



FY2018 Third Quarter Financial Results

November 5, 2018 (Mon)
WORLD HOLDINGS CO., LTD.
First Section of Tokyo Stock Exchange (2429)

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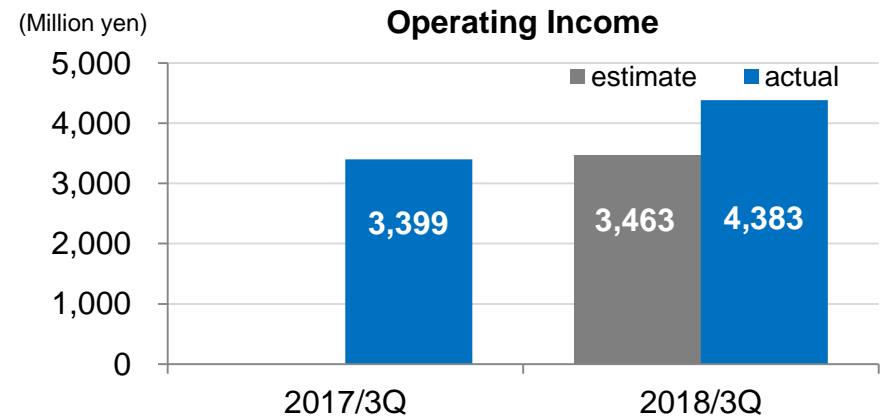
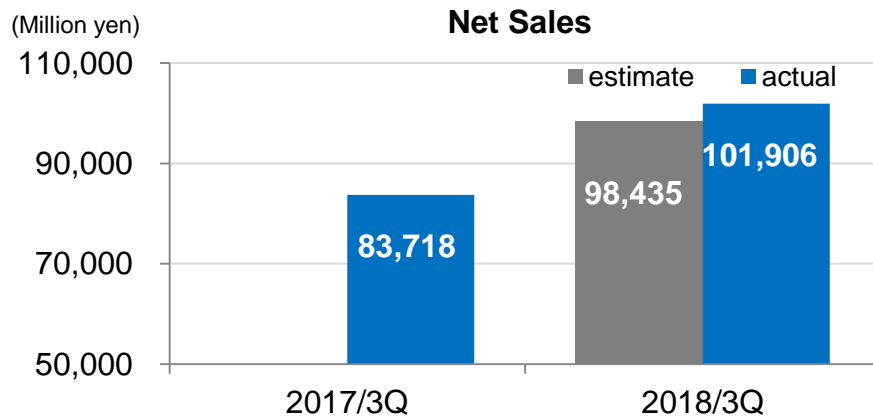
I. Summary of FY2018 Third Quarter Financial Results



Summary of Financial Results

(1) Results Compared to the Initial Estimate

- Overall, both sales and profit were healthy, compared with the initial estimates.
- The performance of the business of the Human Resources and Education Business, which is our mainstay, was healthy and contributed significantly to the results of the entire group, as we steadily implemented the mid-term managerial plan, which was designed for establishing a new position in the industry.
- In addition to the healthy performance of the renovation segment in Real Estate Business, we achieved flexible delivery of properties in the development-related segment based on precise marketing that is adjusted to each region and product and exceeded the estimate significantly.



(Unit: Million yen)

	2017/3Q actual	2018/3Q estimate	2018/3Q actual	Compared to the initial estimate	
				Surplus/deficit	Achievement rate
Net sales	83,718	98,435	101,906	+3,471	103.5%
Operating income	3,399	3,463	4,383	+919	126.6%

Summary of Financial Results

(2) Results Compared to the Results in the Previous Term

The performance was good, as sales and profit increased year on year.

(Unit: Million yen)

	2017/3Q actual	2018/3Q actual	YOY		Full-year budget*	Ratio to full year budget
			Change	Pct. change		
Net sales	83,718	101,906	+18,188	+21.7%	145,137	70.2%
Operating income	3,399	4,383	+984	+29.0%	7,288	60.1%
Ordinary income	3,375	4,357	+982	+29.1%	7,083	61.5%
Net income attributable to owners of parent	2,256	2,636	+380	+16.8%	4,635	56.9%

*Announced on February 13, 2018

Overview of Business Results by Segment

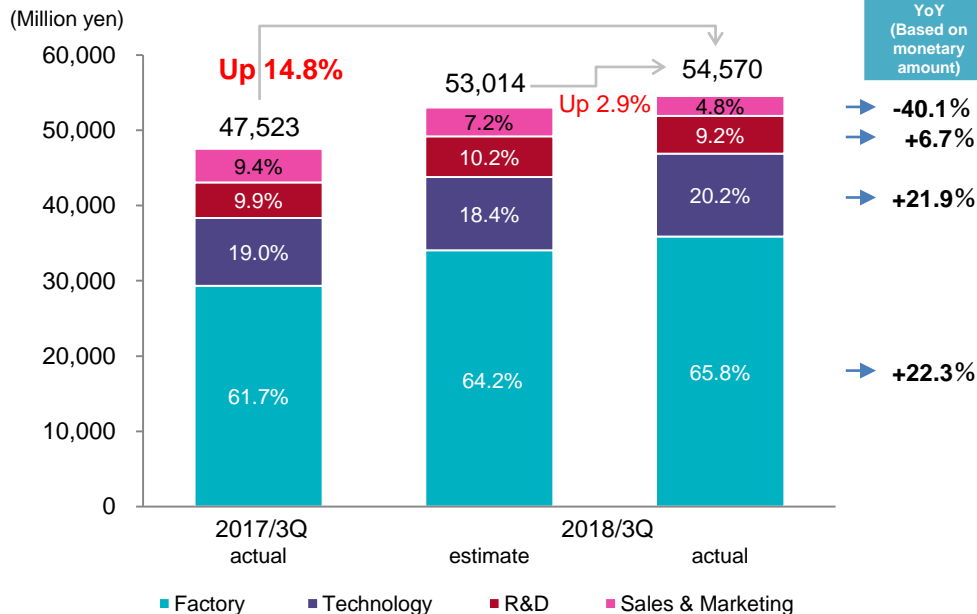
Unit: Million yen			2017/3Q		2018/3Q		YOY	
			actual	(Profit margin)	actual	(Profit margin)	Change	Pct. Change
Human Resources and Education Business	Factory Business	Net sales	29,342		35,880		6,538	22.3
		Segment income	2,044	(7.0%)	2,307	(6.4%)	263	12.9
	Technology Business	Net sales	9,028		11,004		1,976	21.9
		Segment income	959	(10.6%)	931	(8.5%)	-28	-3.0
	R&D Business	Net sales	4,703		5,019		316	6.7
		Segment income	437	(9.3%)	380	(7.6%)	-56	-13.0
	Sales & Marketing Business	Net sales	4,450		2,665		-1,784	-40.1
Segment income		195	(4.4%)	-90	-	-286	-	
Total (reference)		Net sales	47,523		54,570		7,046	14.8
		Segment income	3,636	(7.7%)	3,528	(6.5%)	-108	-3.0
Real Estate Business	Real Estate Business	Net sales	27,349		35,238		7,889	28.8
		Segment income	1,198	(4.4%)	2,446	(6.9%)	1,247	104.0
Information and Telecommunications Business	Information and Telecommunications Business	Net sales	6,618		9,424		2,805	42.4
		Segment income	86	(1.3%)	-1	-	-87	-
Other	Others	Net sales	2,226		2,674		447	20.1
		Segment income	-42	-	-178	-	-135	-
Total		Net sales	83,718		101,906		18,188	21.7
		Elimination or corporate	-1,479		-1,411		68	-
		Operating income	3,399	(4.1%)	4,383	(4.3%)	984	29.0
<Reference>								
Real Estate Business	Development/Single-family housing	Net sales	16,874		22,073		5,199	30.8
		Segment income	1,310	(7.8%)	1,995	(9.0%)	685	52.3
	Renovation/Prefabricated houses	Net sales	10,475		13,165		2,690	25.7
		Segment income	-112	-	451	(3.4%)	563	-

Overall Segment

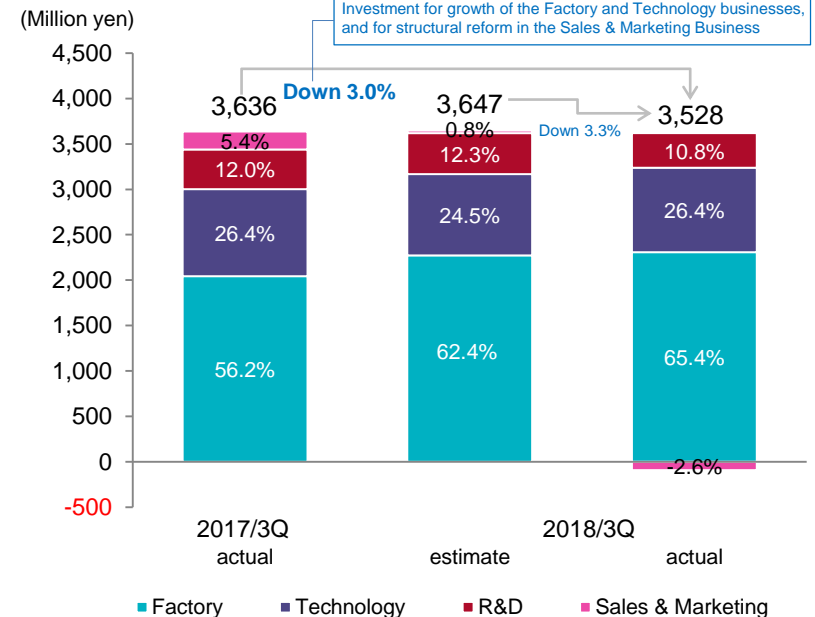
< Composition by business segment >

- We achieved expansion in market share, business enhancement, etc. thanks to the quick and precise response to customers' needs (providing a one-stop service in the manufacturing field and assigning developed human resources with job mobility).
- We established a system of human resource development, and by training the inexperienced level we created stable employment even when it is difficult to recruit workers.
- On the other hand, profit slightly declined from the previous term, due to the upfront investment for the strategies in the mid-term managerial plan.

◆ Sales composition



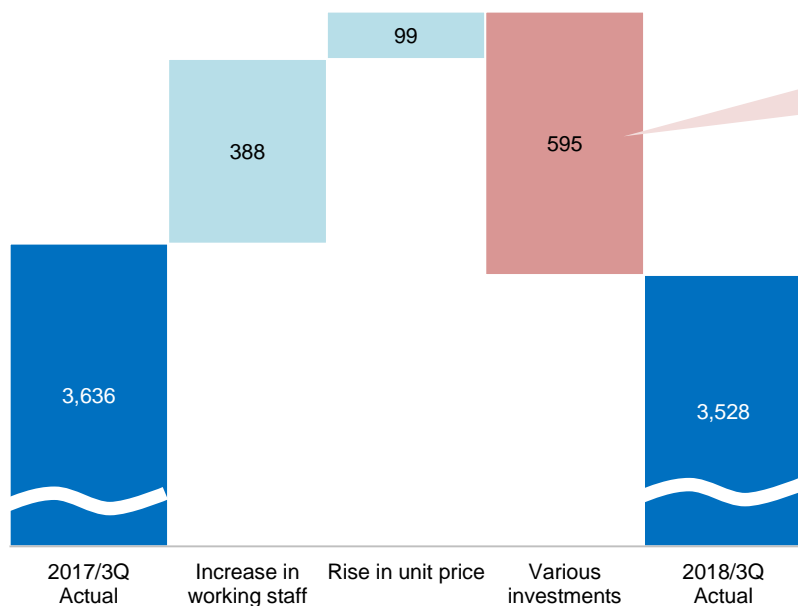
◆ Segment income



Overall Segment

<Factors in Changes of Segment Income>

- Immediate sales and profit continued to grow thanks to the increase in working staff and the rising unit price.
- Meanwhile, we proactively made upfront investment in human resources development in the term in an effort to gain a new position in the field as a group of highly advanced engineers.
 - ⇒ Aiming to broaden the client base, further grow our company, and lay the groundwork for new businesses for the future



- **Factory Business**
Development and assignment of human resources with job mobility through utilization of “Technical Center,” and “prior recruitment”
Upfront investment following the “establishment of a new logistics base”
- **Technology Business**
Turning out fully developed human resources through in-house education and training programs, such as ones at “Production Engineering Center” and “Design Center,” and “various training programs for system engineers”
- **R&D Business**
Enrichment of “education and training programs,” and development of “joint research with universities”
- Establishment and operation of programs/systems for helping employees curve out their respective careers
- Provision of a 10-year follow-up training program for newly employed workers

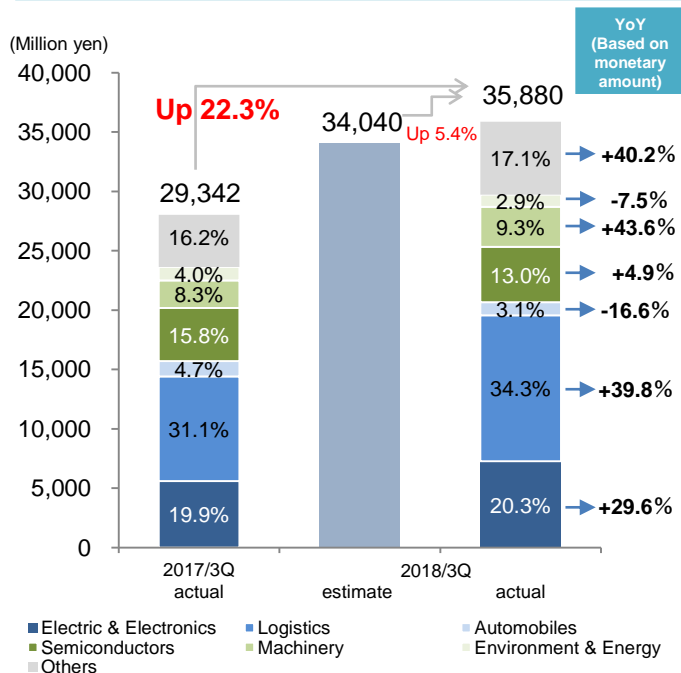
Formation of highly capable engineer team
(Development of more advanced business fields
+ promotion of our company)

Factory Business

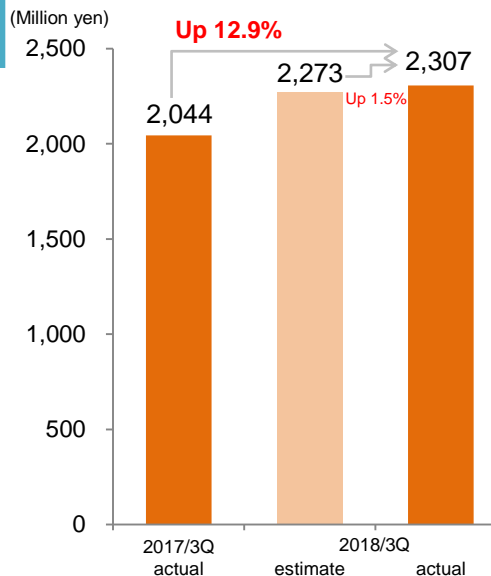
<Sales composition by business segment and the number of staff members>

- In the machinery and electric & electronics segments, we deliberately expanded business dealings with clients who own technologies with high capacity for growth and sustainability and have an understanding of the current human resources market environment. Thus, the establishment of stable offices and personnel recruitment proceeded.
- A new large-scale base for logistics successfully started operation in April and has contributed to increasing new hires.
- We moved ahead with investment in human resources development in order to build a human resources platform (a group of experts with shared techniques and skills).

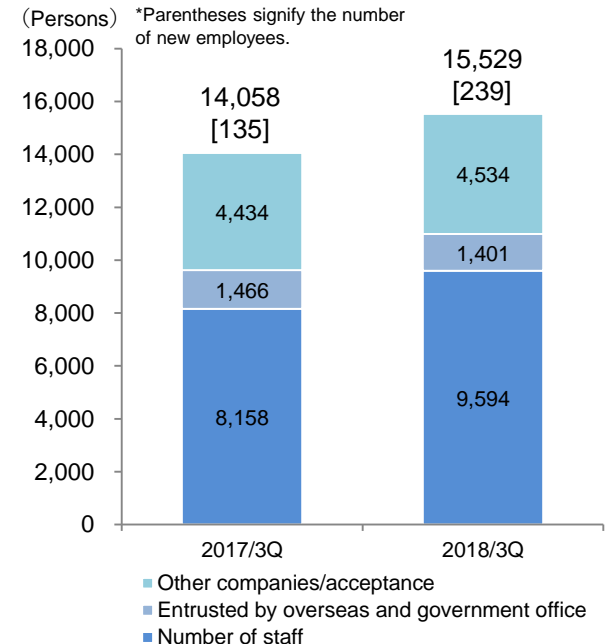
◆ Sales composition by business segment



◆ Segment income



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



*We have not disclosed the sales estimate by segment.

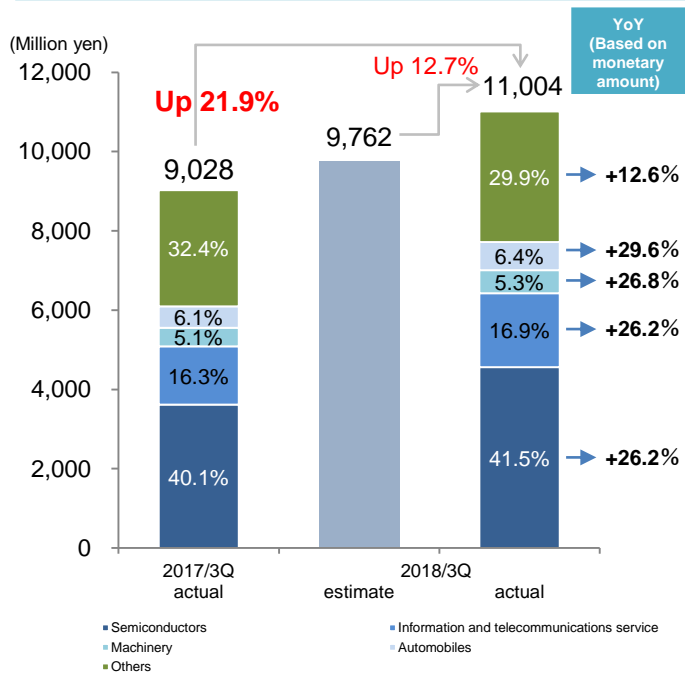
*The number of staff is a three-month average. External staff members accepted from other companies are included.
*Number of staff included only staff members who are engaged in on-site operation work.

Technology Business

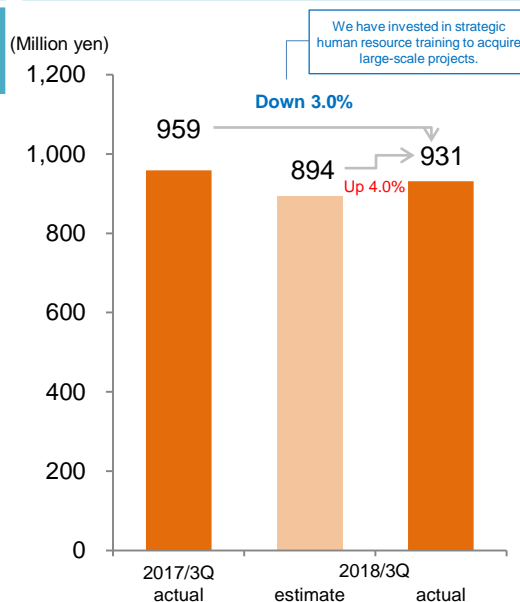
<Sales composition by business segment and the number of staff members>

- We have invested in the expansion of our training curriculum for expert engineers (e.g. JAVA programming, LPIC, CCNA, and Python) in high demand, and doubled trainees. This has increased the number of people assigned.
- The Production Engineering Center (A training facility specialized in production technologies) that was established in June has successfully started operations, and it's contributing to the increase of orders received related to automobiles, machines and electronics fields.

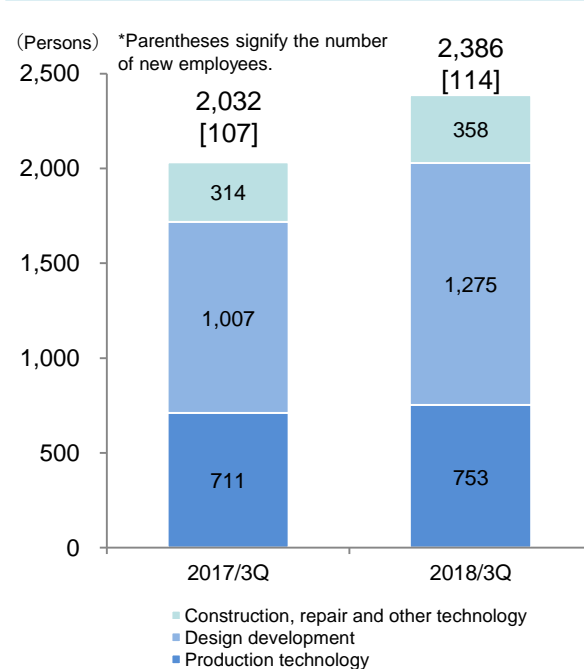
◆ Sales composition by business segment



◆ Segment income



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



*We have not disclosed the sales estimate by segment.

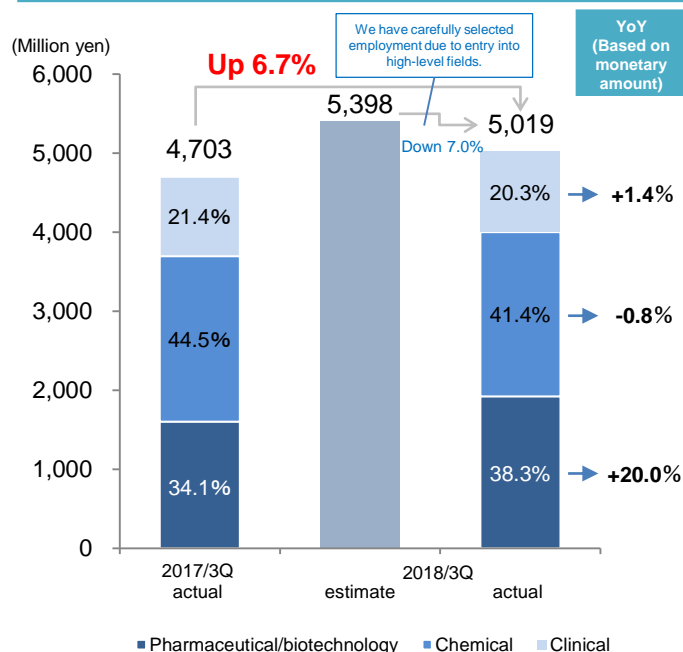
*The number of staff is a three-month average.
*Number of staff included only staff members who are engaged in on-site operation work.

R&D Business

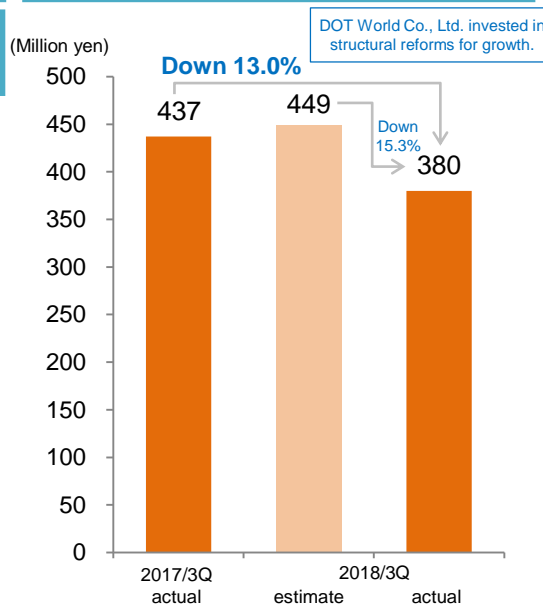
<Sales composition by business segment and the number of staff members>

- The Researcher Dispatch segment performed well, and it enhanced business by securing skilled researchers, improving the education and training system and raising technical competence, humanity, and productivity.
- While the clinical research outsourcing (CRO) segment missed some large projects, we invested in employees training, which will polish our strengths (one-stop service for clinical development activities), and organization establishment.

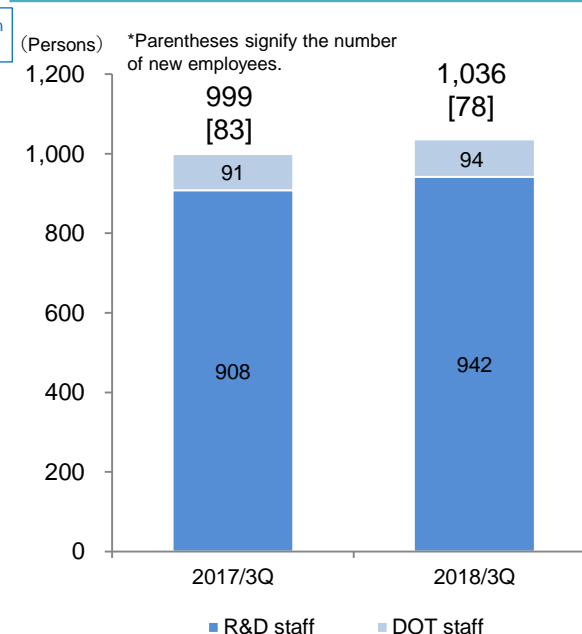
◆ Sales composition by business segment



◆ Segment income



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



*We have not disclosed the sales estimate by segment.

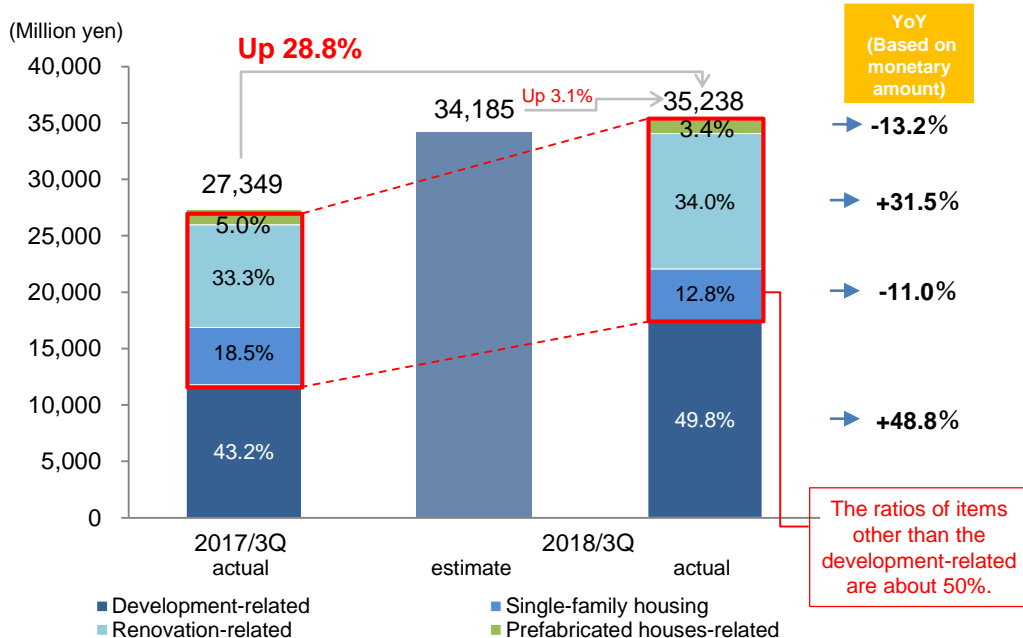
*The number of staff is a three-month average.
*Number of staff included only staff members who are engaged in on-site operation work.

Real Estate Business

<Sales composition by business segment and major activities>

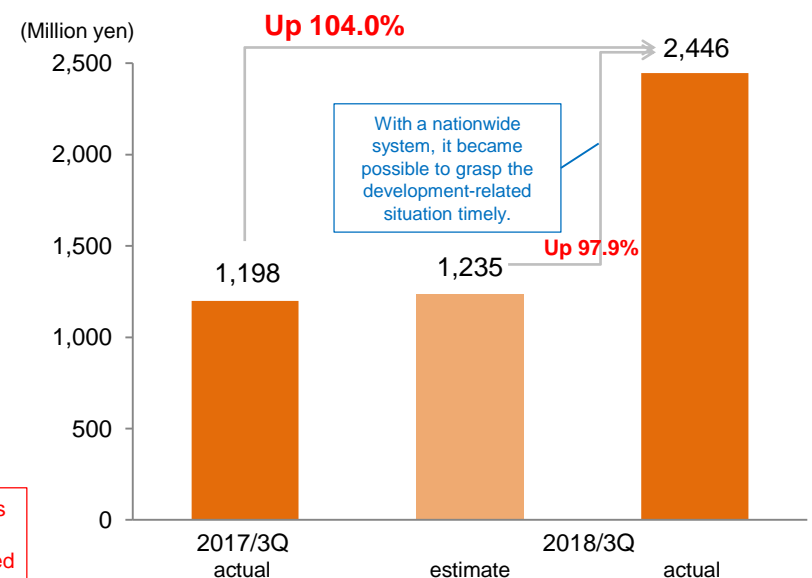
- Renovation-related business showed healthy performance thanks to expansion into new regions.
- As we completed a nationwide system and developed information networks, it became possible to conduct marketing more precisely (by predicting places, products, timings, etc. to sell), and the recurring-revenue businesses represented by the renovation business are making stable growth, all of which have led to the timely delivery of properties, etc. and securing profit in the development-related segment.

◆ Sales composition by business segment



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

◆ Segment income

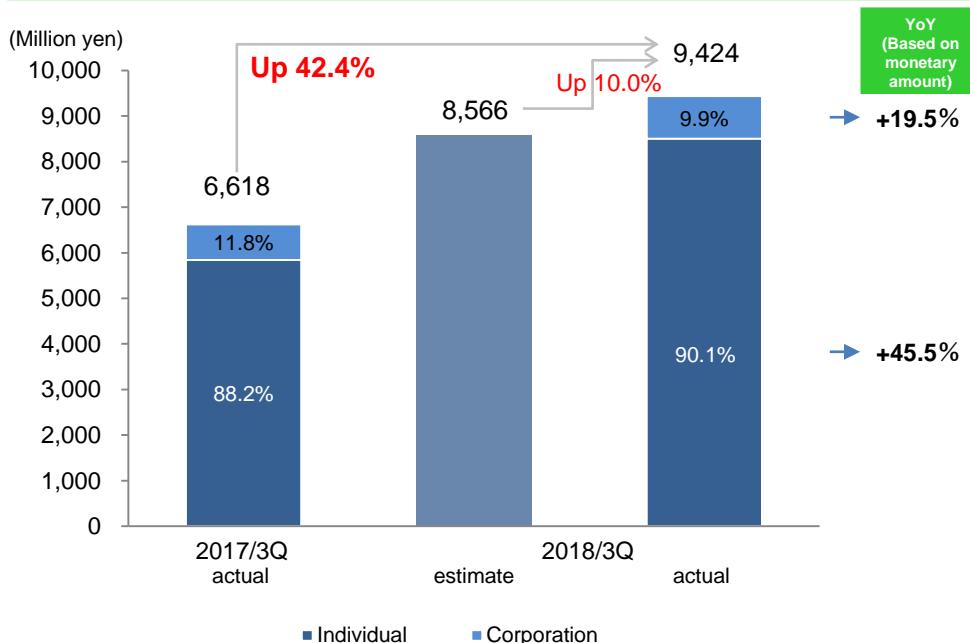


Information and Telecommunications Business

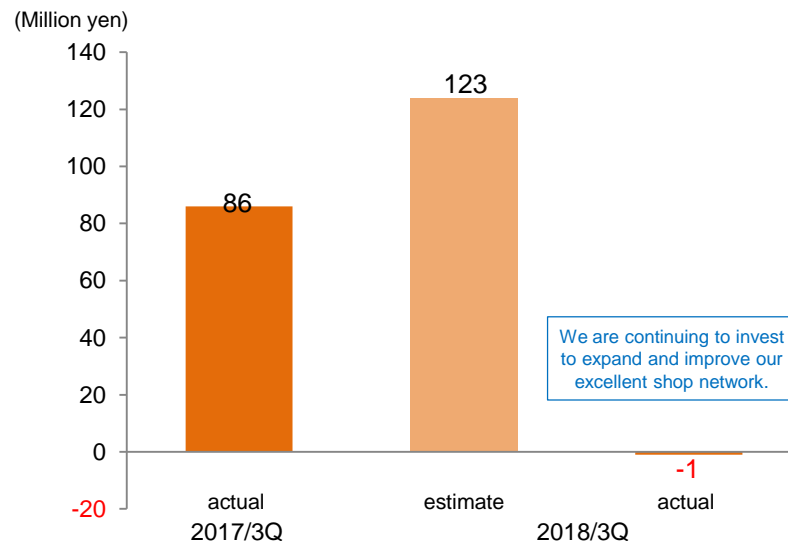
<Sales and major activities>

- Although the sales increased as sales volume expanded mainly in 16 stores which were added in previous year, new stores are increasing recurring revenue, moving into a phase of upfront investment.
- We invested mainly in the shop business, which would become our mainstay, for having the merits of remaining players.
- The corporate solutions business grew steadily thanks to expansion into new areas and increase of handling products.

◆ Sales for each target



◆ Segment income



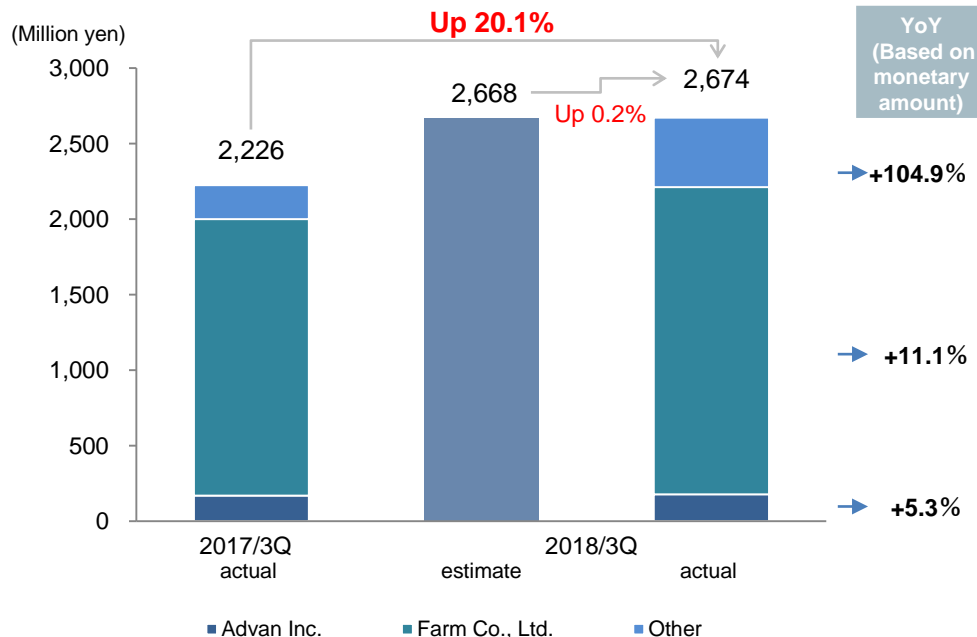
*We have not disclosed the sales and segment income estimate by destination.

Others

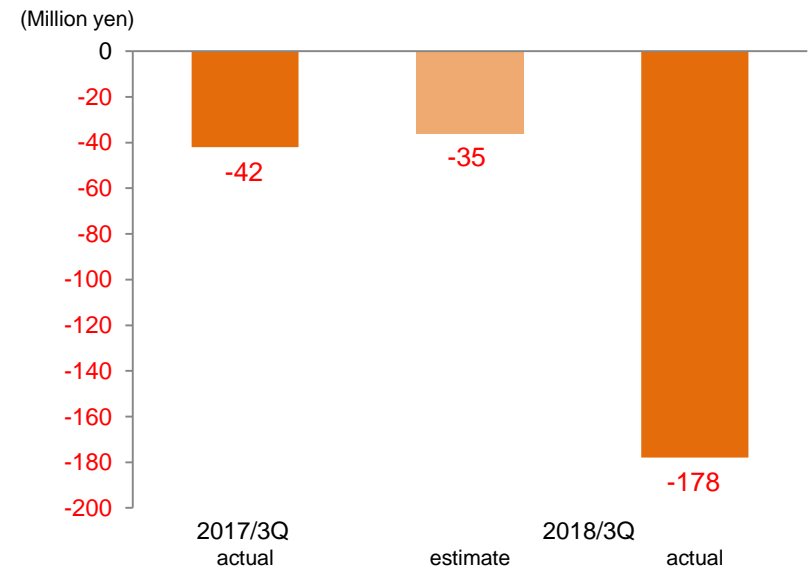
<Sales and major activities>

- Advan Inc. saw a favorable development of web productions and greatly contributed to human resource training in our group.
- Farm Co., Ltd., which operates agricultural park business, earned sales exceeding the initial estimate at some facilities, as the investment in the redevelopment of facilities paid off, despite the effects of bad weathers and natural disasters. (At the end of June, we opened "Sylvanian Park" in Comorebi Morino Ibaraido in Ibaraki in cooperation with Epoch Co., Ltd., and the number of visitors increased approximately 1.5 times)

◆ Sales



◆ Segment income

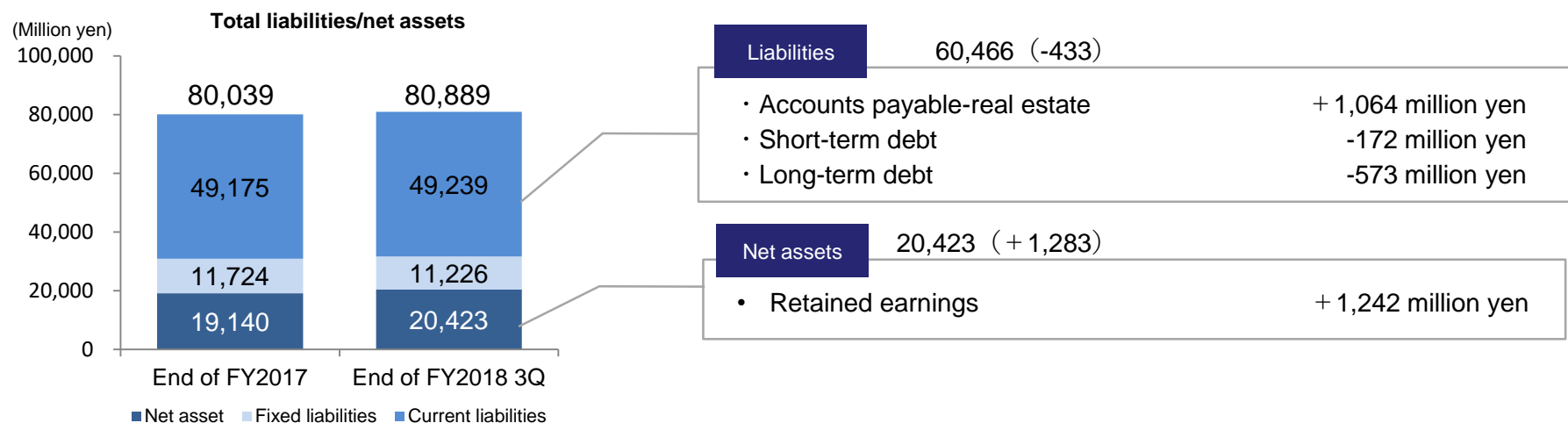
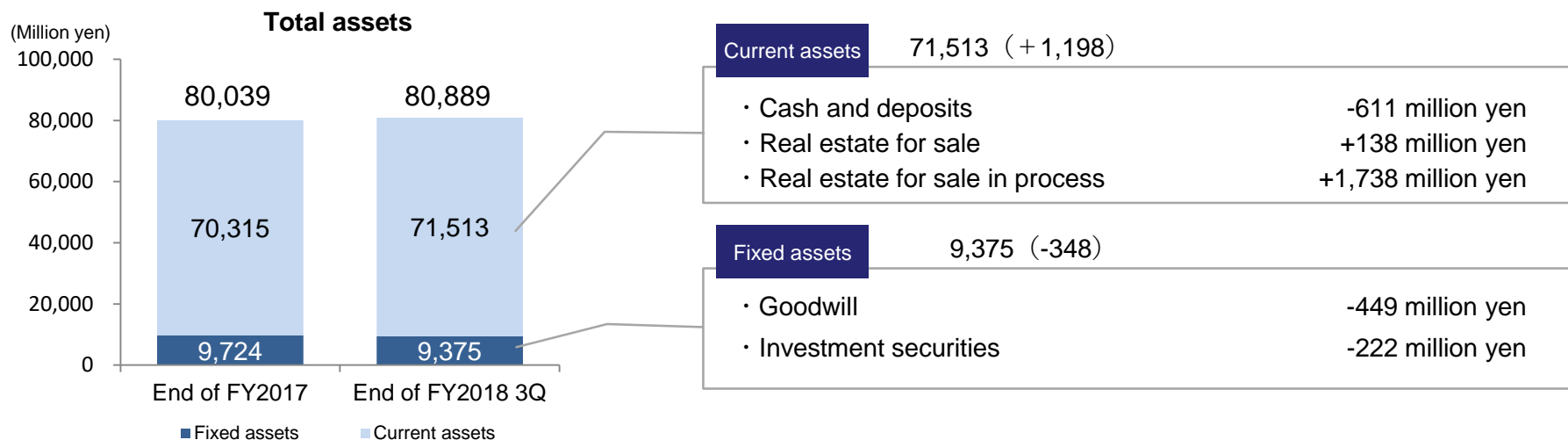


*We newly consolidated Farm Co., Ltd. from the second quarter of FY2017.

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

Financial Condition B/S

- Total assets increased as profits increased thanks to the good performance of the Human Resources and Education Business and Real Estate Business.



II. FY2018 Business Forecasts



Business Forecast (Overall)

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

Unit: Million yen, %	Results for the term ended Dec. 2017	Forecast for the term ending Dec. 2018	YoY	
			Change	Pct. Change
Net sales	127,147	145,137	17,990	14.1
Operating income	7,064	7,288	224	3.2
Ordinary income	7,007	7,083	75	1.1
Net income attributable to owners of parent	4,612	4,635	23	0.5
EPS (yen)	275.35	275.73	0.38	0.1
Dividend per share (yen)	82.7	82.8	0.1	0.1

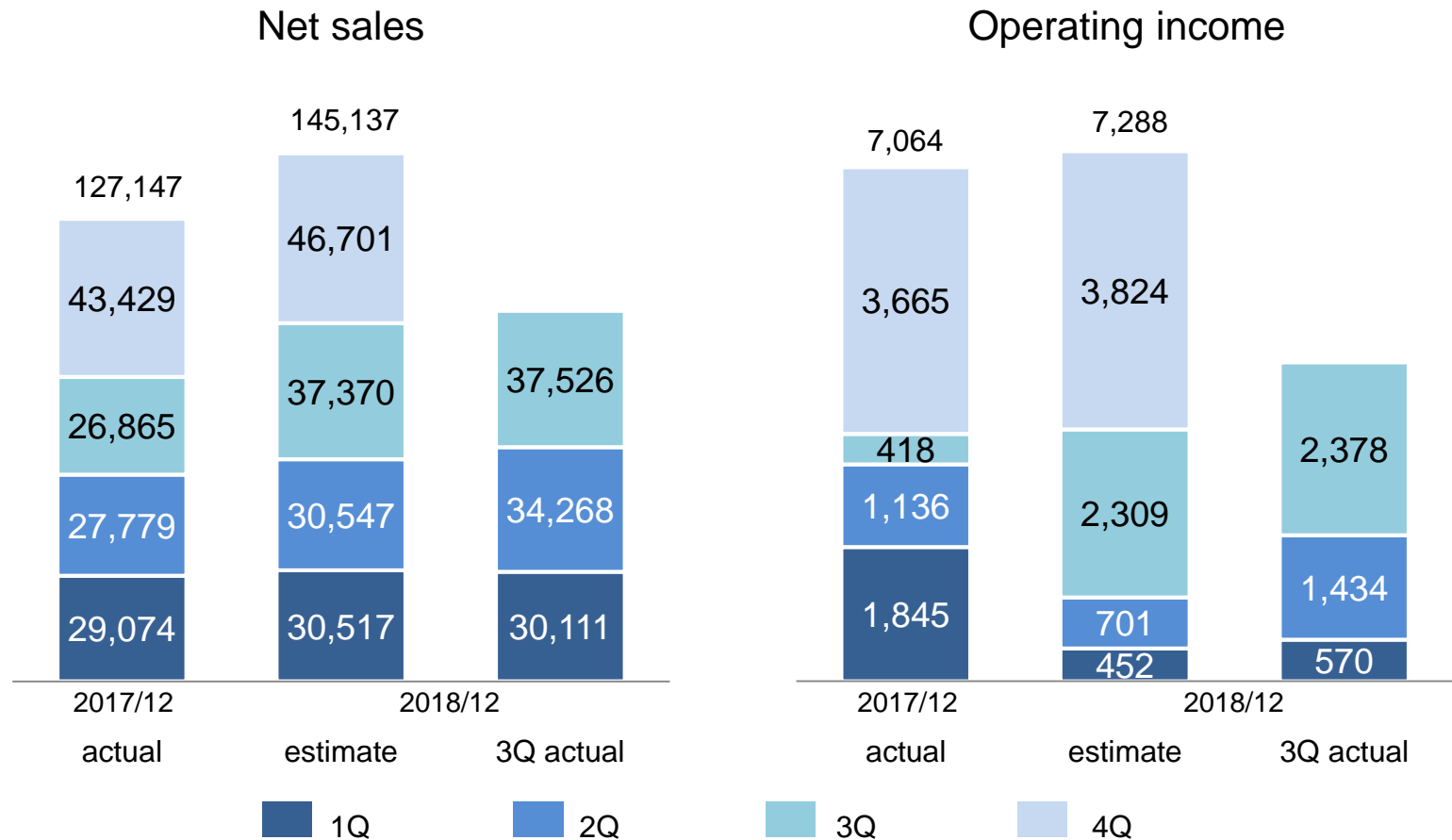
Business Forecast (Segments)

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

Unit: Million yen, %			Results for the term ended Dec. 2017		Forecast for the term ending Dec. 2018		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	

Quarterly Business Forecast (Overall)

- 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.



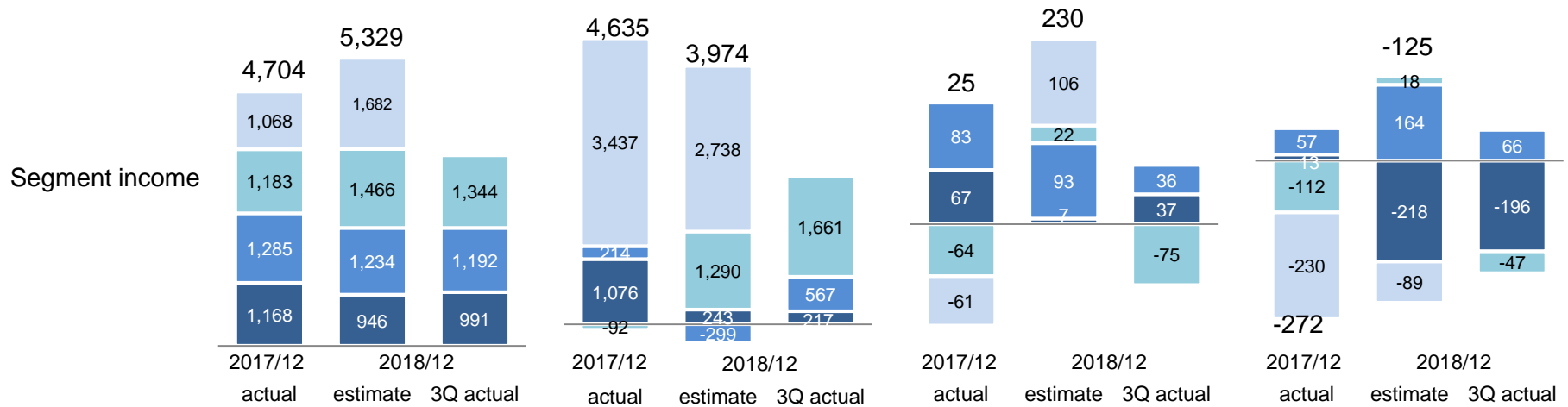
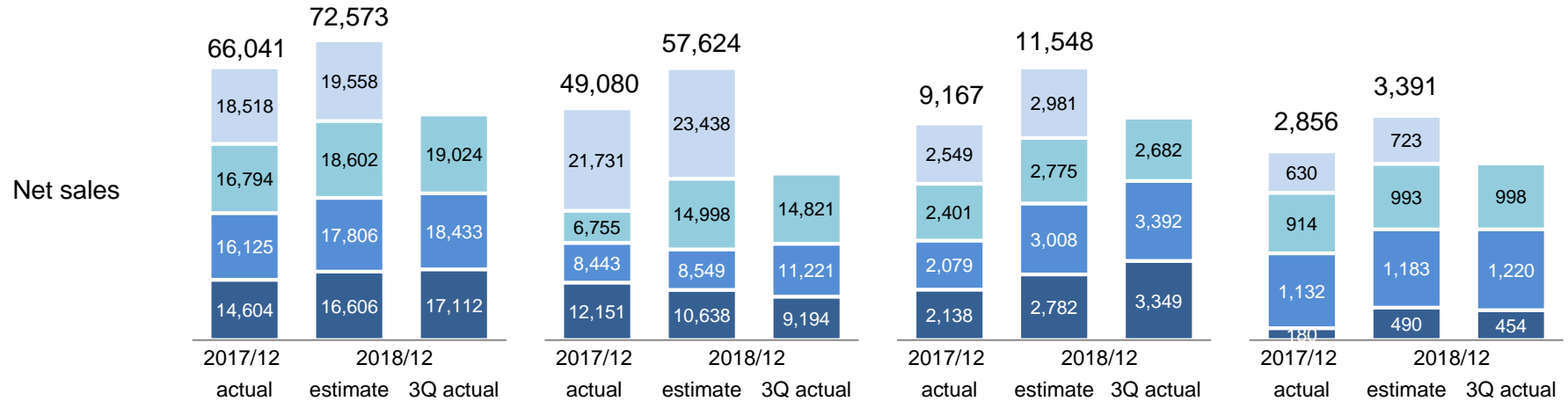
Quarterly Business Forecast (Segments)

Human Resources and Education Business

Real Estate Business

Information and Telecommunications Business

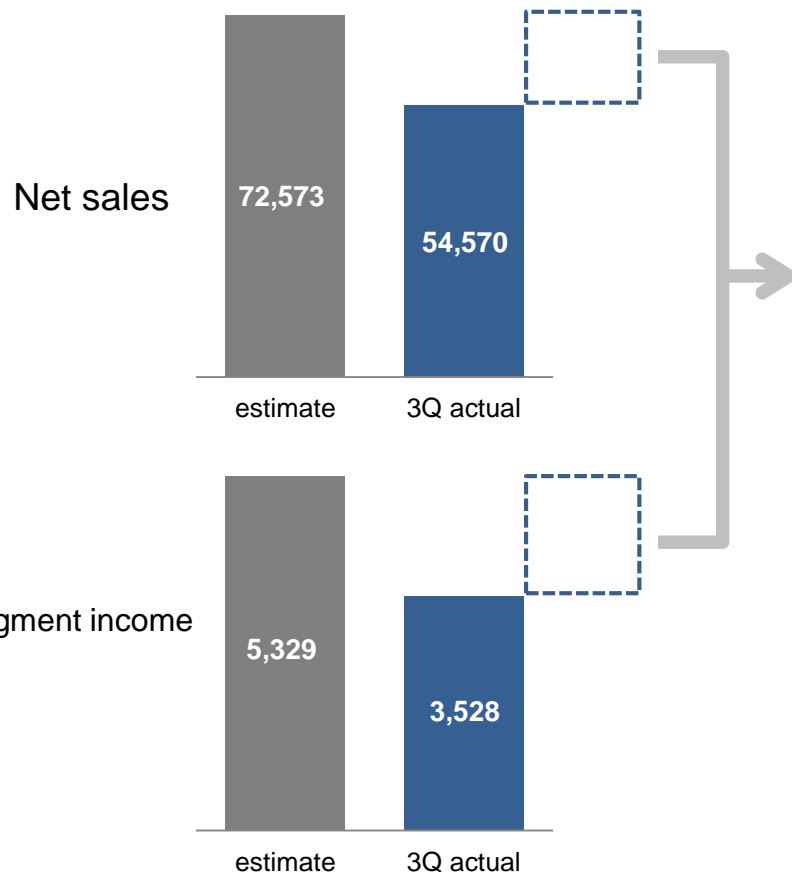
Other



1Q 2Q 3Q 4Q

Human Resources and Education Business --for Results in 2018

Continue to provide quick and precise response to customers' needs



● Strategies for each business in 2018

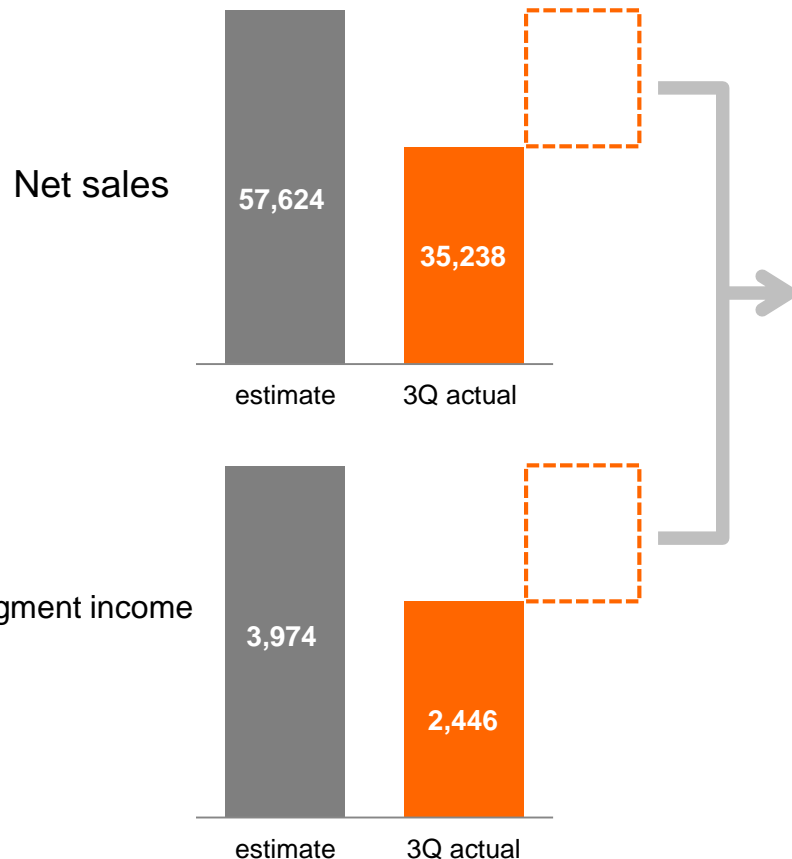
- We managed orders with a scale of 1,000 people thanks to the swift recruiting in the FC business.
- In particular, we managed orders with a scale of several thousand people in 4Q for the logistics segment including new distribution bases.
- By developing human resources through the doubling of training capacity in the Technology Business, we aim to increase sales and profit.
- We aim to make use of the synergy between the FC, Technology, and R&D Businesses to increase the number of people assigned by broadening the base of operations.

● Expand the return on upfront investment

- To assign personnel to more advanced fields through training, aiming for further growth of our company
- Commence steady operation of the new distribution bases

Real Estate business --for Results in 2018

Focus our efforts on expanding the recurring-revenue business and improving marketing precision

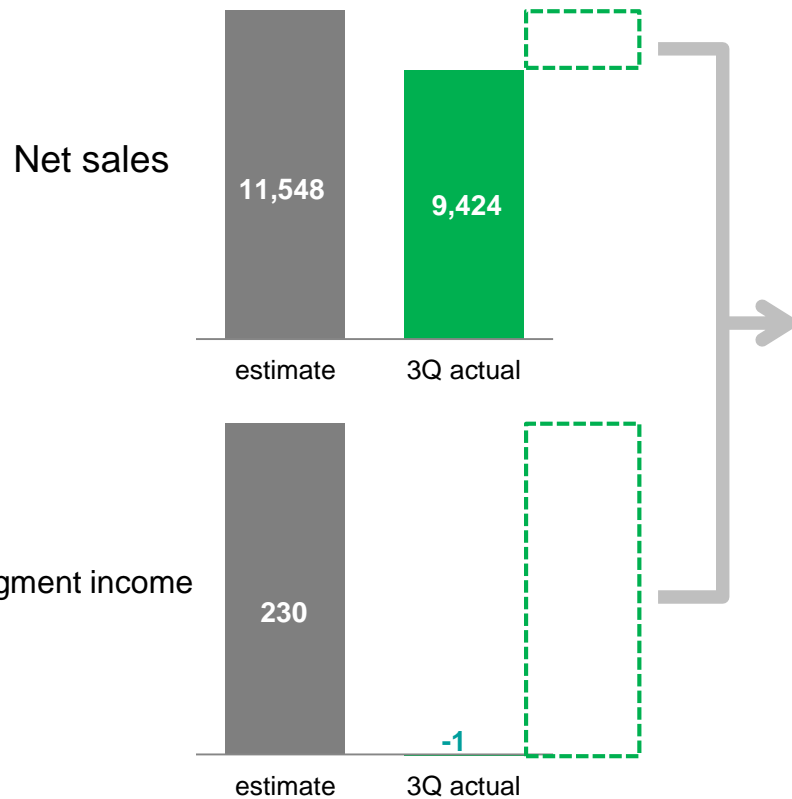


● Steady delivery of real estate

- The development-related segment is performing well compared with the annual plan.
*Already signed contracts in 3Q (compared to the annual plan)
- Net sales⇒ Just under 80% Profit⇒ Approx. 90%
- As for single-family housing, we aim to strengthen the system of operation and increase delivered properties.
- As for the renovation-related segment, we further reinforce the business and increase the delivery of properties
*The number of delivered properties in 3Q: 529 units (1.5 times year on year)

Information and Telecommunications Business --for Results in 2018

We continued the development of a network of excellent shops in order to have the merits of remaining players.



● Establish a network of excellent shops, which would be chosen by the region

- Efficient accumulation of recurring revenue

- Continue the scrap and build strategy including M&A

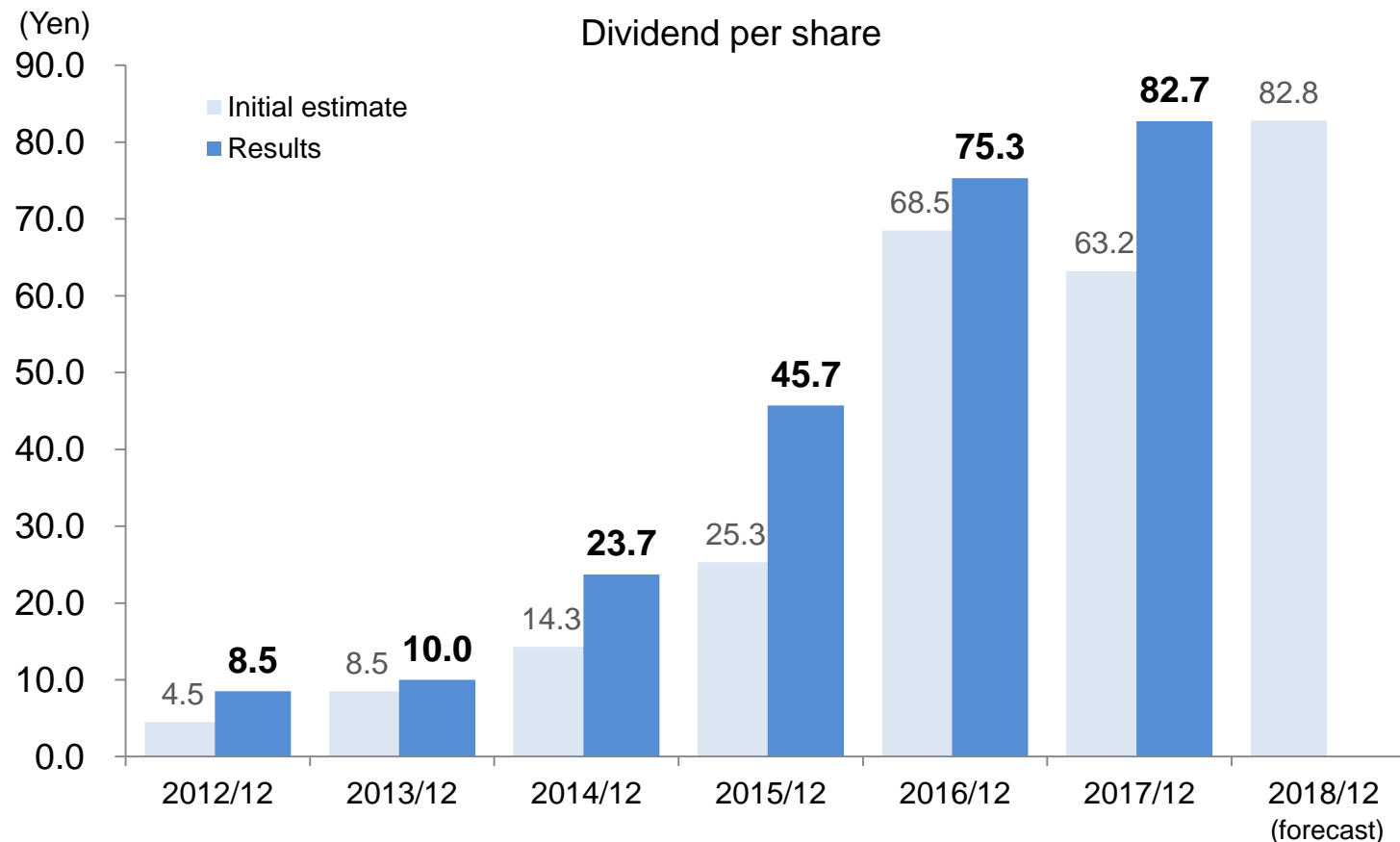
- Continue improving the training for shops' staff

⇒ Advanced customer service and consulting skills

▼
Differentiation of services

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.

Topics (1)

Promoting “the creation of an environment where various talents can thrive” according to the New Mid-term Managerial Plan 2021

● More realization of the form where people can flourish

In the Factory Business, we started a project for formulating a new evaluation system in cooperation with JTB Communication Design, Inc.

- Provide an environment of high-job-satisfaction for employees through training and retention and improving the hierarchy. This will establish an organization with high productivity.
- Establish a system with an evaluation system and the wage structure of high transparency regardless of the form of employment and type of work, according to which employees are able to preemptively select a roadmap
 - ⇒ Assign highly-evaluated employees to adequate positions
 - ⇒ Differentiate ourselves in the industry as a group of skilled engineers along with our top priority, the human resources development system

● Human resources development related to the CRO business, and operation expansion

DOT World Co., Ltd. has concluded an advisory contract with Prof. Akifumi Matsuyama*.

*Fujita Academy
The School of Medicine of Fujita Health University, professor of regenerative medicine
/Head of the Regenerative Medicine Support Promotion Facility of the university's Center for Research Promotion and Support

【Overview of the advisory contract】

- Support and advice for clinical development activities for other companies
- Medical adviser for services provided to other companies
- Support and advice for starting new businesses
- Establishment of relationships with overseas CRO and venture companies, and associated advice
- Support for training employees, etc.

Topics (2)

A foothold for “entering new domains,” which was raised in the New Mid-term Managerial Plan 2021

● Further expansion of the Human Resources and Education Business

Establishing WORLDINTEC AMERICA Co., LTD. in Portland, Oregon, the US.
(scheduled on December 1)

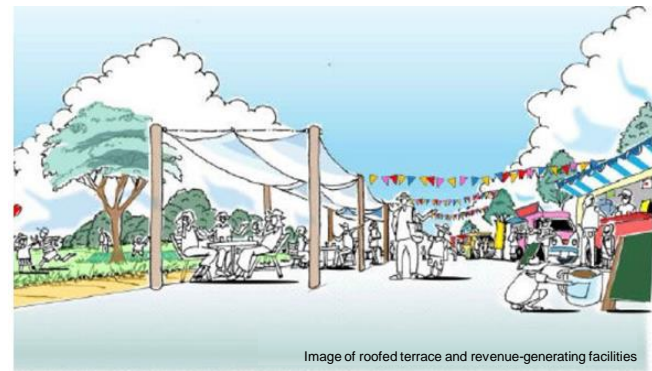
- Extend operations to business domains that are peripheral to the core business sector and start operations in entirely new business domains in North America
- Provide subcontracting and temporary staffing services in the semiconductor industry
- Develop global human resources, and create a new roadmap to build up the skills and career path of employees



● The city of Takatsuki designated us as an operator of “Ama Site Park.”

World Intec Co., Ltd. has been designated as an operator (one member of a consortium) of “Ama Site Park,” which the city will open in the spring of 2019.

- Period of operation: 10 years (March 23, 2019 to March 31, 2029)
- Business overview
Holding various events and programs to promote the park, self-initiated management of revenue-generating facilities and such, socially beneficial investments by the designated operator, etc.

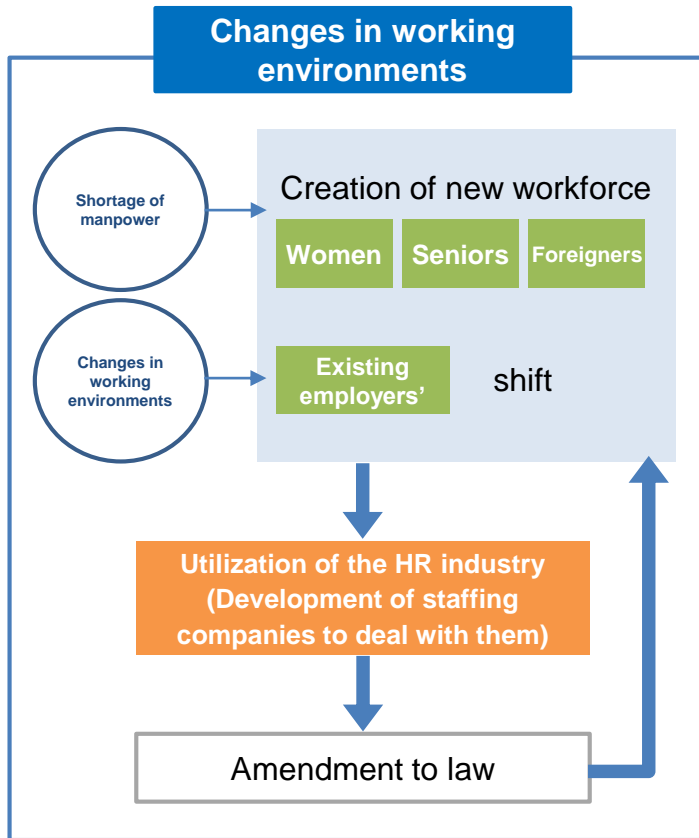


Appendix

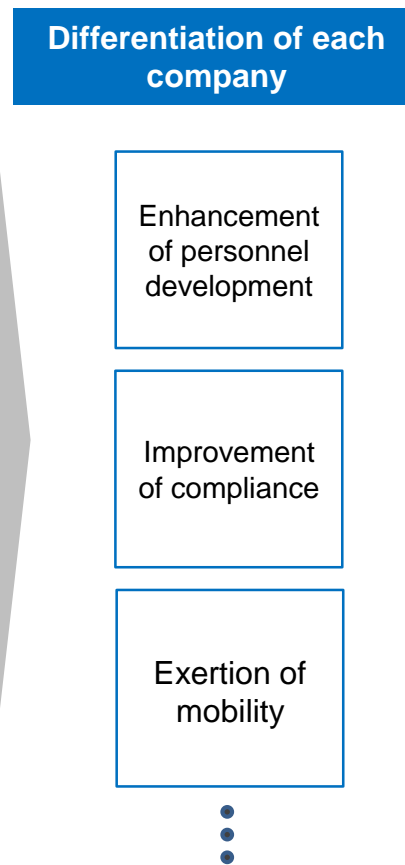


Future Industry Environment of the Human Resources and Education Business

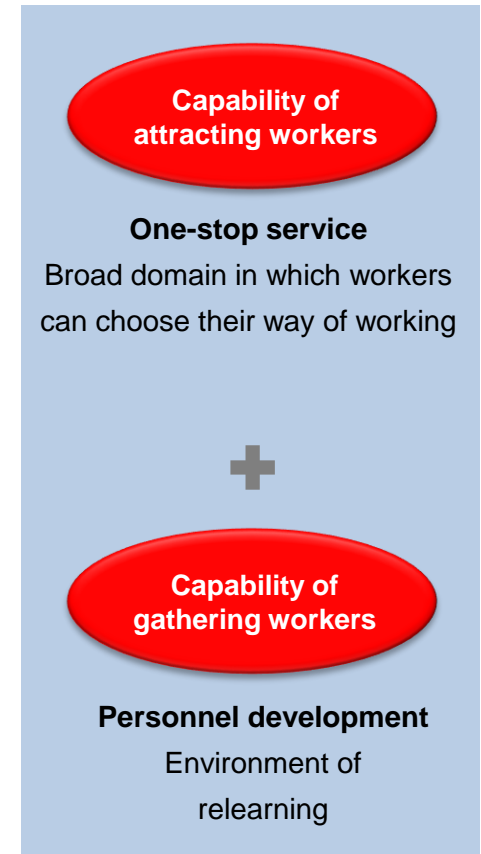
External environment



Industry trend



Our strategies



Future Activities for the Human Resources and Education Business

Provision of an environment where everyone can work and relearn

Personnel development process
(Establishment of a human resources platform)

Career development

HR platform

Advanced technical skills
High income

Stable employment environment

To support workers in “relearning” and provide them with an environment where they can work for a long period of time

Improvement of skills

Enriched personnel development program

- R&D
- Techno
- SI
- FC
- Staffing

A wide array of choices

Capability of attracting workers

Creation of a new population

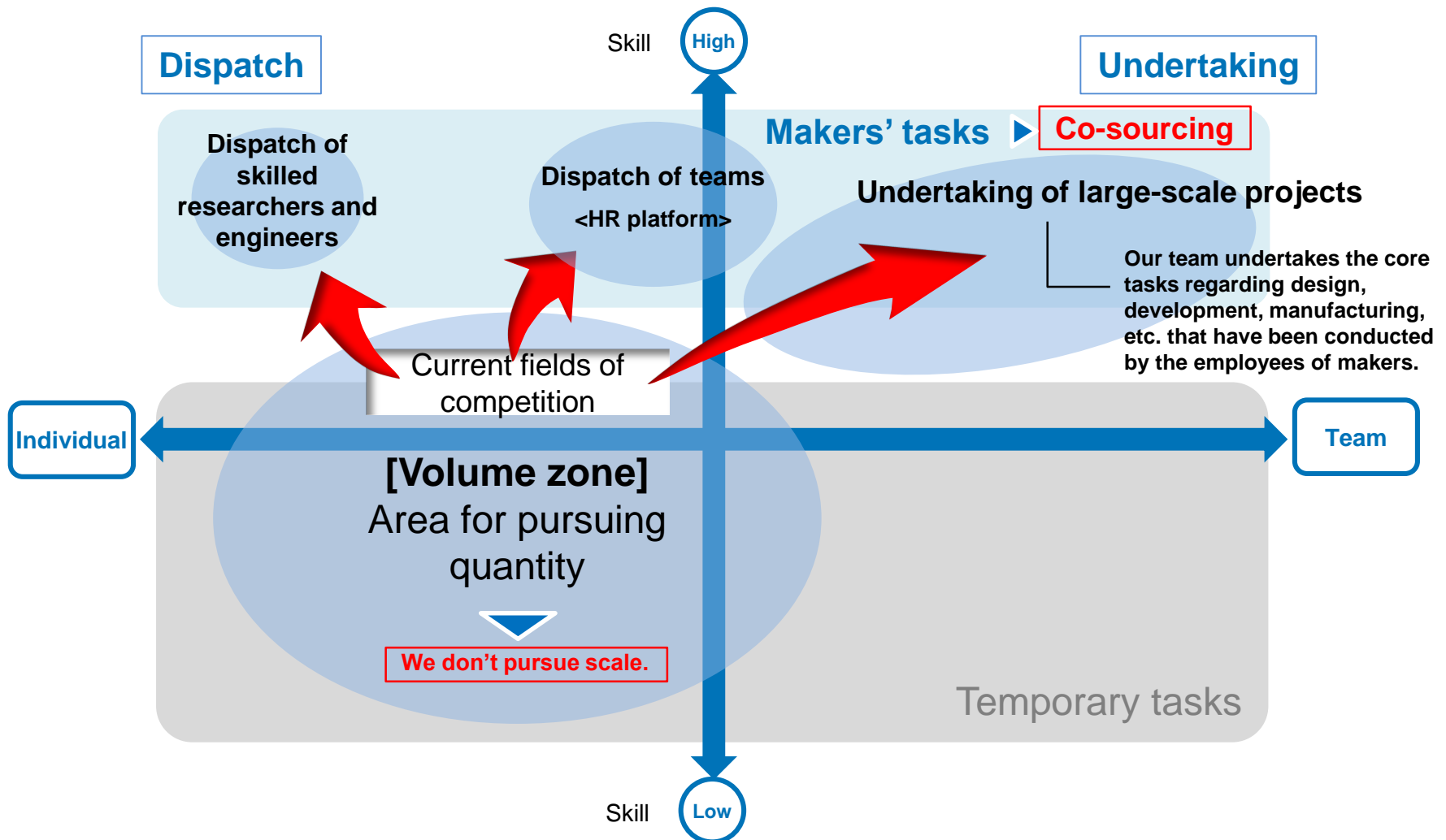
Capability of gathering workers

Brand development

Human Resources and Education Business

~Ideal State to Achieve by Fiscal 2021

Our original position & high earning capability



Future Industry Environment of the Real Estate Business

External environment

Negative opinions are dominant.

Concern over the peaking out of demand
Continuous rise in land prices,
construction costs, etc.



A lot of positive factors

Population of central Tokyo ↗

Demand for accommodation for
foreign sightseers ↗

Deteriorated buildings ↗ Rebuilding/
renovation ↗

Necessity of facilities for seniors ↗

Uncertainties

Problem of greenery area for production in 2022

Easing of regulations (foreign interns)

Industry trend

To increase the number of
houses delivered in a short
term, while it is difficult to
predict the future trend

Our strategies

Further expansion of our
business domain and target
region



More precise marketing based
on integrated information



To predict a turning point,
and conduct procurement
and development with timely
judgment

Pursuit of synergy in the
entire group



Flexible response to the
changes in the external
environment

Real Estate Business

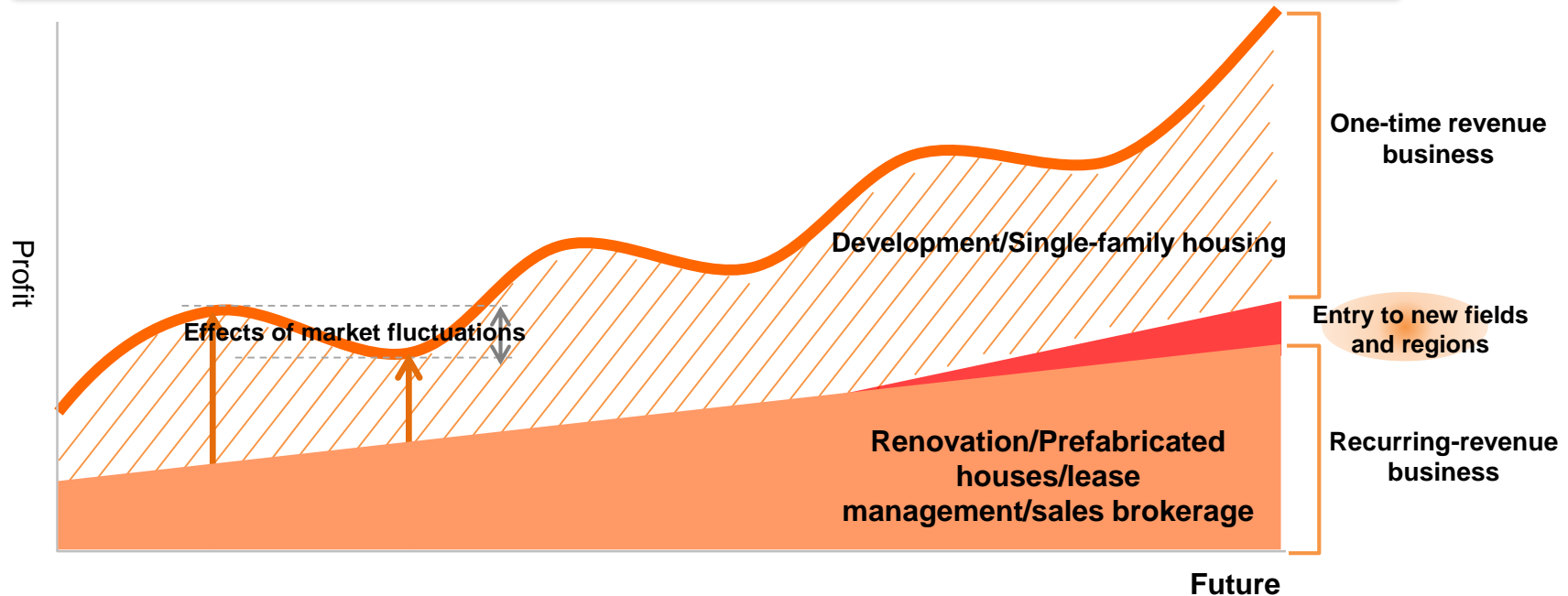
~Ideal State to Achieve by Fiscal 2021

To strategically develop an operational system for enabling the flexible procurement and sale according to region and market situation, and actualize robust business (profit structure) that is not swayed by the economic environment

• We have recently developed systems for maximizing profit.

• From now on, we will disclose quarterly forecasts from the viewpoint of transparency.

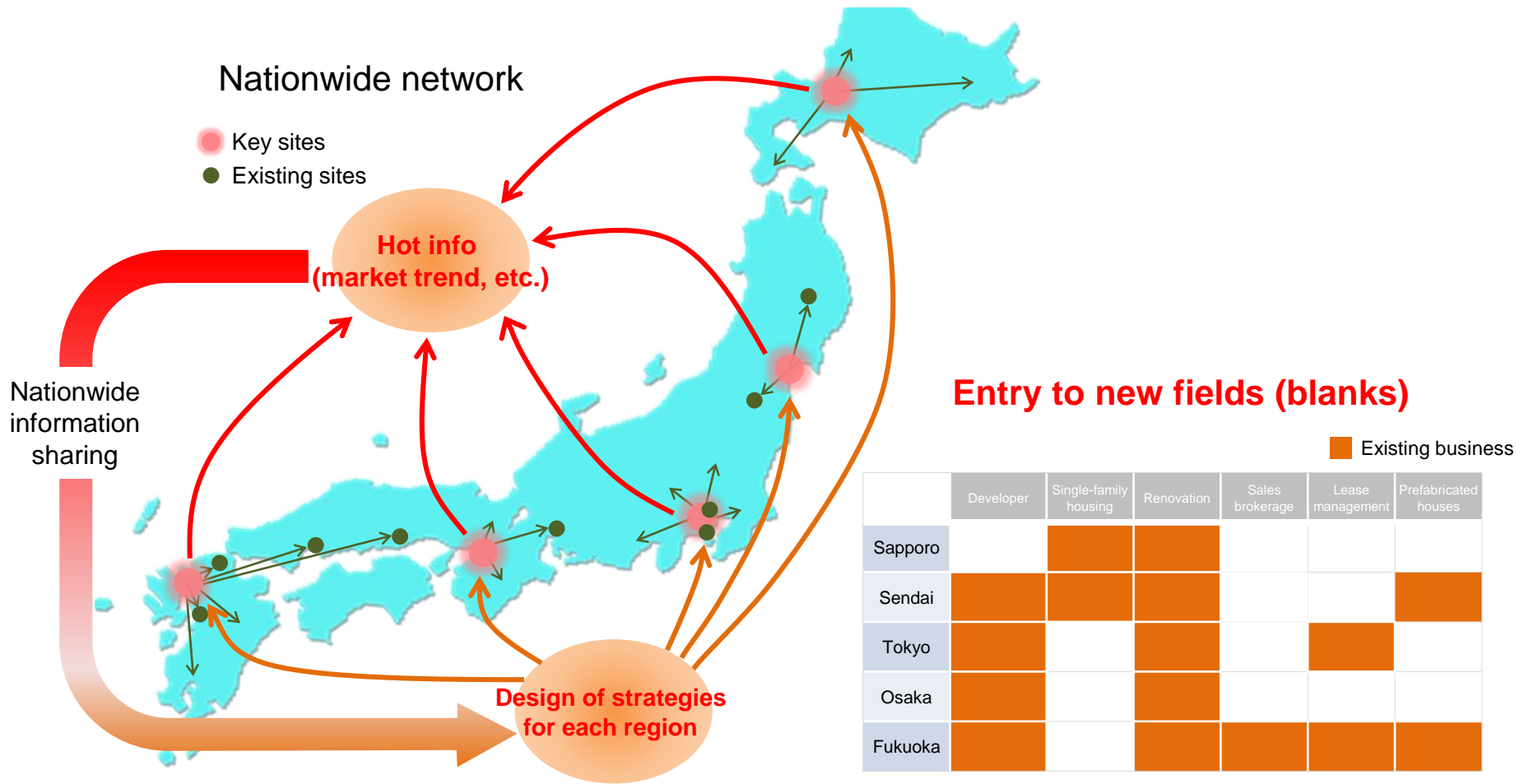
Ideal profit structure



Real Estate Business

~Timely Execution of Strategies by Integrating Information

Efforts for realizing comprehensive realty business in major urban areas, and design and implementation of new local strategies while putting together information taken nationwide



For More Information

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