

2021

Full-Year

Securities Code: 2429



Business Report 2021

January 1, 2021 ▶ December 31, 2021

Contents

- 01 Our Purpose
- 02 Interview with the President
- 05 Medium-term Management Plan 2026
- 07 Business Segment Overview
- 09 Sustainability
- 10 History / Major Affiliated Companies



Our Purpose

Achieving happiness for people and the sustainable development of society by creating the “ways we live” on a global scale

If everyone around the world could live and work with more vitality, the world would be a happier, more developed, and better place. Our mission is to create such a livable society full of vitality.



Human Resources and Education Business

Shaping ways of working

Contributing to the development of industry by helping people find the right job, allowing them to feel the joy of working with vitality, and by bringing out people's latent potential through education



Real Estate Business

Shaping the way we live through home creation

Contributing to society by designing the communities that are the basis of people's lives to be more comfortable, livable, and respectful of the environment and natural resources



The Ways We Live



Information and Telecommunications Business

Shaping convenience, safety, and security

Contributing to the enrichment of society by creating a safe and secure living environment for all through the convenience provided by the spread of new IT infrastructure



Agricultural Park Business

Shaping the future

Supporting the sustainable development of society by conserving the environment and natural resources and providing the nurturing environment necessary for the growth of the children who are our future



Interview with the President

We are working to solve social issues by developing a variety of interlinked, people-centric businesses.

The World Holdings Group has redefined and clarified its purpose and is starting its Medium-term Management Plan 2026. We asked Chairman and President Eikichi Iida about the Group's new efforts to achieve the happiness of people and the sustainable development of society through its businesses.

Eikichi Iida Chairman and President

FY12/2021: Overview of Business Activities

Like the previous fiscal year, FY12/2021 was marked by a harsh economic environment due to the COVID-19 pandemic. However, thanks to the stable management structure based on our strategic business portfolio, as well as to the particularly strong tailwind provided by the Human Resources and Education Business, which is our core business, the Group achieved record consolidated net sales, operating profit, and ordinary profit. The following report is an overview of our main business activities.

Human Resources and Education Business

In the manufacturing domain, performance in the area of semiconductors, which we have been focusing on for some time, was strong. Our efforts during the last two tumultuous years of the pandemic, especially the development of human resources while prioritizing the protection of jobs, have borne fruit, allowing us to later

quickly fill large orders. This resulted in our strong performance.

Another factor was the restructuring of the staffing in the automotive industry, which was caused by the severe pandemic-induced decline in both automotive production and sales volume from the previous year. Rebound demand allowed us to capture many additional temporary staffing orders.

In the service domain, performance in the logistics-related area, which is one of our strengths, continued to grow significantly, thanks largely to the development of new business bases. We were also able to capture special demand stemming from the COVID-19 pandemic and the Olympics, as well as year-end peak demand, leading to an increase in business performance.

Real Estate Business

With prices in the real estate market remaining high longer than expected, we prudently operated at an appropriate scale.

On the procurement side, we have launched a new initiative utilizing a new real estate M&A approach. Japan has seen a wave of business owners with concerns about the business succession amid the COVID-19 pandemic. Their foremost concern is how to protect their employees after a successor takes over. In many of these cases, business owners are selling their real estate along with their business. The Group is capable of meeting these complex needs by not purchasing their real estate, but also bringing their employees on board as our own employees, and providing them with the right jobs. This is something that neither a real estate company nor a staffing service company can do on its own, and we believe it shows the strength of the Group's distinctive inter-business collaboration.

Review of Previous Medium-term Management Plan 2021

While the Group managed to almost double its sales in just a few years after the 2008 financial crisis, we recognized the need to create a structure for further growth. For this reason, when formulating our medium-term management plan, we decided not to take an expansionary course during the first two fiscal years of the plan. We instead aimed to strengthen our business structure during this period before accelerating growth in the latter three fiscal years of the plan.

However, in the latter three fiscal years of the plan, the bubbles in the M&A and real estate markets caused by a greater-than-expected money glut continued. At the same time, the COVID-19 pandemic that began in 2020 brought about massive changes in society. In response to this trend, we have refrained from excessive

expansion and have instead chosen to watch economic trends.

With this policy of avoiding excessive expansion, the initial plan was not achieved. This was due at least in part to our restraint regarding excessive M&As, and our cautious approach to the Real Estate Business. However, we were able to achieve strong growth in our Human Resources and Education Business, which is our core business. In this way, we were able to achieve record-high net sales, operating profit, and ordinary profit by growing on our own, even under these unprecedented circumstances.

The Ideas behind Medium-term Management Plan 2026

For details, please refer to "Medium-Term Management Plan 2026" on pages 5–6.

The new medium-term management plan beginning in FY12/2022 aims for even higher growth. It especially focuses on growing our Human Resources and Education Business.

The environment surrounding the staffing industry is changing dramatically. The industry has a variety of challenges, including the challenge of meeting the needs of companies that are increasingly utilizing outsourcing, the shift of employment styles from "membership-based" employment to "job description-based" employment, the diversification of worker preferences, and the increasing weight of the service industry in Japan. As such, we believe that the staffing industry, which allows the right people to be dynamically placed in the right jobs, is playing an increasingly important role in society.

Further focusing on education as a staffing company

In the era of lifetime employment, companies put great efforts into educating their human resources. However, this trend seems to be fading as the diversity of work styles continues to increase. Since our establishment in 1993, we have used the term "Human Resources and Education Business" as opposed to a "Staffing Business." This is because we believed that the time would come when staffing companies would take over the responsibility of educating, training, and improving the skills of workers from businesses. In the new medium-term management plan, we intend to focus even more on education.

Covering an even wider range of fields

Since our establishment, we have grown by focusing on the manufacturing domain. However, we would like to address various social issues by growing the service domain as another pillar of our business. The market size of the manufacturing domain is said to be ¥3.5 trillion, while that of the service domain is around ¥6.5 trillion. The service domain holds truly great potential.

As a company that aims to create the "ways we live," we will continue contributing to the happiness of people and the sustainable development of society by meeting the needs of various companies while creating opportunities for more people to succeed.

Strategic segmentation change

For details, please refer to "Notification of segment changes" on page 6.

Based on the aforementioned strategy, the Human Resources and Education Segment will be divided into the manufacturing domain under the name Products HR Business and the service domain under the name

Service HR Business. We intend to achieve further growth through these two pillars.

In addition, the Group welcomed into its ranks Dimples Co., Ltd. at the end of February 2022. This staffing company has focused on dispatching and introducing customer service personnel, leveraging its high hospitality prowess and knowledge of the customer service and sales field cultivated in the department store industry. With it as one of our core Service HR Business companies, we expect to see further growth in this area.

Message to Our Stakeholders

The Group has long been developing its business in a wide range of areas in order to ensure the stability of its management. While we have a truly wide variety of businesses, including Human Resources and Education, Real Estate, Information and Telecommunications, and Agricultural Park, they are all tied together by our desire of achieving happiness for people and the sustainable development of society by creating the “ways we live.” Whether we are shaping ways of working, convenience, safety, and security for all, the way we live through home creation, or the future, we intend to contribute to society through a variety of businesses linked by people.

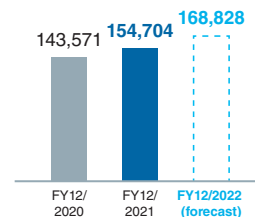
Moving forward, we will continue to address social issues as a corporate group capable of creating diverse proposals for the “ways we live.” We ask all of our stakeholders for their continued support of the Group in the future.

Consolidated Financial Highlights

Net sales

¥154,704 million

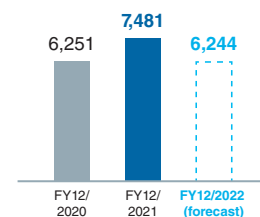
YoY change **7.8%** 



Operating profit

¥7,481 million

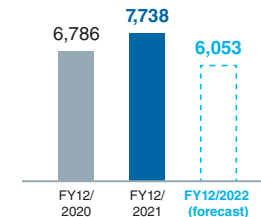
YoY change **19.7%** 



Ordinary profit

¥7,738 million

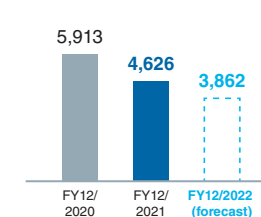
YoY change **14.0%** 



Profit attributable to owners of parent

¥4,626 million

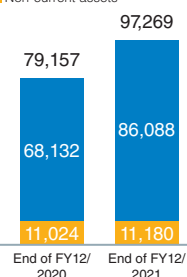
YoY change **21.8%** 



Balance sheet (¥ million)

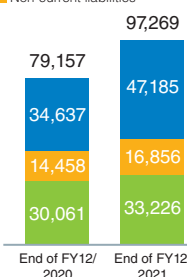
Assets

■ Current assets
■ Non-current assets

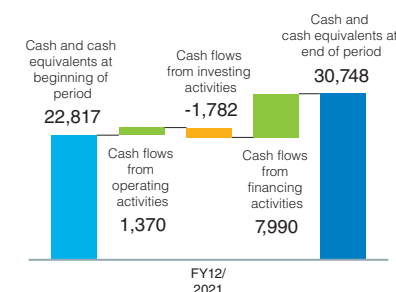


Liabilities and net assets

■ Current liabilities
■ Non-current liabilities
■ Net assets



Statement of cash flows (¥ million)



Dividends

End of FY12/
2021
¥79.5
per share

FY12/2021 Overview of Consolidated Financial Results

	FY12/2021 (plan)		FY12/2021			
	Plan (¥ million)	Profit margin (%)	Actual (¥ million)	Profit margin (%)	YoY (%)	Vs. Plan (%)
Human Resources and Education Business	Net sales	101,940	104,487		+25.7	+2.5
	Segment profit	6,675	7,104	6.8	+28.8	+6.4
Real Estate Business	Net sales	36,509	36,977		(23.1)	+1.3
	Segment profit	2,915	2,977	8.1	(16.1)	+2.1
Information and Telecommunications Business	Net sales	9,338	9,367		+2.6	+0.3
	Segment profit	104	118	1.3	(50.8)	+13.8
Others	Net sales	3,567	3,872		+20.5	+8.6
	Segment profit	(112)	6	0.2	—	—
Total	Net sales	151,354	154,704		+7.8	+2.2
	Elimination or corporate	(2,265)	(2,724)		—	—
	Operating profit	7,316	7,481	4.8	+19.7	+2.3

Medium-term Management Plan

2026

Reflecting on the Previous Medium-term Management Plan

Under Medium-term Management Plan 2021 (covering the five-year period through FY12/2021), we aimed at steady growth rather than expansion, while revising our plan as necessary along the way. This approach was in part based on our belief that the greater-than-expected money glut could be a risk. We have built a foundation for growth on our own, without relying on expansion through M&As.

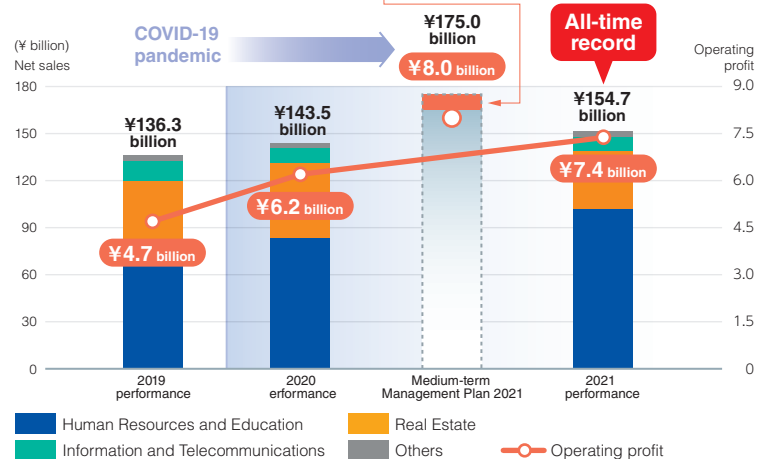
Steady growth even amid the COVID-19 pandemic led to record-high net sales and operating profit

Profits

Profits were lower than expected due to a change in the plan for the Human Resources and Education Business that shifted our focus to **employee development** and **investing in education**.

Sales

Sales from the Real Estate Business were lower than planned due to prudence we showed in the face of the real estate bubble continuing longer than expected, **the sale of a subsidiary, and other factors**.



Overview of Medium-term Management Plan 2026

Create a Sustainable World

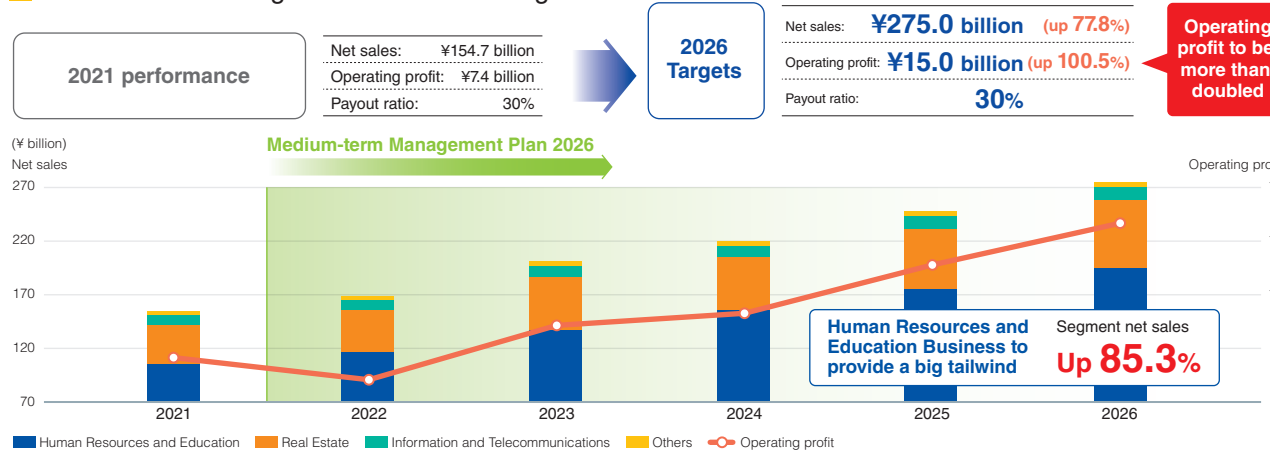
This phrase was chosen to represent Medium-term Management Plan 2026 because it conveys that our aim is to create a sustainable world and that the next five years will be a period for building the foundation for the World Holdings Group's sustainable existence.

In this medium-term management plan, we aim to further accelerate the growth of our core Human Resources and Education Business while **achieving high growth and create a sustainable world through a well-balanced business portfolio consisting of four businesses** including our Real Estate Business, Information and Telecommunications Business, and Agricultural Park Business.

Overall Strategy

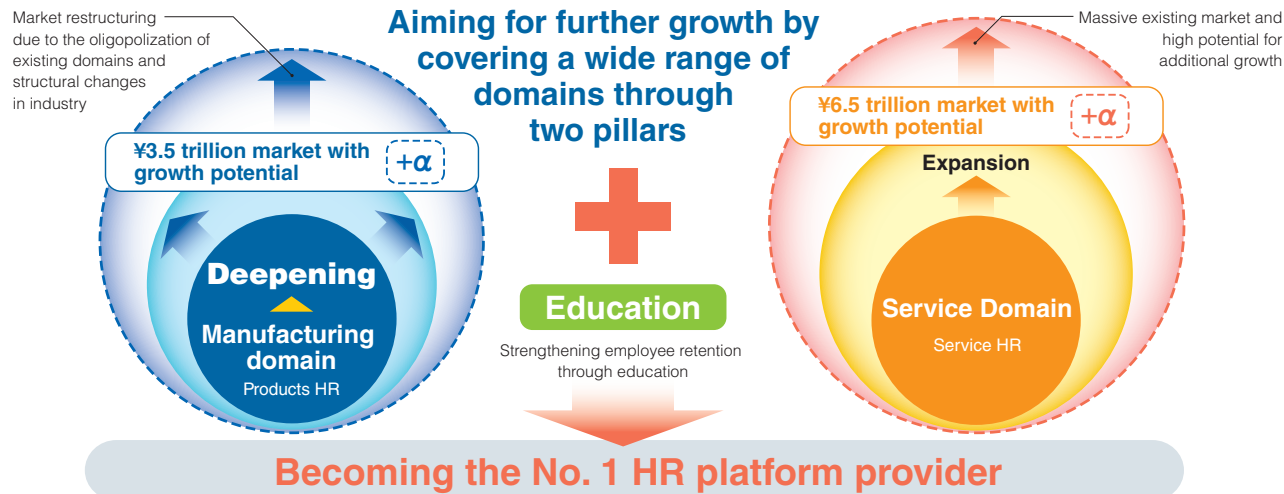


Medium-term Management Plan 2026 Targets



Human Resources and Education Business Strategy

Until now, the manufacturing domain has been the core of our Human Resources and Education Business. In order to further accelerate the growth of the business, we will take on the challenge of making a full-fledged entry into the vast service market.

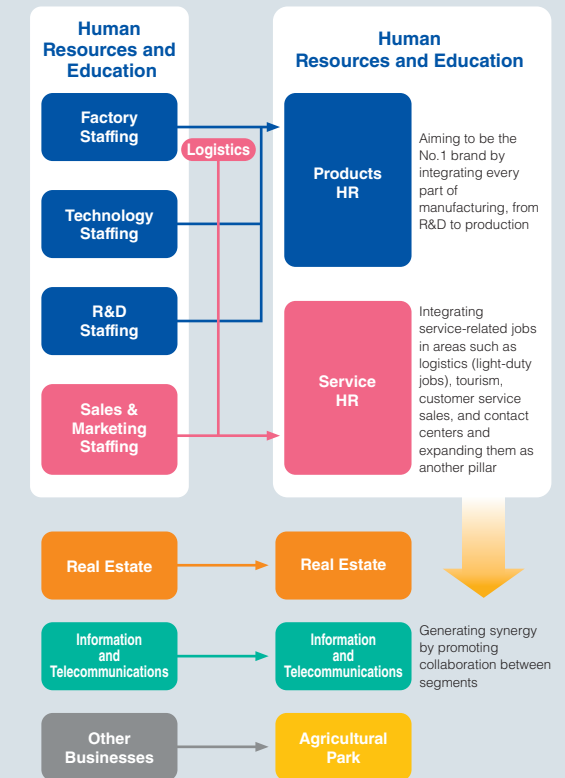


Notification of segment changes

Based on the strategy set forth in Medium-term Management Plan 2026, we will revise our segmentation. We will strive for further growth by making the Products HR Business (manufacturing domain) and the Service HR Business (service domain) the two pillars of the Human Resources and Education Business.

Strategic Segmentation Change

Old Segments → New Segments





Human Resources and Education Business

Business Overview

We provide human resources services including subcontracting and temporary staffing capabilities that offer broad coverage extending from upstream to downstream processes in the manufacturing sector, such as research, design, and production, as well as the services sector including logistics, sales, and call centers. By seamlessly linking these fields, we are responding to a wide range of corporate needs and providing ample opportunities for our workforce to advance their skills and careers.

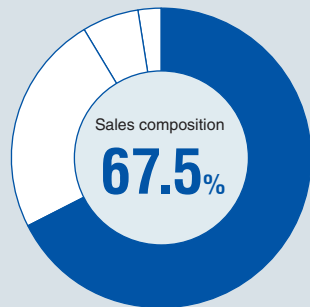


Segment sales

¥104,487 million **25.7% UP** YoY change

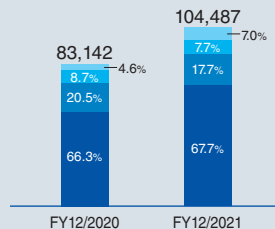
Segment profit

¥7,104 million **28.8% UP** YoY change



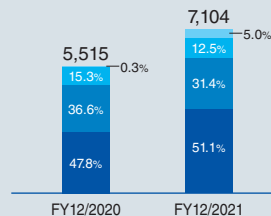
Segment sales (¥ million)

■ Factory Staffing ■ Technology Staffing
■ R&D Staffing ■ Sales & Marketing Staffing



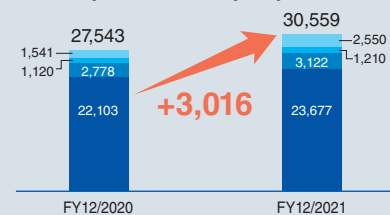
Segment profit (¥ million)

■ Factory Staffing ■ Technology Staffing
■ R&D Staffing ■ Sales & Marketing Staffing



Composition of Temporary Placement Workforce (3-month average) (People)

■ Factory Staffing ■ Technology Staffing
■ R&D Staffing ■ Sales & Marketing Staffing



■ The workforce increased significantly in our mainstay Factory Staffing Business and our Sales & Marketing Staffing businesses.

- The temporary placement workforce increased in the semiconductor and machinery sectors due to strong 5G-related demand.
- Establishment of new business sites for logistics and other activities contributed to a sizable increase in the temporary placement workforce.
- Demand related to the COVID-19 pandemic and Olympics increased the temporary placement workforce in sales and marketing enrollment.

FY12/2021 Overview



Factory Staffing

- Performance was strong in the semiconductor-related area including 5G, an area on which we have placed a strategic focus. This, combined with other factors such as an increase in automotive-related orders and the development of new logistics bases, led to a significant increase in both sales and profit.
- As a result of prioritizing continued human resources development and other efforts to maintain employment even amid the COVID-19 pandemic, we were able to respond with agility to the increase in various orders accompanying the economic recovery. This became a major source of increased sales and profits.



Technology Staffing

- With all categories of this business recovering from the COVID-19 downturn, we strove to enhance our outsourcing business through seamless collaboration between the Technology Staffing Business and the Factory Staffing Business, especially in the bullish semiconductor area, as well as through collaboration between Group companies in the information and telecommunications field.
- We worked to enhance the skills of our engineers through training and to help advance their careers through strategic placement, thereby increasing profitability by providing customers with engineering capabilities of an even higher quality.



R&D Staffing

- With the continuing strength in all categories including biotechnology, chemicals, and analytics in the medical field, our mainstay research personnel staffing business saw record-high level of orders thanks in part to the capture of a portion of the COVID-19-related demand and to strategic efforts to expand to new business areas.



Sales & Marketing Staffing

- Solid growth in areas such as call center staffing and light-duty task staffing and the capture of special demand arising from the COVID-19 pandemic and the Olympics led to a significant increase in both sales and profit.
- We expanded the business by establishing new call centers, shifting staffing service contracts for personnel performing light-duty tasks and salespeople at stores to subcontracting agreements, and seeking BPO-related orders.



Real Estate Business

Business Overview

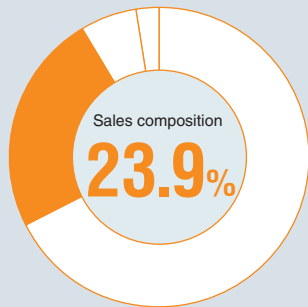
This comprehensive real estate business encompasses real estate development, renovations, prefabricated houses, and other activities directly related to properties, and focuses on the recently started real estate finance business.

Segment sales

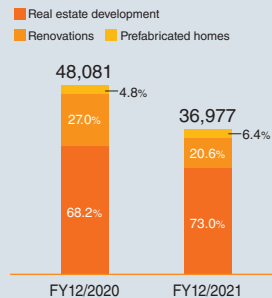
¥36,977 million
YoY change 23.1% DOWN

Segment profit

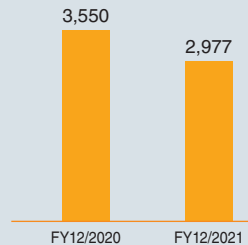
¥2,977 million
YoY change 16.1% DOWN



Segment sales (¥ million)



Segment profit (¥ million)



FY12/2021 Overview

With property prices in Japan remaining high, we achieved an improvement in profit margins by steadily delivering properties as planned and by promoting sales through carefully targeted marketing. While maintaining our cautious stance regarding acquisitions, we prepared for the next fiscal year and beyond by leveraging the synergies between our expertise in business site development and our Human Resources and Education Business to steadily acquire prime properties.



Information and Telecommunications Business

Business Overview

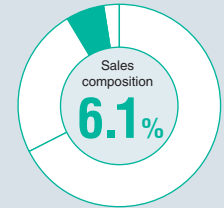
The main activities are the operation of SoftBank, au, and other mobile phone stores having close ties with the markets they serve, the provision of solutions for corporate clients, and telemarketing.

Segment sales

¥9,367 million
YoY change 2.6% UP

Segment profit

¥118 million
YoY change 50.8% DOWN



FY12/2021 Overview

The industry is again experiencing a period of major reform due to factors such as the introduction of new rate plans only available online. Within this context, we made investments including the implementation of sales promotion measures and human resources development in order to build a superior store network. This resulted in a large but temporary decrease in profits.



Other Businesses

Business Overview

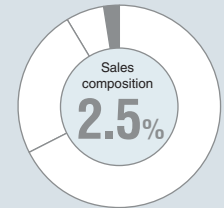
This category includes the operation and management of 13 agricultural parks with the theme of harmony among nature, people, and society, as well as personal computer schools, website production, and other services.

Segment sales

¥3,872 million
YoY change 20.5% UP

Segment profit

¥6 million
YoY change 206 million UP



FY12/2021 Overview

In the operation and management of agricultural parks, due to the COVID-19 pandemic, our flagship facility, Sakai Green Museum Harvest Hill in Osaka, was forced to temporarily close during its busy spring and summer season, dealing a big blow to the business. Despite this fact, visitors in the fourth quarter significantly exceeded that of the previous year, and a steady recovery continued, resulting in an overall increase in both sales and profit.

The Sustainability of World Holdings

By continuing to create the “ways we live,” we aim to achieve happiness for people and the sustainable development of society. We will continue to work together as a Group to contribute to society by addressing and solving social issues through our businesses.

Achieving happiness for people and the sustainable development of society by creating the “ways we live” on a global scale



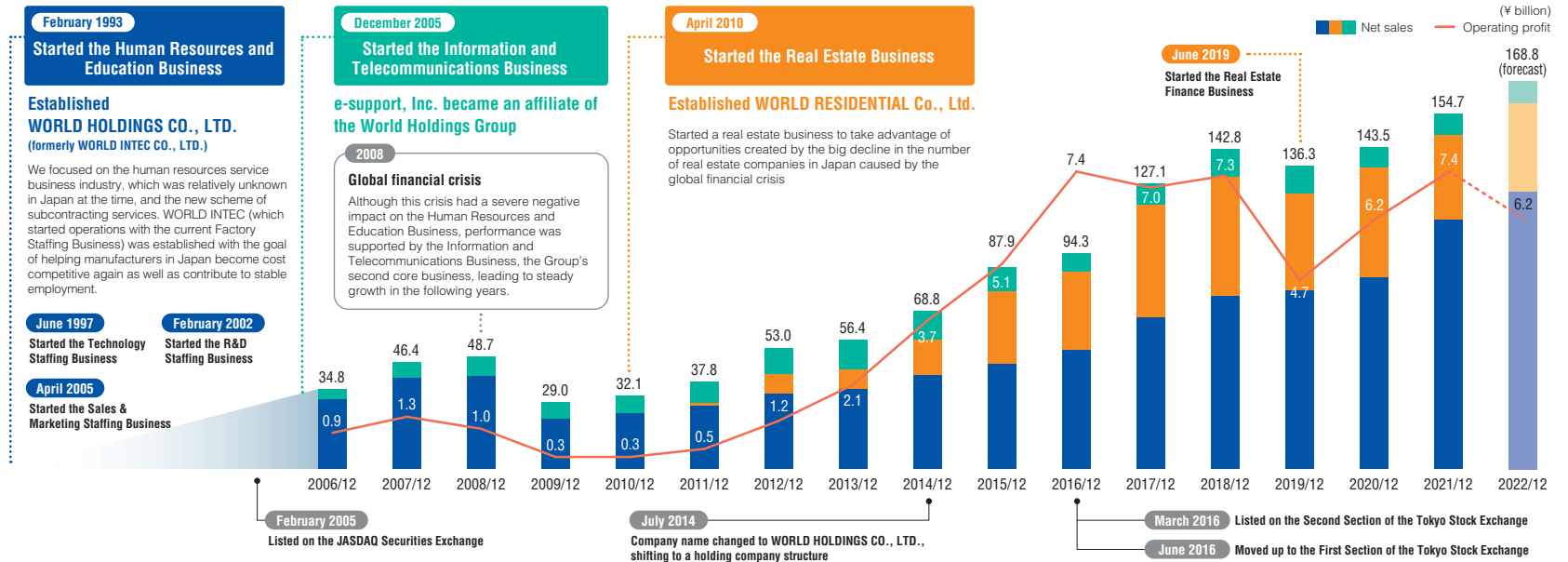
We support the Sustainable Development Goals (SDGs).



History / Major Affiliated Companies

Growth and Diversification

The stability and balance of the business operations of World Holdings date back to the 1981 establishment of a diversified real estate company called Mikuni Sangyo (now MIKUNI Co., Ltd.) by Eikichi Iida, the current chairman and president of World Holdings. The failure of many real estate companies after Japan's real estate bubble burst reinforced Iida's commitment to stability and balance. This led to subsequent entries into multiple businesses.



Major Affiliated Companies: 38 (34 Consolidated Subsidiaries, 4 Non-Consolidated Subsidiaries) (As of December 31, 2021)



Human Resources and Education Business

Connecting people to jobs, a new way of working

- WORLD INTEC
- WORLD STAFFING
- WORLD CONSTRUCTION
- DOT WORLD
- JW SOLUTION
- TOHO WORLD
- WORLD INTEC AMERICA
- 台灣英特科
- EngmaIntec
- 九州地理情報株式会社
- NIKKEN TECHNO CO. LTD.
- WORLD SYSTEM SERVICE
- CreationView Co., Ltd.
- Wakrak
- Advan 株式会社アドバン

Real Estate Business

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

- WORLD RESIDENTIAL
- WORLD iCITY
- WORLD WISTERIA HOMES
- ニチモリアルエステート
- COMPAX
- WORLD DEVELOPMENT INDONESIA
- MIKUNI
- WORLD MIKUNI
- M's WORLD
- OMACHI WORLD

Information and Telecommunications Business

Bringing people together through new styles of communications with information technologies

- e-SUPPORT
- ベストITビジネス
- NETWORK SOLUTION

Agricultural Park Business

- WORLD INTEC
- 株式会社 クラウデイト

Finance

- WORLD ASSET MANAGEMENT
- WORLD CAPITAL SOLUTION
- MIRAI SERVICING

Corporate Data (As of December 31, 2021)

Name	World Holdings Co., Ltd.
Established	February 12, 1993
Share capital	¥1,250 million
Representative	Eikichi Iida, Chairman and President
Number of employees	26,701 (consolidated)

Locations	Fukuoka Head Office: 6F, Fukuoka Asahi Building, 2-1-1 Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka 812-0011, Japan Phone: +81-92-474-0555 Fax: +81-92-474-0777
	Kitakyushu Head Office: 11-2 Otemachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka 803-0814, Japan Phone: +81-93-581-0540 Fax: +81-93-581-0542
	Tokyo Head Office: 4F, NBF COMODIO Shiodome, 2-14-1 Higashi-Shinbashi, Minato-ku, Tokyo 105-0021, Japan Phone: +81-3-3433-6005 Fax: +81-3-3433-6003

Businesses Businesses related to the entire group including the formulation of management policies for the holding company and group companies as well as management of the group's business operations (Human Resources and Education Business, Real Estate Business, Information and Telecommunications Business, and Other Businesses)

Executives (As of March 18, 2022)

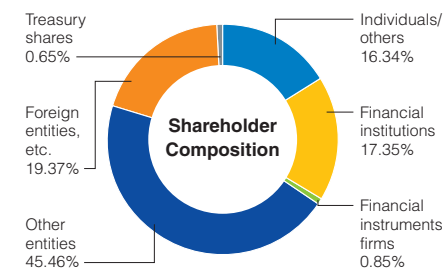
Eikichi Iida Chairman and President	Soichi Kawamoto Director (Outside)
Toru Iwasaki Director	Yuichi Hasegawa Director (Outside, Independent)
Shigeru Nakano Director	Masayoshi Nuki Director (Outside, Independent)
Hitoshi Yukawa Director	Shingo Igarashi Director (Outside, Independent)
Shinji Honda Director	Shigeyuki Takemura Director (Outside, Independent)
Katsuhiko Kuriyama Director	Kazumi Ono Director (Outside, Independent)
Masaaki Shiomi Director	Kazuyuki Yamamura Audit and Supervisory Board Member (Full-time)
Toshihiko Kanno Director	Mitsuo Koga Audit and Supervisory Board Member (Outside)
Yuji Shirakawa Director (Outside)	Tetsuo Kato Audit and Supervisory Board Member (Outside)

Stock Information (As of December 31, 2021)

Number of authorized shares: 54,000,000

Number of shares outstanding: 17,575,900

Number of shareholders: 2,924



Major Shareholders

Name of shareholder	Number of shares held	Shareholding ratio
Mirai Research Institute, Limited	7,965,000	45.62%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,023,500	5.86%
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch	800,000	4.58%
The Kitakyushu Bank, Ltd. Standing proxy: The Master Trust Bank of Japan, Ltd.	709,200	4.06%
Nanko Abe	500,000	2.86%
Custody Bank of Japan, Ltd. (Trust Account)	498,000	2.85%
Eikichi Iida	496,500	2.84%
BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO) Standing proxy: MUFG Bank, Ltd.	449,880	2.57%
THE NISHI-NIPPON CITY BANK, LTD.	300,000	1.71%
STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 Standing proxy: Mizuho Bank, Ltd., Settlement Sales Department	180,300	1.03%

Note: The shareholding ratio is calculated after deducting treasury shares (113,573 shares).

Memorandum for Shareholders

Business year	January 1 to December 31
Annual General Meeting of Shareholders	March
Shareholder registry and special account administrator	Mitsubishi UFJ Trust and Banking Corporation
Address	Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu-shi, Tokyo, Japan Contact: 0120-232-711 (toll-free in Japan) Mailing address: Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation, P.O. Box 29, New Tokyo Post Office, 137-8081
Method of public notice	Notices will be posted in electronic format on our website (https://en.world-hd.co.jp/). However, notices will be published in the <i>Nihon Keizai Shimbum</i> when electronic notifications are not possible for unavoidable reasons.