



Supplementary Materials for the Fiscal Year Ended March 31, 2021

May 12, 2021

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

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I . FY3/21 Results

FY3/21 Highlights

Operating profit was far above the forecast because of the success of measures to minimize the impact of the COVID-19 pandemic and due to government subsidies and other reasons

(Billions of yen)	FY3/20	FY3/21 (Forecast as of Nov. 9, 2020)	FY3/21	Vs. FY3/20		Vs. FY3/21 Forecast	
				Change	% change	Change	% change
Revenue	121.91	116.00	118.24	-3.66	-3.0%	+2.24	+1.9%
Gross profit (Gross margin)	25.40 (20.8%)	-	24.05 (20.3%)	-1.34 (-0.5pt)	-5.3%	-	-
Operating profit (Operating margin)	4.14 (3.4%)	3.40 (2.9%)	4.03 (3.4%)	-0.11 (+0.0pt)	-2.8%	+0.63	+18.5%
Profit before tax	4.05	3.25	3.78	-0.26	-6.6%	+0.53	+16.6%
Profit attributable to owners of parent	2.38	1.75	2.36	-0.01	-0.7%	+0.61	+35.1%
EBITDA (Operating profit + Depreciation and amortization)	6.13	5.40	6.25	+0.12	+2.0%	+0.85	+15.9%

Number of employees: 4,845
(+357 from the end of FY3/20)

Consolidated Revenue

(Billions of yen)



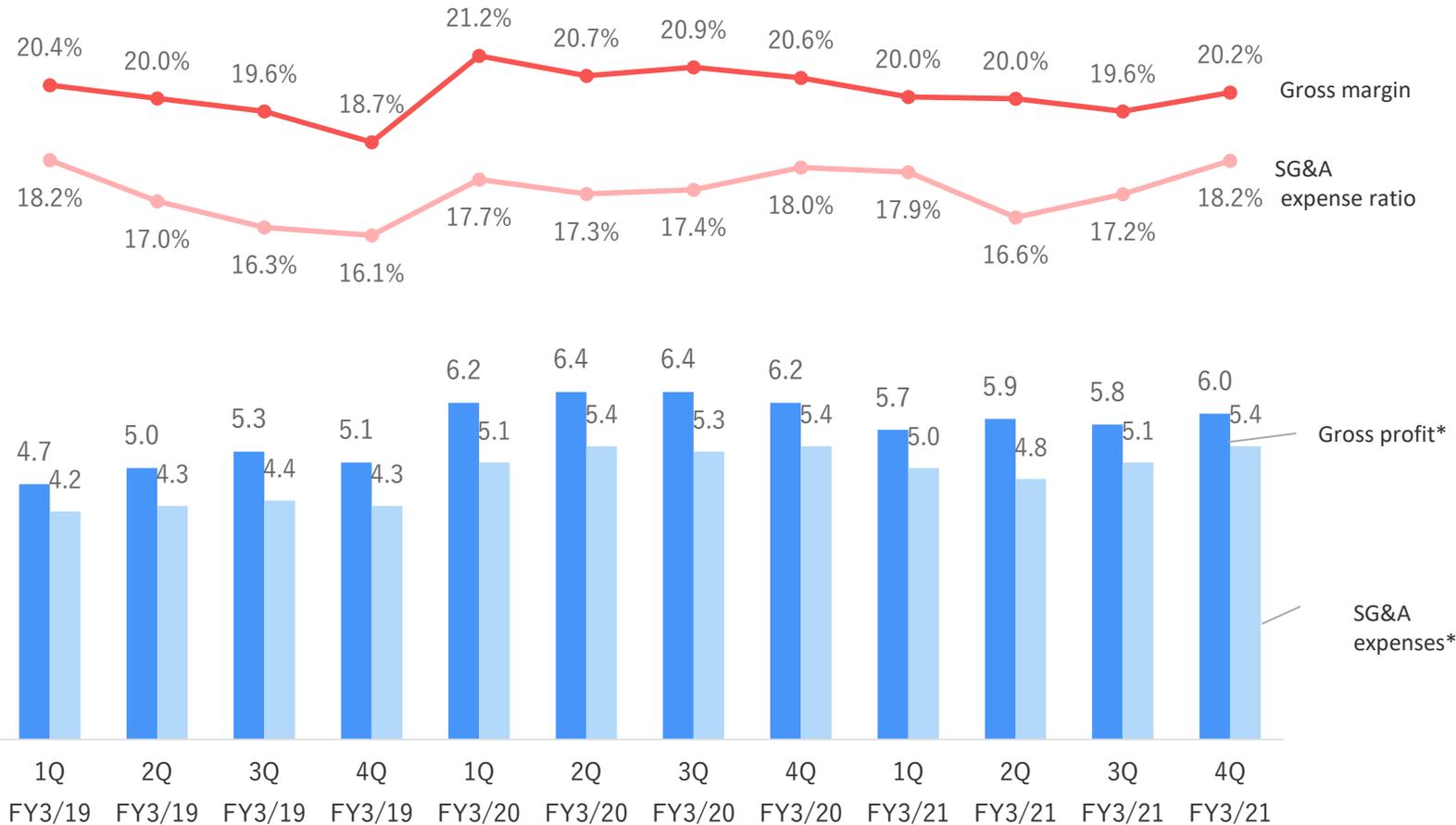
4Q FY3/21 revenue was ¥200 million above the 3Q

→ The negative impact of COVID-19 on business operations is decreasing

*The revenue in FY3/21 is based on adjusted figure that excludes overseas subsidy income.

Consolidated Gross Margin and SG&A Expense Ratio

(Billions of yen)



The gross margin is improving and investments for recruiting and other activities restarted slowly in 3Q

*The gross profit and SG&A expenses in FY3/21 is based on adjusted figure that excludes overseas subsidy income.

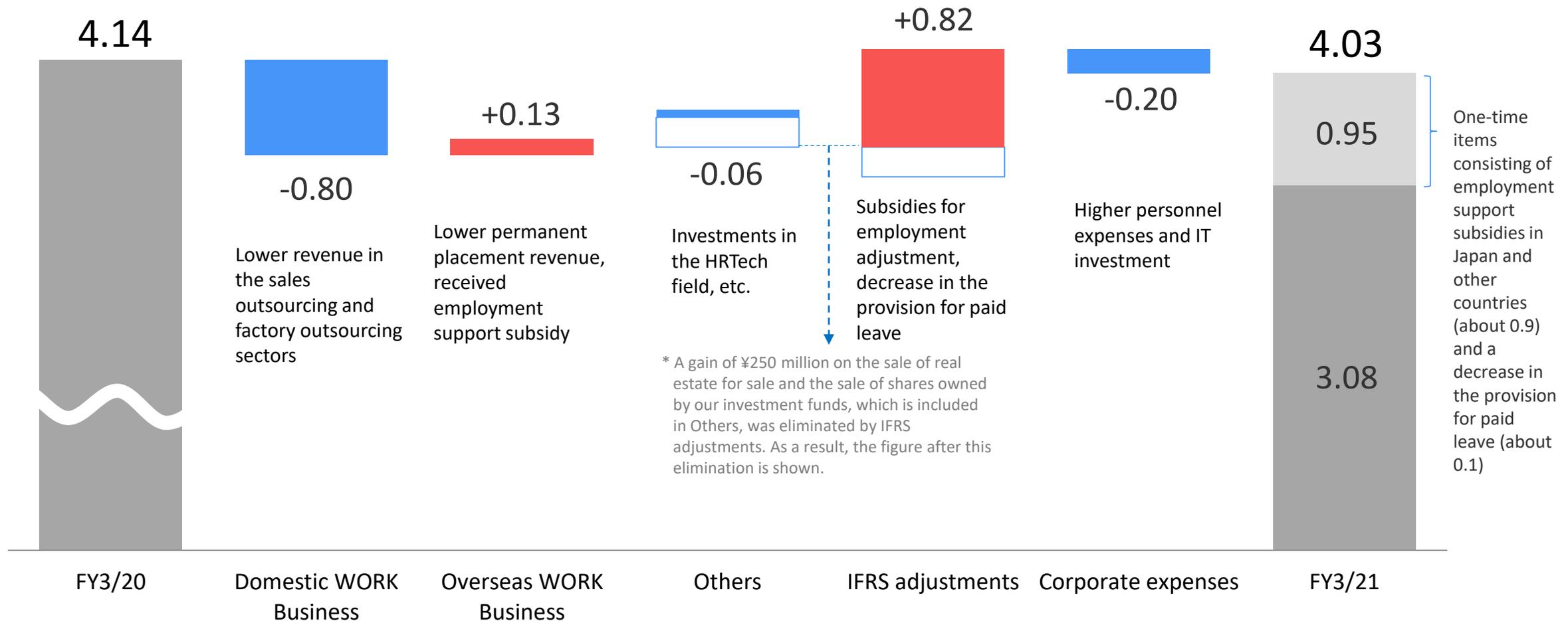
FY3/21 Revenue: Breakdown of Year-on-Year Changes

(Billions of yen)



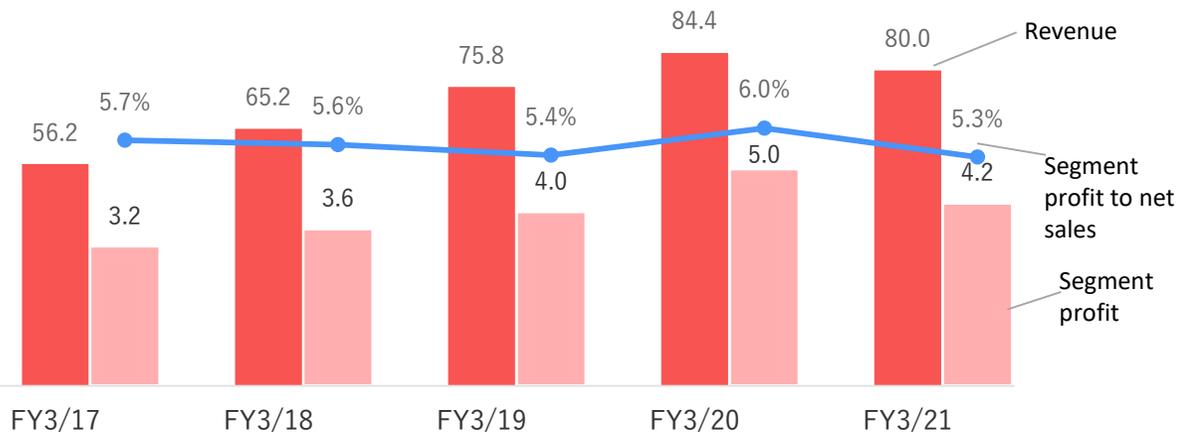
FY3/21 Operating Profit: Breakdown of Year-on-Year Changes

(Billions of yen)



Domestic WORK Business

Revenue and segment profit (Billions of yen)

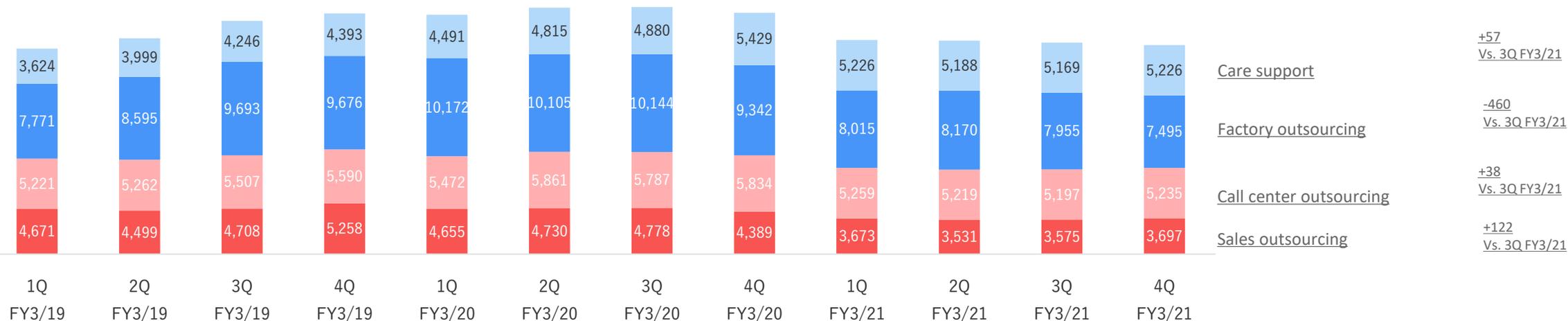


(Billions of yen)	Forecast	FY3/21	Vs. Forecast % change	FY3/20	Vs. FY3/20 % change
Revenue	80.61	80.05	-0.7%	84.43	-5.2%
Segment profit	4.25	4.25	+0.1%	5.06	-16.0%

Topics

- The number of worker on assignments is improving despite a decline in the factory sector caused by production cuts and production plan revisions by client companies.
- Controlled recruiting expenses based on the level of new orders. (down ¥330 million from FY3/20)

Number of workers on assignments (person)

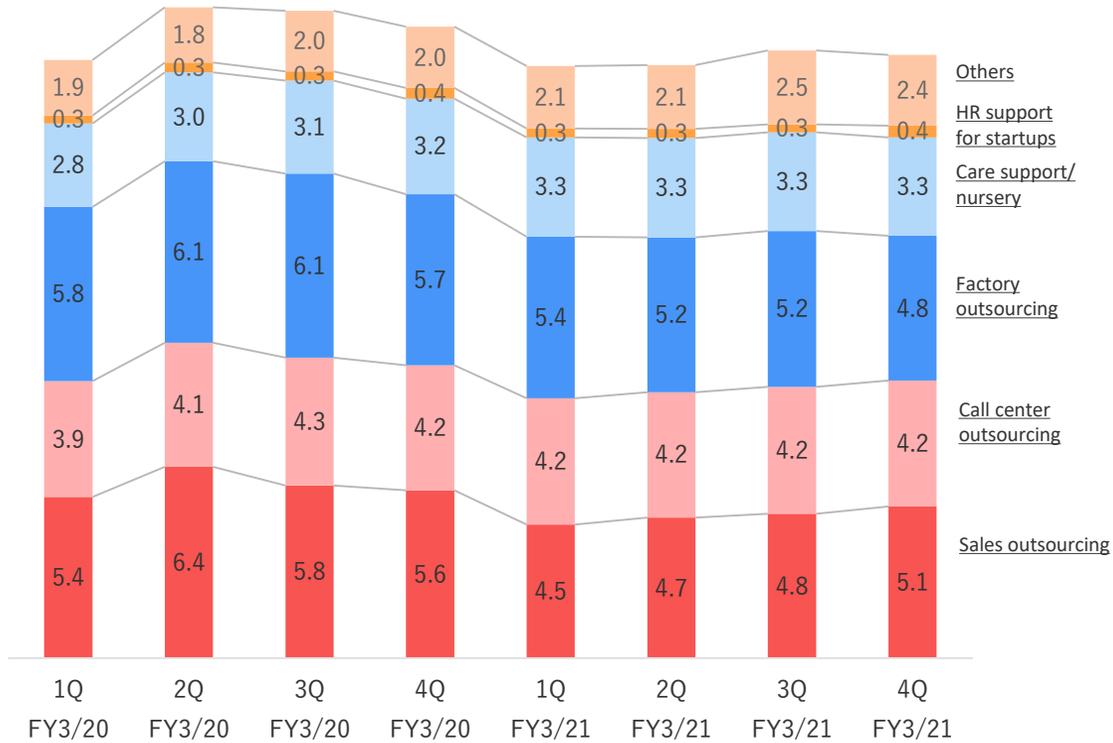


Domestic WORK Business (Sales and operating profit by sector)

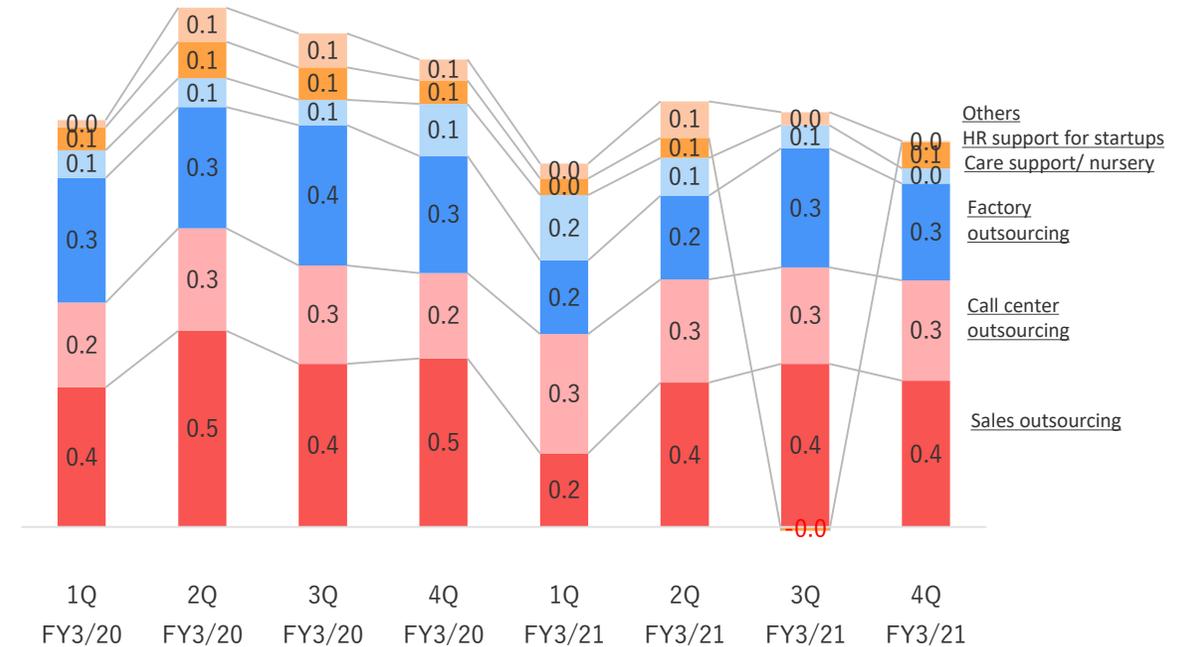
The call center outsourcing and care support/nursery school sectors performed well.
Sales outsourcing sector is improving steadily.

(Billions of yen)

Sales by sector

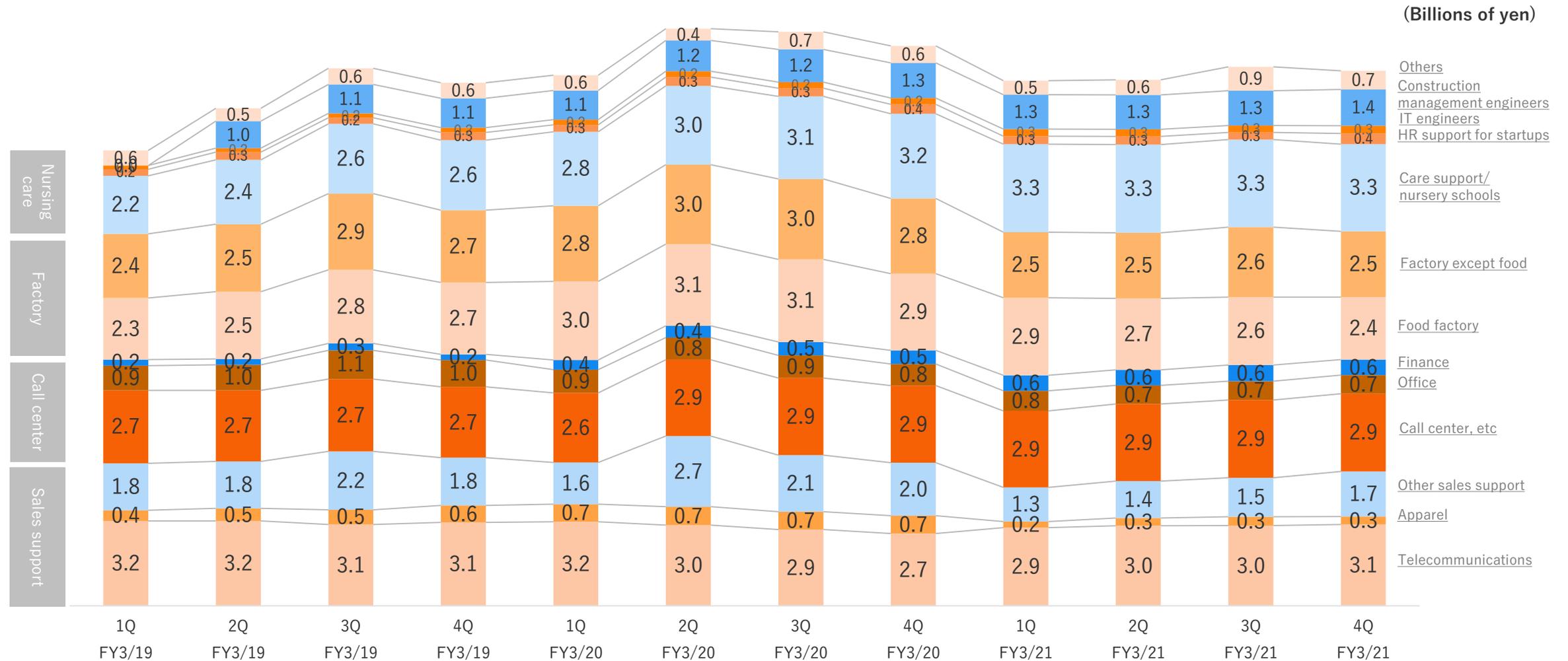


Operating profit by sector



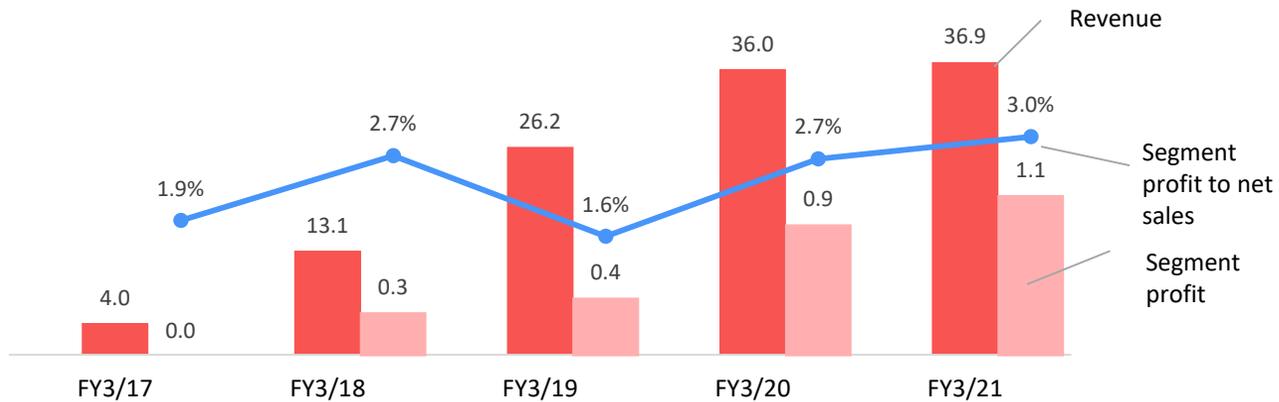
Domestic WORK Business (Business sector sales)

COVID-19 negatively affected the apparel, other sales support and factory sectors

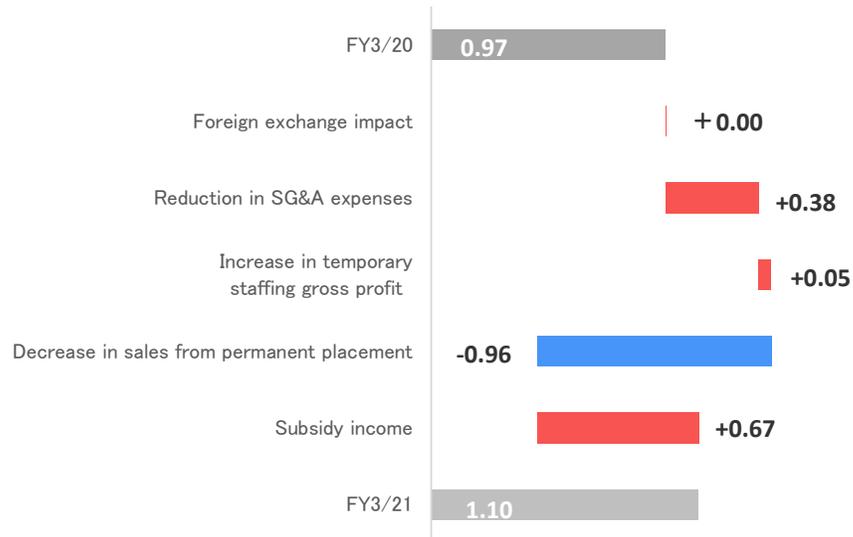


Overseas WORK Business

Revenue and segment profit (Billions of yen)



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



(Billions of yen)	Forecast	FY3/21	Vs. Forecast % change	FY3/20	Vs. FY3/20 % change
Revenue	34.05	36.92	+8.4%	36.07	+2.3%
Segment profit	0.88	1.10	+25.7%	0.97	+13.8%

Topics

- With COVID-19 under control in Australia and Singapore, permanent placement service demand is slowly recovering. Temporary staffing performed well.
- Received an employment support subsidy (approx. ¥700 million) as a countermeasure against COVID-19 in Singapore.

Forex sensitivity

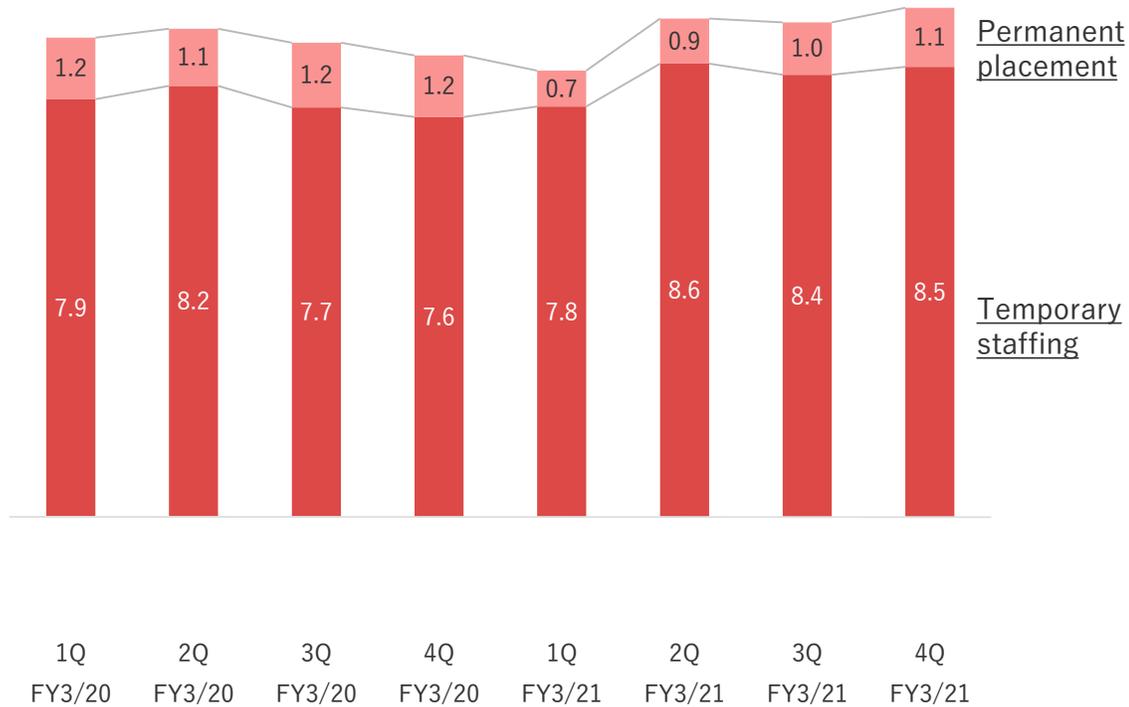
	Initially assumed	FY3/21 Results	FY3/20 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥70	¥76	¥74	¥380 mln	¥10 mln
SGD	¥75	¥78	¥79	¥90 mln	¥0 mln

Overseas WORK Business (Sales by contract type, sector operating profit)

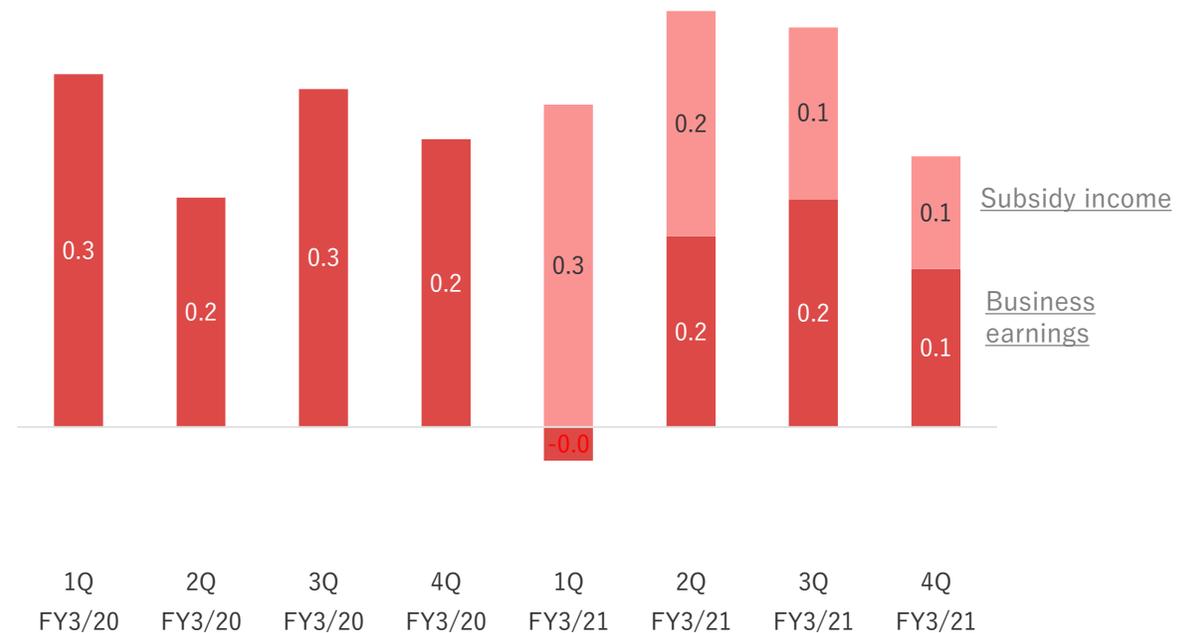
Permanent placement sales are slowly recovering and earnings from business activities (excluding subsidies) are recovering too

(Billions of yen)

Sales by contract type

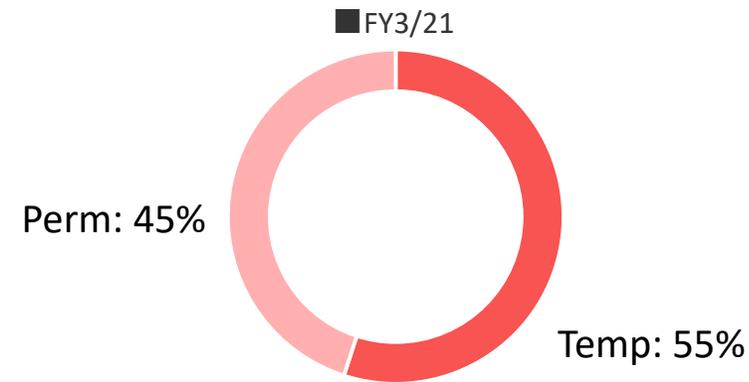
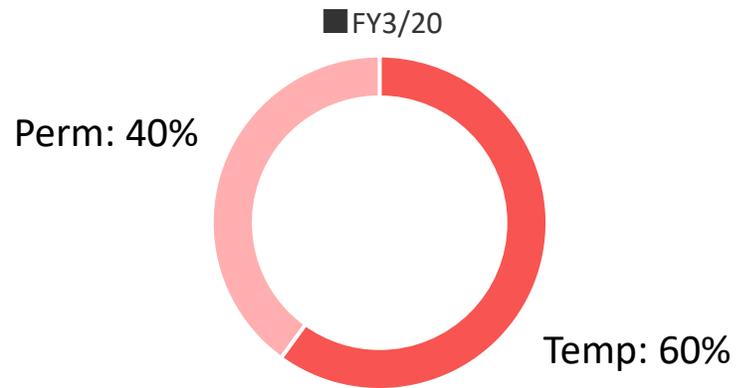


Operating profit by sector



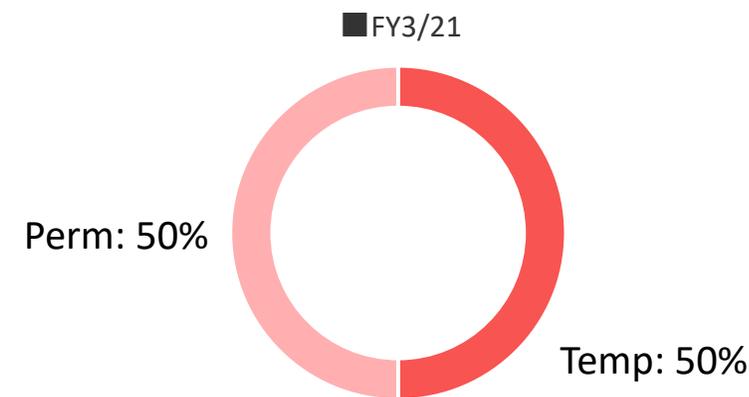
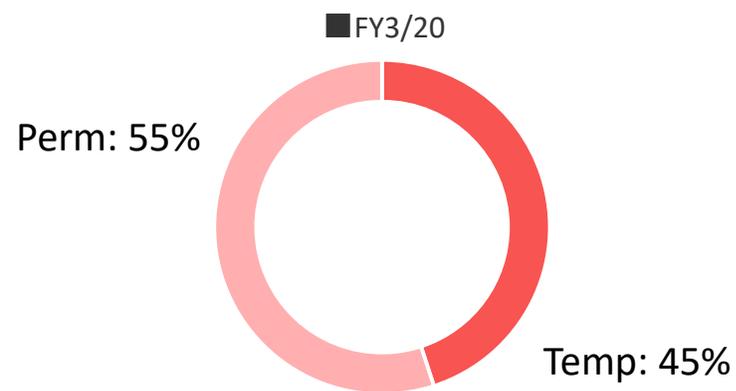
Business Portfolio Changes in Japan and Overseas

Domestic WORK Business Portfolio (Gross profit basis)



Temporary staffing in the factory sector decreased due to COVID-19.

Overseas WORK Business Portfolio (Gross profit basis)



Permanent placements decreased, but started to recover in 3Q. The stable temporary staffing sector continues to perform well despite the COVID-19 pandemic.

Revenue and segment profit (Billions of yen)



Other business activities

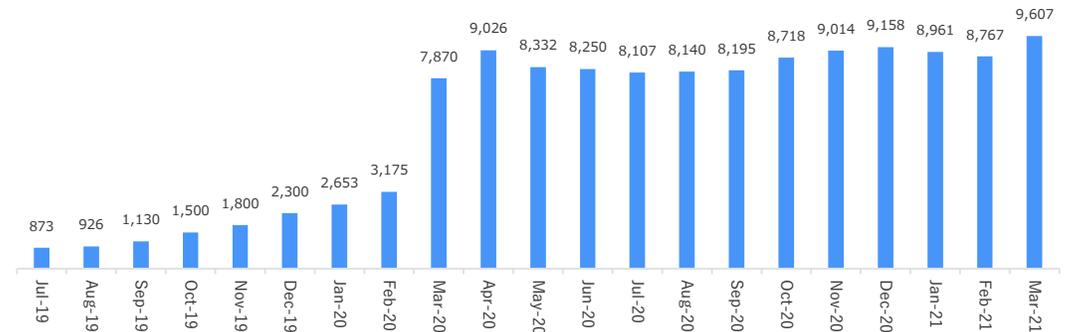


(Billions of yen)	Forecast	FY3/21	Vs. Forecast % change	FY3/20	Vs. FY3/20 % change
Revenue	2.14	2.12	-1.4%	1.54	+36.9%
Segment profit	-0.13	-0.16	-	-0.35	-

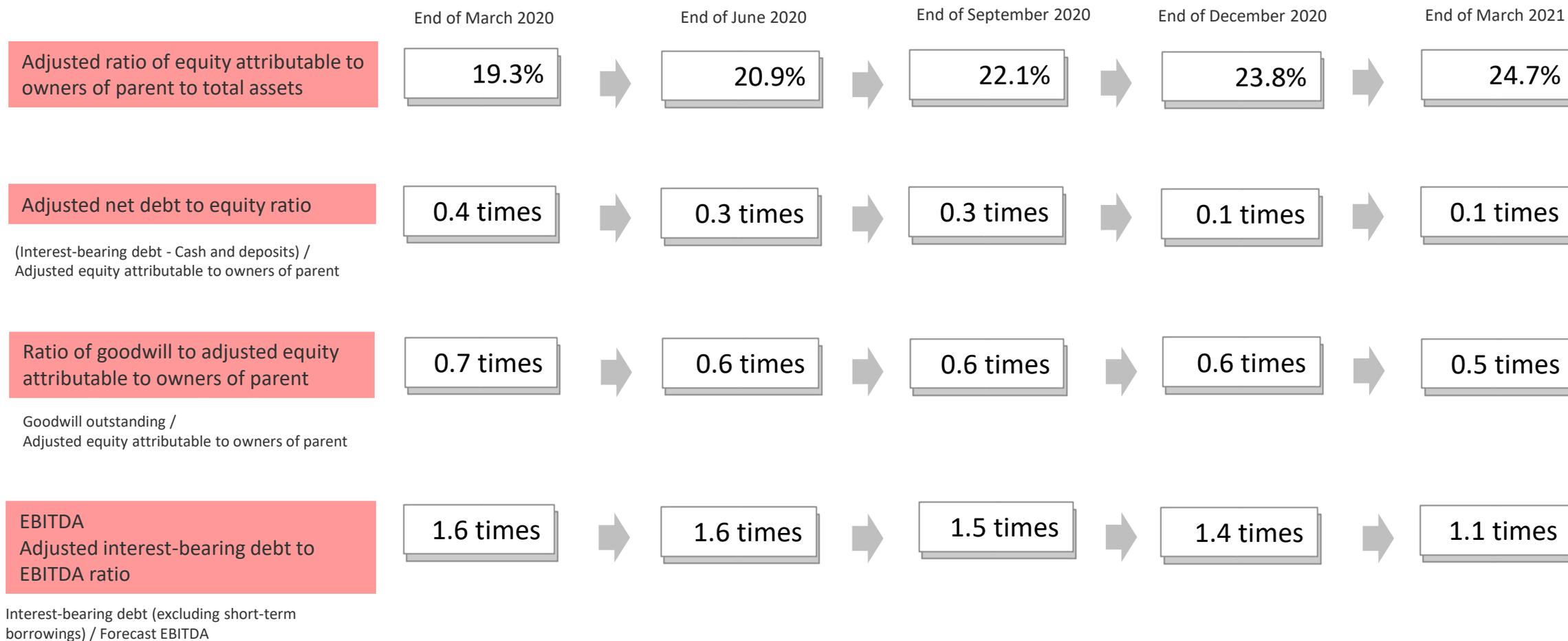
Topics

- Upfront investments (¥400 million) in new business domains (HRTech field and ENPORT).
- Daywak, an app for using small amounts of free time during the day for part-time work, was shut down in April 2021 because the initially planned use of existing assets of Will Group for this business was not possible.

Number of workers registered in the Visamane foreign worker management system



All financial indicators are improving



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

Consolidated Balance Sheet

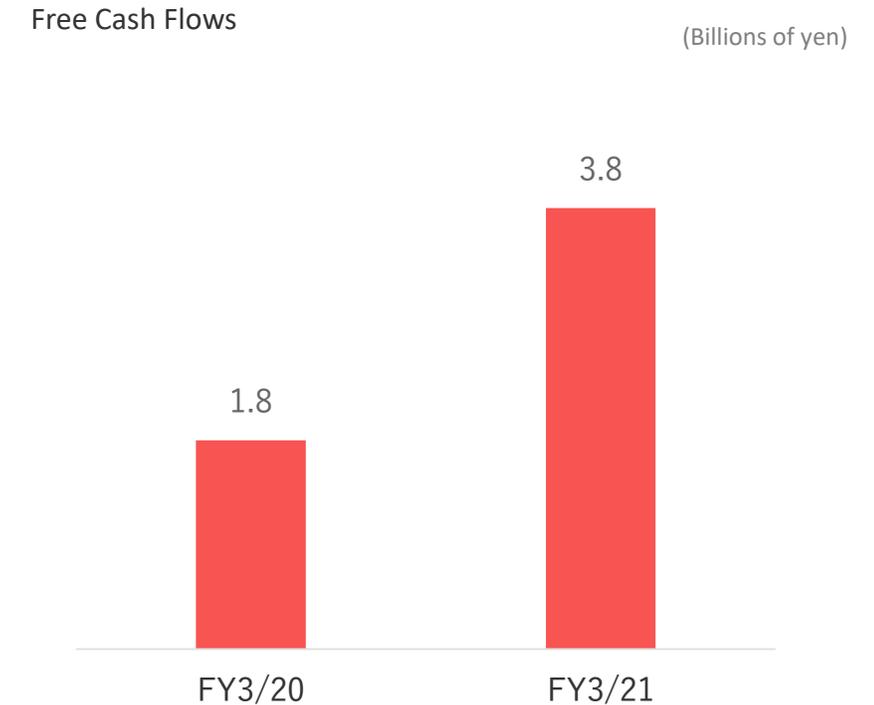
(Billions of yen)	March 31, 2020	March 31, 2021	Change
Current assets	22.04	23.57	+1.52
Non-current assets	22.55	23.19	+ 0.63
Total assets	44.60	46.76	+ 2.16
Current liabilities	21.56	24.79	+ 3.22
Non-current liabilities	15.90	11.94	-3.96
Total liabilities	37.47	36.73	-0.74
Total equity	7.12	10.02	+ 2.90
Total liabilities and equity	44.60	46.76	+ 2.16
Ratio of equity attributable to owners of parent to total assets	11.7%	17.6%	+5.9pt

Major components of changes (Billions of yen)

● Total assets	
• Cash and cash equivalents	+1.5
• Trade and other receivables	-0.3
• Other financial assets (current)	+0.4
• Property, plant and equipment	-0.2
• Right-of-use assets	-0.4
• Goodwill	+0.5
• Other non-current assets	+0.5
• Investments accounted for using equity method	+0.4
● Total liabilities	
• Trade and other payables	+1.2
• Borrowings (current)	+1.6
• Other financial liabilities (current)	+1.2
• Income taxes payable	-0.6
• Borrowings (non-current)	-2.6
• Other financial liabilities (non-current)	-1.4
● Total equity	
• Capital surplus	-0.3
• Retained earnings	+2.0
• Exchange differences on translation of foreign operations	+1.4

Consolidated Statement of Cash Flows

(Billions of yen)	FY3/20	FY3/21	(Major Components)
Profit before tax	4.0	3.7	
Depreciation and amortization	1.9	2.2	
Income taxes paid	(1.4)	(1.9)	
Other	0.3	0.2	
Net cash provided by (used in) operating activities	4.9	4.3	Decrease in profit before tax
Purchase and sales of property, plant and equipment, etc.	(0.5)	(0.5)	
Purchase and sales of shares of subsidiaries	(2.0)	-	
Other	(0.4)	0.1	
Net cash provided by (used in) investing activities	(3.0)	(0.4)	Decrease in M&A investments
Net increase (decrease) in interest-bearing debt	(3.1)	(2.2)	
Purchase and sales of shares of subsidiaries not resulting in change in scope of consolidation	0.7	(0.7)	
Dividends paid	(0.4)	(0.5)	
Government subsidy income	0.0	1.2	
Other	0.0	(0.3)	
Net cash provided by (used in) financing activities	(2.6)	(2.6)	
Effect of exchange rate changes	(0.1)	0.2	
Net increase (decrease) in cash and cash equivalents	(0.9)	1.5	
Cash and cash equivalents at end of period	5.9	7.4	
Free cash flows (Operating activities + Investing activities)	1.8	3.8	

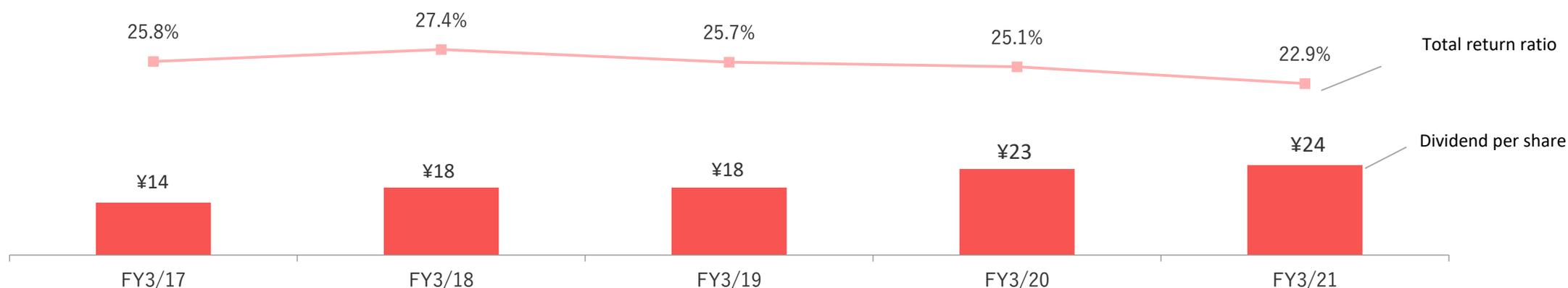


FY3/21 Year-end Dividend

The FY3/21 dividend per share is ¥24, no change from the upwardly revised dividend forecast announced on November 9, 2020.

	FY3/20	FY3/21
Year-end dividend	¥23 per share	¥24 per share
Total return ratio	25.1%	22.9%

■ Dividend per share and total return ratio





II . FY3/22 Earnings and Dividend Forecasts

FY3/22 Forecast

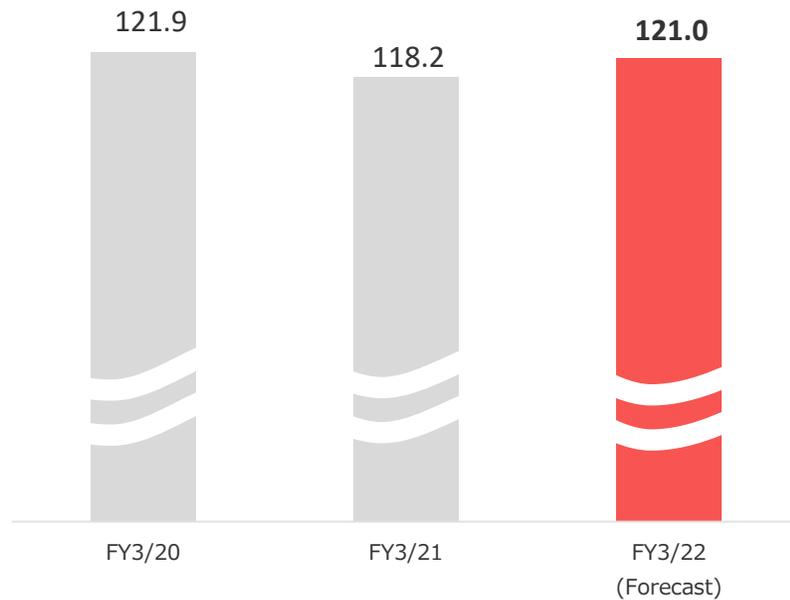
(Billions of yen)	FY3/20	FY3/21	FY3/22 (Forecast)	Vs.FY3/21	
				Change	% change
Revenue	121.91	118.24	121.00	+2.75	+2.3%
Domestic WORK Business	84.43	80.05	84.05	+4.00	+5.0%
Overseas WORK Business	36.07	36.92	35.37	(1.54)	(4.2%)
Others	1.54	2.12	1.57	(0.55)	(26.0%)
IFRS adjustments	(0.14)	(0.84)	0.00	+0.84	-
Gross profit(Gross margin)	25.40 (20.8%)	24.05 (20.3%)	25.64 (21.2%)	+1.58 (+ 0.8pt)	+6.6%
Operating profit (Operating margin)	4.14 (3.4%)	4.03 (3.4%)	3.40 (2.8%)	(0.63) (△0.6pt)	(15.6%)
Domestic WORK Business	5.06	4.25	4.50	+0.24	+5.9%
Overseas WORK Business	0.97	1.10	0.86	(0.24)	(22.3%)
Others	(0.35)	(0.16)	(0.28)	(0.11)	-
Adjustments	(1.86)	(2.07)	(2.24)	(0.16)	-
IFRS adjustments	0.33	0.90	0.56	(0.34)	(38.1%)
Profit attributable to owners of parent	2.38	2.36	1.84	(0.52)	(22.2%)
EBITDA	6.13	6.25	5.20	(1.05)	(16.9%)

	Initially assumed	FY3/21 Results	Change for ¥1 difference/y	
			Revenue	Profit
AUD	¥68	¥76	¥380 mln	¥10 mln
SGD	¥72	¥78	¥90 mln	¥0 mln

Assumptions Used for the FY3/22 Forecast

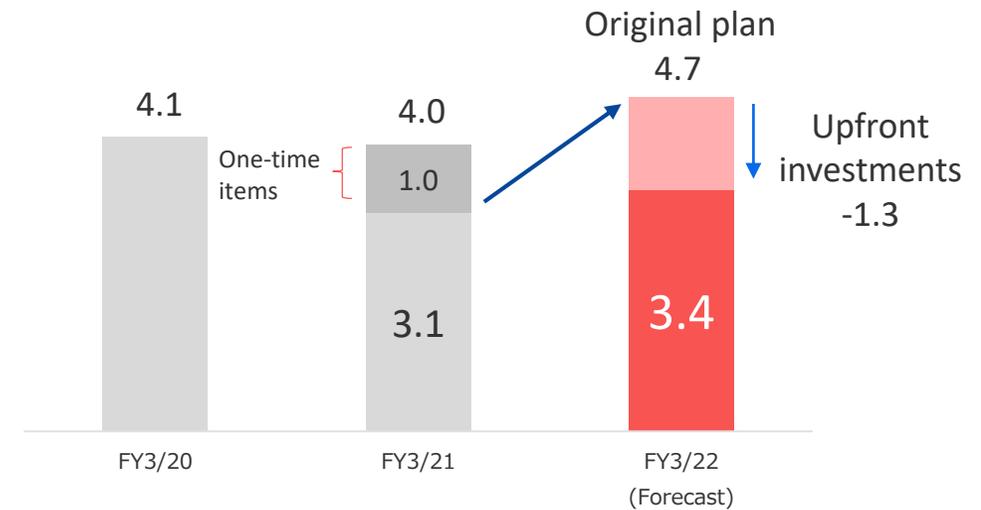
- The effects of the COVID-19 pandemic on business operations are expected to eventually end during FY3/22, resulting in an original plan for operating profit that is higher than in FY3/20, which is before this crisis.
- However, we have established a budget of ¥1.3 billion for upfront investments, including ¥600 million for recruiting construction management engineers and strengthening sales operations and ¥700 million for hiring more permanent placement recruiting consultants for the personnel in the care support, IT and start-up company sectors.

■ Revenue



■ Operating profit

(Billions of yen)



FY3/22 Forecasts (Segments and Sectors)

Segments (Billions of yen)	Sectors	FY3/20		FY3/21		FY3/22 (Forecast)		Change (%)	Assumptions Used for the FY3/22 Forecast
		Upper: Net sales Lower: Operating profit	Upper: Net sales Lower: Operating profit	Upper: Net sales Lower: Operating profit					
Domestic WORK Business	Sales support	23.14	19.04	20.10	+5.5%	<ul style="list-style-type: none"> • More growth in the stable telecommunications sector • Hire more full-time personnel for growth of the sales agent and other highly profitable services 			
		1.79	1.41	1.68	+18.8%				
	Call center	16.46	16.86	16.87	+0.0%		<ul style="list-style-type: none"> • Continue expansion of financial service sector business, which has a high profit margin • Increase the share of services provided at each location and shift from temporary staffing to consignment contracts 		
		0.99	1.12	1.11	-1.2%				
	Factory	23.74	20.58	19.45	-5.5%		<ul style="list-style-type: none"> • Increase market share in the stable food sector and in other sectors, focus on increasing orders involving electrical machinery and electronics, which are more profitable than the logistics and consumer products sectors • Merger between consolidated subsidiaries in July 2021 to improve profitability by combining administrative operations and business sites 		
		1.34	1.00	1.14	+14.5%				
	Care support	12.05	13.21	15.63	+18.2%		<ul style="list-style-type: none"> • Aim for temporary staffing sales growth by adding another business site • Increase care personnel placement sales by hiring more consultants and increasing the number of people placed in temporary positions who plan to switch to permanent positions 		
		0.36	0.38	0.70	+85.3%				
	HR support for startups	1.26	1.27	1.78	+40.2%		<ul style="list-style-type: none"> • The number of recruiting projects has returned to the pre-COVID level and, although caution is still needed, the outlook is for the number of these projects to increase. Foresee more recruiting demand from startup companies providing innovative services that reflect upcoming changes in the business climate, such as the faster pace of the DX due to the COVID-19 crisis. Also continue recruiting more sales personnel in anticipation of higher recruiting market activity once this crisis ends. 		
		0.30	0.15	0.18	+13.9%				
	Construction management engineers	4.80	5.27	6.18	+17.2%		<ul style="list-style-type: none"> • Upfront expenditures to hire more people for upgrading sales and follow-up operations in order to increase temporary placements of people with no prior experience: Forecast ¥600 million (was ¥200 million in FY3/21) 		
		0.01	(0.18)	(0.65)	-				
Others	2.96	3.78	4.02	+6.4%	<ul style="list-style-type: none"> • Expect more growth in temporary staffing of assistant language teachers and growth of temporary staffing and permanent placements of IT personnel 				
	0.24	0.35	0.33	-6.6%					
Overseas WORK Business	Singapore, etc. Australia	36.07	36.92	35.37	-4.2%	<ul style="list-style-type: none"> • Expect the recovery in permanent placement sales to offset the absence of government subsidy income (about ¥700 million in FY3/21). Forecast growth of temporary staffing. • Forecast uses conservative assumptions for foreign exchange rates 			
		0.97	1.10	0.86	-22.3%				

FY3/22 Forecasts for the Impact of COVID-19

Although the pandemic will affect some business activities, the negative impact on operations is expected to decline because a framework that reflects the business climate created by this crisis has been established. Consequently, the pandemic is not expected to have a significant effect on consolidated sales and earnings in FY3/22.

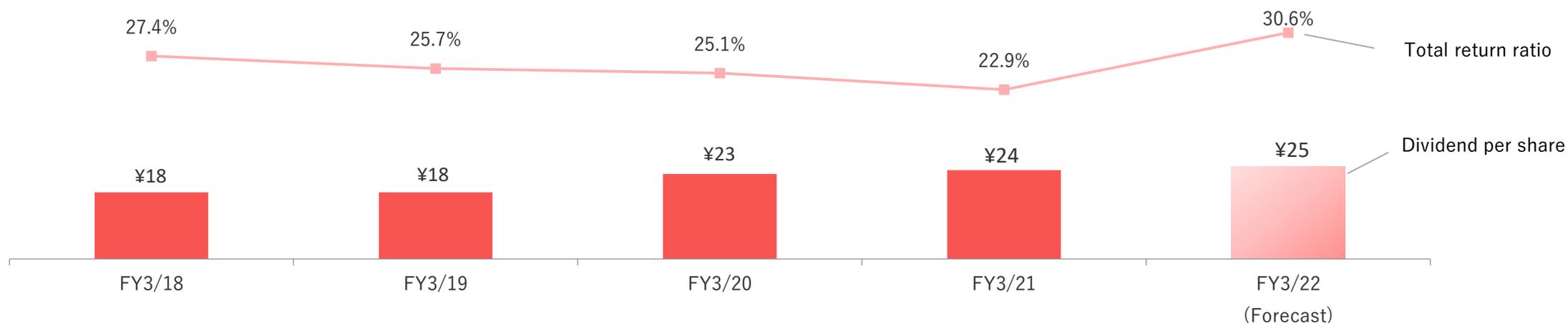
Segments	Sectors	FY3/21 COVID-19 impact and responses
Domestic WORK Business	Sales support	Difficulties continue in the apparel and sales promotion sectors, strengthening services in the stable telecommunications, sales agency and other sectors.
	Call center	Demand is strong; orders are still below the pre-COVID level but are recovering slowly. Strengthening sales activities for adding new customers.
	Factory	Performance is still held down by the decline in orders as customers in the food and other sectors reduce output and revise production plans. Increasing sales activities in the stable food sector. Also increasing sales activities for consigned management of foreign workers (specified skilled workers, etc.) due to expected easing of restrictions on entering Japan.
	Care support	Effect on recruiting of companies in other industries entering this field is slowly decreasing. Temporary staffing and permanent placement orders are still below the pre-COVID level although orders started recovering. Increasing sales activities targeting new nursing care facilities and nursery schools.
	HR support for startups	The number of recruiting projects recovered to the pre-COVID level in March 2021. Strengthening HR support for rapidly growing companies implementing the DX of their operations. Steady growth of the open innovation service, which supports interaction among large companies, the public sector and startup companies.
	Construction management engineers	COVID-19 has only a negligible effect on this sector due to the structural labor shortage and strong demand for construction services.
	Others	COVID-19 had no effect on sales for assistant language teacher staffing because schools are operating, but the crisis is affecting recruiting activities somewhat due to restrictions on entering Japan.
Overseas WORK Business	Singapore, etc. Australia	COVID-19 is under control in Singapore and Australia and appears to be slowly winding down. As a result, the recovery in demand for permanent placement recruiting services is approaching the pre-COVID level. Temporary staffing is performing well because operations are in stable business domains.

FY3/22 Dividend Forecast

The dividend forecast for FY3/22 is based on a total return ratio target of 30% and the initial FY3/22 forecast for results of operations

	FY3/21	FY3/22 (forecast)
Year-end dividend	¥24 per share	¥25 per share
Total return ratio	22.9%	30.6%

■ Dividend per share and total return ratio



No Risk of Impairment Losses

COVID-19 is affecting the performance of subsidiaries, but this impact is only temporary. No risk of impairment losses at this time.

(Billions of yen)	Primary location	Business activities	Start of consolidation since (WILL GROUP ownership)	Investment *1	*2	FY3/20	FY3/21	YoY change
 WILLOF ウィロフ・コンストラクション WILLOF CONSTRUCTION	Metropolitan areas and Tohoku	Construction management engineer temporary staffing and permanent placements mainly in the Tohoku region of Japan. A large number of highly skilled people are registered for assignments. Strong position in the market for temporary staffing of engineers for large building and civil engineering projects.	Jun. 2018 (100%)	2.67	Sales	4.80	5.27	+9.7%
	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%)	1.54	Profit*3	0.32	0.12	-60.5%
	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia	Apr. 2019 (60%)	1.59	Sales	1.45	1.14	-21.4%
	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%)	0.91	Profit*3	0.45	0.34	-25.2%
					Sales	6.60	6.47	-2.0%
					Profit	0.60	0.63	+4.7%
					Sales	11.99	12.78	+6.6%
					Profit	0.34	0.34	-1.0%

Investment balance (above 4 companies): ¥6.7 billion
Investment balance (consolidated): ¥8.1 billion

*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 ¥75/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.

Appendix

Segment Results

Domestic WORK Business

(Millions of yen)

■ Revenue

	1Q	2Q	3Q	4Q
FY3/19	17,149	18,734	20,242	19,702
FY3/20	19,984	21,741	21,621	21,091
FY3/21	19,782	19,814	20,301	20,151

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/19	715	913	1,226	1,210
FY3/20	1,091	1,392	1,323	1,253
FY3/21	974	1,141	1,101	1,035

Overseas WORK Business

■ Revenue

	1Q	2Q	3Q	4Q
FY3/19	5,798	6,286	6,959	7,197
FY3/20	9,098	9,257	8,995	8,723
FY3/21	8,457	9,444	9,368	9,649

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/19	268	208	101	(149)
FY3/20	283	184	270	232
FY3/21	232	334	321	217

Others

■ Revenue

	1Q	2Q	3Q	4Q
FY3/19	578	264	286	422
FY3/20	290	364	423	471
FY3/21	885	611	292	332

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/19	(37)	(55)	(13)	42
FY3/20	(84)	(134)	(80)	(52)
FY3/21	(98)	153	(90)	(131)

Geographic (Overseas) Segment Results

(Millions of yen)

■ Revenue (Asia)

	1Q	2Q	3Q	4Q
FY3/19	1,338	1,412	1,442	1,700
FY3/20	1,923	1,967	1,999	2,070
FY3/21	1,285	1,482	1,768	1,914

■ Revenue (Australia)

	1Q	2Q	3Q	4Q
FY3/19	4,468	4,881	5,523	5,508
FY3/20	7,184	7,299	7,014	6,672
FY3/21	7,181	7,972	7,627	7,769

Overseas (Australia, Singapore) Macro Environment



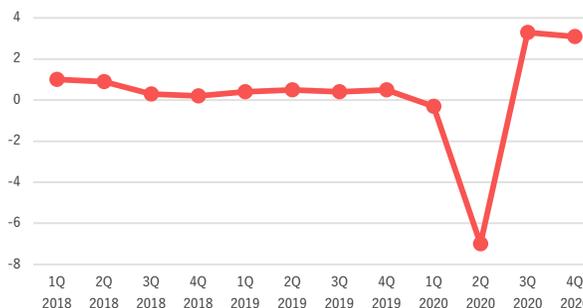
Market conditions for WILL GROUP

The impact of COVID-19 on business operations is declining because the crisis is currently mostly under control. Permanent placement demand is recovering to the pre-COVID level. Temporary staffing orders are firm due to steady demand in the public sector, IT, financial services and legal services sectors.

Economic indicators

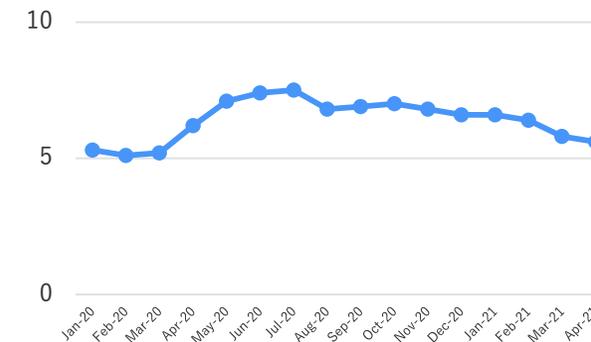
Real GDP growth rate (YoY change)

*Source: Australian Bureau of Statistics



Unemployment rate

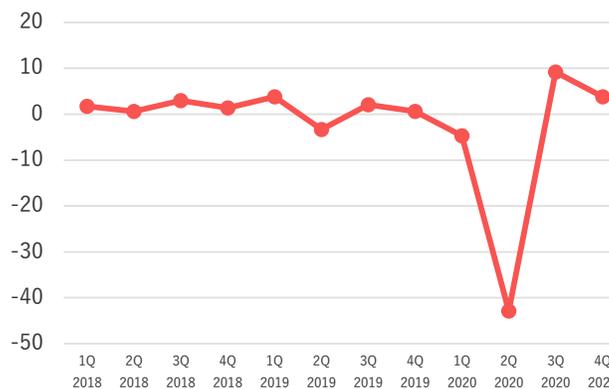
*Source: Australian Bureau of Statistics



As in Australia, demand for permanent placement services is recovering. Operations are shifting to temporary staffing services because there is still certain demand for hiring people even during this economic downturn.

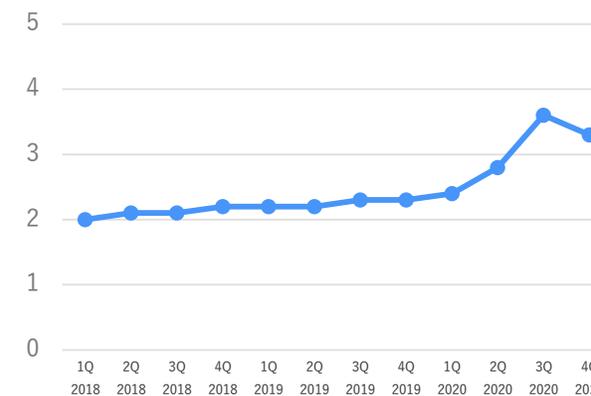
Real GDP growth rate (YoY change)

*Source: Singapore Department of Statistics



Unemployment rate

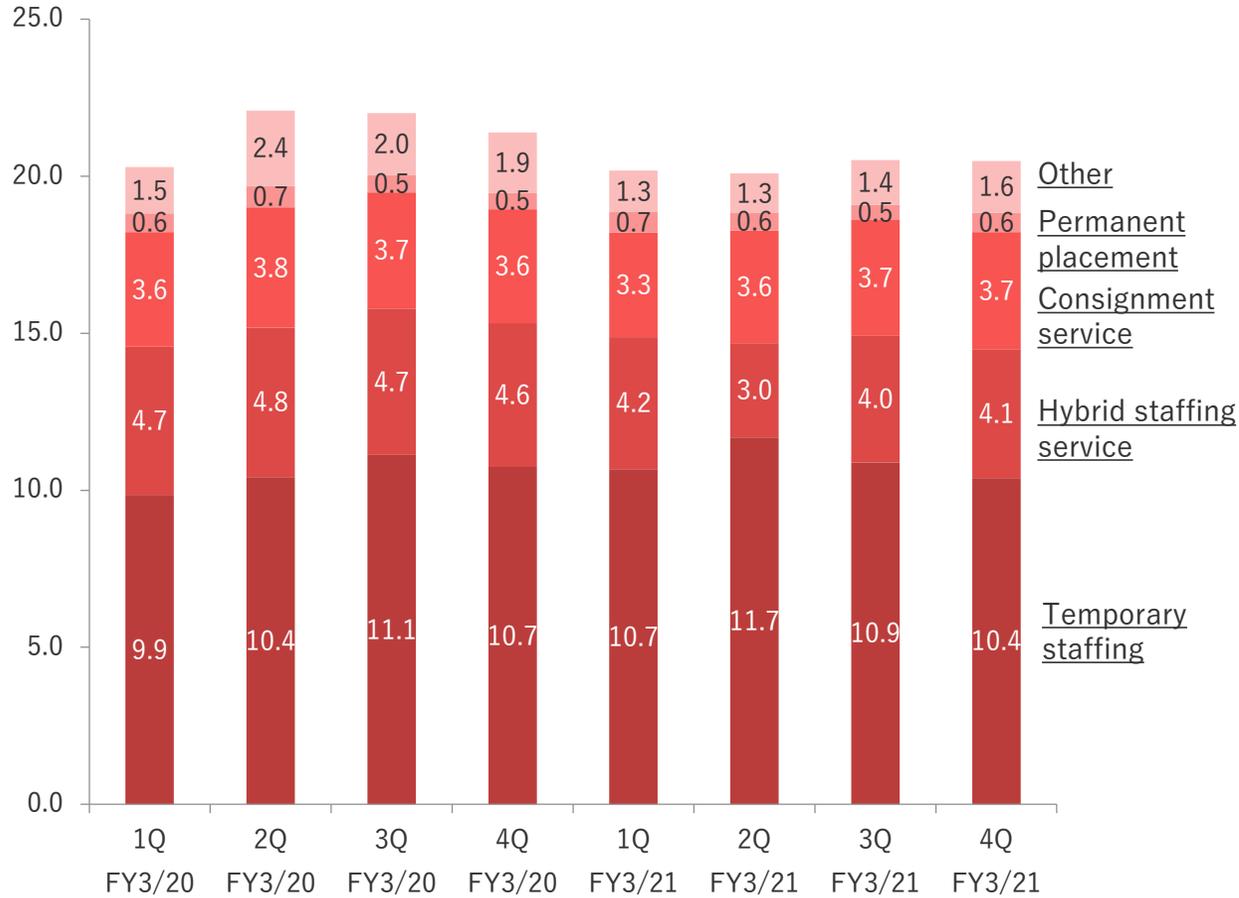
*Source: Singapore Department of Statistics



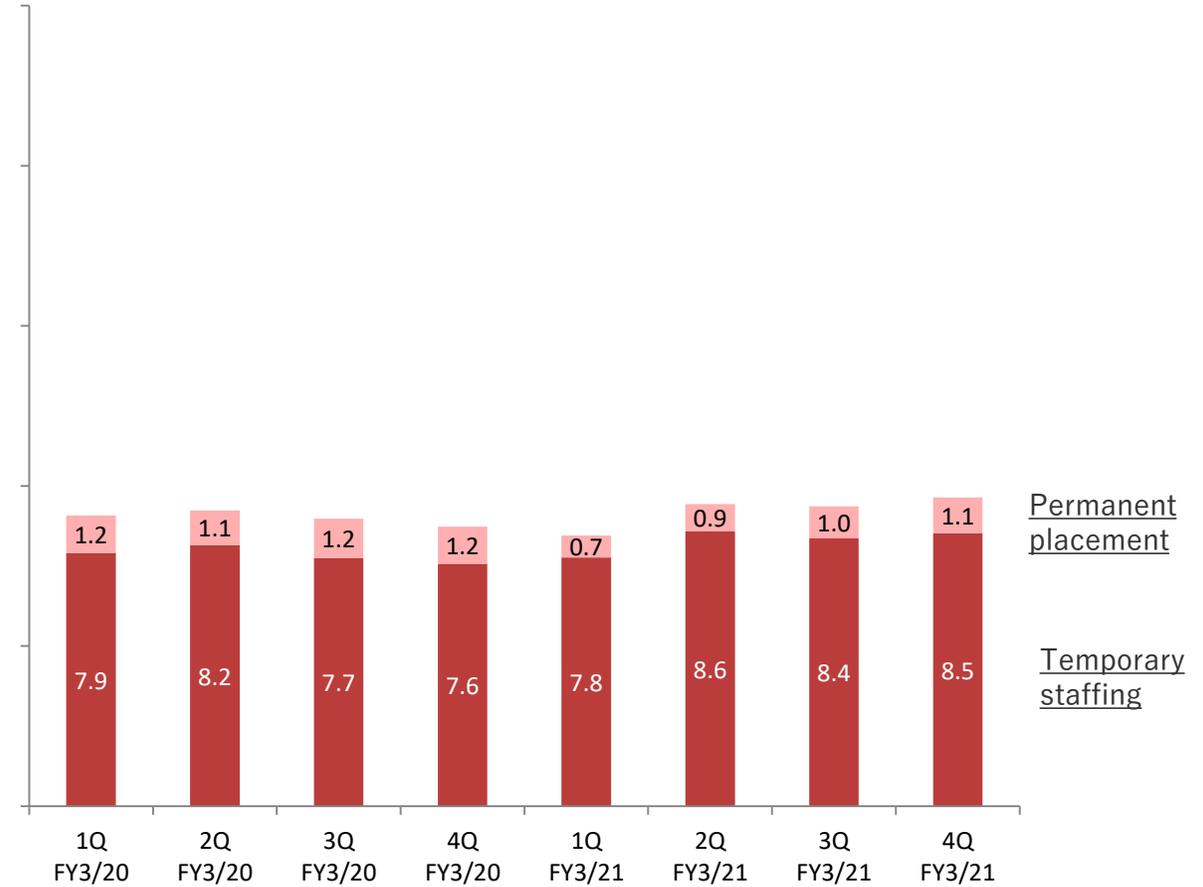
Breakdown of Revenue by Region/Contract Type

Japan

(Billions of yen)



Overseas





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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