



Consolidated Financial Results for the Third Quarter of 2024 (Nine Months Ended September 30, 2024)

[Japanese GAAP]
November 8, 2024

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Scheduled date of payment of dividend: -
 Preparation of supplementary materials for financial results: Yes
 Holding of financial results meeting: None

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

1. Consolidated Financial Results for the First Nine Months of 2024 (January 1 to September 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	%
Nine months ended Sep. 30, 2024	171,533	13.6	4,390	(43.5)	4,293	(44.2)	1,958	(58.4)
Nine months ended Sep. 30, 2023	150,976	14.1	7,769	17.3	7,690	14.2	4,707	21.2

Note: Comprehensive income (millions of yen) Nine months ended Sep. 30, 2024: 2,181 (down 55.5%)
 Nine months ended Sep. 30, 2023: 4,904 (up 20.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Sep. 30, 2024	110.52	110.26
Nine months ended Sep. 30, 2023	268.35	267.19

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2024	161,566	44,371	25.7	2,322.08
As of Dec. 31, 2023	159,204	42,926	25.3	2,290.86

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2024: 41,547 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) Significant changes in the scope of consolidation during the period: Yes

Newly added: 1 (Sankin Kaihatsu Co., Ltd.) Excluded: -

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

(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 Sep. 30, 2024:	18,006,300 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 Sep. 30, 2024:	113,769 shares	As of Dec. 31, 2023:	113,661 shares
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3) Average number of shares during the period

Nine months ended Sep. 30, 2024:	17,722,827 shares	Nine months ended Sep. 30, 2023:	17,541,687 shares
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* Review of the attached quarterly consolidated financial statements by a certified public accountant or auditing firm: None

* 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. Overview of Results of Operations, Etc.,

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 3 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. Overview of Results of Operations, Etc.

(1) Results of Operations for the First Nine Months of 2024

During the first nine months of 2024, although the Japanese economy recovered slowly overall, there were negative effects of a slowdown in Chinese and other overseas economies and of higher prices caused by the yen's depreciation. As a result, the outlook for the economy remained uncertain. The primary business environment surrounding the World Holdings Group continued to be challenging. There is still no growth in the semiconductor industry and real estate prices remain high.

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, and other measures. In the Real Estate Business, despite higher sales with lower profits, we 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 13.6% year on year to 171,533 million yen (up 0.3% vs. plan). Operating profit decreased 43.5% to 4,390 million yen (up 40.4% vs. plan), ordinary profit decreased 44.2% to 4,293 million yen (up 50.6% vs. plan), and profit attributable to owners of parent decreased 58.4% to 1,958 million yen (up 52.6% 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

In the Manufacturing Human Resources Business, this year started with challenges created by the Noto Peninsula earthquake at the beginning of 2024, operational shutdowns in the automobile industry and other events. In addition, the lack of growth in the semiconductor industry has been even more serious than expected. The result was a difficult business climate. 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 one year earlier and exceeded the plan. Profits decreased because of higher expenses caused by personnel transfer and for other reasons. Despite this decline, profits exceeded the initial plan because of cost controls including efficiency improvements through digital transformation.

Expenditures for recruiting and training activities to be prepared for the expected recovery of the semiconductor industry and receipt of large orders from companies in many industries have positioned this business for more growth beginning in the fourth quarter of 2024. In particular, training programs for skills required in the semiconductor industry are a priority of this business. These activities include the planned establishment of the Kumamoto Technical Center, which will be the eleventh training facility in Japan. The plan is to further speed up programs to give people skills required in the semiconductor industry.

Sales were 80,963 million yen, up 9.2% year on year (up 0.7% vs. plan) and segment profit decreased 13.9% to 2,348 million yen (up 14.1% vs. plan).

Services Human Resources Business

Sales and profits significantly increased in the Service Human Resources Business. Our mainstay logistics sector saw steady growth in the e-commerce category and a contribution to results from Yamato Staff Supply Co, Ltd., which we welcomed into the Group last year and has benefited from synergies with existing logistics operations. The face-to-face sales sector accurately targeted 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 HR Support Service which leverage our accumulated expertise in labor management in the logistics sector.

This business is using outsourced distribution warehouse operation knowhow for the horizontal expansion of this business model. One accomplishment is the September completion of a warehouse (leasable area of 40,509 square meters) owned and operated by World Holdings in the city of Ogori in Fukuoka prefecture. Steady progress is continuing for establishing a base for more growth.

Sales were 56,558 million yen, up 59.0% year on year (down 1.5% vs. plan) and segment profit increased 107.1% to 881 million yen (up 29.0% 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 nine months due in part to properties originally planned for sale in 2024 that were sold in 2023. However, profits were far above the plan. The main reason is rental income resulting from the continuing strategic leasing of real estate for sale. 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 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 23,486 million yen, down 26.3% year on year (up 0.0% vs. plan), and segment profit was 618 million yen, down 83.9% (up 810 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 and due to an increase in marketing and sales activities at all stores.

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 6,458 million yen, up 10.3% year on year (up 8.4% vs. plan), and segment profit increased 151 million yen to 131 million yen (up 162.6% vs. plan).

Agricultural Park Business

Sales and profits in the Agricultural Parks Business increased and were higher than planned. Despite a negative effect of extreme heat during the summer, performance benefited from good weather during the Golden Week holiday period, the busiest time of the year. Major renovations and upgrades of existing facilities, measures to improve the appearance of parks, upgrades of numerous activities and other initiatives increased visitor numbers and raised sales per visitor.

This business increased its profile in the agricultural park sector by receiving designations as the manager of four more locations: 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. Preparations are moving forward for the receipt during 2025 of more contracts to operate agricultural parks.

Sales were 4,066 million yen, up 14.6% year on year (up 10.2% vs. plan), and segment profit increased 58.4% to 159 million yen (up 18.6% vs. plan).

(2) Explanation of Financial Position

Assets

Total assets increased 2,361 million yen from the end of 2023 to 161,566 million yen at the end of the third quarter of 2024. This was mainly due to increases of 3,808 million yen in real estate for sale, 2,756 million yen in real estate for sale in process and a decrease of 3,780 million yen in cash and deposits.

Liabilities

Total liabilities increased 916 million yen from the end of 2023 to 117,195 million yen. This was mainly due to increases of 2,637 million yen in short-term borrowings and 4,013 million yen in long-term borrowings, and decreases of 2,276 million yen in accrued expenses, 1,348 million yen in income taxes payable and 1,170 million yen in accrued consumption taxes.

Net assets

Net assets increased 1,445 million yen from the end of 2023 to 44,371 million yen, mainly due to increases of 573 million yen in share capital, 573 million yen in capital surplus and 99 million yen in retained earnings.

(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)	Third quarter of 2024 (As of Sep. 30, 2024)
Assets		
Current assets		
Cash and deposits	40,848	37,067
Notes and accounts receivable-trade	25,148	23,309
Merchandise and finished goods	776	996
Real estate for sale	9,928	13,737
Work in process	241	214
Real estate for sale in process	52,335	55,092
Other	4,672	5,163
Allowance for doubtful accounts	(7)	(10)
Total current assets	133,944	135,570
Non-current assets		
Property, plant and equipment	9,714	10,814
Intangible assets		
Goodwill	9,210	8,398
Other	273	265
Total intangible assets	9,484	8,664
Investments and other assets		
Investment securities	1,579	1,639
Leasehold and guarantee deposits	1,532	1,799
Deferred tax assets	2,213	2,301
Retirement benefit asset	15	116
Other	1,150	1,091
Allowance for doubtful accounts	(430)	(432)
Total investments and other assets	6,061	6,516
Total non-current assets	25,260	25,995
Total assets	159,204	161,566
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,186	1,101
Accounts payable-real estate business	1,749	363
Short-term borrowings	45,883	48,521
Accrued expenses	13,267	10,991
Advances received	1,002	1,410
Income taxes payable	2,239	891
Accrued consumption taxes	4,083	2,912
Provision for bonuses	426	1,434
Other	6,918	5,558
Total current liabilities	76,757	73,184
Non-current liabilities		
Long-term borrowings	32,893	36,907
Provision for retirement benefits for directors (and other officers)	201	199
Retirement benefit liability	3,967	4,488
Other	2,459	2,415
Total non-current liabilities	39,521	44,010
Total liabilities	116,278	117,195

	(Millions of yen)	
	2023 (As of Dec. 31, 2023)	Third quarter of 2024 (As of Sep. 30, 2024)
Net assets		
Shareholders' equity		
Share capital	1,350	1,924
Capital surplus	1,540	2,114
Retained earnings	37,463	37,562
Treasury shares	(119)	(119)
Total shareholders' equity	40,234	41,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51	63
Foreign currency translation adjustment	57	69
Remeasurements of defined benefit plans	(83)	(65)
Total accumulated other comprehensive income	25	66
Share acquisition rights	58	135
Non-controlling interests	2,608	2,687
Total net assets	42,926	44,371
Total liabilities and net assets	159,204	161,566

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

(Millions of yen)

	First nine months of 2023 (Jan. 1 – Sep. 30, 2023)	First nine months of 2024 (Jan. 1 – Sep. 30, 2024)
Net sales	150,976	171,533
Cost of sales	124,054	145,295
Gross profit	26,922	26,238
Selling, general and administrative expenses	19,152	21,847
Operating profit	7,769	4,390
Non-operating income		
Interest and dividend income	51	15
Subsidy income	22	38
Other	118	345
Total non-operating income	191	398
Non-operating expenses		
Interest expenses	222	337
Other	48	159
Total non-operating expenses	271	496
Ordinary profit	7,690	4,293
Extraordinary income		
Insurance claim income	-	5
Total extraordinary income	-	5
Extraordinary losses		
Loss on disaster	1	7
Total extraordinary losses	1	7
Profit before income taxes	7,689	4,290
Income taxes	2,918	2,155
Profit	4,771	2,135
Profit attributable to non-controlling interests	63	176
Profit attributable to owners of parent	4,707	1,958

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

	(Millions of yen)	
	First nine months of 2023 (Jan. 1 – Sep. 30, 2023)	First nine months of 2024 (Jan. 1 – Sep. 30, 2024)
Profit	4,771	2,135
Other comprehensive income		
Valuation difference on available-for-sale securities	46	11
Foreign currency translation adjustment	49	16
Remeasurements of defined benefit plans, net of tax	37	17
Total other comprehensive income	133	46
Comprehensive income	4,904	2,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,827	1,999
Comprehensive income attributable to non-controlling interests	77	181

(3) 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 nine months of 2023 (Jan. 1 – Sep. 30, 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)
	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	74,130	35,580	31,859	5,856	3,549	150,976	-	150,976
Inter-segment sales and transfers	477	135	12	49	17	692	(692)	-
Total	74,607	35,716	31,872	5,906	3,566	151,668	(692)	150,976
Segment profit (loss)	2,728	425	3,841	(19)	100	7,075	694	7,769

Notes: 1. The 694 million yen adjustment to segment profit includes elimination for inter-segment transactions of -3 million yen, and 697 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 “Services Human Resources Business” segment as Yamato Staff Supply Co., Ltd. became a consolidated subsidiary through the acquisition of 51% of its shares. The event caused the amount of goodwill to increase by 1,407 million yen during the first nine months of 2023.

Significant gain on bargain purchase

Not applicable.

II. First nine months of 2024 (Jan. 1 – Sep. 30, 2024)

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

	Reportable segment						Adjustments (Note 1)	Amounts shown on quarterly consolidated statement of income (Note 2)
	Manufactur- ing Human Resources Business	Services Human Resources Business	Real Estate Business	Information and Telecommunications Business	Agricultural Park Business	Total		
Net sales								
Sales to external customers	80,963	56,558	23,486	6,458	4,066	171,533	-	171,533
Inter-segment sales and transfers	484	128	25	50	17	706	(706)	-
Total	81,448	56,687	23,511	6,508	4,083	172,240	(706)	171,533
Segment profit	2,348	881	618	131	159	4,139	251	4,390

Notes: 1. The 251 million yen adjustment to segment profit includes elimination for inter-segment transactions of 22 million yen, and 228 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.

Quarterly Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows has not been prepared for the first nine months of the current fiscal year. Depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the first nine months of 2023 and 2024 are as follows.

	(Millions of yen)	
	First nine months of 2023 (Jan. 1 – Sep. 30, 2023)	First nine months of 2024 (Jan. 1 – Sep. 30, 2024)
Depreciation	689	757
Amortization of goodwill	555	811

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.