

# Business Results for the Fiscal Year Ended December 31, 2010

February 22, 2011  
WORLD INTEC CO., LTD.



人が生きるカタチ

株式会社ワールドインテック

JASDAQ(2429)

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# Business Results Summary for FY12/10

# Consolidated Business Results Summary for FY 12/10 (Year-on-Year)

## Net Sales

- Human Resources Services: In addition to demand from existing customers, demand from next-generation product manufacturers performing well
- Information Technology & Telecommunications Services: Smartphone sales doing well

## Operating Income

- HR Business: Fortify and expand recruitment and training programs
- New Venture: Impact of startup business

## Ordinary Income

- To preserve employment, an increasing number of workers are put on furlough and that led to lower profit

## Net Income

- Due to designation as consolidated tax exception

Consolidated (¥ Million)	FY12/09 Actual	FY12/10 Actual	Year-on-Year Change	
			Amount	Ratio
Net Sales	29,094	32,109	3,014	10.4%
Operating Income	389	344	△44	-11.5%
Operating Margin	1.3%	1.1%	—	—
Ordinary Income	537	487	△50	-9.3%
Ordinary Margin	1.8%	1.5%	—	—
Net Income	149	58	△91	-61.0%
Net Margin	0.5%	0.2%	—	—

# Consolidated Business Results Summary for FY 12/10 (vs. Forecast)

## Net Sales

- HR Services: Greater than expected order volume generated by manufacturing temporary placement /contracting and technology oriented placement services
- Information Technology & Telecommunications Services : Increase in sold products

## Operating Income

- HR Services: Due to order surge in manufacturing temporary placement/contracting and technology oriented placement services

## Ordinary Income

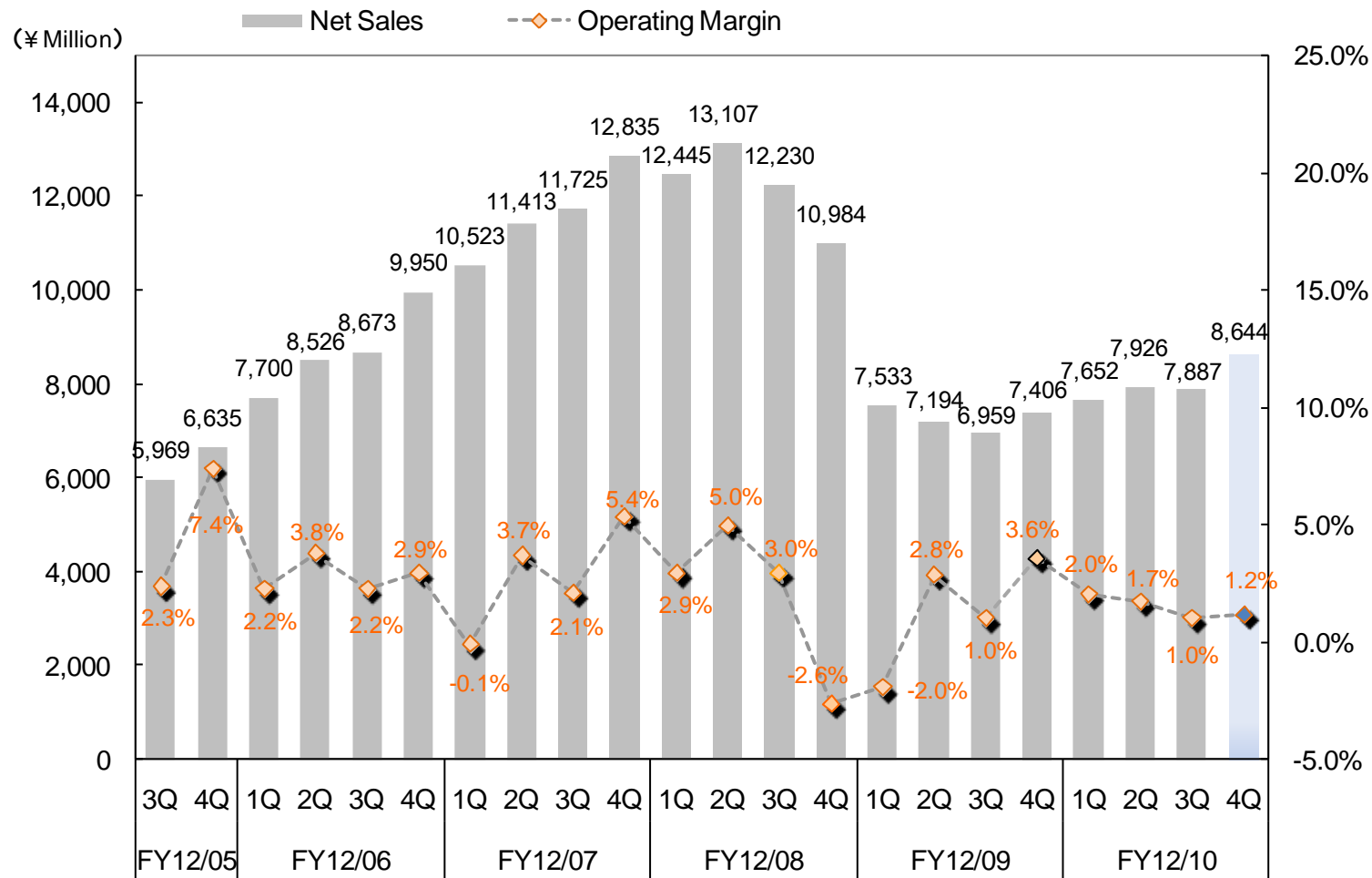
- Increase due to higher operating income

## Net Income

- Increase due to higher operating income

Consolidated (¥ Million)	FY12/10 Forecast	FY12/10 Actual	Vs. Forecast	
			Amount	Ratio
Net Sales	31,700	32,109	409	1.3%
Operating Income	280	344	64	23.2%
Operating Margin	0.9%	1.1%	—	—
Ordinary Income	400	487	87	21.9%
Ordinary Margin	1.3%	1.5%	—	—
Net Income	0	58	58	—
Net Margin	—	0.2%	—	—

# Consolidated Net Sales and Operating Margin



# Business Results Summary by Segment (Year-on-Year)

(¥ Million)		FY12/09 Actual	FY12/10 Actual	Year-on-Year Change	
				Amount	Ratio
Manufacturing Temporary Placement/Contracting	Net Sales	13,221	14,134	913	6.9%
	Operating Income	775	704	△70	△9.1%
	Operating Margin	5.9%	5.0%	—	—
Technology Oriented Placement	Net Sales	5,707	5,964	256	4.5%
	Operating Income	357	369	12	3.4%
	Operating Margin	6.3%	6.2%	—	—
R&D Placement	Net Sales	1,967	2,082	114	5.8%
	Operating Income	137	131	△5	△4.1%
	Operating Margin	7.0%	6.3%	—	—
Marketing Sales Services	Net Sales	996	1,828	831	83.5%
	Operating Income	△95	19	114	120.1%
	Operating Margin	△9.5%	1.0%	—	—
Information Technology & Telecommunications Services	Net Sales	7,200	8,046	845	11.7%
	Operating Income	141	165	23	16.6%
	Operating Margin	2.0%	2.1%	—	—
Real Estate Business	Net Sales	—	52	52	—
	Operating Income	—	△160	△160	—
	Operating Margin	—	△308%	—	—
Total	Net Sales	29,094	32,109	3,014	10.4%
	Elimination	△926	△884	42	—
	Operating Income	389	344	△44	△11.5%
	Operating Margin	1.3%	1.1%	—	—

# Business Results Summary by Segment (vs. Forecast)

(¥ Million)		FY12/10 Forecast	FY12/10 Actual	vs. Forecast	
				Amount	Ratio
Manufacturing Temporary Placement/Contracting	Net Sales	13,885	14,134	249	1.8%
	Operating Income	627	704	77	12.3%
	Operating Margin	4.5%	5.0%	—	—
Technology Oriented Placement	Net Sales	5,901	5,964	63	1.1%
	Operating Income	328	369	41	12.5%
	Operating Margin	5.6%	6.2%	—	—
R&D Placement	Net Sales	2,092	2,082	△10	△0.5%
	Operating Income	128	131	3	2.3%
	Operating Margin	6.1%	6.3%	—	—
Marketing Sales Services	Net Sales	1,766	1,828	62	3.5%
	Operating Income	△14	19	33	—
	Operating Margin	△0.8%	1.0%	—	—
Information Technology & Telecommunications Services	Net Sales	8,004	8,046	42	0.5%
	Operating Income	166	165	△1	△0.6%
	Operating Margin	2.1%	2.1%	—	—
Real Estate Business	Net Sales	52	52	0	0%
	Operating Income	△135	△160	△25	—
	Operating Margin	△260%	△308%	—	—
Total	Net Sales	31,700	32,109	409	1.3%
	Elimination	△819	△884	△65	—
	Operating Income	280	344	64	23.2%
	Operating Margin	0.9%	1.1%	—	—

# Summary of Consolidated Balance Sheets

Consolidated (¥ Million)	FY12/09 Actual	FY12/10 Actual	Year-on-Year Change Amount	
<b>Total assets</b>	<b>9,497</b>	<b>13,367</b>	<b>3,869</b>	
Current assets	7,750	11,505	3,755	
Cash and deposits	3,582	3,162	△419	
Notes and accounts receivable-trade	3,062	3,571	508	Due to increase in net sales
Inventories	—	3,829	3,829	Due to launch of real estate business
Others	1,105	942	△162	
Noncurrent assets	1,747	1,861	114	
Property, plant and equipment	662	682	19	
Intangible assets	146	121	△25	
Investments and other assets	937	1,057	120	
<b>Total liabilities</b>	<b>4,719</b>	<b>8,523</b>	<b>3,804</b>	
Current liabilities	4,196	6,445	2,248	
Notes and accounts payable-trade	471	496	24	
Short-term loans payable	907	2,397	1,490	Capital to procure marketable real estate
Accrued expenses	1,806	2,212	406	Due to increase in clients and employees
Income taxes payable	113	305	192	
Accrued consumption taxes	173	195	22	
Others	725	837	112	
Noncurrent liabilities	522	2,077	1,555	
Long-term loans payable	262	1,761	1,498	Capital to procure marketable real estate
Provision for retirement benefits	226	278	52	
Provision for directors' retirement benefits	22	25	3	
Others	10	11	1	
<b>Total net assets</b>	<b>4,778</b>	<b>4,843</b>	<b>65</b>	
Capital stock	697	697	0	
Capital surplus	860	860	0	
Retained earnings	2,719	2,706	△12	
Treasury stock	△100	△100	△0	
Valuation and translation adjustments	△23	△26	△2	
Minority interests	626	706	79	
<b>Total liabilities and net assets</b>	<b>9,497</b>	<b>13,367</b>	<b>3,869</b>	

# Summary of Consolidated Cash Flows

Consolidated (¥Million)	FY12/09 Actual	FY12/10 Actual	Year-on-Year Change Amount	
	Cash flows provided by (used in) operating activities	Δ361	Δ2,863	Δ2,502
Income before income taxes	445	459	14	
Depreciation and amortization	129	116	Δ12	
Decrease(increase) in notes and accounts receivable-trade	1,079	Δ497	Δ1,577	Due to increase in employees following net sales growth
Decrease (increase) in inventories	2	139	136	
Decrease (increase) in real estate for sale	—	Δ3,877	Δ3,877	Due to launch of real estate business
Increase (decrease) in accrued expenses	Δ1,332	398	1,731	Due to increase in employees following net sales growth
Increase (decrease) in accrued consumption taxes	Δ361	21	383	
Interest expenses paid	Δ24	Δ21	3	
Income taxes paid	Δ482	Δ78	403	
Others	182	473	291	
Cash flows provided by (used in) investing activities	379	Δ288	Δ667	
Purchase of property, plant and equipment	Δ38	Δ106	Δ68	
Process from sales of investment securities	311	—	Δ311	
Purchase of investment securities	Δ2	Δ65	Δ63	
Payments of loans receivable	—	Δ67	Δ67	
Others	108	Δ49	Δ157	
Cash flows provided by (used in) financing activities	Δ229	2,810	3,039	
Net increase (decrease) in short-term loans payable	369	1,560	1,191	Capital to procure marketable real estate
Proceeds from long-term loans payable	400	1,728	1,328	Capital to procure marketable real estate
Repayment of long-term loans payable	Δ906	Δ402	503	
Others	Δ92	Δ75	17	
Effect of exchange rate change on cash and cash equivalents	3	Δ1	Δ5	
Net increase (decrease) in cash and cash equivalents	Δ206	Δ343	Δ136	
Cash and cash equivalents beginning of term	3,717	3,510	Δ206	
Cash and cash equivalents, end of term	3,510	3,166	Δ343	

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# Highlights by Segment (Supplement)

# Highlights by Segment

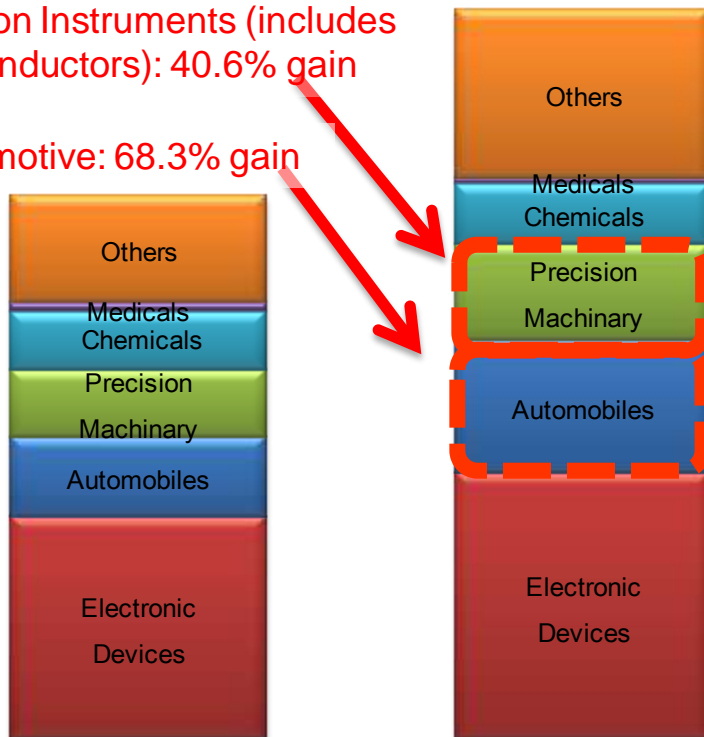
## Manufacturing Temporary Placement/Contracting

- Lead by automobile (68.3%) and semiconductor (40.6%) (YoY change)

### Sales Comparison by Services (YoY Change)

Precision Instruments (includes semiconductors): 40.6% gain

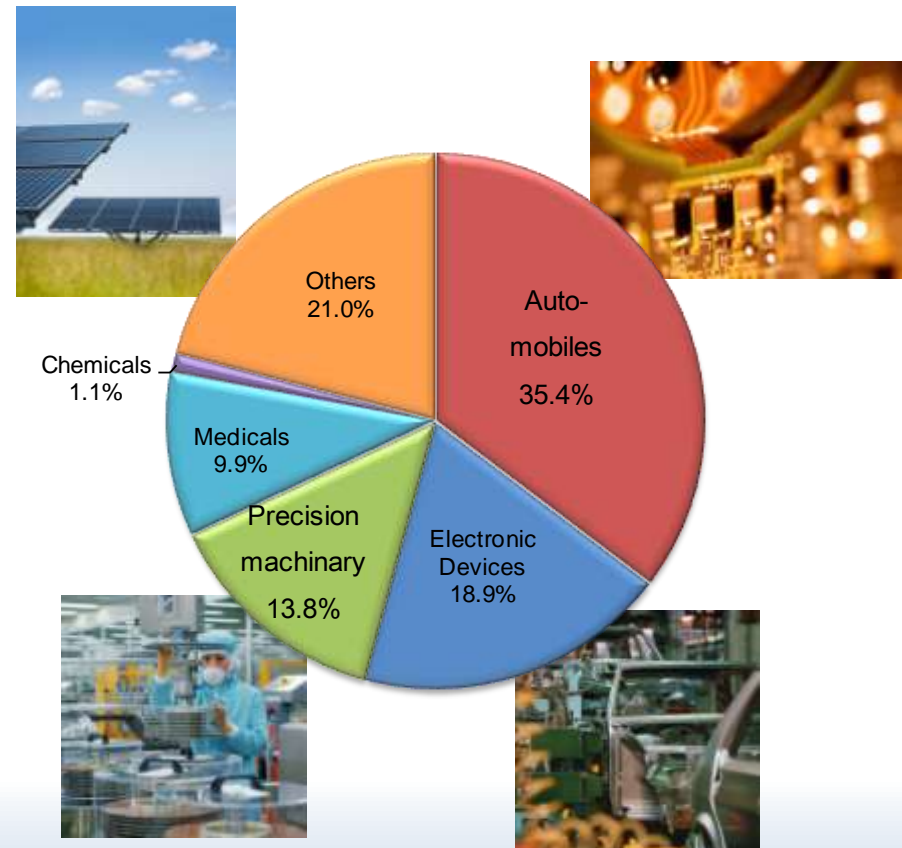
Automotive: 68.3% gain



2010.01

2010.12

### Net Sales Ratio by Services (FY12/10 Actual Results)



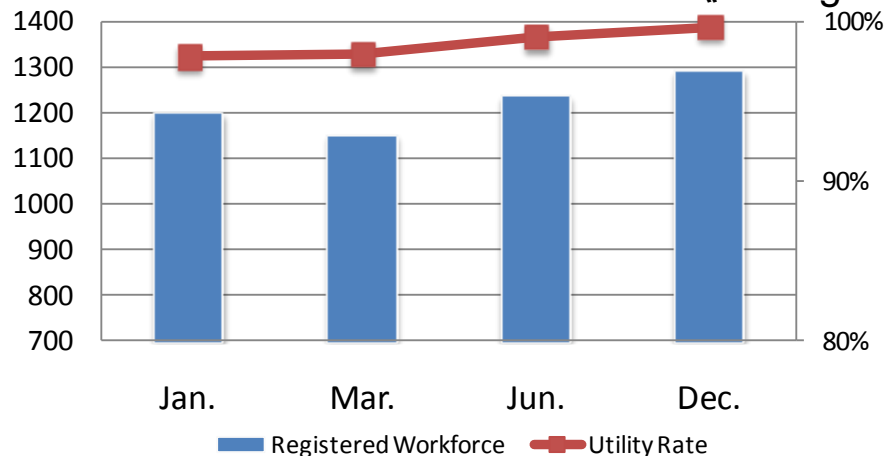
# Highlights by Segment

## Technology Oriented Placement

- Net sales sustained, focus on cost improvement
- Recruitment effort bolstered in 4Q, registered workforce expanded

- After bottoming out in March, workforce size and utility rate rebounding well
- Increase in new design and development service contracts as demand for semiconductor equipment grows; utility rate thus improves with increase in contracts and recruitment from October onward

《Changes in Registered Workforce / Utility Rate》



	Jan.	Mar.	Jun.	Dec.
Registered Workforce	1,197	1,150	1,234	1,289
Utility Rate	97.8%	98.0%	99.0%	99.7%

### 《SI Division》

Increase in public sector contracts created from close coordination with GEOGRAPHIC INFORMATION OF KYUSHU, INC. in terms of human resources and engineering expertise



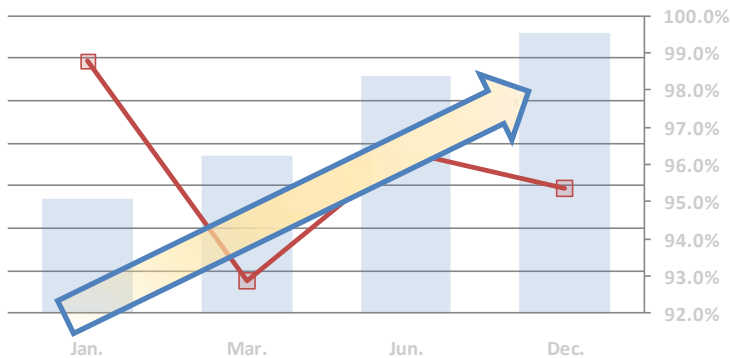
# Highlights by Segment

## R&D Placement

- Gap created with reliance on specialized placement services (full-time, permanent worker employment)
- Strategy to hire new university graduates successful (35 researchers hired in 2010)

- Secured new contracts by emphasizing specialized skills
- Hired 45 new graduates this year and their placement at clients proceeding well
- Contract researchers are being promoted to manager positions under an initiative we developed as part of our engagement strategy, enhancing personal motivation and rate of retention

《Registered Workforce Trend》



	Jan.	Mar.	Jun.	Dec.
Registered Workforce	327	337	356	366
Utility Rate	98.8%	92.9%	96.3%	95.4%



Meeting of managers



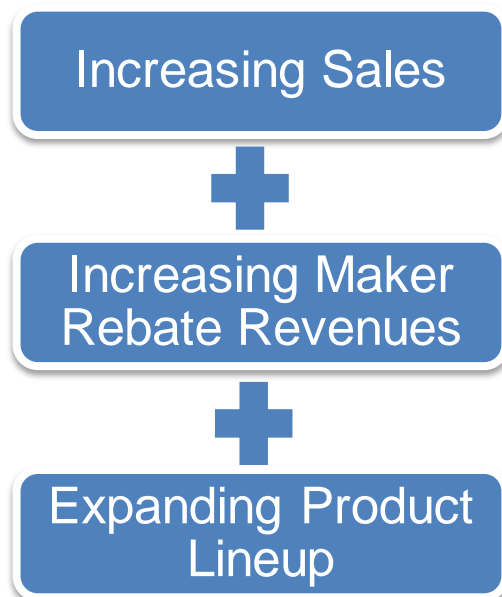
Meeting of engineers

# Highlights by Segment

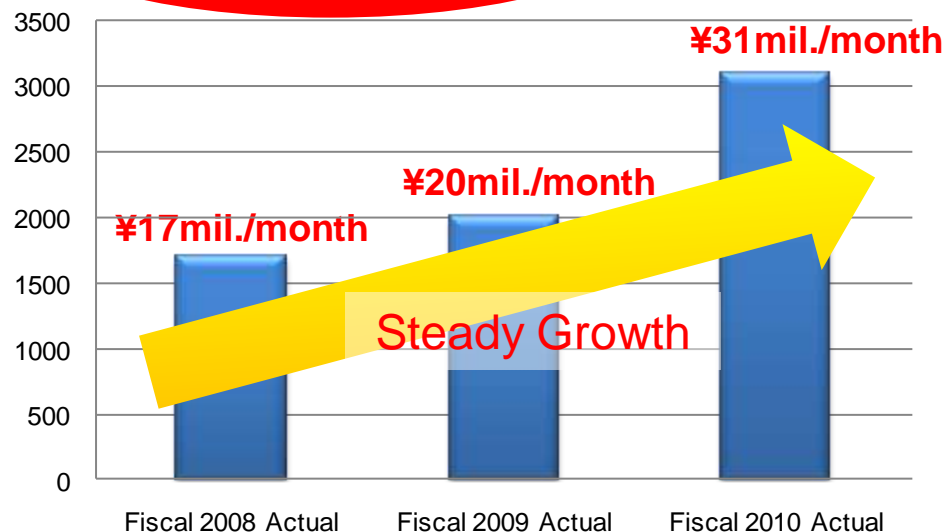
## Information Technology & Telecommunications Services

- Maximizing maker rebates from products
- Upgrading distributorship strategy

- Larger than expected maker rebate revenues generated due to robust growth in smart phone sales
- Profitability improved with end of investment in distributorship network expansion last year and closing of unprofitable divisions



No. 1 in Mobile Phone Sales in Kyushu



# Overseas Operations

## HR Services

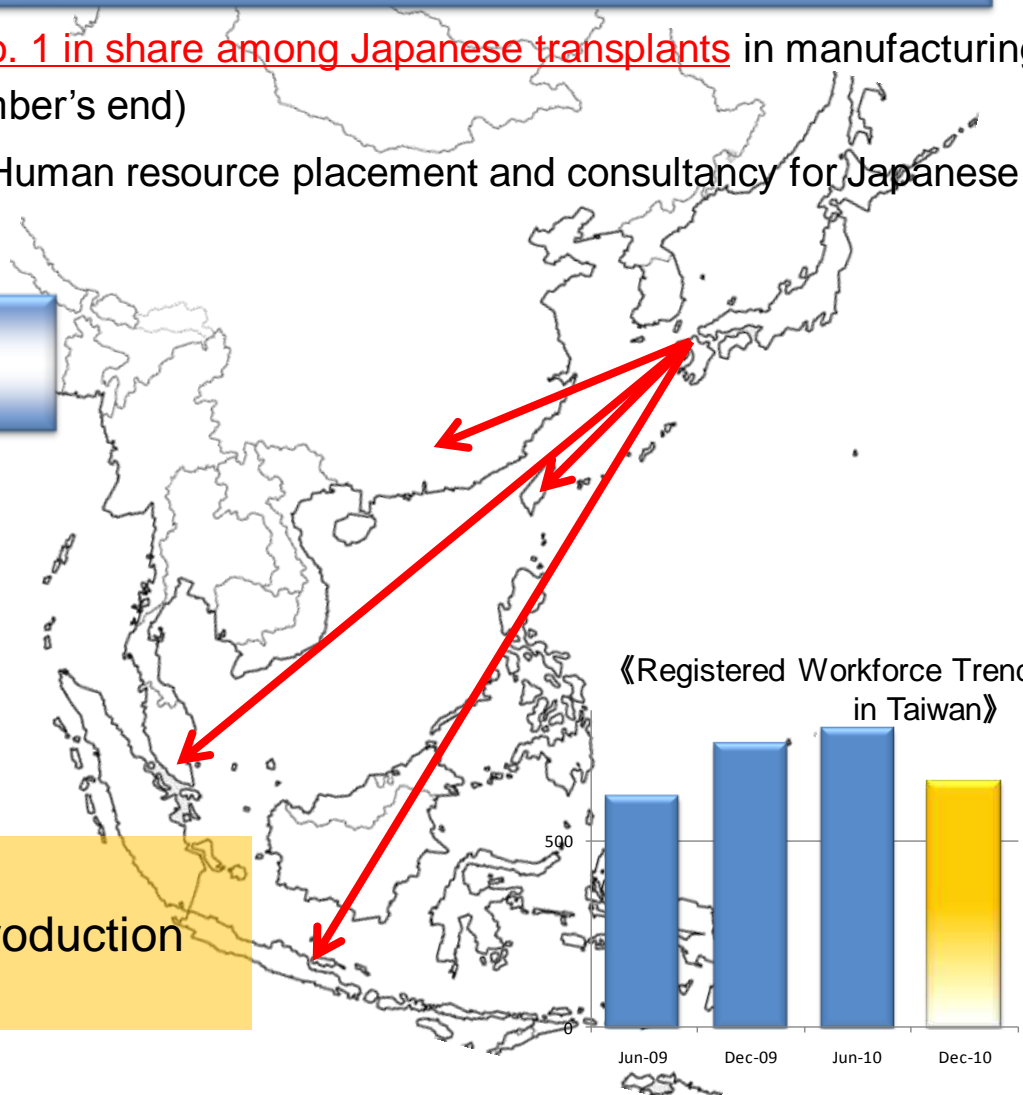
- WORLD INTECH TAIWAN CO., LTD.: No. 1 in share among Japanese transplants in manufacturing sector (approx. 700 workers as of December's end)
- WORLD INTEC SHANGHAI CO., LTD.: Human resource placement and consultancy for Japanese companies

## Procurement Business

《Fiscal 2010 Sales of Equipment Parts》

- Indonesia
- Singapore
- China

Bolstering and expanding business by procuring equipment parts for production plants overseas



# WORLD INTEC Group of Companies

《4 New Subsidiaries in FY12/10》



株式会社ワールドインテック  
WORLD INTEC CO., LTD.

《Human Resources》《Procurement》

Factory Contracting Services : Manufacturing Worker Placement and Outsourced Contracting Services  
Technology Oriented Placement Services : Placement of Engineers  
R&D Placement Services : Placement of Researchers  
CB Services : Placement of marketing personnel



《IT and Telecommunications Services》

- Office Automation Sales
- Call Center Services
- Cellular Phone Sales

WORLD RESIDENTIAL CO., LTD.  
/ Nichimo Real Estate Co., Ltd.

《Real Estate Operations》

- Housing Sales • Condominium Management
- Real Estate Consultancy • Outside Projects



株式会社アドバン  
Advan Co., Ltd.

《Vocational Training and Education》

- PC Training Centers, Software Sales
- Website Production



VEC CO., LTD.

《Human resources business》

- Placement and outsourced contracting for construction industry



WORLD INTEC  
GROUP



《Human Resource Development Services》

- Manufacturing Worker Placement
- Human resource placement



GEOGRAPHIC INFORMATION OF KYUSHU, INC.

《Software development business》

- Sales of map information
- Software development, employment support for the disabled

Electronics and Ecology Corporation

《Product Repair Services 》

《Human Resources Development》

- Repair Services • Temp Staff Services
- Outsourced Contracting Services

WORLD EXPERTS CO., LTD.

《Human resources and consultancy business》

- General human resource services
- Business consultations
- Training program consultations

12 Consolidated Subsidiaries  
of the World Intec Group

# Earnings Forecast for FY12/11

# Consolidated Earnings Forecast for FY12/11

- Emphasize on new business investment in 2011, construct the foundation for 2012

Consolidated (¥ Million)	FY12/10 Actual	FY12/11 1H Forecast	FY12/11 2H Forecast	FY12/11 FY Forecast	Year-on-Year Change	
					Value	Ratio
Net sales	32,109	18,593	17,502	36,095	3,985	12.4%
Operating income	344	279	160	439	94	27.2%
Operating income margin	1.1%	1.5%	0.9%	1.2%	—	—
Ordinary income	487	307	158	465	Δ22	Δ4.6%
Ordinary income margin	1.5%	1.7%	0.9%	1.3%	—	—
Net income	58	178	Δ128	50	Δ8	Δ14.0%
Net income margin	0.2%	1.0%	Δ0.7%	0.1%	—	—

# Earnings Forecast Summary by Business Segment

(¥ Million)		FY12/10 Actual	FY12/11 1H Forecast	FY12/11 2H Forecast	FY12/11 FY Forecast	Year-on-Year Change	
						Value	Ratio
Manufacturing Temporary Placement/Contracting	Net Sales	14,134	7,720	8,768	16,488	2,354	16.7%
	Operating Income	704	235	532	767	63	8.9%
	Operating Margin	5.0%	3.0%	6.1%	4.7%	—	—
Technology Oriented Placement	Net Sales	5,964	2,988	3,106	6,094	130	2.2%
	Operating Income	369	164	176	340	△29	△7.9%
	Operating Margin	6.2%	5.5%	5.7%	5.6%	—	—
R&D Placement	Net Sales	2,082	1,143	1,244	2,386	304	14.6%
	Operating Income	131	102	117	219	88	67.2%
	Operating Margin	6.3%	8.9%	9.4%	9.2%	—	—
Marketing Sales Services	Net Sales	1,828	1,378	1,019	2,397	569	31.1%
	Operating Income	19	112	14	126	107	563.2%
	Operating Margin	1.0%	8.1%	1.4%	5.2%	—	—
Information Technology & Telecommunications Services	Net Sales	8,046	4,036	3,365	7,401	△645	△8.0%
	Operating Income	165	120	100	220	55	33.3%
	Operating Margin	2.1%	3.0%	3.0%	3.0%	—	—
Real Estate Business	Net Sales	52	1,329	0	1,330	1,277	—
	Operating Income	△160	76	△425	△349	△189	—
	Operating Margin	△308%	5.7%	—	△26.3%	—	—
Total	Net Sales	32,109	18,593	17,502	36,095	3,985	12.4%
	Elimination	△884	△444	△441	△884	0	—
	Operating Income	344	365	73	439	94	27.2%
	Operating Margin	1.1%	2.0%	0.4%	1.2%	—	—

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# Changes in Operating Environment of Human Resources Business

## 《 Developments in HR Industry 》

2007: **Series of compliance violations revealed**

→No. 1 firm in HR industry goes bankrupt

2008: **Collapse of Lehman Brothers**

→Production levels plummet and client base contract

2009: **Change in government and the Worker Dispatch Law amendment mulled**

→Uncertainty over possible legal revision spurs client-makers to accelerate direct hiring temp staff workforce drastically reduced

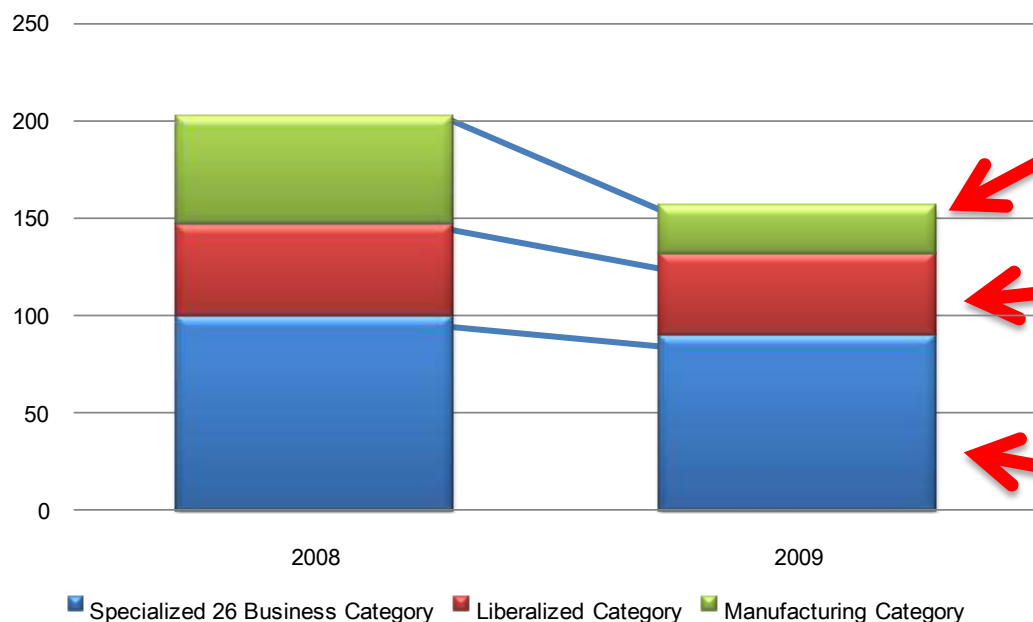
2010: **Yen appreciates**

→Production adjustment / production sites transplanted overseas; HR industry shakeout accelerates

## Changes in Operating Environment

Total No. of Temporary Workers 4.0 Million in FY08 => 3.02 Million in FY09  
 No. of Conventional Conversion Temporary Workers(\*1) 2.02 Million in FY08 => 1.57 Million in FY09

《Temp Worker Trend at Manufacturing Sites》



Manufacturing category:  
 550,000 workers => 250,000 workers  
 Factory oriented market shrinks by 54.5%

Liberalized category:  
 470,000 workers => 420,000 workers  
 R&D and technology market declines by 10.7%

Specialized 26 business category:  
 1 million => 900,000 workers  
 R&D and technology market shrinks by 10.0%

【Source: February 2011 Report on Temporary Workers Business (Fixed Version), Ministry of Health, Labor and Welfare

(\*1)The number of conventional conversion temporary workers is the sum total of conventionally employed workers, workers in non-conventional manner, as well as fulltime workers employed by designated placement service companies.

## Regulatory Target of Amended Worker Dispatch Law

Roughly 90,000 manufacturing workers will be affected by revisions to the Worker Dispatch Law. These workers can avoid regulatory restrictions if they convert to outsourced contracting contracts or rehired as conventional employees

### 《Projected Number of Temporary Workers Employed under the Company》

Machinery Design (Technology Oriented Placement) (32,000 workers)	32,000 workers	<b>Researchers and engineers projected only for special placement</b>
R&D (R&D Placement) (4,000 workers)	4,000 workers	
Manufacturing Positions (Manufacturing Temporary Placement/Contracting) (250,000 workers)	160,000 workers	<b>90,000 workers</b> Workers targeted by Worker Dispatch Law amendment
Liberalized Positions (42,000 workers)	21,000 workers	
<b>Workers Employed Fulltime</b> (217,000 workers)		<b>Non-Fulltime Workers</b> (111,000 workers)

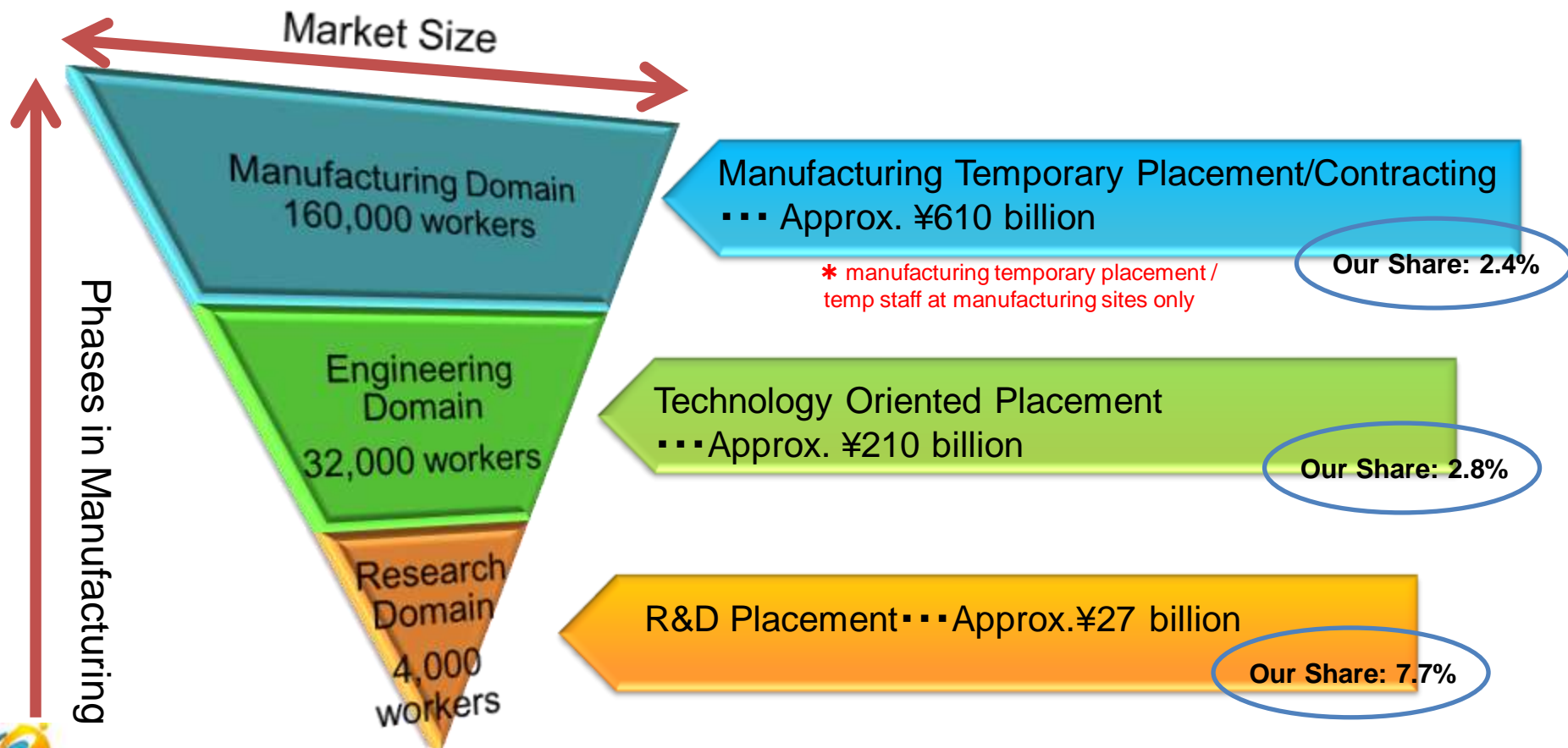
\*Source: The Company's projections based on February 2011 Report on Temporary Worker Business (Fixed Version)

# Changes in Operating Environment of Human Resources Business

## Market Size

Market size remains sufficient despite capacity contraction

《Existing Base Market of Temporary Workers》



## Conditions for success

Expertise in specific fields and outsourced contracting services lead to **competitive superiority**

### 1) Strength in Compliance

- Ability to deal with clients
- Ability to deal with contracted workers
- Ability to deal with regulatory agencies through unified management
- Ability to develop new outsourced contracting expertise

### 2) Strength in outsourced contracting: Requires extensive training of competent and productive workers

Capacity to provide programs for managers and build a framework for carrying out in-house production activities on a timely basis

### 3) Financial strength to invest in human resources development, outsourced contracting expertise

Capacity to finance advanced worker training programs and implement outsourced contracting services at manufacturing sites on demand

**Successful track record creates confidence**

Even in a shrinking market, winners **can gain greater share**  
Shakeout in outsourcing provider industry to accelerate  
from 2011 and continue to 2013

## Conditions for Success

### Compliance capabilities

- Relationship of trust and specialized organization to facilitate unified management

to comply with regulatory agencies

- Relationship of trust with Fukuoka Labor Bureau led to the earning of the certificate of compliance with manufacturing outsourced contracting work code
- Capacity to meet needs of clients and regulatory codes of respective prefectures to facilitate adoption of outsourced contracting program
- Capacity to periodically conform and monitor outsourced contracting worksites to ensure compliance

### Outsourced contracting capabilities: Extensive training of workers capable of carrying out production activities

- We continue to upgrade an organization to carry out in-house production activities, creating programs to field-train workers who are capable of managing such sites, enabling us to develop workers from the bottom up who can respond to and resolve issues over the entire manufacturing process, from planning to actual production.

### Financial capacity to invest in human capital and outsourced contracting services required

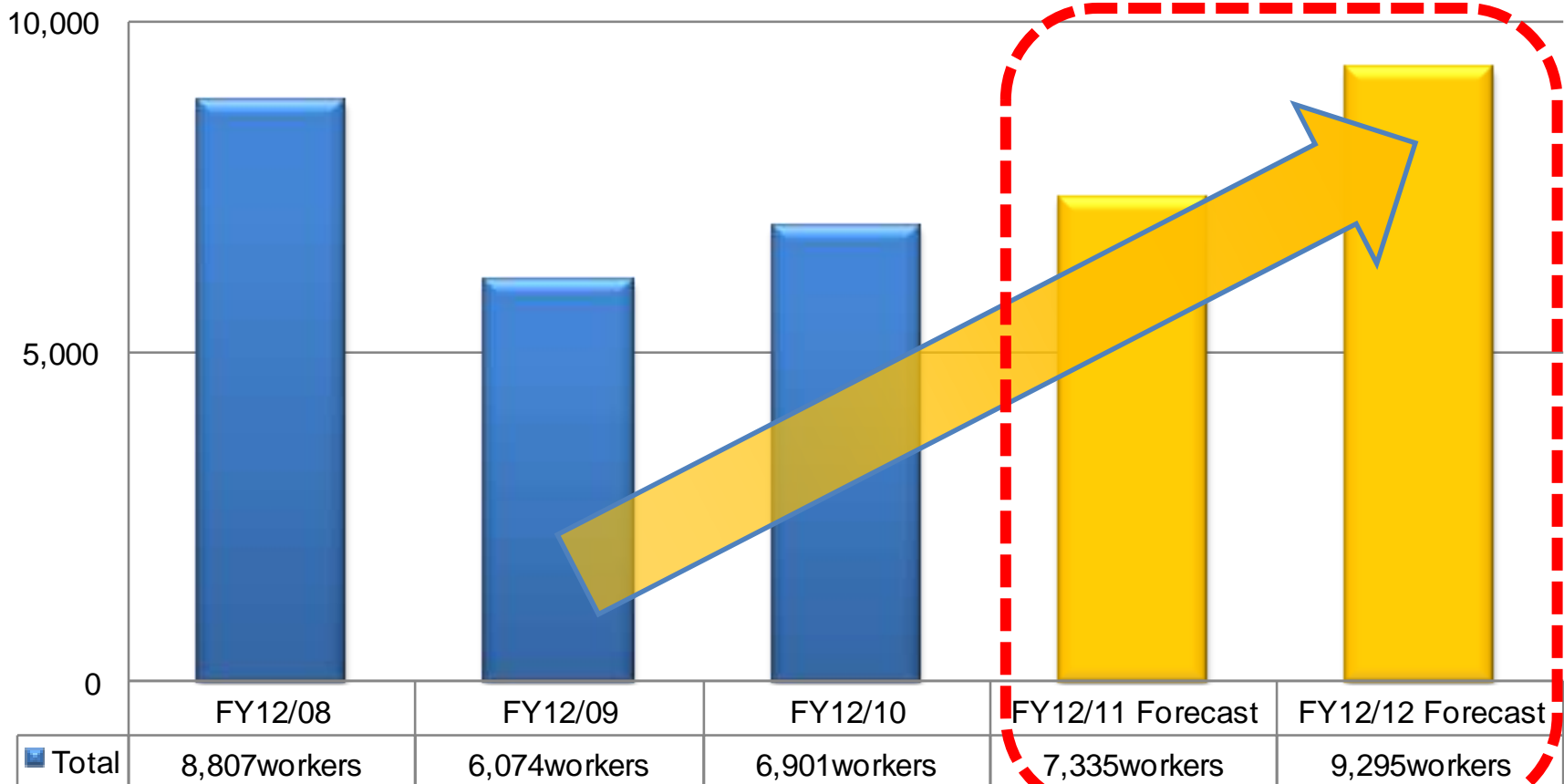
- A sound financial base is needed to actively invest in securing and training core workers to initiate production site activities on a timely basis, as well as in a variety of capital expenditures

**By meeting every criterion to become part of the winning group of players leads to a greater market share**

# Changes in Operating Environment of Human Resources Business

Despite manifold upheavals in our operating environment, our registered workforce is undergoing a smooth recovery after bottoming out in fiscal 2009; we project that our registered workforce will increase by over 2,000 contracted workers from 2011 to 2012

## 《 Changes in Our Manufacturing Oriented Registered Workforce 》



# Strategy for FY12/11

# The FY12/11-FY12/13 Plan

**Our aim is to expand our presence in Asian markets with Kyushu as our operational center  
Strive to maintain a balanced service lineup centered on our stock businesses**

		FY12/11	FY12/12	FY12/13
Existing Businesses	Human Resources (stock business)	<ul style="list-style-type: none"> <li>Improving profitability (securing a high level of profits)</li> <li>Brand building (facilitating conversion to outsourced contracting services)</li> <li>Expanding overseas operations (Taiwan and China)</li> </ul>		<b>Becoming No. 1 in manufacturing outsourced contracting services (Top brand in outsourced contracting services)</b>
	Information technologies and telecommunications service (stock business)	<ul style="list-style-type: none"> <li>Increase profit</li> <li>Broaden service lineup</li> <li>Upgrade Local-Level Strategy</li> </ul>		<b>No. 1 in the Kyushu area</b>
	Others (stock and flow businesses)	<ul style="list-style-type: none"> <li>Creating new services from existing businesses</li> </ul>	<ul style="list-style-type: none"> <li>Expanding overseas operations</li> </ul>	
New Businesses	Real Estate (flow business)	<ul style="list-style-type: none"> <li>Building brand</li> <li>Establish property management unit</li> </ul>	<ul style="list-style-type: none"> <li>Increase unit availability</li> </ul>	<b>Prepare to enter foreign real estate markets</b>
	Others (stock and flow businesses)	<ul style="list-style-type: none"> <li>Creating new services</li> </ul>	<ul style="list-style-type: none"> <li>Expanding overseas operations</li> </ul>	

- To expand our operations overseas means to expand markets (our Asia strategy with Kyushu as our operational center)
- New services mean to enhance profitability

## 《Improving Profitability》

We are committed to improving profitability, aggressive invest where necessary and slash costs to the limit.

### Cost Management

- Rein in hiring of auxiliary personnel
- Advertisement
- Traveling expenses
- Meetings

### Productivity

- Improve productivity per worker

Profit

### Initial Cost Management

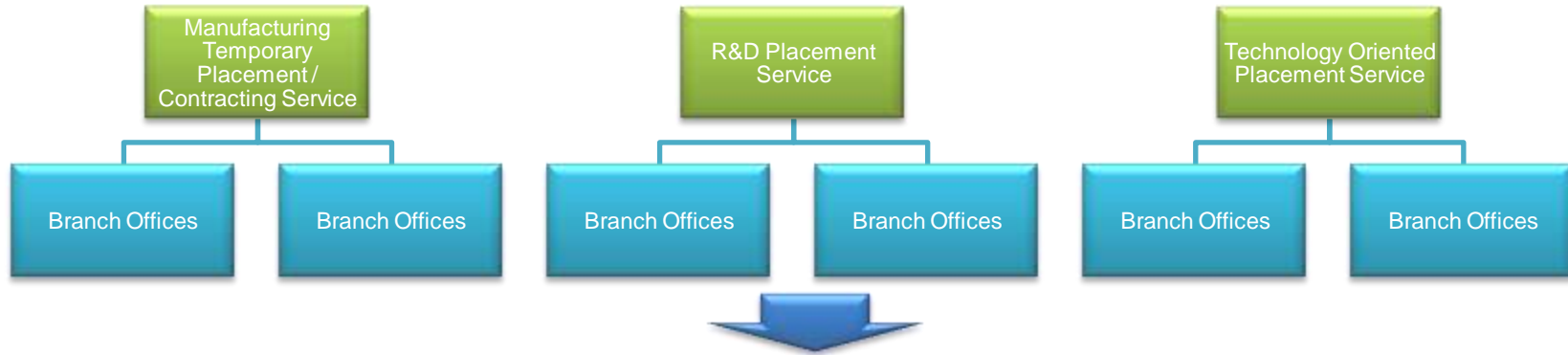
- Restore profitability of underperforming branches
- Increase the number of high-yield contracts

## Upgrading Manufacturing Management

1. Training Player-Managers ▪▪▪ We aim to further upgrade the training of player-managers who are primarily experienced in the field of personnel management to also handle manufacturing management
2. Aggressively Recruit Capable Personnel ▪▪▪ We will aggressively hire personnel who are able to contribute immediately to meet demand from clients looking to launch production on a timely or vertical basis
3. Improving Productivity at Outsourced Contracting Sites ▪▪▪ Safety (reducing incidences of work-related accidents, minor injuries and commuting-related accidents); Productivity (improving utility rate, productivity per worker); and Quality (reducing work mistakes)

## 《Integrated Management Organization by HR Business Unit》

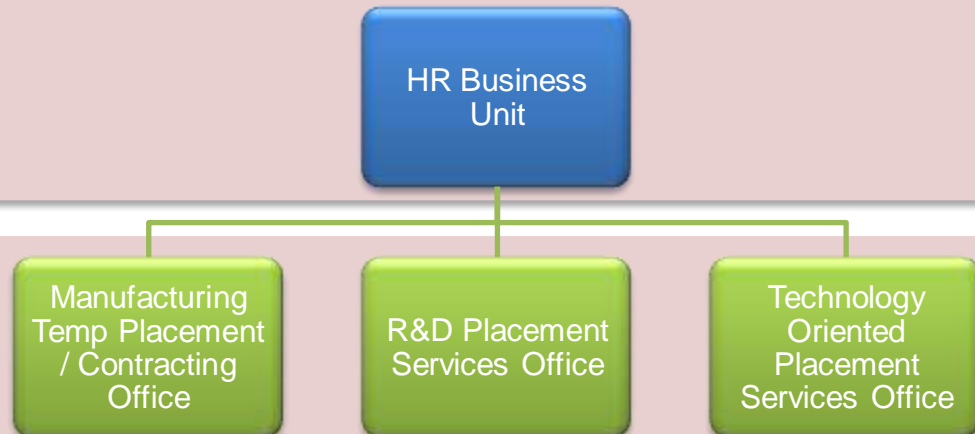
### 《Previous Organization: Management Specific to Service Unit》



### 《New Organization: Integrated Management by HR Business Unit》

Integrated management of order inflow, recruitment, registering workforce, monitoring productivity, situations requiring responses, on a daily basis

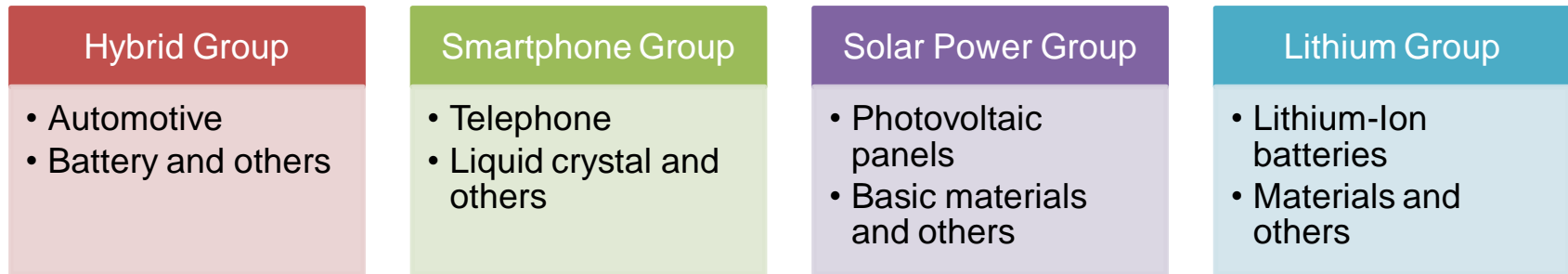
Management by a common unit ensures institutionalizing of information sharing, efficient coordination and elimination of lost opportunities



## Initiatives for Business Growth

《Target Product Groups that Have a High Demand for Human Resources》  
Focus on winning circle of manufacturers by thoroughly examining the supply chains of major product groups

### 《Targeted Product Groups》



### 《Result》

Solar power maker



Registered workforce:  
410 employees as of  
December 2010

## 《Brand Building》

**Our goal is to create a framework with which we can respond to client needs in a timely manner through improved profitability, human resources training, and integrated management organization**

Establish a robust financial foundation through improved profitability

Integrated management system by human resource business unit

Pursuit of excellence at production sites (optimal manufacturing management)

Production site support that meets the needs of clients

**Brand built on client trust and confidence**

**Creates customer demand and order increase**

# Dominating Locally

## Operating Phases of Public Sector Business and Local Superiority

### 《Purpose of Public Sector Business》

Increase transactions with local companies; increase local employment; increase hiring of engineering oriented college graduates; and increase hiring of engineers who return to their home communities or those seeking work in other local communities (U/I Turn Workers)

Main local government issues that the Company can support



Merits of public sector business to Company and its core businesses on local level

### 《Fukuoka City / Prefecture》



Our public sector business has enabled us to establish a dominant position in the local business community

# Dominating Locally (Actual Case)

## 《Placement Support》

- Placement support for manufacturing sector
- Placement support courses for young white-collar workers
- Joint placement briefings for specific industries (semiconductor / automotive)



## 《Education Services》

- Human resources development services for manufacturing sector
- Training courses for semiconductor engineers
- Semiconductor company internship courses for university students

# Dominating Locally (Actual Case)

## 《Overseas Marketing Services》

- Study of business coordination demand with Asian companies
- Marketing surveys in Asia
- Study of business coordination demand between Kyushu semiconductor firm and Asian companies



## 《Development of Educational Materials》

- Teaching materials for auto electronics
- DVD teaching materials for auto electronics
- Basic and applied teaching materials human resources development for semiconductor field (e-Learning)

# Overseas Markets

## Human Resources Services (Primarily provide HR consultation services based on our planning and knowledge base expertise)

- We aim to become the HR service leader by distinguishing ourselves from our competition by developing a unique business model based on our proprietary knowhow (which includes planning expertise, experience and knowledge base) in lieu of major investments for the time being.

	Cost	Risk	Profitability
Manufacturing temporary placement services	High personnel cost	Low	×
EMS / Outsourced contracting services	Heavy investment needs	High	△
HR referral service	Low	Low	○

- As part of our collaborative business ventures with local Japanese companies and newly emerging enterprises, provide HR referral services integrated with consultation services

## Procurement Business (Aiming for greater growth in next fiscal year, as well as to further strengthen ties with local Japanese firms)

- Business Profile: Sales of Equipment Parts
- Track Record: China, Indonesia, Singapore

Achieve greater growth without resorting to risky moves (currently in progress in such countries as Vietnam and Thailand)

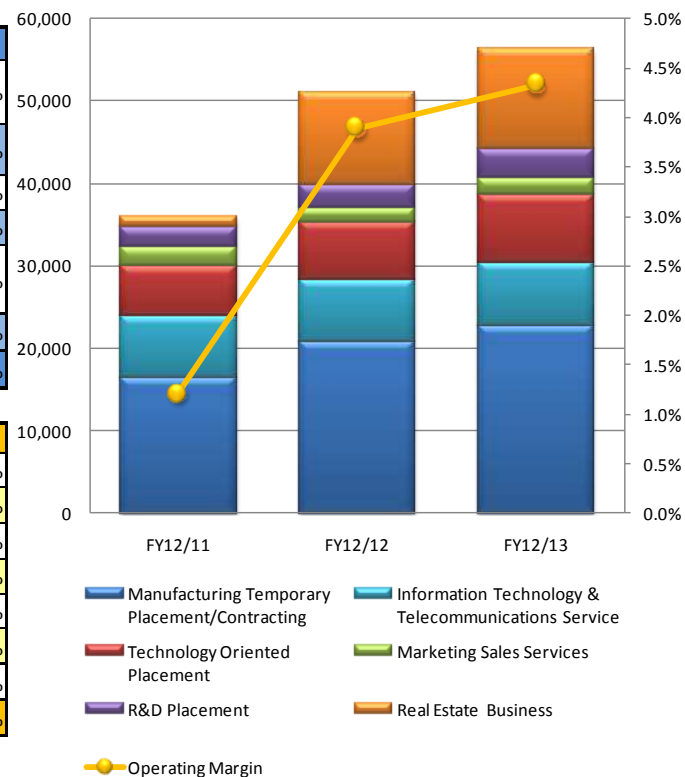
# Business Strategy

## Foundation Building for 2012 in 2011

- Based on our Mid-Term Management Plan released in December 2010, the Company is prepared to reinforce its foundations to achieve major growth for 2012 in 2011

Net Sales	FY12/11	FY12/12	YoY Chg.	FY12/13	YoY Chg.
Manufacturing Temporary Placement/Contracting	16,488	20,800	26.2%	22,700	9.1%
Technology Oriented Placement	6,094	7,000	14.9%	8,200	17.1%
R&D Placement	2,386	2,800	17.4%	3,500	25.0%
Marketing Sales Services	2,397	1,730	-27.8%	1,970	13.9%
Information Technology & Telecommunications Service	7,401	7,500	1.3%	7,800	4.0%
Real Estate Business	1,330	11,247	745.6%	12,070	7.3%
<b>Total</b>	<b>36,095</b>	<b>51,077</b>	<b>41.5%</b>	<b>56,240</b>	<b>10.1%</b>

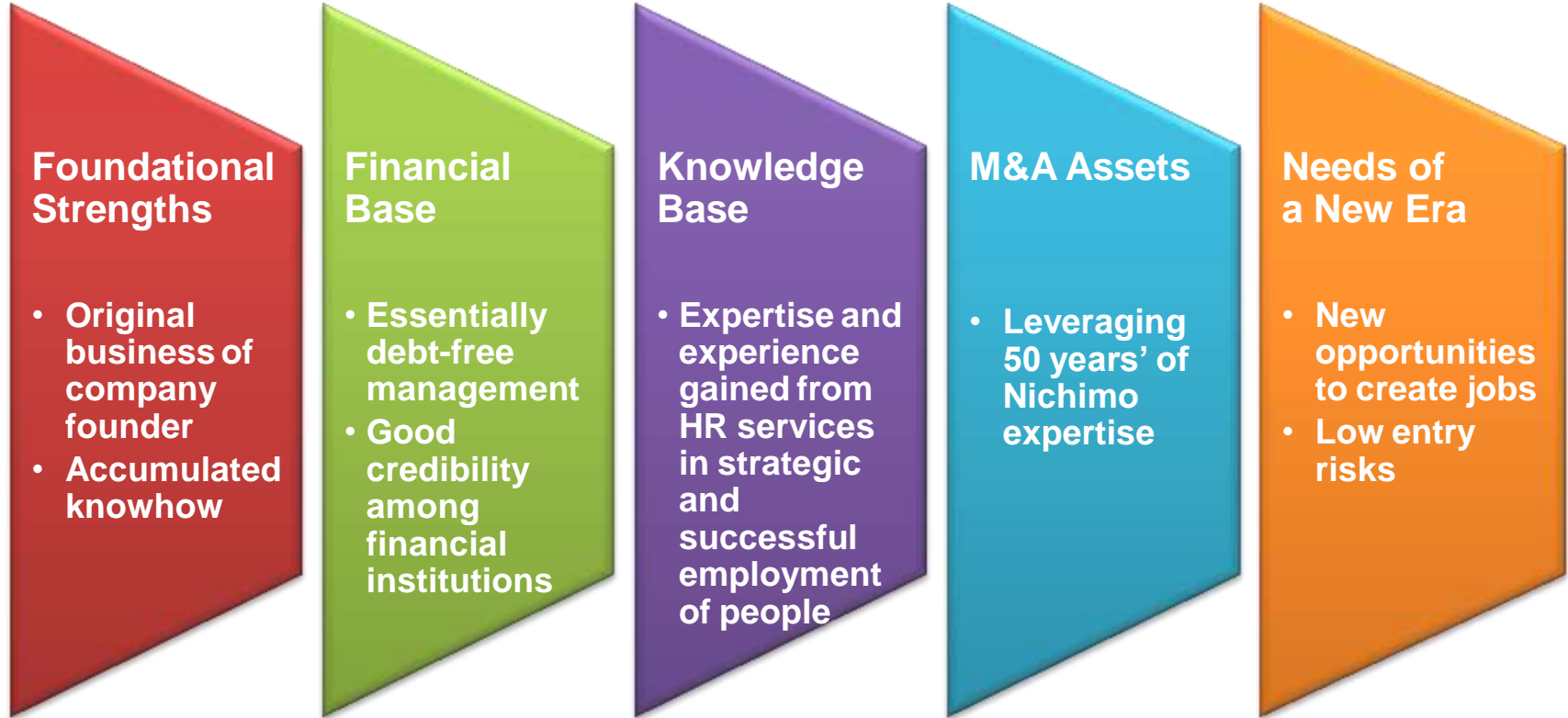
Operating Income	FY12/11	FY12/12	YoY Chg.	FY12/13	YoY Chg.
Manufacturing Temporary Placement/Contracting	767	850	10.8%	1,255	47.6%
Technology Oriented Placement	340	455	33.8%	570	25.3%
R&D Placement	219	218	-0.5%	280	28.4%
Marketing Sales Services	126	175	38.9%	230	31.4%
Information Technology & Telecommunications Service	220	260	18.2%	280	7.7%
Real Estate Business	-349	897	-357.0%	710	-20.8%
Elimination	-884	-870	-1.6%	-890	2.3%
<b>Total</b>	<b>439</b>	<b>1,985</b>	<b>352.2%</b>	<b>2,435</b>	<b>22.7%</b>



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# Regarding Our New Business Venture (Real Estate Business Report)

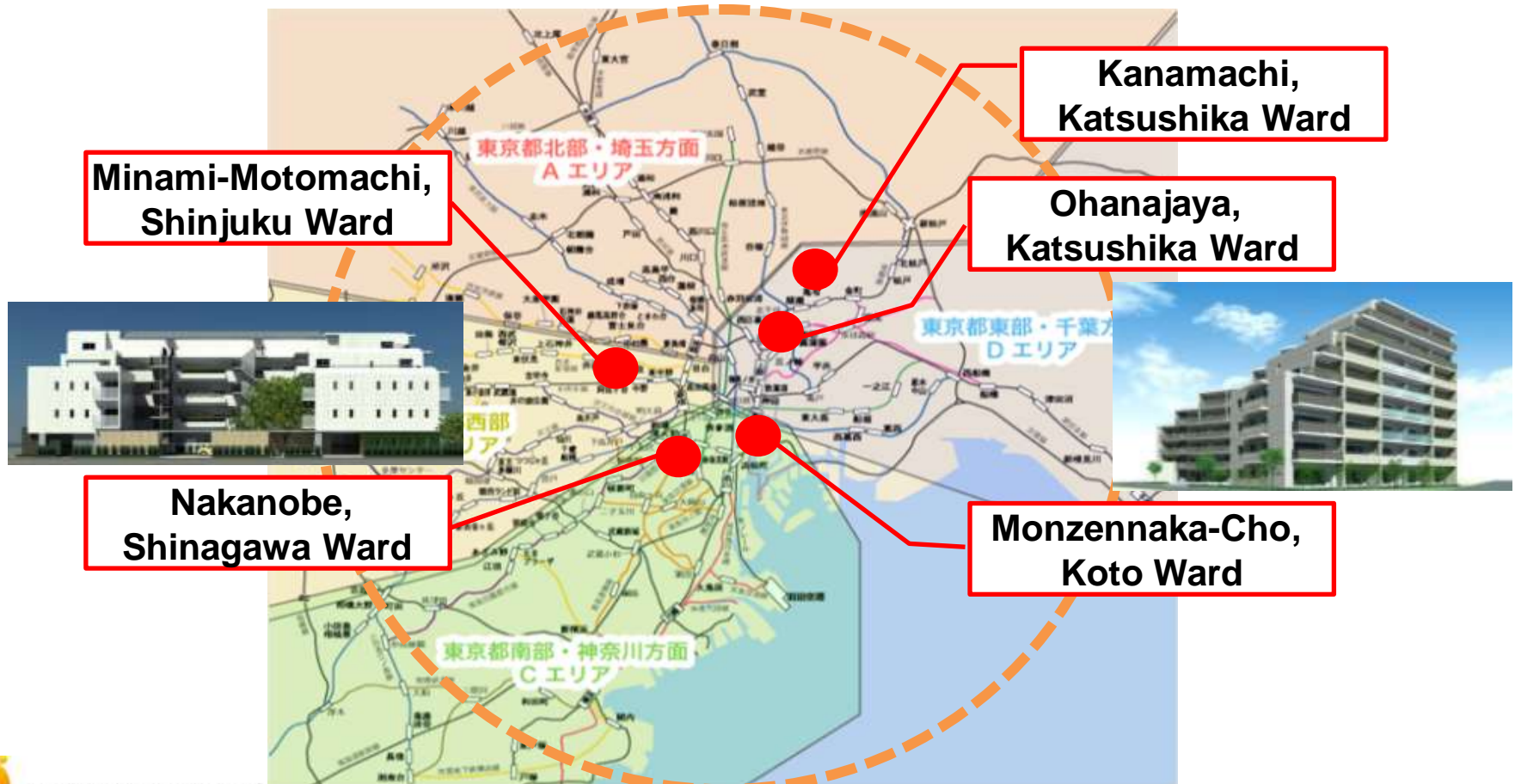
## Why Enter the Real Estate Business?



**By contributing to the region in which we are based through such businesses as housing subdivision, real estate agent and referrals, and real estate consultation services, we can establish linkages to the creation of new employment opportunities and HR development services**

## Tokyo Area Projects in Progress

- The 5 projects now in the works from this year to next are progressing smoothly
- Additional projects are in the pipeline for launch beyond 2012



## Flow of Earnings and Expenses

Profit structure remains opaque because expenses will be posted from the inception of a project

《Example: In the case of 2 billion-yen project requiring 2 years to complete》

(¥ Million)	First year	Second year	Total	Ratio
Net Sales	0	2,000	2,000	—
Construction Cost	0	1,500	1,500	75.0%
Marketing/Sales Costs	80	100	180	9.0%
Operating Income	△80	400	320	16.0%

**Sales cost posted  
at time it is incurred**

**Generate appropriate profit  
on an overall basis**

# Confidence and Credibility

We are committed to the following three principles to build trust and credibility:

1. We are totally committed to the truth
2. We deliver on every promise we make
3. We exert the utmost effort

# Contact Information

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