



# New Mid-term Managerial Plan 2021

World Holdings Co., Ltd.  
First Section of Tokyo Stock Exchange (2429)



Under the basic policy of “contributing to people and cultures around the world through business,” we will create “systems in which people can flourish” with our 3 core businesses.



## Personnel and education business

To connect people and jobs—  
New ways of working



World Intec



World Intec Fukushima



World Intec Taiwan



DOT World



Advan



Geographic  
Information of Kyushu



World Intec Shanghai



Engma Intec



Farm Corporation

## Information and communications business

To connect people New ways  
of communication



Best IT Business

## Real Estate Business

To connect people and housing  
New ways of urban development



World Residential



World Development Indonesia



World iCity



World Wisteria Homes



World Mikuni



World Resiselling



Nichimo Real Estate



Mikuni



Omachi World

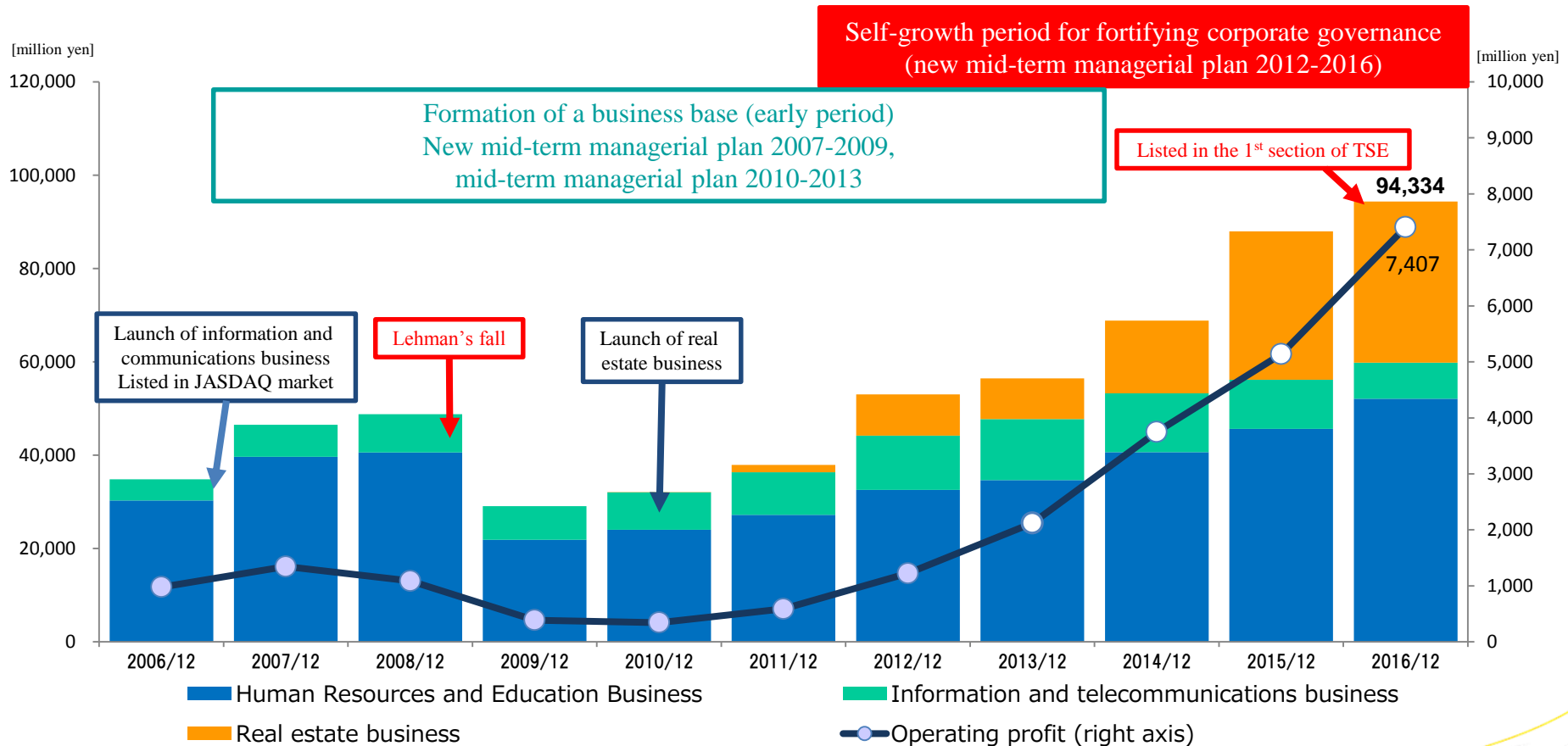
Hoei  
Construction

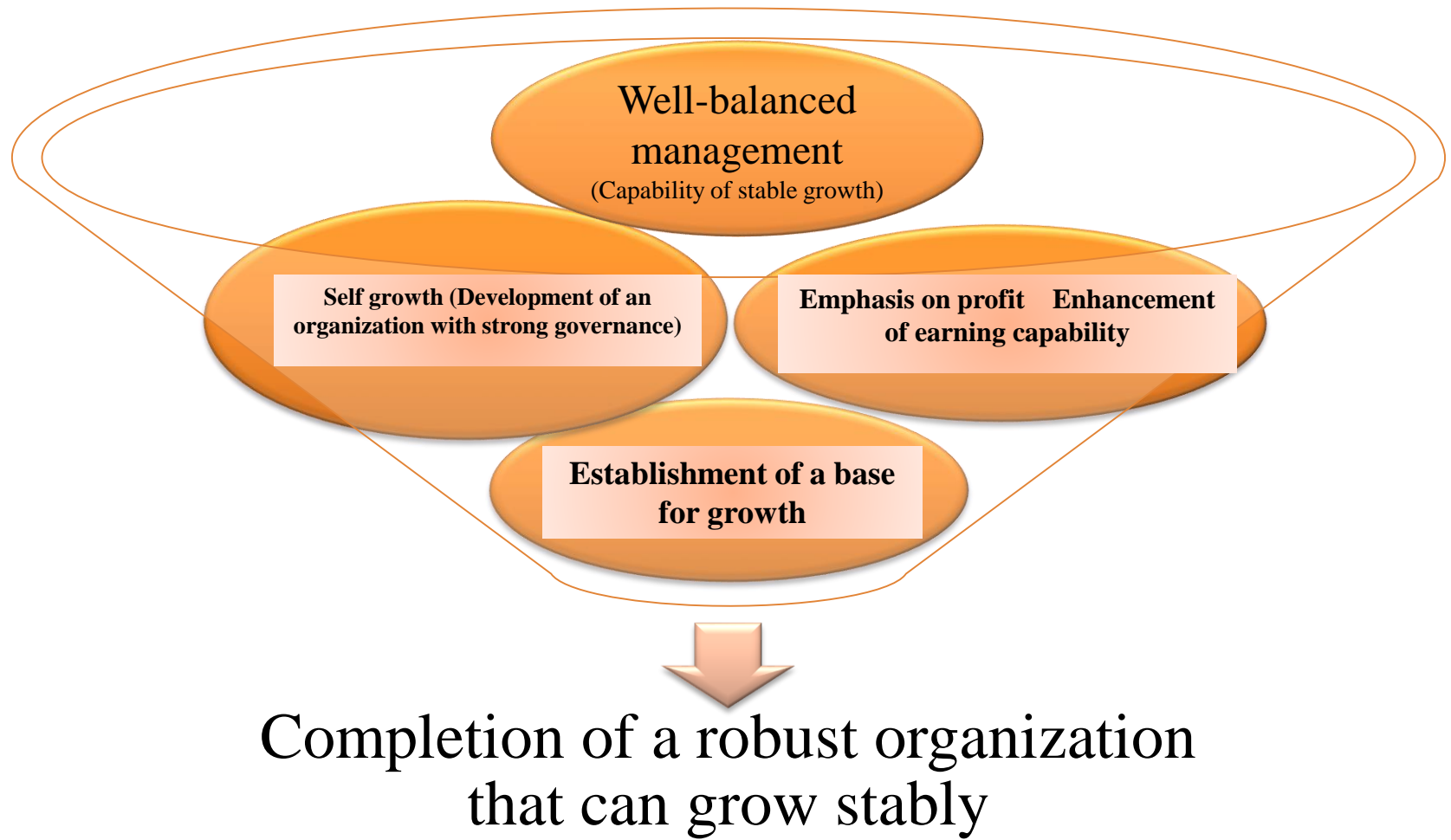
M' s Corporation

# Variation in performance



To design an optimal portfolio with multiple businesses according to the economic environment in each age ⇒ Stable business growth where individual businesses can support one another.





## Summary and results (Human Resources and Education Business)

### Intensive measures

In addition to personnel development and scale expansion of our existing business, we reviewed our commercial distribution for manufacturing, and promoted the strategies focused on the peripheral fields of the existing business.

### Results

**We developed a firm base for our existing business, and started our business in promising markets.**

#### Business strategies

- Entry to the logistics market [Cultivation of new fields for the factory business]
- Entry to the factory engineer field [Cultivation of new fields through the cooperation between the techno and factory businesses]
- Entry to the PV market [Cultivation of the peripheral fields of the R&D business]
- Entry to the OCS field (call centers and light duties) [Cultivation of unexplored fields for the business of dispatch of registered workers]
- Launch of the S&M business [Establishment of new segments in response to the expansion of the CB and OCS sections]
- Launch of Techno Design Center [Establishment of an institution for training engineers]

#### M&A

- DOT World [Launch of the CRO business]
- Noritsu Taiwan [Enhancement of the training of engineers and the communication with overseas personnel]
- Nikken Techno [Strengthening of the repair business]

	<u>Results in 2011</u>	<u>Results in 2016</u>
Factory business	15,722 million yen	30,111 million yen (191.5%)
R&D business	2,502 million yen	5,533 million yen (221.1%)
Technology business	5,982 million yen	10,334 million yen (172.8%)
Sales & marketing business	683 million yen	5,654 million yen (827.8%)

## Summary and results (real estate business)

### Intensive measures

To predict what kinds of business and areas will see the growth of demand while considering economic situations and policies, clarify the roles of operating companies, and promote strategies for business expansion.

### Results

We carried out well-balanced business administration that is not swayed by the economic environment, maximizing profit.

#### Business strategies

- To establish operating companies in Tohoku, Osaka, and Fukuoka, following the Tokyo Metropolitan Area [Expansion of the area for development business]
- To revise the portfolio of land for business while considering the economic environment, and enrich collaboratively developed real estate as well as the real estate developed by our company [Promotion of efficient commercialization]
- To actively make inroads into new fields [real estate management, prefabricated houses, rental, renovation, single-family houses]

#### M&A

- Omachi Unitex (present: Omachi World) [Prefabricated house and rental business]
  - Mikuni Sangyo (present: Mikuni) [Renovation and area expansion]
  - Compax [Real estate management]
  - Hoei Kensetsu [Single-family housing business (Hokkaido)]
  - Farm [Leisure industry]
- (To be officially determined in 2017)

	<u>Results in 2011</u>	➔	<u>Results in 2016</u>
Real estate business	1,514 million yen		34,481 million yen (2277.5%)

## Summary and results (information and communications business)

### Intensive measures

Under the saturated business environment, we prioritized the investment in the development of future systems while assuming store operation and personnel that will be required in the future. We prepared for the second expansion phase in which we would strive to retain customers.

### Results

**Store operation was rationalized, transitioning to a flexible excellent store system. Personnel with high hospitality were produced, achieving a store operation system and increasing new services.**

#### Business strategies

- Establishment of the network of excellent stores [Promotion of store operation streamlining focused on scrap]
- Personnel education to offer services that would retain customers [Original personnel education]
- Establishment of stores under a new concept [Keitai-no-madoguchi (Customer Support for Cell Phones) opened]
- Increase of new services [LED rental, etc.]

	<u>Results in 2011</u>		<u>Results in 2016</u>
Information and communications business	9,176 million yen	➔	7,742 million yen (84.4%)



## Summary and results (quantitative goals)

Net Sales did not reach the target, because real estate was transferred at a wrong timing in the real estate business. Operating income exceeded the target considerably, because we conducted business while emphasizing profit.

### New mid-term managerial plan in 2012 (quantitative goals)

Net Sales	100 billion yen
Operating income	5 billion yen
ROE	20% or over
Capital-to-asset ratio	25% or over
Payout ratio	20% or over



### Performance in 2016 (results)

Net Sales	<b>94.3 billion yen</b>
Operating income	<b>7.4 billion yen</b>
ROE	<b>33.5%</b>
Capital-to-asset ratio	<b>19.4%</b>
Payout ratio	<b>30%</b>



# Environmental changes in each business field



	Topics	Effects and environmental changes
Human Resources and Education Business	Amendment to the Worker Dispatch Law Acceleration of outsourcing	<ul style="list-style-type: none"><li>• Effects of the amendment to the law (The burdens on enterprises hiring dispatched workers increased, administrative guidance improved, and so on.)</li><li>• Ability to do business in more advanced business fields</li><li>• Acceleration of decrease of labor due to the population decline (Intensification of recruiting competition)</li></ul>
Real estate business	Increase of foreign visitors to Japan Hosting Tokyo Olympics Increase of business of restoration after the earthquake disaster	<ul style="list-style-type: none"><li>• Skyrocketing of land prices</li><li>• Accelerated augmentation of construction cost</li><li>• Rise in selling prices</li></ul>
Information and telecommunications business	Guidelines regarding the rationalization of assistance in purchase of smartphone terminals	<ul style="list-style-type: none"><li>• Competition among 3 carriers + MVNO</li><li>• Consolidation and abolishment of stores</li><li>• Carriers improved their brand strategies (high requirements)</li></ul>

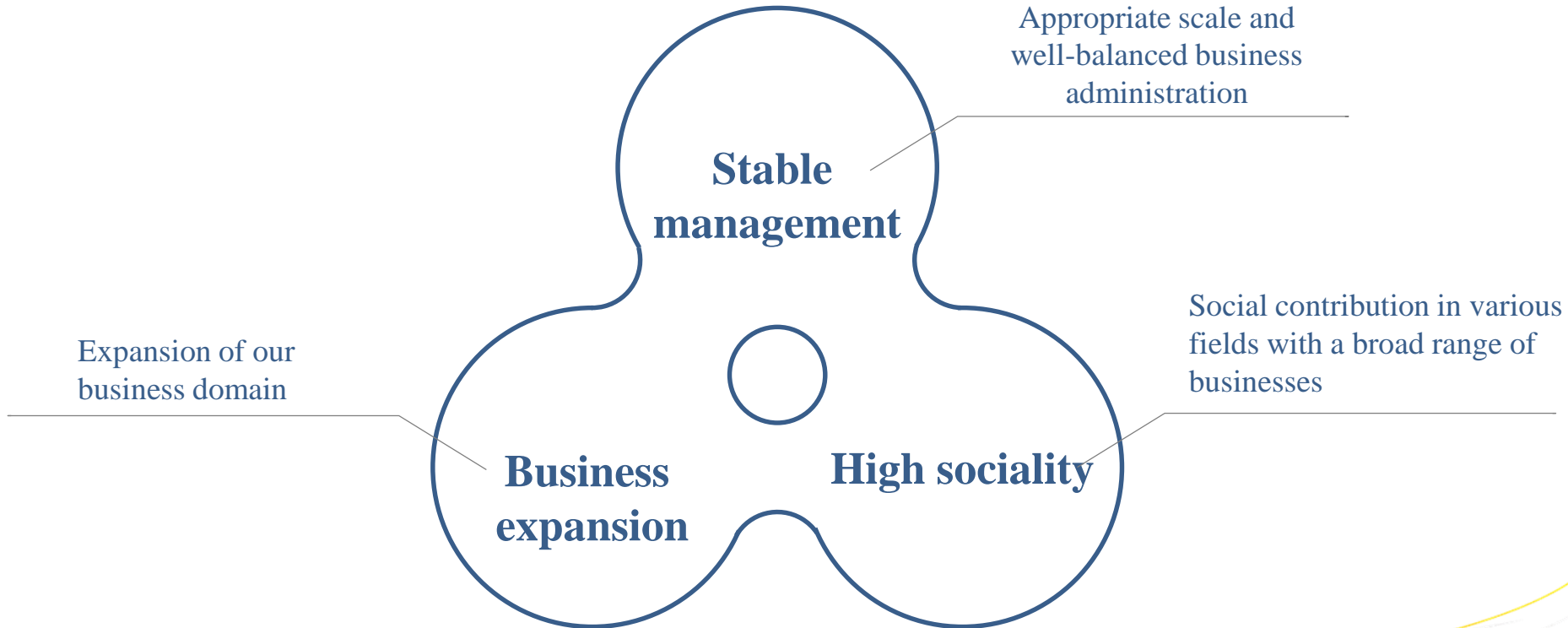


**We require a strategy for achieving the most efficient stable growth (expansion) while predicting changes.**



## New Vision

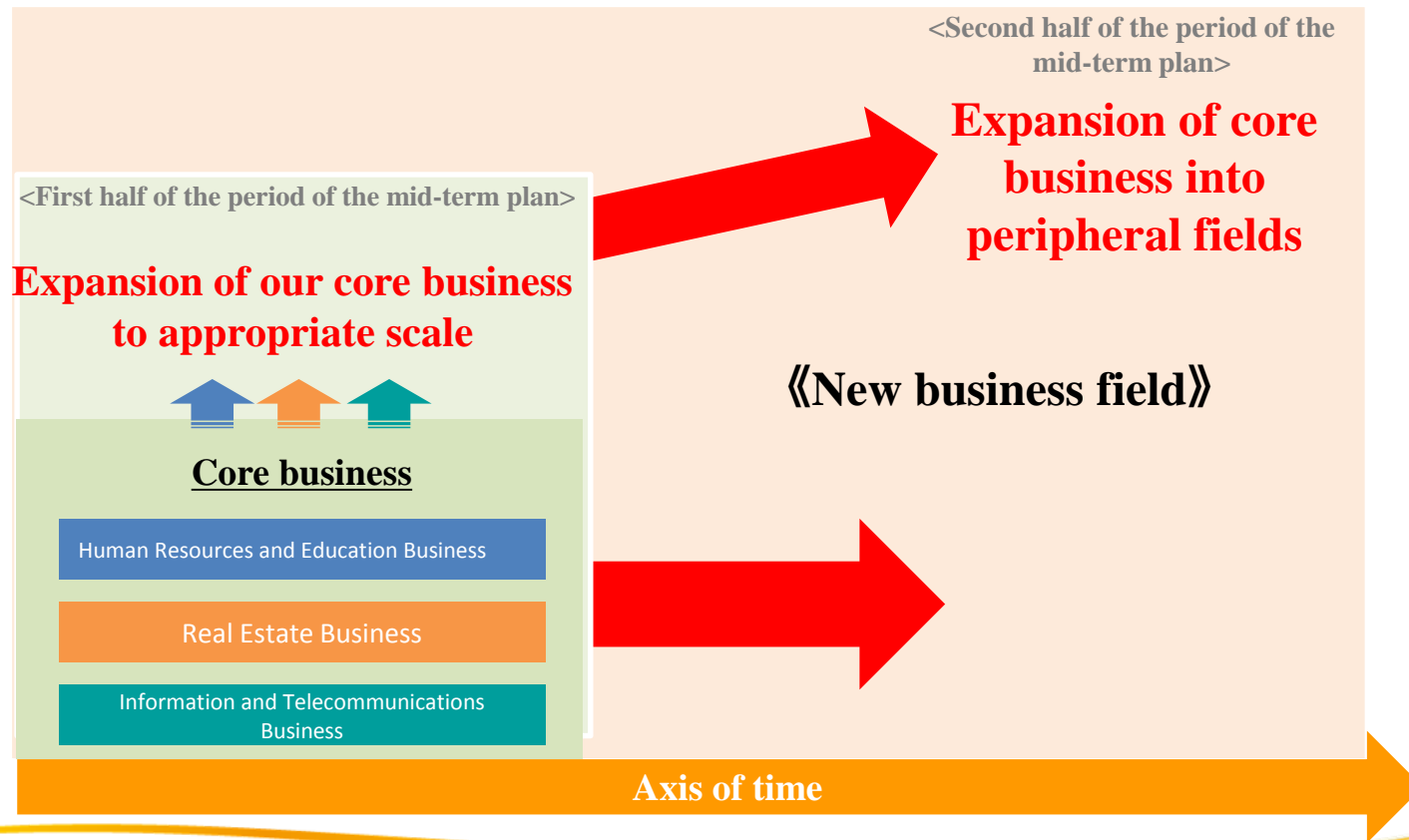
- Pursuit of an evolved system in which people can flourish  
“We aim to become an enterprise that can grow stably,  
more strongly and more socially”





## Expansion based on well-balanced business administration

We will pursue optimal profit earning performance with an appropriate scale while concentrating on our core business, and aim to expand our existing business based on stable growth. In this plan, we will make inroads into new fields surrounding our existing business with an appropriate scale and offer new services.



## Outline of Human Resources and Education Business

### Beyond outsourcing...

From unilateral matching to bilateral matching  
Endeavor as a professional in job creation

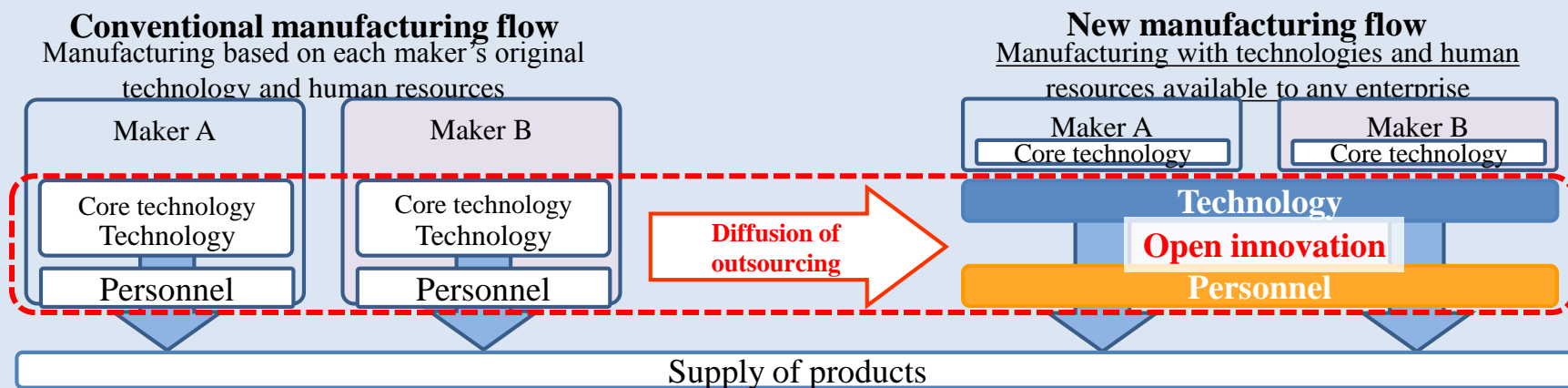
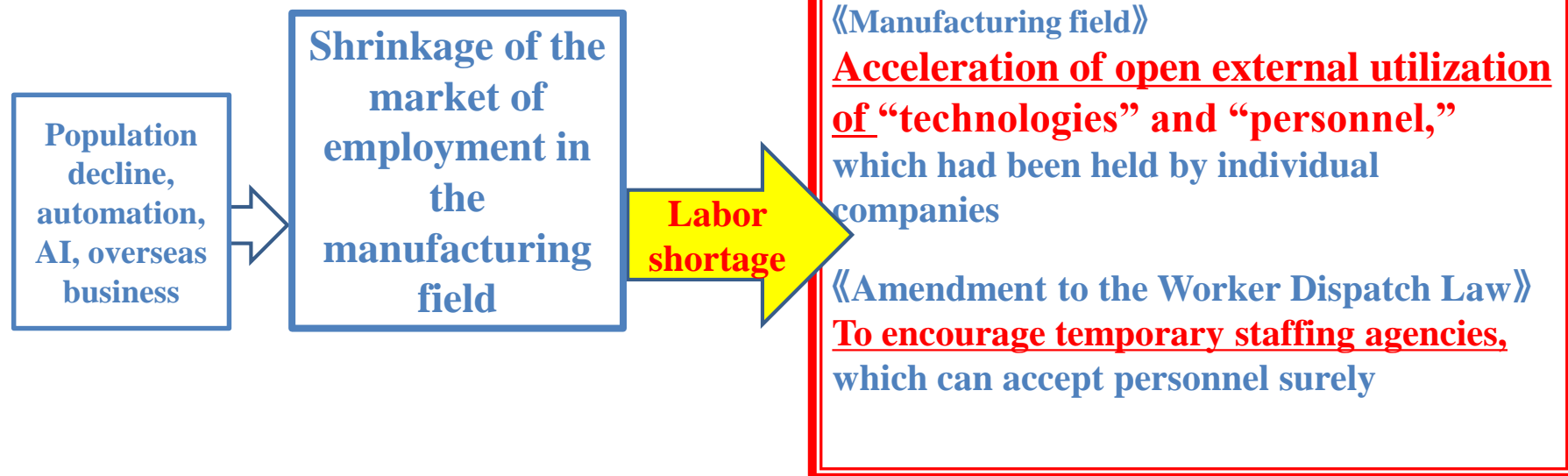
## Keywords

Personnel platform + one-stop services + bilateral matching (personnel development + job creation) + appropriate scale

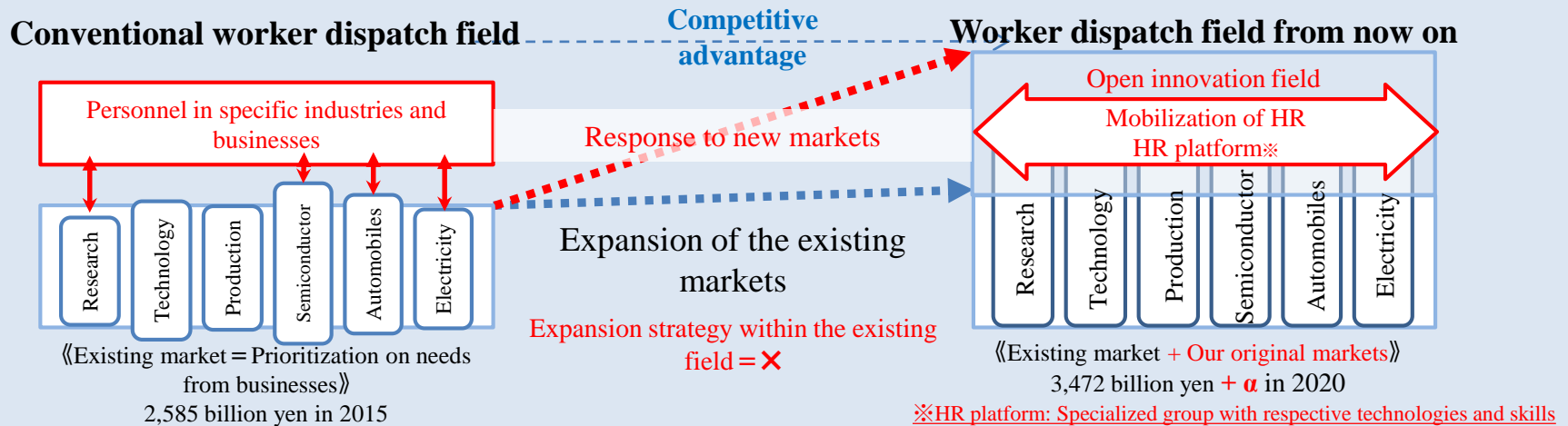
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Creation of an environment in which various people can flourish

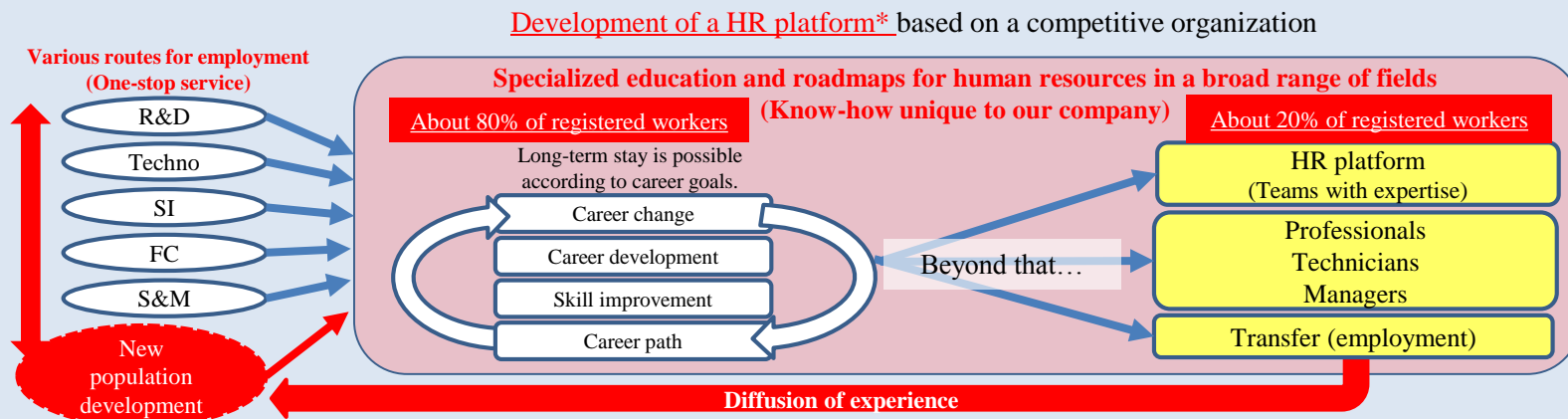
Future direction of the manufacturing industry



## Promising human resources (HR) market and main trends

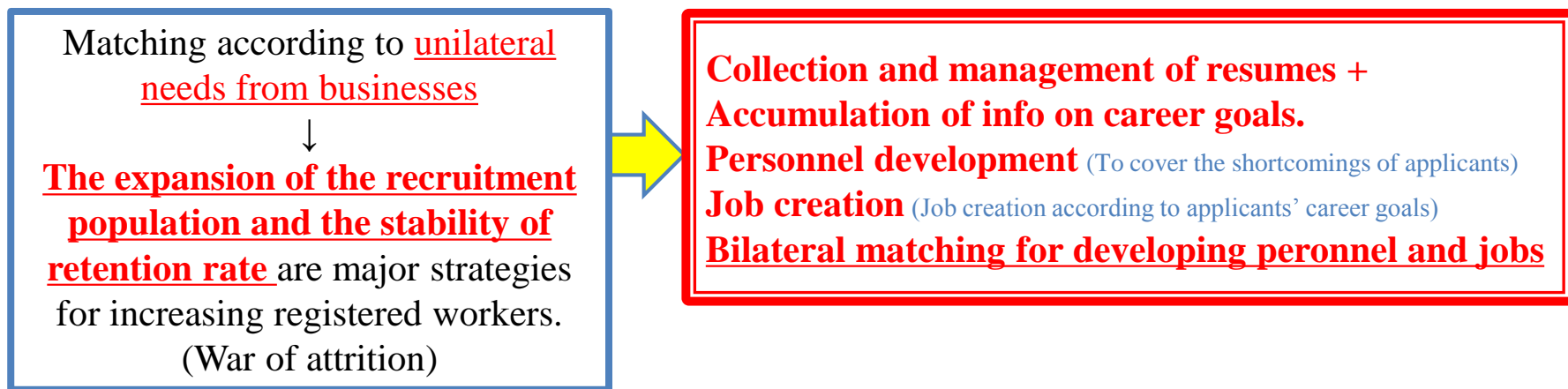


## Personnel development process



※ HR platform: Specialized group with respective technologies and skills

## Bilateral matching



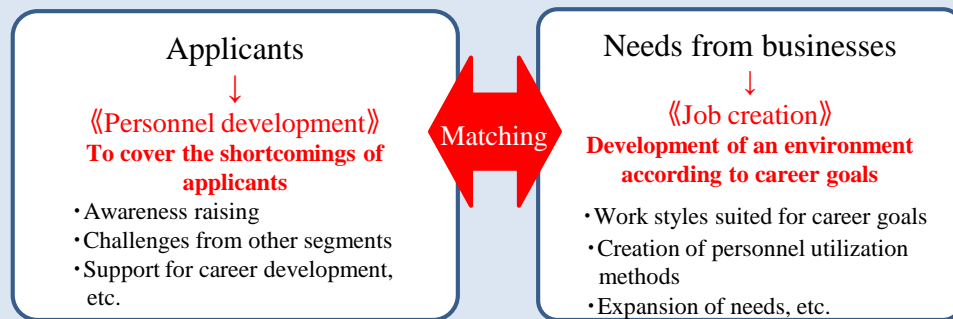
### Conventional recruitment

Recruitment of workers according to unilateral needs from businesses



### Recruitment from now on

Bilateral matching based on the collection and management of resumes, the accumulation of career goals, and the production of databases





## Outline of real estate business

Striving to improve the abilities to run our business and stand on our own

Reform of the earning structure based on the resilient business that is not swayed by the economic environment

## Keywords

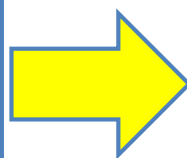
Improvement of recurring-revenue business + Fund turnover + Strengthening of self procurement capability + Fortification of housing business

||

Launch of new real estate business

## Reform of the profit earning structure considering fund turnover

Development-centered business structure  
↓  
**Vulnerable to a change in the economic environment**



Change in profit rate through the improvement of recurring-revenue business  
**Optimization of fund turnover = Stability of cash flows**  
↓  
**Strong self fund procurement capability for seizing investment chances**

### 《Differences in properties among business categories》

	Risk	Recoupment period	Profit rate	Recurring revenue property
Development	High	2-3 years	High	Low
Renovation	Medium	4-6 months	Medium	Medium
Custom home	High	8-10 months	High	Medium
Prefabricated house	Medium	7 years	Medium	High
Property	Low	Short	Low	High

### 《Change of profit composition》



# Real estate business (3)

## Strategy

### Development (one-time-revenue business)

We aim to increase revenue by maximizing ROI and achieving an appropriate scale based on the procurement and supply considering the economic environment

<No. of residential units supplied per year (appropriate scale)>

- Tohoku: 100-200 units
- Tokyo Metropolitan: 400-500 units
- Kinki: 100-200 units
- Kyushu: 100-200 units



ONE PARK RESIDENTIAL TOWERS  
《Miyagi Pref.》



Branz Yokohama-Bashamichi Residential  
《Kanagawa Pref.》

### Renovation (one-time- & recurring-revenue businesses)

To earn recurring revenue based on our nationwide network and procurement channels, and become No.1 in the renovation field.

<No. of residential units supplied per year (appropriate scale)>

1,500 units



《before》



《after》

# Real estate business (4)

## Strategy

### Single-family houses (one-time-revenue business)

To improve our overwhelming brand and performance in Hokkaido based on our network in Tohoku region, and earn recurring revenue by renovating, buying, and reselling over 4,000 houses we have sold so far.

<No. of houses supplied per year>  
300-350 houses



**Our original brand  
《Challenge 999 Series》**

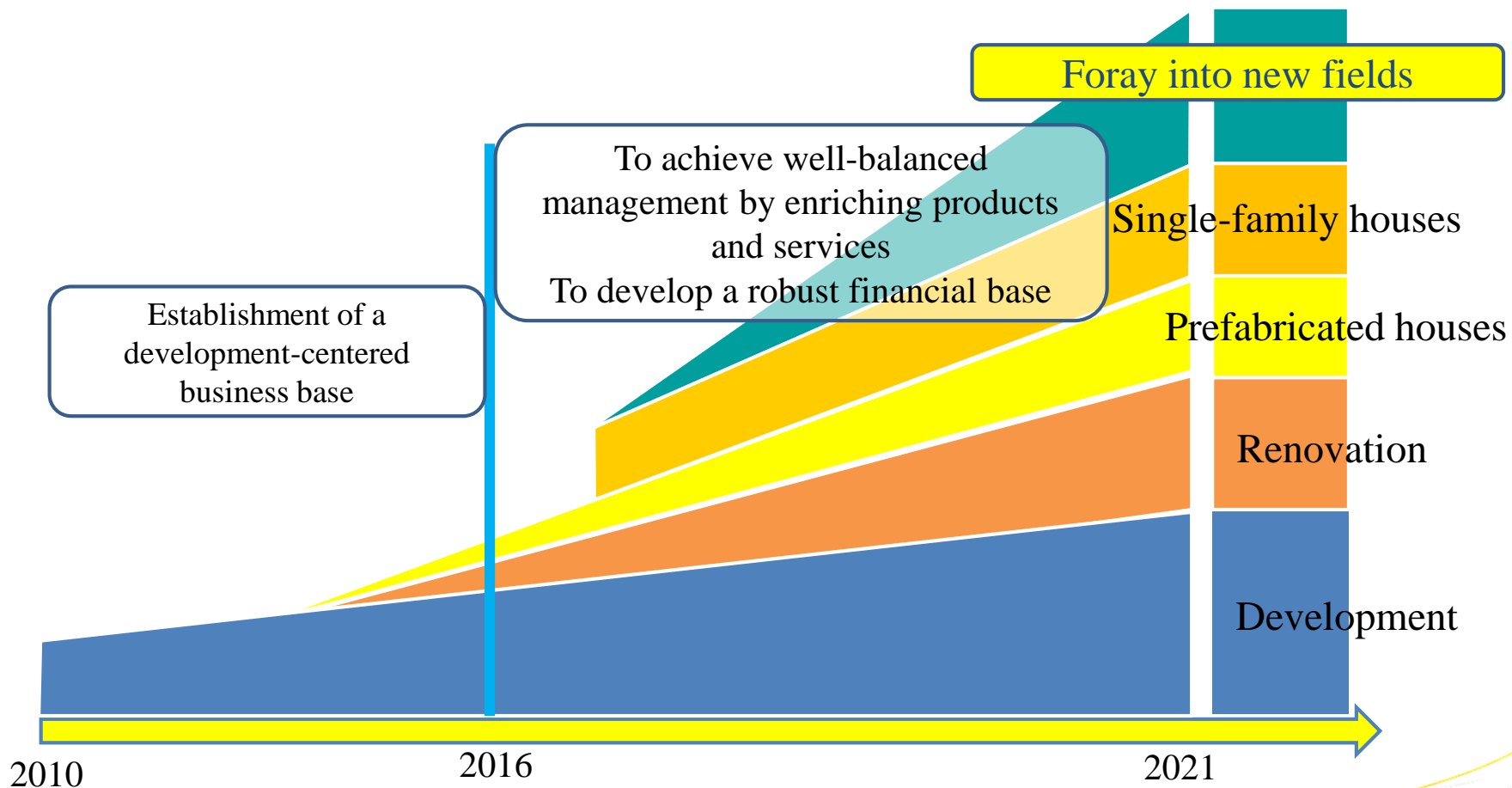
### Prefabricated houses (recurring-revenue business)

In addition to existing products, we will develop new products, to enrich our product lineup, and improve the distribution to the existing infrastructure and build our original routes inside and outside Japan, to earn more recurring revenue with rental business.



## Expansion of our business domain

To rationalize fund turnover and enter new real estate markets



## Outline of Information and telecommunications business

## Creation of new value through the pursuit of better services

Fusion and synergy of target areas (expansion of the store network)  
and items (products)

### Keywords

Hospitality + Target area expansion + Cultivation of products  
||  
Progress to the community-based expansion phase



## Strategy

### Cellphone shop

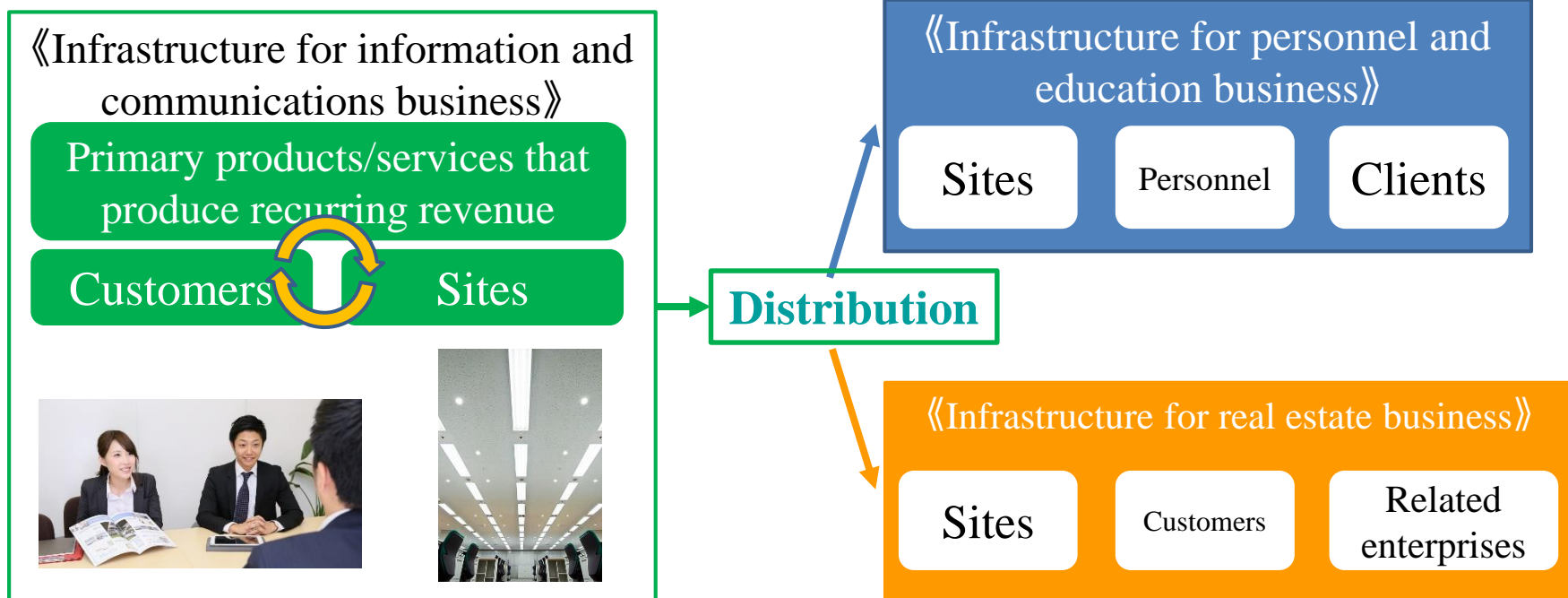
**Overwhelming customer retention > quantity sold of cell phones**



## Strategy

### Cultivation of products/services

We aim to boost profit rate by enriching primary products and services, which produce recurring revenue, while emphasizing the utilization of the existing infrastructure (shops, human resources, and business segments).

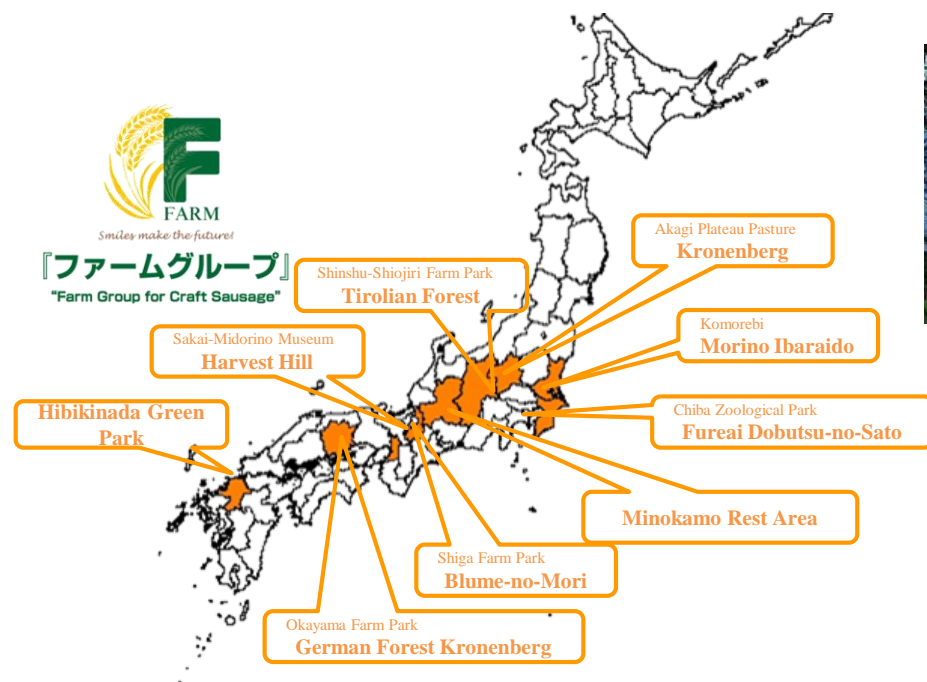






## Farm Corporation

To revitalize community-based facilities, create a broad range of employment, communicate with local residents, and fertilize local economies.



### Corporate Profile

Name: Farm Corporation  
Location: 1705-1 Omachi, Saijo-shi, Ehime Pref.  
Business content: Operation and management of farm parks  
Established in: Jul. 1968  
Covered area: Ibaraki, Chiba, Gunma, Nagano, Gifu, Shiga, Osaka, Okayama, and Fukuoka Prefectures



## Establishment of Department of Work (Job-placement office for women [mothers])

In Koriyama City, Fukushima Prefecture, “Village for Developing Lifestyles” was opened, as we have participated in this project from the planning stage, which is subsidized by Nippon Foundation. In this facility, “Department of Work (Job-placement office for women [mothers])” is operated by World Intec Fukushima, which is one of our affiliates. Its operation began as a site for distributing information for empowering women.





# Numerical Goals



**Net Sales: 200 billion yen**

**(M&A accounts for 10-15 billion yen)**

**Operating income: 10 billion yen**

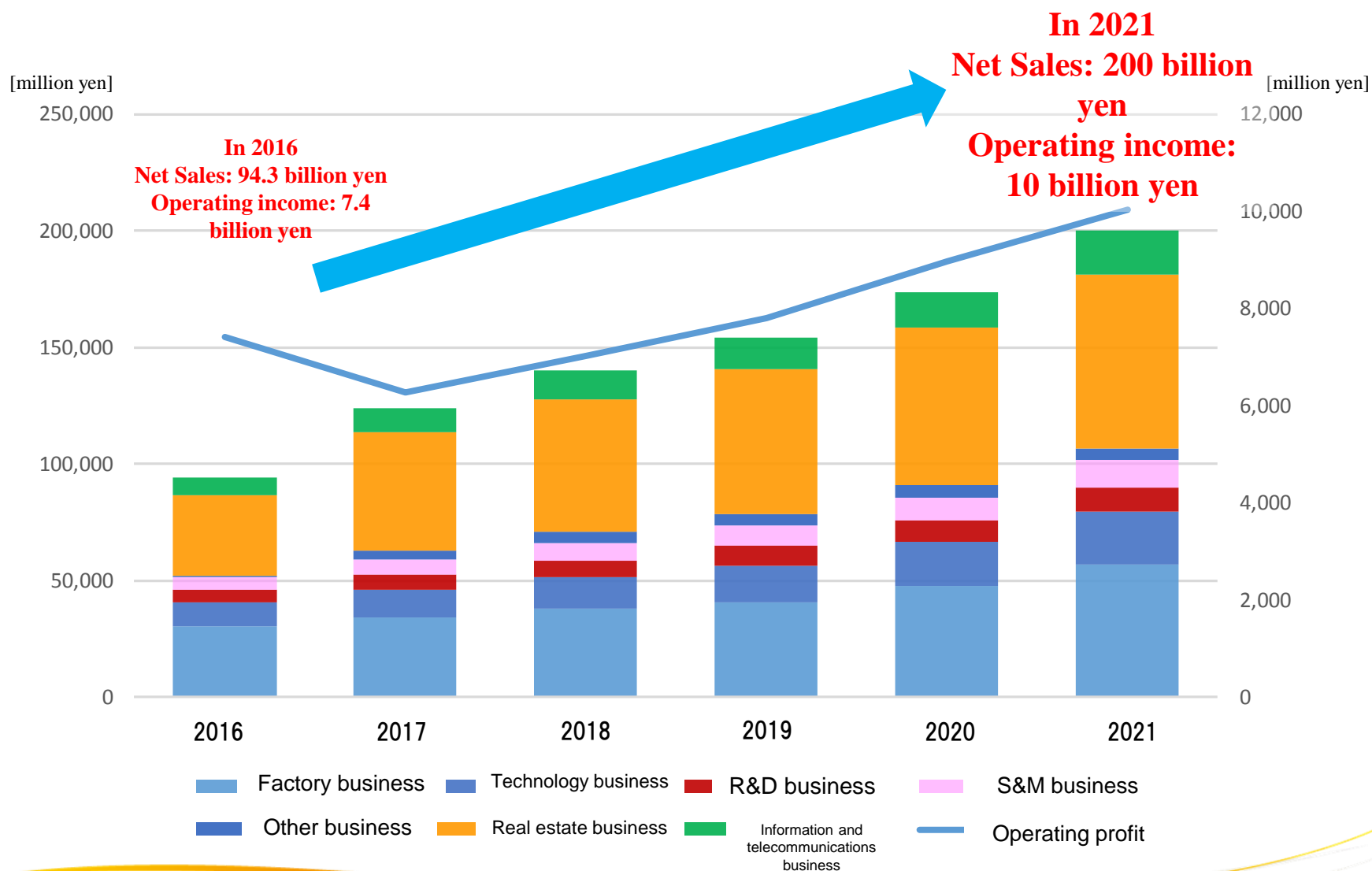
**ROE: 20% or over**

**Capital-to-asset ratio: 20% or over**

**Investment for growth (M&A funds): 10 billion yen**

**Payout ratio: 30% or over**

# Numerical goals in the new mid-term managerial plan for 2021

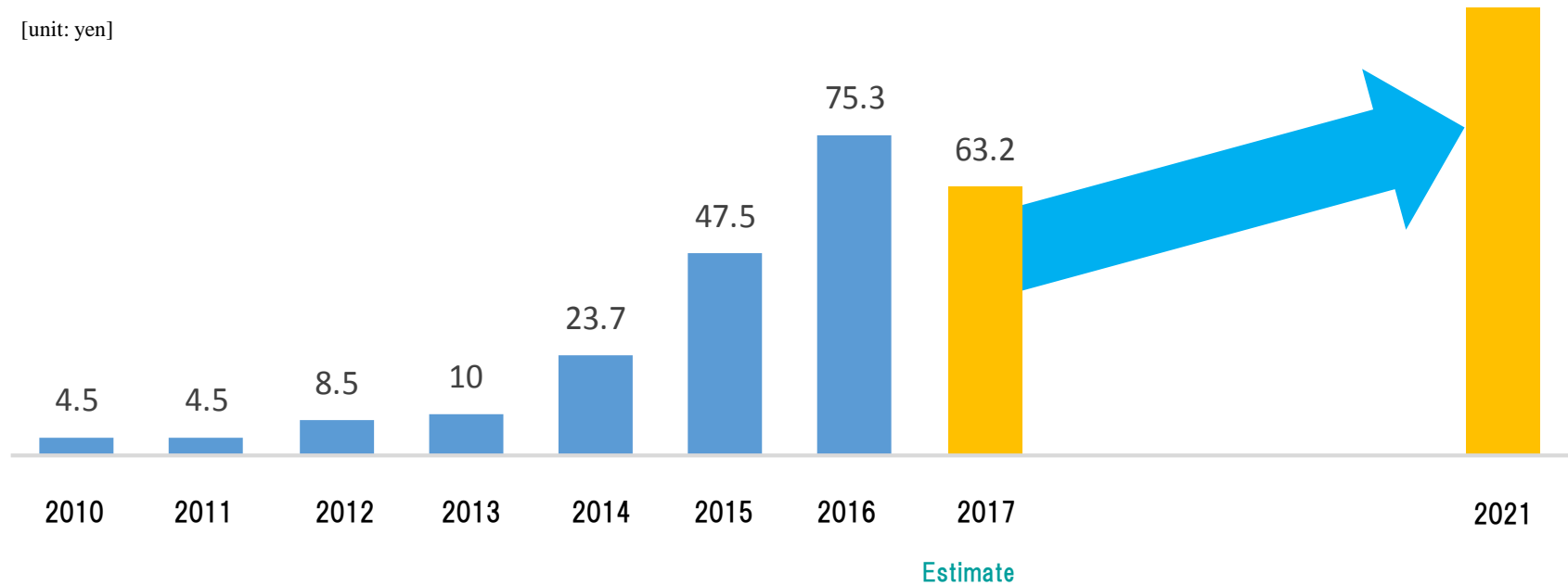




**We will keep payout ratio 30% while prioritizing the investment for business expansion.**

## Variation in dividend

[unit: yen]





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