

# Interim Business Report 2019

January 1 ▶ June 30, 2019

| To Our Stakeholders |

Creating the “Ways We Live”

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create value in new ways  
for manufacturing in Japan**

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1H FY12/2019: Overview of Business Activities

First half net sales and earnings were higher than one year earlier and surpassed the forecasts despite an increasingly uncertain economic outlook. World Holdings continued to focus on its core strengths while looking ahead to long-range goals. In addition, first half activities were based on achieving a suitable scale of operations in order to reflect changing market conditions.

Overview of the Human Resources and Education Business

Economies worldwide generally became weaker during the first half, including slower growth in China due to the U.S.-China trade war. Global economic events are having a negative effect on Japan, especially in the manufacturing sector. Furthermore, sentiment at Japanese companies is declining in part because of the rising labor cost caused by Japan's tight labor supply.

In Japan's manufacturing sector, demand is beginning to grow for new human resource solution services which comply with laws and regulations. One reason is the enactment of laws concerning work-style reforms. There are also the revisions to the Worker Dispatching Act and the Immigration Control Act, and

the upcoming enactment in April 2020 of the Equal Work, Equal Pay Principle.

In recent years, World Holdings has been using its own initiatives in order to do more than simply meet the increasing demand for temporary placements for automobile assembly and other manufacturing tasks. One major initiative is strengthening skills to create comprehensive subcontracting proposals for electronic components and semiconductors used for automotive and other applications.

We have a distinctive training scheme for a workforce that encompasses a broad spectrum of fields. Increasing the skills of people specializing in a particular industry or job is one goal. We are also building teams of specialists who are highly skilled in

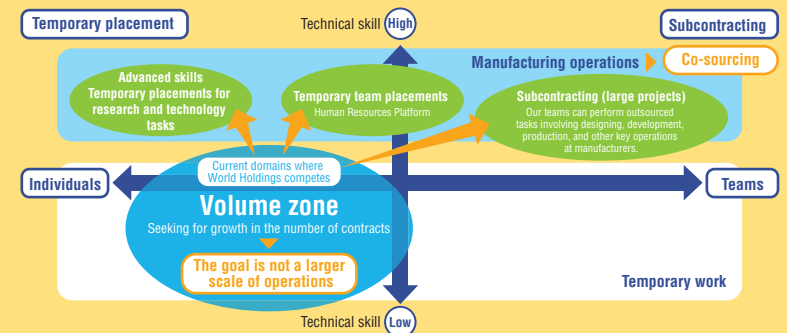
Eikichi Iida  
Chairman and President

# Using co-sourcing to help create value in new ways for manufacturing in Japan

World Holdings has made organic growth its core strategy in response to changes in the business climate. The new focus is a growth trajectory unique to World Holdings that is centered on the Human Resources and Education Business and the Real Estate Business. Chairman Iida explains the reasons for this strategic shift and the Company's objectives.

## Core strategy for positioning of the Human Resources and Education Business

Target new business domains by adding expertise in sectors requiring advanced technologies and skills and building a powerful workforce



## Composition of Temporary Placement Workforce (3-month average) in the Human Resources and Education Business

(Unit: People)	1H FY12/2017-end	1H FY12/2018-end	1H FY12/2019-end	YoY Changes
Factory Staffing	12,761	15,622	15,609	-0.1%
Technology Staffing	2,037	2,328	2,639	+13.4%
R&D Staffing	995	1,052	1,093	+3.9%
Sales & Marketing	2,502	1,191	1,362	+14.4%
<b>Total</b>	<b>18,295</b>	<b>20,193</b>	<b>20,703</b>	<b>+2.5%</b>

technologies and other capabilities needed in many industries. Another initiative is creating a platform for open technologies and people. All of these activities are aimed at two goals. One is going beyond market domains where we compete now by establishing a distinctive position for ourselves as a supplier of people with an even higher level of specialized knowledge. The other goal is becoming more profitable from a medium- to long-term perspective.

During the first half, the performance of the Factory Staffing Business was impacted by a decline in orders received from some smartphone-related client companies. But sales were higher than one year earlier mainly because of the consistent growth of the Logistics Staffing Business.

The performance of the Technology Staffing Business benefited from the success of *the Creating the Ways We Live Academy*, where skill enhancement programs and courses for relearning new technologies are provided. Many mechanical design engineers, mainly in the automobile industry, have completed training at the academy. There were also measures to strengthen system engineer training and sales operations. The result was more clients, a larger scale of operations and higher unit contract prices in the Technology Staffing Business.

The R&D Staffing Business served an increasing number of clients in the materials, synthetic chemicals, analysis and other fields by hiring carefully selected people with outstanding skills. Furthermore, we use joint research laboratories with partner universities to give people training involving the latest advances. Our goal

is assembling a team of R&D personnel who excel in terms of technological and people skills. The opportunity to gain new knowledge is a key source of motivation for our R&D personnel. We plan to use this powerful team of scientists in order to firmly establish ourselves as a technology support company rather than simply a provider of temporary staffing services.

Due to these activities, the temporary placement workforce in the Human Resources and Education Business increased, mainly to meet demand for people with advanced technologies and skills. The result was segment sales of ¥37,333 million, 5% more than one year earlier. The segment profit was down 1.8% to ¥2,142 million mainly because of ¥304 million of strategic investments, chiefly for training programs, for growth in the future.

### Overview of the Real Estate Business

Japan's real estate price bubble is lasting longer than expected as property values remain high. The Real Estate Business consists of businesses that generate sales from individual projects, such as the development of condominiums and the sale of detached houses, and recurring-revenue businesses like renovations and

property management. I believe that now is the time to hold down our condominium development activities in order to achieve a suitable scale of operations.

In every business segment, I believe that we need to establish a suitable scale of operations in order to reflect the changes in the market conditions. Right-sizing the Real Estate Business is of particular importance because of the large magnitude of changes in this market. Japan's prolonged real estate price bubble means that we must reduce the scale of our purchasing activities. In addition, we are focusing on properties that can be easily used for many purposes. In sum, we now have an extremely cautious stance about real estate.

In the first half of fiscal 2019, sales and earnings in this segment were higher than the forecasts. There was a small decrease of 0.2% in sales to ¥20,377 million. However, segment profit increased 56.5% to ¥1,227 million as we completed the closing of sales of some properties earlier than planned.

### The New Medium-term Management Plan 2021 – A Rolling Plan

**To succeed as the business climate changes, World Holdings is pursuing a sound strategy of growth by using its own resources without aiming for growth that cannot be justified.**

#### The Rolling Plan

Net sales and earnings have been generally consistent with the New Medium-term Management Plan 2021, which started in fiscal 2017. However, the market conditions have changed significantly since fiscal 2017, mainly with respect to the higher cost of M&A deals and the extended real estate price bubble. We believe this is not the proper time to establish any unreasonable goals for growth. This is why we have revised part of the plan's basic strategy. We now have a rolling plan with the goal of sound growth in fiscal 2020 and fiscal 2021 that uses our own resources and reflects our unique identity and strengths.

### 1H FY12/2019 Results and FY12/2019 Forecasts

		1H FY12/2019			FY12/2019	
		Actual (¥ million)	Profit margin (%)	YoY (%)	Forecasts (¥ million)	Profit margin (%)
Human Resources and Education Business	Net sales	37,333		+5.0%	83,361	
	Segment profit	2,142	5.7%	-1.8%	5,617	6.7%
Real Estate Business	Net sales	20,377		-0.2%	56,063	
	Segment profit	1,227	6.0%	+56.5%	2,753	4.9%
Information and Telecommunications Business	Net sales	6,999		+3.8%	12,019	
	Segment profit	48	0.7%	-33.4%	157	1.3%
Others	Net sales	2,117		+26.4%	4,008	
	Segment profit	196	9.3%	—	45	1.1%
Total	Net sales	66,827		+3.8%	155,452	
	Elimination or corporate	(1,086)		—	(2,525)	
	Operating profit	2,529	3.8%	+26.2%	6,049	3.9%

Looking back on our history, I believe that our greatest strength is the ability to start core businesses entirely on our own. Using mergers and acquisitions makes it possible to launch businesses vertically. But the experience has taught me that adding companies to our group that are not fully aligned with our philosophy is unlikely to create more corporate values.

For example, we have operated the Factory, Technology and R&D Staffing Businesses since our establishment. Over many years, we have created teams of well-trained people backed by a sound business framework in each of these businesses. As these businesses grew, we did not acquire companies solely for the sake of growth. All companies that joined our Group were selected because they added a new business domain or were a new source of growth. Furthermore, every company agreed with our corporate philosophy.

Through the years, and especially in this uncertain business climate, we have been firmly committed to our corporate vision of creating the “ways we live.” I am convinced this is the right guideline for achieving a sustained growth. This is why all of our businesses are aiming for a suitable scale of operations. As a result, we have revised our numerical targets for fiscal 2021, the current plan’s final year, based on the premise of operating on a scale that can be supported by our own resources.

### The Rolling Plan Targets for FY12/2021

(Unit: ¥ billion)	Before rolling	After rolling	Changes
Net sales	200	175	(25)
Operating profit	10	8	(2)
Operating margin	5.0%	4.7%	-0.4%
ROE	20%	20%	—
Dividend payout ratio	30%	30%	—

Note: The main reason for the revisions to the plan is to strengthen the risk management associated with the unexpectedly large and prolonged asset price bubble in Japan’s real estate market, which affects the Real Estate Business.

### Our Unique Identity and Strengths

#### Dedicated to becoming a true “co-sourcing” partner by using the growth of our people to respond to big changes in Japan’s manufacturing sector

For the past 25 years, we have been explaining the advantages of our “co-sourcing” business model to our manufacturing clients. This collaboration entails the convergence of the manufacturing strengths of our clients and our strengths involving the use of people, which is backed by many years of experience. Combining strengths results in a powerful team that can operate highly competitive businesses.

When we began promoting this business model, we attempted to implement “co-sourcing” with manufacturers where we had comprehensive service agreements. Unfortunately, we soon had to abandon our original approach. There was no change in what our clients required. They needed us for a flexibility regarding fluctuations in production volume and for supplying people for limited periods.

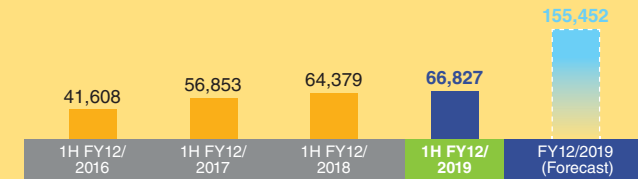
We took another look at the “co-sourcing” concept. There was no change in our determination to be a true partner for our manufacturing clients. However, there has recently been a big change in the thinking of the executives of manufacturers in Japan. More and more companies want to use a partner who has the same values in order to create businesses that can compete and win worldwide.

Over the next few years, I believe that the advancement and enlargement of the capabilities of our workforce will become a foundation that can underpin the growth of our client companies. We must closely monitor this change as we remain committed to our philosophy. Most importantly, we need to become an organization able to design with flexibility businesses that can reflect shifts in our business climate. World Holdings is always looking far ahead to anticipate change and building the groundwork for redefining itself in order to succeed. I ask for your continued support as we continue to take these actions.

### Financial Highlights (1H FY12/2019)

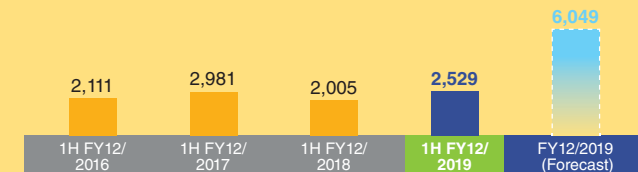
Net sales

¥66,827 million | YoY: 3.8% ↑



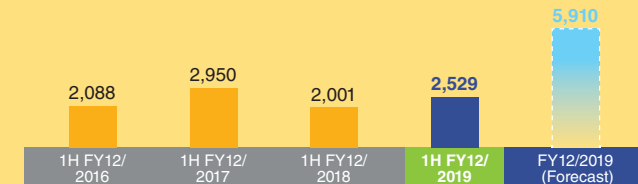
Operating profit

¥2,529 million | YoY: 26.2% ↑



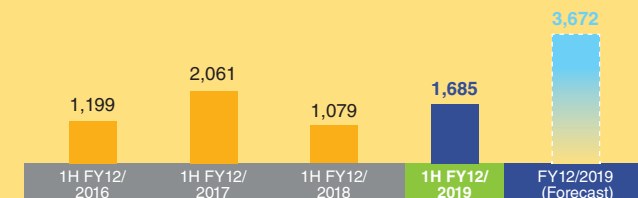
Ordinary profit

¥2,529 million | YoY: 26.4% ↑



Profit attributable to owners of parent

¥1,685 million | YoY: 56.2% ↑

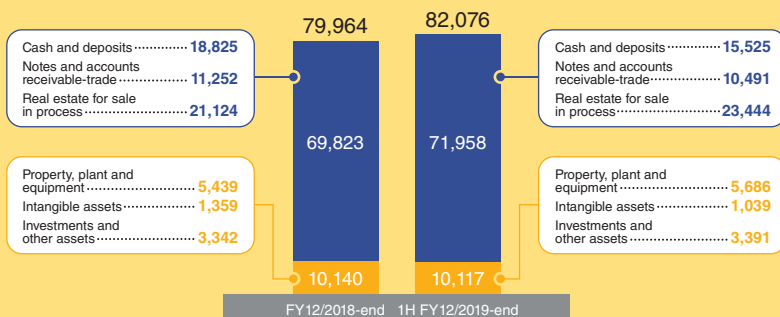


# Consolidated Financial Results

## Consolidated Balance Sheet (¥ million)

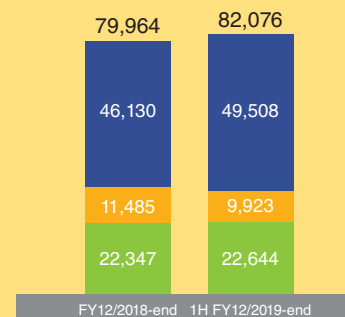
### Assets

■ Current assets ■ Non-current assets

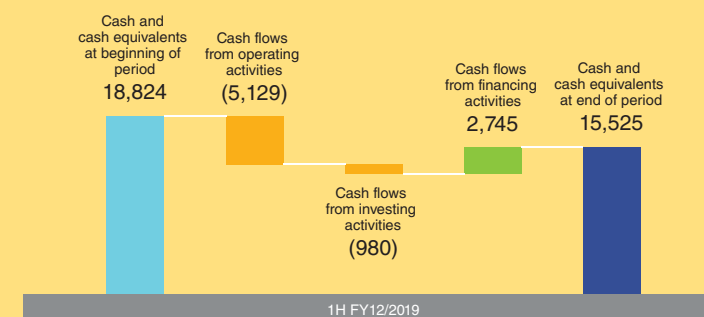


### Liabilities and net assets

■ Current liabilities ■ Non-current liabilities ■ Net assets



## Consolidated Cash Flows (¥ million)



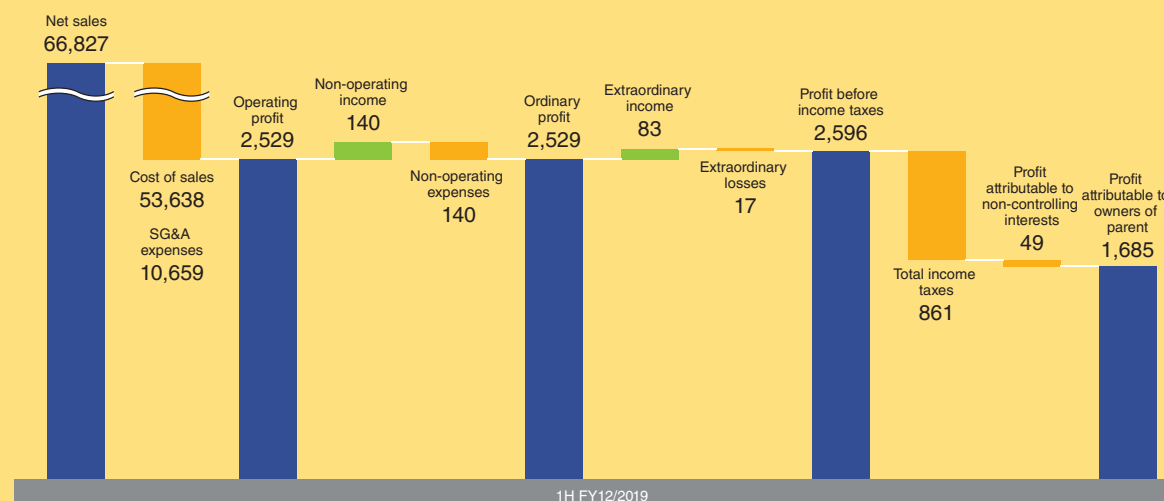
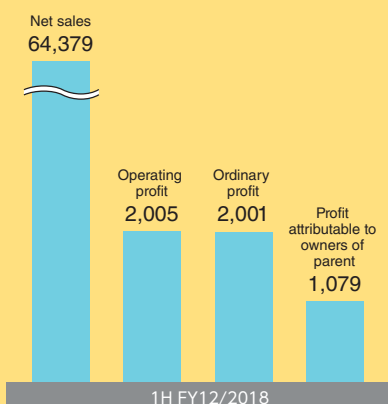
### Highlights

Total assets increased ¥2,112 million from the end of fiscal 2018 to ¥82,076 million. This was mainly due to a ¥3,299 million decrease in cash and deposits, and increases of ¥4,509 million in real estate for sale and ¥2,319 million in real estate for sale in process. Total liabilities increased ¥1,815 million from the end of fiscal 2018 to ¥59,432 million. This was mainly due to a ¥5,328 million increase in short-term borrowings and a ¥1,131 million decrease in long-term borrowings.

### Highlights

Net cash was used in operating activities mainly for the purchase of real estate for sale. Net cash was provided by financing activities mainly because of a net increase in short-term borrowings and proceeds from long-term borrowings.

## Consolidated Statement of Income (¥ million)



### Highlights

In the core Human Resources and Education Business, the performance was in line with the fiscal 2019 business plan even as investments for future growth continued. The plan accurately reflects the current operating environment. Net sales and earnings were higher in part because sales of some properties closed earlier than planned and the sales activities strengthened in the Real Estate Business.

Rolling to Create the New Medium-term Management Plan 2021

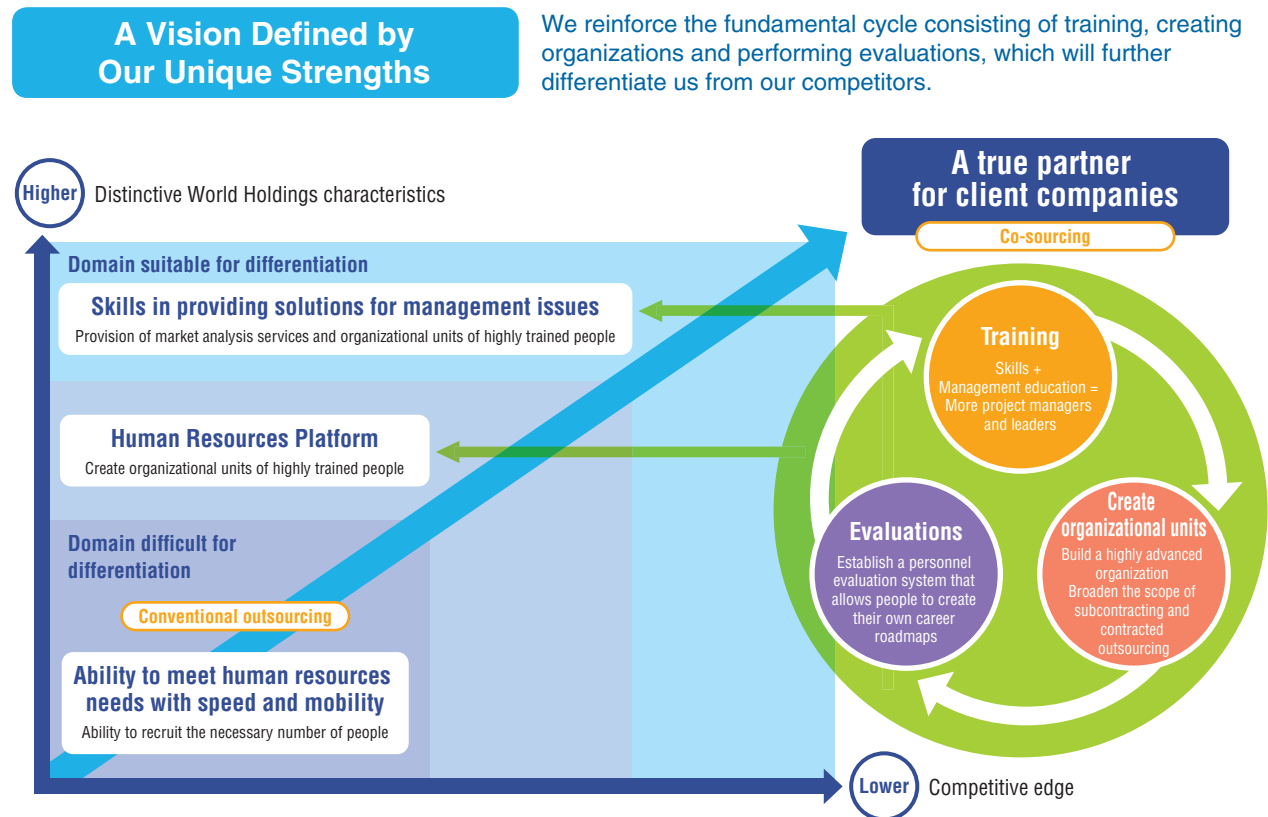
# We want to become the leading brand in the manufacturing sector through internally driven growth backed by our distinctive strengths.

Increasingly heated global competition is altering the business landscape. In addition, many companies are beginning to take significant actions concerning work-style reforms. Executives at manufacturers are starting to adopt a different mindset as a result. Outsourcing is now widely viewed as one of the options for strategic initiatives. We believe these trends will require human resource services companies to provide specialized services at an even higher level. We remain committed to growth. However, we have reexamined our core strategy. We will use our internal resources rather than going after M&A deals that are not economically viable due to the unexpectedly sharp upturn in prices paid for acquisitions, including in the manufacturing sector.

## Evolving to deliver outsourcing services no competitor can match

To become the preeminent brand in the manufacturing sector, we are giving our people training for upgrading to tasks in categories that demand more advanced skills and technologies. Another goal is building an organization with excellence in management and other skills that are required for superior outsourcing services. We are determined to serve as a true partner for Japanese manufacturers in order to make our “co-sourcing” concept a reality. The ultimate objective is the establishment of a stable foundation for business operations that is not vulnerable to fluctuations of the economy.

At World Holdings, the evolution of outsourcing demands more advancement and reinforcement of the fundamental cycle consisting of training, creating organizations and performing evaluations. Training calls for more than just improving know-how involving technologies and skills. Management training is also necessary in order to increase the number of people who can be project managers and leaders. Assembling a workforce of people with skills for a broad range of job categories will enable us to assemble a powerful organization for outstanding outsourcing (subcontracting/contracted outsourcing) services. Our plans also include creating a personnel evaluation system that allows our people to create their own career roadmaps. We believe this will enhance our ability to retain highly talented people, which will further differentiate us from our competitors.

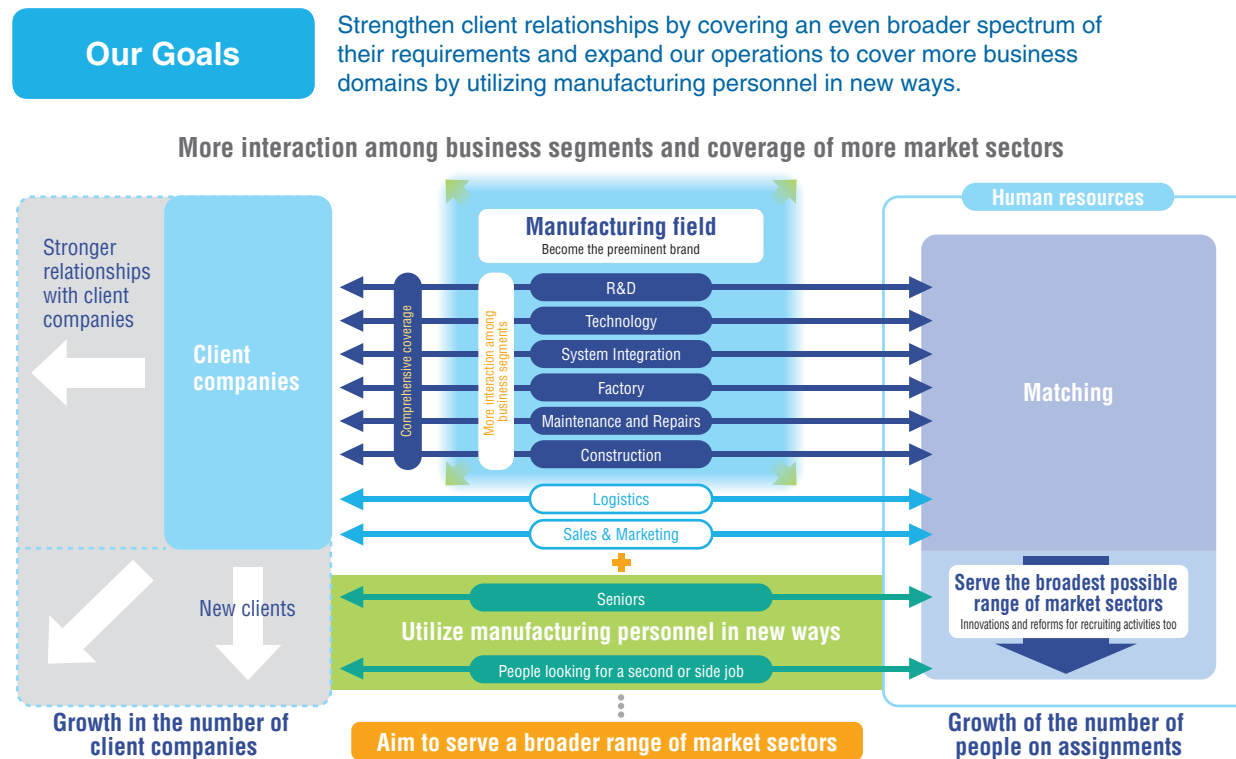


## More interaction among the business segments

In addition to these initiatives, the new “rolling” Medium-term Management Plan 2021 again includes the theme of taking full advantage of our business foundation that encompasses many market segments, which is a key strength of ours. Increasing interaction among business segments will allow us to cover a broad spectrum of our clients’ needs in order to build even stronger relationships.

Lowering opportunity loss concerning recruiting people is another benefit of more interaction. Furthermore, giving our people jobs in many business sectors provides them with more opportunities to grow and develop their skills. This is how we intend to make the ability to attract people a major element of our brand.

We also plan create ways to utilize seniors, a steadily growing segment of Japan’s population, as well as to take actions concerning people who are looking for a side job, which is one issue linked to the working style reforms. By developing the new ways for utilizing personnel in the manufacturing field, we want to serve a broader range of business categories and to create the “ways we live” for an even larger number of people.



## Topic

### Human Resources and Education Business

## Start of Operations at JW Solution

In April 2019, World Staffing Co., Ltd. and JTB Communication Design, Inc. jointly established JW Solution Co., Ltd. World Staffing is a consolidated subsidiary of World Holdings and engaged in temporary staffing for store sales people and office workers. JTB Communication Design is a member of the JTB Group, one of Japan’s largest travel organizations and provides various communication services. The new company JW Solution provides a full line of human resource services exclusively for the hospitality industry.

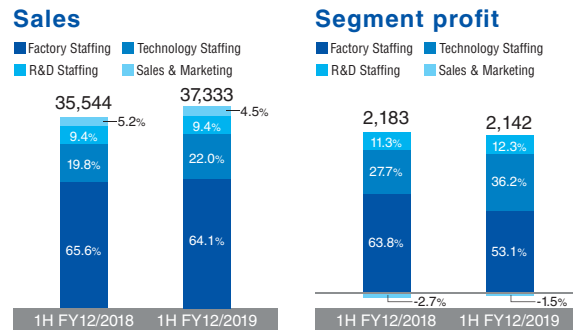
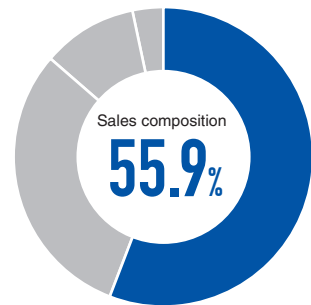
The demand for hotel workers is expected to continue increasing along with the number of foreign tourists in Japan. JW Solution’s highest priority is to conduct training programs in order to establish a team of hospitality professionals.

Establishing JW Solution creates a platform for combining the recruitment and personnel management expertise of World Staffing with the unique hospitality industry training activities of JTB Communication Design, which use this company’s distinctive hospitality system. This will create a highly effective and innovative education program for hospitality personnel.

We started temporary staffing services for manufacturers in order to give companies flexibility regarding fluctuations in production volume. We have subsequently used our own perspective for the evolution and advancement of outsourcing services. With JW Solution, we are taking another step in this process by supplying high-quality outsourcing support that will help hotel operators grow.



## Human Resources and Education Business



### 1H FY12/2019 Overview

A new competitive environment is emerging that is centered on innovations as well as the need for strict compliance with laws and regulations. Human resources companies as well as companies in other industries must take actions based on the establishment of legal frameworks concerning how people are employed and do their jobs due to the enactment of concerning the work-style reforms and revisions to the Worker Dispatching Act and Immigration Control Act. In the manufacturing sector, which is the primary market for this business, there was a downturn in some orders because of soft demand in the semiconductor and other IT fields caused by the overseas business climate. Despite this weakness, the Human Resources and Education Business made a big contribution to the growth of first half consolidated sales and earnings due to benefits of the strategy of making our brand more powerful (increasing the ability to attract people) in order to differentiate us from competitors.

### Business Overview

#### A new perception of values for work

With subcontracting and temporary placement capabilities, we are a one-stop provider of services extending from upstream to downstream processes in the manufacturing sector.

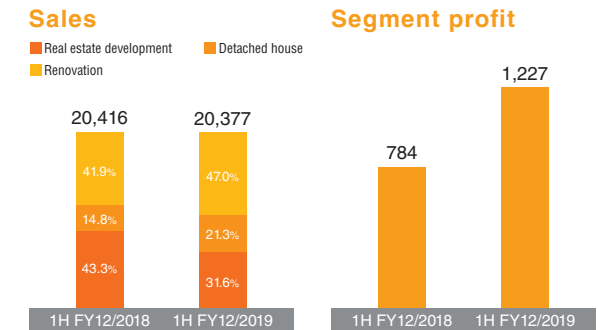
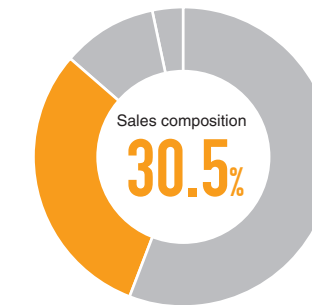
Involvement with a diverse array of market sectors and products makes this business highly resilient to almost any type of change in the economic environment and makes it possible to supply services that support manufacturing in Japan.

### Group Companies

- WORLD INTEC CO., LTD.
- WORLD CONSTRUCTION CO., LTD.
- DOT WORLD Co., Ltd.
- WORLD NEXT CO., LTD.
- GEOGRAPHIC INFORMATION OF KYUSHU, INC.
- WORLD STAFFING CO., LTD.
- WORLD INTEC TAIWAN Co., LTD.
- NIKKEN TECHNO CO., LTD.
- JW Solution Co., Ltd.
- EngmaIntec Co., LTD.
- SAIHI INFORMATION SERVICE CO., LTD.



## Real Estate Business



### 1H FY12/2019 Overview

With the 2020 Tokyo Olympics only one year away, a variety of signs of an asset bubble are starting to appear prior to the 2020 peak of infrastructure projects, real estate investments, projects to accommodate foreign tourists and other activities. Residential properties are the main product of this business. In the Tokyo area, prices of condominiums have been consistently high because of the rising cost of land, labor and other items. The outlook for this market is still unclear mainly due to the declining supply of new condominiums and the decrease in the contract rates. Although we retained a cautious stance regarding purchases and sales of properties, earnings were higher mainly because we increased sales activities and closed sales of some properties earlier than planned for strategic reasons.

### Business Overview

#### Communities where people can live with confidence at all time

This business serves many types of clients' needs by operating real estate development, detached house, renovation, prefabricated house and many other real estate businesses.

Diversification across many geographic areas and business sectors greatly reduces the vulnerability of this business to changes in the economic environment. With this solid foundation, we can create residences and communities where people can live with confidence.

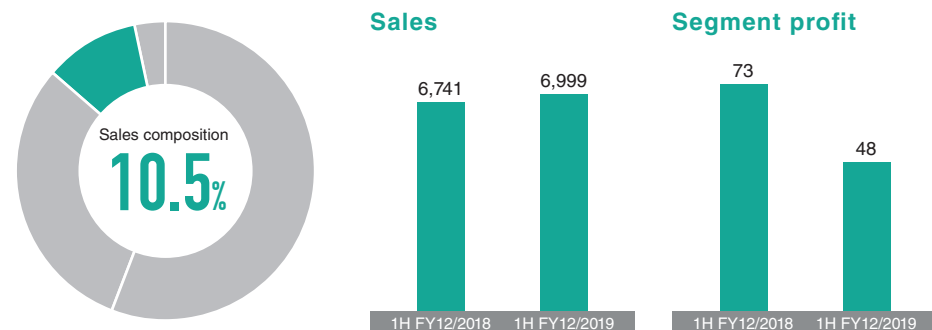
### Group Companies

- WORLD RESIDENTIAL Co., Ltd.
- Nichimo Real Estate Co., Ltd.
- OMACHI WORLD Co., Ltd.
- World iCity Co., Ltd.
- HOEIKENSETSU Co., Ltd.
- PT.WORLD DEVELOPMENT INDONESIA
- World Wisteria Homes Co., Ltd.
- MIKUNI Co., Ltd.
- COMPAX Co., Ltd.
- WORLD MIKUNI Co., Ltd.
- M's World Co., Ltd.





## Information and Telecommunications Business



### 1H FY12/2019 Overview

In this business, the priority is implementing a regional strategy in order to benefit as one of the surviving companies as a major shift takes place in Japan's mobile phone sales market. There are now 43 directly operated stores backed by an organization that has undergone numerous reforms, an employee training program to give people extensive knowledge and customer service skills, and various forms of support for stores. The corporate solutions business, which we plan to continue to expand, established a call center to sell new products and took other actions to establish a more powerful sales framework in the second half of fiscal 2019.

### Business Overview

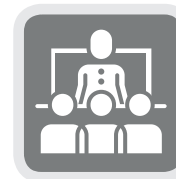
#### Creating new types of value involving communications

The operation of mobile phone stores is the primary activity in this business. Other activities include solutions for corporate clients and a telemarketing business.

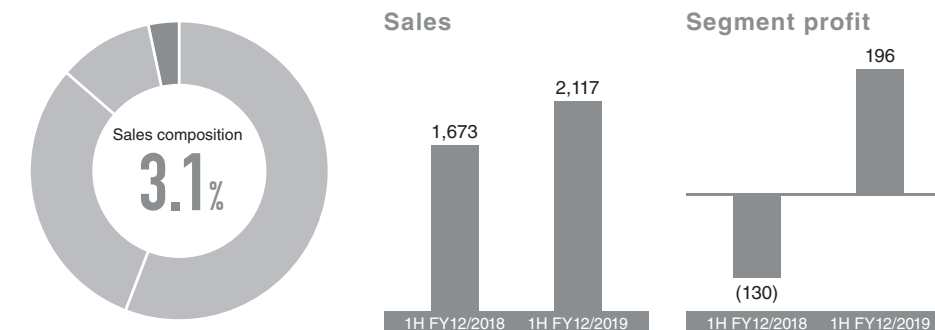
All of our mobile stores closely reflect the characteristics of their respective locations. Our corporate solutions business and telemarketing business focus mostly on assisting with cost-cutting at small- and medium-size companies.

### Group Companies

- e-support, Inc.
- Network Solution Co., Ltd.
- Best IT Business Co., Ltd.



## Others



### 1H FY12/2019 Overview

Farm Co., Ltd. and its affiliate operate agricultural parks. There were big increases in the number of visitors because of measures to attract more people at *Blumen Hugel*, *Shiga Agriculture Farm*, which recently added *Alps Gym*, one of the largest athletic facilities in western Japan, and *Comorebi Ibaraido Forest* in Ibaraki prefecture, which includes a *Sylvanian Park*. The revitalization of all parks is progressing and their profitability is improving.

### Business Overview

#### To create new "ways we live"

Companies in this business have taken on challenges by operating businesses that seek to use activities outside the core businesses for creating new "ways we live." For example, Farm Co., Ltd. operates nine agricultural parks in Japan with a theme of harmony among nature, man and society. Advan Co., Ltd. operates PC and online schools, produces websites and creates a variety of designs.

### Group Companies

- Advan Co., Ltd.
- Farm Co., Ltd.
- Crowdeight Co., Ltd.

Other Businesses

# A new phase of the evolution of the agricultural park business

Farm Co., Ltd., which operates agricultural parks, became a member of the World Holdings Group in February 2017. We added this business sector to the Group with the goal of helping to increase the vitality of communities and regions. Since then, Farm has revitalized these parks by deepening their ties with the regions they serve, created many jobs and made its parks places where residents of nearby communities can gather and interact. Farm has nine agricultural parks in many areas of Japan that have aggregate annual attendance of about one million.

Improving the somewhat unsightly and aging facilities of agricultural parks was the first step for revitalizing Farm's operations. Cleaning and other care of park facilities had not been performed properly. Some items were left unrepaired. As a result, the revitalization activities started with attention to one of the most fundamental components of parks—the appearance and condition of facilities.

Enabling visitors to enjoy their time at agricultural parks is critical to the success of these parks. This is why Farm encouraged thorough improvements by managers and other personnel of parks. As the motivation of these people increased, the parks began to benefit from many innovative ideas.

Farm has been making investments in new businesses beginning with the July 2018 opening of the Tokyo area's first *Sylvanian Family* theme park, which is located at *Comorebi Ibaraido Forest*. *Sylvanian Park* is operated jointly with EPOCH CO., LTD. The park has attracted large numbers of *Sylvanian Family* fans as well as other visitors as a place where two and even three generations of families can spend time together.

In March 2019, an *Alps Gym* with 72 climbing attractions was opened at *Blumen Hugel, Shiga Agriculture Park*. *Alps Gym* is an athletic facility operated at about 40 locations in more than 20 countries. The gym at the *Shiga Agriculture Park* is the second one in Japan and the first in western Japan. *Alps Gym* quickly became very popular at the *Shiga Agriculture Park* among people of all ages.

We plan to use these successful measures at more agricultural parks as well as to add more facilities and features that match the regional characteristics of each park. We are also strengthening activities for launching new businesses, such as external sales of processed food products.



Parks produce and sell their own sausages, dairy products, beer and other food products.

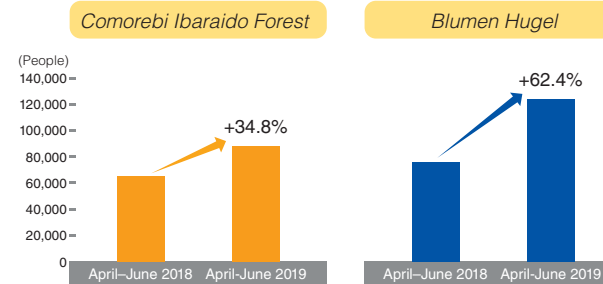


**Alps Gym**  
The first gym in Japan to have this German-made 17-meter-tall climbing wall

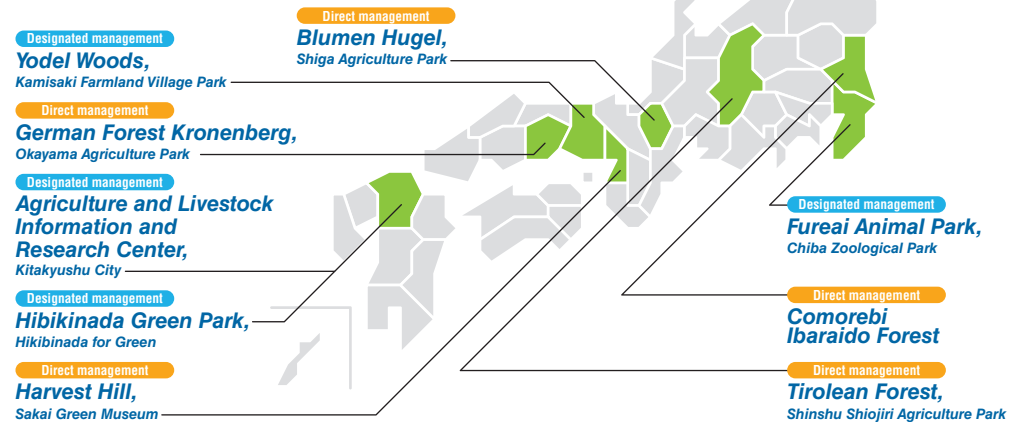


**Sylvanian Park**  
Everyone can fully enjoy the world of the *Sylvanian Family* © EPOCH

## The Growth of Park Attendance



Innovative additions to parks, such as *Sylvanian Park* at *Comorebi Ibaraido Forest* and *Alps Gym* at *Blumen Hugel, Shiga Agriculture Park*, have attracted a growing number of visitors. In the second quarter of fiscal 2019, the number of visitors was much higher than in the same period of 2018.



## Corporate Data

(As of June 30, 2019)

**Name:** World Holdings Co., Ltd.**Established:** February 12, 1993**Share capital:** ¥785 million**Representative:** Eikichi Iida, Chairman and President**Number of employees:** 19,319 (consolidated)**Fukuoka Head Office:**

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Prefecture 803-0814 Japan  
Phone: +81-93-581-0540 Fax: +81-93-581-0542

**Tokyo Head Office:**

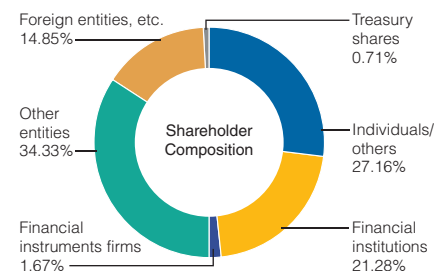
4F NBF COMODIO Shiodome, 2-14-1 Higashi-Shinbashi, Minato-  
ku, Tokyo 105-0021 Japan  
Phone: +81-3-3433-6005 Fax: +81-3-3433-6003

Businesses related to the entire group including formulation of management policies for the holding company and the group companies and management of the group's business operations (Human Resources and Education Business, Real Estate Business, Information and Telecommunications Business)

**Businesses:****Executives:****Eikichi Iida**, Chairman and President**Toru Iwasaki**, Executive Director**Yuji Takai**, Executive Director**Shinji Honda**, Executive Director**Shigeru Nakano**, Executive Director**Yoshihiko Mimasu**, Executive Director**Toshihiko Kanno**, Executive Director**Syuzou Ito**, Executive Director**Akira Soejima**, Executive Director**Koichi Hashida**, Executive Director (Outside Independent)**Shingo Igarashi**, Executive Director (Outside Independent)**Hideki Yamazaki**, Executive Director (Outside)**Kazuyuki Yamamura**, Audit and Supervisory Board Member (Full-time)**Mitsuo Koga**, Audit and Supervisory Board Member (Outside)**Tetsuo Kato**, Audit and Supervisory Board Member (Outside)

## Stock Information

(As of June 30, 2019)

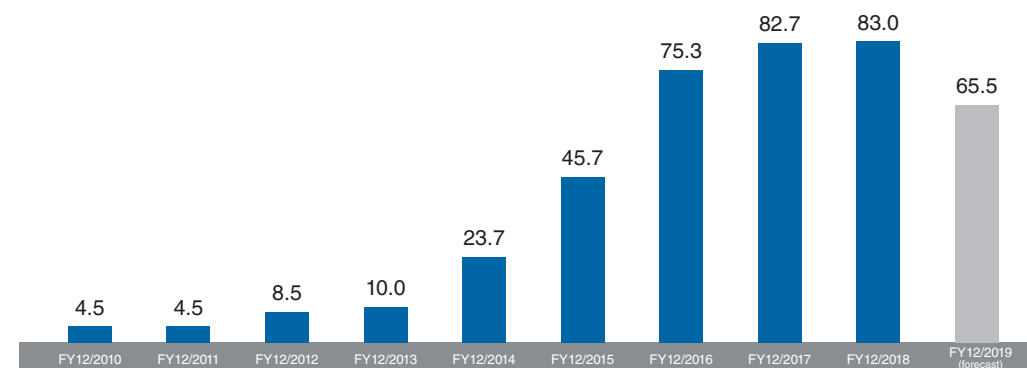
**Number of authorized shares:** 54,000,000**Number of shares outstanding:** 16,957,600**Number of shareholders:** 2,798**Major Shareholders**

Shareholders	Number of shares held	Shareholding ratio
IIDA Research Institute, Limited	5,800,000	34.45%
Eikichi Iida	2,061,500	12.24%
Japan Trustee Services Bank, Ltd. (Trust Account)	1,685,400	10.01%
BNP PARIBAS SECURITIES SERVICES LUXENBOURG/JASDEC/FIM/LUXEMBOURG FUNDS/UCITS ASSETS Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch	750,000	4.45%
The Kitakyushu Bank, Ltd. Standing proxy: The Master Trust Bank of Japan, Ltd.	709,200	4.21%
Nanko Abe	500,000	2.97%
THE NISHI-NIPPON CITY BANK, LTD.	300,000	1.78%
The Master Trust Bank of Japan, Ltd. (Trust Account)	245,100	1.45%
MUFG Bank, Ltd.	180,000	1.06%
JPMorgan Chase Bank 385151 Standing proxy: Mizuho Bank, Ltd., Settlement Sales Department	147,214	0.87%

\* Shareholding ratio is calculated after deducting treasury shares (121,000 shares).

## Dividends

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 increase the dividend consistently while using a consolidated payout ratio of 30% as the guideline.

**Dividend per share (Yen)**

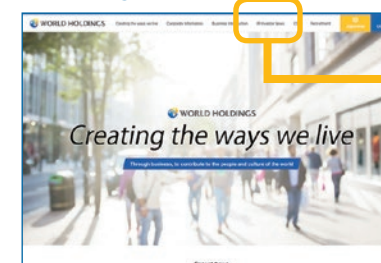
## Memorandum for Shareholders

<b>Business year:</b>	January 1 to December 31
<b>Annual General Meeting of Shareholders:</b>	March
<b>Shareholder registry and special account administrator:</b>	Mitsubishi UFJ Trust and Banking Corporation
<b>Address:</b>	Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1 Nikko-cho, Fuchu-shi, Tokyo, Japan <b>Contact:</b> 0120-232-711 (toll- free in Japan) <b>Mailing address:</b> Securities Agency Division, Mitsubishi UFJ Trust and Banking Corporation, PO Box 29, New Tokyo Post Office, 137-8081
<b>Public announcements:</b>	Notices will be posted in electronic format on our internet web page ( <a href="https://world-hd.co.jp/">https://world-hd.co.jp/</a> ). However, notices will be published in the Nihon Keizai Shimbun when an electronic notification is not possible for unavoidable reasons.

## The World Holdings Website

The IR Information section of the World Holdings website has messages from senior executives, information about the New Medium-term Management Plan 2021, an IR library, financial data and recent news.

### Front page of the website



<https://en.world-hd.co.jp/>

### IR Information



<https://en.world-hd.co.jp/ir/>

### Fukuoka Head Office:

6F Fukuoka Asahi Building, 2-1-1 Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka Prefecture 812-0011 Japan  
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### Tokyo Head Office:

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