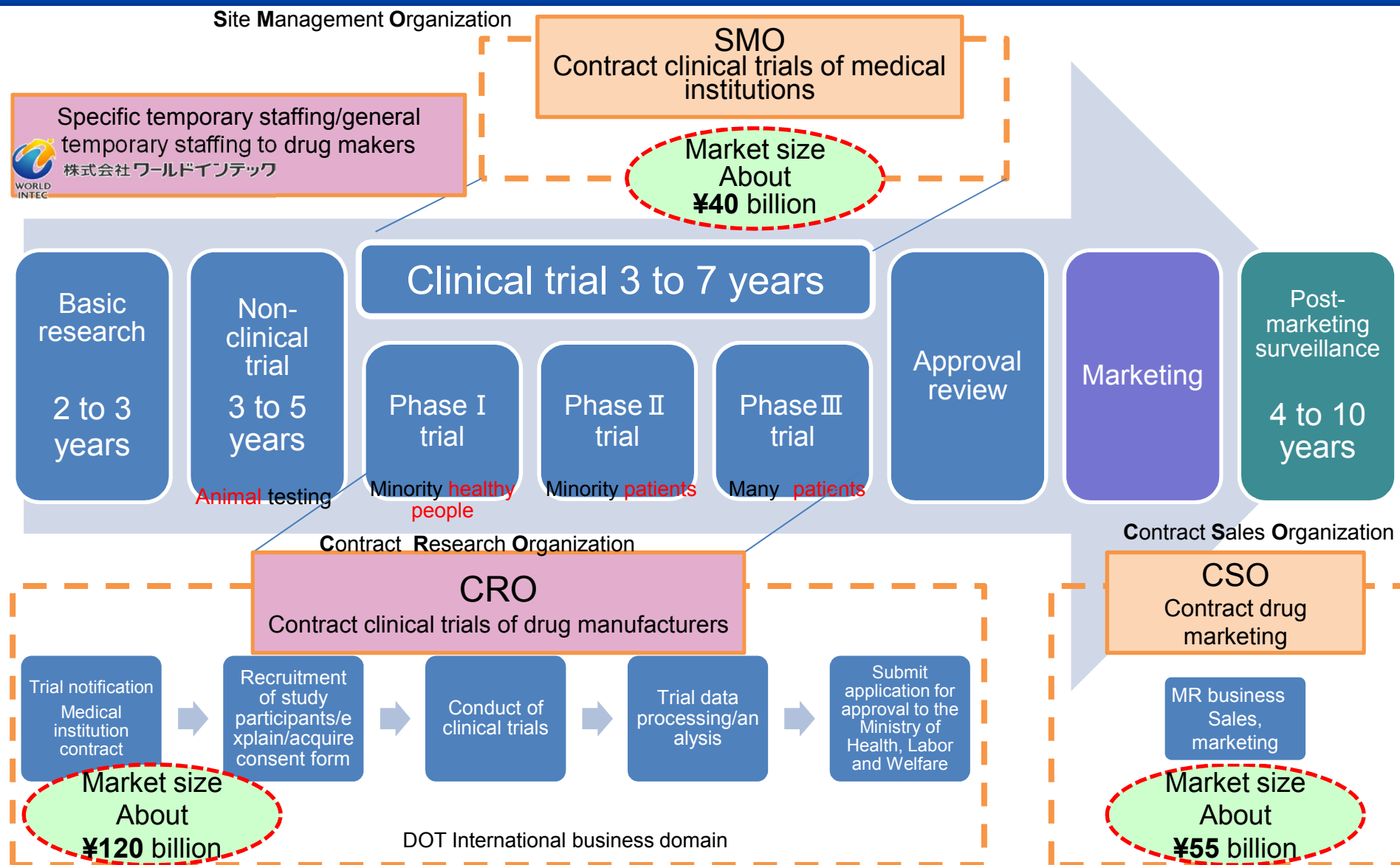
Build a system capable of taking full advantage of collaboration by using both companies' strengths and cover for each other's weaknesses



Differentiate through human resources development and stronger marketing using company training

- Expand customer share (marketing collaboration for WITC customers)
- Increase in marketing staff (development of marketing staff by DOT)
- Setting up of a department specializing in recruitment (collaboration with DOT)
- Setting up of a department specializing in training (collaboration with DOT)

Human Resources Education Business: R&D Business About CRO



Human Resources Education Business: Difference from Other Companies

Can increase steadily on a solid foundation

Other
comp
anies

M&A to simply
increase operating
income



World
Intec

Past

Promoted a strategy to
expand the company
through organization
reinforcement

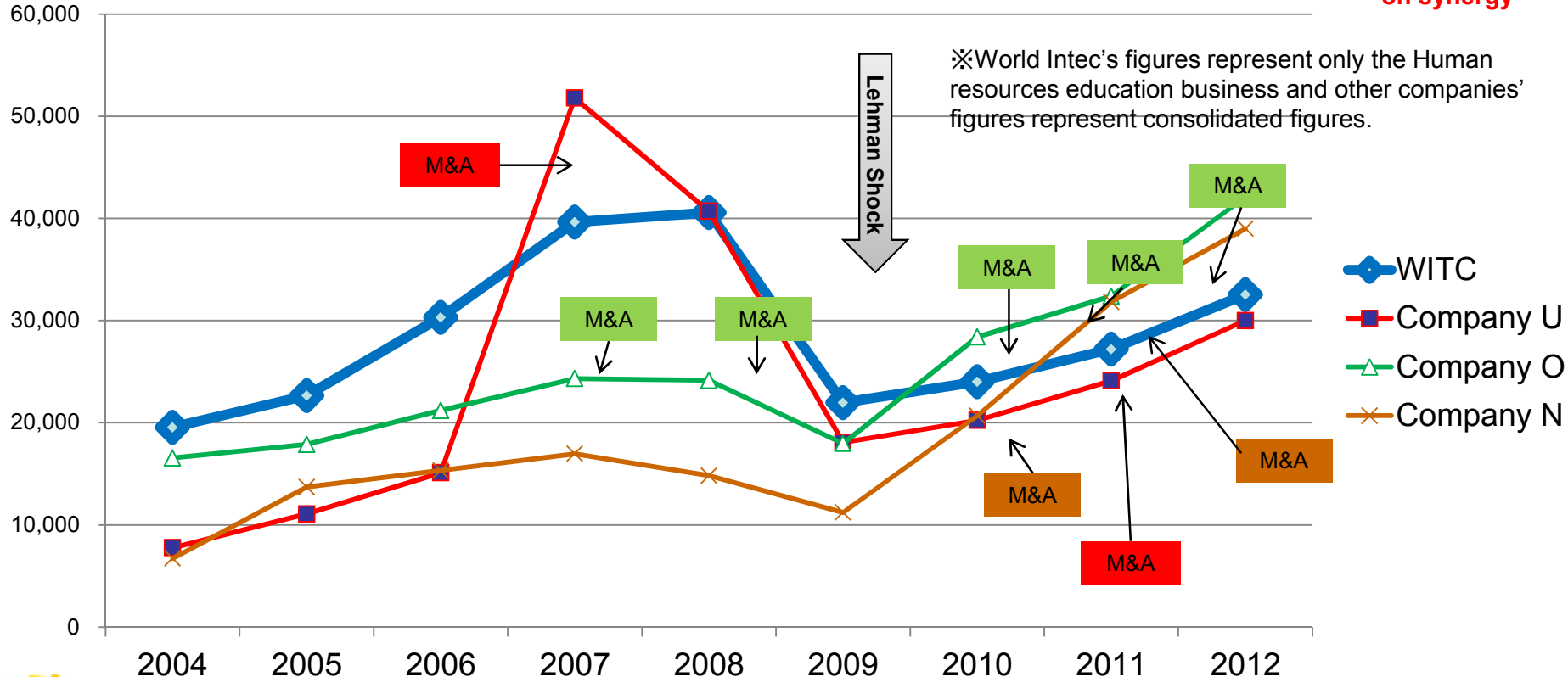


Future

M&A

Strategy to expand
new field by focusing
on synergy

Net sales
Million yen



Real Estate Business

	FY12/11	Pct. of sales	FY12/12	Pct. of sales	FY12/13 (est.)	Pct. of sales
Real estate sales	1,414	93.3	8,410	94.6	7,796	94.9
Condominium	0	0.0	7,205	81.0	5,687	69.2
Land/building	1,414	93.3	1,205	13.6	2,108	25.7
Contract selling	5	0.4	206	2.3	248	3.0
Others	96	6.3	274	3.1	171	2.1
Real estate sales total	1,515	100.0	8,890	100.0	8,215	100.0
Gross profit	605.5	40.0	2,099	23.6	2,014	24.5
Operating income	△ 100.7	△ 6.6	428.8	4.8	390	4.7

FY12/13

Absorb World iCity's selling expense and expect a slight profit decline YoY

Planned supply of condominiums in Tokyo

FY12/12 4 projects, 177 units → FY12/13 2 projects, 100 units

Prior investment period

There will be a time lag between prior investments and sales of properties purchased in the previous fiscal year and expect to supplement it with sales of lands/buildings

Real Estate Business

Latest status report

Status of the achievement in land purchase

- Fully stocked properties to be delivered in FY12/13 and FY12/14
- Start purchasing residential land in 2013

Status of the achievement in sales

- Signed a contract regarding 50% of the number of units of condominiums to be delivered
- Signed a contract regarding over 70% of the planned sales of land and building

* As of January 31, 2013

Real Estate Business: Planned Supply of Condominiums in Tokyo Area

FY12/13

2 projects/100 units (for sale)

FY12/14

5 projects/295 units (to be sold)

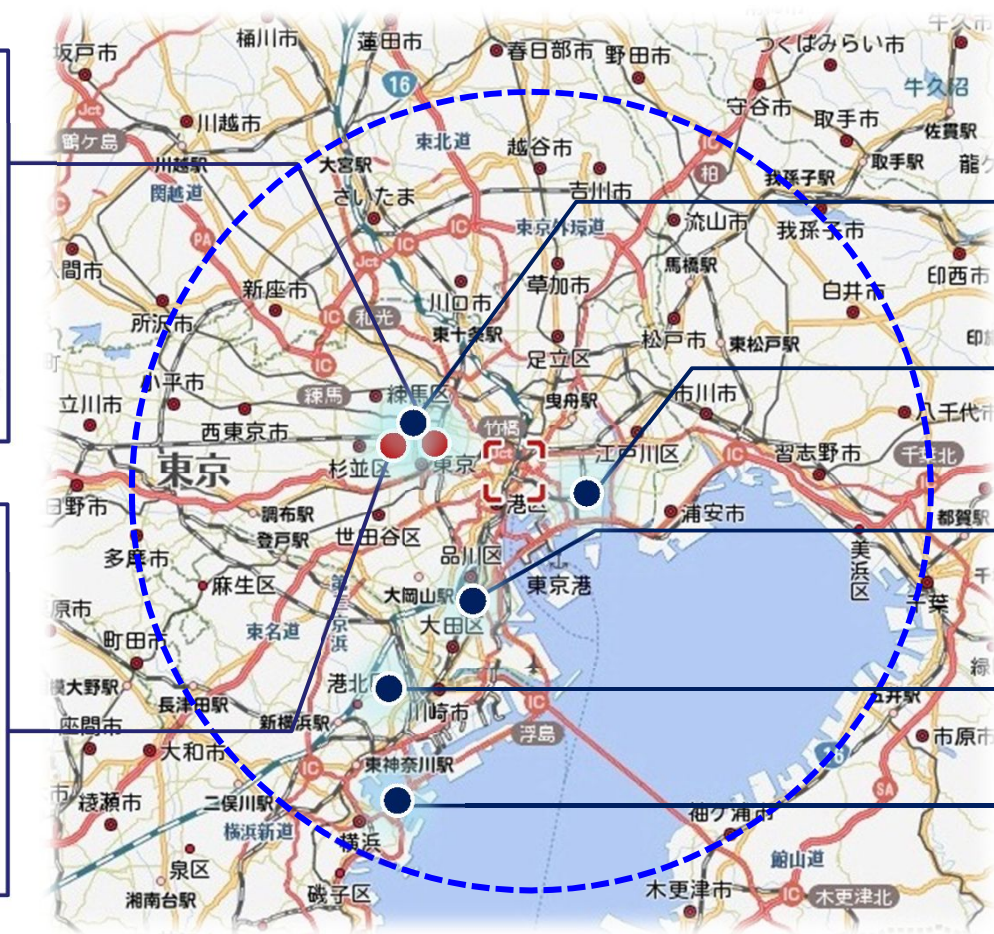
Residential Nakano-Sakaue

Nakano-ku, Tokyo 60 units



Residential Washinomiya

Nakano-ku, Tokyo 40 units



Araiyakushima project

Nakano-ku, Tokyo 40 units

Monzennakacho II project

Koto-ku, Tokyo 28 units

Shinagawa-Nakanobu II project

Shinagawa-ku, Tokyo 52 units

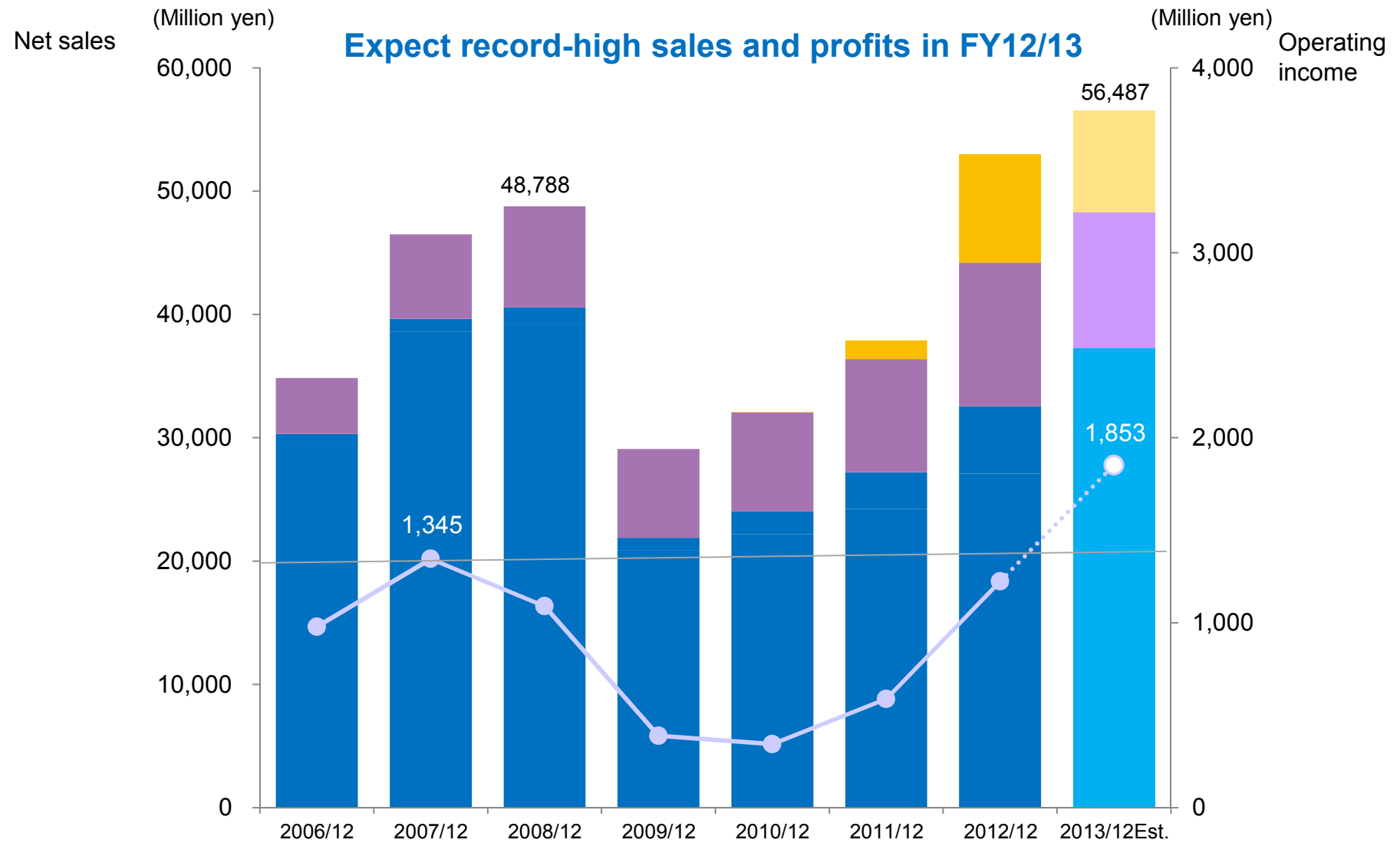
Tsunashima project

Kohoku-ku, Yokohama 45 units

Sakuragicho project

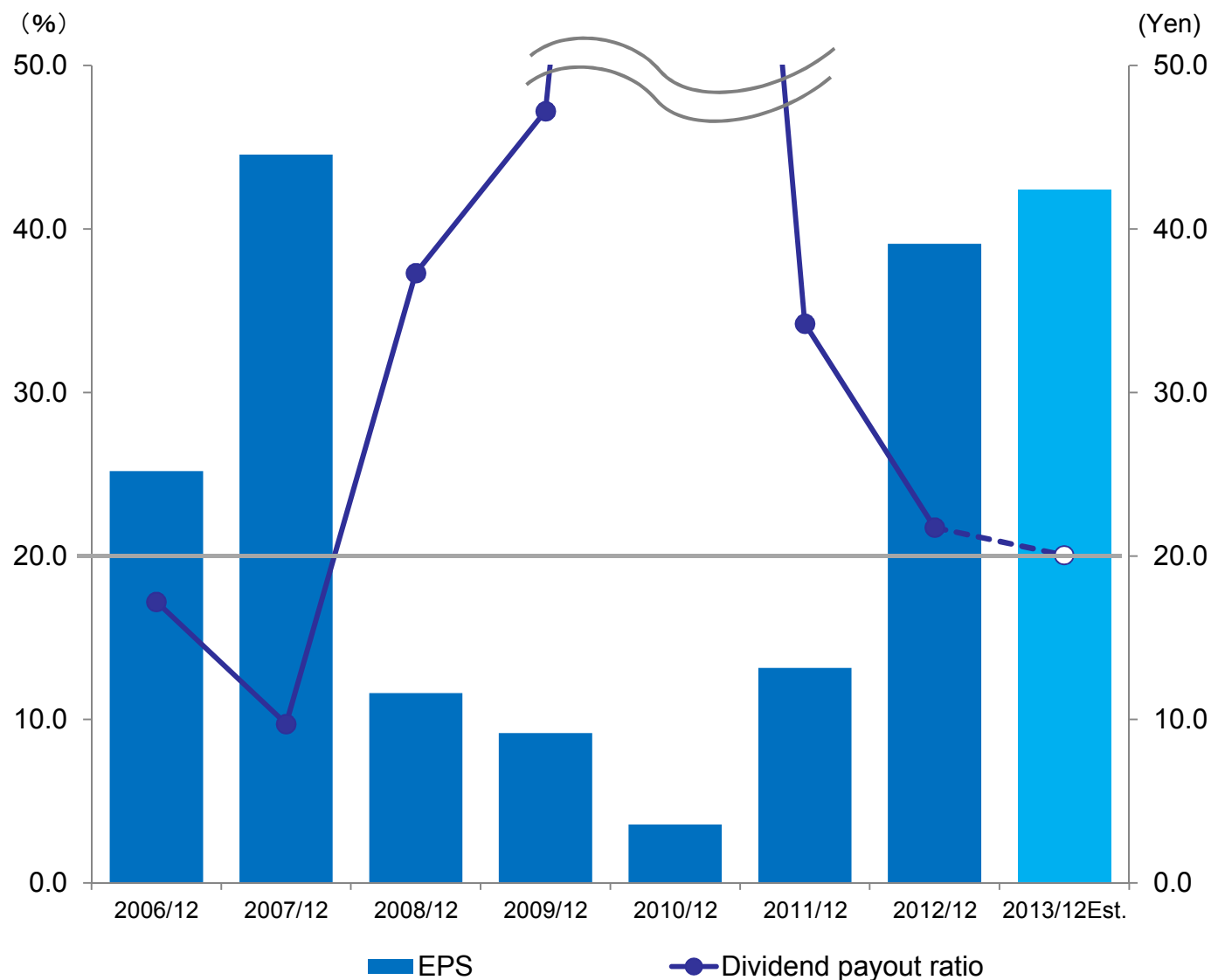
Naka-ku, Yokohama 130 units

Consolidated Business Results



WORLD INTEC

Shareholder Return



(Note) Conducted a 100-for-1 stock split on Jan. 1, 2010. EPS is calculated retroactively.

World Intec Corporate Profile

Company	WORLD INTEC CO., LTD.
Head Office	4F No.2 Quest Building, 1-3-9 Bashaku, Kokurakita Ward, Kita-Kyushu City, Fukuoka Prefecture
Established	February 12, 1993
CEO	Eikichi Iida
Main Businesses	Human resources business centered on manufacturing (R&D, Design/development, production technology, manufacturing, logistics, sales, after-sales services)
Capital	¥700 million (as of December 31, 2012)
Workforce	10,584 (consolidated/ as of December 31, 2012)
Locations	60 (consolidated/ as of December 31, 2012)
Listed Date	February 9, 2005 (JASDAQ Stock Exchange / Stock Code 2429)



《Corporate Symbol》



WORLD INTEC's corporate symbol represents the cutting edge in the effort to create new meaning to work and the joys associated with one's vocation. The blue sphere stands for our engineering expertise and the trust we have accumulated, while the yellow figure symbolizes further growth and development, as well as the corporate ideal we aim to realize.

Reference Human Resources Education Business-related Data

Factory business

[Pct. of sales by region]

	Kyushu	Chugoku	Kansai	Tokai	Kanto	Tohoku
2012/12	40.0	29.4	7.0	3.3	13.5	6.9
2011/12	39.1	28.1	7.2	5.5	13.8	6.2

[Pct. of sales by category]

	Semi conductor	Automobile	Electronics	Machinery	Logistics	Precision equipment	Environmental energy	Chemical	Food/consumables	Others
2012/12	25.1	11.5	18.8	8.2	6.7	6.3	4.6	3.3	3.2	12.3
2011/12	35.2	7.3	13.9	10.3	2.1	2.4	6.3	6.1	2.8	13.5

Technology business

[Pct. of sales by category]

	Semi conductor	Automobile	Electronics	Machinery	Precision equipment	Environmental energy	Chemical	Others
2012/12	59.1	6.1	5.3	3.3	1.4	4.0	0.4	6.3
2011/12	65.6	3.5	5.3	2.9	1.0	3.1	0.6	7.6

For more information

Akihiko Omoto
Public Relations and Investor Relations Department
Corporate Planning Division
World Intec Co., Ltd.

TEL 03-3516-1122
E-MAIL irinfo@witc.co.jp
URL <http://www.witc.co.jp/>

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