

# **Financial Results for the Fiscal Year Ended March 31, 2018**

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May 23, 2018

Ryosuke Ikeda

Chairman and Representative Director, CEO

WILL GROUP, INC. (Tokyo Stock Exchange, First Section / Stock code: 6089)



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# FY3/18 Highlights

1

## 8 Years of Double-digit Growth

2

## Higher Earnings Despite Investments for Growth

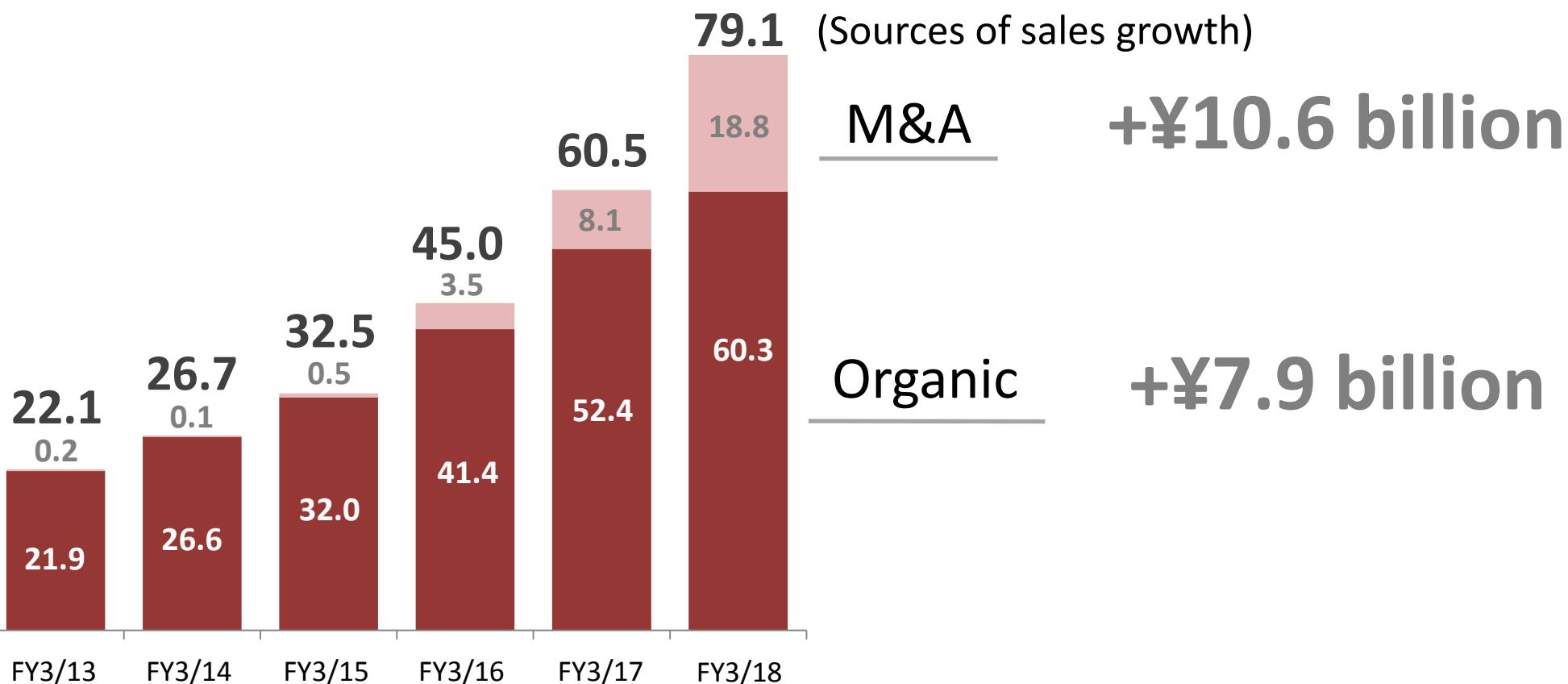
3

## Equity Ratio: 30%

## Net sales: Double-digit sales growth for the 8th consecutive year

(Net sales)

(Billions of yen)

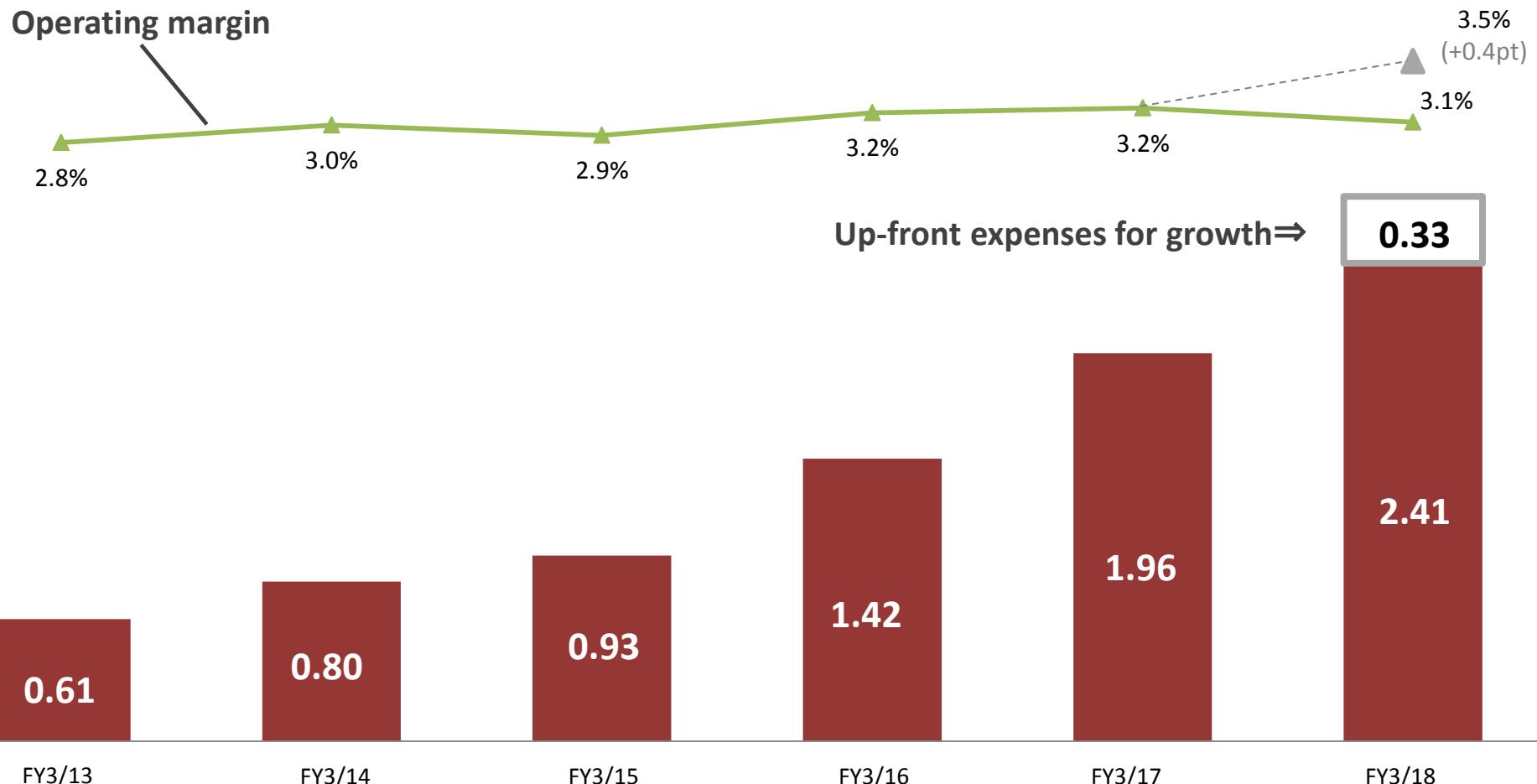


# Higher Earnings Despite Investments for Growth



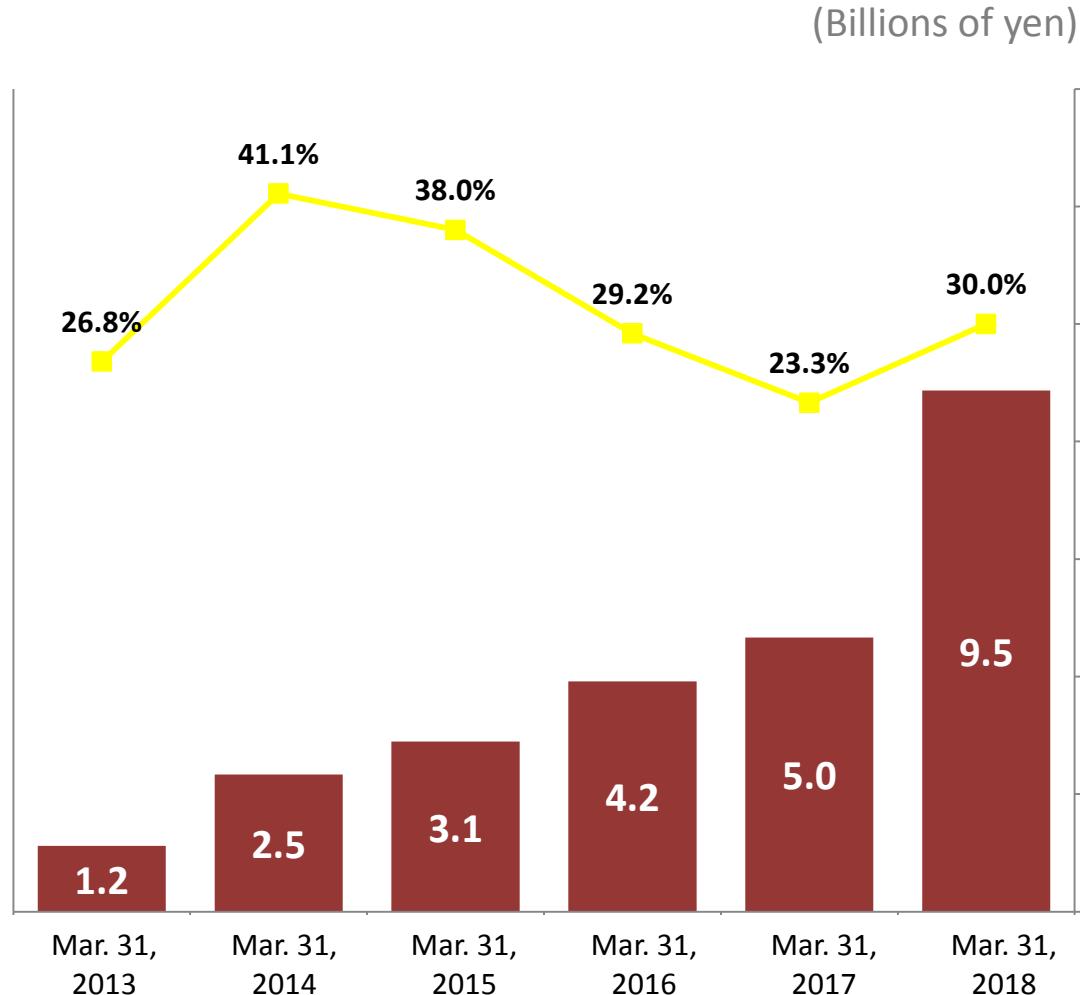
(Operating profit)

(Billions of yen)



# Equity Ratio: 30%

(Consolidated net assets and equity ratio)



**Equity ratio  
increased to 30%  
through fund  
procurement**

Backed by strong sales and earnings in Japan and overseas,  
FY3/18 results exceeded the forecast

(Millions of yen)	FY3/17 Results	FY3/18 Results	Change	% change	FY3/18 Forecast	Change	Achievement rate
Net sales	60,599	<b>79,197</b>	18,597	+30.7%	<b>75,000</b>	4,197	105.6%
Gross profit (Gross profit margin)	11,774 (19.4%)	<b>16,058 (20.3%)</b>	4,283 (+0.8pt)	+36.4%	-	-	-
Operating profit (Operating margin)	1,963 (3.2%)	<b>2,417 (3.1%)</b>	454 (-0.2pt)	+23.1%	<b>2,250</b>	167	107.5%
Ordinary profit	1,980	<b>2,437</b>	457	+23.1%	<b>2,250</b>	187	108.4%
Profit attributable to owners of parent	1,011	<b>1,210</b>	198	+19.6%	<b>1,100</b>	110	110.0%
EBITDA	2,375	<b>3,044</b>	668	+28.2%	<b>2,790</b>	254	109.1%
	Employees: 2,044 (+804 from End-FY3/17)				Field supporters: 482 (+144 from End-FY3/17)		

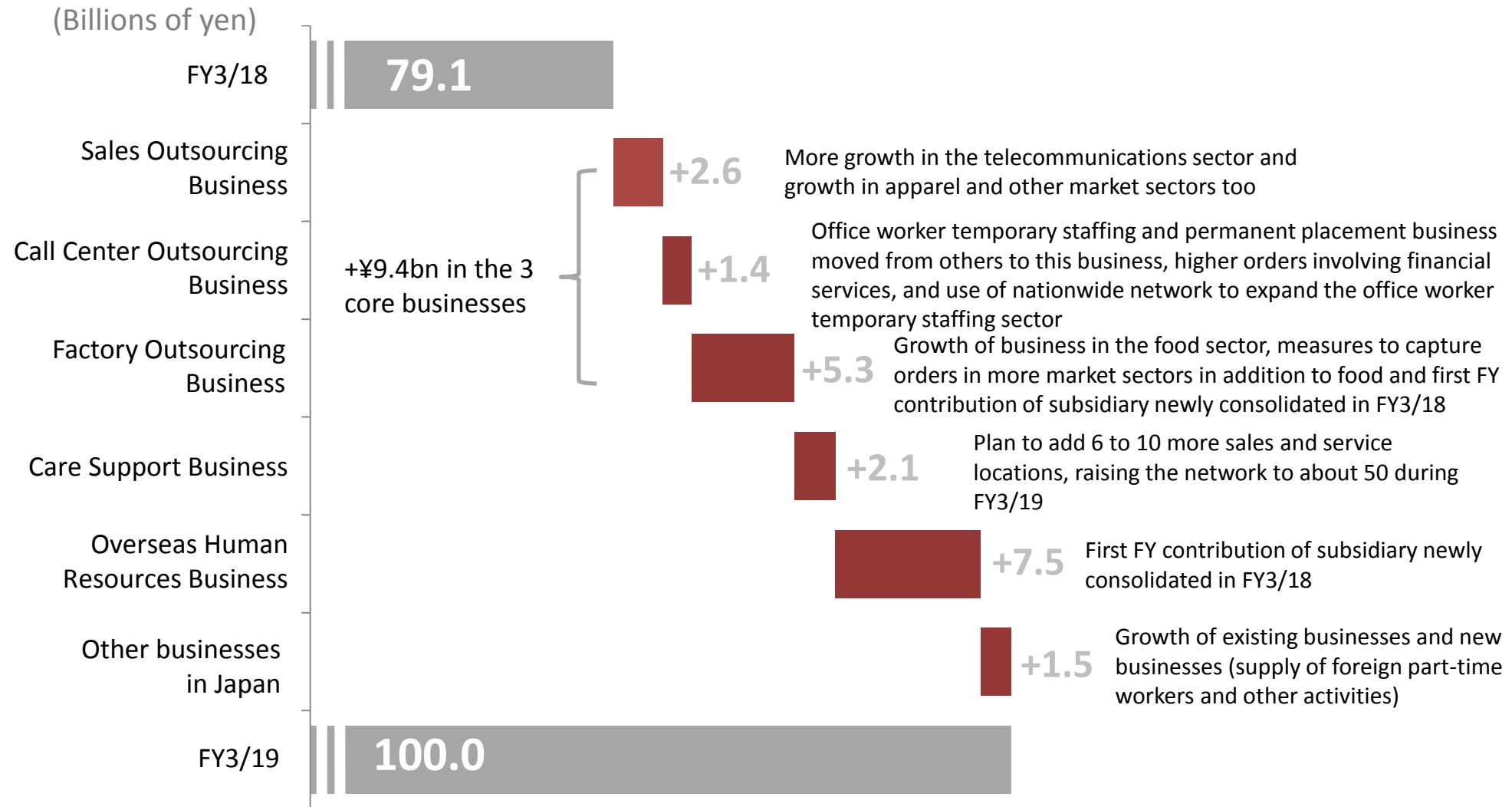
## II. Progress of Medium-term Management Plan “Will Vision 2020”

**Expect to reach the medium-term plan sales goal of ¥100 billion one year early  
(Forecast includes up-front expenses for growth in FY3/20)**

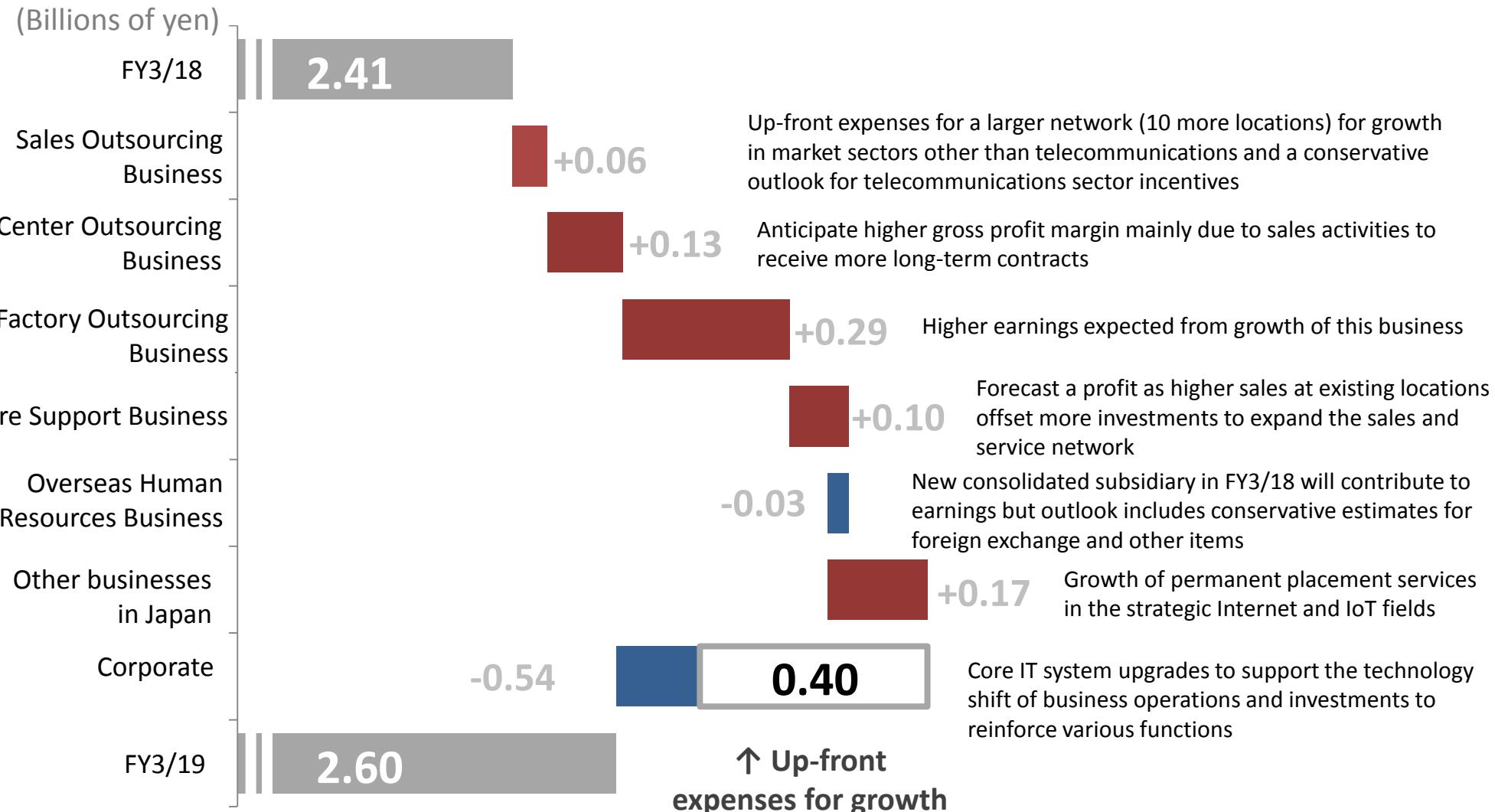
(Millions of yen)	FY3/18 Results	FY3/19 Forecast	Change	% change
Net sales	79,197	100,000	20,802	26.3%
Sales Outsourcing Business	21,654	24,270	2,615	12.1%
Call Center Outsourcing Business*	16,793	18,280	1,486	8.9%
Factory Outsourcing Business	16,994	22,350	5,355	31.5%
Care Support Business	7,140	9,300	2,159	30.3%
Overseas Human Resources Business	13,170	20,760	7,589	57.6%
Others	3,443	5,040	1,596	46.3%
Operating profit (Operating margin)	2,417 (3.1%)	2,600 (2.6%)	182 (-0.5pt)	7.5%
Ordinary profit	2,437	2,600	162	6.6%
Profit attributable to owners of parent	1,210	1,350	139	11.6%
EBITDA	3,044	3,440	395	13.0%

\*The office worker temporary staffing and permanent placement business, which was included in the Others segment, has been moved to the Call Center Outsourcing Business in FY3/19.

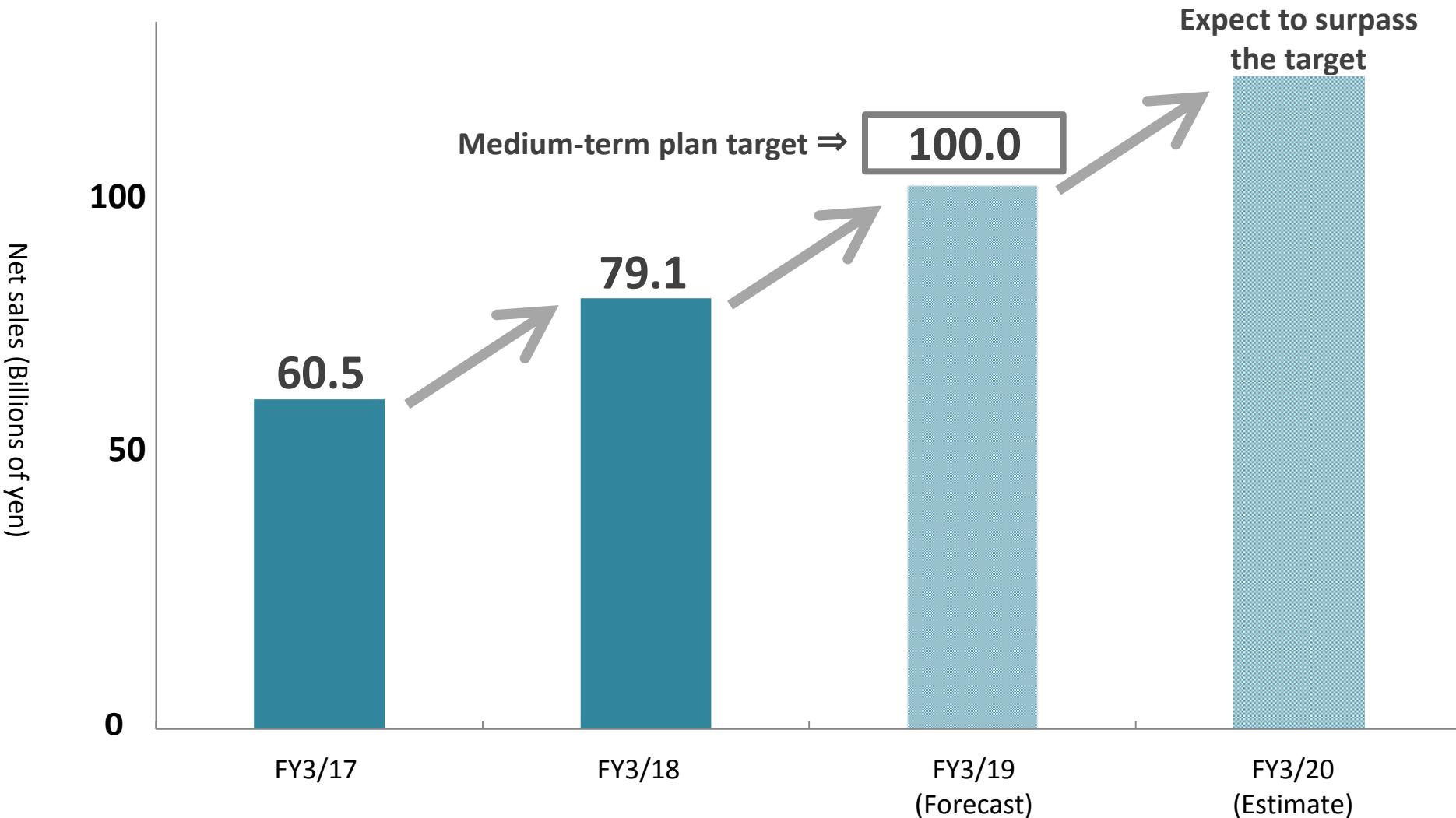
# FY3/19 Forecast - Components of Sales Growth



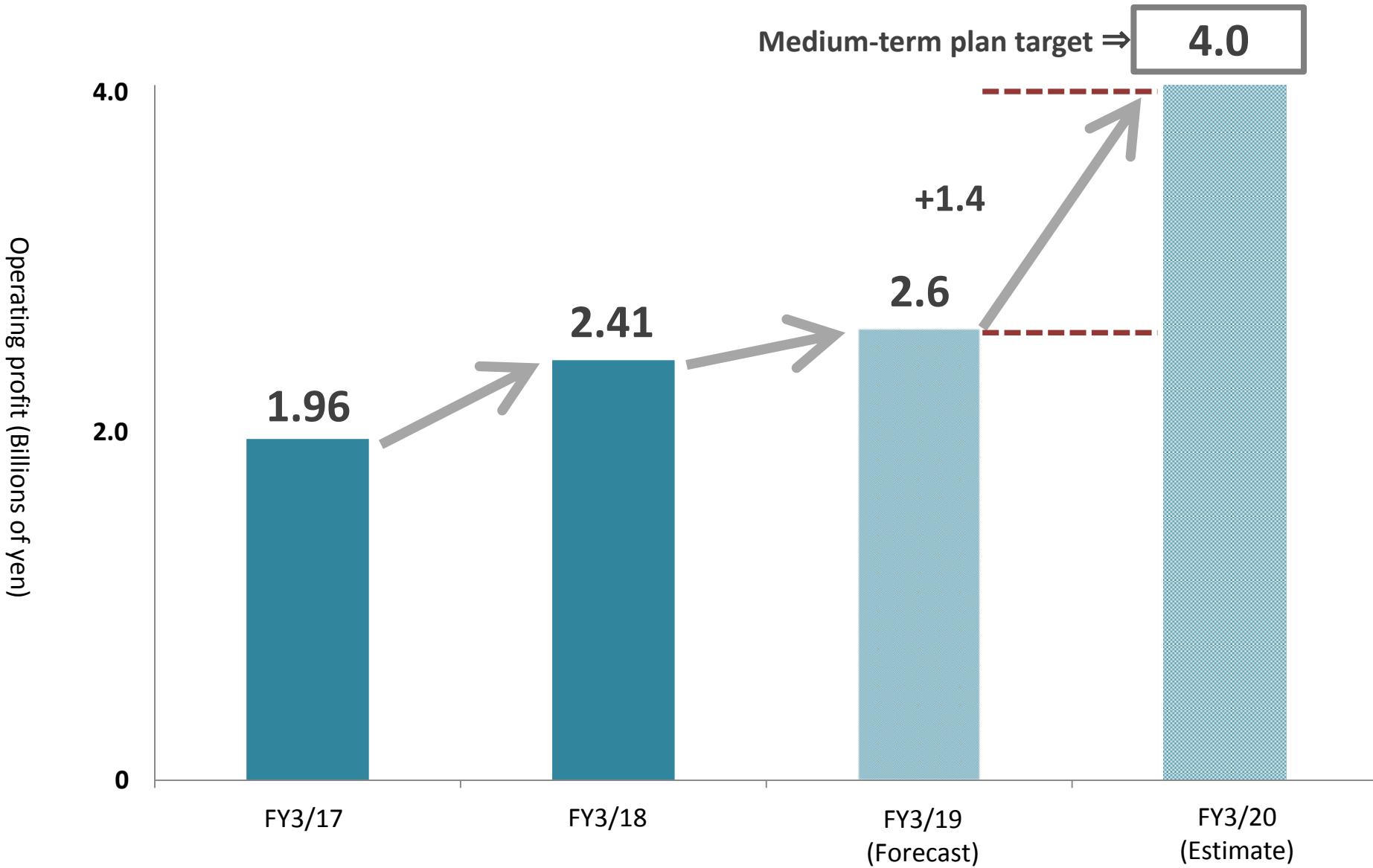
# FY3/19 Forecast - Components of Operating Profit Growth **WILL GROUP**



On pace to reach the sales target one year early



# Medium-term Plan Progress - Operating Profit





### Three core businesses



- Sales Outsourcing Business
- Call Center Outsourcing Business
- Factory Outsourcing Business



### Three strategic growth businesses



- Care Support Business
- Permanent placement services in the Internet and IoT fields
- Overseas Human Resources Business



### Others

- Other businesses in Japan
- Corporate expenses

FY3/19  
operating  
profit  
forecast

**+0.89**

**+0.48**

**+0.67**

**+0.17**

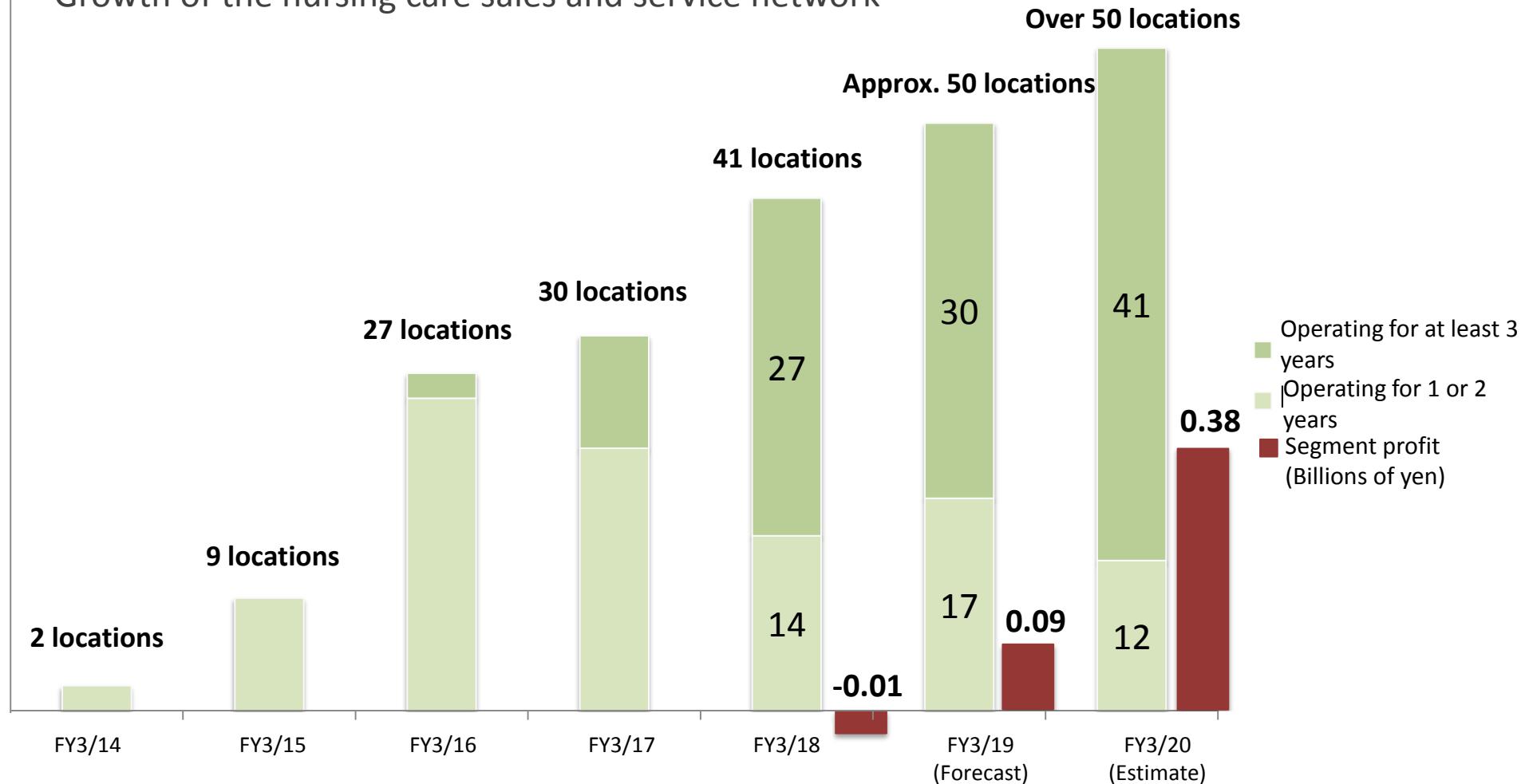
**-0.16**

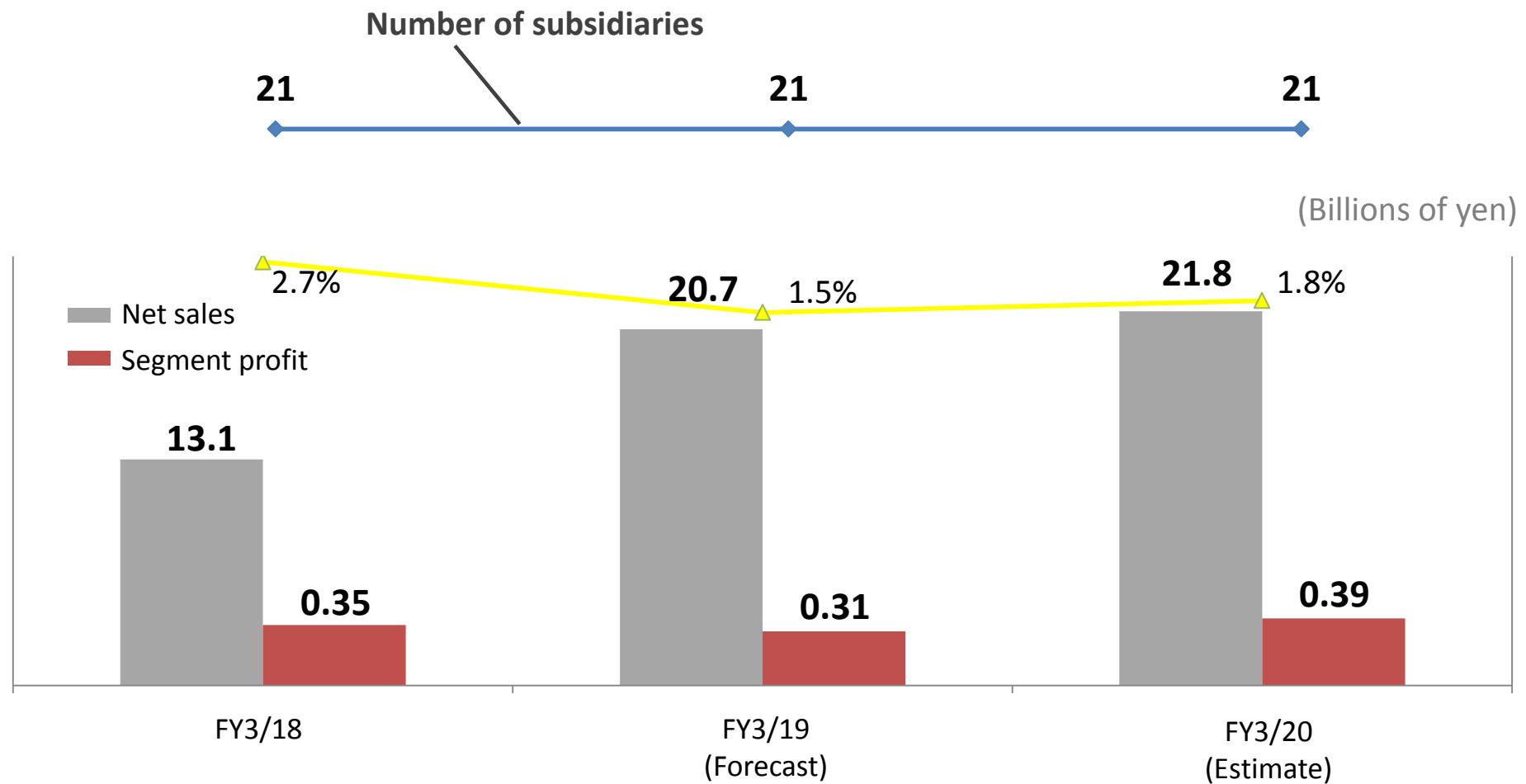
**-0.48**

**Total: +¥1.4 billion**

## Project earnings starting in the third year at new locations

Growth of the nursing care sales and service network





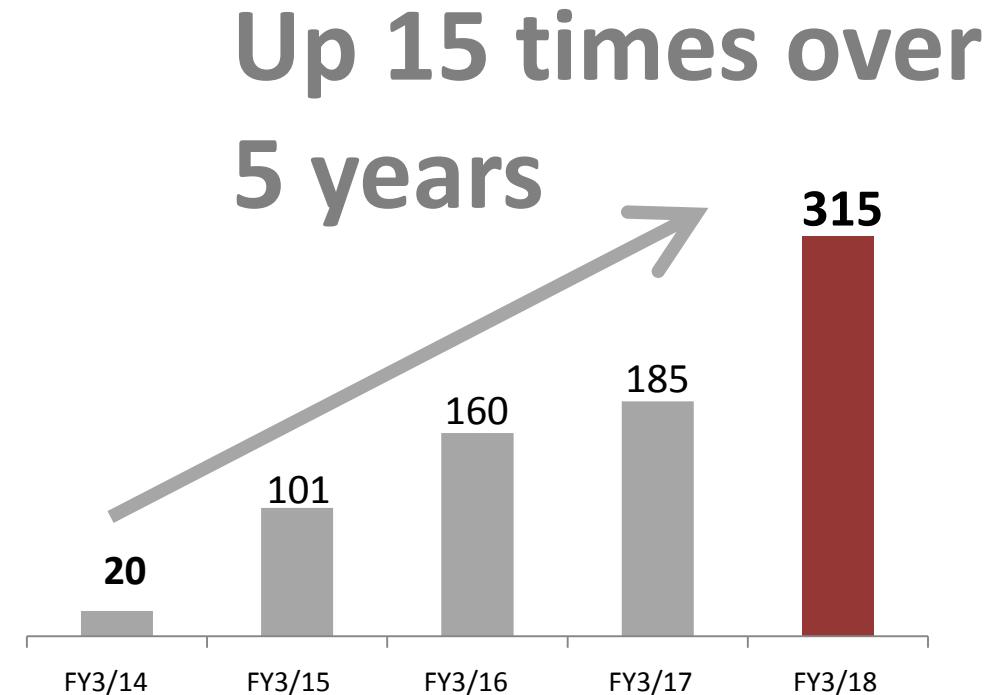
# Permanent Placement Services in the Internet and IoT Fields

Executive placement services specifically for Internet and IoT companies

Net Jinzai Bank was spun off from SAINT MEDIA in September 2016 and was renamed “for Startups” in March 2018

for  
**Startups, Inc.**

Growth in FY Placements



# Medium-term Plan Key Strategies

Temporary staffing and  
consignment services for sales  
personnel

Temporary staffing and  
consignment services for call center  
operators and office workers

Temporary staffing and  
consignment services for workers  
for light work mainly at factories

Strategy  
1

## Three core businesses

Temporary staffing of nursing  
care personnel

Permanent placement in the  
Internet and IoT fields

Human resources services in the  
ASEAN regions and Oceania  
\*A new segment started in FY3/18

Strategy  
2

## Three strategic growth businesses

Temporary staffing of assistant  
language teachers

Permanent placement of athletes and  
other sports-related personnel

Temporary staffing of IT engineers

Temporary staffing and permanent  
placement of nursery school personnel

Investment funds  
(Incubation / HRTech)

Share houses

Services using videos

Permanent placement of physicians  
and nurses

 Supply of foreign part-time  
workers

Strategy  
3

## Future growth businesses



# **WILL GROUP**

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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Corporate Planning Dept.

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# Appendix 1

## Medium-term Management Plan

### “Will Vision 2020”

## Progress Report for Key Strategic Goals

## Key Strategic Goals

1. Develop the current three core businesses into the leaders of their respective markets
2. Establish three more core businesses
3. Create other new businesses into operations with a significant size

## Key Strategic Goals

1. Develop the current three core businesses into the leaders of their respective markets
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3. Create other new businesses into operations with a significant size

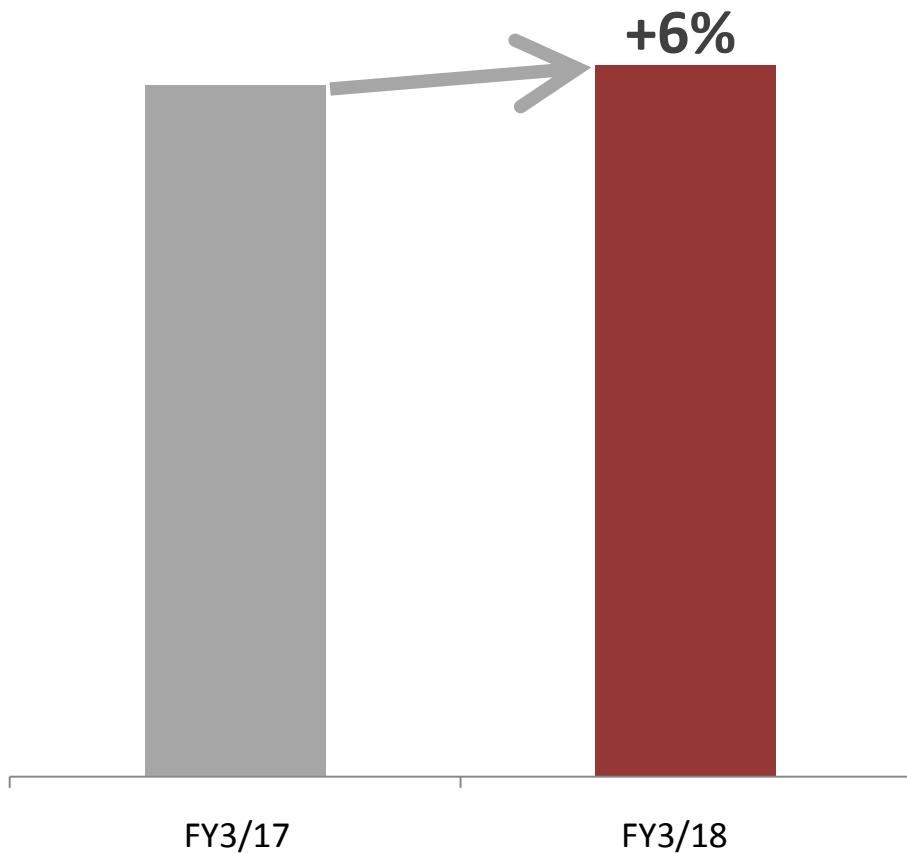
Develop the current three core businesses into the leaders of their respective markets

- (1) **Raise** the in-store **share** of Will Group companies at clients
- (2) **Expand** the **geographic coverage** of operations
- (3) **Diversify operations** by entering more peripheral business sectors

## Existing client sales growth in the three core businesses

	FY3/18 growth rate
Sales Outsourcing Business (excluding CreativeBank Inc.)	+4%
Call Center Outsourcing Business	+5%
Factory Outsourcing Business (excluding Little Seeds Service Corporation)	+14%

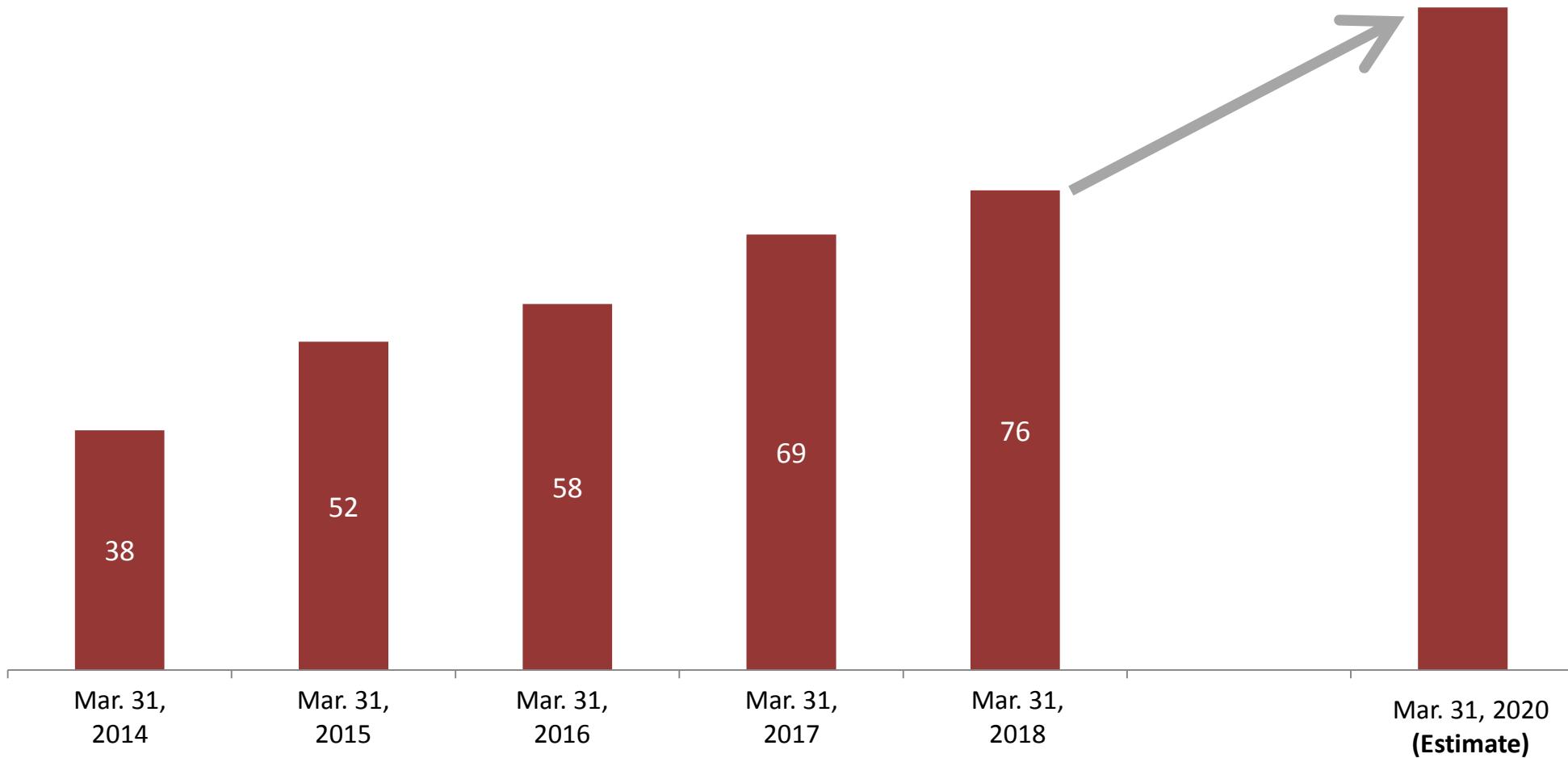
## Number of people on assignments (End of FY)



# Key Strategic Goal (Expand the Geographic Coverage of Operations)

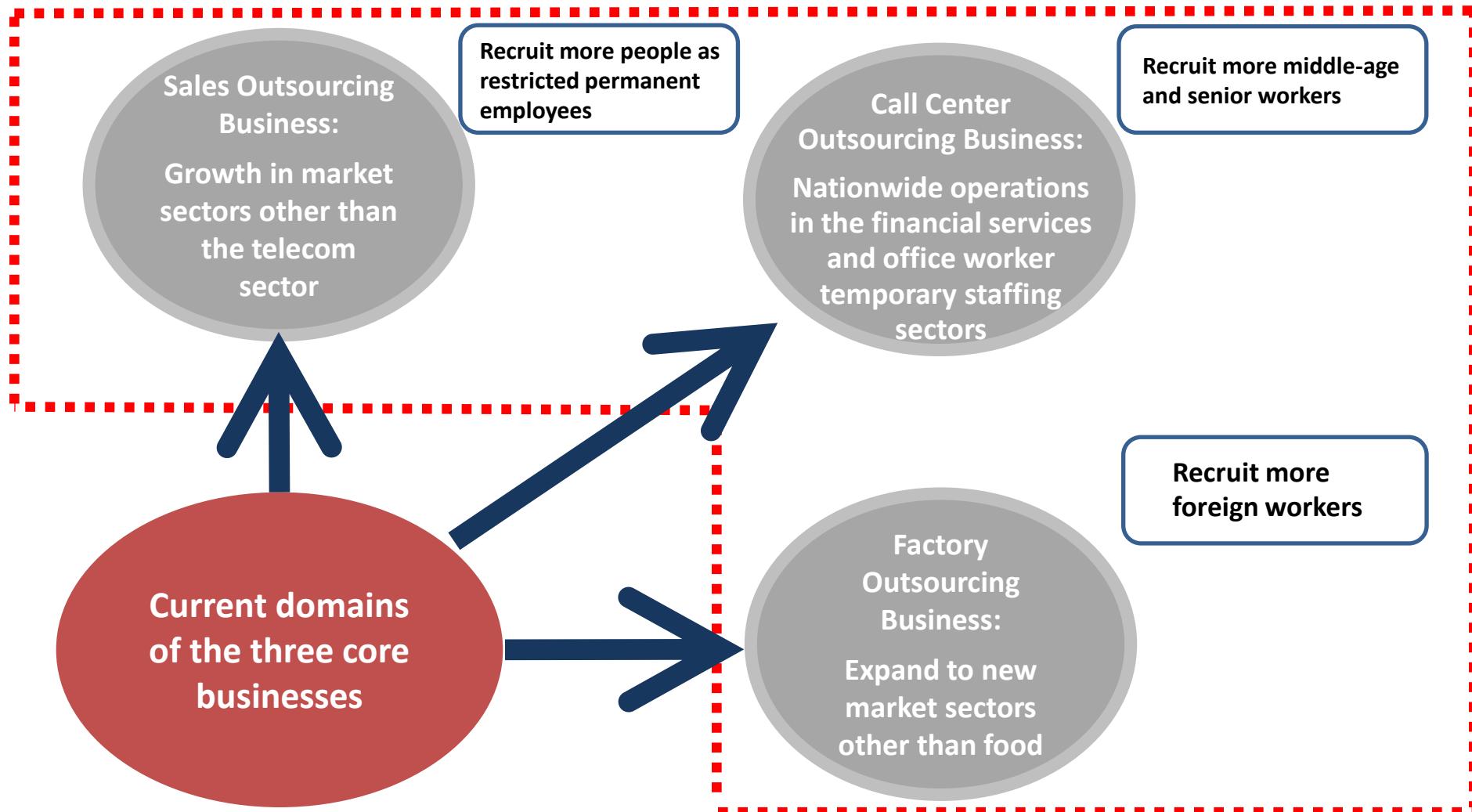


**Number of sale and service locations  
in the three core businesses**



# Key Strategic Goal 1

(Diversify Operations by Entering More Peripheral Business Sectors)



Make the Group's brand more powerful (for recruiting more people)

## Key Strategic Goals

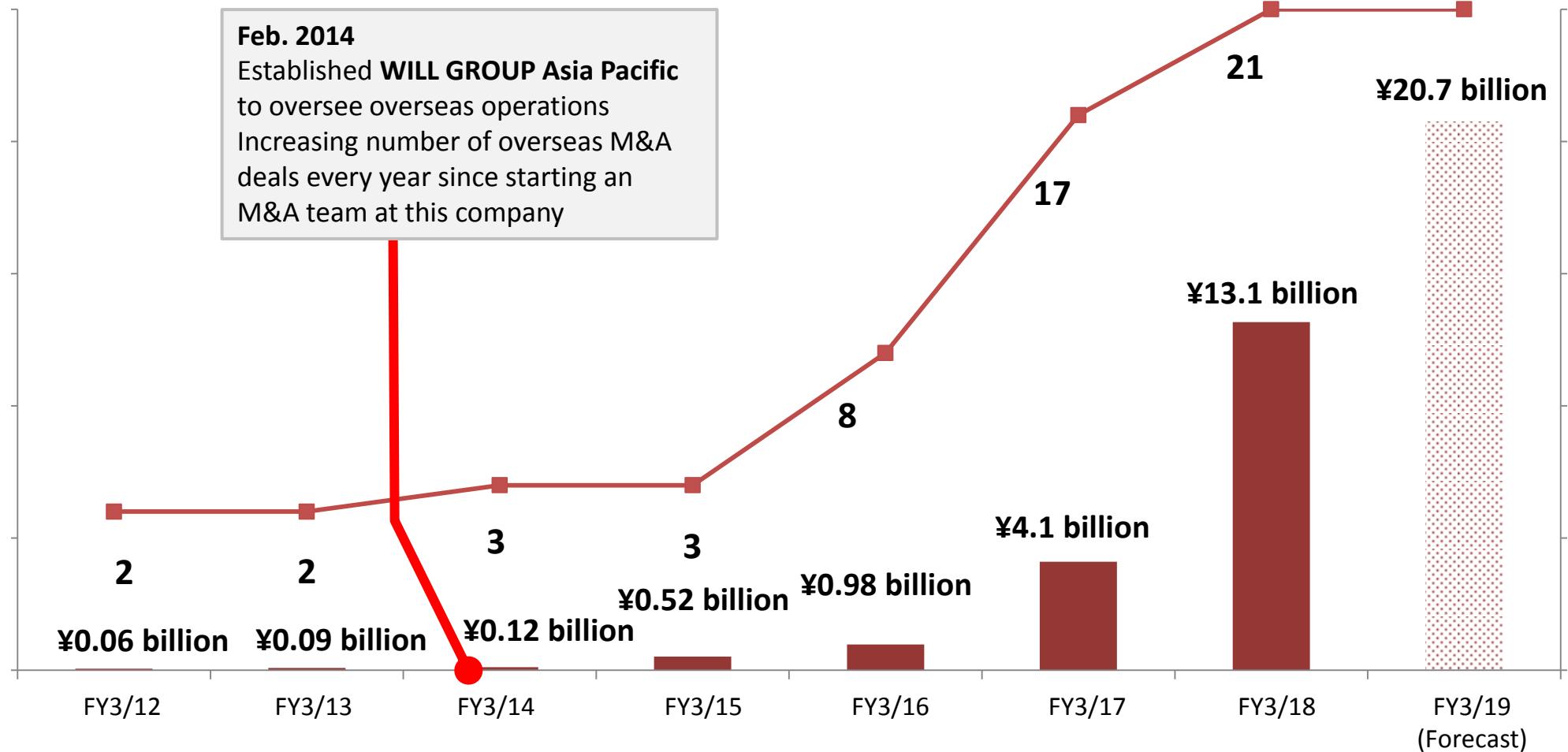
1. Develop the current three core businesses into the leaders of their respective markets
2. Establish three more core businesses
3. Create other new businesses into operations with a significant size

Establish three more core businesses

- Medical and nursing care human resources services
  - Expand the sales and service network and enhance services to aim for growth (a training facility will open in November 2018)
- Permanent placement services in the Internet and IoT fields
  - Increase the number of placements
- Human resources services outside Japan
  - Use M&A to grow rapidly in other countries



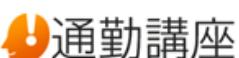
## Overseas sales and the number of companies



## Key Strategic Goals

1. Develop the current three core businesses into the leaders of their respective markets
2. Establish three more core businesses
3. Create other new businesses into operations with a significant size

# Records of Corporate Venture Capital (CVC) Investment (As of March 31, 2018)

Invested in	Company name	Invested in	Company name
	Business		Business
	SECUAL Inc.		MiRtel Co., Ltd.
	IoT-based home intelligent security business		Business of the very early detection of cancer and Alzheimer's disease
	AnotherShotGolf Inc.		appArray, Inc.
	O2O golf lesson business		AI-based English conversation app business
	Health Care Markets Japan Inc.		BRAIN MAGIC Ltd.
	Home helper time sharing business		Innovative device for creators
	KIYO Learning Co., Ltd.		Setsuro Tech Co., Ltd.
	Smartphone-based learning business		Highly efficient genome editing business
	VISITS Technologies Inc.		RESVO Inc.
	Career SNS platform business		R&D of medicines and test agents related to FLC for schizophrenia
	DVERSE Inc.		MyDearest Inc.
	VR contents producing tool		Production and distribution of VR novels

# Records of Corporate Venture Capital (CVC) Investment (As of March 31, 2018)

Invested in	Company name
	Business
 O:INC.	O:INC
	App for improving sleep
	mama square Co., Ltd.
	Operation of "mama square"

Invested in	Company name
	Business
	Hmcomm Co. Ltd.
	Speech-recognition AI business



# Appendix 2

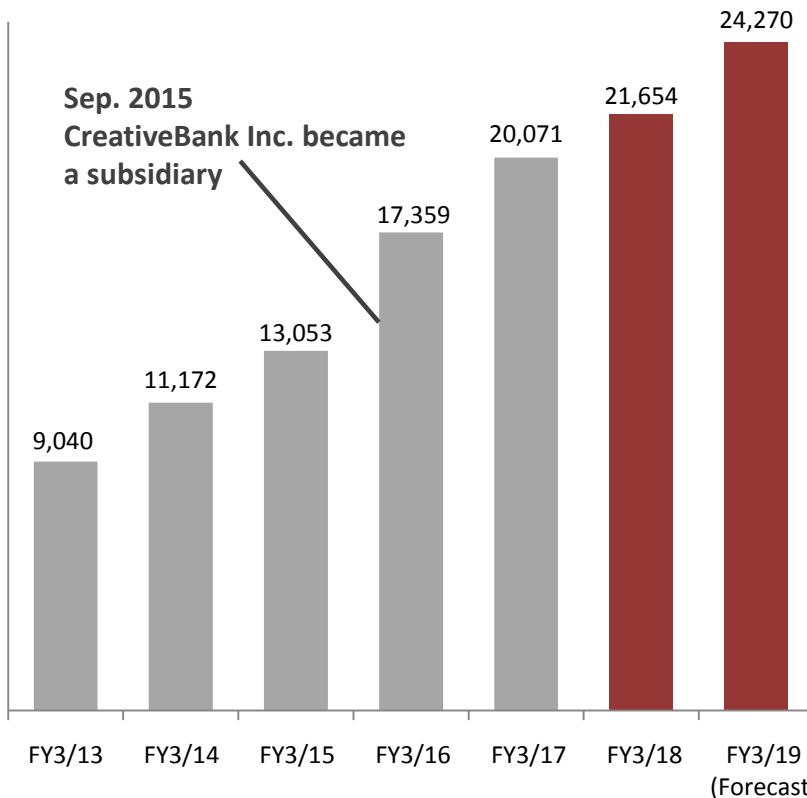
## FY3/19 Forecast by Segment and Dividend Forecast

# Sales Outsourcing Business

**Consistent double-digit growth**  
**Aiming for growth outside telecom sector in FY3/19**

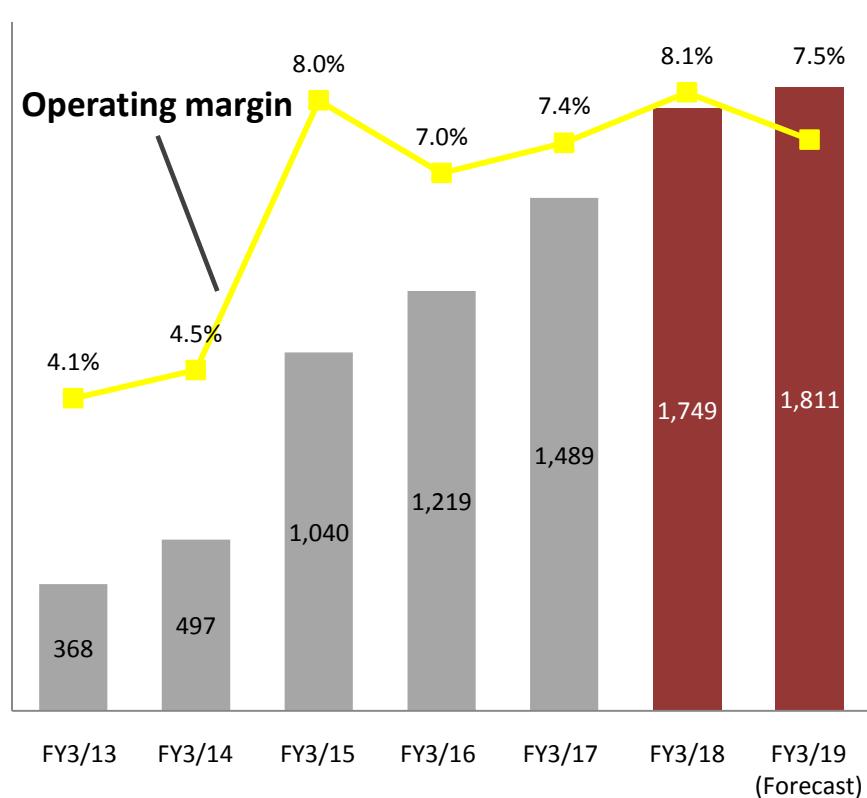
## Net sales

(Millions of yen)



## Segment profit

(Millions of yen)

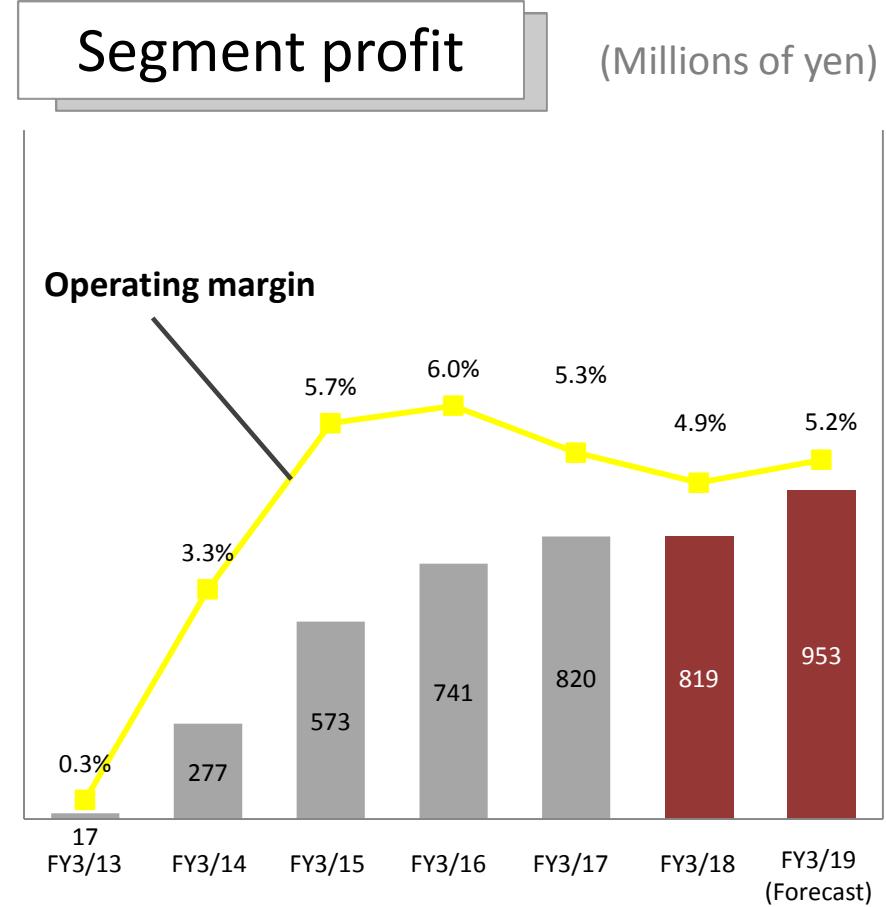
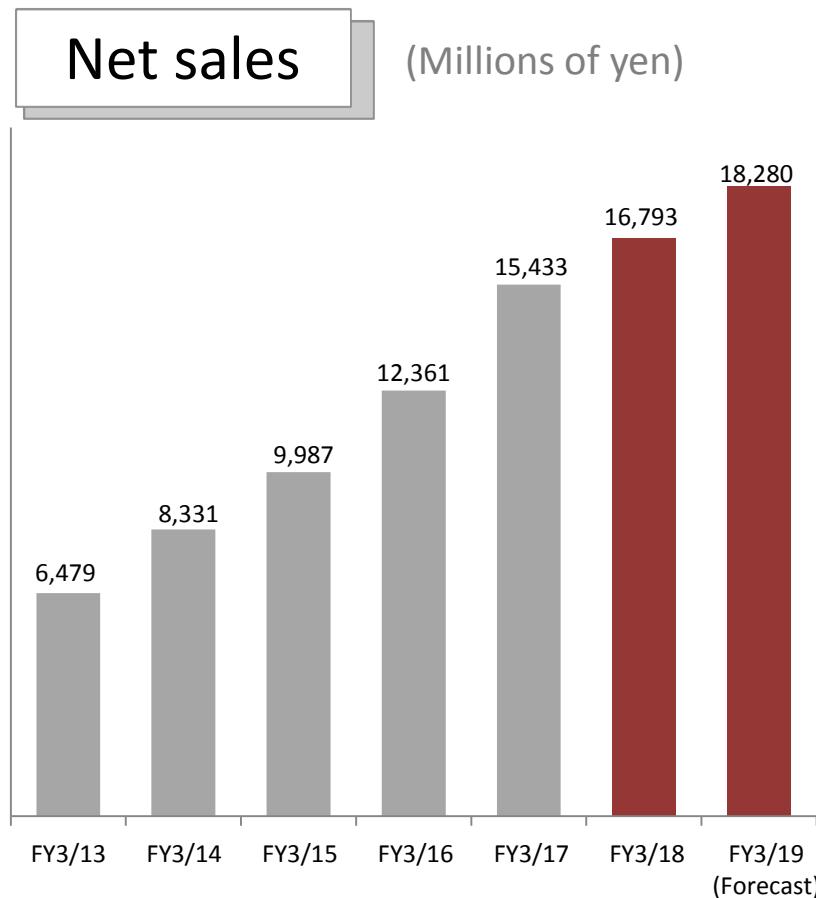


# Call Center Outsourcing Business

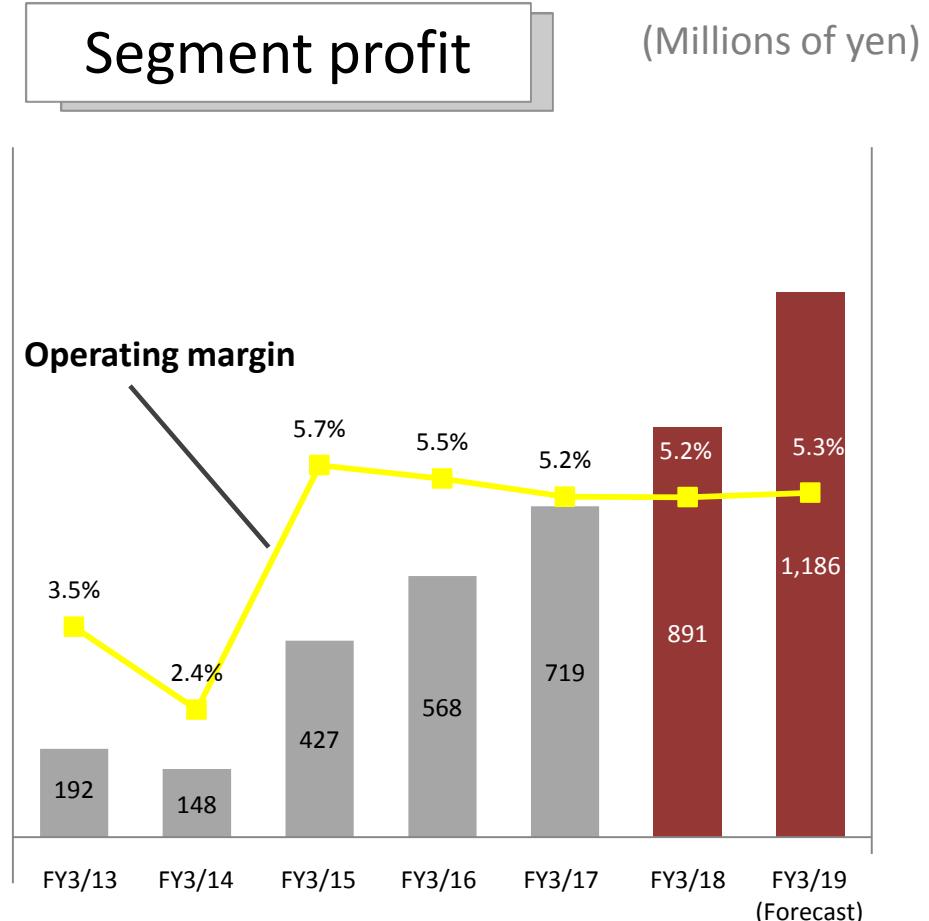
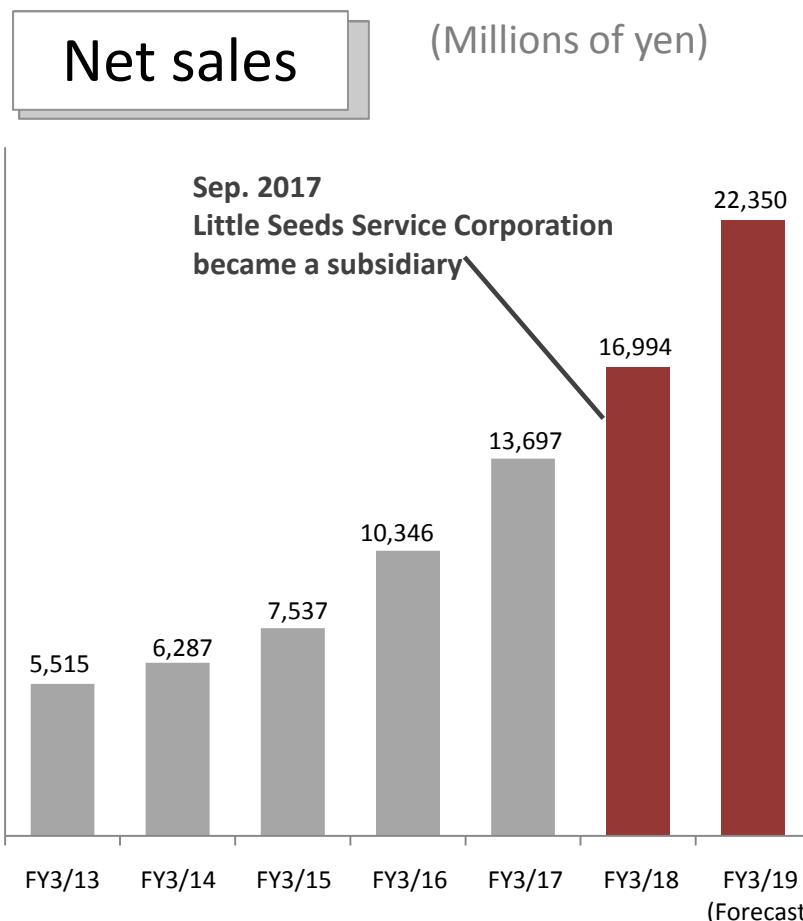
**Higher gross profit in FY3/19**

**More financial/office worker temporary staffing services**

\* The office worker temporary staffing and permanent placement business, which was included in the Others segment, has been moved to the Call Center Outsourcing Business in FY3/19. The sales and profit figures below are internal data that combine these two businesses.



**Expect more growth of this market  
FY3/19 goal is more market sectors in addition to food**



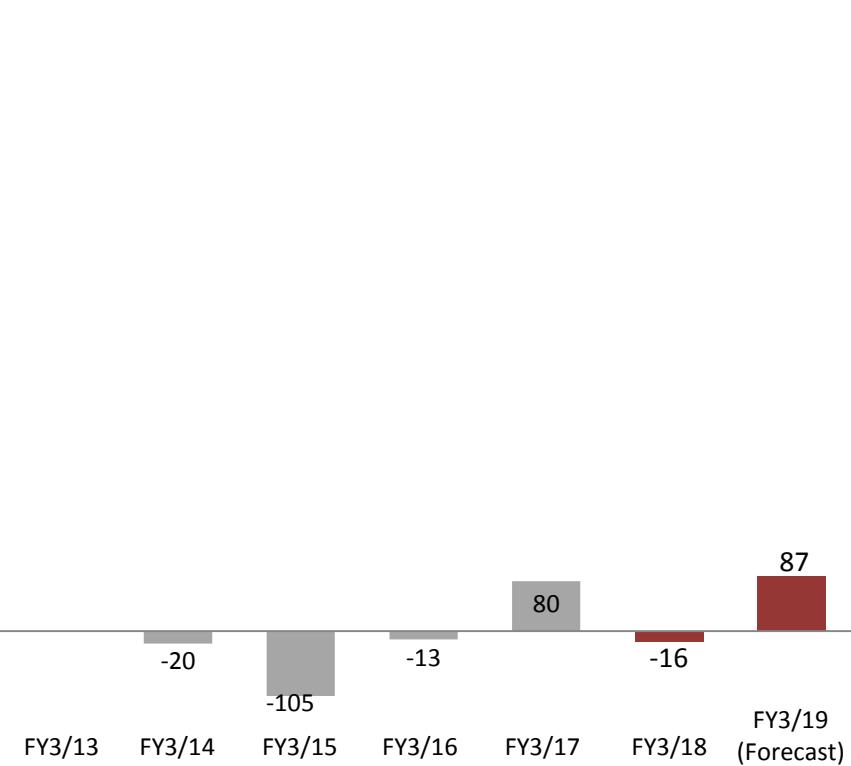
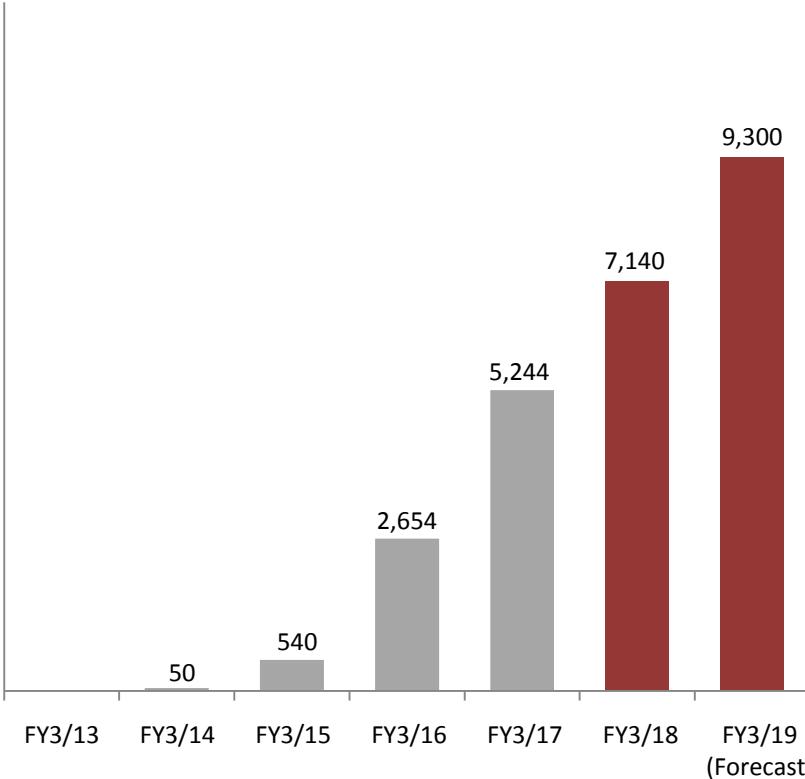
## More network growth in FY3/19 First contribution to consolidated earnings

### Net sales

(Millions of yen)

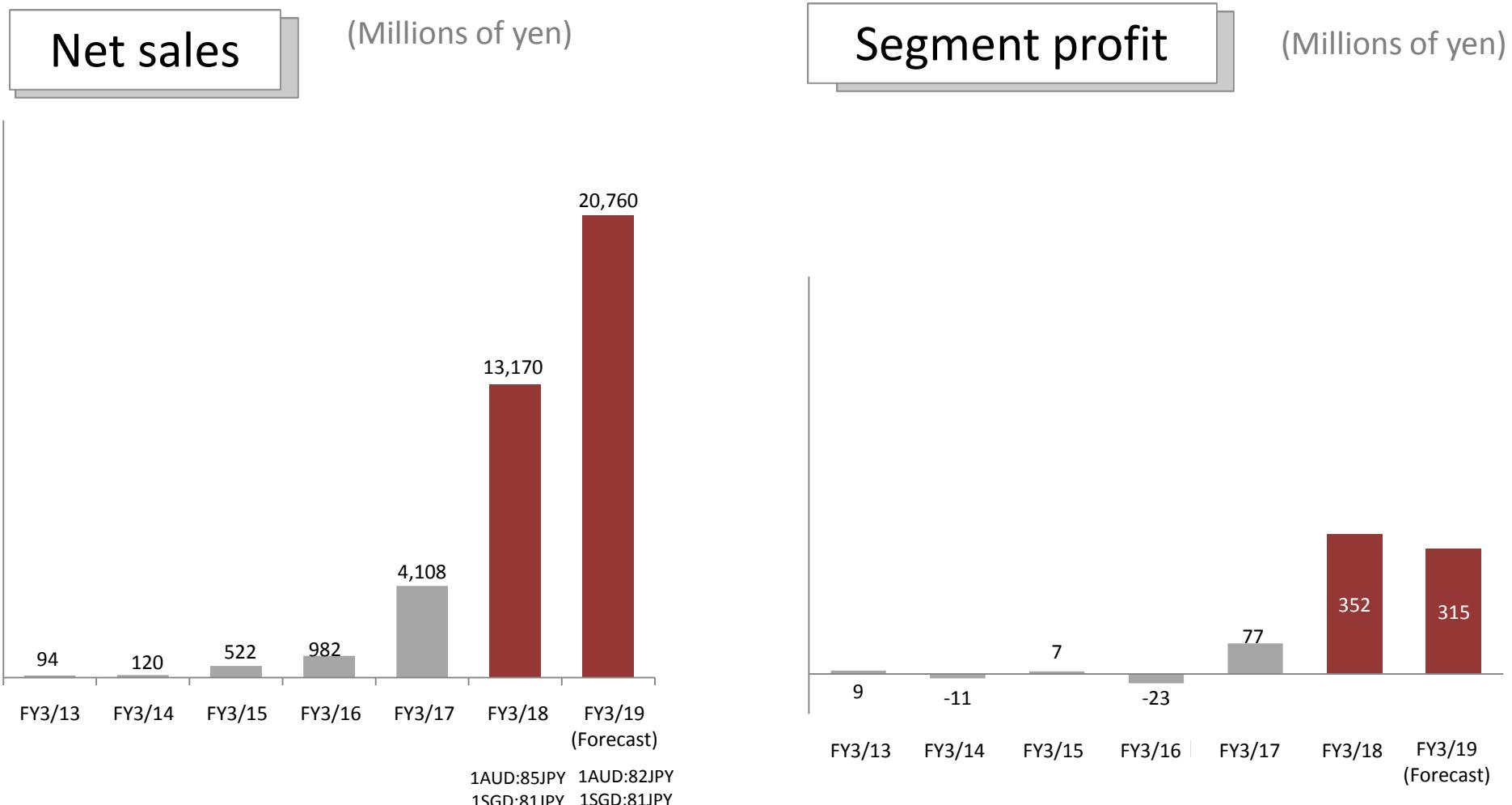
### Segment profit

(Millions of yen)



## First FY contribution of new FY3/18 subsidiary, more M&A for growth

\*Sales and profit figures before FY3/18 are internal data.



# Others Businesses in Japan

## Take actions to create 7<sup>th</sup> and 8<sup>th</sup> core businesses

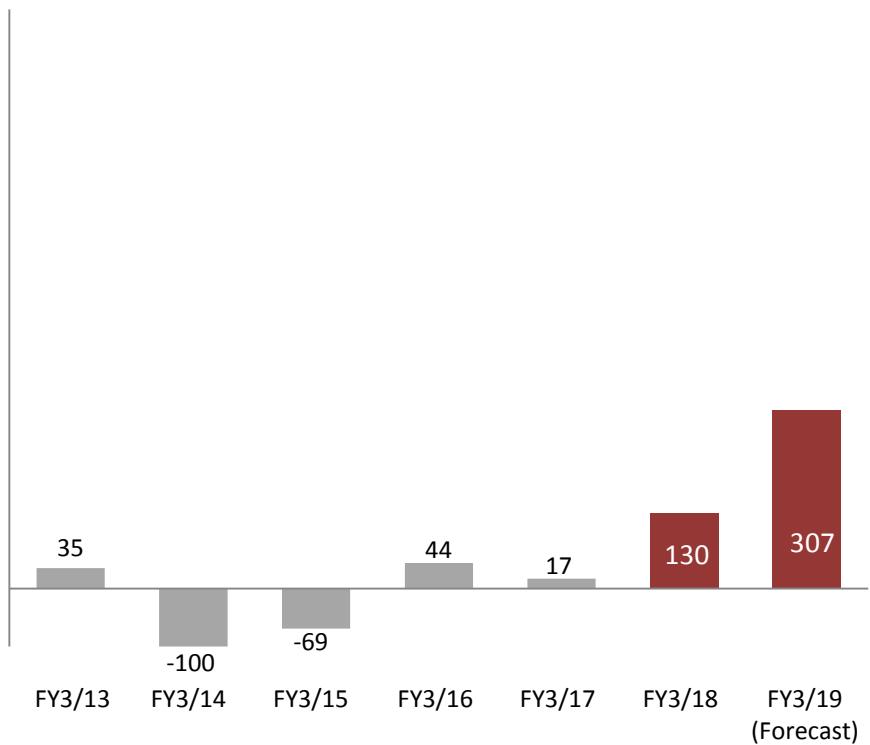
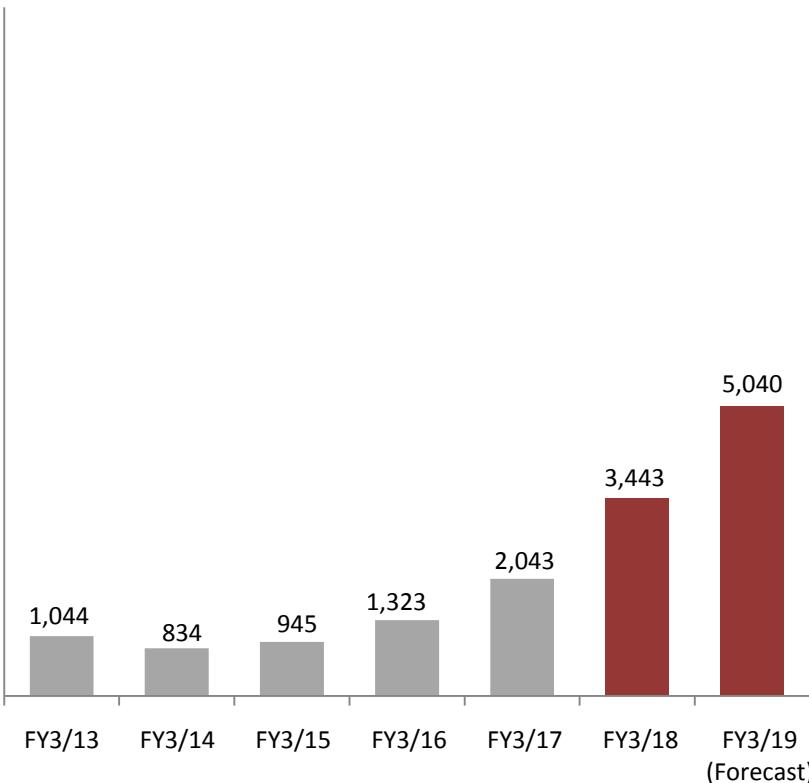
\* The office worker temporary staffing and permanent placement business, which was included in the Others segment, has been moved to the Call Center Outsourcing Business in FY3/19. The sales and profit figures below are internal data that combine these two businesses.

### Net sales

(Millions of yen)

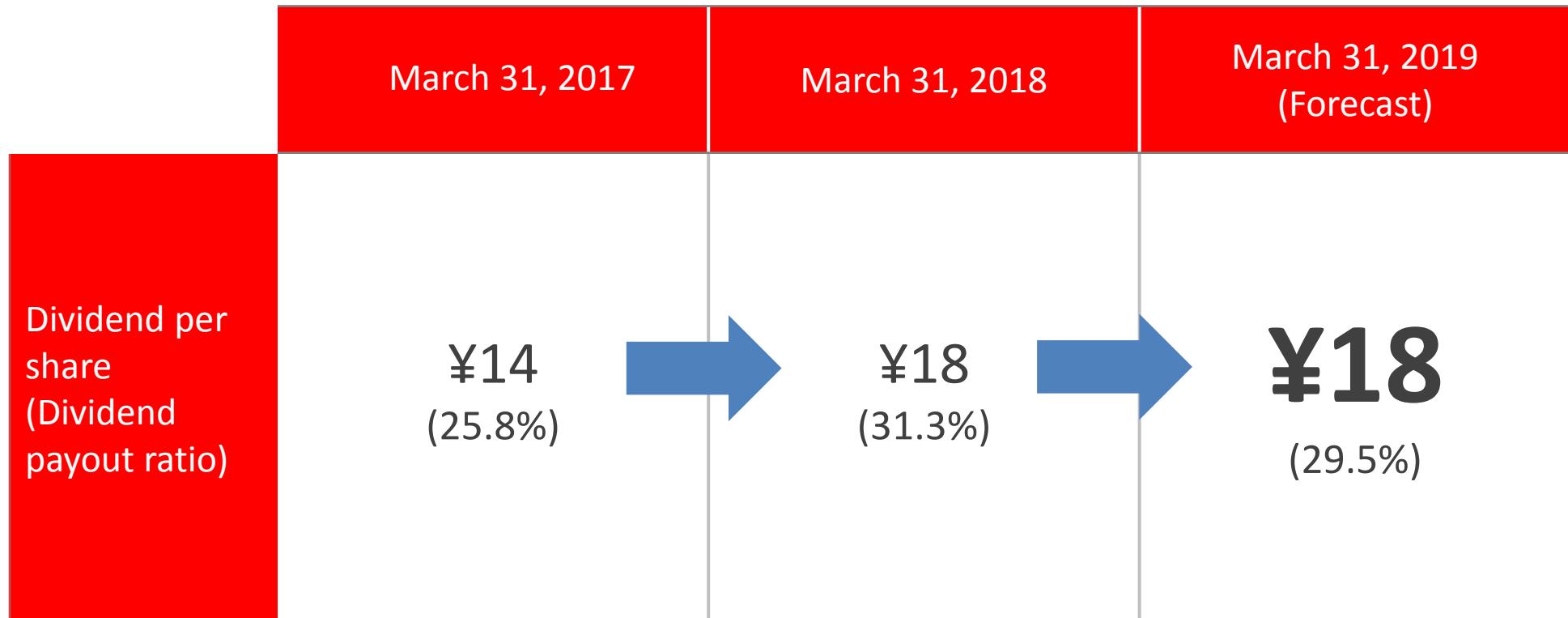
### Segment profit

(Millions of yen)



**No change in the dividend is planned in FY3/19**

**Dividend revisions will be considered as needed as earnings increase**



# Appendix 3

# Company Overview

# Appendix: Company Overview

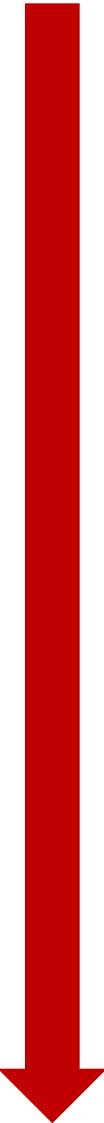
Company name	WILL GROUP, INC.
Representative	Ryosuke Ikeda, Chairman and Representative Director, CEO Shigeru Ohara, President and Representative Director, COO
Location	27th floor, Harmony Tower, 1-32-2, Honcho, Nakano-ku, Tokyo
Established	April 2006 *Established as a holding company
Funded	January 1997 *Establishment of SAINT MEDIA, INC.
Stock code	6089 (Tokyo Stock Exchange, First Section)
Business	Human resources services for providing store sales personnel, operators and workers at factories
Capital	¥1,993 million *As of March 31, 2018
Number of subsidiaries	35 (14 domestic, 21 overseas) *As of March 31, 2018
Major affiliates	SAINT MEDIA, INC. , FAJ, Inc.
Number of employees	2,044 *As of March 31, 2018, consolidated

# Appendix: Company Overview (Business Segments)



Sales Outsourcing Business	Japan	SAINT MEDIA CreativeBank
Call Center Outsourcing Business	Japan	SAINT MEDIA
Factory Outsourcing Business	Japan	FNJ ひと粒から広がる人材ワールド 株式会社 リトルサービス
Care Support Business	Japan	SAINT MEDIA
Overseas Human Resources Business	Overseas	 ScienTec CONSULTING PEOPLE FIRST, ALWAYS Good Job Creations DREAM JOB MYANMAR ORIENTAL AVIATION SUPPLIES PTE LTD AsiaRecruit eBC dfp Recruitment THINKING PEOPLE * Two other companies    * Five other companies    * Two other companies    * Two other companies
Others	Japan	BORDERLINK for Startups, Inc. MARS SPORTS AGENT Somethingfun! HiBlead WILL GROUP * Two other companies

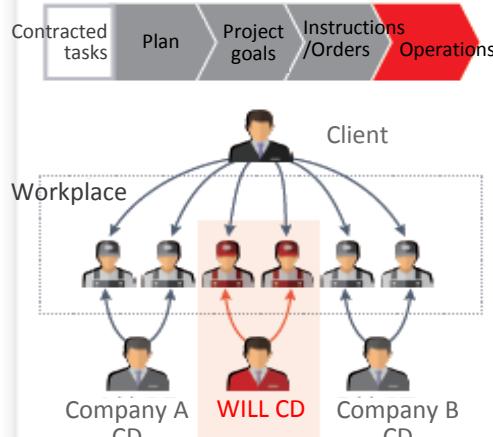
# Appendix: Company Overview (History)



January 1997	Established SAINT MEDIA, INC. in Kita-ku, Osaka.
January 2002	Moved the headquarters to Tokyo.
April 2006	Established Will Holdings, Inc. (current Will Group, Inc.) and transferred to a holding company structure.
December 2013	Listed in the second section of the Tokyo Stock Exchange.
February 2014	Established WILL GROUP Asia Pacific Pte. Ltd. to oversee overseas businesses.
December 2014	Designated to the first section of the Tokyo Stock Exchange.
June 2016	Changed to a structure having two representative directors.

# Appendix: Company Overview (Hybrid Staffing)

## Ordinary staffing service



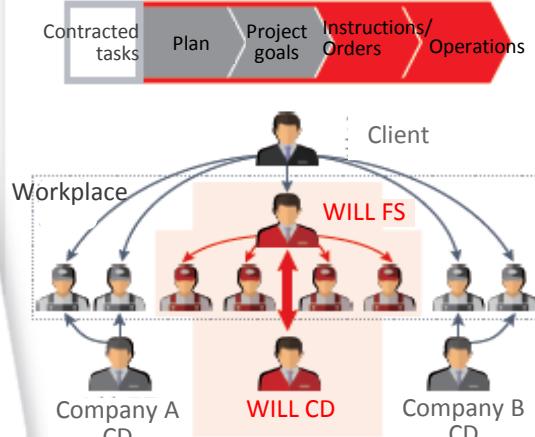
We receive orders for specific tasks and the coordinator (CD) determines the workplace requirements.



## STEP1 First client contact

Profitability

## Hybrid staffing service



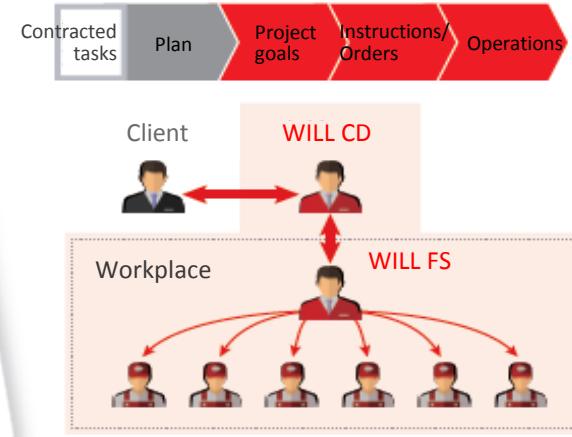
Our field supporter (FS) oversees temporary workers and provides extensive on-the-job training. This increases satisfaction for the client and the temporary staffing team members.



## STEP2 Earn client's trust

High

## Consignment service



Builds stronger bonds of trust with the client and results in the receipt of more orders.

## Permanent placement services + Fee income

Permanent placements are possible for outstanding temporary workers that the client wants to employ directly. This channel gives temporary workers a means of advancing their careers and ensures that clients hire individuals who are a good match with the demands of each job.

Provides career paths and human resources market

Temporary staffing    Permanent employment

## STEP3 Substantial earnings