



# Consolidated Financial Results for 2024

[Japanese GAAP]

February 12, 2025

Company name: WORLD HOLDINGS CO., LTD.

Stock code: 2429

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Listing: Tokyo Stock Exchange

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Scheduled date of Annual General Meeting of Shareholders: March 28, 2025

Scheduled date of payment of dividend: March 31, 2025

Scheduled date of filing of Annual Securities Report: March 31, 2025

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 2024 (January 1 to December 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	%
2024	242,226	13.3	8,593	(17.1)	8,551	(16.6)	4,981	(19.7)
2023	213,742	16.4	10,365	16.1	10,251	14.8	6,204	16.2

Note: Comprehensive income (millions of yen) 2024: 5,234 (down 19.9%) 2023: 6,537 (up 22.3%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit on total assets	Operating profit to net sales
	Yen	Yen	%	%	%
2024	280.39	279.79	11.8	5.1	3.5
2023	353.61	352.15	16.4	7.3	4.8

Reference: Equity in earnings of affiliates (millions of yen) 2024: - 2023: -

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2024	174,370	47,456	25.5	2,487.25
As of Dec. 31, 2023	159,204	42,926	25.3	2,290.86

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2024: 44,503 As of Dec. 31, 2023: 40,259

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
2024	(1,444)	(2,970)	5,995	42,545
2023	(3,355)	(11,484)	20,579	40,848

## 2. Dividends

	Dividends per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
2023	Yen -	Yen 0.00	Yen -	Yen 106.00	Yen 106.00	Million yen 1,862	% 30.0	% 4.9
2024	-	0.00	-	84.20	84.20	1,506	30.0	3.5
2025 (forecast)	-	0.00	-	106.20	106.20		35.0	

## 3. Consolidated Forecast for 2025 (January 1 to December 31, 2025)

(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	130,628	17.9	3,543	50.3	3,183	33.7	1,555	110.9	87.57
Full year	281,439	16.2	10,179	18.5	9,356	9.4	5,389	8.2	303.35

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

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

(2) 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

(3) Number of shares issued (common stock)

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

As of Dec. 31, 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 Dec. 31, 2024:	113,769 shares	As of Dec. 31, 2023:	113,661 shares
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- 3) Average number of shares during the period
 

2024:	17,765,485 shares	2023:	17,547,265 shares
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**(Reference) Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for 2024 (January 1 to December 31, 2024)**

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2024	3,261	(1.4)	283	(64.3)	3,390	5.7	3,016	6.3
2023	3,308	2.7	794	17.3	3,205	15.1	2,839	27.8

	Net income per share	Diluted net income per share
	Yen	Yen
2024	169.82	169.46
2023	161.80	161.13

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2024	92,553	23,165	24.8	1,285.29
As of Dec. 31, 2023	84,416	20,749	24.5	1,177.37

Reference: Shareholders' equity (millions of yen) As of Dec. 31, 2024: 22,997 As of Dec. 31, 2023: 20,691

\* The current financial report is not subject to audit 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. Overview of Results of Operations, Etc. (5) Outlook" on page 6 for forecast assumptions and notes of caution for usage.

How to view supplementary materials for financial results

The Company plans to hold a financial results meeting for institutional investors and analysts on Friday, February 14, 2025. 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

The Japanese economy in 2024 reflected generally lackluster economies worldwide due to inflation and monetary tightening by central banks. This year started with challenges created by the Noto Peninsula earthquake at the beginning of 2024 and operational shutdowns in the automobile industry. Although consumer spending subsequently recovered slowly, declining real personal income caused by inflation and the cautious stance of companies regarding capital expenditures weighed on the economic recovery. As a result, the outlook for the Japanese economy remained uncertain.

The primary business environment surrounding the World Holdings Group continued to be challenging. In the semiconductor industry, the demand for people involving high-end devices increased during the second half of 2024 because of the increasing use of generative AI and large investments for new data centers. However, demand varied in different semiconductor product categories due partly to an excessive supply of general-purpose devices. Overall, the pace of the semiconductor industry recovery was slower than anticipated by World Holdings. In the real estate industry, consistently high prices of properties forced companies to remain cautious.

In this difficult business climate, the World Holdings Group diversified exposure to risk by using its diverse business portfolio, one of the group's key strengths, to operate in a wide range of business sectors. These activities limited the impact of challenging market conditions on results of operations, resulting in higher sales. However, performance was below the initial plan for 2024 as sales increased but profits were down.

Net sales increased 13.3% year on year to 242,226 million yen (down 3.9% vs. plan). Operating profit decreased 17.1% to 8,593 million yen (down 4.6% vs. plan), ordinary profit decreased 16.6% to 8,551 million yen (down 0.8% vs. plan), and profit attributable to owners of parent decreased 19.7% to 4,981 million yen (up 5.1% 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, market conditions were difficult during the first three quarters of 2024. The main reasons are the negative impacts of the Noto Peninsula earthquake at the beginning of 2024 and operational shutdowns in the automobile industry, and weakness in the semiconductor industry that continued longer than expected. However, we endeavored to minimize the impact of the challenging business climate on our performance by leveraging our strength in covering multiple sectors while shifting personnel across industries, and responding flexibly to changing market conditions. As a result, sales increased year on year, although profits were lower than both the previous year and the plan.

In the fourth quarter, the semiconductor industry started to recover and orders from companies in the manufacturing equipment, machine tool, automobile and other industries increased, resulting in sales and profits growth. In addition, there were expenditures for recruiting and training activities to be prepared for more growth in 2025. In particular, training programs for skills required in the semiconductor industry are a priority of this business. This business plans to continue speeding up programs to give people skills required in the semiconductor industry by using World Holdings' 11 nationwide training centers, including the recently completed Kumamoto Technical Center, and many other training programs.

Sales were 110,347 million yen, up 9.0% year on year (down 1.6% vs. plan) and segment profit decreased 10.1% to 3,308 million yen (down 22.1% vs. plan).

### Services Human Resources Business

Sales and profits significantly increased in the Services Human Resources Business. In our mainstay logistics sector, sales were somewhat below the plan because of a decline in the volume of cargo. The performance of this business was supported by higher productivity for the outsourced operation of distribution warehouses (3PL), the contribution of Yamato Staff Supply Co., Ltd., which joined the World Holdings Group last year, and the face-to-face sales sector that targeted opportunities associated with seasonal changes in demand at client companies.

In addition, the performance of the new HR Support business, which benefits from the labor management expertise of the logistics sector, was steady and contributed to profits. There was also a contribution to profits due to the even better than expected performance of the new warehouse in the city of Ogori in Fukuoka prefecture that is owned and operated by World Holdings. Know-how gained from this successful business model will be used in other business operations and preparations are moving forward for the construction and operation of more owned and operated warehouses for the growth in 2025.

Sales were 78,853 million yen, up 38.0% year on year (down 0.8% vs. plan) and segment profit increased 42.1% to 1,695 million yen (up 15.9% 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 due in part to properties originally planned for sale in 2024 that were sold in 2023. However, profits were above the plan. One reason is accurate marketing activities that raised the profitability of individual property sales. Profits also benefited from the rental income resulting from the continuing strategic leasing of real estate for sale. To grow consistently, this business is continuing to aim for the growth of property sales as well as of businesses that generate recurring revenue.

Major condominium sales of 2024 include 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. Sales and profits from BIZIA KOKURA, an office building in the city of Kitakyushu in Fukuoka prefecture, are now expected in 2025 instead of in 2024 as was originally planned.

Sales were 38,863 million yen, down 9.4% year on year (down 18.4% vs. plan) and segment profit decreased 34.6% to 3,001 million yen (up 4.0% 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 were higher and exceeded the plan for 2024. The performance of mobile phone shops has improved due to the benefits of using a scrap-and-build approach. In addition, measures to strengthen marketing activities raised the sales volume of these shops.

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 shops. In so doing, the Group will continue to enhance its presence and grow once more as a regional problem-solving base for both individuals and corporate customers.

Sales were 8,703 million yen, up 12.9% year on year (up 9.1% vs. plan) and segment profit was 101 million yen, compared with 4 million yen in 2023 (up 24.7% vs. plan).

### Agricultural Park Business

Sales and profits in the Agricultural Park Business increased and were higher than planned. The weather was generally favorable throughout the year, with some regional and seasonal variations. 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. The growth in the number of designated management contracts for public-sector facilities also contributed to strong performance.

In 2024, this business received park management designations at four facilities and started operations: 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 for the development of new facilities in 2025 are moving forward.

Sales were 5,457 million yen, up 15.6% year on year (up 12.3% vs. plan) and segment profit increased 66.5% to 169 million yen (up 5.4% vs. plan).

#### Overview of Business Results by Segment

(Millions of yen)			2023 Result	2024 Plan	2024 Result	Vs. Plan		Year-on-year change	
						Amount	%	Amount	%
Human Resources and Education Business	Manufacturing Human Resources Business	Net sales	101,246	112,144	110,347	(1,797)	(1.6)	9,101	9.0
		Segment profit (Profit margin)	3,679 (3.6%)	4,247 (3.8%)	3,308 (3.0%)	(939)	(22.1)	(371)	(10.1)
		Services Human Resources Business	Net sales	57,157	79,456	78,853	(603)	(0.8)	21,696
	Subtotal (Reference)	Segment profit (Profit margin)	1,193 (2.1%)	1,462 (1.8%)	1,695 (2.1%)	232	15.9	502	42.1
		Net sales	158,403	191,601	189,201	(2,400)	(1.3)	30,797	19.4
		Segment profit (Profit margin)	4,872 (3.1%)	5,710 (3.0%)	5,003 (2.6%)	(707)	(12.4)	130	2.7
Real Estate Business	Real Estate Business	Net sales	42,906	47,646	38,863	(8,782)	(18.4)	(4,043)	(9.4)
		Segment profit (Profit margin)	4,590 (10.7%)	2,884 (6.1%)	3,001 (7.7%)	116	4.0	(1,588)	(34.6)
		Information and Telecommu- nications Business	Net sales	7,710	7,976	8,703	727	9.1	993
Agricultural Park Business	Agricultural Park Business	Segment profit (Profit margin)	4 (0.1%)	81 (1.0%)	101 (1.2%)	20	24.7	97	-
		Net sales	4,721	4,861	5,457	596	12.3	736	15.6
		Segment profit (Profit margin)	101 (2.2%)	160 (3.3%)	169 (3.1%)	8	5.4	67	66.5
Total		Net sales	213,742	252,085	242,226	(9,859)	(3.9)	28,483	13.3
		Elimination or corporate	796	166	317	150	90.4	(479)	(60.1)
		Operating profit	10,365	9,003	8,593	(410)	(4.6)	(1,772)	(17.1)
		(Profit margin)	(4.8%)	(3.6%)	(3.5%)				

## (2) Financial Position

### Assets

Total assets increased 15,165 million yen from the end of 2023 to 174,370 million yen at the end of 2024. This was mainly due to increases of 1,890 million yen in cash and deposits, 1,414 million yen in notes and accounts receivable-trade, and 8,971 million yen in real estate for sale, and decreases of 1,660 million yen in real estate for sale in process and 1,084 million yen in goodwill.

### Liabilities

Total liabilities increased 10,635 million yen from the end of 2023 to 126,914 million yen. This was mainly due to increases of 5,150 million yen in short-term borrowings, 1,145 million yen in advances received and 1,964 million yen in long-term borrowings.

### Net assets

Net assets increased 4,530 million yen from the end of 2023 to 47,456 million yen. This was mainly due to increases

of 573 million yen in share capital, 573 million yen in capital surplus and 3,122 million yen in retained earnings.

### (3) Cash Flows

Cash and cash equivalents at the end of 2024 increased 1,696 million yen from the end of 2023 to 42,545 million yen.

The cash flow components during the fiscal year under review and the main reasons for changes are as described below.

#### Cash flows from operating activities

Net cash used in operating activities was 1,444 million yen. Main positive factors include profit before income taxes of 8,956 million yen and a 1,145 million yen increase in advances received. Major negative factors include a 1,387 million yen increase in trade receivables, a 7,310 million yen increase in real estate for sale and income taxes paid of 3,976 million yen.

#### Cash flows from investing activities

Net cash used in investing activities was 2,970 million yen. Main positive factors include collection of loans receivable of 201 million yen. Main negative factors include payments of 2,049 million yen for purchase of property, plant and equipment and 411 million yen for loan advances.

#### Cash flows from financing activities

Net cash provided by financing activities was 5,995 million yen. Main positive factors include a net increase in short-term borrowings of 12,426 million yen and proceeds of 7,625 million yen from long-term borrowings. Main negative factors include repayments of long-term borrowings of 12,943 million yen and dividends paid of 1,862 million yen.

#### Reference: Cash flow indicators

	2020	2021	2022	2023	2024
Equity ratio (%)	36.1	32.4	28.6	25.5	25.5
Market value-based equity ratio (%)	43.2	46.5	35.6	30.1	20.3
Interest-bearing debt to cash flow ratio (%)	212.6	2,861.6	(1,174.1)	(2,347.7)	(5,946.6)
Interest coverage ratio (times)	81.3	7.6	21.1	10.9	(2.9)

Equity ratio: Shareholders' equity / Total assets

Market value-based equity ratio: Market capitalization / Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payments

Notes: 1. All indices are calculated based on consolidated figures.

2. Market capitalization is calculated by the total number of shares outstanding after the deduction of treasury shares.

3. Cash flows are calculated using the figures for operating cash flows on the consolidated statement of cash flows.

4. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.

### (4) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

The basic policy for profit distributions is to distribute profits in a manner that reflects results of operations while retaining sufficient earnings for future business operations and for making business operations stronger. For dividends, the goal is to stably and consistently increase the dividend while using a consolidated payout ratio of 30% as the guideline for dividends. We plan to pay a year-end dividend of 84.20 yen per share for 2024, as stated in "Notice of Dividends from Surplus and Change in Dividend Policy" announced today.

The Company considers the return of profits to shareholders to be one of its most important management tasks, and aims to provide continuous profit returns to shareholders while comprehensively taking into consideration its earnings and financial position. Therefore, we have decided to raise the dividend payout ratio from 30% to 35%, aiming to further strengthen returns to our shareholders. For the next fiscal year, we plan to pay a year-end dividend of 106.20 yen per share based on the above policy. We will continue to strive to enhance corporate value by

continuously returning profits to shareholders while strengthening our earnings base and stabilizing our financial position. For details, please refer to the “Notice Concerning Dividends from Surplus and Changes in Dividend Policy” released today.

## **(5) Outlook**

Although the Japanese economy is expected to recover slowly in 2025, the level of uncertainty will probably remain high during the year due to worldwide inflation and monetary tightening, rising geopolitical risk, and other reasons. We believe this environment will require a continuation of a cautious stance concerning business operations.

The core Human Resources and Education Business, based on the outlook for only a slow recovery of the semiconductor industry, will adapt with flexibility to economic changes by leveraging its strength in covering multiple sectors. This business is also focusing on training programs to establish an even more prominent position in its markets.

The Real Estate Business, where prices are expected to remain high, will retain a cautious stance while utilizing its land development expertise to acquire and sell properties that can be highly profitable. For the stability of sales and profits, this business will continue the strategic leasing of real estate for sale to increase rental and other income.

In these two businesses, we will maximize the benefits of our diversified business portfolio, which is one of our group’s greatest strengths, to aim for steady growth even when there is uncertainty about the economy and the outlook.

Further details will be provided in the supplementary financial statement published on February 14, 2025.

Based on the above, we forecast net sales of 281,439 million yen (up 16.2% year on year), operating profit of 10,179 million yen (up 18.5% year on year), ordinary profit of 9,356 million yen (up 9.4% year on year), and profit attributable to owners of parent of 5,389 million yen (up 8.2% year on year) in 2025.

## **2. Basic Approach for the Selection of Accounting Standards**

The Group uses Japanese accounting standards.

Decisions about the use of International Financial Reporting Standards will be made by taking into consideration the use of accounting standards in Japan and other countries.



### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

	(Millions of yen)	
	2023	2024
	(As of Dec. 31, 2023)	(As of Dec. 31, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	40,848	42,739
Notes and accounts receivable-trade	25,148	26,562
Merchandise and finished goods	776	1,062
Real estate for sale	9,928	18,900
Work in process	241	245
Real estate for sale in process	52,335	50,675
Other	4,672	8,450
Allowance for doubtful accounts	(7)	(10)
<b>Total current assets</b>	<b>133,944</b>	<b>148,625</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	11,323	11,671
Accumulated depreciation	(7,991)	(8,298)
Buildings and structures, net	3,331	3,372
Land	4,796	5,957
Other	6,049	6,509
Accumulated depreciation	(4,462)	(4,928)
Other, net	1,586	1,581
<b>Total property, plant and equipment</b>	<b>9,714</b>	<b>10,911</b>
<b>Intangible assets</b>		
Goodwill	9,210	8,126
Other	273	256
<b>Total intangible assets</b>	<b>9,484</b>	<b>8,382</b>
<b>Investments and other assets</b>		
Investment securities	1,579	1,437
Deferred tax assets	2,213	2,457
Leasehold and guarantee deposits	1,532	1,808
Retirement benefit asset	15	116
Other	1,150	1,061
Allowance for doubtful accounts	(430)	(430)
<b>Total investments and other assets</b>	<b>6,061</b>	<b>6,451</b>
<b>Total non-current assets</b>	<b>25,260</b>	<b>25,745</b>
<b>Total assets</b>	<b>159,204</b>	<b>174,370</b>

	(Millions of yen)	
	2023	2024
	(As of Dec. 31, 2023)	(As of Dec. 31, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	1,186	1,468
Accounts payable-real estate business	1,749	1,599
Short-term borrowings	45,883	51,034
Accrued expenses	13,267	13,528
Advances received	1,002	2,147
Income taxes payable	2,239	2,658
Accrued consumption taxes	4,083	3,704
Provision for bonuses	426	542
Other	6,918	8,510
<b>Total current liabilities</b>	<b>76,757</b>	<b>85,195</b>
<b>Non-current liabilities</b>		
Long-term borrowings	32,893	34,858
Provision for retirement benefits for directors (and other officers)	201	199
Retirement benefit liability	3,967	4,763
Other	2,459	1,898
<b>Total non-current liabilities</b>	<b>39,521</b>	<b>41,718</b>
<b>Total liabilities</b>	<b>116,278</b>	<b>126,914</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,350	1,924
Capital surplus	1,540	2,114
Retained earnings	37,463	40,585
Treasury shares	(119)	(119)
<b>Total shareholders' equity</b>	<b>40,234</b>	<b>44,503</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	51	59
Foreign currency translation adjustment	57	86
Remeasurements of defined benefit plans	(83)	(145)
<b>Total accumulated other comprehensive income</b>	<b>25</b>	<b>(0)</b>
Share acquisition rights	58	168
Non-controlling interests	2,608	2,784
<b>Total net assets</b>	<b>42,926</b>	<b>47,456</b>
<b>Total liabilities and net assets</b>	<b>159,204</b>	<b>174,370</b>

**(2) Consolidated Statements of Income and Comprehensive Income****Consolidated Statement of Income**

(Millions of yen)

	2023 (Jan. 1 – Dec. 31, 2023)	2024 (Jan. 1 – Dec. 31, 2024)
Net sales	213,742	242,226
Cost of sales	176,122	203,438
Gross profit	37,619	38,787
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	0	7
Remuneration for directors (and other officers)	658	722
Salaries and allowances	10,154	11,266
Provision for bonuses	136	227
Retirement benefits for directors (and other officers)	10	-
Retirement benefit expenses	297	288
Provision for retirement benefits for directors (and other officers)	27	18
Welfare expenses	2,086	2,362
Depreciation	473	587
Rent expenses	1,451	1,534
Amortization of goodwill	829	1,082
Other	11,125	12,098
Total selling, general and administrative expenses	27,254	30,194
Operating profit	10,365	8,593
Non-operating income		
Interest and dividend income	56	21
Subsidy income	23	39
Compensation income	-	198
Other	213	359
Total non-operating income	293	619
Non-operating expenses		
Interest expenses	307	486
Loss on retirement of non-current assets	25	-
Other	74	175
Total non-operating expenses	407	661
Ordinary profit	10,251	8,551
Extraordinary income		
Insurance claim income	0	6
Subsidy income	-	623
Total extraordinary income	0	629
Extraordinary losses		
Provision of allowance for doubtful accounts	80	-
Impairment losses	35	32
Loss on valuation of shares of subsidiaries and associates	13	181
Loss on disaster	1	9
Total extraordinary losses	131	223
Profit before income taxes	10,120	8,956
Income taxes-current	3,840	4,388
Income taxes-deferred	(70)	(677)
Total income taxes	3,770	3,710
Profit	6,350	5,246
Profit attributable to non-controlling interests	145	264
Profit attributable to owners of parent	6,204	4,981

**Consolidated Statement of Comprehensive Income**

(Millions of yen)

	2023 (Jan. 1 – Dec. 31, 2023)	2024 (Jan. 1 – Dec. 31, 2024)
Profit	6,350	5,246
Other comprehensive income		
Valuation difference on available-for-sale securities	37	7
Foreign currency translation adjustment	24	43
Remeasurements of defined benefit plans, net of tax	124	(62)
Total other comprehensive income	186	(11)
Comprehensive income	6,537	5,234
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,383	4,955
Comprehensive income attributable to non-controlling interests	153	278

**(3) Consolidated Statement of Changes in Equity**

2023 (Jan. 1 – Dec. 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,314	1,504	32,862	(119)	35,561
Changes during period					
Issuance of new shares	35	35			71
Dividends of surplus			(1,603)		(1,603)
Profit attributable to owners of parent			6,204		6,204
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	35	35	4,600	(0)	4,672
Balance at end of period	1,350	1,540	37,463	(119)	40,234

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	14	40	(207)	(153)	76	1,710	37,195
Changes during period							
Issuance of new shares							71
Dividends of surplus							(1,603)
Profit attributable to owners of parent							6,204
Purchase of treasury shares							(0)
Net changes in items other than shareholders' equity	37	17	124	179	(18)	897	1,057
Total changes during period	37	17	124	179	(18)	897	5,730
Balance at end of period	51	57	(83)	25	58	2,608	42,926

2024 (Jan. 1 – Dec. 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,350	1,540	37,463	(119)	40,234
Changes during period					
Issuance of new shares	573	573			1,147
Dividends of surplus			(1,862)		(1,862)
Profit attributable to owners of parent			4,981		4,981
Purchase of treasury shares				(0)	(0)
Increase in subsidiary's surplus due to change in scope of consolidation			3		3
Net changes in items other than shareholders' equity					
Total changes during period	573	573	3,122	(0)	4,269
Balance at end of period	1,924	2,114	40,585	(119)	44,503

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	51	57	(83)	25	58	2,608	42,926
Changes during period							
Issuance of new shares							1,147
Dividends of surplus							(1,862)
Profit attributable to owners of parent							4,981
Purchase of treasury shares							(0)
Increase in subsidiary's surplus due to change in scope of consolidation							3
Net changes in items other than shareholders' equity	7	28	(62)	(26)	110	176	260
Total changes during period	7	28	(62)	(26)	110	176	4,530
Balance at end of period	59	86	(145)	(0)	168	2,784	47,456

**(4) Consolidated Statement of Cash Flows**

(Millions of yen)

	2023 (Jan. 1 – Dec. 31, 2023)	2024 (Jan. 1 – Dec. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	10,120	8,956
Depreciation	951	1,026
Impairment losses	35	32
Amortization of goodwill	829	1,082
Increase (decrease) in allowance for doubtful accounts	78	2
Increase (decrease) in provision for retirement benefits for directors (and other officers)	3	(1)
Decrease (increase) in retirement benefit asset	(15)	(105)
Increase (decrease) in retirement benefit liability	634	673
Interest and dividend income	(56)	(21)
Interest expenses	307	486
Subsidy income	-	(623)
Loss on retirement of non-current assets	25	9
Loss on valuation of shares of subsidiaries and associates	13	181
Decrease (increase) in trade receivables	(1,677)	(1,387)
Decrease (increase) in inventories	5	(337)
Decrease (increase) in real estate for sale	(12,658)	(7,310)
Increase (decrease) in trade payables	1,411	113
Increase (decrease) in accrued expenses	954	220
Increase (decrease) in advances received	(174)	1,145
Increase (decrease) in accrued consumption taxes	(11)	(692)
Increase (decrease) in other current liabilities	987	1,497
Other, net	(280)	(2,355)
Subtotal	1,485	2,591
Interest and dividends received	33	17
Interest paid	(313)	(497)
Income taxes paid	(4,862)	(3,976)
Income taxes refund	301	420
Net cash provided by (used in) operating activities	(3,355)	(1,444)
Cash flows from investing activities		
Payments into time deposits	-	(193)
Proceeds from withdrawal of time deposits	13	-
Purchase of property, plant and equipment	(4,338)	(2,049)
Purchase of intangible assets	(112)	(79)
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	(6,593)	-
Payments for acquisition of businesses	(42)	-
Purchase of investments in non-consolidated subsidiary	(284)	(3)
Net decrease (increase) in lease and guarantee deposits	(13)	(275)
Loan advances	(430)	(411)
Proceeds from collection of loans receivable	275	201
Other, net	26	(158)

Net cash provided by (used in) investing activities	(11,484)	(2,970)
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(Millions of yen)

	2023 (Jan. 1 – Dec. 31, 2023)	2024 (Jan. 1 – Dec. 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	9,328	12,426
Proceeds from long-term borrowings	22,208	7,621
Repayments of long-term borrowings	(9,325)	(12,943)
Repayments of lease obligations	(12)	(28)
Proceeds from issuance of shares	53	898
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,603)	(1,862)
Dividends paid to non-controlling interests	(68)	(115)
Net cash provided by (used in) financing activities	20,579	5,995
Effect of exchange rate change on cash and cash equivalents	31	40
Net increase (decrease) in cash and cash equivalents	5,770	1,621
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	40,848	42,545



## **(5) Notes to Consolidated Financial Statements**

### **Going Concern Assumption**

Not applicable.

### **Segment Information**

#### 1. Overview of reportable segments

Segments used for financial reporting are the constituent units for which separate financial information is available and for which the Board of Directors performs periodic studies for the purposes of determining the allocation of resources and evaluating performance. Based on the characteristics of products and services, World Holdings has established the following reportable segments: Manufacturing Human Resources Business, Services Human Resources Business, Real Estate Business, Information and Telecommunications Business, and Agricultural Park Business.

Overview of each business segment is as follows.

- (1) Manufacturing Human Resources Business: Subcontracting and outsourcing, temporary staffing services (manufacturing, technology, construction engineering, outsourced software development, R&D, clinical research outsourcing, repair, etc.)
- (2) Services Human Resources Business: Subcontracting and outsourcing, temporary staffing services (logistics, tourism, face-to-face sales)
- (3) Real Estate Business: Comprehensive real estate business (Development, renovations, rental/brokerage/management services, manufacture/sale/rental of prefabricated houses, etc.)
- (4) Information and Telecommunications Business: Operations of mobile phone shops, provision of solutions for corporate clients, operation of call centers
- (5) Agricultural Park Business: Management and operation of agricultural parks

#### 2. Calculation methods for net sales, profit or loss, assets, and other items for each reportable segment

The accounting methods for reportable segments are the same as those used for preparing the consolidated financial statements.

Profits for reportable business segments are operating profit figures.

Inter-segment sales and transfers are based on market prices.

## 3. Information related to net sales, profit or loss, assets and other items for each reportable segment

2023 (Jan. 1 – Dec. 31, 2023)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Manufacturing Human Resources Business	Services Human Resources Business	Real Estate Business	Information and Telecommunications Business	Agricultural Park Business	Subtotal		
Net sales								
Sales to external customers	101,246	57,157	42,906	7,710	4,721	213,742	-	213,742
Inter-segment sales and transfers	641	180	15	81	22	941	(941)	-
Total	101,887	57,338	42,921	7,792	4,743	214,684	(941)	213,742
Segment profit	3,679	1,193	4,590	4	101	9,568	796	10,365
Segment assets	37,993	20,579	85,398	3,116	3,111	150,199	9,005	159,204
Other items								
Depreciation	80	49	531	29	158	849	102	951
Amortization of goodwill	424	387	-	17	-	829	-	829
Impairment loss	-	-	-	27	-	27	8	35
Increase in property, plant and equipment and intangible assets	129	32	4,125	25	287	4,600	159	4,759

Notes: 1. Contents of adjustments are as follows.

- (1) The 796 million yen adjustment to segment profit includes elimination for inter-segment transactions of 5 million yen, and 790 million yen in corporate income and expenses that cannot be allocated to any of the reportable segments. Corporate income mainly consists of management guidance fees received from all group companies. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.
- (2) The 9,005 million yen adjustment to segment assets is corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly consist of surplus funds (cash and deposits).
- (3) The 102 million yen adjustment to depreciation is related to corporate assets that are not allocated to any of the reportable segments.
- (4) The 8 million yen adjustment to impairment loss is related to corporate assets that are not allocated to any of the reportable segments.
- (5) The 159 million yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures related to corporate assets that are not allocated to any of the reportable segments.

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

2024 (Jan. 1 – Dec. 31, 2024)

(Millions of yen)

	Reportable segment						Adjustments (Note 1)	Amounts shown on consolidated financial statements (Note 2)
	Manufacturing Human Resources Business	Services Human Resources Business	Real Estate Business	Information and Telecommunications Business	Agricultural Park Business	Subtotal		
Net sales								
Sales to external customers	110,347	78,853	38,863	8,703	5,457	242,226	-	242,226
Inter-segment sales and transfers	660	179	34	52	22	948	(948)	-
Total	111,008	79,032	38,897	8,756	5,480	243,175	(948)	242,226
Segment profit	3,308	1,695	3,001	101	169	8,275	317	8,593
Segment assets	40,221	20,472	98,002	3,379	3,420	165,496	8,874	174,370
Other items								
Depreciation	103	71	544	31	173	924	101	1,026
Amortization of goodwill	599	481	-	1	-	1,082	-	1,082
Impairment loss	-	-	-	32	-	32	-	32
Increase in property, plant and equipment and intangible assets	300	120	1,386	31	393	2,233	37	2,271

Notes: 1. Contents of adjustments are as follows.

- (1) The 317 million yen adjustment to segment profit includes elimination for inter-segment transactions of 30 million yen, and 286 million yen in corporate income and expenses that cannot be allocated to any of the reportable segments. Corporate income mainly consists of management guidance fees received from all group companies. Corporate expenses mainly consist of general and administrative expenses that are not attributable to any of the reportable segments.
  - (2) The 8,874 million yen adjustment to segment assets is corporate assets that are not allocated to any of the reportable segments. Corporate assets mainly consist of surplus funds (cash and deposits).
  - (3) The 101 million yen adjustment to depreciation is related to corporate assets that are not allocated to any of the reportable segments.
  - (4) The 37 million yen adjustment to increase in property, plant and equipment and intangible assets is capital expenditures related to corporate assets that are not allocated to any of the reportable segments.
2. Segment profit is adjusted to be consistent with operating profit shown on the consolidated statement of income.

**Per-share Information**

(Yen)

	2023 (Jan. 1 – Dec. 31, 2023)	2024 (Jan. 1 – Dec. 31, 2024)
Net assets per share	2,290.86	2,487.25
Net income per share	353.61	280.39
Diluted net income per share	352.15	279.79

Note: Basis for the calculation of net income per share and diluted net income per share is as follows:

	2023 (Jan. 1 – Dec. 31, 2023)	2024 (Jan. 1 – Dec. 31, 2024)
Net income per share		
Profit attributable to owners of parent (Millions of yen)	6,204	4,981
Amount not attributable to common shareholders (Millions of yen)	-	-
Profit attributable to owners of parent applicable to common stock (Millions of yen)	6,204	4,981
Average number of shares outstanding during the period (Shares)	17,547,265	17,765,485
Diluted net income per share		
Adjustment to profit attributable to owners of parent (Millions of yen)	-	-
Increase in number of common stock (Shares)	73,054	38,625
[of which share acquisition rights (Shares)]	[73,054]	[38,625]
Summary of potentially dilutive shares not included in the calculation of diluted net income per share due to their anti-dilutive effect	-	-

**Subsequent Events**

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.*