



November 30, 2018

Company name: WORLD HOLDINGS CO., LTD.
Representative: Eikichi Iida, Chairman and President
Listing: Tokyo Stock Exchange, First Section
Stock code: 2429
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Acquisition of Sapporo Homebuilding and Sales Business

World Holdings Co., Ltd. has acquired the Sapporo homebuilding and sales operations of RCHousing Co., Ltd. (Head office: Toyohashi, Aichi; Representative: Koji Kasahara) today by using a newly established subsidiary and started business operations.

1. Purpose of the Acquisition

World Holdings is currently implementing the New Medium-term Management Plan 2021 that was announced in February 2017. One objective for the first half of this plan is enlarging the three core businesses to a suitable size. The goal is consistent growth for the expansion of existing businesses by achieving the proper scale of operations and optimum level of earnings. In the Real Estate Business, which is one of the core businesses, World Holdings is building a powerful foundation by enlarging the lineup of products in order to create a well-balanced profit structure. The objective is to make this business even more self-reliant and better positioned for growth.

RCHousing declared bankruptcy on May 31, 2018 at the Nagoya District Court under the provisions of the Civil Rehabilitation Law. By using a newly established subsidiary, World Holdings has acquired the homebuilding and sales operations of RCHousing in the Sapporo region on November 30, 2018. The operation of this business by World Holdings started on the same day.

RCHousing builds reinforced concrete residential structures in Nagoya, Sapporo and Okinawa. In the Sapporo area, this company built and sold small houses near the city center with prices that were lower than most condominium prices. In 2017, RCHousing constructed 112 houses in the Sapporo area, based on the number of building confirmation applications submitted. As the largest supplier of reinforced concrete housing in the Sapporo area, RCHousing has a brand that ranks eighth among all companies in both the custom-built and built-to-sale housing market sectors. World Holdings subsidiary Hoei Construction Co., Ltd. constructs wood-frame custom-built houses in the suburbs of Sapporo. By using these two home construction brands, each for a different market category, World Holdings believes that it will be possible to establish an even more powerful market position in the Sapporo area.

2. Overview of the Acquired Business

World Holdings has acquired the Sapporo reinforced concrete homebuilding and sales business of RCHousing, which consists of 8 completed houses, 38 houses under construction, 1 housing site, and the land and building used for the former RCHousing Sapporo Branch Office.

3. Profile of the New Subsidiary

(1) Name	RCHousing Higashinihon, Co., Ltd
(2) Location	13-1-15, Toyohira 1-jyo, Toyohira-ku, Sapporo, Hokkaido
(3) Representative	Masaaki Shiomi, President
(4) Business	Construction and sale of reinforced concrete houses
(5) Capital	10 million yen
(6) Established	October 3, 2018
(7) Shareholder and shareholding ratio	World Holdings: 100%

4. Profile of RCHousing

(1) Name	RCHousing, Co., Ltd
(2) Location	60, Togo-cho, Toyohashi, Aichi
(3) Representative	Koji Kasahara, President
(4) Relationships between World Holdings and RCHousing	There is no capital, personnel or business relationships. RCHousing is not a related party of World Holdings.

5. Acquisition price

The price will not be disclosed in accordance with an agreement between World Holdings and RCHousing.

6. Schedule

(1) Contract signing	October 25, 2018
(2) Court approval	November 27, 2018
(3) Date of acquisition	November 30, 2018

7. Outlook

At this point, the acquisition will have only a negligible effect on the consolidated forecasts for the current fiscal year. An announcement will be made promptly if the review of impact on business performance requires a revision to these forecasts.