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NEWS RELEASE

July 27, 2023
World Holdings Co., Ltd.
Yamato Holdings Co., Ltd.

Business Alliance between World Holdings Co., Ltd. and Yamato Holdings Co., Ltd., and the Transfer of Shares of Yamato Staff Supply Co. Ltd.

World Holdings Co., Ltd. (headquartered in Kitakyushu-shi, Fukuoka; Representative: Eikichi Iida, Chairman and President; hereinafter "WHD") and Yamato Holdings Co., Ltd. (headquartered in Chuo-ku, Tokyo; Representative: Yutaka Nagao, President; hereinafter "YHD") resolved at their respective Board of Directors meetings held today to sign an agreement regarding the strategic business alliance. WHD and YHD also resolved to sign a share transfer agreement to transfer 51% of shares issued of Yamato Staff Supply Co. Ltd. (hereinafter "YSS"), a wholly owned subsidiary of YHD, to World Staffing Co., Ltd. (hereinafter "WSF"), a consolidated subsidiary of WHD. Upon execution of the share transfer agreement, YSS will become a consolidated subsidiary of WHD.

1. Background and details of business alliance and the transfer of shares

WHD has been developing a wide range of human resource businesses, covering sectors ranging from manufacturing to services, in its core "human resource education business". In particular, the logistics business engaged in by WSF, the core operating company in the service domain, has grown significantly as one of WHD's major businesses, going beyond the scope of the human resources business, with strengths in one-stop servicing of logistics warehouses utilizing the consortium model.

YHD, as part of the social infrastructure, is working to reform its business structure with the aim of expanding the value it provides to the supply chain on an "End to End" basis, in order to achieve sustainable business growth through its contribution to "enriching our society".

The environment surrounding the logistics industry in Japan is undergoing various shifts, including changes in consumption behavior and distribution structure, such as the expansion of e-commerce, decrease in working population, and the diversification of people's work styles. Under these circumstances, WHD and YHD will collaborate through this business alliance to make further effective use of the management resources of both companies, in order to maintain revenue opportunities and secure future competitiveness, as well as to create more "ways for people to play a role in society" and contribute to the sustainable

development of Japanese society and to "enriching our society".
As part of the business alliance, YSS, which operates the human resources business at YHD, will become a consolidated subsidiary of WHD (WSF will acquire 51% of the outstanding shares). Utilizing WHD's expertise in human resources management in a wide range of sectors and occupations will create opportunities for more people to play a greater role in society. Both parties will continue discussions to effectively utilize management resources to maintain revenue opportunities and secure future competitiveness.

2. Overview of YHD

(1) Company name	YAMATO HOLDINGS CO., LTD.
(2) Address	16-10, Ginza 2-chome, Chuo-ku, Tokyo
(3) Title and name of representative	Yutaka Nagao, President and Representative Director
(4) Business	Management and administration of operating companies of which YHD owns shares, and other incidental operations
(5) Capital	127,234 million yen
(6) Date of incorporation	February 21, 1929 (Date of foundation: November 29, 1919)
(7) Major shareholders and shareholding ratios (as of March 31, 2023)	The Master Trust Bank of Japan, Ltd. (Trust Account) 16.30% Custody Bank of Japan, Ltd. (Trust Account) 7.69% Yamato Employees' Shareholding Association 7.65%
(8) Relationship with WHD	Subsidiary of YHD and subsidiary of WHD are engaged in businesses such as research operations

(9) Consolidated operating results and consolidated financial position for the past three years (Japanese GAAP)

Fiscal year	FY March 2021	FY March 2022	FY March 2023
Net assets (JPY MM)	584,287	598,233	616,430
Total assets (JPY MM)	1,089,991	1,086,854	1,107,587
Net assets per share (JPY)	1,553. 45	1,611.34	1,684.87
Sales (JPY MM)	1,695,867	1,793,618	1,800,668
Operating profit (JPY MM)	92,121	77,199	60,085
Ordinary profit (JPY MM)	94,019	84,330	58,066
Net income attributable to owners of parent (JPY MM)	56,700	55,956	45,898
Net income per share (JPY)	151.55	151.03	126.64
Dividend per share (JPY)	46	46	46

3． Overview of WHD

(1) Company name	WORLD HOLDINGS CO., LTD.
(2) Address	11-2 Otemachi, Kokurakita-ku, Kitakyushu-shi, Fukuoka
(3) Title and name of representative	Eikichi Iida, Chairman and President
(4) Business	Management and administration of operating companies of which WHD owns shares, and other incidental operations
(5) Capital	1,323 million yen
(6) Date of incorporation	February 12, 1993
(7) Major shareholders and shareholding ratios (as of Dec 31, 2022)	Mirai Research Institute, Limited 45.44% BBH FOR FIDELITY LOW-PRICED STOCK FUND (PRINCIPAL ALL SECTOR SUBPORTFOLIO) 7.50% The Master Trust Bank of Japan, Ltd. 6.78%
(8) Relationship with YHD	Subsidiary of YHD and subsidiary of WHD are engaged in businesses such as research operations

(9) Consolidated operating results and consolidated financial position for the past three years (Japanese GAAP)

Fiscal year	FY Dec. 2020	FY Dec. 2021	FY Dec. 2022
Net assets (JPY MM)	30,061	33,226	37,195
Total assets (JPY MM)	79,157	97,269	123,591
Net assets per share (JPY)	1,638.03	1,803.96	2,019.89
Sales (JPY MM)	143,571	154,704	183,640
Operating profit (JPY MM)	6,251	7,481	8,929
Ordinary profit (JPY MM)	6,786	7,738	8,933
Net income attributable to owners of parent (JPY MM)	5,913	4,626	5,341
Net income per share (JPY)	341.35	265.02	305.50
Dividend per share (JPY)	101.70	79.50	91.50

4． Overview of subsidiary to be transferred (YSS)

(1) Company name	YAMATO.STAFF.SUPPLY.CO.,LTD.
(2) Address	KPP Akashi-cho Building 3F, 6-26 Akashi-cho, Chuo-ku, Tokyo
(3) Title and name of representative	Tamaki Koiwai, President and Representative Director
(4) Business	Human resource services, light cargo business, education business, outsourcing business
(5) Capital	150 million yen
(6) Date of incorporation	January 31, 2002
(7) Major shareholders and shareholding ratios	Yamato Holdings Co., Ltd. 100%
(8) Relationship with WHD	There are no notable capital, personal, or business relationships with WHD.

(9) Consolidated operating results and consolidated financial position for the past three years (Japanese GAAP)

Fiscal year	FY March 2021	FY March 2022	FY March 2023
Net assets (JPY MM)	1,265	1,621	1,686
Total assets (JPY MM)	4,003	4,031	4,461
Net assets per share (JPY)	414,870	531,537	552,829
Sales (JPY MM)	21,351	26,178	27,918

Operating profit (JPY MM)	138	544	399
Ordinary profit (JPY MM)	136	544	398
Net income attributable to owners of parent (JPY MM)	97	404	267
Net income per share (JPY)	31,779	132,556	87,570
Dividend per share (JPY)	66,524	15,889	66,278

5． Overview of company acquiring the shares（WSF）

(1) Company name	WORLD STAFFING CO., LTD.	
(2) Address	2-1-1 Hakata Ekimae, Hakata-ku, Fukuoka City, Fukuoka	
(3) Title and name of representative	Shinji Honda, President and Representative Director	
(4) Business	Human resource services (logistics, light-duty jobs, call centers)	
(5) Capital	100 million yen	
(6) Date of incorporation	June 5, 2017	
(7) Major shareholders and shareholding ratios	WORLD INTEC CO., LTD. 100%.	
(8) Relationship with WHD	Capital relation	Consolidated subsidiary of WHD (100% owned)
	Personnel relation	Three concurrent directors
	Business relation	Loan of funds

(9) Consolidated operating results and consolidated financial position for the past three years (Japanese GAAP)

Fiscal year	FY Dec. 2020	FY Dec. 2021	FY Dec. 2022
Net assets (JPY MM)	400	651	1,064
Total assets (JPY MM)	1,326	7,231	7,181
Net assets per share (JPY)	80,082.65	130,351.54	212,946.69
Sales (JPY MM)	4,052	21,684	33,066
Operating profit (JPY MM)	106	384	784
Ordinary profit (JPY MM)	125	386	761
Net income attributable to owners of parent (JPY MM)	82	308	510
Net income per share (JPY)	16,558.45	61,638.29	101,991.27
Dividend per share (JPY)	4,799.04	19,396.12	30,993.80

6． Overview of company transferring the shares（YHD）

Same as “2. Overview of YHD” above.

7. No. of WSF shares to be acquired, and status of share ownership before and after the acquisition

(1) No. of shares owned prior to transfer	0 shares (No. of voting rights：0, ratio of voting rights owned：0 %)
(2) No. of shares to be acquired	1,555
(3) Acquisition value	Following discussions between both parties, it has been decided that we will refrain from disclosing this information. With regard to the calculation of the acquisition price, external advisors were retained for due diligence and share value calculations. The share value calculations were conducted by WHD and YHD respectively, and the acquisition was decided at an amount considered fair and reasonable, which was agreed upon by both parties after comprehensively considering the results of evaluations based on the DCF method, comparable company method and other methods.
(4) No. of shares owned after transfer	1,555 (No. of voting rights：1,555, ratio of voting rights owned：51%)

8. Timeline regarding business alliance (WHD and YHD)

(1) Date of resolution by the Board of Directors	July 27, 2023
(2) Date of signing of contract	July 27, 2023

9. Timeline regarding share transfer (WHD and YHD)

(1) Date of resolution by the Board of Directors	July 27, 2023
(2) Date of signing of contract	July 27, 2023
(3) Date of share transfer	September 1, 2023 (scheduled)

10. Future outlook

As a result of this share transfer, YSS will become a consolidated subsidiary of WHD. The impact of this share transfer on WHD's business performance is currently under review, and will be announced promptly if necessary. The impact of this share transfer on YHD's consolidated financial results for the fiscal year ending March 31, 2024 will be negligible.

11. Contact

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