



Financial Results for the Fiscal Year Ended March 31, 2022

May 25, 2022

WILL GROUP, INC. (Prime Market / 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 ended March 31, 2022. Accordingly, reportable segment information for the previous corresponding quarter has been restated.

I . FY3/22 Results

1

Cleared Medium-term Management Plan targets for operating profit and operating margin a year ahead of schedule.

2

Thanks to Perm SHIFT, on a quarterly basis, 4Q gross profit margin was the highest among those in the three most recent fiscal years. On a full-year basis, gross profit margin was the highest since the Company's listing.

3

In terms of financial targets, the ratio of equity attributable to owners of parent progressed at a level exceeding the Medium-Term Management Plan objective of 20%.

FY3/22 Financial Highlights

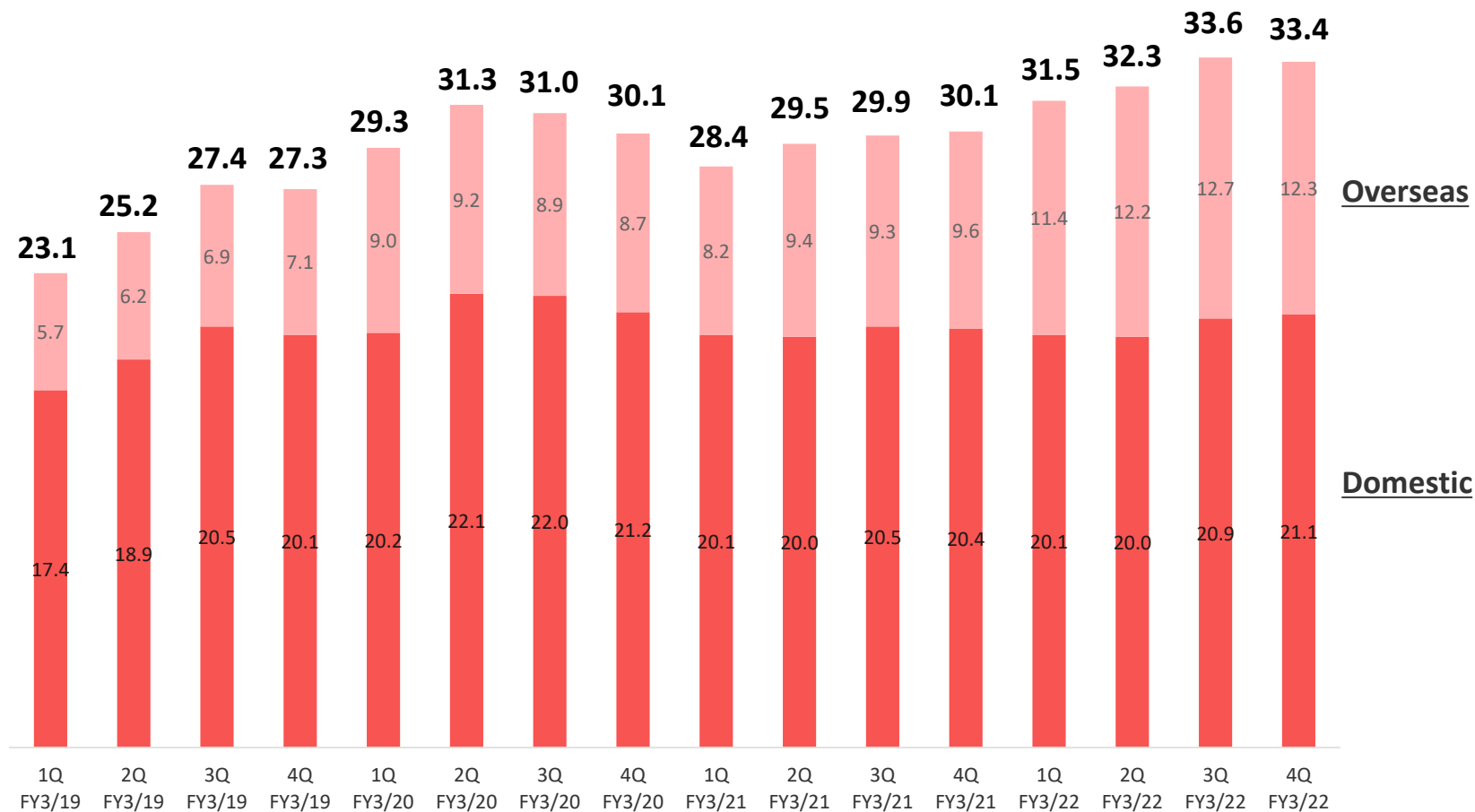
Double-digit revenue growth backed by the Overseas WORK Business as the demand for people to perform a variety of jobs remained strong.

Operating profit posted a record high as a result of growth in permanent placement sales and increase in gross profit, despite the absence of ¥0.95 billion in one-time profit items recorded in the previous fiscal year, and despite upfront investments of approx. ¥1.0 billion in strategic investment domains (construction, nursing care, HR support for startups) to promote Perm SHIFT.

(Billions of yen)	FY3/22	Vs. FY3/21
Revenue	131.08	+ 10.9% (+12.83)
Gross margin	21.9%	+ 1.6_{pt}
Operating profit	5.47	+ 35.8% (+1.44)

Consolidated Revenue

(Billions of yen)



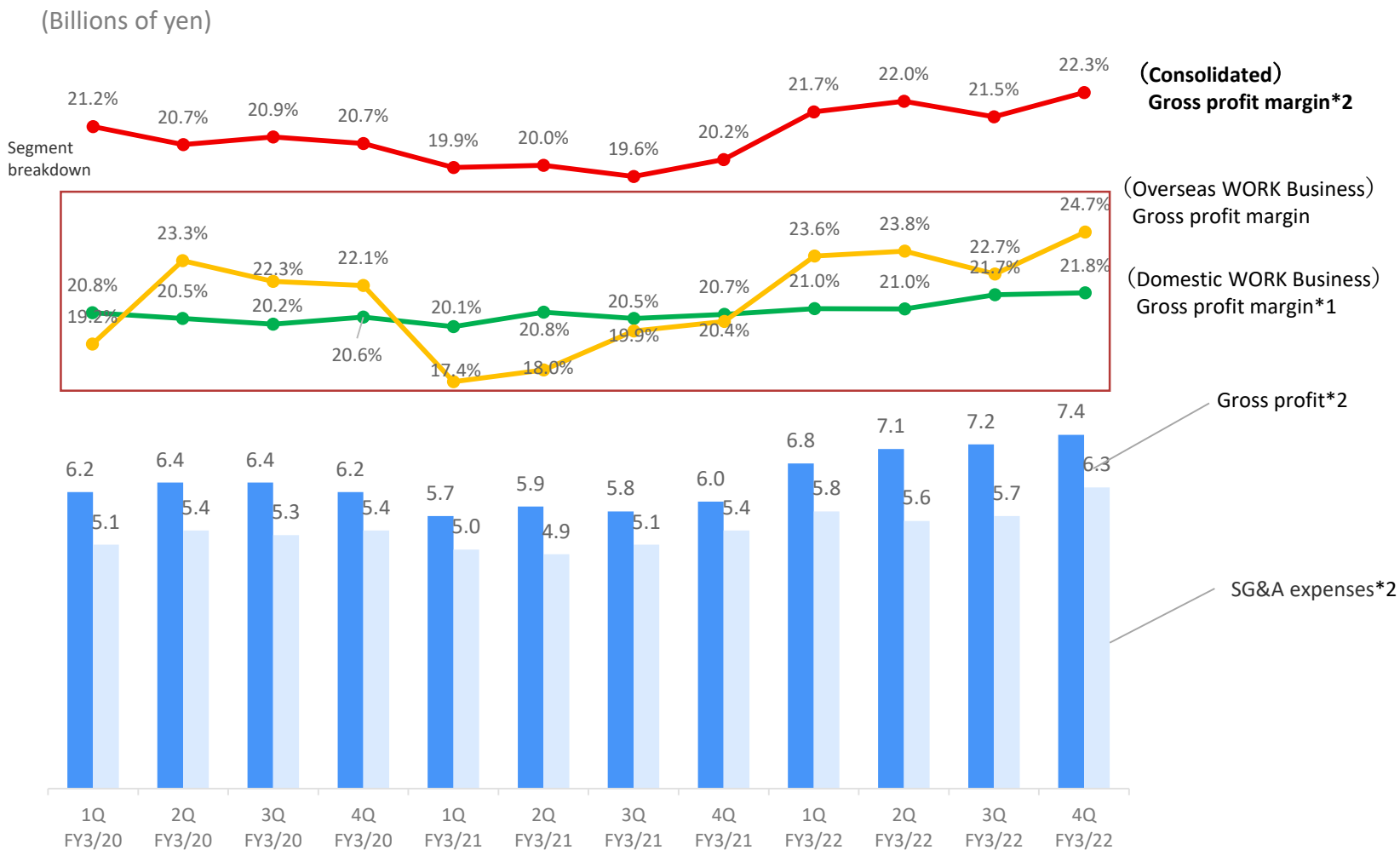
**4Q FY3/22 revenue was
-¥0.02 billion
above 3Q FY3/22**

(The effects of foreign exchange rate: +¥0.0 billion)

**Overseas remained firm.
With the domestic business
also on a recovery trend, we
recorded the highest revenue
since COVID-19 began to
spread (1Q FY3/21-).**

*The revenue is based on adjusted figure that excludes the effects of overseas subsidy income.

Consolidated Gross Margin and SG&A Expense Ratio



Thanks to Perm SHIFT, 4Q consolidated gross profit margin was the highest among those in the three most recent fiscal years

Upfront investment
 4Q plan ¥0.25 billion
 4Q result ¥0.25 billion

1Q-4Q plan ¥1.01 billion
 1Q-4Q result ¥1.01 billion

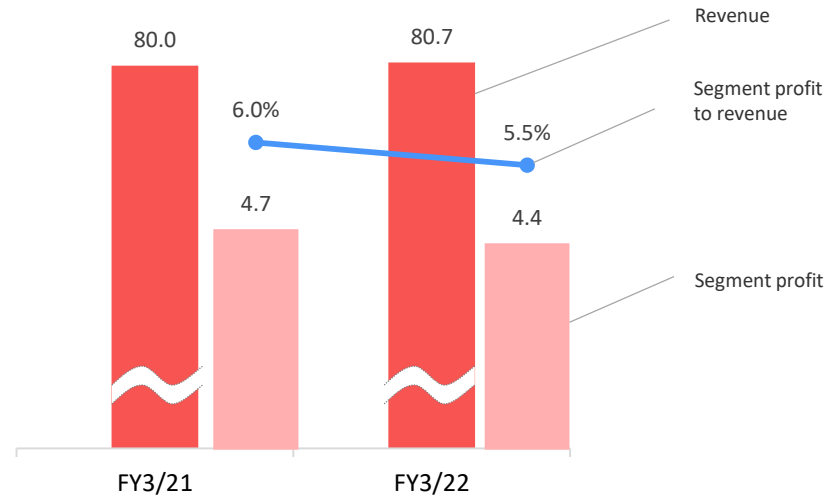
*1 Intersegment consolidation adjustments are not included. The amounts for FY3/20 are based on the previous accounting policy.

*2 Gross profit and SG&A expenses are based on adjusted figure that excludes the effects of overseas subsidy income.

Consolidated Segment Results

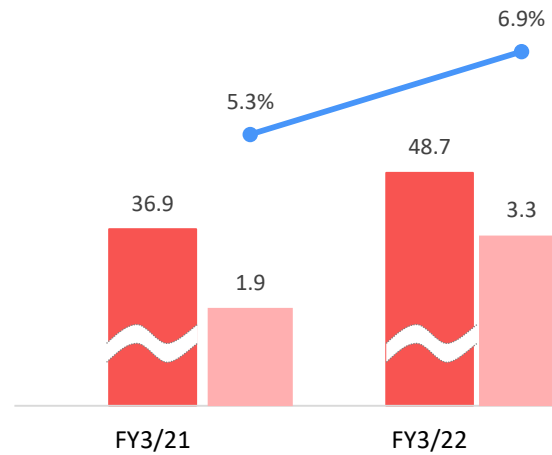
(Billions of yen)

Domestic WORK Business



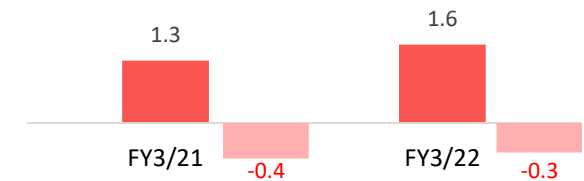
- Implemented ¥1.01 billion in upfront investment in permanent placement for care support, construction management engineers, and HR support for startups sectors.
- In 4Q, the number of workers on assignments rose in all sectors vs. 3Q FY3/22.

Overseas WORK Business



- 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.

Others

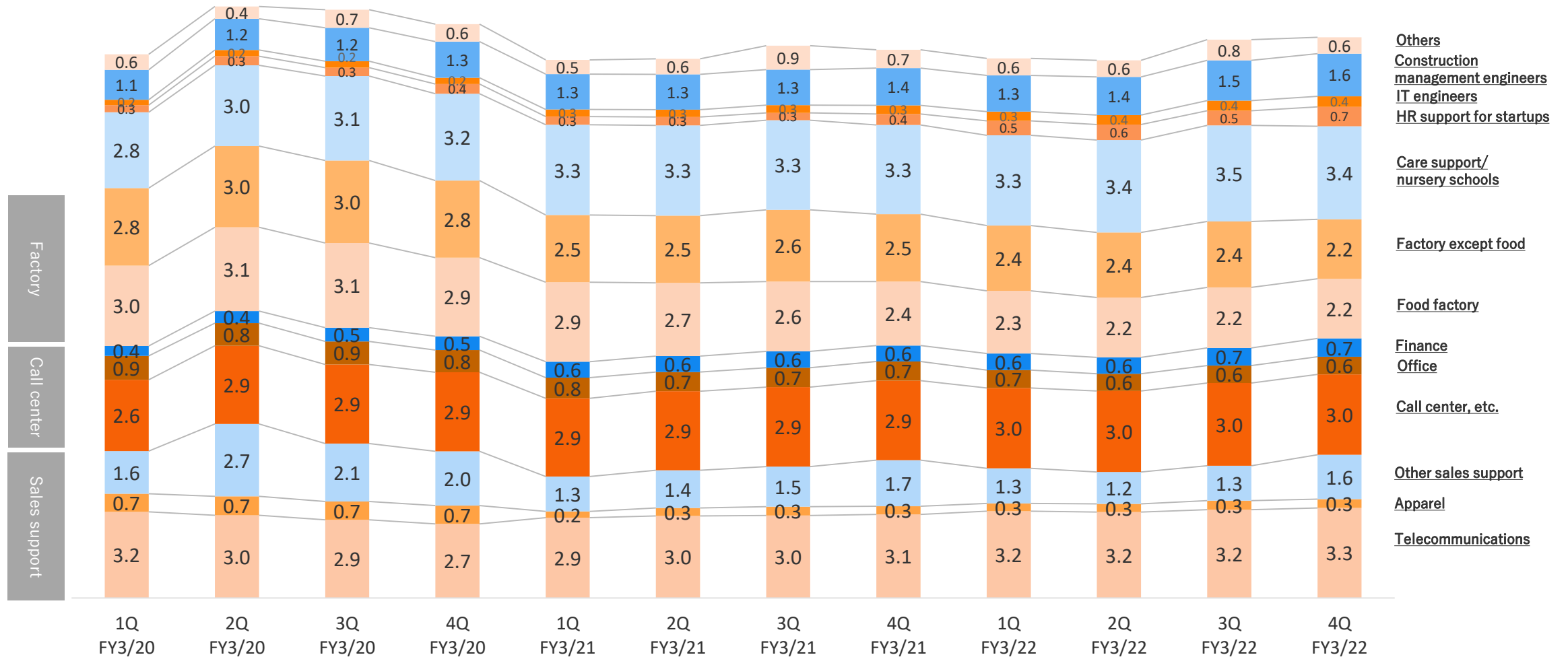


- Continued upfront investment in the exploratory domain (inbound services)

Domestic WORK Business (Business sector sales)

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

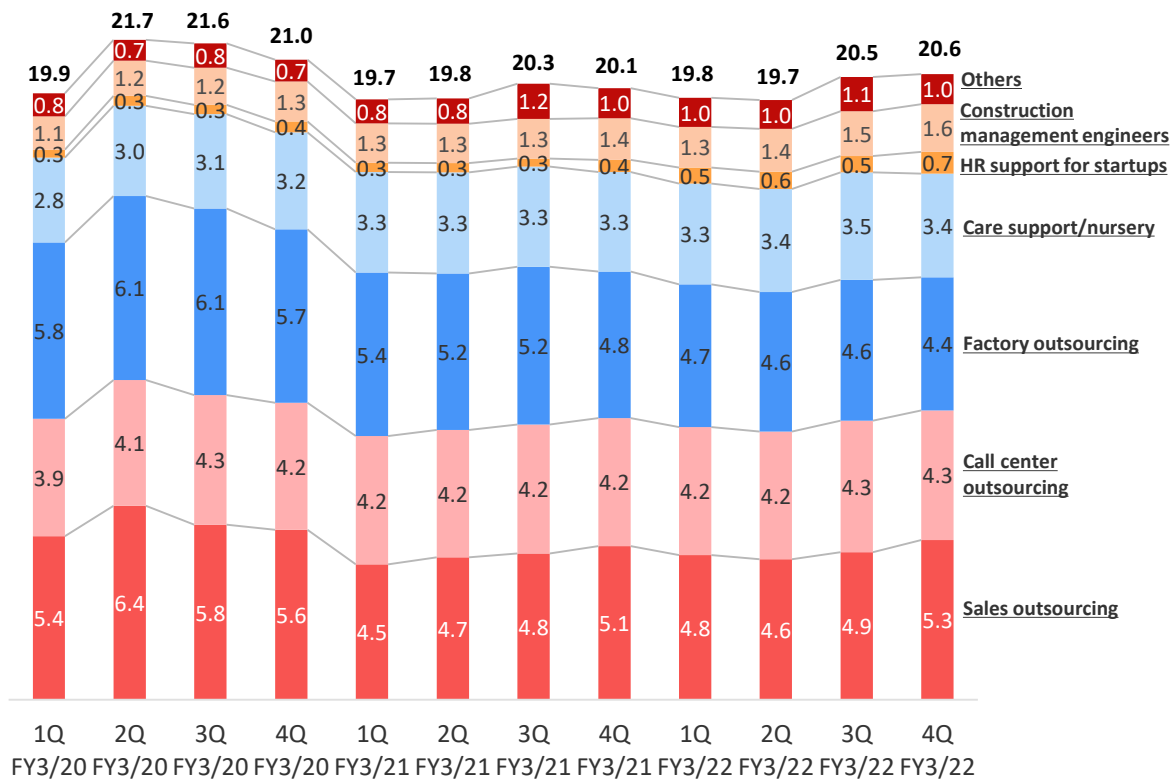
(Billions of yen)



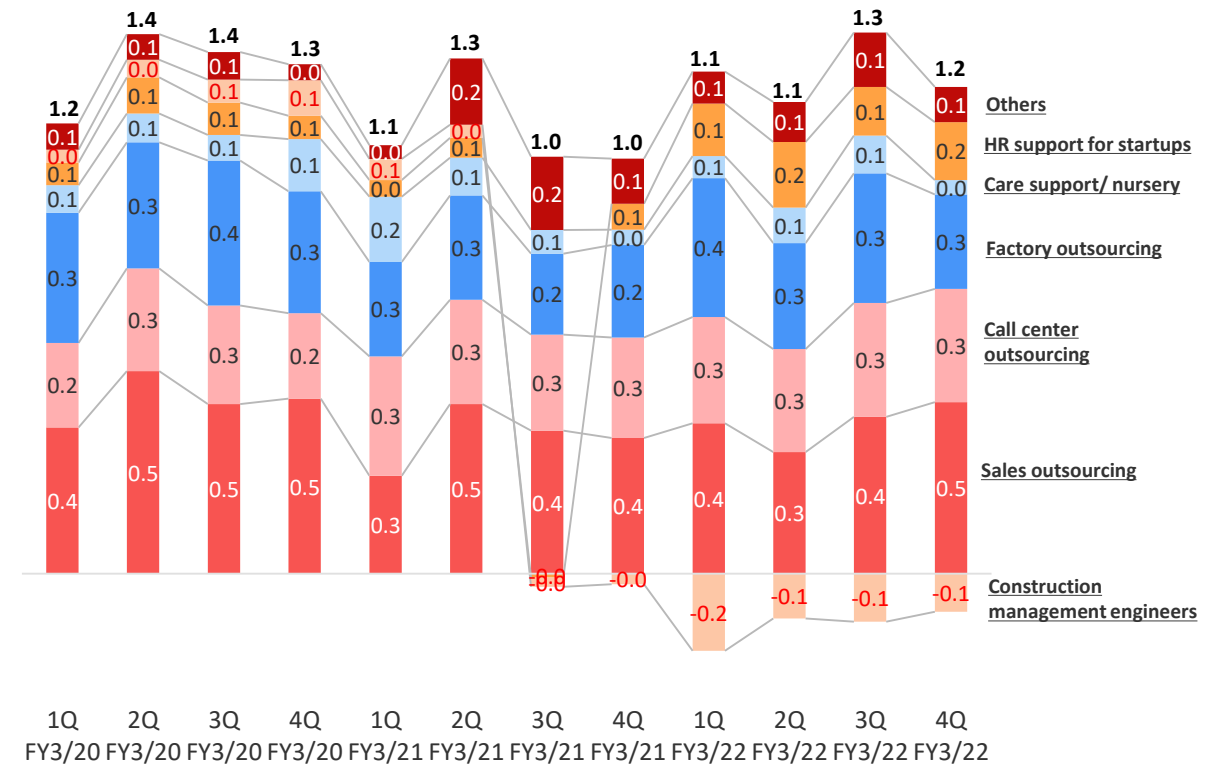
Domestic WORK Business (Sales and operating profit by sector)

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)-

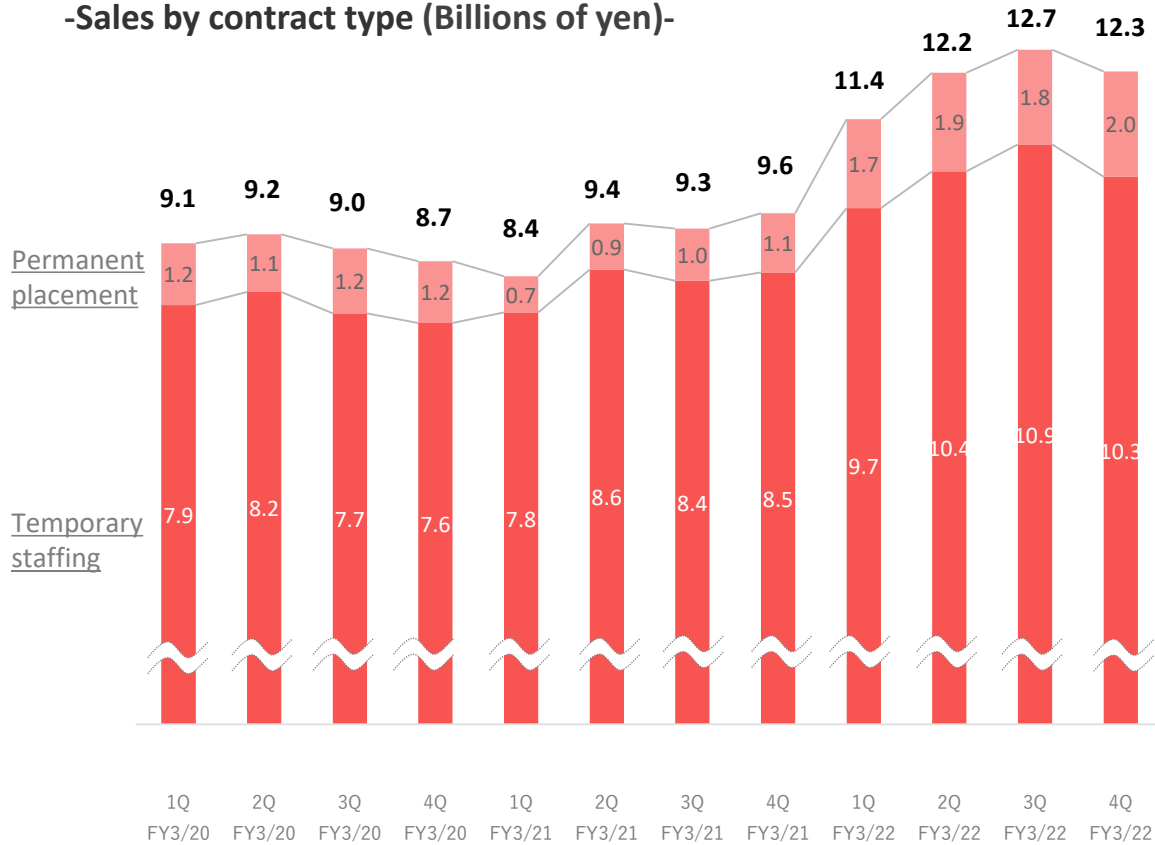


*Intra-segment consolidation adjustments are not included.

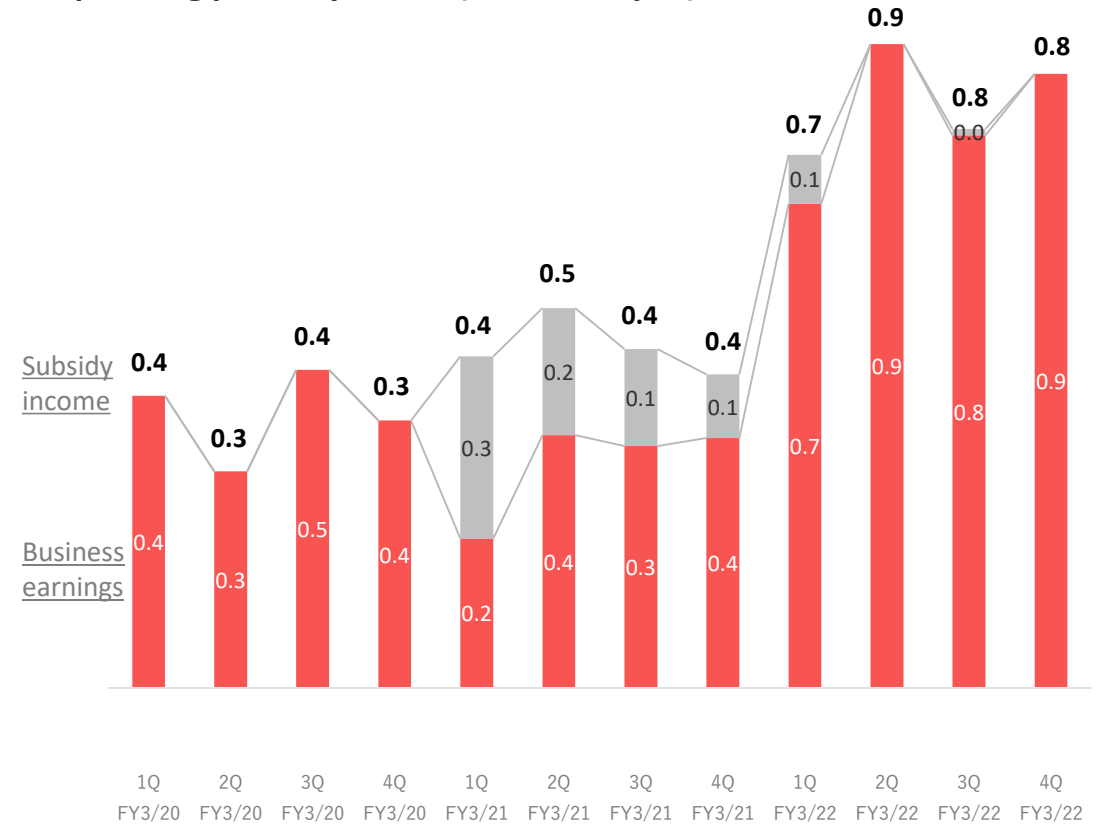
Overseas WORK Business (Sales by contract type and operating profit by sector)

Permanent placement revenue continued to grow rapidly. Even compared to pre-COVID-19 conditions in FY3/20, there has been a solid increase in the base.

-Sales by contract type (Billions of yen)-



-Operating profit by sector (Billions of yen)-

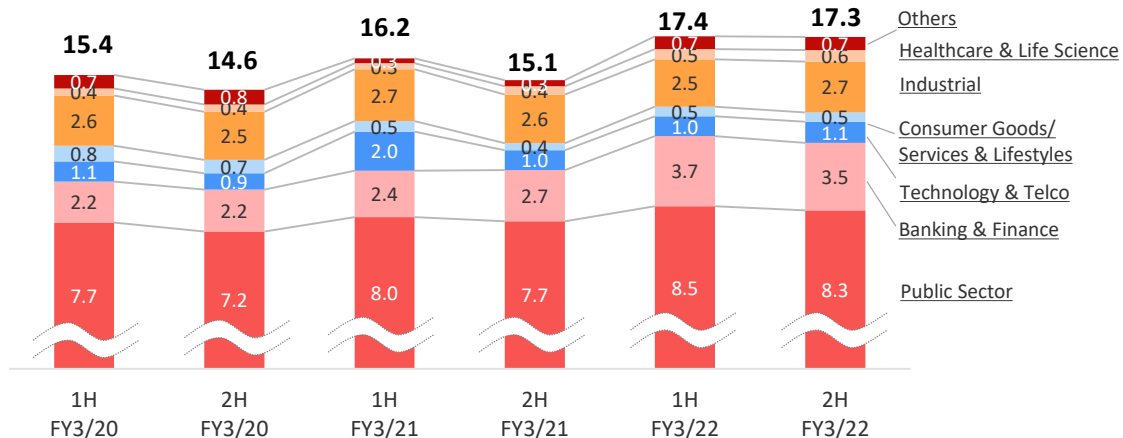


[Reference] Overseas WORK Business (Breakdown of sales by sector)

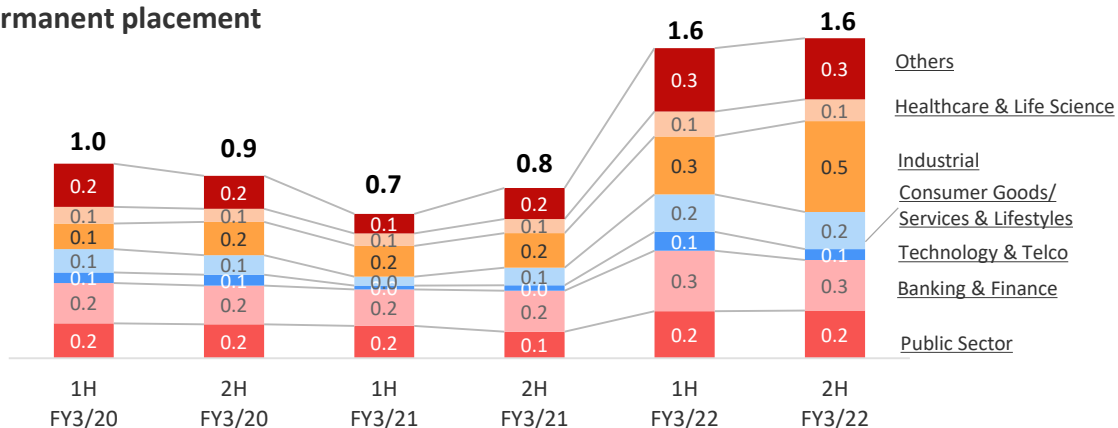
Temporary staffing was stable in both Australia and Singapore, mainly for government/public sector contracts. Permanent placement grew significantly year on year in all sectors.

Australia

Temporary staffing

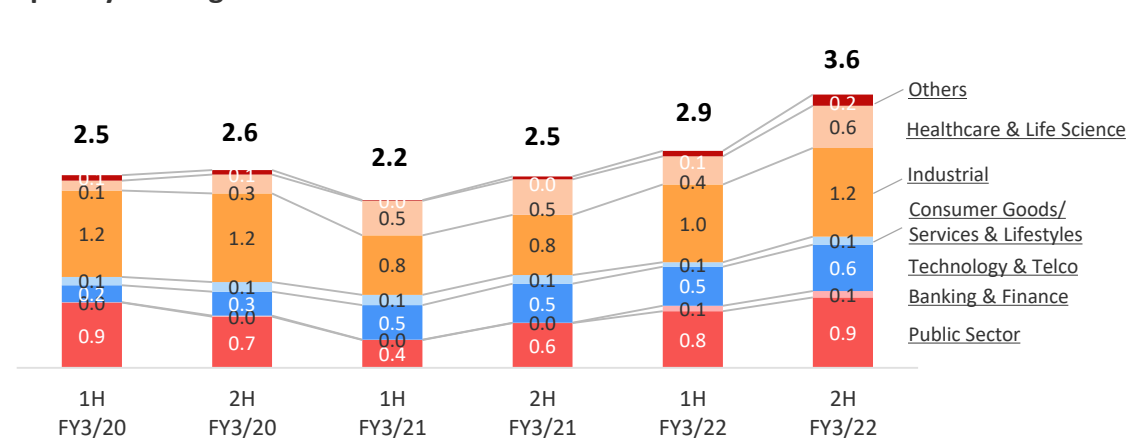


Permanent placement

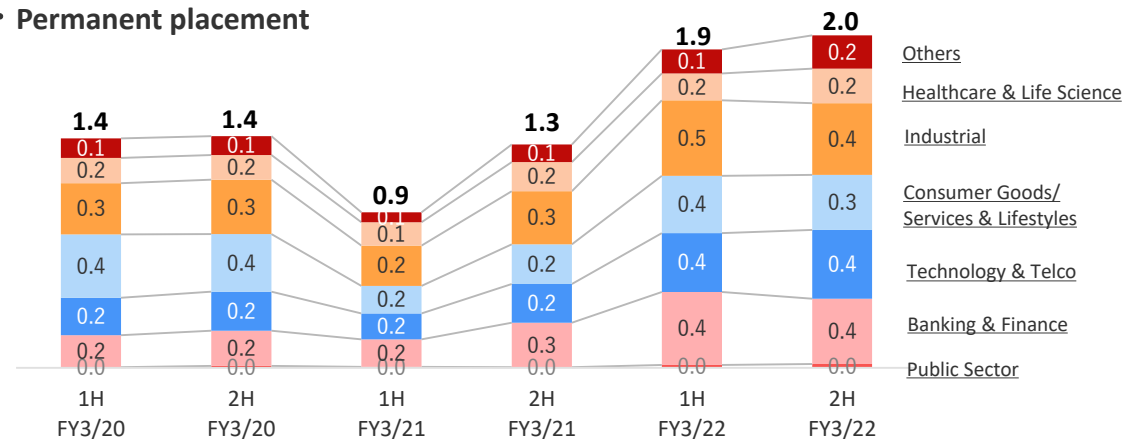


Singapore

Temporary staffing



Permanent placement



Converted to yen at the rates of ¥83/SGD and ¥83/AUD.

FY3/22 Results

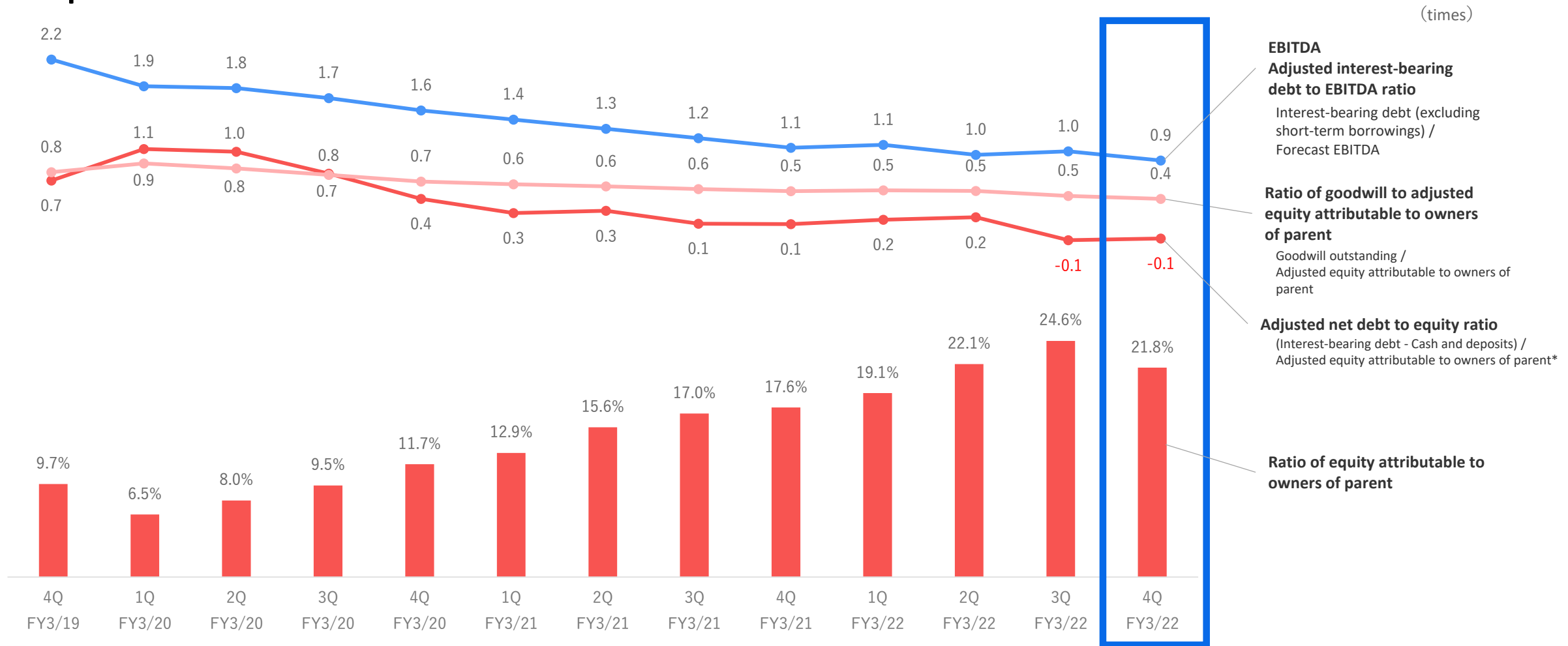
Despite the absence of ¥0.95 billion in government subsidies and other one-time items recorded in the previous fiscal year, the permanent placement of the Overseas WORK Business performed strongly in FY3/22. As a result, we exceeded our Medium-Term Management Plan targets for operating profit (¥5.35 billion) and operating margin (4.0%).

(Billions of yen)	FY3/21	FY3/22 (Forecast as of Feb. 8, 2022)	FY3/22	Vs. FY3/21		Vs. FY3/22 Forecast	
				Change	% change	Change	% change
Revenue	118.24	130.00	131.08	+ 12.83	+ 10.9%	+ 1.08	+ 0.8%
Gross profit (Gross margin)	24.05 (20.3%)	28.39 (21.8%)	28.76 (21.9%)	+ 4.70 (+ 1.6pt)	+ 19.6%	+ 0.37 (+ 0.1pt)	+ 1.3%
Operating profit (Operating margin)	4.03 (3.4%)	5.00 (3.8%)	5.47 (4.2%)	+ 1.44 (+ 0.8pt)	+ 35.8%	+ 0.47 (+ 0.3pt)	+ 9.4%
Profit before tax	3.78	5.00	5.29	+ 1.50	+ 39.7%	+ 0.29	+ 5.9%
Profit attributable to owners of parent	2.36	2.98	3.28	+ 0.92	+ 39.0%	+ 0.30	+ 10.3%
EBITDA (Operating profit + Depreciation and amortization)	6.25	7.02	7.55	+ 1.29	+ 20.7%	+ 0.53	+ 7.6%

Number of employees: 5,363
(+518 from the end of FY3/21)

Financial Indicators

The ratio of equity attributable to owners of parent to total assets at the end of 4Q was 21.8%, which exceeded the Medium-Term Management Plan target of 20%. Other financial indicators have also been on the improvement trend.



II . FY3/23 Earnings and Dividend Forecasts

FY3/23 Consolidated Earnings Forecasts

We aim to exceed the Medium-Term Management Plan targets and set new records for both revenue and operating profit.

(Billions of yen)

At time of Medium-Term Management Plan announcement

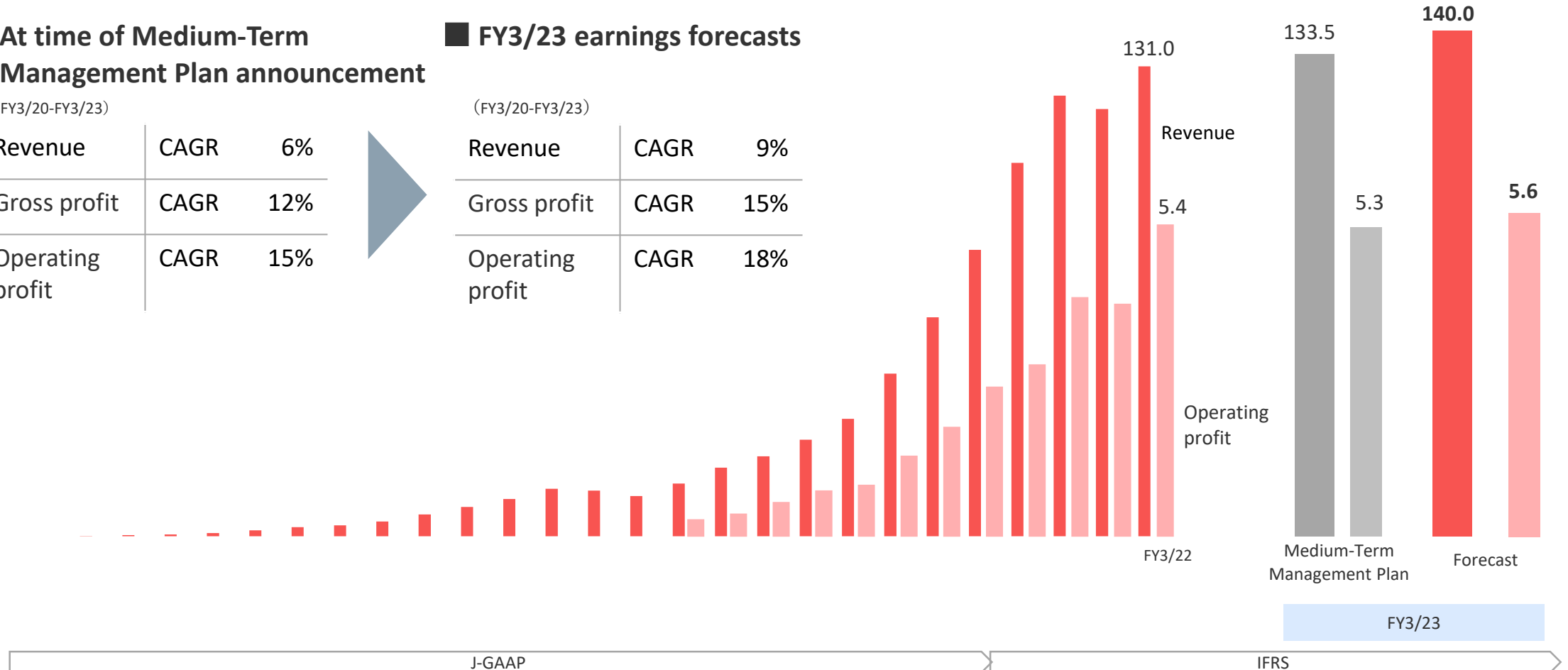
(FY3/20-FY3/23)

Revenue	CAGR	6%
Gross profit	CAGR	12%
Operating profit	CAGR	15%

FY3/23 earnings forecasts

(FY3/20-FY3/23)

Revenue	CAGR	9%
Gross profit	CAGR	15%
Operating profit	CAGR	18%



Revenue, gross profit, and operating profit are all expected to surpass Medium-Term Management Plan targets.

(Billions of yen)	FY3/22	FY3/23 (Medium-Term Management Plan)	FY3/23 (Forecast)	Vs. FY3/22		Vs. FY3/22 (Medium-Term Management Plan)	
				Change	% change	Change	% change
Revenue	131.08	133.50	140.00	+ 8.92	+ 6.8%	+ 6.50	+ 4.9%
Domestic WORK Business	80.72	94.98	88.98	+ 8.26	+ 10.2%	-5.99	-6.3%
Overseas WORK Business	48.74	36.11	49.03	+ 0.28	+ 0.6%	+ 12.91	+ 35.8%
Others	1.60	2.40	1.98	+ 0.37	+ 23.2%	-0.42	-17.6%
Gross profit	28.76	30.16	31.58	+ 2.81	+ 9.8%	+ 1.42	+ 4.7%
(Gross margin)	(21.9%)	(22.6%)	(22.6%)	(+ 0.6pt)	-	(0.0pt)	-
Operating profit	5.47	5.35	5.60	+ 0.12	+ 2.3%	+ 0.25	+ 4.7%
(Operating margin)	(4.2%)	(4.0%)	(4.0%)	(-0.2pt)	-	(0.0pt)	(-0.2%)
Domestic WORK Business	4.44	6.08	5.69	+ 1.24	+ 28.1%	-0.38	-6.3%
Overseas WORK Business	3.34	1.64	2.58	-0.76	-22.8%	+ 0.94	+ 57.9%
Others	-0.34	-0.00	-0.19	+ 0.14	-	-0.19	-
Adjustments	-1.98	-2.37	-2.48	-0.50	-	-0.12	-
Profit attributable to owners of parent	3.28	2.90	3.33	+ 0.04	+ 1.3%	+ 0.43	+ 14.8%
EBITDA	7.55	7.18	7.67	+ 0.11	+ 1.5%	+ 0.49	+ 6.8%
Exchange rate				Change for ¥1 difference/y			
				Revenue		Profit	
AUD	¥83	¥68	¥78	¥460 mln		¥30 mln	
SGD	¥83	¥72	¥79	¥110 mln		¥10 mln	

FY3/23 Consolidated 1H Forecast

In the first half, we project an increase in upfront investment in the Domestic WORK Business, and a slowing of demand in the permanent placement segment of the Overseas WORK Business.

(Billions of yen)	FY3/22	FY3/23 (Forecast)	Vs. FY3/22	
			Change	% change
Revenue	63.91	67.00	+ 3.08	+ 4.8%
Domestic WORK Business	39.59	42.66	+ 3.07	+ 7.8%
Overseas WORK Business	23.70	23.42	-0.28	-1.2%
Others	0.60	0.91	+ 0.30	+ 49.5%
Gross profit	14.03	14.93	+ 0.89	+ 6.4%
(Gross margin)	(22.0%)	(22.3%)	(+ 0.3pt)	-
Operating profit	2.68	2.25	-0.43	-16.2%
(Operating margin)	(4.2%)	(3.4%)	(-0.8pt)	-
Domestic WORK Business	2.16	2.39	+ 0.23	+ 10.6%
Overseas WORK Business	1.67	1.18	-0.49	-29.5%
Others	-0.20	-0.10	+ 0.10	-
Adjustments	-0.94	-1.22	-0.27	-
Profit attributable to owners of parent	1.69	1.25	-0.44	-26.4%
EBITDA	3.65	3.27	-0.37	-10.3%
Exchange rate			Change for ¥1 difference/y	
			Revenue	Profit
AUD	¥83	¥78	¥460 mln	¥30 mln
SGD	¥82	¥79	¥110 mln	¥10 mln

FY3/23 Forecasts (Segments and Sectors)

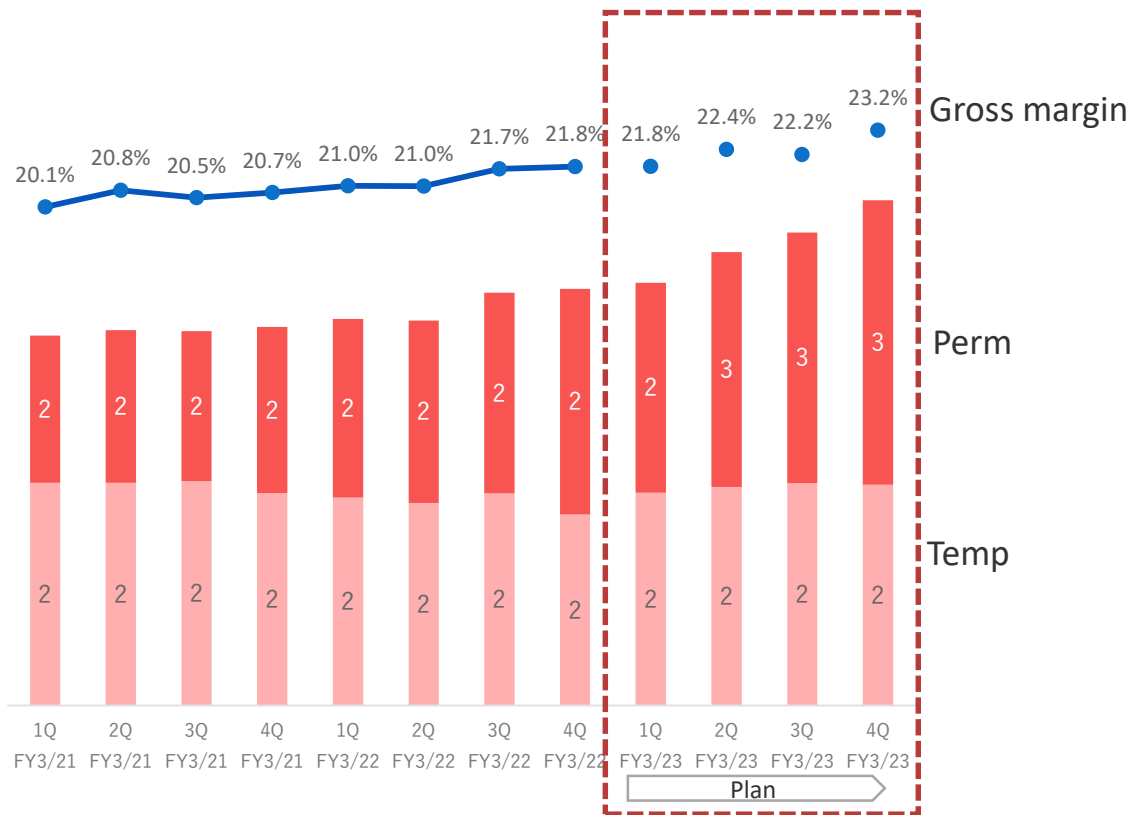
(Billions of yen)

Segments	Sectors		FY3/22	FY/23 (Forecast)	VS. 3/22 Change	Assumptions Used for the FY3/22 Forecast
Domestic WORK Business	Sales support	Net sales	19.51	20.66	+ 1.14	Expansion in apparel and sales support sectors.
		Operating profit	1.61	1.87	+ 0.26	Increase in the number of full-time employees on-site to reduce outsourcing expenses and improve gross margin.
	Call center	Net sales	17.04	18.42	+ 1.38	Increase in outsourcing services income resulting from increase in outsourcing demand.
		Operating profit	1.17	1.30	+ 0.13	Improvement in gross margin resulting from the increase in outsourcing services ratio.
	Factory	Net sales	18.31	19.11	+ 0.80	Increase in temporary staffing, permanent placement of foreigners after reopening of borders, and the number of foreign workers under consigned management.
		Operating profit	1.25	1.45	+ 0.19	Increase in permanent placement revenue and consigned management income.
	Care support	Net sales	13.67	14.76	+ 1.09	Increase in our focus area of placing people in temporary positions who intend to subsequently switch to permanent positions, and in temporary staffing.
		Operating profit	0.29	0.71	+ 0.41	Increase in permanent placement revenue.
	HR support for startups	Net sales	2.34	2.80	+ 0.45	Number of recruitment projects remains at a high level and is growing steadily.
		Operating profit	0.60	0.57	-0.03	Taking into account the number of recruitment projects, upfront expenses for hiring consultants, etc. rise.
	Construction management engineers	Net sales	5.78	8.30	+ 2.51	Increase in new graduates and those without experience to lead to a rise in the number of people on assignments.
		Operating profit	-0.55	-0.43	+ 0.12	Despite increases in recruitment fees and in upfront expenses for sales staff, etc., gross profit rises.
Overseas WORK Business		Net sales	48.74	49.03	+ 0.28	Compared to the previous year, demand for permanent placement likely to slow.
		Operating profit	3.34	2.58	-0.76	Decrease in permanent placement revenue, and increase in recruitment/personnel expenses.

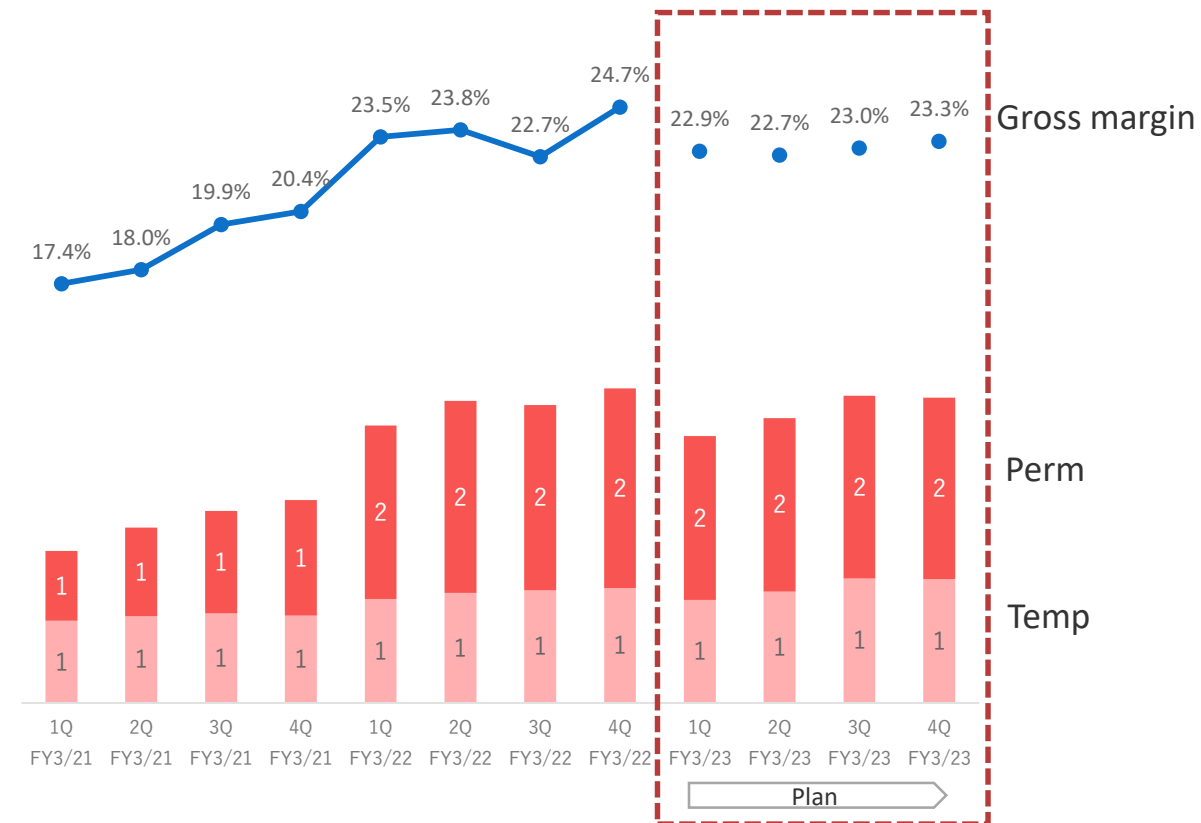
(Domestic/Overseas) Portfolio Shift Plan

In the Overseas WORK Business, demand for permanent placement is likely to slow compared to the previous year. In the Domestic WORK Business, all sectors are forecast to improve. Accordingly, the consolidated gross margin is expected to increase further.

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



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



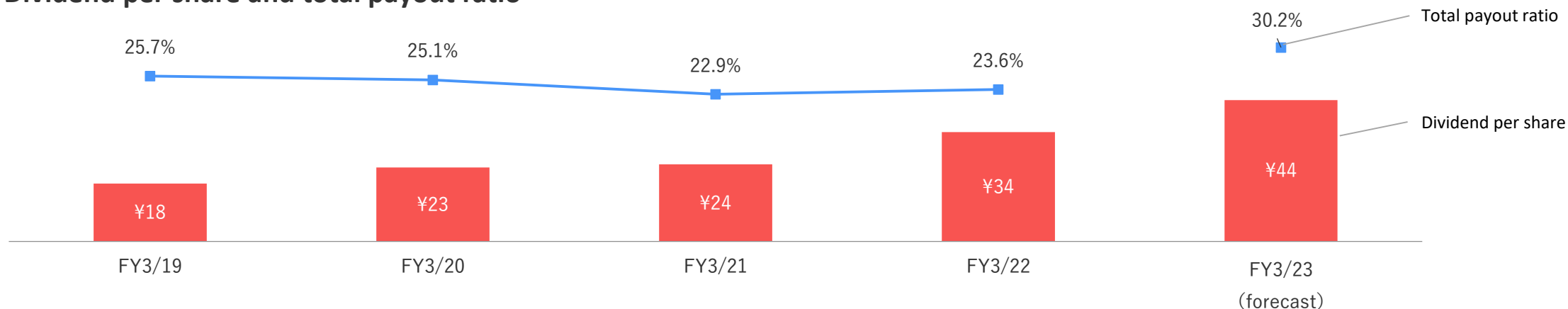
*Intra-segment consolidation adjustments are not included.
Gross profit and gross margin are based on adjusted figure that excludes the effects of overseas subsidy income.

FY3/23 Dividend Forecast

Total payout ratio based on dividend forecast for FY3/23 relative to the earnings forecasts at the start of the fiscal year: 30%.

	FY3/22	FY3/23 Revised forecast
Year-end dividend	¥34 per share	¥44 per share
Total payout ratio	23.6%	30.2%

■ Dividend per share and total payout ratio





Ⅲ. Medium-Term Management Plan (WILL-being 2023) Progress

Summary of progress in the Medium-Term Management Plan (WILL-being 2023)

For areas where progress is behind schedule, we will work to catch up this fiscal year, with the aim of achieving all components of our key strategies.

Key strategies		Details		Progress in FY3/22
Strategy I	Improve profitability through portfolio shift (Domestic WORK Business and Overseas WORK Business) Profit maximization domain, Strategic investment domain	<ul style="list-style-type: none"> Expansion of Perm SHIFT domain (“Perm” refers to permanent placement, and temporary staffing for highly specialized fields). In particular, we will focus on the areas of nursing care, construction management engineers, and HR support for startups. [Indicators] <ul style="list-style-type: none"> Strategic investment domain sales: Revenue growth rate Profit maximization domain: Operating margin 	△	[Strategic investment domain] <ul style="list-style-type: none"> Construction: △ (recruitment of mid-career people with no construction experience has been slower than initially expected) Nursing care: △ (placement of people in temporary positions who intend to subsequently switch to permanent positions has been slower than initially expected) Human resources support for startups: ○ (strong performance)
			○	[Profit maximization domain] <ul style="list-style-type: none"> Domestic WORK: ○ (improvement in gross margin and operating margin resulting from the assessment of economic conditions, etc.) Overseas WORK: ○ (rebound in demand, but also a steady rise in the base level)
Strategy II	Increase productivity through digital shift (Domestic WORK Business and overseas WORK Business) Profit maximization domain	<ul style="list-style-type: none"> Improve productivity per capita through digital shift. 	△	<ul style="list-style-type: none"> Continue to improve the functionality of the WILLOF smartphone app (shift to online applications, etc.). On July 1, 2021, we implemented a merger between two major subsidiaries, consolidating sales office networks and administrative operations.
Strategy III	Search for areas for next strategic investments Exploratory domain	<ul style="list-style-type: none"> Expand services for foreigners in Japan. Expand services for IT personnel. In HR Tech, we are exploring opportunities in sectors adjacent to our main businesses. 	△	<ul style="list-style-type: none"> Services for foreigners in Japan were below initial expectations due to continued restrictions on entry to the country. In services for IT personnel, both temporary staffing and permanent placement grew steadily. Product under development for services, etc. to be provided to construction management engineers.
Strategy IV	Financial strategy for the Group as a whole	<ul style="list-style-type: none"> Ratio of equity attributable to owners of parent: 20% or higher ROIC: 20% or higher (cost of capital at around 10%) Total payout ratio: 30% or higher 	○	<ul style="list-style-type: none"> Ratio of equity attributable to owners of parent was 21.8% at the end of FY3/22. ROIC rose due to the improvement in operating margin. Total payout ratio for FY3/22: 23.6% (42.2% based on earnings forecasts at the start of the fiscal year)

Comparison between Medium-Term Management Plan Targets and FY3/23 Forecasts

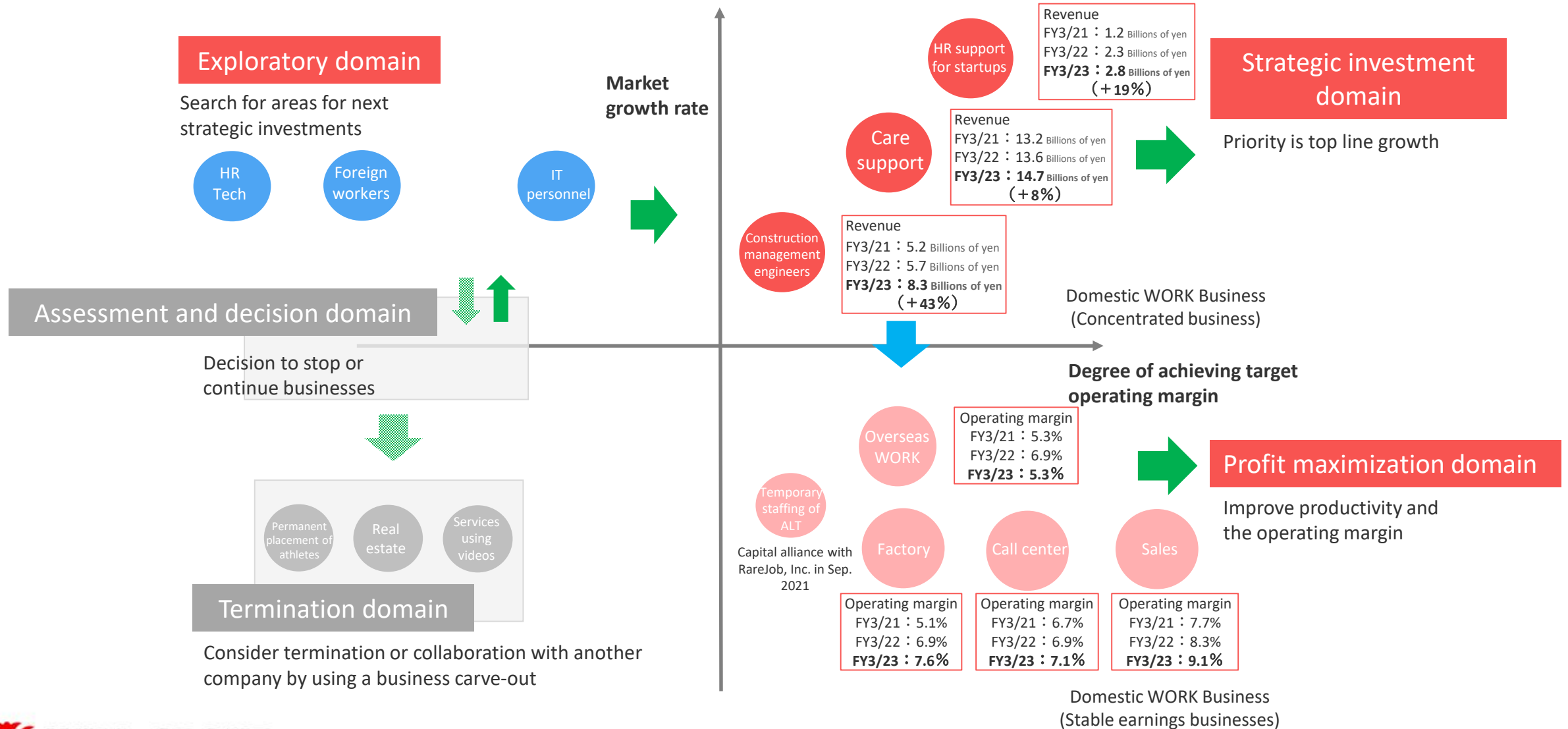
¥1.3 billion in upfront investment has been scheduled for FY3/23, in line with the Medium-Term Management Plan. With the exception (at this point in time) of ROIC, the Medium-Term Management Plan financial targets look likely to be achieved. We will aim to achieve ROIC by reviewing, etc. our invested capital.

(Billions of yen)

	KPI	FY3/20	FY3/21	FY3/22		FY3/23	
				(Medium-Term Management Plan)	(Results)	(Medium-Term Management Plan)	(Forecast)
Profitability indicators	Revenue (change)	121.9 (+ 18%)	118.2 (-3%)	121.0 (+ 2%)	131.0 (+ 11%)	133.5 (+ 10%)	140.0 (+ 7%)
	Gross margin	20.8%	20.3%	21.2%	21.9%	22.6%	22.6%
	SG&A expenses (Upfront investments included)	21.4	20.4	22.2 (1.3)	23.5 (1.0)	24.8 (1.3)	25.9 (1.3)
	Operating profit (Operating margin)	4.14 (3.4%)	4.30 (3.4%)	3.40 (2.8%)	5.47 (4.2%)	5.35 (4.0%)	5.60 (4.0%)
Financial indicators	ROIC	14%	14%	12%	17.9%	20%	18.6%
	Ratio of equity attributable to owners of parent to total assets	11.7%	17.7%	19%	21.8%	22%	24.8%
	Total payout ratio	25.1%	22.9%	30.6%	23.6%	30.0%	30.2%

Business Portfolio in the Medium-Term Management Plan

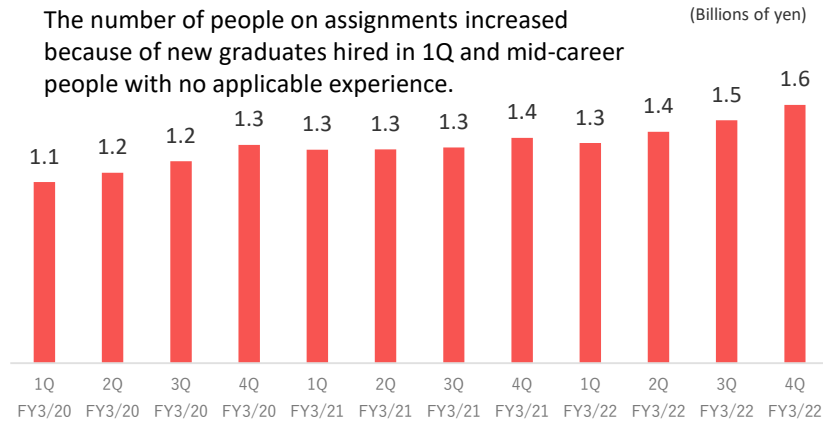
There have been some delays in the care support domain, but on the whole progress has been steady.



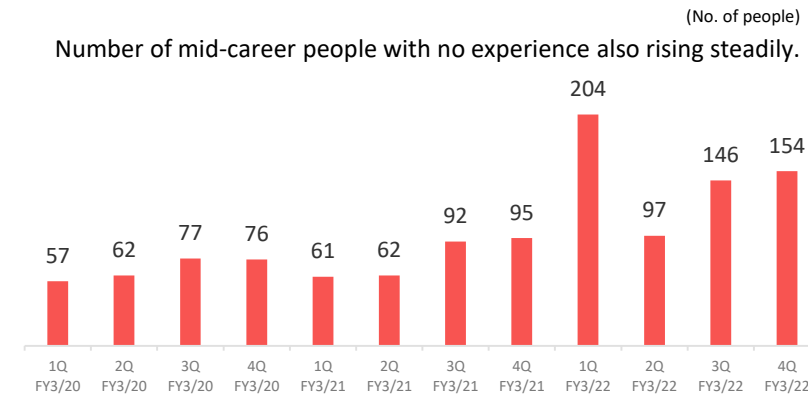
Progress in the Construction Management Engineer Temporary Staffing Business

Increase in mid-career people with no experience, and of the number of people on assignments. 236 new graduates joined the Company in April 2022.

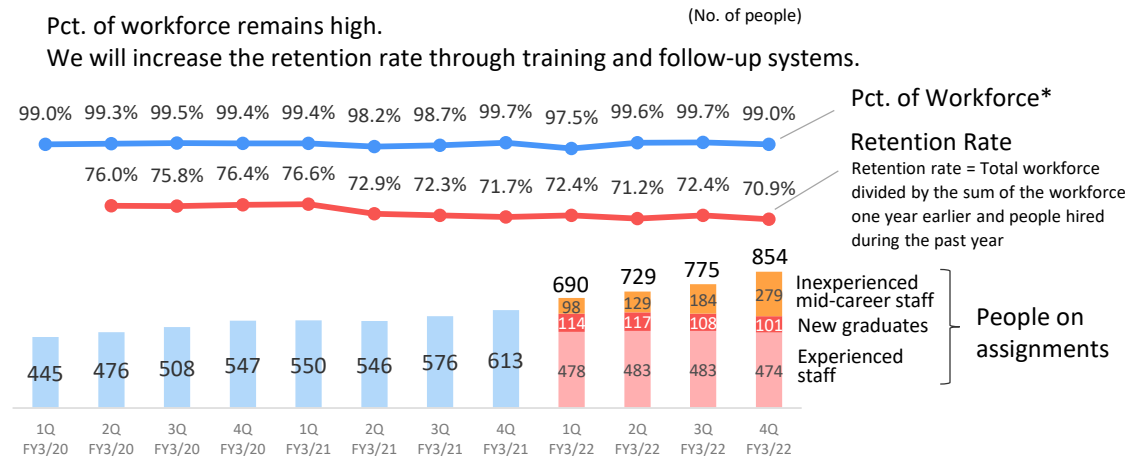
Quarterly Revenue



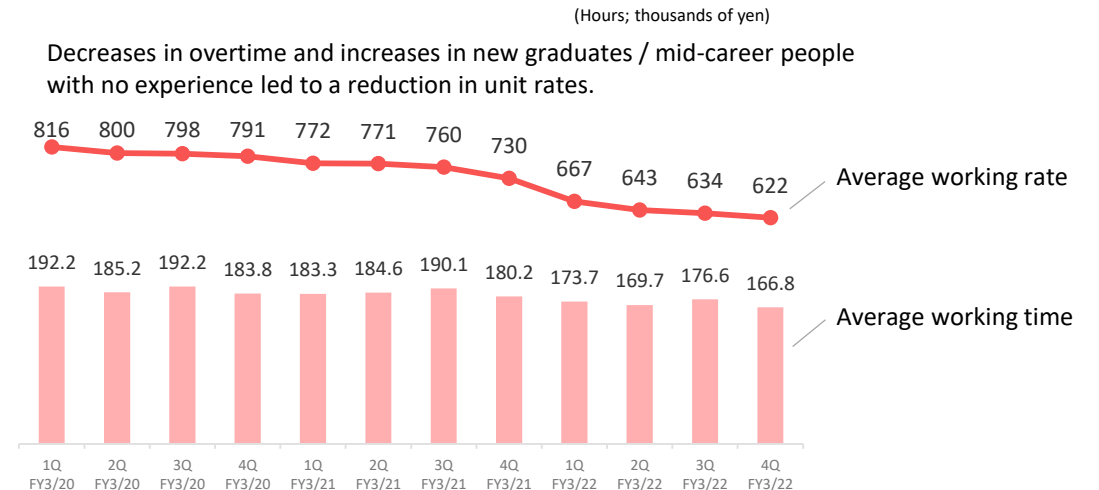
Number of People Hired



People on Assignments, Pct. of Workforce, and Retention Rate



Temporary Placement Staff Working Time and Rates



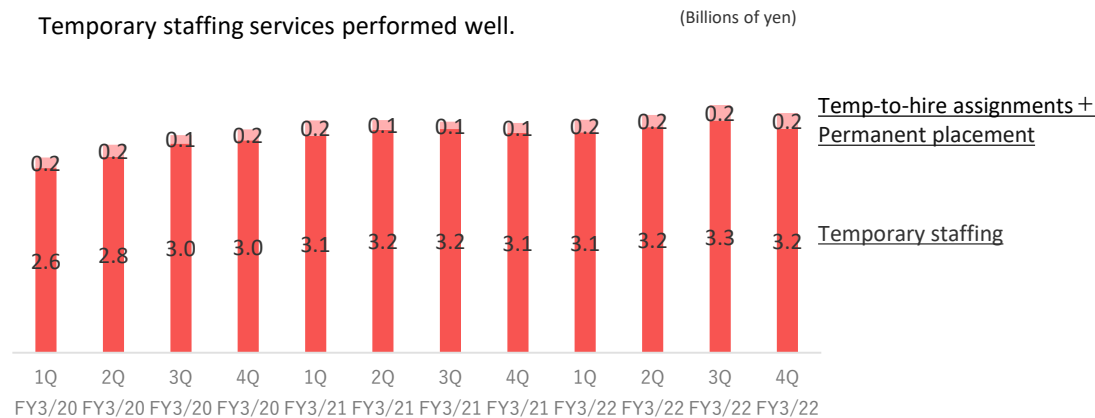
*The pct. of workforce in 1Q FY3/22 is the percentage for June 2021, excluding the impact of the new graduate training period.
The pct. of workforce in 1Q FY3/22 would be 90.4% when the impact of the new graduate training period is factored in.

Progress in the Care Support Business

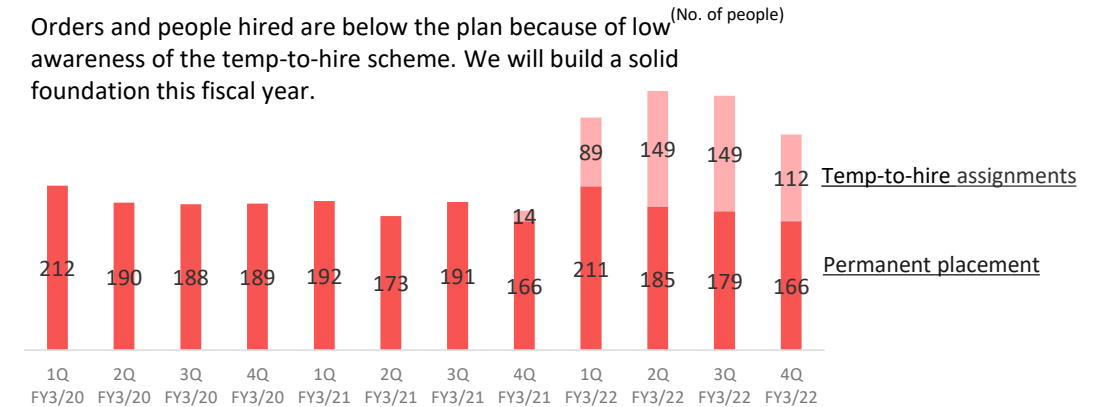
Our focus area of placing people in temporary positions who intend to subsequently switch to permanent positions fell below initial expectations.

This fiscal year, we will strengthen sales to nursing care facilities, and build a solid foundation by narrowing our target group for job seekers.

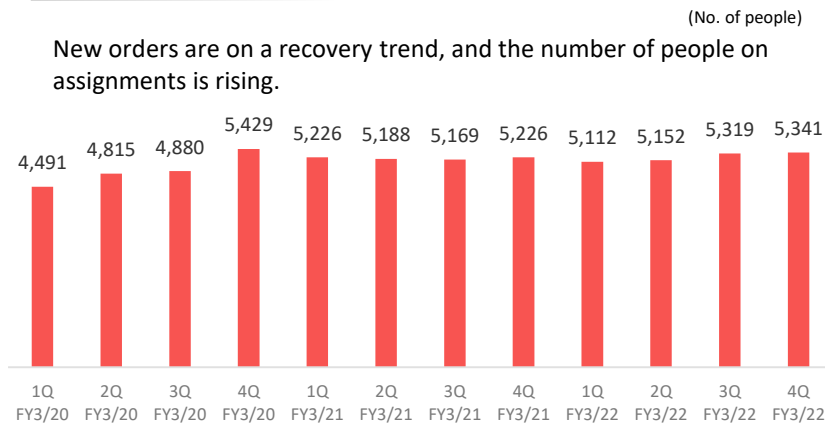
Quarterly Revenue



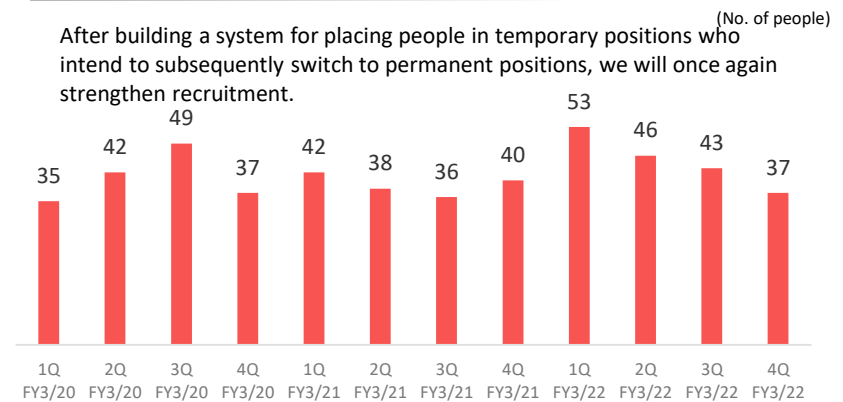
Temp-to-Hire Assignments and Permanent Placement



Number of People on Assignments



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





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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