



Create a Sustainable World

FY2023 Financial Results

First Quarter

May 11, 2023 (Thu.)
WORLD HOLDINGS CO., LTD.
TSE Prime Market (2429)

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Overall summary

Human Resources and Education and Real Estate performance exceeded the plan while adapting accurately to changes in several business portfolios; steady progress regarding preparations for the second half, which is expected to be the majority of sales and earnings.

Human Resources and Education Business

Exceeded the plan due to stability of several business sectors, even though the plan incorporated a downturn following the end of big one-time projects in 2022; negative effect on performance of the global downturn in smartphones and electronic component production.

Real Estate Business

Retaining a cautious stance as prices remain high. Sales and especially earnings were higher than planned due to well-timed property sales and closings. Sales are progressing as planned for closing dates in the second half, which will be the majority of 2023 sales and earnings.

Information and Telecommunications Business

Big changes are occurring in Japan's mobile phone shop sector. Lower cost of mobile phone plans reduced fee income. Taking actions to increase portfolio stability.

Agricultural Park Business

Although attendance is low during the winter, visitors were higher than planned due to measures to bring people in and the loss was smaller than planned. Preparing for the peak season that began in April.

Overview of Business Results

- Steady sales and earnings growth backed by a diversified portfolio; majority of sales/earnings planned for the second half of 2023
- Sales – Higher sales as the core Human Resources and Education Business responded accurately to changes in several business sectors
- Earnings – Higher earnings due to well-timed property sales and closings in the Real Estate Business

(Million yen)

	FY2022 1Q Actual	FY2023 1Q Estimate	FY2023 1Q Actual	Against estimate		YoY	
				Change	Pct. change	Change	Pct. change
				Net sales	40,711	41,588	43,724
Operating profit	1,214	1,135	1,934	799	70.4%	720	59.4%
Ordinary profit	1,302	1,084	1,906	821	75.8%	604	46.4%
Profit attributable to owners of parent	496	672	963	290	43.1%	466	94.0%

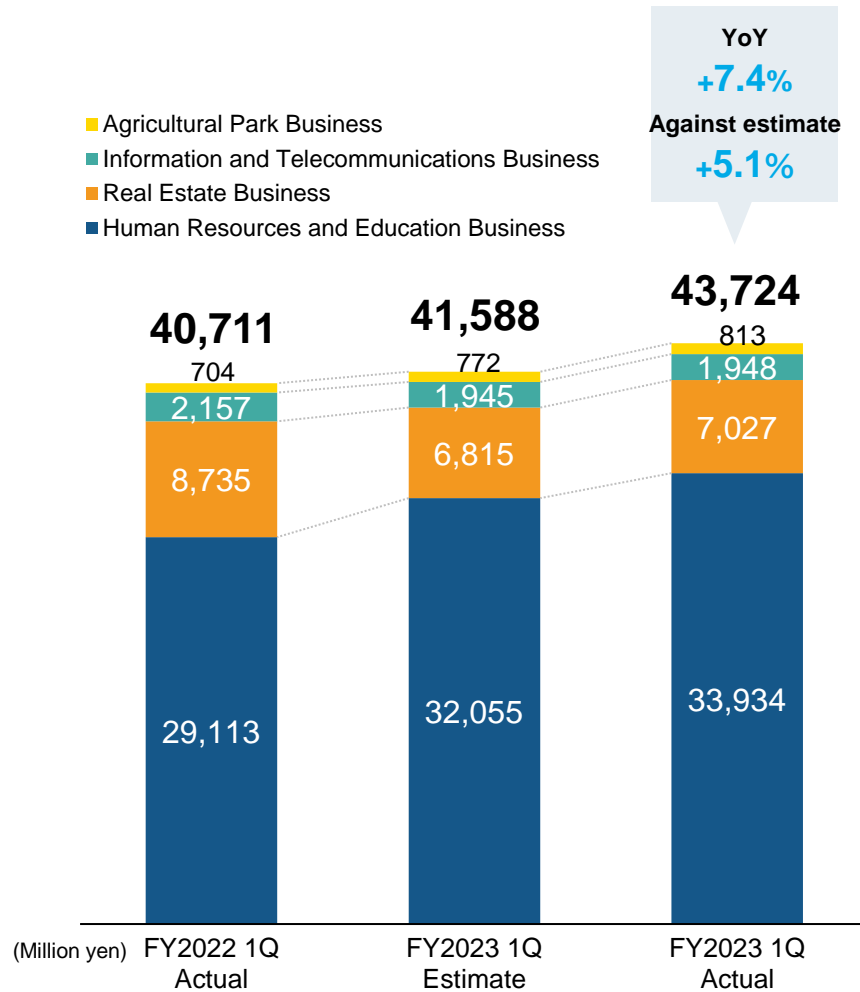
Overview of Business Results by Segment (1)

(Million yen)

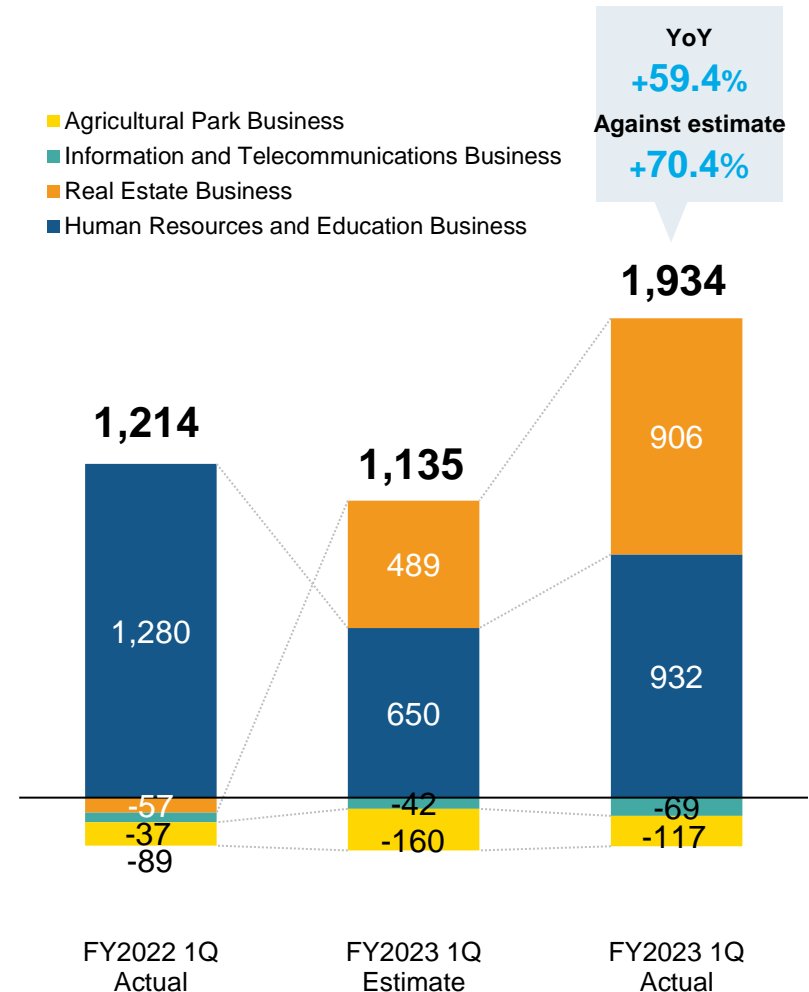
		FY2022 1Q Actual	FY2023 1Q Estimate	FY2023 1Q Actual	Against estimate		YoY	
					Change	Pct. change	Change	Pct. change
Human Resources and Education Business	Net sales	29,113	32,055	33,934	1,879	5.9%	4,821	16.6%
	Segment profit	1,280	650	932	282	43.4%	-347	-27.1%
	Profit margin	4.4%	2.0%	2.7%				
Products Human Resources Business	Net sales	19,938	21,436	23,450	2,013	9.4%	3,511	17.6%
	Segment profit	887	626	918	291	46.5%	30	3.5%
	Profit margin	4.5%	2.9%	3.9%				
Services Human Resources Business	Net sales	9,174	10,619	10,484	-134	-1.3%	1,309	14.3%
	Segment profit	392	24	14	-9	-39.6%	-378	-96.3%
	Profit margin	4.3%	0.2%	0.1%				
Real Estate Business	Net sales	8,735	6,815	7,027	212	3.1%	-1,708	-19.6%
	Segment profit	-57	489	906	417	85.2%	964	-
	Profit margin	-	7.2%	12.9%				
Information and Telecommunications Business	Net sales	2,157	1,945	1,948	3	0.2%	-209	-9.7%
	Segment profit	-37	-42	-69	-27	-	-32	-
	Profit margin	-	-	-				
Agricultural Park Business	Net sales	704	772	813	40	5.3%	108	15.4%
	Segment profit	-89	-160	-117	42	-	-28	-
	Profit margin	-	-	-				
Total	Net sales	40,711	41,588	43,724	2,135	5.1%	3,012	7.4%
	Elimination or corporate	117	198	283	85	42.9%	165	140.5%
	Operating profit	1,214	1,135	1,934	799	70.4%	720	59.4%
	Profit margin	3.0%	2.7%	4.4%				

Overview of Business Results by Segment (2)

Net sales

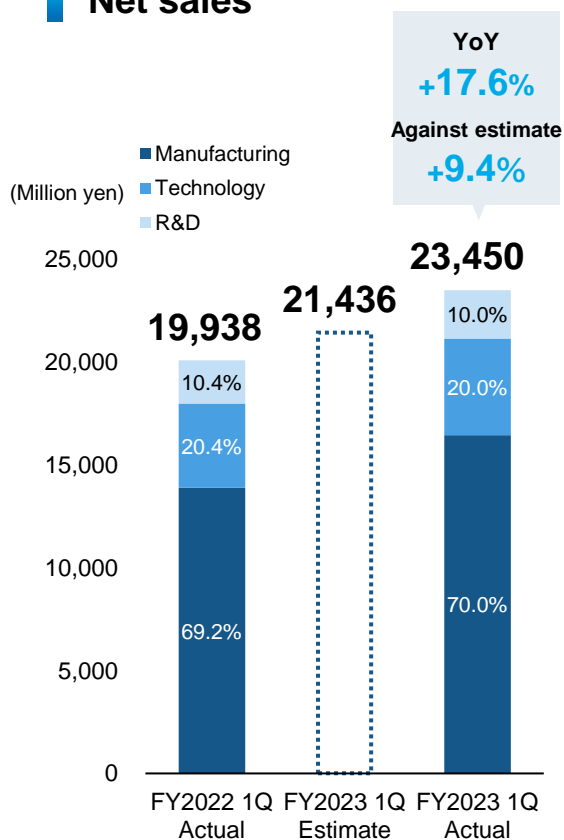


Segment profit

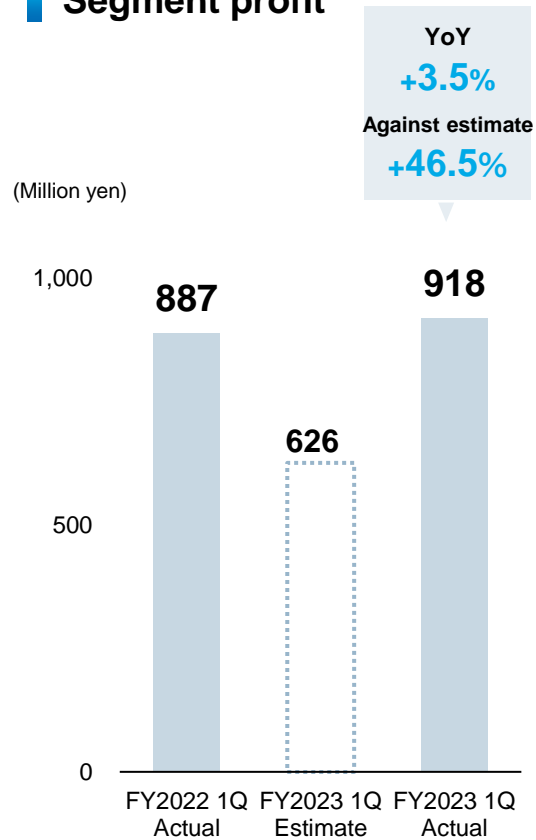


- Steady growth due to the diversified portfolio of this business, resulting in activities to serve many business categories offsetting the decline in orders involving smartphones as well as electronic components
- Making expenditures for recruiting and training to establish a workforce for meeting orders in the second half and afterward
- Preparing training activities and job postings for the record-high number of new graduates who will join the World Holdings Group in April

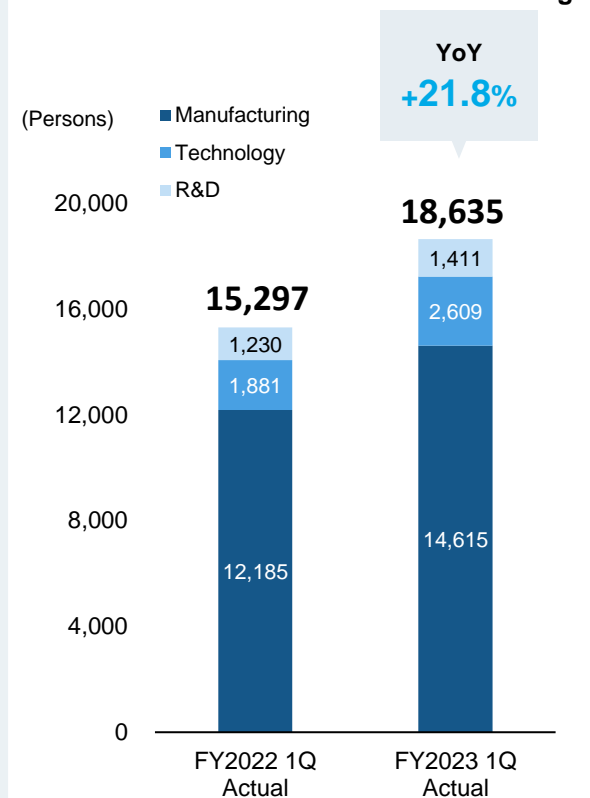
Net sales



Segment profit



Temporary placement workforce *3-month average

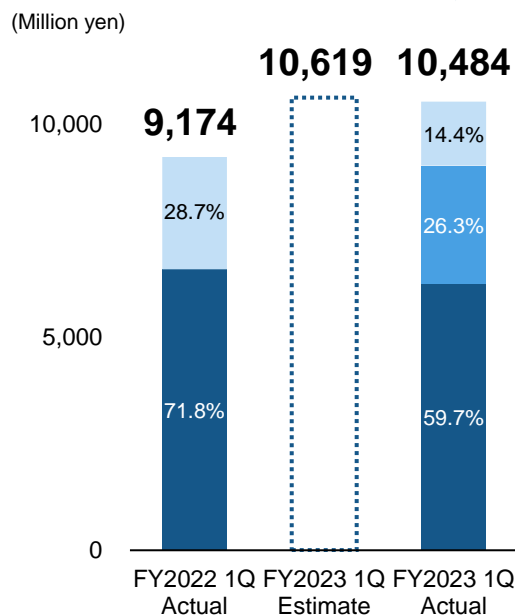


- Growth of sales directly to customers as the pandemic declines; Preparations to open new business sites in the logistics sector
- Many investments for new business activities, such as an outsourced temporary staffing order management service that uses personnel management and temporary staffing expertise acquired from subcontracting and consortium operations in the logistics sector
- Earnings down because of up-front investments and the end of one-time projects that boosted earnings in the first half of 2022

Net sales

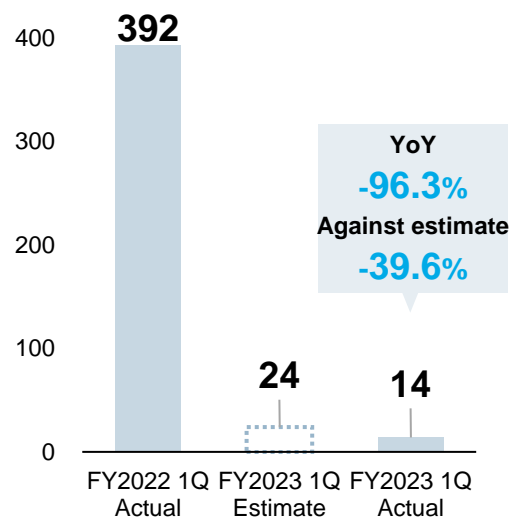
- Tourism/business process outsourcing
- Sales directly to customers
- Logistics

YoY
+14.3%
Against estimate
-1.3%



Segment profit

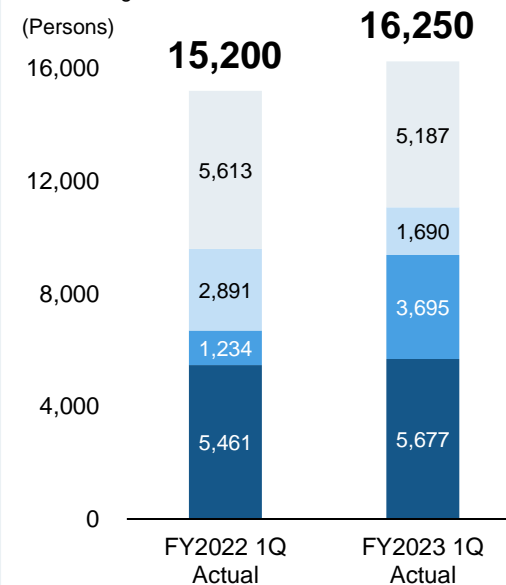
(Million yen)



Temporary placement workforce *3-month average

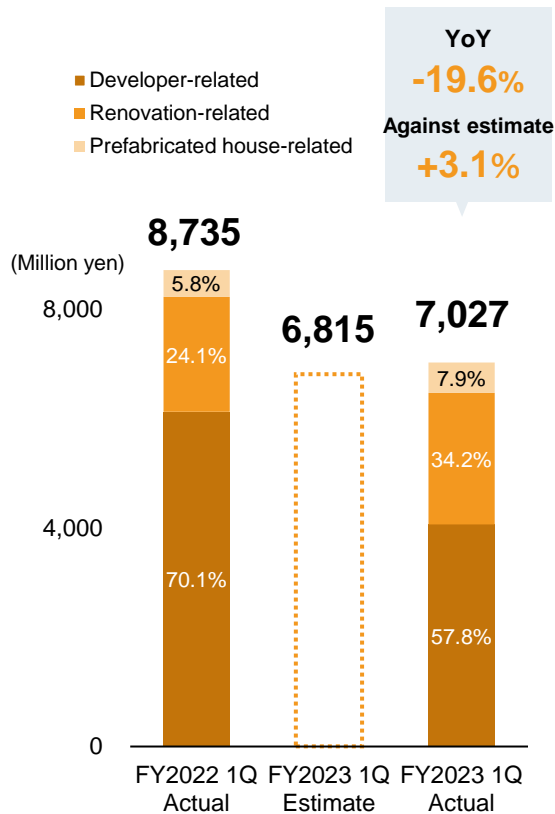
- Consortium
- Tourism/business process outsourcing
- Sales directly to customers
- Logistics

YoY
+6.9%

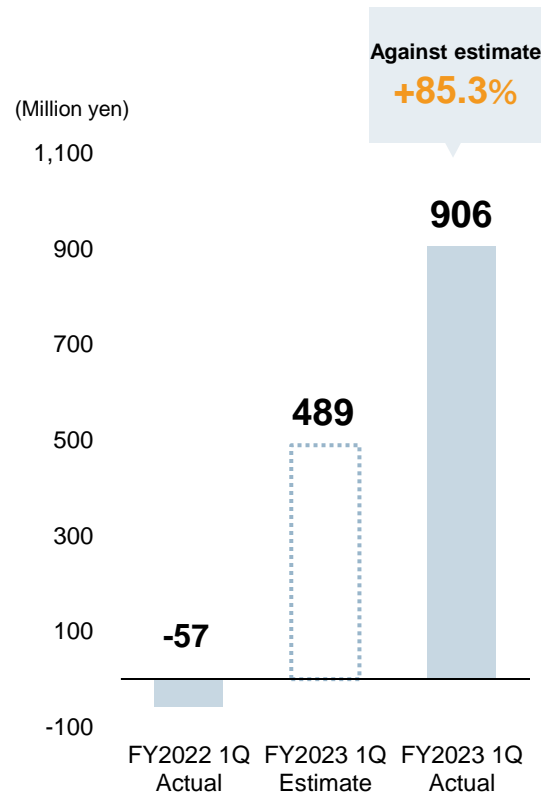


- Retaining a cautious stance as prices remain high. Sales and especially earnings were higher than planned due to well-timed sales and closings of commercial-use land and other properties.
- Closings of sales of many condominiums and other properties are planned for the second half of 2023 and sales contracts for these closings are generally proceeding as planned.

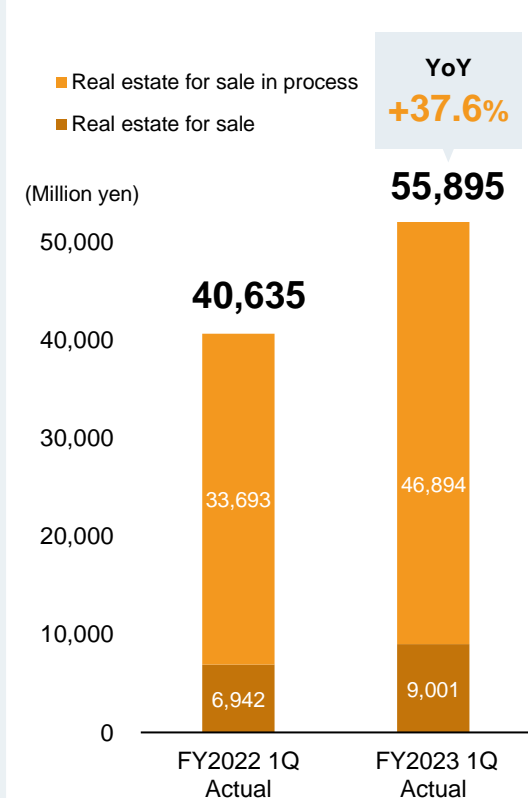
Net sales



Segment profit



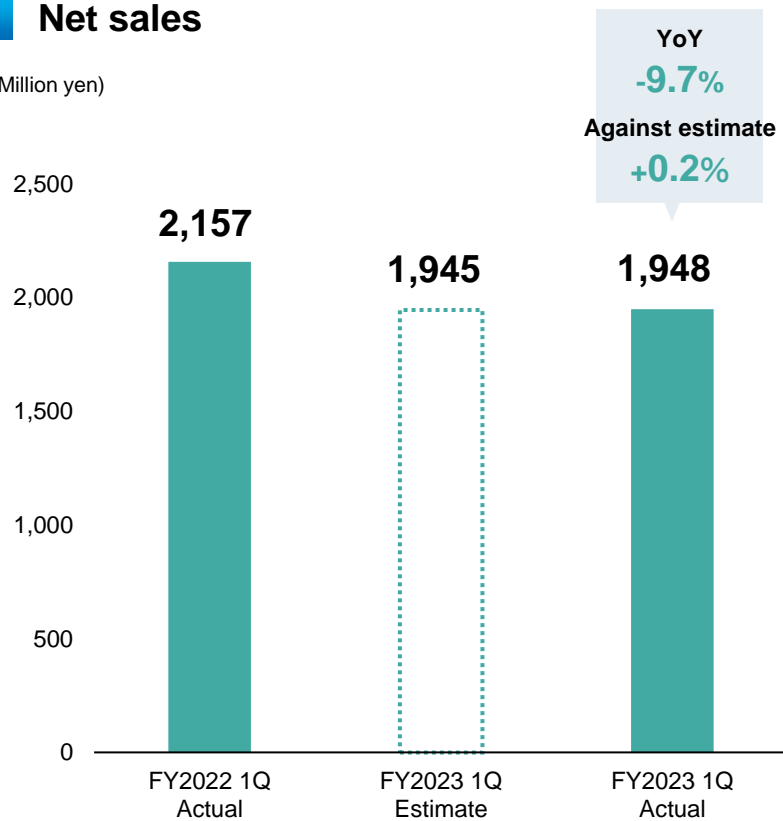
Real estate for sale



- Fee income decreased because the lower cost of mobile phone plans reduced utilization income per user and mobile carriers revised terms for determining fees.
- Establishing a network of outstanding stores deeply rooted in the communities where they are located in order to receive benefits as a survivor as the reorganization of Japan's mobile phone shop sector progresses.
- Aiming for stability by cutting electricity, communication and other expenses and building a stronger business portfolio, including the corporate solutions business

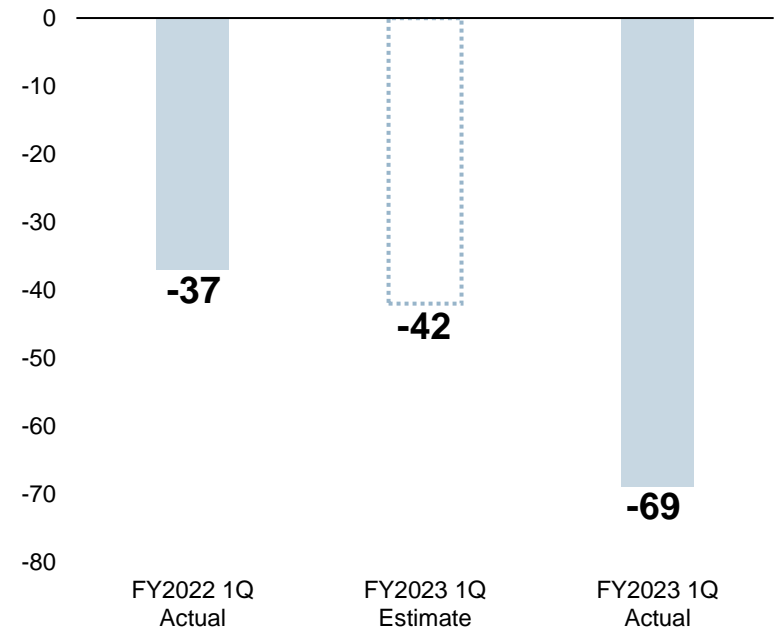
Net sales

(Million yen)



Segment profit

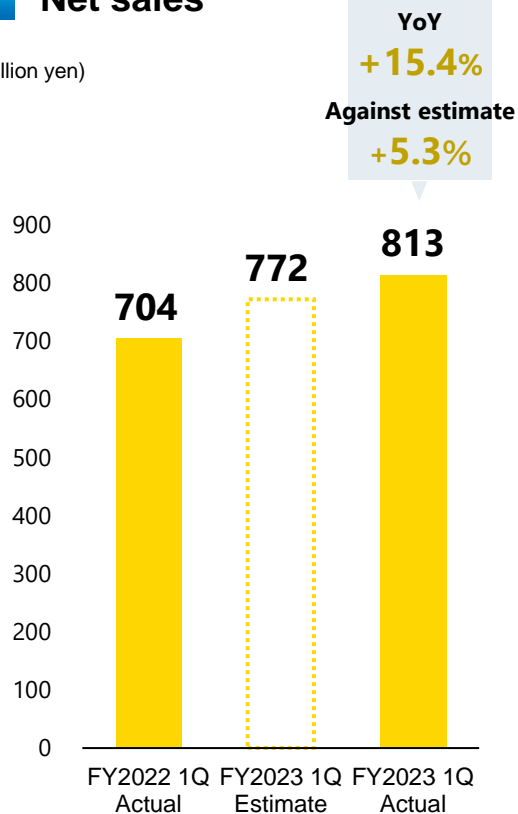
(Million yen)



- More visitors than planned and a smaller loss than planned due to effective measures to attract visitors and despite the high cost of electricity and unfavorable weather in March. All locations are preparing for the peak season starting in April by working on attractions and installing new facilities for visitors.
- The large areas of agricultural parks are being used for environmental activities, such as the installation of a solar power and storage battery system to decarbonize and reduce electricity costs at Comorebi Ibaraido Forest.

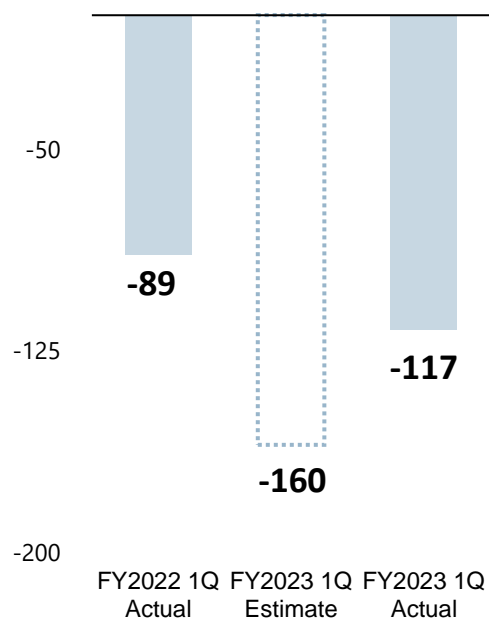
Net sales

(Million yen)



Segment profit

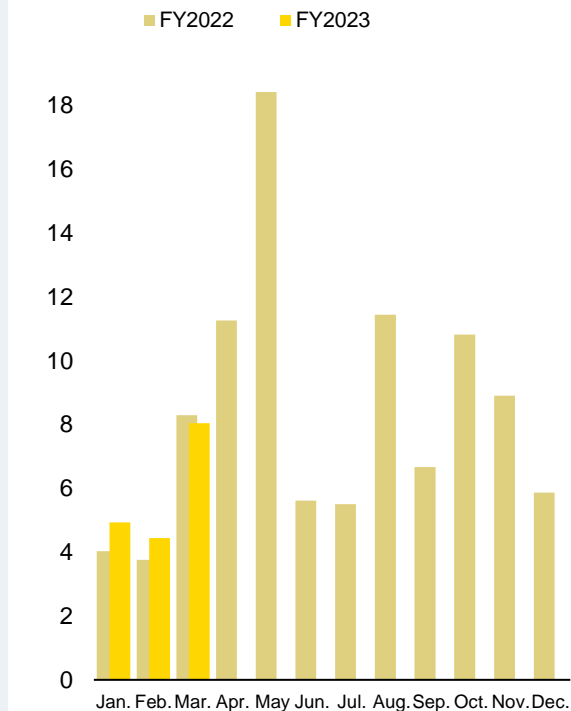
(Million yen)



Number of visiting customers

*Total of four direct managed facilities

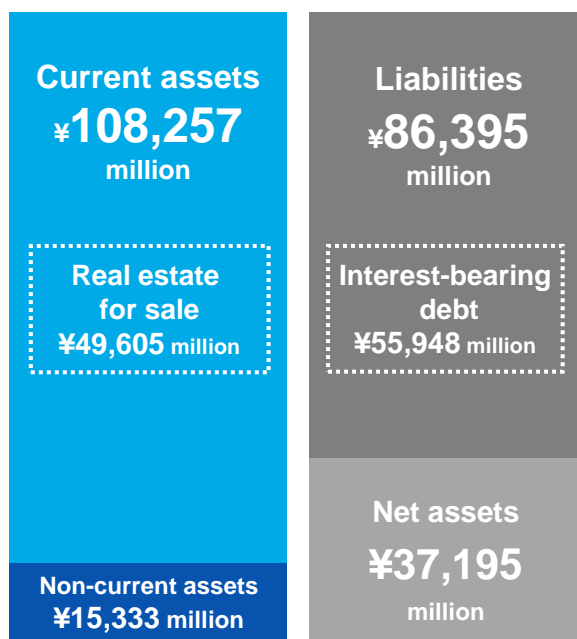
(Ten thousand)



- Current assets increased ¥3,561 million to ¥118,818 million mainly because of an increase in real estate for sale.
- Liabilities increased ¥4,056 million to ¥90,451 million, mainly due to an increase in interest-bearing debt resulting from the increase in real estate for sale.

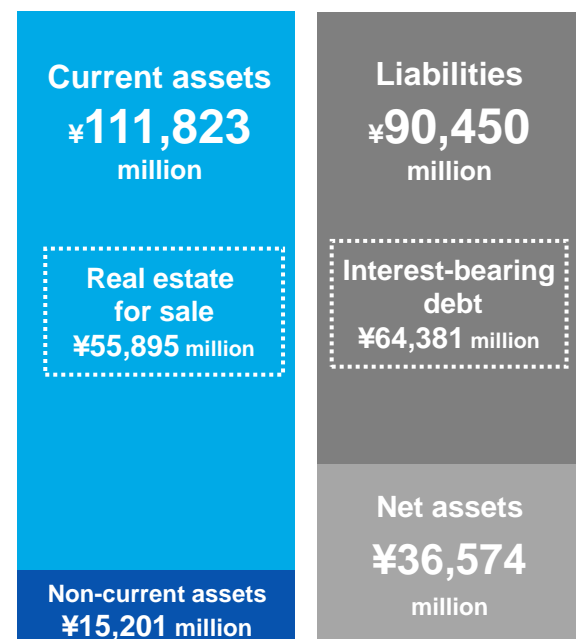
End of December 2022

Total assets **¥123,591 million**



End of March 2023

Total assets **¥127,024 million**
(+¥3,433 million)



*Real estate for sale is the sum of real estate for sale and real estate for sale in process.



Outlook for the Term Ending December 2023

P.15 FY2023 Outlook

P.16 Outlook by Business Segment

P.17 Shareholder Distributions

- The business environment is expected to become more difficult due to the slowdown in the global economy. We will proceed with formulating a cautious business plan.
- Forecast record-high sales and earnings because of activities to achieve stable growth of the core Human Resources and Education Business and steady progress in sales in the Real Estate Business.
- The 2023 plan is significantly weighted to the second half in the Human Resources and Education and Real Estate businesses.

(Million yen)	Actual for the term ended Dec. 2022	Estimates for the term ending Dec. 2023	YoY	
			Change	Pct. change
Net sales	183,640	201,354	17,714	9.6%
Operating profit	8,929	9,916	987	11.1%
Ordinary profit	8,933	9,453	520	5.8%
Profit attributable to owners of parent	5,341	6,045	703	13.2%
Net income per share (Yen)	305.50	344.84	39.34	12.9%
Dividend per share (Yen)	91.50	103.50	12.00	13.1%

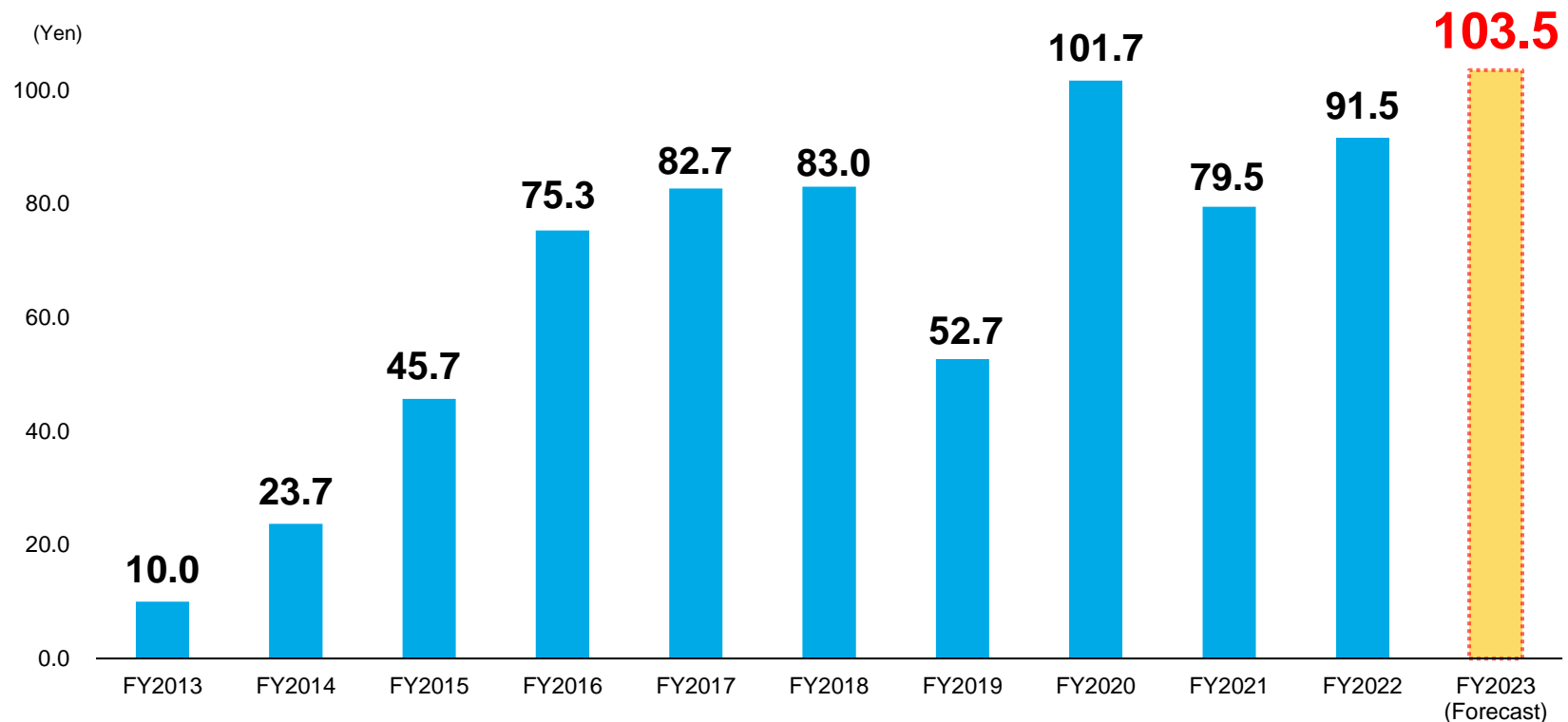
Outlook by Business Segment

- In the Human Resources and Education Business, based on a plan that reflects concerns about a possible slowing of global economic growth, there will be substantial recruiting expenditures to add people with a view to handling large orders and for more growth of this business. Using the DX to cut SG&A expenses.
- The Real Estate Business will retain a cautious stance but sales and earnings growth is expected because of sales of development projects scheduled for delivery in the second half of 2023.

		FY2022		FY2023		YoY	
(Million yen)		Actual	(Profit margin)	Estimate	(Profit margin)	Change	Pct. change
Human Resources and Education Business	Net sales	132,880		144,104		11,223	8.4%
	Segment profit	5,179	(3.9%)	5,409	(3.8%)	230	4.4%
Products Human Resources Business	Net sales	88,598		94,732		6,133	6.9%
	Segment profit	4,054	(4.6%)	4,265	(4.5%)	211	5.2%
Services Human Resources Business	Net sales	44,282		49,371		5,089	11.5%
	Segment profit	1,125	(2.5%)	1,144	(2.3%)	19	1.7%
Real Estate Business	Net sales	38,044		44,511		6,466	17.0%
	Segment profit	3,181	(8.4%)	3,728	(8.4%)	547	17.2%
Information and Telecommunications Business	Net sales	8,399		8,074		-325	-3.9%
	Segment profit	125	(1.5%)	214	(2.7%)	88	70.7%
Agricultural Park Business	Net sales	4,314		4,664		349	8.1%
	Segment profit	158	(3.7%)	208	(4.5%)	49	31.4%
Total	Net sales	183,640		201,354		17,714	9.6%
	Elimination or corporate	284		354		70	24.8%
	Operating profit	8,929	(4.9%)	9,916	(4.9%)	987	11.1%

Shareholder Distributions

- 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.
- Forecast a record-high 2023 dividend of 103.5 yen per share.





Appendix About Us

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Contribute to happiness and a sustainable society through the creation of a variety of **ways we live** worldwide

Enabling people worldwide to enjoy even more energetic and fulfilling lives will create happiness and contribute to progress in many ways, thereby helping to make the world better.

Our mission is to play a role in the creation of an energetic and stimulating society where people can enjoy their lives.



The ways we work

Human Resources and Education

We want to help people of all kinds find jobs that best match their skills and goals in order to enable them to experience the joy and satisfaction of work. By providing training, we give people the skills to achieve their full potential, which supports the growth and advancement of businesses.



The ways we create communities

Real Estate

Pleasant communities are essential for people to lead enjoyable and fulfilling lives. By designing these communities, we provide an environment for vibrant and satisfying lifestyles. Activities place priority on preserving the environment and natural resources in order to be a responsible member of society.



The ways we provide convenience and safety

Information and Telecommunications

We are dedicated to creating the use of today's advanced information technology infrastructure for being a source of convenience and for establishing an environment where people can enjoy their lives with convenience and confidence.



The ways we look to the future

Agricultural Park

Agricultural parks help protect the environment and conserve the earth's resources while giving children a place where they can grow. By operating these parks, we are playing a role in sustainable social progress.



<p>Real Estate Agricultural Park</p>	<p>Provide products that make houses environmentally responsible and pleasant as well as play a role in creating communities where people can live with confidence</p>	 	<h2>Environment</h2>
<p>Real Estate Agricultural Park</p>	<p>Help protect the environment and conserve the earth's resources and give children a place where they can grow while enjoying healthy and educational outdoor activities</p>		

<p>Human Resources and Education</p>	<p>Reduce poverty by establishing a stable base for people's lives by providing suitable jobs for people of all kinds</p>	 	<h2>Society</h2>
<p>Human Resources and Education</p>	<p>Enable people of all kinds to achieve their full potential by providing training and high-quality educational programs</p>		
<p>Human Resources and Education</p>	<p>Maintain workplaces where everyone, regardless of gender, can perform their jobs to the best of their ability</p>		
<p>Human Resources and Education</p>	<p>Provide jobs that match the characteristics of each individual and create workplace environments where people can experience the joy and satisfaction of work; realizing the full potential of people contributes to economic growth too</p>		
<p>Human Resources and Education Information and Telecommunications</p>	<p>Use education as a foundation for progress in the manufacturing sector and expand the utilization of the IT infrastructure as a base for technological innovation</p>		
<p>Human Resources and Education Information and Telecommunications Real Estate</p>	<p>Play a role in the constant advancement of society by using ties with a broad spectrum of industries, the consortium model and other activities</p>		

<p>Stronger governance</p>	<p>Upgrade the fairness, transparency and speed of governance of the World Holdings Group Rigorous compliance program/Even stronger risk management</p>		<h2>Governance</h2>
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Create a Sustainable World.

Use a well-balanced business portfolio for rapid growth and activities that help create a sustainable world

Human Resources and Education Business



Products Human Resources Business

Services Human Resources Business



私たちは持続可能な開発目標(SDGs)を支援しています

The “Ways We Live”



Establishment of a business model focused on the ability to respond to changes

Diversification of business

Decentralization

One-time revenue business

Recurring revenue business

Real Estate Business



Real Estate

Information and Telecommunications Business



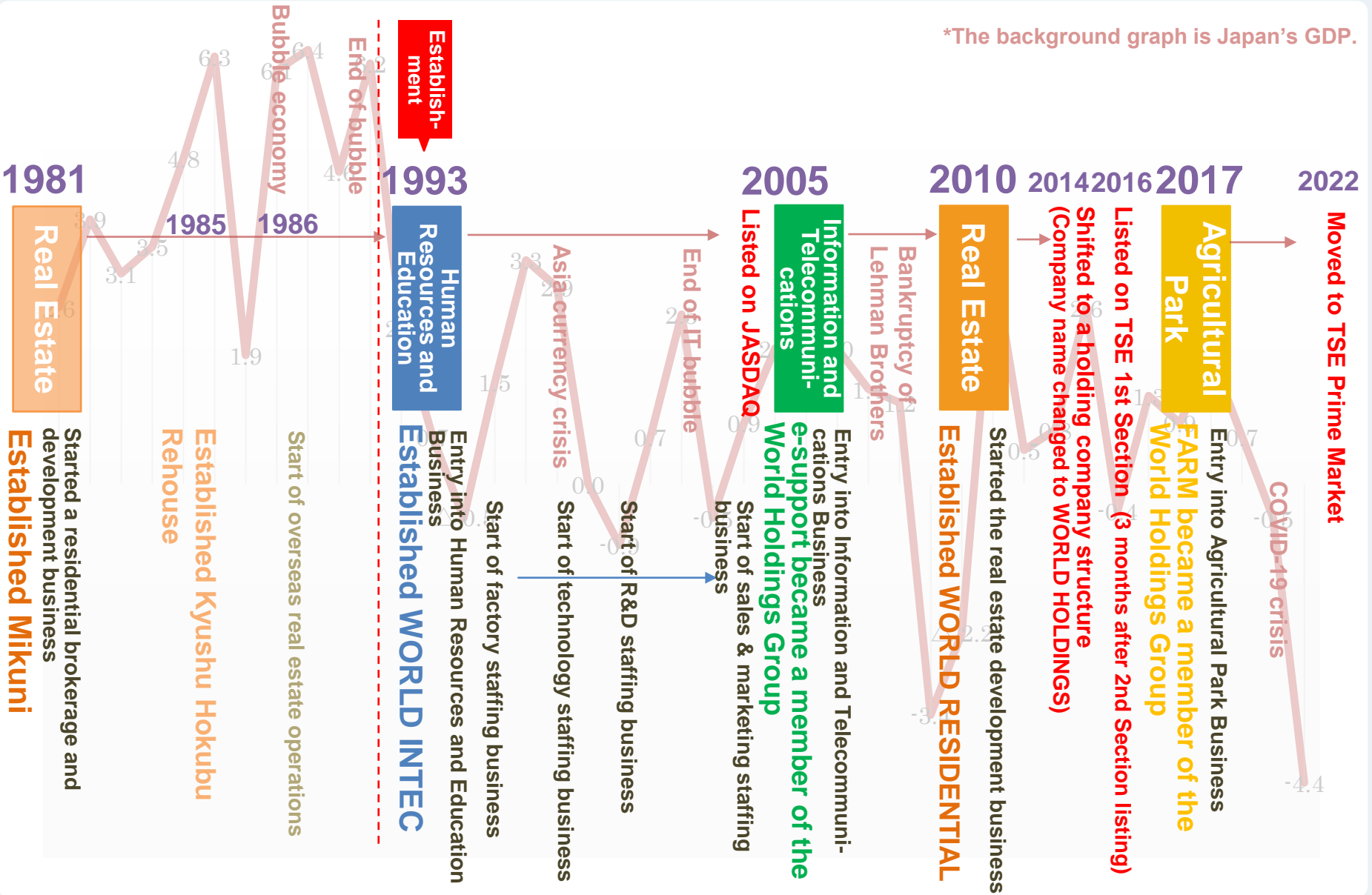
Information and Telecommunications

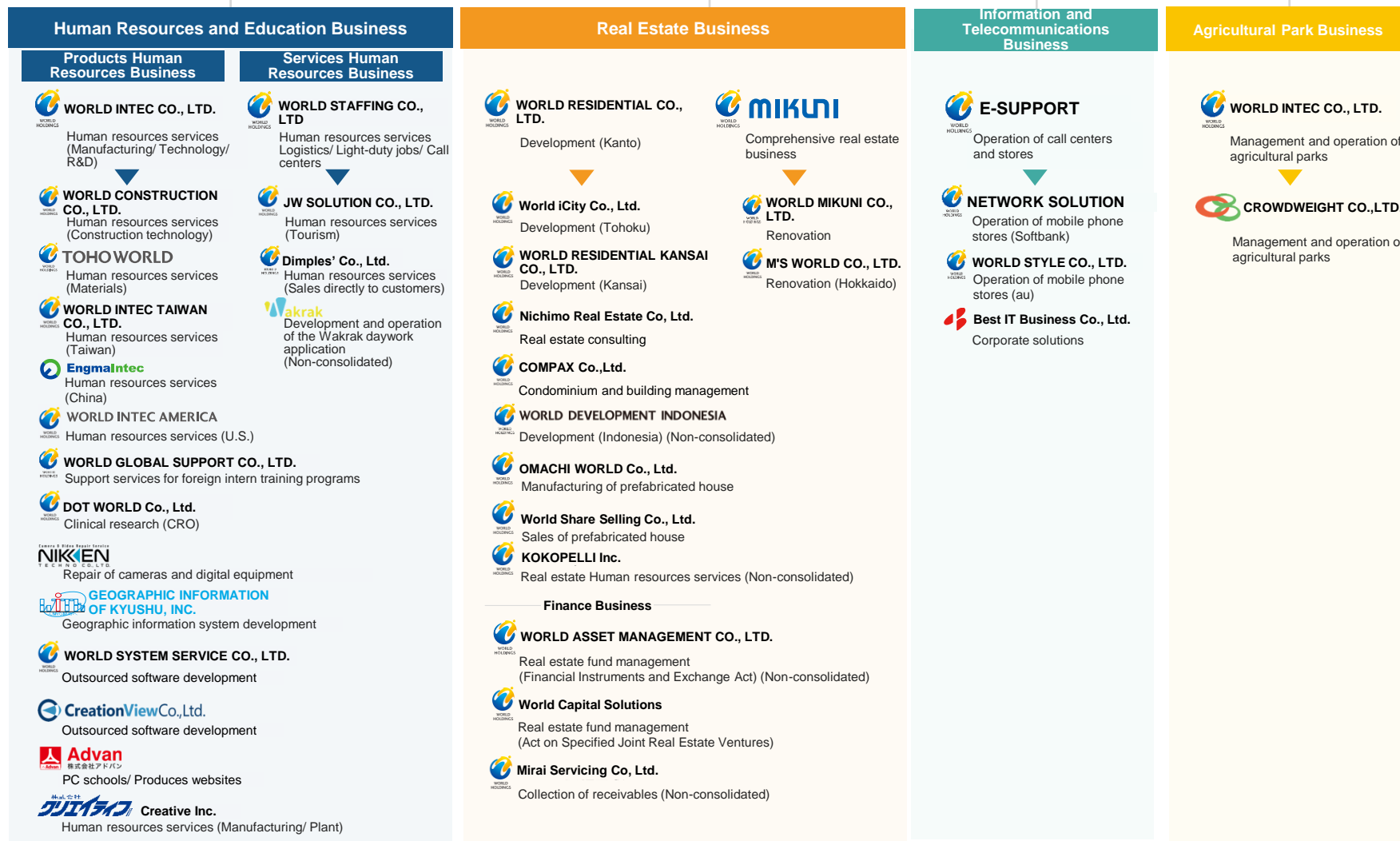
Agricultural Park Business



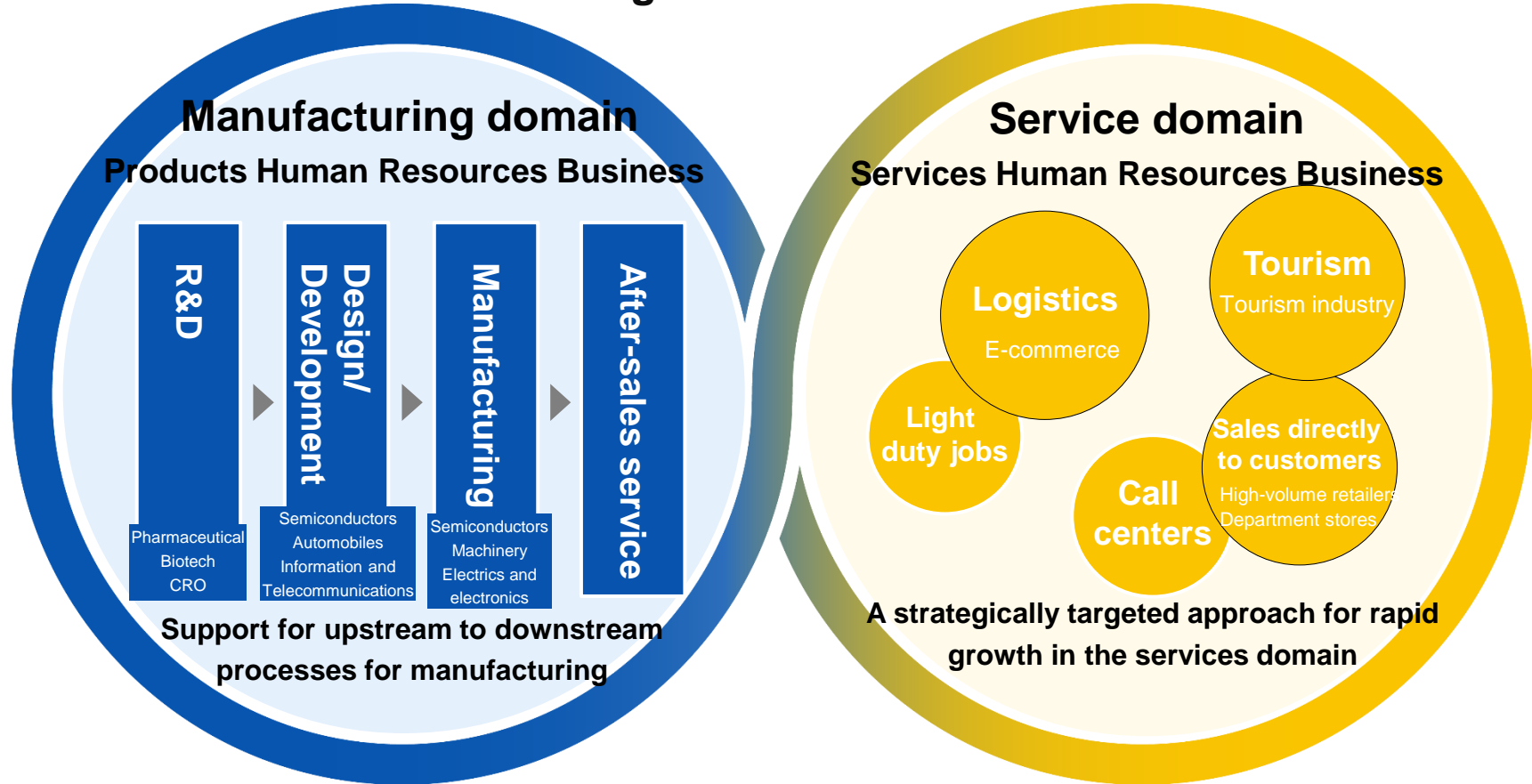
Agricultural Parks

*The background graph is Japan's GDP.





Business process outsourcing and staffing services that seamlessly cover a broad range of business domains



About **34,800** workers in service

*As of March 2023

Building an infrastructure able to adapt to any change in the business climate

Real estate for investment

Development

Condominiums/Detached houses
Commercial land development

Conduct business mainly in major cities of the Tohoku, Tokyo Metropolitan, Kinki and Kyushu areas

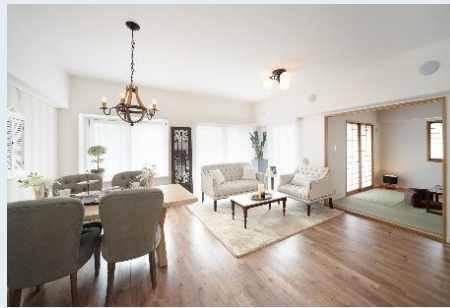


Residential Aoba Hirosegawa
(Sendai, Miyagi)

Real estate revitalization

Renovation
Conversion

Conduct real estate revitalization business, such as renovation, around Japan



Examples of renovation



Real estate trust beneficiary rights

Real estate finance

Asset management

Real estate fund management



BIZIA Koujimachi Building

Mobile phone shop

The largest network of stores in Kyushu

Mobile phone shops in Fukuoka, Saga, Oita, Nagasaki, and Okinawa Prefectures

- Softbank Shops
- au Shops

33 stores

As of December 2022



Corporate solutions

We propose the reduction of costs for electric power, communications, etc. by selling our products to corporations

Comprehensive cost reduction solutions



Call center

Sale of various products for individuals and corporations



List of Agricultural Parks

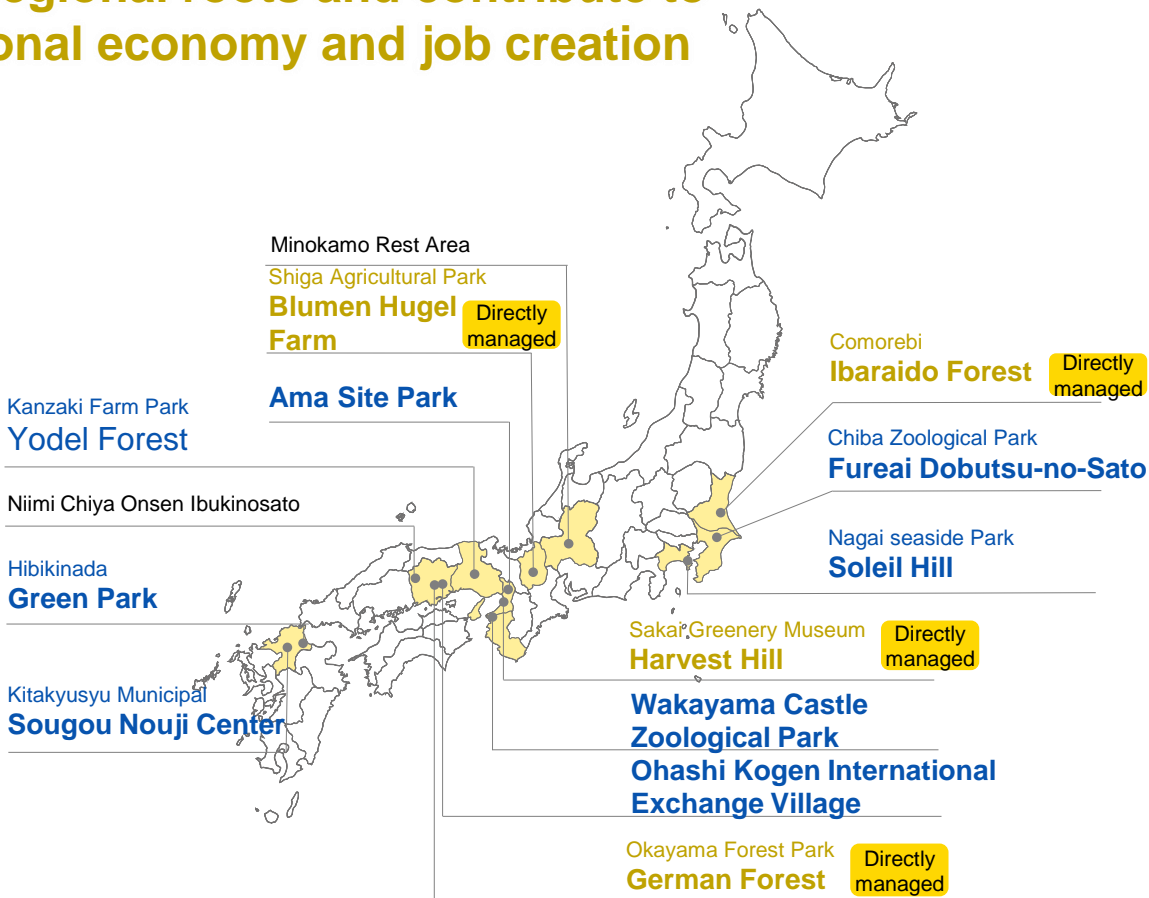
Operation of nature-rich agricultural parks, etc. at 14 locations around Japan

Operation of a total of 14 facilities, including 4 directly managed facilities and other entrusted facilities

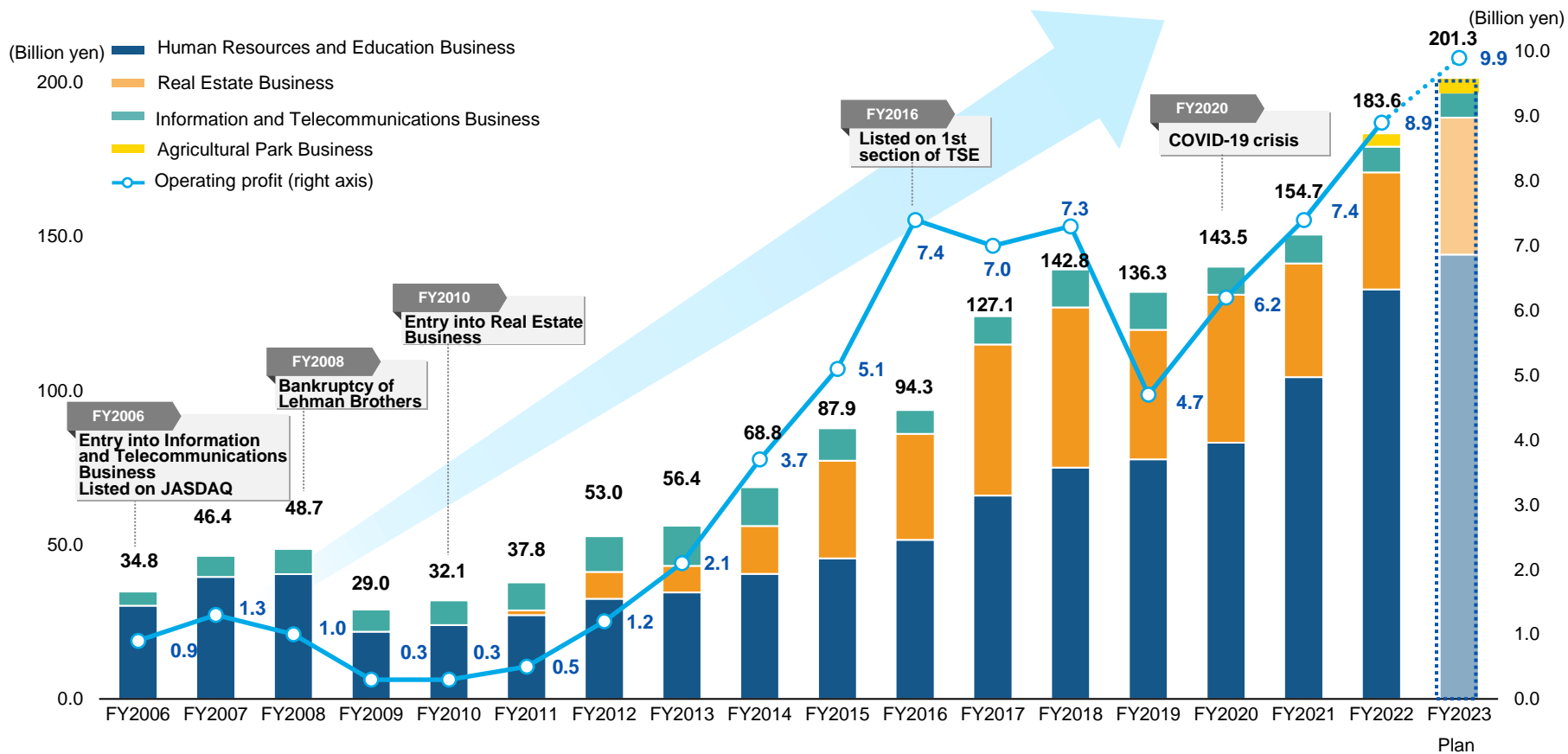
Deepen regional roots and contribute to the regional economy and job creation



We also produce and sell homemade sausages, confectionery, beers, etc.



Business Performance Trend



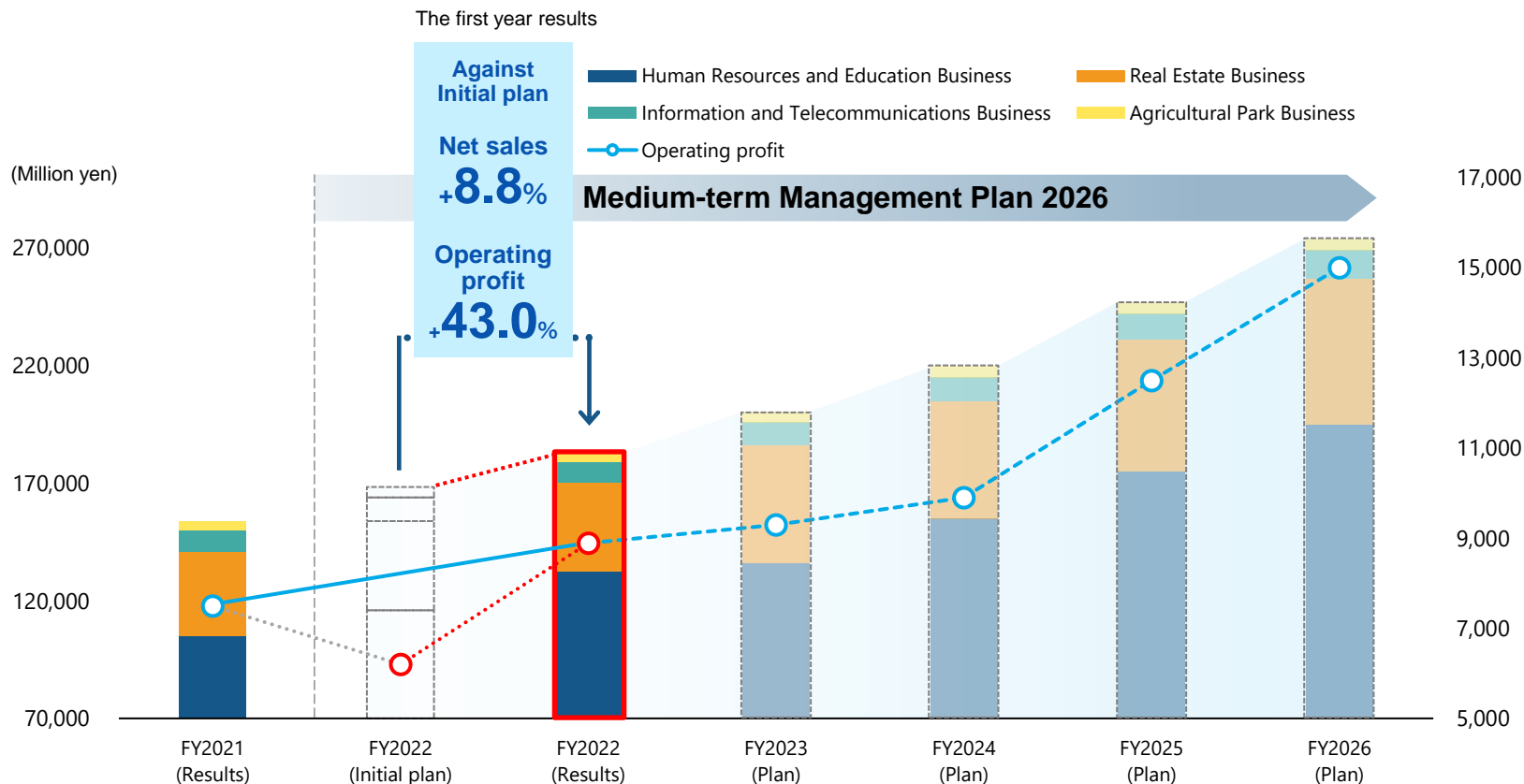
Note: The former segments had been used until FY2021, and the new segments are used for FY2022 and the plan for FY2023.

A good start in the plan's first year

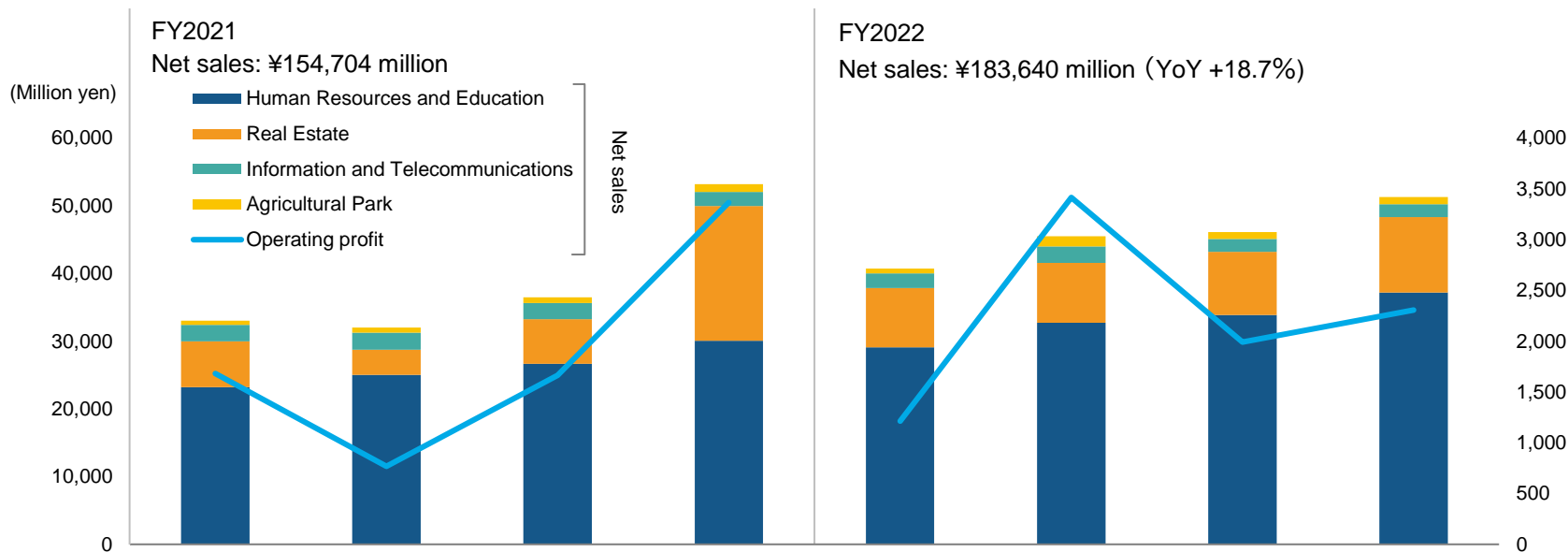
- Benefits of a diversified portfolio spanning many industries
- Education and Training was the primary source of growth

2026 Targets

Net sales	Operating profit	Payout ratio
¥275.0 billion	¥15.0 billion	30%



Net Sales and Operating Profit



		FY2021/1Q	FY2021/2Q	FY2021/3Q	FY2021/4Q	FY2022/1Q	FY2022/2Q	FY2022/3Q	FY2022/4Q
Net sales	Human Resources and Education	23,199	25,042	26,684	30,066	29,113	32,741	33,861	37,164
	Real Estate	6,783	3,697	6,587	19,908	8,735	8,815	9,337	11,155
	Information and Telecommunications	2,443	2,501	2,351	2,070	2,157	2,436	1,882	1,923
	Agricultural Park	605	773	863	1,124	704	1,502	1,056	1,050
Segment profit	Human Resources and Education	888	982	1,009	1,119	1,280	1,317	1,490	1,091
	Real Estate	740	-340	513	2,063	-57	1,644	491	1,102
	Information and Telecommunications	4	89	39	-14	-37	113	-23	72
	Agricultural Park	-68	-26	-28	102	-89	273	-39	13
	Operating profit	1,682	769	1,663	3,366	1,214	3,415	1,992	2,307

The “Ways We Live”



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Norio Nishihara

Public and Investors Relations Office

WORLD HOLDINGS CO., LTD.

 TEL: +81(0)3-3433-6005

 E-MAIL: irinfo@world-hd.co.jp

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