



Supplementary Materials for the Fiscal Year Ended March 31, 2022

May 11, 2022

WILL GROUP, INC. (Prime Market / Stock code: 6089)

Contents

I . FY3/22 Results

II . FY3/23 Earnings and Dividend Forecasts

Regarding the accounting method for reportable business segments, we had previously adopted a method of reflecting certain adjustments under Japanese GAAP. After re-examining segment information to be reviewed regularly, the Group decided to align the accounting method with the accounting policies of the Group from the beginning of the first quarter of the fiscal year ended March 31, 2022. Accordingly, reportable segment information for the previous corresponding quarter has been restated.

I . FY3/22 Results

FY3/22 Results

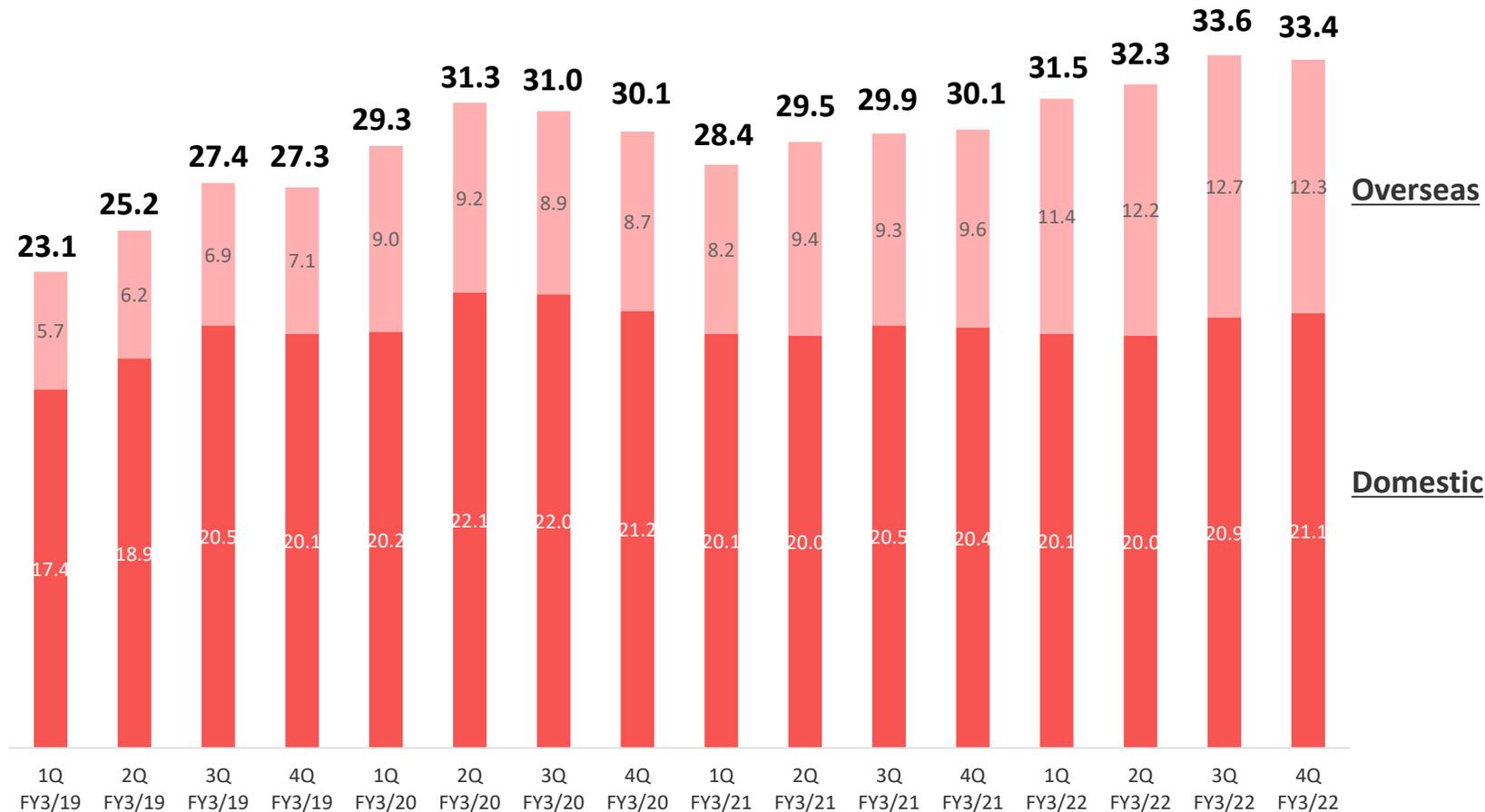
Despite the absence of ¥0.95 billion in government subsidies and other one-time items recorded in the previous fiscal year, the permanent placement of the Overseas WORK Business performed strongly in FY3/22. As a result, we exceeded our Medium-Term Management Plan targets for operating profit (¥5.35 billion) and operating margin (4.0%).

(Billions of yen)	FY3/21	FY3/22 (Forecast as of Feb. 8, 2022)	FY3/22	Vs. FY3/21		Vs. FY3/22 Forecast	
				Change	% change	Change	% change
Revenue	118.24	130.00	131.08	+ 12.83	+ 10.9%	+ 1.08	+ 0.8%
Gross profit (Gross margin)	24.05 (20.3%)	28.39 (21.8%)	28.76 (21.9%)	+ 4.70 (+ 1.6pt)	+ 19.6%	+ 0.37 (+ 0.1pt)	+ 1.3%
Operating profit (Operating margin)	4.03 (3.4%)	5.00 (3.8%)	5.47 (4.2%)	+ 1.44 (+ 0.8pt)	+ 35.8%	+ 0.47 (+ 0.3pt)	+ 9.4%
Profit before tax	3.78	5.00	5.29	+ 1.50	+ 39.7%	+ 0.29	+ 5.9%
Profit attributable to owners of parent	2.36	2.98	3.28	+ 0.92	+ 39.0%	+ 0.30	+ 10.3%
EBITDA (Operating profit + Depreciation and amortization)	6.25	7.02	7.55	+ 1.29	+ 20.7%	+ 0.53	+ 7.6%

Number of employees: 5,363
(+518 from the end of FY3/21)

Consolidated Revenue

(Billions of yen)



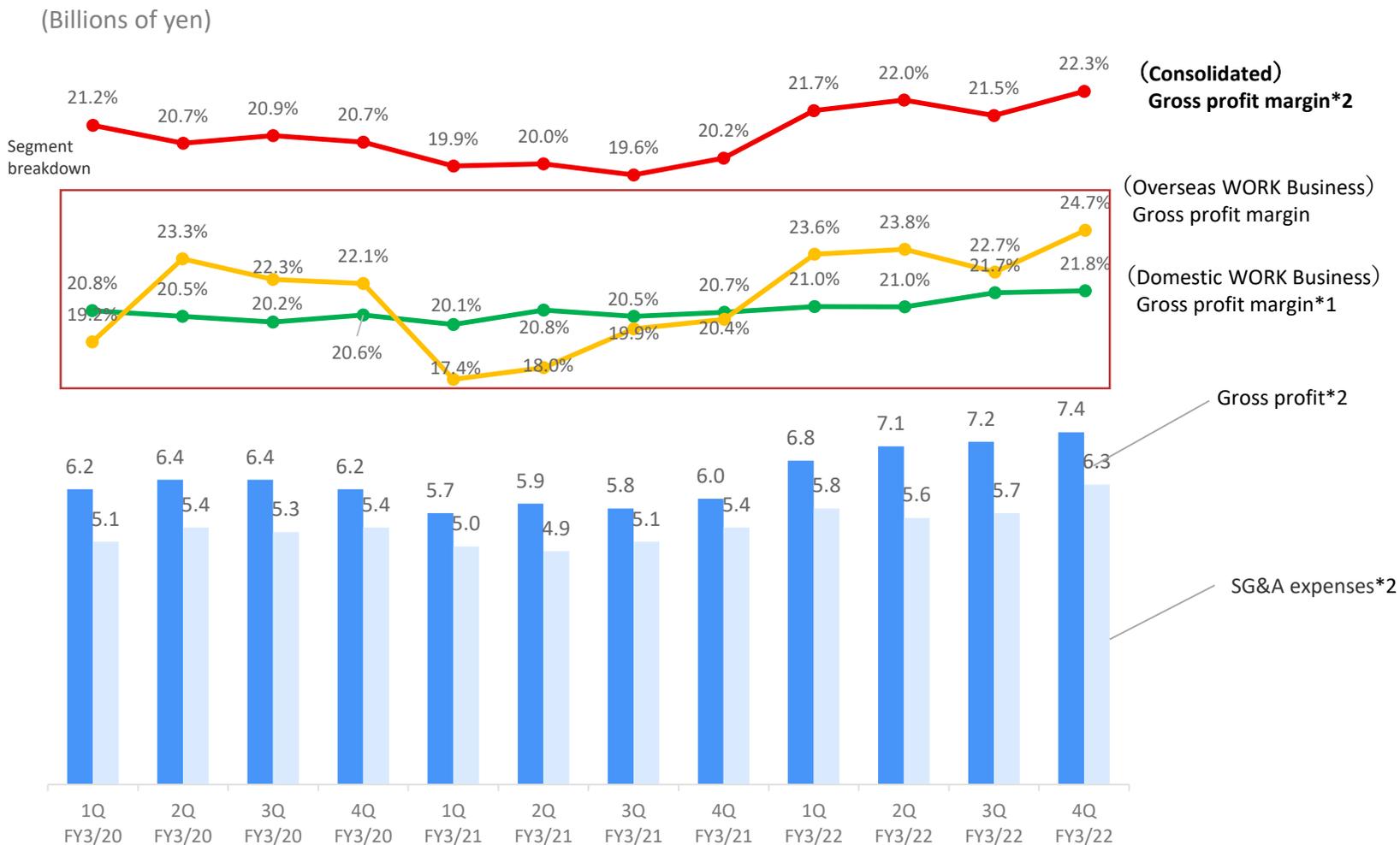
**4Q FY3/22 revenue was
-¥0.02 billion
above 3Q FY3/22**

(The effects of foreign exchange rate: +¥0.0 billion)

**Overseas remained firm.
With the domestic business
also on a recovery trend, we
recorded the highest revenue
since COVID-19 began to
spread (1Q FY3/21-).**

*The revenue is based on adjusted figure that excludes overseas subsidy income.

Consolidated Gross Margin and SG&A Expense Ratio



Thanks to Perm SHIFT, the consolidated gross margin hit a record high in 4Q.

Upfront investment
 4Q plan ¥0.25 billion
 4Q result ¥0.25 billion

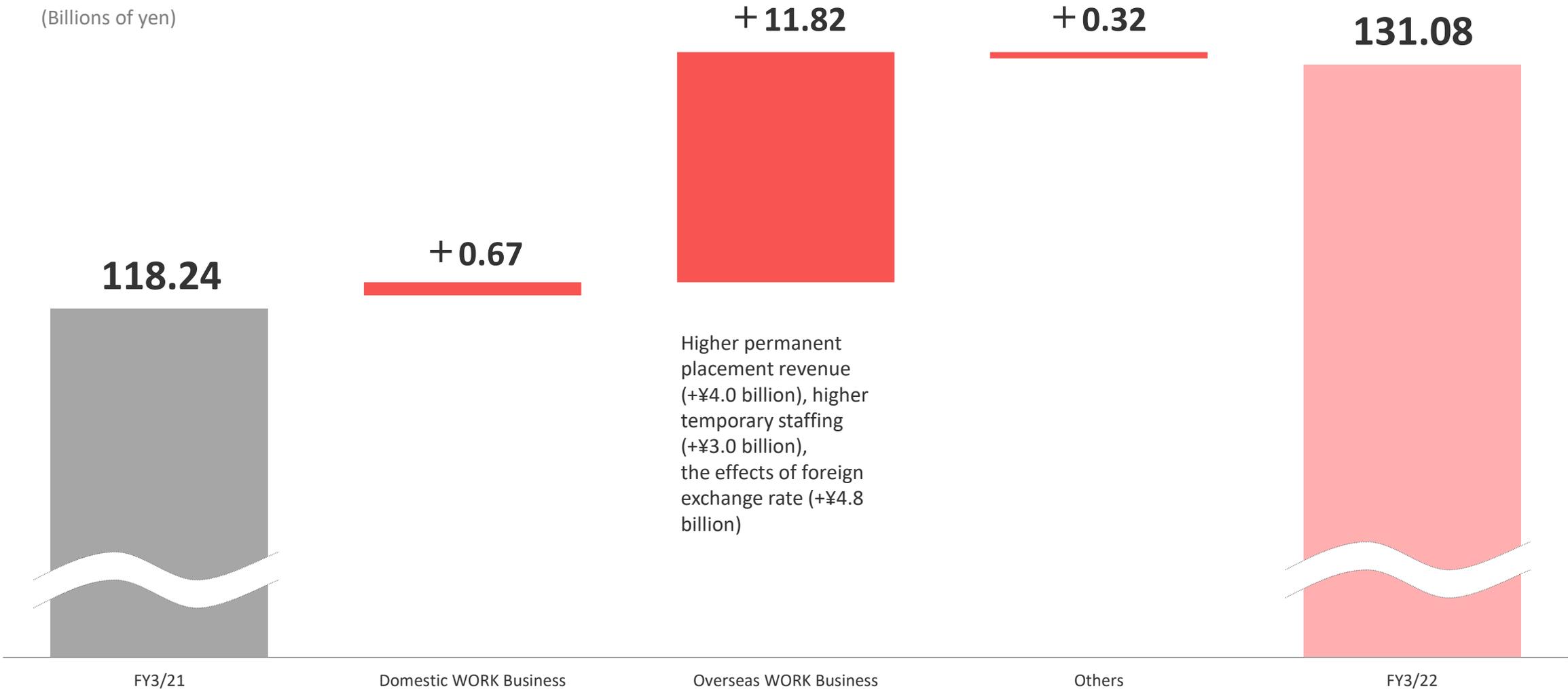
1Q-4Q plan ¥1.01 billion
 1Q-4Q result ¥1.01 billion

*1 Intersegment consolidation adjustments are not included. The amounts for FY3/20 are based on the previous accounting policy.

*2 Gross profit and SG&A expenses are based on adjusted figure that excludes overseas subsidy income.

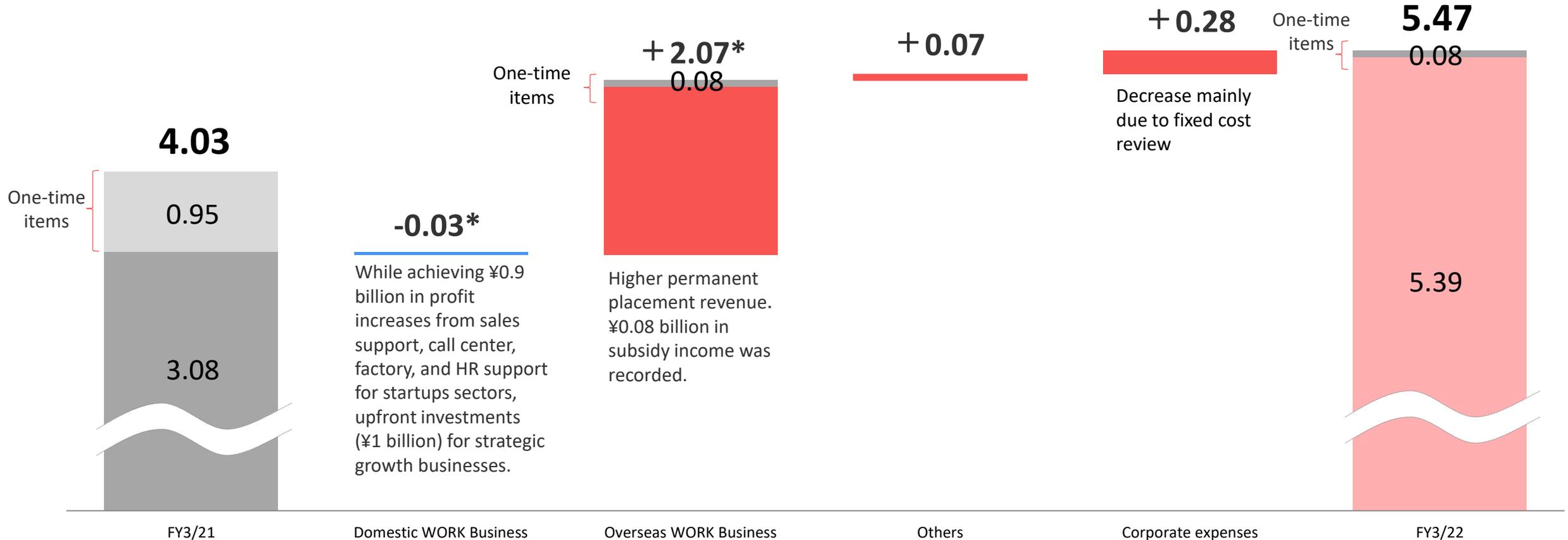
FY3/22 Revenue: Breakdown of Year-on-Year Changes

(Billions of yen)



FY3/22 Operating Profit: Breakdown of Year-on-Year Changes

(Billions of yen)

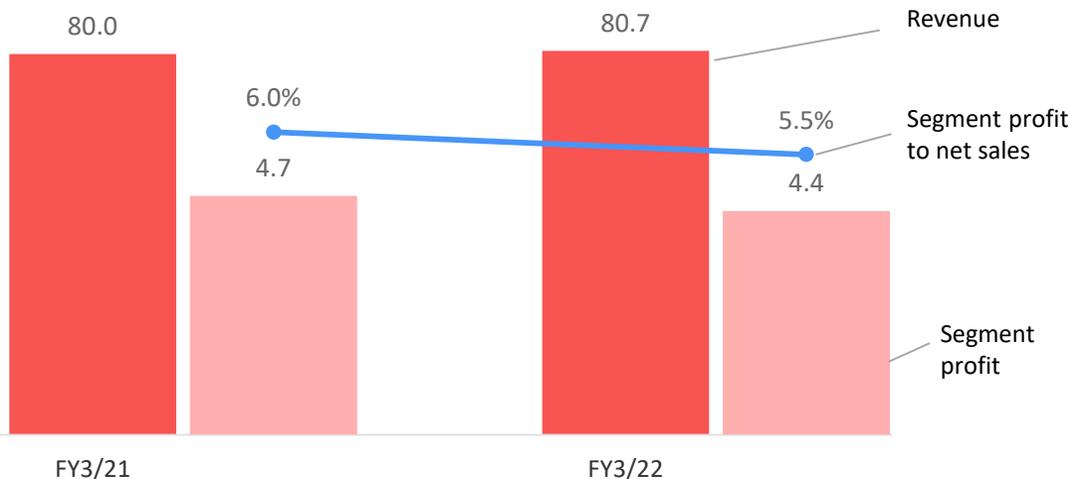


*Year-on-year change excludes ¥0.95 billion for one-time items in FY3/21 results (Domestic WORK Business: ¥0.28 billion, Overseas WORK Business: ¥0.67 billion).

If one-time items were included in FY3/21 results for the comparison with FY3/22 results, the year-on-year change would be Domestic WORK Business: ¥-0.31 billion, Overseas WORK Business: ¥+1.4 billion.

Domestic WORK Business

-Revenue and segment profit (Billions of yen)-

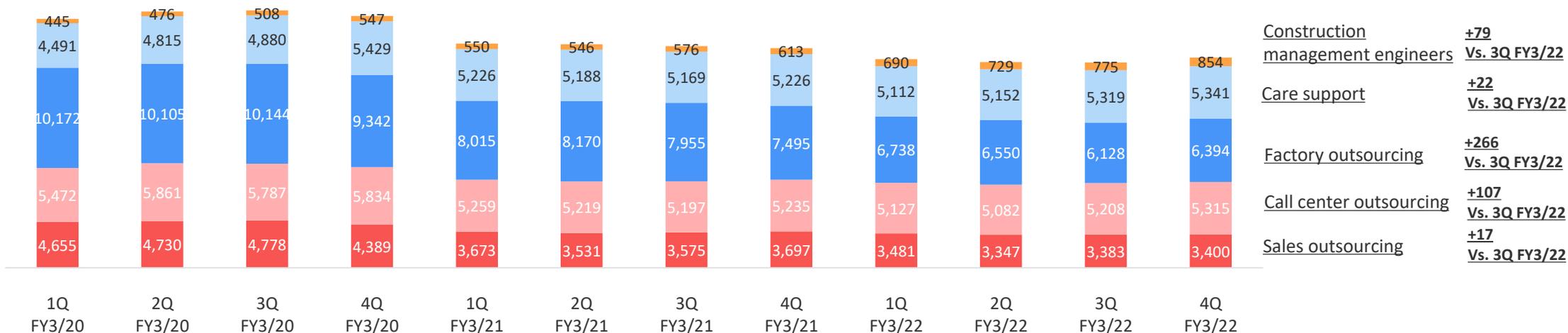


(Billions of yen)	Forecast	FY3/22	Vs. Forecast % change	FY3/21	Vs. FY3/21 % change
Revenue	81.02	80.72	-0.4%	80.05	+0.8%
Segment profit	4.50	4.44	-1.3%	4.76	-6.6%

-Topics-

- Implemented ¥1.01 billion in upfront investment in permanent placement for care support, construction management engineers, and HR support for startups sectors.
- In 4Q, the number of workers on assignments rose in all sectors vs. 3Q FY3/22.

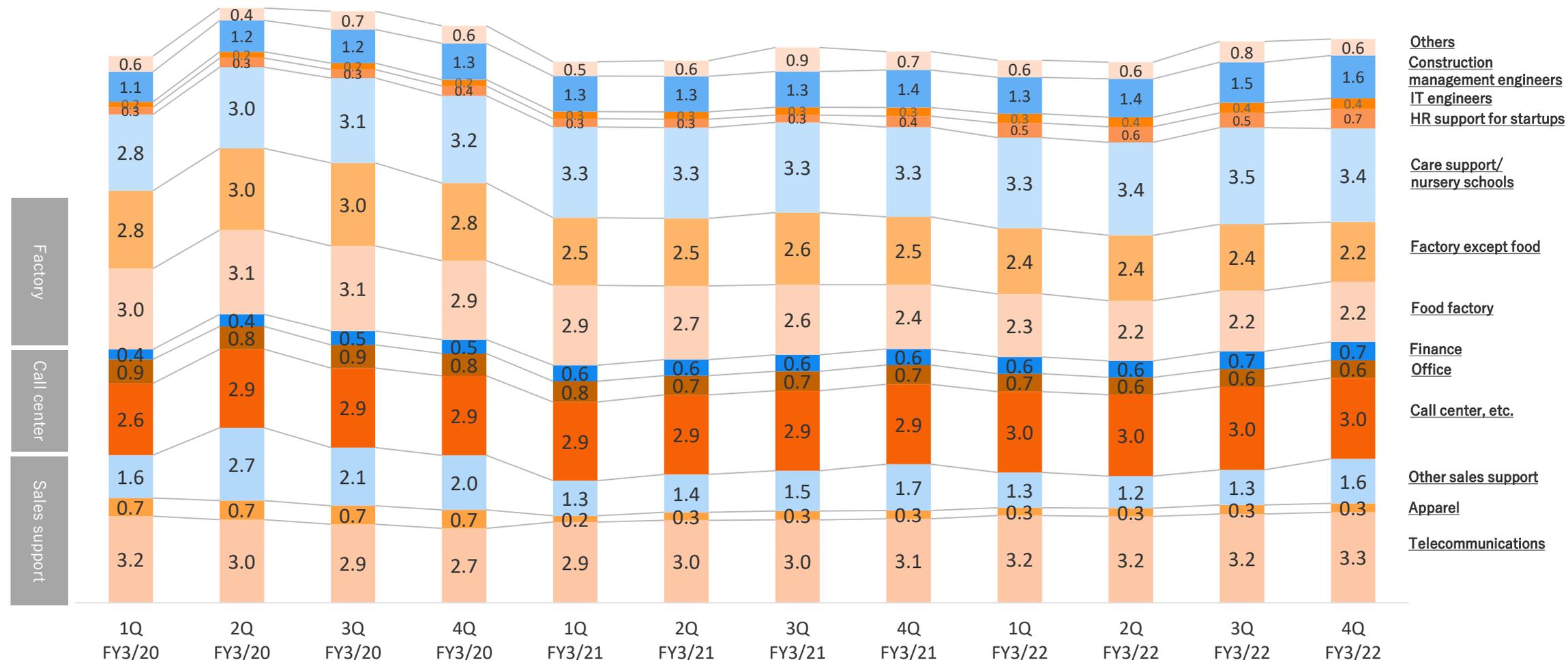
-Number of workers on assignments (persons)-



Domestic WORK Business (Business sector sales)

Telecommunications, call center, care support/nursery schools and HR support for startups sectors performed well.

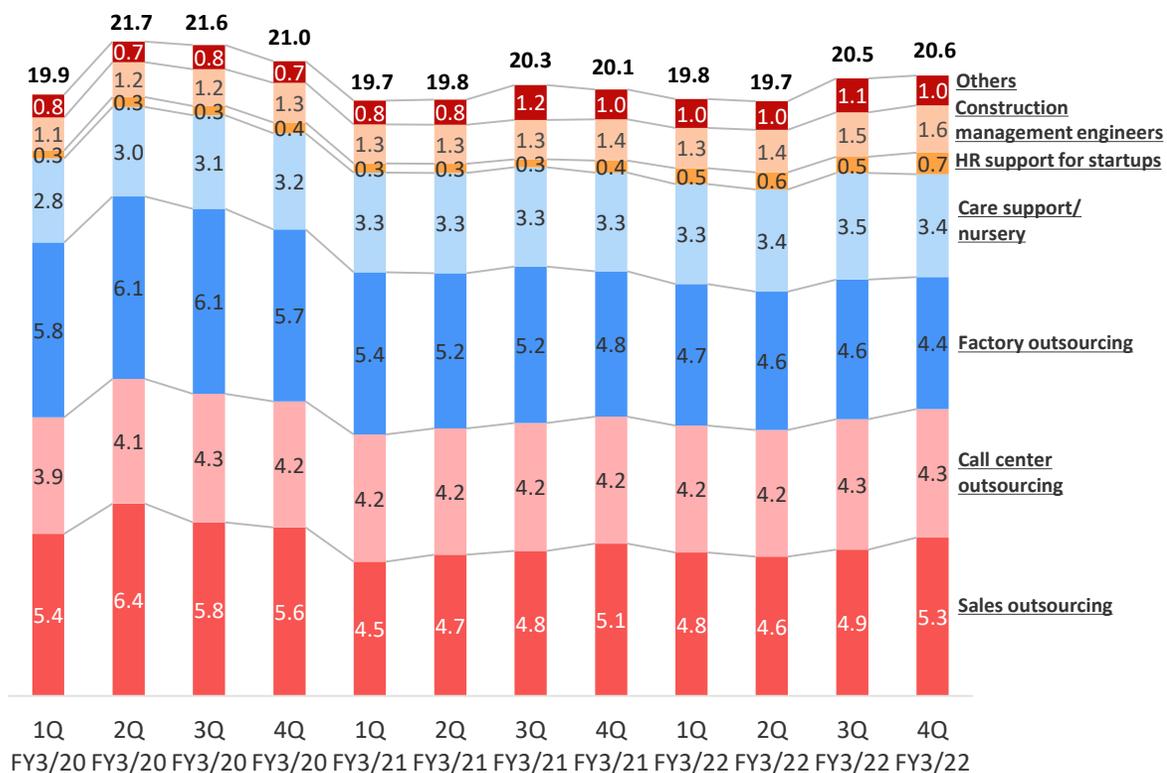
(Billions of yen)



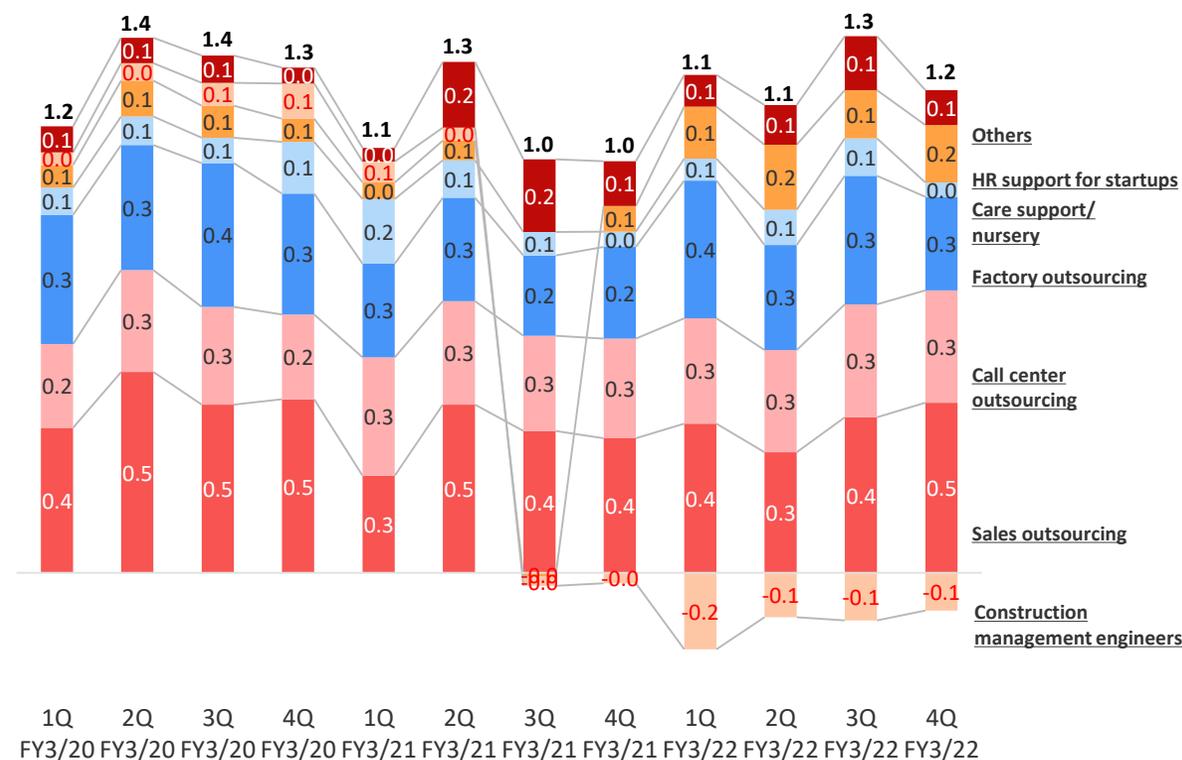
Domestic WORK Business (Sales and operating profit by sector)

In the field of human resources concerning construction management engineers, FY3/22 will be a period of upfront investment (increase in personnel and recruiting costs).

-Sales by sector (Billions of yen)-



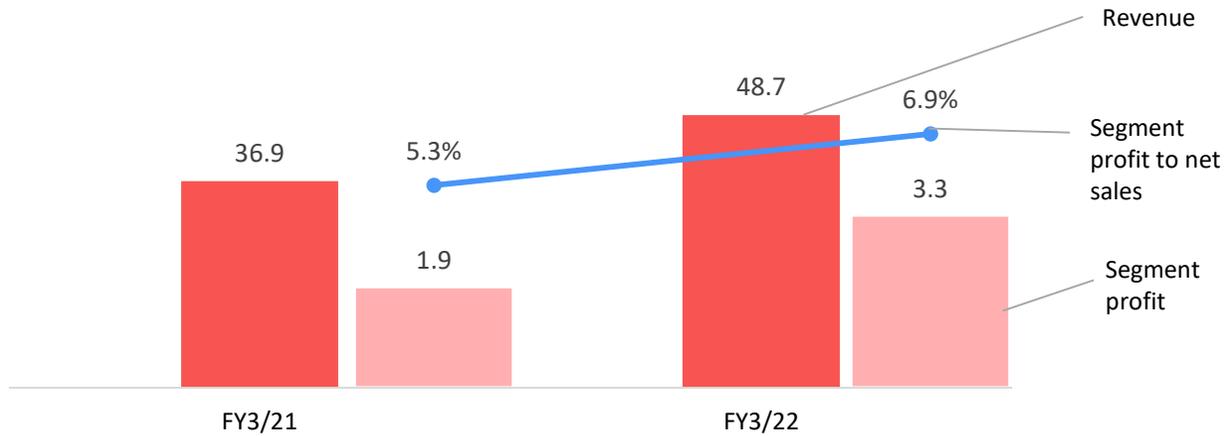
-Operating profit by sector (Billions of yen)-



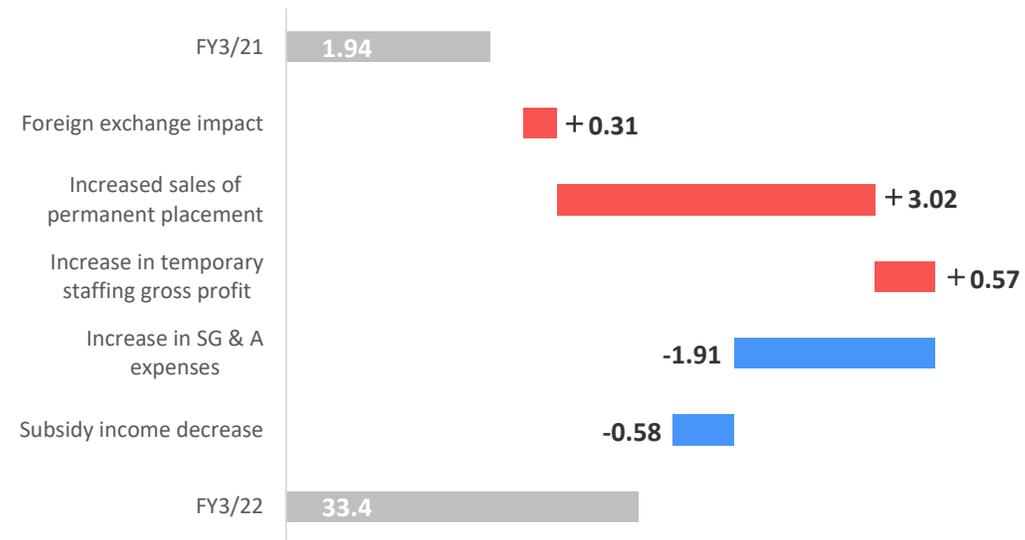
*Intra-segment consolidation adjustments are not included.

Overseas WORK Business

-Revenue and segment profit (Billions of yen)-



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



(Billions of yen)	Forecast	FY3/22	Vs. Forecast % change	FY3/21	Vs. FY3/21 % change
Revenue	47.39	48.74	+2.8%	36.92	+32.0%
Segment profit	2.85	3.34	+17.3%	1.94	+72.4%

-Topics-

➤ Both Australia and Singapore enforced tighter restrictions to curb the spread of COVID-19. However, the demand for human resources remained solid, which contributed to a significant increase in permanent placement sales.

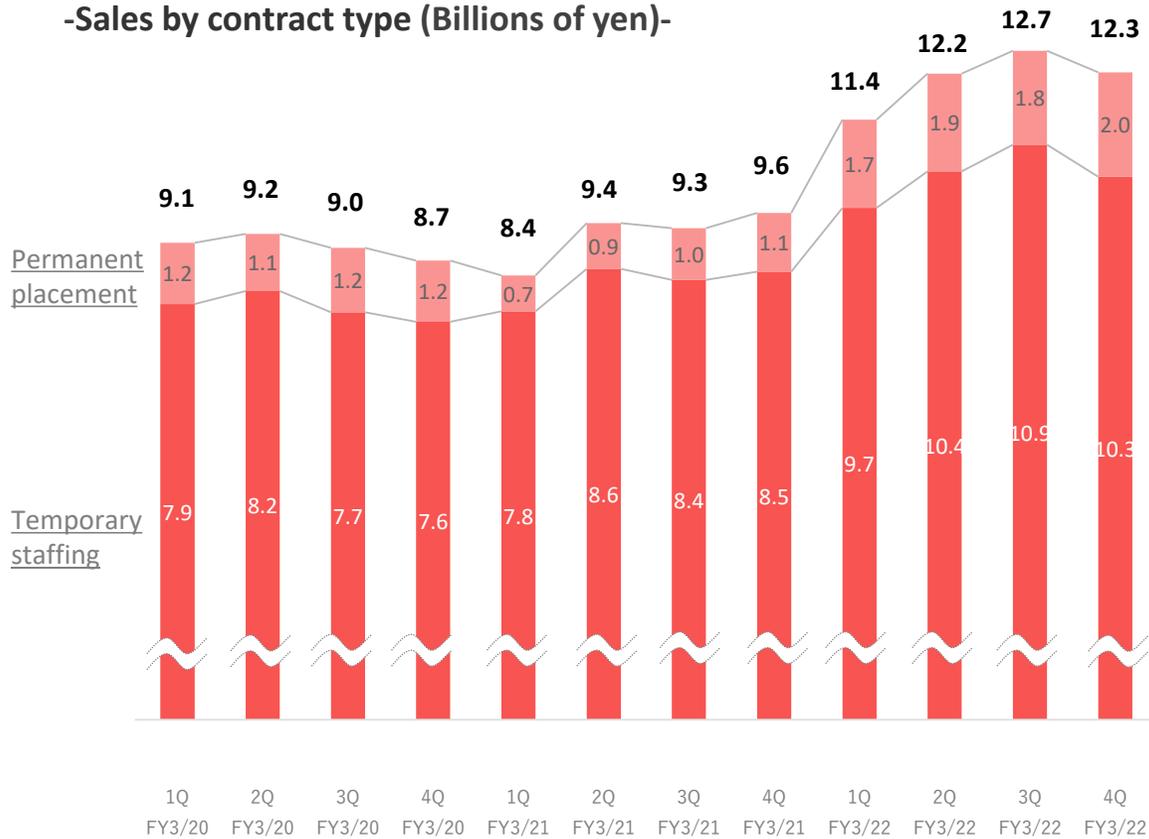
□ Forex sensitivity

	Initially assumed	4Q FY3/22 Results	4Q FY3/21 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥83	¥83	¥76	¥460 mln	¥30 mln
SGD	¥82	¥83	¥78	¥110 mln	¥10 mln

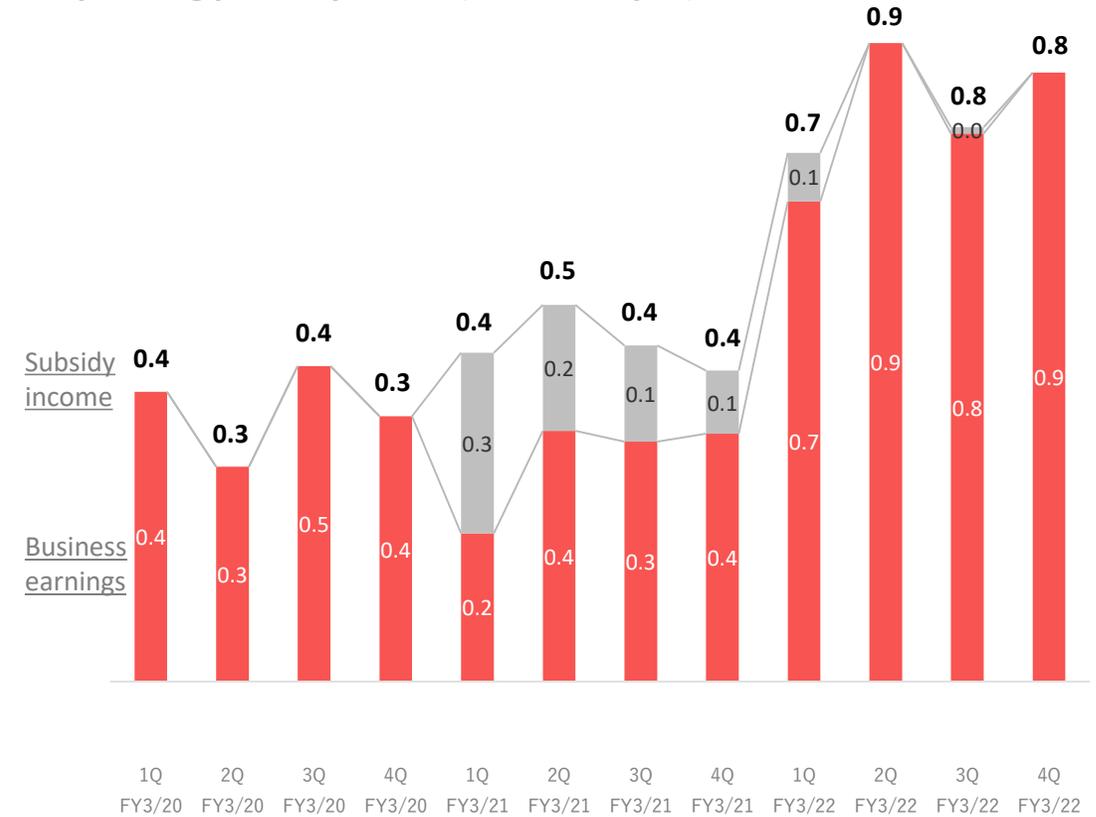
Overseas WORK Business (Sales by contract type, sector operating profit)

Permanent placement revenue continued to grow rapidly. Even compared to pre-COVID-19 conditions in FY3/20, there has been a solid increase in the base.

-Sales by contract type (Billions of yen)-



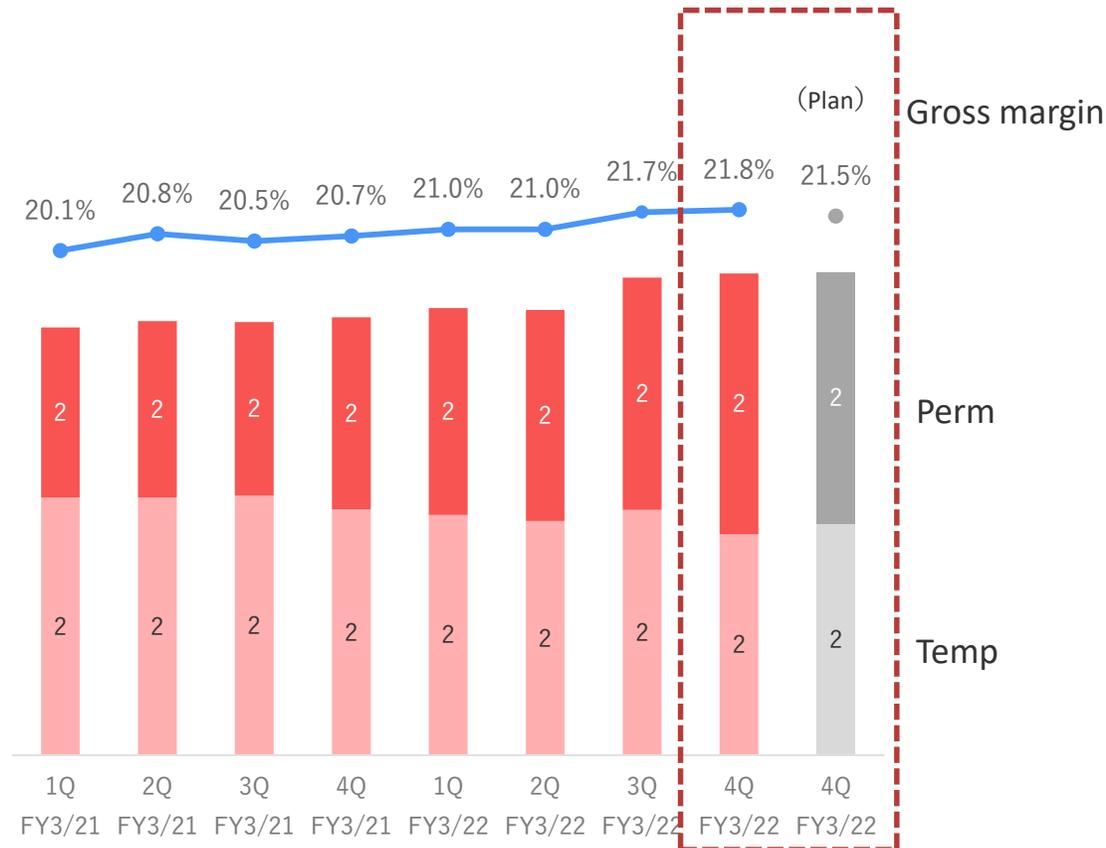
-Operating profit by sector (Billions of yen)-



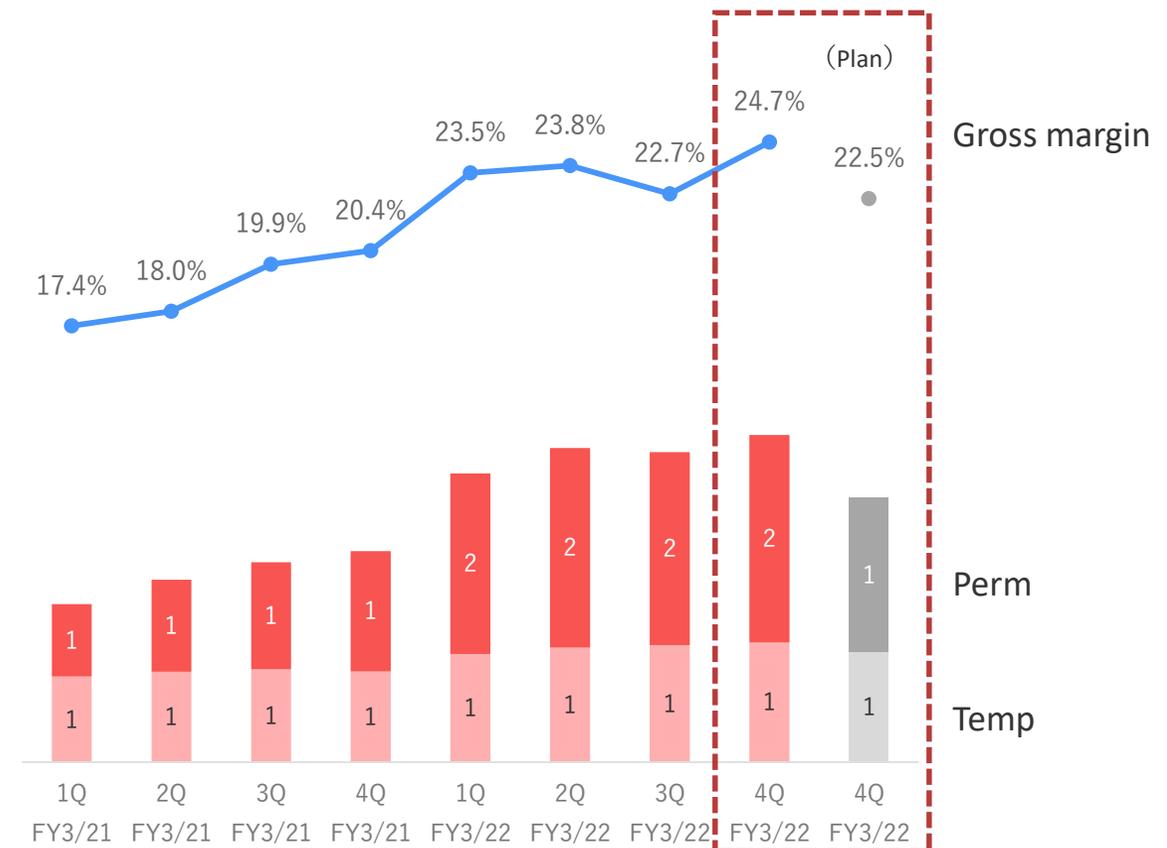
Business Portfolio Changes in Japan and Overseas

Both the Domestic WORK Business and the Overseas WORK Business posted record high gross margin due to the promotion of Perm SHIFT.

-Domestic WORK Business Gross profit by Temp / Perm*(Billions of yen)-

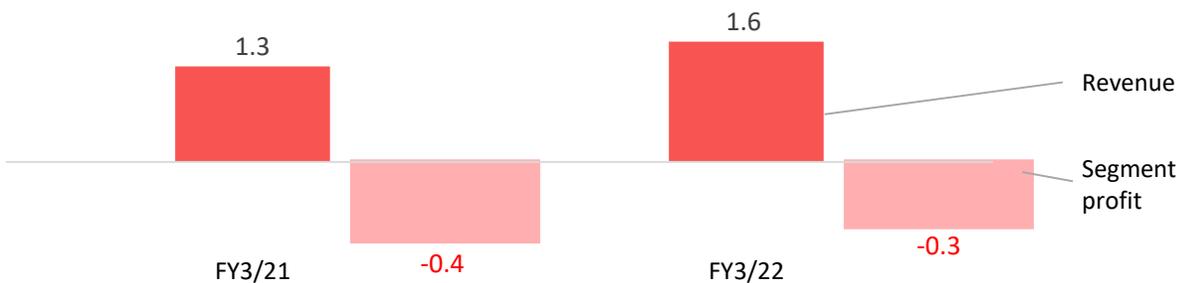


-Overseas WORK Business Gross profit by Temp / Perm (Billions of yen)-



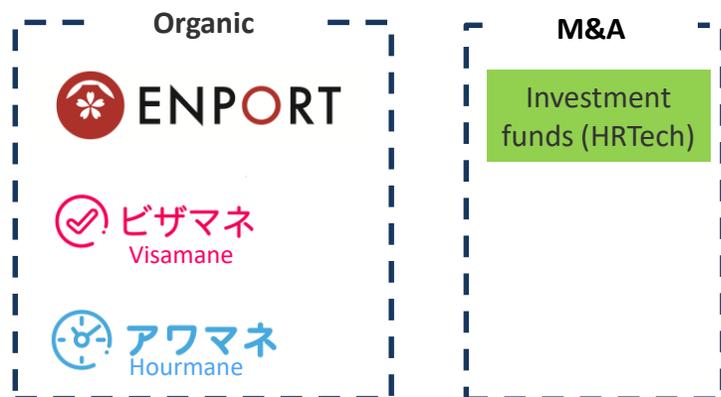
*Intra-segment consolidation adjustments are not included.
Gross profit and gross margin are based on adjusted figure that excludes overseas subsidy income.

-Revenue and segment profit (Billions of yen)-



(Billions of yen)	Forecast	FY3/22	Vs. Forecast % change	FY3/21	Vs. FY3/21 % change
Revenue	1.57	1.60	+ 1.9%	1.27	+25.7%
Segment profit	-0.34	-0.34	-	-0.41	-

-Other business activities-

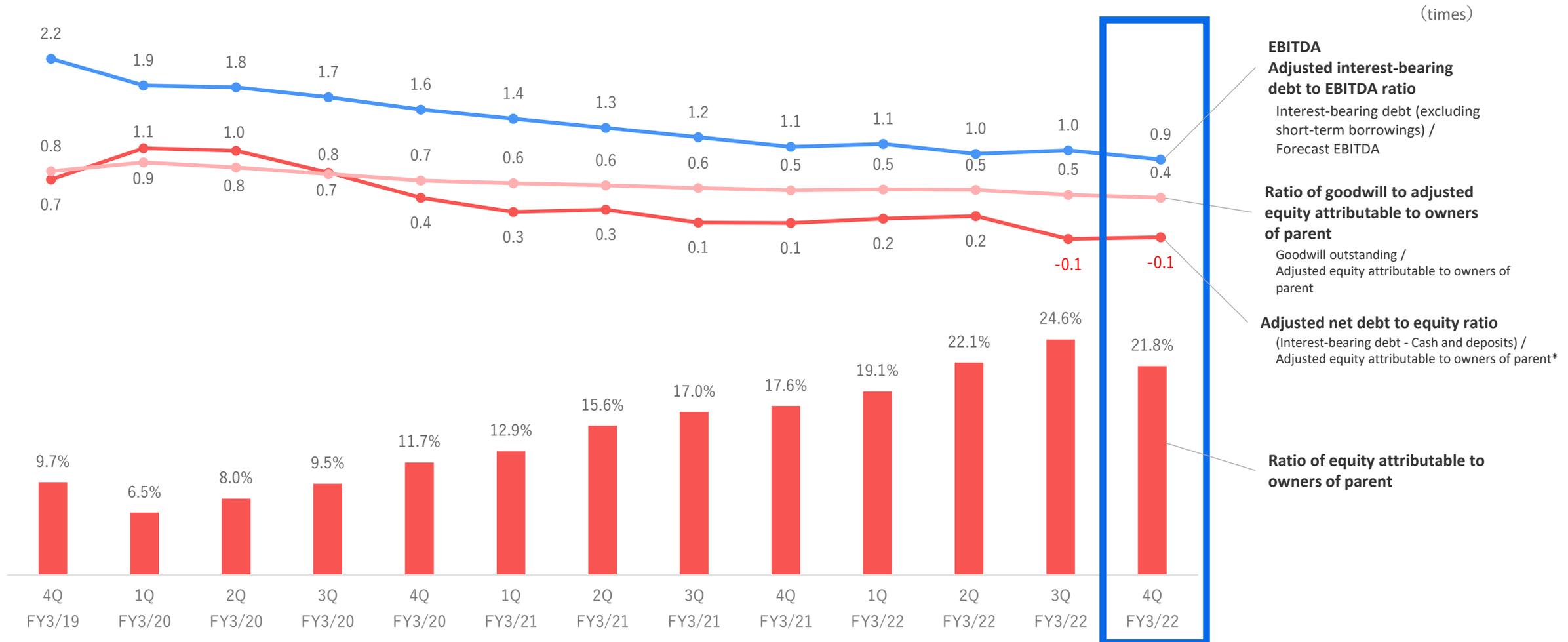


-Topics-

- Continued upfront investment in the exploratory domain (inbound services)

Financial Indicators

The ratio of equity attributable to owners of parent to total assets at the end of 4Q was 21.8%, which exceeded the Medium-Term Management Plan target of 20%. Other financial indicators have also been on the improvement trend.



Consolidated Balance Sheet

(Billions of yen)	March 31, 2021	March 31, 2022	Change
Current assets	23.57	27.28	+3.71
Non-current assets	23.19	25.06	+1.87
Total assets	46.76	52.35	+5.58
Current liabilities	24.79	29.36	+4.57
Non-current liabilities	11.94	9.86	-2.07
Total liabilities	36.73	39.22	+2.49
Total equity	10.02	13.12	+3.09
Total liabilities and equity	46.76	52.35	+5.58
Ratio of equity attributable to owners of parent to total assets	17.6%	21.8%	+ 4.2pt

Major components of changes (Billions of yen)

Total assets

• Cash and cash equivalents	+1.5
• Trade and other receivables	+2.7
• Other financial assets (current)	-0.5
• Property, plant and equipment	+0.1
• Right-of-use assets	+1
• Goodwill	+0.3
• Deferred tax assets	+0.1

Total liabilities

• Trade and other payables	+1.5
• Borrowings (current)	+0.9
• Deferred tax assets (current)	+1.6
• Borrowings (non-current)	-1.7
• Deferred tax assets (non-current)	-0.2

Total equity

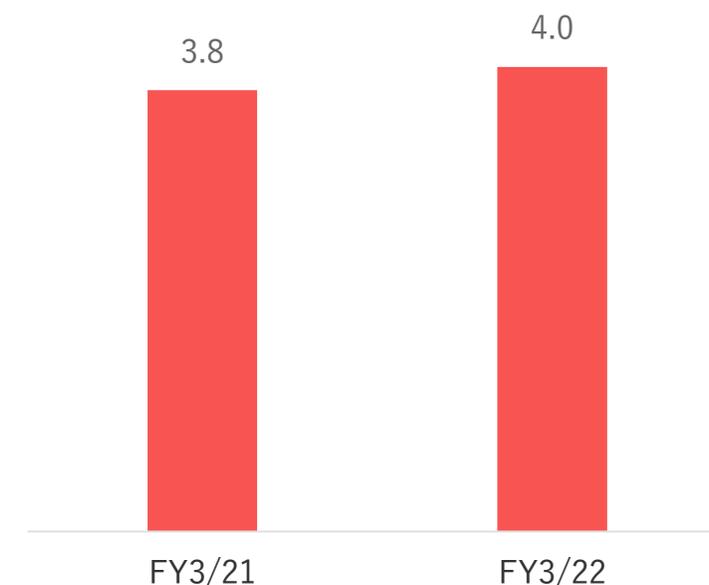
• Capital surplus	-0.4
• Other components of equity	+0.8
• Retained earnings	+2.7

Consolidated Statement of Cash Flows

(Billions of yen)	FY3/21	FY3/22
Profit before tax	3.7	5.2
Depreciation and amortization	2.2	2.0
Income taxes paid	-1.9	-1.1
Other	0.2	-1.9
Net cash provided by (used in) operating activities	4.3	4.3
Purchase and sales of property, plant and equipment, etc.	-0.5	-0.7
Purchase and sales of shares of subsidiaries	0.0	0.0
Other	0.1	0.4
Net cash provided by (used in) investing activities	-0.4	-0.3
Net increase (decrease) in interest-bearing debt	-2.2	-2.1
Purchase and sales of shares of subsidiaries not resulting in change in scope of consolidation	-0.7	-0.6
Dividends paid	-0.5	-0.5
Government subsidy income	1.2	0.3
Other	-0.3	0.0
Net cash provided by (used in) financing activities	-2.6	-2.9
Effect of exchange rate changes	0.2	0.4
Net increase (decrease) in cash and cash equivalents	1.5	1.5
Cash and cash equivalents at end of period	7.4	8.9
Free cash flows (Operating activities + Investing activities)	3.8	4.0

Free Cash Flows

(Billions of yen)





II . FY3/23 Earnings and Dividend Forecasts

FY3/23 Consolidated Earnings Forecasts

We aim to exceed the Medium-Term Management Plan targets and set new records for both revenue and operating profit.

(Billions of yen)

At time of Medium-Term Management Plan announcement

(FY3/20-FY3/23)

Revenue	CAGR	6%
Gross profit	CAGR	12%
Operating profit	CAGR	15%

FY3/23 earnings forecasts

(FY3/20-FY3/23)

Revenue	CAGR	9%
Gross profit	CAGR	15%
Operating profit	CAGR	18%



Revenue, gross profit, and operating profit are all expected to surpass Medium-Term Management Plan targets.

(Billions of yen)	FY3/22	FY3/23 (Medium-Term Management Plan)	FY3/23 (Forecast)	Vs. FY3/22		Vs. FY3/22 (Medium-Term Management Plan)	
				Change	% change	Change	% change
Revenue	131.08	133.50	140.00	+ 8.92	+ 6.8%	+ 6.50	+ 4.9%
Domestic WORK Business	80.72	94.98	88.98	+ 8.26	+ 10.2%	-5.99	-6.3%
Overseas WORK Business	48.74	36.11	49.03	+ 0.28	+ 0.6%	+ 12.91	+ 35.8%
Others	1.60	2.40	1.98	+ 0.37	+ 23.2%	-0.42	-17.6%
Gross profit	28.76	30.16	31.58	+ 2.81	+ 9.8%	+ 1.42	+ 4.7%
(Gross margin)	(21.9%)	(22.6%)	(22.6%)	(+ 0.6pt)	-	(0.0pt)	-
Operating profit	5.47	5.35	5.60	+ 0.12	+ 2.3%	+ 0.25	+ 4.7%
(Operating margin)	(4.2%)	(4.0%)	(4.0%)	(-0.2pt)	-	(0.0pt)	(-0.2%)
Domestic WORK Business	4.44	6.08	5.69	+ 1.24	+ 28.1%	-0.38	-6.3%
Overseas WORK Business	3.34	1.64	2.58	-0.76	-22.8%	+ 0.94	+ 57.9%
Others	-0.34	-0.00	-0.19	+ 0.14	-	-0.19	-
Adjustments	-1.98	-2.37	-2.48	-0.50	-	-0.12	-
Profit attributable to owners of parent	3.28	2.90	3.33	+ 0.04	+ 1.3%	+ 0.43	+ 14.8%
EBITDA	7.55	7.18	7.67	+ 0.11	+ 1.5%	+ 0.49	+ 6.8%
Exchange rate				Change for ¥1 difference/y			
				Revenue		Profit	
AUD	¥83	¥68	¥78	¥460 mln		¥30 mln	
SGD	¥83	¥72	¥79	¥110 mln		¥10 mln	

FY3/23 Consolidated 1H Forecast

In the first half, we project an increase in upfront investment in the Domestic WORK Business, and a slowing of demand in the permanent placement segment of the Overseas WORK Business.

(Billions of yen)	FY3/22	FY3/23 (Forecast)	Vs. FY3/22	
			Change	% change
Revenue	63.91	67.00	+ 3.08	+ 4.8%
Domestic WORK Business	39.59	42.66	+ 3.07	+ 7.8%
Overseas WORK Business	23.70	23.42	-0.28	-1.2%
Others	0.60	0.91	+ 0.30	+ 49.5%
Gross profit	14.03	14.93	+ 0.89	+ 6.4%
(Gross margin)	(22.0%)	(22.3%)	(+ 0.3pt)	-
Operating profit	2.68	2.25	-0.43	-16.2%
(Operating margin)	(4.2%)	(3.4%)	(-0.8pt)	-
Domestic WORK Business	2.16	2.39	+ 0.23	+ 10.6%
Overseas WORK Business	1.67	1.18	-0.49	-29.5%
Others	-0.20	-0.10	+ 0.10	-
Adjustments	-0.94	-1.22	-0.27	-
Profit attributable to owners of parent	1.69	1.25	-0.44	-26.4%
EBITDA	3.65	3.27	-0.37	-10.3%
Exchange rate			Change for ¥1 difference/y	
			Revenue	Profit
AUD	¥83	¥78	¥460 mln	¥30 mln
SGD	¥82	¥79	¥110 mln	¥10 mln

Comparison between Medium-Term Management Plan Targets and FY3/23 Forecasts

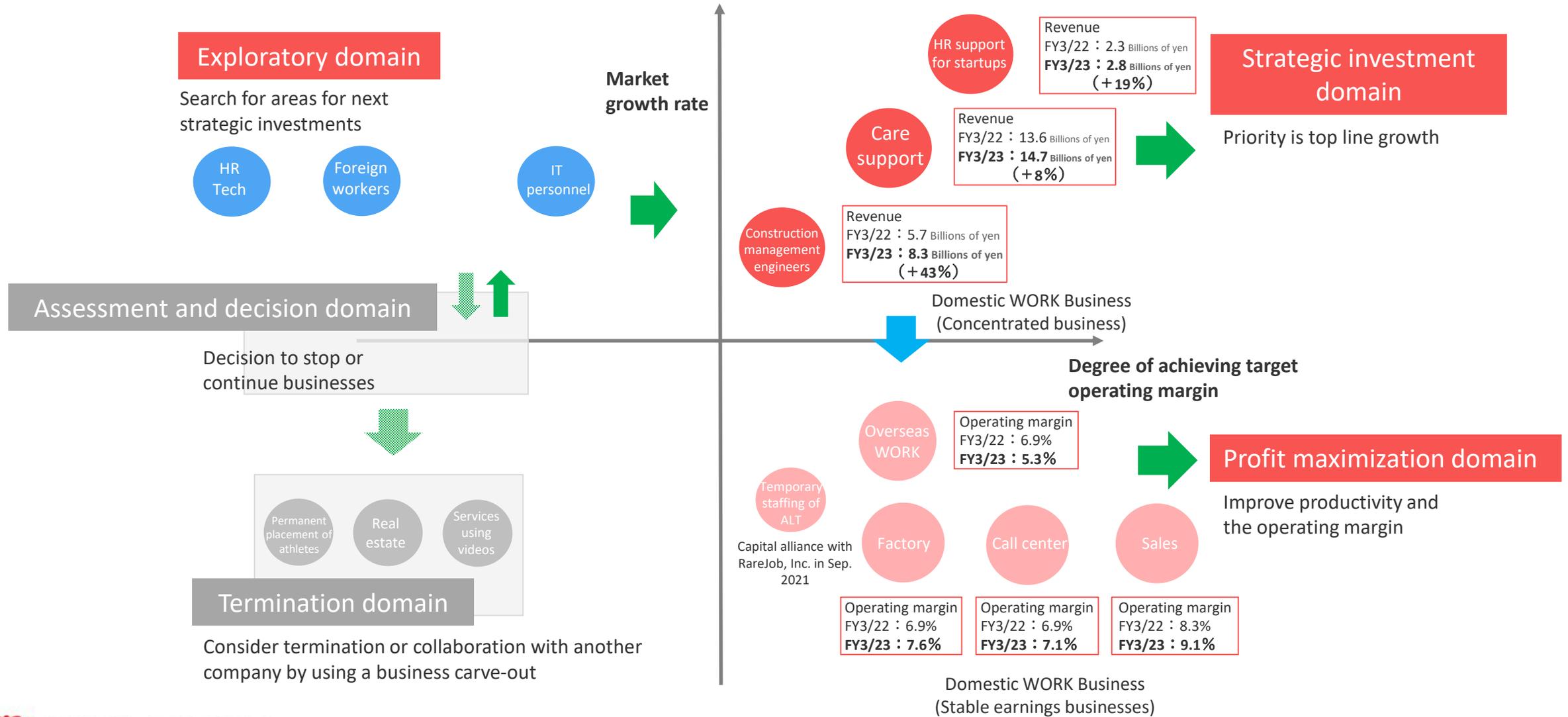
¥1.3 billion in upfront investment has been scheduled for FY3/23, in line with the Medium-Term Management Plan. With the exception (at this point in time) of ROIC, the Medium-Term Management Plan financial targets look likely to be achieved. We will aim to achieve ROIC by reviewing, etc. our invested capital.

(Billions of yen)

	KPI	FY3/20	FY3/21	FY3/22		FY3/23	
				(Medium-term Management Plan)	(Results)	(Medium-term Management Plan)	(Forecast)
Profitability indicators	Revenue (change)	121.9 (+ 18%)	118.2 (-3%)	121.0 (+ 2%)	131.0 (+ 11%)	133.5 (+ 10%)	140.0 (+ 7%)
	Gross margin	20.8%	20.3%	21.2%	21.9%	22.6%	22.6%
	SG&A expenses (up-front investments included)	21.4	20.4	22.2 (1.3)	23.5 (1.0)	24.8 (1.3)	25.9 (1.3)
	Operating profit (Operating margin)	4.14 (3.4%)	4.03 (3.4%)	3.40 (2.8%)	5.47 (4.2%)	5.35 (4.0%)	5.60 (4.0%)
Financial indicators	ROIC	14%	14%	12%	17.9%	20%	18.6%
	Ratio of equity attributable to owners of parent to total assets	11.7%	17.7%	19%	21.8%	22%	24.8%
	Total payout ratio	25.1%	22.9%	30.6%	23.6%	30.0%	30.2%

Business Portfolio in the Medium-Term Management Plan

There have been some delays in the care support domain, but on the whole progress has been steady.



FY3/23 Forecasts (Segments and Sectors)

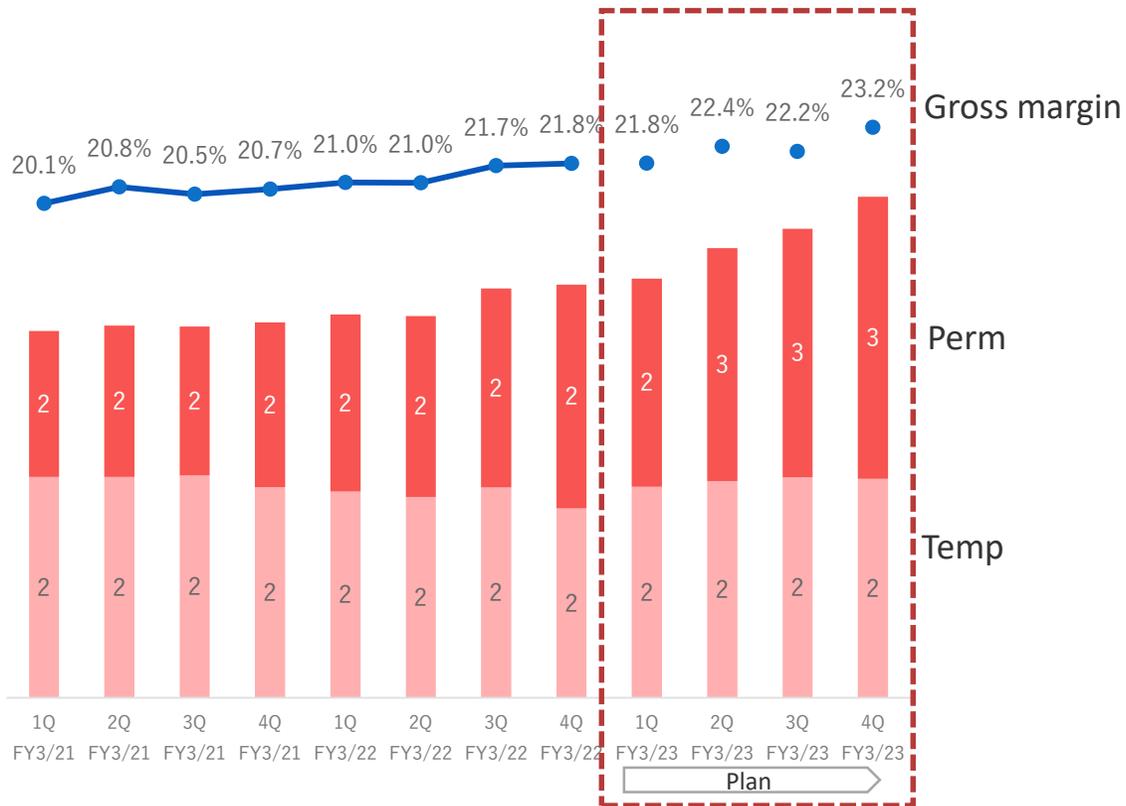
(Billions of yen)

Segments	Sectors		FY3/22	FY/23 (Forecast)	VS. 3/22 Change	Assumptions Used for the FY3/22 Forecast
Domestic WORK Business	Sales support	Net sales	19.51	20.66	+ 1.14	Expansion in apparel and sales support sectors.
		Operating profit	1.61	1.87	+ 0.26	Increase in the number of full-time employees on-site to reduce outsourcing expenses and improve gross margin.
	Call center	Net sales	17.04	18.42	+ 1.38	Increase in outsourcing services income resulting from increase in outsourcing demand.
		Operating profit	1.17	1.30	+ 0.13	Improvement in gross margin resulting from the increase in outsourcing services ratio.
	Factory	Net sales	18.31	19.11	+ 0.80	Increase in temporary staffing, permanent placement of foreigners after reopening of borders, and the number of foreign workers under consigned management.
		Operating profit	1.25	1.45	+ 0.19	Increase in permanent placement revenue and consigned management income.
	Care support	Net sales	13.67	14.76	+ 1.09	Increase in our focus area of placing people in temporary positions who intend to subsequently switch to permanent positions, and in temporary staffing.
		Operating profit	0.29	0.71	+ 0.41	Increase in permanent placement revenue.
	HR support for startups	Net sales	2.34	2.80	+ 0.45	Number of recruitment projects remains at a high level and is growing steadily.
		Operating profit	0.60	0.57	-0.03	Taking into account the number of recruitment projects, upfront expenses for hiring consultants, etc. rise.
	Construction management engineers	Net sales	5.78	8.30	+ 2.51	Increase in new graduates and those without experience to lead to a rise in the number of people on assignments.
		Operating profit	-0.55	-0.43	+ 0.12	Despite increases in recruitment fees and in upfront expenses for sales staff, etc., gross profit rises.
Overseas WORK Business		Net sales	48.74	49.03	+ 0.28	Compared to the previous year, demand for permanent placement likely to slow.
		Operating profit	3.34	2.58	-0.76	Decrease in permanent placement revenue, and increase in recruitment/personnel expenses.

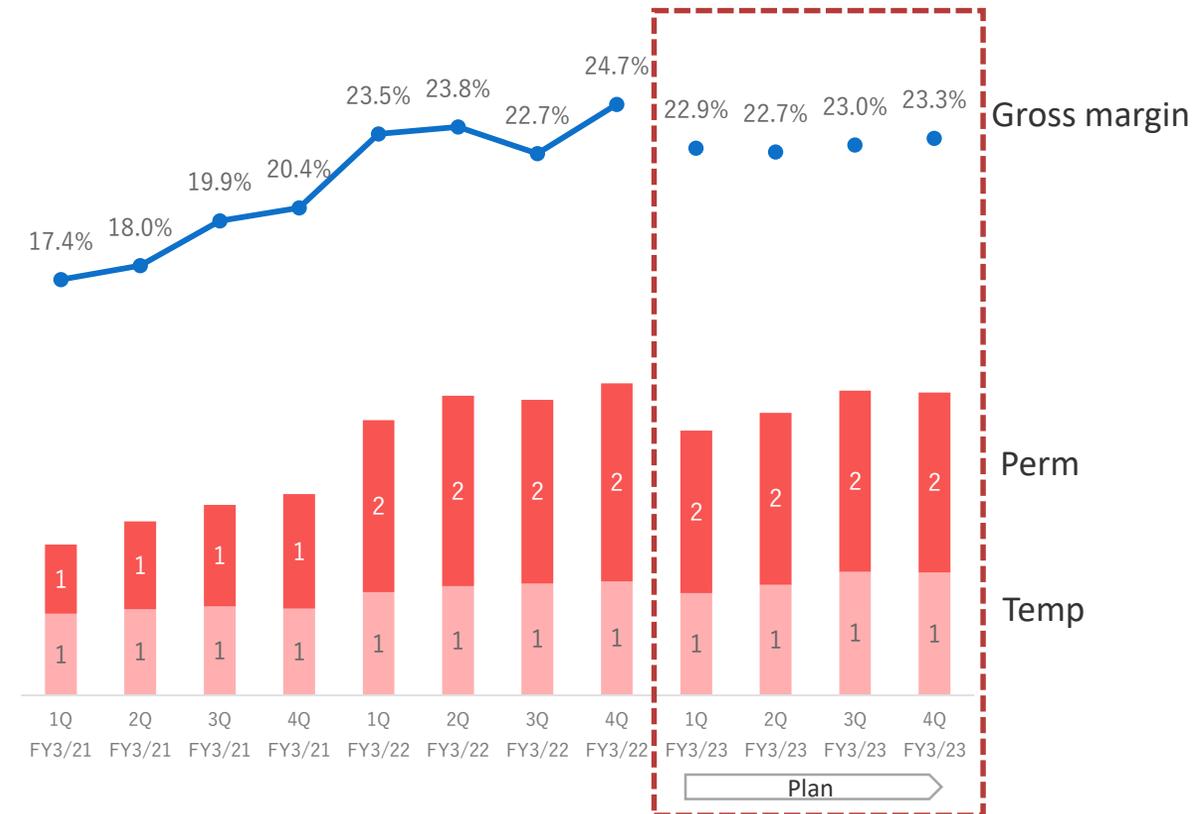
(Domestic/Overseas) Portfolio Shift Plan

In the Overseas WORK Business, demand for permanent placement is likely to slow compared to the previous year. In the Domestic WORK Business, all sectors are forecast to improve. Accordingly, consolidated gross margin is forecast to be unchanged year on year.

-Domestic WORK Business Gross profit by Temp / Perm* (Billions of yen)-



-Overseas WORK Business Gross profit by Temp / Perm (Billions of yen)-



*Intra-segment consolidation adjustments are not included.
Gross profit and gross margin are based on adjusted figure that excludes overseas subsidy income.

Progress in the Digital Shift

		Progress
Use online and automated processes to improve efficiency		<p>Improved the functionality of the official “WILLOF app” for temporary staff. Approx. 40,000 cumulative downloads, with a usage rate of 96% amongst those employed (as of March 31, 2022).</p> <p>Automation of attendance sheet entry and administrative procedures for issuing certificates to promote automated operations.</p>
Use centralized data management to improve efficiency		<p>Working on initiatives to standardize systems across domestic subsidiaries, centralize data, and reduce IT costs.</p>
Use telework and online interviews to improve efficiency		<p>Launch of “ZaITact” service for call center work at home. In the call center domain, we are also seeing an increase in projects for work at home.</p>
Merge consolidated subsidiaries to improve efficiency		<p>In July 2021, we integrated the core subsidiary of WILLOF FACTORY, Inc. with WILLOF WORK, Inc. We centralized back-office operations for improved efficiency.</p>

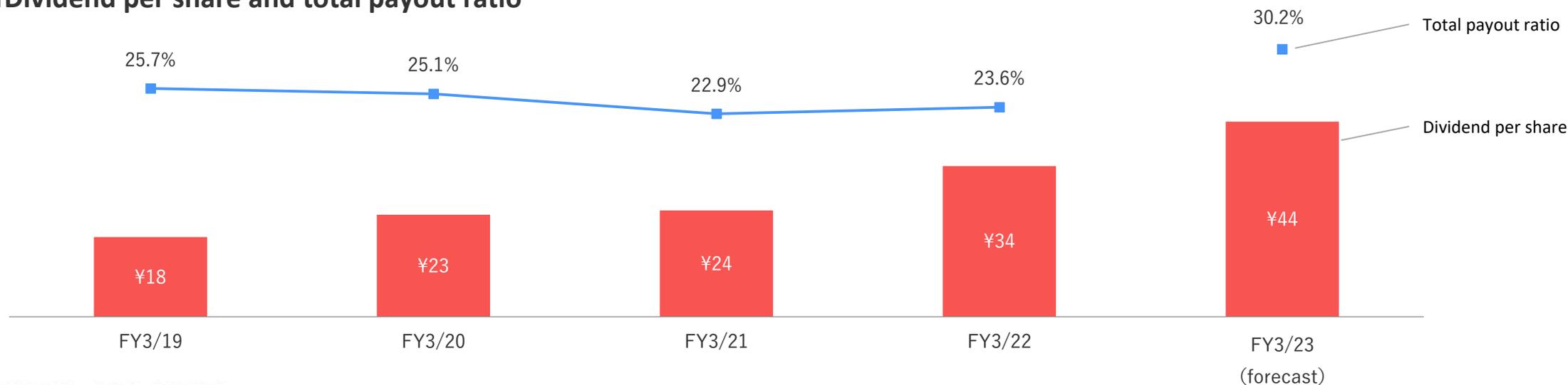


FY3/23 Dividend Forecast

Total payout ratio based on dividend forecast for FY3/23 relative to the earnings forecasts at the start of the fiscal year: 30%.

	FY3/22	FY3/23 Revised forecast
Year-end dividend	¥34 per share	¥44 per share
Total payout ratio	23.6%	30.2%

■ Dividend per share and total payout ratio



Appendix

Overseas (Australia, Singapore) Macro Environment



Market conditions for WILL GROUP

In 4Q, the decline in COVID-19 infections in Australia and Singapore led to an easing of restrictions on entering the countries, and the start of a full-fledged resumption in economic activity. There are concerns about the softening of demand abroad caused by the Russia/Ukraine situation, and the surge in energy prices, but demand for human resources to remain firm, supported by domestic demand.

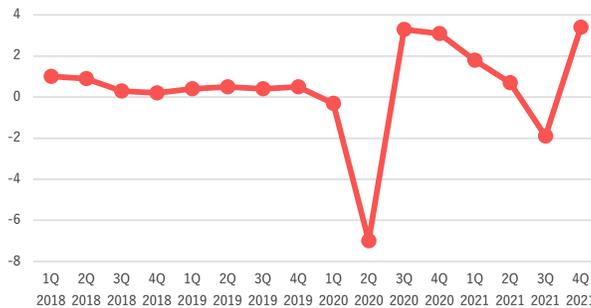


Despite a slowing in the rebound in permanent placement from the pre-COVID-19 era, it remains higher than pre-COVID-19 levels. Demand for temporary staffing related to government, IT, finance, and legal, is stable and not susceptible to fluctuations in the economy, so should be firm.

Economic indicators

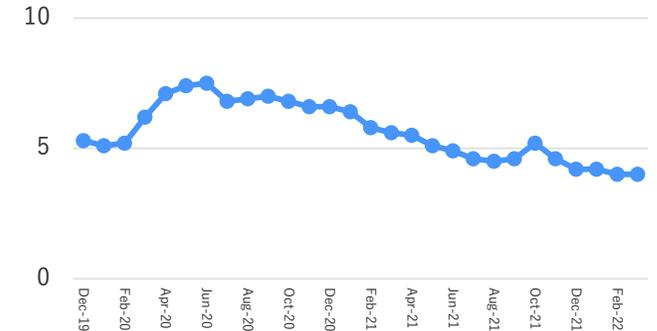
Real GDP growth rate (YoY change)

*Source: Australian Bureau of Statistics



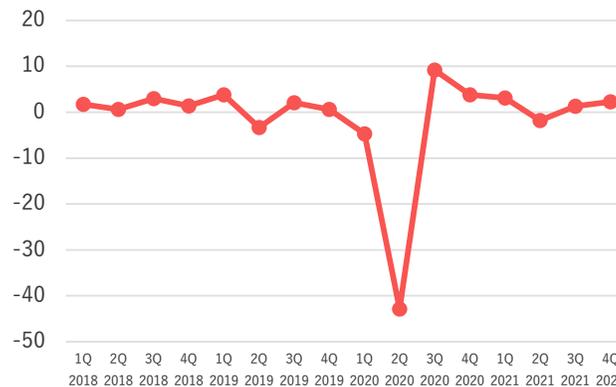
Unemployment rate

*Source: Australian Bureau of Statistics



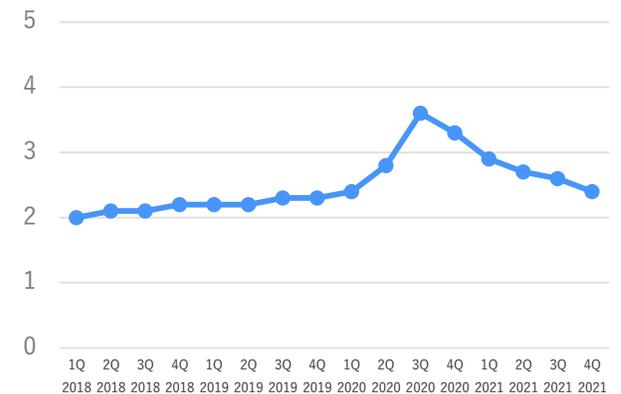
Real GDP growth rate (YoY change)

*Source: Singapore Department of Statistics



Unemployment rate

*Source: Singapore Department of Statistics



No Risk of Impairment Losses

There is currently no expectation of impairment risk.

For WILLOF CONSTRUCTION, FY3/22 and FY3/23 are periods of upfront investment in preparation for future profit growth.

(Billions of yen)

	Primary location	Business activities	Start of consolidation since (WILL GROUP ownership)	Investment *1	*2	FY3/21	FY3/22	YoY change
	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.	2018/6 (100%)	2.58	Sales	5.27	5.78	+ 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.	2019/1 (76%)	2.52	Profit *3	0.03	-0.55	-
	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia.	2019/4 (90%)	2.59	Sales	1.26	2.09	+ 65.9%
	Melbourne	Providing temporary staffing and permanent placement services for office work and call center operations to agencies and companies in various sectors such as government, telecommunications, resources and appliance manufacturing in Australia.	2018/1 (100%)	1.65	Profit *3	0.37	0.83	+ 121.1%
					Sales	7.16	10.12	+ 41.3%
					Profit *3	0.70	1.38	+ 97.7%
					Sales	14.15	14.14	-0.1%
					Profit *3	0.37	0.35	-6.7%

*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 ¥83/SGD and ¥83/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.

Investment balance (above 4 companies): ¥9.3 billion

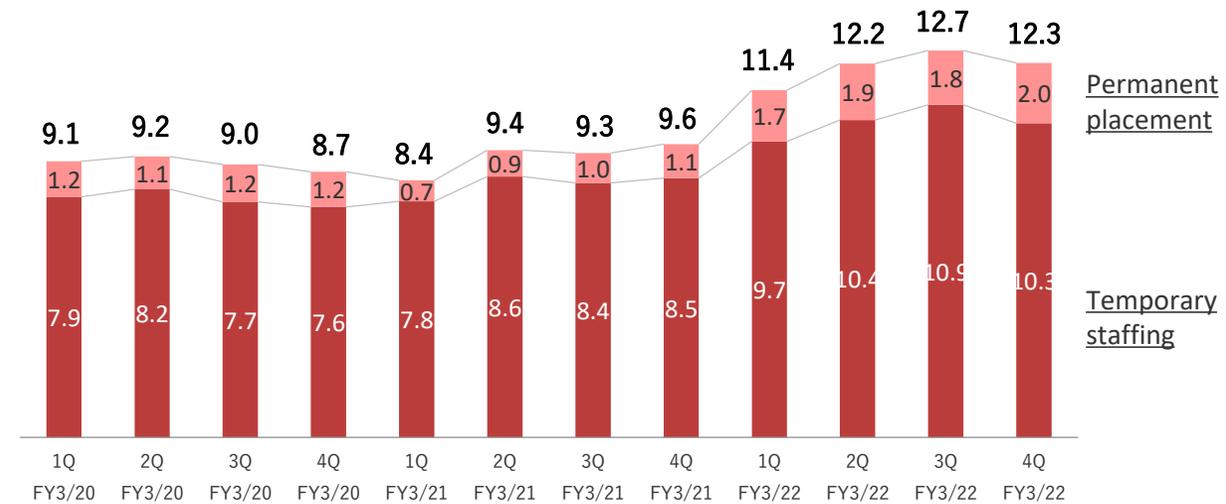
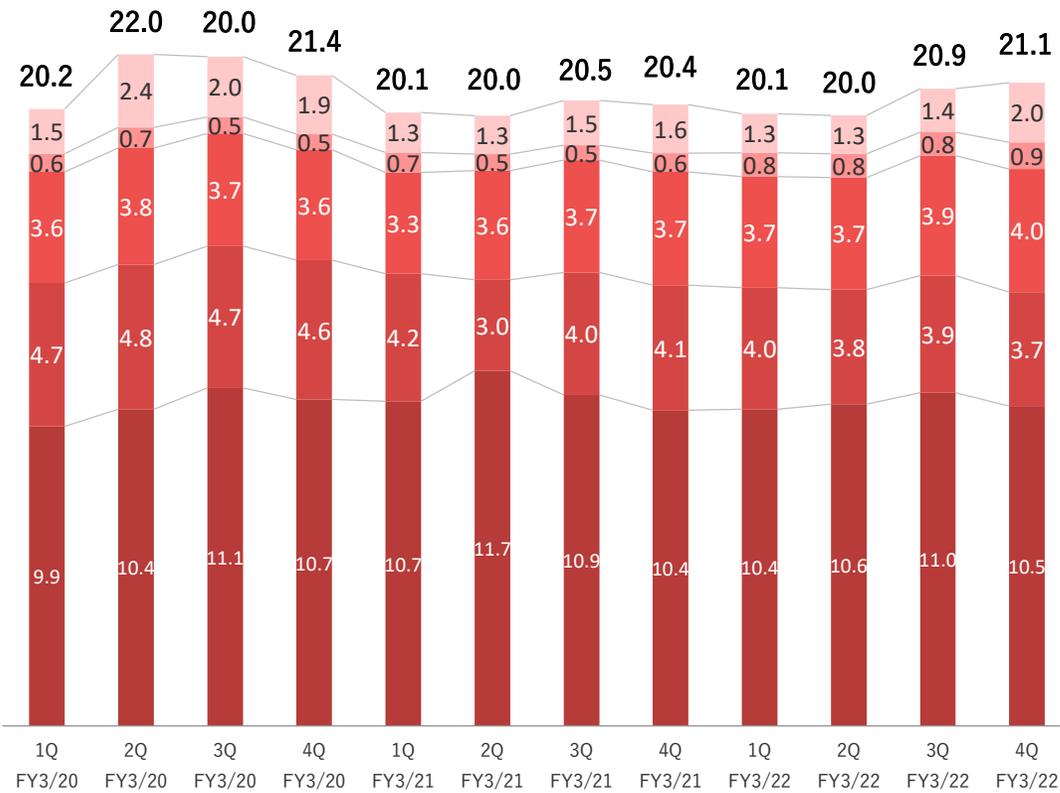
Investment balance (consolidated): ¥11.2 billion

Breakdown of Revenue by Region/Contract Type

Japan

Overseas

(Billions of yen)





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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