

# Financial Results for the Fiscal Year Ended March 31, 2019

---

May 24, 2019

Ryosuke Ikeda

Chairman and Representative Director, CEO

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



**I. FY3/19 Highlights**

**II. FY3/20 Forecast**

**III. Shareholder Returns**

**IV. Topics**

**1** Consistent Double-digit Sales Growth

**2** Higher Earnings Despite Investments for Growth

**3** Decline in Equity Ratio

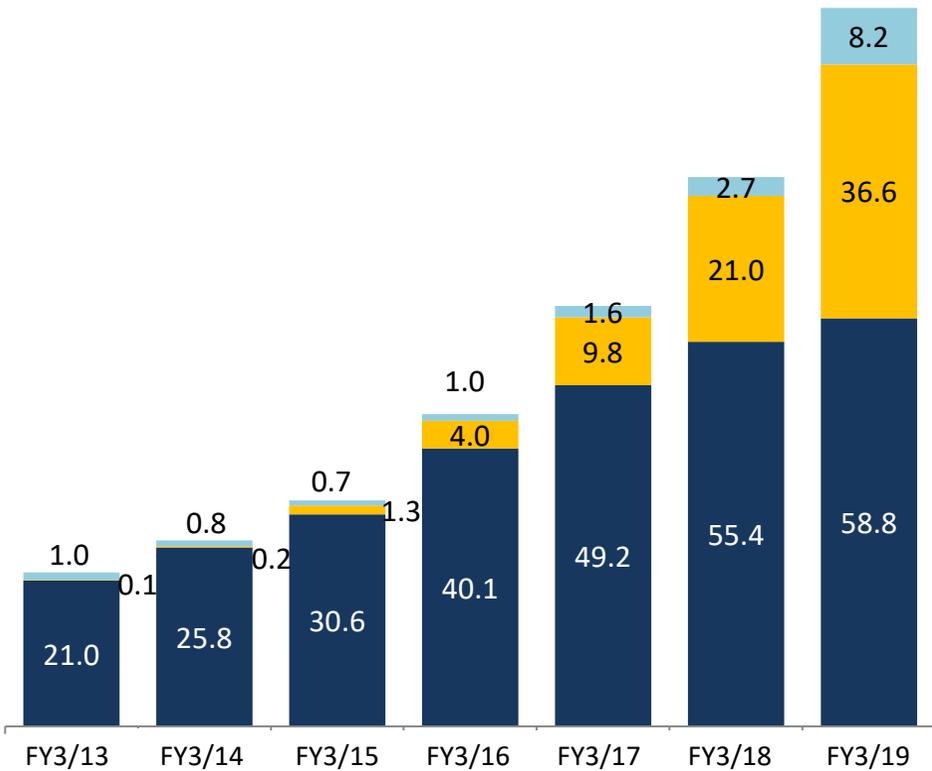
# Consistent Double-digit Sales Growth



(Consolidated net sales)

**+30.8% YoY**

(Billions of yen)



(Sources of sales growth)

New domain businesses

**+¥5.4 billion (+201%)**

Three strategic growth businesses

**+¥15.5 billion (+74%)**

(Growth drivers)

Three core businesses

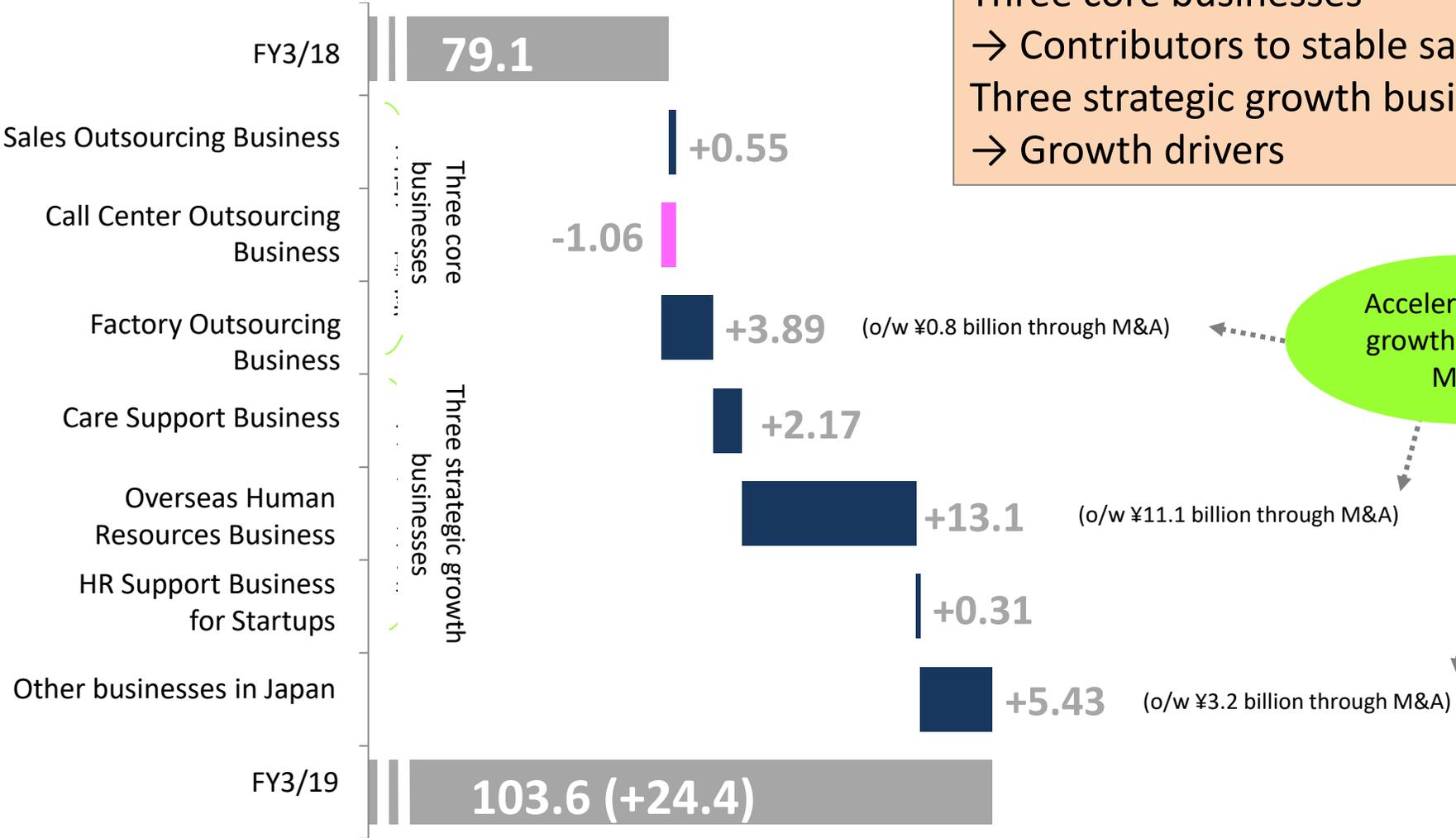
**+¥3.3 billion (+6%)**

(Contributors to stable sales)

# FY3/19 Consolidated Net Sales: Breakdown of Year-on-Year Changes



(Billions of yen)



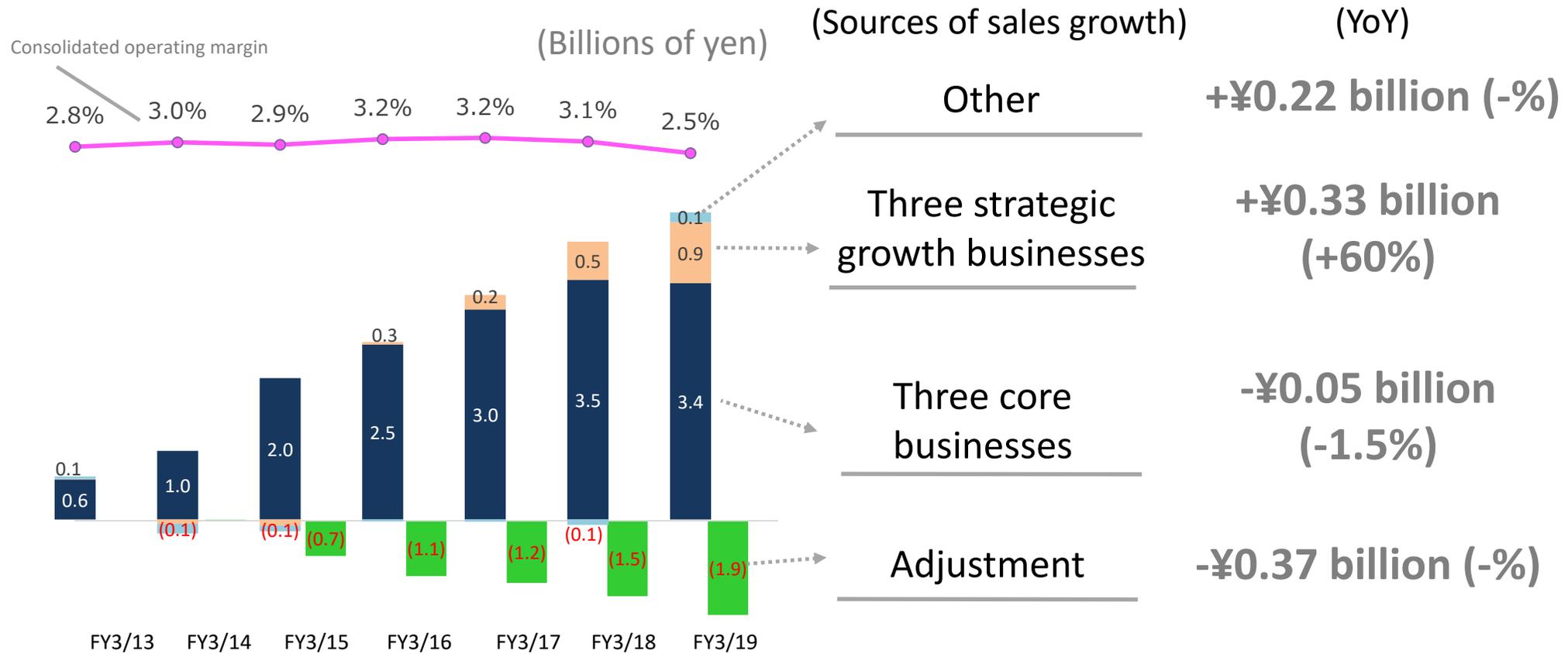
Three core businesses  
 → Contributors to stable sales  
 Three strategic growth businesses  
 → Growth drivers

Accelerate sales growth through M&A

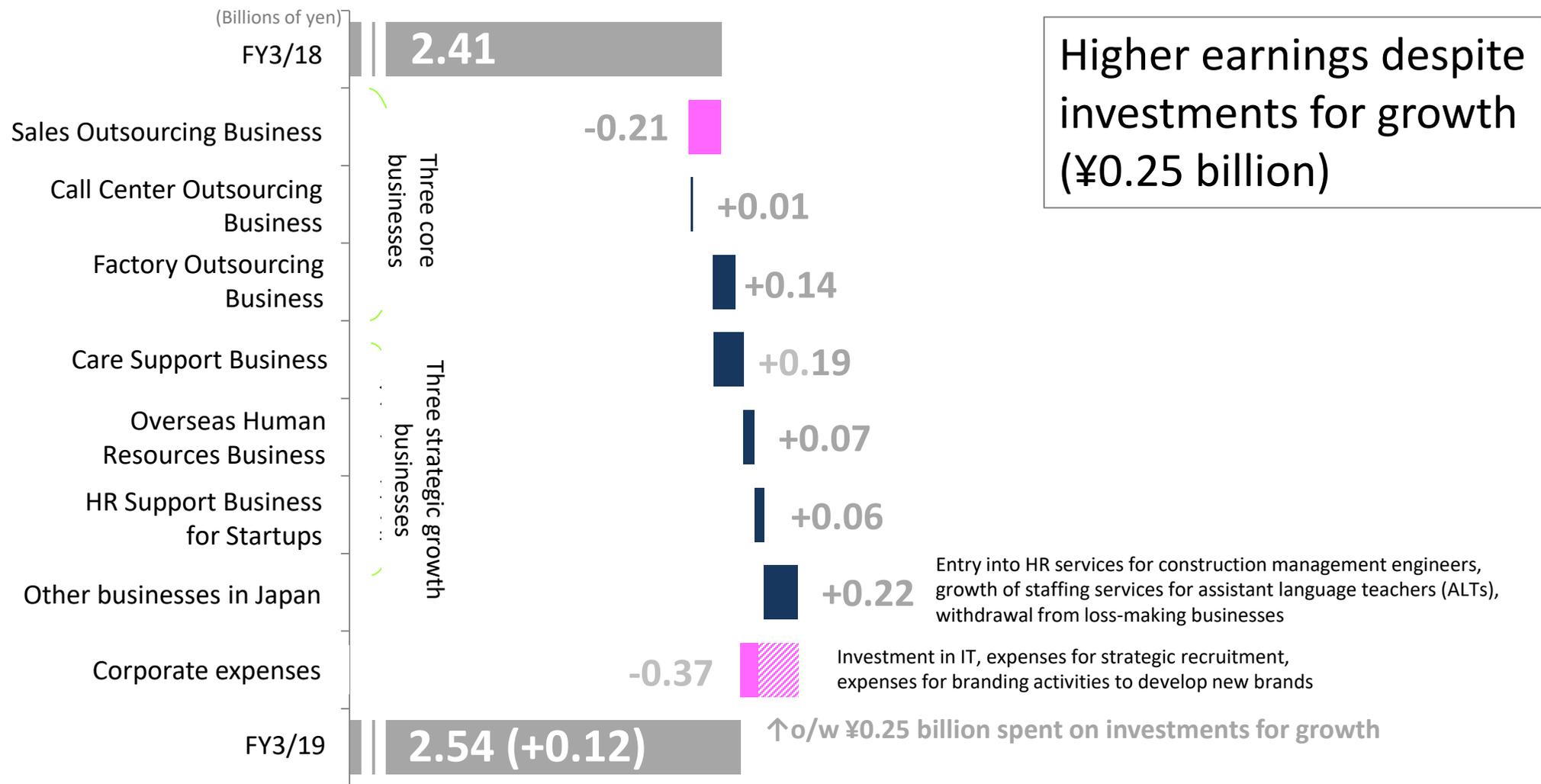
# Higher Earnings Despite Investments for Growth

## +5.2% YoY

(Consolidated operating profit)



# FY3/19 Consolidated Operating Profit: Breakdown of Year-on-Year Changes



## Changes in key metrics due to additional purchase of shares and M&A

	March 31, 2018 (Japanese GAAP)		March 31, 2019 (Japanese GAAP)
<b>Equity ratio</b>	<b>29.4%</b>		<b>20.1%</b>
<b>Net debt equity (D/E) ratio</b> <small>(Interest-bearing debt - Cash and deposits) / Shareholders' equity</small>	<b>-0.3 times</b>		<b>0.7 times</b>
<b>Goodwill to shareholders' equity ratio</b> <small>Goodwill outstanding / Shareholders' equity</small>	<b>0.2 times</b>		<b>0.7 times</b>
<b>Adjusted interest-bearing debt to EBITDA ratio</b> <small>Interest-bearing debt (excluding short-term loans) / EBITDA</small>	<b>1.1 times</b>		<b>2.7 times</b>

(Billions of yen)

	FY3/18	FY3/19	Change	% change
Net sales	79.1	<b>103.6</b>	+24.4	+30.8%
Operating profit	2.42	<b>2.54</b>	+0.12	+5.2%
Profit attributable to owners of parent	1.22	<b>1.23</b>	+0.0	+0.7%

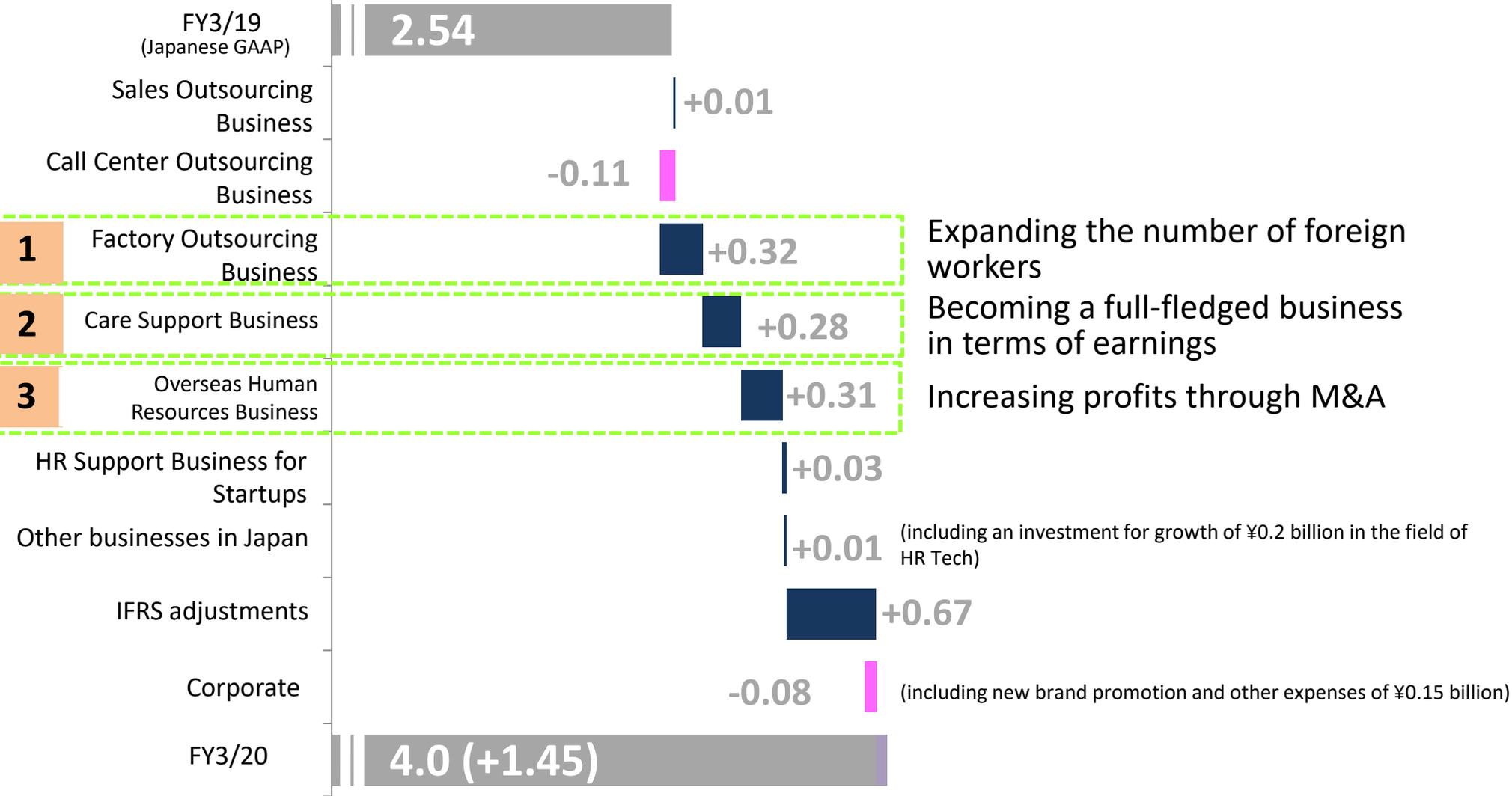
	FY3/19 (JGAAP)	FY3/20 (IFRS)	Change	(Billions of yen) % change
Net sales	103.6	<b>120.0</b>	+16.3	+15.8%
Operating profit	2.54	<b>4.0</b>	-	-
Profit attributable to owners of parent	1.23	<b>1.97</b>	-	-
EBITDA	3.66	<b>4.70</b>	+1.03	+28.1%

\* Except for net sales and EBITDA, the year-on-year comparisons against the results of FY3/19 are not presented because they were prepared under the Japanese GAAP.

# FY3/20 Consolidated Operating Profit (Estimate): Breakdown of Year-on-Year Changes



(Billions of yen)



# 1 Expanding the Number of Foreign Workers

(Factory Outsourcing Business)

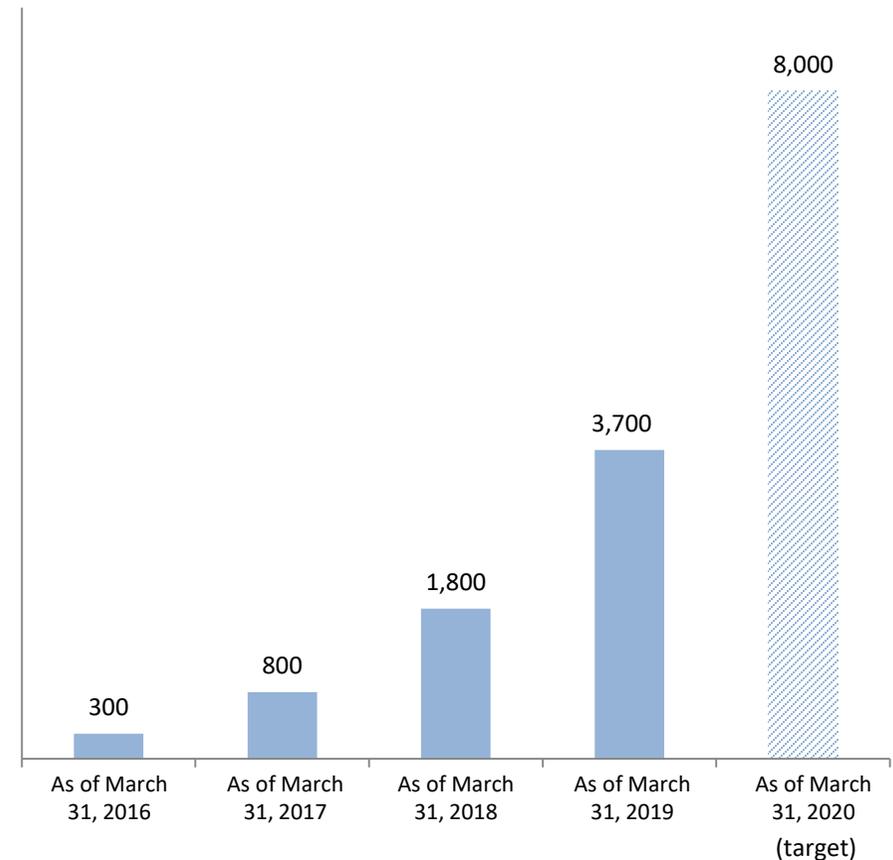


The number of foreign workers is on the rise as a result of our effort to enhance our personnel system so we can accommodate more foreign employees.

## Key highlights

- Make effective use of the hybrid team dispatch model (where foreign regular employees support foreign staff members)
- Foreign coordinators stationed at all offices
- A group company providing vocational training started accepting foreign interns and engineers in collaboration with a subsidiary in Myanmar and universities in Vietnam

Growth in the number of foreign workers on assignment  
(Factory outsourcing by WILL GROUP)

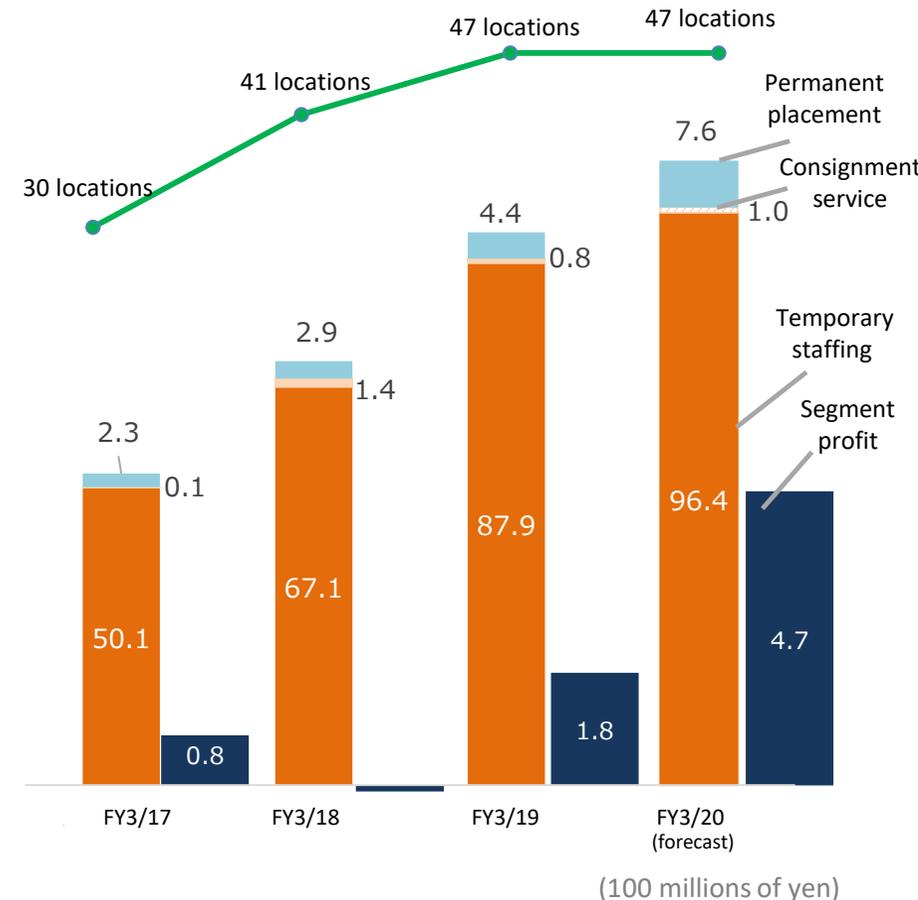


The segment is expected to earn sizable profits in FY3/19 and beyond.

## Key Highlights

- FY3/17: 30 locations → FY3/19: 47 locations (+17 locations)
- Almost complete investments for growth by the end of FY3/19  
Earn sizable profits in FY3/20 onwards
- Expand geographical coverage of the permanent placement business from metropolitan areas/local cities to across the country

Changes in net sales by type of contract / operating profits  
(WILL GROUP's Care Support Business)



The segment has expanded business through new consolidation of subsidiaries and strengthened collaboration among subsidiaries.

## Key Highlights

- The subsidiaries newly consolidated in FY3/19 and FY3/20 are contributing to earnings (operating profit +¥300 million)
- A locally hired executive has been appointed as CEO of an intermediary holding company overseas with a mission of aligning activities of 36 overseas consolidated subsidiaries to create synergy

### Contribution to earnings of subsidiaries newly consolidated in FY3/19

Company name: Quay Appointments Pty Ltd



Headquarters: Australia

Business: Temporary staffing and permanent placement of office work, accounting, finance and IT related personnel for government agencies

Net sales: ¥4,783 million (FY6/18)

Profit before income taxes: ¥223 million (FY6/18)

→ Consolidated since Oct. 2018

Company name: The Chapman Consulting Group Pte. Ltd.



Headquarters: Singapore

Business: Permanent placement of HR related personnel

Net sales: ¥1,133 million (FY12/17)

Profit before income taxes: ¥315 million (FY12/17)

→ Consolidated since Feb. 2019

Company name: u&u Holdings Pty Ltd.



Headquarters: Australia

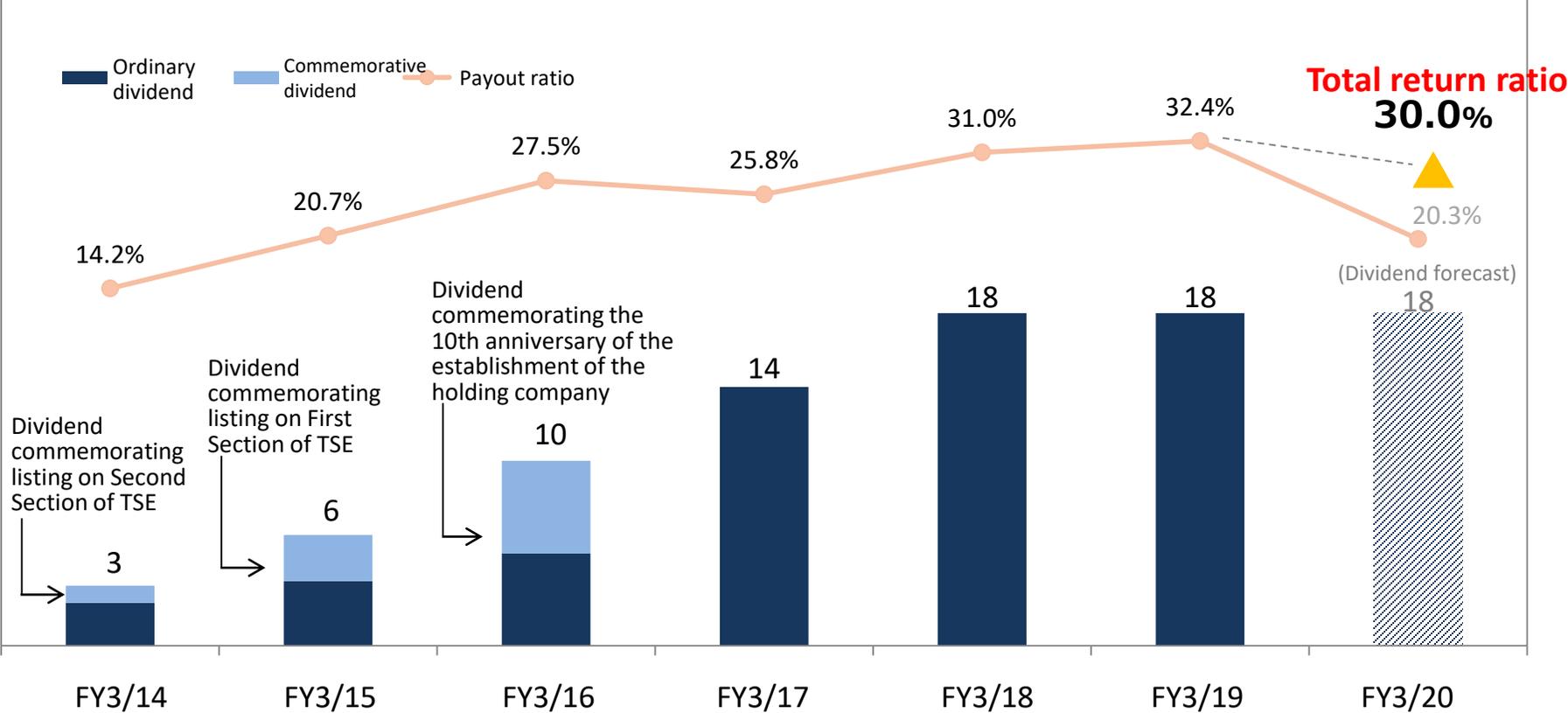
Business: Executive search service, temporary staffing and permanent placement of IT/accounting/finance/HR related personnel, for government agencies and major firms

Net sales: ¥4,574 million (FY6/18)

Profit before income taxes: ¥457 million (FY6/18)

→ Consolidated since May 2019

## Aiming to achieve a total return ratio of 30%, a target ratio for the medium-term management plan, in FY3/20



The amounts of dividend per share on this page are calculated retrospectively reflecting the 1-for-200 stock split on October 10, 2013, 1-for-2 stock split on September 1, 2014, 1-for-2 stock split on September 1, 2015, and 1-for-2 stock split on December 1, 2016.

**In October 2019, we unified the naming of our group companies in Japan by putting “WILLOF” at the top of their names to further increase the brand recognition.**

■ Brand Vision (what we aspire to become)

## Chance-Making Company

No matter what era you are in, you can dramatically transform yourself by thinking positively. Actually having witnessed many such moments, we have come to believe in the potential of people more than anyone else. This is exactly why we are keen to provide all people with opportunities to transform themselves in various aspects of their life, including at work, at places of learning, at leisure and at home. Our vision embodies our aspiration to keep creating opportunities for people to unlock and nurture their hidden potential they are not aware of, as well as to bring positive changes to people and businesses in the world.

■ Service Brand Symbol (logo mark)



“WILLOF” is a word coined by combining “WILL” and “OF”; “WILL” is suggestive of “WILLGROUP,” while “OF” means “belonging to.” Based on our positive will, an essential part of our DNA, we are determined to help all kinds of people, from business persons, senior workers, homemakers to foreign workers, achieve their “will.” In fact, the word “WILLOFF” mirrors our strong commitment to leveraging synergies among group companies and ultimately expanding our presence in business domains besides “Working.”



# 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.

■ IR Contact:

**WILL GROUP, INC.** Executive Office

Tel: +81-3-6859-8880

# Appendix

Our Group is engaged in temporary staffing, consignment service and permanent placement businesses both at home and abroad, with the “dispatch of hybrid teams” as a distinguishing feature.

Business

We operate 13 domestic and 33 overseas companies, which are engaged primarily in human resources services (temporary staffing, consignment and permanent placement) dedicated to certain categories, including Sales, Call Center, Factory and Care Support.

Business

We are a major player growing rapidly in the temporary staffing / consignment service / permanent placement segment.

- Has achieved sustainable growth in existing businesses
- Has built a high barrier to entry with the “dispatch of hybrid teams” and temporary staffing of foreign workers
- Has invested proactively in new business domains

Established

2006 (Founded in 1997)

Share of sales by business segment

Key consolidated financials

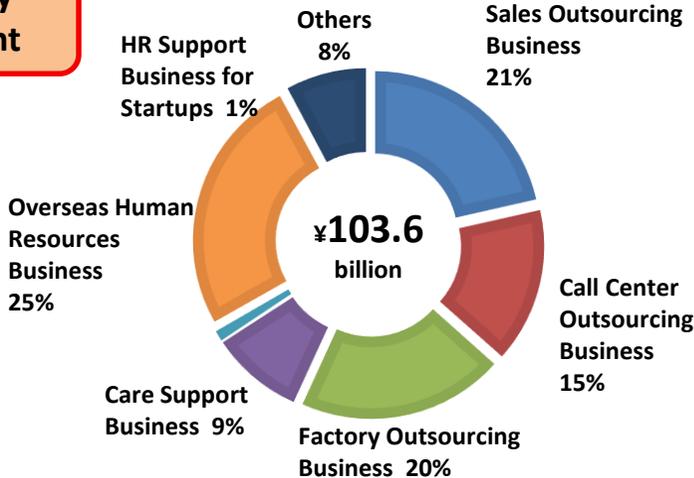
(FY3/19)	
Net sales	¥103.6 billion
Operating profit	¥2.54 billion

Headquarters  
Number of subsidiaries

Headquarters: Tokyo  
Number of subsidiaries: 48 (15 domestic, 33 overseas)  
\*Overseas locations: Australia, Singapore, Malaysia, Myanmar and others

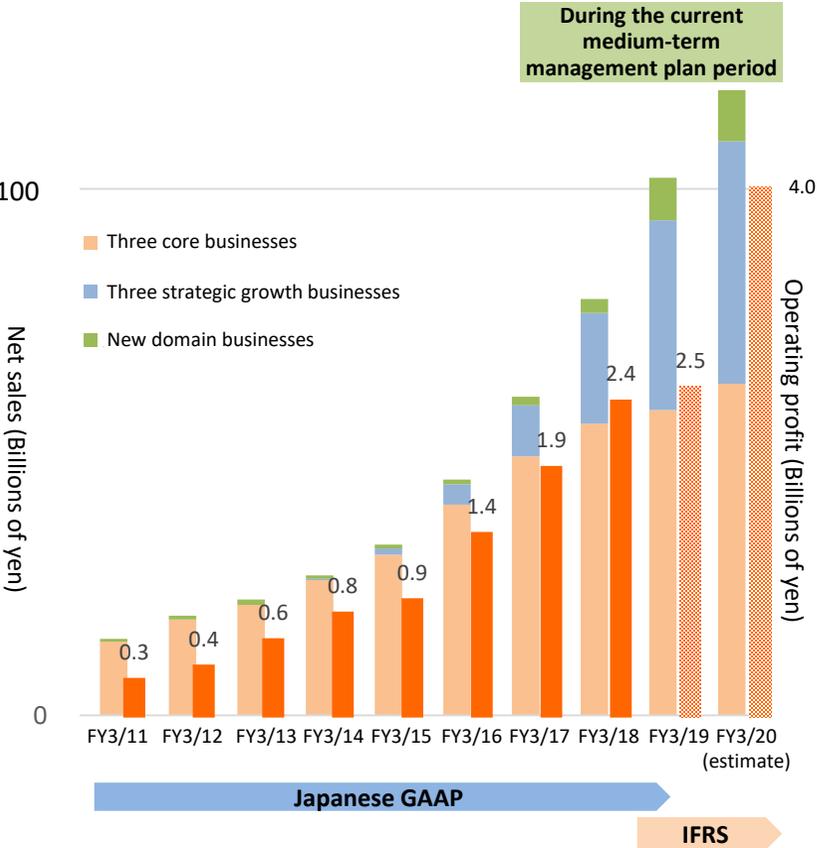
Number of employees  
(As of December 31, 2018)

3,529

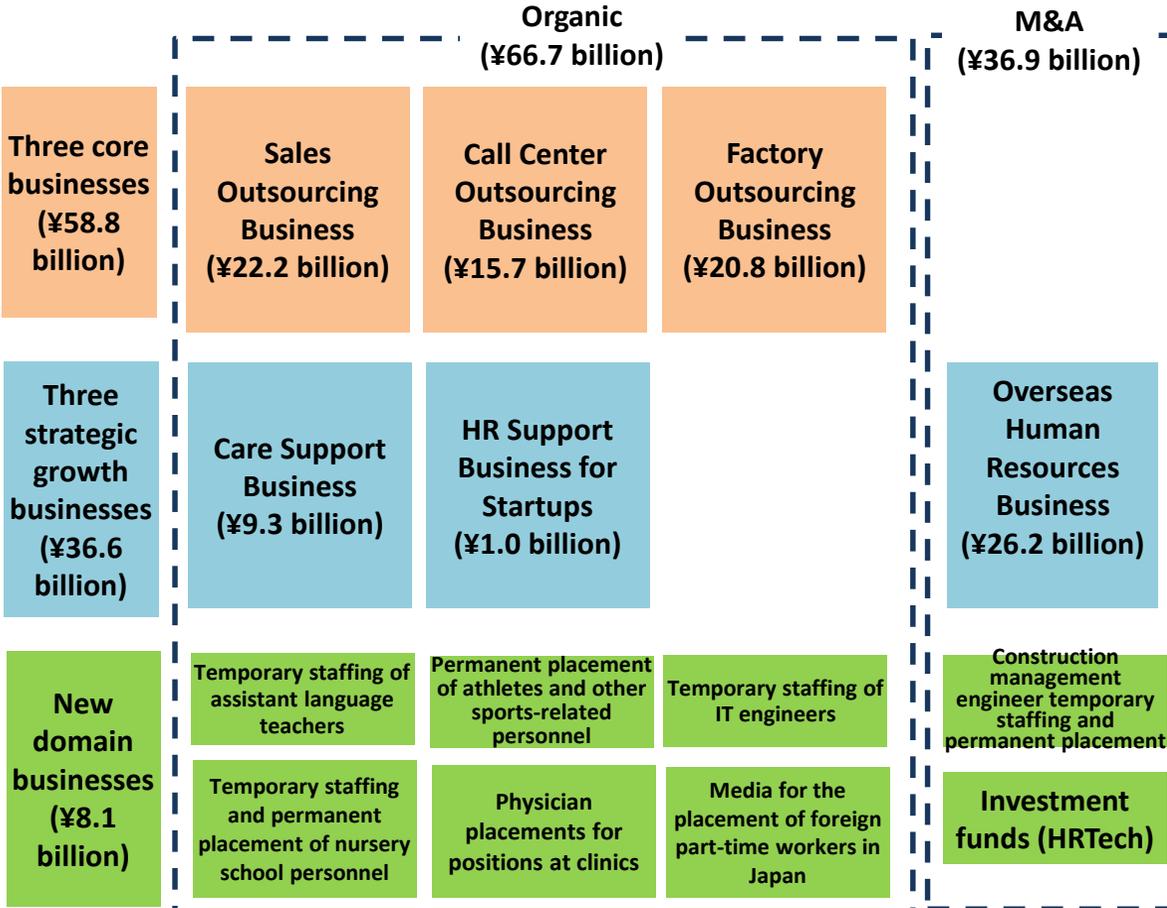


## 9th consecutive year of sales and earnings growth

Already achieved the medium-term sales target of 100 billion yen a year ahead of schedule



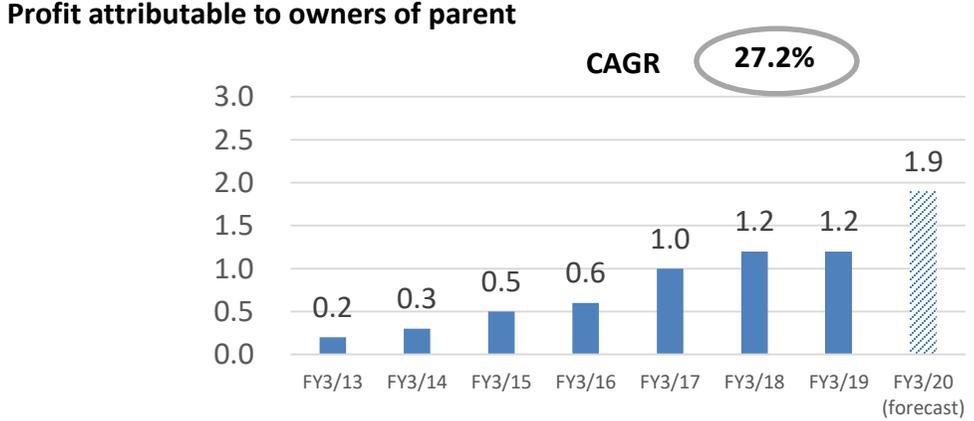
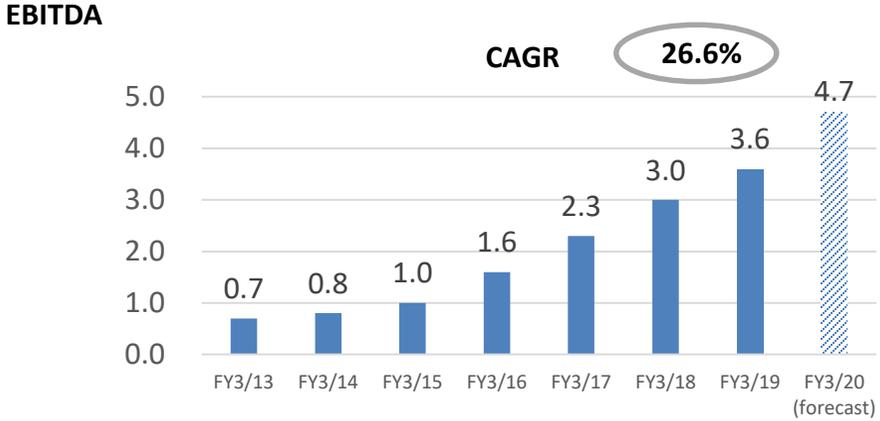
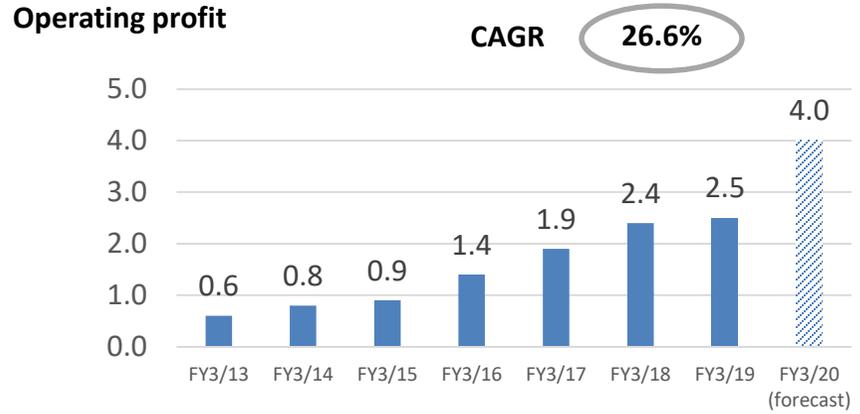
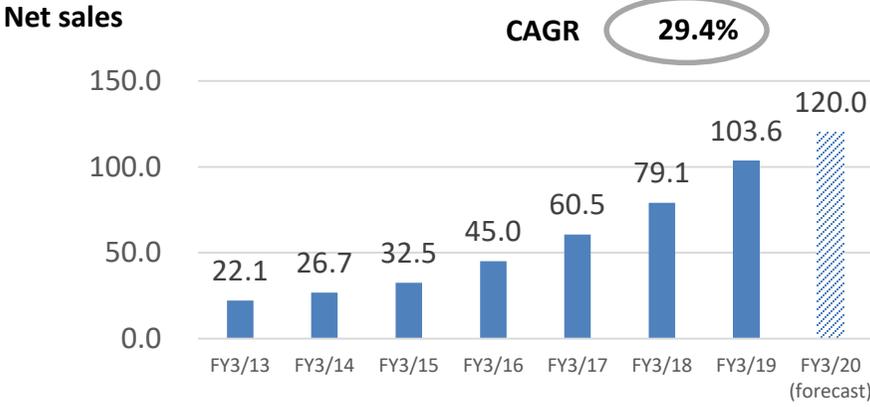
In addition to growth of the three core businesses, three strategic growth businesses and M&A have contributed significantly to our growth



# Consolidated Earnings Trends



## Financial Indicators (Billions of yen)



\* The figures for FY3/13 through FY3/19 were prepared under the Japanese GAAP, while those for FY3/20 (forecast) are under IFRS.

# Effect of Voluntary Adoption of IFRS (FY3/19)

(Billions of yen)

	Japanese GAAP (FY3/19)	Effect		IFRS* (FY3/19)
Net sales	103.6	0	Net sales	103.6
Operating profit	2.5	+0.5	Operating profit	3.0
Ordinary profit	2.6			
Profit before income taxes	2.6	+0.5	Profit before income taxes	2.9
Profit attributable to owners of parent	1.2	+0.5	Profit attributable to owners of parent	1.7

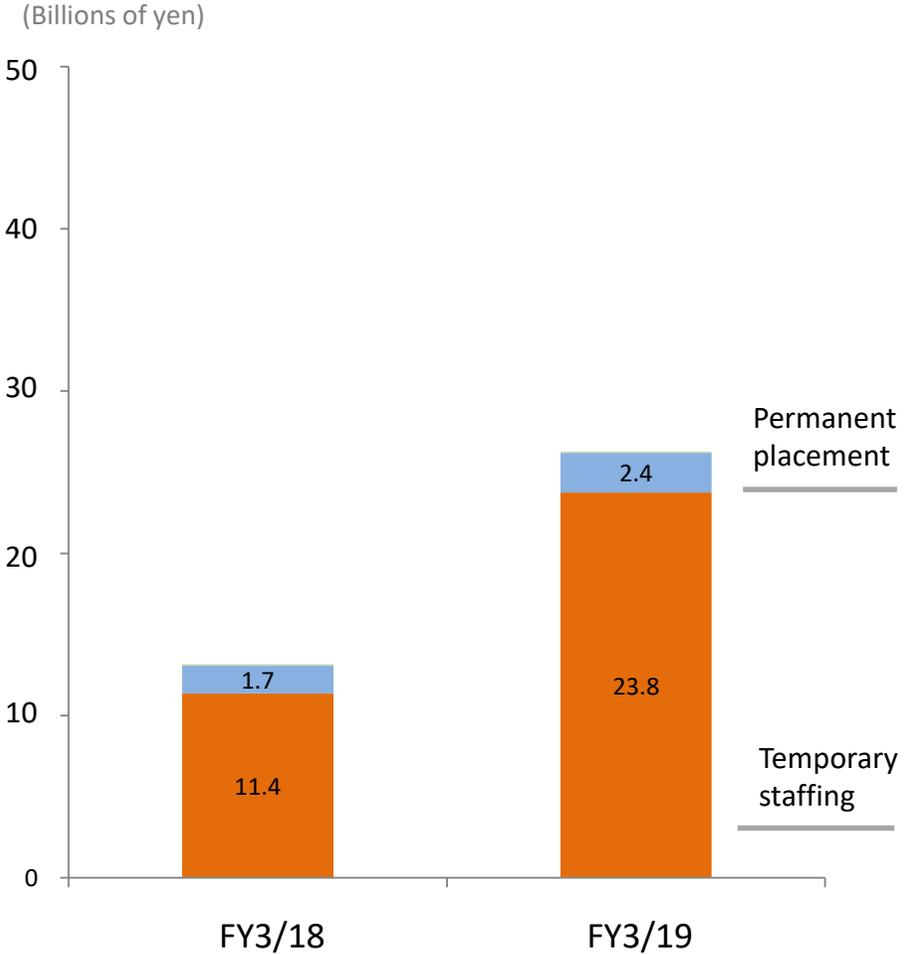
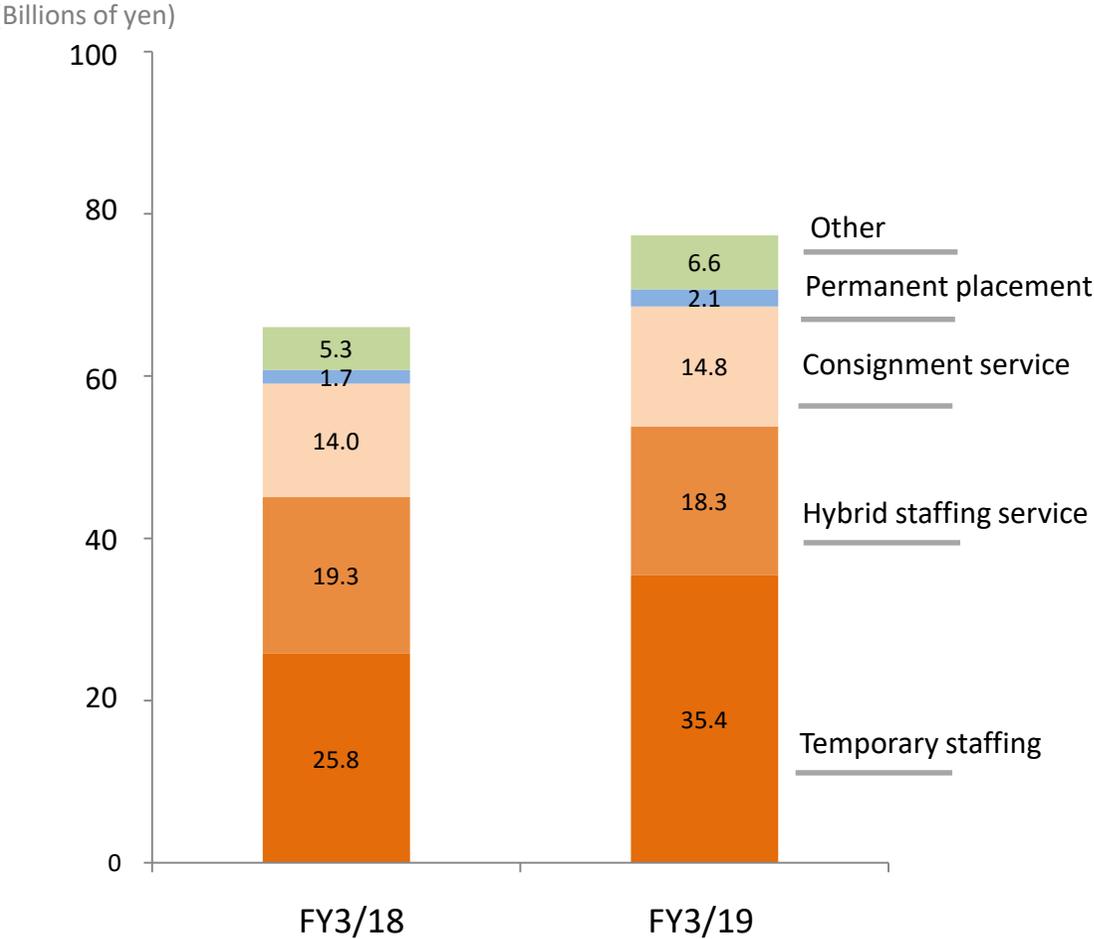
## Effect on operating profit: Approx. + ¥0.5 billion

- ▶ Amortization of goodwill discontinued (Impact on operating profit: Approx. +¥0.7 billion)
  - ▶ Share-based compensation expenses recognized (Impact on operating profit: Approx. -¥0.2 billion)
  - ▶ Provision for paid leave recognized (Impact on operating profit: Approx. -¥0.1 billion)
  - ▶ Reclassification to affect operating profit (Impact on operating profit: Approx. +¥0.1 billion)
- (Some of non-operating income/expenses and extraordinary income/losses under JGAAP have now been reflected in operating profit.)

\*IFRS-based figures from the following slides are unaudited and provided for reference purposes only.

## Human resources services in Japan

## Overseas Human resources services

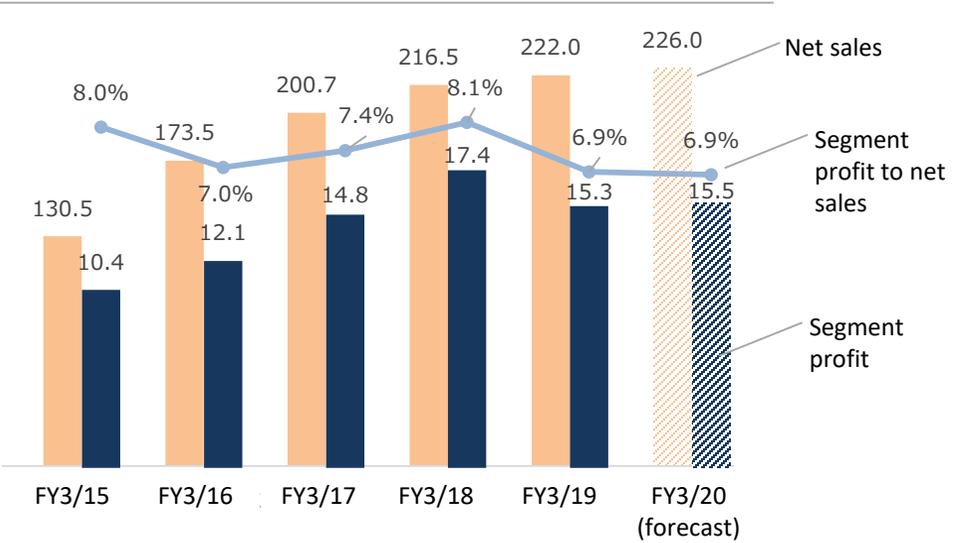


# FY3/20 Forecast by Business Segment

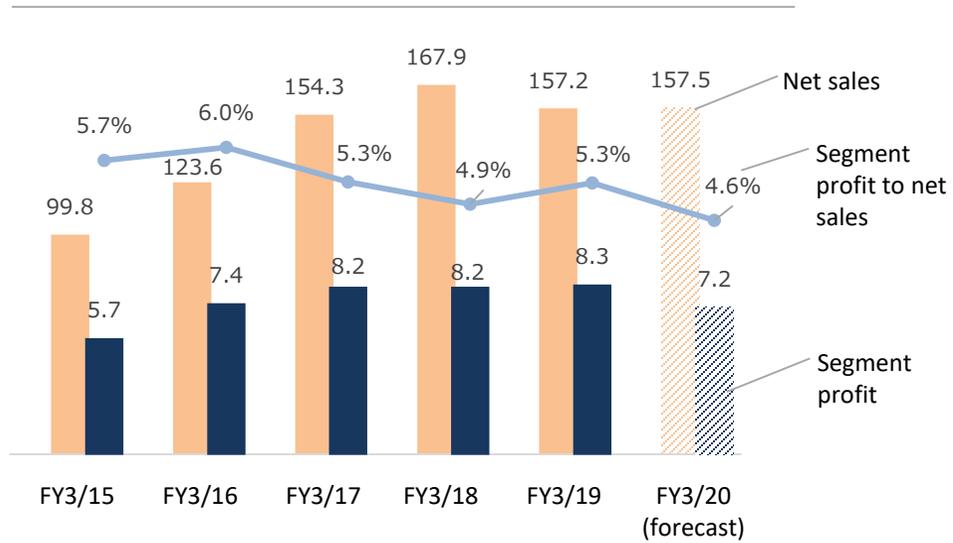


(100 millions of yen)

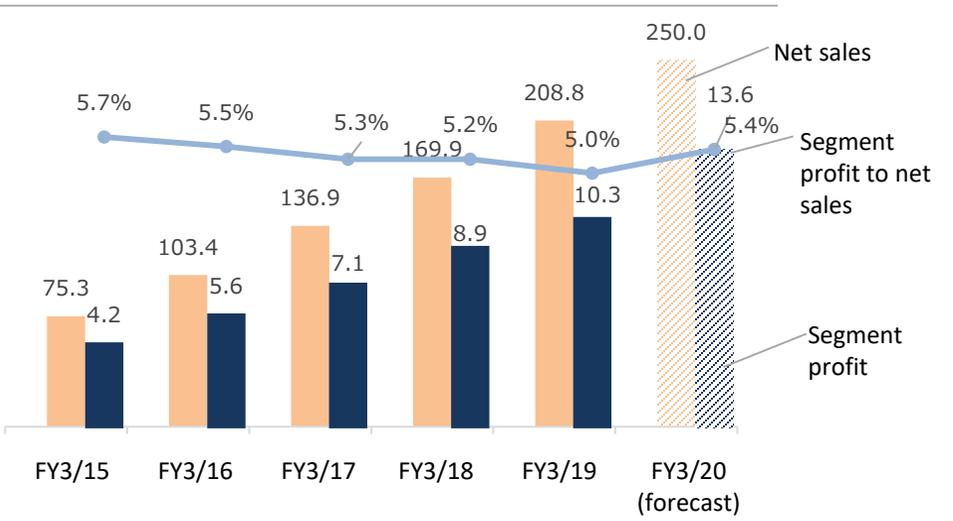
## Sales Outsourcing Business



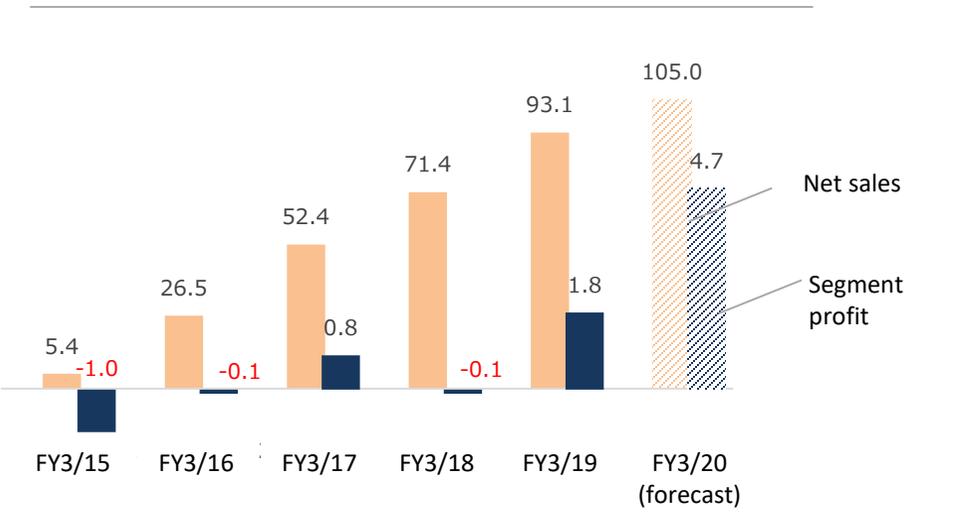
## Call Center Outsourcing Business



## Factory Outsourcing Business



## Care Support Business

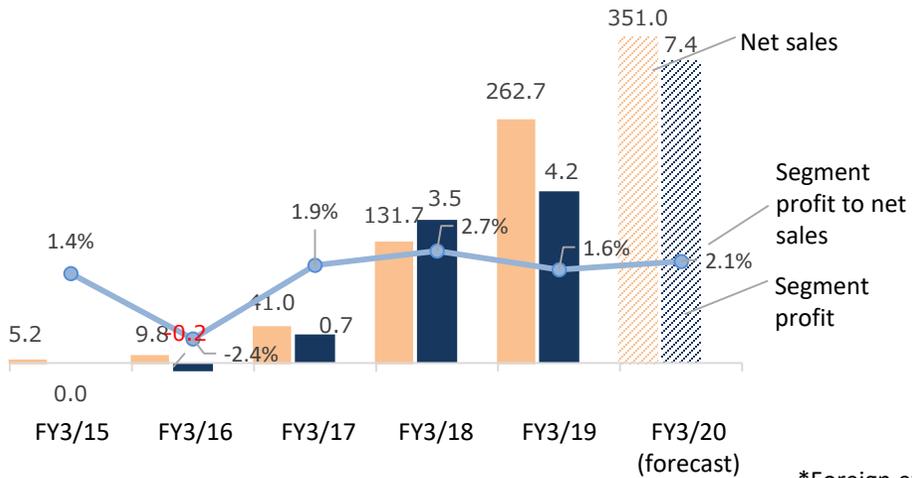


# FY3/20 Forecast by Business Segment

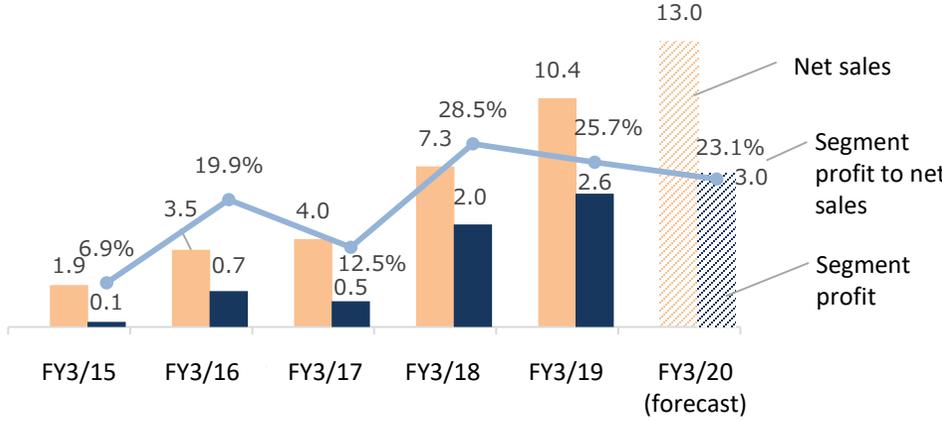


(100 millions of yen)

## Overseas Human Resources Business\*



## HR Support Business for Startups



\*Foreign exchange rate assumptions  
 SGD 1 = JPY 77  
 AUD 1 = JPY 79

## Other businesses

