



## Consolidated Financial Results for the Second Quarter of 2024 (Six Months Ended June 30, 2024)

[Japanese GAAP]

August 6, 2024

Company name: WORLD HOLDINGS CO., LTD.

Listing: Tokyo Stock Exchange

Stock code: 2429

URL: <http://www.world-hd.co.jp>

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Scheduled date of filing of Quarterly Report:

August 9, 2024

Scheduled date of payment of dividend:

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Preparation of supplementary materials for financial results:

Yes

Holding of financial results meeting:

Yes (for institutional investors and analysts)

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

### 1. Consolidated Financial Results for the First Six Months of 2024 (January 1 to June 30, 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	%
Six months ended Jun. 30, 2024	110,805	22.5	2,358	(36.0)	2,381	(34.7)	737	(63.4)
Six months ended Jun. 30, 2023	90,461	4.9	3,685	(20.4)	3,645	(23.1)	2,013	(21.0)

Note: Comprehensive income (millions of yen)

Six months ended Jun. 30, 2024: 959 (down 55.4%)

Six months ended Jun. 30, 2023: 2,151 (down 20.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Jun. 30, 2024	41.83	41.72
Six months ended Jun. 30, 2023	114.79	114.27

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2024	162,647	43,144	24.8	2,256.81
As of Dec. 31, 2023	159,204	42,926	25.3	2,290.86

Reference: Shareholders' equity (millions of yen)

As of Jun. 30, 2024: 40,380

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	-	0.00	-	-	-
2024 (forecast)	-	-	-	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
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): Yes

Newly added: 1 (Sankin Kaihatsu Co., Ltd.) 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, (4) Notes to Quarterly Consolidated Financial Statements, Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements” on page 12 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 Jun. 30, 2024:	18,006,300 shares	As of Dec. 31, 2023:	17,657,300 shares
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2) Number of treasury shares at the end of the period

As of Jun. 30, 2024:	113,683 shares	As of Dec. 31, 2023:	113,631 shares
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3) Average number of shares during the period

Six months ended Jun. 30, 2024:	17,637,043 shares	Six months ended Jun. 30, 2023:	17,538,746 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 5 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for quarterly financial results

The Company plans to hold a financial results meeting for institutional investors and analysts on Friday, August 9, 2024. 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. Overview of Results of Operations, Etc.

### (1) Results of Operations for the First Half of 2024

During the first half of 2024, the economic recovery in Japan stalled due to consumer spending pressure from high prices and a slowdown in Chinese and other overseas economies, as well as the impact of the Noto Peninsula earthquake at the beginning of 2024 and shutdowns in the automobile industry. The primary business environment surrounding the World Holdings Group continued to be challenging. The semiconductor industry remains stagnant despite expectations for a recovery to start in the second half of 2024, and prices remained high in the real estate industry.

Under these circumstances, the Group's core Human Resources and Education Business adapted with flexibility to changes in market conditions 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 solid performance achieved by activities including the strategic growth of sales from recurring revenue businesses.

Net sales increased 22.5% year on year to 110,805 million yen (up 1.1% vs. plan). Operating profit decreased 36.0% to 2,358 million yen (up 98.3% vs. plan), ordinary profit decreased 34.7% to 2,381 million yen (up 135.6% vs. plan), and profit attributable to owners of parent decreased 63.4% to 737 million yen (up 190.4% 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.

#### **Manufacturing Human Resources Business**

The Manufacturing Human Resources Business faced adverse circumstances from the start of the year resulting from continued stagnation 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, this business responded with flexibility to changes in market conditions by leveraging its strength in covering multiple sectors while transferring personnel to various industries. As a result, sales were higher than in the first half of 2023 and exceeded the plan.

Profits decreased because of higher expenses caused by personnel transfer and for other reasons. Despite this decline, profits significantly exceeded the initial plan because of cost controls including efficiency improvements through digital transformation and a temporary reduction in recruiting activities. More growth is planned by making big expenditures for recruiting and training activities to target opportunities to be created by the recovery in the semiconductor industry expected to start in the second half of 2024.

Training programs for the semiconductor industry have been a priority of this business. The planned opening at the end of 2024 of the Kumamoto Technical Center, which is a training facility in Ozu-machi in Kumamoto Prefecture, will further speed up programs to give people skills required in the semiconductor industry.

Sales were 53,121 million yen, up 10.8% year on year (up 4.0% vs. plan) and segment profit decreased 28.8% to 1,175 million yen (up 84.6% vs. plan).

#### **Services Human Resources Business**

In the Service Human Resources Business, 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, sales and profits increased by accurately targeting opportunities associated with seasonal changes in demand at client companies.

In addition, profits exceeded the initial plan partially due to the solid performance of the new Staffing Order and Management Agency Service which leverage our accumulated expertise in labor management in the logistics division.

The goal of this business is to continue growing. One step is the use of outsourced distribution warehouse operation knowhow for the horizontal expansion of this business model. Another step is to seek opportunities in new businesses beyond the traditional human resources domain.

Sales were 36,971 million yen, up 72.6% year on year (down 0.3% vs. plan) and segment profit increased 247.8% to 545 million yen (up 141.7% 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. Sales and profits decreased because of the smaller number of properties sold during the first half. However, profits were far above the plan. The main reason is rental income from properties purchased in prior years and rental income resulting from the continuing strategic acquisition of properties for the real estate sales business that are currently leased to tenants. For consistent growth, this business is continuing to aim for the growth of property sales as well as of businesses that generate recurring revenue.

The plan for the current fiscal 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 fiscal 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 13,634 million yen, down 6.1% year on year (down 8.5% vs. plan), and segment profit was 308 million yen, down 75.6% (up 382 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, sales and profits increased, significantly exceeding the initial plan, especially in terms of profitability because of activities targeting opportunities created by pent-up demand resulting from amendments to the Ordinance for Enforcement of the Telecommunications Business Act and other regulations.

While continuing to use 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 4,353 million yen, up 4.5% year on year (up 7.8% vs. plan), and segment profit increased 530.8% to 97 million yen (up 153.1% vs. plan).

### **Agricultural Park Business**

Sales and profits in the Agricultural Parks Business increased and were higher than planned. Performance benefited from the mild winter with little rain and good weather during the Golden Week holiday period, the busiest time of the year. Major renovations and upgrades of existing facilities during 2023 also contributed to growth in visitor numbers.

Operations started in April at five locations where we were designated as the new manager: Saitama City Urban Park Groups 8 and 10, Hyogo Prefectural Awaji Cultural Hall, Kobe Port Waterfront Area (Meriken Park - Harborland Square), and Ring Ring Port Tsuchiura. Furthermore, parks made preparations for the second half of 2024 that included the maintenance of facilities for attracting visitors during the summer.

Sales were 2,724 million yen, up 13.6% year on year (up 11.8% vs. plan), and segment profit increased 39.4% to 171 million yen (up 74.2% vs. plan).

Overview of Business Results by Segment

(Millions of yen)			First half of 2023 Result	First half of 2024 Plan	First half of 2024 Result	Vs. plan		Year-on-year change	
						Amount	%	Amount	%
Human Resources and Education Business	Manufactur- ing Human Resources Business	Net sales	47,946	51,087	53,121	2,033	4.0%	5,174	10.8%
		Segment profit (Profit margin)	1,650 (3.4%)	636 (1.2%)	1,175 (2.2%)	538	84.6%	(475)	(28.8)%
	Services Human Resources Business	Net sales	21,424	37,088	36,971	(117)	(0.3%)	15,546	72.6%
		Segment profit (Profit margin)	156 (0.7%)	225 (0.6%)	545 (1.5%)	320	141.7%	388	247.8%
	Subtotal (Reference)	Net sales	69,370	88,176	90,092	1,916	2.2%	20,721	29.9%
		Segment profit (Profit margin)	1,807 (2.6%)	862 (1.0%)	1,721 (1.9%)	858	99.6%	(86)	(4.8)%
Real Estate Business	Real Estate Business	Net sales	14,526	14,895	13,634	(1,260)	(8.5)%	(891)	(6.1)%
		Segment profit (Profit margin)	1,264 (8.7%)	(74) -	308 (2.3%)	382	-	(956)	(75.6)%
Information and Telecommu- nications Business	Information and Telecommu- nications Business	Net sales	4,165	4,038	4,353	314	7.8%	187	4.5%
		Segment profit (Profit margin)	15 (0.4%)	38 (1.0%)	97 (2.2%)	59	153.1%	82	530.8%
Agricultural Park Business	Agricultural Park Business	Net sales	2,398	2,437	2,724	287	11.8%	326	13.6%
		Segment profit (Profit margin)	122 (5.1%)	98 (4.0%)	171 (6.3%)	72	74.2%	48	39.4%
Total		Net sales	90,461	109,547	110,805	1,258	1.1%	20,343	22.5%
		Elimination or corporate	475	264	60	(204)	(77.3)%	(415)	(87.4)%
		Operating profit (Profit margin)	3,685 (4.1%)	1,189 (1.1%)	2,358 (2.1%)	1,168	98.3%	(1,327)	(36.0)%

## **(2) Explanation of Financial Position**

### Assets

Total assets increased 3,443 million yen from the end of 2023 to 162,647 million yen at the end of the second quarter of 2024. This was mainly due to increases of 3,281 million yen in real estate for sale and 1,128 million yen in real estate for sale in process.

### Liabilities

Total liabilities increased 3,225 million yen from the end of 2023 to 119,503 million yen. This was mainly due to an increase of 5,079 million yen in long-term borrowings, and decreases of 1,321 million yen in accounts payable-real estate business and 453 million yen in short-term borrowings.

### Net assets

Net assets increased 218 million yen from the end of 2023 to 43,144 million yen, mainly due to increases of 573 million yen in share capital, 573 million yen in capital surplus and 52 million yen in non-controlling interests, and a decrease of 1,121 million yen in retained earnings.

## **Cash Flows**

The balance of cash and cash equivalents for the current interim consolidated accounting period was 41,349 million yen, an increase of 501 million yen compared to the end of the previous consolidated fiscal year.

### Cash flows from operating activities

Net cash used in operating activities was 2,354 million yen. Main positive factors include interim net income before taxes of 2,381 million yen, a decrease in trade receivables of 1,509 million yen, an increase in advances received of 497 million yen, and a refund of corporate taxes of 405 million yen. Major negative factors include an increase of 4,409 million yen in real estate for sale, a decrease of 1,157 million yen in trade payables, and corporate taxes paid of 2,083 million yen.

### Cash flows from investing activities

Net cash used in investing activities was 829 million yen. Main negative factors include payments of 354 million yen for the acquisition of property, plant and equipment, 172 million yen for loans, and a net increase of 245 million yen in lease and guarantee deposits.

### Cash flows from financing activities

Net cash provided by financing activities was 3,555 million yen. The main positive factors were a net increase of 5,590 million yen in short-term borrowings, 5,144 million yen in proceeds from long-term borrowings, and 898 million yen in proceeds from the issuance of shares. The main negative factors were 6,115 million yen in repayments of long-term borrowings and 1,862 million yen in dividend payments.

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

World Holdings maintains its 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)	Second quarter of 2024 (As of Jun. 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	40,848	41,377
Notes and accounts receivable-trade	25,148	23,667
Merchandise and finished goods	776	1,049
Real estate for sale	9,928	13,209
Work in process	241	350
Real estate for sale in process	52,335	53,464
Other	4,672	4,938
Allowance for doubtful accounts	(7)	(10)
Total current assets	133,944	137,508
Non-current assets		
Property, plant and equipment	9,714	9,640
Intangible assets		
Goodwill	9,210	8,669
Other	273	265
Total intangible assets	9,484	8,934
Investments and other assets		
Investment securities	1,579	1,631
Leasehold and guarantee deposits	1,532	1,777
Deferred tax assets	2,213	2,276
Retirement benefit asset	15	120
Other	1,150	1,189
Allowance for doubtful accounts	(430)	(431)
Total investments and other assets	6,061	6,564
Total non-current assets	25,260	25,139
Total assets	159,204	162,647
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,186	1,370
Accounts payable-real estate business	1,749	427
Short-term borrowings	45,883	45,430
Accrued expenses	13,267	13,902
Advances received	1,002	1,500
Income taxes payable	2,239	1,692
Accrued consumption taxes	4,083	2,943
Provision for bonuses	426	856
Other	6,918	6,419
Total current liabilities	76,757	74,543
Non-current liabilities		
Long-term borrowings	32,893	37,972
Provision for retirement benefits for directors (and other officers)	201	196
Retirement benefit liability	3,967	4,357
Other	2,459	2,434
Total non-current liabilities	39,521	44,960
Total liabilities	116,278	119,503



	(Millions of yen)	
	2023 (As of Dec. 31, 2023)	Second quarter of 2024 (As of Jun. 30, 2024)
Net assets		
Shareholders' equity		
Share capital	1,350	1,924
Capital surplus	1,540	2,114
Retained earnings	37,463	36,341
Treasury shares	(119)	(119)
Total shareholders' equity	40,234	40,260
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51	83
Foreign currency translation adjustment	57	104
Remeasurements of defined benefit plans	(83)	(68)
Total accumulated other comprehensive income	25	120
Share acquisition rights	58	102
Non-controlling interests	2,608	2,661
Total net assets	42,926	43,144
Total liabilities and net assets	159,204	162,647

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

(Millions of yen)

	First six months of 2023 (Jan. 1 – Jun. 30, 2023)	First six months of 2024 (Jan. 1 – Jun. 30, 2024)
Net sales	90,461	110,805
Cost of sales	74,675	94,104
Gross profit	15,786	16,701
Selling, general and administrative expenses	12,100	14,343
Operating profit	3,685	2,358
Non-operating income		
Interest and dividend income	47	10
Subsidy income	19	16
Other	75	310
Total non-operating income	142	337
Non-operating expenses		
Interest expenses	140	204
Other	42	110
Total non-operating expenses	182	314
Ordinary profit	3,645	2,381
Extraordinary income		
Insurance claim income	-	1
Total extraordinary income	-	1
Extraordinary losses		
Loss on disaster	1	0
Total extraordinary losses	1	0
Profit before income taxes	3,644	2,381
Income taxes	1,578	1,536
Profit	2,066	844
Profit attributable to non-controlling interests	53	107
Profit attributable to owners of parent	2,013	737

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

(Millions of yen)

	First six months of 2023 (Jan. 1 – Jun. 30, 2023)	First six months of 2024 (Jan. 1 – Jun. 30, 2024)
Profit	2,066	844
Other comprehensive income		
Valuation difference on available-for-sale securities	26	32
Foreign currency translation adjustment	33	67
Remeasurements of defined benefit plans, net of tax	24	14
Total other comprehensive income	84	114
Comprehensive income	2,151	959
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,089	832
Comprehensive income attributable to non-controlling interests	62	127

**(3) Quarterly Consolidated Statement of Cash Flows**

(Millions of yen)

	First six months of 2023 (Jan. 1 – Jun. 30, 2023)	First six months of 2024 (Jan. 1 – Jun. 30, 2024)
Cash flows from operating activities		
Profit before income taxes	3,644	2,381
Depreciation	453	501
Amortization of goodwill	303	541
Increase (decrease) in allowance for doubtful accounts	(0)	3
Decrease (increase) in retirement benefit asset	—	(104)
Increase (decrease) in retirement benefit liability	319	375
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(12)	(5)
Interest and dividend income	(47)	(10)
Interest expenses	140	204
Loss on retirement of non-current assets	0	1
Decrease (increase) in trade receivables	378	1,509
Decrease (increase) in inventories	(667)	(412)
Decrease (increase) in real estate for sale	(8,964)	(4,409)
Increase (decrease) in trade payables	154	(1,157)
Increase (decrease) in advances received	(60)	497
Increase (decrease) in accrued expenses	(349)	591
Increase (decrease) in accrued consumption taxes	(1,264)	(1,089)
Increase (decrease) in other current liabilities	(335)	(581)
Other, net	(844)	688
Subtotal	(7,150)	(474)
Interest and dividends received	47	5
Interest paid	(144)	(208)
Income taxes paid	(2,427)	(2,083)
Income taxes refund	144	405
Net cash provided by (used in) operating activities	(9,530)	(2,354)
Cash flows from investing activities		
Payments into time deposits	-	(27)
Proceeds from withdrawal of time deposits	13	-
Purchase of property, plant and equipment	(349)	(354)
Purchase of intangible assets	(69)	(41)
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	14	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,822)	-
Purchase of investments in non-consolidated subsidiary	(15)	(3)
Payments for acquisition of businesses	(42)	-
Loan advances	(65)	(172)
Proceeds from collection of loans receivable	-	96
Net decrease (increase) in lease and guarantee deposits	(6)	(245)
Other, net	(21)	(81)
Net cash provided by (used in) investing activities	(5,365)	(829)

	(Millions of yen)	
	First six months of 2023 (Jan. 1 – Jun. 30, 2023)	First six months of 2024 (Jan. 1 – Jun. 30, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,880	5,590
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(13)	-
Proceeds from long-term borrowings	13,424	5,144
Repayments of long-term borrowings	(2,358)	(6,115)
Repayments of lease obligations	(4)	(11)
Proceeds from issuance of shares	18	898
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,603)	(1,862)
Dividends paid to non-controlling interests	(27)	(87)
Net cash provided by (used in) financing activities	12,315	3,555
Effect of exchange rate change on cash and cash equivalents	35	54
Net increase (decrease) in cash and cash equivalents	(2,544)	425
Cash and cash equivalents at beginning of period	35,078	40,848
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	75
Cash and cash equivalents at end of period	32,533	41,349

**(4) Notes to Quarterly Consolidated Financial Statements****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 six months of 2023 (Jan. 1 – Jun. 30, 2023)

## 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)
	Manufacturing Human Resources Business	Services Human Resources Business	Real Estate Business	Information and Telecommunications Business	Agricultural Park Business	Total		
Net sales								
Sales to external customers	47,946	21,424	14,526	4,165	2,398	90,461	-	90,461
Inter-segment sales and transfers	312	88	10	28	6	446	(446)	-
Total	48,258	21,512	14,537	4,194	2,405	90,908	(446)	90,461
Segment profit	1,650	156	1,264	15	122	3,210	475	3,685

Notes: 1. The 475 million yen adjustment to segment profit includes elimination for inter-segment transactions of -11 million yen, and 486 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 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

Goodwill was booked in the “Manufacturing Human Resources Business” segment as World Holdings has acquired the all shares of Nippon Gijutsu Center Co., Ltd., and Nippon Gijutsu Center and its subsidiary are included in the scope of consolidation. The event caused the amount of goodwill to increase by 4,545 million yen during the first six months of 2023.

## Significant gain on bargain purchase

Not applicable.

## II. First six months of 2024 (Jan. 1 – Jun. 30, 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)
	Manufacturing Human Resources Business	Services Human Resources Business	Real Estate Business	Information and Telecommunications Business	Agricultural Park Business	Total		
Net sales								
Sales to external customers	53,121	36,971	13,634	4,353	2,724	110,805	-	110,805
Inter-segment sales and transfers	331	81	16	42	7	479	(479)	-
Total	53,452	37,052	13,651	4,396	2,732	111,285	(479)	110,805
Segment profit	1,175	545	308	97	171	2,298	60	2,358

Notes: 1. The 60 million yen adjustment to segment profit includes elimination for inter-segment transactions of 16 million yen, and 43 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 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.

**Significant Changes in Shareholders' Equity**

Not applicable.

**Going Concern Assumption**

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.*