

Supplementary Materials for the Fiscal Year Ended March 31, 2020

May 12, 2020

WILL GROUP, INC. (Tokyo Stock Exchange, First Section / Stock code: 6089)



- I. Overview of Medium-term Management Plan
(Will Vision 2020)**
- II. FY3/20 Results**
- III. Impact of COVID-19 Pandemic and WILL GROUP's
Responses**
- IV. FY3/21 Earnings and Dividend Forecasts**
- V. New Medium-term Management Plan**
- VI. Reference**

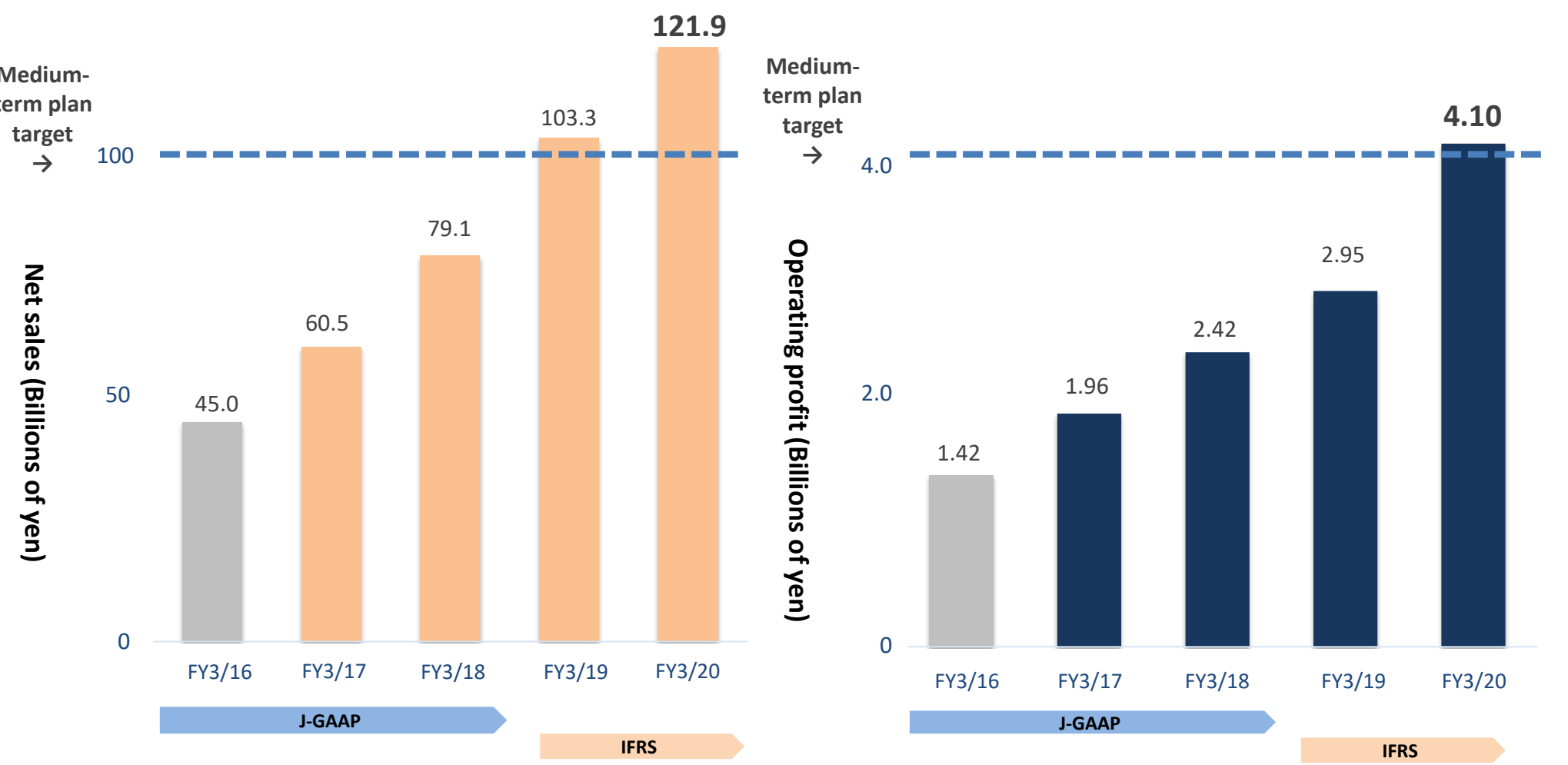
* In this material, the term “net sales” refers to either “net sales” under Japanese GAAP or “revenue” under IFRS, and “equity ratio” refers to either “equity ratio” under Japanese GAAP or “ratio of equity attributable to owners of parent to total assets” under IFRS.

I. Overview of Medium-term Management Plan (Will Vision 2020)

Overview of Medium-term Management Plan

“Will Vision 2020”

Achieved sales target of ¥100.0 billion and operating profit target of ¥4.0 billion



Overview of Medium-term Management Plan “Will Vision 2020”

Will Vision 2020 Goals		Evaluation	Review	
FY3/20 targets	Sales ¥100.0 bln Operating profit ¥4.0 bln	○	Sales ¥121.9 bln (achieved the target a year ahead of schedule) Operating profit ¥4.1 bln* (including IFRS adjustments) *Includes -¥0.2 billion impact from COVID-19	
Key strategic goals	1. Grow into the No.1 player in the existing three major business segments	△	All three are growing consistently, but not as planned	
	2. Establish three more core businesses	○		
	3. Create businesses of a significant size outside the human resources services sector	△	Started construction management engineer staffing and placement and other human resources services that have grown, but still working on new businesses in other fields	
Shareholder returns	Total return ratio 30%	△	FY3/20 total return ratio: 25.1% * FY3/20 dividend: ¥23 per share; 5 yen higher than the forecast of ¥18 at the beginning of FY3/20	

II. FY3/20 Results

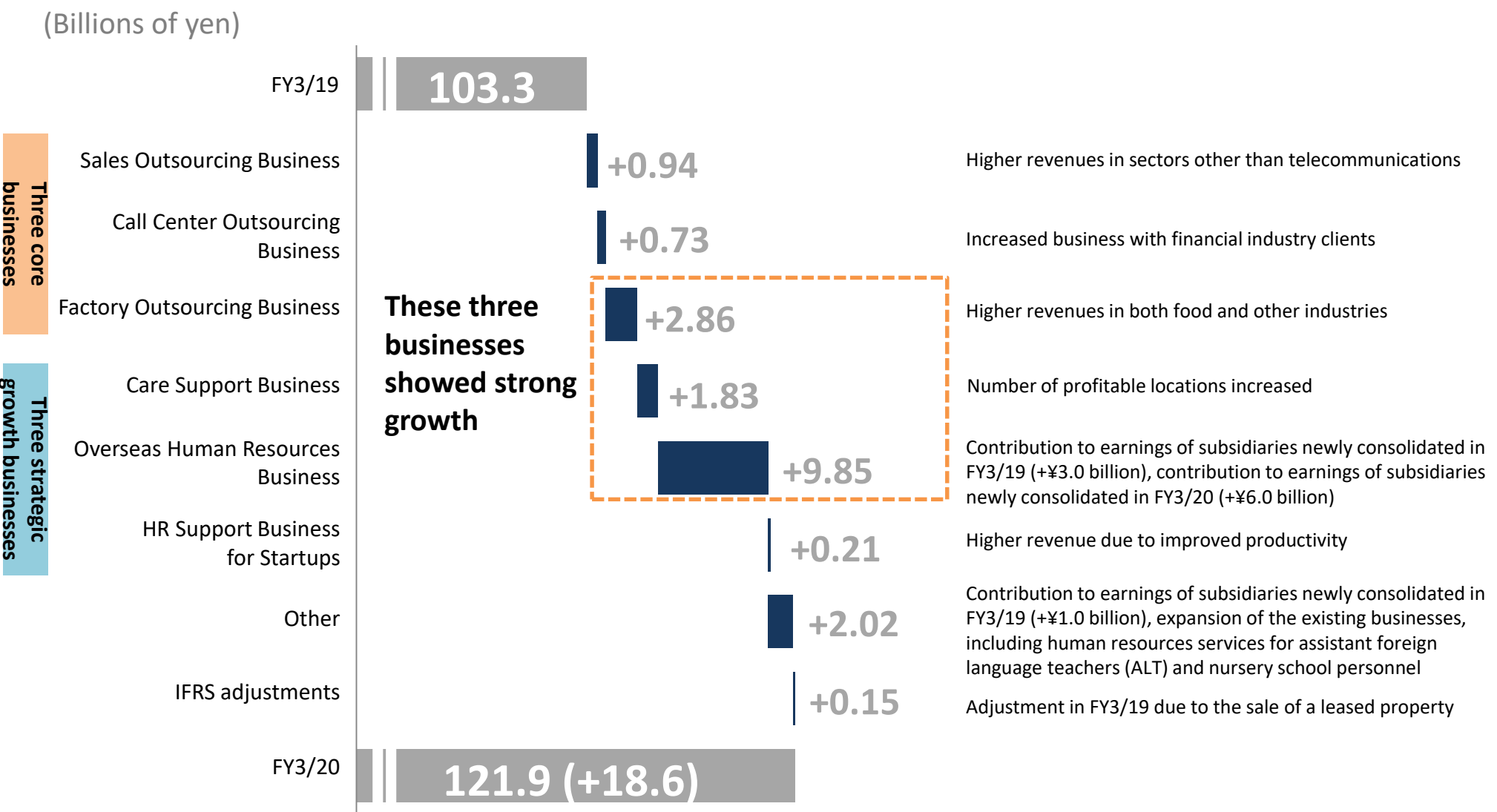
Both the three core businesses and three strategic growth businesses made steady progress

(Billions of yen)

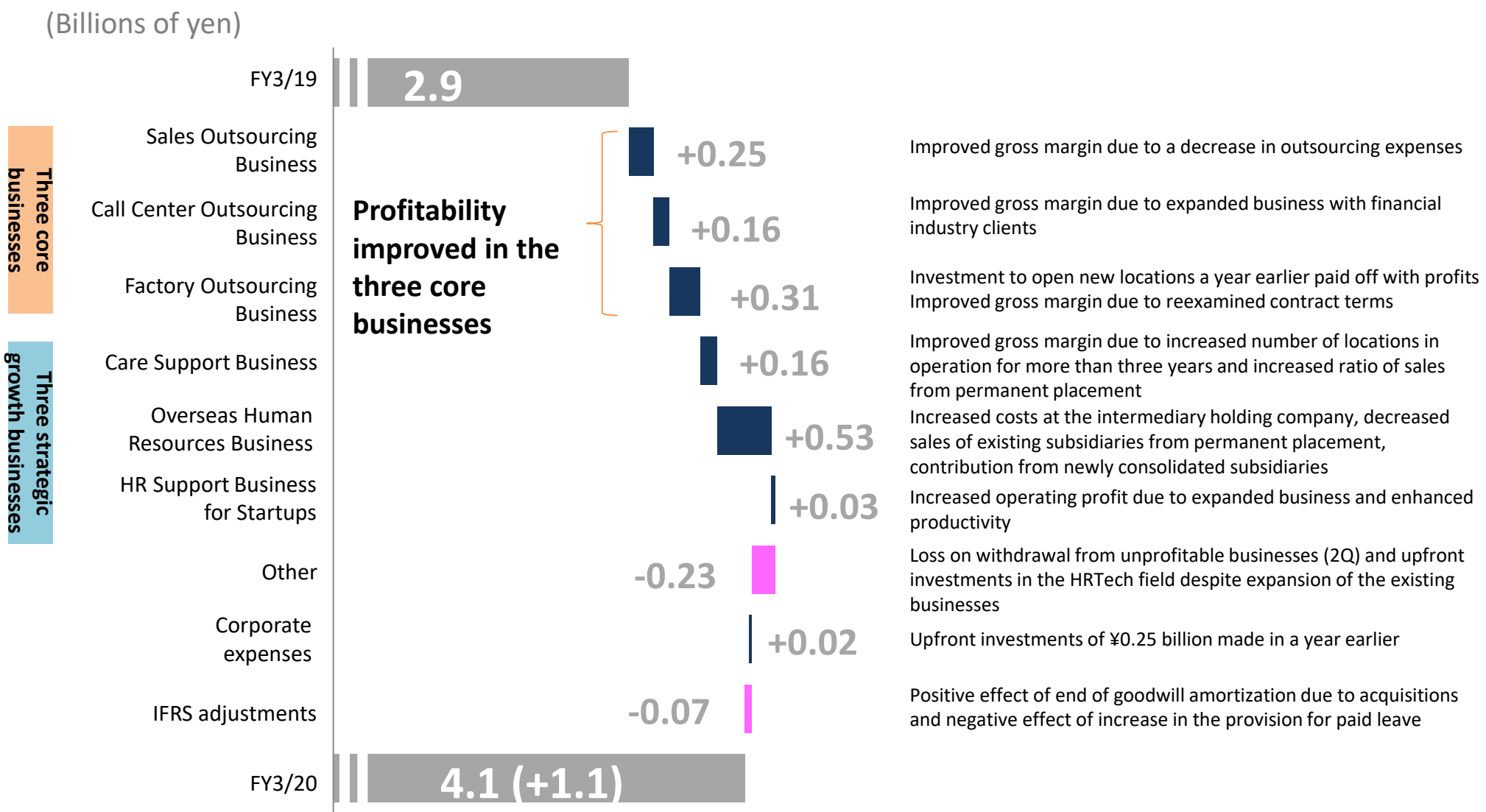
	FY3/19	FY3/20 (forecasts)	FY3/20 (results)	Vs. FY3/19		Vs. Forecast	
				Change	% change	Change	% change
Revenue	103.30	120.00	121.91	+18.61	+18.0%	+1.91	101.6%
Gross profit (Gross margin)	20.30 (19.7%)	-	25.40 (20.8%)	+5.09 (+1.2pt)	+25.1%	-	-
Operating profit (Operating margin)	2.95 (2.9%)	4.00 (3.3%)	4.14 (3.4%)	+1.18 (+0.5pt)	+40.1%	+0.14	103.6%
Profit before tax	2.87	3.80	4.05	+1.18	+41.0%	+0.25	106.8%
Profit attributable to owners of parent	1.53	1.97	2.38	+0.84	+54.6%	+0.41	120.8%
EBITDA (Operating profit + Depreciation and amortization)	4.57	5.70	6.13	+1.56	+34.3%	+0.43	107.7%

Number of employees: 4,488
(+959 from the end of FY3/19)

FY3/20 Revenue: Breakdown of Year-on-Year Changes

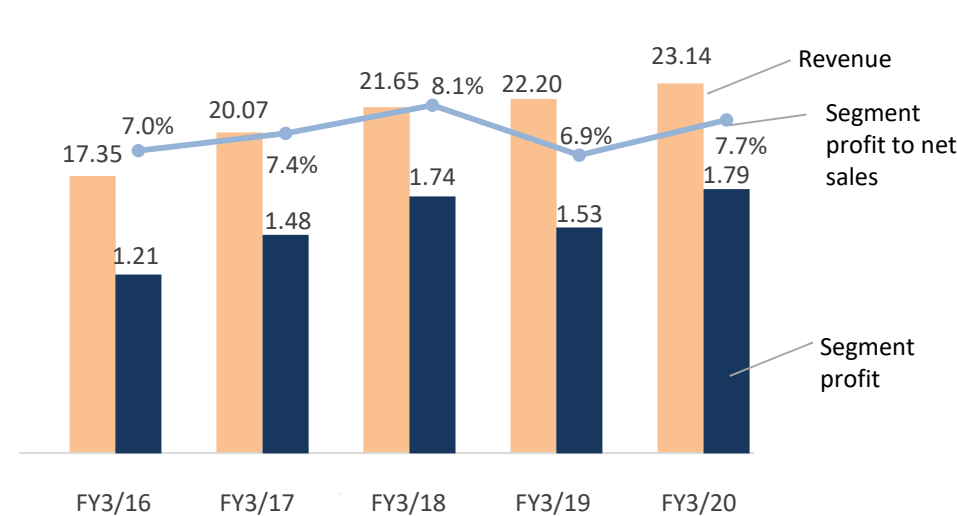


FY3/20 Operating Profit: Breakdown of Year-on-Year Changes WILL GROUP



*All segment profits are after goodwill amortization

Revenue and segment profit (Billions of yen)



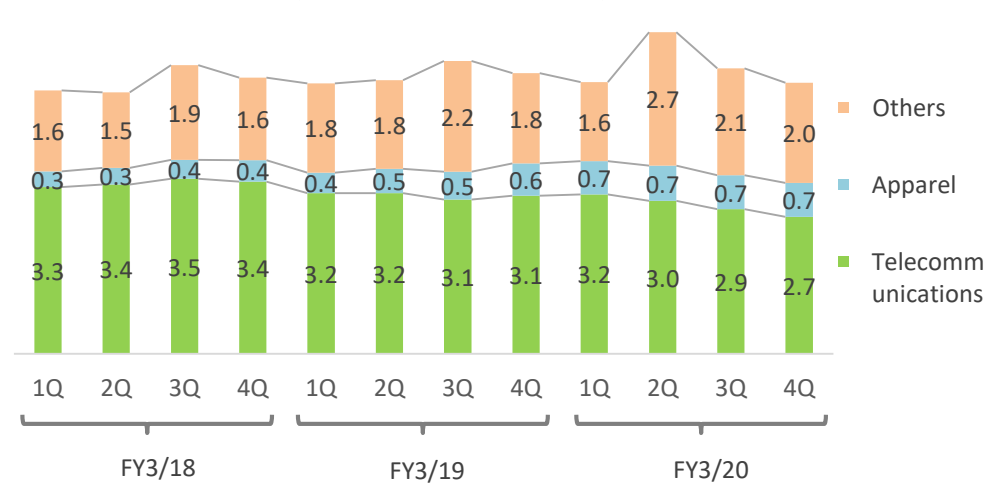
(Billions of yen)

	FY3/20		FY3/19		
	Forecasts	Results	Vs. forecasts	Results	Vs. FY3/19
Revenue	22.60	23.14	102.4%	22.20	+4.2%
Segment profit	1.55	1.79	115.5%	1.53	+16.4%

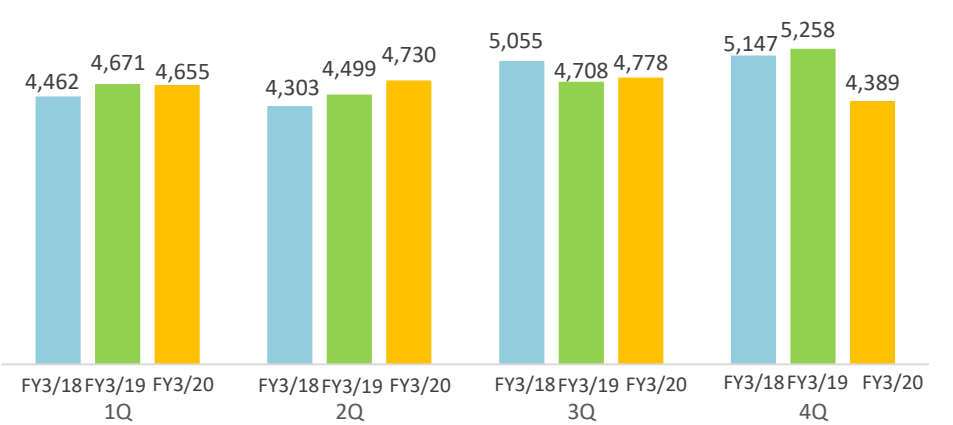
Topics

- With the telecommunications sector remaining to be a stable revenue base, efforts have been made to expand business with the apparel industry clients and with clients in other fields by taking advantage of the occasion of a full-fledged transition to Windows 10
- Improved gross margin due to a reduction in outsourcing expenses

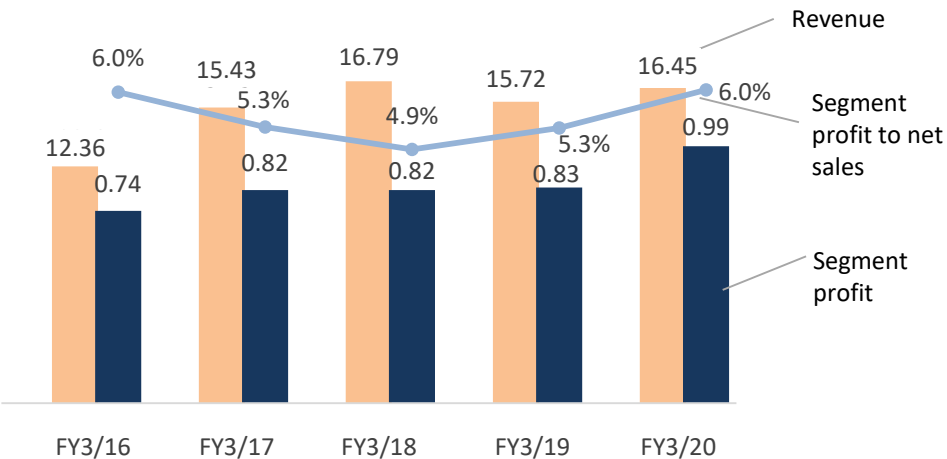
Sales by sector (Billions of yen)



Number of workers on assignments (person)



Revenue and segment profit (Billions of yen)



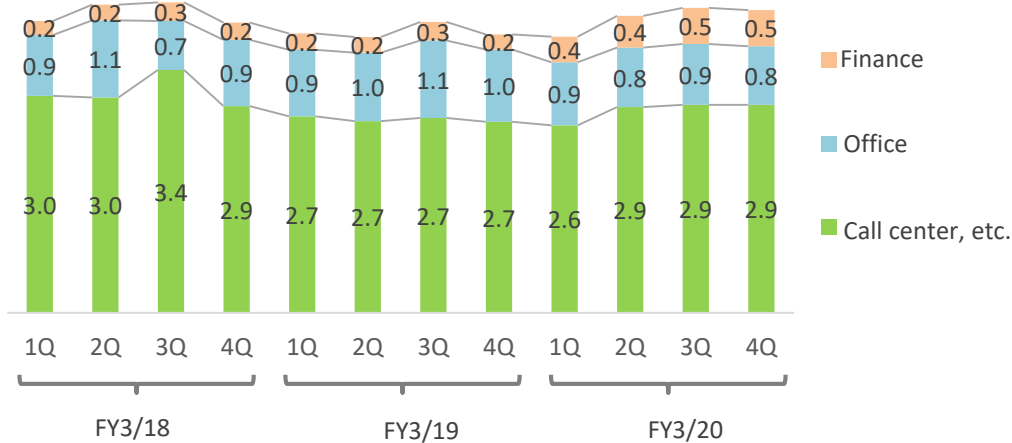
(Billions of yen)

	FY3/20		FY3/19		
	Forecasts	Results	Vs. forecasts	Results	Vs. FY3/19
Revenue	15.75	16.45	104.5%	15.72	+4.7%
Segment profit	0.72	0.99	138.2%	0.83	+19.3%

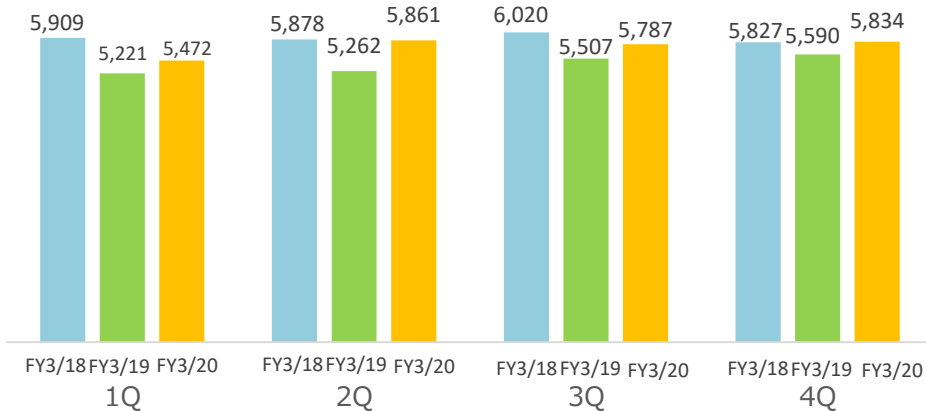
Topics

- Gross margin has been improved as a result of efforts to develop highly profitable deals such as those with financial industry clients.

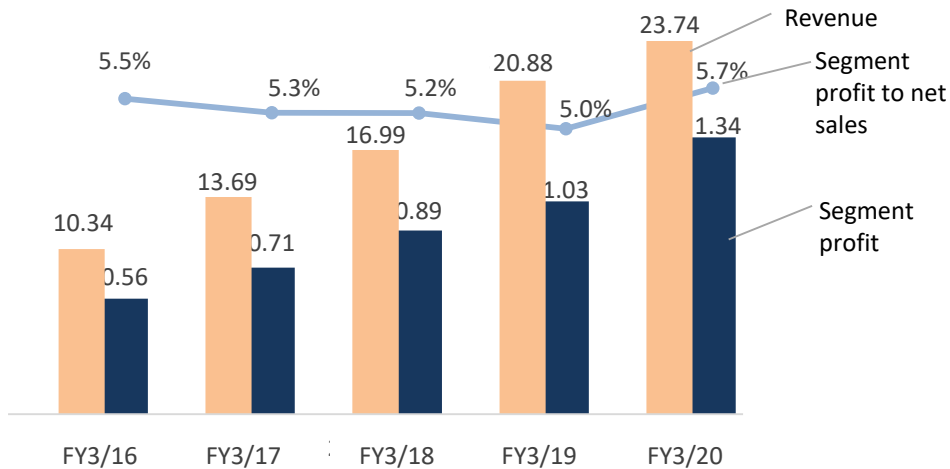
Sales by sector (Billions of yen)



Number of workers on assignments (person)



Revenue and segment profit (Billions of yen)



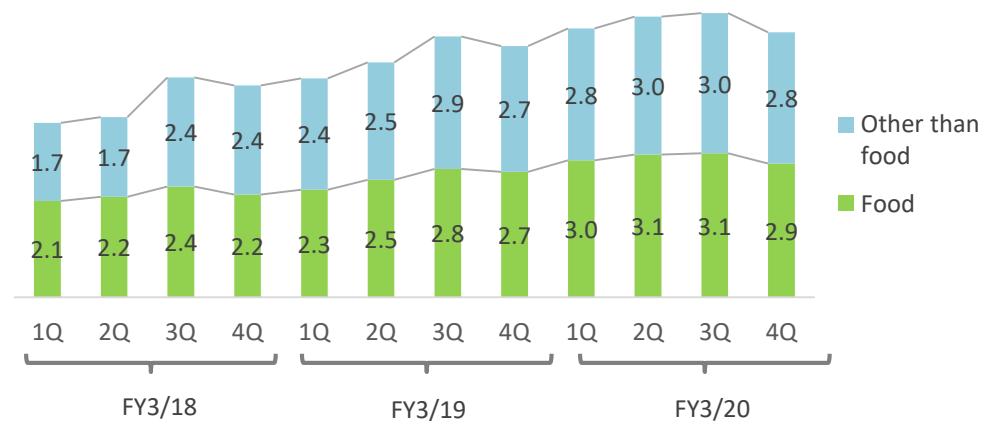
(Billions of yen)

	FY3/20		FY3/19		
	Forecasts	Results	Vs. forecasts	Results	Vs. FY3/19
Revenue	25.00	23.74	95.0%	20.88	+13.7%
Segment profit	1.36	1.34	99.2%	1.03	+29.9%

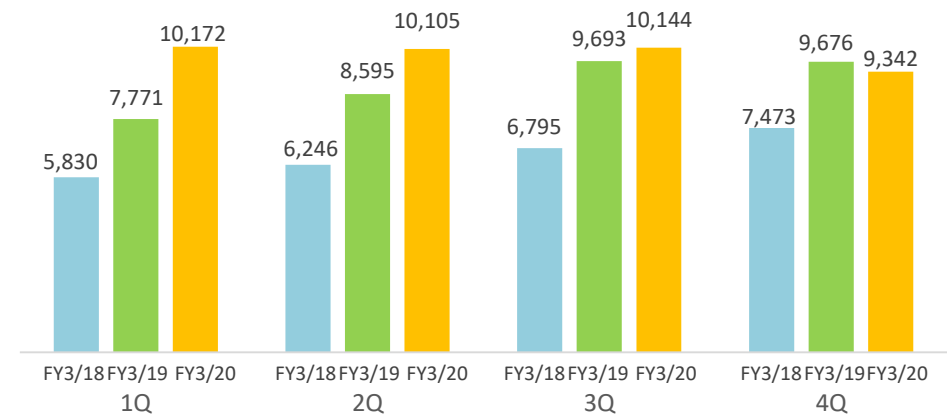
Topics

- Investment to open new locations a year earlier paid off with profits; Gross margin improved due to reexamined contract terms and an increase in consignment service contracts
- The number of foreign workers at the end of March 2020 is about 3,700

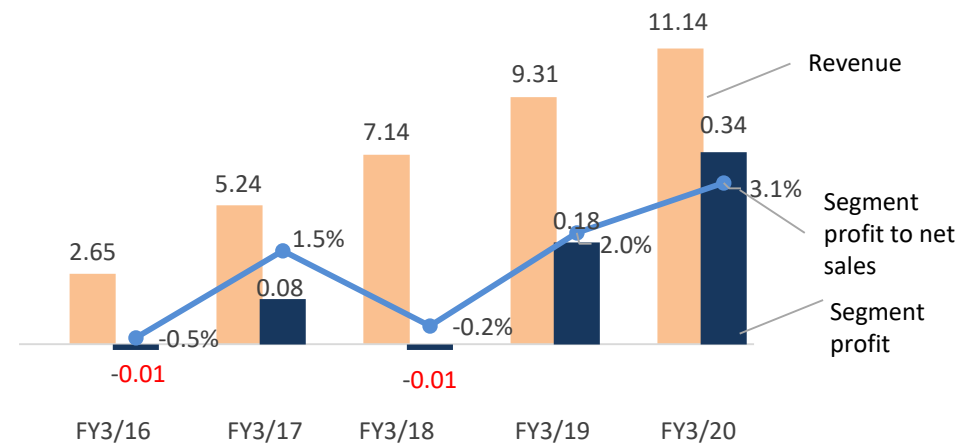
Sales by sector (Billions of yen)



Number of workers on assignments (person)



Revenue and segment profit (Billions of yen)

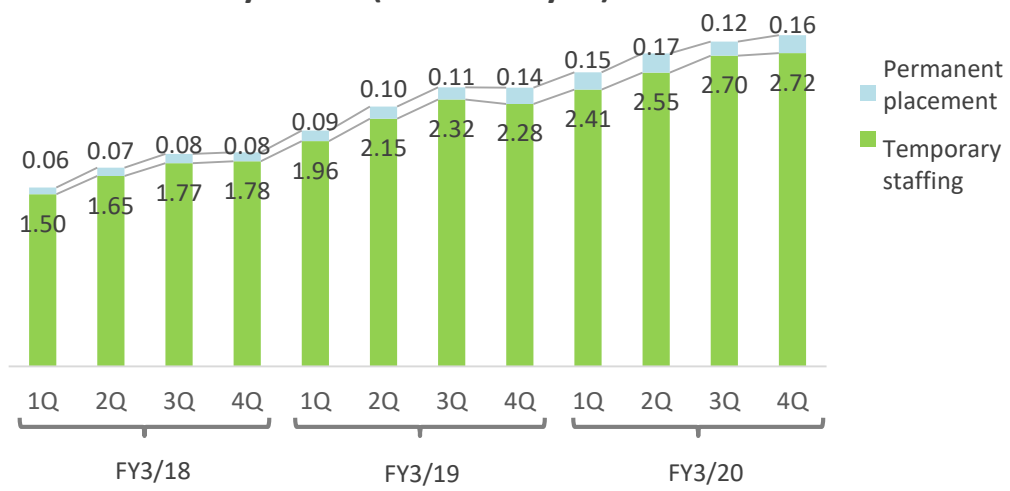


(Billions of yen)	FY3/20		Vs. forecasts	FY3/19	
	Forecasts	Results		Results	Vs. FY3/19
Revenue	10.50	11.14	106.1%	9.31	+19.7%
Segment profit	0.47	0.34	74.4%	0.18	+91.5%

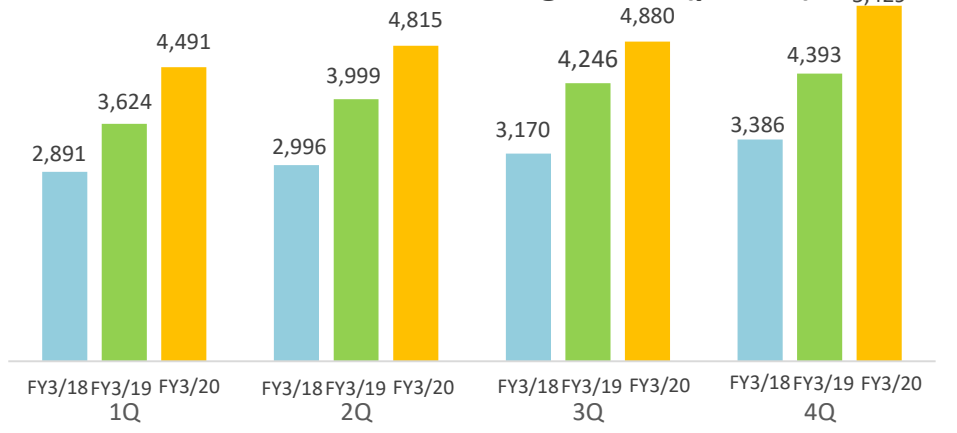
Topics

- Locations operating at least three years, the point where earnings reach the highest level, increased by three during FY3/20
- Permanent placement increased steadily by using the nationwide branch network

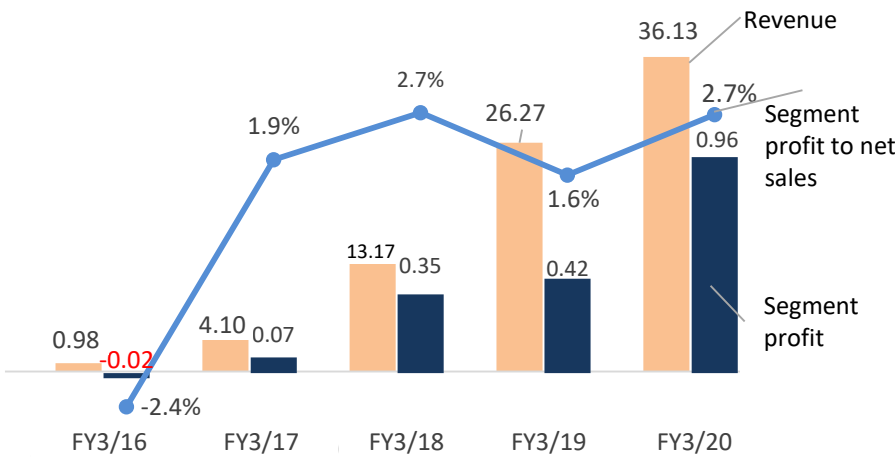
Sales by sector (Billions of yen)



Number of workers on assignments (person)



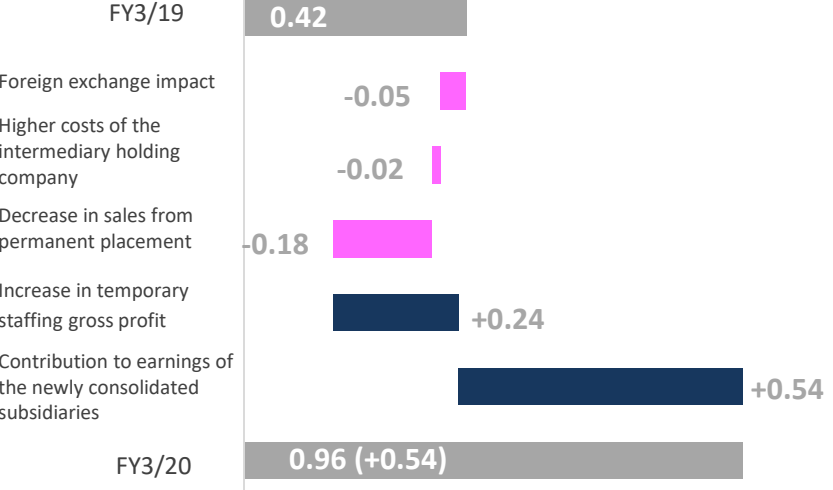
Revenue and segment profit (Billions of yen)



(Billions of yen)

	FY3/20			FY3/19	
	Forecasts	Results	Vs. forecasts	Results	Vs. FY3/19
Revenue	35.10	36.13	102.9%	26.27	+37.5%
Segment profit	0.74	0.96	130.4%	0.42	+126.9%
Ref: Profit before depreciation excluding intermediary holding company (profit margin)	-	2.08 (5.8%)	-	1.01 (3.9%)	+104.3% (+1.9pt)

Major components of changes in segment profit (Billions of yen)

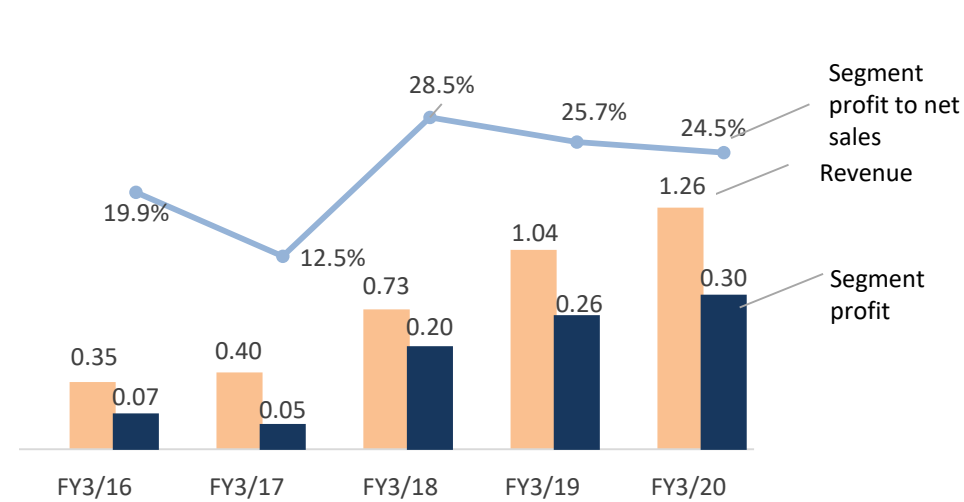


Topics

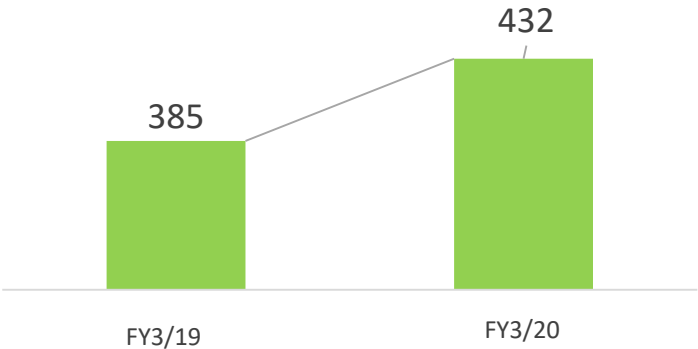
- Strong performance at newly consolidated subsidiaries (u&u and CCG)
- Permanent placement was lower but temporary staffing remained solid in Australia and Singapore
- Business integration with an Australian subsidiary in December 2019 for more synergies

Forex sensitivity	Initially assumed	4Q Results	FY3/19 Results	Change for ¥1 difference	
				Revenue	Profit
AUD	¥79	¥74	¥80	¥380 mln	¥10 mln
SGD	¥77	¥79	¥81	¥90 mln	¥0 mln

Revenue and segment profit (Billions of yen)



Number of permanent placements*



*Excludes placements due to consignment contracts

(Billions of yen)

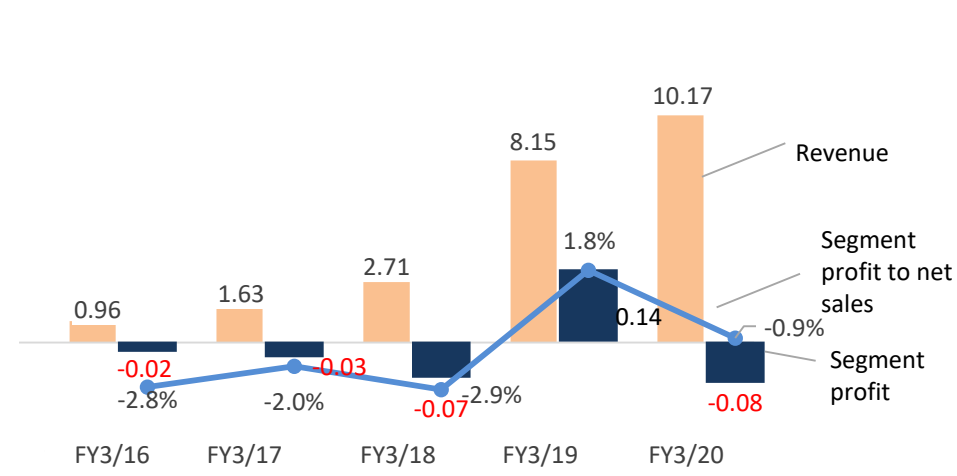
	FY3/20			FY3/19	
	Forecasts	Results	Vs. forecasts	Results	Vs. FY3/19
Revenue	1.26	1.26	99.7%	1.04	+20.4%
Segment profit	0.31	0.30	99.6%	0.26	+14.6%

Topics

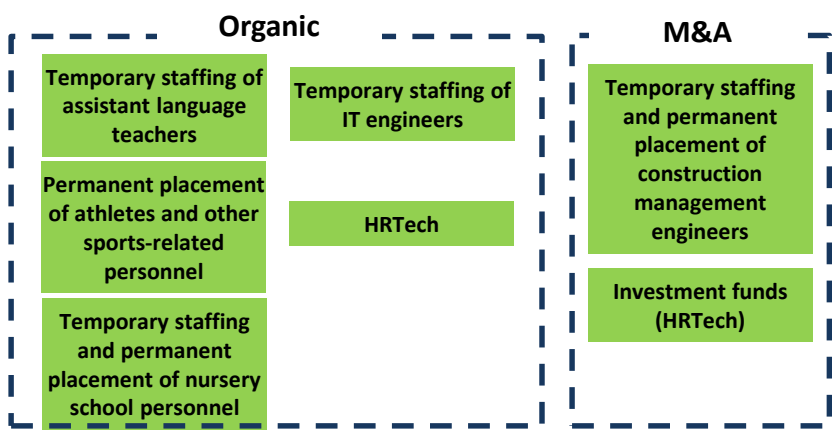
- Subsidiary for Startups, Inc. was listed on the TSE Mothers Market on March 13, 2020
- Business alliance started with “Crunchbase,” one of the world’s largest database of startups



Revenue and segment profit (Billions of yen)



Other business activities

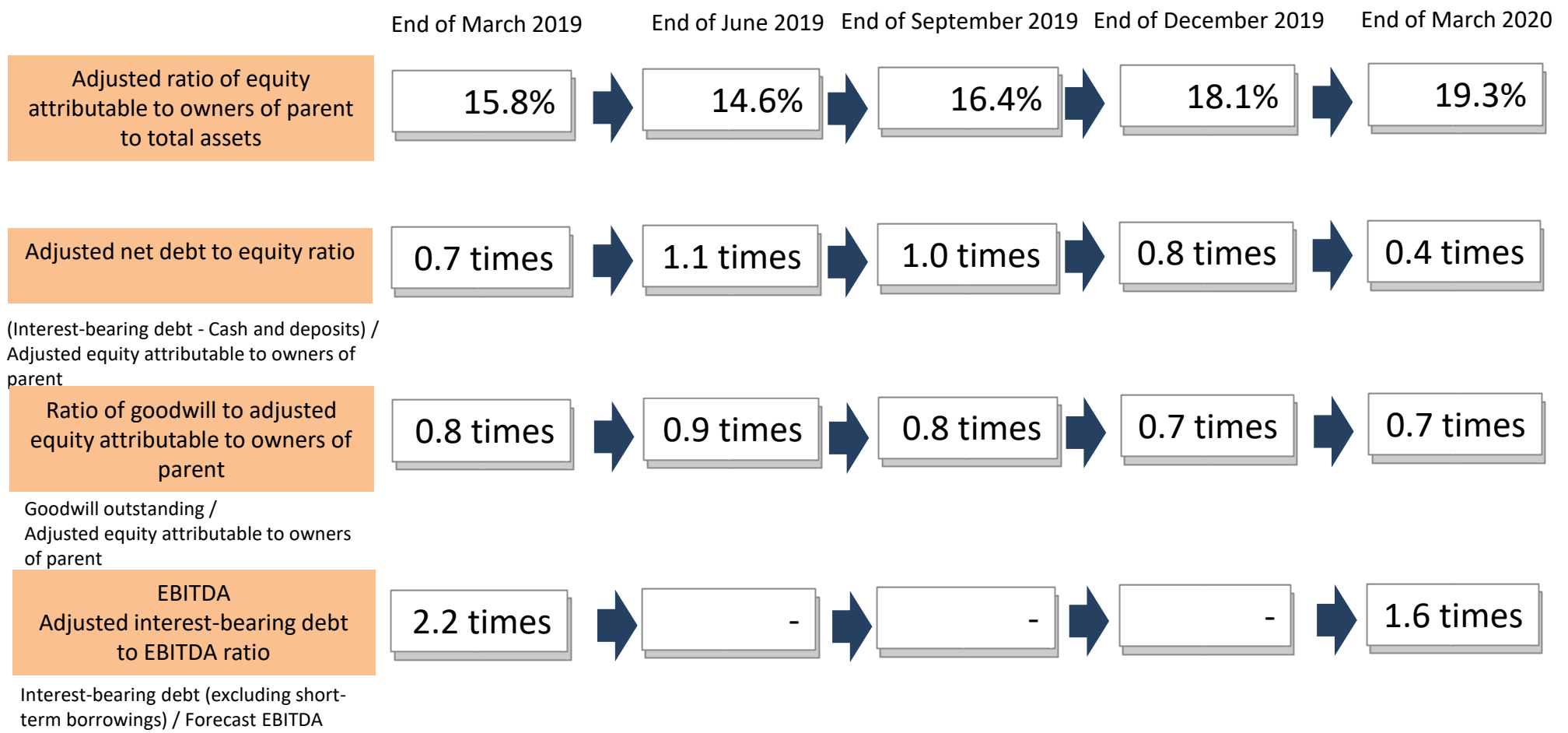


(Billions of yen)	FY3/20		FY3/19		
	Forecasts	Results	Vs. forecasts	Results	Vs. FY3/19
Revenue	9.75	10.17	104.3%	8.15	+24.8%
Segment profit	0.16	(0.08)	-	0.14	-

Topics

- Strong expansion of existing businesses such as human resources services for ALT and nursery school personnel
- Human resources services for construction management engineers remained strong
- Upfront investments for foreign workers and in the HR technology field (¥260 million); recognition of loss on withdrawal from unprofitable businesses (2Q: ¥70 million)

All financial indicators are improving on an adjusted equity basis*



*Adjusted equity represents total equity, net of written put option.

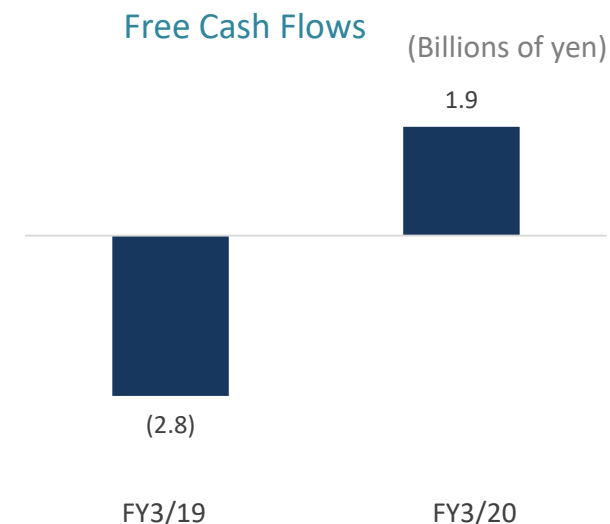
(Billions of yen)	March 31, 2019	March 31, 2020	Change
Current assets	22.5	22.0	-0.4
Non-current assets	20.8	22.5	+1.6
Total assets	43.3	44.6	+1.2
Current liabilities	21.0	21.5	+0.4
Non-current liabilities	17.0	15.9	-1.1
Total liabilities	38.1	37.4	-0.6
Total equity	5.2	7.1	+1.8
Total liabilities and equity	43.3	44.6	+1.2
Ratio of equity attributable to owners of parent to total assets	9.7%	11.7%	+2.0pt

Major components of changes

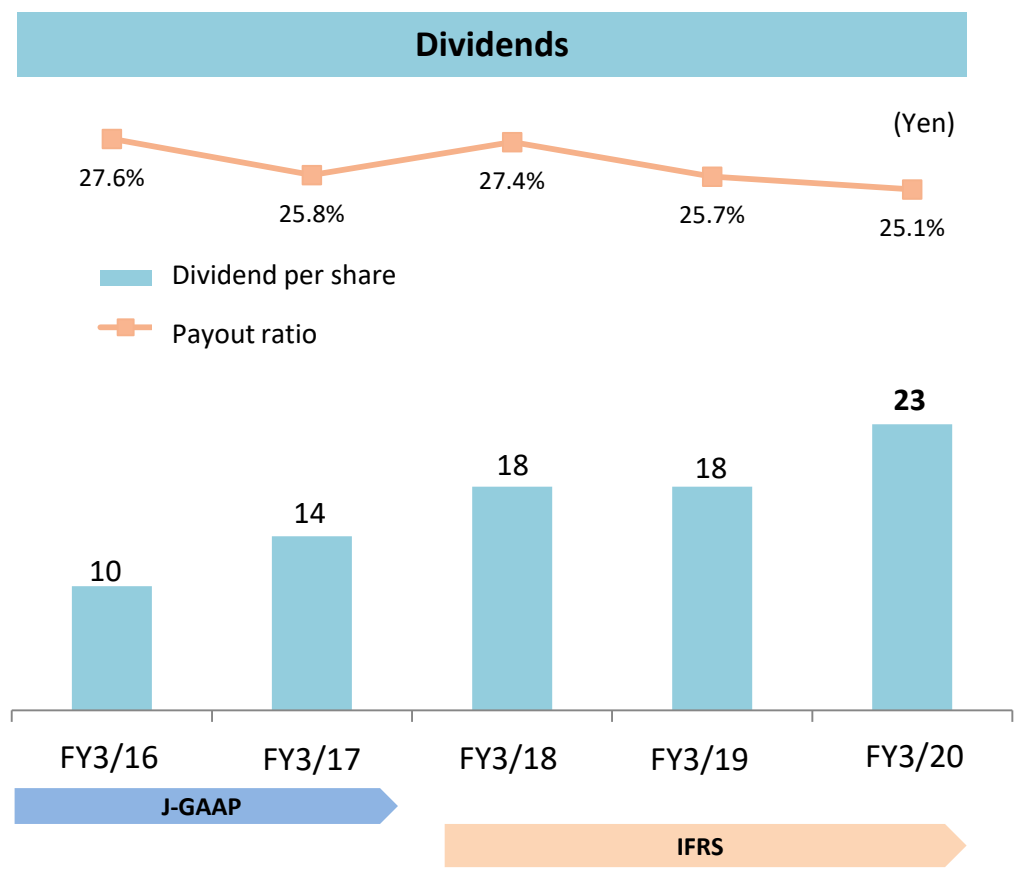
- **Total assets**
 - Cash and cash equivalents -¥0.9 bln
 - Trade and other receivables +¥0.2 bln
 - Goodwill +¥0.3 bln
 - Intangible assets +¥0.9 bln
 - Other financial assets (non-current) +¥0.3 bln
- **Total liabilities**
 - Trade and other payables -¥0.3 bln
 - Borrowings (current) -¥0.7 bln
 - Other financial liabilities (current) +¥0.4 bln
 - Borrowings (non-current) -¥0.9 bln
 - Other financial liabilities (non-current) -¥0.1 bln
- **Total equity**
 - Exchange differences on translation of foreign operations -¥1.2 bln
 - Retained earnings +¥1.9 bln
 - Non-controlling interests +¥0.8 bln

Consolidated Statement of Cash Flows

(Billions of yen)	FY3/19	FY3/20	(Major Components)
Profit before tax	2.8	4.0	
Depreciation and amortization	1.5	1.9	
Income taxes paid	(1.1)	(1.4)	
Other	(0.5)	0.4	
Net cash provided by (used in) operating activities	2.8	4.9	Increase in profit before tax
Purchase and sales of property, plant and equipment, etc.	(0.7)	(0.5)	
Purchase and sales of shares of subsidiaries	(4.2)	(2.0)	
Other	(0.5)	(0.4)	
Net cash provided by (used in) investing activities	(5.6)	(3.0)	Decrease in M&A investments
Net increase (decrease) in interest-bearing debt	3.9	(3.1)	
Purchase and sales of shares of subsidiary not resulting in changes in the scope of consolidation	(3.2)	0.7	
Dividends paid	(0.3)	(0.4)	
Other	0.2	0.0	
Net cash provided by (used in) financing activities	0.5	(2.7)	Decrease in acquisition of additional shares of consolidated subsidiaries
Effect of exchange rate changes	0.0	(0.1)	
Net increase (decrease) in cash and cash equivalents	(2.2)	(0.9)	
Cash and cash equivalents at end of period	6.8	5.9	
Free cash flows (Operating activities + Investing activities)	(2.8)	1.9	



FY3/20 total return ratio: 25.1%



The amounts of dividend per share are calculated retrospectively reflecting 2-for-1 stock split on December 1, 2016.

Stock repurchase

- Type of shares to be repurchased: Common shares of WILL GROUP
- Total number of shares to be repurchased: Up to 300,000 shares, which represent 1.35% of total shares outstanding (excluding treasury shares)
- Increased amount of acquisition cost of shares: Up to ¥300 million
- Repurchase schedule: From Sep. 20, 2019 to Dec. 30, 2019

Results of stock repurchase
Total number of shares repurchased: 89,000 shares
(Acquisition rate: 29.7%)
Total acquisition cost: ¥87 million
(Acquisition rate: 29.0%)

Total return ratio
The ratio of the sum of dividends and share repurchase cost to profit attributable to owners of parent

III. Impact of COVID-19 Pandemic and WILL GROUP's Responses

Sales Outsourcing Business (% to consolidated net sales: 19%)

- | | |
|---|--|
| ■ Telecommunications
(51% of segment revenue) | Decline in people on assignments and postponements of new orders as home electronics and carrier stores temporarily closed or reduced operating hours |
| ■ Apparel
(12% of segment revenue) | Decline in people on assignments due to temporary closing and reduced operating hours of dept. stores, shopping centers and other stores; decline in existing projects as overseas factory stoppages disrupt deliveries of merchandise |
| ■ Sales promotion, etc.
(37% of segment revenue) | Revenue down due to cancelations of events, exhibitions and other activities in response to government requests |

Call Center Outsourcing Business (% to consolidated net sales: 13%)

- | | |
|---|--|
| ■ Call center / Finance
(80% of segment revenue) | Decline in people on assignments and postponements of new orders because social distancing reduces the number of operators and call center operating hours are reduced as measures for preventing infections |
| ■ Offices
(20% of segment revenue) | No significant negative effect because people are working from home |

Factory Outsourcing Business (% to consolidated net sales: 19%)

- | | |
|--|--|
| ■ Food
(51% of segment revenue) | Negative effect of lower production of products sold to foreign tourists in Japan and in the tourism market but strong demand for prepared food eaten at home; overall effect is expected to be negligible |
| ■ Sectors other than food sector
(49% of segment revenue) | Anticipate big declines in existing projects as machinery and electrical machinery manufacturers continue lowering output in April and afterward |

Care Support Business (% to consolidated net sales: 9%)

- Temporary staffing (95% of segment revenue)
Foresee no effects of COVID-19; no problem securing the necessary number of workers as people who were at restaurants and other businesses that closed apply for care support jobs
- Permanent placement (5% of segment revenue)
Foresee no effects because there is no significant change in the number of orders

Overseas Human Resources Business (% to consolidated net sales: 30%)

- Australia (78% of segment revenue)
Expect a decline in permanent placements because of fewer orders from companies and paralysis of the screening process due to travel restrictions. For temporary staffing, only a small impact in major categories like the public sector, IT, financial services and legal services, but anticipate fewer orders in other market sectors.
- Asia (22% of segment revenue)
Declines at existing projects in both permanent placements and temporary staffing; governments have enacted enormous employment support programs

HR Support Business for Startups (% to consolidated net sales: 1%)

- Permanent placement
The number of job openings is declining but there is still very strong demand for placement services for senior executives and engineers

Other Businesses (% to consolidated net sales: 8%)

- Construction management engineers

For temporary staffing, only a negligible effect is expected, although revenue is down because of the suspension of some construction projects, mainly in the Tokyo area, following the declaration of a state of emergency. For permanent placements, the outlook is uncertain; demand is decreasing in the Tokyo area but will probably recover when the state of emergency ends.

- Other sectors

Since April, ALT staffing orders are down about 30% in Japan's major metropolitan areas. Orders may continue to fall if temporary school closings do not end soon.

Current Actions

- **Continue operating while retaining current resources to be prepared for after the end of this crisis**
- **Shift workers to operations less affected by the spread of COVID-19 with an emphasis on maintaining the employment of existing staff and employees**
- **Reviewing new investment plans in order to remain profitable and maintain financial soundness**

→ Respond to the crisis with agility while carefully monitoring upcoming events

IV. FY3/21 Earnings and Dividend Forecasts

Forecasts represent a conservative estimate of the impact on FY3/21 business results and are calculated on the assumption that the impact of the spread of COVID-19 would start to wane in July 2020 and onwards.

→Swift and flexible responses will continue while closely monitoring the effects of the crisis

(Billions of yen)	FY3/20	FY3/21 (forecasts)	Change
Revenue	121.9	120.0	-1.6%
Operating profit (Operating margin)	4.1 (3.4%)	2.0 (1.7%)	-51.8% (-1.7pt)
Profit before tax	4.0	2.0	-50.7%
Profit attributable to owners of parent	2.3	1.0	-58.0%
Basic earnings per share (yen)	107.0	44.9	-58.0%
EBITDA	6.1	4.0	-34.8%


Forex sensitivity	Initially assumed	FY3/20 results	Change for ¥1 difference	
			Revenue	Profit
AUD	¥70	¥74	¥380 mln	¥10 mln
SGD	¥75	¥79	¥80 bln	¥0 mln

	FY3/20	FY3/21 (forecasts)
Year-end dividend	¥23 per share	¥14 per share
Total return ratio	25.1%	31.1%

V. New Medium-term Management Plan

Business environment surrounding WILL GROUP is uncertain due to the worldwide spread of COVID-19, making it difficult for us to establish reasonable numerical targets. As a result, the new medium-term management plan, which we planned to announce today, remains undecided.

The plan will be announced soon after the details of the plan become available through the careful assessment of the potential impact of COVID-19 on our business. Please refer to the following pages for the idea behind the new medium-term management plan.

Issues		Policies for the new medium-term plan
<u>Respond to changes in the business climate, including intense competition, new technologies, working style reforms, Japan’s declining working-age population and other challenges</u>		<u>Shift strategy in Japan from the expansion of employment opportunities to the expansion of growth opportunities; Also focus on foreign workers; Outside Japan, continue the strategy of expanding employment opportunities</u>
<u>Operating margin is steady at 3%</u>		<u>Increase the operating margin</u>
<u>High financial leverage because of M&A strategy for growth</u>		<u>Establish targets for financial soundness indicators</u>
Issues for attracting job seekers in Japan		For HR services in Japan, shift to a one-brand strategy (early enactment) based on the “Chance-Making Company” vision
The need to create a new business model using a long-term perspective		Create a new business model based on a long-term perspective
Weakening of the corporate strategy as growth results in more subsidiaries with differing business models		Reexamine business portfolio management in order to reconfigure business segments and strengthen the corporate strategy
Activities involving sustainability (ESG/SDGs)		Establish a basic policy, action plan, goals and other items during the new medium-term plan
Response to COVID-19 pandemic		Respond with speed and agility as needed while monitoring upcoming developments involving this crisis

Key themes

Use the WORK SHIFT strategy* to be more profitable

*WORK SHIFT strategy: Shift businesses and working styles to increase the operating margin

(Business SHIFT)

Portfolio Shift

(Japan)

Use Perm SHIFT to maximize and optimize growth opportunities
Perm: Permanent placements, temporary staffing in fields requiring advanced skills

(Overseas)

Temp SHIFT to maximize and optimize job opportunities
Temp: Temporary staffing services, consignment services

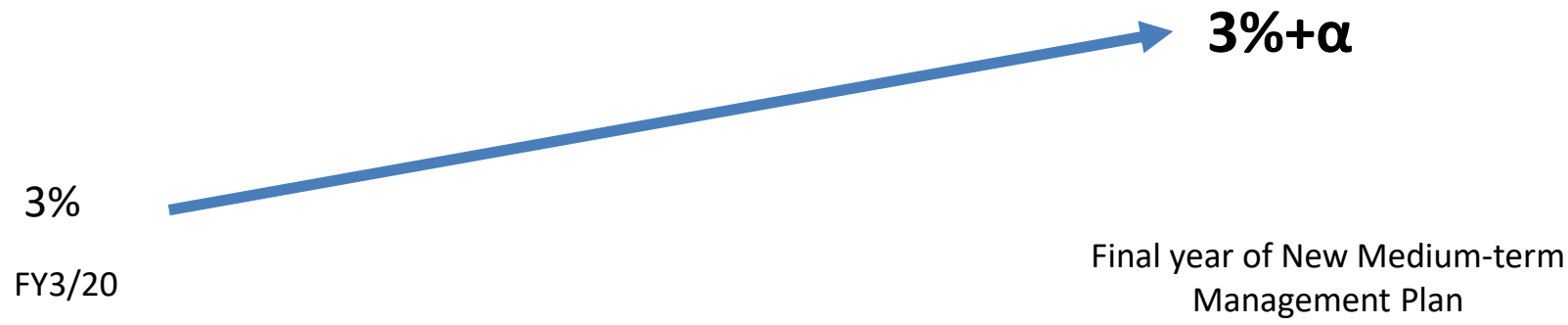
(Work Style SHIFT)

Digital Shift

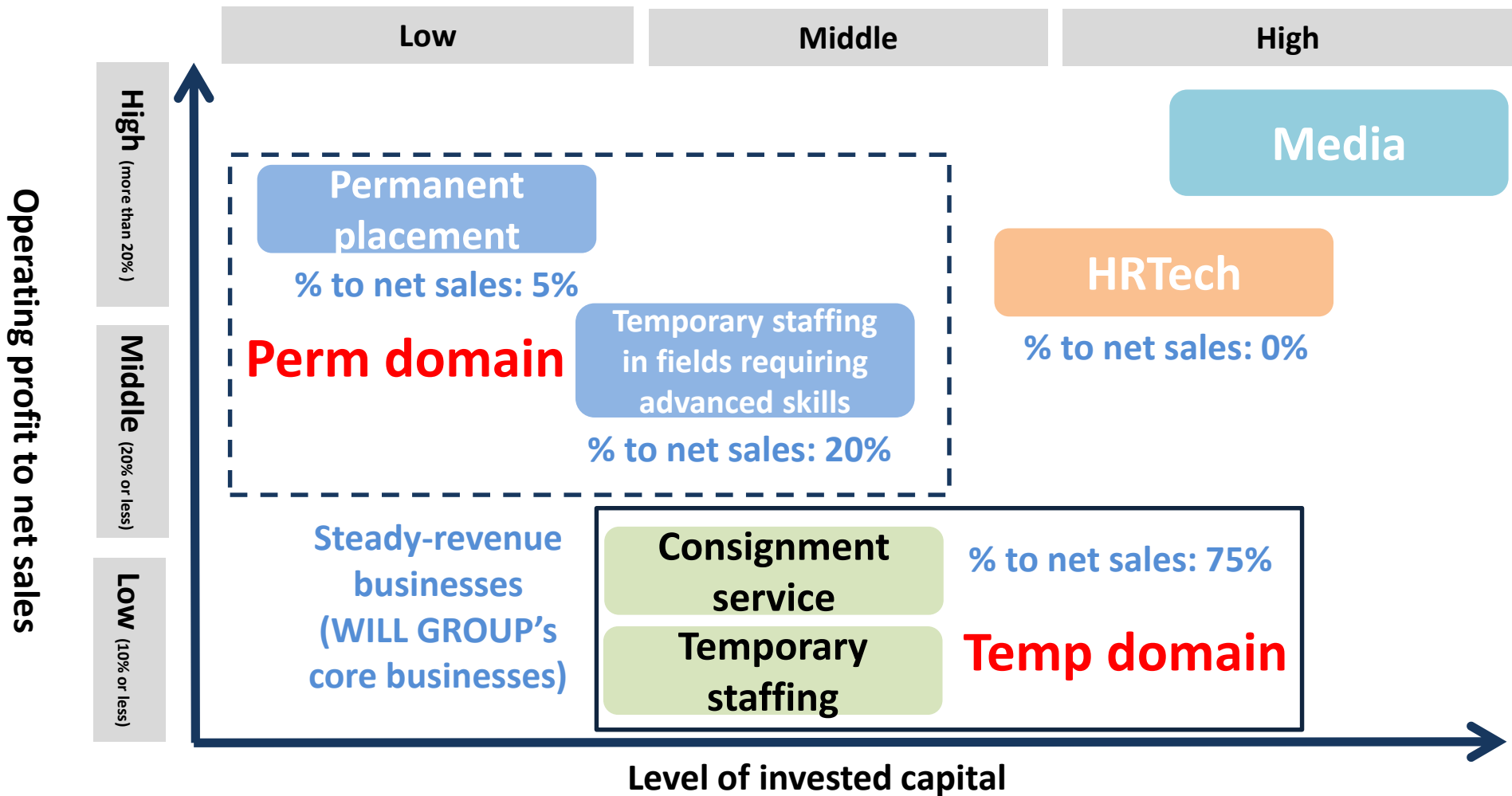
(Japan)

Increase productivity in the temp domain

■ Operating margin Outlook



Increase the operating margin by enlarging the Perm domain



Reason

The breadth of management has increased along with business domain expansion. Business segments have been reconfigured and the management framework revised in order to strengthen its corporate strategy.

[Before revision] FY3/20

<u>Business segments</u>	<u>Domains</u>
Sales Outsourcing Business	
Call Center Outsourcing Business	
Factory Outsourcing Business	
Care Support Business	
HR Support Business for Startups	
Others	Human resources services
Overseas Human Resources Business	Oceania
	ASEAN
	Other
Overseas Human Resources Business	Technical interns, etc.
Others	HRTech, business domains other than human resources services

[After revision] From FY3/21

<u>Business segments</u>
Domestic WORK Business
Overseas WORK Business
Others

Strategy I

Use the Perm SHIFT to become more profitable

Domestic WORK Business

Strategy II

Use the Temp domain Digital SHIFT to become more profitable

Domestic WORK Business

Strategy III

Use the Temp SHIFT to improve stability

Overseas WORK Business

Strategy IV

Build a platform for moving away from labor-intensive business activities

Others

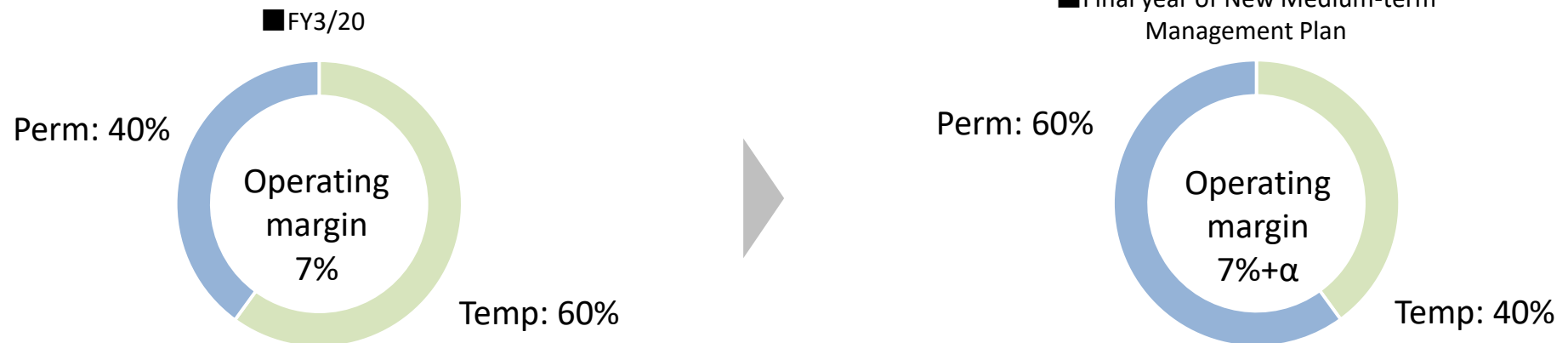
Strategy V

Financial strategy

For all WILL GROUP companies

Expand permanent placements for care support (senior care) and nursery schools, where there is a chronic labor shortage, and temporary staffing in fields requiring advanced skills

- Domestic WORK Business Portfolio (Gross profit basis) -



■ Permanent placement (Care support, nursery schools)

Aim for rapid growth for care support and nursery school fields requiring certifications

■ Temporary staffing in fields requiring advanced skills

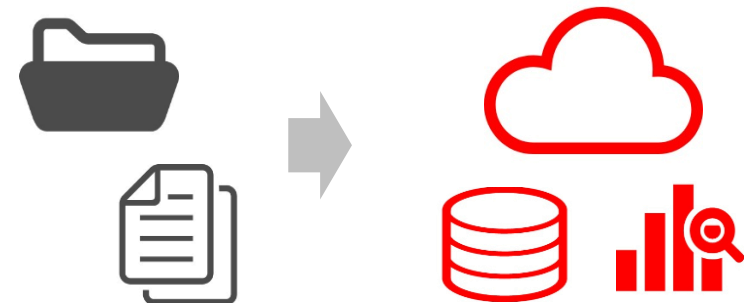
Aim for rapid growth due to the outlook for consistently strong demand for IT engineers, construction management engineers, B-to-B sales agents and other people with advanced skills

Use the Digital SHIFT to increase productivity per employee

Online and automated tasks for higher efficiency



Centralized data management/analysis for higher efficiency

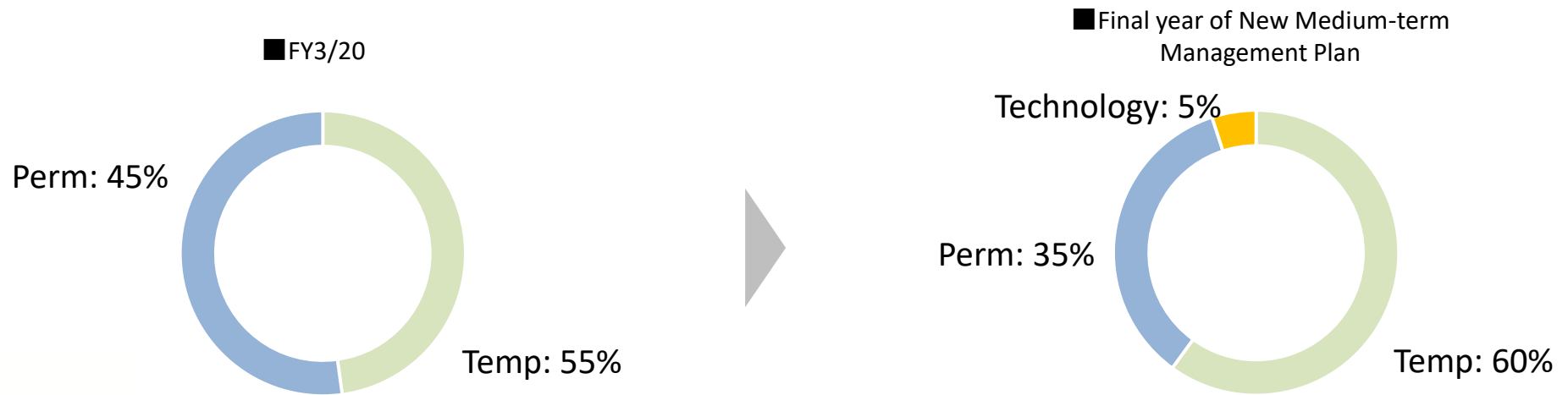


Telework and online interviews for higher efficiency



For a stable base for earnings, expand the Temp domain, where volatility is low, and newly establish an overseas group brand and increase synergies

- Overseas WORK Business Portfolio (Gross profit basis) -



u&u.

dfp Recruitment
THINKING PEOPLE

eoc
ETHOS BEATHCHAPMAN

Quay
Appointments
An Ethos BeathChapman Company

AsiaRecruit

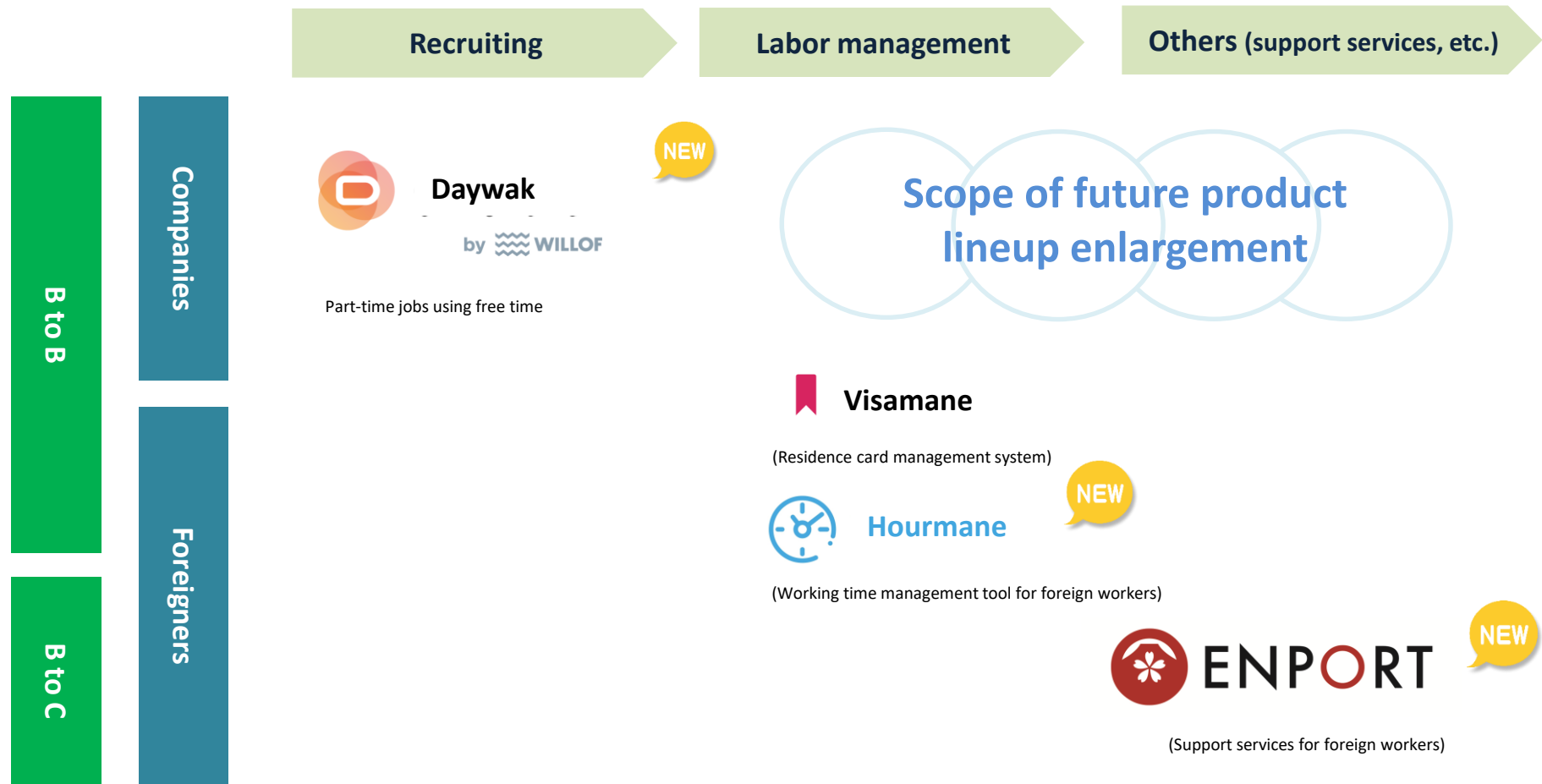
ChapmanCS
Global HR Executive Search

G
Good Job Creations

ScienTec
CONSULTING
PEOPLE FIRST, ALWAYS

ORIENTAL
AVIATION

Move away from labor-intensive steady-revenue businesses and use a trial-and-error process to strengthen activities for developing new platforms



*The Joboty recruiting service for part-time foreign workers was terminated in March 2020 because of poor prospects regarding profitability.

Capital efficiency**ROIC**
At least 20%

- Goal is a ROIC of at least 20% by improving profitability and using capital more efficiently

(FY3/20 ROIC: 14%)

Weighted average cost of capital is about 7% to 9%

Financial soundness**Equity ratio**
At least 20%

- Goal is an equity ratio of at least 20% in order to support future investments for growth and increase financial soundness

(FY3/20 equity ratio: 11.7%)

Shareholder returns**Total return ratio**
At least 30%

- Goal is a consistent total shareholder return ratio of 30% in order to increase distributions for shareholders while securing sufficient funds for investments for growth

VI. Reference

Sales Outsourcing Business

(Millions of yen)

■ Revenue

	1Q	2Q	3Q	4Q
FY3/18	5,231	5,194	5,737	5,490
FY3/19	5,371	5,437	5,820	5,576
FY3/20	5,385	6,392	5,769	5,601

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/18	468	438	446	395
FY3/19	281	356	432	467
FY3/20	374	526	437	451

Call Center Outsourcing Business

■ Revenue

	1Q	2Q	3Q	4Q
FY3/18	4,082	4,310	4,340	4,060
FY3/19	3,905	3,857	4,065	3,897
FY3/20	3,868	4,145	4,264	4,181

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/18	187	237	225	169
FY3/19	130	153	308	241
FY3/20	227	274	263	229

Factory Outsourcing Business

■ Revenue

	1Q	2Q	3Q	4Q
FY3/18	3,770	3,891	4,749	4,582
FY3/19	4,732	5,081	5,636	5,435
FY3/20	5,818	6,060	6,149	5,716

■ Segment profit

	• 1Q	• 2Q	• 3Q	• 4Q
• FY3/18	• 208	• 211	• 269	• 202
• FY3/19	• 197	• 227	• 330	• 283
• FY3/20	• 335	• 324	• 376	• 313

Care Support Business

■ Revenue

	1Q	2Q	3Q	4Q
FY3/18	1,588	1,761	1,886	1,902
FY3/19	2,067	2,286	2,478	2,478
FY3/20	2,586	2,755	2,866	2,933

■ Segment profit

(Millions of yen)

	1Q	2Q	3Q	4Q
FY3/18	(46)	6	24	(0)
FY3/19	(20)	49	67	86
FY3/20	54	85	74	135

Overseas Human Resources Business

■ Revenue

	1Q	2Q	3Q	4Q
FY3/18	2,368	2,841	2,847	5,113
FY3/19	5,806	6,293	6,966	7,208
FY3/20	9,107	9,267	9,014	8,742

■ Segment profit*

	1Q	2Q	3Q	4Q
FY3/18	21	174	91	70
FY3/19	267	206	98	(146)
FY3/20	251	200	275	237

*The provisional accounting treatment for business combinations has been finalized in 2Q and 3Q of FY3/20 year; FY3/19 figures are after retrospective application of the finalization.

HR Support Business for Startups

■ Revenue

	1Q	2Q	3Q	4Q
FY3/18	132	204	172	221
FY3/19	245	291	222	289
FY3/20	261	332	309	359

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/18	26	88	54	39
FY3/19	51	83	48	86
FY3/20	61	97	86	62

Others

■ Revenue

	1Q	2Q	3Q	4Q
FY3/18	576	588	732	818
FY3/19	1,394	2,036	2,292	2,426
FY3/20	2,344	2,409	2,666	2,751

(Millions of yen)

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/18	(23)	(55)	(4)	6
FY3/19	40	(11)	29	86
FY3/20	(42)	(45)	0	0

Geographic (Overseas) Segments

(Millions of yen)

■ Revenue (Asia)

	1Q	2Q	3Q	4Q
FY3/18	995	1,128	1,230	1,179
FY3/19	1,338	1,412	1,442	1,700
FY3/20	1,923	1,967	1,999	2,070

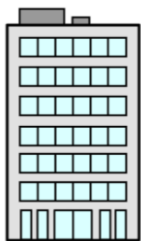
■ Revenue (Australia)

	1Q	2Q	3Q	4Q
FY3/18	1,372	1,712	1,617	3,933
FY3/19	4,468	4,881	5,523	5,508
FY3/20	7,184	7,299	7,014	6,672

■ **Enactment: April 1, 2020**

■ **Requirement for incorporating equality in temporary staffing fees**

- End temporary/full-time worker gaps involving payment of commuting and welfare expenses
- Payment of wages based on wage statistics that use employer-labor agreements



(Companies using temporary workers)

- Service fees must incorporate equality



(Temporary staffing workforce)

- Improve wages and other benefits to utilize diversified work styles

■ **Actions of the WILL GROUP**

- Negotiations with client companies began in October 2019 for revising contract terms, including the payment of commuting expenses, ahead of the April enactment of the new equal pay for equal work requirement.



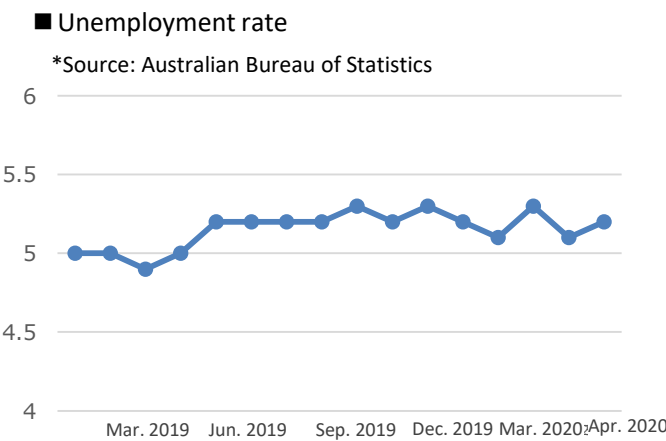
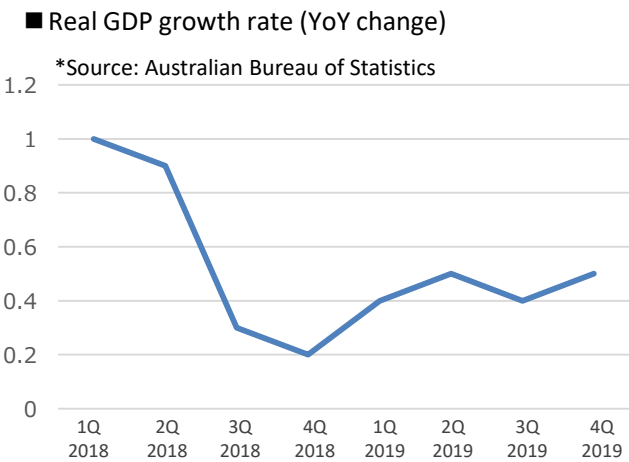
Negotiations have been completed and succeeded in receiving the understanding of client companies. As a result, the new equality requirement will have no effect on FY3/21 revenue and earnings.



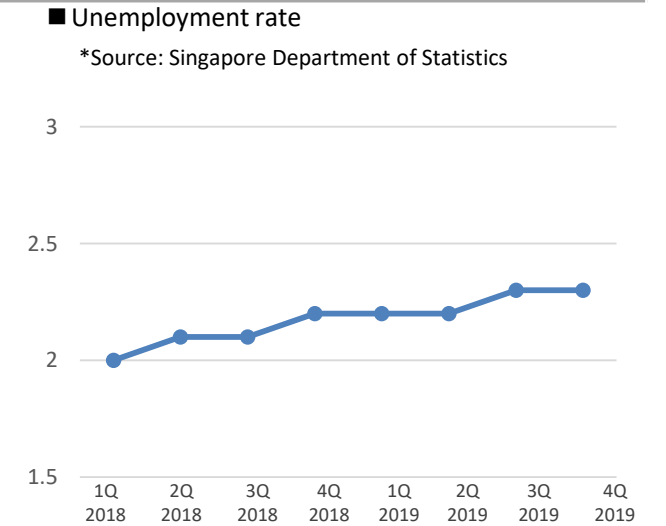
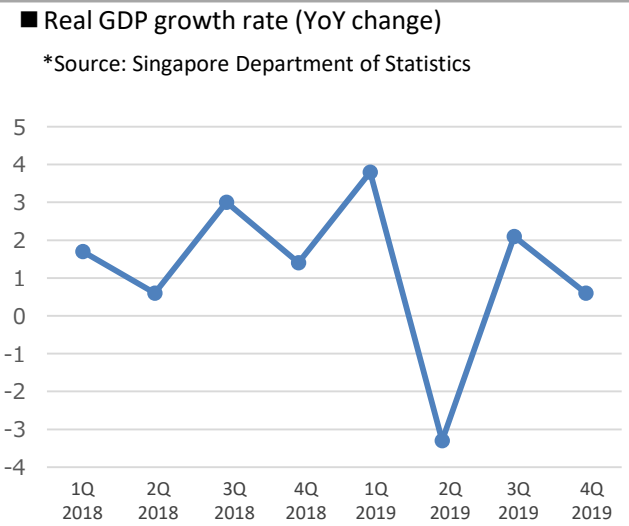
Market conditions for WILL GROUP

Slowing economic growth is reducing permanent placement orders and COVID-19 is exerting more downward pressure on orders. Temporary staffing demand is stable for public-sector work, IT, financial services and legal services



Economic indicators



Permanent placement services are down from FY3/20 because of slowing economic growth and COVID-19 is making this decline even larger. Operations are shifting to temporary staffing services because there is still certain demand for hiring people even during this economic downturn.



Performance of Major Overseas Subsidiaries

(Billions of yen)	Primary location	Business activities	Consolidated since (WILL GROUP ownership)	Investment *1	*2	FY3/18	FY3/19	FY3/20	YoY change
	Singapore	Providing permanent placement and consulting services focused on HR primarily in Singapore, through wholly-owned subsidiaries in Hong Kong, Japan, U.S., China, Australia and UK.	Jan. 2019 (51%)	1.47	Sales	-	1.29	1.45	12.1%
					Profit*3	-	0.34	0.45	31.6%
	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia	Apr. 2019 (60%)	1.32	Sales	-	5.35	6.16	15.1%
					Profit	-	0.54	0.54	-1.0%
	Melbourne	Providing temporary staffing and permanent placement services for office work and call center operations to agencies and companies in various sectors such as the government, telecommunications, resources and appliance manufacturing in Australia.	Jan. 2018 (80%)	0.76	Sales	-	10.18	11.19	9.9%
					Profit	-	0.31	0.31	1.0%

*1 The investment in each company includes goodwill and identifiable intangible assets.

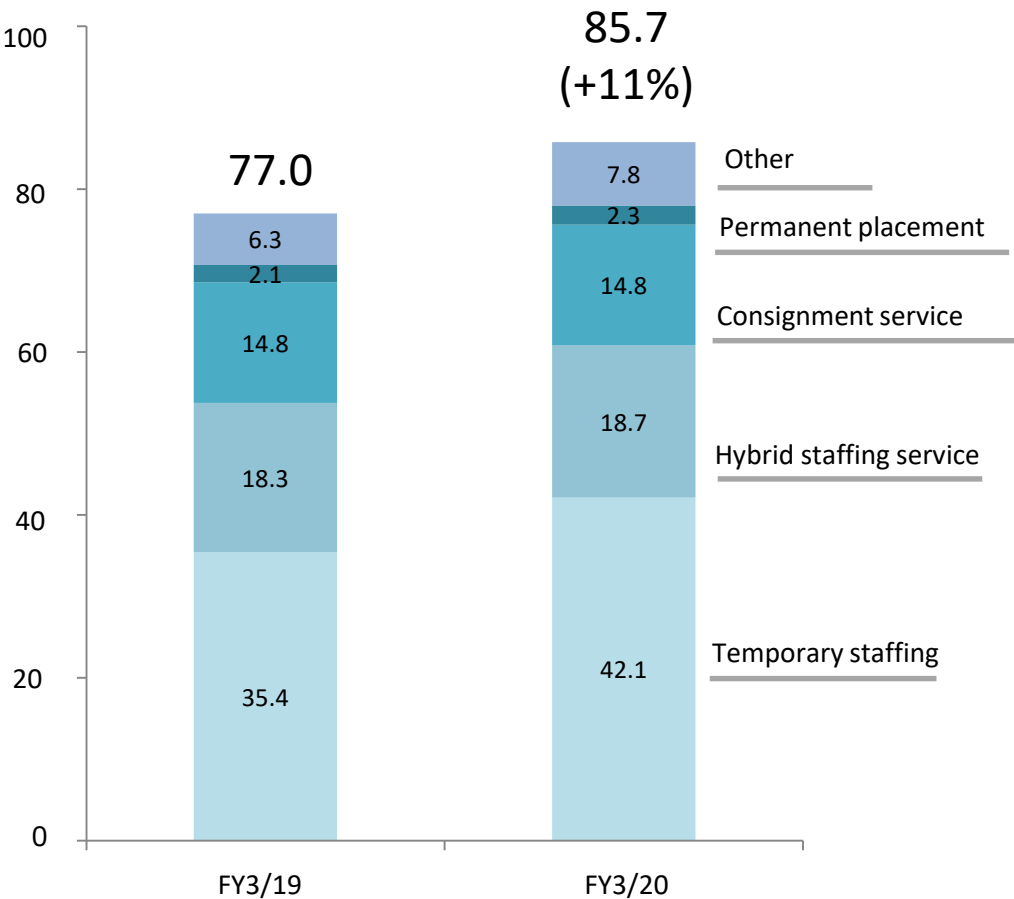
*2 Sales and profit are for the April-March consolidated fiscal year regardless of the timing of consolidated disclosures.

Converted to yen at the rates of ¥75/SGD and ¥70/AUD in order to eliminate the effects of foreign exchange rate movements.

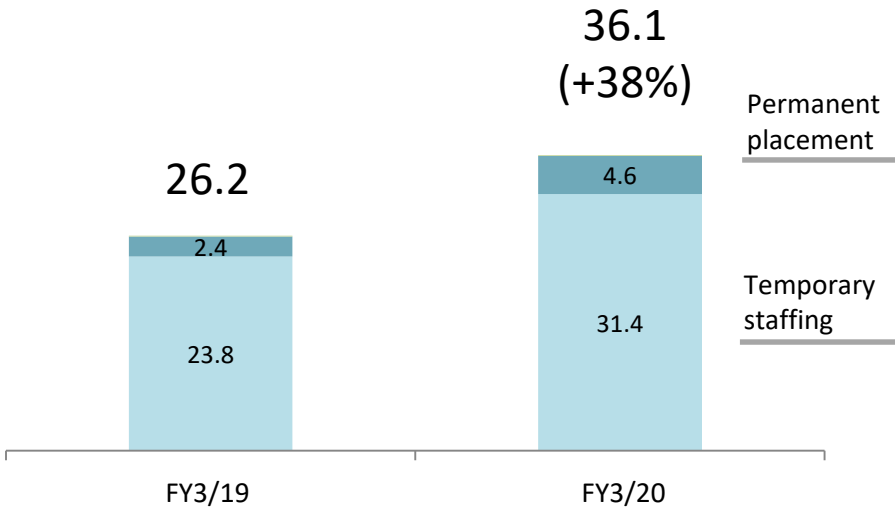
*3 Profit is profit before tax after the amortization of identifiable intangible assets, internal transactions and one-time expenses.

Human resources services in Japan

(Billions of yen)



Overseas human resources services





WILL GROUP

Forecasts of future performance in this report are based on assumptions judged to be valid and information available to the Will Group's management at the time the materials were prepared, but are not promises by the Will Group regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons.

This report is an English translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between the original Japanese version and this translated version, the Japanese version shall prevail.

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