

FY2015 Third Quarter Financial Results

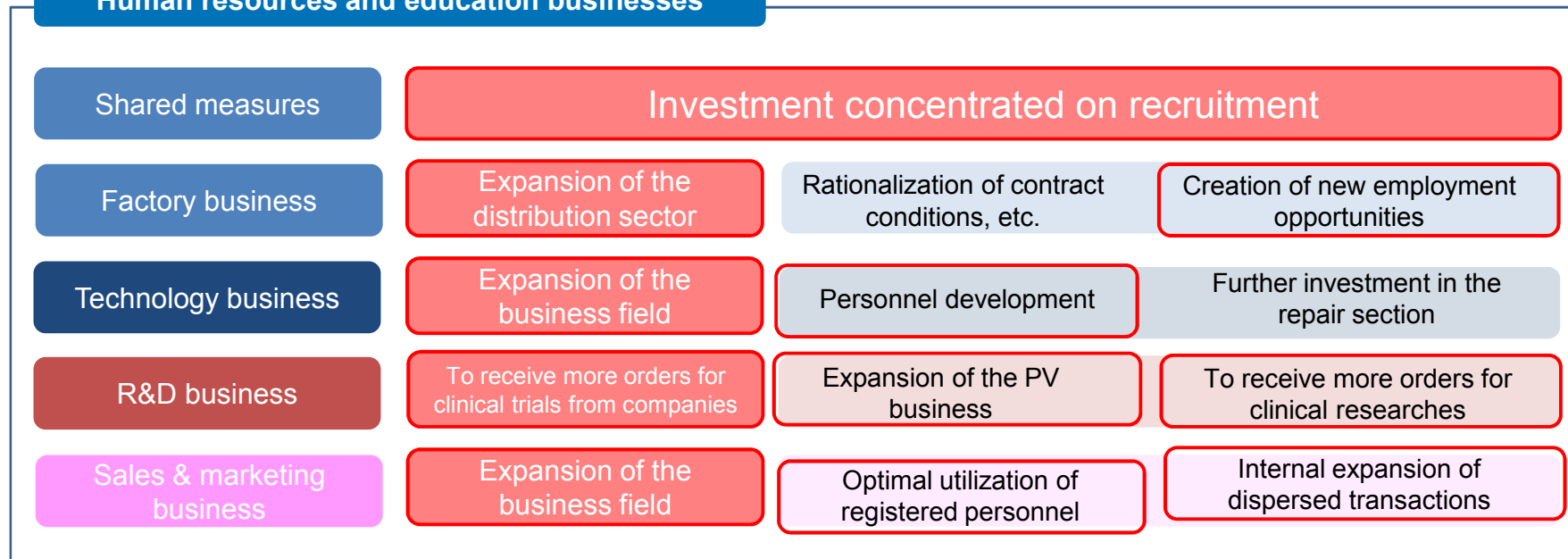


November 9, 2015 (Mon.)
WORLD HOLDINGS CO., LTD.
JASDAQ (2429)

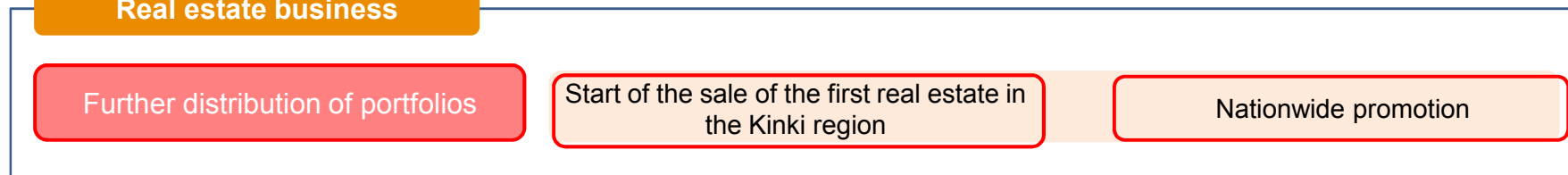
Intensive Measures in 2015 and Their Progress



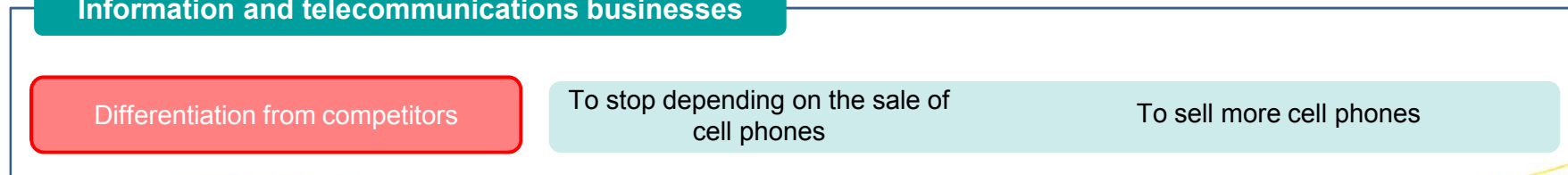
Human resources and education businesses



Real estate business



Information and telecommunications businesses





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- I. Summary of FY2015 Third Quarter Financial Results**
 - II. FY2015 Business Forecasts**

I. Summary of FY2015 Third Quarter Financial Results



Third Quarter Summary



- Sales, operating income, ordinary income, and net income reached the record high.
- In the third quarter of FY2015, operating income, ordinary income, and net income have already exceeded the full-year budget for FY2015.
- Quarterly financial results indicate that sales and operating income have increased for 6 consecutive terms.

Unit: Million yen, %

| | FY2014/3Q actual | FY2015/3Q actual | YoY | | Full-year forecast* | Ratio to full- year forecast |
|------------------|---------------------|---------------------|--------|-------------|------------------------|---------------------------------|
| | | | Change | Pct. Change | | |
| Net sales | 49,815 | 69,736 | 19,920 | 40.0 | 87,752 | 79.5 |
| Operating income | 2,627 | 4,943 | 2,315 | 88.1 | 4,700 | 105.2 |
| Ordinary income | 2,595 | 4,912 | 2,316 | 89.3 | 4,624 | 106.2 |
| Net income | 1,202 | 3,556 | 2,353 | 195.7 | 3,445 | 103.2 |

*Announced on May 7, 2015

Sales by Business Segment



- Significant increase in sales and profit for human resources and education business and real estate business.

| Unit: Million yen, % | | FY2014/3Q actual* | FY2015/3Q actual | YoY | | Full-year forecast for 4Q of fiscal 2015 | Ratio to full- year forecast | |
|---|---|-----------------------|---------------------|--------|----------------|---|---------------------------------|-------|
| | | | | Change | Pct. Change | | | |
| Human resources and education business | Factory business | Net sales | 18,217 | 19,860 | 1,643 | 9.0 | 28,597 | 69.4 |
| | | Segment income | 1,432 | 1,324 | Δ107 | Δ 7.5 | 2,196 | 60.3 |
| | | Profit margin | 7.9% | 6.7% | — | — | 7.7% | — |
| | Technology business | Net sales | 6,282 | 7,075 | 793 | 12.6 | 9,260 | 76.4 |
| | | Segment income | 494 | 775 | 280 | 56.6 | 769 | 100.7 |
| | | Profit margin | 7.9% | 11.0% | — | — | 8.3% | — |
| | R&D business | Net sales | 2,945 | 3,442 | 496 | 16.9 | 4,850 | 71.0 |
| | | Segment income | 52 | 362 | 309 | 591.4 | 447 | 80.9 |
| | | Profit margin | 1.8% | 10.5% | — | — | 9.2% | — |
| | Sales & Marketing business | Net sales | 1,898 | 2,762 | 863 | 45.5 | 4,100 | 67.4 |
| | | Segment income | 38 | 153 | 114 | 296.7 | 169 | 90.8 |
| | | Profit margin | 2.0% | 5.5% | — | — | 4.1% | — |
| | Others | Net sales | 444 | 344 | Δ99 | Δ 22.3 | 636 | 54.2 |
| | | Segment income | 21 | 12 | Δ8 | Δ 41.8 | 18 | 65.9 |
| | | Profit margin | 4.7% | 3.5% | — | — | 2.9% | — |
| Real estate business | Real estate business | Net sales | 10,291 | 27,535 | 17,244 | 167.6 | 29,321 | 93.9 |
| | | Segment income | 1,146 | 3,412 | 2,265 | 197.7 | 2,557 | 133.5 |
| | | Profit margin | 11.1% | 12.4% | — | — | 8.7% | — |
| Information & telecommunications business | Information & telecommunications business | Net sales | 9,736 | 8,714 | Δ1,021 | Δ 10.5 | 10,987 | 79.3 |
| | | Segment income | 247 | Δ47 | Δ294 | Δ 119.0 | 2 | — |
| | | Profit margin | 2.5% | — | — | — | — | — |
| Total | | Net sales | 49,815 | 69,736 | 19,920 | 40.0 | 87,752 | 79.5 |
| | | Elimination or corpor | Δ805 | Δ1,049 | Δ244 | 30.3 | Δ1,459 | — |
| | | Operating income | 2,627 | 4,943 | 2,315 | 88.1 | 4,700 | 105.2 |
| | | Operating margin | 5.3% | 7.1% | — | — | 5.4% | — |

*Announced on May 7, 2015

Factory Business

<< Sales composition by business segment and the number of staff >>

- The brand as a top company attracted various requests from various enterprises, and so sales have been healthy.
- The electric, electronic, and semiconductor segments have been growing, thanks to the favorable performance of smartphone- and car electronics-related businesses.

Factory

▪ Customer situationThe number of customers is increasing. (up 15.7% from the same period of the previous year)

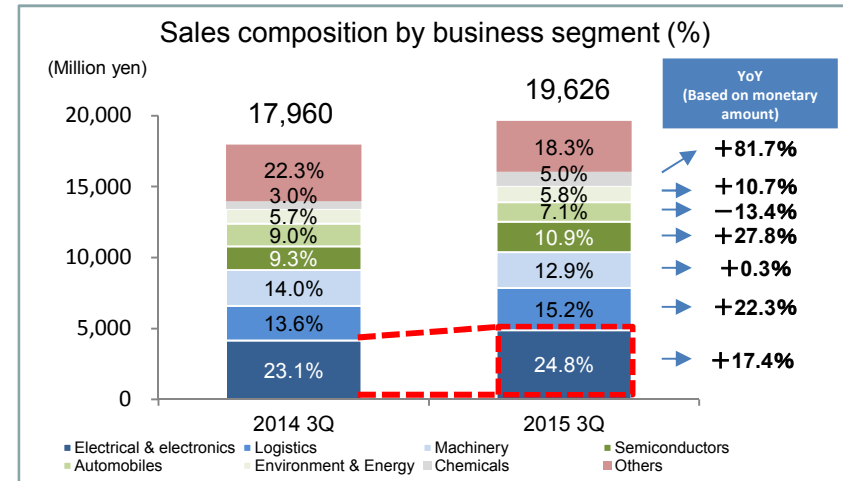
▪ No. of back orders: over 1,000

▪ Ratio of undertaking: Expanding with over 50% (up 9.3% from the same period of the previous year)

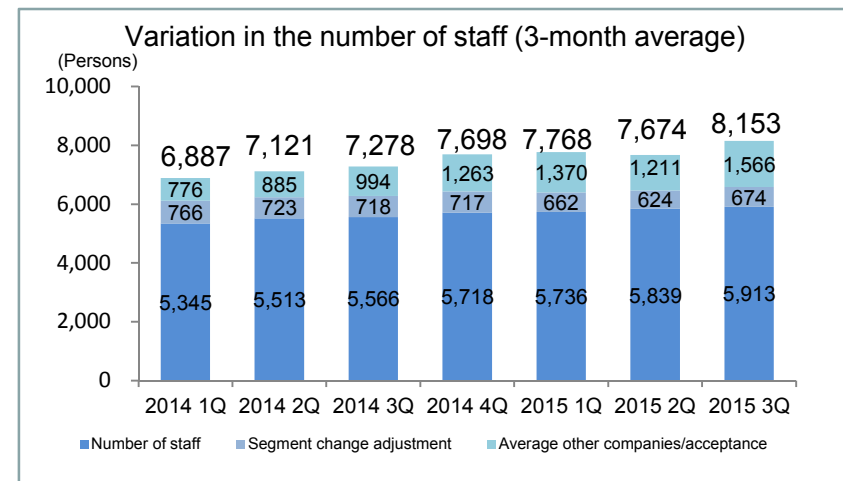
▪ Recruitment situation ...The number of workers has increased, but it is still not sufficient. The number of workers registered via “JOB PAPER (<http://www.jobpaper.net/>)” has increased.

Logistics section

▪ Customer situationThanks to the 2-year accumulation of know how and experience, we received large-scale orders.
Increase of new job vacancies in cooperation with the OCS section



* The graph indicates domestic sales excluding Taiwan.



* The number of staff is a three-month average, external staff members accepted from other companies are included.

* Number of staff includes only staff members who are engaged in on-site operational work.

Technology Business

<< Sales composition by business segment and the number of staff >>

- Design and development engineers have increased in the information & telecommunications, electric/electronic, and automobile fields.
- Production technology engineers have increased considerably in the semiconductor field.

Design and development

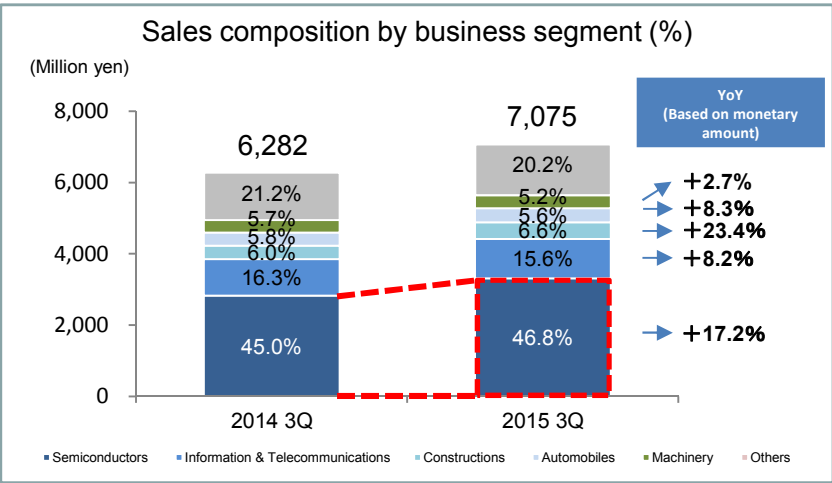
- Customer situation: Through negotiations, we increased business partners with favorable conditions (improving costs).
- Recruitment situation: Recruitment of personnel a few years after graduation and personnel development through team dispatch

Production technology

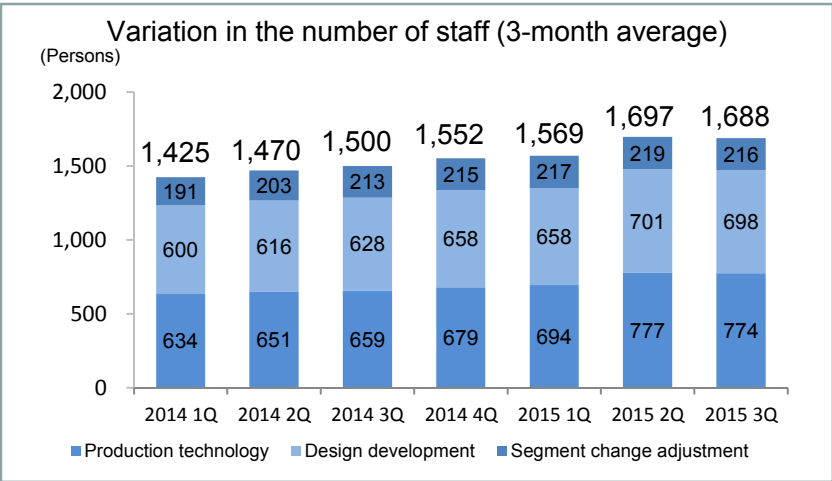
- Customer situation: In cooperation with the factory section, we increased customers mainly in the semiconductor field.
- Recruitment situation: The number of employees increased steadily (up 115 from the same period of the previous year).

Repair section

- Customer situation: Steady sales in the busy season for the repair of a broad range of home appliances
- Expansion of target fields: Prior investment in skill improvement training for acquiring new customers in cooperation with the distribution section



* Retroactive adjustments have been made for segment changes in the graph.



* The number of staff is a three-month average.
 * Number of staff includes only staff members who are engaged in on-site operational work.

R&D Business

<< Sales composition by business segment and the number of staff >>

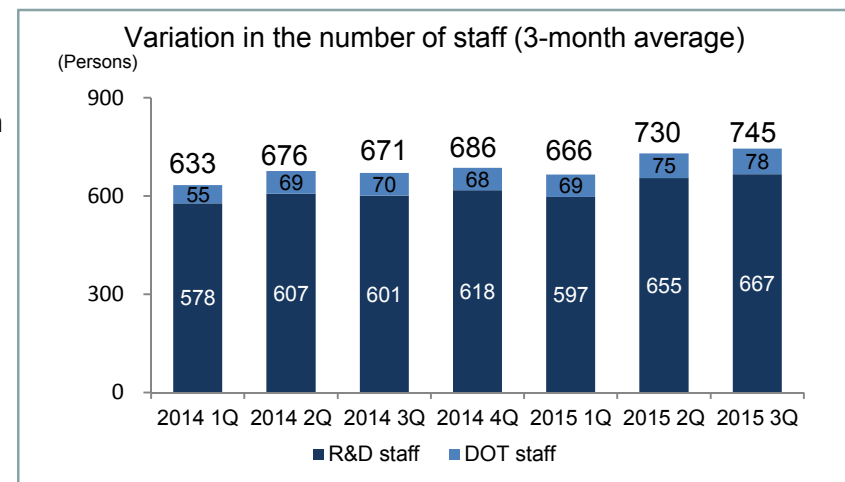
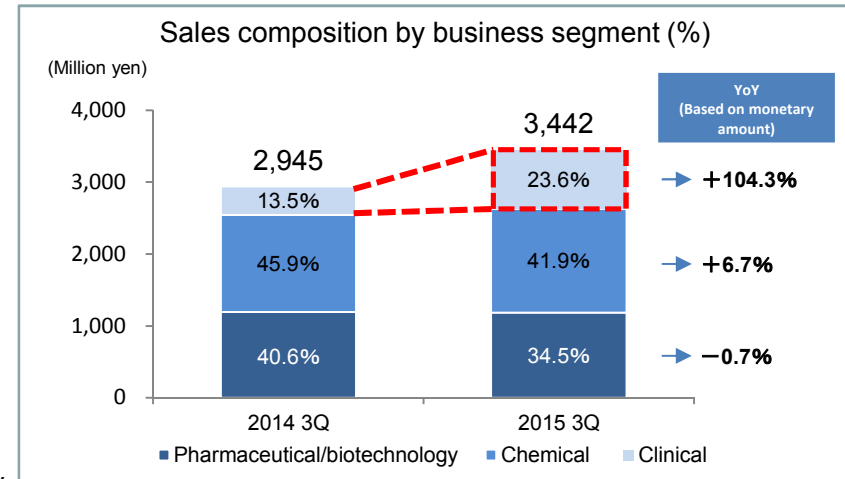
- Recruitment of personnel a few years after graduation, and personnel with expertise, for meeting the increased demand in chemical and pharmaceutical fields
- DOT International received clinical trials for large companies from pharmaceutical companies.

R&D

- Customer situation: Growth of sales due to the favorable results in the chemical field
Also for PV*, we increased business partners based on collaboration.
- Recruitment situation: Improvement in recruitment by revising methods widely from various aspects
Increase of new employees, due to the recruitment of personnel a few years after graduation (who joined our company in Sep.) (up 600% from the same period of the previous year)
The number of new graduates employed increased considerably (up 160% from the same period of the previous year).

DOT

- Customer situation: We have undertaken clinical trials for large companies since the beginning of the term.
The number of entrusted clinical researches is increasing (up about 20 times from last year).
- Recruitment situation: OJT-based personnel development, including the increase of skilled workers, accompanying workers to hospitals, and utilization of assistant staff



• The number of staff is a three-month average. Number of staff includes only staff members who are engaged in on-site operational work.
* PV=Abbreviation of Pharmacovigilance
To appropriately and swiftly collect and analyze safety information, such as the side effects of pharmaceutical products.

Sales and Marketing Business

<< Sales composition by business segment and the number of staff >>

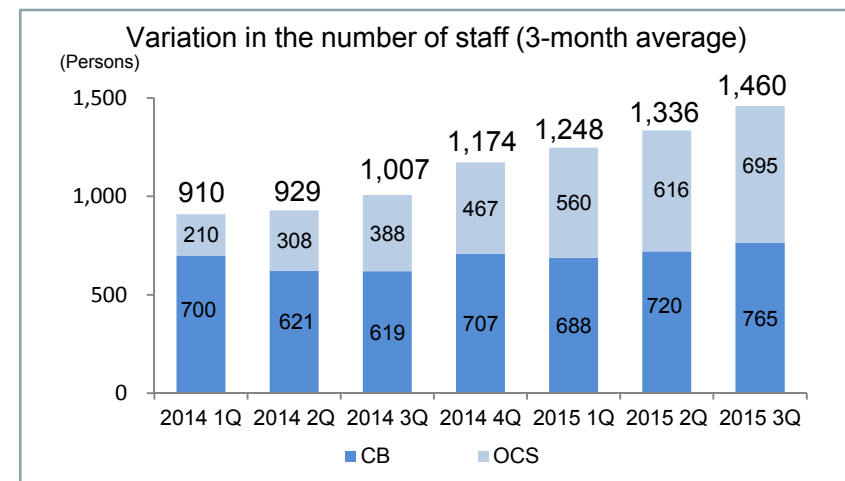
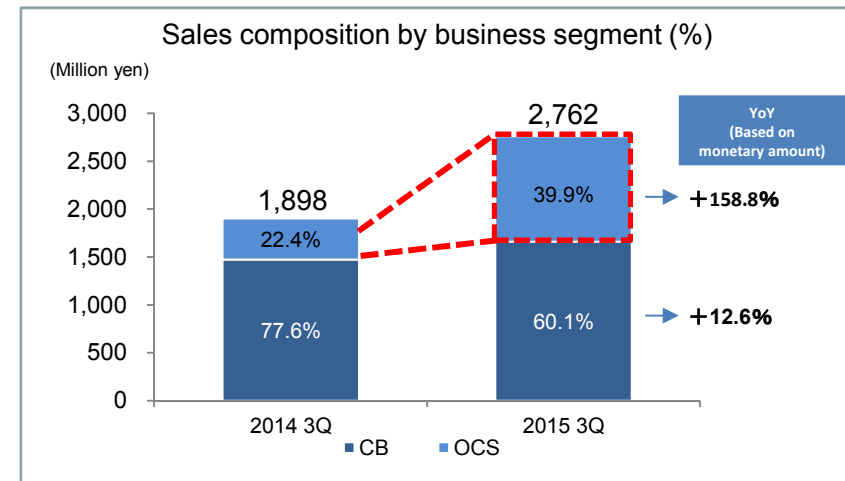
- CB (dispatching sales staff) business: Considerable improvement in profit due to strategic increase of business partners and index management
- OCS (dispatching operators to places such as call centers) business: Steady growth through large transactions

CB

- Customer situation: Expansion of our business fields, including the direct contracts with department stores and mass retailers
- Recruitment situation: As customers have changed, employment opportunities are increasing.

OCS

- Customer situation: The number of customers is increasing steadily. (The number of transactions increased 44.5% from the same period of the previous year.)
- Recruitment situation: Both the number of registrations and the number of recruitments have been healthy.
- System development: We are increasing and training proper staff who can deal with large projects.



* The number of staff is a three-month average.

* Number of staff includes only staff members who are engaged in on-site operational work.

Real Estate Business 1

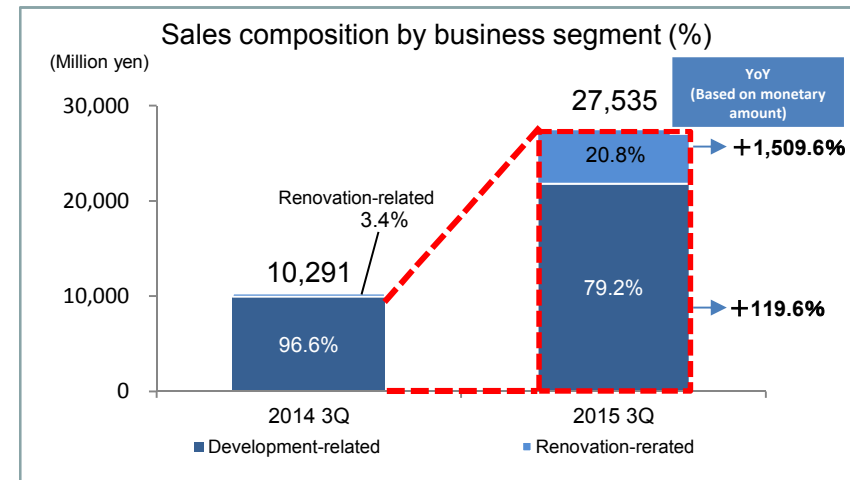
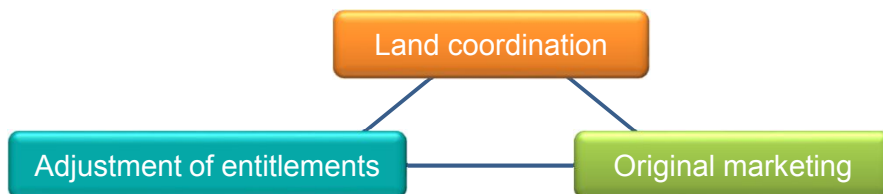
<< Sales composition by business segment and the numbers of units supplied and to be transferred>>

- The first real estate in the Kinki region to be transferred.
- “Branz Yokohama-bashamichi Residential,” which is the joint project with a leading real estate developer, received the Good Design Award.
- Entry to the prefabricated house and rental business fields through M&A

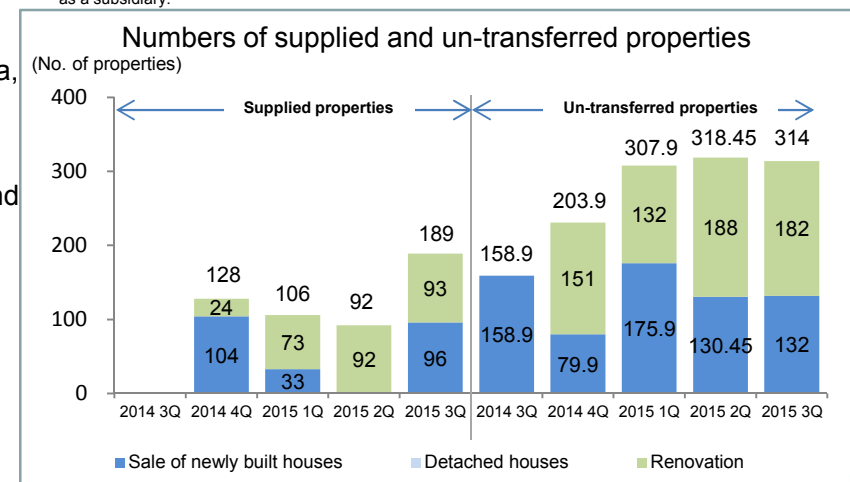
Situation of activities

- Procurement: 17 pieces of real estate (12 pieces in the Tokyo Metropolitan Area, 4 pieces in the Tohoku region, and 1 piece in the Kinki region)
- Supply: 129 units (52 units in the Tokyo Metropolitan Area, 44 units in the Tohoku region, and 33 units in the Kinki region)
- Transfer: Apartments: 300.4 units (104.4 units in the Tokyo Metropolitan Area, 184 units in the Tohoku region, and 12 units in the Kinki region)
 - Lot sale: 1 lot (in the Tokyo Metropolitan Area)
 - Brokerage: 17 pieces (7 pieces in the Tokyo Metropolitan Area, and 10 pieces in the Tohoku region)
 - Land: 7 pieces (in the Tokyo Metropolitan Area)

【 Advantages in procurement 】



* Renovation is newly included from the 4Q of FY2014, in association with acquiring Mikuni Sangyo Co., Ltd. as a subsidiary.



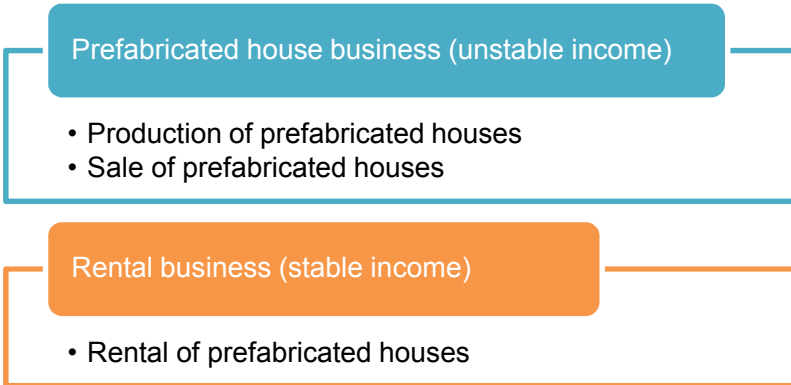
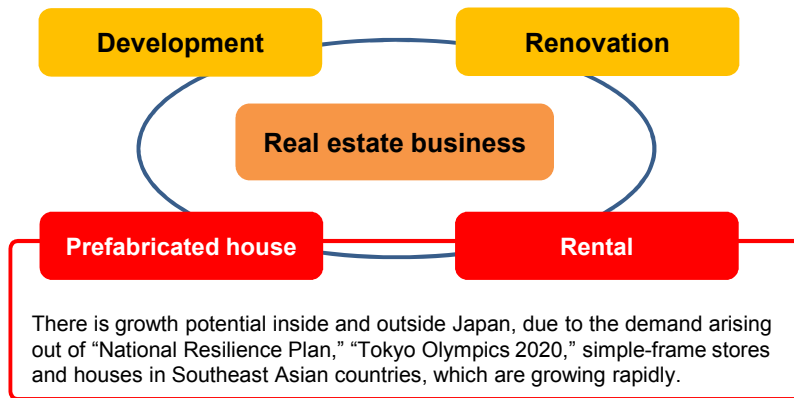
* The supplied properties were included at the time when their sales began. The un-transferred properties include the already-contracted ones. For JV projects, proportionally distributed number was used.

Real Estate Business 2

Acquisition of the shares of Ohmachi Co., Ltd. and Unitex Co., Ltd.

In order to start “rental business” for the purpose of expanding our real estate business field, we acquired the shares of Ohmachi Co., Ltd., which had the 27-year history of producing and selling prefabricated houses, and Unitex Co., Ltd., which rents prefabricated houses. We will make efforts to respond to the growth of demand for infrastructure, including the “Olympic demand.”

《Expansion of our business fields》



● Outline of Ohmachi Co., Ltd.

| | |
|------------------------------|--|
| Business content | Production and sale of prefabricated houses |
| Date of establishment | Nov. 4, 2008 (The prefabricated house business was started in Aug. 1988.) |

Original products

These prefabricated houses can be doubled or tripled in size at the time of installation, and the folding method for easy setting was adopted. There are no competitors that use this folding method, and so we have a competitive advantage in transportation cost.



● Outline of Unitex Co., Ltd.

| | |
|------------------------------|---|
| Business content | Rental of prefabricated houses, and sale of used prefabricated houses |
| Date of establishment | Aug. 29, 2001 |

Information & Telecommunications Business

<<Variations in sales and the number of stores>>

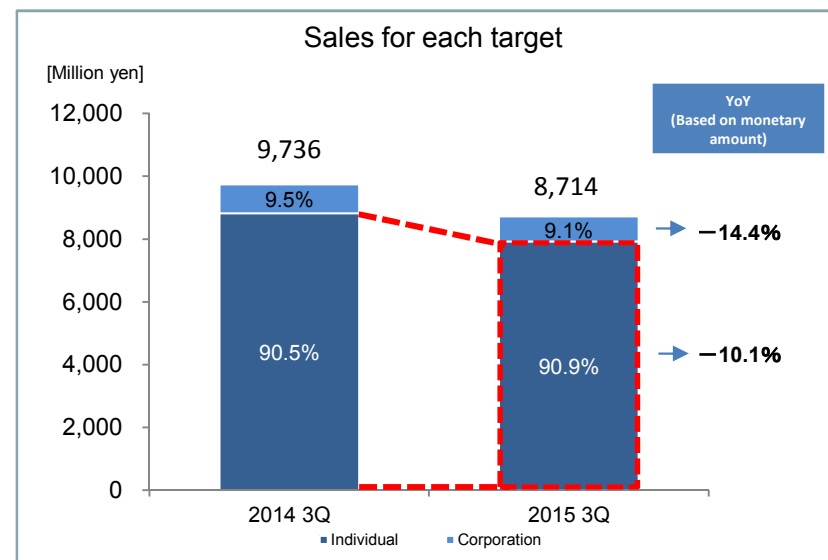
- In the middle of industrial restructuring, we dismantled and rebuilt stores strategically, and prepared for future expansion.
- We cultivate new needs with the original shop “Window for Cell Phones.”

For individuals

- Cell phone shops: To enhance scrapping & building
To close unprofitable shops systematically
- Development of new business models (Window for Cell Phones)
 - Provision of information on how to utilize cell phones
 - Purchase and sale of used cell phones
 - Planning of the sale of products of MVNO*

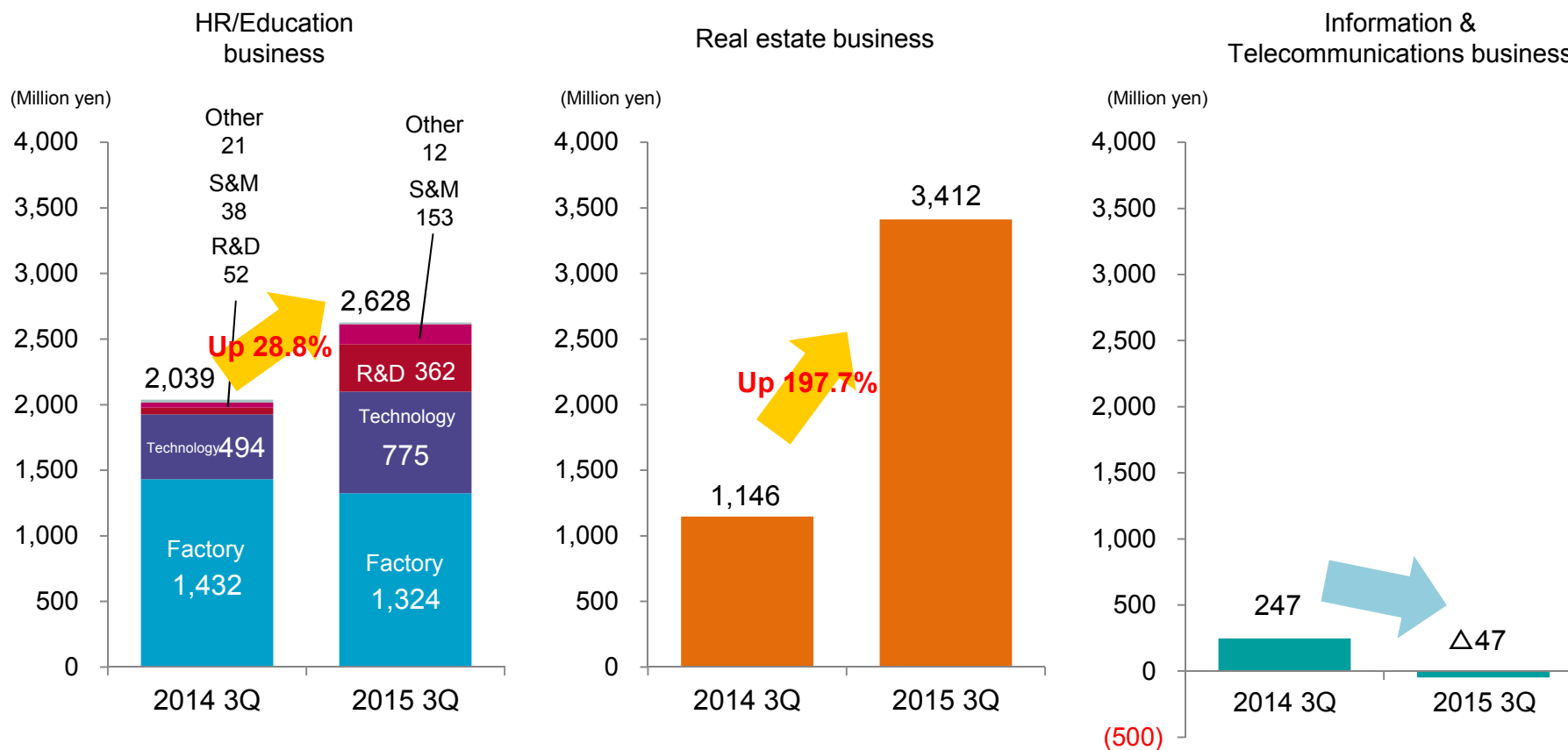
For corporations

- We enhanced the sale of LEDs, OA devices, etc. to corporations. The sales volume of LEDs increased 364% from the same period of the previous year.
- Market environment: Fluorescent and incandescent lamps are to be discontinued in 2017. All lamps will be replaced by LEDs.



*MVNO=Abbreviation of Mobile Virtual Network Operator
Operators that rent the lines for mobile communications, and offer their services as their brands

Changes in Operating Income by Segment



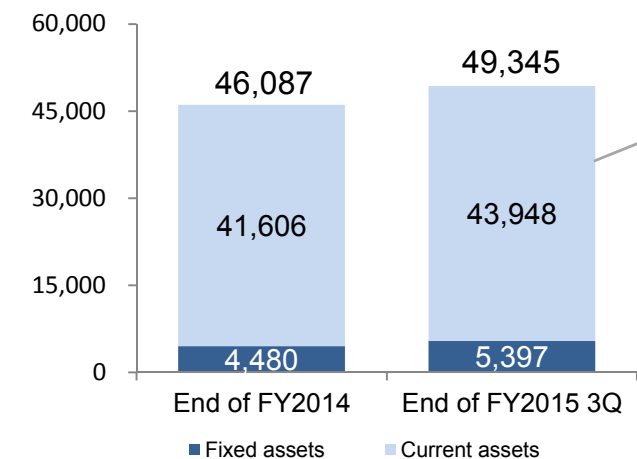
Units less than one million yen rounded down
S&M: Sales and Marketing

Financial Condition B/S



- Total assets increased by 3,258 million yen, mainly because of the acquisition of real estate for sale (3,016 million yen increase).

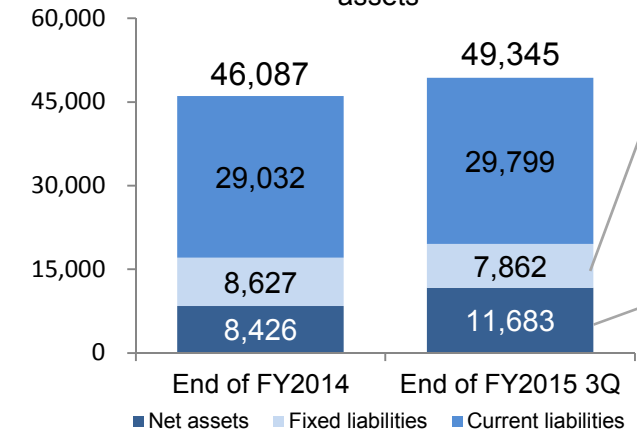
(Million yen) Total assets



Current assets 43,948 (+2,342)

- Increase in real estate for sale: 3,016 million yen

(Million yen) Total liabilities/net assets



Liabilities 37,662 (+1)

- Increase in short-term debt for the purchase of real estate for sale: 4,320 million yen
- Decrease in accounts payable for realty businesses: -1,412 million yen
- Decrease in long-term debt for the purchase of real estate for sale: -952 million yen

Net assets 11,683 (+3,256)

- Increase in retained earnings: 3,162 million yen



II. FY2015 Business Forecasts

Summary of FY2015 Business Forecasts



- Both operating income and ordinary income will significantly exceed the original forecast.
- Both sales and each profit will mark the record high.

| Unit: Million yen, % | FY2014 actual | FY2015 Forecast * | Change from forecast | |
|--------------------------|---------------|----------------------|----------------------|-------------|
| | | | Change | Pct. Change |
| Net sales | 68,829 | 87,752 | 18,922 | 27.5 |
| Operating income | 3,748 | 4,700 | 951 | 25.4 |
| Ordinary income | 3,722 | 4,624 | 901 | 24.2 |
| Net income | 1,992 | 3,445 | 1,453 | 73.0 |
| EPS (yen) | 118.5 | 206.21 | 87.7 | – |
| Dividend per share (yen) | 23.7 | 41.3 | 17.6 | – |

* Announced on May 7, 2015

Business Forecasts by Segment

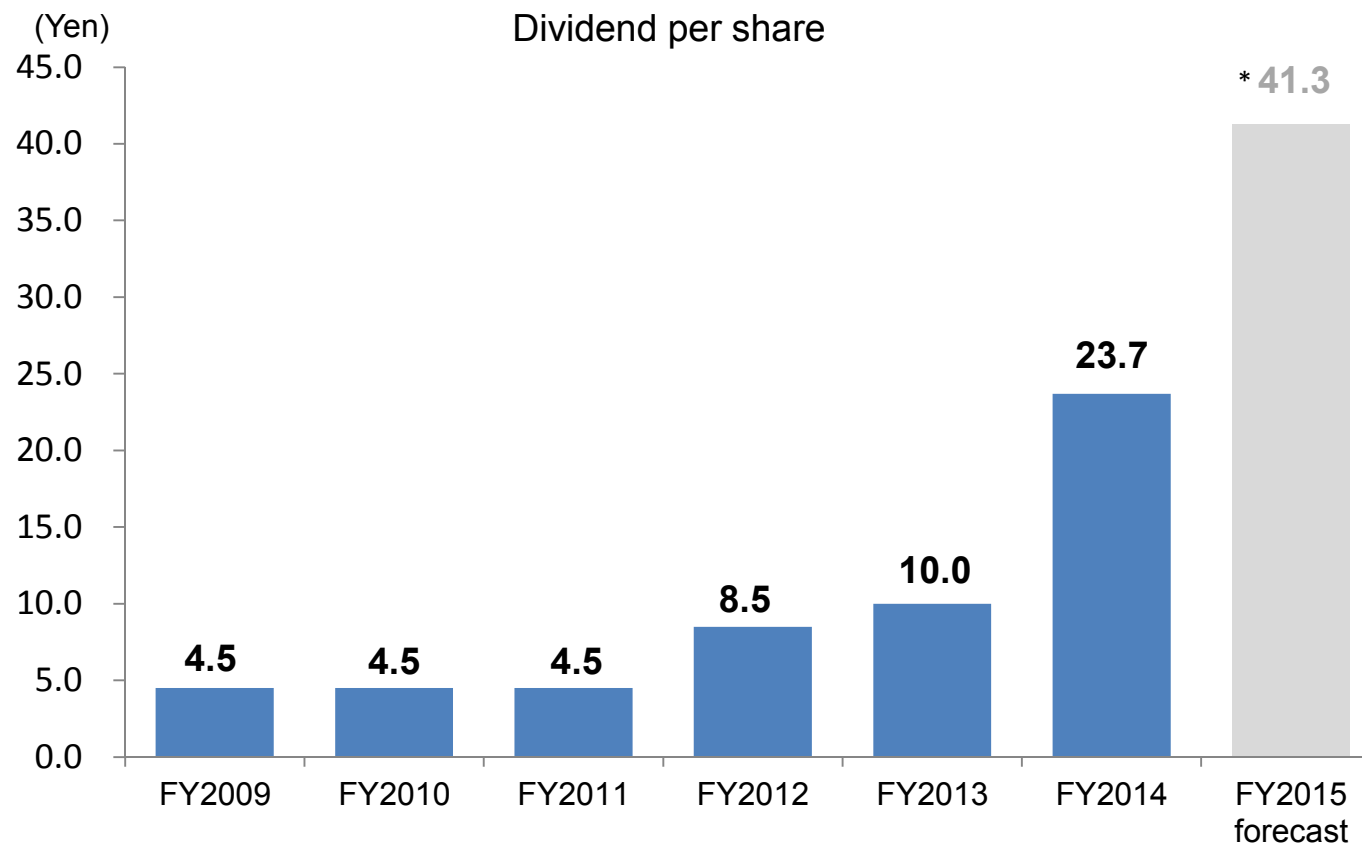


| Unit: Million yen, % | | | FY2014 actual | FY2015 forecast * | Change from forecast | |
|---|--|--------------------------|------------------|-------------------------|----------------------|--------|
| | | Change | | | Pct. Change | |
| Human Resources and Education business | Factory business | Net sales | 24,928 | 28,597 | 3,668 | 14.7 |
| | | Segment income | 1,918 | 2,196 | 277 | 14.5 |
| | | Profit margin | 7.7% | 7.7% | — | — |
| | Technology business | Net sales | 8,430 | 9,260 | 830 | 9.8 |
| | | Segment income | 699 | 769 | 70 | 10.1 |
| | | Profit margin | 8.3% | 8.3% | — | — |
| | R&D business | Net sales | 4,062 | 4,850 | 787 | 19.4 |
| | | Segment income | 159 | 447 | 287 | 179.9 |
| | | Profit margin | 3.9% | 9.2% | — | — |
| | Sales & Marketing business | Net sales | 2,679 | 4,100 | 1,420 | 53.0 |
| | | Segment income | 72 | 169 | 96 | 131.6 |
| | | Profit margin | 2.7% | 4.1% | — | — |
| | Others | Net sales | 574 | 636 | 61 | 10.7 |
| | | Segment income | 18 | 18 | 0 | 2.8 |
| | | Profit margin | 3.2% | 2.9% | — | — |
| Real Estate business | Real estate business | Net sales | 15,545 | 29,321 | 13,775 | 88.6 |
| | | Segment income | 1,869 | 2,557 | 687 | 36.8 |
| | | Profit margin | 12.0% | 8.7% | — | — |
| Information & Telecommunications business | Information & Telecommunication business | Net sales | 12,608 | 10,987 | Δ1,621 | Δ 12.9 |
| | | Segment income | 172 | 2 | Δ170 | Δ 98.8 |
| | | Profit margin | 1.4% | 0.0% | — | — |
| Total | | Net sales | 68,829 | 87,752 | 18,922 | 27.5 |
| | | Elimination or corporate | Δ1,162 | Δ1,459 | — | — |
| | | Operating income | 3,748 | 4,700 | 951 | 25.4 |
| | | Operating margin | 5.4% | 5.4% | — | — |

* Announced on May 7, 2015



Maintaining dividend increase in line with profit growth



*Announced on May 7, 2015

*The forecast and dividend estimates are based on the information that the Company currently has and a certain assumption that is considered reasonable. There is a possibility that the actual results may largely differ based on various factors.

For more information



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