



Financial Results for the Fiscal Year Ended March 31, 2024

May 21, 2024

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

Contents

1. FY2024 Results
2. Revision of the Management Targets in the Medium-term Management Plan (WILL-being 2026)
3. FY2025 Earnings and Dividend Forecasts

Starting in Q1 FY2024, 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).



1

FY2024 Results

FY2024 Financial Highlights

FY2024
Results

Revenue remained flat in both Domestic W and Overseas W.

	(Billions of yen)		
Revenue :	138.22	Vs. FY2023 % change :	-4.0%
Operating profit :	4.52	Vs. FY2023 % change :	-14.9%

Domestic W

Despite overall flat trend, the construction management engineer domain performed well.

Revenue :	82.52	Vs. FY2023 % change :	-1.9%
Operating profit :	5.03	Vs. FY2023 % change :	+13.2%
	(Of which, gain on sale of subsidiaries of ¥2.06 billion)		

Overseas W

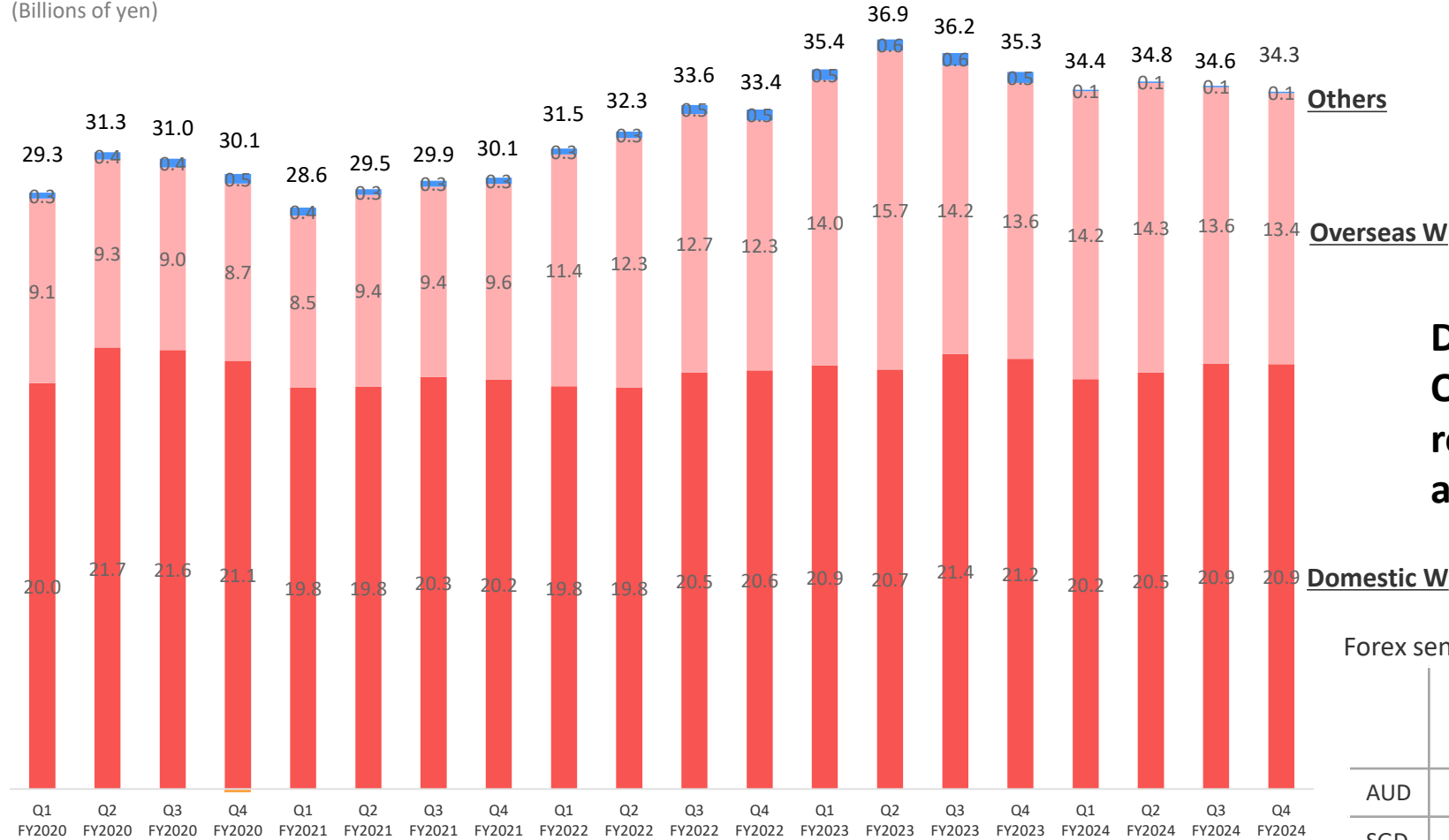
Revenue from both temporary staffing and permanent placement declined due to deterioration in the market environment.

Revenue :	55.43	Vs. FY2023 % change :	-3.7%
Operating profit :	1.94	Vs. FY2023 % change :	-42.9%

1. FY2024 Results

Consolidated Revenue

(Billions of yen)



**Q4 FY2024 revenue was
¥0.3 billion below
Q3 FY2024**

(The effects of foreign exchange rate: +¥0.1 billion)

**Domestic W remained at the same level.
Overseas W experienced declines in
revenue from both temporary staffing
and permanent placement.**

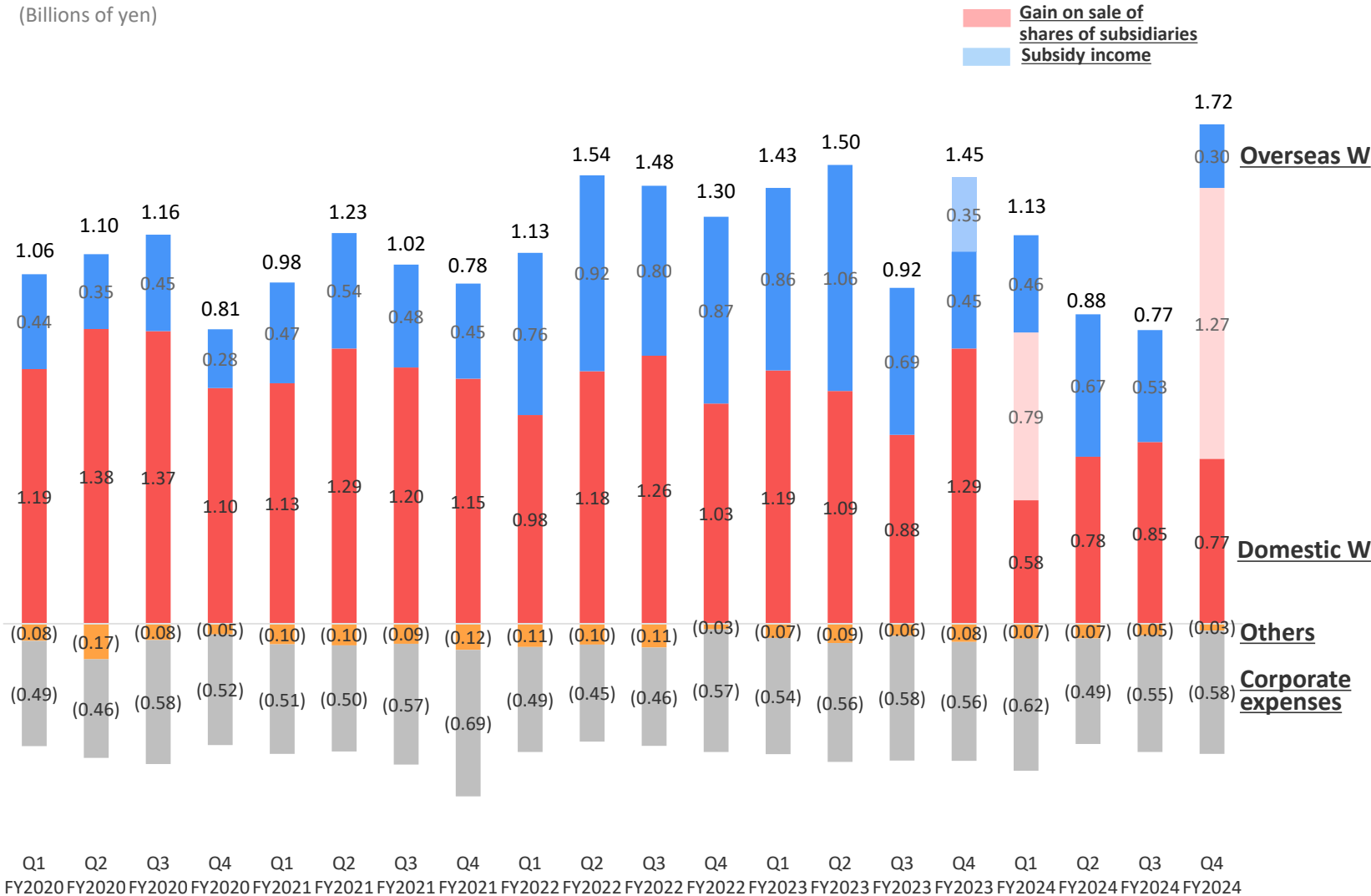
Forex sensitivity

	FY2024 Plan	Q4 FY2024 Results	Q4 FY2023 Results	Change for ¥1 difference/y	
				Revenue	Profit
AUD	¥86	¥95	¥93	¥400 million	¥10 million
SGD	¥94	¥107	¥98	¥100 million	¥0 million

1. FY2024 Results

Consolidated Operating Profit

(Billions of yen)



Q4 FY2024 operating profit was ¥0.9 billion above Q3 FY2024

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

In Domestic W, while upfront investments of ¥0.23 billion were made in Q4 (up ¥0.11 billion from Q3), gain on sale of subsidiaries of ¥1.27 billion was recorded.

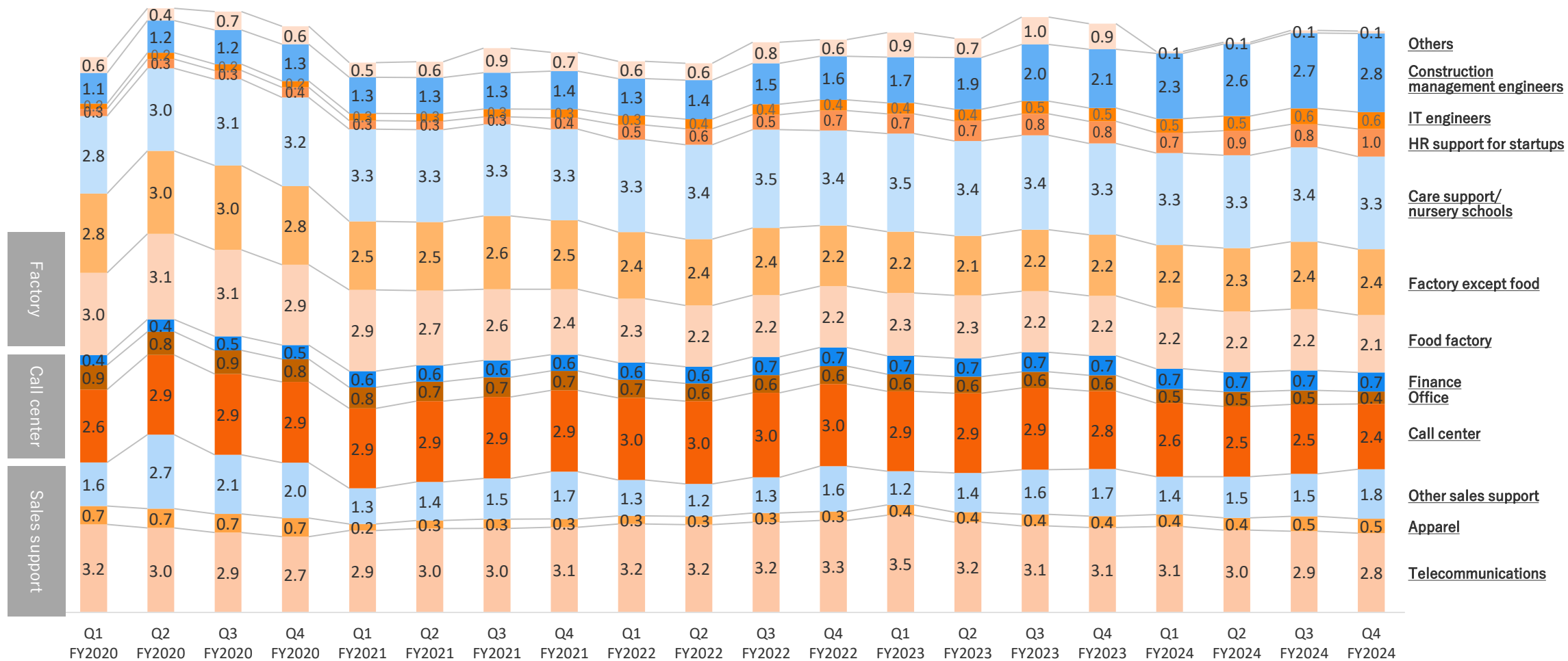
In Overseas W, operating profit was ¥0.23 billion below Q3 due to a decline in permanent placement revenue.

1. FY2024 Results

Domestic Working Business (Business sector revenue)

Construction management engineer domain has progressed steadily.

(Billions of yen)



1. FY2024 Results

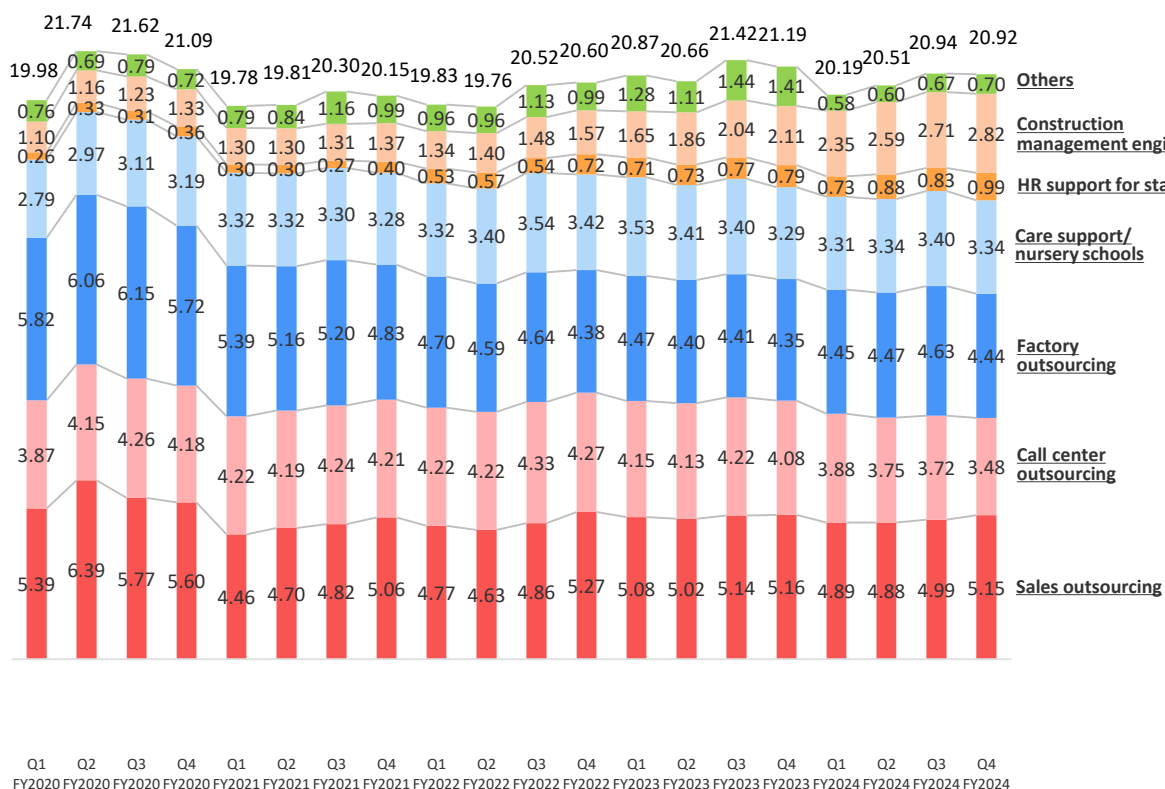
Domestic Working Business (Revenue and operating profit by sector)

As revenue growth continues to remain flat, SG&A expenses will be controlled by adjusting upfront investments.

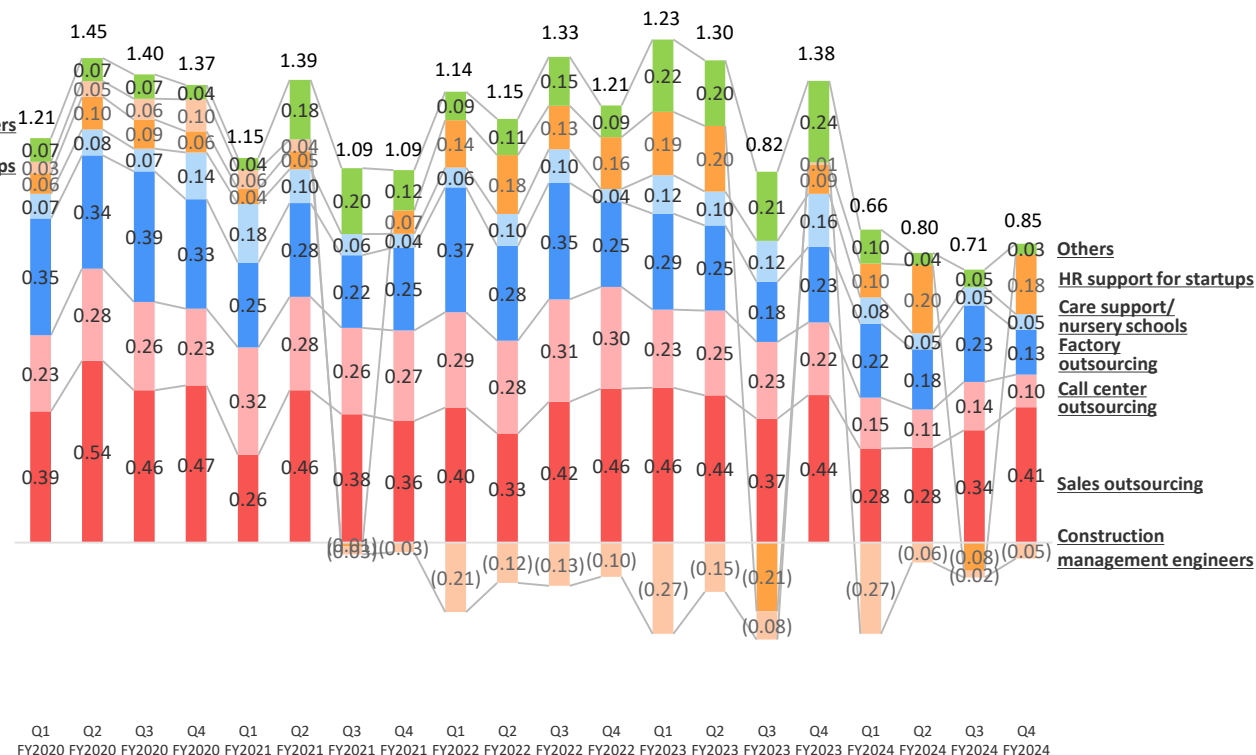
The breakdown of upfront investments : ¥0.80 billion (Q1: ¥0.16 billion, Q2: ¥0.30 billion, Q3: ¥0.12 billion, Q4: ¥0.23 billion)

Sales outsourcing domain (Q1: ¥0.02 billion, Q2: ¥0.00 billion, Q3: ¥0.00 billion, Q4: ¥0.00 billion), Factory outsourcing domain (Q1: ¥0.03 billion, Q2: ¥0.04 billion, Q3: ¥0.04 billion, Q4: ¥0.02 billion), Nursing care domain (Q1: ¥0.01 billion, Q2: ¥0.02 billion, Q3: ¥0.00 billion, Q4: ¥0.00 billion), Construction management engineer domain (Q1: ¥0.10 billion, Q2: ¥0.11 billion, Q3: ¥0.08 billion, Q4: ¥0.13 billion), promotional expenses (Q1: ¥0.00 billion, Q2: 0.13 billion, Q3: ¥0.00 billion, Q4: ¥0.07 billion)

-Revenue by sector (Billions of yen)-



-Operating profit by sector (Billions of yen)-



*Intra-segment consolidation adjustments are not included.

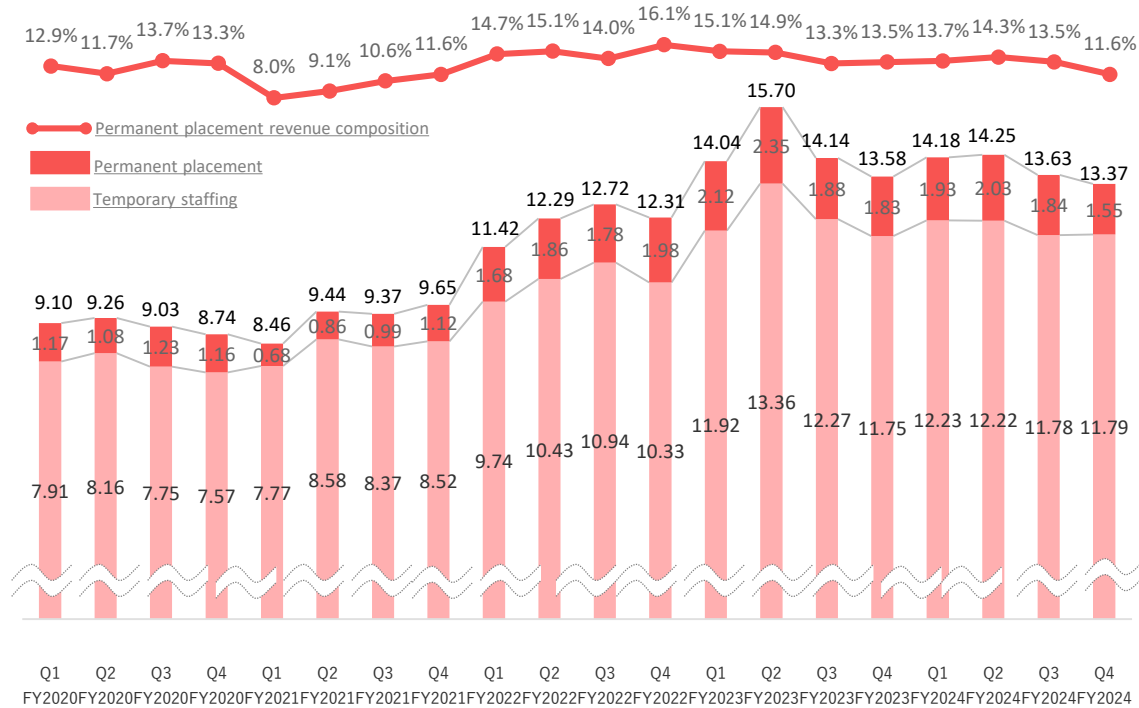
1. FY2024 Results

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

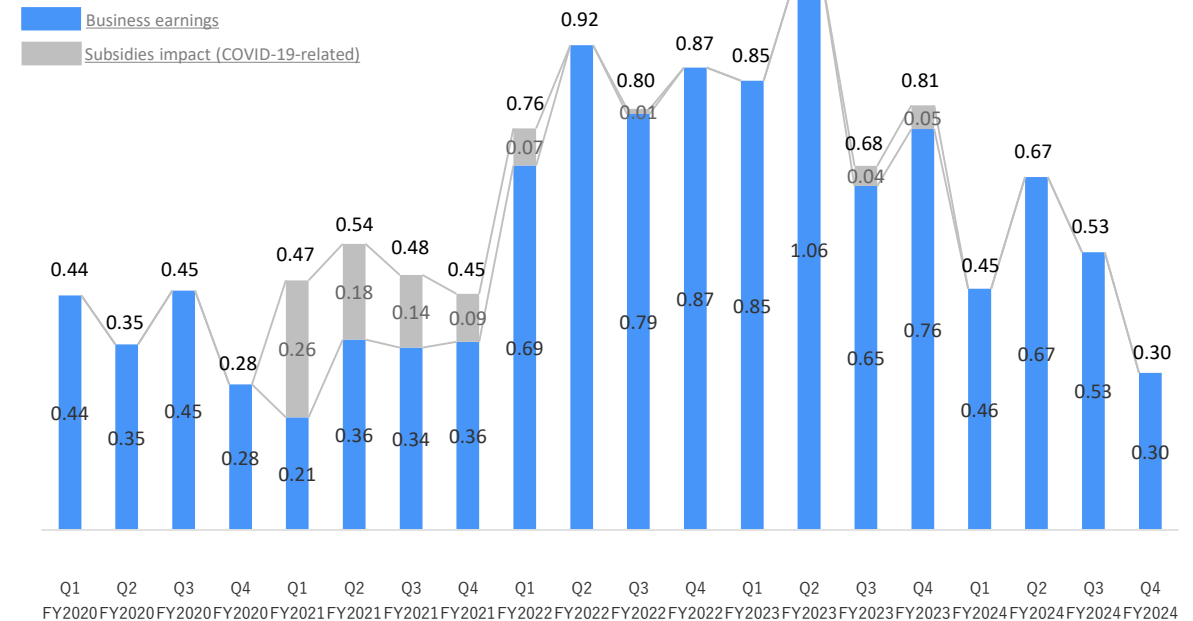
The stagnation continues due to deterioration in the macro economy.

Compared to Q3, permanent placement revenue decreased mainly due to restrained hiring by certain clients attributed to the sluggish permanent placement market, but temporary staffing revenue was flat.

-Revenue by contract type (Billions of yen)-



-Operating profit (Billions of yen)-



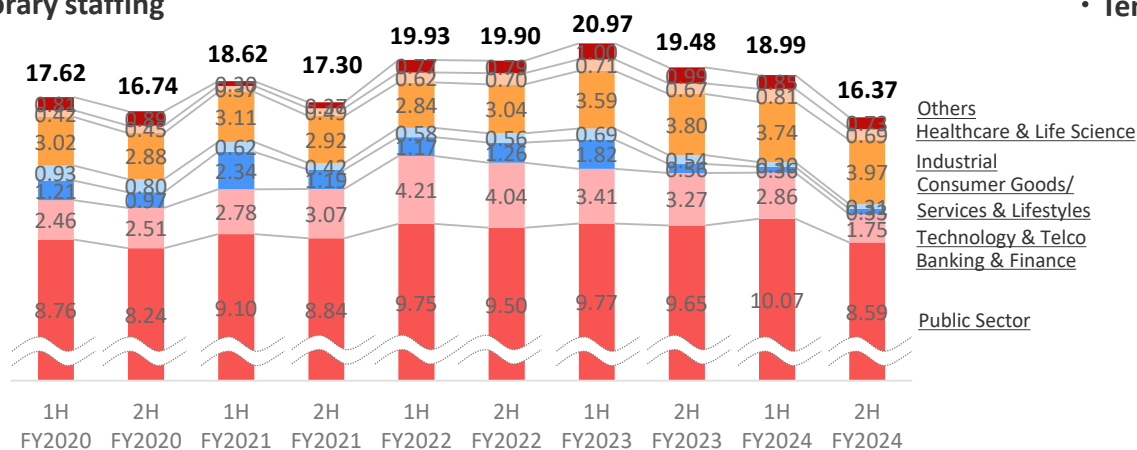
1. FY2024 Results

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

Temporary Staffing revenue declined mainly in the Banking & Finance sector in Australia, however, the Public sector in Singapore remained strong.

■ Australia

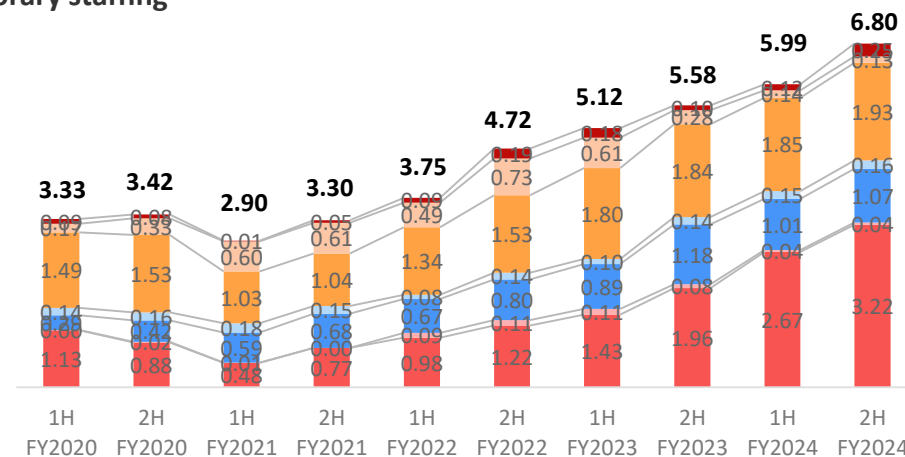
• Temporary staffing



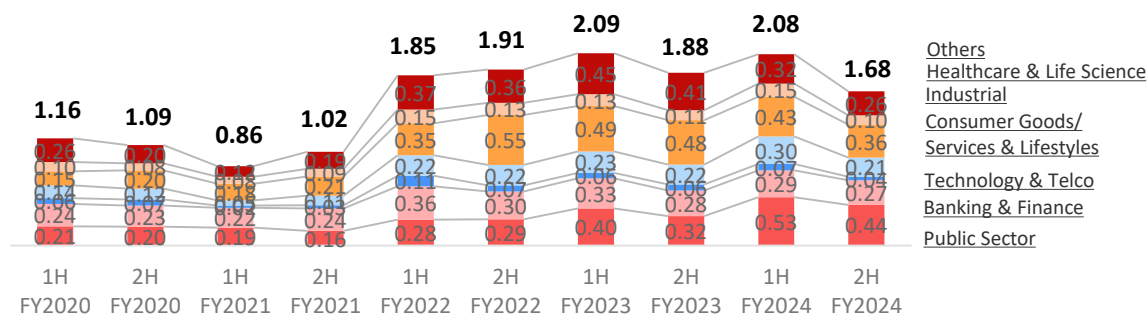
■ Singapore

• Temporary staffing

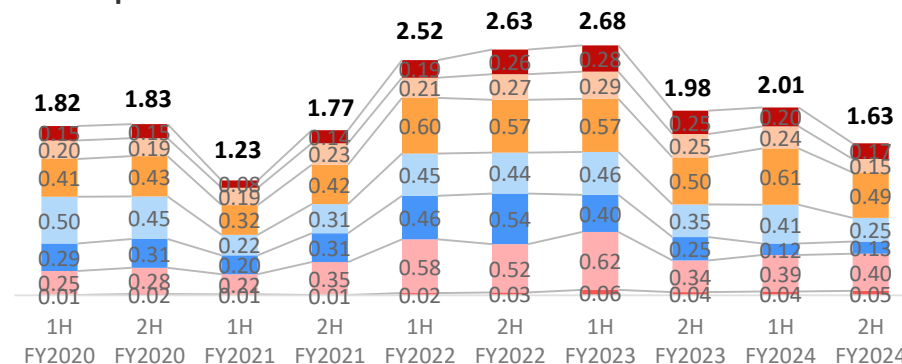
(Billions of yen)



• Permanent placement



• Permanent placement



1. FY2024 Results

Progress of KPI

Although the expansion of permanent employee staffing, and foreigners supported through the Foreign Talent Management Services in categories other than the construction management engineer domain largely missed their plans, the construction management engineer domain, which is the key focus area, performed well.

Key strategies			KPI				Evaluation
			Indicator	Plan	Results	Vs. Plan	
Domestic W	Strategy I	Realizing further growth and monetization in the construction management engineer domain	Number of hires/year	1,270	1,424	112.1%	Good
			Retention rate	71.0%	71.2%	-	Good
	Strategy II	Renewed growth in Domestic W (excluding the construction management engineer domain)	Increase in number of workers on assignment for permanent employee staffing	600 <small>(Number of workers on assignment at the end of the fiscal year: 3,052)</small>	350 <small>(Number of workers on assignment at the end of the fiscal year: 2,802)</small>	58.3%	Poor
			Increase in number of foreign talent supported through the Foreign Talent Management Services	1,100 <small>(Number of foreigners supported through the Foreign Talent Management Services at the end of the fiscal year: 2,850)</small>	591 <small>(Number of foreigners supported through the Foreign Talent Management Services at the end of the fiscal year: 2,341)</small>	53.7%	Poor
Overseas W	Strategy III	Stable growth in Overseas W	Permanent placement revenue composition	16.0%	11.6%	-	Poor

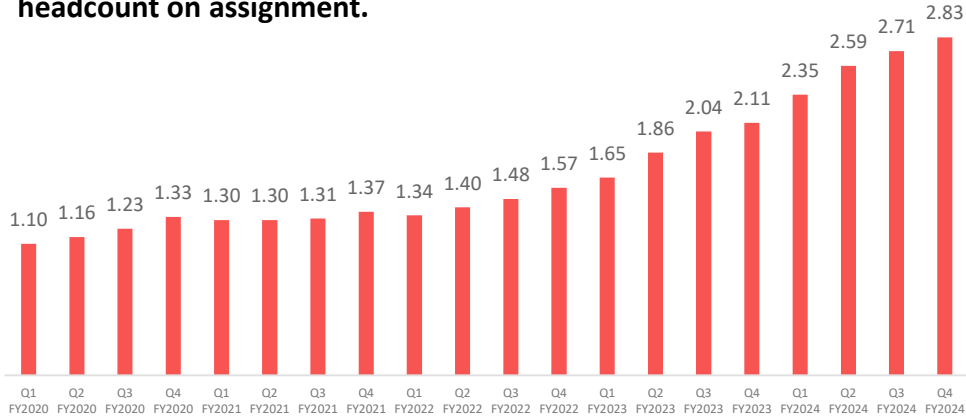
1. FY2024 Results

Progress in the Construction Management Engineer Domain

Quarterly Revenue

(Billions of yen)

Revenue is steadily increasing with the increase in the headcount on assignment.

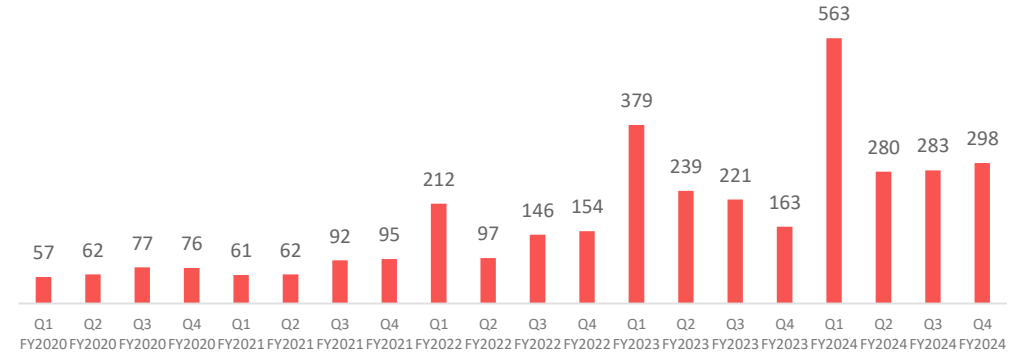


Headcount Hired

(No. of people)

Hired a cumulative total of 1,424 people in the fiscal year, achieving the target of 1,270 people for the fiscal year. (vs. plan: 112.1%)

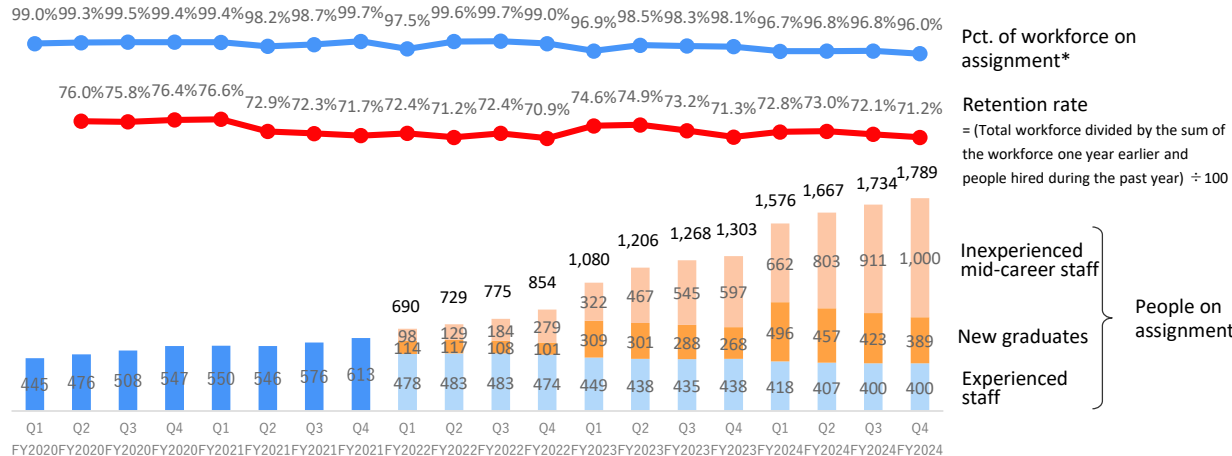
*Q1 includes new graduate recruitment (previous fiscal year: 236, this fiscal year: 260).



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

Percentage of workforce on assignment remained at a high level. The Group will continue to work on improving retention rates.

(No. of people)

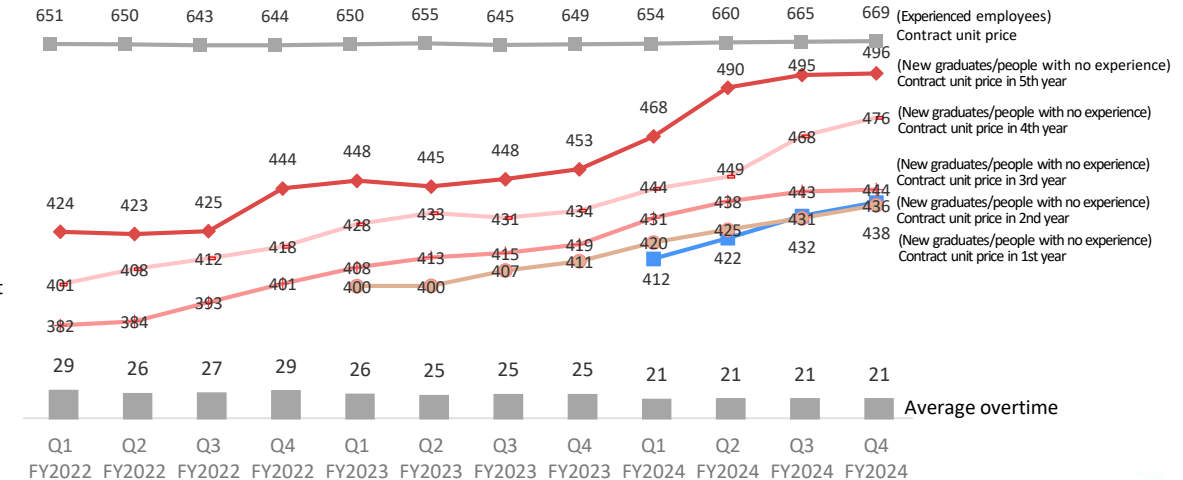


* Percentage of workforce on assignment in Q1 is for the month of June only, after excluding impact of training for new graduates.

Average contract unit price, average overtime (monthly)

(Hours, Thousands of yen)

Average contract unit price for new graduates and non-experienced staff has been rising 5% yearly due to negotiations with customers on raising fees. There is an improvement in the 1st year contract unit price as well due to the success in negotiating fee with clients for new assignments.

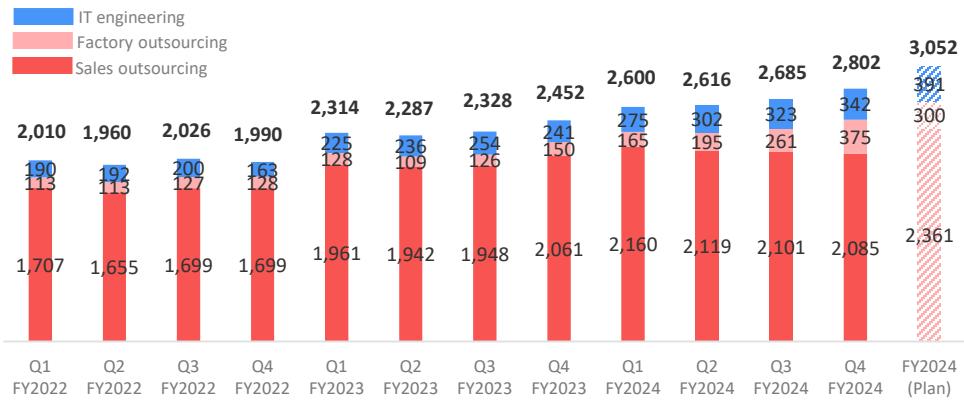


1. FY2024 Results

Progress of Permanent Employee Staffing and Foreigners Supported Through the Foreign Talent Management Services

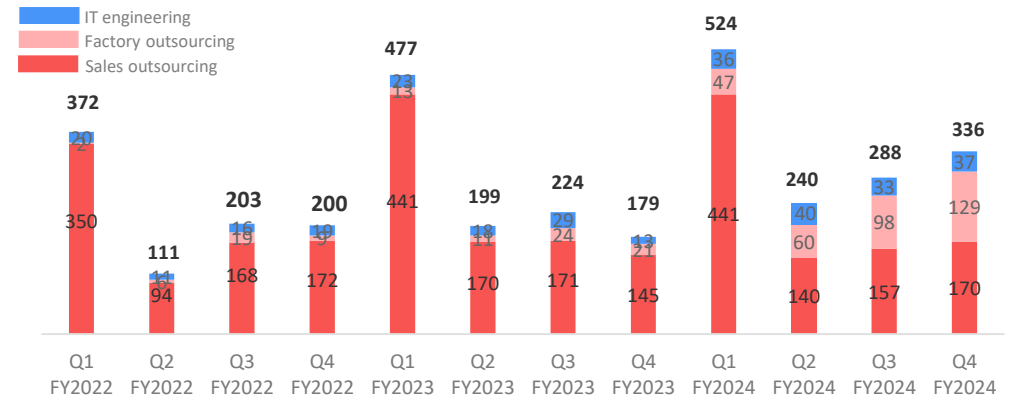
Number of workers on assignment for permanent employee staffing (No. of people)

Below target due to the slower-than-expected progress in hiring mid-career candidates in the sales outsourcing domain.



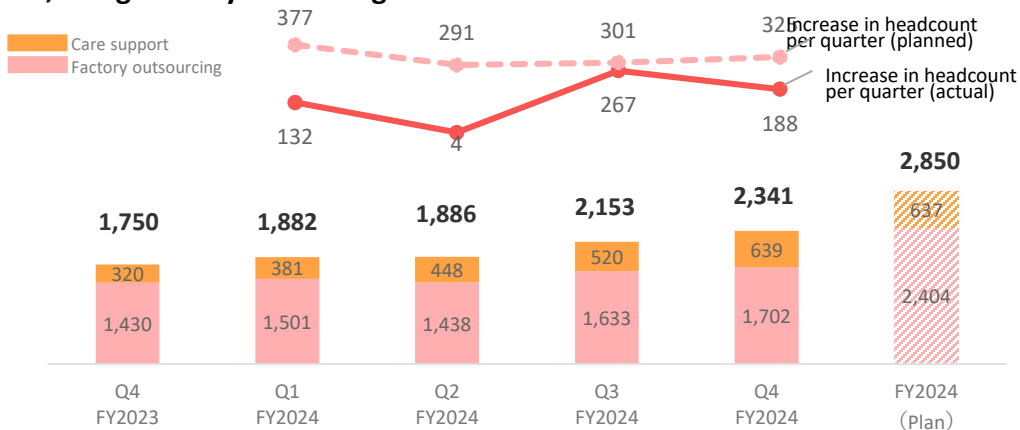
Number of permanent employee staffing hires (No. of people)

Steady hiring in the factory outsourcing and IT engineering domains. *Q1 includes 280 new graduates in the sales outsourcing domain.



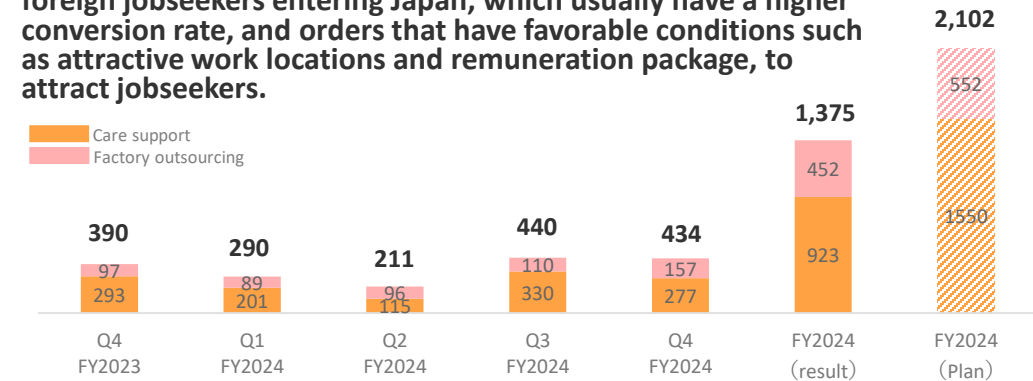
Number of foreigners supported through the Foreign Talent Management Services (No. of people)

The care support domain made steady progress. Although the factory outsourcing domain was below target due to the shortfall in headcount in 1H, it is gradually recovering.



Number of new foreigners supported through the Foreign Talent Management Services (No. of people)

Although the number of orders from clients increased steadily, we were unable to build up the number of foreign talents that we support through our Foreign Talent Management Services. The Group will focus on increasing orders related to new foreign jobseekers entering Japan, which usually have a higher conversion rate, and orders that have favorable conditions such as attractive work locations and remuneration package, to attract jobseekers.



Outcomes of Promotion of WILLOF

TV commercials featuring TV personalities were run in the Kansai, Chukyo, Fukuoka and Okinawa areas to promote the "WILLOF" brand which is the brand that our Domestic Working Business operates with. Internet ads promotions were run on YouTube and other internet media as well.



Recognition rate of WILLOF

Up approx. **340%**

* Aided recall rate of men and women aged 20 to 59 in the broadcasting regions

Number of branded searches for "WILLOF" (monthly)

Up approx. **230%**

Rate of intention to use WILLOF

Up approx. **450%**

* Men and women aged 20 to 59 in the broadcasting regions who have an intention to change their job

Revision of the Management Targets in the Medium-term Management Plan (WILL-being 2026)



2. Revision of the Management Targets in the Medium-term Management Plan (WILL-being 2026)

Revision of the Management Targets in the Medium-term Management Plan (WILL-being 2026)

Basic policies		Renewed growth in Domestic W (No revisions)		FY2026 (Plan) (Before revision)	FY2026 (Plan) (After revision)
		FY2023	FY2024		
Targets	Revenue *New M&A not included ※1	¥143.9 billion	¥138.2 billion	¥170.0 billion	—
	Operating profit (Operating margin) ※1	¥5.31 billion (3.7%)	¥4.52 billion (3.3%)	¥6.50 billion (3.8%)	—
KPI	Number of hires/year (construction management engineer domain)	1,022	1,424	2,000	1,500
	Retention rate (construction management engineer domain)	71.3%	71.2%	73.0%	71.5%
	Number of workers on assignment for permanent employee staffing (Domestic W [excluding the construction management engineer domain]) ※2	2,791	3,254	4,700	3,500
	Number of foreign talent supported through the Foreign Talent Management Services (Domestic W [excluding the construction management engineer domain])	1,750	2,341	6,800	3,500
	Permanent placement revenue composition (Overseas W) ※1	13.5%	11.6%	17.0%	—




※1 For the targets after the revision that are indicated with “—,” the actual results will be disclosed every quarter.

※2 Number of workers on assignment for permanent employee staffing (Domestic W [excluding the construction management engineer domain]) includes the call center outsourcing and care support domains, in addition to the sales outsourcing, factory outsourcing, and IT engineering domains.

2. Revision of the Management Targets in the Medium-term Management Plan (WILL-being 2026)

Status of the First Year of the Medium-term Management Plan (WILL-being 2026) and the Background to the Revision of the Management Targets

(Status of the first year of this Medium-term Management Plan)

Strategies	Domestic W	Strategy I	<p>Realizing further growth and monetization in the construction management engineer domain</p> <ul style="list-style-type: none"> Hiring of non-experienced staff, including new graduates, progressed steadily. The segment will start making profit in FY2025. 	
		Strategy II	<p>Renewed growth in Domestic W (excluding the construction management engineer domain)</p> <ul style="list-style-type: none"> There were difficulties in building up the number of workers on permanent employee staffing. Although the progress in increasing the number of foreigners supported through the Foreign Talent Management Services was slower than expected, it is gradually recovering 	
	Overseas W	Strategy III	<p>Stable growth in Overseas W</p> <ul style="list-style-type: none"> Protracted market slump in both temporary staffing and permanent placement 	
	Domestic W	(Others)	<ul style="list-style-type: none"> Upon a review of business portfolio, shares of a listed subsidiary were sold. From the next fiscal year onwards, profit from the above mentioned sold subsidiary will not be recorded. 	

(Background to the revision of the management targets in this Medium-term Management Plan)

Business environment has deviated from the assumptions made at the time this Medium-term Management Plan was formulated

Prevent situations where management decision for sustainable growth is affected due to placing too much emphasis on achieving the management targets for FY2026

Withdraw the FY2026 performance targets and revise the KPIs to a reasonable level so as to pursue the achievement of the Strategy

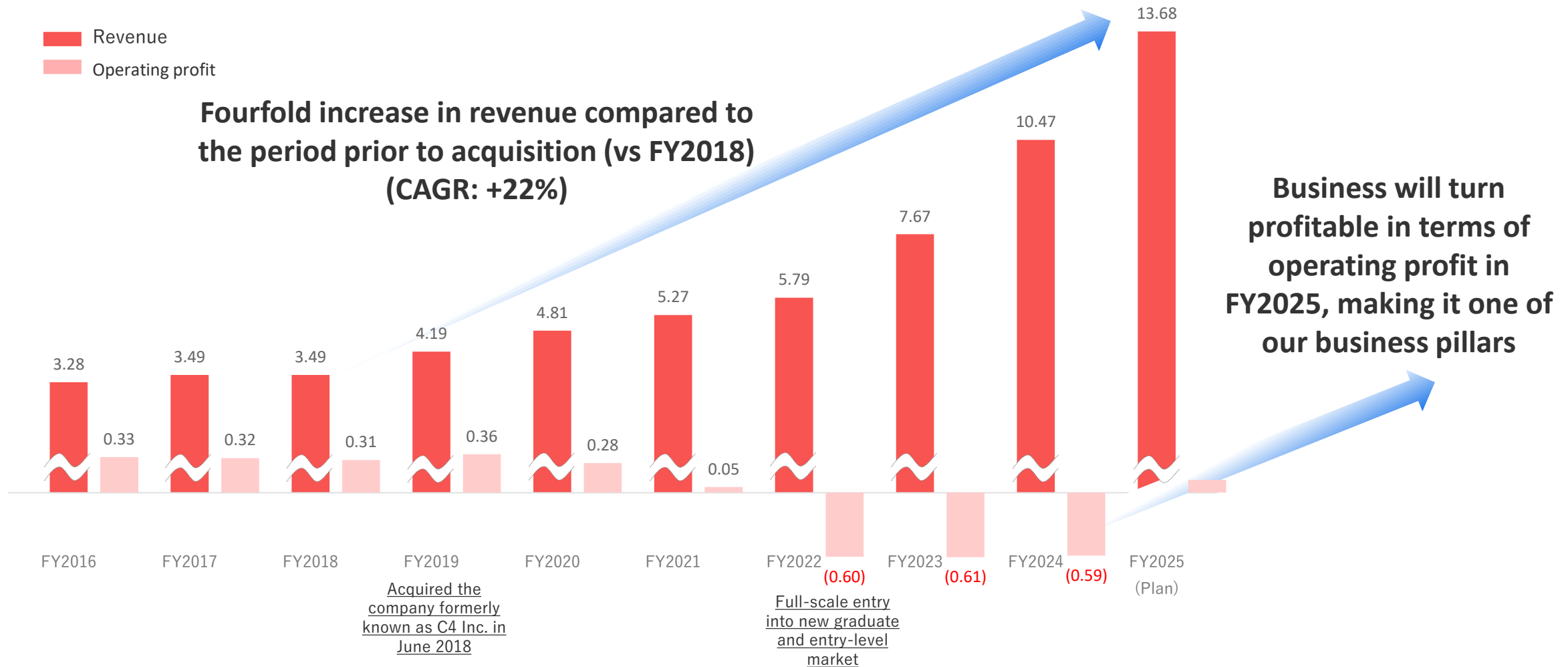
Shift our management focus to maximizing the promotion of the strategies

Ensure the realization of the dramatic growth phase beyond FY2026

2. Revision of the Management Targets in the Medium-term Management Plan (WILL-being 2026)

Trend in Business Performance of the Construction Management Engineer Domain

Business performance trend of WILLOF CONSTRUCTION, Inc.

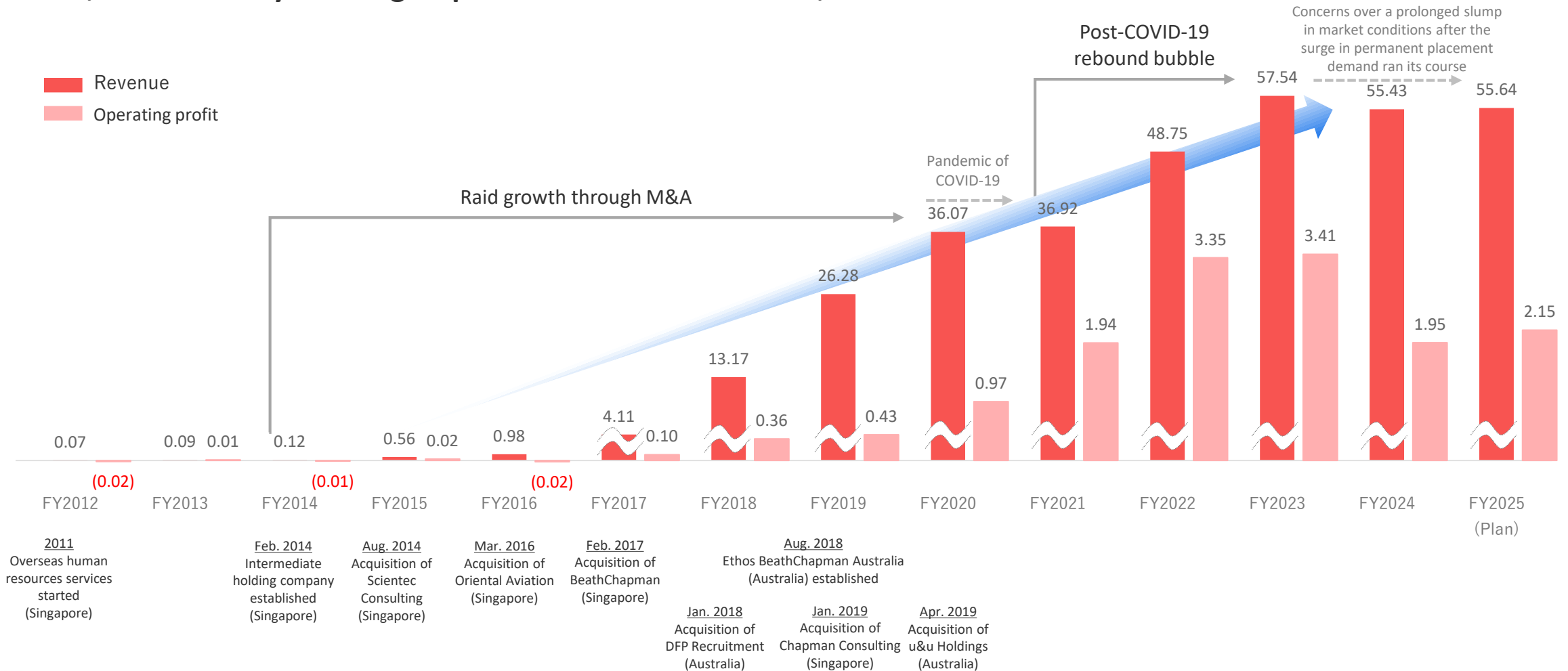


* Based on non-consolidated financial statements under Japanese GAAP

2. Revision of the Management Targets in the Medium-term Management Plan (WILL-being 2026)

Trend in Business Performance of the Overseas Working Business

Although revenue growth is affected due to the post-Covid-19 surge in permanent placement demand running its course as well as the deterioration in the market environment, CAGR of revenue from FY2015, which is the year the group started its M&A activities, is at 67%.



FY2025 Earnings and Dividend Forecasts

3. FY2025 Earnings and Dividend Forecasts

FY2025 Consolidated Earnings Forecasts

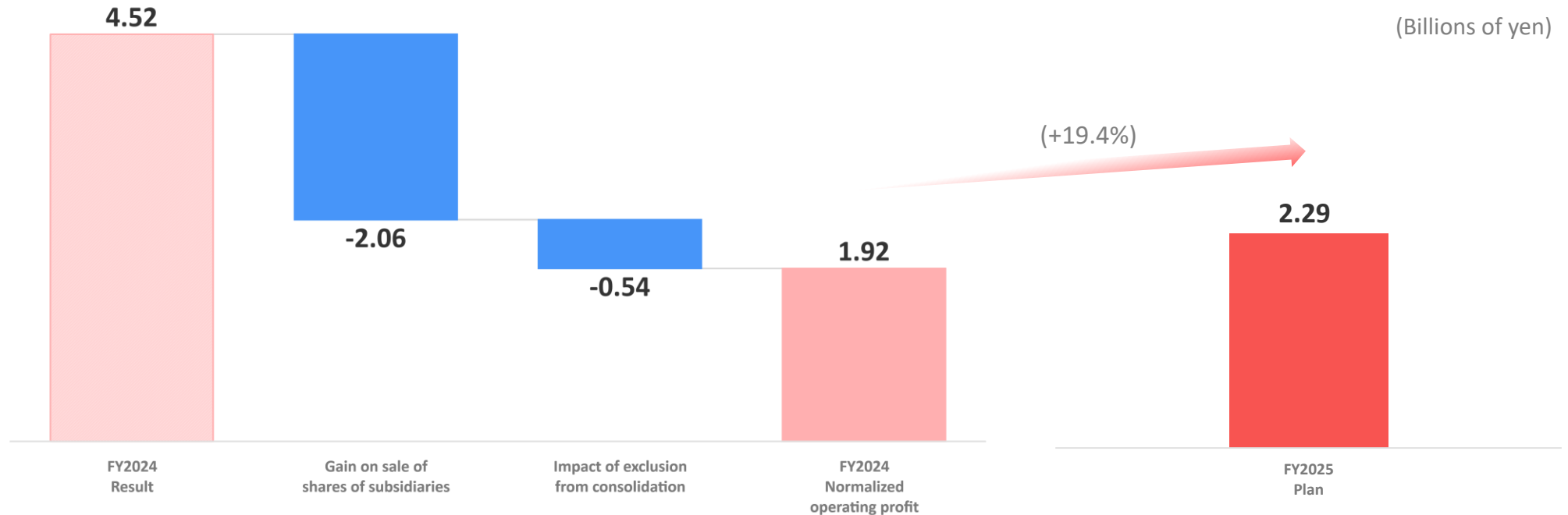
(Billions of yen)	FY2024	FY2025 (Forecasts)	Vs. FY2024	
			Change	% change
Revenue	138.22	140.40	+2.17	+1.6%
Domestic Working Business	82.52	84.50	+1.97	+2.4%
Overseas Working Business	55.43	55.63	+0.20	+0.4%
Others	0.26	0.26	-0.00	-2.0%
Gross profit	30.44	30.47	+0.03	+0.1%
Gross margin	22.0%	21.7%	-0.3pt	-
Operating profit	4.52	2.29	-2.23	-49.4%
Operating margin	3.3%	1.6%	-1.7pt	-
Normalized Operating profit	1.92	2.29	+0.37	+19.4%
Normalized Operating margin	1.4%	1.6%	+0.2pt	-
Domestic Working Business	5.03	2.80	-2.23	-44.3%
Normalized Domestic Working Business	2.43	2.80	+0.37	+15.4%
Overseas Working Business	1.94	2.15	+0.20	+10.7%
Others	-0.22	-0.26	-0.04	-
Adjustments	-2.23	-2.40	-0.16	-
Profit attributable to owners of parent	2.77	1.64	-1.13	-41.0%
EBITDA	6.81	4.23	-2.57	-37.9%
Exchange rate			Change for ¥1 difference/y	
			Revenue	Profit
AUD	¥86	¥91	¥400 million	¥10 million
SGD	¥94	¥104	¥100 million	¥0 million

3. FY2025 Earnings and Dividend Forecasts

FY2025 Consolidated Earnings Forecasts (compared to normalized operating profit)

We forecast a +19.4% increase in operating profit compared to the normalized operating profit of FY2024.

Normalization item includes item such as one-time profit.



(Breakdown)

Item	FY2024 Normalized operating profit	FY2025 Plan	Change (%)
Domestic Working Business	2.43	2.80	(+15.2%)
Overseas Working Business	1.94	2.15	(+10.7%)
Others	(0.22)	(0.26)	
Corporate expenses	(2.23)	(2.40)	

3. FY2025 Earnings and Dividend Forecasts

FY2025 Dividend Forecast

The FY2025 dividend forecast is based on our shareholder return policy and set at the same as the previous fiscal year (¥44 per share).

As a result, a forecast total payout ratio is 61.7%.

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

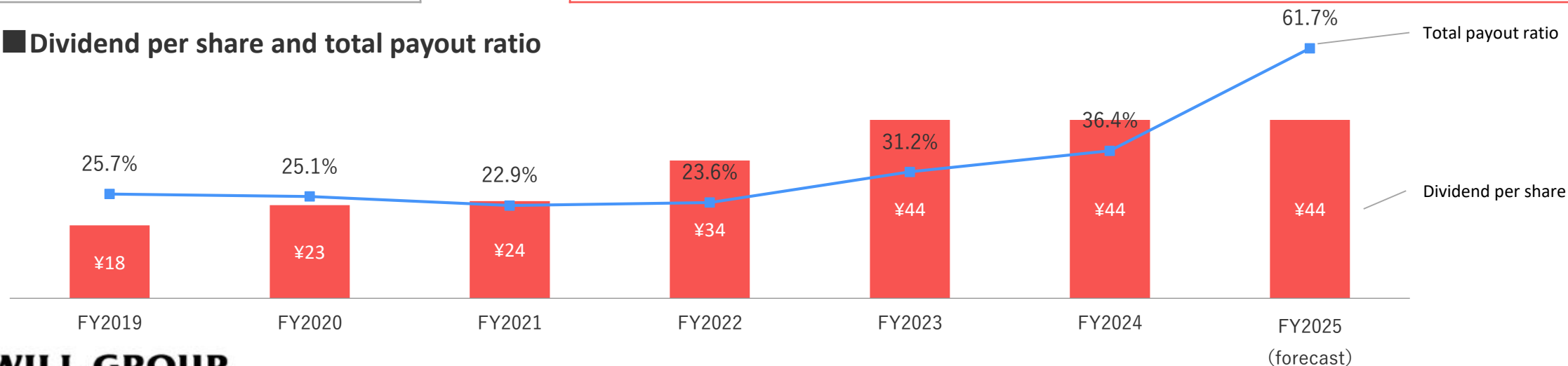
- Target total payout ratio of 30% (versus earnings forecasts at the start of the fiscal year)



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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