**Company Report**

August 20, 2026

Strategy Advisors Inc.
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# Under President Sumi, Transition from "Quantity" to "Quality" Is Progressing

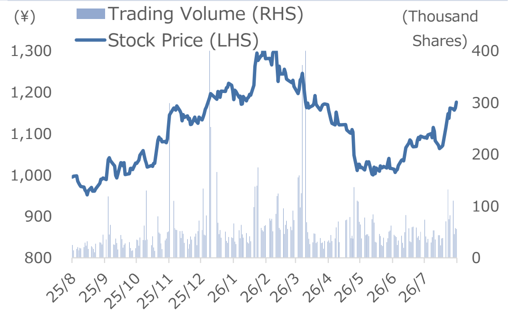
WILL GROUP, under its mission of "Becoming a Change Agent Group that Brings Positive Change to Individuals and Organizations," operates temporary staffing, business process outsourcing (BPO), permanent placement, and foreign talent management services, with a primary focus on essential domains, both in Japan and the Asia-Oceania region.

The Company is driving a transition from its business centered on fixed term staffing to qualitative businesses such as permanent employee staffing, thereby gradually enhancing its profitability. Even in a period of population decline, demand for specialized talent is expected to rise further, and the Company is entering a re-growth phase driven by its core permanent employee staffing business providing specialized skills.

Specifically, this is represented by its permanent employee staffing of construction engineers. The number of workers in the construction industry is declining, resulting in a chronic labor shortage. On the other hand, based on the Work Style Reform Act enacted in April 2019, improvements in the labor environment are underway, which may lead to an increase in job seekers in the industry in the future. Meanwhile, Open Up Group Inc. (2154, TSE Prime), a competitor in this field, is prioritizing business expansion through aggressive recruitment, indicating high growth potential for the market.

In addition, the Company announced its new Medium-Term Management Plan concurrently with the release of its FY3/26 financial results. The target for normalized operating profit (excluding temporary gains/losses) for FY3/29 is ¥4.7 billion, representing profit growth of ¥1.7 billion from ¥3.0 billion in FY3/26. Of this increase, the Company plans to secure ¥1.87 billion in profit growth from the Domestic Working Business. With the strategic theme of the Domestic Working Business designated as "expanding our talent solutions business for permanent employees and foreign workers," the Company plans to aggressively grow its permanent placement services while continuing the expansion of permanent employee staffing/outsourcing and foreign talent management services, which were also positioned as key strategies in the previous Medium-Term Management Plan.

**Stock Price & Trading Volumes (Past Year)**




Source: Strategy Advisors

**Key Indicators**

| | |
|---|---|
| Stock Price (8/20/26) | 1,176 |
| 52-Week High (2/18/26) | 1,310 |
| 52-Week Low (6/2/26) | 1,000 |
| 10-Year High (2/2/18) | 2,122 |
| 10-Year Low (9/15/16) | 439 |
| Shares on Issue (mn) | 22.9 |
| Market Capitalization (¥ bn) | 26.9 |
| EV (¥ bn) | 24.9 |
| Equity Ratio (3/26 Actual, %) | 35.8 |
| PER (3/27 CoE, Times) | 12.2 |
| PBR (3/26 Actual, Times) | 1.3 |
| Dividend Yield (3/27 CoE, %) | 3.7 |

Source: Strategy Advisors

While WILL GROUP's stock price return over the past three years stands at +12.6% and its valuations (PBR of 1.3x, PER of 12.2x) remain sluggish, the downside risk for the stock price is likely limited given the high dividend yield of 3.7%. At Strategy Advisors, we are also focusing on the expansion of valuations accompanying the qualitative changes driven by the expansion of the permanent employee and foreign worker HR business and permanent placement. The equity story is the transition to a high value-added business model that can survive even in a period of population decline as a winner in the "job mismatch" era, and further qualitative transition warrants attention.

| IFRS Consolidated<br>FY | Revenue<br>(¥ mn) | YoY<br>(%) | Operating Profit<br>(¥ mn) | YoY<br>(%) | Profit Before Tax<br>(¥ mn) | YoY<br>(%) | Profit Attributable to Owners of Parent<br>(¥ mn) | YoY<br>(%) | EPS<br>(¥) | DPS<br>(¥) |
|---|---|---|---|---|---|---|---|---|---|---|
| FY03/23 | 143,932 | 9.8 | 5,318 | -2.8 | 5,146 | -2.8 | 3,236 | -1.5 | 143.2 | 44.0 |
| FY03/24 | 138,227 | -4.0 | 4,525 | -14.9 | 4,417 | -14.2 | 2,778 | -14.2 | 122.4 | 44.0 |
| FY03/25 | 139,705 | 1.1 | 2,338 | -48.3 | 2,177 | -50.7 | 1,155 | -58.4 | 50.6 | 44.0 |
| FY03/26 | 146,856 | 5.1 | 3,279 | 40.2 | 3,139 | 44.2 | 2,314 | 100.3 | 101.0 | 44.0 |
| FY03/27 CoE | 157,000 | 6.9 | 3,400 | 3.7 | 3,191 | 1.6 | 2,208 | -4.6 | 96.4 | 44.0 |

Source: Company Data. Compiled by Strategy Advisors.

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## Executive Summary

The Company is a comprehensive human resource services company that operates temporary staffing, BPO, permanent placement, and foreign talent management services, with a focus on essential domains*, both in Japan and overseas. While the Company has historically grown centering on fixed term staffing, it is currently shifting its business portfolio toward highly profitable businesses such as permanent employee staffing/outsourcing, foreign talent management services, and permanent placement. Against a backdrop of population decline and expanding job mismatches, demand for specialized talent is expected to rise further, and the Company is entering a re-growth phase driven by its transition from "quantity" to "quality."

** Domains that are indispensable for sustaining daily life and are less susceptible to replacement by AI and automation, generally including domains associated with essential workers.*

The growth drivers are the expansion of permanent employee staffing /outsourcing and foreign talent management services in Japan, and the strengthening of the permanent placement business. In particular, in the construction sector, which is the cornerstone for expanding permanent employee staffing, the Company expects unit price increases driven by recruitment expansion and billing rate negotiations, supported by chronic labor shortages and improvements in the labor environment. In addition, in foreign talent management services, the Company is expected to expand life support fee revenues which features a high recurring ratio by leveraging its existing customer base and overseas network. In the new Medium-Term Management Plan "WILL-being 2029," the Company targets normalized operating profit of ¥4.7 billion for FY3/29, and profit structure reform in the Domestic Working Business serving as the key to achieving this target.

While WILL GROUP’s stock price return over the past three years stands at +12.6% and its valuations (PBR of 1.3x, PER of 12.2x) remain sluggish, the downside risk for the stock price is likely limited given the high dividend yield of 3.7%. At Strategy Advisors, we are also focusing on the expansion of valuations accompanying the qualitative changes driven by the expansion of permanent employee staffing/outsourcing, foreign talent management services, and permanent placement. The equity story is the transition to a high value-added business model that can survive even in a period of population decline as a winner in the "job mismatch" era, and further qualitative transition attracts attention.

Under the new Medium-Term Management Plan, the strategic theme of the Domestic Working Business is designated as "expanding our talent solutions business for permanent employees and foreign workers," and the Company plans to aggressively grow its permanent placement services while continuing the expansion of permanent employee staffing/outsourcing and foreign talent management services, which were also positioned as key strategies in the previous Medium-Term Management Plan.

At Strategy Advisors, we believe that the operational know-how of HR CAREER, Inc. (acquired on October 1, 2025) will be the cornerstone of the profit structure reform. HR CAREER specializes in permanent placement services for childcare workers, caregivers, nurses, and nutritionists. It is a company that has achieved high growth despite being a late entrant in the highly competitive permanent placement industry. Its strength lies in its superior operations; it has achieved high growth even in businesses where annual salaries are relatively low compared to other industries, such as childcare and caregiving, and the fee earned per consultant is small. Because the fee per placement is low, consultants must handle a large volume of cases, which has led to the establishment of highly productive operations. By leveraging this operational know-how, the Company is expected to expand its permanent placement business in essential domains.

## 1. Company Overview: Achieving High Growth Leveraging Category Specialization and Overseas Expansion

### 1）Established Stable Business Foundation with Industry-Leading Track Record in Specific Categories

**Temporary Staffing Business as the Core Revenue Driver**

WILL GROUP, under its mission of "Becoming a Change Agent Group that Brings Positive Change to Individuals and Organizations," operates human resource services businesses in Japan and the Asia-Oceania region. In Japan, the Company provides category-specialized talent support services such as temporary staffing, BPO, permanent placement, and foreign talent management services, with a primary focus on essential domains, including construction sites, smartphone sales counters at consumer electronics retail stores, food manufacturing and other factories, nursing home facilities, and call centers of telecommunications and financial institutions. Overseas, in Australia and Singapore, the Company provides temporary staffing and permanent placement services targeting sectors that are relatively less susceptible to economic fluctuations, such as government and public sectors. While BPO and permanent placement services are also offered, the temporary staffing business accounts for approximately 80% of the Company's revenue.

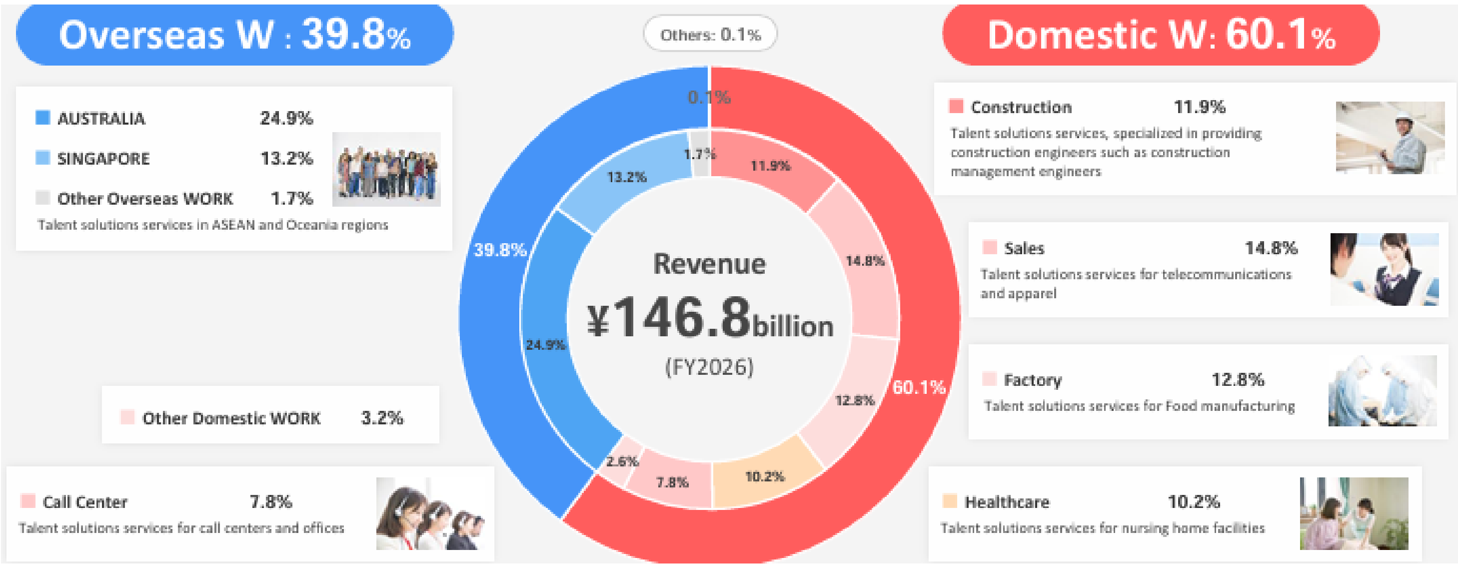
**Established a Well-Balanced Business Portfolio**

Revenue for FY3/26 was ¥146.8 billion, with the Domestic Working Business accounting for 60.1% and the Overseas Working Business accounting for 39.8%. The Domestic Working Business is broadly categorized into Construction (construction management), Sales (telecommunications, apparel, sales support, etc.), Factory (food manufacturing and other factories), Healthcare (nursing home facilities), Call Center, and Others. The ratio of each sector is around 10%, establishing a well-balanced business portfolio that does not rely on any specific sector. In addition, the Company holds industry-leading track records in the Sales, Healthcare, and Call Center sectors.

**Australia as the Main Revenue Source for the Overseas Working Business**

The Overseas Working Business consists of human resource services businesses in Australia and Singapore. Australia accounts for 62.4% of the segment's revenue, with temporary staffing for government and public sectors representing approximately 50% of its sales. Other areas, similar to Japan, provide temporary staffing for banking & finance, information & telecommunications, and industrial sectors. Singapore also has a high ratio of services for government and public sectors, similar to Australia.

**Figure 1. Sales Revenue Breakdown**




Source: Company Material.

## 2) Expanding Business Through Sector Focus and Rapid Growth

**A Late Entrant in the Human Resource Industry**

The Company was founded in 1997, originating from a manufacturing line contracting business for a factory in Osaka City. Compared to Recruit Holdings Co., Ltd. (6098, TSE Prime), whose predecessor, Daigaku Shimbun Koukokusha, was established in 1960, and PERSOL Holdings Co., Ltd. (2181, TSE Prime), whose predecessor, Tempstaff Co., Ltd., was established in 1973, the Company has a shorter corporate history and is a late entrant in the human resource industry.

**Regulatory Changes Act as a Tailwind**

A key factor behind its successful and steady business expansion despite being a late entrant was the regulatory changes in the 2000s. Regulatory changes—such as the lifting of the ban on temporary staffing for manufacturing sites under the revised Worker Dispatching Act in March 2004, and the clarification of standards between temporary staffing and contracting businesses as disguised contracting became a social issue—acted as a tailwind that rapidly expanded the temporary staffing market.

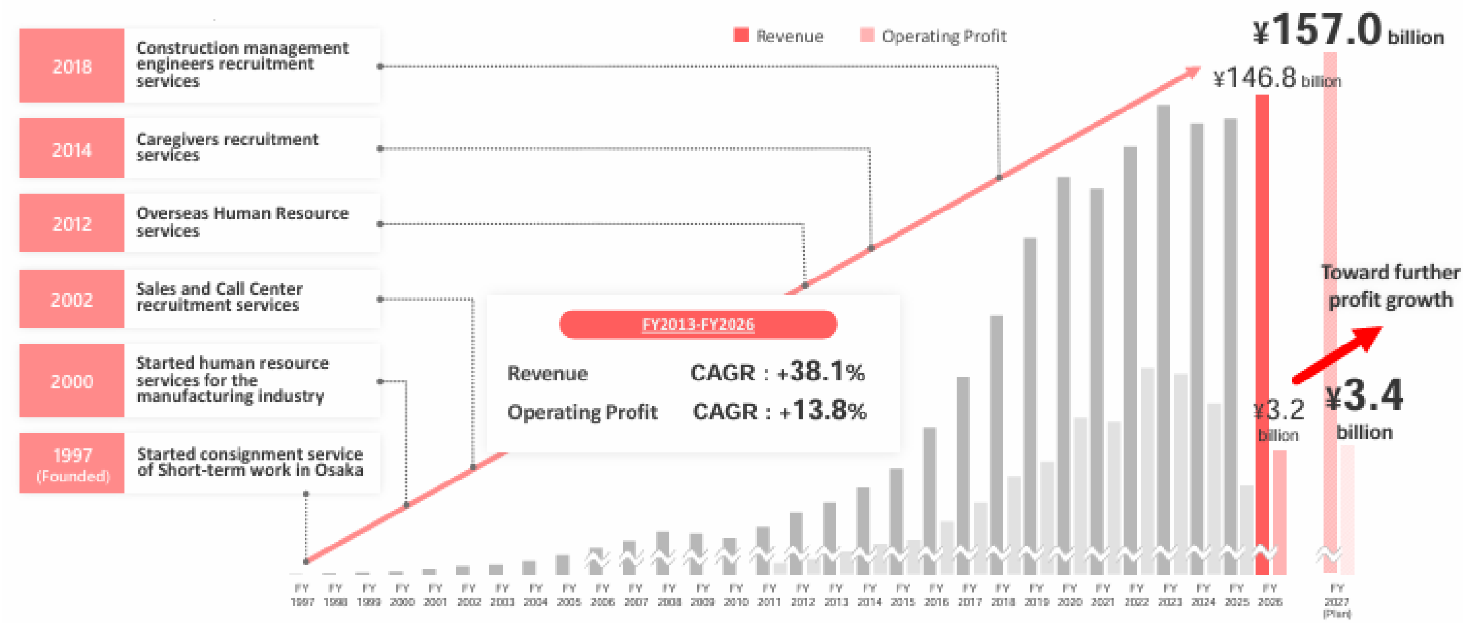
**Fast Decision-Making Enabling Timely Entry into Growth Markets**

In addition, the Company's corporate DNA is characterized by its entrepreneurial spirit to embrace challenges, and its timely entry into growth markets driven by swift management decisions has also contributed to its high growth. Since starting temporary staffing services in 2000, while expanding its business in the sales staff and operator staffing sectors, the Company concurrently embarked on overseas operations, caregiver staffing, and construction engineer staffing, consistently executing proactive management decisions on a 2-to-5-year cycle. As a result, the Company has sustained high growth, with compound annual growth rates (CAGRs) for revenue and operating profit of 38.1% and 13.8%, respectively, from FY3/13 to FY3/26.

**Accelerating Growth via Overseas Expansion**

In particular, embarking on overseas business at a relatively early stage stands out as an excellent management decision. While there are structural limits to growing solely in the domestic market, which is entering a period of population decline, through overseas expansion centered on M&As, the Company has secured a new growth pillar that accounts for approximately 40% of its revenue.

**Figure 2. Long-Term Performance Trends**




Source: Company Material.

### 3) Profile of Each Sector within the Domestic Working Business

**Construction (Construction management)**

The Company provides temporary staffing and permanent placement services for construction management engineers to major general contractors and subcontractors. Regarding temporary staffing, in addition to highly experienced employees, the Company also dispatches new graduates and inexperienced technical employees.

**Sales (Telecommunications, apparel, sales support, and others)**

The Company provides support for clients in expanding their products and services at consumer electronics retail stores, apparel shops, etc., and plans and operates promotional campaigns for major IT companies. In sales support at consumer electronics retail stores, the Company dispatches staff engaged in sales operations centering on mobile devices such as smartphones—including customer service, product demonstrations, and application processing—as well as the management of sales staff, and the collection and reporting of sales information.

**Factory (Food manufacturing and non-food manufacturing)**

The Company provides services that enhance clients' productivity by offering technical expertise and personnel management know-how in the production processes of manufacturing sectors such as food, electrical equipment, electronic devices, transportation equipment, chemicals and pharmaceuticals, and metals. Within the manufacturing industry, the Company focuses primarily on the food manufacturing sector, which is relatively less susceptible to economic fluctuations, and dispatches staff engaged in operations such as manufacturing, inspection, quality control, sorting, and packaging. In addition, the Company provides employment support services for foreign workers, which are expected to expand in the future.

**Healthcare (Nursing care)**

The Company provides services to support the stable operation of nursing care facilities by providing temporary staffing and permanent placement of care staff to companies operating nursing care facilities. Furthermore, through the operation of "WILLOF Care Academy," a professional certification support service, the Company provides skill development and career support for staff. In addition, the Company provides employment support services for foreign workers, which are expected to expand in the future.

**Call Center (Call centers, offices, and finance)**

The Company provides services that support building relationships of trust between clients and end users by dispatching staff engaged in operations such as information provision, delivery, after-sales service, consultation, and receiving, processing, and resolving complaints to companies operating call centers and those deploying telemarketing services. Within call centers, the core targets are telecommunications companies, BPO service providers, and financial institutions. In addition, the Company contracts telemarketing operations leveraging its own call centers and provides temporary staffing and placement services for office clerical positions.

**Others (IT engineers and others)**

The Company provides temporary staffing and permanent placement services for system engineers.

### 4）Profile of the Overseas Working Business

**Expanding Business via Active M&As**

The Company operates human resource services, such as temporary staffing and permanent placement, across Asia - primarily Singapore - and Australia. Since the establishment of its Singapore subsidiary in 2011, the Company has expanded its business through active M&As. In particular, its business scale has expanded significantly since the acquisition of DFP Recruitment Holdings Pty Ltd in Australia.

**Focus on Government and Public Sector Projects Limits Impact of Economic Fluctuations**

A distinct characteristic of the Overseas Working Business is the high proportion of the government and public sectors, which are relatively less susceptible to economic fluctuations, centering on temporary staffing. In the temporary staffing business of the Overseas Working Business, the proportion of the government and public sectors in the second half of FY3/26 (October to March) was 47% in Australia and 59% in Singapore. Successfully entering the market via the acquisition of local subsidiaries has enabled the Company, despite being a foreign entity, to secure local government and public sector projects. Outside of the government and public sectors, the proportions for industrial and banking & finance sectors are relatively high. Similar to its domestic operations, the Company does not depend on specific industries and has established a well-balanced business portfolio diversified across various sectors.

**Acquired Six Companies in Australia**

By region, Australia accounts for approximately 60% of the segment's revenue. Under its policy for overseas M&As, the Company targets: 1) domains and companies where growth can be expected, 2) companies for which business succession plans can be designed, and 3) category-specialized companies, and has already acquired six Australian companies. The Company implements earn-outs, acquiring a majority stake in the first transaction and subsequently acquiring additional shares over one to three years. In addition, during PMI (Post-Merger Integration), the Company considers business succession support from founders, integration of back-office departments, and cross-selling among consolidated subsidiaries. Following an acquisition, the Company targets an average annual growth rate of 15% and has focused on creating synergies.

**Favorable Economic Conditions in Both Singapore and Australia**

At Strategy Advisors, we believe that relatively favorable economic conditions in both Singapore and Australia have also contributed to the Company's success in expanding its overseas business. Australia's real GDP, which stood at AUD 2.2 trillion in 2018 when the Company entered the Australian market, has grown to AUD 2.7 trillion in 2025. Similarly, Singapore's real GDP, which was SGD 377.4 billion in 2011 when the Company entered the market, has grown to SGD 593.8 billion in 2025. Accompanying economic growth, the Company has timely deployed its business for enterprises in need of manpower.

**Figure 3. Trends in Overseas Working Business Performance (¥mn)**

| | FY3/22 | FY3/23 | FY3/24 | FY3/25 | FY3/26 |
|---|---|---|---|---|---|
| **Overseas Working revenue** | 48,746 | 57,537 | 55,432 | 56,448 | 58,501 |
| YoY | 32.0% | 18.0% | -3.7% | 1.8% | 3.6% |
| **Sales by category** | | | | | |
| Temporary staffing | 41,354 | 49,287 | 48,018 | 49,116 | 50,790 |
| Permanent placement | 7,308 | 8,177 | 7,353 | 7,230 | 7,591 |
| Other | 83 | 72 | 60 | 100 | 119 |
| **Revenue by region** | | | | | |
| Australia | 38,186 | 43,392 | 39,180 | 37,307 | 36,527 |
| Asia | 10,560 | 14,145 | 16,251 | 19,141 | 21,973 |
| **Revenue share by region** | | | | | |
| Australia | 78.3% | 75.4% | 70.7% | 66.1% | 62.4% |
| Asia | 21.7% | 24.6% | 29.3% | 33.9% | 37.6% |
| **Overseas Working operating profit** | 3,348 | 3,406 | 1,946 | 1,432 | 2,427 |
| YoY | 72.4% | 1.7% | -42.9% | -26.4% | 69.5% |
| OP margin | 6.9% | 5.9% | 3.5% | 2.5% | 4.1% |

Source: Company Data. Compiled by Strategy Advisors.

## 2. Business Model and Key KPIs

### 1) Recurring Revenue Business: Revenue = Number of Active Employees x Billing Rate x Working Hours

**Revenue = Number of Active Employees x Billing Rate x Working Hours**

The profit structure of the temporary staffing business consists of: Number of Active Employees x Billing Rate x Working Hours. In the Company's case, it has secured approximately 1.0 million registered temporary workers through its proprietary media, "WILLOF," and other platforms. Revenue is recognized when registered temporary workers find jobs matching their preferred conditions on the media, actually work, and the Company bills the client companies. Meanwhile, the cost of sales consists of temporary staffing-related expenses, which are calculated by multiplying the payment unit rate to temporary workers, their working hours, and the number of active employees.

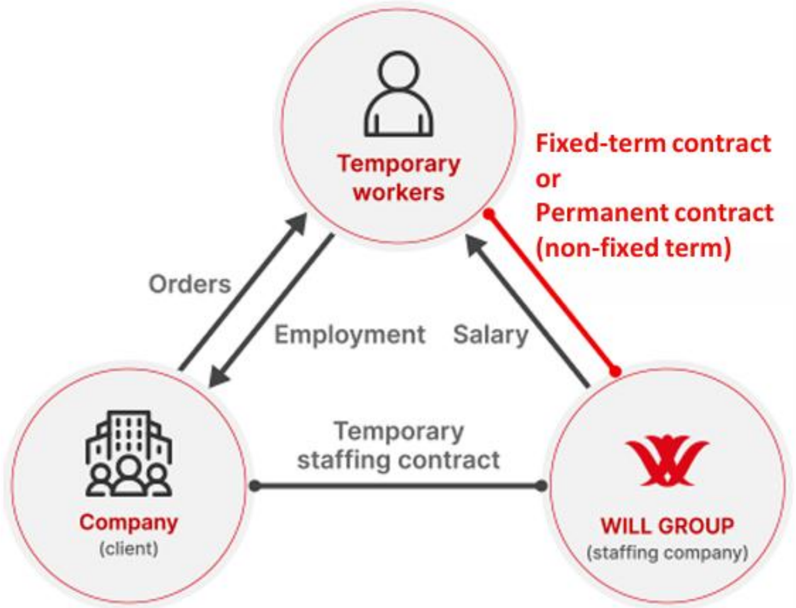
**Fixed term staffing as the Primary Revenue Source**

There are two types of temporary staffing: fixed term staffing, where workers register in advance and sign a contract with the staffing company when a placement matching their conditions is finalized; and permanent employee staffing (indefinite-term staffing), where workers become permanent or contract employees of the staffing company. The former has the advantage of allowing workers to easily choose their working period, working hours, and job descriptions in accordance with their lifestyles. Conversely, the latter offers stable employment and income, and in some cases, better employee benefits. From the perspective of temporary workers, fixed-term staffing carries the risk of periods without income due to idle [waiting] time when a placement is not finalized. However, from the perspective of staffing operators, unlike permanent employee staffing, it does not require salary payments during idle periods, resulting in highly stable business operations. The Company's primary revenue source is fixed-term staffing, which can be characterized as a stable recurring revenue business.

**Permanent Employee Staffing in the Construction Sector**

It should be noted that construction engineers in the Construction sector represent permanent employee staffing consisting primarily of permanent employees for both temporary staffing and BPO [contracting], distinguishing them from other sectors. Profitability is also higher than in other sectors, with the gross profit margin hovering in the high-20% range. Against the backdrop of a prominent labor shortage across the construction industry as a whole, the Company dispatches engineers and secures high profitability by providing services centered on permanent employee staffing.

**Figure 4. Schematic Diagram of Temporary Staffing Business**



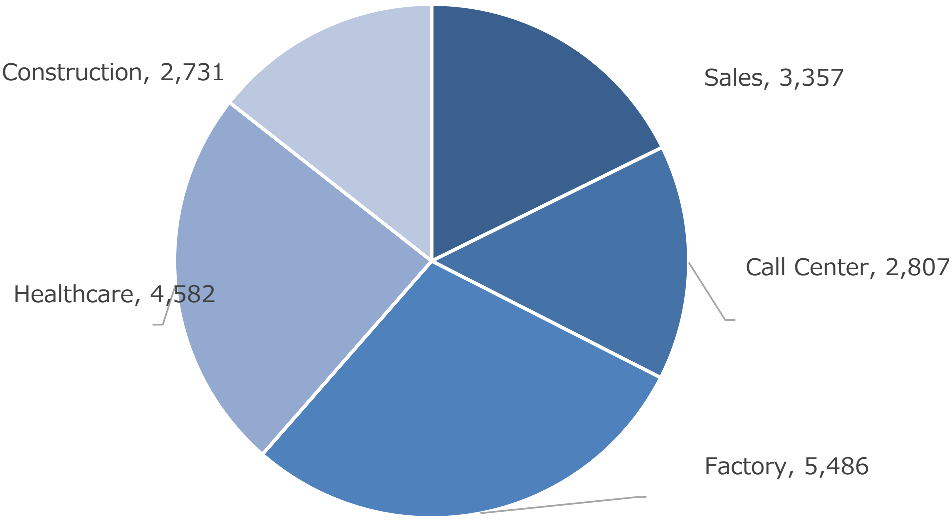

Source: Company Material.

## 2）Key KPIs: Number of Active Employees and Billing Rate

**Key KPIs: Number of Active Employees and Billing Rate**

As mentioned above, while the profit structure is driven by Number of Active Employees x Billing Rate x Working Hours, given that dramatically increasing working hours is difficult under overtime regulations, the primary KPIs are the Number of Active Employees and the Billing Rate. At the end of FY3/26, the number of active employees in the Domestic Working Business stood at 18,963, consisting of 6,762 permanent employees (2,731 in the Construction sector and 4,031 in non-construction sectors) and approximately 12,000 temporary staff.

**Figure 5. Number of Employees by Area as of the End of FY3/26 (Unit: Persons)**




Source: Company Data. Compiled by Strategy Advisors.

**KPIs: "WILLOF" Registrants, Permanent Employee Staffing Retention Rate, and Number of Hires**

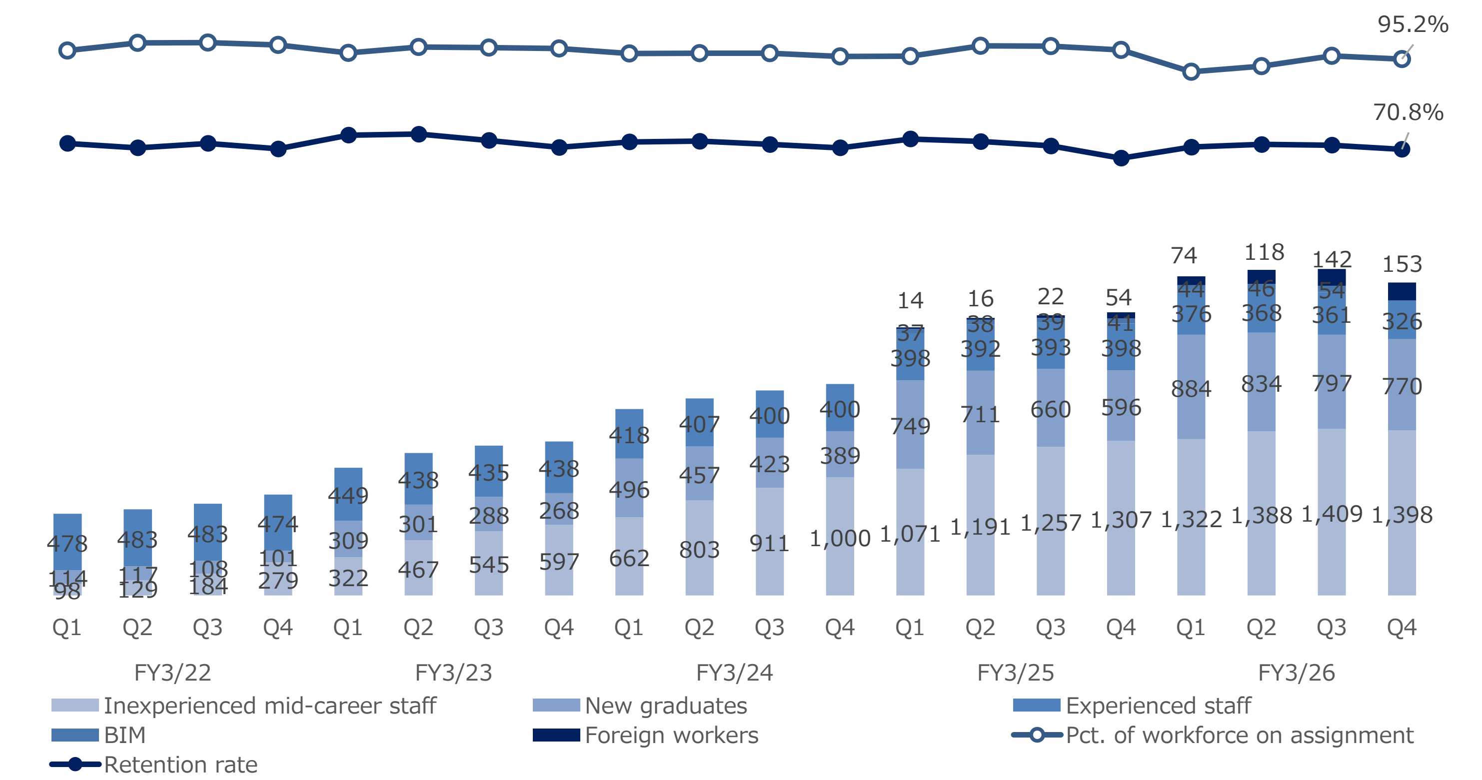
Furthermore, key operational metrics affecting the number of active employees that warrant close attention include the number of registered workers on "WILLOF"—the Company's proprietary job search media—the retention rate of permanent employee staffing, and the number of hires. The Company conducts promotional campaigns for "WILLOF" in every fiscal period. Advertisements are distributed via terrestrial TV commercials featuring celebrities, YouTube, and other digital platforms. These campaigns have successfully generated positive responses in terms of brand awareness, branded search volume, and usage intent, thereby driving increases in temporary worker registrations on "WILLOF." Given the intense competition with numerous rival media, securing a steady stream of traffic to "WILLOF" is essential to ensure a stable supply of temporary staff.

**Retention Rate in Construction Is Low with High Potential for Improvement**

Because the permanent employee staffing domain has rapidly expanded through aggressive recruitment efforts, its retention rate remains at 70.8%, a slightly lower level compared to competitors (who hover in the high-70% range). The Company plans to improve working conditions by reviewing its recruitment process and engaging in continuous charge-up negotiations [billing rate negotiations], aiming to raise the retention rate to around 75% in the medium term

In the Construction sector, inexperienced mid-career hires account for approximately 50% of active employees. It is critically important to sophisticatedly integrate the end-to-end process of "recruitment, training, deployment, and retention" to establish a mutually beneficial "three-way satisfaction" (good for clients, employees, and the Company) business model. To achieve this, alongside accelerating recruitment, the Company needs to establish a highly efficient system that increases the retention rate and improves yield.

**Figure 6. KPI Trends in the Construction (Unit: Persons, %)**




Source: Company Data. Compiled by Strategy Advisors.

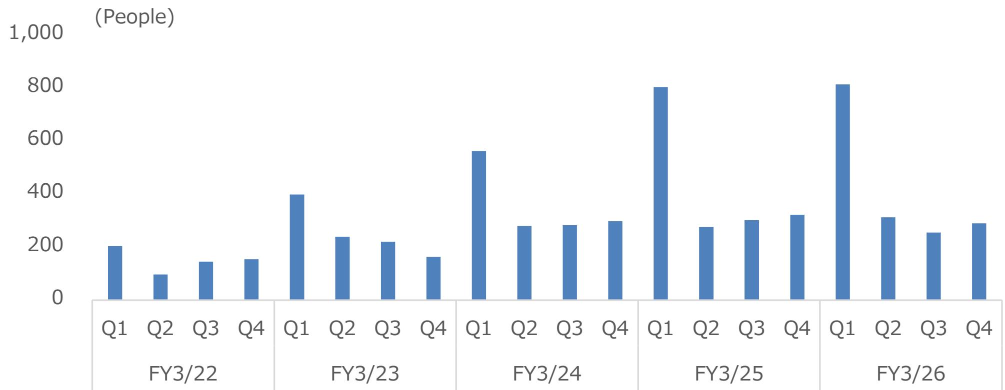
**Plan to Hire Approximately 1,500 Employees in the Construction Sector Going Forward**

In FY3/26, recruitment in the Construction sector progressed steadily, achieving the target recruitment of 1,500 employees. Moving forward, the Company plans to continue recruiting approximately 1,500 employees to expand its human resources while striking the optimal balance among investment efficiency, retention rates, and utilization rates.

**Capital and Business Alliance with ROXX to Secure Talent**

Additionally, with the aim of strengthening recruitment in the Construction sector, the Company entered a capital and business alliance with ROXX Inc. (241A, TSE Growth) in May 2024. ROXX operates "agent bank," a cloud-based job database specializing in the permanent placement business. In addition to 3,500 standard job postings, this database features approximately 39,000 job openings from its partner, PERSOL CAREER CO., LTD., and facilitates over 10,000 introductions monthly based on this information. The Company has already hired several hundred employees through ROXX and expects to receive introductions of highly promising job seekers moving forward.

**Figure 7. Headcount Hired in the Construction**

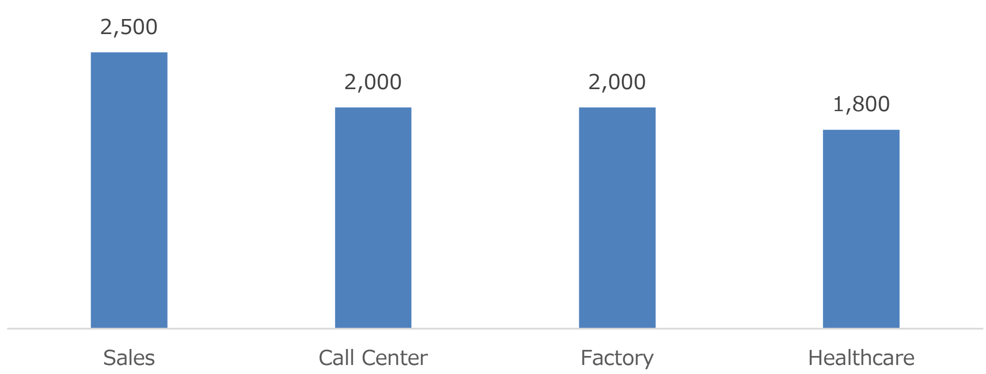



Source: Company Data. Compiled by Strategy Advisors.

**Billing Rates Differ by Sector**

While the Company does not disclose specific billing rates, estimated rates for each sector based on our interviews are as shown in Exhibit 8. While the billing rate for the Sales sector is relatively high at ¥2,500 per hour, the rates for Call Center, Factory, and Healthcare are relatively low. Due to the presence of competitors in each sector, implementing aggressive rate increases remains challenging. Meanwhile, billing rates in the Construction sector are high, ranging between approximately ¥2,500 and ¥4,500, showing significant variation. As this sector involves the dispatch of technical engineers, billing rates vary widely depending on each individual's skill level.

**Figure 8. Dispatch Unit Cost Per Area (Unit:￥/Hour)**



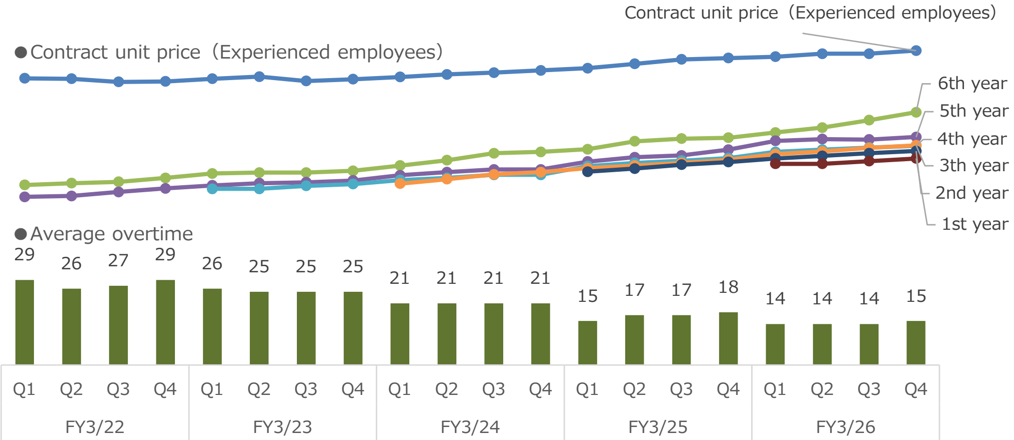

Source: Company Data. Compiled by Strategy Advisors.

## Easy to Negotiate Billing Rates in Construction

In the Construction sector, the Company is actively pursuing charge-up negotiations [billing rate negotiations], with the average contract rate for new graduates and inexperienced employees rising by 5% annually. In addition, contract rates based on years of service have also been increasing across the board. Because it is an engineer staffing business, raising billing rates for employees with experience and technical skills is easier compared to other sectors. Another distinct characteristic of the Construction sector is the robust qualification system, such as construction management engineers, to certify skills. For inexperienced employees who join as permanent employees, the Company leverages on-the-job experience alongside qualification acquisition to upgrade their skills, allowing the Company to successfully engage in charge-up negotiations.

A construction management engineer is a construction site manager responsible for formulating plans, managing schedules, and implementing quality and safety controls at construction sites. This is recognized as a national qualification, and under Japanese regulations, a holder of this qualification must be assigned as a "Chief Engineer" for construction projects with a contract value of ¥40 million or more. According to WILLOF CONSTRUCTION CO., LTD., a consolidated subsidiary handling human resource services in the construction domain, the company offers over 153 types of qualification allowances for various certifications in the construction industry, establishing a framework where obtaining qualifications directly leads to career advancement. These initiatives directly contribute to the successful outcomes of charge-up negotiations.

**Figure 9. Average Contract Unit Price and Average Overtime in the Construction (Unit: Hours, Thousands of yen)**




Source: Company Data. Compiled by Strategy Advisors.

### 3）Profitability and Cost Structure

**Gross Profit Margin Ranges Between 20% and 22%**

The Company's gross profit margin has continuously hovered within a tight range of 20% to 22%. Generally, in many industries, the gross profit margin expands alongside business scaling. For example, in manufacturing, an increase in revenue reduces manufacturing costs [economies of scale], leading to an expansion in the gross profit margin. In retail, procurement costs are lowered through volume discounts, driving margins upward. Conversely, in the temporary staffing industry, the margin earned per dispatched worker remains constant, meaning that gross profit margin expansion driven by scaling is structurally limited. Consequently, despite the Company's consistent revenue growth, its gross profit margin for FY3/26 improved by only approximately 2.0 percentage points compared to FY3/18.

The primary drivers behind the improvement in the gross profit margin are the structural reforms in the Domestic Working Business (expanding permanent employee staffing/outsourcing and foreign talent management services) and an improved business mix driven by the expansion of the Overseas Working Business. In the Domestic Working Business, growth is led by the Construction sector, which centers on permanent employee staffing, while expanding active permanent employee staffing numbers in the Factory and IT Engineer sectors have also contributed to profitability improvements. Additionally, the Overseas Working Business is bolstered by a higher proportion of permanent placement (fee-based revenue) compared to domestic operations.

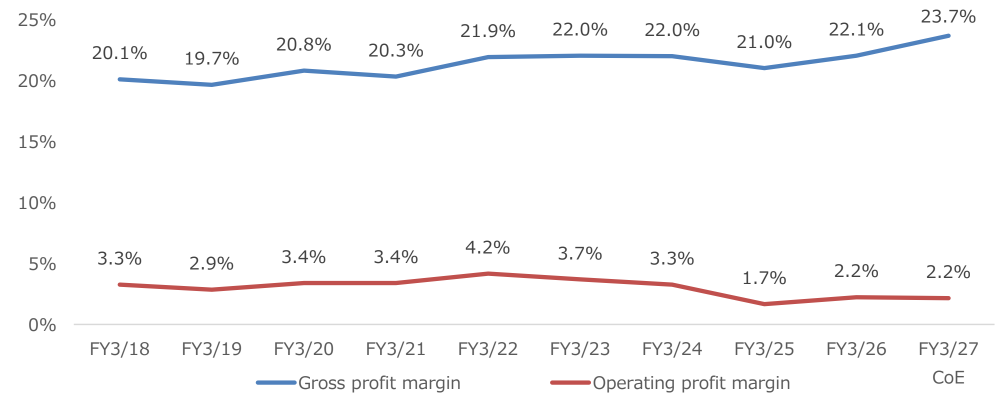
**Construction Enjoys High Profitability**

The variance in gross profit margins across individual sectors within the Domestic Working Business generally aligns with differentials in billing rates, with Construction being the highest in the high-20% range, followed by Sales, and then Call Center and Factory. Profitability in the Healthcare sector is slightly higher than in the Call Center and Factory sectors because its pricing is governed by government-regulated long-term care compensation.

**Operating Profit Margin Slightly Declined Due to Higher SG&A Expenses**

Looking at historical profit margins, while the gross profit margin improved from 20.1% in FY3/18 to 22.1% in FY3/26, the operating profit margin declined slightly from 3.3% to 2.2%. This compression was primarily driven by an upward trend in SG&A expenses due to M&As, including C4 Co., Ltd. (the predecessor of WILLOF CONSTRUCTION CO., LTD.) and four overseas entities. Furthermore, since FY3/23, the Company has executed upfront investments in focus domains (expanding recruitment costs and personnel expenses to strengthen hiring) and aggressive advertising campaigns to elevate the brand awareness of its proprietary "WILLOF" brand.

**Figure 10. Trends in Gross Profit Margin and Operating Profit Margin**

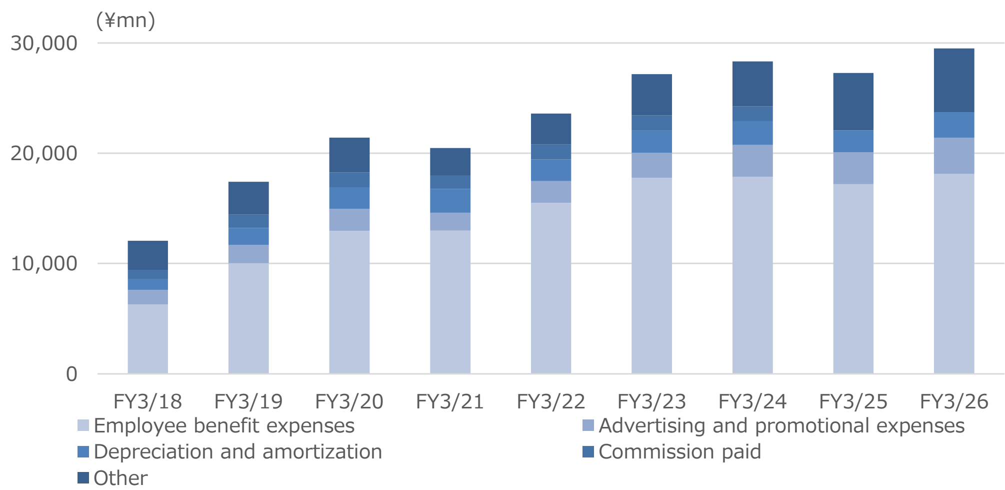



Note: OP margin for FY3/24 takes into account the impact of the sale of subsidiaries (JPY 2.06 billion) and exclusion from the scope of consolidation.
Source: Company Data. Compiled by Strategy Advisors.

## Personnel Expenses Represent a High Percentage of Costs

The largest component of selling, general, and administrative (SG&A) expenses is employee benefit expenses, which include personnel costs for WILL GROUP employees, coordinators working at operating subsidiaries, sales personnel, and back-office staff (personnel costs for permanent dispatched employees are recognized under cost of sales). Recruitment expenses consist of posting fees paid to third-party job boards and fees paid to recruitment agencies. Commission fees represent the aggregate of various fee payments, with information technology (IT)-related expenses accounting for a relatively large portion of these fees.

**Figure 11. Breakdown of SG&A and Trends (¥mil)**




Source: Company Data. Compiled by Strategy Advisors.

## 4）Balance Sheet and Cash Flows

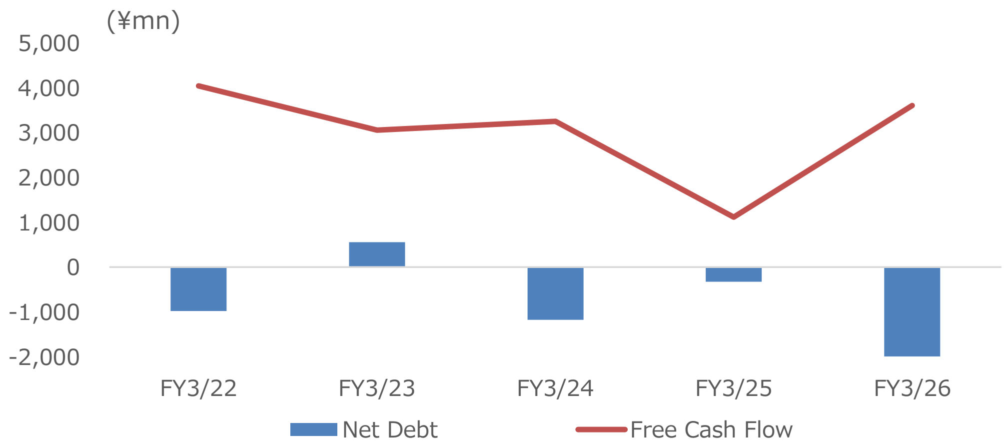
### Healthy Balance Sheet

The Company maintains a robust and healthy balance sheet. At the end of FY3/26, net debt (total short- and long-term borrowings minus cash and cash equivalents) was negative ¥1.99 billion, representing a net-cash position where cash and cash equivalents exceeded interest-bearing debt. Furthermore, because human resource service companies do not require heavy capital expenditures such as factories or production facilities, the proportion of fixed assets to total assets is structurally low across the industry, including for competitors. Consequently, executing large-scale borrowings for purposes other than M&As is rare. In the Company's case, to fund the acquisition of C4 Co., Ltd. (now WILLOF CONSTRUCTION CO., LTD.) as well as 10 overseas entities in Australia and Singapore, the Company raised ¥8.51 billion in long-term borrowings during FY3/19. Since then, the Company has steadily repaid this debt, resulting in a significantly improved financial position.

A key characteristic of the temporary staffing industry is the relatively large size of trade receivables. For the Company, salaries for employees and temporary staff are paid on the 20th of the month following the working month, whereas trade receivables are collected at the end of the month following the revenue recognition month. This mismatch results in a 10-day payment gap where payroll obligations must be settled prior to accounts receivable collection, creating a temporary working capital requirement.

Despite fluctuations in working capital, the Company fundamentally possesses strong cash flow generation capabilities. Since FY3/21, the Company has consistently generated between ¥3.0 billion and ¥4.0 billion in free cash flow (operating cash flow plus investing cash flow) in each fiscal period. Under IFRS, which the Company has adopted, goodwill is not amortized. Operating cash flow is calculated by adding depreciation and amortization back to net profit, while adjusting for changes in working capital. Investing cash flow primarily reflects capital expenditures for the acquisition of tangible and intangible assets associated with M&As.

**Figure 12. Net Debt and Free Cash Flow**




Source: Company Data. Compiled by Strategy Advisors.

## 3. Management Background and Competitive Advantage Rooted in Mission, Vision, and Values

### 1) Background of Founder Chairman Ikeda and Corporate History

**Chairman Ikeda's Background and Inspiration for Founding the Company**

The spiritual and operational foundation of WILL GROUP is deeply rooted in the personal history and resilient journey of its Representative Director and Chairman, Ryosuke Ikeda (born 1968, Hyogo Prefecture). Although his family had been business owners since his grandfather's generation, Ikeda faced severe economic hardships, including his father's business failure and the tragic loss of his mother, who passed away without being able to receive adequate medical treatment due to financial constraints. These formative adversities inspired his deep-seated aspiration to become a successful entrepreneur capable of supporting the people around him. To acquire the essential accounting knowledge and skills required for corporate management, Ikeda joined an accounting firm at the age of 24. Subsequently, the Great Hanshin-Awaji Earthquake of 1995 served as a profound turning point, reinforcing his conviction to "pursue his aspirations to the fullest while alive" and prompting his final decision to launch a business.

**Founded SAINT MEDIA, INC. and BIC AID, INC.**

In 1997, two entities were established in Osaka City: Saint Media Co., Ltd. (now WILLOF WORK CO., LTD., a consolidated subsidiary), primarily focused on the telemarketing business; and Big Aid Co., Ltd., which specialized in short-term contracting for light labor such as moving services and event setup. Driven by his strong entrepreneurial ambition, Ikeda participated in the launch of Big Aid, an endeavor that laid the foundation for the current WILL GROUP.

At its inception, Big Aid was an early-stage venture consisting of only three members: the president, a branch manager, and Ikeda. Starting with manufacturing-line contracting, the company had no track record and faced a continuous series of failures. However, Ikeda confronted these challenges head-on without evasion, striving alongside his staff to improve operations. Birthed from this period of intense trial was the corporate slogan "Believe in Your Possibility" (believe in the potential of yourself and your colleagues), which remains the core value of the Company today. Within three years, Big Aid successfully scaled to ¥500 million in annual sales.

**Launched the Factory Outsourcing Business**

In 2000, to realize operational synergies between the telemarketing and contracting businesses, Saint Media absorbed Big Aid, launching its factory outsourcing business. In the same year, Saint Media established Saint Staff Co., Ltd. to enter the temporary staffing sector.

At this juncture, at the age of 32, Ikeda was appointed President of Saint Media. Although he aspired to be a business leader, his dream was to manage a company he had founded himself, making him hesitant to accept a hired president role. After initially declining, he eventually accepted on the condition that he would serve "until the IPO." Upon taking office, however, he found Saint Media deeply in the red—even delinquent on its office rent—and facing a critical cash crunch. To salvage the company, Ikeda spearheaded comprehensive management reforms using every available measure, successfully restoring financial health in approximately one year. Nevertheless, this turnaround process highlighted a vital institutional weakness: the lack of a clear corporate philosophy and vision.

**The Company's Mission, Vision, and Values (MVVs)**

Seeking guidance, Ikeda asked a question during a lecture given by Masao Horiba, the then-Chairman of HORIBA, Ltd. (6856, TSE Prime), renowned for its famous corporate philosophy "Joy and Fun." Horiba advised him: "Since you are still young, immerse yourself in your work. Treasure the clients right in front of you. As you grow through your management journey, simply put into words the things that are truly important and absolutely non-negotiable to you." Birthed from this advice was the foundation of the current Mission, Vision, and Values (MVV): "Becoming a Change Agent Group that Brings Positive Change to Individuals and Organizations", "We Do Change," and "Change Agent."

Ultimately, Ikeda's resilient life trajectory—navigating through his father's business failure, the early loss of his mother, and the dramatic turnaround of a deficit-ridden company with unwavering optimism—is deeply woven into the Company's MVV and corporate culture. This personal journey has served as invaluable leadership capital for directing a human resources business, where people are the ultimate assets.

## 2) President Yuichi Sumi: Background and Vision

**President Sumi's Background**

Representative Director and CEO Yuichi Sumi (born 1980, Abiko City, Chiba Prefecture) presents a fascinating contrast to Chairman Ikeda. Raised in a typical salaried-worker household, Sumi harbored a strong interest in international affairs from a young age, traveling to multiple countries as a backpacker during his student years and dreaming of "earning money to travel around World Heritage sites."

With the ambition of becoming a company president by age 30 and chairman by age 40, Sumi sought opportunities in the fast-growing human resources service industry to accelerate his personal development, leading him to Saint Media. Upon graduating from university, he joined Saint Media and was assigned to the sales department. In his second year, Sumi was appointed branch manager of the newly established Ibaraki branch—the Company's first in that prefecture—before transferring to the HR department to lead new graduate recruitment.

### Transition from General Temporary Staffing to Business Process Outsourcing

In 2009, Sumi transferred to Saint Media Field Agent Co., Ltd. (now WILLOF WORK CO., LTD.), which managed the manufacturing sector. He successfully secured temporary staffing orders for factories from major food manufacturers, steadily building trust and expanding the active employee count to approximately 200 within three years. During this period, the business model successfully shifted from general temporary staffing to high-margin BPO [contracting] services. While general temporary staffing places the responsibility of quality assurance on the client side, contracting requires the contractor to guarantee the quality of deliverables. This transition demanded highly sophisticated operational expertise but yielded significantly higher profitability. Over time, Sumi's ambition shifted from becoming an independent president to achieving outstanding success within the Group.

### Acquired Know-How on Hybrid Temporary Staffing Prompted by the Global Financial Crisis

A major turning point for the Company's growth came during the economic crisis triggered by the 2008 Lehman Brothers bankruptcy. With orders from the manufacturing sector, particularly automotive companies, plummeting, the Company rationalized its accounts. It selected approximately 100 core clients with whom it should build long-term relationships and concentrated its management resources there. Crucially, this crisis catalyzed the development of the Company's unique "hybrid temporary staffing" model. Following the Lehman shock, the Company's performance deteriorated significantly, forcing corporate headquarters' permanent employees to be deployed to work on-site. By working hand-in-hand and cooperating closely with temporary staff to navigate the economic crisis, the gap between permanent corporate employees and temporary staff narrowed, establishing the "hybrid temporary staffing" style. As the economic environment subsequently recovered, this model served as a powerful engine for expanding the temporary staffing business.

### Succeeded to Various Roles Before Becoming Representative Director of WILLOF CONSTRUCTION, Inc.

Following his sales experience at major domestic subsidiaries, Sumi served as the head of HR for the entire domestic Group, building extensive expertise in the human resources business and demonstrating strong leadership. His capabilities led to rapid promotions: appointed General Manager of Sales in April 2014, Director in April 2016, and Executive Officer and General Manager of HR at WILL GROUP in July 2018. In June 2019, he became Director of Saint Media, and in April 2021, he was appointed Representative Director of WILLOF CONSTRUCTION CO., LTD.—the Company's high-focus domain.

In June 2022, Sumi was appointed Director of WILL GROUP, culminating in his promotion to Representative Director and CEO in June 2023. This succession took place under Chairman Ikeda's strategic decision to refresh leadership for the next generation to ensure sustainable growth amidst changing environments. Sumi succeeded former President Shigeru Ohara (appointed in 2016), who had previously driven the Company's growth in tandem with Ikeda. For WILL GROUP, which is aggressively pursuing the expansion of its Construction business and raising its permanent employee staffing ratio, appointing an in-house bred president who possesses extensive on-the-job experience and enjoys deep trust from employees was deemed the ideal choice to steer the Domestic Working Business back onto a re-growth

**Appointed as Chairman of the Japan Staffing Services Association**

Furthermore, on June 16, Sumi was appointed President of the Japan Staffing Services Association (JASSA). JASSA is an industry organization representing 796 member staffing operators (as of April 1), and the president's term of office is two years.

### 3) MVVs and Competitive Advantage

**Mission: "Becoming a Change Agent Group that Brings Positive Change to Individuals and Organizations"**

The Company's core mission is "Becoming a Change Agent Group that Brings Positive Change to Individuals and Organizations". Underpinning this mission is the philosophy that if positive outcomes can exceed negative ones by even a slight margin—a ratio of 51% to 49%—both individuals and organizations will steadily grow, ultimately fostering a better society. Embodied in this statement is the Company's aspiration to continuously grow as an entity that actively and positively transforms individuals and organizations.

This mission was birthed directly from the field, through hands-on engagement with clients and temporary staff. In the Company's view, the human resource business is not merely a transactional matching service; rather, when the Company collaborates to build better working environments, both clients and staff can grow in a positive direction. The Company identifies its ultimate raison d'être in generating these positive changes.

**Value: "Believe in Your Possibility"**

The Company's core value is "Believe in Your Possibility." This reflects the Company's historical trajectory: starting as a three-person venture, it has consistently looked forward, believed in the potential of its founders and colleagues, and repeatedly embraced new challenges despite facing severe adversities. Even today, as the Group has scaled significantly, the belief in human potential remains the cornerstone of the organization and the primary engine of its growth.

Crucially, the Company's MVV deeply reflects the personal history and management philosophy of its founder, Ryosuke Ikeda. In a highly competitive industry with numerous peers, scaling a labor-intensive temporary staffing business requires a positive, forward-looking organizational culture. This institutional appeal has been pivotal in securing both permanent employees and temporary staff, thereby underpinning the Company's sustained growth to date.

**Hybrid Temporary Staffing Model Serving as the Source of Inimitability**

The Company's primary source of inimitability (barrier to entry) lies in its Hybrid temporary staffing Model, which is powered by its strong organizational capabilities. In the hybrid temporary staffing model, WILL GROUP employees (known as "Field Supporters") and temporary staff work together as a cohesive team at the client's site, enabling rapid and precise responses to client needs. This model was birthed from the economic crisis following the 2008 Lehman Brothers bankruptcy, which forced the Company to deploy its own corporate permanent employees to client sites due to a sharp drop in orders. As the economy subsequently recovered, this model catalyzed the growth of the temporary staffing business, establishing a unique competitive advantage unmatched by competitors.

According to Michael Porter's competitive strategy framework, strategies are classified into three types: "differentiation," "cost leadership," and "focus." Through differentiation, WILL GROUP achieved high growth in the temporary staffing industry despite being a late entrant. Porter identifies seven sources of differentiation: 1) product characteristics, 2) linkages across functions, 3) timing, 4) geographical location, 5) product mix, 6) relationships with other firms, and 7) reputation. In the Company's case, its advantage is highly aligned with "1) product characteristics."

In conventional temporary staffing, client companies must invest resources to train dispatched workers. Under the Hybrid Temporary Staffing Model, however, WILL GROUP's Field Supporters train and manage the staff on behalf of the client. This ensures smooth lines of command and fosters strong teamwork, as team members work alongside each other as peers from the same company. Consequently, this model drives higher morale and retention rates among temporary staff. Enhancing on-site communication and follow-up support through hybrid temporary staffing is of paramount importance, particularly in high-turnover sectors.

At Strategy Advisors, we believe that the Hybrid Temporary Staffing Model has become a sustainable competitive advantage precisely because it is deeply rooted in WILL GROUP's MVV. In the 2023 Integrated Report, newly appointed CEO Yuichi Sumi noted, "We possess a meritocratic corporate culture, a drive to generate results through teams rather than individuals, and a culture that highly values the quality of human relationships." The Hybrid Temporary Staffing Model was made possible because the Company possessed an organizational foundation that values interpersonal relationships and team-based results across both permanent corporate employees and temporary staff.

## 4. Future Equity Story and Market Potential

### 1) To Emerge as a Winner in the "Job Mismatch" Era via Transition from "Quantity" to "Quality"

**Equity Story: "Transition to a High Value-Added Business Model"**

The core equity story of the Company is its departure from a low-margin business model centered on fixed term staffing toward a high value-added business model capable of surviving and thriving even in a declining population era. By aggressively raising the revenue and profit contributions of highly profitable segments—including permanent employee staffing/outsourcing, permanent placement, and foreign talent management services—the Company intends to emerge as a structural winner in the "job mismatch" era. Against the backdrop of decelerating growth in traditional fixed-term staffing domains, this fundamental portfolio transition is a critical imperative for sustainable corporate development.

### Potential for Supply-Demand Mismatches Across Occupations in the Future

This strategic transition is strongly supported by structural macroeconomic shifts. According to the "2040 Employment Structure Estimation" published by the Ministry of Economy, Trade and Industry (METI), the widespread adoption of AI, robotics, and other automation technologies will trigger unprecedented supply-demand mismatches across occupations. By 2040, labor-saving automation is projected to generate a surplus of approximately 4.4 million clerical [administrative] workers. Conversely, a prominent labor shortage is estimated to emerge across various industries, specifically for talent capable of utilizing AI and robotics (approx. 3.4 million) and essential on-site [frontline] workers (approx. 2.6 million).

In response to these tectonic societal shifts, the Company is proactively repositioning its business. In a domestic market characterized by severe population contraction, the existing business model—which is heavily reliant on the "quantity" of fixed term staffing—is inevitably approaching its growth limits. Moving forward, the Company is expected to leverage its deep client relationships and extensive human resources operational know-how to drive a transition from "quantity to quality." By bridging these massive occupational mismatches in essential domains, WILL GROUP is well-positioned to unlock substantial corporate value and expand its valuation multiples.

**Figure 13. 2040 Employment Structure Projection: Occupational Mismatch**

| (Unit: Million) | Professional and engineering workers | | Administration officer | Manufacturing Proess workers | | |
|---|---|---|---|---|---|---|
| | | Personnel responsible for the utilization of AI and robotics | | | of which, Manufacturing Process Workers | of which, Other Manufacturing Site Workers |
| **Mismatch with supply in 2040** | **-1.81** | **-3.39** | **-4.37** | **-2.60** | **-2.06** | **-0.54** |
| Labour Demand/Supply in 2040 | 18.67 /16.86 | 7.82 /4.43 | 10.39 /14.76 | 32.83 /30.23 | 7.31 /5.25 | 25.52 /24.98 |
| Current Employment Figures as of 2022 | 12.88 | 2.36 | 14.55 | 36.37 | 8.35 | 28.03 |

Source: The Ministry of Economy, Trade and Industry. Compiled by Strategy Advisors.

## 2）Market Potential and Growth Strategy of Construction Sector

### Labor Environment on an Improving Trend

The construction industry has historically struggled to attract younger workers due to its reputation for demanding outdoor conditions, long working hours, and physical risks, often characterized by the Japanese colloquialism "3K" (Kitsui [demanding], Kitanai [dirty], and Kiken [dangerous]). Consequently, the number of workers in the sector has continuously declined, plunging the industry into a chronic labor shortage. However, the labor environment is undergoing a positive transition driven by the Work Style Reform Act enacted in April 2019. While the construction sector was previously granted a grace period [exemption], the statutory cap on overtime hours has been strictly enforced since April 2024. This regulatory-driven improvement in working conditions is expected to increase the pool of job seekers entering the construction sector over the medium term, acting as a powerful tailwind for the Company's recruiting efforts.

**Competitor Open Up Group Actively Expanding Business**

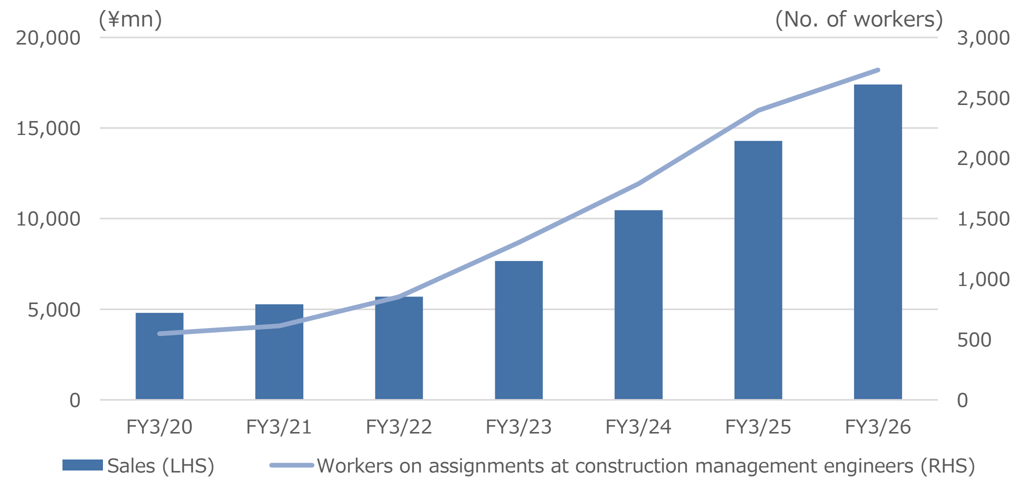
A key competitor in the Construction domain is Open Up Group Inc. (TSE Prime: 154A). For the fiscal year ended June 2025 (FY6/25), Open Up Group's construction segment revenue stood at ¥56.9 billion, representing a revenue scale more than three times that of WILL GROUP's Construction business (¥17.4 billion). In FY6/25, Open Up Group hired 3,503 engineers, with its domestic technical employee count reaching 8,503 at the end of March 2025. These figures indicate that the market leader remains in an aggressive growth phase, accelerating business expansion. Backed by steady progress in its charge-up negotiations, the competitor is clearly prioritizing market share acquisition during this expansionary phase.

While risks of competitive deterioration, recruiting bottlenecks, or a deceleration in charge-up margins cannot be entirely discounted, the rapid expansion of the industry leader demonstrates high underlying market growth. At Strategy Advisors, we believe WILL GROUP has a clear pathway to follow this trajectory and capture significant market share.

**Also Possesses Permanent Employee Staffing Know-How**

Although WILL GROUP's historical stronghold lies in fixed term staffing, its extensive experience in deploying the Hybrid Temporary Staffing Model has allowed it to accumulate substantial operational know-how in permanent employee staffing. While dispatching technical engineering staff on a permanent basis requires slightly different capabilities than traditional staffing, the Company is well-positioned to leverage its existing business assets—specifically in recruitment processes and retention improvement—to accelerate growth in this highly profitable business domain.

**Figure 14. Number of Active Workers and Sales Revenue in the Construction**




Source: Company Data. Compiled by Strategy Advisors.

## 3）Overview and Growth Potential of Foreign Talent Management Services

**Overview of Foreign Talent Management Services**

Foreign talent management services refer to comprehensive support solutions where the Company manages various administrative and daily life operations for foreign workers on behalf of client companies employing foreign technical interns. In collaboration with supervising organizations, the Company provides pre-departure guidance prior to traveling to Japan, immigration and airport transfer support, housing procurement, assistance with contracts required for daily living, and accompaniment for official administrative and public procedures. In the Company's case, its group company in Vietnam and strategic partnerships with state governments and local educational institutions in countries such as Myanmar and Indonesia allow it to provide integrated support from local recruitment to post-employment on-site follow-up, which serves as its differentiation.

The revenue sources consist of recruitment fees earned at the hiring stage, monthly life support fees (¥30,000 per month), and visa application agency fees (starting from ¥50,000 per worker). While the profitability of visa application agency fees is low because they are outsourced to administrative scriveners (Gyoseishoshi), the cost of sales for recruitment fees and monthly life support fees is low, resulting in high profitability.

**Aiming to Expand Business by Securing High-Quality Orders**

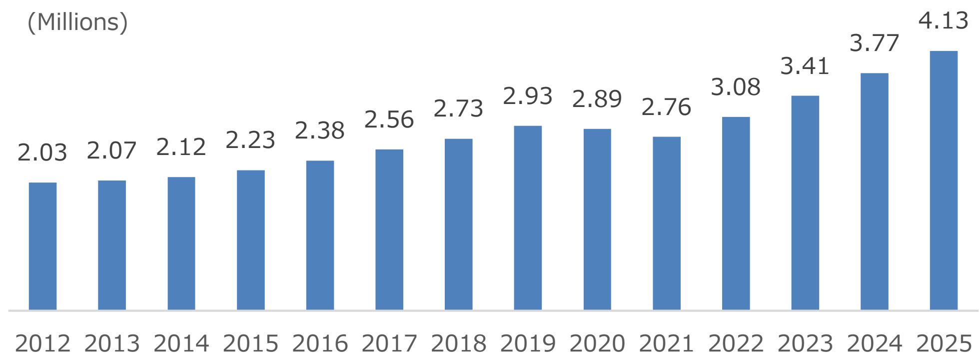
Under its previous Medium-Term Management Plan, the Company targeted expanding the number of foreign workers under its support to 3,500 by the final fiscal year ended March 2026 (FY3/26). However, the Company successfully exceeded this target, reaching 4,626 supported workers at the end of FY3/26. Moving forward, the Company expects to continue expanding this pool while improving the quality of orders (focusing on work locations and salary conditions that facilitate recruitment). A contribution of monthly life support fees calculated as ¥30,000 x 12 months x the number of supported workers (which is roughly equivalent to gross profit) is expected.

Notably, of the 4,626 supported workers at the end of FY3/26, 2,582 workers were in the Factory sector. Because WILL GROUP has historically operated temporary staffing businesses for food and other manufacturing factories, it has been able to leverage these existing client assets. Furthermore, as mentioned above, since the Company utilizes its overseas group companies, state governments, and local educational institutions to conduct local recruitment, expanding this business is relatively easy as long as high-quality orders can be secured.

**Rising Trend in Residents with Technical Intern Training Status**

The market environment is also favorable. Although the number of resident foreign nationals in Japan temporarily declined due to the COVID-19 pandemic, it recovered from 2022 onward, reaching 4.12 million as of the end of December 2025. Furthermore, analyzing the data by status of residence, the number of technical intern trainees in Japan expanded from 404,000 at the end of 2023 to 456,000 at the end of December 2025. Backed by the Company’s established recruitment channels and strong institutional foundation, market expansion is expected to continue.

**Figure 15. Changes in Foreign Residents**




Source: Immigration Services Agency of Japan. Compiled by Strategy Advisors.

### 4) Active Employees and Profitability of Permanent Employee Staffing by Sector

**Factory and IT Engineers Driving Growth in Permanent Employee Staffing**

The Company is focusing on permanent employee staffing in addition to fixed term staffing, and the number of active employees is steadily increasing. The number of active permanent employees (excluding Construction) at the end of FY3/26 stood at 4,031, representing an increase of 16.8% compared to the end of the previous fiscal year and exceeding the plan. While the Sales and Call Center sectors, which continue to struggle, were somewhat sluggish, the Factory and IT Engineer sectors led the growth.

In the Company's case, permanent employee staffing includes both permanent employee staffing under the hybrid temporary staffing model (Field Supporters) and standalone permanent employee staffing, with varying concentrations across sectors. In the Factory sector, which supports factory operations, the proportion of the hybrid temporary staffing model is high, whereas standalone permanent employee staffing is more common in the Sales sector. Furthermore, IT Engineers do not utilize the hybrid temporary staffing model and are basically deployed under standalone permanent employee staffing.

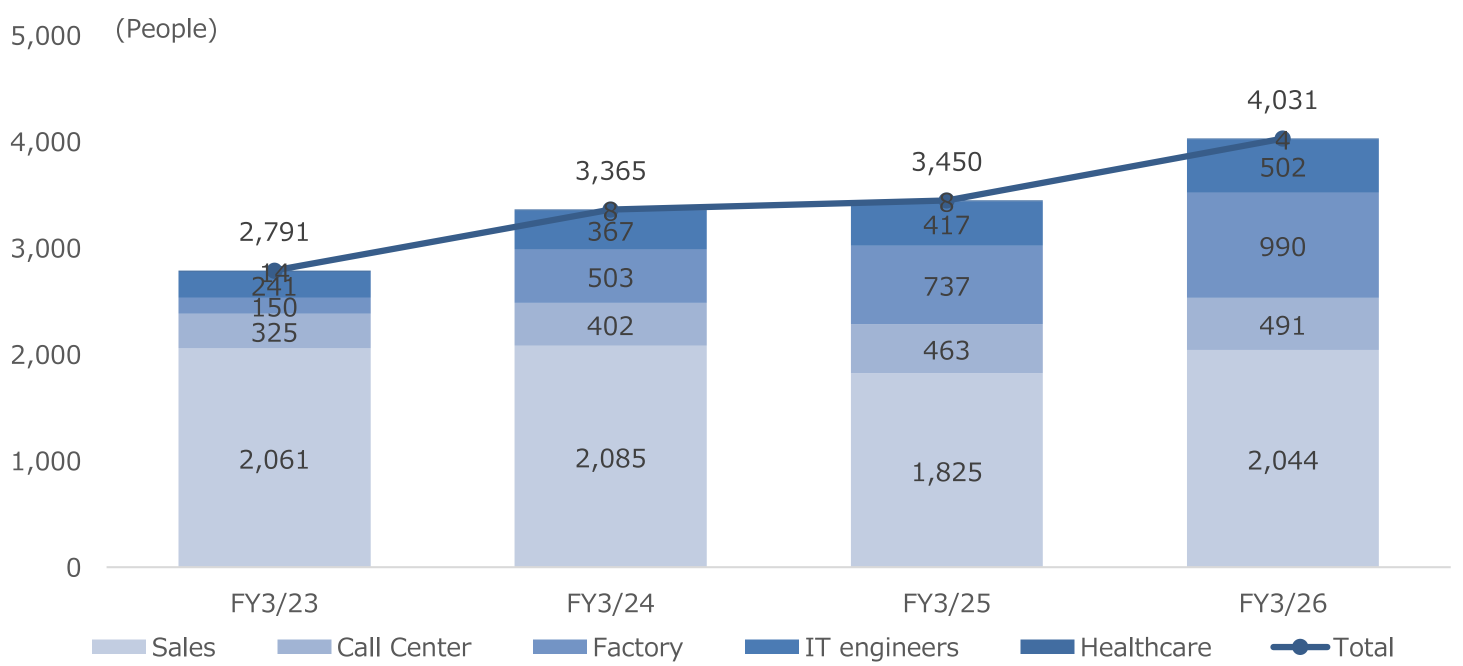
**High Profitability of Permanent Employee Staffing**

Compared to fixed term staffing, permanent employee staffing commands higher billing rates because a certain level of skill is required. Consequently, while the gross profit margin for fixed term staffing is approximately 14% to 17%, the gross profit margin for permanent employee staffing is approximately 21% to 28%. Regarding profitability by sector within permanent employee staffing, IT Engineers are the highest, followed by Construction, and then Sales and Factory.

**High Growth Potential in the Sector Driven by Engineer Shortage**

The number of active permanent employees in the IT Engineer sector expanded to 502, representing an increase of 20.4% compared to the end of the previous fiscal year. The shortage of engineers is distinct, and its growth potential is high. Some IT companies are already moving forward with local recruitment overseas. By leveraging its strength of having overseas group companies, the Company could also accelerate the growth rate of this sector by recruiting skilled Southeast Asian engineers locally and assigning them to Japanese enterprises.

**Figure 16. Number of Full-Time Temporary Workers in Operation (Excluding Construction)**




Source: Company Data. Compiled by Strategy Advisors.

## 5. Overview of the New Medium-Term Management Plan (WILL-being 2029)

**Announced the New Medium-Term Management Plan "WILL-being 2029"**

Concurrently with the announcement of its FY3/26 financial results, the Company announced its new Medium-Term Management Plan. The target for normalized operating profit for FY3/29 is ¥4.7 billion, representing profit growth of ¥1.7 billion from ¥3.0 billion in FY3/26, and the Company plans to secure ¥1.87 billion of this increase from the Domestic Working Business. With the strategic theme of the Domestic Working Business designated as "expanding our permanent employee and foreign worker HR business," the Company plans to aggressively grow its permanent placement services while continuing the expansion of permanent employee staffing/contracting and foreign talent management services, which were also positioned as key strategies in the previous Medium-Term Management Plan. Expanding the highly profitable permanent employee and foreign worker HR business will drive the profit structure reform of the Group as a whole.

**HR CAREER is the Key to Profit Structure Reform in the Domestic Working Business**

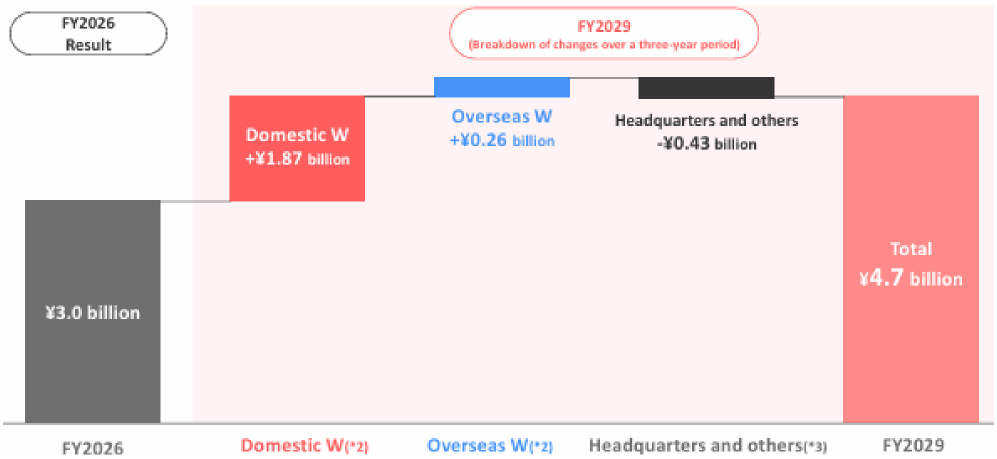
At Strategy Advisors, we believe that the cornerstone of the profit structure reform lies in the operational know-how of HR CAREER, which was acquired in October 2025. Belonging to the healthcare domain, HR CAREER specializes in permanent placement services for childcare workers, caregivers, nurses, and nutritionists, and is a company that has achieved high growth despite being a late entrant in the highly competitive permanent placement industry. Its strength lies in its superior operations; it has achieved high growth even in sectors such as childcare and caregiving where annual salaries are low compared to other industries and the fee earned per consultant is small. Because the fee per placement is low, individual consultants must handle a large volume of cases, leading to the establishment of highly productive operations. Leveraging this operational know-how to expand its permanent placement business in essential domains (caregiving, nursing, construction, etc.) can be considered the core of the new plan.

The Company targets securing a gross profit of ¥25.0 billion or more in the Domestic Working Business as a whole by FY3/29. While the gross profit of this business increased by approximately ¥3.6 billion during the previous Medium-Term Management Plan period, the Company aims to increase it by ¥5.9 billion or more during the new Medium-Term Management Plan period, and the additional upside driven by the expansion of permanent placement is drawing attention.

**Evaluated to Have a High Likelihood of Achieving Medium-Term Plan Targets**

Given the track record up to FY3/26, we believe the new Medium-Term Management Plan is highly achievable. At Strategy Advisors, we highly value the expected improvement in profitability through the expansion of permanent placement, centering on HR CAREER while maximizing synergies with existing businesses. Attention is focused on whether the Company can establish a unique permanent placement business that only HR CAREER can provide in difficult domains where competitors find entry challenging, while fully leveraging synergies with WILL GROUP.

**Figure 17. Profit Plan under the New Medium-Term Management Plan**




Source: Company Material.

## 6. Valuation and Peer Comparison

### 1) Historical Valuation

**Market Capitalization Exceeded ¥40.0 Billion in January 2018 but Has Since Languished**

The Company's operating profit increased from ¥2.59 billion in FY3/18 to ¥3.27 billion in FY3/26, showing a steady expansion in performance. However, its market capitalization has been languishing since exceeding ¥40.0 billion in January 2018. FY3/18 was a phase where, in addition to the growth of existing sectors (Sales, Factory, and Call Center), focus domains such as healthcare and overseas human resource businesses were starting to take off, which factored in future growth expectations and pushed its PBR past 5x.

On the other hand, since 2020, the decline in valuation (PBR) has been prominent. Revenue of the Domestic Working Business, which had driven the growth, peaked at ¥84.4 billion in FY3/20 and subsequently stagnated at ¥80.0 billion in FY3/21 and ¥80.7 billion in FY3/22. The primary factor behind this valuation decline was the decrease in staffing demand in the Sales and Factory sectors—the Company's core cash cows—due to the impact of movement restrictions associated with COVID-19 since 2020.

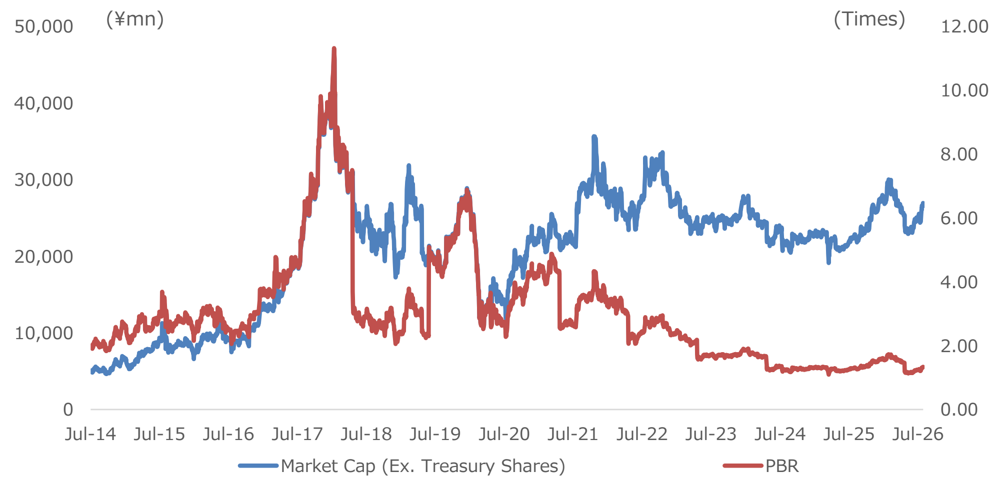
**Concerns Over Normalization of Online Activities, Progress of Labor-Saving, etc.**

Note that while the Domestic Working Business has returned to revenue growth since FY3/23 in tandem with the normalization of economic activities after the COVID-19 pandemic, the downward trend in valuation has continued. At Strategy Advisors, we infer that the market harbors concerns regarding the growth potential of the temporary staffing business, against the backdrop of the normalization of online activities accompanying the spread of remote work and the progress of labor-saving driven by technological advancements.

**Earnings Improvement and Valuation Revision Expected via Business Portfolio Transformation**

The Company is shifting from its temporary staffing business centered on fixed-term staffing toward permanent employee staffing, and we hope to see a re-rating of its valuation alongside profitability improvements driven by this business portfolio transition.

**Figure 18. Market Capitalization and PBR Trends**

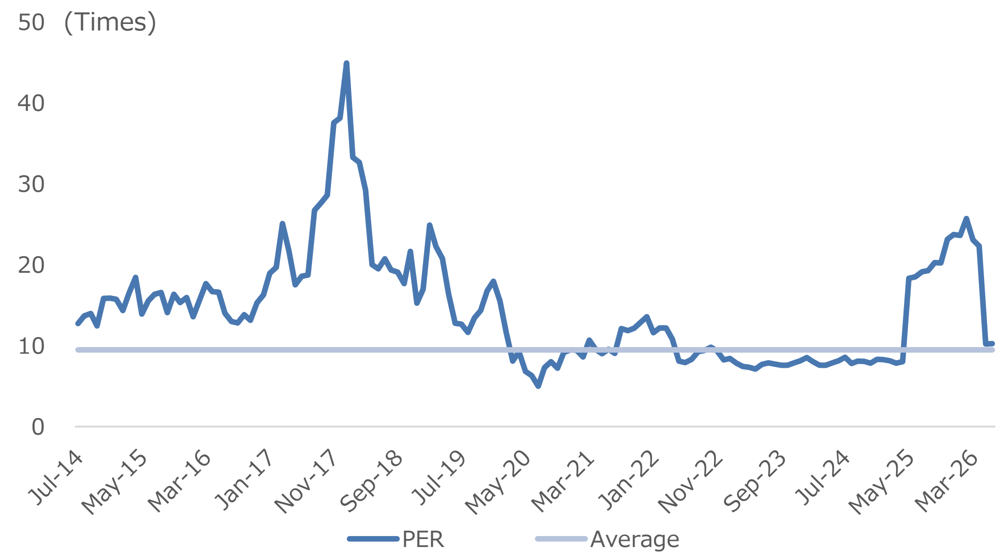



Source: Strategy Advisors

**PER Declined Along with PBR**

Similar to PBR, PER has also been on a downward trend. The PER at its peak in January 2018 was approximately 45x, but it has since declined and currently hovers around 11x.

**Figure 19. PER (Actual Basis)**




Source: Strategy Advisors

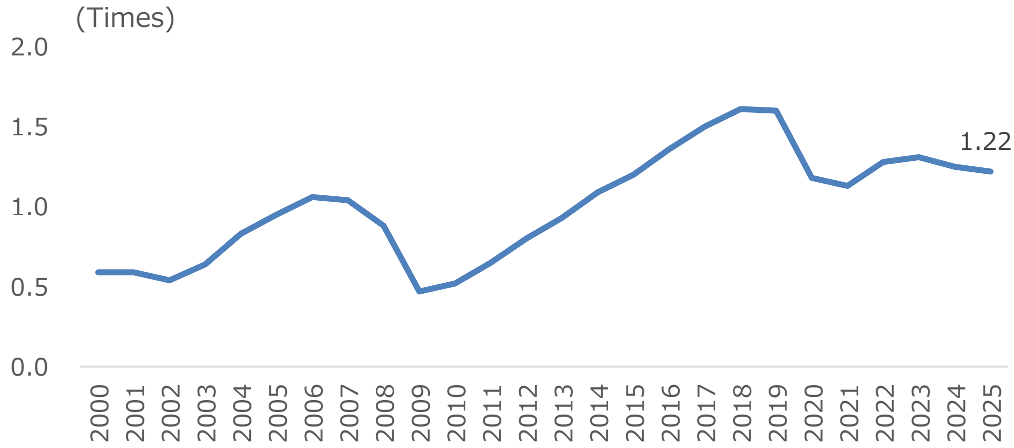
**Valuation across the Human Resource Industry Trends Downward**

Not limited to the Company, valuations across the human resources industry as a whole have been on a downward trend. The average PBR of human resource companies with a market capitalization of ¥100.0 billion or more has been declining since 2018, similar to WILL GROUP. The performance of each company remains solid, and their combined market capitalization has actually increased compared to 2018.

**Active Job Openings-to-Applicants Ratio Recovering Gradually**

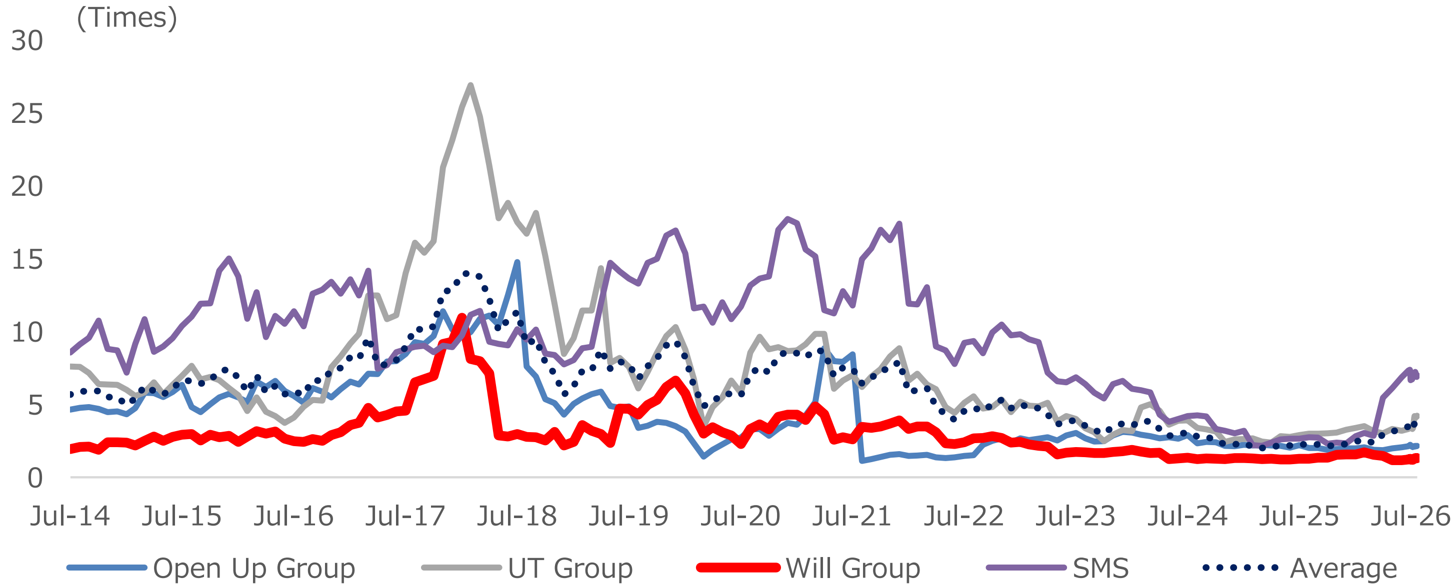
At Strategy Advisors, we believe that the peak-out of the active job openings-to-applicants ratio may be one of the factors behind this valuation decline. The active job openings-to-applicants ratio was on an upward trend after bottoming out in 2009, reaching 1.6x in 2018, but subsequently declined to 1.1x in 2020 due to the impact of COVID-19. However, since 2022, it has shown a gradual recovery in tandem with the normalization of economic activities and currently stands at 1.22x. Since each company's performance remains solid, attention is focused on whether valuations across the industry as a whole will turn upward again if this ratio enters an upward trend once more.

**Figure 20. Trends in the Ratio of Effective Job Offers to Job Seekers**



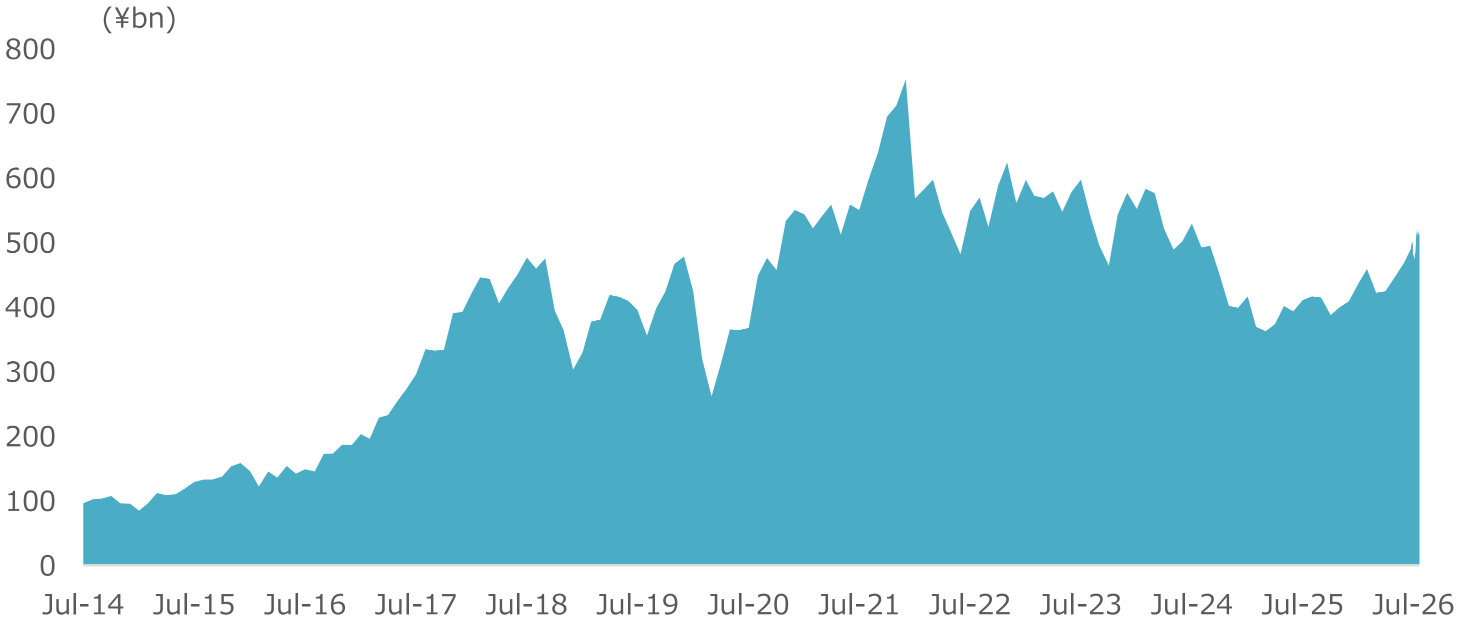

Source: Statistic Bureau. Compiled by Strategy Advisors.

**Figure 21. PBR Ratios of 5 Companies in the Human Resources Industry**




Source: Strategy Advisors

**Figure 22. Total Market Capitalization of Four Human Resources Industry Companies**




Note: Total Market Capitalization of WILL GROUP, UT Group, Open Up Group and SMS.

Source: Strategy Advisors

## 2) Peers by Business Segment and Scale

**Construction: Open Up Group Is the Largest Player**

Many companies provide temporary staffing services, and competitors exist in each sector. In Construction, Open Up Group is the largest player, with its revenue exceeding that of the Company. Other competitors include COPRO-HOLDINGS Co., Ltd. (7059, TSE Prime) and TechnoPro Holdings (delisted in December 2025). As of the end of FY3/26, Open Up Group's technical employee count stood at 8,503, while COPRO-HOLDINGS' active engineer count was 7,629.

**Factory: Limited Direct Competitors**

In the Factory sector, World Holdings Co., Ltd. (2429, TSE Prime), BREXA Next Co., Ltd. (formerly Outsourcing Inc., delisted in June 2024), UT Group Co., Ltd. (2146, TSE Prime), and NISSO Holdings Co., Ltd. (9332, TSE Prime) are notable players. BREXA Next has a high ratio of transportation equipment and electrical equipment manufacturers, meaning its client base slightly differs from that of WILL GROUP, which has a relatively high ratio of food factories. Furthermore, compared to other sectors, because this domain requires industry-specific expertise and technical skills, many companies do not compete directly despite being competitors in a broad sense.

**Sales: HITO-Communications Holdings, Inc.**

In the Sales sector, Hito-Communications Holdings Co., Ltd. (4433, TSE Prime) and LIKE Co., Ltd. (2462, TSE Prime) are notable competitors. For the fiscal year ended August 2025 (FY8/25), Hito-Communications Holdings' sales support revenue in the sales domain stood at ¥14.76 billion, leading the Company. In addition, because temporary staffing for telecommunications companies accounts for a relatively high proportion of its sales, it can be said to be in a direct competitive relationship with the Company.

### Call Center: S-Pool, Inc.

In the Call Center sector, S-Pool, Inc. (2471, TSE Prime), CRG Holdings Co., Ltd. (4071, TSE Growth), and Careerlink Co., Ltd. (6070, TSE Prime) are notable competitors. For the fiscal year ended November 2025 (FY11/25), S-Pool's call center-focused human resource outsourcing service revenue stood at ¥9.57 billion (down 9.8% year-on-year). Given its similar scale, S-Pool can be considered a direct competitor. Both companies continue to face somewhat challenging conditions due to the post-COVID demand decline. Although CRG Holdings and Careerlink do not disclose their call center-specific revenues, judging from their revenue disclosures that aggregate multiple fields, their scales are inferred to be smaller than that of the Company.

### Secured Top-Level Shares in Sales Staff and Operator Staffing

Furthermore, according to the Company's internal survey, it has secured top-tier market shares in salesperson staffing and operator staffing, which have historically driven the Company's growth, ranking second and first in the industry, respectively.

### Significant Upside in the Construction Sector

In the food and manufacturing staffing sector, the Company ranks sixth in the industry due to a large number of competitors and its high concentration of food factories. Similarly, in the construction engineer staffing sector, which the Company is currently focusing on, its industry ranking stands at sixth, meaning it still lags behind its competitors. Moving forward, the Company intends to expand its business to join the ranks of the industry leaders by securing recruitment numbers comparable to those of the market leader, Open Up Group. In the temporary staffing industry, because scale benefits are easily realized in the recruitment and training processes, being recognized as an industry leader is considered critical for driving business growth.

**Figure 23. List of Peers**

| Ticker | Company Name | FY | Sales (¥ mn) | OP (¥ mn) | OPM (%) | ROE (%) | Equity Ratio (%) | Number Of Employees (Person) | Overseas Sales (%) | Competition Area | Business |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 6089 | Will Group | FY3/26 | 146,856 | 3,279 | 2.2 | 12.3 | 35.8 | 9,005 | 39.8 | - | Temporary Staffing/Introduction, Outsourced Contracting, overseas (Temporary Staffing/Introduction) Business |
| 2429 | World HD | FY12/25 | 284,350 | 10,820 | 3.8 | 14.0 | 26.8 | 60,880 | | Factory | Temporary Staffing, Outsourcing, and Contracting Services |
| 2146 | UT Group | FY3/26 | 166,855 | 10,613 | 6.4 | 21.6 | 48.5 | 34,772 | | Factory | Temporary Staffing, Outsourced Contracting, Engineer Dispatching, Overseas Business |
| 9332 | Nisso HD | FY3/26 | 111,430 | 3,190 | 2.9 | 10.9 | 53.4 | 2,746 | | Factory | Temporary Staffing, Contracting, BPO, Nursing Care and Welfare Services |
| 2154 | Open Up Group | FY6/25 | 187,954 | 16,244 | 8.6 | 16.5 | 64.2 | 26,978 | 14.7 | Construction | Temporary Staffing, Contracting, Outsourcing/Contracting Business, Overseas Business |
| 7059 | Copro HD | FY3/26 | 36,662 | 3,633 | 9.9 | 31.4 | 20.9 | 8,402 | | Construction | Engineer Dispatching/Introduction/Contracting (Construction, Plant, Mechanical Design) |
| 2415 | Human HD | FY3/26 | 102,539 | 3,614 | 3.5 | 11.8 | 37.5 | 4,740 | | Care | Temporary Staffing/Introduction/Outsourcing, Education, Nursing Care, Other Businesses |
| 6198 | Career | FY9/25 | 14,936 | -9 | -0.1 | -7.8 | 42.8 | 355 | | Care | Elderly Care (Temporary Staffing/Introduction, Outsourced Contracting) |
| 2175 | SMS | FY3/26 | 64,735 | 6,787 | 10.5 | -38.7 | 50.6 | 4,660 | 13.7 | Care | Elderly Care (Temporary/Introduction Staffing, Outsourced Contracting), Overseas Business |
| 4433 | HITO-Communications HD | FY8/25 | 63,596 | 2,495 | 3.9 | 4.9 | 42.6 | 1,411 | | Sales | Temporary Staffing/Contracting (Sales Strategies, Personnel Arrangements, Customer Service Sales Operations, etc.) |
| 2462 | Like | FY5/26 | 67,316 | 2,981 | 4.4 | 12.7 | 46.1 | 5,482 | | Sales | Comprehensive Human Resources, Childcare Support, and Nursing Care Related Services Business |
| 2471 | S-pool | FY11/25 | 26,029 | 2,418 | 9.3 | 14.4 | 24.5 | 1,147 | | Call Center | Outsourcing, Temporary Staffing, etc. |
| 7041 | CRG HD | FY9/25 | 16,420 | 279 | 1.7 | 5.4 | 32.2 | 510 | | Call Center | Temporary Staffing/Introduction (Call Center, etc.), Manufacturing Outsourcing |
| 6070 | CareerLink | FY3/26 | 44,642 | 3,895 | 8.7 | 16.8 | 71.2 | 932 | | Call Center | Temporary Staffing/Introduction/Contracting (Clerical, Manufacturing, Sales) |

Note: Will Group, Open Up Group, and S-Pool are under IFRS, while others are under Japanese GAAP.
Source: Strategy Advisors

### 3) Historical Stock Price Movements and Valuations Comparison Table

**Languishing Performance in Both Stock Prices and Valuations**

The stock price performance and valuations in the human resources industry have shown a clear divergence between winners and losers. COPRO-HOLDINGS has expanded its business in the construction engineer sector and actively returned profits to shareholders with a dividend payout ratio exceeding 50%, resulting in a stock return of over 50% over the past three years.

Additionally, SMS Co., Ltd. (2175, TSE Prime), which commands a PBR of over 7x, focuses on permanent placement services in the nursing care and medical fields, targeting different sectors than those of the Company. Since its founding, SMS has achieved consecutive increases in both revenue and profit, earning strong trust from capital markets.

While WILL GROUP's stock price return over the past three years stands at +12.6%, its valuations (PBR of 1.3x, PER of 12.2x) remain languishing. Similar to the Company, other firms that provide salesperson staffing for telecommunication carriers and temporary staffing for call centers are also struggling. However, because the Company's dividend yield is high at 3.7%, the downside risk for the stock price is likely limited. Furthermore, the Company's qualitative transition is progressing, and if its business portfolio shifts further toward permanent employee staffing and permanent placement, there is a possibility that its valuation will rise.

**Figure 24. Valuation Overview**

| Company name | Stock code | FY | Stock price (Aug 20) (¥) | Mkt cap (Aug 20) (¥ mn) | PER CoE (Times) | PBR Actual (Times) | ROE Actual (%) | Dividend Yield CoE (%) | 1-Year Return (%) | 3-Year of Return (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| WILL GROUP | 6089 | 25-Mar | 1,176 | 27,188 | 12.2 | 1.3 | 10.9% | 3.7% | 19.9% | 12.6% |
| World HD | 2429 | 24-Dec | 2,867 | 51,647 | 7.4 | 1.0 | 14.1% | 4.8% | 12.6% | 22.6% |
| UT Group | 2146 | 25-Mar | 229 | 137,774 | 21.4 | 5.2 | 24.2% | 4.5% | 26.0% | 44.1% |
| Nisso HD | 9332 | 25-Mar | 657 | 22,354 | 10.5 | 1.2 | 11.2% | 3.8% | -0.8% | - |
| Open Up Group | 2154 | 25-Jun | 2,040 | 185,279 | 14.1 | 2.2 | 15.3% | 4.4% | 5.4% | -0.5% |
| Copro HD | 7059 | 25-Mar | 915 | 36,600 | 21.1 | 3.5 | 16.8% | 4.9% | -18.0% | 47.0% |
| Human HD | 2415 | 25-Mar | 1,590 | 16,501 | 6.7 | 0.8 | 12.5% | 4.5% | -14.9% | 61.3% |
| Career | 6198 | 25-Sep | 204 | 1,759 | -16.7 | 1.0 | -5.9% | 0.0% | -32.9% | -44.7% |
| SMS | 2175 | 25-Mar | 2,279 | 199,553 | 30.3 | 7.1 | 23.3% | 1.3% | 41.9% | -15.4% |
| HITO-Communications HD | 4433 | 25-Aug | 909 | 16,270 | 106.7 | 0.9 | 0.9% | 4.1% | -21.8% | -36.4% |
| Like | 2462 | 25-May | 1,532 | 31,352 | 11.5 | 1.5 | 13.4% | 3.9% | 2.9% | 1.5% |
| S-pool | 2471 | 24-Nov | 304 | 24,018 | 14.3 | 2.3 | 16.2% | 3.3% | -8.7% | -35.3% |
| CRG HD | 7041 | 25-Sep | 345 | 1,924 | 19.1 | 0.7 | 3.4% | 2.6% | 2.7% | -38.4% |
| CareerLink | 6070 | 25-Mar | 2,625 | 33,090 | 11.1 | 2.0 | 17.6% | 4.6% | 9.4% | 6.8% |
| Average | | | | | 19.3 | 2.2 | 12.4% | 3.6% | | |

Note: Will Group, Open Up Group, and Spool use IFRS accounting standards; others use Japanese standards.
NISSO Holdings listed on October 2, 2023; SMS has not disclosed its dividend forecast.
Source: Strategy Advisors

## 7. Governance and Sustainability

### 1) Chairman Ryosuke Ikeda Is the Largest Shareholder, with Insiders Holding Approximately 40%

**Insiders Hold Slightly Under 40% of Shares**

The Company's largest shareholder is Ryosuke Ikeda, the Chairman of the Board. He holds approximately 25% of the shares through his personal holdings and his asset management company combined. In addition, the former President, Shigeru Ohara, holds 6.5%. Together with the employee stock ownership association, nearly 40% of the shares are held by insiders.

**FMR Holds a Large Shareholding**

Additionally, shareholding by Fidelity Management & Research (USA), one of the leading institutional investors in the United States, has been confirmed. According to the large shareholding report, it holds 10.0% (submitted on June 17, 2026).

**Figure 25. Major Shareholders (As of March 31, 2026)**

| Name of Shareholder | Number of Shares Held (Shares) | Shareholding Ratio (%) |
|---|---|---|
| Ryosuke Ikeda | 3,809 | 16.48 |
| Ikeda Planning Office Co., Ltd. | 1,944 | 8.41 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 1,559 | 6.75 |
| Shigeru Ohara | 1,511 | 6.54 |
| BBH FOR FIDELITY LOW-PRICED STAOCK FUND | 847 | 3.66 |
| WILL GROUP Employee Stock Ownership Plan | 532 | 2.30 |
| STATE STREET BANK AND TRUST CLIENT OMNIBUS ACCOUNT OM02 505002 | 428 | 1.85 |
| Ryoichi Taira | 350 | 1.51 |
| Yuichi Sumi | 348 | 1.50 |
| Takashi Tsugeno | 344 | 1.49 |
| 計 | 11,672 | 50.50 |

Note: Ikeda Planning Co., Ltd. is the Asset Management Company of Ryosuke Ikeda (Representative: Ryosuke Ikeda).
Source: Company Data. Compiled by Strategy Advisors.

### 2) Focus on Outside Directors, with the Ratio of Female Officers Exceeding Prime Market Average

**Outside Directors Account for 50%, with Full Compliance with the Corporate Governance Code**

WILL GROUP is a Company with a Board of Corporate Auditors, and its Board of Directors consists of six directors (including three independent outside directors) and three corporate auditors (including three independent outside auditors). The ratio of outside directors is 50%, which satisfies the principle requiring Prime Market-listed companies to "appoint at least one-third of independent outside directors" under the Corporate Governance Code. Furthermore, the Company complies with all principles of the Corporate Governance Code. Voluntary compensation and nomination committees were established in 2020 to deliberate on and confirm the succession of the CEO, the election and dismissal of directors, and director compensation prior to decisions made by the Board of Directors.

**Discussion on the Effectiveness of the Board of Directors**

The Company conducts evaluations of the Board of Directors' effectiveness to improve its functionality and enhance corporate value. Regarding the effectiveness of the Board of Directors, the Company recognizes the following issues and will continue initiatives to enhance its effectiveness:

- Deepening discussions on strategic themes such as medium- to long-term management strategies, business portfolios, and risk management, as well as themes related to medium- to long-term corporate value creation, such as human capital investment, intellectual property investment, and ESG/SDGs.

- Indicators for evaluating medium- to long-term return on investment in business portfolio decisions.

### High Ratio of Female Officers, Actively Committing to Diversity

Furthermore, the Company is actively working toward gender equality and the active participation of women, which may be against the background of its business style having a relatively high ratio of female employees. The ratio of female officers is 33.3% (one female director and two female auditors). This is high compared to the overall female officer ratio of 17.7% (2025) among all Prime Market-listed companies. The Tokyo Stock Exchange has set targets for Prime Market-listed companies to appoint at least one female officer by 2025 and to achieve a female officer ratio of 30% or more by 2030. WILL GROUP has three female officers, thereby achieving the Tokyo Stock Exchange's targets. Note that female officers can include executive officers or those in equivalent positions in addition to directors, auditors, and executive officers.

**Figure 26. Skill Matrix**

| Title | Name | Attribute | | Operational experience/knowledge, etc. | | | | | | | Advisory Committee | | Expertise |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Independence | Gender: Male● /Female ○ | Corporate management | Experience in the Company's business and industry | Global experience | Finance/ Accounting | HR, labor, human resources development | Legal/Risk management | IT/ Technology | Nomination Committee | Remuneration Committee | Qualifications |
| Chairman and Director | Ryosuke Ikeda | | ● | ● | ● | ● | | ● | | | ● | | |
| President and Representative Director, CEO | Yuichi Sumi | | ● | ● | ● | ● | | ● | | | ● | | |
| Director, COO | Hideo Murakami | | ● | ● | ● | | | | | | ● | | |
| Outside Director | Kunihiko Koshizuka | ● | ● | ● | | ● | | | | ● | ◎ | ◎ | |
| Outside Director | Masato Takahashi | ● | ● | ● | | | | | | ● | ● | ● | |
| Outside Director | Yuko Ichikawa | ● | ○ | ● | | | ● | | | | ● | ● | |
| Full-time Outside Audit & Supervisory Board Member | Sachie Ikeda | ● | ○ | | | | ● | | ● | | ● | | Certified public accountant |
| Outside Audit & Supervisory Board Member | Shizuka Sawada | ● | ○ | | ● | | ● | | ● | | ● | | Certified public accountant, licensed tax accountant |
| Outside Audit & Supervisory Board Member | Katsumi Nakamura | ● | ● | | | | | ● | ● | | ● | | Attorney, certified fraud examiner |

Note: The table above illustrates the fields in which each individual has specialist knowledge, based on their experience and other factors, and does not express the full extent of their skill sets.
Source: Company Data. Compiled by Strategy Advisors.

### 3）Investing in Human Capital, a Core Value Since the Company's Founding

**Sustainability Governance Structure**

Regarding its sustainability structure, the Company launched its sustainability website in 2020. It published its first integrated report in 2021 and has continued to disclose it annually since then. In 2022, the Company established the Sustainability Committee to achieve both the sustainable growth of the entire Group and the resolution of social issues. The President and Representative Director serves as the chairperson, and the committee members consist of the Company’s internal directors, executive officers, and directors of major domestic subsidiaries.

**Climate-Related Information Disclosure Based on TCFD Recommendations**

For environment-related initiatives, the Company discloses information based on the TCFD recommendations. Specifically, the Company declared its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium in January 2023. It discloses information on the four core disclosure pillars recommended by the TCFD: "Governance," "Strategy," "Risk Management," and "Metrics and Targets."

The Company has set a medium-term target of "reducing total CO2 emissions (Scope 1 + Scope 2) by 50% by FY2030 compared to FY2019" and a long-term target of "carbon neutrality by FY2050." In FY2025, it achieved a 31.2% reduction compared to FY2019.

**Human Capital Strategy**

For its human capital strategy, the Company views human resources as the most critical management capital. It places the policy of "continuing to create a place and a stage for everyone" at the core of its human resource development strategy, working to enhance corporate value sustainably by strengthening its human capital. The Company defines Well-being as the state in which individuals can make choices true to themselves and live with satisfaction in various aspects of life. It aims for everyone working in the Group to experience Well-being, thereby driving corporate value. The Company is transitioning from traditional personalized and business-unit-optimized human resource management to strategic, group-wide talent recruitment, development, and allocation. As key indicators of human capital management, it monitors: 1) the talent sufficiency status in strategic focus areas, 2) the number of professional and technical employees promoted to general career tracks, and 3) the development status of next-generation core talent through strategic assignments that offer growth opportunities.

**Implementing Human Capital Strategy Centered on Well-Being**

Implementing a human capital strategy centered on Well-being, the Company continuously monitors the status of "a place" through metrics such as its Well-being score, workplace happiness score, and employee engagement score. It also monitors the expansion of "a stage" through metrics such as the ratio of female managers and the rate of male employees taking childcare leave, aiming to strengthen its organizational foundation where diverse individuals can thrive. Believing that enhanced Well-being leads to higher productivity and creativity, the Company has been measuring its Well-being score using surveys since April 2019. It believes that increasing workplace happiness enhances ease of work for employees. Note that employee engagement is defined as the multiplication of "ease of work" and "work motivation."

**Commitment to Diversity**

Under its diversity initiatives, as of April 2026, the ratio of female managers among regular employees (including both domestic and overseas operations) is 31.1% (while it is 18.7% for WILL GROUP and the Domestic Working Business), with the ultimate target of reaching a level comparable to the female employee ratio of 48.8% among regular employees. The Company also aims to achieve a female manager ratio of 40% by 2030. The gender wage gap is 74.4% (for WILL GROUP and the Domestic Working Business). The factors behind the gender wage gap are attributed to the ratio of male to female managers, the proportion of employees working shorter hours, and disparities in the starting salary settings for mid-career hires.

The Company has 32 consolidated overseas subsidiaries, and has a large number of foreign employees. Among regular employees, the ratio of foreign employees is 27.7%, and the ratio of foreign managers is high at 34.7%. The ratio of mid-career hires among regular employees is 71.6%, while the ratio of mid-career managers is maintained at a comparable level of 64.6%.

**Figure 27. WILL GROUP's Well-Being**

| (%) | FY3/24 | FY3/25 | FY3/26 | FY3/30 Target |
|---|---|---|---|---|
| Well-being score | 66.4 | 66.0 | 66.6 | 67.0 |
| Workplace hapiness score | 69.6 | 69.1 | 69.5 | 70.0 |
| Job satisfaction score | 57.0 | 58.3 | 61.5 | 67.5 |
| Percentage of female managers | 16.1 | 18.5 | 18.7 | 30.0 |
| Percentage of female employees seeking promotions (Manager and above) | 24.7 | 22.7 | 27.1 | 50.0 |
| Childcare leave usage rate (Male) | 35.5 | 42.6 | 51.2 | 100.0 |
| Gender wage gap | 72.0 | 72.6 | 74.4 | 80.0 |

Note: The percentage of female managers is as of April 1.

Source: Company Data. Compiled by Strategy Advisors.

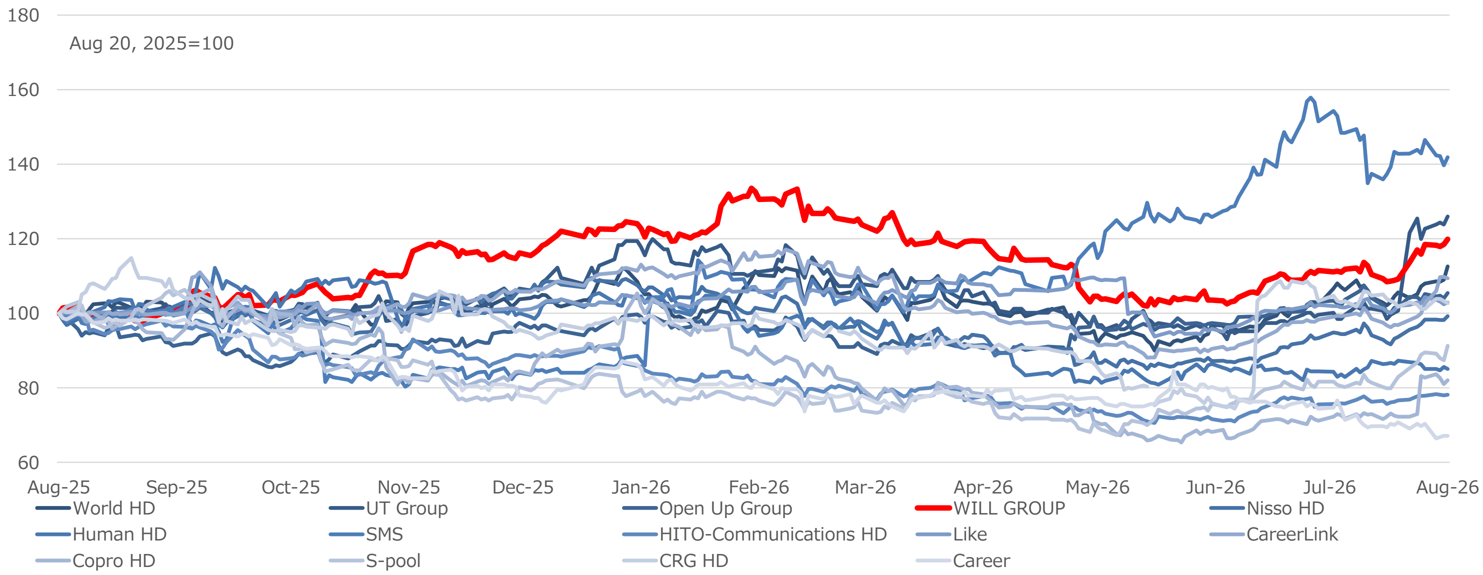
## 8. Risk Factors

**Risk of Performance Deterioration in Three Key Sectors**

The proportion of revenue accounted for by the three historically major sectors (Sales, Call Center, and Factory) is relatively high, and if the performance of these sectors deteriorates significantly due to external environmental factors such as a downturn in clients' business performance or technological evolution, it could impact consolidated financial results.

| | |
|---|---|
| **Risk of Disruption to Business Operations Due to Legislative Changes such as the Worker Dispatching Act** | The temporary staffing business is a licensed business operated with the permission of the Minister of Health, Labour and Welfare based on the Worker Dispatching Act, and is run in accordance with the laws and regulations of each country, both domestically and overseas. Therefore, there is a risk that business operations could become difficult due to changes in laws and regulations. |
| **Risk of Difficult Business Expansion Due to Failure to Secure Talent** | Securing human resources is indispensable for the temporary staffing business, which is the Company's primary revenue source. If acquiring human resources becomes extremely difficult due to intensifying competition for talent and other factors, there is a risk that conducting business operations as usual could become difficult. |
| **Risks Associated with Overseas Expansion** | The Company currently has business bases in Singapore, Malaysia, Australia, the United States, China, Vietnam, the United Kingdom, and Germany. Therefore, there is a risk that business operations could become difficult due to changes in economic conditions, exchange rates, politics, and other factors. |
| **Risks Concerning Personal Information** | The Company holds the personal information of registered temporary staff and job seekers. Therefore, in the unlikely event of personal information leakage due to unforeseen circumstances such as cyberattacks, there is a risk that business operations could become difficult through damage compensation or a loss of social credibility. |

**Figure 28. Relative Share Price Performance Over the Past 12 Months**




Source: Strategy Advisors

**Figure 29. Consolidated Statement of Income (¥ mn)**

| | FY3/21 | FY3/22 | FY3/23 | FY3/24 | FY3/25 | FY3/26 | FY3/27 CoE |
|---|---|---|---|---|---|---|---|
| **Revenue** | **118,249** | **131,080** | **143,932** | **138,227** | **139,705** | **146,856** | **157,000** |
| YoY | -3.0% | 10.9% | 9.8% | -4.0% | 1.1% | 5.1% | 6.9% |
| Cost of sales | 94,192 | 102,314 | 112,194 | 107,781 | 110,321 | 114,464 | |
| **Gross profit** | **24,056** | **28,765** | **31,737** | **30,446** | **29,383** | **32,392** | **37,200** |
| Gross profit margin | 20.3% | 21.9% | 22.0% | 22.0% | 21.0% | 22.1% | 23.7% |
| Selling, general and administrative expenses | 20,463 | 23,585 | 27,169 | 28,314 | 27,270 | 29,510 | |
| SG&A ratio to sales | 17.3% | 18.0% | 18.9% | 20.5% | 19.5% | 20.1% | |
| Other income | 519 | 387 | 842 | 2,412 | 732 | 461 | |
| Other expenses | 82 | 95 | 91 | 18 | 506 | 62 | |
| **Operating profit** | **4,030** | **5,472** | **5,318** | **4,525** | **2,338** | **3,279** | **3,400** |
| YoY | -2.8% | 35.8% | -2.8% | -14.9% | -48.3% | 40.2% | 3.7% |
| Operating profit margin | 3.4% | 4.2% | 3.7% | 3.3% | 1.7% | 2.2% | 2.2% |
| Equity method investment gains and losses | -5 | -18 | -21 | -24 | 24 | - | |
| Financial income | 11 | 52 | 161 | 128 | 53 | 46 | |
| Finance expenses | 247 | 212 | 311 | 211 | 239 | 187 | |
| **Profit before tax** | **3,788** | **5,293** | **5,146** | **4,417** | **2,177** | **3,139** | **3,191** |
| YoY | -6.6% | 39.7% | -2.8% | -14.2% | -50.7% | 44.2% | 1.6% |
| Pretax profit margin | 3.2% | 4.0% | 3.6% | 3.2% | 1.6% | 2.1% | 2.0% |
| Income tax expense | 1,110 | 1,439 | 1,686 | 1,539 | 1,035 | 936 | |
| Tax rate | 29.3% | 27.2% | 32.8% | 34.8% | 47.5% | 29.8% | |
| Profit | 2,678 | 3,854 | 3,459 | 2,878 | 1,141 | 2,202 | 2,221 |
| Non-controlling interests | 314 | 568 | 223 | 99 | -13 | -111 | 13 |
| **Owners of parent profit (loss)** | **2,363** | **3,286** | **3,236** | **2,778** | **1,155** | **2,314** | **2,208** |
| YoY | -0.7% | 39.1% | -1.5% | -14.2% | -58.4% | 73.1% | -4.6% |
| Owners of parent profit margin | 2.0% | 2.5% | 2.2% | 2.0% | 0.8% | 1.6% | 1.4% |
| **EBITDA** | **6,259** | **7,556** | **7,456** | **6,810** | **4,896** | **5,632** | |
| EBITDA margin | 5.3% | 5.8% | 5.2% | 4.9% | 3.5% | 3.8% | |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 30. Key Indicators**

| | FY3/21 | FY3/22 | FY3/23 | FY3/24 | FY3/25 | FY3/26 |
|---|---|---|---|---|---|---|
| **Stock indicators** | | | | | | |
| Number of shares outstanding at year-end ('000 shares) | 22,554 | 22,852 | 22,944 | 22,999 | 23,095 | 23,118 |
| Number of treasury shares at year-end ('000 shares) | 290 | 284 | 284 | 212 | 212 | 206 |
| EPS (¥) | 106.4 | 147.0 | 143.2 | 122.4 | 50.6 | 101.0 |
| EPS (Diluted, ¥) | 104.6 | 144.8 | 142.0 | 121.6 | 50.4 | 101.0 |
| PER (Times) | 10.7 | 8.7 | 7.6 | 8.9 | 18.8 | 13.3 |
| DPS (¥) | 24.0 | 34.0 | 44.0 | 44.0 | 44.0 | 44.0 |
| Payout ratio (%) | 22.6 | 23.1 | 30.7 | 36.0 | 86.9 | 43.6 |
| Dividend payout ratio (%) | 22.9 | 23.6 | 31.2 | 36.4 | 87.9 | 0.4 |
| DOE (%) | 7.9 | 7.8 | 7.6 | 6.2 | 5.8 | 5.4 |
| BPS (¥) | 370.1 | 505.1 | 646.0 | 768.4 | 760.1 | 883.4 |
| **Profitrability indicators** | | | | | | |
| Gross profit margin (%) | 20.3 | 21.9 | 22.0 | 22.0 | 21.0 | 22.1 |
| EBITDA (¥ mn) | 6,259 | 7,556 | 7,456 | 6,810 | 4,896 | 5,632 |
| EBITDA margin (%) | 5.3 | 5.8 | 5.2 | 4.9 | 3.5 | 3.8 |
| Operating profit margin (%) | 3.4 | 4.2 | 3.7 | 3.3 | 1.7 | 2.2 |
| Owners of parent profit margin (%) | 2.0 | 2.5 | 2.2 | 2.0 | 0.8 | 1.6 |
| **Financial indicators** | | | | | | |
| Ratio of pretax profit to total asset (%) | 8.3 | 10.7 | 9.6 | 8.3 | 4.3 | 5.9 |
| Ratio of profit to equity attributable to owners of parent (%) | 35.1 | 33.5 | 24.9 | 17.3 | 6.6 | 12.3 |
| Ratio of equity attributable to owners of parent to total asset (%) | 17.6 | 21.8 | 26.6 | 34.0 | 34.8 | 35.8 |
| ROE (%, continuing operations) | 35.1 | 33.5 | 24.9 | 17.3 | 6.6 | 12.3 |
| Cash and cash equivalents (¥ mn) | 7,455 | 8,973 | 9,590 | 7,106 | 6,936 | 7,974 |
| Interest-bearing debt (¥ mn) | 15,194 | 15,448 | 17,091 | 5,930 | 6,605 | 5,980 |
| Net Debt (¥ mn) | 7,739 | 6,475 | 7,501 | -1,176 | -331 | -1,994 |
| Net DE ratio | 0.94 | 0.57 | 0.51 | -0.07 | -0.02 | -0.10 |
| Net Debt/operating EBITDA | 1.24 | 0.86 | 1.01 | -0.17 | -0.07 | -0.35 |
| Total Short & Long-Term Debt | 8,788 | 7,988 | 10,146 | 5,930 | 6,605 | 5,980 |
| Net Debt (¥ mn) | 1,333 | -985 | 556 | -1,176 | -331 | -1,994 |
| Net DE Ratio | 0.2 | -0.1 | 0.0 | -0.1 | 0.0 | -0.1 |
| Net Debt/EBITDA | 0.2 | -0.1 | 0.1 | -0.2 | -0.1 | -0.4 |
| Invested capital (¥ mn, gross IC) | 17,028 | 19,386 | 24,784 | 23,438 | 23,997 | 26,220 |
| NOPAT (NOPLAT, ¥ mn) | 2,849 | 3,984 | 3,576 | 2,948 | 1,226 | 2,301 |
| ROIC (%, gross IC) | 17.8 | 21.9 | 16.2 | 12.2 | 5.2 | 9.2 |
| ROIC (%, company disclosed) | - | - | 12.6 | 10.3 | 5.6 | 7.6 |
| **Efficiency indicators** | | | | | | |
| Working capital (¥ mn) | 934 | 2,161 | 1,777 | 1,027 | 1,180 | 204 |
| Working capital turnover (Times) | 126.6 | 60.7 | 81.0 | 134.6 | 118.4 | 719.9 |
| Current ratio (%) | 95.1 | 92.9 | 100.9 | 106.5 | 105.3 | 106.2 |
| Quick ratio (%) | 92.1 | 90.5 | 97.3 | 101.1 | 100.3 | 101.1 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 31. Performance Trends by Segment (¥ mn)**

| | FY3/21 | FY3/22 | FY3/23 | FY3/24 | FY3/25 | FY3/26 | FY3/27 CoE |
|---|---|---|---|---|---|---|---|
| Revenue | 118,249 | 131,080 | 143,932 | 138,227 | 139,705 | 146,856 | 157,000 |
| YoY | -3.0% | 10.9% | 9.8% | -4.0% | 1.1% | 5.1% | 6.9% |
| Domestic Working | 80,050 | 80,726 | 84,135 | 82,528 | 83,099 | 88,262 | 93,850 |
| YoY | - | 0.8% | 4.2% | -1.9% | 0.7% | 6.2% | 6.3% |
| Ratio to revenue | 67.7% | 61.6% | 58.5% | 59.7% | 59.5% | 60.1% | 59.8% |
| Overseas Working | 36,920 | 48,746 | 57,537 | 55,432 | 56,448 | 58,501 | 62,940 |
| YoY | - | 32.0% | 18.0% | -3.7% | 1.8% | 3.6% | 7.6% |
| Ratio to revenue | 31.2% | 37.2% | 40.0% | 40.1% | 40.4% | 39.8% | 40.1% |
| Others | 1,278 | 1,607 | 2,258 | 266 | 157 | 92 | 190 |
| Ratio to revenue | 1.1% | 1.2% | 1.6% | 0.2% | 0.1% | 0.1% | 0.1% |
| Operating profit | 4,030 | 5,472 | 5,318 | 4,525 | 2,338 | 3,279 | 3,400 |
| YoY | -2.8% | 35.8% | -2.8% | -14.9% | -48.3% | 40.2% | 3.7% |
| OP margin | 3.4% | 4.2% | 3.7% | 3.3% | 1.7% | 2.2% | 2.2% |
| Domestic Working | 4,763 | 4,448 | 4,451 | 5,038 | 3,251 | 3,579 | 4,290 |
| YoY | - | -6.6% | 0.1% | 13.2% | -35.5% | 10.1% | 19.9% |
| OP margin | 6.0% | 5.5% | 5.3% | 6.1% | 3.9% | 4.1% | 4.6% |
| Overseas Working | 1,942 | 3,348 | 3,406 | 1,946 | 1,432 | 2,427 | 2,180 |
| YoY | - | 72.4% | 1.7% | -42.9% | -26.4% | 69.5% | -10.2% |
| OP margin | 5.3% | 6.9% | 5.9% | 3.5% | 2.5% | 4.1% | 3.5% |
| Others | -413 | -342 | -296 | -225 | -223 | -306 | -410 |
| Adjusment | -2,262 | -1,981 | -2,243 | -2,235 | -2,121 | -2,420 | -2,660 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 32. Domestic Working Business Details (¥ mn)**

| | | FY3/21 | FY3/22 | FY3/23 | FY3/24 | FY3/25 | FY3/26 |
|---|---|---|---|---|---|---|---|
| Revenue | | 80,050 | 80,726 | 84,135 | 82,528 | 83,099 | 88,262 |
| Sales | | 19,046 | 19,517 | 20,395 | 19,832 | 20,416 | 21,765 |
| | YoY | -17.7% | 2.5% | 4.5% | -2.8% | 2.9% | 6.6% |
| Call Center | | 16,866 | 17,041 | 16,582 | 14,840 | 12,949 | 11,427 |
| | YoY | 2.5% | 1.0% | -2.7% | -10.5% | -12.7% | -11.8% |
| Factory | | 20,585 | 18,316 | 17,639 | 17,988 | 18,540 | 18,835 |
| | YoY | -13.3% | -11.0% | -3.7% | 2.0% | 3.1% | 1.6% |
| Healthcare | | 13,218 | 13,677 | 13,620 | 13,388 | 13,637 | 14,111 |
| | YoY | 9.6% | 3.5% | -0.4% | -1.7% | 1.9% | 3.5% |
| HR support for startups | | 1,273 | 2,348 | 2,998 | 3,420 | - | - |
| | YoY | 0.8% | 84.4% | 27.7% | 14.1% | - | - |
| Construction | | 5,273 | 5,785 | 7,665 | 10,466 | 14,291 | 17,407 |
| | YoY | 9.7% | 9.7% | 32.5% | 36.5% | 36.5% | 21.8% |
| IT engineers | | 3,789 | 4,042 | 5,234 | 2,594 | 3,266 | 4,717 |
| | YoY | 329.1% | 6.7% | 29.5% | -50.4% | 25.9% | 44.4% |
| Operating Profit | | 4,710 | 4,823 | 4,734 | 3,032 | 3,268 | 4,023 |
| Sales | | 1,468 | 1,614 | 1,717 | 1,308 | 1,365 | 1,417 |
| Call Center | | 1,130 | 1,175 | 935 | 507 | 429 | 304 |
| Factory | | 1,000 | 1,258 | 947 | 765 | 803 | 897 |
| Healthcare | | 381 | 295 | 497 | 227 | 319 | 316 |
| HR support for startups | | 158 | 603 | 267 | 400 | - | - |
| Construction | | 38 | -559 | -496 | -400 | 384 | 1,335 |
| Other Domestic WORK | | 535 | 437 | 867 | 225 | -32 | -246 |
| Operating Profit Margin | | 5.9% | 6.0% | 5.6% | 3.7% | 3.9% | 4.6% |
| Sales | | 7.7% | 8.3% | 8.4% | 6.6% | 6.7% | 6.5% |
| Call Center | | 6.7% | 6.9% | 5.6% | 3.4% | 3.3% | 2.7% |
| Factory | | 4.9% | 6.9% | 5.4% | 4.3% | 4.3% | 4.8% |
| Healthcare | | 2.9% | 2.2% | 3.6% | 1.7% | 2.3% | 2.2% |
| HR support for startups | | 12.4% | 25.7% | 8.9% | 11.7% | - | - |
| Construction | | 0.7% | -9.7% | -6.5% | -3.8% | 2.7% | 7.7% |
| Other Domestic WORK | | 14.1% | 10.8% | 16.6% | 8.7% | -1.0% | -5.2% |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 33. Consolidated Balance Sheet (¥ mn)**

| | FY3/21 | FY3/22 | FY3/23 | FY3/24 | FY3/25 | FY3/26 |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash and cash equivalents | 7,455 | 8,973 | 9,590 | 7,106 | 6,936 | 7,974 |
| Trade and other receivables | 14,694 | 17,458 | 17,928 | 17,512 | 18,136 | 20,305 |
| Other financial assets | 690 | 129 | 138 | 171 | 213 | 249 |
| Other current assets | 729 | 728 | 1,009 | 1,338 | 1,265 | 1,414 |
| **Current assets** | **23,570** | **27,289** | **28,666** | **26,129** | **26,551** | **29,944** |
| Property, plant and equipment | 1,082 | 1,223 | 1,139 | 1,275 | 1,109 | 1,405 |
| Right-to-use assets | 5,715 | 6,809 | 6,349 | 5,071 | 4,391 | 4,897 |
| Goodwill | 6,155 | 6,514 | 8,120 | 8,737 | 8,166 | 9,856 |
| Other intangible assets | 6,049 | 6,154 | 5,996 | 6,109 | 5,605 | 6,381 |
| Investment accounted for using equity method | 495 | 477 | 456 | 431 | - | - |
| Other financial assets | 1,151 | 1,208 | 1,475 | 1,158 | 2,160 | 1,690 |
| Deferred tax assets | 1,678 | 1,850 | 1,953 | 1,888 | 1,851 | 2,322 |
| Other non-current assets | 863 | 822 | 782 | 741 | 86 | 53 |
| **Non-current assets** | **23,190** | **25,061** | **26,272** | **25,413** | **23,371** | **26,608** |
| **Total assets** | **46,760** | **52,350** | **54,939** | **51,543** | **49,923** | **56,552** |
| **Liabilities** | | | | | | |
| Trade and other payables | 13,760 | 15,297 | 16,151 | 16,485 | 16,956 | 20,101 |
| Short-term borrowings | 4,865 | 5,786 | 6,761 | 2,490 | 4,003 | 3,356 |
| Other financial liabilities | 3,600 | 5,245 | 1,364 | 2,115 | 1,426 | 1,450 |
| Income taxes payable | 514 | 1,195 | 1,027 | 1,005 | 523 | 909 |
| Other current liabilities | 2,048 | 1,836 | 3,109 | 2,437 | 2,297 | 2,390 |
| **Current liabilities** | **24,790** | **29,361** | **28,414** | **24,533** | **25,208** | **28,208** |
| Long-term borrowings | 3,923 | 2,202 | 3,385 | 3,440 | 2,602 | 2,624 |
| Others financial liabilities | 6,563 | 6,285 | 5,950 | 4,837 | 3,636 | 3,873 |
| Deferred tax liabilities | 1,289 | 1,202 | 1,127 | 1,006 | 935 | 1,126 |
| Other non-current liabilities | 166 | 177 | 184 | 206 | 181 | 551 |
| **Non-current liabilities** | **11,943** | **9,867** | **10,648** | **9,490** | **7,354** | **8,175** |
| **Total liabilities** | **36,733** | **39,228** | **39,062** | **34,024** | **32,563** | **36,384** |
| **Net assets** | | | | | | |
| Share capital | 2,089 | 2,163 | 2,187 | 2,198 | 2,217 | 2,222 |
| Capital surplus | -1,786 | -2,266 | -1,923 | -2,045 | -2,068 | -2,096 |
| Treasury shares | -279 | -274 | -274 | -204 | -204 | -198 |
| Other components of equity | -343 | 464 | 890 | 2,032 | 1,912 | 3,460 |
| Retained earnings | 8,559 | 11,310 | 13,758 | 15,528 | 15,536 | 16,852 |
| Equity attributable to owners of parent | 8,240 | 11,398 | 14,638 | 17,508 | 17,392 | 20,240 |
| Non-controlling interests | 1,786 | 1,723 | 1,238 | 10 | -32 | -72 |
| **Total equity** | **10,027** | **13,121** | **15,877** | **17,518** | **17,359** | **20,168** |
| **Total liabilities and equity** | **46,760** | **52,350** | **54,939** | **51,543** | **49,923** | **56,552** |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 34. Consolidated Cash Flow Statement (¥ mn)**

| | FY3/21 | FY3/22 | FY3/23 | FY3/24 | FY3/25 | FY3/26 |
|---|---|---|---|---|---|---|
| **Cash flows from operating activities (1)** | **4,316** | **4,350** | **4,816** | **3,828** | **1,806** | **4,957** |
| Profit before tax | 3,788 | 5,293 | 5,146 | 4,417 | 2,177 | 3,139 |
| Depreciation and amortization | 2,229 | 2,084 | 2,137 | 2,285 | 2,084 | 2,352 |
| Depreciation losses and impairment loss reversals | - | - | - | - | 473 | - |
| Share-based payment expenses | 85 | 65 | 107 | 104 | 59 | 11 |
| Decrease (increase) in trade receivables | 1,488 | -2,494 | -223 | 42 | -591 | -1,258 |
| Increase (decrease) in trade payables | 72 | 580 | 969 | 1,031 | -615 | 1,254 |
| Other | -1,312 | -4 | -839 | -2,489 | 127 | 181 |
| Subtotal | 6,351 | 5,525 | 7,297 | 5,390 | 3,715 | 5,681 |
| Interests and dividends received | 7 | 9 | 17 | 124 | 43 | 38 |
| Interest paid | -86 | -79 | -88 | -120 | -152 | -168 |
| Income taxes paid | -1,956 | -1,104 | -2,409 | -1,565 | -1,800 | -594 |
| **Cash flows from investing activities (2)** | **-433** | **-306** | **-1,761** | **-575** | **-695** | **-1,354** |
| Purchase of property, plant and equipment, and intangible assets | -589 | -741 | -396 | -802 | -361 | -567 |
| Purchase of investments accounted for using equity method | -350 | - | - | - | - | - |
| Purchase of investment securities | -46 | -63 | - | - | -299 | - |
| Proceeds from sales of investment securities | 374 | 22 | - | - | - | 253 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | - | - | -1,757 | - | - | -815 |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | - | - | 1,009 | 811 | - | - |
| Expenditures from loans | - | - | - | - | -300 | - |
| Other | 179 | 475 | -617 | -584 | 265 | -224 |
| Free Cash Flow (1+2) | 3,883 | 4,044 | 3,055 | 3,253 | 1,111 | 3,603 |
| **Cash flows from financing activities** | **-2,646** | **-2,959** | **-2,783** | **-6,232** | **-1,233** | **-3,119** |
| Net increase (decrease) in short-term borrowings | 1,890 | 1,000 | 1,590 | -3,245 | 1,365 | -619 |
| Proceeds from long-term borrowings | 270 | 1,165 | 4,383 | 1,500 | 800 | 2,460 |
| Repayments of long-term borrowings | -3,080 | -2,965 | -3,367 | -2,470 | -1,566 | -2,945 |
| Repayments of lease liabilities | -1,302 | -1,310 | -1,333 | -1,335 | -1,324 | -1,340 |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | -798 | -1,969 | -3,746 | - | - | - |
| Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation | - | 1,360 | - | - | - | - |
| Dividends paid to non-controlling interests | -362 | -281 | -373 | - | - | - |
| Dividends paid | -511 | -540 | -776 | -1,008 | -1,011 | -1,016 |
| Proceeds from government grants | 1,273 | 361 | 524 | 190 | 539 | 329 |
| Other | -25 | 222 | 316 | 137 | -35 | 13 |
| Effect of exchange rate changes on cash and cash equivalents | 274 | 432 | 345 | 494 | -46 | 554 |
| Net increase (decrease) in cash and cash equivalents | 1,511 | 1,517 | 617 | -2,484 | -169 | 1,038 |
| Cash and cash equivalents at the beginning of the period | 5,944 | 7,455 | 8,973 | 9,590 | 7,106 | 6,936 |
| Cash and cash equivalents at the end of the period | 7,455 | 8,973 | 9,590 | 7,106 | 6,936 | 7,974 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 35. Quarterly Performance Trends (¥ mn)**

| | FY3/25 | | | | FY3/26 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Revenue | 35,052 | 35,270 | 35,030 | 34,351 | 35,207 | 36,322 | 37,097 | 38,228 |
| YoY | 1.8% | 1.2% | 1.1% | 0.1% | 0.4% | 3.0% | 5.9% | 11.3% |
| Cost of sales | 27,792 | 27,741 | 27,722 | 27,064 | 27,813 | 28,356 | 28,499 | 29,794 |
| YoY | 3.4% | 2.8% | 2.9% | 0.3% | 0.1% | 2.2% | 2.8% | 10.1% |
| Cost of sales ratio | 79.3% | 78.7% | 79.1% | 78.8% | 79.0% | 78.1% | 76.8% | 77.9% |
| Gross profit | 7,260 | 7,528 | 7,307 | 7,286 | 7,394 | 7,965 | 8,597 | 8,433 |
| YoY | -3.9% | -4.2% | -5.1% | -0.7% | 1.8% | 5.8% | 17.7% | 15.7% |
| Gross profit margin | 20.7% | 21.3% | 20.9% | 21.2% | 21.0% | 21.9% | 23.2% | 22.1% |
| SG&A | 7,387 | 6,745 | 6,584 | 6,553 | 7,040 | 6,788 | 7,395 | 8,285 |
| YoY | 1.8% | -3.9% | -6.2% | -6.6% | -4.7% | 0.6% | 12.3% | 26.4% |
| SG&A ratio to revenue | 21.1% | 19.1% | 18.8% | 19.1% | 20.0% | 18.7% | 19.9% | 21.7% |
| Operating profit | 177 | 832 | 782 | 546 | 394 | 1,243 | 1,213 | 427 |
| YoY | -84.4% | -6.1% | 0.9% | -68.4% | 122.6% | 49.4% | 55.1% | -21.8% |
| OP margin | 0.5% | 2.4% | 2.2% | 1.6% | 1.1% | 3.4% | 3.3% | 1.1% |
| Profit before tax | 125 | 742 | 824 | 484 | 329 | 1,227 | 1,186 | 397 |
| YoY | -89.5% | -16.7% | 30.4% | -71.5% | 163.2% | 65.4% | 43.9% | -18.0% |
| Pretax profit margin | 0.4% | 2.1% | 2.4% | 1.4% | 0.9% | 3.4% | 3.2% | 1.0% |
| Profit attributable to owners of parent | 69 | 437 | 610 | 38 | 281 | 866 | 831 | 335 |
| YoY | -90.5% | -35.6% | 278.9% | -96.9% | 307.2% | 98.2% | 36.2% | 781.6% |
| NP margin | 0.2% | 1.2% | 1.7% | 0.1% | 0.8% | 2.4% | 2.2% | 0.9% |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 36. Quarterly Performance Trends by Segment (¥ mn)**

| | FY3/25 | | | | FY3/26 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Revenue | 35,052 | 35,270 | 35,030 | 34,351 | 35,207 | 36,322 | 37,097 | 38,228 |
| YoY | 1.8% | 1.2% | 1.1% | 0.1% | 0.4% | 3.0% | 5.9% | 11.3% |
| Domestic Working | 20,468 | 20,794 | 21,179 | 20,656 | 21,182 | 21,585 | 22,754 | 22,739 |
| YoY | 1.4% | 1.4% | 1.1% | -1.1% | 3.5% | 3.8% | 7.4% | 10.1% |
| Ratio to revenue | 58.4% | 59.0% | 60.5% | 60.1% | 60.2% | 59.4% | 61.3% | 59.5% |
| Overseas Working | 14,534 | 14,435 | 13,815 | 13,662 | 14,001 | 14,716 | 14,319 | 15,463 |
| YoY | 2.5% | 1.2% | 1.4% | 2.3% | -3.7% | 1.9% | 3.6% | 13.2% |
| Ratio to revenue | 41.5% | 40.9% | 39.4% | 39.8% | 39.8% | 40.5% | 38.6% | 40.4% |
| Others | 48 | 41 | 35 | 32 | 24 | 20 | 22 | 25 |
| Ratio to revenue | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% | 0.1% |
| Operating profit | 177 | 832 | 782 | 546 | 394 | 1,243 | 1,213 | 427 |
| YoY | -84.4% | -6.1% | 0.9% | -68.4% | 122.6% | 49.4% | 55.1% | -21.8% |
| OP margin | 0.5% | 2.4% | 2.2% | 1.6% | 1.1% | 3.4% | 3.3% | 1.1% |
| Domestic Working | 238 | 861 | 983 | 1,167 | 583 | 1,181 | 1,250 | 563 |
| YoY | -82.6% | 10.2% | 15.6% | -42.8% | 145.0% | 37.2% | 27.2% | -51.8% |
| OP margin | 1.2% | 4.1% | 4.6% | 5.7% | 2.8% | 5.5% | 5.5% | 2.5% |
| Overseas Working | 573 | 543 | 392 | -76 | 471 | 678 | 603 | 673 |
| YoY | 25.7% | -18.6% | -25.3% | - | -17.8% | 24.9% | 53.8% | - |
| OP margin | 3.9% | 3.8% | 2.8% | -0.6% | 3.4% | 4.6% | 4.2% | 4.4% |
| Others | -60 | -77 | -59 | -25 | -74 | -80 | -59 | -92 |
| Adjusment | -574 | -495 | -533 | -518 | -586 | -535 | -580 | -717 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 37. Domestic Working Business Quarterly Details (¥ mn)**

| | FY3/25 | | | | FY3/26 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Revenue | | | | | | | | |
| Domestic Working | 20,468 | 20,794 | 21,179 | 20,656 | 21,182 | 21,585 | 22,754 | 22,739 |
| Sales | 5,187 | 5,042 | 5,108 | 5,078 | 5,046 | 5,214 | 5,650 | 5,854 |
| Call Center | 3,387 | 3,296 | 3,278 | 2,986 | 2,986 | 2,891 | 2,846 | 2,702 |
| Factory | 4,586 | 4,634 | 4,774 | 4,543 | 4,693 | 4,675 | 4,827 | 4,638 |
| Healthcare | 3,379 | 3,442 | 3,448 | 3,366 | 3,442 | 3,516 | 3,582 | 3,570 |
| Construction | 3,159 | 3,585 | 3,727 | 3,818 | 4,094 | 4,357 | 4,470 | 4,485 |
| Other Domestic WORK | 767 | 792 | 841 | 862 | 919 | 929 | 1,377 | 1,488 |
| Operating profit | | | | | | | | |
| Domestic Working | 259 | 909 | 1,153 | 945 | 643 | 1,314 | 1,309 | 755 |
| Sales | 375 | 293 | 357 | 338 | 294 | 370 | 426 | 326 |
| Call Center | 103 | 96 | 143 | 85 | 134 | 121 | 60 | -12 |
| Factory | 139 | 195 | 289 | 179 | 245 | 276 | 295 | 79 |
| Healthcare | 59 | 82 | 84 | 91 | 92 | 119 | 94 | 9 |
| Construction | -369 | 279 | 275 | 198 | -129 | 429 | 563 | 472 |
| Other Domestic WORK | -49 | -39 | 3 | 52 | 5 | -2 | -130 | -120 |

Source: Company Data. Compiled by Strategy Advisors.

**Figure 38. Overseas Working Business Quarterly Details (¥ mn)**

| | FY3/25 | | | | FY3/26 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Overseas Working Revenue | 14,534 | 14,435 | 13,815 | 13,662 | 14,001 | 14,716 | 14,319 | 15,463 |
| YoY | 2.5% | 1.2% | 1.4% | 2.3% | -3.7% | 1.9% | 3.6% | 13.2% |
| Breakdown of Revenue by Contract Type | | | | | | | | |
| Temporary staffing | 12,514 | 12,472 | 12,079 | 12,050 | 12,182 | 12,754 | 12,273 | 13,578 |
| Permanent placement | 1,993 | 1,943 | 1,702 | 1,591 | 1,776 | 1,933 | 2,030 | 1,851 |
| Other | 27 | 18 | 34 | 21 | 42 | 28 | 15 | 33 |
| Breakdown of Revenue by Region | | | | | | | | |
| Australia | 9,887 | 9,698 | 9,044 | 8,676 | 8,956 | 9,324 | 8,848 | 9,397 |
| Asia | 4,647 | 4,736 | 4,770 | 4,986 | 5,044 | 5,392 | 5,470 | 6,065 |
| Overseas Working | 573 | 543 | 392 | -76 | 471 | 678 | 603 | 673 |
| YoY | 25.7% | -18.6% | -25.3% | - | -17.8% | 24.9% | 53.8% | - |
| OP margin | 3.9% | 3.8% | 2.8% | - | 3.4% | 4.6% | 4.2% | 4.4% |

Source: Company Data. Compiled by Strategy Advisors.

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