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May 13, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under IFRS)

Company name: WILL GROUP, INC.
Listing: Tokyo Stock Exchange
Securities code: 6089
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Scheduled date of annual general meeting of shareholders: June 22, 2024
Scheduled date to commence dividend payments: June 24, 2024
Scheduled date to file annual securities report: June 24, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	138,227	(4.0)	4,525	(14.9)	4,417	(14.2)	2,878	(16.8)
March 31, 2023	143,932	9.8	5,318	(2.8)	5,146	(2.8)	3,459	(10.2)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Fiscal year ended	Millions of yen	%	Millions of yen	%	Yen	Yen
March 31, 2024	2,778	(14.1)	3,814	(0.3)	122.37	121.58
March 31, 2023	3,236	(1.5)	3,826	(18.3)	143.20	141.95

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	%	%	%
March 31, 2024	17.3	8.3	3.3
March 31, 2023	24.9	9.6	3.7

Reference: Share of profit (loss) of investments accounted for using equity method
For the fiscal year ended March 31, 2024: ¥(24) million
For the fiscal year ended March 31, 2023: ¥(21) million

(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	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2024	51,543	17,518	17,508	34.0	768.35
March 31, 2023	54,939	15,877	14,638	26.6	646.04

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	3,828	(575)	(6,232)	7,106
March 31, 2023	4,816	(1,761)	(2,783)	9,590

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	–	0.00	–	44.00	44.00	1,009	30.7	7.6
Fiscal year ended March 31, 2024	–	0.00	–	44.00	44.00	1,011	36.0	6.2
Fiscal year ending March 31, 2025 (Forecast)	–	0.00	–	44.00	44.00		60.9	

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	%
Six months ending September 30, 2024	65,620	(5.3)	285	(85.9)	240	(88.5)	255	(82.8)
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
Six months ending September 30, 2024	255	(81.8)	11.23
Fiscal year ending March 31, 2025	1,640	(41.0)	72.20

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: – companies
Excluded: 1 company Name: for Startups, Inc.

(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 March 31, 2024	22,999,700 shares
As of March 31, 2023	22,944,100 shares

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

As of March 31, 2024	212,864 shares
As of March 31, 2023	284,850 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	22,710,366 shares
Fiscal year ended March 31, 2023	22,600,576 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 March 31, 2024 and 279,441 shares as of March 31, 2023)

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	3,750	(13.5)	1,163	(30.3)	653	(59.4)	3,299	97.1
March 31, 2023	4,337	(4.5)	1,668	(16.7)	1,609	(17.5)	1,673	(40.1)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2024	145.27	144.34
March 31, 2023	74.06	73.41

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	23,103	15,695	67.9	688.59
March 31, 2023	25,490	13,362	52.4	589.48

Reference: Equity
As of March 31, 2024: ¥15,690 million
As of March 31, 2023: ¥13,357 million

< Reasons for the differences between the non-consolidated financial results for the previous fiscal year and those for the fiscal year under review >
Non-consolidated financial results for the fiscal year under review differ from those for the previous fiscal year as a result of an increase in gain on sale of shares of associates and a decrease in dividends from consolidated subsidiaries.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* 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 “(5) Future outlook” under “1. Overview of operating results and others” on page 5 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

(1) Overview of operating results for the fiscal year

During the fiscal year under review, the global economy continued to recover moderately due to economic normalization and the easing of supply restrictions following the COVID-19 pandemic in various countries, achieved through the integration of COVID-19 management strategies in everyday life, as well as slowing inflation. However, the outlook remains uncertain due to volatility in monetary policies in several countries, the prolonged situation in Russia and Ukraine, growing tension in the Middle East, and the slowdown in the Chinese economy.

Japan's economy, meanwhile, continues its gradual recovery with an uptick in consumer spending and inbound demand, an improved employment and income environment, and a rise in the Nikkei stock average, amid further normalization of economic activities driven by the reclassification of COVID-19 to a Class 5 infectious disease and the reduced risk of infection. However, the risk of a downturn in overseas economies, rising prices for energy and raw materials, and volatility in foreign exchange rates require careful attention.

Under these circumstances, the Group worked to expand the construction management engineer domain, temporary staffing of permanent employees, and 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, although new project development was stagnant in the sales outsourcing domain and the call center outsourcing domain, results were strong in the construction management engineer domain, which is the Group's key focus area. In addition, first television commercials were run mainly in the West Japan area from July 2023 as promotion of "WILLOF" brand for the purpose of reinforcing hiring capabilities in Japan. The number of branded searches for WILLOF has been on a gradual rising trend since the implementation of the promotion, and the number of hires through owned media is expected to increase. Therefore, the Group is continuing to implement the promotion.

In the overseas segment, temporary staffing sales declined as a result of a fall in the number of workers on assignment following hiring constraints for some customers in Australia. Permanent placement sales also decreased due to the post-COVID-19 surge in permanent placement demand in the previous fiscal year running its course.

As a result of the above, revenue during the fiscal year under review was ¥138,227 million (down 4.0% year on year), operating profit was ¥4,525 million (down 14.9%), profit before tax was ¥4,417 million (down 14.2%), profit was ¥2,878 million (down 16.8%), profit attributable to owners of parent was ¥2,778 million (down 14.1%), and EBITDA (operating profit + depreciation and amortization + impairment losses) was ¥6,810 million (down 8.7%).

Results of operations by segment are as follows:

(i) Domestic Working Business

The Domestic Working Business 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 domain, and construction management engineer domain. Although new project development was stagnant in the sales outsourcing domain and the call center outsourcing domain, results were steady in the construction management engineer domain, which is the Group's key focus area. Although expansion of workers on permanent employee staffing and foreigners we support through our foreign talent management service except the construction management engineer domain, which are key strategies in the Medium-Term Management Plan, is slower than planned, the number of workers on assignment increased in the construction management engineer domain as a result of 1,200 or more headcounts, including new graduates, joining the Company during the fiscal year under review. Profitability also picked up as the Company focused on negotiating unit prices for new orders, in addition to raising fees with existing clients.

As for profit, the Company conducted upfront investment, such as for recruitment expenses in the construction management engineer domain, the sales outsourcing domain and the factory outsourcing domain, increasing sales staff for foreign talent management service, and implementing the brand promotion. The Company recorded ¥786 million as other income due to the transfer of shares of BORDERLINK, INC. for the first quarter of the fiscal year ended March 31, 2024, and recorded ¥1,277 million as other income due to the transfer of shares of for Startups, Inc. for the fourth quarter of the fiscal year ended March 31, 2024. Both companies were excluded from the scope of consolidation.

As a result of the above, the Domestic Working Business recorded external revenue of ¥82,528 million (down 1.9% year on year), and segment profit of ¥5,038 million (up 13.2%).

(ii) Overseas Working Business

With regard to the Overseas Working Business, which the Company has been operating primarily in Singapore and Australia, in permanent placement, revenue decreased year on year as demand in both Singapore and Australia ran its course after a post-COVID-19 surge in the previous fiscal year, and clients' hiring appetite waned. In temporary staffing, revenue decreased as the number of workers on assignment fell due to hiring restrictions for certain clients in Australia, mainly in the finance industry. Profit also decreased due to gross profit shrinking because of a decline in permanent placement sales, and higher personnel and other costs.

As a result of the above, the Overseas Working Business recorded external revenue of ¥55,432 million (down 3.7% year on year), and segment profit of ¥1,946 million (down 42.9%).

(iii) Others

In the Others segment, the Company transferred the shares of HiBlead Inc. at the end of the previous fiscal year, which resulted in decreased revenue as the said company was excluded from the scope of consolidation, and in March 2024, the foreign worker employment management support service business was transferred to another company by way of an absorption-type company split.

In terms of profit, selling, general and administrative expenses increased due to continued investment in the development of new platforms.

As a result of the above, the Others segment recorded revenue of ¥266 million (down 88.2% year on year), and a segment loss of ¥225 million (a segment loss of ¥296 million was recorded in the previous fiscal year).

(2) Overview of financial position for the fiscal year

Assets

Current assets as of March 31, 2024 were ¥26,129 million, a decrease of ¥2,537 million from the end of the previous fiscal year. This was mainly due to decreases in cash and cash equivalents of ¥2,484 million and in trade and other receivables of ¥415 million, despite an increase in other current assets of ¥329 million.

Non-current assets stood at ¥25,413 million, a decrease of ¥858 million from the end of the previous fiscal year. This was mainly due to decreases in right-of-use assets of ¥1,278 million and in other financial assets of ¥316 million, despite increases in goodwill of ¥616 million and property, plant and equipment of ¥135 million as a result of currency translation effects following the depreciation of the yen.

As a result, total assets amounted to ¥51,543 million, a decrease of ¥3,396 million from the end of the previous fiscal year.

Liabilities

Current liabilities as of March 31, 2024 were ¥24,533 million, a decrease of ¥3,880 million from the end of the previous fiscal year. This was mainly due to decreases in borrowings of ¥4,271 million, and in other current liabilities of ¥672 million, despite increases in other financial liabilities of ¥751 million, and in trade and other payables of ¥334 million.

Non-current liabilities stood at ¥9,490 million, a decrease of ¥1,157 million from the end of the previous fiscal year. This was mainly due to decreases in other financial liabilities of ¥1,113 million, and in deferred tax liabilities of ¥121 million, despite an increase in borrowings of ¥55 million.

As a result, total liabilities amounted to ¥34,024 million, a decrease of ¥5,037 million from the end of the previous fiscal year.

Equity

Total equity as of March 31, 2024 was ¥17,518 million, an increase of ¥1,640 million from the end of the previous fiscal year. This was mainly due to increases in retained earnings of ¥1,769 million, and in exchange differences on translation of foreign operations of ¥1,164 million among other components of equity, despite a decrease in non-controlling interests of ¥1,228 million.

As a result of the above, the ratio of equity attributable to owners of parent to total assets was 34.0% (26.6% at the end of the previous fiscal year).

(3) Overview of cash flows for the fiscal year

Cash and cash equivalents at the end of the current fiscal year decreased ¥2,484 million from the end of the previous fiscal year to ¥7,106 million. Status of cash flows in the fiscal year under review and the main factors driving them are as follows:

Cash flows from operating activities

Net cash provided by operating activities was ¥3,828 million (¥4,816 million provided in the previous fiscal year). This was mainly due to a recording of profit before tax of ¥4,417 million, depreciation and amortization of ¥2,285 million, and an increase in trade payables of ¥1,031 million, despite factors such as payments included in other of ¥2,489 million, and income taxes paid of ¥1,565 million.

Cash flows from investing activities

Net cash used in investing activities was ¥575 million (¥1,761 million used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment, and intangible assets of ¥802 million, and payments included in other of ¥584 million, despite factors such as proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation of ¥811 million.

Cash flows from financing activities

Net cash used in financing activities was ¥6,232 million (¥2,783 million used in the previous fiscal year). This was mainly due to a net decrease in short-term borrowings of ¥3,245 million, repayments of long-term borrowings of ¥2,470 million, repayments of lease liabilities of ¥1,335 million, and dividends paid of ¥1,008 million, despite factors such as proceeds from long-term borrowings of ¥1,500 million.

(4) Basic policy on profit distribution, and dividends for current and next fiscal years

Returning profit to the Company's shareholders and maintaining sufficient retained earnings to achieve stable future business development are the fundamental principles adopted by the Company. In concrete terms, the Company has adopted a progressive dividend (*1) system, which the amount of dividend is expected to increase in line with the Company's medium-to-long term profit growth, along with a total payout ratio (*2) of 30% or more.

In addition, the policy of the Company is to pay dividends from surplus once a year, but the Company stipulates in its Articles of Incorporation that it may pay an interim dividend provided for in Article 454, paragraph (5) of the Companies Act. The bodies that decide dividends from surplus are the general meeting of shareholders for year-end dividends, and the Board of Directors for interim dividends.

For the fiscal year under review, the Company proposes to pay a year-end dividend per share of ¥44 (ordinary dividend of ¥44) in accordance with the dividend forecast announced on May 11, 2023. In that event, the total payout ratio would be 36.4%.

The dividend forecast for the fiscal year ending March 31, 2025 is ¥44 per share (ordinary dividend of ¥44), with a total payout ratio of 61.7%.

*1 Progressive dividends: Dividends are either maintained or increased, and not reduced.

*2 Total payout ratio: The ratio of the amount of dividends plus purchase of treasury shares to profit attributable to owners of parent

(5) Future outlook

(Changes to the management targets for the Medium-Term Management Plan)

The Company has decided to revise the management targets for the Medium-Term Management Plan (WILL-being 2026, hereafter referred to as the "Medium-Term Plan"), which was announced on May 11, 2023 and for which the final fiscal year is the fiscal year ending March 31, 2026.

(i) Background to revising the management targets

With a year having passed since we announced the Medium-Term Plan, the hiring of people with no experience—including new graduates—is making steady progress in the construction management engineer domain of the Domestic Working Business, a domain which is the Group's key focus area. It has now become certain that this domain will become profitable in the fiscal year ending March 31, 2025. In addition, although progress regarding foreign talent management service has been slower than planned, the situation has been gradually recovering since the third quarter, and we are seeing results close to targets on a quarterly basis. On the other hand, there were difficulties in building up the number of workers on permanent employee staffing and existing fixed-term employee staffing in domains other than the construction management engineer domain, with revenue of the Domestic Working Business remaining flat. Uncertainty also persists in the Overseas Working Business, with reduced hiring by major clients becoming prolonged after the post-COVID-19 surge in placement demand has run its course.

In addition, the Company aggressively pushed forward with the review of its business portfolio, including the sale of shares, etc. of its listed subsidiaries, which was not included in the Medium-Term Plan. As a result, the profits of these subsidiaries are expected to be lost from the next fiscal year onwards. For this reason, conditions have deviated from those assumed when formulating the Medium-Term Plan.

Under these circumstances, we need to avoid a situation where we place too much emphasis on achieving the management targets for the fiscal year ending March 31, 2026, and end up with scraping together profits in an unreasonable manner and cutting back on investments that would otherwise lead to future growth, among others. To ensure that management decisions regarding sustainable growth are not impaired, the Company has decided to withdraw some of the management targets laid out in the Medium-Term Plan, such as those for revenue, operating profit and operating margin. We will also revise the KPIs to a reasonable level so as to pursue the achievement of the KPIs as a priority. Nevertheless, the basic policies and three key strategy targets of this Medium-Term Plan will remain unchanged, and we will continue to work to achieve sustainable growth.

a. Basic policies (unchanged)
Resumption of growth in the stagnant Domestic Working Business is important for the Group to achieve sustainable growth. Therefore, we have set the basic policy for resumption of growth in the Domestic Working Business and we will aggressively make upfront investments for resuming growth to alter our earnings structure during the period of the Medium-Term Plan and establish a foundation that will enable us to realize dramatic growth in the future.

b. Management targets (revised)

(Millions of yen)

		Results FY2023	Results FY2024	Targets FY2026 (before revision)	Targets FY2026 (after revision)
Targets	Revenue *1	143,900	138,200	170,000	–
	Operating profit *1	5,310	4,520	6,500	–
	Operating margin *1	3.7%	3.3%	3.8%	–

(Persons)

		Results FY2023	Results FY2024	Targets FY2026 (before revision)	Targets FY2026 (after revision)
KPI	Number of permanent employee staffing hires/year (Construction management engineer domain)	1,022	1,424	2,000	1,500
	Permanent employee staffing retention rate (Construction management engineer domain)	71.3%	71.2%	73.0%	71.5%
	Number of workers on assignment for permanent employee staffing (Domestic Working Business [excluding the construction management engineer domain])*2	2,791	3,254	4,700	3,500
	Number of foreigners supported through the Foreign Talent Management Services (Domestic Working Business)	1,750	2,341	6,800	3,500
	Permanent placement revenue composition (Overseas Working Business) *1	13.5%	11.6%	17.0%	–

Notes: 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 Working Business [excluding the construction management engineer domain]) includes the sales outsourcing domain, factory outsourcing domain, IT engineer domain, call center outsourcing domain and nursing care domain.

c. Key strategies (unchanged)
The following three strategies (Strategies I and II are for the Domestic Working Business, and Strategy III is for the Overseas Working Business) are the key strategies for achieving the management targets of the Medium-Term Plan.

Strategy I Realizing further growth and monetization in the construction management engineer domain

Although we will revise the target numbers of hires in the construction management engineer domain so that the figures will be reasonable given the recent challenging recruiting environment, we aim to make this domain profitable in the fiscal year ending March 31, 2025 and set it as one of the pillars of our businesses in the fiscal year ending March 31, 2026 by improving productivity.

Strategy II Renewed growth in Domestic Working Business (excluding the construction management engineer domain)

We will work to expand foreign talent management service and temporary staffing of permanent employees. For the expansion of foreign talent management service, we will strengthen the acquisition of new orders by increasing the number of sales personnel, and for local hiring, we will strengthen alliances with local corporations, schools, etc. For expansion of temporary staffing by permanent employees, we will extend the recruiting know-how cultivated in the construction management engineer domain and sales outsourcing domains to the factory outsourcing domain. In addition, in anticipation of a tougher hiring environment in the future, we will implement brand promotions to strengthen our own brand.

Strategy III Stable growth in Overseas Working Business

The future of the permanent placement market is uncertain in both Singapore and Australia, with reduced hiring by major clients becoming prolonged after the post-COVID-19 surge in placement demand has run its course. In this situation, the Company will work to expand permanent placement sales once demand recovers while securing talented consultants. In order to reduce downside risk and improve business stability, the Company will also work to increase temporary staffing sales in stable areas such as government while also exercising cost control and strengthening governance.

Full-year forecasts of consolidated financial results for the fiscal year ending March 31, 2025

Looking ahead, while moderate growth is expected in both domestic and overseas economies, the outlook remains uncertain due to the risks of prolonged global inflation and monetary tightening policies, as well as geopolitical risks concerning the situations in Ukraine and the Middle East, among others. In Japan, the hiring environment is becoming increasingly difficult in contrast to the robust demand for human resources backed by strong corporate performance. Furthermore, in Australia and Singapore, the main areas where the Group develops businesses, there are concerns about this trend of reduced hiring by major clients becoming prolonged due to a deterioration in business confidence mainly as a result of inflation and rising interest rates following large-scale economic stimulus measures that were implemented during the COVID-19 pandemic, as well as due to overstaffing caused by companies that rapidly increased hiring following the COVID-19 pandemic.

Under these circumstances, in the Domestic Working Business, we will work to expand the construction management engineer domain, foreign talent management service, and temporary staffing of permanent employees, which are the key strategies in the Medium-Term Plan. Expansion in the construction management engineer domain will be achieved by further strengthening recruitment of non-experienced workers, as well as by implementing initiatives to maintain and improve the retention rate and to increase the unit price of contracts. With regard to the expansion of permanent employee staffing, in light of the challenging hiring environment, we will work to maintain and expand the number of workers on assignment by implementing measures to enhance our recruiting capabilities, including continued promotion of the “WILLOF” brand. With respect to the foreign talent management service, we will continue to expand orders from clients and local hiring in the factory outsourcing and nursing care domains. In the fiscal year ending March 31, 2025, we plan to make upfront investments in hiring construction management engineers and sales personnel in order to realize the Medium-Term Plan scenario.

In the Overseas Working Business, despite the risk of a downturn in the economies of various countries and concerns about the weak market conditions for both temporary staffing and permanent placement becoming prolonged, we will work to secure talented consultants, etc., carry out strategic cost management within a scope that will not harm the value of the business, and prepare for expansion following the recovery in demand for both permanent placement and temporary staffing.

Moreover, operating profit for the current fiscal year includes temporary gains on sale of shares of subsidiaries of ¥2,063 million and also reflects an impact from the absence of the subsidiaries' revenues of ¥3,420 million (actual results for the current fiscal year) and operating profits of ¥543 million (actual results for the current fiscal year).

Accordingly, for the fiscal year ending March 31, 2025, we forecast revenue of ¥140,400 million (up 1.6% year on year), operating profit of ¥2,290 million (down 49.4% year on year), profit before tax of ¥2,190 million (down 50.4% year on year), profit of ¥1,640 million (down 43.0% year on year), profit attributable to owners of parent of ¥1,640 million (down 41.0% year on year), and EBITDA of ¥4,232 million (down 37.9% year on year). Furthermore, excluding the abovementioned temporary gains, etc. included in the current fiscal year, revenue increased 4.1% year on year and operating profit increased 19.4%.

(Reference) The exchange rate assumptions underlying these forecasts are ¥104/SGD (¥94/SGD in the previous fiscal year) and ¥91/AUD (¥86/AUD in the previous fiscal year).

* The forward-looking statements above, 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. We will continue to carefully monitor the impact on the businesses of the Group, and make prompt disclosure in the event that revisions become necessary going forward.

2. Basic views on the selection of accounting standards

Based on its intention to further promote the global expansion of its business, and with the objective of helping to improve the international comparability of financial information in the capital markets, the Will Group has voluntarily adopted International Financial Reporting Standards (IFRS), beginning with the consolidated financial statements included in the annual securities report for the fiscal year ended March 31, 2019.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	9,590	7,106
Trade and other receivables	17,928	17,512
Other financial assets	138	171
Other current assets	1,009	1,338
Total current assets	28,666	26,129
Non-current assets		
Property, plant and equipment	1,139	1,275
Right-of-use assets	6,349	5,071
Goodwill	8,120	8,737
Other intangible assets	5,996	6,109
Investments accounted for using equity method	456	431
Other financial assets	1,475	1,158
Deferred tax assets	1,953	1,888
Other non-current assets	782	741
Total non-current assets	26,272	25,413
Total assets	54,939	51,543

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trade and other payables	16,151	16,485
Borrowings	6,761	2,490
Other financial liabilities	1,364	2,115
Income taxes payable	1,027	1,005
Other current liabilities	3,109	2,437
Total current liabilities	28,414	24,533
Non-current liabilities		
Borrowings	3,385	3,440
Other financial liabilities	5,950	4,837
Deferred tax liabilities	1,127	1,006
Other non-current liabilities	184	206
Total non-current liabilities	10,648	9,490
Total liabilities	39,062	34,024
Equity		
Share capital	2,187	2,198
Capital surplus	(1,923)	(2,045)
Treasury shares	(274)	(204)
Other components of equity	890	2,032
Retained earnings	13,758	15,528
Total equity attributable to owners of parent	14,638	17,508
Non-controlling interests	1,238	10
Total equity	15,877	17,518
Total liabilities and equity	54,939	51,543

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income
Consolidated statement of profit or loss

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Revenue	143,932	138,227
Cost of sales	112,194	107,781
Gross profit	31,737	30,446
Selling, general and administrative expenses	27,169	28,314
Other income	842	2,412
Other expenses	91	18
Operating profit	5,318	4,525
Share of loss of investments accounted for using equity method	(21)	(24)
Finance income	161	128
Finance costs	311	211
Profit before tax	5,146	4,417
Income tax expense	1,686	1,539
Profit	3,459	2,878
Profit attributable to		
Owners of parent	3,236	2,778
Non-controlling interests	223	99
Earnings per share		
Basic earnings per share (Yen)	143.20	122.37
Diluted earnings per share (Yen)	141.95	121.58

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,459	2,878
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	(189)	(126)
Total of items that will not be reclassified to profit or loss	(189)	(126)
Items that may be reclassified to profit or loss		
Cash flow hedges	125	(101)
Exchange differences on translation of foreign operations	430	1,164
Total of items that may be reclassified to profit or loss	556	1,062
Other comprehensive income, net of tax	366	936
Comprehensive income	3,826	3,814
Comprehensive income attributable to		
Owners of parent	3,661	3,734
Non-controlling interests	164	79

(3) Consolidated statement of changes in equity

(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, 2022	2,163	(2,266)	(274)	464	11,310	11,398	1,723	13,121
Profit	-	-	-	-	3,236	3,236	223	3,459
Other comprehensive income	-	-	-	425	-	425	(58)	366
Comprehensive income	-	-	-	425	3,236	3,661	164	3,826
Dividends of surplus	-	-	-	-	(776)	(776)	-	(776)
Purchase of treasury shares	-	-	(0)	-	-	(0)	-	(0)
Disposal of treasury shares	-	-	-	-	-	-	-	-
Share-based payment transactions	23	132	-	-	-	156	-	156
Increase (decrease) by business combination	-	-	-	-	(11)	(11)	(412)	(424)
Loss of control of subsidiaries	-	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	210	-	-	-	210	(236)	(25)
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	0	0
Total transactions with owners	23	343	(0)	-	(788)	(421)	(648)	(1,070)
Balance at end of March 31,2023	2,187	(1,923)	(274)	890	13,758	14,638	1,238	15,877
Profit	-	-	-	-	2,778	2,778	99	2,878
Other comprehensive income	-	-	-	955	-	955	(19)	936
Comprehensive income	-	-	-	955	2,778	3,734	79	3,814
Dividends of surplus	-	-	-	-	(1,009)	(1,009)	-	(1,009)
Purchase of treasury shares	-	-	-	-	-	-	-	-
Disposal of treasury shares	-	(18)	69	-	-	50	-	50
Share-based payment transactions	11	67	-	-	-	78	-	78
Increase (decrease) by business combination	-	-	-	-	-	-	(177)	(177)
Loss of control of subsidiaries	-	(143)	-	193	(7)	42	(1,240)	(1,197)
Changes in ownership interest in subsidiaries	-	(27)	-	-	-	(27)	109	81
Transfer from other components of equity to retained earnings	-	-	-	(7)	7	-	-	-
Other	-	-	-	-	-	-	-	-
Total transactions with owners	11	(122)	69	186	(1,009)	(865)	(1,308)	(2,173)
Balance at end of March 31, 2024	2,198	(2,045)	(204)	2,032	15,528	17,508	10	17,518

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before tax	5,146	4,417
Depreciation and amortization	2,137	2,285
Share-based payment expenses	107	104
Decrease (increase) in trade receivables	(223)	42
Increase (decrease) in trade payables	969	1,031
Other	(839)	(2,489)
Subtotal	7,297	5,390
Interest and dividends received	17	124
Interest paid	(88)	(120)
Income taxes paid	(2,409)	(1,565)
Net cash provided by (used in) operating activities	4,816	3,828
Cash flows from investing activities		
Purchase of property, plant and equipment, and intangible assets	(396)	(802)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,757)	–
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,009	811
Other	(617)	(584)
Net cash provided by (used in) investing activities	(1,761)	(575)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,590	(3,245)
Proceeds from long-term borrowings	4,383	1,500
Repayments of long-term borrowings	(3,367)	(2,470)
Repayments of lease liabilities	(1,333)	(1,335)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(3,746)	–
Dividends paid	(776)	(1,008)
Other	467	328
Net cash provided by (used in) financing activities	(2,783)	(6,232)
Effect of exchange rate changes on cash and cash equivalents	345	494
Net increase (decrease) in cash and cash equivalents	617	(2,484)
Cash and cash equivalents at beginning of period	8,973	9,590
Cash and cash equivalents at end of period	9,590	7,106

(5) Notes to the consolidated financial statements

Notes on premise of going concern

Not applicable.

Segment information, etc.

(1) Overview of reportable segments

The Group determines reportable 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 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, and HR support services centered on permanent employee placements for startups developed by for Startups, Inc.
Overseas Working Business	Engaged primarily in temporary staffing and permanent placement mainly in Singapore and Australia.

(Note 1) In addition to the above, operations of apartment building for IT engineers and creative personnel (Tech Residence) are included in the "Others" segment.

(Note 2) On March 29, 2024, the Company sold all of the shares of for Startups, Inc., resulting in the said company ceasing to be a consolidated subsidiary of the Company.

(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:

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments			Others	Adjustments (Notes 2 to 3)	Amount recorded in the consolidated financial statements
	Domestic Working Business	Overseas Working Business	Total			
Revenue						
External revenue	84,135	57,537	141,673	2,258	–	143,932
Intersegment revenue (Note 1)	62	–	62	7	(70)	–
Total	84,197	57,537	141,735	2,266	(70)	143,932
Segment profit	4,451	3,406	7,858	(296)	(2,243)	5,318
Other items						
Depreciation and amortization	1,032	775	1,807	101	229	2,137

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

(Note 2) Adjustments to segment profit of negative ¥2,243 million include intersegment eliminations of negative ¥0 million and corporate expenses not allocated to each business segment of negative ¥2,243 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.

(Note 3) Adjustments to depreciation and amortization of ¥229 million mainly represent depreciation of corporate assets not attributable to each operating segment.

(Note 4) Segment assets and liabilities have not been shown, as they are not used as the basis for deciding the allocation of management resources or assessing the results of operations.

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments			Others	Adjustments (Notes 2 to 3)	Amount recorded in the consolidated financial statements
	Domestic Working Business	Overseas Working Business	Total			
Revenue						
External revenue	82,528	55,432	137,961	266	–	138,227
Intersegment revenue (Note 1)	30	–	30	19	(49)	–
Total	82,558	55,432	137,991	285	(49)	138,227
Segment profit	5,038	1,946	6,985	(225)	(2,235)	4,525
Other items						
Depreciation and amortization	1,093	863	1,956	106	221	2,285

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

(Note 2) Adjustments to segment profit of negative ¥2,235 million include intersegment eliminations of ¥0 million and corporate expenses not allocated to each business segment of negative ¥2,235 million. Corporate expenses mainly consist of general and administrative expenses that are not attributable to operating segments.

(Note 3) Adjustments to depreciation and amortization of ¥221 million mainly represent depreciation of corporate assets not attributable to each operating segment.

(Note 4) Segment assets and liabilities have not been shown, as they are not used as the basis for deciding the allocation of management resources or assessing the results of operations.

(3) Information by region

(i) External revenue

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Japan	86,394	82,795
Australia	43,392	39,180
Asia	14,145	16,251
Total	143,932	138,227

Note: Classifications of revenue are based on countries where customers are located.

(ii) Non-current assets (excluding financial assets and deferred tax assets)

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Japan	11,245	9,607
Australia	8,019	8,315
Asia	3,579	4,443
Total	22,844	22,367

(4) Information about major customers

This information is omitted because no customer accounted for 10% or more of the Group’s consolidated revenue for a single classification of external revenue.

Per share information

The basis of calculation of basic earnings per share and diluted earnings per share attributable to ordinary shareholders is as follows:

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Basis of calculation of basic earnings per share		
Profit attributable to owners of parent	3,236	2,778
Profit not attributable to ordinary shareholders of parent	–	–
Profit used for calculation of the basic earnings per share	3,236	2,778
Weighted average number of ordinary shares (Thousands of shares)	22,600	22,710
Basic earnings per share (Yen)	143.20	122.37
Basis of calculation of diluted earnings per share		
Profit used for calculation of the basic earnings per share	3,236	2,778
Adjustments of profit	–	–
Profit used for calculation of the diluted earnings per share	3,236	2,778
Weighted average number of ordinary shares (Thousands of shares)	22,600	22,710
Increase in number of ordinary shares by share acquisition rights (Thousands of shares)	198	146
Weighted average number of ordinary shares after dilution (Thousands of shares)	22,798	22,856
Diluted earnings per share (Yen)	141.95	121.58
Summary of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	Share acquisition rights issued by resolution of the Board of Directors in February 2018: 4,550 units (Ordinary shares: 455,000 shares)	Share acquisition rights issued by resolution of the Board of Directors in February 2018: 4,080 units (Ordinary shares: 408,000 shares)

Note: The Company’s own shares that remain in the executive stock compensation trust recorded as treasury shares in shareholders’ equity are included in the treasury shares that are deducted from the average number of shares outstanding during the period when calculating earnings per share. The average number of treasury shares during period deducted in calculating the earnings per share for the previous fiscal year was 279,441, and for the current fiscal year was 234,847.

Significant subsequent event

Not applicable.