



Financial Results for the First Half of the Fiscal Year Ending March 31, 2022

November 24, 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

1

The full-year forecasts have been revised upward again to factor in the better-than expected first half results. The dividend forecast has also been revised upward.

2

“WORK SHIFT Strategy,” the key approach of the Medium-Term Management Plan, progressed as planned.

3

The ratio of equity attributable to owners of parent to total assets exceeded the Medium-term Management Plan target of 20%.

1H FY3/22 Financial Highlights

(Billions of yen)	1H FY3/22	Vs. 1H FY3/21	Vs. FY3/22 Forecast*
Revenue	63.91	+ 9.9% (+5.73)	+ 0.7% (+0.41)
Gross margin	22.0%	+ 1.5 pt	+ 0.6 pt
Operating profit	2.68	+ 20.9% (+0.46)	+ 34.3% (+0.68)

The Overseas WORK Business was the main source of revenue growth as the demand for people to perform various jobs remained strong.

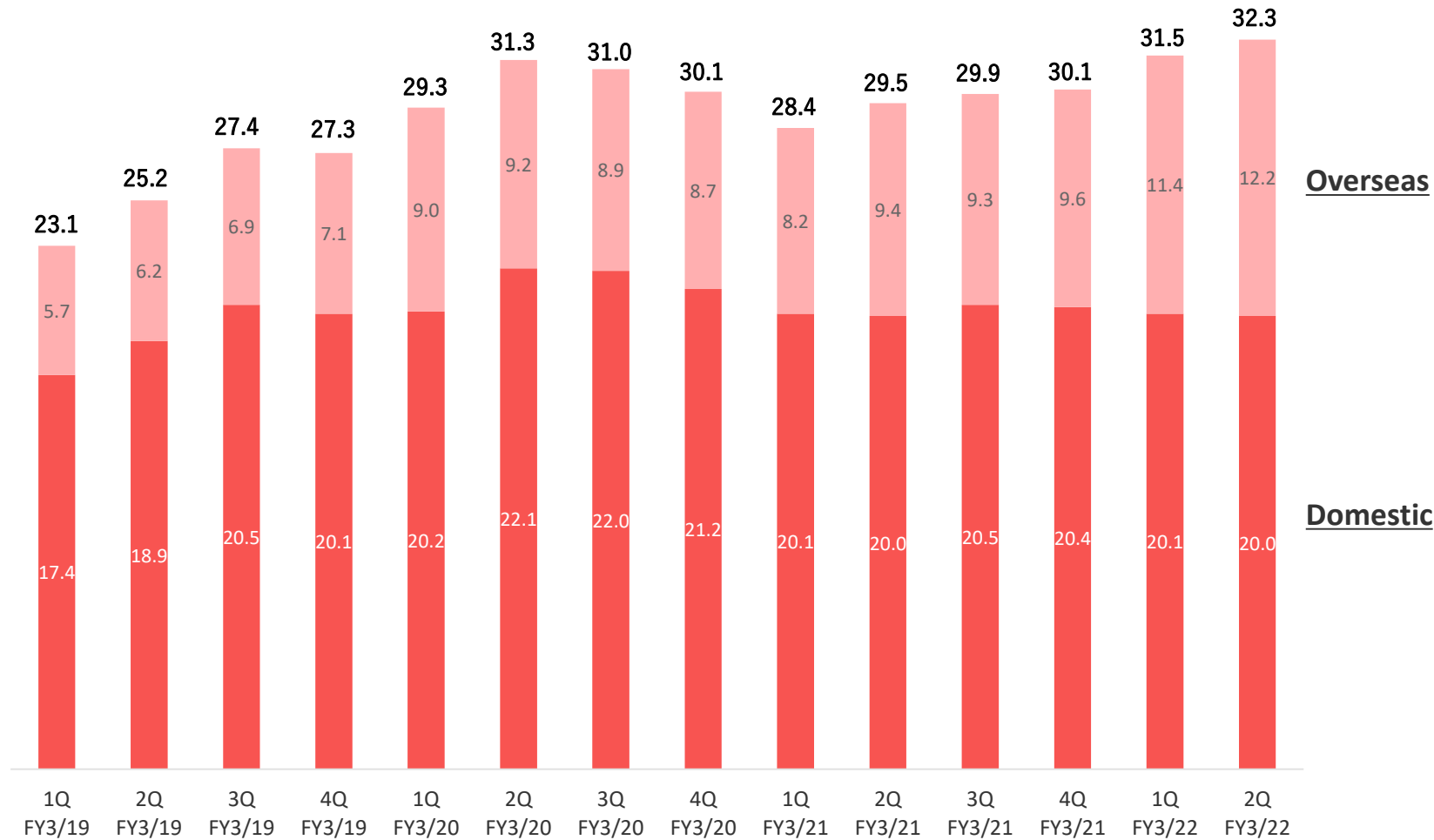
Operating profit increased because higher gross profit in the Perm (permanent placement) domain, the result of promotion of the Perm SHIFT. Earnings one year earlier were raised by one-time income of ¥700 million and FY3/22 1H earnings were affected by up-front investments of ¥500 million in the key Domestic WORK Business (the construction management engineer, care support and startup company HR support domains).

→“WORK SHIFT Strategy,” the key approach of the Medium-Term Management Plan, progressed as planned.

*Forecast as of Aug. 6, 2021

Consolidated Revenue

(Billions of yen)

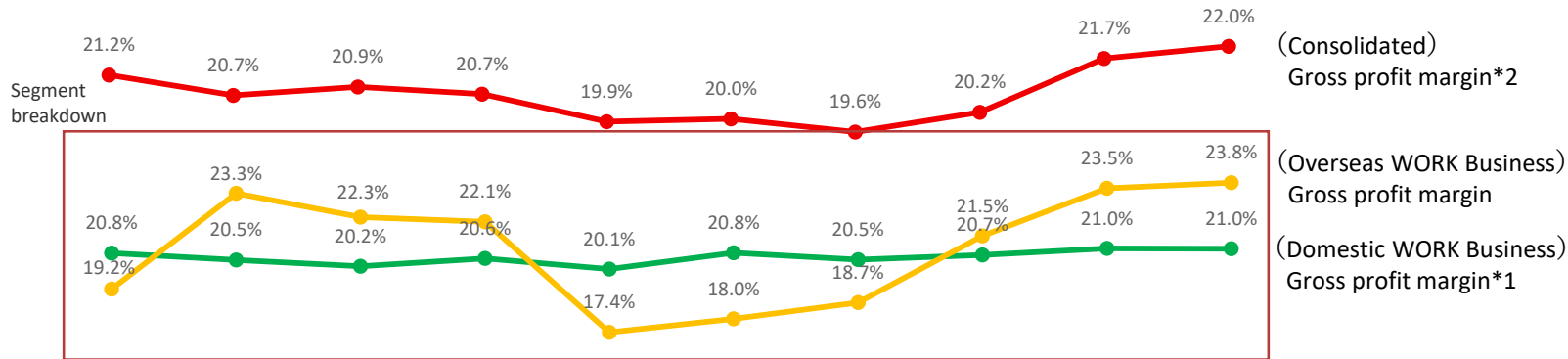


**2Q FY3/22 revenue was
¥0.8 billion
above the 1Q FY3/22**
(The effects of foreign exchange rate: -¥0.1 billion)

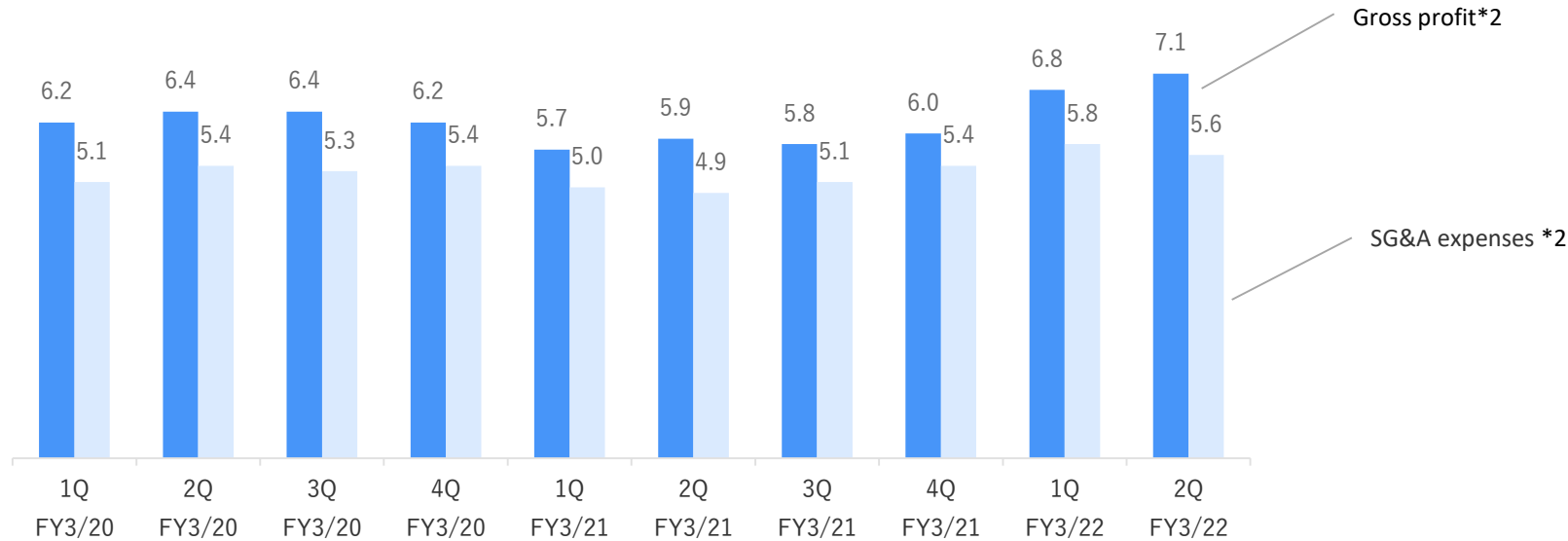
*The revenue in FY3/21 is based on adjusted figure that excludes overseas subsidy income.

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.



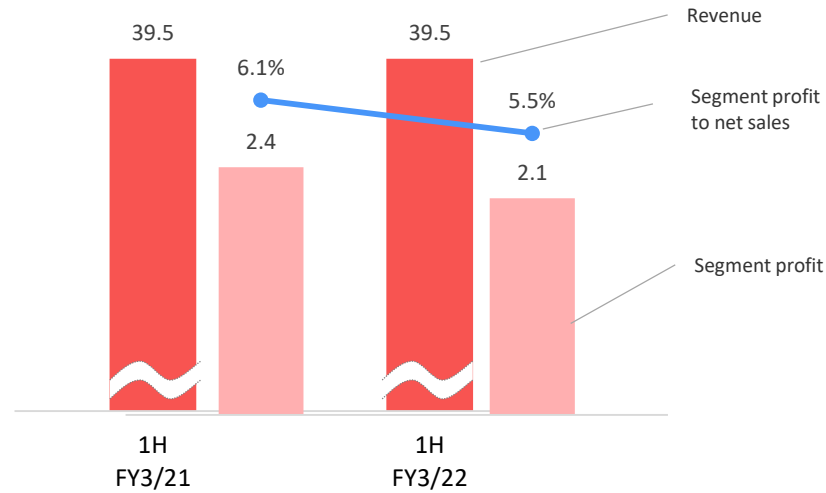
*1 Intersegment consolidation adjustments are not included. The amounts for FY3/20 are based on the previous accounting policy.

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

Consolidated Segment Results

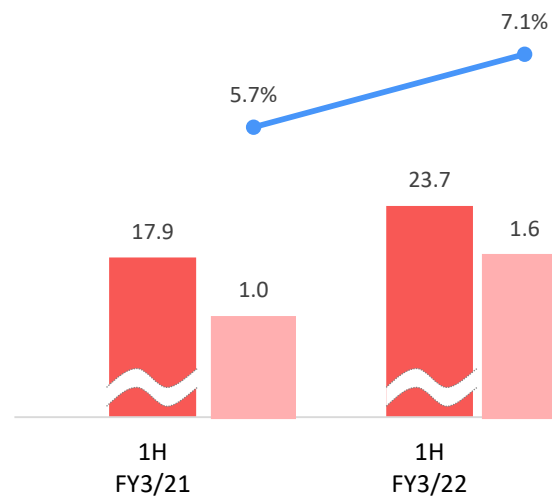
(Billions of yen)

Domestic WORK Business



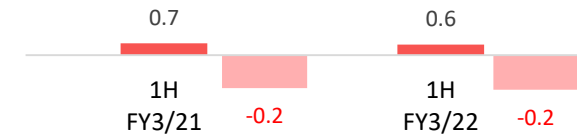
- The number of worker on assignments decreased in the sales and factory sectors affected by the spread of COVID-19.
- Upfront investments (¥500 million) for nursing care personnel, construction engineers and HR support for startup firms.

Overseas WORK Business



- 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.

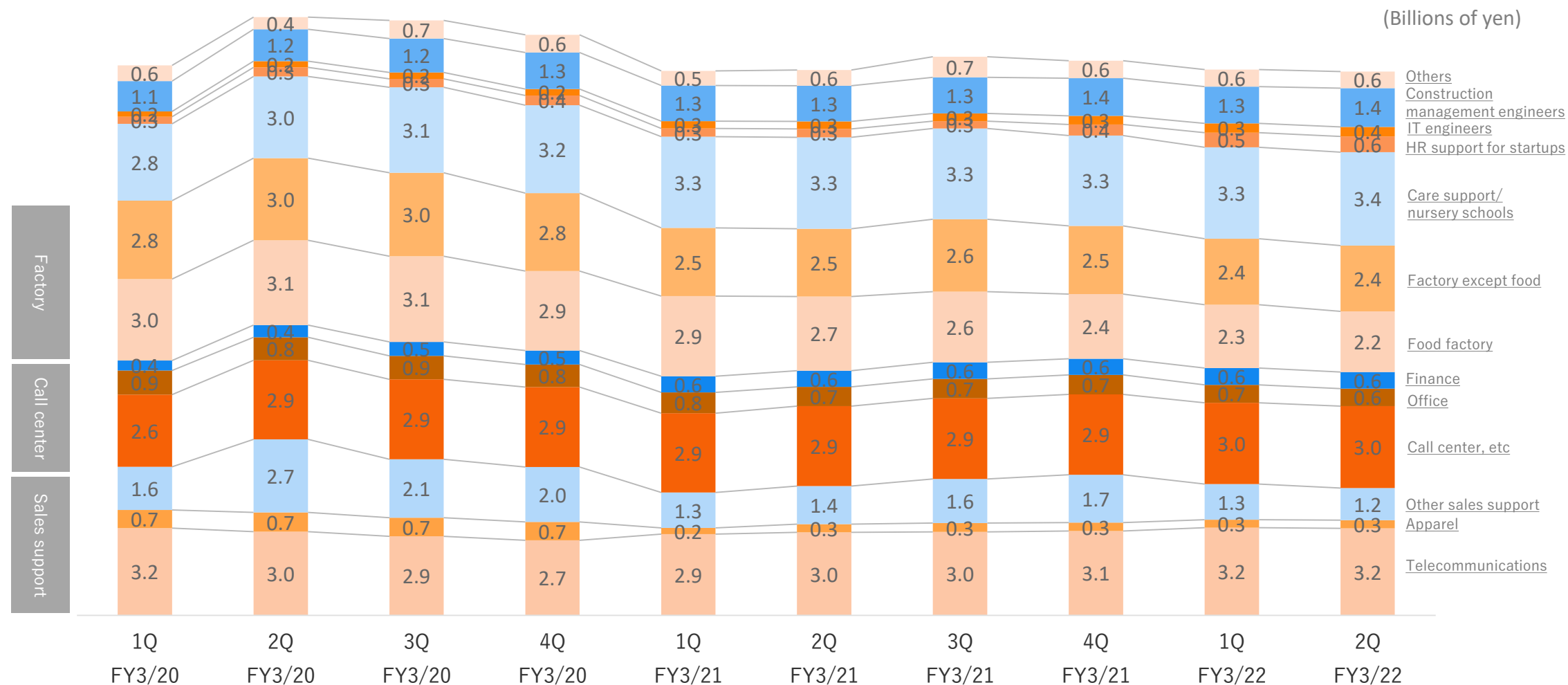
Others



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

Domestic WORK Business (Business sector sales)

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



Overseas WORK Business (Business sector sales)

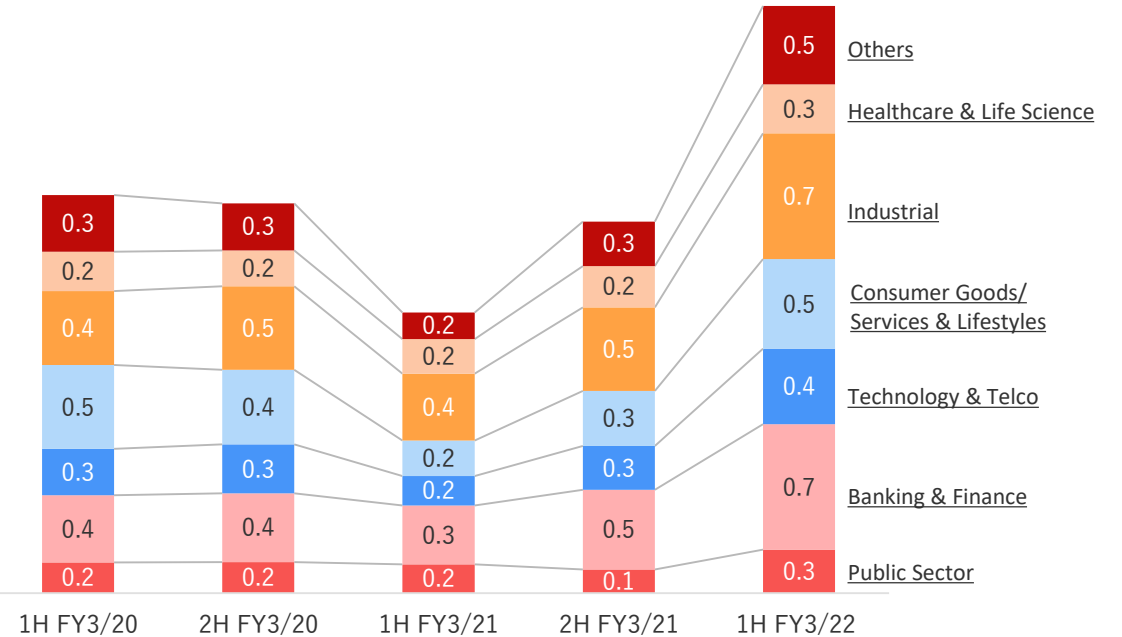
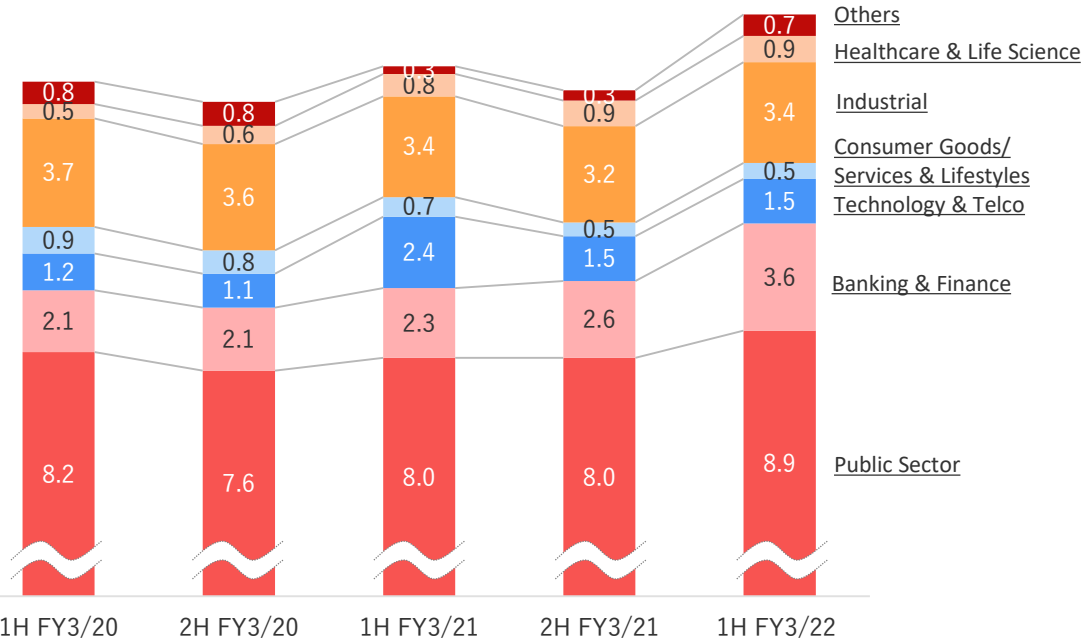
Temporary staffing is stable, mainly in the public sector.

Permanent placement demand started recovering in all categories in 2H FY3/21.

(Billions of yen)

■ Temporary staffing

■ Permanent placement

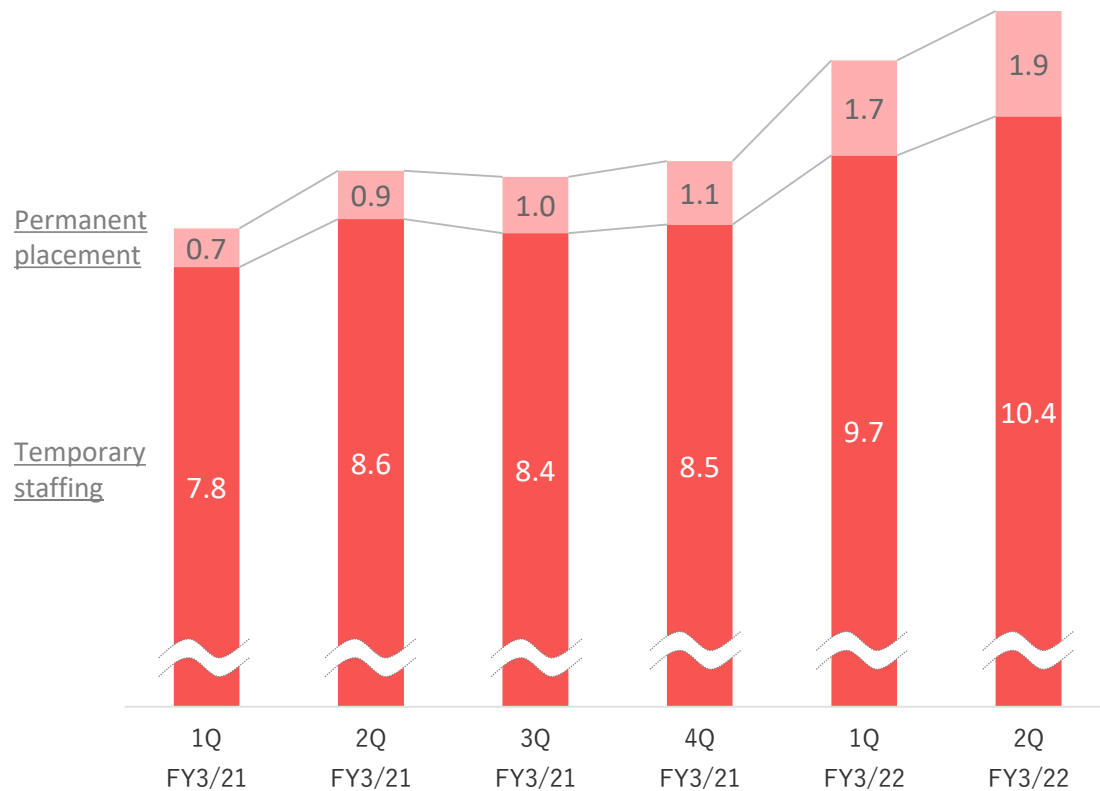


Converted to yen at the rates of ¥80/SGD and ¥80/AUD.

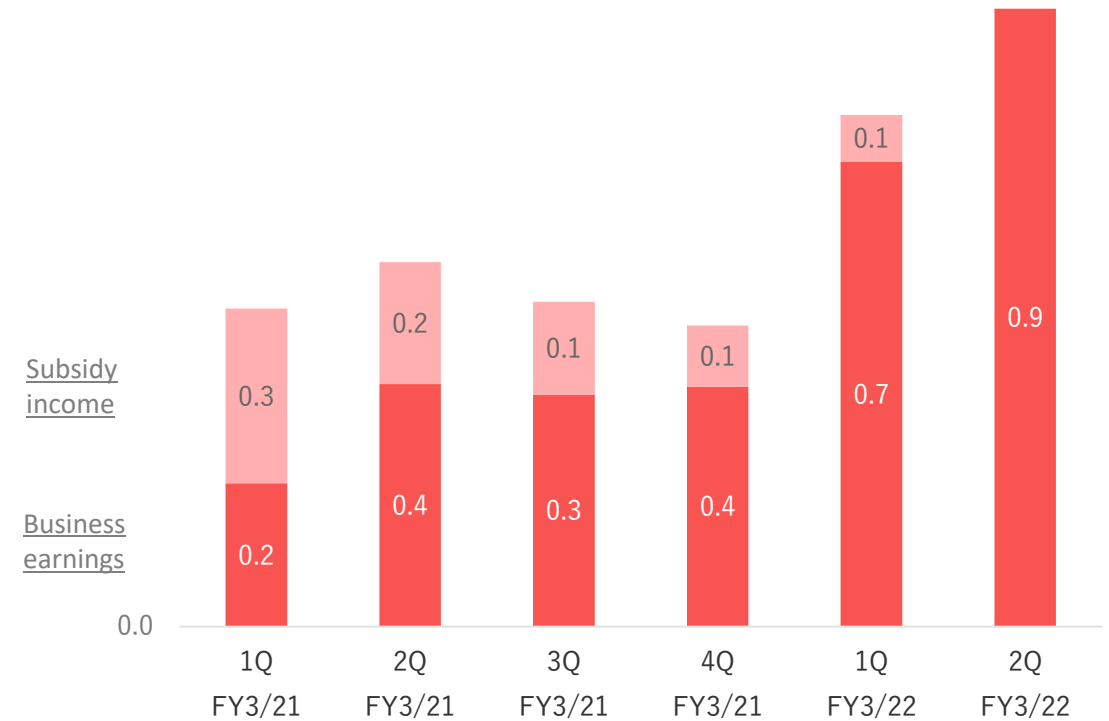
Overseas WORK Business (Sales by contract type, sector operating profit)

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) -



1H FY3/22 Highlights

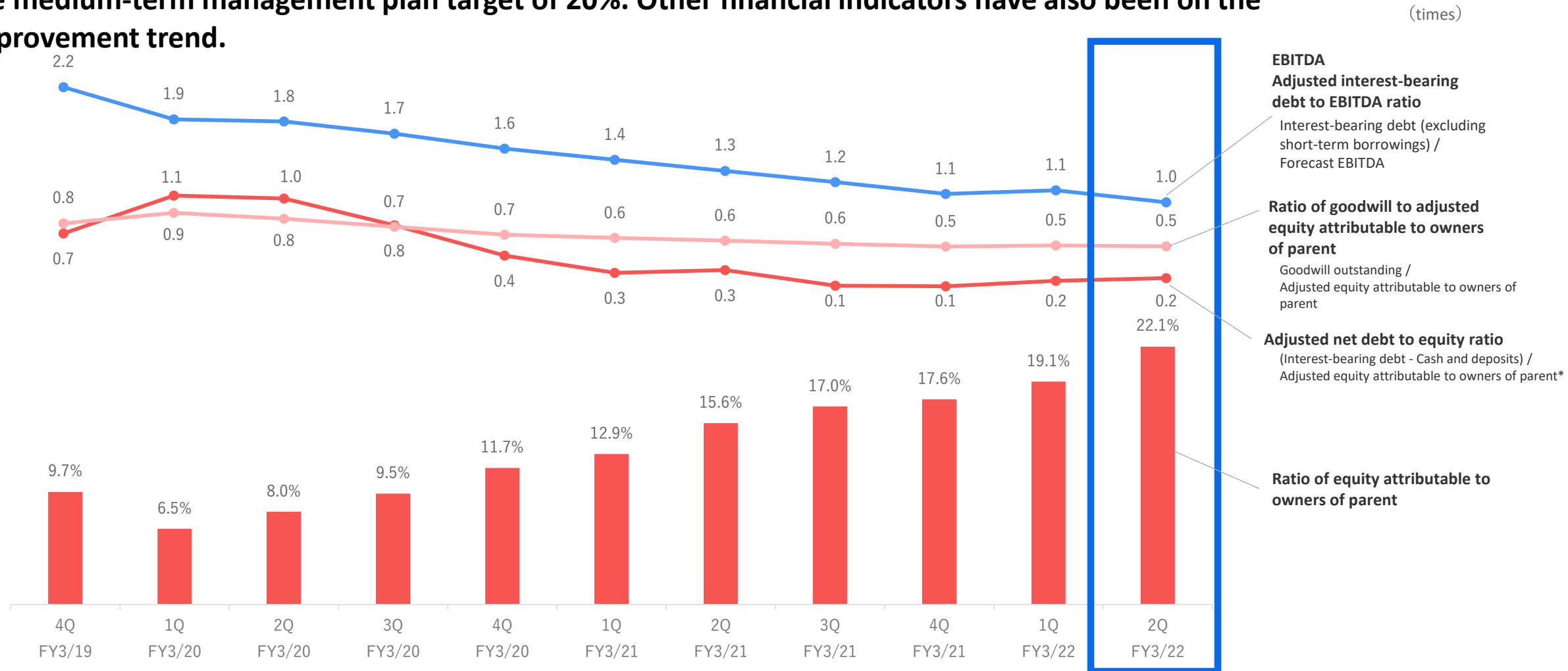
Continuing from 1Q, revenue in the permanent placement sector in the Overseas WORK Business was strong. The basic strategy of the medium-term management plan, “WORK SHIFT Strategy,” progressed as planned.


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

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

Financial Indicators

The ratio of equity attributable to owners of parent to total assets at the end of 2Q was 22.1%, which exceeded the medium-term management plan target of 20%. Other financial indicators have also been on the improvement trend.





II . FY3/22 Earnings and Dividend Forecasts

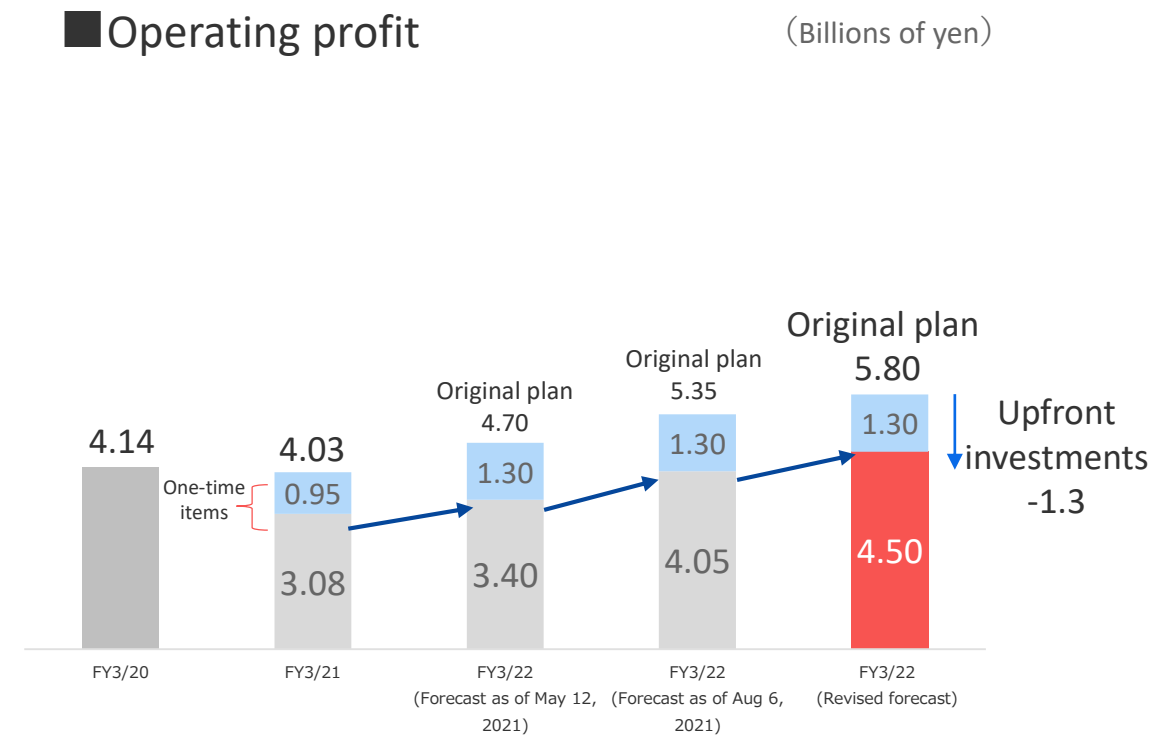
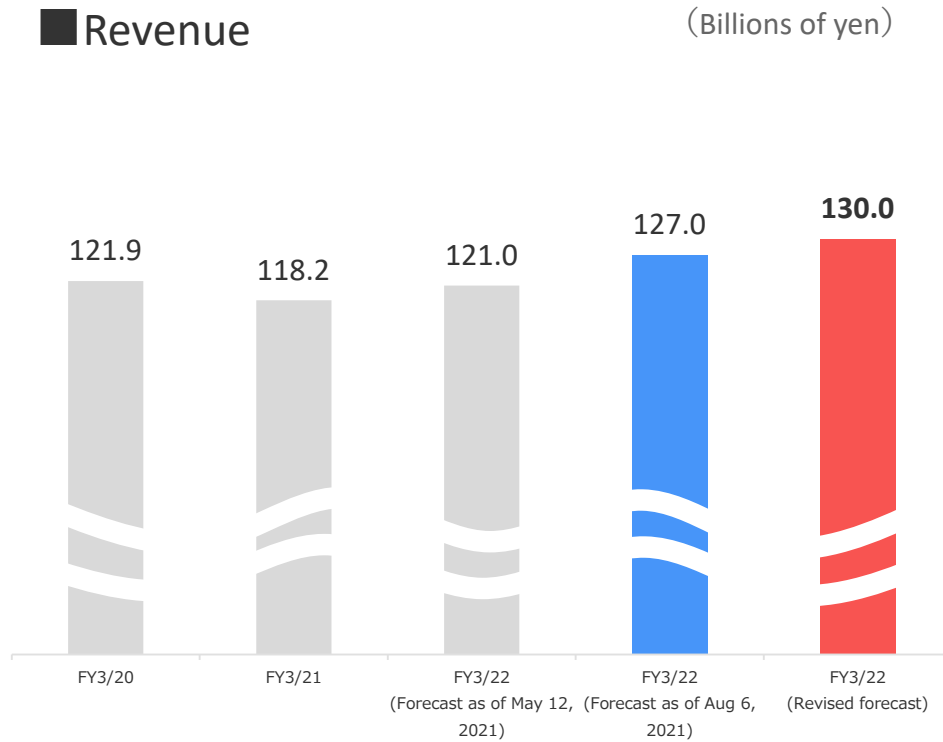
FY3/22 Forecast

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.

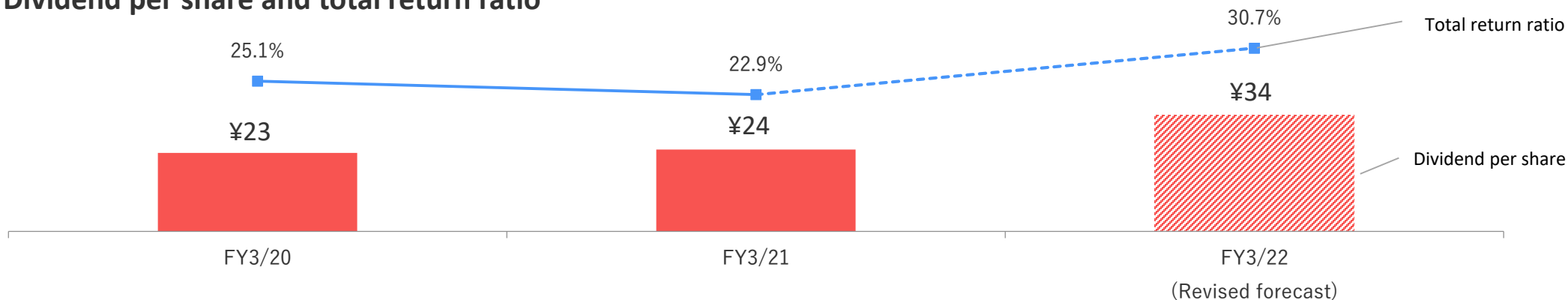
FY3/22 Dividend Forecast

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	¥34 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-September 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. Medium-term management plan (WILL-being 2023) progress

Medium-term Management Plan (WILL-being 2023) Progress

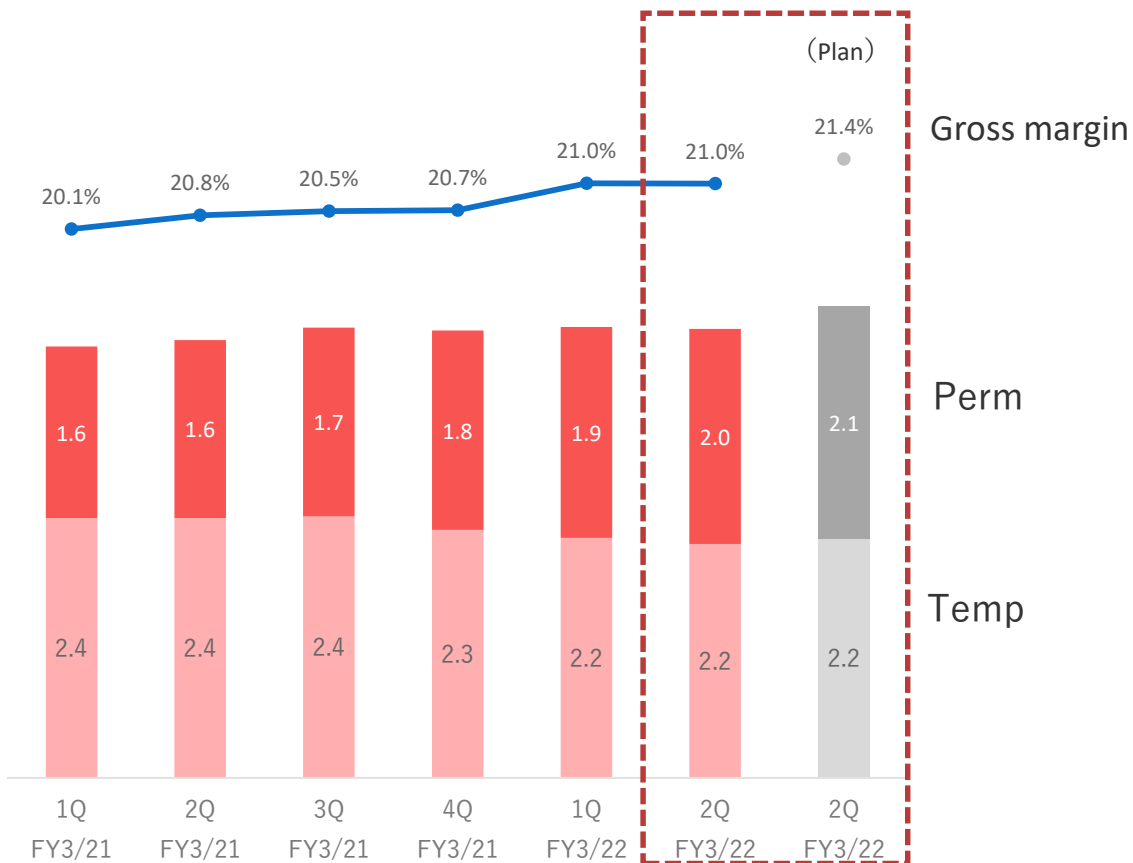
The four key strategies are progressing as planned generally

Key strategies	Progress in 1H FY3/22
Strategy I Improve profitability through portfolio shift	<ul style="list-style-type: none"> • In Japan, care support placements were below the plan. Overseas, the number of placements increased. The result was a gross profit margin far above the target. • In the construction management engineer category, many people with work experience in other fields were hired. • For temp-to-hire care support personnel, the number of orders and people recruited were below the initial plan because few nursing care facilities and professionals are aware of this service. We will reorganize this business starting in the 3Q and take actions to increase orders and people hired.
Strategy II Increase productivity through digital shift	<ul style="list-style-type: none"> • Continued enhancement of the WILLOF smartphone app (for online applications). • Two main subsidiaries, WILLOF WORK and WILLOF FACTORY, merged on July 1, 2021, to consolidate their sales office networks and administrative operations.
Strategy III Search for areas for next strategic investments	<ul style="list-style-type: none"> • Inbound services for foreign workers in Japan (ENPORT and other services) have been restarted, although there are still restrictions on foreigners entering Japan because of the pandemic. • In the Tech field, we are seeking opportunities in business sectors associated with our major businesses.
Strategy IV Financial strategy	<ul style="list-style-type: none"> • The ratio of equity attributable to owners of the parent to total assets was 22.1%, exceeding the target of 20%. • The total payout/shareholder return ratio was 30% based on the earnings forecast released at the beginning of the fiscal year. Subsequently, we raised the earnings forecast twice and the ratio of equity equity attributable to owners of the parent to total assets is above our target. As a result, the dividend forecast has been increased by ¥9, which is expected to result in total shareholder distributions that are 30.7% of earnings.

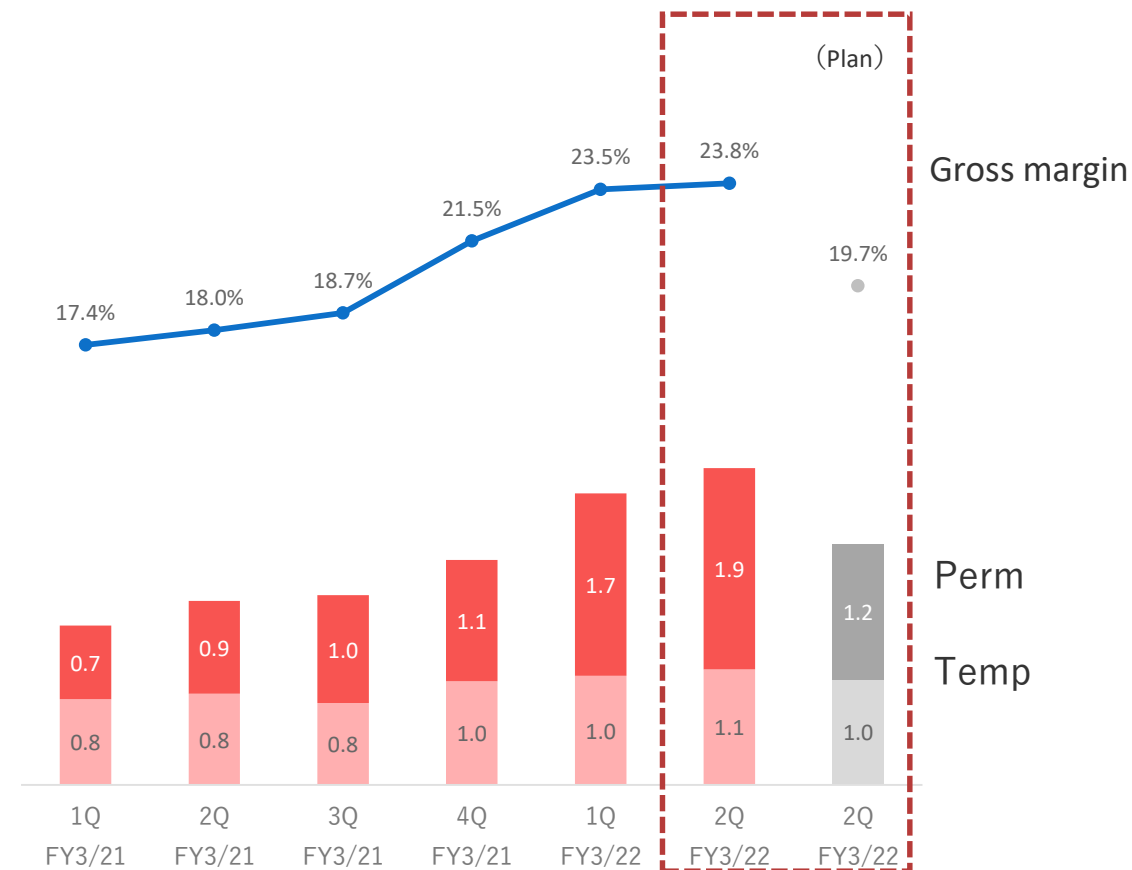
Business Portfolio Changes in Japan and Overseas

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.

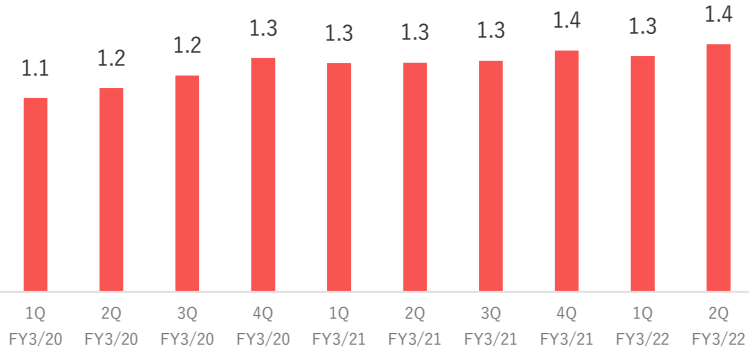
Gross profit and gross margin in 1Q FY3/22 are based on adjusted figure that excludes overseas subsidy income.

Progress in the Construction Management Engineer Temporary Staffing Business

Quarterly Revenue

(Billions of yen)

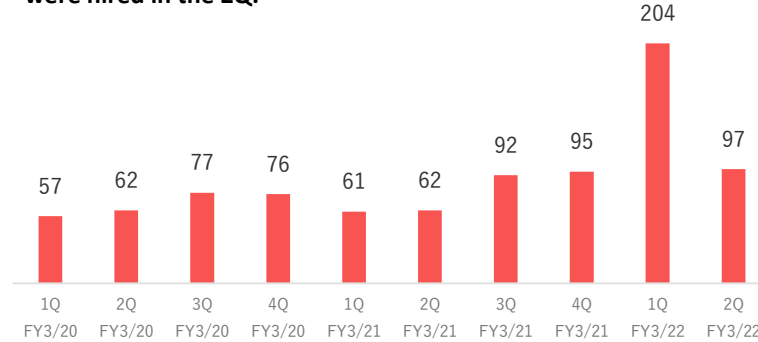
2Q revenue increased because of new graduates hired in the 1Q



Number of People Hired

(People)

A large number of mid-career people with no applicable experience were hired in the 2Q.

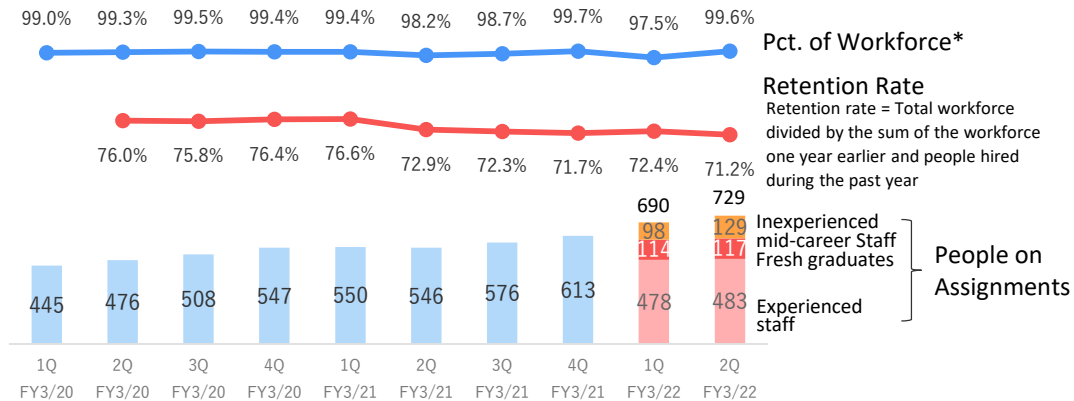


People on Assignments, Pct. of Workforce, Retention Rate

(People)

Pct. of workforce remains high.

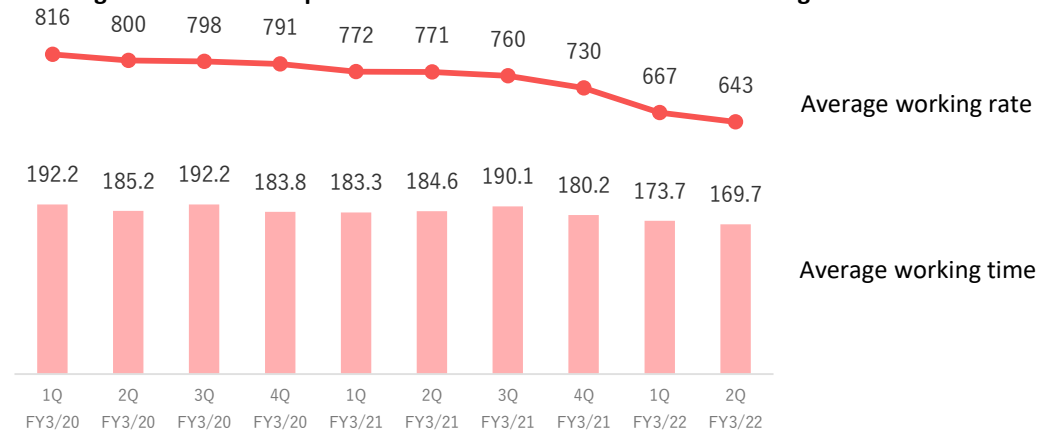
We will increase the retention rate through trainings and follow-up systems.



Temporary Placement Staff Working Time and Rates

(Hours; thousands of yen)

The combination of a reduction in overtime and an increase in the number of new graduates and inexperienced staff resulted in lower unit working rates.



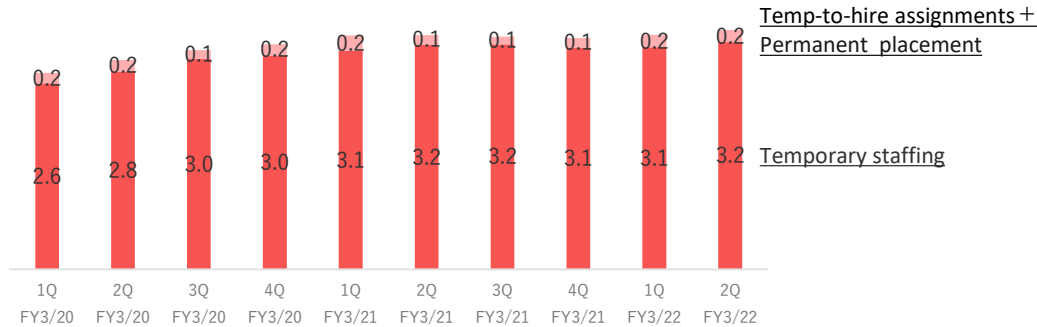
*The pct. of workforce in 1Q FY3/22 is the percentage for June 2021, excluding the impact of the new graduate training period. The percentage of workforce in 1Q FY3/22 would be 90.4% when the impact of the new graduate training period is factored in.

Progress in the Care Support Business

Quarterly Revenue

(Billions of yen)

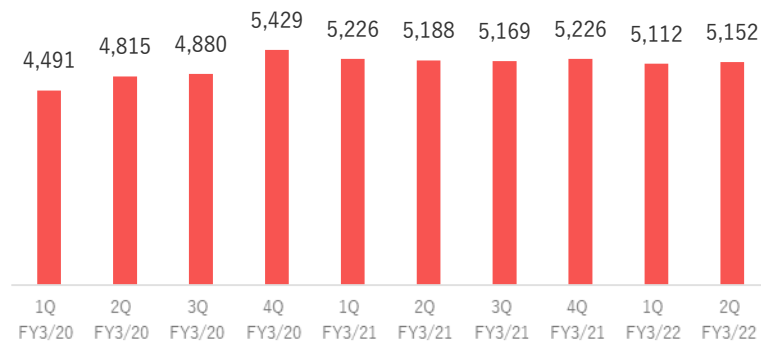
Temporary staffing services performed well



Number of People on Assignments

(People)

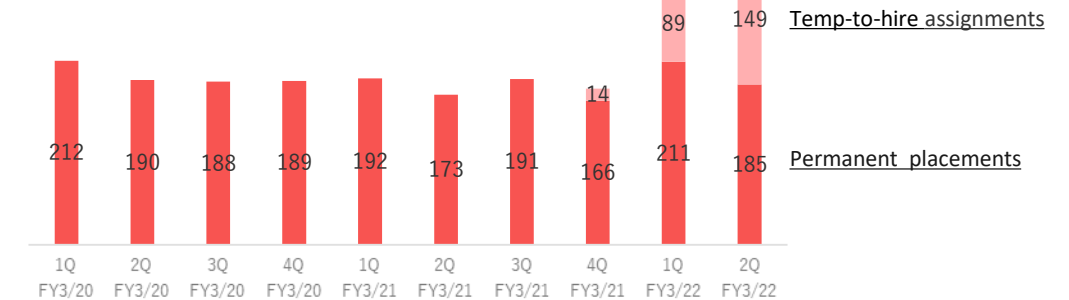
The number of people on assignments remains stable. Stepping up recruiting activities because of the recovery in orders.



Temp-to-Hire Assignments and Permanent Placements

(People)

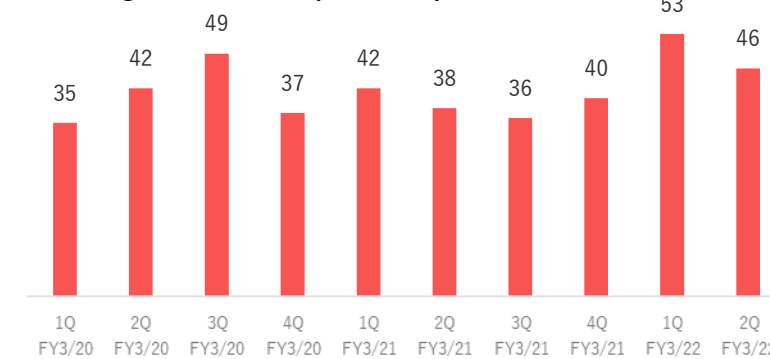
Orders and people hired are below the plan because of low awareness of the temp-to-hire scheme. Rebuilding the framework for this business in the 2H.



Employees in the Temp-to-Hire and Permanent Placement Business

(People)

We plan to increase recruiting activities again following the reorganization of temp-to-hire operations.





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