



WORLD  
HOLDINGS

**FY2020 Financial Results**

**Creating the Ways We Live**

February 16, 2021 (Tue)  
WORLD HOLDINGS CO., LTD.  
First Section of Tokyo Stock Exchange(2429)

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## I. Summary of FY2020 Financial Results

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# Summary of Financial Result

- Revenue and profit increased year-on-year despite the impact of COVID-19.
- Strategic capital investments that accurately grasped customer needs increased revenue and profit and contributed to the improvement in results in our mainstay Human Resources and Education Business.
- Recorded COVID-19-related subsidy of 417 million yen in non-operating income.

(Unit: Million yen)

	Results for the term ended Dec. 2019	Initial estimate	Results for the term ended Dec. 2020	Against estimate		YoY	
				Change	Pct. Change	Change	Pct. Change
Net sales	136,319	142,558	<b>143,571</b>	1,012	0.7%	<b>7,251</b>	<b>5.3%</b>
Operating income	4,730	6,006	<b>6,251</b>	245	4.1%	<b>1,520</b>	<b>32.1%</b>
Ordinary income	4,805	6,365	<b>6,786</b>	421	6.6%	<b>1,981</b>	<b>41.2%</b>
Net income attributable to owners of parent	2,956	5,157	<b>5,913</b>	756	14.6%	<b>2,956</b>	<b>100.0%</b>

# Overview of Business Results by Segment

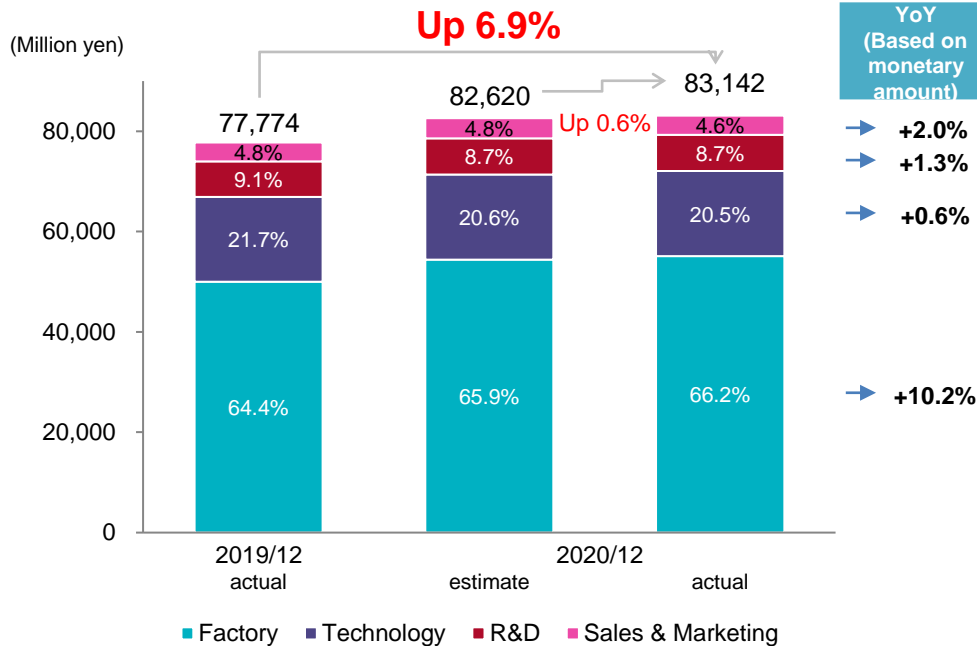
			Results for the term ended Dec. 2019	Initial estimate	Results for the term ended Dec. 2020	Against estimate		YoY	
						Change	Pct. Change	Change	Pct. Change
Human Resources and Education Business	Factory Business	Net sales	50,001	54,394	<b>55,102</b>	708	1.3%	<b>5,101</b>	<b>10.2%</b>
		Segment income	2,679	2,603	<b>2,632</b>	29	1.1%	<b>-46</b>	<b>-1.7%</b>
		(Profit margin)	(5.4%)	(4.8%)	<b>(4.8%)</b>				
	Technology Business	Net sales	16,902	16,998	<b>17,003</b>	5	0.0%	<b>100</b>	<b>0.6%</b>
		Segment income	1,761	1,960	<b>2,019</b>	58	3.0%	<b>258</b>	<b>14.7%</b>
		(Profit margin)	(10.4%)	(11.5%)	<b>(11.9%)</b>				
	R&D Business	Net sales	7,108	7,222	<b>7,200</b>	-21	-0.3%	<b>92</b>	<b>1.3%</b>
		Segment income	711	835	<b>843</b>	8	1.0%	<b>132</b>	<b>18.6%</b>
		(Profit margin)	(10.0%)	(11.6%)	<b>(11.7%)</b>				
	Sales & Marketing Business	Net sales	3,761	4,005	<b>3,835</b>	-170	-4.2%	<b>74</b>	<b>2.0%</b>
Segment income		27	51	<b>18</b>	-33	-64.2%	<b>-8</b>	<b>-32.5%</b>	
(Profit margin)		(0.7%)	(1.3%)	<b>(0.5%)</b>					
Total (reference)	Net sales	77,774	82,620	<b>83,142</b>	521	0.6%	<b>5,368</b>	<b>6.9%</b>	
	Segment income	5,179	5,451	<b>5,515</b>	63	1.2%	<b>335</b>	<b>6.5%</b>	
	(Profit margin)	(6.7%)	(6.6%)	<b>(6.6%)</b>					
Real Estate Business	Real Estate Business	Net sales	42,082	47,713	<b>48,081</b>	368	0.8%	<b>5,998</b>	<b>14.3%</b>
		Segment income	1,460	3,369	<b>3,550</b>	180	5.4%	<b>2,089</b>	<b>143.1%</b>
		(Profit margin)	(3.5%)	(7.1%)	<b>(7.4%)</b>				
Information and Telecommunications Business	Information and Telecommunications Business	Net sales	12,344	9,222	<b>9,133</b>	-89	-1.0%	<b>-3,210</b>	<b>-26.0%</b>
		Segment income	10	237	<b>240</b>	3	1.4%	<b>229</b>	<b>2,097.3%</b>
		(Profit margin)	(0.1%)	(2.6%)	<b>(2.6%)</b>				
Other	Others	Net sales	4,118	3,002	<b>3,214</b>	212	7.1%	<b>-904</b>	<b>-22.0%</b>
		Segment income	132	-339	<b>-200</b>	139	—	<b>-332</b>	<b>—</b>
		(Profit margin)	(3.2%)	—	<b>—</b>				
Total	Total	Net sales	136,319	142,558	<b>143,571</b>	1,012	0.7%	<b>7,251</b>	<b>5.3%</b>
		Elimination or corporate	-2,052	-2,711	<b>-2,854</b>	-142	—	<b>-801</b>	<b>—</b>
		Operating income	4,730	6,006	<b>6,251</b>	244	4.1%	<b>1,520</b>	<b>32.1%</b>
		(Profit margin)	(3.5%)	(4.2%)	<b>(4.4%)</b>				

# <Composition Ratio of Sales and Segment Income of Human Resources Segment>

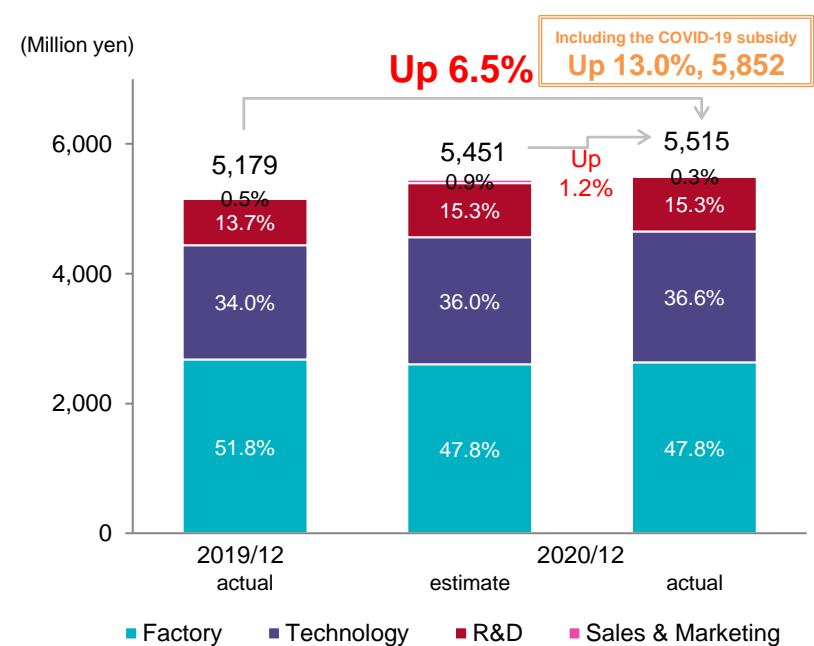


- Despite the impact of COVID-19, revenue and profit increased by responding to a wide range of industries.
- Past strategic investments (including in human resource development) have led to an improvement and shift up in skills. Realizing an increase in the unit price has contributed to an increase in profit.
- We aim to differentiate our services by offering cross-sectional “seamless” technologies.

## ◆ Sales composition



## ◆ Segment income

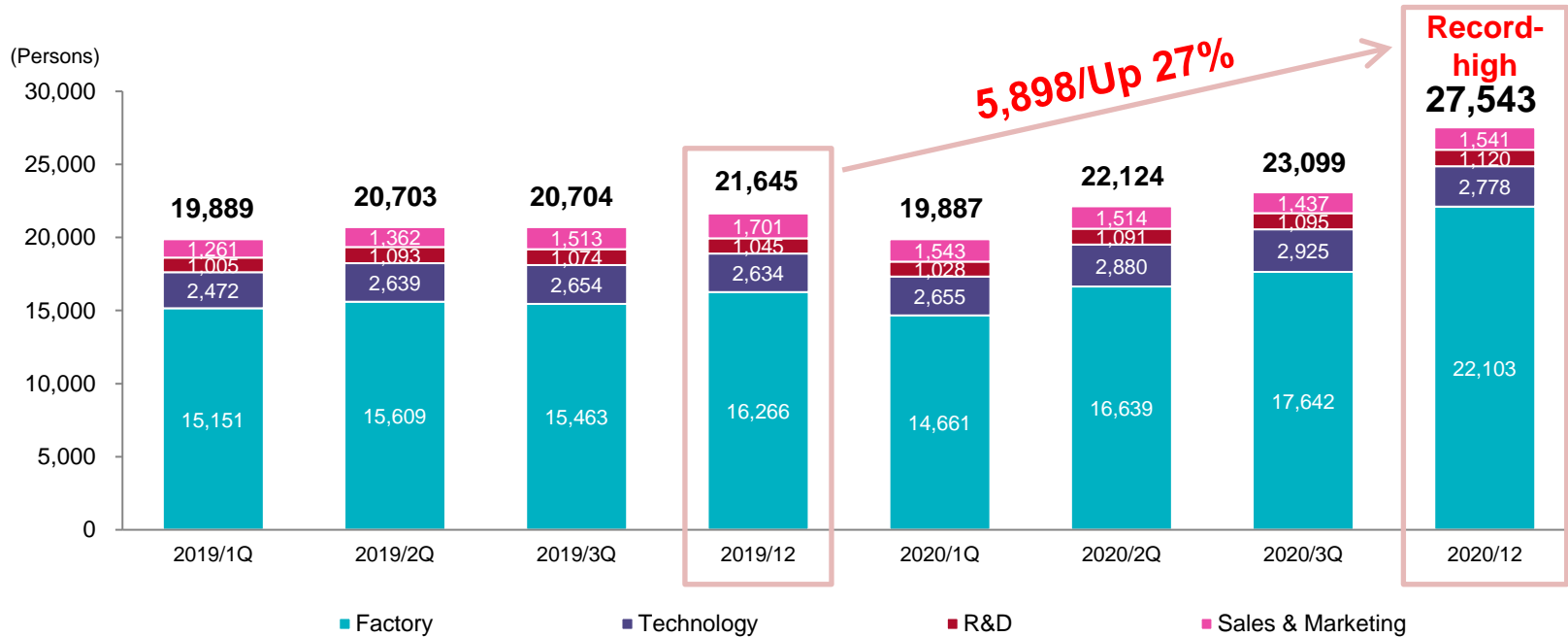


# <The Number of Staff Members of Overall Human Resources Segment>

Factory Business increased significantly.

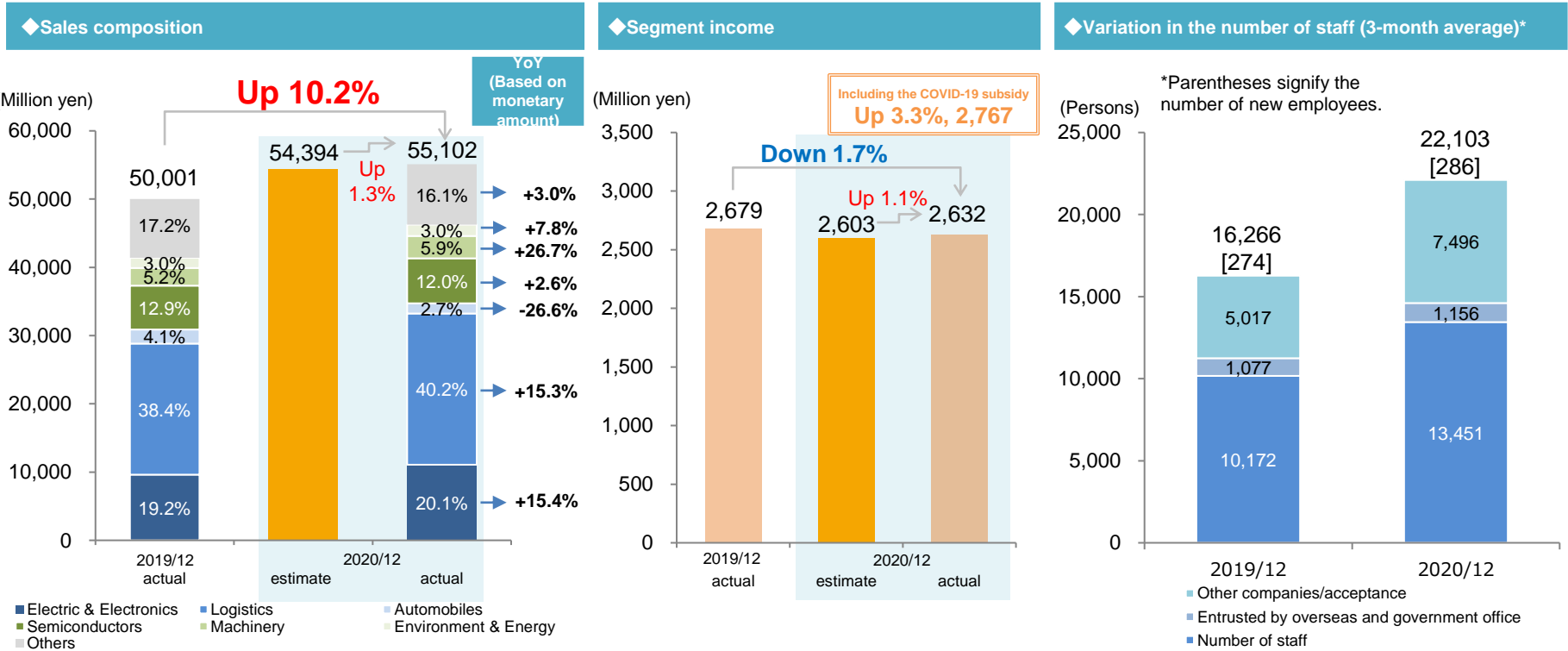
- The number of enrollments increased significantly due to the cultivation of new logistics-related bases.
- In addition, 5G-related business was strong and semiconductor/machine-related business also increased.

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



The number of staff in the Factory Business includes external staff members accepted from other companies.

- New business projects decreased compared to our target due to COVID-19, so both sales and profit were sluggish. Nevertheless, 5G-related and logistics-related businesses were strong, so revenue increased while profit decreased.
- As there is an upward trend of businesses related to semiconductors and machinery, including the 5G-related businesses, we conducted upfront investment in recruitment.
- We also conducted upfront investment in order to deal with orders from new distribution centers.



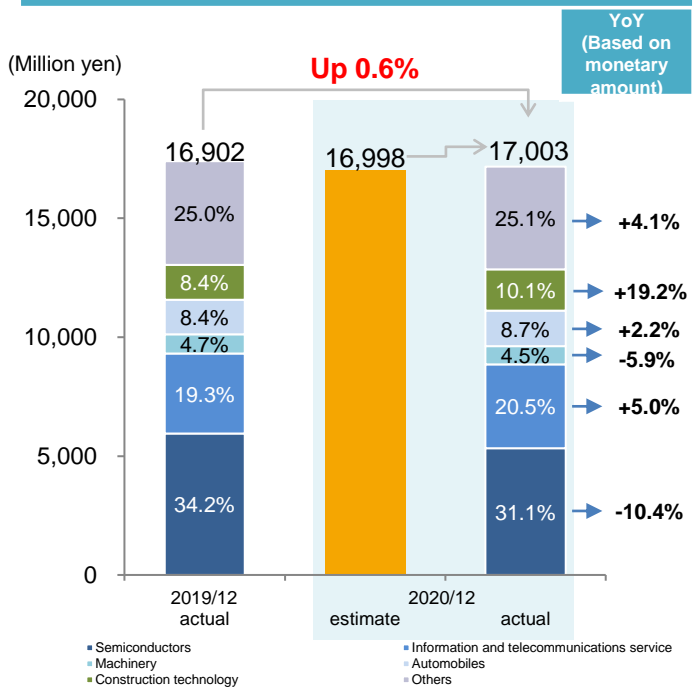
\*We have not disclosed the sales estimate by segment.

\*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.

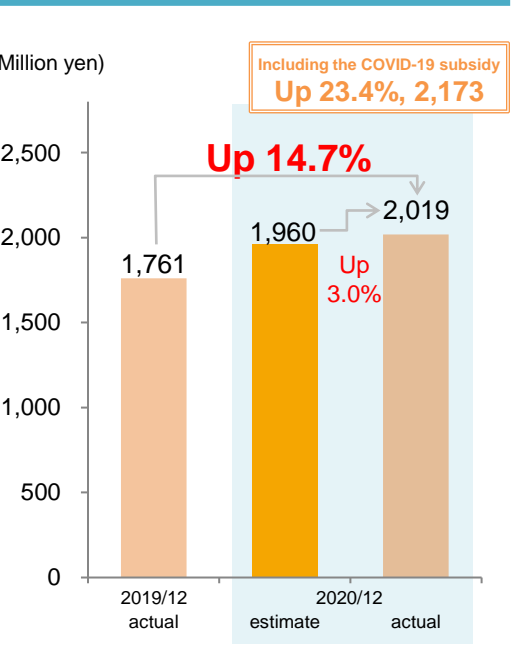


- Due to COVID-19, the number of transactions fell below the initial estimate, so utilization rate declined temporarily, and costs augmented.
- Human resource development led to the enhanced performance, and revenue and profit exceeded the estimate.
- We concentrated on the recruitment of experienced workers, and implemented new training programs for brushing up skills of human resources including existing employees and shifting up a gear.

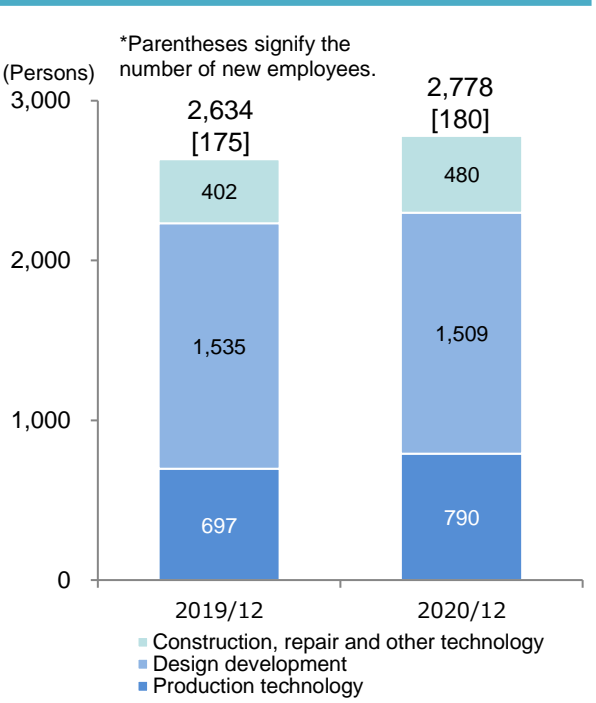
◆ Sales composition



◆ Segment income



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

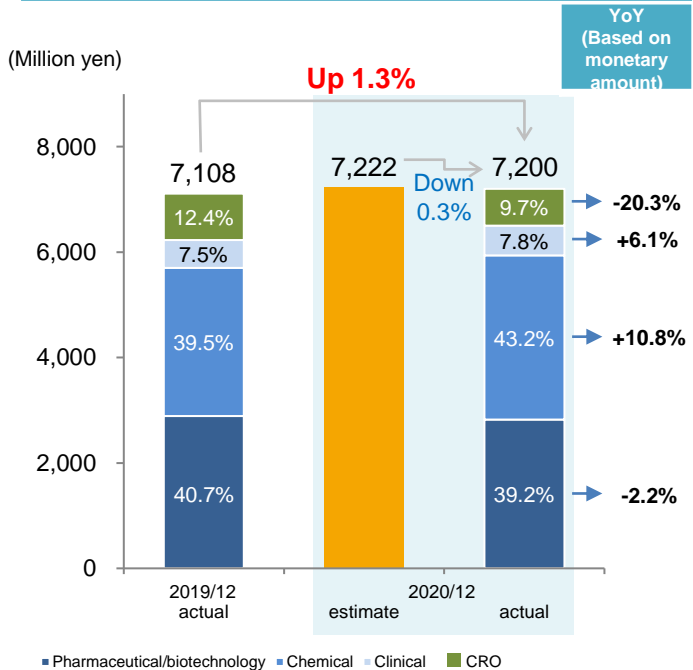


\*We have not disclosed the sales estimate by segment.

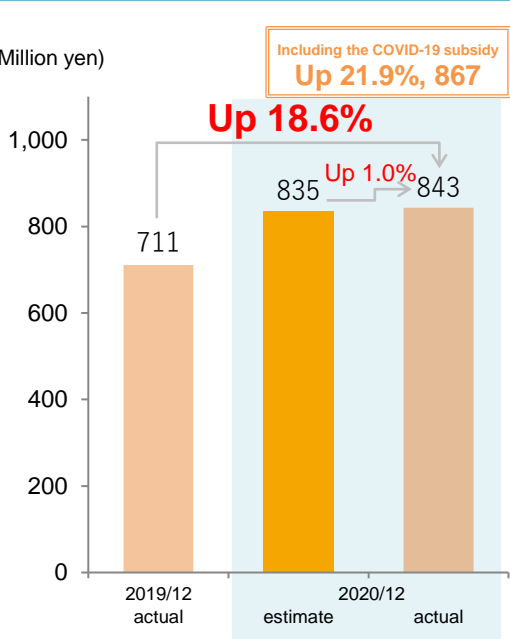
\*The number of staff is a three-month average.  
\*Number of staff included only staff members who are engaged in on-site operation work.

- The number of projects in the CRO Department decreased due to COVID-19. Nevertheless, the engineer dispatching department performed well, so revenue and profit increased.
- As transactions are increasing thanks to fine-tuned marketing, we conducted upfront investment in recruitment.
- Since we have a human resource development system based on the joint research laboratories with affiliated colleges, including the University of Tokyo, Kyoto University, Osaka University, and Tokyo Metropolitan University, the population for employment increased.

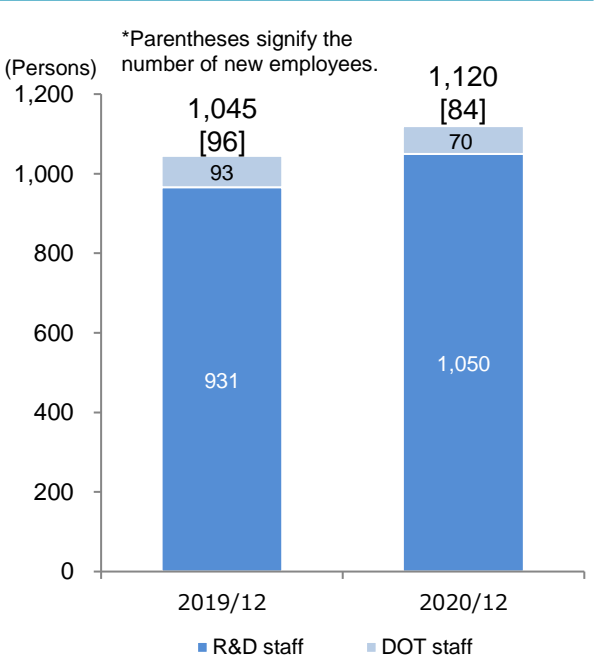
### ◆ Sales composition



### ◆ Segment income



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

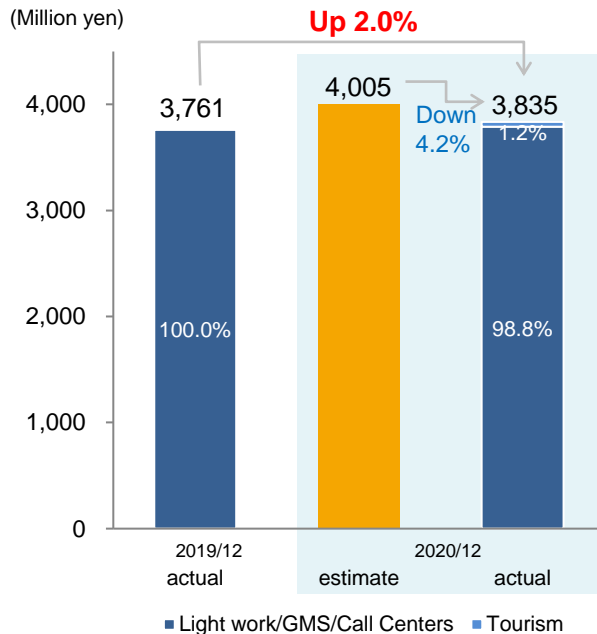


\*We have not disclosed the sales estimate by segment.

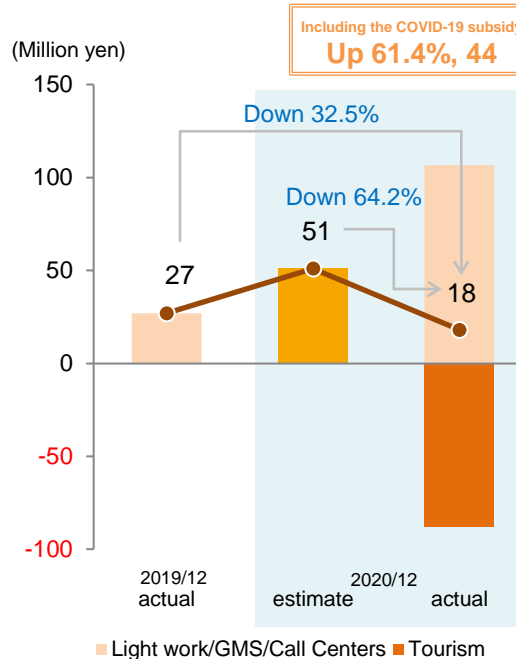
\*The number of staff is a three-month average.  
\*Number of staff included only staff members who are engaged in on-site operation work.

- Past structural reforms were successful, so the business of light work, large supermarkets, call centers, etc. was favorable.
- On the other hand, profit greatly decreased due to the impact from COVID-19 on the tourism industry.
- The number of staff dropped, due to the decrease of apparel-related transactions.

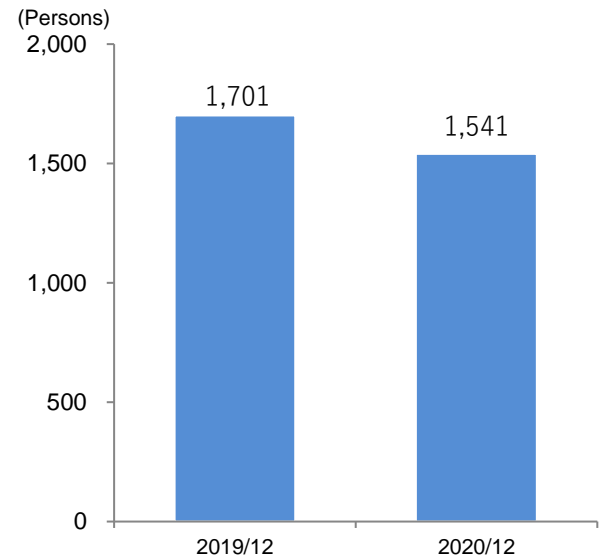
## ◆ Sales composition



## ◆ Segment income



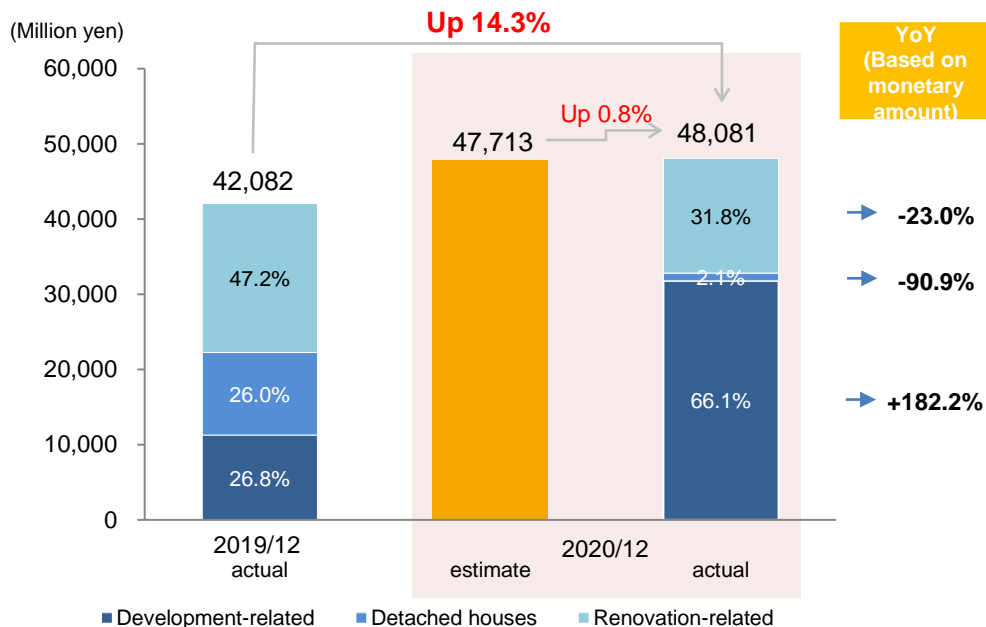
## ◆ Variation in the number of staff (3-month average)\*



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

- The number of units delivered in renovation-related business fell due to COVID-19. Despite this, delivery of commercial premises in development-related business was mostly as targeted, so revenue and profit increased.
- While maintaining a cautious stance in relation to procurement, we worked on building a real-estate finance business structure. At the same time, we established a commitment line and secured funds to prepare for a favorable market trend in the next term onward.

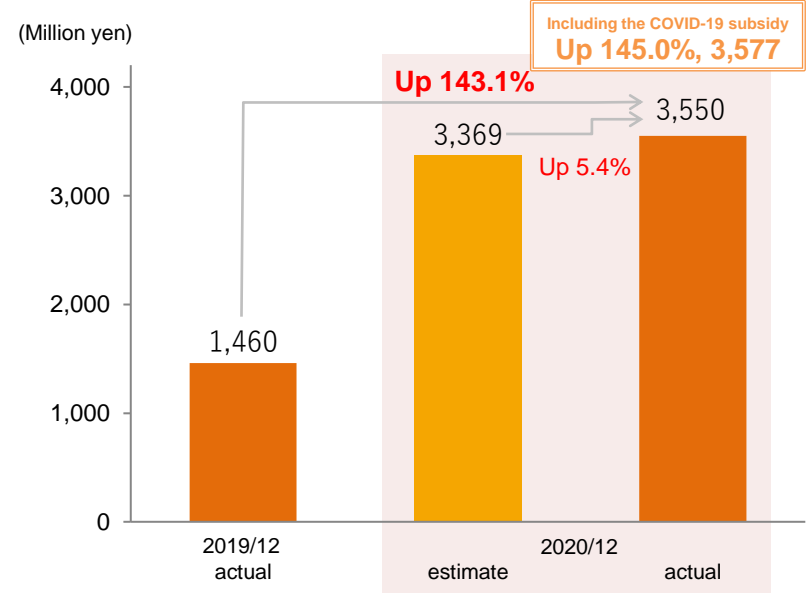
## ◆ Sales composition



■ Development-related ■ Detached houses ■ Renovation-related

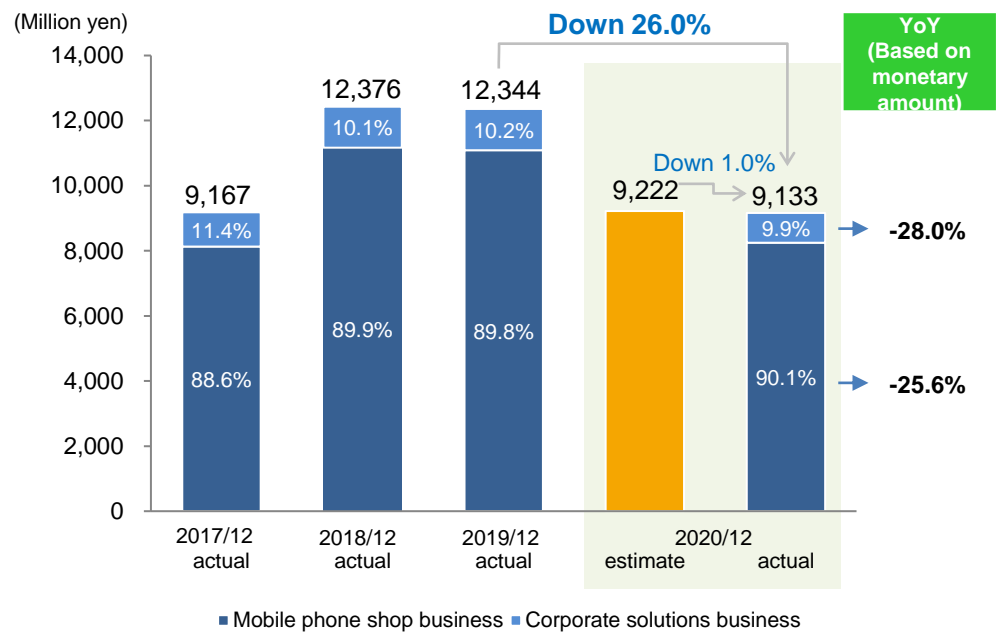
\*We have not disclosed the sales and segment income estimate by business segment.

## ◆ Segment income



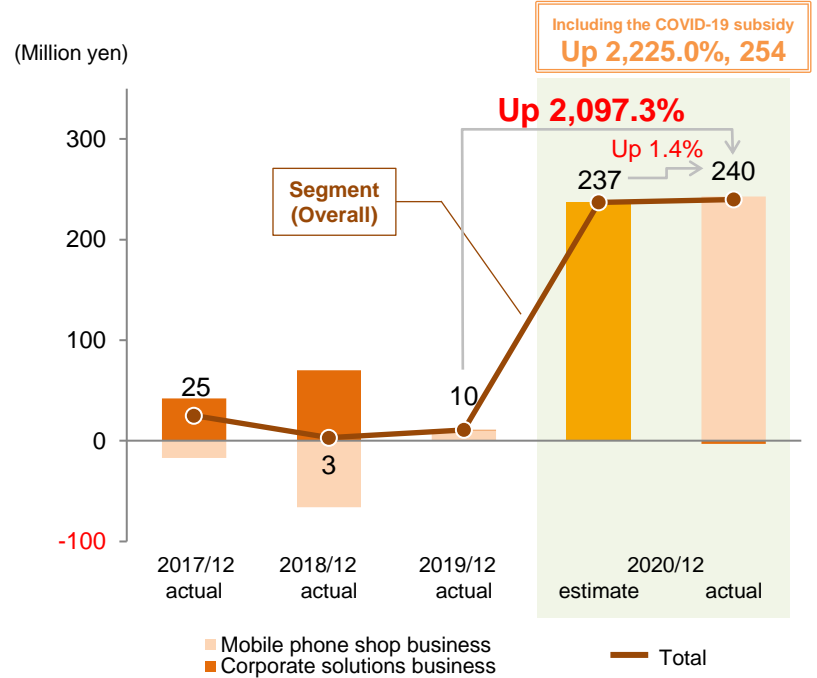
- Due to COVID-19, the operation of mobile phone shops and corporate solutions has been restricted.
- Revenue decreased due to a reorganization of stores. Nevertheless, structural reforms implemented until the previous term (measures and investment focused on the strengthening of the store business = improvement of organizations and stores, and enhancement of the capability of attending to customers and knowledge through human resource development) were successful, so profit increased significantly.

## ◆ Sales composition



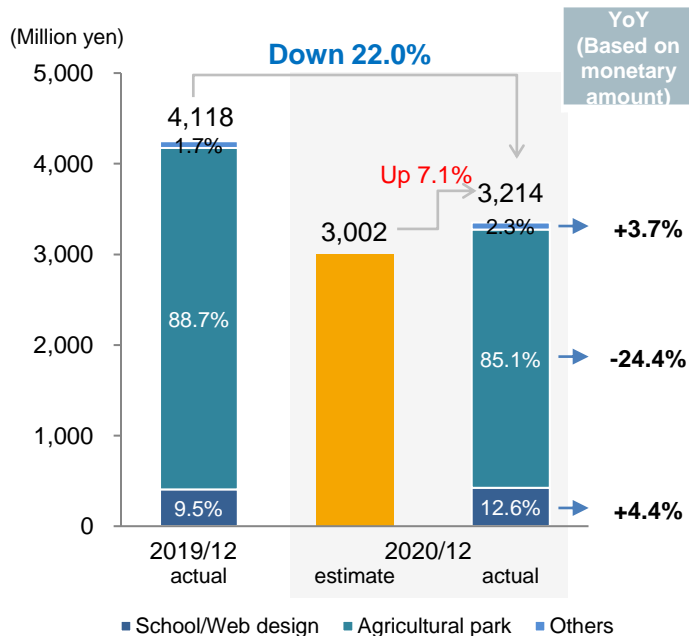
\*We have not disclosed the sales and segment income estimate by destination.

## ◆ Segment income

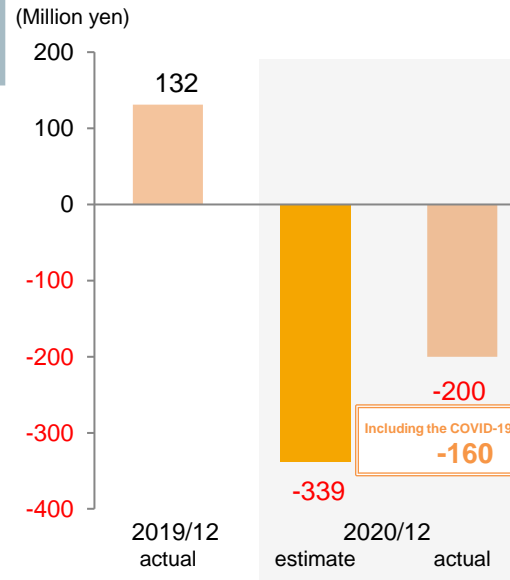


- As for the agricultural park business, we had to temporarily close parks in response to requests from local governments in the busiest season from April to May and people refrained from going out due to COVID-19. As a result of these, we took a big blow.
- However, the forte of outdoor facilities, which are rich with nature unlike normal theme parks, was exerted, and we implemented appropriate measures for attracting customers. As a result, the number of visiting customers to the parks exceeded that in the previous year considerably on a monthly basis from 4Q, indicating a steady recovery trend.

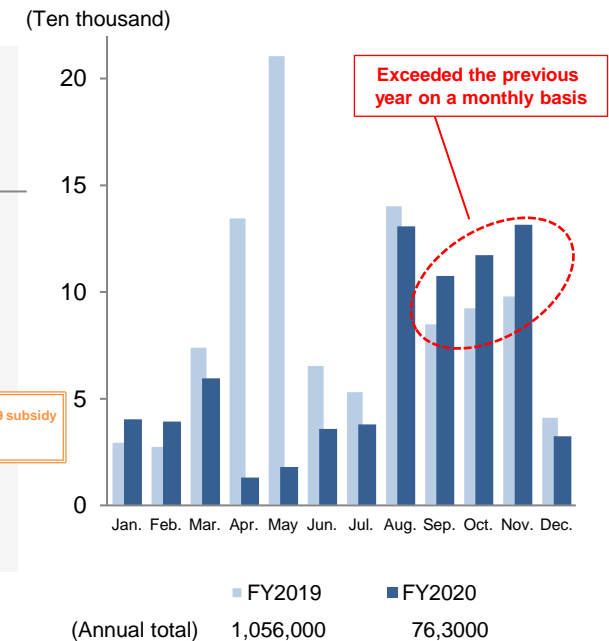
## ◆ Sales composition



## ◆ Segment income



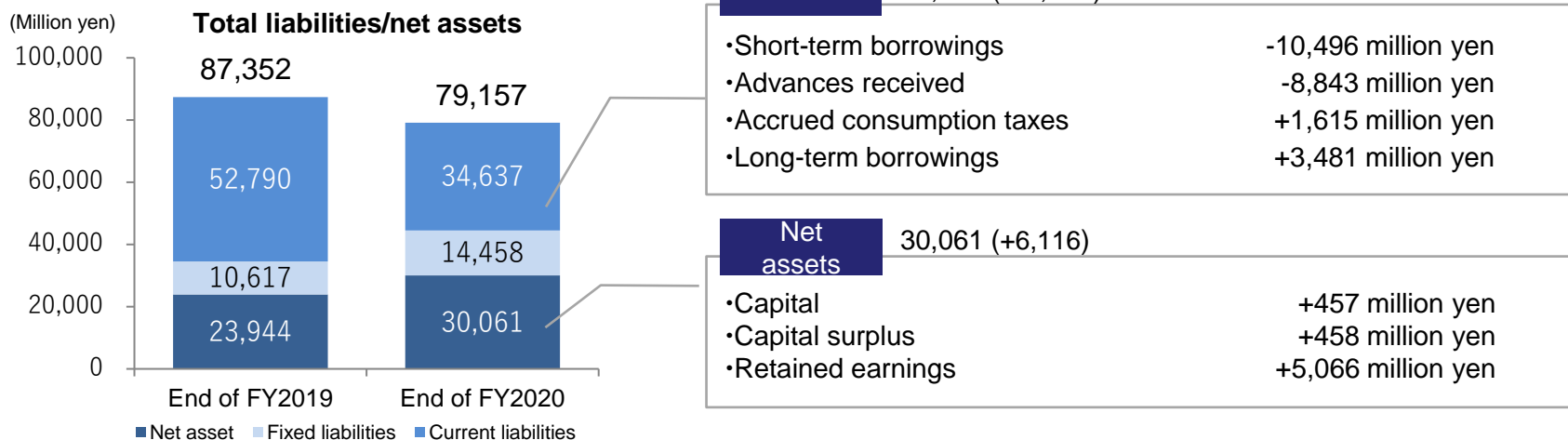
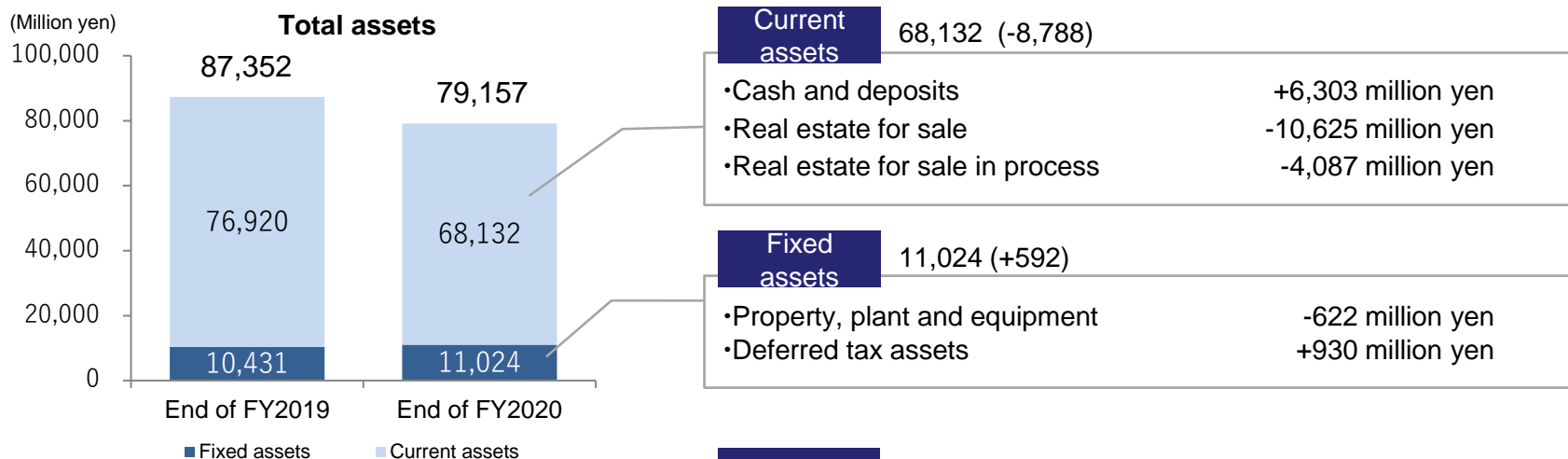
## ◆ Number of visiting customers



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

# Financial Condition B/S

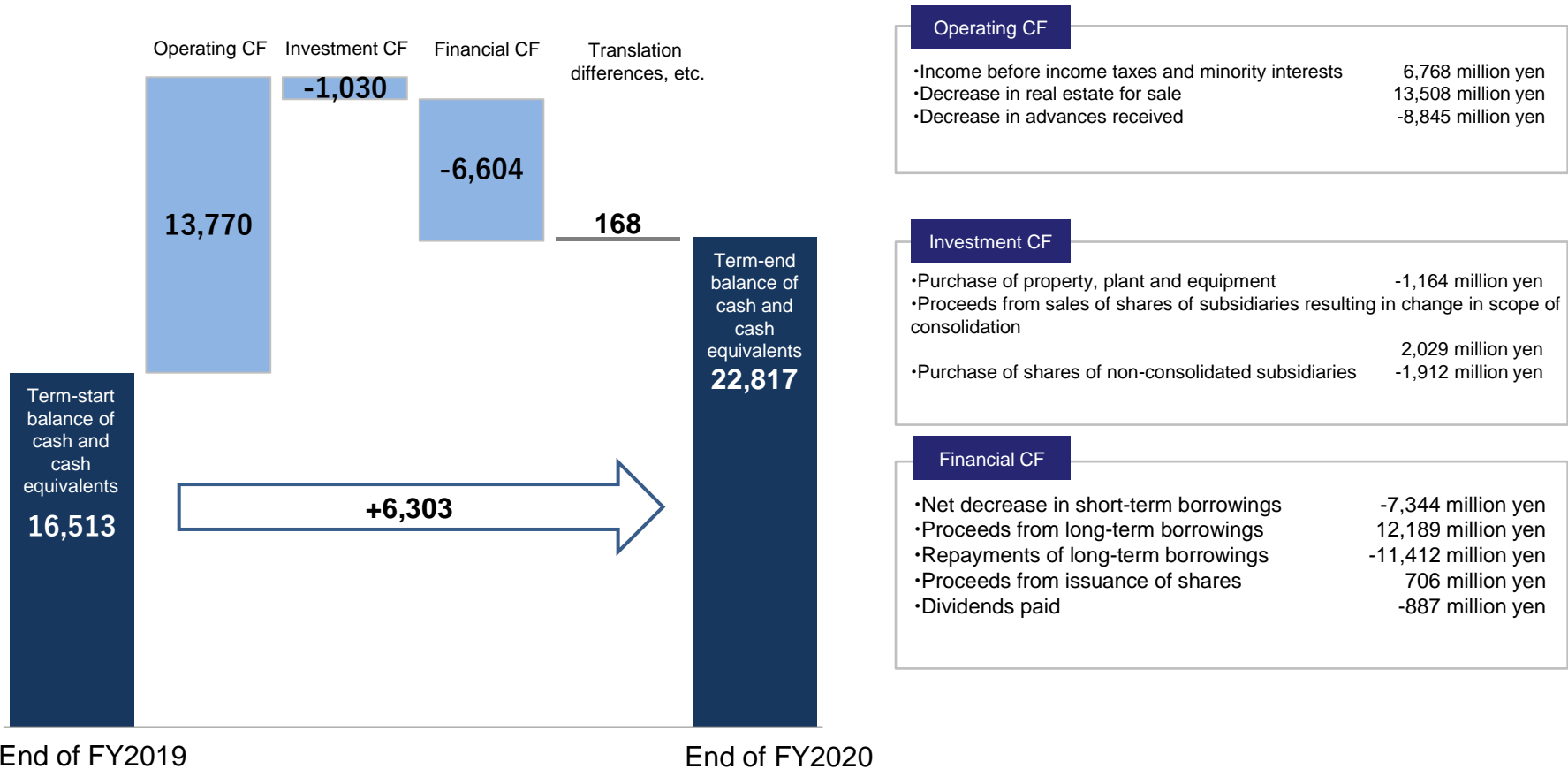
- Total assets decreased as a result of the delivery of real estate and careful procurement.



# Cash Flows

- In addition to progress in the delivery of real estate properties, we made careful procurement. This led to a decrease in real estate for sale and an increase in operating CF.

(Million yen)







## **II. Outlook for the Term Ending Dec. 2021 and Future Strategies**

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# Future Outlook

## Business strategies and outlook for the term ending Dec. 2021

### Human Resources and Education Business



- Aim for differentiation within the industry with seamless comprehensive support across each segment for clients by leveraging our strengths covering a wide range of industries.
- Also expand in the service field in addition to the manufacturing field where our strengths lie.
- Expand mechanisms for stepping up careers of our employees. At the same time, aim to improve quality and brand power by strengthening our human resource development structure.

### Real Estate Business



- While the market conditions remain difficult to predict due to COVID-19, carefully continue to develop business without overdoing it and push forward with preparations to prepare for a favorable market trend.
- Established a 20 billion yen commitment line in relation to financial aspects.
- Build a real estate finance base in asset management and servicers.

### Information and Telecommunications Business



- The future will remain difficult to predict for the time being due to the start of new plans by carriers from early spring in response to a request for a cut in mobile telephone charges by the Ministry of Internal Affairs and Communications.
- Look to continue building an excellent store network. At the same time, aim for stable growth by building a new profit model in which we explore product and area expansion in corporate solutions.

### Other



- Strive to improve presence as rest facilities necessary for the community by leveraging the strengths of outdoor facilities that avoid crowding.

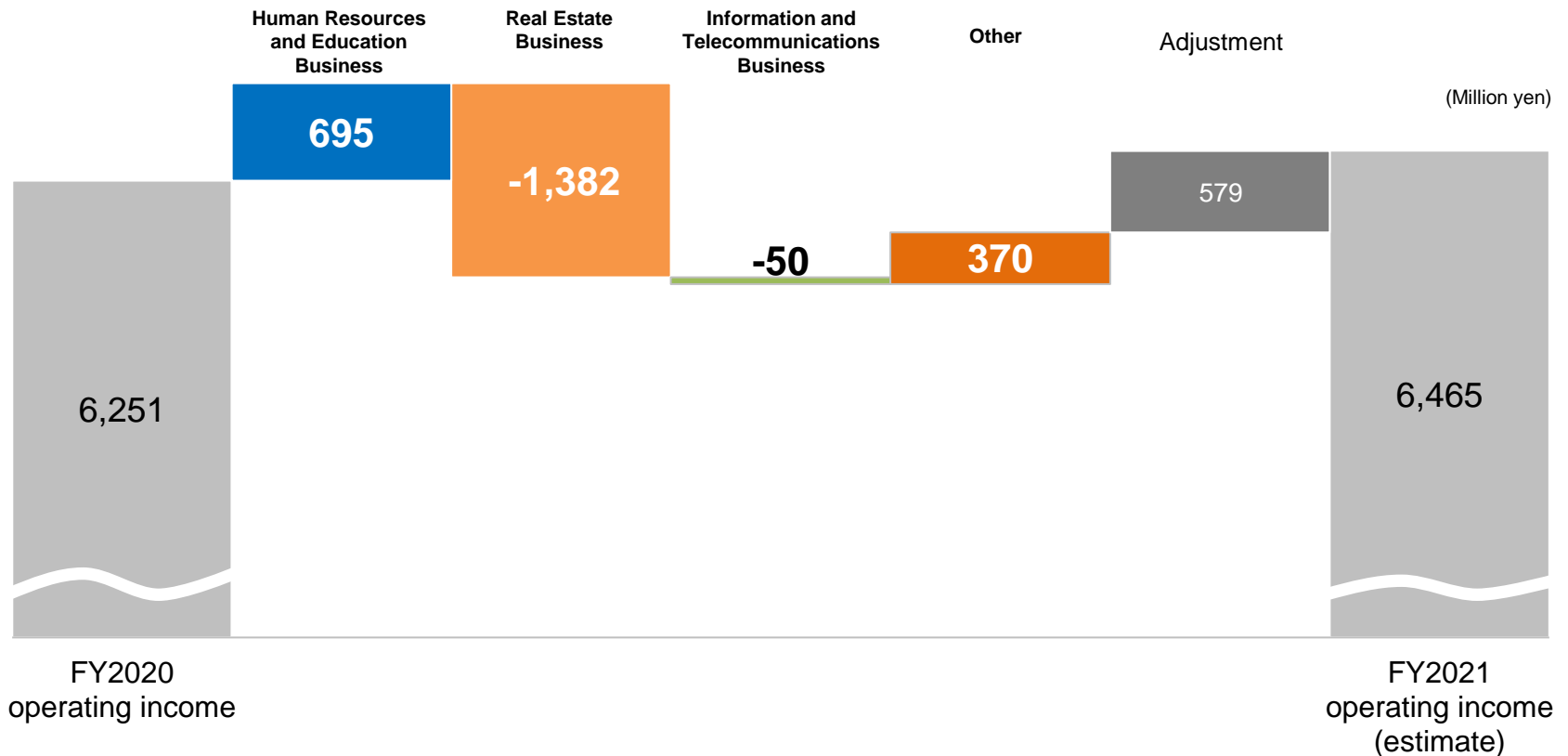
# FY2021 Business Forecast

- Amid fears about the re-expansion in COVID-19 infections and growing uncertainty about the future, we expect **an increase in revenue and operating income**.
- COVID-19-related subsidy recorded in non-operating income in the previous term is not included in the forecast for this term.
- Net income attributable to owners of parent in the previous term includes the impact from the review of deferred tax assets due to the sale and merger of subsidiaries.

Unit: Million yen, %	Results for the term ended Dec. 2020	Forecast for the term ending Dec. 2021	YoY	
			Change	Pct. Change
Net sales	143,571	<b>150,194</b>	<b>6,623</b>	<b>4.6%</b>
Operating income	6,251	<b>6,465</b>	<b>214</b>	<b>3.4%</b>
Ordinary income	6,786	<b>6,388</b>	-397	-5.9%
Net income attributable to owners of parent	5,913	<b>4,573</b>	-1,340	-22.7%
EPS (yen)	341.35	<b>262.02</b>	-79.33	-23.2%
Dividend per share (yen)	101.7	<b>78.7</b>	-23.0	-22.6%

# FY2021 Factors for Increasing or Decreasing Operating Income

- Demonstrate the business portfolio strengths of the group and secure **an increase in operating income** overall.
- Expect an increase in profit in our Human Resources and Education Business due to aggressive business development.
- Predict a decrease in profit in our Real Estate Business as we carefully develop business according to our previous policy without overdoing it.

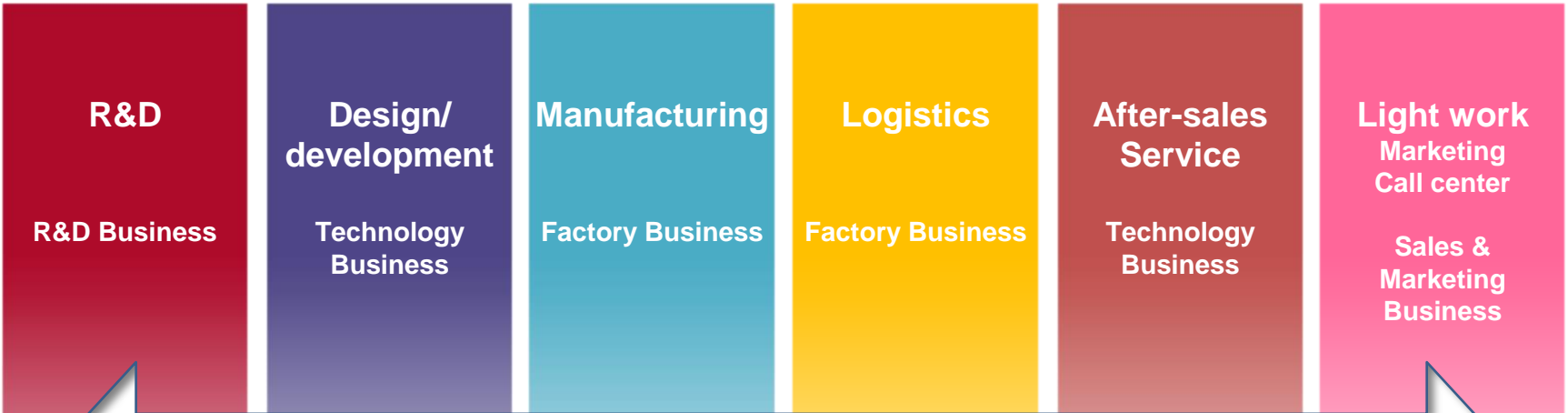


# FY2021 Business Forecast by Segment

- Steady growth with portfolio strengths in multiple industries and a focus on growth areas in our mainstay Human Resources and Education Business (growth in the Factory Business in particular).
- While market conditions remain difficult to predict in the Real Estate Business, we will continue to take a cautious attitude and look for future investment opportunities.

Unit: Million yen, %			Results for the term ended Dec. 2020		Forecast for the term ending Dec. 2021		YOY	
			(Profit margin)	(Profit margin)	Change	Pct. Change		
Human Resources and Education Business	Factory Business	Net sales	55,102		65,964	10,861	19.7%	
		Segment income	2,632	(4.8%)	3,476	843	32.0%	
	Technology Business	Net sales	17,003		18,135	1,132	6.7%	
		Segment income	2,019	(11.9%)	1,908	-110	-5.5%	
	R&D Business	Net sales	7,200		7,876	675	9.4%	
		Segment income	843	(11.7%)	849	5	0.6%	
	Sales & Marketing Business	Net sales	3,835		4,849	1,013	26.4%	
Segment income		18	(0.5%)	-23	-42	(-)		
Total		Net sales	83,142		96,825	13,683	16.5%	
		Segment income	5,515	(6.6%)	6,210	695	12.6%	
Real Estate Business	Real Estate Business	Net sales	48,081		40,363	-7,717	-16.1%	
		Segment income	3,550	(7.4%)	2,167	-1,382	-38.9%	
Information and Telecommunications Business	Information and Telecommunications Business	Net sales	9,133		8,769	-364	-4.0%	
		Segment income	240	(2.6%)	190	-50	-20.8%	
Other	Others	Net sales	3,214		4,236	1,022	31.8%	
		Segment income	-200	(-)	170	370	(-)	
Total		Net sales	143,571		150,194	6,623	4.6%	
		Elimination or corporate	-2,854		-2,274	(-)	(-)	
		Operating income	6,251	(4.4%)	6,465	214	3.4%	

**We cover a broad range of domains centered around manufacturing with our seamless services.**



**Without being limited to partial business areas, achieve seamless and comprehensive support and accept batch orders in multiple segments**

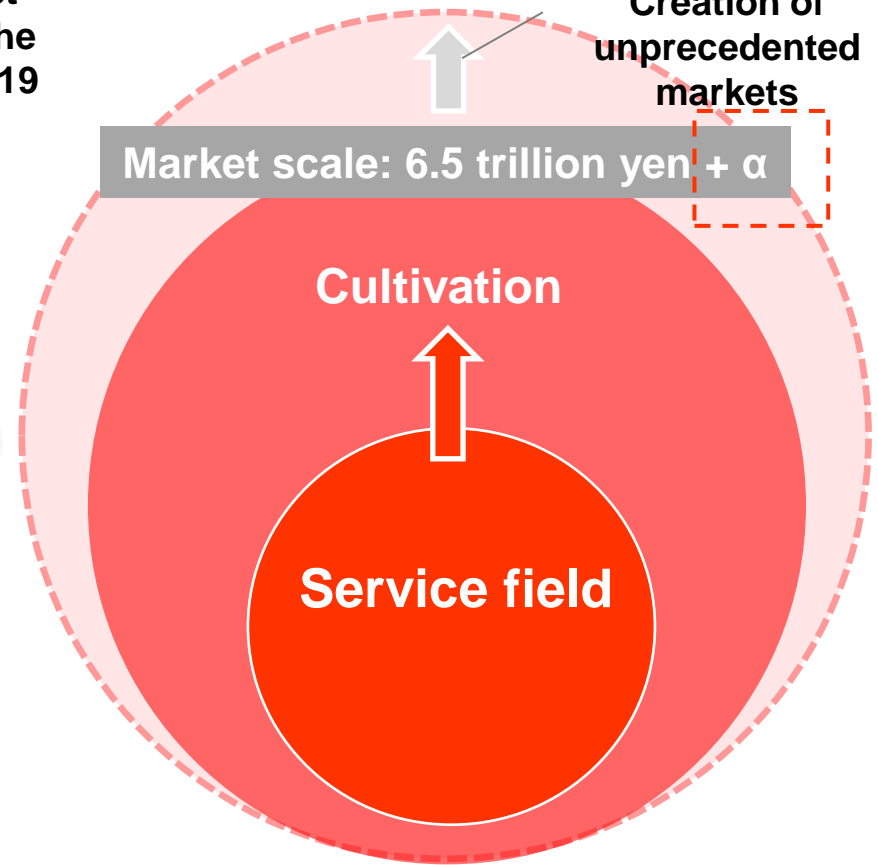
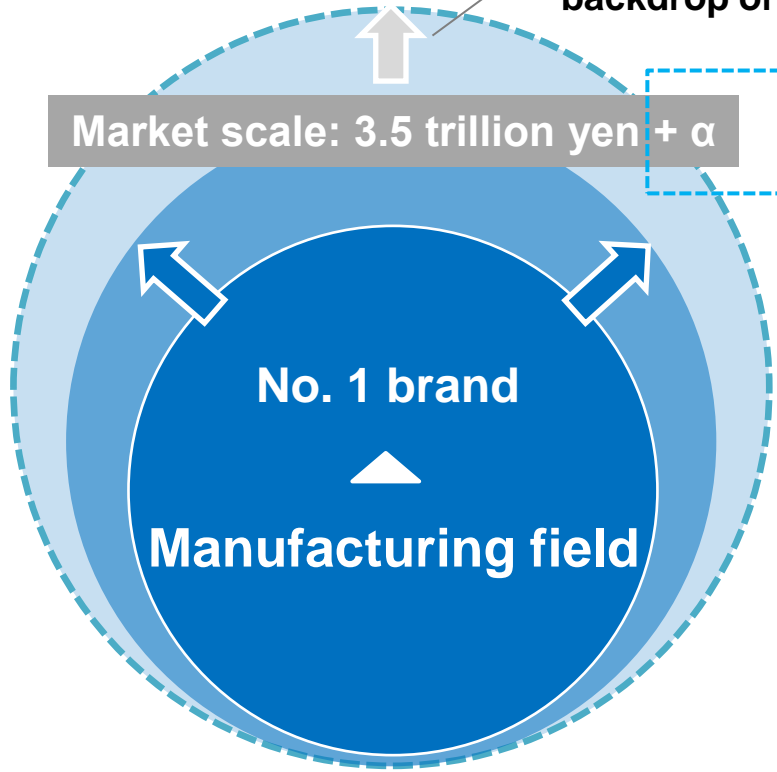
**Comprehensively increase orders**

Outsourcing market expansion against the backdrop of COVID-19

Creation of unprecedented markets

Market scale: 3.5 trillion yen +  $\alpha$

Market scale: 6.5 trillion yen +  $\alpha$



**To become No.1 in the manufacturing field**

**+**

**To cultivate business in the service field**

**Co-sourcing** Evolved outsourcing for not only supporting HR sections quantitatively, but also solving problems with clients together

**Create a new HR business market by utilizing joint venture and the consortium model**

<Example>

**Manufacturing field**

**Joint venture with Toho Titanium Co., Ltd.**

**Commercialize the business to pass down the technology and skills in the material industry**



Scene of "Press conference on the establishment of TOHOWORLD CORPORATION" (Feb. 20, 2020; Kitakyushu City Hall, Civic Club)

<Example>

**Service field**

**Joint venture with JTB Group**

**Cultivate advanced personnel needs in the tourism industry**



**JW SOLUTION**



Scene of "Press conference regarding the collaborative business of World Holdings and JTB Group" (Jan. 28, 2020; Imperial Hotel)



# Future Strategies of the Real Estate Business (1)

**Secure profits at an appropriate size in existing areas with the aim of growth from real estate finance**

## Real estate for investment

Push forward at an appropriate size to secure profits

### Development

Condominiums  
Detached houses  
Commercial land



### Real estate revitalization

Renovation  
Redevelopment



## Growth area

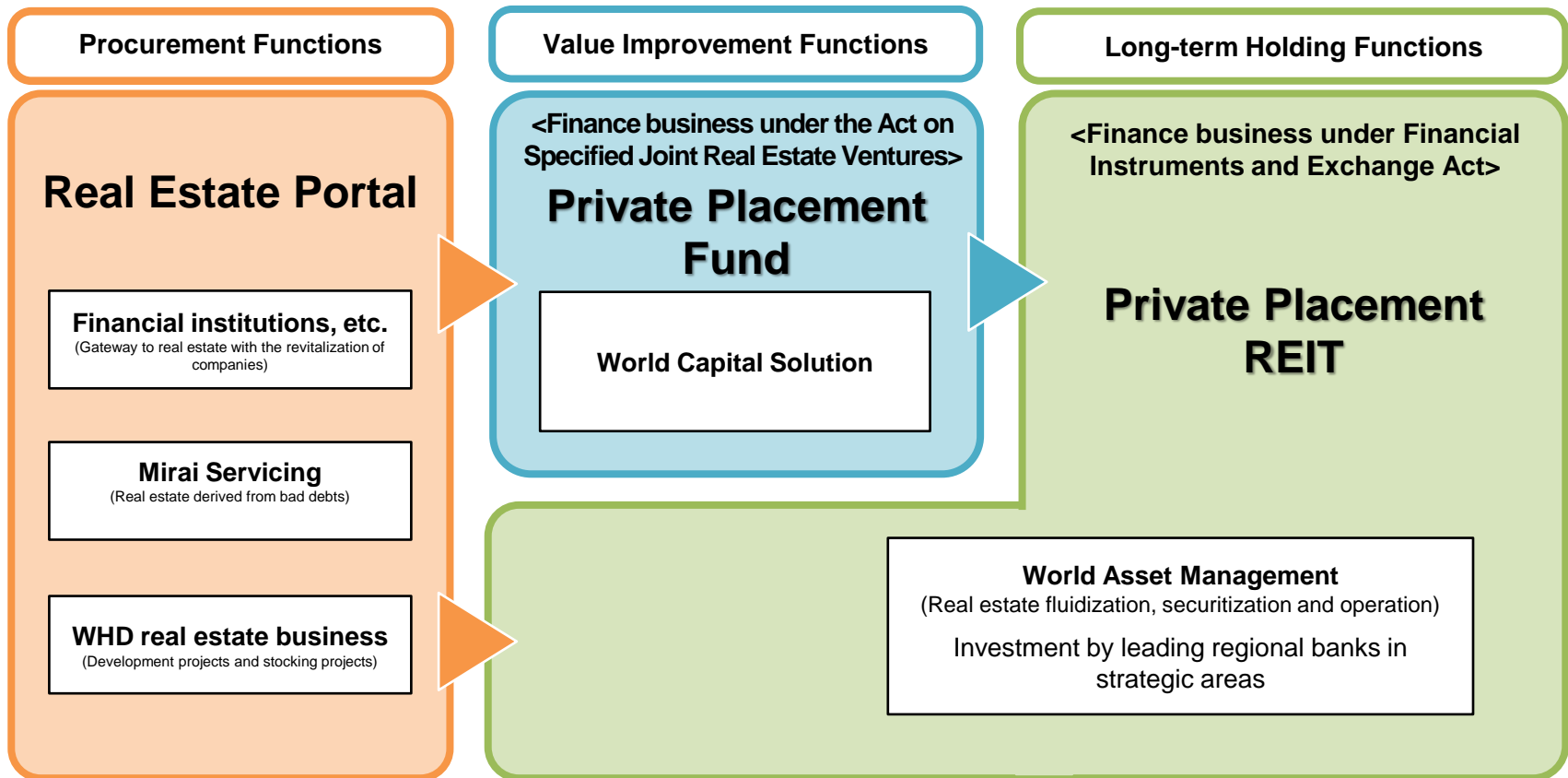
## Real estate finance

Collection of receivables  
Asset management  
REIT  
Funds



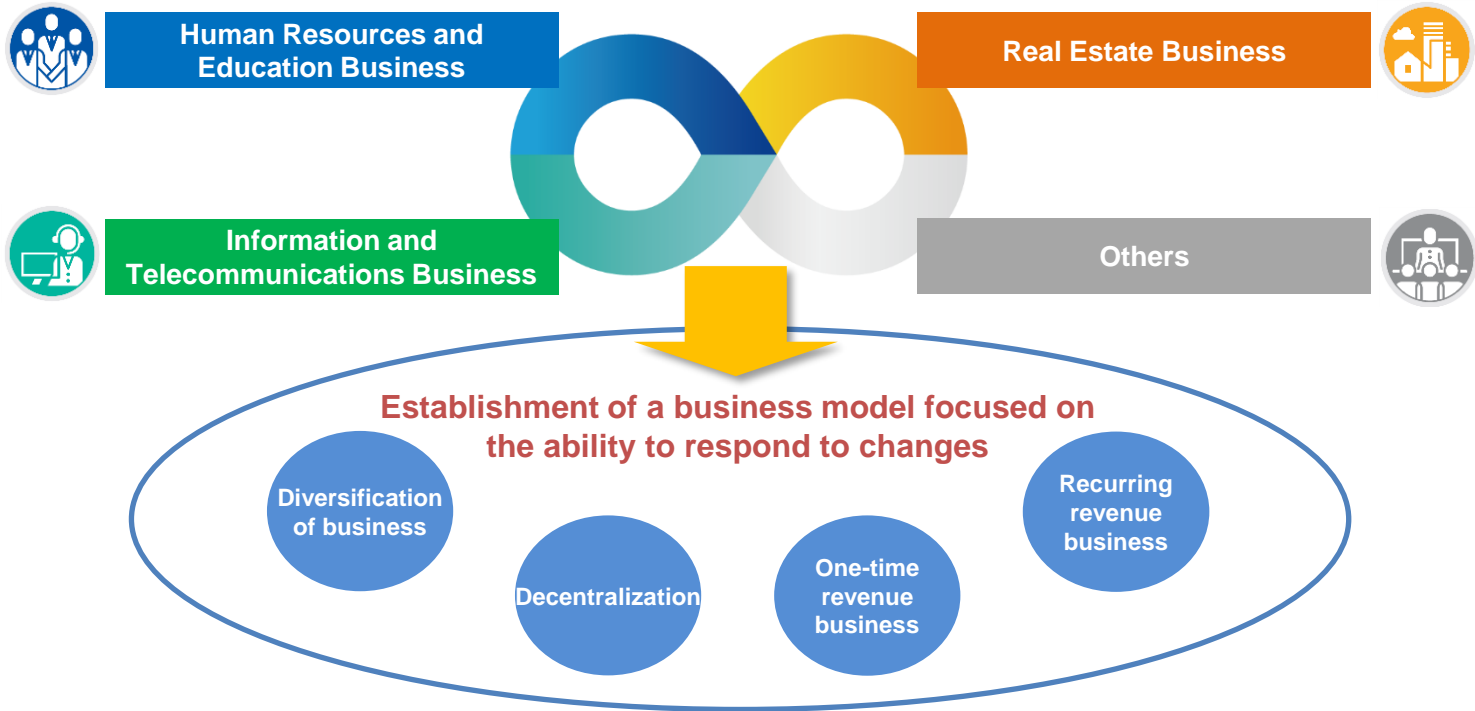
# Future Strategies of the Real Estate Business (2)

**Aim for the long-term holding of profitable properties (recurring revenue business) and realize an even more stable management structure by constructing functions that can respond from both real estate for investment and real estate finance aspects.**



# Overall Picture of the Growth Strategies

Develop in multiple business/industries and build a well-balanced stable management base

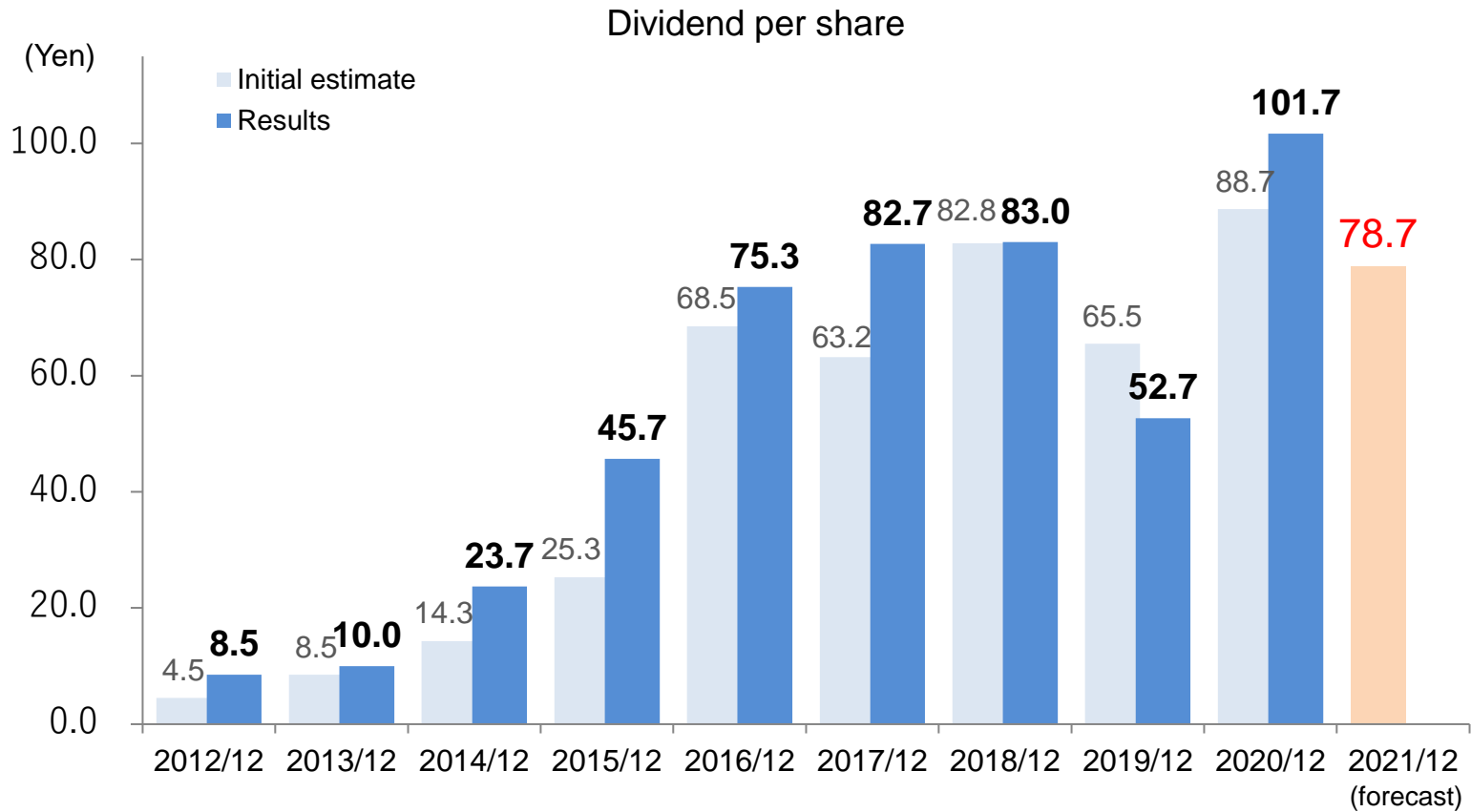


Amid fears about the re-expansion in COVID-19 infections and growing uncertainty about the future,

**Ascertain changes in the times and accurately grasp market needs to achieve growth**

# 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. Appendix

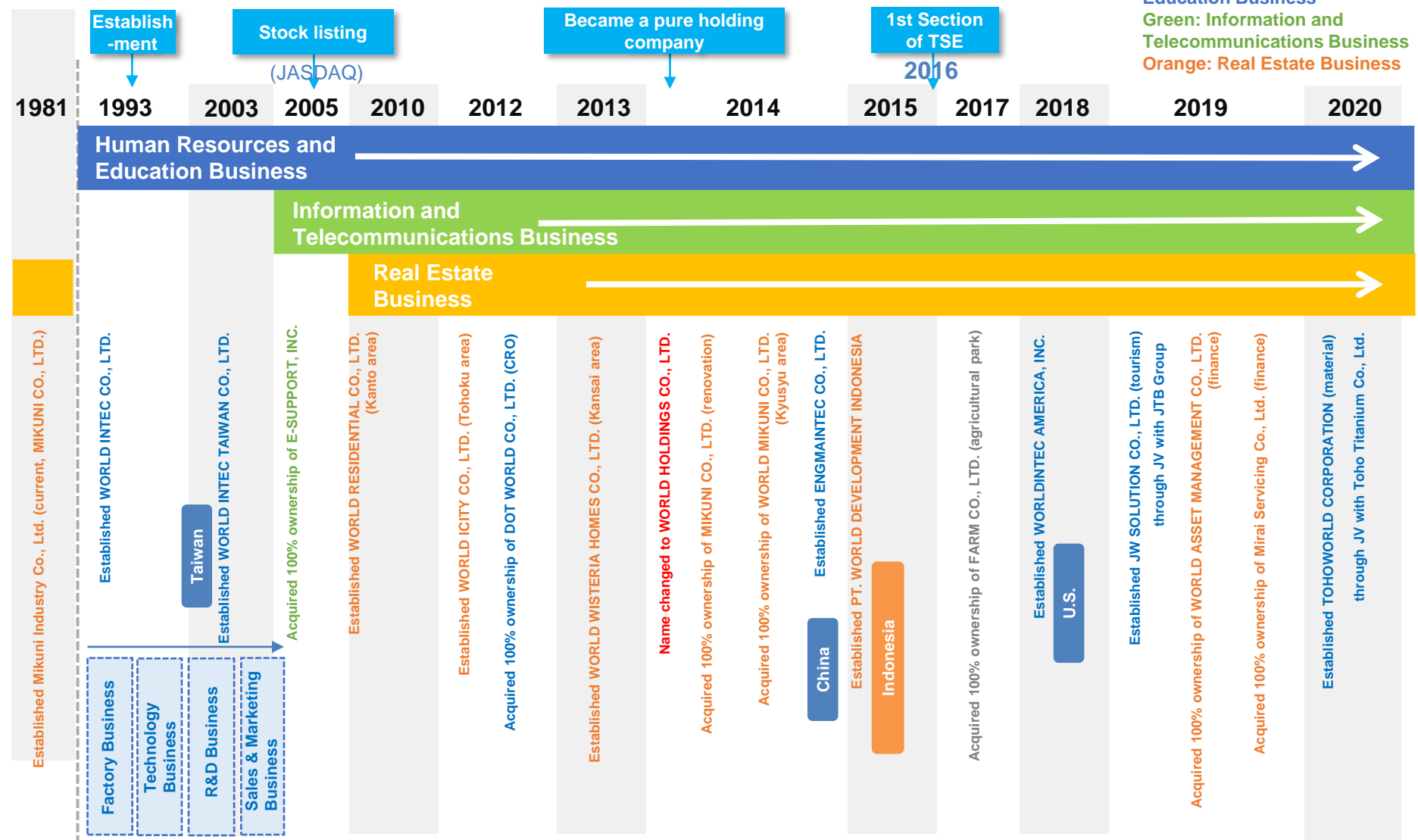
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# Profile of World Holdings

# History

We have not engaged in M&As to expand size before. We have mainly engaged in M&As and revitalized companies to cultivate new business.

Blue: Human Resources and Education Business  
 Green: Information and Telecommunications Business  
 Orange: Real Estate Business



# Main Subsidiaries and Associates

## Human Resources and Education Business

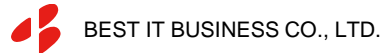
Connecting people to jobs a new ways of working

-  WORLD INTEC CO., LTD.
-  WORLD STAFFING CO., LTD.
-  WORLD CONSTRUCTION CO., LTD.
-  WORLD NEXT CO., LTD.
-  DOT WORLD CO., LTD.
-  JW SOLUTION CO., LTD.
-  **TOHOWORLD**
-  WORLD INTEC TAIWAN CO., LTD.
-  **WORLD INTEC AMERICA**
-  **EngmaIntec**
-  GEOGRAPHIC INFORMATION OF KYUSHU, INC.
-  **NIKKEN TECHNO CO., LTD.**
-  **SAINS**



## Information and Telecommunications Business

Bring people together through new styles of communications with information technologies



## Others


-  CROWDWEIGHT CO., LTD.
-  ADVAN CO., LTD.

## Real Estate Business

Connecting people with homes shaping the way we live through home creation

-  WORLD RESIDENTIAL CO., LTD.
-  WORLD ICITY CO., LTD.
-  WORLD WISTERIA HOMES CO., LTD.
-  NICHIMO REAL ESTATE CO., LTD.
-  COMPAX CO., LTD.
-  **WORLD DEVELOPMENT INDONESIA**
-  **MIKUNI**
-  WORLD MIKUNI CO., LTD.
-  M'S WORLD CO., LTD.
-  OMACHI WORLD CO., LTD.

## Finance

-  WORLD ASSET MANAGEMENT CO., LTD.
- MIRAI SERVICING CO., LTD.

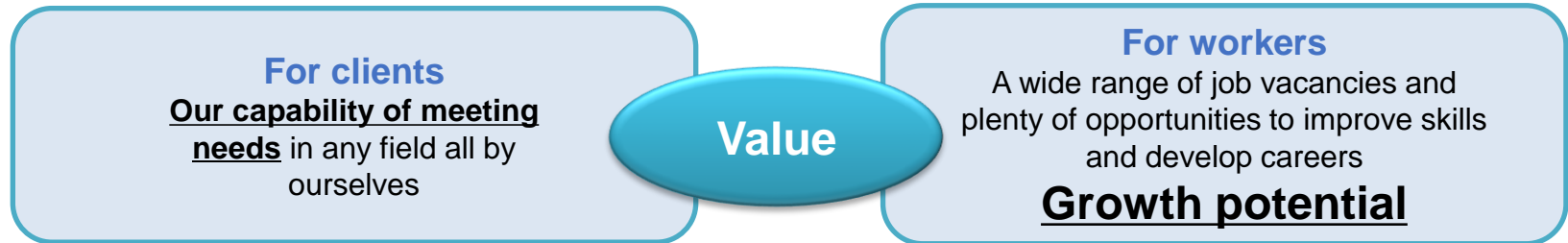
**Main Subsidiaries and associates: 36**

**<Consolidated: 32/Non-consolidated: 4>**

# Domains of the Human Resources and Education Segment



**We cover a broad range of domains centered around manufacturing with our seamless services.**



**R&D Business**  
Biotechnology/Chemical  
Researcher at CRO  
**About 1,100**

**Technology Business**  
Design/Development  
Engineer  
**About 2,800**

**Factory Business**  
Manufacturing/Logistics  
Operator  
**About 22,100**

**Sales & Marketing Business**  
Sales and light work  
**About 1,500**

About **27,500** workers in service \*As of the end of December 2020



# Domains of the Real Estate Segment



## Real estate for investment

### Development

Condominiums/Detached houses  
Commercial land development  
Conduct business mainly in major cities of the Tohoku, Tokyo Metropolitan, Kinki and Kyushu areas



Residential Kamitabashi Park Gate (Tokyo)

### Real estate revitalization

Renovation  
Redevelopment

Conduct real estate revitalization business, such as renovation, around Japan.

Before



After



Distribution  
Brokerage

Property  
management

Real estate  
finance

Collection of  
receivables  
Asset  
management



One-time revenue business

Recurring revenue business

Stabilization by combining one-time revenue business and recurring revenue business and by combining areas with different business cycles

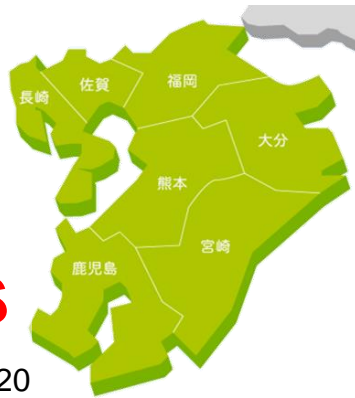
**Appropriately expand scale in the real estate for investment field and achieve growth in real estate finance**

## Mobile phone shop

### The largest network of stores in Kyushu

Cell phone shops in Fukuoka, Saga, Oita, Kumamoto, Nagasaki, and Okinawa Prefectures

- Softbank Shop
- au Shop
- Y! Mobile Shop



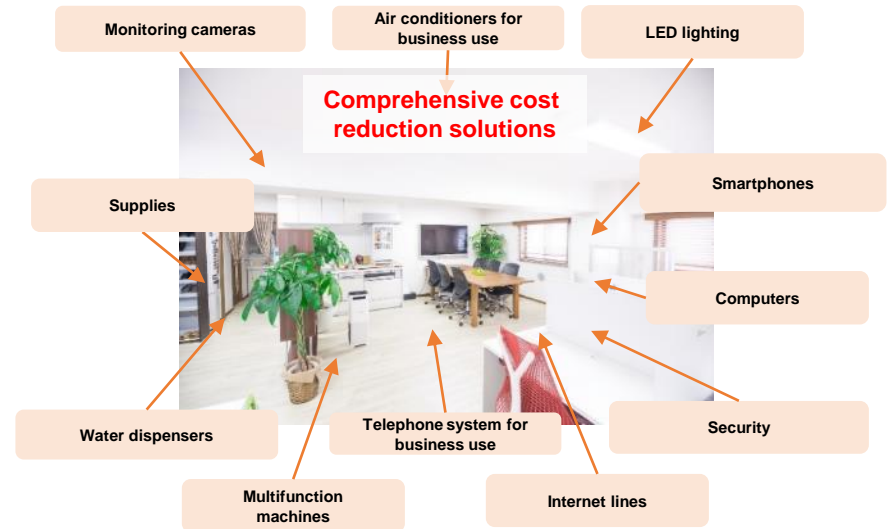
# 37 stores

As of December 2020



## Corporate solutions

We propose the reduction of costs for electric power, communications, etc. by selling our products to corporations.



## Call center

Sale of various products for individuals and corporations

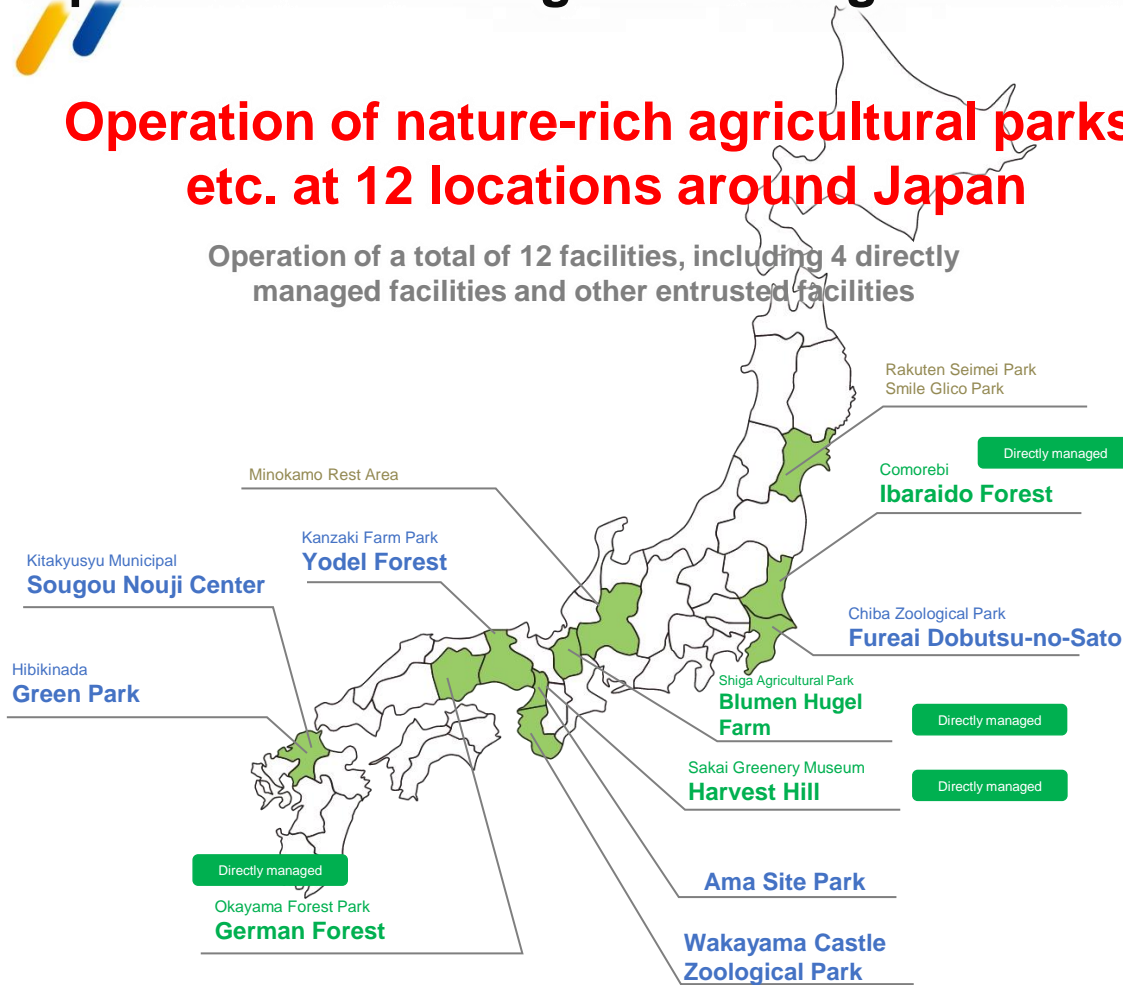


# Operation and Management of Agricultural Parks, Etc.



## Operation of nature-rich agricultural parks, etc. at 12 locations around Japan

Operation of a total of 12 facilities, including 4 directly managed facilities and other entrusted facilities



We also produce and sell homemade sausages, confectionery, beers, etc.

Group synergy

Job creation and regional development

To create a broad range of jobs for local communities and vitalize and develop each region

# The “Ways We Live”



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.

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