



# Supplementary Materials for the First Half of Fiscal Year Ending March 31, 2024

November 8, 2023

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

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1. 1H FY2024 Results
2. FY2024 Earnings and Dividend Forecasts

Starting in Q1 FY2024, we have changed the names of the Domestic WORK Business and the Overseas WORK Business to the Domestic Working Business (abbreviated as: Domestic W) and the Overseas Working Business (Overseas W).

# 1H FY2024 Results

# 1H FY2024 Results

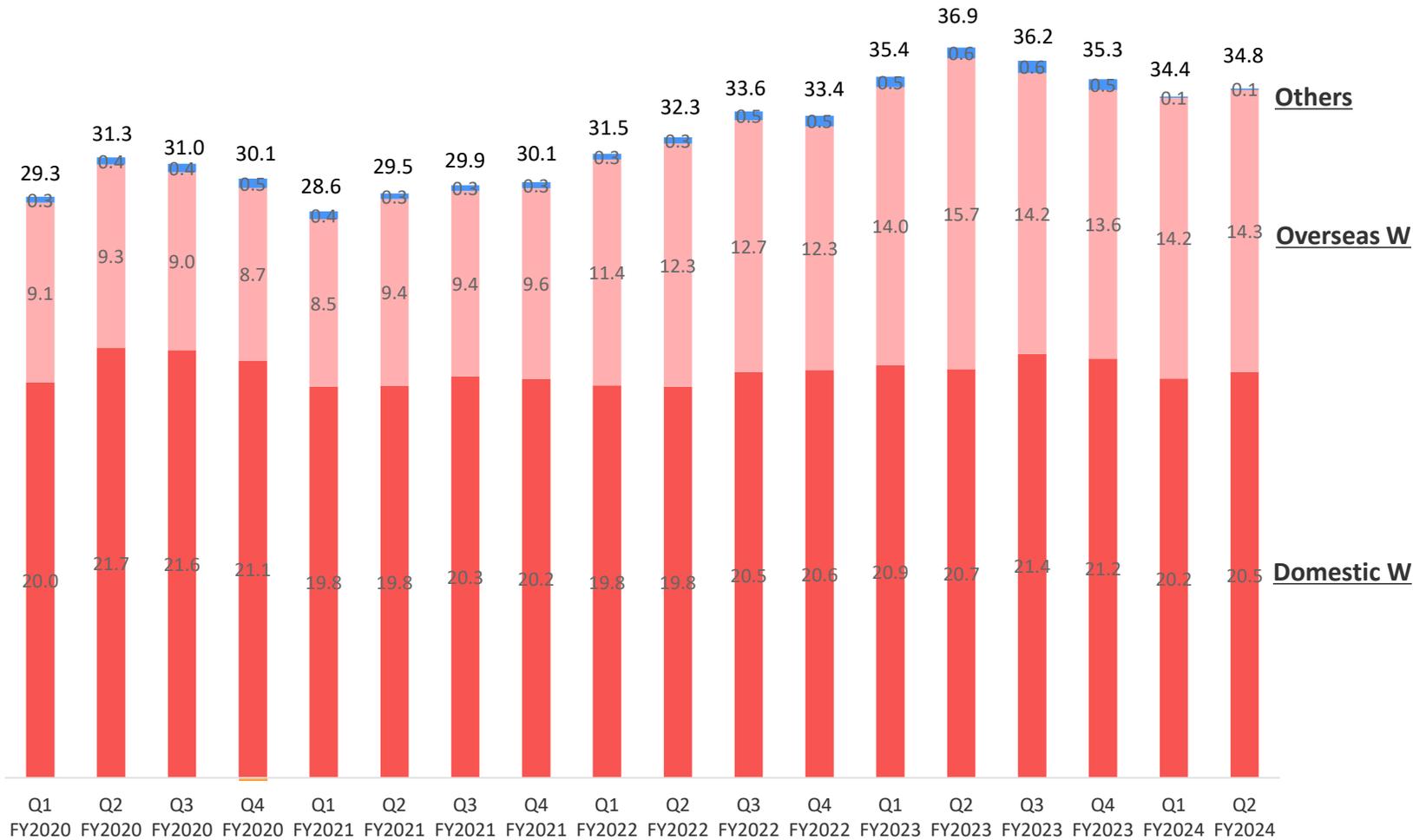
**Steady progress on earnings forecasts. KPIs were also steady in the construction management engineer domain, which is being focused on the most.**

(Billions of yen)	1H FY2023	1H FY2024	Vs. 1H FY2023		Forecast	Vs. Forecast	
			Change	% change		Change	% change
Revenue	72.35	<b>69.27</b>	-3.08	-4.3%	69.00	+0.27	+0.4%
Gross profit (Gross margin)	16.21 (22.4%)	<b>15.40</b> <b>(22.2%)</b>	-0.80 (-0.2pt)	-5.0%	15.93 (23.1%)	-0.52 (-0.9pt)	-3.3%
Operating profit (Operating margin)	2.93 (4.1%)	<b>2.01</b> <b>(2.9%)</b>	-0.91 (-1.2pt)	-31.2%	1.90 (2.8%)	+0.11 (+0.1pt)	+6.3%
Profit attributable to owners of parent	1.74	<b>1.40</b>	-0.34	-19.6%	1.23	+0.17	+14.0%

■ KPI	FY2024 (Plan)	1H FY2024	Progress rate	FY2023
Number of hires/year (construction management engineer domain)	1,270	<b>843</b>	66%	1,022
Retention rate (construction management engineer domain)	71%	<b>73%</b>	-	71%
Increase in number of workers on assignment for permanent employee staffing (Domestic W [excluding the construction management engineer domain])	600 (Number of workers on assignment at the end of the fiscal year: 3,052)	<b>164</b> (Number of workers on assignment at the end of Q2: 2,616)	27%	2,452 (Number of workers on assignment at the end of the previous fiscal year)
Increase in number of foreign workers under consigned management (Domestic W)	1,100 (Number of workers under consigned management at the end of the fiscal year: 2,850)	<b>136</b> (Number of workers under consigned management at the end of Q2: 1,886)	12%	1,750 (Number of workers under consigned management at the end of the previous fiscal year)
Permanent placement revenue composition (Overseas W)	16%	<b>14%</b>	-	14%

# Consolidated Revenue

(Billions of yen)

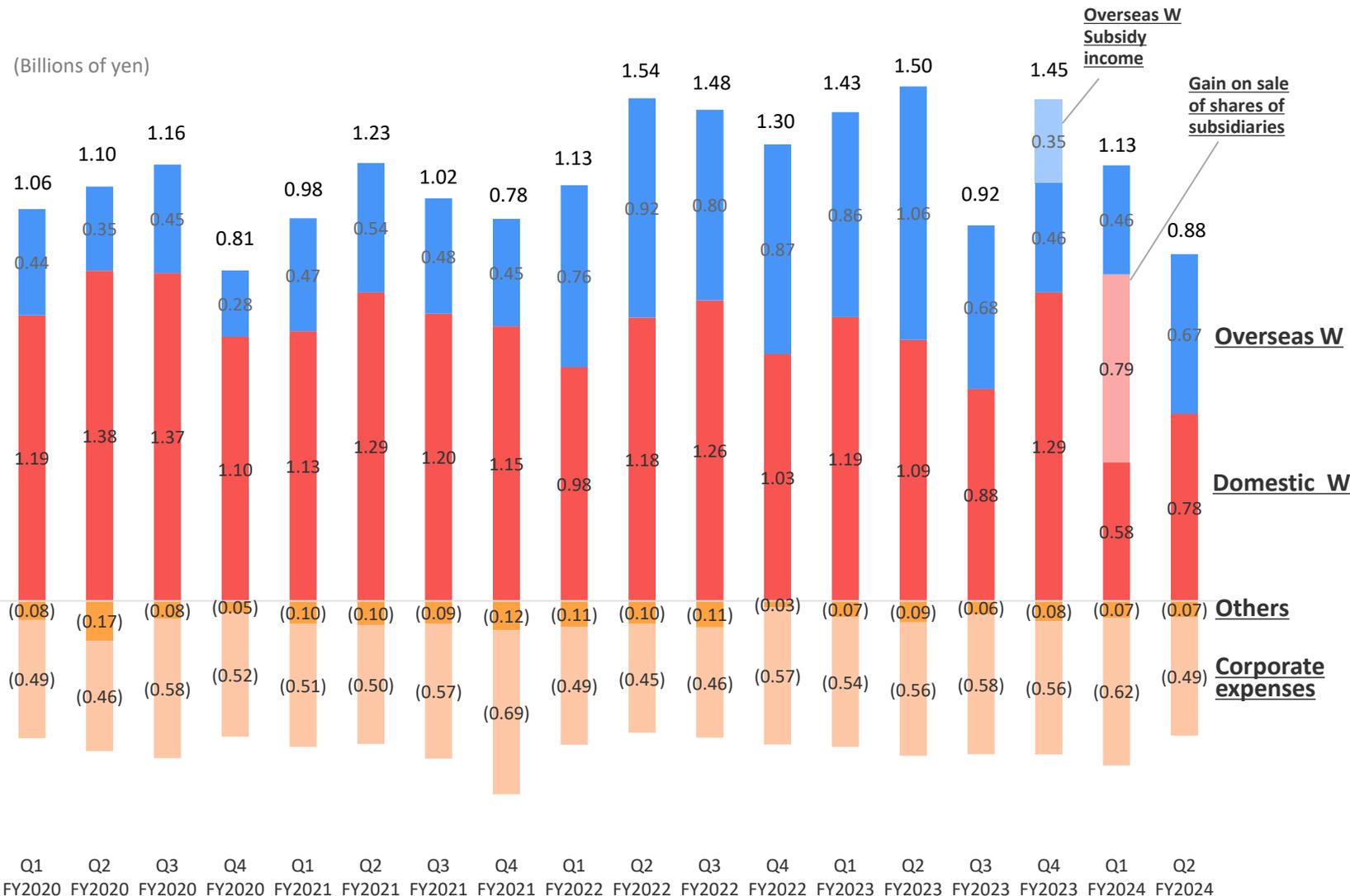


**Q2 FY2024 revenue was  
¥0.4 billion above  
Q1 FY2024**

(The effects of foreign exchange rate: +¥0.2 billion)

**Domestic W: Increased in the  
construction management engineer  
domain.  
Overseas W: Remained at the same  
level.**

# Consolidated Operating Profit



## Q2 FY2024 operating profit was ¥0.2 billion below Q1 FY2024

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

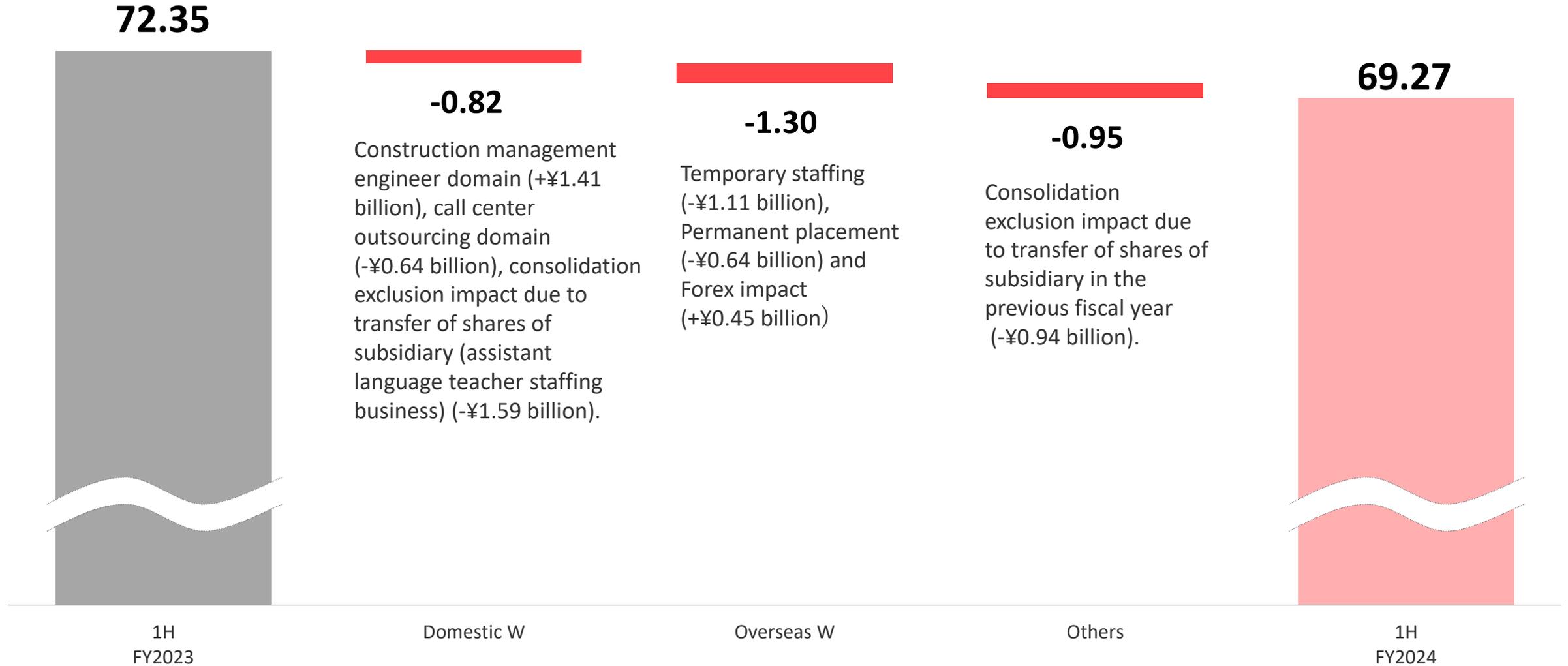
In Domestic W, operating profit excluding gain on sale of shares of subsidiaries increased by ¥0.2 billion compared to Q1.

Made upfront investment (Q1: ¥0.16 billion, Q2: ¥0.30 billion).

In Overseas W, cost reduction achieved an increase in ¥0.2 billion vs. Q1.

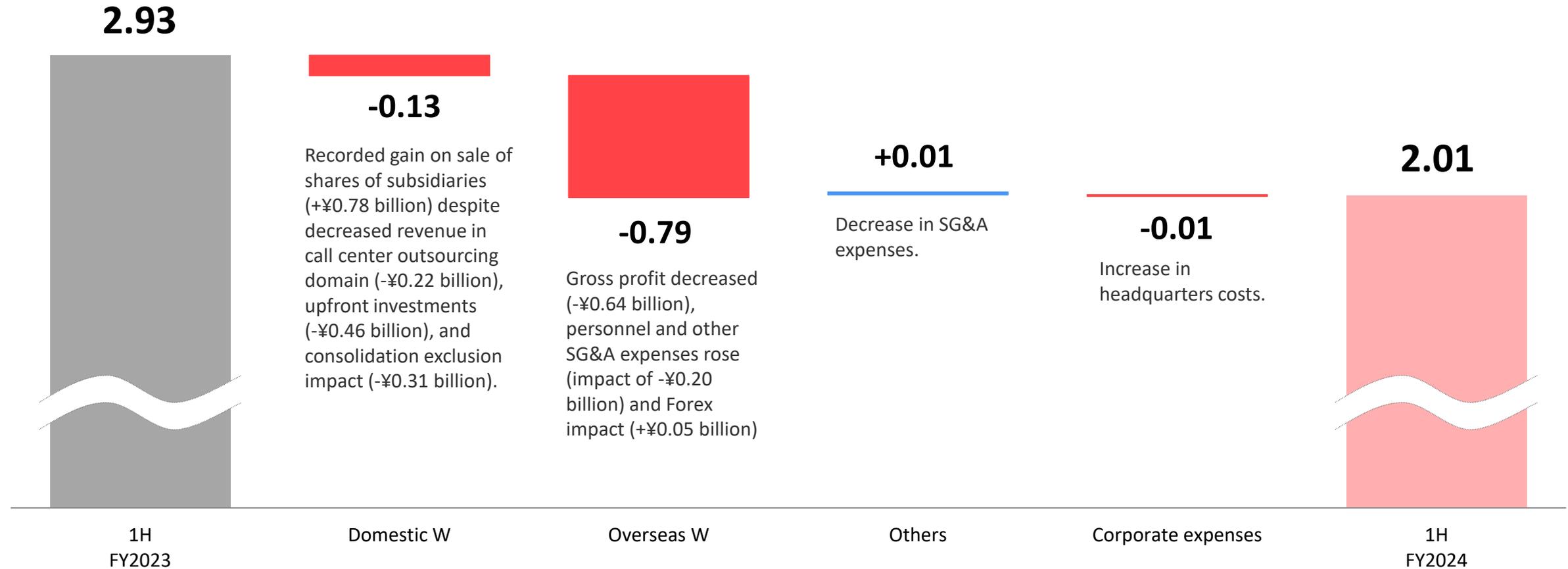
# 1H FY2024 Revenue: Breakdown of Year-on-Year Changes

(Billions of yen)



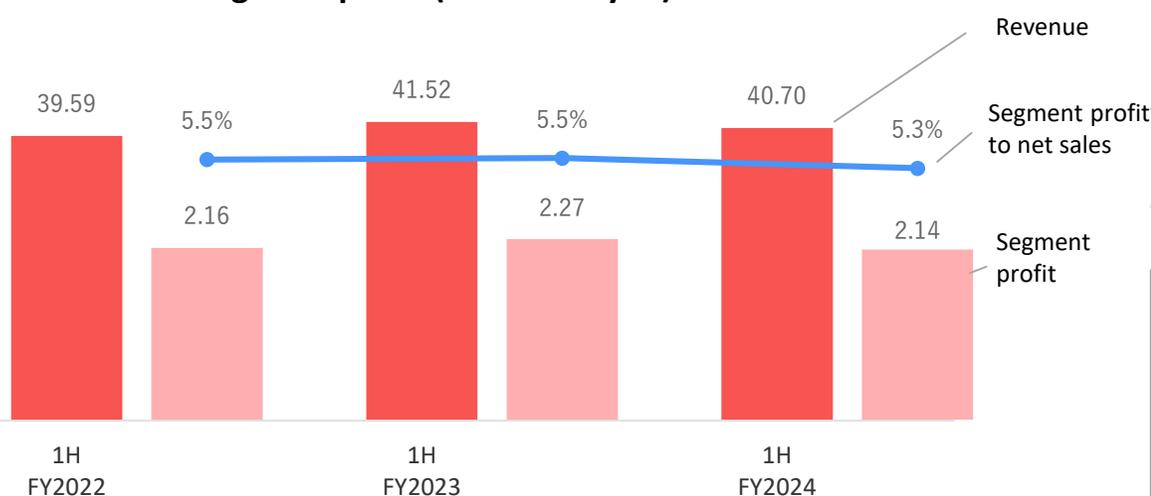
# 1H FY2024 Operating Profit: Breakdown of Year-on-Year Changes

(Billions of yen)



# Domestic Working Business

## -Revenue and segment profit (Billions of yen)-

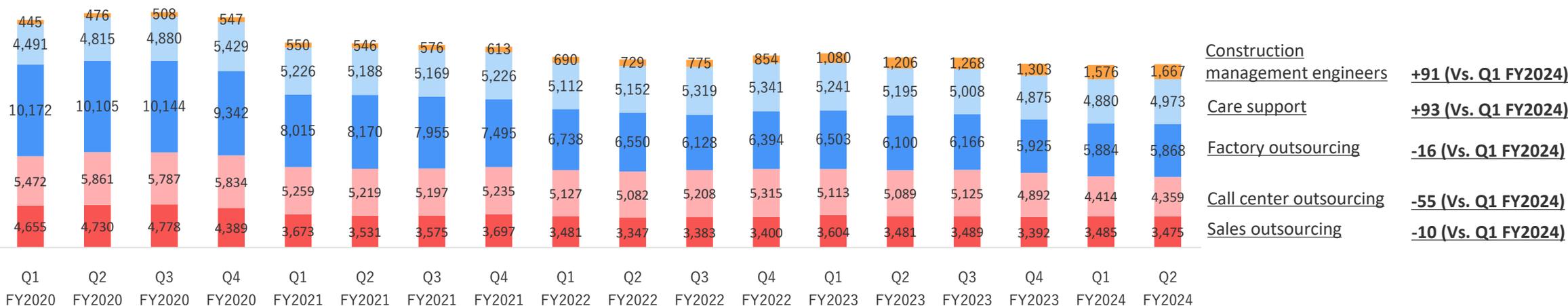


	FY2024 Plan	1H FY2024	Vs. Plan % change	1H FY2023	Vs. 1H FY2023 % change
Revenue	<b>41.10</b>	<b>40.70</b>	-1.0%	41.52	-2.0%
Segment profit	<b>1.72</b>	<b>2.14</b>	+24.5%	2.27	-5.8%

### -Topics-

- The number of workers on assignments in Q2 increased by 103 people compared to Q1 FY2024.
- Made upfront investment (Q1 : ¥0.16 billion, Q2 : ¥0.30 billion).
- First TV commercials for promoting the WILLOF brand aired mainly in West Japan from July 2023.

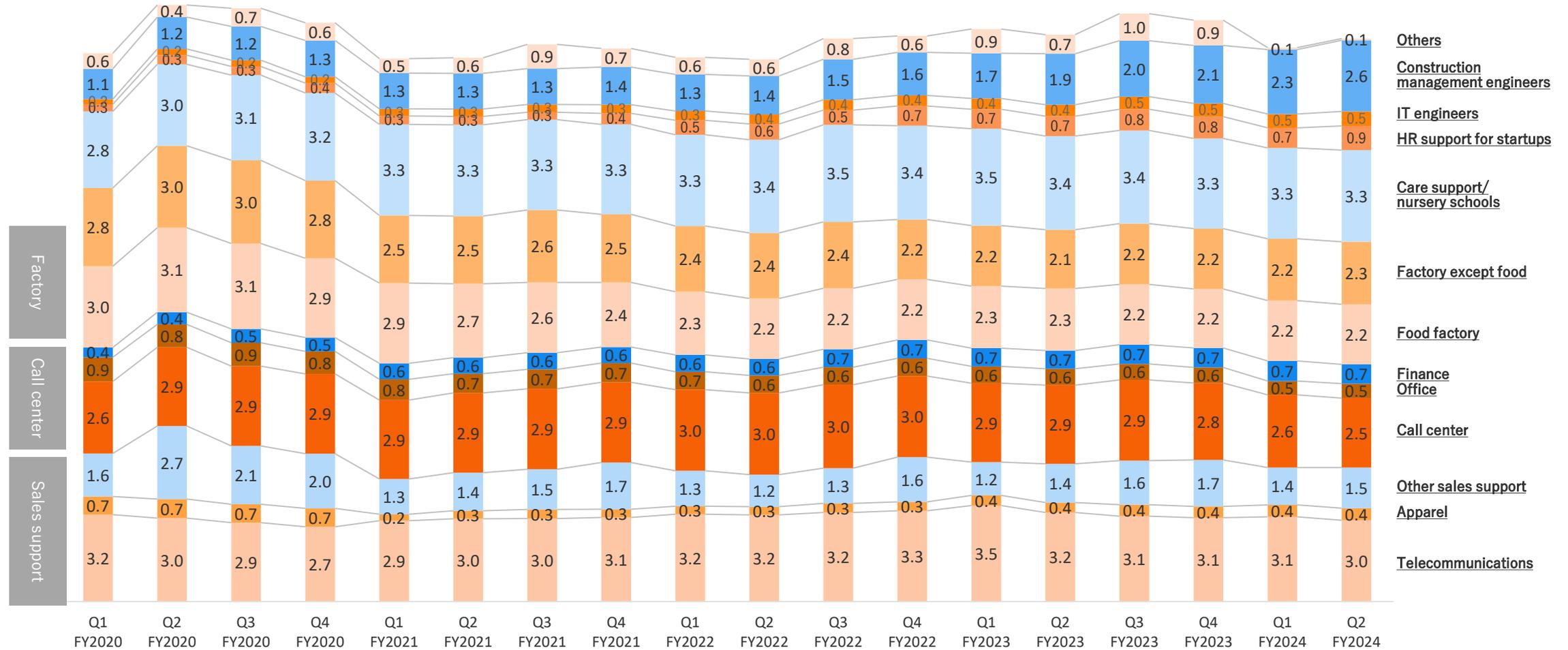
## -Number of workers on assignments (persons)-



# Domestic Working Business (Business sector revenue)

Although the domains of sales and call centers stagnated, the construction management engineer domain and HR support for startups were steady.

(Billions of yen)



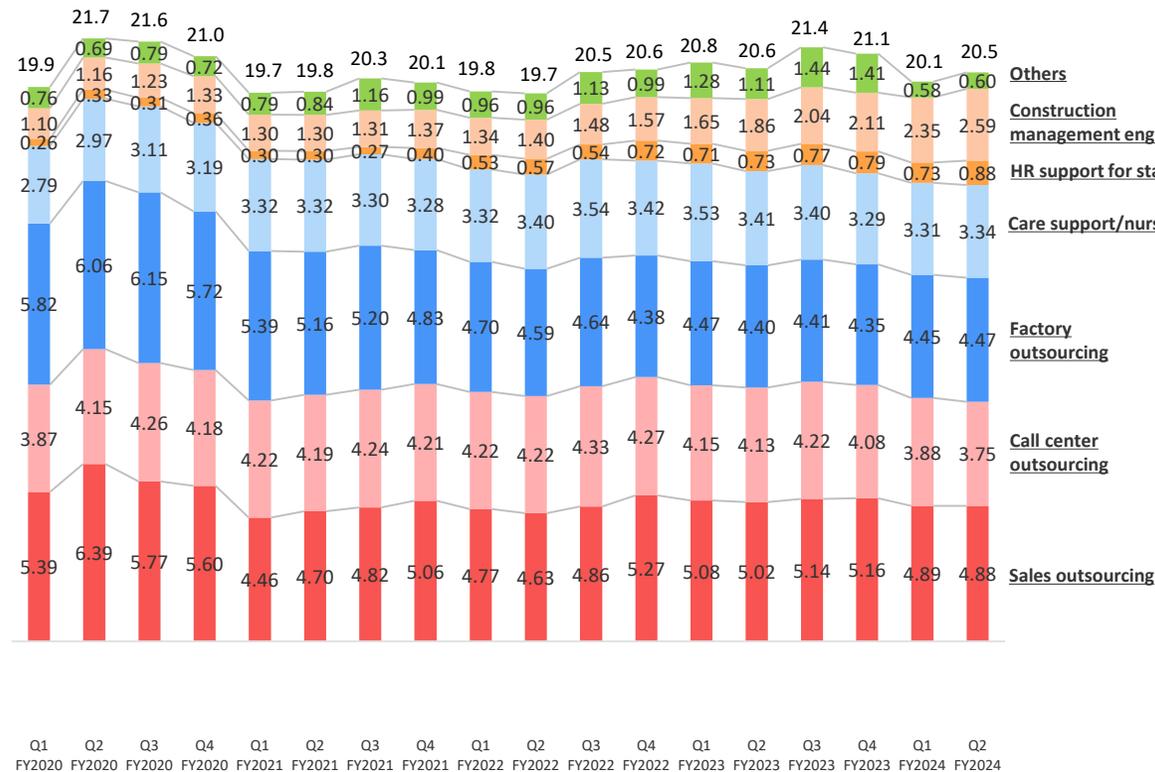
# Domestic Working Business (Revenue and operating profit by sector)

Sales and call center outsourcing environments are severe, but other business domains are recovering. In Domestic W, overall revenue and operating profit both increased compared to Q1.

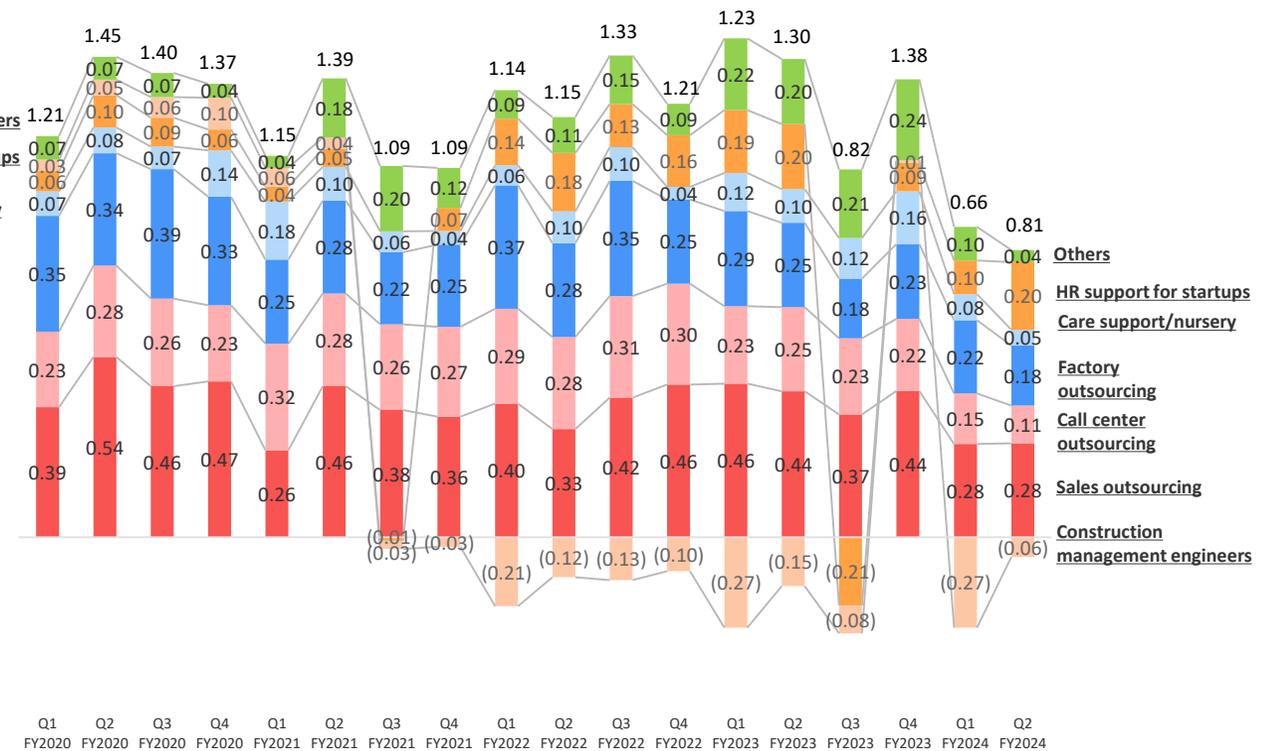
The breakdown of upfront investments (Q1: ¥0.16 billion, Q2: ¥0.30 billion)

Sales outsourcing domain (Q1: ¥0.02 billion, Q2: ¥0.00 billion), Factory outsourcing domain (Q1: ¥0.03 billion Q2: ¥0.04 billion), Nursing care domain (Q1: ¥0.01 billion, Q2: ¥0.02 billion), Construction management engineer domain (Q1: ¥0.10 billion, Q2: ¥0.11 billion), promotional expenses (Q1: ¥0.00 billion, Q2: 0.13 billion)

-Revenue by sector (Billions of yen)-



-Operating profit by sector (Billions of yen)-



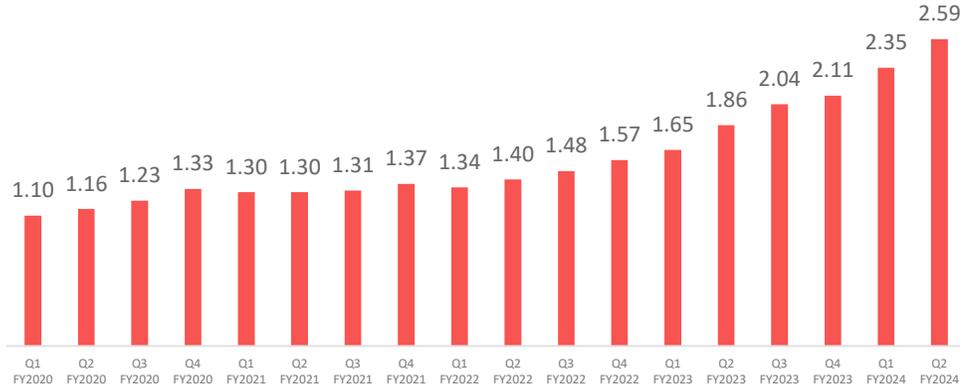
\*Intra-segment consolidation adjustments are not included.

# Progress in the Construction Management Engineer Temporary Staffing Business

## Quarterly Revenue

(Billions of yen)

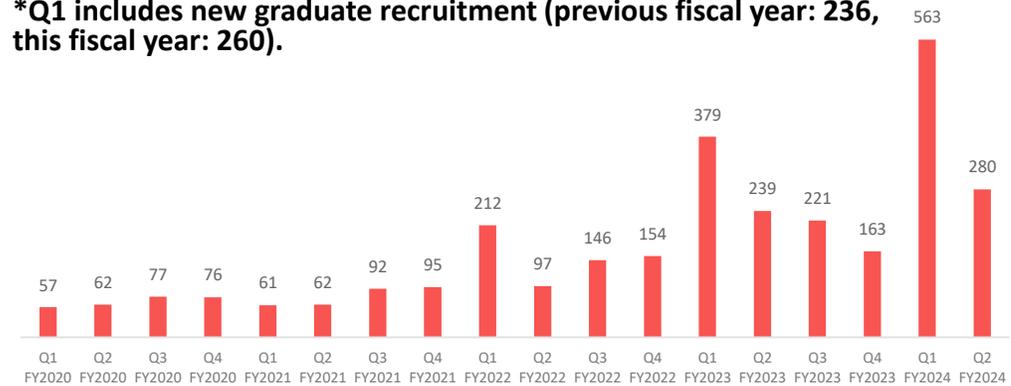
Revenue is steadily increasing with the increase in the number of people on assignment.



## Number of People Hired

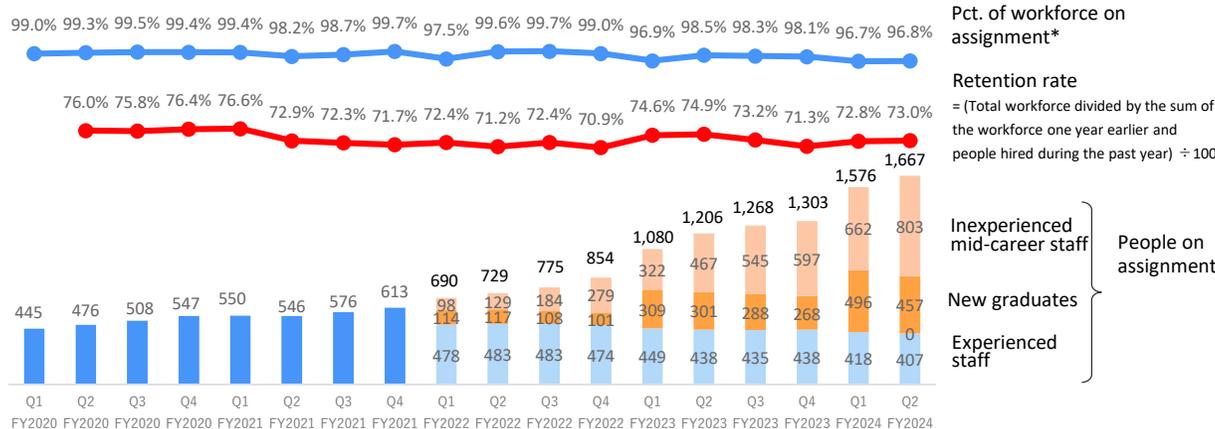
(No. of people)

Against the target of 1,270 people for this fiscal year, 1H performance is steady with a cumulative result of 843 people (progress rate: 66%).  
\*Q1 includes new graduate recruitment (previous fiscal year: 236, this fiscal year: 260).



## People on Assignment, Pct. of Workforce on Assignment, and Retention Rate

Percentage of workforce on assignment remained at a high level. We will continue to work to improve retention rates.

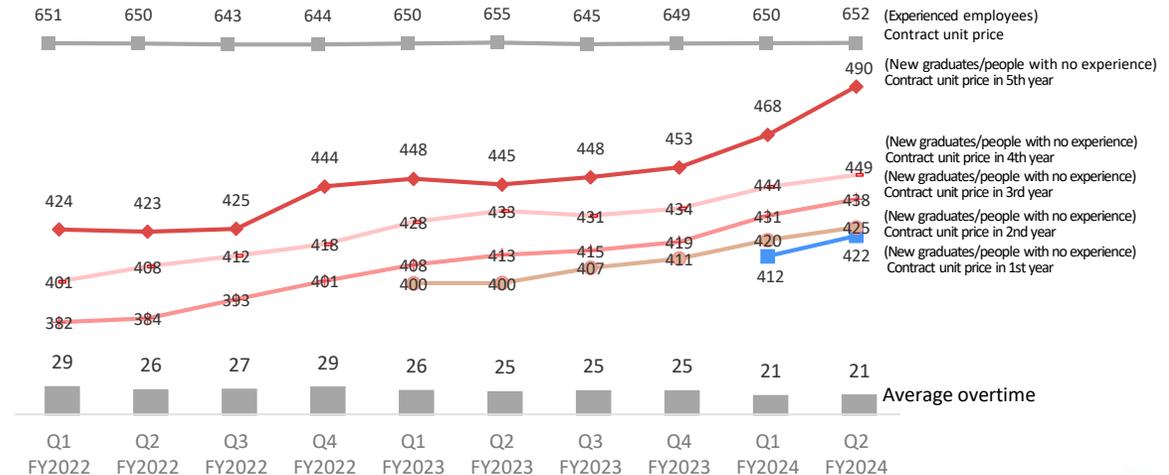


\* Percentage of workforce on assignment in Q1 is for the month of June only, after excluding impact of training for new graduates.

## Average contract unit price, average overtime (monthly)

(Hours, Thousands of yen)

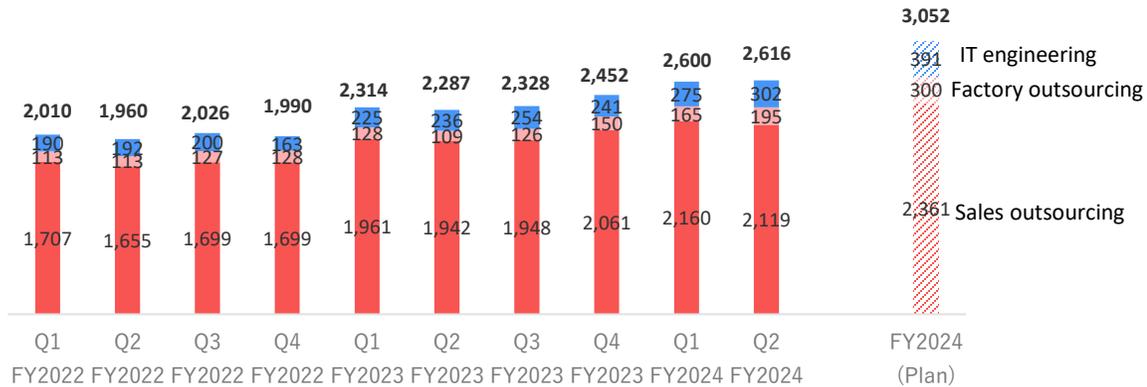
Average contract unit price for new graduates and people with no experience has been rising 5% yearly due to negotiations with customers on raising fees. Overtime hours have remained flat.



# Progress of Permanent Employee Staffing and Foreign Workers Under Consigned Management

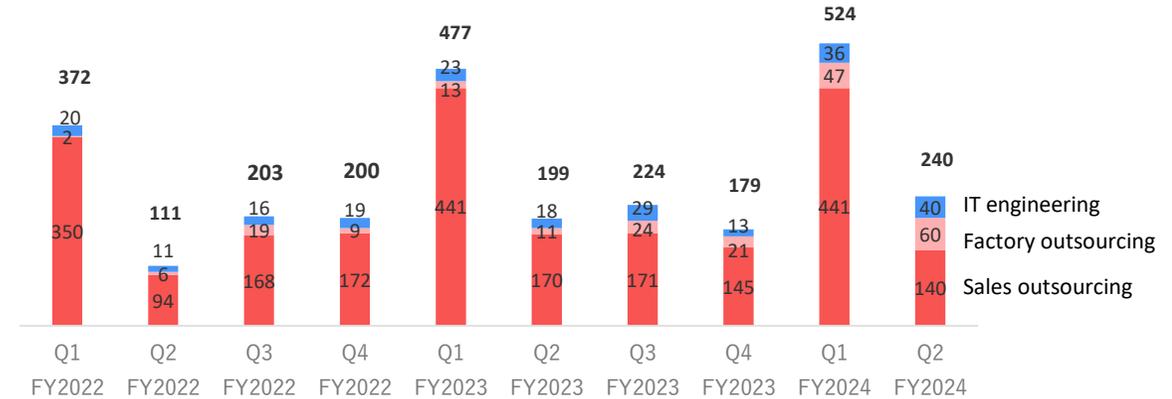
## Number of workers on assignment for permanent employee staffing (No. of people)

Slower than planned due to lackluster mid-career hires in sales outsourcing domain.



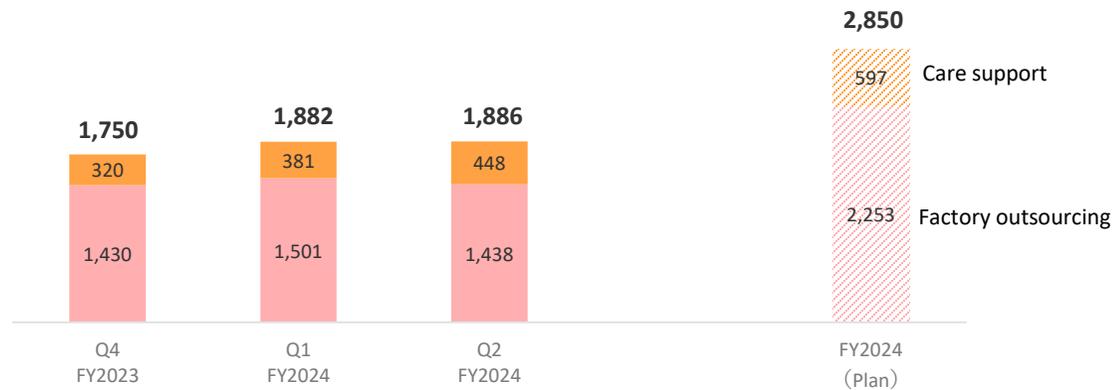
## Number of permanent employee staffing hires (No. of people)

Steady hiring in the factory outsourcing and IT engineer domains. \*Q1 includes 280 new graduates in the sales outsourcing domain.



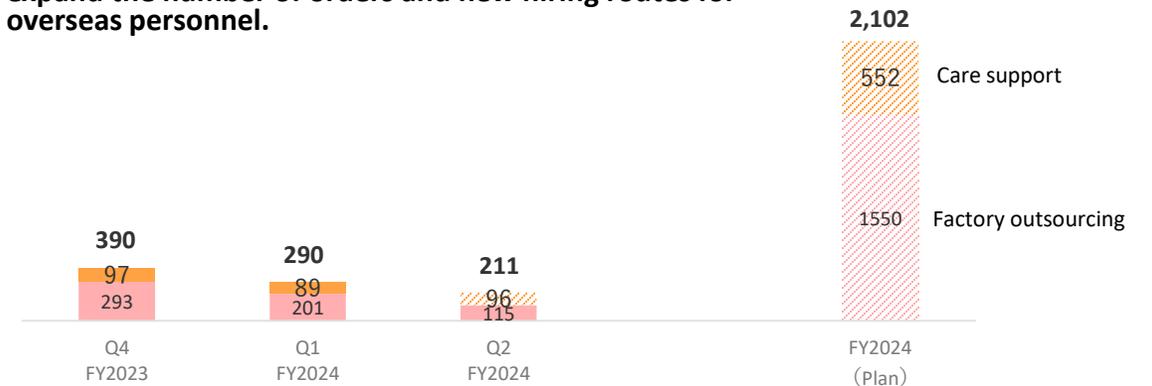
## Number of foreign workers under consigned management (No. of people)

Although the nursing care domain was steady, there were delays in the number of new workers consigned in the factory domain.



## Number of new foreign workers under consigned management (No. of people)

Although the number of orders from companies progressed steadily, we were unable to build up orders due to a low number of orders for overseas personnel, which have a high contract conclusion rate. We will work to expand the number of orders and new hiring routes for overseas personnel.



# Brand promotions

First TV commercials were run mainly in the West Japan area from July 2023 as promotion of “WILLOF” brand. The number of searches for “WILLOF” have been on a gradual rising trend since the implementation of the promotion, and going forward, the number of hires through owned media are expected to gradually increase. Therefore, the Group plans to continue to implement the promotion in the Q3 and beyond.



▶ Commercial introduction website: [https://willof.jp/shigoto\\_update/](https://willof.jp/shigoto_update/)

▼“WILLOF Job Update: Skills” (30 seconds)



<https://youtu.be/kc-2y4QhOa0>

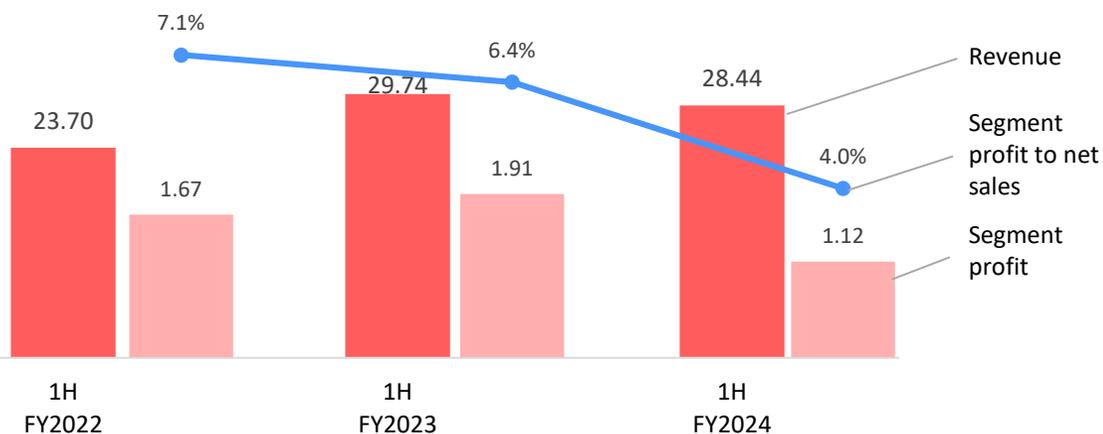
▼“WILLOF Job Update: Conditions” (30 seconds)



<https://youtu.be/eKhYOWqRGYI>

# Overseas Working Business

## -Revenue and segment profit (Billions of yen)-

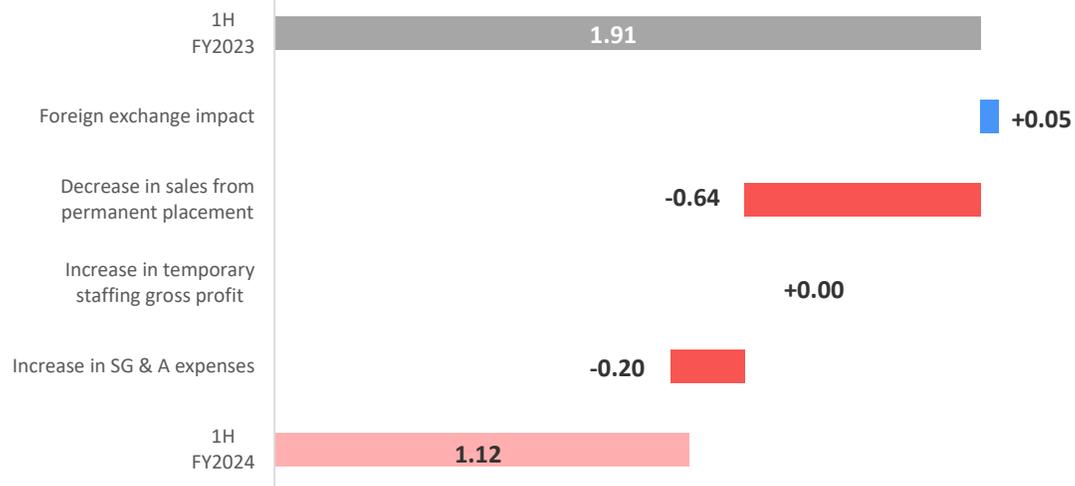


(Billions of yen)	FY2024 Plan	1H FY2024	Vs. Plan % change	1H FY2023	Vs. 1H FY2023 % change
Revenue	<b>27.74</b>	<b>28.44</b>	+2.5%	29.74	-4.4%
Segment profit	<b>1.68</b>	<b>1.12</b>	-33.3%	1.91	-41.3%

### -Topics-

- The post-COVID-19 surge in permanent placement demand from the previous fiscal year has moderated causing revenue and segment profit to decline, despite strong performance in temporary staffing.
- SG&A expenses increased ¥0.20 billion compared to the same period of the previous fiscal year, mainly due to increased personnel expenses.

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



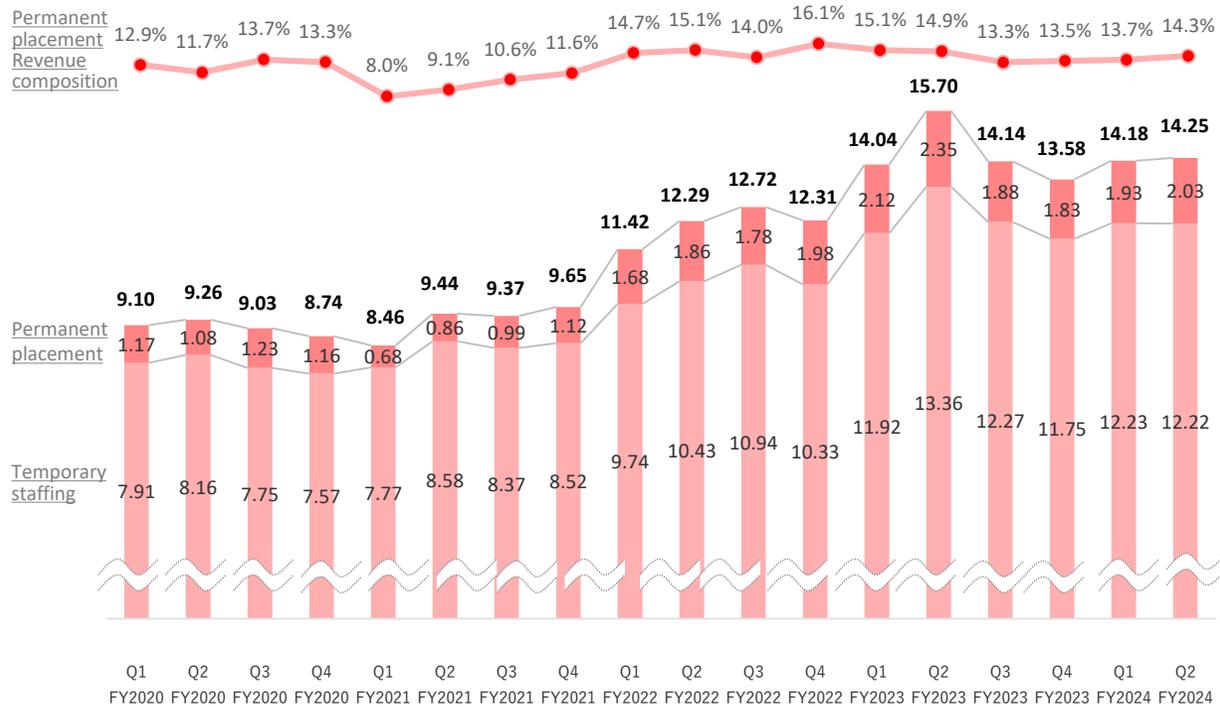
### ☐ Forex sensitivity

	FY2024 Plan	1H FY2024 Results	1H FY2023 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥86	¥93	¥94	¥420 million	¥10 million
SGD	¥94	¥105	¥97	¥140 million	¥0 million

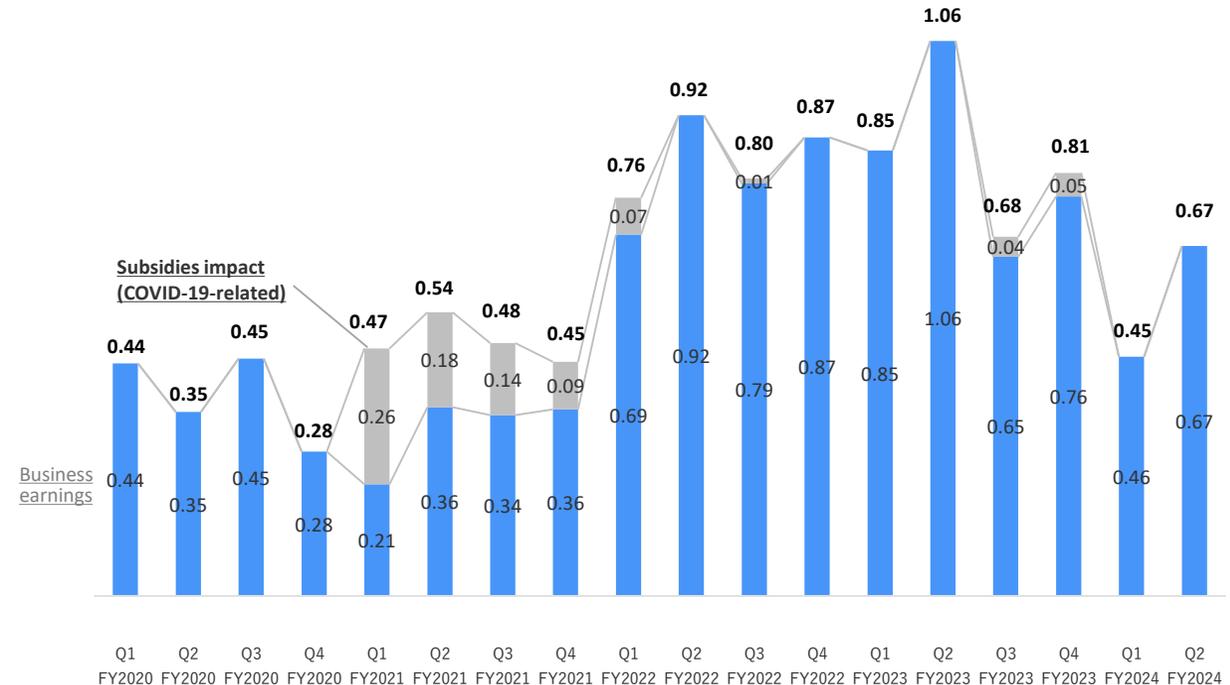
# Overseas Working Business (Revenue by contract type and operating profit)

Slight recovery in Q2 permanent placement compared to Q1. In addition, operating profit increased compared to Q1 due to controlling SG&A expenses (mainly personnel expenses). We will continue to manage SG&A expenses while monitoring progress from Q3 onward.

-Revenue by contract type (Billions of yen)-



-Operating profit (Billions of yen)-

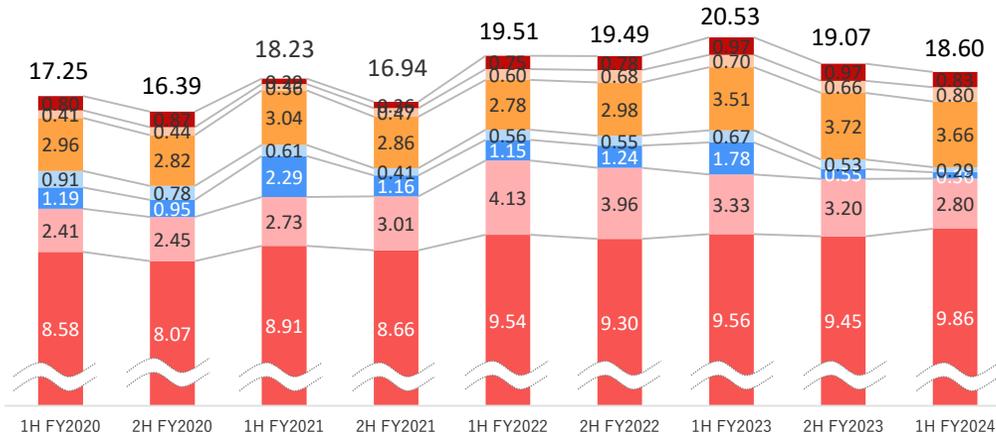


# Overseas Working Business (Breakdown of revenue by sector, half-yearly basis)

Temporary staffing was strong in the public sector.

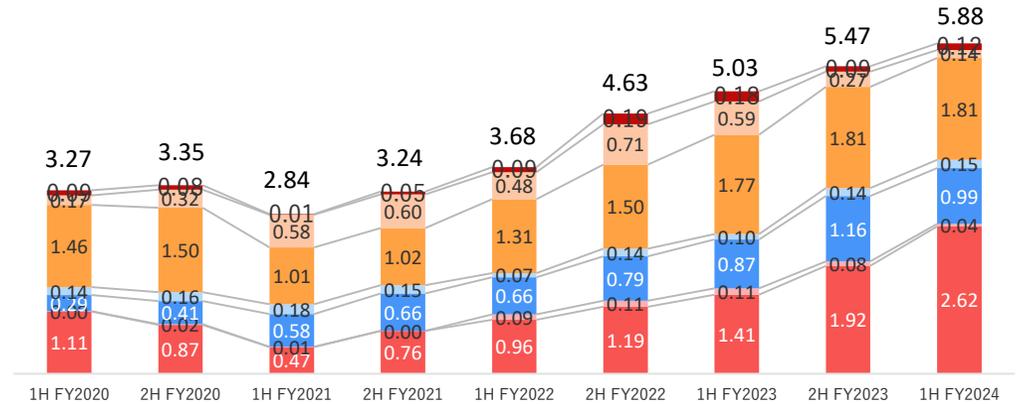
Permanent placement recovered in Australia, but remained level in Singapore compared to 2H FY2023.

■ Australia  
• Temporary staffing

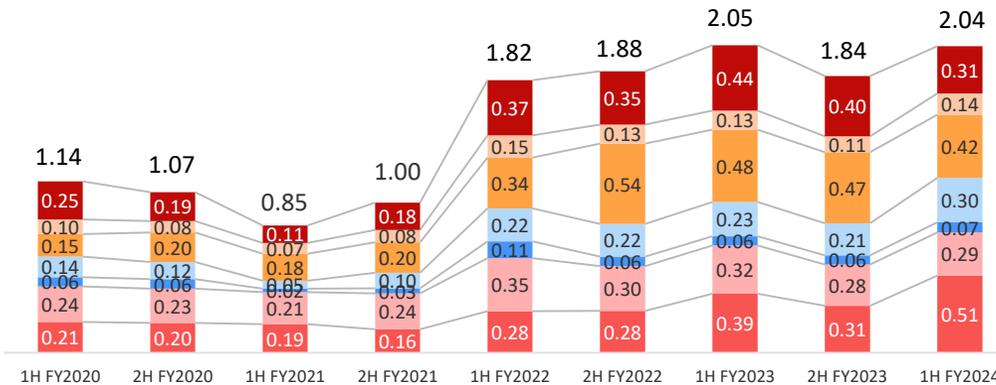


■ Singapore  
• Temporary staffing

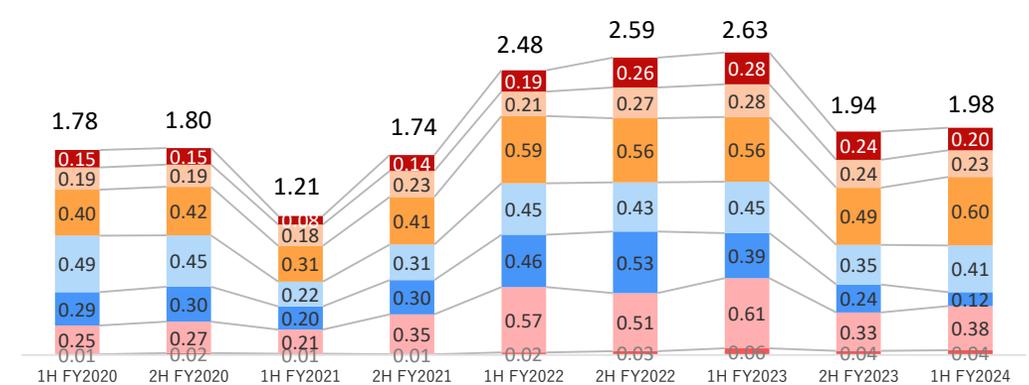
(Billions of yen)



• Permanent placement

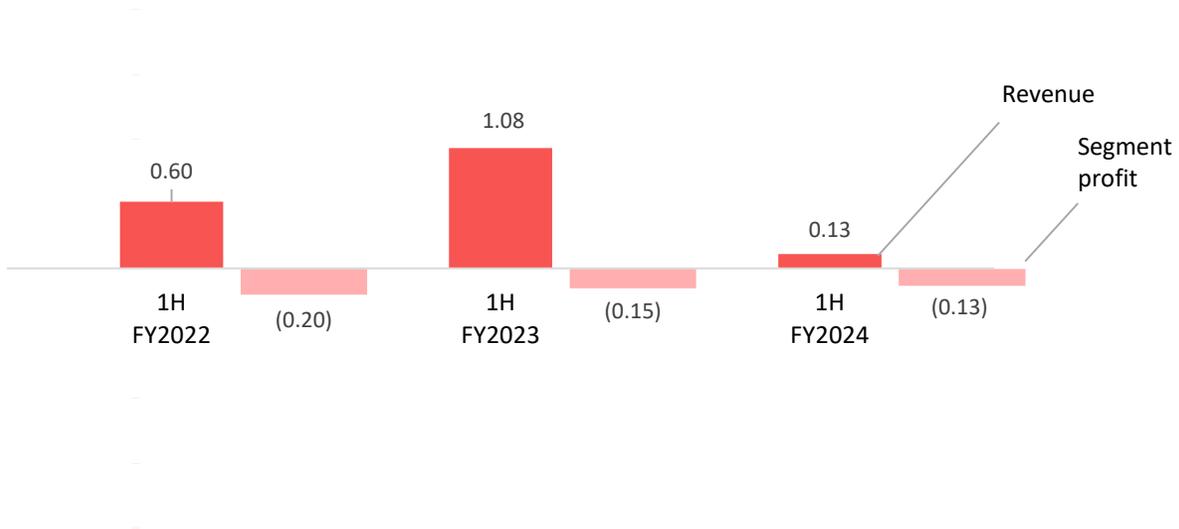


• Permanent placement



Converted to yen at the rates of ¥105/SGD and ¥93/AUD.

## -Revenue and segment profit (Billions of yen)-



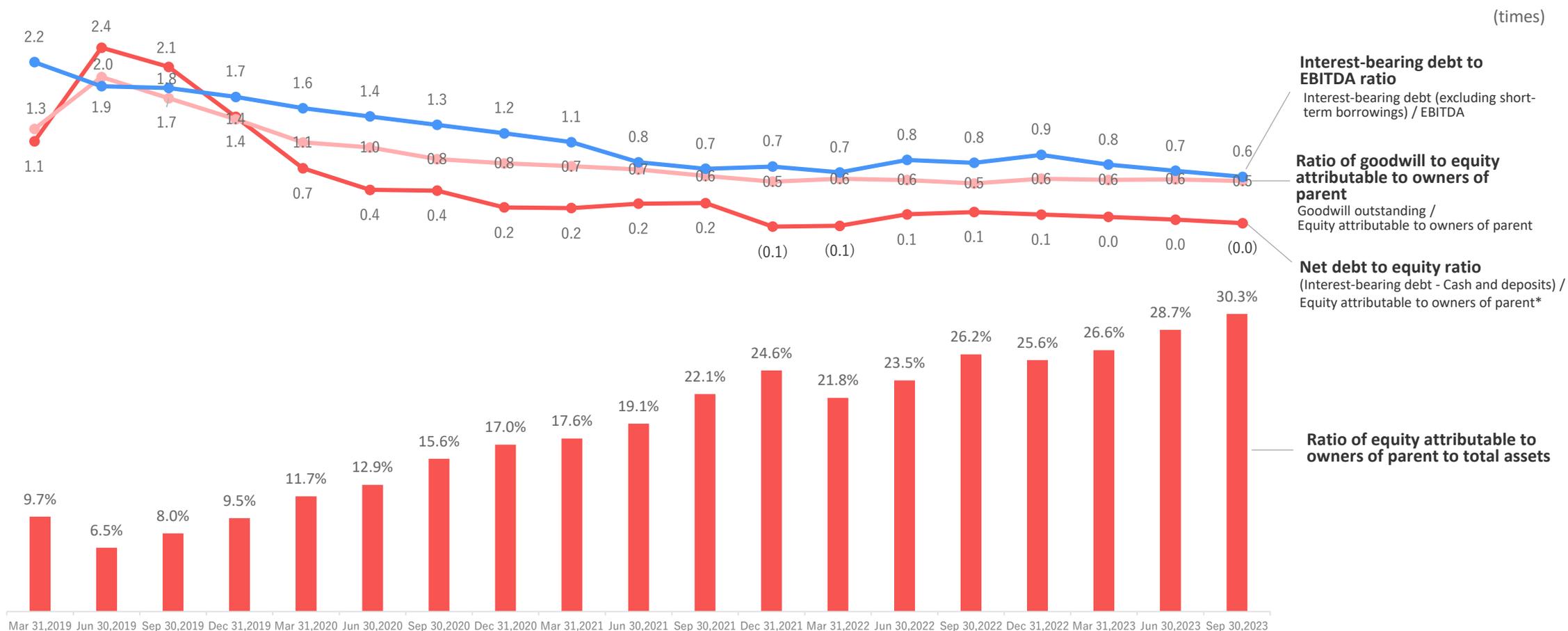
(Billions of yen)	FY2024 Plan	1H FY2024	Vs. Plan % change	1H FY2023	Vs. 1H FY2023 % change
Revenue	<b>0.15</b>	<b>0.13</b>	-14.5%	1.08	-87.7%
Segment profit	<b>(0.15)</b>	<b>(0.13)</b>	-	-0.15	-

### -Topics-

- Transferred shares of a subsidiary (IT consulting) in June (gain on sale not recorded).
- Continuously worked to develop a new platform.

# Financial Indicators

The ratio of equity attributable to owners of parent to total assets was 30.3% at the end of Q2. Each financial indicator is on a trend of improvement.



# Consolidated Balance Sheet

(Billions of yen)	March 31, 2023	Sep 30, 2023	Change	Major components of changes
Current assets	28.66	25.76	-2.89	
Of which Cash and cash equivalents	9.59	7.00	-2.58	Payment of dividends (-1.0 billion), Repayment of long-term borrowings (-¥1.2 billion)
Of which Trade and other receivables	17.92	17.08	-0.84	
Non-current assets	26.27	26.50	+0.23	
Of which Goodwill	8.12	8.57	+0.45	
Of which Other intangible assets	5.99	6.15	+0.15	
<b>Total assets</b>	<b>54.93</b>	<b>52.27</b>	<b>-2.66</b>	
Current liabilities	28.41	25.32	-3.09	
Of which Trade and other payables	16.15	16.79	+0.64	Net change in short-term borrowings through improved cash management by the Group (-¥2.6 billion), repayment (-¥0.7 billion)
Of which Borrowings	6.76	3.38	-3.37	
Of which Other financial liabilities	1.36	2.14	+0.77	
Non-current liabilities	10.64	9.96	-0.68	
Of which Borrowings	3.38	2.83	-0.54	
Of which Other financial liabilities	5.95	5.99	+0.03	
<b>Total liabilities</b>	<b>39.06</b>	<b>35.28</b>	<b>-3.77</b>	
<b>Total equity</b>	<b>15.87</b>	<b>16.98</b>	<b>+1.10</b>	
Of which total of equity attributable to owners of parent	14.63	15.84	+1.20	Recording of profit attributable to owners of parent (+¥1.4 billion)
<b>Total liabilities and equity</b>	<b>54.93</b>	<b>52.27</b>	<b>-2.66</b>	
<b>Ratio of equity attributable to owners of parent to total assets</b>	<b>26.6%</b>	<b>30.3%</b>	<b>+3.7pt</b>	

# Consolidated Statement of Cash Flows

(Billions of yen)	1H FY2023	1H FY2024
Profit before tax	2.9	2.0
Depreciation and amortization	1.0	1.0
Income taxes paid	(1.0)	(0.8)
Other	(0.2)	0.5
<b>Net cash provided by (used in) operating activities</b>	<b>2.6</b>	<b>2.8</b>
Purchase and sales of property, plant and equipment, etc.	(0.1)	(0.2)
Purchase and sales of shares of subsidiaries resulting in change in scope of consolidation	0.0	0.0
Other	0.0	(0.1)
<b>Net cash provided by (used in) investing activities</b>	<b>(0.2)</b>	<b>(0.3)</b>
Net increase (decrease) in interest-bearing debt	0.0	(4.5)
Purchase and sales of shares of subsidiaries not resulting in change in scope of consolidation	(3.7)	0.0
Dividends paid	(0.7)	(1.0)
Government subsidy income	0.0	0.0
Other	0.0	0.0
<b>Net cash provided by (used in) financing activities</b>	<b>(4.7)</b>	<b>(5.4)</b>
Effect of exchange rate changes	0.3	0.3
Net increase (decrease) in cash and cash equivalents	(1.8)	(2.5)
Cash and cash equivalents at end of period	7.1	7.0
<b>Free cash flows (Operating activities + Investing activities)</b>	<b>2.4</b>	<b>2.5</b>

## Free Cash Flows

(Billions of yen)



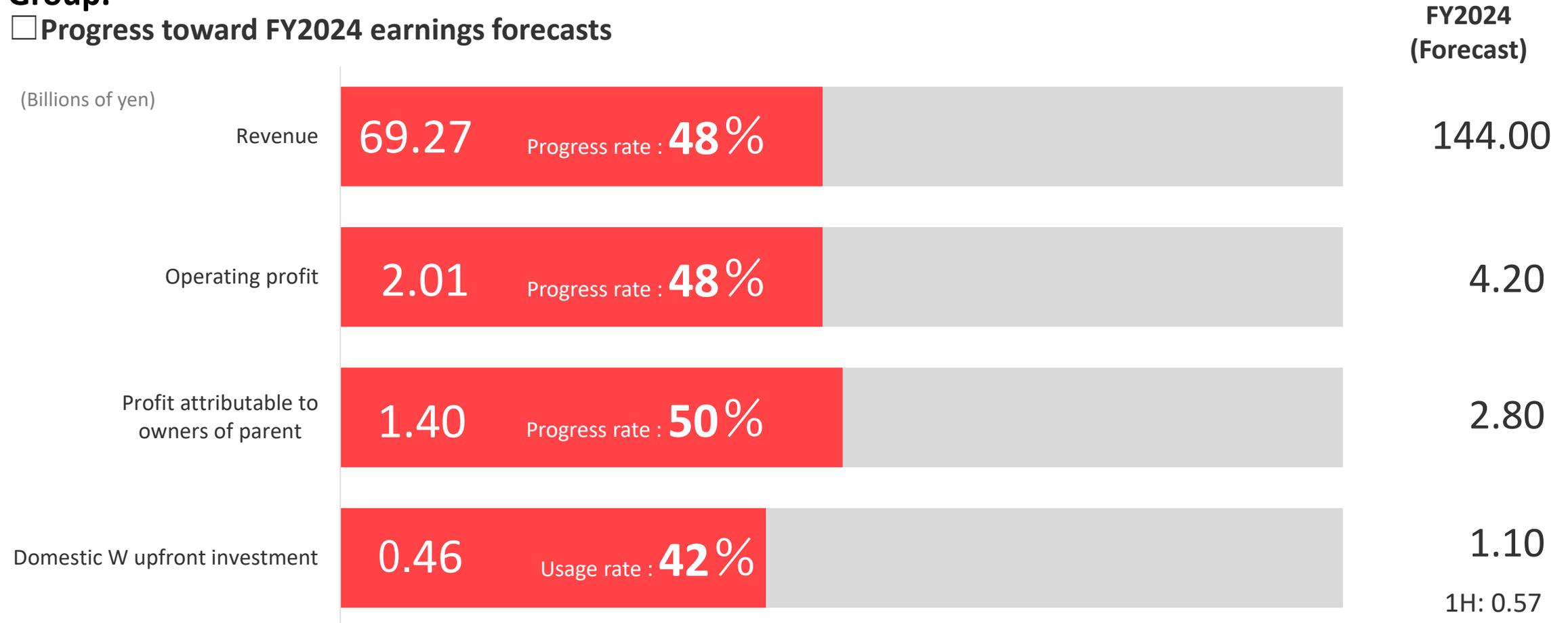
# FY2024 Earnings and Dividend Forecasts

# FY2024 Consolidated Earnings Forecasts

Steady progress against forecasts as of Q2. Domestic W upfront investments are generally progressing as planned.

However, since Overseas W is slower than planned, we will work to control SG&A costs across the entire Group.

□ Progress toward FY2024 earnings forecasts



# (Reference) FY2024 Consolidated Earnings Forecasts

(Billions of yen)	FY2023	FY2024 (Forecasts)	Vs. FY2023		1H FY2024	
			Change	% change	Actual	Progress rate
Revenue	143.93	144.00	+0.06	+0.0%	69.27	<b>48%</b>
Domestic Working Business	84.13	85.80	+1.66	+2.0%	40.70	<b>47%</b>
Overseas Working Business	57.53	57.85	+0.32	+0.6%	28.44	<b>49%</b>
Others	2.25	0.33	-1.91	-85.0%	0.13	<b>40%</b>
Gross profit	31.73	33.45	+1.71	+5.4%	15.40	<b>46%</b>
Gross margin	22.1%	23.2%	+1.2pt	-	22.2%	-
Operating profit	5.31	4.20	-1.11	-21.0%	2.01	<b>48%</b>
Operating margin	3.7%	2.9%	-0.7pt	-	2.9%	-
Domestic Working Business	4.45	3.78	-0.66	-15.0%	2.14	<b>57%</b>
Overseas Working Business	3.40	3.33	-0.07	-2.1%	1.12	<b>34%</b>
Others	(0.29)	(0.31)	-0.02	-	(0.13)	-
Adjustments	(2.24)	(2.59)	-0.35	-	(1.11)	-
Profit attributable to owners of parent	3.23	2.80	-0.43	-13.5%	1.40	<b>50%</b>
EBITDA	7.45	6.29	-1.16	-15.6%	3.06	<b>49%</b>
Exchange rate			Change for ¥1 difference/y			
			Revenue	Profit		
AUD	¥93	¥86	¥420 million	¥10 million	¥93	
SGD	¥98	¥94	¥140 million	¥0 million	¥105	

# (Reference) FY2024 consolidated earnings forecasts (by Domestic W sectors)

In brand promotions, in Q2 we conducted cumulative investment accounting for ¥0.13 billion of a planned total of ¥0.3 billion.

(Billions of yen)

Sectors		FY2023	FY2024 (Forecast)	Change	Upfront investment framework	Upfront investment details	1H FY2024		
							Actual	Progress rate	Upfront investment amount
Sales	Revenue	20.39	21.01	+0.61	-		9.77	47%	-
	Operating profit	1.71	1.48	-0.23	0.1	Recruitment cost for full-time employees and temporary employees.	0.56	38%	0.02
Call center	Revenue	16.58	16.73	+0.15	-		7.63	46%	-
	Operating profit	0.93	0.66	-0.27	-		0.26	40%	-
Factory	Revenue	17.64	18.49	+0.85	-		8.92	48%	-
	Operating profit	0.94	0.78	-0.16	0.1	Recruitment cost for full-time employees and temporary employees, increased sales staff for foreign workers under consigned management.	0.40	51%	0.07
Care support	Revenue	13.62	13.02	-0.60	-		6.65	51%	-
	Operating profit	0.49	0.13	-0.36	0.1	Increased sales staff for foreign workers under consigned management	0.12	95%	0.03
HR support for startups	Revenue	2.99	3.30	+0.30	-		1.60	49%	-
	Operating profit	0.26	0.33	+0.06	-		0.30	93%	-
Construction management engineers	Revenue	7.66	10.57	+2.90	-		4.93	47%	-
	Operating profit	(0.49)	(0.49)	+0.00	0.5	Recruitment cost for new graduates/people with no experience, increased sales staff and follow-up personnel.	(0.33)	-	0.21

# FY2024 Dividend Forecast

Based on our shareholder return policy, for our FY2024 dividends, we plan to pay the same ¥44 per share as in the previous fiscal year.

Shareholder return policy in the previous Medium-term Management Plan (FY2021–FY2023).

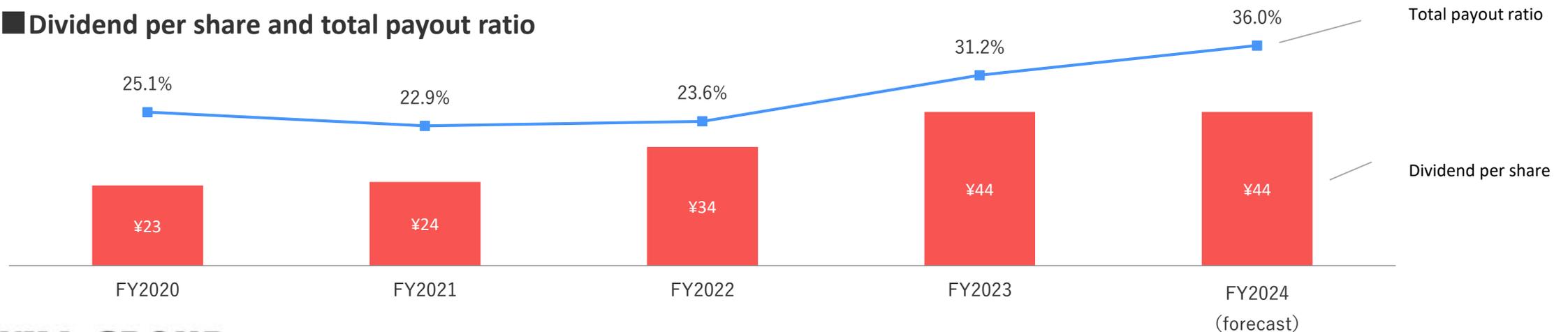
- Target total payout ratio of 30% (versus earnings forecasts at the start of the fiscal year)



Shareholder return policy in the Medium-term Management Plan (FY2024–FY2026)

- **Progressive dividends**  
In principle, increase or maintain and do not reduce dividends
- **Total payout ratio of 30% or higher**  
Evaluate flexible treasury share acquisitions as needed based on performance progress during the period

■ Dividend per share and total payout ratio





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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# Appendix

# Overseas (Australia, Singapore) Macro Environment



## Market conditions for WILL GROUP

We are encountering decreasing numbers of job openings in both Australia and Singapore, in sectors that include IT and finance, following a peak in the first half of 2022.

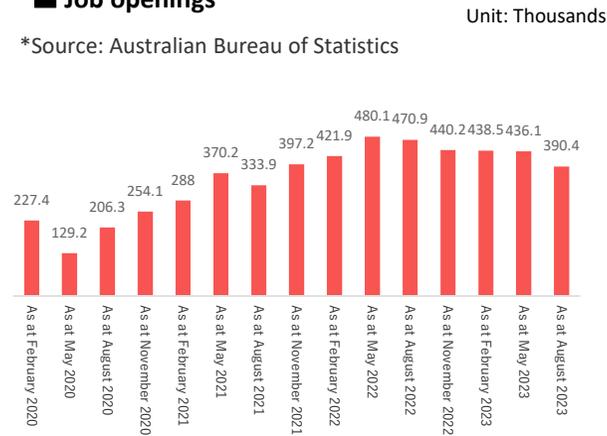
The results of the temporary staffing business, which is being developed in stable domains, have been strong. On the other hand, in permanent placement, the post-COVID-19 surge in manpower demand moderated in Q3 FY2023. We do not expect a significant recovery in permanent placement orders, and therefore we will continue to manage SG&A expenses such as personnel expenses while monitoring progress from Q3 onwards.



## Economic indicators

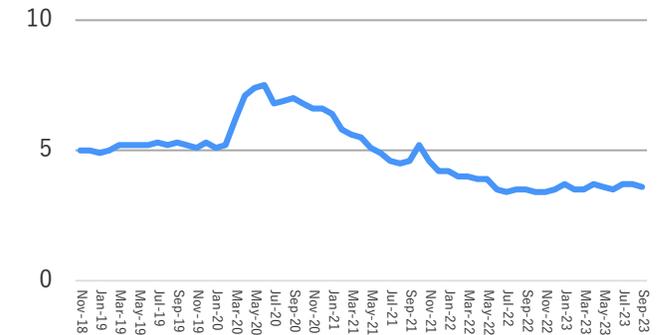
### Job openings

\*Source: Australian Bureau of Statistics



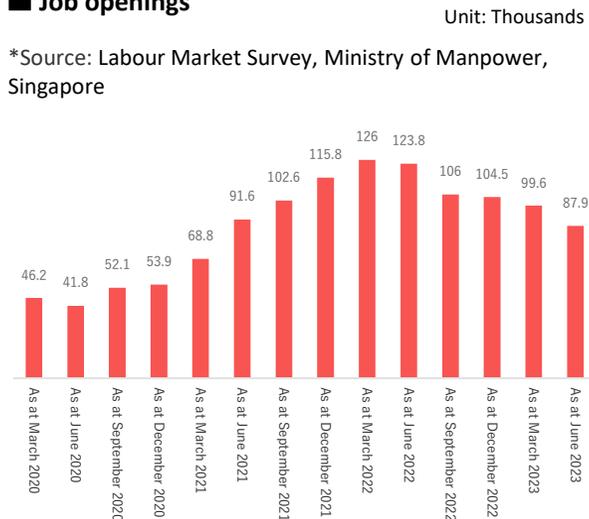
### Unemployment rate

\*Source: Australian Bureau of Statistics



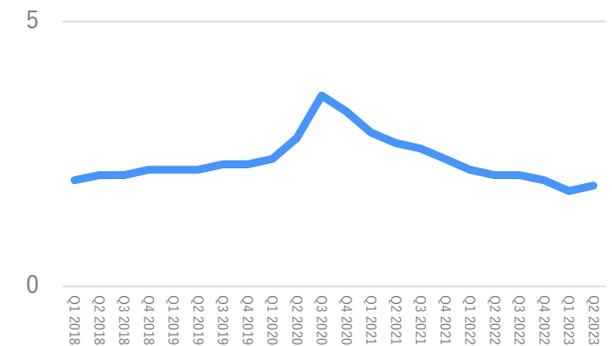
### Job openings

\*Source: Labour Market Survey, Ministry of Manpower, Singapore



### Unemployment rate

\*Source: Singapore Department of Statistics



# No Risk of Impairment Losses

The period of upfront investment in preparation for the future expansion of WILLOF CONSTRUCTION. Overseas, the post-COVID-19 surge in permanent placement demand moderated and levels have generally returned to levels prior to COVID-19. At present there is no risk of impairment at any of the companies.

					(Billions of yen)					
	Primary location	Business activities	Start of consolidation since (WILL GROUP ownership)	Investment *1	*2	1H FY2020	1H FY2021	1H FY2022	1H FY2023	1H FY2024
 WILLOF CONSTRUCTION	Tokyo metropolitan area 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%)	2.45	Revenue	2.25	2.59	2.74	3.51	4.93
					Profit *3	0.08	0.09	(0.32)	(0.41)	(0.33)
 ChapmanCG	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 (100%)	2.95	Revenue	0.95	0.69	1.29	1.27	0.96
					Profit *3	0.28	0.18	0.53	0.43	0.16
 u&u RECRUITMENT PARTNERS	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia.	2019/4 (100%)	4.39	Revenue	4.11	3.97	5.58	5.93	6.67
					Profit *3	0.37	0.40	0.77	0.62	0.56
 dfp Recruitment <small>THINKING PEOPLE</small>	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%)	1.63	Revenue	7.71	8.47	7.97	9.26	7.72
					Profit *3	0.23	0.25	0.21	0.40	0.32

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

\*2 Revenue and profit are the results for the April-September period regardless of the timing of consolidated disclosures.

Converted to yen at the rates of ¥105/SGD and ¥93/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.

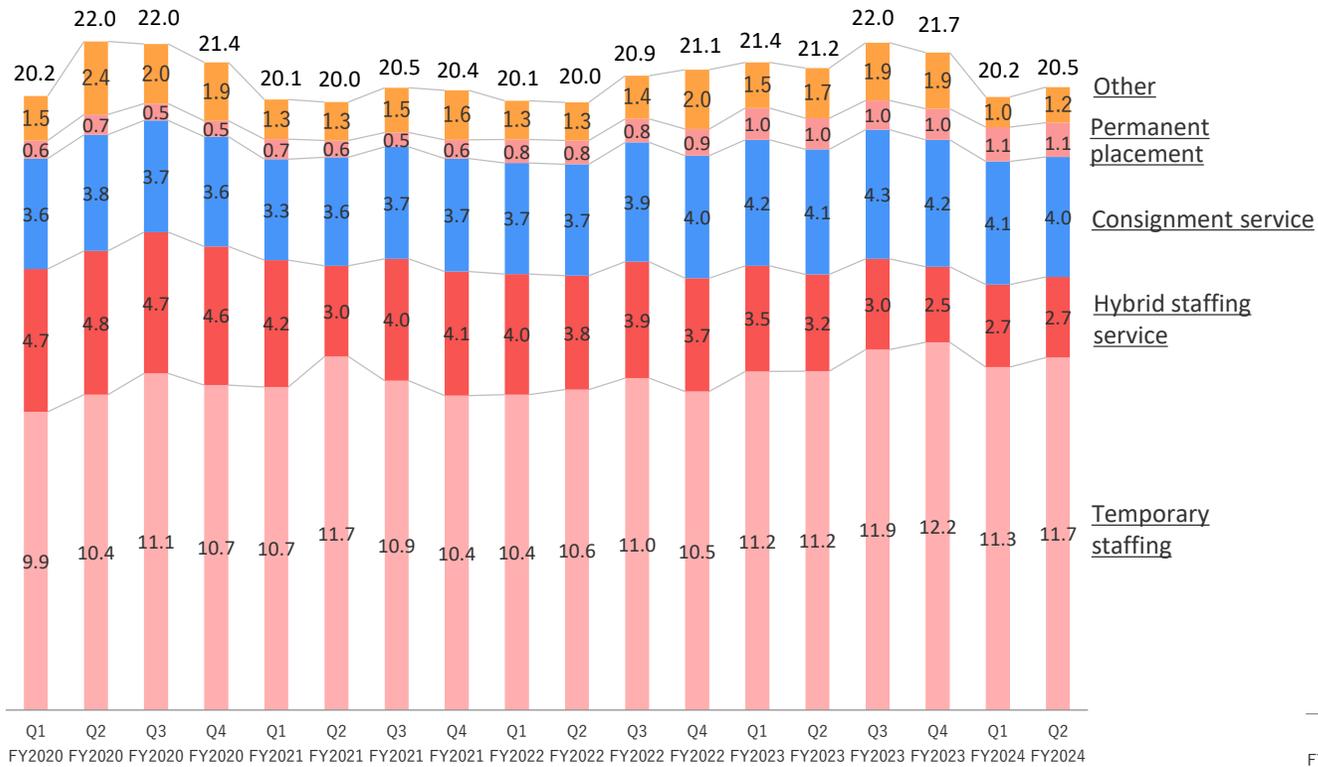
**Investment balance (above 4 companies): ¥11.4 billion**

**Investment balance (consolidated): ¥13.4 billion**

# Breakdown of Revenue by Region/Contract Type

(Billions of yen)

## Japan



## Overseas

