



## FY2017 Third Quarter Financial Results



November 6, 2017 (Mon)  
WORLD HOLDINGS CO., LTD.  
First Section of Tokyo Stock Exchange (2429)

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## I . Summary of FY2017 Third Quarter Financial Results



# Overview of Financial Results

Sales increased in all segments. Sales of the human resources and education businesses has grown for 7 consecutive terms. Income in the real estate business declined considerably due to the rush for property handover by the third quarter in the previous fiscal year; however, the full-year progress is as planned.

(Unit: Million yen, %)

	2016/3Q actual	2017/3Q actual	YOY		Full-year Budget*	Ratio to full- year budget
			Change	Pct. Change		
Net sales	69,675	83,718	14,042	20.2	123,846	67.6
Operating income	6,506	3,399	△3,106	△47.8	6,270	54.2
Ordinary income	6,454	3,375	△3,078	△47.7	5,936	56.9
Net income attributable to owners of parent	3,678	2,256	△1,421	△38.7	3,519	64.1

\*Announced on February 13, 2017

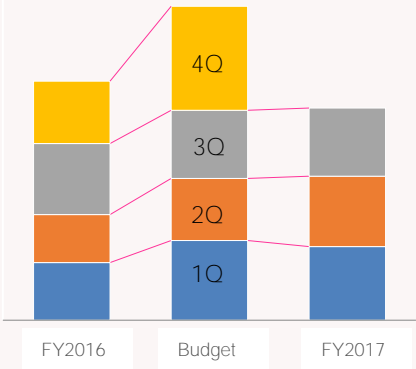
# Overview of Business Results by Segment

- **Human Resources and Education Business:** Both sales and income rose considerably thanks to the thorough establishment of a system for recruitment, training, and job retention.
- **Real Estate Business:** The largely fluctuating business characteristics are under our complete control, and sales show a healthy growth for achieving the full-year budget.
- **Information and Telecommunications Business:** The area strategy has been shifted from a point to a plane, and prior investment has been made in augmenting the number of stores and remodeling stores.

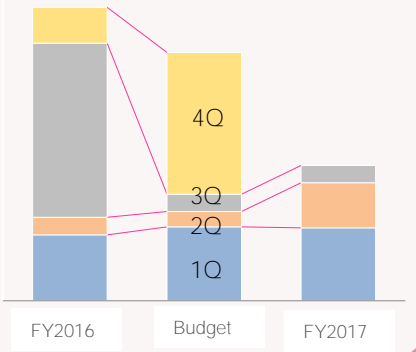
			2016/3Q actual		2017/3Q actual		YOY		Full-year budget*		Ratio to full- year budget
			(Profit margin)		(Profit margin)				(Profit margin)		
Unit: Million yen, %							Change	Pct. Change			
Human Resources and Education Business	Factory Business	Net sales	21,623		29,342		7,718	35.7	34,299		85.5
		Segment income	1,539	(7.1%)	2,044	(7.0%)	505	32.8	2,242	(6.5%)	91.2
	Technology Business	Net sales	7,437		9,028		1,590	21.4	11,818		76.4
		Segment income	772	(10.4%)	959	(10.6%)	186	24.1	940	(8.0%)	102.0
	R&D Business	Net sales	4,022		4,703		680	16.9	6,400		73.5
		Segment income	361	(9.0%)	437	(9.3%)	75	21.0	582	(9.1%)	75.0
	Sales & Marketing Business	Net sales	4,021		4,450		429	10.7	6,500		68.5
		Segment income	236	(5.9%)	195	(4.4%)	Δ41	Δ 17.4	397	(6.1%)	49.2
	Total (reference)	Net sales	37,105		47,523		10,418	28.1	59,018		80.5
		Segment income	2,910	(7.8%)	3,636	(7.7%)	726	25.0	4,163	(7.1%)	87.4
Real Estate Business	Real Estate Business	Net sales	26,422		27,349		926	3.5	50,685		54.0
		Segment income	4,999	(18.9%)	1,198	(4.4%)	Δ3,800	Δ 76.0	3,702	(7.3%)	32.4
Information and Telecommunications Business	Information and Telecommunications Business	Net sales	5,796		6,618		822	14.2	10,198		64.9
		Segment income	164	(2.8%)	86	(1.3%)	Δ78	Δ 47.5	245	(2.4%)	35.2
Other	Others	Net sales	350		2,226		1,875	534.7	3,943		56.5
		Segment income	12	(3.7%)	Δ42	-	Δ55	-	36	(0.9%)	-
Total		Net sales	69,675		83,718		14,042	20.2	123,846		67.6
		Elimination or corporate	Δ1,581		Δ1,479		101	-	Δ1,877		-
		Operating income	6,506	(9.3%)	3,399	(4.1%)	Δ3,106	Δ 47.8	6,270	(5.1%)	54.2

# Budget Progress / "Consolidated" & "Human Resources and Education Business"

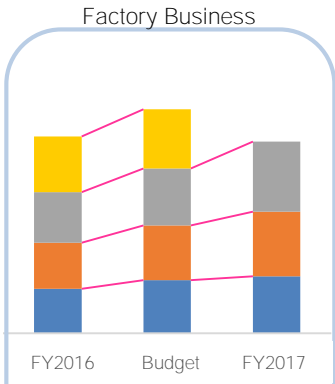
## Consolidated



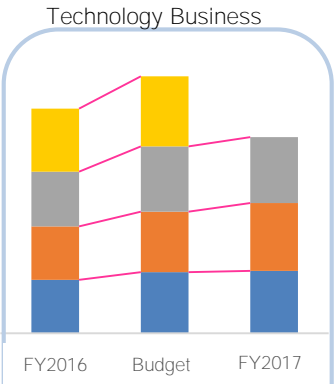
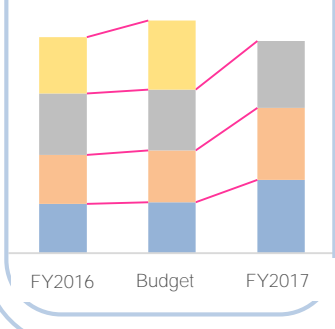
Sales growth is nearly as planned, and income has significantly overachieved the budget, led by the human resources and education business.



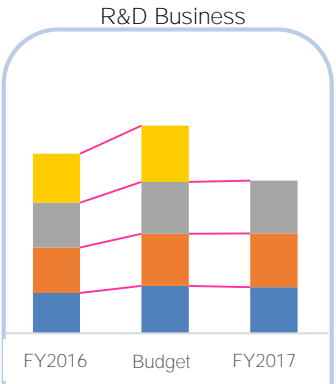
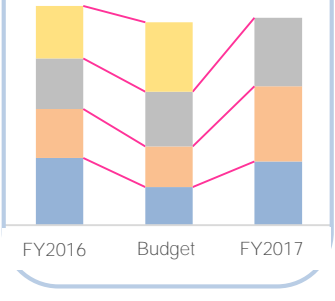
## Human Resources and Education Business



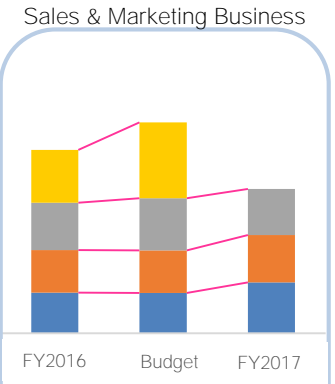
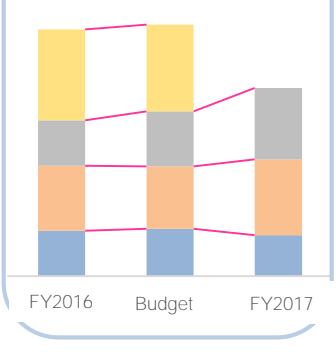
As we dealt with large-scale projects and expanded the contract scale, both sales and income have significantly overachieved the budget.



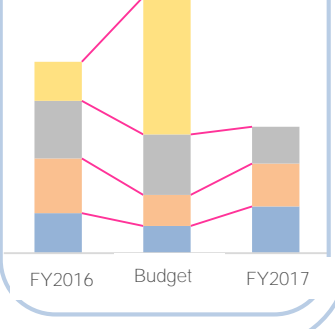
As we have shifted to projects with more favorable conditions based on the achievements in human resources development, both sales and income have shown a healthy increase.



Income has increased as we have strategically optimized charges by developing human resources with stronger loyalty to their companies.



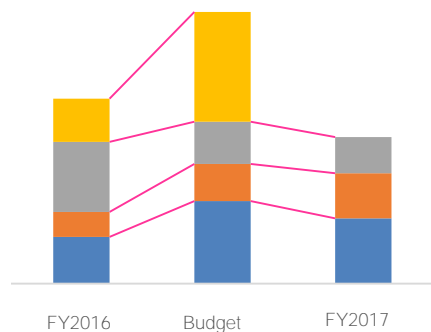
We have focused on environmental arrangement, such as reorganization of business fields, relocation of bases, and enhancement of the management department.



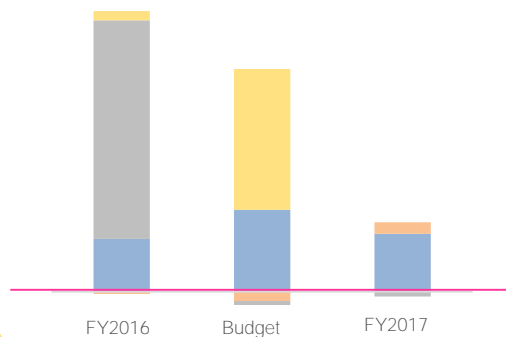
\*Upper: sales, lower: segment income (however, the lower part in the "consolidated" section shows operating income.)

# Budget Progress / "Real Estate Business" "Information and Telecommunications Business" "Other"

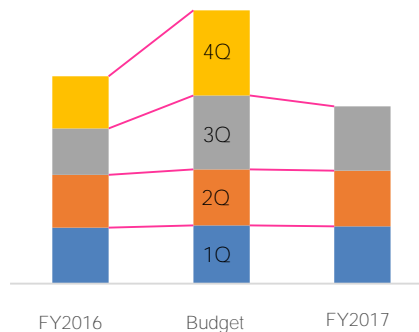
## Real Estate Business



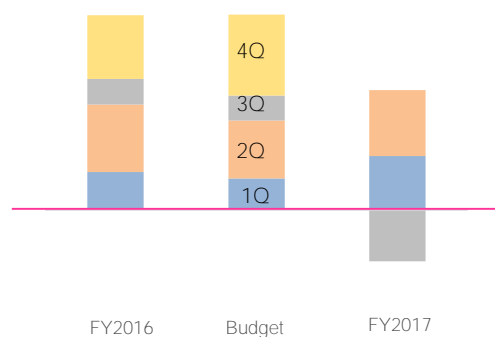
There is a rush for property handover in and after this fourth quarter, and both sales and income have been growing for achieving the budget.



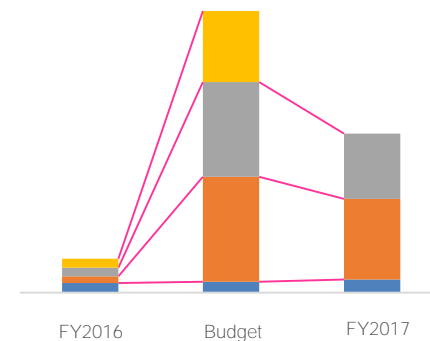
## Information and Telecommunications Business



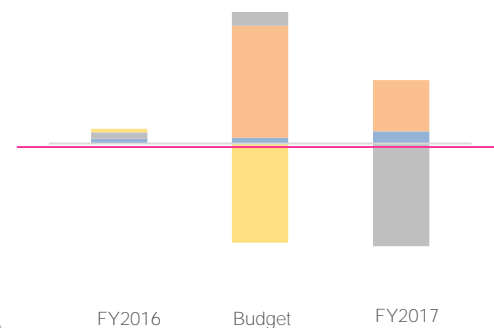
We make prior investment in setting up a better store network, opening new stores, and other activities.



## Other



We have invested in closer investigation and system establishment, aiming for early regeneration of agricultural parks that FARM Co., Ltd. has engaged in.



\*Upper: sales, lower: segment income



# Summary of Overview by Segment

## Primary Measures in 2017

### Human Resources and Education Business

- Enrichment of a career development system for developing a human resources platform
- To collect data on the preferences of job seekers, accept a broad range of workers through one-stop services, and develop a base for mutual matching

### Real Estate Business

- To strengthen and launch businesses (related to renovation and single family housing) that can recoup investments in a short period of time
- Business development while grasping the field and timing where development-related ROI\* would be maximized

### Information and Telecommunications Business

- To improve the environment of existing cellphone shops and open new excellent stores
- To establish a service of providing corporations with comprehensive cost reduction solutions via our various products

\*ROE: return on investment

## Situations in and before 3Q

Net sales

+28.1%

YOY

Segment income

+25.0%

YOY

- Improvement of the career development support system

➡ Completed and operation started

Reduction in recruitment expenses, increase in the number of trained human resources, and improvement of a job retention rate

- Start of investment in systems for further enhancement

➡ Prepare for visualization of human resources more strongly than ever, taking job mobility into consideration

Net sales

+3.5%

YOY

Segment income

△76.0%

YOY

- Establishment of portfolio

- ➡ Steady growth in renovated and detached houses (sales composition ratio: 51.8%, as of the end of Sep.)
- ➡ Development of an operating structure that enables strategic and flexible purchase and sale, depending on regions and market conditions, by clarifying the largely fluctuating business characteristics.

Net sales

+14.2%

YOY

Segment income

△47.5%

YOY

- Pursuit of marketing toward the second growth period

➡ Increase in the number of stores by 16

- Establishment of company-oriented services

➡ Focusing on environmental business, centering on sale of LED lights.

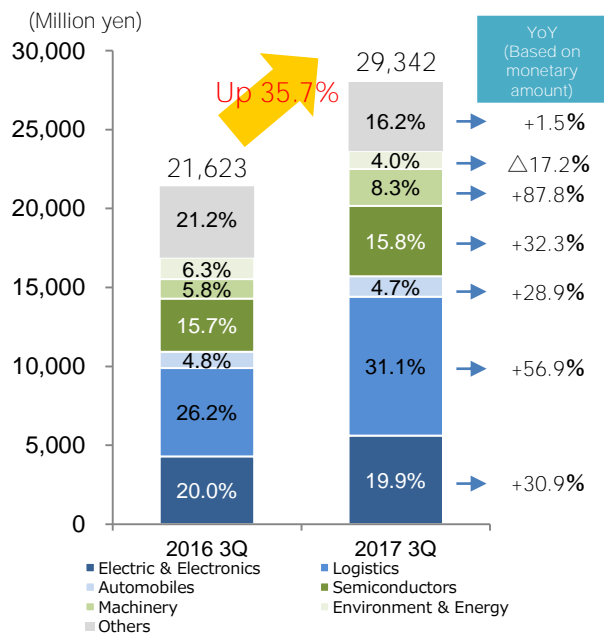


# Factory Business

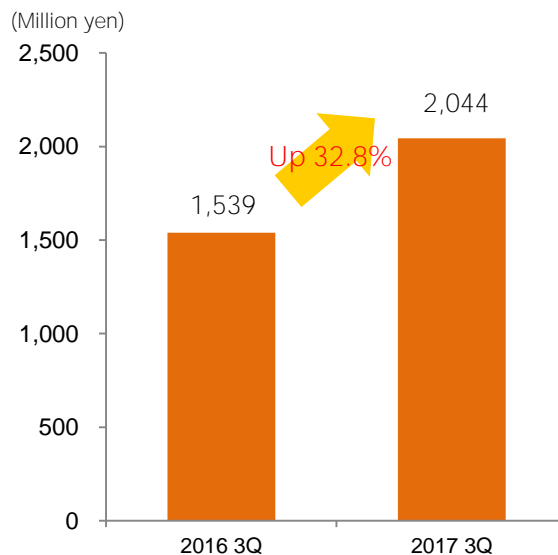
## <Sales composition by business segment and the number of staff members>

- Teaming and fluidization of administrative employees have enabled effective launch and steady operation of large-scale projects, reducing recruitment costs and magnifying the effect of the improved job retention rate.
- In the logistics field, we have made contract highly advanced, and expanded our share in clients through improvement of productivity, a change in the organizational structure to a hierarchic one, and development of leaders.

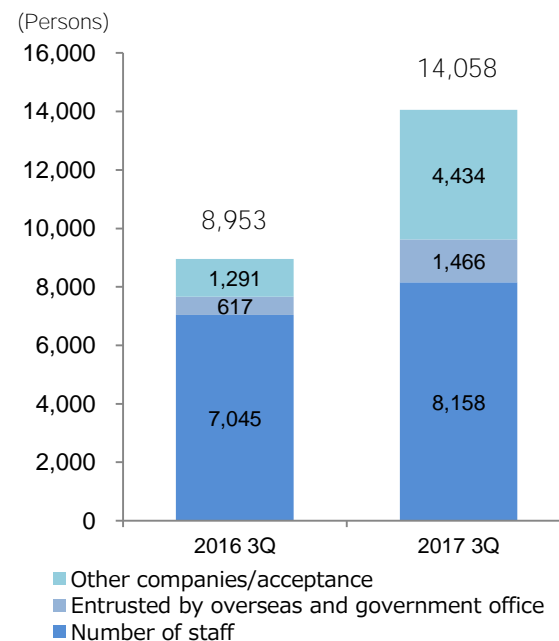
◆ Sales composition by business segment



◆ Segment income



◆ Variation in the number of staff (3-month average)



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

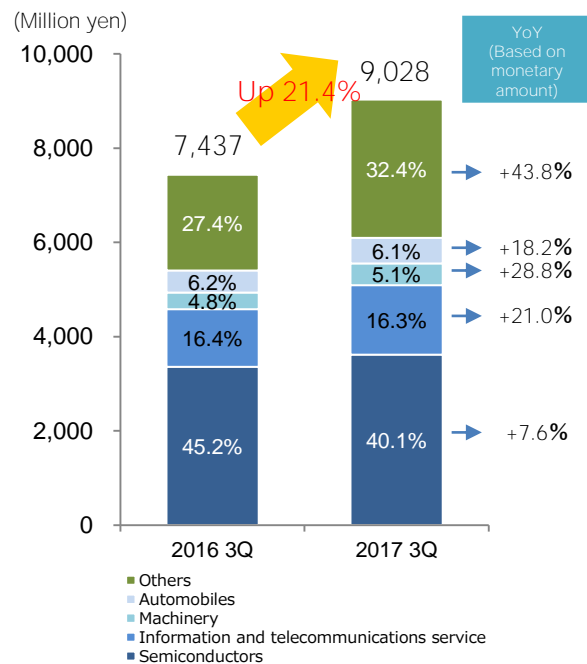
\*Number of staff included only staff members who are engaged in on-site operation work

# Technology Business

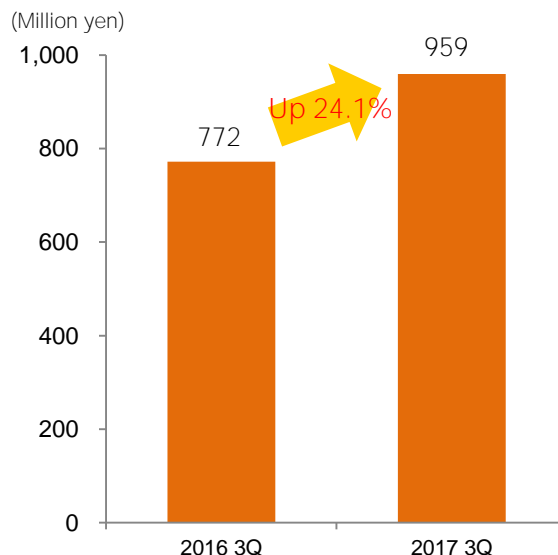
## <Sales composition by business segment and the number of staff members>

- The function of training inexperienced employees and steadily turning out them as mechanical design engineers specializing in automobiles and devices in the design center established for training engineers has taken root, and the registration number is rising.
- We have enriched the curriculum for developing human resources specializing in strongly demanded expertise (such as server virtualization, JAVA programming, and built-in control), in order to broaden the skills of the existing employees, augment the number and kinds of assigned work places, and enhance the effect of increase in charges.

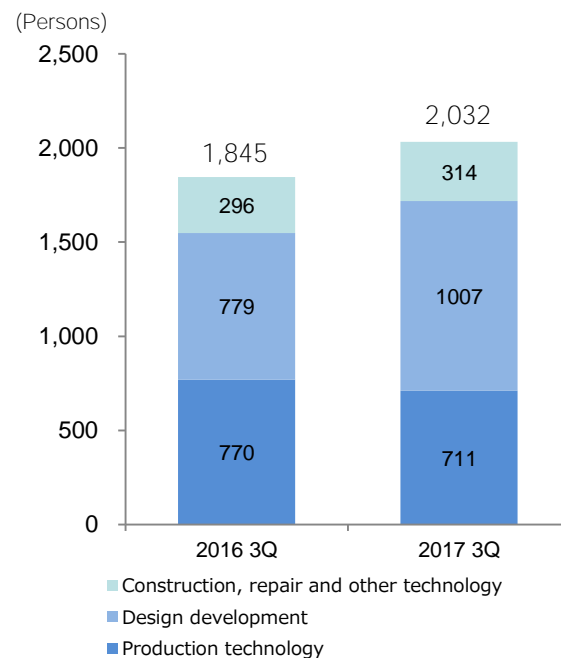
◆ Sales composition by business segment



◆ Segment income



◆ Variation in the number of staff (3-month average)



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

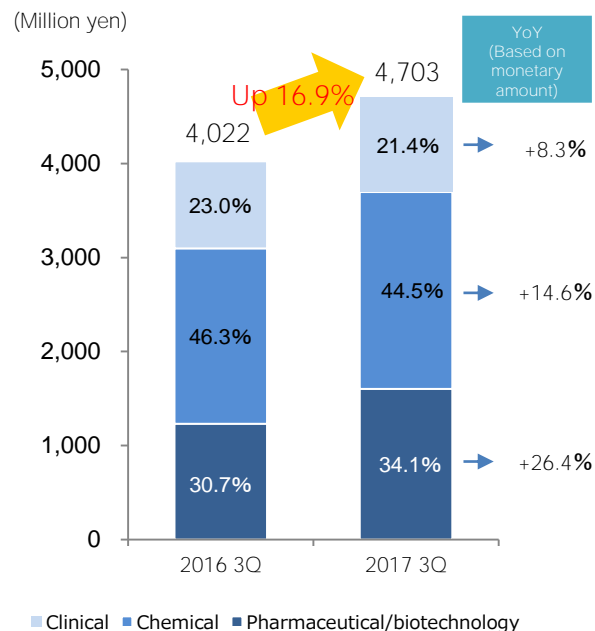
\*Number of staff included only staff members who are engaged in on-site operation work

# R&D Business

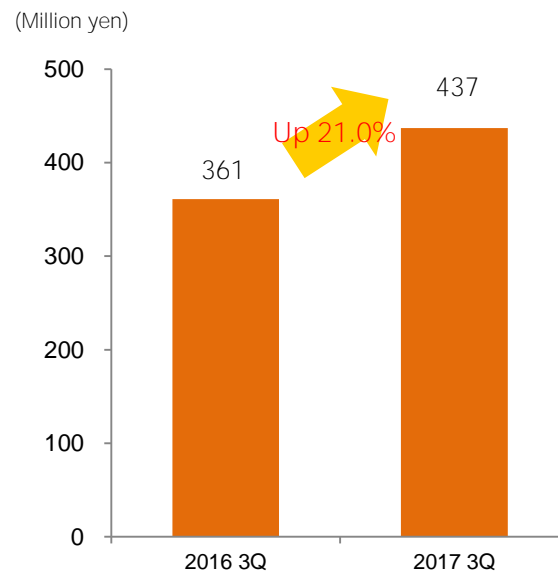
## <Sales composition by business segment and the number of staff members>

- We pursue not quantity but quality not only by improving skills as researchers but also by fostering employees with stronger loyalty to their companies and rich personality, aiming to break new ground in more advanced fields.
- A system for developing researchers who possess advanced expertise has been established in cooperation with university research institutions (see p. 21).
- DOT WORLD Co., Ltd. is establishing a structure for effective business execution, such as strategic changes to recruitment approaches and adoption of an administrative system, under circumstances where projects are becoming larger.

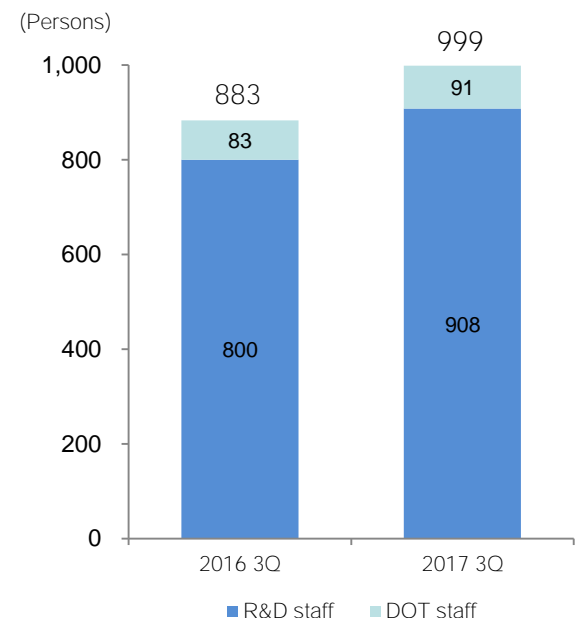
### ◆ Sales composition by business segment



### ◆ Segment income



### ◆ Variation in the number of staff (3-month average)



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

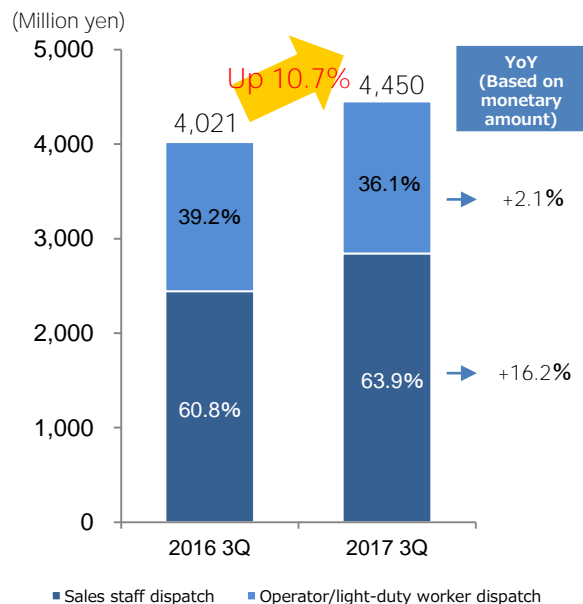
\*Number of staff included only staff members who are engaged in on-site operation work

# Sales & Marketing Business

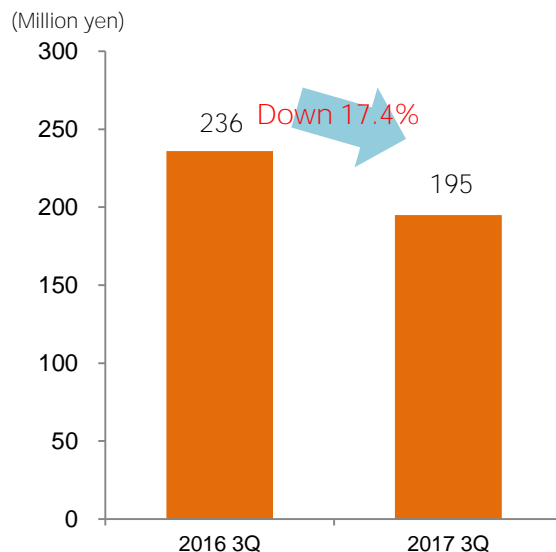
## <Sales composition by business segment and the number of staff members>

- Sales increased by selecting and concentrating types of jobs and business fields that we handle, based on the business scale which we have expanded so far.
- In the unstable market (worker dispatch based on registration), we have focused on building a firm foundation, reviewed an optimize scale, and made prior investment in environmental improvement, such as reorganization of business bases and enhancement of the management department.

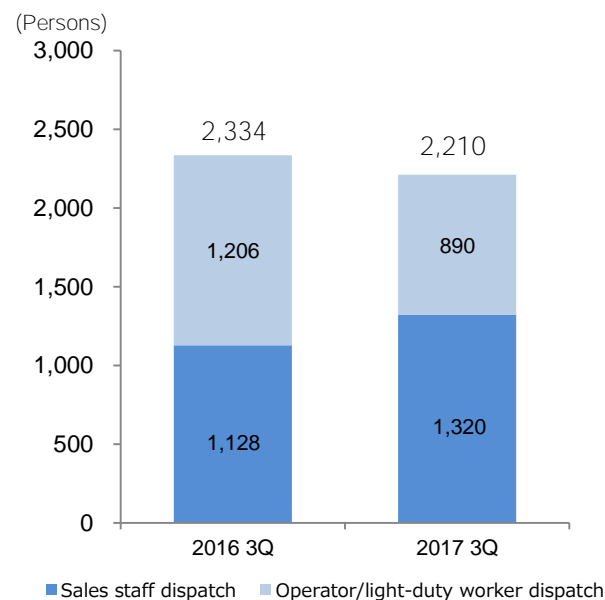
◆ Sales composition by business segment



◆ Segment income



◆ Variation in the number of staff (3-month average)



This term, our original names "CB Division" and "OCS Division" were renamed "Sales staff dispatch" and "Operator/light-duty worker dispatch," respectively.

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

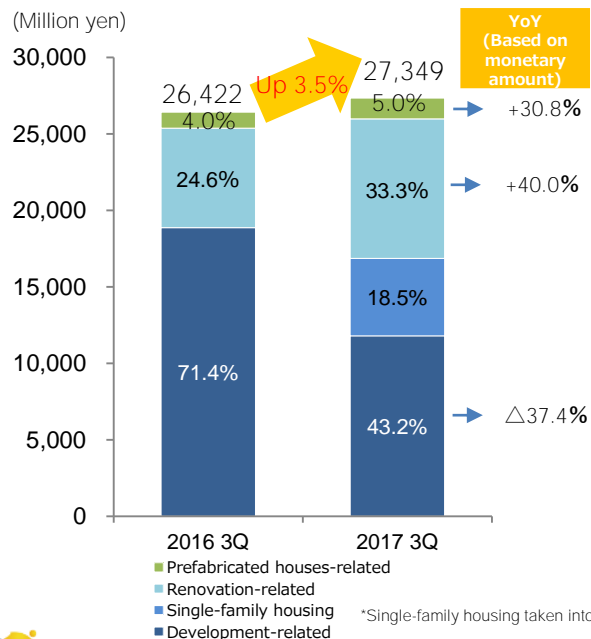
\*Number of staff included only staff members who are engaged in on-site operation work

# Real Estate Business

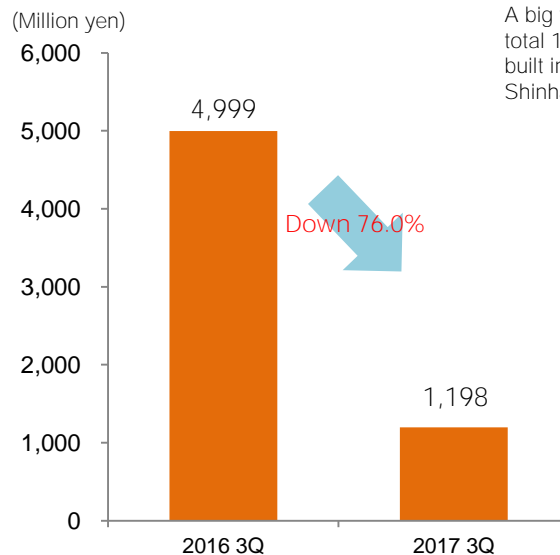
## <Sales composition by business segment and major activities>

- In the development-related field, income was high last fiscal year because we successfully grasped the largely fluctuating business characteristics; however, this year, there is a rush for property handover in and after the fourth quarter. Sales show a healthy growth toward the full-year budget. Regarding purchase, we will carefully watch the market conditions.
- The renovation-related field is thriving steadily by enhancing branding approaches and concentrating on strong regions.
- In the detached house-related field, sales show a healthy growth. We are preparing for business expansion in the Tohoku region through synergy with the existing businesses, in addition to development of new land for sale.
- In the prefabricated house-related field, we have propelled development of new products amid the booming market conditions in the Kysuyu region.

### ◆ Sales composition by business segment



### ◆ Segment income



### ◆ Sales of detached houses grow healthily.

A big town with a total 143 divisions is built in Shinhassamu.



Sales of the large-scale land for sale in lots, which HOEI KENSETSU Inc. has established in Shinhassamu, Sapporo-shi show a healthy growth.

### ◆ New product, "Toilet House" earned a positive reputation.



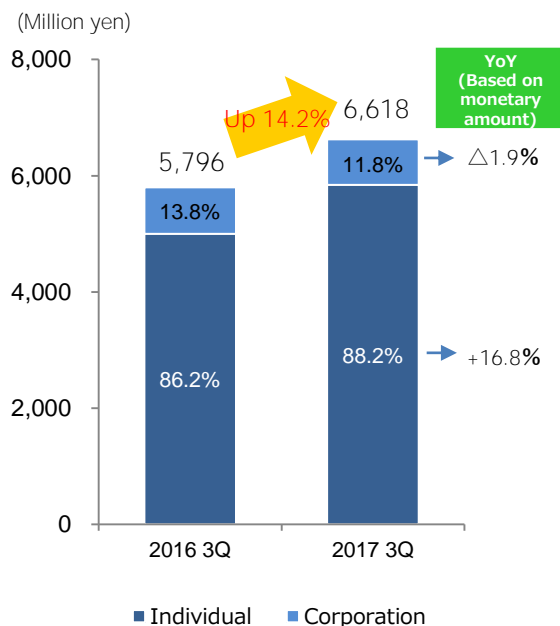
"Toilet House" by Omachi World co., Ltd. has been certified by an NPO, Japan Toilet Lab.

# Information and Telecommunications Business

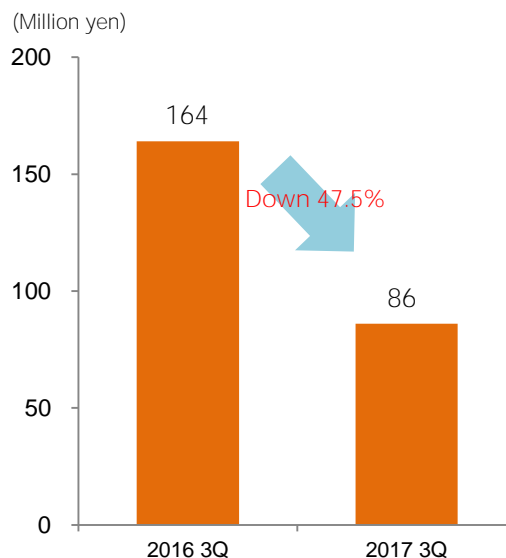
## <Sales and major activities>

- Based on marketing in the neighboring areas and the M&A strategy, we have increased our regional share and added 16 new stores, increasing the number of company stores to 49.
- Aiming to build a better store network, we have made prior investment in environmental improvement, such as relocation and upsizing of the existing stores.

### ◆ Sales for each target



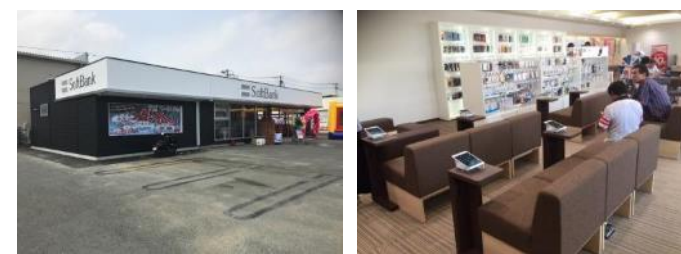
### ◆ Segment income



### ◆ Added 16 new stores



### ◆ Propelled relocation and upsizing of existing stores



Strive to earn greater customer loyalty by developing a better store network.

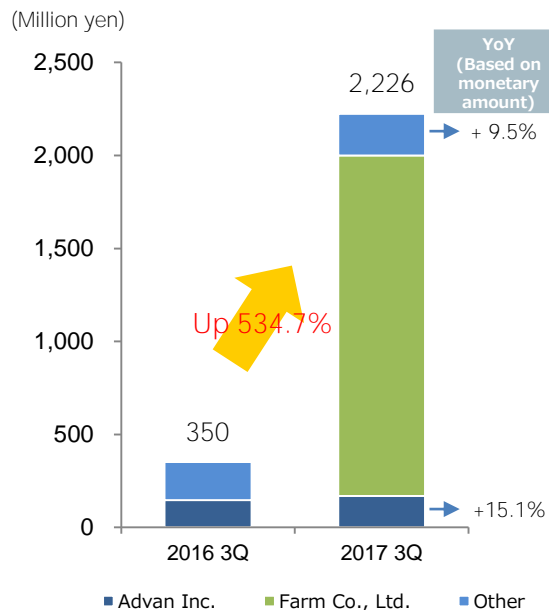


# Others

## <Sales and major activities>

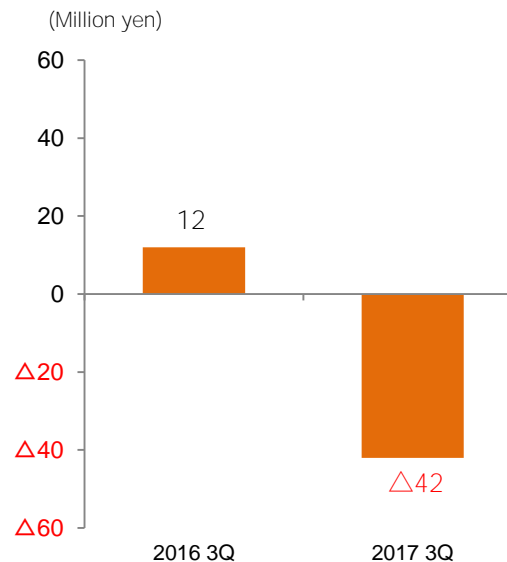
- In addition to its healthy school management and website creation, Advan Inc. has contributed to improvement of the skills of engineers by enriching the curriculum for training engineers in the human resources and education segment.
- Aiming for early regeneration, FARM Co., Ltd., which has engaged in the agricultural park business, has enhanced its foundational management strength through restructure of the staff organization and awareness raising and prepared itself for investment for the next term.

### ◆ Sales



\*We newly consolidated Farm Co., Ltd. from the second quarter of FY2017.

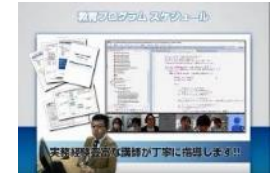
### ◆ Segment income



### ◆ Technical training based on the collaboration between Advan and the Technology Business



Advan has made contributions to improving skills of IT engineers in the human resources and education segment.



### ◆ Development of the agricultural park business for the next term

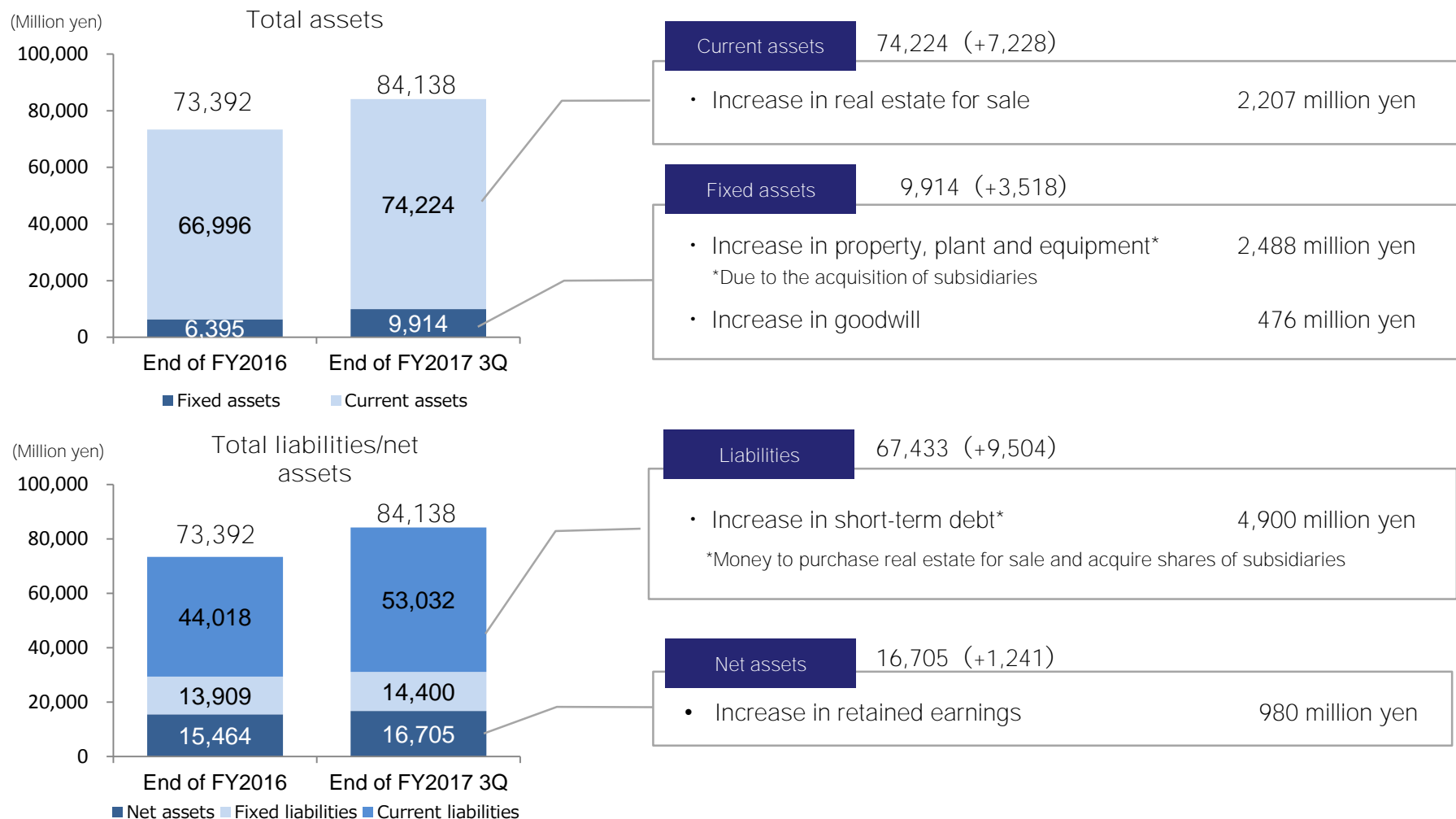


Investment is prepared in measures for attracting customers by using the features of each facility and reorganization of facilities by making the best use of the off-period in winter.



# Financial Condition B/S

- Increase in assets and liabilities in relation to real estate for sale and acquisition of subsidiaries



## II. FY2017 Business Forecasts



# Summary of FY2017 Business Forecast

- Sales are estimated to grow for the 8th consecutive term. We will fortify the base for the new mid-term managerial plan.

Unit: Million yen, %	FY2016 actual	FY2017 forecast	Change from forecast	
			Change	Pct. Change
Net sales	94,334	<b>123,846</b>	29,512	31.3
Operating income	7,407	<b>6,270</b>	△1,137	△ 15.4
Ordinary income	7,306	<b>5,936</b>	△1,369	△ 18.7
Net income attributable to	4,192	<b>3,519</b>	△672	△ 16.0
EPS (yen)	250.92	210.63	△40.29	△ 16.1
Dividend per share (yen)	75.3	63.2	△12.1	△ 16.1

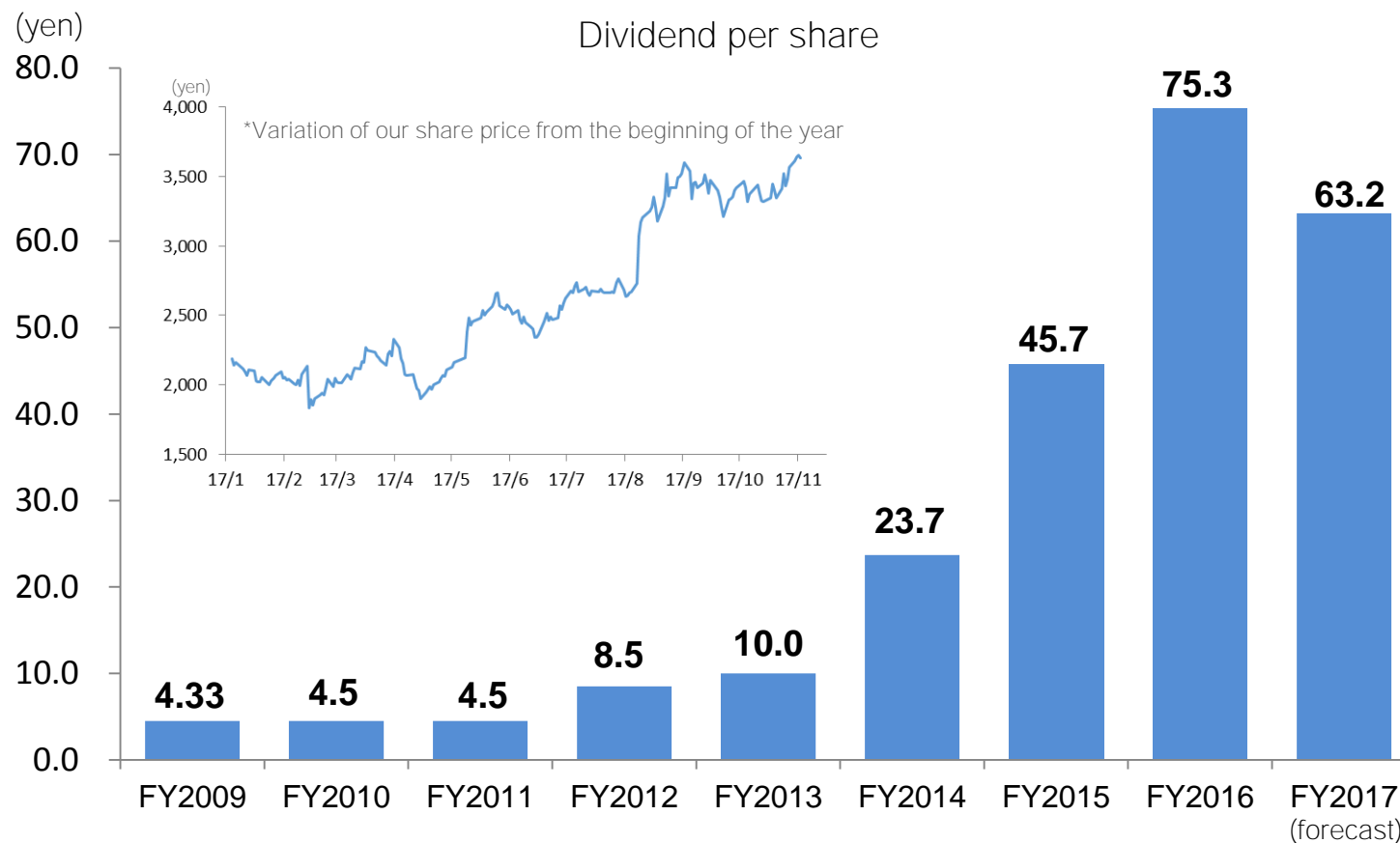
# Business Forecast by Segment

- Sales are estimated to grow in all segments

Unit: Million yen, %			FY2016 actual		FY2017 forecast		Change from forecast	
			(Profit margin)		(Profit margin)		Change	Pct. Change
Human Resources and Education Business	Factory Business	Sales	30,111		34,299		4,187	13.9
		Segment income	2,080	(6.9%)	2,242	(6.5%)	162	7.8
	Technology Business	Sales	10,334		11,818		1,484	14.4
		Segment income	1,015	(9.8%)	940	(8.0%)	△74	△7.4
	R&D Business	Sales	5,533		6,400		867	15.7
		Segment income	571	(10.3%)	582	(9.1%)	10	1.9
	Sales & Marketing Business	Sales	5,654		6,500		845	15.0
		Segment income	296	(5.3%)	397	(6.1%)	100	33.9
Total (reference)		Sales	51,633		59,018		7,384	14.3
		Segment income	3,964	(7.7%)	4,163	(7.1%)	198	5.0
Real Estate Business	Real Estate Business	Sales	34,481		50,685		16,204	47.0
		Segment income	5,171	(15.0%)	3,702	(7.3%)	△1,468	△28.4
Information and Telecommunications Business	Information and Telecommunications Business	Sales	7,742		10,198		2,455	31.7
		Segment income	244	(3.2%)	245	(2.4%)	0	0.3
Other	Others	Sales	476		3,943		3,467	727.8
		Segment income	17	(3.7%)	36	(0.9%)	18	103.9
Total		Sales	94,334		123,846		29,512	31.3
		Elimination or corporate	△1,990		△1,877		( — )	( — )
		Operating income	7,407	(7.9%)	6,270	(5.1%)	△1,137	△15.4

# Shareholder Returns

Aim to achieve a payout ratio of 30%



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

# Appendix





## Conclusion of a joint research contract with Kyoto University and Osaka Prefecture University

The R&D business department (World Intec Co. Ltd.) has entered into a contract for a joint research with Teranishi Laboratory of Institute for Chemical Research, Kyoto University, and Inui Laboratory of Graduate School of Life and Environmental Sciences, Osaka Prefecture University.

Our company will develop researchers who possess highly advanced expertise through a joint research with each of the laboratories.

### Teranishi Lab./Institute for Chemical Research, Kyoto University

It will assist employees in learning the instrument technology in the analytical chemical and chemosynthesis fields through practical activities, while supporting research in the next-generation nanotechnology.

### Inui Lab./Osaka Prefecture University School of Life and Environmental Sciences

It will develop bio-informatics human resources through a joint research in which a training and educational program is included.

## Announcement of results of the survey of attitude toward work conducted on women (mothers) - 1,000 mama project -

We conducted a survey of attitude toward **“work”** targeted at 1,000 women (mothers) who live in Fukushima.



This attitude survey was conducted jointly by “Kurashi-zukuri Village,” operated by Stand for Mothers, a general incorporated association, and “Oshigoto-Hyakkaten” (private public employment security office), operated by World Intec Fukushima.

Please refer to the news release issued on November 6, 2017 for detail.



# For More Information

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