

## Profitability in the Construction Engineering Domain is Improving. We Expect the Company to Return to a Growth Trajectory Next Fiscal Year

The results for Q3, FY3/2025 (October-December) (disclosed on February 10th) were sales revenue of ¥35.03 billion (+1.1% YoY) and operating profit of ¥780 million (+0.9% YoY), showing a slight increase in both sales and profits. Excluding one-off factors from the previous fiscal year (profit on sale of subsidiary shares and impact of exclusion from consolidation), cumulative operating profit for Q3 is +9.5% YoY, and in addition to the construction engineering field, the profitability of the sales outsourcing field and factory outsourcing field has improved. It is noteworthy that the results of the key strategies of the Domestic Working Business are becoming apparent.

On the other hand, the Overseas Working Business continues to face a tough situation, especially in Australia. Strategy Advisors had hoped to see the complete rehabilitation of the Overseas Working Business within this fiscal year and the firm out of the worst, but the Overseas Working Business's Q3 sales revenue increased only slightly by 1.4% YoY and operating profit also decreased by 25.3% YoY. Considering the risk of the yen appreciating due to the Bank of Japan's interest rate hike from next fiscal year onwards, it can be said that the re-emergence of the Overseas Working Business will be the key point going forward. The company plans to thoroughly implement selection and concentration and to narrow down the areas and fields in order to utilize the strengths of each business company. It is expected that they will make the transition to a system that will enable sustainable growth even in the sluggish market.

The stock price continues to be stable and the dividend yield is supporting the stock price. The catalyst for the future will be the contents of the company's plan for FY3/2026. If the Domestic Working Business resumes growth and the Overseas Working Business bottoms out and turns around, the stock price may enter an upward trend. The rate of change over the past year has only fallen by 8.7%, so the stock price performance is not bad compared to that of competitors. The PBR is also low at 1.3 times, which is undervalued. Highly profitable businesses such as full-time employee dispatch, including the construction engineer field and foreign employment support are also expanding and so the valuation may rise as the stock price incorporates qualitative changes.

### Stock Price and Trading Volumes



Source: Strategy Advisors

### Key Indicators

Stock Price (2/20/25)	995
Year-to-Date High (1/27/25)	1,023
Year-to-Date Low (1/16/25)	987
10-Year High (2/2/18)	2,139
10-Year Low (5/21/14)	184
Shares on Issue (mn)	23.1
Market Capitalization (¥ bn)	22.7
EV (¥bn)	22.2
Equity Ratio (FY3/24 Actual, %)	34.0
PER (FY3/25 CoE, Times)	14.0
PBR (FY3/24 Actual, Times)	1.2
Yield (FY3/25 CoE, %)	4.4

Source: Strategy Advisors

IFRS- Consolidated	Sales	YoY Change	OP	YoY Change	Pre-Tax Profit	YoY Change	NP	YoY Change	EPS	DPS
FY	(¥ mn)	(%)	(¥ mn)	(%)	(¥ mn)	(%)	(¥ mn)	(%)	(¥)	(¥)
FY3/2024 Q3	103,917	-4.3	2,795	-27.7	2,719	-27.5	1,564	-31.4	68.9	-
FY3/2025 Q3	105,353	1.4	1,792	-35.9	1,692	-37.8	1,116	-28.6	49.0	-
FY3/2021	118,249	-3.0	4,030	-2.8	3,788	-6.6	2,363	-0.7	106.4	24.0
FY3/2022	131,080	10.9	5,472	35.8	5,293	39.7	3,286	39.0	147.0	34.0
FY3/2023	143,932	9.8	5,318	-2.8	5,146	-2.8	3,236	-1.5	143.2	44.0
FY3/2024	138,227	-4.0	4,525	-14.9	4,417	-14.2	2,778	-14.1	122.4	44.0
FY3/2025 CoE	140,400	1.6	2,290	-49.4	2,190	-50.4	1,640	-41.0	71.9	44.0

Source: Strategy Advisors. Based on Company Data.

## The Domestic Working Business Has Returned to a Growth Trajectory

### 1. Results Summary - Q3, FY3/2025

The results for Q3 of FY3/2025 (October-December) (disclosed on February 10th) were sales revenue of ¥35.03 billion (1.1% increase YoY) and operating profit of ¥780 million (0.9% increase YoY), a slight increase in both sales and profits. Excluding the one-off factors from last year (profit on sale of subsidiary shares and impact of exclusion from consolidation), cumulative operating profit for Q3 increased 9.5% YoY, and the Domestic Working Business, mainly in the field of construction engineers, has returned to a growth trajectory. In addition, the profitability of the sales outsourcing and factory outsourcing fields has improved and the Domestic Working Business, excluding the field of construction engineers, has also returned to an upward trend. As a result, the operating profit of the Domestic Working Business in Q3 grew 15.6% YoY.

## Overseas Working Business: Profits Fell Sharply, Resulting in Extremely Severe Conditions

On the other hand, the Overseas Working Business continues to face a tough situation, especially in Australia. Strategy Advisors had hoped to see the completion of the rehabilitation phases of the Overseas Working Business within this fiscal year, but the Overseas Working Business's Q3 sales revenue increased only slightly by 1.4% compared to the same period last year and operating profit decreased by 25.3% compared to the same period last year. Although there was a positive impact from the exchange rate this fiscal year, considering that the yen may appreciate in the future due to the Bank of Japan's interest rate hike, the Overseas Working Business is a cause for concern from next fiscal year onwards.

Figure 1. Quarterly Results by Segment

Segment Breakdown (¥ mn, %) (3 months)	FY3/2024				FY3/2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Revenue	34,435	34,841	34,641	34,310	35,052	35,271	35,030
YoY	-2.8%	-5.6%	-4.5%	-2.9%	1.8%	1.2%	1.1%
Domestic Working	20,186	20,515	20,940	20,887	20,468	20,794	21,180
YoY	-3.3%	-0.7%	-2.2%	-1.4%	1.4%	1.4%	1.1%
Ratio to revenue	58.6%	58.9%	60.4%	60.9%	58.4%	59.0%	60.5%
Overseas Working	14,182	14,258	13,631	13,361	14,534	14,435	13,816
YoY	1.0%	-9.2%	-4.0%	-1.7%	2.5%	1.2%	1.4%
Ratio to revenue	41.2%	40.9%	39.3%	38.9%	41.5%	40.9%	39.4%
Others	66	68	69	64	48	42	35
Ratio to revenue	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Operating profit	1,132	887	776	1,730	177	832	783
YoY	-20.9%	-41.0%	-16.8%	19.2%	-84.4%	-6.2%	0.9%
OP margin	3.3%	2.5%	2.2%	5.0%	0.5%	2.4%	2.2%
Domestic Working	1,364	782	850	2,042	238	861	983
YoY	15.0%	-28.3%	-4.0%	58.4%	-82.6%	10.1%	15.6%
OP margin	6.8%	3.8%	4.1%	9.8%	1.2%	4.1%	4.6%
Overseas Working	456	667	525	297	573	544	392
YoY	-46.7%	-37.0%	-23.8%	-63.0%	25.7%	-18.4%	-25.3%
OP margin	3.2%	4.7%	3.9%	2.2%	3.9%	3.8%	2.8%
Others	-69	-69	-54	-33	-60	-77	-60
Adjustment	-617	-493	-546	-576	-574	-496	-533

Source: Financial Results Summary & Others.

## 2. Accelerating Domestic Working Business Growth

**In Addition to the Construction Engineering Field, the Sales Outsourcing & Factory Outsourcing Fields are also on a Growth Trajectory**

In the Domestic Working Business, the construction engineering field continues to perform well, while the sales outsourcing field and the factory outsourcing field also saw increased sales, confirming accelerated growth, which was positive. Although the call center outsourcing field continues to face a tough situation, it is covered by other fields, so we can expect good things for FY3/2026.

**The Construction Engineering Field will Continue to Grow at a High Rate**

The results for Q3 of FY3/2025 in the construction engineering field were sales revenue of ¥3.72 billion (up 37.6% YoY) and operating profit of ¥270 million (a loss of ¥20 million YoY), maintaining a sales increase of just under 40%, as in Q2. Compared to Q2, profitability declined slightly mainly due to an increase in recruitment-related expenses, but despite the intensifying recruitment environment, the cumulative number of recruits in Q3 was 1,382 (full-year plan: 1,200), achieving the planned outcomes ahead of schedule.

The number of recruits in Q3 was 292, a slight increase from 283 in the same period last year. Compared to competitors, the company has set stricter recruitment requirements and is considering reviewing the requirements in order to continue growth in the next fiscal year and beyond. In addition, the retention rate (71.7%) is also lower than competitors' and there is room for improvement, so it is likely that high growth will continue.

## **The Sales Outsourcing Field Remains Strong Due to A Recovery in Demand for Business Events, etc.**

The sales outsourcing field, particularly in the communications field, temporarily stagnated due to the impact of some major communications companies shifting to in-house employment policies; but momentum is improving, with other clients significantly expanding their consignment quotas. In addition, demand for sales support for large business events, which have been stagnant due to the COVID-19 pandemic, are also recovering and it appears that the worst is over.

## **In the Factory Outsourcing Business, Profitability Improved Due to Expansion in the 3 Manufacturing Fields as Well as Upselling**

In the factory outsourcing field, the three manufacturing fields continue to drive growth, while support for foreign employment and upselling through full-time employee dispatch are contributing to improving profitability. In addition to improved client performance due to the weak yen, the trend of production factories returning to Japan appears to be a tailwind. In addition to food factories, which are less affected by economic fluctuations, by acquiring projects from non-food factories, mainly in the three manufacturing fields, it should be possible to expand scale while ensuring profitability. Furthermore, as this field requires expertise, we expect the company to acquire know-how through M&A etc. in the future.

## **Care Support Sector Faces Sales Challenges**

Q3 sales revenue in the care support domain was ¥3.44 billion (up 1.5% YoY), a little disappointing. Due to the nature of this domain, it is difficult to operate a large number of staff at one facility, so sales efficiency is lower than in other domains. In addition, support for foreign employment has not progressed as expected, with cumulative Q3 progress lagging behind at 72.6% against the company's plan (¥14.15 billion). With both declining birthrates and aging population trends progress, this domain has great potential and we look forward to seeing sales measures implemented.

## **The Call Center Outsourcing Sector Remains Sluggish and Will Group are in a Phase Where Patience Is Required**

The call center outsourcing field remains in a tough situation, with progress of only 68.9% of the company's plan (¥14.46 billion) in Q3. The business performance of the client telemarketing agency (a service company that handles everything from planning to operation and management of call center and telemarketing services, including telephone reception, order taking, telephone sales, field sales support, and direct marketing) continues to be sluggish, and there are still no signs of recovery. The company has taken measures such as improving productivity to increase sales per employee and transferring personnel in this field to other fields; but a fundamental solution has not been found, and the situation remains uncertain.

On the other hand, the company has the largest share in this field, and as the client's business performance improves, it is possible that the company's share will increase further as competitors withdraw or downsize, so it can be said that this is a phase in which patience is required.

## The Number of Permanent Employees Dispatched and The Number of Foreigners Supported for Employment Have Exceeded the Company's Plans.

The number of full-time temporary staff working in an area the company is focusing on was 3,487, which exceeded the full-year plan (3,274), with both factory outsourcing and IT engineering areas driving growth. The number of foreign nationals supported in employment was also 2,942, exceeding the full-year plan (2,900), with factory outsourcing also driving growth.

## A Qualitative Change Has Become Apparent

Steady progress in upselling through full-time temporary staff and foreign national employment support, in an effort to shift from quantity to quality, is a positive sign for this year, and it can be said that the company is steadily implementing the key strategies for the Domestic Working Business set out in the medium-term management plan.

**Figure 2. Domestic Working Business Quarterly Details (Unit: ¥ mn)**

Sector (3 months)	FY3/2024				FY3/2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Revenue</b>							
Domestic Working	20,186	20,514	20,940	20,886	20,468	20,794	21,179
Sales outsourcing	4,866	4,867	4,968	5,130	5,187	5,042	5,108
Call center outsourcing	3,883	3,753	3,720	3,482	3,387	3,296	3,278
Factory outsourcing	4,448	4,473	4,630	4,435	4,586	4,634	4,774
Care support	3,311	3,338	3,398	3,339	3,379	3,442	3,448
HR support for startups	729	879	826	985	-	-	-
Construction management engineers	2,346	2,586	2,709	2,823	3,159	3,585	3,727
	42.1%	38.9%	32.9%	33.7%	34.7%	38.6%	37.6%
Others	599	614	687	689	767	792	841
<b>Operating profit</b>							
Domestic Working	663	808	712	847	259	909	1,153
Sales outsourcing	281	284	337	405	375	293	357
Call center outsourcing	152	114	143	97	103	96	143
Factory outsourcing	221	180	229	134	139	195	289
Care support	77	48	54	46	59	82	84
HR support for startups	101	203	-84	179	-	-	-
Construction management engineers	-273	-59	-20	-47	-369	279	275
Others	101	36	52	32	-49	-39	3

Source: Strategy Advisors. Based on Company Data.

**Figure 3. Sales Revenue and Progress by Area (Unit: ¥ mn)**

	FY3/24 Q3	FY3/25 Q3	YoY	CoE	Progress Rate
Sales Outsourcing	14,701	15,337	4.3%	19,940	76.9%
Call Center Outsourcing	11,356	9,961	-12.3%	14,460	68.9%
Factory Outsourcing	13,551	13,994	3.3%	18,470	75.8%
Care Support	10,047	10,269	2.2%	14,150	72.6%

Source: Strategy Advisors. Based on Company Data.

### 3. Steady Progress Has Been Made in Improving SG&A Management and Operations in the Overseas Working Business

#### Profits Fell Sharply Due to Rising Wages and a Decline in Demand for Recruitment Services

The Overseas Working Business's Q3 results for FY3/2025 were sales revenue of ¥13.81 billion (up 1.4% YoY) and operating profit of ¥390 million (down 25.3% YoY), showing a slight increase in sales and a large decrease in profits, just like Q2. In the cumulative Q3 results, despite a profit increase effect of ¥290 million due to subsidy income and exchange rate effects, gross profit decreased by ¥730 million, mainly due to wage increases due to inflation and a decrease in demand for recruitment services due to a decrease in the liquidity of human resources. Management's effort to reduce sales and administrative expenses by ¥260 million through management focused on ROI is highly commendable. However, the fact that the labor market was weaker than the company expected and gross profit decreased significantly due to the decline in profitable recruitment services, can be said to be a negative factor.

#### Aim To Transform into A Leaner Organization Through Selection and Concentration

The company plans to fully utilize the strengths of each subsidiary and focus on areas and fields to grow again. Previously, the company invested in sales expansion, such as entering new cities, but it is expected that the company will thoroughly select and concentrate and shift to a lean structure that can sustain growth even in a sluggish market. President Kado himself is actively involved in the Overseas Working Business. It will be necessary to carry out speedy reforms from the top down.

**Figure 4. Trends In Overseas Working Business Performance**

Revenue by contract type (¥ mn) (3 months)	FY3/2024				FY3/2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Overseas Working Revenue	14,182	14,258	13,630	13,361	14,534	14,435	13,815
Revenue by type							
Temporary staffing	12,227	12,215	11,782	11,793	12,514	12,472	12,079
Permanent placement	1,933	2,029	1,832	1,557	1,993	1,943	1,702
Other	21	13	15	10	27	18	34
Geographic (Overseas) Revenue							
Australia	10,502	10,204	9,419	9,054	9,887	9,698	9,044
YoY	-1.5%	-15.6%	-12.5%	-8.4%	-5.9%	-5.0%	-4.0%
Asia	3,679	4,054	4,210	4,306	4,647	4,736	4,770
Overseas Working	3,238	3,397	3,170	2,876	3,375	3,343	3,052
GP margin	22.8%	23.8%	23.3%	21.5%	23.2%	23.2%	22.1%
Temporary	456	667	525	297	573	544	392
YoY	-46.7%	-37.0%	-23.8%	-63.0%	25.7%	-18.4%	-25.3%
Composition ratio	3.2%	4.7%	3.9%	2.2%	3.9%	3.8%	2.8%

Source: Strategy Advisors. Based on Company Data.

## 4. Stock Price Remains on Hold

### Dividend Yield is Supporting the Stock Price

The stock price has responded neutrally to the financial results announcement and is still in a lull. As we have pointed out before, the high dividend yield of 4.4% (based on the closing price on February 14th) is supporting the stock price. Strategy Advisors believe that the Domestic Working Business has returned to a growth trajectory and expectations for growth in FY3/2026 are rising, but we also believe that the outlook for the Overseas Working Business's performance next fiscal year, including the impact of exchange rates, will be important in determining future stock prices.

### Overseas Working Business is Dragging Down the Stock Price

As mentioned above, subsidy income and the impact of the weak yen have contributed to the company's performance this year. However, if the company can show in its earnings forecast for FY3/2026 that the Overseas Working Business has bottomed out excluding these effects, there is a possibility that the stock price will enter an upward trend as it incorporates the growth of the Domestic Working Business.

### Valuation Is Low & the Stock Is Clearly Undervalued

The stock price has only fallen 8.7% in the past year and its performance compared to competitors is not bad at all. The PBR is also low at 1.3 times and considering the dividend yield, it can be said to be at a cheap level.

In addition, as growth in business performance is expected in the future, mainly in the Domestic Working Business, there is a possibility that the stock price will once again enter an upward trend as the Overseas Working Business bottoms

## **Expectations for Valuation Increase Due to Qualitative Change**

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In addition, profitable businesses such as full-time employee dispatch, including in the field of construction engineers and foreign employment support are expanding; and we hope that the stock price will incorporate the qualitative changes in the Domestic Working Business, which will contribute to improving the valuation.



**Figure 5. Valuation List**

Company name	Stock code	FY	Stock price (Feb.14) (¥)	Mkt cap (Feb.14) (¥ mn)	PER CoE (Times)	PBR Actual (Times)	ROE CoE (%)	Dividend Yield CoE (%)	1-Year Return (%)	3-Year Rate of Return (%)
WILL GROUP Inc.	6089	2024/03	1,011	23,313	14.1	1.3	9.4%	4.4%	-8.7%	-18.5%
World HD Co., Ltd.	2429	2024/12	2,097	37,759	7.0	0.8	12.2%	5.1%	-12.1%	-1.5%
Ut Group Co., Ltd.	2146	2024/03	2,396	95,486	11.8	2.9	29.5%	4.7%	-25.1%	-31.2%
Nisso HD Co., Ltd.	9332	2024/03	781	26,573	10.7	1.7	15.6%	2.8%	0.0%	NA
Open Up Group Inc.	2154	2024/06	1,909	175,237	14.7	2.3	15.4%	3.9%	-14.6%	13.0%
Copro HD Co., Ltd.	7059	2024/03	1,662	33,240	18.0	3.9	21.8%	3.6%	9.8%	210.9%
TechnoPro HD Inc.	6028	2024/06	3,163	330,534	17.8	4.1	23.2%	2.8%	-2.0%	-7.1%
Human HD Co., Ltd.	2415	2024/03	1,585	16,449	7.5	1.0	13.6%	4.0%	20.6%	72.8%
Career Co., Ltd.	6198	2024/09	337	2,906	10.3	1.4	14.1%	1.9%	-13.6%	-8.9%
SMS Co., Ltd.	2175	2024/03	1,321	115,669	18.6	2.5	14.0%	2.2%	-49.0%	-60.2%
HITO-Communications HD, Inc.	4433	2024/08	926	16,575	17.5	1.0	5.5%	3.9%	-19.3%	-50.0%
Like Co., Ltd.	2462	2024/05	1,417	28,999	10.9	1.6	14.9%	4.1%	-6.3%	-22.3%
S-pool, Inc.	2471	2024/11	300	23,702	12.4	2.4	19.4%	3.3%	-0.3%	-70.7%
CRG HD Co., Ltd.	7041	2024/09	333	1,841	7.4	0.7	9.1%	0.0%	-34.2%	-27.1%
CareerLink Co., Ltd.	6070	2024/03	2,460	30,998	16.7	2.0	12.2%	4.9%	-0.8%	56.0%

Note: NISSO Holdings was listed on the stock exchange in October 2011, and 1 and 3-year rates of change cannot be calculated, so they are not listed.

Source: Strategy Advisors. Based on SPEEDA Data.

# WILL GROUP, INC. | 6089 (TSE Prime)

**Figure 6. Consolidated Statements of Income (IFRS)**

Profit and loss statement (IFRS) (¥ mn)	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025 CoE
<b>Revenue</b>	<b>121,916</b>	<b>118,249</b>	<b>131,080</b>	<b>143,932</b>	<b>138,227</b>	<b>140,400</b>
YoY	18.0%	-3.0%	10.9%	9.8%	-4.0%	1.6%
Cost of sales	96,513	94,192	102,314	112,194	107,781	
<b>Gross profit</b>	<b>25,402</b>	<b>24,056</b>	<b>28,765</b>	<b>31,737</b>	<b>30,446</b>	
Gross profit margin	20.8%	20.3%	21.9%	22.0%	22.0%	
Selling, general and administrative expenses	21,422	20,463	23,585	27,169	28,314	
SG&A ratio to sales	17.6%	17.3%	18.0%	18.9%	20.5%	
Other income	220	519	387	842	2,412	
Other expenses	56	82	95	91	18	
<b>Operating profit</b>	<b>4,145</b>	<b>4,030</b>	<b>5,472</b>	<b>5,318</b>	<b>4,525</b>	<b>2,290</b>
YoY	40.2%	-2.8%	35.8%	-2.8%	-14.9%	-49.4%
Operating profit margin	3.4%	3.4%	4.2%	3.7%	3.3%	1.6%
Equity method investment gains and losses	-	-5	-18	-21	-24	
Financial income	42	11	52	161	128	
Finance expenses	131	247	212	311	211	
<b>Profit before tax</b>	<b>4,057</b>	<b>3,788</b>	<b>5,293</b>	<b>5,146</b>	<b>4,417</b>	<b>2,190</b>
YoY	41.1%	-6.6%	39.7%	-2.8%	-14.2%	-50.4%
Pretax profit margin	3.3%	3.2%	4.0%	3.6%	3.2%	1.6%
Income tax expense	1,344	1,110	1,439	1,686	1,539	
Tax rate	33.1%	29.3%	27.2%	32.8%	34.8%	
Profit	2,712	2,678	3,854	3,459	2,878	
Non-controlling interests	331	314	568	223	99	
<b>Owners of parent profit (loss)</b>	<b>2,380</b>	<b>2,363</b>	<b>3,286</b>	<b>3,236</b>	<b>2,778</b>	<b>1,640</b>
YoY	54.6%	-0.7%	39.1%	-1.5%	-14.2%	-41.0%
Owners of parent profit margin	2.0%	2.0%	2.5%	2.2%	2.0%	
<b>EBITDA</b>	<b>6,136</b>	<b>6,259</b>	<b>7,556</b>	<b>7,456</b>	<b>6,810</b>	
EBITDA margin	5.0%	5.3%	5.8%	5.2%	4.9%	

Source: Strategy Advisors. Based on Company Data.

# WILL GROUP, INC. | 6089 (TSE Prime)

Figure 7. Key Indicators

Key indicators	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
<b>Stock indicators</b>					
Number of shares outstanding at year-end ('000 shares)	22,321	22,555	22,852	22,944	23,000
Number of treasury shares at year-end ('000 shares)	95	290	285	285	213
EPS (¥)	107.1	106.4	147.0	143.2	122.4
EPS (Diluted, ¥)	104.8	104.6	144.8	142.0	121.6
DPS (¥)	23.0	24.0	34.0	44.0	44.0
Payout ratio (%)	21.5%	22.6%	23.1%	30.7%	36.0%
DOE (%)	10.8%	7.9%	7.8%	7.6%	6.2%
BPS (¥)	235.5	370.1	505.1	646.0	768.4
<b>Profitability indicators</b>					
Gross profit margin (%)	20.8%	20.3%	21.9%	22.0%	22.0%
EBITDA (¥ mn)	6,136	6,259	7,556	7,456	6,810
EBITDA margin (%)	5.0%	5.3%	5.8%	5.2%	4.9%
Operating profit margin (%)	3.4%	3.4%	4.2%	3.7%	3.3%
Owners of parent profit margin (%)	2.0%	2.0%	2.5%	2.2%	2.0%
<b>Financial indicators</b>					
Ratio of pretax profit to total asset (%)	9.2%	8.3%	10.7%	9.6%	8.3%
Ratio of profit to equity attributable to owners of parent (%)	50.5%	35.1%	33.5%	24.9%	17.3%
Ratio of equity attributable to owners of parent to total asset (%)	11.7%	17.6%	21.8%	26.6%	34.0%
Cash and cash equivalents (¥ mn)	5,944	7,455	8,973	9,590	7,106
Interest-bearing debt (¥ mn)	9,710	8,788	7,988	10,146	5,930
Net Debt (¥ mn)	3,766	1,333	-985	556	-1,176
Net DE ratio	0.7	0.2	-0.1	0.0	-0.1
Net Debt/EBITDA	0.6	0.2	-0.1	0.1	-0.2
Invested capital (¥ mn, gross IC)	14,943	17,028	19,386	24,784	23,438
NOPAT (NOPLAT, ¥ mn)	2,772	2,849	3,984	3,576	2,948
ROIC (% , gross IC)	18.1%	17.8%	21.9%	16.2%	12.2%
ROIC (% , company disclosed)	13.9%	13.8%	17.9%	16.6%	13.4%
<b>Efficiency indicators</b>					
Working capital (¥ mn)	2,546	934	2,161	1,777	1,027
Working capital turnover (Times)	47.9	126.6	60.7	81.0	134.6
Current ratio (%)	102.2%	95.1%	92.9%	100.9%	106.4%
Quick ratio (%)	98.6%	92.1%	90.5%	97.3%	101.0%

Source: Strategy Advisors. Based on Company Data.

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**Figure 8. Segment Performance by Business Segment**

Segment Breakdown (¥ mn, %)	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025CE
Revenue	121,916	118,249	131,080	143,932	138,227	140,400
YoY	18.0%	-3.0%	10.9%	9.8%	-4.0%	1.6%
Domestic Working	-	80,050	80,726	84,135	82,528	84,500
YoY	-	-	0.8%	4.2%	-1.9%	2.4%
Ratio to revenue	-	67.7%	61.6%	58.5%	59.7%	60.2%
Overseas Working	-	36,920	48,746	57,537	55,432	55,630
YoY	-	-	32.0%	18.0%	-3.7%	0.4%
Ratio to revenue	-	31.2%	37.2%	40.0%	40.1%	39.6%
Others	-	1,278	1,607	2,258	267	260
Ratio to revenue	-	1.1%	1.2%	1.6%	0.2%	0.2%
Gross profit	-	24,056	28,765	31,737	30,446	30,470
Gross profit margin	-	20.3%	21.9%	22.0%	22.0%	21.7%
Operating profit	4,145	4,030	5,472	5,318	4,525	2,290
YoY	-	-2.8%	35.8%	-2.8%	-14.9%	-49.4%
OP margin	3.4%	3.4%	4.2%	3.7%	3.3%	1.6%
Domestic Working	-	4,763	4,448	4,451	5,038	2,800
YoY	-	-	-6.6%	0.1%	13.2%	-44.4%
OP margin	-	6.0%	5.5%	5.3%	6.1%	3.3%
Overseas Working	-	1,942	3,348	3,406	1,946	2,150
YoY	-	-	72.4%	1.7%	-42.9%	10.5%
OP margin	-	5.3%	6.9%	5.9%	3.5%	3.9%
Others	-	-413	-342	-296	-225	-260
Adjusment	-	-2,262	-1,982	-2,243	-2,234	-2,400

Source: Strategy Advisors. Based on Company Data.

Figure 9. Details of Domestic Working Business (¥ mn)

Sector	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
Domestic Working	82,360	77,395	78,134	80,650	82,165
Sales outsourcing	23,149	19,046	19,517	20,395	19,832
Telecommunications	11,802	12,053	12,894	12,904	11,817
Apparel	2,707	1,155	1,238	1,571	1,928
Sales support	745	1,430	1,472	1,982	2,352
Other sales support	7,894	4,408	3,913	3,938	3,734
Call center outsourcing	16,459	16,866	17,041	16,583	14,840
Call center, etc	11,307	11,630	11,921	11,485	10,020
Office	3,383	2,874	2,580	2,367	1,994
Finance	1,819	2,361	2,540	2,731	2,827
Factory outsourcing	23,745	20,585	18,315	17,639	17,990
Food factory	12,040	10,532	8,920	8,870	8,669
Factory except food	11,700	10,053	9,395	8,769	9,321
Care support	12,055	13,218	13,678	13,620	13,389
HR support for startups	1,263	1,273	2,349	2,999	3,421
Construction management engineers	4,806	5,273	5,785	7,665	10,466
IT engineers	883	1,134	1,449	1,749	2,227
Others	2,032	2,651	2,588	3,484	363
Domestic Working	5,434	4,710	4,823	4,734	3,032
Sales outsourcing	1,864	1,468	1,614	1,717	1,308
Call center outsourcing	998	1,130	1,175	935	507
Factory outsourcing	1,407	1,000	1,258	947	765
Care support	359	381	295	497	227
HR support for startups	308	158	603	267	400
Construction management engineers	239	38	-559	-496	-400
Others	255	532	435	864	223
Domestic Working	6.6%	6.1%	6.2%	5.9%	3.7%
Sales outsourcing	8.1%	7.7%	8.3%	8.4%	6.6%
Call center outsourcing	6.1%	6.7%	6.9%	5.6%	3.4%
Factory outsourcing	5.9%	4.9%	6.9%	5.4%	4.3%
Care support	3.0%	2.9%	2.2%	3.6%	1.7%
HR support for startups	24.4%	12.4%	25.7%	8.9%	11.7%
Construction management engineers	5.0%	0.7%	-9.7%	-6.5%	-3.8%
Others	28.9%	46.9%	30.0%	49.4%	10.0%

Source: Strategy Advisors. Based on Company Data.

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Figure 10. Consolidated Balance Sheet ( ¥ mn)

Balance Sheet (IFRS, ¥ mn)	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
<b>Assets</b>					
Cash and cash equivalents	5,944	7,455	8,973	9,590	7,106
Trade and other receivables	15,067	14,694	17,458	17,928	17,512
Other financial assets	251	690	129	138	171
Other current assets	777	729	728	1,009	1,338
<b>Current assets</b>	<b>22,041</b>	<b>23,570</b>	<b>27,289</b>	<b>28,666</b>	<b>26,129</b>
Property, plant and equipment	1,315	1,082	1,223	1,139	1,275
Right-to-use assets	6,200	5,715	6,809	6,349	5,071
Goodwill	5,654	6,155	6,514	8,120	8,737
Other intangible assets	5,455	6,049	6,154	5,996	6,109
Investment accounted for using equity method	-	495	477	456	431
Other financial assets	1,281	1,151	1,208	1,475	1,158
Deferred tax assets	1,640	1,678	1,850	1,953	1,888
Other non-current assets	1,011	863	822	782	741
<b>Non-current assets</b>	<b>22,558</b>	<b>23,190</b>	<b>25,061</b>	<b>26,272</b>	<b>25,413</b>
<b>Total assets</b>	<b>44,600</b>	<b>46,760</b>	<b>52,350</b>	<b>54,939</b>	<b>51,543</b>
<b>Liabilities</b>					
Trade and other payables	12,521	13,760	15,297	16,151	16,485
Short-term borrowings	3,177	4,865	5,786	6,761	2,490
Other financial liabilities	2,359	3,600	5,245	1,364	2,115
Income taxes payable	1,116	514	1,195	1,027	1,005
Other current liabilities	2,391	2,048	1,836	3,109	2,437
<b>Current liabilities</b>	<b>21,566</b>	<b>24,790</b>	<b>29,361</b>	<b>28,414</b>	<b>24,553</b>
Long-term borrowings	6,533	3,923	2,202	3,385	3,440
Others financial liabilities	8,012	6,563	6,285	5,950	4,837
Deferred tax liabilities	1,170	1,289	1,202	1,127	1,006
Other non-current liabilities	193	166	177	184	206
<b>Non-current liabilities</b>	<b>15,909</b>	<b>11,943</b>	<b>9,867</b>	<b>10,648</b>	<b>9,490</b>
<b>Total liabilities</b>	<b>37,476</b>	<b>36,733</b>	<b>39,228</b>	<b>39,062</b>	<b>34,024</b>
<b>Net assets</b>					
Share capital	2,033	2,089	2,163	2,187	2,198
Capital surplus	-1,399	-1,786	-2,266	-1,923	-2,045
Retained earnings	6,478	8,559	11,310	13,758	15,528
Treasury shares	-89	-279	-274	-274	-204
Other components of equity	-1,789	-343	464	890	2,032
Equity attributable to owners of parent	5,233	8,240	11,398	14,638	17,508
Non-controlling interests	1,890	1,786	1,723	1,238	10
<b>Total equity</b>	<b>7,123</b>	<b>10,027</b>	<b>13,121</b>	<b>15,877</b>	<b>17,518</b>
<b>Total liabilities and equity</b>	<b>44,600</b>	<b>46,760</b>	<b>52,350</b>	<b>54,939</b>	<b>51,543</b>

Source: Strategy Advisors. Based on Company Data.

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**Figure 11. Consolidated Statements of Cash Flows ( ¥ mn)**

Statement of Cash Flows (IFRS)	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024
<b>Cash flows from operating activities (1)</b>	<b>4,908</b>	<b>4,316</b>	<b>4,350</b>	<b>4,816</b>	<b>3,828</b>
Profit before tax	4,057	3,788	5,293	5,146	4,417
Depreciation and amortization	1,990	2,229	2,084	2,137	2,285
Share-based payment expenses	204	85	65	107	104
Decrease (increase) in trade receivables	-292	1,488	-2,494	-223	42
Increase (decrease) in trade payables	1,011	72	580	969	1,031
Other	-482	-1,312	-4	-839	-2,489
Subtotal	6,489	6,351	5,525	7,297	5,390
Interests and dividends received	10	7	9	17	124
Interest paid	-114	-86	-79	-88	-120
Income taxes paid	-1,478	-1,956	-1,104	-2,409	-1,565
<b>Cash flows from investing activities(2)</b>	<b>-3,035</b>	<b>-433</b>	<b>-306</b>	<b>-1,761</b>	<b>-575</b>
Purchase of property, plant and equipment, and intangible assets	-557	-589	-741	-396	-802
Purchase of investments accounted for using equity method	-	-350	-	-	-
Purchase of investment securities	-312	-46	-63	-	-
Proceeds from sales of investment securities	7	374	22	-	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-2,064	-	-	-1,757	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	-	-	1,009	811
Other	-108	179	475	-617	-584
FCF (1 + 2)	1,873	3,883	4,044	3,055	3,253
<b>Cash flows from financing activities</b>	<b>-2,631</b>	<b>-2,646</b>	<b>-2,959</b>	<b>-2,783</b>	<b>-6,232</b>
Net increase (decrease) in short-term borrowings	-1,413	1,890	1,000	1,590	-3,245
Proceeds from long-term borrowings	3,253	270	1,165	4,383	1,500
Repayments of long-term borrowings	-3,729	-3,080	-2,965	-3,367	-2,470
Repayments of lease liabilities	-1,223	-1,302	-1,310	-1,333	-1,335
Pur Proceeds from long-term debt	-246	-798	-1,969	-3,746	-
ProRepayments of long-tem debt	977	-	1,360	-	-
Dividends paid to non-controlling interests	-181	-362	-281	-373	-
Dividends paid	-400	-511	-540	-776	-1,008
Proceeds from government grants	88	1,273	361	524	190
Other	244	-25	222	316	137
Depreciation and amortization (A)	204	85	65	107	104
Capex (B)	0	0	0	0	-
Working capital loss (gain) (C)	-	-	-	-	-
Simple FCF (NI+A-B-C)	2,584	2,448	3,351	3,343	2,882
Others (Forex, etc.)	-159	274	432	345	494
Cash and cash equivalents increase (decrease)	-917	1,511	1,517	617	-2,484

Source: Strategy Advisors. Based on Company Data.

**Figure 12. Quarterly Financial Results**

Quarterly Financial Results (¥ mn, %) (3 months)	FY3/2024				FY3/2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	CoE
Revenue	34,435	34,841	34,641	34,310	35,052	35,271	35,030	140,400
YoY	-2.8%	-5.6%	-4.5%	-2.9%	1.8%	1.2%	1.1%	
Cost of sales	26,883	26,984	26,943	26,971	27,792	27,742	27,723	109,930
YoY	-1.9%	-6.1%	-4.8%	-2.8%	3.4%	2.8%	2.9%	
Cost of sales ratio	78.1%	77.4%	77.8%	78.6%	79.3%	78.7%	79.1%	
Gross profit	7,552	7,856	7,699	7,339	7,260	7,528	7,308	30,470
YoY	-6.0%	-4.0%	-3.1%	-3.1%	-3.9%	-4.2%	-5.1%	
Gross profit margin	21.9%	22.5%	22.2%	21.4%	20.7%	21.3%	20.9%	
SG&A	7,256	7,021	7,017	7,020	7,387	6,746	6,584	28,180
YoY	8.9%	3.8%	-1.0%	5.5%	1.8%	-3.9%	-6.2%	
SG&A ratio to revenue	21.1%	20.2%	20.3%	20.5%	21.1%	19.1%	18.8%	
Operating profit	1,132	887	776	1,730	177	832	783	2,290
YoY	-20.9%	-41.0%	-16.7%	19.2%	-84.4%	-6.2%	0.9%	
OP margin	3.3%	2.5%	2.2%	5.0%	0.5%	2.4%	2.2%	
Profit before tax	1,195	891	633	1,698	125	742	825	2,190
YoY	-16.1%	-41.5%	-21.1%	21.6%	-89.5%	-16.7%	30.3%	
Pretax profit margin	3.5%	2.6%	1.8%	4.9%	0.4%	2.1%	2.4%	
Profit attributable to owners of parent	723	679	162	1,214	69	434	613	1,640
YoY	-4.6%	-31.1%	-69.8%	27.3%	-90.5%	-36.1%	278.4%	
NP margin	2.1%	1.9%	0.5%	3.5%	0.2%	1.2%	1.7%	

Source: Strategy Advisors. Based on Company Data.



**Figure 13. Quarterly Results by Segment**

Segment Breakdown (¥ mn, %) (3 months)	FY3/2024				FY3/2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	CoE
Revenue	34,435	34,841	34,641	34,310	35,052	35,271	35,030	140,400
YoY	-2.8%	-5.6%	-4.5%	-2.9%	1.8%	1.2%	1.1%	
Domestic Working	20,186	20,515	20,940	20,887	20,468	20,794	21,180	84,500
YoY	-3.3%	-0.7%	-2.2%	-1.4%	1.4%	1.4%	1.1%	
Ratio to revenue	58.6%	58.9%	60.4%	60.9%	58.4%	59.0%	60.5%	
Overseas Working	14,182	14,258	13,631	13,361	14,534	14,435	13,816	55,630
YoY	1.0%	-9.2%	-4.0%	-1.7%	2.5%	1.2%	1.4%	
Ratio to revenue	41.2%	40.9%	39.3%	38.9%	41.5%	40.9%	39.4%	
Others	66	68	69	64	48	42	35	260
Ratio to revenue	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	
Operating profit	1,132	887	776	1,730	177	832	783	2,290
YoY	-20.9%	-41.0%	-16.8%	19.2%	-84.4%	-6.2%	0.9%	
OP margin	3.3%	2.5%	2.2%	5.0%	0.5%	2.4%	2.2%	
Domestic Working	1,364	782	850	2,042	238	861	983	2,800
YoY	15.0%	-28.3%	-4.0%	58.4%	-82.6%	10.1%	15.6%	
OP margin	6.8%	3.8%	4.1%	9.8%	1.2%	4.1%	4.6%	
Overseas Working	456	667	525	297	573	544	392	2,150
YoY	-46.7%	-37.0%	-23.8%	-63.0%	25.7%	-18.4%	-25.3%	
OP margin	3.2%	4.7%	3.9%	2.2%	3.9%	3.8%	2.8%	
Others	-69	-69	-54	-33	-60	-77	-60	-260
Adjustment	-617	-493	-546	-576	-574	-496	-533	-2,400

Source: Strategy Advisors. Based on Company Data.

**Figure 14. Domestic Working Business Quarterly Details (¥ mn)**

Sector (3 months)	FY3/2024				FY3/2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Revenue</b>							
Domestic Working	20,186	20,514	20,940	20,886	20,468	20,794	21,179
Sales outsourcing	4,866	4,867	4,968	5,130	5,187	5,042	5,108
Call center outsourcing	3,883	3,753	3,720	3,482	3,387	3,296	3,278
Factory outsourcing	4,448	4,473	4,630	4,435	4,586	4,634	4,774
Care support	3,311	3,338	3,398	3,339	3,379	3,442	3,448
HR support for startups	729	879	826	985	-	-	-
Construction management engineers	2,346	2,586	2,709	2,823	3,159	3,585	3,727
YoY	42.1%	38.9%	32.9%	33.7%	34.7%	38.6%	37.6%
Others	599	614	687	689	767	792	841
<b>Operating profit</b>							
Domestic Working	663	808	712	847	259	909	1,153
Sales outsourcing	281	284	337	405	375	293	357
Call center outsourcing	152	114	143	97	103	96	143
Factory outsourcing	221	180	229	134	139	195	289
Care support	77	48	54	46	59	82	84
HR support for startups	101	203	-84	179	-	-	-
Construction management engineers	-273	-59	-20	-47	-369	279	275
Others	101	36	52	32	-49	-39	3

Source: Strategy Advisors. Based on Company Data.

**Figure 15. Overseas Working Business Quarterly Details**

Revenue by contract type (¥ mn) (3 months)	FY3/2024				FY3/2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Overseas Working Revenue	14,182	14,258	13,630	13,361	14,534	14,435	13,815
<b>Revenue by type</b>							
Temporary staffing	12,227	12,215	11,782	11,793	12,514	12,472	12,079
Permanent placement	1,933	2,029	1,832	1,557	1,993	1,943	1,702
Other	21	13	15	10	27	18	34
<b>Geographic (Overseas) Revenue</b>							
Australia	10,502	10,204	9,419	9,054	9,887	9,698	9,044
YoY	-1.5%	-15.6%	-12.5%	-8.4%	-5.9%	-5.0%	-4.0%
Asia	3,679	4,054	4,210	4,306	4,647	4,736	4,770

Source: Strategy Advisors. Based on Company Data.

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