

2022

Interim

Securities Code: 2429

# Business Report 2022

Interim Business Report to  
Our Stakeholders | January 1, 2022 ▶ June 30, 2022

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 WORLD HOLDINGS CO., LTD.



## 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



## Creating 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 will continue to enhance our human capital and create diverse “ways we live”.

We asked Chairman and President Eikichi Iida about the current status and future of the Group's efforts toward sustainable development, which is the aim of Medium-term Management Plan 2026, in the midst of great changes in the business environment brought about by factors such as the prolonged COVID-19 pandemic, global supply chain disruptions, and the emergence of geopolitical risks.

Eikichi Iida Chairman and President

## FY12/2022 (1H) Overview of Business Activities

**Our core Human Resources and Education Business performed especially well. In addition, the Real Estate Business achieved the sale and delivery of properties that exceeded our plan. As a result, performance for the Group as a whole exceeded well above both the previous period and the plan.**

During the first half under review, FY12/2022 (1H), the business environment differed from expectations due to factors such as the prolonged COVID-19 pandemic, depreciation of the yen, and high raw material prices due to the situation in Russia and Ukraine. However, our core Human Resources and Education Business performed better than planned in part due to the receipt of large orders, an increase in subcontracting, and profit margin improvement due to productivity improvement. As for the Real Estate

Business, despite the fact that major property deliveries are concentrated in the second half of the year, the segment is performing ahead of the plan thanks in part to the accelerated recording of said deliveries in the first half. The following is an overview of our business activities in each segment.

### Human Resources and Education Business Products HR

The COVID-19 lockdown in Shanghai and the Ukraine crisis contributed to difficulties in procuring parts at client companies, prompting production adjustments and shutdowns. As a result, although sales were temporarily slightly sluggish from April to June, they remained steady throughout the first half of the year due to strong demand, especially in the semiconductor and component sectors.

Furthermore, an increase in subcontracting and team staffing, both of which are strengths of the Group, productivity increases due in part to manager development efforts and the promotion of digital transformation (DX), a shift to high-value deals, and

other factors contributed to an increase in business performance. While we expect the business environment to remain uncertain in the second half of the year and beyond, we will continue to improve employee productivity by enhancing our skill improvement education.

### Human Resources and Education Business Service HR

In our mainstay logistics sector, operations at the new business sites established last year have gotten off to a smooth start. At the same time, we have advanced efforts such as preparations for establishing new business sites and developing new customers, as well as the development of management-level human resources. The light-duty work sector, meanwhile, is performing well overall thanks to the receipt of large orders in relation to government projects and vaccinations. In addition, Dimples Co., Ltd., a provider of high-quality customer service and sales staffing services for department stores and other businesses, joined the Group in February when we

acquired 90% of outstanding shares in the company from J. Front Retailing Co. Ltd. Moving forward, we will leverage the company's prowess in the area of hospitality to strengthen the customer service and sales sector.

## Real Estate Business

While we have maintained our cautious stance regarding acquisitions as property prices remain high, we are steadily securing properties by making full use of our know-how in real estate M&A and creating land for business use, which are our strengths. We believe that precisely realizing the budgets for each year is vital in the real estate business. The Group is always planning two to three years ahead. Our performance can be benchmarked by whether we are clearing our planned figures.

## Information and Telecommunications Business

The sales agency industry is in a period of major reform that has seen commission income continue to

decline. As the role of physical stores in the industry changes, we are strengthening our business portfolio with a focus on superior stores with strong local roots in order to enjoy the benefits of remaining players. In particular, we are exploring ways to make our stores more accommodating to users, such as by providing lectures on how to use the store terminals.

## Agricultural Park Business

The business performed especially well in the spring busy season, with the number of visitors to each facility exceeding the pre-pandemic peaks in 2019. We are now in the sixth year since the Group undertook the rehabilitation of these businesses. We will leverage the facility management and operation know-how we have cultivated to improve the profit structures of existing facilities. At the same time, the number of facilities under our management have steadily increased.

Agricultural parks are facilities necessary for humans to live in nature. It is a highly social business that contributes to the revitalization and development of communities. In the sense that it is also a means of

creating employment opportunities in the regional communities, we would like to carefully nurture the business from a medium-to long-term perspective.

## Toward the Realization of Medium-term Management Plan 2026

### Addressing Japan's declining working population

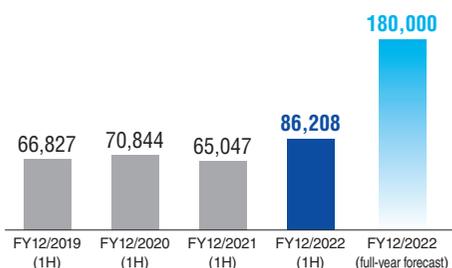
Whether due to the fragmentation of the global supply chain, the weak yen, or the rise of an inflationary economy due to soaring energy prices, the environment surrounding businesses is experiencing great change. In the human resources service market, it has become apparent that companies have a need for greater mobility of human resources.

Japan's working population is already on the decline. Until now, labor shortfalls have been made up for by the elderly and women. However, there will be a massive labor shortage when the baby boom

## FY12/2022 (1H) Financial Highlights

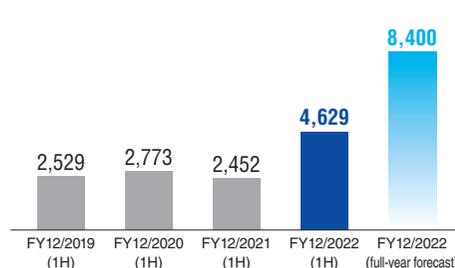
### Net sales

¥86,208 million YoY 32.5% ↑



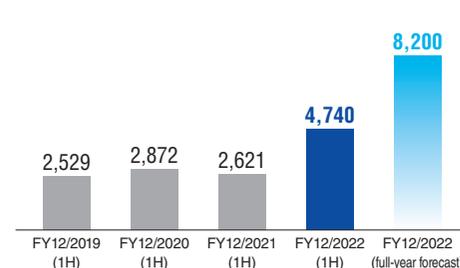
### Operating profit

¥4,629 million YoY 88.8% ↑



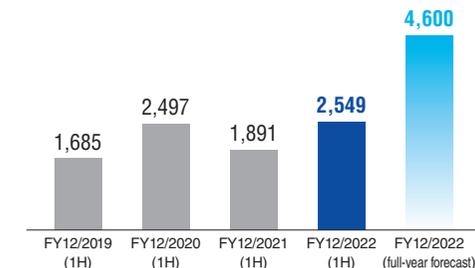
### Ordinary profit

¥4,740 million YoY 80.8% ↑



### Profit attributable to owners of parent

¥2,549 million YoY 34.8% ↑



generation begins to leave the labor force in the next few years. How will we tackle these great changes as a provider of human resources services? We believe that the solution requires improving the productivity of working people.

In the manufacturing sector, in particular, we will improve productivity through the use of IT, the promotion of DX, and increasing employees' skills through the strengthening of employee education. This will lead to higher pay for working people and also help counter ongoing inflation. Another approach would be to provide workers from overseas a place where they can work with peace of mind. We strongly feel a need to address the most pressing issues in society, consider concrete solutions, and put them into practice within the next few years.

Considering the possibility that more manufacturing activities will return to Japan due to the fragmentation of the global supply chain, it will likely be necessary for us, as a staffing human resources provider, to quickly establish a way in which we can handle human resources development on behalf of companies.

## Creating new business pillars in the services sector

In the services sector, we are looking to focus not only on our mainstay logistics sector but also on providing high-quality in-person service in the customer service and sales sector. As part of that effort, the Group has welcomed into its ranks Dimples Co., Ltd., a company with high prowess in the area of hospitality. Through Dimples, we will advance the training of staff working at department stores, shopping malls, and other similar businesses to improve skills such as product descriptions. By building a human resources platform in the services sector, we will create a second business pillar after the logistics segment.

JW SOLUTION CO., LTD., a joint venture formed together with the JTB Group, will become the third pillar. The company, which espouses a mission of "Serving

the Tourism Industry as a 'Hospitality Outsourcer,'" allowed us to make great achievements with the Tokyo 2020 Olympic Games. The movement of people is gradually recovering, while the number of travelers is also increasing. We have a sense that its core business is finally becoming more active, and believe that it has entered a phase in which it contributes to the promotion of the tourism industry in a visible way.

## Message to Our Stakeholders

As a company focused primarily on human resources services, the Group believes that enhancing our human capital is our most important priority. We also believe that the mobility of human resources and the development of human resources on behalf of client companies will be the two sources of our future growth. Further, we will clarify the Group's standing

not by aiming to be No. 1 in every segment and sector, but in specific ones. Specifically, in the Human Resources and Education Business, we will aim to be No. 1 in subcontracting and outsourcing in the manufacturing sector, and in logistics, customer service and sales, and tourism in the services sector, respectively. In the Real Estate Business, meanwhile, we will aim to be No. 1 in private redevelopment. Heading in this same direction, we intend to further expand the scope of our business and achieve sustainable growth.

Moving forward, we will take on the challenge of new initiatives toward the creation of sustainable world and achieving high growth through a well-balanced business portfolio consisting of our Human Resources and Education, Real Estate, Information and Telecommunications, and Agricultural Park businesses. We hope that all of our stakeholders will continue to support us as we do so.

## FY12/2022 (1H) Overview of Consolidated Financial Results

		FY12/2021 (1H)		FY12/2022 (1H)			FY12/2022 (1H) (vs. plan)	
		Actual (¥ million)	Profit margin (%)	Actual (¥ million)	Profit margin (%)	YoY (%)	Difference (¥ million)	Change rate (%)
Human Resources and Education Business	Segment sales	48,241		<b>61,855</b>		<b>+28.2</b>	6,424	+11.6
	Segment profit	1,871	3.9	<b>2,597</b>	<b>4.2</b>	<b>+38.8</b>	1,757	+209.3
Real Estate Business	Segment sales	10,481		<b>17,551</b>		<b>+67.4</b>	2,857	+19.4
	Segment profit	400	3.8	<b>1,587</b>	<b>9.0</b>	<b>+296.5</b>	2,068	—
Information and Telecommunications Business	Segment sales	4,944		<b>4,594</b>		<b>-7.1</b>	(553)	-10.8
	Segment profit	93	1.9	<b>76</b>	<b>1.7</b>	<b>-18.1</b>	(60)	-43.9
Agricultural Park Business	Segment sales	1,379		<b>2,207</b>		<b>+60.0</b>	216	+10.9
	Segment profit	(95)	—	<b>184</b>	<b>8.4</b>	—	69	+60.3
Total	Segment sales	65,047		<b>86,208</b>		<b>+32.5</b>	8,944	+11.6
	Elimination or corporate	181		<b>183</b>		<b>+1.0</b>	(339)	-64.9
	Operating profit	2,452	3.8	<b>4,629</b>	<b>5.4</b>	<b>+88.8</b>	3,495	+308.4

# Business Segment Overview



## 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, customer service and sales, and tourism. 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

¥61,855 million

YoY  
28.2%



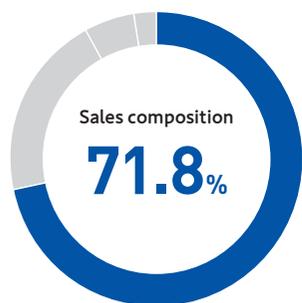
#### Segment profit

¥2,597 million

YoY  
38.8%



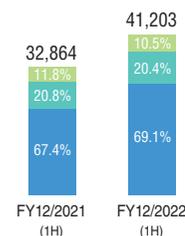
#### FY12/2022 (1H) Overview



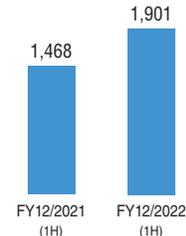
#### Products HR

#### Segment sales

■ Manufacturing ■ Engineering  
■ R&D



#### Segment profit



#### Composition of Temporary Placement Workforce

3-month average (People)

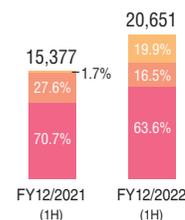
■ Manufacturing ■ Engineering  
■ R&D



#### Service HR

#### Segment sales

■ Logistics  
■ Call centers / Light-duty work  
■ Customer service and sales / Tourism



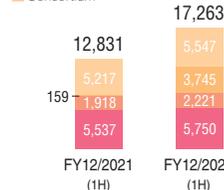
#### Segment profit



#### Composition of Temporary Placement Workforce

3-month average (People)

■ Logistics ■ Call centers / Light-duty work  
■ Customer service and sales / Tourism  
■ Consortium



#### Products HR

- Thanks to well-placed marketing, the manufacturing, engineering, and R&D fields all performed well.
- Thanks to the acquisition and continuation of large orders in sectors such as semiconductors and electronic components, productivity improvement due in part to manager development efforts and the promotion of DX, a shift to high-value deals, and other factors, all lifted our business performance.
- We also promoted new initiatives, such as investing in and collaborating with Cloud Staffing Co., Ltd. to build systems for an industry-standard platform.

#### Service HR

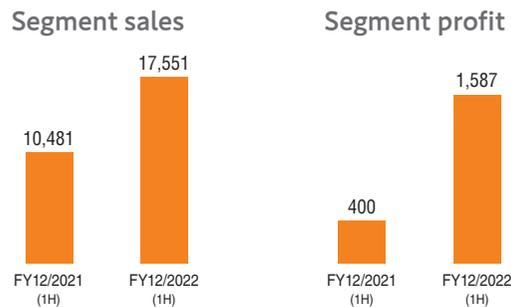
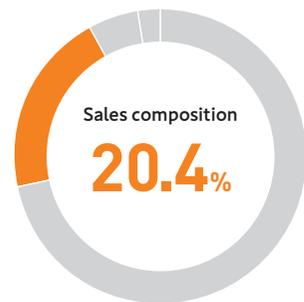
- Our mainstay logistics sector performed according to the plan thanks to a smooth launch of the new business sites.
- Sectors such as the light-duty work sector and the customer service and sales sector are performing ahead of the plan thanks to the receipt of large orders in relation to government projects and vaccinations.
- We will leverage new Group company Dimples Co., Ltd.'s prowess in the area of hospitality to strengthen the customer service and sales sector and create synergy with existing businesses.



## 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.



### FY12/2022 (1H) Overview

Performance exceeded the plan thanks to factors such as the accelerated delivery of some of the properties originally scheduled to be delivered in the second half of the year. While we will proceed with acquisitions cautiously, we are steadily securing properties for the following fiscal year and beyond by making full use of our strengths in real estate M&A and our know-how in creating land for business use. Although the delivery of major properties was planned to be concentrated in the second half of this fiscal year, sales of condominiums and commercial land are proceeding favorably and exceeding plans.



## 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.



### FY12/2022 (1H) Overview

As a result of the lowering of cellular service rates by each telecom carrier and the introduction of new rate plans for internet access only, unit price per user has declined. This, combined with other factors, has decreased our commission revenue. We will continue to build a network of superior stores with strong local roots and strengthen our portfolio.



## Agricultural Park Business

### Business Overview

Leveraging the strengths of our business rehabilitation track record and owning our own facilities, we are operating 15 nature-rich agricultural parks throughout Japan.



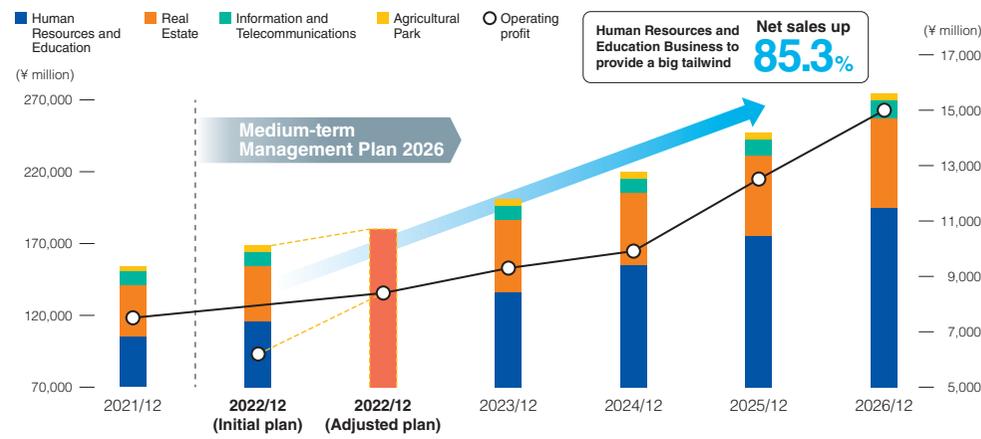
### FY12/2022 (1H) Overview

While the number of visitors in February was lower than the same period of the previous year due to record cold weather, the number of visitors in every other month exceeded that of the previous year, setting a record for the second quarter. In this and other ways, performance was strong. In April, we took over the management and operation of Oashi Kogen International Exchange Village in Mimasaka City, Okayama Prefecture.

## Progress of Medium-term Management Plan 2026

Medium-term Management Plan 2026, covering FY12/2022 through FY12/2026, was announced on February 24, 2022. In this plan, we aim to further accelerate the growth of our core Human Resources and Education Business while achieving high growth, and to 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.

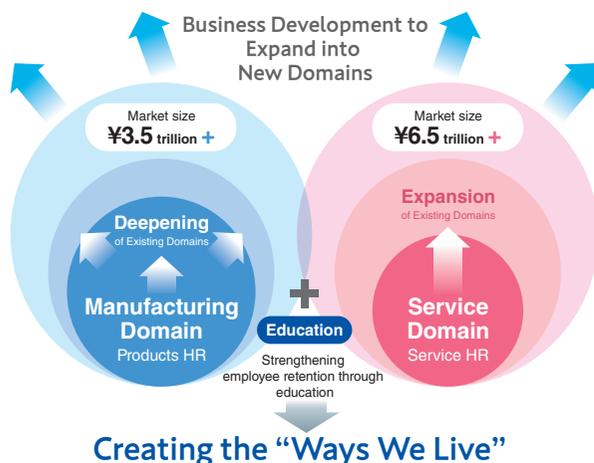
### Consolidated Numerical Targets for FY12/2027



FY12/2022, the first year of the five-year plan, got off to a strong start. The results for the first half of FY12/2022 exceeded the forecasted figures. Consequently, we have revised our full-year forecasts upward, as we expect the business to continue to perform well.

### Human Resources and Education Business Strategy

We have adopted a strategy of adding the service domain, which has a vast market, as another major pillar of our core Human Resources and Education Business alongside the manufacturing domain, which has long been the mainstay of this business. We will take on the challenge of accelerating the growth of the Human Resources and Education Business by covering a broad area with these two pillars.



#### New initiatives in the services sector

#### Dimples became a member of the Group.

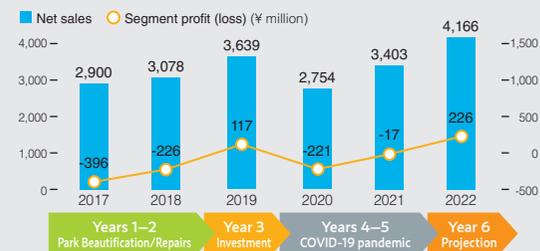
In the past, our services-related businesses were primarily focused on logistics and tourism. In February 2022, we added customer service and sales as one of the major pillars of the services-related business with the inclusion of Dimples Co., Ltd., a provider of customer service and sales staffing services to major department stores, as a member of the Group. In the services sector, we will promote the growth of the three pillars of logistics, tourism, and customer service and sales.

### Pick-Up

#### Creating the “Ways We Live” through the Agricultural Park Business

Through the Agricultural Park Business, which shapes the future by creating new “ways we live” with a focus on the themes of nature, community, and children, the Group is currently operating 15 nature-rich outdoor park facilities throughout Japan. It is a community-based business that contributes to community revitalization, local economies, and job creation. More than anything, it is an important and highly social business that is operated with the great hope that children—the future generation—will be able to grow up healthily by being in contact with a nature-rich environment.

- Farm Co., Ltd. achieved profitability within three years of joining the Group in 2017.
- While the COVID-19 pandemic had a negative impact from 2020 to 2021, the business made steady growth thanks to improved presence of the parks as essential recreational facilities for their community on account of improved social recognition and the promotion of its attractiveness.



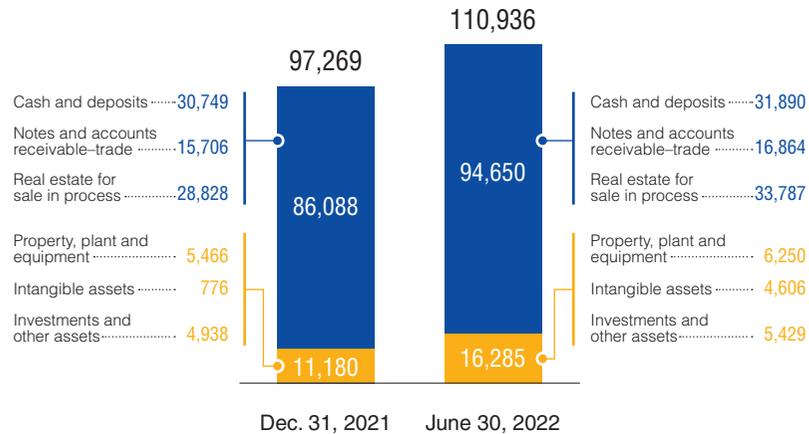
Golden Week crowds in May 2022

# Consolidated Financial Results

## Consolidated Balance Sheet (¥ million)

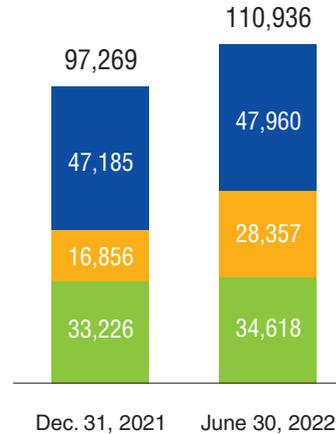
### Assets

■ Current assets ■ Non-current assets

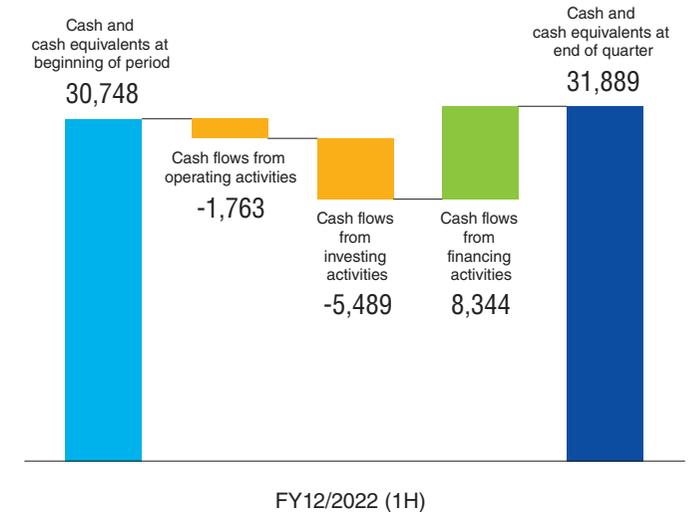


### Liabilities and net assets

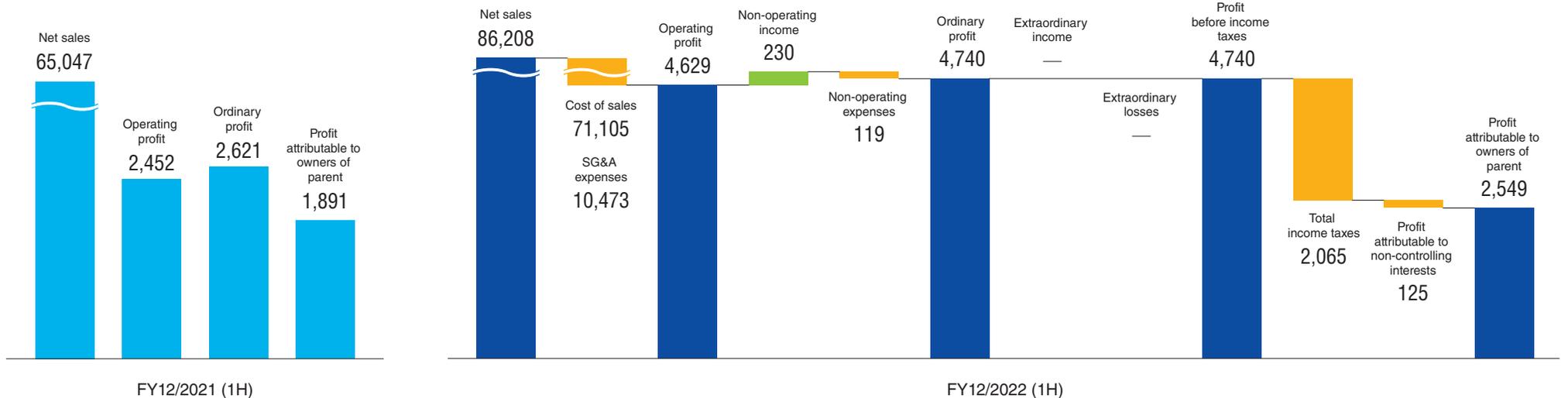
■ Current liabilities ■ Non-current liabilities ■ Net assets



## Consolidated Statement of Cash Flows (¥ million)



## Consolidated Statement of Income (¥ million)



# 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 resolving 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



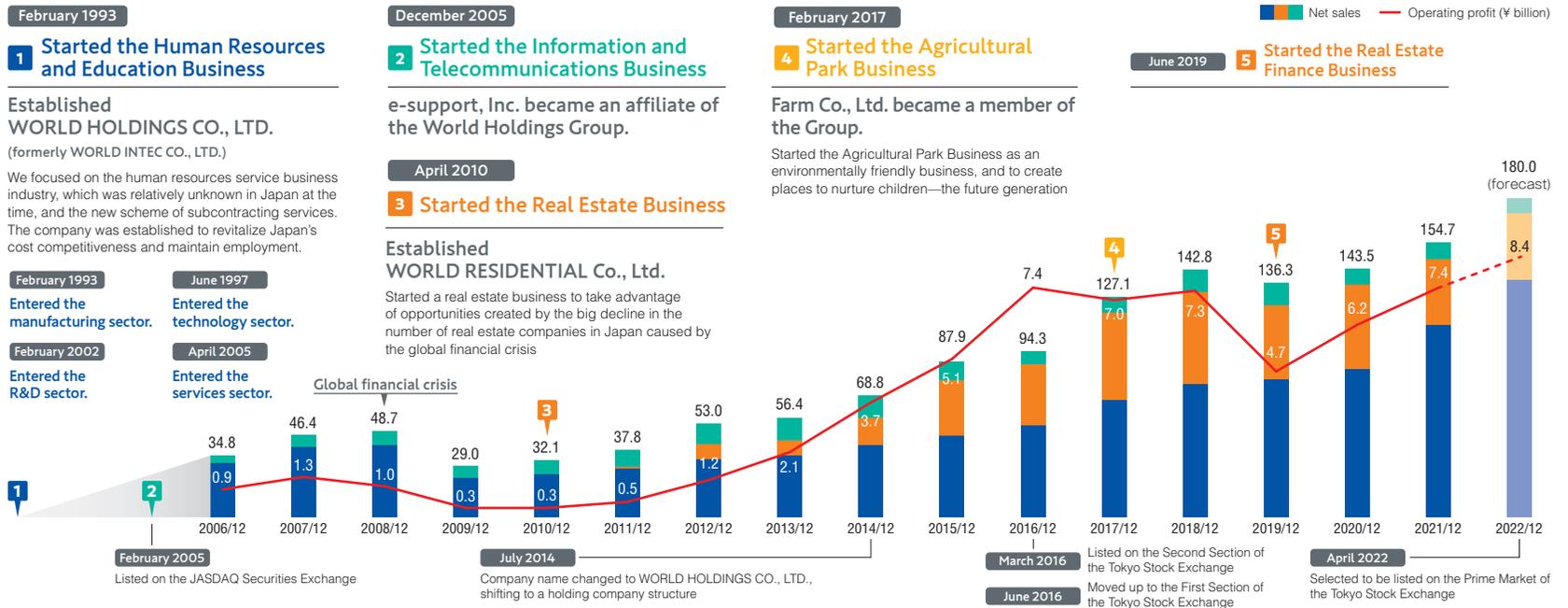
We support the Sustainable Development Goals (SDGs).

Real Estate	Agricultural Parks	Developing communities where people can live with peace of mind by providing comfortable yet environmentally friendly living facilities	 	Environmental	E
Real Estate	Agricultural Parks	Maintaining an environment conducive to the sound development of children by protecting nature and conserving the earth's resources			
Human Resources and Education		Eliminating poverty by providing everyone with the right job, helping them build stable livelihoods	    	Social	S
Human Resources and Education		Bringing out people's latent potential through human resources development and high-quality education			
Human Resources and Education		Providing workplaces for everyone, regardless of gender			
Human Resources and Education		Providing the right job to everyone and creating an environment where they can feel the joy of work, bringing out their latent potential and leading to economic growth			
Human Resources and Education	Information and Telecommunications	Supporting the manufacturing industry and creating a foundation for technological innovation through the spread of new infrastructure			
Human Resources and Education	Real Estate	Information and Telecommunications			
	Strengthening Governance	Strengthening and promoting the fair, transparent, and swift governance of the entire Group; enforcing compliance; and enhancing risk management		Governance	G

# 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: 42 (37 Consolidated Subsidiaries, 5 Non-Consolidated Subsidiaries) (As of June 30, 2022)

### Human Resources and Education Business Shaping ways of working



### Real Estate Business Shaping the way we live through home creation



### Information and Telecommunications Business Shaping convenience, safety, and security



### Agricultural Park Business Shaping the future



### Finance Business



## Corporate Data (As of June 30, 2022)

Name	WORLD HOLDINGS CO., LTD.
Established	February 12, 1993
Share capital	¥1,266 million
Representative	Eikichi Iida, Chairman and President
Number of employees	32,863 (consolidated)

Locations	<b>Fukuoka Head Office:</b> 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
	<b>Kitakyushu Head Office:</b> 11-2 Otemachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka 803-0814, Japan Phone: +81-93-581-0540 Fax: +81-93-581-0542
	<b>Tokyo Head Office:</b> 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 Agricultural Park Business)
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## Executives (As of July 1, 2022)

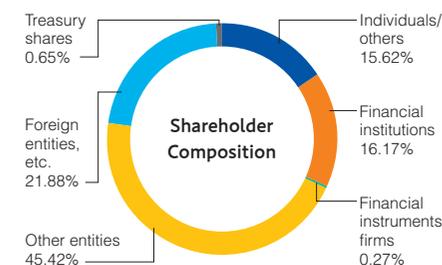
<b>Eikichi Iida</b> Chairman and President	<b>Yuji Shirakawa</b> Director (Outside)	<b>Kazuyuki Yamamura</b> Audit and Supervisory Board Member (Full-time)
<b>Toru Iwasaki</b> Director	<b>Soichi Kawamoto</b> Director (Outside)	<b>Mitsuo Koga</b> Audit and Supervisory Board Member (Outside)
<b>Shigeru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

## Stock Information (As of June 30, 2022)

Number of authorized shares: 54,000,000

Number of shares outstanding: 17,592,400

Number of shareholders: 2,614



## Major Shareholders

Name of shareholder	Number of shares held	Shareholding ratio
Mirai Research Institute, Limited	7,965,000	45.57%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,063,100	6.08%
BBH FOR FIDELITY LOW-PRICED STOCK FUND(PRINCIPAL ALL SECTOR SUBPORTFOLIO) Standing proxy: MUFG Bank, Ltd.	1,049,193	6.00%
BNP PARIBAS SECURITIES SERVICES LUXEMBOURG/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS Standing proxy: Hong-Kong Shanghai Banking Corp., Tokyo Branch	780,000	4.46%
The Kitakyushu Bank, Ltd. Standing proxy: The Master Trust Bank of Japan, Ltd.	709,200	4.05%
Nanko Abe	500,000	2.86%
Eikichi Iida	496,500	2.84%
Custody Bank of Japan, Ltd. (Trust Account)	302,000	1.72%
THE NISHI-NIPPON CITY BANK, LTD.	300,000	1.71%
MUFG Bank, Ltd.	180,000	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 Phone: 0120-232-7111 (toll-free in Japan) Mailing address: Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation, P.O. Box 29, Shin-Tokyo Post Office, 137-8081, Japan
Method of public notice	Notices will be posted in electronic format on our website ( <a href="https://en.world-hd.co.jp/">https://en.world-hd.co.jp/</a> ). However, notices will be published in the <i>Nihon Keizai Shimbun</i> when electronic notifications are not possible for unavoidable reasons.