



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

November 9, 2021

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

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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 . 1H FY3/22 Highlights

# 1H FY3/22 Highlights

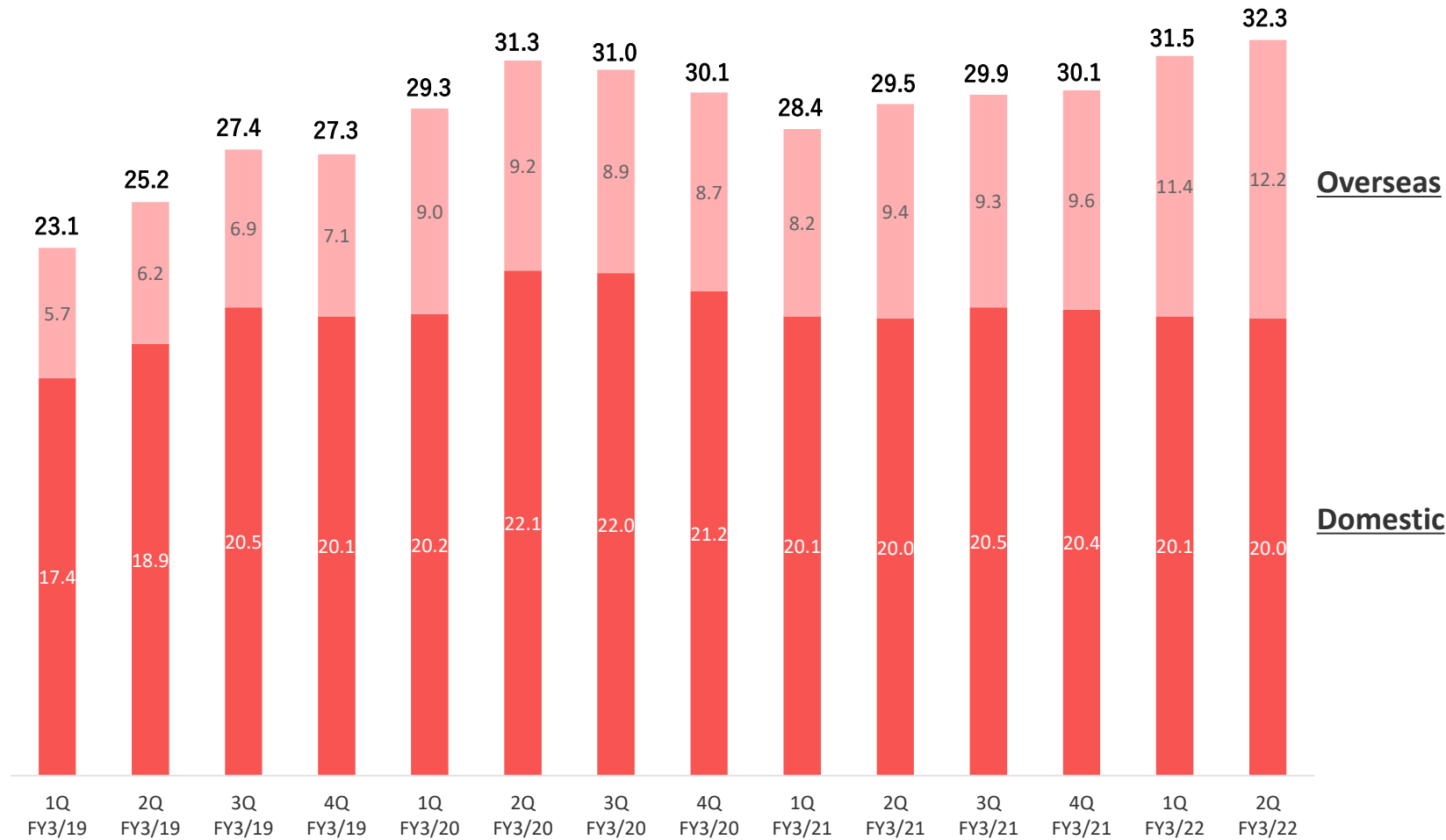
Continuing from 1Q, revenue in the permanent placement sector in the Overseas WORK Business was strong. The basic strategy of the medium-term management plan, “WORK SHIFT Strategy,” progressed as planned.

(Billions of yen)	1H FY3/21	FY3/22 (Forecast as of Aug. 6, 2021)	1H FY3/22	Vs. 1H FY3/21		Vs. FY3/22 Forecast	
				Change	% change	Change	% change
Revenue	58.17	63.50	<b>63.91</b>	+ 5.73	+ 9.9%	+ 0.41	+ 0.7%
Gross profit (Gross margin)	11.92 (20.5%)	13.55 (21.3%)	<b>14.03</b> <b>(22.0%)</b>	+ 2.11 (+1.5pt)	+ 17.7%	+ 0.48 (+0.6pt)	+ 3.6%
Operating profit (Operating margin)	2.22 (3.8%)	2.00 (3.1%)	<b>2.68</b> <b>(4.2%)</b>	+ 0.46 (+ 0.4pt)	+ 20.9%	+ 0.68 (+1.1pt)	+ 34.3%
Profit before tax	2.08	1.95	<b>2.71</b>	+ 0.63	+ 30.2%	+ 0.76	+ 39.3%
Profit attributable to owners of parent	1.30	1.18	<b>1.69</b>	+ 0.39	+ 30.2%	+ 0.51	+ 44.0%
EBITDA (Operating profit + Depreciation and amortization)	3.26	2.91	<b>3.65</b>	+ 0.38	+ 11.7%	+ 0.74	+ 25.4%

Number of employees: 5,098  
(+253 from the end of FY3/21)

# Consolidated Revenue

(Billions of yen)

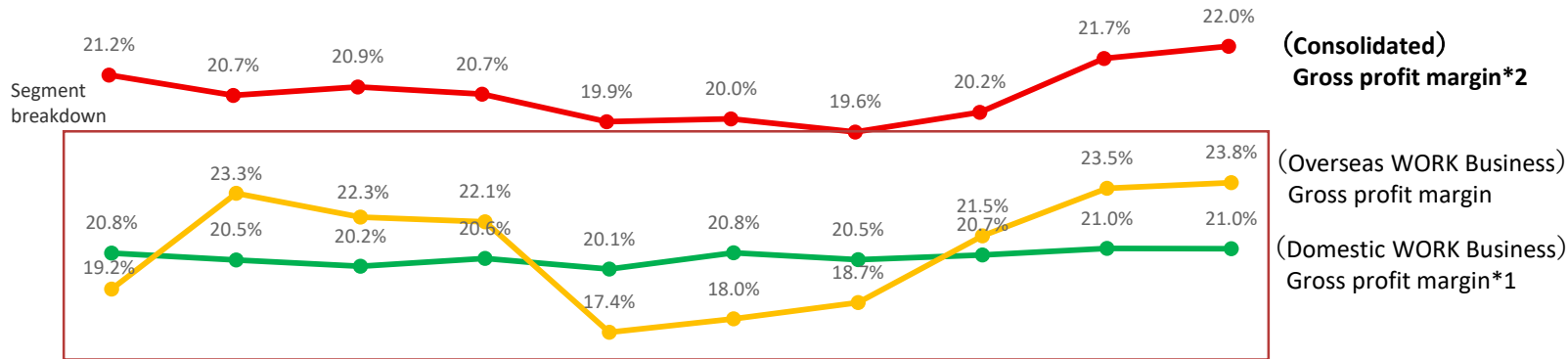


**2Q FY3/22 revenue was  
¥0.8 billion  
above the 1Q FY3/22**  
(The effects of foreign exchange rate: -¥0.1 billion)

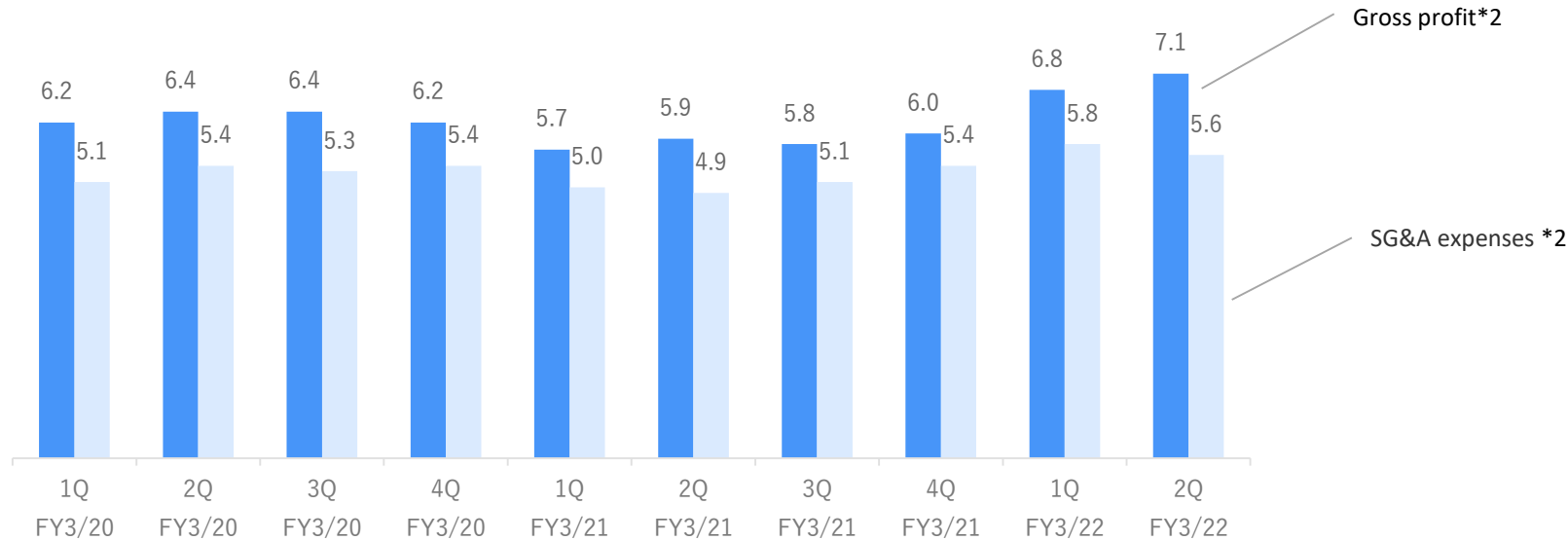
\*The revenue in FY3/21 is based on adjusted figure that excludes overseas subsidy income.

# Consolidated Gross Margin and SG&A Expense Ratio

(Billions of yen)



The gross margin improved due to the Perm SHIFT. Upfront investment was ¥0.50 billion, compared with the first half plan of ¥0.67 billion.



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

\*2 The revenue in FY3/21 is based on adjusted figure that excludes overseas subsidy income.

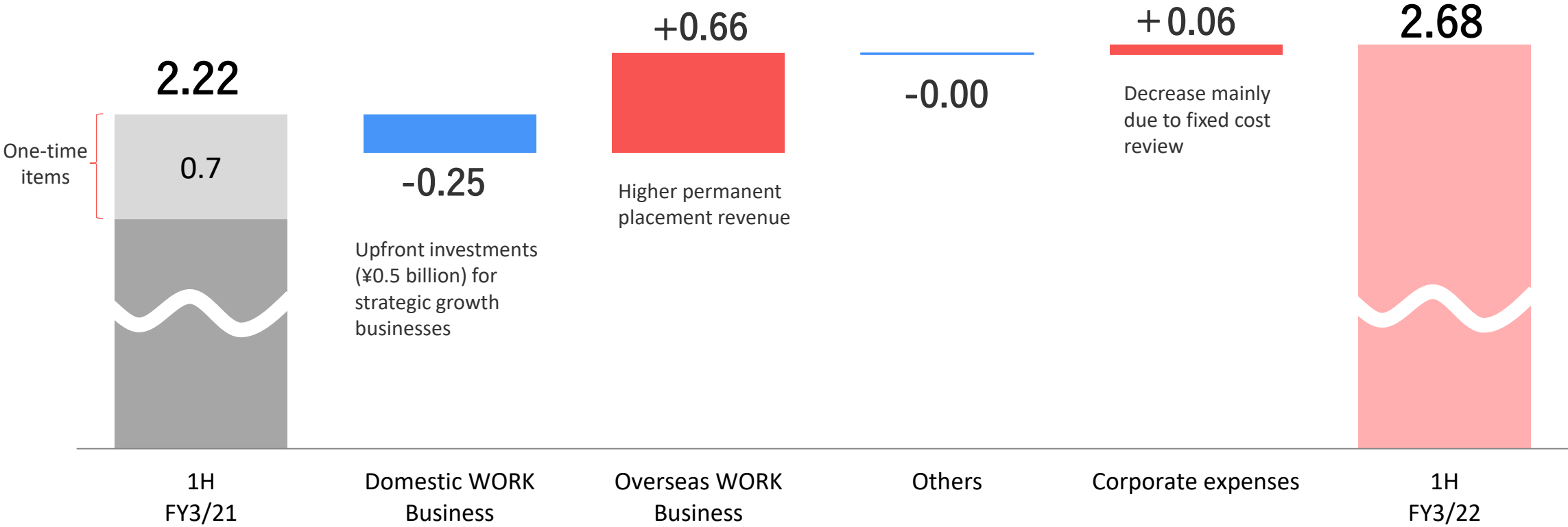
# 1H FY3/22 Revenue: Breakdown of Year-on-Year Changes

(Billions of yen)



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

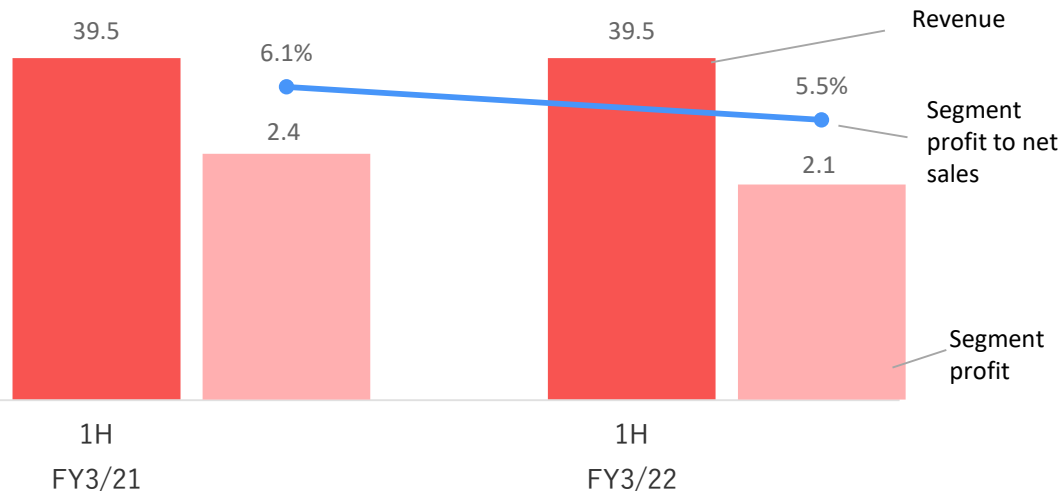
(Billions of yen)





# Domestic WORK Business

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

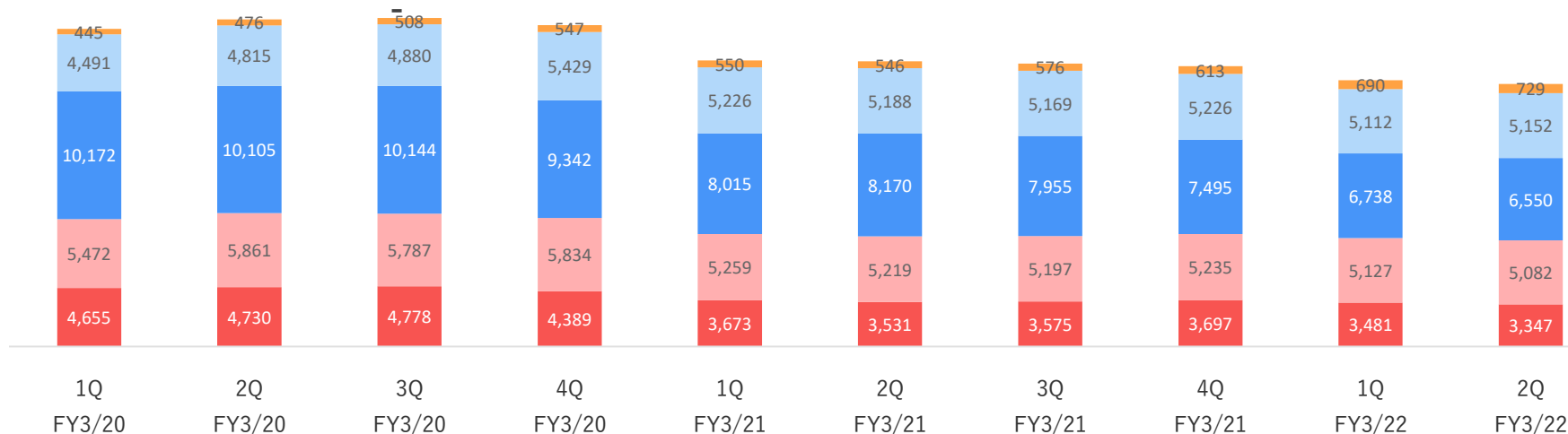


(Billions of yen)	Forecast	1H FY3/22	Vs. Forecast % change	1H FY3/21	Vs. FY3/21 % change
Revenue	40.15	39.59	-1.4%	39.59	-0.0%
Segment profit	2.02	2.16	+ 6.8%	2.41	-10.6%

### -Topics-

- The number of worker on assignments decreased in the sales and factory sectors affected by the spread of COVID-19.
- Upfront investments (¥500 million) for nursing care personnel, construction engineers and HR support for startup firms.

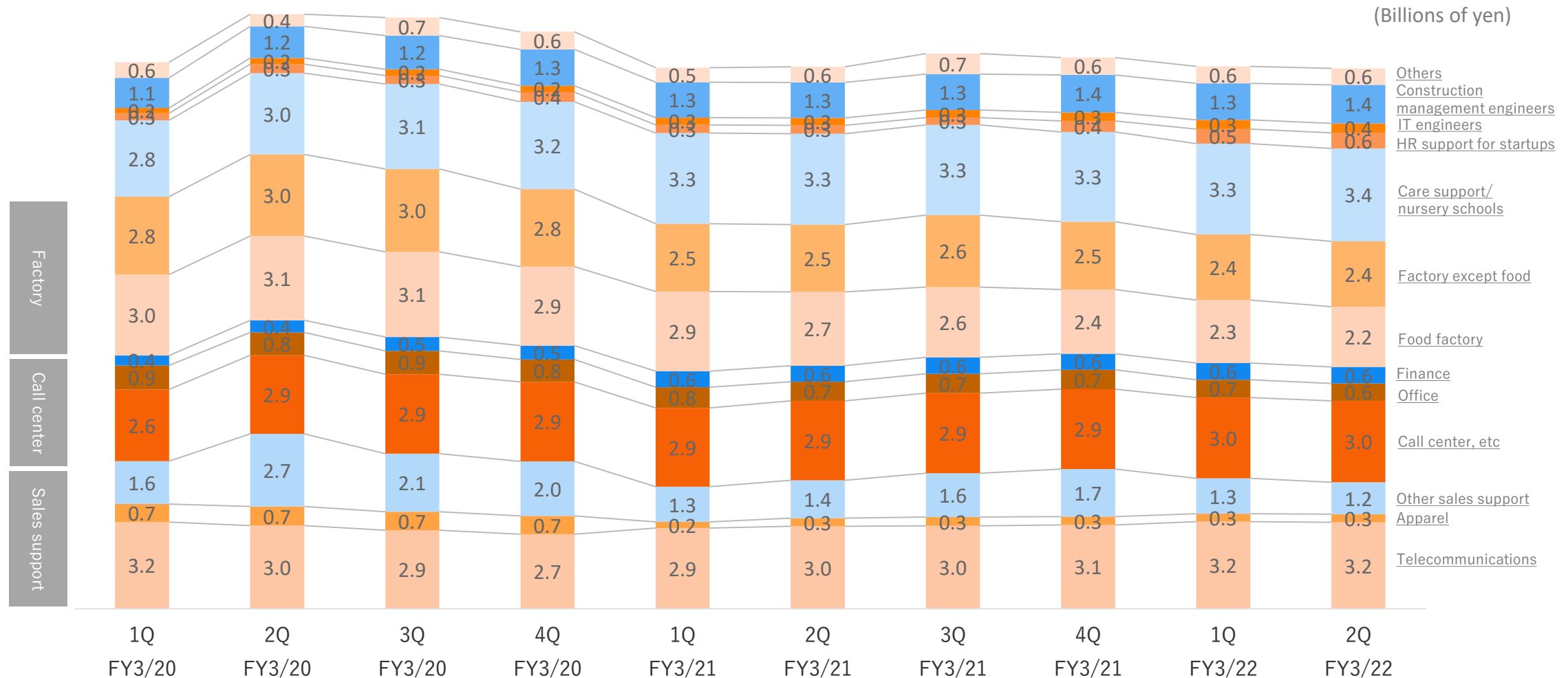
## -Number of workers on assignments (person)-



Construction management engineers	+39 Vs. 1Q FY3/22
Care support	+40 Vs. 1Q FY3/22
Factory outsourcing	-188 Vs. 1Q FY3/22
Call center outsourcing	-45 Vs. 1Q FY3/22
Sales outsourcing	-134 Vs. 1Q FY3/22

# Domestic WORK Business (Business sector sales)

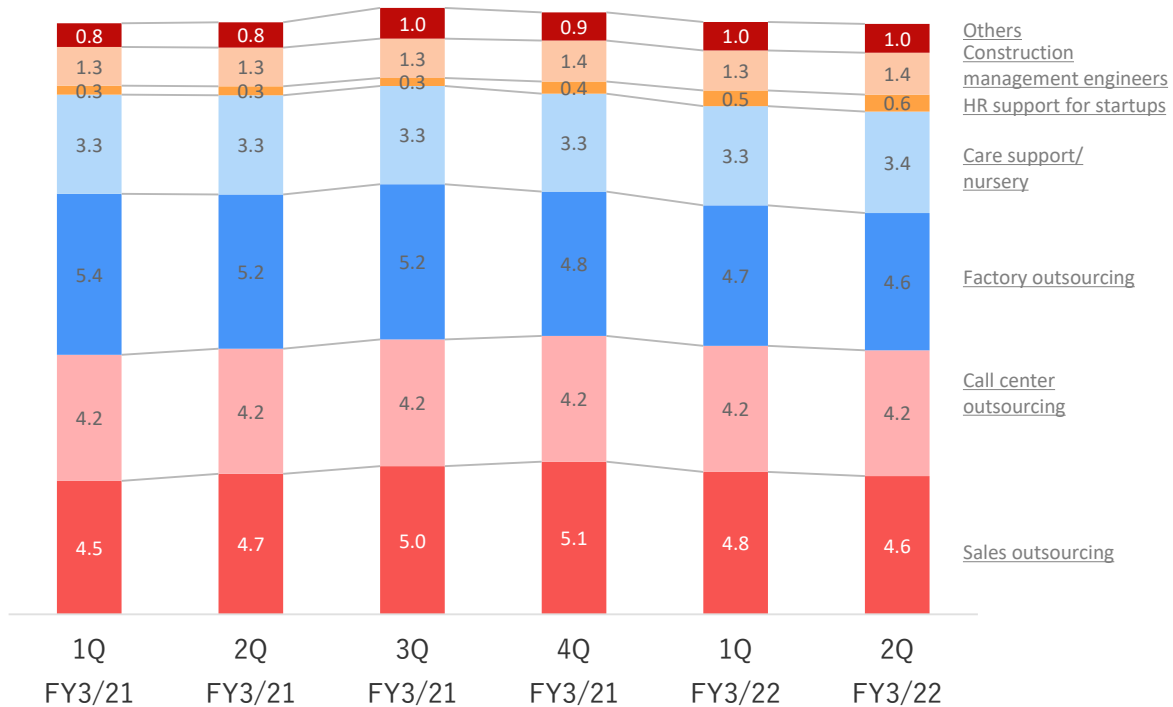
Telecommunications, call center, care support/nursery schools and HR support for startups sectors performed well.



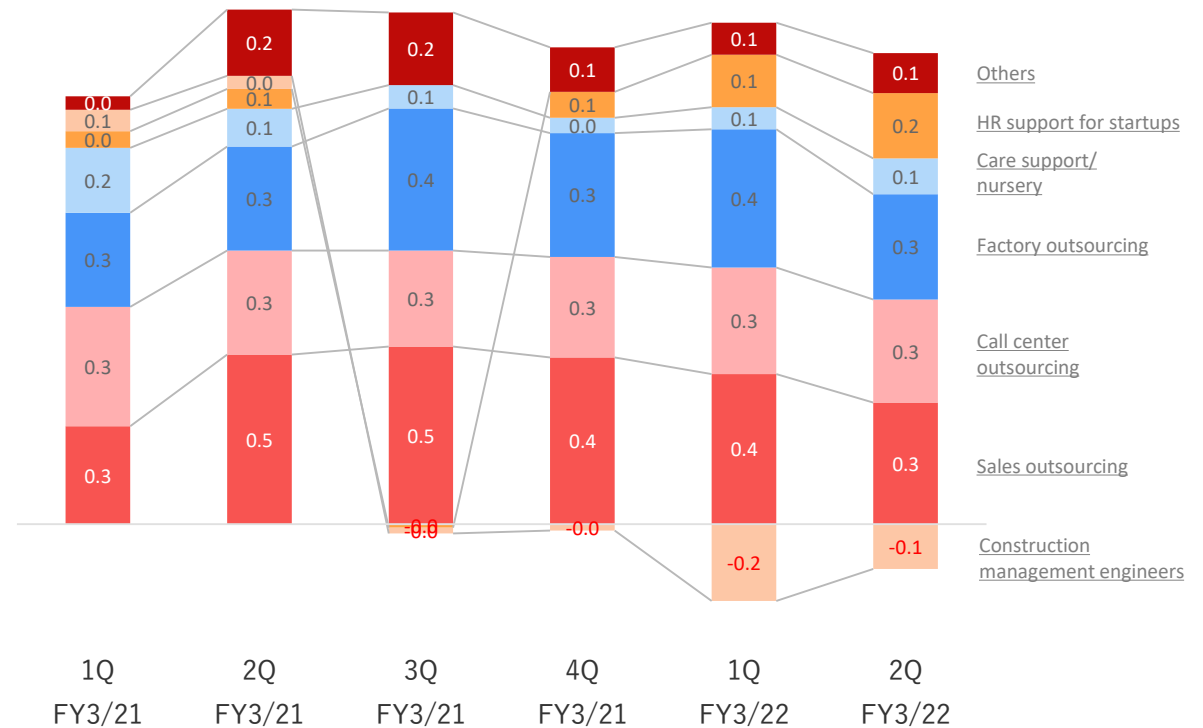
# Domestic WORK Business (Sales and operating profit by sector)

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).

-Sales by sector (Billions of yen) -



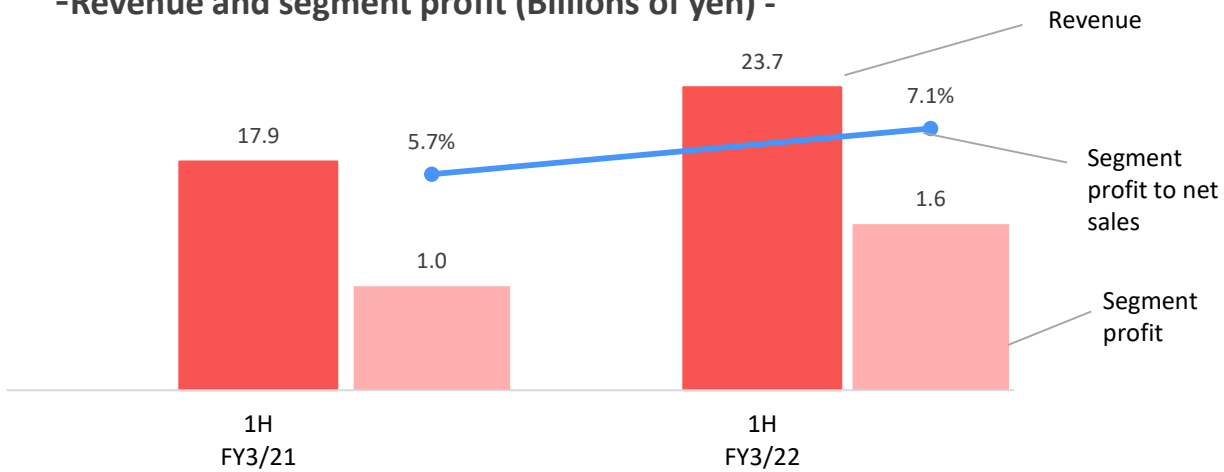
-Operating profit by sector (Billions of yen) -



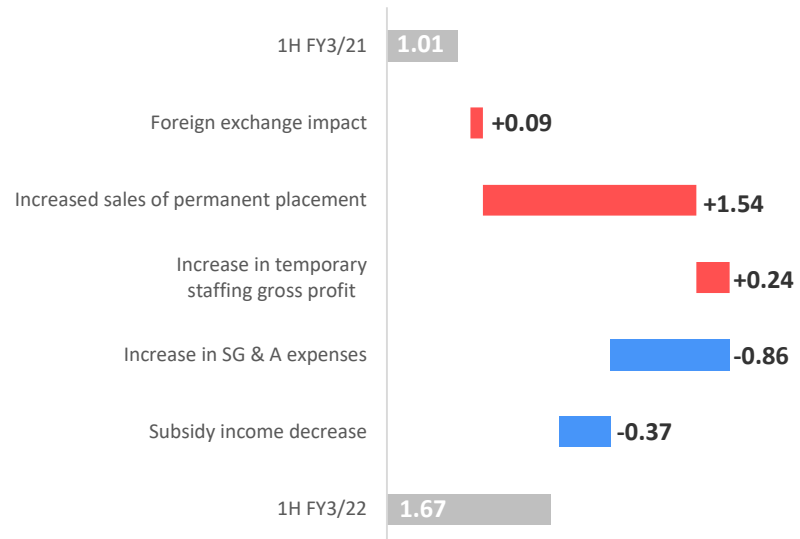
\*Intra-segment consolidation adjustments are not included.

# Overseas WORK Business

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



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



(Billions of yen)	Forecast	1H FY3/22	Vs. Forecast % change	1H FY3/21	Vs. FY3/21 % change
Revenue	22.66	23.70	+ 4.6%	17.90	+ 32.4%
Segment profit	1.17	1.67	+ 43.3%	1.01	+ 65.5%

### -Topics-

➤ Both Australia and Singapore enforced lockdown 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.

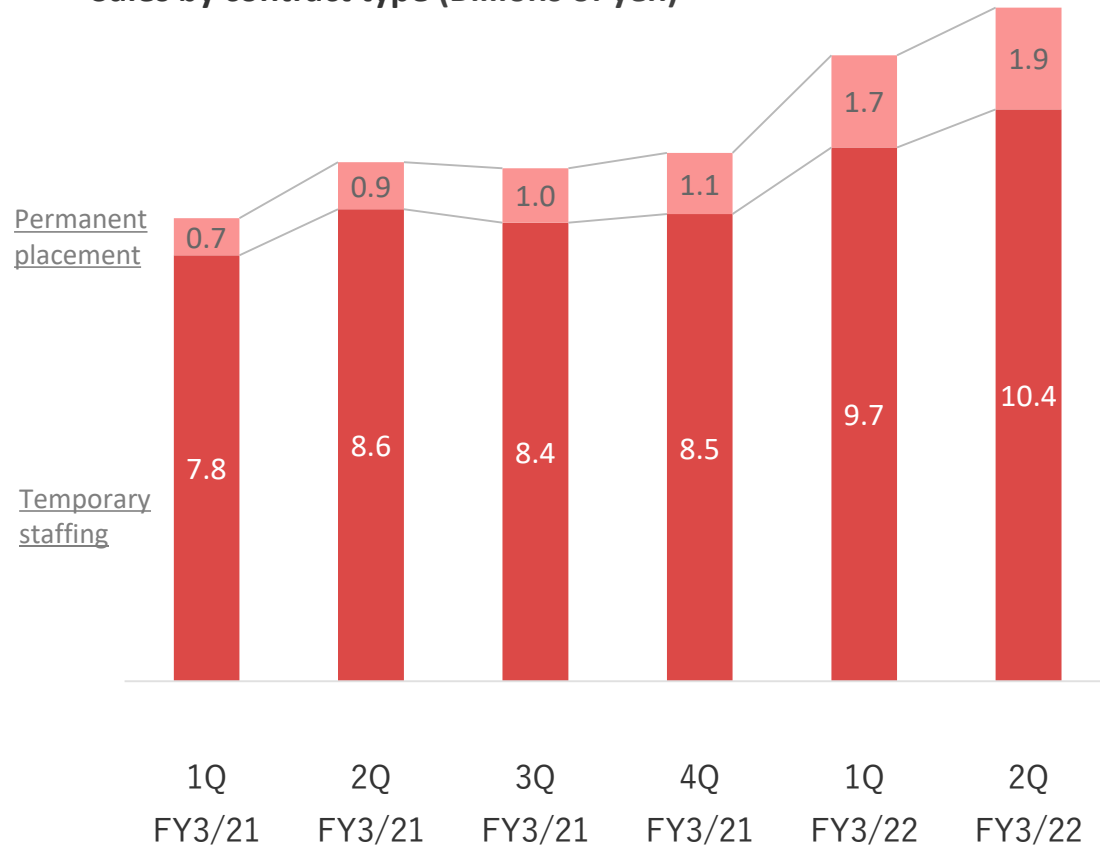
### □ Forex sensitivity

	Initially assumed	1H FY3/22 Results	1H FY3/21 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥84	¥83	¥73	¥380 mln	¥10 mln
SGD	¥82	¥82	¥77	¥90 mln	¥0 mln

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

Permanent placement sales increased and earnings from business activities (excluding subsidies) recovered. Both sales and profit in the 2Q achieved quarterly record highs.

-Sales by contract type (Billions of yen) -



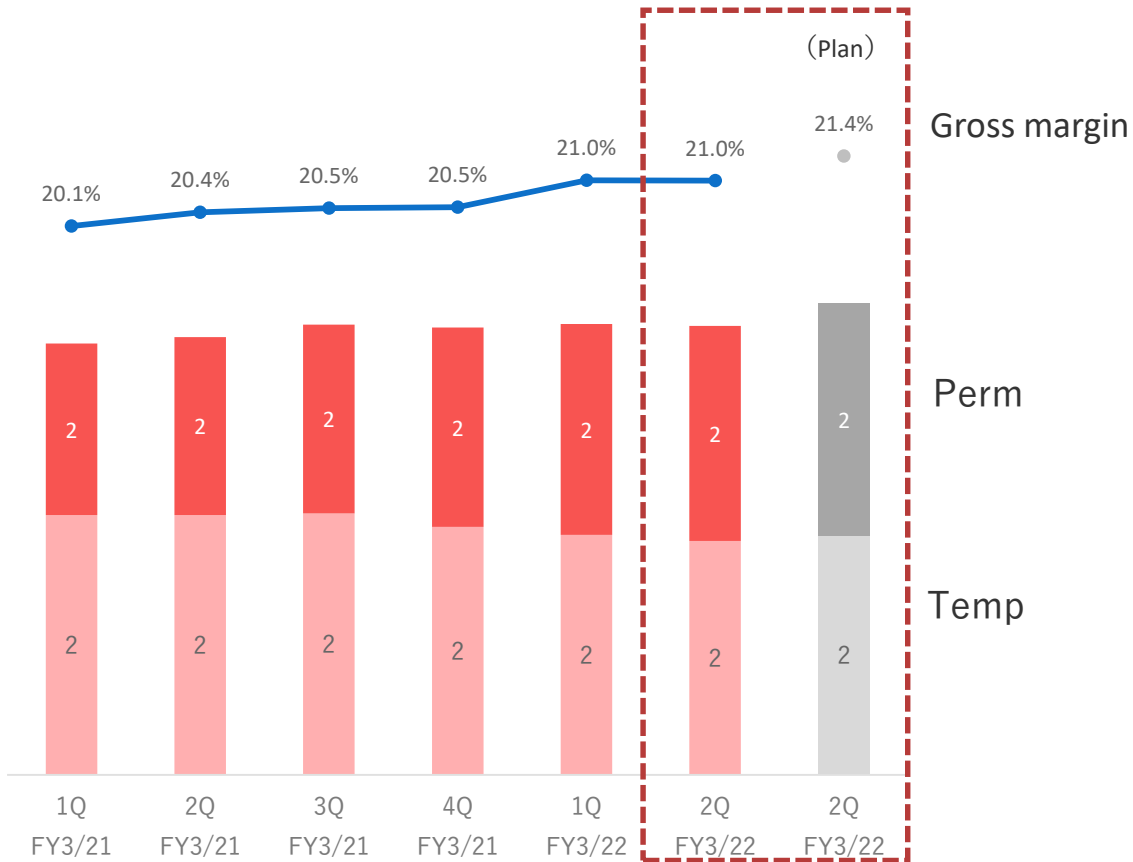
-Operating profit by sector (Billions of yen) -



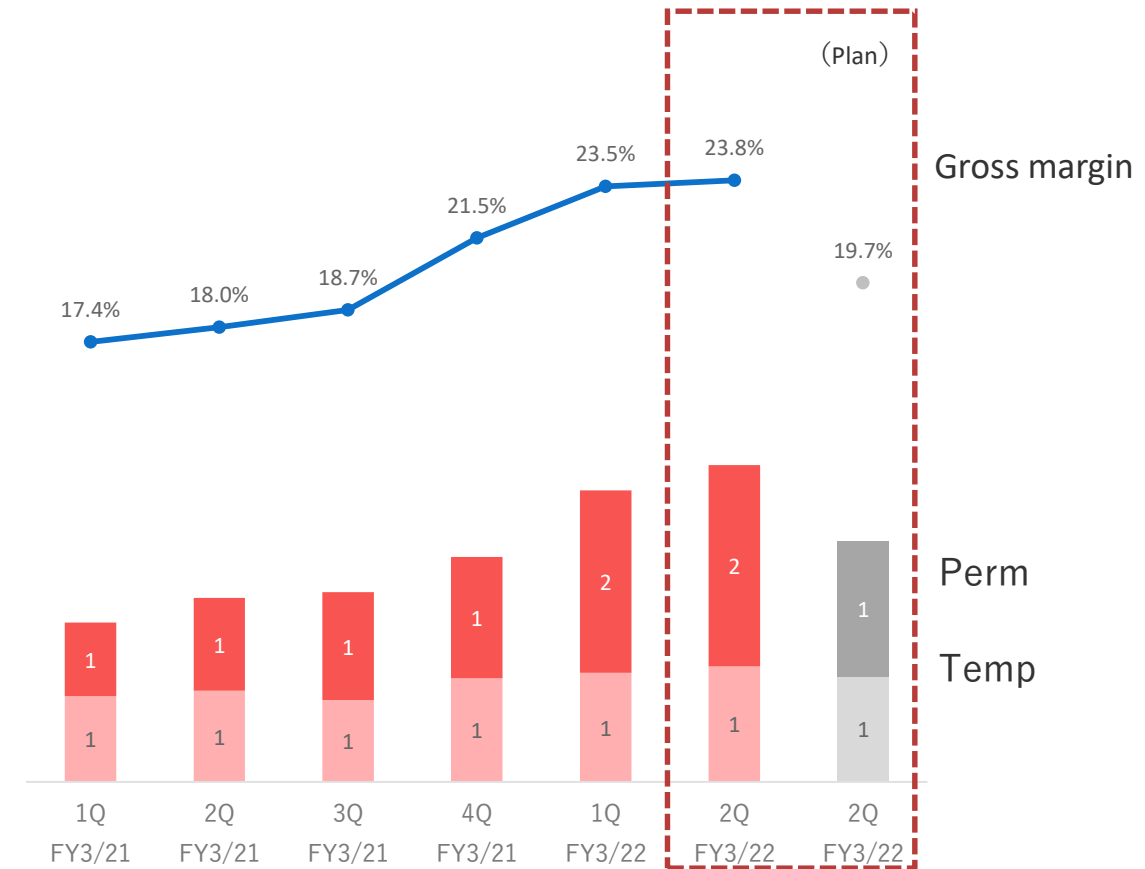
# Business Portfolio Changes in Japan and Overseas

Compared to the 2Q plan, the gross margin of the Domestic WORK Business was slightly lower while that of the Overseas WORK Business was favorable. Overall gross margin increased due to promotion of Perm SHIFT

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



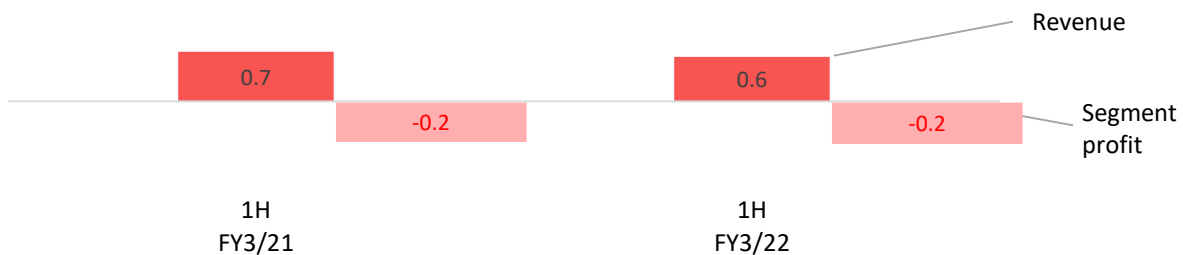
-Overseas WORK Business Gross profit by Temp / Perm (Billions of yen) -



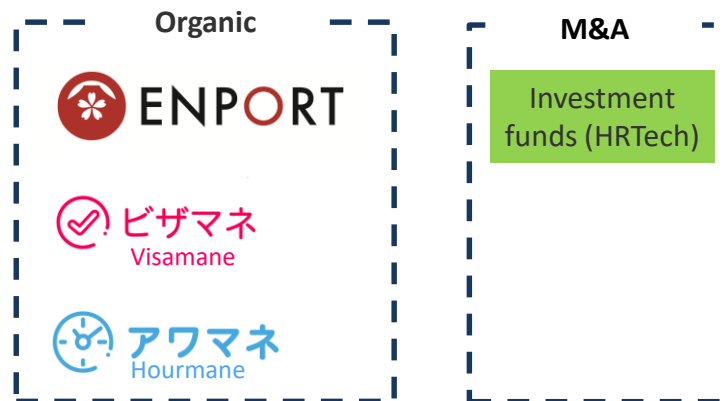
\*Intra-segment consolidation adjustments are not included.

Gross profit and gross margin in 1Q FY3/22 are based on adjusted figure that excludes overseas subsidy income.

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



### Other business activities

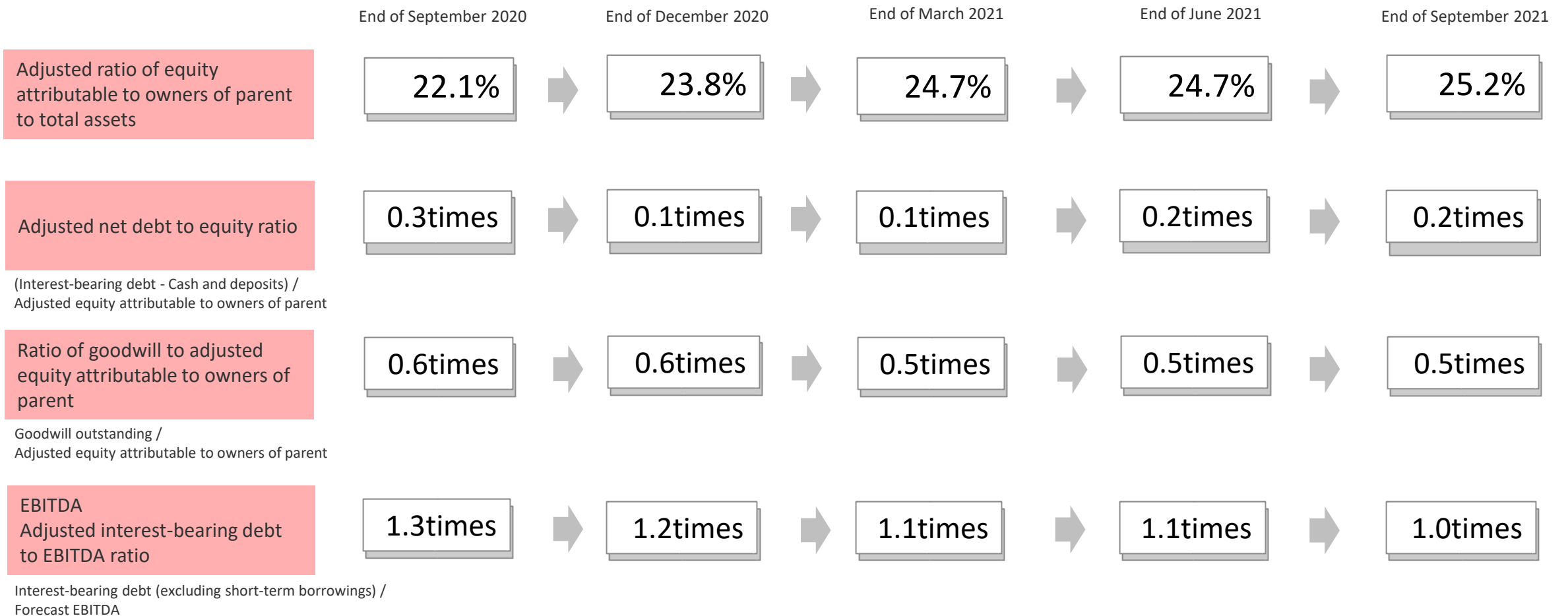


(Billions of yen)	Forecast	1H FY3/22	Vs. Forecast % change	1H FY3/21	Vs. FY3/21 % change
Revenue	0.67	0.60	-10.0%	0.67	-10.2%
Segment profit	-1.5	-2.0	-	-1.9	-

### -Topics-

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

## Financial indicators are improving



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



# Consolidated Balance Sheet

(Billions of yen)	March 31, 2021	June 30, 2021	Change
Current assets	23.57	22.12	<b>-1.44</b>
Non-current assets	23.19	22.52	<b>-0.66</b>
<b>Total assets</b>	<b>46.76</b>	<b>44.65</b>	<b>-2.11</b>
Current liabilities	24.79	24.71	<b>-0.07</b>
Non-current liabilities	11.94	8.98	<b>-2.95</b>
<b>Total liabilities</b>	<b>36.73</b>	<b>33.69</b>	<b>-3.03</b>
<b>Total equity</b>	<b>10.02</b>	<b>10.95</b>	<b>+0.92</b>
<b>Total liabilities and equity</b>	<b>46.76</b>	<b>44.65</b>	<b>-2.11</b>
<b>Ratio of equity attributable to owners of parent to total assets</b>	<b>17.6%</b>	<b>22.1%</b>	<b>+4.5pt</b>

## Major components of changes (Billions of yen)

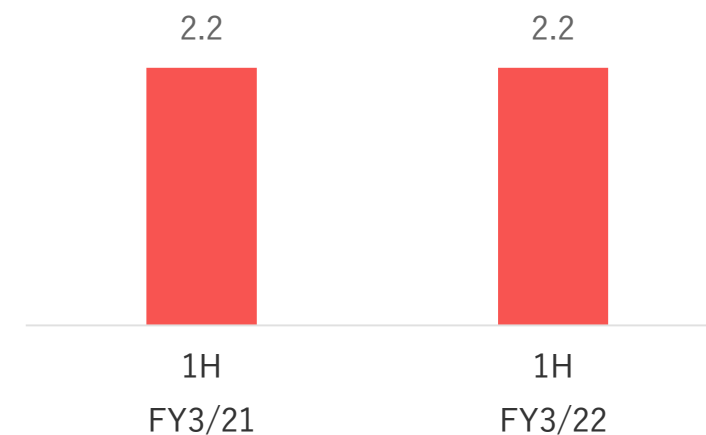
<b>Total assets</b>	
• Cash and cash equivalents	-1.4
• Other financial assets	-0.4
• Other current assets	+0.3
• Right-of-use assets	-0.3
• Other non-current assets	-0.2
<b>Total liabilities</b>	
• Borrowings (current)	+0.7
• Other financial liabilities (current)	-0.6
• Income taxes payable	+0.2
• Other current liabilities	-0.3
• Borrowings (non-current)	-1.2
• Other financial liabilities (non-current)	-1.4
<b>Total equity</b>	
• Capital surplus	+0.7
• Retained earnings	+0.1
• Non-controlling interests	-0.7
• Other components of equity	-0.3

# Consolidated Statement of Cash Flows

(Billions of yen)	1H FY3/21	1H FY3/22
Profit before tax	2.0	2.7
Depreciation and amortization	1.0	0.9
Income taxes paid	-1.0	-0.7
Other	0.3	-0.8
<b>Net cash provided by (used in) operating activities</b>	<b>2.4</b>	<b>2.1</b>
Purchase and sales of property, plant and equipment, etc.	-0.3	-0.3
Purchase and sales of shares of subsidiaries	0.0	0.0
Other	0.1	0.4
<b>Net cash provided by (used in) investing activities</b>	<b>-0.1</b>	<b>0.1</b>
Net increase (decrease) in interest-bearing debt	-1.2	-1.1
Purchase and sales of shares of subsidiaries not resulting in change in scope of consolidation	-0.7	-1.9
Dividends paid	-0.5	-0.5
Government subsidy income	0.7	0.1
Other	-0.2	-0.1
<b>Net cash provided by (used in) financing activities</b>	<b>-1.9</b>	<b>-3.6</b>
Effect of exchange rate changes	0.0	0.0
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>0.3</b>	<b>-1.4</b>
Cash and cash equivalents at end of period	6.3	5.9
<b>Free cash flows (Operating activities + Investing activities)</b>	<b>2.2</b>	<b>2.2</b>

## Free Cash Flows

(Billions of yen)





## II . FY3/22 Earnings and Dividend Forecasts

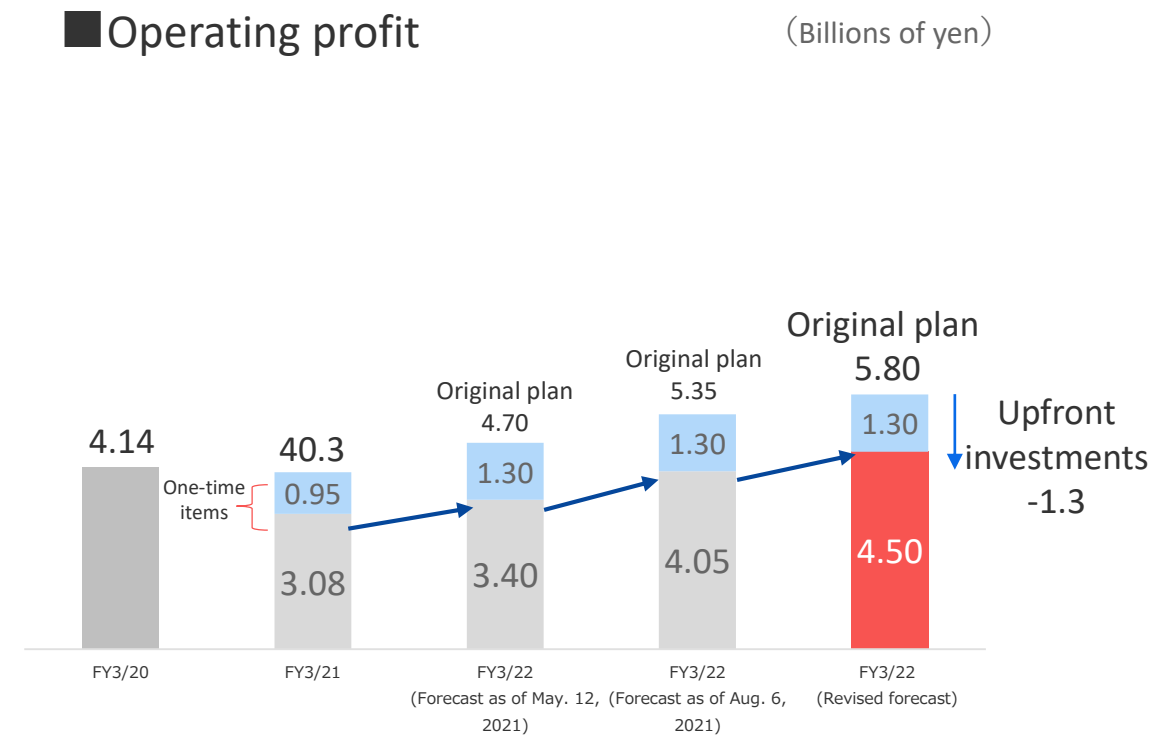
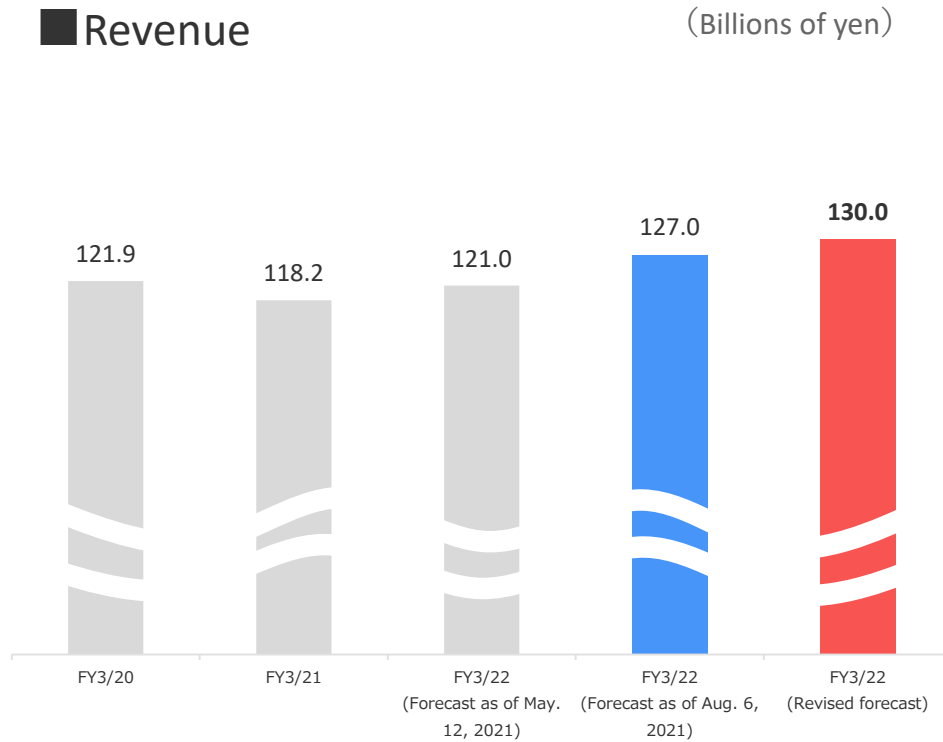
The forecast for the fiscal year ending March 2022 has been revised upwards again to factor in the better-than-expected first half results.

(Billions of yen)	FY3/21	FY3/22 (Forecast as of Aug. 6, 2021)	FY3/22 (Revised forecast)	Vs. FY3/22(Forecast as of Aug. 6, 2021)	
				Change	% change
Revenue	118.24	127.00	130.00	+ 3.00	+ 2.4%
Domestic WORK Business	80.05	83.30	81.18	-2.11	-2.5%
Overseas WORK Business	36.92	42.08	47.20	+5.12	+ 12.2%
Others	1.28	1.61	1.61	-0.00	-0.1%
Gross profit(Gross margin)	24.05 (20.3%)	27.17 (21.4%)	28.22 (21.7%)	+ 1.04 (+ 0.3pt)	+ 3.8%
Operating profit (Operating margin)	4.03 (3.4%)	4.05 (3.2%)	4.50 (3.5%)	+ 0.45 (+ 0.3pt)	+ 11.1%
Domestic WORK Business	4.72	4.59	4.50	-0.09	-2.0%
Overseas WORK Business	1.94	1.83	2.51	+ 0.68	+ 37.7%
Others	-0.39	-0.25	-0.32	-0.06	-
Adjustments	-2.24	-2.12	-2.20	-0.07	-
Profit attributable to owners of parent	2.36	2.28	2.51	+ 0.23	+ 10.1%
EBITDA	6.25	5.81	6.23	+ 0.42	+ 7.2%

	FY3/21	Forecast as of Aug. 6, 2021	Revised forecast	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥76	¥84	¥84	¥380mln	¥10mln
SGD	¥78	¥82	¥82	¥90mln	¥0mln

# Assumptions Used for the FY3/22 Forecast

Some of the expenses earmarked for the 2Q will be carried forward to 3Q onward. Revised the earnings forecast in consideration of the current situation. Upfront investment in focus areas will be made as originally planned.



# FY3/22 Forecasts (By Domestic WORK Business Sectors)

(Billions of yen)

Segments	Sectors	FY3/21	FY3/22	FY3/22	Vs. FY3/22
			(Forecast as of Aug. 6, 2021)	(Revised forecast)	(Forecast as of Aug. 6, 2021)
		Upper: Net sales Lower: Operating profit	Upper: Net sales Lower: Operating profit	Upper: Net sales Lower: Operating profit	Upper: Net sales Lower: Operating profit
Domestic WORK Business	Sales support	19.22	19.71	19.39	-0.32
		1.64	1.69	1.65	-0.04
	Call center	16.86	17.04	16.97	-0.07
		1.13	1.18	1.10	-0.07
	Factory	20.58	18.82	18.40	-0.42
		1.25	1.25	1.28	+0.03
	Care support	13.21	15.41	14.10	-1.31
		0.38	0.72	0.45	-0.27
	HR support for startups	1.27	2.20	2.20	0.00
		0.15	0.45	0.45	0.00
	Construction management engineers	5.27	6.10	5.80	-0.29
		0.05	-0.49	-0.56	-0.07
	Others	3.61	4.00	4.30	+0.30
		0.52	0.35	0.39	+0.04

\* Intra-segment consolidation adjustments are not included.

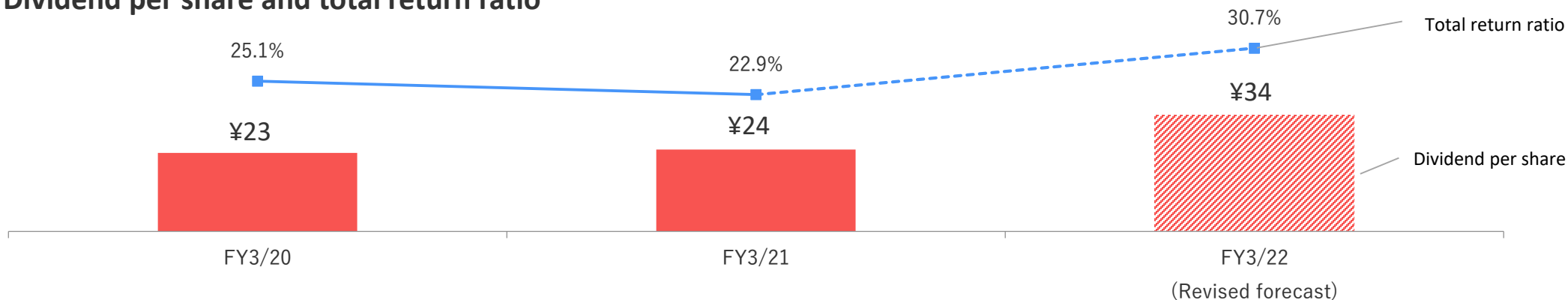
# FY3/22 Dividend Forecast

The shareholder return target is based on a total return ratio of 30%. The dividend forecast has been revised upward (initial forecast + ¥9) in consideration of the following two points.

- Upward revision of the the fiscal year forecast
- The ratio of equity attributable to owners of parent to total assets at the end of 2Q exceeded the target of 20% (actual: 22.1%) of the medium-term management plan





	FY3/21	Initial forecast	FY3/22
			Revised forecast
Year-end dividend	¥24 per share	¥25 per share	¥24 per share (+¥9)
Total return ratio	22.9%	-	30.7%

## ■ Dividend per share and total return ratio



# 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	1H FY3/21	1H FY3/22	YoY change
 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%)	2.55	Sales	2.59	2.74	+ 5.6%
	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%)	2.22	Profit*3	0.09	-0.32	-
	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia	2019/4 (90%)	2.17	Sales	0.52	0.99	+ 88.7%
	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 (100%)	1.39	Profit*3	0.14	0.41	+ 199.5%
					Sales	3.41	4.80	+ 40.7%
					Profit*3	0.34	0.66	+ 93.6%
					Sales	7.29	6.86	-5.9%
					Profit*3	0.21	0.18	-15.1%

Investment balance (above 4 companies): ¥8.3 billion  
Investment balance (consolidated): ¥9.9 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.

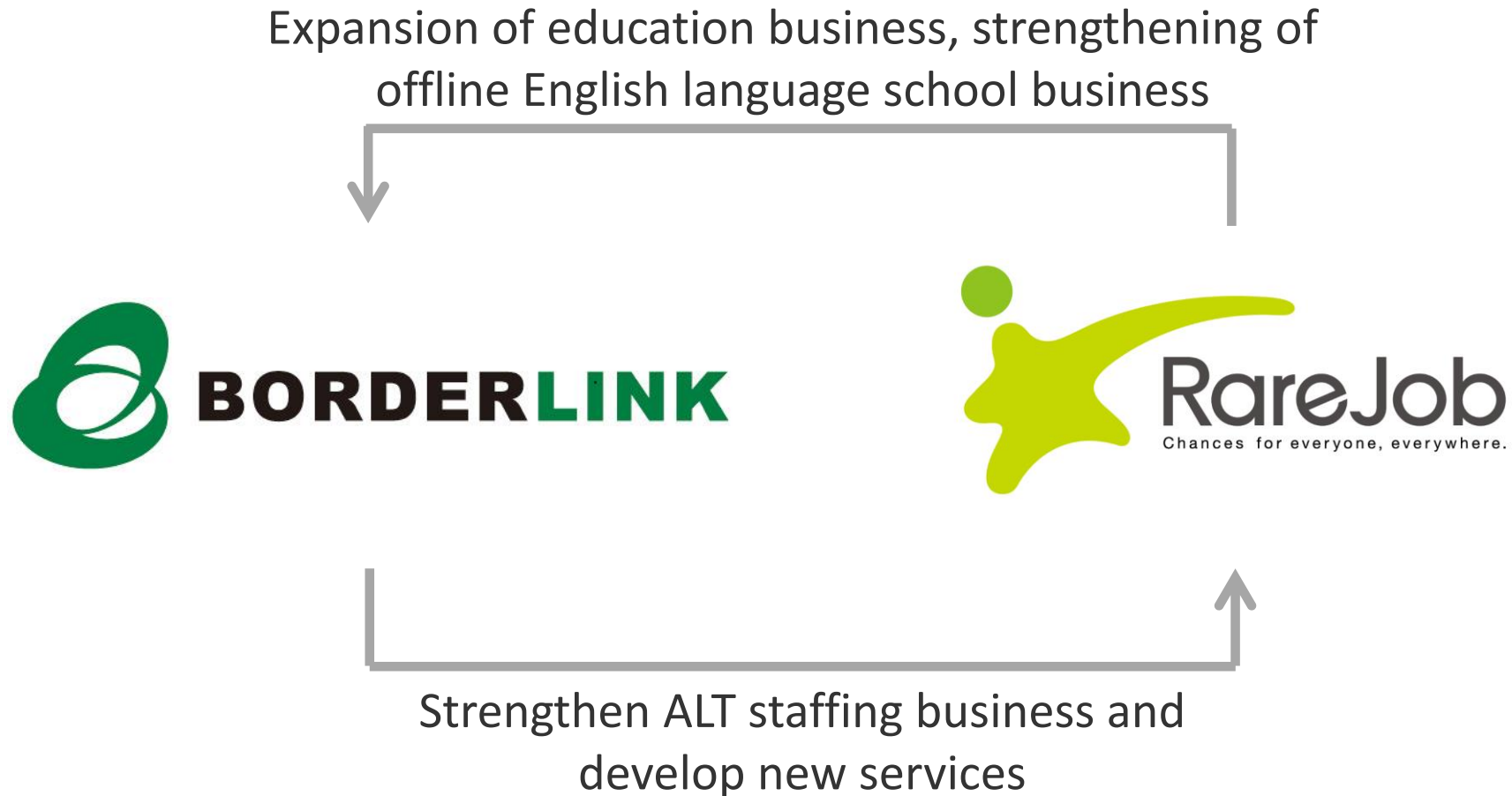
\*3 Profit is profit before tax after the amortization of identifiable intangible assets, internal transactions and one-time expenses.



# III. Topics

# Capital and Business Alliance between BORDERLINK, INC. (Subsidiary) and RareJob, Inc.

Concluded a capital and business alliance agreement in September 2021 with the aim of expanding assisted language teacher (ALT) staffing and English language school businesses.



# 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	19,762		

### ■ Segment profit

	1Q	2Q	3Q	4Q
FY3/21	1,126	1,289	1,178	1,137
FY3/22	977	1,183		

## Overseas WORK Business

### ■ Revenue

	1Q	2Q	3Q	4Q
FY3/21	8,457	9,444	9,375	9,644
FY3/22	11,417	12,292		

### ■ Segment profit

	1Q	2Q	3Q	4Q
FY3/21	472	541	482	447
FY3/22	759	917		

## Others

### ■ Revenue

	1Q	2Q	3Q	4Q
FY3/21	395	282	292	308
FY3/22	289	319		

### ■ Segment profit

	1Q	2Q	3Q	4Q
FY3/21	-96	-100	-67	-136
FY3/22	-108	-96		

# Geographic (Overseas) Results

## ■ Revenue (Asia)

	1Q	2Q	3Q	4Q
FY3/21	1,293	1,489	1,774	1,909
FY3/22	2,270	2,479		

## ■ Revenue (Australia)

(Millions of yen)

	1Q	2Q	3Q	4Q
FY3/21	7,163	7,972	7,627	7,769
FY3/22	9,147	9,813		

# Overseas (Australia, Singapore) Macro Environment



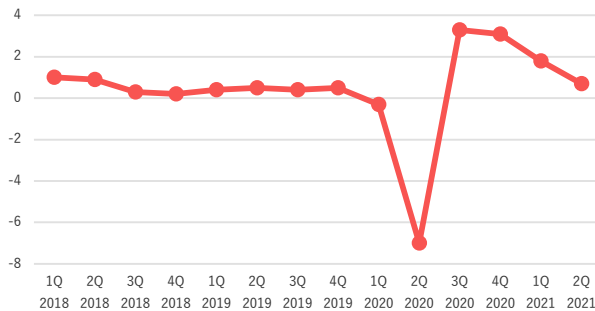
## Market conditions for WILL GROUP

In 2Q, permanent placement demand remained above pre-COVID-19 levels as there was a steady demand for human resources despite the lockdown in association with emergence of new variants. The temporary staffing orders were strong with stable demand in the public sector, IT, finance, and legal sectors.

## Economic indicators

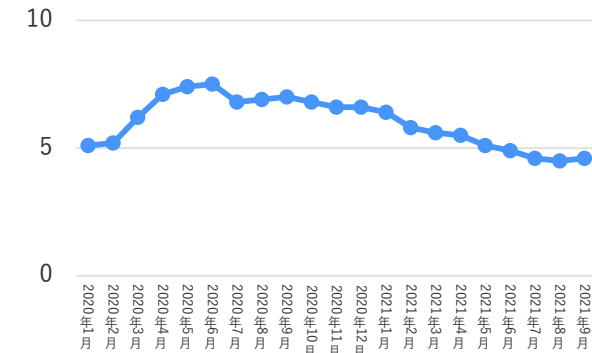
### Real GDP growth rate (YoY change)

\*Source: Australian Bureau of Statistics



### Unemployment rate

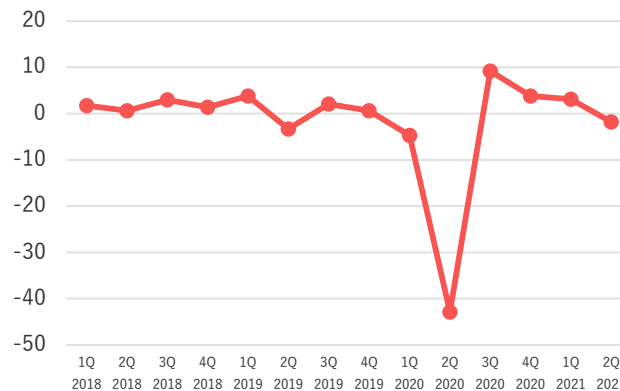
\*Source: Australian Bureau of Statistics



In 2Q, although economic activity was restricted due to the spread of COVID-19 infections, the demand for human resources was solid, as was the case in Australia, which contributed to the stable performance of both temporary staffing and permanent placement businesses. However, due to the upturn in infections, it will be necessary to keep a close eye on the situation from 3Q onwards.

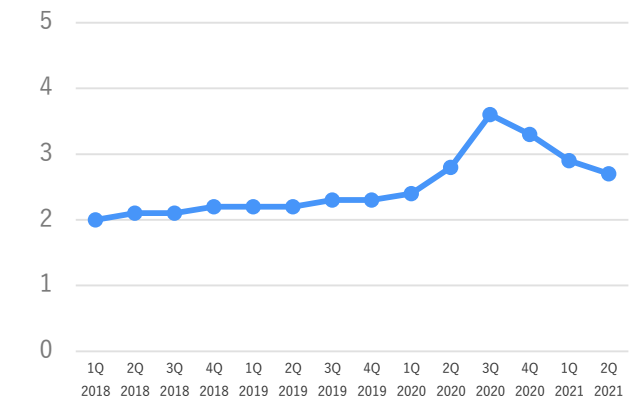
### Real GDP growth rate (YoY change)

\*Source: Singapore Department of Statistics



### Unemployment rate

\*Source: Singapore Department of Statistics

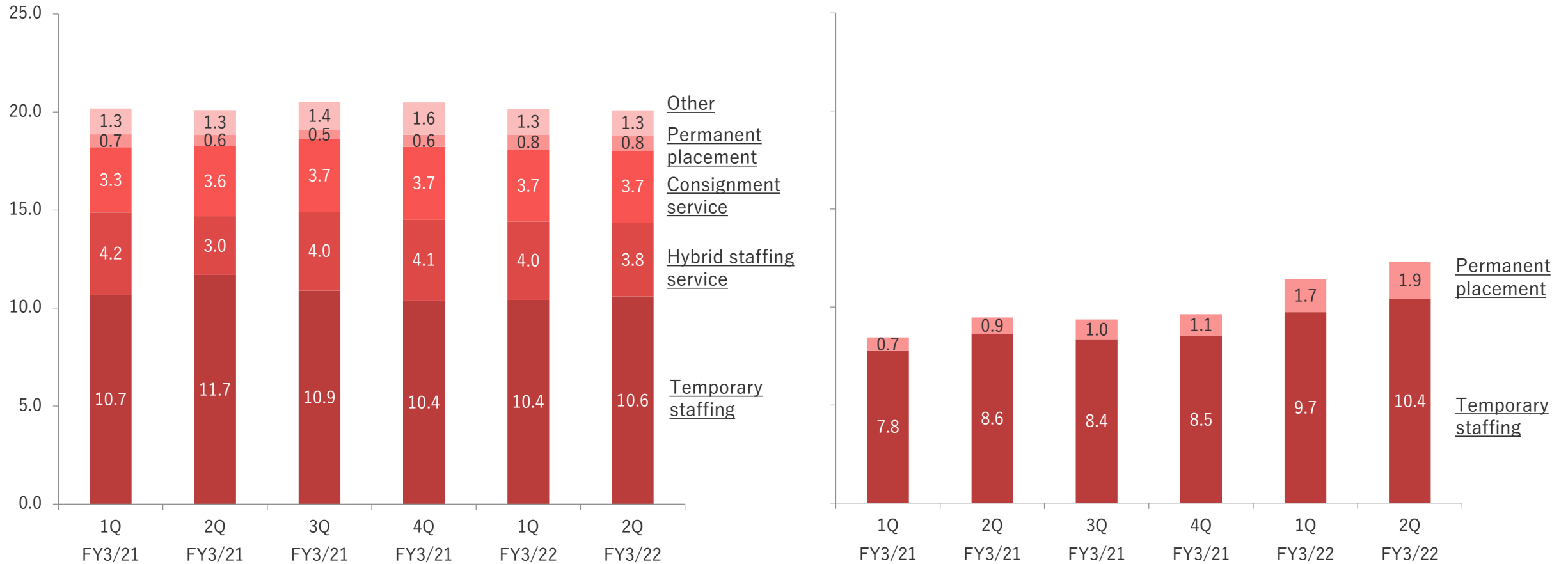


# Breakdown of Revenue by Region/Contract Type

## Japan

## 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.

■ IR Contact:

WILL GROUP, INC. Financial Department

Tel: +81-3-6859-8880