



Consolidated Financial Results for the First Quarter of 2024 (Three Months Ended March 31, 2024)

[Japanese GAAP]

May 10, 2024

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Scheduled date of filing of Quarterly Report:	May 13, 2024
Scheduled date of payment of dividend:	-
Preparation of supplementary materials for quarterly financial results:	Yes
Holding of quarterly financial results meeting:	None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the First Three Months of 2024 (January 1 to March 31, 2024)

(1) Consolidated results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar. 31, 2024	54,821	25.4	636	(67.1)	605	(68.3)	(121)	(112.6)
Three months ended Mar. 31, 2023	43,724	7.4	1,934	59.4	1,906	46.4	963	94.0

Note: Comprehensive income (millions of yen) Three months ended Mar. 31, 2024: (66) (down 106.7%)

Three months ended Mar. 31, 2023: 992 (up 82.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Mar. 31, 2024	(6.93)	-
Three months ended Mar. 31, 2023	54.93	54.68

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	160,964	41,255	23.8	2,180.74
As of Dec. 31, 2023	159,204	42,926	25.3	2,290.86

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2024: 38,359 As of Dec. 31, 2023: 40,259

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
2023	-	0.00	-	106.00	106.00
2024	-	-	-	-	-
2024 (forecast)	-	0.00	-	80.90	80.90

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for 2024 (January 1 to December 31, 2024)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	109,547	21.1	1,189	(67.7)	1,010	(72.3)	254	(87.4)	14.48
Full year	252,085	17.9	9,003	(13.1)	8,622	(15.9)	4,738	(23.6)	270.05

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (change in scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to the section “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements, Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” on page 9 for further information.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury shares)

As of Mar. 31, 2024:	17,703,700 shares	As of Dec. 31, 2023:	17,687,800 shares
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2) Number of treasury shares at the end of the period

As of Mar. 31, 2024:	113,683 shares	As of Dec. 31, 2023:	113,661 shares
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3) Average number of shares during the period

Three months ended Mar. 31, 2024:	17,583,130 shares	Three months ended Mar. 31, 2023:	17,535,797 shares
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* The current financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Cautionary statement with respect to forward-looking statements, and other special items

Cautionary statement with respect to forecasts

Forecasts of future performance in this document are based on assumption judged to be valid and information currently available to the Company’s management, but are not promises by the Company regarding future performance. Actual results may differ materially from the forecasts for a number of reasons. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements” on page 4 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for quarterly financial results

Supplementary materials to be distributed at this event will be disclosed on the same day, using the Timely Disclosure network (TDnet), and available on the Company’s website.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first quarter of 2024, the economic recovery in Japan stalled due to consumer spending pressure from high prices and a slowdown in the global economy as well as the impact of the Noto Peninsula earthquake and shutdowns in the automobile industry. Moreover, the primary business environment surrounding the World Holdings Group continued to be challenging, with the continued slowdown in the semiconductor industry and the continued high price of real estate.

Under these circumstances, the Group achieved a solid performance in its core Human Resources and Education Business through flexible personnel transfer, labor management, cost controls, and other measures. In the Real Estate Business, despite higher sales with lower profits, we significantly exceeded the initial plan, especially in terms of profitability, due to factors such as the early delivery of some properties.

Net sales increased 25.4% year on year to 54,821 million yen (up 10.5% vs. plan). Operating profit decreased 67.1% to 636 million yen (up 1,159 million yen vs. plan), ordinary profit decreased 68.3% to 605 million yen (up 1,211 million yen vs. plan), and loss attributable to owners of parent decreased 1,085 million yen to 121 million yen (up 1,159 million yen vs. plan).

All activities of the Group continue to be guided by the group's purpose of "contributing to happiness and a sustainable society through the creation of a variety of ways we live worldwide." By promoting investment in human capital and increasing its value, which is the group's most important resource, we are determined to make even greater contributions to society while growing rapidly.

Business segment performance was as follows.

Products Human Resources Business

The Products Human Resources Business faced adverse circumstances from the start of the year resulting from the continued downturn in the semiconductor industry from the previous year, the Noto Peninsula earthquake at the beginning of 2024, and operational shutdowns in the automobile industry. However, by leveraging its strength in covering multiple sectors while flexibly transferring personnel to various industries and implementing cost controls including efficiency improvements through digital transformation, the business performed well and exceeded the initial plan, achieving an increase in sales despite lower profits.

Furthermore, anticipating a recovery in the semiconductor industry from the second half of 2024, in addition to reinforcing recruitment efforts, we have made efforts to strengthen training programs, including preparing for the launch of a technical center in Ozu-machi, Kumamoto Prefecture, to train semiconductor personnel.

Sales were 25,658 million yen, up 9.4% year on year (up 7.2% vs. plan) and segment profit decreased 73.0% to 248 million yen (up 428.0% vs. plan).

Services Human Resources Business

The Service Human Resources Business experienced a quiet start due to seasonal factors following the busy year-end period. However, our mainstay logistics division saw steady growth in the e-commerce sector and a contribution to results from Yamato Staff Supply Co, Ltd., which we welcomed into the Group last year. In the customer service sales division, the Group achieved higher sales and profits than initially planned by flexibly leveraging commercial opportunities from increased inbound demand and the Valentine's Day sales season.

In addition, by leveraging our accumulated expertise in labor management and operations in the logistics division, we promoted measures to anticipate future growth, including steady lateral expansion into new businesses beyond the traditional human resources domain, such as dispatch ordering management agency services.

Sales were 18,456 million yen, up 76.0% year on year (up 2.1% vs. plan) and segment profit increased 715.5% to 118 million yen (up 146 million yen vs. plan).

Real Estate Business

In the Real Estate Business, amid persistently high real estate prices, we have been cautiously developing our business to ensure optimum timing for both purchasing and sales. However, due to reasons including the delivery of some properties ahead of schedule in the second quarter, we significantly exceeded the initial plan, achieving increased sales despite a fall in profits.

The plan for the current financial year is to deliver numerous properties in the second half, especially in the fourth quarter, and we are making good progress with contracts. The main condominium properties planned for this financial year are Residential Oji Kamiya in Tokyo; Asuto Residential The Tower in Miyagi Prefecture, which is a joint venture project with Nomura Real Estate Development Co., Ltd; and Residential Midosuji Abiko in Osaka Prefecture. For office buildings, we are planning developments such as BIZIA Kokura, promoted as the leading project of Kokura Kurosaki Rebitation (Rebuild+Invitation) in Kitakyushu City, Fukuoka Prefecture.

Sales were 7,768 million yen, up 10.5% year on year (up 60.0% vs. plan), and segment profit was 491 million yen, down 45.8% year on year (up 1,004 million yen vs. plan).

Information and Telecommunications Business

In the Information and Telecommunications Business, with the mobile phone sales agency industry undergoing a period of major change, steady progress was made in preparations for the second quarter onward, such as sales promotions for pent-up demand resulting from amendments to the Ordinance for Enforcement of the Telecommunications Business Act and other regulations.

While taking a scrap-and-build approach to the mobile stores to improve efficiency, we are leveraging the segment's existing strengths in the corporate solutions sector and connecting them to strengthen the corporate sales team within the mobile shop. In so doing, the Group aims to enhance its presence and grow once more as a regional problem-solving base for both individuals and corporate customers.

Sales were 2,018 million yen, up 3.6% year on year (up 5.7% vs. plan), and there was a segment loss of 42 million yen, up 27 million yen year on year (down 7 million yen vs. plan).

Agricultural Park Business

The Agricultural Parks Business experiences fewest visitors during the winter due to the outdoor nature of the facilities. In March, severe weather conditions including low temperatures, sudden gusts, and heavy rain caused by cold fronts continued every weekend and led to a fall in visitor numbers, especially in western Japan. However, conditions were relatively good for business operations in the January-February period, with a mild winter and little precipitation in the form of snow, leading to a rise in first-quarter sales and profits.

In addition to maintaining existing facilities in preparation for the busiest season from spring, we have been actively preparing for new designated management of the following entrusted projects starting from April: Saitama City Urban Park Group 8 and 10, Hyogo Prefectural Awaji Cultural Hall, Kobe Port Waterfront Area (Meriken Park - Harborland Square), and Ring Ring Port Tsuchiura.

Sales were 919 million yen, up 13.1% year on year (up 6.8% vs. plan), and a segment loss was 114 million yen, up 3 million yen year on year (up 28 million yen vs. plan).

(2) Explanation of Financial Position

Assets

Total assets increased 1,760 million yen from the end of 2023 to 160,964 million yen at the end of the first quarter of 2024. This was mainly due to increases of 2,498 million yen in cash and deposits, 403 million yen in real estate for sale and 836 million yen in real estate for sale in process, and a decrease of 2,074 million yen in notes and accounts receivable-trade.

Liabilities

Total liabilities increased 3,431 million yen from the end of 2023 to 119,709 million yen. This was mainly due to decreases of 1,271 million yen in accounts payable-real estate business and 1,497 million yen in income taxes payable, and an increase of 6,199 million yen in short-term borrowings.

Net assets

Net assets decreased 1,671 million yen from the end of 2023 to 41,255 million yen, mainly due to a decrease of 1,984 million yen in retained earnings. The decrease in retained earnings was due to loss attributable to owners of parent of 121 million yen and dividends from retained earnings of 1,862 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

World Holdings maintains its first-half and full-year consolidated forecasts that were announced in the “Consolidated Financial Results for 2023” on February 9, 2024.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	2023 (As of Dec. 31, 2023)	First quarter of 2024 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	40,848	43,347
Notes and accounts receivable-trade	25,148	23,074
Merchandise and finished goods	776	951
Real estate for sale	9,928	10,332
Work in process	241	356
Real estate for sale in process	52,335	53,172
Other	4,672	4,584
Allowance for doubtful accounts	(7)	(8)
Total current assets	133,944	135,810
Non-current assets		
Property, plant and equipment	9,714	9,686
Intangible assets		
Goodwill	9,210	8,939
Other	273	267
Total intangible assets	9,484	9,207
Investments and other assets		
Investment securities	1,579	1,632
Deferred tax assets	2,213	2,246
Leasehold and guarantee deposits	1,532	1,539
Retirement benefit asset	15	120
Other	1,150	1,152
Allowance for doubtful accounts	(430)	(431)
Total investments and other assets	6,061	6,260
Total non-current assets	25,260	25,154
Total assets	159,204	160,964
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,186	1,289
Accounts payable-real estate business	1,749	477
Short-term borrowings	45,883	52,083
Accrued expenses	13,267	12,501
Advances received	1,002	809
Income taxes payable	2,239	742
Accrued consumption taxes	4,083	3,800
Provision for bonuses	426	1,289
Other	6,918	6,441
Total current liabilities	76,757	79,434
Non-current liabilities		
Long-term borrowings	32,893	33,460
Provision for retirement benefits for directors (and other officers)	201	202
Retirement benefit liability	3,967	4,202
Other	2,459	2,408
Total non-current liabilities	39,521	40,274
Total liabilities	116,278	119,709

	(Millions of yen)	
	2023 (As of Dec. 31, 2023)	First quarter of 2024 (As of Mar. 31, 2024)
Net assets		
Shareholders' equity		
Share capital	1,350	1,361
Capital surplus	1,540	1,551
Retained earnings	37,463	35,478
Treasury shares	(119)	(119)
Total shareholders' equity	40,234	38,272
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51	79
Foreign currency translation adjustment	57	83
Remeasurements of defined benefit plans	(83)	(76)
Total accumulated other comprehensive income	25	86
Share acquisition rights	58	313
Non-controlling interests	2,608	2,582
Total net assets	42,926	41,255
Total liabilities and net assets	159,204	160,964

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**(Quarterly Consolidated Statement of Income)****(For the Three-month Period)**

(Millions of yen)

	First three months of 2023 (Jan. 1 – Mar. 31, 2023)	First three months of 2024 (Jan. 1 – Mar. 31, 2024)
Net sales	43,724	54,821
Cost of sales	35,947	47,148
Gross profit	7,776	7,672
Selling, general and administrative expenses	5,841	7,036
Operating profit	1,934	636
Non-operating income		
Subsidy income	16	16
Other	36	80
Total non-operating income	53	96
Non-operating expenses		
Interest expenses	66	90
Other	15	37
Total non-operating expenses	82	128
Ordinary profit	1,906	605
Extraordinary income		
Insurance claim income	-	0
Total extraordinary income	-	0
Extraordinary losses		
Loss on disaster	-	0
Total extraordinary losses	-	0
Profit before income taxes	1,906	605
Income taxes	940	742
Profit (loss)	965	(137)
Profit (loss) attributable to non-controlling interests	2	(15)
Profit (loss) attributable to owners of parent	963	(121)

(Quarterly Consolidated Statement of Comprehensive Income)
(For the Three-month Period)

	(Millions of yen)	
	First three months of 2023 (Jan. 1 – Mar. 31, 2023)	First three months of 2024 (Jan. 1 – Mar. 31, 2024)
Profit (loss)	965	(137)
Other comprehensive income		
Valuation difference on available-for-sale securities	2	28
Foreign currency translation adjustment	11	35
Remeasurements of defined benefit plans, net of tax	12	6
Total other comprehensive income	26	70
Comprehensive income	992	(66)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	986	(60)
Comprehensive income attributable to non-controlling interests	5	(5)

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Changes in Significant Subsidiaries during the Period

Not applicable.

Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Calculation of tax expense

The tax expenses are calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes for the fiscal year in which the quarter under review falls, and multiplying that rate by the profit before income taxes for the quarter under review. However, World Holdings uses legally stipulated effective tax rates to calculate tax expenses when the use of estimated tax rates produces a clearly irrational result.

Segment Information

I. First three months of 2023 (Jan. 1 – Mar. 31, 2023)

1. Information related to net sales and profit or loss for each reportable segment

	Reportable segment						Adjustments (Note 1)	(Millions of yen) Amounts shown on quarterly consolidated statement of income (Note 2)
	Products Human Resources Business	Services Human Resources Business	Real Estate Business	Information and Telecommunications Business	Agricultural Park Business	Subtotal		
Net sales								
Sales to external customers	23,450	10,484	7,027	1,948	813	43,724	-	43,724
Inter-segment sales and transfers	152	42	8	17	2	223	(223)	-
Total	23,602	10,527	7,035	1,966	816	43,947	(223)	43,724
Segment profit (loss)	918	14	906	(69)	(117)	1,651	283	1,934

Notes: 1. The 283 million yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 8 million yen, and 274 million yen in corporate expenses that cannot be allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit (loss) is adjusted with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

There is no significant change.

Significant gain on bargain purchase

Not applicable.

II. First three months of 2024 (Jan. 1 – Mar. 31, 2024)

1. Information related to net sales and profit or loss for each reportable segment

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Products Human Resources Business	Services Human Resources Business	Real Estate Business	Information and Telecommunications Business	Agricultural Park Business	Total		
Net sales								
Sales to external customers	25,658	18,456	7,768	2,018	919	54,821	-	54,821
Inter-segment sales and transfers	163	40	10	18	2	235	(235)	-
Total	25,822	18,496	7,779	2,037	921	55,056	(235)	54,821
Segment profit (loss)	248	118	491	(42)	(114)	701	(64)	636

Notes: 1. The -64 million yen adjustment to segment profit (loss) includes elimination for inter-segment transactions of 8 million yen, and -72 million yen in corporate expenses that cannot be allocated to any of the reportable segments. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit (loss) is adjusted to be consistent with operating profit shown on the quarterly consolidated statement of income.

2. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Impairment losses related to non-current assets

Not applicable.

Significant change in goodwill

Not applicable.

Significant gain on bargain purchase

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.