

WILL GROUP, INC. | 6089 (TSE Prime)

Company Report

September 18, 2026

Strategy Advisors Inc.
Kenichi Ito



Expecting Upward Revision to Full-Year Forecasts

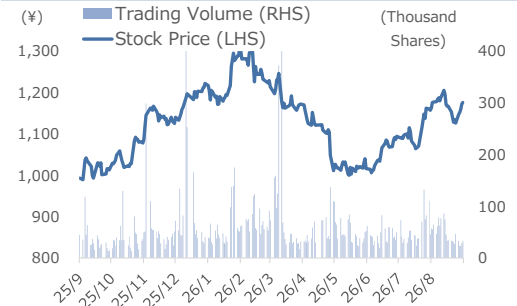
WILL GROUP's Q1 FY3/27 (April–June) financial results announced on August 7 showed significant profit growth, with revenue reaching ¥40.35 billion (+14.6% YoY) and operating profit reaching ¥0.93 billion (+135.6% YoY). Along with the financial results, the company also announced an upward revision to its first-half forecast (revenue from ¥78.20 billion to ¥81.88 billion, operating profit from ¥1.58 billion to ¥2.13 billion). The primary drivers were a weaker yen relative to forecasts, as well as performance exceeding expectations in sectors such as Sales and Healthcare within the Domestic Working Business.

Although the company maintained its full-year earnings forecast, Strategy Advisors expects solid earnings performance to continue into the second half and beyond. The reasons are: 1) the foreign exchange assumption for the Australian dollar, which has a significant impact on earnings (AUD 1 = JPY 105; a ¥1 change impacts revenue by ¥370 million), is conservative; 2) the growth acceleration in the Healthcare sector following the acquisition of HR CAREER has exceeded expectations, with solid progress expected to continue in the second half; and 3) the Construction sector driving growth remains in a market expansion phase, with solid performance expected to continue.

Following the earnings announcement, the stock price turned upward in positive response to the upward revision; however, with PER remaining at 12.2x and PBR at 1.3x, it continues to trade at a somewhat undervalued level compared to peers. In addition, Open Up Group Inc. (2154, TSE Prime), which has achieved high growth in the Construction and Factory sectors among the essential domains focused on by WILL GROUP, trades at a PBR of 2.1x, suggesting that upside potential for WILL GROUP's stock price remains substantial.

Meanwhile, activist fund Oasis Management Company has been increasing its stake in SMS Co., Ltd. (2175, TSE Prime), holding 26.97% as of September 9. Strategy Advisors views that activist intervention in an industry-leading major company to demand improved asset efficiency and enhanced shareholder returns could itself lift valuations across the entire industry. In fact, human resource companies operate under a business model that requires no fixed assets, allowing them to actively direct cash flows generated each period toward shareholder returns.

Stock Price & Trading Volumes (Past Year)



Source: Strategy Advisors

Key Indicators

Stock Price (9/18/26)	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 (11/4/16)	447
Shares on Issue (mn)	22.9
Market Capitalization (¥ bn)	26.9
EV (¥ bn)	25.7
Equity Ratio (6/26 Actual, %)	36.0
PER (3/27 CoE, Times)	12.2
PBR (6/26 Actual, Times)	1.3
Dividend Yield (3/27 CoE, %)	3.7

Source: Strategy Advisors

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The company's ROE (based on company forecasts for FY3/27) stands at 10.9%, but there remains significant room for improvement. In addition to profit growth driven by core business expansion, it will be important to improve ROE each period through proactive shareholder returns, leading to an expansion in PBR.

IFRS Consolidated FY	Revenue (¥ mn)	YoY (%)	Operating Profit (¥ mn)	YoY (%)	Profit Before Tax (¥ mn)	YoY (%)	Net Profit (¥ mn)	YoY (%)	EPS (¥)	DPS (¥)
FY03/26 Q1	35,207	0.4	394	122.7	329	162.3	281	303.9	12.3	-
FY03/27 Q1	40,359	14.6	930	135.6	875	166.0	501	78.3	21.9	-
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

Note: Profit refers to profit attributable to owners of parent.

Source: Company Data. Compiled by Strategy Advisors.

1. Essential Domains Drive Growth Alongside Forex Effects in Q1

**Strong Start to Q1 FY3/27;
Upward Revision to 1H
Forecasts Driven by
Expansion of High-Margin
Businesses**

WILL GROUP Q1 FY3/27 (April–June) financial results announced on August 7 showed significant profit growth, with revenue reaching ¥40.35 billion (+14.6% YoY) and operating profit reaching ¥0.93 billion (+135.6% YoY). Along with the financial results, the company also announced an upward revision to its first-half forecast (revenue from ¥78.20 billion to ¥81.88 billion, operating profit from ¥1.58 billion to ¥2.13 billion). The primary drivers were a weaker yen relative to planned exchange rates, as well as performance exceeding expectations in sectors such as Sales and Healthcare within the Domestic Working Business.

In addition, Q1 operating profit increased by ¥0.54 billion YoY. The Domestic Working Business secured an operating profit increase of ¥0.29 billion YoY, driven by growth in the essential domains focused on by the company, such as the Construction, Factory, Sales, and Healthcare sectors. This indicates a smooth start to the new medium-term management plan. In addition, the gross profit margin improved to 23.1% (compared to 21.0% in Q1 of the previous year), reflecting the success of the company's policy to expand high-margin businesses such as permanent employee staffing, foreign talent management services, and permanent placement.

**Full-Year Forecast Kept
Unchanged but
Conservative; Focus
Remains on Potential
Second-Half Upside**

Although the company maintained its full-year earnings forecast, Strategy Advisors expects solid performance to continue into the second half and beyond. The reasons are that first, the foreign exchange assumption for the Australian dollar, which has a significant impact on earnings (AUD 1 = JPY 105; a 1 yen change impacts revenue by ¥370 million), is conservative; second, the growth acceleration in the Healthcare sector following the acquisition of HR CAREER has exceeded expectations, with solid progress expected to continue in the second half; and third, the Construction sector driving growth remains in a market expansion phase, with solid performance expected to continue. While there appear to be concerns in the Sales sector regarding potential contract modifications with major clients, it is fully possible that second-half progress centered on high-margin growth areas will exceed expectations.

Figure 1. Segment Performance Trends (¥ mn)

	FY3/25				FY3/26				FY3/27
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	35,052	35,270	35,030	34,351	35,207	36,322	37,097	38,228	40,359
YoY	1.8%	1.2%	1.1%	0.1%	0.4%	3.0%	5.9%	11.3%	14.6%
Domestic Working	20,468	20,794	21,179	20,656	21,182	21,585	22,754	22,739	23,371
YoY	1.4%	1.4%	1.1%	-1.1%	3.5%	3.8%	7.4%	10.1%	10.3%
Ratio to revenue	58.4%	59.0%	60.5%	60.1%	60.2%	59.4%	61.3%	59.5%	57.9%
Overseas Working	14,534	14,435	13,815	13,662	14,001	14,716	14,319	15,463	16,967
YoY	2.5%	1.2%	1.4%	2.3%	-3.7%	1.9%	3.6%	13.2%	21.2%
Ratio to revenue	41.5%	40.9%	39.4%	39.8%	39.8%	40.5%	38.6%	40.4%	42.0%
Others	48	41	35	32	24	20	22	25	19
Ratio to revenue	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Operating profit	177	832	782	546	394	1,243	1,213	427	930
YoY	-84.4%	-6.1%	0.9%	-68.4%	122.6%	49.4%	55.1%	-21.8%	135.6%
OP margin	0.5%	2.4%	2.2%	1.6%	1.1%	3.4%	3.3%	1.1%	2.3%
Domestic Working	238	861	983	1,167	583	1,181	1,250	563	878
YoY	-82.6%	10.2%	15.6%	-42.8%	145.0%	37.2%	27.2%	-51.8%	50.5%
OP margin	1.2%	4.1%	4.6%	5.7%	2.8%	5.5%	5.5%	2.5%	3.8%
Overseas Working	573	543	392	-76	471	678	603	673	704
YoY	25.7%	-18.6%	-25.3%	-	-17.8%	24.9%	53.8%	-	49.4%
OP margin	3.9%	3.8%	2.8%	-0.6%	3.4%	4.6%	4.2%	4.4%	4.1%
Others	-60	-77	-59	-25	-74	-80	-59	-92	-83
Adjustment	-574	-495	-533	-518	-586	-535	-580	-717	-569

Source: Company Data. Compiled by Strategy Advisors.

2. Acceleration of Growth in Healthcare Should Be a Positive Surprise

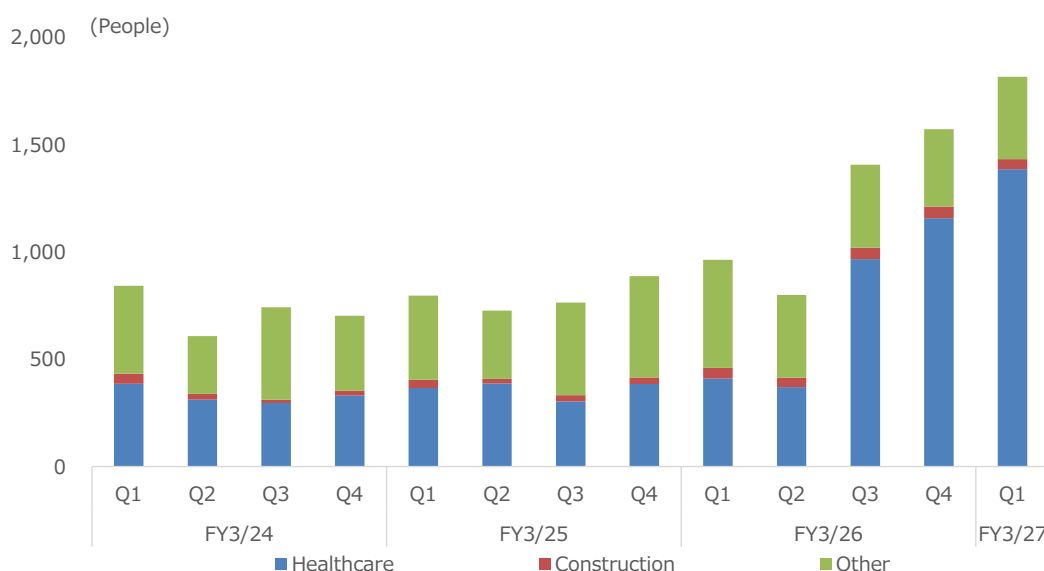
Domestic Working Profit Up 50%; Healthcare and Construction Drive Growth

The Domestic Working Business achieved significant profit growth, with revenue reaching ¥23.37 billion (+10.3% YoY) and segment profit reaching ¥0.87 billion (+50.5% YoY). By sector, Construction, Sales, and Healthcare drove growth. The number of active employees in permanent employee staffing/outsourcing reached 7,477 (+15.4% YoY), progressing expansion primarily centered on essential domains. In the Sales sector, while performance has been on a recovery trend since Q3 FY3/26 due to the expansion of projects with major telecommunications clients, there remains a possibility of downsizing accompanying contract modifications and other factors, suggesting the situation does not warrant optimism.

Construction Shifts to Focus on Profitability; Healthcare Accelerates Growth in Niche Domain

In Construction, the number of hires turned to a YoY decrease, standing at 686 (compared to 814 in Q1 of the previous year). With a policy to focus on enhancing retention rates while maintaining a high utilization rate, the sector is transitioning from a scale expansion phase to a profitability securing phase. On the other hand, in Healthcare, the number of successful permanent placements has surged following the acquisition of HR CAREER, confirming an acceleration in growth. In addition to the tendency for April to June to perform solidly in typical years due to the timing of job starts, group synergies occurred, such as HR CAREER closing placement leads that WILL GROUP had also been working on. The company plans to aggressively expand its permanent placement business during the new Medium-Term Management Plan period; Strategy Advisors highly evaluates the fact that the company is demonstrating growth acceleration in the Healthcare sector, where unit fees are low and major competitors are reluctant to enter.

Figure 2. Permanent Placement - Number of New Hires



Source: Company Data. Compiled by Strategy Advisors.

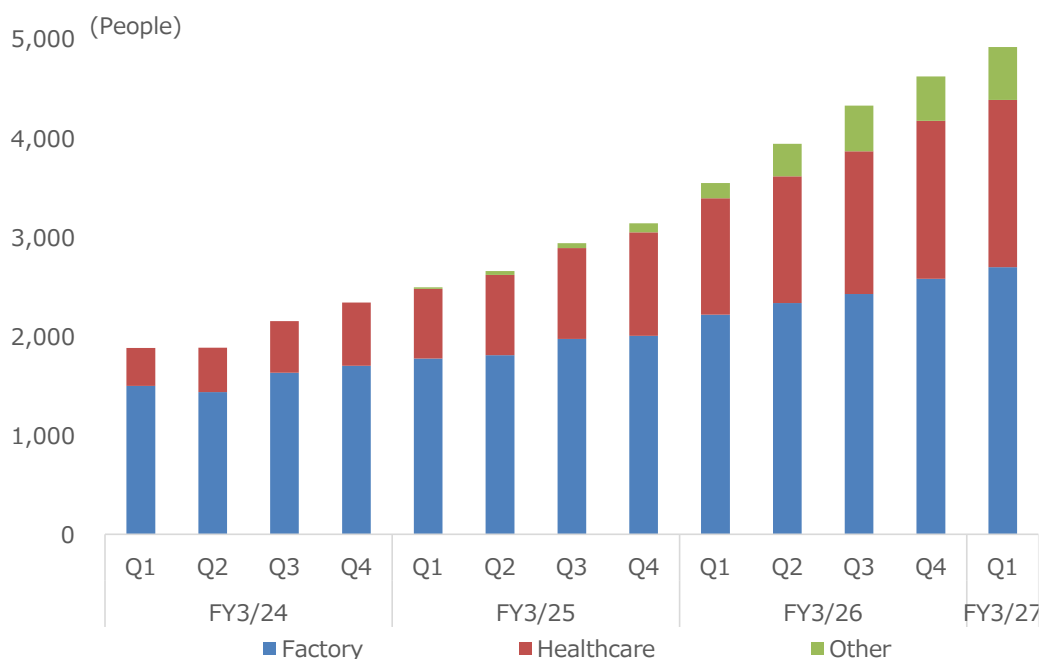
Foreign Talent Management Services Expand Significantly; Expansion Expected Driven by Synergies and Implementation of New System

Meanwhile, in foreign talent management services, the number of people supported progressed solidly at 4,922 (+38.6% YoY). High growth is continuing, primarily centered on the Factory and Healthcare sectors. In the Factory sector, demand is expanding, mainly from existing clients and three manufacturing sectors. Capital investment plans in the June Bank of Japan Tankan survey (FY2026, large manufacturers), capital investment plans indicated a solid outlook of a 10.1% YoY increase. As labor shortages remain pronounced, investments in labor-saving and automation remaining solid, and investments in decarbonization and supply chain restructuring remaining robust, solid progress is expected for foreign talent management services in the Factory sector.

In addition, the number of foreign talent supported in the Healthcare sector is also steadily increasing. It can be said that the acquisition of HR CAREER has broadened the customer base in the Healthcare sector. Going forward, comprehensive proposals combining permanent placement with permanent employee staffing, foreign talent management services, and other solutions are possible, and attention should be focused on growth acceleration leveraging group synergies.

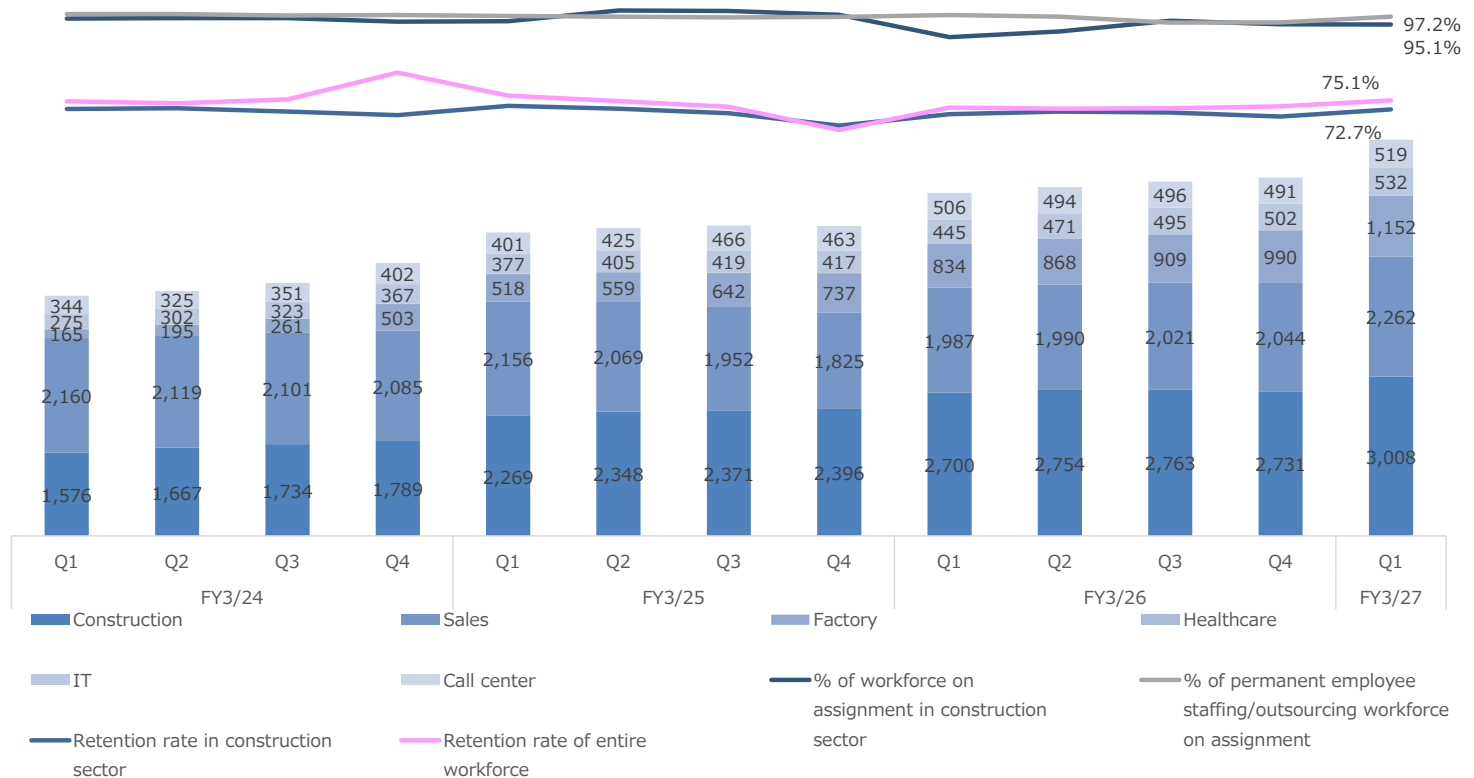
Meanwhile, the conventional Technical Intern Training Program is expected to be abolished in April 2027 and transition to the Training and Employment System established by amendments to related laws in June 2024, such as the Immigration Control Act and the Training and Employment Act. Under a system focused on securing and developing human resources, active provision of opportunities to work in Japan is expected for foreign nationals who have acquired Specified Skilled Worker status. Accompanying the transition to the new system, needs for comprehensive services ranging from permanent employee staffing to permanent placement and foreign talent management services are expected to expand, which could serve as a tailwind for the company.

Figure 3. Foreign Talent Management Services - Number of People Supported



Source: Company Data. Compiled by Strategy Advisors.

Figure 4. Domestic Working Business– Permanent Employee Staffing/Outsourcing



Source: Company Data. Compiled by Strategy Advisors.

3. Overseas Working Business to Maintain a Lean Structure

Strong Performance in Overseas Working Business Driven by Weaker Yen

Q1 revenue for the Overseas Working Business reached ¥16.96 billion (+21.2% YoY), and operating profit reached ¥0.70 billion (+49.4% YoY), marking a significant increase in both revenue and profit. The primary drivers were that first, exchange rates moved toward a weaker yen, with Q1 actuals at ¥113 for the Australian dollar and ¥125 for the Singapore dollar compared to planned exchange rates for FY3/27 of ¥105 and ¥121, respectively; second, the number of successful permanent placements in Australia progressed strongly with a 10.2% YoY increase; and third, permanent placement unit fees in Singapore progressed solidly.

In addition, the company declared strengthening profitability with a focus on productivity and disclosed the gross profit to SG&A expenses ratio. In Q1 FY3/27, the ratio stood at 1.21x, with gross profit covering selling, general and administrative expenses centered on fixed costs. In the Overseas Working Business, to mitigate risks of unexpected deterioration in the business environment, such as currency fluctuations and shifts in government policy, it will be important to control SG&A expenses at an appropriate level and establish a structure that maintains profitability even if the external environment worsens.

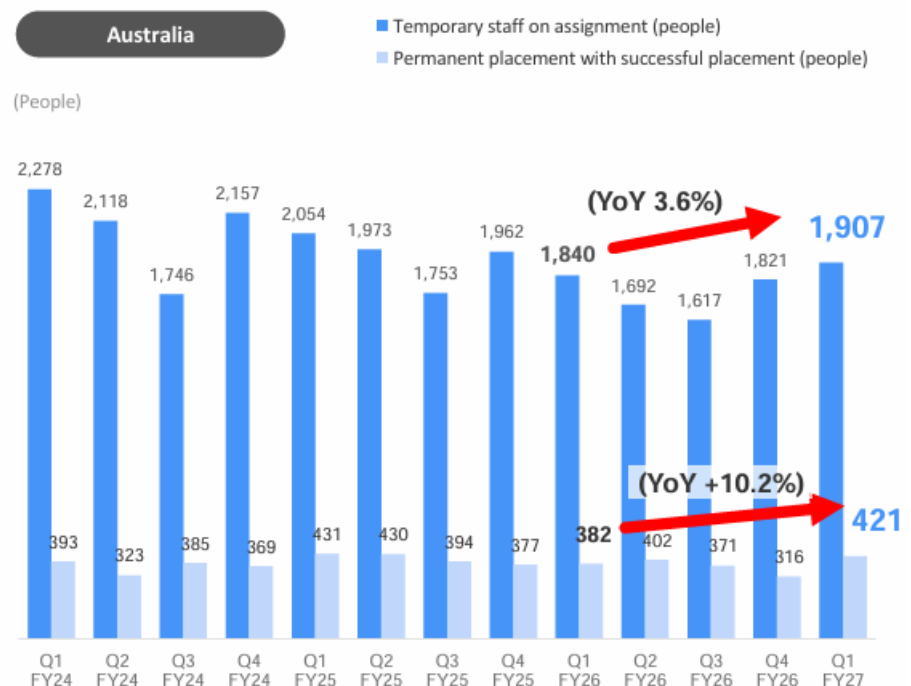
Core Subsidiary u&u Performs Strongly Among 11 Australian Companies; Synergies via Inter-Subsidiary Collaboration Expected

Singapore Sees Tight Supply and Demand with Unemployment Rate at 2%; Temporary Staffing and Permanent Placement Both Solid

Driving strong performance in Australia is u&u Holdings, headquartered in Brisbane. It is a core subsidiary that continues to achieve revenue growth even while the overall market languishes, generating around 70% of total profits in Australia. Going forward, the company expects to recruit talented consultants primarily through this subsidiary and pursue business expansion focused on productivity. Since the company has 11 subsidiaries in Australia alone, we look forward to the creation of synergies, such as organizing roles and sharing placement orders among subsidiaries centered on u&u Holdings.

In Singapore, both temporary staffing and permanent placement progressed solidly. The labor market balance remains tight, with the unemployment rate staying at a low level of 2.0% as of June. The number of employed persons from April to June increased by 10.7 thousand quarter-on-quarter, with foreign employment increasing primarily in the construction and manufacturing industries. Although job demand has slowed somewhat, the number of job openings as of March stood at 73.3 thousand, and the ratio of job openings to unemployed persons was 1.46x, continuing a situation where job openings exceed the number of unemployed persons. Meanwhile, the Singapore government maintains a policy to prioritize the development and hiring of domestic talent while supplementing shortages of specialized talent in sectors such as IT, finance, healthcare, and semiconductors with foreign talent, indicating solid demand is expected for staffing and placement companies.

Figure 5. Temporary Staff on Assignment (people)/Permanent Placement with Successful Placement (people)



Source: Company Material.

4. New Medium-Term Management Plan Focuses on Qualitative Change in Domestic Working Business

New Medium-Term Management Plan Driven by Domestic Business; Structural Reform via Permanent Employee and Foreign HR Businesses

The target for normalized operating profit (*) in FY3/29 under the new Medium-Term Management Plan announced in May is ¥4.7 billion. While this calculates to a ¥1.7 billion profit increase from ¥3.0 billion in FY3/26, the policy is to secure ¥1.87 billion of this profit increase within the Domestic Working Business. Setting the strategic theme of the Domestic Working Business as "Expansion of permanent employee and foreign HR businesses," the plan is to actively expand permanent placement while continuing the expansion of permanent employee staffing/outsourcing and foreign talent management services, which were also designated as key strategies in the previous Medium-Term Management Plan. The expansion of high-margin permanent employee and foreign HR businesses will drive profit structure reform across the entire group.

HR CAREER's High-Productivity Operational Know-How Is Key to Profit Reform

(*) Operating profit excluding one-off gains/losses

Strategy Advisors views that the key to profit structure reform lies in the operational know-how of HR CAREER, acquired in October last year. HR CAREER engages in permanent placement specialized in nursery school teachers, caregivers, nurses, and registered dietitians, and is a company that achieved high growth despite being a late entrant in the highly competitive permanent placement industry. Its strength lies in superior operations, achieving high growth even in sectors such as childcare and nursing care where annual incomes are low compared to other industries and the fee earned by a single consultant is small. Because unit fees are low, a single consultant needs to handle a large number of placement leads, establishing highly productive operations. Utilizing this operational know-how to expand the permanent placement business in essential domains (nursing care, nursing, construction, etc.) can be called the core of the new plan. The company plans to secure gross profit of ¥25.0 billion or more in the Domestic Working Business as a whole by FY3/29. While gross profit increased by approximately ¥3.6 billion during the previous Medium-Term Management Plan period, the policy for the new Medium-Term Management Plan period is to increase it by ¥5.9 billion or more, drawing attention to the upside from the expansion of permanent placement.

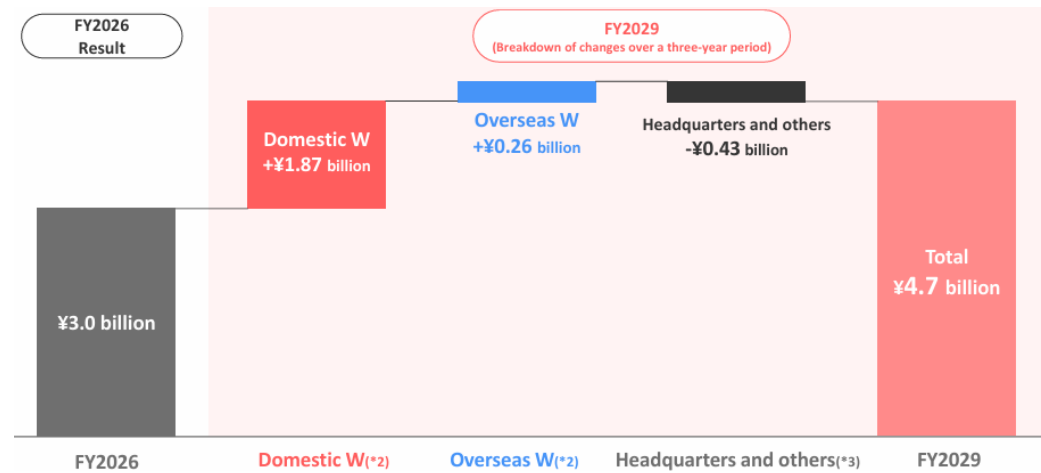
Overseas Working Targets ¥0.26 Billion Profit Increase Focused on Productivity; Driving Cost Reforms

The Overseas Working Business sets "Strengthening profitability with a focus on productivity" as its strategic theme, planning to secure a profit increase of ¥0.26 billion toward FY3/29. Pursuing management focused on productivity, in addition to concentrating on winning domains centered on u&u Holdings, the company will advance cost reforms through the integration of back-office and middle-office functions among group subsidiaries. Furthermore, as new areas, the policy is to explore expansion into new countries as well as the expansion of domains with low AI substitutability and expected high specialization.

Toward Establishing One-of-a-Kind Permanent Placement in Unique Domains with High Barriers to Entry

We consider the new Medium-Term Management Plan to be simple, with high goal achievement probability, and sufficiently feasible given actual results up to FY3/26. Strategy Advisors highly evaluates the expectation of profitability improvement through the expansion of permanent placement while maximizing synergies with existing businesses centered on HR CAREER. Attention will be focused on whether the company can establish a permanent placement business unique to itself in difficult domains where competing companies find it hard to enter, while maximizing synergies with WILL GROUP.

Figure 6. Breakdown of Profit Plan



Source: Company Material.

5. Stock Price Rises in Positive Response to Upward Revision, but Remains Undervalued

Potential for Full-Year Upward Revision and Dividend Increase; Expectation for Stock Price Re-Rating

Following the earnings announcement, the stock price turned upward in positive response to the upward revision. Strategy Advisors views that foreign exchange trends and strong performance in essential domains such as Healthcare, which drove the upward revision for the first half, will continue into the second half, and there is a high possibility of an upward revision to full-year forecasts as well. Although the company maintained its full-year forecast in light of the possibility of aggressively executing upfront investments, if solid progress continues in Q3 and beyond, there is ample possibility of further upward revisions and dividend increases.

Meanwhile, on August 24, the company announced the issuance of new paid-in stock options. These stock options set a condition for exercise that operating profit exceeds ¥6.5 billion in any fiscal year from FY3/30 to FY3/32. In November last year, the company also issued paid-in stock options with an exercise condition of achieving operating profit of ¥5.5 billion in any fiscal year from FY3/29 to FY3/31, setting progressively higher profit levels as exercise conditions. This is a high level even relative to the operating profit target of ¥4.7 billion for FY3/29, the final fiscal year of the Medium-Term Management Plan, suggesting that the company envisions profit growth exceeding the Medium-Term Management Plan. We view that there is ample possibility for the stock price to move upward depending on future earnings progress and upward revision trends.

Fund Intervention in Major Competitor Expected to Lift Valuations Across Entire Industry

PER remains at 12.2x and PBR at 1.3x, continuing to trade at a somewhat undervalued level compared to peers. Open Up Group Inc. (2154, TSE Prime), which has achieved high growth in the Construction and Factory sectors among the essential domains focused on by the company, trades at a PBR of 2.1x, suggesting that upside potential for WILL GROUP's stock price remains substantial.

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The company's ROE (based on company forecasts for FY3/27) stands at 10.9%, but there remains significant room for improvement. In addition to profit growth driven by core business expansion, it will be important to improve ROE each period through proactive shareholder returns, leading to an expansion in PBR.

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Figure 7. Valuation Overview

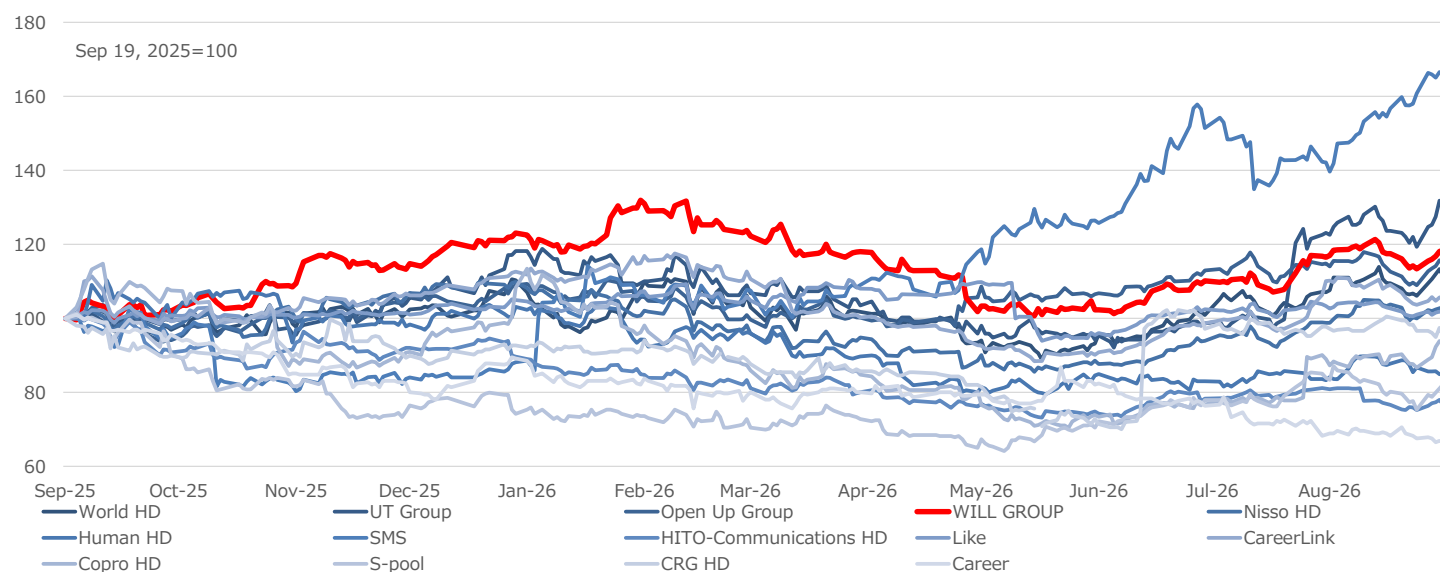
Company name	Stock code	FY	Stock price (Sep 18) (¥)	Mkt cap (Sep 18) (¥ mn)	PER CoE (Times)	PBR Actual (Times)	ROE Actual (%)	Dividend Yield CoE (%)	1-Year Return (%)	3-Year of Return (%)
WILL GROUP	6089	25-Mar	1,176	27,188	12.2	1.3	10.9%	3.7%	18.8%	5.2%
World HD	2429	24-Dec	2,873	51,755	7.4	1.0	14.1%	4.7%	10.8%	18.5%
UT Group	2146	25-Mar	241	144,994	22.5	5.4	24.2%	4.2%	31.0%	59.5%
Nisso HD	9332	25-Mar	678	23,069	10.9	1.2	11.2%	3.7%	2.1%	-
Open Up Group	2154	25-Jun	2,025	183,916	14.0	2.1	15.3%	4.4%	13.6%	7.7%
Copro HD	7059	25-Mar	971	38,840	22.4	3.8	16.8%	4.6%	-6.5%	55.1%
Human HD	2415	25-Mar	1,624	16,854	6.9	0.9	12.5%	4.4%	-13.2%	51.1%
Career	6198	25-Sep	197	1,699	-16.1	0.9	-5.9%	0.0%	-33.7%	-47.2%
SMS	2175	25-Mar	2,673	234,052	35.6	8.3	23.3%	1.1%	64.0%	3.8%
HITO-Communications HD	4433	25-Aug	860	15,393	100.9	0.9	0.9%	4.4%	-23.9%	-38.6%
Like	2462	25-May	1,510	30,902	11.4	1.5	13.4%	4.0%	1.8%	-2.8%
S-pool	2471	24-Nov	287	22,675	13.5	2.2	16.2%	3.5%	-18.7%	-38.5%
CRG HD	7041	25-Sep	340	1,896	18.9	0.6	3.4%	2.6%	-7.4%	-40.2%
CareerLink	6070	25-Mar	2,530	31,906	10.7	1.9	17.6%	4.7%	5.6%	1.3%
Average					19.4	2.3	12.4%	3.6%	3.2%	2.7%

Note: Will Group, Open Up Group, and S-pool 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.

Figure 8. Relative Share Price Performance Over the Past 12 Months



Source: Strategy Advisors.

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Figure 9. 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	
YoY	-2.4%	8.6%	9.7%	-3.9%	2.4%	6.2%	
Cost of sales ratio	79.7%	78.1%	77.9%	78.0%	79.0%	77.9%	
Gross profit	24,056	28,765	31,737	30,446	29,383	32,392	37,200
YoY	-5.3%	19.6%	10.3%	-4.1%	-3.5%	10.2%	14.8%
Gross profit margin	20.3%	21.9%	22.0%	22.0%	21.0%	22.1%	23.7%
SG&A	20,463	23,585	27,169	28,314	27,270	29,510	
YoY	-4.5%	15.3%	15.2%	4.2%	-3.7%	8.2%	
SG&A ratio to revenue	17.3%	18.0%	18.9%	20.5%	19.5%	20.1%	
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%
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%
Profit attributable to owners of parent	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%	100.3%	-4.6%
NP 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	6,440
YoY	2.0%	20.7%	-1.3%	-8.7%	-28.1%	15.0%	14.3%
EBITDA margin	5.3%	5.8%	5.2%	4.9%	3.5%	3.8%	4.1%

Source: Company Data. Compiled by Strategy Advisors.

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Figure 10. 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
Profitability 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.

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Figure 11. 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
Adjustment	-2,262	-1,981	-2,243	-2,235	-2,121	-2,420	-2,660

Source: Company Data. Compiled by Strategy Advisors.

Figure 12. Domestic Working Business Details (¥ mn)

		FY3/21	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26
Domestic Working		80,050	80,726	84,135	82,528	83,099	88,262
Sales outsourcing		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 outsourcing		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 outsourcing		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%
Care support		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 management engineers		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%
Domestic Working		4,710	4,823	4,734	3,032	3,268	4,023
Sales outsourcing		1,468	1,614	1,717	1,308	1,365	1,417
Call center outsourcing		1,130	1,175	935	507	429	304
Factory outsourcing		1,000	1,258	947	765	803	897
Care support		381	295	497	227	319	316
HR support for startups		158	603	267	400	-	-
Construction management engineers		38	-559	-496	-400	384	1,335
Others		535	437	867	225	-32	-246
Domestic Working		5.9%	6.0%	5.6%	3.7%	3.9%	4.6%
Sales outsourcing		7.7%	8.3%	8.4%	6.6%	6.7%	6.5%
Call center outsourcing		6.7%	6.9%	5.6%	3.4%	3.3%	2.7%
Factory outsourcing		4.9%	6.9%	5.4%	4.3%	4.3%	4.8%
Care support		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 management engineers		0.7%	-9.7%	-6.5%	-3.8%	2.7%	7.7%
Others		14.1%	10.8%	16.6%	8.7%	-1.0%	-5.2%

Source: Company Data. Compiled by Strategy Advisors.

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Figure 13. 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 14. 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	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	-	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 15. Quarterly Performance Trends (¥ mn)

	FY3/25				FY3/26				FY3/27
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Revenue	35,052	35,270	35,030	34,351	35,207	36,322	37,097	38,228	40,359
YoY	1.8%	1.2%	1.1%	0.1%	0.4%	3.0%	5.9%	11.3%	14.6%
Cost of sales	27,792	27,741	27,722	27,064	27,813	28,356	28,499	29,794	31,012
YoY	3.4%	2.8%	2.9%	0.3%	0.1%	2.2%	2.8%	10.1%	11.5%
Cost of sales ratio	79.3%	78.7%	79.1%	78.8%	79.0%	78.1%	76.8%	77.9%	76.9%
Gross profit	7,260	7,528	7,307	7,286	7,394	7,965	8,597	8,433	9,346
YoY	-3.9%	-4.2%	-5.1%	-0.7%	1.8%	5.8%	17.7%	15.7%	26.4%
Gross profit margin	20.7%	21.3%	20.9%	21.2%	21.0%	21.9%	23.2%	22.1%	23.2%
SG&A	7,387	6,745	6,584	6,553	7,040	6,788	7,395	8,285	8,453
YoY	1.8%	-3.9%	-6.2%	-6.6%	-4.7%	0.6%	12.3%	26.4%	20.1%
SG&A ratio to revenue	21.1%	19.1%	18.8%	19.1%	20.0%	18.7%	19.9%	21.7%	20.9%
Operating profit	177	832	782	546	394	1,243	1,213	427	930
YoY	-84.4%	-6.1%	0.9%	-68.4%	122.6%	49.4%	55.1%	-21.8%	135.6%
OP margin	0.5%	2.4%	2.2%	1.6%	1.1%	3.4%	3.3%	1.1%	2.3%
Profit before tax	125	742	824	484	329	1,227	1,186	397	875
YoY	-89.5%	-16.7%	30.4%	-71.5%	163.2%	65.4%	43.9%	-18.0%	166.0%
Pretax profit margin	0.4%	2.1%	2.4%	1.4%	0.9%	3.4%	3.2%	1.0%	2.2%
Profit attributable to owners of parent	69	437	610	38	281	866	831	335	501
YoY	-90.5%	-35.6%	278.9%	-96.9%	307.2%	98.2%	36.2%	781.6%	78.3%
NP margin	0.2%	1.2%	1.7%	0.1%	0.8%	2.4%	2.2%	0.9%	1.2%

Source: Company Data. Compiled by Strategy Advisors.

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