



# FY2018 First Quarter Financial Results



**May 7, 2018 (Mon)**  
**WORLD HOLDINGS CO., LTD.**  
**First Section of Tokyo Stock Exchange (2429)**

# History ~2018 marks the 25<sup>th</sup> anniversary of our founding~



2018

2016: Listed on TSE 1<sup>st</sup> Section

2014: Became a holding company

2010: Entry into Real Estate Business

2005: Entry into Sales & Marketing Business  
Entry into Information and Telecommunications Business  
Listed on JASDAQ

2002: Entry into R&D Business

1997: Entry into Technology Business

1993: Our company established (Factory Business)

## I. Summary of FY2018 First Quarter Financial Results

- Summary of Financial Results ... P4
- Overview of Business Results by Segment ... P6
- Details of Each Segment ... P7
- Financial Condition B/S ... P14

## II. FY2018 Business Forecasts

- FY2018 Business Forecast ... P16
- Business Forecast by Segment ... P17
- FY2018 Quarterly Business Forecast ... P18
- Shareholder Returns ... P20

## III. Current Issues and Topics

- About Issues Concerning 2018 ... P22
- Topics ... P23

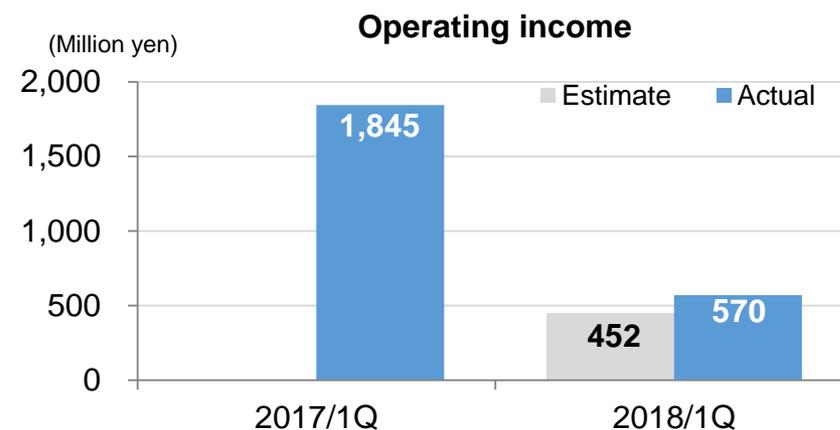
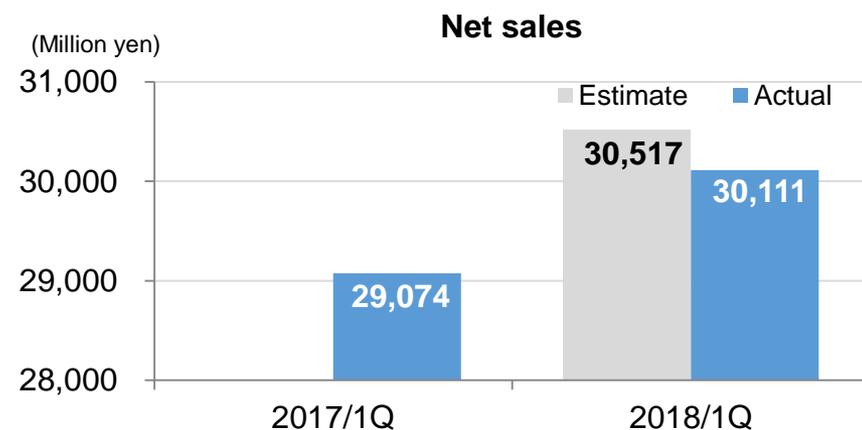
# I. Summary of FY2018 First Quarter Financial Results



# Summary of Financial Results

## ① Results Compared to the Initial Estimate

- Our mainstay Human executing our mid-term managerial plan drafted to establish a new position in the industry. Resources and Education Business has developed favorably and has greatly driven our whole group. We achieved this by steadily
- In our Real Estate Business, we ascertained the market conditions and adjusted the handover time of some development-related properties. On the other hand, renovation-related projects developed favorably. We are constructing a well-balanced profit structure.



(Unit: Million yen)

	2017/1Q actual	2018/1Q estimate	2018/1Q actual	Compared to the initial estimate	
				Surplus/deficit	Achievement rate
Net sales	29,074	30,517	30,111	-406	98.7%
Operating income	1,845	452	570	+117	126.0%

# Summary of Financial Results

## ② Results Compared to the Results in the Previous Term

(Unit: Million yen)

	2017/1Q actual	2018/1Q actual	YOY		Full-year Budget*	Ratio to full- year budget
			Change	Pct. Change		
Net sales	29,074	<b>30,111</b>	<b>+1,036</b>	<b>+3.6%</b>	145,137	20.7%
Operating income	1,845	<b>570</b>	<b>-1,274</b>	<b>-69.1%</b>	7,288	7.8%
Ordinary income	1,810	<b>553</b>	<b>-1,257</b>	<b>-69.5%</b>	7,083	7.8%
Net income attributable to owners of parent	1,108	<b>148</b>	<b>-959</b>	<b>-86.6%</b>	4,635	3.2%

Announced on February 13, 2018

# Overview of Business Results by Segment

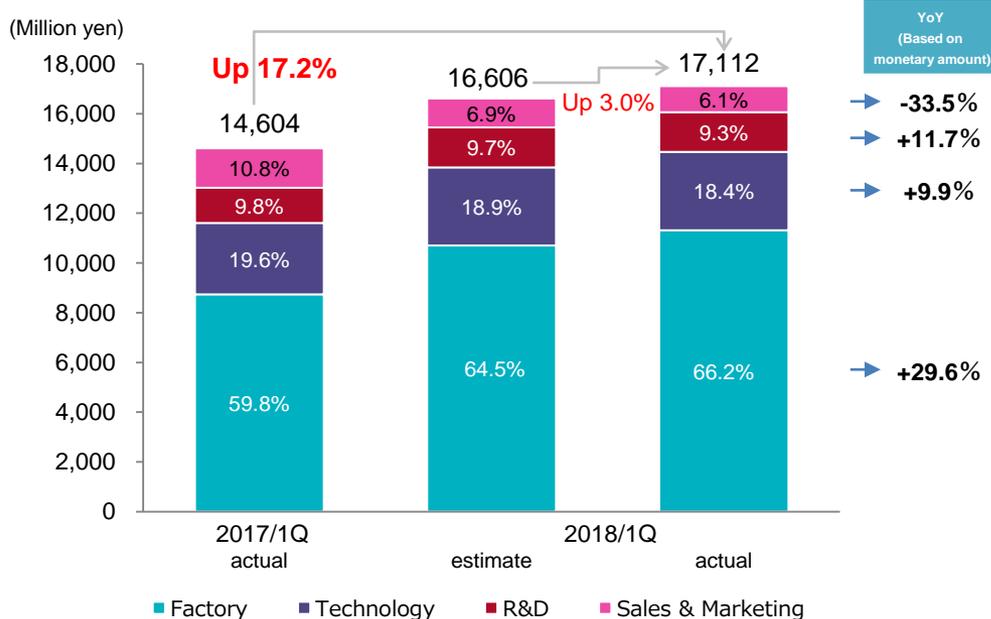
Unit: Million yen			2017/1Q		2018/1Q		YOY	
			actual	(Profit margin)	actual	(Profit margin)	Change	Pct. Change
Human Resources and Education Business	Factory Business	Net sales	8,738		<b>11,320</b>		2,582	29.6
		Segment income	706	(8.1%)	<b>653</b>	<b>(5.8%)</b>	-53	-7.6
	Technology Business	Net sales	2,866		<b>3,151</b>		284	9.9
		Segment income	294	(10.3%)	<b>250</b>	<b>(8.0%)</b>	-43	-14.7
	R&D Business	Net sales	1,426		<b>1,594</b>		167	11.7
		Segment income	95	(6.7%)	<b>100</b>	<b>(6.3%)</b>	4	4.6
	Sales & Marketing Business	Net sales	1,572		<b>1,046</b>		-526	-33.5
Segment income		72	(4.6%)	<b>-12</b>	<b>(-1.2%)</b>	-84	-	
Total (reference)		Net sales	14,604		<b>17,112</b>		2,507	17.2
		Segment income	1,168	(8.0%)	<b>991</b>	<b>(5.8%)</b>	-177	-15.2
Real Estate Business	Total (reference)	Net sales	12,151		<b>9,194</b>		-2956	-24.3
		Segment income	1,076	(8.9%)	<b>217</b>	<b>(2.4%)</b>	-858	-79.8
Information and Telecommunications Business	Information and Telecommunications Business	Net sales	2,138		<b>3,349</b>		1,210	56.6
		Segment income	67	(3.2%)	<b>37</b>	<b>(1.1%)</b>	-30	-44.8
Other	Others	Net sales	180		<b>454</b>		274	152.5
		Segment income	13	(7.7%)	<b>-196</b>	<b>(-43.3%)</b>	-210	-
Total		Net sales	29,074		<b>30,111</b>		1,036	3.6
		Elimination or corporate	-481		<b>-478</b>		2	-
		Operating income	1,845	(6.3%)	<b>570</b>	<b>(1.9%)</b>	-1274	-69.1
<Reference>								
Real Estate Business	Development/Single-family housing	Net sales	8,561		<b>4,828</b>		-3733	-43.6
		Segment income	980	(11.4%)	<b>104</b>	<b>(2.2%)</b>	-876	-89.4
	Renovation/Prefabricated houses	Net sales	3,590		<b>4,367</b>		777	21.6
		Segment income	95	(2.6%)	<b>113</b>	<b>(2.6%)</b>	18	18.9

# Overall Segment

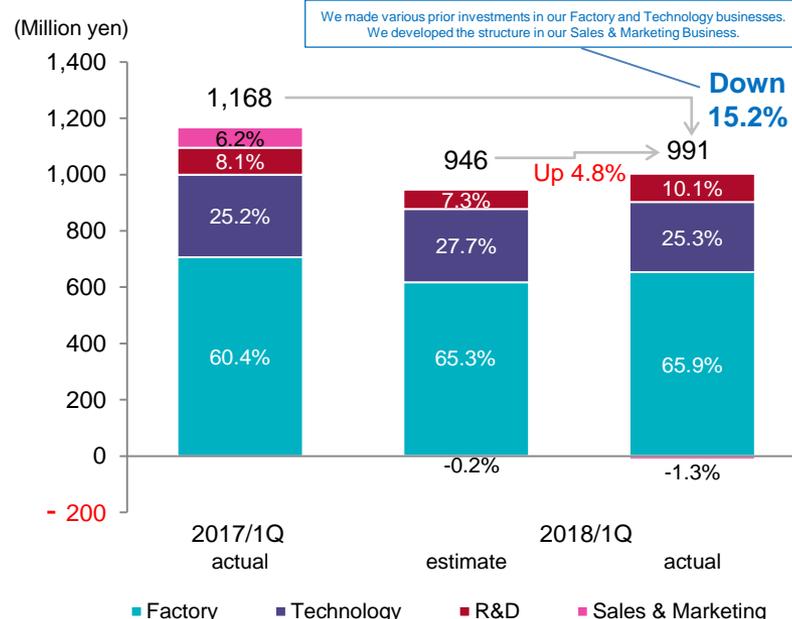
## <Composition by business segment and the number of staff members>

- We achieved a high rate of growth by strengthening our structure/organization ahead of problems in 2018 and by continuing to steadily implement strategy based on our mid-term managerial plan. This segment greatly drove the performance of our whole group.
- We enjoyed continued favorable performance in many fields by improving sales (unit price increase), management (retention rate improvement) and employment (net increase in personnel) functions.
- In particular, the logistics field continues to grow while our Technology Business and R&D Business have also performed well by improving training/assignment functions.

### ◆ Sales composition



### ◆ Segment income

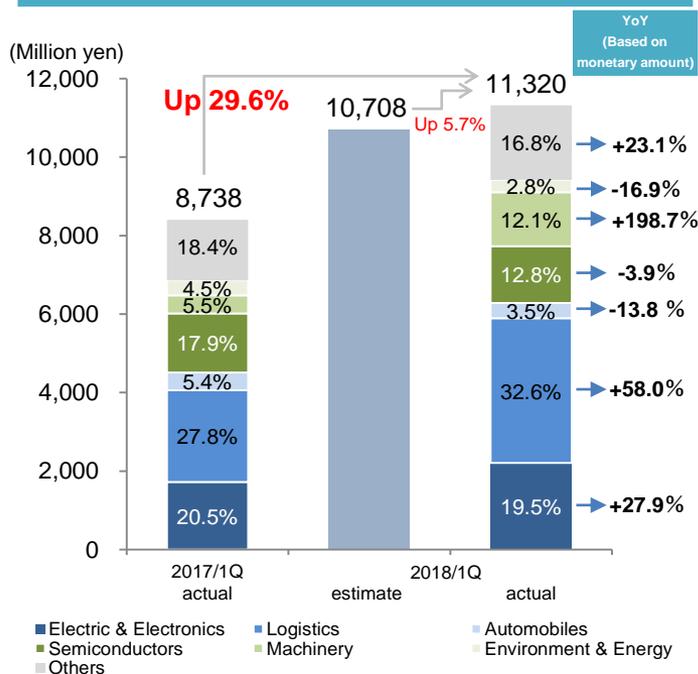


# Factory Business

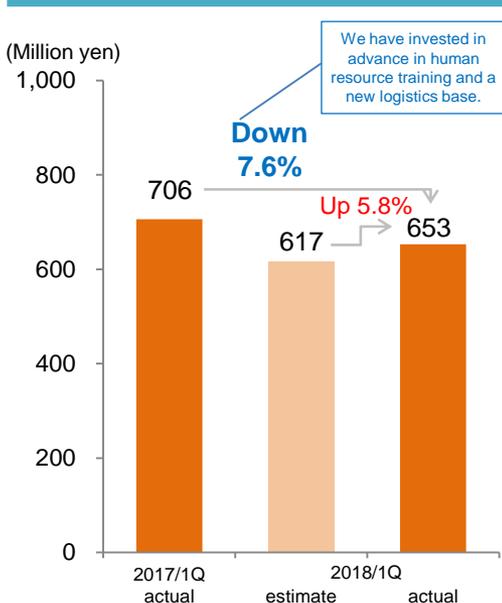
## <Sales composition by business segment and the number of staff members>

- We have been successful with efforts to optimize large contract projects and retention rate improvement up to now. This has allowed us to steadily expand centered on the machine field. We are also continuing to expand our share among customers in the logistics field.
- We have employed human resources who can be assigned flexibly in advance to prepare for upcoming large-scale projects. We assign employees to divisions with well-developed training environments and give practical training. We have also built a human resource training and new management structure toward the launch of a new base in our logistics field.

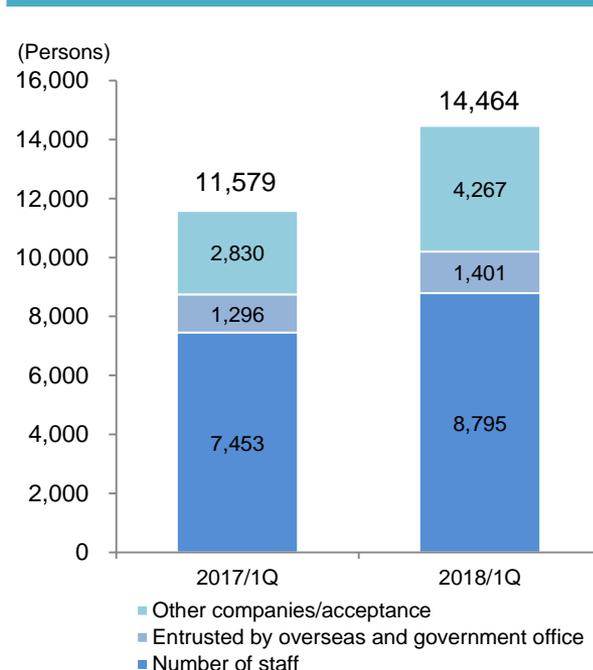
◆ Sales composition by business segment



◆ Segment income



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



\*We have not disclosed the sales estimate by segment.

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

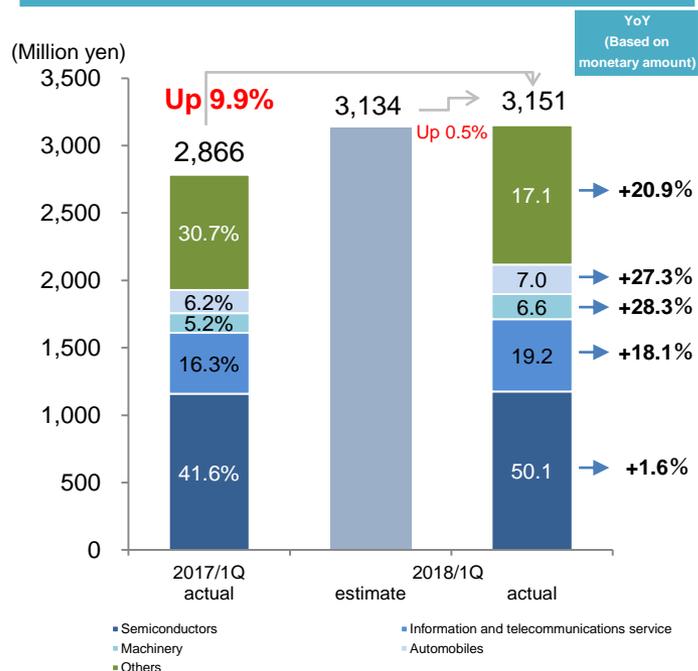
\*Number of staff included only staff members who are engaged in on-site operation work.

# Technology Business

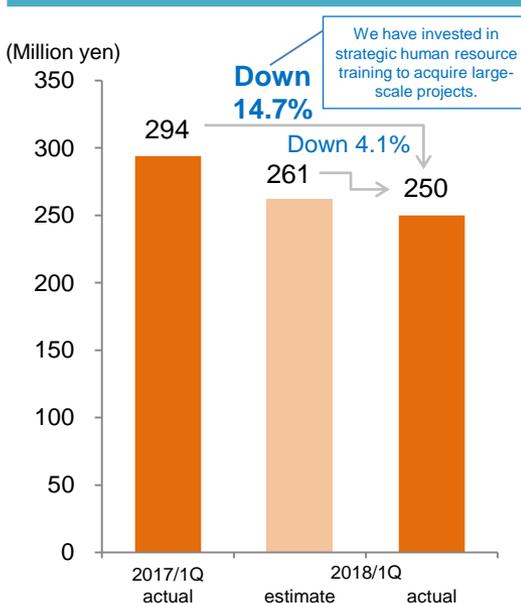
## <Sales composition by business segment and the number of staff members>

- We have continued to invest in the expansion of our training curriculum for expert engineers (e.g. JAVA programming, CATIA and Tfas) in high need. This has improved the technical capabilities of our existing employees and increased the number of people assigned together with training for those who are inexperienced.
- We have realized the employment of more than 100 new graduates by building an optimal new graduate employment organization and strong pipelines with universities in addition to enhancing our training environment.

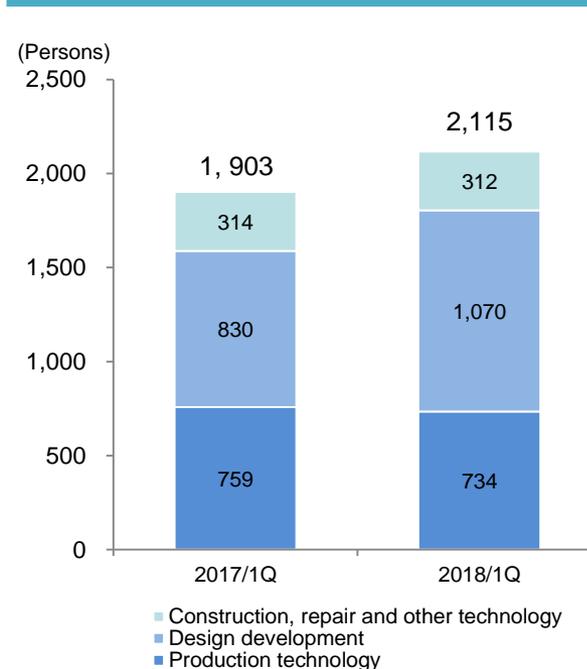
◆ Sales composition by business segment



◆ Segment income



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



\*We have not disclosed the sales estimate by segment.

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

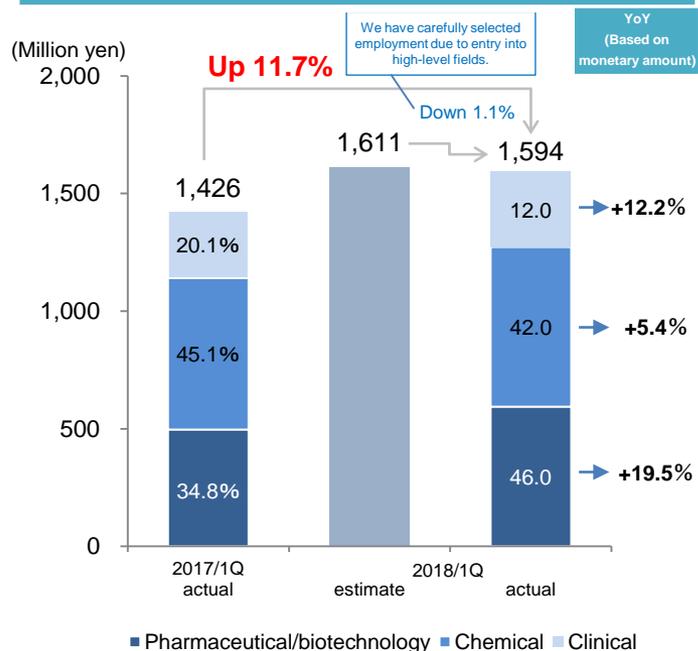
\*Number of staff included only staff members who are engaged in on-site operation work.

# R&D Business

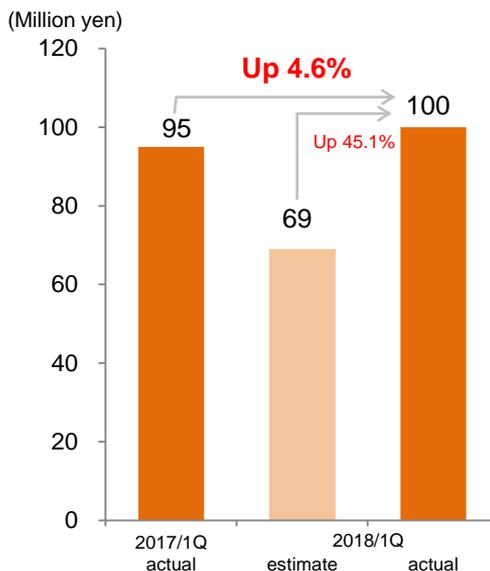
## <Sales composition by business segment and the number of staff members>

- We have been steadily charging up by working on employment, human resource training and proposals with a view to expanding our high added value areas.
- We have improved quality together with human resources and services through training of people with strong corporate loyalty to lead to enhanced functions and an improved retention rate as we enhanced the training environment for our management staff in addition to research employees.
- DOT WORLD Co., Ltd. has increased corporate clinical trial related orders.

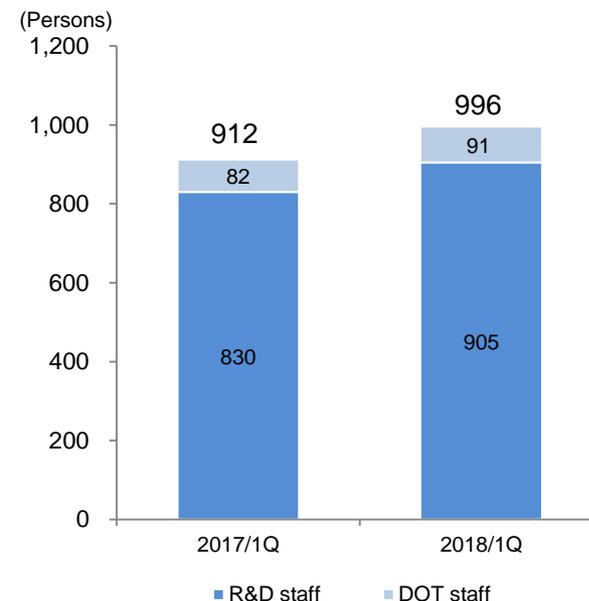
◆ Sales composition by business segment



◆ Segment income



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



\*We have not disclosed the sales estimate by segment.

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

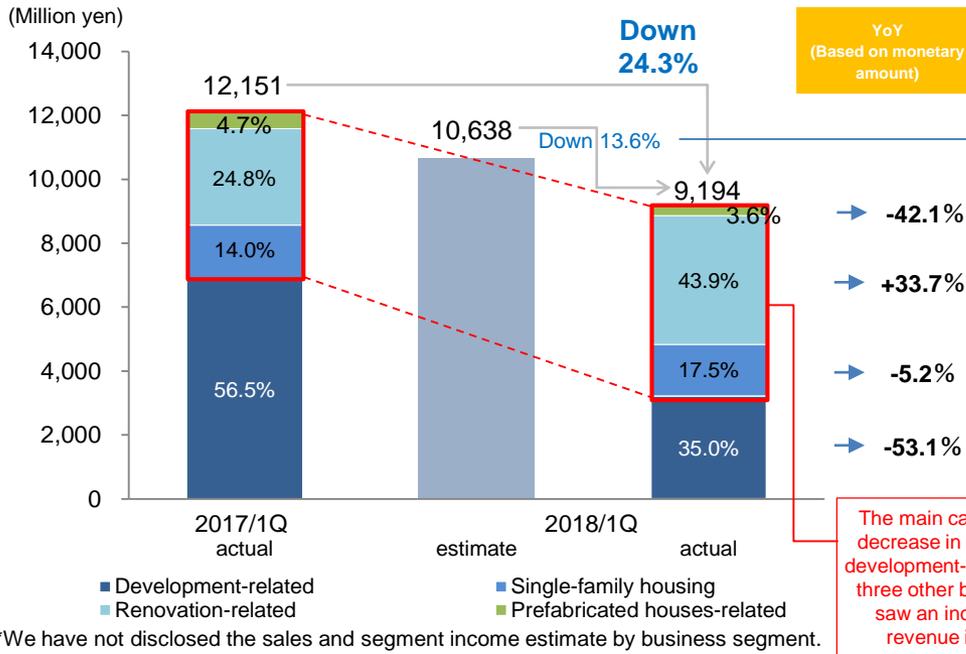
\*Number of staff included only staff members who are engaged in on-site operation work.

# Real Estate Business

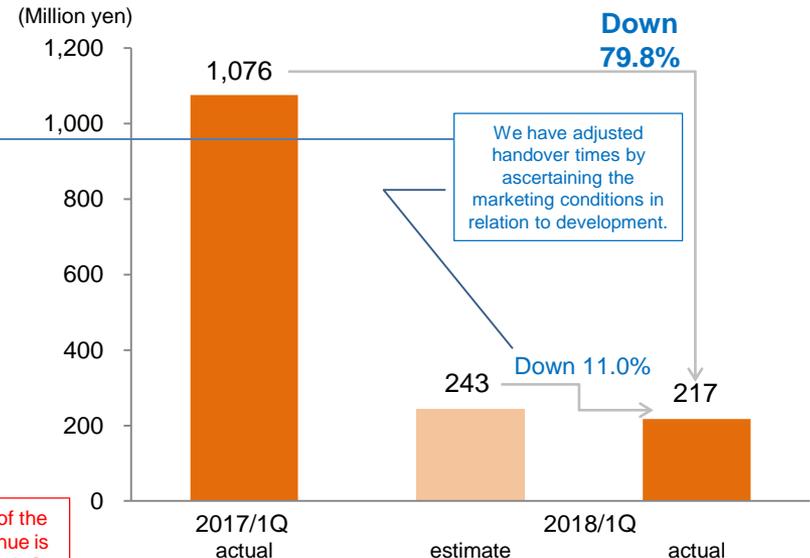
## <Sales composition by business segment and major activities>

- We adjusted the handover of some business sites to or after second quarter by ascertaining the market conditions related to development.
- We handed over 162 renovation-related houses – an increase of approximately 1.5-fold year-on-year in our busy season of January to March. In addition, we established bases in Saitama and Nara to steadily increase our areas.
- We established a branch in the Sendai area by leveraging synergy with our existing businesses related to single-family housing.

### ◆ Sales composition by business segment



### ◆ Segment income



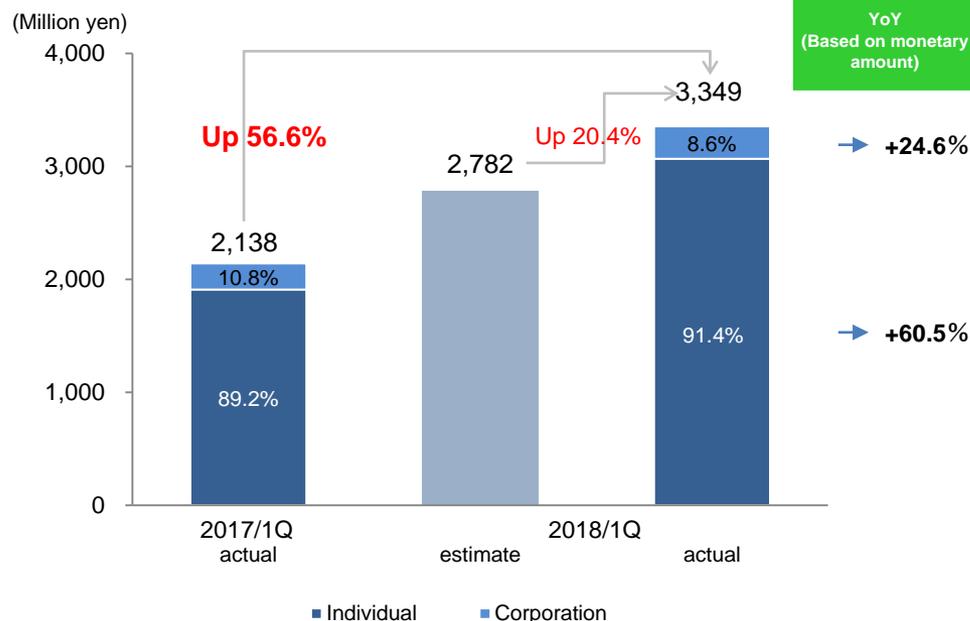
\*We have not disclosed the sales and segment income estimate by business segment.

# Information and Telecommunications Business

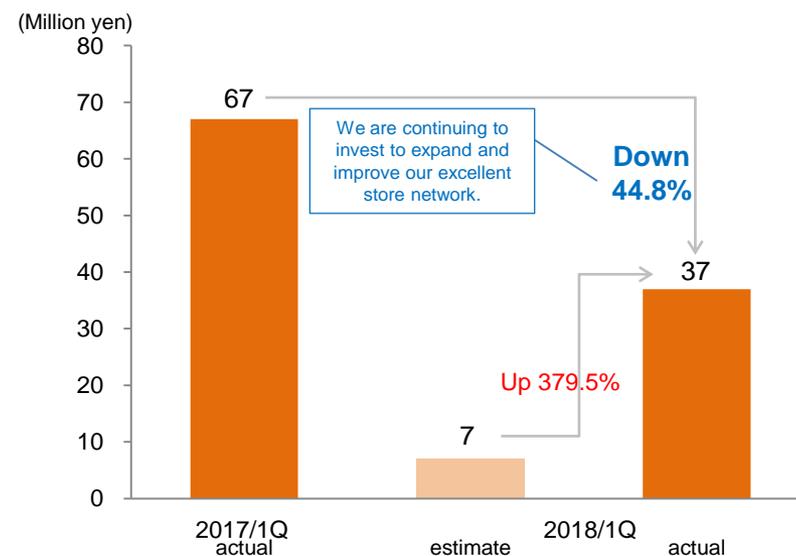
## <Sales and major activities>

- We have successfully built the excellent store network that we had been focusing our efforts on. This means the number of smartphones we have sold has increased significantly beyond the industry average.
- We are continuing to invest in the 16 stores built last fiscal year, human resource training, relocation and expansion of our existing stores and other ways to improve the business environment.
- We started new dealer business (e.g. LED lighting sales) for services for corporations. We have developed dozens of dealers.

### ◆ Sales for each target



### ◆ Segment income



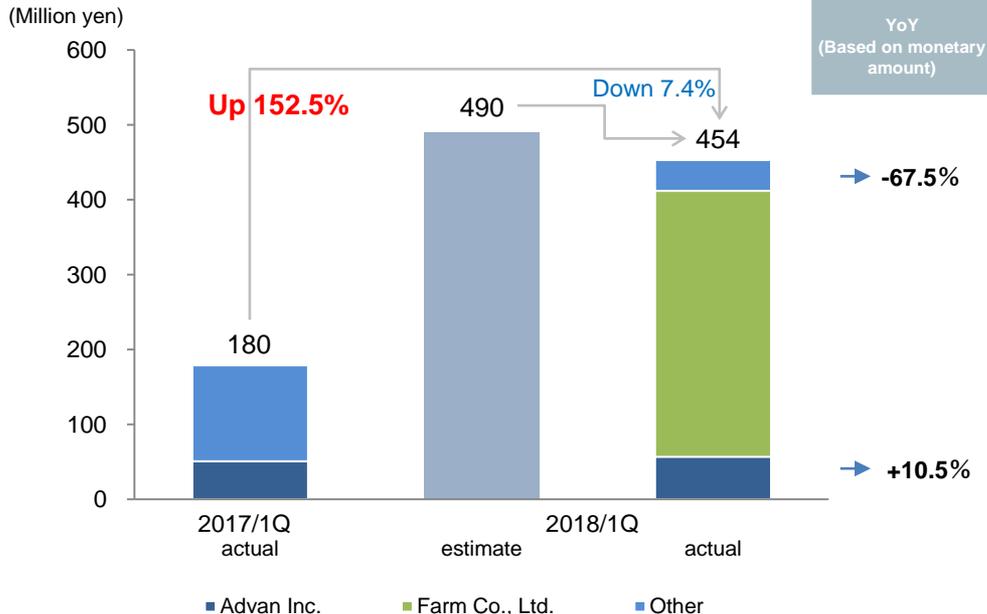
\*We have not disclosed the sales and segment income estimate by destination.

# Others

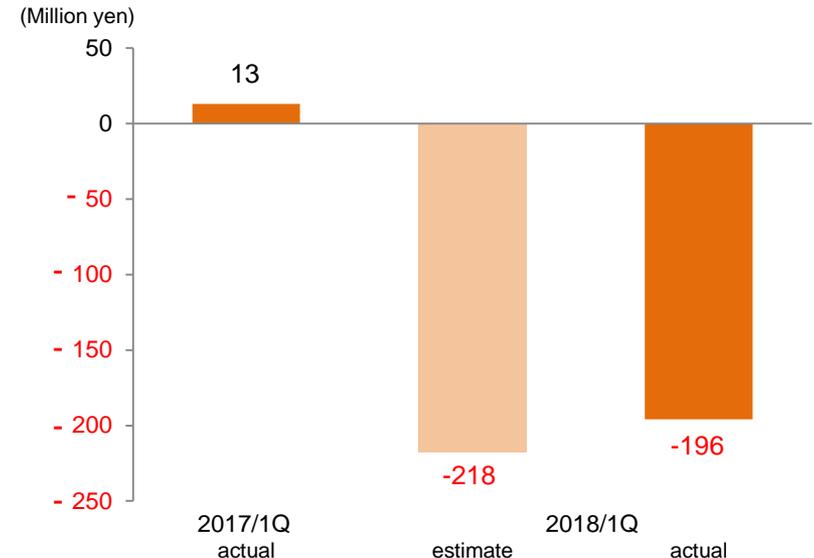
## <Sales and major activities>

- Advan Inc. saw a favorable development of web productions and greatly contributed to human resource training in our group.
- Farm Co., Ltd., which runs agricultural park business, made preparations for renovations and new projects with the aim of increasing the number of visitors in the busy season from spring. In addition, we have demonstrated group synergy backed by our history of managing agricultural parks, as we undertook the designated management of the Kitakyushu Municipal Sougou Nouji Center.

### ◆ Sales



### ◆ Segment income

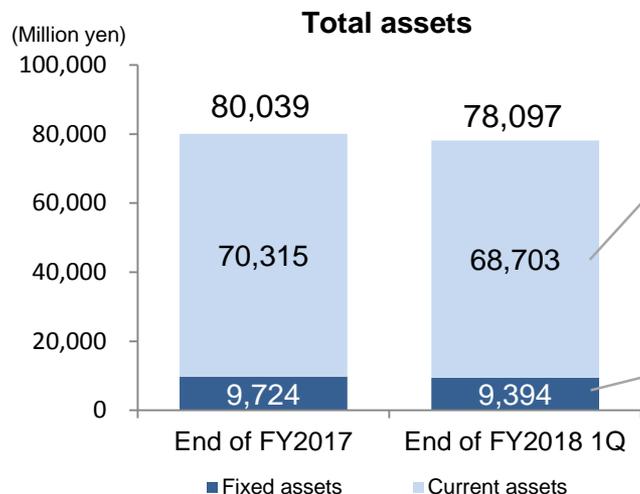


\*We newly consolidated Farm Co., Ltd. from the second quarter of FY2017.

\*We have not disclosed the breakdown of the sales and segment income estimate.

# Financial Condition B/S

- Our total assets have reduced due to repayment of borrowings and payment of dividends and taxes.

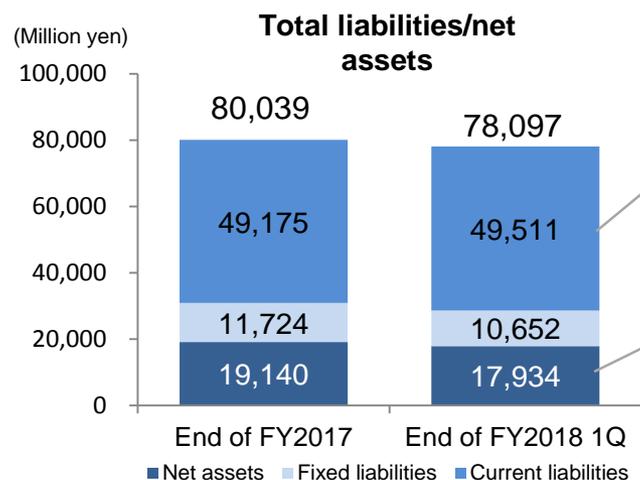


**Current assets** 68,703 (-1,612)

- Cash and deposits -4,546 million yen
- Real estate for sale 812 million yen
- Real estate for sale in process 774 million yen

**Fixed assets** 9,394 (-329)

- Goodwill -150 million yen
- Investment securities -244 million yen



**Liabilities** 60,163 (-736)

- Short-term debt 634 million yen
- Income taxes payable -1,011 million yen
- Long-term debt -1,091 million yen

**Net assets** 17,934 (-1,205)

- Retained earnings -1,245 million yen

# II. FY2018 Business Forecasts



# FY2018 Business Forecast

- We will implement the new mid-term managerial plan steadily, with the aim of growing sales for the 9th consecutive term and net income for the 8th consecutive term.

Unit: Million yen, %	FY2017 actual	FY2018 forecast	YoY	
			Change	Pct. Change
Net sales	127,147	<b>145,137</b>	17,990	14.1
Operating income	7,064	<b>7,288</b>	224	3.2
Ordinary income	7,007	<b>7,083</b>	75	1.1
Net income attributable to owners of parent	4,612	<b>4,635</b>	23	0.5
EPS (yen)	275.35	<b>275.73</b>	0.38	0.1
Dividend per share (yen)	82.7	<b>82.8</b>	0.1	0.1

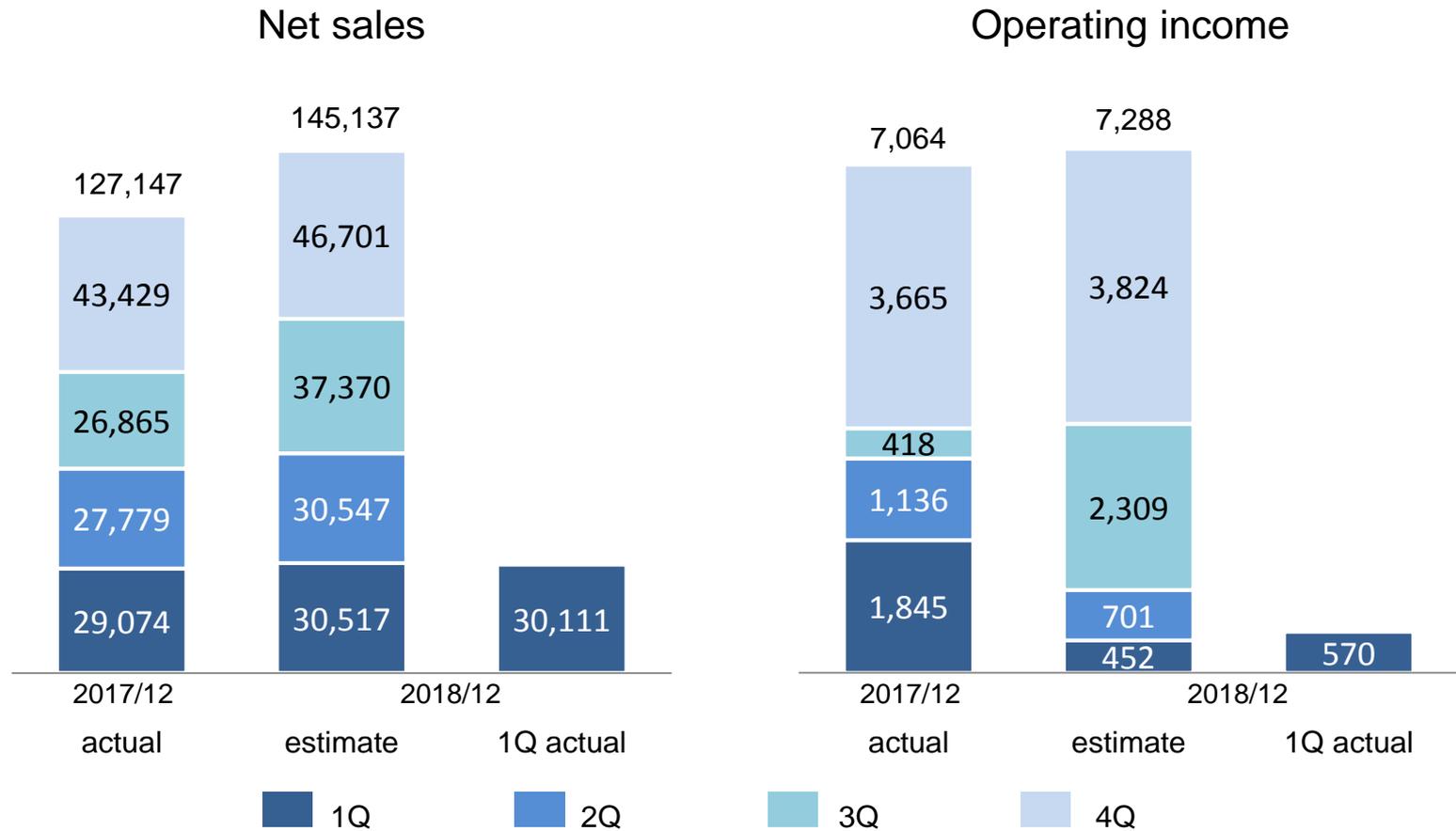
# Business Forecast by Segment

- The Human Resources and Education Business, which is our mainstay, is expected to keep leading our business.

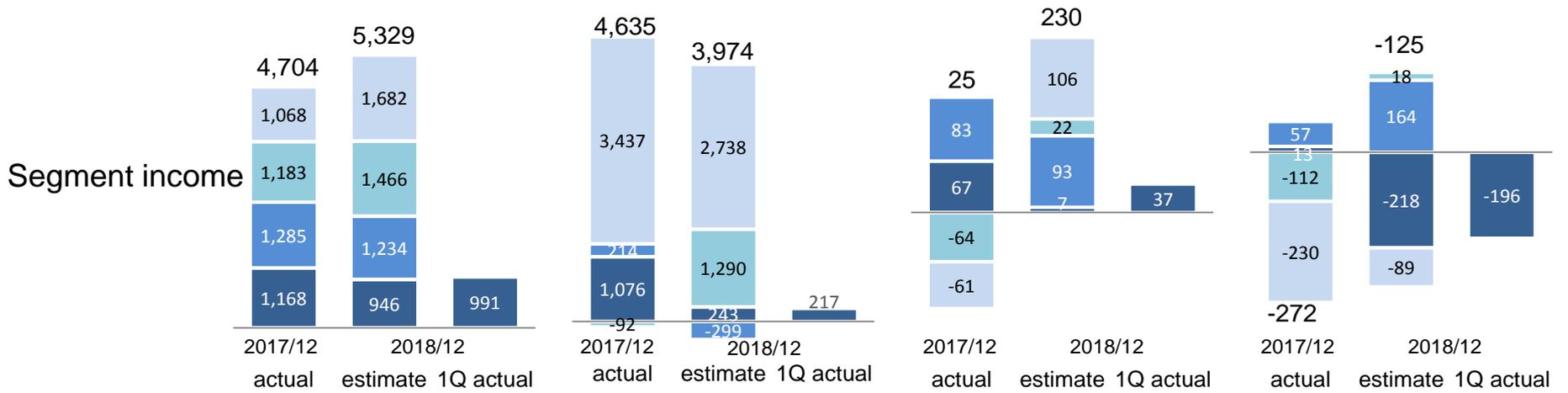
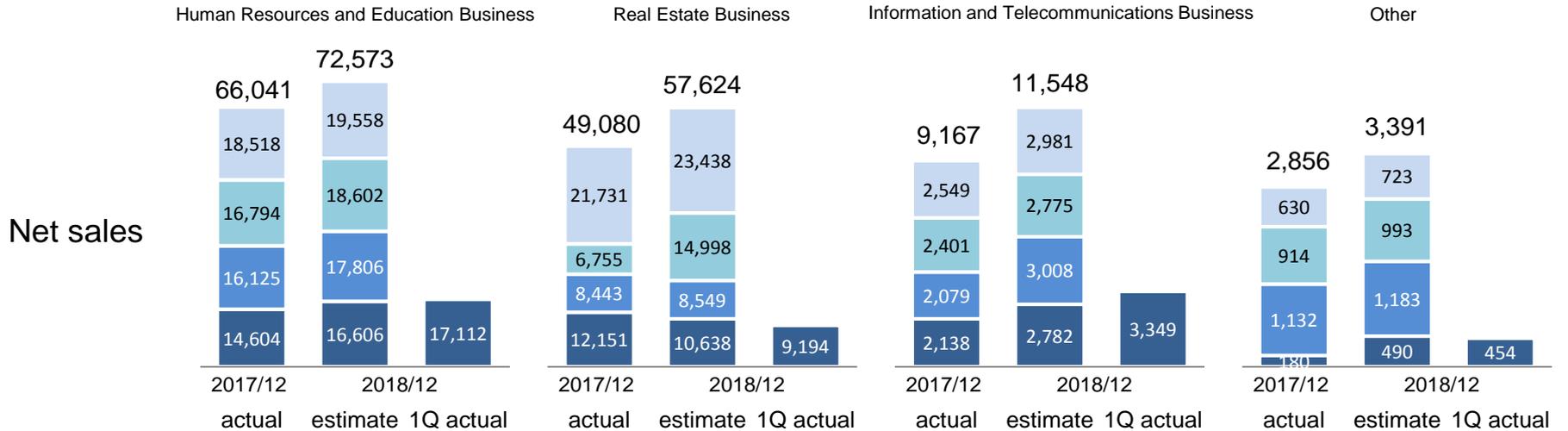
Unit: Million yen, %			FY2017 actual		FY2018 forecast		YOY		
				(Profit margin)		(Profit margin)	Change	Pct. Change	
Human Resources and Education Business	Factory Business	Net sales	41,654		46,435		4,781	11.5	
		Segment income	2,587	(6.2%)	3,264	(7.0%)	677	26.2	
	Technology Business	Net sales	12,155		13,338		1,183	9.7	
		Segment income	1,263	(10.4%)	1,291	(9.7%)	28	2.2	
	R&D Business	Net sales	6,489		7,420		931	14.3	
		Segment income	634	(9.8%)	693	(9.3%)	59	9.3	
	Sales & Marketing Business	Net sales	5,741		5,380		-361	-6.3	
		Segment income	219	(3.8%)	80	(1.5%)	-139	-63.5	
	Total (reference)		Net sales	66,041		72,573		6,532	9.9
			Segment income	4,704	(7.1%)	5,329	(7.3%)	625	13.3
Real Estate Business	Real Estate Business	Net sales	49,080		57,624		8,544	17.4	
		Segment income	4,635	(9.4%)	3,974	(6.9%)	-661	-14.3	
Information and Telecommunications Business	Information and Telecommunications Business	Net sales	9,167		11,548		2,381	26.0	
		Segment income	25	(0.3%)	230	(2.0%)	205	820.0	
Other	Others	Net sales	2,856		3,391		535	18.7	
		Segment income	-272	(-9.5%)	-125	(-3.7%)	147	-54.0	
Total		Net sales	127,147		145,137		17,990	14.1	
		Elimination or corporate	-2,029		-2,119		(—)	(—)	
		Operating income	7,064	(5.6%)	7,288	(5.0%)	224	3.2	

# FY2018 Quarterly Business Forecast

- From this term, we will disclose quarterly earnings forecasts for the purposes of improving the transparency of business administration and contributing to the investment judgment of shareholders and investors.



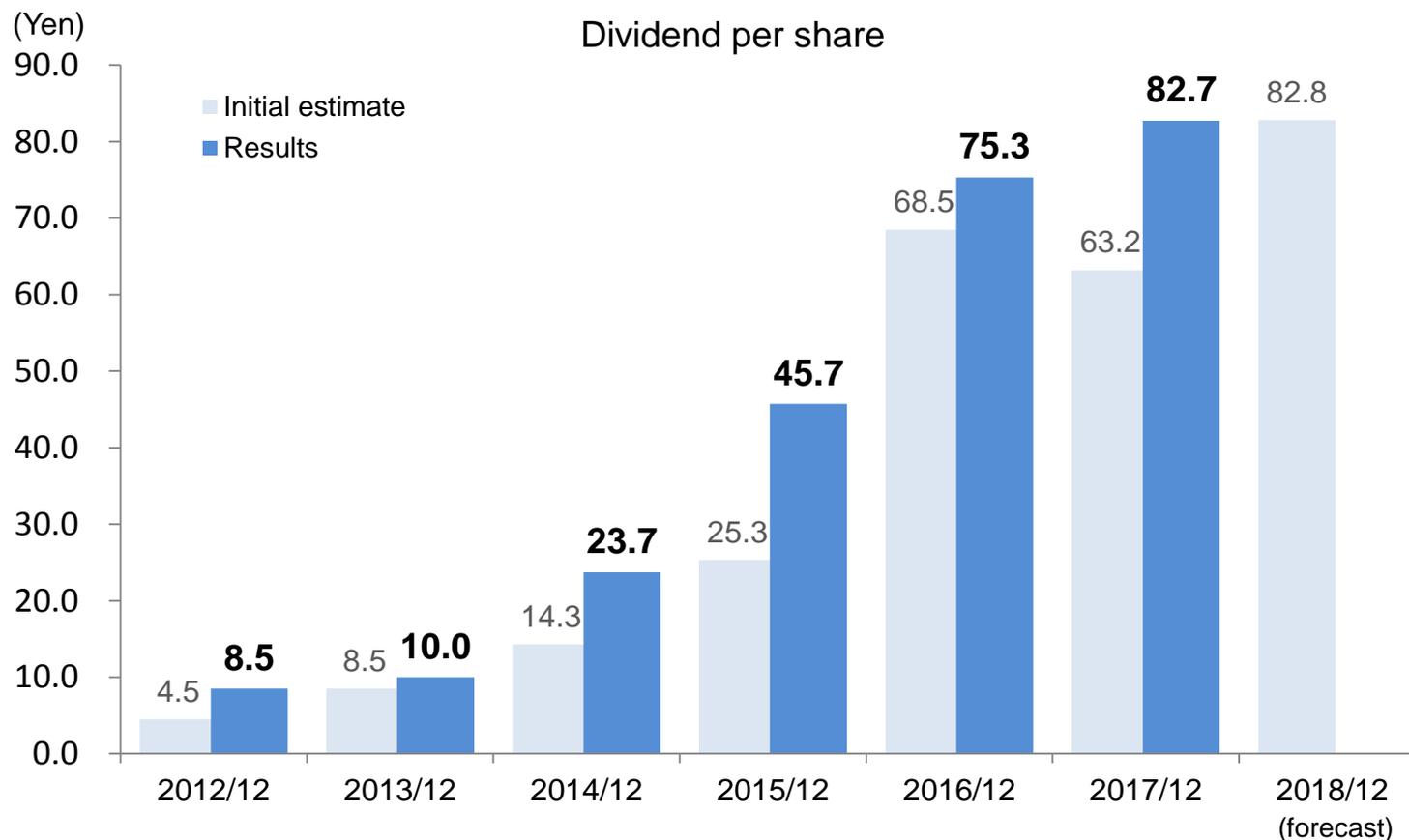
# Quarterly Business Forecast by Segment



■ 1Q      ■ 2Q      ■ 3Q      ■ 4Q

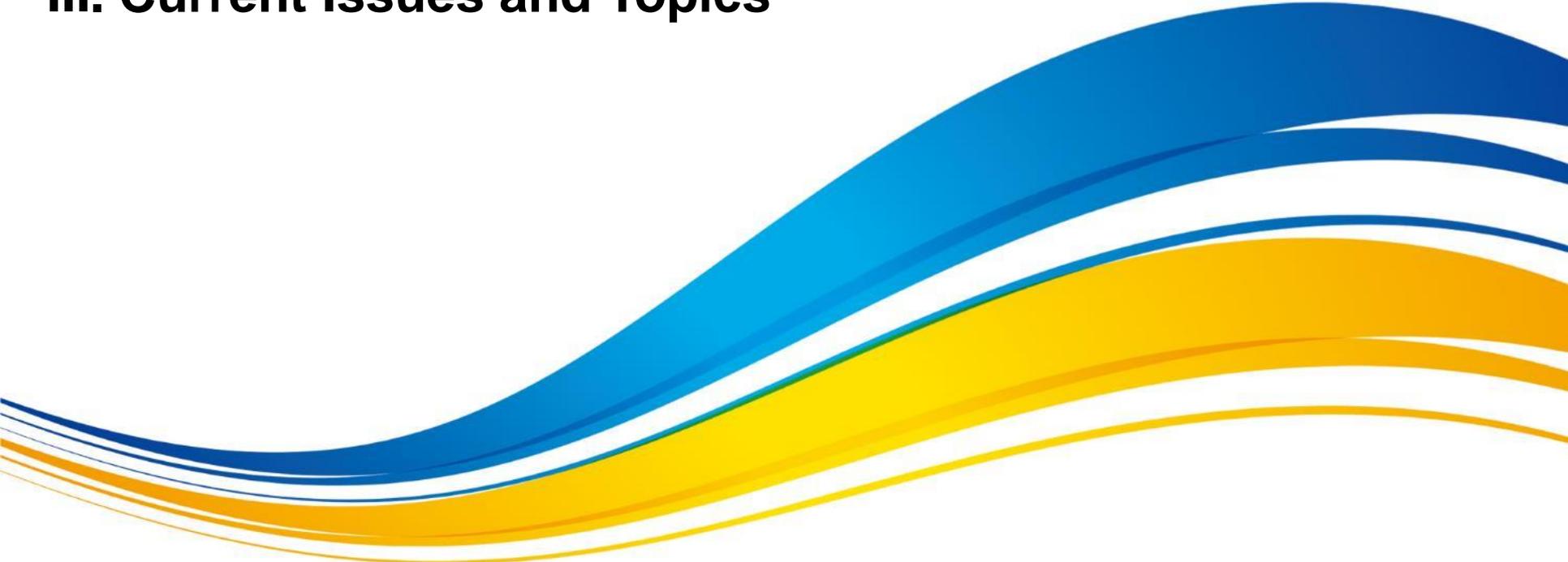
# Shareholder Returns

We aim to increase dividends stably and continuously, and achieve a payout ratio of 30%.



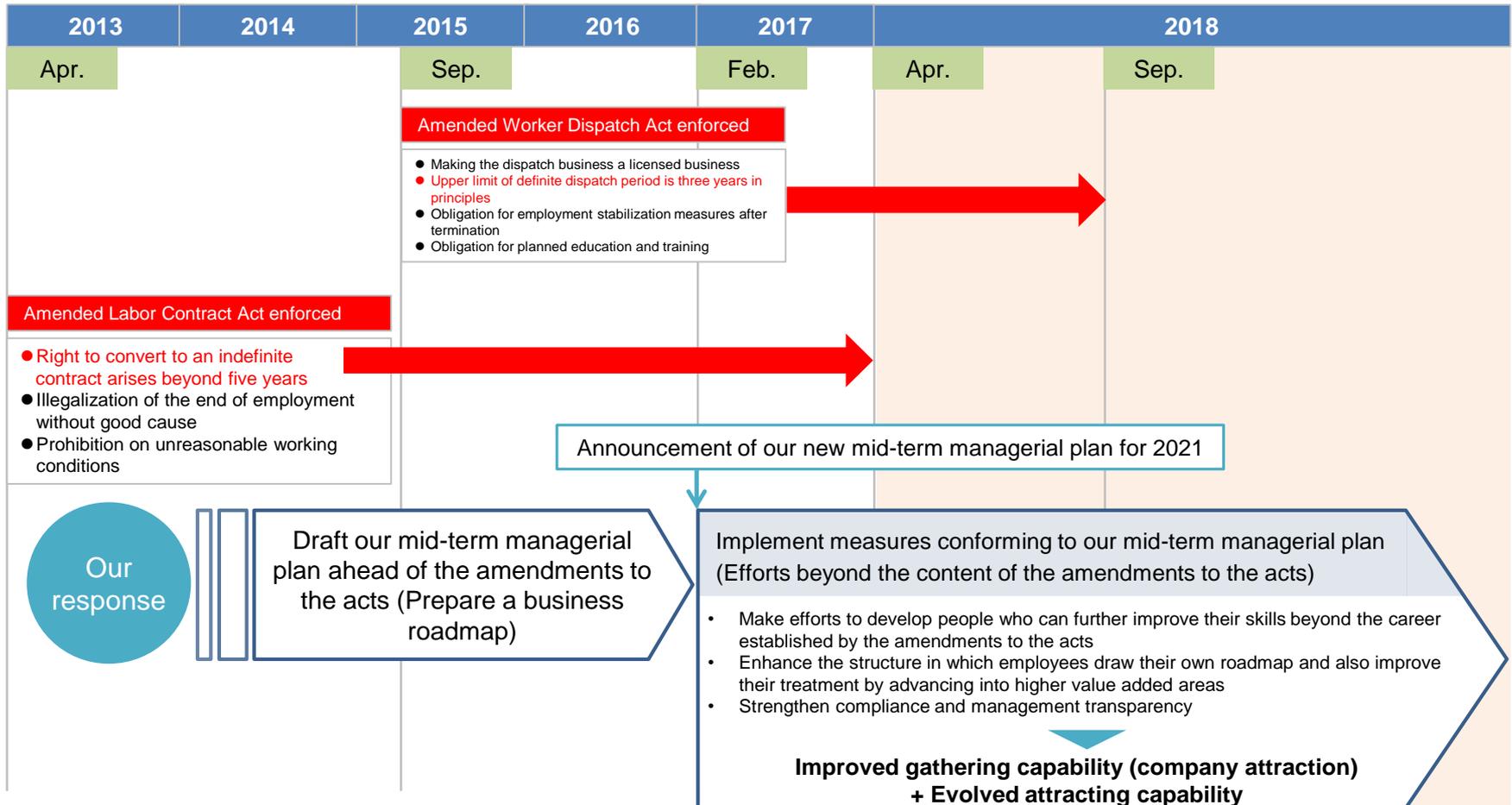
\*The forecast and dividend estimated are based on the information that the Company has and a certain assumption that is considered reasonable. There is a possibility that the actual results may largely differ based on various factors.

# III. Current Issues and Topics



# About Issues Concerning 2018

## Overview of the Amended Labor Contract Act and Amended Worker Dispatch Act



Favorable conditions by the amendments to the acts

# Topics 1

Feb. 2018: World Intec Co., Ltd., a core operating company in Human Resources and Education Business, made SAINS a subsidiary.



Aim

**Grow our human resource business by strengthening SI (build a structure that can handle contracted businesses)**

Focus efforts on integration of World Intec Co., Ltd.'s mobilizing power and software development consignment expertise

Apr. 2018: The World Mikuni joint venture, comprised of consolidated subsidiaries, started designated management work of the Kitakyushu Municipal Sougou Nouji Center.



Result

**Demonstrate a synergistic effect by making Farm Co., Ltd. part of the group**

Labor management and production improvement expertise × Community-based real estate management expertise × Agricultural park facility management and operation expertise = High quality services

Apr. 2018: Our consolidated subsidiary Mikuni Co., Ltd. concluded a business partnership for a new reverse mortgage product handled by the Bank of Fukuoka.



Result

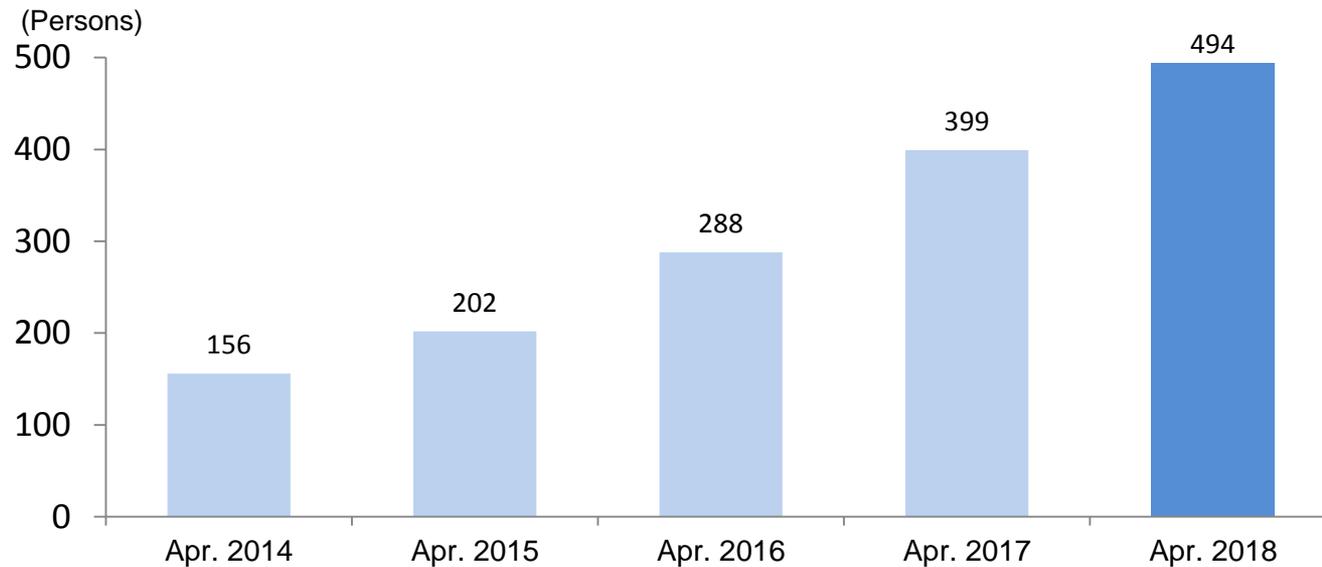
**Achieve success with activities rooted in the community by Mikuni Co., Ltd. serving as a powerful pipeline to a leading regional bank**

Support the second life of parties to contracts through real estate business by handling real estate property assessment work

# Topics 2

## 494 New Employees Joined Our Company in April:

Completion of the Building of a Structure/Organization Capable of Achieving Employment on a Scale of 500 People



# For More Information

**Norio Nishihara**

**Public Relations and Investor Relations Department**

**Corporate Planning Division**

**WORLD HOLDINGS CO., LTD.**

**TEL: 03-3433-6005**

**E-MAIL: [irinfo@world-hd.co.jp](mailto:irinfo@world-hd.co.jp)**

**URL: <http://www.world-hd.co.jp/>**

No information in this presentation is provided for the purpose of soliciting purchases or sales of our stock. Furthermore, opinions, forecasts and other information not based on historical facts represent our judgments at the time this presentation was prepared. We do not guarantee the accuracy of this information and may revise this information at any time without prior notice. We and other providers of this information assume no responsibility whatsoever for any losses incurred in association with the information in this presentation.