Supplementary Materials for the First Quarter of the Fiscal Year Ending March 31, 2022

August 6, 2021

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

Contents

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 ending March 31, 2022. Accordingly, reportable segment information for the previous corresponding quarter has been restated.

Ⅰ. 1Q FY3/21 Highlights

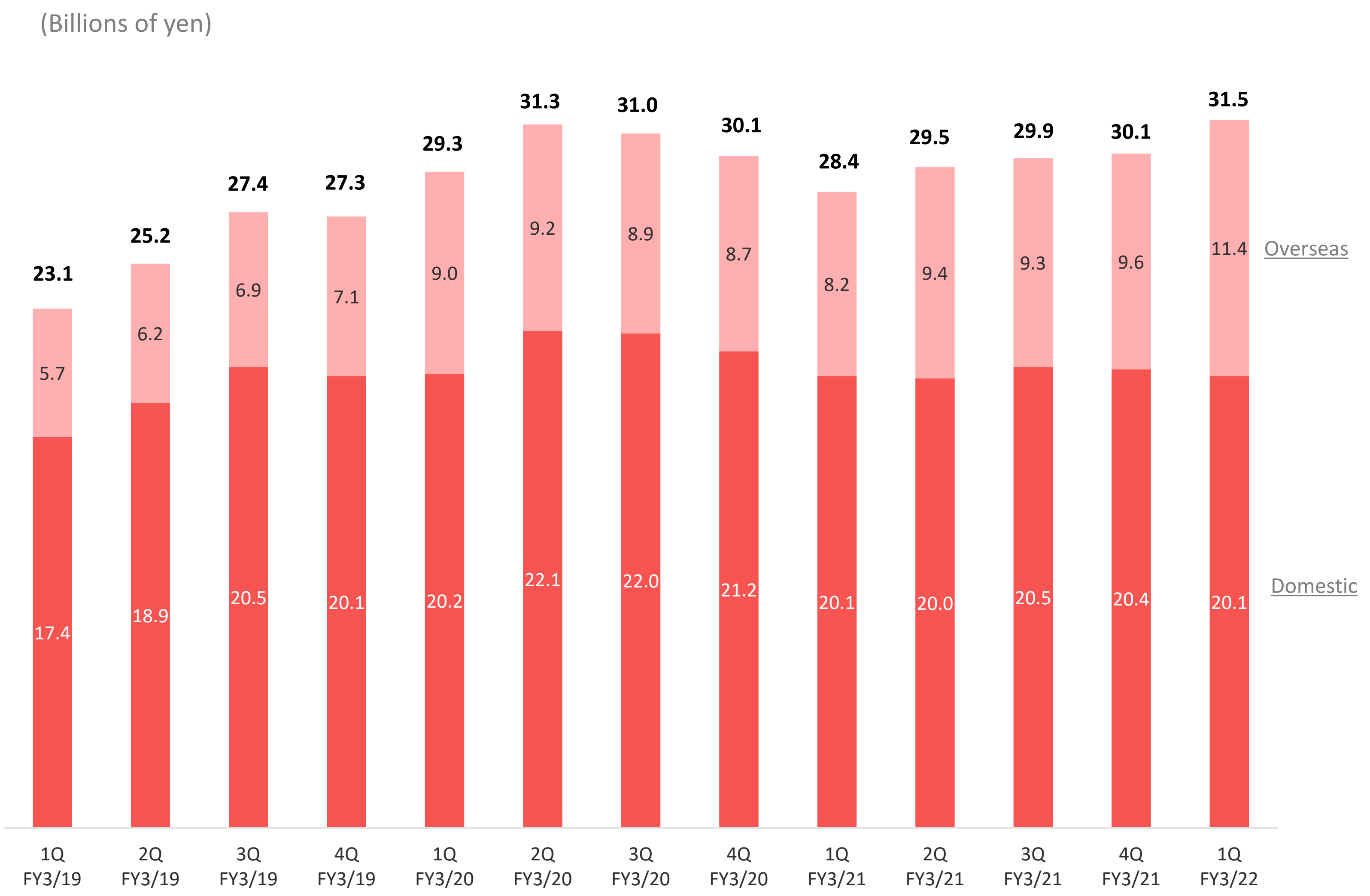
1Q FY3/22 Highlights

In the first quarter, revenue in the HR support for startups and permanent placement in the Overseas WORK Business were strong. The basic strategy of the medium-term management plan, “WORK SHIFT Strategy,” progressed as planned.

(Billions of yen)	1Q FY3/21	**1Q FY3/22**	Vs. 1Q FY3/21	
			Change	% change
Revenue	28.63	**31.53**	+2.90	+10.1%
Gross profit (Gross margin)	5.86 (20.5%)	**6.90** **(21.9%)**	+1.03 (+1.4pt)	+17.7%
Operating profit (Operating margin)	0.98 (3.5%)	**1.13** **(3.6%)**	+0.14 (+0.1pt)	+14.9%
Profit before tax	0.97	**1.14**	+0.16	+17.3%
Profit attributable to owners of parent	0.63	**0.70**	+0.07	+11.1%
EBITDA (Operating profit + Depreciation and amortization)	1.51	**1.61**	+0.10	+6.9%

Number of employees: 5,156
(+311 from the end of FY3/21)

Consolidated Revenue



1Q FY3/22 revenue was ¥1.4 billion above the 4Q FY3/21

(The effects of foreign exchange rate: +¥0.8 billion)

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

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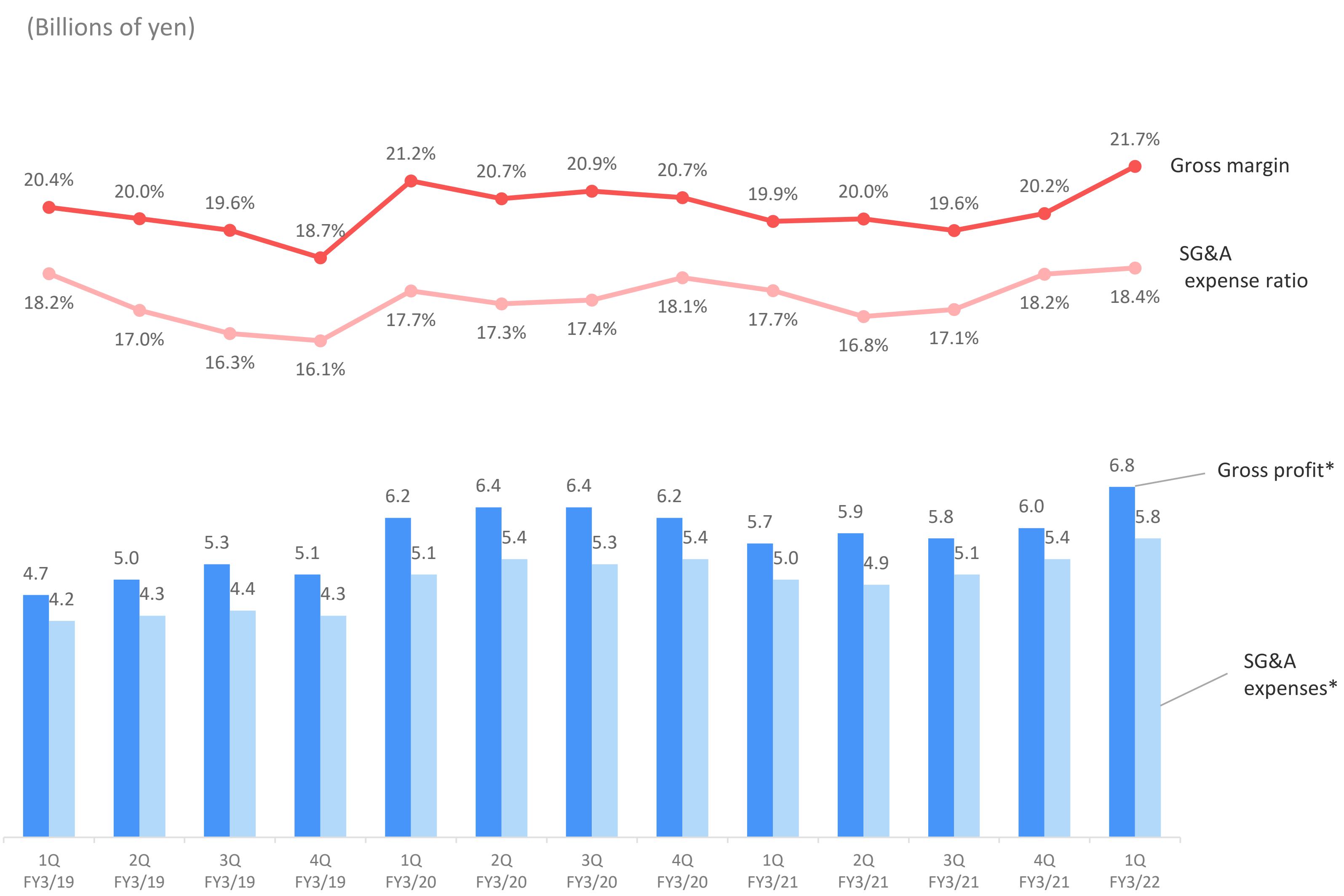
Consolidated Gross Margin and SG&A Expense Ratio



*Gross profit and SG&A expenses in 1Q FY3/22 are based on adjusted figure that excludes overseas subsidy income.

The gross margin improved.
Upfront investment was ¥0.28 billion, compared with the first quarter plan of ¥0.33 billion.

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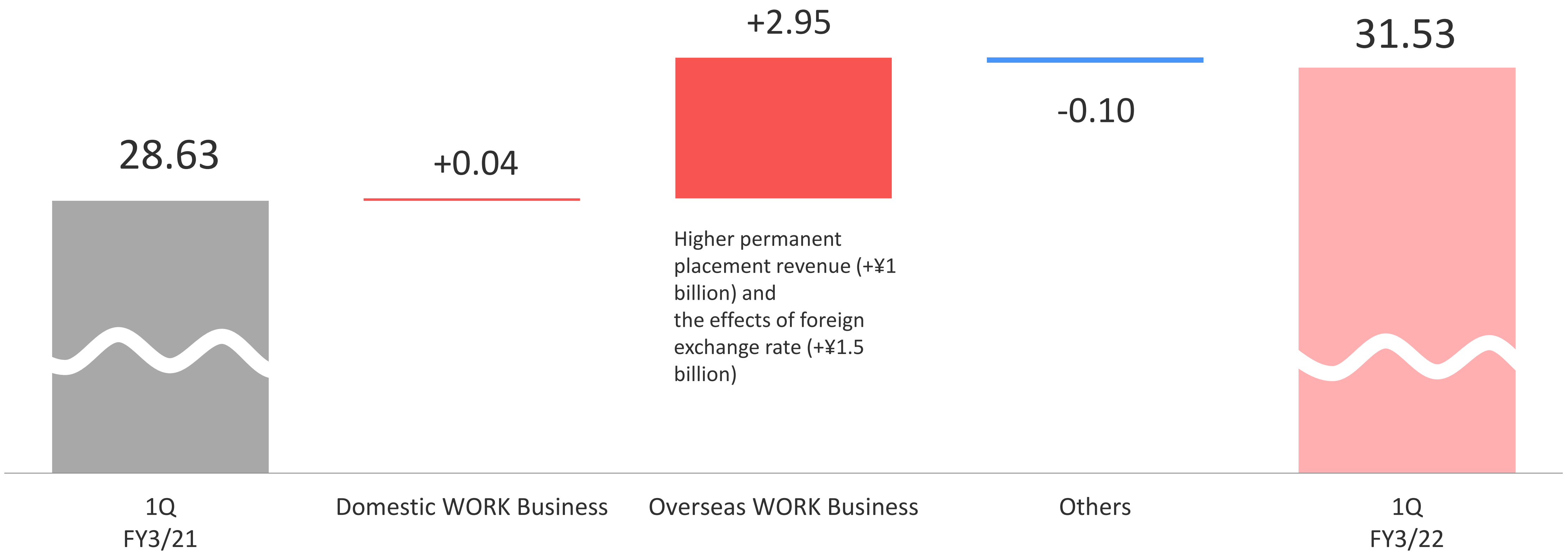
1Q FY3/22 Revenue: Breakdown of Year-on-Year Changes

(Billions of yen)

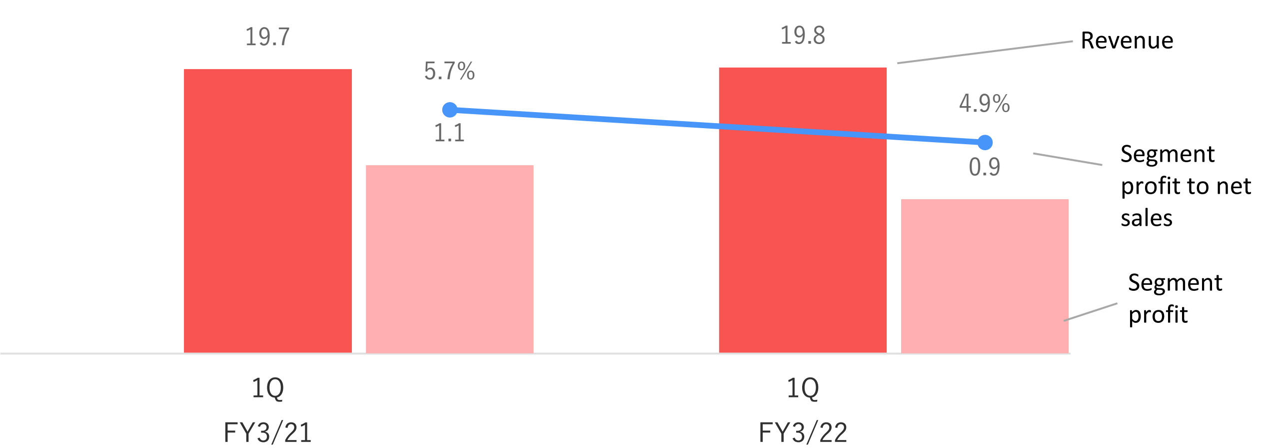


1Q FY3/22 Operating Profit: Breakdown of Year-on-Year Changes

(Billions of yen)

Domestic WORK Business

Revenue and segment profit (Billions of yen)

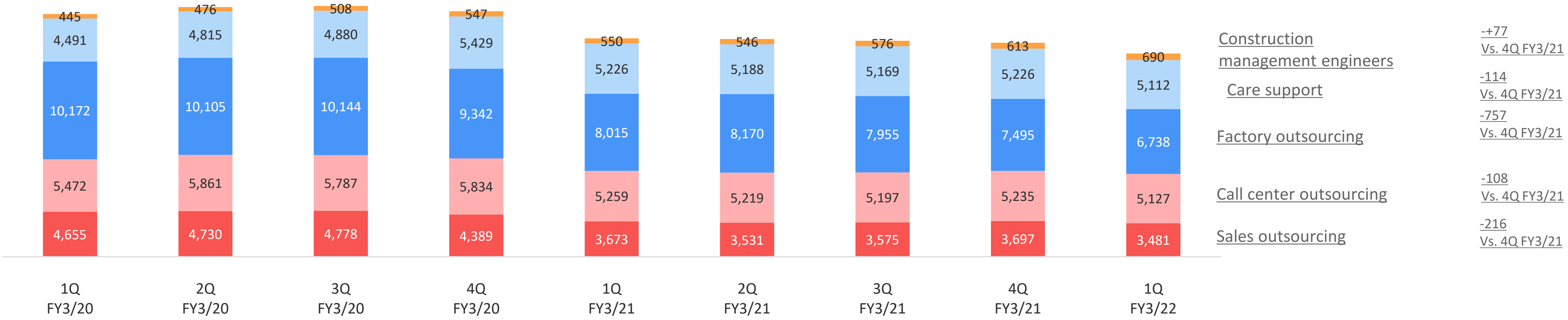


(Billions of yen)	1Q FY3/22 Results	1Q FY3/21 Results	Change
Revenue	**19.83**	19.78	+0.3%
Segment profit	**0.97**	1.12	-13.2%

Topics

- ➢The number of worker on assignments decreased in the factory sector caused by production cuts and production plan revisions by client companies.
- ➢Upfront investments (¥280 million) for nursing care personnel, construction engineers and HR support for startup firms.

Number of workers on assignments (person)



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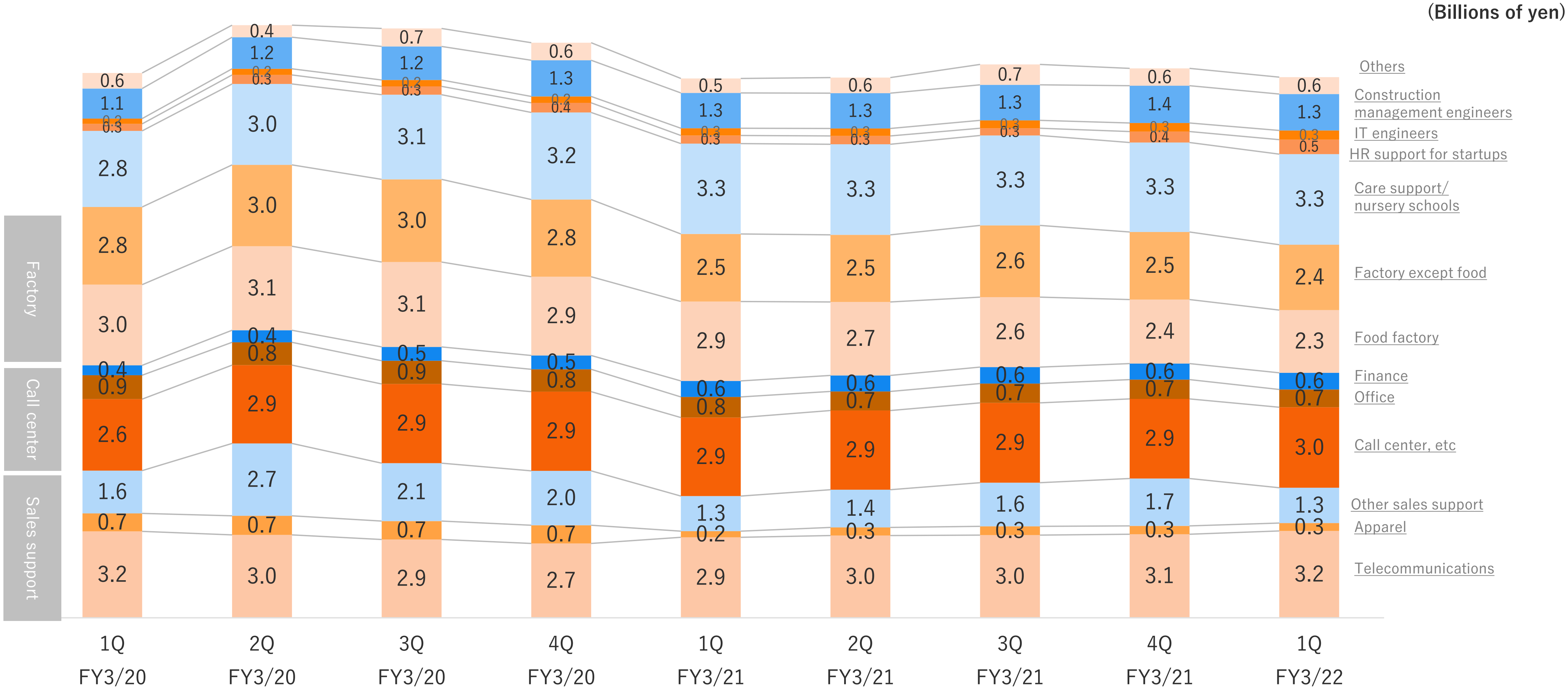
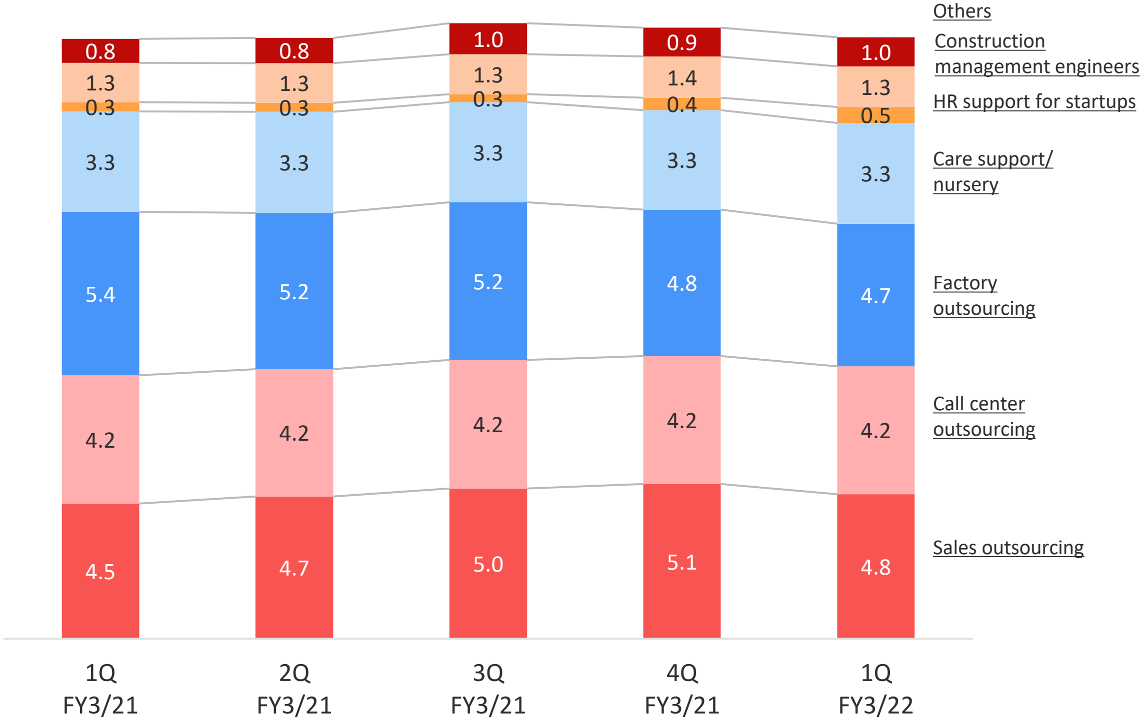
COVID-19 negatively affected the apparel, other sales support and factory sectors

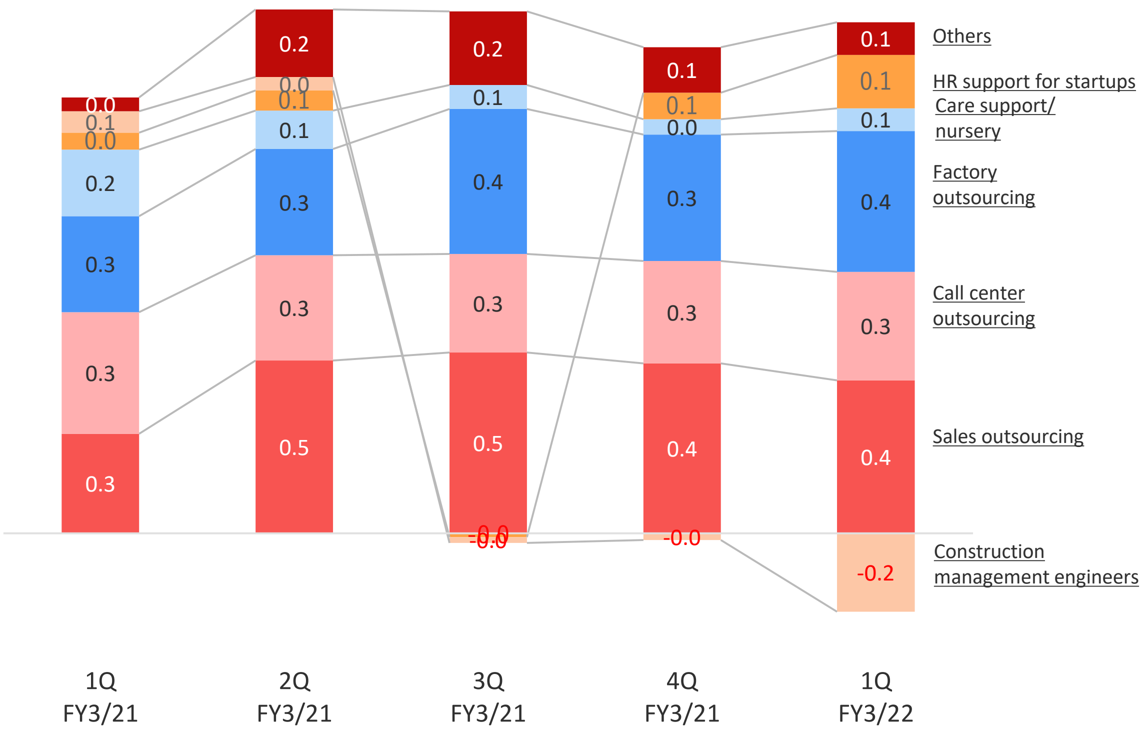


Domestic WORK Business (Sales and operating profit by sector)

The call center outsourcing and care support/nursery school sectors performed well.
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).

(Billions of yen)





*Intra-segment consolidation adjustments are not included.

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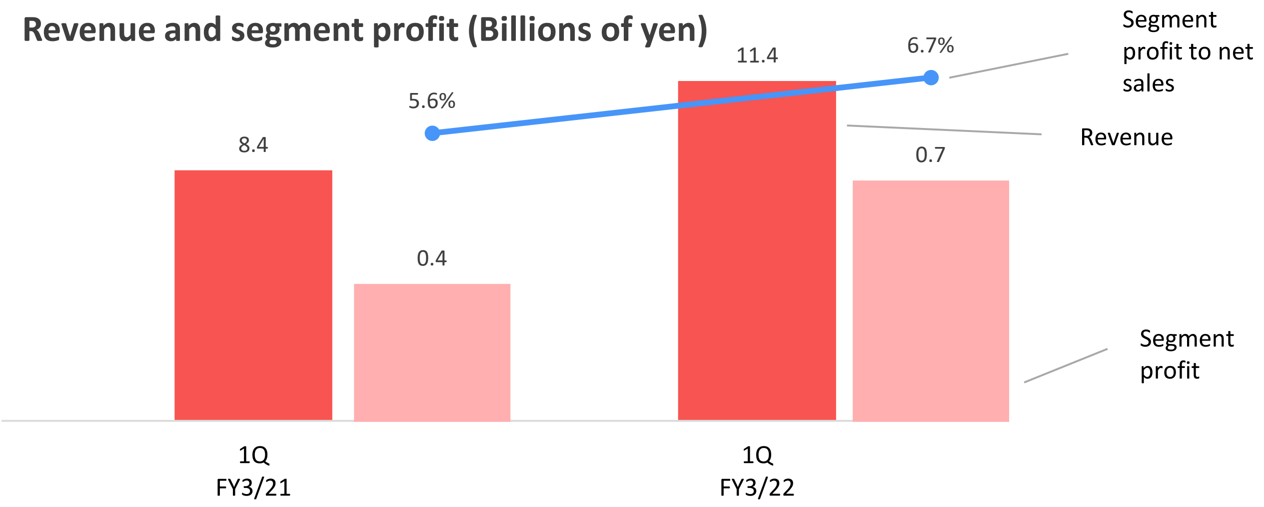
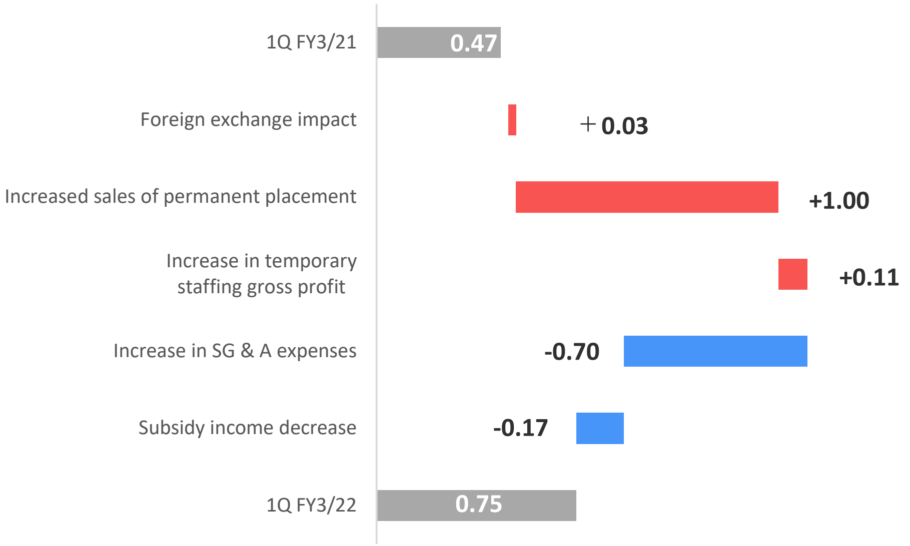
Overseas WORK Business

Revenue and segment profit (Billions of yen)



(Billions of yen)	1Q FY3/22 Results	1Q FY3/21 Results	Change
Revenue	**11.41**	8.45	+35.0%
Segment profit	**0.75**	0.47	＋60.9%

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



Topics

- ➢Both Australia and Singapore have been able to contain the spread of the COVID-19 pandemic, and recruiting activity, which had been restrained, has resumed, resulting in a significant increase in permanent placement sales.
- ➢Received an employment support subsidy (approx. ¥70 million) as in FY3/21 as a countermeasure against COVID-19 in Singapore.

Forex sensitivity

	Initially assumed	1Q FY3/22 Results	1Q FY3/21 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥68	¥84	¥70	¥380 mln	¥10 mln
SGD	¥72	¥82	¥76	¥90 mln	¥0 mln

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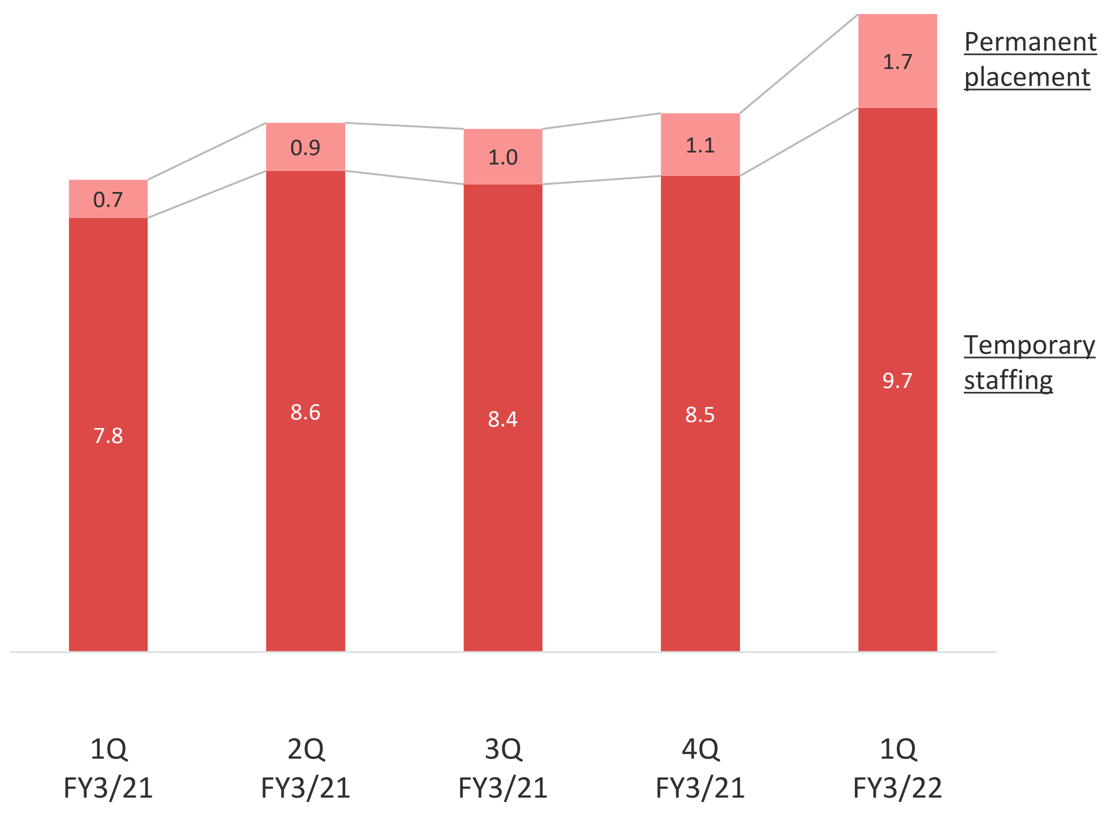
Overseas WORK Business (Sales by contract type, sector operating profit)

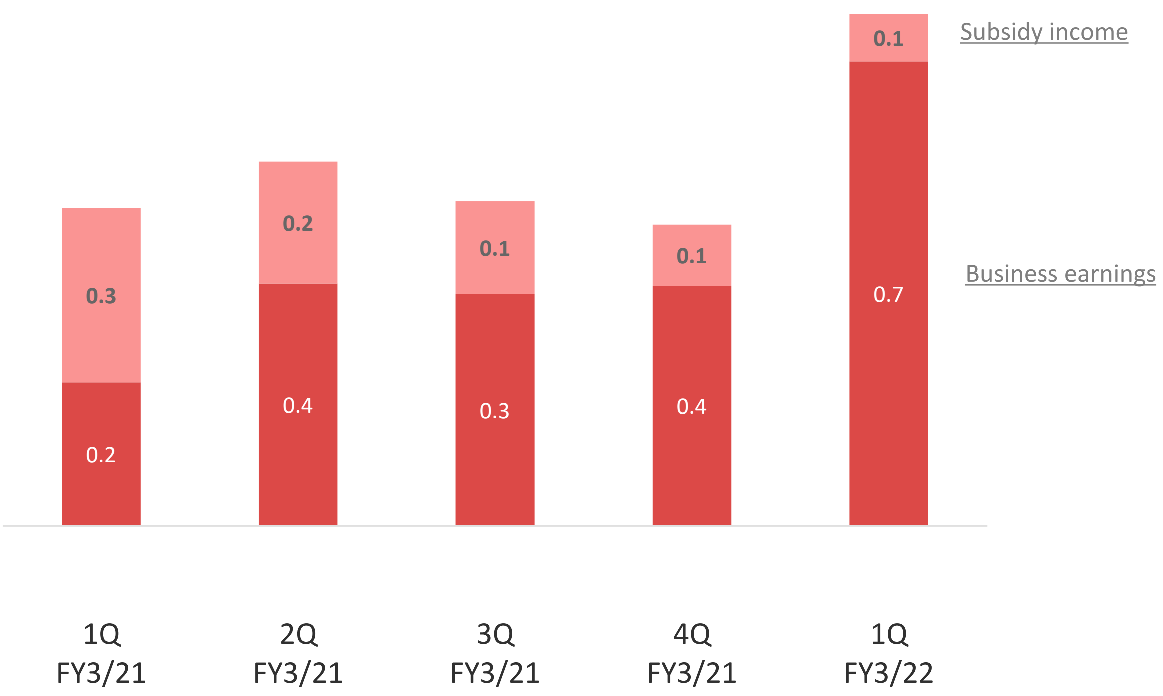
Permanent placement sales increased and earnings from business activities (excluding subsidies) are recovering

(Billions of yen)

Sales by contract type



Operating profit by sector



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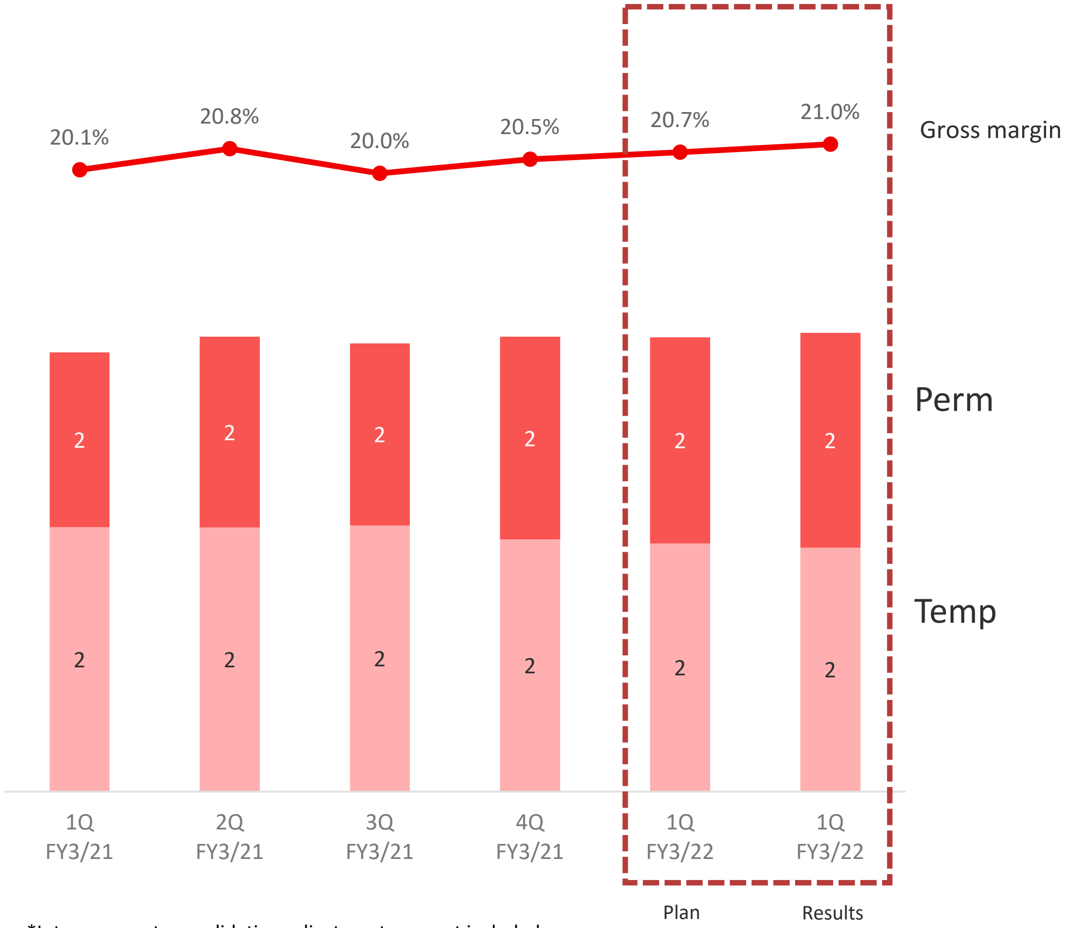
Business Portfolio Changes in Japan and Overseas

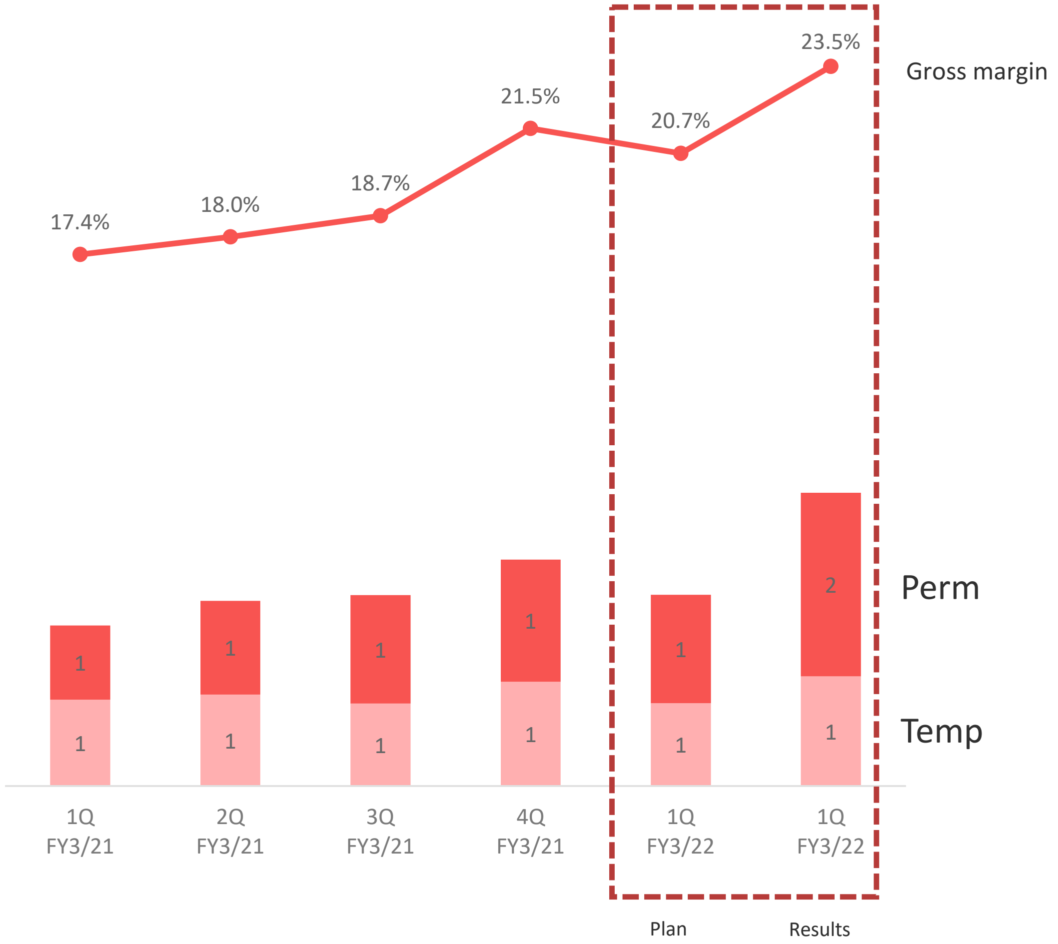
Gross margin increased due to the Perm SHIFT

(Billions of yen)

Domestic WORK Business Gross profit by Temp / Perm



Overseas WORK Business Gross profit by Temp / Perm



*Intra-segment consolidation adjustments are not included.
Gross profit and gross margin in 1Q FY3/22 are based on adjusted figure that excludes overseas subsidy income.

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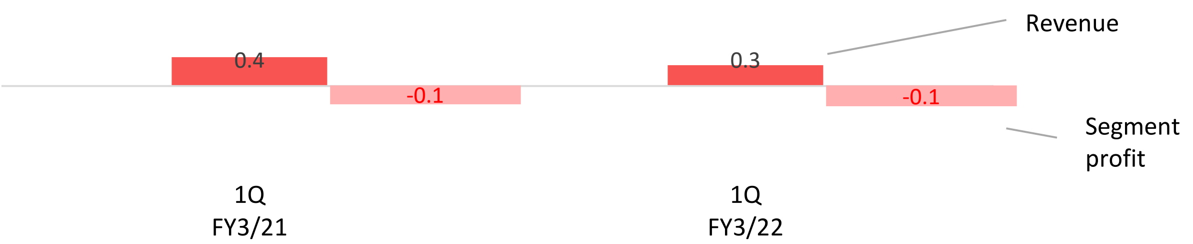
Others

Revenue and segment profit (Billions of yen)



(Billions of yen)

	1Q FY3/22 Results	1Q FY3/21 Results	Change
Revenue	**0.28**	0.39	-26.8%
Segment profit	**-0.10**	-0.09	-

-Topics-
- ➢Continued upfront investment in the inbound services field.

Other business activities

Organic

ENPORT

ビザマネ （Visamane）

アワマネ (Hourmane)

M&A

Investment funds (HRTech)

No significant changes in financial indicators

	End of June 2020	End of September 2020	End of December 2020	End of March 2021	End of June 2021
Adjusted ratio of equity attributable to owners of parent to total assets	20.9%	22.1%	23.8%	24.7%	24.7%
Adjusted net debt to equity ratio (Interest-bearing debt - Cash and deposits) / Adjusted equity attributable to owners of parent	0.3times	0.3times	0.1times	0.1times	0.2times
Ratio of goodwill to adjusted equity attributable to owners of parent Goodwill outstanding / Adjusted equity attributable to owners of parent	0.6times	0.6times	0.6times	0.5times	0.5times
EBITDA Adjusted interest-bearing debt to EBITDA ratio Interest-bearing debt (excluding short-term borrowings) / Forecast EBITDA	1.4times	1.3times	1.2times	1.1times	1.1times

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

Consolidated Balance Sheet

(Billions of yen)	March 31, 2021	**June 31, 2021**	Change
Current assets	23.57	22.55	-1.01
Non-current assets	23.19	22.98	-0.20
Total assets	46.76	45.53	-1.22
Current liabilities	24.79	25.01	＋0.22
Non-current liabilities	11.94	10.36	-1.57
Total liabilities	36.73	35.38	-1.34
Total equity	10.02	10.14	＋0.12
Total liabilities and equity	46.76	45.53	-1.22
Ratio of equity attributable to owners of parent to total assets	17.6%	19.1%	+1.5pt

Major components of changes

(Billions of yen)

Total assets

・Cash and cash equivalents	-0.9
・Trade and other receivables	+0.2
・Other financial assets (current)	-0.4
・Right-of-use assets	-0.2
・Other non-current assets	-0.1
・Deferred tax assets	+0.1

Total liabilities

・Trade and other payables	-0.8
・Borrowings (current)）	+0.3
・Other financial liabilities (current)	+0.6
・Borrowings (non-current)	-0.6
Other financial liabilities (non-current)	-0.9

Total equity

・Capital surplus	+0.3
・Retained earnings	+0.1
・Non-controlling interests	-0.3

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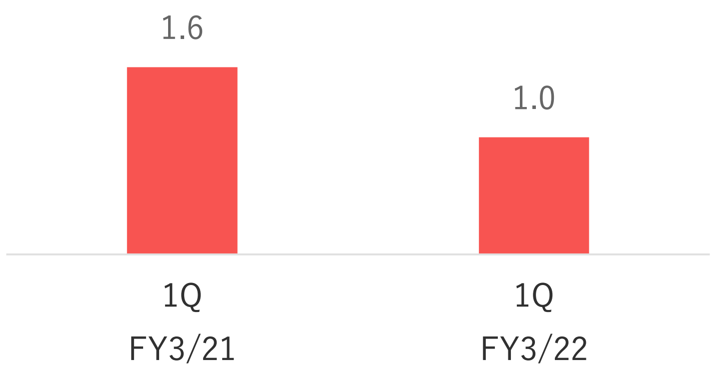
Consolidated Statement of Cash Flows

(Billions of yen)	1Q FY3/21	1Q FY3/22	(Major Components)
Profit before tax	0.9	1.1	
Depreciation and amortization	0.5	0.4	
Income taxes paid	-0.8	-0.4	
Other	0.6	-0.4	
Net cash provided by (used in) operating activities	1.2	0.7	**Increase in accounts receivable-trade**
Purchase and sales of property, plant and equipment, etc.	-0.1	-0.1	
Purchase and sales of shares of subsidiaries	0.0	0.0	
Other	0.5	0.4	
Net cash provided by (used in) investing activities	0.3	0.3	
Net increase (decrease) in interest-bearing debt	-0.7	-0.6	
Purchase and sales of shares of subsidiaries not resulting in change in scope of consolidation	0.0	-0.8	
Dividends paid	-0.4	-0.5	
Government subsidy income	0.5	0.0	
Other	0.0	0.0	
Net cash provided by (used in) financing activities	-0.8	-1.9	**Acquisition of additional shares of consolidated subsidiaries**
Effect of exchange rate changes	0.1	0.0	
Net increase (decrease) in cash and cash equivalents	0.8	-0.9	
Cash and cash equivalents at end of period	6.8	6.5	
Free cash flows (Operating activities + Investing activities)	**1.6**	**1.0**	

Free Cash Flows

(Billions of yen)



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Ⅱ. FY3/22 Earnings and Dividend Forecasts

FY3/22 Forecast

The initial forecast has been revised upwards due to better than expected results for the first quarter and the review of exchange rate assumptions for the second quarter and beyond.

	FY3/21	FY3/22 (Initial forecast)	**FY3/22 (Revised forecast)**	Comparison from the Initial forecast: Change	% change
Revenue	118.24	121.00	**127.00**	＋6.00	＋5.0%
Domestic WORK Business	80.05	84.05	**83.30**	-0.74	-0.9％
Overseas WORK Business	36.92	35.37	**42.08**	+6.70	＋18.9%
Others	1.28	1.57	**1.61**	+0.04	＋2.7％
Gross profit(Gross margin)	24.05 (20.3％)	25.64 (21.2％)	**27.17 (21.4%)**	+1.53 (+0.2pt)	＋6.0％
Operating profit (Operating margin)	4.03 (3.4％)	3.40 (2.8％)	**4.05 (3.2%)**	+0.65 (+0.4pt)	＋19.1%
Domestic WORK Business	4.72	4.36	**4.59**	+0.21	＋4.8%
Overseas WORK Business	1.94	1.47	**1.83**	＋0.35	＋24.3%
Others	-0.39	-0.29	**-0.25**	＋0.04	-
Adjustments	-2.24	-2.16	**-2.12**	＋0.03	-
Profit attributable to owners of parent	2.36	1.84	**2.28**	+0.44	＋23.9%
EBITDA	6.25	5.20	**5.81**	+0.61	＋11.7%

	FY3/21	**Initial forecast**	**Revised forecast**	**Change for ¥1 difference/y**: Revenue	Profit
AUD	¥76	¥68	¥84	¥380mln	10mln
SGD	¥78	¥72	¥82	¥90mln	0mln

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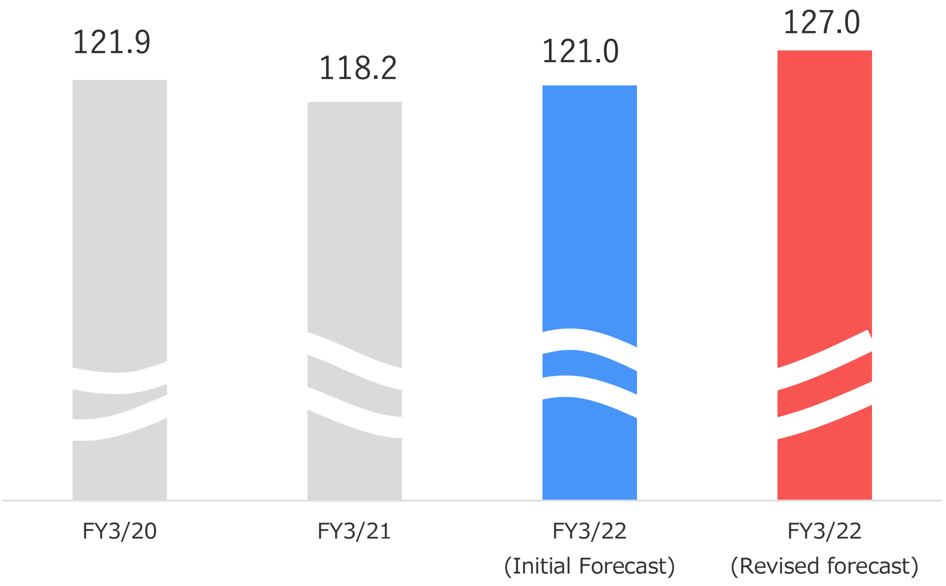
Assumptions Used for the FY3/22 Forecast

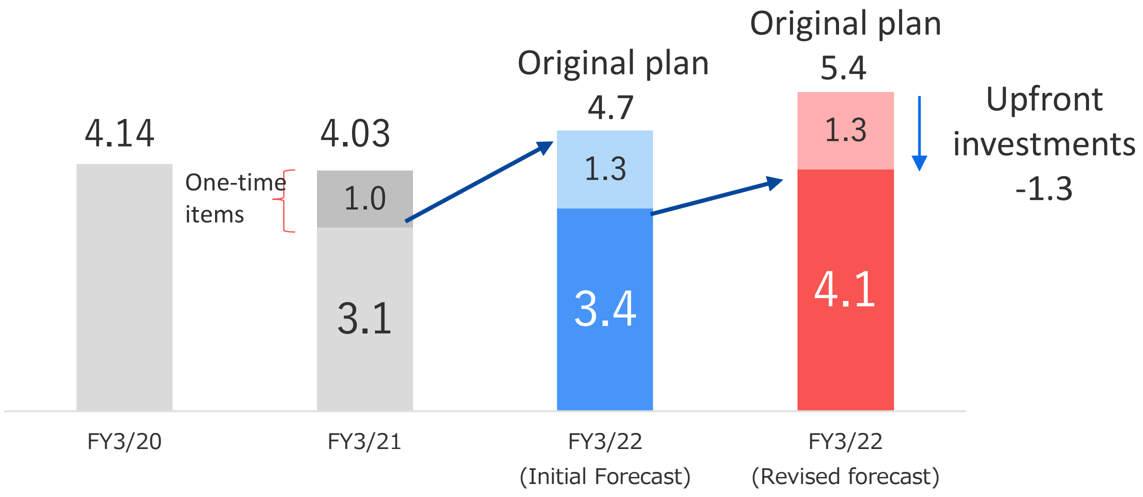
In the first quarter, domestic and the overseas permanent placement business was strong, and from the second quarter onwards there are no major changes to the initial forecast, except for a revision to the exchange rate, as the increase in permanent placement sales has already been factored into the previous forecast.
We plan to make upfront investments (¥0.6 billion to strengthen the recruiting and sales structure for construction management engineers and ¥0.7 billion to increase the number of permanent placement consultants in the care support, IT, and start-up company sectors) as initially planned.

■Revenue



■Operating profit

(Billions of yen)



FY3/22 Forecasts (By Domestic WORK Business Sectors)

Segments	Sectors	FY3/21 Upper: Net sales Lower: Operating profit	FY3/22 (Initial forecast) Upper: Net sales Lower: Operating profit	FY3/22 (Revised forecast) Upper: Net sales Lower: Operating profit	Comparison from the Initial forecast Upper: Net sales Lower: Operating profit
Domestic WORK Business	Sales support	19.22	20.10	19.71	-0.38
		1.64	1.68	1.69	+0.01
	Call center	16.86	16.87	17.04	+0.17
		1.13	1.11	1.18	+0.06
	Factory	20.58	19.45	18.82	-0.62
		1.25	1.22	1.25	+0.03
	Care support	13.21	15.63	15.41	-0.21
		0.38	0.70	0.72	+0.02
	HR support for startups	1.27	1.78	2.20	+0.41
		0.15	0.18	0.45	+0.27
	Construction management engineers	5.27	6.18	6.10	-0.08
		0.05	-0.42	-0.49	-0.06
	Others	3.61	4.02	4.00	-0.02
		0.52	0.33	0.35	+0.01

＊Intra-segment consolidation adjustments are not included.

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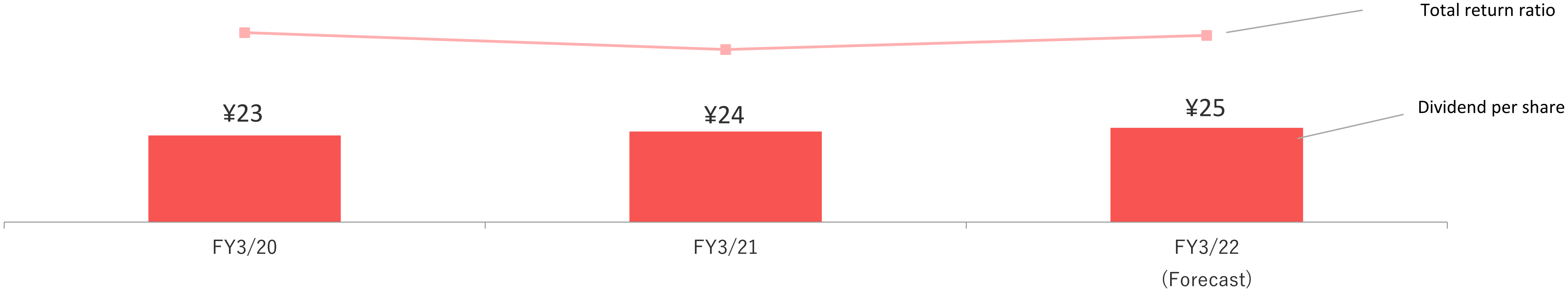
FY3/22 Dividend Forecast

The shareholder return target is based on a total return ratio of 30% relative to the forecast at the beginning of FY3/22. As such, the initial forecast is unchanged.

	FY3/21	FY3/22 (forecast)
Year-end dividend	¥24 per share	**¥25 per share**
Total return ratio	22.9%	**24.8%**

■Dividend per share and total return ratio



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No Risk of Impairment Losses

Except for WILLOF CONSTRUCTION, in which the Will Group has made upfront investments, the Group's companies are recovering from the impact of the spread of the COVID-19 pandemic, and there is currently no expectation of impairment risk.

(Billions of yen)	Primary location	Business activities	Start of consolidation since (WILL GROUP ownership)	Investment *1	*2	1Q FY3/21	1Q FY3/22	YoY change
WILLOF ウィルオブ・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.	2018/6 (100%)	2.58	Sales	1.29	1.33	+3.1%
					Profit*3	0.05	-0.20	-
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 (76%)	2.23	Sales	0.26	0.40	+55.4%
					Profit*3	0.04	0.14	+239.9%
u&u. RECRUITMENT PARTNERS	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia	2019/4 (80%)	2.25	Sales	1.73	2.25	+30.2%
					Profit*3	0.12	0.29	+144.3%
dfp Recruitment THINKING PEOPLE	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.	2018/1 (80%)	1.43	Sales	3.51	3.36	-4.1%
					Profit*3	0.08	0.07	-19.6%

Investment balance (above 4 companies: ¥8.4 billion
Investment balance (consolidated): ¥10.0 billion

*1 The investment in each company includes goodwill and identifiable intangible assets.
*2 Sales and profit are for the April-June consolidated fiscal year regardless of the timing of consolidated disclosures.
Converted to yen at the rates of ¥80/SGD and ¥80/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.

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Ⅲ. Topics

Notification of Compliance with the New “Prime Market” Classification

In relation to the review of the new market classification scheduled for April 2022, the Will Group has received the “Results of the Initial Assessment of Compliance with the Listing Maintenance Standards for the New Market Classification” from the Tokyo Stock Exchange and has confirmed that the Will Group complies with the listing maintenance standards for the Prime Market.

The Will Group plans to proceed with the application for election to the new market segment in accordance with the schedule set by the Tokyo Stock Exchange, following a resolution by the Board of Directors.

Appendix

Segment Results

Domestic WORK Business

(Millions of yen)

■ Revenue

	1Q	2Q	3Q	4Q
FY3/21	19.782	19,814	20,300	20,151
FY3/22	19,832			

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/21	1,126	1,284	1,178	1,137
FY3/22	977			

Overseas WORK Business

■ Revenue

	1Q	2Q	3Q	4Q
FY3/21	8,457	9,442	9,375	9,644
FY3/22	11,417			

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/21	472	541	482	447
FY3/22	759			

Others

■ Revenue

	1Q	2Q	3Q	4Q
FY3/21	395	282	292	308
FY3/22	289			

■ Segment profit

	1Q	2Q	3Q	4Q
FY3/21	-96	-97	-67	-136
FY3/22	-108			

Geographic (Overseas) Results

(Millions of yen)

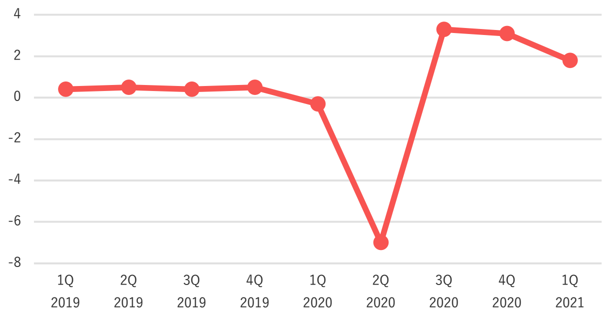
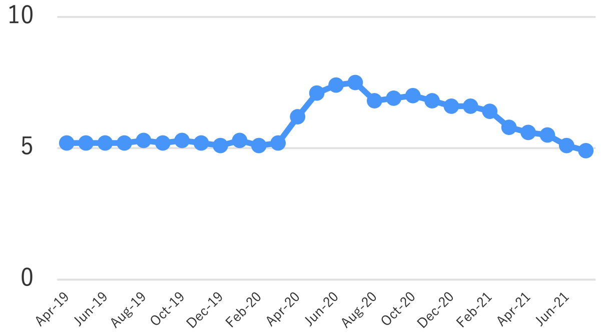
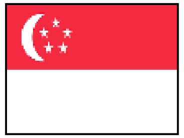
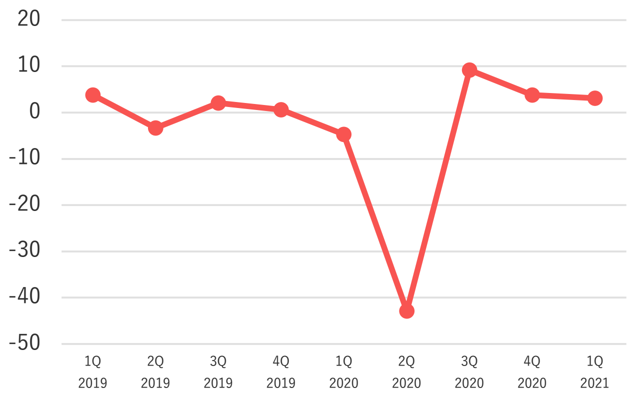
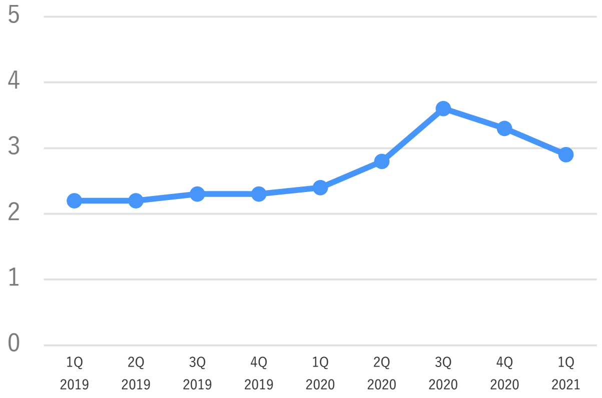
■Revenue (Asia)

	1Q	2Q	3Q	4Q
FY3/21	1,293	1,489	1,774	1,909
FY3/22	2,270			

■Revenue (Australia)

	1Q	2Q	3Q	4Q
FY3/21	7,163	7,972	7,627	7,769
FY3/22	9,147			

Overseas (Australia, Singapore) Macro Environment

	Market conditions for WILL GROUP	Economic indicators	
	In the first quarter, permanent placement demand remained above pre-COVID-19 levels as the spread of the pandemic was contained. The temporary staffing orders were strong with stable demand in the public sector, IT, finance, and legal sectors. However, the lockdown period has been extended due to the recent expansion of mutant strains, and a close eye on the situation needs to be kept from the second quarter onwards.	■ Real GDP growth rate (YoY change) *Source: Australian Bureau of Statistics  	■ Unemployment rate *Source: Australian Bureau of Statistics 
	In the first quarter, economic activity gradually resumed and, as was the case in Australia, there was a recovery in demand for permanent placement and temporary staffing. However, due to the spread of COVID-19 infections, economic activity is currently restricted. It will therefore be to keep a close eye on the situation from the second quarter onwards.	■ Real GDP growth rate (YoY change) *Source: Singapore Department of Statistics  	■ Unemployment rate *Source: Singapore Department of Statistics 

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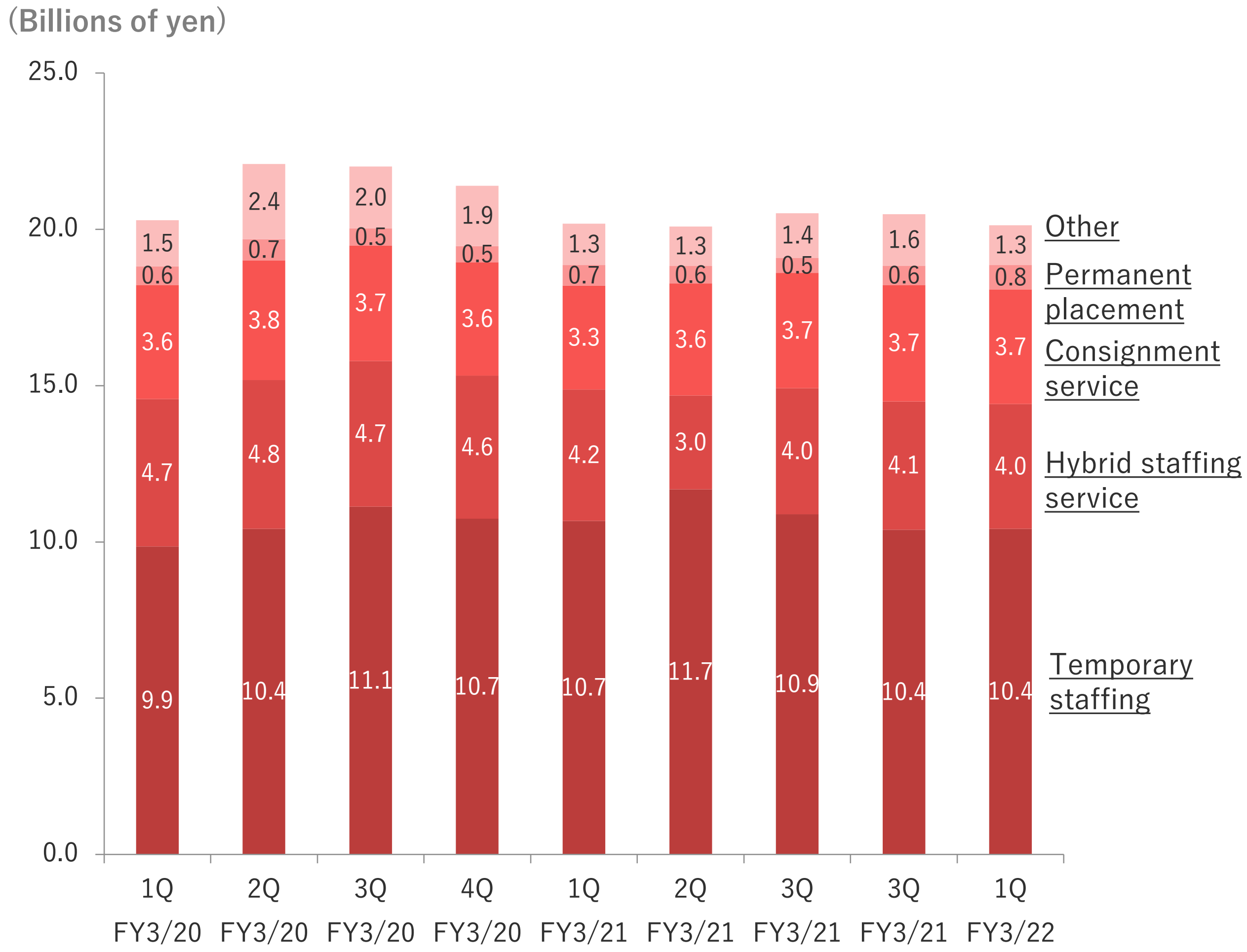
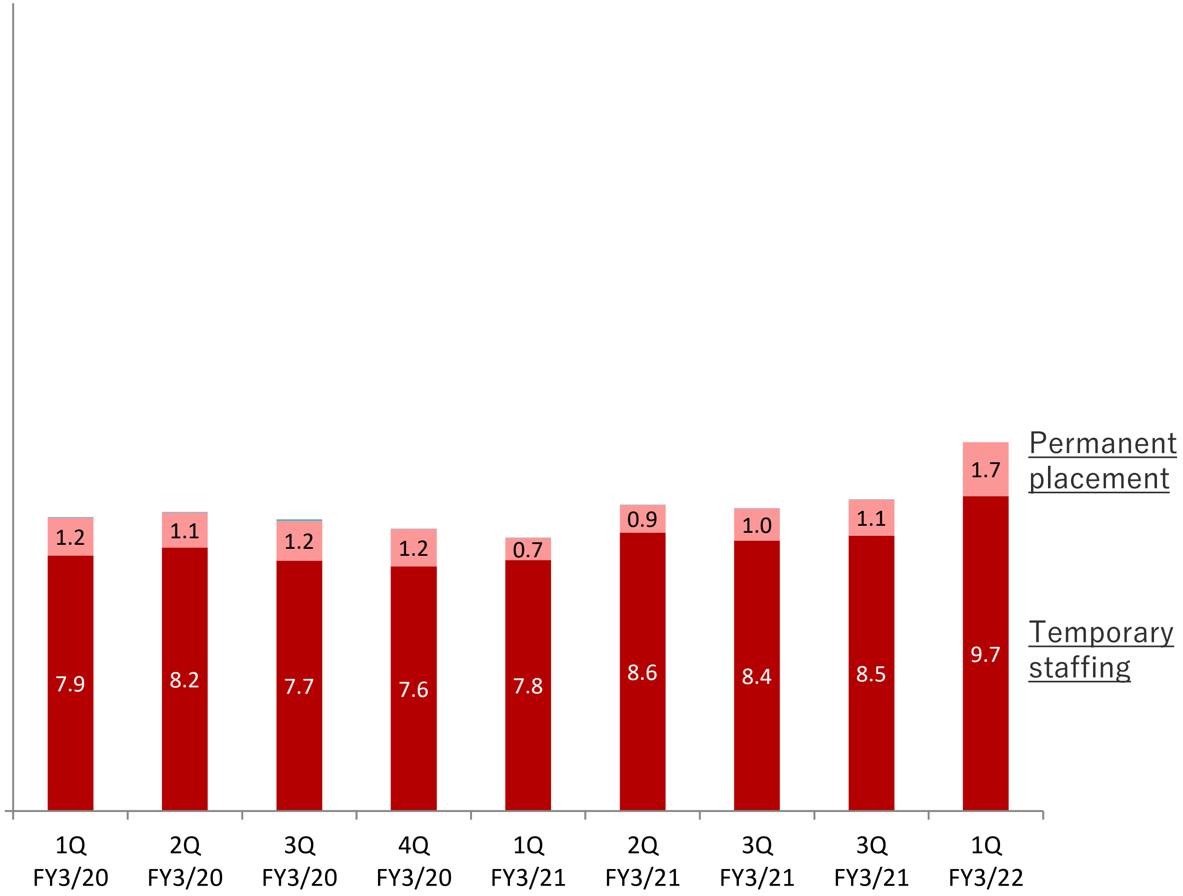
Breakdown of Revenue by Region/Contract Type

Japan



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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