Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022

August 25, 2021

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

Contents

Regarding the accounting method for reportable business segments, we had previously adopted a method of reflecting certain adjustments under Japanese GAAP. After re-examining segment information to be reviewed regularly, the Group decided to align the accounting method with the accounting policies of the Group from the beginning of the first quarter of the fiscal year ending March 31, 2022. Accordingly, reportable segment information for the previous corresponding quarter has been restated.

Ⅰ. 1Q FY3/22 Highlights

1Q FY3/22 Highlights

1. Revised first-half and full-year forecasts upward due to strong performances in domestic and overseas permanent placements.

2. “WORK SHIFT Strategy,” the key approach of the Medium-Term Management Plan, progressed as planned.

3. The ratio of equity attributable to owners of parent to total assets is improving steadily towards the Medium-term Management Plan target of 20%.

1Q FY3/22 Highlights

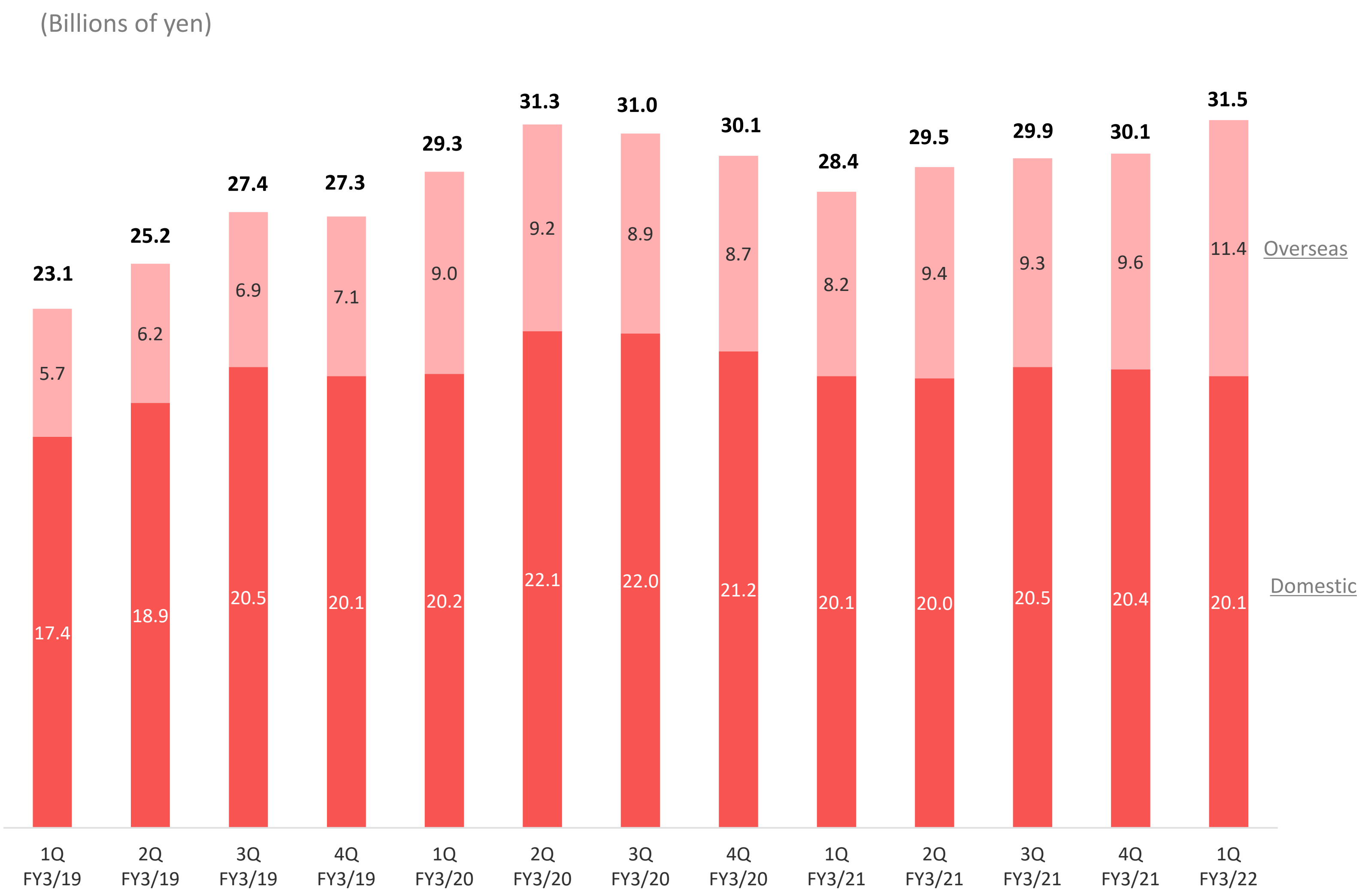
In the first quarter, revenue in the HR support for startups and permanent placement in the Overseas WORK Business were strong. The basic strategy of the medium-term management plan, “WORK SHIFT Strategy,” progressed as planned.

(Billions of yen)	1Q FY3/21	**1Q FY3/22**	Vs. 1Q FY3/21	
			Change	% change
Revenue	28.63	**31.53**	+2.90	+10.1%
Gross profit (Gross margin)	5.86 (20.5%)	**6.90** **(21.9%)**	+1.03 (+1.4pt)	+17.7%
Operating profit (Operating margin)	0.98 (3.5%)	**1.13** **(3.6%)**	+0.14 (+0.1pt)	+14.9%
Profit before tax	0.97	**1.14**	+0.16	+17.3%
Profit attributable to owners of parent	0.63	**0.70**	+0.07	+11.1%
EBITDA (Operating profit + Depreciation and amortization)	1.51	**1.61**	+0.10	+6.9%

Number of employees: 5,156
(+311 from the end of FY3/21)

WILL GROUP

Consolidated Revenue



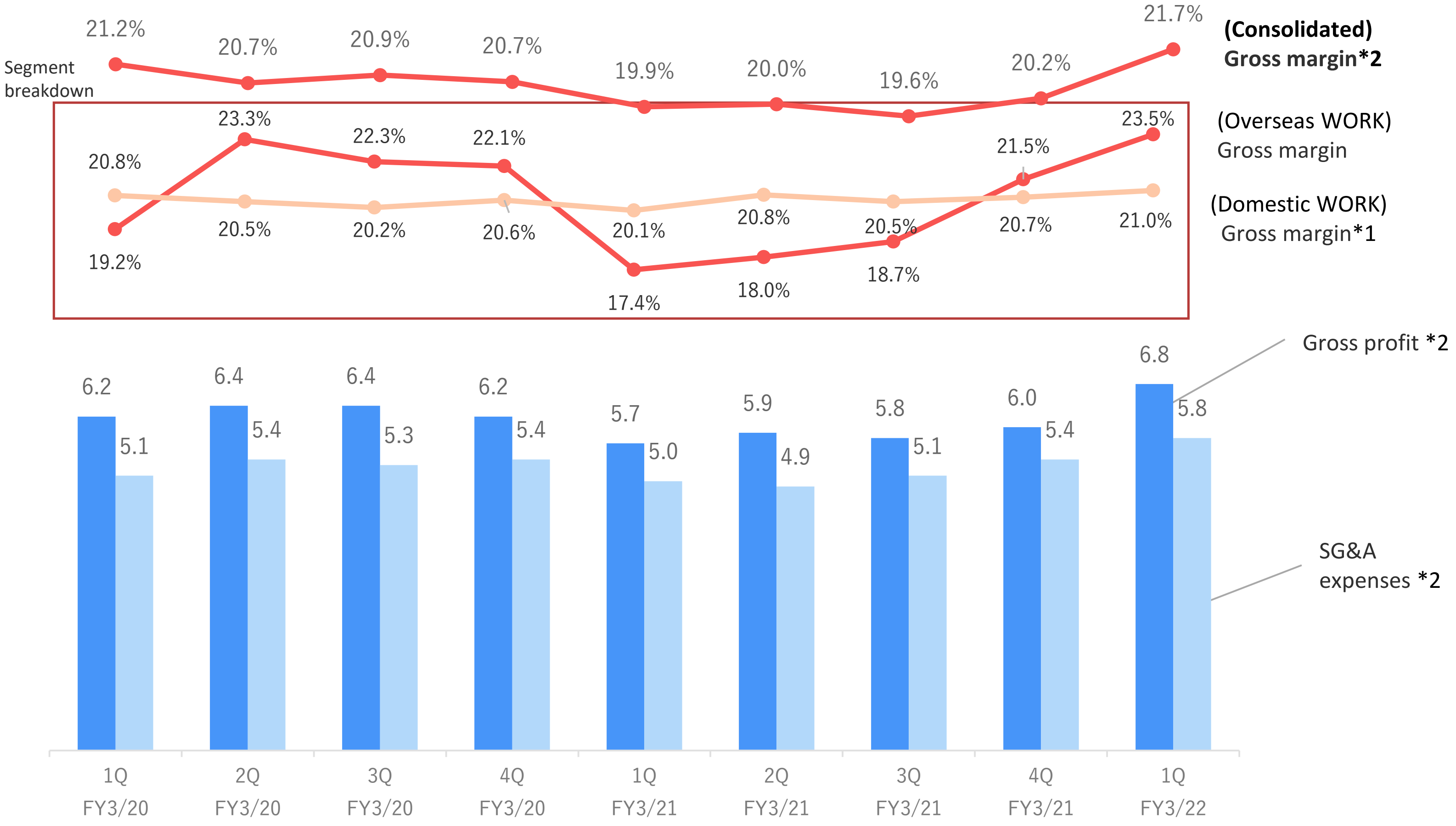
1Q FY3/22 revenue was ¥1.4 billion above the 4Q FY3/21

(The effects of foreign exchange rate: +¥0.8 billion)

*The revenue in FY3/21 is based on adjusted figure that excludes overseas subsidy income.

Consolidated Gross Margin Ratio

(Billions of yen)



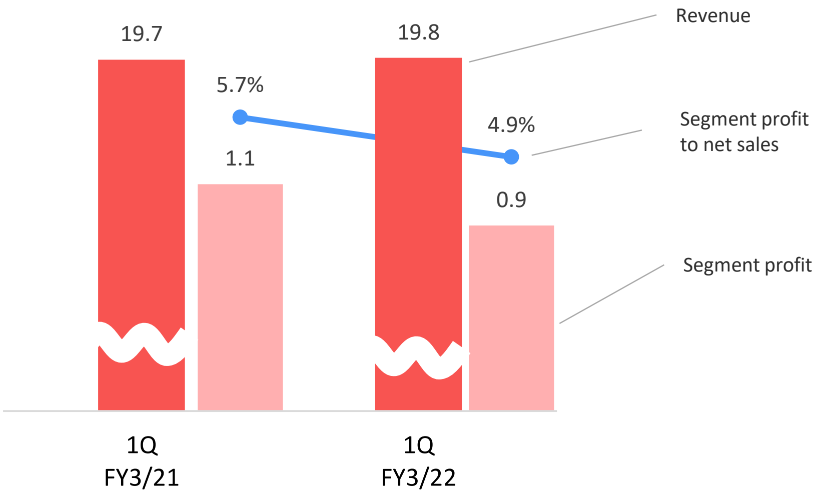
*1 Intersegment consolidation adjustments are not included. The amounts for FY3/20 are based on the previous accounting policy.
*2 The revenue in FY3/21 is based on adjusted figure that excludes overseas subsidy income.

The gross margin improved. Upfront investment was ¥0.28 billion, compared with the first quarter plan of ¥0.33 billion.

Consolidated Segment Results

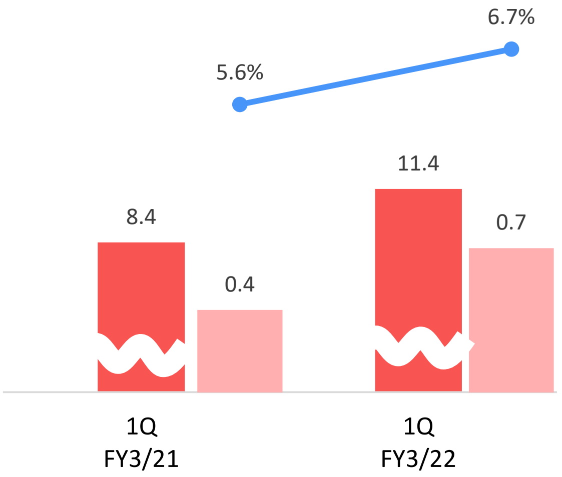
(Billions of yen)

Domestic WORK Business



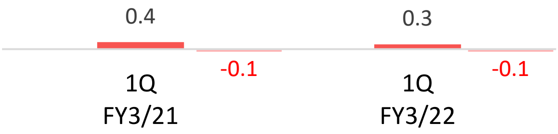
- Sales and earnings in sectors other than telecommunications in the sales outsourcing sector and the factory outsourcing sector declined. However, the sectors such as telecommunications, call center outsourcing, care support/nursery schools and HR support for startups stayed firm.
- Upfront investments (¥280 million) for care support, construction engineers and HR support for startup firms.

Overseas WORK Business



- Both Australia and Singapore have been able to contain the spread of the COVID-19 pandemic, and recruiting activity, which had been restrained, has resumed, resulting in a significant increase in permanent placement sales.
- Received an employment support subsidy (approx. ¥70 million) as in FY3/21 as a countermeasure against COVID-19 in Singapore.

Others

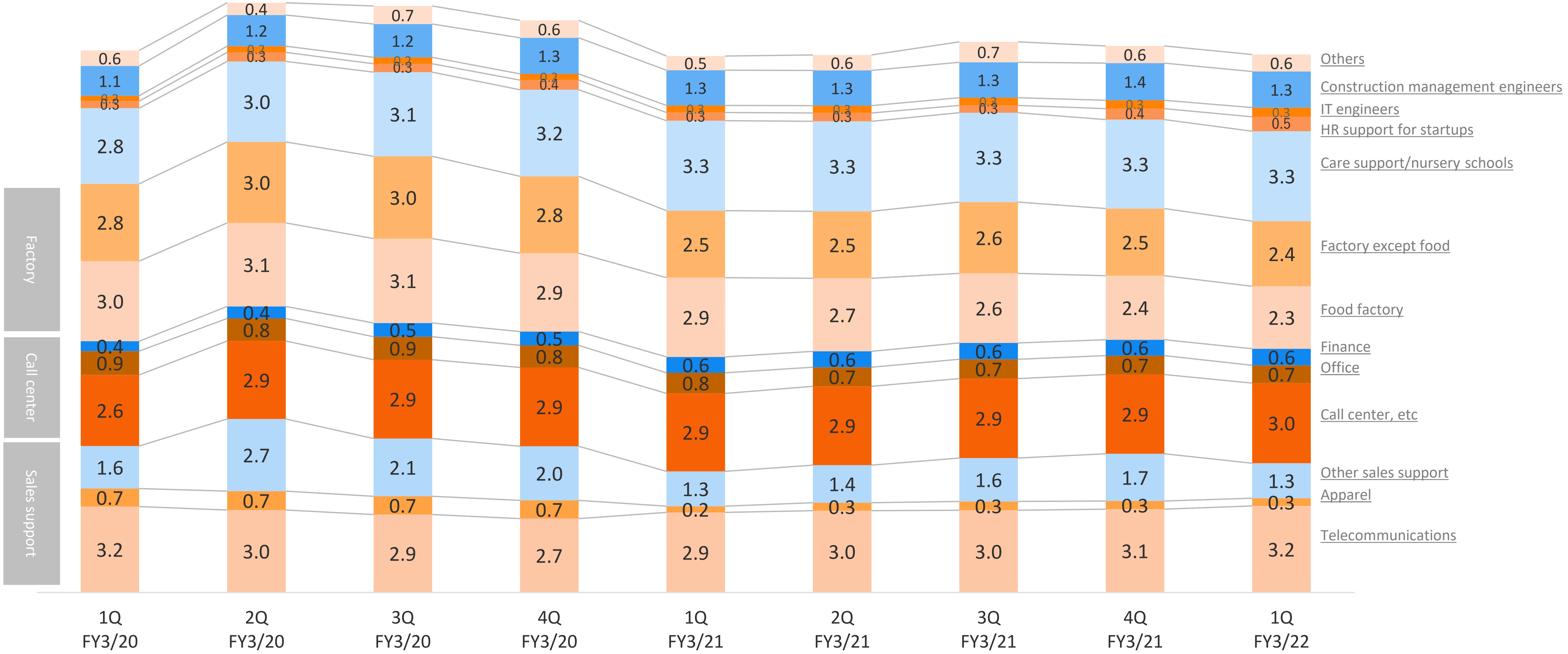


- Continued upfront investment in the inbound services field.

Domestic WORK Business (Business sector sales)

Telecommunications, call center, care support/nursery schools and HR support for startups sectors performed well.

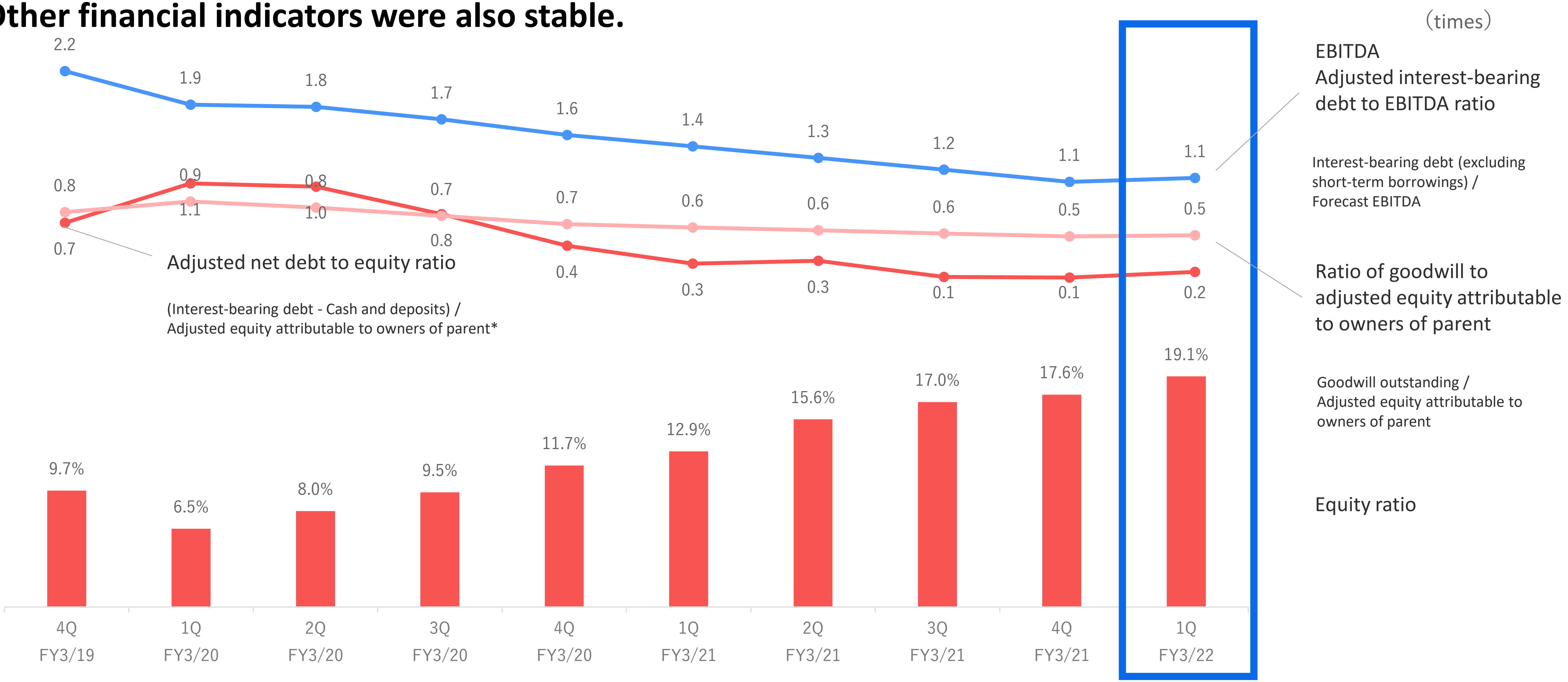
(Billions of yen)



WILL GROUP

Financial Indicators

The ratio of equity attributable to owners of parent to total assets is improving steadily toward the goal of 20%. Other financial indicators were also stable.



Ⅱ. Medium-term management plan (WILL-being 2023) progress

Medium-term Management Plan (WILL-being 2023) Progress

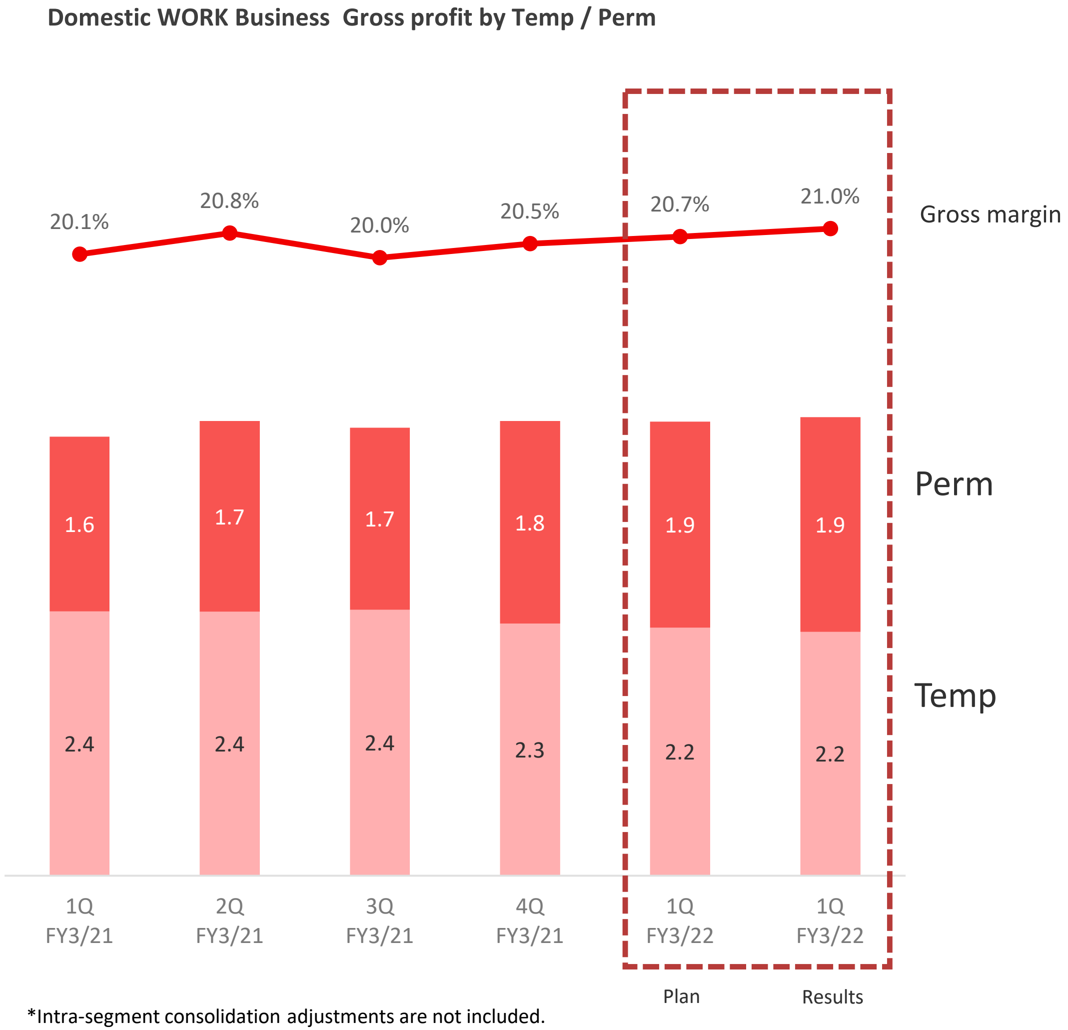
The four key strategies are progressing as planned

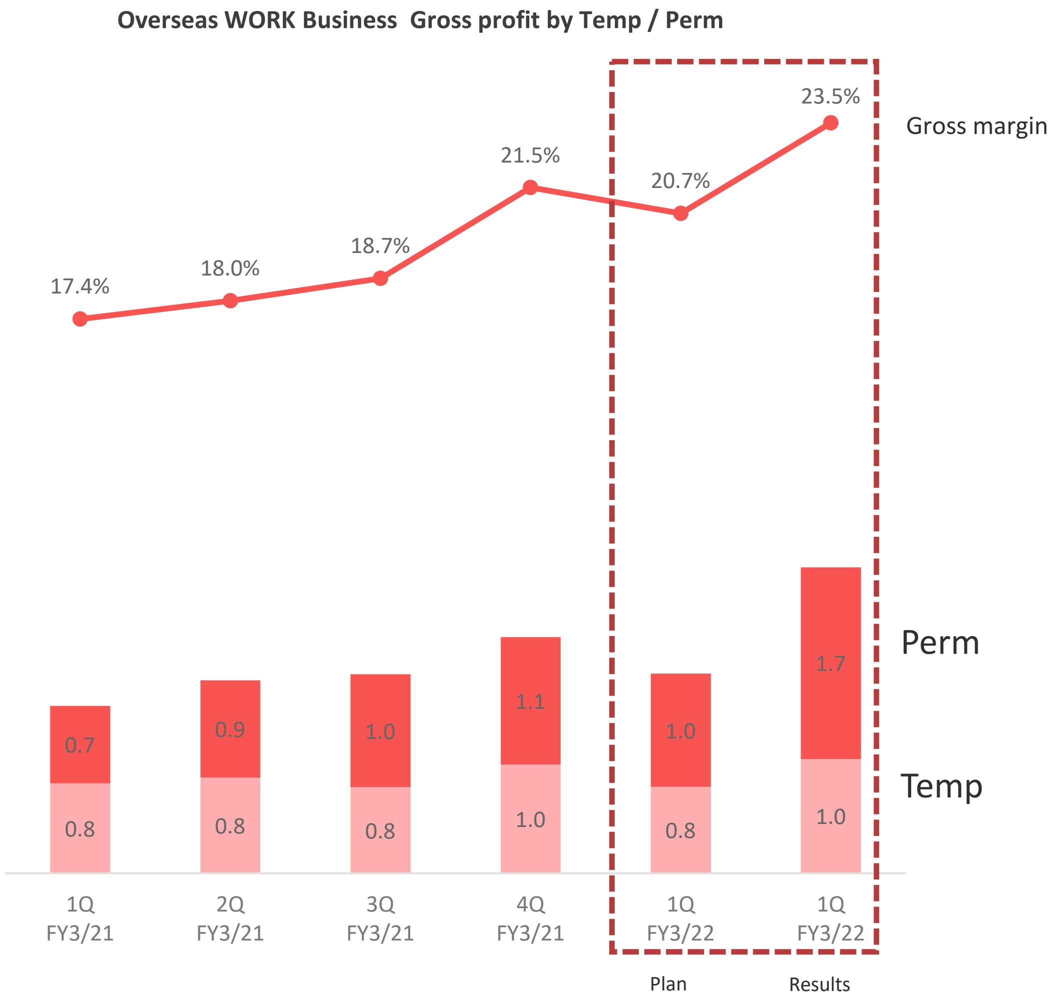
	Key strategies	Progress in 1Q FY3/22
Strategy I	Improve profitability through portfolio shift	• In the Perm domain, both the domestic and overseas WORK businesses exceeded their 1Q gross profit margin targets as permanent placement sales in domestic and overseas markets were strong. • In the Construction Management Engineer Temporary Staffing domain, the assignment of new graduates for April 2021 was completed by the end of June. Sales are now expected to turn up from the 2Q. • In the Care Support business, we are making upfront investments to hire more consultants. We are also focusing on increasing the number of placements and temp-to-hire assignments.
Strategy II	Increase productivity through digital shift	• Continued enhancement of the WILLOF smartphone app (for online applications). • Two main subsidiaries, WILLOF WORK and WILLOF FACTORY, merged on July 1, 2021, to consolidate their sales office networks and administrative operations.
Strategy III	Search for areas for next strategic investments	• The number of new contracts for inbound services was lower than initially expected due to the continuing restrictions on entry into Japan caused by the spread of the COVID-19 pandemic. • The number of enquiries about, and subscriptions to the free version of Visamane (a visa management system) have increased after it was introduced on a news program.
Strategy IV	Financial strategy	• The ratio of equity attributable to owners of the parent to total assets increased to 19.1% and steadily got closer to the target of 20%. • The total payout/shareholder return ratio was 30% based on the earnings forecast released at the beginning of the fiscal year. We plan to consider shareholder return through dividend hikes and share buy backs based on yearly business results.

Business Portfolio Changes in Japan and Overseas

Gross margin increased due to the Perm SHIFT

(Billions of yen)





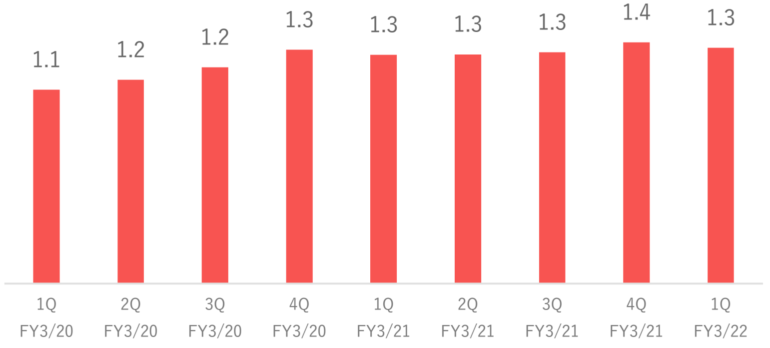
*Intra-segment consolidation adjustments are not included.
Gross profit and gross margin in 1Q FY3/22 are based on adjusted figure that excludes overseas subsidy income.

Progress in the Construction Management Engineer Temporary Staffing Business

Quarterly Revenue

(Billions of yen)

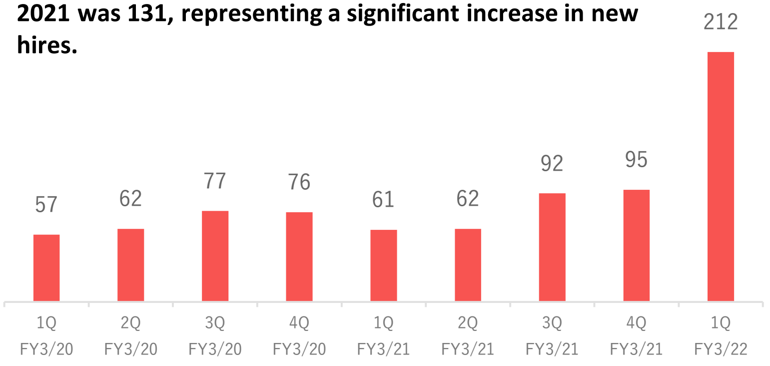
While revenue was flat in 1Q, it is expected to increase from the 2Q onwards as new graduates start working



Number of People Hired

(People)

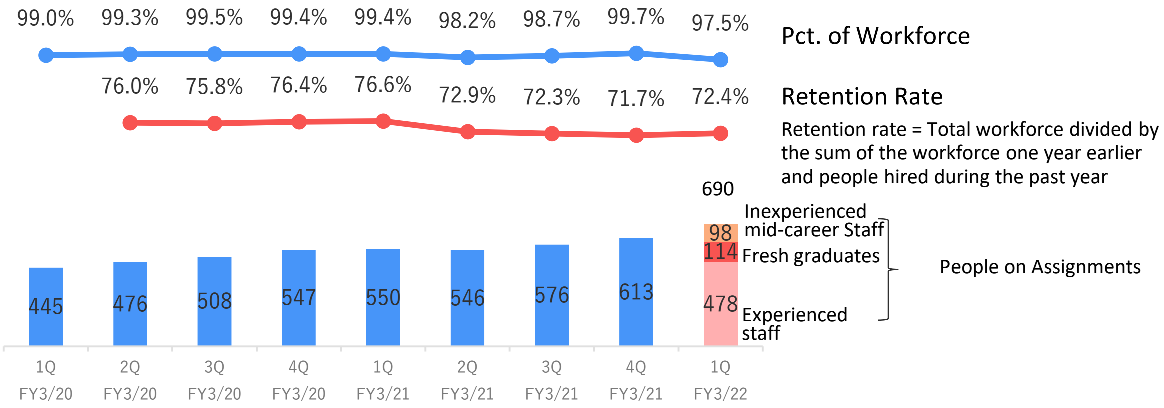
The number of fresh graduates joining the company in April 2021 was 131, representing a significant increase in new hires.



People on Assignments, Pct. of Workforce, Retention Rate

(People)

Pct. of workforce remains high.
We will increase the retention rate through trainings and follow-up systems.

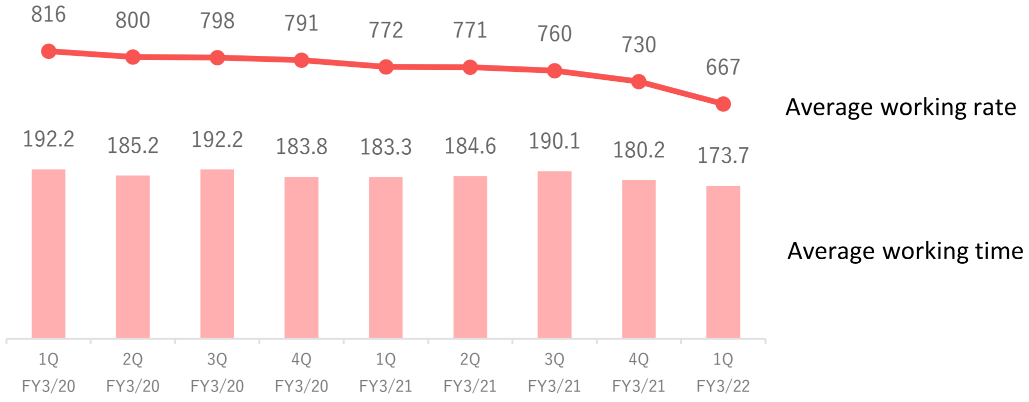


* The pct. of workforce in 1Q FY3/22 is the percentage for June 2021, excluding the impact of the new graduate training period. The percentage of workforce in 1Q FY3/22 would be 90.4% when the impact of the new graduate training period is factored in.

Temporary Placement Staff Working Time and Rates

(Hours; thousands of yen)

The combination of a reduction in overtime, an increase in the numbers of inexperienced staff and of inexperienced staff starting to work during the month resulted in lower unit working rates, and this is expected to improve in the 2Q.

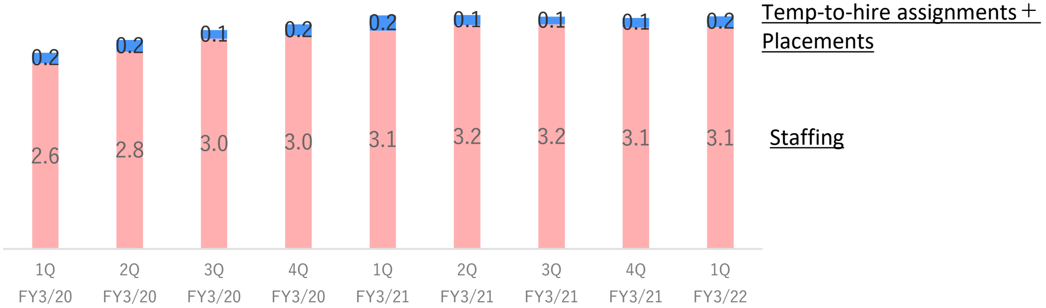


WILL GROUP

Progress in the Care Support Business

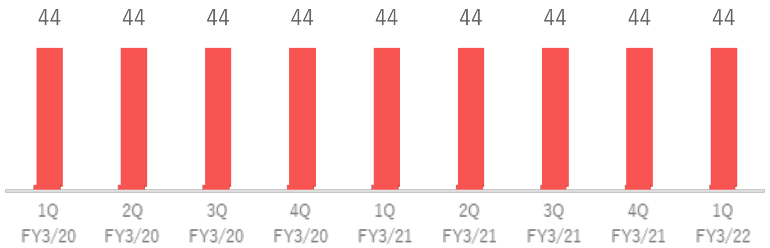
Quarterly Revenue

Temp-to-hire assignments + Placements performed well.



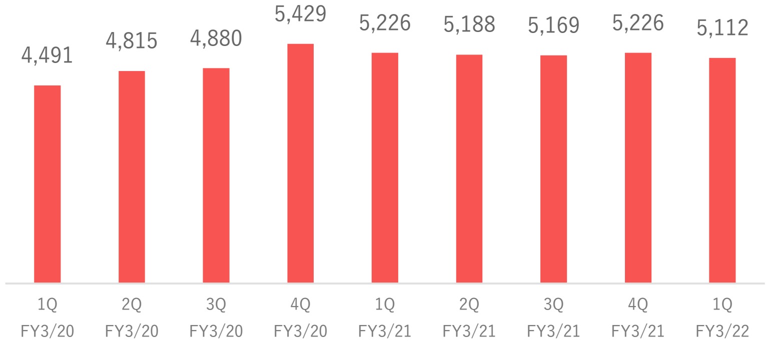
Number of Sales and Service Offices

No more offices are needed in major areas of Japan. Plan to open four offices during FY3/22 and FY3/23.



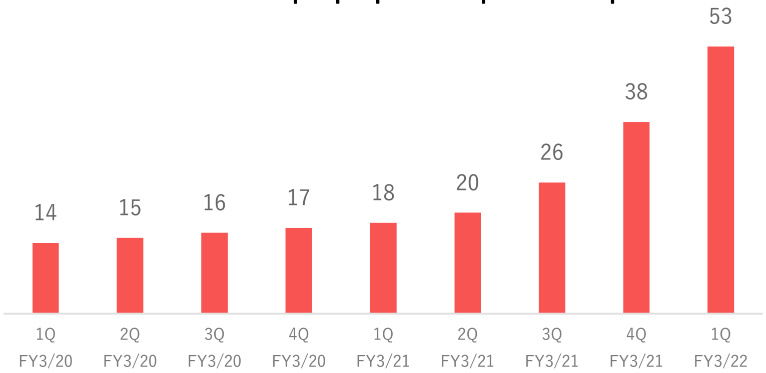
Number of People on Assignments

The number of people on assignments remains stable. Focus on acquiring new clients.



Number of Permanent Placement Agents

There were up-front investments for hiring consultants in order to increase the number of people placed in permanent positions.



Ⅲ. FY3/22 Earnings and Dividend Forecasts

First half of FY3/22 Forecast

The initial forecast has been revised upwards due to better than expected results for the first quarter and the review of exchange rate assumptions for the second quarter.

(Billions of yen)	FY3/21	FY3/22 (Initial forecast)	**FY3/22 (Revised forecast)**	Comparison from the Initial forecast: Change	% change
Revenue	58.17	**58.80**	**63.50**	+4.70	+8.0
Domestic WORK Business	39.59	**40.79**	**40.15**	-0.63	-1.6%
Overseas WORK Business	17.90	**17.38**	**22.66**	+5.28	+30.4%
Others	0.67	**0.62**	**0.67**	+0.05	+8.9%
Gross profit(Gross margin)	11.92 (20.5%)	**12.22 (20.8%)**	**13.55 (21.3%)**	+1.32 (+0.5pt)	+10.9%
Operating profit (Operating margin)	2.22 (3.8%)	**1.20 (2.0%)**	**2.00 (3.1%)**	+0.80 (+1.1pt)	+66.7%
Domestic WORK Business	2.40	**1.80**	**2.02**	+0.21	+12.2%
Overseas WORK Business	1.01	**0.68**	**1.17**	+0.49	+72.2%
Others	-0.18	**-0.21**	**-0.15**	+0.05	-
Adjustments	-1.00	**-1.07**	**-1.04**	+0.03	-
Profit attributable to owners of parent	1.30	**0.65**	**1.18**	+0.53	+81.5%
EBITDA	3.26	**2.10**	**2.91**	+0.80	+38.0%

	FY3/21	**Initial forecast**	**Revised forecast**	**Change for ¥1 difference/y**	
				Revenue	Profit
AUD	¥76	¥68	¥84	¥380mln	10mln
SGD	¥78	¥72	¥82	¥90mln	0mln

WILL GROUP

FY3/22 Forecast

The initial forecast has been revised upwards due to better than expected results for the first quarter and the review of exchange rate assumptions for the second quarter and beyond.

(Billions of yen)	FY3/21	FY3/22 (Initial forecast)	**FY3/22 (Revised forecast)**	Comparison from the Initial forecast: Change	Comparison from the Initial forecast: % change
Revenue	118.24	121.00	**127.00**	+6.00	+5.0%
Domestic WORK Business	80.05	84.05	**83.30**	-0.74	-0.9%
Overseas WORK Business	36.92	35.37	**42.08**	+6.70	+18.9%
Others	1.28	1.57	**1.61**	+0.04	+2.7%
Gross profit(Gross margin)	24.05 (20.3%)	25.64 (21.2%)	**27.17 (21.4%)**	+1.53 (+0.2pt)	+6.0%
Operating profit (Operating margin)	4.03 (3.4%)	3.40 (2.8%)	**4.05 (3.2%)**	+0.65 (+0.4pt)	+19.1%
Domestic WORK Business	4.72	4.36	**4.59**	+0.21	+4.8%
Overseas WORK Business	1.94	1.47	**1.83**	+0.35	+24.3%
Others	-0.39	-0.29	**-0.25**	+0.04	-
Adjustments	-2.24	-2.16	**-2.12**	+0.03	-
Profit attributable to owners of parent	2.36	1.84	**2.28**	+0.44	+23.9%
EBITDA	6.25	5.20	**5.81**	+0.61	+11.7%

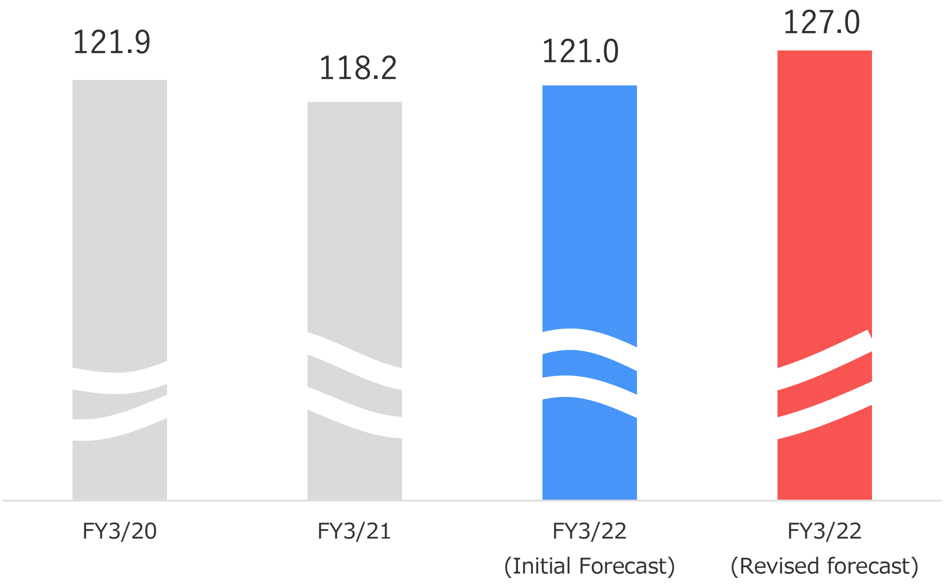
	FY3/21	**Initial forecast**	**Revised forecast**	**Change for ¥1 difference/y**: Revenue	**Change for ¥1 difference/y**: Profit
AUD	¥76	¥68	¥84	¥380mln	10mln
SGD	¥78	¥72	¥82	¥90mln	0mln

WILL GROUP

Assumptions Used for the FY3/22 Forecast

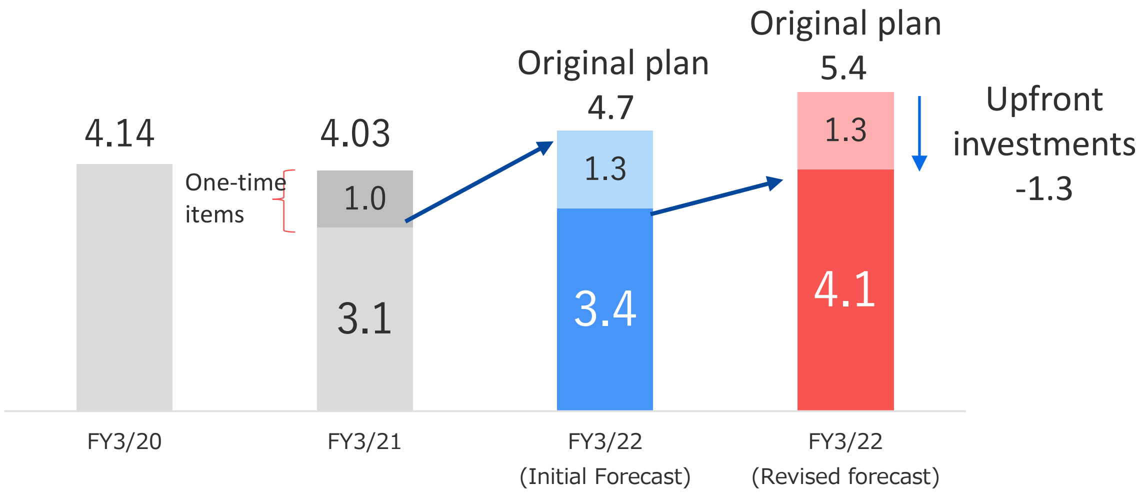
In the first quarter, domestic and the overseas permanent placement business was strong, and from the second quarter onwards there are no major changes to the initial forecast, except for a revision to the exchange rate, as the increase in permanent placement sales has already been factored into the previous forecast.
We plan to make upfront investments (¥0.6 billion to strengthen the recruiting and sales structure for construction management engineers and ¥0.7 billion to increase the number of permanent placement consultants in the care support, IT, and start-up company sectors) as initially planned.

■Revenue



■Operating profit

(Billions of yen)



WILL GROUP

FY3/22 Forecasts (By Domestic WORK Business Sectors)

Segments	Sectors	**FY3/21** Upper: Net sales Lower: Operating profit	FY3/22 (Initial forecast) Upper: Net sales Lower: Operating profit	**FY3/22** (**Revised forecast**) Upper: Net sales Lower: Operating profit	Comparison from the Initial forecast Upper: Net sales Lower: Operating profit
Domestic WORK Business	Sales support	19.22	20.10	19.71	-0.38
		1.64	1.68	1.69	+0.01
	Call center	16.86	16.87	17.04	+0.17
		1.13	1.11	1.18	+0.06
	Factory	20.58	19.45	18.82	-0.62
		1.25	1.22	1.25	+0.03
	Care support	13.21	15.63	15.41	-0.21
		0.38	0.70	0.72	+0.02
	HR support for startups	1.27	1.78	2.20	+0.41
		0.15	0.18	0.45	+0.27
	Construction management engineers	5.27	6.18	6.10	-0.08
		0.05	-0.42	-0.49	-0.06
	Others	3.61	4.02	4.00	-0.02
		0.52	0.33	0.35	+0.01

＊Intra-segment consolidation adjustments are not included.

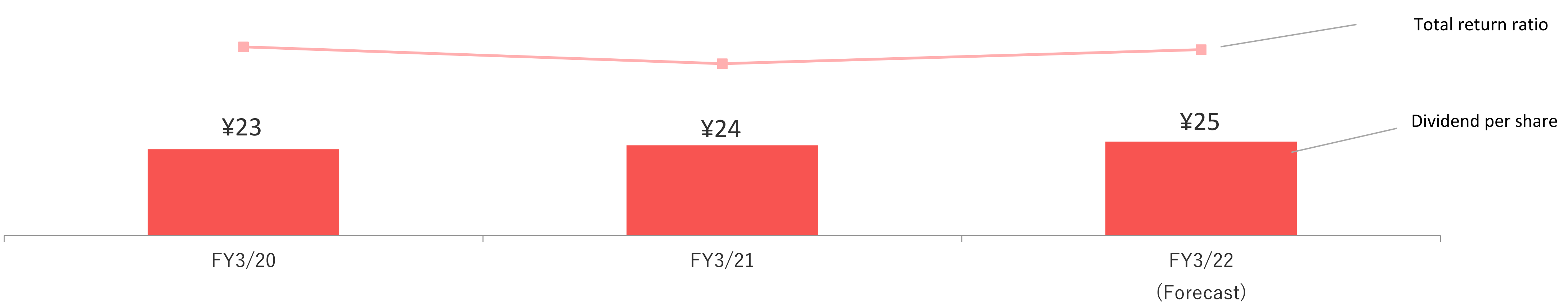
WILL GROUP

FY3/22 Dividend Forecast

The shareholder return target is based on a total return ratio of 30% relative to the forecast at the beginning of FY3/22. As such, the initial forecast is unchanged.

	FY3/21	FY3/22 (forecast)
Year-end dividend	¥24 per share	**¥25 per share**
Total return ratio	22.9%	**24.8%**

■Dividend per share and total return ratio



WILL GROUP

No Risk of Impairment Losses

Except for WILLOF CONSTRUCTION, in which the Will Group has made upfront investments, the Group's companies are recovering from the impact of the spread of the COVID-19 pandemic, and there is currently no expectation of impairment risk.

(Billions of yen)	Primary location	Business activities	Start of consolidation since (WILL GROUP ownership)	Investment *1	*2	1Q FY3/21	1Q FY3/22	YoY change
WILLOF ウィルオブ・コンストラクション WILLOF CONSTRUCTION	Metropolitan areas and Tohoku	Construction management engineer temporary staffing and permanent placements mainly in the Tohoku region of Japan. A large number of highly skilled people are registered for assignments. Strong position in the market for temporary staffing of engineers for large building and civil engineering projects.	2018/6 (100%)	2.58	Sales	1.29	1.33	+3.1%
					Profit*3	0.05	-0.20	-
ChapmanCG	Singapore	Providing permanent placement and consulting services focused on HR primarily in Singapore, through wholly-owned subsidiaries in Hong Kong, Japan, U.S., China, Australia and UK.	2019/1 (76%)	2.23	Sales	0.26	0.40	+55.4%
					Profit*3	0.04	0.14	+239.9%
u&u. RECRUITMENT PARTNERS	Brisbane	Providing temporary staffing and permanent placement services to government agencies and major corporations in Australia	2019/4 (80%)	2.25	Sales	1.73	2.25	+30.2%
					Profit*3	0.12	0.29	+144.3%
dfp Recruitment THINKING PEOPLE	Melbourne	Providing temporary staffing and permanent placement services for office work and call center operations to agencies and companies in various sectors such as the government, telecommunications, resources and appliance manufacturing in Australia.	2018/1 (80%)	1.43	Sales	3.51	3.36	-4.1%
					Profit*3	0.08	0.07	-19.6%

Investment balance (above 4 companies: ¥8.4 billion
Investment balance (consolidated): ¥10.0 billion

*1 The investment in each company includes goodwill and identifiable intangible assets.
*2 Sales and profit are for the April-June consolidated fiscal year regardless of the timing of consolidated disclosures.
Converted to yen at the rates of ¥80/SGD and ¥80/AUD in order to eliminate the effects of foreign exchange rate movements.
*3 Profit is profit before tax after the amortization of identifiable intangible assets, internal transactions and one-time expenses.

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.

■IR Contact:
WILL GROUP, INC.　Financial Department

Tel: +81-3-6859-8880