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February 10, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under IFRS)

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 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	105,353	1.4	1,792	(35.9)	1,692	(37.8)	1,114	(33.3)
December 31, 2023	103,917	(4.3)	2,795	(27.7)	2,719	(27.5)	1,671	(33.0)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended						
December 31, 2024	1,116	(28.6)	1,477	(38.1)	48.98	48.78
December 31, 2023	1,564	(31.4)	2,385	(16.4)	68.91	68.47

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
December 31, 2024	51,650	17,980	17,967	34.8
March 31, 2024	51,543	17,518	17,508	34.0

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	0.00	–	44.00	44.00
Fiscal year ending March 31, 2025	–	0.00	–		
Fiscal year ending March 31, 2025 (Forecast)				44.00	44.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending March 31, 2025	140,400	1.6	2,290	(49.4)	2,190	(50.4)	1,640	(43.0)

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	1,640	(41.0)	71.91

Note: Revisions to the earnings forecasts most recently announced: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	23,059,300 shares
As of March 31, 2024	22,999,700 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2024	212,864 shares
As of March 31, 2024	212,864 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	22,807,196 shares
Nine months ended December 31, 2023	22,696,826 shares

Note: The number of treasury shares at the end of the period includes the number of shares owned by executive stock compensation trust.
(207,455 shares as of December 31, 2024 and 207,455 shares as of March 31, 2024)

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecasts, and other special matters

The forward-looking statements shown in these materials, including earnings forecasts, are based on information currently available to the Company and on certain assumptions deemed to be reasonable. As such, they do not constitute guarantees by the Company of future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to “(3) Explanation of consolidated earnings forecasts and other forward-looking statements” under “1. Overview of operating results and others” on page 4 of the attached material for the assumptions on which earnings forecasts are based, and cautions concerning the use thereof.

Attached Material Index

1.	Overview of operating results and others	2
	(1) Overview of operating results for the period.....	2
	(2) Overview of financial position for the period	3
	(3) Explanation of consolidated earnings forecasts and other forward-looking statements.....	4
2.	Condensed quarterly consolidated financial statements and significant notes thereto	5
	(1) Condensed quarterly consolidated statement of financial position	5
	(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income	7
	Condensed quarterly consolidated statement of profit or loss.....	7
	Condensed quarterly consolidated statement of comprehensive income	8
	(3) Condensed quarterly consolidated statement of changes in equity	9
	(4) Condensed quarterly consolidated statement of cash flows	10
	(5) Notes to condensed quarterly consolidated financial statements	11
	Notes on premise of going concern	11
	Notes on applicable framework for financial reporting.....	11
	Segment information, etc.	11

1. Overview of operating results and others

(1) Overview of operating results for the period

During the nine months ended December 31, 2024, the easing of supply restrictions in various countries and slowing inflation have led to increasing expectations for a moderate economic recovery in the global economy. On the other hand, the outlook remains uncertain mainly due to such factors as growing tension in the situation in Russia and Ukraine as well as in the Middle East, the worsening conditions in China's real estate sector and stagnant demand in the Chinese market, and the impacts from U.S. policy direction. Accordingly, it is necessary to continue closely monitoring the impacts of these factors.

Although the Japanese economy is on an upward trend mainly due to a recovery in inbound demand, the pace of economic growth remains moderate due to the moderation of consumer spending caused by rising prices and sluggish growth in capital investment.

Under these circumstances, the Group worked to expand the construction management engineer domain, temporary staffing of permanent employees, foreign talent management service, and other initiatives for the renewed growth of the Domestic Working Business, which is the basic policy in the Medium-Term Management Plan "WILL-being 2026," for which the final fiscal year is the fiscal year ending March 31, 2026.

In Japan, while the call center outsourcing domain remained sluggish, the sales outsourcing domain and the construction management engineer domain were strong. In addition, in order to strengthen hiring capabilities in Japan, the Company ran TV commercials as promotion of "WILLOF" brand in 18 prefectures that include the Kanto area, which is the Company's largest market area, and also developed a promotion strategy utilizing the web commercials and social media.

In the overseas segment, the Company has been implementing cost control measures aimed to continuously strengthen its earnings structure due to prolonged reduction in hiring by major clients since the post-COVID-19 surge in permanent placement demand has run its course, and continues to take measures to secure sustainable revenue even under market conditions where demand for manpower is weak.

As a result of the above, revenue for the nine months ended December 31, 2024 was ¥105,353 million (up 1.4% year on year), operating profit was ¥1,792 million (down 35.9%), profit before tax was ¥1,692 million (down 37.8%), profit was ¥1,114 million (down 33.3%), profit attributable to owners of parent was ¥1,116 million (down 28.6%), and EBITDA (operating profit + depreciation and amortization) was ¥3,322 million (down 24.8%).

Results of operations by segment are as follows:

(i) Domestic Working Business

For the Domestic Working Business, which offers temporary staffing, permanent placement, and business process outsourcing services in Japan, specifically for categories such as the sales outsourcing domain, call center outsourcing domain, factory outsourcing domain, nursing care business support domain, and construction management engineer domain, while the call center outsourcing domain remained sluggish, the sales outsourcing domain and the construction management engineer domain were strong, resulting in an increase in revenue for the Domestic Working Business. In particular, in the construction management engineer domain, which is the Company's key focus area, the number of workers on assignment accumulated as a result of a record-breaking number of 1,300 or more employees, including new graduates, joining the Company during the nine months ended December 31, 2024, which contributed to an increase in revenue. In addition, negotiations on the unit price of contracts are progressing steadily, backed by the strong demand for manpower.

In terms of profit, profit decreased due to the absence of gain on sale of shares of subsidiaries included in the nine months ended December 31, 2023 and the impact of exclusion of subsidiaries from consolidation.

As a result of the above, the Domestic Working Business recorded external revenue of ¥62,442 million (up 1.3% year on year), and segment profit of ¥2,083 million (down 30.5%).

(ii) Overseas Working Business

For the Overseas Working Business, which the Company operates mainly in Singapore and Australia, while the trend of major clients reducing hiring has continued, revenue increased mainly due to the yen's depreciation compared to the same period of the previous fiscal year.

In terms of profit, profits decreased due to the decline in gross profit, which was partially offset by the impact of foreign exchange rate fluctuations, receipt of government grants from the Singapore government and continued cost control measures to prepare for prolonged market deterioration.

As a result of the above, the Overseas Working Business recorded external revenue of ¥42,785 million (up 1.7% year on year), and segment profit of ¥1,509 million (down 8.5%).

(iii) Others

For the Others segment, due to the business transfer of the "VisaMane" foreign talent management system in the previous fiscal year and the business transfer of the "ENPORT mobile" mobile telecommunications business for foreign nationals in the nine months ended December 31, 2024, external revenue amounted to ¥125 million (down 38.4% year on year), with a segment loss of ¥197 million (compared with a segment loss of ¥192 million in the same period of the previous fiscal year).

(2) Overview of financial position for the period

(i) Assets, liabilities and equity

Assets

Current assets as of December 31, 2024 were ¥26,282 million, an increase of ¥153 million from the end of the previous fiscal year. This was mainly due to increases in other current assets of ¥255 million and trade and other receivables of ¥97 million, despite a decrease in cash and cash equivalents of ¥247 million.

Non-current assets stood at ¥25,367 million, a decrease of ¥46 million from the end of the previous fiscal year. This was mainly due to decreases in right-of-use assets of ¥743 million and investments accounted for using equity method of ¥431 million despite an increase in other financial assets of ¥1,216 million due to transfers involved in the exclusion of investments accounted for using the equity method, disbursement of loans, and the acquisition of investment securities.

As a result, total assets amounted to ¥51,650 million, an increase of ¥107 million from the end of the previous fiscal year.

Liabilities

Current liabilities as of December 31, 2024 were ¥25,401 million, an increase of ¥867 million from the end of the previous fiscal year. This was mainly due to increases in borrowings of ¥754 million and trade and other payables of ¥673 million, despite a decrease in income taxes payable of ¥775 million.

Non-current liabilities stood at ¥8,268 million, a decrease of ¥1,221 million from the end of the previous fiscal year. This was mainly due to decreases in other financial liabilities of ¥645 million and borrowings of ¥419 million.

As a result, total liabilities amounted to ¥33,670 million, a decrease of ¥354 million from the end of the previous fiscal year.

Equity

Total equity as of December 31, 2024 was ¥17,980 million, an increase of ¥461 million from the end of the previous fiscal year. This was mainly due to increases in exchange differences on translation of foreign operations of ¥209 million and changes in fair value of financial assets held by the Company of ¥251 million among other components of equity.

As a result of the above, the ratio of equity attributable to owners of parent to total assets was 34.8% (34.0% at the end of the previous fiscal year).

(ii) Cash flows

Cash and cash equivalents as of December 31, 2024 decreased ¥247 million from the end of the previous fiscal year to ¥6,858 million. Status of cash flows for the nine months ended December 31, 2024 and the main factors driving them are as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥2,031 million (¥2,834 million provided in the same period of the previous fiscal year). This was mainly due to a recording of profit before tax of ¥1,692 million, depreciation and amortization of ¥1,530 million, a decrease in trade receivables of ¥168 million, and an increase in trade payables of ¥324 million, despite income taxes paid of ¥1,620 million.

Cash flows from investing activities

Net cash used in investing activities was ¥1,003 million (¥780 million used in the same period of the previous fiscal year). This was mainly due to payments for loans receivable of ¥300 million, purchase of investment securities of ¥299 million, and purchase of property, plant and equipment, and intangible assets of ¥281 million.

Cash flows from financing activities

Net cash used in financing activities was ¥1,411 million (¥5,215 million used in the same period of the previous fiscal year). This was mainly due to repayments of long-term borrowings of ¥1,136 million, repayments of lease liabilities of ¥937 million, and dividends paid of ¥1,011 million, despite factors such as proceeds from long-term borrowings of ¥800 million and a net increase in short-term borrowings of ¥595 million.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

Consolidated earnings forecasts are unchanged from those announced on May 13, 2024.

Note that earnings forecasts are based on information currently available to the Company, and actual results may differ from forecasts for a variety of reasons going forward.

2. Condensed quarterly consolidated financial statements and significant notes thereto**(1) Condensed quarterly consolidated statement of financial position**

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	7,106	6,858
Trade and other receivables	17,512	17,610
Other financial assets	171	219
Other current assets	1,338	1,594
Total current assets	26,129	26,282
Non-current assets		
Property, plant and equipment	1,275	1,163
Right-of-use assets	5,071	4,327
Goodwill	8,737	8,943
Other intangible assets	6,109	5,885
Investments accounted for using equity method	431	–
Other financial assets	1,158	2,375
Deferred tax assets	1,888	1,892
Other non-current assets	741	779
Total non-current assets	25,413	25,367
Total assets	51,543	51,650

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Trade and other payables	16,485	17,159
Borrowings	2,490	3,244
Other financial liabilities	2,115	2,083
Income taxes payable	1,005	230
Other current liabilities	2,437	2,683
Total current liabilities	24,533	25,401
Non-current liabilities		
Borrowings	3,440	3,020
Other financial liabilities	4,837	4,191
Deferred tax liabilities	1,006	866
Other non-current liabilities	206	189
Total non-current liabilities	9,490	8,268
Total liabilities	34,024	33,670
Equity		
Share capital	2,198	2,210
Capital surplus	(2,045)	(2,086)
Treasury shares	(204)	(204)
Other components of equity	2,032	2,493
Retained earnings	15,528	15,555
Total equity attributable to owners of parent	17,508	17,967
Non-controlling interests	10	12
Total equity	17,518	17,980
Total liabilities and equity	51,543	51,650

(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income

Condensed quarterly consolidated statement of profit or loss

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Revenue	103,917	105,353
Cost of sales	80,810	83,257
Gross profit	23,107	22,096
Selling, general and administrative expenses	21,294	20,717
Other income	990	428
Other expenses	7	15
Operating profit	2,795	1,792
Share of profit (loss) of investments accounted for using equity method	(23)	24
Finance income	120	39
Finance costs	172	163
Profit before tax	2,719	1,692
Income tax expense	1,048	578
Profit	1,671	1,114
Profit attributable to		
Owners of parent	1,564	1,116
Non-controlling interests	107	(2)
Earnings per share		
Basic earnings per share	68.91	48.98
Diluted earnings per share	68.47	48.78

Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,671	1,114
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(14)	153
Total of items that will not be reclassified to profit or loss	(14)	153
Items that may be reclassified to profit or loss		
Cash flow hedges	(101)	–
Exchange differences on translation of foreign operations	830	209
Total of items that may be reclassified to profit or loss	729	209
Other comprehensive income, net of tax	714	363
Comprehensive income	2,385	1,477
Comprehensive income attributable to		
Owners of parent	2,285	1,476
Non-controlling interests	100	0

(3) Condensed quarterly consolidated statement of changes in equity

Nine months ended December 31, 2023

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Total	Retained earnings	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance at beginning of April 1, 2023	2,187	(1,923)	(274)	890	13,758	14,638	1,238	15,877
Profit	–	–	–	–	1,564	1,564	107	1,671
Other comprehensive income	–	–	–	721	–	721	(6)	714
Comprehensive income	–	–	–	721	1,564	2,285	100	2,385
Dividends of surplus	–	–	–	–	(1,009)	(1,009)	–	(1,009)
Disposal of treasury shares	–	(17)	63	–	–	46	–	46
Share-based payment transactions	0	51	–	–	–	52	–	52
Change in scope of consolidation	–	–	–	–	–	–	–	–
Changes in ownership interest in subsidiaries	–	(14)	–	–	–	(14)	36	21
Increase (decrease) by business combination, etc.	–	–	–	–	–	–	(177)	(177)
Transfer from other components of equity to retained earnings	–	–	–	(7)	7	–	–	–
Total transactions with owners	0	19	63	(7)	(1,002)	(925)	(140)	(1,066)
Balance at end of period	2,187	(1,903)	(210)	1,603	14,320	15,998	1,198	17,197

Nine months ended December 31, 2024

(Millions of yen)

	Share capital	Capital surplus	Treasury shares	Total	Retained earnings	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance at beginning of April 1, 2024	2,198	(2,045)	(204)	2,032	15,528	17,508	10	17,518
Profit	–	–	–	–	1,116	1,116	(2)	1,114
Other comprehensive income	–	–	–	359	–	359	3	363
Comprehensive income	–	–	–	359	1,116	1,476	0	1,477
Dividends of surplus	–	–	–	–	(1,011)	(1,011)	–	(1,011)
Disposal of treasury shares	–	–	–	–	–	–	–	–
Share-based payment transactions	11	54	–	–	–	66	–	66
Change in scope of consolidation	–	–	–	(20)	44	23	0	24
Changes in ownership interest in subsidiaries	–	(72)	–	–	–	(72)	0	(71)
Increase (decrease) by business combination, etc.	–	(22)	–	–	–	(22)	–	(22)
Transfer from other components of equity to retained earnings	–	–	–	122	(122)	–	–	–
Total transactions with owners	11	(40)	–	101	(1,089)	(1,016)	1	(1,015)
Balance at end of period	2,210	(2,086)	(204)	2,493	15,555	17,967	12	17,980

(4) Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before tax	2,719	1,692
Depreciation and amortization	1,620	1,530
Share-based payment expenses	93	45
Decrease (increase) in trade receivables	897	168
Increase (decrease) in trade payables	545	324
Other	(1,429)	(26)
Subtotal	4,446	3,734
Interest and dividends received	118	30
Interest paid	(89)	(113)
Income taxes paid	(1,641)	(1,620)
Net cash provided by (used in) operating activities	2,834	2,031
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(326)	(281)
Purchase of investment securities	(0)	(299)
Payments for loans receivable	–	(300)
Other	(453)	(122)
Net cash provided by (used in) investing activities	(780)	(1,003)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,077)	595
Proceeds from long-term borrowings	1,500	800
Repayments of long-term borrowings	(1,898)	(1,136)
Repayments of lease liabilities	(921)	(937)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	–	(71)
Dividends paid	(1,008)	(1,011)
Proceeds from government grants	146	327
Other	43	23
Net cash provided by (used in) financing activities	(5,215)	(1,411)
Effect of exchange rate changes on cash and cash equivalents	325	136
Net increase (decrease) in cash and cash equivalents	(2,836)	(247)
Cash and cash equivalents at beginning of period	9,590	7,106
Cash and cash equivalents	6,754	6,858

(5) Notes to condensed quarterly consolidated financial statements**Notes on premise of going concern**

Not applicable.

Notes on applicable framework for financial reporting

The condensed quarterly consolidated financial statements are prepared in accordance with Article 5, paragraph 2 of the “Standards for Preparation of Quarterly Financial Statements, etc.” of Tokyo Stock Exchange, Inc. (however, the omissions set forth in Article 5, paragraph 5 of the said Standards are applied), and certain disclosure items and notes required by International Accounting Standard No. 34 “Interim Financial Reporting” have been omitted.

Segment information, etc.**(1) Overview of reportable segments**

The Group determines reportable segments based on the operating segments that are components of the Group for which discrete financial information is available and regularly reviewed by the chief operating decision maker to make decisions about the allocation of management resources and assess the results of operations. The Group’s reportable segments are comprised of the following two segments.

The details of each reportable segment are as follows:

Reportable segments	Business activities
Domestic Working Business	Engaged primarily in HR support services centered on temporary staffing, permanent placement and business process outsourcing services in Japan specifically for categories such as sales, call center, factory, care support facility and construction management engineer.
Overseas Working Business	Engaged primarily in temporary staffing and permanent placement mainly in Singapore and Australia.

In addition to the above, operations of apartment building for IT engineers and creative personnel (Tech Residence) are included in the “Others” segment.

(2) Information of the reportable segments

The figures for profit for reportable segments are given on an operating profit basis.

The information of each reportable segment is as follows:

Nine months ended December 31, 2023

(Millions of yen)

	Reportable segments			Others	Adjustments (Note 2)	Amount recorded in the consolidated financial statements
	Domestic Working Business	Overseas Working Business	Total			
Revenue						
External revenue	61,641	42,071	103,713	203	–	103,917
Intersegment revenue (Note 1)	22	–	22	9	(32)	–
Total	61,664	42,071	103,736	213	(32)	103,917
Segment profit	2,996	1,649	4,645	(192)	(1,658)	2,795

(Note 1) Intersegment revenue is based on general market price.

(Note 2) Adjustments to segment profit of negative ¥1,658 million include intersegment eliminations of negative ¥0 million and corporate expenses not allocated to each business segment of negative ¥1,658 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.

Nine months ended December 31, 2024

(Millions of yen)

	Reportable segments			Others	Adjustments (Note 2)	Amount recorded in the consolidated financial statements
	Domestic Working Business	Overseas Working Business	Total			
Revenue						
External revenue	62,442	42,785	105,228	125	–	105,353
Intersegment revenue (Note 1)	12	9	21	5	(27)	–
Total	62,455	42,794	105,249	131	(27)	105,353
Segment profit	2,083	1,509	3,593	(197)	(1,603)	1,792

(Note 1) Intersegment revenue is based on general market price.

(Note 2) Adjustments to segment profit of negative ¥1,603 million include intersegment eliminations of negative ¥0 million and corporate expenses not allocated to each business segment of negative ¥1,603 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.