



Supplementary Materials for the Fiscal Year Ended March 31, 2023

May 11, 2023

WILL GROUP, INC. (Tokyo Stock Exchange, Prime Market / Stock code: 6089)



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With the launch of the new Medium-term Management Plan “WILL-being 2026” in April 2023, starting in FY2024 Q1, we have changed the names of the Domestic WORK Business and the Overseas WORK Business to the Domestic Working Business (abbreviated as: Domestic W) and the Overseas Working Business (Overseas W), respectively. We have unified with the new segment names in these materials.

I . FY2023 Results

FY2023 Results

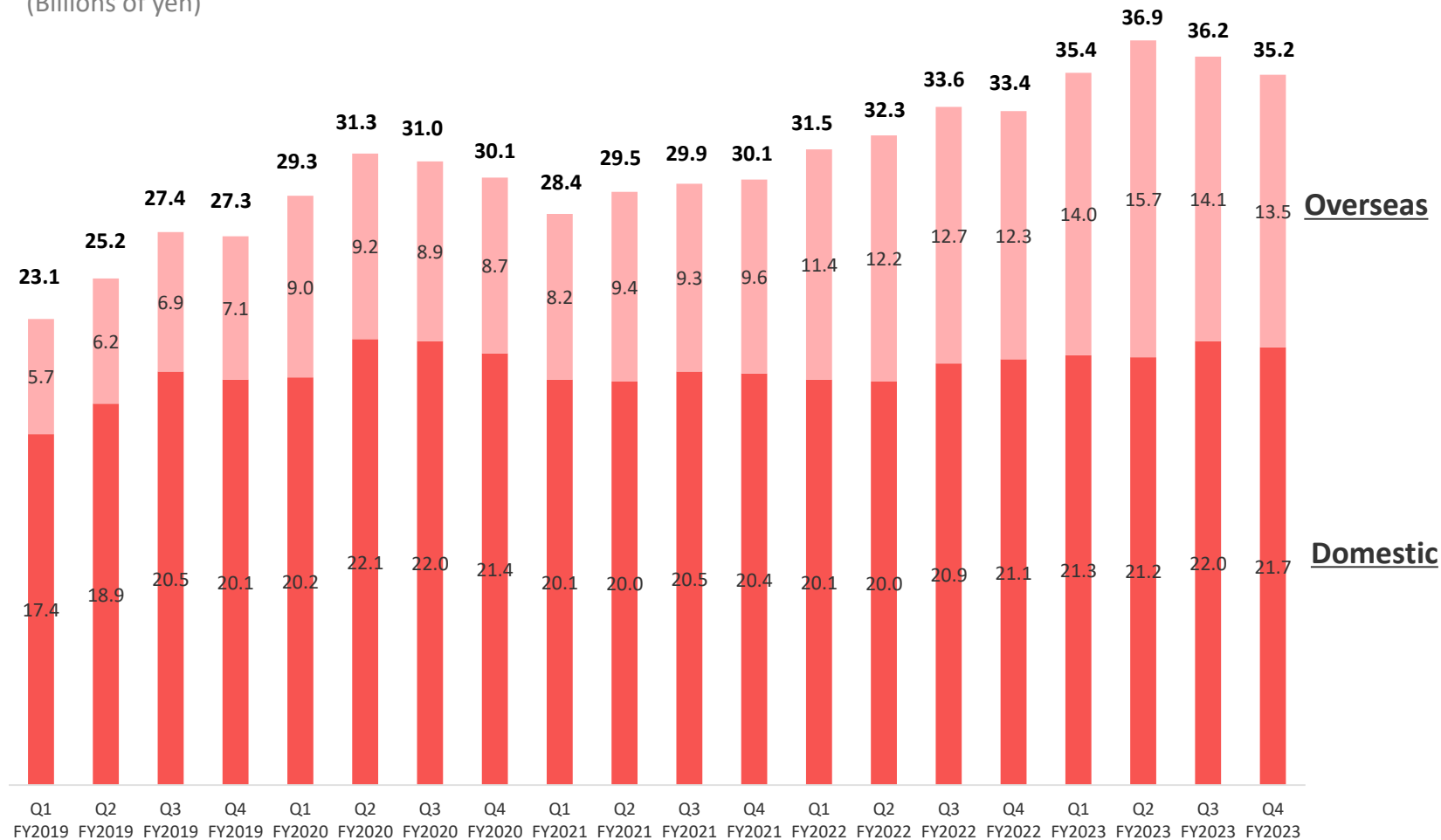
Operating profit was not able to cover the effect of adjustments to prior fiscal year financial results of consolidated subsidiaries (-¥0.4 billion), resulting in decrease in profit. We just missed our Medium-term Management Plan targets.

(Billions of yen)	FY2022	FY2023	Vs. FY2022		Forecast	Change	Medium-term Management Plan	Change
			Change	% change				
Revenue	131.08	143.93	+12.85	+9.8%	144.00	-0.06	133.50	+10.43
Gross profit (Gross margin)	28.76 (21.9%)	31.73 (22.1%)	+2.97 (+0.1pt)	+10.3%	31.92 (22.2%)	-0.18 (-0.1pt)	30.16 (22.6%)	+1.57 (-0.5pt)
Operating profit (Operating margin)	5.47 (4.2%)	5.31 (3.7%)	-0.15 (-0.5pt)	-2.8%	5.20 (3.6%)	+0.11 (+0.1pt)	5.35 (4.0%)	-0.03 (-0.3pt)
Profit before tax	5.29	5.14	-0.14	-2.8%	5.05	+0.09	-	-
Profit attributable to owners of parent	3.28	3.23	-0.04	-1.5%	3.20	+0.03	-	-
EBITDA (Operating profit + Depreciation and amortization)	7.55	7.45	-0.10	-1.3%	7.24	+0.21	-	-

Number of employees: 6,212
(+ 849 from the end of FY2022)

Consolidated Revenue

(Billions of yen)



Q4 FY2023 revenue was -¥1.0 billion below Q3 FY2023

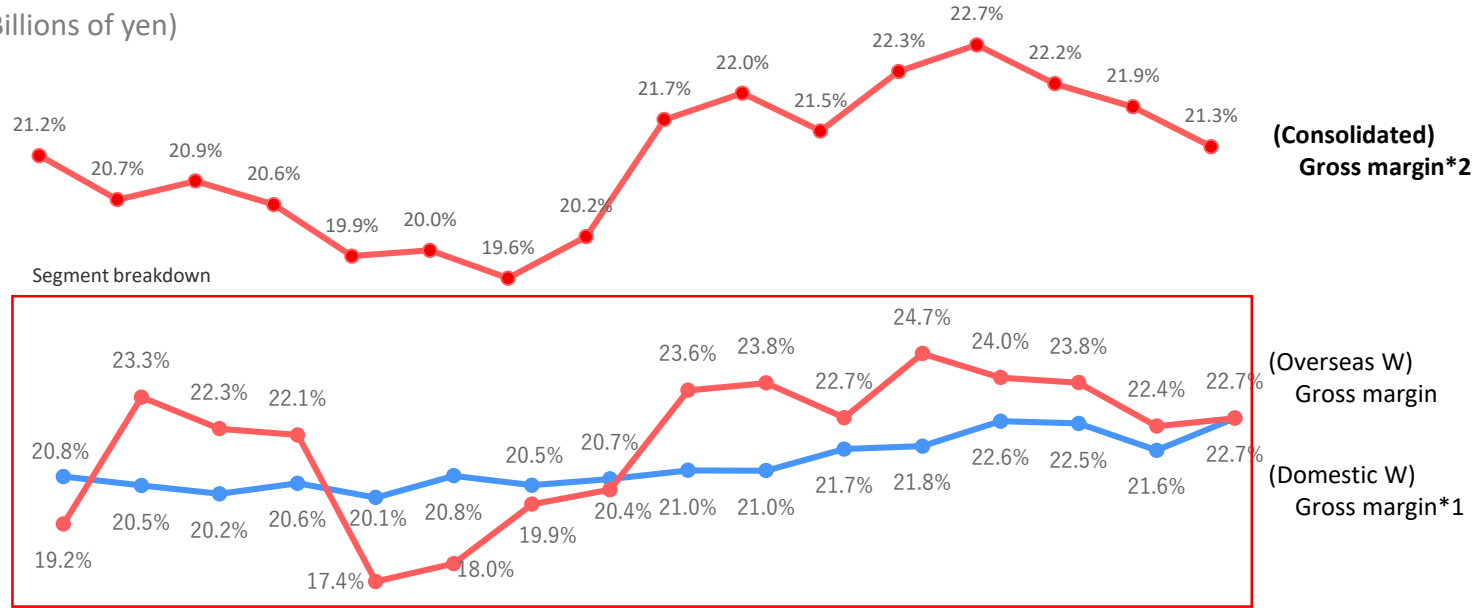
(The effects of foreign exchange rate: - ¥0.0 billion)

**Domestic, revenue was flat.
Overseas, temporary staffing revenue decreased.**

*The revenue figures shown are after adjustments, excluding the impact of overseas subsidy income.

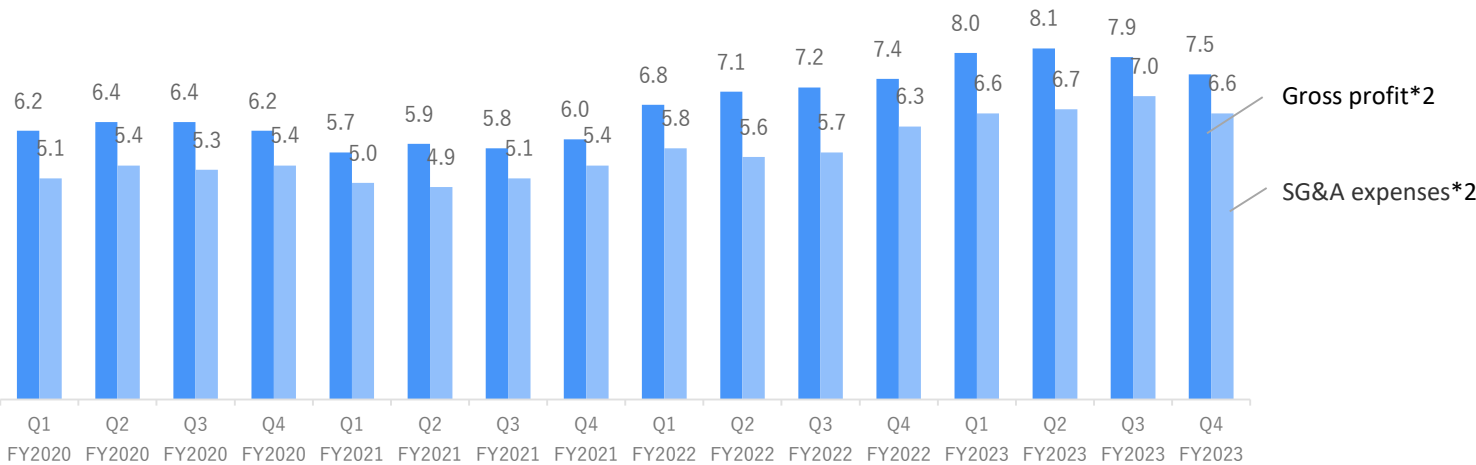
Consolidated Gross Margin

(Billions of yen)



Although gross margin increased in Japan and overseas, it decreased on a consolidated basis due to provisions including allowance for paid leave.

Upfront investments in strategic growth businesses (construction, startups, nursing care)
 FY2023 plan : ¥0.83 billion
 FY2023 results: ¥0.82 billion (-¥0.01 billion)

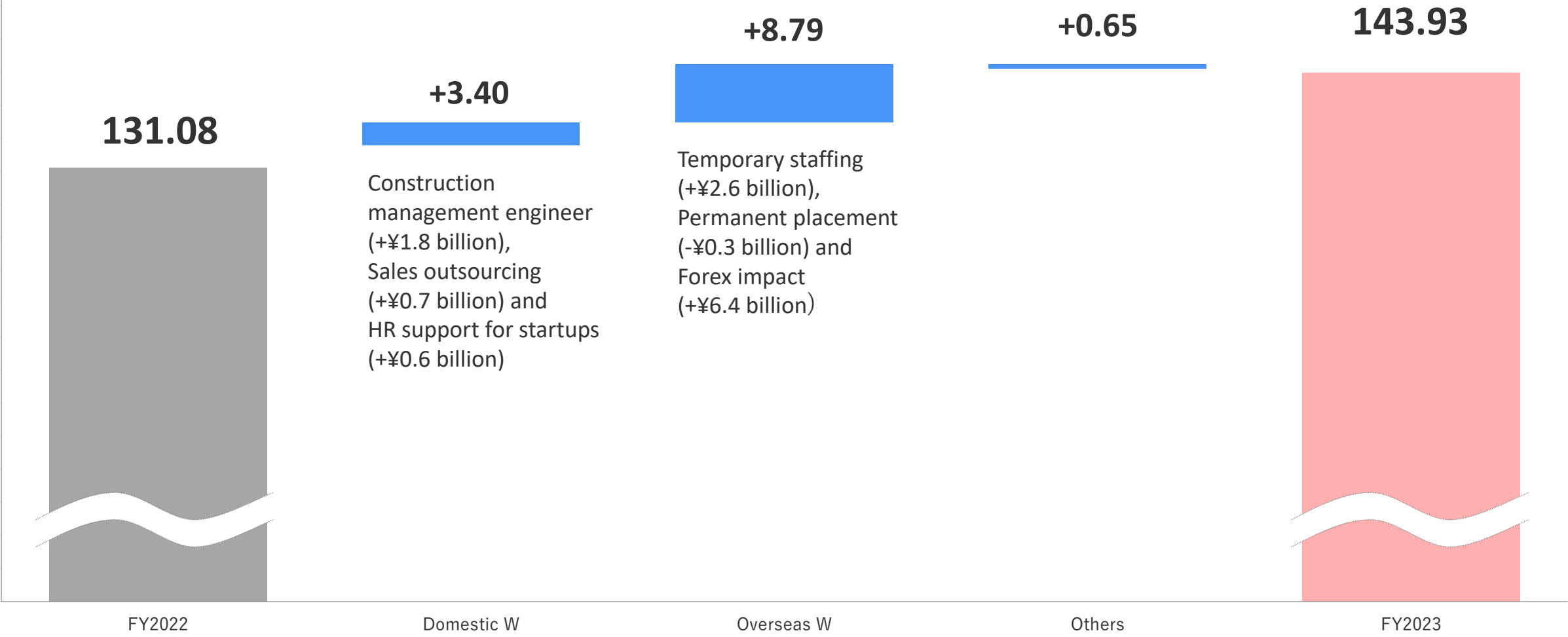


*1 Intersegment consolidation adjustments are not included. The amounts for FY2020 are based on the previous accounting policy.

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

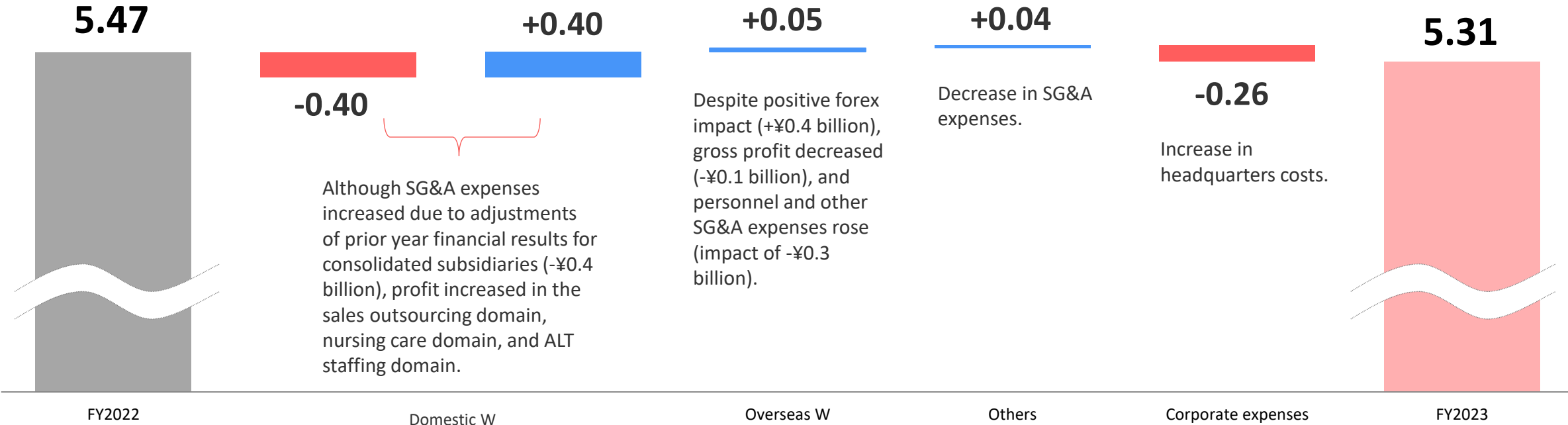
FY2023 Revenue: Breakdown of Year-on-Year Changes

(Billions of yen)



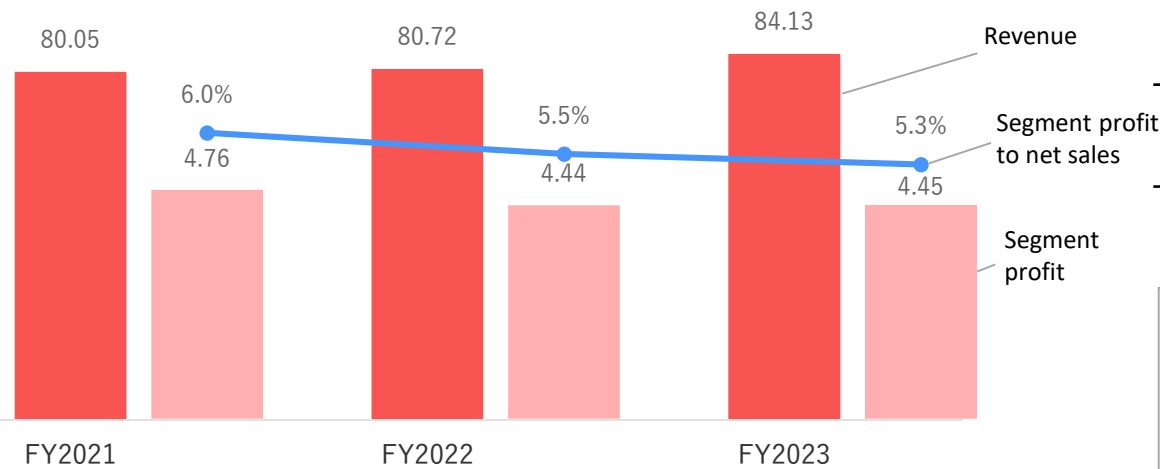
FY2023 Operating Profit: Breakdown of Year-on-Year Changes

(Billions of yen)



Domestic Working Business

-Revenue and segment profit (Billions of yen)-

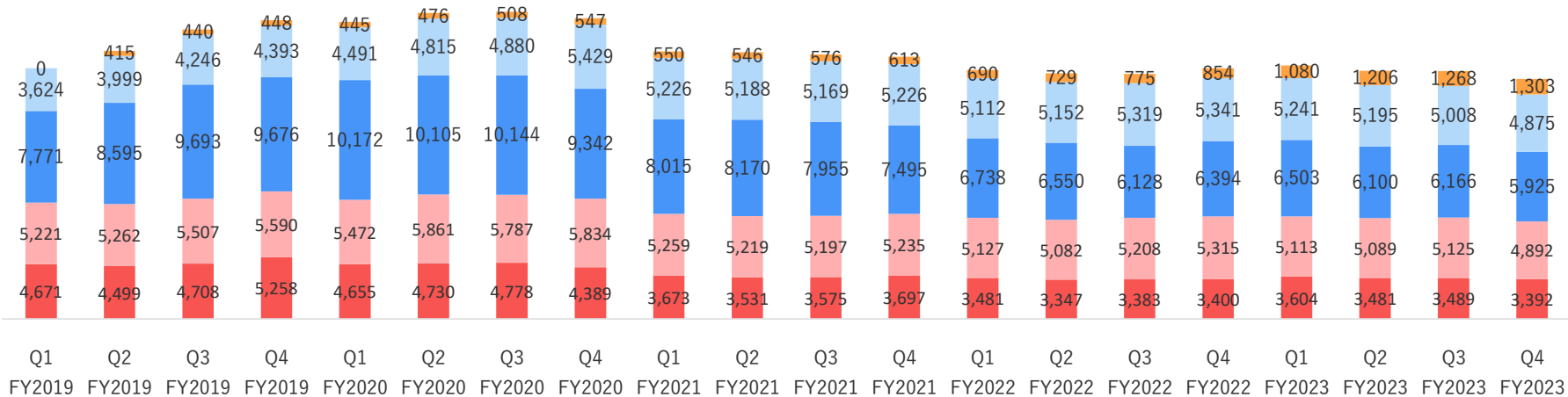


(Billions of yen)	FY2022	FY2023	Vs. FY2022 % change	Plan	Vs. Plan % change
Revenue	80.72	84.13	+4.2%	83.87	+0.3%
Segment profit	4.44	4.45	+0.1%	4.03	+10.4%

-Topics-

- The number of people on assignment in Q4 decreased by around 700 people compared to Q3.
- Implemented upfront investment in construction management engineers (¥0.47 billion) and HR support for startups (¥0.35 billion).

-Number of workers on assignments (persons)-

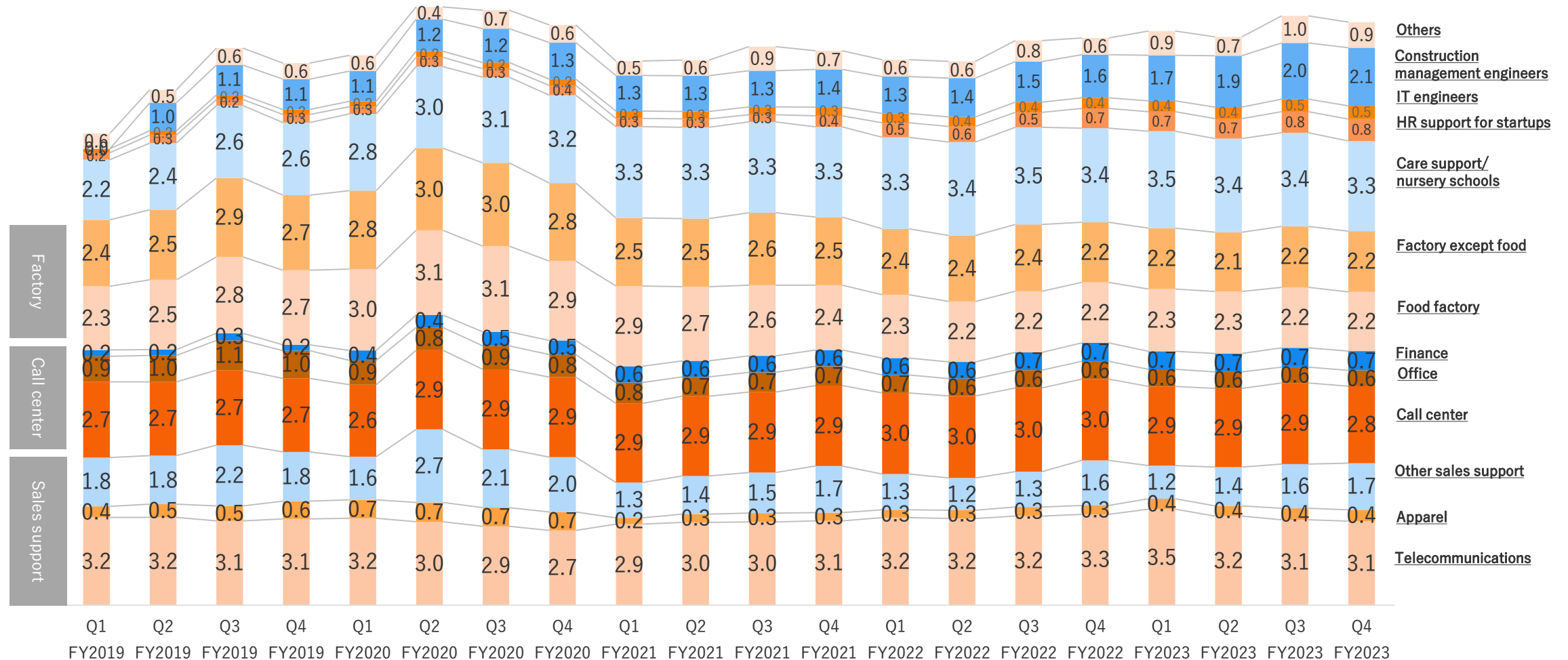


Construction management engineers	+32 (Vs. Q3 FY2023)
Care support	-133 (Vs. Q3 FY2023)
Factory outsourcing	-241 (Vs. Q3 FY2023)
Call center outsourcing	-233 (Vs. Q3 FY2023)
Sales outsourcing	-97 (Vs. Q3 FY2023)

Domestic Working Business (Business sector revenue)

Other sales support, HR support for startups, and construction management engineer domains recorded steady growth.

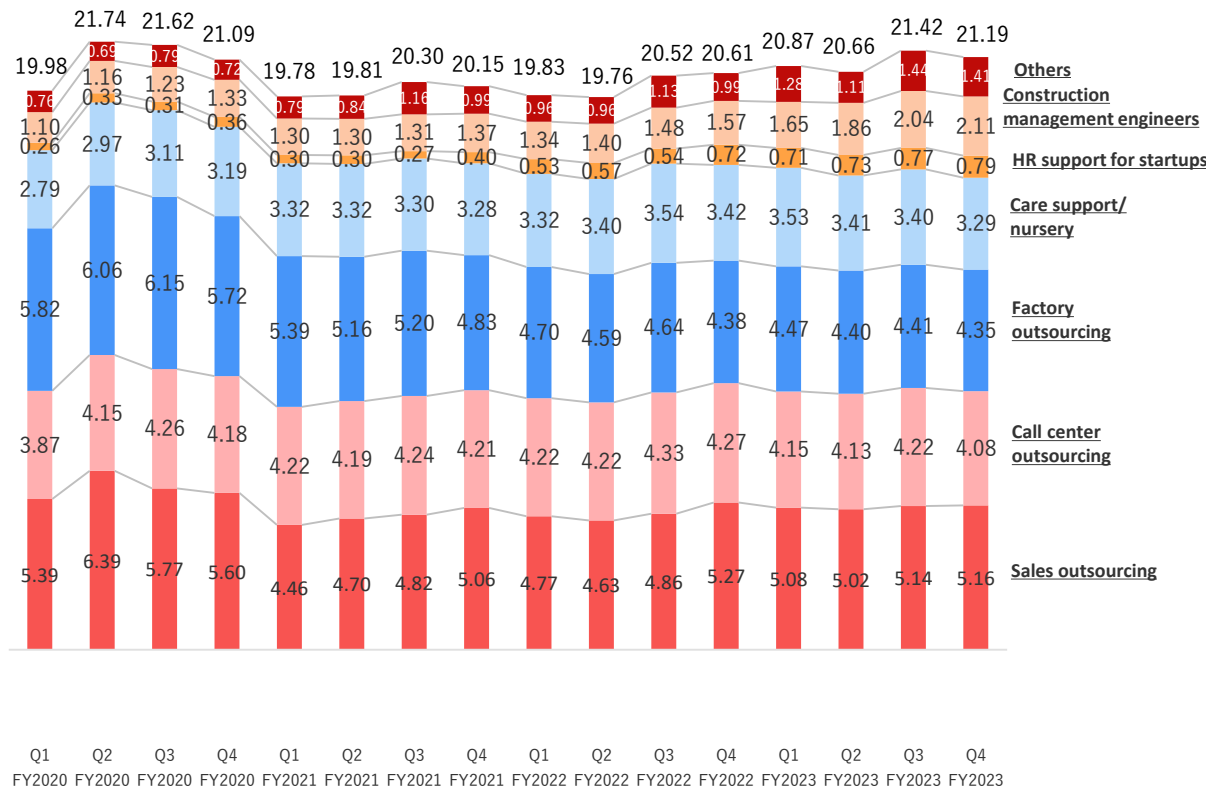
(Billions of yen)



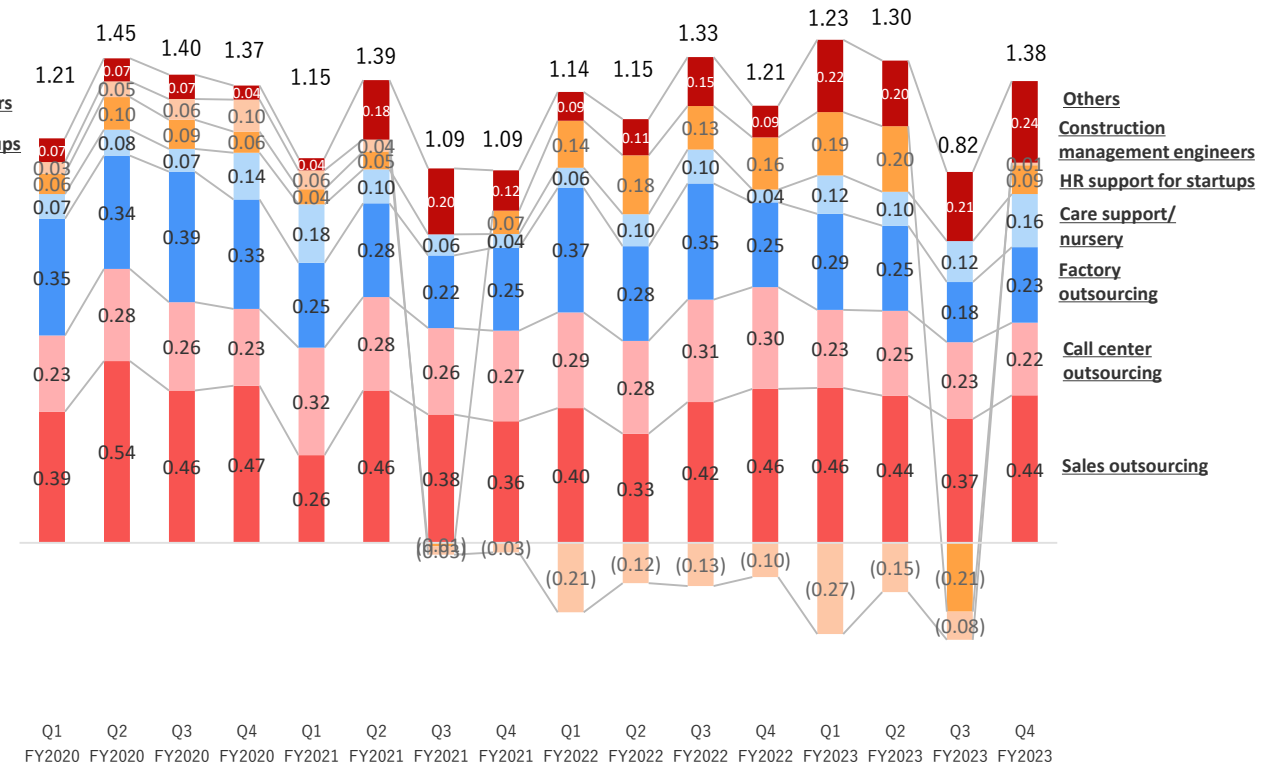
Domestic Working Business (Revenue and operating profit by sector)

The trend of flat revenue and operating profit continues. The construction management engineer domain was profitable in Q4.

-Revenue by sector (Billions of yen)-



-Operating profit by sector (Billions of yen)-



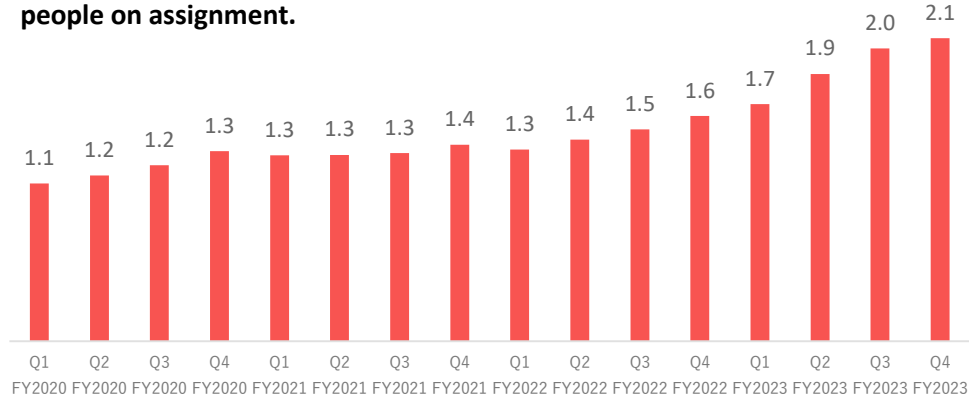
*Intra-segment consolidation adjustments are not included.

Progress in the Construction Management Engineer Temporary Staffing Business

Quarterly Revenue

(Billions of yen)

Revenue is steadily increasing with the increase in the number of people on assignment.

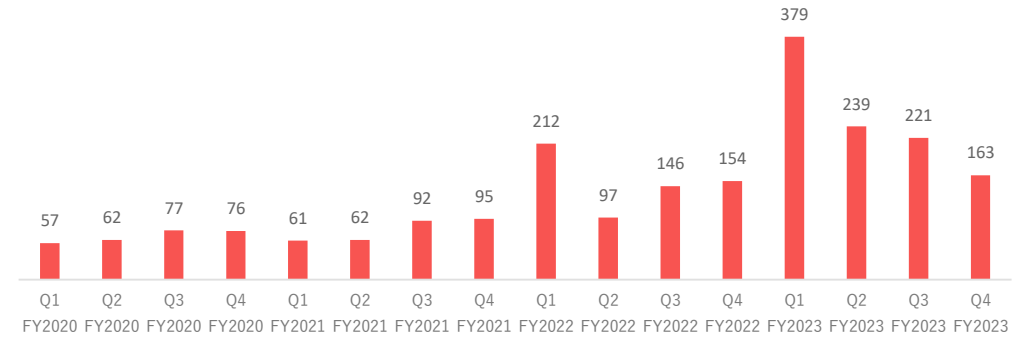


Number of People Hired

(No. of people)

We have achieved our target of hiring 1,000 people per year.

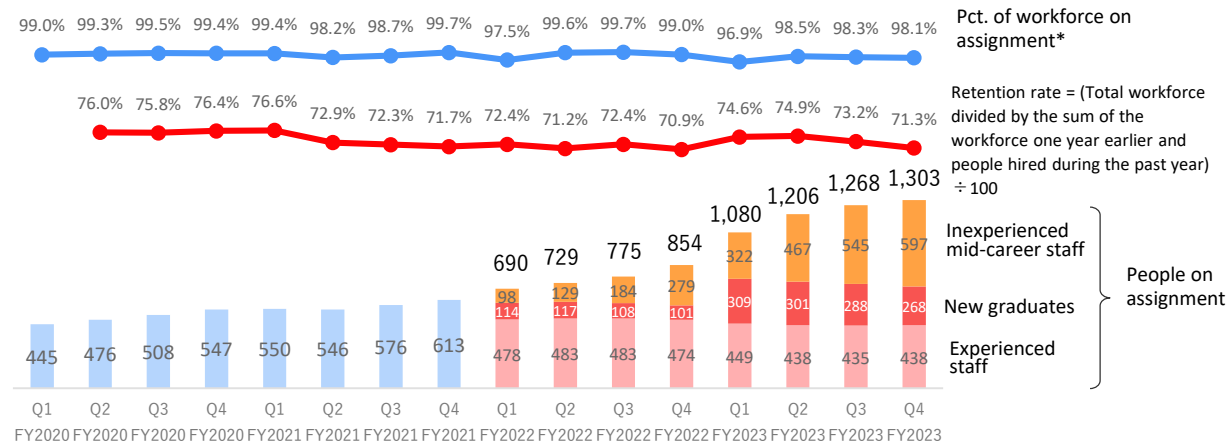
*Q1 includes new graduate recruitment (previous fiscal year: 131, this fiscal year: 236).



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

Percentage of workforce on assignment remained at a high level. We will continue to work to improve retention rates.

(No. of people)

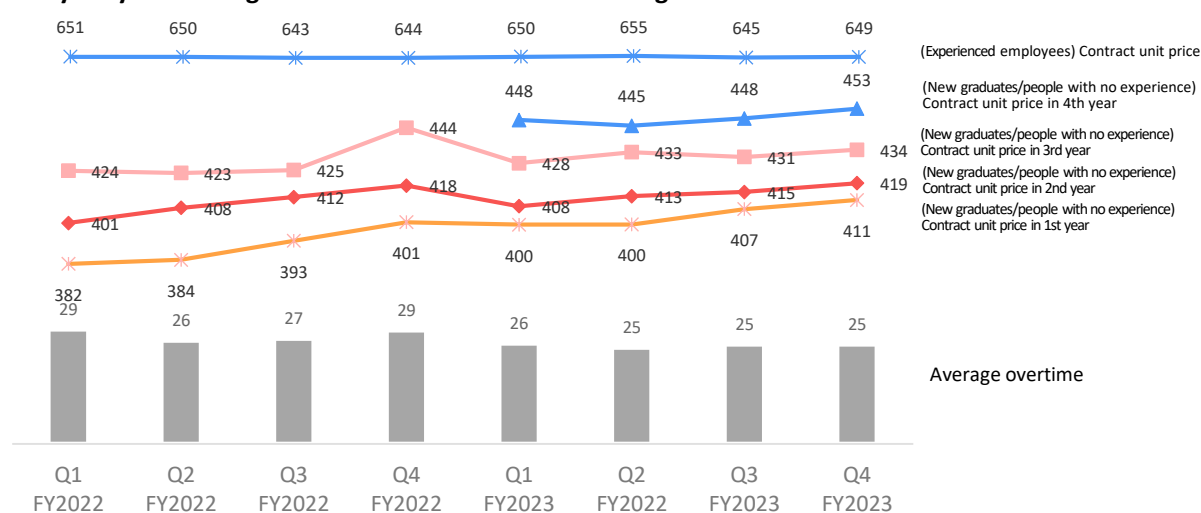


* Percentage of workforce on assignment in Q1 FY2022 and Q1 FY2023 is for the month of June only, after excluding impact of training for new graduates. Cumulative percentage of workforce on assignment is Q1 FY2022 : 90.4 %, Q1 FY2023 : 89.6%.

Average contract unit price, average overtime (monthly)

(Hours, Thousands of yen)

Average contract unit price for new graduates and people with no experience has been rising 3%-5% yearly due to negotiations with customers on raising fees. Overtime hours have remained flat.

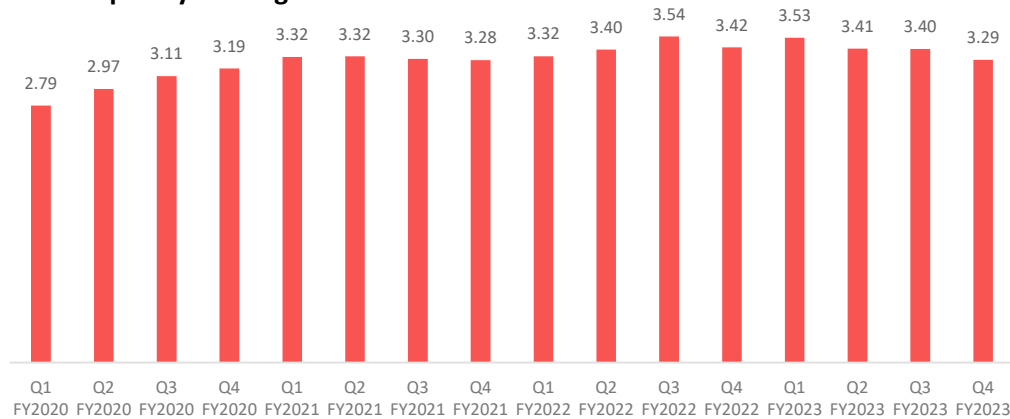


Progress in the Care Support Business

■ Quarterly Revenue

(Billions of yen)

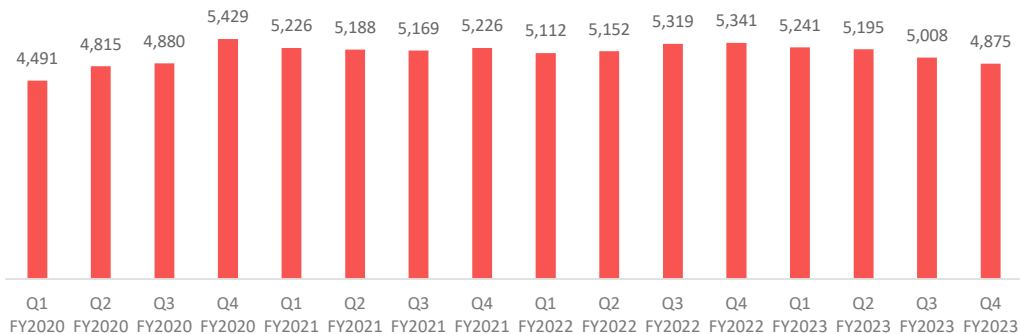
While revenue in the permanent placement have been trending strongly, revenue in the temporary staffing has decreased.



■ Number of People on Assignment

(No. of people)

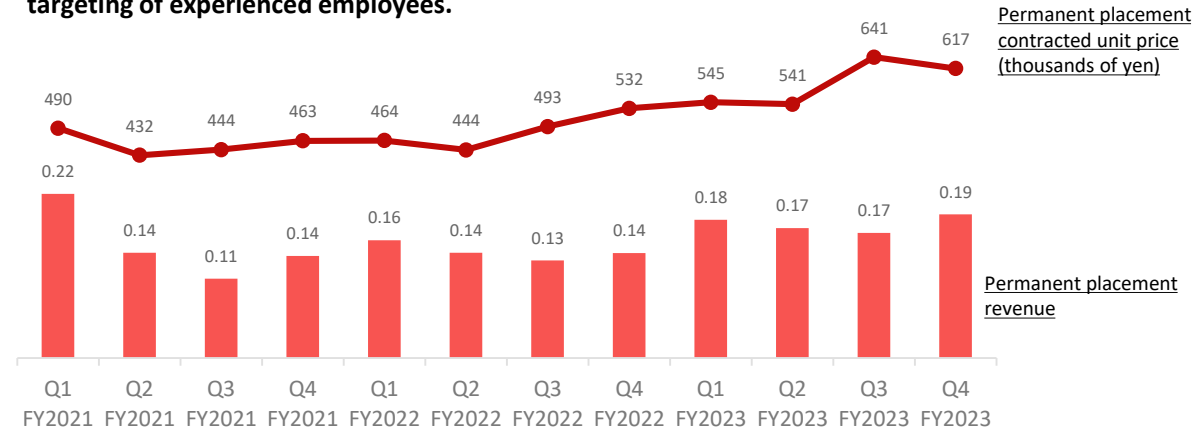
The number of people on assignment has decreased quarter on quarter due to difficulties with new hiring.



■ Permanent placement revenue and permanent placement contracted unit price

(Billions of yen)

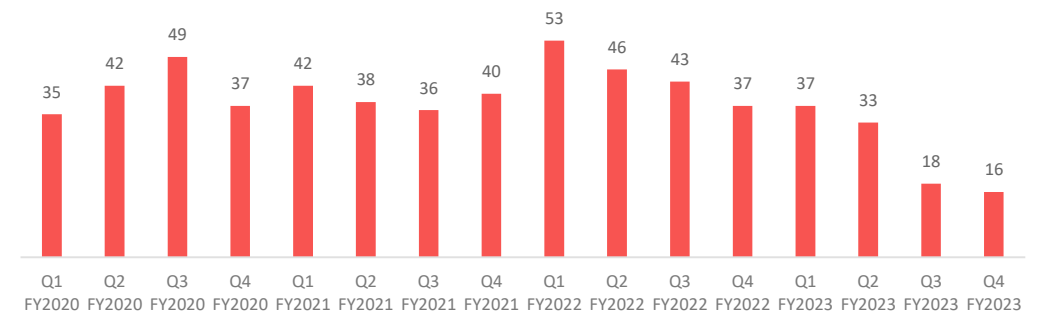
Permanent placement revenue rose due to the number of contracted people. Permanent placement contracted unit price is on a rising trend due to the targeting of experienced employees.



■ Employees Permanent Placement Business

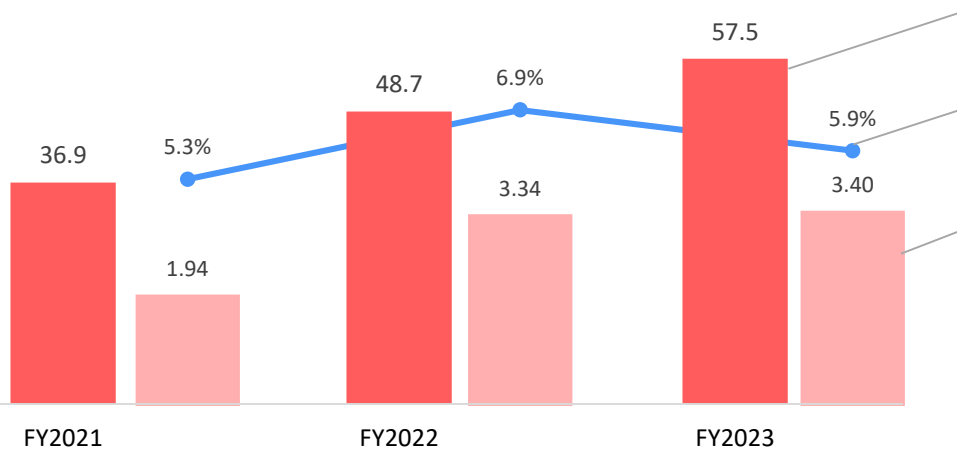
(No. of people)

We intend to increase the number of employees going forward while maintaining productivity.



Overseas Working Business

-Revenue and segment profit (Billions of yen)-

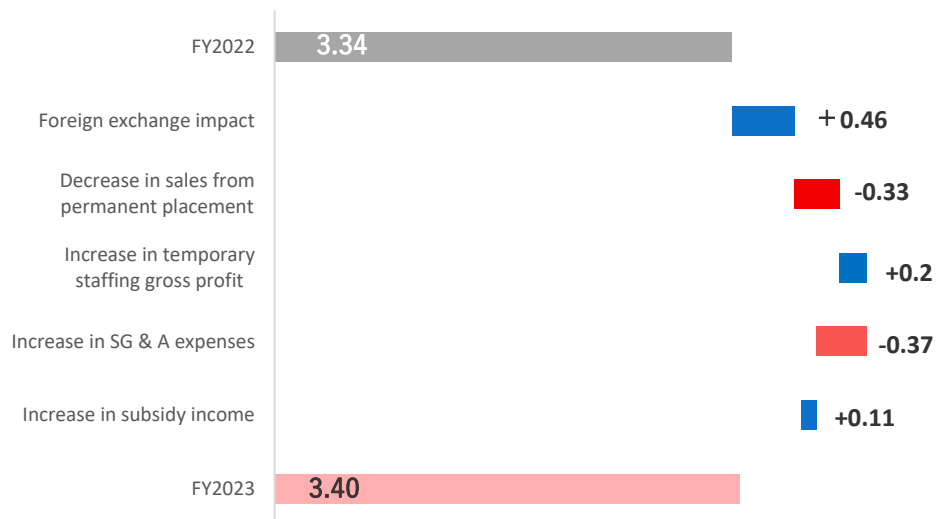


Revenue	(Billions of yen)	FY2022	FY2023	Vs. FY2022 % change	Plan	Vs. Plan % change
Segment profit to net sales	Revenue	48.74	57.53	+18.0%	57.77	-0.4%
Segment profit	Segment profit	3.34	3.40	+1.7%	3.21	+6.0%

-Topics-

- The post-COVID-19 surge in demand for human resources moderated in Q3.
- The yen depreciated against both the Singapore dollar and the Australian dollar.
The forex impact vs. the previous fiscal year it was +¥6.4 billion for revenue and +¥0.46 billion for operating profit.

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



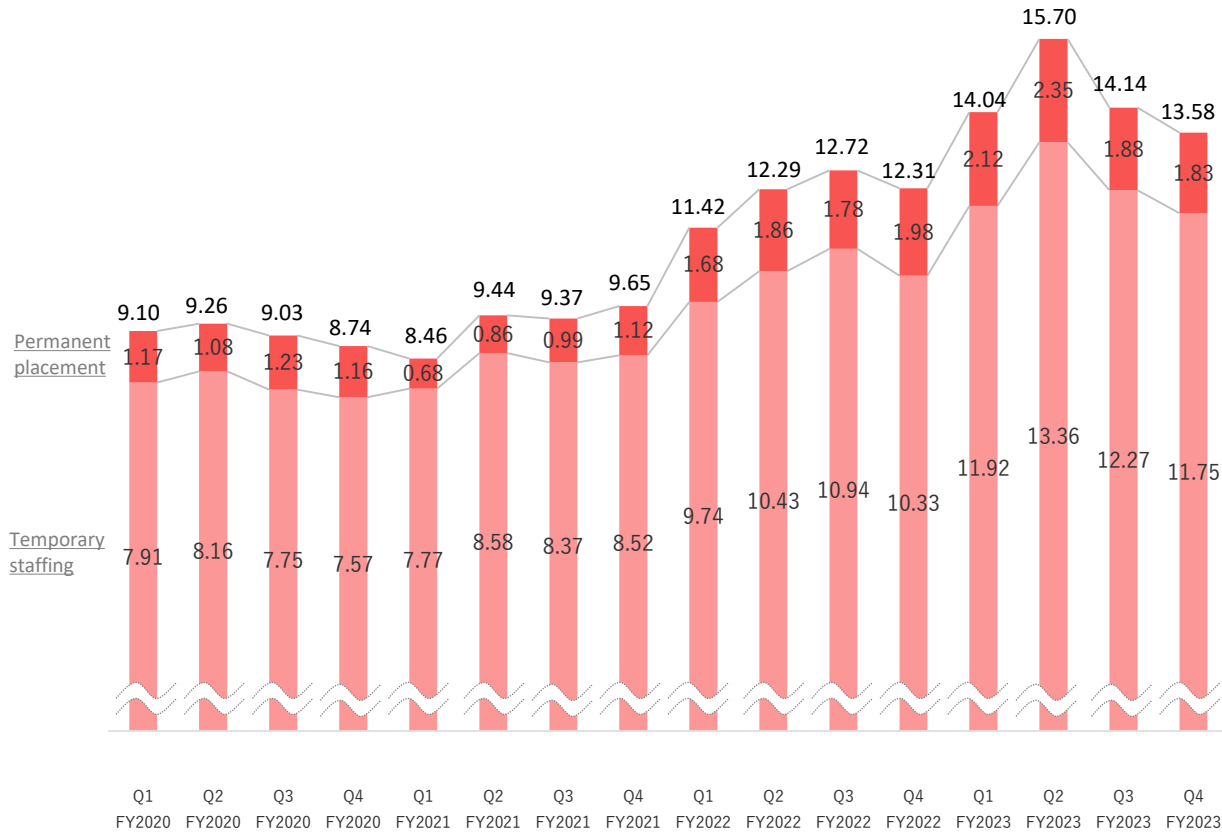
☐ Forex sensitivity

	FY2023 Plan	FY2023 Results	FY2022 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥98	¥93	¥83	¥460 million	¥30 million
SGD	¥93	¥98	¥83	¥110 million	¥10 million

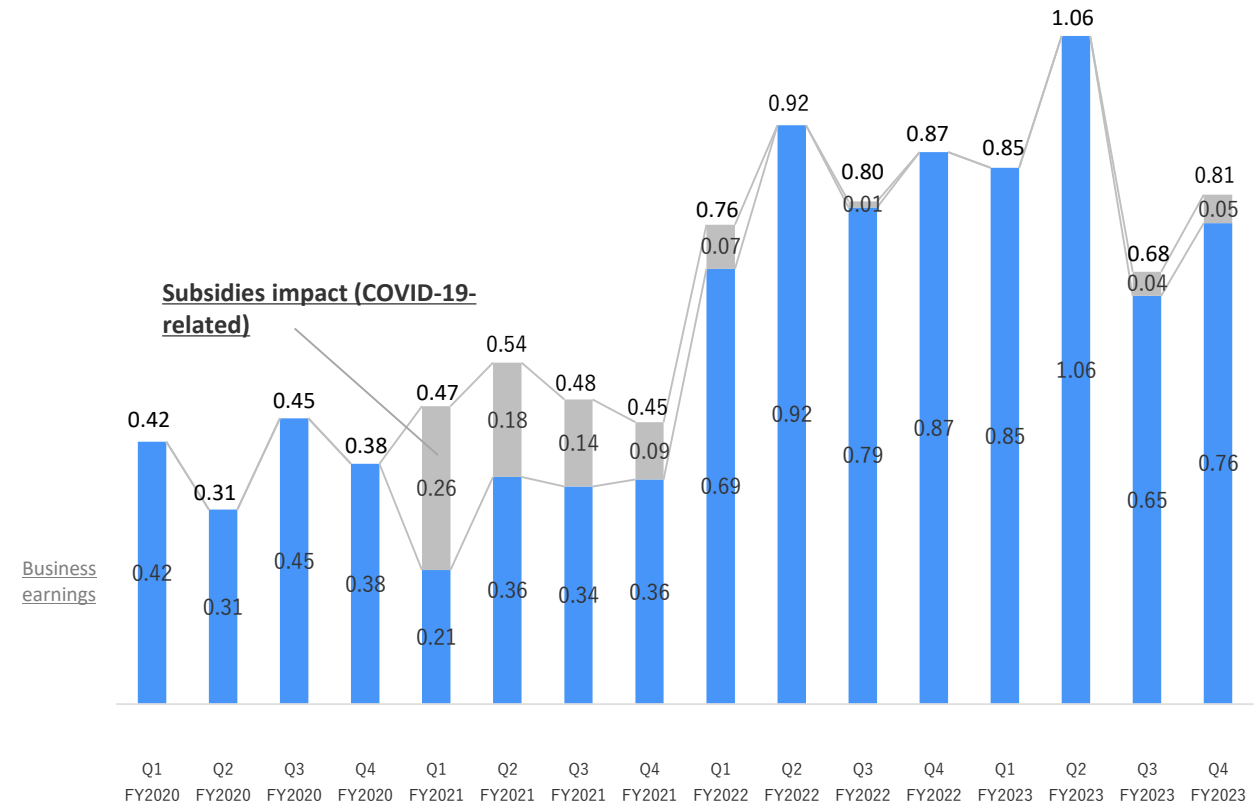
Overseas Working Business (Revenue by contract type and operating profit)

Compared to Q3, temporary staffing revenue declined due to the end of staffing contracts with certain customers, but permanent placement revenue was flat. In Q4, we recorded ¥0.35 billion in government subsidy, etc.

-Revenue by contract type (Billions of yen)-



-Operating profit (Billions of yen)-

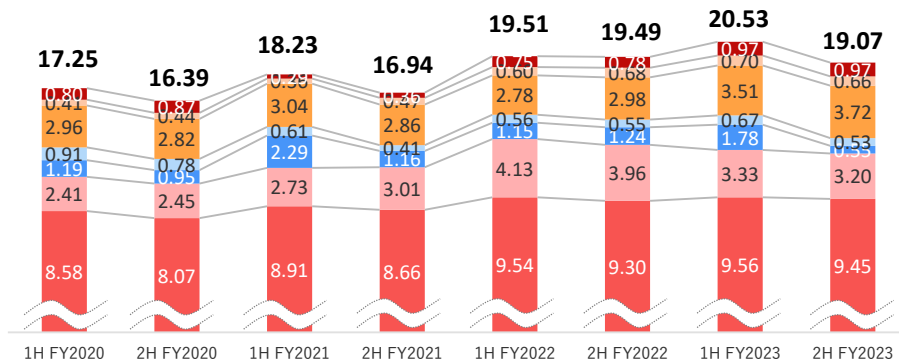


Overseas Working Business (Breakdown of revenue by sector, half-yearly basis)

The Singapore temporary staffing business was strong in both the government and administrative sectors. While the spike in personnel demand has moderated, we expect the permanent placement business to continue to trend strongly as the number of job openings remains high in both countries.

■ Australia

• Temporary staffing



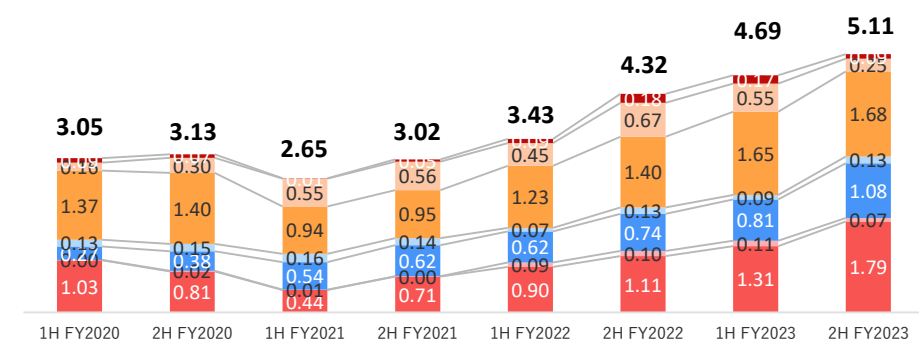
Others
Healthcare & Life Science
Industrial
Consumer Goods/
Services & Lifestyles
Technology & Telco
Banking & Finance

Public Sector

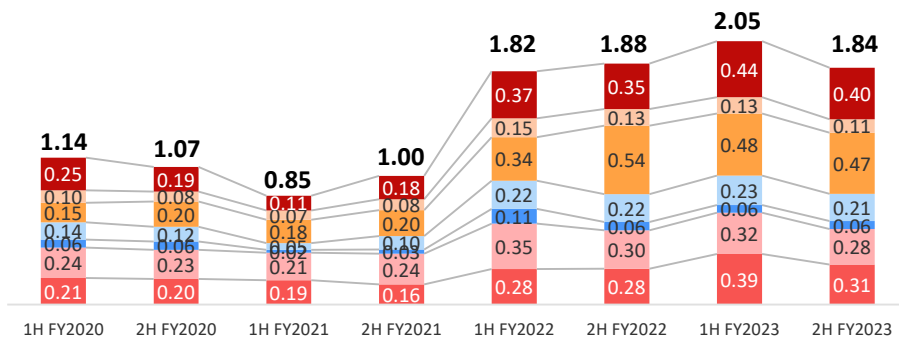
■ Singapore

• Temporary staffing

(Billions of yen)

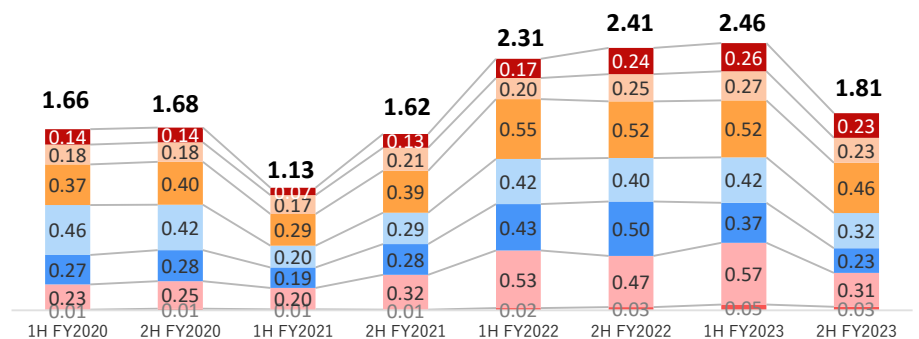


• Permanent placement



Others
Healthcare & Life Science
Industrial
Consumer Goods/
Services & Lifestyles
Technology & Telco
Banking & Finance
Public Sector

• Permanent placement

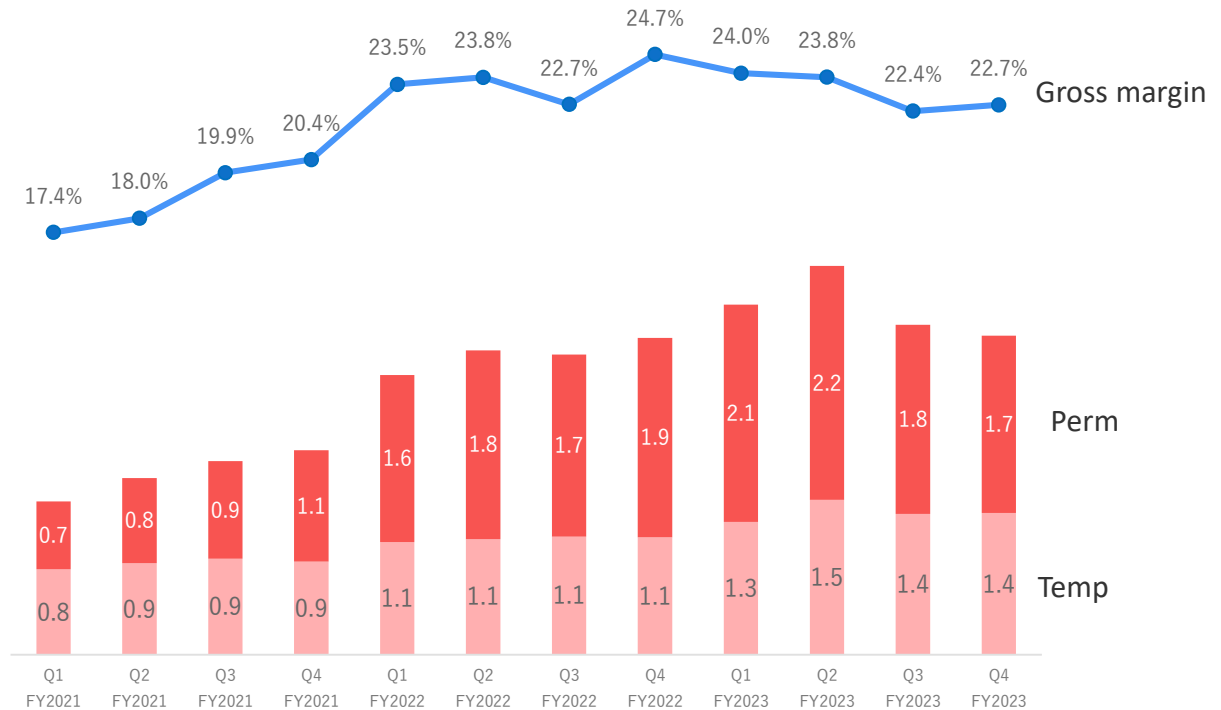
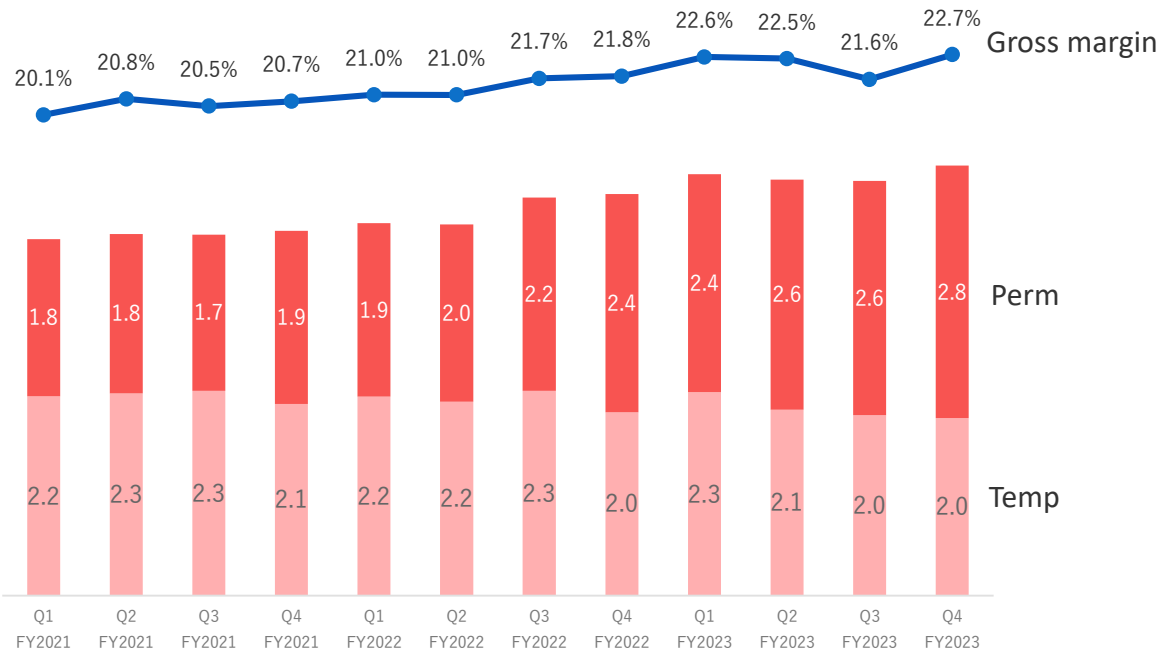


Business Portfolio Changes in Japan and Overseas

The gross margin has risen in the Domestic Working Business due to the increase in the Perm area. The gross margin in the Overseas Working Business has remained flat quarter on quarter.

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

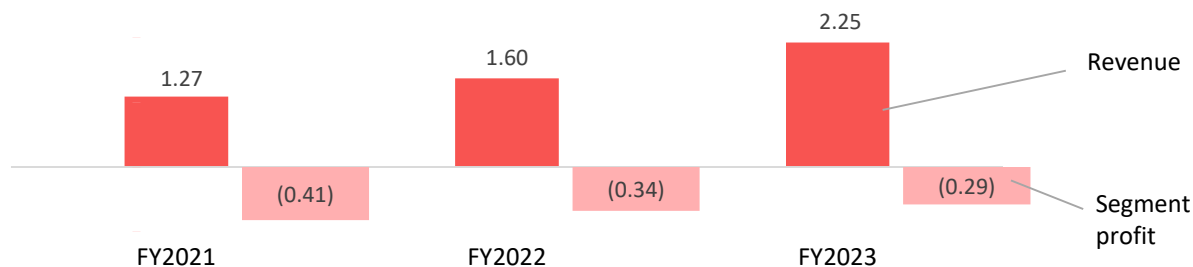
-Overseas Working Business Gross profit by Temp / Perm (Billions of yen)-



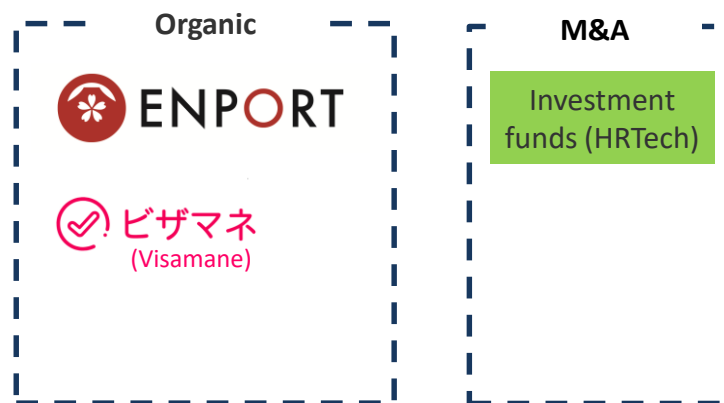
*Intra-segment consolidation adjustments are not included.
Gross profit and gross margin are based on adjusted figure that excludes overseas subsidy income.

Others

-Revenue and segment profit (Billions of yen)-



-Other business activities-



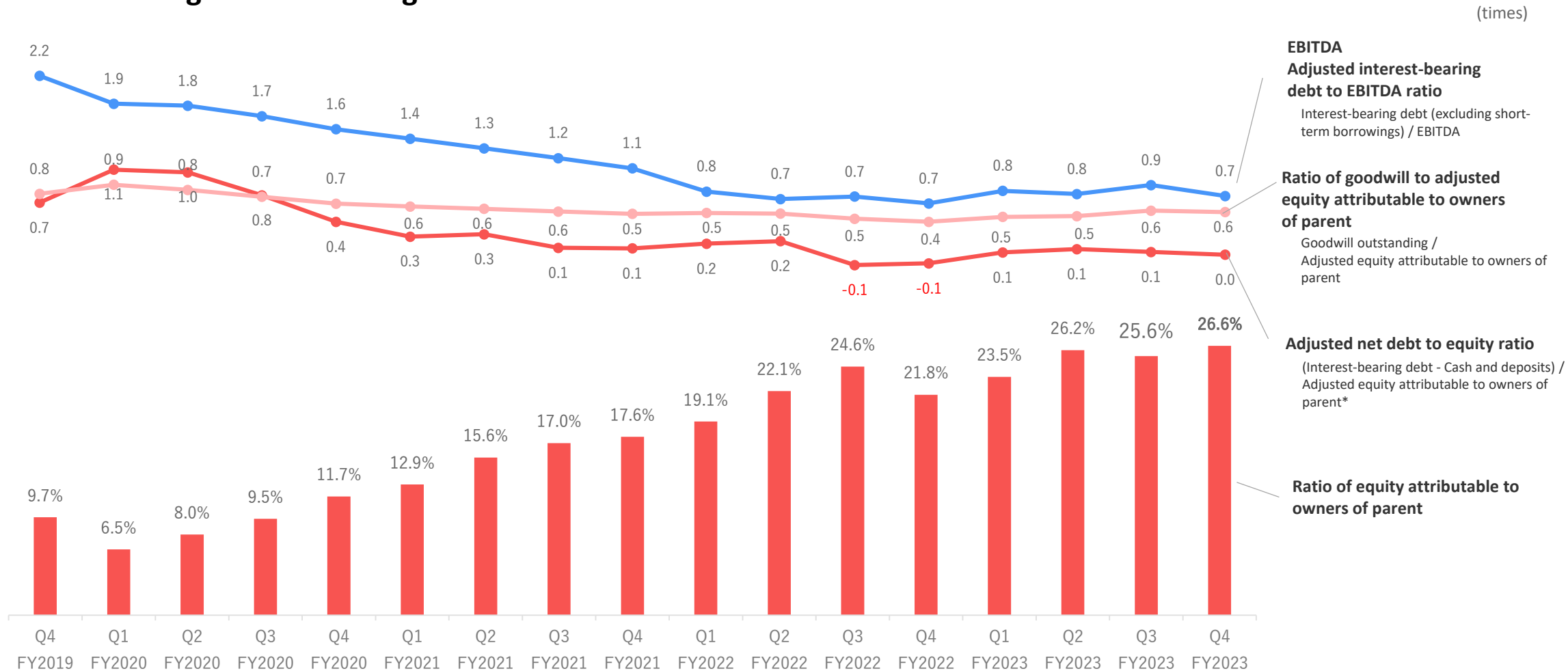
(Billions of yen)	FY2022	FY2023	Vs. FY2022 % change	Plan	Vs. Plan % change
Revenue	1.60	2.25	+40.5%	2.36	-4.3%
Segment profit	(0.34)	(0.29)	-	0.05	-

-Topics-

- We continued upfront investment in exploratory domain (inbound services). SG&A expenses decreased as a result of our having scaled back some services for foreign workers given that the number of foreign workers entering Japan remains limited.

Financial Indicators

The ratio of equity attributable to owners of parent to total assets at the end of Q4 was 26.6%, which exceeded the Medium-term Management Plan target of 20%.



Consolidated Balance Sheet

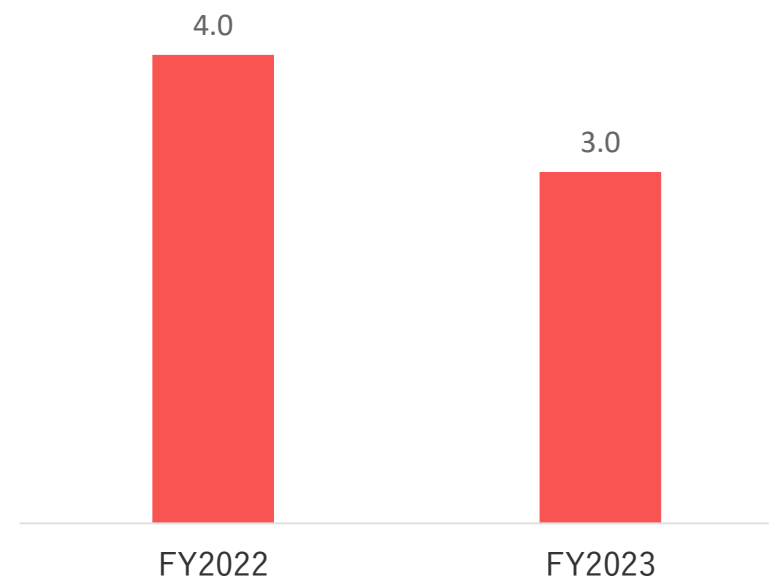
(Billions of yen)	March 31, 2022	March 31, 2023	Change	Major components of changes
Current assets	27.28	28.66	+1.37	
Of which Cash and cash equivalents	8.97	9.59	+0.61	
Of which Trade and other receivables	17.45	17.92	+0.47	
Non-current assets	25.06	26.27	+1.21	
Of which Goodwill	6.51	8.12	+1.60	Increased due to the new consolidation of sub-subsidiary overseas (+¥1.4 billion)
Of which Other intangible assets	6.15	5.99	-0.15	
Total assets	52.35	54.93	+2.58	
Current liabilities	29.36	28.41	-0.94	
Of which Trade and other payables	15.29	16.15	+0.85	
Of which Borrowings	5.78	6.76	+0.97	
Of which Other financial liabilities	5.24	1.36	-3.88	Decrease in written put options as a result of acquiring additional shares (-¥3.5 billion)
Non-current liabilities	9.86	10.64	+0.78	
Of which Borrowings	2.20	3.38	+1.18	Borrowings (+¥4.3 billion), repayments (-¥3.3 billion)
Of which Other financial liabilities	6.28	5.95	-0.33	
Total liabilities	39.22	39.06	-0.16	
Total equity	13.12	15.87	+2.76	
Of which total of equity attributable to owners of parent	11.39	14.62	+3.22	Recording of profit attributable to owners of parent (+¥3.2 billion)
Total liabilities and equity	52.35	54.93	+2.58	
Ratio of equity attributable to owners of parent to total assets	21.8%	26.6%	+4.8pt	

Consolidated Statement of Cash Flows

(Billions of yen)	FY2022	FY2023
Profit before tax	5.2	5.1
Depreciation and amortization	2.0	2.1
Income taxes paid	(1.1)	(2.4)
Other	(1.9)	(0.0)
Net cash provided by (used in) operating activities	4.3	4.8
Purchase and sales of property, plant and equipment, etc.	(0.7)	(0.3)
Purchase and sales of shares of subsidiaries resulting in change in scope of consolidation	0.0	(0.7)
Other	0.4	(0.6)
Net cash provided by (used in) investing activities	(0.3)	(1.7)
Net increase (decrease) in interest-bearing debt	(2.1)	1.2
Purchase and sales of shares of subsidiaries not resulting in change in scope of consolidation	(0.6)	(3.7)
Dividends paid	(0.5)	(0.7)
Government subsidy income	0.3	0.5
Other	0.0	0.0
Net cash provided by (used in) financing activities	(2.9)	(2.7)
Effect of exchange rate changes	0.4	0.3
Net increase (decrease) in cash and cash equivalents	1.5	0.6
Cash and cash equivalents at end of period	8.9	9.5
Free cash flows (Operating activities + Investing activities)	4.0	3.0

Free Cash Flows

(Billions of yen)



III. FY2024 Earnings and Dividend Forecasts

FY2024 Consolidated Earnings Forecasts

The Domestic Working Business is planning ¥1.1 billion in upfront investment.

(Billions of yen)	FY2023	FY2024 (Forecasts)	Vs. FY2023	
			Change	% change
Revenue	143.93	144.00	+0.06	+0.0%
Domestic Working Business	84.13	85.80	+1.66	+2.0%
Overseas Working Business	57.53	57.85	+0.32	+0.6%
Others	2.25	0.33	-1.91	-85.0%
Gross profit	31.73	33.45	+1.71	+5.4%
Gross margin	22.1%	23.2%	+1.2pt	-
Operating profit	5.31	4.20	-1.11	-21.0%
Operating margin	3.7%	2.9%	-0.7pt	-
Domestic Working Business	4.45	3.78	-0.66	-15.0%
Overseas Working Business	3.40	3.33	-0.07	-2.1%
Others	(0.29)	(0.31)	-0.02	-
Adjustments	(2.24)	(2.59)	-0.35	-
Profit attributable to owners of parent	3.23	2.80	-0.43	-13.5%
EBITDA	7.45	6.29	-1.16	-15.6%
Exchange rate			Change for ¥1 difference/y	
			Revenue	Profit
AUD	¥93	¥86	¥460 million	¥30 million
SGD	¥98	¥94	¥110 million	¥10 million

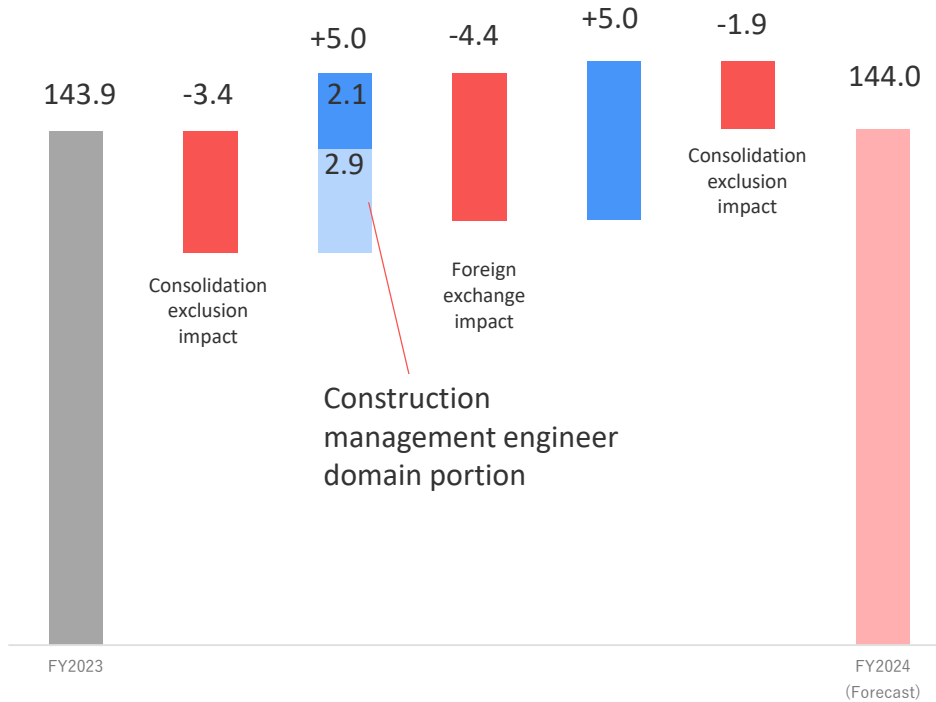
1H FY2024 Consolidated Earnings Forecasts

(Billions of yen)	1H FY2023	1H FY2024 (Forecasts)	Vs. 1H FY2023	
			Change	% change
Revenue	72.35	69.00	-3.35	-4.6%
Domestic Working Business	41.52	41.10	-0.42	-1.0%
Overseas Working Business	29.74	27.74	-2.00	-6.7%
Others	1.08	0.15	-0.93	-85.6%
Gross profit	16.21	15.93	-0.28	-1.8%
Gross margin	22.4%	23.1%	+0.7pt	-
Operating profit	2.93	1.90	-1.03	-35.2%
Operating margin	4.1%	2.8%	-1.3pt	-
Domestic Working Business	2.27	1.72	-0.55	-24.3%
Overseas Working Business	1.91	1.68	-0.23	-12.0%
Others	(0.15)	(0.15)	-0.00	-
Adjustments	(1.10)	(1.35)	-0.24	-
Profit attributable to owners of parent	1.74	1.23	-0.51	-29.5%
EBITDA	3.96	2.94	-1.02	-25.9%
Exchange rate			Change for ¥1 difference/y	
			Revenue	Profit
AUD	¥94	¥86	¥460 million	¥30 million
SGD	¥97	¥94	¥110 million	¥10 million

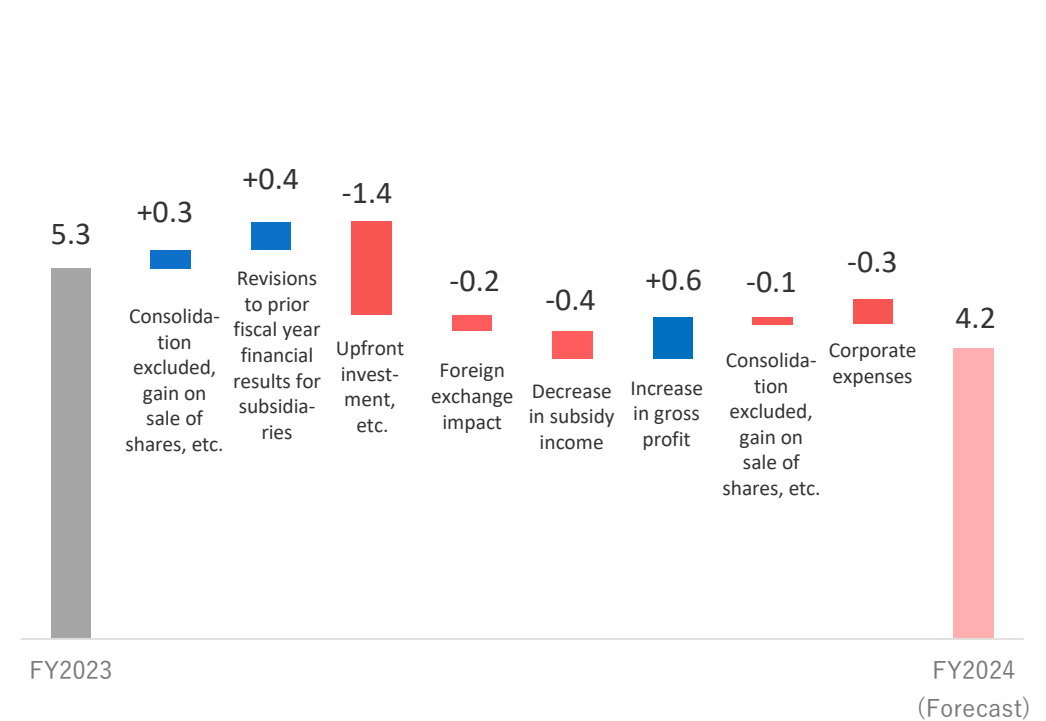
Factors for change in revenue and operating profit in FY2024 consolidated earnings forecasts (YoY change)

Revenue was flat amid revisions to our business portfolio conducted last fiscal year and the exchange rate assumptions (yen appreciation). Although revenue increased, operating profit in the Domestic Working Business is expected to decrease due to upfront investment.

-Revenue (Billions of yen)-



-Operating profit (Billions of yen)-



Domestic W Overseas W Others

Domestic W Overseas W Others

FY2024 consolidated earnings forecasts (by Domestic W sectors)

In the Domestic W, excluding brand promotions (¥0.3 billion) we are planning to implement the below upfront investments.

(Billions of yen)

Segments	Sectors		FY2023	FY2024 (Forecast)	Change	Upfront invest-ment frame-work	Upfront investment details
Domestic W	Sales outsourcing	Revenue	20.39	21.01	+0.61	-	
		Operating profit	1.71	1.48	-0.23	0.1	Recruitment cost for full-time employees and temporary employees.
	Call center	Revenue	16.58	16.73	+0.15	-	
		Operating profit	0.93	0.66	-0.27	-	
	Factory	Revenue	17.64	18.49	+0.85	-	
		Operating profit	0.94	0.78	-0.16	0.1	Recruitment cost for full-time employees and temporary employees, increased sales staff for foreign workers under consigned management.
	Care support	Revenue	13.62	13.02	-0.60	-	
		Operating profit	0.49	0.13	-0.36	0.1	Increased sales staff for foreign workers under consigned management
	HR support for startups	Revenue	2.99	3.30	+0.30	-	
		Operating profit	0.26	0.33	+0.06	-	
	Construction management engineers	Revenue	7.66	10.57	+2.90	-	
		Operating profit	(0.49)	(0.49)	+0.00	0.5	Recruitment cost for new graduates/people with no experience, increased sales staff and follow-up personnel.

FY2024 Dividend Forecast

Changing the shareholder return policy to “progressive dividends and a total payout ratio of 30% or higher.” Based on our shareholder return policy, for our FY2024 dividends, we plan to pay the same 44 yen per share as in the previous fiscal year.

Shareholder return policy in the previous Medium-term Management Plan (FY2021–FY2023).

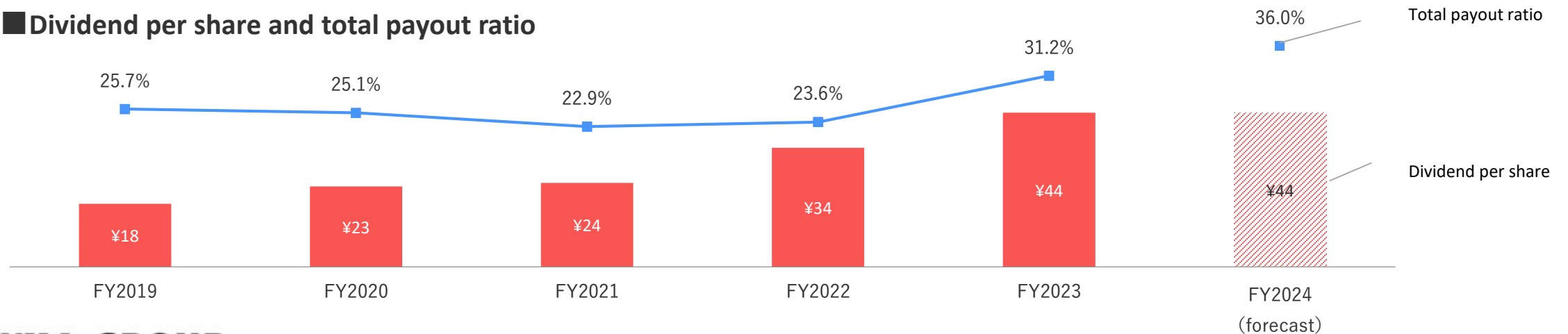
- Target total payout ratio of 30% (versus earnings forecasts at the start of the fiscal year)



Shareholder return policy in the Medium-term Management Plan (FY2024–FY2026)

- **Progressive dividends**
In principle, increase or maintain and do not reduce dividends
- **Total payout ratio of 30% or higher**
Evaluate flexible treasury share acquisitions as needed based on performance progress during the period

■ Dividend per share and total payout ratio





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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Appendix

Overseas (Australia, Singapore) Macro Environment



Market conditions for WILL GROUP

We are encountering decreasing numbers of job openings in both Australia and Singapore, in sectors that include IT and finance.

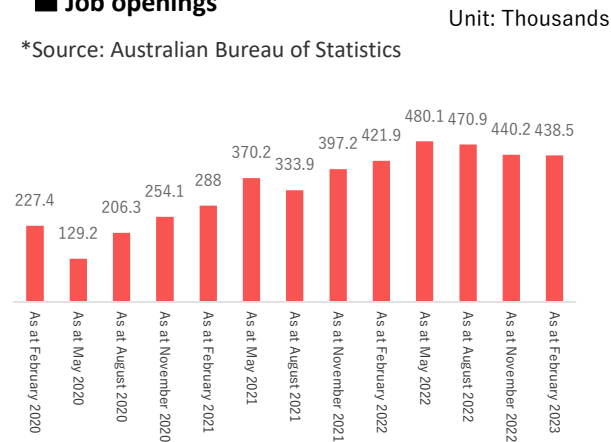
Whereas results have been strong in temporary staffing, a consistent domain undergoing expansion, in permanent placement the post-COVID-19 surge in human resources demand moderated in Q3. Despite a lack of prevailing signs of diminishing customer demand, we will need to carefully monitor developments going forward amid concerns of economic contraction.



Economic indicators

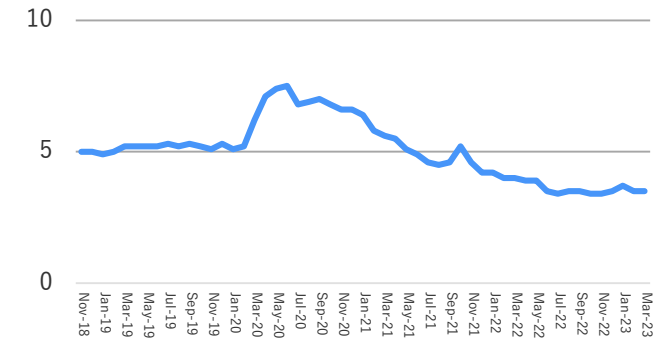
Job openings

*Source: Australian Bureau of Statistics



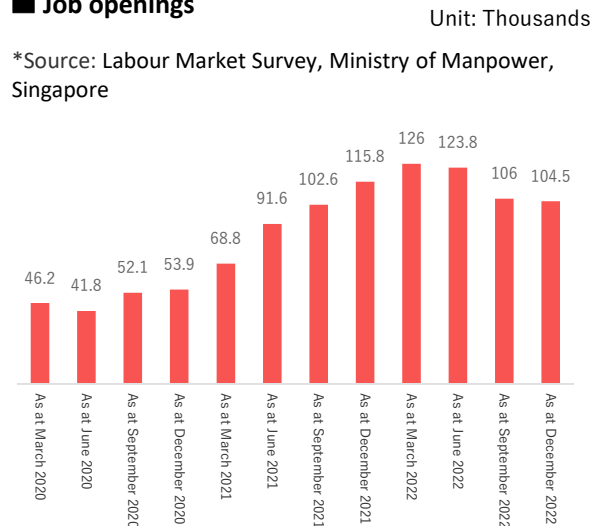
Unemployment rate

*Source: Australian Bureau of Statistics



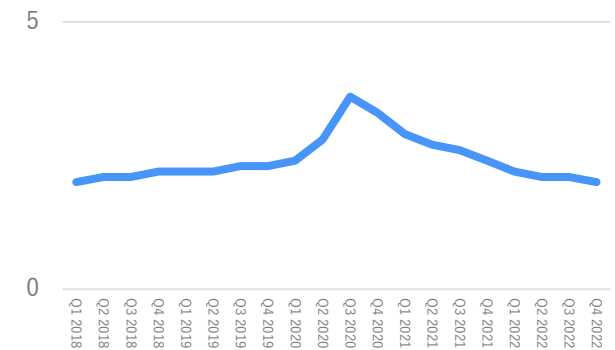
Job openings

*Source: Labour Market Survey, Ministry of Manpower, Singapore



Unemployment rate





*Source: Singapore Department of Statistics



No Risk of Impairment Losses

The period of upfront investment in preparation for the future expansion of WILLOF CONSTRUCTION.
All three overseas companies are growing compared to FY2020 prior to COVID-19, and at present there is no risk of impairment at any of the companies.

(Billions of yen)

	Primary location	Business activities	Start of consolidation since (WILL GROUP ownership)	Investment *1	*2	FY2020	FY2021	FY2022	FY2023
 WILLOF ウィロフ・コンストラクション WILLOF CONSTRUCTION	Tokyo metropolitan area 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%)	2.50	Revenue	4.80	5.27	5.78	7.66
					Profit *3	0.24	0.03	(0.55)	(0.49)
	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 (100%)	2.71	Revenue	1.89	1.49	2.47	2.11
					Profit *3	0.59	0.44	0.98	0.63
	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia.	2019/4 (100%)	4.17	Revenue	8.19	8.02	11.33	12.05
					Profit *3	0.75	0.78	1.55	1.16
	Melbourne	Providing temporary staffing and permanent placement services for office work and call center operations to agencies and companies in various sectors such as government, telecommunications, resources and appliance manufacturing in Australia.	2018/1 (100%)	1.55	Revenue	14.87	15.85	15.84	17.19
					Profit *3	0.42	0.42	0.39	0.62

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

*2 Sales and profit are for the April-March consolidated fiscal period regardless of the timing of consolidated disclosures.
Converted to yen at the rates of ¥98/SGD and ¥93/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.

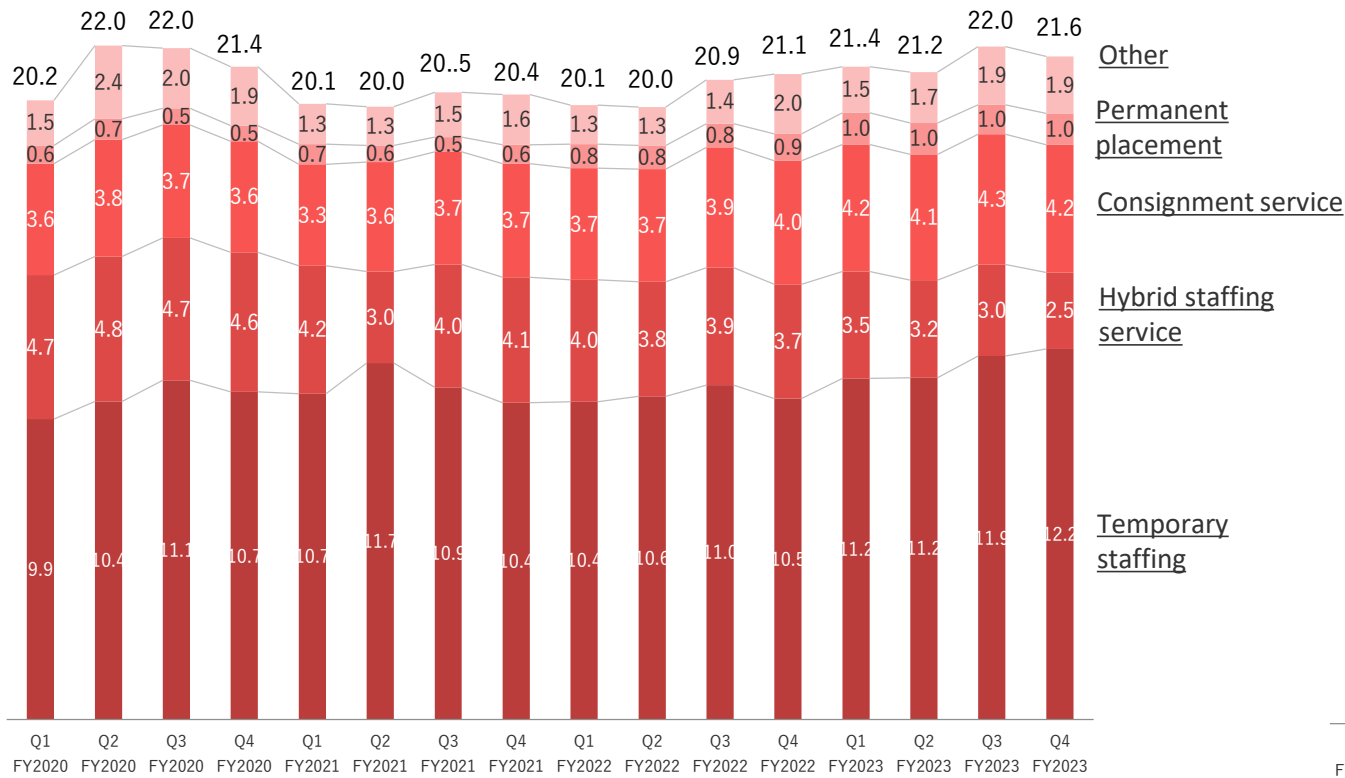
Investment balance (above 4 companies): ¥10.9 billion

Investment balance (consolidated): ¥12.7 billion

Breakdown of Revenue by Region/Contract Type

(Billions of yen)

Japan



Overseas

