

High 1Q progress ratios despite YoY declines Strong performance on Domestic Working re-growth KPIs

RESULTS SUMMARY

▼ WILL GROUP announced 1Q FY24/3 consolidated financial results at 15:00 on Monday 8/7. Headline numbers were revenue -2.8% YoY, OP -20.9% YoY, with OPM deteriorating from 4.0% → 3.3%. Although both 1Q revenue and profit declined YoY, 1Q results made good progress relative to full-term initial guidance (revenue 23.9%, OP 27.0%, profit ATOP 25.8%). First, a major factor in the decline in revenue was due to the exclusion of two subsidiaries from the scope of consolidation following the sale/transfer of shares for a total impact of ¥1,350mn: 1) BORDERLINK, INC., foreign language teaching assistant dispatch business, ¥890mn, and 2) HiBlead Inc., IT consulting and system engineering, ¥460mn, as part of portfolio restructuring. In addition, the 8.9% increase in SG&A expenses included ¥160mn in upfront investments aiming at MTP priority restarting growth in Domestic Working Business.

▼ By segments, in Domestic Working business, although development of new projects was sluggish in sales outsourcing and call center outsourcing domains, other domains performed well. Among 4 KPIs for re-growth of Domestic Working business, 1) the Company hired a record 563 in the priority construction engineer domain (44% progress versus target of 1,270), 2) construction engineer retention achieved 73% versus the target of 71%, and 3) the number of full-time dispatch workers assigned to customer sites other than construction engineers increased 148 to 2,600 at the end of the 1Q (25% progress versus target increase of 600), and only 4) the number of foreign workers under outsourced administration was slower than expected. Profit got a boost from recording a ¥780mn gain on the sale of shares. In Overseas Working business, GPM suffered as the post-COVID bubble in permanent placement peaked in 3Q last year, and OPM declined from increased personnel expense, etc. (SG&A). However, temporary staffing demand remains firm, including stable government projects, and revenue was essentially flat versus the 4Q, excluding the impact of subsidies.

WILL GROUP FY24/3 1Q Consolidated Results and new MTP "WILL-being 2026"

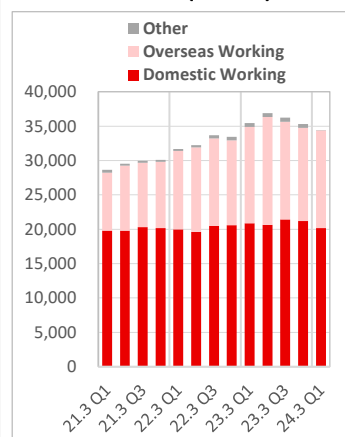
JPY mn, % [IFRS]	FY20/3 act	FY21/3 act	FY22/3 act	FY23/3 act	FY24/3 1Q act	AMT CHG	FY24/3 init CE	FY25/3 MTP CE	FY26/3 MTP CE	3-yr CAGR
Revenue	121,916	118,249	131,080	143,932	34,435	(1,006)	144,000	159,600	170,000	5.7
YoY	18.0	(3.0)	10.9	9.8	(2.8)		0.0	10.8	6.5	
• Domestic Working	84,438	80,050	80,726	84,135	20,186	(680)	85,800	98,900	107,400	8.5
• Overseas Working	36,074	36,920	48,746	57,537	14,182	140	57,850	60,200	61,800	2.4
ratio to sales	29.6%	31.2%	37.2%	40.0%	41.2%		40.2%	37.7%	36.4%	
• Others	1,549	1,278	1,607	2,258	66	(466)	330	500	800	
Gross profit	25,402	24,056	28,765	31,737	7,552	(481)	33,450			
ratio to sales	20.8%	20.3%	21.9%	22.1%	21.9%		23.2%			
SG&A expenses	21,258	20,463	23,585	27,169	7,256	594	29,250			
ratio to sales	17.4%	17.3%	18.0%	18.9%	21.1%		20.3%			
Operating profit	4,145	4,030	5,472	5,318	1,132	(299)	4,200	4,700	6,500	6.9
YoY	40.2	(2.8)	35.8	(2.8)	(20.9)		(21.0)	11.9	38.3	
ratio to sales	3.4%	3.4%	4.2%	3.7%	3.3%		2.9%	3.0%	3.8%	
• Domestic Working	5,061	4,763	4,448	4,451	1,364	178	3,780	3,900	6,100	11.1
• Overseas Working	971	1,942	3,348	3,406	456	(399)	3,330	3,700	4,000	5.5
• Others	(352)	(413)	(342)	(296)	(69)	(3)	(310)	(200)	(200)	
• eliminations	(1,869)	(2,262)	(1,981)	(2,243)	(617)		(2,590)	(2,700)	(3,400)	
Profit before tax	4,057	3,788	5,293	5,146	1,195	(230)	4,100			
Profit ATOP	2,380	2,363	3,286	3,236	723	(35)	2,800			
AUD	¥74	¥76	¥83	¥93	¥92		¥86			
SGD	¥79	¥78	¥83	¥98	¥103		¥94			

Source: compiled by SIR from TANSBIN financial statements, IR supplementary materials and new MTP presentation.

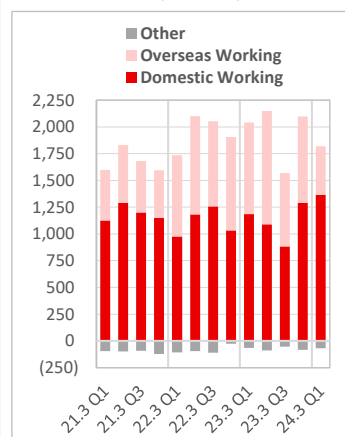
1Q Flash

WILL GROUP

Revenue (JPY mn)



OP (JPY mn)



Source: compiled by SIR from TANSBIN financial statements. Segment OP is shown before eliminations.

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