

February 20, 2020

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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Establishment of Joint Venture for Materials Industry Human Resources by Subsidiary WORLD INTEC and Toho Titanium

The Board of Directors of WORLD HOLDINGS CO., LTD. approved a resolution on February 20, 2020 for the establishment of a subsidiary that will be owned jointly by subsidiary WORLD INTEC CO., LTD. (Head office: Kitakyushu-shi, Fukuoka; President and Representative Director: Toru Iwasaki) and Toho Titanium Co., Ltd. (Head office: Chigasaki-shi, Kanagawa; President and Representative Director: Yoshihiro Nishiyama). The new company, which will be called TOHOWORLD Corporation, will specialize in the human resources business for companies in the materials industry.

1. Background and Purpose of Establishing a Joint Venture

The volume of assembly and inspection tasks performed by people in the manufacturing sector in Japan is declining as companies increase the use of machinery and automation. Furthermore, competition for hiring people with strong skills is likely to become more heated as Japan's labor force shrinks. As a result, companies must deal with a variety of problems, particularly in the materials industry. Companies must hire and train engineers and other skilled workers who will play a vital role in future growth. Other issues are the difficulty of finding successors at subcontractors as current owners and managers age and the need to comply with new laws associated with working-style reforms.

WORLD INTEC, which is the primary company in the core Human Resources and Education Business of WORLD HOLDINGS, is guided by the philosophy of co-sourcing, which entails operating as a partner with client companies. Using this approach has made it possible to go beyond simply supplying workers in order to grow together with client companies and employees. These activities have enabled WORLD INTEC to differentiate its services from those of competitors by maximizing added value in its services and consistently creating jobs and raising the value of its workforce.

Toho Titanium, which is a manufacturer of materials, has been seeking ways to increase the pace of becoming even more competitive. By separating the role of passing on technologies and skills to younger workers from the core tasks that require these technologies and skills, Toho Titanium is not relying on the traditional business practices of the materials industry, which has a long history. The aim is to cut expenses while establishing new ways to use people and maintaining consistently high quality and factory utilization rates.

The establishment of this joint venture will facilitate utilization of the convergence of the human resources business expertise of WORLD INTEC and the accumulated manufacturing expertise of Toho Titanium. The new company plans to build a framework for a new business model for "creating the ways we live for engineers and skilled workers" by operating a business for passing on technologies and skills in the materials industry to younger people. The goal is to use this model for more growth and other progress in this business sector.

2. Company Profiles

TOHOWORLD Corporation

(1) Name	TOHOWORLD Corporation (towor)
(2) Location	Head office: 11-2 Otemachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka Office: Kitakyushu Office (Kitakyushu-shi, Fukuoka) Chigasaki Office (Chigasaki-shi, Kanagawa)
(3) Executives	Chairman: Hiroshi Matsubara (Director and Executive Managing Officer of Toho Titanium) President: Hiroki Nagai (Executive Officer of WORLD INTEC) Director: Katsuhiko Kuriyama (Director and Senior Executive Officer of WORLD INTEC) Director: Kazuhisa Yamaguchi, Acting General Manager, FC Production Department of WORLD INTEC) Director: Under consideration Audit and Supervisory Board Member: Masayuki Naito (Deputy General Manager, Accounting & Finance Planning Department of WORLD INTEC)
(4) Main business	Recruiting and training services to deal with the shortage of engineers and other skilled workers and the need to pass on businesses, technologies and knowledge to younger people as Japan's population continues to age Technical solutions and consulting involving skill domains (including equipment and maintenance) at companies mainly in the materials industry
(5) Capital	100 million yen
(6) Established	April 1, 2020 (tentative)
(7) Fiscal year end	March 31
(8) Shareholding ratio	WORLD INTEC: 55% Toho Titanium: 45%
(9) Relationships between WORLD HOLDINGS and TOHOWORLD	Capital: 55% owned by WORLD INTEC, a wholly owned subsidiary of WORLD HOLDINGS Personnel: One employee of WORLD HOLDINGS serves concurrently as an Audit and Supervisory Board Member Business: Not applicable

WORLD INTEC

As of February 20, 2020

(1) Name	WORLD INTEC CO., LTD.
(2) Location	11-2 Otemachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka
(3) Representative	Eikichi Iida, Chairman and President Toru Iwasaki, President and Chief Operating Officer
(4) Main business	Comprehensive consulting for R&D, information, technology and manufacturing, human resources consulting and outsourcing guided by WORLD HOLDINGS
(5) Capital	450 million yen
(6) Established	February 4, 2014
(7) Major shareholders	WORLD HOLDINGS CO., LTD.: 100%

Toho Titanium

As of February 20, 2020

(1) Name	Toho Titanium Co., Ltd.
(2) Location	3-3-5 Chigasaki, Chigasaki-shi, Kanagawa
(3) Representative	Yoshihiro Nishiyama, President and Representative Director
(4) Main business	Manufacture and sale of titanium metals Manufacture and sale of catalysts for propylene polymerization Manufacture and sale of electronic materials
(5) Capital	11,963 million yen
(6) Established	August 20, 1953
(7) Relationships between WORLD HOLDINGS and Toho Titanium	There are no capital, personnel or business relationships.

3. Schedule

(1) Resolution of the Board of Directors	February 20, 2020
(2) Establishment of TOHOWORLD	April 1, 2020 (tentative)
(3) Start of operations	April 1, 2020 (tentative)

4. Outlook

WORLD HOLDINGS plans to classify TOHOWORLD as a consolidated subsidiary. The establishment of this company is expected to have only a negligible effect on results of operations in 2020 because this will be a period of building an infrastructure for business operations. An announcement will be made promptly if there is any information that requires disclosure.