

March 10, 2025

Company name: WORLD HOLDINGS CO., LTD.
Representative: Eikichi Iida, Chairman and President
Listing: Tokyo Stock Exchange, Prime Market
Stock code: 2429
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Notice Concerning Capital and Business Alliance with nms Holdings and Underwriting of Sale of Treasury Shares through a Third-party Allotment

The Board of Directors of World Holdings Co., Ltd. approved a resolution on March 10, 2025 to establish a capital and business alliance with nms Holdings Corporation. This resolution includes the signing of an alliance contract with nms Holdings that determines the terms of the capital and business alliance and the purchase by World Holdings of nms Holdings common stock as part of this alliance by using a third-party allotment of nms Holdings treasury shares.

World Holdings will use the third-party allotment to purchase 3,719,700 shares of nms Holdings common stock. This number of shares is equivalent to 19.38% (rounded to the second decimal place) of the total of 191,953 voting rights of nms Holdings. This number is the sum of 154,756 voting rights (155,376 voting rights as of September 30, 2024 minus voting rights of the nms Holdings stock acquired at no cost from directors of this company on February 28 and March 7, 2025) and the 37,197 voting rights that World Holdings will hold following the third-party allotment. As one step for the efficient establishment of this alliance, with the approval of nms Holdings shareholders, an individual from World Holdings is expected to become a director of nms Holdings.

I. Purpose and reason for the alliance

The core Human Resources and Education business of World Holdings encompasses a broad range of upstream and downstream manufacturing activities. Operations cover R&D, design/development, production, logistics, sales, repairs, after-sales services and other activities. World Holdings provides solutions by using subcontracting, outsourcing and other formats. With a broad lineup of support services, World Holdings can meet the needs of customers in the semiconductor, electric and electronic components, automobile, machinery, IT systems, pharmaceutical, biotechnology, chemicals, logistics, tourism, face-to-face sales and many other business sectors. nms Holdings has three business segments that are involved with manufacturing operations extending from human resources to the design, development and production of goods. The Human Resource Solution (HS) business has temporary staffing and contract manufacturing operations. The Electronics Manufacturing Service (EMS) business is engaged in design, development and contract manufacturing of automotive and electronic devices. The Power Supply (PS) business develops, manufactures and sells general-use power supplies.

For the growth of its distinctive business portfolio on a global scale, nms Holdings is (1) reexamining the recruiting strategy for the HS business, (2) reexamining the strategy for locations of this business in Japan and other countries, and (3) planning on investments to increase production capacity in the EMS business. Furthermore, for more growth of corporate value, nms Holdings was seeking ways to improve financial soundness, which is the foundation for this growth, with steps such as increasing equity.

World Holdings, which has businesses in the human resources sector just as nms Holdings does, has been exchanging opinions and taking other actions concerning a possible business alliance with nms Holdings. In the middle of January 2025, in part based on the current status of nms Holdings, the two companies began to consider establishing an alliance for solving the issues of nms Holdings and making progress with the two companies' business strategies.

The studies concerning a possible alliance identified similarities that could contribute to the growth of World Holdings' base for its businesses. One reason is the close ties between the operations of World Holdings and the three business segments of nms Holdings. Another reason is the complementary nature of the operating areas of the two companies and opportunities for cooperation involving recruiting, especially in the HS business of nms Holdings. For example, World Holdings has a strong position in western Japan and nms Holdings has a strong position in eastern Japan. The companies are also a good match concerning the recruiting of many types of people and their customers' needs. Another expected benefit concerns the matching of human resources with the needs of employees and job seekers. Furthermore, World Holdings concluded that combining the two companies' subcontracting and outsourcing expertise is expected to improve productivity and create benefits for employees to establish and achieve career goals.

Another expected benefit of an alliance is the strengthening and expansion of the customer base of nms Holdings in all three of its business segments by utilizing the comprehensive sales framework and seamless strategies that closely link World Holdings Group companies. World Holdings will benefit by gaining access to the factory operation skills of the EMS and PS businesses of nms Holdings. This know-how is expected to further strengthen subcontracting and outsourcing activities in the human resources sector. Furthermore, this capability can be used to train people for manufacturing jobs. With respect to seamless strategies, the services of World Holdings extend from upstream manufacturing steps like R&D to downstream steps like production and logistics and to after-sales services like repairs. Organic cooperation with the three businesses of nms Holdings is expected to reinforce the position of World Holdings as a one-stop source of services. The result is expected to be an infrastructure capable of meeting a broad range of client needs.

The demand in Japan for human resource services involving foreign workers is continuing to increase. World Holdings believes that the expertise of nms Holdings will be useful for upgrading the ability to provide these services.

For these reasons, World Holdings and nms Holdings reached the conclusion that sharing their large operations, financial strengths, human resources, technologies and other management resources can produce synergies that contribute to growth of both companies, such as by strengthening capabilities for technologies and proposals for customers. Due to similarities of the two companies' businesses and the outlook for synergies, World Holdings decided that the establishment of a business alliance as described in the following section "II. Details of the capital and business alliance 1. Business alliance" would make a significant contribution to the business strategies of World Holdings and the growth of corporate value.

In addition, the decision was made to use a third-party allotment to establish a capital alliance, in part because nms Holdings had been constantly seeking a way to use its treasury shares. Forming a capital alliance will create a sound base for cooperation and reinforce the business alliance. Furthermore, nms Holdings needed to improve its financial soundness by increasing net assets and its equity ratio for the purposes of funding continuous investments for growth and the expansion of business operations.

II. Details of the capital and business alliance

1. Business alliance

(1) Complementary geographic strengths in the human resources sector

Combining the strengths of World Holdings in western Japan and nms Holdings in eastern Japan is expected to enable a speedy and flexible strategy for business sites for covering all areas of Japan.

(2) A better ability to recruit many types of people

Cooperation between the recruiting tools and infrastructures of the two companies is expected to increase the matching efficiency of recruiting activities. This is expected to allow placing the right people in the right positions from the standpoint of both current employees and job seekers.

(3) Combining manufacturing sector knowledge for a more powerful lineup of services and manufacturing job training

The two companies will combine expertise in their human resource businesses involving the subcontracting of tasks at customers' factories. In addition, World Holdings will have access to the factory operation, quality assurance and control, and other manufacturing expertise of the EMS and PS businesses of nms Holdings. World Holdings plans to use these skills to strengthen the foundation of subcontracting and outsourcing activities of its human resource business and make this business more profitable.

(4) Establishment of a comprehensive sales framework that covers all business segments

World Holdings has group companies that operate in a broad spectrum of business categories and markets. These management resources will be used to enable broad-based sales activities at all of the businesses of the nms Holdings Group. Moreover, the seamless strategy of World Holdings will make possible organic cooperation between the two companies. This is expected to create a one-stop capability to meet clients' needs due to the expansion of service domains.

(5) Know-how involving foreign workers and growth in scale of operations

nms Holdings has extensive knowledge concerning foreign workers in Japan, including bringing these people to Japan, training them, helping them find jobs and other tasks. By using this expertise, World Holdings and nms Holdings will work together to locate and capitalize on new sources of demand. Cooperation also has the goal of upgrading capabilities for providing services involving foreign workers, where more demand is expected in the future.

2. Capital alliance

The details of the third-party allotment are as follows. For more information, please also refer to the press release regarding the capital and business alliance, sale of treasury shares through a third-party allotment and changes in the largest shareholder and other major shareholders, which was announced by nms Holdings today.

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|-----|--|---------------------------------|
| (1) | Number of shares purchased (number of voting rights) | 3,719,700 shares (37,197 units) |
| (2) | Payment per share | 372 yen per share |
| (3) | Total payment | 1,383,728,400 yen |
| (4) | Payment date | March 26, 2025 |
| (5) | Stock held after allotment (Note 2) | 17.21% |
| (6) | Voting rights held after allotment (Note 3) | 19.38% |

Notes: 1. The percentages are rounded to the second decimal place.

2. Stock held after allotment is the percentage of the total number of issued shares of nms Holdings (21,611,000 shares) as of December 31, 2024.

3. Voting rights held after allotment is the percentage is based on 191,953 voting rights of nms Holdings, which is the sum of 154,756 voting rights (155,376 voting rights as of September 30, 2024 minus voting rights of the nms Holdings stock acquired at no cost from directors of this company on February 28 and March 7, 2025) and the 37,197 voting rights that World Holdings will hold following the third-party allotment.

3. Election of nms Holdings director from World Holdings

The alliance contract gives World Holdings the right to name one individual who will become a director of nms Holdings. This right assumes that the total payment is made on the payment date and that World Holdings has at least 10% of the voting rights of nms Holdings. At its 40th General Meeting of Shareholders to be held in June 2025, nms Holdings plans to submit a proposal for the election of directors including one personnel nominated by World Holdings as a director candidate.

III. Profile of nms Holdings

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|---|--|-------------|-------------|
| (1) Name | nms Holdings Corporation | | |
| (2) Location | 3-20-2 Nishi-shinjuku, Shinjuku-ku, Tokyo | | |
| (3) Representative | Toshiko Kono, President and Director | | |
| (4) Business | Human Resource Solution Business, Electronics Manufacturing Service Business and Power Supply Business | | |
| (5) Capital | 500 million yen (as of December 31, 2024) | | |
| (6) Established | August 27, 1990 | | |
| (7) Major shareholders and shareholding ratio (holding ratio to total number of issued shares (excluding treasury shares) (Note 2)) | Fumiaki Ono | | 23.23% |
| | SBI Securities Co., Ltd. | | 3.42% |
| | Hidehisa Fukumoto | | 2.84% |
| | Ueda Yagi Tanshi Co., Ltd. | | 2.67% |
| | BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing Proxy: MUFG Bank, Ltd.) | | 2.65% |
| | Kazumitsu Shiozawa | | 2.26% |
| | Tokai Tokyo Securities Co., Ltd. | | 1.63% |
| | Yoshiaki Shimane | | 1.38% |
| | nms Group Employee Stock Ownership Association | | 1.21% |
| | Morgan Stanley MUFG Securities Co., Ltd. | | 1.15% |
| (8) Relationships between World Holdings and nms Holdings | | | |
| Capital | Not applicable. | | |
| Personnel | Not applicable. | | |
| Business | Not applicable. | | |
| Related party | Not applicable. | | |
| (9) nms Holdings' financial highlights for the last three years | | | |
| Fiscal year ended | March 2022 | March 2023 | March 2024 |
| Consolidated net assets | 2,693 | 2,514 | 3,344 |
| Consolidated total assets | 34,842 | 38,932 | 35,976 |
| Consolidated net sales | 63,277 | 79,033 | 72,874 |
| Consolidated operating profit | (361) | 1,537 | 1,888 |
| Consolidated ordinary profit | 122 | 1,426 | 1,570 |
| Profit attributable to owners of parent | (1,980) | 505 | 737 |
| Consolidated net income per share (Yen) | (121.17) | 32.52 | 47.42 |
| Consolidated net assets per share (Yen) | 172.75 | 161.19 | 214.54 |
| Dividend per share [interim dividend per share] (Yen) | 5.00 [0.00] | 6.00 [0.00] | 7.00 [0.00] |

(Millions of yen, unless otherwise stated)

Notes: 1. All figures are as of today unless otherwise stated.

2. Shareholding ratios use the number of shares issued as of September 30, 2024 based on the shareholder register after deducting the 6,067,900 treasury shares on this date, the 42,000 shares acquired at no cost from an nms Holdings director on February 28, 2025 (see note 3), and the 20,000 shares acquired at no cost from an nms Holdings director on March 7, 2025.

3. The shareholding ratio for Fumiaki Ono is after 42,000 shares were received from Mr. Ono at no cost on February 28, 2025.

IV. Schedule

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| 1. Board of Directors resolutions for the alliance and third-party allotment: | March 10, 2025 |
| 2. Signing of alliance and third-party allotment contracts: | March 10, 2025 |
| 3. Contractual starting date of the business alliance: | March 26, 2025 (tentative) |
| 4. Payment date of the third-party allotment: | March 26, 2025 (tentative) |

V. Outlook

This capital and business alliance is expected to have only a negligible effect on our consolidated results of operations in 2025. An announcement will be made promptly if there is any information that requires disclosure.

VI. For more information

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