



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

February 8, 2022

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 . 3Q FY3/22 Highlights

3Q FY3/22 Highlights

Although government subsidies and other one-time income (¥0.9 billion) that occurred last year have disappeared, revenue in the permanent placement sector of the Overseas WORK Business remained strong in 3Q as it did in the first half.

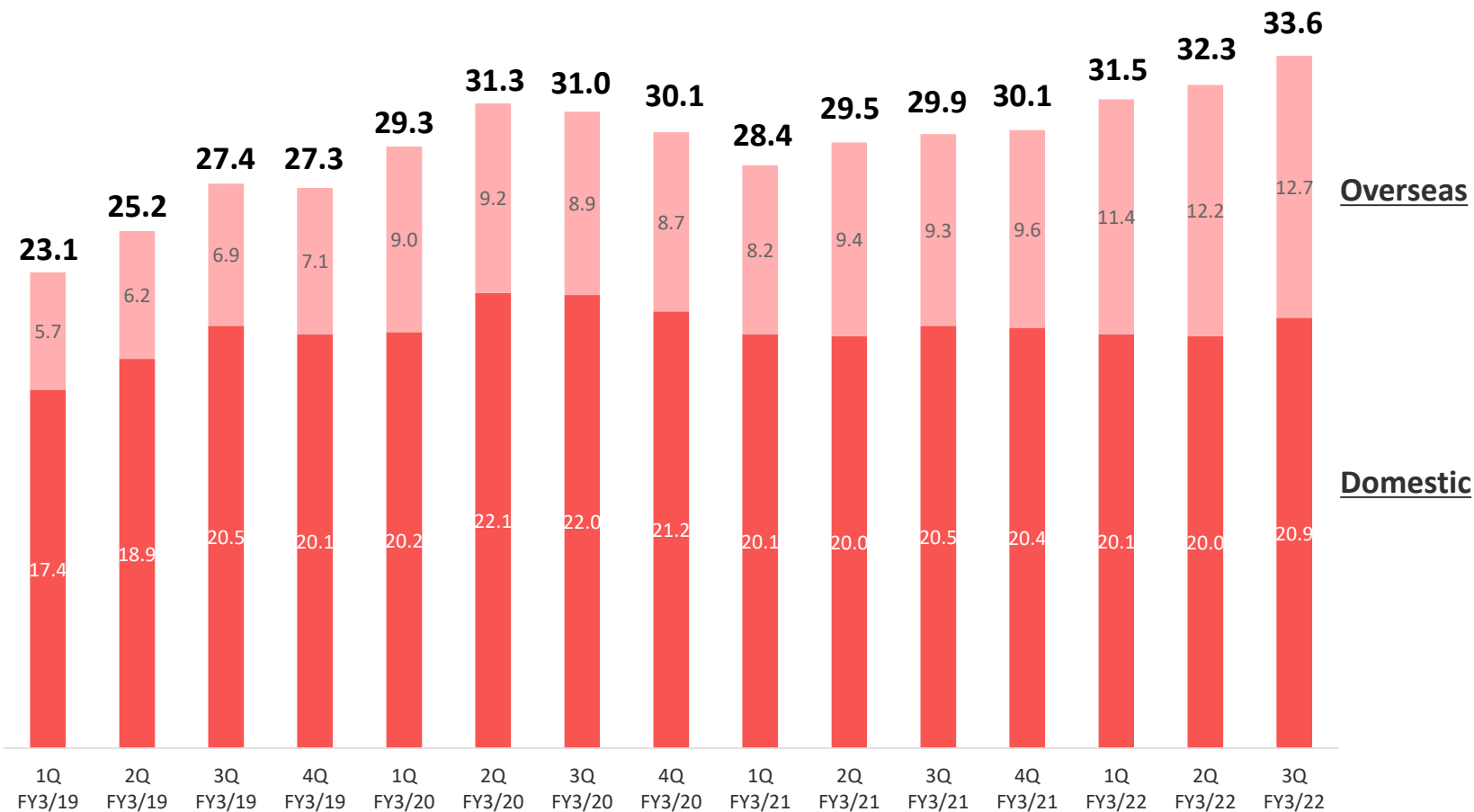
The basic strategy of the medium-term management plan, “WORK SHIFT Strategy,” progressed as planned.

(Billions of yen)	3Q FY3/21	3Q FY3/22	Vs. 3Q FY3/21	
			Change	% change
Revenue	88.13	97.60	+9.46	+10.7%
Gross profit (Gross margin)	17.91 (20.3%)	21.29 (21.8%)	+3.38 (+1.5pt)	+18.9%
Operating profit (Operating margin)	3.24 (3.7%)	4.16 (4.3%)	+0.92 (+0.6pt)	+28.4%
Profit before tax	3.04	4.19	+1.15	+37.8%
Profit attributable to owners of parent	1.87	2.62	+0.75	+39.9%
EBITDA (Operating profit + Depreciation and amortization)	4.80	5.64	+0.84	+17.5%

Number of employees:5,255
(+410 from the end of FY3/21)

Consolidated Revenue

(Billions of yen)



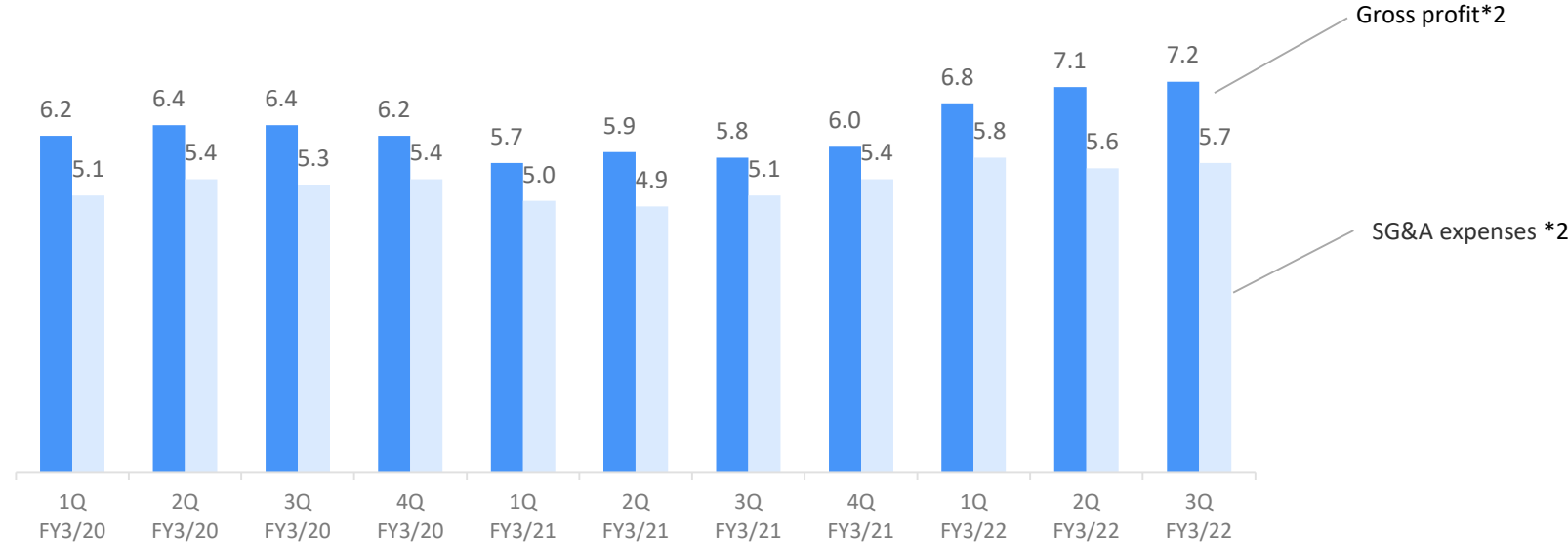
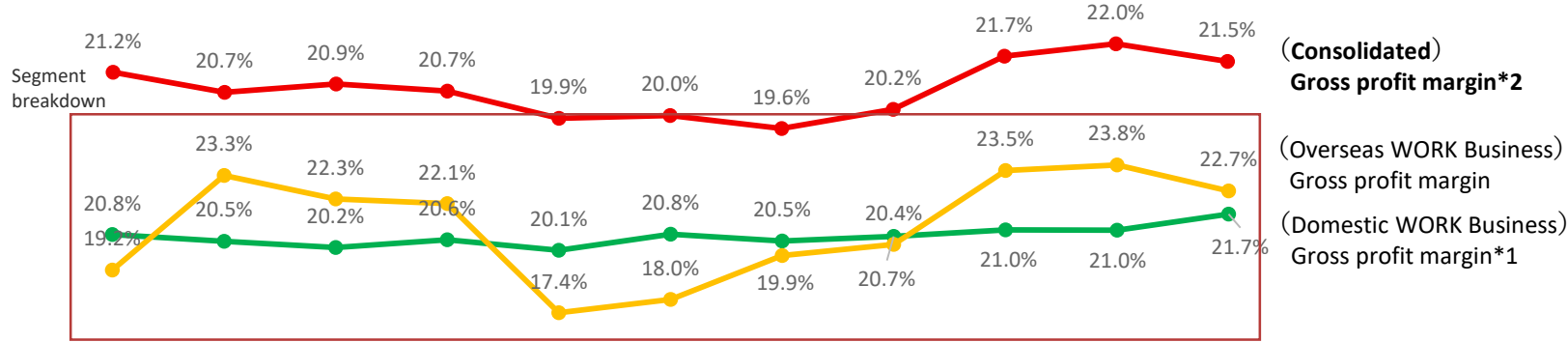
**3Q FY3/22 revenue was
¥1.3 billion
above the 2Q FY3/22**

(The effects of foreign exchange rate: +¥0.0 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 consolidated gross margin improved from one year earlier due to the Perm SHIFT.

Upfront investments
 3Q plan: ¥0.37 billion
 3Q results: ¥0.26 billion

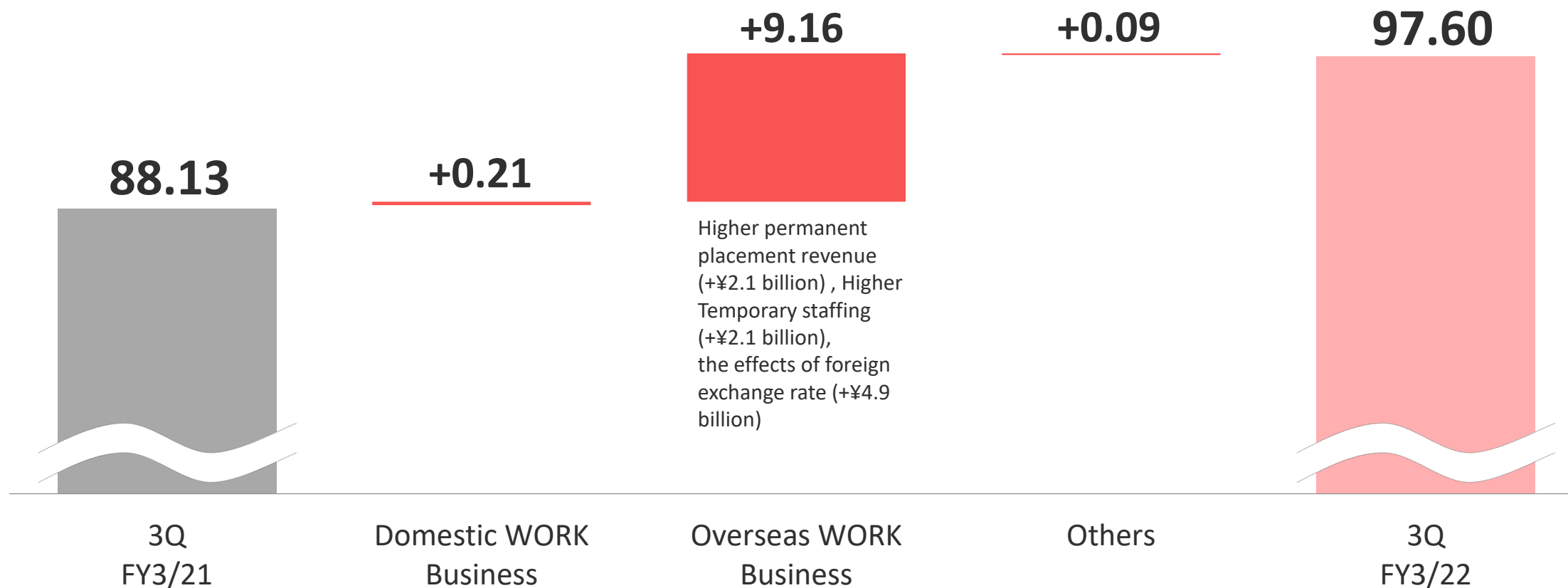
1Q-3Q plan: ¥1.04 billion
 1Q-3Q results: ¥0.76 billion

*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.

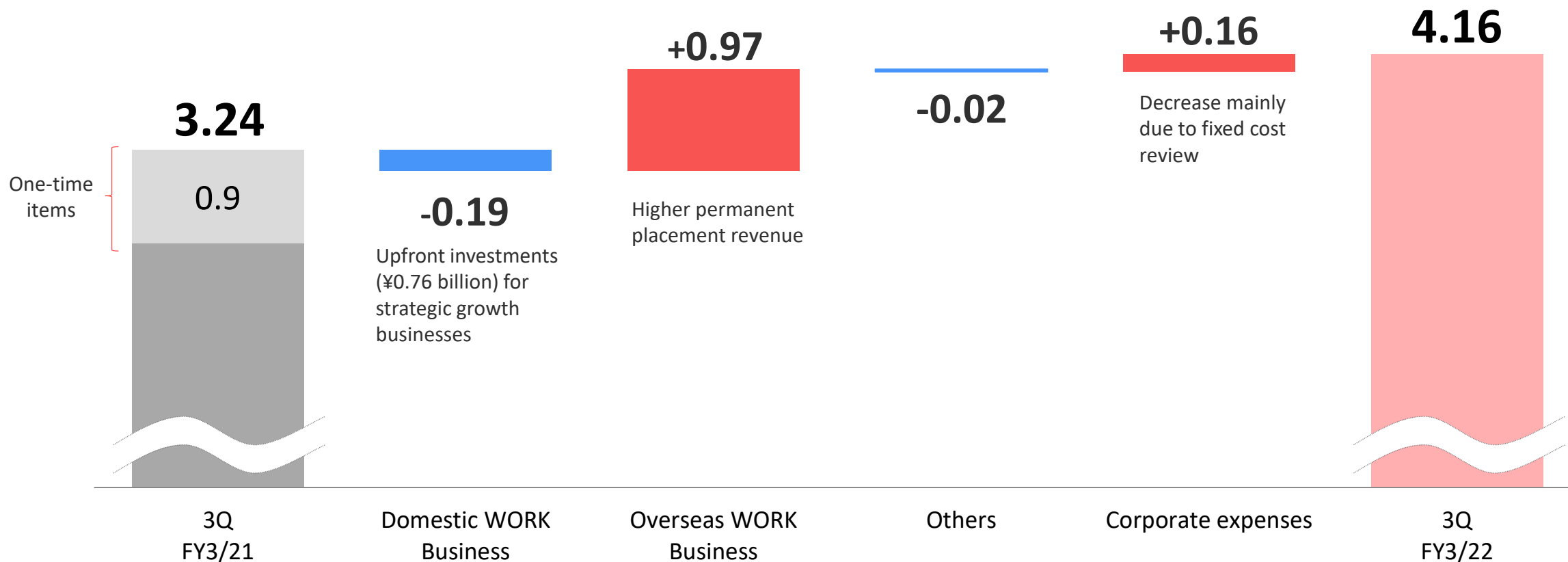
3Q FY3/22 Revenue: Breakdown of Year-on-Year Changes

(Billions of yen)



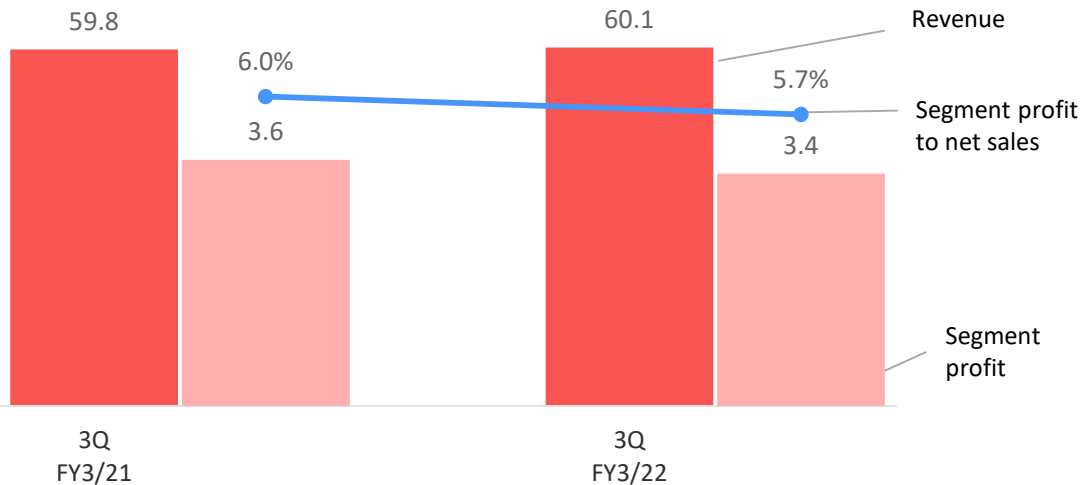
3Q FY3/22 Operating Profit: Breakdown of Year-on-Year Changes

(Billions of yen)



Domestic WORK Business

-Revenue and segment profit (Billions of yen)-

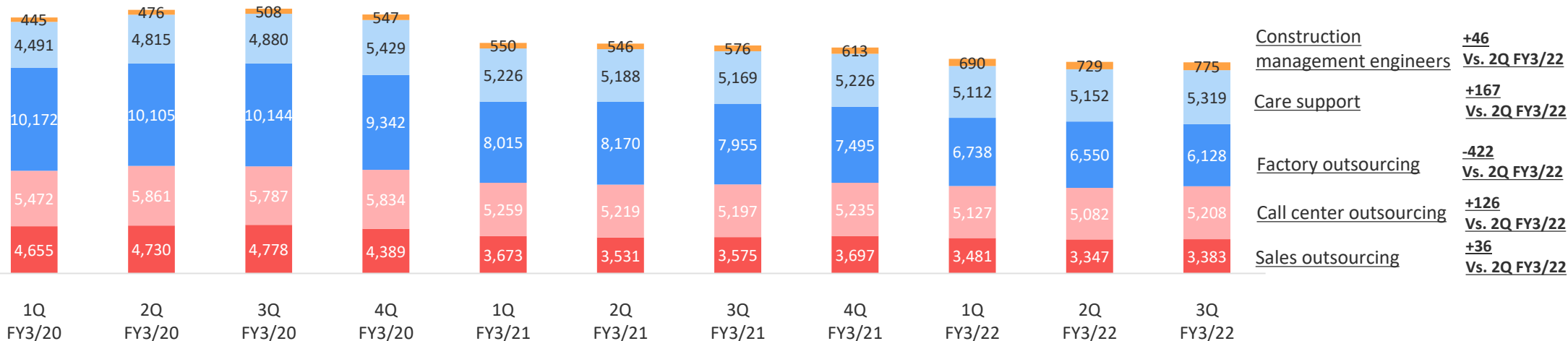


(Billions of yen)	Forecast	3Q FY3/22	Vs. Forecast % change	3Q FY3/21	Vs. FY3/21 % change
Revenue	60.26	60.11	-0.2%	59.89	+0.4%
Segment profit	3.28	3.41	+4.0%	3.61	-5.5%

-Topics-

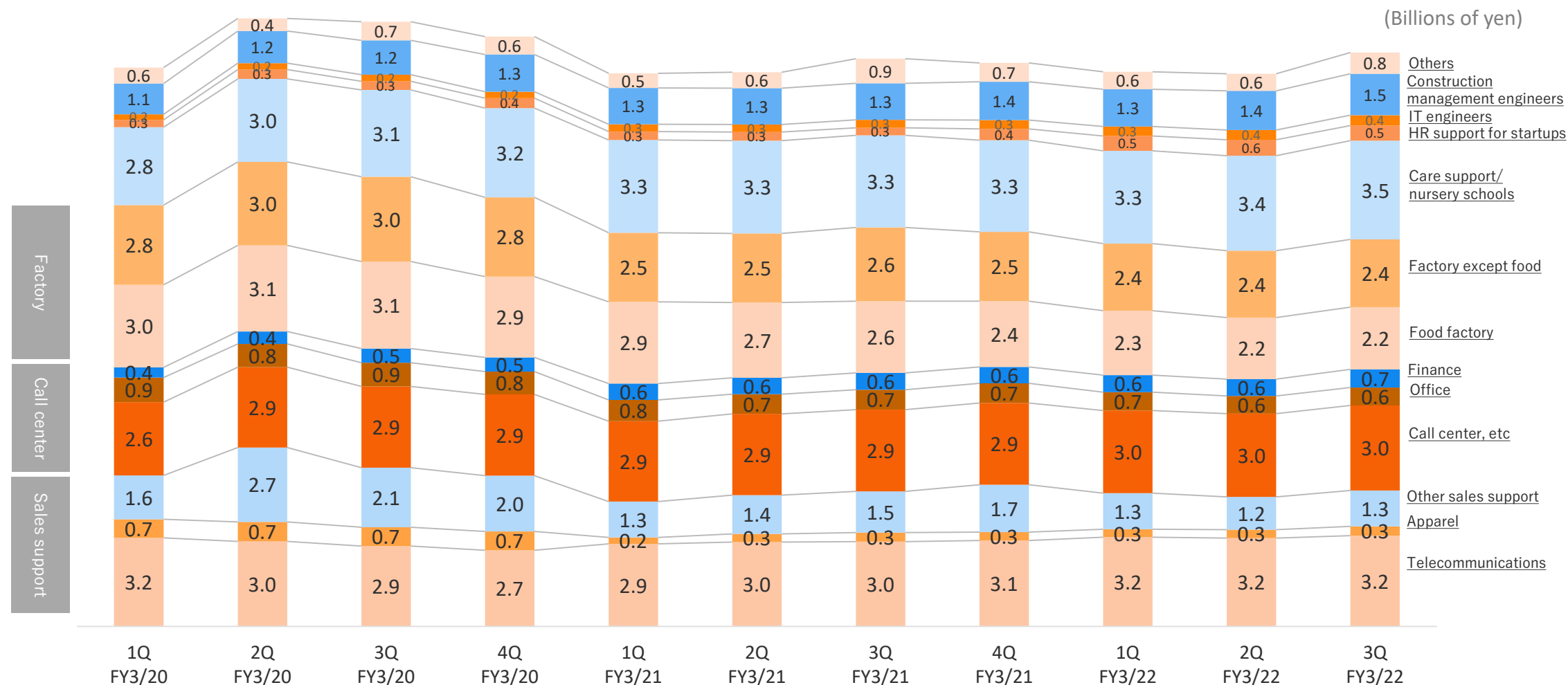
- The number of worker on assignments decreased in the factory sectors affected by the spread of COVID-19.
- Upfront investments (¥760 million) for nursing care personnel, construction engineers and HR support for startup firms.

-Number of workers on assignments (person)-



Domestic WORK Business (Business sector sales)

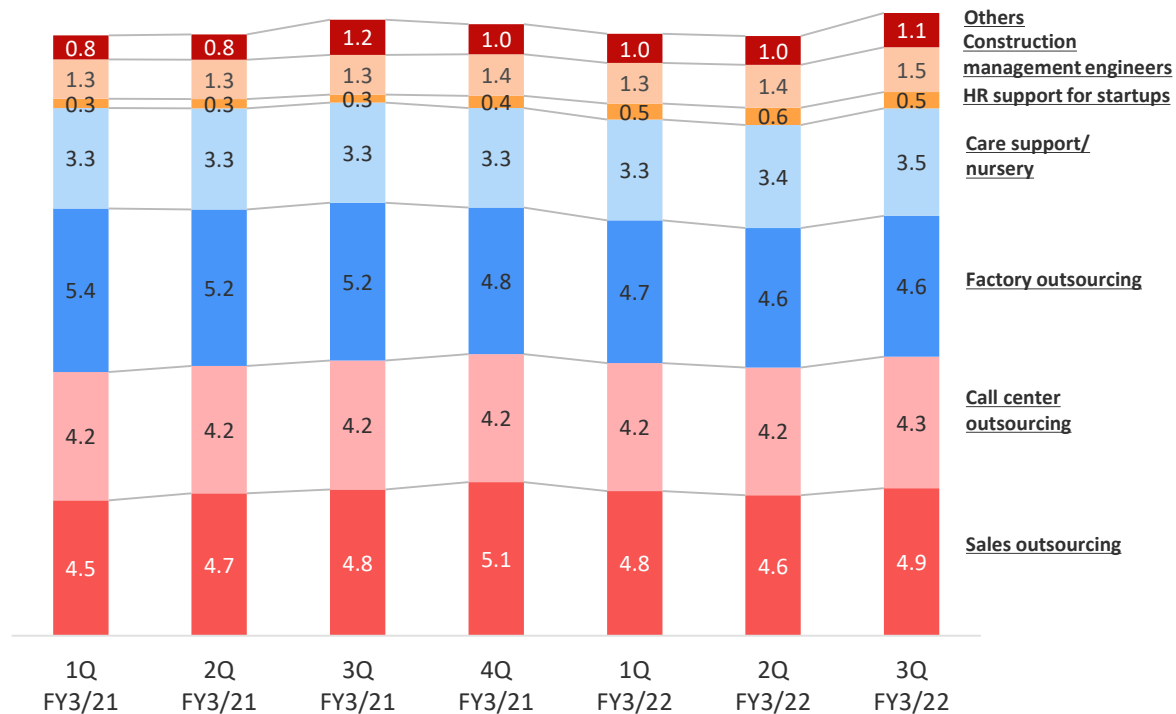
Telecommunications, call center, care support/nursery schools and HR support for startups sectors performed well.



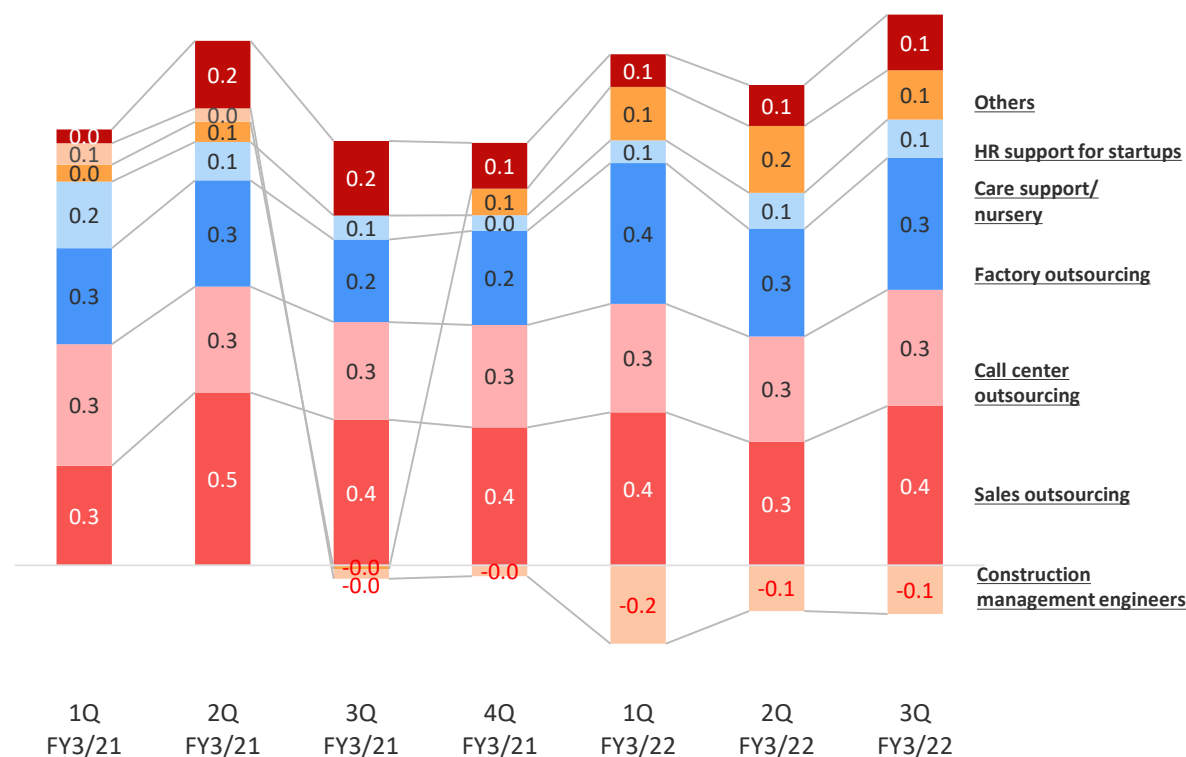
Domestic WORK Business (Sales and operating profit by sector)

Sales outsourcing, Call center outsourcing, Factory outsourcing and Care support/nursery 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) -



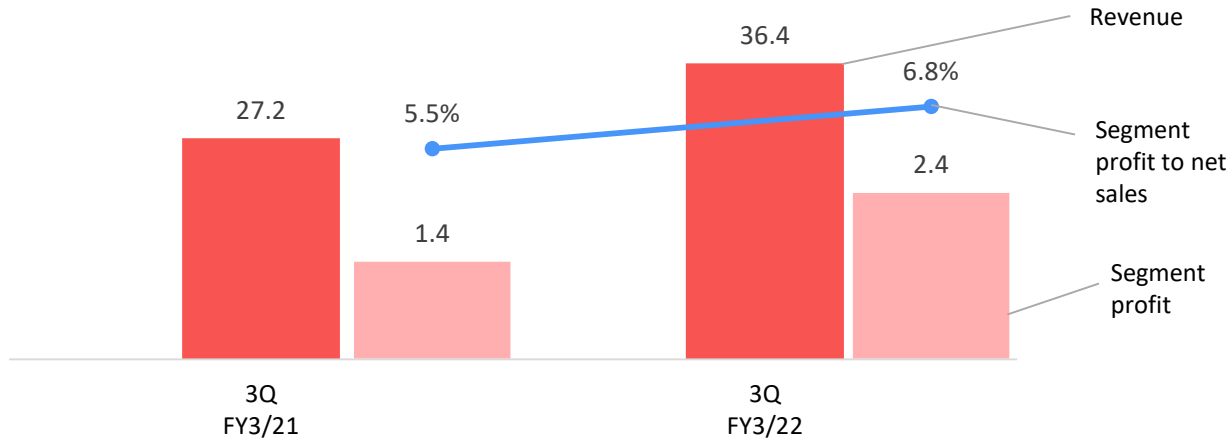
-Operating profit by sector (Billions of yen) -



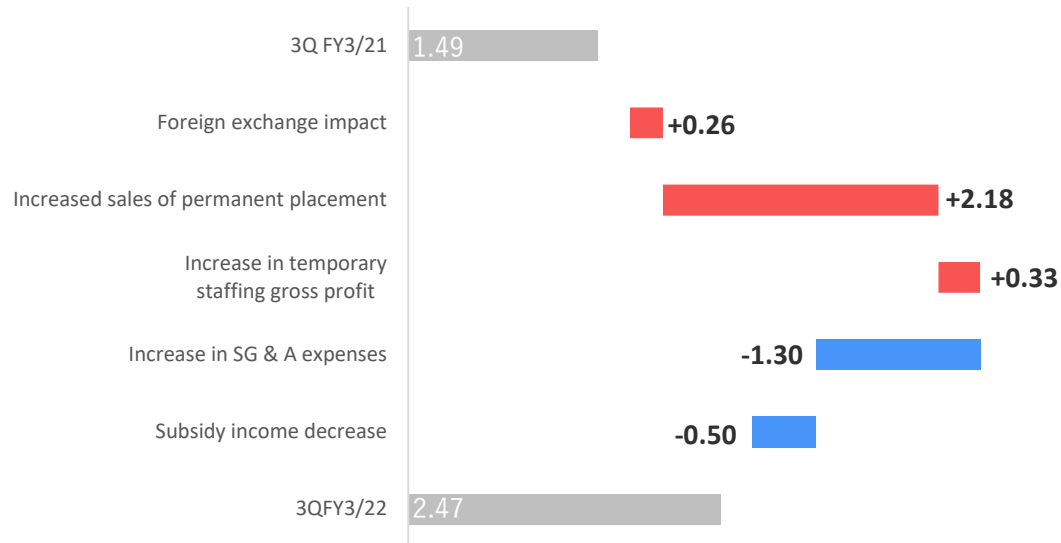
*Intra-segment consolidation adjustments are not included.

Overseas WORK Business

-Revenue and segment profit (Billions of yen) -



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



(Billions of yen)	Forecast	3Q FY3/22	Vs. Forecast % change	3Q FY3/21	Vs. FY3/21 % change
Revenue	35.64	36.43	+2.2%	27.27	+33.6%
Segment profit	2.11	2.47	+17.2%	1.49	+65.4%

-Topics-

➤ Both Australia and Singapore enforced tighter restrictions 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.

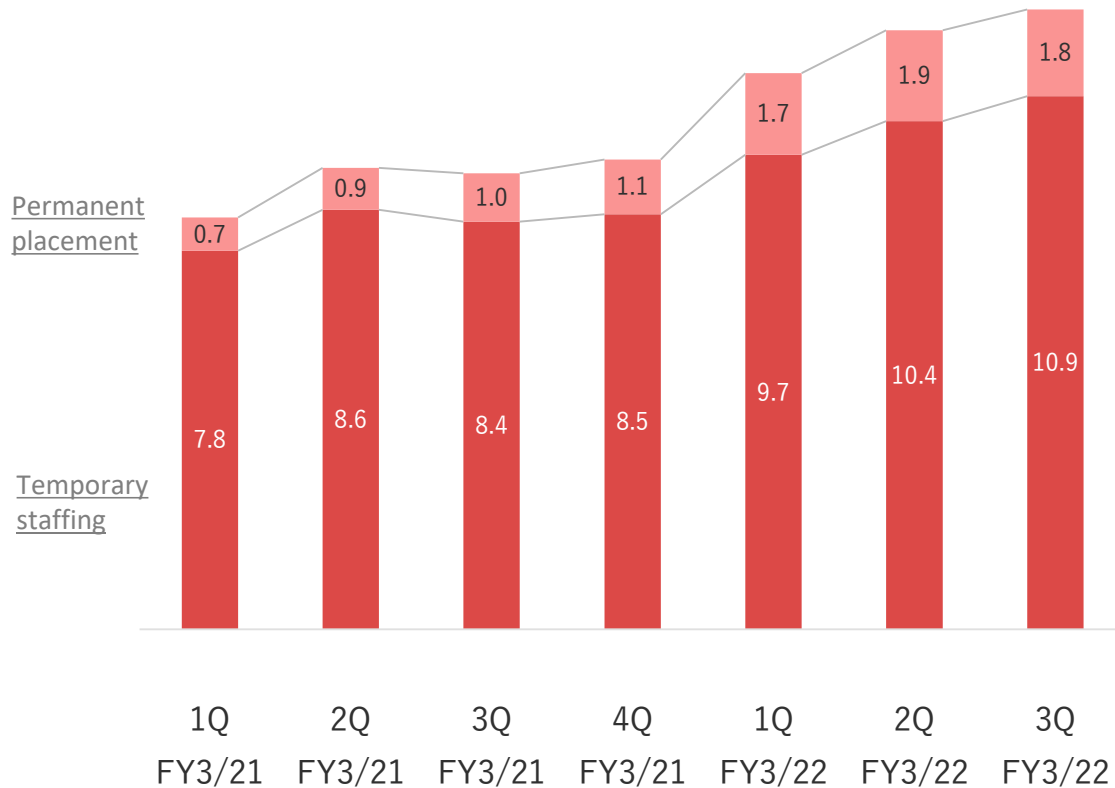
Forex sensitivity

	Initially assumed	3Q FY3/22 Results	3Q FY3/21 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥84	¥83	¥74	¥380 mln	¥10 mln
SGD	¥82	¥82	¥77	¥90 mln	¥0 mln

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

3Q permanent placement revenue was lower than in the 2Q, partly due to seasonal factors, but the growth rate remains high. Total revenue in this business is consistently higher than the pre-pandemic level (FY3/20).

-Sales by contract type (Billions of yen) -



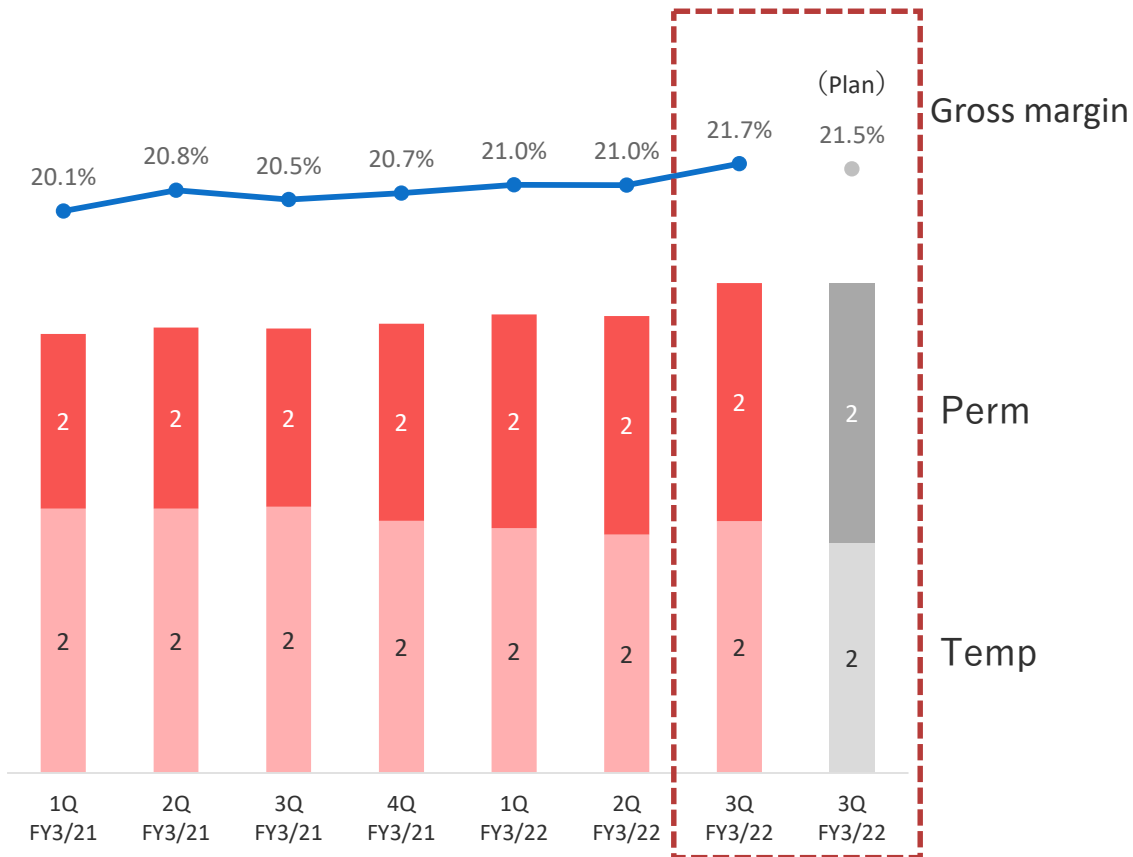
-Operating profit by sector (Billions of yen) -



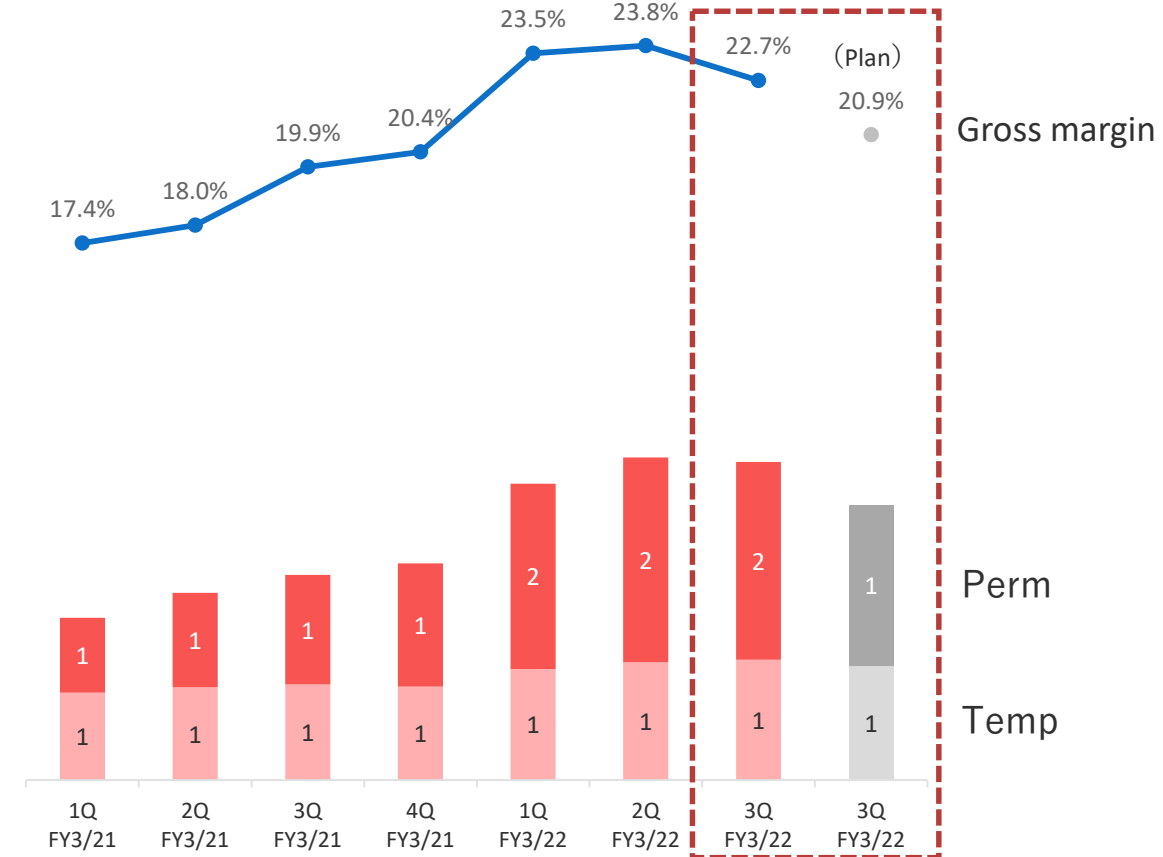
Business Portfolio Changes in Japan and Overseas

In the Domestic and Overseas WORK Businesses, gross margin was higher than the 3Q plan.
Gross margin increased due to promotion of Perm SHIFT.

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



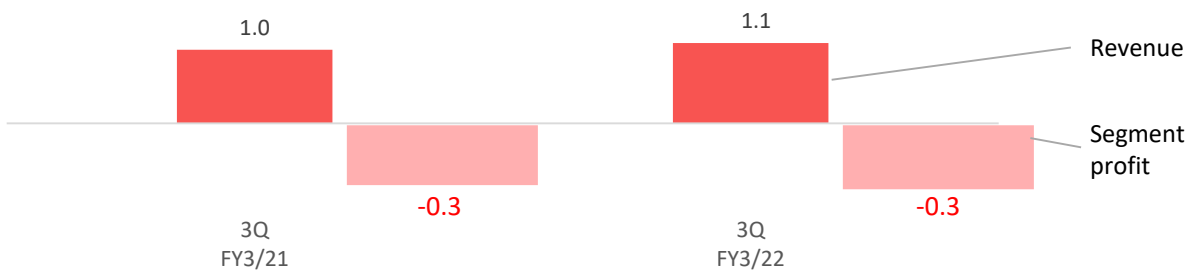
-Overseas WORK Business Gross profit by Temp / Perm (Billions of yen) -



*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.

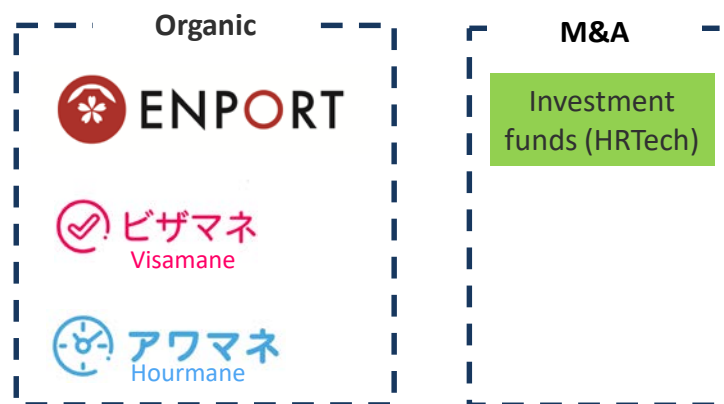
Others

-Revenue and segment profit (Billions of yen) -



(Billions of yen)	Forecast	3Q FY3/22	Vs. Forecast % change	3Q FY3/21	Vs. FY3/21 % change
Revenue	1.04	1.06	+1.3%	0.97	+9.3%
Segment profit	-0.27	-0.31	-	-0.29	-

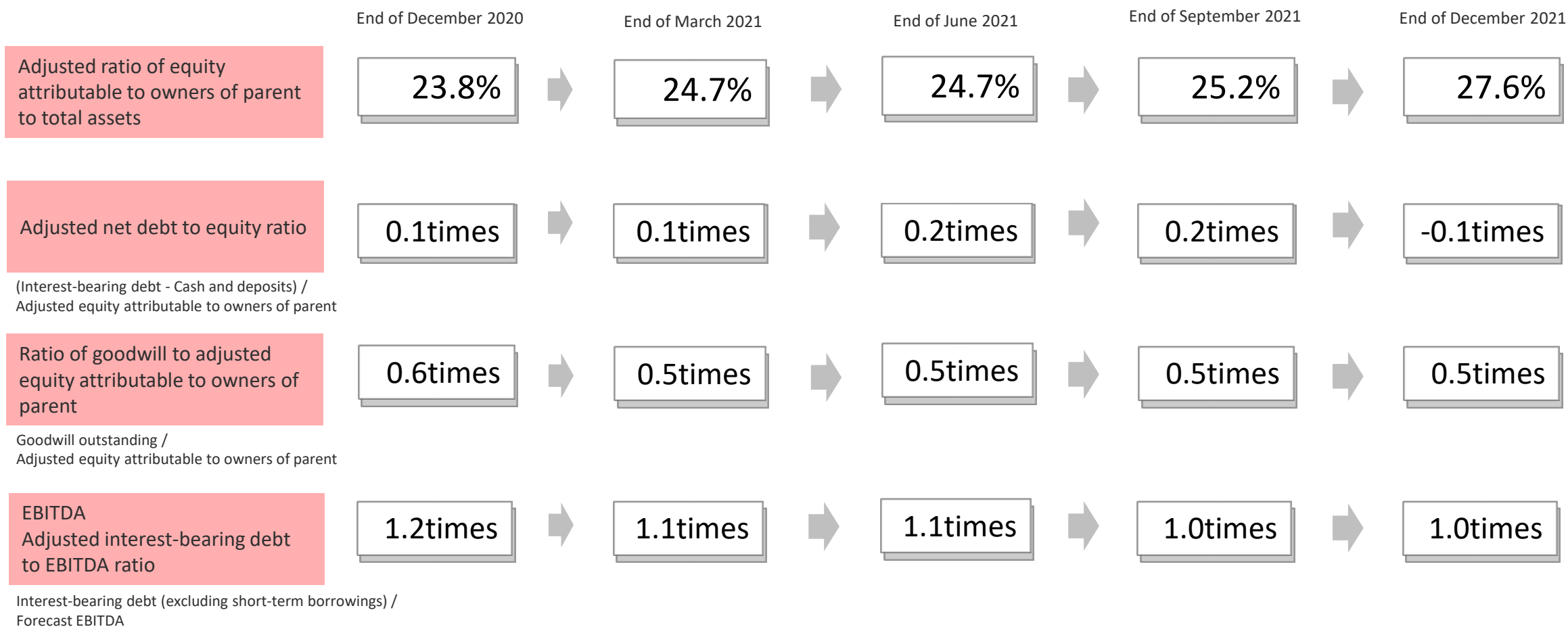
-Other business activities-



-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	December 31, 2021	Change
Current assets	23.57	24.12	+0.55
Non-current assets	23.19	23.19	+0.00
Total assets	46.76	47.31	+0.55
Current liabilities	24.79	24.96	+0.17
Non-current liabilities	11.94	9.26	-2.67
Total liabilities	36.73	34.23	-2.49
Total equity	10.02	13.08	+3.05
Total liabilities and equity	46.76	47.31	+0.55
Ratio of equity attributable to owners of parent to total assets	17.6%	24.6%	+6.9pt

Major components of changes (Billions of yen)

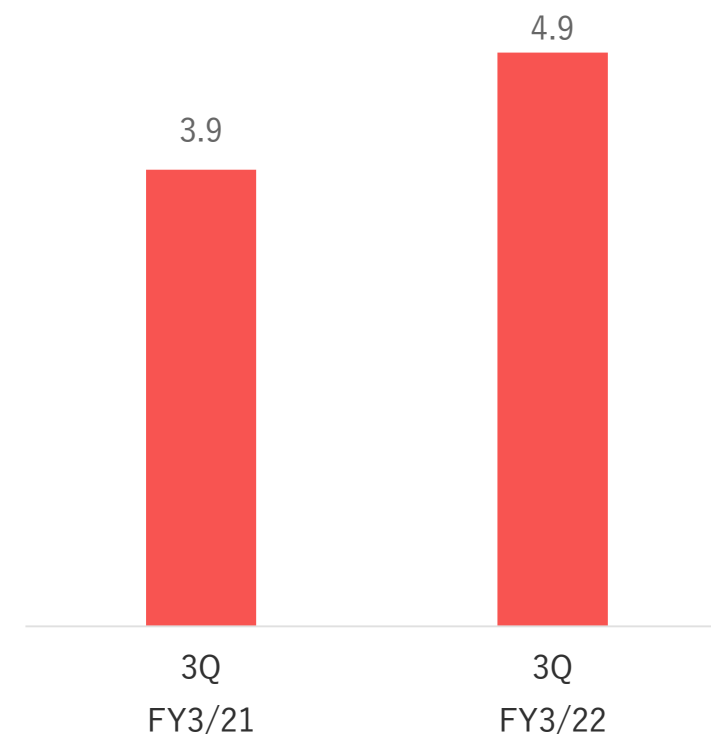
● Total assets	
• Trade and other receivables	+0.9
• Other financial assets (current)	-0.4
• Other intangible assets	-0.1
• Other financial assets (non-current)	+0.1
● Total liabilities	
• Trade and other payables	+0.8
• Borrowings (current)	-1.4
• Income taxes payable	+0.4
• Other current liabilities	+0.2
• Borrowings (non-current)	-1.1
• Other financial liabilities (non-current)	-1.2
● Total equity	
• Capital surplus	+1.2
• Retained earnings	+2.0


Consolidated Statement of Cash Flows

(Billions of yen)	3Q FY3/21	3Q FY3/22
Profit before tax	3.0	4.1
Depreciation and amortization	1.5	1.4
Income taxes paid	-1.7	-0.9
Other	1.7	0.3
Net cash provided by (used in) operating activities	4.6	4.9
Purchase and sales of property, plant and equipment, etc.	-0.4	-0.4
Purchase and sales of shares of subsidiaries	0.0	0.0
Other	-0.1	0.3
Net cash provided by (used in) investing activities	-0.6	-0.0
Net increase (decrease) in interest-bearing debt	-2.9	-3.4
Purchase and sales of shares of subsidiaries not resulting in change in scope of consolidation	-0.7	-1.0
Dividends paid	-0.5	-0.5
Government subsidy income	1.0	0.1
Other	-0.4	-0.1
Net cash provided by (used in) financing activities	-3.5	-5.0
Effect of exchange rate changes	0.1	0.0
Net increase (decrease) in cash and cash equivalents	0.5	-0.1
Cash and cash equivalents at end of period	6.4	7.3
Free cash flows (Operating activities + Investing activities)t	3.9	4.9

Free Cash Flows

(Billions of yen)





II . FY3/22 Earnings and Dividend Forecasts

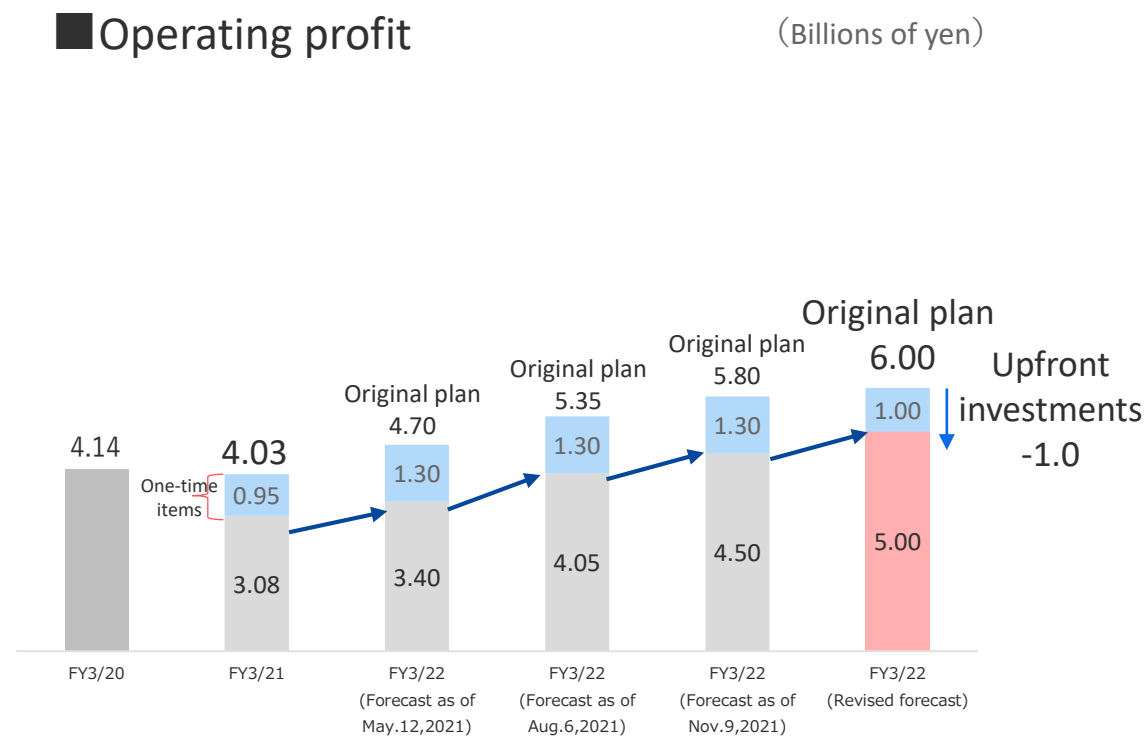
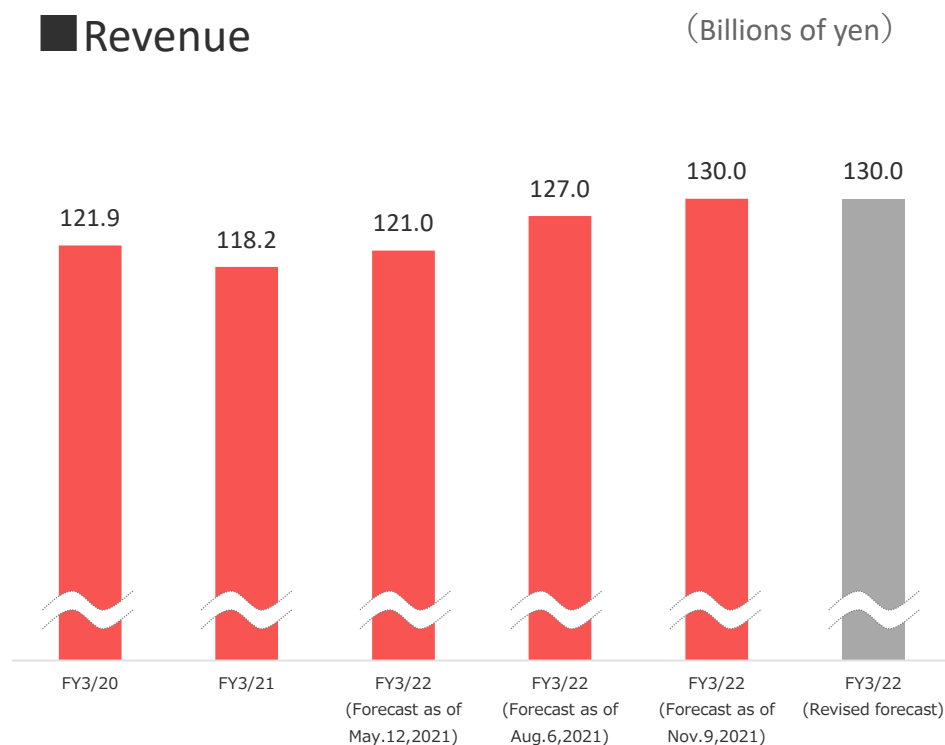
FY3/22 Forecast

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

(Billions of yen)	FY3/21	FY3/22 (Forecast as of Nov. 9, 2021)	FY3/22 (Revised forecast)	Vs. FY3/22(Forecast as of Nov. 9, 2021)	
				Change	% change
Revenue	118.24	130.00	130.00	0.00	0.0%
Domestic WORK Business	80.05	81.18	81.02	-0.16	-0.2%
Overseas WORK Business	36.92	47.20	47.39	+0.19	+0.4%
Others	1.28	1.61	1.57	-0.03	-2.1%
Gross profit(Gross margin)	24.05 (20.3%)	28.22 (21.7%)	28.39 (21.8%)	+0.17 (+0.1pt)	+0.6%
Operating profit (Operating margin)	4.03 (3.4%)	4.50 (3.5%)	5.00 (3.8%)	+0.50 (0.4pt)	11.1%
Domestic WORK Business	4.72	4.50	4.50	-0.00	-0.0%
Overseas WORK Business	1.94	2.51	2.85	+0.33	+13.3%
Others	-0.39	-0.32	-0.34	-0.02	-
Adjustments	-2.24	-2.20	-2.01	+0.18	-
Profit attributable to owners of parent	2.36	2.51	2.98	+0.47	+18.7%
EBITDA	6.25	6.23	7.02	+0.79	+12.7%
	FY3/21	Forecast as of Nov. 9, 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

In the revised FY3/22 forecast, there is no significant change in the 4Q forecast. Upfront investments in focus areas are expected to be ¥1 billion compared with the original plan of ¥1.3 billion.



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 Nov. 9, 2021)	(Revised forecast)	(Forecast as of Nov. 9, 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	19.39	19.43	+0.04
		1.64	1.65	1.54	-0.11
	Call center	16.86	16.97	17.05	+0.08
		1.13	1.10	1.12	+0.01
	Factory	20.58	18.40	18.44	+0.04
		1.25	1.28	1.29	+0.01
	Care support	13.21	14.10	13.80	-0.29
		0.38	0.45	0.35	-0.10
	HR support for startups	1.27	2.20	2.30	+0.10
		0.15	0.45	0.60	+0.15
	Construction management engineers	5.27	5.80	5.78	-0.02
		0.05	-0.56	-0.59	-0.03
	Others	3.61	4.30	4.19	-0.11
		0.52	0.39	0.41	+0.02

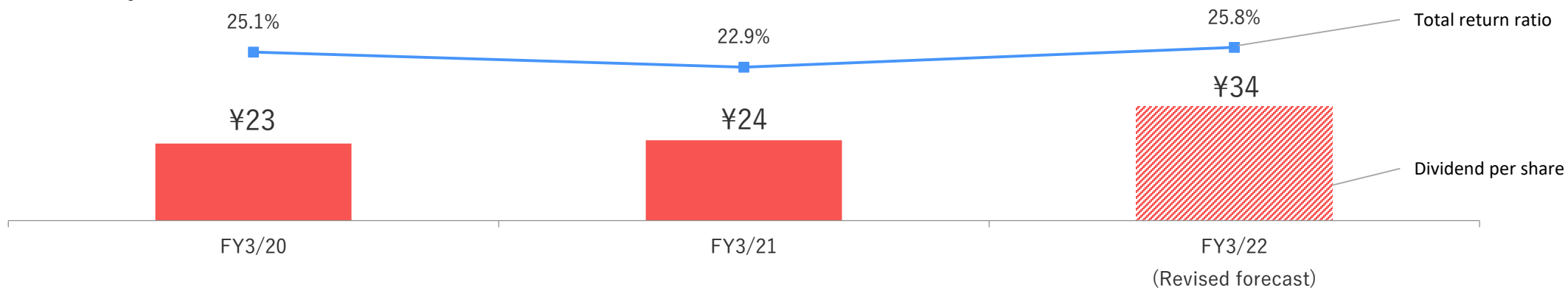
* Intra-segment consolidation adjustments are not included.

FY3/22 Dividend Forecast

The shareholder return is based on a total return ratio of 30%.
The dividend forecast has been unchanged.

	FY3/21	FY3/22 Revised forecast
Year-end dividend	¥24 per share	¥34 per share
Total return ratio	22.9%	25.8%

■ Dividend per share and total return ratio



No Risk of Impairment Losses

There is currently no expectation of impairment risk. 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.

(Billions of yen)

	Primary location	Business activities	Start of consolidation since (WILL GROUP ownership)	Investment *1	*2	3Q FY3/21	3Q FY3/22	YoY change
 WILLOF ウイルオブ・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%)	2.61	Sales	3.91	4.22	+8.0%
	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%)	2.38	Profit *3	0.07	-0.46	-
	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia	2019/4 (90%)	2.37	Sales	0.86	1.45	+68.0%
	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%)	1.51	Profit *3	0.26	0.57	+119.3%
					Sales	5.15	7.31	+42.0%
					Profit *3	0.50	1.03	+108.3%
					Sales	10.65	10.35	-2.8%
					Profit *3	0.27	0.26	-3.0%

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

*2 Sales and profit are for the April-December 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.

Investment balance (above 4 companies): ¥8.8 billion

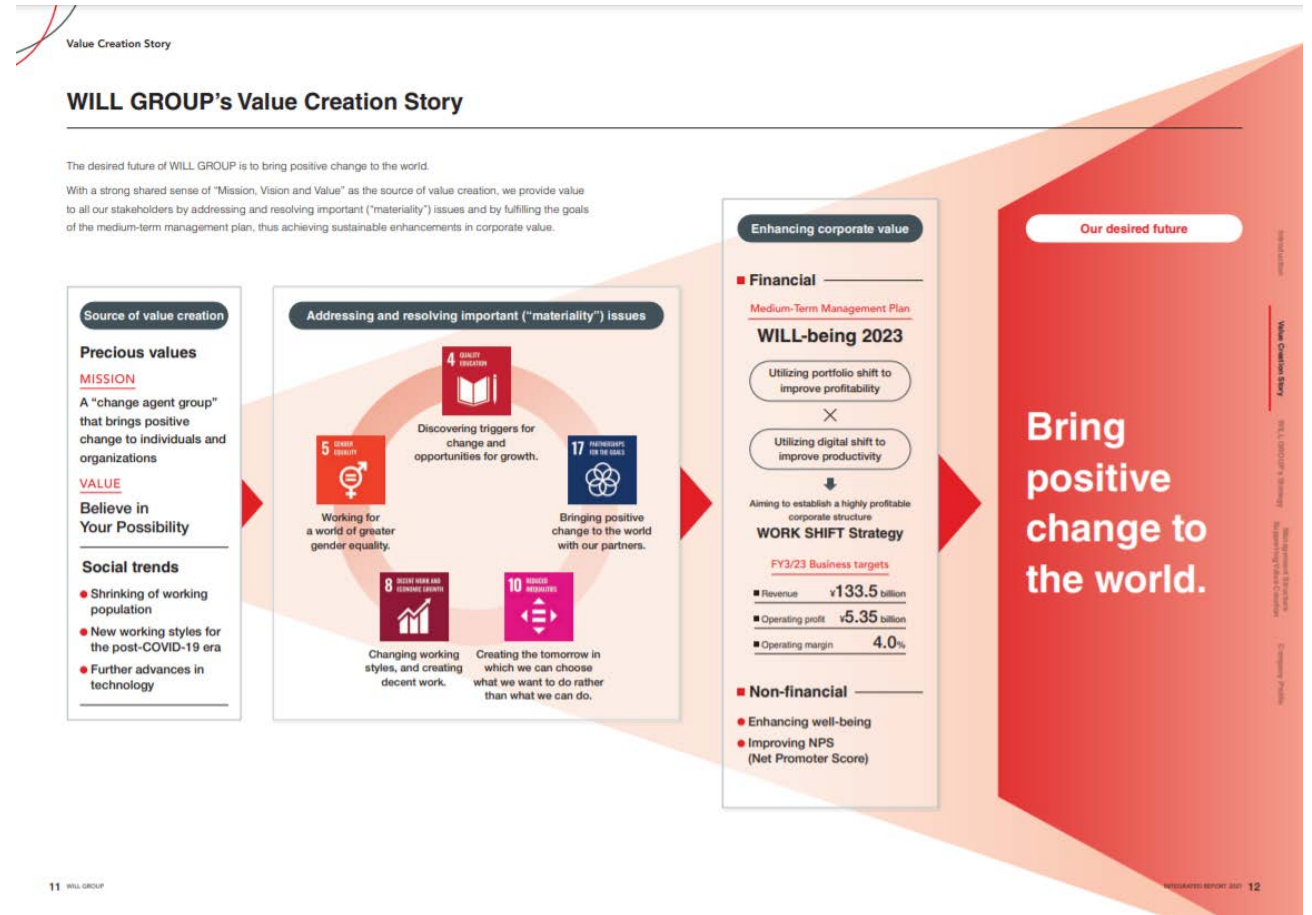
Investment balance (consolidated): ¥10.6 billion

III. Topics

The First WILL GROUP Integrated Report

- The Integrated Report has a message from the president, interviews with executives, information about how WILL GROUP and its group companies create value, and other useful information.
- The publication includes substantial information about measures involving the environment, human resources and other ESG activities.

There is also an English-language Integrated Report



Appendix

Segment Results

Domestic WORK Business

(Millions of yen)

Revenue

	1Q	2Q	3Q	4Q
FY3/21	19,782	19,814	20,300	20,152
FY3/22	19,832	19,762	20,519	

Segment profit

	1Q	2Q	3Q	4Q
FY3/21	1,126	1,289	1,200	1,147
FY3/22	977	1,183	1,255	

Overseas WORK Business

Revenue

	1Q	2Q	3Q	4Q
FY3/21	8,457	9,444	9,368	9,649
FY3/22	11,417	12,292	12,723	

Segment profit

	1Q	2Q	3Q	4Q
FY3/21	472	541	482	446
FY3/22	759	917	796	

Others

Revenue

	1Q	2Q	3Q	4Q
FY3/21	395	282	292	307
FY3/22	289	319	452	

Segment profit

	1Q	2Q	3Q	4Q
FY3/21	-96	-100	-93	-131
FY3/22	-108	-96	-111	

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	2,479	2,707	

■ Revenue (Australia)

	1Q	2Q	3Q	4Q
FY3/21	7,163	7,972	7,627	7,769
FY3/22	9,147	9,813	10,016	

Overseas (Australia, Singapore) Macro Environment



Market conditions for WILL GROUP

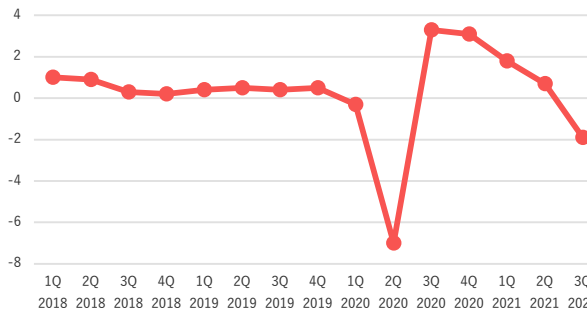
In 3Q, permanent placement demand remained above pre-COVID-19 levels as there was a steady demand for human resources despite the short-term lockdown in association with emergence of new variants. The temporary staffing orders were strong with stable demand in the public sector, IT, finance, and legal sectors.



Economic indicators

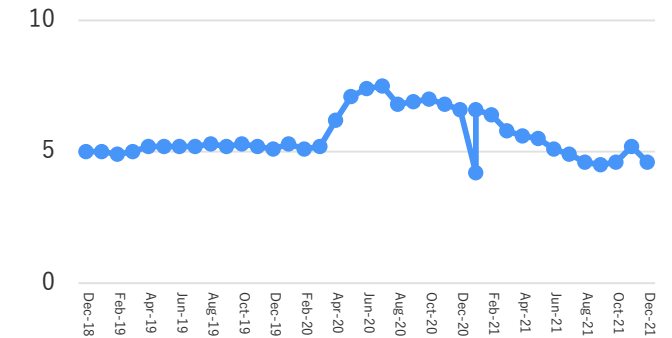
Real GDP growth rate (YoY change)

*Source: Australian Bureau of Statistics



Unemployment rate

*Source: Australian Bureau of Statistics



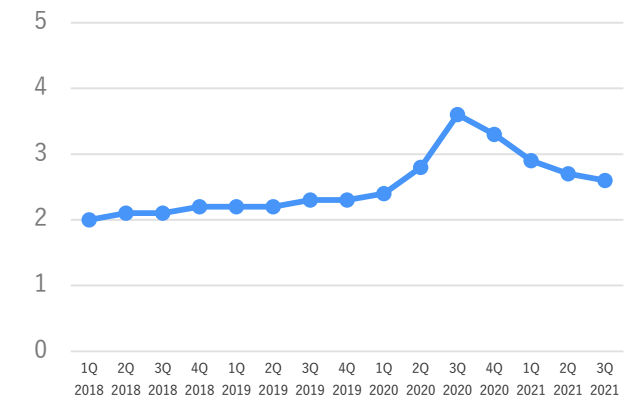
Real GDP growth rate (YoY change)

*Source: Singapore Department of Statistics



Unemployment rate

*Source: Singapore Department of Statistics

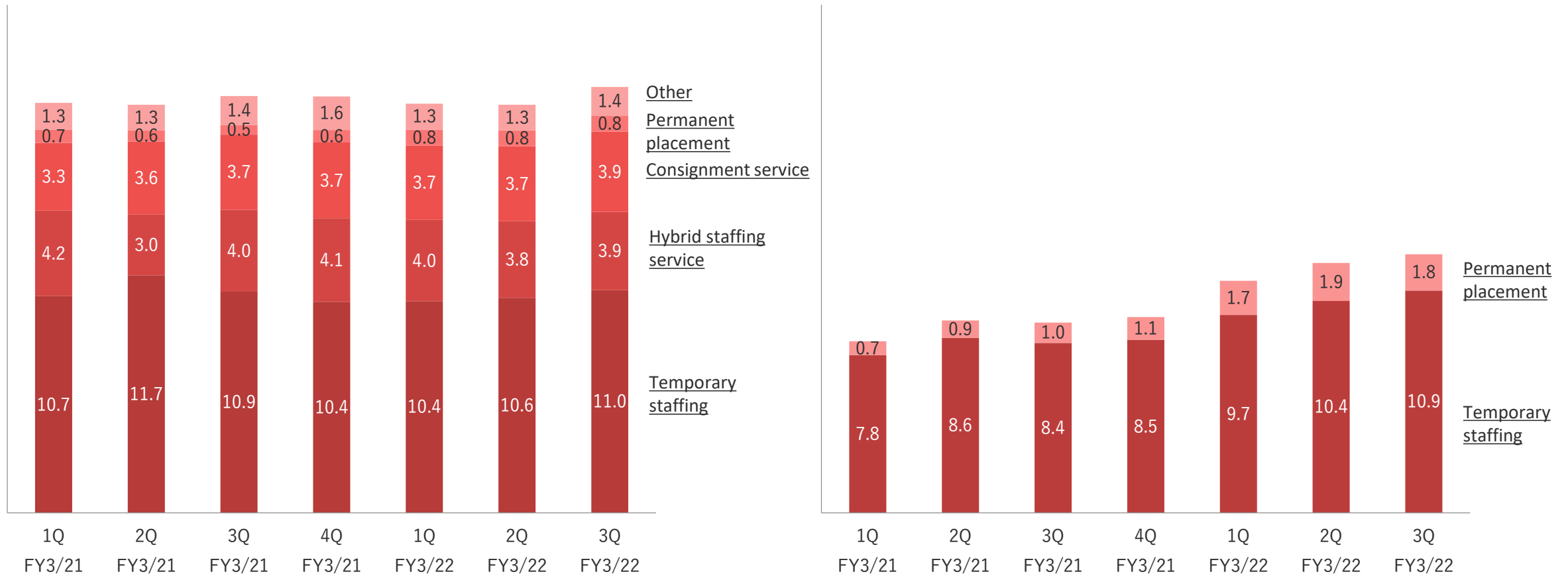


Breakdown of Revenue by Region/Contract Type

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.

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